

Step Up To Early Learning

An Impressive Return on Investment

Cost Effectiveness: Research has shown through longitudinal studies, for every \$1 spent on a quality early childhood program, we gain from \$7.00 to \$9.66 in benefits for the individual child and society. ¹

Return on Investment: Art Rolnick, Vice President of the Federal Reserve Bank, Minneapolis, conducted a cost-benefit analysis on early childhood programs. The results showed an average internal rate of return of 16% for the money invested. The greatest public return of investment for children in quality early childhood programs was a decrease in crime, welfare payments, and public education costs with an increase in participants' earnings. ²

Improved Earning Power: Children participating in a quality early childhood program had better productivity and earning power, according to a 1997 report by the National Conference of State Legislators. For example, the Abecedarian Study found that these children can expect to make approximately \$143,000 more over their lifetimes than children not receiving the benefits of a quality early learning program. In addition, mothers of these children can expect higher earnings, approximately \$133,000 more over their lifetimes. ³

Public School Savings: Participation in a quality early childhood program reduces grade retention and special education, saving public schools precious resources, as demonstrated in sixteen studies of early childhood programs. For example, the Chicago Longitudinal Study showed a 40% drop in retention and in special education placement, with a 29% increase in the high school completion rate for children who participated in quality early childhood programs compared to children who did not participate. ⁴

" No other social program has the evidence to show this level of savings to society" (*Invest in Kids Taken Literally*, Twin cities Pioneer Press, October 24, 2003)
"...we have argued that in the future any proposed economic development list should have early childhood at the top" (Early Childhood Development with a High Public Return, Federal Reserve Bank of Minneapolis, December, 2003)

¹ National Institute for Early Education Research, Rutgers University, 2004 Fact Sheet

² Rolnick & Grunewald, "Early Childhood Development: Economic Development with a High Public Return" Fed Gazette, March, 2003

³ Masse & Barnett, "A Cost Benefit Analysis of the Abecedarian Early Childhood Intervention", 2003.

⁴ Reynolds, Temple, Robertson & Mann, "Age 21 Cost-Benefit Analysis of the Title I Chicago Child-Parent Center Program", March, 2001