

A Proposal for Achieving High Returns on Early Childhood Development



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Key Messages for Business Leaders

- **Traditional economic development initiatives are problematic.**
- **Workforce quality is key ingredient for economic growth.**
- **ECD has high rates of return.**

Key Messages for Business Leaders

- **Short-term:**
 - More productive parent employees
 - More productive schools
- **Long-term:**
 - Larger and more productive workforce
 - Tremendous cost savings to society (crime, welfare, higher tax revenue)

Observations on ECD

- **Quality is key**
- **At-risk children = highest public return**
- **Consistent funding mechanism**

A Proposal for Achieving High Returns on Early Childhood Development

- 1. Focus on at-risk children and encourage parent involvement.**
- 2. Long-term commitment to ECD: Endowment.**
- 3. Market-oriented approach that rewards successful outcomes and encourages high-quality and innovative practices.**

Market-Oriented Approach

- **ECD programs meet quality standards to receive children with scholarships.**
- **Identify at-risk children through screening process.**
- **Parent mentors provide information about ECD programs and other social services. (Mentoring starts at day one or earlier for mothers most at risk.)**

Market-Oriented Approach

- **Parents enroll children in ECD program at ages 3 and 4.**
- **Full or partial scholarship funds paid to programs based on other sources of funding.**
- **Periodically evaluate programs.**
- **Track child progress through school system.**

Endowment

- **State governments could lead “human capital” campaigns to build endowments for ECD.**
- **Encourage contributions by matching donations and providing tax credits.**

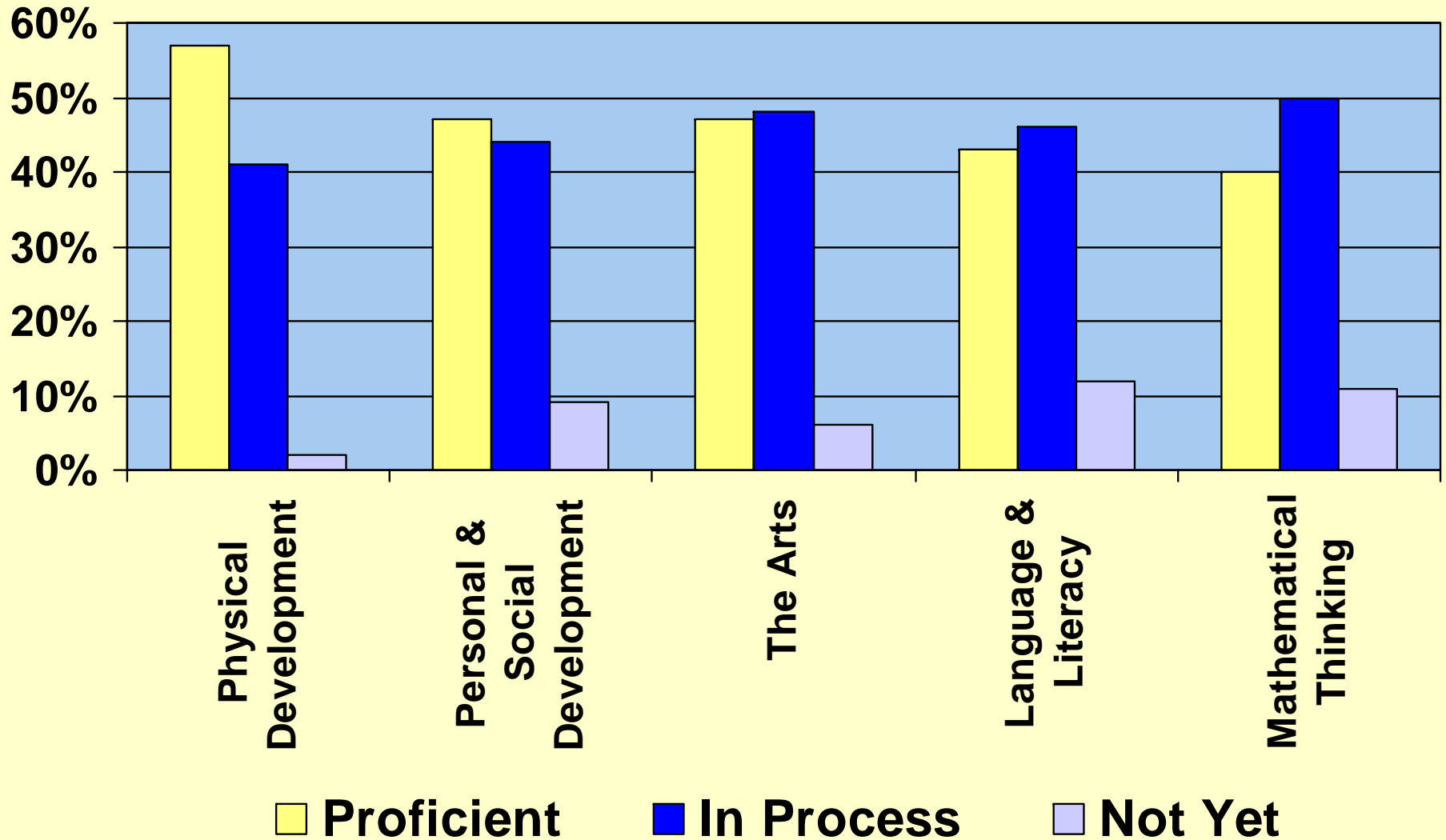
MnBEL

- **Minnesota Business for Early Learning**
- **200 members who represent 100 businesses and organizations**

MnBEL

- **Bring business approach to a social issue.**
- **Serve as key advocate.**
- **Harness business resources to promote school readiness.**
- **Propose a public-private fund to conduct demonstration projects, provide market supports and evaluate results.**

Minnesota School Readiness Survey, 2003



Source: Minnesota Department of Education

minneapolisfed.org