

USA VALUES, LLC
The Presentation of PVofPE-Prek Monetization

Present Value of Positive Expectation from Pre-k

Gross Lifetime Salary or Wage Per the 4% Solution by the GW Bush Institute published in 2012	Present Value Amount at age 6-7	Present Value Rate at age 25-26	Risk Factors Assumed Best Light With Primary Factor Being Gross Lifetime Salary or Wage
\$597- 1,194,000	\$ 50,000	12.80%	10%
\$ 2,184,000	\$ 290,000	29.90%	10% and 6%
\$ 2,184,000	\$ 1,039,000	67.40%	6% and 2%
\$ 2,575,000	\$ 1,205,000	67.40%	2.0%
\$ 3,662,000	\$ 2,006,000	74.50%	1.5%

Our conclusion is that based on the Early Reading Skills Delivered the PVofPE-Prek is conservatively monetized at the range of \$100,000 to \$700,000 at age 6.

The above grid of numbers and factors are determined by the worksheet shedule following. The simplicity is important because teachers, mentors and caseworkers will need to explain the risk these bookends reflect to urban mom in the course of gap reduction. Simple, you don't have to go off the grid above to explain.

Point is the lowest risk approach to avoiding the education gap is to be really ready to read before starting kindergarten This is a choice you make for your child. This has a value at the upper bound of \$700,000 per child

Used Value as of age 6	PreK-grade 12 Estimate of Present Value Per the above	
\$ 85,000.00	\$ 170,000	Drop out
\$ 519,500.00	\$ 1,039,000	Graduate
\$ 602,500.00	\$ 1,205,000	Grad + 2
\$ 702,100.00	\$ 2,006,000	Grad + 4

Worksheet record of **Present Value Expectations Thinking** is based on worst case risk of an at risk child and best case risk of a not at risk child to graduation from urban public K-12 school and then having a high risk or low risk to a predictable salary or wage for life through age 67

The idea is to set the bookends for discussion because half of the children (2,000,000) are at risk of starting kindergarten substantially behind the top half. And, their economic prospect and risk will fall within these bookends of present value. Then the concepts of present value can be used Socratically. A position can be pushed to be a higher value at age 6 There are two risks at play in these calculations. First, in the worst case we use a predicable lifetime salary of only \$597,000-1,194,000 for a dropout. The lower bound protects us from this being a serious risk in our work because it is not the target being pushed. Second, in the best case we use \$3,660,000 as a predictable lifetime salary through age 66-67. This much higher salary is clearly an average that is based on a 4 year degree and low risk when the salary is spread over the future 45 years or so. Many individuals will exceed this both in education level and salary but the top bookend will have served its purpose in explaining the positive expectation to those most at risk. The 10% compounded risk to earning a predictable wage gives us our lowest present values at age 6. This is socratic without being exact. This percentage is mostly backed into based on reported graduation rates and earnings. The use to value individual expectations at age 6 based on risk is unique to USA VALUES, LLC. and conceptualize the spread of value and what outcome likely reflects the high value. **This thinking is a building block to accessing gap reduction spending on an outcome that everyone would agree attaches to the high value expectation. What simple outcome that mom can observe at age 6 will assure graduation from highschool or better and therefore reflect the highest value we can conservatively attach to the child's positive expectation for mom?.**

Hispanic and African American Cultures demonstrate the most risk to HS graduation as a percent of the Culture but in sheer numbers there are more at risk White Culture students These risks are used:

