

Educational Attainment and Economic Outcomes

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Importance of Early Childhood Education

- Art Rolnick on Early Childhood Education
 - Help someone early in life, they reap a lifetime of benefits
 - Early Childhood Education provides a high return for individuals and society as a whole
- These observations have been confirmed by good empirical research and serve as a foundation for policy advocacy

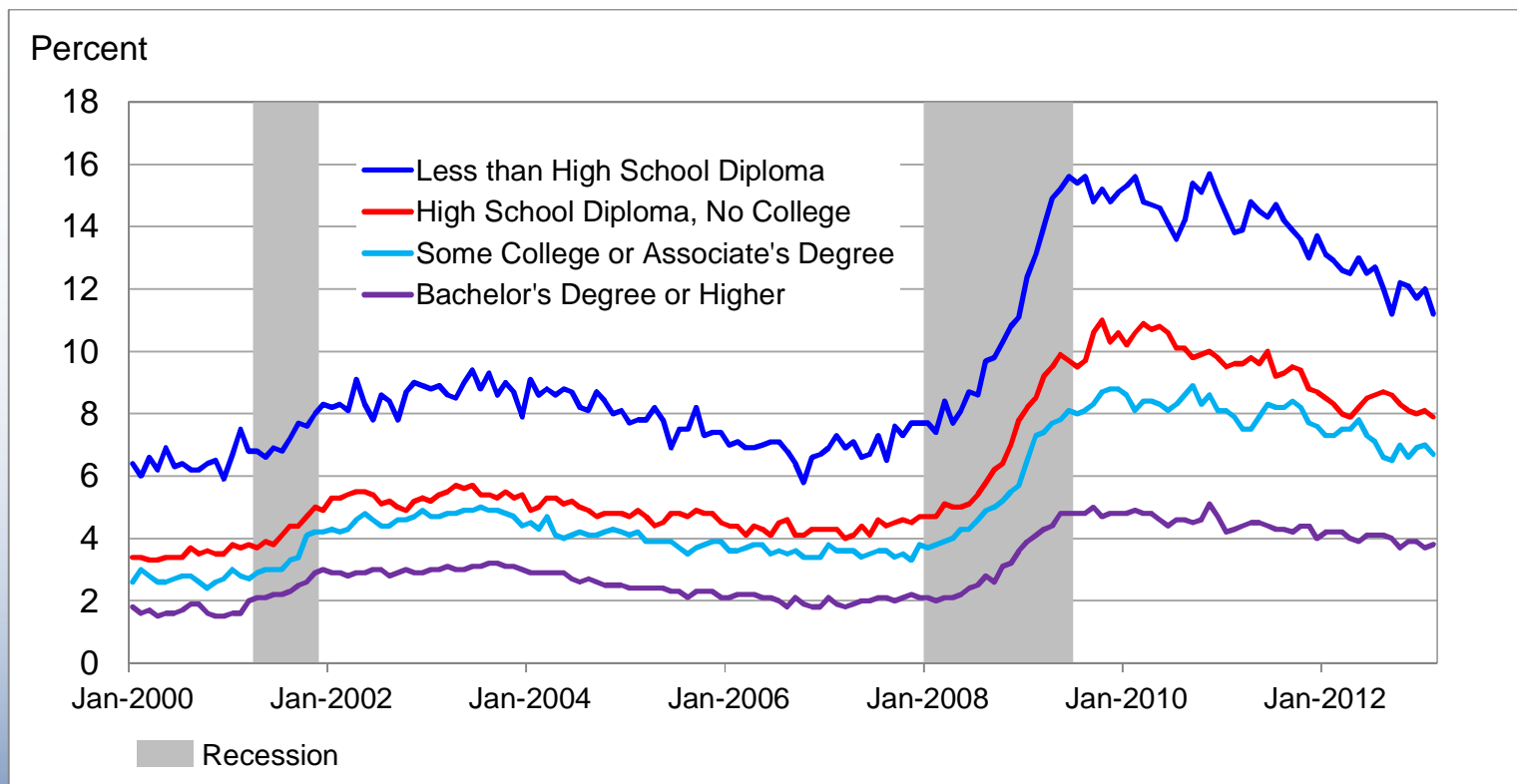
Outline

- Variability of economic outcomes is influenced by educational attainment
 - Low educational attainment workers are disproportionately impacted by recession
 - Impacts other outcomes like home purchases and future earnings
- Low and moderate income communities with limited resources would see highest return from investment

