



Wisconsin Early Childhood Collaborating Partners

Working To Transform Wisconsin Early Childhood Programs and Services
<http://www.collaboratingpartners.com>

Economic Development and Early Education Annotated Bibliography June 2007

The American Prospect. "Starting Young: The Case for Investing in Early Childhood."
November 2004, <http://www.prospect.org/web/page.wv?section=root&name=starting+young>

Special Report includes:

Beatty, Barbara	Past, Present, and Future. What we can learn from the history of preschool education.
Blank, Helen	Head Start Under Assault. The administration's misguided plan could dismantle a cherished program.
Fitzgerald, Joan Hunt, Daphne	Raising the Bar. How to reward better-trained early educators.
Kennedy, Edward M.	Keeping Faith with Our Children. Why early-childhood education is the best investment we can make.
Kirp, David L.	You're Doing Fine, Oklahoma! The universal pre-K movement takes off in unlikely places.
Lombardi, Joan	Starting Right. Building on proven strategies for babies and toddlers.
Mendel, Dick	Leave No Parent Behind. The best child-development programs involve parents, too.
Meyers, Marcia K. Gornick, Janet C.	The European Model. How other nations support families that work.
Rothstein, Richard	Too Young to Test. Why we need a better means of evaluating young children.
Thompson, Ross A.	Shaping the Brains of Tomorrow. What developmental science teaches.
Washington, Valora	Where Do We Go From Here. Building a movement on behalf of young children.

Alliance for Early Childhood Finance.www.earlychildhoodfinance.org

The Alliance for Early Childhood Finance is dedicated to seeking more rational financing of early care and education in America through inquiry, analysis and communication among early care and education policy activists. This website will link you with new resources, ideas, meetings and on-line discussions on a variety of topics related to early care and education finance.

Barnett, W. Steven, "**Low Wages=Low Quality. Solving the Real Preschool Teacher Crisis.** *Preschool Policy Matters* (Issue 3, March 2003), *National Institute for Early Educational Research*, New Brunswick, NJ. <http://nieer.org/resources/policybriefs/3.pdf>.

Recruiting and retaining good teachers ranks as one of the most significant roadblocks to solving the preschool quality crisis facing this country. Evidence points to the low wages and benefits offered to preschool teachers as the single most important factor in hiring and keeping good teachers.

Despite the importance of their responsibilities, American preschool teachers are paid less than half of a kindergarten teacher's salary — less than janitors, secretaries, and others whose jobs require only a high school diploma and a few years experience. Pay and benefits for assistant teachers are even worse, with the full-time average wage too low to keep a family of three out of poverty.

Belfield, Clive R. "**The Early Childhood Education: How Important Are the Cost-Savings to the School System?**" *Teachers College, Columbia University*. New York, NY, 2004. http://www.winningbeginningny.org/databank/documents/belfield_report_000.pdf.

The author reviews the return-on-investment literature from well-resourced, good quality early childhood education programs for a reasonable period of time (including Perry Preschool, Head Start, Abecedarian, Chicago study) and outlines short, medium and long-term benefits and cost savings. Medium-term cost-savings of from \$2,591 to \$9,547 per child result from reducing the incidence of special education, lowering grade repetition rates, improving educational productivity and enhancing children's well-being. Between 41 and 62 percent of an initial invest in early childhood education would be offset by medium-term saving elsewhere in the education system.

Belfield, Clive R. "**The Fiscal Impact of Universal Pre-K: Case Study Analysis for Three States.**" *Committee for Economic Development*. Invest in Kids Working Group, Working Paper No. 6, Washington, DC, 2005. http://www.ced.org/docs/report/report_ivk_belfield2005.pdf.

This study applies an investment appraisal technique to pre-K provision. The technique allows for a full consideration of where additional funds should be invested and what the fiscal consequences are. Using national and state-specific data, these impacts are calculated for Massachusetts, Wisconsin, and Ohio. Each state already has some pre-K provision, and the proposal is to extend that opportunity to all children. Although a large financial commitment is necessary, economic modeling indicates that – given current patterns of spending, the educational pathways students follow, and government revenue sources and expenditures – the net present value should be strongly positive.

Belfield, Clive R. "**Investing in Early Childhood Education in Ohio: An Economic Appraisal.**" *Teachers College, Cornell University*. New York, NY, 2004. http://www.americanprogress.org/atf/cf/{E9245FE4-9A2B-43C7-A521-5D6FF2E06E03}/belfield_report.pdf.

Using economic analysis and new empirical evidence, this paper describes and calculates economic pay-off for the state of Ohio of expansion of early childhood education. Currently, only 28% of three-year olds in Ohio participate in publicly-supported educational programs before kindergarten (through state/federal Head Start, Special Education, or pre-K providers). The proposal here is to raise that proportion to 57% and to offer education for two years before kindergarten. This proposed policy would require 42,874 new pre-K places. It would require a total investment of between \$285 million and \$482 million.

This investment is likely to yield a strong pay-off for the state government. Economic analysis is used to estimate this pay-off, using existing research evidence, new findings from national datasets, and state-specific data for Ohio. The analysis indicates that an expanded pre-K program would yield cost-savings across several domains: 1) The school system would save \$242 million. These savings would arise from lower costs of special education, less grade retention, improved working conditions for teachers, lower teacher turnover/absenteeism, and improved school safety. 2) Tax revenues would be higher by \$140 million. Parents and guardians would be free to enter the labor market and the pre-K children would have higher earning capacity in the future. 3) Health and welfare systems would reap savings of \$25 million in resource redistribution from existing programs. 4) Criminal justice system savings would be \$375 million. Pre-K programs have a powerful impact in reducing both juvenile and adult criminal activity.

