NEXT Foundation & Foundation North

A Strategic Review of Early Years Investment

Appendix July 2015

1.0 Current Early Years Policy

New Zealand is committed to compliance with the United Nations Convention on the Rights of the Child (UNCROC). In 2011, the Committee for UNCROC made observations and recommendations regarding New Zealand's compliance with the Convention, including the need for a national abuse prevention strategy and greater professional training. These recommendations are drivers of recent child-focused legislation change and of national children's policy.[1]

Child protection, poverty, health & education

A model of shared accountability positions government in the role of risk intervention

In 2012, the New Zealand Government published *The White Paper for Vulnerable Children*, which sets out government policy and positions government services in the space of high-risk intervention. The paper outlines the government stance that 'parents/caregivers are responsible for raising and protecting their children; that families/whānau, iwi and communities should support parents in this role; and that, when this support fails and children become unsafe, the government will step in.'[2]

Policy-led service plans focus on child protection

The overlying *Children's Action Plan*[3] and State Services Commission's Better Public Services[4] have a clear focus on child protection, including the identification of abuse or neglect and subsequent government agency response by multi-disciplinary 'Children's Teams'. These teams have been put in place to improve cross-agency responsiveness, with a focus of addressing the needs of children whose circumstances cross a 'child protection line'. This includes a focus on children who are already in care.

Exploring the use of data to predict and identify the children at most risk

In order to identify the most vulnerable children, the *Children's Action Plan* outlines the development of a *Vulnerable Kids Information System* that might draw together data about at-risk children from

across government agencies and front-line professionals. The system being explored would incorporate predictive risk modelling, developed with The University of Auckland,[5] to try and identify the most vulnerable children before their situation crosses the child protection line.

Demand for better safety measures and training

The *Children's Action Plan* also responds to legislative changes that were adopted in 2014 through the Vulnerable Children's Act.[6] These changes demand greater rigour and responsiveness from agencies and professionals working with vulnerable children - through safety checking, increased training and a requirement for organisations to have child protection policies and protection reporting systems in place.

Health outcomes and early childhood education are prioritised

The *Statement of Intent from the Children's Commissioner 2013-16* demonstrates a policy focus of child protection, children's health, educational achievement and child poverty. These priorities are reflected in the Better Public Service outcomes, which focus on abuse/neglect reduction, rheumatic fever reduction, child immunisation and increased participation in early childhood education. The government aims to achieve these outcomes through better screening and assessment of children, by providing support for front-line workers and by aligning funding to results.[7]

The role of family and whānau is increasingly being acknowledged

Heckman's early years investment return model (see introduction) is discussed in the *New Zealand Health Committee's Inquiry into Improving Child Health Outcomes*, which reiterates that 'early years investment must be followed up to be effective', and that the 'family plays a powerful role in shaping adult outcomes, which is not fully appreciated in current policies around the world.'[8] The legislative changes introduced through the Vulnerable Children's Act 2014 attempt to remedy this, encouraging agencies to work in a way that strengthens the connection of children and their families, whānau, hapū, and iwi or other culturally recognised family group.[9]

Policy-driven investment in early years

A new social service investment strategy was introduced in June

The Ministry of Social Development (MSD) invests $204m per annum to social services that support vulnerable children.[10] MSD's new *Community Investment Strategy* was released in June 2015 and outlines funding priorities aligned to the Better Public Service outcomes for children. Investment in vulnerable children will see:

- **$59m** invested into **statutory intervention**.
- **$65.5m** invested into **intensive support** - including residential services and the work of the newly established inter-agency Children's Teams.

- **$37m** invested into **early intervention** - including *Strengthening Families[11]* services, *Social Workers in Schools[12]* and teen parent support.
- **$3.5m** into **prevention** - including parenting and family cultural participation predominantly through initiatives such as the *SKIP[13]* programme.

