



Early Childhood Education: A Call to Action from the Business Community

Why America Needs High-Quality Early Childhood Education

Over the past two decades, business leaders have invested time, expertise, and resources in efforts to improve K-12 education in the United States. What we have learned leads us to conclude that America's continuing efforts to improve education and develop a world-class workforce will be hampered without a federal and state commitment to early childhood education for 3- and 4-year-old children.

As states implement the No Child Left Behind Act, designed to ensure that all students are proficient in reading and math by 2013-14, we also need to ensure that children enter school ready and able to succeed. Research shows, however, that far too many children enter school ill-prepared.

Studies document a wide gap between lower- and higher- income children before they enter kindergarten. When children begin school behind, they tend to continue to fall further and further behind. High-quality early childhood education can help close this gap. Long-term positive outcomes and cost-savings include improved school performance, reduced special education placement, lower school dropout rates, and increased lifelong earning potential (see the Appendix for a summary of this research).

Not only does high-quality early childhood education make a difference for children, it matters to their employed parents. Employers increasingly find that the availability of good early childhood programs is critical to the recruitment and retention of parent employees.

In today's world, where education and skill levels determine future earnings, the economic and social costs to individuals, communities, and the nation of not taking action on early childhood education are far too great to ignore, especially when the benefits far outweigh the costs. Estimates of the return on investment of high-quality programs for low-income children range from \$4 to \$7 for every \$1 spent. However the research is clear: the return on investment is linked to quality; simply increasing participation without ensuring program quality will not produce positive results.

As business leaders, we see the discussion around early childhood programs for 3- and 4-year-olds as largely an education issue. Since states have primary responsibility for education, we believe that states need to take the lead in developing and funding a coherent early childhood education system from the patchwork of programs and services that exist today. The federal government also must play a leadership role. It must make high-quality early childhood education a national priority, and continue its historic role in focusing on the children most in need. Federal and state investments in early education must be coordinated in order to improve program quality and to serve more children.

Statement of Principles

The Business Roundtable (BRT) and Corporate Voices for Working Families (CVWF) believe federal and state efforts to develop early childhood education systems for 3- and 4-year-olds must be based on a set of guiding Principles that define the components of a successful system and high-quality programs. These Principles draw on current early childhood research, lessons from K-12 education reform efforts, and applicable lessons from the nation's experience in building a voluntary system of higher education. Although our focus is on 3- and 4-year-old children, we fully recognize the importance of quality improvement efforts for early childhood programs serving children under 3.

The six principles below are interconnected; they are not listed in priority order. BRT, CVWF, and others will use these Principles to assess existing early education programs, consider philanthropic priorities, evaluate policy proposals on Pre-K, Head Start, and other programs, and formulate policy positions.

1. LEARNING. *A successful early childhood education system views children's learning as the central mission. It should:*

- Provide positive learning experiences that foster the interconnections among children's social, emotional, and cognitive development and nurture children's innate joy in learning;
- Engage children in developmentally appropriate experiences with English language literacy and numeracy, and encourage family literacy programs to reinforce these experiences;
- Hold the same high expectations for success for all children while also respecting and supporting the diversity of children's families, cultures, races, socio-economic backgrounds, as well as the different ways that young children learn and the rates at which they progress; and
- Include healthy nutrition, safe environments, facilities conducive to learning, and diagnostic screening with effective follow-up services to treat disabilities or health problems that might affect children's ability to learn.

2. STANDARDS. *A successful early childhood education system articulates standards for children's learning and program quality that align with state K-12 academic standards. It should:*

- Align the objectives of the early childhood education system and the state's standards in the early grades of school;
- Adopt research-based curriculum options and program standards that enable early childhood education to achieve and sustain results for children;
- Endorse research-based indicators for what children need to know and be able to do when they enter school that respect the diverse ways that children grow and learn; and
- Use the results of regular and appropriate diagnostic assessments of children's performance to improve instructional practice.

3. TEACHERS. *A successful early childhood education system ensures that teaching staff possess the skills, knowledge, and attitudes to help young children enter school prepared to succeed. It should:*

- Employ skilled teaching staff who have a college degree and/or demonstrated knowledge and skill commensurate with the requirements of the position and meet performance criteria such as English verbal skills and the ability to connect with and teach young children;
- Require effective preparation as well as ongoing professional development that helps staff improve the quality of their teaching, become ongoing learners, and move through an articulated, degree-granting system, where appropriate; and
- Institute differentiated salaries based on the experience and competencies of teachers that, given the importance of consistent relationships to children's learning, are adequate to attract and retain a qualified teaching staff.

4. PARENTS. *A successful early childhood education system supports parents as their children's first teachers and provides high-quality program options to parents who choose to enroll their children. It should:*

- Provide access to high-quality early childhood programs for families seeking out-of-home early childhood education for their 3- and 4-year-old children, regardless of their socio-economic status;
- Offer seamless ways to meet the need of some families for care during the time they are working as well as the need for early learning experiences for their children; and
- Promote practical and effective strategies for parents to be involved in and support their children's learning at home and in early education programs.

