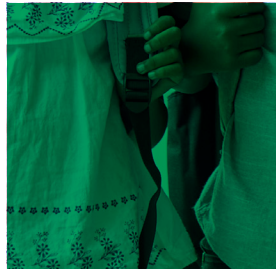
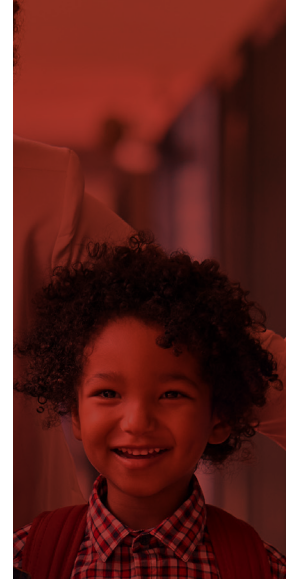


FINAL REPORT

Early Care and Education Economic Benefits Study

Technical Appendices



Riverside County – 2026

PREPARED FOR:



CONSORTIUM
FOR EARLY LEARNING SERVICES
Serving Riverside County Families

PREPARED BY:



Technical Appendices

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Appendix A: Economic Benefits of ECE Literature Review

In February of 2026, an Early Care and Education (ECE) Literature review was conducted to research newer studies and reports focusing on the economic and social impacts of early education and child care on local economies. The summaries are included below.

1. *Investing in Early Education Pays Dividends*
2. *New Evidence Suggests Expanding Access to Pre-K is Good for the Economy*
3. *Parents' Earnings and the Returns of Universal Pre-Kindergarten*
4. *\$122 Billion: the Growing Annual Cost of the Infant- Toddler Child Care Crisis. Council for a Strong America*
5. *The Growing Annual Cost of the Infant-Toddler Child Care Crisis in California*
6. *Kids' Share 2023: Report on Federal Expenditures on Children through 2022 and Future Projections*
7. *Early Investment, a Lifetime of Returns: Articulating the Value of Early Childhood Investments in Virginia*
8. *Universal Pre-K: The Long-Term Benefits That Exceed Short-Term Costs*
9. *The Effects of Universal Preschool in Washington, D.C.*
10. *Early Childhood "Pay-For-Success" Social Impact Finance: A PKSE Bond Example to Increase School Readiness and Reduce Special Education Costs*

1. Investing in Early Childhood Education Pays Dividends

In May of 2025, undergraduate students from the University of Mississippi State conducted a literature review of recent and notable studies of the variety of investments made or proposed to the ECE industry nationwide, including publicly funded pre-kindergarten, Head Start, and other ECE initiatives.¹ The key findings are summarized below.

¹ R'riuna Moore, Callie Poole, Heather Hanna (2025): *Investing in Early Education Pays Dividends*. Endeavors. Mississippi State Undergraduate Research Journal, 1 (1). https://scl.ssrc.msstate.edu/wp-content/uploads/2025/05/Investing-in-Early-Childhood-Education-Pays-Dividends.cp_-1.pdf. Accessed February 11, 2026.

Key Findings:

- **Social Cost Savings:** The synthesis of data demonstrates that investments in ECE yield significant returns on investment, with estimates ranging from \$2 to \$18 for every dollar spent, driven by increased parental employment, higher lifetime earnings, and reduced public spending on education, health, and criminal justice.
- **Return on Investment (ROI):** Dr. James Heckman, one of the first researchers to focus on this topic, found in 2017 a 7% to 13% per year ROI, through increased school and career achievement as well as reduced costs in special education, health, and criminal justice system expenditures.
- **ECE's Multiple Benefits:** In 2023, a study conducted by economist Arthur Rolnick showed that investments in high-quality ECE programs generate substantial societal returns, including an 18% ROI through enhanced workforce participation, lower crime rates, and improved population health outcomes. He emphasizes the importance of increasing access to high-quality ECE programs that include opportunities for parent engagement and can be scaled to reach large numbers of children and families, particularly those with low incomes.
- **Universal Pre-Kindergarten Benefits:** In 2024, a study by the National Bureau of Economic Research showed that parents of children enrolled in universal Pre-K (UPK) saw a 21.7% increase in revenues due to reduced child care costs and greater workforce participation. The study concluded that for every \$1 invested, there was a \$10.04 return, primarily driven by higher parental income. Washington, D.C., has seen maternal workforce participation increase by 15 percentage points among families with incomes below the federal poverty level since implementing full-day UPK in 2009. Another 2024 study of 10 states noted a 3.2% increase in maternal employment and a 1.3% increase in private-sector employment in areas offering UPK to all 4-year-olds.

2. New Evidence Suggests Expanding Access to Pre-K is Good for the Economy

In October of 2024, the First Five Years Fund published an article reviewing new evidence that suggests expansion of early access to pre-kindergarten has a positive impact on women in the labor force,

outcomes for children, and overall revenue base in local economies.² The key findings are summarized below.

Key Findings:

- **Increased Employment:** Each 10% increase in pre-K enrollment is associated with a 1.6 percentage point increase in the average employment of mothers with young children.
- **UPK Benefits:** The employment rate of mothers with young children grew by 1.5 percentage points, or 3.2%, more in UPK areas than non-UPK areas over the same time period.
- **Private Sector Benefits:** After implementing UPK, overall private-sector employment increased 1.3% more in UPK areas than in non-UPK areas, suggesting more overall economic activity.
- **Increased Businesses Created:** Both applications for new businesses and the number of businesses established were higher in UPK areas.
- The First Five Years Fund concludes that child care, which includes UPK, is infrastructure, just like roads and bridges, that parents need to get to work.

3. Parents' Earnings and the Returns To Universal Pre-Kindergarten

In October of 2024, the National Bureau of Economic Research published a working paper using the UPK program in New Haven, Connecticut, as an example to examine the earnings impacts for parents during the pre-kindergarten years. New Haven operates a large-scale UPK system, offering free seats to nearly all four-year-olds and many 3-year-olds through a centralized lottery system. Researchers utilized 14 years of longitudinal data (2010–2024), linking school lottery records with state-level earnings and tax data for over 20,000 families. The study compared the long-term earnings of parents whose children won a UPK seat through a lottery with those of parents whose children did not. The paper was revised in April of 2025.³ The key findings are summarized below.

² First Five Years Fund (2024): *New Evidence Suggests Expanding Access to Pre-K is Good for the Economy*. <https://www.ffyf.org/2024/10/10/new-evidence-suggests-expanding-access-to-pre-k-is-good-for-the-economy/>. Accessed February 19, 2026.

³ Humphries, J., Neilson, C. et. al. (2025): *Parents' Earnings and the Returns to Universal Pre-Kindergarten*. National Bureau of Economic Research. NBER Working Paper Series. <https://www.nber.org/papers/w33038>. Accessed February 21, 2026.

