



# 2020

## Annual Report



## Executive Summary



**Indiana Early Learning  
Advisory Committee**

# Executive Summary

The Indiana Early Learning Advisory Committee (ELAC) was created by the Indiana General Assembly in 2013, and its members are appointed by the Governor. ELAC is tasked with completing an annual assessment of the availability and quality of early care and education programs for young children in Indiana.

Over the past 10 years, Indiana's population of young children has declined slightly from 521,000 children under 6 years in 2010 to just over 500,000 children under 6 years in 2018. Hoosier families with young children are primarily made up of working families with nearly two thirds of all parents working, resulting in approximately 325,000 young children needing care while their parents work.

**Only a third of children who need care are enrolled in a known early care and education program** — one that is licensed or registered with the state. Children who are not enrolled in a known program are likely receiving informal care from a friend or family member in a setting that may not be meeting their developmental needs.

Children ages 0-5 experience the most rapid and important period of brain development. The brains of young children are building foundations that will have positive or negative lifelong effects on their development and success in both school and life (National Scientific Council on the Developing Child, 2007). Researchers have found that **high-quality early care and education results in positive outcomes for both boys and girls**. Conversely, **low-quality settings can actually harm children, especially boys**. This research further emphasizes the importance of all children who need care being in high-quality early childhood education settings (Garcia, Heckman, & Ziff, 2017).

Since 2014, **Indiana has increased the number of high-quality rated early care and education programs** by over 80%. Currently 60% of all known early care and education programs participate in Paths to QUALITY™, Indiana's quality rating and improvement system. More than 700 have achieved high quality—Level 3 or Level 4—since 2014.

**Children enrolled in known programs and high-quality programs are disproportionately preschool age**, highlighting the need for more investment in infant and toddler care where tuition costs are higher and seats are fewer.

## Q U I C K F A C T S

**504,278**

Children under 6 years

**323,314**

Children need care because all parents work

**35%**

Children who need care are enrolled in known care

**703**

More high-quality early care and education programs since 2014

**\$21,680**

Annual cost of early care and education tuition for an infant and 4-year-old

**\$1.8 billion**

Annual amount Indiana employers lose due to unstable early care and education

The average annual cost of tuition for early care and education for an infant is about \$7,000 for home-based care and over \$12,000 for center-based care. Costs are typically greater for high-quality programs. **Early care and education tuition is nearly equal to or in some cases more than a year of in-state tuition at an Indiana college or university.** These tuition costs are considered unaffordable for many low- and middle-income Hoosier families. The U.S. Department of Health and Human Services recommends spending seven percent of income on early care and education, and an Indiana household making the median income would need to spend more than twice that (Child Care Aware of America, 2019).

Many of the individuals working in early care and education programs are also struggling financially. **Early care and education professionals make less than the average hourly wage of all U.S. occupations.** In some settings, wages are just above the poverty level. Indiana's early care and education workforce is facing a shortage over the next 10 years and will need to explore how to get more people into the profession in order to meet future increased demand, while striving to retain current employees in order to meet existing demand.

Some children cannot attend early care and education programs due to a lack of seats, because there are not enough teachers to staff classrooms. Other children cannot attend due to the unaffordable cost of care. When this occurs, Indiana and its employers are negatively impacted. A 2018 study found that Indiana employers lose \$1.8 billion a year, and the state loses \$118 million in tax revenue, when employees have difficulty securing care for their young children (Littlepage, 2018).

## RECOMMENDATIONS

The recommendations in this year's report focus on system building in order to improve the coordination and collaboration of early care and education programs for Hoosier children and families. They also align with the recommendations developed for the federal Preschool Development Grant strategic plan that the state completed.

