



The Economic Case for Investing in Young Children

Reinventing Our Communities
September 22, 2016



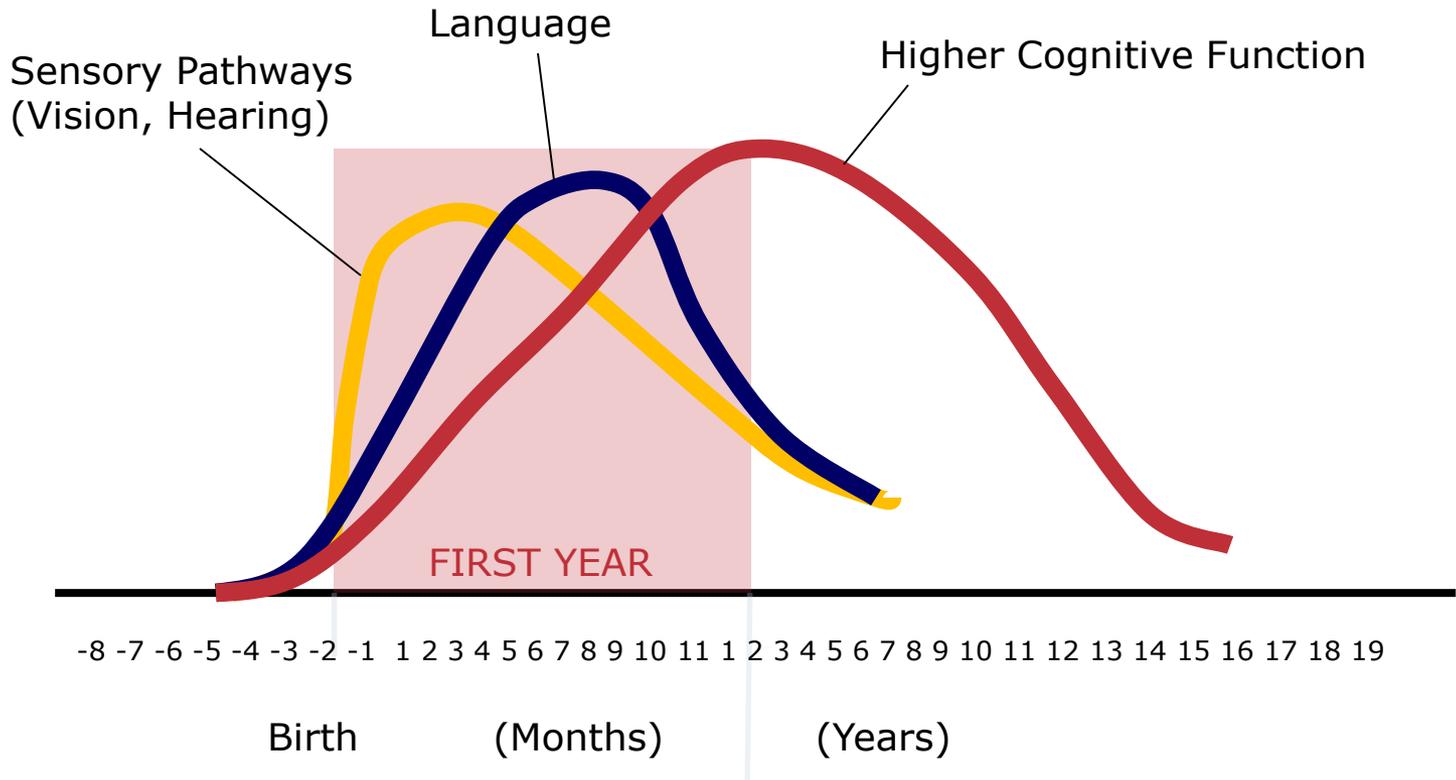
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**The views expressed here are those of the author and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.*