Statutory intervention and intensive support are prioritised over prevention services

The strategy prioritises intensive support services for the most vulnerable children. Investment in early intervention is currently under review, following a series of service evaluations conducted by the Families Commission Social Policy Evaluation and Research Unit (SuPERU), assessing the effectiveness of current Ministry-led parenting, teen parent and family support programmes in reducing child maltreatment. Investment in prevention, by comparison, is low at $3.5m per annum.

Increasing focus on outcomes and a move towards results-based contracts

The Ministry has a clear focus on investing in services that have proven evidence of effectiveness and on purchasing results; a strategy that 'will allow providers room to innovate in achieving those results'. However, the strategy also states that 'annual purchasing plans will become increasingly targeted and specific,'[14] placing some doubt over Ministry-funded opportunities for social innovation and the testing of emergent practice in the early years space.

Government's view of early years philanthropy

Through Better Public Services, the government is committed to 'scaling up initiatives already showing success in supporting vulnerable children to participate in early childhood education.'[15] This offers a role for philanthropy to invest in pathways to early childhood education in vulnerable communities; to demonstrate programme effectiveness and scale-up readiness.

The *Statement of Intent* from the Children's Commissioner 2013-16 suggests a role for philanthropy in 'supporting access to resources that help tackle child poverty'. A *Vulnerable Children Cabinet Paper* outlines opportunities for non-government funding to support initiatives including mentoring for vulnerable children.[16]

Collective contribution

In April 2015, the New Zealand Productivity Commission produced the draft report *More Effective Social Services,* which looks at opportunities for government agencies to purchase and commission

social services more effectively; including the way in which service-user need is identified, how service providers are selected and how best to achieve the right mix of services.[17]

The Commission's draft report makes a set of recommendations to Government; and also contains useful insights that describe what a well-functioning social services system might look like. These insights are useful beyond the boundaries of government agency contracting as they take a 'whole-of-system view' and can be considered by the wider social service sector to inform its collective thinking and action, philanthropic organisations included:

NZ Productivity Commission's Recommendations for a well-functioning social service system[18]	Aligned philanthropic practices that could support a well-functioning social service system
Target public funds towards areas with the highest net benefits to society	Invest in early intervention in line with research on the highest social returns
Match the services provided to the needs of clients	Invest in interventions that have a strong evidence base and stakeholder buy-in
Ensure that decision makers (at all levels) have adequate information to make choices	Develop a clear theory of change, based on evidence of what works and of promising emergent practice
Respond to changes in client needs and the external environment	Invest in social innovation with the potential to tackle emerging new problems
Meet public expectations of fairness and equity	Ensure funding processes are fair and equitable, and that funds are used appropriately
Be responsive to the aspirations and needs of Māori and Pasifika	Be responsive to the aspirations and needs of Māori and Pasifika
Foster continuous learning and improvement	Invest in both funder-led and grantee learning and evaluation

2.0 Useful Early Years Resources

The 'Heckman Equation'

James Heckman is a Nobel Prize-winning economics professor from the University of Chicago. He has carried out a large body of work to better understand the social return to be had by investing in 'the early and equal development of human potential'.[19]

The *Heckman Equation* (figure 1) summarises this research, explaining that investment in early education for children, alongside the early development of cognitive skills and healthy social behaviours, is vital for future success. The equation also recognises the need to sustain these early gains through ongoing adult education.

