

Lit Scan

Facts & Figures from the Colorado Literacy Research Initiative

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Estimating the Value of Early Childhood Care & Education for At-Risk Colorado Preschoolers

According to Census Bureau estimates released early last year, there were 58,880 Colorado children under age 5 living in poverty in 1993. Figures released last Fall by the Current Population Survey indicate that 39.8 percent of those children—or 23,434—were ages 3 and 4.

**Table 1 – Costs & Benefits Per Child of
Early Childhood Care & Education Programs for
At-Risk Children, 1990 Dollars**

Cost or Benefit	Recipients of Costs and Benefits		
	Whole Society	Preschool Participants	General Public
Preschool Cost	\$ (12,356)	---	\$ (12,356)
Benefits			
Child Care	738	738	---
K-12 Education	6,872	---	6,872
Adult Education	283	---	283
College	(868)	n/a	(868)
Employment	30,331	21,484	8,847
Crime	70,381	---	70,381
Welfare	265	(2,653)	2,918
Net Benefits	\$108,002	\$ 19,569	\$ 88,433

Source: http://www.futureofchildren.org/lto/02_tbl3.gif

In 1995, Rutgers University's Steven Barnett reviewed 36 studies of early childhood care and education (ECCE) efforts—both large-scale public programs and model demonstration projects—to assess their short- and long-term effects on poor children. Short-term effects—ones that last into the early elementary grades—documented by this research include higher IQ scores, less grade retention, fewer special education placements, and improved language skills. Research also provides evidence for comparable long-term effects. Additional long-term effects—one lasting at least into adolescence—include better socialization (i.e., development of socially acceptable values and behavior) and a greater likelihood of high school graduation.

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In 1996, Barnett published **Lives in the Balance: Age-27 Benefit-Cost Analysis of the High/Scope Perry Preschool Program**. This ambitious longitudinal study compared the life outcomes of 123 at-risk children who were randomly divided into two groups—one which received a high-quality preschool program and the other which had no preschool experience. This analysis included the costs of a high-quality preschool program; the reduced costs of conventional child care, crime; and welfare; the costs of college education; and savings from K-12 and adult education, increases in employment and earnings. Taking all of these factors into account, he found that high-quality ECCE programs generate over seven dollars in savings for every dollar invested. (See Table 1.)

Table 2 – Potential Costs & Benefits of Early Childhood Care & Education Programs for At-Risk Colorado Preschoolers, 1990 Dollars

Cost or Benefit	Recipients of Costs and Benefits		
	Whole Society	Preschool Participants	General Public
Preschool Cost	\$ (289,550,504)	---	\$ (289,550,504)
Benefits			
Child Care	17,294,292	17,294,292	---
K-12 Education	161,038,448	---	161,038,448
Adult Education	6,631,822	---	6,631,822
College	(20,340,712)	n/a	(20,340,712)
Employment	710,776,654	503,456,056	207,320,598
Crime	1,649,308,354	---	1,649,308,354
Welfare	6,210,010	(62,170,402)	68,380,412
Net Benefits	\$2,530,918,868	\$458,579,946	\$2,072,338,922

Source: CLRI (based on figures from Barnett, Current Population Survey, and U.S. Census Bureau—see Table 1)

Applying these figures to a single cohort of at-risk preschoolers in Colorado, an investment of \$289.6 million in ECCE programs could generate over \$2.1 billion in benefits to the preschoolers themselves and society as a whole. (See Table 2.)

SOURCES

- Current Population Survey, Table 23. Single years of age—Poverty Status of People in 1997 (Numbers in thousands) (http://ferret.bls.census.gov/macro/031998/pov/new23_004.htm)
- High/Scope Educational Research Foundation, High-Quality Preschool Program Found to Improve Adult Status (<http://www.highscope.org/research/Perry%20fact%20sheet.htm>)
- U.S. Census Bureau, Table E93-00. Estimated Number and Percent of People Under Age 5 in Poverty by State: US 1993 (http://www.census.gov/hhes/www/saipe/saipe93/estimate/e93_00.htm)
- W. Steven Barnett, Long-Term Effects of Early Childhood Programs on Cognitive and School Outcomes, *The Future of Children*, v. 5, n. 3, Winter 1995 (http://www.futureofchildren.org/lto/02_lto.htm)

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