

**Partnership for America's Economic Success**  
**Ken Burdick Speech**  
**CEO, UnitedHealthCare and Board Chairman for Valley of the Sun United Way**

Thank you, Charles, and thanks for inviting me to be part of this important conference.

I am honored to be here today because I am a believer. I believe America's future depends greatly on the success of our youngest children. The majority of you are here today because you are believers too. In a sense we are the choir. If you are a leader in business, government, politics, faith, education or just about any other sector, what you need to know is that the advocates and issue experts inside and outside this room have both high hopes and great expectations of you. They hope you will get in deep enough to truly understand how investing in the earliest years of life impacts us both as a nation and as individuals. And once you're in, they expect you to see the urgency in helping spread the word - to help others see that America's children need each and every one of us, because each day the 0-5 window of opportunity is closing on more of our youth.

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High hopes and great, but reachable, expectations. I hope that doesn't scare you. In fact, I hope it energizes and empowers you.

My journey through Early Childhood Development began with a picture. The picture of two young brains, one nurtured and stimulated and one for lack of a better term, deprived. It opened my eyes to the critical importance of the early years. It also enlightened me to the gap being created every day between those who received the social, emotional and intellectual stimulation needed for healthy brain development and long-term success...and those without. The reality that the gap between the "haves" and "have nots" begins at birth. And unfortunately, studies show that more times than not, those children who start behind, stay behind.

What inspired me to get involved was the personal responsibility I felt to help ensure that EVERY child - regardless of economic status, ethnicity, gender or any other factor - had equal opportunity to succeed. It also impacted me personally. My family was in the process of adopting at the time and with this

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new knowledge we decided to adopt a 5-month old baby from a foster home in South Korea.

It was 2001 when I was first exposed to the early brain development message. I was part of Greater Phoenix Leadership or GPL, an organized group of business and community leaders in the greater Phoenix area. We were embarking on a P-20 initiative to look at Arizona's education system and to determine where we as business leaders could have the greatest impact. Our motivation? Arizona tracks among the lowest nationally- both then and now - in recognized education and childhood indicators, including the highest high school drop out rate.

We had a vested interest to increase our success in developing a pipeline of talented, well-educated and diverse workers. We knew it was imperative for our state's continued economic development. But where would we start?

I was fortunate to chair GPL's P-20 taskforce. A group of 15 CEOs decided to "go back to school"

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and conducted a series of on-site visits with school superintendents, principals and teachers. Each of them told us they are were willing to be held accountable in delivering educated high school students, if we were willing to help ensure kids started kindergarten ready to learn and succeed. That meant socially, emotionally, physically and intellectually. No problem? Well not exactly since 46% of America's Kindergarteners do not enter school with the basic knowledge and skills necessary for success—and that doesn't even touch on issues created by poor health or stressed and unsafe home environments.

If you're asking yourself what role business plays in this work, here's one example. This same group of people who interviewed the school representatives also interviewed the candidates running for Governor of Arizona in November 2001. Our discussion focused on one question: What was his or her position on P-20 education? Our current Governor, Janet Napolitano, clearly stood out from the rest with her knowledge and passion. And as they say, the rest is history. Napolitano, now in her

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second term, is touted as the “Education Governor” and currently chairs the National Governor’s Association.

During her first term the Governor convened a School Readiness Board consisting of 50 business, community, nonprofit leaders and subject matter experts to develop a 5-year plan for creating a statewide quality early childhood system. A group of us took a trip to North Carolina to learn from the state that had transformed their early education system during Governor Hunt’s second 8 years in office! Governor Napolitano also established a state level P-20 Council, bringing educators and business leaders around the table to look at Arizona’s education system comprehensively including preschool through post-secondary education.

As with any work where there are advocates and opponents, you must learn to test the political waters, be willing to compromise, and go where you can get some wins. For GPL and the Governor, it was voluntary full-day kindergarten. In the midst of

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all the activity was a statewide public-private partnership, convened by Valley of the Sun United Way, focused on educating the public and getting them actively involved in children's issues. Their rally cry: "Be a voice. Get Involved. Invest in Children. You're It!"

