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**United States Senate
Committee on Health, Education, Labor, & Pensions**

**Full Committee Hearing
Expanding Access to Quality Early Learning:
The Strong Start for America's Children Act
Thursday, April 10, 2014**

**Written Testimony of:
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Good morning Chairman Harkin, Ranking Member Alexander, Members of the Committee and guests.

Thank you for inviting me here today. I am grateful for this opportunity to present my thoughts to you today because I believe that providing quality early care and development to our children, especially the most vulnerable, will determine the future of our nation and its economy more than any other initiative we can take.

I speak to you as the former Chairman and CEO of Proctor & Gamble and as a member of Ready Nation/America's Edge, an organization that includes dozens of current and former CEO's dedicated to strengthening our companies, our economy and our nation through proven investments in children.

Why are business leaders speaking out as never before in support of quality early childhood education? There are several reasons:

1. We are deeply worried about the current and growing skills gap – an inability to find individuals with the skills our companies now require

Driving these gaps are the rising education requirements for jobs of the future. Experts predict that of the 55 million job openings through 2020, 65 percent will require post-secondary education. Yet nationwide, 20 percent of our high school students fail to even graduate on time and the rates of high school graduation in impoverished areas are generally much worse.

2. We know we are not going to close that gap unless we start early – 90% of brain development occurs during the ages 0-5

In order for American businesses to compete successfully in a global economy, employees must have the knowledge, skills and abilities to be communicators, collaborators and critical thinkers. Research confirms that the foundation for these social and fundamental education skills is developed during a child's earliest years.

The first five years of life are a unique period of brain development, which lays the foundation for life-long learning. The achievement gap starts to open as early as age two or three, when research shows that low-income children know half as many words as higher-income children. Children also show a significant achievement gap in math by kindergarten entry. And early math skills predict later skills in both math and reading. By the time children reach kindergarten, they are not only far behind in vocabulary, but on pre-literacy and pre-math skills as well. This disparity can hurt our ability to build the science, technology, engineering and mathematics workforce that our country so urgently needs.

3. We know that being ready for kindergarten has everything to do with what follows and we know that we have proven programs that get kids ready

A longitudinal research study in my own region of Southwest Ohio shows that 86% of kids who were ready for kindergarten were reading on grade by the end of the third grade. Only 59% of kids who were not ready for kindergarten were reading on grade. “So what?” someone might ask. Kids not reading on grade level by third grade are four times more likely to drop out than those that are; and eleven times more likely if they are poor.

High-quality early childhood education can prepare children to start school ready to learn. It can bring student performance up to grade level, boost graduation rates, and lead to a greater likelihood of attaining a 4-year degree and being employed consistently. Recent studies of high quality state programs demonstrate that early childhood education programs – if they are of high enough quality – can deliver solid results.

By the time at-risk children in disadvantaged districts served by New Jersey’s two-year pre-kindergarten program reached the 4th and 5th grades, they were three-quarters of an academic year ahead in math, compared to their peers who did not attend, and two-thirds of an academic year ahead in literacy. Attending preschool also cut the likelihood of being held back in school by 40 percent and the likelihood of needing special education services by 31 percent.

State programs in Michigan, Pennsylvania, North Carolina and others also showed positive academic gains. These recent studies reinforce long-term studies of high-quality early education programs that show impressive education outcomes:

For example, a long-term study of the Perry Preschool Program in Michigan tracked two groups of children in a randomized study. Children who participated in the program were 44 percent more likely to graduate from high school.

Children who participated in the Abecedarian early learning program in North Carolina were four times more likely to graduate from a four-year college and 42% more likely to be consistently employed as adults.

A long-term study of Chicago’s Child-Parent Centers found that participants in the pre-K program were 29 percent more likely to have graduated from high school.

4. We know from myriad studies that high quality early childhood development and education programs are a sound fiscal investment

In business, we rarely have the luxury of making an investment decision with as much evidence as we have to support the economic value of investing in early childhood development and education.

Long-term studies show that high-quality early learning programs cut crime, welfare and other societal costs so much that they save money. A study by Steve Aos of the Washington

State Institute for Public Policy (WSIPP) found net economic benefits of \$22,000 per child served.

Put bluntly, in my terms, they are a financial no-brainer. The only question is “how strong is the ROI?” The answer: Two or three or more to one. It is rare that we in business have as much evidence on the economic value of an initiative as we have on investing in early childhood development and education.

5. The unmet need for these services and the impact on global competitiveness

Other countries are doing far more than we are in supporting the development of our youngest. Today, less than half of our 3- and 4-year-olds are in quality pre-K programs. Yet, some other developed countries are covering 90% of their children. And it’s not only “developed” countries. China has committed to having 70% of its 3- and 4-year-olds receiving not 1, or 2 but 3 years of pre-K by the year 2020.

