

## Why Early Education Is Our Best Economic Development Tool

The most important reason to invest in high-quality early education for low-income children is to do right by our most vulnerable kids. But there are also plenty of good economic reasons:

**Building the Educated Workforce We Need To Compete.** Many of Minnesota's fastest growing demographic groups have low incomes, and low-income children are the most likely to fall into Minnesota's worst-in-the-nation educational achievement gaps. For that reason, we have to invest in those kids. If we don't close those achievement gaps soon, Minnesota won't have the educated workforce we increasingly need to compete in a global economy. Early Learning Scholarships are designed specifically to fix this challenge on our economic horizon, and research finds they're on the right track.

**Easing Minnesota's Future Tax Burden.** Economists Art Rolnick and Rob Grunewald at the Federal Reserve Bank of Minneapolis have found that every \$1 invested in helping low-income children access the kind of high-quality early education program that helps them get ready for kindergarten yields up to \$16 in societal benefits. That's an extraordinary return-on-investment (ROI). These benefits include dramatically reduced taxpayer costs related to special education, social services, law enforcement, health care, unemployment, income supports and prisons. For those who want to control future government spending in order to keep our business climate competitive nationally and internationally, we need to invest a little now to save a lot later.

**Freeing Parents to Bolster A Tight Labor Market.** Minnesota currently has a very tight job market. Early Learning Scholarships empower parents of young children to work full time, year-round to support their families. This helps businesses, and it also helps those parents, by freeing them to secure employment wages and benefits, further their training and education, and gain vocational experience and skills that improve their future earning capacity.

**Creating Small Business Jobs in All Parts of Minnesota.** When we fund Early Learning Scholarships to serve the 31,000 low-income Minnesota children who currently can't access quality early education programs, we're not just helping kids. We're also creating jobs at small early care and education businesses that are usually owned by women and often are owned by people of color. These are new jobs that will fuel our overall economy in all corners of Minnesota.

- Investing in early education can boost our economy, but we must invest wisely. For instance, investing in Universal Pre-K (UPK), called Voluntary Pre-k in Minnesota, is a much less effective way to help our economy than Early Learning Scholarships. Reasons: 1) UPK subsidizes wealthier families who can already afford quality programs, so it doesn't deliver a high ROI; 2) UPK is only 2- to 3-hours per day and is closed in the summer, so it doesn't fit the needs of working parents; and 3) UPK starts too late in life and doesn't offer enough hours of learning time, so it is insufficient to close the achievement gaps for our most at-risk children.

We have an urgent economic need to close our worst-in-the-nation achievement gaps, and early education is one of the best tools we have to build a prosperous economy, now and in the future.