

**U.S. QUALITY EARLY EDUCATION:  
A GLOBAL COMPETITIVE IMPERATIVE**  
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In the global economy of 2009 and beyond, the United States must effectively mobilize every possible competitive resource. Early education has rarely been positioned in that context, but it is a critical asset, or damaging liability depending on its quality, in the nation's long-term economic vitality.

Cited below are some of the key business organizations and other sources that have made forceful cases for the long-term economic importance of quality early education and that are discussed in this presentation. Scope View believes that early education advocates have too often based their arguments by using the conclusions of other early education professionals, while too seldom citing resources like those shown here.

There is only one way to effectively and consistently reach business and governmental leaders. And that is to ensure that business organizations are among those making the case. Many of them have... and with compelling logic. Business sources also provide substantially more credibility within some governmental circles that may discount arguments advanced by the early education community itself.

**The Business Roundtable: [www.businessroundtable.org/taskforces](http://www.businessroundtable.org/taskforces)**

*The Business Roundtable is the bluest of blue chip business associations. It is comprised of the Chief Executive Officers of 160 leading U.S. companies with \$4.5 trillion in annual revenues and more than 10 million employees. Member companies comprise nearly a third of the total value of the U.S. stock markets and represent over 40 percent of all corporate income taxes paid. Roundtable companies give more than \$7 billion a year in combined charitable contributions, representing nearly 60 percent of total corporate giving.*

*The Roundtable is committed to advocating public policies that ensure vigorous economic growth, a dynamic global economy, and the well-trained and productive U.S. workforce essential for future competitiveness. The Roundtable believes that its potential for effectiveness is based on the fact that it draws on CEOs directly and personally, and presents government with reasoned alternatives and positive suggestions.*

*In 2003, it issued a major position paper, "Early Childhood Education: A Call to Action from the Business Community," emphatically endorsing state and federal programs that provide quality early education. In so doing, it embraced both the general principles and key operational elements of Smart Start. Importantly, the Business Roundtable positioned the issue as one of major importance to the long-term vitality and security of local and state economies and that of the nation as a whole.*

"Over the past two decades, business leaders have invested time, expertise, and resources in efforts to improve K-12 education in the United States. What we have learned leads us to conclude that America's continuing efforts to improve education and develop a world-class workforce will be hampered without a federal and state commitment to early childhood education for 3-4 year-old children. In today's world, where education and skill levels determine future earnings, the economic and social costs to individuals, communities, and the nation of not taking action on early childhood education are far too great to ignore."

However the research is clear: the return on investment is linked to quality; simply increasing participation without ensuring program quality will not produce positive results. Successful programs will include:

- (1) Aligning the objectives of early education systems with states' standards in the early grades;
- (2) Ensuring that teaching staffs possess the skills, knowledge, and attitudes to help young children enter school prepared to succeed;
- (3) Supporting parents as their children's first teachers and providing high-quality program options to parents who choose to enroll their children;
- (4) Embracing accountability for measurable results;
- (5) Building partnerships to finance, sustain, and improve the system."

**U.S. Chamber of Commerce:** [www.uschamber.com/issues/index/education/education.htm](http://www.uschamber.com/issues/index/education/education.htm)

*The United States Chamber of Commerce is the world's largest not-for-profit business federation, and represents: 3,000,000 businesses (via its federation of local chambers and association members. Actual direct membership is several tens of thousands.); 2,800 state and local chambers.; 830 business associations; and 90 American chambers in other countries.*

"To keep America competitive and strong, the business community must be actively engaged on issues related to our nation's educational system as a means to ensure an educated citizenry of self-sufficient, lifelong learners who have the skills needed to thrive in the global workplace, today and in the future. The coordination of community resources, school support systems, family engagement programs, and classroom teachers' efforts can diminish the barriers to learning. Employer engagement must be significant and have the ability to address some of the greatest challenges facing education...

These challenges include the lack of preparation of early learners who enter school for the first time, the significant learning and education gaps among groups of students, as well as the unacceptable number of students who never complete a secondary education or have the skills necessary to enter the world of work or continue on with higher education.

