Strengthening business through effective investments in children and youth

Business Leader Actions to Support Early Childhood:
A Global Imperative; A Local Opportunity

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EXECUTIVE SUMMARY

Business leaders from every country have similar concerns – hiring skilled employees, finding customers who can afford their goods and services, and operating in an environment that spurs innovation and economic vitality. Overwhelming, rigorous evidence shows that the root of all of these factors lies in children who have the good start that will prepare them for success in school and in life. For that reason, business executives across the globe—from multi-national CEOs to shop owners in small towns—are starting to take action to create the conditions that will help young children thrive, fulfill their potential and become productive adults.

Companies are acting on their own initiative, because they see the benefit to their community and nation, and their bottom line. This paper describes four types of actions companies can take, along with examples from many countries—actions to

- Benefit their communities,
- Support employees,
- Educate key decisionmakers and
- Influence public policies.

To help companies decide among these many options, the paper ends with advice on choosing a course of action and designing a successful initiative.

ReadyNation is a business membership organization whose 1,100 members, including current and former Fortune 500 CEOs, advocate for public and private investments in children and youth that improve the economy and workforce. Since 2006, ReadyNation has been supporting executives to take actions that start in the earliest years of life to create a strong citizenry able to tackle the world’s challenges.
BACKGROUND

A shop owner on Kampala Road in the capital of Uganda and the leader of a global technology firm based in Germany may seem very different. But they have similar concerns: Where will we get good employees? Who will buy our products? How do we keep employees on the job? Does the quality of life in our community support a thriving business sector? Who will create the innovations that will improve our economy? The answer to all of these questions lies in creating a productive citizenry – and that process starts in the earliest years of life.

During the first five years of life, children develop many of the skills and abilities that will help them grow into productive adults. Business leaders have a vested interest in fostering an environment that helps young children become the future employees, customers and neighbors their communities and countries need. Businesses can also support their current employees with families to be more productive in the workplace. Employees who are parents can be more attentive to their jobs if they know their young children are in safe, nurturing environments. Other supports, such as good nutrition and medical care, help children stay healthy and thrive, reducing costs and absenteeism. While business leaders’ primary concern must be running a successful enterprise, they can take many actions that will pay tremendous dividends for multiple generations, as well as boost their company now and in the future.

This report showcases the wide variety of actions that business leaders around the world are already taking to help both their current and future workforce. Young children will grow into successful adults and current employees will better manage their work and parenting responsibilities. It also suggests a basic process to decide what actions are the best fit for the company in its local and national context. Finally, we describe how ReadyNation can help with ideas, advice, examples and peer leadership. ReadyNation is a business membership organization whose 1,100 executives, including current and former Fortune 500 CEOs, support public and private investments in children and youth to promote economic vitality and workforce development. This report focuses on actions supporting young children, from before birth to primary school entry, and their families.

The rationale for business involvement in the early years starts with the evidence. A strong body of research supports early childhood as a crucial business concern. Impacts of effective early childhood programs generally fall into these distinct categories:

“Early childhood development is the compelling economic, social and moral issue of our time. It helps provide all children with the opportunity they deserve to develop their natural abilities. It is also the most effective way to build the workforce and customer base we need. Investing in young children’s healthy development is a financial and social imperative for any country.”

John Pepper, Former Chairman and CEO, Procter & Gamble; Co-Chair, ReadyNation CEO Task Force on Early Childhood
An extensive body of research in education, developmental psychology, neuroscience, medicine and economics shows that quality early childhood education programs produce better education, health, economic and social outcomes for children, families, and the nation. "Early Childhood Education Consensus Letter" signed by more than 1,200 researchers from 34 countries, sponsored by the National Institute for Early Education Research (www.nieer.org/publications/ece-consensus-letter-researchers)

**Current workforce:** Support for child care increases worker retention and productivity. Employees who know their children are in reliable, quality child care can focus on their jobs. Good health care and other supports keep children healthy, enabling them to be present at school and their parents to be present at work.¹

**Future workforce:** Hundreds of studies from many countries document the impact of quality early childhood services – education, health, nutrition, parental support – on adult productivity. For example, a meta-analysis by the National Institute for Early Education Research of 30 different programs in 56 studies across 23 countries in Africa, Central/South America, Asia and Europe found positive impacts of early childhood programs on health, education, IQ and emotional development.² Services for young parents, such as those that support breastfeeding, parental leave and other supports, also result in improved child health and development.³

**Economic growth:** A prominent U.S. study has found that funds spent on early childhood programs – especially educator wages and supplies – produce immediate economic benefits. Because early educators tend to spend their money locally, for each dollar invested, almost two dollars are generated in local activity – a rate even higher than for many other sectors, such as manufacturing and agriculture.⁴

**Societal benefits:** A variety of cost-benefit studies demonstrate substantial savings from the positive impact of early childhood programs on otherwise expensive, government-financed services, such as criminal justice, health care, education or welfare.⁵ Early childhood programs have been shown to improve educational attainment, health status, employment, and participation in crime and substance abuse. Nobel Laureate James Heckman and others have found an annual return on investment to society of 7 to 10%.⁶ A study in Uganda found an expected cost-benefit ratio of 1 to 1.6.⁷ Some of these results, such as child abuse and neglect, hospital visits and special education placement, show almost immediate impacts.⁸ Others, such as graduation and employment, persist for decades, generating a long-term stream of returns.

