



# Investing in America's Future Workforce

*Effective workforce development starts in our children's **earliest** years.*



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Workforce development is a critical component of local, state and national economic well-being. To compete globally, employers need a capable, flexible, innovative and productive workforce with:

- English proficiency;
- Literacy and comprehension ability;
- Math proficiency;
- Soft skills—i.e., critical thinking, problem solving, communication and creativity; and
- No barriers to employment—e.g., incarceration or substance abuse.

But America doesn't have enough employees with these skills and qualities. Even with states reporting thousands of unemployed residents,<sup>1</sup> jobs remain unfilled due to gaps between the attributes that employers need and those that workers possess. For example, in late 2009 and early 2010, despite 300,000 unemployed Washington state residents, more than 10,000 jobs went unfilled because of difficulties in finding qualified applicants.<sup>2</sup> As of July 2011, approximately two million job openings could be found on Craigslist and five million on Monster.com (both popular job-searching websites).<sup>3</sup>

Companies are struggling to fill these positions. In a 2009 survey, 32 percent of manufacturers, a sector that supports an estimated 18.6 million jobs in the U.S. (about one in six private-sector jobs),<sup>4</sup> reported moderate to serious shortages of qualified workers, and 38 percent predicted increased shortages ahead.<sup>5</sup>

Traditionally, workforce professionals have sought to close this gap by addressing educational deficiencies during the teen and adult years. **However, studies show that both challenges and opportunities start much earlier.**

- Disadvantaged children often start kindergarten as much as 18 months behind their peers;<sup>6</sup>
- Most children reading well below grade level at the end of fourth grade will not graduate from high school;<sup>7</sup> and
- Most fourth- and eighth-graders are not proficient in both math and reading in any state.<sup>8</sup>



One strategy to address these challenges is to expand the availability of early childhood programs, which can lead to higher attainment of basic skills, graduation rates and earnings, and can lower the likelihood of engaging in criminal behavior. Investing in early childhood programs can help workforce professionals improve the effectiveness of their services and assist in developing a corps of productive, globally competitive workers.

## Early Childhood Programs Impact Workforce Development

Research shows that the learning and development that occur in a child's earliest years have a strong impact on later outcomes, including the mastery of skills a productive worker needs. Starting from birth, children build not only cognitive but also social and emotional skills such as perseverance, problem solving and cooperation. Nobel laureate economist Dr. James J. Heckman explains, "Life cycle skill formation is dynamic in nature. Skill begets skill; motivation begets motivation. ...The longer society waits to intervene in the life cycle of a disadvantaged child, the more costly it is to remediate disadvantage."<sup>9</sup>

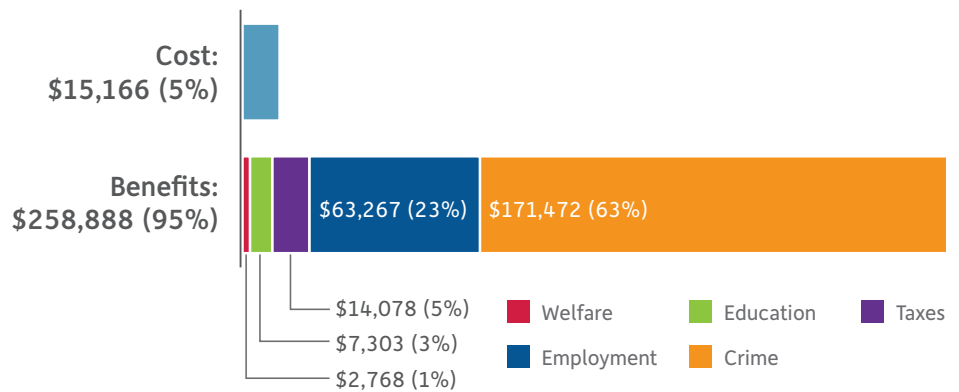
Rigorous, long-term studies on quality early childhood education programs in Chicago; Chapel Hill, NC; and Ypsilanti, MI,<sup>10</sup> have shown strong, positive impact, especially on disadvantaged children, with favorable benefit-cost ratios. One study found that an investment of \$6,692 in pre-kindergarten education for disadvantaged three- and four-year-olds yielded a lifetime return of up to \$69,937—a return on investment (ROI) of greater than 10:1.<sup>11</sup> Other findings on the benefits of these early childhood programs include:<sup>12</sup>

- Higher reading and math scores;
- Lower need for special education;
- Higher enrollment in post-secondary education;
- Higher employment and income; and
- Lower likelihood of engaging in criminal behavior.

