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Businesses across Massachusetts and the country - their executives, boards of directors and, as the case may be, their shareholders - are awakening to an absolute truth that many of their employees have known for some time. This truth? That high-quality, reliable and affordable childcare and early learning are essential to getting every child off to the right developmental start in life, to families effectively managing their households and to workplace productivity. A critical mass of evidence has built over the better part of the 21st century that both affirms this truth and that reveals that the early childhood sector is a rare gem of sorts, the closest thing we have to a sure policy bet that, when executed with fidelity to best practices, produces phenomenal outcomes when adequately resourced. In fact, it often manages to punch above its weight even when resources are scarce.

I will not cite all of the metrics that build the case for early childhood as an exceptional investment as you will hear the evidence - which is well-established - from many who will testify before you today and next week. There are facts, though, that bear repeating:

- Nobel Prize winning economist James Heckman has written extensively on early childhood program investment finding, in 2007, that the return on every dollar invested in early childhood development is upward of 13 dollars;

- Boston Basics founder, Dr. Ronald Ferguson, shows that skills gaps are evident by race and income as early two-years old. In response, he and his team distilled the best of the brain science into easy ways that caregivers can support brain development, emphasizing that there is little mystery to achieving equitable outcomes in early childhood development. It is mostly a matter of activating a communal love for children, executing and being consistent; and

- Boston Public Schools pre-K model - which is one of the foundations for the city's Universal Pre-K system - has shown remarkably positive effects. Where national meta analyses have shown gains of ⅓ of a year of learning in high-quality programs, Boston has made up for half to a full year of learning in school and community based settings and demonstrated the ability to deeply narrow racial skill gaps among children.

There are many reasons that we should champion universalizing high-quality early care and early learning programming, but these were among the outcomes that caught Eastern Bank's and the Eastern Bank Charitable Foundation's attention in late-2018. For CEO Bob Rivers, Foundation President Nancy Stager and outgoing board chair and former Abt Associates CEO, Wendell Knox, it was an absolute no brainer that Eastern and other companies should be doubling down to help more cities and towns, the Commonwealth and the region do more of what works to guarantee affordable and accessible early childhood supports for children and families.

Eastern comes to this work with and, I believe, is modeling due humility by asking questions first, the most important of which has been, “If we know what works, why aren’t we ALL - government, private sector and nonprofits - doing everything we can to routinize and scale it?” The answers to this question are complex and we’ve had the benefit of learning directly from provider and advocate communities, from funders with long-standing in this work like the United Way of Mass Bay and the Barr Foundation, from the Mass Business Roundtable which shed light on the need to focus on early childhood well before it was en vogue outside of policy circles, from the diverse network of providers, funders and parents that make up Boston’s Birth-8 collaborative and, from former EEC Commissioner Tom Weber, who joined the Eastern team in late 2019. What we learned from these and other leaders is that we’re falling short because:

- Early childhood is “system that is not a system.” Mostly private market, partially subsidized, in-school, out-of-school, it is a field that is more of a constellation of programs that does not have the architecture or resources to consistently deliver on best practices or to ensure the economic stability of field organizations, the latter often undermining the former.

- We allow an insidious contradiction - and frankly a racial- and gender-based injustice - to persist in early childhood, this being that the field relies on a well-trained, self-sacrificing workforce - who are frequently and increasingly women of color - that is not paid a sustaining wage; and

- For these and other reasons, early childhood’s very business model is flawed and unsustainable, neither able to generate enough revenue through the market for long-term stability nor afforded the public resources needed to ensure program sustainability, high-quality practice behind every door, and affordable access, especially for the families who need it the most.

We also paid great attention to the emerging research enumerating and characterizing the strain that early childhood program costs and accessibility put on families and their employers. Nowhere is the child care affordability crisis more pronounced in America than in Massachusetts where families pay an average of $20,000 per child for daycare and with Suffolk county parents spending over 20% of their annual household incomes on childcare. Further, Ready Nation and Child Care Aware of America report that, nationally:

- “Over a six-month period, 45 percent of parents are absent from work at least once due to child care breakdowns, missing an average of 4.3 days;”

- "[... Sixty-five] percent of parents' work schedules are affected by child care challenges, an average of 7.5 times over a six-month period;" and that

- U.S. businesses [, as a result,] lose approximately $57 billion annually in revenue, productivity and earnings.

In light of and leveraging all that we've learned, the Eastern Bank Charitable Foundation invested $2 million in 2019 to help early childhood programs across the region take steps toward meeting state and local program quality standards, including providing often difficult-to-come-by capital grants that would bring many into greater alignment with Massachusetts' QRIS standards. We funded providers seeking to deepen parents' engagement in their children's development, made a scaled investment in the Boston Basics to extend its reach across Greater Boston and began organizing members of Greater Boston's business community to invest in and advocate for systems improvements in early childhood development.

When COVID hit - and further exposed, if not exploited the field's vulnerabilities - we shifted gears to both redirect and accelerate our work. In April we invested an additional $2 million to help emergency care providers acquire PPE; to support providers who are helping to meet families' basic needs; to give providers technical assistance to navigate Paycheck Protection Program regulations; to provide laid off and furloughed early childhood workers with direct cash assistance; to support struggling family child care providers in Gateway cities and to help the Basics more broadly disseminate its tools in partnership with EEC and WGBH.

