



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”**

Statement of Carolyn Maloney, Vice Chair

June 27, 2007

Good morning. I would like to thank Chairman Schumer for encouraging us to hold this hearing to examine the economic benefits of investing in high-quality care and education for the children of our nation.

This is the second in a series of hearings that the Joint Economic Committee will hold as Democrats in Congress work to develop policies for the 21st Century that help families balance the competing demands of work and family responsibilities.

I am honored to co-chair this hearing with Sen. Casey, who has provided leadership on this issue for many years in his home state of Pennsylvania and now in the U.S. Senate. I am pleased to be the lead sponsor in the House of Representatives of his “Prepare All Kids Act of 2007” which is designed to help states expand their pre-k programs and child care services – a goal that we both believe is critically important to our nation. More than a quarter of a million 4-year-olds in New York State would be eligible for the programs created through this bill, including 100,000 children who would qualify for free pre-k.

At Speaker Pelosi’s National Summit on America’s Children last month, a compelling body of research was presented that makes clear that early intervention improves children’s lives and eases the burden on public resources. With the limited public resources we currently have, we get the biggest bang for the buck by investing in our children before they even go to school.

Estimates show that the return on investing in early care and education is between 7 to 18 percent *annually*. If this were a stock, all of Wall Street would be buying.

Children are our most precious resource and the success of our nation depends on their ability to achieve their full potential. Early care and education fosters higher labor force participation and earnings, increases future productivity and economic growth, and helps maintain our ability to compete in the global economy.

Quality child care can help businesses' bottom lines by improving worker productivity, reducing absenteeism, and lowering turnover. Estimates show that employee absences due to child care breakdowns cost U.S. businesses \$3 billion annually.

But there is a shortage of affordable child care around the country, and especially in New York City. More than half of all women with preschool-age children in my district are in the workforce and desperately need help finding child care. Many child care providers in low- and

moderate-income areas operate out of their homes. In the House of Representatives, we passed a bill which included an amendment I sponsored called "Kiddie Mac". Kiddie Mac encourages lenders to offer mortgages on low- and moderate-income housing with licensed child care facilities, in order to help increase the supply of day care facilities.

The federal government can also play a role in ensuring quality child care by establishing minimum standards. Children need to be in safe environments that promote healthy development and lay the foundation for future success in school. Children in quality care are found to have better language and math skills, and have fewer disciplinary problems. But many states do not set adequate standards for child care quality, including mandating low child-teacher ratios or requiring teachers to have training in early child care education.

I want to thank our distinguished panel of witnesses for being here today and I look forward to their testimony about setting our children on a path for success early in life.

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