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# Minnesota: A Case Study on the Power of Private Sector Engagement in Childcare

Over the past 15 years, business leaders in Minnesota have partnered with advocacy groups and the public sector to develop strategies to close the achievement gap by improving the accessibility, affordability, and quality of childcare in Minnesota. The business community has been credited with catalyzing improvements to the childcare system and garnering increased public attention and investment. This case study looks at how these sectors came together, what they have been able to accomplish, and key lessons learned.

## 2003: CHILDCARE AS ECONOMIC DEVELOPMENT

In 2003, as the state explored opportunities for effective economic development, research by Art Rolnick and Rob Grunewald at the Minnesota Federal Reserve made it clear that investing in early education and care could yield significant public returns. The University of Minnesota — which was conducting research on brain development and access to high-quality care prenatally through age five — connected with the state and brought together a group of business leaders to discuss the economic implications of early childhood education and childcare for the state.

### Key Takeaway:

There is strength in cross-sector collaboration, which increases the ability to bring attention to and create movement on an issue.

## 2004–2005: A BUSINESS COALITION IS BORN

After hearing from experts on early learning, economic impact, and brain development, the case for business engagement was clear, as was the need for an official organization to drive the initiative and ensure its sustainability. The group released a report and created the Minnesota Early Learning Foundation (MELF), composed of CEOs dedicated to funding a pilot solution to close the achievement gap.



### Key Takeaway:

Creating an entity with a dedicated staff (even if just one person) to coordinate with the business community will often lead to a longer lasting, higher impact effort.

## 2006–2011: A PRIVATE SECTOR-LED PILOT

MELF successfully researched, built, and launched a pilot program, which ran from 2006 to 2011. The pilot consisted of two key components: (1) a new quality rating and improvement system (QRIS) to help providers learn best practices and parents to better understand the quality of available childcare options, and (2) scholarships for low-income families to enable them to access high-quality childcare.

### Key Takeaways:

The creation and financial sustainability of the pilot was successful for two primary reasons:

- 1) High-level executives led the fundraising efforts and use their social capital to get others to join.
- 2) MELF promised to sunset the program at its conclusion — creating a finite goal that executives liked.

## 2012: CATALYZE PUBLIC SECTOR INVESTMENT

The demonstrated success of the pilot program — and the continued advocacy efforts of the private sector — got the attention of the state, which eventually provided public funding to continue the program. The pilot's success ultimately positioned the state to be a recipient of the federal Race to the Top grant program, adding a substantial funding stream to this work from 2012 to 2016. This private sector initiative matched with a new federal grant helped institutionalize the scholarship program at the state level. Today, the private sector continues to organize and advocate for childcare and early learning — a much needed voice to ensure adequate funding for the scholarship program and continued improvements to quality and accessibility.

### Key Takeaways:

- Strong advocacy and initiative by the private sector have the power to effect public funding.
- Private sector investment can have a significant impact; however, private sector advocacy can be just as powerful, and business engagement need not end when funding does.
- Federal grants have the power to create change at the state level.

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## LESSONS LEARNED

- **Don't underestimate the power of your voice.** Business leadership has the power to take an otherwise under the radar issue and make it a public priority, garnering private sector investment and generating public sector support and funding. In this instance, even though the program is now publicly funded, the business community's advocacy is still necessary for further improvements to the childcare system.
- **Incorporate advocacy for the issue where you can.** Even if you can't make childcare your No.1 priority, you can be part of a broader coalition and lend your name as support. You can also raise the issue of childcare when you are advocating for a slew of other issues with policymakers.
- **Business engagement begets business engagement.** Effective coalitions are built when businesses are willing to reach out to other businesses to join a cause they care about. Using your relationships is a powerful way to help support an issue.
- **Don't go it alone.** The private sector was smart to partner with advocates for their expertise on issues around early childhood education and then eventually find a way for their work to dovetail into a public sector initiative, making it more sustainable in the long run.
- **It starts at the top.** Having CEO-level support not only brings credibility to an issue but is essential to moving the needle on funding and sustained engagement.

The bottom line is that business engagement on childcare has the power to bring attention to this vital issue and be an agent of much-needed change.