The net present value to the state of Ohio from expanding pre-K provision in Ohio is therefore estimated at \$372 million. This estimate is based on a 5% discount rate and with conservative assumptions about impacts. Sensitivity analysis indicates that the net present value is unlikely to fall below \$108 million.

Belfield, Clive R. **"The Pre-K Payback."** *Center for Early Care and Education*. Albany, NY, 2004. http://www.winningbeginningny.org/brochure/documents/belfield_execsummary.pdf.

While most everyone agrees that early education benefits child, parent, and society, Pre-K's critics often decry adding a year of free prekindergarten to public school as an unaffordable luxury. An education economist's report analyzing Pre-K costs and benefits shows otherwise. Clive R. Belfield, reviewed 19 published research studies of early childhood education programs from around the nation, and analyzed their outcomes relevant to New York State school spending. He concludes that making quality prekindergarten universally available to the state's 4-year-olds would result in later savings in remedial costs and other school services that would pay back 41% to 62% of the Pre-K investment.

Belfield, Clive R. and Winters, Dennis K. **"The Economic Returns to the Education System from Investments in four-year-old kindergarten for Wisconsin."** *Trust for Early Education (TEE)* research paper, New York, NY and Madison, WI, 2004. http://www.preknow.org/documents/WIEconImpactReport_Sept2005.pdf

This paper considers the economic impact to the K-12 education system in the state of Wisconsin and in the district of Milwaukee from expanding provision of pre-kindergarten. For Wisconsin, expanding the 4K program by a factor of three would allow 32,102 extra four-year old children to participate each year (in other states, around 70% of families take advantage of high-quality pre-kindergarten). For these new places for children, the total investment cost would be \$207 million, less than 3% of annual expenditures on education in Wisconsin.

The focus here is on the consequences of expanding 4K for K-12 educational budgets in Wisconsin. The education system is affected because children progress more efficiently through their schooling as a result of early childhood programs. State-specific data, published research, and new evidence are used to estimate these fiscal benefits to the school system.

With expanded 4K programs fiscal benefits to the K-12 school system would come from: lower grade retention; lower special education placement; higher job satisfaction for teachers; more teachers retained by the public schools; fewer substitute teachers; reduced spending on school safety; and reduced pressure on student aid services. In total, these benefits amount to \$140.96 million.

The net economic impact of comprehensive state-wide pre-schooling is calculated as a benefit-cost ratio. For each cohort of four-year olds, the benefits of investment in comprehensive 4K offset 68% of the costs. For every dollar committed to 4K, 68 cents would be returned in savings.

The analysis is also performed for the Milwaukee school district. This district has higher K-12 per-student expenditures, and higher rates of grade repetition and special education. Accordingly, the K-12

cost-savings are found to be higher. The benefits of investment in comprehensive 4K for Milwaukee would offset 76% of the costs of the program, when only K-12 educational budgets are considered.

When all benefits are accounted for, there is a clear economic motive for investment in four-year-old kindergarten across the state of Wisconsin.

Brandon, Richard N. **"Financing Access to Early Education for Children Age Four and Below: Concepts and Costs."** *Human Services Policy Center*, working draft (permission required for citation) prepared for The Brookings-University of North Carolina Conference "Creating a National Plan for Education of 4-Year-Olds," 2004.
<http://www.brookings.edu/dybdocroot/es/research/projects/wrb/200411Brandon.pdf>

The author argues that the most cost-effective policy is to make high quality early care and education available for all children birth through five. A financing approach that combines a subsidy to providers, that is not related to the income of particular children, with an income-related voucher for parents can make early learning experiences affordable for all families at a relatively modest national commitment — an investment equivalent to from 3 to 13 percent of current public elementary and secondary education spending.

Brandon, Richard N, Kagan, Sharon Lynn, Joesch, Jutta M. **"Design Choices: Universal Financing for Early Care and Education."** *Human Services Policy Center*," Seattle, WA, 2002. <http://hspc.org/publications/pdf/designchoices.pdf>.

The Financing Universal Early Care and Education (ECE) For America's Children Project analyzes the costs and impacts of alternative approaches to financing early care and education for American children age 0-5 on a universal basis. The policy brief describes the components of a modeling effort which includes the costs of paid care to families, employers and government, estimating changes in amount and type of ECE used by families, and estimating changes in the employment of mothers of young children. It discusses lessons learned from analyzing key features of near-universal social benefits in the U.S., and how they might be applied to ECE.

Bruner, Charles. **"A Stitch in Time: Calculating the Costs of School Unreadiness."** *The Finance Project*. Washington, DC, 2002.
<http://www.financeproject.org/Publications/stitchintime.pdf>.

This monograph presents approaches that states and communities can use to make the case for investments in early childhood, focusing on the investment potential of early childhood services to school readiness. It synthesizes the evidence on early childhood development and school readiness and its relationship to future social problems and costs, presents alternative approaches used to estimate the cost of school unreadiness, with examples of communities using these approaches.

The costs to society of school unreadiness are significant and are preventable through early intervention. To produce the greatest gains, successful programs need to be comprehensive as well as well-designed, employing skilled and dedicated staff who provide high-quality services.

Buffett Foundation.

<http://www.gatesfoundation.org/UnitedStates/Education/EarlyLearning/default.htm>

This foundation works with private and public partners such as Thrive by Five: The Washington Early Learning Fund. Investing in communities and participating in statewide efforts to build and support the necessary infrastructure for all children to have access to quality early learning opportunities and the chance at success in school and life.

Build Ohio. <http://www.build-ohio.org/workgrps.htm>

Build Ohio has workgroups focused on professional development, quality rating and building public and political awareness by reaching out to the private sector business community. In turn they work with businesses, philanthropic organizations and other groups to build and maintain partnerships. This website features publications and tools that have been produced from these partnerships efforts.

