Hot Topic: Investing in Early Childhood Education

Brian Holst, Juneau
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Invest in Talent:
Let’s fill Alaska’s Talent Pipeline!
Invest in Early Childhood Development

1. You improve education
2. You improve health
3. You decrease crime
4. You achieve global competitiveness
5. You decrease inequality
6. You make a stronger America….

(James Heckman)
EARLY CHILDHOOD DEVELOPMENT IS A SMART INVESTMENT

The earlier the investment, the greater the return

Source: James Heckman, Nobel Laureate in Economics
“Investment in early childhood development programs brings a real (inflation adjusted) total return, public and private, of 16%. We are unaware of any other economic development effort that has such a public return...”

Art Rolnick, SVP and Director of Research, Federal Reserve Bank of Minneapolis
Results of longitudinal study following 123 children from preschool to age 40.
Is there Evidence that this is real?
40 Year Study: High/Scope Study of Perry Preschool

• In early 1960s, 123 children from low-income families in Ypsilanti, Michigan
• Children randomly selected to attend Perry or control group.
• High-quality program with well-trained teachers, daily classroom sessions and weekly home visits.
• Tracked participants and control group through age 40.
Major Findings: High/Scope Perry Preschool Study at 40

- Arrested 5+ times by 40: Program group 36%, No-program group 55%
- Earned $20K+ at 40: Program group 40%, No-program group 60%
- Graduated high school: Program group 77%, No-program group 60%
- Basic achievement at 14: Program group 49%, No-program group 15%
- Homework at 15: Program group 61%, No-program group 38%
- IQ 90+ at 5: Program group 28%, No-program group 67%
Perry Preschool Benefits far outweigh the Costs

- Welfare Payments
- Crime Victims
- Justice System
- Higher Participants' Earnings
- K-12 Ed
- Program Cost

For Public
For Participant

Source: Schweinhart, et al. (2005)
Perry Preschool has a great ROI
Estimated Return on Investment (ROI)

- Benefit-Cost Ratio = $16 to $1
- Annual Rate of Return = 18%
- Public Rate of Return = 16%
- Heckman Reanalysis = 10%

Sources: Schweinhart, et al. (2005); Author’s calculations; Heckman, Moon, Pinto, Selyez, & Yavitz (2010)
What’s the return on $20 invested in early childhood education?

$20
- $9.63 education savings
- $18.57 additional taxes on earnings
- $3.65 welfare savings
- $226.13 crime and punishment savings

$257.98 total return on investment

Participants in preschool programs earn 14% more than they would have otherwise; additional lifetime earnings of $156,490.

Alaska Head Start Programs

<table>
<thead>
<tr>
<th>2015 3047 children served 0-3</th>
<th>Employed 900 staff</th>
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<tr>
<td>2015 1400 4yr old children</td>
<td>$30,000,000 in federal grants</td>
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<tr>
<td>50% of the students receiving special education</td>
<td>$6,800,000 in state grants</td>
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Imagination Libraries in Alaska
Alaska supports Early Learning through DEED

Early Learning

- Head Start
- Pre-Elementary Grants
  - Three Year Renewal Grants
  - Development Grants
- Parents as Teachers
- Early Childhood Literacy
- Pre-Elementary Approval
- Professional Learning for Early Educators

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Not enough: Alaskan Kids are not ready for Kindergarten

- Districts administer the Alaska Developmental Profile (ADP) to all kindergarten students.
- The ADP is a tool based on multiple teacher observations recorded during the first four weeks of school.
- The ADP includes 13 sets of skills and behaviors (“goals”) in five domains.
- Three ratings
  - 2 = Consistently demonstrates (80% or more of the time)
  - 1 = Progressing
  - 0 = Does not demonstrate (20% or less of the time)
Kindergarten Preparedness scores in Alaska are headed in the wrong direction

Find Alaska Developmental Profile, ADP here:

https://education.alaska.gov/tls/Assessments/developmental.html
2015-2016 Kindergarten Readiness

- 16.3% of students demonstrated Kindergarten Readiness on all 13 goals.
- 11.9% of students demonstrated Kindergarten Readiness on 11 or 12 goals.
- 71.8% of students demonstrated Kindergarten Readiness on 10 or fewer goals.

Legend:
- Students Demonstrating Kindergarten Readiness on all 13 Goals
- Students Demonstrating Kindergarten Readiness on 11 or 12 Goals
- Students Demonstrating Kindergarten Readiness on 10 or Fewer Goals
To achieve better results, a stronger Early Learning System is needed

Key components:
• Prenatal and infant wellness
• Parents As Teachers home visiting
• Imagination Library and literacy supports
• High quality child care for working parents
• High quality pre-kindergarten
There are resources: Two Alaska Pre-Elementary Grant Program Opportunities

Three-Year Renewal Grants

One Year Planning and Development Grants

Alaska Pre-Elementary Goals
Investing in Early Care and Learning helps Kids and the Economy (mostly).

• 1 in 7 (15%) of Alaskan workers are able to work because of the Early Care and Learning sector.

• $2 billion is approximately added to the economy as annual earnings by adults able to participate in workforce because of early care and learning services.

• Increases standard of living of working families

• Every dollar spent on early care and learning in Alaska returns $1.50 in economic activity.

• Wages are too low to attract and sustain a high-quality workforce

• Cost of care is beyond many parents

• Child-care is often an untenable business model

McDowell Group Study in 2015
Reasons for supporting High Quality Early Learning

• Help children enter kindergarten with the skills needed to succeed in school
• Increase high-school graduation rates and college attendance
• Reduce teen pregnancy rates, crime, and other social problems
• Reduce long-term social costs for special education, child welfare, and public assistance
• Reduce inequality in society
• Raise productivity in society, maximize human potential
Reality is that many People Do Not Support High Quality Early Learning

- Costs too much (return on investment not recognized)
- Early education is the job of parents, not of schools or the government
- Harder to realize return on investment in short term
- Competing priorities (short-term needs trounce long-term strategy)
- Not needed by my kids....
Example: Best Start for Kids, King County (Seattle)

• Best Starts for Kids is an initiative to improve the health and well-being of King County by investing in prevention and early intervention for children, youth, families, and communities.

• The levy will generate about $65 million per year and cost the average King County property owner an estimated $56 per year, which is about one dollar per week. Over six-year 14 cents on $1,000 in property taxes.

• It will be the most comprehensive approach to early childhood development in the nation, starting with prenatal support, sustaining the gain through teenage years, and investing in healthy, safe communities that reinforce progress.
What can be done? An example from Juneau…

• The School Board has identified Kindergarten Preparedness as one of the major goals in Five-Year Strategic Plan
• Raise Awareness in our community
• Support a community Collective Impact initiative bringing together key stakeholders: ROCK Juneau
• Build out our capacity to deliver high-quality early learning
• Design and fund a Universal Pre-K in Juneau: Best Starts for Kids, Juneau!
• Use the resources we have (AK, Fed, Local, Tribal) but don’t wait!
Ready to invest?