Economics is the study of how scarce resources are used to satisfy unlimited human wants.

- Scarcity $\Rightarrow$ Choice $\Rightarrow$ Costs

We have to make choices: What, how, and for whom?

Formal explicit models

Careful attention to causality
Early life investments matter
Early life investments matter MORE for poorer families

Why?

• Poorer families experience more negative shocks to their development
• Poorer children are at a point in their developmental trajectory where investments and shocks matter more
• Resources available to these families may differ
Prenatal Environment

- **Maternal health**
  - Effects children’s future educational attainment, employment, residential neighborhood

- **Economic shocks**
  - Less consistent patterns

- **Air Pollution**
  - Immediate effects on infant health, longer term effects on student achievement
Child health matters

- Infections, pneumonia, influenza all have detrimental effects on child development
- Early mental health of children has also been shown to be important for later life outcomes
- The physical health link may not be direct, but the early child mental health seems to be
Early Childhood

- Home environment
  - Parenting behavior
  - Maternal health and well-being
  - Maternal employment
Early Childhood

- Daycare environments
  - Provider behavior
  - Safety and security
Income transfers
  • Conditional
  • Unconditional
Policies: What Works?

- **Income transfers**
  - Conditional
  - Unconditional

- **In-kind transfers**
  - Food stamps
  - Housing
  - WIC
  - Health insurance
Policies: What Works?

- Home visiting programs
- Parent education programs
Home visiting programs
Parent education programs
Child care
  • Improving provider-child interactions
  • Comprehensive programs
  • Head Start
  • State programs
Concluding Thoughts

- Holistic approach to understanding interventions
  - Direct versus indirect impacts
  - Variety of outcomes
  - Short and long term goals
  - Connecting interventions together
- Cost Effectiveness