

# Early Learning Study Tour

## Briefing Book



**London, England**  
**Helsinki, Finland**  
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Economic Opportunity Institute



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## **Preface to the Second Edition**

Welcome to the briefing book for the Economic Opportunity Institute & World Forum Foundation 2007 Early Learning Study Tour to England and Finland.

This book sought to provide study tour participants with a basic factual grounding in the early learning systems of these two nations. It draws comparisons between related public policies of the US (and Washington State wherever possible) and those of the UK and Finland.

The book begins with a general overview of some of the social, economic, philosophical, and historical issues that inform and influence the delivery of high-quality early learning. Succeeding chapters review some of the main aspects of early childhood education and care (ECEC) in each country, including:

- Levels and types of provision;
- Costs and funding;
- Family benefits and leave policies; and
- Qualification and compensation of the early learning workforce.

For more information about the 2007 Early Learning Study Tour please refer to the report on the findings of the study tour. The report, "A World of Opportunity", is available online at [www.eoionline.org](http://www.eoionline.org).

## Executive Summary

### Section 1: General Economic and Social Climate

- The United States (US), the United Kingdom (UK), and Finland are all modern post industrialized democratic nations that rank in the top 10 on global competitiveness (out of 125 countries).
- Finland ranks 4<sup>th</sup> out of 21 OECD countries on overall child well-being. The US and the UK hold the two lowest positions, 20 and 21 respectively.
- Of the three nations, the United States is the most populous with over 4 times the population of the UK and nearly 57 times that of Finland. Washington State has just over 1 million more inhabitants than Finland.
- The US, Washington State, and the UK have relatively large ethnically-diverse and foreign-born populations, Finland's ethnic population is quite small with the largest migrant population from Russia.
- Women have high rates of workforce participation in all three nations (close to or over 70%).
- Between 55% and 60% of all British and American mothers with children under 6 are in the workforce, regardless of whether the child is an infant or toddler. In Finland 1/3<sup>rd</sup> of women with very young children (under 3 years of age) are employed, a rate which jumps to nearly 75% for women with children aged between 3-5.

### Section 2: Political Support and History

- Each nation comes from a unique history and each has differing and evolving socio-political philosophies that guide overall social service provision.
- Finland operates on a Nordic model of universalism, wherein the government is expected to provide the same level of public service to all citizens. Both the US and the UK see a more limited role for government, though the UK offers some universalized services, such as a national health care system and paid family leave benefits.
- Finland has had a long history of supporting high-quality early learning and constantly works to improve the available services and benefits. In the last decade, early learning has become a top priority in the UK and the government has instituted national initiatives to extend high-quality programs to at-risk children throughout the country. In the US (and Washington State in particular) early learning has garnered greater attention in recent years and efforts are being made to increase the quality of child care and the child care workforce.

### Section 3: Early Childhood Education and Care (ECEC) Provision

- Though there is no national system of early learning in the US, many states are working to increase the affordability, accessibility, and investment in high-quality ECEC programs, including universal pre-kindergarten and full-day kindergarten.
- Young children in all three nations are cared for in a similar variety of settings: parental care in the home, family and neighbor care, nannies, public childcare centers, private childcare centers, family-home care, and preschool.
- In the UK and Finland all children, regardless of family income, are guaranteed some amount of publicly-funded early learning services. All 3- and 4-year old British children are entitled to 15 hours of free early education per week. The British government also funds free preschool ('reception classes') for all 4-year olds in public schools. Finnish children have the right to low-cost all-day and extended-day placement in municipal daycare.
- The US and Washington State provide some early learning opportunities for low-income children between the ages of 0-4, but only a fraction of eligible children can enroll due to inadequate funding.
- Unlike in the US and the UK, the majority of all child care in Finland is public or publicly-funded. Only 3.5% of Finnish children in daycare attend private childcare facilities.
- In 1998, England initiated Sure Start, a national program that provides child care, health care, parenting assistance, and information to all children under 4 and their parents in targeted low-income areas.

### Section 4: Educational Attainment

- Finland is well known for the high quality of its overall educational system. It garnered the top spot in the World Economic Forum rankings of international education. The US placed 15<sup>th</sup> and the UK 29<sup>th</sup> (out of 125 countries).
- Though the US performs well against overall international averages, it consistently lags behind industrialized nations (including Finland and the UK) in comparisons on primary and secondary educational performance.
- A higher percentage of US students reach high school and college than in Finland and the UK, though both Finland and UK experience higher graduation rates.

### Section 5: Family Leave Policies and Child Benefits

- Both the UK and Finland offer more extensive and generous parental leave than the US. Finland provides paid maternity, parental, paternity, and care leaves that subsidize parental care of children from birth through age 3. The UK grants paid maternity, paternity, and parental leaves that extend through the child's first year, plus an additional 13 weeks to be taken before the child turns 5.
- Nationally, the US only requires that businesses with over 50 employees provide 12 weeks of unpaid leave, though some states go beyond this federal minimum and extend disability insurance to pregnant women. In 2009, Washington State will become the second state to offer paid family leave with 5 weeks of paid leave for the birth or adoption of child.

### Section 5: Family Leave Policies and Child Benefits Continued....

- The UK and Finland provide per child benefits in the form of tax-exempt monetary grants. The payments are made to families regardless of income and the total amount depends only on the number of children in the family, though single parents in Finland receive an additional monthly supplement.
- British businesses may also contribute to the cost of child care through tax-exempt childcare vouchers or payments for a portion of care with a specific provider. Mothers in the UK who are personally responsible for child care also have the right to request flexible working hours from their employers.
- The US and the UK allow taxpayers to receive credits and exemptions for children and the cost of child care on national taxes. On the whole, the tax credits are geared to low-income working families, though middle-income families also can benefit modestly.

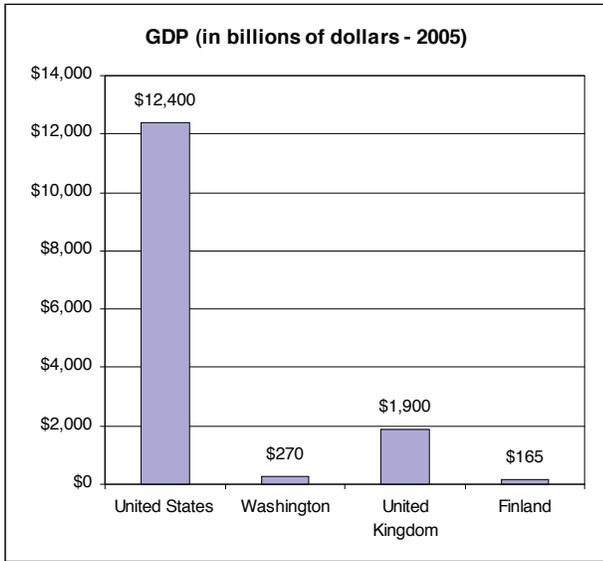
### Section 6: Early Childhood Education and Care (ECEC) Costs and Funding

- The average portion of cost for early education and care paid by parents in each country differs dramatically: 15% in Finland, 45% in the UK, and 60% in the US. The remainder of the cost is covered by government funds and business contributions.
- On average, a Finnish family pays less than \$1,500 per year for the care of young children in contrast to over \$8,000 in the UK and over \$9,000 in Washington State. In Finland this amounts to just over 4% of annual median household income. The costs for Washington State and UK take up between 18% and 20%, respectively.
- Finland spends the largest portion of its GDP on early education and care services, at 1.3%, compared to roughly a half a percent for both the US and UK.
- The US federal government funds early learning in a number of ways. Some examples include payment for 80% of the costs of Head Start and Early Head Start Programs and block grants to states to subsidize child care for low-income families.
- Washington State provides early learning to low-income children through ECEAP and uses federal block grant funding to support the childcare subsidies of the Working Connections Child Care program. In addition, some school districts use local or state funding to provide preschool classes and other early learning programs.
- The Finnish central government provides block grants to municipalities to pay for public child care covering about 24% of total costs. The remaining 60% of public funding comes directly from the municipalities. Preschool is free to all children and childcare fees are capped.

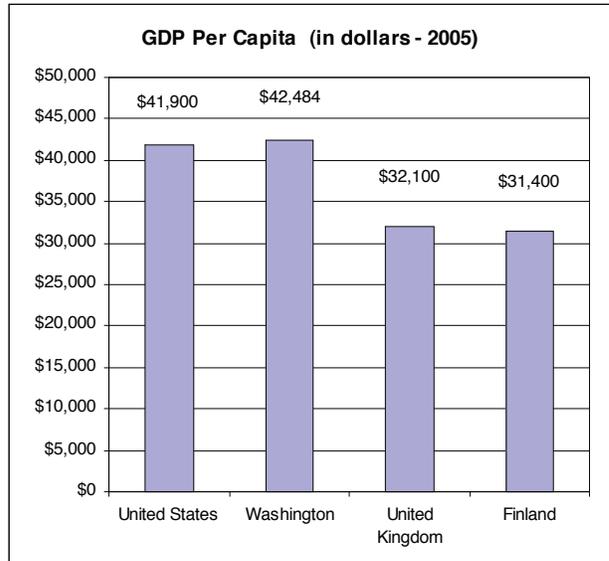
### Section 7: ECEC Workforce

- Both the UK and Finland require higher degrees of training for members of the childcare and early learning workforce than the US. In Finland, 1/3<sup>rd</sup> of childcare center teachers have post-secondary degrees and in the UK all nursery school teachers are required to have a university degree.
- Childcare workers in Washington State, the US, and the UK typically receive low wages in comparison to primary school teachers and comparable jobs in other sectors. In Finland, wages are more equitable and the average childcare center teachers earn only slightly less than primary school teachers and professional nurses.

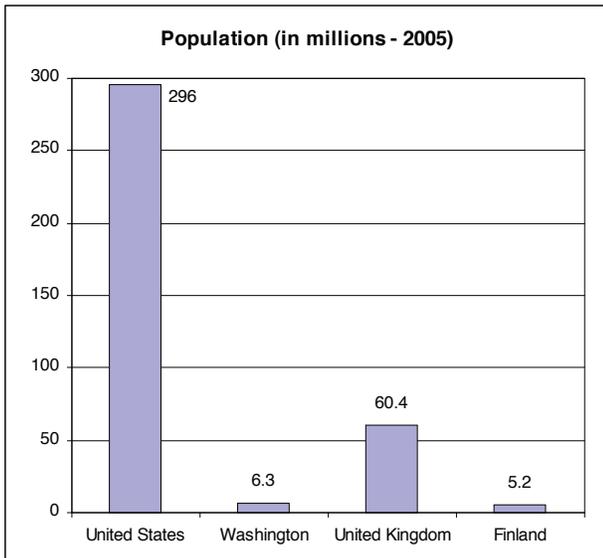
## GDP and Demographics



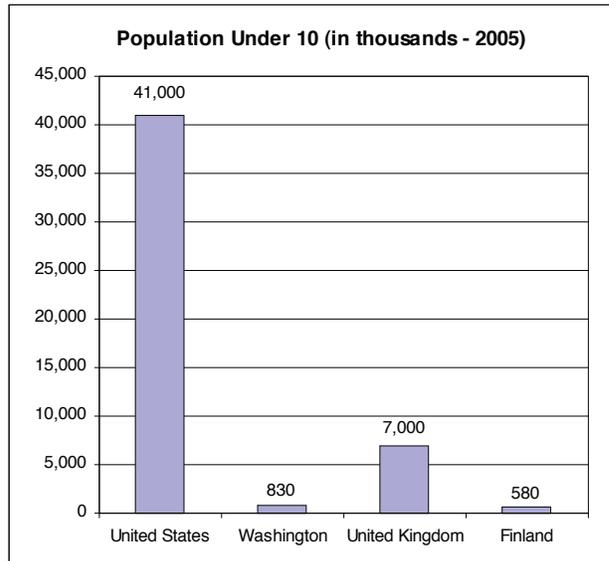
Sources: OECD, US Bureau of Economic Analysis (BEA)



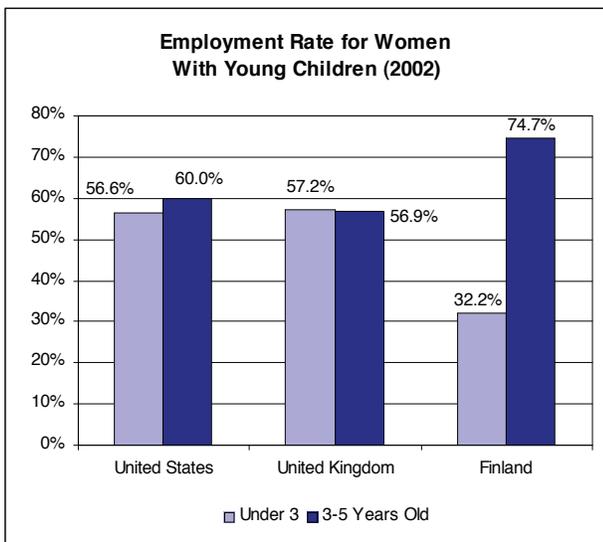
Sources: OECD, BEA, Economic-Charts.com



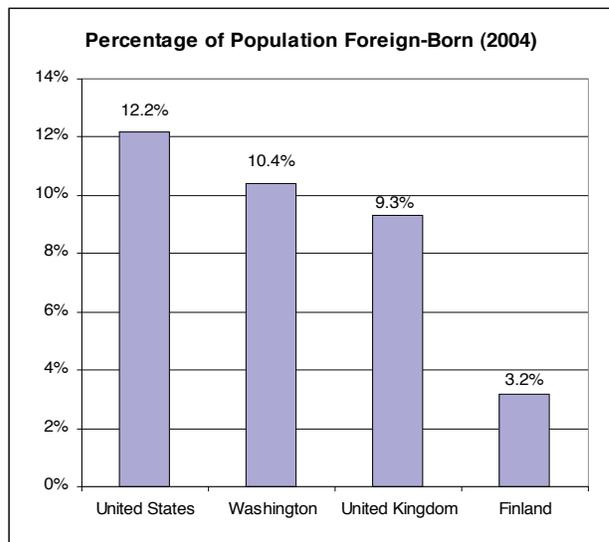
Sources: US Census Bureau, BEA



Sources: Washington State Office of Financial Management (OFM), UN World Population Prospects



Source: OECD



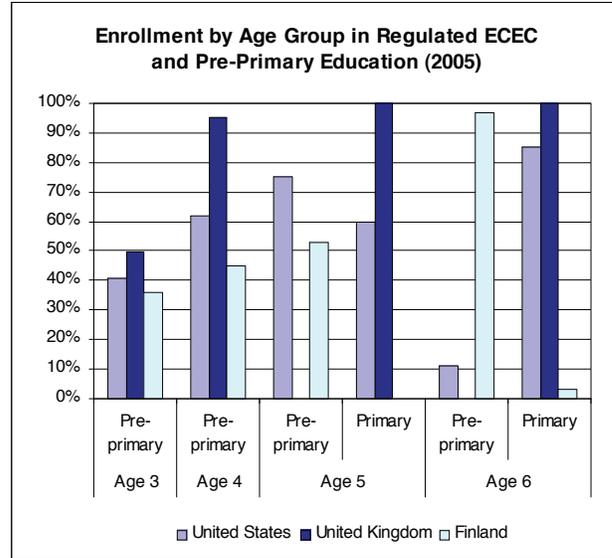
Sources: OECD, US Census Bureau

## Educational Enrollment and Attainment Data

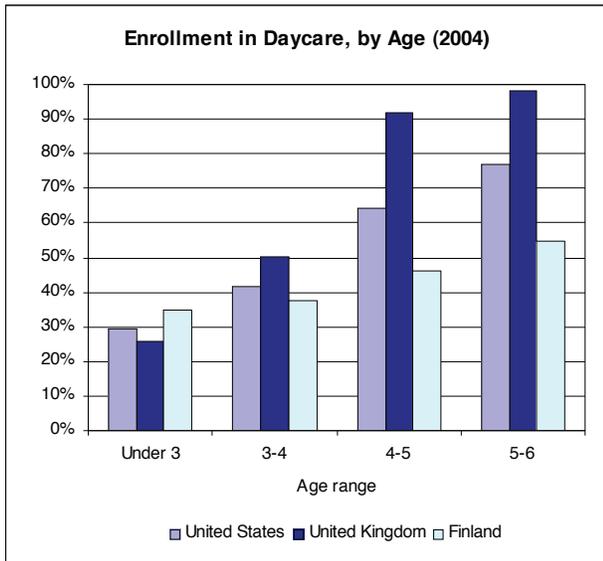
### Start of compulsory education:

United States: Typically 6 or 7  
 Washington: age 8  
 Finland: age 7  
 United Kingdom: age 5

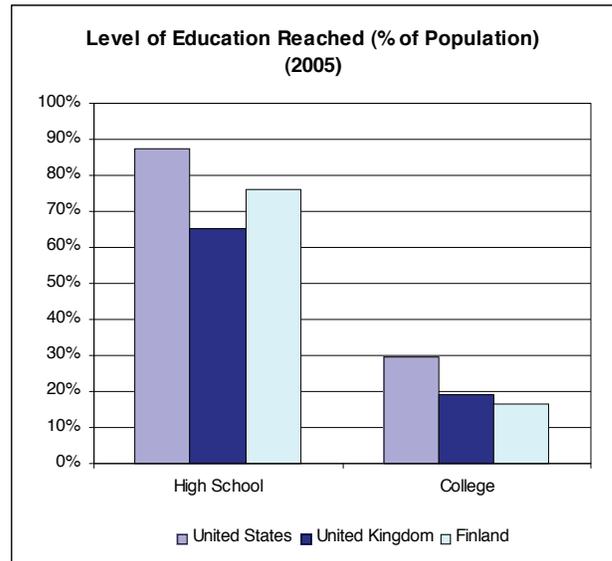
*Notes: Age 8 is the maximum age for the beginning of compulsory education in Washington State. However, the majority of students in Washington begin school earlier at ages 5, 6, or 7.  
 Enrollment figures for ages 4-5 in the UK include children in the equivalent of American public kindergarten classes and the first year of primary education.*



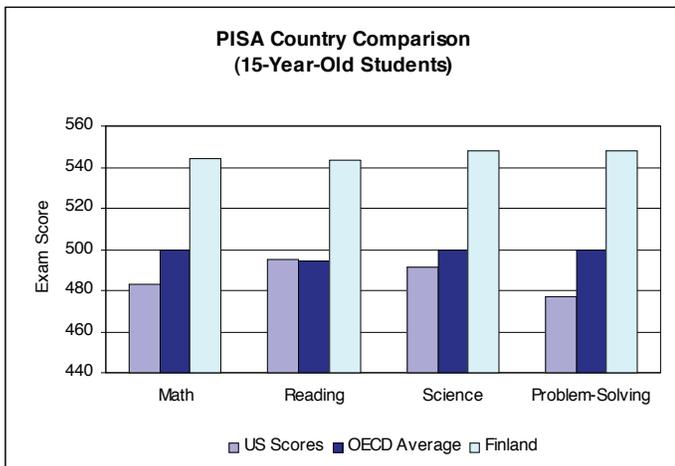
Source: OECD



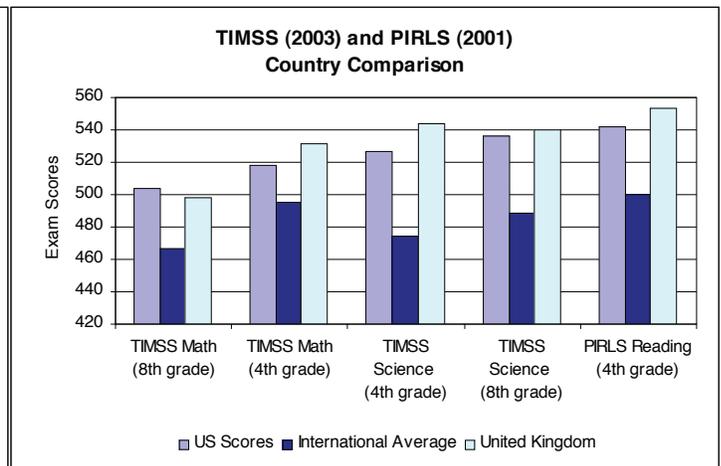
Source: OECD



Source: OECD



1. PISA data were not available for the UK  
 Source: OECD



1. TIMSS and PIRLS data were not available for Finland  
 Source: TIMSS and PIRLS Study Center, Boston College

## Early Childhood Education and Care (ECEC) Provision

### Family Policy Overview

#### United States

- 12 weeks of unpaid family and medical leave  
Family and Medical Leave Act (FMLA)

#### Washington

- 5 weeks of paid family leave to run concurrent with FMLA - beginning in October 2009.

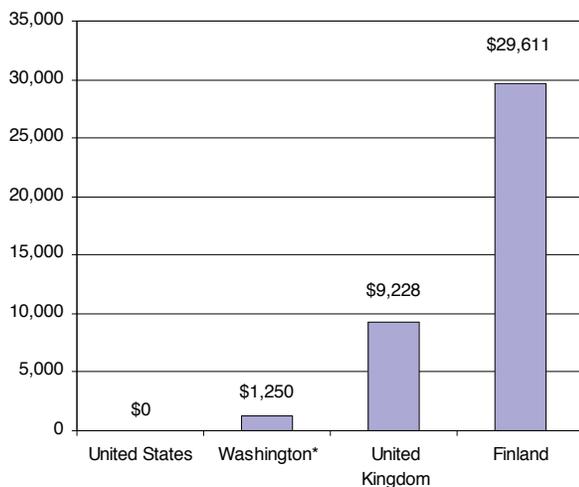
#### Finland

- Extensive paid maternity, paternity, and parental leaves
- Care leave to care for their child at home until age 3
- Partial care leave to provide reduction in working hours
- Temporary sick leave to care for ill children
- Maternity grant for birth
- Child allowances paid for children under age 17

#### United Kingdom

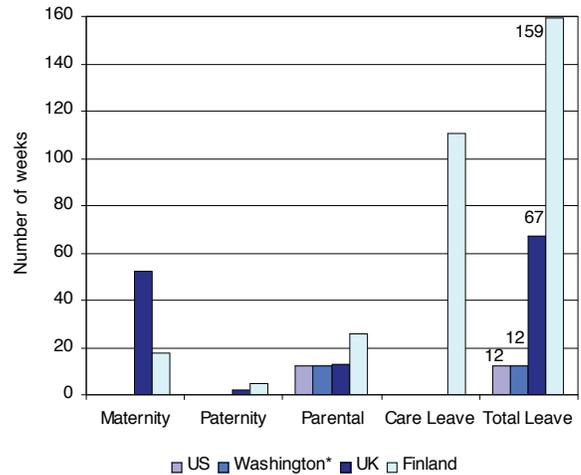
- Extensive paid maternity leave, as well as paid paternal and unpaid parental leave
- Some qualify for tax credits to compensate for costs of raising children and childcare
- Child benefits paid to parents of children under 16 or under 20 and still in school

### Approximate Annual Value of Family Leave Per Birth (USD - 2007)



- \*1. Starting in 2009, Washington's paid family leave will be compensated at \$250/week for 5 weeks
  2. United Kingdom data reflects the average weekly earnings of female employees.
  3. Benefits in Finland are means-tested; estimates are based on average female earnings.
  4. Finland data includes estimated compensation for maternity, paternity, parental, and care leaves.
  5. For simplicity, it is assumed that all of paternity compensation in Finland is at 70% of previous earnings.
  6. The estimated value of care leave in Finland is based on an average family size of 1.8 children; the means-tested supplement was not included.
- Sources: OECD, EOI Online, Finland Ministry of Health and Social Affairs, CAB (UK), ILO

### Maximum Available Family Leave (in weeks - 2007)



- \*1. Starting in 2009, Washington will have a 5-week paid family leave that runs concurrently with the 12-week unpaid federal leave.
  2. Care leave in Finland can be taken from the time the parental leave period ends until the child is 3 years old. This estimate assumes all other leaves are taken.
- Sources: OECD, EOI Online, Finland Ministry of Social Affairs and Health, Citizens Advice Bureau (CAB) (UK)

### ECEC Overview

#### United States

- No national system for early learning and care
- Most school districts nationwide provide publicly-funded half-day kindergarten for 5-year olds
- Federally-funded Head Start programs provide care for disadvantaged 3- and 4-year olds
- Additional offerings vary considerably by state and school district

#### Washington

- Provides childcare subsidies to low-income families
- Early intervention services provided for developmentally delayed children birth to three and services for disabled children from the age of 3
- Early Childhood Education and Assistance Program (ECEAP) provides care for disadvantaged 3- and 4-year olds

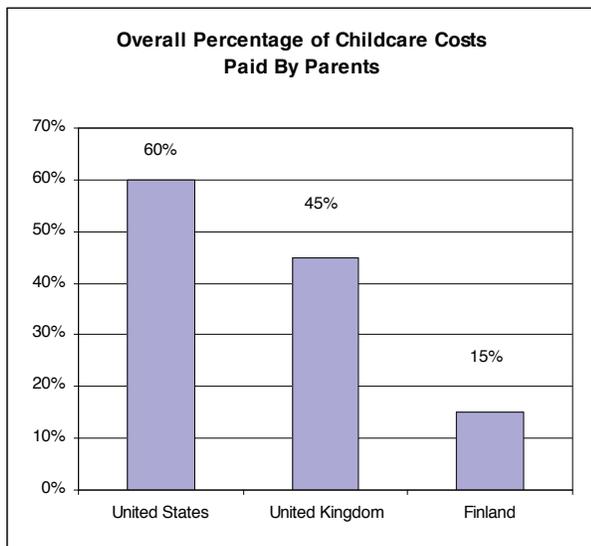
#### Finland

- Universal right to care for children under school age
- Option for private care allowance to pay for private care
- Option for home care allowance and leave to care for children at home until the age of 3
- Universal half-day preschool at age 6 (the year before primary school)

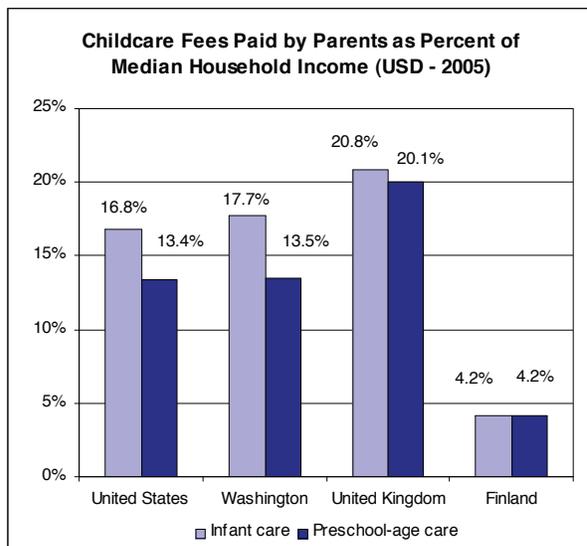
#### United Kingdom

- All 3- and 4-year olds eligible for 15 hours/week of free early education
- Reception classes (equivalent to US kindergarten) publicly funded for 4-year-olds
- Tax credits help parents with cost of childcare
- Sure Start centers offer universal services to families in selected economically disadvantaged areas

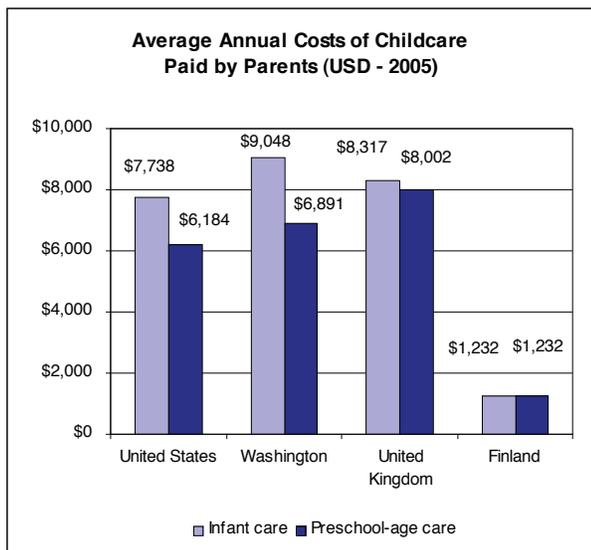
## ECEC Cost and Funding Comparisons



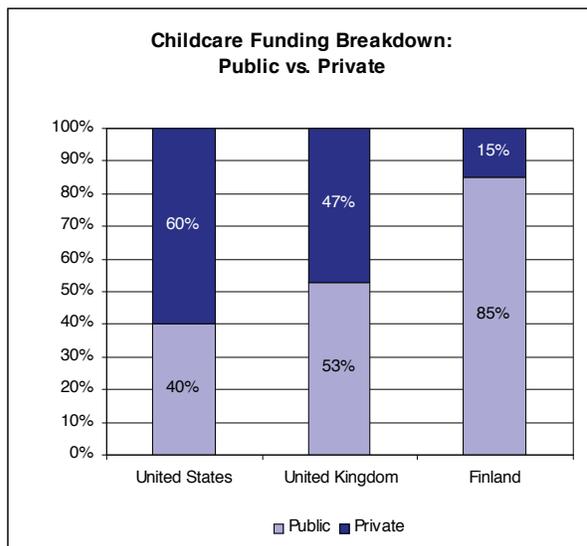
Source: OECD, published in 2006



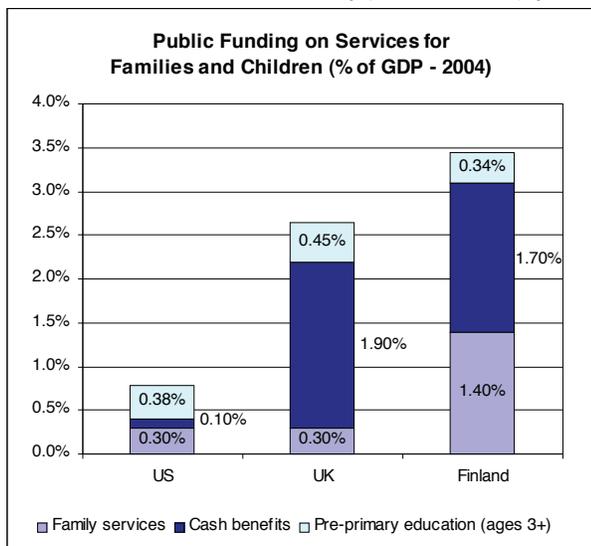
Sources: NACCRRRA, US Census, Daycare Trust, UK Parliament, ILO, UK Office for National Statistics