Studies by the Federal Reserve Bank of Minnesota reveal that the capacity for developmental skills begins in the first five years of life. This is the beginning point for a person's creativity, communication, team working, problem solving, and critical thinking skills. These studies reflect that there is a great need for children to enter kindergarten prepared to learn. Unfortunately, too few young children today are in fact prepared with these tools.

Through these efforts, states and localities should strive to provide access to high quality programs for all children. These programs should include a strong family engagement component to facilitate early literacy development; should focus on academic preparation; and be held accountable for their performance. Research shows that lasting benefits of Pre-K programs only persist when staff is professionally prepared and high quality standards are maintained."

**BusinessWeek (10/23/06):** [www.businessweek.com/magazine/content/06\\_43/b4006099.htm](http://www.businessweek.com/magazine/content/06_43/b4006099.htm)

*Owned by McGraw-Hill, BusinessWeek was first published in 1929. With a circulation of more than a million, it is consistently one of the most widely read and respected such magazines in the world. In its October 23, 2006, U.S. edition, it featured an article on quality preschooling.*

"Programs that put real money into intensive preschooling pay off -- in productive workers. To stay competitive, companies need an educated workforce. That's one reason executives wince at the sorry scores U.S. students earn in international reading, science, and math rankings.

It doesn't have to be that way. Analyzing data from a series of long-term studies, a band of scientists, educators, and economists say that aggressive preschool training for children from troubled homes yields extraordinary dividends for the families and society. Some of the most persuasive data come from a 40-year, 123-child study at the High/Scope Perry Preschool Project in Ypsilanti, Mich. In 1962-67, preschool teachers worked intensively with 64 low-income African American children aged 3 to 4, both at preschool and once a week in their homes. Such efforts don't come cheap: The High/Scope program cost \$10,600 per pupil, in 2005 dollars.

But 40 years later, when administrators compared the children's life stories with those of 59 people who did not receive special attention, the payoff was impressive. Almost half of the preschoolled children performed at grade level by the age of 14, compared with just 15% in the control group, and 60% were earning upward of \$20,000 a year in their 40s, vs. 40% in the control group. Throw in the higher number of school grades completed, lower rates of criminal activity, reduced time spent in prison, and other factors, and the benefit-to-cost ratio comes to \$17 for every \$1 invested.

## **The Committee for Economic Development: [ced.org/projects/educ.shtml](http://ced.org/projects/educ.shtml)**

*Throughout its 60+ year history, the Committee for Economic Development has addressed national priorities that promote sustained economic growth and development to benefit all Americans. These activities have helped shape issues ranging from the Marshall Plan in the late 1940s, to education reform in the past two decades, and campaign finance reform since 2000. Trustees include key representatives from both the corporate and university sectors.*

*Since 2002, the Committee has been engaged in an aggressive national campaign to build the momentum surrounding investment in early education. Its initial early education report, [Preschool for All: Investing in a Productive and Just Society](#), CED has The report calls for free, high quality preschool education for all children age 3 and over who have not yet entered kindergarten. Its 2004 analysis, [The Value of High Quality Preschool Investments as Economic Tools](#) was authored by James Heckman, Nobel Laureate in Economics. Its most recent work, [Economic Promise of Investing in High-Quality Preschool: Using Early Education to Improve Economic Growth and the Fiscal Sustainability of States and the Nation](#), was released in June 2006.*

“Many of the current local development policies surfaced during the 1970’s when an energy crunch, global competition and high unemployment forced state and local governments to take action to attract jobs. Since then, added employment pressures and increased mobility of labor and capital have further expanded “territorially competitive” development policies, and by 1994 there were an average of twenty-four inducement programs per state.

Each year, billions of dollars of state and local tax dollars are committed to local development projects, often in the form of inducements to high-profile companies. Though these investments are increasingly common, their return are risky, if at all positive, and their benefits are frequently aimed at a small segment of the population

Early childhood education, in contrast, appears to offer greater potential returns and substantially less risk. CED encourages local development policy-makers to view early education as a development tool and appreciate its lasting benefits. It is time that early education is implemented with the same energy, urgency and funding that is currently being applied to other less-promising development projects.”

