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Investing in Maine's Youngest Children Has Great Returns for Business

Dana F. Connors
Maine State Chamber of Commerce, dana.f.connors@mainechamber.org

Investing in Maine's Youngest Children Has Great Returns for Business

by Dana F. Connors

Dana F. Connors describes how the business community has become involved in the dialogue to help steer planning for investments in Maine's youngest children. He acknowledges that there are high costs in failing to invest early and notes that creating skilled workers requires building the foundation in the first few years of the worker's life. He stresses that high-quality early education and care are vital for both individual and statewide economic security.

In spite of rising unemployment, every day there are Maine businesses struggling to find qualified workers for current jobs. Employers are willing to pay competitive wages with good benefits for skilled workers. Yet, workers with the knowledge, skills, and abilities businesses need too often are so elusive that jobs go unfilled.

State government, higher education, and employers have been grappling for decades with how to create a skilled workforce, so that Maine businesses have access to a pool of workers with knowledge, adaptability, innovative thinking, self-awareness, self-discipline, persistence, and empathy. What we are beginning to learn is that to create a skilled worker at age 18 or 22, we need to start building the foundation in the first few years of that worker's life.

In recent years, some community and state leaders are redirecting their focus to early childhood. Using the science of early brain research, these leaders promote the idea that investing in Maine's youngest children can result in more productive and contributing citizens who, in turn, strengthen our economy. Among recent steps to smarter public policy is Governor Baldacci's decision to bring business leaders into this discussion by creating the Business Roundtable on Early Childhood Investment in 2008. I am pleased to co-chair this roundtable with Department of Economics and Community Development Commissioner John Richardson.

The business community is now included as a voice in the Maine Children's Growth Council, which will revise, prioritize, and help to steer Maine's state plan for early investments in our youngest citizens. On the national front, there is a new organization of business leaders, America's Edge, coming together to begin a dialogue with federal and state officials about the need to invest early in high-quality education and care for America's future generations. I am pleased to be a member of both the Maine Children's Growth Council and America's Edge.

In November 2007, prior to the creation of the Business Roundtable on Early Childhood Investment, dozens of Maine business leaders joined educators, social workers, scientists, law enforcement leaders, medical professionals, policymakers, and other community leaders at a two-day summit to talk about early childhood. We had frank and honest discussions about what public policy is, and should be, for Maine's youngest citizens—our future workers.

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We learned about amazing new early brain science research. It gave us pause to consider our current public policies, which place the *lowest priority* on spending public resources during the time when a person establishes the neurological connections that lay the foundation for *all* intellectual, emotional, social, moral, and physical development. In fact, when compared to every dollar spent on school-aged children, Maine is investing less than nine cents on our youngest children.

We talked about research by Dr. James Heckman, Nobel laureate in economics, that confirms a child's early years provide the foundation for cognitive, linguistic, social, and emotional healthy human development. Heckman (2000: 7) helped us to focus our attention when he wrote:

> An important lesson to draw from the entire literature on successful early interventions is that it is the social skills and motivation of the child that are more easily altered—not IQ. These social and emotional skills affect performance in school and in the workplace. We too often have a bias toward believing that only cognitive skills are of fundamental importance to success in life.

We also learned a great deal about the unmet need of Maine's youngest children and their families. As discussed throughout this issue of *Maine Policy Review*, there are approximately 67,000 Maine children under the age of five. Seventy percent of Maine's current workforce is made up of those children's parents. With 46,000 working parents with children under the age of five, high-quality early care and education is good for Maine business. Yet, in Maine there are fewer than 24,000 licensed day care slots, only 17 percent of which have been rated "high-quality" (see Lahti et al. this issue).

TABLE 1: **Net Savings per Child for Investments in Early Childhood Education**

High/Scope Perry Preschool program	$244,811[a]
Abecedarian Project	$ 94,802[b]
Chicago Child-Parent Centers	$ 70,977[c]

[a]Nores et al. (2005).
[b]Barnett and Masse (2007).
[c]Reynolds and Temple (2006).

If parents know their children are receiving the highest-quality care while they work, we will have higher employee morale, reduced absenteeism, increased retention, and increased productivity. That translates into lower employee turnover and lower recruiting and training costs. In addition to the benefits to today's working parents and their employers, there are also future benefits. By providing the highest-quality care and education when our children are developing their critical learning platforms for later in life, we are making a wise investment in those who will become our future workforce and our future business leaders.

