
GROW Educare Centres

Impact Report
2014 - 2019



R

Executive Summary

GROW Educare Centres (“GROW”) helps to ensure that children from disadvantaged communities receive excellent, high quality education in their most crucial years. To achieve this objective, GROW helps Early Childhood Development (ECD) centres in low-income communities become financially sustainable businesses that deliver 5 star education and pay teachers what they are worth. This initiative is based on the belief that providing high-quality ECD education to South African children, has the potential to change the future of South Africa. Since 2014, GROW Educare Centres have been working towards their vision of educating over 10 000 children daily and empowering women to run their own sustainable businesses. A social franchising model is used to ensure that consistent standards are maintained in order to maximize impact.

According to Statistics South Africa, nearly 50% of the 7.2 million children aged between 0 and 6 years old did not attend any form of ECD centreⁱ. Furthermore, it suggested that a status quo of unjust early childhood education access and care has resulted in children living in poor households being excluded from educational programmesⁱⁱ.

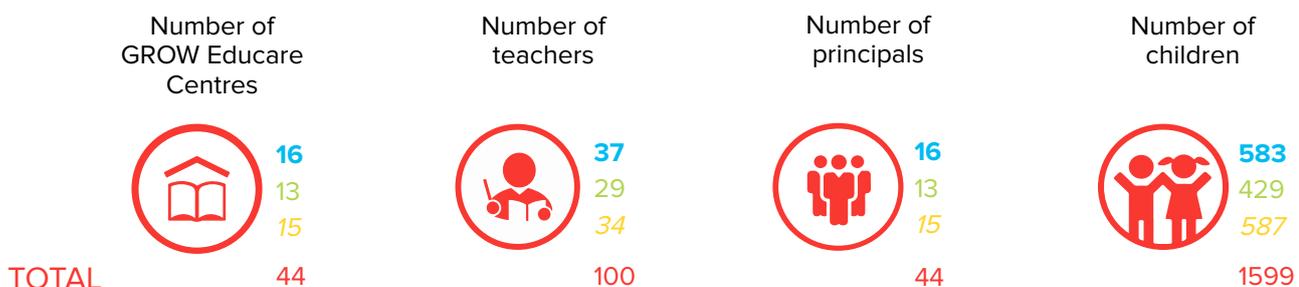
Children who are provided with the correct foundation during their early development stages, possess basic life skills that help them throughout their lives. In the absence of this basic preparation, delayed cognitive and social development can have a negative effect on young children later in their lives by preventing them from reaching their full potentialⁱⁱⁱ.

To provide relevant context, more than half the population in South Africa are living below the poverty line calculated to be just over R1000, equivalent to US\$55, per month^{iv}. The minimum wage per hour is calculated as R20 per hour^v translating to a monthly income of R3520 or US\$165/month. Although there is currently an information gap in terms of statistics on the quality, income and operations of ECD facilities in South Africa, our baseline information suggests that ECD teachers and owners typically earn well below the minimum wage.

GROW works to address South Africa’s early learning deficit through developing financially sustainable, high-quality educare centres directly serving:

- **PARENTS** and their need for reliable, quality education and care for their children while they go to work,
- **CHILDREN**, offering them the highest quality curriculum, equipment, attention and teaching,
- **TEACHERS**, offering them professional development in well equipped learning environments with highest standards of hygiene, safety and decent remuneration; and
- **OWNERS/PRINCIPALS**, providing them with all the tools, training and oversight to build a sustainable business serving their respective communities.

Figure 1: GROW Educare Centres: Reach

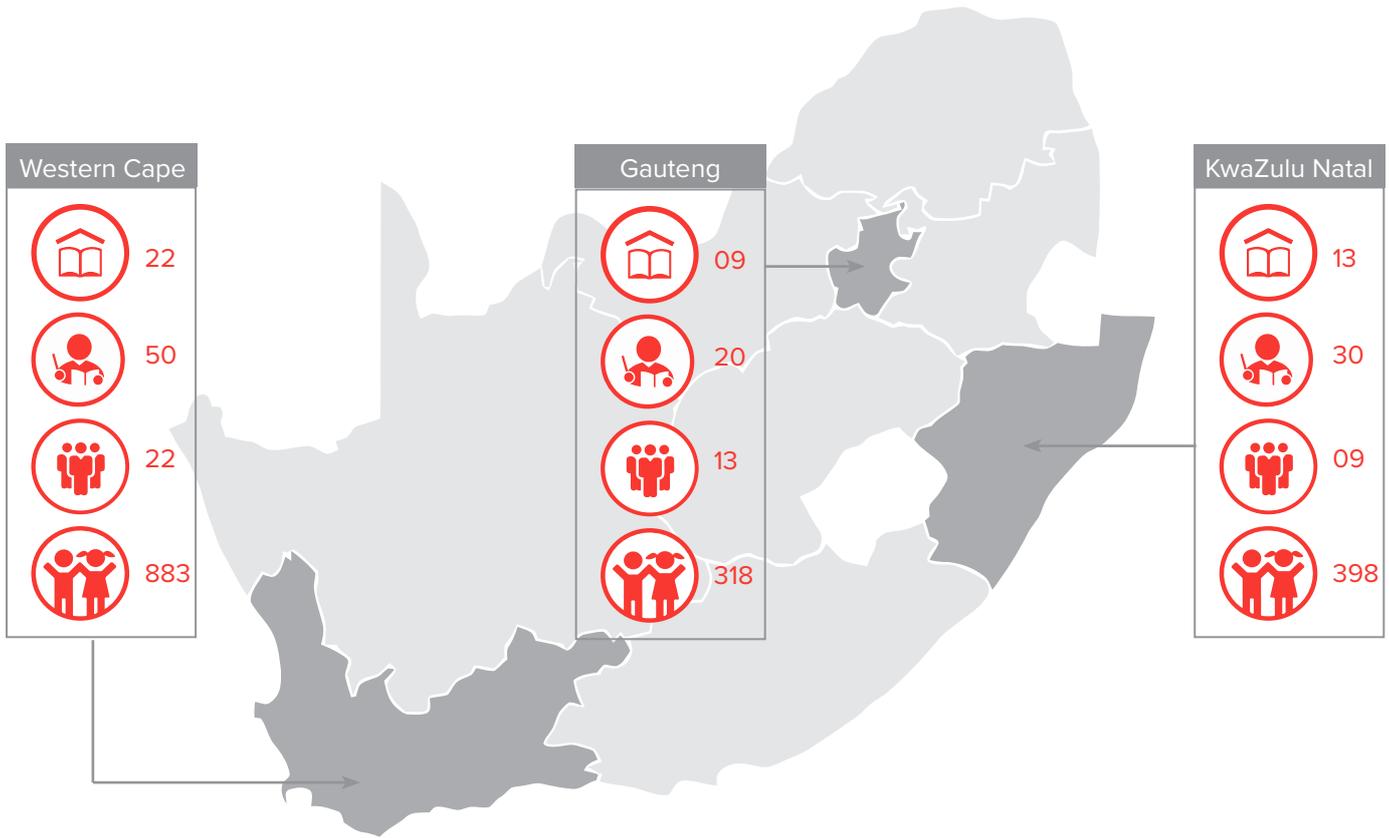


Operating as GROW Franchisees for > 2 years

Operating as GROW franchisees 1- 2 years

Operating as GROW franchisees < 1 year

Figure 2: GROW Educare Centres: Distribution



In order to realise its aims, GROW's solution focusses on efforts in two key areas – bringing high quality education to the early childhood development sector and equipping the women employed in these centres with the necessary business skills. In order to ensure that GROW Educare Centres are professionally managed and provide high-quality education, franchisees receive a 5-year support package. Their recipe for success and support package can be summarised as follows:

Figure 3: GROW Educare Recipe for Success and support package



Start-up	Yr 1	Yr 2	Yr 3-5
<ul style="list-style-type: none"> Educational equipment kit & training manual per classroom of 30 children 5 days induction training for all staff Installation of all equipment, posters and policies 	<ul style="list-style-type: none"> Teacher training x 10 Education mentoring x 18 Termly kits 	<ul style="list-style-type: none"> Teacher Training x 10 New Teacher Training Education Mentoring x 10 Termly Kits 	<ul style="list-style-type: none"> Teacher Training - Ad Hoc New Teacher Training Termly kits
<ul style="list-style-type: none"> Infrastructure upgrade (compliance with Govt. regulations & GROW Stds.) Marketing support to relaunch their centre as a GROW Educare Centre Access to affordable funding packages Financial and business training for franchisees x 5 days 	<ul style="list-style-type: none"> Franchisee meeting and training x 10 Franchisee business mentoring x 10 	<ul style="list-style-type: none"> Franchisee Training and Meeting x 10 Franchisee Business Mentoring x 4 	<ul style="list-style-type: none"> Franchisee Training AdHoc Franchisee Meetings x 10
<p>Sustainable Development Goals applicable to GROW</p>	+		