Beyond these quantitative benefits, companies may have other reasons for publicly supporting early childhood investments. For example, their actions can:

- enhance the company’s image
- help attract more customers

In Australia, accounting firm PwC attributed three types of benefits to that country’s GDP stemming from their quality early childhood education and care (ECEC) (cumulative to 2050 in Australian dollars): (i) impacts of an increase in female labor force participation in the current workforce ($6 billion); (ii) long-term impacts of children’s participation in terms of increases in their productivity as adults ($10.3 billion), and (iii) impacts of particularly vulnerable children’s participation in ECEC in terms of savings to taxpayers through decreased government expenditure on remedial education, criminal justice and youth offending and health services. ($13.3 billion).
Business Leader Actions to Support Early Childhood

Business leaders can play many different roles in promoting the healthy development of young children. Some companies may wish to focus on their local community, while others want to effect change on a larger scale. These actions that companies are taking on their own initiative generally fall into four principal categories. They

- Benefit their communities,
- Support employees,
- Educate key decision-makers and
- Influence public policies.

“A commitment to high-quality early childhood programs should be a global priority. Research shows that such programs can yield positive results across diverse cultures and nations. We need to act now to start our youngest learners on the path to success.”

Gideon Badagawa, Executive Director, Private Sector Foundation Uganda

The broad scope of possible actions means that business leaders can choose from many options to support early childhood. To help leaders decide what course is the best fit for them, this publication ends with a brief discussion of steps to create successful initiatives, and how ReadyNation can help. ReadyNation welcomes more examples of business action to add to an online database, www.ReadyNation.org/Ready2Go.

### ACTIONS TO BENEFIT COMMUNITIES

Companies can choose to support programs in their community that help young children thrive. While many companies donate funds to local services, contributions to early childhood programs are especially significant for several reasons. One is that it’s still much more common for philanthropic efforts to target older children. It also sends an important signal to policymakers in countries that traditionally have not made their youngest residents a high priority. Since many early childhood interventions, such as vaccines or food, are comparatively inexpensive and generate tremendous benefits, a relatively small investment can have a big impact.

- **Provide significant philanthropic support**, including dedicating a specific portion of their Corporate Social Responsibility (CSR) or philanthropic funds to early childhood.
  - Swedish-based home furnishings company IKEA has made early childhood a major part of its philanthropy, through the IKEA Foundation, including working with Save the Children on its “Soft Toys for Education” campaign worldwide, which has generated more than 67 million euros in the past 12 years, serving 11 million children in 46 countries. In the U.S., IKEA’s “Early Steps to Success” initiative provides home visits, books, and parenting groups for children from birth to age five.10
  
- Since the 1940s, Hindalco Industries of India has supported CSR initiatives, which now include health camps that provide family planning, health care and immunization drives, and promote the awareness, prevention and treatment of malaria, water-borne diseases, TB, HIV/AIDS, and other diseases.11
  
- Broadcasting company Univision created a major messaging campaign called “pequeños y valiosos” or “young and valuable,” designed to encourage Hispanic parents in the U.S. to actively engage their children age five and younger to develop language skills and lessen the word gap created by deficient vocabularies.12
  
- Kraft Foods Foundation invested $10 million to help eradicate malnutrition in Bangladesh and Indonesia. This action, part of “Project Laser Beam” is a public-private partnership led by the UN World Food Program. In cooperation with Hellen Keller International, Kraft sought to aid families in the East Nusa Tenggara region of Indonesia and the Satkhira district of Bangladesh, where more than half of children under the age of five suffer from severe malnutrition. As part of its campaign, Kraft focuses on innovative solutions and
investments in sustainable farming, microenterprises and nutrition education. Kraft also donated $3 million to help fund a three year program with “Save the Children” to fight malnutrition in the Philippines and Indonesia.¹³

- Grupo Arcor (Argentina) developed a campaign to raise awareness of the importance of early childhood that gained international attention, called “All kids should have access to early childhood and cultural expressions.”¹⁴

- Former corporate CEO Candace Kendle has created the Read Aloud 15 MINUTES campaign (www.readaloud.org), to advocate for every child being read to for 15 minutes every day, starting from birth. Corporate partners include KPMG, UPS, The Home Depot and Chubb.