Figure 1

U.S. Unemployment Rate by Educational Attainment of Population 25 Years and Older

January 2000 - February 2013



Source: BLS, Census Bureau, NBER / Haver Analytics

FRB Boston Study . Collateral Damage from Unemployment

- 10 years after a spell of unemployment, worker makes 16 percent less than someone who was not unemployed
- Impact is even larger with longer-duration unemployment
- No catch-up for years of lost income
- Impacts future home ownership
- Impacts wealth

Implications of FRB Boston Study

- Monetary Policy Implications
 - Spells of unemployment have a lasting impact after the economy recovers
 - More aggressive response to persistently high unemployment is warranted
- Children achieving highest potential educational attainment
 - Failure to achieve potential impacts a wide variety of future economic choices . Earnings, Housing, etc.
 - These programs are being threatened in many low and moderate income areas by budget austerity

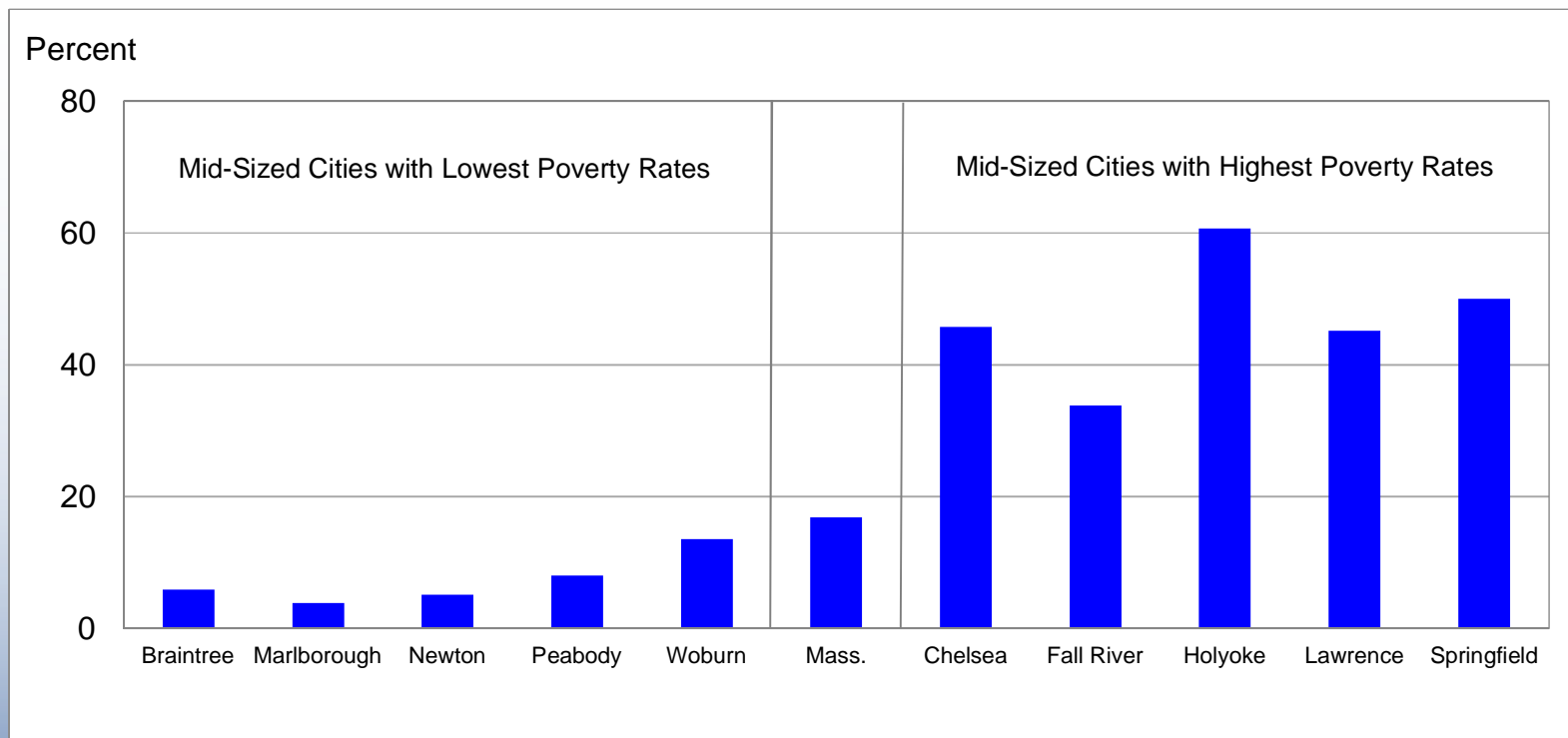
Comparison of Massachusetts Mid-Sized Cities