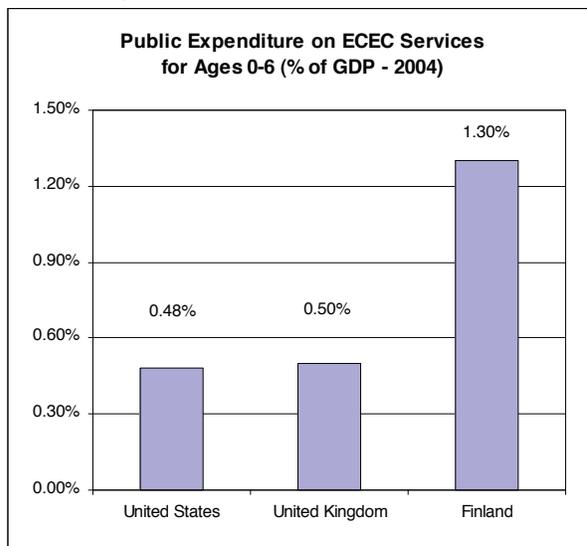
Source: NACCRRRA, US Census, Daycare Trust, UK Parliament, ILO, UK Office for National Statistics. For notes on graph see bottom of next page



1. Private contributions consist of parent and employer fees  
Source: OECD, published in 2006

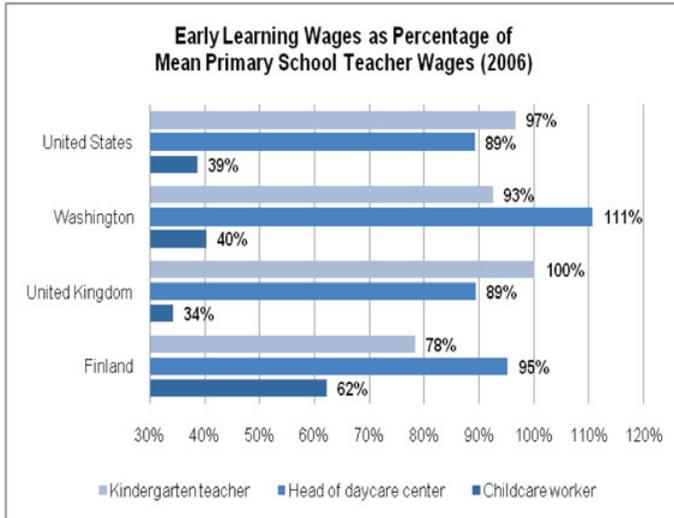


1. Pre-primary education (3+) is also known as ISCED Level 0. Source: OECD



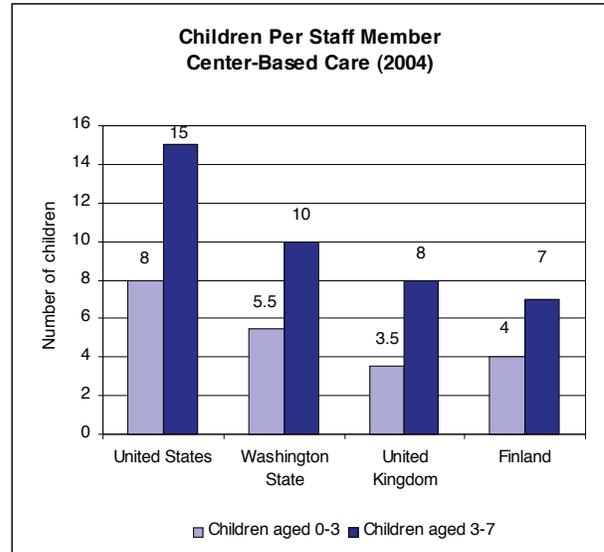
Source: OECD

## ECEC Workforce

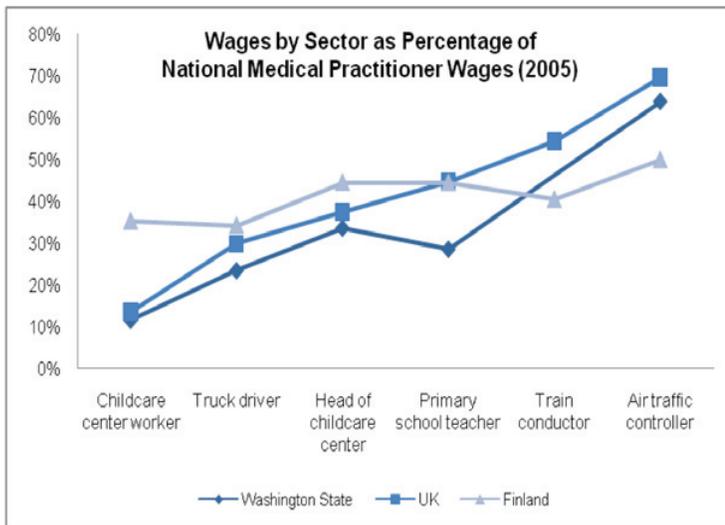


1. Categories did not match perfectly across countries.
2. The closest thing to a kindergarten teacher in the UK was a primary/nursery teaching professional.
3. A kindergarten teacher in Finland works in a childcare center; preschool is the Finnish equivalent of kindergarten in the US.

Sources: BLS, Finland Ministry of Social Affairs and Health, UK Office of National Statistics, ILO



1. United States ratios vary widely by region; values are estimates taken from given ranges.
  2. Country data was published by OECD in 2006.
  3. Washington data was published by the Department of Social and Health Services in 2004.
- Sources: OECD, Washington State Department of Social and Health Services (DSHS)



1. Categories did not match perfectly across countries.
- Sources: Gardner (2006); UK Office of National Statistics (2006); and Labor Market and Economic Analysis Branch. (2005). Occupational employment and wage estimates: Washington State and sub-state areas. Olympia, WA: Employment Security Department

### Required training:

#### United States/Washington

- Workers in licensed family care and childcare centers minimal training requirements
- Head Start and Early Head Start teachers – half must have Associate's degrees (2 years)
- Public school kindergarten teachers – must have teaching certificate or Master's degree.

#### Finland

- Preschool teachers (equivalent of US kindergarten teacher) – university degrees
- Kindergarten teachers (1/3 of staff in childcare centers, equivalent of US childcare center teacher) – Bachelor's degrees
- Children's nurses – 3-year secondary vocational training
- Family care minders – vocational qualification recommended

#### United Kingdom

- Nursery school teachers – university degree (this requirement is not always met in practice)
- Nursery staff – half must have Level 3 (professional) vocational training
- Heads and supervisors of group-based programs – Level 3 or higher

Notes from graph 'Average Annual Costs of Childcare Paid by Parents (USD - 2005)' from previous page

1. US costs come from the weighted average of all 50 states.
2. UK data comes from an estimated parental contribution of 75% of the averaged total costs of nursery and family care.
3. UK data is weekly data extrapolated out to an annual figure without provisions for summer care.
4. Finnish parents pay on a sliding scale based on income with a maximum payment of EUR 200/month. This data is based on an estimated average cost of EUR 100/month extrapolated over the course of a year without provisions for summer care. There is some indication that Finnish parents may only pay for 11 of the 12 months.

## **1. General Economic and Social Climate:**

### **United States/Washington State**

#### **Economy**

The United States' gross domestic product (GDP) exceeded \$12.4 trillion in 2005.<sup>1</sup> The US GDP amounts to more than 75 times that of Finland, 6 times that of the UK, and is less than \$1 billion short of the combined 2005 GDP of the 15 original European Union nations (EU-15).<sup>1</sup> Its population is approximately 296 million<sup>2</sup>, with a per capita GDP of \$41,900.<sup>3</sup>

The US ranks 6<sup>th</sup> out of 125 countries on a Global Competitiveness Index published by the World Economic Forum. The scale measures a wide variety of factors from education to property rights and political corruption in order to gauge the readiness of countries to participate in the global economy.<sup>4</sup>

In the US wealth is relatively concentrated in the hands of a few; the ratio of the share of total income in the hands of the richest 10% of the population to the share of income of the poorest 10% is 15.9. This is more than 2½ times that of Finland, which occupies the 2<sup>nd</sup> spot in the World Economic Forum rankings.<sup>5</sup> Further, the US also has a wider gap between the middle class and the rich, where the wealthiest 10% of households received 210% of the US national median income in 2000. This is compared to Finland where the top 10% received 111% of the US national median income and the top 10% in the UK received 157%.<sup>ii6</sup>

#### **Social Issues**

The 2007 United Nations Children's Fund (UNICEF) report card ranked 21 of the 30 Organization for Economic Co-operation and Development (OECD) countries, including the US. On several dimensions of child well-being, the US had the second worst average ranking. Only the United Kingdom ranked lower.<sup>iii</sup> Specifically, the US was 17<sup>th</sup> in material well-being, 12<sup>th</sup> in educational well-being, and 21<sup>st</sup> in health and safety. Overall, it finished in the bottom 1/3<sup>rd</sup> in all but 1 of the 5 dimensions on which it was assessed.<sup>iv7</sup> In the US, 21.9% of children live in poverty<sup>v</sup>, nearly double the OECD average of 11.2%.<sup>8</sup>

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<sup>i</sup> The EU-15 is comprised of the member countries in the European Union prior to May 2004: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and United Kingdom.

<sup>ii</sup> The US national median income from 2000 is used as the baseline here for comparative purposes.

<sup>iii</sup> OECD is a forum in which its 30 member democracies work together to solve their common problems and compare policies. The 30 OECD countries are Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States.

<sup>iv</sup> Rankings were assessed on 6 dimensions but there was no US ranking for subjective well-being. Only 21 countries were ranked because the other 9, including Japan, Mexico, and Australia, did not have sufficient data.

<sup>v</sup> This poverty rate is calculated after the collection of taxes and the distribution of transfer payments from the government. Poverty rates before and after taxes and transfers are often considerably different, depending on the extent to which a government redistributes earned income.

## Child Well-Being Rankings on 5 Indicators, of 21 OECD Countries

	United States
Overall Ranking	20 <sup>th</sup>
Material Well-Being	17 <sup>th</sup>
Health and Safety	21 <sup>st</sup>
Educational Well-Being	12 <sup>th</sup>
Family and Peer Relationships	20 <sup>th</sup>
Behaviors and Risks	20 <sup>th</sup>

Source: UNICEF (2007), p. 2

### Demographic and Workforce Data

Of the 296 million people in the United States, about 19.8 million, or 7%, are under the age of 5.<sup>9</sup> The US has a sizeable minority population led by Hispanics<sup>vi</sup>, who made up 14.8% of the total population in 2006. Other minorities include African-Americans (13.4%), Asians (4.9%), American Indians (1.5%) and Pacific Islanders (0.3%).<sup>10</sup> Overall, 12.2% of the population was foreign-born in 2004.<sup>11</sup> Women, including mothers of young children, are fairly well represented in the workforce. In 2005, the national rate of female workforce participation was 69.9% and women make up 68.4% of the total part-time workforce.<sup>12</sup> About 59.5% of mothers of children under the age of 6 were employed in 2002.<sup>vii13</sup>

Washington, with 6.3 million people, is the 14<sup>th</sup> largest state in the US.<sup>14</sup> In 2000, about 10.4% of its population was foreign-born.<sup>15</sup> The per capita personal income was \$35,479 in 2005, slightly above the national average of \$34,471 and placing Washington 16<sup>th</sup> of the 50 states.<sup>16</sup>

## United Kingdom

### Economy

The United Kingdom has a population of approximately 60.4 million inhabitants, about 1/5<sup>th</sup> that of the US.<sup>17</sup> About 50.5 million of the UK's population resides in England. Its 10<sup>th</sup> place ranking in the Global Competitiveness Index puts it in the in the top 10% of the field of 125 countries.<sup>18</sup> In 2005 its total GDP was \$1.9 trillion and its per capita GDP was \$32,100.<sup>viii19</sup> However, income distribution is almost as high as that of the US – 13.8 - indicating a sizeable gap between the rich and poor.<sup>20</sup>

### Social Issues

The UK faces several significant social problems, one of which is that 15.4% of children live in poverty.<sup>ix</sup> This rate, although lower than that of the US, still exceeds the OECD average of 11.2%.<sup>21</sup> In the UNICEF study, the UK was the only country to have an overall lower ranking than the US on the 6 dimensions of child well-being. Specifically, the UK ranked 12<sup>th</sup> on health and safety (its highest ranking), 17<sup>th</sup> on educational well-being, and 18<sup>th</sup> on material well-being.<sup>22</sup> The ruling Labour Party has made an effort to address these issues, and the child poverty rate of 15.4% marks a 25% reduction since 1998.<sup>23</sup>

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<sup>vi</sup> In the US census, Hispanics are counted separately from the other races and people can identify themselves as both Hispanic and another race.

<sup>vii</sup> While more recent data is available for the US, 2002 data has been used for the purposes of international comparison.

<sup>viii</sup> GDP data from the United Kingdom was converted to dollars using PPP exchange rates from the OECD.

<sup>ix</sup> After taxes and transfers

## Child Well-Being Rankings on 6 Indicators, of 21 OECD Countries

	United Kingdom
Overall Ranking	21 <sup>st</sup>
Material Well-Being	18 <sup>th</sup>
Health and Safety	12 <sup>th</sup>
Educational Well-Being	17 <sup>th</sup>
Family and Peer Relationships	21 <sup>st</sup>
Behaviors and Risks	21 <sup>st</sup>
Subjective Well-Being	20 <sup>th</sup>

Source: UNICEF (2007), p. 2

### Demographic and Workforce Data

About 8.3% of the country's 60.4 million people are under 6 years of age<sup>x</sup>. Ethnic minorities make up 9% of the population as a whole<sup>24</sup> and 9.3% of people were foreign-born in 2004.<sup>25</sup> Of the 3 countries, the UK has the lowest female participation rate in the labor force, but only slightly at 68.8%.<sup>26</sup> This rate drops to 57% for women with children under the age of 6 (2002 data).<sup>27</sup> The UK has a significantly higher percentage of women working part-time (39.3%) compared to 10% of men. Overall, Women make up 77.3% of all part-time employment.<sup>28</sup>

## Finland

### Economy

Finland is slightly less populous than the state of Washington with a population of 5.2 million people.<sup>29</sup> Finland ranks 2<sup>nd</sup> in the World Economic Forum's Global Competitiveness Index, trailing only Switzerland.<sup>30</sup> With a total GDP of \$165 billion in 2005, the per capita GDP comes out to approximately \$31,400.<sup>xi</sup> Wealth distribution is more equitable than in the US or UK; the ratio of the share of income of the richest 10% to the share of income of the poorest 10% is 5.6.<sup>31</sup>

### Social Issues

Finland's social provisions rank among the world's best, and as a result, its average ranking on the UNICEF scales was the 4<sup>th</sup> best of the 21 countries for which data was provided. In both material well-being and health and safety, it finished 3<sup>rd</sup>. In terms of educational well-being, it ranks 4<sup>th</sup>. Overall, Finland is in the top third tier of OECD countries ranked in 4 out of the 6 dimensions with only 1 bottom third finish.<sup>32</sup> As in the US, Finland's performance is likely correlated to its child poverty rate. However, unlike the US, its child poverty rate of 2.8% after taxes and transfers is well below the OECD average of 11.2%.<sup>33</sup>

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<sup>x</sup> The OECD estimates about 5 million British people are under the age of 6.

<sup>xi</sup> GDP data for Finland is converted to dollars using purchasing power parity (PPP), a theory that attempts to account for differences in price levels across countries when setting exchange rates. PPP exchange rates were determined by OECD.

### Child Well-Being Rankings on 6 Indicators, of 21 OECD Countries

	<b>Finland</b>
Overall Ranking	4 <sup>th</sup>
Material Well-Being	3 <sup>rd</sup>
Health and Safety	3 <sup>rd</sup>
Educational Well-Being	4 <sup>th</sup>
Family and Peer Relationships	17 <sup>th</sup>
Behaviors and Risks	7 <sup>th</sup>
Subjective Well-Being	11 <sup>th</sup>

Source: UNICEF (2007), p. 2

#### Demographic and Workforce Data

About 7.7% of Finland's 5.2 million people were under the school age of 7 in 2003.<sup>34</sup> Almost all of the population is ethnically Finnish although a small minority (5.6%) speaks Swedish as a first language, and another 2.4% speak something other than Finnish.<sup>35</sup> Overall, 3.2% of the population was foreign-born in 2004.<sup>36</sup> In 2005, Finland had about 1.4 million families, 42.3% of which had children.<sup>xii37</sup>

Women are deeply integrated into the Finnish economy with a participation rate of 73.3% in 2005. Only 6 of the other 29 OECD countries had higher participation rates among women. Like in the US, many women, especially mothers, work part-time; Finnish women make up 63.6% of total part-time employment.<sup>38</sup>

Overall, 49.4% of Finnish mothers with children under 6 were employed in 2002.<sup>39</sup> However, unlike in the US and UK where there is little difference in employment rates between mothers of infants/toddlers and mothers of children aged 3-5, there is a marked difference in these rates in Finland where only 32% of mothers with children under 3 are employed as opposed to nearly 75% of mothers with 3-5-year olds.<sup>40</sup>

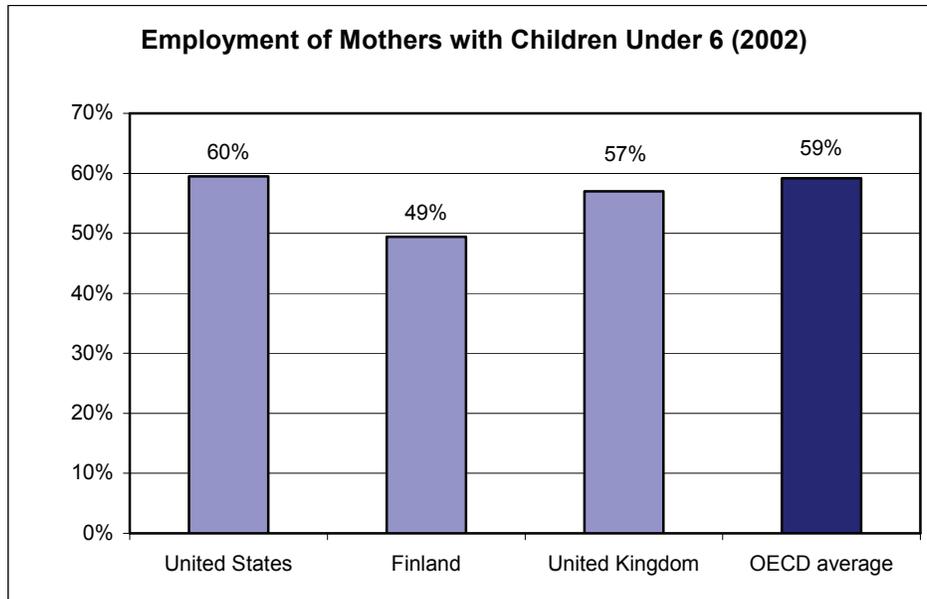
#### Country Comparisons:

### Child Well-Being Rankings on 6 Indicators, of 21 OECD Countries

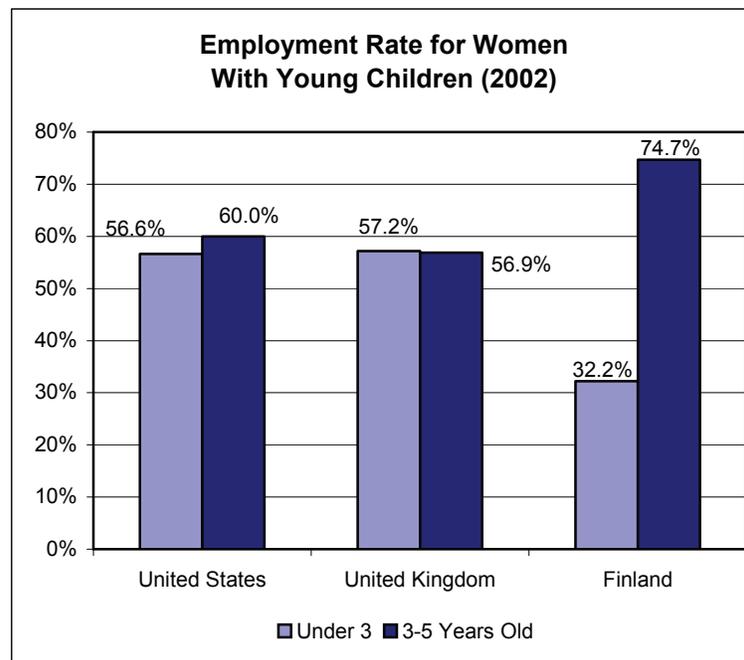
	<b>United States</b>	<b>United Kingdom</b>	<b>Finland</b>
Overall Ranking	20 <sup>th</sup>	21 <sup>st</sup>	4 <sup>th</sup>
Material Well-Being	17 <sup>th</sup>	18 <sup>th</sup>	3 <sup>rd</sup>
Health and Safety	21 <sup>st</sup>	12 <sup>th</sup>	3 <sup>rd</sup>
Educational Well-Being	12 <sup>th</sup>	17 <sup>th</sup>	4 <sup>th</sup>
Family and Peer Relationships	20 <sup>th</sup>	21 <sup>st</sup>	17 <sup>th</sup>
Behaviors and Risks	20 <sup>th</sup>	21 <sup>st</sup>	7 <sup>th</sup>
Subjective Well-Being	N/A	20 <sup>th</sup>	11 <sup>th</sup>

Source: UNICEF (2007), p. 2

<sup>xii</sup> The Finnish Ministry of Social Affairs and Health reports that there were 592,000 families with children in 2005.



Source: OECD (2005c)



Source: OECD (2006a)

<sup>1</sup> Organization for Economic Co-operation and Development (OECD). (2007). *OECD in Figures: 2006-2007 Edition*. Paris: Author, pp. 12-13. See: [http://www.oecdobserver.org/news/fullstory.php/aid/1988/OECD\\_in\\_Figures\\_2006-2007.html](http://www.oecdobserver.org/news/fullstory.php/aid/1988/OECD_in_Figures_2006-2007.html).

<sup>2</sup> U.S. Census Bureau. (n.d.a). *International data base (IDB)*. See: <http://www.census.gov/ipc/www/idb/>.

<sup>3</sup> OECD (2007), pp. 12-13

<sup>4</sup> World Economic Forum. (2006). *Global Competitiveness Report 2006-2007*. See: <http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm>.

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<sup>5</sup> United Nations Development Programme. (2006). *Beyond scarcity: Power, poverty, and the global water crisis*. See: <http://hdr.undp.org/hdr2006/statistics/indicators/145.html>.

<sup>6</sup> Mishel, L., Bernstein, J., & Allegretto, S. (2007). *State of working America 2006/2007*. Washington, DC: Economic Policy Institute, p. 347.

<sup>7</sup> UNICEF. (2007). *Child poverty in perspective: An overview of child well-being in rich countries*. Florence, Italy: Author, p. 2. See: <http://www.unicef.org/media/files/ChildPovertyReport.pdf>.

<sup>8</sup> Organization for Economic Co-operation and Development (OECD). (2006b). *Starting strong II: Early childhood education and care*. Paris: Author, p. 426.

<sup>9</sup> Ibid, p. 426.

<sup>10</sup> U.S. Census Bureau. (n.d.b). *Minority population tops 100 million*. See: <http://www.census.gov/Press-Release/www/releases/archives/population/010048.html>.

<sup>11</sup> Lemaitre, G. & Thoreau, C. (2006). *Estimating the foreign-born population on a current basis*. Organization for Economic Co-operation and Development, p. 13. See: <http://www.oecd.org/dataoecd/18/41/37835877.pdf>.

<sup>12</sup> OECD (2007), pp. 32-33.

<sup>13</sup> Organization for Economic Co-operation and Development (OECD). (2005c). *Society at a glance: OECD social indicators – 2005 edition*. See:

[http://www.oecd.org/document/24/0,3343,en\\_2649\\_34635\\_2671576\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/24/0,3343,en_2649_34635_2671576_1_1_1_1,00.html).

<sup>14</sup> Bureau of Economic Analysis. (n.d.) *Regional economic accounts*. See: <http://www.bea.gov/region/>.

<sup>15</sup> U.S. Census Bureau. (n.d.c). *State and county quickfacts*. See: <http://quickfacts.census.gov/qfd/states/53000.html>.

<sup>16</sup> Bureau of Economic Analysis (n.d.).

<sup>17</sup> U.S. Census Bureau (n.d.a).

<sup>18</sup> World Economic Forum (2006).

<sup>19</sup> OECD (2007), pp. 12-13.

<sup>20</sup> United Nations Development Programme (2006).

<sup>21</sup> OECD (2006b), p. 415.

<sup>22</sup> UNICEF (2007), p. 2.

<sup>23</sup> OECD (2006b), p. 415.

<sup>24</sup> Ibid, pp. 415-419.

<sup>25</sup> Lemaitre & Thoreau (2006), p. 13.

<sup>26</sup> OECD (2007), pp. 32-33.

<sup>27</sup> OECD (2005c).

<sup>28</sup> OECD (2007), pp. 34-35.

<sup>29</sup> U.S. Census Bureau. (n.d.a).

<sup>30</sup> World Economic Forum (2006).

<sup>31</sup> United Nations Development Programme (2006).

<sup>32</sup> UNICEF (2007), p. 2.

<sup>33</sup> OECD (2006b), p. 318

<sup>34</sup> Ministry of Social Affairs and Health (2006), p. 16.

<sup>35</sup> OECD (2006b), pp. 318-321.

<sup>36</sup> Lemaitre & Thoreau (2006), p. 13.

<sup>37</sup> Ministry of Social Affairs and Health (2006), p. 7.

<sup>38</sup> OECD (2007), pp. 32-35.

<sup>39</sup> OECD (2005c).

<sup>40</sup> Organization for Economic Co-operation and Development (OECD). (2006a). *Society at a glance: OECD social indicators – 2006 edition*. See:

[http://www.oecd.org/document/24/0,3343,en\\_2649\\_34635\\_2671576\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/24/0,3343,en_2649_34635_2671576_1_1_1_1,00.html).

## **2. Political Support and History:**

### **United States/Washington State**

#### **Philosophy**

The United States is characterized by a strong commitment to limited government support for issues relating to the family, including early education.<sup>1</sup> In contrast to the universalist philosophy of Finland, the cultural values of the United States emphasize the rights of individuals to privacy and on protecting private life and property from government intervention. Social policy tends to focus on the deprived and the impoverished, favoring targeted interventions over universal guarantees.

Despite a relatively hands-off approach and lack of comprehensive social policies for families and children, the US government has implemented many important social protections benefiting families and children. The majority of changes in social and welfare policies in the United States came about during specific historical periods, rather than evolving over time under a long-term or nationwide strategy.<sup>2</sup>

#### **The Progressive Era**

After the depression of 1893, the Progressive Movement called attention to harmful social effects of industrialization. Members of the movement introduced regulation to industrial monopolies and protections in the food industry. Many states began creating safety provisions for workers, including unemployment insurance and workplace safety standards. At the same time, a number of women's groups lobbied for protection for female workers and social policies for families and children. Some notable reforms of this period include the introduction of day nurseries, kindergartens, juvenile courts, maternal and child health programs, the US Children's Bureau, and child labor regulations.<sup>3</sup>

#### **The New Deal**

During the Great Depression of the 1930s, social policy took on a whole new level of importance as unemployment and poverty reached record levels. President Roosevelt's New Deal resulted in the creation of a flurry of social policies, including federal social insurance for pensions for the elderly, survivors' benefits, and unemployment insurance. The Social Security Act of 1935 introduced social assistance for dependent children as well as maternal and child health and child welfare provisions.<sup>4</sup>

#### **Great Society**

Another burst of change in national social policy occurred in the Great Society era during the 1960s. Along with the Civil Rights Movement, the Great Society initiative resulted in a focus on equal opportunity, racial justice, economic aid, and education. During this time, the government initiated the Head Start program, Medicare, and Medicaid. Coverage and funding for a wide variety of other social welfare programs increased, and President Johnson's War on Poverty sparked an increased focus on poor children.<sup>5</sup>

#### **Conservative Movement**

During the 1980s and 1990s, the Reagan and Bush administrations made efforts to dismantle many of the New Deal and Great Society programs. Funding was cut back though the core of most programs remained intact. The early years of the Clinton presidency saw the passing of unpaid family leave legislation and the expansion of Head Start. Today, US welfare programs are typically modest, limited in nature, and fragmented across a number of different agencies.<sup>6</sup>

## **United Kingdom**

### Philosophy

The United Kingdom falls somewhere between the US and Finland when it comes to family benefits. Overall, individual responsibility and market solutions for childcare provision are emphasized over universal strategies. Public policy is often specifically targeted around low-income populations and child care is typically viewed as the responsibility of the parents, as in the US. Childcare is viewed as an issue of inequality because a lack of affordability and availability of space tends to exclude low-income and middle-class families. Much like in the US, greater value needs to be assigned to care and to care workers in order to boost quality and professionalism.<sup>7</sup>

### History and Structural Foundations

The UK has a long-standing tradition of strong central government and weak local authorities with little autonomy. Instead of laboratories for democracy, local governments are seen as service providers. In the UK, the central government legislates, regulates, and funds policy while local governments provide services according to these mandates.<sup>8</sup>

Like the rest of Europe, the UK experienced a period of welfare expansion following World War II. With the rise of a conservative government in 1979, the tide turned against development of additional social provision. Since the Labour Party came to power in 1997, a renewed focus on social issues has enhanced welfare programs and emphasized early education quality and provision over the last decade.<sup>9</sup>

One example of this new emphasis is the Sure Start program, initiated in 1998 to improve existing childcare services in the UK's most deprived areas. Sure Start Local Programmes (SSLPs) were created to offer universal services within these targeted areas.<sup>10</sup> Recently, a new ten-year plan aims to gradually unify and expand access to these services across the entire nation. Sure Start's Children's Centres are all-in-one service centers for care, health, and information needs related to parenting. Working hand-in-hand with existing SSLPs in areas already receiving Sure Start services, they will serve additional locations in the coming years, (though not all new locations will have a full range of service offerings).<sup>11</sup>

Although the UK still doesn't come close to matching Finland in terms of availability and affordability of care, it does provide an intriguing model for leaders in the United States to study given the UK's commitment to improving social service provision and the two countries' similar philosophies regarding the role of government.

