

Banker: Invest in ‘human capital’



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Arthur Rolnick, senior vice president of the Minneapolis Federal Reserve Bank and board member of the Minnesota Early Learning Foundation, talks of the value of promoting early education.

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Arthur Rolnick is the senior vice president of the Minneapolis Federal Reserve Bank, but he didn't visit the University of Virginia's Darden Graduate School of Business Wednesday night to talk about banking.

He came to talk about “human capital.”

Along with his Federal Reserve Bank job, Rolnick also is on the board of directors of the Minnesota Early Learning Foundation.

His, and the foundation's, premise is that it is good economic planning to invest in children at an early age because the rate of return is high. With such investment, Rolnick said, people and localities benefit.

Formed in 2005 by foundation, corporate and civic leaders, MELF was established to address a high number of children who weren't ready for kindergarten.

The focus is not just on getting children ready for their first years in the educational system — it is also based on future economic development. In short, MELF believes that early education benefits localities in many ways, such as having a better-educated work force.

Minnesota's early education program is a pilot project that will run through 2011, at which point the results will be evaluated.

Things that MELF will focus on include how parents and children in the program participated; how communities are affected; how innovative the programs are; and whether it is cost-effective.

The program offers at-risk families scholarships to "high-quality" preschool programs, and allows parents to choose where a child learns. Also, the family gets a mentor, a public health nurse who helps the family even before the child is born, and will continue to help through the end of the pilot program.

It's an expensive program – MELF is still raising the \$30 million needed to fund it. The scholarships and mentors combined cost \$13,000 per child annually.

MELF also is helping start the program in other areas, such as Detroit.

Rolnick, who travels extensively promoting MELF, said many questions have to be answered through the pilot program, but he added that there have been studies on similar early childhood education models that have shown the benefits.

"The market wants educated, trained workers and it will pay. It's clear to me that an educated work force is a way to drive an economy," he told the crowd of about 100. "It's clear the quality of the work force is important."

Rolnick added that President Barack Obama's administration has pledged to invest \$10 billion into early childhood education programs, which could help such projects as MELF spread.

During a question-and-answer period, Rolnick was asked how they ensure that parents are involved in the program.

The mentors are supposed to help with that, he said, making sure parents deal with any problems they have, such as getting help through social services, while also ensuring that they engage with the children.

Rolnick noted that critics have asked how the program would help if children in it end up in a dysfunctional school or classroom.

"Engaged parents can change a school" and a classroom, he said.

Rolnick's talk was part of an event put together by the Charlottesville-area Smart Beginnings Initiative and co-sponsored by the Curry School of Education and the Virginia Early Childhood Foundation.

One person asked Rolnick how the Charlottesville area could start such a program.

Do what Detroit did, he said. Create an executive committee and go to communities and find one that will work in the program.

If you do that, Rolnick said, “we’ll help you with federal money.”