School readiness pays rich dividends—educational and economic—for our children's lives and for our communities. Not only does school readiness generate higher academic achievement, but an investment in early care and education earns a financial return. And, school readiness generates the workforce Maryland depends upon.

- **Educational dividends.** Children who enter kindergarten with high levels of school readiness are more likely to succeed academically, right up into high school. As the state's kindergarten scores have improved, so did the Maryland School Assessment scores in third grade four years later and narrowed the achievement gaps for minorities. Maryland's investment in early childhood education directly supports academic success.

- **Economic dividends.** Not only does investing in children's school readiness generate the workforce Maryland depends upon, but economist Arthur Rolnick has shown that an investment in early care and education earns a 16% financial rate of return for a community—through fewer grade retentions, reduced need for special education, lower dropout and criminal activity rates, and a higher likelihood that a child will grow up to be a productive employee and taxpayer. That's good for children, for families, and for Maryland's economy.
School readiness doesn’t cost it pays

The early years are the most important learning period in a child’s life. Ninety percent of a child’s brain growth happens by age five. It is during these early years that children build the cognitive and social skills needed to do kindergarten work and establish patterns for lifelong learning. The years before kindergarten are simply the most important learning years in a child’s life.

In Maryland, 73% of all entering kindergartners were fully ready to start school in 2008/09 — up five points from the prior year. Our state has made great progress in improving school readiness. But while much has been accomplished, much is left to do.

Too many kindergartners are not ready to start school successfully — 27% (more than 15,000 children) needed targeted or considerable support to do kindergarten work. Of these children, almost half were from mid- to high-income families. The sheer number of children underscores the need to confront the realities of school readiness for all Maryland families.

School readiness for all Maryland’s children can be achieved by:

**Investing in young children**

High-quality formal early care and education and pre-K programs are known to prepare young children for school more successfully than home or informal programs. Consider:

- While 90% of a person’s total brain development occurs by age three, less than five percent of public spending is for young children. *The Rand Corporation*.

- 75% of kindergartners who had been enrolled in pre-K programs were fully ready for school in 2008/09, compared with 63% of those who were at home or in informal care the year prior to kindergarten. *The Maryland State Department of Education’s Maryland Model for School Readiness 2008/09 Report*.

“Success for our young children leads to a successful future . . . No priority in education is more important.”

Nancy S. Grasmick, Maryland State Superintendent of Schools

“The real question is how to use available funds wisely. The best evidence supports the policy prescription: Invest in the very young.”

James J. Heckman, Nobel Laureate in Economic Sciences
Investing in continued academic success

School readiness is a crucial launching pad for doing well in school and throughout life. Consider:

• Maryland’s public schools were ranked number one in the nation and received the highest score in the country for “Transitions & Alignment” – how well pre-K education is aligned with early learning and college and career expectations. *Education Week*, 2009.

• By age 21, children who have received high quality child care had significantly better math and reading skills and were more than twice as likely to attend a four-year college. *Fairfax Futures*.

Investing in current employees

When it comes to early care and education, the issues of quality, affordability and accessibility confront all working parents. Unreliable, low-quality child care has negative implications for both parents and employers, affecting absenteeism, job performance, motivation and turnover. Consider:

• An average employee misses 8 days of work each year due to unreliable child care arrangements. *Survey of Portland-area companies and their employees*.

• Child care-related unscheduled absences cost employers an average of $610 per employee per year. *CCH Unscheduled Absences Survey, 2004*

• For every $1 invested in back-up child care, employers can expect a return between $3 and $4 in increased productivity and reduced turnover. *WFD Consulting cost-benefit analysis of back-up child care programs, 2003*.

• 70% of employees at companies with progressive work-family policies are committed to their employers, compared to 23% of employees at companies with fewer work-family supports. *Families and Work Institute National Study of the Changing Workforce, 2002*.

Investing in workforce development & economic development

Early investment in high-quality early learning experiences generates a high return. Like any time-valued investment, the earlier you make it, the greater the return. Giving young children a good start can substantially decrease the long-term costs of educating an individual for career readiness. Consider:

• Investments in the “youth human capital sector” will yield major social returns for America, with estimates that 10% of our Gross National Product (GNP) is directly related to a child’s growth from 0-18 years old. *Robert H. Duggar, Managing Director of Tudor Investment Corporation and Advisory Board Chair, Partnership for America’s Economic Success*

• Preschool and other early interventions for disadvantaged children “raise the quality of the workforce, enhance the productivity of schools and reduce crime…They raise earnings and promote social attachment. Focusing solely on earnings gains, returns (on such programs) to dollars invested are as high as 15-17 percent.” *James K. Heckman, University of Chicago, “Investing in Disadvantaged Young Children Is an Economically Efficient Policy”*

1Adapted from The Manufacturing Institute, institute@nam.org
It is clear that early childhood education impacts our state's potential, and Maryland's business leaders must take action to make the early years matter. Potential action steps:

**Learn**
- Learn more about the research on brain development, academic achievement, and the workforce and economic development benefits of early childhood education.
- Tour high-quality, accredited programs to understand the value and positive impact of quality settings on young children's development and readiness for school.
- Share the lessons learned.

**Communicate**
- Play with or read to a young child. Just a few minutes a day makes all the difference.
- Distribute school readiness materials to employees, colleagues and clients.
- Become a community messenger. Use your existing networking opportunities to help spread the word and build the business case for early care and education and school readiness.
- Share the message of early childhood's return on investment. Encourage your elected officials to adopt policies that make early childhood education part of Maryland's economic development agenda.
- Invite other business leaders and owners of small businesses to get involved in early childhood education initiatives.

**Lead**
- Adopt business practices and policies that support parents of young children.
- Host breakfast meetings or forums with colleagues, affinity groups, other local business leaders, and elected officials to share information on the benefits of early childhood investments.
- Meet with, call or write your elected official to let them know you consider quality early childhood education to be an investment with a high rate of return for your company, and for the communities where your employees live and work.
- Join the School Readiness Business Network—charged with planning ongoing programs, actions and legislative efforts.

**Invest**
- Encourage employee volunteerism that supports early care and education programming.
- Make early care and education a key part of your company's philanthropy and corporate social responsibility efforts, as well as personal giving.