

EARLY CHILDHOOD EDUCATION AND CARE AND POVERTY

This report reviews low-income children's access to affordable good-quality early childhood education and care (ECEC), its developmental impacts and its effect on parental, notably mothers', employment levels.

Key points

- The ECEC system in the UK consists of state provision and state-subsidised private-for-profit and not-for-profit provision, e.g. day nurseries, preschools and childminders.
- All three- and four-year-olds and some disadvantaged two-year-olds can have some state funded early education. Take-up has been high, but less so among poor children, notably from certain minority groups. Despite this intervention, poor children remain less likely than their better off peers to reach a good level of development at age five.
- Poor children experience lower quality ECEC than their better off peers, especially in private provision in disadvantaged areas. The impact of poor quality is also proportionally greater for poor children.
- Research strongly suggests that only good-quality ECEC has positive short-term and, possibly, longer term, educational effects for poor children; it is less clear what impact it has on their social and emotional development.
- Children's centres, in close partnership with local authorities, can play a key role in brokering access for poor children to quality ECEC, coupled with other family support provision.
- The impact of the home learning environment on children's development is at least as strong as that of quality ECEC; public policy needs to consider strategies to help parents maintain or achieve a positive environment.
- The amount of free early education may fail to meet parents' childcare needs; parents pay for additional childcare upfront, and may be partially reimbursed through the tax and benefits system. This complex mix of supply- and demand-side subsidies causes problems for parents and providers.
- Research evidence on the role of publicly-funded ECEC in promoting parental employment is limited, and sometimes contradictory.

The research

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BACKGROUND

The provision of good-quality, affordable and accessible early childhood education and care (ECEC) promotes young children's intellectual development, leading to better educational outcomes and life chances. It may also allow parents to work. By reducing social and cultural inequalities ECEC can also promote social justice.

The UK context

Early childhood education and care (ECEC) is delivered by private for-profit and not-for-profit businesses, including childminders, alongside state provided early education in nursery schools and classes attached to primary schools. Children's centres, offering a range of family support services primarily to poor families, represent a third, social welfare, strand of provision, but only some deliver ECEC. While all state provision is led by graduate staff – a key predictor of service quality – this is not the case in other sectors. Moreover there are quality variations within and between sectors.

This ECEC system is complex, combining free early education entitlement (for three- and four-year-olds and some two-year-olds) with a parental childcare subsidy through the tax and benefit system to cover the costs of additional childcare. Childcare costs are reimbursed retrospectively, which may create barriers to employment. About two-thirds of parents who pay for formal childcare do not receive any government help with costs.

While the overall uptake of free early education has been high, it remains lowest among the poorest children, notably those with special educational needs and from certain minority ethnic communities. In disadvantaged areas the quality of private ECEC attended by poor children is lower than that provided in state schools. There are also problems with maintaining the supply of ECEC in disadvantaged areas where fewer parents use additional childcare to supplement their children's free early education.

ECEC's social mobility aim

Even before poor children enter primary school a significant developmental gap has already opened up between them and their better off peers. Good quality ECEC alone is unlikely to close this gap, let alone the lower quality provision found in disadvantaged areas. International research demonstrates positive short-term ECEC impact on cognitive development, provided it is of good quality, though the picture is less clear for social and emotional development. There is mixed evidence for longer-term impact, with some studies finding the impact fades as children age. The UK Millennium Cohort Study indicates limited longer-term educational impacts from ECEC provision on the poorest children. Countries offering universal provision generally do better for all young children. The UK strategy of subsidising parents through the tax and benefits system to buy childcare within a childcare market is not only rare within Europe but has also promoted an increasingly socially segregated ECEC system. Yet evidence shows children from disadvantaged

backgrounds benefit from settings which include children from a mixture of social backgrounds.

The *Effective pre-school, primary and secondary education* (EPPSE 3–16) study found home learning environment is as important – if not more important – as quality ECEC. International research also suggests whole-family approaches, which provide support for multiple issues alongside ECEC, are effective. Children’s centres appear well placed to play this role in the UK, as their targeted family support, delivered in close partnership with local authorities, has already helped families access ECEC and other services.

