




INVESTING FOR IMPACT



ADVANCING EARLY CHILDHOOD
PROGRAMS IN THE U.S.



“Investing in early learning programs has a huge economic impact. A comprehensive, national early education program would add \$2 trillion to the annual GDP within a generation.”

– The Brookings Institution

Investing for Impact

INVITATION TO INVEST IN EARLY CHILDHOOD PROGRAMS IN THE U.S

The best investment we can make is in early childhood. It's an investment that generates 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 that funders can make on that child's future and the higher the return on that investment for us all.¹

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 cognitive, social and emotional development. 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.² When these children's brains were scanned many years later, they found that the amount of cognitive stimulation available at age 4 affected the cortical thickness, which has been linked with intelligence. And consistent with the importance of early experience, cognitive stimulation at age 8 did not show the same effects.³

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.⁴



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. According to Heckman, there can be a 13 percent return per year on investment in high-quality early education. Researchers overwhelmingly agree that the return on these programs far exceeds the return on most economic development projects in the United States.⁷

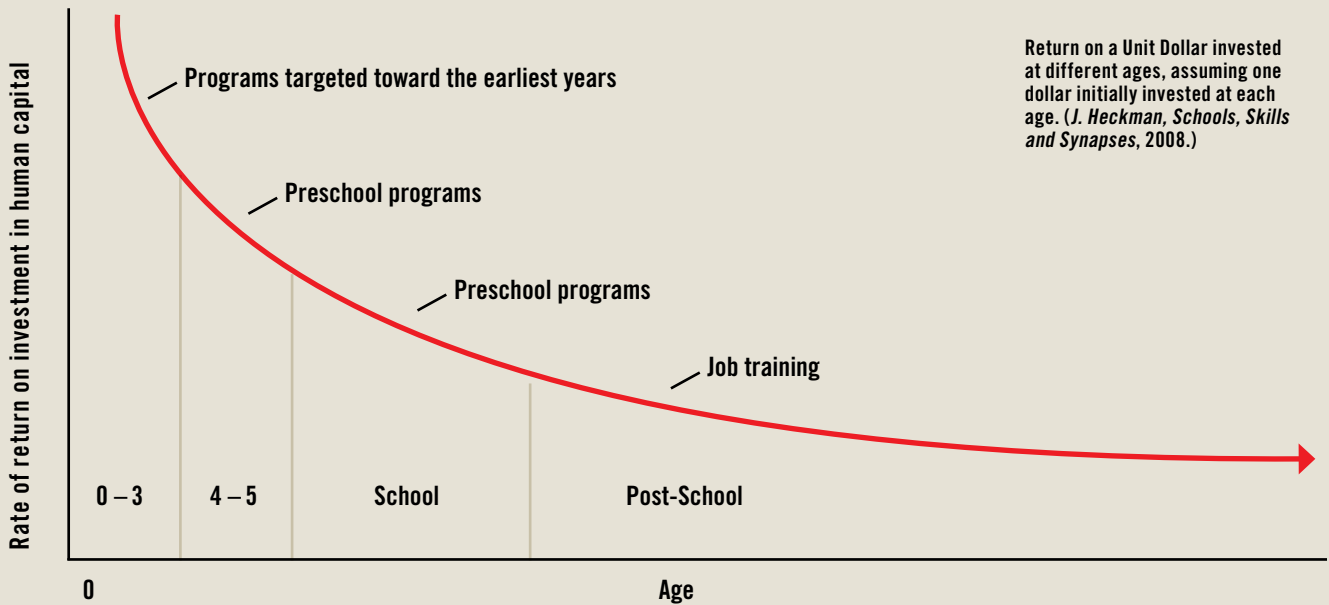
An analysis of longitudinal studies of children in preschool programs shows a range of returns between \$4 and \$17 for every dollar spent on early learning programs for low-income

children over the long term,⁸ 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.⁹

