



Myers JDC
Brookdale

Public Investment in Human Capital in Early Childhood: Global and Israeli Perspectives Literature Review

Alexander Zablotsky

Editor (Hebrew): Sigal Ashkenazi

English editing (Abstract): Suzanne Brown

Graphic design: Efrat Speaker

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Myers JDC Brookdale Institute

P.O.B. 3886, Jerusalem 9103702, Israel

Tel: 02-6557400

brookdale.jdc.org.il/en | brook@jdc.org

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Abstract

Background

A substantial body of scholarly literature has examined how early childhood environments – from birth to the start of elementary school – impact on children’s outcomes in both the short and long term. Early childhood education and care settings are a major component of these environments, as many children spend a significant portion of their formative years in such settings. Participation rates in early childhood settings are high in developed countries, and there is considerable variation in public education policy models. Some countries offer targeted programs for disadvantaged populations, while others provide universal access based on age-based eligibility.

This review focuses on the professional literature on both targeted and universal policy models of public investment in early childhood education and care. It was commissioned by the Israeli Ministry of Education and carried out by the Myers-JDC-Brookdale Institute.

Objective

The review aimed to address three key questions:

1. What are the effects of both targeted programs and universal policies for early childhood education and care on individual participants and on broader societal well-being?
2. Under what conditions do early childhood education and care constitute a worthwhile public investment?
3. Is public investment in early childhood education and care more efficient than public investment in education or training at later life stages?

Methodology

The review is based on an analysis of international academic and professional literature, focusing on public policy models for early childhood education in Israel and other developed countries. It includes studies and position papers published over the past two decades, as well as meta-analyses of those studies.

Key Findings and Policy Recommendations

Seven core conclusions emerged from the literature:

1. In most cases reviewed, access to early childhood education and care had a positive effect on participants' outcomes in the short, medium, and long term.
2. However, some studies found no positive effects – and in some cases, even negative effects – associated with publicly funded early childhood education.
3. The positive effect of access to public early childhood education and care was especially evident among children from socioeconomically disadvantaged backgrounds.
4. Several researchers argue that universal early childhood education and care policy can serve as an effective tool for reducing social inequality.
5. The quality of early childhood educational settings, as reflected in teacher training and education, staff-to-student ratios, curricula, and the condition of physical infrastructure, is a crucial determinant of whether policies for providing early childhood education and care have the desired impact.
6. Reforms that expanded the supply of public early childhood educational settings were generally more successful than those that expanded the supply of private settings.
7. It is impossible to definitively conclude that the investment in early childhood education programs yields higher returns than investments in education or training programs for later ages.

Based on these conclusions, the following policy recommendations are offered:

- **Increase government investment in early childhood education and care for disadvantaged children**, as international evidence points to a high public return on such investment.
- **Evaluate each educational intervention on a case-by-case basis**, since public investment in early childhood education and care is not inherently superior to investment in education or training programs for later ages.
- **Condition public investment in early childhood education and care on quality standards**, including teacher qualifications, staff-to-student ratios, curricula, and the condition of physical infrastructure. Investing in low-quality educational settings is not worthwhile.
- **Invest in expanding the supply of publicly owned educational settings**, as this is preferable to investing in expanding the supply of private care.