

Businesses urged to invest in early childhood education

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Organizers of a [forum](#) Tuesday charged Battle Creek's businesses with investing in early childhood education for the benefit of the children, the community and the businesses themselves.

About 70 people, most of them business leaders or nonprofit heads but some of them educators and students, attended an "Early Learning is Good Business" forum at the W.K. Kellogg Foundation in downtown Battle Creek. The forum was one of the monthly Project 20/20 meetings that bring businesses and other community groups together to talk about ways to improve the community.

Tuesday's speakers said businesses could do that by investing money, time or the weight of their influence to encourage early childhood programs. Educated children are more likely to succeed after school and make their communities successful, forum leaders said.

Locally, an average of 75 percent of third-graders tested proficient in reading and math on state tests last school year, worse than the Michigan total of 77 percent, according to Michigan Department of Education data. In a report released Tuesday, Washington-based nonprofit America's Edge said 60 percent of America's 3- to 5-year-olds aren't ready for kindergarten, and catching kids up is costly.

But Tuesday's speakers said businesses can do much to improve those numbers and help themselves. Dave Tomko, regional president for PNC Financial Services Group, told the audience his company started a program that allows employees to volunteer for up to 40 hours per year, on the company clock, at pre-approved early childhood centers. If the employee reaches 40 hours, PNC donates \$1,000 to the organization where the employee volunteered.

"And the thing is, that's made our employees more engaged with the bank," Tomko said. "Turnover decreases and just the fact that turnover decreases probably pays for that \$1,000."

Besides financial support, forum participants said businesses could help by encouraging their employees to be active parents and marketing the importance of early childhood development to their employees and their customers.

America's Edge released its report at a separate event Tuesday in Kalamazoo. At that event, the self-described group of business leaders pushing for a better-prepared U.S. workforce said investing in early education can have big returns.

The group said Michigan needs \$1.4 billion in new spending to guarantee early education access for most of the state's 615,000 children younger than 5. But Tuesday's report claimed that investment would quickly yield \$1.5 billion in new spending in Michigan's service, real estate, insurance and retail sectors. The report claimed the investment would add 58,000 new jobs to the state, 12,000 of them unrelated to early education.

"We've known public education as a [long-term investment](#), that it takes 18 or 24 years to see a return on that investment," said Steward Sandstrom, chief executive officer of the Kalamazoo Regional Chamber of Commerce, who spoke at the America's Edge event Tuesday. "But what's brought to light in this study is the immediate impact. You see returns virtually immediately."

Michigan lawmakers increased early childhood [funding](#) by \$6 million to \$115 million in the budget that started Oct. 1. Local schools received a collective \$3.15 million of that this school year, up from \$2.9 million last year.

But America's Edge was lobbying federal lawmakers to [invest](#), too. Sandstrom said the group hoped to encourage U.S. Rep. Fred Upton, R-St. Joseph, to protect early education as Upton and his colleagues on the debt-reduction "super committee" look to cut Washington spending. President Barack Obama has promised a total of \$500 million in early childhood funding to states that enact some of his reforms, but America's Edge said more is needed.

Long-term, the report said early childhood investments reduce crime and make students more employable. Even in today's rocky economy, the group said employers can't fill jobs for lack of qualified applicants. "There definitely is a need," said Sheri Welsh, president of Welsh & Associates, a Kalamazoo-based corporate talent search firm. "This is about developing your workforce, growing it right here at home." As well, Tomko said businesses increasingly look to invest in well-educated communities because it costs less when employees need less training.

"It used to be that people followed capital and the trend has moved to capital following people," Tomko said. "Businesses look to where they can hire."

There has been private investment locally in early childhood programs.

Over the past year, for example, the Kellogg Foundation, the Guido A. & Elizabeth H. Binda Foundation, the United Way of Greater Battle Creek and the Kalamazoo Community Foundation have promised a collective \$16 million to early childhood and other education programs in Calhoun and Kalamazoo counties.

"But change doesn't happen because of funding," said Sterling Speirn, Kellogg Foundation president and chief executive officer. "Change happens because people get excited about a common purpose."

The impact of early learning investment

Here's a look at data included in a Tuesday research report from Washington nonprofit America's Edge:

- » There are 615,000 children younger than 5 in Michigan, but only 301,891 participate in early education programs.
- » For every \$1 spent on early education, \$1.11 is spent in other parts of the economy.
- » It would take \$1.4 billion in new spending to offer all Michigan children early education opportunities.
- » Spending \$1.4 billion on early education would quickly yield \$1.5 billion in economic investment, including \$391 million in the services sector, \$327 million in real estate sales and construction, \$200 million in insurance and finance sectors and \$196 million in retail.
- » Investing \$1.4 billion in early education would add 58,000 jobs, 12,000 of them outside of early learning.
- » Lost productivity because of child care problems cost U.S. businesses \$3 billion per year, but businesses can save \$16 for every dollar invested in early education.
- » In a study of one effective preschool program, children who were not offered the program were five times more likely to become chronic criminal offenders by age 27.
- » In that same program, participants were 22 percent more likely to be employed at age 40.

Source: "Strengthening Michigan Business through Investments in Early Care and Education," a report from America's Edge.

Related Links

- [PDF: America's Edge report on impact of early education investment](#)