Findings from the Nevada Business Summit on Early Childhood Investment

Nevada Institute for Children's Research and Policy
The United Way of Southern Nevada
The Nevada Head Start State Collaboration
Early Childhood Comprehensive Systems Office
The Agassi Foundation

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Findings from the Nevada Business Summit on Early Childhood Investment

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Nevada Institute for Children’s Research and Policy

in collaboration with:

The United Way of Southern Nevada
The Nevada Head Start State Collaboration and Early Childhood Comprehensive Systems Office
The Agassi Foundation
The Children’s Cabinet

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On February 10, 2010, a partnership of the United Way of Southern Nevada, the UNLV Nevada Institute for Children’s Research and Policy, the Agassi Foundation for Education and the State of Nevada Head Start State Collaboration Office, with support from The Lincy Foundation, hosted the Nevada Business Summit on Early Childhood Investment. The summit met to discuss effective ways to invest in early childhood education and health, in hopes of creating solutions that would provide long term human capital development through early intervention. The summit tied issues of employment opportunities, job readiness and economic trends with the need to invest in early childhood programs to enhance Nevada's growth and competitiveness in the United States and global economy. During the summit, members of the business and early childhood community heard from three guest speakers which highlighted the connection between business and early childhood development. First, Dr. Pat Levitt discussed toxic stress and its impact on learning and health, followed by Dr. Art Rolnick who presented on early childhood development and public return on investment, and ended with Dr. Robert Dugger who put forth the call to action.

The goal of the summit was to introduce the public/private partnership agenda to increase business awareness, engagement and investments in existing and expansion of early childhood programs throughout Nevada.

Dr. PAT LEVITT

Dr. Patt Levitt received his doctorate in Neuroscience at the University of California, San Diego and is Director of the Zilkha Neurogenetic institute and Chairman of the Department of Cell and Neurobiology at the Keck School of Medicine at the University of Southern California, Los Angeles. His current research focuses on the development of brain architecture that controls learning, and emotional and social behavior in children. This research will seek to further understand the causes of neurodevelopmental and neuropsychiatric disorders (i.e. schizophrenia) and how genes and the environment influence typical and atypical development.

“If we invest early, we save later.”

The brain begins to develop before birth and this development is not only impacted by mom and dad’s genes, but is also significantly impacted by the environment. Development at this time will set the course the rest of that child’s life. The brain excels in using information available in the environment to further its own development, however, it does not discriminate between the types of information it receives. Therefore, both positive and negative experiences influence the development of the brain and the child. Negative experiences such as abuse and neglect have a powerful influence on development which influences the entire trajectory of that child’s life.

For example, in the child’s third trimester, over 700 nerve connections, synapse, are made per second. These connections are made due to experiences the infant is having inside the womb. There is an order to how brain development occurs. First connections are made for sensory information because it has a more immediate need for use, followed by language development, and then by higher cognitive functioning which takes a long time to develop. The development of these connections depends on a “serve and return” interaction. This means that the brain develops
most effectively when the child interacts with other individuals, not inanimate objects. As a child engages in a serve and return pattern, sensory, language, and social emotional tracks are being created; they develop together and are linked to one another. If a child is not exposed to other individuals, such as in cases of neglect, these connections will not be wired properly and will slow the developmental growth of the child.

Studies have shown there is a direct correlation between the language use of the adult the child is exposed to and the actual language development of the child. These language skills increase a child’s ability to do well in school, increase general productivity in life and other areas related to success. Another factor related to lifelong success is an individual’s ability to cooperate with others and control their emotions. To do this, the brain needs to be able to recognize signs of distress and know how to respond appropriately. If the architecture for these skills is not developed early, there is increased risk for the person to experience higher levels of stress, anxiety, and fear which lead to an increase chance of cardiovascular disease, cancer, diabetes and immune deficiency.

Abnormal stress early in life (abuse and neglect, parental substance abuse, postpartum depression) called toxic stress, can alter the brain chemistry of that child because the child is not emotionally able to cope with the stress. Unfortunately, the damage incurred by the child’s brain not only impairs the emotional development process, but also other processes that are controlled by the same parts of the brain such as learning and memory.

