Improving Equity & Opportunity in Illinois’ Workforce

A business case for helping advance racial equity via early childhood investments
Acknowledgements

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*Supported by tax-deductible contributions from foundations, individuals, and corporations.*

**Major funders:**
Robert R. McCormick Foundation  
Irving Harris Foundation  
W. Clement & Jessie V. Stone Foundation  
CME Group Foundation

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February 2021

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Summary

Workers of color are a significant and growing segment of Illinois’ robust workforce, representing more than one out of every three workers. However, they carry a disproportionate share of economic challenges, from higher unemployment rates to lower average pay. To strengthen our entire economy, it’s vital that we make use of every available tool in our workforce-development toolbox to help remedy such inequities, starting with the inequities seen in early childhood: As data show, too many Black, Latino, and other children of color are entering kindergarten unprepared for school success, and at a rate outpacing their white classmates.

Often, those early challenges can extend to further struggles in school and beyond, in jobs and careers. And, yet, in Illinois, as in other states, many still lack access to the

“Efforts at improving equity work best when they start early in the lives of future entrepreneurs and workers.”

Rudy Valdez
Engineering Manager, Kaney Aerospace, Rockford
high-quality early childhood services their parents seek—and that are shown by research to boost opportunities for youngsters’ success in the classroom today and the workplace tomorrow. Such supports can command disproportionately positive results for children of color, the entrepreneurs and employees and community leaders of our future.

**Workers of color face disproportionate economic burdens**

Illinois’ economy is the fifth-largest in the U.S., comparable in size to that of Switzerland. It is fueled by a workforce as diverse as it is strong, including more than 2.2 million workers of color who comprise 36 percent of its total. Yet, that one-in-three proportion of workers of color bears an outsized share of workforce and economic challenges.

COVID’s fallout provides the latest illustration. Its effects have often fallen disproportionately upon workers of color—and not just its toll on physical health. For example, as the pandemic took hold last year, Illinois’ second-quarter unemployment rate soared to 20.7 percent for Black and 23 percent for Latino workers, compared with 13 percent for white employees. Yet, as with other aspects of the coronavirus crisis, these statistics represent heightened rather than new challenges; workers of color have long struggled with deep inequality.

In the last full quarter of 2019, before COVID took hold, Illinois’ unemployment rate already was running nearly 1 percentage point higher among Latino workers than white employees, and nearly 5 points higher among African Americans. From 2017-19 in our state, Black workers earned 75 cents for every dollar earned by white peers, while Latino employees earned 68 cents and Native Americans only 58 cents. U.S. Census data showed that, in 2017, white householders’ median wealth was nearly seven times that of their Latino counterparts and 18 times the figure for Black householders. And, at many mileposts along the cradle-to-career continuum, various measures underscore the persistent challenges faced not only by minority members of today’s workforce-aged population, but also for our workforce of the future.

Why? The culprits are many, but they include systemic racism and prejudice, and the barriers they erect to progress; poverty, and its particularly corrosive effects on communities of color; and the lack of opportunities extended and realized, resulting in lost promise and diminished potential seen in the lives of individual families and entire communities. In fact, a recent Citigroup study estimated that discrimination against African Americans alone has cost the U.S. economy about $16 trillion over the past two decades—a price tag reflecting factors ranging from lost household wages to business loans for Black entrepreneurs.

Yet, the solutions to these challenges are many, too, and they demand action. Among them is one important, research-proven answer: further extending the reach and quality of early care and education opportunities to those who lack it, including many children of color. Studies repeatedly underscore the significance of starting early in addressing gaps and inequities—a message that increasingly resonates with business leaders.

To secure the long-term strength and vitality of Illinois’ economy, we must invest further to meet the needs of young children of color and their families. The non-white segment of our workforce and society continues to grow—from about 32 percent of Illinois’
population in 2000 to over 39 percent last year. The stability and success of these children and their families are key to the ongoing success of our entire state. Helping youngsters of color to reach their full potential in learning and life is a just and smart investment in helping our entire workforce and economy to, in turn, reach their full potential.

**Early childhood: a vital foundation for skills-building**

Why start so early in a child’s life? Studies demonstrate that the first five years of life represent a critical window of opportunity for laying a foundation for skills-building success. During those years, more than one million neural connections form every second—a period of brain development unmatched by any other. Unfortunately, many children don’t get the help they need to build a strong foundation for learning, as indicated by the Kindergarten Individual Development Survey (KIDS) administered annually by teachers across the state. This is particularly and troublingly the case for many kids of color.

