

## **Early Childhood Finance Learning Community Conference Call**

### ***Using Child Care Economic Impact Studies to Support Change December 7, 2004***

*Sponsored by Smart Start's National Technical Assistance Center  
and the Build Initiative*

**Moderator:** Louise Stoney, Alliance for Early Childhood Finance

**Guests:** **Ellen Pratt**, Business Liaison for Windham Child Care Association. Ellen led the efforts in Vermont to disseminate the findings of their child care economic impact report, published in 2002.

**Marcia Meyer**, Senior Consultant with Child Care Ventures in Santa Cruz, California. Marcia directed the development of the Santa Cruz County, CA Child Care Economic Impact Report in 1997 as one of the four counties involved with the launching of the Local Investments in Child Care (LINCC) Project by the National Economic Development and Law Center.

**Call participants:** More than 200 people from 40 states were registered for the "listen only" call.

**Resource Materials:** A variety of resource materials were referenced as part of this conference call and can be found at the weblink listed below:

<http://www.earlychildhoodfinance.org/handouts/ConferenceCallEconomicImpactStudiesResourceMaterialsRevised.doc>

### **Discussion Notes**

**Louise:** The focus of today's discussion is using economic impact studies to promote change. However, for those interested in learning more about methodology, there are several resources that can help. First, check out the resource materials for this call, at: <http://www.earlychildhoodfinance.org/handouts/ConferenceCallEconomicImpactStudiesResourceMaterialsRevised.doc>

If you are particularly interested in developing a study for your community or state, go to the weblink for the Linking Economic Development and Child Care Project at Cornell University. This weblink includes an interactive methodology guide for how to do a study, a searchable database of all state and local economic impact studies, a 50 state database of current and national comparative data that you might need to do a study and more. Also on the conference call resource materials weblink, you'll find a link to a paper that Dana Friedman recently wrote that summarizes the different ways to think about economic impact studies, both short-and long-term impact.

**How do you determine what audiences to target with these studies? Is the message framed differently for different audiences?**

**Ellen:** In Vermont, we tried to pay close attention to which audiences have power to affect the change we want; the audiences that control the resources. We created a tiered list, from the governor down to worker bees. We also looked to local investment boards and planners and a whole range of people in the state who speak in economic development language. We framed the messages for different audiences by using levels of specificity of data depending on the audiences. The written materials included the broad brush strokes about the child care industry's contributions to the economy. When we make presentations to specific groups, we get into specifics of the data. For example, businesses might want more information about work life benefits than economic development policies so we target our presentation to those groups to emphasize that information.

**Marcia:** We took a local level approach. We could be more direct about identifying target audiences. We came up with a global message as a result of the data – child care is good for business in Santa Cruz County because: 1) it has a significant educational and social impact on the community, and 2) it is a major contributor to the economy with gross receipts of over \$35 million. We compared the data to other industries in our community. After our first message we then had to say what we wanted to accomplish. By thinking through the outcomes we wanted to achieve, we could develop specific messages to decision makers in each area. For example, our initial focus was child care facilities development. As a result of the economic impact report we could accurately describe the facility development needs of the child care sector in the county. From there, we came up with recommendations for the cities and counties, for the business community, for lending institutions and for the child care sector. We then developed targeted messages for each audience. We were very outcome focused. That's how we moved our agenda for social change forward.

**Louise: It seems like you could use these studies at various levels of government or groups; it's an issue of thinking strategically about who you target and how you use data and craft your message. How has this evolved over time? My sense is that the way the studies are used changes over time and that you mature in some sense as you begin to use the information. Could you talk more about that process?**

**Marcia:** Economic impact reports are a tool to help you put child care into a context that moves your specific agenda forward. Planning is essential in all of this work. Developing a plan with specific outcomes is key. The LINC (Local Investment in Child Care) counties in California use the logic model of planning. (A link to the logic model plan they used can be found at the above-referenced weblink for this call.) Initially the data was used to engage the non-traditional stakeholders to create visibility around child care as an economic driver--both in local communities and in the State of California. Over time, as we have looked at the report, we have identified specific practices and strategies. We also came up with some intermediate goals that would get us to our final outcomes. Now, as an example, the director of the local small business development center recently used the data on child care in her presentation on the economics of our county at the annual chamber of commerce meeting. Over time, it's not only how we use the data but how we engage other non-traditional stakeholders to use the data.

**Louise: Would you define the acronym you used – LINC?**

**Marcia:** LINC is the Local Investment in Child Care project funded by the David and Lucile Packard Foundation through the National Economic Development and Law Center. It was created to increase public and private investment in child care and ultimately to increase development of child care facilities. While our initial goal was facilities development, we learned that more has to happen including land use, integrating child care into community economic strategies, providing business acumen training to providers, etc. LINC looks at different strategies that need to be implemented to eventually create new facilities and ultimately build capacity in child care sector.