Key Findings:

- **Enabling a Full Workday:** UPK increases weekly child care coverage by about 11.3 hours, enabling a full workday. Parents do not use more child care overall but shift to long-day, stable care, increasing their weekly workload by 12.8 hours, improving families' socioeconomic stability.
- **Increased Labor Force Participation:** Labor force participation increased by 5.7 percentage points, and these gains persist for about six years following pre-K. Additionally, UPK has shown to reduce job disruption, parental career gaps, or switching industries during the pre-kindergarten period. Specifically, it reduces the share of individuals switching industries by 34%.
- **Increased Parent Earnings:** The report finds that UPK enrollment raises parents' earnings by 21.7%, or \$5,464 per year, during pre-K. Earnings effects similarly persist for at least six years after pre-kindergarten ends. The average earnings increase over this period is 20.9%, or \$6,474 per year.
- **Cost Recovery:** Tax revenues generated by parents' earnings reduce net program costs by around 90% compared to calculations that omit this revenue source. Starting with upfront costs of \$24,200 per child, substitution away from other programs, such as Head Start, saves \$8,800, and tax revenue from children's projected earnings saves \$430 more. Taxes from parents' income then reduce net costs from \$15,400 to \$1,500, an estimate that each dollar spent yields \$10 in benefits.
- **Overall Returns High:** When only children's test-score-based gains are counted, the program's value is modest (benefit–cost ratio close to 1), but once parent earnings and associated tax revenues are included, the returns become very high. Net social benefit calculations that include parent earnings show tens of thousands of dollars in net gain per child, with overall net social benefits around \$13,000–\$60,000 per child, depending on assumptions.

4. \$122 Billion: the Growing Annual Cost of the Infant-Toddler Child Care Crisis

In February of 2023, Ready Nation published a study reporting that a \$122 billion dollar loss per year in earnings, productivity, and revenue is linked directly to the nation's infant-toddler child care crisis.⁴ The

⁴ ReadyNation (2023): *\$122 Billion: the Growing Annual Cost of the Infant-Toddler Child Care Crisis*. Council for a Strong America. <https://www.strongnation.org/articles/2038-122-billion-the-growing-annual-cost-of-the-infant-toddler-child-care-crisis> Accessed February 11, 2026.

analysis is based on a December 2022 national survey of 806 working parents of children under age three, and economic modeling that combines survey findings with labor market data. The key findings are summarized below.

Key Findings:

- **Lack of Care Impact:** The report estimates that the infant-toddler child care crisis now costs the U.S. economy \$122 billion every year in lost earnings, productivity, and revenue, more than double the \$57 billion annual loss calculated in 2018.
- **Sector Impacts:** The report estimates that the \$122 billion annual loss is distributed across three groups:
 - \$78 billion, or \$5,520 per year per working parent, in forgone earnings and job search costs borne by families,
 - \$23 billion, or \$1,640 per working parent, in lost productivity and increased hiring costs incurred by employers, and
 - \$21 billion, or \$1,470 per working parent, in reduced federal and state/local tax revenue affecting taxpayers.
 - Impacts are described as “two-generation” because parents’ work and education are disrupted today, while infants and toddlers lose access to high-quality early care that would boost later school readiness and lifetime productivity.
- **Loss of Child Care Capacities and Workforce:** A key driver of the growing economic toll is the fragility of the ECE sector: the ECE workforce is now 7.5% smaller than before the COVID-19 pandemic, with nearly 80,000 fewer ECE providers nationwide, as many providers closed temporarily or permanently.
- **Survey findings on workplace disruption:** Nearly two-thirds of parents reported being late for work or leaving early, and more than half reported missing full days of work or being distracted on the job. Forty-four percent reported reducing regular work hours, 37% reported having pay or hours reduced, 33% shifted from full-time to part-time work, 26% quit a job, and 23% reported being fired due to child care problems.
- **Supply Challenges:** The report also notes structural supply challenges: 51% of Americans live in a child care “desert,” and 60% of rural residents face Infant/Toddler care shortages.

The authors argue that strengthening the infant-toddler care infrastructure through policies, such as increased public investment in child care subsidies and pro-parent tax supports, would generate

substantial social and economic benefits by stabilizing parental employment now and improving children's developmental outcomes over time.

5. The Growing, Annual Cost of the Infant-Toddler Child Care Crisis in California

In April 2024, ReadyNation published a report quantifying the annual economic burden of the infant-toddler child care crisis in California at \$17 billion, based on California's 14% share of U.S. GDP. The report provides the following nationwide figures to illustrate the scale of the crisis.⁵ The key findings are summarized below.

Key Findings:

- **Sector Impacts:** The report estimates that the \$122 billion national annual loss is distributed across three groups:
 - \$78 billion in losses to families, reflecting lost earnings, reduced future retirement security, and the time and effort spent searching for alternative care;
 - \$23 billion in losses to businesses, through reduced revenue from lower productivity and the cost of recruiting and retraining staff when parents leave the workforce; and
 - \$21 billion in losses to taxpayers, through reduced federal and state income tax revenue resulting from diminished household and business earnings.
- **Workday Disruptions:** More than half of the parents surveyed reported being late for work, missing full days of work, or being distracted while on the job.
- **Job Stability:** One quarter of parents reported quitting a job or being fired due to child care challenges.
- **Career Growth:** One-third or more of parents reported having to turn down job offers or opportunities for further education and training.

⁵ Ready Nation (2024): *The Growing, Annual Cost of the Infant-Toddler Child Care Crisis in California*. <https://strongnation.s3.amazonaws.com/documents/1788/b94f1cd8-5c79-4147-b561-eb536bbde4d3.pdf?1709517417&inline;%20filename=%22The%20Growing,%20Annual%20Cost%20of%20the%20Infant-Toddler%20Child%20Care%20Crisis%20in%20California.pdf%22>, accessed March 2, 2026.

- **Workforce Compensation Gap:** The annual mean wage for a child care educator in California is \$37,430, compared to \$94,310 for kindergarten teachers. This disparity drives high turnover and staffing shortages, reducing the number of classrooms available to meet demand.

The report characterizes the \$17 billion annual cost to California as "preventable." ReadyNation recommends a bipartisan strategy that includes increased public investment to improve provider reimbursement rates, expanded subsidies for families, better compensation to professionalize the ECE workforce, and public-private partnerships to improve care availability for employees.

6. Kids' Share 2023: Report on Federal Expenditures on Children through 2022 and Future Projections

In November of 2023, the Urban Institute published a report on the impacts of declining federal dollars allocated for child care and early education.⁶ The key findings are summarized below.

Key Findings:

- **Spending Categories and Composition:** Federal support for children is distributed across several categories, with tax provisions and nutrition seeing the most significant shifts following the pandemic.
 - Tax provisions remain the largest category of support, though they fell from \$269 billion in 2021 to \$166 billion in 2022. The 2022 figure includes the Child Tax Credit (CTC) and the Earned Income Tax Credit (EITC).
 - Spending on health, primarily through Medicaid and the Children's Health Insurance Program (CHIP), rose to \$119 billion in 2022, up from \$112 billion the previous year.
 - Expenditures on nutrition reached \$82 billion in 2022, driven by higher Supplemental Nutrition Assistance Program (SNAP) benefits and the Pandemic EBT program.
 - Income Security: This category, which includes Social Security survivor benefits and TANF, accounted for \$48 billion in 2022.
- **Spending Declined:** In 2022, the average federal expenditure was \$9,910 per child after hitting its peak in 2021 during the Covid-19 pandemic and has steadily declined since that funding expired. As a share of all federal outlays, spending on children was 10% (\$609 billion) in 2022 and is projected to fall to 6.2% over the next decade.

⁶Cary, L., Hahn, H. et.al. (2023). *Kids' Share 2023: Report on Federal Expenditures on Children through 2022 and Future Projections*. The Urban Institute. <https://www.urban.org/research/publication/kids-share-2023>. Accessed February 12, 2026.