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

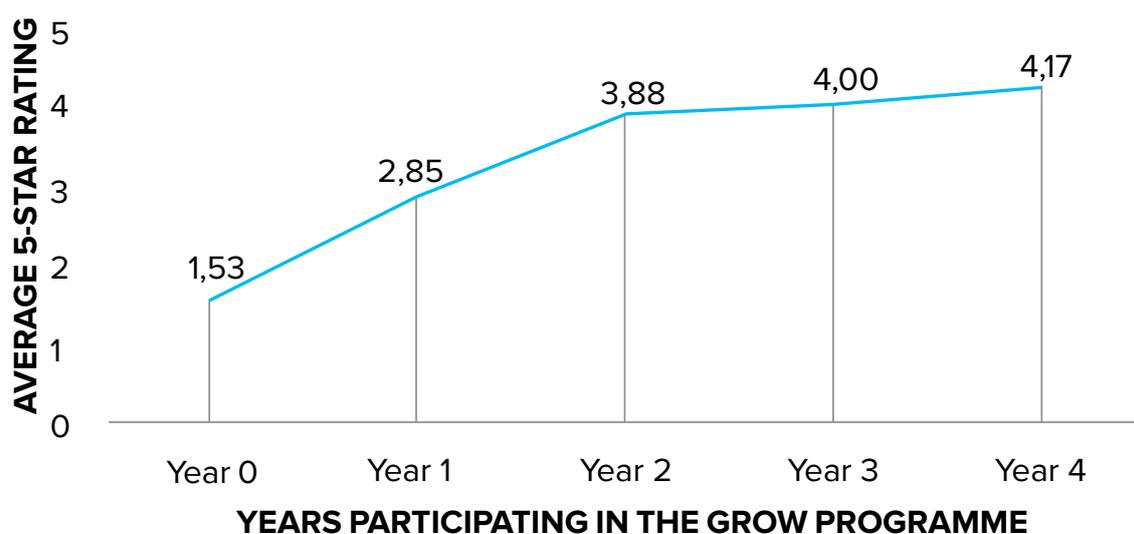
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

In addition to the support packages provided, GROW conducts ongoing assessments and monitoring to ensure each centre is consistently reaching the 5 star vision. Each GROW Educare Centre is scored based on a 5-star rating system which consists of 5 different outcomes^{vi}. Each outcome is a composite of different elements that the centres get scored on, based on predefined targets that align with Sustainable Development Goals (SDGs). This rating system was only developed and implemented in 2019 and GROW will continue to use this system in future.

Outcome	What We Measure
Quality Teaching	Correct teacher child ratio 1:15 per age group Teachers and principals qualified Teachers are GROW trained Teachers are competent - GROW assessment
Child Development	Programme is correctly implemented Children are developing according to milestones - GROW assessment
Business Sustainability	School is at capacity Fees are at target level Franchise fees are paid on time Teachers are paid target salary Principal/Owner is earning target salary
Compliance to GROW Standards	Centre is registered Centre is professionally managed (Compliance Check) Training and Meetings attended
Living GROW Values	Franchisee is a brand Ambassador (Brand Ambassador assessment) Franchisee and Teachers go the extra mile (Parent Survey)

The immediate goal for each new centre is that centres reach a 3-star rating after one year and a 5-star rating after 3 years. The 5-star rating system is used to incentivise and reward franchisees and teachers; monitor and track the quality and sustainability of each GROW Educare Centre; as well as identify and provide additional support and mentorship to centres who are not yet at a 5 star level. The figure below reflects the steady, progress of GROW Educare Centres over time, based on GROW's proprietary 5-Star Rating system:

Figure 4: Average 5-Star rating per no. of years as a GROW Educare Franchisee

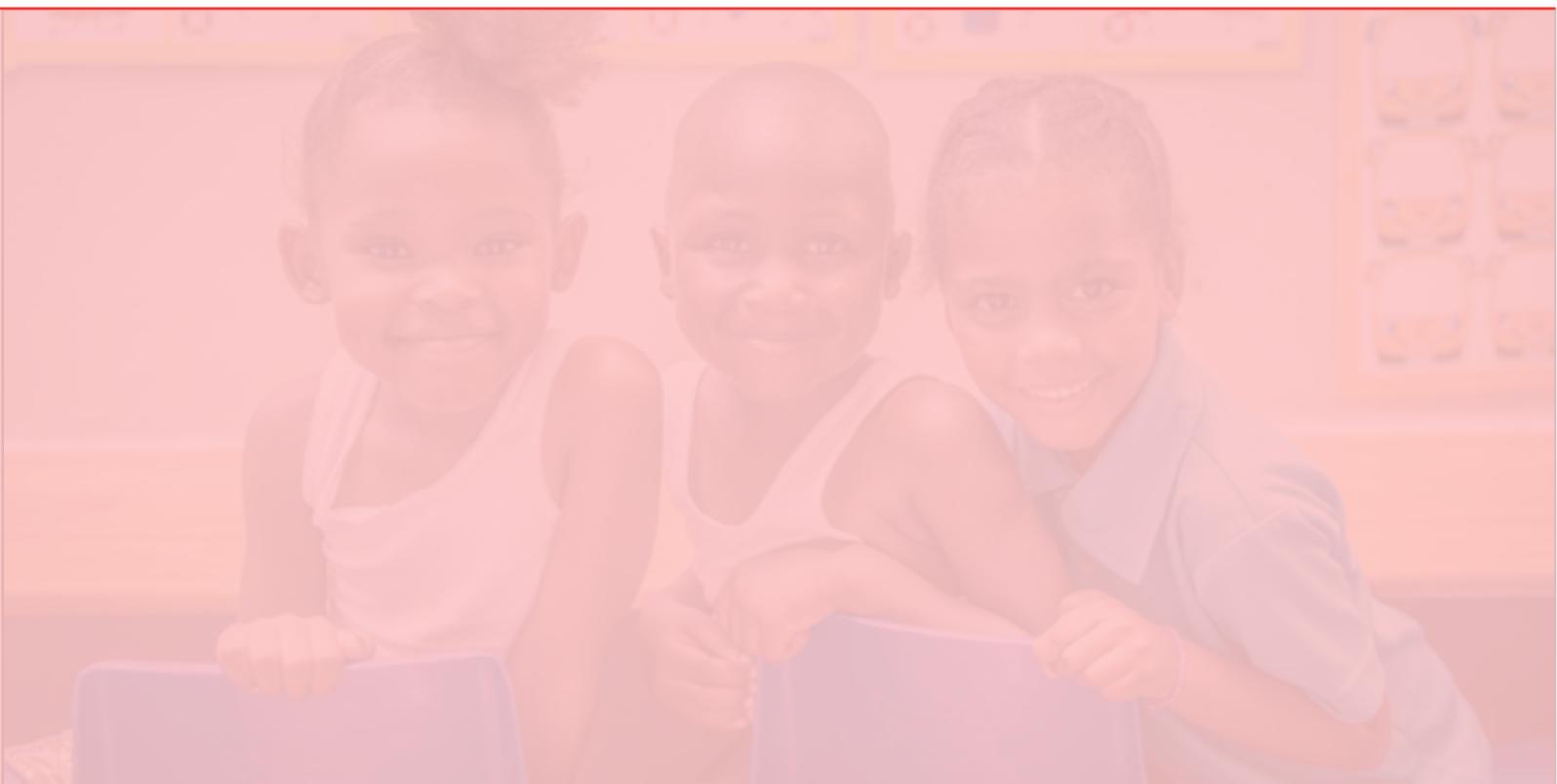


GROW has launched the beta version of a mobile app using the 5-star system to serve all GROW Educare Centres, as well as be available as a product to serve additional ECD centres that are not GROW Educare franchisees. Due to roll out in 2020, this technology platform will serve to close the gap on much-needed data on key outcomes for the ECD sector in South Africa.

GROW EDUCARE CENTRES: IMPACT ANALYSIS 2014-2019

The sections to follow describe how GROW has impacted the ECD sector in the Western Cape, KwaZulu-Natal and Gauteng provinces of South Africa over the past five years (2014-2019). The summary and breakdown that follows reflects how each outcome has contributed towards solutions to the pre-existing systemic problems stated above by using the 5 dimensions framework of the **Impact Management Project**^{xxiii}. The outcomes reflected include the 16 GROW Educare Centres that have been operating as GROW franchisees for two years or more. The two-year threshold is applied to allow sufficient time for the effects of the intervention, and their phased implementation, to be realised. Where possible, results reflecting a trend over time include GROW Educare Centres that have been operating for under two years.

Overall, outcomes achieved in the period are above target thresholds set by GROW in the areas of child development, quality teaching and increased income for principals (who are also the owners and franchise holders of the centres). Outcome levels for centre financial sustainability are on target. Although all showing improvement, outcomes achieved in the period remain below the target thresholds in the areas of centre compliance to GROW Standards; and increased income for teachers. It is also important to note that the franchisee selection criteria were refined over time, culminating in the development of the 5-Star Rating system. Consequently, the baseline results of the 2019 incoming cohort are comparatively better than the baseline results of the first centres that were opened in 2014 and 2015.