**Louise: Ellen, do you want to talk about how your work has evolved over time?**

**Ellen:** It's been an interesting ride. When we published the report in 2002 I was the only person working on this. When the data started coming in, I was learning as much as anyone else about what this data meant. I've been on a learning curve from when we conducted the study until now in disseminating the findings. So, it started out simply presenting the findings from the report. It was a simple approach, me cold calling around the state to different audiences asking if I could make a presentation on the report. Over the past several years, we have all become much more fluent in the language and internalized the report findings. Now we are able to think strategically about little and big opportunities to insert economic impact data into conversations around the state. We're weaving our message in so many conversations. Right now Vermont is unveiling Building Bright Futures – a system similar to Smart Start in North Carolina. As we sell Building Bright Futures to various audiences within the state we weave in the economic impact data.

**Louise: So it sounds like we have to be patient with ourselves, that it takes time to absorb this language and to feel comfortable talking about it. One of our listeners emailed and wants to know the relative importance of doing your own study versus using studies from other states to advance your local agenda. Could either of you talk about how important you think it is to have specific state or local data?**

**Ellen:** I don't think anything will speak to state policy makers like data from their own state. They're looking to attract and retain businesses to the state, to help businesses be more productive. If I start telling economic developers in Vermont how great child care is for businesses in North Carolina, their eyes are going to glaze over. It just doesn't matter to them.

**Marcia:** I think that is true at the local level as well. Maybe even more so, because at the local level there is a lot more intimacy involved with all of the different constituencies. As we began using the data, it became clearer to us that it was the data at a local level and being able to internalize what it meant to the decision makers in our county that became the driver for helping move our agenda forward.

**Louise: What kind of results can we expect from these studies? How does that relate to what you ask for and what's realistic to ask for?**

**Ellen:** In Vermont it has been rewarding and exciting to see what happened. There has been an increased awareness about the importance of a healthy child care infrastructure to economic development. We've heard legislators talk about it in local forums with some fluency. We've seen it written in op-ed pieces that we didn't author. It is going to take a lot more time for more economic developers and business people to internalize the message. We're in this for the long haul – it's the drip, drip approach – we keep giving the message.

The other results have been the inclusion of child care planning among the 13 goals that must be addressed in town plans. That is written in statute and when our Governor pushed through a jobs bill a couple of years ago, we lobbied to include child care in this bill. That is a real coup. Now we have town planners all over the state who need to know how to work with the child care goal. To support them, we wrote child care planning guidelines - a how-to manual for town planners - and we encourage them to seek out child care specialists in their town to talk about the needs of the industry locally. (Note: The child care planning guide that she references can be found on the weblink referenced on page one for the conference call resource materials.) We were also able to present the guide in an interactive TV forum. We lobbied the state economic development body to include a recommendation in the state's economic development plan to address child care.

We are also working with the Department of Housing and Community Affairs at the state level to address child care as the state updates its consolidated economic development plan. Ultimately, the results we want are for more resources, especially economic development resources, to be applied to support the early care and education system. We're picking off the low-hanging fruit and working toward that ultimate goal.

**Marcia:** Our focus has been at the local level. We've been working with the Small Business Development Center as well as a community development corporation to provide business acumen classes for both family child care and center-based programs. We realized that most providers didn't have a business plan or cash flow statements and therefore they weren't able to access small business loans. As a result of this program, our providers can access a half million dollars in new loans.

We have also done the same thing as Vermont with planning on a local level. We've had child care language included in housing elements of all the new revised general plans. That means that local cities and counties are going to think about child care impacts when looking at other environmental impacts of larger developments. It could be that they will look at allowing child care facilities to serve as a traffic mitigation measure.

We've also had several new partnerships with affordable housing developers that have led to two new child care centers as well as family child care units being developed as part of the affordable housing units. These units are usually a little larger and very conducive to providing family child care.

One wonderful achievement is that one Child Care Ventures staff member was appointed to the Santa Cruz City Planning Commission. We've infiltrated! Now we have a voice for child care in the city that never existed before! We hear people using our data, particularly local electives in presentations or speeches. They talk about child care in terms of employees in the industry and in term of gross receipts. They have helped us elevate child care as an economic development strategy in our community. We've had

lots of good little successes with providers. As a by-product of all of this, our providers have been able to create more sustainable businesses for themselves as a result of classes and of working with our staff. We have not just built facilities but are now also building sustainability in the industry and building child care programs that are successful enterprises.

