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EARLY CHILDHOOD EDUCATION YIELDS SOLID ECONOMIC BENEFITS FOR U.S. ECONOMY AND SOCIETY

-New CED Report Shows the "Economic Promise" of Prekindergarten Programs -

MEMPHIS, TN, June 28, 2006 – American children, the United States' economy and our society can greatly benefit from improved and expanded early childhood education programs. This is the primary finding of a new report from The Committee for Economic Development (CED), a business-led public policy group. ***The Economic Promise of Investing in High-Quality Preschool: Using Early Education to Improve Economic Growth and the Fiscal Sustainability of States and the Nation*** reports on the measurable benefits to the U.S. economy and society from investments in high-quality prekindergarten programs. Implementing preschool programs for all students whose parents want them to participate is expected to generate significant public and private benefits, producing \$2 to \$4 in net present-value benefits for every dollar invested, having a positive impact on state budgets and boosting long-term economic growth. A December 2005 CED-commissioned Zogby International poll of business leaders shows that more than 80 percent agree that public funding of voluntary prekindergarten programs for all children would improve America's workforce and economic competitiveness. The positive impact from preschool programs on students' lives increases the likelihood that these students will become net economic and social contributors to society.

The report was released today at a luncheon forum at the FedEx Institute of Technology at the University of Memphis that featured remarks from Tennessee Governor Phil Bredesen, Dr. Shirley Raines, President, University of Memphis, Daniel Rose, Chairman, Rose Associates, Inc., Ira A. Lipman, Founder and Chairman, Guardsmark, LLC, Susan Urahn, Director of State Policy Initiatives, The Pew Charitable Trusts, and Charles Kolb, CED President. Mr. Rose and Mr. Lipman are CED Trustees.

Daniel Rose presented the findings of the CED report at the Memphis forum and noted, "The world's most successful economies are those with the best educated workers. If we can provide quality early education programs to all American children, we will see returns in our children, our economy, and our society, for years to come."

Preschool programs prepare students for early educational success, but investing in high-quality early education also has long-lasting effects, improving students' outcomes well into their adolescent and adult years. Economically, the long-term impacts of preschool programs translate into significant public and private benefits, with returns far exceeding the costs. Generating the expected returns requires investments in high-quality programs employing well-trained teachers that help children develop their academic, social, emotional, and physical skills.

"It is clear that prekindergarten for all American children will greatly benefit our economy and our society," said Ira A. Lipman. "This new CED report further quantifies the benefits and solidifies the argument for early education opportunities for all our children. Ensuring U.S. economic competitiveness and growth will require a highly educated and skilled workforce. Without improvements in education, demographic changes will make it difficult to cultivate the skilled workforce our country needs to compete." For the past twenty years, Ira Lipman and his wife, Barbara, have been major contributors to the Barbara K. Lipman Early Childhood School and Research Institute at the University of Memphis. Barbara K. Lipman is the Founder of the Montessori Program at the school that bears her name.

The Pew Charitable Trusts is a long-time supporter of improving early education in the United States and is a key source of funding for CED's early education research. Susan Urahn, Director, State Policy Initiatives, The Pew Charitable Trusts, said, "This nation is at a cross roads. We can either take the steps needed to keep our country competitive or cede that ground to other countries. The business community has recognized that investing in quality pre-k not only benefits young children's education, it makes smart fiscal sense for our states and our nation and contributes greatly to our communities' and our country's bottom line."

CED recommendations from *The Economic Promise of Investing in High-Quality Preschool*:

Communities, states and the nation should make access to publicly funded, high-quality preschool programs an economic and educational priority.

- The economic benefits of preschool will be greatest when all states implement high-quality, publicly funded early education programs and make preschool available to all three- and four-year-old children whose parents want them to attend.
- Preschool programs should provide adequate classroom hours to ensure improvements in student learning that will translate into economic benefits.
- States should embrace diverse providers that meet quality standards and the needs of the communities they serve.
- Maximizing program access and efficiency will require federal and state governments to coordinate publicly funded prekindergarten, Head Start, and child-care programs.
- Business should advocate preschool programs and other complementary childhood programs and services, emphasizing the strong returns on investment and the leveraging of current expenditures.

Publicly funded preschool programs should meet the quality standards necessary to deliver their potential economic benefits.

- To provide the greatest economic benefits possible, state prekindergarten programs and the federal Head Start program should assess their existing program standards and realign them with the factors known to contribute to improved early childhood learning and development.
- Preschool programs should adopt an age-appropriate, research-based curriculum that embraces whole-child development and is aligned with content standards in kindergarten and elementary education.
- All publicly funded preschool programs should employ high-caliber teachers with bachelor's degrees and specialized early education training.
- A national board should be created to review and report on state preschool standards.

Federal, state, and local governments should consider the broad economic benefits of preschool when deciding how to allocate resources in the face of competing uses and demands.

- Funding provided for preschool programs should be commensurate with the cost of providing a high-quality education to fully capture the economic benefits of these programs.
- Current state prekindergarten and federal Head Start budget allocations should be reviewed and, if necessary, revised to better support the critical elements of high-quality programs.
- Business should encourage states to fully fund preschool programs through a dedicated funding source.
- Preschool funding should allow for teacher compensation that is commensurate with the compensation of public elementary school teachers.

The Economic Promise of Investing in High-Quality Preschool: Using Early Education to Improve Economic Growth and the Fiscal Sustainability of States and the Nation and an executive summary can be found at www.ced.org.

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CED is a non-profit, non-partisan organization of more than 200 business leaders and university presidents. Since 1942, its research and policy programs have addressed many of the nation's most pressing economic and social issues, including education reform, workforce competitiveness, campaign finance, health care, and global trade and finance. CED promotes policies to produce increased productivity and living standards, greater and more equal opportunity for every citizen, and an improved quality of life for all.