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## CALCULATING COST SAVINGS: THE HIGH/SCOPE PERRY PRE-SCHOOL PROJECT

One of the best examples of a cost-benefit analysis was carried out by High/Scope Educational Research Foundation. The following provides details on the study and its findings, and describes the methods for calculating cost savings.

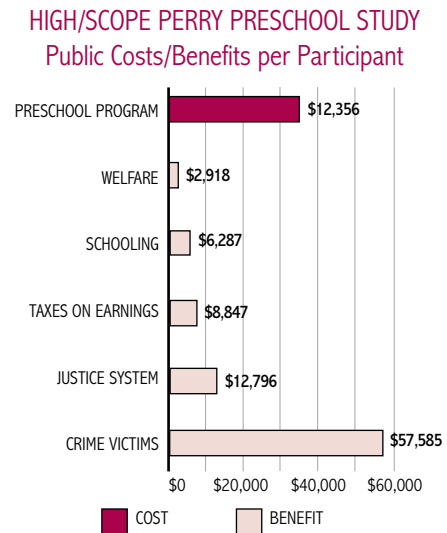
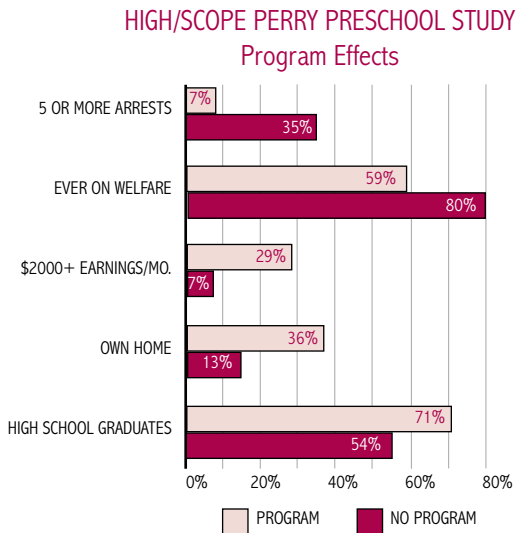
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### HIGH-QUALITY PRESCHOOL PROGRAM FOUND TO IMPROVE ADULT STATUS

*Adults born in poverty who participated in a high-quality, active learning preschool program at ages 3 and 4 have half as many criminal arrests, higher earnings and property wealth, and greater commitment to marriage, according to the latest findings of the High/Scope Perry Preschool Study. Over participants' lifetimes, the public is receiving an estimated \$7.16 for every dollar originally invested.*

Conducted by the High/Scope Educational Research Foundation of Ypsilanti, Michigan, the study examines the lives of 123 African Americans born in poverty and at high risk of failing in school. At ages 3 and 4, these individuals were randomly divided into a group who received a high-quality, active learning preschool program and a group who received no preschool program. At age 27, 95% of the original study participants were interviewed, with additional data gathered from their school, social services, and arrest records. Subsequent group differences represent preschool program effects. Findings reported herein were statistically significant (with a two-tailed probability of less than 1 in 20). The U.S. Department of Health and Human Services and the Ford Foundation funded the age 27 phase of the study.

- **SOCIAL RESPONSIBILITY** By age 27, only one-fifth as many program group members as no-program group members were arrested 5 or more times (7% vs. 35%), and only one-third as many were ever arrested for drug dealing (7% vs. 25%).
- **EARNINGS AND ECONOMIC STATUS** At age 27, four times as many program group members as no-program group members earned \$2,000 or more per month (29% vs. 7%). Almost three times as many owned their own homes (36% vs. 13%); and over twice as many owned two cars (30% vs. 13%). Three-fourths as many received welfare assistance or other social services at some time as adults (59% vs. 80%).
- **EDUCATIONAL PERFORMANCE** One-third again as many program group members as no-program group members graduated from regular or adult high school or received General Education



Development certification (71% vs. 54%). Earlier, the program group had a significantly higher average achievement score at age 14 and literacy score at age 19 than the no-program group.

- **COMMITMENT TO MARRIAGE** Although the same percentages of program males and no-program males were married at age 27 (26%), the married program males were married nearly twice as long as the married no-program males (averages of 6.2 years vs. 3.3 years). Five times as many program females as no-program females were married at the age-27 interview (40% vs. 8%). Program females had only about two-thirds as many out-of-wedlock births as did no-program females (57% of births vs. 83% of births).
- **RETURN ON INVESTMENT** A benefit-cost analysis was conducted by estimating the monetary value of the program and its effects in constant 1992 dollars discounted annually at 3%. Dividing the \$88,433 in benefits per participant by the \$12,356 in cost per participant results in a benefit-cost ratio of 716% of the program investment returned to the public. The program was an extremely good economic investment, better than the stock market during the same period of time. By increasing the number of children per adult from 5 to 8, the program's cost per child per year could be reduced to \$5,500—just 21% higher than the average cost of Head Start programs in 1995—with no loss in quality or benefits.
- **IMPLICATIONS** The High/Scope Perry Preschool study and similar studies suggest that high-quality early childhood programs have significant benefits because they:
  - empower children, by encouraging them to initiate and carry out their own learning activities and make independent decisions
  - empower parents, by bringing them into full partnership with teachers in supporting their children's development
  - empower teachers, by providing them with systematic inservice curriculum training, supportive curriculum supervision, and observational tools to assess children's development.

These findings demonstrate just how much high-quality early childhood programs can achieve.

Because Head Start and other preschool programs have served only a fraction of the children living in poverty and because the quality of these programs has varied, the nation has been losing the recoverable human and financial potential of its most vulnerable citizens. It is essential that the nation invest fully in high-quality, active learning preschool programs for all children living in poverty or otherwise at risk of failing in school.

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Order the complete study findings—*Significant Benefits: The High/Scope Perry Preschool Study Through Age 27* by L. J. Schweinhart, H. V. Barnes, and D. P. Weikart, \$25

A color videocassette presentation of study findings by D. P. Weikart and L. J. Schweinhart is available from the High/Scope Press. \$39

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Early Childhood Counts: Programming Resources for Early Childhood Care and Development.  
CD-ROM. The Consultative Group on ECCD. Washington D.C.: World Bank, 1999.