


# Getting down to business on early childhood development.

Reduce deficits, improve the economy, strengthen America's position in global commerce, overcome poverty and make money doing it.

All you have to do is develop  
America's greatest natural  
resource: it's people.


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- A photograph of Professor James Heckman, an older man with white hair and glasses, wearing a dark suit, white shirt, and patterned tie. He is standing behind a dark podium with a microphone, appearing to be in the middle of a speech. The background is a dark, vertically-pleated curtain.
- **Labor Economist**
  - **Milton Friedman School of Economics**
  - **One of the best living empirical researchers**

## **Professor James Heckman**


Nobel Prize Laureate in Economics

Henry Schultz Distinguished Professor of Economics

University of Chicago


A photograph of an older man with white hair and glasses, wearing a dark suit, white shirt, and patterned tie. He is standing behind a dark podium, speaking into a microphone. The background is a dark, vertically-pleated curtain.

**“Outcomes in education, health and sociability greatly influence our nation’s economic productivity and future. Achieving better outcomes in these areas will create far greater productivity and prosperity than simply cutting spending to reduce deficits.”**

A man with white hair and glasses, wearing a dark suit, white shirt, and patterned tie, is speaking at a dark podium. He is looking slightly to the right of the camera. The background is dark and out of focus.

**“Data from economists, social scientists and medical experts conclusively show that the answer is to invest in comprehensive early childhood development—from birth to age five—particularly for disadvantaged children and their families.”**





**“I strongly urge you to keep this in mind when recommending ways in which to reduce America’s debt and increase its productivity. Ignoring this finding will put our country’s future in peril by producing a deficit in human capital that will take generations to correct.”**

**— Letter to the National Commission  
on Fiscal Responsibility and Reform**

Human capital creates  
economic capital.



Five things you need to know to build a better local, state and national economy:

Human capital begins at birth and increases in value in proportion to the quality of its development.

We're not investing wisely  
in human capital: America  
has a skills gap that is  
jeopardizing everyone's  
future.

It cannot be papered over with cheap credit, relieved with jobs programs, or closed with tax cuts or reduced government spending.

4  
It can be solved with  
quality early childhood  
development — from birth  
to age five.

Reducing inequality in early  
childhood development  
creates economic equity  
for all.

Gaps in skills and abilities are directly related to the accident of birth—parents, family resources and environment.