## **Finland**

### Philosophy

Finland has a strong historical commitment to universalism – the idea that the government is responsible for providing the same level of services to all citizens. While family is still a private unit, the well-being of the family is seen as a public responsibility. Within this framework, the Finns have developed a comprehensive system of family policies and benefits, including universal child care.

Due to Finland's extensive family leave policies Finnish mothers are more likely to be their children's main caregivers in their first 3 years of life than mothers in the US. On the other hand mothers with children over age 3 are much more likely to be employed in Finland than in the US<sup>i</sup>, due to the fact that Finnish children receive low-cost high-quality care in their parents' absence.<sup>12</sup> Finns take this to be a right and it is assumed care workers will be qualified professionals.<sup>13</sup>

Finland's Nordic tradition places great value in the autonomy of local communities and government on the local level. Much of Finnish social policy results from this continuing interplay between competing forces pushing for central regulation and local independence. The result is often a compromise for local policymaking under centrally defined guidelines.<sup>14</sup>

### World War II Era

Before the 1930s, there was very little in the way of social assistance in Finland. The Finnish government offered a means-tested financial benefit for the poor, but no universal family policy. As Europe plunged into World War II, however, the Finnish government felt the need to increase its population, and women were expected to have more children. This philosophy of pronatalism sparked the creation of universal health services for pregnant women and small children in 1944 and the provision of cheap government loans for young married couples to buy their first homes.<sup>15</sup>

After the end of the war, the creation of universal policies continued with universal child benefits (1948)<sup>ii</sup>, maternity benefits (1949), and housing benefits (1950). Despite these reforms, Finland, along with the rest of the Nordic countries, lagged behind other OECD nations in the provision of family benefits.<sup>16</sup>

### The 1960s and 1970s

In the 1960s and 70s the proportion of women in the labor market increased considerably and the importance of family policy grew accordingly.<sup>17</sup> At the same time, the balance of power in Finnish government shifted towards Social Democracy. The result was a rapid expansion of family service provision as well as central government funding and regulation.<sup>18</sup> Universal paid maternity leave was introduced in 1964 and paternity leave was introduced in 1976 to encourage fathers to participate in caring for their children.<sup>19</sup> In addition, the Children's Daycare Act of 1973 mandated that municipalities (the local authorities in Finland) organize child care for children under school age in the form of center-based or family-based care.<sup>20</sup>

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<sup>i</sup> Finnish women whose youngest child is under 3 had a 32.2% participation rate in the workforce as compared to 56.6% of similar American mothers in 2002. When their youngest child is between 3 and 5 years of age Finnish mothers participate in the workforce at a rate of 74.7% compared to only 60% in the US.

<sup>ii</sup> Child benefits are transfer payments from the government to families to help with the costs of raising children.

### The 1980s

In the 1980s, the central government established a planning system that instructed municipalities on the implementation of universal social services.<sup>21</sup> In 1985, it passed new legislation that guaranteed parents and guardians of children under 3 the right either to send their children to child care or to care for their children at home using a combination of care leave and a childcare allowance, called the Child Home Care Allowance (CHCA). The CHCA consisted of a statutory basic amount, a means-tested supplement, sibling increases, and in many cases, local government supplements. Some municipalities had trouble meeting demand for daycare services, so they provided financial supplements to the CHCA to make it more attractive than daycare in the eyes of families.<sup>22</sup> Partly due to these practices, the allowance was much more popular than daycare.<sup>23</sup>

### The 1990s

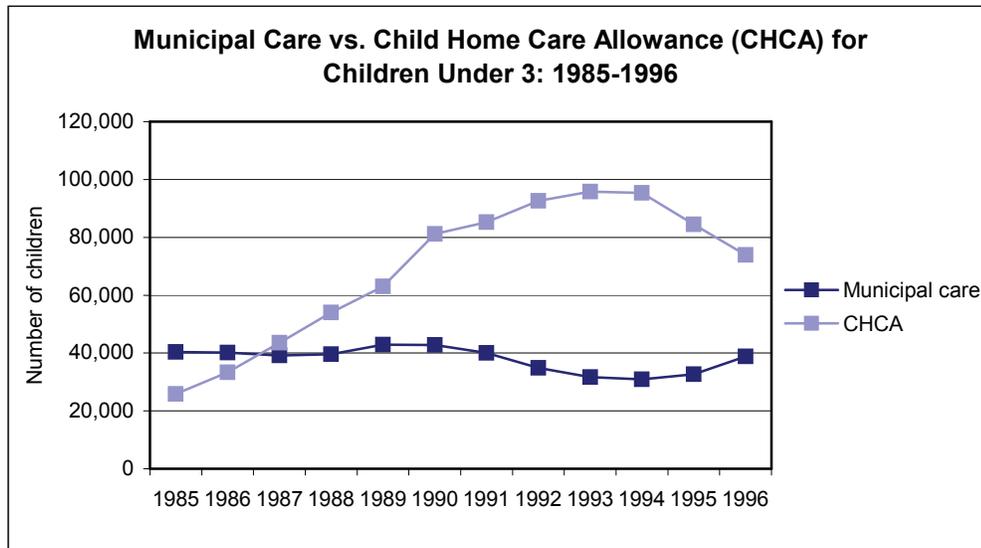
By the late 1980s, the balance of power began to shift back towards the local governments. A recession in the late 1990s led to a devastating economic crisis in Finland. As unemployment rose and incomes fell, the government paid out an increasing amount of money in transfer payments, exacerbating the strain it felt from the recession. As a result, all areas of social policy were trimmed.

In 1993, the state planning system was abolished, as were tax deductions for families with children. Child cash benefits, which had been raised initially to compensate for the loss of tax deductions, were cut back and the adjustments that increased benefits in response to inflation were eliminated. In the 1980s parental leave benefits had been set at 70% of previous salary for 11 months, but were reduced four times during the 1990s. Benefits have not returned to their previous levels, even after the end of the recession.<sup>24</sup>

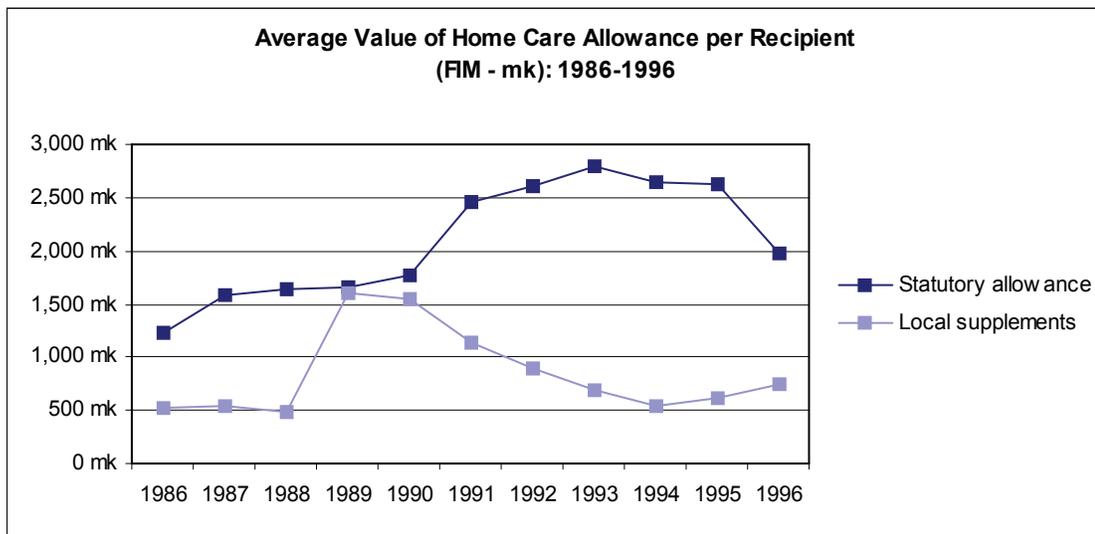
Rising unemployment further increased the number of people who opted for cash benefits over child care, since many parents had time to care for their children but no income. In response, the government was forced to cut back on the supplements to save money. However, because the supplements were income-dependent, as families grew poorer due to the recession, they became eligible for greater supplements. This dynamic partially offset the effects of the government's cuts.

In 1995, the home care program was targeted for further cuts. With an emphasis on removing the financial incentive for women to stay home, the government cut benefits by 23% in 1996 and excluded families with 1 parent receiving unemployment benefits from eligibility. At the same time, the right to child care to all children under the school age of 7 was expanded<sup>25</sup> and, in 1997 a private care allowance for arranging private child care instead of municipal services was added.<sup>26</sup> Overall, family programs across the board suffered cuts and health and social care were once again determined locally. The national government still offered recommendations, but the recommendations were no longer binding.

Both health and care services are currently provided by local authorities either publicly or by contract with private firms.<sup>27</sup> Services have improved in the new millennium with the introduction of free half-day municipal preschool for all 6-year olds in 2001 and the inclusion of before- and after-school activities for 1<sup>st</sup> and 2<sup>nd</sup> graders in the Basic Education Act as part of the core curriculum in 2004.<sup>28</sup>



Source: Sipilä & Korpinen (1998), p. 268



1. FIM stands for the Finnish Markka, the national currency prior to the switch to the Euro. Between 1986 and 1996 the exchange rate fluctuated between 4 and 5 markkaa to the dollar.

Source: Sipilä & Korpinen (1998), p. 267

<sup>1</sup> Organization for Economic Co-operation and Development (OECD). (2006). *Starting strong II: Early childhood education and care*. Paris: Author, p. 427.

<sup>2</sup> Kamerman, S.B. & Kahn, A.J. (2001). Child and family policies in the United States at the opening of the twenty-first century. *Social Policy and Administration*, 35(1): 69-84 (76).

<sup>3</sup> Ibid, pp. 78-79.

<sup>4</sup> Ibid, p. 79.

<sup>5</sup> Ibid, pp. 79-80.

<sup>6</sup> Ibid, pp. 80-81.

<sup>7</sup> Repo, K. (2004). Combining work and family in two welfare state contexts: A discourse analytical perspective. *Social Policy & Administration*, 38(6): 622-639 (634).

<sup>8</sup> Burau, V. & Kröger, T. (2004). The local and the national in community care: Exploring policy and politics in Finland and Britain. *Social Policy & Administration*, 38(7): 793-810 (797).

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<sup>9</sup> O'Hara (1998), p. 17.

<sup>10</sup> Center for Law and Social Policy. (2005). *CLASP audio conference series transcript: Sure Start: Lessons for the U.S. from universal pre-K in the UK*, pp. 2-3, 5. See: [http://clasp.org/audio/ac\\_transcript\\_071505.pdf](http://clasp.org/audio/ac_transcript_071505.pdf).

<sup>11</sup> Ibid, pp. 1-2, 9.

<sup>12</sup> Repo (2004), pp. 624-626.

<sup>13</sup> Ibid, p. 634.

<sup>14</sup> Burau & Kröger (2004), p. 795.

<sup>15</sup> Department of Social Sciences and Philosophy, Social Work, University of Jyväskylä. (2006). *Social work with families and children* (course description). Jyväskylä, Finland: Author. See: [http://www.jyu.fi/yhtfil/sosnet/families\\_and\\_children/index.html](http://www.jyu.fi/yhtfil/sosnet/families_and_children/index.html).

<sup>16</sup> Hiilamo, H. (2004). Changing family policy in Sweden and Finland during the 1990s. *Social Policy & Administration*, 38(1): 21-40 (21).

<sup>17</sup> Department of Social Sciences and Philosophy, Social Work, University of Jyväskylä (2006).

<sup>18</sup> Burau & Kröger (2004), p. 796.

<sup>19</sup> Department of Social Sciences and Philosophy, Social Work, University of Jyväskylä (2006).

<sup>20</sup> Ministry of Social Affairs and Health. (2006). *Finland's family policy*. Helsinki, Finland: Author, p. 5. See: <http://www.stm.fi/Resource.phx/publishing/store/2006/10/hm1161607115538/passthru.pdf>.

<sup>21</sup> Burau & Kröger (2004), p. 796.

<sup>22</sup> Sipilä, J. & Korpinen, J. (1998). Cash versus child care services in Finland. *Social Policy & Administration*, 32(3): 263-277 (264-265).

<sup>23</sup> Ibid, p. 268.

<sup>24</sup> Hiilamo (2004), pp. 22-29.

<sup>25</sup> Sipilä & Korpinen (1998), pp. 268-271.

<sup>26</sup> Ministry of Social Affairs and Health (2006), p. 5.

<sup>27</sup> Burau & Kröger (2004), pp.796-798.

<sup>28</sup> Ministry of Social Affairs and Health (2006), p. 5.

### **3. Early Childhood Education and Care (ECEC) Provision:**

#### **United States/Washington State**

##### National Overview

The US has no national system for child care or early education. Provision varies considerably by region. In the private sector, parents can seek out both licensed and unlicensed care. Licensed providers offer family daycare, child care, and early education, whereas unlicensed providers are often informal caregivers like family or friends who may or may not receive payment for their services.

For some low-income families, early education is provided through federally-funded Head Start and Early Head Start programs, offered for children aged 3-4 and 0-3, respectively.<sup>1</sup> There are no national laws requiring public schools to offer early childhood education and care (ECEC) services, many school districts and some states provide preschool and kindergarten services beyond the standard half-day classes for 5-year olds.

Though the US does not have a comprehensive national system for ECEC services, in recent years a number of states across the US have individually moved towards the provision of universal pre-kindergarten. This trend has taken two forms: (1) increasing funding for pre-kindergarten programs in public schools and (2) streamlining and realigning all ECEC funding (local, state, federal, and private).<sup>2</sup>

Of the wide variety of ECEC systems and programs across the nation, the US Military Child Development System (CDS) run by the Department of Defense (DoD) is most similar to the universal provision model of the Nordic countries. It has also been cited as a national model for the comprehensive delivery of high-quality childcare services. The CDS system consists of 4 major parts: Child Development Centers (CDC), Family Child Care (FCC)/ Child Development Homes (CDH), School-Age Care (SAC), and Resource and Referral programs (R&R). The fees for military child care are subsidized by the DoD and are provided on a sliding scale, ranging from \$43 a week to \$126. In 2005, the average weekly fee was \$85 for up to 50 hours of care.<sup>3</sup>

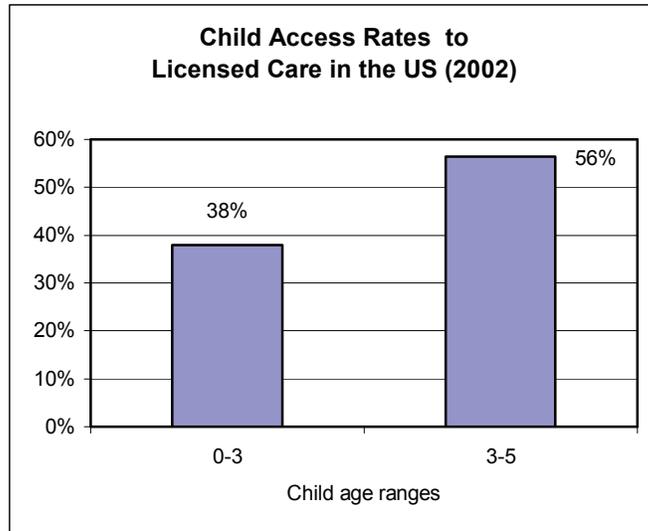
The 2007 National Association of Child Care Resource and Referral Agencies' (NACCRA) ranking of state child care centers gave a number 1 ranking to Department of Defense child care programs. The Department was noted for requiring all childcare center directors to have at least a Bachelor's degree.<sup>4</sup> The CDS has also implemented a program linking increased education and training to wages, the Caregiving Personnel Pay Program (CPPP), which has resulted in competitive wages and lower staff turnover rates since its inception.<sup>5</sup>

##### Access Rates

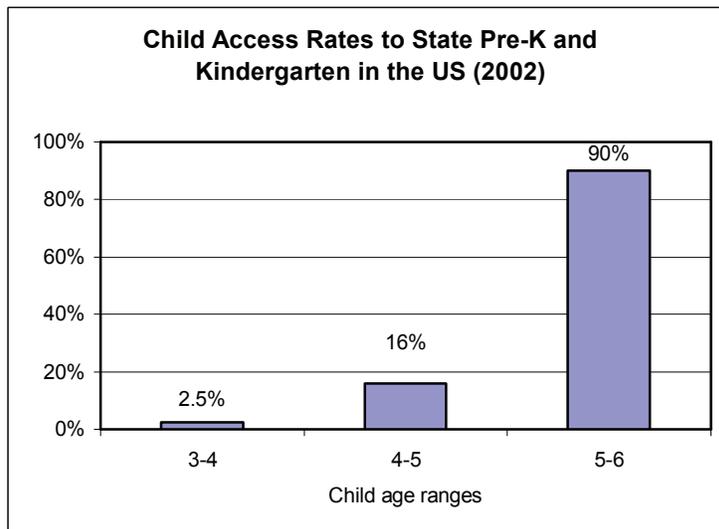
In 2004, 29.5% of children under 3 attended daycare. In the same year, 41.8% of 3-year olds, 64.1% of 4-year olds, and 77.0% of 5-year olds attended some sort of preschool.<sup>6</sup> By the time children reach 5 years of age, most are required to attend kindergarten<sup>1</sup>, and over 90% of 5- and 6-year olds did so in 2002. Two states, Georgia and Oklahoma, provide universal pre-kindergarten classes for 4-year olds. Federal Head Start and Early Head Start programs enroll only 11% of 3- and 4-year olds nationwide.<sup>7</sup>

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<sup>1</sup> In 41 states, kindergarten provision is mandatory. In 14 states, kindergarten attendance is mandatory. In Washington, provision by school districts is mandatory but attendance is not.



Source: OECD (2006b), p. 427



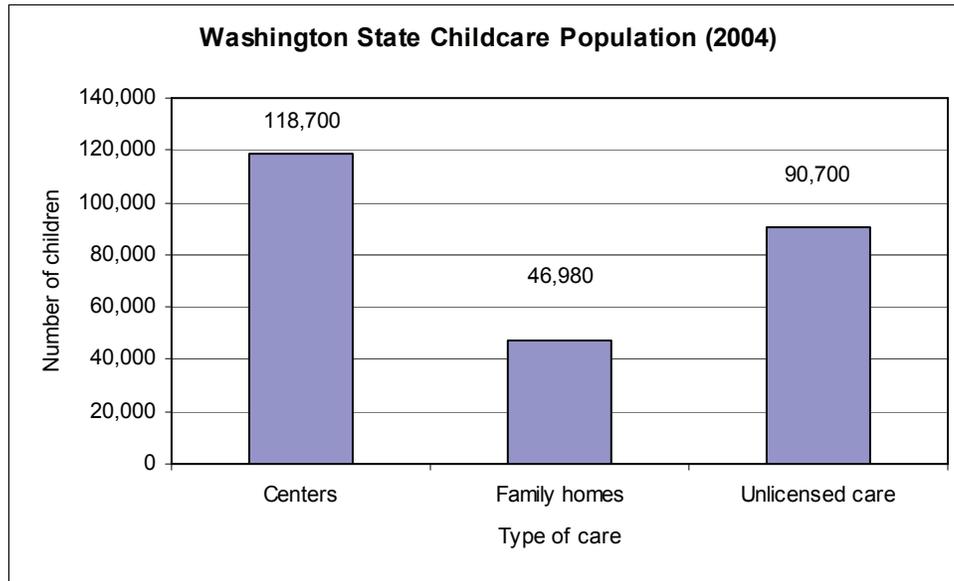
Source: OECD (2006b), p. 427

**Child-Staff Ratios**

Child-staff ratios differ considerably from state to state because there are no national standards. In general, there are about 4-6 infants per caregiver and 10-20 preschoolers per teacher. In regulated care centers, maximum group sizes vary from 8 to 24 for children aged 0-3 and from 14-40 for children aged 3-5.<sup>8</sup>

### Washington Overview

ECEC offerings vary considerably within Washington State as well. In 2004, 165,680 (1 in 4) children attended licensed child care.<sup>ii</sup> Another 90,700 children utilized in-home or out-of-home unlicensed care.<sup>9</sup> There are several types early learning available in Washington State, including licensed and unlicensed private care, school district programs, and programs for at-risk and low-income children. Washington also offers childcare subsidies for low-income families as well as early education opportunities for children with disabilities beginning at the age of 3.<sup>10</sup>



Source: Schrage & Rowswell (2005). p. 9

### Head Start/Early Head Start and Early Childhood Education and Assistance Program (ECEAP)

Families must earn less than 100% of the federal poverty level to be eligible for Head Start (ages 3-5) or Early Head Start (under 3) programs, but a lack of funding resulted in the enrollment of only 1 in 3 eligible children in 2005.<sup>11</sup> In 2006-07, 11,056 children were enrolled in those 2 programs (9,513 in Head Start and 1,543 in Early Head Start).<sup>iii12</sup>

In addition to the federal Head Start programs, Washington State also provides the Early Childhood Education and Assistance Program (ECEAP) for low-income children. ECEAP can be both center based and family-home based and is supported by federal, local, and state money. To be eligible, children must come from families earning below 110% of the federal poverty line. Again due to lack of adequate funding, only 19% of eligible 3- and 4-year olds are able to enroll in the program.<sup>13</sup> In 2006-07, this resulted in service for 5,976 children, although funding for the 2007-2008 year was increased to serve 7,081 children.<sup>14</sup>

<sup>ii</sup> This includes children of all ages from birth through school-age.

<sup>iii</sup> There are also Head Start programs for American Indians/Alaska Natives (AI/AN) and for children of migrant workers, but for simplicity, they are not dealt with in this discussion.

### Recent Developments

In 2005, the Washington State government created the Washington Learns committee to comprehensively review the state's entire education system (from early learning to post-secondary education) and make recommendations for improvement. In a 2006 report, Washington Learns established several 10-year goals for bringing education in Washington to a 'world-class' level, including improving affordable childcare access and kindergarten readiness.<sup>15</sup>

As a result of early Washington Learns recommendations, the state government authorized the formation of the Department for Early Learning (DEL), which brings existing early learning services from different agencies under one roof.<sup>16</sup> In addition, in 2007 Governor Gregoire created the P-20 Council to hold the government accountable for the goals of the Washington Learns program.<sup>17</sup> Part of this commitment is to improve the quality of ECEC for Washington families.

In January of 2006 the Bill & Melinda Gates Foundation, Washington's state government, and a number of other organizations throughout the state established Thrive by Five, a statewide public-private partnership focused on early learning. Thrive by Five has created demonstration projects in 2 low-income communities, White Center and East Yakima, that are coordinating and expanding early learning efforts, and piloting new initiatives and programs in those areas<sup>18</sup>.

Washington State will also soon begin piloting the use of a voluntary rating system in licensed childcare centers, family homes, and other early education programs to increase the quality of early education in the state. The Quality Rating and Improvement System (QRIS) will use a variety of measures to determine rating including licensing and accreditation and will couple improvements in quality with increases in reimbursement through a 'tiered reimbursement' strategy. A number of other states<sup>iv</sup> have implemented similar quality systems with one or both of these elements (rating and reimbursement) to great success.

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<sup>iv</sup> Some other states which have similar rating systems include Colorado, Kentucky, Minnesota, New York, North Carolina, Oklahoma, Pennsylvania, and Tennessee.

## ECEC Provision in the United States (with Type of Caregiver)

0-1	1-2	2-3	3-4	4-5	5-6	6-7	7+
Parental care							
	Parents and guardians						
Licensed childcare centers							
	Heads of centers Childcare teachers Childcare aides						
Licensed family care							
	Family home providers Family home assistants						
Unlicensed care (out-of-home and in-home, paid-or unpaid)							
	Grandparents Family Neighbors Family friends						
			Head Start programs				
				Lead teachers Assistant teachers Family support specialists Family support aides			
Early Head Start programs							
	Lead teachers Assistant teachers Family support specialists Family support aides						
			ECEAP (Washington)				
				Lead teachers Assistant teachers			
			School district programs				
			Preschool and Pre-kindergarten				
					Kindergarten		
						Primary school	

## United Kingdom

### Overview

The early childhood education and care (ECEC) system in the United Kingdom, like that of the United States, is characterized by a wide variety of services without extensive coordination between them. In the last decade the government has taken significant steps towards increased unification. Services in the UK are more accessible on average than those in the US, but less accessible than those in Finland. In the UK, compulsory schooling starts at the age of 5 and there are many different types of care available for children under that age. Children under 3 are typically cared for by private child minders (similar to family care in the US), in playgroups, and in day nurseries. These services offer occasional, sessional, and all-day care.

By law, all 3- and 4-year olds are entitled to free early education for 12.5 hours/week for the 38-week academic year, with a scheduled increase to 15 hours per week in late 2007. The Local Authorities (LAs) are responsible for providing ECEC services, but will only do so if there are no private, voluntary, or community sector provisions available.<sup>19</sup> The statutory entitlement is valid at any registered care facility, including ones that normally charge fees. Any care in excess of the 12.5 hours, however, is billed at each facility's normal rate.<sup>20</sup>

### Programs and Services

A wide variety of ECEC options are available for British children, including state-maintained and private nursery schools, nursery classes and reception classes located at primary schools, child minders, and nannies. Reception classes are state funded for 4-year olds the year before they enter primary school and are usually located in the primary schools themselves. The classes provide full-day care but do not offer extended-day care.<sup>21</sup>

Child minders usually look after children in their own homes and pick children up from nearby schools, whereas nannies care for children in the children's own homes. Additionally, children may attend independent schools, preschools and playgroups, crèches<sup>v</sup>, toddler groups, or out-of-school or 'kids clubs'. Toddler groups are informal groups of parents who meet regularly with their children. 'Kids clubs' are safe and stimulating environments for kids to play outside school hours.<sup>22</sup>

### Sure Start

The future of child care in England may lie with Sure Start, a program initiated in 1998 with the goal of minimizing child poverty and social exclusion. Sure Start began as a targeted intervention that focused on providing services for children under age 4 in only the most deprived<sup>vi</sup> areas in the country.<sup>23</sup> Within each area, Sure Start Local Programs (SSLPs) were created and funded to improve existing service provisions for all children living within that area, regardless of family income.<sup>24</sup>

SSLPs were designed to be flexible to meet local needs, and as such do not require extensive documentation.<sup>vii25</sup> In an effort to target additional pockets of disadvantaged children, the government created Mini SSLPs to build on existing services using Sure Start funding in deprived areas that were not populous enough to qualify for regular SSLPs.<sup>26</sup>

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<sup>v</sup> Crèches provide occasional care for children under 8, similar to American childcare centers.

<sup>vi</sup> To be eligible for a Sure Start program, an area must be one of the 20% most deprived in the country.

<sup>vii</sup> The lack of documentation requirements makes the task of program evaluation highly difficult.

In 2004 there were 524 such programs<sup>27</sup>, servicing over 400,000 children and their families<sup>viii28</sup>, or approximately 15% of all children under age 4 in England.<sup>ix</sup> Sure Start has also adopted a new approach focused on the formation of Children's Centres, which are designed to be one-stop destinations for child care, information on parenting, health care, and other services. In the areas served by SSLPs, much of the infrastructure is already in place for these centers<sup>29</sup>, but the government plans to gradually expand Sure Start services to greater sections of the population until they are universally accessible.<sup>30</sup> By 2010, it plans to have created about 3,500 Children's Centres, although those not already served by SSLPs will not see the full range of services and funding.<sup>31</sup>

With plans in motion to integrate an increasing number of ECEC services into Sure Start centers, many important decisions depend on Sure Start's success. Due to the flexible nature of these programs and the lack of documentation requirements, it has been very difficult to compile meaningful data for Sure Start as a whole.<sup>32</sup> Still, preliminary studies showed no significant difference between areas with SSLPs and comparison areas without such programs. Surprisingly, research has even indicated that SSLPs may cause adverse effects for the most disadvantaged children, whereas the effects are slightly beneficial for less disadvantaged children in terms of verbal ability, social competence, and behavior (of both the children and their parents).

Similar results were found in evaluations of American Head Start programs, and researchers theorized that more advantaged families are better prepared to make use of available benefits, whereas the most disadvantaged find them intrusive and stressful. Since it took time for the programs to be implemented, it is also possible that results have not had time to manifest themselves yet and the early evaluations of Sure Start may be premature.<sup>33</sup>

There is some evidence to indicate that SSLPs have impacted parenting behavior, giving parents more confidence and causing them to feel less isolated.<sup>34</sup> In the long run, more confident parenting should lead to healthier parent-child relationships. However, one review of the Sure Start program expresses doubt that Sure Start will address the roots of child poverty and social exclusion. The paper argues that eroding child benefits and the so-called "poverty trap" are to blame for the UK's elevated poverty levels, neither of which will be addressed by Sure Start.

The "poverty trap" as described suggests that obtaining paid employment often translates to such a loss of benefits for low-wage workers that there is little incentive to seek it out.<sup>35</sup> In the coming years, more in-depth research into Sure Start's effectiveness will undoubtedly be commissioned due to its position at the core of modern British early education policy.

### Access Rates

In general, complaints about the British system of ECEC provision center on affordability, the lack of wraparound care services, and the fragmentation of different programs. Many low-income families are excluded simply due to high cost.

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<sup>viii</sup> The Center for Law and Policy expects that only 1/3<sup>rd</sup> of the 400,000 children are receiving ongoing service at any one time.

<sup>ix</sup> The percentage is based on a 2003 UK census projection of 2,683,000 children under 4 years of age.

