Human Development is Economic Development

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Rancho Santa Fe San Diego, California February 25th, 2016 We can reduce inequality, foster inclusion, and promote social mobility by solving the skills problem.

A comprehensive approach to skills development makes dollars and sense.

Fragmented solutions are often not the most effective ones—the problems and their causes are interrelated.

Invest in prevention, not remediation. Invest in flourishing lives, not in correcting problems after they appear.

Success depends on having the right skills and abilities.

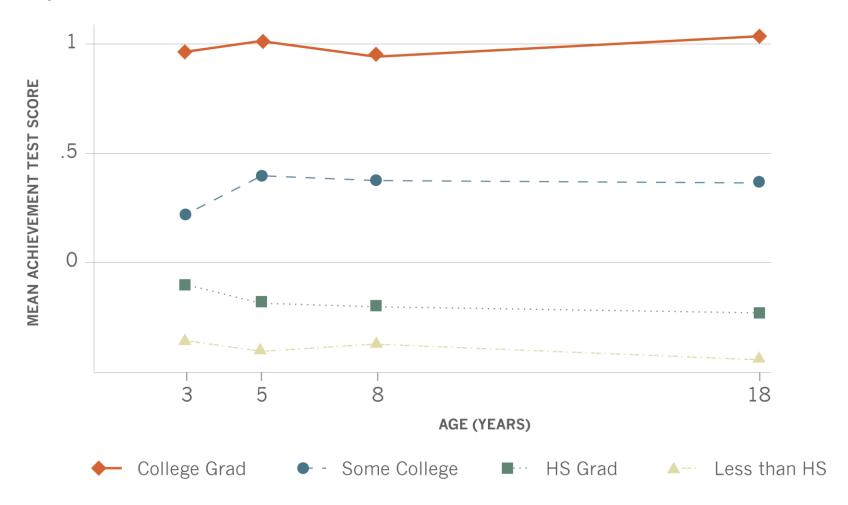
Helping families engage and develop young children is key to later success in education, health, and life.

The importance of the early years: skills beget skills.

Develop cognition <u>and</u> character from birth to school, college and career training.

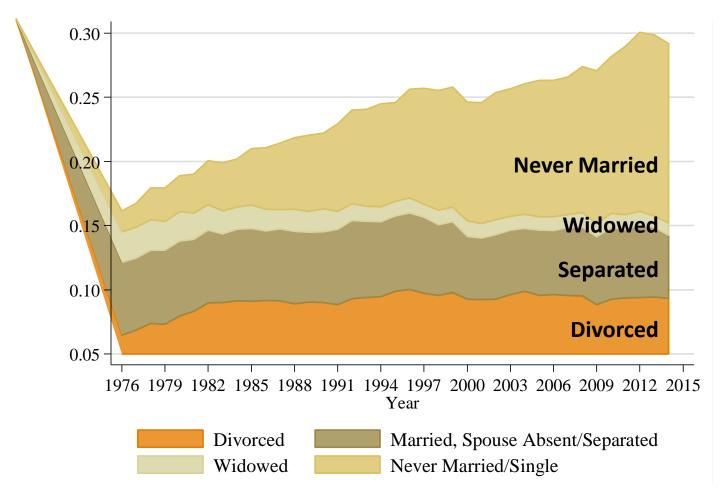
Developing these multiple skills and abilities is the best way to solve the problems of economic and social inequality.

Mean Achievement Test Scores by Age by Maternal Education



Each score standardized within observed sample. Using all observations and assuming data missing at random. Source: Brook-Gunn et al. (2006).

Children Under 18 Living in Single Parent Households by Marital Status of Parent



Source: IPUMS March CPS 1976-2014

Note: Parents are defined as the head of the household. Children are defined as individuals under 18, living in the household, and the child of the head of household. Children who have been married or are not living with their parents are excluded from the calculation. Separated parents are included in "Married, Spouse Absent" Category

Hart & Risley, 1995

Children enter school with "meaningful differences" in vocabulary knowledge.

1. Emergence of the Problem

In a typical hour, the average child hears:

Family Status	Actual Differences in Quantity of Words Heard	Actual Differences in Quality of Words Heard
Welfare	616 Words	5 affirmatives, 11 prohibitions
Working Class	1,251 Words	12 affirmatives, 7 prohibitions
Professional	2,153 Words	32 affirmatives, 5 prohibitions

