



Why America Should Have Universal Early Education for Young Children

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Many Americans with young children want to combine family with paid work. But childcare and preschool can be expensive. For families with incomes below \$18,000 who pay for out-of-home care, the average cost amounts to 40% of household income. For those with incomes between \$18,000 and \$36,000, the average is 20% of income. Faced with such unaffordable costs, some parents settle for care that is mediocre or poor. In other families the mother may simply forgo employment.

We can do better. The solution is universal early education for kids aged one to four.

The employment rate for U.S. mothers whose youngest child is six to sixteen years old is similar to the rate for such mothers in Denmark and Sweden. But for mothers with a child younger than six, the U.S. employment rate is 15 percentage points lower. Affordable, good-quality early education isn't available to many American families with very young children, but it is available to all Danish and Swedish families at early education centers. In Denmark and Sweden, early education teachers get training and pay comparable to elementary school teachers, so the quality of early education tends to be high, and the cost to parents is capped at less than 10% of a household's income.

Early education has another benefit: it helps to equalize opportunity by improving the capabilities of children from less advantaged homes. Researchers have not yet pinned down exactly how large this equalizing effect is, but even if it turns out to be small, early education programs still offer the vital benefit of enabling working parents to better handle and balance their obligations at work and in the family.

If the United States decides to institute early childhood education, what form should the effort take? To contain costs, some recommend that public funding for such programs be focused on children from households with low incomes. But a universal system – like America's universal public school system – would have several important advantages. First, it isn't just low-income parents who struggle to find good-quality care that's affordable. Middle-class parents do too. Second, children can be disadvantaged in life by features of family structure or parental behavior that do not occur just among low-income people. If early education programs target only low-income households, many children who need help will be left out. Third, researchers know that children develop cognitively and learn social skills through interaction, and children from economically disadvantaged homes gain by mixing with kids from middle-class homes. Chances for many valuable interactions would be lost if early education was set up only for the poor.

Universal early education doesn't have to be accomplished by government monopoly. Providers of early education can be a mix of public agencies, nonprofit organizations, and private groups. Parents could be given a voucher and allowed to choose among providers that meet quality standards. Some advocates prefer exclusively public provision, but Denmark and Sweden allow private providers, and the United States allows private charter schools to participate in publicly-funded elementary and secondary education. Similarly, in U.S. Medicare and Medicaid programs, public funds are used to pay for provision by private companies that meet certain standards, and to buy services from private doctors and hospitals.

Can the United States afford to expand education this much? A good-quality universal early education system for one-to-four-year-olds would cost somewhere in the neighborhood of one percent of the Gross Domestic Product. This assumes that three quarters of children would be enrolled and the cost would be about \$12,000 per child, roughly what we spend on schools for kindergarten through twelfth grade. Denmark and Sweden spend about 1.5% of their Gross Domestic Products, but the U.S. economy is larger per person, so we wouldn't need to spend quite as much of it to support a similarly good system.

Though tax revenues would have to be increased, for most Americans the impact would be small. If the distribution of the required new tax payments were the same as for existing tax payments, households in the bottom fifth of incomes would pay \$133 more per year, those in the lower-middle fifth \$333, those in the middle fifth \$666, those in the upper-middle fifth \$1,266, and those in the top fifth \$4,200. In practice, the actual new costs would be a bit smaller, because U.S. governments already spend some public money on early education. The federal government funds Head Start, some special education services, and tax breaks for childcare; and some state governments fund preschool for four-year-olds and subsidize childcare for poor families.

Moreover, some of the needed revenue can come from user fees. Early education is different from police protection and health care, the kinds of services that almost no one opts to go without. Even if good early education programs were readily available, some families would choose not to use them because they prefer to provide stay-at-home parental care for their young children. And of course some American adults have no children. This set of realities argues for having parents who do want to use early education pay something – even parents with low incomes. Here too the Nordic approach is sensible; in Denmark and Sweden programs charge on a sliding scale, with the fee rising in proportion to family income, but never going above 10%.

In the United States, getting to universal early education is likely to be a long and tricky political slog, just as earlier breakthroughs to eventually popular and taken-for-granted social programs have been. The most likely route runs through the states and cities. Places as diverse as Oklahoma and New York City have already moved to provide programs for four-year-olds, and as other states and cities join the parade, pressure will mount for the federal government to get involved, so that Americans wherever they may live can gain access to good-quality early education programs that promise valuable benefits for children, parents, and the entire U.S. economy.