In 2004, 25.8% of children under 3 were enrolled in daycare services, licensed or unlicensed. The same year, 50.2% of 3-year olds, 92% of 4-year olds, and 98.2% of 5-year olds were enrolled in some type of preschool education.<sup>x36</sup> For children older than 3, Local Authorities provide 70% of places in nursery schools, nursery classes, and reception classes. Of the remaining 30%, most places are provided by the private sector with under 10% of the total run by nonprofits and community organizations.<sup>37</sup>

### Child-Staff Ratios

Child-staff ratios in regulated family-based care (child minders) are set at a maximum of 6:1 with the condition that there be no more than 3 children under the age of 5. In center-based care (crèches, centres, and playgroups), there is a maximum group size of 26 with child-staff ratios set at 3:1 for children under 2 years of age, 4:1 for 2-year olds, and 8:1 for children between 3 and 7. In nursery schools, the ratios are 13:1, and 15:1 in reception classes (with a teacher and an assistant).<sup>38</sup> All children with special needs are guaranteed full-time education to fit their needs from the ages of 2 to 19.<sup>39</sup>

### Recent Developments

The United Kingdom is in the middle of widespread change in its ECEC system. The British government recently passed 2 important pieces of legislation regarding family services. In 2004, 'Choice for Parents, the Best Start for Children' mapped out a 10-year strategy for improving both the quality and the availability of child care for British families.<sup>40</sup> Two key components of this plan are the further development of the Sure Start program and the expansion of free early learning for 3- and 4-year olds.<sup>41</sup> In 2006, the Child Care Act raised the targets for service provision with the goal of providing high-quality early learning to all children under school age by increasing free provision and improving flexibility.<sup>42</sup>

On the local level, some Local Authorities have piloted programs granting free entitlement to disadvantaged 2-year olds.<sup>43</sup> In November 2005, the mayor of London announced the Childcare Affordability Programme (CAP) that will subsidize the rising costs of child care in the city. With £33 million (≈ \$53 million) in funding, the CAP aims to lower the cost in 3,255 childcare places so that they can be fully covered by tax credits.<sup>xi</sup>

This is only the 1<sup>st</sup> phase of a 3-year program expected to subsidize 10,000 places in nurseries across the city and provide incentives for nurseries and child minders to keep more flexible hours. CAP is also an attempt to combat London's 'poverty trap,' where high housing costs and low wages make it difficult for low-income parents to find work that leaves them better off than receiving unemployment benefits. At market rates, these families are often priced out of the childcare market.<sup>44</sup>

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<sup>x</sup> These figures include reception classes for 4-year olds and the start of formal schooling at age 5.

<sup>xi</sup> Information on tax credits can be found in section 5.

## ECEC Provision in the United Kingdom (with Type of Caregiver)

0-1	1-2	2-3	3-4	4-5	5-6	6-7	7+
Parental care							
	Parents and guardians						
Private day nurseries and playgroups							
Private child minders/nannies							
			Nursery schools (state or private)				
			Nursery teachers Nursery assistants Nursery nurses				
			Nursery classes in public/private schools				
			Qualified teachers				
				Reception classes in public schools			
				Qualified teachers			
Other (i.e. crèches, preschools, independent schools)							
					Primary school		

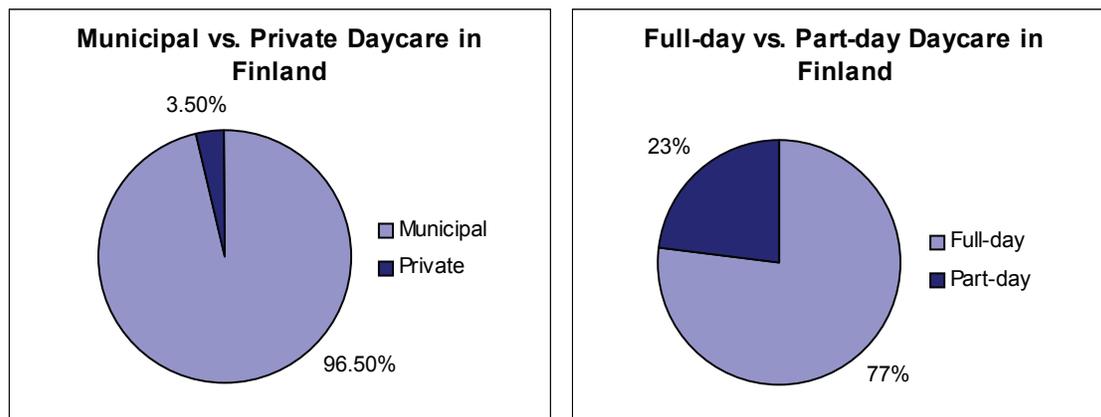
*Children are guaranteed an early education place  
from the age of 3 until primary education starts  
at age 5.*

## Finland

### Overview

Finland's system for early childhood education and care (ECEC) provision is national, universal, and comprehensive. Although compulsory schooling doesn't begin until age 7, children have affordable care available to them from the time they are born. By law, all children have the right to a place in local public (municipal) daycare from the time that parental leave ends regardless of the financial or employment status of their parents.<sup>xii</sup>

Municipalities provide the overwhelming share of daycare spots. Approximately half of all children under school age use municipal daycare services while only 3.5% of children using daycare are enrolled in private services through a private childcare allowance (discussed below and in section 5). Of all children enrolled in daycare programs in 2006, 77% attend full-time.<sup>45</sup> There are 3 publicly subsidized daycare options for parents. Other than municipal care and private care arrangements as discussed above, parents may also take home care leave from their jobs and receive a home care allowance from the government (discussed in-depth in section 5).



Source: Ministry of Social Affairs and Health (2006), p. 16

### Municipal Services

The daycare service provided by municipalities in Finland comes in the form of centers and regulated family care available full time and year-round. In an effort to accommodate its small ethnic population, Finland requires daycare to be available in all 3 of its native languages: Finnish, Swedish, and Sámi.<sup>46</sup> Municipal daycare centers are staffed by several types of employees, including heads of centers, kindergarten teachers (the word kindergarten does not refer to only the year before primary education as it does in the US), children's nurses, and daycare assistants, almost all of whom are female.

Child-staff ratios for center-based care are typically 4:1 for children under 3 and 7:1 for children over 3. In part-day services, ratios are 13:1. In family care centers, the mandated maximum group size is 4 full-day children, but family care workers are allowed to include 1 additional part-time preschool or school-age child.<sup>47</sup>

<sup>xii</sup> Family leave policies will be discussed in more depth in section 5.

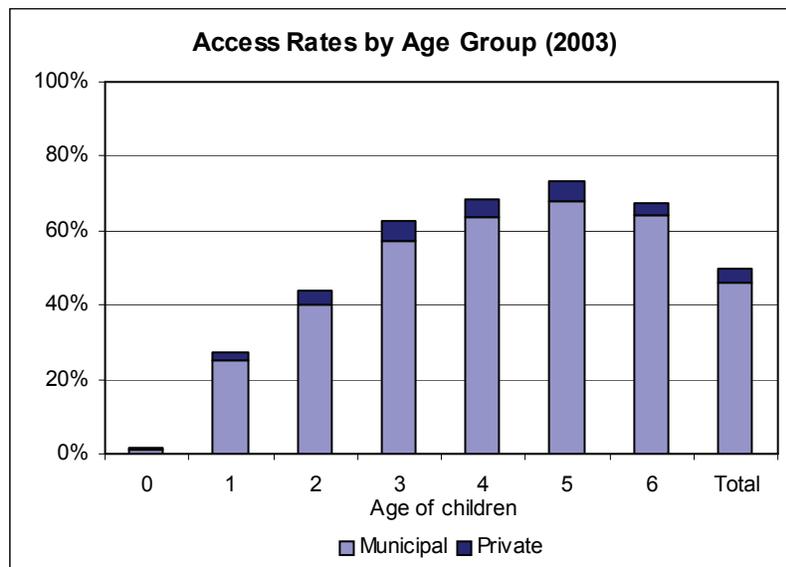
### Private Services

Private childcare comes in 2 forms; some services are fully private and some are outsourced municipal services. Fully private care is fairly rare in Finland, accounting for only a small percentage of total provision.<sup>48</sup> The main reason for this is not cost; Finland's private care subsidies are generous enough to make private care a viable option for many of its families. However, with guaranteed high-quality public care, the demand for private solutions is not great.

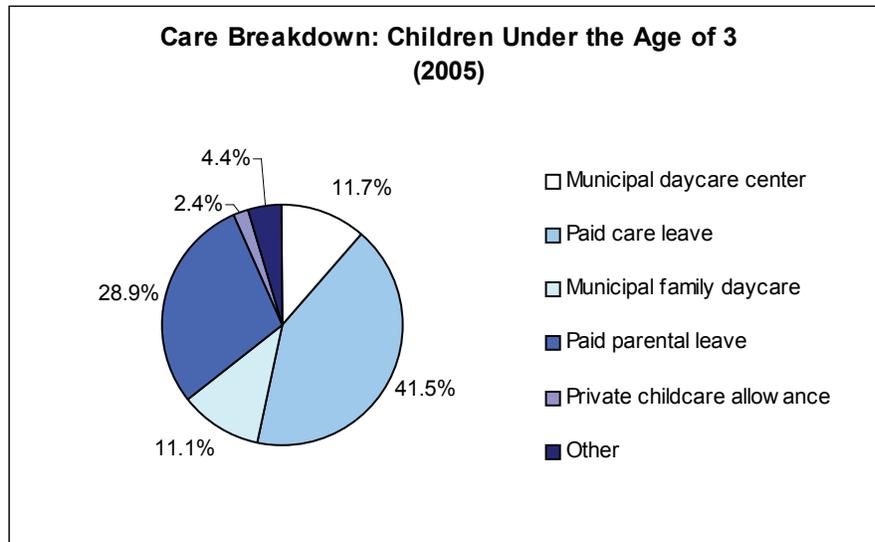
### Access Rates

In 2004, 35% of children under 3 attended daycare services. The same year, 37.7% of 3-year olds, 46.1% of 4-year olds, and 54.6% of 5-year olds attended some sort of preschool education.<sup>49</sup>

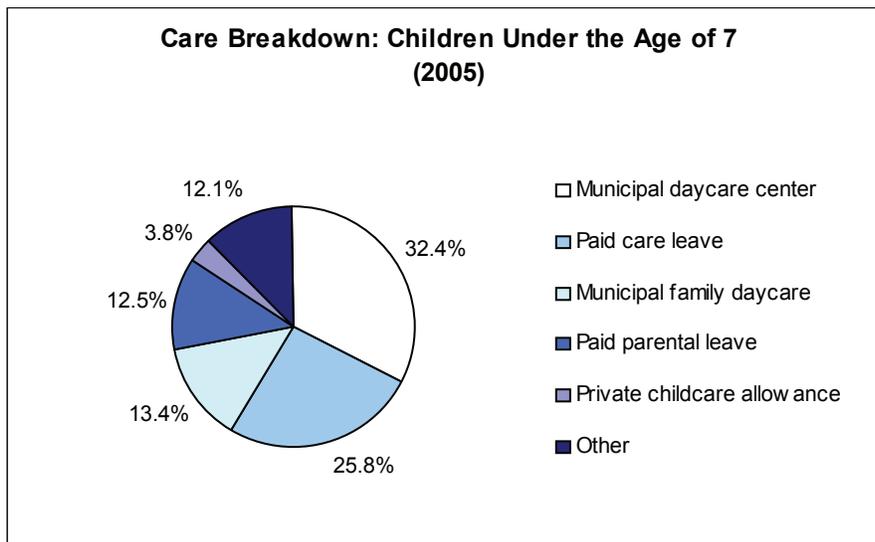
All children in Finland are entitled to free preschool education at the age of 6, the year before they start compulsory schooling. By law, municipalities are required to organize 700 hours of preschool per child, which in practice amounts to 3 or 4 hours per day. In 2005, 95% of 6-year olds attended preschool and 66% of attendees also used daycare services.<sup>50</sup> The recommended maximum size of preschool classes is 20 and teachers are required to have an assistant if there are more than 13 children.<sup>51</sup>



Source: Ministry of Social Affairs and Health. (2004). Early childhood education and care in Finland. Helsinki, Finland: Author. p. 12



1. Details on the different types of family leave will be discussed in section 5.  
 Source: Ministry of Social Affairs and Health (2006), p. 17



1. Details on the different types of family leave will be discussed in section 5.  
 Source: Ministry of Social Affairs and Health (2006), p. 17

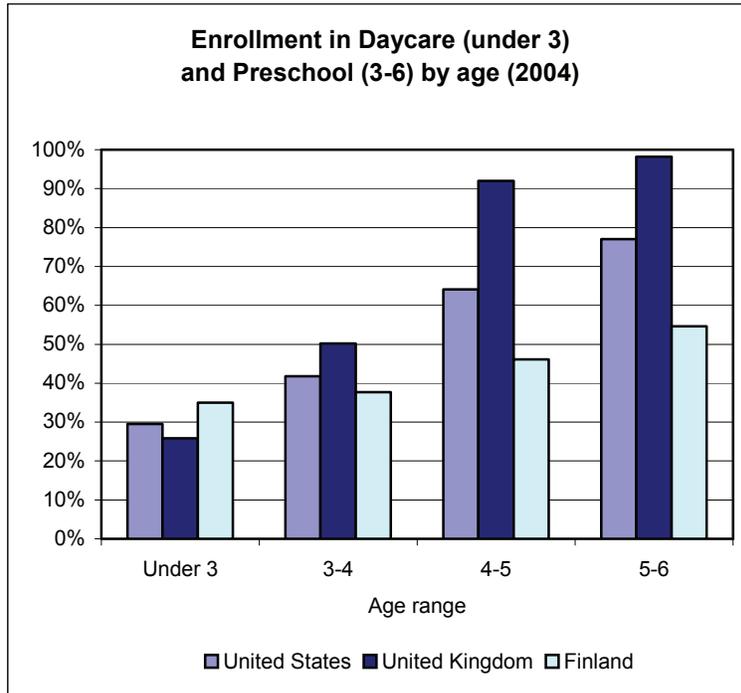
Part of the educational philosophy in Finland is that children with special needs should be integrated as much as possible into the regular education system.<sup>xiii</sup> Of the 7% of children in ECEC services that have special needs, only 15% are in special groups and the other 85% are in mainstream programs.<sup>52</sup>

<sup>xiii</sup> Similarly, in the Finnish primary school system, there are no separate classes for academically 'gifted' children.

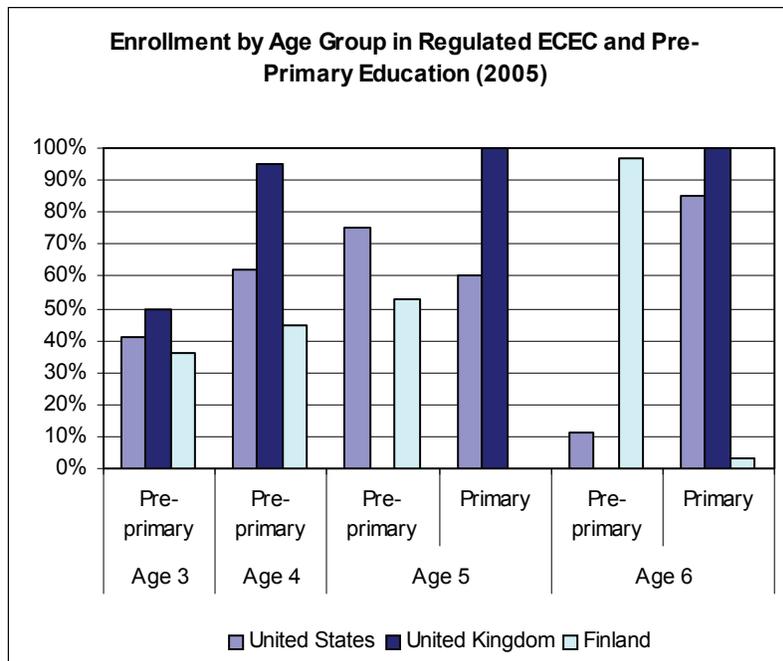
### ECEC Provision in Finland (with Type of Caregiver)

Age 0-1	1-2	2-3	3-4	4-5	5-6	6-7	7+
Parental leave							
Home care leave							
Municipal daycare centers (kindergarten)							
	<div style="border: 1px solid black; background-color: #333366; color: white; padding: 2px;">                     Heads of centers                      Kindergarten teachers                      Children's nurses                      Daycare assistants                 </div>						
Municipal family care							
	<div style="border: 1px solid black; background-color: #333366; color: white; padding: 2px;">                     Family care workers                 </div>						
Private daycare							
						Public Preschool	
							Primary school

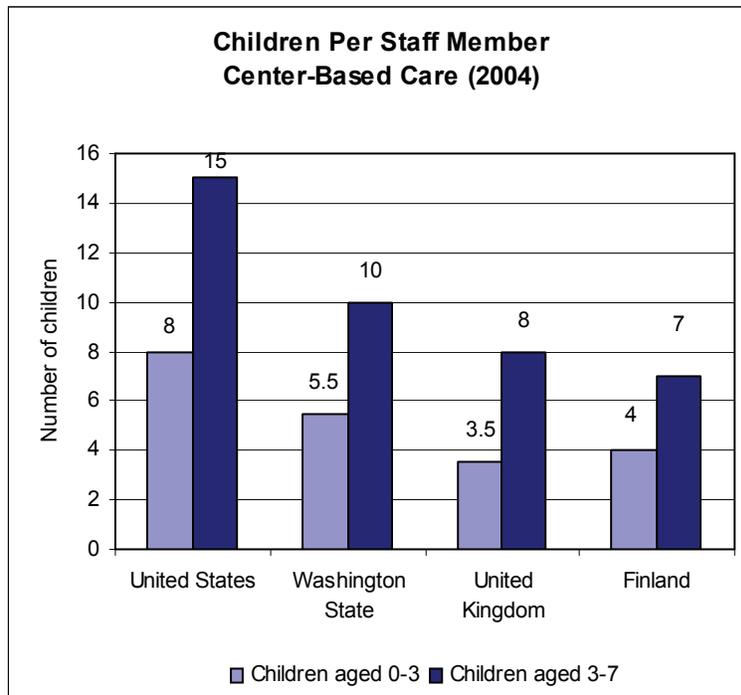
**Country Comparison:**



Source: OECD (n.d.c)



Source: OECD (2006b), p. 244



Sources: OECD (2006b); and Schraeger & Rowswell (2005)

<sup>1</sup> Organization for Economic Co-operation and Development (OECD). (2006b). *Starting strong II: Early childhood education and care*. Paris: Author, p. 427.

<sup>2</sup> Morgan, G. & Nadig, S. (2006). Trends in education and care for young children. *Exchange, The Early Leaders' Magazine Since 1978*, 17(1): 12-15, p. 12.

<sup>3</sup> Military Homefront. (n.d.) *Overview of the Military Child Development System*. Washington, DC: Department of Defense. See:

[http://www.militaryhomefront.dod.mil/portal/page/itc/MHF/MHF\\_DETAIL\\_1?section\\_id=20.80.500.95.0.0.0.0.0&current\\_id=20.80.500.95.500.30.30.0.0](http://www.militaryhomefront.dod.mil/portal/page/itc/MHF/MHF_DETAIL_1?section_id=20.80.500.95.0.0.0.0.0&current_id=20.80.500.95.500.30.30.0.0).

<sup>4</sup> American Forces Press Service. (2007, March 1). *Defense Department tops nation in child care efforts*.

Washington, DC: Department of Defense. See: <http://www.defenselink.mil/news/newsarticle.aspx?id=3226>.

<sup>5</sup> National Association for the Education of Young Children (n.d.b). *State policies on accreditation: Compensation for the early childhood workforce*. See: <http://www.naeyc.org/ece/critical/compensation.asp>.

<sup>6</sup> Organization for Economic Co-operation and Development (OECD). (n.d.c). *OECD family database*. See: [http://www.oecd.org/document/4/0,3343,en\\_2649\\_34819\\_37836996\\_1\\_1\\_1\\_1,1,00.html](http://www.oecd.org/document/4/0,3343,en_2649_34819_37836996_1_1_1_1,1,00.html).

<sup>7</sup> OECD (2006b), pp. 429-430.

<sup>8</sup> *Ibid*, pp. 432-433.

<sup>9</sup> Schragger, L. & Rowswell, S. (2005). *Licensed child care in Washington State: 2004*. Olympia, WA: Department of Social and Health Services, Economic Services Administration, Division of Child Care and Early Learning, p. 9.

<sup>10</sup> Paskin, L., Stokley, D. & Vandergrift, N. (2005). *Achieving high-quality early learning and care in Washington State: An analysis of workforce and systemic components that influence quality*. Seattle, WA: Economic Opportunity Institute, p. 5.

<sup>11</sup> Paskin, Stokley, & Vandergrift (2005), p. 7.

<sup>12</sup> Personal communication (e-mail) from Kelli Bohanon, Washington State Department of Early Learning, July 31, 2007.

<sup>13</sup> *Ibid*, p. 7.

<sup>14</sup> Personal communication (e-mail) from Joyce Kilmer, Washington State Department of Early Learning, August 14, 2007.

<sup>15</sup> Washington Learns. (2006). *Washington Learns: World-class, learner-focused, seamless education*. Olympia, WA: Author, p. 9.

<sup>16</sup> Department of Early Learning. (n.d.). *The Department of Early Learning*. See: <http://www.del.wa.gov/About/About.shtml>.

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- <sup>17</sup> Office of Governor Chris Gregoire. (2007). *Governor Gregoire creates P-20 council to hold state government accountable for education goals*. See: <http://www.governor.wa.gov/news/news-view.asp?pressRelease=584&newsType=1>.
- <sup>18</sup> Thrive by Five. (2006). *2006 overview*. Seattle, WA: Author, p. 5.
- <sup>19</sup> OECD (2006b), pp. 416-417.
- <sup>20</sup> Citizens Advice Bureau. (n.d.). *Advice Guide*. See: <http://www.adviceguide.org.uk>.
- <sup>21</sup> OECD (2006b), pp. 416-417.
- <sup>22</sup> Central Office of Information (UK). (n.d.). *Directgov*. See: <http://www.direct.gov.uk/en/index.htm>.
- <sup>23</sup> Center for Law and Social Policy. (2005). *CLASP audio conference series transcript: Sure Start: Lessons for the U.S. form universal pre-K in the UK*, pp. 2-3. See: [http://clasp.org/audio/ac\\_transcript\\_071505.pdf](http://clasp.org/audio/ac_transcript_071505.pdf).
- <sup>24</sup> *Ibid*, p. 5
- <sup>25</sup> Vassallo, S. (2007). Is Sure Start an effective preventive intervention? (Review). *Family Relationships Quarterly*, 3: 6-8 (6).
- <sup>26</sup> Glennie, S., Treseder, G., Williams, J. & Williams, M. (2005). *Mini Sure Start Local Programmes: An overview of their early implementation* (SSU/2005/FR/009). London: Department for Education and Skills, Sure Start, p. i.
- <sup>27</sup> Vassallo (2007), p. 6.
- <sup>28</sup> Center for Law and Social Policy (2005), pp. 5.
- <sup>29</sup> *Ibid*, p. 9.
- <sup>30</sup> *Ibid*, pp. 1-2.
- <sup>31</sup> *Ibid*, p. 9.
- <sup>32</sup> Vassallo (2007), p. 6.
- <sup>33</sup> *Ibid*, p. 7.
- <sup>34</sup> Williams, F. & Churchill, H. (2006). *Empowering parents in Sure Start Local Programmes* (NESS/2006/SF/018). London: Department for Education and Skills, Sure Start, p. 1.
- <sup>35</sup> Rutter, M. (2006) Is Sure Start an Effective Preventive Intervention? *Child and Adolescent Mental Health*, 11(3): 135-141 (139).
- <sup>36</sup> OECD (n.d.c).
- <sup>37</sup> OECD (2006b), p. 418.
- <sup>38</sup> *Ibid*, p. 422.
- <sup>39</sup> Citizens Advice Bureau. (n.d.). *Advice Guide*. See: <http://www.adviceguide.org.uk>.
- <sup>40</sup> Personal communication (email) from Jessica Champagne, SEIU, June 6, 2007.
- <sup>41</sup> Center for Law and Social Policy (2005), pp 1-2.
- <sup>42</sup> Central Office of Information (UK) (n.d.).
- <sup>43</sup> OECD (2006b), p. 415.
- <sup>44</sup> City of London. (n.d.). *Childcare Affordability Programme*. See: <http://www.london.gov.uk/mayor/strategies/childcare/ccare-affordability.jsp>.
- <sup>45</sup> Ministry of Social Affairs and Health. (2006). *Finland's family policy*. Helsinki, Finland: Author, pp. 13-16. See: <http://www.stm.fi/Resource.phx/publishing/store/2006/10/hm1161607115538/passthru.pdf>.
- <sup>46</sup> *Ibid*, p. 13.
- <sup>47</sup> OECD (2006b), pp. 321-322.
- <sup>48</sup> *Ibid*, p. 320.
- <sup>49</sup> OECD (n.d.c).
- <sup>50</sup> Ministry of Social Affairs and Health (2006), p. 14.
- <sup>51</sup> OECD (2006b), p. 318.
- <sup>52</sup> *Ibid*, p. 321.

#### **4. Educational Attainment:**

##### **United States/Washington State**

###### Education Rankings

The United States lags behind other industrialized nations when it comes to primary and secondary educational achievement. A 2006 report by the World Economic Forum surveying 125 countries' educational systems ranked the US 15<sup>th</sup> overall, with a score of 5.0 out of a possible 7.0<sup>i</sup>. The US ranked significantly lower (42<sup>nd</sup>) in the quality of its math and science education with a score of 4.5 out of 7.0.<sup>1</sup>

###### Academic Achievement and Graduation Rates

In 2003, 87.5% of adults aged 25-64 had attended or completed secondary (high school) education, and 73.3% percent of those reaching this level had graduated. The same data indicates 29.4% of adults had participated in a Bachelor's or Master's degree education, categorized as 'tertiary-type A education, with a graduation rate of 32.9%.<sup>ii2</sup>

###### Test Scores

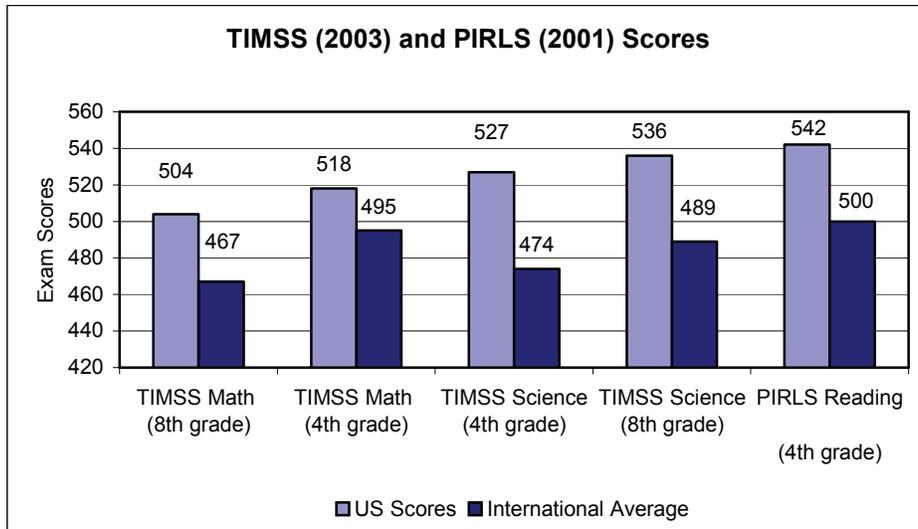
In both the Trends in International Math and Science Study (TIMSS)<sup>3</sup> and the Progress in International Reading Literacy Study (PIRLS)<sup>4</sup>, US students scored well above the international average, but trailed many other industrialized nations. On the OECD-sponsored Program for International Student Assessment (PISA) rankings, administered to 15-year old students in all participating countries, US students scored well below the OECD average in mathematics and problem solving, slightly below in science, and slightly above average in reading.<sup>5</sup>

On the state level, Washington scored consistently in the top half of all states and frequently in the top 15 in the 4 subjects assessed in the US National Assessment of Educational Progress (NAEP). Public school students in 4<sup>th</sup> and 8<sup>th</sup> grades take the NAEP in math, reading, science, and writing.<sup>6</sup>

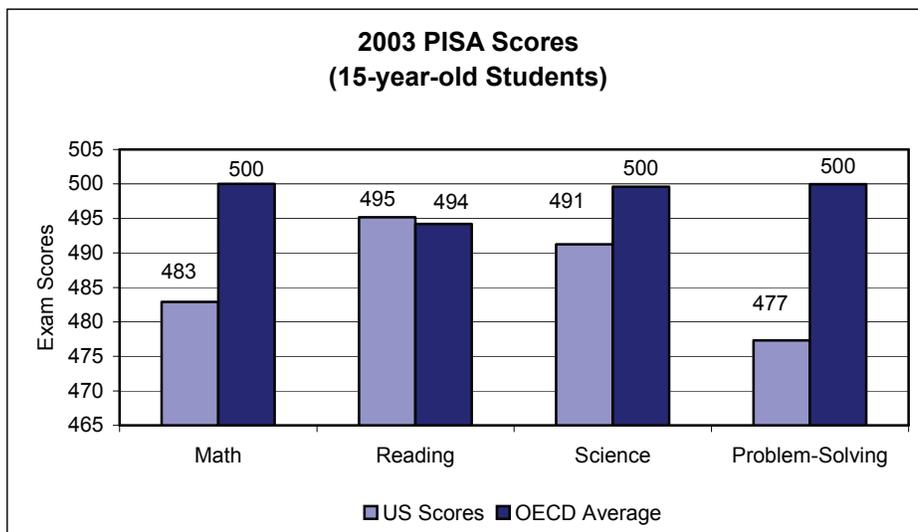
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<sup>i</sup> The top 14 countries, in order, were Finland, Singapore, Iceland, Switzerland, Denmark, Ireland, Hong Kong, Belgium, Taiwan, Malaysia, Tunisia, Australia, Austria, and Canada.

<sup>ii</sup> The OECD Glossary of Statistical Terms defines Tertiary-type A programs as theory-based 3-year (or more) programs at the tertiary level that prepare students for advanced research professions and for those with high skill requirements. In America, tertiary-type A education covers most 4-year university Bachelor's degrees and many Master's programs. Tertiary-type B covers most 2-4 year technical and Associate's degrees.



