

Wilder Study Talking Points

Key Message: Investing in early childhood programs saves Michigan taxpayers money. It reduces school, criminal justice and government program costs, while boosting the economy with well-prepared students and skilled workers.

Overview

- The new Wilder Research study says Michigan taxpayers saved \$1.15 billion last year because of the state's investments over the past 25 years in early education programs.
- The study was commissioned by the Early Childhood Investment Corp. (ECIC), a nonprofit formed in 2005 to coordinate the state's programs and services for children from birth to age 5.
- This is the first study of its kind in Michigan to record the benefits of adequately preparing low-income children over a variety of sectors - including K-12 education, public safety and health, and government spending and tax revenues.
- Savings come from such benefits as reduced costs for kids repeating grades, reduced criminal justice costs, and more income tax and sales tax revenues because skilled workers earn more.

Benefits/Outcomes

- School success is a critical issue for any state trying to build a strong economy.
- Well-prepared learners are the key to the skilled, educated workforce that is crucial to Michigan's economic success.
- There is an economic cost to school unreadiness. Reducing state investments in early childhood programs would hurt future state budgets and the overall state economy.
- Michigan's elected officials must fight for the state's youngest citizens and not allow them – and ultimately the state's economy – to slip through the cracks.
- Early childhood programs are a good investment.
- An example: The Great Start Readiness and Head Start programs serve more than 47,000 low-income 4-year-olds across Michigan. Another 35,000 children are eligible for these educational programs, but are not served.

- The cost of providing full-day educational programs for these children would be \$236 million per year. The cost of **not** preparing them is an estimated \$598 million annually – including \$115 million in increased K-12 education costs, \$303 million in increased government spending and reduced tax revenues, and \$180 million in increased social costs.

Facts/Figures

The estimated \$1.15 billion savings to Michigan taxpayers in 2009 includes:

- **\$221 million in K-12 savings, including**
 - \$136 million in reduced spending on students repeating grades,
 - \$69 million in reduced special education spending and
 - \$16 million in reduced teacher-turnover costs related to student performance.
- **\$584 million in reduced government spending and increased tax revenues, including**
 - \$214 million in reduced juvenile corrections costs,
 - \$106 million in reduced child abuse and neglect costs,
 - \$94 million in reduced adult criminal justice costs,
 - \$66 million in reduced welfare and Medicaid costs,
 - \$40 million in reduced unemployment benefits,
 - \$31 million in reduced child care subsidies because children are instead in early education programs and
 - \$33 million in increased income tax and sales tax revenue due to higher wages and higher worker productivity.
- **\$347 million in reduced social costs, including**
 - \$259 million in reduced losses to victims of violent crimes,
 - \$74 million in increased productivity and incomes of employed parents while their children are in early education programs and
 - \$14 million in health savings due to reduced alcohol and drug abuse.

###