

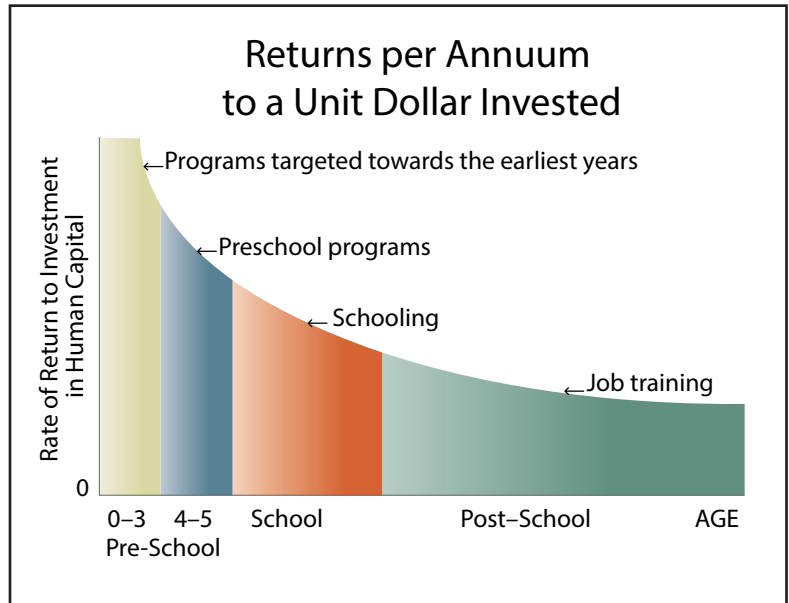
CORE ISSUES

The Disconnect: Why Our Investment Strategy in Tomorrow's Workforce Needs Re-Thinking

The Neuroscience

Nebraska employers need workers who not only bring cognitive skill and technical knowledge to the labor market, but also fundamental traits of character like reliability, problem solving ability and task focus. These assets are rooted in children's earliest years, when human neural circuitry is most flexible and responsive to everyday interactions and environments.

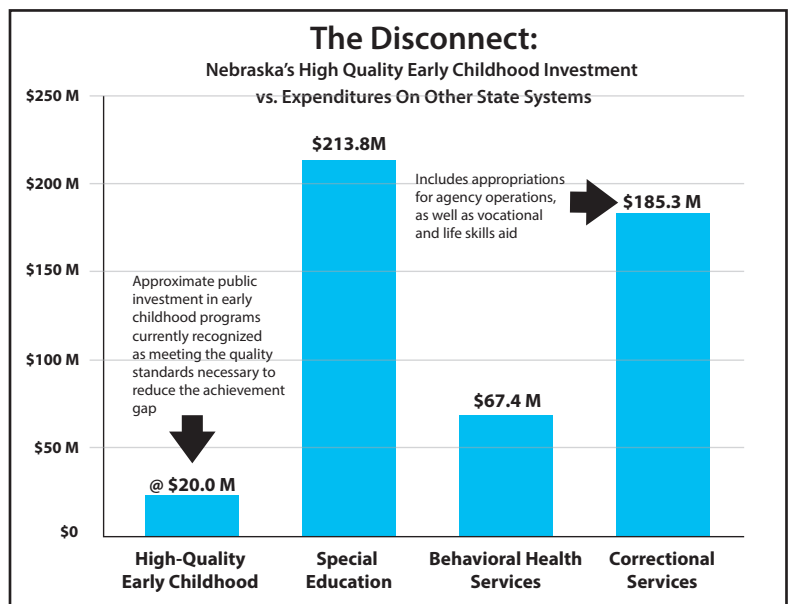
As children approach school age, however, this circuitry becomes less supple, making it harder to acquire new skills and traits or correct problems in the foundational wiring of the brain. Learning continues across a lifetime, but the earliest years are the best opportunity to develop the most fundamental assets of cognition and character that support academic achievement and workforce success.



Source: Heckman, James (2008). Schools, Skills, and Synapses. Economic Inquiry, 46: 289-324

The Disconnect

Economists agree that human capital investments made in children's earliest years yield the strongest returns in terms of lifelong productivity. Those returns begin to diminish rapidly even before children arrive at school age. Nevertheless, Nebraska spends far more on later interventions to compensate for deficiencies in early skill formation than we would by simply investing more strategically in our youngest children.



Sources: State of Nebraska General Fund Appropriations Summary, 2013-2015 Biennium by Agency as of 103rd Legislature, 2014 Session, DAS State Budget Division, 2/01/2015; LB905 Slip Law Copy; Sixpence Budget, Nebraska Department of Education 2013/2014 School District State Aid Certification Documents, 2014/15 State Aid To Be Paid Compared to 2013/2014 State Aid Paid By System

The Bottom Line

It is far more cost-efficient to cultivate healthy skill formation in Nebraska's youngest children than to delay our human capital investments until school-age or later.