

The Heckman Equation:

A solution for better education and health outcomes, less crime and poverty and greater economic prosperity.



Anyone looking for upstream solutions to the biggest problems facing America should look to **Nobel Prize winning University of Chicago Economics Professor James Heckman's work.** Great gains are to be had by investing in early childhood development — from birth to age five.

The Heckman Equation

Invest

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

+ Develop

cognitive skills and social skills in children early — from birth to age five when it matters most.

+ Sustain

early development with effective education through adulthood.

= Gain

more capable, productive and valuable citizens that pay dividends to America for generations to come.

Professor Heckman's Discovery



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

Many major economic and social problems in America — crime, teenage pregnancy, high school drop out rates, adverse health conditions — can be traced to low levels of skill and social ability such as attentiveness, persistence, impulse control. Professor Heckman found that we are not looking at the full picture when it comes to the development of human potential. We focus on the development of cognitive skills where intelligence can be tested, but we ignore the development of social skills. When social skills are combined at an early age with cognitive skills, they help create more capable and productive citizens. Professor Heckman says that we must invest in the early development of the cognitive and social skills package in order to create better success for individuals and society.

2. Early investment produces the greatest returns in human capital.

Professor Heckman found that early nurturing, learning experiences and physical health from birth to age five greatly impacts success or failure in society. The most economically efficient time to develop these skills and abilities is in the very early years when developmental education is most effective. Today's challenges are real — record rates for 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 enhancement and 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.

3. America's advantage will come from helping the disadvantaged.

All children should have effective early childhood development. Professor Heckman shows that disadvantaged families are least likely to have the economic and social resources to provide the early developmental experience every child needs as a basic opportunity for future success in school, college, career and life. 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 break the cycle of disadvantage by giving disadvantaged children and their families resources for the early nurturing, learning experiences and physical health that lead to future success. Professor Heckman's value analysis of these programs reveals that investing in early childhood development for disadvantaged children provides a high return on investment to society through increased personal achievement and social productivity.

5. We already have successful programs that can and should be implemented in local communities across America.

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, are built on many of the principles Professor Heckman has identified as necessary for an effective investment in locally run and controlled early childhood education.

The Heckman Equation Project is supported by the Irving Harris Foundation, The Children's Initiative: A Project of the J.B. and M.K. Pritzker Family Foundation, the McCormick Foundation, and an anonymous funder.

www.heckmanequation.org



Heckman
The economics of human potential.



Invest + Develop + Sustain = Gain

**The Heckman Equation
proves the value of investing
in human potential.**

The Message:

Nobel Memorial Prize Laureate Professor James Heckman has uncovered a new way of looking at the full picture of the development of human potential. He believes that there is too much focus on the development of cognitive skills where knowledge can be tested, rather than on the development of social skills — such as attentiveness, persistence and working with others. When social skills are combined at an early age with cognitive skills, they help create more capable and productive citizens.

Every child needs effective early childhood development to be successful, but disadvantaged children are least likely to get it. Professor Heckman has proven that investing in the early childhood development of disadvantaged children will produce great returns to individuals and society in better education, health, economic and social outcomes — not only saving taxpayers money but increasing our nation's economic productivity. Everyone gains when we invest, develop and sustain the early development of America's greatest natural resource — it's people.

This message works because:

- It changes the frame of investing in the disadvantaged from a discussion about rights and equities to an understanding about how to create social and economic enhancements that will benefit everyone.
- It introduces a new concept that is just beginning to take hold in the American consciousness — our focus on strictly measuring cognitive achievement is undermining the development of American character, the ability to combine collaboration, creativity and persistence with intelligence.
- It frames the discussion as an investment that pays dividends and helps policymakers understand why and how to make an investment — and it helps the public see the value they receive from the investment even if their own children will not receive state or federal support.
- Most importantly, the message is positive: we have an answer to the root causes of many problems, but it is framed as a root solution to developing better social and economic outcomes. Policymakers and voters are looking for answers. Framing your advocacy as a solution is much more effective than framing it as a litany of problems, complaints and demands.

Talking the Heckman Equation



When you communicate the Heckman Equation, be sure to keep these important precepts in mind:

Always advocate for the package of cognitive and social skills.

The cognitive and social skills package is an intuitive concept for the great majority of people. Yet, policymakers feel a need to justify their investments in early childhood development through measures of cognitive aptitude. For example, the common question, “Will the child know how to read by age four?” suggests that the important measurement is how much that child knows. Professor Heckman’s framing puts an emphasis on how well equipped he or she will be to build upon their learning to-date through subsequent education and social experiences. Motivation begets skills; skills beget motivation. Cognitive and social skills become the two-stroke engine of success.

Always advocate parental responsibility and social responsibility.

The biggest barrier to public investment in early childhood: “It is the parent’s responsibility to provide for the early development of their children, not the government’s.” The way to get around this barrier is to stress that while it is every parent’s responsibility to provide essential early childhood development, it is also

true that many disadvantaged parents lack the education, income and social skills to provide it on their own. If, as Professor Heckman has proven, early childhood education is critical for every child, society has a responsibility to help disadvantaged children and their families gain access to the early development resources they need. The Heckman Equation helps us break the cycle of poverty by combining personal and social responsibility.

Always combine benefits for the disadvantaged with benefits for the advantaged.

When you talk about the beneficial outcomes of investing in disadvantaged children, don’t stop at the benefits bestowed upon the child, but go a step further to communicate how benefiting that child will benefit society at large by producing greater outcomes in the investments we are already making or contemplating making in education, health and economic development.

Always advocate funding early childhood development starting at birth and continuing through five years.

Professor Heckman’s work shows that we get greater value from investing in childhood development at the earliest age — preferably at birth.

Talk local not national.

While current research shows that the public will embrace state and federal investment in early childhood education programs, they very much want local control in much the same way they demand it for public education. You should focus your advocacy on standards, caring and outcomes — not necessarily on preconceived notions of whom is best to provide them.

Make sure the programs you advocate pass the test.

Professor Heckman does not and will not endorse any specific early childhood development programs. However, we know that policymakers, the public and Professor Heckman will support locally run and controlled programs that have the following components:

1. Focus on helping disadvantaged children from ages zero to five;
2. Have professional staff that concentrate on developing the package of cognitive and social skills in young children;
3. Offer support and education for parents to help them support their child’s development;
4. Collect and analyze data on child development during the program and frequently check in with student progress after the program.

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