

## **Early Childhood Education Has a High Rate of Return**

***Address to Policy and Business Leaders  
Chicago, Illinois  
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**Professor James Heckman  
Nobel Laureate in Economics  
The University of Chicago:**

We do have effective programs that have been proven to work. And we can ask 'what is the rate of return on the investment?' So if we compute the rate of return, which is exactly what any good entrepreneur will look at, what any good society should look at, the rate of return has been estimated to be between 7 to 10 percent per annum, which is much higher than the rate of return on stocks in the American economy between 1945-2008. Typically, you'll see the discussion. You know, on one hand, you get this policy. On the other hand, you get this benefit, where sometimes you can improve productivity, but you do so by reducing equality in the society. This policy tackles inequality. That's its goal. At the same time, it promotes productivity. It has a very high rate of return and I would defy other competitor policies in the public arena to show rates of return as high.

**Bridget Gainer  
Director of Government Affairs  
Aon Corporation:**

We always say to ourselves, 'well we must fund the prisons and we must fund police and we must fund standard K-12 education' because those have somehow crossed the line into the things that a society cannot function without. The question is 'can we function without a fully-developed socially and emotionally talented workforce?' It's no different from if we don't invest in roads and bridges. Eventually they'll collapse.

**Diana Sands  
Vice President of Financial Planning and Investor Relations  
The Boeing Company:**

Investing in early childhood, giving the proper and the best experiences in that time frame, the benefits you reap for many, many years to come. As a business leader, that investment is critical to develop the talent and the skills that we need as a company to succeed as well.

**David Pope  
President  
Village of Oak Park:**

Too much of our political discourse these days devolves into one group bashing another group. One group is derided as hard-headed and the other group is derided as soft-headed. And what we need is more hard-headed, but soft-hearted political discussion and also action. Action in this case means making smart strategic investments in our future competitiveness as a country and Early Childhood is perhaps the strongest investment that we could make on just a raw return on investment bases.