

Early-life medical care and human capital accumulation

Medical care and public health interventions in early childhood may improve human capital accumulation as well as child health

Keywords: medical care, public health, children, schooling, test scores, human capital

ELEVATOR PITCH

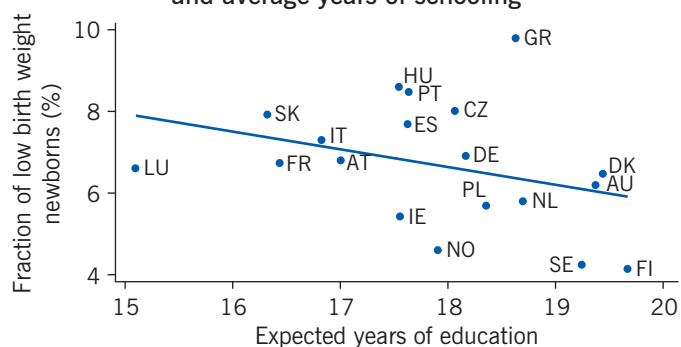
Ample empirical evidence links adverse conditions during early childhood (the period from conception to age five) to worse health outcomes and lower academic achievement in adulthood. Can early-life medical care and public health interventions ameliorate these effects? Recent research suggests that both types of interventions may benefit not only child health but also long-term educational outcomes. In addition, early-life medical interventions may improve the educational outcomes of siblings. These findings can be used to design policies that improve long-term outcomes and reduce economic inequality.

KEY FINDINGS

Pros

- ⊕ An array of medical treatments and public health interventions provided during early childhood results in better health in childhood and adulthood.
- ⊕ Early-life medical treatments and public health interventions improve academic achievement later in life.
- ⊕ At-risk children especially benefit from these interventions, which may reduce inequality.
- ⊕ The benefits of early-life interventions seem to extend to siblings as well.
- ⊕ It may be more productive to shift the policy discussion from increasing the number of prenatal visits to improving the quality of prenatal care.

There is a negative correlation between low birth weight and average years of schooling



Source: Calculations using 2012, OECD data. Online at: <http://stats.oecd.org/>

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Cons

- ⊖ For low-risk children, the evidence on the benefits of early-life medical interventions is mixed.
- ⊖ While certain public health interventions have well-documented health returns, little is known about their impact on human capital accumulation.
- ⊖ More research is needed to understand the causal pathways leading to the positive gains from early-life interventions.
- ⊖ Studies relying on sibling fixed-effects may under- or overestimate the causal impact if the effects of early-life interventions spill over to the siblings of treated children.

AUTHOR'S MAIN MESSAGE

Early-childhood medical treatments and public health programs improve children's lives and reduce child mortality. While the evidence is convincing that interventions lead to better health outcomes and to improved academic achievement later in life for at-risk children, the evidence is mixed on the impact on low-risk children. Policymakers should carefully consider potential differences in responses to public health programs across population groups when designing such interventions. Because siblings who are not directly exposed to these interventions may also benefit from them, policymakers should also take such spillovers into account.