The Case for Investing in a High Quality Early Care and Education System in Florida

What are the impacts on children who participate in high quality early care and education (ECE) programs[1]?

- Improved academic, social-emotional, and character development
- Improved grade promotion and high school graduation rates
- Improved employment rates
- Higher salaries
- Reduced criminal activity
- Less likely to rely on the welfare system

What can be expected for at-risk children who don't receive high quality early care and education programs[2]?

- 25% more likely to drop out of school
- 40% more likely to become a teen parent
- 50% more likely to be placed in special education
- 60% more likely to never attend college
- 70% more likely to be arrested for a violent crime

Who should be served by a high quality statewide ECE system[3]?

- **Children Birth to Five:** Intervening early, beginning at birth, yields the biggest impacts and economic returns. The basic foundation of the brain is created during the first three years and brain development is most receptive in the early years.
- **Prioritize the School Readiness Eligible Population:** All children benefit from early intervention but disadvantaged children benefit the most and economic returns are highest for this group.

What are the critical components of a high quality ECE system[1]?

- Early care and education spanning birth to five
- Cognitive and social-emotional child development curriculum focus
- Parent support/education
- Small class sizes and student to teacher ratios
- Highly qualified and adequately compensated staff

What are the total estimated annual costs of a high quality ECE system in Florida relative to the cost of other public systems?

- At a rate of $15,000 per child, it would cost roughly **3.3 billion** dollars annually to serve the entire birth to five school readiness eligible population in Florida with a high quality ECE system[4].
- Just over 18.3 billion dollars is appropriated annually to fund the PK-12 public school system in Florida[5].
- It costs Florida approximately 13.8 billion dollars annually to fund the criminal justice system inclusive of police protection, judicial and legal services, and the correctional system across state and local levels[6].

What is the estimated economic impact of a fully funded high quality ECE program in Florida?

- Based on rigorous longitudinal studies, the estimated annual return on investment to society at large for a high quality ECE program is 16% (adjusting for inflation)[1].
- Florida could benefit from a return on investment as high as **$534 million dollars annually** for a high quality ECE program[4].
- Studies show that high quality ECE programs yield **returns on investment to society at large ranging from $7 to $17 for every dollar invested[1].**
    - The **majority of these returns are of direct public benefit** related to tax revenues and savings to the criminal justice, public school (e.g, remediation costs of grade retention and special education), healthcare and child welfare systems.
    - As well, a portion of these returns is due to the increased lifetime salaries of program participants.
- At $7 to $17 for every dollar invested, the long-term economic return for one group of at-risk children receiving a high quality birth to five ECE program in Florida could range from **117 to 284 billion dollars[7].**
- Regarding the economic impact of **improved high school graduation rates** alone—Nobel prize winning economist James Heckman cited the following projections for the state of Florida[8]:
    - A 5% increase in male high school graduation rates is estimated to save Florida $332 million in annual incarceration costs and crime-related expenditures.
    - If just one year's high school dropouts could be converted to high school graduates, Florida households would have an additional $26 billion in accumulated wealth over the lifetime of the students from the graduating class.

Footnotes

[1]http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3817956/pdf/nihms506037.pdf; Barnett WS, Masse LN. Comparative benefit-cost analysis of the Abecedarian program and its policy implications. Economics of Education Review. 2007; 26:113–125.; Belfield CR, Nores M, Barnett S, Schweinhart L. The High/Scope Perry Preschool program: Cost-benefit analysis using data from the age-40 follow-up. The Journal of Human Resources. 2006; 41(1):162–190.; http://www.minneapolisfed.org/publications_papers/studies/earlychild/highreturn.pdf

[2]http://www.ounceofprevention.org/about/why-early-childhood-investments-work.php

[3]http://www.nber.org/papers/w14064.pdf

[4]Florida Office of Early Learning (http://www.floridaearlylearning.com/oel_resources/fact_book.aspx; http://www.floridaearlylearning.com/sites/www/Uploads/OEL%20Annual%20Report%202012-2013.pdf); http://www.minneapolisfed.org/publications_papers/studies/earlychild/highreturn.pdf (Computation: 222,589 birth to 5 School Readiness Population in 2012-13 X $15,000 per child = $3,338,835,000 X .16 [16%] = $534,213,600.

[5]Florida Department of Education, Office of Funding and Financial Reporting (http://www.fldoe.org/fefp/pdf/1415-Second.pdf)

[6]http://www.bjs.gov/index.cfm?ty=pbdetail&iid=5050

[7]Computation: 222,589 current birth to 5 School Readiness population X $15,000 per child X 5 years X $7 and X $17 = $116,859,225,000 and $283,800,975,000

[8] http://heckmanequation.org/content/resource/invest-early-childhood-development-means-deficit-reduction-florida.