	IMPACT 1: Improved child learning outcomes	IMPACT 2: Improved quality ECD services and learning environments	IMPACT 3: Improved financially sustainable ECD centres	IMPACT 4: Increased income for teachers and principals in the ECD sector		
	Child Development	Quality teaching	Centres comply to GROW standards	Financial sustainability	Income level for teachers in the ECD sector	Income level for principals in the ECD sector
	Average child assessment score against developmental milestones: 88% Target threshold: 80%	Average quality teaching score: 81% Target threshold: 80%	Average compliance to GROW standards score: 70% Target threshold: 90%	Average financial sustainability score of GROW Educare Centres: 92% Target threshold: 92%	Average monthly income for teachers: R2 865 Target threshold: R3 500	Average monthly income for principals: R5159 Target threshold: R5 000
	Children aged 2-5 years old attending GROW Educare Centres	Teachers and principals working at GROW Educare Centres	Children aged 2-5 years old attending GROW Educare Centres	Teachers and principals working at GROW Educare Centres	Women working as teachers at GROW Educare Centres	Women working as principals at GROW Educare Centres
	406 children attending GROW Educare Centres that scored 80% or more in 2019.	33 teachers and principals working at GROW Educare Centres with a quality teaching score of 80% or more in 2019. This is a 4% increase from the average baseline score.	280 children attending GROW Educare Centres that achieved a score of 90% or more for compliance to GROW standards. This is a 67% increase from the average baseline score.	30 teachers and principals working at GROW Educare Centres that achieved a financial sustainability score of 92%. This is a 19% increase from the average baseline.	9 teachers that work at GROW Educare Centres earn an income of R3500 or more. This is a 59% increase from baseline.	11 of the 14 principals that work at GROW Educare Centres that have been running for 2 years or more, earned a minimum salary of R5 000. 61% increase from baseline.
	29% of children in South Africa aged 4-6 years old are developing on track according to the Early Learning Outcomes Measure. ^{vii} GROW's contribution: Comparatively, 52% of children attending GROW centres (operating for 2yrs or more) are developing according to GROW milestones.	In the absence of comparative industry data and benchmarks we have assumed a counterfactual using the GROW teaching quality 2019 baseline score of 78%. GROW's contribution: 4% increase in quality teaching	In the absence of comparative industry data and benchmarks we have assumed a counterfactual using the compliance to GROW standards 2019 baseline score of 45%. GROW's contribution: 67% increase in GROW compliant centres	In the absence of comparative industry data and benchmarks we have assumed a counterfactual using the GROW financial sustainability 2019 baseline score of 77%. GROW's contribution: 19% increase in financial sustainability	In the absence of comparative industry data and benchmarks we have assumed the counterfactual using the average baseline teacher salary in 2019 of R1816 for GROW Educare Centres. GROW's contribution: 58% increase in teacher's salaries	In the absence of comparative industry data and benchmarks we have assumed the counterfactual using the average baseline principal salary in 2019 of R3320 for GROW Educare Centres. GROW's contribution: 55% increase in principal's salaries
	Evidence risk: Medium Execution risk: Low External risk: Medium	Evidence risk: Medium Execution risk: Low External risk: Low Drop-off risk: Medium	Evidence risk: Low Execution risk: Low External risk: High Drop-off risk: Low Endurance risk: Low	Evidence risk: Low External risk: Medium Execution risk: Medium - High Drop-off risk: Low	Evidence risk: Medium Execution risk: Medium Stakeholder participation risk: Low External risk: Low Drop-off risk: Low	Evidence risk: Medium Execution risk: Medium Stakeholder participation risk: Low External risk: Low Drop-off risk: Low
Impact classification	CONTRIBUTES TO SOLUTIONS*					



WHAT

(The specific outcome that GROW are contributing to)



WHO

(The stakeholders experiencing the outcome)



HOW MUCH

(How many stakeholders experienced the outcome and what was the degree of change)



CONTRIBUTION

(Indication of whether GROW's efforts resulted in better outcomes than would have occurred otherwise)



RISK

(The probability that impact would be different than expected)

IMPACT 1: IMPROVED CHILD LEARNING OUTCOMES





WHAT

Child Development

To track whether children are developing according to age-appropriate developmental milestones, learner assessments are completed twice a year and a score is given to each child. In 2019 the average child development score was 88%, which is 8% higher than the target threshold of 80%.



88%
Average child development score.



WHO

Children

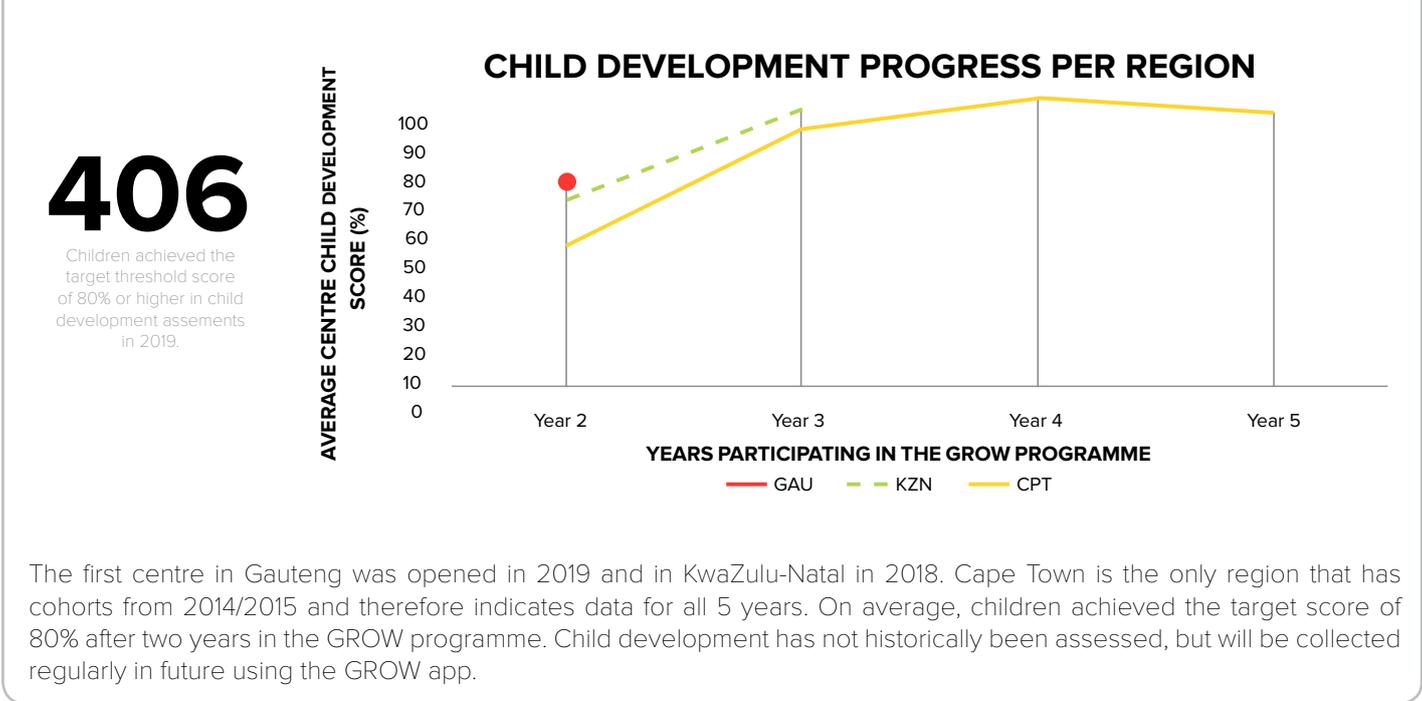
Children that attend GROW centres in the Western Cape, KwaZulu-Natal and Gauteng are the primary stakeholders who experience this outcome. The children attending these centres are aged 2-5 years old from low-income households in underserved urban and peri-urban communities.



HOW MUCH

Of the 595 children that are attending the 16 GROW Educare Centres that have been running for two years or more, 406 children achieved an average score of 80% for assessments that determine whether children are developing according to age-appropriate milestones.

The graph below shows the average child development score for children attending all GROW Educare Centres (excluding centres that have been GROW centres for less than two years) over time.





CONTRIBUTION

According to the South African Early Childhood Review 2019, based on the Early Learning Outcomes Measure (ELOM), only 29% of children aged between 4 and 6 years old were developing on track^x. This is a proxy comparative measure of what would have occurred in the absence of GROW, in lieu of standard measures of child development^x. Compared to this result, children attending GROW centres are developing 203% better.



RISK

Evidence risk – There is a medium risk that insufficient data could lead to incorrect conclusions, as comparative data would be captured on the app to reduce this risk over time.

Execution risk – Given the comprehensive 5-year support package, programme intervention and extensive monitoring that GROW Educare Centres receive, the risk that the activities are not delivered as planned is relatively low. The potential risk that the plan is not leading to intended targets and outcomes can be mitigated by adapting the plan according to the data collected and decisions to adapt the plan and its processes.

External risk – There is a medium risk that external factors (such as a pandemic, strikes, etc.) could prevent children from going to school and in turn, disrupt and / delay development.

IMPACT 2: IMPROVED QUALITY ECD SERVICES AND LEARNING ENVIRONMENTS





WHAT

Quality teaching

Quality teaching is a critical enabler when addressing South Africa's Early learning deficit. GROW calculates the level of quality teaching as a composite of the following four outcomes based on a weighting of each outcome: 1) Correct teacher to child ratio; 2) Teachers and principals are qualified; 3) Teachers are GROW trained; 4) Teachers are competent. In 2019, the average score of quality teaching across the GROW Educare Centres operating for two years or more was 81%.