- Millicom (an international telecom company servicing Latin America and Africa) strategically partnered with ALAS Foundation (an organization that promotes early childhood in Latin America and the Caribbean). This relationship, together with activities of Millicom’s Tigo Foundation, supports a wide range of programs to ensure comprehensive quality care to children under age six. One primary example includes Millicom’s donation of $1.6 million to construct early childhood development centers in Guatemala.¹⁵

► Provide books or other supplies. Many companies collect or buy books for young families. A nonprofit organization in the U.S., First Book, works with 22 company partners, including Barclays, Lockheed Martin, KPMG and 3M, to distribute free, new books to disadvantaged families.¹⁶

- Through global accounting firm KPMG’s Family for Literacy program, employees distribute free books, read to children and create fundraising events. The program has distributed more than two million books through 90 offices world-wide, including Mexico, India, Nigeria, South Africa, Zambia and the U.S.¹⁷

- UK-based energy company National Grid worked with the Boston Children’s Museum to create the National Grid Early Childhood Science, Technology and Engineering Teaching Kits, which include hands-on activities, supplies, tools, videos and photos. They are distributed free to early childhood providers – homes as well as public and private preschools.¹⁸

► Create new financing mechanisms. A new type of financial contribution comes not from a company’s charitable arm but from its investment portfolio. Pay for Success contracts (sometimes known as social impact bonds or social impact investing)
create a funding stream for early intervention services that promote better outcomes. The savings from those outcomes are then returned to continue the services and pay off the initial investors. Companies such as Goldman Sachs and The Pritzker Group have used their investment capital to help create these projects in Utah and Chicago in the U.S. (more information is at www.ReadyNation.org/PFS).

- **Create new entities that raise and administer funds for early learning programs.** Some companies have gone beyond individual donations to create new private or public/private entities that administer new services.
  - A coalition of Minnesota (U.S.) business leaders from major companies such as 3M, General Mills and Ecolab, raised funds to research, design and launch an early learning scholarship program, along with a quality rating system called Parent Aware.
  - In the U.S., a combination of public and private donations created a state endowment that funds early childhood services, called the Nebraska Early Childhood Education Endowment Fund.19
  - ABB Schweitz, a Swiss energy and technology company, created its first child care center in 1966 and then created a nonprofit organization that helps 38 other member companies provide services to their employees.20
  - A organization in India called Mobile Creches has worked with more than 200 builders (as well as KPMG India) to provide child care services to children living on the construction sites and slums of Delhi. They report that in 2012-2013, the Amrapali Group established childcare facilities at every new project. In 2013-14, Bestech and the Eldeco Groups made a similar commitment to childcare.21

- **Lend expertise on a variety of topics ranging from personnel management, administrative functions, facilities management, strategic planning, and communications to marketing and financing.**
  - Playground Ideas in Australia, which builds playgrounds in the developing world, receives pro bono assistance from attorneys and IT specialists.23
  - The David and Laura Merage Foundation, created by the former CEO of Chef America, has created a “Shared Services” initiative that helps small nonprofit child care providers streamline their administrative functions, such as payroll and accounting.24

- **Include messages to their customers that convey positive parenting advice.** In the U.S., The PNC Financial Services Group, Inc. surveyed its employees to find out what issue was most important to them. The results informed their decision to launch PNC Grow Up Great, a $350 million, multi-year English/Spanish initiative in early childhood education. One component of the program is free educational resources available in PNC Bank branches that provide helpful tips and fun activities to help parents turn everyday moments into learning opportunities for their young children.25

- **Allow employees time off to volunteer with local programs.** Through its Neighbor of Choice programs, Merck Pharmaceuticals partners with nonprofit organizations and residents of the communities in which they operate. Their partnership with Reach Out and Read enables Merck employees to create literacy-rich environments in waiting rooms in low-income communities. Merck employees model reading behaviors in health clinic waiting rooms by sharing books with children. Program data has shown that caregivers are four times more likely to read with their child after participating in this program.26

- **Sponsor events.** Business membership organization Private Sector Foundation Uganda sponsored a “Family Play Day” in
In the U.S., The PNC Financial Services Group, Inc.’s bilingual initiative, PNC Grow Up Great and PNC Crezca con Éxito, combines many of these actions. Since 2004, the program has distributed more than $90 million in grants and three million learning kits with educational materials in English and Spanish for children, their educators and parents. PNC employees have volunteered more than 485,000 hours in support of the cause. Also, they champion this issue at the state and federal levels – former PNC Chairman and CEO James Rohr serves on ReadyNation’s CEO Task Force on Early Childhood.

2015 that highlighted the benefits of play and sports in early childhood and provided parent training on best practices in nutrition, work life balance, health, and education.