Child Care Partnership Project. <http://nccic.org/ccpartnerships/home.htm>

This project promotes improving business practices for employees through a variety of mechanisms and provides information to state child care administrators.

Clothier, Steffanie, Poppe, Julie. **“New Research: Early Education as Economic Investment.”** National Council of State Legislators, 2006.

<http://www.ncsl.org/programs/cyf/ccarelegis06.htm#Intro>

This paper compiles the latest economic research examining early education initiatives as public investments. There has been conclusive evidence showing that investments in early education may be considered as an economic development strategy. Highlighting three reports: Art Rolnick, Senior Vice President and Director of Research at the Minneapolis Federal Bank, James Heckman, Nobel Prize winner in economics from the University of Chicago and High/Scope Educational Research Foundation on the longitudinal study of the Perry Preschool Program. These reports show the benefits of investing in early education by examining state economic subsidies, skill development for individuals and specific new findings from an early education program.

Cobb, Kathy. **“The ABCs of ECD: Conference Explores the Latest Research on the Economics of Early Childhood Development.”** *The Region*, Federal Reserve Bank of Minneapolis, December, 2003. <http://minneapolisfed.org/pubs/region/03-12/ecd.cfm>.

The Economics of Early Childhood Development: Lessons for Economic Policy conference provided a rare opportunity for economists, public policy analysts, medical professionals and educators to share their research on early childhood development. The conference, hosted by the Minneapolis Fed and Minnesota's McKnight Foundation, in cooperation with the University of Minnesota, focused largely on the economics of early childhood development, but economists' findings were supported by sociological and biological evidence presented by other speakers.

Committee for Economic Development Website. <http://www.ced.org/projects/prek.shtml>

Leadership and momentum has been created around early childhood as an economic development tool through the Committee for Economic Development (CED). This website will link you to tools on building investment in early childhood education. Featuring various reports such as *Preschool for All: Investing in a Productive and Just Society* and *The Economic Promise of Investing in High- Quality Preschool: Using Early Education to Improve Economic Growth and the Fiscal Sustainability of the States and the Nation*, along with forums.

Council of Chief State School Officers.

http://www.ccsso.org/projects/Early_Childhood_and_Family_Education/Projects/2973.cfm

The Council of Chief State School Officers (CCSSO), recently elected Elizabeth Burmaster, Wisconsin's state superintendent as the director. The CCSSO has a long history of championing and leading on the importance of quality early education to prepare children for school.

Doyle, Jim. **“KidsFirst: The Governor’s Plan to Invest in Wisconsin’s Future.”** *State of Wisconsin*, Madison, WI, 2004. <http://www.wisgov.state.wi.us/docs/kidsfirst.pdf>.

KidsFirst is a comprehensive agenda to invest in Wisconsin's future by improving the lives of the state's children. The plan outlines Governor Doyle's priorities to make sure children are ready for success; are safe at home, in school and in their communities; have the opportunity to be raised by strong families; and grow up healthy. The plan includes a wide range of initiatives – public-private

partnerships, legislative proposals, budget priorities – that were developed in a unique collaboration of the Governor, First Lady, School Superintendent, and the secretaries of the Departments of Health and Family Services, Workforce Development and Corrections.

Dugger, Robert. **"American Kids, Workforce Quality and Fiscal Sustainability: A Multi-Year Plan for the Invest in Kids Working Group,"** Working Paper No. 4, *Invest in Kids Working Group*, revised January 2005.
http://www.ced.org/docs/report/report_ivk_dugger_2005.pdf

Initial evidence suggests that spending on early nurturing, health, and education has tangible economic returns as high as or higher than alternative options. Early childhood development appears to be essential to maximizing the number of future American workers who can compete effectively in a global marketplace. Successful youth human capital development would instill the kind of long-term thinking necessary to achieve needed spending compromises. This together with stronger growth would make it easier to achieve fiscal sustainability and avoid crisis.

"The Early Childhood Education and Care: Challenges Facing Wisconsin." *Wisconsin Departments of Public Instruction and Workforce Development and UW Waisman Center*, Madison, WI, 2003. <http://www.wisconsin.edu/summit/papers/earlyChildhood.pdf>.

This working paper provides state leaders with a context for viewing the economic challenges facing Wisconsin. It seeks to stimulate thoughtful reflection and substantive discussion on the relationship between the quality of Wisconsin's early childhood programming and the future growth of our state's economy. This paper advances the argument that any efforts toward building the state's future economic capacity must start with providing high quality early childhood education and care for our youngest residents. The major premise is that consideration of public policy issues associated with early childhood education and care must be included in any comprehensive economic planning effort intending to improve Wisconsin's future economic conditions.

"Early Learning Left Out." *The Child and Family Policy Center and Voices for America's Children*, Washington, DC, 2004.
<http://www.voicesforamericaschildren.org/Template.cfm?Section=Home&CONTENTID=3363&TEMPLATE=/ContentManagement/ContentDisplay.cfm>.

Early Learning Left Out, presents the most comprehensive picture, to date, of public investments in the education and development of children by three age groupings – the early learning years, the school-aged years, and the college-aged years. It is based upon detailed analysis of state, federal, and school district spending in 12 states across the country, conducted by organizations in those states with strong understanding of early childhood services and state budgeting. It is designed to give policy makers and the public a better understanding of overall public investments on education and development of children, in the context of the research on brain growth and child development and the research on potential returns on investment from early learning programs. The study found that while 85% of a child's core brain structure is formed by age three, less than 4% of public investment in education and child development occurs during that period. For every dollar the government invests in the education of school-aged children, it invests only 13.7 cents in the earliest and most critical learning years.

