

Power of Philanthropy

Investing in Early Childhood Programs in the U.S.



The Power of Philanthropy

INVITATION TO INVEST IN EARLY CHILDHOOD PROGRAMS

The best investment we can make is in childhood. It's an investment that yields remarkable results – not only in the lives of America's children but for the future we all share. Laying a solid foundation of learning for our most vulnerable girls and boys not only gives them a better chance for success in school and in life, it also yields impressive returns for society. The earlier the investment in a child's life, the greater the impact funders can make on that child's future and the higher the return on that investment for us all.

What Is Early Childhood?

Early childhood, the period between birth and age 8, is the foundation of a child's future health, growth, development and achievement at school and throughout life. Experiences during these early years shape brain architecture and have a direct impact on social, emotional and learning skills. This investment prospectus focuses on the first five years of a child's life — an important window of opportunity in a child's development.

The Need to Start Early

Why are early learning opportunities so important? During the first few years of life, approximately 700 neural connections are formed every second. These connections are dictated by the interplay of a baby's genetics, environment and experiences, especially the child's interactions with adults. These are the connections that build brain architecture — the foundation upon which all later learning and behavior depend.

Researchers at the University of Pennsylvania studied the home environments of children at age 4 and again at age 8, and then observed their brain structure in late adolescence. They found that the amount of cognitive stimulation available at age 4 affected cortical thickness, which has been linked with intelligence, when these children's brains were scanned many years later. And consistent with the importance of early experience, cognitive stimulation at age 8 did not show the same effects.

Children who are not exposed to early learning opportunities before age 5 are left at a distinct disadvantage — and nowhere is this more evident than in America's most under-served communities.

Research from the Center for the Developing Child at Harvard University shows that differences in the sizes of children's vocabularies first appear at 18 months of age. By age 3, children of college-educated parents who have higher incomes, have vocabularies two to three times larger than children from lower-income homes headed by parents who never completed high school. On average, children living in poverty have heard 30 million fewer words than their more affluent peers by the time they turn age 3. By age 5, half of all children living in poverty are not academically or socially ready to start school. Not only do these children start school at a disadvantage, many never catch up. 6



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¹ Heckman, James J. "Schools, Skills and Synapses." *Economic Inquiry*, June 2008.

 $^{^2}$ Rao, Hengyi et al. "Early Parental Care is Important for Hippocampal Maturation: Evidence from Brain Morphology in Humans." NeuroImage, 2010.

³ Narr, Katherine L. et al. "Relationships Between IQ and Regional Cortical Grey Matter Thickness in Healthy Adults." Cereb Cortex, September 2007.

⁴ Harvard Center for the Developing Child. Five Numbers to Remember About Early Childhood Development. Harvard University: 2009.

⁵ Hart, Betty and Todd R. Risley. "The Early Catastrophe: The 30 Million Word Gap by Age 3." *American Educator*, Spring 2003.

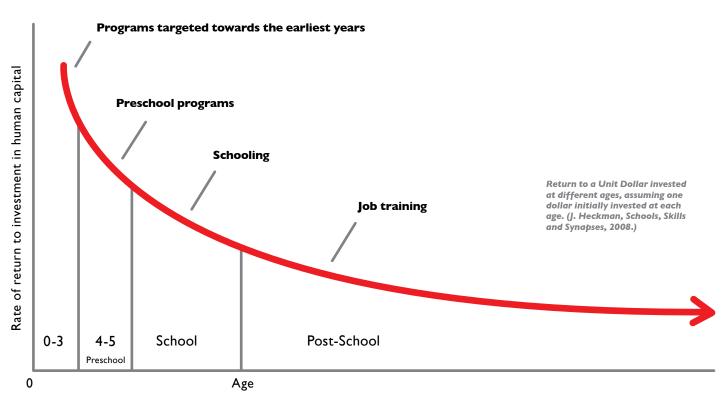
⁶ Isaacs, Julia B. and Katherine Magnuson. *Income and Education as Predictors of Children's School Readiness*. Brookings Institution: December 2011.



