

# THE WALL STREET JOURNAL.

THURSDAY, AUGUST 9, 2007

© 2007 Dow Jones & Company, Inc. All Rights Reserved.

## GROWING UP

### As States Tackle Poverty, Preschool Gets High Marks

### New Lobbying Strategy Fuels National Move For Universal Classes

By DEBORAH SOLOMON

In Washington and statehouses across the country, preschool is moving to the head of the class.

Florida and Oklahoma are among the states that have started providing free preschool for any 4-year-old whose parents want it. Illinois and New York plan to do the same. Hillary Rodham Clinton wants to spend \$15 billion over five years on universal preschool funding. Federal Reserve Chairman Ben Bernanke calls preschool one cure for inequality.

The movement represents one of the most significant expansions in public education in the 90 years since World War I, when kindergarten first became standard in American schools. It has taken off as politicians look for relatively inexpensive ways to tackle the growing rich-poor gap in the U.S. They have found spending on children is usually an easy sell.

It took a well-orchestrated campaign to put pre-K on the top of political agendas—and new tactics that didn't rely on do-gooder rhetoric. Among those working on the issue are the research director of the Federal Reserve Bank of Minneapolis, a billionaire Oklahoma oil man and a foundation executive in Philadelphia.

Their winning pitch: Making pre-K as prevalent as kindergarten is a prudent investment. Early schooling, they say, makes kids more likely to stay in school and turn into productive taxpayers.

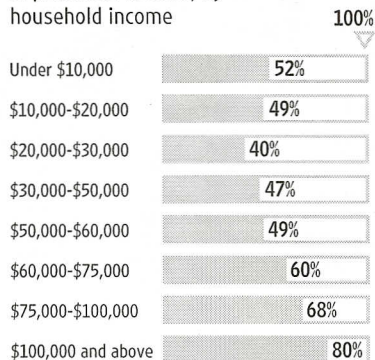
"Politicians have a choice to make. They can do things like build sports stadiums that



Susan Urahn

### Early Education

Portion of 3- and 4-year-olds in preschool in 2005, by household income



Source: National Institute for Early Education Research

offer virtually no economic return, or they can invest in early education programs with a 16% rate of return," says Art Rolnick, the Minneapolis Fed official, who came up with that number after reviewing a three-decade study of youngsters growing up in Ypsilanti, Mich.

So far, few organizations are pushing the case against preschool, but the argument does exist. Some skeptics predict the hefty return claimed by Mr. Rolnick would quickly shrink if states rush to make preschool universal. They cite some studies suggesting that Head Start, the federal program for disadvantaged preschoolers, gives children little edge when entering elementary school.

"The current full-scale Head Start program is having a disappointing impact on kids," says Douglas Besharov of the conservative American Enterprise Institute. "Pre-K is an important part of the tool chest for reducing the achievement gap . . . but will the return on investment be as great as people say? I don't think so."

Until recently, preschool was for a minority. Most American children began school at age 5 in kindergarten. In 1965, Lyndon Johnson created Head Start for disadvantaged children as young as age 3, part of his War on Poverty. Today, about 900,000 low-income children are enrolled in Head Start, which also includes programs in nutrition and health care.

In all, 55% of 3- and 4-year-olds are now enrolled in a school of some sort. The best-off are most likely to send their children to pre-K: In families with incomes of about

\$100,000, 80% of 3- and 4-year olds are enrolled, according to the Pew Charitable Trust's National Institute for Early Education Research.

### Fallen Short

The new pre-K advocates want more children—in some cases all children, in others all low-income children—to be in school before age 5. To the extent Head Start has fallen short of its goals, they argue, it is because federal and state funding is inadequate and the staff is sometimes poorly trained.

Thirty-eight states now help localities finance pre-K. They plan to spend \$4.2 billion in the year ending Sept. 30, 2007, up 75% from two years ago, according to Pre-K Now, a group that advocates universal pre-K. This year, 30 governors have called for increasing pre-K spending, including Massachusetts Gov. Deval Patrick, who endorsed the idea in June after a five-year push by advocates.

There have been setbacks. Virginia's Republican legislature this year rejected a universal preschool plan by the state's Democratic governor, calling the cost too high. In California, filmmaker Rob Reiner led a high-profile campaign to fund universal preschool last year with higher cigarette taxes. It failed amid concerns that it was a boon for the teacher's union and accusations that a state commission headed by Mr. Reiner improperly used public funds to lobby for the measure. (The state auditor later rejected that allegation, and at the time Mr. Reiner denied any impropriety.)

Preschool isn't mandatory, and states sometimes have trouble predicting how many parents will sign up for programs. One result is a shortage of funding in some states where demand has been greater than expected.

Staci Hamlin, a mother of two in Knoxville, Tenn., couldn't get her 4-year-old son, Blake, into state-funded preschool because the family's income of slightly more than \$50,000 a year was too high. The state has been trying to expand its program, but at the moment it's available primarily to families with annual income below 185% of the federal poverty line, which is \$20,650 for a family of four.



Art Rolnick

(over please)

"I've heard that the program is excellent and gets kids ready for kindergarten, and I really wanted to get him enrolled," Ms. Hamlin says.

A forerunner to the current nationwide push is Oklahoma, which has offered preschool to all 4-year-olds since 1998. Advocates often point to the state as a model. One study they cite, by Georgetown University researchers in 2003, said Tulsa children who went through preschool saw a 16% increase in test scores and improvement in cognitive skills.

The program has received key backing from George Kaiser, owner of Tulsa-based Kaiser-Francis Oil Co. Mr. Kaiser, 64, has committed about \$20 million of his family foundation's money to early education and child care, including employing two lobbyists in the state legislature. He says he got interested in the issues about eight years ago as he became "more and more frustrated that all of the billions of dollars we were throwing at the problem of endemic poverty was having little demonstrable impact."

