

A New Convert's Views on Early Childhood Education

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Thanks for that introduction.

Earlier this year, I was approached by the Metropolitan Atlanta United Way to lead a new commission on early childhood education. My co-chair is Beverly Tatum, president of Spelman College. Although I have been an educator, I am not an expert on education and certainly not on early education. I have been working my way up the proverbial learning curve and have reached the point this morning of demonstrating the zealotry of a recent convert.

Since accepting our call to lead the Atlanta commission, Beverly and I have been immersed in the literature of the field and have made visits to places we believe are leaders in the field. Speaking for myself only, I have formed some preliminary views on the case for investment in early (pre-kindergarten) education. I believe that case is compelling—a "no-brainer." If there is debate, I believe it appropriately concerns implementation—the practical details.

For the next several minutes, I'd like to walk you through my non-expert understanding of the early education topic and share with you the preliminary views I will carry into the deliberations of our commission, which kicks off Oct. 1.

Starting with myself, our commission is not made up of subject experts. We've recruited prominent citizens from a wide array of backgrounds representing diverse constituencies. These leaders are from business, foundations, government, criminal justice, education, media, entertainment, and the faith community.

We're launching our Atlanta commission with the firm conviction that business community involvement and leadership are vital to success, and for this reason we will try to frame early education not just as an education and social policy concern but also as an economic development issue.

Framing the topic of early education as relevant to economic development encourages the use of a working vocabulary familiar to business people, including terms such as "investment" and "return on investment," "[business] model," and "workforce competitiveness."

In my varied career, I've spent more time in business than any other sector. As a new zealot for early education, I favor the direct, pragmatic, impatient-with-rhetoric language of my business colleagues. In that spirit, let me put forth five propositions:

1. **Kindergarten is too late.** At least it's too late for many children, especially those from disadvantaged households. Children who do not arrive at kindergarten ready for the structure and content of the formal education process are behind on day one. Many will never catch up.

2. **Early education generates high returns.** Return on investment can be calculated, and that return is competitive with or superior to many discrete projects typically justified in economic development terms.
3. **We (society) can pay now or pay later.** Failure in school forces channeling of resources—tax dollars, philanthropy, and United Way funding—to treatment of social problems that are the consequence of that failure in school. Failure in school unquestionably contributes to the appalling statistics we see on phenomena such as school dropouts, teen pregnancy, crime, and incarceration.
4. **Success requires public and private leadership.** For the foreseeable future, leadership action and effective delivery of early education will require a hybrid model. Achieving quality in early education requires concerted efforts on the part of the public education system, nonprofit agencies, for-profit providers, churches, and a diverse funding community. Government financing and other support are likely to be necessary, but not sufficient. Business leadership—as is so often the case at the state and community level—is critical to fill gaps and gain traction.
5. **Finally—my fifth argument—the train is leaving the station.** Many states and communities across the country are moving forward on this issue, and momentum for early childhood education is building. There is a growing recognition that this is an idea whose time has come and progressive communities ought to and *are* getting on with it. With regard to international economic competition, the train has left the station. Many of our competitors are well ahead.

To back up these propositions, I will draw on research findings in neuroscience and economics and share some thoughts about the best practices I've observed. I will necessarily be brief in describing some broader lessons of this experience.

Definitions, vocabulary and a key distinction

Before I go further, I'd like to give attention to some essential vocabulary and definitions. To begin with, there is the critical distinction between "care" and "education."

Too often, early childhood education—purposeful, structured curriculum-based learning—is confused with "childcare" or "daycare." Worse, critics might dismiss these programs as glorified babysitting.

While education can take place in a childcare or home setting, the biggest social and economic benefits associated with early education flow from investments in high-quality curriculum-based pre-kindergarten programs that begin as early as age 2. The highest returns come from investing in financially disadvantaged children who are at risk of failure later in life because they haven't gotten a solid educational start.

High-quality early education is nothing like babysitting. It typically involves well-qualified teachers, small classes, a research-validated curriculum, and family-support services. This conference will address other early interventions (such as those related to health or family income) that may complement the educational investments that are the focus in this talk.

The end game of early education is school readiness, specifically kindergarten readiness. Kindergarten readiness is typically defined by preparation in five domains. These are: physical well-being and motor development; personal, social, and emotional development; the arts and creativity; language and literacy development; and mathematical and analytical thinking.

Adequate preparedness in all of these areas is needed before kids begin formal schooling and make their way through the K–12 system.