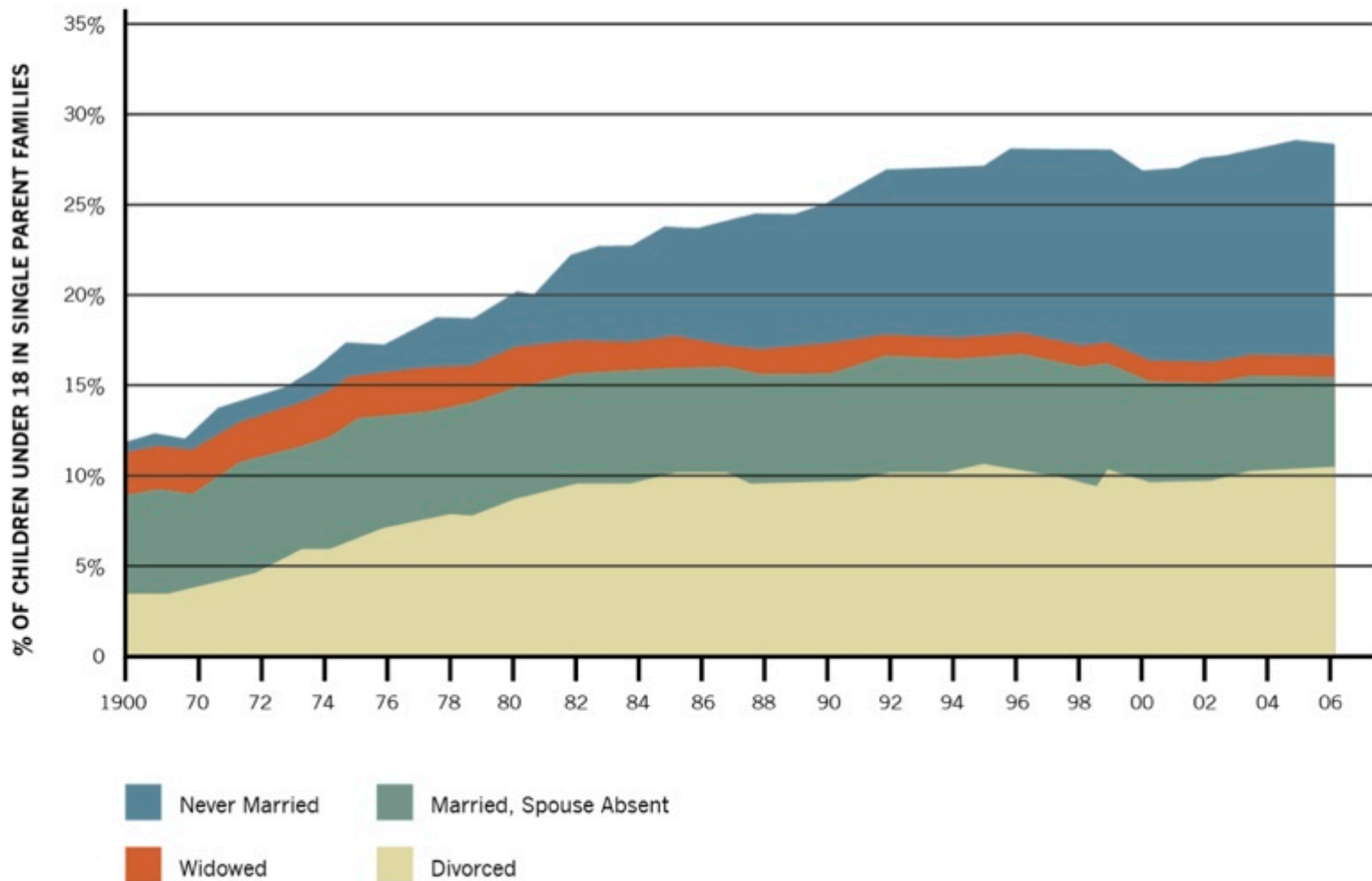


The foundation for school, career and life success is largely set from birth to age five through the development of cognitive and character skills.

The ability to acquire knowledge is combined with the emotional skills to put it to use: impulse control, persistence and sociability.