5. ACCOUNTABILITY. *A successful early childhood education system embraces accountability for measurable results. It should:*

- Collect the data and conduct the research needed to identify best practices, assess system performance, and report these results to stakeholders;
- Evaluate the progress of children who have participated in early childhood education programs on the state's annual assessments required by the No Child Left Behind Act;
- Implement continuous improvement processes that put the lessons learned from research and evaluation into program standards and practice; and
- Establish incentives for meeting or exceeding objectives as well as consequences for persistent failure to achieve intended outcomes for children.

6. PARTNERSHIPS. *A successful early childhood education system builds crosscutting partnerships to govern, finance, sustain, and improve the system. It should:*

- Create effective and efficient governance mechanisms that support community planning, program development and oversight;
- Involve key stakeholders at the federal, state, and local levels, and encourage public/private partnerships to improve effectiveness, efficiency, and accessibility;
- Include participation among all sectors of the early childhood field within the state, including public and private programs as well as those that take place in schools, centers, and homes; and
- Insist on adequate, efficient, and shared financing mechanisms that minimize duplication of effort and identify priorities for public investments in times of budgetary constraints as well as a blueprint for future expansion.

From Principles to Policy

In 1990, the nation's governors and the Administration set as their first National Education Goal, "By the year 2000, all children will start school ready to learn." Thirteen years later, there has been progress—45 states are now providing some early childhood education services and programs, using both federal and state funding sources. The reality of today's families—including those with working parents and those with a parent at home—is that 69 percent of 3-year-old children and 82 percent of 4-year-old children are in some form of early childhood program on a regular basis. Yet most of these programs are not high quality, despite the research that shows that only high-quality programs produce a strong return on investment. Thus, the goal of school readiness remains largely unmet.

Three groundbreaking initiatives pave the way toward realizing this goal. Two reports by the National Research Council of the National Academy of Sciences summarize current research on early development and early learning: *From Neurons to Neighborhood: Applying the Science of Early Childhood Development* in 2000 and *Eager to Learn: Educating Our Preschoolers* in 2001. In addition, the Committee for Economic Development developed a vision for applying this knowledge in its publication, *Preschool for All: Investing in a Productive and Just Society* in 2002.

The Principles outlined in this statement take us the next step in formulating federal and state policies. As noted earlier, education is largely a state responsibility, but the federal government has always played a very significant financial role in early childhood programs and must continue to do so. Although the federal role in early childhood is different from its role in K-12 and higher education, policymakers should examine relevant lessons from federal initiatives that have strengthened both higher education and K-12 education.

In higher education, the federal government's first priority is to help low-income students gain access to postsecondary studies. The federal government also helped states build a voluntary higher education system that is the envy of the rest of the world. The federal government could take a similar role in the early childhood arena, supporting low-income children's participation in high-quality programs while also helping states to build the infrastructure for high-quality programs—including building staff capacity.

In elementary and secondary (K-12) education, the federal government only provides 7 percent of the overall resources, but influences the entire system because these resources link their assistance for low-income students in low-performing schools with requirements for rigorous state accountability systems that include all students. Although early childhood education is very different from the public K-12 system because it has a higher percent of federal funding and a mix of public and private providers, we believe that the federal government could use a similar model of linking resources with accountability by pairing federal investments with requirements for strong state accountability systems that measure results, ensure high program standards, and expand the numbers of children served.

We are well aware that economic conditions, budgets, and political considerations can hinder or hasten domestic policy initiatives. But even in uncertain times, we can begin to plan for the future. We urge decision makers in the public and private sectors—the U.S. Congress, the Administration, local and state governments, school boards, the business community, and other leaders—to make early childhood education a high priority by supporting and endorsing these Principles and launching a multi-sector planning process to identify incremental and additional revenue streams required for implementation. BRT and CVWF are committed to working with all stakeholders to build a quality early learning system for today's and tomorrow's young children.

About The Business Roundtable

The Business Roundtable (BRT) is an association of 150 chief executive officers of leading corporations committed to advocating public policies that foster vigorous economic growth and a dynamic global economy. In 1990, the BRT adopted a nine-point policy agenda, "Essential Components of a Successful Education System," which outlined the framework for standards-based education reform. One of the nine essential components includes high-quality pre-kindergarten education for disadvantaged children. BRT member companies created or joined state business coalitions to promote higher standards, and business leadership has been a critical factor in many of the states that have significantly improved student achievement. The BRT also strongly supported the passage of the No Child Left Behind Act of 2001, which creates a national imperative to raise student achievement and close the achievement gap, and the Roundtable's Task Force on Education and the Workforce is actively involved in the law's implementation.