Human Brain Development

Synapse Formation Dependent on Early Experiences



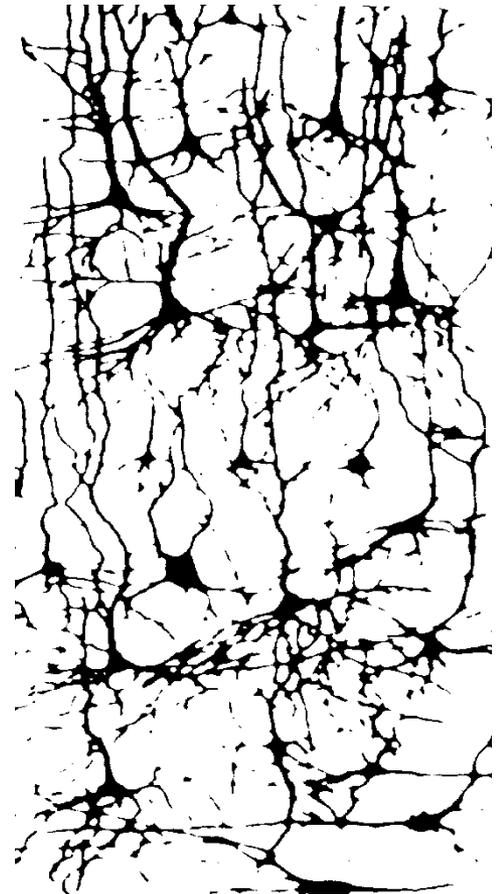
Human
Brain
at Birth



6 Years Old



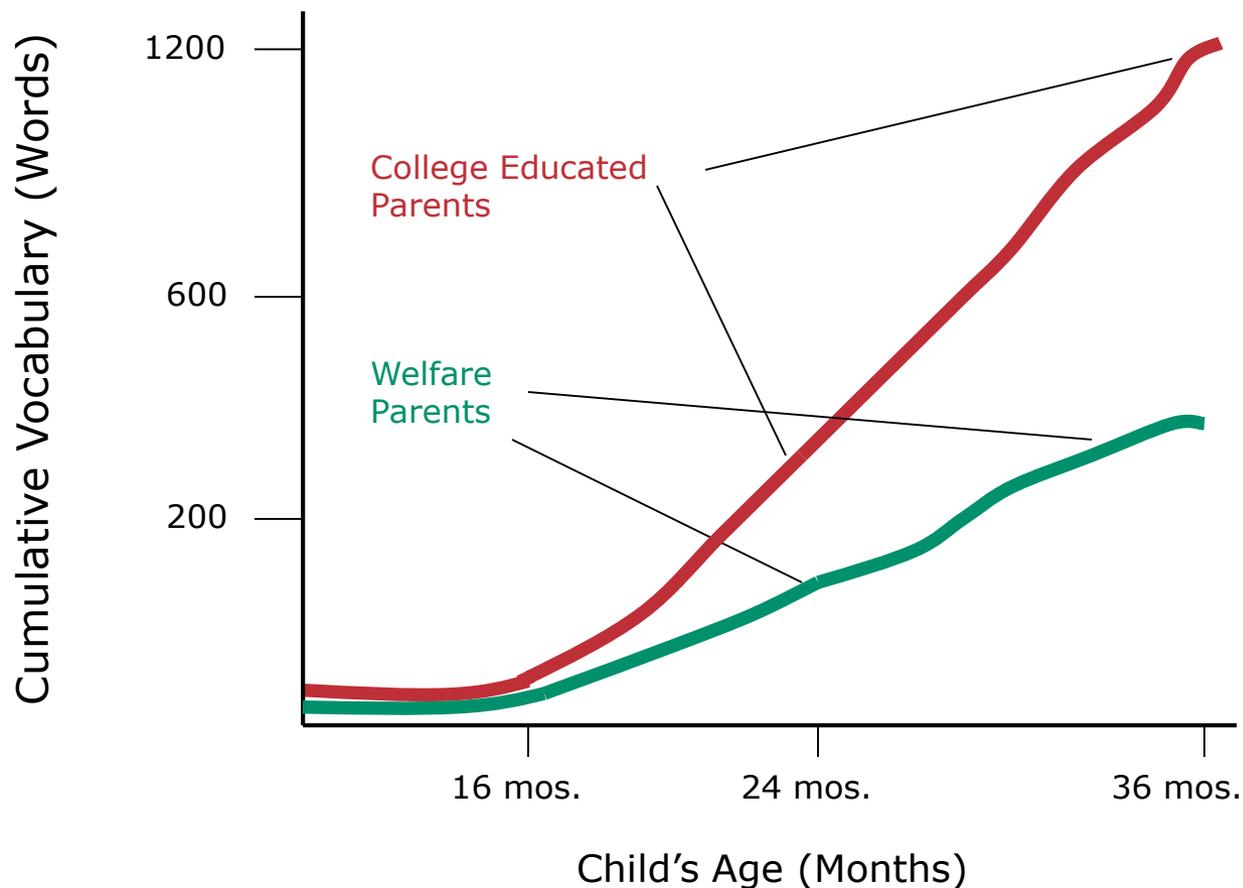
14 Years Old



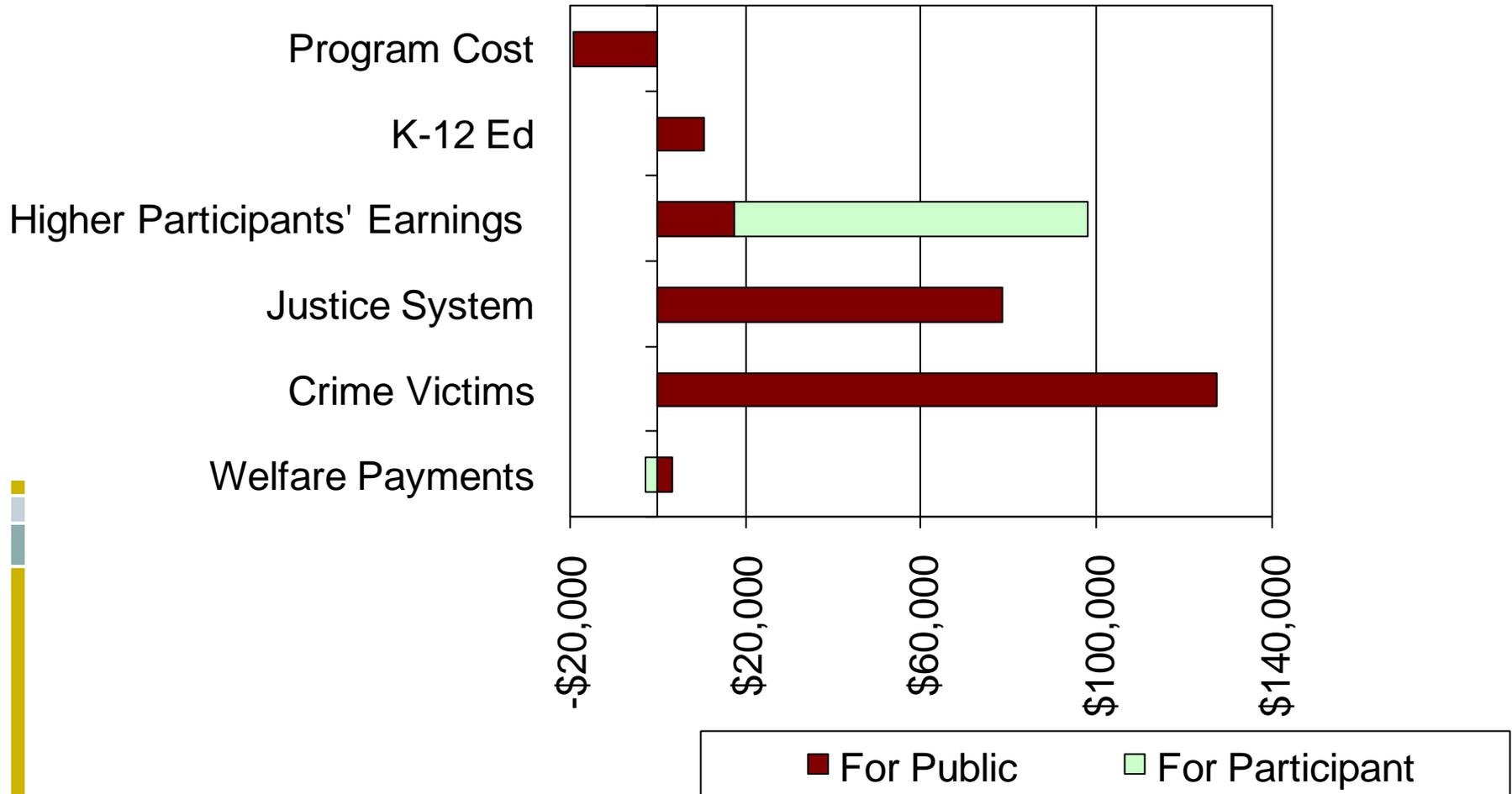
Source: Chugani, Phelps & Mazziotta (1987)



Barriers to Social Mobility Emerge at a Very Young Age



Perry Preschool Costs and Benefits Over 62 Years



Source: Schweinhart, et al. (2005)



Benefit-Cost Ratios for Early Childhood Development Longitudinal Studies

- Perry Preschool
 - \$16 to \$1
- Abecedarian Educational Child Care
 - \$4 to \$1
- Chicago-Child Parent
 - \$10 to \$1
- Elmira Prenatal/Early Infancy Project
 - \$5 to \$1

Sources: Schweinhart, et al. (2005); Masse & Barnett (2002); Reynolds, Temple, White, Ou, & Robertson (2011); Karoly, et al (1998)



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Calling all researchers, practitioners, and policymakers to join the discussion:

Kids with **strong cognitive and social foundations** are better-equipped to manage their financial circumstances, succeed in the labor market, and contribute to society at large.

Recognizing that not all children have the same opportunities to grow and develop,
how can we help set young people on a strong course?

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Sources

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