Possibly the greatest coup for the state came several months ago (November 2006) when Arizona voters passed an initiative, Prop 203, to approve a tobacco tax for early childhood programs. This new tax establishes a statewide board to oversee the development of Arizona's first early care and education system. It is projected to generate \$150 million annually for early childhood health and education programs and will be distributed through regional partnerships statewide, many of which are being developed by local United Ways.

It's been more than six years since I first joined the ranks of early childhood champions. So much has taken place in Arizona and I have been honored to be a small part of the great work being done. And although the stars seem to be aligning, there is

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much more to be accomplished. I remind you, Arizona ranks near the bottom among many key indicators including overall child well-being, children reading at grade level, high school drop-outs and per pupil funding for public education. In fact, the recent NACCRA [NAAH-KRUH] Report has Arizona ranked 37<sup>th</sup> in the nation for teenagers dropping out of high school.

So as you can imagine, the Prop 203 dollars are not going to single-handedly solve Arizona's education woes, but it certainly moves us substantially in the right direction with respect to our youngest children. We are determined to become a "great state to grow up in," as well as a "great state to grow old in."

In my role as board chair with Valley of the Sun United Way, I have been impressed by the collaboration among United Way chapters in our state around this issue. Each local United Way chapter brings unique expertise; ranging from early brain development to school readiness and quality child care to social marketing. If you haven't partnered with your local United Way, consider

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them an ally for many reasons. First of all, they have a deep and broad knowledge of the community and early childhood issues; they are connected to business and community leadership; and they have valuable partnerships with subject matter experts and service providers.

Now as a business leader, I am not naïve about the challenges ahead of us when it comes to catapulting early care and education to the top priority in communities, states, and throughout our nation.

Despite those realities, we are up to the task.

In a time where savings rates are at an all-time low and personal debt is at a high, some of the greatest obstacles we face are ingrained in who we are as Americans. We are competitive, driven and passionate people. However, we have short attention spans and expect immediate results.

Fortunately, I have been told many times that working around early childhood issues is not for the

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faint of heart. It is something that takes persistence, sacrifice and investment, while the rewards are not immediate and may not be quantifiable for another decade, they will surely be seen by our children and grandchildren.

Clearly, the world is changing around us. We're competing in a rapidly evolving knowledge-based global economy. In many areas, we're getting worse and they are getting better.

News headlines, data reports, and standardized tests paint a picture of challenge, if not downright peril. "America is losing its competitive advantage. U.S. students perform below other industrialized nations. Off-shoring takes more jobs from American workers." According to Thomas Friedman, Nobel Prize winning author of the best seller The World is Flat,

"Money, jobs and opportunity in the flat world will go to countries with the best infrastructure, the best education system that produces the most educated workforce, the most investor-friendly laws and the best environment." By not "buckling down in a flat

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world," he says, "...the competition our kids will face will be intense and the social implications for not repairing things will be enormous."

So, where are Superman and Wonder Woman when you need them you ask?

I'm here to tell you they are right here in this room, and they are back home in your community.

Business and community leaders, when you can get their attention, get it. They appreciate the expertise of early brain research, they understand the case for investing in the earliest years, and many are visionary enough to support long-term solutions.

The ages 0-5 are the foundation upon which a child's future is built, and investing in the early years provides the highest ROI (Return on Investment).

Art Rolnick, with the Minneapolis Federal Reserve, has calculated an inflation adjusted public return of 12% on dollars invested in high quality early childhood development. Yet as a nation, we are still not investing wisely.

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As you can see by this chart created by the Rand Corporation, we are investing disproportionately in the later years of child, youth and young adult development. These are the areas where we can inject short-term fixes - increases for science and math and higher education - which are important, but empirically do not yield the greatest lasting results. We must do both, but our thinking and our public policies need to change.

