

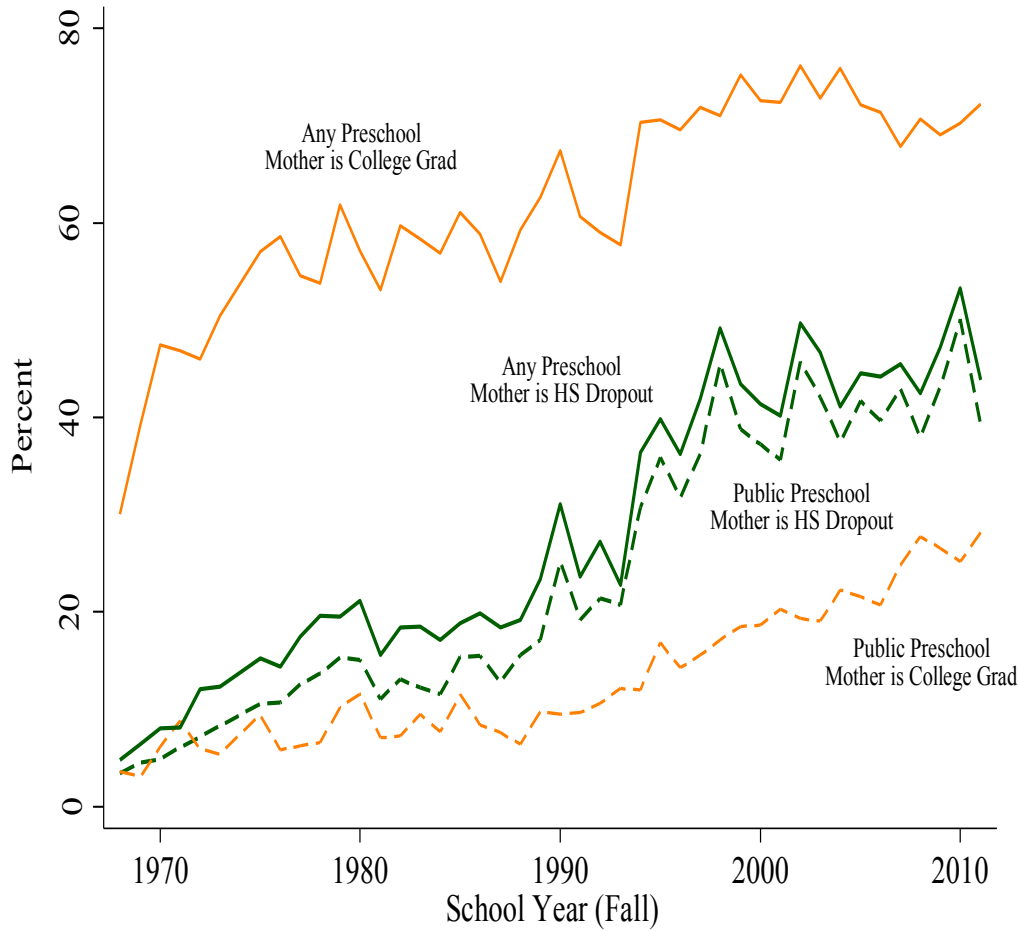
What do Preschool Quality and Costs Tell Us About Having Targeted or Universal Programs?

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State of the Research on Preschool

