An Equal Start?

Lessons from cross-national research

Jane Waldfogel

Columbia University &
London School of Economics

April 24, 2015
Do children in the U.S. have an equal start?

- Considerable evidence that the answer is NO
- Children from low socioeconomic status families start school well behind their peers from higher SES families
- These gaps open up in early childhood and are larger in the U.S. than in other countries (see figure 4.1)

- There are many factors that contribute to these gaps, and many possible remedies, but one key domain is early childhood education
Figure 4.1
Gaps in language/reading skills at age 5, by parental education, are largest in the U.S.

In a recent cross-national project and book, Ludovica Gambaro, Kitty Stewart, and I gathered experts from 8 countries to ask:

- how well are other countries doing at ensuring equal access to high quality provision?
- are there potential lessons for us from approaches elsewhere?

Which countries?

- **Australia** (Deb Brennan and Marianne Fenech)
- **France** (Jeanne Fagnani)
- **Germany** (Pamela Oberhuemer)
- **The Netherlands** (Janneke Plantenga and Emre Akgündüz)
- **New Zealand** (Helen May)
- **Norway** (Anne-Lise Ellingsæter)
- **USA** (Jane Waldfogel and Katherine Magnuson)
- **UK** (Kitty Stewart, Ludovica Gambaro, and Jane Waldfogel)

All industrialized, mixed provision, range of models.
These countries are very different

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>22.6</td>
<td>34,259</td>
<td>0.315</td>
<td>14.0</td>
<td>16.8</td>
</tr>
<tr>
<td>France</td>
<td>63.1</td>
<td>29,578</td>
<td>0.293</td>
<td>9.3</td>
<td>13.5</td>
</tr>
<tr>
<td>Germany</td>
<td>82.2</td>
<td>32,255</td>
<td>0.295</td>
<td>8.3</td>
<td>15.0</td>
</tr>
<tr>
<td>Netherlands</td>
<td>16.7</td>
<td>36,358</td>
<td>0.294</td>
<td>9.6</td>
<td>11.1</td>
</tr>
<tr>
<td>New Zealand</td>
<td>4.4</td>
<td>24,706</td>
<td>0.330</td>
<td>12.2</td>
<td>23.7</td>
</tr>
<tr>
<td>Norway</td>
<td>4.9</td>
<td>47,676</td>
<td>0.250</td>
<td>7.8</td>
<td>25.0</td>
</tr>
<tr>
<td>UK</td>
<td>62.4</td>
<td>32,147</td>
<td>0.342</td>
<td>13.2</td>
<td>21.5</td>
</tr>
<tr>
<td>US</td>
<td>313.1</td>
<td>41,761</td>
<td>0.378</td>
<td>21.6</td>
<td>25.8</td>
</tr>
<tr>
<td>OECD average</td>
<td></td>
<td></td>
<td>0.314</td>
<td>12.3</td>
<td>14.9</td>
</tr>
</tbody>
</table>
But they face some common challenges

‘Childcare triangle’ – tension between access, quality, and cost – is a challenge everywhere

Access:
- Nearly universal age 3+ (except US and Australia)
- Under 3s: highest enrollment in Norway, Netherlands; medium in France, NZ, and UK; lowest in Germany, Australia, US. But access for under 3s is an issue everywhere.

Quality:
- Qualifications: highest requirements in Norway, France, NZ; moderate in UK; lowest in Germany, Netherlands, Australia, US
- Child to staff ratios: lowest in UK

Cost:
- France and Norway provide most generous subsidies; Australia, Germany, and US least generous
More specific lessons...
(1) Universal, free provision is the most effective way to ensure high enrollment

- Britain, France, and NZ: universal free pre-school
  - near universal take-up

- Can free targeted provision achieve the same at lower cost? Perhaps, but worries about quality.
  - Move to targeting – NZ
  - 2 year old places – UK
  - Head Start – US
  - Income-related fees rather than free for all – Norway
Where there are fees, some features can help increase participation among disadvantaged groups

- Subsidies should be available to all children, not just to children of working parents
  - Norway, New Zealand, Australia, France (crèches), some parts of Germany, NOT UK (until 3).
  - Norway: 60% of 1-2 year olds with a single parent with no employment income are in ‘kindergarten’.

- Subsidies should be progressive (income-related), and generous at the bottom
  - UK: All parents pay minimum 30% (beyond free hours)
  - Netherlands: 3.5% at bottom, two-thirds at the top.
  - Australia: ‘gap fee’ paid by non-working parents – so subsidy not so helpful

- Subsidies should be transparent and stable
  - Income-related fees better than reimbursement through tax system?
(3) Quality: Highly qualified (BA or higher) staff are important to high quality provision

- Quality levers were the same across countries, but with different emphasis: curriculum; staff qualifications; child/staff ratios; inspection and monitoring

- Qualifications are most demanding in France, Norway and NZ
  - Evidence from NZ linking qualifications to process quality (as in UK)
  - Germany, Netherlands, and US: Measures of process quality rank the bulk of provision poorly.

- England: Detailed curriculum instead of college graduate staff?
  - In NZ college graduates are seen as essential to deliver curriculum
  - Recent Tickell Review for England also makes this point
(4) There is a danger that promoting quality will price out lower-income children...

- Less of a social gradient in quality than we might expect… a puzzle?
  - England: protective role of state provision
  - Netherlands: market reforms abolished state provision – now high social segregation but few differences in quality:
    - Parents don’t value/observe quality so market operates on price?

- Increasing use of quality indicators (Ofsted, star ratings) may increase social gradient
(4) To avoid this, high minimum standards and well-designed subsidies are necessary

- **High minimum standards for all on crucial issues: staff**
  - Competition on less important things
  - But either state pays or low-income are priced out (Australia)

- **Use incentives to promote quality**
  - Rather than a flat fee to providers, more resources if they invest in quality
    - US: public funding (e.g. North Carolina) linked to structural features
    - New Zealand: quality funding bands
    - England: quality supplements for free entitlement; Graduate Leader Fund 2006-2011

- Subsidies to settings with disadvantaged children (pupil-premium for early years provision?)
(5) Quality can be high in the private (for profit) sector, but because of regulation not pressure of competition

- Little evidence that competition itself bids up quality (e.g. Netherlands)
- Quality is often worse in the for-profit sector (US, NZ, UK)
- High quality provision *can* operate with a for-profit sector (Norway) but:
  - Very strong quality requirements (staff)
  - Plus limits on prices and profits ("reasonable" only!)
  - The for-profit sector is still small in Norway… a more substantial one may resist reforms (Australia)
Policy lessons

Many challenges in U.S. system of early childhood education and care today

Cross-national research points to three lessons for improving access to quality education and care for disadvantaged children:

1. Make a greater investment in quality (throughout)
2. Move to universal provision for 3 and 4 year olds
3. Link funding for under 3s to quality and to disadvantage
The broader context – Child poverty

- Lessons from *Britain’s War on Poverty* (Waldfogel, 2010, RSF):
  - If you set a goal to make a substantial reduction in child poverty, it can be done
  - It’s NOT rocket science
  - But you do need a measure that captures effects of policies

- The new supplemental poverty measure (SPM):
  - Official poverty measure does not count many parts of safety net – including the 2 largest programs to address child poverty
  - My colleagues and I have estimated the SPM historically and show that the safety net has substantially reduced poverty
  - We are now starting to do this at the state level – and I hope we can include New Mexico – so stay tuned!