

## Opening Remarks

Robert Dugger

Building the Economic Case for Investments in Children  
Annual Conference  
March 7, 2007

I'm honored to welcome you to the third annual Partnership conference on the economics of investing in young children.

The Partnership is a collaboration of experts in economics, early care and education, finance and policy. Our focus is evidence-based investments pre-natal through five years old.

Our bottom line is simple – Want to Grow the Economy? Invest in Kids.

Strengthening the US economy competitively and fiscally, means getting federal and state governments and US businesses to think long-term and put the lifetime success of the next generation and future ones at the top of their priority lists.

Putting kids-first is the key. Success means a stronger economy, less crime, more job creation, a stronger moral footing, a cleaner environment, and the ability to lead others in the world through the power of our example.

The roots of the Partnership are in a series of monthly Invest in Kids Working Group discussions that began in 2003. The Working Group continues to meet every month. The Partnership was then about 50 people. Now it's over 1,000. If you're not already a Partner and want to be one, go to [www.PartnershipforSuccess.org](http://www.PartnershipforSuccess.org) and sign up.

In its ten-year plan, the Partnership has three phases of action – Research, Coalition, and Change. We're in the Research phase now. We're gathering evidence on the economics of early childhood development. If our findings are compelling, and Partners agree, we will move to phases II and III.

We are gathering evidence in five areas – microeconomics, macroeconomics, sector analysis, finance policy, and communications. Microeconomics is about the economic returns on specific interventions. Macroeconomics is about state and national GDP, job creation, and revenue effects of investing in kids. Finance policy is about how we're going to pay for increased investments in kids. And Communications is about how we're going to gain the understanding of American's across the country.

Sector analysis is a new field to child development – but not to other parts of the economy. John Engler, former Michigan governor and now head of the National Association of Manufacturers, knows what I'm talking about. If you call NAM, they

can tell you with great accuracy how many people are employed in manufacturing, its contribution to GDP, and the income it generates.

Child care and education as an economic sector is probably bigger than manufacturing, comprises a bigger share of GDP, and generates more income, but we wouldn't know it.

That's going to change. Soon we're going to know how big the youth human capital sector is and what people and companies are in it. And when we do, we'll be one big step closer to making early care and education the priority it should be in local, state, and federal policymaking.

Many people and institutions have made possible what we've done so far. For their help, we are deeply grateful. Five deserve special mention –

- James Rohr, Chairman and CEO, PNC Financial Group
- Paul Jones, Chairman and CEO, Tudor Investment Corporation
- Rebecca Rimel, President and CEO, The Pew Charitable Trusts
- Dan Pedersen, President, Buffett Early Childhood Fund
- Charles Kolb, President, Committee for Economic Development

Each of these people looked at this project and despite its many challenges and limitations decided to back it with their resources, energy and reputations.

I want to specifically also thank Sara Watson, Ann Segal, Beth Gross, Donna Desrochers and Mike Petro, for the unstinting work they have done to make all this possible.

This is the third annual invest in kids conference. At the first there were maybe five businesses represented including PNC and Tudor. At the second, in New York, the number increased to about 15. At this conference there are 35 private businesses represented.

Alcatel-Lucent Technologies  
Booze Allen Hamilton  
Blackstone Group  
Brock Group  
Caliber ICF International  
Capital One  
Cargill  
Chapman  
CNA Corp  
Colebrook Realty  
Doherty, Wallace, Pillsbury & Murphy  
Eden Capital  
Eaton  
Goldman Sachs  
Hershey

IBM  
Kaiser Francis Oil  
Kaplin & Drysdale  
Lambert  
Learning Care  
McDonald's  
McEneaney  
Merrill Lynch  
Mirsky Legal  
O'Brien Group  
PNC Financial Services Group  
Porter Novelli  
Principal Financial Group  
Rockefeller & Co  
Standard & Poor's  
Todd Allen  
Travelport  
Tudor Group  
Velocity Systems

And I'll add two more notable institutions –

Federal Reserve Bank of Richmond  
Federal Reserve Bank of Minneapolis

Now, we need to be clear. Nothing we are focusing on is truly new or special. Everything our researchers are documenting about the importance of good prenatal health, steady loving parenting, and quality early education, has been known at least intuitively since the dawn of human society. Even the importance of these to economic growth and development has been studied for two centuries.

Our contribution is an effort to document the economic value to the United States of good early care and education in a modern globalized economy.

We are all led by the example of others, people like Jim Rohr, George Kaiser, and Dan Pedersen. Jim for his sponsorship and commitment to PNC's Grow up Great program. George for his leadership in Oklahoma's establishment of a state-wide quality pre-k program. And Dan for the remarkable work he's doing at the Buffett Early Childhood Fund.

George Kaiser is a special example for me. CEO of Kaiser-Francis Oil and Chairman of Bank of Oklahoma Financial Corporation, George has had a career in oil and banking so remarkable, it put him 27th on the Forbes most affluent American list. In his own view, however, as important as his business success has been, his work to maximize the life success of every Oklahoma child is what he believes will do most for Oklahoma's and America's future.

What George did in Oklahoma is of great interest to us in Virginia. We've studied the work of George and his colleagues, but we've not been able to replicate his success – yet.

George, I very much look forward to hearing your comments this morning and to learning more.

George will be introduced by another man whose foresight and leadership I admire -- Dan Pedersen.

Dan is founding president of the Buffett Early Childhood Fund. The Fund targets investments in three areas: practice, policy and knowledge. The Fund is developing a nationwide network of Educare Centers that set the highest standards for high quality early care and education. The fund is informing state policymakers and local business leaders through the Birth to Five Policy Alliance. And the Fund is deepening our understanding of the science of early childhood through its support of the National Scientific Council on the Developing Child at Harvard University.

The Buffett Early Childhood Fund invests in Omaha, throughout Nebraska and across the nation – and I note with interest, in partnership with the George Kaiser Family Foundation in Oklahoma.

How many of you remember where you were the night the Berlin Wall fell? Dan does. He was there.

Before entering philanthropy, Dan worked for 25 years as a journalist – including 18 years as the *Newsweek* bureau chief in Atlanta, Houston and London. In addition to the Berlin wall fall, Dan chronicled the fall of Margaret Thatcher and the rise of Tony Blair, and commented frequently for BBC radio and television on U.S. and world affairs.

Of all the things I've heard or read Dan say, his answer to a practitioner's question about why people who don't have children should care about investing in kids sticks firmly in my mind.

To the question, Dan replied, "People who don't have kids benefit in numerous ways. Everybody pays taxes. A society that neglects children at risk of school failure in the first five years of life winds up paying the freight for that neglect big time: in remediation, foster care and prisons. And that's not all. Economists are increasingly interested in early childhood as a smart component of state or national economic development policy. Taxpayers are made, not born."

Dan the podium is yours.

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