The Return on Investment In Early Childhood Programs

Prominent researchers, including Nobel Prize-winning economist James Heckman, have evaluated the public return on investments in early childhood programs. They overwhelmingly agree that the return on these programs far exceeds the return on most economic development projects in the United States. An analysis of longitudinal studies of children in preschool programs shows a range of returns between \$4 and \$17 for every dollar spent on early learning programs for low-income children over the long term, 80 percent of which benefits the American taxpayer. While children from low-income households who receive high-quality early learning opportunities benefit from increased educational attainment and earnings as adults, society also benefits from increased tax revenues as a result of less government spending required in the areas of special education, welfare and criminal justice.

Because sensitive periods for developing cognitive and language fluency skills occur early in life, when investing in education, the earlier in a child's life these investments are made, the higher the yield (see graphic).



⁷ Heckman, James J. and Pedro Carneiro. *Human Capital Policy*. University of Chicago: August 2002.

⁸ Masse, Leonard N. and W. Steven Barnett. A Benefit Cost Analysis of the Abecedarian Early Childhood Intervention. National Institute for Early Education Research: 2002; Karoly, Lynn A. et al. Early Childhood Interventions: Proven Results, Future Promise. RAND: 2005; Heckman, James J. et al. "The Effect of the Perry Preschool Program on the Cognitive and Non-Cognitive Skills of its Participants."; Campbell, F. A. et al. "Adult Outcomes as a Function of an Early Childhood Educational Program: An Abecedarian Project Follow-Up." Developmental Psychology. July 2012.

Rolnick, Arthur. J. and Rob Grunewald. "Early Childhood Development: Economic Development with a High Public Return." Fedgazette. March 2003.

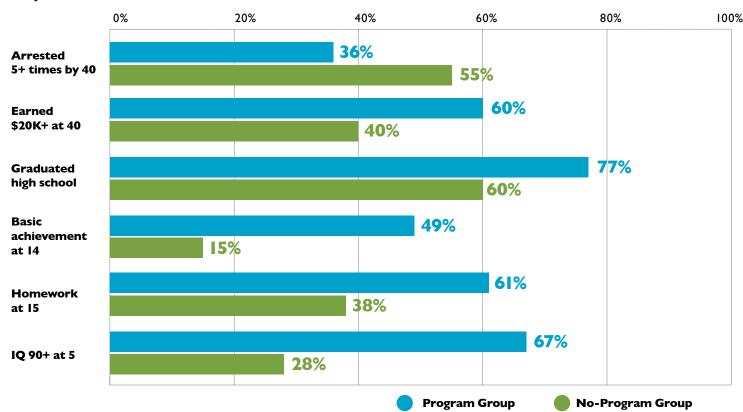
Research Demonstrating ROI

The state of Illinois began investing in early education programs in the 1980s. Each year, nearly 90,000 at-risk children ages 3 to 5 are served through the state's Early Childhood Block grant programs. A 2011 analysis of these investments over 23 years by Wilder Research estimated cost savings of up to \$530 million for the state, made up of savings on remedial education, criminal punishment and property losses, unemployment and drug treatment, and increased wages and tax revenues for participants, an amount that is expected to grow each year as participating children continue to succeed in school and go on to find employment and pay higher taxes as adults. ¹⁰ For every dollar spent on the Illinois program, the state expects to recuperate between \$2.36 and \$16.14.

