

# Parents' earnings and the returns to universal pre-kindergarten

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## AVAILABILITY

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## Abstract

This paper asks whether universal pre-kindergarten (UPK) raises parents' earnings and how much these earnings effects matter for evaluating the economic returns to UPK programs. Using a randomized lottery design, we estimate the effects of enrolling in a full-day UPK program in New Haven, Connecticut on parents' labor market outcomes as well as educational expenditures and children's academic performance. During children's pre-kindergarten years, UPK enrollment increases weekly childcare coverage by 11 hours. Enrollment has limited impacts on children's academic outcomes between kindergarten and 8th grade, likely due to a combination of rapid effect fadeout and substitution away from other programs of similar quality but with shorter days. In contrast, parents work more hours, and their earnings increase by 21.7%. Parents' earnings gains persist for at least six years after the end of pre-kindergarten. Excluding impacts on children, each dollar of net government expenditure yields \$5.51 in after-tax benefits for families, almost entirely from parents' earnings gains. This return is large compared to other labor market policies. Conversely, excluding earnings gains for parents, each dollar of net government expenditure yields only \$0.46 to \$1.32 in benefits, lower than many other education and children's health interventions. We conclude that the economic returns to investing in UPK are high, largely because of full-day UPK's effectiveness as an active labor market policy.

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