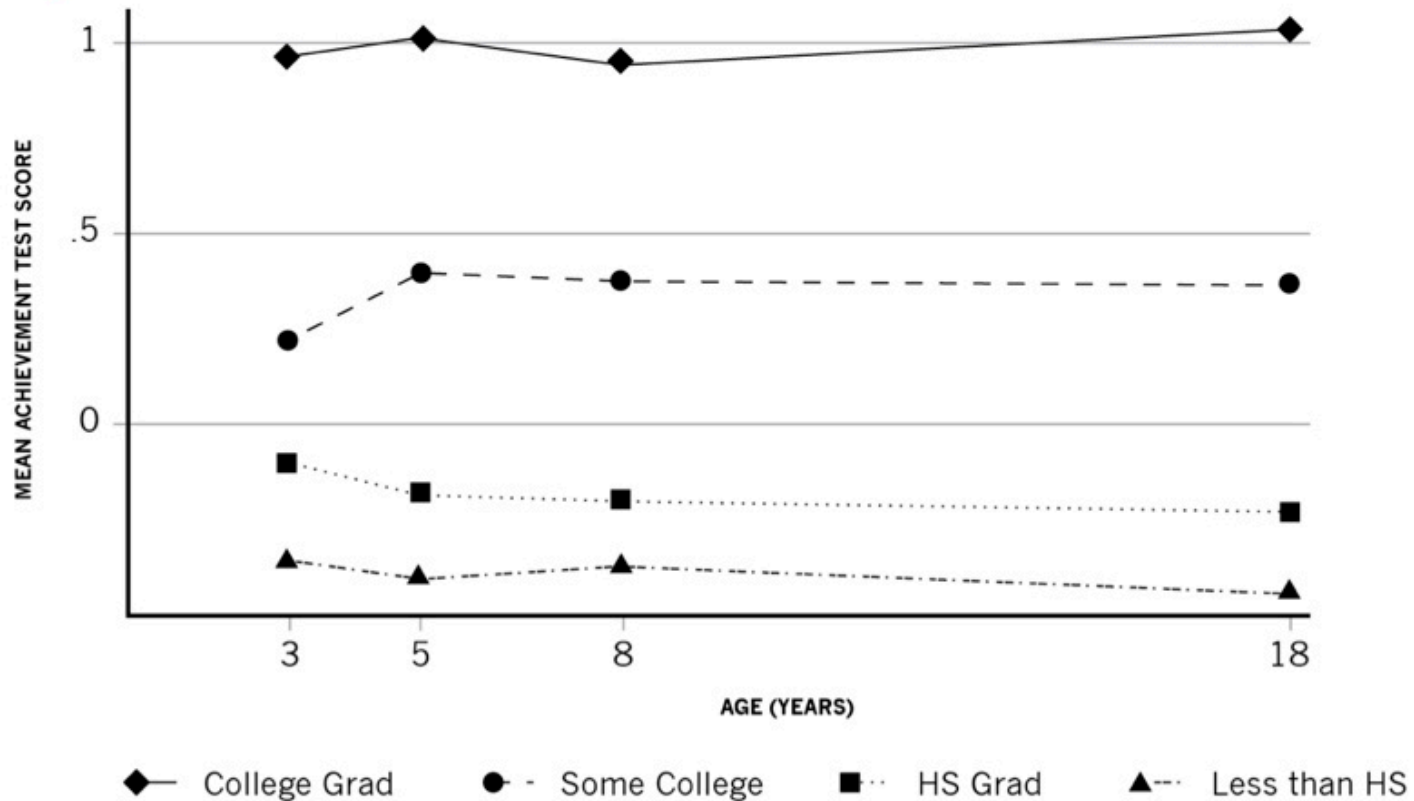
Families are the greatest producers of skills and abilities in their children — but not all families can do that well.