In the fall of 2019, only 35 percent of our state’s white kindergarteners were deemed to be starting their formal education school-ready in all three areas observed: early math, language and literacy, and social-emotional development. That’s an alarmingly low figure with which our state cannot be satisfied, and on which we must continue to make progress. Yet that was still 12 points higher than the figure for Black children and 18 points higher than that of Hispanic youngsters. Furthermore, only 14 percent of English Learners (ELs) were considered fully school-ready in these domains, compared with 30 percent for non-EL children.

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### School-readiness challenges in Illinois

As part of Illinois’ Kindergarten Individual Development Survey initiative (KIDS), teachers observe and rate incoming kindergarteners’ school readiness in three, key domains: math, language and literacy, and social-emotional development. The results indicate challenges across the board for young children, but they’re heightened among children of color and several other demographics.

**Percent of children “school ready” in all three areas studied, Fall 2019:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All children, overall</td>
<td>29%</td>
</tr>
<tr>
<td>Asian</td>
<td>35%</td>
</tr>
<tr>
<td>Black</td>
<td>23%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>17%</td>
</tr>
<tr>
<td>Multiracial</td>
<td>31%</td>
</tr>
<tr>
<td>Native American</td>
<td>15%</td>
</tr>
<tr>
<td>Pacific Islander</td>
<td>37%</td>
</tr>
<tr>
<td>White</td>
<td>35%</td>
</tr>
<tr>
<td>English learners</td>
<td>14%</td>
</tr>
<tr>
<td>Low-income*</td>
<td>20%</td>
</tr>
<tr>
<td>Students with IEP**</td>
<td>14%</td>
</tr>
</tbody>
</table>

*Eligible for Free & Reduced Price Lunch  
**Individualized Education Program

Such kindergarten-readiness statistics matter to business leaders, as these data roughly cover the same technical and non-technical skill sets that employers and managers seek in their hires. If there’s any good news in these statewide averages, it’s that Illinois children have improved—nearly across the board—over the first three years of the KIDS surveys. However, those improvements have been extremely limited, and troubling racial achievement gaps persist.

Looking nationwide, by the time of kindergarten entry, African American children are lagging behind their white counterparts an average of almost seven months in reading and nearly nine months in math; for Latino children, those gaps are 11.5 months and nearly 11 months, respectively. Significantly, “Math and reading abilities at kindergarten entry are powerful predictors of later school success, and children who enter kindergarten behind are unlikely to catch up,” according to the National Institute on Early Education Research (NIEER), underscoring the critical value of early learning.

### Important early learning results for children of color

When it comes to hopes of catching up, the picture remains even more sobering for some kids than others. Although Illinois children overall are falling short in various measures of academic achievement as they age, troubling racial gaps continue through the middle and high school years.

Such disparities can be seen in standardized test scores in math and English/Language Arts: Statewide, fairly persistent gaps separate white from students of color in elementary, middle and high school. High school graduation rates provide another yardstick; in 2020, the four-year graduation rate of 92

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**Shrinking the School-Entry Gaps in Key Skills**

A National Institute for Early Education Research (NIEER) study found that “universal” prekindergarten can significantly reduce the math and reading achievement gaps between children of color and their white counterparts:

<table>
<thead>
<tr>
<th></th>
<th>Estimated reduction in kindergarten math and reading achievement gaps between African American and white students, in months:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>white</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td></td>
</tr>
<tr>
<td></td>
<td>45% reduction</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Estimated reduction in kindergarten math and reading achievement gaps between Hispanic and white students, in months:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>white</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Hispanic</td>
<td></td>
</tr>
<tr>
<td></td>
<td>78% reduction</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Estimated reduction in kindergarten math and reading achievement gaps between low-income and higher-income students, in months:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Math</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Low-income</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>27% reduction</td>
</tr>
</tbody>
</table>

Source: https://nieer.org/2016/03/31/how-much-can-high-quality-universal-pre-k-reduce-achievement-gaps
percent for Illinois’ white students compared with 86 percent for Latino and 80 percent for Black students.\textsuperscript{15} Clearly, these are not good trends for children and youth as they move toward exiting school and entering the workforce—a workforce in which, as noted earlier, their earnings typically lag behind those of white workers.\textsuperscript{16}