## **Federal Reserve Bank of Minneapolis: [www.minneapolisfed.org/pubs/fedgaz](http://www.minneapolisfed.org/pubs/fedgaz)**

*The Federal Reserve System serves as the central banker of the United States. It influences monetary and credit conditions in the economy in pursuit of maximum employment, stable prices, and moderate long-term interest rates. It supervises and regulates banking institutions to ensure their safety and soundness, and maintains the stability of the economy while containing systemic risk that may arise in financial markets. Minneapolis is one of twelve independent Federal Reserve Banks located in major cities throughout the nation.*

“Early childhood development programs are rarely portrayed as economic development initiatives, and we think that is a mistake. Such programs, if they appear at all, are at the bottom of the economic development lists for state and local governments. They should be at the top...”

Most of the numerous projects and initiatives that state and local governments fund in the name of creating new private businesses and new jobs result in few public benefits. In contrast, studies find that well-focused investments in early childhood development yield high public as well as private returns... State and local subsidies to private businesses are not new. In the name of economic development and creating new jobs, Minnesota, and virtually every other state in the union, has a long history of subsidizing private businesses. We have argued in previous studies that the case for these subsidies is short-sighted and fundamentally flawed...

The conventional view of economic development typically includes company headquarters, office towers, entertainment centers, and professional sports stadiums and arenas. In this paper, we have argued that in the future any proposed economic development list should have early childhood development at the top. The return on investment from early childhood development is extraordinary, resulting in better working public schools, more educated workers and less crime.”

**Zogby International:** [http://ced.org/docs/poll\\_earlyed2006zogby.pdf](http://ced.org/docs/poll_earlyed2006zogby.pdf)

*Zogby International has been tracking public opinion since 1984 in North America, Latin America, the Middle East, Asia, and Europe. It has major clients in the business, nonprofit, governmental and political arenas. In 2005, it was commissioned by the Pew Charitable Trusts, PNC National Bank and the Committee for Economic Development to survey 1,000 business leaders across the country on their views of the importance of publicly funded pre-kindergarten programs and their importance to the economy. The results are shown below.*

“Facing a decline in the number of skilled workers, American business leaders overwhelmingly back public funding for pre-kindergarten for all children to keep the U.S. economy globally competitive, according to a survey by Zogby International.

The poll was conducted last fall among 205 managers of Fortune 1000 companies and businesses with more than 1,000 employees, and was released January 10, 2006 in conjunction with a forum of more than 200 business leaders, economists, and educators. The event, “Building the Economic Case for Investments in Preschool,” is sponsored by the Committee for Economic Development (CED), The Pew Charitable Trusts and PNC Financial Services Group, Inc.

It said that 49% felt the level of their workers' skills had decreased over the last decade, while 42% felt skills had improved. 54% said they expected difficulty finding enough educated and skilled workers in the future, while 81 percent said public funding of voluntary pre-kindergarten for all children would improve the nation's work force.

Concerns about the quality of the American workforce and our economic future were implicit in the responses of business leaders. What was truly surprising was not just the recognition that pre-kindergarten is essential to a better educated workforce, but that 63% of the business leaders favor active support for such universal programs by business.

American business leaders overwhelmingly favor publicly-supported pre-kindergarten programs, with more than four-in-five agreeing with all of the following statements:

- Investments in effective preschool programs for children are important if the U.S. is to remain competitive in the global economy.
- Investments in effective preschool programs for children are important for the long-term success of the U.S. economy.
- Voluntary pre-kindergarten for all children would improve the workforce.
- Public funding of voluntary pre-K for all children would improve America's workforce.

Significantly, 83% favor an approach that would provide publicly-funded pre-kindergarten with choice—that is, where parents were empowered to choose the pre-K program that is right for them and their child. In fact, not only do these business leaders favor this approach, but more than three-in-five business leaders (63%) favor active support for such universal programs from the business sector.

Business leaders clearly tie their support to studies that showed significant economic advantages to providing pre-school to all children. More than four-in-five say they are more likely to support universal pre-school because of studies that showed disadvantaged children provided with pre-K educations earned higher incomes and were better able to support themselves and their families as adults, as well as a gender-specific study that found that female pre-K participants were more likely to graduate from high school and avoid costly lifestyle choices like out-of-wedlock birth and receiving public assistance.

