

# **THE ECONOMIC PROMISE OF INVESTING IN HIGH-QUALITY PRESCHOOL: Using Early Education to Improve Economic Growth and the Fiscal Sustainability of States and the Nation. The Committee for Economic Development, 2006**

## **Overview**

Preschool programs have long prepared children for early educational success, but investing in high-quality early education also offers promising ways to strengthen the future economic and fiscal position of our country. In the future, ensuring U.S. economic competitiveness and growth will require a highly educated and skilled workforce. Without improvements in education, demographic changes will make it difficult to cultivate the skilled workforce needed.

## **Benefits of Preschool Programs**

Learning is cumulative, and children develop skills during their early years that facilitate later learning. Currently, America is wasting many of its education dollars on remediating past failures. Children who participate in high quality preschool demonstrate higher academic achievement, are less likely to repeat a grade or require special education classes and are more likely to graduate from high school and enroll in college.

## **Economic and Fiscal Benefits of Preschool**

Implementing preschool programs for all students is expected to generate significant public and private benefits, producing \$3 to \$4 in net present-value benefits for every dollar invested. For every preschool dollar spent, states are projected to recoup 50 to 85 cents in reduced crime costs and 36 to 77 cents in school savings.

## **Preschool Access, Quality, and Cost**

Providing preschool for all benefits virtually all children, not just those at risk because of socioeconomic disadvantages. Quality is paramount if preschool is to deliver its promised benefits. Extending high-quality, publically funded prekindergarten programs to all 3 and 4 year old children will be costly, requiring \$16 to \$27 billion annually in new funding. Despite the early cost, not investing in preschool will likely cost far more in the long run.

## **Conclusion/Recommendations**

While preschool is an economic and educational priority, it is also part of a continuum of necessary childhood investments, beginning in the prenatal months and spanning the infant, toddler, and later school years that together will have the greatest impact on children's development, and ultimately, the country's economic well-being. Because of this, the Committee for Economic Development made the following recommendations:

1. Communities, states, and the nation should make access to publically funded, high-quality preschool programs an economic and educational priority.
2. Publically funded preschool programs should meet the quality of standards necessary to deliver their potential economic benefits.
3. Federal, state, and local governments should consider the broad economic benefits of preschool when deciding how to allocate resources in the face of competing uses and demands.

(2006). *The economic promise of investing in high-quality preschool: Using early education to improve economic growth and the fiscal sustainability of states and the nation.* Washington, D.C.: Committee for Economic Development