

# The Business Case for Early Learning



## American Competitiveness in Peril: The Case for a Complete and Competitive Education

A well-educated, globally competitive workforce is the cornerstone of a vibrant economy and prosperous communities. High-quality preschool helps cultivate that skilled workforce by narrowing the achievement gap and giving young children a solid foundation in critical early social and academic skills. And right now, every dollar put toward early childhood education is both an educational and economic stimulus for American families – creating jobs and enabling parents to earn while their children learn.

## Kids Who Start Behind Stay Behind

Studies show that far too many children are entering kindergarten unprepared, and that a wide gap exists between lower- and higher-income children, even before they enter kindergarten.

- At age 3, low-income children have average vocabularies of only about 500 words, while high-income children have average vocabularies of more than 1,100 words.



- Yet the children with the largest school readiness and achievement gaps – those who could benefit the most from high-quality early childhood education – are the least likely to be in such programs. Less than 40 percent of low-income 3 and 4 year olds who could attend publicly funded early learning programs are in them.

- Without this strong, early start, children are likely to start out behind – and stay behind. The cost of this achievement gap is steep – if the U.S. had closed the gap between low-income students and others a decade ago, gross domestic product in 2008 would have been \$440 billion to \$670 billion higher, according to a McKinsey & Co. report.

- The U.S. is already falling behind other countries, and California is lagging behind other states. In a globally competitive workplace, we can no longer allow our children to enter school unprepared to learn and succeed.

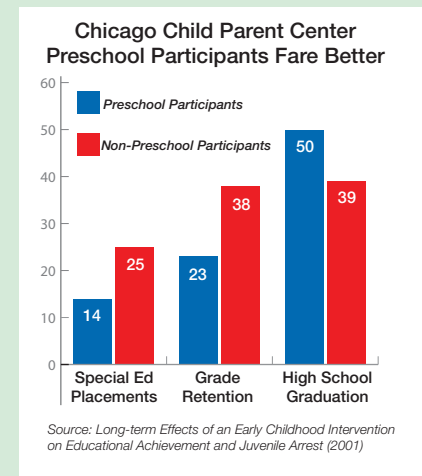
## Brain Development Research Supports Early Intervention

- Learning begins at birth: Early experiences shape a child's brain development and lay the foundation for all future learning, behavior and success.
- The brain is like any other muscle: It must be used to become – and stay – healthy.

## Quality Early Learning is a Proven Investment in School Success

Early childhood education gets kids ready to learn during their most formative years. National research shows that children who attend high-quality preschool programs:

- perform better on standardized tests in reading and math;
- are less likely to be placed in special education;
- are less likely to be held back a grade; and
- are more likely to graduate from high school and attend college.



# Business Leaders Recognize Preschool is a Smart Public Investment



## Early Investments = Higher Returns

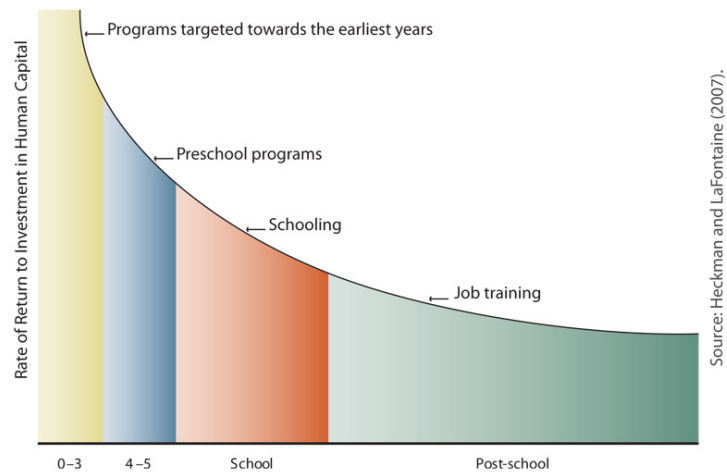
During these tough economic times, it is more important than ever to spend our limited public resources on effective programs like high-quality preschool, which are proven to yield large returns on investment.

- Economic research shows that the earlier we make investments, the greater our return will be.

## Helping Parents Earn While Their Children Learn

- Early learning is a critical support for our current workforce. It allows parents to go to work secure that their children are in safe, nurturing environments.
- Employers find that good early childhood programs reduce absenteeism and increase productivity, recruitment and retention of employees.
- Early care and education is a major industry in its own right. At a time when job creation is a top priority, it is providing tens of thousands of jobs in communities across California. In Los Angeles, for example, the early care and education industry generates \$1.9 billion in gross receipts and creates more than 65,000 full-time equivalent jobs.

## Returns to a Unit Dollar Invested



- In cost-benefit analyses, economists have found high-quality early childhood education offers one of the highest returns of any public investment – more than \$7 for every dollar spent.
- It saves government spending on K-12 education, public assistance and the criminal justice system, and increases tax revenues as a result of higher earnings.

*“...Success will require preparing every child, everywhere in this country, to out-compete any worker anywhere in the world because we know that those students who are getting the best education are going to be able to compete. And that’s why we’re making a historic investment in early childhood education...”*

— President Barack Obama, in remarks at a March 2009 Town Hall

Join us in ensuring California’s children are prepared to succeed in school, contribute to a strong economy and build thriving communities.

Sources for all research cited in this document are available at [www.preschoolcalifornia.org/business](http://www.preschoolcalifornia.org/business)

For more information, visit [www.preschoolcalifornia.org/business](http://www.preschoolcalifornia.org/business)



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