

## **SCHOOLS, SKILLS, AND SYNAPSES**

**Dr. James Heckman, Nobel Laureate in Economics**

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Dr. Heckman developed a Working Paper, which was submitted to the National Bureau of Economic Research in 2008, looking at the origins of inequality and examining policies to alleviate it. The argument of this paper was summarized in the following 15 points.

- Many major economic and social problems such as crime, teenage pregnancy, dropping out of high school, and adverse health conditions are linked to low levels of skill and ability in society;
- In analyzing policies that foster skills and abilities, society should recognize the multiplicity of human abilities;
- Currently, public policy in the US focuses on promoting and measuring cognitive ability through IQ and achievement tests and do NOT evaluate important non-cognitive factors that promote success in school and life;
- Cognitive abilities are important determinants of socio-economic success;
- So are socio-emotional skills, physical and mental health, perseverance, attention, motivation, and self-confidence. They contribute to performance in society at large and even help determine scores on the very tests that are commonly used to measure cognitive achievement;
- Ability gaps between the advantaged and disadvantaged open up early in the lives of children;
- Family environments of young children are major predictors of cognitive and socioemotional abilities, as well as a variety of outcomes such as crime and health;
- Family environments in the US and many other countries around the world have deteriorated over the past 40 years;
- Experimental evidence on the positive effects of early interventions on children in disadvantaged families is consistent with a large body of non-experimental evidence showing that the absence of supportive family environments harms child outcomes;

- If society intervenes early enough, it can improve cognitive and socioemotional abilities and the health of disadvantaged children; Early interventions promote schooling, reduce crime, foster workforce productivity, and reduce teenage pregnancy;
- These interventions are estimated to have high benefit-cost ratios and rates of return;
- As programs are currently configured, interventions early in the life cycle of disadvantaged children have much higher economic returns than later interventions such as reduced pupil-teacher ratios, public job training, convict rehabilitation programs, adult literacy programs, tuition subsidies, and expenditure on police;
- Life cycle skill formation is dynamic in nature. Skills beget skills; motivation begets motivation. Motivation cross-fosters skill and skills cross-fosters motivation. If a child is not motivated to learn and engage early in life, the more likely it is that when the child becomes an adult, it will fail in social and economic life. The longer society waits to intervene in the life cycle of a disadvantaged child, the more costly it is to remediate disadvantage; and
- A major refocus of policy is required to capitalize on knowledge about the life cycle of skill and health formation and the importance of the early years in creating inequality in America, and in producing skills for the workforce.

Dr. Heckman's paper, supported by numerous research citations and mathematical equations, provided the detail to support the aforementioned points. Personally, the most revealing finding, again backed by a substantial body of research, was that **“earnings, employment, labor-force experience, college attendance, teenage pregnancy, participation in risky activities, compliance with health protocols, and participation in crime are strongly affected by cognitive and non-cognitive abilities. By non-cognitive abilities I mean motivation, socioemotional regulation, time preference, personality factors, and the ability to work with others.”**

Daniel Moynihan once opined that “Everyone is entitled to his own opinion, but not his own facts.” Despite the recent assertion from a Trump supporter that there is no such thing as facts anymore, data has consistently driven most of the business decisions I have made personally and professionally. I believe that approach has improved the OUTCOMES of most of those decisions. My involvement in this earliest phase of the workforce pipeline is driven by the empirical strengths and intuitive arguments made by the Heckman's of the world. As George Kaiser famously noted: EVERY CHILD DESERVES AN EQUAL OPPORTUNITY.