Ultimately, unease about the American workforce and the U.S.'s ability to compete in the global economy without a solid investment in education beginning in early childhood seems a potent rationale for business leaders to support investing in universal pre-school for all who want it.”

## **The New America Foundation: [www.newamerica.net](http://www.newamerica.net)**

*Launched in 1999, this non-partisan think tank examines such powerful forces as rapid technological change, massive demographic shifts, economic globalization and the rise of new global powers that are remaking America. Its Board includes the chief executive officers of some of the country's most creative and forward looking companies.*

“Never before has the connection between our economic growth and our education system been so critical. As the Council on Competitiveness predicts, where once we optimized our organizations for efficiency and quality, now we must optimize our entire society for innovation.

The drive for innovation demands that we look at improving our education system from the ground up. However, to date, we have heard little in the education debate about children's early years. This is radically different than our competitors, who begin investing much earlier in their citizens' education, knowing that these investments have long-term benefits. For America to succeed, we must do the same.

In this new global economy, our education system must develop students who have the creative capacity to dream and design as well as build. They must be able to interact with people who have different values and beliefs. While they will need the ability to question and think critically, they must also be able to communicate effectively and work in cooperation with co-workers across the globe. For America to prosper, we need citizens and leaders to engage in a complex and changing economy

Many of these skills are fundamental and develop surprisingly early in a child's life. Yet, our current education system concentrates most of its attention on students' later academic years. As test scores confirm, this strategy is not helping students keep pace with their international peers. Other countries build their primary education systems upon an integrated and coordinated system of early care and education, often beginning at age three. A first step in our efforts to strengthen our education system is to develop a national system for children's earliest education experiences that aligns standards, expectations and programs.”

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## **TWO ADDITIONAL ARGUMENTS FOR THE IMPORTANCE OF QUALITY EARLY EDUCATION**

### **The Crime Prevention Case: Fight Crime: Invest in Kids. [www.fightcrime.org](http://www.fightcrime.org)**

This bipartisan organization is comprised of over 4,000 law enforcement leaders and crime survivors nationwide. It has called on Congress and state lawmakers to expand pre-kindergarten, one of the most effective strategies to increase graduation rates in the 2008 report *Schools on the Street; Crime and America's Dropout Crisis*.

“America faces a dropout crisis that poses a significant threat to public safety. Nationwide, an estimated three out of ten high school students fail to graduate from high school on time; and for many cities and minority populations, the numbers are much worse.

High school dropouts are three and one-half times more likely than high school graduates to be arrested, and more than eight times as likely to be incarcerated. Across the country, 68% of state prison inmates have not received a high school diploma. According to researchers, ten percentage-point increases in graduation rates have historically been shown to reduce murder and assault rates by approximately 20%. Increasing graduation rates by ten percentage points would prevent over 3,000 murders and nearly 175,000 aggravated assaults in America each year.

Many efforts are underway nationwide to increase graduation rates, but the most tested and widely adopted school reform shown to greatly increase graduation rates is high-quality pre-kindergarten. Evidence from two long-term evaluations of the effects of pre-kindergarten programs show that participating in high-quality pre-kindergarten increases high school graduation rates by as *much as 44%*.

**The Military Readiness Case: Mission Readiness. [www.missionreadiness.org](http://www.missionreadiness.org)**

Mission: Readiness is the nonprofit, bi-partisan organization led by senior retired military leaders ensuring continued American security and prosperity into the 21st century by calling for smart investments in the next generation of American children.)

*“Competent, educated, and healthy young people are the future patriots tasked with defending America’s national security and prosperity. Today, over 72% of 17 to 24-year-olds do not meet the basic minimum standards required for military service.*

*A world-class military requires world-class health and education. The most effective long-term investment we can make for a strong military is in the health and education of the American people. We must invest now in the next generation to preserve our nation’s security, freedom, and opportunity. We call on all policymakers to ensure America’s national security by supporting interventions that will prepare young people for a life of military service and productive citizenship; this includes fully funding early childhood education programs...”*