

Right now, New York lawmakers have an opportunity to address several huge and urgent problems with a single step: direct a big chunk of current “economic development” spending away from ineffective corporate subsidies and toward investments in early childhood education. This bold investment would expand economic opportunity, help working parents, reduce crime and achieve a great return on public spending.

At the Federal Reserve Bank of Minneapolis, we demonstrated that early childhood investments should be classified as economic development: They provide an amazing [return on investment](#), up to [\\$16 in benefits](#) for every dollar of public money targeted towards high-quality education and care.

Nobel Prize-winning economist James Heckman has outlined the details of how public investments in children and families rack up [big benefits](#) for children, for parents and for all of us. And Lynn Karoly, senior economist at the RAND Corporation, has demonstrated how [benefits continue to grow over time](#).

With [big improvements](#) in [educational achievement](#), children perform better on tests, stay in school and graduate at higher rates. In addition, these investments result in better employment prospects, [higher lifetime earnings, less crime and less destructive interactions with the criminal justice system](#).

Albany should act now, to bring these benefits home to communities across our state.

FILE - Between April 2020 and February 2021, approximately 1,500 child care providers in NY closed. More than 60% are losing money each month; the same percentage report having taken on personal debt or dipped into personal savings to cover shortfalls. (Shutterstock/Shutterstock)

There’s certainly a huge short-term need: Three out of every four families who qualify for help with child care expenses don’t get it. New York lost more than 9,500 licensed child care slots prior to the pandemic, and [thousands more](#) in the last two years.

Local child care [providers](#) are also struggling. Between [April 2020 and February 2021, approximately 1,500 child care providers in NY closed](#). More than [60% are losing money each month](#); the [same percentage report](#) having taken on personal debt or dipped into personal savings to cover shortfalls.

Meanwhile, New York’s so-called “economic development” programs have drawn criticism from the [left](#), [right](#) and [center](#) for ineffective spending and straight-out corruption.

Our state leaders, including both former Gov. Andrew Cuomo and Gov. Hochul, have thrown money at private businesses in wild and wasteful ways. A data and call center in Lockport got a half-billion in subsidies amounting to [\\$2.4 million for every job](#) created. A money-losing start-up just got a quarter-billion in subsidies to create 68 jobs in rural Genesee County; that’s a ridiculous [\\$4 million per job](#).