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***Maine State Chamber and Maine Development Foundation  
release “Making Maine Work: Investment in  
Young Children = Real Economic Development”***

***Third report in series proposes strategic investments in young children  
as an effective, long-term economic development strategy***

PORTLAND – The Maine State Chamber of Commerce and the Maine Development Foundation hosted a press conference on Thursday, January 5, 2012, to release “[Making Maine Work: Investment in Young Children = Real Economic Development](#).” The most recent in the [Making Maine Work](#) series examines the proven benefits derived from investment in a child’s early development years, which have real potential for Maine.

“When our two organizations released *Making Maine Work* in July of 2010, we could never have predicted the overwhelmingly positive reviews it received,” said Dana Connors, president of the Maine State Chamber of Commerce. “Our second report in December of 2010 explored the role of Maine’s public university system. Today, we continue the series with a look at our future workforce, our children, and the investments they need from birth to grade 12 for successful outcomes in our economy.”

*Making Maine Work: Investment in Young Children = Real Economic Development* focuses on the economic benefits of early investments in quality care and education for our youngest citizens. In addition, the report encourages thoughtful, evidence-based strategies for early childhood care and education, with an emphasis on high quality. With an anticipated high rate of return, these strategies and tangible recommendations should be a lead economic development strategy for the governor and the legislature to consider as Maine invests in the workforce of the very near future.

“Regardless of place, position or politics, one thing unites us – the desire to help young people achieve their highest potential,” Connors added. “High quality care and education early in life has proven results in unlocking

that potential. We can increase job options, earnings potential, and even quality of life. Early investments in safe environments, effective health care, and other critical services ultimately generate a higher return than intervention and remediation services. Ultimately, we want to build a more robust and stable economy for Maine.”

In February 2010, MDF conducted a Maine business leaders’ survey, garnering more than 1,000 opinions and perspectives. When asked to rank the factors that supported investment and to specifically identify the supports and barriers to investment in Maine, nearly one-half of the business respondents mentioned a loyal and skilled workforce as a strong, positive factor for business investment.

Specifically, this report reviews evidence from both neurobiology and economics that clearly supports this approach. The report examines what is currently underway in Maine and offers recommendations and action strategies for how Maine can begin to realize the full scale of benefits this approach offers.

“The findings from national economic studies are stunning,” stated Laurie Lachance, president and CEO of the Maine Development Foundation. “Investing in high quality care and education starting at birth yields a return on investment of \$4 - \$16 for every \$1 invested – as measured by greater success in school, reduced remedial education costs in our K-12 system, improved earnings, and avoided or greatly reduced welfare and crime costs. To attain our vision of ‘A High Quality of Life for All Maine People,’ we must ensure that each and every Maine child has access to high-quality care and education from birth. Investment in early childhood IS economic development. It is not just a social and moral imperative, it is an economic imperative. Our future begins here.”

The third installment of the *Making Maine Work* series was funded by The Bingham Program and the Sam L. Cohen Foundation.

## EXECUTIVE SUMMARY

The benefits derived from investment in a child’s early development years are proven and have real potential for Maine. Thoughtful, evidence-based strategies for early childhood care and education, with an emphasis on high quality, will have a high rate of return and should be a lead economic development strategy for Maine.

The original *Making Maine Work* report showed that:

- Maine’s “loyal/skilled” workforce was identified as our greatest opportunity/asset;
- Maine’s workforce currently is not where it needs to be – 45th in productivity and 45th in wages;
- Jobs of the future will require greater skills, training, and education, particularly in math and science; and,

- It is imperative that we transform our educational system to meet the needs of the current and future workforce/economy.

The major findings of *Making Maine Work: Investment in Young Children = Real Economic Development* include:

- The foundation for a strong workforce begins at birth – not at age 18 or 22. Approximately 85% of the core brain structure is formed by the age of 3. Our return on investment is greatest when we start at birth.
- Investment in quality early childhood development has the potential to deliver real economic benefits – a potential benefit of more than \$16 for every \$1 invested.
- Maine has tremendous opportunities to develop a world class workforce – if we begin our “workforce development” earlier in a child’s life, higher quality care and education set the stage for better outcomes in the future.
- Quality early childhood care and education is economic development for Maine.

## THE FOUR FOUNDATIONS

### **FOUNDATION 1: EVERYONE’S RESPONSIBILITY**

*The scope and size of this challenge requires public, private, and philanthropic resources working together. All sectors have something to gain and no one sector can tackle this challenge successfully in Maine on its own.*

**Action:** Fully utilize groups – like the Maine Children’s Growth Council, the Maine Early Learning Investment Group (MELIG), and philanthropic efforts to connect all interested parties, share information, and collaborate on action.

