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.

And out-of-control economic development programs have been marked by a string of corruption convictions for fraud, bribery and misuse of public funds, from Syracuse to Buffalo to Long Island.

A recent state Senate hearing demonstrated that officials at the relevant agencies still don't have any clear standards for awarding subsidies and don't keep track of returns on investment, if any. Beneficiaries of some subsidies claimed they were "successful" because they returned pennies on the dollar.

Sadly, Hochul hasn't proposed any reforms or reprogramming of that spending — and her proposal on early childhood spending only gets us a fraction of the way towards what's needed to assure quality care statewide.

Leading lawmakers and advocates are urging a bold new investment of $5 billion a year in early childhood education, and New York has the money to get it done.

Sure, there's a $6.4 billion surplus, and over $6 billion in federal funding, and over $9 billion in tax revenue from last year's successful reforms — but moving money out of ineffective, wasteful and corrupt corporate subsidy programs towards investments in early childhood education would be the smartest, most productive move Albany could make.

Art Rolnick, former director of research at the Federal Reserve Bank of Minneapolis, is currently an associate economist at the University of Minnesota.