Early and adverse experiences contribute directly to the risk for long term physical and mental health.

- For children who experience toxic stress, there is a 90-100% chance that they will enter a public school program already needing additional services.
- Low birth weight children, particularly those who experience some type of stress before birth, have an 80% chance of being in a special needs program.

These additional services cost a lot of money. Toxic stress gets imbedded in our body and builds up over time. This process directly influences how we age and how well we live.

**Damage done early cannot always be reversed in later years and the assistance needed to make up for those developmental problems can be very expensive.**

It is more economical to invest early to prevent exposure to toxic stress and promote positive environments that lead to healthy development.

“Plan for Pregnancy to Kindergarten - make sure children have access to stable relationships.” This will build a strong workforce in the future.

**Summary:** A child’s neural development is influenced by both genes and the environment and this influence begins before birth. High levels of “toxic stress” such as abuse and neglect, parental substance abuse, and/or postpartum depression leading to neglect, during the period between pregnancy and kindergarten can cause developmental delays, impair the child’s long term ability to cope with stress and sustain emotional control, and can lead to cardiovascular disease, cancer, diabetes and/or immune deficiency. If we want children who can function successfully in their adult life to be contributing citizens that are less dependent on state services (i.e. disability), then we need to make investments in early childhood where the real prevention can occur.

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**Dr. ARTHUR ROLNICK**

Dr. Arthur Rolnick is currently a Senior Vice President and Director of Research at the Federal Reserve Bank in Minneapolis. Dr. Rolnick is a nationally recognized essayist regarding public policy and early childhood development, and he serves on several non profit boards regarding investments in early childhood development. He received his doctorate in economics from the University of Minnesota.

Dr. Rolnick spoke on the right and wrong way to engage in economic development. Currently, many cities and states across the country are spending billions of dollars in economic development activities that
provide a zero public return on investment. For example, investing in new business that move jobs from one city to the next but fail to create new jobs does not provide a public return on investment.

History has shown that the best way to invest public money to secure sustainable economic growth is to invest in human capital. This has been exemplified in successful post war countries. Rather than spending on machinery and technology, these countries invested in high quality teachers. In the US, several research studies have looked at children engaged in programs that provide quality early childhood education compared to children who were not receiving these services. Results of these studies have found that as adults, the children in the high quality early childhood programs were more likely to:

- Have increased literary skills;
- Graduate from high school;
- Be employed;
- Get married;
- Pay taxes; and
- Not be engaged in criminal activity.

From the cost of the early education program and the savings costs from reduced need for special education, or grade retention, at least one study showed a return on investment was calculated at 16%, which was a conservative estimate. This is a much greater number than Zero.

The chart to the right summarizes benefit/cost ratios extracted from several early childhood investment studies in the U.S., including the High Scope Perry Preschool Project referenced by Dr. Rolnick.

### Table: Early Childhood Investment Benefits

<table>
<thead>
<tr>
<th>Program</th>
<th>Per Capita Benefits</th>
<th>Benefit/Cost Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Scope Perry Preschool</td>
<td>$76,426 to $253,154</td>
<td>5.15 to 17.1</td>
</tr>
<tr>
<td>Abecedarian Project</td>
<td>$138,635</td>
<td>3.23</td>
</tr>
<tr>
<td>Chicago Child-Paren Centers</td>
<td>$49,337</td>
<td>7.14</td>
</tr>
<tr>
<td>Brookings Meta-Analysis</td>
<td>$15,742</td>
<td>2.36</td>
</tr>
</tbody>
</table>

A Model for Smart Investments: The Minnesota Parent Aware Project

Some of the challenges that policy makers, and community members alike, will face in moving toward a strong early childhood investment approach are the need for parent engagement, high quality programs, measurable outcomes, and a system that is to scale with the needs of the community. The Minnesota Parent Aware Project [http://www.parentawareratings.org/] takes into account these challenges and presents the following as key components to establishing a community based early childhood intervention model.

- **Scholarships to High Quality Centers**
  The program provides scholarships for low income parents to send their children to a high quality preschool program of their choice. In a program such as this, parents should receive guidance in determining what school is best. However, since not all schools will work for all students (e.g. cultural reasons or language barriers) it is ultimately up to the parent to make that decision.