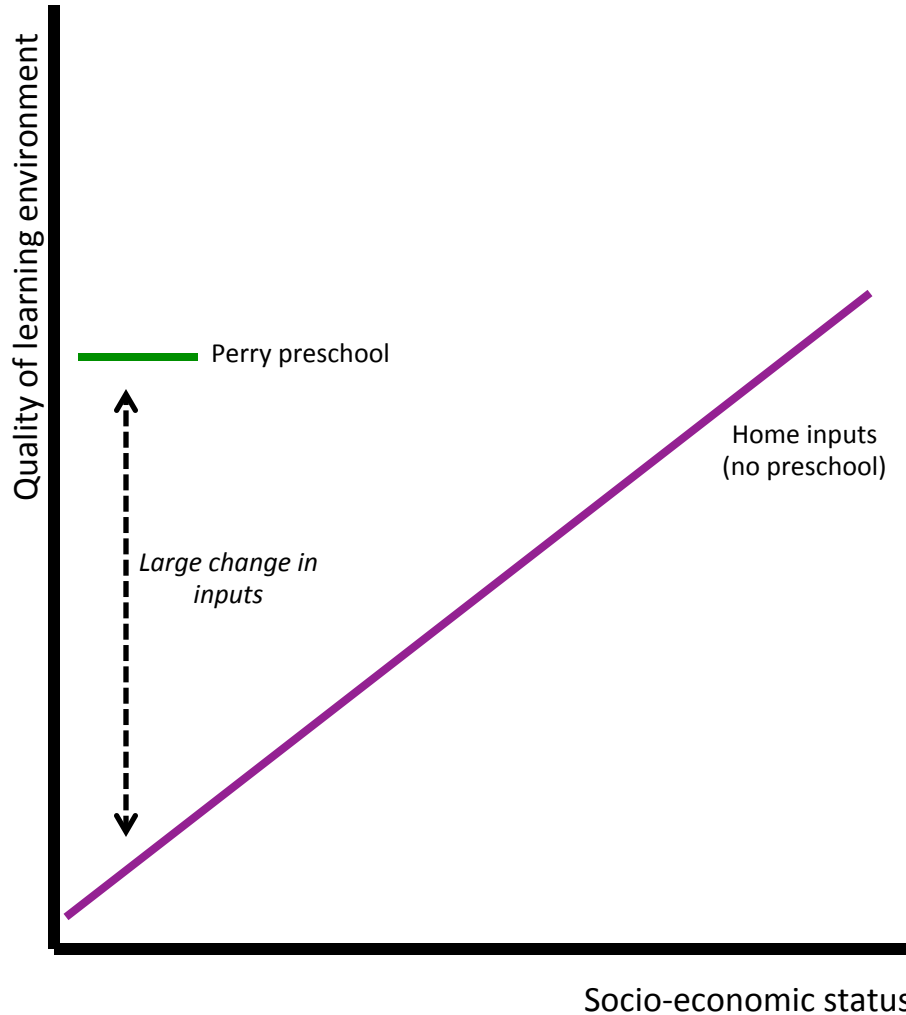
- Preschool can have high payoffs
- Dependent on quality of program
 - Also importantly on quality of *counterfactual* – i.e. *what else* the child would have been doing
- Emerging evidence: important to treat most/all children
 - Reduces mismatch, changes what can be taught in subsequent grades
 - Makes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

