



**JOINT ECONOMIC COMMITTEE**  
**SENATOR CHARLES E. SCHUMER**  
**CHAIRMAN**



**JOINT ECONOMIC COMMITTEE HEARING:  
“INVESTING IN YOUNG CHILDREN PAYS  
DIVIDENDS: THE ECONOMIC CASE FOR EARLY  
CARE AND EDUCATION”**

**Opening Statement of Senator Robert P. Casey, Jr.**

Good morning and welcome to the Joint Economic Committee Hearing, “Investing in Young Children Pays Dividends: The Economic Case for Early Care and Education.” Thank you all for being here. I want to give special thanks to Senator Chuck Schumer, our Chairman, and Congresswoman Carolyn Maloney, our Vice Chair for the privilege to co-chair this hearing with you, Congresswoman Maloney. I also thank you for introducing my bill, the Prepare All Kids Act of 2007 in the House this week. I look forward to working with you and your colleagues to pass this bill in the months to come.

We are also very fortunate to have an outstanding panel of experts with us this morning whom I will introduce in just a moment. I want to thank each of you for taking the time out of your very full schedules to be here with us today.

It is truly an honor to preside over this hearing today – there is no issue more important to me as a U.S. Senator, or for that matter as a father and citizen, than the well being of our children. This morning we are here to examine the value of early childhood investments. And I believe what we will find is that there really is no smarter investment we can make.

I have long been an advocate for investing in our children. During my tenure as Pennsylvania State Auditor General and later as State Treasurer, I led efforts to make child care more affordable for low income families and to place a higher priority upon early childhood programs in general. It is a privilege to be able to carry this commitment to the U.S. Senate and continue my advocacy for children on a national level.

Last month, I introduced a bill, the “Prepare All Kids Act of 2007.” This week, as I mentioned, Rep. Maloney introduced it in the House, along with Representatives Allyson Schwartz and Maurice Hinchey. The primary goal of the bill is to help states provide high quality prekindergarten programs that will prepare children, and particularly low-income children, for a successful transition to kindergarten and elementary school. Too many children – especially economically disadvantaged children – are entering school behind their more privileged peers. And many times, these lags persist into adulthood and are never reversed. We can do something about this.

Why should we invest in high quality early childhood development and education? Well, for one thing, it's the right thing to do for children and families. But decades of research tell us it also makes sense from just about every other angle. From a purely monetary standpoint, the evidence overwhelmingly supports the economic value of investing in high quality early education. According to one study, we save \$17 for every \$1 we spend. Dr. Heckman, a Nobel Laureate in Economics and great leader in this field, has done tremendous work on the benefits of early childhood investment. I look forward to his testimony about why it is so important – and cost-effective – to invest in children, particularly economically disadvantaged children, as early as possible.

Here are just a few of the benefits from early childhood investments that the research shows.

- **High quality early education and development programs significantly improve children's outcomes.** These children are more likely than their peers to graduate from high school and enroll in college. They are less likely to be in special education classes, become pregnant, engage in criminal activity as teenagers, or pursue other risky behaviors like smoking and drug use. Research from landmark studies on the Chicago Child-Parent Center and the Perry Preschool have documented these findings with multi-year longitudinal studies.
- **High quality early education programs have a positive impact on state and federal budgets.** Children who participate in high-quality preschool programs have higher employment and earning rates as adults, and rely less on public assistance. Revenues are increased and spending on public assistance programs, special education and other remedial programs are decreased. Lower crime rates lead to less spending on prosecutions and incarcerations.
- **High quality early education strengthens the economy.** Children who attend high quality preschool not only have cognitive gains, they have non-cognitive gains in qualities like perseverance and motivation. All this results in a more productive workforce. Those workers are able to perform complex tasks, learn new skills and adapt to changes quickly, and generate ideas for how to make improvements to the productivity of the workplace.
- **Investing in high quality child care assistance also strengthens the economy.** The importance of high-quality, affordable child care for promoting female labor force participation, increasing parent productivity and keeping parents in the work force is well documented. The impact is particularly significant for low-income mothers. One study found that single mothers who received assistance paying for child care were 40 percent more likely to be employed after two years than similar women who did not receive such assistance.

This morning we will hear about the programs that are most helpful to children in early childhood. One of these is prekindergarten. Most states have either begun or are on the way to developing prekindergarten programs. One of our witnesses, Governor Kathleen Sebelius, will talk about the tremendous work the state of Kansas is doing in expanding its new prekindergarten program as well as creating a comprehensive early childhood *system*. It is so important that we streamline early childhood programs so that services are not duplicated and we are able to reach all the children who need early enrichment the most.

In Pennsylvania, the new Pre-K Counts initiative will provide approximately 11,000 3- and 4-year-olds with voluntary, high-quality prekindergarten that is targeted to reach children most at risk of academic failure. Harriet Dichter will talk about this exciting initiative and the work she and Governor Rendell are doing in Pennsylvania to streamline and coordinate services for at-risk children and families from birth throughout childhood. I'm very proud of the fact that Pennsylvania has a model program for the Nurse Family Partnership program. This is a critical program for young mothers and infants – one in which we need to invest much more.

We cannot truly help children without helping their families – I think that's a theme we will hear throughout this morning's testimony. We know that a large number of disadvantaged children are being raised by single mothers and these mothers need support. Working families need our support.

Now I know we run into a discussion about money whenever we talk about early childhood investments. I think it is a disgrace that this Administration has cut funding for critical programs like Head Start and subsidized child care. And we need a separate funding stream from the federal government to support prekindergarten in the states – one that does not cut into existing early childhood funding streams. I challenge anyone who claims we cannot *afford* to invest more in early childhood programs. Clearly, this Administration has provided tax cuts to millionaires and multi-millionaires and billionaires. A recent report out of the Center for American Progress puts the *annual total of the 2001 and 2003 tax cuts at \$400 billion. That is \$400 billion a year.* In 2008 alone the value of the tax cuts to households with incomes exceeding \$200,000 a year is projected to be \$100 billion. My bill calls for an initial investment of \$5 billion, increasing to a maximum of \$9 billion a year. We don't have a money problem. We have a priorities problem.

States need our help. The "Prepare All Kids Act" provides this help – with conditions and matching commitments from states. Grounded in research and best practices, my bill provides a blend of state flexibility and high quality standards that will serve children well.

One of my priorities in drafting the Prepare All Kids Act was to provide support, not only for prekindergarten – but also for children in the earliest years – and to also help single parents and working families. That is why I created an Infant and Toddler Set Aside in my bill which will provide funding for programs that serve children from birth through age 3. And that is why I established an additional carve-out to for extended daily hours and summer programs – so that working parents can have high quality options for their children in the after school hours and summer. Children should not suffer low quality care because their parents have to work.

What it boils down to is this – it's just plain common sense. We can pay now or we can pay later. But if we pay later, we will pay much more and the returns will be much much less. And in the process, we will have robbed untold numbers of children the right to live the lives they were born to live.

I look forward to the testimony this morning and encourage my colleagues to stay for questions and even a second round of questions if time permits.