

# Reduce the Deficit, Strengthen the Economy, and Reform Education by Supporting Early Development



An expert on early childhood development, Dr. J. Ronald Lally has served as director of child- and family-related programs at WestEd since 1978. He currently is co-director of WestEd's Center for Child and Family Studies. Recently he has been an advisor to the Australian government, and the Australian states of New South Wales and South Australia.

Lally is one of the founders and a board member of ZERO TO THREE: National Center for Infants, Toddlers, and Families. He is the author of numerous publications focusing on early childhood development. A few of his recent publications are:

*"The Link Between Consistent Caring Interactions with Babies, Early Brain Development & School Readiness"* found in *Current Debates and Issues in Pre-Kindergarten Education*, Brookes Publishing, in press.

*"School Readiness Begins in Infancy: Social Interactions During the First Two Years of Life Provide the Foundation for Learning"*, Kappan Magazine, November 2010.

*"The Science and Psychology of Infant-Toddler Care: How an Understanding of Early Learning Has Transformed Child Care"*, The Journal of Zero to Three, November 2009.

Prior to joining WestEd, Lally was a professor at Syracuse University and chair of its Department of Child and Family Studies.

Lally received his EdD in educational psychology from the University of Florida. He holds a post-doctoral certificate of Infant Testing from the Child

As Congress sits down to write the budget for both 2011 and 2012 it is looking for ways to both reduce the deficit and increase the effectiveness of dollars spent on education. High-quality early childhood services should be seen as a significant part of their plan. Fifty years of solid research has documented these services as the most economically viable approach to building better students and productive citizens. Early childhood services have been proven to:

- narrow the achievement gap,
- increase high school graduation rates,
- reduce crime and delinquency, and
- **yield up to \$7 for every public dollar invested.**

The economic justification for investment in early childhood has been firmly established. Economist, Art Rolnick of the Federal Reserve Bank of Minneapolis, finds that such investments yield returns which far exceed the gain of most economic development projects.

Nobel prizewinning economist James Heckman's analysis of the Perry Preschool Program Data shows a 7% to 10% per year return on investment based on:

- increased school and career achievement,
- reduced costs in remedial education ,
- reduced health costs, and
- decreased criminal justice system expenditures.

His analysis of the Chicago Child Parent Center Study estimated \$48,000 in benefits to the public, per child, from half-day preschool attendance by at-risk children. Participants at age 20 were:

- more likely to have finished high school,
- less likely to have been held back,

- less likely to need remedial help, and
- less likely to have been arrested.

He also calculated that a 5% increase in male high school graduation rates would save the state of Illinois \$379 million and that a high school graduate brings in \$400,000 more in lifetime earnings than a high school dropout. Heckman concluded that quality early childhood services are the most economically efficient way to provide our country with the highly educated, skilled workforce it needs for a successful economic future.

Recent neuroscience research also makes the case that increased focus on the early years will yield great benefits. Before the age of five, the brain builds its cognitive and language foundations and also structures for the development of character skills such as attentiveness, motivation, self-control and sociability. The neuroscientists warn that when young children, of any background, miss out on enriching experiences during this critical time period pernicious achievement gaps emerge along with accompanying economic costs.

It is clear that America must deal with the deficit it faces and cut wasteful spending. At the same time, it is also clear that we will grow the deficit if we don't grow a more skilled workforce and develop a strong and productive citizenry. Currently, we find that we are spending too many dollars on compensatory efforts put in place to fix problems not addressed in the early years. We, at present, face record rates of high school dropouts, a lack of college graduates, increasing rates of obesity, rising crime and a growing underclass – expensive outcomes all partly attributable to inadequate attention to early development.

As the budgets for 2011 and 2012 are being written attention to the early years need to be seen as a legitimate cost saving mechanism. Attention to four major components of the federal budget where services should at least be kept at current levels, **as a way of solving deficit issues**, should be considered as part of deficit reduction activity:

1. Childcare and Development Block Fund  
*Currently only one in six eligible children receive child care assistance.*
  - **Recommendation:** Sustain \$ 1 billion budget to keep investments at current level.
2. Head Start and Early Head Start  
*Currently only 4% of eligible infants and toddlers participate in Early Head Start and less than half of eligible preschool-age children access Head Start.*

- **Recommendation:** Sustain \$1 billion budget to keep investments at current level.

3. Elementary and Secondary Education Act  
*There is no current section of the act which relate to services for children birth to five.*

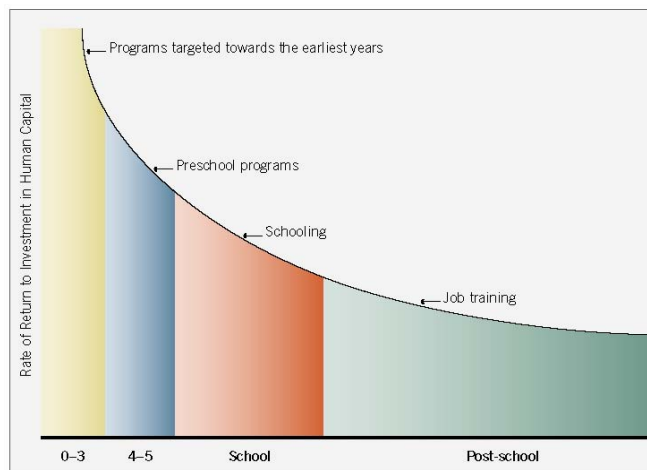
- **Recommendation:** Specify funding for ESEA to promote investment at the local level in high quality early childhood programs for children from birth to school entry.

4. Individuals with Disabilities Education Act, Part B – preschool; Part C – to children under age 3.

- **Recommendation:** Sustain the additions of \$400 million for preschool and \$500 million for infant and toddlers added to the 2010 budget.

**If the budgets for Head Start, Early Head Start and the Child Care and Development Block Fund are reduced to 2008 levels, as some are proposing, 675,000 children under five would lose services and compensatory costs from lack of service would rise.**

The economic analysis of James Heckman proves that early childhood development is more cost-effective than other types of remediation.



Early childhood education is an efficient and effective investment for economic and workforce development. The earlier the investment, the greater the return on investment.

[www.heckmanequation.com](http://www.heckmanequation.com)