

# Who's paying now? The explicit and implicit costs of the current early care and education system <sup>[1]</sup>

**Author:** Gould, E., & Blair, H.

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## AVAILABILITY

Access full PDF online <sup>[2]</sup>

## Excerpted from the report

The chronic underfunding of early care and education (ECE) is compromising the well-being of educators and the children they teach and threatening the economic security of millions of families in the United States. The current ECE system demands large contributions from the parents of young children, both through payments for ECE services and through forgone income when parents drop out of or reduce their participation in paid labor markets to provide care on their own. Investments from federal, state, and local governments have provided some relief for parents, but those investments have generally been far too small. And while the cost to parents for ECE is high, the current market rates for services are inefficiently low because ECE teachers are underpaid. Nationally, the median hourly wage for ECE teachers is \$12.12 (EPI 2019b).

A greater public investment is required to create a comprehensive and high-quality system that works for parents, children, and teachers alike. Gould et al. (2020) estimate the costs of a transformed ECE system—in which teachers are appropriately compensated and programs are of high quality and available to all families—for all 50 states and the District of Columbia, using a variety of data sources.<sup>1</sup> All together, the enhanced system—fully phased-in and comprehensive—would require an annual investment in the range of \$337 to \$495 billion, serving between 11.5 and 16.0 million children.

**Related link:** A values-based early care and education system would benefit children, parents, and teachers in US States <sup>[3]</sup>

**Region:** United States <sup>[4]</sup>

**Tags:** funding <sup>[5]</sup>

cost <sup>[6]</sup>

government <sup>[7]</sup>

**Source URL (modified on 27 Jan 2022):** <https://childcarecanada.org/documents/research-policy-practice/20/02/whos-paying-now-explicit-and-implicit-costs-current-early>

## Links

[1] <https://childcarecanada.org/documents/research-policy-practice/20/02/whos-paying-now-explicit-and-implicit-costs-current-early> <sup>[2]</sup>

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