Numerous studies underscore the Illinois example. One of the most rigorous of these is the High/Scope Perry Preschool Program,¹¹ which followed program participants for more than 40 years. In this study, a group of economically and socially disadvantaged 2 and 3-year-olds were selected to attend a high-quality

two-year preschool program, with a weekly home visitation component. That group was compared to a control group made up of similar children. Participants were interviewed at ages 15, 19, 27 and 40 and questioned on their schooling, economic activity, marital life and incarceration, among other subjects. The Perry researchers also collected school, police and court records, and records on welfare participation. The study found that 40-year-old adults who had enrolled in the preschool program were more likely to have graduated from high school, hold jobs, have higher earnings and have committed fewer crimes than adults who did not attend preschool. And while the participants in the preschool program directly benefited compared to those in the control group, the benefits to the general public were four times higher. Analysis of participants in the study at age 27 found that every public dollar spent on the program saved \$7.16 in tax dollars, and this increased to \$17.07 per dollar at age 40 (see graphic below and on next page).

MAJOR FINDINGS: HIGH/SCOPE PERRY PRESCHOOL STUDY AT AGE 40

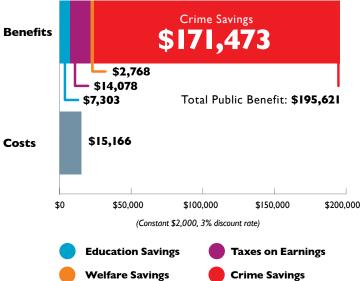


¹⁰ Wilder Research. Cost Savings Analysis of School Readiness in Illinois. 2011.

Schweinhart, Lawrence J. et al. Lifetime Effects: The High/Scope Perry Preschool Study Through Age 40. High/Scope® Educational Research Foundation: 2005.



HIGH/SCOPE PERRY PRESCHOOL PROGRAM PUBLIC COSTS AND BENEFITS



Research Demonstrating ROI (continued)

Another research project, the Carolina Abecedarian Project, ¹² began comparing preschoolers to a control group in 1972. Results found that the participants in preschool programs had higher test scores in terms of IQ and achievement, were less likely to repeat grades, and were more likely to complete high school and attend college than those in the control group. The results of preschool enrollment revealed impact beyond benefiting participants. The Abecedarian study found that teenage mothers, with their participating children occupied during the day, had more opportunities to further their education, obtain vocational skills and gain employment and, as a result, earned more on average than the mothers of those in the control group. When factoring in these benefits, independent economists found savings of \$2.50 for every dollar spent by the time participants were 21.

The Carolina Abecedarian Project's 2014 follow-up study also revealed some surprising health benefits. In their mid-30s, the children who had received high-quality early care and education from birth until age 5 were healthier than peers who did not attend the program. In their 30s, they had lower rates of prehypertension than those in the control group, and a significantly lower risk of experiencing total coronary heart disease within the next decade. These health benefits contributed to lower absenteeism in the workforce, increased earnings and a lower burden of health care costs for society as a whole.

Analysis of results from the Syracuse Family Development Research Program, ¹³ which provided a full range of health and education support to disadvantaged children from prenatal care through age 5, shows that problems with probation and criminal offenses were 70 percent less among participants compared with a control group, when they were surveyed at 15 years of age. This finding is underscored by an analysis completed by the Committee for Economic Development in Washington, D.C., which found that for every dollar spent on preschool, states are expected to save between 50¢ and 80¢ in reduced crime costs. ¹⁴

Education is the surest path out of poverty and the road that all children must take to reach their potential. We invite you to invest in our country's most vulnerable children and the future we share by giving these girls and boys a firmer foothold on the path to success and self-reliance. The economic argument is clear: the earlier we invest in children, the greater the returns to society in terms of increased tax revenues due to higher incomes, and decreased public expenditure on remedial education and costs associated with crime, health care and social welfare programs.

¹² The Carolina Abecedarian Project, Frank Porter Graham Child Development Institute, The University of North Carolina at Chapel Hill: 1972-77.

¹³ Lally, J. Roger et al. "The Syracuse University Family Development Research Program: Long Range Impact on an Early Intervention with Low-Income Children and Their Families." 1988.

¹⁴ Committee for Economic Development. The Economic Promise of Investing in High-Quality Preschool. 2006.