Source: TIMSS & PIRLS International Study Center, Boston College



Source: OECD (n.d.e)

## United Kingdom

### Educational Rankings

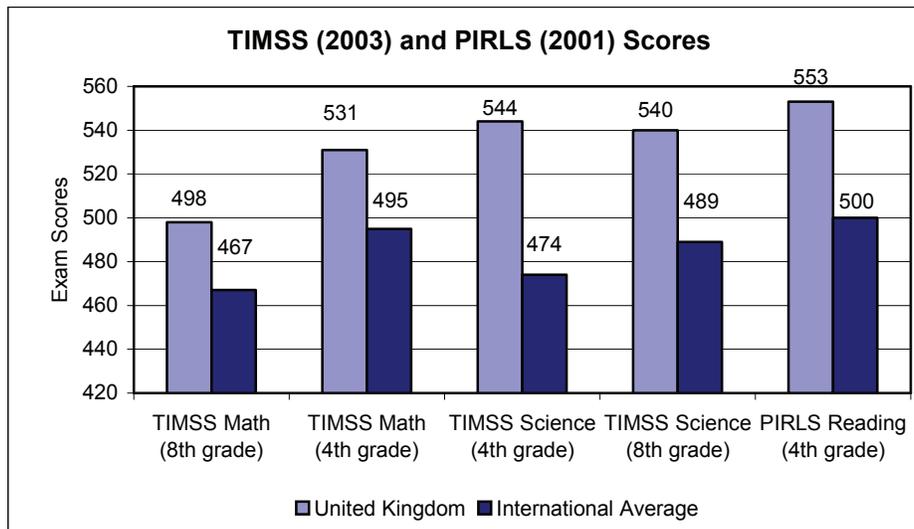
In the World Economic Forum rankings, the UK placed 29<sup>th</sup> out of 125 in the quality of its educational systems with a score of 4.5 out of 7.0. In the quality of its math and science education it ranked 36<sup>th</sup> with a score of 4.7 out of 7.0.<sup>7</sup>

### Academic Achievement and Graduation Rates

The UK's rates of adult educational achievement are generally lower than those in the US. Only 65.1% of adults aged 25-64 had reached the upper secondary level or higher, and 19.3% had reached the tertiary-type A education level. Graduation rates for upper secondary schools were not available, but the UK has a 38.2% first-time graduation rate for adults at the tertiary level.<sup>8</sup>

### Test Scores<sup>iii</sup>

The UK outscored the US on all sections of the TIMSS<sup>9</sup> and PIRLS<sup>10</sup> assessments with the exception of the 8<sup>th</sup> grade mathematics section on the TIMSS. However, it failed to meet the guidelines for sample participation rates on the 8<sup>th</sup> grade sections of the TIMSS, so this data may not be entirely representative.<sup>11</sup>



Source: TIMSS & PIRLS International Study Center, Boston College

## **Finland**

### Educational Rankings

Educational attainment in Finland is world-class, undoubtedly thanks to its comprehensive early learning system and high-quality public education. The World Economic Forum ranked Finland 1<sup>st</sup> in the quality of its educational system with a score of 6.0 out of 7.0 overall, and 2<sup>nd</sup> (with a score of 6.1 out of 7.0) in math and science. (Singapore was ranked 1<sup>st</sup>).<sup>12</sup>

### Academic Achievement and Graduation Rates

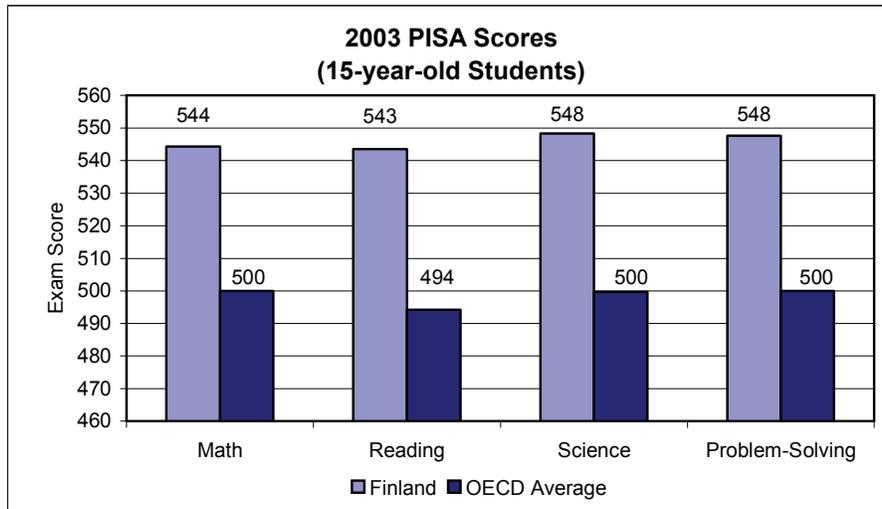
Finland trails the US in terms of adult educational attainment. Of Finnish adults between the ages of 25 and 64, 75.9% reached upper secondary education or higher and 16.4% reached tertiary-type A education.<sup>iv</sup> Still, Finland's graduation rates are higher with 84.3% graduating upper secondary level and 48.7% graduating at the tertiary-type A level.<sup>13</sup>

<sup>iii</sup> The UK was not included in the PISA international comparison.

<sup>iv</sup> Were this data available in decade cohorts, it is quite likely that younger cohorts (25-45) would have much higher levels of educational attainment than the cohorts that were children in the decades immediately following World War II. At that time, Finland was recovering and rebuilding its infrastructure and as a result education levels were far behind those in the US.

### Test Scores<sup>v</sup>

In the 2003 PISA assessment, Finland's 15-year olds drew top marks, finishing 1<sup>st</sup> among OECD countries in math, reading and science and 2<sup>nd</sup> in problem solving. Their average scores in each category were at least 44 points higher than the OECD averages and at least 48 points higher than the US averages.<sup>14</sup>



Source: OECD (n.d.e)

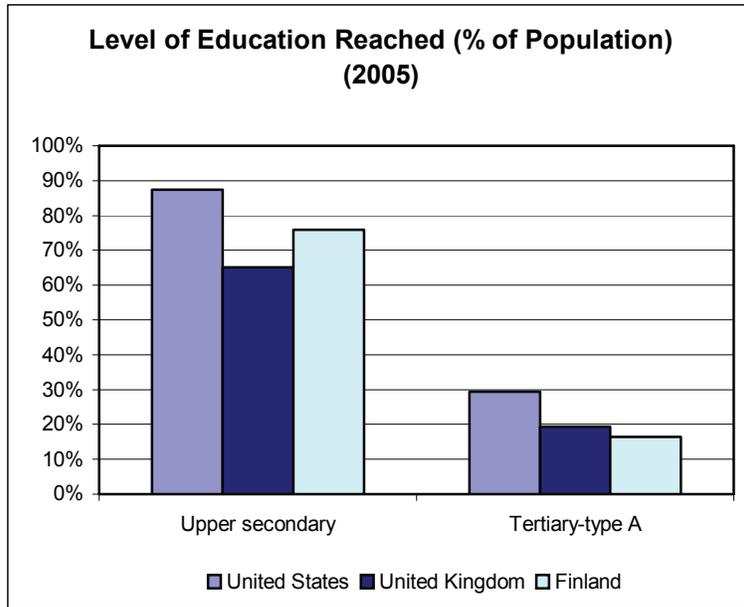
### Country Comparisons:

#### World Economic Forum 2006 Quality of Education Rankings

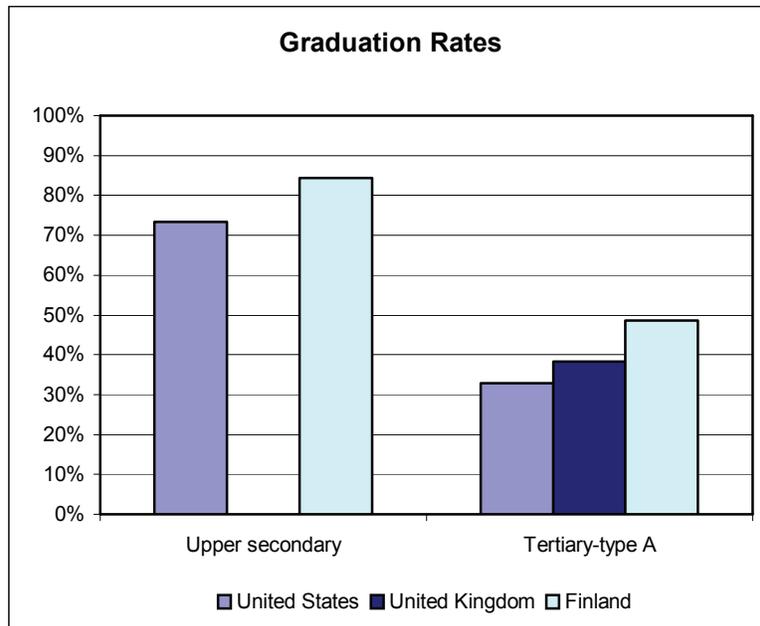
	United States	United Kingdom	Finland
Quality of Overall Education	15 <sup>th</sup>	29 <sup>th</sup>	1 <sup>st</sup>
Quality of Math and Science Education	42 <sup>nd</sup>	36 <sup>th</sup>	2 <sup>nd</sup>

Source: Financial Times (2006)

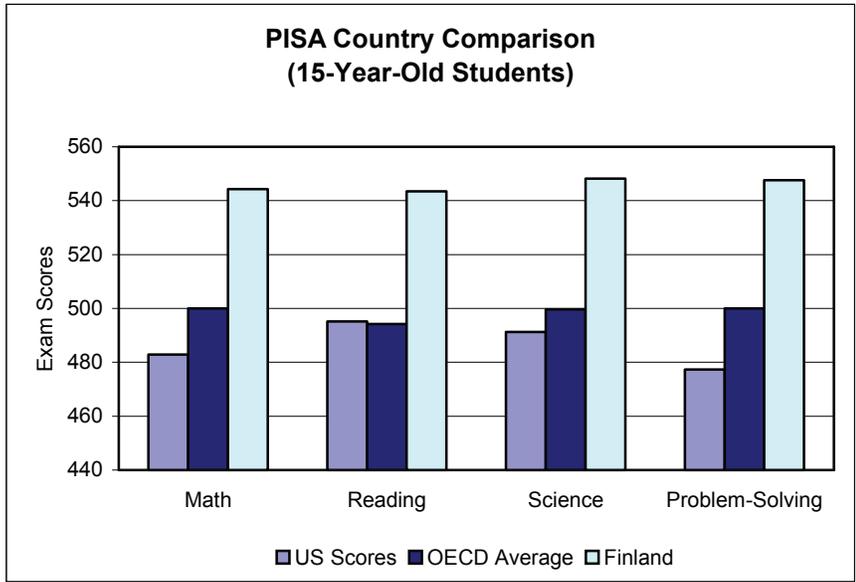
<sup>v</sup> Finland was not included in the TIMSS and PIRLS international comparisons.



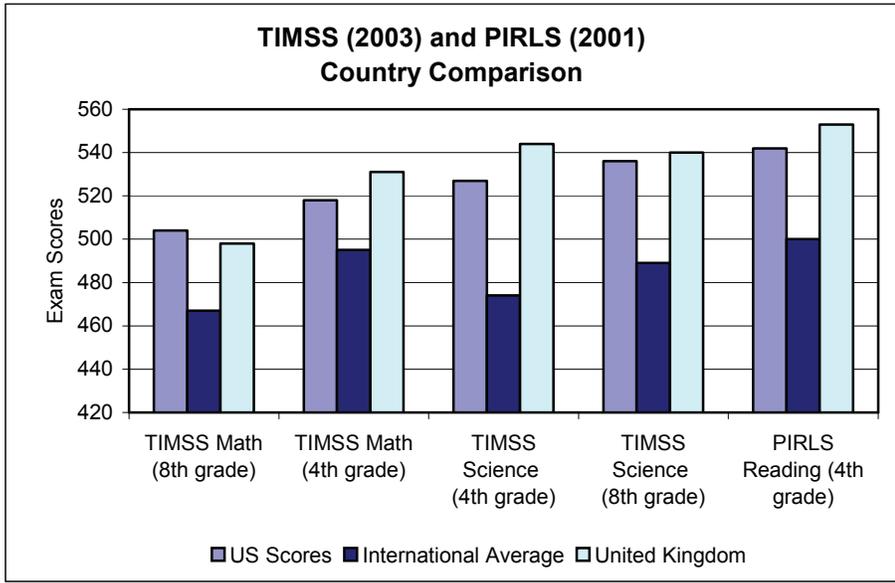
Source: OECD (2007), pp. 54-55



Source: OECD (2007), pp. 54-55



1. The United Kingdom was not represented in PISA data.  
Source: OECD (n.d.e)



1. Finland was not represented in TIMSS and PIRLS data.  
Source: TIMSS & PIRLS International Study Center, Boston College

<sup>1</sup> Financial Times. (2006). *Education for the new economy: Country ranking maps*. See:

<http://www.ft.com/cms/s/e75e94c0-5df7-11db-82d4-0000779e2340.html>.

<sup>2</sup> Organization for Economic Co-operation and Development (OECD). (2007). *OECD in Figures: 2006-2007 Edition*. Paris: Author, pp. 54-55. See: [http://www.oecdobserver.org/news/fullstory.php/aid/1988/OECD\\_in\\_Figures\\_2006-2007.html](http://www.oecdobserver.org/news/fullstory.php/aid/1988/OECD_in_Figures_2006-2007.html).

<sup>3</sup> Mullis, I.V.S., Martin, M.O., Gonzalez, E.J. & Chrostowski, S.J. (2004). *Findings from IEA's Trends in International Mathematics and Science study at the fourth and eighth grades*. Chestnut Hill, MA: TIMSS & PIRLS International Study Center, Boston College, pp. 34-35. See: <http://timss.bc.edu/timss2003i/mathD.html>; and Martin, M.O., Mullis, I.V.S., Gonzalez, E.J. & Chrostowski, S.J. (2004). *Findings from IEA's Trends in International Mathematics and*

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*Science Study at the fourth and eighth grades*. Chestnut Hill, MA: TIMSS & PIRLS International Study Center, Boston College, pp. 36-37. See: <http://timss.bc.edu/timss2003i/scienceD.html>.

<sup>4</sup> Mullis, I.V.S., Martin, M.O., Gonzalez, E.J. & Kennedy, A.M. (2003). *PIRLS 2001 international report: IEA's study of reading literacy achievement in primary schools*. Chestnut Hill, MA: Boston College, p. 26. See: [http://timss.bc.edu/pirls2001i/PIRLS2001\\_Pubs\\_IR.html](http://timss.bc.edu/pirls2001i/PIRLS2001_Pubs_IR.html).

<sup>5</sup> Organization for Economic Co-operation and Development (OECD). (n.d.e) *PISA 2003 country profiles*. See: <http://pisacountry.acer.edu.au/>.

<sup>6</sup> National Center for Education Statistics. (n.d.) *The nation's report card*. See: <http://nces.ed.gov/nationsreportcard/>.

<sup>7</sup> Financial Times (2006).

<sup>8</sup> OECD (2007), pp. 54-55.

<sup>9</sup> Mullis, Martin, Gonzalez, & Chrostowski (2004), pp. 34-35; and Martin, Mullis, Gonzalez, & Chrostowski (2004), pp. 36-37.

<sup>10</sup> Mullis, Martin, Gonzalez, & Kennedy (2003), p. 26.

<sup>11</sup> Martin, Mullis, Gonzalez, & Chrostowski (2004), pp. 36-37.

<sup>12</sup> Financial Times (2006).

<sup>13</sup> OECD (2007), pp. 54-55.

<sup>14</sup> OECD (n.d.e).

## 5. Family Leave Policies and Child Benefits:

### United States/Washington State

#### Leave Policy

The United States has no statutory system of paid family leave or child benefits, though, there is some federal guarantee for unpaid family leave. The Family and Medical Leave Act (FMLA) stipulates that covered employers must grant eligible employees 12 weeks of unpaid leave over the course of any 12-month period. This leave can be used for the birth or adoption of a new child, if the employee is unable to work because of a serious medical condition, or to care for an immediate family member with a serious medical condition.<sup>1</sup> Anti-sex discrimination laws also prevent women from being fired for pregnancy or children and require employers of 8 or more to accommodate pregnancy-related disabilities.

FMLA applies only to employees of companies with over 50 employees; further, employers can require employees to utilize vacation and sick leave before taking family leave. Further, workers must have one year of employment (and at least 1250 hours yearly) with their current employer to be eligible for FMLA.

Several states have created additional family leave policies beyond the national minimum. Washington recently became the second state to offer comprehensive paid family leave, after California. Beginning in October of 2009, Washington will grant 5 weeks paid leave for the birth or adoption of a child with a benefit of \$250/week to all employees who have worked more than 680 hours in the previous year, to be used within the first year. The policy provides job protection for parents taking leave and covers employees in all companies regardless of size.<sup>2</sup> Washington law also allows workers with available sick leave or other paid leave options to use it to care for sick relatives.

#### Family Leave in Washington State

0-5 weeks	6-10 weeks	11-15 weeks	16-20 weeks	21-25 weeks	26-30 weeks
<p>Family and Medical leave (FMLA): <b>12 weeks</b></p> <p>Federal Family and Medical leave is unpaid. Eligible employees may take 12 weeks over the course of any 12-month period. The birth and care of a child is one of the acceptable reasons for taking Family and Medical leave.</p>					
<p>Washington Family leave:</p> <p>This leave will be compensated at \$250/week for its 5-week duration when it is implemented in October 2009.</p>					

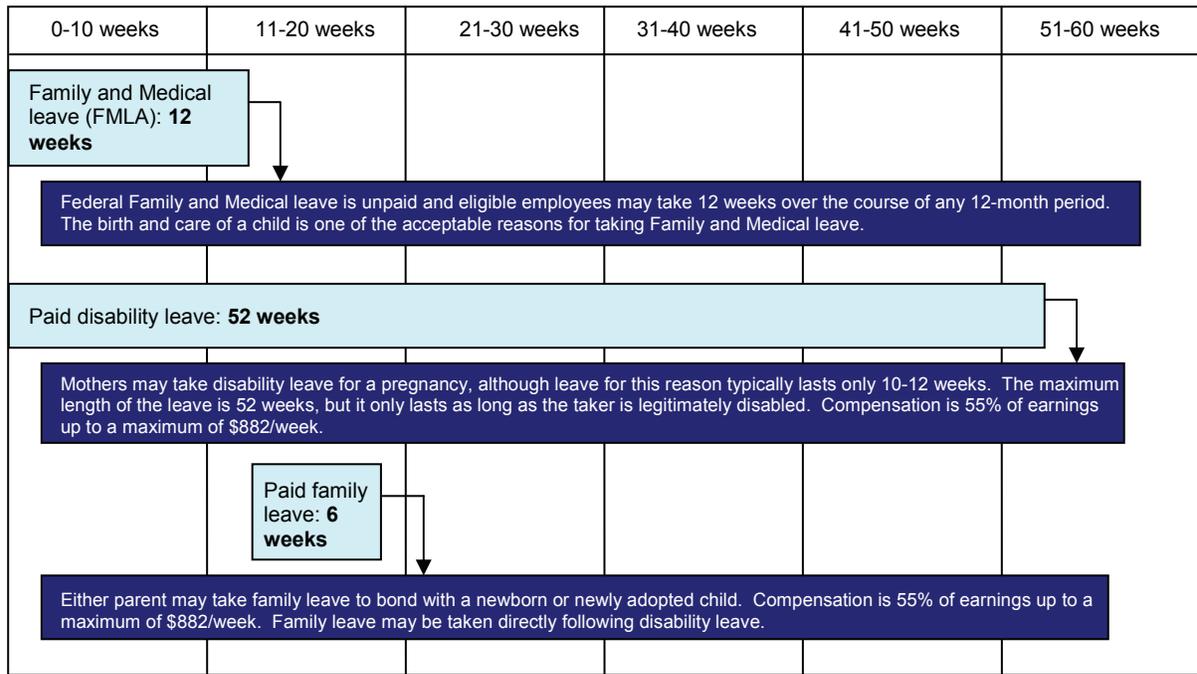
Additionally, 5 states<sup>ii</sup> provide Temporary Disability Insurance (TDI) for all workers. TDI provides partial wage replacement for up to 26-52 weeks when a worker is unable to work due to their own illness or injury. Women in these states typically receive about 10 weeks pregnancy/maternity disability leave when they have a child.<sup>3</sup>

<sup>i</sup> Immediate family members include spouses, children, and parents.

<sup>ii</sup> The five states are California, Hawaii, New Jersey, New York, and Rhode Island.

California's paid family and medical leave policy, implemented in 2004, compensates employees at 55% of wages up to a maximum of \$882/week for 6 weeks to care for a sick family member or new baby, in addition to the long-established TDI program. Women may also take the 6-week family leave after taking maternity disability leave. Employees pay a set percentage of their wages as a premium to fund the program.<sup>4</sup>

### Family Leave in California



### Tax Credits and Child Welfare Policies

Although the United States has no system of child benefits or allowances, it indirectly assists families with children through tax credits. All taxpayers may claim a personal exemption of \$3,000 per dependent on their income taxes.<sup>5</sup> Low-income earners may also receive an Earned Income Tax Credit (EITC) that refunds as much as \$2,853 to families with one child and \$4,716 to families with two or more children.<sup>iii6</sup>

During the 1990s, President Bill Clinton implemented a "child allowance" alternative in the form of a per-child tax credit for families above the tax threshold of the EITC.<sup>7</sup> The credit, valued at \$1,000 per child under the age of 17, gradually phases out for persons and families with very high incomes.<sup>8</sup> In addition, the Child and Dependent Care Credit (valued at up to 35% of claimed expenses, depending on income) refunds some of the costs of child care for qualifying taxpayers. For one dependent, taxpayers may claim up to \$3,000; for two or more dependents the limit is \$6,000.<sup>9</sup>

<sup>iii</sup> Taxpayers do not have to have children to be eligible for the EITC, although the maximum benefit for childless families is \$428.

### Federal Child and Childcare Tax Credits and Exemptions

	1 Child	2+ Children	Requirements
Standard exemption	\$3,000 per dependent	\$3,000 per dependent	None
Earned Income Tax Credit (EITC)	Up to \$2,853 per dependent	Up to \$4,716 for all dependents	Under income threshold
Child tax credit	\$1,000 per dependent under 17	\$1,000 per dependent under 17	Over EITC threshold and not high-income
Child and Dependent Care Credit	Up to \$3,000 per dependent	Up to \$6,000 for all dependents	Paid out-of-pocket for child care minus employer-provided care benefits

Children may also benefit from Temporary Assistance to Needy Families (TANF) benefits paid by states to low-income pregnant mothers or families with children. Families may receive TANF benefits for a maximum of 5 years in a lifetime, women with children three months of age or older must find employment within two years. Many low-income families receive food stamps - vouchers that allow families to buy more food than they could otherwise afford. Finally, Supplemental Security Income (SSI) benefits are paid by the federal government to low-income and disabled children and adults.<sup>10</sup>

## United Kingdom

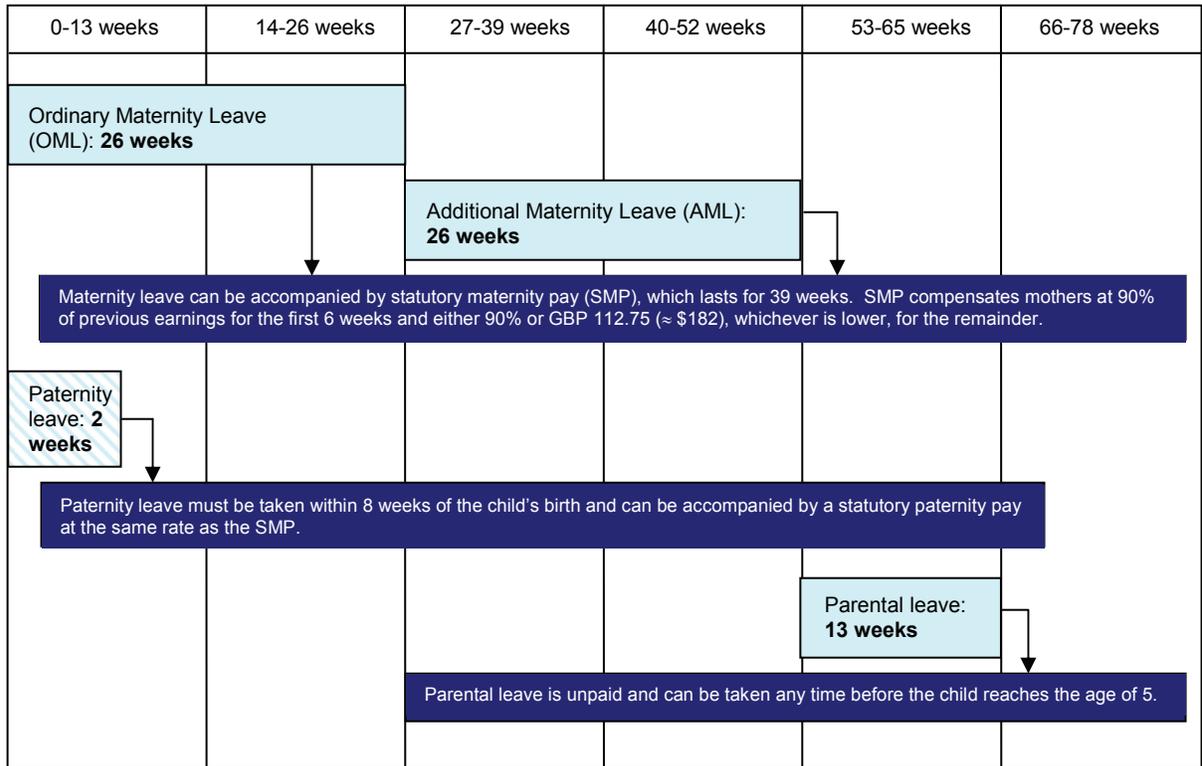
### Leave Policy

The UK grants women the right to time off for prenatal care, provided that a doctor advises that care is necessary and that the time off is not excessive. Women are compensated for this time off at their normal rate, and there is no length of employment requirement. However, if the time taken is excessive, employees can be treated as if on sick leave. In general, women have the right to claim an unfair dismissal if they are fired because of a pregnancy and have the right to return to their job after having their baby.<sup>11</sup>

Women in the UK who have worked at least 26 weeks have the right to 52 weeks of maternity leave, 39 of them paid. Paid maternity leave was increased from 26 to 39 weeks in April of 2007. For the 1<sup>st</sup> 6 weeks, statutory maternity pay (SMP) is 90% of previous earnings. After 6 weeks the SMP amounts to either 90% of previous earnings or £112.75/week (≈ \$182), whichever is less.<sup>12</sup>

Fathers who have worked with the same employer for 41 weeks by the date the baby is due are eligible for paid paternity leave. This leave last for 2 weeks and must be used within 56 days of the birth. Most fathers qualify for statutory paternity pay at the same rate as the SMP. There is also an unpaid parental leave offered to either parent provided that he or she has completed at least a year with the same employer. The duration of parental leave is up to 13 weeks in the child's first 5 years. If the child is disabled, the leave is extended to up to 18 weeks.<sup>13</sup>

## Family Leave in the United Kingdom



### Tax Credits

Parents in the UK may also be eligible for direct financial support in the form of tax credits and grants. The first is the Child Tax Credit, a means-tested payment for people in and out of work. Families with children can claim this tax credit if their total income is less than £58,175/year (~ \$94,134) or less than £66,350 (~ \$107,362) if they have a child under the age of 1. Most families qualify for at least some benefits under the Child Tax Credit. The benefits are composed of a family element, worth up to £545 (~ \$882) and a child element, paid for each child in the family, worth up to £1,845 (~ \$2,985).<sup>14</sup>

Low-income working people are also eligible for the Working Tax Credit, provided that they are 25 or older and working at least 30 hours a week. Workers aged 16 or older may also be eligible if they work at least 16 hours a week and either are responsible for a child, have a disadvantage in the job market due to disability, or are 50 years or older and returning to work after a period on benefit. The tax credit is made up of several means-tested elements, including a lone parent element and an element for parents who work over 30 hours per week.<sup>15</sup>

Parents with children who meet the Working Tax Credit eligibility requirements can claim up to £175/week (~ \$283) for childcare costs for a single child or £300/week (~ \$485) for 2 or more children, depending on income. The childcare element will then cover 80% of claimed costs. This amounts to a maximum coverage of £140/week (~ \$227) for a single child or £240/week (~ \$388) for 2 or more children.<sup>16</sup>

### Child Benefits

All parents with children under 16, or children under 20 who are still in school, receive a tax-exempt benefit that doesn't depend on income or national insurance contributions. This Child Benefit is paid at £18.10/week (≈ \$29) for the oldest child and £12.10/week (≈ \$20) for all other children. Some low-income parents are also entitled to a fixed maternity grant of £500 (≈ \$809) for the birth of each child.<sup>17</sup> Parents who are receiving child maintenance payments<sup>iv</sup> and who are also receiving Income Support or Jobseekers' Allowance may receive up to £10/week (≈ \$20) extra for maintenance paid for their children.<sup>18</sup>

### Business Contributions

Businesses may also supplement government provisions to help mothers care for their children in three ways. They may provide tax-exempt childcare vouchers for up to £55/week (≈ \$89) or £243/month (≈ \$393), directly contract childcare places from nurseries, in which case the first £55/week (≈ \$89) is tax-exempt, or create their own nurseries or crèches in the workplace.<sup>19</sup> Women with children under 6 have the right to ask their employers for a more flexible working arrangement provided that they have been working for 26 weeks and are responsible for childcare on a day-to-day basis. Employers are not obligated to fulfill these requests, only to consider them.<sup>20</sup> Unlike in Finland, where flexibility is seen as the job of the system as a whole, flexibility in the UK is the mother's responsibility.<sup>21</sup>

## **Finland**

### Leave Policy

Finland has several different types of leave available to parents and a complex, comprehensive system of financial benefits. The first of these is maternity leave, which grants mothers 105 days off work. Since Finland bases its policies on a six-day work week, this amounts to 17.5 weeks of leave. Mothers must start their leave between 8 weeks and 5 weeks before their expected date of birth. For the first 56 days of leave, mothers receive a means-tested allowance equal to 90% of salaries up to €45,221 (≈ \$47,253)<sup>v</sup> or 32.5% of higher salaries. For the remaining portion of the leave the allowance amounts to 70% of salaries up to €29,392 (≈ \$30,712), 40% of income between €29,392 and €45,221, or 25% of income above €45,221. There is an additional fixed minimum payment of €15.20/day (≈ \$15.88). Special maternity leave provisions are granted to women with exceptionally dangerous jobs.<sup>22</sup>

After maternity leave ends, either parent is eligible to take paid parental leave. This leave lasts for 158 weekdays (26+ weeks) and can be extended by an additional 60 weekdays (10 weeks) if the mother has more than one child at a time, such as twins or triplets. Parents on parental leave are compensated with a means-tested benefit calculated at the same rates as the maternity benefit, although the 90% compensation lasts for only the first 30 days (5 weeks). Similarly, there is a fixed minimum of €15.20/day (≈ \$15.88). Although parental leave is available to mothers and fathers, only 9.5% of fathers took advantage of it in 2005.