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



Photo: Tamar Levine



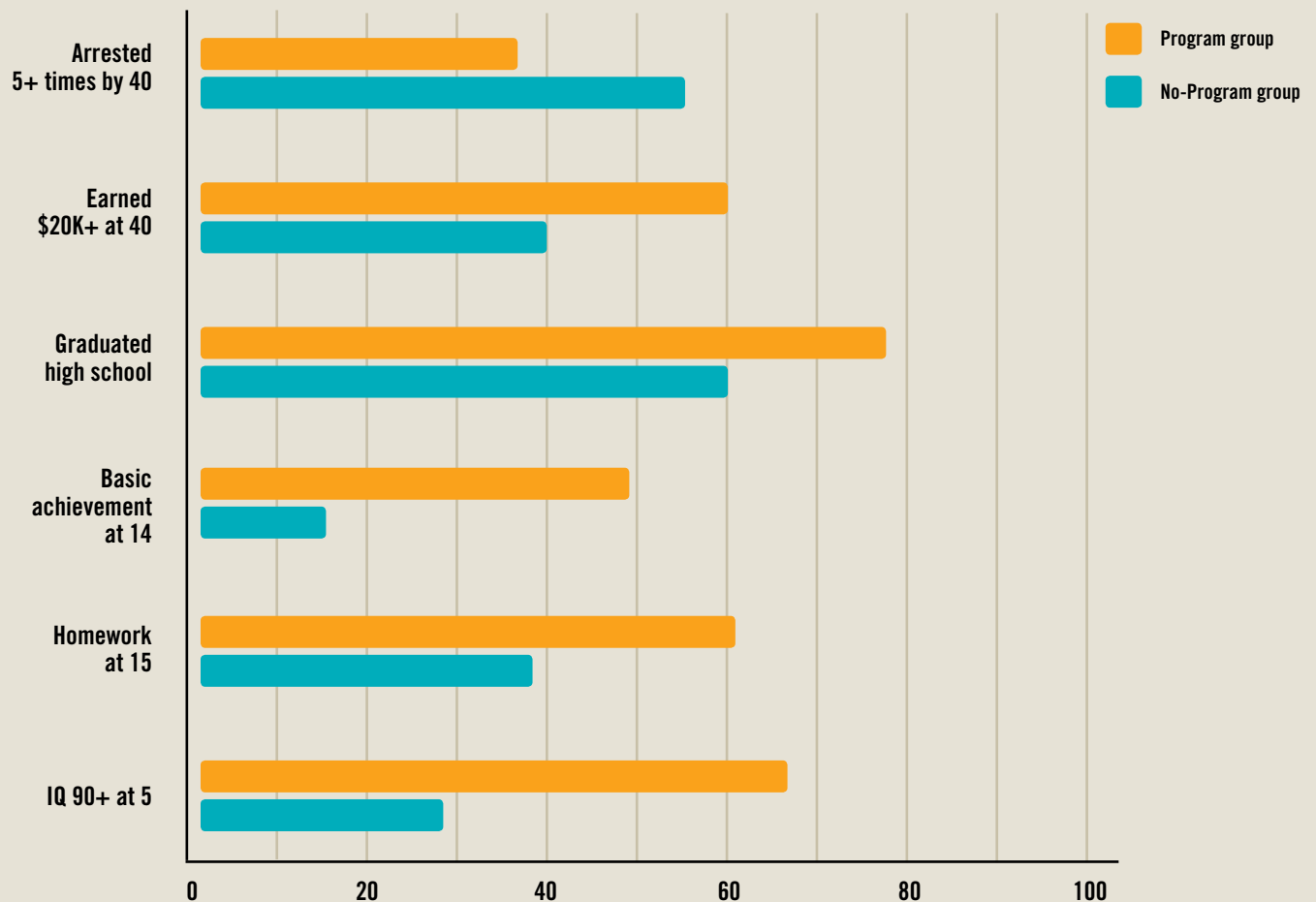
RESEARCH DEMONSTRATING RETURN ON INVESTMENT

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



RESEARCH DEMONSTRATING RETURN ON INVESTMENT (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 all children must take to reach their potential. We invite you to invest in our country’s most vulnerable children and give 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.”

– Carolyn Miles, President & CEO, Save the Children

**HIGH/SCOPE PERRY PRESCHOOL PROGRAM
PUBLIC COSTS AND BENEFITS (MILLIONS)**

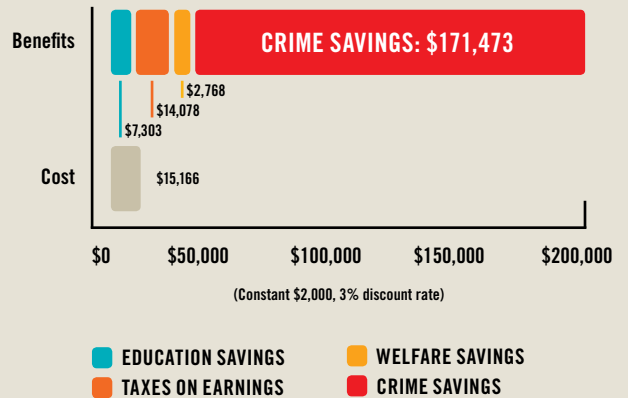




Photo: Susan Warner

WHO BENEFITS FROM QUALITY EARLY CHILDHOOD PROGRAMS?