"The Economic Promise of Investing in High-Quality Preschool: Using Early Education to Improve Economic Growth and the Fiscal Sustainability of States and the Nation", *Committee for Economic Development*, Washington, D.C., 2006. www.ced.org

This new CED report further qualifies and solidifies the argument for early education opportunities for all our children. Ensuring U.S. economic competitiveness and growth will require a highly educated and skilled workforce. Without improvements in education, demographic changes will make it difficult to cultivate the skilled workforce our country needs to compete." CED recommendations from *The Economic Promise of Investing in High-Quality Preschool:*

- Communities, state and the nation should make access to publicly funded, high-quality preschool programs and economic and educational priority.

- Publicly funded preschool programs should meet the quality standards necessary to deliver their potential economic benefits.
- Federal, state, and local governments should consider the broad economic benefits of preschool when deciding how to allocate resources in the face of competing uses and demands.

Fay, Juliette, Gilbert, Jennifer and Wrean, Katherine. **"Building Villages to Raise Our Children: Funding and Resources."** *Harvard Family Research Project*, Cambridge, MA, 1993. <http://www.enterprisefoundation.org/model%20documents/912.Building%20Villages%20to%20Raise%20our%20Children.doc>

Produced by The Harvard Family Research Project, this booklet is one of a series of six based on the theme "it takes a village to raise a child." The Introduction clarifies that the book is not about how to write grants but "we will discuss general principles of financing strategy, potential funding sources, tips on finding and maintaining those sources, and marketing and public relations." One section of the book discusses designing a funding plan, including clarifying the reason for funding, how to present plans to potential funders and effective public relations. Another section presents the varied array of funding sources and how to find them. The final section discusses the various issues involved in managing a resource base and then presents six case studies which illustrate a range of funding strategies and the lessons learned. Programs profiled are in: Brattleboro, VT; Cedar Rapids, IA; Polk and Scott Counties, IA; Gainseville, FL; Minneapolis, MN; and Barberton, OH. The booklet concludes with a Bibliography and a Federal Funding Information Resources guide.

"Federal Reserve Economist Urges Much Wider Public Investment in Preschool: Expert Says Preschool Pays Public up to 15 Percent on Every Dollar Spent." *Preschool Matters* (Vol. 1, No. 3). National Institute for Early Education Research. New Brunswick, NJ, 2003. <http://nieer.org/resources/printnewsletter/Dec2003.pdf>.

Art Rolnick, head of research for the Federal Reserve Bank in Minneapolis, wants to create a new trust fund, a \$1¼ billion endowment, to pay for prekindergarten for all of Minnesota's low-income three- and four-year-olds. He says that it is a bargain compared to other investments, such as a sports stadium; \$1¼ billion is equivalent to the cost of two sports stadiums. Investment in pre-K returns \$7 for every \$1 spent, far outdistancing the return on investment for a sports stadium, factory or Target store. "What I am proposing is an endowment for public preschool, like Harvard of Yale has, that will represent permanent commitment by the people of Minnesota to its children."

Fight Crime: Invest in Kids. http://www.fightcrime.org/issue_earlyed.php

Fight Crime: Invest in Kids has raised the issue of poor quality child care or lack of access to child care as becoming a crime prevention issue and leading efforts among law enforcement leaders around this topic.

First Steps. <http://www.firststeps.us/faq.shtml>

First Steps is a collaborative public-private economic development program headed by the Rochester Area Foundation. Its purpose is to assure that children are ready for school when they enter kindergarten. The program includes a plan to meet the early educational needs of children.

"From Cradle to Career: Connecting American Education from Birth through Adulthood." Education Week's Quality Counts. 2007. www.edweek.org.

Hart, Betty, Risley, Todd R. **"The Early Catastrophe: The 30 Million Word Gap by Age 3."** *The American Educator*, Spring, 2003. http://www.aft.org/pubs-reports/american_educator/spring2003/catastrophe.html.

By age three, children from privileged families have heard 30 million more words than children from poor families. By kindergarten the gap is even greater. The consequences are catastrophic.

The problem of skill differences among children at the time of school entry is bigger, more intractable, and more important than the authors had thought. So much is happening to children during their first three years at home, at a time when they are especially malleable and uniquely dependent on the family for virtually all their experience, that by age 3, an intervention must address not just a lack of knowledge or skill, but an entire general approach to experience.

Heckman, James J. **"Invest in the Very Young."** *Ounce of Prevention Fund and University of Chicago*. <http://www.ounceofprevention.org/downloads/publications/Heckman.pdf>.

"Current policies regarding education and job training are based on fundamental misconceptions about the way socially useful skills embodied in persons are produced. By focusing on cognitive skills as measured by achievement or IQ tests, they exclude the critical importance of social skills, self-discipline and a variety of non-cognitive skills that are known to determine success in life. Furthermore, this preoccupation with cognition and academic 'smarts' as measured by test scores to the exclusion of social adaptability and motivation causes a serious bias in the evaluation of many human capital interventions.

The conventional wisdom espoused by most politicians, educated laypersons and even many academics places formal educational institutions in a central role as the main producers of the skills required by the modern economy. However, it neglects the crucial roles of families and firms in fostering skill and the variety of abilities required to succeed in the modern economy..."

Heckman, James J. and Masterov, Dimitriy V. **"The Productivity Argument for Investing in Young Children: Working Paper 5."** *Invest in Kids Working Group, Committee for Economic Development*, Washington, DC, 2004. http://www.ced.org/docs/report/report_ivk_heckman_2004.pdf.

On productivity grounds alone, it appears to make sound business sense to invest in young children from disadvantaged environments. An accumulating body of evidence suggests that early childhood interventions are much more effective than remedies that attempt to compensate later in life for early neglect.