- **Quality Rating Systems**
  High quality centers are a key component of an early childhood systems that will have the most benefit for the child and produce high yield human capital returns. Quality rating systems provide a mechanism for allowing parents to gauge the overall quality of a center, as well as allowing investors (both public and private) know if their dollars are being invested in an effective program.

- **Partnership with Home Visiting Programs to Start Early**
  Even though the scholarships mentioned above would be for 3-4 year olds, the early intervention process should start with at-home visits from a nurse during pregnancy to catch children as they start to develop. Nurse home visits reduce infant mortality and low birth weight, both of which were not calculated in the stated return on investment above (16%).

- **K-12 School Partnerships – Sustainable Transitions**
  The k-12 programs need to be aligned so that the early preparation is maximized throughout the primary and secondary school years. Partnerships between early childhood programs and the K-12 school system will allow for ease of transition and will promote quality throughout the education of the child.
**Summary:** Public return on investment is greatest when put into human capital. This should start with early childhood education and target four main areas: high quality programming, parent engagement, measurable outcomes, and a program to scale for the community.

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**Dr. ROBERT DUGGER**

Dr. Robert Dugger has been a managing partner and director of the Washington office of Tudor Investment Corporation, a global asset management company, for the past 15 years. After receiving his doctorate in economics from the University of North Carolina at Chapel Hill, Dr. Dugger engaged in a long career in business and public service. One of his current philanthropic commitments is investing in the lives of American children which he demonstrates as a founder of the Partnership for America’s Economic Success and involvement in several other organizations associated with children’s advocacy.

The presentation given by Dr. Dugger was focused on the impact that NOT investing in early childhood will have on the business community. Currently, **25% of youth aged 17-24 are not qualified to be a United States Army Private.** This job requires the military to trust these individuals with automatic weapons and they do not believe that many of these youth have the emotional capacity to handle such a position.

A team of retired special forces agents are speaking around the country on the importance of quality early childhood care, access to healthcare, pre kindergarten and parents who are more involved in their child’s environment (remember Dr. Levitt’s theme of serve and return). If these issues are not dealt with this country will continue to experience a rise in young adults who are un-hirable, even to a casino, because they are can’t work with a group of people, are incarcerated, do not have a high school diploma, have a drug addiction, or need special services and are not able to contribute to the job market. Given the current budget crisis, it is important to think about long term return on investment.

*Do not cut funds for early childhood - putting the funds there now will reduce funding needed in several other budget lines in the future.*

This will also allow Americans to be less dependent on both national and local government as less people will need to access services. As this directly effects the business community (no competent youth to hire) the business community needs to ban together and commit to advocacy work (ie: writing op-ed’s) so the government in Nevada understands that all constituents and businesses want to invest NOW in early childhood. There is no time to wait.

*“Educating kids is the way we protect what is inherently American.”*

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**Strategies for Moving Forward an Early Childhood Agenda:**

1. Get someone on the ground who can make a difference – community and business leaders are crucial to ensure that the message is heard and to raise the visibility of the issues. It is not just about the money, business partners can offer their time and voice to help.
2. Advocacy and education are key - writing letters and speaking to legislators about the message. Advocating to ensure that there aren’t any votes for anything but maximizing the lifetime productivity of every Nevada kid.

3. Get in touch with the Partnership for America’s Economic Success which provides the formation of, as well as aiding in the development of, business leadership councils for youth human capital: www.partnershipforsuccess.org

4. The business community in Nevada needs to convene an effective speaking, writing, and advocating community to drive down Nevada’s poor delivery system performance and bring it up to national standards. Then and only then can we bring in money such as Challenge grants. We have to show what we are before they will provide funding. This effort needs to involve everyone from casinos to miners, hotels, and other business leaders.

**Summary:** If we do not invest in early childhood development will not have hirable youth - rather we will have youth who are emotionally unstable, drug dependent, incarcerated, or rely on state services due to developmental delays. It is important to invest now to support a growing economy.
On February 10, 2010, a collaboration between United Way of Southern Nevada, the UNLV Nevada Institute for Children’s Research and Policy, the Agassi Foundation for Education and the State of Nevada Head Start State Collaboration and Early Childhood Systems Office, with support from The Lincy Foundation, hosted the Nevada Business Summit on Early Childhood Investment. The summit met to discuss effective ways to invest in early childhood education and to further engage community leaders in creating solutions that would provide long term support and investments in early education and care programs. The summit speakers connected issues of employment opportunities, job readiness and economic trends with the need to invest in early childhood programs to enhance Nevada's growth and competitiveness in the United States and global economy.