### 1. ENHANCE PROGRAM QUALITY AND ACCESS

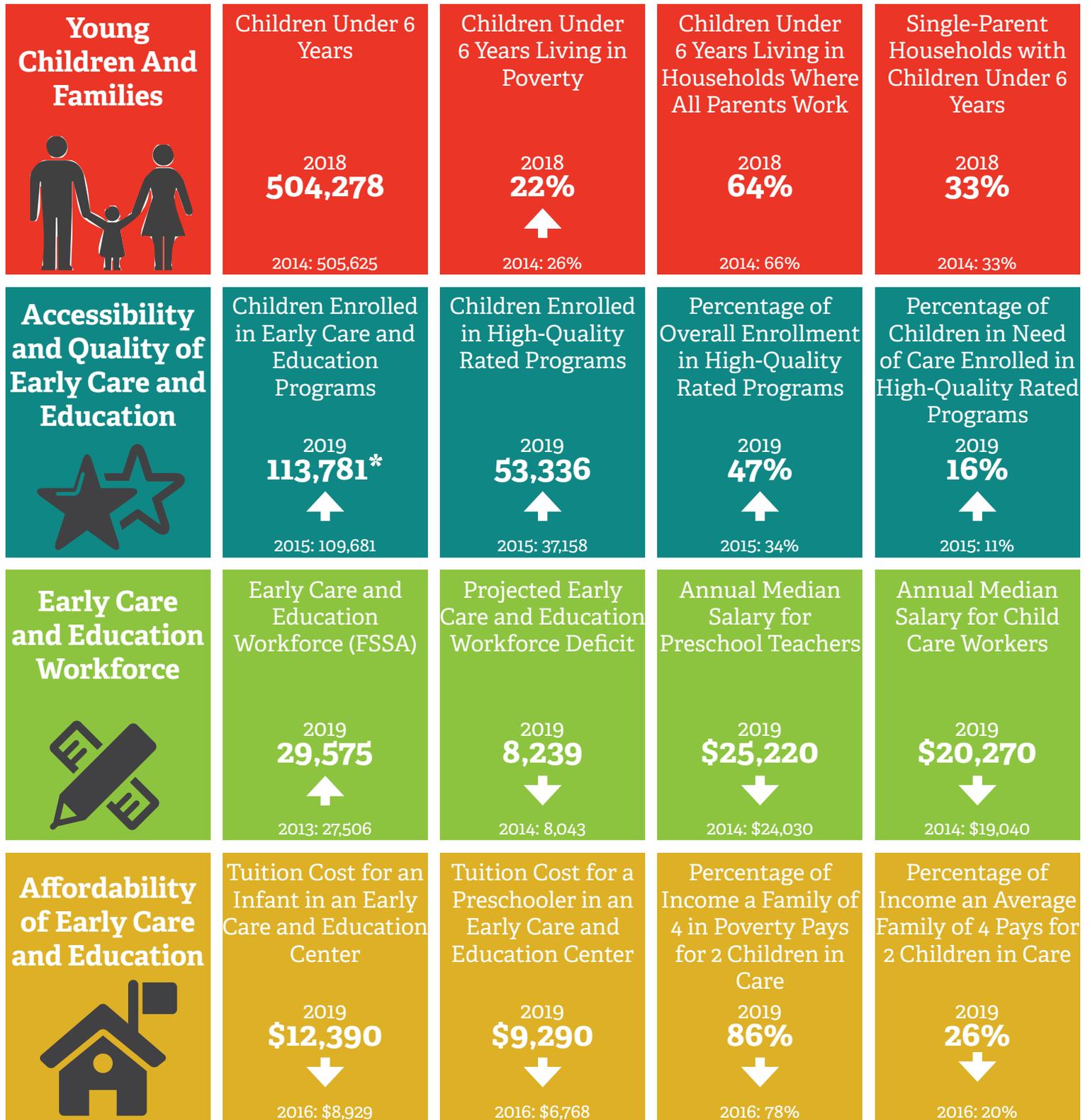
- Increase participation and advancement in Paths to QUALITY™, especially for programs that serve infants and toddlers
- Assess classroom practices and child outcomes at high-quality rated programs
- Evaluate parent choice to identify whether the gap between children who need care and those enrolled in known programs is due to insufficient program capacity or parental choice

### 2. STRENGTHEN DATA QUALITY AND COORDINATION

- Connect data systems across agencies with more consistent, systematic, and comprehensive reporting
- Create unique student identifiers
- Adopt unique program identifiers

# Indiana Early Care and Education Profile

Improved  Worsened 



\*Enrollment data in this year's report cannot be compared to enrollment data included in the 2016-2019 ELAC Annual Reports because the Indiana Department of Education enrollment data may not be entirely included with Early Learning Indiana data as reported in those years.