- Educational attainment comparison between high poverty cities and low poverty cities
- Educational attainment failure is persistent in the data from very early ages

Figure 2

Share of Children Under Five Years Old Living Below the Poverty Level

2009 - 2011

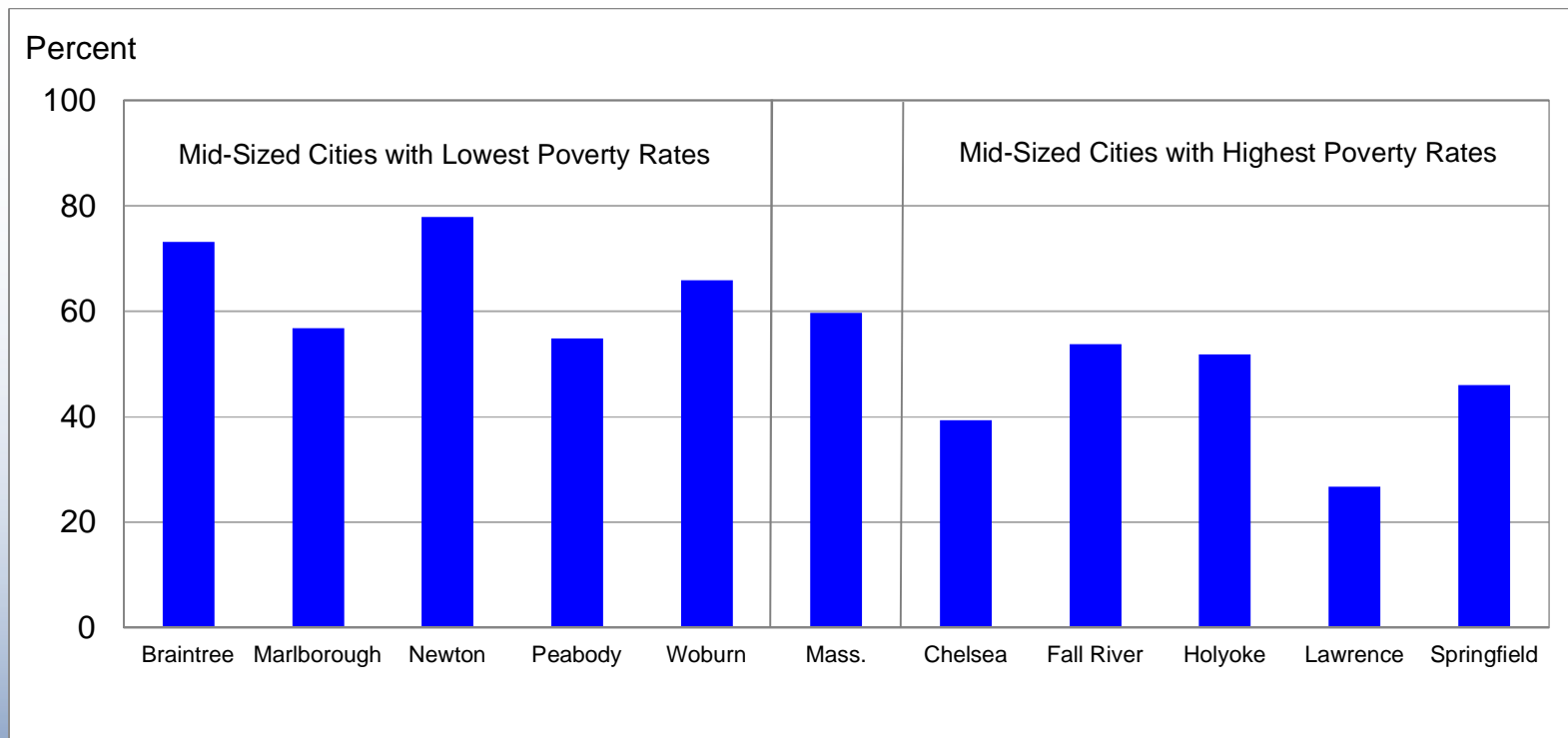


Source: U.S. Bureau of the Census, American Community Survey (2009 - 2011, 3-Year Estimates)

