



# Business Case for Early Childhood Investments


Strengthening business through effective investments in children and youth

## **Businesses need employees who are job-ready, team-capable, and well-prepared—but we're not getting them:**

- The majority of fourth and eighth graders are not proficient in math and reading in all 50 U.S. states and Washington, D.C.<sup>1</sup>
- Nationally, only 29 percent of young people ages 17 to 24 meet the physical, behavioral, or educational standards to serve in the U.S. military—standards comparable to those many employers use.<sup>2</sup>

## **This failing workforce pipeline can be repaired, but we have to start early.**

- Early childhood is a time when children acquire the foundation of many skills needed for 21st-century jobs, including both cognitive and character skills.<sup>3</sup>

 Future coders and pilots must build a foundation for literacy, critical thinking and problem solving in the earliest years of life.

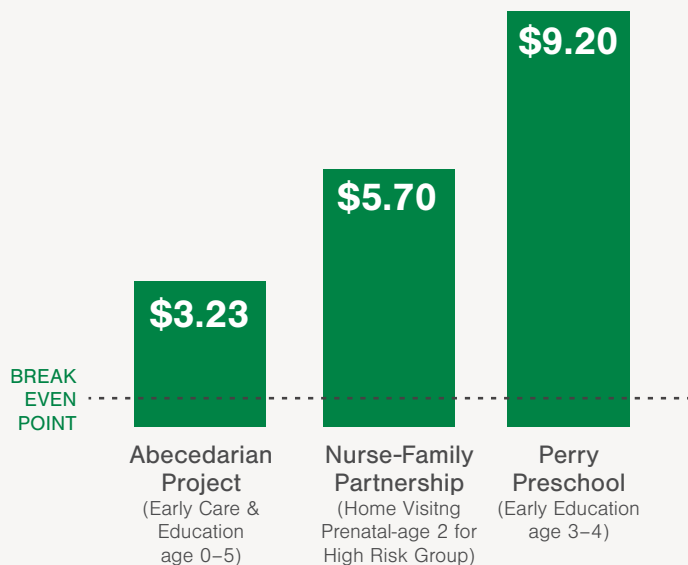
### **Roy Bostock**

Vice-Chairman (ret.), Delta Air Lines  
Former Chairman, Yahoo!

- Young children’s brains develop one million synapses—neural connections that support learning and skills—every second.<sup>4</sup>
- One study found large differences in the average number of words spoken to children by professional parents, working-class parents, and parents receiving welfare. This “30 million word gap” resulted in large differences in children’s vocabulary.<sup>5</sup>
- Disadvantaged children can start kindergarten as much as 18 months behind their peers. Many of these children never catch up, and are at increased risk of dropping out of high school.<sup>6</sup>

## Quality Early Care and Education Pays Off

Cost /Benefit Analyses Show Positive Returns



Source: Noble Laureate Dr. James Heckman

## Evidence-based early childhood programs help children succeed:

- A study of the Nurse-Family Partnership (NFP) home visiting (parent coaching) program demonstrated that, by age 15, children in NFP had half as many verified incidents of child abuse and neglect.<sup>7</sup>
- Michigan’s Great Start Readiness Pre-K program reported a 35 percent increase in the number of high school graduates,<sup>8</sup> and children in the Chicago Child-Parent Centers were 29 percent more likely to graduate from high school.<sup>9</sup>
- Quality early education and care can improve physical and mental health, including impacts on obesity, smoking, markers for diabetes and heart disease, and dental health.<sup>10</sup>
- An overview of 56 studies across 23 countries in Europe, Asia, Africa, and Central/South America found impacts of early childhood programs on health, IQ, and emotional development.<sup>11</sup>

## Investments in early childhood programs yield short- and long-term returns:

- Early education professionals generally spend most of their earnings locally. States realize roughly \$2 in local spending for each dollar invested in child care.<sup>12</sup>
- The Washington State Institute for Public Policy (WSIPP) determined that high-quality state and local preschool programs can have, on average, a net return of over \$34,000 per child served.<sup>13</sup>
- WSIPP’s analysis of the Nurse Family Partnership concluded that it produced a benefit-cost ratio of almost 3:1 and average net savings of almost \$9,000 per family.<sup>14</sup>



## Business Leaders Making A Difference

- Fifty-three former and current executives from major companies sent a joint letter to Congress in support of renewing the federal Maternal, Infant, and Early Childhood Home Visiting program.
- Eli Lilly and Company played a key role in successfully advocating for a \$40 million expansion of Indianapolis's quality preschool program.
- Through global accounting firm KPMG's Family for Literacy program, employees have distributed more than 3 million new books to low-income children in more than 90 communities across the United States and internationally.
- Former Procter & Gamble CEO John Pepper testified before a U.S. Senate committee in support of expanding federal preschool funds.
- More than 150 global business people signed ReadyNation's two Open Letters to the United Nations on early childhood in the Sustainable Development Goals.

## Business. Kids. Workforce.

ReadyNation mobilizes thousands of business executives to support a skilled workforce by promoting solutions that prepare children and youth to succeed in school, work, and life. Our work spans from early childhood to young adulthood. We support members to speak to policymakers and key audiences, and we give ideas on what companies can do at the local or corporate level.

In a three year period, ReadyNation members generated more than 500 media pieces and contributed to winning \$3 billion in new state and federal investments in programs for children and youth.

Through ReadyNation International we assist countries beyond the U.S. to create sustainable networks of business champions for children.

“ The first of these cornerstones of [economic] opportunity... is resources available to children in their most formative years.

**Janet Yellen**

Former Chair, Board of Governors,  
Federal Reserve System



### How to Join:

Go to **[www.ReadyNation.org/join](http://www.ReadyNation.org/join)**.

Membership involves no dues, meetings, or obligations, and members can choose when and how to act, with our support. Members join this private, virtual network as individuals, with their business affiliation used for identification purposes only.

### ReadyNation Members are Pursuing Six Types of Actions:

1. **Join** ReadyNation to advocate for smart public investments from early childhood to young adulthood
2. **Give** high-level presentations or media appearances that call attention to the issue
3. **Provide** products that generate revenue while also contributing to social goals
4. **Disseminate** information to customers or supply chains on the importance of early childhood
5. **Educate** employees about early childhood and support family-friendly practices
6. **Support** local programs, with funds, expertise, volunteers or other resources

#### ReadyNation: Business. Kids. Workforce.

Business executives building a skilled workforce by promoting solutions that prepare children to succeed in education, work, and life.

**Council for a Strong America** is a national, bipartisan nonprofit that unites five organizations comprised of law enforcement leaders, retired admirals and generals, business executives, pastors, and prominent coaches and athletes who promote solutions that ensure our next generation of Americans will be citizen-ready.

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## Endnotes

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- 3** National Association of Elementary School Principals. (2014). Leading Pre-K-3 Learning Communities, Competencies for Effective Principal Practice. Retrieved from: <https://www.naesp.org/sites/default/files/leading-pre-k-3-learning-communities.pdf>
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- 13** Washington State Institute for Public Policy. (2015). State and district early education programs Benefit-cost estimates. Retrieved from: <http://www.wsipp.wa.gov/BenefitCost/ProgramPdf/270/State-and-district-early-childhood-education-programs>
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