U.S. labor force skills are generally poor. Labor force quality has stagnated and already reduced American productivity growth. If current trends continue, the U.S. economy will add many fewer educated persons to the workforce in the next two decades than it did in the past two decades. "This is a major drag on U.S. competitiveness and a source of social problems."

Ability gaps between disadvantaged and other children open up early, before schooling begins. Conventional school-based policies start too late to completely remedy early deficits, although they can do some good. Children who start ahead keep accelerating past their peers, widening the gap.

Studies of early education interventions directed towards children in low-income families with long-term follow up find that these programs can greatly help reduce (but not completely eliminate) that gap. Participants experienced increased achievement test scores and high school graduation, and decreased grade retention, time in special education, experience with crime and delinquency. These gains persist into adulthood, contradicting the perception that they fade within a very few years. These programs benefit not only the participants, but their own children and society at large.

Children who have quality early education will start on a better life trajectory that means they are not only more successful in the early years, but will be better able to use higher education and job training later in life. Workers who need to change careers or just acquire new skills will benefit from better learning abilities acquired early in life.

Hodgkinson, Harold L. **"Leaving Too Many Children Behind: A Demographer's View on the Neglect of America's Youngest Children."** *Institute for Educational Leadership*, Washington, DC, 2003. <http://www.iel.org/pubs/manychildren.pdf>.

Using demographic data on those children captured in Census 2000, the author examines forces like poverty and family instability and how they work to prevent equality of opportunity in school and in

life. The report presents some of the programs and techniques that effectively reduce the effects of these forces and concludes with recommendations for increasing the nation's concern for improving the quality of infant and child care and making high quality programs available for all infants and young children throughout the nation, as is done in virtually every other developed nation. The paper addresses why, in the wealthiest nation in the world, we invest such a pitifully small percentage of our resources and our concern in the early years of the people who will obviously inherit the nation.

Illinois Birth to Five Project supported by Ounce of Prevention.

<http://www.ounceofprevention.org/index.php?section=programs&action=program&program=4>

This website explores the ways to maximize existing investments in early childhood, reduce duplication in programs and services and ensure that Illinois children are safe, health and eager to learn and ready to succeed when they enter school. Part of the multi-state Build initiative, the project brings childhood practitioners, government agency staff, health care providers, advocates, researchers and others to identify system gaps and barriers that stand in the way of families' ability to support the development of their children, develop solutions to address those gaps and to link the existing programs. The Birth to Five Project focuses on building a comprehensive system for families including numerous services.

“Investing in Children: An Early Learning Strategy for Washington State.” *Bill and Melinda Gates Foundation*, Seattle, Washington, 2005. <http://www.gatesfoundation.org>

This report examines the strategy developed to ensure that all children have the opportunity to become successful young adults. The report begins explaining the problem, which is the absentee of successful interventions involving parents and caregivers. This causes the children to be in danger of falling behind other children in school in their emotional, social, physical and cognitive development. In turn, it makes it harder for the children to catch up in school and lowers the likelihood that they will grow up to be successful young adults. This produces a loss of human potential and a high cost to taxpayers.

It is now well known that increased public investment in quality early learning for children has an effective approach to preventing serious negative outcomes. Early learning leads to positive benefits earlier in life such as higher education levels and academic achievement. It has become crucial to invest in quality early learning, including high standards and support for parents and childcare. This will allow the children to have the opportunity to be successful.

The strategy is to focus on children who have multiple risk factors that could get in the way of school-readiness and to reach them in the environment where they spend most of their day. Furthermore, by providing support to parents, this in turn will help to prepare the child to succeed in school. To achieve this, the report shows the effect of investing in two diverse communities and working with private and public partners in Washington

Kansas City, Early Education Quality Improvement Project.

<http://nccic.org/ccpartnerships/cases/missouri.htm>

The Kansas City Early Education Quality Improvement Project provides the baseline information needed create a continuous quality improvement effort that everyone can get involved with. This project features the supply, demand and quality of child care measures. Through this project, it has helped to bring together business, philanthropic, professional, government and nonprofit communities to promote early childhood supports. Early childhood care and education has been changed and continues to develop through these efforts in Kansas City.

Lynch, Robert G. **"Enriching Children, Enriching the Nation."** Foundation for Child Development, May 2007. Executive Summary and Fact Sheet at http://www.fcd-us.org/resources/resources_show.htm?doc_id=483081

Economist Robert G. Lynch addresses the issue of PK-3 funding. Lynch shows that investments in high-quality Prekindergarten pays off dramatically for state government. Lynch shows that 80 percent of states would see surpluses from expenditures for targeted PK programs in 10 years or less. For a universal program, budget benefits alone would exceed program costs within 25 years for 49 states. There are state-by-state analyses which include Wisconsin.

Liu, Zhilin. Ribeiro, Rosaria and Warner, Mildred. **"Child Care Multipliers: Analysis from Fifty States."** *Linking Economic Development and Child Care Research Project*, Ithaca, NY, 2004. <http://government.cce.cornell.edu/doc/pdf/50StatesBrochure.pdf>.

Economists and planners are recognizing the important contributions the early care and education sector makes to the economy in both the short and long terms. Across the country, states and localities are using regional economic analysis to estimate the size of the early care and education sector and the extent of its linkages in the broader regional economy. A complete data base of these studies is found on the Cornell Linking Economic Development and Child Care project website. This research brief presents a summary of the regional linkages of child care in all 50 states and the District of Columbia.

Regional economic analysis shows child care is a good economic development investment, both for its direct effects on employment and its relatively high linkage effects in the regional economy. The relative rank and size of this economic linkage calls for greater economic development attention be given to the child care sector. This, in addition to the sector's importance as social infrastructure supporting parent workers and human development of the future workforce, makes it a worthy target for economic development policy.