ECEC’s economic rationale

International and UK research on the role of publicly-funded ECEC in promoting parental employment is limited, and sometimes contradictory. Parental employment opportunities and decisions are influenced by local employment opportunities, which in turn interact with the tax and benefits system, maternal educational levels and family and community attitudes. Attitudes also vary depending on children’s age.

For low-earning families, the current free entitlement does not make a sufficient difference to household income, although it does help reduce childcare costs for three- and four-year-olds (and some two-year-olds). Childcare costs go down further when children reach school age. Nevertheless upfront childcare costs remain high in the UK, which can be a barrier to employment. International evidence suggests a stable and sustainable ECEC system should be available regardless of whether parents are employed. Norway has adopted this approach, while also improving quality through stringent regulation, including a cap on parental income-related fees and payment of public subsidy to private providers dependent on quality. The result has been almost universal uptake of ECEC, with a positive impact on children, including those from low-income families. Norwegian local government also retains a major role in financing, regulating and supporting the system.

The key role of ECEC quality

International evidence confirms that low ECEC quality disproportionately affects poor children’s development. Quality is influenced by both structural factors, such as adult–child ratios, group size, available space, and by process factors related to the delivery of care, such as staff–child communication patterns and planning for learning activities. The beneficial impact of a social mix in ECEC settings on service quality is also demonstrable. This in turn predicts better educational outcomes for poor children.

International evidence also highlights the key role of practitioner qualifications and training. Upgrading UK childcare practitioner qualifications, pay and conditions may lead to long-term pay-offs for government, though initial investment may be high. Improving workforce qualifications would be one positive step towards improving the quality of poor children’s ECEC and improving their educational outlook.

However, evidence on what is important for quality relates mostly to services for children aged three and over, with less known about younger children; an important gap in research. Another problem relates to the rather poor quality of much ECEC research itself.

Nonetheless, by itself, even universal good quality ECEC does not ‘inoculate’ against the adverse effects of child poverty. Research confirms that multiple approaches are needed for reducing poverty and addressing its consequences for poor children’s (and their parents’) educational achievements, health and safety, nutrition, housing and access to public services.

Conclusions

Currently the UK spends around £7 billion a year on a patchwork of free entitlement, tax credits and childcare vouchers. It is estimated that an additional 0.5 per cent of UK Gross Domestic Product would need to be spent to deliver high quality, accessible and affordable ECEC in the UK, making it an unlikely option in the short to medium term. Nonetheless, changes in the UK’s ECEC funding and support systems could still promote social justice for poor children by improving their access to good quality provision, promoting short-term and possibly longer-term positive outcomes both for their social mobility and for their families’ economic well-being.

Evidence suggests that interrelated and interdependent policy changes could help more poor children in the UK benefit from high quality ECEC.

Review the current structure of government intervention in ECEC

The UK early childhood education and care system is overly complex. It needs to be simplified and made more transparent to deliver both social mobility and economic well-being. Aspects that need to be reviewed include the promotion of socially mixed provision, the role of local government, the qualifications, pay and employment conditions of the ECEC workforce and levels of direct support for providers, in order to ensure a high quality, flexible, accessible, affordable and sustainable ECEC service.

Government support for parental childcare costs should be simplified

The level of upfront parental contributions to childcare costs needs to be reviewed as well as the current multiple support strategies through the tax and benefit systems. The availability of sufficient and affordable early childhood provision interacts with local job opportunities and the tax and benefits system in determining whether dual or single earner families with young children can escape or avoid family poverty through paid work.

There should be no trade-off in quality between publicly supported ECEC driven primarily by social mobility and that driven primarily by economic well-being

Maintaining and improving quality in ECEC is especially vital if its dual purpose is to be realised and harm avoided to the life chances of poor children, who suffer more as a result of poor quality provision.

Support for children's centres should be increased

Children's centres should be hubs of whole-family support, including more of them offering ECEC alongside other services. In parallel, local government should play a more prominent role in supporting service quality and access to ECEC, especially for poor children.

Support for parents to maintain a good home learning environment should be strengthened

A good home learning environment is more important for young children's development than parental education or socio-economic status. Reducing the burden of family poverty helps parents create or maintain a good home learning environment. This is another area in which children's centres could provide practical support to parents within their communities.

About the project

This review focused primarily on national empirical and survey research, official statistics and policy documents published since 1997, coupled with international empirical research and research reviews.

[Read the full report.](#)