

# The Heckman Equation:

A solution for better education and health outcomes, less crime and poverty and greater economic prosperity.



Anyone looking for upstream solutions to the biggest problems facing America should look to **Nobel Prize winning University of Chicago Economics Professor James Heckman's work.** Great gains are to be had by investing in early childhood development — from birth to age five.

## The Heckman Equation

Invest

in educational and developmental resources for disadvantaged families to provide equal access to successful early human development.

+ Develop

cognitive skills and social skills in children early — from birth to age five when it matters most.

+ Sustain

early development with effective education through adulthood.

= Gain

more capable, productive and valuable citizens that pay dividends to America for generations to come.

# Professor Heckman's Discovery



## 1. Intelligence and social skills are set at an early age — and both are essential for success.

Many major economic and social problems in America — crime, teenage pregnancy, high school drop out rates, adverse health conditions — can be traced to low levels of skill and social ability such as attentiveness, persistence, impulse control. Professor Heckman found that we are not looking at the full picture when it comes to the development of human potential. We focus on the development of cognitive skills where intelligence can be tested, but we ignore the development of social skills. When social skills are combined at an early age with cognitive skills, they help create more capable and productive citizens. Professor Heckman says that we must invest in the early development of the cognitive and social skills package in order to create better success for individuals and society.

## 2. Early investment produces the greatest returns in human capital.

Professor Heckman found that early nurturing, learning experiences and physical health from birth to age five greatly impacts success or failure in society. The most economically efficient time to develop these skills and abilities is in the very early years when developmental education is most effective. Today's challenges are real — record rates for high school drop outs, a lack of college graduates, increasing rates of obesity and chronic diseases, rising crime and a growing underclass. Professor Heckman's work proves that enhancement and prevention through early childhood development is more life and cost-effective than remediation. It's time to invest in upstream solutions for future generations while we continue to address today's problems.

## 3. America's advantage will come from helping the disadvantaged.

All children should have effective early childhood development. Professor Heckman shows that disadvantaged families are least likely to have the economic and social resources to provide the early developmental experience every child needs as a basic opportunity for future success in school, college, career and life. Providing developmental resources pays dividends for the disadvantaged child and society as a whole by providing better future outcomes in social and economic productivity.

## 4. Quality economic returns come from quality investments in early childhood development.

Professor Heckman studied decades worth of data from early childhood development programs that break the cycle of disadvantage by giving disadvantaged children and their families resources for the early nurturing, learning experiences and physical health that lead to future success. Professor Heckman's value analysis of these programs reveals that investing in early childhood development for disadvantaged children provides a high return on investment to society through increased personal achievement and social productivity.

## 5. We already have successful programs that can and should be implemented in local communities across America.

Professor Heckman's analysis of economic return is based on two long-running pilot programs in the United States, Perry Preschool and Abecedarian. Similar programs, such as Early Head Start and Educare, are built on many of the principles Professor Heckman has identified as necessary for an effective investment in locally run and controlled early childhood education.

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