What Is the Gap in Early Childhood Programs

Lack of access to early learning is a problem that intensifies in isolated, rural communities with struggling economies and few, if any, quality preschools. Without access to high-quality early learning programs, children living in poverty fall behind their middle-income peers both developmentally and academically. And these deficits in skills and abilities drive down productivity and increase social costs in the long term.

Despite the plethora of evidence that investments in highquality preschool programs save dollars for taxpayers in the future, data from the National Center for Education Statistics show that one-third of children in poverty attend a high-quality preschool program.

An estimated 63 percent of low-income 3 and 4-year-old children in the United States do not attend nursery school or preschool.¹⁶ In the 2012-13 fiscal year, the federally funded Head Start and Early Head Start programs served 1.1 million children ages 0 to 5.17 With more than 6 million children in this age range living in poverty, the majority of these girls and boys, particularly in the 0 to 3 range, are still not getting the early learning opportunities and experiences that prepare them for elementary school. The odds of these girls and boys transcending their circumstances are heavily stacked against them.

The Role of Government Vs. Private Citizens

The federal government currently invests over \$5 billion annually to provide access to high-quality child care to nearly 1.5 million children through the Child Care and Development Fund,18 in addition to the 1.1 million children it reaches through Head Start and Early Head Start.

Despite these significant federal investments, Head Start and Early Head Start programs, serve only 42 percent and 4 percent of income-eligible children respectively.¹⁹

On the state level, annual funding for preschool programs is nearly \$7 billion.²⁰ However, five states still do not invest any state funds in preschool programs — Idaho, Montana, New Hampshire, South Dakota and Wyoming — and state-funded preschool programs only serve one quarter of all 4-year-olds. 21 22

Federal and state investments have fallen short in providing access to high-quality early learning programs for all American children, specifically to girls and boys living below the poverty line. The Obama administration estimates that it would cost an additional \$82 billion over the next 10 years to ensure that all low and moderate-income working families with young children have access to high-quality, affordable child care. If public funds are not allocated, or only fractionally allocated, we will need to make up this shortfall.



¹⁵ Ounce of Prevention Fund. Why Investments in Early Education Work. 2016.

¹⁶ U.S. Census Bureau American Community Survey. Data Release. 2014.

¹⁷ Head Start Program Fact Sheet 2014.

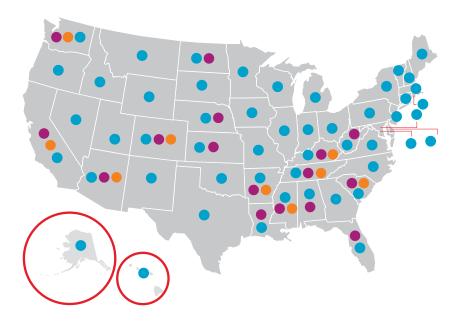
¹⁸ The White House Report. The Economics of Early Childhood Investments. 2014.
¹⁹ Child Care Aware Annual Report. Parents and the High Cost of Child Care. 2015.

²⁰ Education Commission of the States Report. 50-State Review. 2016.

²¹ Education Commission of the States Report. 50-State Review. 2016. ²² The White House Report. The Economics of Early Childhood Investments. 2014.

Our Response to Early Education

Today, Save the Children invests over \$30 million annually in early education programming and advocacy activities across the U.S. We are seeking to triple that investment by 2020 to ensure that every child in the United States has access to high-quality early childhood education (ECE) programs. We will do this by advocating for increased funding for ECE at the federal, state and local levels, while also helping resource-poor communities to pilot programs that can qualify for federal and state funding in the years ahead.



MAP KEY



Early Childhood Development

Early Steps to School Success, Early Head Start, Head Start



Education

Literacy Program



Policy & Advocacy

Early Childhood Education, Disaster Preparedness for Children



Early Steps to School Success Program

In 2006, Save the Children created Early Steps to School Success (Early Steps), which aims to ensure that all U.S. children, including those from remote, under-served areas, have the best chance for success in school and in life. Children enrolled in Early Steps are among the most vulnerable in their communities, facing an average of 5.3 risk factors associated with low education achievement, such as poverty, teenage parents, unemployed parents and substance abuse in the home. Last year, Early Steps served more than 7,000 children at more than 100 sites across 14 states.