- Fund research and other hard-to-fund elements of an early childhood system.
  - The LEGO Foundation, in conjunction with academics from the Massachusetts Institute of Technology (in the U.S.) and the University of Cambridge (in England), is creating and sharing research on the importance of play and creativity in learning.
  - Investing in children’s early education and development for the best start in life is one of three major priorities for the H&M Conscious Foundation, an independent organization, working with UNICEF. Goals include 73,600 children will benefit from early childhood development programs, and the first-ever Global Report on Early Childhood Development highlighting key early development indicators will be released and help shift global perceptions of the importance of early childhood development. (www.hm.com/consciousfoundation)

### ACTIONS TO SUPPORT EMPLOYEES

Companies of all sizes in many countries are taking action to promote the healthy development of their employees' children, including supporting their employees' parenting responsibilities. These practices are so widespread that a variety of countries have created awards for family-friendly workplace practices. Working Families, in the United Kingdom, named more than 40 companies as "Top Companies for Working Families." In the U.S., the Families and Work Institute and Society for Human Resource Management’s most recent set of awards recognized 352 companies. In France, nearly 400 employers representing over 10% of the French labor force have signed the “Charter of Parenthood in Corporations” pledging to educate managers and human resource staff to “take better account of parenthood and create a favorable environment for employees with children,” including support for child care. Below are just a few examples of this worldwide phenomenon.

- Give employees information about the importance of early childhood and how to nurture their own young children. For example, a business group in Colorado, in the U.S., called Executives Partnering to Invest in Children has designed a lunch series with information for new parents on topics such as appropriate developmental milestones, the importance of reading to young children, and how to be an advocate for early childhood programs.

- Promote breastfeeding. Extensive research shows that breastfeeding has many health and developmental benefits for mothers and babies. Work schedules can interfere with this process, so many companies are making it easier for both employees and customers to breastfeed. For example, in the U.S., The PNC Financial Services Group, Inc.’s bilingual initiative, PNC Grow Up Great and PNC Crezca con Éxito, combines many of these actions. Since 2004, the program has distributed more than $90 million in grants and three million learning kits with educational materials in English and Spanish for children, their educators and parents. PNC employees have volunteered more than 485,000 hours in support of the cause. Also, they champion this issue at the state and federal levels – former PNC Chairman and CEO James Rohr serves on ReadyNation’s CEO Task Force on Early Childhood.

Early childhood is a major focus of the Denmark-based LEGO Foundation’s work: “From putting early childhood education on the global agenda to making playful learning a reality for millions of children, our five programmes aim to make children’s lives better – and communities stronger.” These programmes cover many of the possible actions in this paper: “play based learning, sparking a global dialogue, re-imagine learning, capital of children [which mobilizes the whole city of Billund, Denmark to focus on children] and local LEGO employee engagement.” www.legofoundation.com
example, Roche Argentina, an affiliate of Hoffman-La Roche Swiss global healthcare company, offers designated breastfeeding rooms. Finance Trust Bank in Uganda offers “Mama’s Corners” – private screened-in areas in their lobbies that provide a well-stocked, relaxing space for mothers to care for their young children.

- **Provide or subsidize child care for employees’ children, or provide information on where to find child care.** While some countries publicly subsidize child care, company contributions are important for low-income workers where services are paid mostly through parent fees. Companies might offer on-site care, provide financial assistance for care, or help employees find or assess the quality of care. It’s especially helpful for companies to assist employees with arrangements for unusual situations – sudden shift changes, a sick child or a disruption in the regular child care program.

  - Safaricom Limited, an African communications company, offers a variety of supports for mothers including a free child day care center, with an on-site doctor and a breastfeeding room.
  - SOCFINAF, a coffee company in Kenya, has a free child care center on each of its nine plantations for children from 3 months to 6.5 years that includes two meals per day and health care.
  - Tata Steel Europe Limited in Netherlands and airline Virgin Atlantic in the UK offer vouchers that help cover child care costs.
  - BDO USA, a large professional services firm, provides back-up dependent care. In some cases, employees can bring children on required training trips, with child care provided if needed.
  - The Chairman and CEO of Casey’s General Stores, Inc. (Iowa, U.S.), a Fortune 500 company, describes its onsite child care facilities and family-friendly work practices as “the single best recruiting and retention tools of our company.”

- **Offer flexible schedules.** This policy is a staple of family-friendly workplace practices, allowing parents to adjust their work times or locations to meet the needs of their family while also fulfilling their responsibilities. A 2014 survey of U.S. employers by the Families and Work Institute found that the most common forms of flexibility were to “allow at least some groups of workers to have control over when they take breaks (92%), take time off for important family and personal needs without loss of pay (82%)… periodically change their starting and quitting times within some range of hours (81%)… allow at least some groups of employees to return to work gradually after leaves for childbirth and adoption (74%) and occasionally work some of their regular paid hours at home (67%).”