The present value at age 6 of a drop out is very small and the 10% risk factor is used because the smoothing to a low total lifetime salary supports it. The present value at age 6 of a HS graduate who did not start kindergarten ready to read retains compounded PV risk of 10% and 6%. These higher risks work in the smoothing and an adjustment to 6% for the years after graduation is achieved is still high risk. With only a highschool degree and possibly less than complete literacy skills, this individual will struggle to keep up with wage progress that is increasingly reserved for post secondary achievements. The present value at age 6 of a HS graduate who started kindergarten ready to read has a 6% and then reset to 2% PV risk factor for the rest of life. And the ability to read well to keep up is what provides the 2% risk factor after graduation from highschool. This is somewhat of a middle ground within the bookends and enough is said. The present value at age 6 of a HS graduate with Assoc degree who started kindergarten ready to read has a 2% PV risk factor for the rest of life. And importantly we assume with low risk of being wrong this person will graduate from a post secondary program if ready to read before kindergarten. Parents and outcomes will dictate this lower risk. The present value at age 6 of a 4 year degree who started kindergarten ready to read has a 1.5% PV risk factor. For all practical purposes this can be our higher bound and reflects what many parents say and do. Such as you will go onto college and graduate!!!

The ability to read well to keep up is what provides the risk factor after graduation from Tech or college with a higher salary expectation. Important to think about truthful risk assessment, because mom has a right to know this; that at age 3; she is controlling the upper bound with risk reduction or not. This is simple enough to talk to mom about. But the discussion is empty if we can not align her and her child with a workable mentor to help to reach an outcome at age 6 that is low risk positioning for graduations. The task can look formidable if she is not made aware of the Brain Synaptic Closing Science that makes her child desire the learning because the child is sensitive to learning language, order and math during the ages of 0-6. These numbers are averages and some careers such as STEM yield higher wages from start to finish than others Of course the application of risk and PV percentages is judgemental within the bookends of reasonable Present Value could be recalculated every year or at every event of significance, but this presentation is as of age 6

The mentor makes certain by one-on-one activity that the child does not miss the sensitive period to learning language, counting, order, and positive expectation Even if it is overkill we must be looking for the lowest risk positioning for urban mom and the objective of GAP elimination for the child

*******Again it is Socratic, that best outcomes achieved at age 6 (these are actually demonstrated and duplicated every day) are going to yield the best outcomes from the K-12 system at the lowest possible risk.**

Worst Case Lost Soul wo/ \$10,000 ERSD	9th-12th D.O. wo/ \$10,000 ERSD	H.S. Grad wo/ \$10,000 ERSD
10% compounded risk, we lose. Invest in urban school only, but we have an early dropout	10% compounded risk, we lose. Invest in urban school only but we have a late dropout	10% compounded risk, we win without ERSD. Invest in urban school only, Graduate and risk is reset to 69

EDU and Wage in \$000s	10% pv rate	pv	EDU and Wage in \$000s	10% pv rate	pv	EDU and Wage in \$000s	10% and 6% pv rate	pv
age Prek kindergarten 6 to 7		\$ -	age Prek kindergarten 6 to 7		\$ -	age Prek kindergarten 6 to 7		\$ -
7	0.95	\$ -	7	0.95	\$ -	7	0.95	\$ -
8	0.855	\$ -	8	0.855	\$ -	8	0.855	\$ -
9	0.7695	\$ -	9	0.7695	\$ -	9	0.7695	\$ -
10	0.69255	\$ -	10	0.69255	\$ -	10	0.69255	\$ -
11	0.623295	\$ -	11	0.623295	\$ -	11	0.623295	\$ -
	0.560966	\$ -		0.560966	\$ -		0.560966	\$ -

