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## Investing in Early Childhood Development and Learning is Key to the Success of Our Children and Our Nation's Long-Term Economic Growth



High quality early childhood development and learning opportunities effectively prepare children to succeed in school and in life, and provide a substantial economic return to society. A safe, nurturing, stable and stimulating environment is crucial to ensuring that a child's brain develops appropriately during these earliest years of rapid development. Children who receive a high quality early childhood experience are more likely to graduate from school, maintain a job, and contribute to society and they are less likely to be funneled into the prison pipeline. High quality early childhood programs have been shown to return at least 7 percent per year for every dollar invested, paying for themselves.

**Extensive research has demonstrated how young children, particularly disadvantaged children, can benefit from investments in early childhood development and learning.**

- There is a large body of evidence going back in some cases to programs from the 1960s demonstrating the positive and lifelong impact of high quality early childhood programs for low-income children across both cognitive and non-cognitive domains.
  - Compared to children who did not receive a high quality early intervention, children who attended the high quality **Perry Preschool Program** when they were 3- and 4-years-old were more likely to graduate from high school, earn higher wages and hold a job, and less likely to have committed a crime by age 40.<sup>1</sup>
  - Children birth through 5 who attended the **Abecedarian Program** in North Carolina had higher mental health, language and math scores by age 21 than their peers who did not receive a high-quality early intervention and were more likely to have attended a four-year college.<sup>2</sup>
  - By age 26, children who had received comprehensive educational and family support services from ages 3 to 9 through the publicly-financed **Chicago Child-Parent Centers** were less likely to have been arrested, have problems with substance misuse and be on food stamps, and more likely to have completed high school, have health insurance and be employed full-time relative to comparison groups of children not enrolled in the program.<sup>3</sup>
- Evaluations of early childhood programs, some more recent, cite positive impacts on children's educational performance.
  - A recent meta-analysis of 84 different studies on the impact of early childhood programs from 1965 to 2007 found that early education programs improve children's school readiness and pre-academic skills. Although gains on academic achievement tests typically fade over time, some studies demonstrate lasting impacts of early childhood programs on children's later life chances.<sup>4</sup>

- A 2013 analysis of children who participated in New Jersey’s Abbott Preschool program shows that they had improved achievement in language arts and literacy, math and science, as well as reduced grade retention and special education placement rates through the 4<sup>th</sup> and 5<sup>th</sup> grades, compared to children not in the Abbott program.<sup>5</sup>
- A 2005 analysis of Oklahoma’s universal pre-K program revealed that the program resulted in significant gains in cognitive and language skills, particularly for disadvantaged children.<sup>6</sup>

### **Notable economists say investments in quality early childhood programs provide a substantial economic return to society and business leaders support such investments.**

- The research of **Dr. James Heckman, Nobel Laureate in Economics**, has found that quality early childhood education provides an economic return to society at a rate of seven to 10 percent per year.<sup>7</sup> In a statement supporting the Strong Start for America’s Children Act (S.1697/H.R. 3461) introduced in Congress, Dr. Heckman notes that “Quality birth-to-five early childhood education for disadvantaged children can simultaneously reduce inequality and boost productivity in America. A solid body of research shows the cost-effectiveness of early childhood development in helping to prevent achievement gaps, boost school achievement, promote better health outcomes, improve our workforce, increase productivity and reduce the need for costly social spending.”<sup>8</sup>
- **Dr. Ben Bernanke, Former Chairman of the Board of Governors of the Federal Reserve System**, elaborates on these annual rates of return of 10 percent or higher. “Very few alternative investments,” he says, “can promise that kind of return. Notably, a portion of these economic returns accrues to the children themselves and their families, but studies show that the rest of society enjoys the majority of the benefits, reflecting the many contributions that skilled and productive workers make to the economy.”
- **More than 300 business leaders and organizations** from 44 states signed a letter in May 2013 asking President Obama and Congress to support and invest in high quality early childhood programs.<sup>9</sup> In 2010, the **U.S. Chamber of Commerce and the Institute for a Competitive Workforce** released a report and action guide urging business leaders to support public investments in early childhood education.<sup>10</sup>

