The Economic Case for
Investing in Young Children

Reinventing Our Communities
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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

-8 -7 -6 -5 -4 -3 -2 -1 1 2 3 4 5 6 7 8 9 10 11 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19
Birth (Months) (Years)

Sensory Pathways (Vision, Hearing)
Language
Higher Cognitive Function

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

Cumulative Vocabulary (Words)

Child’s Age (Months)

16 mos. 24 mos. 36 mos.

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

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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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