

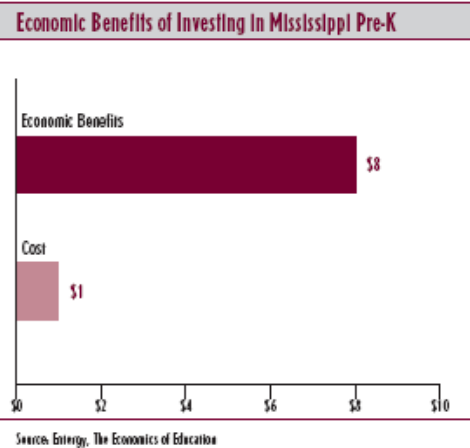
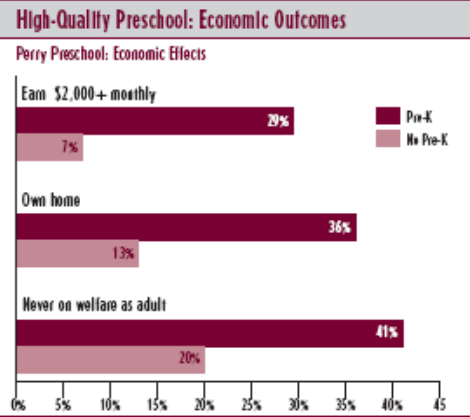
Improving Income and Economic Growth

Mississippi can rebuild a better quality of life and a robust, equitable future – but only if, as a part of the state’s physical recovery, many more Mississippi students climb higher on the ladder of education. It is the path to personal success and enormous economic gains for the whole state.

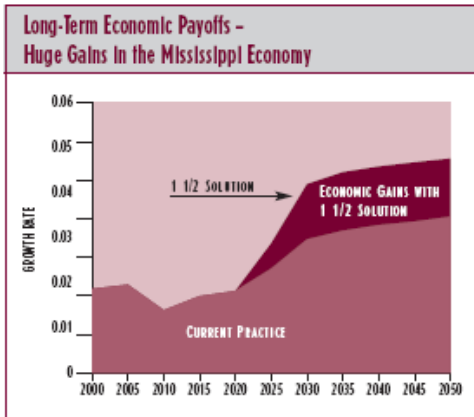
Placing young children, especially low-income children, onto the ladder of education earlier in life through high-quality Pre-K can be a very good economic investment for the state. For example, in the Perry Preschool study, one of the nation’s most closely documented programs, researchers have followed neighborhood children into adulthood and now are able to compare what actually has happened to participants and nonparticipants from a working-class, low-income area. The results are striking.

The middle-aged adults who had the benefits of Perry Preschool are today four times more likely than those without the program to earn a decent monthly income. They are almost three times more likely to own their own home and virtually twice as likely to have never been on welfare as an adult. The results from other programs with long-term studies show similarly impressive enduring economic benefits.

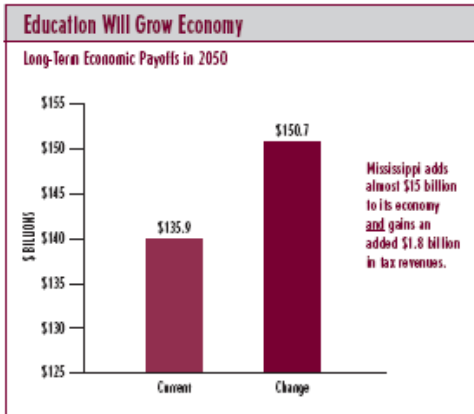
In Mississippi, Pre-K can have similarly dramatic benefits. A recent study by the Committee for Economic Development suggests that for every \$1 invested in high-quality Pre-K, a state will receive in return at least \$2 to \$4 in future savings and increased taxes. Other studies suggest that states with high



income & economic growth



Source: SEF Commissioned Projections



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percentages of low-income children will realize even larger returns. A study supported by the Entergy Corporation has found that Pre-K in Mississippi could probably realize returns as high as \$8 for every dollar invested in high-quality Pre-K. These conclusions are supported by similar findings from a study by the Federal Reserve Bank. This much is clear: Pre-K is a key investment for closing the achievement gap and improving the standard of living in Mississippi.

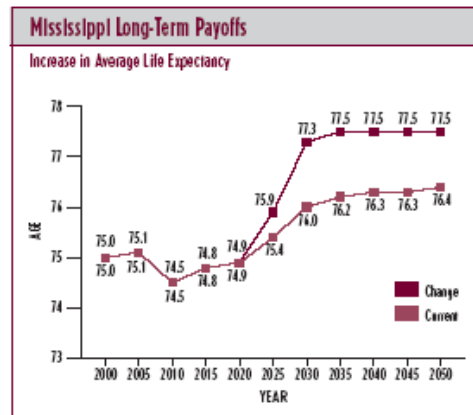
These returns will come to Mississippi in the form of increased tax contributions of more productive workers and from government savings arising from reductions in failing students, juvenile and adult crime, unemployment, and welfare-related costs over time. In addition, by enabling increased gains in overall education, Pre-K in Mississippi also will enlarge the number of citizens who vote, volunteer, save for retirement and contribute to the common good.

Along with the other goals, Pre-K gains can help make a big impact on the Mississippi economy. If Mississippi, for example, were to establish and attain a simple, specific target – to increase both high school and college enrollment by an average of only 1½ percentage points each year for 25 years (little more than the educational life of one generation of students) – the state would realize incredibly large economic results.

By making these small, steady gains in education over time, Mississippi would accelerate its state economy above past rates of growth by as much as one-third as of the year 2050. By this date, the extra economic growth from improved education would increase the Mississippi economy by approximately \$15 billion annually and provide an additional \$1.8 billion in state revenues each year.

These would not be the only gains for improving Mississippi's quality of life that would come through a small, steady increase in high school and college enrollments. Among other things, the average life expectancy for Mississippians, who today have the second lowest rate in the nation, would increase at a more rapid rate – adding almost an extra year to the life span of the average Mississippi resident.

Mississippi's past performance is not a viable option for the future of its educational system. The simple fact is that the state has failed to adequately educate most of its children to be competitive in a global economy, and the gaps in educational investment, achievement and attainment by race and income reflect huge deficits in children's learning and in the whole state's progress. Mississippi will never recover and prosper if it does not set *and achieve* higher and broader goals for education.



Source: SEF Consortium Projections