Expanding Preschool Enrollment



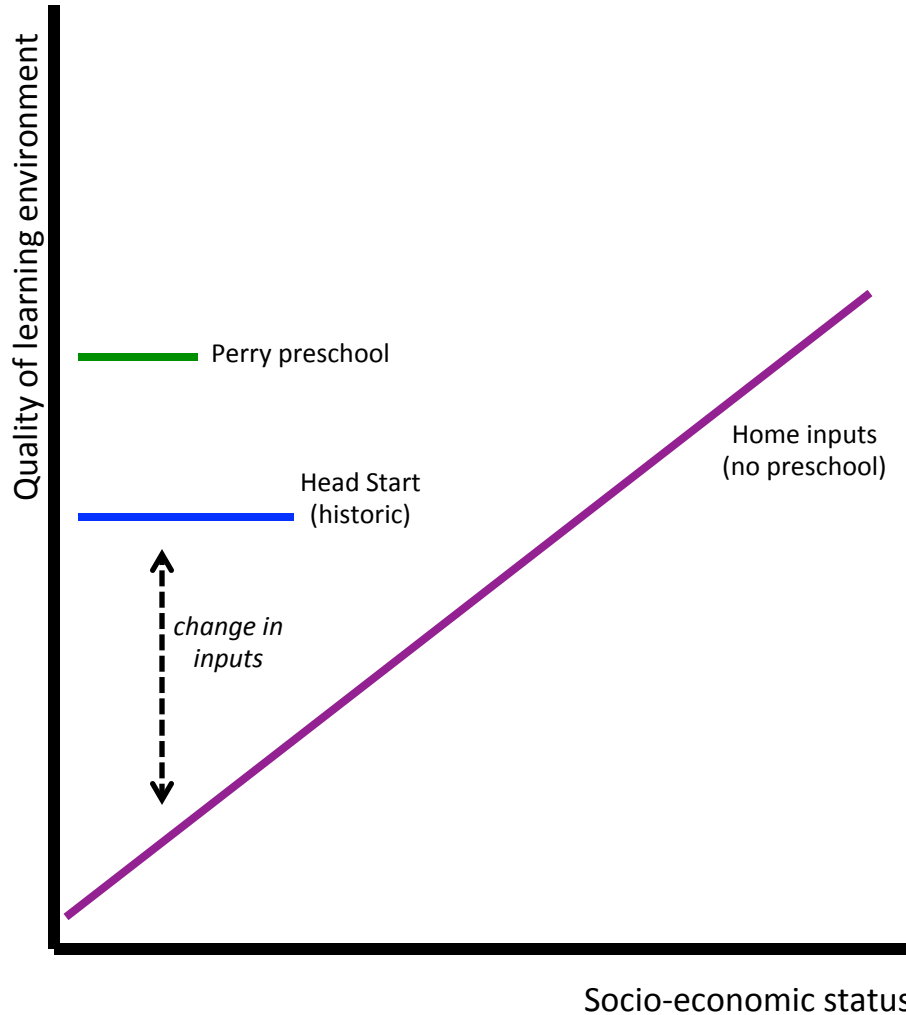
- Most high-SES children already attend preschool
 - Overwhelmingly at private preschools
- Low-SES attendance lags, is growing
 - Almost all public programs
 - State-funded programs
 - Head Start ~10%
- Attendance gap mirrors achievement gap

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)

Evidence: Preschool can increase learning *if it improves quality of learning environment*



