

Returns on Educational Investments Are Highest for Early Childhood Interventions

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»*The earlier the better, that*’*s the economic mantra in educational investment. However, that is an oversimpliﬁcation.*

Education economics has quickly risen as a research area over the last decades, with a major focus on the “return on investment” perspective. Quality of edu- cation obviously matters for societies’ economic success and welfare—an insight that has stimulated the search for worthwhile educational investments ever since. In modern societies, education is mainly ﬁnanced by the public sector, and it has turned out to be a bottomless pit. There are almost endless opportunities to invest the limited resources available. Just to mention a few examples: Should extra money go into gifted or special education? Should one buy computers for the students or hire additional teachers? Should teachers’ salaries be raised in order to attract more competent applicants? These are all legitimate questions and in most cases there are pros and cons for each possi- bility, which does not make decisions any easier.

However, when it comes to the question, at what age level maximum payoff is achieved, economists’ answer is straightforward: the earlier the better. This goes mainly back to the 2000 Nobel laureate James J. Heckman, who consi- ders unfavorable child-rearing environments, predominantly in poor families,

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a major obstacle to a society’s economic success. A lack of cognitive stimu- lation and emotional support in early childhood has negative effects on school performance and thereby prevents people from fully realizing their talents and contributing to economic success. Moreover, the burden on societies is even greater because those who failed at school run a greater risk of living on welfare or getting tangled up with the law. Investing in education is of general societal interest, and for Heckman it goes without question that the best payoff results from enriching children’s environments before they even enter school. He came to this conclusion by comparing effects of early interventions with remedial education programs starting at school age or during vocational train- ing. He seconds his arguments with results from neuroscience on rapid syn- aptic proliferation in early childhood. Like many others, he mistakenly seems to think that this indicates a more pronounced malleability of young children’s brains. Sensible periods are assumed to exist over the entire scope of compe- tencies, and windows of learning opportunities are feared to close if children do not get the adequate input at the appropriate time. In the meantime, it is well known that these concerns are exaggerated and based on inappropriate interpretation of ﬁndings from neuroscience.

Moreover, from a scientiﬁc point of view, Heckman can be blamed for overgeneralizing the unique situation of the USA, which is a wealthy country with millions of children nonetheless growing up in poverty, without health- care, and in communities that fail to guarantee minimum standards of school- ing. Most other developed countries also struggle with the problem of educational inequity, but not to the same extent, not even close. For many countries, it has been shown that high-quality elementary and secondary school education can compensate for unequal starts. Prioritizing investments in early education may be worthwhile for the special situation of the USA, but it should not be understood as universally applicable or based on generally valid scientiﬁc insights.