81%

Have the correct child: teacher ratio after 2 years.

TEACHER : CHILD RATIO

The target teacher to child ratio is 1:15, which means that in a class of 30 learners, there should be one qualified teacher and one assistant that could be unqualified. Each centre is given a score based on the amount of children per teacher.^{xii} 13 of the 16 GROW Educare Centres that have been in the programme for two years or more had the correct teacher to child ratio.

TEACHERS & PRINCIPALS QUALIFIED

According to GROW standards, teachers should be minimum ECD NQF level 4 and principals minimum ECD NQF level 5 qualified after two years of working at a GROW Educare Centre^{xiii}. A score is given to each centre based on the qualifications of its teachers and principals.^{xiv} The teachers and principals are adequately qualified at 9 of the 16 GROW Educare Centres that have been part of the franchise for two years or more, and 32 of the 50 teachers and principals are adequately qualified.

64%

Of teachers & principals have requisite qualifications after 2 years.

100%

Of GROW Centres achieved the attendance target.

GROW TRAINING

GROW teacher training is rated based on the attendance of teacher training sessions. All 16 GROW Educare Centres achieved above the target threshold attendance.

TEACHER COMPETENCE

To assess the competency of the teachers, GROW mentors use a GROW assessment sheet to evaluate and calculate the competency score of each teacher. 9 of the 16 GROW Educare Centres achieved the target threshold of 75%. To improve this score, GROW has significantly enhanced their training curriculum (supported with 12 online modules) and on the job education mentoring processes. GROW will also monitor and track teacher turnover rates in future in order to assess the impact that this has on teacher competency scores.

56%

Achieved target competence rate after 2 years.



WHO

Teachers and principals

The teachers and principals that work at GROW centres are directly affected by these outcomes. These stakeholders are all women from low-income and underserved communities in the Western Cape, KwaZulu-Natal and Gauteng provinces of South Africa where the centres are located.



HOW MUCH

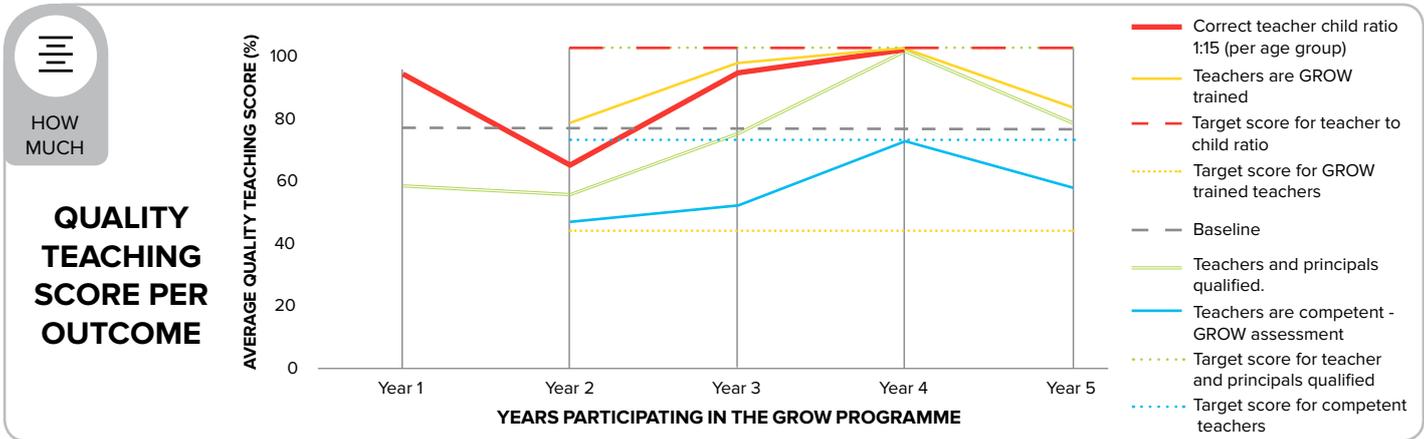
It takes time for teachers to be GROW trained and competent relative to GROW's standards and consequently, the result of these outcomes can only be seen after two years. This process is sometimes also delayed due to high turnover rates, as teachers will move to other centres for a slight increase in their monthly salary.

In 2019, 33 teachers and principals worked at GROW Educare centres (10 centres) that have been with GROW for two years and achieved a score above the target threshold for quality teaching. The quality teaching centre score has improved by 4% from a baseline of 78%.^{xv}

The graph below reflects the average score for each of the quality teaching outcomes for GROW Educare Centres, relative to the number of years they have been in the programme. The target thresholds are indicated by a dotted line per outcome.

33

Teachers and principals worked at GROW Educare Centres that achieved an above threshold score for quality teaching.



CONTRIBUTION

In 2012 it was found that a large portion of ECD facilities in South Africa had more than 40 children per playroom.^{xvi} In 2019, 13 out of the 16 GROW Educare Centres that have been running for two years or more had the correct target ratio of 1:15, suggesting that GROW Educare Centres have a better teacher to child ratio than typically found in other ECD facilities in the sector. The National Audit of Early Childhood Development Centres Report 2014 states that more than 35% of principals and 40% of teachers that worked at ECD centres in South Africa in 2014 had less than a NQF level 4 qualification^{xvii}. GROW's qualification requirements are higher, and in comparison, 75% of GROW principals have an ECD NQF level 5 qualification, while 59% of GROW teachers have an ECD NQF level 4 qualification after two years. As comparative industry data is not available for two of the four quality teaching factors, the baseline information from the 2019 cohort is consequently assumed as a proxy counterfactual measure. Compared to this result, GROW has contributed to a 4% improvement in the quality of teaching at ECD centres.

RISK

Evidence risk – There is a medium risk that insufficient data could lead to incorrect conclusions, since national data is available and more data would be derived from the app in future.

Execution risk – There is a low risk that the activities are not delivered as planned or that the quality of teaching is not up to standard, since all GROW Educare Centres are provided with a holistic programme that deals with multiple facets of the centres, and they are closely monitored.

External risk – There is a low risk that external factors could negatively influence the quality of teaching, e.g. exceptional circumstances could prevent teachers from attending trainings or completing their qualifications.

Drop-off risk – There is a medium risk that the positive impact will not endure, since the teacher to child ratio could change due to socio-economic challenges including the impact and aftermath of COVID19. However with regards to other factors of quality teaching, teachers stay qualified, trained and competent once they reach that level and therefore the positive impact should endure.

WHAT

Centres comply to GROW standards

To indicate whether GROW ECD centres comply to GROW standards, a composite score is calculated based on the weightings of the following two criteria: 1) Centre is registered; 2) Centre is professionally managed. In 2019, the average score for compliance to GROW standards was 70%, which is 22% less than the target threshold of 90% after two years. The baseline^{xviii} average score (proxy) was 42%, which is 53% below the target threshold.

Registering centres takes time and some franchisees reportedly struggle to get their centres registered, with dependency on the Department of Social Development. The ECD National Audit Report of 2014 states that the main reasons why owners struggle to get their centres fully registered, are inadequate infrastructure, inadequate equipment, inadequate staff and inadequate support material.^{vii} GROW found that building plans, lease agreements and zoning certificates are the main obstacles that delay the registration process of their franchisee centres. Centres need to be registered in order to receive a child support grant, which is critical for the financial sustainability of centres. 9 of the 16 GROW Educare Centres are registered after two years of being GROW franchisees.

To evaluate whether GROW centres are professionally managed, they are assessed by GROW mentors on the following elements: proof of staff qualifications; capacity of centre vs. actual number of children and teachers; operational and administration management; health, safety and maintenance. The GROW mentors submit a compliance report based on the assessment. On the report it is indicated whether each one of these elements are acceptable or not, and based on this information a score is calculated. 13 of the 16 GROW Educare Centres achieved above the target threshold of 75%.





Children

WHO

The children that attend GROW centres in the Western Cape, KwaZulu-Natal and Gauteng are the stakeholders who experience, and are affected by, these outcomes. The children attending these centres are aged 2-5 years old from low-income households in developing and underserved communities.



