Early Learning Ventures^M Return on Investment Brief

* The Landscape



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



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

* The Problem



The quality of "marketoverall, has been found to be of mediocre quality

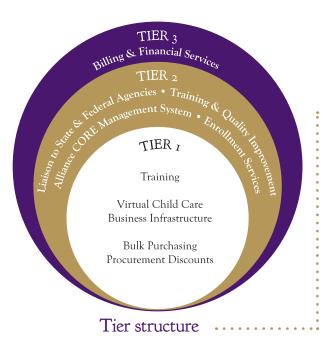


Market imperfections the low quality of care in the child care market



Not enough demand to support based" care varies greatly but, are a primary reason for a high level of quality as parents are unwilling or unable to pay the rates that providers must charge to offer higher quality care

The Innovation: Early Learning VenturesSM Shared Services Model



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



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

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



* The Results



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



The results of the ROI Study indicate that the ELV Shared
Services model produces ... significant returns for almost all participating providers

* Strongest among center-based providers



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



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

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





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

Level of Service	Per Dollar Return	Total 5-Year Return
Tier 1	^{\$} 0.35	\$I,27O
Tier 2	^{\$} 0.04	\$270
Tier 3	- ^{\$} 0.10	- \$1,660

EARLY LEARNING Ventures⁵⁵ STRONGER Together