Our objectives for Early Steps are to enable children to start school prepared, provide parents with the skills they need to support their children's development, ensure a smooth transition to school, and increase the community's early childhood knowledge and resources.

The following describes specific activities for the two age groups in Early Steps:

- For children ages 0 to 3, Early Steps offers bi-weekly home visits. Trained Early Childhood Coordinators coach parents on healthy pregnancy practices to reduce developmental risk. After birth, they work with parents to create and implement plans that will help their children reach developmental milestones and build a solid foundation for learning. The Coordinator supplies the family with appropriate books, discusses the child's developmental gains with the parents and suggests activities that target the child's particular developmental stage. Coordinators also maintain a referral network that includes visiting nurses, mental health services and school-based assistance.
- For children ages 3 to 5, Early Steps guides the transition to preschool or assists families to find the best alternative. Coordinators cultivate a love of learning and reading with a book exchange program, supplying families with a rotation of children's books. This encourages reading frequency, critical pre-literacy skills and parent-child interaction. During parent-child support and education groups, parents can discuss early development topics and learn ways to support learning through play. Early Steps also helps foster a positive connection between families and schools so that parents become acquainted with their child's school and staff before the first day of school.

The costs of these programs range from \$2,000 per child enrolled in our Early Steps home-visitation program to \$10,000 per child enrolled in our center-based Head Start programs.

Head Start Program

The Head Start program is an important safety net for America's most vulnerable children. Targeting children in poverty from birth to age 5, Head Start helps children overcome the gaps in school preparedness that are linked to family income.

However, communities where children need these interventions most often struggle to maintain Head Start programs that meet national standards. When providers in struggling communities do not have the capacity to manage a Head Start grant, there may be no local organization able to take over the program. This issue is particularly acute in isolated communities where preschool programs are limited. As a result, more girls and boys are left without the early interventions that could change their lives.

Save the Children knows what a difference a high-quality Head Start program can make in a community, and we understand the challenges these programs can face in communities with struggling economies and limited early education capacity. We have been repeatedly asked by the United States Department of Health and Human Services, Office of Head Start to take over struggling Head Start centers. Since 2011, we have been awarded six grants to lead struggling Head Start programs in Arkansas, Louisiana, Mississippi and North Dakota, and we have reached nearly 2,500 children through Head Start programs in our 2015 program year.





Our Results in Early Childhood Programs

Since 2006, Save the Children has annually conducted internal program evaluations that demonstrate the significant benefits of the Early Steps program on language acquisition, an important predictor of literacy and later academic success, among participating children compared to those not enrolled in the program.

- Parents of children ages 0 to 3 in Early Steps report reading to their child 37 times per month. Research also shows that the parents who receive home visits read to their children 48 percent more than parents who do not receive home visits. And children who are read to daily had greater vocabulary scores than children whose parents read to them less.
- At 3 years of age, 82 percent of the children in our program scored average or above average when tested for language acquisition using the Peabody Picture Vocabulary Test (PPVT). Children who had been enrolled in Early Steps for at least one year scored an average of 98.5, well within the national mean range of 85-115 — remarkable given the number of risk factors that the children in our programs face.
- At age 5, when children enter school, participants have average receptive vocabulary scores of 100.3, comparable to a national norm of 100. Further, students who have received our early childhood support enter school with significantly higher scores on assessments of early literacy skills than a control group.

In addition to conducting our own assessments, in 2012 we commissioned a five-year, independent evaluation comparing program participants with a control group across eight states. The evaluation is among the first systematic examinations of a home-based program's impact on enhancing school readiness and early academic outcomes of young children — most below the poverty level — from impoverished, rural communities. It is a collaborative effort involving Save the Children and George Mason University, the University of Maryland and the University of Nebraska, Lincoln.

