

Investments in the Future Workforce

For every \$1 allocated for early childhood development interventions, the return on investment can be as high as \$13.¹ Pregnancy to age three are the most formative years in a child's development with more than 80% of the child brain being formed during this critical state of development.² Early childhood is a seminal development stage which requires safety, proper nutrition, and a nurturing environment in order to promote positive outcomes later in life. While countless research endorses the long-term benefits of effective early child support, socio-economic status is a key determinant in a child's health, access to quality education, and social mobility. While there have been significant strides to ameliorate poverty, 37% of all children in the U.S. will live in poverty during some point in their lifetime.³ In fact, children living in poverty are at a greater risk of experiencing chronic illness, delayed development, poor social emotional relationships, and psychological difficulties.⁴

VALIDATING THE NEED FOR EARLY CHILDHOOD EDUCATION

The research is clear: children from economically disadvantaged backgrounds who attend quality preschool programming have long-term positive outcomes. These benefits include increased academic performance, greater financial security, reductions in juvenile incarceration and dropout rates, and the need for public assistance into adulthood.⁵ In the 60 year logintudinal study of the Perry Preschool Project, respondents who participated in ECE were more likely to exercise and less likely to be diagnosed with adverse health effects such as diabetes, or engaged in high risk behaviors such as substance abuse.⁶ In addition, during years of peak career productivity (26-40) male ECE participants exhibited higher employment rates of 42% and earned on average \$181,500 more compared to their non-ECE counterparts.^{7,8} Research concludes that the U.S.'s economic vitality is contingent upon the creation of opportunities for upward social mobility and the establishment of a well

Economists have calculated the return on investment of quality child care, finding that high-quality early care and learning programs can yield a \$4 to \$12 return per dollar invested.

educated workforce: both of which are positively impacted when children have quality ECE.⁹

INVESTMENTS IN EARLY CHILDHOOD ARE A STRONG DRIVER FOR LIFELONG SUCCESS

Expanding ECE programming in the U.S. has residual advantages. Within recent years, financial investments for ECE programming have increased with states spending \$7.4 billion in 2016 to support early education for nearly 1.5 million 3- and 4-year-olds.¹⁰ Nevertheless, the progress made as a result of these fiscal allocations are in juxtaposition to the approximately 6.4 million children receiving special education services, and of those 250,000 are retained each year, culminating in per pupil expenditures for special education and retention at \$8,000 and \$12,000, respectively.¹¹ The long-term economic ramifications are even more exorbitant considering that 373,000 students in the U.S. drop out of high school annually resulting in an estimated \$689,000 reduction in lifetime earnings and a \$262,000 deficit to the larger economy.¹² Subsequently, these factors indicate the increased investments in ECE may curtail fiscal strains, ameliorate inequities, and improve educational outcomes.

Quality early childhood programs yield a 7% to 13% return on investment per year through better school and career outcomes and reduced spending on remedial education, health issues, and the criminal justice system.

The Takeaway

Investments in child care and early learning is an investment in the future. Just as positive experiences can lead to long lasting positive outcomes for young children, negative early childhood experiences can lead to deficits in capabilities, decreased productivity, and increased in social costs. To maintain a competitive economy and reduce societal debts, the United States must invest in the future, beginning with quality early child care and education. Such care fosters employment success and reduces social deficits creating economic growth for families, communities, and the nation.

Endnotes

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