PRESENTING
THE HECKMAN EQUATION

INVEST in early education for disadvantaged children

+ DEVELOP cognitive skills, social abilities and healthy behaviors early

+ SUSTAIN early development with effective education through to adulthood

= GAIN a more capable and productive workforce

LEARN MORE ABOUT THE BENEFITS OF
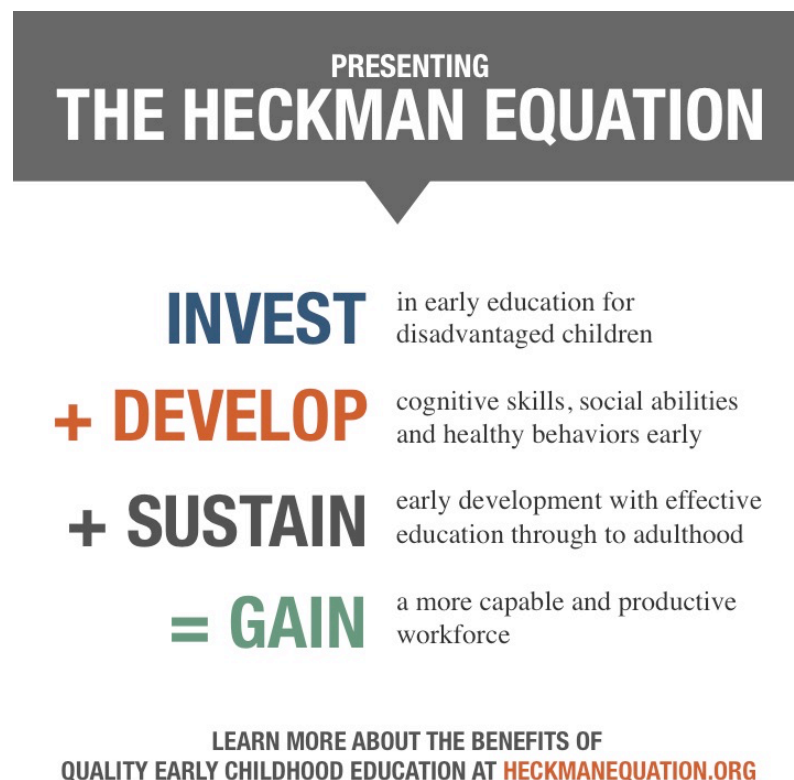QUALITY EARLY CHILDHOOD EDUCATION AT HECKMANEQUATION.ORG

Figure 1. The Heckman Equation (Source: Heckman, 2012)

Children's resilience

Throughout the attached Strategic Review, it is clear that the development of resilience is important for children and that resilience factors can outweigh the effects of risk factors.

