



## Why Investing in Early Childhood Education Makes Business Sense

### Why Pre-k?

Research over the past 30 years clearly demonstrates the benefits of high quality pre-k. The most recent Texas-specific research was conducted by the Bush School of Government and Public Service at Texas A&M University. The conservative study is outlined in the report, "A Cost-Benefit Analysis of Universally Accessible Pre-Kindergarten Education in Texas," released in May 2006. The report examined both the short and long-term benefits of investing in pre-k programs such as child care, Head Start, and public school pre-k, including increased cognitive and social development, fewer special education referrals, reduced involvement in criminal activities, increased income and lifetime earnings for mothers, and improved work performance. The major finding of the study was that the benefits of investing in high quality early childhood education in Texas greatly outweighed the cost, and for **every \$1.00 invested, at least \$3.50 is returned to Texas communities.**

### Why is Pre-k important to Texas businesses?

**Employers pay \$3 billion a year due to absenteeism directly related to poor quality child care.** High quality early childhood education programs including child care, Head Start, and public pre-k can positively impact businesses' bottom line by supporting the current workforce and improving employee productivity. When working parents have access to stable, high-quality care for their young children, they experience lower levels of stress and diminishing concern about the well-being of their children during working hours resulting in increased work performance.

**Limited literacy skills cost business and taxpayers approximately \$20 billion per year in lost wages, profits, and productivity.** Quality pre-k programs also play a critical role in creating a strong future workforce. A high school diploma is no longer enough to compete in today's global economy. However, current demographic and education trends show a stark future for Texas. In the fastest growing state in the nation, more than 1 in 5 children are growing up in poverty. We know from research that young adults from high-income families are twice as likely to attend college compared to those from low-income families. In Texas, where a small percentage of students enrolled in postsecondary education are completing their degree, corporations are experiencing difficulty finding a qualified labor supply locally and are forced to recruit employees outside of state and national borders. According to Steve Murdock, Texas State Demographer, "expanded programs in early childhood education and development may be among the most effective means available to improve educational outcomes across the state and to narrow the educational gaps that divide Texas today." Children who participate in high quality early education programs are better prepared for school and less likely to drop out and economists have shown us that early childhood learning is more effective at getting students to college than tuition policy and credit help combined. If Texas wants to sustain its economic competitiveness in the future, the state must invest early in the educational needs of all students.

## Who Supports Pre-k?

Improving school readiness is a national priority. **Nobel Laureate and economist James Heckman, Microsoft CEO Bill Gates,** and the **National Governor's Association** are just a few of the leaders who have all come forward to warn states about the dangers of ignoring needed education reform and highlight early education as a solution.

In **Texas**, ensuring high quality early childhood education opportunities for our youngest citizens has become a priority for **legislators, voters, and local communities.**

**Legislative Support:** Pre-k is one of the few social and economic issues that both Republicans and Democrats in the House and Senate can agree is a priority for Texas. During the last three legislative sessions major early childhood education legislation was passed with bipartisan support including the creation and growth of the Texas Early Education Model (TEEM); eligibility expansion of the public prekindergarten program to include all three- and four-year-old children with parents on active duty, in an activated reserve unit, or who were killed or wounded in action; and most recently eligibility expansion of the public pre-k program to children in the foster care system.

**Voter Support:** A 2006 poll commissioned by United Ways of Texas and conducted by Impact Texas Communications, LLP found that Texans of all incomes, political affiliations, and diverse regions of the state agree that Texas children who attend pre-kindergarten are better equipped to succeed in school and in life.

<b>70% of Republicans, 78% of Democrats, and 70% of Independents support pre-k</b>			
<b>58%</b> of Texas voters have a favorable impression of public education, but <b>87%</b> think Texas should be doing more to prepare its children to be productive citizens	<b>75%</b> of Texas voters would be more likely to support a political candidate that favored pre-k for all children	<b>68%</b> of Texas voters believe it is important that pre-k be available in non-school settings, like non-profit or for-profit child care centers or faith-based organizations	<b>81%</b> of Texas voters believe pre-k is important to the overall learning potential of children

**Community Support:** The Texas Early Childhood Education Coalition (TECEC) represents more than 230 members throughout the state and has played a critical role at the Capitol working with legislative leadership and community stakeholders to develop public policy to support children's educational success. Key partners include Raise Your Hand Texas, the Texas Business and Education Coalition, United Ways of Texas, Texas Association of School Boards, the Texas Association for the Education of Young Children, and the Texas Licensed Child Care Association.