  - Global telecommunications company Vodafone recently announced a striking new policy in order to recruit and retain employees, which supports 16 weeks of paid maternity leave, plus full-time pay for six months while returning new mothers work just 30 hours per week.
  - SAP AG, a software company headquartered in Germany, offers options for job-sharing, part-time employment, or working from home. The company headquarters in Walldorf, Germany provides a parent-child office to allow parents to bring children to work if their normal child care arrangements fall through.
  - French beauty products company L’Oreal introduced in 1976 a “Wednesday for mothers” program (later changed to “fathers and mothers”) in which parents of children under age 12 can take one, two, three or four
In Brazil, four companies from the Telefónica Group received the Child-Friendly Company Certificate from the Abrinq Foundation for Children’s and Adolescent’s Rights. TeleSP, Telefónica Empresas, Telefónica Assist y T-Gestiona have fulfilled the ten established commitments:

1. Rejection of child labor.
2. Respect for young employees.
3. Inclusion of contract clauses for suppliers that require rejection of child labor and allow the contractual relationship to terminate in the event of non-compliance.
4. Offer of day-care help for employees’ children.
5. Assurance that employees enroll their children under 18 and promote school attendance.
6. Make prenatal training possible for pregnant employees.
7. Favor breast feeding, establishing conditions where the employees can breast feed their babies younger than six month of age.
8. Make employees aware that they should register their newborns.
10. Contribution of the equivalent of a 1% tax on the company’s income to the Children and Adolescent Rights Fund.

- Pay particular attention to the role of fathers, including encouraging them to use available benefits. In Sweden, fathers are actively promoted to take leave from work to assist in child care, build relationships with children, and share parenting with mothers.

- Provide paid family leave, flexible return-to-work policies or job protection when employees are pregnant or must care for children. While many countries offer these protections and/or publicly financed paid leave, some do not. Another important factor that is more applicable to older children, but can also be a concern for the youngest, is prohibitions against using child labor.

- Teleworking, which gives employees the flexibility to work from home, is especially popular in the UK, where a 2011 survey found that 59% of employers were offering teleworking, up from 13% in 2006.

- All standard part-time employees of Costco Wholesalers in the U.S. receive their work schedules at least two weeks in advance, which facilitates making child care arrangements to accommodate different shifts.

- Since the U.S. mandates only unpaid maternity leave, company policies are even more important. According to the Families and Work Institute survey of U.S. employers, 28% provide more than the federally-mandated standard of 12 weeks maternity leave, 15% provide that for spouse (paternity) leave, and 18% provide that for adoption leave.

- Even in countries that do require leave, some companies offer additional benefits. For example, Roche Argentina, an affiliate of Hoffman-La Roche Swiss global healthcare company, offers extended paternity leave and flexible schedule and phased return to work post-birth.

- Honda in Japan offers a Guidebook on Balancing Work and Family Life Care Responsibilities; flex schedules and time off for maternity leave, child care leave, and child nursing care leave; help with child care; assistance with rental for child care materials; and a variety of counseling hotlines.

- Two important protections that are sometimes under the purview of government, but may also benefit from company commitments, are prohibitions against child labor and also discrimination based on family status. For example, Antofagasta Minerals Group, a Chilean-based copper mining group prohibits the employment of minors and also describes its adherence to non-discriminatory practices in the workplace noting, the company “wants to help its workers realise their full potential, without discriminating and seeking to incorporate women into the mining industry.”
**ACTIONS TO EDUCATE KEY DECISIONMAKERS**

An important part of building support for early childhood is developing the evidence base and using it to spread the message to people who can use this information – parents, civic groups, the media, etc. Business leaders who are skilled communicators can reach new audiences with information on the roles that audience members can play.

- **Develop new evidence or new messages** using existing evidence to make the case for investments in early childhood.
  - Australian accounting firm PwC created, pro bono, a major report called “Putting a Value on Early Care and Education in Australia.”
  - In the U.S., eight regional Federal Reserve Banks, as well as both the past and current Chairpersons of the Federal Reserve System, have made 28 separate statements endorsing early childhood as an important business issue.

- **Speak through traditional and social media**, including sending messages to their own virtual networks. The news media will often cover business people speaking out on early childhood, when it might be harder to get coverage from traditional children’s experts. In 2013-2014, business members of ReadyNation generated more than 400 media pieces, including authored opinion pieces and earned media, on the business case for early childhood.

- **Sponsor a community dialogue on early childhood.** In some areas, major employers or business organizations have led community-wide dialogues on the importance of early childhood, prompting widespread change. LEGO is leading such an effort in Billund, Denmark; Eli Lilly and Cummins are active in Indianapolis, Indiana, United States; and the Los Angeles Chamber of Commerce has been a major champion in California, in the U.S.

