Economic analyses confirm that improving children’s lives in the early years produces a high return on investment. Research has shown how to dramatically increase the odds of children growing up to be successful and contributing productively to the workforce. This brief provides a review of Florida’s status on key indicators of child well-being and provides specific, short- and long-term recommendations to improve these indicators, thereby improving the outlook for Florida’s future.
Investing in Florida’s Children: Good Policy, Smart Economics

Investing in early childhood education is more likely to create a vibrant economy than using public funds to build a new stadium or to lure an automaker by providing tax breaks ... A cost/benefit analysis of quality early childhood programs show returns from $3 to almost $9 for every dollar invested, an extraordinary rate of return of between 7%-16%.¹

Rob Grunewald & Art Rolnick
Federal Reserve Bank of Minneapolis

Police chiefs and prosecutors,² chiefs of staff for the military³ and Florida’s chief executive officers⁴ all agree. Not investing in young children presents a national security risk, threatens our economic prosperity and weakens our competitiveness in the global economy. They all agree: Investing in early childhood is good policy and smart economics.

The first five years of children’s lives is the most effective time to influence our future society and workforce. Before age 5, children establish the building blocks for thinking, learning and positive social interactions that affect both their individual lives and the contributions they make to society as a whole. With increasingly limited resources, public policy must invest in activities that result in a high return to the public good. Economic analyses confirm that improving children’s lives in the early years produces a high return on investment. Dollars spent on a child before age 5 produce a higher economic benefit than if the same amount were spent when the child is older.⁵

The Business Case for Early Childhood:  
The Costs of Not Investing

“Early learning begets later learning and early success breeds later success, just as early failure breeds later failure. The later in life we attempt to repair early deficits, the costlier the remediation becomes.”

James Heckman, PhD, Nobel Laureate in Economic Sciences

Research shows that children who are chronically hungry, move frequently, are maltreated or not nurtured, who don’t receive quality health care and quality early care and education and who don’t experience optimal early childhood development are less likely to be successful in school and in life.

The strength of Florida’s labor force is the key to global competitiveness: greater productivity, more growth and higher profits. But we have much work to do to change the dismal results of Florida not investing wisely:

- 75% of applicants for the military are ineligible due to failure to graduate from high school, a criminal record or physical fitness issues.
- Of every 100 Florida students today, only 76 will graduate from high school; only 51 will attend college and only 32 will earn a B.S. degree within six years.
- Every student requiring remedial training costs Florida businesses an estimated annual average of $459 per worker or more than $3.5 billion per year.
- Florida is one of only four states where less than 2/3 of ninth graders graduate from high school within four years with a regular diploma.
- Nearly 30% of Florida’s fourth graders did not achieve grade level on the FCAT in 2009.
- Every high school dropout loses a quarter of million dollars in lifetime earnings, ultimately costing taxpayers up to $288,000 in additional costs of health care, public safety and other social programs.
- 20% of current workers are functionally illiterate and 54% of business leaders expect difficulty finding enough educated and skilled workers.
These problems start early.

- The majority of children removed from their homes for maltreatment in Florida are ages 5 and under (54.7%), with the largest age group being babies under a year old (19.2%).

- Maltreatment at an early age is related to poor birth and developmental outcomes (40-56%), and up to 82% of maltreated infants will have problems making affectionate bonds with caregivers. As they grow older, maltreated children are at higher risk than non-abused children for problems in school including behavioral difficulties, truancy, delinquency, substance abuse and mental illness. Many addictions and mental health problems that endure through adulthood are established early in life.

- Children who were born with low birth weight and fewer parental resources have poorer health, are less likely to work and have lower earnings as adults.

- By age 4, the average child in a poor family has a vocabulary of only 500 words versus 700 words for a child of working class parents versus 1,200 words for a 4-year-old child of college educated parents. By age 4, a child in poverty has heard 30 million words less than his peers with college educated parents. As vocabulary is basic to school success and IQ, many children are left way behind even before kindergarten.