The *White Paper for Vulnerable Children Volume II* gives examples of key resilience factors as they are structured across the child's 'ecosystem' of parent, family, community, services/institutions and wider society (see figure 2).[20] These examples focus on factors that, if missing from a child's life, can have negative consequences on their wellbeing and development.
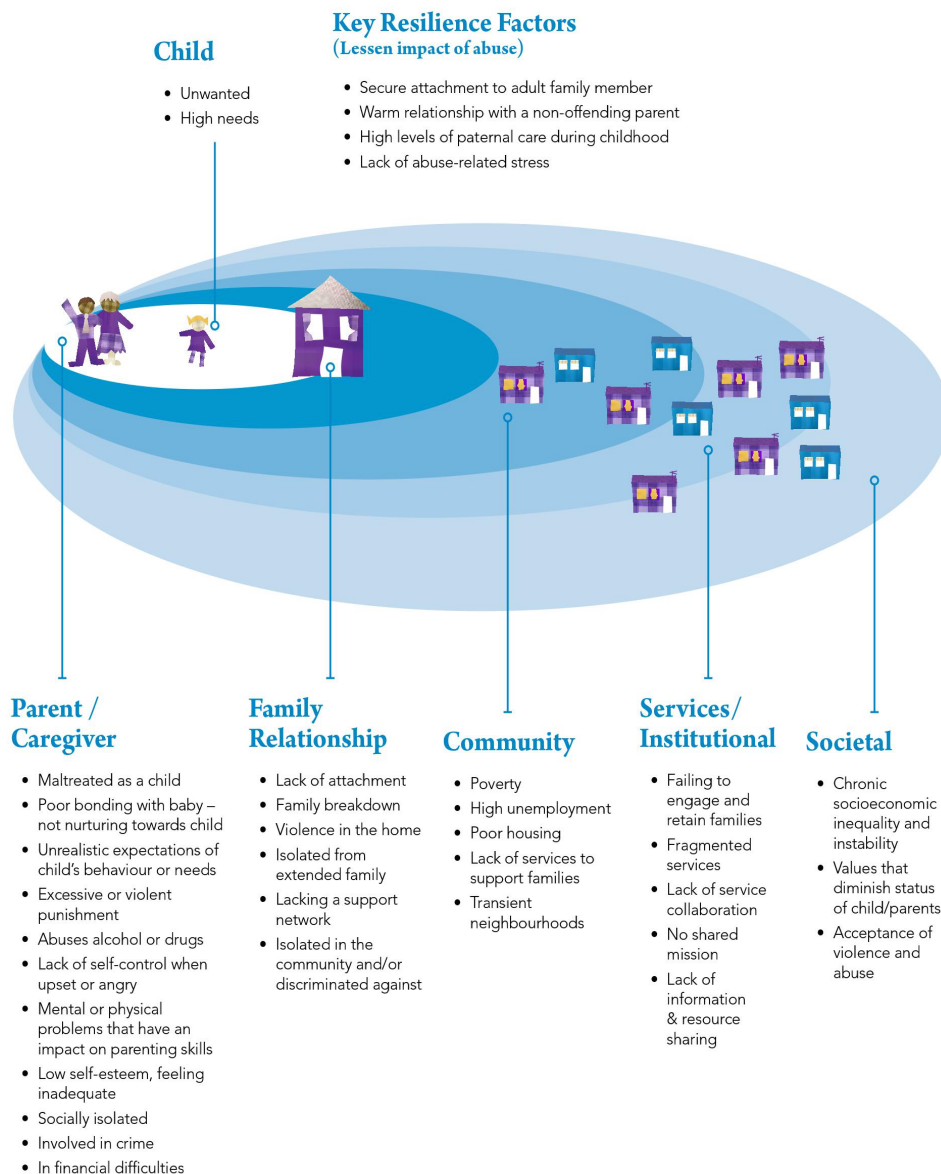
Child

- Unwanted
- High needs

Key Resilience Factors
(Lessen impact of abuse)

- Secure attachment to adult family member
- Warm relationship with a non-offending parent
- High levels of paternal care during childhood
- Lack of abuse-related stress

Parent / Caregiver

- Maltreated as a child
- Poor bonding with baby – not nurturing towards child
- Unrealistic expectations of child's behaviour or needs
- Excessive or violent punishment
- Abuses alcohol or drugs
- Lack of self-control when upset or angry
- Mental or physical problems that have an impact on parenting skills
- Low self-esteem, feeling inadequate
- Socially isolated
- Involved in crime
- In financial difficulties

Family Relationship

- Lack of attachment
- Family breakdown
- Violence in the home
- Isolated from extended family
- Lacking a support network
- Isolated in the community and/or discriminated against

Community

- Poverty
- High unemployment
- Poor housing
- Lack of services to support families
- Transient neighbourhoods

Services/ Institutional

- Failing to engage and retain families
- Fragmented services
- Lack of service collaboration
- No shared mission
- Lack of information & resource sharing

Societal

- Chronic socioeconomic inequality and instability
- Values that diminish status of child/parents
- Acceptance of violence and abuse

Figure 2. Key Resilience Factors (Source: Ministry of Social Development, 2012)

Similarly, authors O'Dougherty, Wright, Masten & Narayan (2013)[21] identify a list of 'promotive and protective' factors that, if enabled, can support the development of resilience and can have positive consequences on a child's longer-term outcomes.

