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Education International
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The Privatisation **PLAYBOOK**

Facts on the finance sector's takeover
of early childhood education and care





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Around the world, public funding for childcare services is failing to keep up with the needs of families. Meanwhile wealthy investors and private equity firms are extracting increased profits from the sector, with negative consequences for service quality, working conditions, outcomes for children and rising costs for parents and the public.

This factbook provides detailed statistics, research and quotes from around the world to illustrate the impact of increased privatisation and private equity penetration and solutions for unions and allies.



100%

increase in ownership of UK nurseries by investment funds since 2018

750K

children attend private equity owned childcare centres in the USA

+90%

of unions say privatisation is increasing in Early Childhood Education

(MULTI-COUNTRY STUDY BY EDUCATION INTERNATIONAL, 2014)

1/5TH

of large companies acquired through private equity go bankrupt within a decade

70%

OF EARLY CHILDHOOD EDUCATION IN GHANA IS PRIVATE

84%

OF EARLY YEARS PROVISION IN THE UK IS PRIVATE

“HOT MARKET”

“MARKET FAILURE”

“HOT MARKET”

How investment advisor LaingBuisson describes privatized childcare

How The U.S. Treasury Department describes privatized childcare

“MARKET FAILURE”

“A DYSFUNCTIONAL MARKET FAILING THOSE THAT NEED IT MOST”

RESEARCH FROM UNIVERSITY COLLEGE LONDON



45%

OF MAJOR
FOR-PROFIT CARE CENTRES
EXPERIENCE HIGH
STAFF TURNOVER

US DEPARTMENT OF HEALTH AND
HUMAN SERVICES STUDY, 2019

THE RATE AT
NON-PROFIT & GOVERNMENT
PROGRAMS IS MUCH LOWER

A 2007 Yale study found
for-profit childcare
chains underperform on
nearly every metric:

- **WORSE
CHILD-TO-
ADULT
RATIOS**

- **HIGHER
TEACHER
TURNOVER**

- **LOWER WAGES**

PRIVATE IS WORSE

IN GHANA

"Most educators in the
private sector are poorly
paid, have fewer
allowances, and shorter
leave periods."

(EDUCATION INTERNATIONAL, 2014)

In Sweden

**PUBLIC
INSTITUTIONS
HAVE
HIGHER WAGES**

than at AcadeMedia private
equity owned childcare centres



IN PHILIPPINES

"Most teachers who are
hired in day-care
centres and privatised
Early Childhood Education
are non-licensed. They are
not paid well compared to
the standardised salary of
teachers."

(EDUCATION INTERNATIONAL, 2014)

"Quality is lower in for-profit
services" according to a global
team of researchers who examined
the totality of childcare evidence

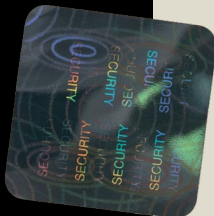


Workers at UK private equity owned
care chain Busy Bees earn **CLOSE TO
MINIMUM WAGE**

**25%
LOWER WAGES**

for teachers
at private
equity-controlled
Big Blue Marble
Academy compared to
US average

(PSIRU ANALYSIS)





PROFITING FROM PARENTS & THE PUBLIC PURSE

"We're putting a lot of state money into the sector & they're taking a lot of money out."

SAM FREEDMAN, FORMER CONSERVATIVE ADVISER TO UK DEPARTMENT OF EDUCATION

Private equity companies increase executive remuneration and payouts to themselves while claiming their childcare centres are making losses, minimizing their tax liabilities

RESEARCH FROM UNIVERSITY COLLEGE LONDON

15-20%

PROFIT MARGINS ARE SOUGHT BY PRIVATE EQUITY FIRMS FROM CHILDCARE CHAINS, OFTEN THROUGH CUTTING COSTS, REDUCING STAFF & RAISING PRICES

£1600+

PER MONTH AVERAGE COST FOR NURSERY CARE IN UK, EQUIVALENT TO AN ENTIRE MONTHLY MINIMUM WAGE

EPSU/PSIRU RESEARCH

\$1200+

PER MONTH COST OF KINDERGARTEN AT PRIVATE EQUITY OWNED ISSP SCHOOL IN VIETNAM

"Safety versus the bottom line: I hit that wall several times, and I know peers that did as well."

FORMER BRIGHT HORIZONS CARE CENTRE DIRECTOR

KINDERCARE MASSACHUSETTS

Repeatedly fined for breaking child-teacher ratios & unsanitary & hazardous conditions

Workers unable to take meal breaks due to understaffing

BAD FOR KIDS & WORKERS

"If private equity becomes the national model—we're in big trouble. Children are going to be missing out on the many, many benefits of high-quality early care and education."

