Partnering with the Business Community & Economists to Advance a Birth to Five Policy Agenda

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"If state and federal budget choices are consistently made to maximize the well-being of every American child, fairness and long-term economic growth will be assured. To do this, the lifetime well-being of every child needs to be the highest priority of public and private policy."[1]

Partnership for America's Economic Success

When you think of people who would be natural allies in advocating for the well-being of very young children, who do you think of? Almost certainly you think of other professionals in the early childhood field – child care providers, social workers, pediatricians, child psychologists, etc. But do you ever think about business people or economists? Probably not, and yet economists and members of the business community can be among the most influential and supportive allies the early childhood field is likely to know. This article for *The Baby Monitor* is dedicated to discussing the positive partnerships that can be made between the business community, economists and early childhood advocates to advance a birth to five policy agenda.

Making the Connection between Business, Economics & Early Childhood

For decades, researchers, professionals and advocates in the early childhood field have been making the case for investing in the early years. As advocates, we are fortunate that the science of early development allows us to advocate based on evidence rather than ideology. The science is clear: "From the time of conception to the first day of kindergarten, development proceeds at a pace exceeding that of any subsequent stage of life. It is during this time that the brain undergoes its most dramatic growth, and children acquire the ability to think, speak, learn and reason. Early experiences can and do influence the physical architecture of the brain, literally shaping the neural connections in an infant's developing brain."[2]

Scientific research is not the only evidence that supports investment in birth to five though. Thanks to a number of visionary business leaders and economists, we now also have the ability to make progress on birth to five policy issues with economic research that has come to the same conclusion as the science. That is, **investing as early as possible in a child's life bears the highest return.** For example, research by economists Rucker Johnson and Robert Schoeni concludes that low birth weight babies are 30% more likely not to graduate from high school, 6% less likely to get and keep a job, will earn 16% less at age 35 than their counterparts, and will have health conditions when they are in their 30s that are characteristic of people 12 years older.[3] The evidence is staggering and has the ability to transform the policymaking landscape in favor of prioritizing birth to five.

To lay the groundwork for making very young children the nation's top economic priority, a group of funders, business leaders, economists, policy experts and advocates came together and formed the *Partnership for America's Economic Success* (the Partnership). The Partnership is focused on early childhood because "educated, healthy young adults who get along well with others and can work effectively in teams are essential to meeting" the challenges our nation faces with global competition and growing fiscal imbalances.[4] And over the course of two years, they are working to document economic research findings on early childhood investment and bring them to the attention of policymakers and the public. Through working papers and presentations by preeminent economists and early childhood program researchers, information is being gathered to document the economic return on a "range of investments in young children, from before birth to age five, in order to quantify the level of returns on those investments and determine the evidence base for making children an economic priority for the nation."[5]

The economic literature is unmistakable: "Dollars invested in ECD (early childhood development) yield extraordinary returns" and "pay big dividends to society,"[6] including increased skill in the workforce, improved health, and reduced crime.[7] In fact, "early interventions promote schooling, reduce crime, promote workforce productivity and reduce teenage pregnancy. These interventions are estimated to have high benefit-cost ratios and rates of return,"[8] much higher than later interventions in the child's life.

University of Chicago economist and Nobel Laureate James Heckman argues that investing in vulnerable and disadvantaged young children is good economics and good public policy. In his testimony before the Joint Economic Committee, Heckman visually depicted the high rate of return of investing in programs for the very youngest children in the following graph. [9]

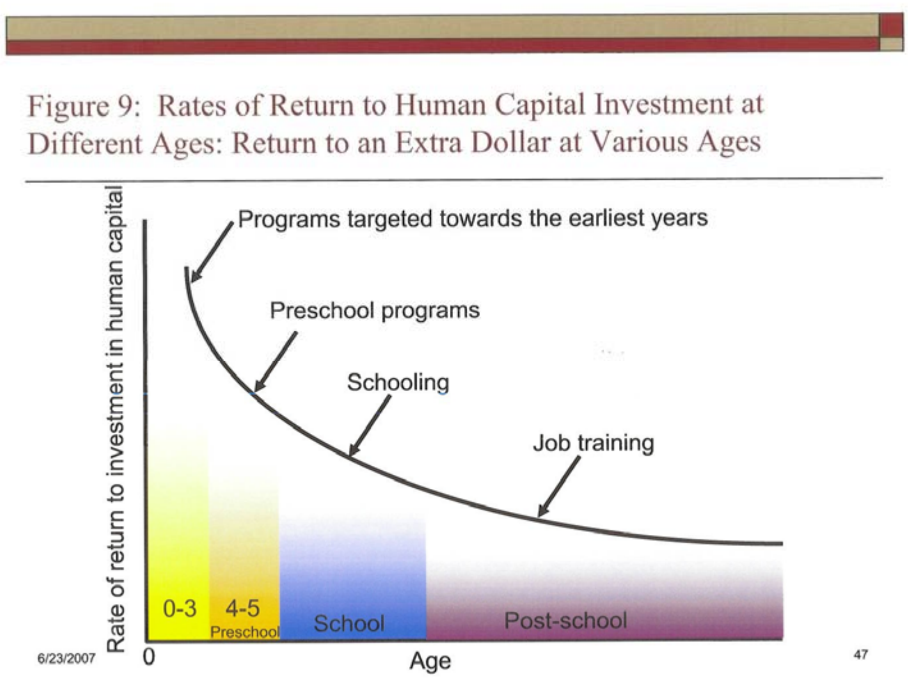

Figure 9: Rates of Return to Human Capital Investment at Different Ages: Return to an Extra Dollar at Various Ages

Heckman describes the argument this way:

> "Many major economic and social problems such as crime, teenage pregnancy, dropping out of high school and adverse health conditions can be traced to low levels of skill and ability in the population. Ability gaps between the advantaged and disadvantaged open up early in the life of the child. Life cycle skill formation is dynamic in nature. Skill begets skill; motivation begets motivation. If a child is not motivated or stimulated to learn and engage early on in life, the more likely it is that when the child becomes an adult, it will fail in social and economic life. The longer we wait to intervene in the life cycle of the child the more costly it is to remediate." [10]

Practical Tips for How Early Childhood Advocates Can Partner with Business Leaders & Economists

With the scientific and economic evidence in hand, early childhood advocates, business and economic leaders can work together and be a powerful force in changing public policies on behalf of children birth to five. So where do you begin when forming these new partnerships?

