



**November 2014:  
Financial Stability for Families and Staff**

**Background**

With its roots in the War on Poverty, Head Start's two-generation approach to family stability has always included a focus on parents' income, employment, and skills. Hundreds of thousands of families create Family Partnership Agreements each year and gain the support they need to work toward personal goals in these areas. Yet new understanding of how even small increases in family income can have long-term impacts on children reinforces the importance of Head Start and Early Head Start programs' work to support financial stability and asset-building. Many resources below can be immediately useful in working with children, parents, or whole families to promote financial literacy and success.

Many Head Start and Early Head Start staff face similar financial challenges, in part because one in five began their careers in early childhood as Head Start parents and many programs lack the resources to pay wages that can lift families out of poverty. A new report released this month, titled "Worthy Work, Still Unlivable Wages" addresses how little compensation has improved for early childhood staff over the past twenty-five years. While NHSA continues to advocate nationally for the funding needed to pay worthy wages to our committed, highly-qualified staff, this report may be a tool for sparking local conversations about the importance of the work your programs do and the true value you provide to families and communities.

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**Resources**

**[Asset Building for Head Start Providers](#)**

The ASSET Initiative at the Administration for Children and Families created this quick 4-page overview to lay out some of the most direct ways Head Start and Early Head Start programs can support parents' financial stability, including financial education, getting "banked," managing credit and debt, and more. See what you think and explore <http://IDAresources.acf.hhs.gov/> for additional resources.

<https://eclkc.ohs.acf.hhs.gov/hslc/tta-system/family/docs/asset-building-fall-to-fall.pdf>

### **[For Me, For You, For Later](#)**

This toolkit, developed by Sesame Workshop in partnership with PNC Bank, offers a range of tools including a child workbook, parent magazine, educator guide and more that can help develop children's early understanding of money and saving. Also check out the [videos, games, and printables](#) from Sesame Street that match! Materials are available in both English and Spanish.

<https://www.pnc.com/grow-up-great/resources/kits/first-step-to-spending-sharing-and-saving.html>

### **[Money As You Grow](#)**

The Consumer Finance Protection Bureau has developed a new suite of tools to help parents have important conversations with their children of all ages about spending, saving, and stability. Find additional resources parents can use with their children or for their own financial literacy at

<http://www.consumerfinance.gov/parents/>. <http://moneyasyougrow.org/>

### **[Financial Education Toolkit and Online Training](#)**

Over the past several years, the Massachusetts Head Start State Collaboration Office contributed funding for the development of the Financial Education Toolkit, originally developed by the Massachusetts Association for Community Action (MASSCAP), in partnership with the Massachusetts Department of Housing and Community Development (DHCD) and the Institute on Assets and Social Policy at Brandeis University. This year, everyone can access the Financial Education Course through an online course. The Financial Education Toolkit provides resources and guidance on specific financial issues and problems, to be used with families on a one-on-one basis, in small groups or in a classroom setting; the training is designed for early childhood teachers and family service staff.

<http://fle.masscap.org/>

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## **Research**

### **[Getting a Head Start on Financial Security](#)**

By Leigh Tivol and Jennifer Brooks

Written for the Corporation for Enterprise Development, this report addresses the role Head Start programs can play in supporting Head Start families and staff to achieve financial stability. The authors provide background information on the impact of assets on a child's outcomes, including the effect that poverty and financial security have on development. Importantly for our families,

Tivol and Brooks write that, "71% of children born to low-income but high-saving parents move up from the bottom income quintile over a generation, compared to only 50% of children of low-income, low-saving parents." Savings also affected children's self-perception, their parents' expectations, and the likelihood that children would attend college. All of this underscores how long-term impacts of Head Start are driven by the course that programs help families set for themselves. The guide also focuses on strategies for integrating asset-based approaches into Head Start. Some strategies include integrating a classroom-based financial education component into the Head Start curriculum and launching a children's savings account program. Finally, the authors review the role of state and federal policies and how they can clear barriers and support family asset-building strategies.

