

Early Childhood Development and Returns on Investment

Investing in children’s health and social cognitive skills in the first five years of life produces the greatest returns in human capital, providing “upstream solutions” for future generations.

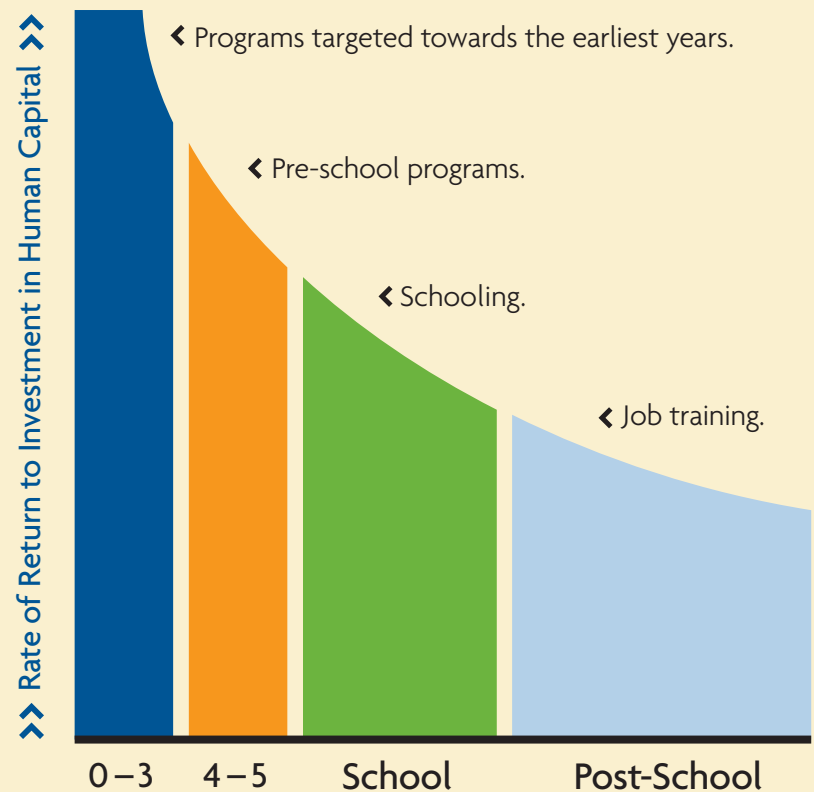
Children’s early experiences have a significant impact on their development. Early experiences determine whether children’s brain architecture provides a “strong or weak foundation for all future learning, behavior, and health”¹ and ultimately, shapes adult productivity.

The benefits of early childhood investment are realized early, and continue to pay off over time. In the near term, more children are prepared for kindergarten. This leads to greater 3rd grade reading proficiency and generates significant taxpayer savings from reduced grade retentions, special education placements, and services needed for English learners. In the long-term, at-risk children with high quality early childhood experiences are more likely to graduate from high school, have greater workforce participation, higher income, and fewer arrests.

Policies that promote healthy development through the early years support a foundation for later school achievement, economic productivity, responsible citizenship, and successful parenting. For children at unusually high risk, neuroscience provides a compelling argument for beginning programs prenatally, since a substantial amount of brain circuitry is constructed very early in life.

While the economics of early childhood development are clear, optimal early childhood development is intricate and multi-faceted, incorporating the health, mental health, social-emotional development, language and literacy, and cognitive skill development of young children. Children grow and develop in families and neighborhoods; family and community characteristics and dynamics play the most significant role in children’s formation.

The Earlier the Investment, The Higher the Return



Source: Heckman & LaFontaine 2007

¹ Nelson, C.A. (2000). Neural Plasticity and Human Development: The Role of Early Experience in Sculpting Memory Systems. *Developmental Science* 3, 115-130.