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<sup>iv</sup> Child maintenance payments are the British equivalent of child support.

<sup>v</sup> All conversion from euros to dollars use PPP exchange rates from OECD.

Finland also grants fathers paid paternity leave for 18 weekdays (3 weeks). Paternity leave can be taken during the maternity or parental leave periods and cannot be split into more than 4 segments. Fathers who use at least 12 days of parental leave earn another 12 days of paternity leave to be used immediately after parental leave ends. These four weeks are known as the father's month or the 'daddy month'. Paternity leave is compensated at the same rate as parental leave. In 2005, 69% of fathers took at least some paternity leave.<sup>23</sup>

Additionally, parents are entitled to unpaid care leave until their child reaches the age of 3. Either parent can take care leave, but both cannot take it at the same time. After the leave period ends, parents are guaranteed either their old job or a comparable one. During leave, parents may receive a home care allowance that is paid for each child under the age of 3 not in municipal care. The allowance is paid until the child turns 3, enters municipal daycare, or when the parents choose to receive a private childcare allowance.

In 2006, home care allowance was valued at €294.28/month (≈ \$308) for one child and an additional €84.09/month (≈ \$88) for additional children under 3 and €50.46/month (≈ \$53) for children over 3 but under school age. Some families qualify for an additional means-tested supplement paid for only one child at a maximum of €168.19/month (≈ \$176). All payments to parents under the home care allowance program count as taxable income.<sup>24</sup>

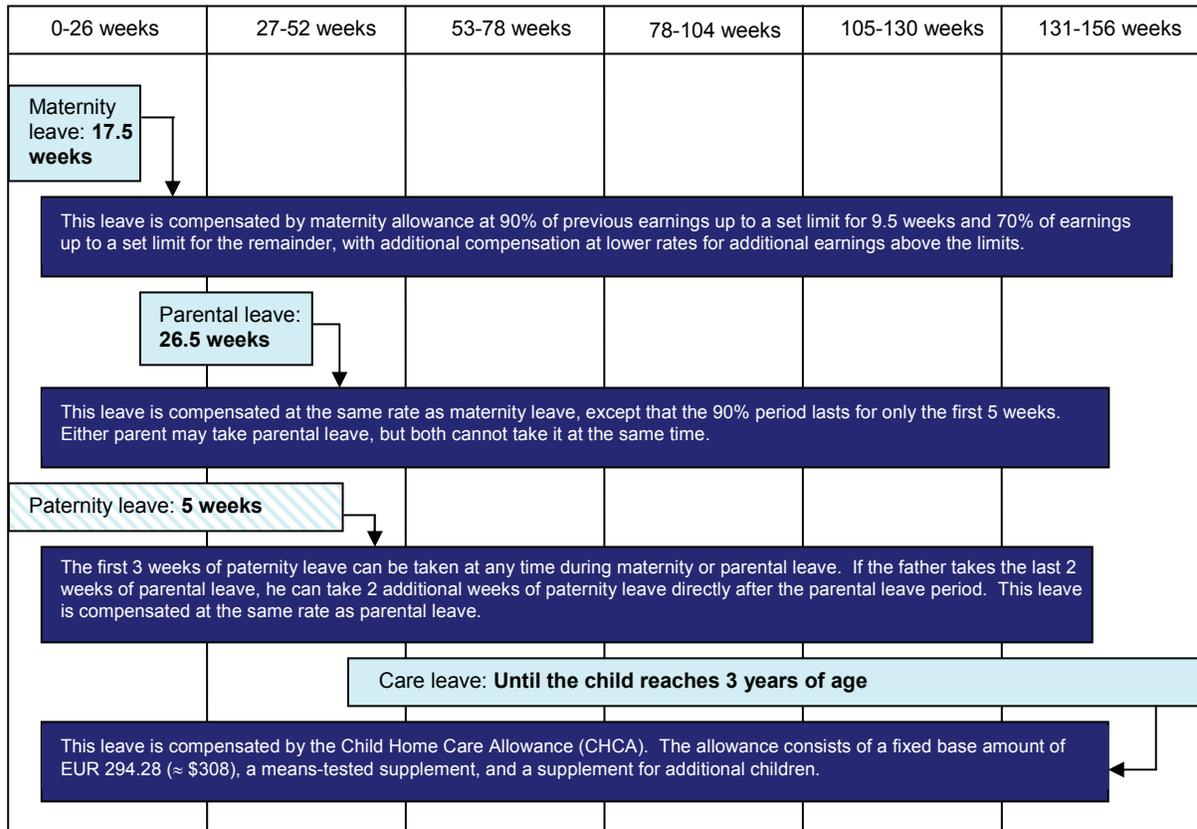
Finland offers a partial home care package for people who don't need to care for their children full time. This package takes the form of an unpaid reduction in working hours until the child's second year in school. Although both parents can use this partial care leave, both cannot use it at the same time. For eligibility, parents must have been employed with the same employer for six months. While on partial care leave parents may be eligible for partial home care allowance, which is paid to working parents of children either under 3, or in their first two years of school, who work less than 30 hours per week. The benefit is valued at €70/month (≈ \$73) and counts as taxable income. It can only be paid for one child.<sup>25</sup>

Parents of children under the age of 10 are also entitled to temporary unpaid sick leave in the event that their child falls ill. Both parents must be employed for eligibility<sup>vi</sup>. The duration of the leave is 4 weekdays per illness.<sup>26</sup>

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<sup>vi</sup> For children with only one parent, that parent must be employed.

## Family Leave in Finland



### Child Benefits

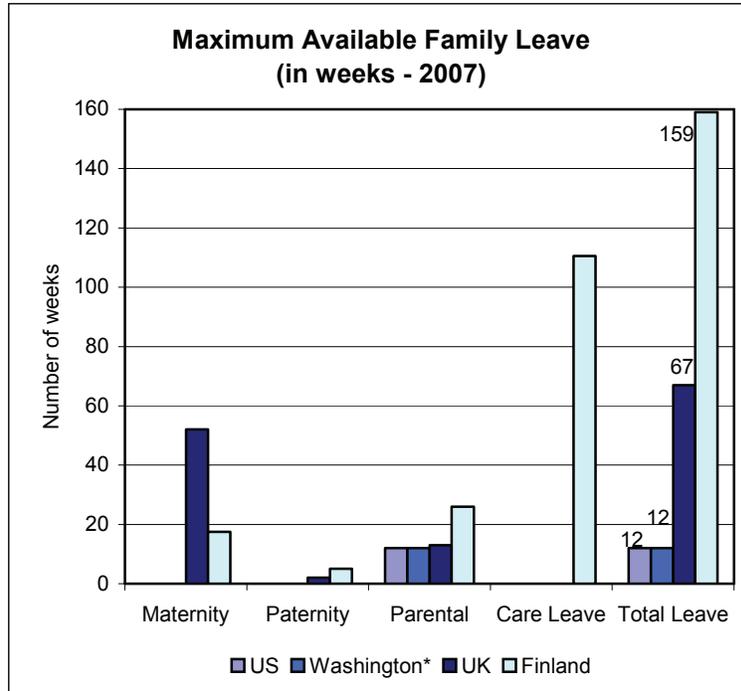
Finland provides financial support in the form of child benefits for all families with children. The first such benefit is the maternity grant, which is given to all expectant mothers whose pregnancies have lasted for more than 154 days. For eligibility mothers must visit a doctor before the end of their 4<sup>th</sup> month. The grant comes in the form of a lump sum of cash or a maternity pack. In 2006, the lump sum was €140 (≈ \$146). The maternity pack consists of clothing and other care necessities, and is worth considerably more than the cash. As a result about 75% of mothers choose the pack over the cash grant.<sup>27</sup>

The other primary benefit is the child allowance, a payment to parents for each child under 17. The allowance is tax-exempt, not means-tested, depending only on the number of children in the family. In 2006, the benefit for the 1<sup>st</sup> child was €100/month (≈ \$104). For the 2<sup>nd</sup> child, it increased to €110.50/month (≈ \$115) and for the 3<sup>rd</sup>, €131/month (≈ \$137). For the 4<sup>th</sup> child, it was €151.50 (≈ \$158) and for the 5<sup>th</sup> and any subsequent children, €172/month (≈ \$180)<sup>vii</sup>. Single parents receive an additional supplement of €36.60/month (≈ \$38).<sup>28</sup>

<sup>vii</sup> The allowance is paid for every child in the family, so a family with three children would receive €341.5/month (≈ \$357).

Although children are guaranteed places in municipal daycare, the Finnish government also provides a private childcare allowance to subsidize the cost of private care for parents who opt out of the municipal system. The allowance is paid from the end of the parental leave period until the child is of school age. It consists of a basic care allowance of €137.33/child/month (≈ \$144) and a means-tested supplement of up to a maximum of €134.55/child/month (≈ \$141). If a child also attends municipal preschool the allowance drops to €58.87/child/month (≈ \$62) and the supplement is cut in half. The allowance is paid directly to the caregiver and is taxable.<sup>29</sup>

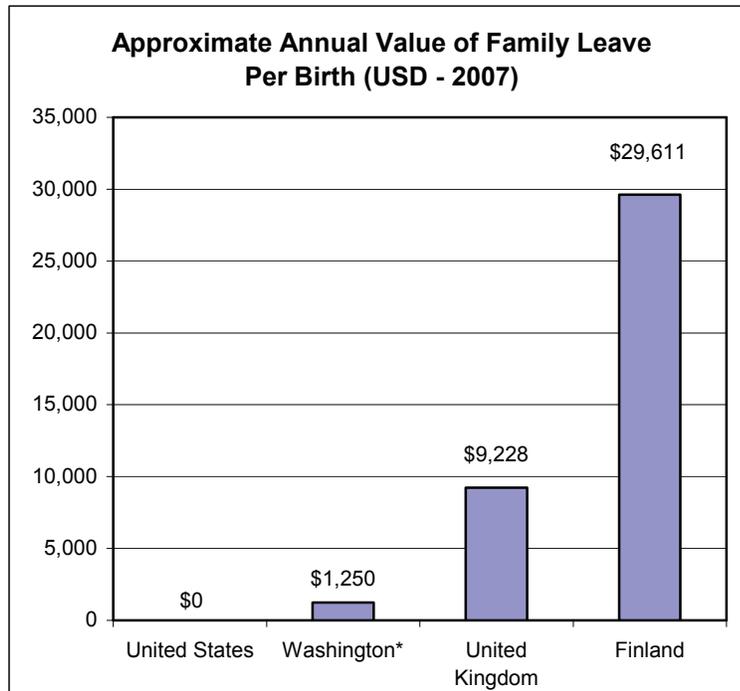
**Country Comparisons:**



\*1. Starting in 2009, Washington will have a 5-week paid family leave that runs concurrently with the 12-week unpaid federal leave.

2. Care leave in Finland can be taken from the time the parental leave period ends until the child is 3 years old. This estimate assumes all other leaves are taken.

Sources: OECD, EOI Online, Finland Ministry of Social Affairs and Health, Citizens Advice Bureau (CAB) (UK)



\*1. Starting in 2009, Washington's paid family leave will be compensated at \$250/week for 5 weeks

2. United Kingdom data reflects the average weekly earnings of female employees.

3. Benefits in Finland are means-tested; estimates are based on average female earnings.

4. Finland data includes estimated compensation for maternity, paternity, parental, and care leaves.

5. For simplicity, it is assumed that all of paternity compensation in Finland is at 70% of previous earnings.

6. The estimated value of care leave in Finland is based on an average family size of 1.8 children; the means-tested supplement was not included.

Sources: OECD (2006b); Economic Opportunity Institute (n.d.); Ministry of Social Affairs and Health (2006); Citizens Advice Bureau (n.d.); and Gardner, P. (2006). *Household Income and Expenditure Statistics (HIES): A comparison of eight countries*. International Labour Office (ILO).

<sup>1</sup> United States Department of Labor, Employment Standards Administration, Wage and Hour Division. (2007).

*Compliance assistance: Family and Medical Leave Act (FMLA)*. See: <http://www.dol.gov/esa/whd/fmla/>.

<sup>2</sup> Economic Opportunity Institute. (n.d.). *Economic Opportunity Institute*. See: <http://www.eoionline.com/>.

<sup>3</sup> Columbia University, Institute for Child and Family Policy, Clearinghouse for International Developments in Child, Youth, and Family Policies. (2004). *United States*. See: <http://www.childpolicyintl.org/>.

<sup>4</sup> Economic Opportunity Institute (n.d.).

<sup>5</sup> Columbia University (2004).

<sup>6</sup> United States Department of the Treasury, Internal Revenue Service. (n.d.c). *EITC thresholds and tax law updates*. See: <http://www.irs.gov/individuals/article/0,,id=150513,00.html>.

<sup>7</sup> Columbia University (2004).

<sup>8</sup> United States Department of the Treasury, Internal Revenue Service. (n.d.b). *Claiming the child tax credit*. See: <http://www.irs.gov/newsroom/article/0,,id=106182,00.html>.

<sup>9</sup> United States Department of the Treasury, Internal Revenue Service. (n.d.a). *Claiming the child and dependent care credit*. See: <http://www.irs.gov/newsroom/article/0,,id=106189,00.html>.

<sup>10</sup> Columbia University (2004).

<sup>11</sup> Citizens Advice Bureau. (n.d.). *Advice Guide*. See: <http://www.adviceguide.org.uk>.

<sup>12</sup> Ibid.

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<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<sup>15</sup> Central Office of Information (UK). (n.d.). *Directgov*. See: <http://www.direct.gov.uk/en/index.htm>.

<sup>16</sup> Citizens Advice Bureau (n.d.).

<sup>17</sup> Ibid.

<sup>18</sup> Central Office of Information (UK) (n.d.).

<sup>19</sup> Daycare Trust. (n.d.b). *Frequently asked questions: Childcare costs*. See:

[http://www.daycaretrust.org.uk/mod.php?mod=userpage&menu=1003&page\\_id=111#2](http://www.daycaretrust.org.uk/mod.php?mod=userpage&menu=1003&page_id=111#2).

<sup>20</sup> Citizens Advice Bureau (n.d.).

<sup>21</sup> Repo, K. (2004). Combining work and family in two welfare state contexts: A discourse analytical perspective.

*Social Policy & Administration*, 38(6): 622-639 (632).

<sup>22</sup> Ministry of Social Affairs and Health. (n.d.). *Family policy and services*. See:

<http://www.stm.fi/Resource.phx/eng/subjt/famil/index.htx>.

<sup>23</sup> Ministry of Social Affairs and Health. (2006). *Finland's family policy*. Helsinki, Finland: Author, p. 12. See:

<http://www.stm.fi/Resource.phx/publishing/store/2006/10/hm1161607115538/passthru.pdf>.

<sup>24</sup> Ibid, p. 12.

<sup>25</sup> Ibid, p. 12.

<sup>26</sup> Ibid, pp. 12-13.

<sup>27</sup> Ibid, p. 8.

<sup>28</sup> Ibid, p. 8.

<sup>29</sup> Ibid, p. 15.

## **6. Funding, Cost, and Tax Data:**

### **United States/Washington State**

#### **Education Spending**

Despite a comparatively poor performance by international standards, the United States spends the second highest percentage of its GDP (both public and private investments) on education in the OECD, behind only Iceland. Total spending accounted for 7.23% of GDP in 2002. This translates to annual expenditures per student in public institutions of \$8,049 for primary education, \$9,098 for secondary education, and \$20,545 for tertiary education.<sup>1</sup>

#### **Social Spending and Taxes**

The US spends 15.7% of its GDP on social programs, significantly less than the OECD average of 22%.<sup>2</sup> It also collects significantly less in taxes, with 25.1% of its GDP coming from federal, state, and local taxes in 2004. Only 2 out of 30 OECD countries collected a smaller percentage of GDP from taxes.<sup>3</sup>

In 2006 the personal single-filer federal income tax for the highest bracket was 35%; the highest rate of corporate income tax was 35%. Low levels of taxation leave US citizens with high percentages of disposable income. The average single production worker in 2003 kept 76.4% of his gross pay as disposable income and the average married production worker with 2 children kept 95.1% of his gross pay.<sup>4</sup>

#### **Taxes as Share of GDP (2004)**

	US	Other OECD countries
Total taxes	25.1%	35.2%
All income taxes	10.4%	11.6%
Personal income taxes	8.5%	8.4%
Corporate income taxes	1.9%	3.2%
Social insurance & payroll taxes	6.8%	10.7%
Consumption taxes	4.7%	9.6%
Property and wealth taxes	3.1%	2.5%

*Source: Citizens for Tax Justice (2007)*

#### **Washington Tax Data**

Washington State has the most regressive tax structure in the country, with low-income citizens paying a greater percentage of their income in state and local taxes (18%) than in any other state (2002 data).<sup>i</sup> All in all, Washington taxpayers pay less than 35 other states in state and local taxes (2005 data).

Washington is 1 of only 7 states without a personal income tax and 1 of 2 states with a gross receipts tax on business. Property taxes in Washington are about average but Washington has the 6<sup>th</sup> highest combined state and local sales tax rate. All together, businesses in Washington State a higher percentage of taxes than in most other states.

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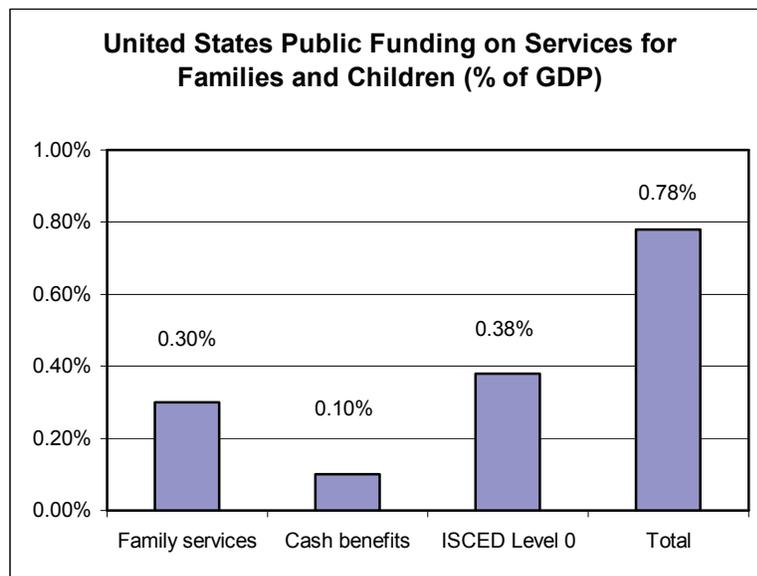
<sup>i</sup> This is the most recent data available as of May 2007.

Washington’s tax structure, tax cuts in the late 1990s, and fluctuations in the business cycle have resulted in a structural state budget deficit - tax revenues are growing more slowly than the demands for services. It is estimated that by 2013 the gap between state resources and the amount needed to fund current commitments will grow to nearly \$2 billion. Current state budget expenditures total more than expected revenue for the next two years, but the budget is held in balance by revenues carried over from previous years.

Early Education Funding

The United States invests a relatively small percentage of public funds in early childhood education and care (ECEC) programs compared to other OECD countries. Funding for International Standard Classification of Education (ISCED) Level 0, or pre-primary education for children 3 and older<sup>5</sup>, amounts to only 0.4% of national GDP including funding for kindergarten.<sup>6</sup> The average funding for pre-kindergarten is less than \$3,600 per child enrolled and the total public expenditure of \$20.4 billion on children 0-5 years of age, excluding kindergarten, amounts to 0.2% of GDP.<sup>ii7</sup>

One of the primary federal funding mechanisms for early childhood education comes in the form of the Child Care and Development Block Grant (CCDBG). Created in 1990 and administered by the Department of Health and Human Services, the program allocates funds to states to help low-income families obtain child care. Currently, funding for the grant program allows for assistance to 1 out of 10 eligible children in the US.<sup>8</sup>



Source: OECD (2006b), p. 246

<sup>ii</sup> The reason for the difference between 0-5 funding and the ISCED Level 0 funding is that ISCED Level 0 presumably includes kindergarten spending as well.

### Washington Funding Data

The Washington State Department of Early Learning provides subsidies for low-income families seeking licensed child care through its Working Connections Child Care Program. Families are eligible if they earn below 200% of the federal poverty level (FPL). These subsidies are paid directly to the service provider and covered 118,300 children in fiscal year 2004.<sup>9</sup> Families must also pay a means-tested co-payment on a sliding scale, with a minimum payment \$15.<sup>10</sup>

In 2004, the federal contribution from the CCDBG to these subsidies amounted to \$204.3 million and was supplemented by \$50.5 million of state funds. However, tuition for children in 80% of licensed centers in 2004 exceeded the amount subsidized by DSHS.<sup>11</sup>

#### **Monthly Rates and State Subsidies in Center-Based Care (2004):**

Age Range	Monthly rates	Maximum reimbursement
Infants (0-11 months)	\$500-1235	\$832
Toddlers (12-29)	\$440-1060	\$695
Preschoolers (30-59)	\$409-890	\$583

1. The ranges of monthly rates and reimbursements represent the lowest 10<sup>th</sup> percentile monthly fee of the six regions in the state and the highest 90<sup>th</sup> percentile fee. The highest fee in all cases comes from King County.

Source: Schragger & Rowsell (2005), p. 49

#### **Monthly Rates and State Subsidies in Family-Based Care (2004):**

Age	Monthly rates	Maximum reimbursement
Infants (0-11 months)	\$363-990	\$660
Toddlers (12-29)	\$352-908	\$653
Preschoolers (30-59)	\$330-880	\$550

1. The range of monthly rates represents the lowest 10<sup>th</sup> percentile monthly fee of the six regions in the state and the highest 90<sup>th</sup> percentile fee. The highest fee in all cases comes from King County.

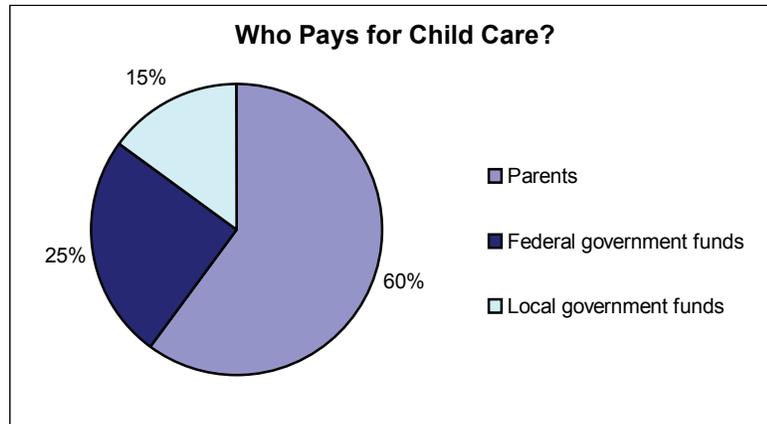
Source: Schragger & Rowsell (2005), p. 50

School districts receive state funds to provide services for disabled children starting at the age of 3. In the 2003-04 school year, the Washington State Office of Superintendent of Public Instruction (OSPI) spent a total of \$25 million on these programs. Additionally, 40% of school districts go beyond this requirement and provide additional early childhood education and care (ECEC) services for their students.<sup>12</sup>

In Head Start programs, the federal government pays 80% of costs and communities must raise the remaining 20% through local funds, fundraising, and volunteer services. In 2006-07, Head Start and Early Head Start programs in Washington received a total of \$100,533,848 in funding of which \$82 million was directed at Head Start and \$18.5 million at Early Head Start.<sup>13</sup> State-funded ECEAP programs received a total of \$35 million during 2006-2007 for an average per-child allotment of \$5,596. In 2007-08, these figures will increase 6% to \$48 million overall and \$6,536 per child.<sup>14</sup>

### Childcare Costs

Outside of the Head Start, ECEAP, and public school district programs, the majority of parents pay all the costs of childcare. Averaged together, the federal government underwrites 25% of the costs, with state and local governments picking up the tab on an additional 15%. This leaves parents with the remaining 60%. Low-income parents pay on average 18% of their family income per child enrolled in daycare.<sup>15</sup>



Source: OECD (2006b), p. 426

Childcare costs vary considerably by state, but the national average in 2005 was \$7,738 per infants and \$6,184 per preschooler according to data collected by the National Association of Child Care Resource and Referral Networks (NACCRRRA).<sup>iii16</sup> This amounted to approximately 16.8% of national median household income spent on the cost of care for an infant and 13.4% for a preschooler.<sup>iv</sup>

In Washington State the average median monthly cost of family childcare for infants and toddlers was \$542 per child in 2005. For preschoolers the cost dropped to \$477 per child, and wraparound daycare services for school-age children averaged \$260 per child. Childcare centers charged an average of \$737/child/month for infants, \$628/child/month for toddlers, and \$576/child/month for preschoolers. Wraparound care in centers averaged an additional \$325/child/month.<sup>17</sup> According to NACCRRRA, average yearly costs for care in Washington were \$9,048 per infants and \$6,891 per preschoolers in 2005.<sup>18</sup> This amounted to about 17.7% of median household income spent on the cost of care for an infant and 13.48% for a preschooler.

## United Kingdom

### Education Spending

The United Kingdom spent 5.9% of its GDP on education in 2002. Of that, 4.99% of GDP came from public sources and 0.91% came from private sources. This amounts to average expenditures per student of \$5,510 for primary school, \$6,505 for secondary education, and \$11,822 for tertiary education.<sup>19</sup>

### Social Spending and Taxes

Total tax receipts in the UK account for 35.6% of GDP. For the highest tax bracket, personal income is taxed at 40% and corporate income is taxed at 30.0%. The average single production worker is left with 76.8% of his gross pay after taxes and transfers, and the average married production worker with 2 children keeps 90.1%.<sup>20</sup> Britain spends more than the US but less than Finland on social services at 21.8% of its GDP.<sup>21</sup>

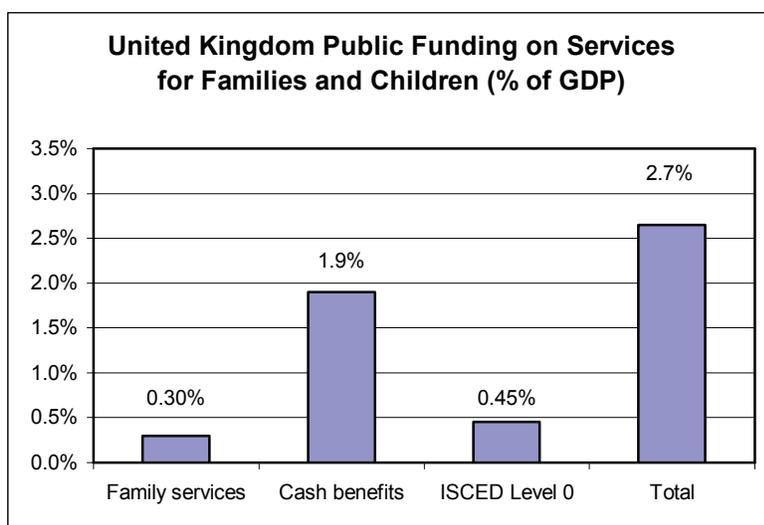
<sup>iii</sup> No specific national data was presented in the source; figures were calculated from the weighted average of individual state child care costs.

<sup>iv</sup> Median household income data for 2004-2005 comes from the United States Census Bureau.

### Early Education Spending

Most of the UK's early learning support comes in the form of tax credits and other monetary payments instead of subsidies and universal public services. The total public investment in pre-primary education services for families and young children constitutes about 2.65% of GDP. Of this, 0.45% is on preprimary education (ISCED Level 0) and 0.3% is on family services. The remaining 1.9% of GDP is spent on cash benefits. According to OECD estimates, total expenditure on ECEC services is 0.5% of GDP.

As the Sure Start program continues to expand, this number is likely to rise. In addition to the 0.45% of GDP spent publicly on ISCED Level 0, there is an addition 0.02% spent privately, for a total expenditure of 0.47% of GDP. In total, early education accounts for 7% of all children enrolled in the education system and 8% of all education spending. Government funding for ECEC has risen from £1.1 billion ( $\approx$  \$1.77 billion<sup>v</sup>) in 1996-97 to £3.8 billion ( $\approx$  \$6.14 billion<sup>vi</sup>) in 2004-05.<sup>22</sup>



Source: OECD (2006b), p. 246

### Childcare Costs

Childcare costs in the UK are the highest in all of Europe. However, parents in the UK receive significant financial help paying for child care.

#### **Weekly and Yearly ECEC Placement Costs (2007):**

	England week/year	London week/year	Scotland week/year	Wales week/year
Full-time nursery under age 2	\$246 \$12,783	\$332 \$17,264	\$236 \$12,272	\$212 \$11,024
Full-time nursery over age 2	\$227 \$11,804	N/A	N/A	\$204 \$10,608
Full-time childminder	\$228/ 11,856	N/A	\$228 \$11,856	\$218 \$11,336

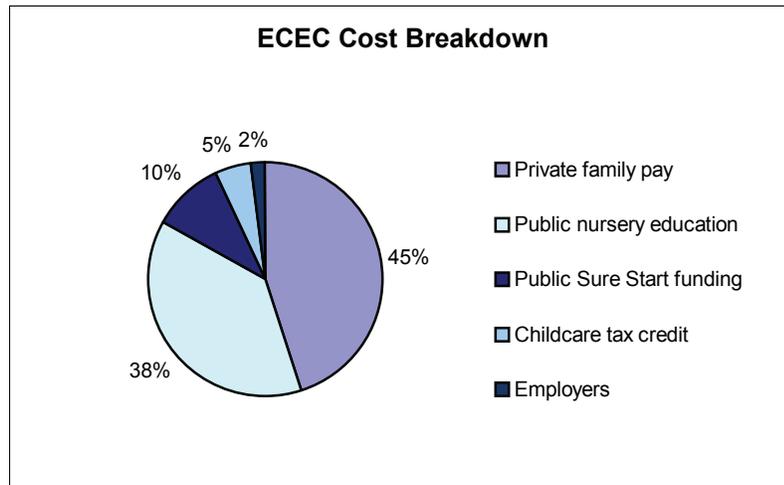
Source: Daycare Trust (n.d.a)

<sup>v</sup> PPP exchange rate from 1997

<sup>vi</sup> PPP exchange rate from 2005

Depending on living arrangements, nannies run between £250/week ( $\approx$  \$405) and £500/week ( $\approx$  \$809). Parents can receive help with childcare costs through tax credits<sup>vii</sup>. In 2007, the average credit award is £49.80/week ( $\approx$  \$81).<sup>23</sup>

Overall, parents pay about 45% of ECEC costs with public funds accounting for about 53% in the form of public provision of nursery education, Sure Start grant funds, and tax credits.<sup>viii</sup> Employers typically foot about 2% of the bill. Total investment in 2002-03 totaled £6.7 billion ( $\approx$  \$10.7 billion<sup>ix</sup>). Although parents pay 45% of the bill on average, many low and middle-income households pay as little as 20% while many other parents use private services and pay full price.<sup>24</sup> In 2005, costs accounted for about 21% of median household income for infants and 20% for preschoolers.<sup>x</sup>



Source: OECD (2006b), p. 420

## Finland

### Education Spending

Finland spends less than the US on education on a per-student basis. In 2002, its expenditure on public and private educational institutions was 6% of its GDP. Of this, 5.89% was public and only 0.11% was private. Per student, an estimated \$5,087 was spent annually on primary education, \$7,121 on secondary education, and \$11,768 on tertiary education.<sup>xi</sup>

### Social Spending and Taxes

Finland spends 27.1% of its GDP on social programs (2003 data).<sup>25</sup> Tax receipts amounted to 44.8% of total GDP in 2003 with rates for the highest tax bracket reaching 51.1% for personal income and 29.0% for corporate income. Proportions of disposable income were much lower than in the US as a result of increased taxation. The average single production

<sup>vii</sup> Tax credits were discussed in section 5.