Lynch, Robert G. **"Early Childhood Investment Yields Big Payoff."** *WestEd*, San Francisco, CA, 2005. http://www.wested.org/online_pubs/pp-05-02.pdf.

Investing in a national preschool program today could help shore up our ailing Social Security. Lynch says Social Security starts to run into financial difficulties in 2018 when the bulge of retired baby boomers will draw heavily on the system. That's about when the first class of today's preschoolers would enter the workforce. He said investing \$12,000 per child in the 1.6 million disadvantaged youngsters most likely to cost taxpayers money when they grow up would turn them into net contributors to the system since they would enter the workforce at higher skill levels. Not only would Social Security run a surplus by 2021, says Lynch, but the nation's gross domestic product would rise.

Lynch, Robert G. **"Exceptional Returns: Economic, Fiscal, and Social Benefits of Investment in Early Childhood Development."** *Economic Policy Institute*, Washington, D.C., 2004. [http://www.epinet.org/books/exceptional/exceptional_returns_\(full\).pdf](http://www.epinet.org/books/exceptional/exceptional_returns_(full).pdf).

This study demonstrates that providing all 20% of the nation's three-and four-year-old children who live in poverty with a high-quality early childhood development (ECD) program (initial cost about \$19 billion/year) would have a substantial payoff for governments and taxpayers in the future. As those children grow up, costs for remedial and special education, criminal justice, and welfare benefits would decline. Once in the labor force, their incomes would be higher, along with the taxes they would pay back to society.

Within about 17 years, the net effect on the budget would turn positive (for all levels of government combined). Within 30 years, the offsetting budget benefits would be more than double the costs of the ECD program (and the cost of the additional youth going to college).

Massachusetts Early Education for All Campaign.
http://www.strategiesforchildren.org/eea/eea_home.htm

Early Education for All Campaign is a group of leaders from business, early childhood, labor, religion, health care, education and philanthropy; working with parents, grassroots leaders, and state policymakers to make publicly funded high-quality preschool education and full-day public school kindergarten available to every child in Massachusetts.

Minnesota Business for Early Learning. <http://www.mnbel.org>

MnBEL emphasizes awareness around an array of early learning issues, identifies and promotes best practices in the workplace, and impacts public policy. Regarding the preparedness of five year olds, the goal of the council is to recruit business support for early learning/school readiness in order to leverage corporate resources on behalf of our youngest children and their families. MnBEL collaborates with other business organizations, including the Itasca Project, Minnesota Chamber, Minnesota Business Partnership, Capital City Partnership, Minneapolis Downtown Council, Citizens League, the University of Minnesota, the Minnesota Bankers Association and a number of Greater Minnesota Chamber of Commerce.

National Smart Start Technical Assistance Center. www.smartstart-nc.org

North Carolina's early childhood initiative designed to ensure that children enter school healthy and ready to succeed. This public-private initiative provides funding throughout the state. This website features resources and information about providing children with the resources they need in order to succeed in school.

"Our View: Early Education is a Proven Investment." 2007.

This is an editorial featuring the Idaho Business Coalition for Educational Excellence. Representing large and small businesses, these CEOs are endorsing a bill to allow school districts to offer educational programs to four year olds. Even though there has been resistance by the state for several reasons such as cultural and economic, the evidence that supports the benefits of economic investment in early childhood education needs to be considered. These CEOs encourage the legislature to pass the senate bill which would support a voluntary preschool system.

"Preschool for All." *Committee for Economic Development*, New York, NY, 2002.

http://www.ced.org/docs/report/report_preschool.pdf.

The Committee for Economic Development (CED) calls on the federal and state governments to undertake a new national compact to make early education available to all children age 3 and over. To ensure that all children have the opportunity to enter school ready to learn, the nation needs to reform its current haphazard, piecemeal, and underfunded approach to early learning by linking programs and providers into coherent statebased systems. The goal should be universal access to free, high-quality prekindergarten classes, offered by a variety of providers, for all children whose parents want them to participate.

Reynolds, Arthur J., Temple, Judy A., Robertson, Dylan L. and Mann, Emily A. **"Age 21 Cost-Benefit Analysis of the Title I Chicago Child-Parent Center Program."** *University of Wisconsin Waisman Center*, Madison, WI, 2001.

<http://www.waisman.wisc.edu/cls/cbaexecsum4.html> or
<http://www.waisman.wisc.edu/cls/index.html>.

This study conducted the first cost-benefit analysis of the federally financed Title I Chicago Child-Parent Center (CPC) Program. The major question addressed was: Do program benefits exceed costs? The CPC program is a school-based preschool and early school-age intervention for low-income children that emphasizes parent involvement and the development of literacy skills. Previous studies have indicated that program participation beginning in preschool is independently associated with higher school achievement, higher rates of school completion through age 20, lower rates of school dropout,

lower rates of juvenile arrest for violent and non-violent charges, and with less need for school remedial services.

Relative to the comparison group, results showed preschool participants had a 29% higher rate of high school completion, a 33% lower rate of juvenile arrest, a 42% reduction in arrest for a violent offense, a 41% reduction in special education placement, a 40% reduction in the rate of grade retention, and a 51% reduction in child maltreatment. School-age participation and extended program participation for 4 to 6 years were associated with 30 to 40% lower rates of grade retention and special education placement. Compared to children with 1 to 3 years of participation, extended program participants also had higher achievement test scores in adolescence and lower rates of child maltreatment by age 17.