About Corporate Voices for Working Families

Corporate Voices for Working Families (CVWF) is a coalition of 36 leading corporations that have been engaged in listening to and addressing the challenges of their employee families for over two decades. The CVWF coalition was created in 2001 to bring this private sector voice and experience into the public dialogue on issues affecting their working families. CVWF is focused on communicating the business case for early learning to policymakers, corporations, and other stakeholders interested in strengthening working families. CVWF's partner companies believe that the care and education of young children is critical to the attraction, recruitment and engagement of today's parent employees as well as a key to economic growth. CVWF recently released an issue brief outlining why early education is an important business issue.

Appendix: Supporting Research

By the time children enter kindergarten, there already is a wide gap in their readiness for school.

- At age 3, high socio-economic status (SES)¹ children have average vocabularies of 1100 words, middle SES children have average vocabularies of 750 words, and low SES children have average vocabularies of 480 words (Hart and Risley, 1995).
- Lower SES children enter school with much poorer skills in the major areas of development and learning. Average achievement scores for kindergarten children in the highest SES group are 60 percent higher than those in the lowest SES group (Lee and Burkam, 2002).
- Only 47 percent of low SES kindergarteners are likely to have attended a center-based program (including Head Start) prior to kindergarten entry, compared with 66 percent of higher SES children. Moreover, higher SES children have access to higher-quality programs, further benefiting them (Lee and Burkam, 2002).

When children begin kindergarten behind, they continue to fall further and further behind.

- During the kindergarten year, children who are deemed at risk for later school failure because of their family backgrounds make gains in basic skills such as letter recognition, counting, and comparing object size. Yet these children remain farther behind children with fewer at-risk factors because the more advantaged children make even greater gains in reading and math skills in school than their less advantaged counterparts (West, Denton, and Reaney, 2001).

High-quality early childhood programs can make a difference in school readiness despite poverty and other risk factors in children's backgrounds.

- Children, including those of low and high SES, who attend high-quality centers, score significantly higher on measures of skills and abilities that are important for school success compared with children from lower quality centers. While children's abilities are typically related to their families' income level, the quality of the early childhood experiences can make a difference over and above the effects of family characteristics (Bryant, Maxwell, Taylor, Poe, Peisner-Feinberg, and Bernier, 2003).

High-quality early childhood education programs have a high return on investment for low-income children.

- In the short term, longitudinal studies of high-quality early childhood programs, including the Perry Preschool Program, the Abecedarian Early Childhood Intervention Project, and the Chicago Child Parent Center Program find increased achievement test scores, decreased rates of being held back in school, and decreased placement in special education among low-income children. In the

¹ Throughout this report we refer to the effects of socio-economic status (SES) and family income, which are different. In addition to income, SES takes into account such characteristics as parental education and social status.

longer term, studies also find increased high school graduation and decreased crime and delinquency rates (Schweinhart, Barnes, and Weikart, 1993; Campbell, Ramey, Pungello, Sparling, and Miller-Johnson 2002; Reynolds, Temple, Robertson, and Mann, 2001).

- Cost-benefit analyses of Perry Preschool and the Chicago Child Parent Center Programs find a cost savings of \$7 for every dollar invested (Barnett, 1996; Reynolds, Temple, Robertson, and Mann, 2002). Cost-benefit analysis of the Abecedarian Early Childhood Intervention Project finds a cost savings of \$4 for every dollar invested (Masse and Barnett, 2002).
- When using an internal rate of return, which compares public and private return on investments, high-quality early childhood programs fare well. The internal rate of return for the Perry Preschool Program has been calculated at 16 percent, supporting the notion that early education can be a good investment (Rolnick and Grunewald, 2003).

There is evidence that high-quality programs will benefit middle-class children as well.

- At the beginning of kindergarten, the gap between middle and higher SES children is larger than the gap between lower and middle SES children in achievement scores assessing literacy and mathematics (Lee and Burkam, 2002).
- An indication that middle-class² children might substantially benefit from preschool education is that they have relatively high rates of being held back in school and school dropout rates—problems that early childhood education has been found to reduce. Middle-income children have a 12 percent rate of being held back in school compared with 17 percent for low-income children and 8 percent for high-income children. Likewise, middle-income children have an 11 percent school dropout rate, compared with 23 percent for low-income children and 3 percent for high-income children (Barnett, 2003).

High-quality early childhood education is important to business.

- Numerous studies reveal that there is a cost to business in not responding to its employees' need for reliable and good-quality early childhood programs. Employees are likely to miss work when they spend long hours trying to find early childhood programs or when they deal with the often-tenuous arrangements they have, especially when these arrangements fall apart. When employees with these problems are at work, they have difficulty concentrating because they are worried about their children (Galinsky and Johnson, 1998).
- Companies have also found that there are business benefits in providing their own employees assistance with early childhood programs, including improved recruitment and retention (Galinsky and Johnson, 1998; Galinsky and Bond, 1998). Employees with access to family-supportive programs and policies are more likely to be satisfied with their jobs, to be loyal, to go the extra mile to help their companies succeed, and to stay at their jobs (Bond, Galinsky and Swanberg, 1998).

² In this calculation, low-income children are in the bottom 20 percent of family income levels, middle-class children are in the 20-80 percent range, and high-income children are in the top 20 percent.

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