VERNA ESPOSITO, FORMER CARE CHAIN EMPLOYEE

THE LATEST GLOBAL REPORT ON THE STATUS OF TEACHERS FROM EDUCATION INTERNATIONAL REVEALS THAT EARLY CHILDHOOD EDUCATION AND CARE IS ONE OF THE SECTORS MOST IMPACTED BY TEACHER SHORTAGES



2,238

ABC childcare centres globally at its peak

23%

less revenue spent on staff costs, compared to non-profit providers

BANKRUPT PROFITS

AUD\$58M

in dividends were extracted for owners including private equity firms in 2007, despite the company owing over AUD \$1 billion in debt

AUD\$300M

in public subsidies given to ABC in 2008

ABC
LEARNING
AUSTRALIA

ABC's bankruptcy in 2008 led to hundreds of job losses

"Guilty of Mismanagement"

A DUTCH COURT FOUND ESTRO MANAGERS PROVIDED MISLEADING INFORMATION TO UNIONS

\$455M

in debt loaded onto Estro in 2010 to fund acquisition by private equity owners.

Bankruptcy followed less than five years later. Over 1000 workers lost their jobs.

\$

\$54M

in taxpayer subsidies given to Estro

"The parents, children and workers... were, without doubt, the biggest losers from this sorry story of serial plunder."

EWALD ENGELN, FINANCE PROFESSOR AT THE UNIVERSITY OF AMSTERDAM

ESTRO
CHILDCARE
NETHERLANDS

Play Time = Union Time

"DEPLORABLE WORKING CONDITIONS"

led workers at a KinderCare centre in South Carolina to unionize. The company closed the centre one month later.

UNIONIZATION IS A RISK TO PROFITS

ACCORDING TO BRIGHT HORIZONS AND KINDERCARE FINANCIAL FILLINGS

Bright Horizons (owned by private equity) employed union busting law-firms to water down union rights

8.3%

higher wages for unionised child-care teachers, with lower turn-over rates and higher quality programs

(CANADA "CHILD CARE CONNECTIONS" STUDY)

STRIKE TIME

CCOO early education members in Spain went on strike in 2023 to secure better pay after two years of failed talks with private sector employers.

Fagforbundet & Union of Education Norway members in private childcare centres went on strike in 2023 to receive the same pension as public sector workers.

SOLUTION: PUBLIC PROVISION!

Education International's Go Public!

Fund Education campaign calls on governments to invest in and fully fund public education and resist budget cuts, austerity, and privatisation.

Public Services International is organizing care workers globally to fight privatisation and win quality public childcare services.

THE OECD SAYS

"Early childhood services in market situations are subject to critical shortages and low quality – all of which indicate that government intervention is appropriate."

4.3% GDP

COST TO PROVIDE FREE PUBLIC
CHILDCARE AS PART OF A WIDER
PACKAGE OF UNIVERSAL QUALITY
PUBLIC SERVICES IN A TYPICAL
OECD COUNTRY

(PSI/NEF RESEARCH)

OECD research finds the
benefits of these
services would greatly
outweigh the costs

SOLUTION: PUBLIC PROVISION!

90%

OF THE COST OF FREE PUBLIC
CHILDCARE WOULD BE RECOUPED
THROUGH EMPLOYMENT GAINS,
INCREASED TAX REVENUES & REDUCED
INCOME SUPPORT PAYMENTS

UK EXAMPLE, WOMEN'S BUDGET
GROUP RESEARCH



CANADA

Legislation
requires
programs
receiving public
money to
publicly disclose
ownership and
ties fee
increases to
average child care
wages

NEW ZEALAND

Community
Services have
“more qualified
teachers,
better ratios, and
above-minimum
physical
surrounding”

VERMONT

Laws help ensure
billions of public
child care funding
go to “primarily
public and non-
profit” providers

NORWAY

Public institutions
have better child
teacher ratios than
some for-profit
institutions



PSI's campaign for ratification
of ILO Convention 156 encourages
governments to provide free
childcare to all as
a human right

WHAT CRISIS?

KINDERCARE CEO PAUL THOMPSON

earns nearly \$2 million in
salary and bonuses.

Much of his compensation is
tied to the financial returns
he delivers for KinderCare's
Swiss Private Equity
owners



Packed with fun facts, this Playbook teaches us

WHAT HAPPENS WHEN OUR CHILDCARE SYSTEMS PUT PROFITS AHEAD OF PLAY AND EDUCATION



Explore how Wall Street Wizards conjure up cost cutting spells, to cash out from kindergartens.

Learn how Private Equity Pirates and Hungry Hungry Hedgefunds are financializing your kid's care and future.

Dive into the clever tricks of Merger Monsters who build massive childcare chains that dominate the market and exploit workers.



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