

Child poverty costs Kansas's economy \$4.0 billion a year.<sup>1</sup> One of the most important strategies to cut poverty is to invest in high-quality, early care and education which leads to better high school graduation rates, higher worker productivity, lower rates of violent crime and a skilled future workforce.<sup>2</sup>

Children from low-income families benefit substantially, both cognitively and behaviorally, from high-quality, early childhood education, thus helping to close the income gap. Societies with greater economic equality have better physical health; less violent crime; less mental illness; fewer teenage pregnancies; and better natural environment<sup>3</sup>

Workforce development is a critical component of Kansas's economic well-being. To compete globally, Kansas needs a capable, innovative and productive workforce. High-quality, early care and education increases our future workforce's:

- English proficiency;
- literacy and comprehension ability;
- math proficiency;
- soft skills—i.e., critical thinking, problem solving, communication and creativity; and
- Abstention from substance abuse and incarceration.<sup>4</sup>

For every \$1 invested in high-quality, early care and education, Kansas reaps a rate of return between \$7 and \$12.

- Short-term economic gains are reflected in:
  - the expansion of output and incomes as more parents are able to enter the paid labor force;
  - increased productivity of parents in the paid labor force when their children are in high-quality programs.
- Long-term economic gains are reflected in:
  - the higher salaries the children earn later in life;
  - the greater economic contribution to society that these salaries tend to reflect; and
  - the higher resulting tax payments.
- Fiscal savings for the government are reflected in:
  - lower incidences of grade retention and special education;
  - elevated high school graduation rates and college-attendance rates;
  - reduced reliance on social support programs; and
  - less engagement with the criminal justice system.<sup>5</sup>

Kansas will likely recoup most of its own investments in pre-kindergarten: 85 percent of 16-year-olds will live in the same state where they attended pre-kindergarten, and 65 to 75 percent of children will continue to live in that state during their prime working years.<sup>6</sup>

In addition to preparing our future workforce, investments in high-quality, early care and education will attract new businesses and skilled labor to Kansas.<sup>7</sup>

“All other infrastructure sectors in our economy receive significant public support because we recognize that the private sector alone cannot bear the cost of a quality infrastructure. Public goods require public investment. All of society benefits from quality child care, but parents still bear the majority of the costs. By recognizing the importance of child care as a part of economic recovery, we can now push to have child care included as a priority investment in future infrastructure and economic development programs. Our economy depends on it.”<sup>8</sup>

<sup>1</sup>Lori Pfingst, “The Cost of Child Poverty State by State” Human Services Policy Center (2008).

<sup>2</sup>Committee for Economic Development, “The Economic Promise of Investing in High-Quality Preschool; Using Early Education to Improve Economic Growth and the Fiscal Sustainability of States and the Nation” (2006).

<sup>3</sup>Arthur MacEwan, “Early Childhood Education as an Essential Component of Economic Development” Political Economy Research Institute, Univ. of Massachusetts, Amherst (January 2013).

<sup>4</sup>National Association of Workforce Boards “Investing In America’s Future Workforce” (October 2011); Albert Wat, “Dollars and Sense: A Review of Economic Analysis of Pre-K” (May 2007).

<sup>5</sup>MacEwan, “Early Childhood Education as an Essential Component of Economic Development”.

<sup>6</sup>*Id.*

<sup>7</sup>Ready Nation “Attracting, Developing, and Maintaining Human Capital: A New Model For Economic Development” (2012) available at [http://www.readynation.org/uploads/20120606\\_AttractingDevelopingMaintainingFnotesLR.pdf](http://www.readynation.org/uploads/20120606_AttractingDevelopingMaintainingFnotesLR.pdf).

<sup>8</sup>*Id.* quoting Mildred E. Warner, “Recession, Stimulus and the Child Care Sector: Understanding Economic Dynamics, Calculating Impact” Linking Economic Development and Child Care Research Project, Cornell Univ. (2009).