- **Ask professional business groups and civic organizations** to make early childhood part of their organizational or conference agendas and then make presentations that reach those new audiences.
  - A ReadyNation survey found that in almost every state in the U.S., a business organization, such as a chamber of commerce, has formally endorsed early childhood as an important business issue.
  - The Association of Chamber of Commerce Executives, based in the U.S. but with international members, has featured early education as part of its conference and in its membership magazine, including an article by former Procter & Gamble CEO John Pepper entitled, “The Business Case for Early Childhood Investments.”

- **Host business summits to educate and inspire new business champions.** In the U.S., ReadyNation has hosted 11 national business summits and the first Global Business Summit on Early Childhood Investments. We have worked with many states to host their own events that have spread the message about early childhood, generated media coverage and expanded the network of business champions. Private Sector Foundation Uganda (PSFU) hosted the first Uganda National Business Leaders Forum on Early Childhood Investments in October 2014, which attracted more than 100 business and civic leaders (see photo below with PSFU Executive
“Most brain development is complete well before a child enters kindergarten. Without early learning opportunities, many children are entering school without the tools they need to stay on track and succeed…Common sense tells us, investing in our children early is the right thing to do.”

Former U.S. Senator Bill Frist, M.D.

Director, Uganda’s Finance Minister and the Executive Director of the Uganda Manufacturers Association recognizing members of Early Steps).

Create new business networks dedicated to early childhood. In addition to including early childhood on business groups’ regular agenda, leaders may wish to form networks dedicated to sharing this important message.

• Private Sector Foundation Uganda created Early Steps Uganda, a network of business champions working to promote quality supports for children in their earliest years by speaking to policymakers and the public. PSFU has hosted national training summits, meetings with policymakers in government, arranged media publicity, and hosted events. ReadyNation supports PSFU’s work.

• The Early Learning Investment Commission in Pennsylvania, in the U.S., includes 76 high level executives from companies such as Crayola, Vanguard, health insurer Blue Cross/Blue Shield, accounting firm KPMG and The PNC Financial Services Group, Inc. Members are appointed by the governor and tasked with sharing the message of the importance of early childhood with state and federal policymakers.

• Pharmaceutical company Eli Lilly pushed local government in Indianapolis, Indiana in the U.S., to create a new prekindergarten program in order to improve the quality of life and attract more scientists with young families. Robert Smith, president of the Lilly Foundation said in a media article, “We can no longer afford this small-ball politics that has defined how we address problems. The message our CEO is sending is that this is critical to the future of our community.”

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ACTIONS TO INFLUENCE PUBLIC POLICIES

Changing the lives of entire generations of children will require more than private funds and personal actions. It will require public policies that direct funding streams to provide the research-backed supports young children need. Business leaders are well-positioned to convey the importance of effective public investments in early childhood to key decisionmakers. They are seen as objective observers who don’t have a vested interest in funding decisions in the same way that children’s advocates do. Business leaders know how to make decisions based on data – so their stamp of approval on the evidence base for early childhood sends a clear signal to public leaders.

Communicate directly with policymakers through meetings, public statements, sign-on letters and individual communications.

• Gideon Badagawa, Executive Director of PSFU, has met with leading politicians, including the Finance Minister and Speaker of the Parliament, to convey the importance of early childhood. Partly as a result of these actions, in 2015 the Minister of Education called for a preschool class in every primary school.

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• Pharmaceutical company Eli Lilly pushed local government in Indianapolis, Indiana in the U.S., to create a new prekindergarten program in order to improve the quality of life and attract more scientists with young families. Robert Smith, president of the Lilly Foundation said in a media article, “We can no longer afford this small-ball politics that has defined how we address problems. The message our CEO is sending is that this is critical to the future of our community.”

• Over the period 2013-2014, business members of ReadyNation had more than 400 direct communications with state or federal policymakers.
As business leaders, we know that America’s economic future depends on a highly skilled workforce. But only half of our young people are developing the skills and knowledge they need to fill the jobs of tomorrow.

The good news is that we know what to do. Quality early childhood development is quality workforce development. The bad news is that we’re not doing it enough. What’s worse is that other nations are— and they are pulling ahead of us.

Overwhelming research tells us where we should start: at the earliest age, prenatal to age five. During this time children’s brains develop 90 percent of their capacity, which lays the foundation for academic skills and behavior traits that will last a lifetime. Research studies show that:

By age three, children of low-income families know only half as many words as children of more advantaged families.

Children who do not get a good start can arrive in kindergarten already 18 months behind.

Children who aren’t ready for kindergarten are half as likely to read proficiently by third grade.

And children who are not reading proficiently by third grade are four times more likely to drop out of high school.

The evidence is undeniable. Quality early childhood programs, including early education and home visiting/parent mentoring, will help close the achievement gap, reduce social costs and increase adult productivity. Investing in these programs, especially for disadvantaged children, is fiscally responsible because they pay for themselves. All children should have access to high-quality early learning programs that prepare them to succeed.