- **Tiny Fraction of GDP:** By 2033, every major category of expenditure on children as a share of GDP is projected to decline, below pre-pandemic levels. As a share of the economy, outlays on children's health programs were 0.58% of GDP in 2022. Federal spending on children's health is expected to decline to 0.50% in 2033, similar to its level before the pandemic in 2019 (0.51%).
- **While Debt Almost Doubles:** Interest payments on the national debt are projected to grow from 8% of federal outlays in 2022 to 15% by 2033, intensifying budget pressure that further limits room for child-related investments.

Every major category of children's spending (tax provisions, health, education, income security, child care and early education, social services, housing, and training) is projected to decline as a share of GDP, except nutrition, which is the only category projected to be above its pre-pandemic share of GDP in 2033.⁷

7. Early Investment, a Lifetime of Returns: Articulating the Value of Early Childhood Investments in Virginia

In September of 2023, the Prenatal-to-3 Policy Impact Center published a report on the state of Virginia's expansion of ECE services between state fiscal year 2020 (SFY20) and SFY23, leveraging federal pandemic relief funds alongside state investment.⁸ The key findings are summarized below.

Key Findings:

- **New Funding:** In state fiscal year 2023 (SFY23), Virginia invested an additional \$309.4 million in ECE compared to SFY19, increasing total ECE funding from \$211.0 million to \$520.4 million. Of the new funding, \$274.6 million (approximately 89%) relies on temporary federal pandemic relief funds that began expiring in 2023.
- **Program Expansion:** The investment primarily expanded and enhanced two programs: the Child Care Subsidy Program (CCSP) and the Mixed Delivery Program, while also increasing funding for quality improvement and system infrastructure. Family co-payments were reduced to no more than 7% of family income. Reimbursement rates shifted to a cost-of-quality methodology to reflect the true cost of providing care

⁷ Since the publication of this study, the "One Big Beautiful Bill" (H.R. 1) was passed in July 2025, which enacted over \$1 trillion in cuts to health and nutrition programs, including SNAP and CHIP.

⁸ Prenatal-to-3 Policy Impact Center (2023): *Early Investment, a Lifetime of Returns: Articulating the Value of Early Childhood Investments in Virginia*. https://vecf.org/wp-content/uploads/2023/09/PN3PIC_ArticulatingtheValueofECEInvestmentsinVA_FullReport-Final-1.pdf. Accessed February 12, 2026.

- **Increase in Children Served:** There are approximately 316,000 children under age 5 in Virginia. This investment gave child care access to an additional 11,151 children under the age of 5, or an increase of 3.5%, and 3,939 children age 5 and older due to the investment made in SFY23. CCSP waitlists were eliminated, with average monthly enrollment rising from 10,687 children under 5 (SFY19) to 22,871 (SFY23).
- **Economic Return:** The \$309 million investment in ECE made in State Fiscal Year 2023 projects a minimum of \$778 million in total returns, combining economic activity, higher tax revenues, and long-term cost savings. This estimate excludes additional potential savings from poverty reduction, child maltreatment prevention, benefits associated with school-age children, and the statewide economic impact of industry stabilization.
- **Employment and Earning Benefits:** It estimates that 10,710 additional mothers found employment with an estimated \$324.6 to \$441.3 million in increased annual income for employed mothers. The investments in ECE lead to an average of \$2,466 in additional disposable income per child, or \$39.7 million across all families, due to reduced child care costs for families.
- **Additional State Tax Revenue:** The additional annual state tax revenue due to higher incomes was estimated at \$30.4 to \$41.7 million.
- **Social Spending Impacts:** Over the long term, the investment is expected to lift about 5,500 to 5,700 young children out of poverty, yield \$15.9 to \$63.1 million in savings from reduced grade retention and special education, and generate \$397.8 million in economic benefits from increased high school graduation across the affected cohort.

In summary, this investment supported both industry stabilization and program enhancement, while maintaining parents' choice to select care that best meets family needs. The report concludes that sustained state investment will be required to maintain 2023 levels of access and quality, particularly as family demand for affordable child care continues to grow alongside Virginia's expanding economy.

8. Universal pre-K: The long-term benefits that exceed short-term costs

In September of 2022, the McCourt School of Public Policy published an article about Tulsa's UPK program yielding long-term academic and civic benefits that substantially outweigh its costs, and

alumni continue to outperform similar peers into adolescence and young adulthood.⁹ The key findings are summarized below.

Key Findings:

- **Benefit Cost Ratio:** The estimated benefit-cost ratio for Tulsa Public Schools' (TPS) pre-K program is 2.65 to 1, meaning long-term benefits are about 2.65 times the short-term costs.
- **4,000 Students Surveyed:** The main longitudinal study followed more than 4,000 TPS students who entered kindergarten in fall 2006, comparing those who attended TPS pre-K or Head Start with those who attended neither. A parallel study is tracking more than 1,000 disadvantaged TPS students who entered kindergarten in fall 2018.
- **Advantages in Elementary School:** In the 2018 disadvantaged cohort, children who attended preschool kept advantages over non-attenders through third grade, especially in math and self-regulation skills.
- **Sustained Academic Gains:** For the original 2006 cohort, researchers find that pre-K attendees continue to perform better than a comparable group of peers, with benefits persisting despite some fade-out of early test-score gains. By the end of 11th grade, pre-K attendees were more likely to enroll in AP or IB courses, less likely to fail courses, had lower chronic absenteeism, and had a higher likelihood of graduating on time.
- **Increased Enrollment in Colleges:** Tulsa students who attended pre-K were 12 percentage points more likely to enroll in both two-year and four-year colleges. Positive effects on two-year college enrollment were observed for white and Native American students; on four-year college enrollment for Latino students; and on both two-year and four-year college enrollment for Black students.
- **Voting Participation:** Pre-K participation predicts greater voter registration and voting in young adulthood and improved cognitive and socio-emotional skills.

The researchers note that Oklahoma is among the poorest states in the United States, and argue the Tulsa model demonstrates that high-quality, publicly funded pre-K can be implemented successfully in constrained fiscal environments and replicated elsewhere.

⁹ McCourt School of Public Policy (2022): *Universal pre-K: The long-term benefits that exceed short-term costs*. <https://mccourt.georgetown.edu/news/universal-pre-k-long-term-benefits-exceed-short-term-costs/>. Accessed February 21, 2026.

9. The Effects of Universal Preschool in Washington, D.C.

In September of 2018, the Center for American Progress published an article about how the District of Columbia's Universal Preschool Program providing two years of free, high-quality preschool has impacted working families.¹⁰ The key findings are summarized below.