Children – attain higher levels of success in school



Governments – spend less on grade repetition, social welfare, and the criminal justice system



Parents – have more support in developing the skills needed to strengthen their child's growth



Society – benefits from a larger, more educated workforce that generates higher tax revenue

CHILDREN WITHOUT ACCESS TO EARLY EDUCATION ARE:



25%

more likely to drop out of school¹⁵



40%

more likely to become a teen parent¹⁵



60%

more likely to never attend college¹⁵



70%

more likely to be arrested for a violent crime¹⁵



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

“Across the nation, 59 percent of 4-year olds – or six out of every 10 children – are not enrolled in publicly funded preschool programs through state preschool, Head Start, and special education preschool services”¹⁶ Even fewer are enrolled in the highest-quality programs. In the 2015-16 fiscal year, the federally funded Head Start and Early Head Start programs cumulatively served 1,070,000 children ages birth to 5 and pregnant women throughout the 2016–2017 program year. 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,¹⁷ 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 about 42 percent and 6 percent of income-eligible children respectively.¹⁸

State pre-K funding has increased by \$480 million or 6.8 percent since 2015-16.¹⁹ However, in 2016-17, six states (Idaho, Montana, New Hampshire, South Dakota, North Dakota, and Wyoming) did not provide state funding for pre-K. This is an increase from the 2015-16 report, where only five states did not fund pre-K.^{20,21}

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. It has been estimated 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.



Our Response to Early Education

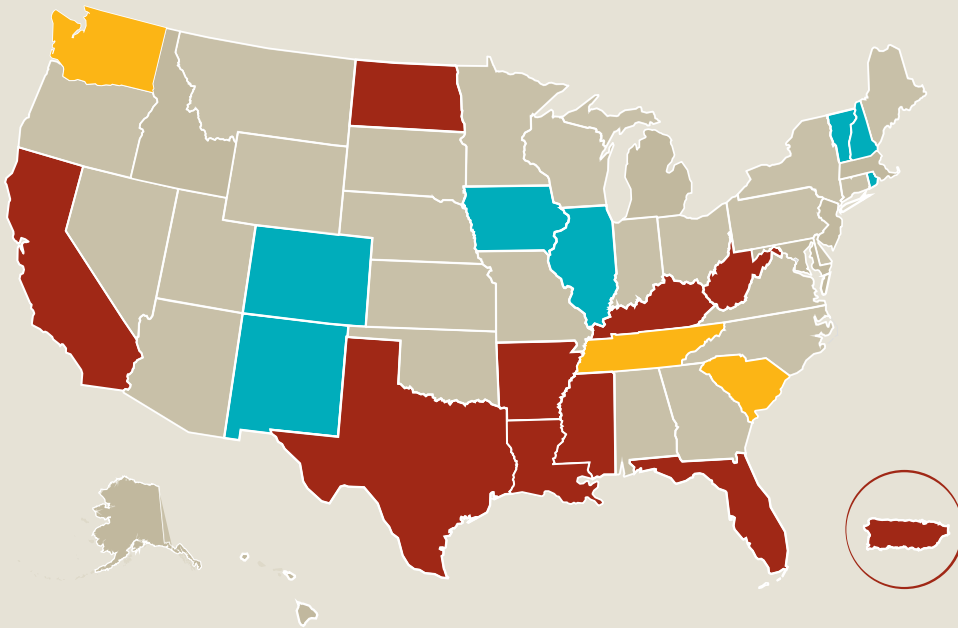
Today, Save the Children invests more than \$30 million annually in early education programming and advocacy activities across the United States. We are seeking to dramatically increase that investment to ensure that every child in the U.S. has access to high-quality early education (ECE) programs. We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

Map key:

- Programs**
 - Arkansas
 - California
 - Florida
 - Kentucky
 - Louisiana
 - Mississippi
 - North Dakota
 - Puerto Rico
 - Texas
 - West Virginia

- Programs & Advocacy**
 - South Carolina
 - Tennessee
 - Washington

- Advocacy**
 - Colorado
 - Illinois
 - Iowa
 - New Hampshire
 - New Mexico
 - Rhode Island
 - Vermont



EARLY STEPS TO SCHOOL SUCCESS PROGRAM

In 2006, Save the Children created Early Steps to School Success, which aims to ensure all U.S. children, particularly those from rural, 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 5.2 risk factors associated with low education achievement, such as poverty, teenage parents, unemployed parents and substance abuse in the home. In 2017, we reached nearly 61,500 children and adults in 14 states with Early Steps to School Success – including an estimated 8,300 children and 16,500 adults directly.

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. In the fall of 2018, we will implement early math and social-emotional development programming into our Early Steps programs.

Early Steps Activities include:

- **For children prenatal 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. These activities encourage 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.

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. Since 2011, we have been awarded six grants to lead struggling Head Start programs in Arkansas, Louisiana, Mississippi and North Dakota. In 2017, we reached more than 5,500 children directly and indirectly – including 3,700 children directly through Head Start/Early Head Start.

