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Invest in children, MU report says

Investing in young helps economic development Marshall study says

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CHARLESTON — West Virginia would get a 12 percent return on economic development investments in early childhood, according to a study by Marshall University's Center for Business and Economic Research.

The study was released Sunday at a policy forum in Charleston.

"Traditional economic development incentives have become fairly homogenous from state to state. By contrast, one of the most innovative and productive economic development investments is early childhood development. The purpose of this forum is to elevate early childhood development as a key component in the state's economic development strategy," Mike Basile, co-chairman of West Virginia: A Vision Shared, said in a press release.

Money spent on programs like Head Start, prekindergarten, preschools, family child care homes and child care centers is probably more important than any other current economic development effort, said the \$50,000 study paid for by the Claude Worthington Benedum Foundation.

The Marshall study shows that West Virginia could expect a \$5.20 return for every dollar invested in child development. Those returns would be higher graduation rates, more students completing college, higher incomes and generally better lifestyles. The business community would get a more qualified work force. Employees with children in the programs would be more productive and absent from work less.

Children who participate in quality early child development programs ultimately earn more money and pay more taxes. They're also less likely to go to jail, use drugs, fail a grade in school or receive welfare, the study says.

"We are suggesting states could shift millions of dollars they spend now on economic development to an endowment for early childhood development," said Margie Hale, executive director of the West Virginia Kids Count Fund.

It would cost \$60 million for Kids Count to target all at-risk 3- and 4-year-old West Virginians, Hale said. That amount would need to be doubled to have quality programs, she said.

State and local governments spend billions of public money each year to subsidize private companies so they'll relocate or expand their business. But recent studies of this economic development approach show that the "economic bidding war" is actually counterproductive, concluded Rob Grunewald and Art Rolnick, economists at the Federal Reserve Bank in Minneapolis who will speak at the forum.

West Virginia had 4,072 licensed early child development facilities in 2002, according to the Marshall study. "The vast majority would not be at the level that are going to produce these economic returns we talk about. Quality is at

the heart of all of this," Hale said.

Young children need a ratio of one teacher for every 10 students and classes with 20 or fewer students. West Virginia does fairly well with those measures, Hale said.

It's the meaningful interactions between children and teachers — like back and forth discussion and teachers helping students express their thoughts and feelings — that needs to improve. Teachers also need more support and perhaps improved training in college, she said.

Average yearly salaries for people who work in West Virginia's early child development industry are well below the national average, the study showed. Employee turnover is high and only about a third of the programs provide health insurance for their employees.

Child development advocates want businesses to provide early child development programs at their facilities, give money to community groups that help young children and support public policies that increase state funding for these types of efforts, said Renate Pore, a public policy consultant with the West Virginia Health Kids and Families Coalition.

"We have so many poor children in West Virginia, if we don't make sure they get the stimulant and interaction with adults from zero to three, we're missing the boat with these kids," she said.

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