## Percent of Children Under 18 Living with One parent, By Marital Status of Single Parent



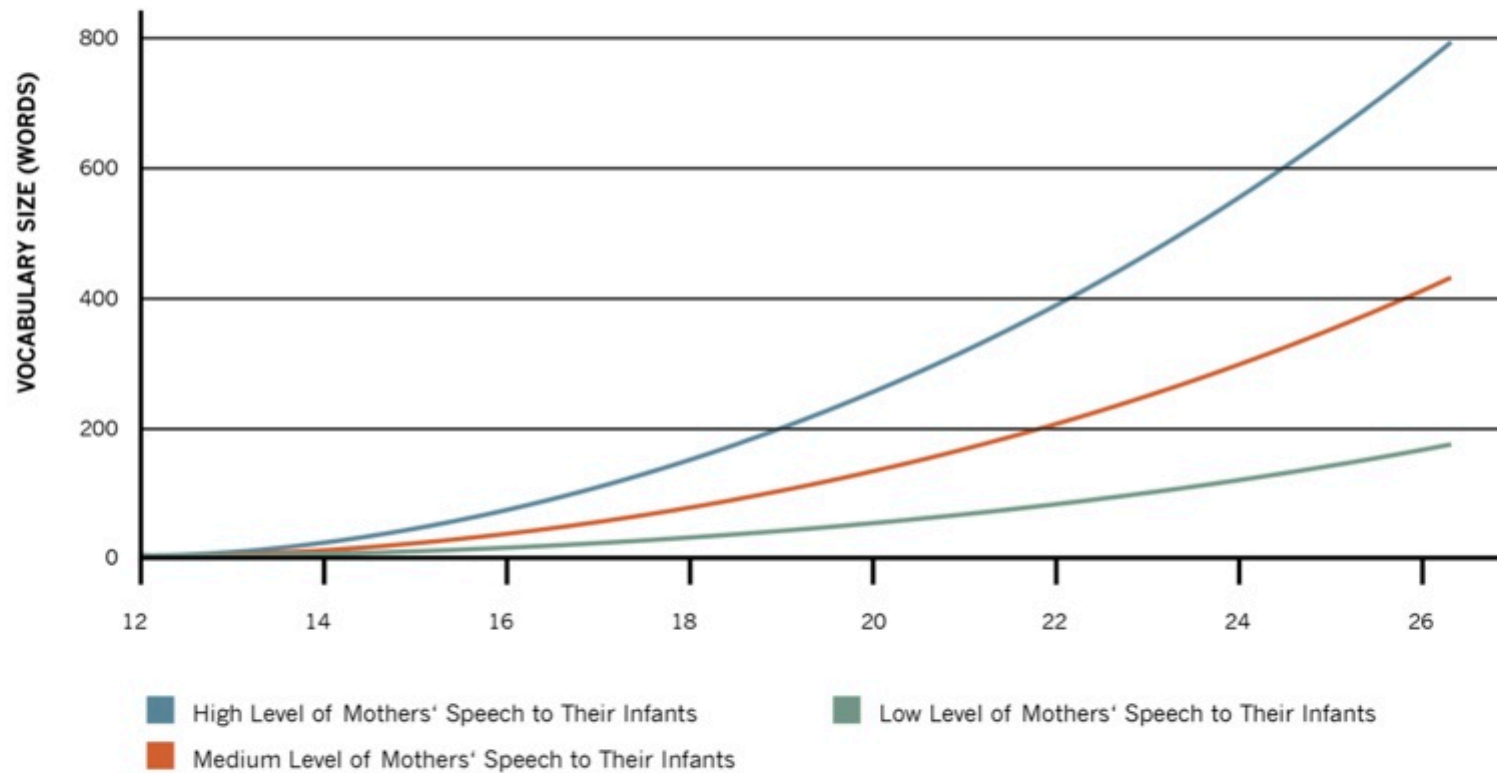
The achievement gap  
opens early and is difficult  
and costly to close.

## Mean Achievement Test Scores by Age by Maternal Education



*Each score standardized within observed sample. Using all observations and assuming data missing at random. Source: Brook-Gunn et al. (2006).*


## Mothers' Speech and Child Vocabulary




Source: *Huttenlocher et al. (1991)*



Data shows that investing  
in early childhood  
development prevents  
achievement gaps — and  
makes dollars and sense.