Figure 3

Share of Children Three and Four Years Old Enrolled in School

2009 - 2011

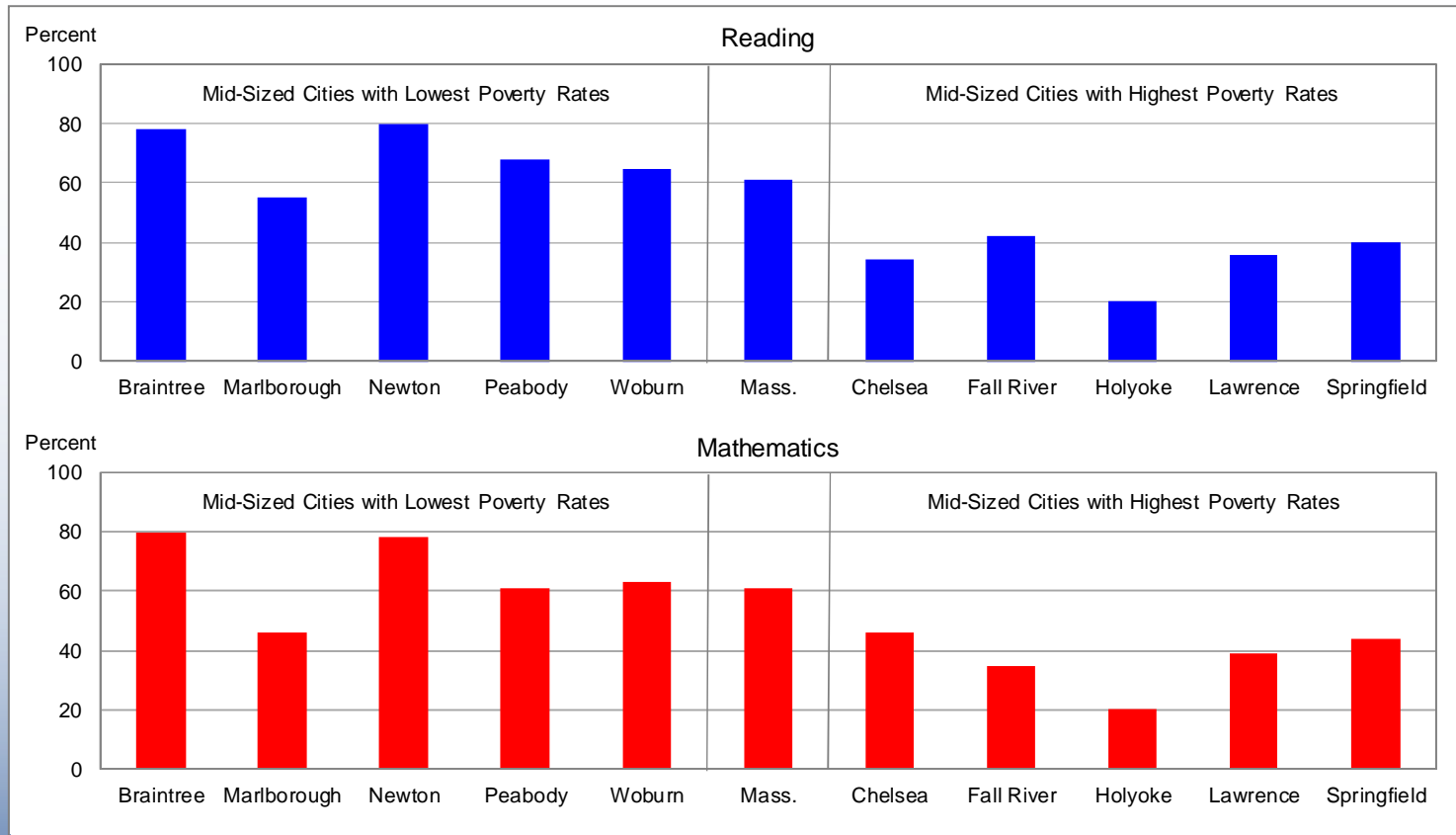


Source: U.S. Bureau of the Census, American Community Survey (2009 - 2011, 3-Year Estimates)