Remediation assistance is often possible for students in elementary, middle, and high school, and beyond, to try to help narrow gaps. However, studies often indicate early interventions to be a more cost-effective way of helping children get the best start in life, as well as curbing many social costs\textsuperscript{17} and even boosting earnings.\textsuperscript{18} Business executives increasingly echo such findings, expressing support for early learning initiatives as a better way of seeding social-emotional skills development than waiting until youth are closer to workforce-entry age.\textsuperscript{19}

Furthermore, research suggests that Black and Latino children stand to benefit even more from early interventions than their white peers—representing notable return-on-investment findings that call for closer attention and action.\textsuperscript{20}

Turning back to NIEER’s work, studies indicate that a year of universally accessible, high-quality pre-K can nearly erase both Black-white and Latino-white gaps in reading skills at kindergarten entry.\textsuperscript{21}

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**Women of Color in the Workforce**

A much-documented aspect of COVID’s economic consequences involves its effects on working women, pushing far more of them out of the workforce than men, often due to the pandemic-driven erosion of child care. Yet, the pandemic is disproportionately affecting Latino and Black women even more. For example, Black mothers’ labor force participation has declined at a rate more than double that of white mothers.

These trends are particularly striking considering the composition of the child care workforce itself. Not only are 93 percent of child care workers women nationwide, but 45 percent are Black, Latino or Asian. About half of child care businesses are owned by people of color. Moreover, early childhood teachers and support staff are among the lowest-paid workers nationwide, with disparities that are most egregious for those working with infants and toddlers.

“Such economic hardship not only undermines educators’ ability to deliver on the promise of high-quality early care and education, it harms those performing this work and their own families,” according to the Center for the Study of Child Care Employment at University of California, Berkeley. “Additionally, the complex skills and knowledge required of educators to effectively foster the learning and development of young children is at odds with the low status currently accorded to this work.”

Truly resolving inequities in early care and education demands that we similarly address and correct inequities in the compensation of its supporting workforce—a business sector that helps to support countless other sectors.

Focusing on math skills, those early learning investments can reduce the school-entry learning gaps by 45 percent among Black children and 78 percent among Latino youngsters. A study from University of California at Berkeley researchers finds that among Black children from low-income families, preschool can accelerate pre-literacy and math skills acquisition by more than four months in knowledge, compared with their peers who remain at home through age 4.\(^{22}\)

**Poverty & trauma negatively impact learning, life outcomes**

Another important thread runs through many of these studies: Low socioeconomic status has a particularly detrimental effect on school-entry achievement disparities among young children, with overall low-income/high-income gaps even wider than those specifically separating white children from children of color, as the NIEER research shows.\(^{23}\)

Poverty is among the most corrosive conditions in kids’ learning and development, and it affects disproportionately more children of color than their white counterparts.\(^{24}\) For example, in Illinois, while 4 percent of white children younger than 9 are living in deep poverty, the figure doubles among Latino children and more than quadruples for Black children.\(^{25}\) Black children born into poverty were twice as likely as white youngsters to remain there, according to an analysis of U.S. Census data from 1989-2015.\(^{26}\)

Poverty is one of a number of “Adverse Childhood Experiences,” or ACEs, that also include such factors as witnessing domestic violence and exposure to violence in one’s neighborhood.\(^{27}\) People experiencing multiple ACEs are at greater risk of a variety of negative outcomes as adults, including health problems.\(^{28}\) These results even extend into people’s working lives, via lower educational attainment (which can work against job acquisition and career advancement), reduced earnings and higher rates of unemployment.

Closer examination of ACEs-related data reveals particular challenges for households of color. In Illinois, about one in three Latino youths encounters an adverse family experience by the age of 17, compared with 18.4 percent of their white peers.\(^{29}\) Meanwhile, more than three in 10 Black youths experience two or more ACES before turning 17, a rate nearly double that of white youths.\(^{30}\)

The Centers for Disease Control are among the experts deeming good early childhood interventions to be among the prevention strategies that can help “ensure a strong start for children” and even curb the incidence of ACEs.\(^{31}\) These interventions range from home-visiting programs that provide helpful “coaching” to the parents of
infants and toddlers, to high-quality child care and preschool enrichment with family engagement. In other findings, a longitudinal study from the University of Michigan has revealed that children attending the federal Head Start program were—as adults—12 percent less likely to live in poverty and 29 percent less likely to rely on public assistance.32

A bottom-line observation: High-quality, early childhood investments can help establish a foundation of skills for success in not only classrooms and careers, but in other areas of life—from socioeconomic status to social-emotional development and even physical health.