### **FOUNDATION 2: A UNIFIED SYSTEM**

*The current early childhood “system” in Maine is a collection of programs and efforts – some coordinated and some not. The best outcomes for Maine children will occur when these programs and efforts work together and are managed collaboratively, efficiently, and sustainably at scale.*

**Action:** Utilize the newly formed State Agencies Interdepartmental Early Learning Team to coordinate the efforts of the Department of Health and Human Services and the Department of Education in their work with children. Use the Maine Children’s Growth Council as a means of coordinating the efforts of philanthropy, non-profit community groups, and legislative action.

**FOUNDATION 3: HEALTHY SYSTEMS FOR LIFELONG LEARNING**

*Investment in early childhood alone is not enough. The investment can be lost if a child moves into dysfunctional systems later in life. Managing healthy education systems for all stages of life in conjunction with sound early investments is critical, particularly at points of transition.*

**Action:** Improve the transition from early childhood into the K-12 system by instituting a common statewide kindergarten assessment given to every child upon entrance into kindergarten. This will provide consistent and reliable statewide data on need that can be used to prepare and improve curricula, school administration, and professional development.

**Action:** Include early childhood activity in the State’s overall education budget. Treat it as one education system with a global budget (as recommended in the original Making Maine Work report, July 2010).

**FOUNDATION 4: SAFE ENVIRONMENTS ARE IMPERATIVE**

*Evidence is clear that toxic stress leads to bad outcomes. Without safe responsive environments and relationships, free from experiences that produce toxic stress such as exposure to domestic violence, we cannot expect our children to reach their full potential.*

**Action:** Expand support of existing, evidence-based efforts (e.g., Home Visiting, Head Start, and Strengthening Family) that work directly with families in need of help to create safer environments for their children.

**Action:** Expand support of the Governor’s initiative, working with the Maine Department of Labor and the Maine Coalition to End Domestic Violence, to provide employers with information and resources to address domestic violence issues that affect their employees.

## THE FIVE RECOMMENDATIONS

### RECOMMENDATIONS TO IMPROVE ACCESS TO QUALITY EARLY CARE AND EDUCATION:

**Recommendation 1:** *Provide options and access for all Maine families, particularly low income families, to a coordinated system of quality public and private early childhood services, early care and education, parent support, early physical, mental, and nutrition services, and early intervention.*

**Action:** Bring best practices and evidenced-based programs to all communities in Maine.

- Export the knowledge and expertise of Educare Central Maine beyond Waterville by partnering with community organizations, like YMCAs, libraries, child care centers, etc., to provide quality care for infants and toddlers and their families, as well as training for child care providers and educators. ; and,
- Expand the Maine Children’s Alliance “shared service” approach, which would allow early child care and education organizations to be more accountable, financially stronger, and better equipped. (Refer to work by Kennebec Valley Community College, KVCAP, and Educare Central Maine, which offers quality training to child care professionals through on-line continuing education instruction as well as in-person mentoring.)

**Action:** Expand the current public preschool program to every school district in the state using a network of public schools and local community providers.

- The Lower Kennebec River Regional School Unit (RSU 1) already uses this approach successfully to educate more young children. The states of Virginia, North

Carolina, and Minnesota also offer helpful examples of network development and administration.

**Action:** Continue the work to coordinate Home Visiting and home-based services across Maine so that more infants and toddlers and their families are served in a collaborative, efficient, and cost effective manner.

**Recommendation 2:** *Require and provide a means for 100% of Maine child care providers to meet a high level of quality as defined by Maine’s Quality for ME program to support parent choice.*

**Action:** Require a quality standard of at least a Step 2 in the Quality for ME program for a provider to receive state money, and continue to fund a tiered reimbursement system that gives providers the incentive to earn greater quality ratings.

**Action:** Use the Maine Roads to Quality program and the public and private higher education system to increase access to evidence-based training and education for child care providers and educators.

- A priority must be given to non-traditional students already in the workforce, and efforts must include options like distance learning, flexible hours, credit for work experience, and on-site instruction.

**Action:** Improve existing tax incentives by adopting the approach like those used in Louisiana (School Readiness Tax Credits – SRTC) and like those in the Military Childcare Act:

- Families can use subsidies for children in high quality child care, and the credit increases with the quality rating of the provider;
- Providers earn credits for serving target populations, and credit increases as the providers increase their quality rating;
- Teachers receive credit for teaching at high quality rated centers, and the credit increases as their education/training increases; and,
- Businesses receive credits for financially supporting high-quality, early learning and development programs, and the credit increases with the program’s quality rating.