**Louise: What is the realistic time frame for seeing positive results?**

**Ellen:** You need a good solid year of laying the ground work to get out to as many audiences as you can and deliver the data. Because of the momentum building nationwide, change might come more quickly in some states. Depending on the policy change or goal you are going for, the time frame will differ. Our ultimate goal in Vermont is a real shift in priorities about how we think about economic development so that the day will come when it is a given that we address early care and education when we talk about economic development for Vermont. That may be 10 years out so in the interim we are going to take incremental steps. These opportunities present themselves at different times depending on the local climate. You have to get radar out there and monitor all kinds of legislation and be creative about inserting child care into those bills when appropriate. The timeframe can change depending on what you are going for.

**Marcia:** I agree with Ellen. Our experience has been that so much of this work has to do with opportunity and really being able to assess the landscape and identify where you can achieve success most quickly and begin there. Success builds success. We were first thinking about taking a county-wide approach but then realized seeds had already been planted in the city of Watsonville. The city had a lot of economic development money that was being poured into it. We developed allies on the city council and in the city planning department and used that opportunity to move forward. Once we started to get success in Watsonville we were able to use that to leverage successes in other cities and in the county. I think that change does take time but it is a good strategy to look at where you can be successful and get as much mileage out of that as possible.

**Louise: I want to talk about who the allies are that we use to deliver the message. I want to give this a twist with a question that came in from one of the listeners who wants to know if it is more effective to have a single consistent inside voice to deliver the message or use an outside ally?**

**Marcia:** We felt we needed a voice outside of child care, someone who could speak about the role child care played in our county. When we did our rollout we had a press conference with representatives from local electives, from a financial institution, and from community economic development. They were the spokespeople. We actually did not have a child care person presenting at the conference itself other than doing introductions and a wrap-up. We did a lot of training with our partners and an advisory committee and then had about 50 people who could talk to others about the study. They became our spokespeople and weren't seen as self serving – as might have happened if we had used child care people only. Others in the communities were saying “child care is critical to the economic vitality in community and we really need to think about how we plan for it and how we support it.” That made an enormous difference in our success.

**Ellen:** I agree that it is better to have folks outside of the child care industry presenting this data. Ideally, you want to have people from within the business and economic development community delivering the message. At the outset of our report though, we didn't have those people on board yet. I had hoped that our report would have been co-sponsored and co-funded by our state agency for human services AND our economic

development office but when I pitched it to the economic development office they weren't ready to put any money into it. That didn't happen for us.

We have found allies that have been trying to reach similar audiences. We have a livable wage campaign and they are speaking to the same people. To the extent that we can demonstrate links between child care and the livable wage campaign it strengthens both arguments. There is also a group called Vermonters for a Fair Economy. We've teamed up with them as well.

**Louise:** Listening to you reinforces what I have thought all along which is that there really is no one right answer to this question. You can use someone like Ellen in Vermont, a persistent single leader, or in other states you can do it like Marcia described with a roll-out event without a single child care person on the panel. You need to look at where your strengths are and how to best work in your own community. **Let me turn to the million dollar question. What do you say when people ask the question, "so what do you want me to do"? I think a lot of us started this work to support our own agendas but in many ways this is also about creating new agendas.**

**Marcia:** First, I think it is critical to develop a strategy. You have to backtrack. Among the resources on the website (link found on page one) are some publications from the Berkeley Media Studies Group. They really helped us in thinking through our message. Essentially there are five questions you need to ask yourself.

- 1) What's the problem?
- 2) What do you think is the solution?
- 3) Who has the power to make the necessary change?
- 4) Who has to be mobilized to apply the pressure for the change?
- 5) What is the message that would persuade the people with the power to act for change?

We started thinking through all of these questions and came up with the notion that we needed clear recommendations for a variety of people who would be involved in making that change happen. Whether it was the child care folks we needed as advocates or business people or electives or financial institutions – we were very specific about creating recommendations. Every publication that came out as a result of doing the economic impact report had recommendations. You need the recommendations to be specific and related to what is going on in your community and in your state and related to what you want to achieve. It all goes back to planning and being clear about what your goals are.

**Louise: Let's talk more about the second question you laid out – what is the solution? What I hear you saying is that it's not necessarily what our solution is -- as ECE leaders -- but what would be the solution within the framework of the person to whom you are reaching out. Is that right?**

**Marcia:** Yes. When we started this work, we were thought of as the black sheep because we were talking about child care in an economic framework and that discussion really hadn't begun to percolate yet. People said that if you do that there is a real threat to child care getting the clout and respect it needs in the education sector. We had to be very good at crafting our message to the child care community to help engage them in moving this forward.

**Ellen:** I quickly learned to do my homework on an audience. I have a range of things I talk about. One of the simplest for an individual or an organization is to endorse our state-wide advocacy campaign – Kids are Priority One. We ask them to sign an endorsement form and enter them into a data base then we can call on them to testify or

make a call to legislators. We also encourage people to write an op-ed piece for their local paper. Businesses can talk about ways to address work/life issues for their employees. There are a whole range of recommendations.