**Too many kids, families lack access**

Over the past two decades, Illinois has marked a number of advances in expanding early learning access for young children.

**Better support for our diverse early childhood workforce is key to building opportunities for the young children they serve.”**

Joni Duncan
Human Resources Executive, Chicago

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### Racial Diversity in ECE Enrollments

Among the major early childhood programs are three administered by the Illinois State Board of Education, supported through its Early Childhood Block Grant. Their FY2020 demographic information revealed diversity among their enrollments:

#### Preschool for All (half-day programs)

<table>
<thead>
<tr>
<th></th>
<th>White</th>
<th>Black</th>
<th>Latino</th>
<th>Other</th>
<th>At/Below Poverty Level*</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>37%</td>
<td></td>
<td></td>
<td></td>
<td>76%</td>
</tr>
<tr>
<td>Black</td>
<td></td>
<td>22%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latino</td>
<td></td>
<td></td>
<td>31%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

#### Preschool for All Expansion (full-day)

<table>
<thead>
<tr>
<th></th>
<th>White</th>
<th>Black</th>
<th>Latino</th>
<th>Other</th>
<th>At/Below Poverty Level*</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>30%</td>
<td></td>
<td></td>
<td></td>
<td>94%</td>
</tr>
<tr>
<td>Black</td>
<td></td>
<td>39%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latino</td>
<td></td>
<td></td>
<td>30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

#### Prevention Initiative (birth-to-3 services)

<table>
<thead>
<tr>
<th></th>
<th>White</th>
<th>Black</th>
<th>Latino</th>
<th>Other</th>
<th>At/Below Poverty Level*</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>29%</td>
<td></td>
<td></td>
<td></td>
<td>94%</td>
</tr>
<tr>
<td>Black</td>
<td></td>
<td>26%</td>
<td></td>
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</tr>
<tr>
<td>Latino</td>
<td></td>
<td></td>
<td>28%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td>17%</td>
<td></td>
</tr>
</tbody>
</table>

*200% Federal Poverty Level

Among all children under age 5 in Illinois, 51% are white, 15% are Black, 24% are Latino. Among Illinois children under age 8, 38% are at/below 200% FPL. All figures rounded.

Source: Illinois State Board of Education; https://datacenter.kidscount.org/
Yet this progress has been checked at times by shortcomings and setbacks, and many families still lack the early care and education options that parents seek for their young children—and many of these are families of color, whose youngsters could arguably benefit the most. The challenges reflect factors ranging from financial (such as program costs) to geographic (such as available transportation), and beyond.

Fifty-eight percent of Illinoisans live within a child care “desert,” lacking sufficient, licensed, early care options to meet needs—the 12th-highest rate among the states. But that figure climbs even further among Latino families, to 65 percent. Often, when early childhood programs can be found, their costs can push them out of reach. For instance, Illinois’ white families spent an average of 9 percent of their incomes on child care in 2016, which is two points higher than what the federal government considers “affordable” for care. Yet, Latino and Black households disproportionately paid even more—14 percent and 18 percent of their incomes, respectively—to obtain care for their children.

The Pritzker Administration’s recent efforts at improvements, such as limiting family co-pays for state child care assistance, are laudable and should help. But, sadly, the coronavirus pandemic and its effects have countered such progress by curtailing early childhood programs’ access in a number of ways. Between February and August 2020, Illinois’ licensed child care center enrollment dropped 36 percent at the infant/toddler level and 25 percent among children aged 2 to 5, according to billing-data analyses of the state’s Child Care Assistance Program. Nationally, by last July—about four months into the pandemic—nearly one out of five child care centers and one in 10 family child care homes remained closed, and program enrollment was down an average of 67 percent. Many providers have struggled to stay open due in part to important but costly health restrictions put in place to protect children, their families, and staff. In all, the cost of center-based child care has increased 45 percent in Illinois due to the pandemic.

Unfortunately, COVID has worked against another promising exercise in boosting Illinois’ early learning access and quality: Preschool for All Expansion (PFAE) efforts, which build upon the state’s traditionally half-day Preschool for All (PFA) offerings with a full school day of learning and other program enhancements.

