



Making Early Childhood Education More Accessible

Pay for Success

Meet Cruize. Cruize is an active, adventurous little girl, but poverty in her hometown in rural Tennessee might put her hopes for the future out of reach.

Kids who live in poverty often can't attend early learning programs. As a result, they often start school not ready to succeed. Luckily, Cruize was able to participate in a local literacy program that gave her a strong start in school.

All Kids Should Have the Same Opportunity to Succeed.

Investing in early childhood education is the most effective way to break the cycle of poverty. These investments lay a foundation for success later in school, career and life. The type of environment and the quality of interaction to which children are exposed in the first five years of life greatly influence the outcomes of their adult lives.



The Problem.

A majority of brain development occurs during the first five years of life, yet 2 out of 5 American children are not enrolled in preschool. Without access to high-quality early learning programs, children fall behind. Many never catch up.

The Solution.

Funding for early education programs is often times an obstacle to communities expanding early learning. Save the Children Action Network works to increase public funding for early education programs including Head Start and pre-K. At the same time, we work to find innovative ways to expand the most effective early learning programs so more kids have access to them.

One of the ways the federal government can support state and locally run early childhood education programming is through the use of social impact bonds, also known as "Pay for Success" programs. The idea is simple: engage private sector investors to pay for the expansion of evidence-based early education and development programs that have proven results. Then, investors are paid back with money the government saves and new revenues generated from the increased economic contribution to the community that results when set targets are achieved. The savings to government are ample to pay back investors at near market rates.

Under Pay for Success programs, the government only pays for programs that deliver on their intended results. Everyone wins: governments, investors and, most importantly, the children in those communities.

Bipartisan champions in both the U.S. Senate and House of Representatives support Pay for Success. This year, House Ways & Means Committee Member Congressman Todd Young (R-IN) and Congressman John Delaney (D-MD) introduced the Social Impact Partnerships to Pay for Results Act (H.R.5170).

In the Senate, Finance Committee Chairman Orrin Hatch (R-UT) and Finance Committee Member Senator Michael Bennet (D-CO) introduced a companion bill, S.1089.

An amendment to allow for the use of pay for success financing for some education projects was included in the final version of the Elementary and Secondary Education Act (ESEA) reauthorization bill, called the Every Child Achieves Act of 2015.