Key Findings:

- **Free Preschool Program Details:** In September 2009, Washington, D.C. began a phased expansion of free, full-day preschool for 3- and 4-year-olds across public schools, public charters, and some community-based organizations. The program is open to all D.C. families regardless of income and is funded at the same per-pupil rate as K–12 education. By 2017, approximately 9 in 10 of D.C.'s 4-year-olds and 7 in 10 of its 3-year-olds were enrolled in publicly funded preschool. In 2017, the district spent \$222 million on public preschool — roughly \$17,000 per enrolled child — and paid preschool teachers on the same salary scale as elementary school teachers.
- **Labor Force Participation:** Maternal labor force participation among D.C. mothers with children under age 5 rose approximately 12 percentage points after the preschool expansion, with a 10 percentage point increase attributable to universal preschool.
- **Employment Gap:** Mothers with children under 5 years closed the employment gap with mothers of elementary age children by taking part in the free preschool program.
- **Variation between Demographics:** The study identifies several important subgroup patterns:
 - Low-income mothers (below the federal poverty level) saw the largest gains: +15 percentage points, rising to 55%. Many, however, remain unemployed or in part-time work.
 - Middle-income mothers (between poverty level and \$125,000 household income for a family of four) showed no aggregate change, with a consistently high participation rate of about 75%.
 - High-income mothers (above 500% of the poverty level) increased participation to approximately 88%, comparable to fathers across all income levels, with an unemployment rate under 1%.

¹⁰ Rasheed Malik (2018): *The Effects of Universal Preschool in Washington, D.C.* Center for American Progress. <https://www.americanprogress.org/article/effects-universal-preschool-washington-d-c/>. Accessed February 12, 2026.

- Unmarried mothers, who make up nearly half of D.C. mothers with a child under age 5, saw faster participation gains than married mothers — consistent with broader research on subsidized child care.
- Mothers without a high school degree saw the largest gains by educational attainment, though they remain more likely to work part-time and face higher unemployment.

This research shows that two years of universal, full-day preschool significantly boosts maternal labor supply, similar to results from other countries. Nationally, supporting mothers' participation in the workforce could strengthen GDP, improve young families' financial security, and reduce the career setbacks women face due to caregiving. Adopting universal preschool and expanded child care would help millions of families and align U.S. women's labor force participation with other advanced economies.

10. Early Childhood “Pay-For-Success” Social Impact Finance: A PKSE Bond Example to Increase School Readiness and Reduce Special Education Costs

In March of 2012, The Kauffman Foundation and Ready Nation Working Group on Early Childhood Finance Innovation prepared a report on social impact finance, early childhood programs and special education, and provided an example of how social impact bonds might be used to pay for early learning services for three and four-year-old children to increase school readiness and reduce public school special education costs.¹¹ The key findings of the example of Bethlehem, PA, school district are summarized below.

Key Findings:

- **Social Impact Bonds:** Pay-for-success PKSE (“peek see”) bonds (“pay for pre-K to reduce special-ed costs”) are designed so private investors fund high-quality pre-K for at-risk 3- and 4-year-olds and are repaid from measurable government savings (primarily reduced special education, plus grade retention and ELL costs) generated as those children progress through K-12.

¹¹ Dugger, R., & Litan, R. (2012): *Early Childhood “Pay-For-Success” Social Impact Finance: A PKSE Bond Example to Increase School Readiness and Reduce Special Education Costs*. Kauffman Foundation & ReadyNation Working Group on Early Childhood Finance Innovation. https://readynation.s3.amazonaws.com/uploads/db_files/Kauffman-ReadyNation%20PKSE%20Report%2012041922.pdf, accessed March 3, 2026.

- **Cost Savings:** The central quantitative premise is that quality pre-K can sharply cut special education assignment rates. The Pennsylvania Pre-K Counts Study projected a drop from an historical 18% special-ed placement rate across 21 districts (10,002 children) to 2.4% if all at-risk children received pre-K services. For modeling, the report uses a more conservative 7.5% placement rate for PKSE children versus 18% for non-pre-K children.
- **Example of Savings:** In the Bethlehem Area School District example, the model assumes: full-day pre-K costs of \$7,850 per child per year (state Pre-K Counts rate); baseline special-ed cost of \$12,141 per child per year, of which 70% (\$8,499) is in disability categories that quality pre-K can ameliorate; a 5% discount rate; and 2% annual out-migration of PKSE students.
- **Financing Assumptions:** A single “round” of PKSE financing funds scholarships for 100 children (50 3-year-olds for two years and 50 4-year-olds for one year), via 10-year straight bonds; regional philanthropists cover \$500,000 in set-up/operating costs over three years plus \$1,000 per child per year for mentoring and \$100 per graduate per year for monitoring, while the state is assumed to match half the pre-K cost for 4-year-olds.
- **Eventual Self-Financing:** Under these assumptions (18% vs. 7.5% special-ed assignment), discounted special-education savings from each cohort, net of bond interest at 3%, accumulate fast enough that the PKSE program becomes self-financing in about six rounds. Adding program-related investments (PRIs) from national philanthropies to cover interim negative cash flow makes the program sustainable within two rounds while repaying PRI capital over 20 years from later rounds’ savings.
- **Return on Investment:** The example in the report estimates that a small, locally funded PKSE issuer in Bethlehem, PA, would require a present-value contribution of roughly \$412,000 from business-leader philanthropists to establish and operate. In the first round alone, the present value of special-ed cost savings is about \$1.9 million, implying a 464% financial return on that philanthropic outlay, with additional social returns in higher achievement, reduced crime, and stronger regional growth.
- **Coordinated Effort:** To address major challenges to early childhood Social Impact Bonds (SIB) establishment and operation, the authors suggest the following: strong business, philanthropic, and government support; strong local child care and education community support; rigorous statistical studies; sound legal foundations for SIB organizations; clear, enforceable contracts among SIB participants; familiar investment terms; and good investor relationships.

Appendix B: Recent ECE Workforce Pilot Studies and Policy Impacts on Early Educators

The following summaries are included below.

1. *52 Ways Federal Actions Hurt Early Childhood Educators in 2025 – Article by the Center for the Study of Child Care Employment (CSCCE), UC Berkeley.*
2. *“A Weight Off Our Shoulders” - Pandemic Payments to Early Educators in Riverside County – A report by the CSCCE.*
3. *Evaluation of the Colorado Child Care Assistance Program Teacher Salary Increase Pilot – An OPRE Report*
4. *Minnesota Early Care and Education Workforce Pay Equity Pilot: Key Lessons and Recommendations – A report by SRI International.*
5. *Washington D.C.’s Holistic Approach to Equitable Early Educator Compensation – A summary description of the Early Childhood Educator Pay Equity Fund*

1. 52 Ways Federal Actions Hurt Early Childhood Educators in 2025

In February of 2026, the Center for the Study of Child Care Employment (CSCCE) published a brief cataloging 52 specific federal policy and administrative actions in 2025 that, taken together, undermine early educators’ pay, working conditions, and long-term stability of the early care and education (ECE) system¹. The key findings are summarized below.

Key Findings:

- **Fiscal Policy and Reimbursement:** In January 2026, the federal administration froze \$2.4 billion in ECE funds across five Democratic-led states, including California, citing fraud concerns. This

¹ Anderson, S., Bloom, A., et.al. (2026): *52 Ways Federal Actions Hurt Early Childhood Educators in 2025*. Center for the Study of Child Care Employment, UC Berkley. <https://cscce.berkeley.edu/publications/brief/52-ways-federal-actions-hurt-ece/>. Accessed February 21, 2026.

followed the July 4, 2025, signing of the "One Big Beautiful Bill" (H.R. 1), which introduced the "Defend the Spend" policy. This initiative imposed exhaustive documentation requirements for delivered services, significantly straining provider cash flow and institutional margins.