### **Many poor children do not have access to high quality early childhood development and learning opportunities, putting them at a disadvantage from the start.**

- Young children are the most likely to be poor. In 2012, more than 1 in 5 children under age 5 were poor – nearly 5 million children. Close to 3 million of them were under age 3.<sup>11</sup>
- Only 48 percent of poor children are ready to learn at age 5 compared to 75 percent of children from families with moderate and high incomes.<sup>12</sup>
- Public funding for early childhood development and learning fails to meet the current need:
  - Early Head Start and Head Start, the largest federal programs supporting early childhood development and learning, enrolled just about 4 percent of eligible infants and toddlers and 41 percent of eligible 3- and 4-year-olds on any given day in 2012.<sup>13</sup>
  - Less than half of all 3- and 4-year-old children were enrolled in preschool on average from 2009-2011, with quality varying dramatically across the country.<sup>14</sup> The quality of such programs varies dramatically across the country.<sup>15</sup>
  - There were about 224,000 children and families on waiting lists to receive public child care assistance in 2013, with many more not served due to frozen intake at the state level.<sup>16</sup>

## Investing in early childhood development and learning has broad public support.

- A July 2014 poll found that 71 percent of the registered voters supported a \$100 billion, 10-year investment to provide all low- and moderate-income 4-year-olds with access to voluntary high quality preschool programs, while increasing access to early education and child care for infants and toddlers and home visiting and parent education. Support was strong across the political spectrum, gaining support from three in five Republican voters and more than four in five Democratic voters.<sup>17</sup>
- Leaders in both red and blue states have invested in early development and learning over the last several decades. Arkansas, Georgia and Oklahoma have consistently been acknowledged as leaders in providing widespread access to high quality public preschool, as have North Carolina, Maryland and New Jersey.<sup>18</sup>
- In 2014, 20 governors and the Mayor of the District of Columbia, including 8 Republicans and 13 Democrats, highlighted the importance of early childhood development and learning in their State of the State Addresses, calling for improved access and quality in their states' programs.

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<sup>1</sup> Schweinhart, Lawrence J., Jeanne Montie, Zongping Xiang, W. Steven Barnett, Clive R. Belfield, and Milagros Nores. 2005. *The High/Scope Perry Preschool Study Through Age 40: Summary, Conclusions, and Frequently Asked Questions*. High Scope Press.

[http://www.highscope.org/file/Research/PerryProject/specialsummary\\_rev2011\\_02\\_2.pdf](http://www.highscope.org/file/Research/PerryProject/specialsummary_rev2011_02_2.pdf)

<sup>2</sup> Campbell, Frances, Craig Ramey, Margaret Burchinal, Elizabeth Pungello, Barbara Hanna Wasik, and Joseph Sparling. 1999. *Early Learning, Later Success: The Abecedarian Study*. Franklin Porter Graham Child Development Center at the University of North Carolina at Chapel Hill. <http://abc.fpg.unc.edu/publications>.

<sup>3</sup> Reynolds, Arthur J., Judy A. Temple, Barry A.B. White, Suh-Ruu Ou, and Dylan L. Robertson. 2011. Age 26 Cost-Benefit Analysis of the Child-Parent Center Early Education Program. *Child Development*. <http://ts-si.org/files/doi101111j14678624201001563x.pdf>.

<sup>4</sup> Duncan, Greg J. and Katherine Magnuson. 2013. Investing in Preschool Programs. *Journal of Economic Perspectives – Spring 2013*. <http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.27.2.109>.

<sup>5</sup> Barnett, W. Steven, Kwanghee Jung, Min-Jong Youn, Ellen C. Frede. 2013. *Abbott Preschool Program Longitudinal Effects Study: Fifth Grade Follow-Up*. National Institute for Early Education Research. <http://nieer.org/sites/nieer/files/APPLES%205th%20Grade.pdf>.