<sup>viii</sup> As tax credits go to parents, there may be some double-counting in the percentage of care paid by through private family and public funds.

<sup>ix</sup> PPP exchange rate from 2003

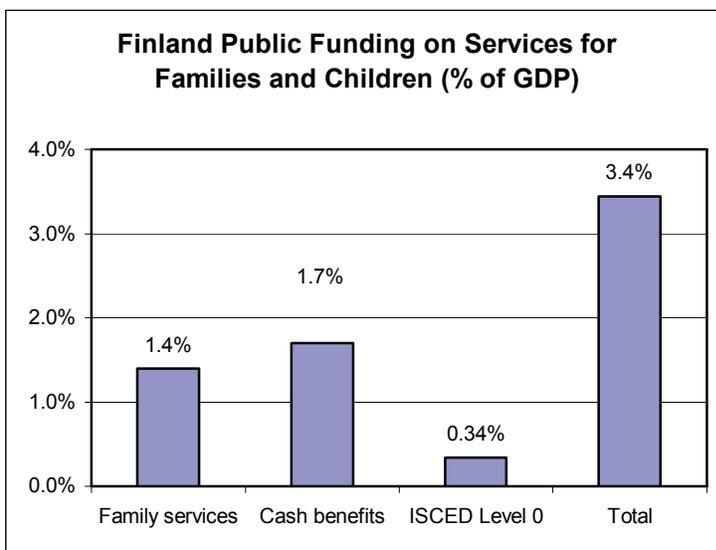
<sup>x</sup> Cost data comes from the Daycare Trust. Median household income comes from the United Kingdom Parliament website.

<sup>xi</sup> These conversions were obtained using purchasing power parity exchange rates from OECD

worker kept 68.1% of his gross pay and the average married production worker with 2 children kept 76.1% of his gross pay.<sup>26</sup>

### Early Education Spending

Finnish public expenditure on preprimary education (ISCED Level 0) amounts to 0.34% of GDP, less than in the United States. However, cash benefits to families account for a full 1.7% of the GDP and family services account for another 1.4%. Total public investment in services for families and young children is 3.75% of GDP.<sup>xii27</sup> The Ministry of Social Affairs and Health estimates that €5.2 billion ( $\approx$  \$7 billion) was spent in 2005 on family benefits.<sup>28</sup>



Source: OECD (2006b), p. 246

### Breakdown in Spending on Family Benefits (2005)

	Percentage of Family Benefits Spending
Child benefit payments	27.5%
Parental leave payments	12.4%
Daycare	27.3%
Child home care allowance	6.8%
Private childcare allowance	1.1%
Preschool classes	5.1%
Child support default allowance	1.5%
Low-income family housing subsidies	4.5%
Residential care	6.0%
Home assistance allowance	0.6%
Other	7.2%

Source: Ministry of Social Affairs and Health (2006), p. 7

<sup>xii</sup> Source data for the component parts do not add up to the total public expenditure of 3.75%. Rounded totals equal 3.44%.

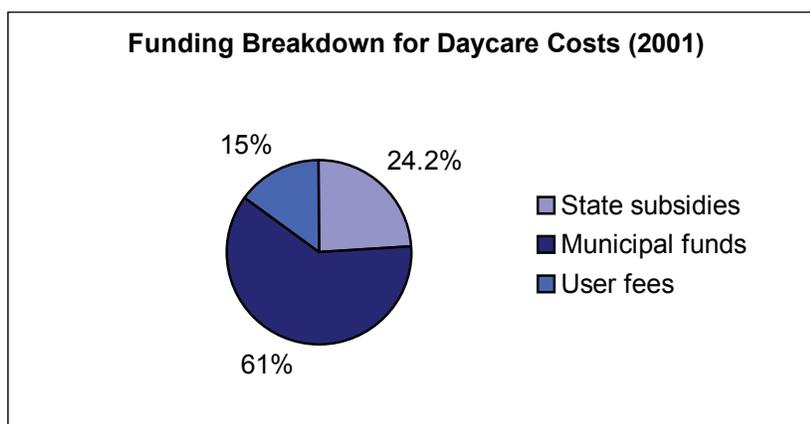
### Childcare Funding and Costs

Daycare is heavily subsidized in Finland, with municipalities rather than the federal government in charge of ECEC finance. Municipalities receive a subsidy/block grant from the central government that is not specifically earmarked and is automatically paid.

In 2001, the average central government subsidy covered 24.2% of health and social services costs (daycare and other child services are included in this category). The remaining funding comes from a combination of local taxes, and user fees. In 2001, user fees covered 15%, leaving 61% to come from municipal spending. These percentages are averages; some municipalities with specific needs receive additional central government funding.<sup>29</sup>

Preschool education is free by law and central government education grants cover 57% of its costs.<sup>30</sup> Despite daycare costs in excess of €8,000/child/year ( $\approx$  \$8,360<sup>xiii</sup>), services remain affordable due to extensive government subsidization.<sup>31</sup> Parent fees are set at a maximum of €200/month ( $\approx$  \$209) for the 1<sup>st</sup> child, €180/month ( $\approx$  \$188) for the 2<sup>nd</sup>, and €40/month ( $\approx$  \$42) for any subsequent children in care<sup>32</sup>. In 2005, these fees made up about 4.16% of median household income for both infants and preschoolers.<sup>xiv</sup>

In addition to basic grants, the government further subsidizes municipalities that offer a minimum of 570 hours of before- and after-school services per child annually, providing an incentive for local authorities to expand their provision of services.<sup>33</sup>

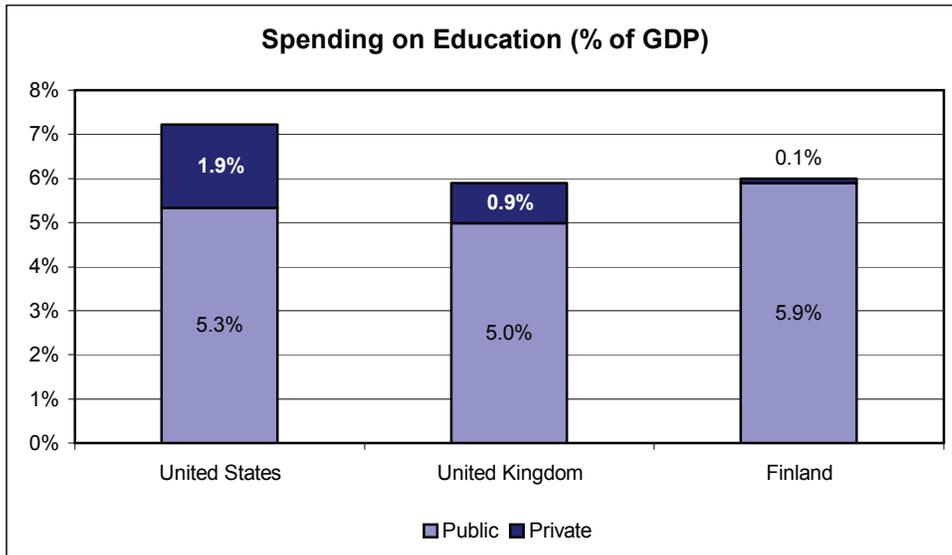


Source: Ministry of Social Affairs and Health (2001a)

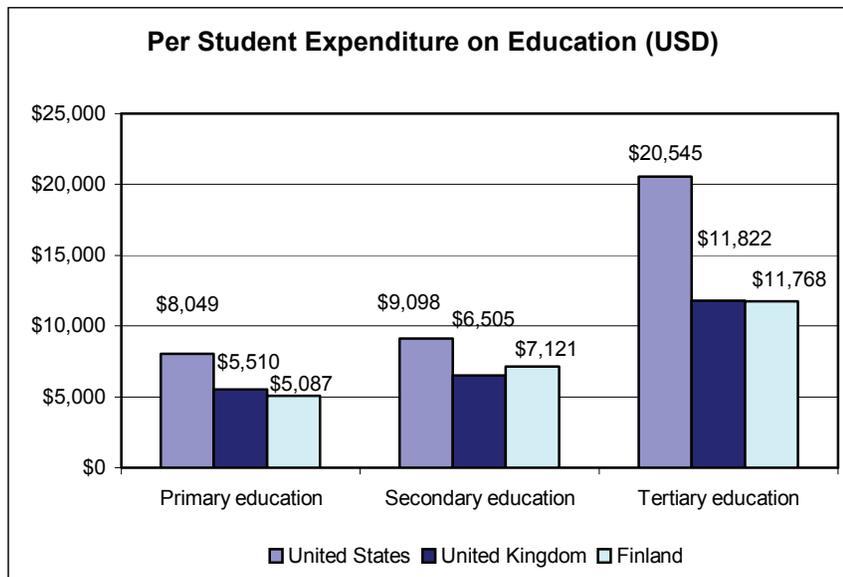
<sup>xiii</sup> PPP exchange rates are from 2006 unless otherwise noted.

<sup>xiv</sup> Cost data was estimated based on half of the maximum cost of care. Median household income data is from the International Labour Organization (ILO) from 2004.

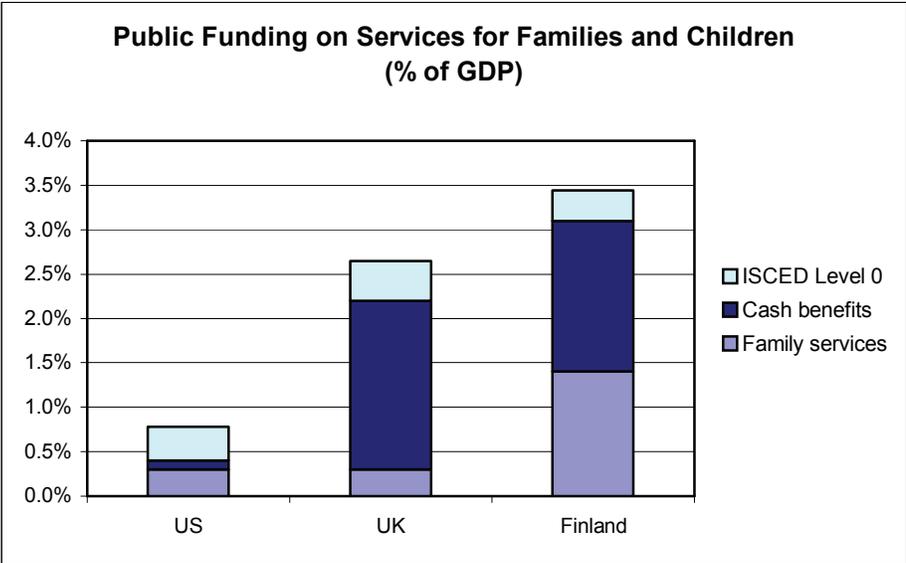
**Country Comparison:**



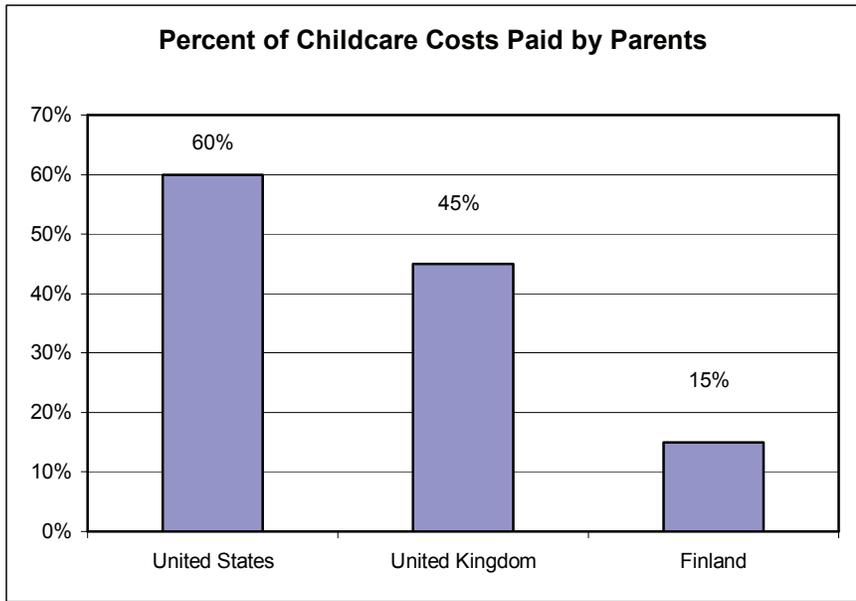
Source: OECD (2007), p. 52-53



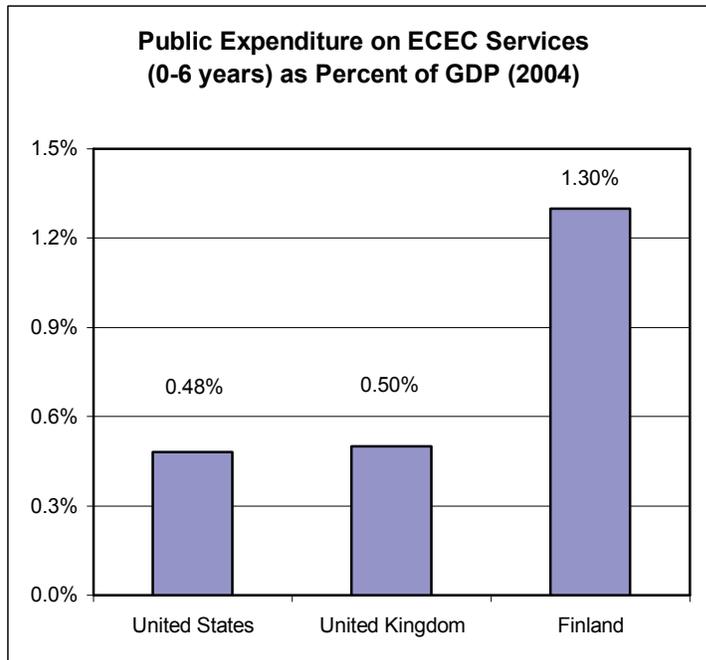
Source: OECD (2007), pp. 52-53



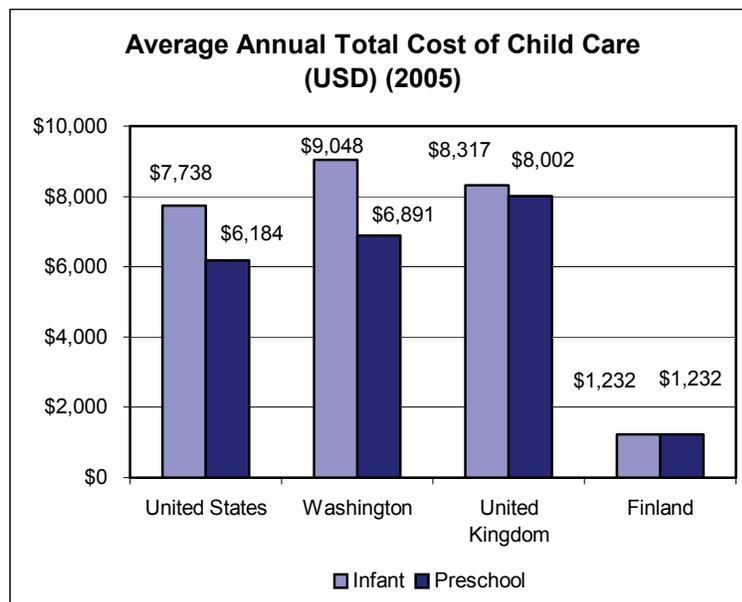
Source: OECD (2006), p. 246



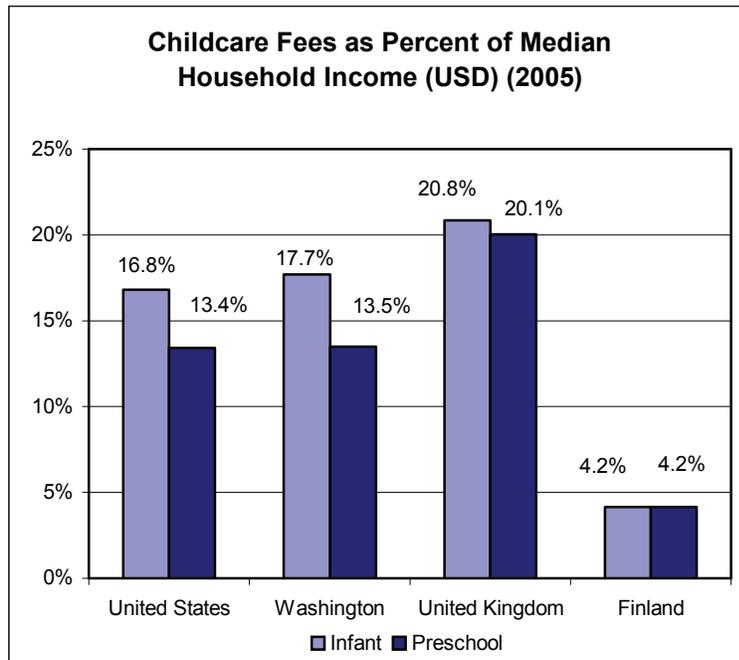
Source: OECD (2006)



Source: OECD (2006), p. 246



1. US costs come from the weighted average of all 50 states.
  2. UK data comes from an estimated parental contribution of 75% of the averaged total costs of nursery and family care.
  3. UK data is weekly data extrapolated out to an annual figure without provisions for summer care.
  4. Finnish parents pay on a sliding scale based on income with a maximum payment of EUR 200/month. This data is based on an estimated average cost of EUR 100/month extrapolated over the course of a year without provisions for summer care. There is some indication that Finnish parents may only pay for 11 of the 12 months.
- Sources: NACCRRRA (2006), United States Census Bureau; Daycare Trust (n.d.a); United Kingdom Parliament. (2006). Publications and records; and Gardner, P. (2006). Household Income and Expenditure Statistics (HIES): A comparison of eight countries. International Labour Office (ILO).



Sources: NACCRRA (2006), United States Census Bureau; Daycare Trust (n.d.a); United Kingdom Parliament (2006); and Gardner (2006)

<sup>1</sup> Organization for Economic Co-operation and Development (OECD). (2007). *OECD in Figures: 2006-2007 Edition*. Paris: Author, pp. 52-53. See:

[http://www.oecdobserver.org/news/fullstory.php/aid/1988/OECD\\_in\\_Figures\\_2006-2007.html](http://www.oecdobserver.org/news/fullstory.php/aid/1988/OECD_in_Figures_2006-2007.html).

<sup>2</sup> Organization for Economic Co-operation and Development (OECD). (2006). *Starting strong II: Early childhood education and care*. Paris: Author, p. 426.

<sup>3</sup> Citizens for Tax Justice. (2007). *United States remains one of the least taxed industrial countries*, p. 1. See: <http://www.ctj.org/pdf/oecd07.pdf>.

<sup>4</sup> OECD (2007), pp. 60-61.

<sup>5</sup> Organization for Economic Co-operation and Development (OECD). (n.d.b). *Glossary of statistical terms*. See: <http://stats.oecd.org/glossary>.

<sup>6</sup> OECD (2006b), p. 426.

<sup>7</sup> *Ibid*, p. 431.

<sup>8</sup> National Association for the Education of Young Children. (n.d.a). *Child Care and Development Block Grant*. See: <http://www.naeyc.org/policy/federal/ccdbg.asp>

<sup>9</sup> Schrager, L. & Rowswell, S. (2005). *Licensed child care in Washington State: 2004*. Olympia, WA: Department of Social and Health Services, Economic Services Administration, Division of Child Care and Early Learning, p. xiii.

<sup>10</sup> Moore, P. (2006). *Early learning in Washington: Issues and budget*. Olympia, WA: Washington State Senate Ways and Means Committee, p. 21-22.

<sup>11</sup> Paskin, L., Stokley, D. & Vandergrift, N. (2005). *Achieving high-quality early learning and care in Washington State: An analysis of workforce and systemic components that influence quality*. Seattle, WA: Economic Opportunity Institute, p. 6.

<sup>12</sup> *Ibid*, pp. 7-8

<sup>13</sup> Personal communication (e-mail) from Joyce Kilmer, Washington State Department of Early Learning, August 14, 2007.

<sup>14</sup> Personal communication (e-mail) from Kelli Bohanon, Washington State Department of Early Learning, July 31, 2007.

<sup>15</sup> OECD (2006b), p. 431.

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- <sup>16</sup> National Association of Child Care Resource and Referral Agencies (NACCRRRA). (2006). *Breaking the piggy bank: Parents and the high price of child care*. Arlington, VA: Author, pp. 18-23. See: [http://www.naccrra.org/docs/policy/breaking\\_the\\_piggy\\_bank.pdf](http://www.naccrra.org/docs/policy/breaking_the_piggy_bank.pdf).
- <sup>17</sup> Washington State Child Care Resource and Referral Network. (n.d.). *Median child care rates*. See: <http://www.childcarenet.org/partners/data/home-rates>.
- <sup>18</sup> NACCRRRA (2006), pp. 18-23.
- <sup>19</sup> OECD (2007), pp. 52-53.
- <sup>20</sup> Ibid, pp. 60-61.
- <sup>21</sup> OECD (2006b), p. 415.
- <sup>22</sup> Ibid, pp. 256, 420.
- <sup>23</sup> Daycare Trust. (n.d.a). *Childcare costs in 2007*. See: [http://www.daycaretrust.org.uk/mod.php?mod=userpage&menu=1003&page\\_id=111#1](http://www.daycaretrust.org.uk/mod.php?mod=userpage&menu=1003&page_id=111#1).
- <sup>24</sup> OECD (2006b), p. 420.
- <sup>25</sup> Ibid, p. 318.
- <sup>26</sup> OECD (2007), pp. 60-61.
- <sup>27</sup> OECD (2006b), pp. 256, 321.
- <sup>28</sup> Ministry of Social Affairs and Health. (2006). *Finland's family policy*. Helsinki, Finland: Author, p. 6. See: <http://www.stm.fi/Resource.phx/publishing/store/2006/10/hm1161607115538/passthru.pdf>.
- <sup>29</sup> Ministry of Social Affairs and Health. (2001a). *Chapter 3: Overview of ECEC policy and provision in Finland*. Helsinki: Finland. See: <http://pre20031103.stm.fi/english/pao/publicat/oecdchild/chapter3.htm>.
- <sup>30</sup> Ibid.
- <sup>31</sup> OECD (2006b), p. 318.
- <sup>32</sup> Ministry of Social Affairs and Health (2006), p. 14.
- <sup>33</sup> OECD (2006b), p. 320.

## **7. ECEC Workforce:**

### **United States/Washington State**

#### **Qualification and Training**

Childcare workers in Washington State, and more generally in the United States, typically receive low wages, possess little training, and work in environments with high staff turnover. Such conditions (1) create disincentives to invest in worker training, (2) encourage the most skilled members of the profession to pursue higher-paying employment in other fields, (3) reduce the quality of the worker pool, and (4) reinforce existing (low) wage rates.

Minimal education requirements exist for childcare workers in both licensed centers and family homes in Washington State. A Washington State Training and Registry System (STARS) provides required training programs for employment in licensed centers. Some childcare workers may require additional training depending on their level of responsibility.<sup>1</sup>

In Head Start and Early Head Start programs (HS/EHS), the federal government mandates that half of all teachers have an Associate's degree, and in fact, 60% did have an Associate's, Bachelor's, or Master's degree in 2004. Also in 2004, 40% of assistant teachers in these programs had a Child Development Associate credential (CDA) or higher.<sup>2</sup>

OECD reports that nationwide, 75% of Head Start staff have at least a 1-year Child Development Course and 57% have an Associate's degree or higher. Public school kindergarten and pre-kindergarten teachers have even more training on average with most attaining a 4-year degree. However, difficulties arise in comparing Head Start, Early Head Start, and public school teachers to childcare providers in the private sector, who account for 90% of the total provision, because of the scarcity of data for private sector workers.<sup>3</sup>

#### **Wages**

As would be expected, wages rise and fall based on educational achievement and level of responsibility. At the bottom, childcare workers make very little money. By comparison, public lower-secondary teachers with 15 years of experience made an average annual salary of \$43,999 nationally in 2003, for an average salary per teaching hour of \$39.00.<sup>4</sup>

#### **Wage and Salary of a Childcare Worker**

	<b>Median hourly wage</b>	<b>Median annual salary</b>
<b>United States</b>	\$8.48	\$17,630
<b>Washington State</b>	\$8.80	\$18,300*

*\*Estimate based on 2080 hours/year*

*1. Wage information for childcare workers in general (center and family-home care)*

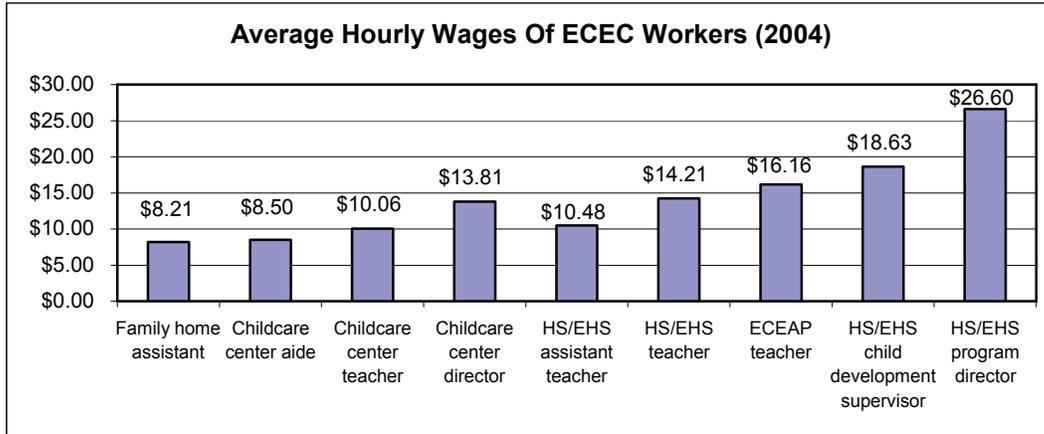
*Source: United States Department of Labor, Bureau of Labor Statistics. (n.d.) Occupational employment and wages, May 2006.*

In 2003, childcare workers made more than a dollar less per hour than parking lot attendants (\$8.46 compared to \$9.71). All non-agricultural workers that year made a median wage of \$15.21.<sup>5</sup> Research clearly shows the association between low wages and high turnover, both of which cause the quality of care to suffer.

