



“Early development of human capital results in greater economic returns — for individuals and society.”

—Professor James Heckman



**The Heckman Equation:
Invest + Develop + Sustain = Gain**

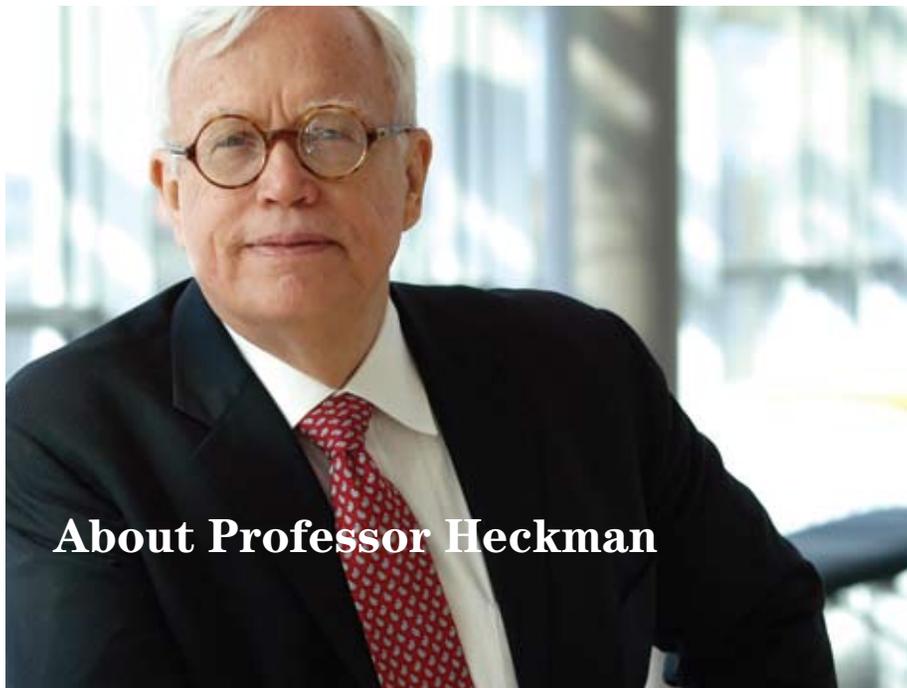
To learn more about James Heckman's groundbreaking work, please visit www.heckmanequation.org.



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What's the answer to global competitiveness, better health and education outcomes, and less crime and poverty? **Ask Professor James Heckman.**



About Professor Heckman

Professor James Heckman's equation on human capital development is a solution for securing America's economic future.

James J. Heckman is the Henry Schultz Distinguished Service Professor of Economics at The University of Chicago, a Nobel Memorial Prize winner in Economics, and an expert in the economics of human development. His groundbreaking work with a consortium of economists, developmental psychologists, sociologists, statisticians and neuroscientists shows that early childhood development heavily influences health, economic and social outcomes for individuals and society.

Professor Heckman has proven that there are great economic gains to be had by investing in early childhood development.

Professor Heckman's Discovery

Economic development starts at birth.

After winning the Nobel Prize for Economics, Professor Heckman set out to determine why our workforce was falling behind other countries, jeopardizing the nation's present and future economic security. He zeroed in on how well America developed its most precious resource — its people.

What he found dramatically changes the way America should look at the human and economic potential of its children.

We must take action today to raise the next generation of American prosperity.

Professor Heckman's Discovery



1

Intelligence and social skills are developed at an early age — and both are essential for success.

Many major economic and social problems in America — crime, teenage pregnancy, high school dropout rate, adverse health conditions — can be traced to low levels of skill and social skills such as attentiveness, persistence and working with others.

These so-called “soft” social skills are neither soft nor unimportant. **Professor Heckman found hard evidence that these capabilities are essential ingredients for success in life.** Life cycle skill formation is dynamic in nature. Skill begets skill; motivation begets motivation. In fact, early development of effective social skills greatly influence the successful development of IQ and ultimately, personal and social productivity.

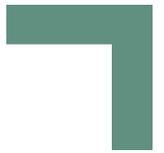
2

Early investment produces the greatest returns in human capital.

Professor Heckman found that early nurturing, learning experiences and physical health from ages zero to five greatly impact success or failure in society. The most economically efficient time to develop skills and social abilities is in the very early years when developmental education is most effective.

Today's challenges are real — record rates of high school drop outs, a lack of college graduates, increasing rates of obesity and chronic diseases, rising crime and a growing underclass. **Professor Heckman's work proves that prevention through early childhood development is more life and cost-effective than remediation.** It's time to invest in upstream solutions for future generations while we continue to address today's problems.

Professor Heckman's Discovery



3

America's advantage will come from helping the disadvantaged.