12		0.504869	\$	-	12		0.504869		12		0.504869	\$	-	
13		0.454382	\$	-	13		0.454382		13		0.454382	\$	-	
14	5	0.408944	\$	2,044.72	14		0.408944		14		0.408944	\$	-	
15	5	0.368049	\$	1,840.25	15		0.368049		15		0.368049	\$	-	
16	5	0.331245	\$	1,656.22	16	10	0.331245	\$	16		0.331245	\$	-	
17	5	0.29812	\$	1,490.60	17	10	0.29812	\$	17		0.29812	\$	-	
18	5	0.268308	\$	1,341.54	18	10	0.268308	\$	18	20	0.268308	\$	5,366.16	
19	5	0.241477	\$	1,207.39	19	10	0.241477	\$	19	20	0.433944	\$	8,678.88	
20	10	0.21733	\$	2,173.30	20	20	0.21733	\$	20	35	0.407907	\$	14,276.76	
21	10	0.195597	\$	1,955.97	21	20	0.195597	\$	21	35	0.383433	\$	13,420.16	
22	10	0.176037	\$	1,760.37	22	20	0.176037	\$	22	42	0.360427	\$	15,137.94	
23	10	0.158433	\$	1,584.33	23	20	0.158433	\$	23	42	0.338801	\$	14,229.66	
24	12	0.14259	\$	1,711.08	24	24	0.14259	\$	24	42	0.318473	\$	13,375.88	
25	12	0.128331	\$	1,539.97	25	24	0.128331	\$	25	42	0.299365	\$	12,573.33	
26	12	0.115498	\$	1,385.97	26	24	0.115498	\$	26	42	0.281403	\$	11,818.93	
27	12	0.103948	\$	1,247.38	27	24	0.103948	\$	27	42	0.264519	\$	11,109.79	
28	12	0.093553	\$	1,122.64	28	24	0.093553	\$	28	42	0.248648	\$	10,443.21	
29	12	0.084198	\$	1,010.37	29	24	0.084198	\$	29	42	0.233729	\$	9,816.61	
30	12.5	0.075778	\$	947.23	30	25	0.075778	\$	30	44	0.219705	\$	9,667.03	
31	12.5	0.0682	\$	852.50	31	25	0.0682	\$	31	44	0.206523	\$	9,087.00	
32	12.5	0.06138	\$	767.25	32	25	0.06138	\$	32	44	0.194131	\$	8,541.78	
33	12.5	0.055242	\$	690.53	33	25	0.055242	\$	33	44	0.182484	\$	8,029.28	
34	12.5	0.049718	\$	621.48	34	25	0.049718	\$	34	44	0.171535	\$	7,547.52	
35	12.5	0.044746	\$	559.33	35	25	0.044746	\$	35	44	0.161242	\$	7,094.67	
36	12.5	0.040272	\$	503.40	36	25	0.040272	\$	36	44	0.151568	\$	6,668.99	
37	12.5	0.036244	\$	453.06	37	25	0.036244	\$	37	44	0.142474	\$	6,268.85	
38	12.5	0.03262	\$	407.75	38	25	0.03262	\$	38	44	0.133925	\$	5,892.72	
39	13	0.029358	\$	381.65	39	26	0.029358	\$	39	44	0.12589	\$	5,539.16	
40	13	0.026422	\$	343.49	40	26	0.026422	\$	40	44	0.118337	\$	5,206.81	
41	13	0.02378	\$	309.14	41	26	0.02378	\$	41	44	0.111236	\$	4,894.40	
42	13	0.021402	\$	278.23	42	26	0.021402	\$	42	46	0.104562	\$	4,809.86	
43	13	0.019262	\$	250.40	43	26	0.019262	\$	43	46	0.098288	\$	4,521.27	
44	12.5	0.017336	\$	216.70	44	25	0.017336	\$	44	46	0.092391	\$	4,249.99	
45	12.5	0.015602	\$	195.03	45	25	0.015602	\$	45	46	0.086848	\$	3,994.99	
46	12.5	0.014042	\$	175.52	46	25	0.014042	\$	46	46	0.081637	\$	3,755.29	
47	12.5	0.012638	\$	157.97	47	25	0.012638	\$	47	46	0.076739	\$	3,529.97	
48	12.5	0.011374	\$	142.17	48	25	0.011374	\$	48	46	0.072134	\$	3,318.18	
49	12.5	0.010237	\$	127.96	49	25	0.010237	\$	49	46	0.067806	\$	3,119.09	
50	12.5	0.009213	\$	115.16	50	25	0.009213	\$	50	46	0.063738	\$	2,931.94	
51	12.5	0.008292	\$	103.64	51	25	0.008292	\$	51	48	0.059914	\$	2,875.85	
52	12.5	0.007462	\$	93.28	52	25	0.007462	\$	52	48	0.056319	\$	2,703.30	
53	12.5	0.006716	\$	83.95	53	25	0.006716	\$	53	48	0.05294	\$	2,541.10	
54	12.5	0.006045	\$	75.56	54	25	0.006045	\$	54	48	0.049763	\$	2,388.64	
55	12.5	0.00544	\$	68.00	55	25	0.00544	\$	55	48	0.046777	\$	2,245.32	
56	12.5	0.004896	\$	61.20	56	25	0.004896	\$	56	48	0.043971	\$	2,110.60	
57	12.5	0.004406	\$	55.08	57	25	0.004406	\$	57	48	0.041333	\$	1,983.96	
58	12.5	0.003966	\$	49.57	58	25	0.003966	\$	58	55	0.038853	\$	2,136.89	
59	12.5	0.003569	\$	44.62	59	25	0.003569	\$	59	55	0.036521	\$	2,008.68	
60	12.5	0.003212	\$	40.15	60	25	0.003212	\$	60	50	0.03433	\$	1,716.51	
61	12.5	0.002891	\$	36.14	61	25	0.002891	\$	61	50	0.03227	\$	1,613.52	
62	12.5	0.002602	\$	32.52	62	25	0.002602	\$	62	50	0.030334	\$	1,516.71	
63	12.5	0.002342	\$	29.27	63	25	0.002342	\$	63	50	0.028514	\$	1,425.70	
64	12.5	0.002108	\$	26.35	64	25	0.002108	\$	64	50	0.026803	\$	1,340.16	
65	12.5	0.001897	\$	23.71	65	25	0.001897	\$	65	50	0.025195	\$	1,259.75	
66-67	12.5	0.001707	\$	21.34	66-67	25	0.001707	\$	66-67	50	0.023683	\$	1,184.17	
	597		\$	34,412.41		1194		\$	61,054.89		2184		\$	289,966.94
	\$	597,000				\$	1,194,000				\$	2,184,000		

