

# **COST-BENEFIT OF EARLY** CHILDHOOD INTERVENTIONS

An increasing body of research links quality early childhood experiences to positive outcomes for children in educational achievement, economic wellbeing, and social behavior. The experiences and relationships in the first years of life have long-lasting effects on how children learn and develop, cope with stress, and handle their emotions. A 1998 Rand study of the impact of early care and education programs notes: "The period of early childhood development is thus unique - physically, mentally, emotionally, and socially. It is a period of both opportunity and vulnerability." Well-designed early childhood programs can promote healthy cognitive, emotional and social development.

Longitudinal studies suggest that there are long-term benefits for disadvantaged children who participate in programs intended to promote early childhood development, such as home visitation programs, parenting classes, Early Head Start, Head Start, preschool and kindergarten, and early intervention programs. Participants in quality early childhood programs exhibit greater motivation toward learning and achievement. They are more likely to be successful in school and to graduate, to have higher earnings and less welfare dependency; and to report fewer arrests and out-of-wedlock births.

There is increased recognition of the importance of early learning to ensure that children are ready for school, graduate from school, and are prepared to become part of a skilled workforce. Concerns about juvenile crime and teen pregnancy rates have led policymakers to search for new solutions to social problems, including a stronger focus on early prevention. Research suggests that there are significant long-term cost savings associated with quality early care and education programs, particularly for disadvantaged children. The High/Scope Educational Foundation reported in 1993 that for every dollar spent on a comprehensive pre-school program for disadvantaged children, society saves \$7.16 in overall schooling costs, welfare expenditures, and justice system and crime-victim expenses.

## THE HIGH/SCOPE PERRY PRESCHOOL STUDY

The most prominent study of both short-term and long-term benefits of early childhood care and education is the High/Scope Perry Preschool Study. The study is particularly well respected because it is the most ambitious longitudinal study to follow children from preschool through adulthood. The study group included 123 children living in poverty and at-risk for school failure who were randomly divided into a program group and a non-program group. The program group received a high-quality, active-learning preschool program and the non-program group received no services.

In the most recent study of the group at age 27, researchers found evidence that program participation had positive effects on welfare dependence, education, earnings, wealth, adult crime, and out-of-wedlock births. Participants exhibited the following characteristics when compared to the control group:

- Less likely to receive public assistance: 59% of the program group received welfare assistance or other social services as adults compared to 80% of the control group.
- More likely to be employed or in post-secondary education programs at age 19.
- Significantly higher monthly earnings at age 27 (\$1,219 versus \$766).
- Higher employment rates and home ownership rates.
- Fewer juvenile and adult criminal arrests, less likely to be chronic offenders in the criminal justice system, and less likely to be involved in more serious offenses: The program group averaged 2.3 arrests as compared to 4.6 arrests for control group.
- Fewer births to unmarried women: 57% of the births to women in the program group were to unmarried women compared to 83% in the control group.

## 1998 RAND STUDY REINFORCES THE BENEFITS OF EARLY CARE AND EDUCATION

Rand recently published an assessment of nine early childhood programs entitled, *Investing in Our Children: What We Know and Don't Know About the Costs and Benefits of Early Childhood Interventions*. After careful scrutiny of the research design and findings of the nine studies, Rand reports that the early childhood programs showed the following advantages for program participants relative to those in the control group:

- Gains in emotional or cognitive development for the child and improved parent-child relationships.
- Improvements in educational process and outcomes for the child.
- Increased economic self-sufficiency, initially for the parent and later for the child, through greater labor force participation, higher income, and lower welfare usage.
- Reduced levels of criminal activity.
- Improvements in health-related indicators, such as child abuse, maternal reproductive health, and maternal substance abuse.

## **EDUCATION BENEFITS**

"Preschool programs can mean the difference between failing and passing, regular and special education, or staying out of trouble."

The David and Lucille Packard Foundation, The Future of Children

Major longitudinal research studies have documented that quality early childhood care and education programs significantly improve academic outcomes, particularly for disadvantaged children.