- The percentage of parents reporting lower-quality child care is slightly but consistently higher for those living in or near poverty than for those living above poverty, suggesting there may be a difference in the quality of care poor children receive. Children in poverty are mostly likely to receive subsidies for their care, followed by those living near poverty.

- Children in poverty are twice as likely to repeat a grade or drop out of school as non-poor children.

- Children who are chronically hungry are more likely to be in special education, to repeat a grade, to get into fights and to have lower test scores. It can cost up to four times as much to educate a child who doesn’t have enough to eat compared to one who does.

- Children’s self-control at age 4 can predict a variety of important outcomes such as SAT scores, educational attainment and drug use.

- By age 5, it is possible to predict with depressing accuracy who will complete high school and college and who won’t.
These problems should be addressed early.

Research has shown how to dramatically improve the odds of children growing up to be successful and contributing productively to the workforce. From pregnancy through early childhood, all of the environments in which children live and learn, and the quality of their relationships with caregivers have a significant impact on their development. What happens in early childhood can matter for a lifetime.  

**Prenatal Care.** Florida ranks 34th in the nation in the percent of low-birth weight babies (less than 5½ pounds at birth)—8.7% of all births, or nearly 21,000 babies a year— with hospital stays alone averaging $141,000 per baby. The cost of neonatal care far exceeds the costs for prenatal care and other supports to combat the problem.

**Status:** Florida ranks 47th in the percentage of pregnant women receiving prenatal care in the first trimester. More than (30%) 71,000 women in Florida do not get prenatal care in the first trimester; this number has been increasing steadily since 2004. Research has shown that access to primary care for women of reproductive age encourages early prenatal care, leading to better pregnancy outcomes and healthier children.

**Health Insurance.** Health insurance saves Florida billions of dollars in expensive emergency room visits and other preventable health costs; lowers absenteeism rates for employers and helps small businesses who don’t provide family health care coverage; and supports school success and future health and work productivity of children and their families. Children can’t learn if they aren’t in school; health insurance provides the foundation for healthy child development, learning and future success.

**Status.** Florida has the dismal rating of the second highest number of uninsured children in the nation (822,000 or 19%), second only to Texas with 21% and worse than Mississippi and Louisiana, versus a national average of 11%. The vast majority of uninsured children (87.8%) come from working families. Florida should draw down its fair share and bring home the maximum federal funds for children’s health insurance.

**Parenting and Child Abuse Prevention.** Ninety percent of brain development occurs during the first five years of life. Healthy social and emotional development can be derailed in early childhood. Many mental health problems that endure through adulthood are established early in life. Many of the patients in psychiatric wards, prisons and addiction centers have a history of child abuse and trauma that were never adequately treated, resulting in tragic lives and costly societal problems. Research has shown effective programs for both child abuse prevention and treatment. Parents with young children need support during this stressful time from 0-5, when most abuse occurs, and mentoring in how to nurture their child’s potential during this critical period of brain development.
Status: Florida’s child abuse rate is more than double the national rate (29.6 vs. 12.1 per thousand). Among the worst states, Florida ranks 41st in child abuse deaths. State law (F.S. 39.001) provides for the prevention of child abuse before it even occurs, yet the 2010 Florida Legislature cut the state’s Healthy Families program, which effectively prevents child abuse, by a third. Maltreated children have a lifetime cascade of expensive problems including foster care, developmental and behavior problems, academic failure and long-term mental health problems.

Screening and Early Intervention. Early screening can detect developmental problems when they are most receptive to change and least expensive to intervene.

Status: Children in foster care are known to have high rates of delays and despite a federal law requiring all maltreated children under age 3 to be screened for delays, Florida does not comply. A compelling reason is that Early Steps, the program designated to screen and intervene for all children with identified delays, is dramatically underfunded because of increased need and fewer dollars (loss of stimulus funds, $11 million, and loss of $3.6 million in TANF). As a result, Early Steps has changed eligibility so fewer children will qualify, which will mean that children will have to wait until their developmental delay is even more severe before they can receive services, at which time it is no longer early intervention and the delays are more costly to remediate. To be effective, Florida must screen and provide early intervention services when indicated for all children, especially children at elevated risk for delays, such as premature and low birth-weight babies and children in the child welfare system.