[http://cfed.org/assets/head\\_start-final.pdf](http://cfed.org/assets/head_start-final.pdf)

### **Boosting Family Income to Promote Child Development**

Greg J. Duncan, Katherine Magnuson, and Elizabeth Votruba-Drzal

Since the 1970s, the difference between how much low and high income families spend on their children has more than tripled - and it was dramatic to begin with. This article from Future of Children provides an overview on the research about how poverty can shape families' well-being and opportunities for success and how even a small boost in income can make a major difference. After exploring the ways poverty influences school achievement, behavior, and health, the authors review what this all means for state and federal policies. Increasing families' incomes from pregnancy until children are two has shown adult effects on employment and income compared to investments when children are older, but the authors call for more research on understanding when investments matter most. They conclude by warning that cuts to social programs, such as the Earned Income Tax Credit, would hurt children and their families.

[http://futureofchildren.org/futureofchildren/publications/docs/24\\_01\\_05.pdf](http://futureofchildren.org/futureofchildren/publications/docs/24_01_05.pdf)

### **Worthy Work, Still Unlivable Wages**

by Marcy Whitebook, Carollee Howes, and Deborah Phillips

In this report, the authors highlight the developments in the wages of the early childhood teaching workforce since the release of the National Child Care Study (NCCS) in 1989. Shockingly - though it may not be a shock to many who work in Head Start - the real value of wages to Head Start teachers has actually dropped slightly over the past seven years, even as the rate at which teachers hold BA and advanced degrees has nearly doubled. Worthy Work, STILL Unlivable Wages examines the range of compensation and education across Head Start and a range of early care and education settings and just what it means to pay the people who care for our children wages that are less than what we pay people who care for animals. About 46% of the early childhood workforce nationally actually receives some form of subsidy, such as food

stamps or TANF. The report includes data over the last 25 years and makes recommendations to help improve the system. (For a quick read, check out the [Executive Summary](#).)  
<http://www.irle.berkeley.edu/cscce/wp-content/uploads/2014/11/ReportFINAL.pdf>

### **Building a Skilled Teacher Workforce**

by Marcy Whitebook

Research has shown the strong relationship between effective teachers and a child's academic achievement. In this study, Marcy Whitebrook of the Berkeley Center for the Study of Child Care Employment emphasizes the high demand for quality, skilled teachers. She reviews the public's view of teaching in early care and education and addresses public misunderstanding of how important the early years are for development. The report includes an exploration of how teachers are currently trained and paid, and Whitebook calls out four key components that must be addressed to develop a better system. These are human capital development, the professional development infrastructure, the teaching context, and wages. In a useful matrix for quickly organizing this information, the report compares the experiences of the K-12, state Pre-K, Head Start, and other early learning workforce in areas ranging from compensation to evaluation to turnover. The comparisons are stark and important to understand. An effective early childhood workforce benefits not only children and families but our country as a whole as those children learn and grow and someday lead.

[http://www.irle.berkeley.edu/cscce/wp-content/uploads/2014/09/Building-a-Skilled-Teacher-Workforce\\_September-2014\\_9-25.pdf](http://www.irle.berkeley.edu/cscce/wp-content/uploads/2014/09/Building-a-Skilled-Teacher-Workforce_September-2014_9-25.pdf)

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### **Discussion Questions**

1. In response to Tivol and Brooks' statistic about the difference it makes when parents save, what strategies can your program implement to help families begin this process?
  2. In the article *Boosting Family Income to Promote Child Development*, the authors draw attention to how a boost in income can positively affect children's development. What new concepts did you learn and how can you incorporate this into professional development for staff?
  3. In *Worthy Work, Still Unlivable Wages*, the authors give recommendations to improve the compensation of the early childhood workforce. Which recommendations do you feel would make the most impact in your community and why?
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Do you know of other recent research that may be of interest to the Head Start field? Do you have other questions, comments or concerns? E-mail Emmalie Dropkin ([edropkin@nhsa.org](mailto:edropkin@nhsa.org))