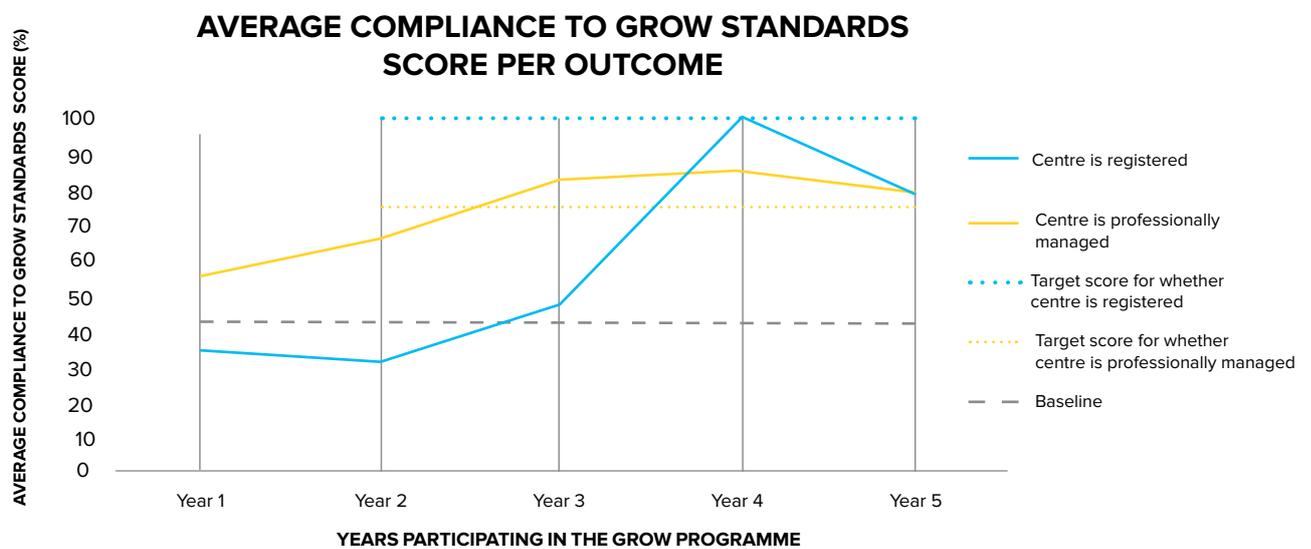
HOW MUCH

The target threshold score for compliance to GROW standards is 90%, compared to the average baseline score of 42%. Of the 16 centres that have been operating as GROW Centres for two years or more, only 8 achieved the minimum target threshold score of 90%. A total of 280 children attended these schools that scored above the target threshold for GROW compliant centres. In 2019, the average score for this outcome was 22% below the target threshold of 90%.

280

Early learners benefitted from improved learning environments by attending GROW compliant centres in 2019

The graph below indicates centre scores for compliance to GROW standards per outcome. The target thresholds of these two elements are indicated with dotted lines, to show the comparison between results achieved, and the associated goals and objectives.



From the graph above, it is evident that a majority of franchisees struggle to get their centres registered, even centres that have been operating for 5 years. Even though there has been a significant improvement compared to the baseline for both of the outcomes, the combined target threshold has not been achieved.



CONTRIBUTION

Current data indicating the status of ECD registrations is not publicly available. However, a presentation by The Department of Social Development to Parliament indicates that there were 20 422 registered ECD centres in the first quarter of 2014/15.^{xx} In addition, there is currently no comparative measure and benchmark of quality management for ECD centres. Baseline information from the 2019 cohort is consequently assumed as a proxy counterfactual measure. **GROW Educare Centres have contributed to a 67% improvement in this outcome level for centres that have been franchisees for two years or more.**



RISK

Evidence risk – There is a low risk that insufficient data could lead to incorrect conclusions since data is collected from regular compliance reports.

Execution risk – There is a low risk that the centres are not professionally managed since all GROW Educare Centres are closely monitored and regular franchisee business mentoring sessions are held.

External risk – There is a high risk that external factors might disrupt activities, e.g. external factors could prevent or delay centres from being registered as registration is dependent on the Department of Social Development (DSD).

Drop-off risk – There is a low risk that the centre is not professionally managed for a long enough period, as each franchisee has a mentor for 5 years and needs to attend regular franchisee training sessions and meetings.

Endurance risk – There is a low risk that activities are not delivered for a long enough period, as franchisees receive support and training for 5 years, which is a long enough time for new ways of operating to be sustained.

IMPACT 3: IMPROVED FINANCIALLY SUSTAINABLE ECD CENTRES

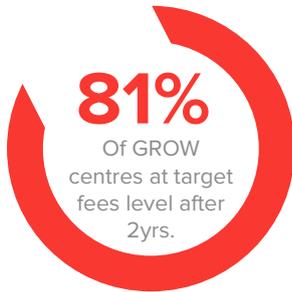




WHAT

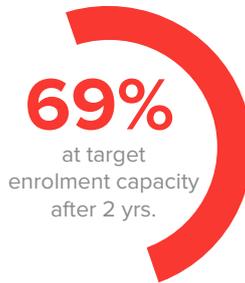
Financial Sustainability

The financial sustainability of GROW Educare Centres determines whether or not teachers and principals can be paid target salaries, as well as whether it is possible to invest in the ongoing activities of the school to the 5-Star standard. Financial sustainability is calculated as an average % of the following three outcomes: 1) Fees are at target level; 2) School is at target capacity; 3) Franchise fees are paid on time. In 2019, the average financial sustainability score for GROW Educare Centres, was 92%, which means that they are on target.



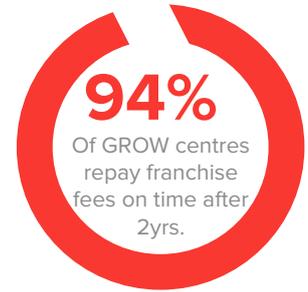
FEES AT TARGET LEVEL

Target level fees is a critical contributor to financial sustainability as the primary revenue stream of GROW Educare Centres. The target level of fees is set per school to achieve a breakeven point based on the amount of learners approved by the DSD and the target salaries of all staff members. If the centre receives a grant (subject to registration with the DSD), that amount is also part of the breakeven calculation. The fees are at target level for 13 of the 16 GROW Educare Centres.



SCHOOL AT TARGET CAPACITY

To ensure GROW centres can invest in a high-quality learning environment, it is important that the school is at enrolment capacity. This metric is calculated as follows for each GROW Educare Centre: total number of paying children / number of approved DSD capacity. 11 of the 16 GROW Educare Centres are at target enrolment capacity.



FRANCHISE FEES PAID ON TIME

Ensuring that the franchise fees are paid on time is an indicator of financial sustainability. 15 of the 16 GROW Educare Centres are paying their franchise fees on time.



WHO

Teachers and principals

The teachers and principals that work at GROW centres are directly affected by how financially sustainable the centres are. These stakeholders are all women from underserved and developing communities in the Western Cape, KwaZulu-Natal and Gauteng provinces of South Africa where the centres are located.



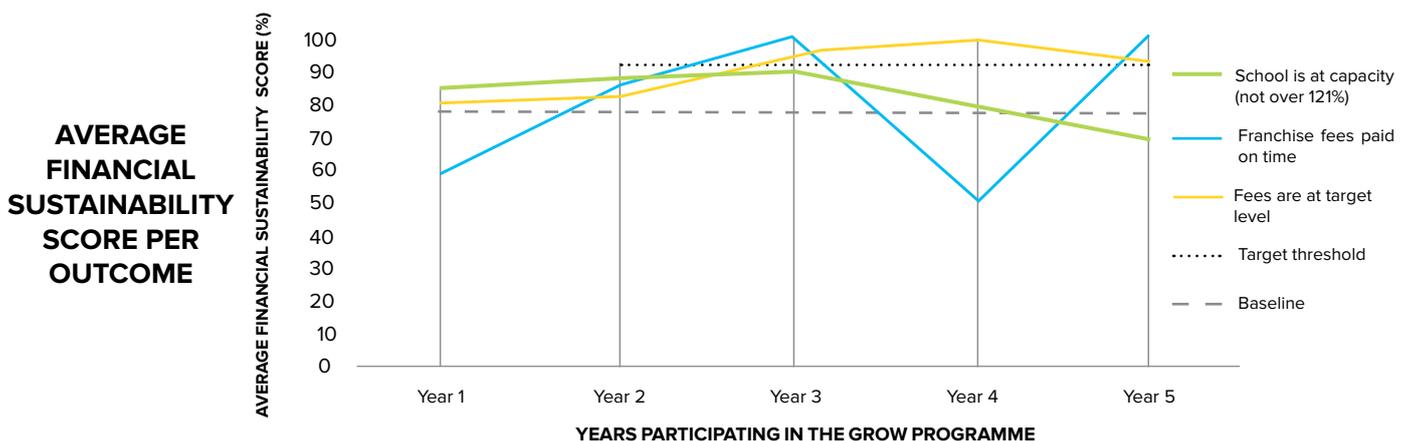
HOW MUCH

In 2019, 8 GROW Educare Centres achieved the outcome level of 92% or more for financial sustainability, demonstrating an improvement of 19% compared to the average baseline score of 77%. These 8 GROW Educare Centres employ 30 teachers and principals.

30

Teachers and principals work at GROW Educare centres that achieved a financial sustainability score of 92% or higher in 2019.