Going forward, the Eastern Bank Charitable Foundation intends to deepen its philanthropic commitment and hasten efforts to develop the aforementioned Business Coalition for Early Childhood Development as we aim to be a part of - and if need be - catalyze a larger public-private enterprise to create a transformed early childhood system that guarantees universal access to affordable high-quality care and learning, promotes worker justice and empowers families.

We at Eastern know we don't have many of the needed answers, but we are going deeper and working harder because our inaction would be irresponsible and a direct threat to communities that we value and support. This said, I humbly suggest that there are a set of minimal imperatives to which, philanthropy, business and government have to respond if we are to re-open childcare and early learning programs in ways that will help us to deliver on early childhood's proven impact at scale and over the long-term.

First, this is a moment that philanthropy has to be prepared to take risks that we - despite our rhetoric about transformation and bold solutions - are not often want to take. Perhaps no sector is better positioned right now to journey into the unknown, speculate and create alternatives - in deep partnership with the field - than philanthropy. Specifically, we need funders, institutional and corporate:

- **Standing in the capital gaps for early childhood**, providing emergency and bridge resources that will provide them a chance at successful re-opening and longer-term viability. This may be most true for small private pay providers who do not have the benefit of continuing subsidies.

- **Investing, with the public and private sectors, in strengthening and modernizing EEC** especially in the areas of technical assistance for the field, professional development, the expansion of QRIS and the development of more sophisticated data systems that give us more dynamic insights into demand, provider supply and quality across the field and to allow for more direct feedback loops between providers and regulators.

- **Investing in the innovations and design processes that could be the pillars for a reimagined and more viable system** including shared services models that may help to lower the cost of doing business for providers, practitioner laboratory spaces that allow peers in the field to help one another adapt to unprecedented practice changes and hybrid program models that, for instance, better integrate early developmental and pediatric practices to achieve more holistic outcomes and, possibly, blend revenue streams to buoy provider organizations.

Where business is concerned, we need private industry to take greater responsibility for understanding and meeting their workers' childcare and early learning needs.

- **We need to know what companies know about their employees childcare needs, their program options and the impact of child care spending on households.** Frankly, we need companies to know more than they currently do, which requires more rigorous data collection, public reporting and collaborative analysis with government, philanthropy and academia to create information that better guides our systems design efforts and providers' business planning.

- **We need employers driving more revenue to the providers that their families choose through progressive compensation and benefits packages.** As industries around the Globe, hopefully, rethink the social contract around worker security in light of COVID's vast displacement labor, we hope that employers will see access to childcare and early learning as central to worker guarantees, certainly for our most essential workers and also for those who will continue to work from home who will still need professional care support. Locally, Dana Farber is among those setting the pace, having created its own inventory of family child care providers that its employees can access using company provided family scholarships indexed to their salaries.

- **We need businesses contributing their expertise to and discounting their services for early childcare businesses to help them improve their margins.** Foreseeably, business could lend their expertise on a pro bono basis in the ways that Goodwin Proctor has done to provide early childhood business with guidance on the PPP program and others could participate in shared services networks to make sure that early childhood providers can affordably share costs for back office and other functions.

Last, but not least, there is an outsized role for government in securing the early childhood field's future. When it comes to early childhood, government, despite all the reasons to do so - not the least of which are hard fiscal constraints - should not be planning for maintenance or, worst still, austerity. Instead, we need government to have the foresight and courage, even under extraordinary conditions, to plan for transformation, long-term sustainability and worker justice. Specifically:

- **We need government to protect the field and fully cover PPE costs.** It is projected that PPE costs may increase the cost of doing business for providers by as much as 20% at the same time they are seeing dramatic revenue declines. Providers should not have to bear the cost of protecting children, families and themselves from the current or future public health threats. While the state budget is undetermined for the next fiscal year, this has to be a priority. Moreover, the state can promote greater racial and economic justice by prioritizing networks like ProtectMA - a market of 40 People of Color- and women-owned PPE manufactures and distributors - in its procurement of supplies.

- **Use the budget and strategic partnerships to set a higher wage floor for early childhood workers.** Better calibrating subsidies to the cost of doing business and indexing for Massachusetts' cost of living would allow providers to pay their workers sustainable wages. If it can't be done exclusively through public dollars, consider the opportunity to create the kind of basic income vehicle that SEIU is advocating for locally for early educators in partnership with organizations like the Family Independence Initiative, which is already collaborating with DTA to reimagine family benefits and with whom we partnered to provide displaced workers with some of the supplemental income they've needed to get through the pandemic. Public and private donors could contribute to a direct cash assistance system that could essentially be base pay for early educators, and added to their traditional wages.

- **Finally, we would encourage the establishment of a foundation budget-like approach for early education.** As has been the case with Chapter 70, a foundation budget for early childhood would guarantee relatively robust and predictable annual funding. We have the benefit of lessons derived from recent K-12 foundation budget reviews and, therefore, the insights required to make the budget an engine for racial- and income-equity. We might go even further to include performance rewards and innovation incentives in such a vehicle to apply generative pressure to reach our universal aspirations in early childhood care and education.

These recommendations represent a complex set of actions that no one agency or sector can undertake on its own. These and other critical steps require coordinated effort, blended capital, integrated solutions and working at policy and cross-disciplinary intersections that we've shied away from mostly for the convenience of operating in what we misleadingly think are more manageable silos. Despite a yearning for stability, there is no going back to what was. In fact there is no desire to go back to selling our selves short by failing to invest in powerful and almost certain outcomes for our children. We at Eastern look forward to working with the early childhood field, our partners in business and philanthropy and you to create the future our children and their families deserve.