



Business Leadership on Education

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On behalf of U.S. Engineering Company, the Kansas City metropolitan area business community and business leaders from across the state, I want to thank you for inviting me to participate in today's events. It's an honor to be part of such a distinguished group—especially Dr. Heckman, whose work has so critically influenced our understanding of the importance of investing in early childhood education.

U.S. Engineering Company has been an anchor in the greater Kansas City metropolitan community and throughout many parts of Missouri, Kansas, Colorado and Tennessee for over a century. Our Company began when Gustav Nottberg founded a small metalworking shop in Cologne, Germany in 1855. He and his wife, Margaret, along with their three sons, moved to the United States and settled in Strawberry Hill in northern Kansas City, where he opened a business in 1893 that's now one of the top mechanical construction firms in the United States.

As a company, our Vision is simple—to “Be the Best.” It's ambitious, and we've won accolades for our work, but as you know, we're a Missouri corporation, which means we live by that eternal creed of “Show Me” skepticism. Being the best means, “Show Me” again, and again, and again. To survive and thrive for another century—to grow, to improve the communities where we operate—U.S. Engineering Company needs to remain innovative, entrepreneurial, and able to attract, develop and retain elite talent.

Achieving these goals requires good people who are prepared and motivated to work; who are curious; and who have skills that are relevant for competing in today's globalized economy. Education is a fundamental component of that success equation, and good companies are focused on what it means to their futures. With a long-term personal and financial stake in the future of U.S. Engineering, I know I will depend on today's 3- and 4-year olds as tomorrow's leadership for our organization in all of our geographic locations.

Last year, Hope Street Group, a policy wikipedia composed of business and political leaders from around the country, launched an Economic Opportunity Index that the *Wall Street Journal* highlighted as a forward-looking tool for evaluating the impact of policy priorities on an individual's lifetime economic opportunity. The Index pointed out that education is the single greatest statistical driver for realizing that opportunity.

Unfortunately, statistics also show that our country and the state of Missouri are not generating good enough results to capitalize on this potential. In 2006, American fifteen-year olds ranked 25th out of 30 industrialized countries in mathematics and 21st out of 30 in science. Missouri ranks near the middle of the 50 states, which means we rank even lower relative to the international community. These comparisons matter, especially in local communities like Kansas City, St. Louis and Columbia, where international knowledge-based competition takes place every day—not just in our schools, but in our businesses, town halls and capitol buildings.

I had a chance to work at Busch Stadium the summer of 1997 as a fry cook in the old sports bar at the top of the lower level on the third-base side. I'd have to be there pretty early to prep the

kitchen, but I'd try to get my work done so I could go down and sit in the front row to watch the Cardinals take batting practice. Dave Duncan and Tony LaRussa periodically would hang out down the line, so I sometimes got to talk with them. At one point, I asked Mr. Duncan what he thought created a winning team in the major leagues. After stating the obvious from his perspective—"pitching," of course—he said that good teams know how to get the most out of every player on the team. Doing so closes the gaps between the so-called all-star talent teams like the Yankees and Dodgers, and the mid-market teams like the Twins and Cardinals—and hopefully one day in the future, the Royals.

In the U.S., our education team isn't getting the most out of all of our players. That's because we have *two* gaps to close: a "competiveness gap" between the U.S. and the rest of the world's best primary education systems, and an underlying "opportunity gap" between the education provided in our best- and our worst-performing schools at home. We must close these gaps, or we risk our communities' and our country's long-term economic stability by relegating generations of our youth to a future of low-skilled labor.

A recent study released by McKinsey & Company called the U.S. achievement gap the "equivalent of a permanent national recession." This characterization is particularly relevant given the current economic situation. And it's why the business community must engage on the local, state-wide and national levels immediately.

On the front end of the education continuum are our smallest and most impressionable students. At birth, a person has approximately 50 trillion synapses or "connections" between brain cells. At 12 months, there are 1,000 trillion synapses. By age 20, however, that person has half as many synapses—only 500 trillion—and over time, the number of synapses continues declining. Statistically, childhood, and especially early childhood, is a time full of learning potential. If America were a business, high-quality preschool would be a high-priority investment. If America were a family, it would give all of its children the best possible start in life. So why isn't quality preschool available to all 3- and 4-year old children in America and what are we doing to make this investment in our communities here in Missouri? Enlightened self-interest demands that business leaders get with the program because our communities and businesses depend on it.

In his inaugural address, Governor Nixon stated, "From preschool to college, we must prepare every child to compete... We all share the belief that education is the key to ensuring economic strength long into the future. Missouri's pre-K-through-12 education system is the foundation of all efforts to prepare our young people to compete in the 21st century."

At the national level, Secretary of Education Duncan has declared that Kindergarten school readiness is a top priority and federal spending on it has to show results. Dr. Heckman presented an impressive set of statistics illustrating the proven and potential return on dollars invested. Good preschools are correlated with lower teen pregnancy rates and children committing fewer violent crimes later in life. And quality early childhood programs can save a share of the money that we currently spend on safety nets such as early childhood literacy, special education, nursing and counseling services—over \$11,000 per child according to the National Institute for Early Education. In one study, the Brookings Institution suggested that a national high-quality preschool program could generate annual GDP gains of \$2 trillion. And even if those numbers are inflated, I still like the pro forma on that deal.

