

A Competitive Advantage in Front of Us: Early Childhood Education



Throughout America's 250 years, Massachusetts' singular strength has been our human capital – our highly concentrated talent is the envy of the world. With early childhood education (ECE), we have a generational opportunity – right here, right now – to build on this legacy and establish a competitive advantage for the ages if we don't miss this opportunity.

Our institutions of learning – our campuses, classrooms, hospitals, and laboratories – are invaluable infrastructure. But these are mere monuments to the bold idea that John Adams first penned into the Massachusetts Constitution, an idea that became the model for the nation and entire democratic world: an education provided by the public and for the public so that all citizens may be able to know both how to make a living and how to live. This idea has been the engine of Massachusetts' success and security, driving the leadership in talent development that represents our super power.

The price for maintaining and growing this strength has been our steadfast vigilance, innovation, sacrifice, and investment. This commitment connects us to the ideals of our founders and vision for the future. Today, Massachusetts' brand and identity – our talent advantage – is under serious threat.

Over the past decade, student performance on the Massachusetts Comprehensive Assessment System (MCAS) stagnated and slid. While Massachusetts continues to lead on the National Assessment of Educational Progress (the "Nation's Report Card"), we continue to see historically underserved students fall further behind and other states shrink our lead.

Massachusetts not only faces questions about how to maintain the preeminent quality of our talent development systems, but we also have a quantity problem. More families and their talent are leaving than coming largely due to cost of living concerns, according to the Massachusetts Taxpayers Foundation. While new Federal policies are exacerbating this shift, these population and labor force trends have been in motion for some time.



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Alone, each of these developments should command our attention. Together, they should reverberate for all Massachusetts citizens and employers. The encouraging news is that Massachusetts already is taking historic steps in ECE that, if followed through, will help maintain and grow our competitive advantages in talent development.

When it comes to ECE, Massachusetts is doing a lot right. We just need to do more of it, and we need the business community to step up in the same spirit of public-private partnership that has helped to nurture and unleash so much of Massachusetts' global talent leadership to date.

Over the past six years, Massachusetts has made historic investments in ECE – not just modest gains, but transformative investments delivered by the Healey-Driscoll Administration, State Legislature, and advocates. Investments in ECE more than doubled from \$700 million to over \$1.7 billion annually during this period according to the MA Department of Early Education and Care

A significant driver of that new investment is the Commonwealth Cares for Children (C3) program, which provides operational support to 90% of the state's licensed child care programs. The C3 program began with the leadership of our Congressional Delegation as a Federal pandemic-era stabilization program and evolved into a State-supported catalyst for a newly revived and strengthening ECE system.

Massachusetts is also making additional progress toward universal preschool through the Commonwealth Preschool



Partnership Initiative (CPPI), which promotes preschool growth through partnerships between school districts and community-based nonprofit child care programs, including the Governor's goal to bring CPPI to all Gateway Cities by the end of 2026.

In addition to educational benefits, ECE is fundamental to workforce and economic development, health, public safety, and much more. For that reason, Governor Healey established an Inter-Agency Task Force on Early Education and Child Care. This whole-government approach recognizes the power and impacts of ECE on all dimensions of family life and the economy, and to strengthen and grow the child care system as a priority of every state agency.

Employers have plenty of self-interest in expanding access to ECE to increase the supply and productivity of our talent. The diverse ECE delivery system is capable of providing caregivers with choices when options are available – but too often they are not. Many of those shut-out caregivers are the employees or would-be employees in our companies. The state's new Employer Child Care Innovation Fund, a matching grant to companies and ECE providers to pilot innovative employer-provided child care models, may identify new opportunities for Massachusetts companies and our employees to strengthen the child care system.

None of this investment or activity would matter if it weren't producing important results, but it has been highly effective. In the decade before the pandemic, Massachusetts lost nearly 25% of its licensed ECE programs and

then a further 20% during the pandemic according to the MA Department of Early Education and Care. Today, we have more than 9,200 programs, representing a complete recovery of the pandemic losses and 8% growth from pre-pandemic levels. The ECE system has added 25,000 seats and the percentage of families receiving child care financial assistance has increased 20% over the last two years. Early childhood educators, "the workforce behind the workforce," are experiencing the beginnings of much-needed and -deserved wage growth.

These trends point towards a strong future – if we commit now to maintaining and growing them.

The Eastern Bank Foundation, collaborating with many community partners, continues to make ECE our focus not only because it provides incomparable multigenerational opportunities to our communities but because it is smart business. We are not unique. Talent remains the coin of the realm for all of us operating in Massachusetts. This is why we helped form the Massachusetts Business Coalition for Early Childhood Education, a statewide, multi-sector coalition of business executives and associations. We are committed to working together to help the Commonwealth achieve a world-class ECE system that is high-quality, affordable, and accessible regardless of race, income, or neighborhood to enhance the quality of life and competitive strength of our residents, our workforce, and our economy. It's a vision as timeless and timely as Adams' stroke of the pen.

Massachusetts needs the full commitment, ideas, and talents of the Massachusetts business community if we are to not only be the reigning but future champions of human capital and talent. We can do this with ECE. Let's seize the hard-won opportunity before us and keep the Commonwealth on top.

Tom Weber is the Foundation Fellow for Early Childhood Development at Eastern Bank Foundation and Executive Director of the Massachusetts Business Coalition for Early Childhood Education, which is celebrating its 5th anniversary. To learn more about the Coalition, visit www.maroundtable.com/mbcece or email t.weber@easternbank.com.