“Early childhood services are critical to growing the skilled workforce our nation needs to thrive.”

Ron Painter, National Association of Workforce Boards, Washington, DC

### Lifetime Benefits vs. Cost of High-Quality Early Education (Perry Preschool)



Cost-benefit analysis data indicate that every dollar invested in the High/Scope Perry Preschool Program generated \$16.14 in additional value.

Source: Belfield, Clive R., Milagros Nores, W. Steven Barnett, and Lawrence Schweinhart. "The High/Scope Perry Preschool Program: Cost-Benefit Analysis Using Data from the Age-40 Followup." *Journal of Human Resources* 41, no. 1 (2006): 12-90.

More recent research continues to find substantial positive short- and long-term effects of early education and care on children's learning, development and school success. For example:

- Children who attended Louisiana's LA 4 pre-k program were as much as 36 percent less likely to be held back in kindergarten and as much as 49 percent less likely to be placed in special education through second grade.<sup>13</sup>
- A study of New Jersey's Abbott pre-k program found that, compared with their peers who did not have the same pre-k experience, children who attended the program did significantly better in math, comprehension and vocabulary skills through second grade (the most recent follow-up).<sup>14</sup>

Early childhood education programs are not alone in showing positive results. Voluntary, home-based parent mentoring programs and early childhood health can affect school performance and future productivity. For example:

- At-risk children who participated in one high-quality, voluntary nurse home visiting program had better cognitive and vocabulary scores by age six and higher third-grade scores in math and reading than the control group.<sup>15</sup>
- The highest-quality nurse home visiting programs, over time, yield returns of up to \$5.70 per taxpayer dollar spent in lower mental health and criminal justice costs, decreased dependence on welfare and increased employment.<sup>16</sup>
- According to the National Business Group on Health, tooth decay is the most common chronic disease of childhood—five times more common than asthma.<sup>17</sup> More than 16 million children go each year without seeing a dentist.
- The long-term consequences of untreated tooth decay can be serious as kids grow into adults. Research shows that serious dental problems can hurt a person's job prospects. A 2008 study found that people who are missing front teeth are viewed as less intelligent and less desirable than other job candidates.<sup>18</sup>

There is also a job-creation benefit to early childhood programs. Spending on early educators' wages stays largely in the community, where states can generate roughly two dollars in local spending for each federal child-care dollar spent—ranging from \$1.92 in Ohio to \$2.08 in California and \$2.17 in Pennsylvania.<sup>19</sup>

## Investing in Human Capital Matters for Workforce Investment Boards (WIBs)

Investing in early childhood services can have a significant impact on individuals, communities, businesses and workforce professionals. More widespread early education and care will help WIBs fulfill their missions of lowering barriers to employment, creating greater capacity for learning and raising base skill levels. In turn, workforce professionals could serve more workers and more businesses, helping their local economies thrive. The National Association of Workforce Boards (NAWB) and our local members recognize the importance of early childhood education.

## Taking Action

Please join NAWB and the Partnership for America's Economic Success in supporting early childhood programs. Here's what you can do:

- Encourage your WIB to get involved in early childhood efforts.
- Contact your local children's group and offer to represent the workforce development voice.
- Host events for WIB members to learn about the evidence base for early childhood investments.
- Express your support for early childhood in the media and to policy makers.
- Consider activities in which your WIB is already engaged that could be targeted toward promoting sensible policies for early childhood development.
- Involve early childhood service providers in comprehensive human capital development plans.

“ We must integrate hands-on career technical education directly into EVERY LEVEL of education, including before kindergarten. This is fundamental to re-institute ‘Inspiration’ and ‘Engagement’ within our education system and core curriculum. We are losing young minds by 4th grade. ”

*Michael J. Gallo, Kelly Space & Technology, Inc., San Bernardino, CA  
Member, San Bernardino County WIB*






“Public education is critical to workforce development, beginning with early childhood. The WIB supports initiatives to improve quality early education and care around the region. We are on the executive committee of the All Kids Alliance (a P-16 Council).”

Rodney Bradshaw, Gulf Coast Workforce Board, Houston, TX

## Endnotes

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