

A National Advisory Council on the Education of Disadvantaged Children will review annually the operations of this program and related programs and make recommendations for their improvement to the President.

8. *Laws and regulations*

Title I of the Elementary and Secondary Education Act of 1965, enacted on April 11, 1965, as Public Law 89-10. For text of title I, see Compendium of Statutes, pages 56-63; for other titles of the act, pages 24-44.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

(a) *Personal income*.—Title I of the ESE Act of 1965 is directly aimed at educationally deprived children in areas having high concentrations of families with incomes under \$2,000. The program which it established can significantly alter the potential income of the participants. Innovative methods designed to raise the educational achievement of deprived students will help them break the cycle of poverty. The program should result in an increase in the students' future income and the consequent distribution of additional wealth to a population which is presently poor.

(b) *Worker placement and productivity*.—Adequately educated workers will be better equipped to cope with the labor market. Productivity and earnings should grow as workers' skills become marketable.

Increased quality in education should also result in an increase in worker mobility. Greater freedom of movement, enabling workers to seek out markets for skills, should also contribute to increased productivity and earnings.

(c) *Business and industrial organization and management*.—It is expected that the increase in demand for teaching aids will further the growth of an already expanding industry.

(d) *Other phases of economic activity*.—The program, aimed directly at areas which coincidentally have a high rate of unemployment, should help reduce the number of "hard-core unemployables." A reduction in unemployment would result in a decrease in welfare payments, thereby freeing funds for more productive use.

(e) *Geographic differentials*.—The formula for distribution of funds tends to distribute money to northern urban areas (35 percent of total) and southern rural areas (33 percent of total). For State distribution of fiscal year 1966 authorization, see table 2.

10. *Economic classification of program expenditures*

Not applicable. The program began operation in fiscal year 1966.