

Early Childhood and Economic Development - A Brief Synopsis of Research Reports Pertinent to Wisconsin* -

The connection between early childhood and economic development has been acknowledged in recent years. A number of studies have attempted to characterize and to quantify this connection. The studies are embedded in a vast and growing body of literature on early childhood. Because of the proliferation of material, it is difficult to quickly gain an understanding of the relationship between the two topics. What follows is a brief guide for economic developers to the literature as it can be applied to Wisconsin. These studies document three general ways in which early childhood care and economic development are related. They are:

- Early care as an economic sector in its own right
- Early care is important to working parents and to employers
- Early learning (pre-K) is an important first step in future workforce development

The synopsis of studies follows:

Anon. *The Early Childhood Education and Care: Challenges Facing Wisconsin*. A Working Paper for Wisconsin Economic Summit IV. 2003. Wisconsin Departments of Public Instruction and Workforce Development and UW Waisman Center. Madison, WI. 2003.

<http://www.wisconsin.edu/summit/papers/earlyChildhood.pdf>

This paper provides background in trying to generate a dialog on the relationship between the quality of Wisconsin's early childhood programming and the future growth of our state's economy.

Barnett, W. S. *High Quality Preschool as an Economic Development Strategy*. National Governor's Association Governor's Forum on Quality Preschool, Issue Brief Papers, Washington, D.C. December 2003.

<http://www.nga.org/Files/pdf/0403gfpibseries.PDF>

A series of papers outlining the research, best practices, and recommendations for governors in promoting high quality preschool.

Belfield, Clive. (Queens College, City University of New York) and Dennis Winters (NorthStar Economics, Inc.). *The Economic Returns to the Education System from Investments in Four-Year-Old Kindergarten for Wisconsin*. Pre-K Now, Washington, D. C. January 2005.

http://www.preknow.org/documents/WIEconImpactReport_Sept2005.pdf

Pre-K Now sponsored a first of its kind statewide study for Wisconsin measuring the economic impact to Wisconsin's K-12 system if the state expanded Four-Year-Old Kindergarten (4K) to more children. The results show a positive benefit/cost comparison.

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- See the report, *Economic Development and Early Childhood*, at this website prepared for the Strongest Links Conference held in Madison on January 13, 2006. Also see the Early Care & Education (ECE) Web Mapping site (www.ecemap.uwex.edu) prepared by the Wisconsin Child Care Research Partnership (WCCRP) at the University of Wisconsin-Extension. This site provides current local child care and education data as well as census data and also allows comparison between counties, communities and school districts.

Center for Economic Development. *The Economic Impact of Child Care in Milwaukee County*. A report prepared for the Early Childhood Council of Milwaukee, University of Wisconsin-Milwaukee. September 22, 2002.

<http://www.uwm.edu/MilwaukeeIdeas/CEO/pdf/childcare.pdf>

Child care is not only a vital community service in Milwaukee County; it is a major industry, comparable in size to some of the county's most prominent industries. This study, shows that the child-care industry generates substantial revenues, supports thousands of local jobs, and is an integral part of the county's economic base.

Ehrlich, Ev. And Tracy Kornblatt. *DEVELOPMENTAL EDUCATION: The Value of High Quality Preschool Investments as Economic Tools*. A Working Paper by the Committee for Economic Development. Washington, D. C. September 2004.

http://www.ced.org/docs/report/report_preschool_2004_developmental.pdf

Zero sum game view of economic development practices. Early childhood education, in contrast, appears to offer greater potential returns and substantially less risk, and CED recommends it should be included by state and local leaders as a component of their economic development policy toolkit.

Haglund Jill and John Phillips. *Select Reports and/or Research Related to Pre-Kindergarten and 4-Year-Old Kindergarten Economic Investment and Impact*. UW-Extension, Wisconsin Child Care Research Partnership, Madison, WI. 2005.

http://www.uwex.edu/ces/flp/wccrp/pdfs/dpi_impact.pdf

This collection of articles, compiled by Jill Haglund and summarized by John Philips, comes from a variety of sources and is intended for use by the Department of Public Instruction. The report gives the citation and a short synopsis.

