STATE OF EARLY CHILDHOOD INVESTING
Early childhood education technology is about investing in the **future of families**.

Modern, inclusive solutions for families and caregivers.
Family Technology is a big market

Contrary to popular belief, early childhood is a large market that will continue to grow.

Investment in Early Childhood Is Growing

In both the public and private sectors

**Public Spending on Early Childhood Education**

- 2016: $25B
- 2017: $25B
- 2018: $25B
- 2019: $25B
- 2020: $31B

**Early-Stage Investment in Early Childhood Education**

- 2019: $100M
- 2020: $58.5M
- 2021: $58.5M

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Millennials Are Now Parents

They care deeply about being good parents and seek digital solutions

90% of all new parents are Millennials

60% of all Millennials say having children is central to their identities; being a good parent is more important than a successful marriage

71% of Millennial parents cite online sources as top influences

2/3 of children under 5 live in homes where both parents work, compared with <1 in 10 in 1940

Sources: Pew Research, 2018; Barkley, 2013; Omidyar Network, 2019
Parenting Costs Are Rising and Unsustainable

And demand far outstrips supply for quality care

---

**The Rising Cost of Children***

- **$260,000**
- **$240,000**
- **$220,000**
- **$200,000**
- **$180,000**
- **$160,000**

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<table>
<thead>
<tr>
<th>40%+</th>
<th>1/3</th>
<th>$10K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in cost of raising a child since 2000</td>
<td>Of families spend 20%+ of their income on childcare</td>
<td>Avg. cost of childcare—more than college tuition in 33 states</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>62%</th>
<th>10%</th>
<th>&lt;50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Of families say it’s hard to find affordable, quality childcare</td>
<td>Of providers are considered high-quality; average salary is $14/hr</td>
<td>Of families are in formal care settings</td>
</tr>
</tbody>
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*Total U.S. average cost of raising a child from birth to age 17 in a middle income, two-parent family with two children. Source: USDA

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COVID Magnifies the Unmet Needs of Families

Current operating status of childcare providers as of December 2020

- **4%** Unsure
- **10%** No changes; remains open
- **8%** Open but only has space for children of essential workers
- **15%** Open but has limited space
- **21%** Open with limited hours
- **31%** Closed temporarily, but plans to reopen
- **11%** Closed permanently

Source: Bipartisan Policy Center and Morning Consult
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Family Tech Can Help Address These Needs

Technology can help scale quality and dramatically reduce costs

- Parent Support and Education
- Home Learning
- Search and Discovery
- Daycare/Preschool Software
- New Care Models
# Family Tech Can Help Address These Needs

Illustrative companies by category

<table>
<thead>
<tr>
<th>Parent Support and Education</th>
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<th>Search and Discovery</th>
<th>Daycare/Preschool Software</th>
<th>New Care Models</th>
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</thead>
<tbody>
<tr>
<td>guardians collective</td>
<td>LOVE EVERY.</td>
<td>winnie</td>
<td>Kaymbu</td>
<td>tinkergarten</td>
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<tr>
<td>June</td>
<td>beanstalk</td>
<td>Kinside</td>
<td>brightwheel</td>
<td>brella</td>
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<td>Ready Rosie</td>
<td>BRIDGECARE</td>
<td>Kangaroo TIME</td>
<td>Wonderschool</td>
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<td>BümoBrain</td>
<td>Care.com</td>
<td>ChildcareCRM</td>
<td>WeeCare</td>
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<td>circletime</td>
<td>urbansitter</td>
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<td>VILLAGE</td>
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<td>vivvi</td>
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<td>Peanut</td>
<td>BabySparks</td>
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<td>TINYCARE</td>
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<td>Cleo</td>
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</tbody>
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winnie
Daycare & Preschool Search
Reach II Portfolio
Home Learning
Reach II Portfolio
Kaymbu

Care Management Software

Reach I Portfolio
This Category Is in Its Infancy

Now is the time to invest in early education companies

Number of VC Deals by Series

- Pre-seed: 140
- Seed: 91
- Series A: 23
- Series B: 12
- Series C: 9
- Series D: 1

Both Brightwheel and HOMER raised $55M Series C

Hopscotch raised $25M Series D
Parent support and education that enable **learning in community**—bringing a parent's village online and dramatically increasing access to expertise

**Software tools** that streamline and simplify operations for early childhood providers so they can spend more time on quality care and less on overhead

**New care models** that fill the growing care gap, particularly ones that empower families and early childhood educators
Thank You.