

# The Heckman Equation



## Four Big Benefits of Investing in Early Childhood Development

**James J. Heckman** is the Henry Schultz Distinguished Service Professor of Economics at the University of Chicago, a Nobel laureate in economics and an expert in the economics of human development.

*Improving the economy, strengthening the middle class and reducing the deficit are national priorities. Solving these challenges starts with investing in America's greatest resource: its people. Quality early learning and development programs for disadvantaged children can foster valuable skills, strengthen our workforce, grow our economy and reduce social spending. Here's how:*

### ① It can prevent the achievement gap.

Gaps in knowledge and ability between disadvantaged children and their more advantaged peers open up long before kindergarten, tend to persist throughout life, and are difficult and costly to close. Taking a proactive approach to cognitive and social skill development through investments in quality early childhood programs is more effective and economically efficient than trying to close the gap later on.

### ② It can improve health outcomes.

**Recent research** by Professor Heckman and colleagues has shown dramatic long-term health effects of early interventions for disadvantaged children that incorporate early education, nutrition and health. More than 30 years later, treatment group individuals were at significantly lower risk for serious cardiovascular and metabolic diseases, such as stroke and diabetes. These findings demonstrate the great potential of coordinated birth-to-age-five early childhood programs to prevent chronic disease, reduce healthcare costs and produce a flourishing society.

### ③ It can boost earnings.

**A recent study** published by Professor Heckman and top researchers from around the world found that extremely disadvantaged children in Jamaica who took part in an early intervention similar to home visiting programs in the United States boosted their earnings in adulthood by 25%, putting their wages on par with those of their more advantaged peers.

### ④ It makes dollars and sense.

The rate of return for investments in quality early childhood development for disadvantaged children is 7-10% per annum through better outcomes in education, health, sociability, economic productivity and reduced crime.

There's a growing recognition of the value of investing in quality early childhood programs. It's time to act on the evidence. The sooner we do, the more likely we will be to put our country on the road to greater prosperity that is shared by all.

