

# Early Learning Ventures<sup>SM</sup> Return on Investment Brief

## \* The Landscape



Millions of U.S. children ages 6 weeks to 14 years old in some form of “market-based” child care while parents work



Unlike the K-12 system where all children can receive a free public education, **only a fraction of the children** in early childhood programs are supported by public funds

## \* The Problem



The **quality** of “market-based” care varies greatly but, overall, has been found to be of **mediocre** quality



**Market imperfections** are a primary reason for the **low quality of care** in the child care market



**Not enough demand** to support a high level of quality as **parents are unwilling or unable to pay** the rates that providers must charge to offer higher quality care

## \* The Innovation: Early Learning Ventures<sup>SM</sup> Shared Services Model



Tier structure



Non-regulatory innovation designed to mitigate the effects of child care market imperfections and **improve child care quality**



The ELV Alliance in turn brings **technology and business practices** to networks of center-based and family child care providers



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**Strong nonprofit organizations** are selected to start ELV Alliances which then act as streamlined, **central hubs** to provide business support for the child care industry



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# \* The Results



ELV Alliance model creates **operational efficiencies** and economies of scale that allow child care providers to offer **higher quality care** at a **lower cost**



The **results** of the ROI Study indicate that the ELV Shared Services model **produces significant returns** for **almost all** participating providers  
 \* **Strongest** among **center-based providers**



Model is **evolving and constantly innovating** - ROI results will continue to **improve** for both **center-based** and **family** child care providers



## Return on investment of the ELV Shared Services model for **child care centers**

Level of Service	Per Dollar Return	Total 5-Year Return
Tier 1	\$8.08	\$83,800
Tier 2	\$6.17	\$114,400
Tier 3	\$0.61	\$99,100



## Return on investment of the ELV Shared Services model for **family child care homes**

Level of Service	Per Dollar Return	Total 5-Year Return
Tier 1	\$0.35	\$1,270
Tier 2	\$0.04	\$270
Tier 3	-\$0.10	-\$1,660



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