H.S. Grad w/ 10,000 ERSD;
 True Ready to read skills delivered!!!
 6%-2% compounded risk, we expect to win with family and ERSD.
 Invest in urban school with ERSD adder, Graduate and risk is reset to 2%

Assoc / some college w / 10,000 ERSD
 True Ready to read skills delivered!!!
 2% compounded risk, we expect to win with family and ERSD.
 Invest in urban school with ERSD adder, Graduate and risk is limited to 2%

4 year degree w/ 10,000 ERSD
 True Ready to read skills delivered!!!
 1.5% compounded risk, we expect to win with family and ERSD.
 Invest in urban school with ERSD adder, we win and risk is limited to 1.5%

age	EDU and Wage in \$000s	6% and 2% pv rate	pv	age	EDU and Wage in \$000s	2% pv rate	pv	age	EDU and Wage in \$000s	1.5% pv rate	pv
Prek				Prek				Prek			
kindergarten				kindergarten				kindergarten			
6 to 7		0.97	\$ -	6 to 7		0.99	\$ -	6		0.9925	\$ -
7		0.9118	\$ -	7		0.9702	\$ -	7		0.9776125	\$ -
8		0.857092	\$ -	8		0.950796	\$ -	8		0.962948313	\$ -
9		0.805666	\$ -	9		0.93178	\$ -	9		0.948504088	\$ -
10		0.757326	\$ -	10		0.913144	\$ -	10		0.934276526	\$ -
11		0.711887	\$ -	11		0.894882	\$ -	11		0.920262379	\$ -

