While it is common to speak about the need for health maintenance among the adult population, children are growing, developing and setting their health trajectories in the earliest years. The health trajectory that is set in childhood has lifelong impacts. The lion’s share of health care expenditures is consumed by treatment and palliative care for chronic, and often terminal, health conditions among adults. The greatest opportunity to prevent chronic conditions is to set a positive, life course health trajectory during the early years. Improving children’s healthy development in the early years produces long-term gains, not only in health, but also in education and social development as well as contributions to the community.

Outcomes from effective early responses accrue both to the individual and to society in improved health, education, earnings, family stability and reduced justice system and welfare system involvement. These gains have led Nobel Laureate economist James Heckman, among others, to conclude that the greatest opportunities for high returns on public investments are when society “invests in the very young.” Unfortunately, as a nation we invest the least in the young child population (Figure 1). The majority of federal and state funding is targeted to children 6 to 18 years, while young children 0-2 years receive significantly less funding.
Much of the current return-on-investment research in early childhood has been based on longitudinal studies of educational interventions, which have tracked impacts over decades. While there are not the same long-term studies of health programs, the opportunities for benefits in averted health conditions and costs are as great or greater. According to researchers, including James Heckman, early interventions promote school success, reduce crime, foster workforce productivity, promote adult health and reduce teenage pregnancy. These interventions are estimated to have high benefit-cost ratios and rates of return in the range of 6-10 percent annually.\(^1\) Investing in programs targeted towards the earliest years bring the largest return in investment compared to later investments in schooling and job training (Figure 2).

\[\text{Figure 2.} \]

\begin{center}
\textbf{Return to a Unit Dollar Invested}
\end{center}

![Diagram showing returns on investment by age group](source: Heckman (2008))

Results from exemplary practices starting in the child health practitioner’s office show early gains in health and the prevention or mitigation of early childhood adversity (adverse childhood experiences or ACEs).\(^2\) The ACEs findings can be used to project long-term impacts on future health conditions and costs of treating them. For example, compared to adults without any ACEs, adults with four or more ACEs were two times more likely to report being diabetic, three times more likely to report heart disease, and four times more likely to

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\(^1\) Heckman, James J., “Return on Investment: Cost vs. Benefits”
report chronic obstructive pulmonary disease, all with very substantial health care and
treatment costs. Moreover, healthy development is key to learning and success in school,
social adjustments and other contributions to society. A child's healthy development produces
returns-on-investment not only in health, but in other public services as well.

Particularly in the earliest years, exemplary primary health practices have demonstrated
strong, positive impacts on children’s physical, social, emotional and cognitive health that are
recognized as having life-long impacts and therefore returns-on-investment.

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**Additional Resources:**

- Annie E. Casey Foundation: Race for Results [http://www.aecf.org/resources/2017-race-for-results/](http://www.aecf.org/resources/2017-race-for-results/)
- Health Equity and Young Children Initiative Framework Paper on Exemplary Practice.

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3 Ibid.