We have to create a new approach. Programs such as HeadStart and Parents as Teachers understandably worry about being underfunded. But what they should be more worried about is the issue of early childhood education not being a long-term priority for voters and businesses. If nobody steps in to help craft a long-term vision, the problem of short-term funding won't matter. Fortunately, polls in Missouri show that voters support a focus on early childhood issues. More importantly, businesses within all Missouri communities—urban, rural, rich, poor, black, white, Hispanic—are beginning to understand the stake they have in education.

As responsible corporate citizens, we need to stop asking “why” and start asking, “why not?” The Perry, Elmira, Abecedarian and Chicago Child-Parent Center projects clearly illustrate the return on investment that this work generates. And while such projects cost money, even incremental efforts to *improve* will show a positive return.

My personal experiences in Colorado, Kansas and Kansas City have demonstrated to me the importance of having the business community help lead the effort on education in order to influence results. Three years ago, business leaders from around the country got together to formulate the Telluride Principles on Early Learning that are now at the core of many local, state and national initiatives. In 2007, Colorado Succeeds—a coalition of business leaders along the Colorado front range—helped Denver Mayor John Hickenlooper launch an innovative pre-k stipend program that now serves thousands of children throughout Denver.

In 2008, the Kansas Coalition for School Readiness, which is a coalition of business leaders, practitioners, law enforcement, and other interested Kansans, successfully pushed legislators and then-Governor Sebelius to pass an \$11.1 million Kansas Early Learning Block Grant. This funding has since had a dramatic impact on public *and* private programs now able to meet rigorous quality standards.

In Kansas City, we have even pushed for direct involvement by the business community, doing everything from encouraging businesses and business groups to adopt early learning centers in order to help them pay for the cost of engaging in the Quality Rating System to rounding up business executives on a bus to go see centers, meet teachers and interact with children. All of these actions have resulted in close to \$4.2 million in direct investment by the business community in early childhood education, coupled with an expanding coalition of like-minded business leaders who see the real value in advocating for access to high-quality early childhood education.

Today, we’re not arguing about what constitutes high-quality early learning. The Quality Ratings and Improvement System (QRS) has become the gold standard across the country. In fact, nineteen states have adopted some form of QRS. Recently, the University of Missouri and the University of Missouri-Kansas City teamed up to analyze whether preschool children who attend higher quality early learning programs here in Missouri show greater gains in school readiness than their peers who attend lower quality programs. This was the first study of its kind aimed at determining whether the QRS program has predictive validity for kindergarten readiness. It analyzed 38 centers, consisting of 350 children ages 3 to 5 from 66 different classrooms. The results were overwhelming. Not only was there a clear trend towards higher-rated 3-, 4- and 5-star programs significantly increasing kindergarten readiness, but the study also revealed that lower-rated 1- and 2-star programs are detrimental to school readiness. In other words, 1- and 2-star programs actually *degraded* children’s social, emotional and cognitive skills. Children in and out of poverty both emerged worse than when they entered.

Where I have had a chance to participate in these efforts as a business leader, I have seen three common themes:

- 1) A strong economic rationale for advancing early childhood programs that have defined benefits within individual communities—and are supported by data
- 2) Narrowly defined programs with pre-established goals
- 3) Recognition that this is a marathon, not a sprint. Where programs underwent meticulous evaluation by business leaders, proposals improved and the business community backed programs over the long term because it had skin in the game

In each instance, business leaders took a leading role—not as directors, but as evaluators of prospective investments.

Early education is the best place to start if we truly believe in long-term success, just as Governor Nixon stated in his inaugural address. However, as Benjamin Franklin once quipped, “well done is better than well said.” Today’s meeting is meaningless without follow-up work. Competing priorities and limited resources require choices. But here are five things that we can do immediately that cost exactly \$0 for Missouri to make forward progress:

- 1) Business leaders and the Governor can establish a vision for quality early learning in Missouri and a four-year agenda to reach the vision that *all* children will enter school prepared to succeed.
- 2) Both can also use their positions to raise awareness and build support for the vision while promoting quality early learning as a critical economic development issue.
- 3) We can ensure that Governor Nixon and his cabinet understands that his team—meaning his constituents—here in Missouri are committed to quality early learning because it is in our interest to begin targeting results.
- 4) Business leaders can engage the Cooperating School Districts of Greater Kansas City and Greater St. Louis to help promote the vision of quality early learning.
- 5) Businesses can step up and adopt a center to implement a QRS improvement program to get those centers that are committed to improving to a minimum 3-star rating. Business dollars before tax dollars send a powerful message to communities and legislators.

At U.S. Engineering, one of our five Core Values is to, “Listen, identify and respond to customer needs.” And while politicians’ customers are the citizenry, practically speaking their customers are eligible voters. Children under 18 need someone to speak for them. Now is the time for the business community to do so. Our futures depend on it.

Thank you for taking the time to be here and thank you for your dedication to this important issue. Let’s get to work.