Volunteer advocates, members of the business and early childhood community heard from three nationally recognized leaders in brain research and development, economic development strategies, and pilot programs serving young children living in poverty. Attendees had the opportunity to discuss local and national issues and provide feedback on effective strategies to further engage and inform the business and community leaders to promote quality early childhood programs in Nevada. Although 149 statewide attendees actively engaged in strategy sessions, responses were formally collected in survey form from 44 business and community leaders.

The four survey questions were:

1. What was the most powerful message you heard today?
2. What further information would be helpful?
3. What are your doubts or concerns that you haven’t had answered?
4. What is the best way to spread this information to the business community?

**What was the most powerful message you heard today?**

41 attendees responded to Question 1, resulting in 45 responses in 6 areas that included:

- Economic Impact (19)
- Brain Development (13)
- Individual Impact (4)
- Hope (3)
- Other (3)
- Data/Statistics (3)

**The Economic Impact of Quality Early Childhood Programs**

- What you put into the children; you will get back in return financially.
- The consequences of **not** investing in early education to develop human capital will far outweigh the cost of doing so.
- Wasting time and money with ineffective programs results in little or no return on that investment.
- Currently, 75% of 17-24 year olds don’t qualify to be hired by business or the military.
- Quality early childhood programs can produce ROI (Return on Investment) of 17:1.
Brain Development
- 85% of the foundation for learning is formed by age 5, yet 95% of public investment in education occurs after age 5.
- In young children, 700 neural synapses are formed every second – creating essential brain connections for learning.
- For children who experience toxic stress in early childhood, there is a 90-100% chance that they will enter a public school program already needing additional services.
- Serve and Return – the brain develops most effectively when the child interacts with other individuals, not inanimate objects.

Individual Impact
- Abnormal, or toxic, stress early in life can alter brain chemistry, incurring long term damage in emotional development, as well as learning and memory.
- Early childhood experiences can have long-term impacts on the overall health, wellness and development of the child into adulthood.
- Failure to properly educate children when they are young has left hundreds of thousands of young adults unprepared to succeed in life – nearly 75% of youth are unprepared for even the most basic or military jobs.

Hope
- A spirit of caring still exists in an irreversible era of declining public resources.
- There is hope for business and education working together.

Data and Statistics
- The evidence validates concerns of the consequences on people and society due to the lack of quality early education and lack of giving value to education in Nevada.
- Long-term, national studies demonstrate the effectiveness of quality early childhood programs and can bolster efforts in Nevada.

Other Messages
- Starting early is starting right on time!
- Looking at the child, and the community, in a holistic, connected way.

What further information would be helpful to support Early Childhood in Nevada?

31 attendees responded to Question 2, resulting in 37 responses encompassing 6 broad themes that included:

- Messaging/Networking (24%)
- Funding (22%)
- Data & Program Info (16%)
- Action Steps (11%)
- Public Policy (5%)
- Other (11%)

Messaging/Networking
- Articulating arguments to the business community on the local economic benefits of early childhood.
- Establishing forums to present the message to a broader range of leaders – business, community leaders, policy makers and parents. Create networking opportunities.
- Development of messaging materials for advocates to present to colleagues.
### Funding
- How do we fund quality early childhood programs in Nevada?
- How to overcome severe economic challenges to establish appropriate levels of funding.
- Leveraging federal resources to improve services, such as the Challenge Grant. How can the business community participate in the process?

### Data and Program Information
- Identifying and formatting local data to demonstrate need, potential outcomes and potential returns – both economic and developmental.
- Identify current programs and/or initiatives in Nevada that exemplify quality early childhood efforts.
- Look to other jurisdictions to compare promising, effective programs/systems for early childhood. Examples of success.

### Promoting Public Policy
- The message needs to get out to all elected officials.
- How will the “public good” translate into public policy?