Early Steps currently meets the promising practices criteria set forth by the Maternal, Infant, and Early Childhood Home Visiting program (MIECHV). Once we complete our independent evaluation in 2017, Early Steps will be evidence-based. This more stringent qualification will enable Save the Children to access a pool of competitive public funding to bring Early Steps to more children living in poverty.

Our Distinction in Impacting Our Nation's Youngest

Save the Children began implementing education and health programs in the United States in 1932 in Appalachia to meet the needs of children during the Great Depression. Over the years, the scope and reach of our work have continued to grow. Today, we implement our programs in more than 150 of the neediest communities across the country. We seek to ensure that despite the gaps in education and health in rural America, all children have the best chance for success. With decades of experience, Save the Children has both a deep understanding of the challenges facing children in rural America and a unique insight into the necessary solutions.

Our programming is grounded in empirical research demonstrating that creating connections between family, school and community maximizes impact on children's learning and literacy development. We center our work in this area on five main principles:²³ we start early, provide access to quality early learning environments, improve transitions to elementary school, advocate and promote the development of early childhood policies, and work in strategic partnerships to reach the greatest number of children and ensure their voices are heard at the highest levels of our government.²⁴

²³ These principles parallel the Consultative Group on Early Childhood Care and Development's Four Cornerstones to Secure a Strong Foundation for Young Children.

²⁴ In 2014, Save the Children created the Save the Children Action Network (SCAN) to advocate for increased investment in early childhood education at the federal, state and local levels.

Our partners include:

- Zero to Three the developers of our Gather Round curriculum. We also collaborated with this organization to develop our Early Steps Plan and Play curriculum, a resource for nurturing early development and are working together to ensure that Congress extends funding for evidence-based home visiting programs in 50 states, six territories and numerous tribal areas.
- Reach Out and Read is working with Save the Children
 on the new Building Child-Centered Communities in Rural
 America project. In 30 under-served communities in Arizona,
 Colorado, Kentucky and South Carolina, the program partners
 with school districts, schools, local and state governments and
 local organizations to support children with early education,
 literacy resources and health services.
- The First Five Years Fund is helping Save the Children Action Network (SCAN) to increase both national and state-level investments in high-quality early childhood education. Through communications and legislative outreach, we are promoting the efforts of the governors and state legislatures that are proposing policies to improve and expand early learning programs, as well as supporting the passage of comprehensive, national early childhood education legislation.

Advocating for Early Childhood Programs

By aligning with others who share our goal of expanding access to high-quality early childhood education, Save the Children's Early Childhood Education campaign is building a diverse network of advocates across America, with one united voice for children. Our campaign is implemented in collaboration with our advocacy partner, Save the Children Action Network.

Here are recent successes:

- In December 2015, Congress passed the Every Student Succeeds Act (ESSA), bipartisan legislation that replaces the No Child Left Behind law of 2002. ESSA protects critical federal investments in early learning, including the Preschool Development Grant program and the Innovative Approaches to Literacy competitive grant program. ESSA also includes an amendment focused on early childhood education (ECE), which was introduced by Senators Johnny Isakson (R-GA) and Patricia Murray (D-WA). Save the Children advocated for ECE to be included in the broader ESSA legislation, as part of the Grow America Stronger Coalition.
- In April 2015, President Obama signed into law a two-year extension of the MIECHV program, which is a federal-state partnership that strengthens families and provides new parents with the critical skills needed to actively support their children's early development and education. Funding for MIECHV was set to expire in March 2015.

In response, Save the Children mobilized our supporters to send nearly 118,000 messages to their members of Congress, urging support for the reauthorization.

We are also playing a role in the 2016 presidential campaign by working to ensure that there are strong positions on early child-hood education in both parties' platforms. Ultimately, we want to make sure that the next president of the United States is committed to funding early childhood education. Our long-term goal is for Congress to pass federal legislation supporting early childhood education by 2020, such as the Strong Start for America's Children Act, which ensures universal and high-quality pre-kindergarten programs for all 4-year-old children in the United States.