- **Disruptions to Head Start:** As a federally funded program, Head Start faced structural and administrative challenges:
 - *Administrative Cuts:* In April 2025, the administration closed five of the ten regional Head Start offices (Boston, New York, Chicago, San Francisco, and Seattle) and eliminated approximately 50% of the staff at the Office of Head Start.
 - *Language Bans:* Grantees were directed to omit nearly 200 demographic and Diversity, Equity, and Inclusion terms from grant applications, creating a conflict with the Head Start Act's mandate for culturally responsive care. A January 6, 2026, injunction has temporarily paused this ban.
- **Social Safety Nets:** The July 2025 budget law H.R. 1 enacted over \$1 trillion in cuts to health and nutrition programs, including the Supplemental Nutrition Assistance Program (SNAP) and the Children's Health Insurance Program (CHIP), affecting the 28% of early educators who rely on these programs.
 - *SNAP:* H.R. 1 cut \$186 billion in program funding for SNAP and introduced a 20-hour weekly work mandate for adults up to age 54.
 - *CHIP & Medicaid* face \$911 billion in combined cuts over the next ten years. New monthly re-enrollment and verification burdens act as barriers to health coverage for the low-wage ECE workforce.
- **Labor, Education, and Workforce Stability:** The Department of Labor issued 64 anti-worker actions in 2025, including an April 2025 order restricting the "disparate impact" standard, weakening protections for the women of color who dominate the ECE field.
 - *Credentialing:* The Workforce Pell Initiative effectively excludes ECE programs by prioritizing "high-wage" sectors.
 - *Student Debt:* With 21% of educators holding student loans, the July 2025 elimination of income-driven repayment options increased individual financial burdens.
 - *Immigration:* The January 2025 repeal of "protected areas" guidelines allowed enforcement in ECE settings, impacting the one-in-five educators who are immigrants.

The analyzed 52 actions represent a shift toward fiscal austerity and administrative surveillance, creating "policy whiplash" that undermines the stability of the national ECE infrastructure.

2. “A Weight Off Our Shoulders” - Pandemic Payments to Early Educators in Riverside County

This report by the CSCCE, published in December 2025, evaluates a wage enhancement initiative implemented in Riverside County between 2021 and 2024 that provided direct cash payments to ECE professionals during the COVID-19 pandemic. Key findings are summarized below.²

Key Findings:

- **Funding:** The wage enhancement initiative was implemented in Riverside County from 2021 to 2024 to support early care and education professionals during the COVID-19 pandemic. The program was funded through the American Rescue Plan Act (ARPA) and administered by First 5 Riverside County.
- **Eligibility criteria:** Eligibility was limited to educators earning \$41.86 per hour or less who worked directly with children in licensed center-based or family child care (FCC) settings receiving voucher subsidies.
- **Payment structure:** Payments were distributed directly to educators in four rounds from November 2021 to September 2024. The first two rounds were a payment of \$1,200 per educator, the second two rounds included a payment of \$2,400 per educator
- **Participation and approval:** In total, more than 3,600 educators applied in the first round, with an 86% approval rate. Approval rates exceeded 90% in later rounds among returning applicants, indicating that attrition, rather than denial, primarily reduced participation over time.
- **Participant Characteristics:** Recipients reflected the broader ECE workforce in Riverside County. Among 2021 recipients, Latina educators constituted the majority of center teaching staff and FCC providers. Nearly half of center teachers and more than one-third of FCC providers held an associate degree or higher, demonstrating that low wages affected educators across educational levels. Approximately 97% of recipients were women.
- **Financial Impact:** The payments functioned as wage “top-ups,” equivalent to a 5 to 10% annual earnings increase, with the largest relative gains for FCC assistants (9.4%). Before payments, an estimated 18% of participants earned a self-sufficient wage; payments increased this to 20% during 2021–2022.

² Muruvi, W., Powell, A., Kim, Y., & Copeman Petig, A. (2025): “A Weight Off Our Shoulders”—Pandemic Payments to Early Educators in Riverside County. Center for the Study of Child Care Employment, University of California, Berkeley. <https://cscce.berkeley.edu/publications/report/riverside-county-pandemic-payments>.

- **Well-Being:** Educators primarily used funds for basic household expenses, including rent, food, and utilities.
 - Nearly 70% of FCC providers reported spending funds on classroom materials or business expenses.
 - While financial relief was temporary and economic well-being returned to baseline after payments ended, educators' sense of recognition and appreciation persisted, particularly among FCC providers.
- **Retention:** Among educators retained through 2024, approximately 90% remained with the same employer.

The evaluation finds that Riverside County's pandemic payments were successfully implemented, equitably distributed, and effective in providing short-term financial relief and enhancing educators' sense of recognition. While the stipends contributed to high retention during the program period, low wages and limited benefits remained the primary drivers of attrition after payments ended. The report concludes that one-time wage supplements can stabilize the workforce during crises but are insufficient substitutes for sustained, systemic compensation reform.

3. Colorado Child Care Assistance Program (CCCAP) Teacher Salary Increase Pilot Study

The Colorado Child Care Assistance Program (CCCAP) Teacher Salary Increase Pilot was designed and administered by the Colorado Department of Early Childhood (CDEC) to mitigate chronically low compensation and high turnover within the state's ECE sector. The initiative utilized federal and state stimulus funding and was rigorously evaluated by MDRC in partnership with the Colorado Evaluation and Action Lab.³ The key findings are summarized below.

Key Findings.

- **Pilot Structure:** Running from January 2023 through June 2025, the pilot included 74 center-based ECE settings that accepted CCCAP subsidies and held high-quality ratings. These centers were randomly assigned to either a program group receiving wage increases (22 centers) or a control group (52 centers). The wage structure employed a prepayment model that provided direct salary boosts ranging from \$3.00 to \$7.50 per hour. These increases were calculated

³ Maier, M. F., Bernardi, A., Abbott, M., Davis, R., & Miller, C. (2025): *Evaluation of the Colorado Child Care Assistance Program Teacher Salary Increase Pilot*. OPRE Report 2025-136. <https://acf.gov/sites/default/files/documents/opre/opre-evaluation-colorado-ccap-teacher-salary-increase-pilot-oct25.pdf>, accessed March 2, 2026.

based on a living wage standard for a single adult in the center’s specific county, aiming to raise the pre-pilot median hourly wage of \$18.50 to a level ensuring greater economic stability for approximately 300 participating lead and assistant teachers.

- **Retention and Stability:** One year into the pilot, 76% of teachers in the program group remained at their original centers compared to 69% in the control group. This 7-percentage point increase in retention was considered substantively meaningful, while a secondary measure based on teacher self-reports showed an even larger 10-percentage point increase in retention. Directors noted that these improvements significantly enhanced their ability to recruit new staff and reduced the administrative burden and high costs associated with constant hiring, onboarding, and training for vacancies.
- **Economic Well-Being:** Teachers receiving the wage increases reported a marked reduction in material hardship, specifically noting fewer instances of food insecurity and a better ability to pay monthly utility and housing bills on time. While household incomes did not rise proportionately—partly because some teachers were less likely to hold a second job or receive other income—participants reported a greater sense of financial independence and reduced reliance on public benefits such as SNAP.
- **Mental Health and Job Satisfaction:** The evaluation found that teachers in the pilot group experienced lower levels of stress and fewer depressive symptoms compared to their peers in the control group. This improvement in mental well-being was strongly linked to higher overall job satisfaction, more positive perceptions of working conditions, and a significantly stronger intention to remain in the ECE field as a long-term career.
- **Institutional Impact and Continuity:** Beyond individual teacher benefits, the pilot fostered more stable staffing environments, allowing directors to focus more on instructional leadership and coaching rather than on filling teacher vacancies or managing ratios. This stability contributed to a more consistent environment for children and families, while the financial analysis suggested that the costs of implementing the wage increases were likely offset by systemic savings from lower staff turnover.