**RECOMMENDATIONS TO IMPROVE UNDERSTANDING  
OF THE BENEFITS OF EARLY CHILDHOOD INVESTMENT:**

**Recommendation 3:** *Increase public support for early childhood development through an organized and coordinated statewide communications plan, connecting high quality child care and education to economic growth.*

**Action:** Support and expand upon the efforts of the Maine Children’s Growth Council, Mission Readiness, Fight Crime Invest in Kids, and America’s Edge to speak to the benefits of evidence-based early childhood investment.

**Action:** Engage Maine broadcasters to make this message a priority public service topic in their editorials and their PSAs.

**Action:** Create a means to coordinate efforts and to share information and resources that help good evidence-based messages reach the biggest population possible.

**RECOMMENDATIONS TO IMPROVE FUNDING AND RESOURCES  
FOR QUALITY EARLY CHILDHOOD CARE AND EDUCATION:**

**Recommendation 4:** *Increase the public investment in early childhood development and align investment to outcomes throughout a person’s life with K-12, higher education, and other training opportunities.*

**Action:** Increase the State’s investment, via General Fund dollars, in Maine’s early childhood system as a means of controlling rising K-12 remediation costs and to control public assistance expenses.

- This expenditure should be viewed as part of the complete public education funding of a person and be set to achieve the desired outcomes with a priority on low-income families.

**Recommendation 5:** *Create a means for private funds to support and enhance improved access to quality services for Maine children.*

**Action:** Establish a private endowment with private, philanthropic, and public dollars.

- The endowment would be privately managed and offer money to subsidize child care costs, to support services like home visiting and parent education, to provide tuition for providers pursuing quality training, and to support schools. Endowment money could be used in combination with other dollars as match/leverage for greater federal and philanthropic support/grants. This must be certified by the State to enable its use as matching funds. Investments are market driven and give parents and providers incentives and choices.
- Organize a core group of business leaders and economists willing to lend their expertise to help the public sector adapt proven market-based approaches to sustain investment in high-quality early childhood development.
- Engage the Maine Early Learning Investment Group (MELIG) for guidance; and,
- Engage regional business networks, such as chambers and leadership networks (Leadership Maine, Bangor Region Leadership Institute, Midcoast Leadership Academy, etc.) to provide guidance and support for Early Childhood initiatives in their regions and statewide.

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**ABOUT MAKING MAINE WORK: CRITICAL INVESTMENTS FOR THE MAINE ECONOMY...**

*Making Maine Work: Critical Investments for the Maine Economy* ([www.mainechamber.org/makingmainework](http://www.mainechamber.org/makingmainework)) is a comprehensive action plan for improving productivity, growing the economy, and providing a higher quality of life for all Maine people. Released in July 2010, the original report and recommendations were the result of a joint effort between the Maine State Chamber of Commerce (MSCC) and the Maine Development Foundation (MDF). It explored the investments needed to grow the economy and the factors that influence those decisions.

Along with *Making Maine Work*, MDF published two background reports: *Maine's Investment Imperative II: Unleashing the Potential* ([www.mdf.org](http://www.mdf.org)), an in-depth review of more than 100 reports and recommendations on key issues influencing investments in Maine, and the results of the *Investment Imperative Survey* ([www.mdf.org](http://www.mdf.org)) with 1,000 Maine Businesses.

**KEY CONTACT INFORMATION**



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**ABOUT THE MAINE STATE CHAMBER OF COMMERCE...**

The Maine State Chamber of Commerce represents a diverse network of 5,000 businesses statewide and advocates on behalf of their interests before the Legislature and regulatory agencies and through conferences, seminars, and affiliated programs. Through its OneVoice program, the Maine State Chamber represents thousands of businesses with fewer than 10 employees. Its Grassroots Action Network works to involve members and their employees in the legislative process through outreach campaigns. For more information, visit [www.mainechamber.org](http://www.mainechamber.org).

**MAINE DEVELOPMENT FOUNDATION**

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**ABOUT THE MAINE DEVELOPMENT FOUNDATION...**

For more than 30 years, the Maine Development Foundation has supported the vision of a high quality of life for all Maine people. As a private non-profit membership organization we do this by empowering leaders, strengthening communities, and guiding public policy. Our flagship programs include Leadership Maine, Policy Leaders Academy, the Maine Downtown Center, the Maine Employers Initiative, and the Economic Growth Council/Measures of Growth. Through these programs we stimulate new ideas, develop Maine's leaders, and provide a common ground for solving problems and advancing solutions. For more information, visit [www.mdf.org](http://www.mdf.org).