In Conclusion: The Case for Investment

Who benefits from investments in early childhood programs? Benefits to low-income children and parents are substantial and life changing. While children benefit from the exposure to a wider array of learning opportunities than they might have at home, parents benefit when the child care provided at these programs allows them the time to take on employment or learn new skills to improve their career prospects.

High-quality child care programs further benefit state and local governments, taxpayers and society as a whole by reducing the need for more expensive interventions later in a child's life. Participation in high-quality early care programs can help children avoid special education, grade repetition, early parenthood and incarceration — outcomes that cost society in the future. And, over the long term, children who participate in such programs are more likely to be employed. The revenue from their local, state and federal taxes and enhanced buying power positively contributes to the health of our economy. Your investment in Save the Children's early childhood programs could transform the future for us all.





Impact Opportunity

Improve literacy-related instruction to children in low-income households

- \$1 million will provide Save the Children with the resources to create Early Steps programming at 10 new sites, giving 500 children under age 5 bi-weekly home visits with an Early Childhood Coordinator, access to a steady stream of books, and parenting skills for their mothers and fathers. Your funding will also support training for 10 Early Childhood Coordinators at each new site, which is invaluable in increasing the capacity of these communities to serve young children.
- \$100,000 will help us extend the work we are doing through our Innovative Approaches to Literacy government grant to reach 775 additional children. Your funding will help promote family engagement in children's literacy in under-served communities and support outreach to medical clinics through our partner Reach Out and Read where, in line with new recommendations from the American Academy of Pediatrics, doctors are teaching parents about the value of reading aloud and giving children new developmentally appropriate books to take home.
- \$10,000 will provide us with the funding necessary to supply 100 families in the Early Steps program with 13 new books. Your funding will enable children to receive a book at the start of the program and one every month for a year.

Impact Opportunity

Improve access to Head Start for low-income households

- \$1 million will allow Save the Children to purchase a state-of-the-art building with six classrooms for 125 children attending Head Start or Early Head Start programs, enabling over 90 percent of participating 4-year-olds to meet or exceed national standards in math and reading and enter kindergarten prepared doubling their chances of mastering basic skills by age 11.²⁵
- \$100,000 will help us provide 15 disadvantaged children with a year of center-based early childhood educational services, adding an average of 30 hours of learning opportunities per week to support their mental, social and emotional development.
- \$10,000 will enable us to refurbish outdoor playground equipment for a site serving 65 children. Your funding will increase children's physical activity by at least 30 minutes per day.

Impact Opportunity

Advocate for greater access to early learning for children in poverty

- \$1 million will sponsor our annual Advocacy Summit in Washington, D.C. for two years, including the year-long regional and local trainings for our lead advocates. Alternatively, an investment of this size could fund the expansion of our Early Childhood Education campaign to a new target state, including supporting the paid, earned and social media activities we undertake to introduce the issue of early childhood education to key policy influencers and target demographic groups.
- \$100,000 will enable us to provide scholarships for 50 youth or adult advocates to attend our annual Advocacy Summit and meet with members of Congress who can influence federal spending on early childhood education.
- \$10,000 will allow us to sponsor a training academy in one of our target states, at which our top advocates can acquire advanced leadership and mobilization skills.

 $^{^{\}rm 25}$ The Bridgespan Group.

Invest in Early Childhood

An investment in Save the Children's quality early learning programs and advocacy activities yields powerful returns. Your investment can strengthen our future workforce, grow our economy, reduce social spending and help children in poverty become the business owners, employers, customers, neighbors and leaders that their communities need. You play a vital role in achieving change for America's youngest and most marginalized girls and boys. This is an investment with the power and potential to yield transformative results for children — changing the course of their future and ours.





All Photos: Susan Warner / Save the Children

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