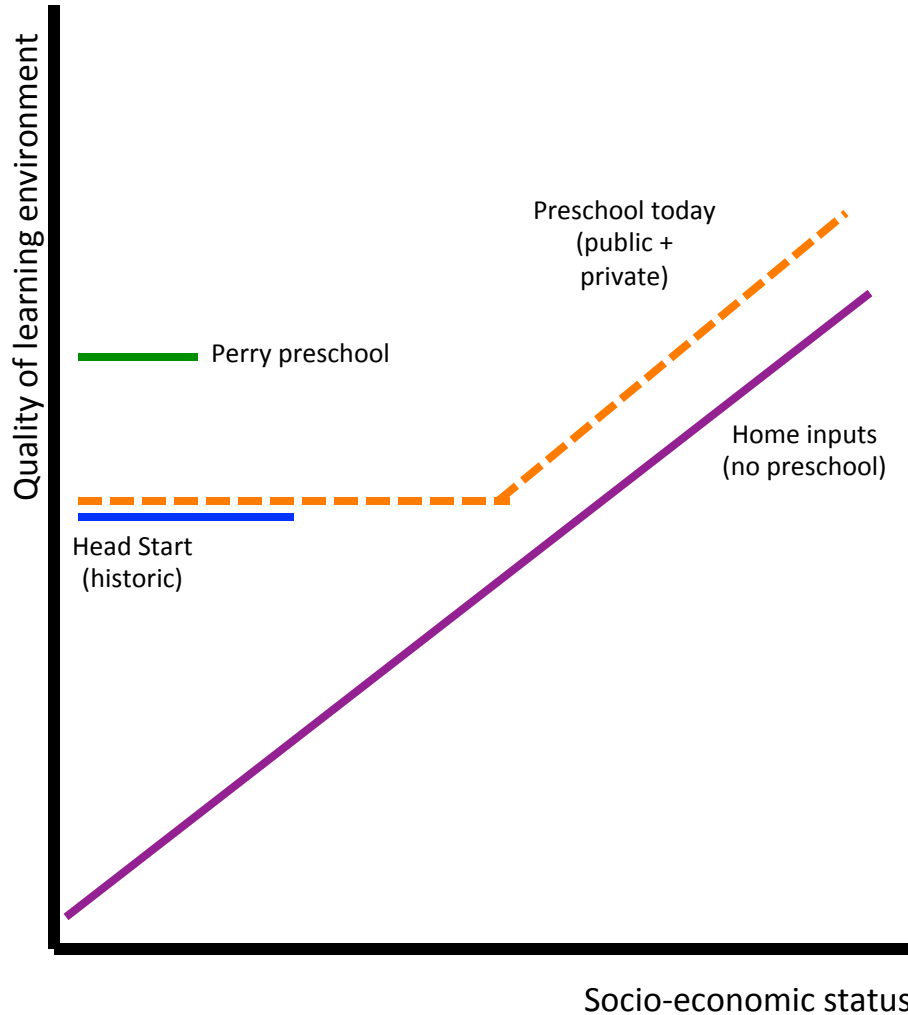
▶ Head Start

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

▶ Positive lifetime impacts

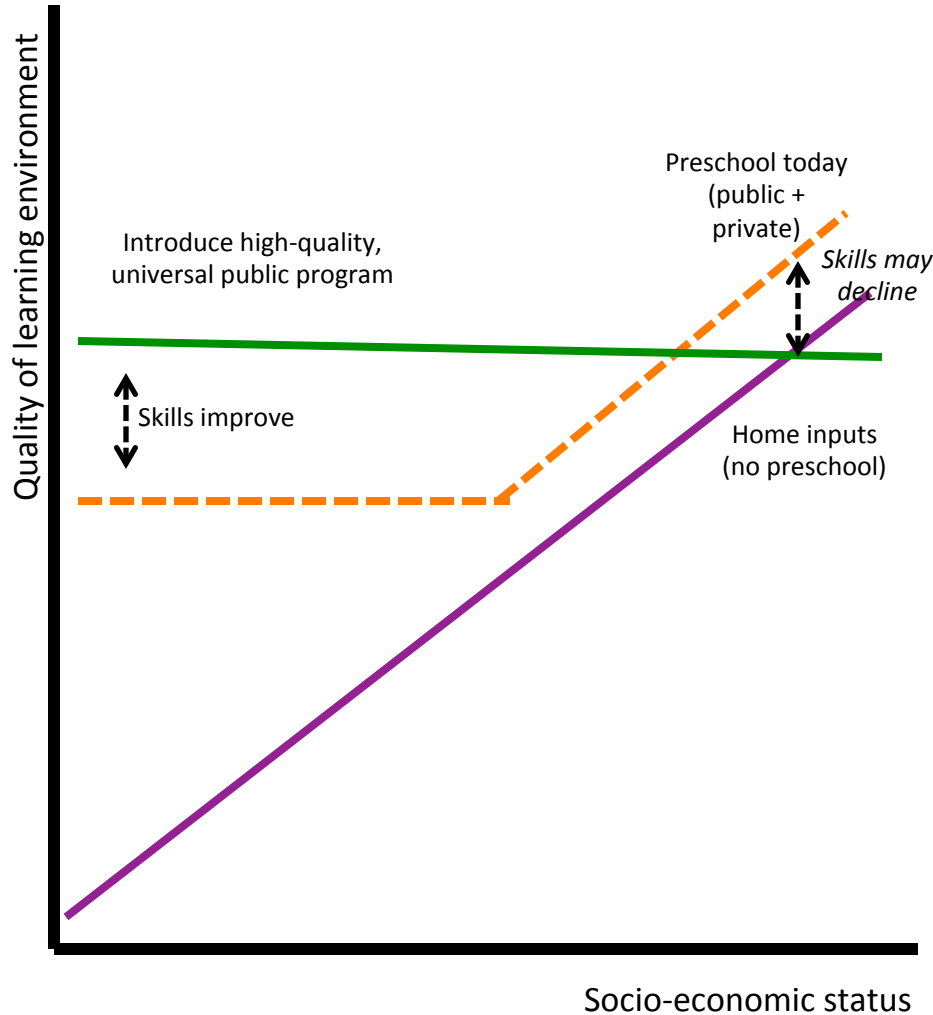
- ▶ Smaller than Perry
- ▶ Studies from Currie, Deming

