Early Investment in Kids Can Pay Off

Inflation-adjusted rates of return estimated to reach 10 percent or higher*

**BENEFITS FOUND IN LONG-TERM EARLY CHILDHOOD STUDIES**

- Better prenatal health
- Higher high school graduation rates
- Reduced abuse and neglect
- Reduced special education
- Increased tax revenue
- Reduced crime
- Increased adult earnings

*Based on rigorous longitudinal studies of early childhood development programs that target vulnerable children and families.

For citations of the studies that support the key messages depicted in this image, visit minneapolisfed.org/2017FRSConference.
Brains Are Built Through Experiences

700 to 1,000 new neural connections are formed each second in the infant brain

Caregivers who are responsive to a child’s signals through “serve and return” interactions facilitate healthy brain architecture

CAREGIVER RESPONSES:
- Hugs
- Words
- Eye contact

A child without supportive adults who experiences “toxic stress” can develop weakened brain architecture

TOXIC STRESSORS INCLUDE:
- Chronic neglect
- Exposure to violence
- Physical or verbal abuse
- Caregiver mental illness or drug abuse

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Valuable Skills Are Developed in Childhood

Early childhood and adolescence are critical times for forming capabilities employers need.
Housing and School Success Are Linked

Safe and affordable housing can improve educational outcomes

Improved housing quality
Increased housing stability

Improved physical and mental health
Decreased school absences

Higher achievement test scores
Reduced grade repetition

Children who live in poor housing conditions are more likely to experience:

Asthma  Lead poisoning  Overcrowding  Frequent moves

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Achievement Gaps Start Early and Persist

Children of color or low-income status are more likely to lag behind

PRE-K
Hear 30 million fewer words

KINDERGARTEN
Demonstrate less academic readiness

4TH GRADE
Lower reading test scores

8TH GRADE
Lower math test scores

HIGH SCHOOL
Less likely to graduate

COLLEGE
Less likely to enroll and finish

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Community Development Investments Matter

Neighborhood assets can improve the futures of children and families

- Community Centers and Libraries
- Health Care Clinics
- Childcare Facilities
- Parks and Sidewalks
- Affordable Housing
- Healthy Food Outlets

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