Figure 4

Share of Students Scoring Proficient or Higher on Third-Grade MCAS

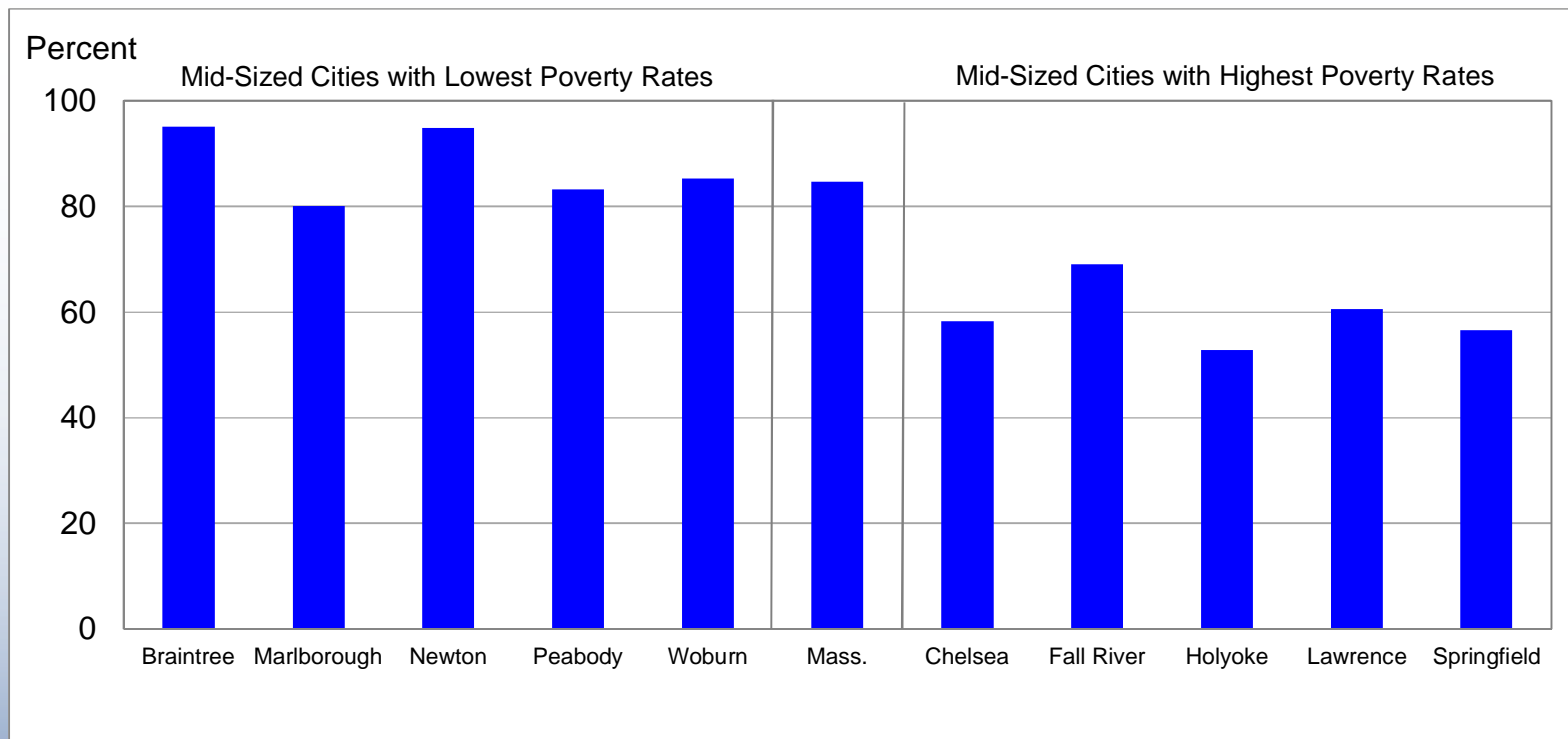
2012



Source: Massachusetts Department of Education

Figure 5 Four-Year High School Graduation Rate

2012



Source: Massachusetts Department of Education

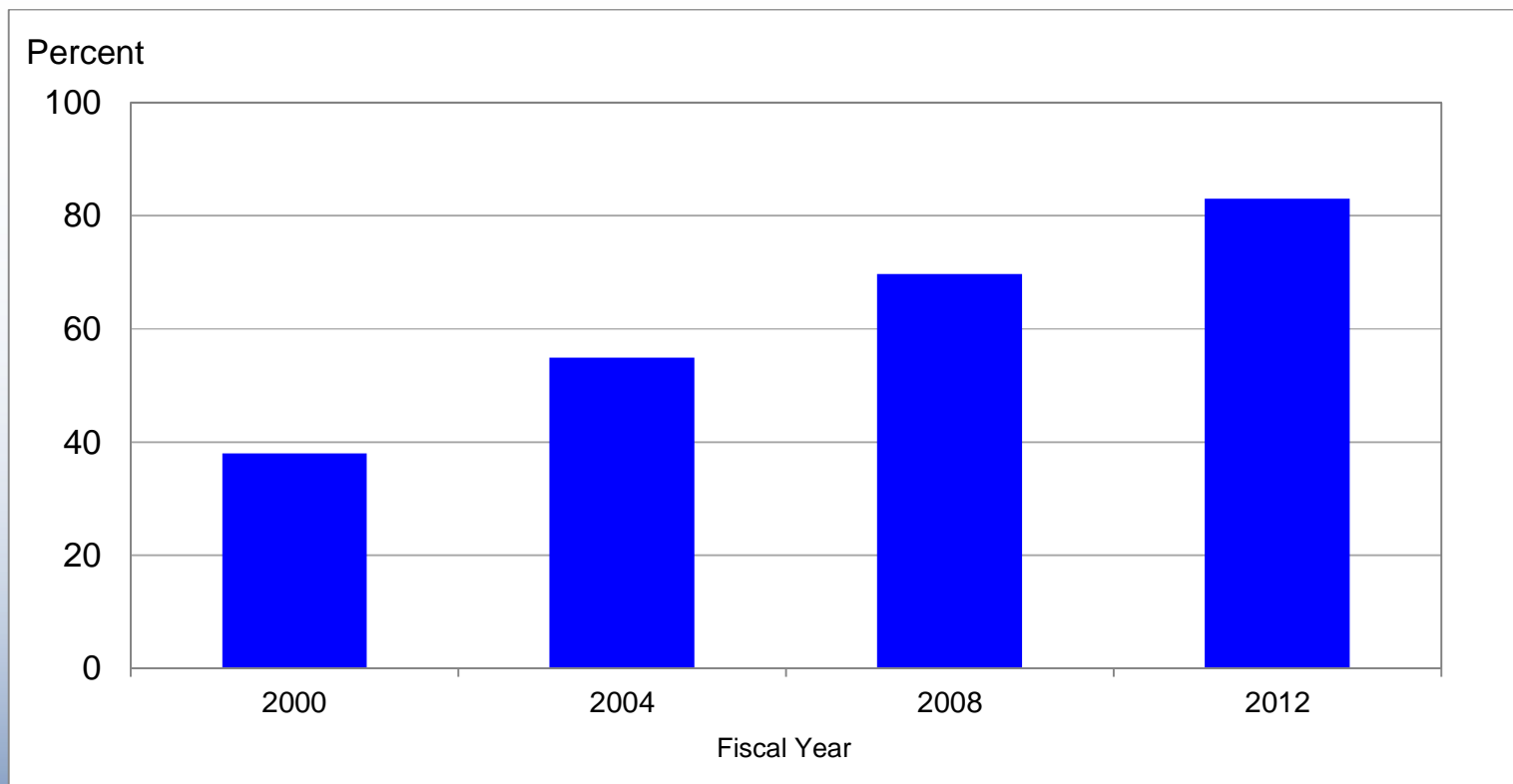
Conclusion

- Children in high poverty areas face many obstacles . educational opportunities can impact economic outcomes throughout their lives
- The work of this conference is important if all children are to have an opportunity to succeed and flourish
- There has been some progress but we have much more work to do

Figure 6

Share of Massachusetts Public Kindergarten Students in Full-Day Programs

2000 - 2012



Source: Massachusetts Department of Elementary and Secondary Education