

# A Proposal for Achieving High Returns on Early Childhood Development



**Art Rolnick and Rob Grunewald**  
**Federal Reserve Bank of Minneapolis**

# Key Messages for Business Leaders

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- **Traditional economic development initiatives are problematic.**
- **Workforce quality is key ingredient for economic growth.**
- **ECD has high rates of return.**

# Key Messages for Business Leaders

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- **Short-term:**
  - More productive parent employees
  - More productive schools
  
- **Long-term:**
  - Larger and more productive workforce
  - Tremendous cost savings to society (crime, welfare, higher tax revenue)

# Roles for Business Leaders

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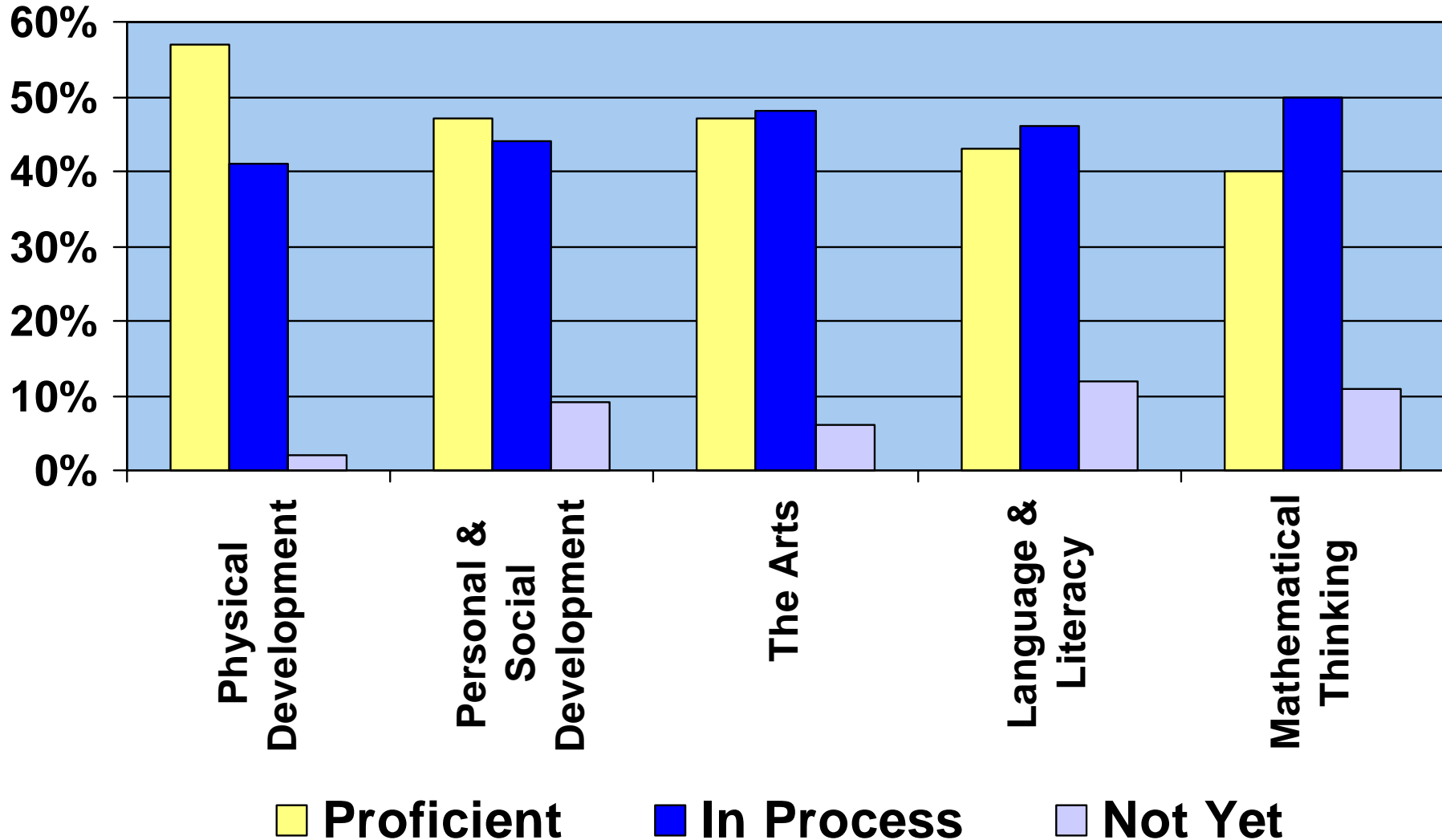
- **Bring business approach to a social issue.**
- **Serve as key advocate.**
- **Harness business resources to promote school readiness.**

# In Minnesota

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- **Minnesota School Readiness Business Advisory Council (MSRBAC)**
- **200 members who represent 100 businesses and organizations**
- **Propose a public-private fund to conduct demonstration projects, provide market supports and evaluate results.**

# Minnesota School Readiness Survey, 2003



Source: Minnesota Department of Education

# Observations on ECD

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- **Quality is key**
- **At-risk children = highest public return**
- **Urban and rural communities**
- **Consistent funding mechanism**

# **A Proposal for Achieving High Returns on Early Childhood Development**

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- 1. Focus on at-risk children and encourage parent involvement.**
- 2. Long-term commitment to ECD: Endowment**
- 3. Market-oriented approach that rewards successful outcomes and encourages high-quality and innovative practices.**

# Market-Based Approach

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- **ECD programs meet quality standards to receive children with scholarships.**
- **Identify at-risk children through screening process.**
- **Parent mentors provide information about ECD programs and other social services.**

# Market-Based Approach

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- **Parents enroll children in ECD program at ages 3 and 4.**
- **Full or partial scholarship funds paid to programs based on other sources of funding.**
- **Periodically evaluate programs.**

**[minneapolisfed.org](http://minneapolisfed.org)**