Professor Heckman shows that disadvantaged families are least likely to have the economic and social resources to provide the early developmental stimulation every child needs as a basic opportunity for future success in school, college, career and life. Poor health, high school dropouts, poverty, crime — **America will continue to create costly social burdens if it fails to relieve the developmental burden of disadvantage among children.**

Providing developmental resources pays dividends for the disadvantaged child and society as a whole by providing better future outcomes in social and economic productivity.

4

Quality economic returns come from quality investments in early childhood development.

Professor Heckman studied decades worth of data from early childhood development programs that gave disadvantaged children and their families developmental support. **This form of comprehensive early childhood development provides children and their families with the resources for early nurturing, learning experiences and physical health that lead to future success, breaking the cycle of disadvantage.**

Professor Heckman's value analysis of these programs reveals that **investing in early childhood development for disadvantaged children provides a great return to society** through increased personal achievement and social productivity.

The Heckman Equation:

Investing in early childhood development builds the human capital we need for economic success.

Invest
+ Develop
+ Sustain
= Gain

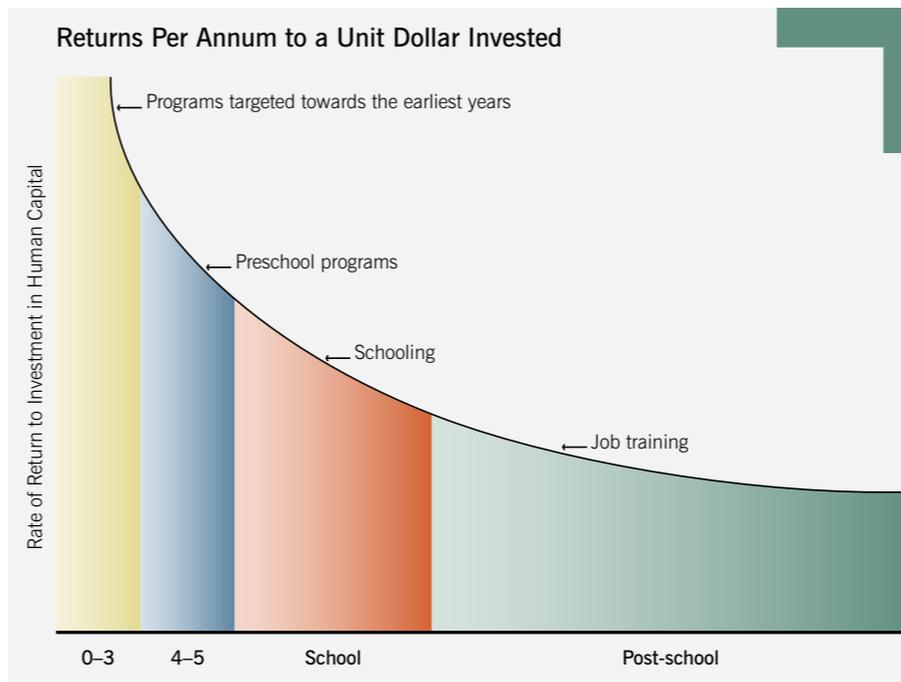


America's greatest value has always been its people. Professor James Heckman has clearly proven that America's economic development starts at birth — and that our economy is only as healthy as our investment in the healthy development of children from birth to five.

The Heckman Equation is a call for America to invest in the value of its people.

The Heckman Equation

Invest
+ Develop
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Invest in educational and developmental resources for disadvantaged families to provide equal access to successful early human development.

Develop cognitive skills, social skills and physical well-being in children early — from birth to age five when it matters most.

Sustain early development with effective education through to adulthood.

Gain a more capable, productive and valuable workforce that pays dividends to America for generations to come.

How you can be a part of the equation for American success.

Act on the Heckman Equation as you design and implement policy for economic recovery:

Accept that there is a range of skills that must be fostered in individuals in order for them to be productive members of the workforce and society.

Understand that knowledge, social skills and health acquired very early in life will lead to greater success later in life.

Realize that families play a vital role in helping children acquire critical skills at an early age. Not all families have equal resources, but every family should have equal access to the resources their children need for successful early development. Providing equal access to early child development opportunities is one way government can help parents be better parents.

Demand that support for children spans all agencies. Government needs to integrate policies, break down barriers across agencies and support programs that show measurable results in improving the odds for economic and social success.

Lead the change. America doesn't have to "reinvent the wheel" when it comes to effective early childhood development. Professor Heckman's analysis of economic return is based on two long-running pilot programs in the United States, Perry Preschool and Abecedarian. Similar programs, such as Early Head Start and Educare, demonstrate many of the principles Professor Heckman has identified as necessary for an effective investment in early childhood education for disadvantaged children.