American competitiveness is a nonpartisan issue. We ask Republicans, Democrats and Independents to come together and enact policies that give young children in every state the foundation they need to thrive.

By Paul Tudor Jones, CEO, Tudor Investment Corporation

By Larry Kellner, former Chairman and CEO, Continental Airlines

By Candace Kendle, former CEO, Kendle International

By Bob McDonald, former CEO, Procter & Gamble

By Loney Mendoza, Director, McKinsey and Company

By Anne Mulcahy, former CEO, Xerox

By Deanna Mulligan, President and CEO, The Guardian Life Insurance Company of America

By Dean O’Hare, former Chairman and CEO, Chubb Corporation

By John Pepper, former CEO, Procter & Gamble

By Phil Peterson, Partner, Ann Hewitt

By J.B. Pritzker, Managing Partner, The Pritzker Group

By Jim Rohr, Executive Chairman, PNC Financial Services Group

By Tim Soloh, former CEO, Cummins, Inc.

By Stephen O. Stember, Chairman, President and CEO, Huntington Bancshares, Inc.

By Al Stroucken, Chairman and CEO, O-I

By Alan Webber, Co-founder, Fast Company magazine

By Dick Whittington, former CEO, Michelle North America

By Jim Zimmerman, former CEO, Macy’s

in the U.S., asking them to expand funding, improve quality or increase access to early childhood programs. This outreach is on a bipartisan basis, across the political spectrum. The actions include sign-on letters, personal meetings, telephone calls or personal letters.

Former Procter & Gamble CEO John Pepper (who also co-chairs ReadyNation CEO Task Force on Early Childhood) testified before a U.S. Senate Committee in 2014. Over the period 2013-2014, ReadyNation members participated in policy victories that increased state and federal funding for early childhood by more than $2 billion. In March, ReadyNation released a letter signed by more than 50 business executives around the world calling on the United Nations to include early childhood in its Sustainable Development Goals report.
“Investing directly in families and children’s wellbeing is both a social and moral imperative as well as an economically sound investment strategy for the future.”

The Honorable Maria Kiwanuka, Uganda Minister of Finance, Planning and Economic Development

- Ask political candidates about their support for early childhood and then remind them of commitments once they take office. A Pennsylvania business group, the Early Learning Investment Commission, hosts forums for political candidates, on a nonpartisan basis, to ask for their positions and then tracks elected officials’ actions based on those commitments.

- Publicly support key messages that are especially powerful coming from businesses, such as the need for sustainable financing, adherence to quality standards, and accountability for expenditures and outcomes. Business leaders are the optimal messengers for issues that may be more challenging for, or less effective when delivered by, early childhood advocates.
  - The Ohio Business Roundtable in the U.S., a group of CEOs, has strongly encouraged the state to adopt a kindergarten readiness assessment, to assess how the state is doing in preparing its young children to succeed in school.
  - LEGO’s “Global Dialogue programme” promotes a holistic view of early learning that includes the social and emotional skills so critical to adult success.59
  - One of the goals of the H&M Conscious Foundation, working with UNICEF, is “Three National Development Agendas have included Early Childhood Development, and are supported by national budgetary resources.”

**CHOOSING THE BEST COURSE OF ACTION**

With so many options, many companies face the question of how to decide what to do first – or next. Executives need to make good decisions about how to allocate their limited time and resources to develop an initiative that will accomplish their goals and is a good fit for their company. These questions may help executives determine the best course of action.

- What does my community or nation need most? What are the major issues facing our young children?
- What is my company’s goal in this arena? Am I interested in improving the productivity of current workers, improving the quality of life near my facilities, attracting young parents as employees, building my company’s visibility, and/or building for the future?
- What do I want our role to be? Providing money, products, expertise, reputation? Would our involvement be short-term or long-term?
- Who should be involved? Rank and file employees or mostly executives?
- What is the scope of involvement and level of commitment? Do I want to be involved locally or on a bigger scale?
- What type of results does my company expect?
- How much time or effort do I have to invest?
- What supports exist for each type of action, to help me make the best choices?

**KEY STEPS IN CREATING YOUR INITIATIVE**

Whether a company wishes to engage in advocacy, create a child care center, or host an event to share the benefits of early childhood, it’s important to develop a careful process and choose the right partner who can help the company achieve success. The early childhood field has its own culture, jargon, leaders and processes – all of which may feel very different to someone from the business community. Due to the complexity and specificity of programs and practices, consulting with experts in the early childhood arena will help companies develop and carry out their plans. The following steps briefly illustrate a process that can help ensure a successful experience.

