

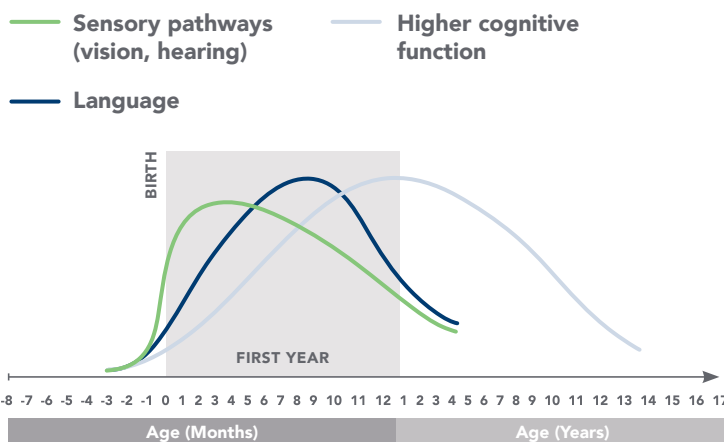
**Early childhood development is critical to the region's future.** Supporting families, particularly ones with the youngest children, will have significant impact on the Minneapolis-St. Paul region. Investing in the over 100,000 families with children three years and younger has economic and societal benefits today and in the decades ahead – particularly for the most vulnerable. This investment will help reduce the racial inequalities historically present in our region.



A cross-sector alliance of employers, the Itasca Project seeks to increase the economic competitiveness of the Minneapolis-St. Paul region and expand prosperity for all. The Itasca Project focuses on a variety of topics to address long-term drivers of inclusive economic growth, and sees supporting healthy early childhood development as one of our greatest opportunities.

Research has deepened our understanding of the development of the human brain during the first 1,000 days of a child's life—from prenatal to age three—and the implications of that development for the rest of the child's life. How the brain develops during those formative years is largely based on external experiences that can help or hinder development. Often families of color and low-income families face the highest barriers to healthy brain development that can translate into inequities in economic, educational, and health outcomes.

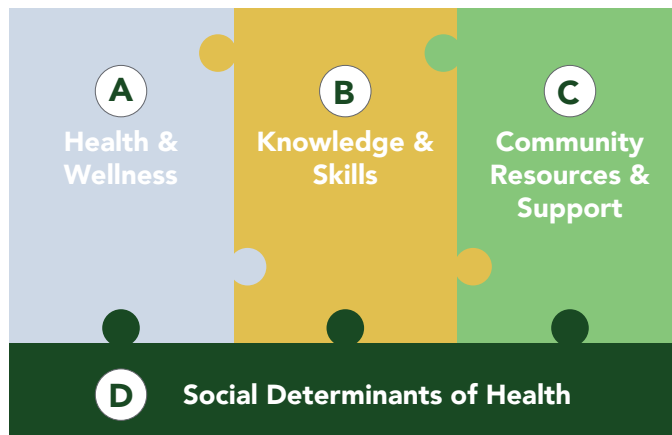
**HUMAN BRAIN DEVELOPMENT**



**How to Make the Most of the First 1,000 Days**

The Itasca Project has defined four major factors in optimal brain development during those first 1,000 days that offer opportunities for intervention: health and wellness, knowledge and skills, community resources and support, and social determinants of health.

- A** Healthcare and age appropriate nutrition for child and parents, includes mental and emotional support.
- B** Learning principles to stimulate and support brain development.
- C** Resources for parents and caregivers, including informal sources like peer mothers and family and formal sources like high quality childcare.
- D** Foundational elements for children and families including steady housing, financial stability, food security, safety, reduction/elimination of pollution and toxins from ambient environment, etc.



Of the stakeholders who support families and young children, **employers have an important role to play, even though they are often overlooked.**

Employers who implement family-friendly policies and practices can:



**INCREASE:**

- employee satisfaction
- productivity
- retention



**DECREASE:**

- absenteeism
- healthcare costs

“Investments in early childhood development produce an annual ROI of 7-10%”

Research has also shown that investments in early childhood development produce an annual return on investment (ROI) of 7-10% by improving school and career achievement and reducing costs for remedial education, health care, and the criminal justice system. For the children most at-risk, that return may exceed 13%. These returns exceed typical stock market returns, suggesting private and public investment to support the development of young children’s capacities could increase both equity and efficiency.<sup>1</sup> However, current public and private spending on children ages 0-3 is only a fraction of children in K-12.

The COVID-19 pandemic and economic fallout, coupled with the social unrest after George Floyd was killed, have highlighted the inequities that families in the region face. The pandemic has also exacerbated the challenges for families, particularly low-income families, to access and afford quality childcare—a critical factor in overall early childhood development and parents’ ability to return to work. While creating

challenges, the pandemic also presents a unique opportunity for all of us to think differently.

The urgency of investing in early childhood development has never been greater. Employers can provide important support to families and young children by:

**Sharing the story of early childhood development.**

Share the research on development during the first 1,000 days and the importance of supporting children at this age to ensure the future success of our region. Specific materials that employers can distribute to their employees can be provided through our partner, Little Moments Count.

**Adopting our employer toolkit.** In 2021, the Itasca Project task force is developing and piloting a toolkit of policies, practices, and resources for employers of all sizes and industries to help employees and their children overcome health and wellness challenges and to support new parents. Please contact Justin Freiberg ([justin\\_freiberg@mckinsey.com](mailto:justin_freiberg@mckinsey.com)) if you want more details about this toolkit or would like to participate in the pilot.

**Joining a coalition to support improved service delivery.**

In 2021, the task force is forming a coalition to join with our early childhood development and learning partners to help public and private organizations better serve the families with greatest needs. Please contact Justin Freiberg ([justin\\_freiberg@mckinsey.com](mailto:justin_freiberg@mckinsey.com)) if you or your organization is interested in participating.

<sup>1</sup>“The Rate of Return to HighScope Perry Preschool Program”, James Heckman, Journal of Public Economics, February 2010; <https://www.sciencedirect.com/science/article/abs/pii/S0047272709001418>

## About the Itasca Project

The Itasca Project is an employer-led alliance that seeks new and better ways to improve our future economic competitiveness and quality of life in the Twin Cities area. Its 70-plus participants include private-sector CEOs, public-sector leaders, and the leaders of major foundations based in the Twin Cities region. To learn more, please visit [theitascaproject.com](http://theitascaproject.com)