Evidence: Preschool can increase learning *if it improves quality of learning environment*



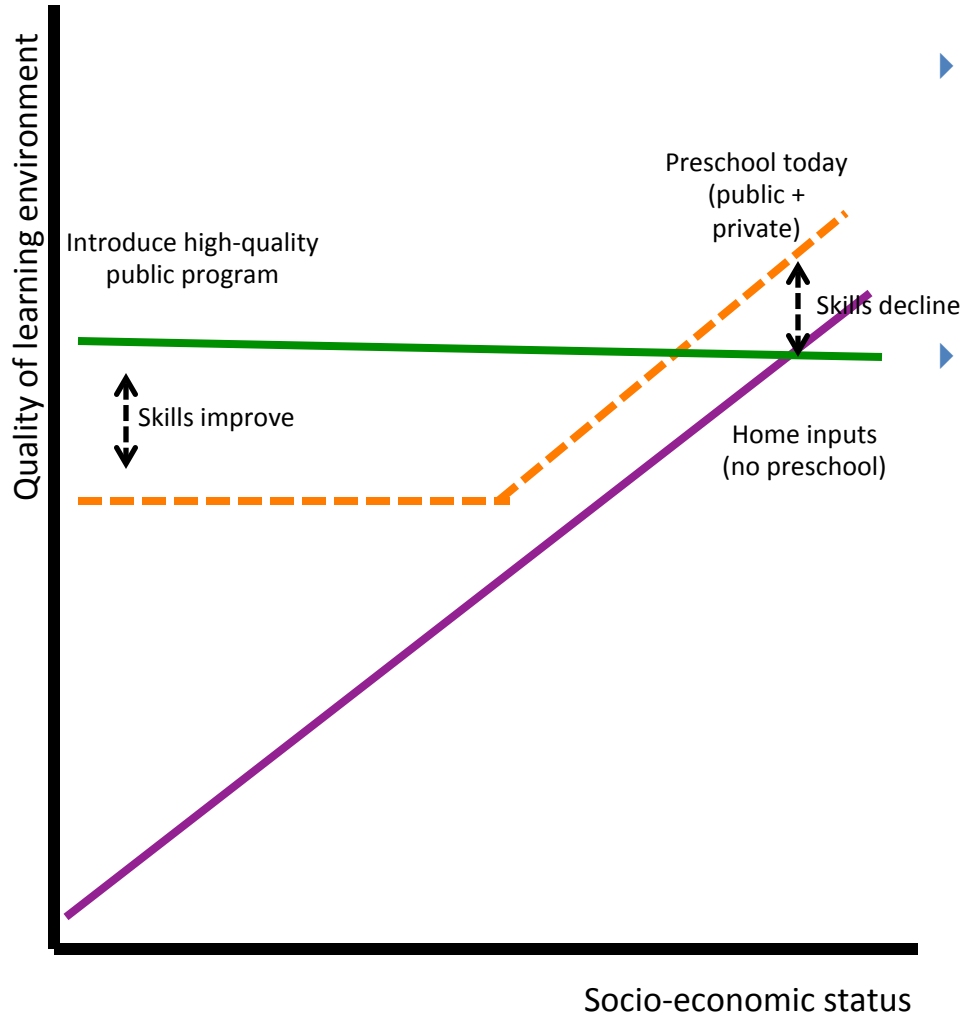
- ▶ Preschool today
 - ▶ More children attend overall
 - ▶ High-SES attend private, high quality programs
 - ▶ Low-SES attend public programs, varied quality
 - ▶ Head Start less likely to represent improvement *relative to counterfactual – that is, what child would otherwise do*

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

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