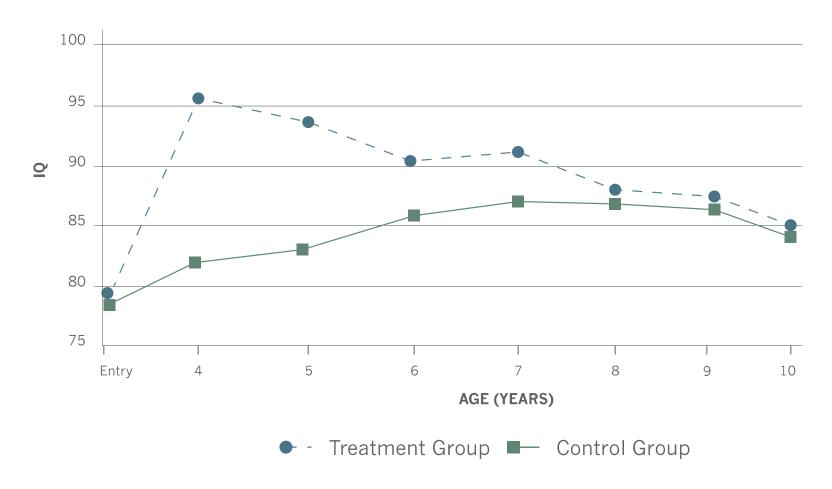
2. Cumulative Vocabulary at Age 3

Cumulative Vocabulary at Age 3		
Children from welfare families:	500 words	
Children from working class families:	700 words	
Children from professional families:	1,100 words	

Family stress that adversely affects parenting is the true measure of child poverty.

Early childhood programs can prevent achievement gaps and produce better outcomes.

Perry Preschool Program: IQ, by age and treatment group



Source: Perry Preschool Program. IQ measured on the Stanford. Binet Intelligence Scale (Terman & Merrill, 1960). Test was administered at program entry and each of the ages indicated.

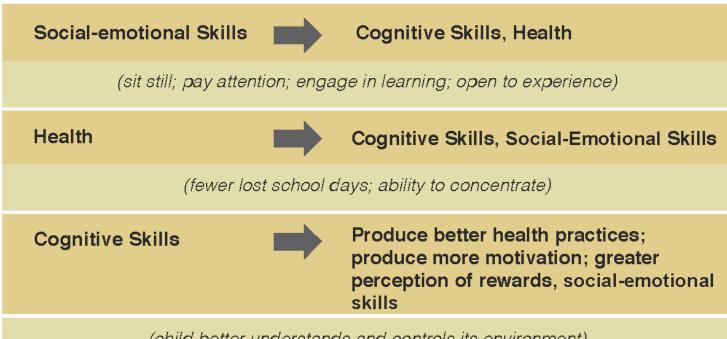
Abecedarian shows healthy benefits from a comprehensive approach.

Abecedarian Project, Health Effects at Age 35 (Males)

	Treatment Mean	Control Mean	Treatment p-value
Systolic Blood Pressure	125.79	143.33	0.018
Diastolic Blood Pressure	78.53	92.00	0.024
Pre-Hypertension	0.68	0.78	0.235
Hypertension	0.10	0.44	0.011
HDL Cholesterol	53.21	42.00	0.067
Cholesterol/HDL-C	3.89	4.69	0.057
Abdominal Obesity	065	0.87	0.136
Metabolic Syndrome	0.00	0.25	0.009

Source: Campbell, Conti, Heckman, Moon, Pinto, Pungello and Pan (2014).

The Importance of the Early Years: Skills Beget Skills

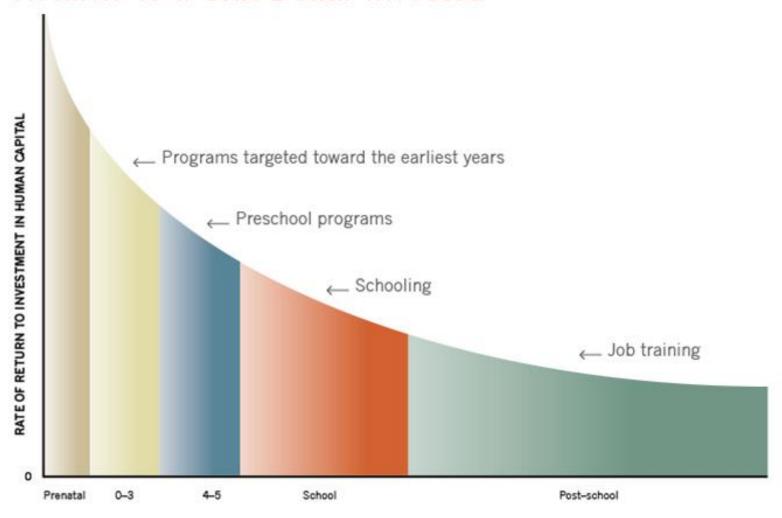


(child better understands and controls its environment)

Outcomes: increased productivity, higher income, better health, more family investment, enhanced social mobility, reduced social costs.

The solution:
Predistribution, not just redistribution or remediation.

Returns to a Unit Dollar Invested



Source: Heckman (2008)

Needed:

- 1) Studies of the costs and effectiveness of going to scale.
- 2) Rigorous **long-term** evaluations of programs.
- Research on the **mechanisms** producing beneficial child outcomes, and not just "RCTs" on specific programs. **Understanding mechanisms is the key to devising effective policy.**
- 4) Insistence that data be placed in the public domain so normal science and public discourse can operate to determine if claims by advocates can be replicated.
- 5) Understanding the wisdom of and the value of engaging in the private sector in devising and implementing effective programs.