Table 2.2 Examples of promotive and protective factors

Child characteristics
- Social and adaptable temperament in infancy
- Good cognitive abilities, problem solving skills, and executive functions
- Ability to form and maintain positive peer relationships
- Effective emotional and behavioral regulation strategies
- Positive view of self (self-confidence, high self-esteem, self-efficacy)
- Positive outlook on life (hopefulness)
- Faith and a sense of meaning in life
- Characteristics valued by society and self (talents, sense of humor, attractiveness to others)

Family characteristics
- Stable and supportive home environment
  - Harmonious interparental relationship
  - Close relationship to sensitive and responsive caregiver
  - Authoritative parenting style (high on warmth, structure/monitoring, and expectations)
  - Positive sibling relationships
  - Supportive connections with extended family members
- Parents involved in child's education
- Parents have individual qualities listed above as protective for child
- Socioeconomic advantages
- Postsecondary education of parent
- Faith and religious affiliations

Community characteristics
- High neighborhood quality
  - Safe neighborhood
  - Low level of community violence
  - Affordable housing
  - Access to recreational centers
  - Clean air and water
- Effective schools
  - Well-trained and well-compensated teachers
  - After-school programs
  - School recreation resources (e.g., sports, music, art)
- Employment opportunities for parents and teens
- Good public health care
- Access to emergency services (police, fire, medical)
- Connections to caring adult mentors and prosocial peers

Cultural or societal characteristics
- Protective child policies (child labor, child health, and welfare)
- Value and resources directed at education
- Prevention of and protection from oppression or political violence
- Low acceptance of physical violence

Figure 3. Promotive and Protective Factors (Source: O'Dougherty, Wright, Masten & Narayan, 2013)

Endnotes

[1] www.msd.govt.nz/documents/about-msd-and-our-work/work-programmes/policy-development/white-paper-vulnerable-children/whitepaper-volume-ii-web.pdf

[2] www.childrensactionplan.govt.nz/action-plan/white-paper/introduction-to-volume-i-/

[3] www.childrensactionplan.govt.nz/assets/CAP-Uploads/childrens-action-plan.pdf

[4] www.ssc.govt.nz/bps-supporting-vulnerable-children

[5] www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/research/vulnerable-children/auckland-university-can-administrative-data-be-used-to-identify-children-at-risk-of-adverse-outcome.pdf

[6] www.childrensactionplan.govt.nz/assets/Uploads/Vulnerable-Children-Act-2014-fact-sheet.pdf

[7] www.ssc.govt.nz/bps-supporting-vulnerable-children

[8] NZ House of Representatives Health Committee. *Inquiry into Improving Child Health Outcomes and Preventing Child Abuse, with a Focus on Pre-conception until Three Years of Age*. Wellington: 2013.

[9] www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/monitoring/uncroc/uncroc-report-for-public-consultation.pdf

[10] www.msd.govt.nz/about-msd-and-our-work/work-programmes/community-investment-strategy/index.html

[11] www.strengtheningfamilies.govt.nz/about-strengthening-families/index.html

[12] www.msd.govt.nz/about-msd-and-our-work/publications-resources/evaluation/social-workers-in-schools/

[13] www.skip.org.nz

[14] www.msd.govt.nz/documents/about-msd-and-our-work/work-programmes/policy-development/white-paper-vulnerable-children/white-paper-cabinet-paper.pdf

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[16] www.msd.govt.nz/documents/about-msd-and-our-work/work-programmes/policy-development/white-paper-vulnerable-children/white-paper-cabinet-paper.pdf

[17] www.productivity.govt.nz/sites/default/files/social-services-draft-report-cttc.pdf

[18] www.productivity.govt.nz/sites/default/files/social-services-draft-report-cttc.pdf

[19] www.heckmanequation.org

[20] www.msd.govt.nz/documents/about-msd-and-our-work/work-programmes/policy-development/white-paper-vulnerable-children/whitepaper-volume-ii-web.pdf

[21] O'Dougherty, M., Wright, A., Masten, A., & Narayan, A. Resilience Processes in Development: Four Waves of Research on Positive Adaptationin the Context of Adversity. Handbook of Resilience in Children. 2012, Springer Science + Business Media, New York.