- Assess your goals and determine what you are able to commit. Using the questions above, determine the outlines of an optimal venture for your company.
- Find a compatible partner. Taking action on early childhood requires understanding the current conditions in your community or country, what initiatives are already underway, and who can inform your decisions. Choosing the right partner is crucial – a leader who knows the field and

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*The Honorable Maria Kiwanuka, Uganda Minister of Finance, Planning and Economic Development*

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Global Business Leaders Support Early Childhood Development
Creating the workforce of tomorrow through the United Nations Sustainable Development Goals Report

March 2015

Secretary General of the United Nations Ban Ki-Moon
H.E. David Donoghue, Permanent Representative of Ireland to the UN
H.E. Macharia Kamau, Permanent Representative of Kenya to the UN

Executive Director of UNICEF Anthony Lake
Director-General of UNESCO Irina Bokova
Special Advisor on Post-2015 Development Planning
Amina Mohammed

As business leaders with global interests, we write to stress the vital importance of the early childhood years as creating the foundation for life-long health and productivity in all countries. A well-trained workforce is essential to address any international priority, including economic development, energy, environment, health, gender equity and conflict resolution. Children’s experiences before birth and during the first five years of life lay the crucial foundation for a productive citizenry that can contribute to solving the world’s pressing challenges.

We applaud the United Nations for including the youngest children in the Synthesis Report of the UN Secretary General on the Post-2015 Sustainable Development Agenda, and we ask for continued attention to this critical issue in the final report. During the first five years of life, children not only build their academic abilities but also the key physical, social and emotional skills that profoundly influence life outcomes. Remediation is costly and uncertain to succeed in helping children become the productive employees and customers every business needs and the informed citizenry every country desires.

Therefore, we urge the United Nations to:

- In the final report, keep under Goal 4 Education the specific target of Goal 4.2: ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.
- In the final report, keep under Goal 3 Health the specific targets of preventing maternal deaths and those of children under five.
- In the final report, stress the importance of providing sufficient public and private funds to support effective investments that prepare children for success in school and in life.
- Ensure that the implementation of the Sustainable Development Goals includes the measurement, monitoring and tracking of births and child development through age five through coordinated efforts across health and education.

(Signed by more than 50 business leaders from many countries)

the players, but also can talk in plain terms, listen to your perspective, and make recommendations that fit your company’s preferences. It is equally important to have the right partner within the company — someone who works well with community members, has time to participate, can make or secure decisions, and is willing to serve as the contact person over the course of the contemplated venture.

▶ Establish trust. Successfully working in this field requires respect and trust on both sides. Companies need to realize local leaders’ substantive expertise, the major challenges involved in serving young children, and the constraints under which programs operate. Early childhood
expenses need to keep in mind that companies’ foremost consideration must be to earn a profit, so initiatives must be consistent with that goal.

- **Create mutual agreement, including outcomes.** Both the company and its partner should agree on what each is able and willing to do, and what outcomes they expect from the venture, over what timeframe. These outcomes might be targeted at a specific population – providing quality child care to employees in one location – or broader – gaining public visibility for the message of the importance of early childhood in building a productive workforce. Both parties need to guard against the natural tendency to overpromise results - it's important that the outcomes be consistent with the scope and timing of the initiative.

- **Assess progress and adjust as needed.** Changing the lives of young children is a long-term process. As the Chinese proverb says, “The best time to plant a tree is 20 years ago. The second best time is now.” Building a productive, long-term relationship requires that each party review progress and be open to adjustments as they learn how to work together to change the life chances of the country's youngest learners.

### HOW READYNATION CAN HELP

ReadyNation has worked with hundreds of business leaders in the U.S., and with funding from the Bernard van Leer Foundation, we have begun to collaborate with leaders in other countries to help them develop their own networks of business champions. We can provide technical assistance to companies that wish to take action, including:

- Examples of business actions, including detailed descriptions in our Ready2Go database (www.ReadyNation.org/Ready2Go)
- Support for developing business champions
- Help with designing and implementing campaigns to mobilize local business as advocates for policy change
- Presentation materials that illustrate the case for business action on early childhood
- Media pieces, including op-eds and letters to the editor
- Messaging that uses the business perspective
- Advice on building business networks for early childhood
- Guidance on hosting business summits on early childhood
- Connections with business leaders who are champions for early childhood to share experiences
- Identification of prominent executives to speak to key audiences

ReadyNation welcomes members from any company in the world. Membership is free and incurs no obligations. We contact members only when there is an opportunity to speak out in support of early childhood development. www.ReadyNation.org/join-us.

### CONCLUSION

Business leaders know that the success of their company and their country depends on the ability of people to solve problems, work in teams, develop new ideas and envision a bright future. All of these qualities start in the earliest years. Executives from many countries, all sectors and all sizes of business have taken up the charge of helping their youngest children start on the path to success. The world will be better for it.
ENDNOTES


32 The examples in this paper focus specifically on very young children and do not address general supports on work-life balance or older children. They also do not address in detail important policies that are often the purview of government, such as child labor or discrimination on the basis of family status.


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ReadyNation is a membership organization of business leaders that operates under the umbrella of the non-profit Council For A Strong America.

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