

Local Area Spending Exposure to Head Start and Academic Performance: Evidence from Texas

Abstract

Head Start (HS) is the largest preschool program in the U.S., yet the effectiveness of the program remains an open question. This paper leverages variation across local communities in the timing and intensity of federal HS spending expansions during the 1990s to estimate the effect of HS on academic achievement in the medium-run. Using student-level data from Texas, I find that exposure to more generous HS funding at age four significantly improves test scores in third grade through fifth grade for low-income children. My results show that HS benefited Hispanics with limited language proficiency the most and that a 500 dollar increase in HS funding per child closes about 15% of the raw test score gap between Hispanics and whites. An exploration of possible mechanisms through which additional HS funding affects student performance suggests that federal funding expansions are associated with significant increases in HS enrollment and improvements in measured program inputs.