

Does Universal Preschool Hit the Target? Program Access and Preschool Impacts

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Abstract

This paper uses the rich diversity in state rules governing access to public preschool programs in the U.S. to study the relative cost efficacy of universal programs for poor populations. Using age-eligibility rules to construct an instrument for attendance, I find that universal preschool generates substantial cognitive test score gains for poor 4-year-olds. Preschool programs targeted toward poor children do not. These findings are robust to the definition of poverty, comparison group, and controls for test scores earlier in life, and cross-state differences in demographics and alternative care options are not decisive factors. Benefit-cost ratios of universal programs remain favorable despite their relatively high costs per poor child. An auxiliary analysis suggests that peer effects are an important contributor to universal programs' higher productivity.

JEL codes: H75, I24, I28, J13, J2

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