The sad truth is that in 2012, more than half of our states served 30 percent or fewer of their 4-year-olds. Another 10 states did not even have state pre-school programs.

Given the strong research, it is easy to see why parents across the country want to get their children into high quality pre-school programs. Unfortunately for many, high quality pre-K is as out of reach as college tuition. Early learning programs that meet high-quality benchmarks cost an average of \$9,000 per child, per year, depending on the state. That can be as much as in-state tuition at public universities, which is way beyond what many working families can afford for their preschoolers.

And while policymakers, educators and parents in many states would love to see quality pre-K offered to more children, virtually all face financial challenges that are making that very difficult.

We need public investments, from state and federal sources, to help families afford pre-K. States that have been working hard to do the right thing for their have been making progress, but it's such an issue of national interest that it needs to be a state *and* a federal priority.

Given what we know about the positive impact of early development and the huge gap we have today in providing it, this will be a long-term cancer until we scale proven programs to all children in need.

6. Finally, we are advocating strongly for this because we know the public wants it

Various polls have consistently shown that the American public agrees on the importance of all children having the benefit of quality pre-K. A recent poll found more than 85% think that ensuring that children get a strong start should be a national priority. A majority support adding revenue to fund it.

The Strong Start for America's Children Act (S. 1697)

Fortunately, we have an opportunity before us to truly change the landscape of how our youngest children are educated.

The Strong Start for America's Children Act, introduced by Senator Tom Harkin, would create and fund a state-federal partnership that would enable states across the country to provide high quality pre-K for four-year-olds from low- and moderate-income families in the nation. It would also expand access to high-quality early development programs from birth through age three.

I am glad the Strong Start for America's Children Act is in front of you. I believe the federal government has a crucial role to play in jump starting effort and funding at the state and local levels to scale programs that work.

I am very pleased that this Act contains specific provisions, which business leaders embrace:

1. It recognizes the leadership role of the states, providing flexibility to direct funds to multiple delivery systems at the local level, including the private sector;
2. It is voluntary, for the states and for the parents;
3. It sets reasonable and needed quality standards and it demands accountability;
4. It focuses on children most in need; and
5. It provides support for the entire 0-5 development continuum.

Without such federal support I fear our progress, despite the valiant effort of cash-strapped states, will be far too slow to achieve the improvement in scale we need.

Many people are understandably concerned about the cost of such programs in a time when budget cuts are the norm. But failing to invest in children when they are very young means a higher cost to society, and business, down the road.

I take these concerns seriously, and I wouldn't trivialize a response to them. We are talking about a lot of money, and we have a big deficit to deal with. However, in response to such fiscal concerns I would say two things.

First, if I could draw a comparison to my business career, we are faced here, as we in business occasionally are, with a transformational investment opportunity.

It is one being demanded by our consumers (the public), it is being pursued by our competitors, and it is critical to the long term success and perhaps very viability of the company – or in this case the Nation and its economy. Furthermore, based on the most conservative cost estimates available, this investment will pay for itself at least 2:1.

That ladies and gentleman is an investment which we as executives would take as our responsibility to make; we would find a way to do it, and do it now—not later, obviously being sure that it is as sound as possible in its execution.



Also, the cost of this program, it seems to me, has to be put in the context of the total federal budget. While I have no idea of the amount of funding that would eventually be attached to the programs enabled by his Act, if it were to be, say, in the range of \$5-10 billion dollars per year, that would represent a fraction of federal spending –less than 1% of total discretionary spending and approximately one quarter of 1% of the total federal budget.

I respectfully submit that viewed in the perspective of its long-term importance to our country, we should not flinch from figuring out how to make it happen.

Conclusion:

Business leaders are in good company when it comes to recognizing the value of high quality early childhood development and education. Parents, educators, and policymakers around the nation are strongly in support of it. There is also a growing coalition of leaders from the military, law enforcement, and faith communities that have joined business leaders in support of providing high quality services in this area.

I support the Strong Start legislation, particularly the increased level of federal resources and ability of states to structure services in a way that makes sense locally, within broad, widely recognized parameters of quality. This program needs to be a true partnership between the federal and state governments.

I hope you will act in a bi-partisan fashion to advance this legislation so that we do develop the more skilled and educated workforce that will fuel our economic growth and keep the U.S. as a leader in our competitive global economy

I thank the Committee for allowing me to express these deeply felt convictions. I believe that providing a quality start for all our children is the moral and social and economic issue of our generation. It is altogether clear that it is critical to offsetting the depressing impact of poverty on a child's ability to fulfill his or her potential.