As business leaders, we face pressures to lower costs and deliver greater returns to our shareholders and other stakeholders. Working in early care and education will require us to make tough choices that may reduce short-term prosperity, forcing us to think beyond our own business. I am not saying overlook our business - I'm saying invest in the pipeline to ensure a future of prosperity. I believe a visionary approach will provide exponential returns in the long run.

The fact is we pay the price regardless. An increasing number of studies, including some sponsored by the Minneapolis Federal Reserve,

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document the high returns that quality early childhood programs can deliver in terms of long-term educational attainment and reduced costs associated with social issues such as juvenile delinquency, teen pregnancy and welfare dependency.

Other studies, such as this one by Cornell University, continue to convey the economic impact of early care and education specific to businesses, reinforcing the importance of private sector support of young children and their families. Reports produced by Watson Wyatt, PriceWaterhouseCoopers, Mercer Consulting and Cornell show that family-supportive companies consistently outperform companies that aren't supportive. They benefit from lower absenteeism, reduced employee turnover, and higher returns on shareholder value.

Who doesn't want happier, more productive employees that consistently show up to work?

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As I was thinking about this conference and how it relates to business, I couldn't help but think of Jim Collins' book Good to Great. Good to Great was published in 2001, the year I first learned about the early years, and continues to be one of the best selling business books because the principles are timeless.

As individuals, businesses, and as a nation, we all want to make that leap from "good to great." The writing on the wall tells us our greatest opportunity lies in our youngest children. However, in Collins' words, it will take disciplined thought, disciplined people, and disciplined action.

So, let's look at the five Good to Great principles and what we need to do to make the leap.

First of all, he talks of leaders - people who are visionary, egoless, and driven by the need to produce results. The business community **MUST** get more engaged in early childhood issues. Typically businesses like to invest in the high school programs as they are not satisfied with the future

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workforce that is graduating. In reality, it needs to start much earlier. It's like most investments, the earlier you invest, the longer the principle has to work for you. We must let our legislators know that we not only support, but expect increased investment in early care and education programs and systems. We must be ruthless with our peers and politicians, supporting investments in middle, high school and post-secondary advances, but shifting the investment formula to have more emphasis in the ages 0-5.

Second, he talks about getting the right people on the bus. This is my charge to everyone in the room. Who do you know that you can get engaged in this issue? Within our circles we know people with power, influence and resources who could raise this to the level of consciousness and priority to truly create lasting and meaningful change.

His third point is about facing the brutal facts, yet never losing faith. I've talked about the brutal facts throughout this speech. We must stay focused on our end-game, investing in children because it's a

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business and economic imperative AND because it's the right thing to do... knowing in the end that we will prevail. Let's be motivated by the vision of what we can achieve, not by our fear of failure.

The fourth principle might be the toughest - discipline. Raising early care and education up as the number one priority cannot be the flavor-of-the-month solution or latest fad—here today and gone tomorrow. We have talked how seeing results will take time and we must be diligent when budget cuts come and appealing short-term solutions are presented. It's times like these that we must hunker down and push the agenda forward.

I have personally seen how business leaders bring a level of credibility to this effort. And when business teams up with education and philanthropy, it helps create political will in government leaders to look for common ground *and* take action.

Finally, we must continue to communicate the vision – our core belief that investment in early care and education can help us achieve our full potential as a

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country and our highest aspirations as individuals. It's about what we value as Americans - free choice, prosperity, and quality of life. I am now recruiting all of you to the ranks of "vocal champions."

As the CEO of a company with 36,000 employees nationwide, I want to make sure we have a balanced scorecard. First and foremost, we must meet the needs of our customers and deliver superior financial results. While doing so, it is equally important to create pride in the workplace, as well as commitment and engagement in the community.

As a company, UnitedHealthcare will focus on the health side of the issue - helping to create better health programs for individuals, children, and families. We will also invest in the preventive side of the equation, because we understand how undiagnosed issues such as hearing problems, toothaches and dyslexia inhibit learning and development.

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Thank you again for your time. Thank you for your commitment to a future where all of America's children grow up safe, healthy, and ready to succeed.