Results of the cost-benefit analysis indicated that each component of CPC program had economic benefits that exceeded costs. With an average cost per child of \$6,730 (1998 dollars) for 1.5 years of participation, the preschool program generated a total return to society at large of \$47,759 per participant. The largest benefit was program participants' increased earnings capacity projected from higher educational attainment. Economic benefits of the preschool program to the general public (taxpayers and crime victims), exclusive of increased earnings capacity, were \$25,771 per participant. The largest categories of public benefits were increased tax revenues associated with higher expected earnings capacity (28%), criminal justice system savings due to lower rates of arrest (28%), savings on tangible costs for crime victims (24%), and savings on school remedial services (18%). Overall, \$7.10 dollars were returned to society at large for every dollar invested in preschool. Excluding benefits to participants, the ratio of program benefits to costs for the general public was \$3.83 for every dollar invested. The ratio of benefits to costs for government savings alone was \$2.88 per dollar invested.

Rolnick, Art, Grunewald, Rob. **"Early Childhood Development: Economic Development with a High Public Return."** *fedgazette*, Federal Reserve Bank of Minneapolis, March, 2003. <http://minneapolisfed.org/pubs/fedgaz/03-03/earlychild.cfm>.

Early childhood development programs are rarely portrayed as economic development initiatives, and we think that is a mistake. Such programs, if they appear at all, are at the bottom of the economic development lists for state and local governments. They should be at the top. Most of the numerous projects and initiatives that state and local governments fund in the name of creating new private businesses and new jobs result in few public benefits. In contrast, studies find that well-focused investments in early childhood development yield high public as well as private returns.

Schweinhart, Lawrence J. **"The High/Scope Perry Preschool Study Through Age 40. Summary, Conclusions, and Frequently Asked Questions"** *High/Scope Educational Research Foundation*, Ypsilanti, MI. <http://www.highscope.org/welcome.asp>.

The major conclusions of this midlife phase of the study is that high-quality preschool programs for young children living in poverty contribute to their intellectual and social development in childhood and their school success, economic performance, and reduced commission of crime in adulthood. The study confirms that the long-term effects are lifetime effects and that the return to the public on its initial investment in such programs is not only substantial but larger than previously estimated.

Shellenback, Karen. **"Child Care & Parent Productivity: Making the Business Case."** *Cornell University Cornell Cooperative Extension, Department of City and Regional Planning*, Ithaca, NY, 2004. <http://economicdevelopment.cce.cornell.edu>

This report measures the impact of human capital on business practices. It examines the link between people's effectiveness and work/life strategies with improved business performance. It goes on to explain why metrics have not traditionally been collected in the human capital and work/life area and why it is important to collect that data. The report presents a "5 Step Plan" for human resource and work/life professionals to use to initiate data collection. Giving examples and explanations of economic impact formulas such as ROI, Cost Benefit Analysis, Break Even Point and Payback, including work/life related absenteeism and turnover cost examples.

Shonkoff, Jack P. **"Science, Policy, and the Young Developing Child: Closing the Gap Between What We Know and What We Do."** *National Scientific Council on the Developing Child*, Brandeis University, Waltham, MA and *Ounce of Prevention Fund*, Chicago, IL, <http://www.ounceofprevention.org/downloads/publications/shonkoffweb.pdf>.

The notion of "starting earlier" to make sure that more young children arrive at school eager to learn is gaining momentum. Yet, there remains a staggering gap between what we know and what we do as a society when it comes to early care and education. The gap exists for three basic reasons: mistaken impressions, misunderstandings and misplaced priorities. First, many people think that infants, toddlers and preschoolers are "too young" to learn. Second, many people do not have a clear understanding of how a good early learning program works. Third, too often, political rhetoric about the critical importance of early education is not translated into reality when public officials are devising and voting on budgets.

Specter, Michael J. (Chair). **"Governor's Task Force on Educational Excellence."** *The Office of the Governor*, Madison, WI, 2004. http://edexcellence.wisconsin.gov/reports/63004_taskforce_final_report.pdf

Early Childhood Education. The Task Force believes that early childhood education is one of the best, most cost effective investments the state can make. Research convincingly demonstrates the many long-term benefits of high quality early childhood education. Children who participate in early education programs demonstrate higher academic outcomes and are more likely to graduate from high school. They are less likely to need special education services, and are less likely to become involved with the criminal justice system. The benefits of early childhood education are particularly true for children from low-income families where parents, often single parents, do not have the time or the resources to provide adequate learning environments for their children at home or to afford high quality day care. Research shows that the achievement gap between economically disadvantaged children, children of color and their peers exists before children even enter school, but that early childhood education programs help to reduce this gap.

Stoney, Louise. **"Framing Child Care as Economic Development: Lessons From Early Studies."** *Cornell University Cornell Cooperative Extension, Department of City and Regional Planning*, Ithaca, NY, 2004. <http://economicdevelopment.cce.cornell.edu>

This report presents a early look at how child care economic studies are being implemented. Based on A review of studies, resource materials and interviews with individuals who are involved in implementing and conducting child care economic studies throughout the United States.

Think Big Start Small. www.thinkbigstartsmall.com

This website features business and community involvement tips. There are numerous benefits that comes from focusing on the development of children's futures.

"Tough Choices or Tough Times: The Report of the New Commission on the Skills of the American Task Force." Washington, D.C.: National Center on Education and the Economy, 2007.

Executive Summary

http://skillscommission.org/pdf/exec_sum/ToughChoices_EXECSUM.pdf

The report challenges the country to develop an educational system that can compete globally for future generations. Step Six of the 10 recommendations is to provide high-quality, universal early childhood education. To quote the recommendation, "For decades, researchers have almost universally concluded that high-quality early childhood education is one of the best investments a nation can make in its young people. But this country has never committed the funds necessary to provide high-quality early childhood education to its 3- and 4-year-olds. The funds freed up by the Commission's proposals for altering the student progression through the system will, for the first time, make it possible for the whole nation to do what should have been done many years ago."

