

Early Childhood Education Boosts Lifetime Achievement, Paper Finds

By Pedro Nicolaci da Costa



A preschool in Middletown, N.J., in September.

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Investments in early childhood education can pay for themselves because they substantially boost students' chances of educational and economic achievement over the course of their lives.

That was the finding of a paper presented at a conference on economic opportunity and inequality sponsored by the Boston Fed.

The paper argues that strong educational guidance in the early stages of life has huge long-term payoffs.

“We demonstrate that increasing enrollments for preschoolers in the year before school entry is a worthwhile investment that will have important economic payoffs in terms of increased human capital accumulation and later earnings,” write Katherine Magnuson of the University of Wisconsin, Madison and Greg Duncan, a professor at the University of California, Irvine.

“The benefits of even a moderately effective early childhood education program are likely to be substantial enough to offset the costs of program expansion,” the authors say.

The Boston Fed’s two-day research conference represents a rare effort by a central bank to address this controversial topic.

The paper’s authors say their findings are rooted in scientific studies that back the importance of early brain development.

“Environmental enrichment can promote cognitive development, whereas a variety of adverse experiences may shape cognitive development in ways that are ill-suited for later learning,” they said.

About 25% of U.S. children currently do not attend preschool before they enter kindergarten, the authors said.

They estimate it would cost \$9.6 billion to provide publicly-funded preschool services “for all children in the bottom three income quintiles.”