The findings from the CCCAP Teacher Salary Increase Pilot suggest that direct, substantial wage increases are an effective lever for stabilizing the ECE workforce. While the long-term sustainability of such increases depends on permanent funding, the pilot successfully demonstrated that bridging the gap toward a livable wage directly improves teacher retention, mental health, and the overall quality of care.

4. Minnesota Early Care and Education Workforce Pay Equity Pilot: Key Lessons and Recommendations

In November of 2024, the Minnesota Departments of Education (MDE) and Human Services (DHS) launched the Minnesota Early Care and Education Workforce Pay Equity Pilot. A short, three-month initiative in 2024 that temporarily raised pay for early educators in four communities to align with salaries of similarly educated K–12 teachers, testing a draft statewide wage scale and related implementation processes funded by the state’s Preschool Development Grant Birth through Five (PDG B-5) funds⁴. The key findings are summarized below.

Key Findings:

- **Pilot Structure:** The pilot included 226 early educators across seven communities, including licensed family child care (FCC) providers (50%) and center-based programs (50%). The payment structure was based on a tiered system tied to an individual’s level on the Minnesota Career Lattice, which reflects their education and professional credentials. Pre-pilot wages for lead and co-teachers were around \$19.42 per hour, increasing to about \$28.80 per hour during the pilot, and assistant teachers’ wages rose from about \$15.51 to \$20.14 per hour.
- **Economic Security and Quality of Life:** The evaluation documented a profound impact on the workforce's material well-being. Before the pilot, participants commonly reported financial hardships (69%). By the end of the pilot, only 12% of providers still had troubles to make ends meet. This contributed to a measurable decrease in reported stress and improved mental health.
- **Professional Motivation and Retention:** The pilot successfully incentivized professional advancement within the sector. Approximately 55% of participants indicated they were likely or very likely to increase their professional qualifications (such as pursuing a degree or higher Lattice level) to maintain or increase their payment amounts. Furthermore, the supplemental income significantly increased the likelihood of retention. Many educators reported that the payments made remaining in the ECE field financially viable.

⁴ Hudson, L., Mauzy, D. et.al. (2024): *Minnesota Early Care and Education Workforce Pay Equity Pilot: Key Lessons and Recommendations*. <https://dcyf.mn.gov/sites/default/files/2025-06/els-pay-equity-pilot-final-report.pdf>. Accessed February 21, 2026.

- **Workforce Respect and Motivation:** Educators reported feeling a renewed sense of value and professional respect. This psychological shift translated into stronger teamwork and higher morale within programs.
- **Administrative Lessons and Scalability:** The pilot highlighted the administrative complexities of direct-to-worker payments, particularly regarding tax implications. Because the payments were considered taxable income, it might impact ECE workers' eligibility for other public benefits, such as healthcare or housing subsidies. Despite these challenges, the high levels of engagement demonstrate that a credential-aligned, direct-payment model is a functional mechanism for addressing ECE compensation at scale.

The Minnesota Pay Equity Pilot demonstrated that substantial, direct-to-educator payments can effectively stabilize the ECE workforce by alleviating poverty and incentivizing professional growth. While the "benefits cliff" remains a critical policy hurdle for future implementation, the pilot proved that a 54% average wage increase significantly improves early educator retention and elevates the professional status of the ECE workforce. Findings are now being used by Minnesota's Department of Children, Youth and Families to refine a statewide wage scale model, align future compensation supports (such as Great Start Compensation Support Payments) with pay equity goals, and to inform legislative recommendations.

5. Washington D.C.'s Holistic Approach to Equitable Early Educator Compensation

According to the CSCCE, the District of Columbia is a leader in advancing child care worker compensation. A series of policies and strategies built on each other were adopted for this purpose.⁵

- **Pay Equity:** In 2018, the D.C. Council passed the Birth to Three Act calling for pay parity of publicly funded early educators with elementary public school teachers with equivalent roles, credentials, and experience.⁶
- **Education Standards:** The District phased in higher qualification standards and supported child care workers with scholarships and reduced barriers to higher education.

⁵ Dade, A., & McLean, C. (2023): *Bold on Early Educator Compensation Learning Community 2022*. Center for the Study of Child Care Employment, UC Berkeley. <https://cscce.berkeley.edu/wp-content/uploads/2023/02/Brief-Bold-on-Early-Educator-Compensation-Learning-Community-2023.pdf>, accessed March 9, 2026.

⁶ <https://code.dccouncil.gov/us/dc/council/laws/22-179>.

- **Reimbursement Rates:** Starting in October 2022, the Act required reimbursement rates to providers based on a cost model that incorporated an updated salary scale.
- **New Fund:** In August 2021, the Early Childhood Educator Pay Equity Fund⁷ was created to fund educator pay, and the Early Childhood Educator Equitable Compensation Task Force was founded.
- **Back Pay:** The task force advanced recommendations for significant one-time direct payments to educators for the fiscal years 2022 and 2023 and a long-term plan with a salary scale to raise pay to parity for all early educators, including infant-toddler teachers.⁸
- **Supplemental Wages:** In FY22 and 23, supplemental payments of up to \$14,000 per year per person, depending on the position and employment status (full-time or part-time), were paid out. In total, the Early Childhood Educator Pay Equity Fund paid out over \$80 million.
- **New Agreement:** Starting in FY24, the Fund is paying child care facilities directly on the condition that they are licensed and agree to pay educators according to roles, credentials, and the minimum salaries established by the Office of the State Superintendent of Education (OSSE).⁹
- **Additional Benefits:** Due to the advocacy of the task force, Washington D.C. now provides free or low-cost health insurance to employees of OSSE licensed child care centers and homes under the title HealthCare4ChildCare.¹⁰
- **Pay Scales:** In June 2024, the DC Council directed the Task Force to submit recommendations to limit fiscal pressures through FY28, including potential changes to minimum salaries and the funding formula for FY25 and beyond. The DC Council passed the Early Childhood Educator Pay Scales Emergency Amendment Act of 2024 in October of the same year, adjusting minimum salaries for child care employers in the Early Childhood Educator Pay Equity Fund, based on the Task Force's recommendations.¹¹

⁷ For more information, see here:

<https://osse.dc.gov/ecepayequity#:~:text=In%20February%202022%2C%20the%20Task,facilities%20that%20enter%20into%20an>

⁸ Final Report of the Early Educator Equitable Compensation Task Force (2022). Submitted to the Mayor and Council of the District of Columbia. <https://lms.dccouncil.gov/downloads/LIMS/49122/Introduction/RC24-0154-Introduction.pdf>, accessed April 12, 2024.

⁹ Office of the State Superintendent of Education: *Early Childhood Educator Pay Equity Fund*. <https://osse.dc.gov/node/1592046>, accessed April 12, 2024.

¹⁰ See <https://www.dchealthlink.com/healthcare4childcare> for more information.