U.S. Department of Health and Human Services. **"State-Funded Pre-Kindergarten. What the Evidence Shows."** Washington, DC, December, 2003.

<http://aspe.hhs.gov/hsp/state-funded-pre-k/paper.pdf>.

This report's evidence shows that selected states are already major providers and funders of pre-kindergarten programs. Though there is great variation across states, most state-funded pre-kindergarten programs meet widely accepted and research-based quality standards, offer key expanded services to meet children's health and nutrition needs, and use a range of strategies to involve parents in their children's education.

Although existing research has technical limitations that constrain what can be known about the impact of state efforts on children's outcomes, and although studies were not designed to answer critical questions, such as whether state-funded pre-kindergarten programs produce better outcomes than other programs serving similar populations or whether they reduce or eliminate achievement gaps, there is promising evidence that states can implement programs that produce positive outcomes in areas that include cognition, language, and academic achievement, with some evidence of improved achievement test scores, reduced grade retention and increased school attendance in the elementary grades.

Not all states currently have the capacity to undertake the administration of a coordinated and comprehensive early childhood education system that includes a strong evaluation component to measure results. However, the overall pattern of findings indicates that selected states appear ready to meet this challenge.

Warner, Mildred, Ph.D., Soref, Wendy, Morriseey, Taryn, Markeson, Bjorn, Hallas, Jenna, Barai, Nikita.

"Economic Development Strategies to Promote Quality Child Care." *Cornell University Cornell Cooperative Extension, Department of City and Regional Planning*, Ithaca, NY, 2004.

<http://economicdevelopment.cce.cornell.edu>

This report explores three principles: exports, productivity and sustainability, which are based on the present and future challenges to economic development. Moving away from a manufacturing to a service based economy, while global competition has been increasing has highlighted the importance of productivity. Furthermore, the need for human development and the scarcity of natural resources has led to a sustainable approach for economic development. These three principles provide the main support for economic development.

Williams, Erica, Mitchell, Anne W. **"The Status of Early Care and Education in the States."** *The Institute for Women's Policy Research*. Washington, DC, 2004.

[http://www.iwpr.org/store/Details.cfm?ProdID=46&category=.](http://www.iwpr.org/store/Details.cfm?ProdID=46&category=)

Increased effort is needed on the part of federal and state policymakers to work toward a universal, voluntary early care and education system that will provide all families with access to a dependable, safe, and nurturing system of care for their preschool-aged children.

The report outlines the need for such care by working parents and by children in the early stages of development, discusses the benefits of such care for children, and provides an overview of the programs that currently exist. The report presents national and state-by-state data on the availability, quality, and cost of early care and education programs, and recommends steps for states and the federal government to expand and improve current early care and education programs, putting the United States on a path toward a system of high-quality, voluntary, universal early care and education.

Wisconsin Childcare Research Partnership. <http://www.uwex.edu/ces/flp/wccrp/data.html>

This website features ongoing research data about the quality of childcare and education in Wisconsin. There are three partners: Wisconsin Department of Workforce Development, Wisconsin Child Care Resource and Referral Network, and University of Wisconsin-Extension which work together to develop research and evaluation on the quality of early care and education, particularly on services to low-income preschool children.

Wisconsin Collaborating Partners Website. http://www.collaboratingpartners.com/EC_ecodev.htm

This website will link you to rich media video messages designed for the Wisconsin Business Community presented by Craig Culver, Co-founder and President of Culver's Frozen Custard and Culver Franchising System, Inc and also the proceedings of the 2006 Strongest Link Conference including presentations by James Heckman Mildred Warner, Director of the Child Care and Economic Development Project, Cornell University Terry Ludeman, former of the office of Economic Development in the Department of Workforce Development, State of Wisconsin

Wisconsin Council on Children and Families. <http://www.wccf.org/advocate.php>

Wisconsin Council on Children and Families, tool kit provides a link to legislators, assistance with crafting a letter, and other helpful resources.

Wisconsin Food Security Project. <http://www.uwex.edu/ces/flp/cfs/index.cfm>

This website provides up-to-date county and state-level information about food security, economic well-being, and the availability and use of public and private programs to increase access to affordable and nutritious foods. Using this website, users can create customized food security profiles for any county in Wisconsin.

The Wisconsin Economic Development Authority. http://wiedi.org/docs/child_care_paper_final.pdf

The Wisconsin Economic Development Authority partnered with DWD to co-sponsor Strongest Link's conference and features their efforts directed at early childhood in their 2005 Annual Report.

"Wisconsin Economic Development Institute Paper." *Economic Development and Early Childhood.* Madison, WI, 2006. http://www.wi-edi.org/docs/child_care_paper_final.pdf

There is a strong link between economic development, child care, and early learning. Though early learning takes place in a variety of environments, all of the programs are important to the economy. The benefits which result from early learning are crucial to a sustainable and productive society. Economic development is essential for a productive society through the cognitive and social benefits.

Wisconsin has a high number of women in the labor force, who have children under six years old. Due to this factor, there is a crucial need for non-parental child care. In the past years, there has been a growth in child care facilities. This has led to the expansion in school districts offering early learning programs.

Furthermore, economic development is necessary for the growth of businesses, business investments and to the attraction of new businesses. This paper further addresses the organizations that provide early child care and education services and how to link them with

economic development. In turn, it is shown that economic development strengthens the workforce. New partnerships are created through businesses when child care becomes a priority to achieve success in the community and global market. Through these collaborative efforts, communities can address their child care and early learning needs while at the same time contributing to economic development.