What do Preschool Quality and Costs Tell Us About Having Targeted or Universal Programs?

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State of the Research on Preschool

• Preschool can have high payoffs
• Dependent on quality of program
  – Also importantly on quality of *counterfactual* – i.e. *what else* the child would have been doing
• Emerging evidence: important to treat most/all children
  – Reduces mismatch, changes what can be taught in subsequent grades
  – Makes designing targeted programs a challenge
Expanding Preschool Enrollment

- Most high-SES children already attend preschool
  - Overwhelmingly at private preschools

- Low-SES attendance lags, is growing
  - Almost all public programs
  - State-funded programs
  - Head Start ~10%

- Attendance gap mirrors achievement gap

Source: Cascio & Schanzenbach, 2013.
Evidence: Preschool can increase learning if it improves quality of learning environment

- Perry preschool
  - Narrowly targeted
  - Intensive intervention
  - Large change in learning environment
- Strong lifetime impacts
  - $8 return for every $1 spent (Heckman)

Source: Cascio & Schanzenbach 2014.
Evidence: Preschool can increase learning

*if it improves quality of learning environment*

- **Head Start**
  - (less) Narrowly targeted
  - Less intensive intervention
  - Substantial (but smaller) change in learning environment

- **Positive lifetime impacts**
  - Smaller than Perry
  - Studies from Currie, Deming
Evidence: Preschool can increase learning if it improves quality of learning environment

- Preschool today
  - More children attend overall
  - High-SES attend private, high quality programs
  - Low-SES attend public programs, varied quality
  - Head Start less likely to represent improvement relative to counterfactual – that is, what child would otherwise do
Evidence: Preschool can increase learning

*if it improves quality of learning environment*

- High-quality public program: low SES
  - Improves skills
  - Smaller improvement b/c counterfactual higher
  - Smaller payoff

- High-quality public program: high-SES
  - Substitution from private to public
  - May even reduce skills
  - Public costs increase
  - Families better off, less out of pocket spending

Introduce high-quality, universal public program

Skills improve

Home inputs (no preschool)

Preschool today (public + private)

Skills may decline

Quality of learning environment

Socio-economic status
Evidence: Preschool can increase learning if it improves quality of learning environment

- Impact depends on
  - Quality of the counterfactual
  - Level of quality of new public program

- Cost depends on participation
  - Substitution from private to public increases costs, does not increase skills
Evidence: Literature broadly consistent with this framework

- Oklahoma & Georgia
  - High-quality, universal preschool
- Low-SES children
  - Increase in attendance
  - Impacts on test scores at end of preschool (Gormley & Gayer)
  - Persistent impacts on 4th and 8th grade math scores (Cascio & Schanzenbach)
- High-SES children
  - Some attendance increase, more substitution
  - No positive impacts on test scores
  - Less out-of-pocket spending on childcare
What does this mean for preschool program design?

• Targeted, high-quality preschool?
  – Caveat: new, disappointing results from Tennessee
  – Why?
    • Quality not really high? (notoriously difficult to measure & incentivize at scale)
    • Too few kids with access? (skills mismatched to kindergarten classroom?)

• How maximize bang for public $?
  – Universal, high-quality program, with
    • High/full subsidies to low-income children
    • Carefully consider cost-sharing for higher-income children
Take-Aways

• Preschool important
  – Not a miracle cure
  – Strong research evidence that it is cost-effective

• Impacts depend on quality of program
  – Also importantly on quality of *counterfactual* – i.e. *what else* the child would have been doing
  – Counterfactual varies across socio-economic status

• Near-universal attendance is reasonable goal
  – *Free* for all not necessarily the right policy
  – Cost-sharing for high-SES families an important policy choice