The measurable outcomes for young children who attend high-quality early care and education programs are impressive. Nationally, less than half of kindergarten students have the skills needed to begin and succeed in their first year of school. In the lowest income kindergarten classrooms, just 25 percent of students are "school ready." Yet, achievement gaps narrow considerably when high-risk children are provided high-quality early care and education.

Three long-term, carefully researched studies—one begun in 1962—have shown that children in high-quality early learning programs have higher rates of high school graduation and college attendance, lower dropout rates, and earn higher incomes than the study participants who did not receive the preschool programs. The most persuasive data come from a 40-year study at the High/Scope Perry Preschool Project in Ypsilanti, Michigan. From 1962 to 1967, preschool teachers worked intensively with low-income African-American children aged three to four and then followed these children and a control group of like children throughout their lives. In another study, researchers at the University of North Carolina set up a careful long-term test of the Abecedarian Program, where low-income children were randomly assigned either to a group that received early child development and education services from birth through age four, or to a second group that did not receive the program. Both projects demonstrated the life-long impact of high-quality preschool programs. The Chicago Child-Parent Center preschool program showed that similar gains were possible for a preschool program serving over 100,000 inner-city children. (See Trostel this issue for a full discussion of these programs and their outcomes.)

Policymakers and business leaders have rarely viewed early childhood development as a growth or competitiveness strategy. But the research is persuasive that dollars invested in early childhood development provide extraordinary returns compared with most other types of investments. Analysts have calculated the various savings from reduced crime, lower special education costs, increased productivity, and other factors and concluded that the benefits to society far outweigh the costs of providing a good start in life to kids who may not have it. Table 1 shows the per-child savings calculated for the three projects described here.

As business leaders increasingly realize the magnitude of these benefits, they also are becoming stronger advocates for these early investments. For example, according to a Zogby International Poll commissioned by the Committee for Economic Development, 81 percent of business leaders believe that public funding of voluntary pre-kindergarten programs would improve America's workforce.

Failure to invest in high-quality early care and education has been costly for Maine. Currently, we spend more than $300 million annually in special education costs and more than $800 million annually on substance abuse along with exorbitant criminal justice costs. Just one teen who becomes a criminal and stays in our criminal justice system as an adult costs Maine $2.5 million over the course of that lifetime (Cohen and Piquero 2009).

Estimates of the return on investment for high-quality early education programs for low-income children range from $4 to $17 for every $1 spent, depending on the program. In many cases, these early childhood investments produce greater returns than most other economic development projects. What we are finally starting to understand is that we need to invest earlier in children's lives to ensure that every child gets the right start in life.

As business leaders accustomed to analyzing proposals based on cost-benefits and return on investments, members of the Business Roundtable on Early Childhood Investment were asked to provide leadership on this issue and recommend sound public policy. We identified three priorities for investments for immediate action:

1. Develop a network of public, private, and nonprofit partnerships to create and sustain Maine's comprehensive early childhood system, and establish a nonprofit state-level entity that accepts public and private funding, conducts ongoing resource development, provides grant-making and service purchase activities, maintains a consistent bipartisan focus, and holds accountable the myriad levels of Maine's growing early childhood system.
2. Develop a statewide "Invest Early" campaign about Maine's moral and fiscal responsibility and the value of investing in young children and encourage public and private investments that support Maine parents and primary caregivers in learning and practicing healthy, effective child development.
3. Promote public and private investments that will increase the number of qualified early childhood professionals and that improve the training, education, and quality of Maine's early childhood professionals.

In the fall of 2009, the Business Roundtable will be hosting six regional business leader summits on early childhood. It is my hope that Maine businesses, large and small, will join in this discussion community by community, and help us to build the high-quality early childhood system we all want and all Maine children deserve. The costs of failing to act are simply too great. High-quality early education and care is vital for our individual and statewide future economic security. Maine does not have a single potential worker to waste.

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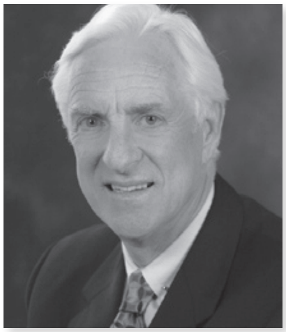

Dana F. Connors is president of the Maine State Chamber of Commerce. He is co-chair of the Governor's Business Roundtable on Early Childhood Initiatives, and is a member of the Maine Children's Growth Council and of America's Edge. He was a presenter at the 2007 Governor's Economic Summit on Early Childhood and also spoke at the national 2008 Telluride Economic Summit on Early Childhood Investment.