Photo: Victoria Zegler



Our Results in Early Childhood Programs

Since 2006, Save the Children has conducted annual 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.

Results include:

- Children 0-3 were read to an average of 45 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 have greater vocabulary scores than children whose parents read to them less.
- At 3 years of age, 85 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.
- 85 percent of children who have reached 5 years of age and have been enrolled in Early Steps for at least one year and who scored at or above the normal range for vocabulary acquisition.

In addition to conducting our own assessments, in 2012 we commissioned a longitudinal, 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 2018, Early Steps will be eligible to be considered 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.

In 2017, we reached nearly 237,000 children directly and indirectly – including an estimated 163,000 children directly. 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 the 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

Kindergarten readiness and third grade reading proficiency are critical milestones for children that can make or break their futures. That's why our new strategy focuses squarely on these benchmarks so that children have a better chance for a brighter future. Save the Children is working with rural communities across the U.S. to increase their capacity of services from prenatal to third grade to ensure children are ready for kindergarten and reading at grade level.



Photo: Tamar Levine

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 (ECE) 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.

Recent successes include:

- **Federal** – The fiscal year 2018 (FY18) budget approved by Congress in late March included historic funding increases for early childhood programs, such as the Child Care and Development Block Grant, Early Head Start/Head Start, 21st Century Community Learning Centers and Promise Neighborhoods. Despite proposed cuts to these high-priority programs, SCAN successfully mobilized our grassroots network, worked with coalition partners, and allies in Congress to protect the funding.

Our international priority accounts were at least level-funded from FY17, which is a victory in itself considering the drastic cuts they were facing. We continue to push for the Reach Every Mother and Child Act toward enactment. To date, we have 166 co-sponsors in the House and 27 in the Senate.

- **State** – In Tennessee, we worked with coalition partners to restore \$1.4 million in home visiting funding for Healthy Families Tennessee. This program serves 15 counties, offering coaching and information through home visitation to expectant parents and families with children up to five years old.

In Colorado, we helped pass two childcare tax credit bills. The first offers tax credits to businesses who contribute to childcare providers. The second is a refundable tax credit for families making \$60,000 or less to assist with childcare costs.

In Washington, we worked with coalition partners to secure a \$2.29 million increase in state funding for home visiting.

- **Local** – In Concord, New Hampshire, we worked with the school board to expand kindergarten to a full day across the city, following our work to help elect two candidates to the school board.

In Seattle, Washington, we are working to pass two property tax levies to fund and increase slots for the Seattle Preschool Program.

IN CONCLUSION: THE CASE FOR INVESTMENT

The benefits of early childhood programs 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 these programs are more likely to be employed. The revenue from their local, state and federal taxes and enhanced buying power positively contribute 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 access to high-quality early childhood education for low-income, rural communities:

- **\$1 million** – will support Save the Children’s work in implementing early math into our Early Steps curriculum.
- **\$100,000** – will support 100 children to attend KinderBoost, our signature kindergarten readiness programs.
- **\$10,000** – will supply 25 Early Steps sites with high-quality replacement books for the 0-5 Book Bag Exchange. More than 60 percent of low-income families do not have children’s books in their homes. Your gift can change that.

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 disadvantaged children with a year of center-based early childhood educational services, adding an average of 30 hours of learning per week to support their mental, social and emotional development.
- **\$10,000** – will enable us to refurbish an outdoor playground for an early learning site. 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 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. Funding would support paid, earned and social media activities to introduce the issue of early childhood education to key policy influencers and target demographic groups.
- **\$250,000** – will sponsor our nationwide supporter identification and engagement program.
- **\$10,000** – will sponsor an advocacy and leadership development training for a parent or family advocate of a child who benefits from high-quality child care, preschool or home visiting programs.



Conclusion: 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 our 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 generate transformative results for children – changing the course of their futures and ours.



Photo: Susan Warner

Endnotes

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¹⁸ National Head Start Association (www.nhsa.org/facts).

¹⁹ Education Commission of the States Report. *50-State Review*. 2016.

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

²¹ The White House Report. *The Economics of Early Childhood Investments*. 2014.

²² These principles parallel the Consultative Group on Early Childhood Care and Development's Four Cornerstones to Secure a Strong Foundation for Young Children.

²³ 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.

²⁴ The Bridgespan Group.

INVESTING FOR IMPACT



Save the Children®

Save the Children believes every child deserves a future.

In the United States and around the world, we work every day to give children a healthy start in life, the opportunity to learn and protection from harm. When crisis strikes, and children are most vulnerable, we are always among the first to respond and the last to leave. We ensure children's unique needs are met and their voices are heard. We deliver lasting results for millions of children, including those hardest to reach.

We do whatever it takes for children – every day and in times of crisis – transforming their lives and the future we share.

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