In the 1980s, Florida had among the best neonatal intensive care unit follow-up programs in the nation for babies born prematurely or with developmental problems. In recent years, Legislative cuts drastically reduced funding so there is little follow-up of low birth weight babies despite studies showing long-term gains by doing so.

Quality Child Care. There is a direct correlation between Florida’s failing schools and children in poverty. Quality programs can launch poor children onto a trajectory of success beginning with social skills and academic achievement and leading to higher graduation rates and less crime and delinquency, especially for poor children who arrive at kindergarten already way behind their higher income peers. However, during this critical time of brain development, much of Florida’s child care simply warehouses young children instead of freeing their potential for school readiness. Quality child care prepares children for school success, includes staff with specialized training and education, ensures that children have been screened for special needs, and provides early intervention services if needed.
**Status:** The majority of Florida’s child care for young children under 3 is minimal to poor. Average wages of $9 an hour without benefits (slightly under the national average) contributes to an exorbitant staff turnover rate of 30-40%, and keeping trained staff is almost impossible. Investments in the T.E.A.C.H. Early Childhood® Scholarship Program, an effective strategy with positive outcomes to increase teacher education, reduce turnover and increase compensation, have remained static for the past nine years while waiting lists grow.

Waiting lists for subsidized child care also are growing. Subsidized child care enables low-income parents to work, but only 30% of eligible families were served in 2007-08, leaving more than 58,000 children stranded on waiting lists.39 Florida serves less than 25% of poor infants and toddlers eligible for federally sponsored Early Head Start, a comprehensive, high-quality program with positive outcomes.

The ongoing economic downtown has heightened parents’ need for affordable child care so they can work. “Similar to roads, public works, and bridges, child care is one of the economic infrastructures that enable parents’ labor force participation. Providing the infrastructure so that all adults who wish to work outside the home can find and sustain employment is critical to meeting workforce demands for an economically competitive region. It offers the economy an untapped labor force in those who wish to work outside the home but who are unable to do so because they are caring for children.”40

**Pre-Kindergarten.** Quality early childhood programs with degreed teachers can reduce the need for special education, grade retention and juvenile crime, and improve high school graduation and earnings for disadvantaged children. Millions of dollars can be saved when children receive a high-quality early education.

**Status:** Florida’s pre-kindergarten program began in the ‘80s funded with lottery dollars for at-risk 4-year-olds at $3,600, a full-day program with degreed teachers. **Twenty-five years later, Florida spends $1,100 less per child** in a three-hour a day program without degreed teachers, ranking Florida at the bottom of national spending. (Florida ranked 34th out of 38 states that fund pre-K programs, spending about $2,500 per child last year. Only Arizona, Colorado, South Carolina and Maine spent less. The state average was more than $4,000). Despite a Constitutional Amendment demanding high quality, **Florida is the only state in the nation to actually decrease funding for pre-K two years in a row.** And in 2009, Florida met only three of the 10 quality prekindergarten standards established by the National Institute for Early Education Research.41 This is a decrease from the previous year. Not surprising, 30% of Florida’s fourth graders did not meet even minimum reading proficiency on the FCAT.42 To be effective, Florida’s pre-kindergarten program needs to be funded to enable degreed early childhood teachers, evidence-based curricula and quality-based accreditation.
**In summary**, investments in prenatal and child health care, quality early care and education, parent education and child abuse prevention, mental health, and family economic stability are critical to insure that all children thrive, become good citizens and contribute to a top-notch workforce.

