

Return on investment: The dollars and cents of a nonprofit program's worth
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Breakout session – Education: Current ROI evidence, challenges, and issues

Panelists: Dr. Susan Uhran, Pew Center for the States
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Facilitator: Dr. Dan Mueller, Wilder Research

Discussion notes

Where is return on investment (ROI) in education and where is it going?

JT: Educational attainment is harder to quantify than other areas such as crime, because that information is not publicly available and because college drop out can be a problem. One study, the Chicago Longitudinal Study, that used a matched comparison group, has found a 7:1 to 10:1 benefit-cost ratio from the Child-Parent Center (CPC) Program. CPCs used comprehensive, onsite services; not home visiting. Universal preschool evidence is emerging with help from Pew. Preschool can reduce special education, especially learning disability expenditures. We still don't know much about the benefits from programs that focus on the transition from high school to college. Growth and Justice has commissioned ROI studies looking at education over the life course. Their website has papers there by Rolnick, Grunewald, Reynolds, Perna, and Yeh.
http://www.growthandjustice.org/Smart_Investment_Summit.html
Policymakers should encourage ROI research on high school-to-college transition supports.

SU: We need more ROI research on finely tuned policy decisions (e.g., full day pre-K versus half- day; early education teachers with bachelor's degree vs. associate degrees). We shouldn't be afraid to ask the tough questions.

Is there information on what a small class size is?

JT: About 15 to 18. Small class sizes matter most for low-income children. As Steve Aos (conference keynote speaker) showed, class size in middle and high school is not as effective as early ages. Emphasizing social skills training and parental involvement is part of achieving returns, not just class size.

Where does child care fit into the picture? The subsidy program is designed for getting parents into the labor force. What's a fair and effective claim about child-care funding related to education?

SU: Pennsylvania and Mississippi have implemented universal preschool. There's a lack of urgency about making that investment in other states. Preschool advocates are sometimes in competition with the business lobby.

What are the expected benefits to quantify and how might one find it? How can we attribute the benefits to intervention?

JT: High school is a good place to start. Growth and Justice and economics professor Henry Levin are good sources. High school benefits the person as well as society via taxes and cost avoidance. There are also second generation benefits that can be considered. With randomization the cause and effect are clear. Without random assignment, statistical matching can be used to infer causality.

DM: Test scores are another source for calculating benefits.

Can you elaborate on what you (SU) meant during the lunch presentation when you said that advocates need to present innovative ideas for funding education?

SU: Politicians are really nervous about making changes, so the more they hear from people and the better ideas they get for funding education, the more likely they are to fund education.

Pre-K expansion can be controversial in our state, less so than all day kindergarten. What is the context in other states?

SU: Some states start with kindergarten and work downward. Some go right for expanding pre-K.

JT: The research says there is less benefit from all day K than one would expect. Several researchers are arguing that pre-K is the better investment.

Would you (SU) change Pew's shift to pre-K if you could do it over again?

SU: Focusing on pre-K was the right thing to do and we are leading the way.

JT: As someone who teaches cost-benefit analysis and who has seen the increased attention to pre-K, I have seen a breakdown in silos. Pre-K stakeholders are paying attention to human services and criminal justice, for example, and vice versa.

I think it's true that the pre-K research has raised the standard for the K-12 program planning and evaluation. We are doing more design upfront, reviewing the literature, trying to find and optimal allocation for funding. Our goal is to take successful interventions to scale.

SU: That's refreshing to hear.

Doesn't the literature say that we should target resources to those most at risk?

SU: There are real impacts for middle class kids, but smaller than those for low-income children. We picked universal pre-K at Pew, but it's a tough decision.

There's an international study that shows that the qualities defining classrooms (e.g., promoting critical thinking) affect outcomes more than size of classroom.

Audience member: It's the TIMMS study. The U.S. is behind on conceptual mathematical thinking. The PISA study is another good one. Minnesota's business community is paying for Minnesota to be part of the next TIMMS study.

Are you aware of any states targeting funding?

JT: A lot of the innovation starts in disadvantaged urban areas and is later expanded upward.

SU: Funding formulas typically channel resources to lower income children, but not categorically. For example, some states will fund universal preschool and additional services on top of that.

Can you talk about the role of philanthropy in promoting ROI.

SU: ROI will play a bigger role, but each foundation is unique. Also, foundations should be wary of implementing a bureaucratic process, such as boiler plate language about conducting ROI for every grant.

What about extracurricular activities and not charging for participation?

JT: There are clear benefits from after-school programming.

Audience member: Out-of-school-time programs don't have enough funding to rigorously evaluate their success.

What about the ROI of full-time year-round schooling vs. school with a summer break?

SU: We haven't seen much on that, but the traditional model is out of date. Not much motivation to change it.

What are we doing to promote creativity through education, as opposed to math and reading, and what are the benefits?

JT: James Heckman at University of Chicago argues that the non-cognitive skills are highly valuable and overlooked, such as how well you get along with others.

Audience member: Some good assessments are being designed to assess social skills.

DM: We are assessing social skills in our Project Early K evaluation for Saint Paul Public Schools.

What recommendations do you have?

JT: Don't wait until high school to start measuring benefits of pre-K and elementary interventions. For example, Steve Aos extrapolates long term future earnings from test scores. We should also seek to improve the reliability of those extrapolations by collecting more data on test scores and future earnings.

Discussion notes capture key conversation points made by panelists, but are not necessarily direct quotes.