

THE TIMES LEADER

Michigan Business Leaders Tout Economic Benefits of Early Learning Investments

Early care and education programs generate \$1.2 billion in economic activity for Michigan, employ over 27,000 workers and improve future workforce

KALAMAZOO, Mich., Oct. 18, 2011 /PRNewswire-USNewswire/ -- Four prominent area business leaders released a report today showing that investments in high-quality early care and education provide a surprisingly big boost to local businesses in Michigan and play an important role in helping the state recover from the economic recession.

Participating in the news conference at the Kalamazoo Regional Chamber of Commerce were **David Tomko**, PNC Southwest Michigan Regional President; **Mike Larson**, President & CEO, Greater Kalamazoo United Way; **Sheri Welsh**, President, Welsh & Associates; **Steward Sandstrom**, President and CEO, Kalamazoo Regional Chamber of Commerce; and **Susan Gates**, National Director of *America's Edge*, a nonprofit business leaders organization.

The business leaders cited an *America's Edge* report that found investments in early care and education are generating immediate sales of local goods and services, creating jobs and aiding in long-term economic security.

"Quality early learning investments in Michigan are generating sales of goods and services that are comparable to returns on investments in transportation, construction or manufacturing," said Tomko of PNC. "Early learning is a very viable economic sector in our state's economy."

According to the report, for every \$1 invested in early care and education in Michigan, a total of \$2.11 is generated in spending in the state, as compared to construction (\$1.95), transportation (\$1.94), wholesale trade (\$1.87), retail trade (\$1.76) and manufacturing (\$1.75).

"Many people don't understand that early care and education represents a sizeable part of our economy," said Larson, adding that the sector employs more than 27,000 people in Michigan. Larson also noted that research from Michigan State University shows that early care and education generates \$2.1 billion in economic activity in the form of sales of local goods and services from Michigan businesses, providing a significant economic boost to local communities.

Also included in the report is research documenting the long-term economic impact of quality early learning programs. According to the report, the global marketplace will require businesses to seek employees with advanced hard skills in math, reading and writing as well as the increasingly important "soft" skills like communication, collaboration and critical thinking. Experts believe that, by 2018, demand for students in the U.S. with an associate's degree or higher will exceed supply by 3 million workers.

The study cites research showing children who participate in quality early learning programs perform better in math and reading; develop the social and emotional skills that transform into those important soft skills; have higher graduation rates; enter the workforce with higher skill levels; and earn more as adults.

"Each national class of high school dropouts will make \$335 billion less over a lifetime than they would have had they finished school," said Welsh. "That is a staggering loss of spending power, and a huge loss of contribution to the tax base."

And they urged Michigan's Congressional delegation to also step forward to protect and prioritize federal early learning programs like Race to the Top – Early Learning Challenge, Head Start, Early Head Start and the Child Care and Development Block Grant.

The business leaders urged Congressman Fred Upton, as a member of the deficit reduction "super-committee," to be careful about further touching discretionary spending programs because these programs are all funded with discretionary spending.

"We are at a turning point in this country, and Congressman Upton has an extraordinarily difficult job ahead of him as a member of the 'super-committee,'" said Sandstrom. "But we cannot cut proven programs in the name of fiscal austerity."