reset

12		0.669174	\$ -	12		0.876984	\$ -	12		0.906458443	\$ -
13		0.629023	\$ -	13		0.859444	\$ -	13		0.892861566	\$ -
14		0.591282	\$ -	14		0.842255	\$ -	14		0.879468643	\$ -
15		0.555805	\$ -	15		0.82541	\$ -	15		0.866276613	\$ -
16		0.522457	\$ -	16		0.808902	\$ -	16		0.853282464	\$ -
17		0.491109	\$ -	17		0.792724	\$ -	17		0.840483227	\$ -
18	20	0.461643	\$ 9,232.85	18		0.77687	\$ -	18		0.827875979	\$ -
19	20	0.433944	\$ 8,678.88	19		0.761332	\$ -	19		0.815457839	\$ -
20	35	0.746106	\$ 26,113.69	20	20	0.746106	\$ 14,922.11	20		0.803225971	\$ -
21	35	0.731183	\$ 25,591.42	21	20	0.731183	\$ 14,623.67	21		0.791177582	\$ -
22	42	0.71656	\$ 30,095.51	22	35	0.71656	\$ 25,079.59	22		0.779309918	\$ -
23	42	0.702229	\$ 29,493.60	23	35	0.702229	\$ 24,578.00	23	\$ 35	0.767620269	\$ 26,866.71
24	42	0.688184	\$ 28,903.73	24	48	0.688184	\$ 33,032.83	24	\$ 40	0.756105965	\$ 30,244.24
25	42	0.67442	\$ 28,325.65	25	49	0.67442	\$ 33,046.59	25	\$ 50	0.744764376	\$ 37,238.22
26	42	0.660932	\$ 27,759.14	26	49	0.660932	\$ 32,385.66	26	\$ 65	0.73359291	\$ 47,683.54
27	42	0.647713	\$ 27,203.96	27	49	0.647713	\$ 31,737.95	27	\$ 66	0.722589016	\$ 47,690.88
28	42	0.634759	\$ 26,659.88	28	49	0.634759	\$ 31,103.19	28	\$ 67	0.711750181	\$ 47,687.26
29	42	0.622064	\$ 26,126.68	29	50	0.622064	\$ 31,103.19	29	\$ 68	0.701073928	\$ 47,673.03
30	44	0.609623	\$ 26,823.39	30	50	0.609623	\$ 30,481.13	30	\$ 69	0.69055782	\$ 47,648.49
31	44	0.59743	\$ 26,286.92	31	50	0.59743	\$ 29,871.50	31	\$ 70	0.680199452	\$ 47,613.96
32	44	0.585481	\$ 25,761.19	32	52	0.585481	\$ 30,445.04	32	\$ 71	0.66999646	\$ 47,569.75
33	44	0.573772	\$ 25,245.96	33	52	0.573772	\$ 29,836.14	33	\$ 72	0.659946514	\$ 47,516.15
34	44	0.562296	\$ 24,741.04	34	53	0.562296	\$ 29,801.71	34	\$ 73	0.650047316	\$ 47,453.45
35	44	0.55105	\$ 24,246.22	35	54	0.55105	\$ 29,756.73	35	\$ 74	0.640296606	\$ 47,381.95
36	44	0.540029	\$ 23,761.30	36	55	0.540029	\$ 29,701.62	36	\$ 75	0.630692157	\$ 47,301.91
37	44	0.529229	\$ 23,286.07	37	56	0.529229	\$ 29,636.82	37	\$ 80	0.621231775	\$ 49,698.54
38	44	0.518644	\$ 22,820.35	38	57	0.518644	\$ 29,562.73	38	\$ 85	0.611913298	\$ 52,012.63
39	44	0.508271	\$ 22,363.94	39	59	0.508271	\$ 29,988.01	39	\$ 86	0.602734599	\$ 51,835.18
40	44	0.498106	\$ 21,916.66	40	59	0.498106	\$ 29,388.25	40	\$ 87	0.59369358	\$ 51,651.34
41	44	0.488144	\$ 21,478.33	41	59	0.488144	\$ 28,800.49	41	\$ 88	0.584788176	\$ 51,461.36