<sup>6</sup> Gormley, William T. and Deborah Phillips. 2005. *The Effects of Universal Pre-K in Oklahoma: Research Highlights and Policy Implications*. Georgetown University Center for Research on Children in the United States. <http://www.crocus.georgetown.edu/reports/CROCUSworkingpaper2.pdf>.

<sup>7</sup> Heckman, James J. 2011. *The Economics of Inequality: The Value of Early Childhood Education*. *The American Educator*. <http://www.aft.org/pdfs/americaneducator/spring2011/Heckman.pdf>.

<sup>8</sup> Heckman Equation. 2013. Professor Heckman Applauds Early Childhood Bill Introduction.

<http://heckmanequation.org/content/professor-heckman-applauds-early-childhood-education-bill-introduction>.

<sup>9</sup> May 29, 2013. More than 300 Business Leaders and Organizations from 44 States Sign Letter Asking Lawmakers to Support Early Childhood Programs. Ready Nation.

[http://www.readynation.org/uploads/20130528\\_BusinessLetterPressRelease.pdf](http://www.readynation.org/uploads/20130528_BusinessLetterPressRelease.pdf).

<sup>10</sup> 2010. *Why Businesses Should Support Early Childhood Education*. U.S. Chamber of Commerce and Institute for a Competitive Workforce.

[http://www.smartbeginnings.org/Portals/5/PDFs/Research/ICW\\_EarlyChildhoodReport\\_2010.pdf](http://www.smartbeginnings.org/Portals/5/PDFs/Research/ICW_EarlyChildhoodReport_2010.pdf).

<sup>11</sup> U.S. Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement. Table POV01 and POV34. <http://www.census.gov/hhes/www/cpstables/032013/pov/toc.htm>.

<sup>12</sup> Isaacs, Julia B. 2012. *Starting School at a Disadvantage: The School Readiness of Poor Children*. Brookings Institute Center on Children and Families.

[http://www.brookings.edu/~media/research/files/papers/2012/3/19%20school%20disadvantage%20isaacs/0319\\_school\\_disadvantage\\_isaacs.pdf](http://www.brookings.edu/~media/research/files/papers/2012/3/19%20school%20disadvantage%20isaacs/0319_school_disadvantage_isaacs.pdf).

<sup>13</sup> Head Start Program Information Reports, 2013

<sup>14</sup> Annie E. Casey Foundation Kids Count Data Center. 2013. *Children Ages 3 and 4 Not Enrolled In Preschool, 2009-2011*. <http://datacenter.kidscount.org/data/tables/7188-children-ages-3-to-4-not-enrolled-in-preschool?loc=1&loct=1#detailed/1/any/false/995,932,757,470,116/any/14230,14231>.

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<sup>15</sup> Barnett, W. Steven, Megan E. Carolan, Jen Fitzgerald, and James H. Squires. 2013. The State of Preschool 2012. National Institute for Early Education Research. <http://nieer.org/sites/nieer/files/yearbook2012.pdf>.

<sup>16</sup> Schulman, Karen and Helen Blank. 2013. Pivot Point: State Child Care Assistance Policies, 2013. National Women's Law Center.

[http://www.nwlc.org/sites/default/files/pdfs/final\\_nwlc\\_2013statechildcareassistancereport.pdf](http://www.nwlc.org/sites/default/files/pdfs/final_nwlc_2013statechildcareassistancereport.pdf).

<sup>17</sup> Public Opinion Strategies and Hart Research Associates survey of 800 registered voters conducted May 28-June 1, 2014. First Five Years Fund. [http://ffyf.org/wp-content/uploads/2014/07/F\\_FFYF\\_ResearchSummaryHandout\\_071414.pdf](http://ffyf.org/wp-content/uploads/2014/07/F_FFYF_ResearchSummaryHandout_071414.pdf).

<sup>18</sup> Id. at 15.