The neuroscience case

A substantial body of research tells us that the foundations for language development, cognitive skills, and social competence—all critical components for success in school and, ultimately, in the workplace—are established before kindergarten. One expert argues that 85 percent of a child's brain structure develops in the first three years of life. About half of the children who reach kindergarten are not equipped with these skills.

Brain development research has shaped the curricula of "high-quality" early childhood education programs. Programs are geared to provide children with the kinds of experiences that strengthen the neural circuits underlying the skills needed for school success.

Language development is particularly important because it is the strongest predictor of school success. Children with significant exposure to words in family and preschool settings show up in kindergarten with a vocabulary exceeding 1,000 words.

It's been established that the vocabularies of children who grow up in disadvantaged homes are less than half those of children who come from homes with high incomes and high parent involvement. In the course of their early years, children in advantaged environments are exposed to literally millions more words through conversations or out-loud reading.

For young children with special needs or from home environments with high levels of economic or emotional stress, early education may be especially important in reversing the damage to the brain's circuitry caused by childhood trauma and stress.

In sum, the science underpinning formal early childhood education is well advanced and compelling.

Return on investment

Even practitioners of the dismal science have weighed in on the payoff from early education. Economists perceive early education as relevant to human capital development, workforce competitiveness, and, by extension, labor productivity and reduction of costly externalities such as crime and remedial public expenditures.

The work of Nobel laureate James Heckman and others builds a very convincing case that early childhood interventions—including enriched preschool centers coupled with home visitation programs—are among the most effective investments in building the skills vital to productivity and success in an economy that depends increasingly on knowledge workers.

To quote Heckman (and co-author Dimitriy Masterov): "Investing in disadvantaged young children is a rare public policy with no equity-efficiency tradeoff. It reduces the inequality associated with the accident of birth and at the same time raises the productivity of society."

Dispassionate observers will want cause-effect proof—or at least reasonably hard evidence—which isn't easy to muster given long timeframes and interplay of so many variables. Longitudinal studies appropriate to the task must be carefully constructed to follow children with exposure to preschool programs over long time periods.

One well-documented longitudinal study began more than 40 years ago at Perry Preschool in Michigan. As I understand it, the study has tracked 123 at-risk children, with 58 of them having participated in a high quality pre-K when they were 3 and 4 years old. Studies like this calculate a *social rate of return* that combines the private return from higher lifetime earnings with the return to society from lower crime and incarceration and reduced need for social services. In this particular study, the annual social rate of return is 16 percent adjusted for inflation. About a fourth of the return accrues directly to individuals, but three-fourths of the benefits flows to society at large.

Other studies using different methodology provide different numbers but reach the same conclusion: Investment in early childhood education is money well spent—yielding a stream of benefits from a better-skilled workforce, higher incomes, and a reduced need for taxpayer-funded social programs.

A number of you attending this conference work in the economic development field and should be aware of this evidence as you consider decisions to allocate scarce resources. My colleague Art Rolnick, director of research at the Federal Reserve Bank of Minneapolis, makes a compelling case that many project commitments and policies justified under the banner of economic development are low impact compared to early education. For instance, efforts to provide financial incentives for businesses to relocate constitute a zero-sum game, simply moving jobs from one region to another. Raising average competence is a positive-sum endeavor. Given the benefits of workforce competitiveness and the long-term costs of educational failure, Art argues that state and local governments would be much better off over the long term investing in high-quality early education than building costly sports stadiums or subsidizing manufacturing facilities.

The international competitiveness situation and case

Let me now comment on the international competitiveness case for early learning. According to the Organisation for Economic Co-operation and Development (OECD), early childhood education experienced a surge in policy attention around the world beginning in the early 1990s. In many other countries, children are now starting formal education at younger ages than in the United States. For example, 95 percent of French children go to school at age 3 and the Swedish system offers preschool to children ages 1 to 5, and 78 percent are in preschool by age 2.

These and other countries—including several in Western Europe—are more likely to have adopted a *national* philosophy to guide early education. Thus, the public sector generally drives the early education with a centralized policy.

This approach stands in contrast to the education model in the United States, which encourages local control with some flexibility to pursue innovation. As a result, early education and childcare in this country have been largely shaped by market forces; that is, parents pay providers who respond to demand at the individual program level. Market demand has risen as more women have entered and stayed in the labor force. Working mothers are a fact of modern life.

The public sector has been getting more involved over the past 10 years as state and local stakeholders have begun to see early education as an important part of the education continuum. A majority of U.S. states now offer pre-K programs for some 4-year-olds. Some states have programs for 3-year-olds. In most states, delivery is through a mixture of private and public programs.