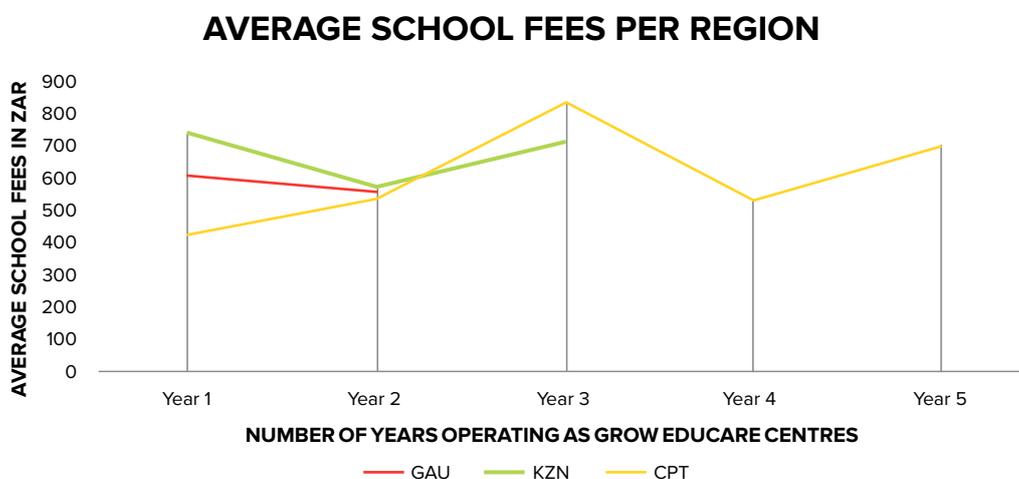
There has been a steady improvement in financial sustainability of GROW centres over time. The graph below demonstrates the trend over time (by years as a GROW Educare Centre) of the financial sustainability outcomes. The dip in year 4 relates to late fee payments that were subsequently recovered.





HOW MUCH

As school fees are calculated each year by taking into consideration the breakeven point between teacher and principal salaries and the number of children whose parents/guardians pay school fees, these rates seem to fluctuate due to the change in number of teachers and children each year. However, there seems to be an overall increase over 5 years with a drop in school fees in year 2 in KwaZulu-Natal and Gauteng. This graph also shows the expansion of GROW Educare Centres, with the first cohorts in KwaZulu-Natal and Gauteng commencing in 2017 and 2018, respectively.




CONTRIBUTION

GROW contributes to an average 19% increase in financial sustainability in centres that have been GROW franchisees for two years or more. The positive trend in improved financial sustainability of participating franchisees (over 5 years) suggests that this positive change will be sustained over time.

There is currently no comparative measure and benchmark of the financial sustainability of ECD centres. Baseline information from the 2019 cohort is consequently assumed as a proxy counterfactual measure.



RISK

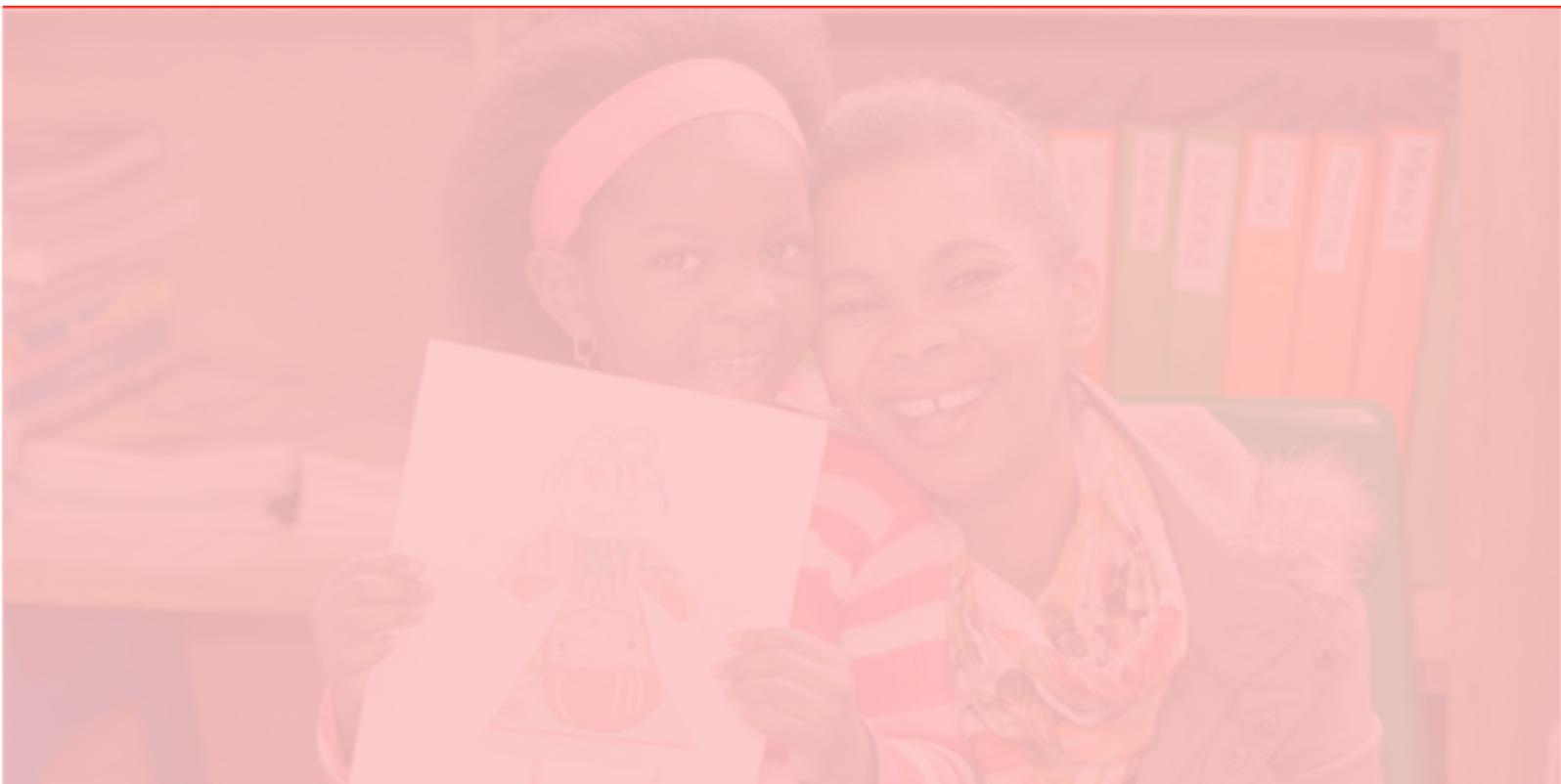
Evidence risk – There is a low risk that insufficient data could lead to incorrect conclusions since GROW Educare Centres are closely monitored.

External risk – There is a medium risk that external factors and economic shocks could disrupt activities and lead to e.g. loan repayments and school fees not being paid on time. The risk of not receiving a child support grant (subject to registration with the DSD) also influences the revenue and therefore, the financial sustainability of the centres.

Execution risk – Should school fees drop, there is a medium to high risk that the activities of the ECD centres will not be delivered as planned or that the outcomes will not be achieved, i.e. teachers cannot be paid and other costs cannot be covered.

Drop-off risk – There is a low risk that the positive impact (school is at capacity, franchise fees are paid on time, fees at target level) does not endure, due to e.g. a teacher leaving. This would influence the target level fees.

IMPACT 4: INCREASED INCOME FOR ECD SECTOR



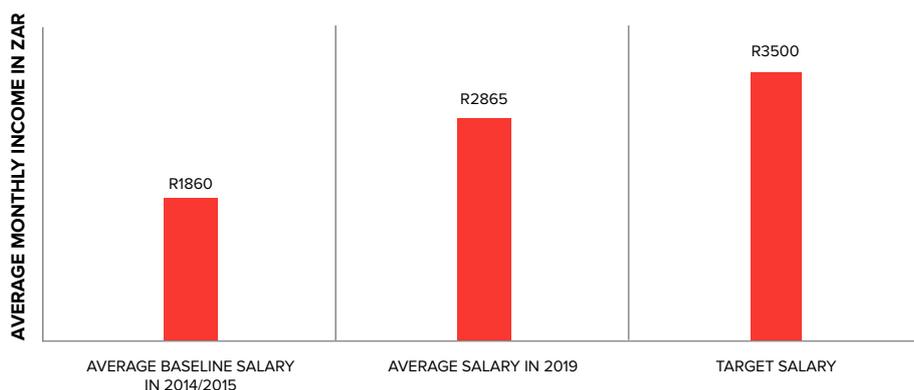


WHAT

Income level for teachers in the ECD sector

In 2019, the average monthly income for teachers working at centres that have been GROW centres for two years or more was R2865, which is 18% lower than the target threshold of R3500. Even though the target has not been met, there has been an improvement, since the average monthly income for teachers that work at GROW Educare Centres that started in 2019 was R1816 (58% lower than the income of GROW centres that have been operating for two years or more in 2019).

AVERAGE MONTHLY INCOME FOR TEACHERS



WHO

Teachers

One group of stakeholders that experience the advantage of an increased income are teachers employed in GROW Educare Centres. They are all women from low-income and underserved communities where people typically earn well below the minimum wage. These women live and work in communities in the Western Cape, KwaZulu-Natal and Gauteng provinces of South Africa where the centres are located.