### Specific Action Steps
- What do we do now? How can we help?
- How to put ideas into action to serve the community – establishing priorities and moving forward.
- What specific steps can the business community take to move this message forward and institute quality systems in Nevada?

### Other
- Understanding the perspective of opponents of quality early childhood – what is the opposition to moving forward?
- How to deal with a large population of non-English speaking children in our community.
- How to engage and educate parents as partners in decision making, as well as shaping the quality of early childhood.
- Establishing strong collaborations between business and early childhood professionals.

### What are your doubts or concerns that you haven’t had answered?

32 attendees responded to Question 3, resulting in 39 responses which were grouped into 6 categories, including:

- Financial Support (8)
- Business/Community (6)
- Systemic Challenges (6)
- Planning to Action (4)
- Political Will (4)
- Other (11)

### Sufficient Financing to Support
- Moving forward given our current economic state, how do we justify increased funding to early childhood when everything else is getting cut?
- How do we fund comprehensive, quality programs? State and/or private funds?
- How much will this cost now?

### Engaging Business & the Community
- How do we engage more business leaders in this effort?
- Increasing parental awareness and involvement.
- Concern about getting the entire community galvanized to see the importance of early childhood spending.
Systemic Challenges
• How will we create the transition from what we have today to what we need to be?
• We need to protect our investments in early childhood, ensuring that children don’t lose ground in the public schools.
• We need to develop better strategies and/or incentives leading to more effective programs that produce better outcomes.

Planning to Action
• How are we going to make this happen? What are the next steps?
• Ensuring that we do more than just talk and leave more good ideas on the shelf.

Political Will
• The political will to change for the future – even if the returns come later.
• Historically we lack the political will to appropriately fund education, how will this differ? How can we convince business to invest in education when our state will not?

Other
• Availability of individual resources necessary to make this succeed.
• Consideration of services for children with special needs.
• Involving the Hispanic population and ensuring culturally appropriate programs.

What is the best way to spread this information to the business community?
30 attendees responded to Question 4, resulting in 39 responses which were grouped into 6 categories, including:

- Presentations (11)
- Marketing & Media (10)
- Business Leaders (5)
- Professional Orgs (5)
- Financial Incentives (2)
- Other (6)

Presentations
• Targeted presentations involving humor at business roundtables, happy hours.
• Develop a shorter (2 hour) version of the summit to present to business leaders – target 25 largest employers in Nevada.
• Host more summits/conferences and provide more detailed information on ROI, cost, and action steps.

Marketing and Media Campaigns
• Develop media/marketing materials aimed at the business community which stress the long term effect on business and the overall cost of not investing now.
• Include public service announcements on TV and radio, email, direct market, policy briefs, op-eds, and press events.
• Develop a speaker’s forum of business leaders.

Developing Leaders from Business
• Identify champions in the community that can speak the business language that resonates with business owners and community stakeholders. Train these leaders to be advocates and have them enlist others to join the initiative.
• Develop business networking events for CEOs. Reach out to companies and give presentations to CEO and/or board.

Engaging Professional Organizations
• Involve all of the local chambers of commerce and economic development organizations.
• Talk to civic and philanthropic groups where business leaders and community stakeholders frequent.
Addressing Financial Incentives
- Focus on financial incentives for business – both short and long term. Emphasize the cost of NOT doing this.
- Identify possible tax credits or other financial incentives for business that are short term return on investments.

Other
- Develop a business council that can focus on engaging the business community and develop investment strategies.
- Continue the dialogue and keep the momentum strong. Develop strategies to get political support and buy in.

The Telluride Principles

Guiding the Process and Improvement of American Youth Human Capital Development

In 2007, the first annual Telluride Economic Summit on Early Childhood Investment convened, bringing together 125 national business, finance, and policy leaders to discuss building human capital through research-based investments in early childhood. Participants agreed on five principles to guide the process and improvement of American youth human capital development, known as the Telluride Principles:

- Maximizing the life success of every child in America is our highest priority.
- Involvement of parents, family, and other loving adults are crucial to a child’s life success.
- Children are helped most and the economy is made the strongest when resources are allocated on the best evidence of what will lead to positive child outcomes.
- Sound performance evaluations can ensure goals are attained.
- Child development programs that use private and public incentives and are scalable will be stronger.