¹¹ Office of the State Superintendent of Education: *Early Childhood Educator Pay Equity Fund*. <https://osse.dc.gov/node/1592046>, accessed March 9, 2026.

Appendix C

Detailed Results of IMPLAN Analysis

Appendix C
Detailed Results of IMPLAN Analysis
ECE Economic Benefits Study - Riverside County 2026

Table No.	Table Name
Table C-1	Indirect Benefits of ECE Activity in Riverside County
Table C-2	Induced Benefits of ECE Activity in Riverside County
Table C-3	Indirect Benefits of TK and Public Before- and After-School ECE Activity in Riverside County
Table C-4	Induced Benefits of TK and Public Before- and After-School ECE Activity in Riverside County
Table C-5	Indirect Benefits of ECE Construction Activity in Riverside County
Table C-6	Induced Benefits of ECE Construction Activity in Riverside County

Source: Brion Economics, Inc.

Table C-1
Indirect Benefits of ECE Activity in Riverside County
ECE Economic Benefits Study - Riverside County 2026

IMPLAN Code	Industry Description	Output	Jobs	Labor Income	Value Added
429	Other real estate	\$55,837,081	254.7	\$10,423,704	\$21,536,315
516	Other local government enterprises	\$5,770,791	13.6	\$1,609,132	\$1,926,571
458	Services to buildings	\$3,293,610	30.9	\$1,280,962	\$1,684,636
55	Maintenance and repair construction of nonresidential structure	\$2,984,037	13.1	\$1,152,754	\$1,531,352
491	Full-service restaurants	\$2,843,942	25.9	\$983,516	\$1,683,293
454	Employment services	\$2,628,929	30.3	\$1,307,015	\$1,628,729
459	Landscape and horticultural services	\$2,522,715	19.1	\$952,894	\$1,537,383
381	Wholesale - Grocery and related product wholesalers	\$2,471,280	7.7	\$853,462	\$1,405,058
451	Management of companies and enterprises	\$2,229,042	12.2	\$942,698	\$1,109,713
423	Monetary authorities and depository credit intermediation	\$1,631,383	4.5	\$352,474	\$1,014,604
481	Independent artists, writers, and performers	\$1,460,556	11.6	\$221,775	\$353,186
399	Truck transportation	\$1,338,793	6.3	\$456,468	\$638,490
379	Wholesale - Other durable goods merchant wholesalers	\$1,295,564	3.7	\$325,028	\$675,329
438	Accounting, tax preparation, bookkeeping, and payroll services	\$1,271,810	13.0	\$603,103	\$764,462
461	Waste management and remediation services	\$1,118,757	3.5	\$314,407	\$545,787
493	All other food and drinking places	\$1,054,655	11.8	\$491,442	\$694,990
426	Insurance carriers, except direct life	\$1,050,720	2.5	\$155,284	\$357,724
427	Insurance agencies, brokerages, and related activities	\$990,870	4.3	\$248,810	\$351,493
	Total	\$113,132,539	595.1	\$29,385,101	\$50,440,732

Sources: IMPLAN Cloud; Brion Economics, Inc.; Economic & Planning Systems, Inc.

Table C-2
Induced Benefits of ECE Activity in Riverside County
ECE Economic Benefits Study - Riverside County 2026

IMPLAN Code	Industry Description	Output	Jobs	Labor Income	Value Added
431	Owner-occupied housing	\$30,681,844	0.0	\$0	\$26,297,801
472	Hospitals	\$8,982,708	36.7	\$4,199,102	\$5,182,253
492	Limited-service restaurants	\$8,776,828	70.1	\$2,368,763	\$4,433,414
429	Other real estate	\$7,118,975	32.5	\$1,328,975	\$2,745,783
491	Full-service restaurants	\$6,018,616	54.8	\$2,081,408	\$3,562,342
516	Other local government enterprises	\$5,842,306	13.8	\$1,629,073	\$1,950,446
465	Offices of physicians	\$4,991,957	30.0	\$2,991,393	\$3,022,699
385	Retail - Motor vehicle and parts dealers	\$4,738,034	19.1	\$1,581,823	\$3,740,056
389	Retail - Food and beverage stores	\$3,776,874	28.2	\$1,517,968	\$3,015,445
394	Retail - General merchandise stores	\$3,552,774	31.7	\$1,395,927	\$2,681,199
468	Outpatient care centers	\$3,426,759	18.8	\$1,713,177	\$2,144,717
494	Automotive repair and maintenance, except car washes	\$3,088,685	20.7	\$1,491,172	\$1,986,679
475	Individual and family services	\$2,742,603	61.7	\$1,723,873	\$1,684,074
493	All other food and drinking places	\$2,352,199	26.3	\$1,096,065	\$1,550,039
423	Monetary authorities and depository credit intermediation	\$2,224,646	6.1	\$480,654	\$1,383,572
503	Religious organizations	\$2,215,372	44.6	\$1,662,790	\$1,437,894
392	Retail - Clothing and clothing accessories stores	\$2,180,074	16.0	\$476,359	\$1,351,399
424	Other financial investment activities	\$2,146,801	17.1	\$140,862	\$189,275
399	Truck transportation	\$2,088,397	9.9	\$712,049	\$995,987
390	Retail - Health and personal care stores	\$2,078,212	16.1	\$720,521	\$1,669,190
	Total	\$180,683,733	1,072.7	\$54,394,422	\$111,113,869

Sources: IMPLAN Cloud; Brion Economics, Inc.; Economic & Planning Systems, Inc.

Table C-3
Indirect Benefits of TK and Public Before- and After-School ECE Activity in Riverside County
ECE Economic Benefits Study - Riverside County 2026

IMPLAN Code	Industry Description	Output	Jobs	Labor Income	Value Added
429	Other real estate	\$61,649,656	281.3	\$11,508,799	\$23,778,221
516	Other local government enterprises	\$11,856,634	28.0	\$3,306,113	\$3,958,321
498	Personal and household goods repair and maintenance	\$11,459,355	46.9	\$2,899,479	\$6,153,832
43	Natural gas distribution	\$6,940,936	8.0	\$1,366,903	\$4,778,950
493	All other food and drinking places	\$5,397,941	60.3	\$2,515,302	\$3,557,104
381	Wholesale - Grocery and related product wholesalers	\$4,501,325	13.9	\$1,554,543	\$2,559,249
496	Electronic and precision equipment repair and maintenance	\$4,479,382	28.1	\$1,654,707	\$2,793,076
458	Services to buildings	\$4,383,183	41.1	\$1,704,723	\$2,241,938
400	Transit and ground passenger transportation	\$4,175,651	54.2	\$1,200,462	\$1,734,833
379	Wholesale - Other durable goods merchant wholesalers	\$3,518,291	10.1	\$882,660	\$1,833,954
399	Truck transportation	\$3,486,132	16.5	\$1,188,614	\$1,662,587
433	General and consumer goods rental except video tapes and discs	\$3,480,867	22.6	\$1,396,017	\$1,656,619
459	Landscape and horticultural services	\$3,369,403	25.5	\$1,272,710	\$2,053,368
55	Maintenance and repair construction of nonresidential structures	\$3,008,855	13.2	\$1,162,342	\$1,544,088
377	Wholesale - Household appliances and electrical and electronic goods	\$2,952,365	3.7	\$443,002	\$1,335,218
454	Employment services	\$2,494,426	28.7	\$1,240,145	\$1,545,399
427	Insurance agencies, brokerages, and related activities	\$2,455,607	10.6	\$616,608	\$871,080
376	Wholesale - Professional and commercial equipment and supplies	\$2,399,865	8.6	\$868,604	\$1,284,534
482	Promoters of performing arts and sports and agents for public figures	\$2,279,441	17.0	\$417,883	\$535,768
481	Independent artists, writers, and performers	\$2,208,954	17.5	\$335,414	\$534,160
461	Waste management and remediation services	\$2,079,560	6.5	\$584,423	\$1,014,515
	Total	\$187,213,532	990.0	\$50,657,353	\$87,660,756

Sources: IMPLAN Cloud; Brion Economics, Inc.; Economic & Planning Systems, Inc.