For several years, Chicago Public Schools made a priority of extending PFAE services particularly into the city’s south- and west-side neighborhoods that are home to many
Black and Latino families with lower incomes. Overall, the proportion of Chicago grade schools offering full-day pre-K quadrupled to 41 percent. Full-day enrollment rates among Black youngsters more than tripled; Latino children’s participation also grew, although to a lesser extent.

By autumn 2020, the pandemic had begun to reverse much of this progress in Chicago, cutting preschool enrollment by 44 percent for Black and 29 percent for Latino students, compared with 22 percent for white children. The lesson remains that intentionality in committing early childhood resources to areas of need can help bolster access for children of color. This is perhaps particularly true when it involves intensive services, such as full-day programming. (Of note: Community-based early childhood providers have raised concerns about increased competition from the growth in school-based programs.)

**Taking next steps in policy**

There are many promising suggestions for improving racial equity in early childhood care and education, the product of good research and deliberation by a host of ReadyNation’s partners as well as policymakers; the Illinois Legislative Black Caucus has helped to champion and lead the way on many such measures. Among the several short- and long-term priorities we would highlight are the following, aimed primarily at the state level of policymaking:

- **Prioritize the development and retention of a high-quality workforce:** Chronically and consistently subpar compensation marks the early-care-and-ed workforce, which relies heavily upon women of color (see box on page 7). It’s vital that we boost their pay to stabilize this crucial field of work, attracting and retaining high-quality workers. Furthermore, we must strengthen the teacher-training pipeline in a number of ways, as well as focus extra attention and effort on meeting the considerable needs of English Learners statewide by improving their teachers’ training and licensure options.

- **Bolster social-emotional supports for young children, their teachers and caregivers:** Historically, young children have been expelled from pre-K and child care for behavioral issues at a rate more than triple that of K-12 students, and figures range disproportionately higher among Black children, particularly boys. In an effort at helping young children retain the best chance at early learning opportunities, Illinois lawmakers in 2017 passed a law to prohibit such expulsions and suspensions from early childhood settings. Getting children, caregivers and teachers the assistance they need and keeping kids on the best course to skills-building will require further steps, though. One promising answer: Early Childhood Mental Health Consultation (ECMHC) services, in which highly trained consultants help strengthen provider capacity for supporting young children’s social/emotional development. Such consultants work with parents and teachers to address existing behavior problems and prevent further difficulties. However, these services have been extremely limited, and merit far greater investment to build culturally responsive and supportive practices for promoting healthy climates for learning and growth in many early childhood settings.

- **Focus even further on the foundational, prenatal-to-3 level of needs:** In helping
Conclusion

Ensuring justice and fairness in society isn’t just the right thing to do; it’s a smart investment. It’s a matter of stabilizing and strengthening our entire economy, an economy that’s fueled by the efforts of a workforce in which more than one out of three participants is non-white — a segment that is growing. Establishing a solid foundation for the skills and support of children of color, from their earliest years of learning and life, is a crucial component. It’s an economic imperative that we treat pre-K, child care, birth-to-3 services and similar early childhood priorities as a valued part of our workforce-development approach to improving racial equity, as reflected in research and experience. Doing so will not only help us plan for a more equitable, inclusive and participatory workforce tomorrow, but help to reinforce the well-being of working parents of color today.
Endnotes


7 Citi (2020, September). Closing the racial inequality gaps. https://ir.citi.com/NvIUkIlHPiz14Hwd3oxqZBLMnLXPqo5FrxsZD0x6hhii84ZxaxEwUWmak5UHVyk75VKeHCM%3D

8 Brookings Institution (2020, July 1). The nation is diversifying even faster than predicted, according to new census data. https://www.brookings.edu/research/new-census-data-shows-the-nation-is-diversifying-even-faster-than-predicted/


Governor’s Office of Early Childhood Development presentation to Illinois Early Learning Council, Nov. 16, 2020


For example, Chicago- and Quincy-based Caregiver Connections. https://www.caregiverconnections.org/


Governor’s Office of Early Childhood Development (2020). Governor’s Early Childhood Funding Commission https://www2.illinois.gov/sites/OECD/Pages/Governor’s-Early-Childhood-Funding-Commission.aspx
Business executives building a skilled workforce by promoting solutions that prepare children to succeed in education, work, and life.

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