**Florida’s voters support quality services for young children.**

Recent 2009 state polling found that 55% of voters think that Florida is on the wrong track when it comes to children and families. The top two issues for Florida voters in the area of services for children and families were health insurance for all children and screening and treatment for special needs. An overwhelming 88% said that it was important that Florida have quality services for children and families. Top priorities also included: providing parenting education programs, improving the quality of Florida’s pre-kindergarten programs and improving educational quality of child care for children birth to age 5.  

**It’s time to invest fully in early childhood and our future workforce.**

"...High-performing countries understand that the steepest learning curve is before age 5, and, therefore, they have preschool for all."  
Delaine Eastman, Former California State Superintendent of Education

The Florida Council of 100, in partnership with the Florida Chamber of Commerce, believes that education is more important to economic success than ever before. Within 10 years, nearly nine out of 10 new jobs will require education beyond a high school degree. The Council of 100 recommends a “talent supply chain” starting with early childhood to address this shortage in highly skilled and educated workforce. National research shows every dollar invested in quality basics in the early childhood years will save $7 in later costs for police, prosecution, prison and remedial education. Children who grow up to be successful, contributing members of society pay their fair share of taxes, are good citizens and provide benefits to all of us. Investments in programs that prevent school failure, hospitalization, foster care and juvenile crime will save millions of tax dollars in the long run.

Police chiefs, prosecutors, chiefs of staff for the military, Florida’s chief executive officers and our voters are counting on Florida to make smart choices when it comes to our future. This future depends upon every Florida child being healthy, ready to learn and successful in school and life. Research has proven that investing in the early years works best to ensure this future. It is time to fully invest in early childhood and our future workforce. We can protect what matters most by smart investments in the early years.
The Policy Group recommends:

**Prenatal Care:** Florida’s Healthy Start program was established in 1991 to provide screening of all Florida pregnant women and newborn infants to identify those at risk of poor birth, health and developmental outcomes. Healthy Start provides targeted support services to address identified risks, including information and referral, ongoing care coordination and support and home visiting, among others. During the 2010 Legislative session, general revenue funding for Healthy Start was reduced by almost 10%.

**Recommendations moving forward are:**

- **Restore Healthy Start funding** to at least the 2010 level of $26,257,238 million, which allows Healthy Start coalitions to leverage additional funding for services.

**Health Insurance:** The Children’s Health Insurance Reauthorization Act of 2009 (CHIPRA) provides an opportunity for states and communities to strengthen the provision of primary, preventive and developmental services to children. Likewise, additional federal legislation – the Patient Protection and Affordable Care Act of 2010 (PPACA) and the Health Care and Education Reconciliation Act of 2010 (HCERA) – also provides states the opportunity to improve such services.

**Specific policy actions that respond to these opportunities for Florida are:**

- **Restore $3.5-million of TANF funds to Florida’s Early Steps program to help meet current eligibility demands** without increasing the level of developmental delay needed for eligibility. Over the course of the next several years, increase funding to further reach all children developmentally at risk.

**Parenting and child abuse prevention:** Research has demonstrated that during economically distressed times, child abuse and neglect increase due to the added stress experienced by low-income families and families already at high risk of child abuse and neglect. Created by the Florida Legislature in 1998, Healthy Families Florida is an evidence-based, nationally accredited voluntary home visiting program that prevents child abuse and neglect in high-risk families. Despite the program’s 12-year proven track record, Healthy Families sustained a 35.53% budget reduction in fiscal year 2010-2011. The reduction in funding resulted in the elimination of services in 12 of the 67 counties and the reduction of targeted service areas within the remaining 55 counties. Research and experience indicate that it can cost Florida taxpayers $64,377 a year to care for an abused or neglected child. This estimate is conservative and includes only costs for child welfare services, hospitalization, special education and juvenile justice. Healthy Families prevents child abuse and neglect for $1,671 a year per child.