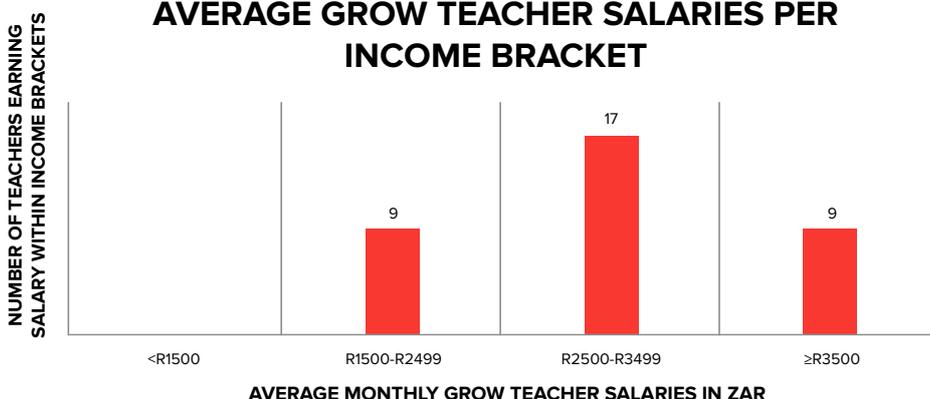
HOW MUCH

In 2019, 58% of GROW teachers that worked at GROW Educare Centres for two years or more earned more than the outcome level salary of average R2865 and 22% of these teachers earned a higher salary than the target threshold of R3500. The average monthly salary for teachers at baseline of all years and regions, is R1805. Compared to this figure, there is an increase of 59% in the average monthly income of teachers that have been employed in GROW centres for two years or more. Nine teachers have crossed the target threshold income level of R3500/

month after two years of their employers joining GROW Educare Centres. The graph to the right indicates the distribution of teacher salaries within the different salary income brackets.

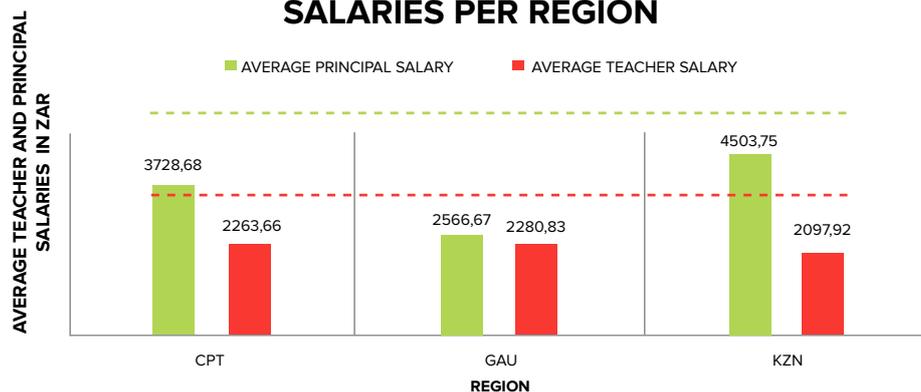
It is evident that the majority of teachers earn between R2500 and R3499 per month, just below the target threshold salary of R3500. There are a lot of foreign nationals employed in the ECD sector, who are often underpaid. GROW is attempting to address this problem by educating franchisees on labour laws and the seriousness of non-compliance.

AVERAGE GROW TEACHER SALARIES PER INCOME BRACKET



The graph below displays the average principal and teacher salaries per region in 2019 for all GROW Educare Centres, with the target teacher and principal salaries shown by dotted lines.

AVERAGE GROW PRINCIPAL AND TEACHER SALARIES PER REGION



9

Teachers earned the target level salary of R3500 or more in 2019.

From this graph, it is evident that KwaZulu-Natal has the highest principal salary and lowest teacher salaries, thus making it the province with the biggest level of wage disparity. Gauteng has the smallest difference between principal and teacher salaries.



Industry data regarding the income of teachers at ECD centres is unavailable. The 2019 baseline average information is therefore assumed as the proxy counterfactual for what would have happened in the industry in the absence of the intervention.^{xxii} The conclusion is therefore that a teacher at a GROW Educare Centre earns on average, 58% more than teachers at other ECD centres.



Evidence risk – There is a medium risk that insufficient data could lead to incorrect conclusions, as comparative data would be captured on the app to reduce this risk over time. Once the app is fully functional, it will be possible to gather comparative industry data regarding the income of teachers in the broader ECD sector.

Execution risk – There is a medium risk that teachers do not earn a decent income, as principals could choose to pay them less. However, this should be monitored by the centre’s business mentor.

External risk – There is a low risk, since external factors such as a pandemic or recession, could prevent teachers from getting a decent salary.

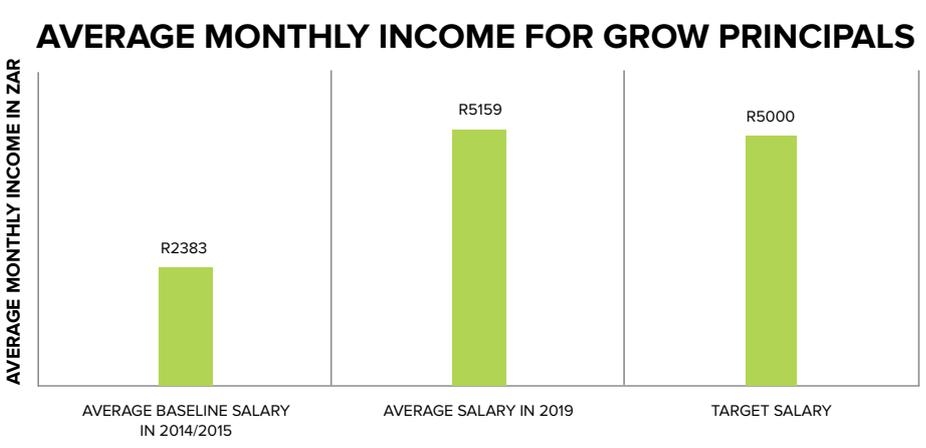
Stakeholder participation risk – There is a low risk that the experiences/expectations of the teachers are misunderstood or not considered, as the minimum wage of the country is taken into consideration when determining the target monthly salary for teachers.

Drop-off risk – There is a low risk that teachers’ salaries could decrease, as it is dependent on, among other things, the amount of income from school fees, which could change.



Income level for principals in the ECD sector

In 2019, the average monthly income for principals was R5159, which is 3% higher than the target threshold of R5000. Significant improvements have been made, since the average income level for principals that work at centres that joined GROW in 2019 was R3320 (55% lower than the average salary of principals working at centres that have been operating for two years or more). Receiving a salary of at least R5000 is critical to the principals, as some of them are the sole providers for their households.



Principals

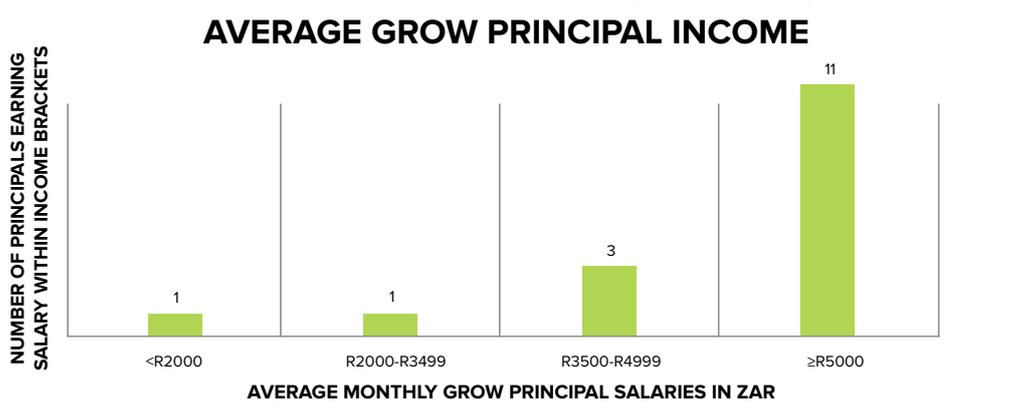
The stakeholders that experience the advantage of an increased income are the principals or franchise owners. They are all women from underserved and developing communities where people typically earn below minimum wage in the Western Cape, KwaZulu-Natal and Gauteng provinces of South Africa where the centres are located.



In 2019, 31% of GROW principals that worked at GROW Educare Centres for two years or more earned a minimum salary of R5159. The average baseline salary across all years for principals is R3198, which is 36% lower than the average salaries of principals that have been working at GROW centres for two years or more. 79% (11) of the principals that work at centres that have been running for two years or more, earned a minimum salary of the target threshold R5000.

The graph below shows the distribution of principal salaries within defined income brackets. The majority of principals earn above the target threshold salary of R5000 per month. Most principals are either earning above the target threshold, or the income bracket just below.

11
Principals earned the target threshold salary of R5000 or more in 2019.

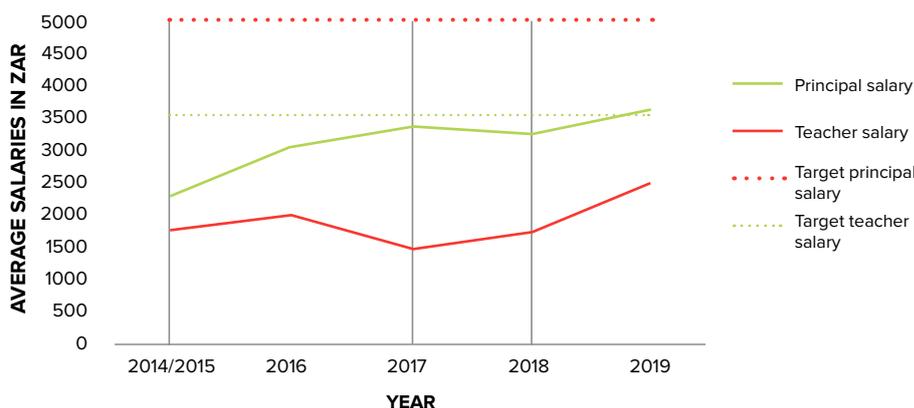




HOW MUCH

The following graph indicates the average principal and teacher baseline salaries for the various years.