Table C-4
Induced Benefits of TK and Public Before- and After-School ECE Activity in Riverside County
ECE Economic Benefits Study - Riverside County 2026

IMPLAN Code	Industry Description	Output	Jobs	Labor Income	Value Added
431	Owner-occupied housing	\$44,133,952	0.0	\$0	\$37,827,775
472	Hospitals	\$12,922,606	52.8	\$6,040,867	\$7,455,237
492	Limited-service restaurants	\$12,627,681	100.9	\$3,408,063	\$6,378,585
429	Other real estate	\$10,241,080	46.7	\$1,911,812	\$3,949,976
491	Full-service restaurants	\$8,657,480	78.9	\$2,994,002	\$5,124,252
516	Other local government enterprises	\$8,406,426	19.9	\$2,344,055	\$2,806,474
465	Offices of physicians	\$7,181,570	43.2	\$4,303,503	\$4,348,540
385	Retail - Motor vehicle and parts dealers	\$6,816,457	27.4	\$2,275,718	\$5,380,698
389	Retail - Food and beverage stores	\$5,433,670	40.6	\$2,183,852	\$4,338,225
394	Retail - General merchandise stores	\$5,111,261	45.7	\$2,008,276	\$3,857,355
468	Outpatient care centers	\$4,929,584	27.1	\$2,464,501	\$3,085,295
494	Automotive repair and maintenance, except car washes	\$4,443,629	29.8	\$2,145,319	\$2,858,195
475	Individual and family services	\$3,944,589	88.7	\$2,479,385	\$2,422,144
493	All other food and drinking places	\$3,383,594	37.8	\$1,576,668	\$2,229,701
423	Monetary authorities and depository credit intermediation	\$3,200,922	8.8	\$691,587	\$1,990,746
503	Religious organizations	\$3,186,346	64.1	\$2,391,573	\$2,068,107
392	Retail - Clothing and clothing accessories stores	\$3,136,405	23.1	\$685,322	\$1,944,216
424	Other financial investment activities	\$3,086,651	24.6	\$202,530	\$272,138
399	Truck transportation	\$3,004,413	14.2	\$1,024,370	\$1,432,848
	Total	\$259,927,688	1,543.1	\$78,251,454	\$159,845,886

Sources: IMPLAN Cloud; Brion Economics, Inc.; Economic & Planning Systems, Inc.

Table C-5
Indirect Benefits of ECE Construction Activity in Riverside County
ECE Economic Benefits Study - Riverside County 2026

IMPLAN Code	Industry Description	Output	Jobs	Labor Income	Value Added
379	Wholesale - Other durable goods merchant wholesalers	\$342,392	1.0	\$85,898	\$178,476
399	Truck transportation	\$154,667	0.7	\$52,735	\$73,763
377	Wholesale - Household appliances and electrical and electronic goods	\$140,343	0.2	\$21,059	\$63,471
429	Other real estate	\$111,482	0.5	\$20,812	\$42,999
435	Commercial and industrial machinery and equipment rental and leasing	\$111,388	0.3	\$23,338	\$47,237
378	Wholesale - Machinery, equipment, and supplies	\$100,940	0.3	\$29,688	\$56,827
375	Wholesale - Motor vehicle and motor vehicle parts and supplies	\$73,213	0.1	\$11,444	\$34,115
498	Personal and household goods repair and maintenance	\$60,986	0.2	\$15,431	\$32,750
382	Wholesale - Petroleum and petroleum products	\$45,412	0.0	\$1,374	\$42,916
439	Architectural, engineering, and related services	\$44,112	0.3	\$18,926	\$23,652
385	Retail - Motor vehicle and parts dealers	\$39,094	0.2	\$13,052	\$30,860
451	Management of companies and enterprises	\$25,926	0.1	\$10,964	\$12,907
383	Wholesale - Other nondurable goods merchant wholesalers	\$25,887	0.1	\$5,075	\$15,031
454	Employment services	\$25,448	0.3	\$12,652	\$15,766
403	Couriers and messengers	\$22,685	0.7	\$10,802	\$20,331
404	Warehousing and storage	\$21,451	0.2	\$14,427	\$15,434
516	Other local government enterprises	\$20,845	0.0	\$5,813	\$6,959
	Total	\$1,773,680	7.3	\$484,346	\$914,036

Sources: IMPLAN Cloud; Brion Economics, Inc.; Economic & Planning Systems, Inc.

Table C-6
Induced Benefits of ECE Construction Activity in Riverside County
ECE Economic Benefits Study - Riverside County 2026

IMPLAN Code	Industry Description	Output	Jobs	Labor Income	Value Added
431	Owner-occupied housing	\$396,686	0.0	\$0	\$340,005
472	Hospitals	\$115,866	0.5	\$54,163	\$66,845
492	Limited-service restaurants	\$112,987	0.9	\$30,494	\$57,073
429	Other real estate	\$91,887	0.4	\$17,153	\$35,441
491	Full-service restaurants	\$77,803	0.7	\$26,906	\$46,050
516	Other local government enterprises	\$75,068	0.2	\$20,932	\$25,061
465	Offices of physicians	\$64,373	0.4	\$38,575	\$38,979
385	Retail - Motor vehicle and parts dealers	\$61,065	0.2	\$20,387	\$48,203
389	Retail - Food and beverage stores	\$48,677	0.4	\$19,564	\$38,864
394	Retail - General merchandise stores	\$45,789	0.4	\$17,991	\$34,556
468	Outpatient care centers	\$44,233	0.2	\$22,114	\$27,684
494	Automotive repair and maintenance, except car washes	\$39,801	0.3	\$19,216	\$25,601
475	Individual and family services	\$35,544	0.8	\$22,341	\$21,826
493	All other food and drinking places	\$30,394	0.3	\$14,163	\$20,029
503	Religious organizations	\$28,701	0.6	\$21,542	\$18,629
423	Monetary authorities and depository credit intermediatio	\$28,602	0.1	\$6,180	\$17,788
392	Retail - Clothing and clothing accessories stores	\$28,097	0.2	\$6,139	\$17,417
424	Other financial investment activities	\$28,003	0.2	\$1,837	\$2,469
399	Truck transportation	\$26,933	0.1	\$9,183	\$12,845
390	Retail - Health and personal care stores	\$26,784	0.2	\$9,286	\$21,513
	Total	\$2,331,584	13.8	\$701,772	\$1,433,858

Sources: IMPLAN Cloud; Brion Economics, Inc.; Economic & Planning Systems, Inc.