**It is more important now than ever to:**

- **Restore $11,983,849 in General Revenue to Healthy Families Florida** so that these critical services that are proven to prevent abuse and keep families together are available to the 3,500 high-risk families and their 5,800 children impacted by the cut.
Quality child care and prekindergarten: Early and extensive enrollment in child care or an early education setting has become the norm in our state and country. It is the quality of care and, in particular, the quality of the daily transactions between providers and the children for whom they are responsible, that carry the weight of the influence of child care/early education on children’s development. The positive relationship between child care/early education quality and virtually every facet of children’s development that has been studied is one of the most consistent findings of developmental science. Staff qualifications are the strongest predictor of program quality and child outcomes. Policy recommendations that promote quality are:

- **Expand child care subsidies** by 20% annually until all eligible children have the opportunity to enroll in a child care program or family child care home, allowing parents to work.
- **Expand investments in T.E.A.C.H.** from $3 million to $6 million annually so that child care and VPK staff can obtain the knowledge and skills they need to be effective teachers, earn their credentials, reduce turnover and increase their compensation.
- **Support a state level investment in the Child Care WAGE$ program** that rewards teacher education and retention through semi-annual salary supplements benefitting low wage-earning teachers. This model, operating in several Florida counties, is effective in reducing staff turnover to less than 10% (from 30-40%) and increasing education levels, while providing a career pathway in the early care and education field for participants.
- **Increase prekindergarten funding to a level of at least $4,000 per child**, requiring teachers with bachelor’s degrees and the provision of hearing, vision, health and other support services, including referrals as appropriate.

In the years ahead, administrative changes and additional policy actions are needed.

The Policy Group recognizes that the budget stresses placed on our state are enormous and unprecedented. Likewise, our families continue to live and rear children in an environment of economic uncertainty and stress. We can find a budget solution that protects what matters most to Florida and our future—the health and well-being of our children. The Policy Group recommendations presented above are smart budget choices for the immediate future.

The Policy Group offers several recommendations, moving forward, that require administrative and/or additional policy changes over the long term. We believe that these changes will help ensure the well-being of all children and, ultimately, Florida’s future economic prosperity.

Prenatal care:

- **Implement proven programming within the Healthy Start program**, including ways to create a medical home for pregnant women and expansion of home visiting through evidence-based programs.
- **Provide primary care for at least two years post-partum for all women who had a low birth weight delivery** and are still of reproductive age.
Health insurance and early intervention:

- **Increase enrollment and retention in Medicaid/CHIP** by streamlining and automating enrollment and renewal processes.
- **Address barriers to families’ ability to access care** by funding translation and interpretation services, transportation, targeted case management, home visiting and incentives for providing preventive care.
- **Increase provider participation in Medicaid/CHIP** by clarifying billing rules on developmental screening codes, coordinating billing for Part C (Early Steps) services, allowing the use of the DC:0-3R or V codes for diagnoses, expanding the types of providers or service locations eligible to bill Medicaid, addressing perceived gaps in cultural competence and negativism about Medicaid through provider training, and increasing reimbursement rates, particularly for obstetricians-gynecologists, family practitioners and pediatricians.
- **Improve developmental surveillance practices** through promotion of a medical home model to facilitate communication among primary care providers, specialists and community-based programs.
- **Promote widespread use of standardized screening tools** at periodic and inter-periodic visits by adopting a standardized screening instrument, training providers on how to use it, changing policies in managed care contracts and offering incentives to use the tool.
- **Increase provider confidence** in managing identified problems and connecting primary care providers to specialists and community-based programs through co-location of services at One-Stop Centers, schools and community centers; and the use of online, electronic and/or universal referral forms.
- **Evaluate how rates of screenings, assessments, referrals and treatment services are changing.** This must include accurate data on the number of children receiving services and the number of children who should be receiving services.

Parenting and child abuse prevention:

- **Expand Healthy Families** to ensure that services are available county-wide in all counties and enhance the program’s capacity to better serve families at risk of child maltreatment due to domestic violence, substance abuse and mental health issues.

