

EARLY CHILDHOOD DEVELOPMENT **ECONOMICS**

“Recent research ... has documented the high returns that early childhood programs can pay in terms of subsequent educational attainment and in lower rates of social problems, such as teenage pregnancy and welfare dependency.” – James Heckman, Ph.D., Nobel Laureate in Economic Sciences

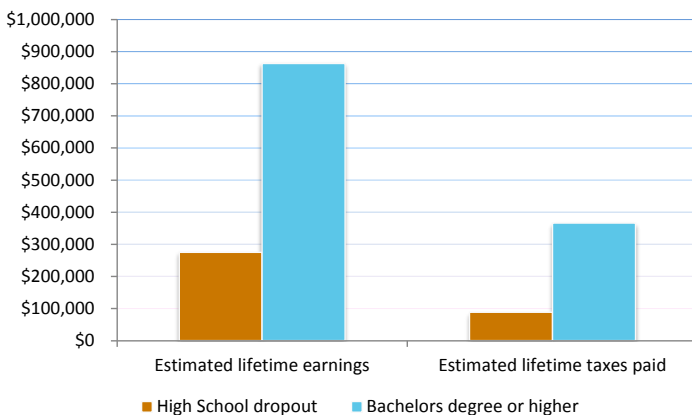
Their Pride and Joy. Our Economic Future.

We love them, guide them ... and will ultimately depend on them. Today’s infants are tomorrow’s workforce. And the traits that make good employees—intelligence, creativity and social skills—are rooted in the first five years of life. Early childhood development creates workers who can imagine, innovate and produce in the global marketplace.

As we look for ways to keep our state and our country prosperous, we must not forget the link between early childhood development and economic development.



Estimated Earning Potential for a Five-Year Old Starting School Today



Source: City University of New York

A Growing Concern

Early childhood development is the answer to the growing achievement gap, as a changing U.S. workforce struggles to stay competitive in a global economy.

- **40%** - Portion of the American workforce scheduled to retire in the next five years
- **54%** - Percentage of American business leaders who anticipate difficulty finding enough educated and skilled workers to fill jobs in the future.
- **58%** - Percentage of employers who feel the incoming workforce is well below the quality of the global competition
- **74%** - Portion of business leaders who say a skilled workforce is the most important factor to business success
- **75%** - Percentage of American business leaders calling for universal pre-kindergarten



A Proven Solution

Decades of research have demonstrated the long-term economic benefits of early childhood education:

- Lower costs for remedial and special education and grade repetition
- More school completion and skills in the workforce
- Better job preparedness and ability to meet labor force demands
- Higher incomes and tax payments from those who complete school
- Lower criminal costs and prison costs
- Fewer welfare payments

Business organizations advocating for early childhood development:

- The U.S. Chamber of Commerce uschamber.com
- The Committee for Economic Development ced.org
- Partnership for America's Economic Success partnershipforsuccess.org
- The Business Roundtable businessroundtable.org
- Corporate Voices for Working Families cvworkingfamilies.org
- The National Economic Development and Law Center nedlc.org

Program	Estimated Benefit-Cost Ratio	% of returns to the General Public
Carolina Abecedarian Project	2.5-to-1	6%
Pre-K for All (projected)	8-to-1	20%
Targeted Pre-K (projected)	12-to-1	24%
Chicago Child-Parent Centers	10.15-to-1	68%
High/Scope Perry Preschool	17.1-to-1	75%