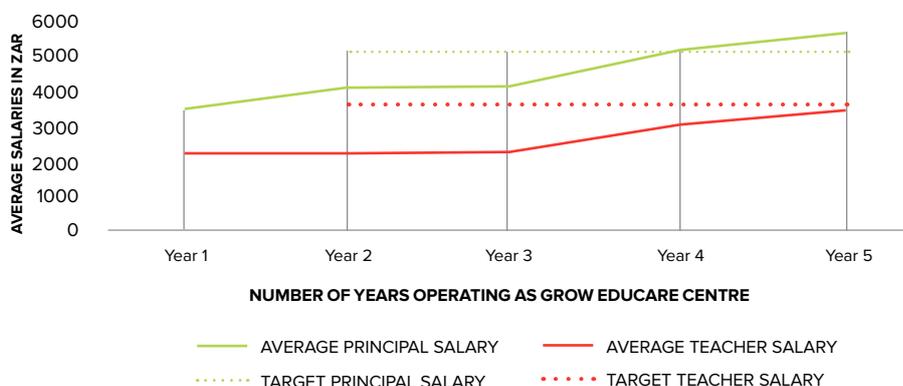
INITIAL GROW TEACHER AND PRINCIPAL SALARIES



The graph shows that both teachers and principals earn typically well below the target income when centres become GROW Educare Centres. In 2017, a number of schools with lower fees were added to the GROW programme, consistent with the relatively lower initial income earned by teachers in that cohort.

This graph shows that even though the target average principal and teacher salaries are not achieved after two years, there is an overall increase in salaries over five years. Principals that work at GROW Educare Centres that have been operating for five years, generally earn a higher salary than the target monthly income of R5000. The 2019 figures show that for teachers and principals in centres that have been GROW centres for two years or more, the average teacher salary was only 18% below the target income and the average principal salary was 3% higher than the target income. This demonstrates a positive trend and change in income from baseline figures to 2019 results.

AVERAGE GROW TEACHER AND PRINCIPAL SALARIES



CONTRIBUTION

Industry data regarding the income of principals at ECD centres is unavailable. The 2019 baseline information is therefore assumed as a proxy measure for what would have happened in the absence of the GROW intervention (a counterfactual). This suggests that a principal working at a GROW Educare Centre earns 58% more than principals working at other ECD centres. GROW ECD's app is being developed to serve the ECD sector more broadly and so will provide rich comparative data beyond GROW ECD centres in the future.



RISK

Evidence risk – There is a medium risk that insufficient data could lead to incorrect conclusions, as comparative data would be captured on the app to reduce this risk over time. However, by using a counterfactual proxy, there is a reasonable level of confidence in the conclusions that can be drawn. Once the app is operational and available, it will be possible to gather comparative industry data regarding the income of principals in the broader ECD sector.

Execution risk – There is a medium risk that principals do not earn their target salaries, as the amount of children whose school fees are paid, or whether a grant is received or not, influences the principal's salary.

External risk – There is a low risk, since external factors such as a pandemic or recession, could prevent principals from getting a decent salary.

Stakeholder participation risk – There is a low risk that the experiences/expectations of the teachers are misunderstood or not considered, as the minimum wage of the country is taken into consideration when determining the target monthly salary for principals.

Drop-off risk – There is a low risk that principals' salaries could decrease, as it is dependent on, among other things, the amount of income from school fees, which could change.

References

ⁱHome-based playgroup, Day mother / Gogo, Creche / Educare centre, Pre-school / Nursery School.

ⁱⁱStatistics South Africa. 2016. Education Series Volume IV: Early Childhood Development in South Africa, 2016. Available from: <http://www.statssa.gov.za/publications/92-01-04/92-01-042016.pdf>

ⁱⁱⁱDepartment of Social Development. 2014. Audit of Early Childhood Development (ECD) Centres. National Report. Available from: <http://ilifalabantwana.co.za/wp-content/uploads/2015/08/ECDAuditNationalReport20140731ReviewedFINALVersionES11.pdf>

^{iv}A National Minimum Wage for South Africa. Recommendations on policy and implementation. 2016. National Minimum Wage Panel Report to the Deputy President. Available from: <http://www.treasury.gov.za/publications/other/NMW%20Report%20Draft%20CoP%20FINAL.PDF>

^vGovernment Gazette, Republic of South Africa. 2018. Available from: https://www.gov.za/sites/default/files/gcis_document/201811/42060gon1303act9of2018.pdf

^{vi}Quality teaching, Child development, Sustainable Business, Compliant to GROW Standards, Lives GROW Values.

^{vii}Knowledge Information & Data Solutions. 2019. South African Early Childhood Review. Available from: http://www.ci.uct.ac.za/sites/default/files/image_tool/images/367/SA-ECR_2019_12_09_2019_online_pages_0.pdf

^{viii}The level of outcome that GROW Educare considers to be a positive outcome. Anything below this level is considered a negative outcome. The outcome threshold can be a nationally or internationally-agreed standard.

^{ix}Impact classification: According to the Impact Management Project, the impact of an enterprise can be classified as: 1) Act to avoid harm; 2) Benefit stakeholders; 3)Contribute to solutions.

^xKnowledge Information & Data Solutions. 2019. South African Early Childhood Review. Available from: http://www.ci.uct.ac.za/sites/default/files/image_tool/images/367/SA-ECR_2019_12_09_2019_online_pages_0.pdf

^{xi}In future, a direct comparison between the results in GROW centres and non-GROW centres will be possible with data from the 5-star ECD rating app.

^{xii}If a centre has the correct teacher to child ratio, a score of 100% is given. However, if a school has e.g. between 31 and 35 learners in a class of one teacher and one assistant, a score of 75% would be given to that centre.

xiii

QUALIFICATION	NQF LEVEL	ENTRANCE REQUIREMENT	DURATION
ECD Practitioner Assistant	NQF Level 1	Not specified	18 months
National N Diploma in Educare	NQF Level 5 (N4, N5, N6 Educare Certificate, Practical)	Matric of equivalent	6 months 6 months 6 months 18 - 24 months
National Certificate in ECD/ Further Education and Training certificate	NQF Level 4	Communication & Maths Literacy at NQF LEVEL 3, Second language at NQF LEVEL 2	18 months full time
National Higher Certificate in ECD	NQF Level 5	Grade 12, or equivalent qualification, or NQF 4 National Certificate in ECD or NQF 4 TVET National Certificate in ECD or NQF 4 National Certificate (vocational)	18 months full time
Advanced Certificate in ECD	NQF Level 6	Not specified	18 months full time
Bachelor of Education in ECD Foundation Phase	NQF level 7	Not specified	Not specified
Grade R certificate in teaching	NQF Level 6	Not specified	Not specified

^{xiv}If e.g. a centre has 3 teachers of which 2 are qualified, they receive a score of 66%. In addition to that, if the principal has a NQF level 4 qualification, a 50% score is given. Therefore, the total average score for that specific centre would be 58%.

^{xv}As baseline information on quality teaching has not been tracked historically, data from GROW Educare Centres that were opened in 2019 is assumed as the baseline information.

^{xvi}Atmore, et al. 2012. Challenges facing the early childhood development sector. Available from: file:///C:/Users/marse/Downloads/25-1046-1-PB%20(1).pdf

^{xvii}Department of Social Development. 2014. Audit of Early Childhood Development (ECD) Centres. National Report. Available from: <http://ilifalabantwana.co.za/wp-content/uploads/2015/08/ECDAuditNationalReport20140731ReviewedFINALVersionES11.pdf>

^{xviii}Due to changes and additions to the data collected as part of GROW's 5 star rating system, baseline data was not collected on this indicator from 2014. The baseline information from GROW Educare Centres that joined in 2019, is taken as the proxy baseline information.

^{xix}Due to changes and additions to the data collected as part of GROW's 5 star rating system, baseline data was not collected on this indicator from 2014. The baseline information from GROW Educare Centres that joined in 2019, is taken as the proxy baseline information.

^{xx}NCOP Health and Social Services. 2014. Early Childhood Development programme: Department of Social Development, National Development Agency & SALGA briefing. Available from: <https://pmg.org.za/committee-meeting/17753/>

^{xxi}Due to changes and additions to the data collected as part of GROW's 5 star rating system, baseline data was not collected on this indicator from 2014. The baseline information from GROW Educare Centres that joined in 2019, is taken as the proxy baseline information.

^{xxii}In future, a direct comparison between the results in GROW centres and non-GROW centres will be possible with data from the 5-star ECD rating app.

^{xxiii}<http://impactmanagementproject.com/impact-management/impact-management-norms/>

Acknowledgements

GROW Educare Centres
Impact Report 2014-2019

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