First, it is important to understand one another and the frame of reference for each discipline's approach to these issues.

Business people and economists seek evidence for the cost-effectiveness of the work they do. Their approach to early childhood is the same, and there is much that we can learn from them in this regard. More than doing good, business people and economists need evidence that the investments we make in infants and toddlers yield benefits – whether immediate or down the road – that justify the investment. This challenges us in the early childhood community to provide such evidence and think differently about the ways in which we evaluate our work with young children and families. Remember also that business leaders are bottom-line oriented, so it is important to convey how much early childhood programs will cost, any creative alternative funding mechanisms and examples of what other states are doing.

Second, become familiar with the economic literature on investing in very young children.

There is a growing body of literature that documents the benefits to society and the economic growth opportunities afforded by investing in very young children. To stay abreast of the research, visit the Invest in Kids Working Group section of the Partnership's web site, which includes links to working papers, presentations and articles written by leading researchers focused on this topic.

Third, reach out to your local United Way chapter, Chamber of Commerce, the economics and public policy departments at nearby universities, and other local groups of business leaders.

United Ways across the country are prioritizing early childhood issues as a top community focus. Through the United Way of America's Born Learning Campaign and Success by Six initiative, local business people are becoming engaged in addressing the needs of our youngest children. In addition, local Chambers of Commerce represent the interests of your community's business people. You can approach them to find out who in their membership is interested in early childhood issues. On the economics front, seek out the public policy and economics departments at area universities. Find out if any of the faculty or graduate students are researching these issues already or whether they might be interested. With a little outreach, these are natural collaborations for infant-toddler advocates wanting to partner with the business and economics communities.

Fourth, in building partnerships with corporate executives, it is important to use a peer-to-peer approach.
When possible, ask business leaders you know to help you reach out to other business colleagues who may be interested in advocating for young children. If you are just starting to form relationships within the business community, ask former elected officials, retired executives, or anyone who has credibility in business circles to lead your effort.

Fifth, identify specific, concrete tasks you would like business leaders to do to promote early childhood policy.
Business executives are more likely to respond to requests for support of your issues when there is high impact potential, such as authoring opinion editorials, delivering keynote speeches at an event, or meeting with high-level public officials about early childhood issues. Be clear about the role you would like the business leader to play, but also be mindful of their time and design tasks that fit the business leader appropriately.

Examples of Partnerships with Business & Economic Leaders
Business and economic leaders can have quite an impact on the way in which policymakers view early childhood policy issues. There are numerous examples of successful partnerships between early childhood advocates and business leaders/economists. For example, the Committee for Economic Development (CED), a business-led public policy organization comprised of senior corporate executives, launched an endorsement campaign around their early education work. CED executives wrote personal letters to their business colleagues asking them to publicly endorse CED's recommendations. This effort secured over 200 business endorsers and succeeded in highlighting business support around early education.

Another recent example is that of Jeffrey M. Lacker, President of the Federal Reserve Bank of Richmond, who recently gave a speech at the Governor's Summit on Early Childhood Development in Richmond, Virginia. His presentation illustrates a successful partnership between economics and early childhood policy.

> "Early childhood development may seem like an odd topic for a Federal Reserve Bank president… But as a regional Reserve Bank in a federated central banking system like the Fed, we spend a good deal of time trying to understand the economies that make up our District…This process gives us an opportunity to observe and learn about the economic trends and challenges facing the people of our District. It also allows us to observe the range of public policies and private initiatives undertaken across the District aimed at promoting local and regional economic growth…Policymakers at the national, state and local levels generally look for ways to enhance economic growth in their jurisdictions…In keeping with our status as a nonpartisan institution, Federal Reserve officials tend to avoid commenting on controversial policy proposals, especially when such policies benefit some but disadvantage others… On some questions, however, economic research sends a fairly clear message. I believe that early childhood development is such an issue.[11]

> Economists like to think about investments in terms of rate of return, and there is reason to think that the rate of return on early childhood investment could be particularly high. Like any investment in human capital, some of the return accrues directly to the individual in increased lifetime earning ability. But a substantial share of the return [on early childhood] – perhaps as much as three-quarters of the total – is a broader, social benefit…There are many explanations for the apparent high economic returns to early childhood education, but a key difference between early childhood investments and investments at primary or secondary education levels is the potential for compounding. That is, enhancing early childhood development appears to improve a child's ability to learn at later stages…This compounding effect…creates a legitimate public interest in helping people of modest means find and afford quality early childhood education. It holds the promise of expanding the development of human capital more broadly across our society and in doing so, widening our potential for skill-based economic growth."[12]

Mr. Lacker's remarks are a precise example of how business and economic leaders can make the case for investments in early childhood to policymakers. Working together, we can make a significant impact on public policy choices and outcomes for infants, toddlers and their families.

Authors:
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Published: October 15, 2007

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