Quality child care and prekindergarten:

- **Implement a state-wide quality rating and improvement system** (QRIS), a market-based approach to improving quality in early care and education. The QRIS should be modeled after successful local QRISs and include standards, accountability, parent outreach, provider outreach and support and quality improvement through technical assistance and quality financial incentives.
- **Refine the governance of early childhood programs and services over the long term** by establishing an Office of Early Childhood that incorporates early learning, family support, early intervention and child health. The governance structure should be linked to the Florida Cabinet for Children and Youth and include an early childhood policy director, committed to effectively and creatively implementing solutions for Florida’s future.
All programs and services for children 0-5:

- Conduct an assessment of outcomes and targeted review of budgets with the goal of funding programs that work and discontinuing those for which the data and outcomes do not demonstrate effectiveness. “While there are not enough evidence-based programs at this time to meet all of the needs within a community, funders and government should be thinking about how to move unproven programs along the continuum in order to increase accountability and ultimately introduce more evidence-based programs to the field.”

Want more information?

The Fellows of The Policy Group for Florida’s Families and Children have a wealth of experience, education and expertise in the field of child health and well-being. If you would like to discuss one of the preceding recommendations with a Fellow, please call 863-651-8445.

The following information also might be helpful to further understanding of the issues:

- **Kids Count Indicator Brief – Preventing Low Birthweight**
  http://www.aecf.org/~/media/Pubs/Initiatives/KIDS%20COUNT/K/KIDSCOUNTIndicatorBriefPreventingLowBirthWeig/PreventingLowBirthweight.pdf

- **Kids Count Indicator Brief – Reducing Infant Mortality**

- **Child Trends Data Bank – Health Care Coverage**
  http://www.childtrendsdatabank.org/?q=node/83

- **Child Trends Data Bank – Well Child Visits**
  http://www.childtrendsdatabank.org/?q=node/85

- **Child Health and Young Adult Outcomes**
  http://www.partnershipforsuccess.org/docs/researchproject_currie_200903_paper.pdf

- **What Works? A Study of Effective Early Childhood Mental Health Consultation Programs**
  http://www.aecf.org/KnowledgeCenter/Publications.aspx?pubguid=%7b086A1697-1F82-456F-A9E7-98706677DAAE%7d

- **Does Readiness Matter? How Kindergarten Readiness Translates Into Academic Success**

- **Learning to Read – Early Warning! Why Reading by the End of Third Grade Matters**
  http://floridakidscount.fmhi.usf.edu/_assets/docs/pubs/Reading%20Report.pdf

- **Research on Quality Child Care for Infants and Toddlers**

- **The Costs of Disinvestment: Why States Can’t Afford to Cut Smart Early Childhood Programs**

- **Long-Run Economic Effects of Early Childhood Programs on Adult Earnings**
Economic Costs of Early Childhood Poverty: Raising Young Children Out of Poverty Can Substantially Improve Their Odds of Economic and Life Success
http://www.partnershipforsuccess.org/docs/researchproject_duncan_200802_paper.pdf

Kids Count Indicator Brief: Increasing the Number of Children Whose Parents Have Stable Employment

About This Document:
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2. Founded in 1996, Fight Crime: Invest In Kids is a national bipartisan organization led by more than 5,000 police chiefs, sheriffs, prosecutors who shape public policy based on research about crime prevention.
8. See reference #4.
Florida Department of Education, 2009. The Florida Comprehensive Assessment Test* (FCAT) measures student performance on selected benchmarks in reading, mathematics, writing, and science that are defined by the Florida Sunshine State Standards (SSS). Developed by Florida educators, the standards outline challenging content students are expected to know and be able to do. All public schools are expected to teach students the content found in the standards.

See reference #4.


See reference #14.


See reference #14.


Kaiser Family Foundation, State Health Facts.org; Centers for Disease Control and Prevention, National Center for Health Statistics, Vital Statistics.


See reference #4.


See reference #7.


41 http://nieer.org/yearbook/pdf/yearbook_FL.pdf

42 See reference #11.


44 http://www.miller-mccune.com/article/354

45 See reference #4.


47 http://www.doh.state.fl.us/family/mch/hs/hs.html


