

The Economic Case for Investing in Children from Birth to Age 3

The earlier the investment, the greater the return

Supporting America's babies today will ensure a prosperous tomorrow



Investments in high-quality early childhood education starting at birth provides taxpayers with

a return of \$7.30 for every dollar invested.



This return has compounding benefits, driving a

13%/year

return on investment through better education, health, social and economic outcomes later in life.²

Birth-3 investments are needed to prepare our children for an ever-changing workforce



48% of low-income children arrive in kindergarten unprepared to succeed.3

The growing
American
skills gap
will lead to

6 million unfilled jobs by 2020.4

High-quality infant and toddler care is too costly for many working families



In 33 states and the District of Columbia, the cost of infant care exceeded the cost of in-state public college tuition.⁷

Birth-3 investments in high-quality child care bolster the economy TODAY

Companies providing child care decrease employee absences by 30% and



83% of millennials



say they would leave their jobs for ones with more family-friendly benefits.⁶ Average cost of full-time center-based care

10,000 per year



Nearly one in three **families are spending 20 percent or more** of their annual household income on child care.¹⁰ U.S. businesses lose



annually

absenteeism resulting from child care issues.9

Every year, U.S. families lose out on



\$8.3 billion in wages due to lack of child care.11



Citations

- 1 James Heckman. The Heckman Equation, "Quantifying the Life-cycle Benefits of a Prototypical Early Childhood Program," https://heckmanequation.org/assets/2017/12/abc_comprehensivecba_JPE-SUBMISSION_2017-05-26a_sjs_sjs.pdf (2016)
- 2 James Heckman. The Heckman Equation, "There's more to gain by taking a comprehensive approach to early childhood development," https://heckmanequation.org/assets/2017/01/F_Heckman_CBAOnePager_120516.pdf (2016)
- 3 Julia Isaacs. Brookings Institution, "Starting School at a Disadvantage: The School Readiness of Poor Children," https://www.brookings.edu/wp-content/uploads/2016/06/0319_school_disadvantage_isaacs.pdf (March 2012)
- 4 McKinsey Global Institute, "An Economy that Works: Job creation and America's future," https://www.mckinsey.com/global-themes/employment-and-growth/an-economy-that-works-for-us-job-creation (2011)
- 5 Economic Opportunity Institute, "How does high-quality child care benefit business and the local economy?" http://www.eoionline.org/wp/wp-content/uploads/earlylearning/ELCLinkBusinessEconomy-Jul02.pdf
- 6 Patrick Ball. Care.com, "How Lifestyle Benefits Impact Workplace Productivity: Care.com Better Benefits Survey," http://workplace.care.com/betterbenefits (August 2015)
- 7 Grover J. (Russ) Whitehurst. The Brookings Institution, "Evidence Speaks Report: Why the federal government should subsidize childcare and how to pay for it," https://www.brookings.edu/research/why-the-federal-government-should-subsidize-childcare-and-how-to-pay-for-it/ (March 2017)
- 8 Ibid
- 9 Child Care Aware, "Parents and the High Cost of Child Care," https://www.ncsl.org/documents/cyf/2014_Parents_and_the_High_Cost_of_Child_Care.pdf (2014)
- 10 Katie Budbee. Care.com, "How much does child care cost?" https://www.care.com/c/stories/2423/how-much-does-child-care-cost/ (2016)
- 11 Sara Jane Glynn and Danielle Corley. Center for American Progress, "The Cost of Work-Family Policy Inaction," https://www.americanprogress.org/issues/women/reports/2016/09/22/143877/the-cost-of-inaction/ (2016)