Children who attend high quality early childhood education programs:

- Are better prepared for school because they have more advanced language and premath skills, more advanced social skills, more positive attitudes toward their child care experiences, and warmer relationships with their teachers.
- Score higher on intelligence tests through the primary grades and higher on standardized achievement tests through middle school.
- Are less likely to be placed in special education classes, classified as mentally retarded and held back in school.
- Are more likely to graduate from high school and to pursue postsecondary education.
- Demonstrate a stronger commitment to school, have better relationships with peers, and exhibit better classroom behavior.

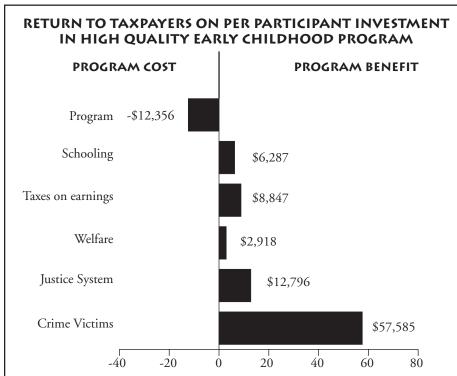


Several major studies have analyzed the cost-benefit to society of providing quality early childhood care and education to disadvantaged children.

In comparing program costs to the government savings the programs generate, Rand determined that there are at least four types of significant savings to government:

- Increased tax revenues based on increased employment and earnings by program participants.
- Decreased welfare outlays.
- Reduced expenditures for education, health, and other services, such as special education and remedial education expenses, emergency room visits, stays in homeless shelters.
- Lower criminal justice costs, including arrest, adjudication, and incarceration expenses.

The Center for the Future of Children estimates that the national cost of failing to provide quality early childhood care and education is \$100,000 for each child born into poverty.



In 1993 researchers for the High/Scope Perry Preschool Study conducted a systematic cost/benefit analysis to estimate the effects of a high quality early childhood care and education program. High/Scope found that the \$12,356 investment per participant provided a total return to taxpayers of \$88,422, which is \$7.16 for every dollar invested.

Source: Schweinhart, L.J., H.V. Barnes, and D.P.Weikart (1993). Significant Benefits: The High/Scope Perry Preschool Study Through Age 27 (Monographs of the High/Scope Educational Research Foundation, 10). Ypsilanti, Michigan: High/Scope Press.

#### **ECONOMIC BENEFITS**

"Increasingly, child care has become an issue in which children, parents, business, and society have a converging interest. Business and the economy as a whole gain a more productive work force when employees feel confident that their children are secure and learning. And society as a whole benefits when more families are selfsufficient and the next generation of citizens is well prepared for its adult responsibilities."

Committee for Economic Development, Why Child Care Matters

Research suggests that quality early childhood programs have a high payoff for business as well as participating families. New challenges brought by welfare reform and changing economic trends have focused attention on the need to help working parents succeed in the labor market. Studies show that quality early childhood education programs not only support parents as productive workers, they provide important building blocks for children to become more motivated learners and workers.

Increased access to high quality early childhood education programs can improve the success of welfare reform efforts and improve worker productivity.

- Parents who receive early childhood education services are more likely to complete job training and obtain and maintain paid employment.
- Parents of children in quality early childhood education are more likely to be productive workers because they are less hampered by child care problems that result in frequent employee turnover and absenteeism.

### POSITIVE OUTCOMES ARE LINKED TO PROGRAM QUALITY

Research studies indicate that successful outcomes for children are directly linked to the level of quality of early care and education programs. The factors most often associated with quality programs are: well-prepared and compensated providers, small group size and low staff-to-child ratios, low staff turnover, parental involvement, and a safe, healthy and comfortable environment. Without close attention to quality factors, cost savings and beneficial outcomes may not be recognized.

A recent study by the High/Scope Educational Research Foundation and the National Association for the Education of Young Children identified 10 exemplary programs. The study found that the best early care and education programs:

- Provide higher than average salaries and benefits for staff.
- Have a staff turnover rate of 13.5% as compared to turnover rates for average programs that are as high as 50%.
- Emphasize professionalism among staff.
- Involve parents in the program.
- Seek help and support from outside resources.



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