



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 Charles E. Schumer

June 27, 2007

I want to thank my colleagues, Senator Bob Casey and Congresswoman Carolyn Maloney for taking the initiative to hold this hearing on an issue of long-term national consequence.

We all recognize that an educated society is a healthy and successful one, and American education must start with quality early care and preschool.

In the stock market, they tell you to buy low and sell high. Most economists would agree that the same can be said of early child care and education. With the right investment by federal, state and local governments, the stock of our future generations will pay off in a very big way for the health of families and our economy.

Quality child care improves employee productivity and reduces absenteeism and employee turnover. Affordable, quality care and preschool has been shown to promote female labor force participation, increase parent productivity, and keep parents in the work force.

Children who participate in high-quality preschools 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.

Successes extend into adulthood, with higher earnings and employment rates, lower crime rates, and less reliance on public assistance.

Unfortunately, quality care and preschool are not available to all of American families. Even for middle class families, quality child care can be a tremendous burden. Center-based care for two young children can cost \$20,000-\$26,000 annually. That is equal to about 40% of the median income for families with children.

We do not expect parents to shell out tens of thousands of dollars for education for school-aged children. We should not expect them to spend \$20,000 a year on quality care or preschool. Our children should be receiving the best education and the best care from day one, not just when they enter kindergarten.

Federal assistance to middle and lower class families is dangerously inadequate and we must begin to tell working parents that we want them and their children to succeed. Only one in seven children eligible for child care assistance through the Child Care and Development Block Grant currently receives assistance. The current level of funding for Head Start, the federal government's largest commitment to preschool education, is sufficient to serve less than half of the eligible population.

The families who could most benefit from high-quality care and education – and the children who are most at risk of engaging in behaviors that will be very costly to society – are least able to afford high-quality programs.

In New York, 29% of 4-year olds are enrolled in state funded preschool programs. But only 1 percent of 3-year-olds are enrolled. And New York is on the better end of the spectrum for early education programs – 12 states don't have state-funded preschool programs for any ages and 24 don't have any programs for 3-year-olds.

Government assistance can help to close the gap between what parents can afford and what high-quality programs cost so that more of American children can participate in the highest quality programs from New York to Kansas to California.

I want to thank Senator Casey and Congresswoman Maloney once again for their leadership on this issue. And we are all very grateful to our fine panelists, especially Professor Heckman in from Chicago and Governor Kathleen Sebelius from Kansas.

I am looking forward to learning from our witnesses today how we can support early learning programs and assist our families in getting the best care and education for all of our nation's children.

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