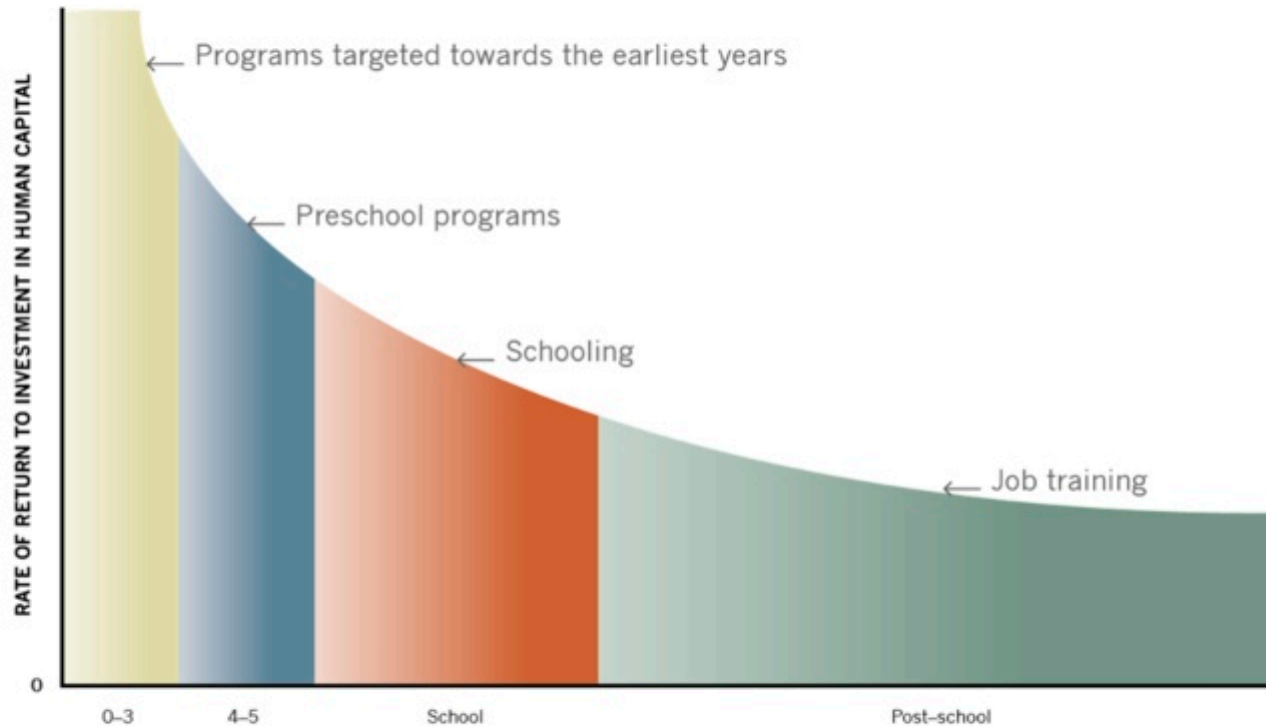
A man with white hair and glasses, wearing a dark suit, white shirt, and patterned tie, is speaking at a dark podium. He is looking slightly to the right of the camera. The background is dark with vertical lines, possibly curtains.

**“The rate of return for investment in quality early childhood education is 7-10% *per annum* through better outcomes in education, health, sociability, economic productivity and reduced crime.”**

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**“Early childhood investments pay dividends for the life of the child. These returns exceed the rate of return of stocks over the period of 1945-2008.”**

## Returns to a Unit Dollar Invested



Source: Heckman (2008)

Here's how to get the most bang from your buck:

Supplement the family,  
don't replace it.

Use public and private partnerships to build efficient early childhood systems that serve local needs and reflect community values.



Invest in professionalism:  
quality early childhood  
education is harder to do  
right than higher education.

4  
Develop the whole person:  
health, cognitive and  
character skills.

Link early childhood education to K-12 education and develop cognitive and character skills throughout.

Build upon data driven models that work — Perry Preschool, Abecedarian — and promising programs — Educare, Smart Start, and others.

Put your mouth where  
your money is.

Support the President's  
proposed early childhood  
development plan.

The choice is yours:  
create for economic gain  
or remediate for economic  
pain.



[www.heckmanequation.org](http://www.heckmanequation.org)

The screenshot shows a web browser window with the URL <http://www.heckmanequation.org/>. The page features a navigation menu with items like 'Admin Stuff', 'Shopping', 'Religious School', 'Apple', 'News', 'Padding', 'Apple (1)', 'Bike', and 'House Remodel'. The main content area includes the Heckman logo, a mission statement, and several resource categories: 'Most Popular Resources' (with items like 'Why Early Investment Matters' and 'Letter to Joint Select Committee on Deficit Reduction'), 'Special Collections' (with items like 'ADVOCACY FAVORITES', 'ILLINOIS LECTURE', and 'HECKMAN 101'), 'Recent Activity' (showing a Facebook post), and 'Latest from Professor Heckman' (highlighting a letter to Congress). A search bar and social media icons are also present.



Thank you.