Liu, Zhilin, Rosaria Ribeiro, and Mildred Warner. *Comparing Child Care Multipliers in the Regional Economy: Analysis from 50 States*. Linking Economic Development and Child Care Research Project. Cornell University. Ithaca, NY. 2004.

<http://government.cce.cornell.edu/doc/pdf/50States.pdf>

This paper presents regional linkages of the child care sector to the economy in all 50 States and in the District of Columbia based on data from 2000. The report is intended as a technical report for researchers using IMPLAN. The report focuses on the regional effect, particularly the backward economic linkages measured by multipliers. States with policies that promote quality child care have higher child care multipliers, suggesting that quality is associated with higher levels of regional spending by child care providers and workers. Investments in child care can have a positive long-term effect on the industry and a positive short-term effect on the broader State economy as well.

Lynch, Robert G. *Early Childhood Investment Yields Big Payoff*. WestEd Policy Perspectives. San Francisco, California. 2005.

http://www.wested.org/online_pubs/pp-05-02.pdf

Author Robert G. Lynch makes a compelling case for a nationwide investment in a high-quality, publicly funded early childhood development program. This Policy Perspectives paper provides an overview of the characteristics of such a program and the benefits of investing in it on a large scale.

Ribeiro, Rosaria and Mildred Warner. *Measuring the Regional Economic Importance of Early Care and Education: The Cornell Methodology Guide*. Linking Economic Development and Child Care Project. Cornell University, Ithaca, NY. January, 2004.

<http://government.cce.cornell.edu/doc/pdf/MethodologyGuide.pdf>

This weblink includes an interactive methodology guide for how to do a

study, a searchable database of all state and local economic impact studies, a 50 state database of current and national comparative data that you might need to do a study and more.

Rolnick, A. and R. Grunewald. Early Childhood Development: *Economic Development with a High Return*. Federal Reserve Bank of Minneapolis, Minneapolis, MN, 2003.

<http://minneapolisfed.org/research/studies/earlychild/>

In a series of special studies, these authors at the Federal Reserve Bank in Minneapolis characterize economic development as a zero sum game and propose replacement by public/private endowment to provide ECD scholarships for at-risk children. "Economic development schemes based on attracting specific companies or industries often waste taxpayer dollars." (The authors do not evaluate government intervention for retention of troubled industries.) However, the results for targeted ECD can be impressive and the authors provide a series of articles documenting these results.

Schellenback, Karen. *Child Care & Parent Productivity: Making the Business Case*. Linking Economic Development and Child Care Project. Cornell University, Ithaca, NY, 2004.

<http://government.cce.cornell.edu/doc/pdf/ChildCareParentProductivity.pdf>.

For employers interested in work life policies, this publication shows how to measure the economic effects at the firm level with easy to use economic impact formulas.

Stoney, Louise. *Framing Child Care as Economic Development: Lessons from Early Studies*. Linking Economic Development and Child Care Project. Cornell University, Ithaca, NY, February 2004.

<http://government.cce.cornell.edu/doc/pdf/FramingChildCare.pdf>.

The research report reviews several recently completed child care economic impact studies and resource materials. This paper highlights the different approaches used by each research team and describes some of the challenges and opportunities of using an economic development frame for child care.

Warner, M., S. Adriance, N. Barai, J. Halla, B. Markeson, and W. Soref. *Economic Development Strategies to Promote Quality Child Care*. Cornell University Department of City and Regional Planning, Ithaca, NY, 2005.

<http://government.cce.cornell.edu/doc/pdf/EconDevStrat.pdf>

This strategy guide provides a conceptual framework for child care as economic development and offers tools for practical application. It also presents a collection of economic development strategies for communities working to improve access to high quality child care.