

James Heckman  
changes the  
equation for  
American  
prosperity.



Heckman  
The economics of human potential.



*Heckman & Spradley 2012*

**James J. Heckman**, *Henry Schultz Distinguished Service Professor of Economics, University of Chicago and Nobel Prize Laureate in Economics*



# Invest in quality early childhood development.

Professor James Heckman's groundbreaking work with a consortium of economists, developmental psychologists, sociologists, statisticians and neuroscientists shows that quality early childhood development is essential for better education, health and economic outcomes. Investing in early childhood development changes the equation, creating widespread American prosperity through early skills building that prevents the achievement gap and promotes income equality through abilities and personal initiative. Those looking to create a better economic life for all Americans need to know four simple facts to build the human capital we need for economic success.

# Professor Heckman's Discovery

## 1

Intelligence and social skills are developed at an early age — and both are essential for success.

Many major economic and social problems in America — crime, teenage pregnancy, high school dropout rate, adverse health conditions — can be traced to low levels of skills and social abilities such as attentiveness, persistence and working with others.

These so-called “soft” social skills are neither soft nor unimportant. Professor Heckman found hard evidence that these capabilities are essential ingredients for success in life. Life cycle skill formation is dynamic in nature. Skill begets skill; motivation begets motivation. In fact, early development of effective social skills greatly influence the successful development of the IQ and ultimately, personal and social productivity.

## 2

Early investment produces the greatest returns in human capital.

Professor Heckman found that early nurturing, learning experiences and physical health from ages zero to five greatly impact success or failure in society. The most economically efficient time to develop skills and social abilities is in the very early years when developmental support is most effective.

Today's challenges are real — record rates of high school dropouts, a lack of college graduates, increasing rates of obesity and chronic diseases, rising crime and a growing underclass. Professor Heckman's work proves that prevention through early childhood development is more life- and cost-effective than remediation. It's time to invest in upstream solutions for future generations while we continue to address today's problems.

# 3

## America's advantage will come from helping the disadvantaged.

Professor Heckman shows that disadvantaged families are least likely to have the economic and social resources to provide the successful early developmental stimulation every child needs as a basic opportunity for future success in school, college, career and life. Poor health, high school dropouts, poverty, crime — America will continue to create costly economic and social burdens if it fails to provide disadvantaged families with the resources they need for effective early childhood development.

Providing developmental resources pays dividends for the disadvantaged child and society as a whole by providing better education, health and economic outcomes.

# 4

## Quality economic returns come from quality investments in early childhood development.

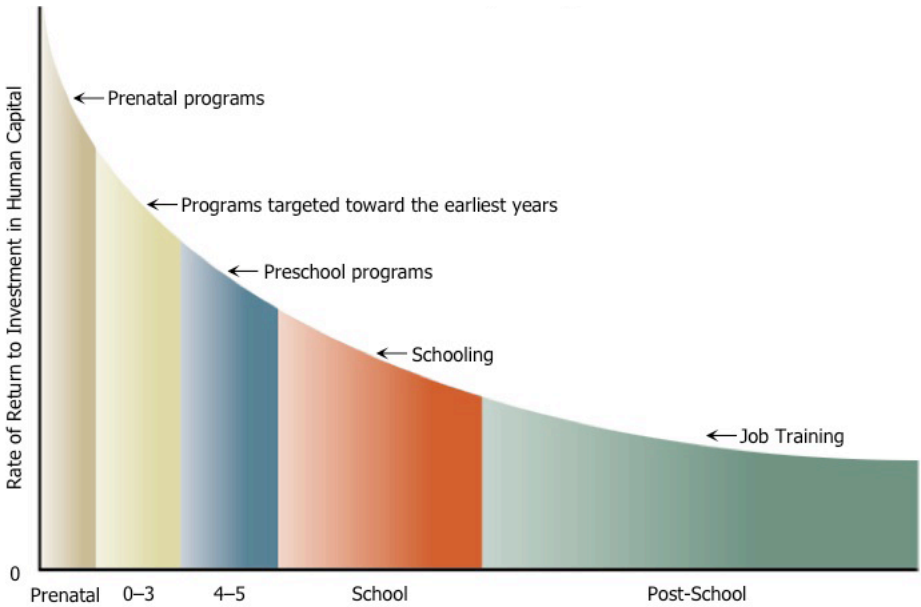
Professor Heckman studied decades' worth of data from early childhood development programs that gave disadvantaged children and their families developmental support.

This form of comprehensive early childhood development provides children and their families with the resources for early nurturing, learning experiences and physical health that lead to future success, breaking the cycle of disadvantage.

Professor Heckman's economic analysis of these programs reveals that investing in early childhood development for disadvantaged children provides a great return to society through increased personal achievement and social productivity.

# Invest in Early Childhood Development for the Highest Returns

Returns Per Annum to a Unit Dollar Invested



**INVEST** in educational and developmental resources for disadvantaged families to provide equal access to successful early human development.

**DEVELOP** cognitive skills, social abilities and physical well-being in children early — from birth to age five when it matters most.

**SUSTAIN** early development with effective education through to adulthood.

**GAIN** a more capable, productive and valuable workforce that pays dividends to America for generations to come.

# Use the Heckman Equation to create greater prosperity.

- **Accept that there is a range of skills that must be fostered** in individuals in order for them to be productive members of the workforce and society.
- **Understand that knowledge, social skills and health acquired very early in life will lead to greater success later in life.**
- **Realize that families play a vital role in helping children acquire critical skills at an early age.** Not all families have equal resources, but every family should have equal access to the resources their children need for successful early development. Providing equal access to early child development opportunities is one way the government can help parents be better parents.
- **Demand that support for children spans all agencies.** The government needs to integrate policies, break down barriers across agencies and support programs that show measurable results in improving economic and social success.
- **Insist on developing the whole child, from birth to school, college and career.** Too much emphasis has been placed on developing and measuring only cognitive skills, when research clearly shows that social abilities are the catalyst for achievement in school and productivity in the workplace. It is critical that the foundation of cognitive skills and social abilities is developed from birth to age five and that social abilities are taught and reinforced throughout formal schooling and job training.
- **Lead the change.** America doesn't have to "reinvent the wheel" when it comes to effective early childhood development. Professor Heckman's analysis of economic return is based on two long-running pilot programs in the United States, Perry Preschool and Abecedarian. Similar programs, such as Early Head Start and Educare, demonstrate many of the principles Professor Heckman has identified as necessary for an effective investment in early childhood education for disadvantaged children.



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

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