Vermont is rolling out Building Bright Futures so we know we will need a lot of money to support service delivery so we need to build diverse coalitions in the state to put pressure on the legislature and the governor to shift priorities and shift funding for Building Bright Futures.

**Louise:** I remember once giving a talk on economic impact. Prior to the speech, I had received a flyer from a utility company about economic development. It said something like “when it comes to growing the NY economy, count on us”. I showed the audience the flyer and said you can do something like this in your community.

**Ellen:** Through all of this work – state, local and national- we are creating a shift in the way people view economic development. That’s a big deal. Economic development isn’t just about attracting a new Wal-Mart – it’s about quality of life. And quality of jobs and a healthy child care infrastructure is an essential piece of that.

**Marcia:** That is really true. Another strategy we have used is to be sure that we are always creating an opportunity for participants to tell us the way that they think they can help. We have gotten really good ideas from planners and financial institutions by having the discussion and then asking what they think they can do right away.

**Louise:** I think an important piece of this work is getting us out of our boxes. We don’t know all the new ideas, new approaches. We need to ask others to join us in thinking about this. **Marcia, you have been talking about the local level and Ellen, you have been talking about the state level. Let’s take a few minutes to talk about the national level. How do we make use of the national interest going on now? How can we build on that work?**

**Ellen:** I’m excited. I just came back from a one-day conference in Washington, DC held by the Committee for Economic Development (CED) and Pew Charitable Trusts on building the economic case for investment in preschool. Art Rolnick and James Heckman spoke about their recent studies that show rates of return on investing in the early years. They talked about the Invest in Kids Working Group that CED has put together as part of a ten-year plan to shift priorities so that as a country we are putting more money into early care and education. I think it would be wise of us at the state and local level to keep apprised of this national work. You can go to the Committee for Economic Development’s webpage (<http://www.ced.org/projects/kids.shtml>) for more information and copies of papers. Rob Dugger, head of Invest in Kids Working Group, says they want to “weaponize” us with research that will support all the work we are doing to promote the economic case for investing in the early years. I want to use that research to add to Vermont’s data about the child care industry, so we can also talk about the long-term gains. That information will resonate with the Department of Labor for example.

**Marcia:** One of the strategies we have used is looking at how to engage the non-traditional stakeholders. Our staffer on the Santa Cruz Planning Commission wrote an article in a national planners journal on why plan for child care. (Note: A copy of the article can be found at the conference call website referenced on page one.) We also do presentations at national conferences such as affordable housing, economic development, etc. We’re trying to link to and engage different stakeholders.

**Louise:** I'd like to end with lessons learned. I'd like each of you to talk about your most successful implementation strategy as well as something that hasn't worked as well. We learn as much from our mistakes as we do from our successes.

**Ellen:** A successful strategy for us has been persistence. I've done a lot of cold calling to chambers of commerce – I developed a relationship with the state chamber director. I made a pitch to the regional economic development corporation to get in front of them. I just didn't give up until I got in front of the audiences we needed to reach. Our less successful strategy was reaching high level audiences like the governor. We thought we could deliver the message to the governor ourselves but we really should have recruited a high-level business person to deliver the message.

**Marcia:** We have been successful in using social math to convey the data in the economic impact report. Social math is a way to take large numbers and translate them into something meaningful for the audience you are addressing. We made comparisons to familiar things. For example, one graph compares gross receipts of child care in our county with the four largest vegetable crops. Santa Cruz County is an agricultural community, so when folks realize that child care brings in more dollars than the four top lettuce crops combined that is a compelling statement. The media picked up the graph and we used it everywhere. We also compared numbers of employees and showed that child care employed more people than hotel and lodging and that had an impact. The use of social math gave us lots of mileage. (Note: An example of social math and the graph she is referencing can be found on the conference call website referenced on page one.)

In terms of least successful strategy, it was attempting to work with the business community. We found them the hardest to work with. We were successful with some of the leadership, working with the Small Business Development Center and directors of the local Chambers of Commerce. But getting individual businesses engaged with child care hasn't worked very well. We realized it would be hard to get a financial contribution so we looked at mutually beneficial partnerships. For example, a paper company or a printer could donate regularly to child care businesses and get some public relations benefit out of it. We were successful in the first few years with four or five businesses but as the economy has declined it hasn't gone where we wanted it to go. We're still working on strategies for the business sector.

**Louise:** We're out of time. This has been a terrific conversation. Ellen and Marcia – thank you very much. I know there are a lot of people on the phone who also have experience. I wish we could have brought you into the conversation but it is very hard to do with almost 200 people on phone. We hope this has been helpful. If you have other ideas for the Finance Learning Community--such as topics for future conference calls or ideas for the national meeting--by all means let us know.