



## Early Childhood Education as a Strategy for Economic Development

As a result of the growing body of research on brain development as well as research linking investments in early childhood as a tool for the economic development of entire communities; we are witnessing a national, state, and local movement to focus on high quality preschool programs. Study after study unambiguously shows that the first five years of a child's life are critical to brain development as they are important for the growth of language, critical thinking and social skills. We also know from the growing sector of economists speaking out in support of quality preschool programs that investing in the first five years of a child's life yields very large returns.

According to the High/Scope Educational Research Foundation, for every tax dollar invested in quality early childhood education and development returns more than \$17 to the community at large by increasing the likelihood that children will be literate, enrolled in postsecondary education, employed and less likely to be school dropouts, dependent on welfare, or arrested for criminal activity.

“We should be investing in high quality early childhood development programs to improve the quality of life of millions of our children, to reduce crime, to make the workforce of the future more productive, and to strengthen our economy.”

---**Economic Policy Institute**

“Early childhood investments make more sense than spending on venture capital funds, subsidizing new industries such as biotechnology, building new stadiums or providing tax incentives for businesses.”

---**Federal Reserve Bank of Minneapolis**

“Companies have also found that there are business benefits in providing their own employees assistance with early childhood programs, including improved recruitment and retention. Employees with access to family-supportive programs and policies are more likely to be satisfied with their jobs, to be loyal, to go the extra mile to help their companies succeed, and to stay at their jobs.”

---**Corporate Voices for Working Families**

“Law enforcement leaders know that to win the war on crime, we need to be as willing to guarantee our kids space in a pre-kindergarten program as we are to guarantee a criminal a prison cell.”

---**Fight Crime: Invest in Kids**

“By investing early in our youngest children, we not only put them on a path to succeed in school and life, we save billions of dollars in cost of future remedial education, crime, and lost productivity.”

---**Voices for America's Children**

“Economic analysis tells us that early childhood education is a sound investment of limited resources. Scientific research tells us it is an effective strategy to improve educational outcomes. Common sense tells us that it is what children need.”

---**Genzyme Genetics**

## **Research and Key Reports Outlining the Economic Benefits of Investing in Early Childhood Programs**

### **Committee for Economic Development**

Developmental Education: The Value of High Quality Preschool Investments as Economic Tools.  
(2004) <http://www.ced.org/>

### **Economic Policy Institute.**

Exceptional Returns: Economic, Fiscal, and Social Benefits of Investment in Early Childhood  
Development. (2004) <http://www.epinet.org/>

### **Federal Reserve Bank of Minneapolis**

Early Childhood Development: Economic Development with a High Public Return. (2003)  
<http://minneapolisfed.org/>

### **Economic Policy Institute**

Smart Money: Education and Economic Development (2004) William Schweke.  
<http://www.epinet.org/>

### **Ounce of Prevention Fund & University of Chicago Harris School of Public Policy Studies**

The Real Question is How to Use the Available Funds Wisely. The Best Evidence Supports  
the Policy Prescription: Invest in the Very Young. (2000) James J. Heckman, PhD, Nobel Laureate in  
Economic Sciences, 2000. <http://www.ounceofprevention.org>

### **High/Scope Educational Research Foundation**

Benefits, Costs, and Explanation of the High/Scope Perry Preschool Program. 2003 & The  
High/Scope Perry Preschool Study through age 40: Summary, Conclusions, and Frequently Asked  
Questions (2004). <http://www.highscope.org/>

### **Economic Opportunity Institute**

How Does High Quality Child Care Benefit Business and the Local Economy? (2002) Jen Brown,  
<http://www.eoionline.org/>

### **The RAND Corporation**

The Economics of Investing in Universal Preschool Education in California. (2005)

Early Childhood Interventions: Proven Results, Future Promise (2005)  
<http://www.rand.org>

### **National Economic Development and Law Center**

A leader in economic analyses of the early care and education industry. In 2003 and 2004 the  
NEDLC produced statewide reports for Minnesota, Massachusetts, North Carolina and Ohio.  
<http://www.nedlc.org/>

### **Florida Children's Forum**

The Economic Impact of Child Care in Florida. (2003). <http://www.flchild.com/>

### **Columbia University for the Center for Early Care and Education**

Early Childhood Education: How Important are the Cost-Savings to the School System?  
(2004) Prepared by . <http://www.winningbeginningny.org/>

### **The Alliance for Early Childhood Finance**

Compiled list of reports dedicated to financing and the economic benefits of investing in early care  
and education. <http://www.earlychildhoodfinance.org/>