In conservative Oklahoma, his pitch is pragmatic. "The most effective argument among conservative Republicans is that the folks we are helping are already in day care so that we are not taking them from a loving home," he says. "The kids . . . will end up as productive citizens rather than in the correctional system."

In 2001, the Pew Charitable Trusts, a Philadelphia foundation, reviewed its efforts over the years in K-12 education and found little to cheer. It considered dismantling the program.

Then the foundation's new director of education, Susan Urahn, urged the Pew board to look at preschool. Children's minds were like sponges at age 3, she pointed out. Three long-term studies suggested that children who went to preschool were less likely to be held back in higher grades and more likely to graduate. And pre-K was an easier playing field for policy entrepreneurs. Most preschool teachers don't belong to unions, and curricula are less entrenched.

"The fact that there is no well-organized system of early education at this point has its advantages," she wrote in a presentation to the Pew board in September 2001, urging it to take advantage of "an unusual opportunity to influence public policy."

Says Ms. Urahn, "The response from the board was two words: Do it."

Pew established its Pre-K Now advocacy group to support activists in states. It funded the National Institute for Early Education Research. To date, Pew has spent about \$58 million on the campaign, a substantial sum for a foundation that spends about \$250 million a year altogether.

One of Pew's grants, in 2003, provided \$542,000 to Columbia University's Hechinger

Institute on Education and the Media to "build media knowledge" of preschool. A 2004 Pew analysis said reporters had the perception that "early childhood education was not a 'big-time' story." The institute set out to change that with seminars to give journalists story ideas and tips on how to win prominent placement for the subject.

## Child-Care Providers

A May 2006 Hechinger report boasted that "just three days after the Hechinger seminar" a reporter for the Richmond Times-Dispatch wrote a story about the Virginia governor's plan to give public funding to child-care providers.

About two years into Pew's campaign, the Minneapolis Fed's Mr. Rolnick became an unlikely ally. A Fed economist since 1970, Mr. Rolnick had studied pre-Civil War banking and done research suggesting that governments are wasting money subsidizing sports stadiums. While he has two children, "I thought education started in kindergarten," he says.

In 2003, Mr. Rolnick heard a Minneapolis early-education group argue that government should spend on preschool mainly because it's the right thing to do. He scoffed. "Policymakers need more guidance than that," he says.

The group asked Mr. Rolnick to help make the case. He says he loves to dive into data, so he scrutinized some of the research that helped persuade Ms. Urahn, particularly a 1962 study of 123 low-income black children in Ypsilanti. Half were sent to preschool, and half weren't. After tracking the students over three decades, researchers found those who went to preschool were less likely to need special education and had higher test scores.

Mr. Rolnick and a colleague crunched the data, calculating that for every \$1 invested in preschool, there was a \$16 return from lower crime, fewer welfare payments and higher earnings.

The magnitude surprised everyone. Mr. Rolnick asked economist James Heckman, a Nobel laureate at the University of Chicago, to check the work. The results matched Mr. Rolnick's.

Among those intrigued was Robert Dugger, a former Democratic staffer on Capitol Hill. He was working at the hedge fund Tudor Investment Corp. as a political and global-risk analyst. Using his own money—\$250,000 so far—Mr. Dugger started his own think tank and commissioned a paper by Mr. Heckman.

The 2004 paper argued that extending preschool to the four million children under 5 then living under the poverty line would produce a net benefit to the economy of more than \$511 billion. Disadvantaged children who start schooling early are more likely to attend college and "less likely to be teenage mothers and foster a new genera-

tion of deprived children," Mr. Heckman wrote.

The paper helped persuade Mr. Dugger's boss, hedge fund magnate Paul Tudor Jones, to contribute \$1 million. Mr. Dugger's project has grown from a handful of people sitting around a table in his office to a group of more than 1,000 who gather—some in person, some on a phone link—in Washington for two-hour presentations monthly. Pew has kicked in \$1 million.

Some remain cautious about the research. Grover J. Whitehurst, director of the federal Institute of Education Sciences, says the studies used to calculate rates of return are too small to be "a basis for generalizing what the economic benefits would be if this was rolled out in various states."

Still, the experience of New York state shows how the publicity is having a practical impact.

A group called Winning Beginning NY had been agitating for universal pre-K for 11 years when it received an initial \$466,000 grant from Pew's Pre-K Now in 2002. Winning Beginning, led by former state health official Karen Schimke, used the money to start lobbying in Albany. Later the group commissioned research and used Pew money to put out a "spiffy four-page document" on the "Pre-K Payback" for New York, says Ms. Schimke.

## Spitzer's Budget

The work paid off in 2006, when the group met with aides to Eliot Spitzer, then the Democratic nominee for governor. "Spitzer bit and he began to talk about universal pre-K," says Ms. Schimke. Mr. Spitzer's budget, which he signed in April, includes an additional \$146 million in pre-K funding, which will be used to accelerate efforts toward offering preschool for every 4-year-old in New York by 2011. The governor wants to spend \$436 million more over the next four years.

Among advocates, there's a split over whether state-funded pre-K should be available to all, as in Oklahoma, or should be targeted at low-income children.

Economist Steven Barnett of the National Institute for Early Education Research says pre-K benefits not only the poor but also middle-class children who are at risk of falling behind in school. "Most of the children who drop out of school or fail a grade are middle-class," says Mr. Barnett.

The University of Chicago's Mr. Heckman counters, "Scarce resources should be directed to the problem areas." Despite his role in pushing the pre-K cause, Mr. Heckman cautions against overdoing it. "There's a great danger here that people are going to rush out and with blind enthusiasm endorse very superficial programs," he says.