42	46	0.478381	\$ 22,005.53	42	65	0.478381	\$ 31,094.76	42	\$ 89	0.576016353	\$ 51,265.46
43	46	0.468813	\$ 21,565.42	43	65	0.468813	\$ 30,472.87	43	\$ 90	0.567376108	\$ 51,063.85
44	46	0.459437	\$ 21,134.11	44	65	0.459437	\$ 29,863.41	44	\$ 91	0.558865466	\$ 50,856.76
45	46	0.450248	\$ 20,711.42	45	60	0.450248	\$ 27,014.90	45	\$ 92	0.550482484	\$ 50,644.39
46	46	0.441243	\$ 20,297.20	46	60	0.441243	\$ 26,474.60	46	\$ 93	0.542225247	\$ 50,426.95
47	46	0.432419	\$ 19,891.25	47	60	0.432419	\$ 25,945.11	47	\$ 94	0.534091868	\$ 50,204.64
48	46	0.42377	\$ 19,493.43	48	60	0.42377	\$ 25,426.21	48	\$ 95	0.52608049	\$ 49,977.65
49	46	0.415295	\$ 19,103.56	49	60	0.415295	\$ 24,917.69	49	\$ 96	0.518189283	\$ 49,746.17
50	46	0.406989	\$ 18,721.49	50	60	0.406989	\$ 24,419.33	50	\$ 97	0.510416444	\$ 49,510.40
51	48	0.398849	\$ 19,144.76	51	60	0.398849	\$ 23,930.95	51	\$ 99	0.502760197	\$ 49,773.26
52	48	0.390872	\$ 18,761.86	52	60	0.390872	\$ 23,452.33	52	\$ 100	0.495218794	\$ 49,521.88
53	48	0.383055	\$ 18,386.62	53	60	0.383055	\$ 22,983.28	53	\$ 99	0.487790512	\$ 48,291.26
54	48	0.375394	\$ 18,018.89	54	60	0.375394	\$ 22,523.61	54	\$ 98	0.480473655	\$ 47,086.42
55	48	0.367886	\$ 17,658.51	55	60	0.367886	\$ 22,073.14	55	\$ 97	0.47326655	\$ 45,906.86
56	48	0.360528	\$ 17,305.34	56	60	0.360528	\$ 21,631.68	56	\$ 96	0.466167551	\$ 44,752.08
57	48	0.353317	\$ 16,959.24	57	60	0.353317	\$ 21,199.05	57	\$ 95	0.459175038	\$ 43,621.63
58	55	0.346251	\$ 19,043.81	58	60	0.346251	\$ 20,775.06	58	\$ 94	0.452287413	\$ 42,515.02
59	55	0.339326	\$ 18,662.93	59	60	0.339326	\$ 20,359.56	59	\$ 93	0.445503101	\$ 41,431.79
60	50	0.33254	\$ 16,626.98	60	60	0.33254	\$ 19,952.37	60	\$ 92	0.438820555	\$ 40,371.49
61	50	0.325889	\$ 16,294.44	61	60	0.325889	\$ 19,553.32	61	\$ 91	0.432238247	\$ 39,333.68
62	50	0.319371	\$ 15,968.55	62	60	0.319371	\$ 19,162.26	62	\$ 90	0.425754673	\$ 38,317.92
63	50	0.312984	\$ 15,649.18	63	60	0.312984	\$ 18,779.01	63	\$ 90	0.419368353	\$ 37,743.15
64	50	0.306724	\$ 15,336.19	64	60	0.306724	\$ 18,403.43	64	\$ 90	0.413077828	\$ 37,177.00
65	50	0.300589	\$ 15,029.47	65	60	0.300589	\$ 18,035.36	65	\$ 90	0.40688166	\$ 36,619.35
66-67	50	0.294578	\$ 14,728.88	66-67	60	0.294578	\$ 17,674.66	66-67	\$ 90	0.400778435	\$ 36,070.06
	2184		\$ 1,039,415.42		2575		\$ 1,205,000.92		3662		\$ 2,006,457.68
	\$ 2,184,000				\$ 2,575,000				\$ 3,662,000		