Starting Early is Starting Right on Time

Prepared by the Nevada Institute for Children’s Research and Policy
in collaboration with:

Authors: Denise Tanata Ashby, J.D. and Amanda Haboush, M.A.
Overall, participants felt the economic summit was helpful and that more should be done to explore and document improvements to early childhood programs in Nevada. One respondent summed it up as:

“This is a great start- Now the dialogue needs to be continued.”

Recommendations:

1. Develop a unified message/vision for quality early childhood education in Nevada.
   a. The message must be clear and concise, including not only the issue background, but also specifically what we need to do as a state to provide quality early childhood programs for all residents.
   b. Increase communication and community awareness of existing quality programs and initiatives that are privately and publicly funded.
   c. Utilize business expertise to develop and communicate the messaging.

2. Improve/enhance data collection systems and assessment tools used statewide in early childhood programs to be linked to a centralized depository of information.
   a. Data and tracking outcomes will be essential to making the case for quality early childhood programs and demonstrating the cost benefits and long-term impacts of strong early investments in Nevada.
   b. Both national and local data (as currently available) should be utilized to move forward immediately and prioritize the implementation of strategies that will yield long-term positive outcomes.

3. Develop and implement a comprehensive social marketing campaign (based alignment of the message/vision) to promote nationally recognized standards of excellence in quality early childhood education and care programs.
   a. Support state-funded resources such as 2-1-1 to provide data, resources, and specific action/initiatives for businesses, policymakers, parents, and advocates.
   b. Engage multimedia partners and business leaders to deliver the message.
   c. Engage professional associations such as local chambers of commerce, with messages that are tailored for the business community and provide specific action steps.

4. Coordinate and align groups that support quality early care and education to work in collaboration and move forward one agenda.
   a. Support business leaders to engage with existing local and statewide collaborations, such as United Way of Southern Nevada’s Commitment to Education Council and/or the State of Nevada Early Childhood Advisory Council to ensure coordination of purpose, outcomes and funding.
5. Utilize business leaders serving on local and state Councils to coordinate, inform, and align public policy advocacy campaign messaging and engage policymakers at the local, state and federal levels.
   a. Use unified message/vision, and social marketing campaign strategies to educate policymakers at the local, state and federal levels.
   b. Support business leaders and community advocates to effectively interact with policymakers at all levels and deliver a comprehensive message.
   c. Identify and prioritize local, state and federal policy changes required to initiate broad-based quality early childhood programs throughout the state. (i.e.: Review an expansion of Quality Rating Improvement System pilot, increase of child care subsidies and scholarships, improvement of teacher qualifications and requirements, and professional development training requirements.)

6. Provide education and support to implement individualized business strategies that promote quality early childhood. Examples include:
   a. Provide information to employees regarding:
      i. Child Care Resource and Referral Services
      ii. Parenting and/or Child Care Seminars
      iii. Family Resource Library and Information Center
      iv. Distribution of Local Child Care Resource & Referral Newsletter to Employees
   b. Implement or enhancing Flex-Time and Leave Policies:
      i. Flexible Scheduling, Compressed Time
      ii. Job Sharing, Part-time Options
      iii. Leave Policies
   c. Provide financial support to employees through:
      i. Dependent Care Spending Account
      ii. Flexible Benefit Plans
      iii. Child Care Vouchers
   d. Employer sponsored services such as:
      i. On-Site or Near-Site Employer Centers
      ii. Partnering with Other Employers
      iii. Family Child Care Network
      iv. Back-up, Sick Child or Odd-Hour Care
      v. Before/After School Programs, Summer Camps and Holiday Care

Starting Early is Starting Right on Time

For more information on opportunities to support quality early childhood programs in Nevada, please contact:

Northern Nevada - Children’s Cabinet (Marty Elquist at melquist@childrenscabinet.org)
Southern Nevada - United Way of Southern Nevada (Dolores Hauck at doloresh@uwsn.org)
Head Start State Collaboration and Early Childhood Systems Office (Margot Chappel at mchappel@dhhs.nv.gov)