

## Investing in preschool programs is a no-brainer

By Jim Wunderman

California's schools system needs a major overhaul, according to a newly released Stanford study entitled "Getting Down to Facts: A Research Project to Inform Solutions to California's Education Problems."

The report catapulted Sacramento lawmakers into their annual debate about school reform. But there's one piece of this discussion about which everyone agrees: affordable access to effective preschool gives kids the foundation they need to succeed in school and in life. So let's get down to facts about the merits of funding preschool.

Study after study has concluded that effective preschool provides eager young learners with early academic and social skills that prepare them for later learning. We know that good reading skills are the foundation for all future learning, and that the best time to build this foundation is before kindergarten.

Although there's no dispute about the value of preschool, unsurprisingly, the debate always bogs down over funding. That's because California has no shortage of needs, just a shortage of money. We know we need preschool, but we also know we need roads, health care, schools and prisons. So is preschool worth the investment?

To truly move the discussion forward this year, let's put away the crayons and the finger-paint, and get out our slide-rules and calculators. Let's leave aside the well-established societal benefits of early education, and simply crunch the cold, hard numbers to determine if preschool is a smart investment for California.

The fiscal reality is that investment in preschool provides an annual rate of return of at least 10%. That means that every time we invest in a preschooler, we "break even" financially by the time that child is a teenager. The Federal Reserve Bank of Minneapolis reports that investing in quality preschool programs yields a real internal rate of return of 16%, with a 12% return to the public and a 4% return to the individual in increased after-tax earnings and benefits.

A study by the RAND Corporation entitled "The Economics of Investing in Universal Preschool Education in California" found that investing public money to make preschool available to every 4-year-old in California would generate an estimated \$2 to \$4 in benefits for every dollar spent. That's in part because investing in one statewide class of preschoolers will allow those ½ million California students to ultimately contribute an additional \$2.7 billion to our economy.

Preschool pays healthy returns because the early years are the time in children's development when we can have the greatest impact. It's the time in their life when we get the most bang for our buck.

On average, children who attend quality preschool will earn more, be healthier, and be less involved in crime. More preschool means fewer criminals and more college graduates – exactly what California's economy needs.

Right now our prisons are busting at the seams and our students are falling behind. California ranks 48th out of the 50 states in student achievement. That's a ticking time-bomb that will leave our state's workforce

lacking the skills and education necessary to compete and succeed. Affordable access to quality preschool strengthens both the economy and the quality of the workforce.

In addition to benefiting the economy as a whole, individual businesses also profit. When working parents have affordable access to quality preschool, businesses see improved recruitment and retention, better job performance and productivity, and reduced turnover and absenteeism.

That's why the nonpartisan Legislative Analyst's Office (LAO) in its analysis of the state budget currently under consideration, recommended a roadmap to invest in preschool for all of California's low-income 3- and 4-year olds. The LAO concluded that "The long-term returns to quality preschool services... have been documented through long-term evaluations.... Given the strong evidence about the long-term benefits of early childhood development programs, our roadmap would set as a goal providing access to preschool classes for all low-income 3- and 4-year olds."

Certainly all children benefit from preschool, but when resources are scarce, the state should invest first in preschool for children who need it most. Giving low-income students greater access to quality teachers gives kids the opportunity they need to succeed in an increasingly competitive and globalized workforce. It's a win-win for California – preschool benefits both our kids and our economy.

Investing in preschool makes sense for California – dollars and sense. Just do the math.

*Jim Wunderman is president and CEO of the Bay Area Council, a business-sponsored, public-policy advocacy organization for the nine-county Bay Area. The Council proactively advocates for a strong economy, a vital business environment, and a better quality of life for everyone who lives here.*