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Business Executives Underestimate Link Between Workforce Quality and Preschool Education, Study Suggests

PNC Financial Services Group Reports Public Support Across Income Levels for Government-Funded Preschool

PITTSBURGH, May 10 /PRNewswire-FirstCall/ -- Amid mounting concerns about the United States' ability to compete in a global economy, business executives appear to underestimate the impact of quality, early childhood education on the development of a highly skilled workforce, according to study findings released today by The PNC Financial Services Group, Inc. (NYSE: PNC).

Among the general public, meanwhile, there is agreement on the importance of early education for children. Strong support also exists among parents of all income levels for government-funded preschool.

The first-ever PNC Study of Early Childhood Education is a comprehensive survey of American adults, including parents of young children along with teachers in pre-kindergarten through third grade, plus corporate executives and Congressional leaders. It was commissioned by PNC as part of its \$100 million, 10-year investment in school readiness among children from birth to age 5.

Conducted in January through May, the survey of executives from a broad range of industries and company sizes across the nation along with the general public and U.S. Congress found:

- Most executives feel U.S. children are ill-prepared to learn when they start kindergarten as 56 percent say youngsters are somewhat/not at all prepared with basic skills like counting and spelling their name.
- Yet, when asked if attending preschool before kindergarten is very important, only 56 percent of executives agree compared to 73 percent of the general public and 78 percent of Congressional leaders.
- Further, when asked to compare the quality of the new generation entering the workforce to five years ago: 25 percent of executives say it has improved; 39 percent say it hasn't changed; and 30 percent say it's worse.

"Preschool education is often overlooked in the broader debate about education," said James E. Rohr, chairman and chief executive officer of PNC, which is taking a leadership role in the private sector with its PNC Grow Up Great initiative. "Significant research over the past 40 years, however, supports the critical importance of equal access to quality preschool programs to reduce dropout rates, poverty and crime. And, at the same time, improve job skills and the labor pool."

Who Pays? Views on Funding

When it comes to public funding to boost access and quality, there is mixed progress. In its new "State of Preschool" report, the National Institute for Early Education Research said enrollment among 3- and 4-year-olds nationwide has increased 40 percent in the past five years and the number of states that do not fund preschool is down to 12. However, the larger enrollment combined with increased costs means that states, overall, are spending less per student - \$3,482 in 2006 compared to \$4,171 in 2002.

In the PNC study, lower income parents value the importance of preschool more so than higher income. Among those with annual income below \$25,000, 85 percent said it is extremely/very important for a child to attend preschool before kindergarten compared to 69 percent of those with income of \$50,000- \$74,900.

When it comes to government funding, very strong support spans all income levels. Among all parents, 79 percent strongly/somewhat agree government at some level should pay for preschool. Those with lesser income are more inclined to agree (86 percent with income below \$25,000) compared to 78 percent with income of \$50,000-\$74,900).

The sentiment among teachers, meanwhile, is even stronger as 84 percent strongly/somewhat agree with government funding of preschool.

Among Congressional leaders, funding at the state level is most preferred (53 percent), PNC found. In terms of federal funding, Democrats feel much stronger than Republicans (55 percent versus 17 percent). Among the 11 percent who oppose any government funding of early education, Republicans greatly outnumber the Democrats (20 percent to 3 percent).

Return on Investment

Rohr observed the Perry Preschool Study indicates that for every \$1 spent on quality early education, society reaps as much as \$17 in long-term savings. "If we improve early childhood education now," he said, "We won't have to spend nearly as much money later on special education, remedial job training, correctional facilities and other things that contribute little to America's economic growth."

This view is shared by Federal Reserve Chairman Ben Bernanke, who described education and the acquisition of skills is a lifelong process and "starting early in life is crucial." In a February presentation, he went on to cite research by the Federal Reserve Bank of Minneapolis, saying it documented "the high returns" that early childhood programs can pay in terms of success in school and lower rates of social problems.

A PNC Early Education Childhood Study media kit containing survey highlights and background information is available on PNC's website at <http://www.pnc.com/go/presskits>.

Methodology

The PNC Study of Early Childhood Education was conducted between January and May 2007 among 1,013 adults ages 18 or older; 1,001 parents of children ages 8 and younger; 516 teachers in pre-kindergarten through third grade; 218 business leaders - directors and above - from a broad range of industries, locales and sizes of companies; and 151 Congressional leaders, including senior staff and aides. Sampling error is +/- 4.3 percentage points for the public and parents results; +/- 4.3 percentage points for the teachers; +/- 6.6 percentage points for the executives; and +/- 8.1 percent points for Congressional leaders.

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