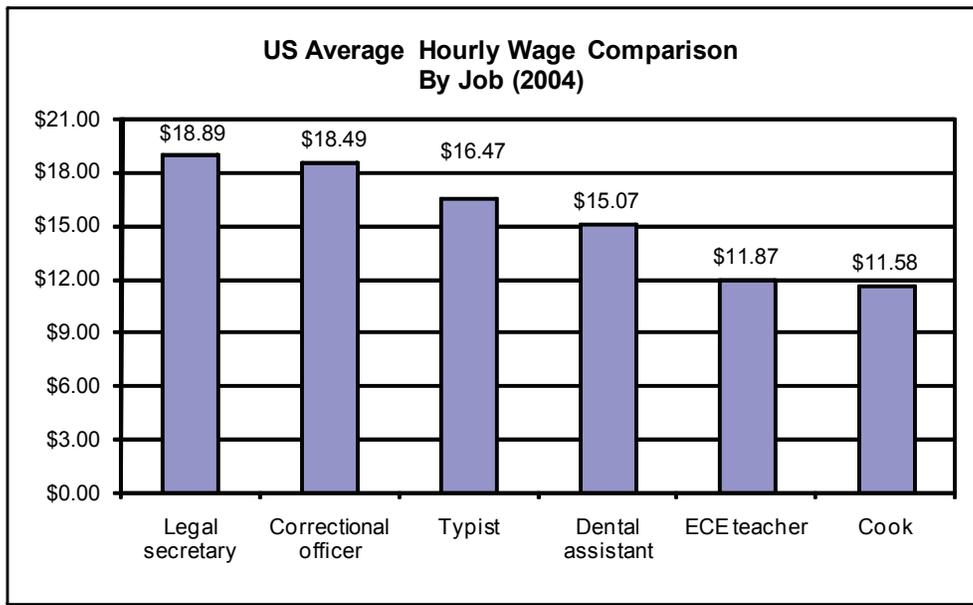
### Childcare Worker Wage Comparison

	Wage	Turnover rate
Childcare aides (2002)	\$8.07/hour	45%
Childcare teachers (2002)	\$9.69/hour	25%
K-12 teachers (2000)	Over \$17.00/hour	10-12%

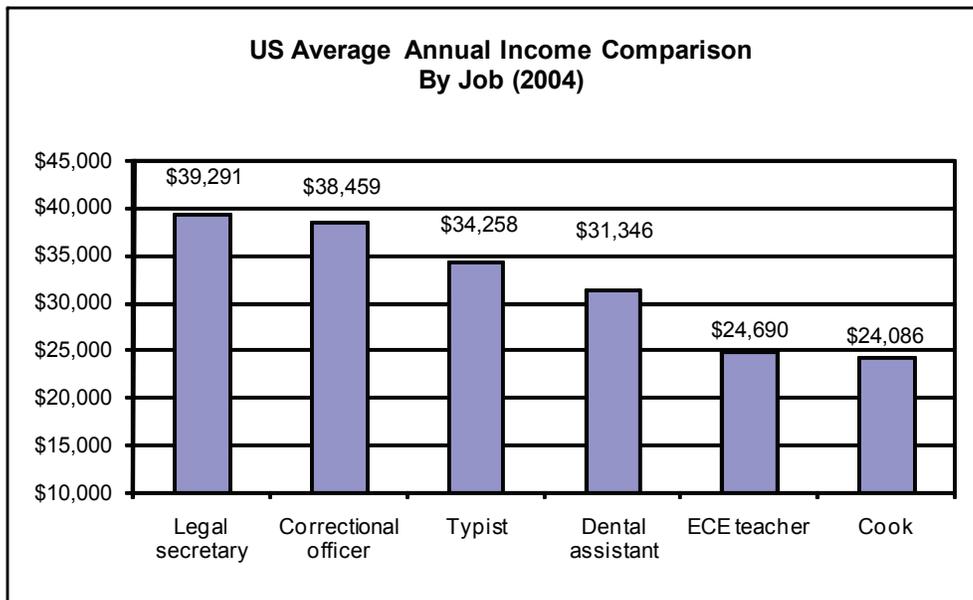
Source: Moon & Burbank (2004)



Source: Paskin, Stokley, & Vandergrift (2005), p. 12



Source: Paskin, Stokley, & Vandergrift (2005), p. 10



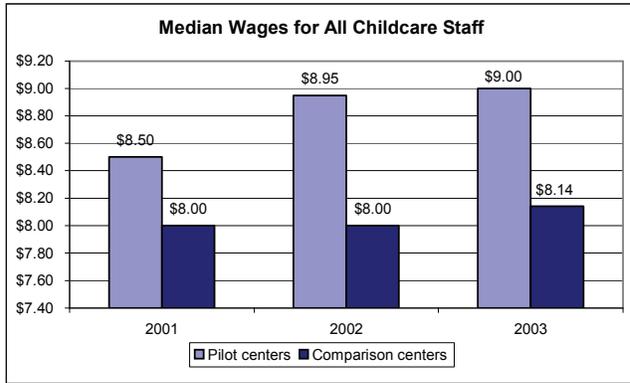
Source: Paskin, Stokley, & Vandergrift (2005), p. 10

### Career and Wage Ladder

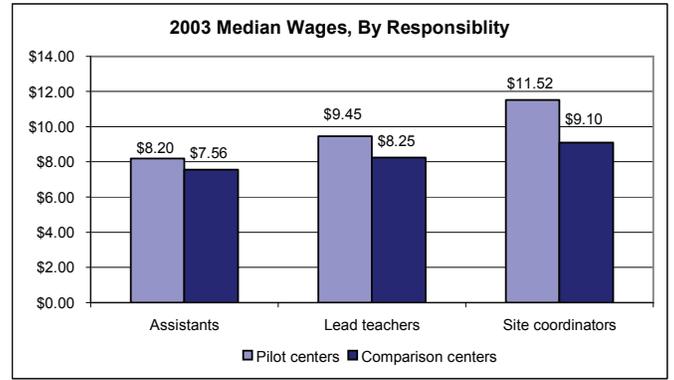
Washington has shown initiative in addressing the problem of low wages in the field of childcare. From 2000 to 2003, it piloted a program called the Washington State Early Childhood Education Career and Wage Ladder that aimed to improve the quality of ECEC by rewarding employees for improving their qualifications. Each time caregivers took a step forward in terms of education, experience, or responsibility, their salary would increase, thus creating an incentive to pursue higher credentials.<sup>6</sup>

Washington State and employers shared the responsibility for funding this program. The state was responsible for paying wage increments based on educational achievement and the childcare centers were responsible for paying for increases in job responsibility and length of service, as well as providing minimal benefit packages to their employees. Public funding for the ladder came from Temporary Assistance for Needy Families (TANF) funds.<sup>7</sup>

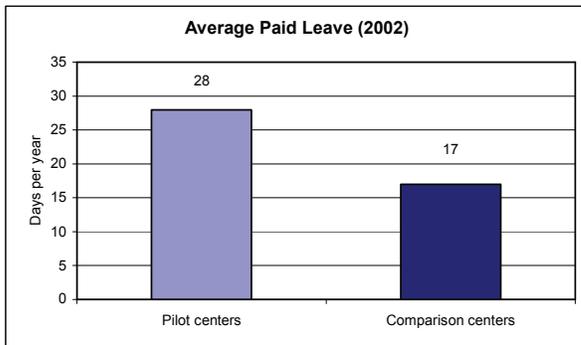
An evaluation by Washington State University found that providers who participated in the program showed statistically significant improvements in wages and benefits, educational achievement and pursuit of education, length of employment and retention of new employees, employee self-esteem, morale, job satisfaction and professionalism, amount of time off provided by centers, and the quality and care of teaching in the classroom environment and in teacher-child interactions.<sup>8</sup>



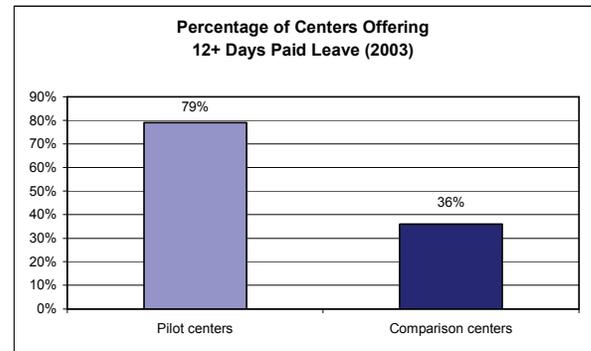
Source: Moon & Burbank (2004), p. 9



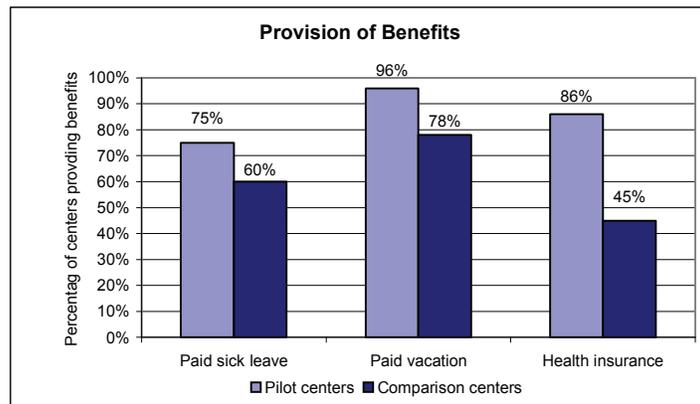
Source: Moon & Burbank (2004), p. 10



Source: Moon & Burbank (2004), p. 10



Source: Moon & Burbank (2004), p. 10



Source: Moon & Burbank (2004), p. 10

In 2005 and 2006, Washington legislated, instituted, and funded the creation of a career ladder modeled after the pilot program aiming to improve the wages of care workers and thus the quality of care for the state’s children.

## United Kingdom

### Qualification and Training

In the United Kingdom, state-funded nursery schools require teachers to have a three or four-year university degree; although in practice this requirement is not always met.<sup>9</sup>

#### **Nursery staff qualifications**

<b>Level of training</b>	<b>Percent of nursery staff workforce achievement</b>
University or tertiary (≈ US associate’s, bachelor’s, master’s degrees)	20%
Level 3 (professional diploma)	30%
Some training (less than Level 3)	20%
No training	30%

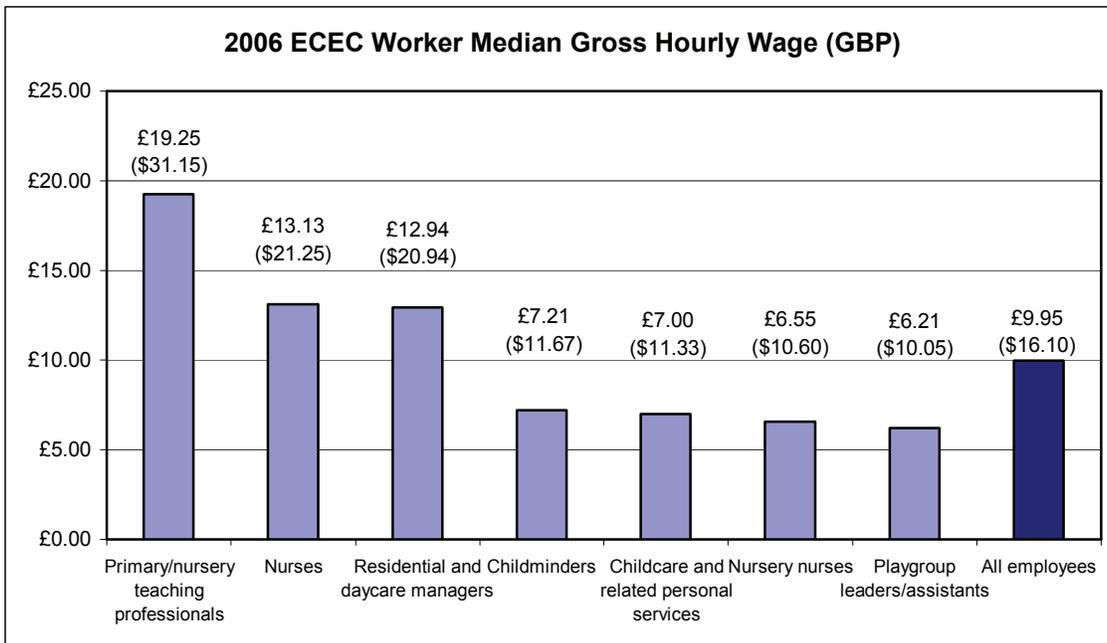
Source: OECD (2006), p. 421

Child minders (≈ family childcare providers) have significantly less qualification; only 16% have Level 3 (professional diploma) or above. All child minders are required to complete a pre-registration course through the Local Authorities (LAs) within 6 months of starting service. Managers and supervisors of group-based programs must have Level 3 qualification or higher. Among managers of playgroups and day nurseries, which provide the majority of services to children under 3, 80% have at least Level 3 training. Across the board, the UK requires that half of all childcare staff must meet Level 2 qualification standards<sup>i</sup>. In practice, however, a lack of appropriately trained staff and high turnover rates at 40% annually characterize the system. The workforce consists almost entirely of women (98%).<sup>10</sup>

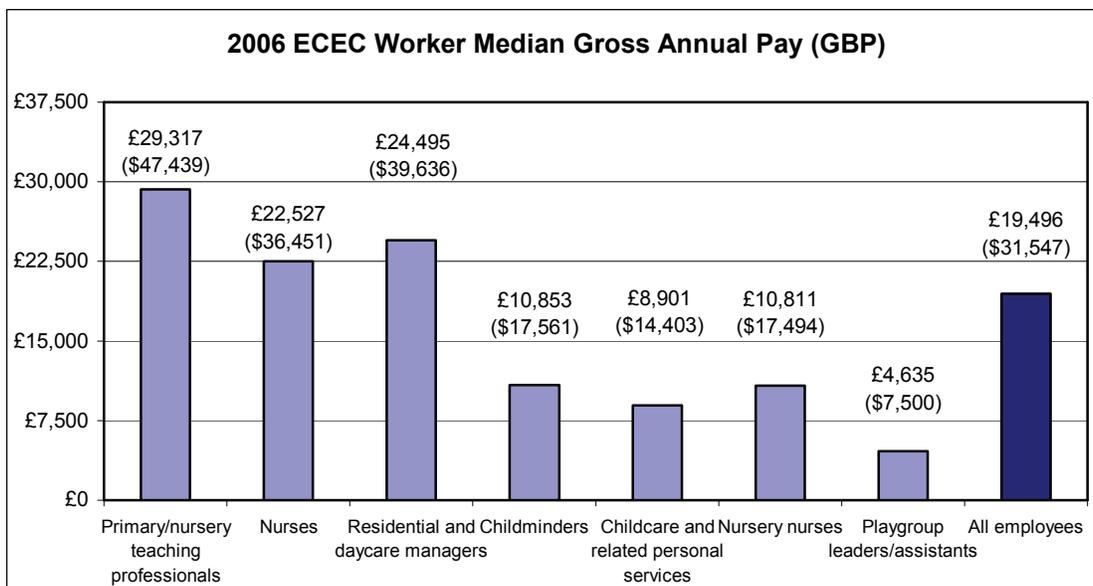
### Wages

A wide variety of sources provide data on UK childcare wages. For consistency, this report focuses on the results of the 2006 Annual Survey of Hours and Earnings (ASHE). The ASHE breaks down the childcare industry into a number of subgroups, ranging from primary and nursery education teaching professionals to childminders and playgroup leaders and assistants. As in the US and Finland, salary rises with training and responsibility.<sup>11</sup>

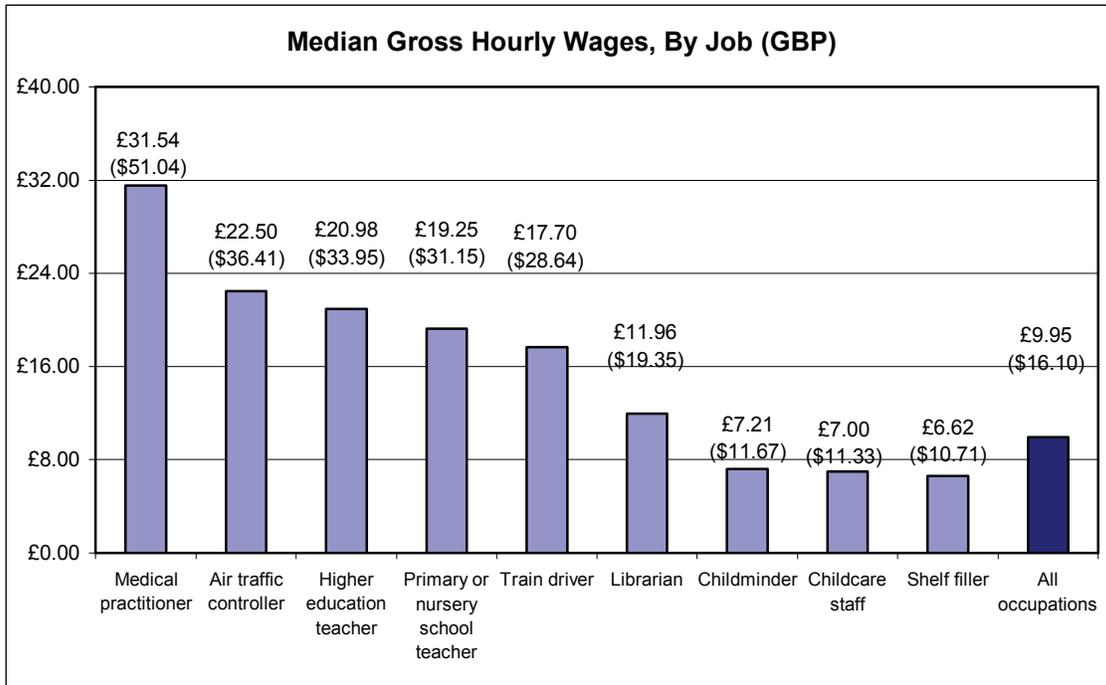
<sup>i</sup> Level 2 is the capacity to work under supervision on the care/development of children.



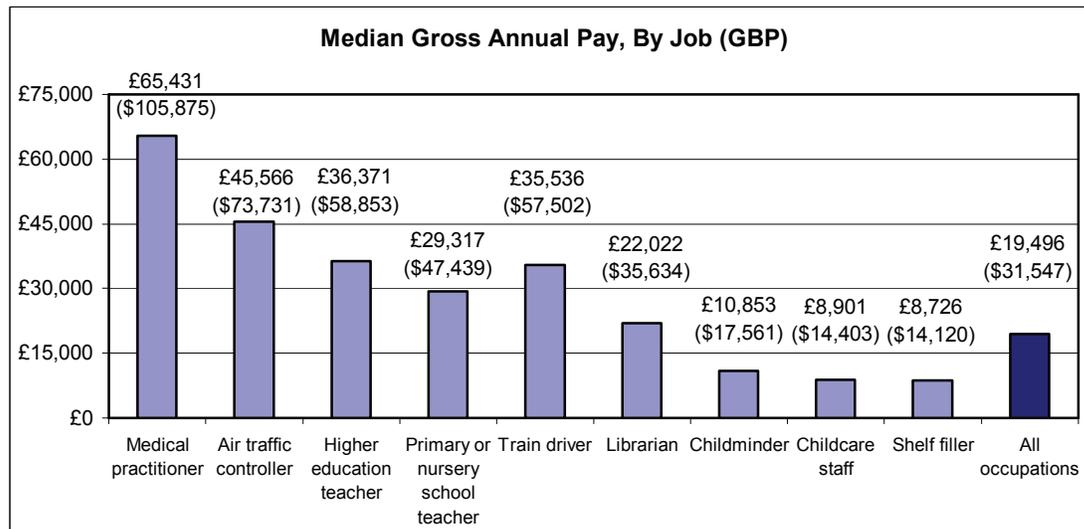
Source: UK Office of National Statistics (2006)



Source: UK Office of National Statistics (2006)



Source: UK Office of National Statistics (2006)



Source: UK Office of National Statistics (2006)

### Philosophy

Fundamental differences exist in the attitudes taken by childcare providers in the United Kingdom and Finland. In the United Kingdom, parents and educators interact and collaborate very little.<sup>12</sup> The market determines most childcare provision, and as such, parent-teacher relationships are often strictly professional; parents demand a service and teachers supply it. Additionally, teachers tend to lump all parents into a group instead of focusing on individuals and their specific needs.<sup>13</sup> In contrast, the Nordic model of community care stresses the importance of parent-teacher interaction and catering to individual needs.

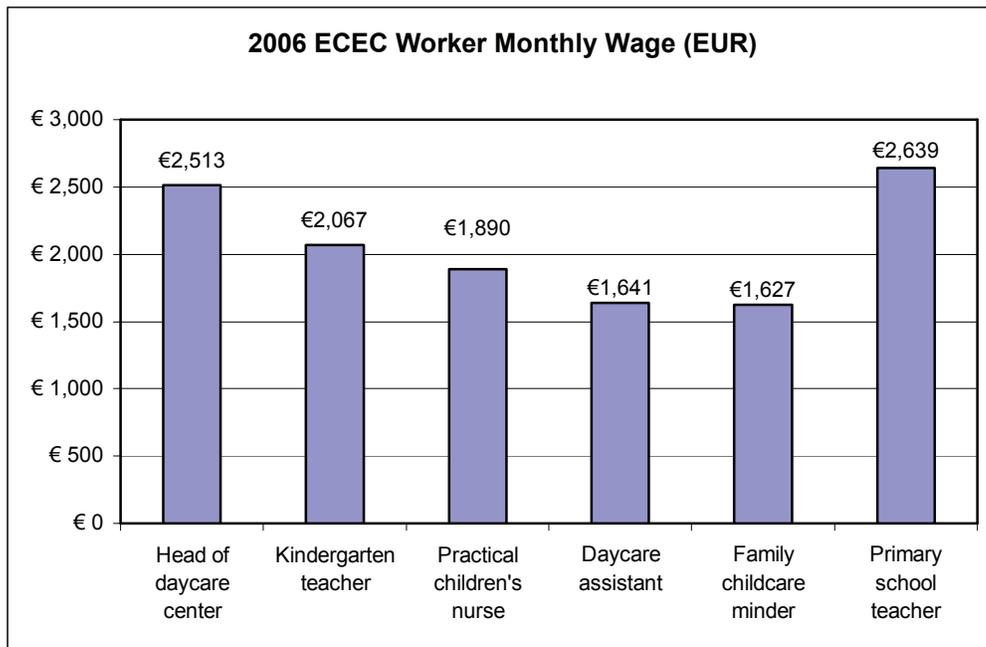
## Finland

### Qualification and Training

Due to its highly structured system of universal childcare, Finland exercises more control over the educational attainment of its workforce than the United States. All preschool<sup>ii</sup> teachers must have tertiary training, the equivalent of a university degree in the United States. In daycare centers, 1 in 3 staff members must have post-secondary qualification. In reality, 30% of staff working directly with children have tertiary degrees (Bachelor's or Master's).

Kindergarten teachers<sup>iii</sup>, who account for about 1/3<sup>rd</sup> of the staffing in these centers, have Bachelor's degrees in early childhood education or social sciences and may also have Master's degrees. Supporting the kindergarten teachers are children's nurses, who have 3-year secondary vocational training in practical nursing.<sup>14</sup> Outside of daycare centers, staff qualifications and training vary. For workers in family daycare, vocational qualification is recommended but not required.<sup>15</sup>

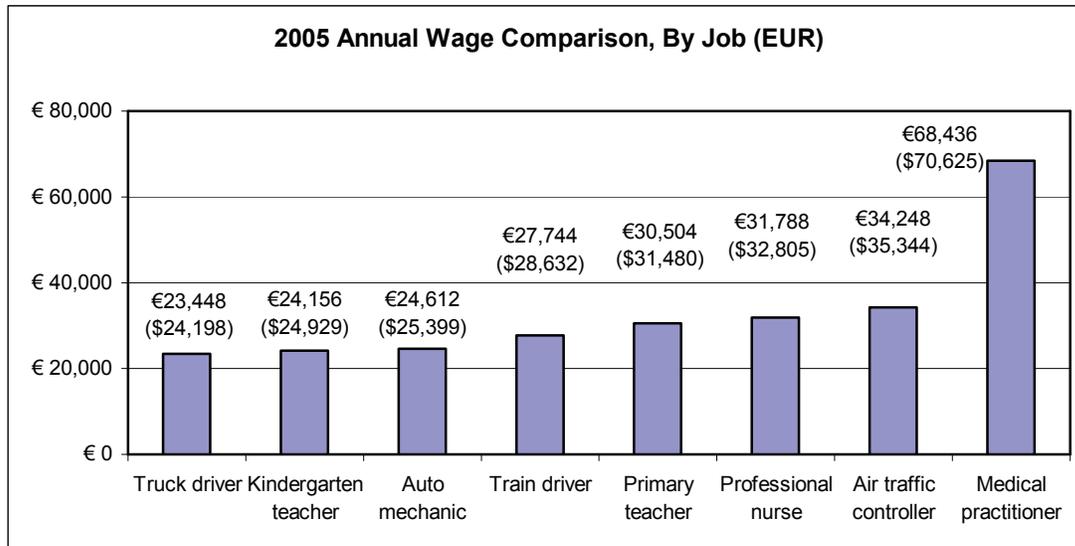
### Wages



Source: Personal communication (email) from Anne Hotti, Commission for Local Authority Employers, Helsinki, Finland, August 6, 2007.

<sup>ii</sup> Preschool is the Finnish equivalent of American kindergarten, the year before primary school begins.

<sup>iii</sup> Kindergarten teachers work in childcare centers and have no relation to American-style kindergarten.



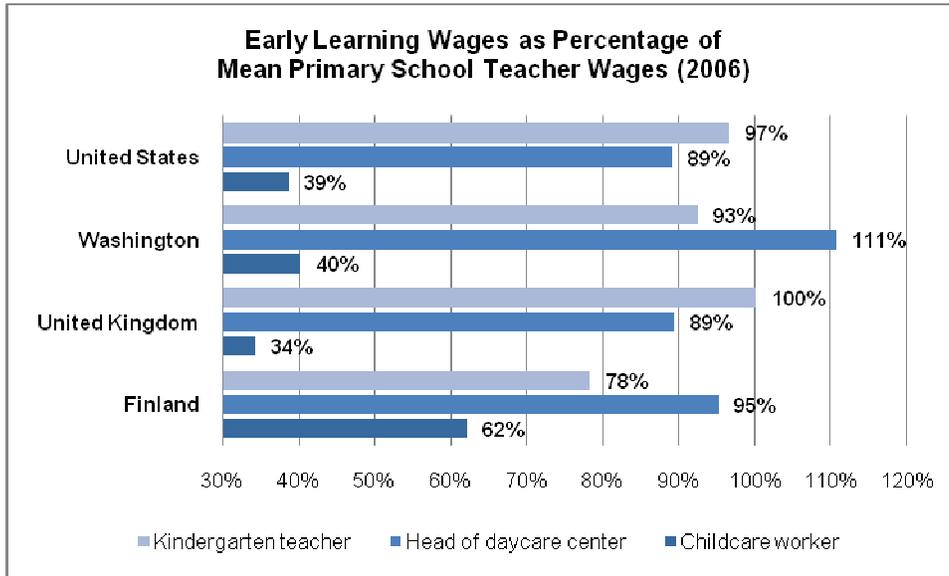
Source: Gardner, P. (2006). *Household Income and Expenditure Statistics (HIES): A comparison of eight countries*. International Labour Office (ILO)

### Philosophy

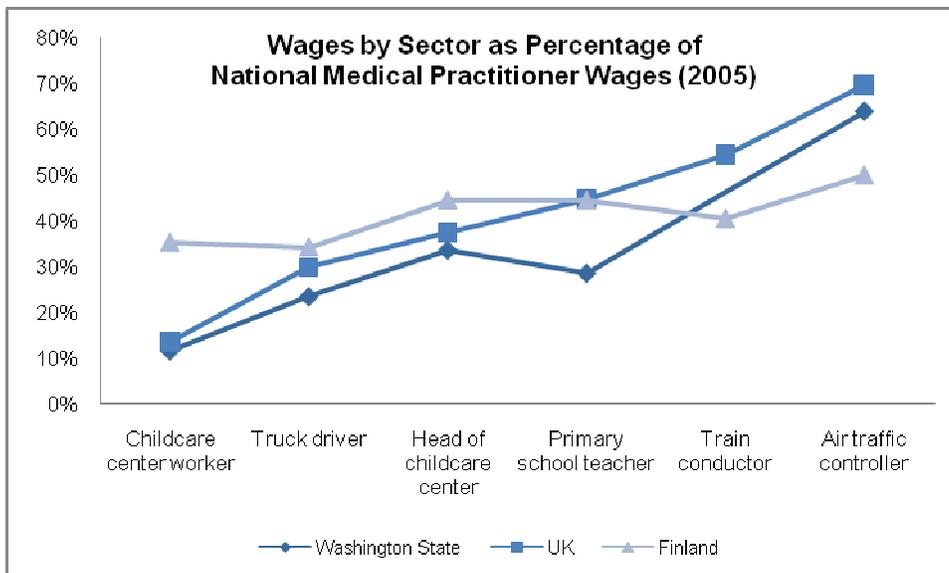
Qualitative research into the Finnish daycare system has shown that in addition to universalism, the Finns view care through a different lens than countries like the United States and the United Kingdom. Teachers in Finland believe in communicating with parents in order to create settings that reflect the same values children are learning at home. Their role is to support parents in raising their children, a perspective in line with the Nordic tradition of community parenting. As such, the typical role of parents is as active participants in the care of their children.<sup>16</sup>

**Country Comparisons:**

As the following exhibits depict, Finland has greater parity in wages within and across different industries. While childcare workers in the US and UK earn only a fraction of what primary school teachers and medical practitioners make, the Finnish early learning workforce receives more comparable wages. Not depicted here is the addition of the social wage (benefits bestowed through universal social services such as health care, early learning, higher education, pensions, and vacation) which increases wages for Finnish, and to some extent British, citizens in comparison to their American counterparts.



1. Categories did not match perfectly across countries. 2. A kindergarten teacher in Finland works in a childcare center; preschool is the Finnish equivalent of kindergarten in the US. 3. The closest thing to a kindergarten teacher in the UK was a primary/nursery teaching professional. Sources: US Bureau of Labor Statistics (n.d.); Personal communication from Anne Hotti (2007); UK Office of National Statistics (2006); and Gardner (2006).



1. Categories did not match perfectly across countries. Sources: Gardner (2006); UK Office of National Statistics (2006); and Labor Market and Economic Analysis Branch. (2005). Occupational employment and wage estimates: Washington State and sub-state areas. Olympia, WA: Employment Security Department

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- <sup>1</sup> Paskin, L., Stokley, D. & Vandergrift, N. (2005). *Achieving high-quality early learning and care in Washington State: An analysis of workforce and systemic components that influence quality*. Seattle, WA: Economic Opportunity Institute, p. 9.
- <sup>2</sup> Ibid, pp. 9-10.
- <sup>3</sup> Organization for Economic Co-operation and Development (OECD). (2006b). *Starting strong II: Early childhood education and care*. Paris: Author, p. 431-432.
- <sup>4</sup> Organization for Economic Co-operation and Development (OECD). (2007). *OECD in Figures: 2006-2007 Edition*. Paris: Author, pp. 52-53. See: [http://www.oecdobserver.org/news/fullstory.php/aid/1988/OECD\\_in\\_Figures\\_2006-2007.html](http://www.oecdobserver.org/news/fullstory.php/aid/1988/OECD_in_Figures_2006-2007.html).
- <sup>5</sup> Moon, J. & Burbank, J.R. (2004). *The Early Childhood Education Career and Wage Ladder: A model for improving quality in early learning and care programs*. Seattle, WA: Economic Opportunity Institute, p. 4.
- <sup>6</sup> Ibid, p. 3.
- <sup>7</sup> Ibid, p. 6.
- <sup>8</sup> Ibid, p. 8.
- <sup>9</sup> OECD (2006b), p. 421.
- <sup>10</sup> Ibid, p. 421.
- <sup>11</sup> Office for National Statistics (UK). (2006). *Annual survey of hours and earnings (ASHE) – 2006 results*. See: <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=14630>.
- <sup>12</sup> Moriarty, V. (2000). Early years educators in Finland and England: issues of professionalism. *International Journal of Early Years Education*, 8(3): 235-242 (238).
- <sup>13</sup> Moriarty (2000), p. 239.
- <sup>14</sup> OECD (2006b), p. 321.
- <sup>15</sup> Ministry of Social Affairs and Health. (2006). *Finland's family policy*. Helsinki, Finland: Author, p. 14. See: <http://www.stm.fi/Resource.phx/publishing/store/2006/10/hm1161607115538/passthru.pdf>.
- <sup>16</sup> Moriarty (2000), p. 239.

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