The flexibility offered by our system has the potential to contribute more to economic growth over time than a mandated one-size-fits-all model. Admittedly, at any given time, a number of factors will determine how effectively the United States—and its component regions and communities—competes in a global economy. But I think it is reasonable to suggest that early education and its role in human capital development could be a key factor in improving the economic vitality of our communities and the nation's long-term international competitiveness. This topic will be more fully developed in a later session, so I will defer to that presentation.

A role for business

To realize our workforce potential and the economic development impact of early learning here in the United States, there is a clear need for assertive leadership to bring together disparate public and private actors at a state or community level. And there is a legitimate role for the business community based on pragmatic self-interest.

Business is a big stakeholder in the skill level and productivity of the workforce, so it stands to reason that business should be involved in shaping the early education agenda. The war for talent will be easier if there is more talent. I believe business has an important advocacy role, funding mobilization role, and a role of ensuring market incentives.

Implementation realities

If the delivery model for early education is destined to be a public-private hybrid, what are its vital elements, its moving parts? I had that question in mind as I visited Minnesota, Miami, and North Carolina—all places that are known for innovative ideas and practices in this field. I learned that implementation involves coordination of a complex array of important elements—funding, accreditation, training, parental involvement, and overall leadership.

In our decentralized national reality, implementation strategies differ in approach, scope, and emphasis. There does not appear to be a single delivery model for high-quality early education. But some or all of the following features are necessary:

- formal and institutionalized quality standards (teacher qualifications, class size, and curricula),
- a rating system and trusted entity to oversee it,
- technical assistance for providers,
- family support services, such as parent mentoring,
- identification and targeting of at-risk children, and
- stable sources of adequate funding—particularly funding that makes programs affordable and accessible to less advantaged families and single mothers.

Minnesota is putting emphasis on solving the funding challenge through an endowed scholarship program for at-risk children. Their concept empowers parents to choose providers in a competitive market.

Miami is emphasizing technical assistance to providers and overall leadership to be delivered by a center of excellence organized under the auspices of the United Way.

North Carolina's approach involves decentralized local program development funded by state and business dollars governed by a public-private oversight board.

I know there are other nodes of early education leadership and innovation. I hope to visit others in the coming months and develop a good sense of the national landscape in this arena.

In their communities, committed individuals make a huge difference. For example, in Minnesota, leadership comes from Duane Benson (chief executive officer of the Minnesota Early Learning Foundation), key private sector companies, and my colleagues at the Federal Reserve Bank of Minneapolis. In Miami, David Lawrence, former publisher of the *Miami Herald*, has developed a national reputation for his leadership in this cause. In North Carolina, former Gov. Jim Hunt played a key role. In addition, a range of leaders from the public and private sector—including North Carolina's large banks—keep the North Carolina Partnership for Children and its Smart Start initiative going.

The Atlanta case

In Atlanta, we're not starting from zero. Georgia benefits from a lottery-funded voluntary universal statewide pre-K program for 4-year-olds that includes content standards, approved curricula models, quality assessment, and onsite monitoring. But in 2007–08 this program only reached 57 percent of the nearly 134,000 four-year-olds in the state. The participation rate in metro Atlanta—where about half of Georgia's 4-year-olds reside—is barely 50 percent.

Smart Start Georgia, led by the United Way of Metropolitan Atlanta, has worked to significantly increase the number of nationally accredited childcare centers across the state. We also have some good models of teacher training and technical assistance in some communities. Yet we need to find ways to replicate these models and extend their reach.

A key challenge for a populous region such as greater Atlanta is taking implementation strategies that have proven to be effective in smaller settings and extending them to more children—scaling them. While we've made great progress in Georgia, we have much work to do to achieve a fully built-out delivery mechanism with all of the elements I listed earlier. I am encouraged that we are starting with

some critical elements already in place and a commission of diverse leaders—including several business leaders—willing to learn about this issue, set aggressive goals, and deliver recommendations with practical steps for implementation.

Conclusion

As I said up front, this subject matter is new to me, and I expect to learn a lot in the coming months. So I must couch my propositions and observations in predictable caveats—they are preliminary, tentative, and revisable. But let me make a bold claim about the long-term future. In time, development of our children in formal pre-K programs will begin at age 2. And by age 5, our population of children will be on a much surer path to individual success in school and readiness to compete as adults in the global economy.

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