

Early Education Commission

A community leadership collaborative supporting the United Way's goal of ensuring children are ready for school



United Way of
Metropolitan Atlanta

Research Abstract

Title: “Early Education’s Big Dividends: The Better Public Investment,” in Communities & Banking, Federal Reserve Bank of Boston

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Abstract

In this article the authors again present their argument that investments in early childhood are a better investment than providing public subsidies to companies to get them to relocate, noting that the latter does not create jobs – it just relocates them.

The authors cite longitudinal studies of early childhood education program returns of seven to 20 percent. They note some skepticism regarding achieving those kinds of returns in large-scale programs such as Head Start, noting that program has had “pockets of success,” but long-term results have been less than the results of programs such as the Perry Preschool, Abecedarian and others. They argue that large-scale programs can succeed if they are “market-based and incorporate four key attributes: a focus on at-risk children, parental involvement, measurable outcomes, and a long-term commitment.”

Their solution is to set up an endowment that would provide parents of at-risk children with scholarships to access high-quality early education programs, and that the program providers would then compete for these children. A pilot program begun in January 2008 in St. Paul, MN, provides scholarships of \$13,000 for two years of early childhood education to low-income families of three-year-old children, with parent mentoring for families as early as the prenatal stage.

The authors estimate a one-time investment of \$1.5 billion would yield enough income to fund annual scholarships for 17,000 children living below the poverty level and pay for parent mentoring, program monitoring and assessment. They conclude that this would be a better investment than “high-risk economic development schemes.”