

Early Childhood Development in Indian Country
Welcome and Opening Remarks



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Thank you, Patrice. It's a pleasure, in more ways than one, to welcome all of you to this conference. It's a pleasure, in part, because getting to know a broad range of people like you, and to learn about the issues you care about, is one of the most important and enjoyable responsibilities of a Reserve Bank president. It's also pleasing because this conference marks a significant milestone—it's the first major conference at the Bank for our new Center for Indian Country Development. We established the center last year with a mission to help American Indian communities throughout the United States attain their economic development goals. Education, one of the CICD's primary areas of focus, is a fundamental building block for reservation workforce and economic development.

Most of all, however, I'm excited to welcome you because your topic, early childhood development in Indian Country, is directly related to one of my own core public policy concerns—ensuring that all American children get a first class education.

Before I expand on that, let me give you some background on the Federal Reserve System and the work of the Minneapolis Federal Reserve Bank. As part of that, I should note that the views I express here are my own and not necessarily those of the Federal Reserve System.

The Federal Reserve System, or the Fed, is a public institution serving the American people. We are the nation's central bank. Our most fundamental responsibility is monetary policy in pursuit of two congressionally determined objectives—maximum employment and stable prices. The Fed also has been given significant authority as supervisor of financial institutions and as a provider of payments services. All of these activities are common to many central banks around the world.

What makes the Fed different, and what brings us together here today, is the Fed's decentralized structure. Over 100 years ago, Congress created a central bank compatible with the size and diversity of our country. Congress decided that this critical public institution, the U.S. central bank, would not be based just in Washington or New York. Instead, 12 independent Reserve Banks are dispersed across the country, in central cities like Minneapolis, where my peers and I are charged with developing a broad understanding of the communities, economies, and policy concerns of our regional district. It's that broader mandate that brings us together today—the opportunity to contribute to an array of public policy issues, not just monetary policy.

While this event is the Center for Indian Country Development's first conference at the Bank, I should note that this work builds on a long tradition here at the Minneapolis Fed. As far back as the 1970s, we were engaged with tribal communities on economic development issues. That work has since then accelerated in scope and scale.

A key player in that effort has been our Helena, Montana, Branch Executive Sue Woodrow, who is with us here today. Sue's work with tribes, especially on business development and commercial law codes, is nationally known. This will be Sue's last major Indian Country conference with the Bank, as she has announced that she will retire at the end of the year. Sue, we will miss you and the energy and focus you've brought to this work. But you and I know that the center will be in good hands with Patrice, who will extend the Bank's commitment to supporting economic growth in Indian Country.

This conference taps into another important tradition here at the Minneapolis Fed—our years of research and outreach on the economic and social benefits of high-quality programs for at-risk young children. About 15 years ago, two of today’s presenters, Minneapolis Fed Economist Rob Grunewald and our former Research Director Art Rolnick, assembled facts showing that well-targeted investments in early childhood development not only improve long-term outcomes for the children, but also yield high rates of return to society at large. This message has resonated across the country and around the world, as well as in Indian Country, as we will see in our conference today. Thus, I am so proud to welcome you to a conference that brings together two of this Bank’s strongest traditions—our work on Indian Country development and on early childhood development.

To this mix I add my own firmly held beliefs—of the transformative power of education and the importance of providing a good education to all children. Like you, I know that education matters for each person individually and for society as a whole. At a personal level, I believe that a good education is the great equalizer in our society. It clearly has contributed to the success of the eminent American Indian speakers you will hear from today and tomorrow. And it did the same for me, a middle class kid, the son of immigrants, who has lived the American dream simply because he was able to get a good education.

By opening these doors of opportunity for individuals, education has the potential to address two big issues confronting the nation, as well as Indian Country—economic growth and economic inequality. Nationally, growth since the Great Recession has been steady but stubbornly slow, leaving output well below expectations. This has contributed to exacerbating the persistent and wide gaps in income among our country’s racial and ethnic groups.

These issues of economic inclusion clearly affect Indian Country, where average incomes remain far below national standards. Improving and equalizing educational opportunities for all Americans, including American Indians and Alaska Natives, is essential to enhanced productivity and growth, and to the elimination of racial and ethnic income gaps.

For example, Minnesota’s detailed educational assessments show that only 44 percent of American Indian children arrive at kindergarten fully ready to learn, compared with 57 percent of black children and 62 to 63 percent of Asian and white children. These kinds of readiness gaps, observed in other parts of the country too, are one reason that American Indian and Alaska Native children are held back and made to repeat kindergarten at a rate 75 percent higher than for white children. In other words, society is leaving too many Native students behind right at the starting gate. This holds back not only the children, but also our future workforce and economy. At the other end of the spectrum, research shows that top-tier Native students are second to none and achieve large personal and societal benefits if they finish college. So it’s a national priority, not just an Indian Country issue, to ensure that all American Indian and Alaska Native students reach their full potential in the future American workforce.

As we discuss how to transform the educational system, it is appropriate to first consider the importance of early childhood programs in carrying those gains forward through the K-12 and postsecondary educational systems. We need to finally and forever close the educational

achievement gaps that hold back American Indian, Alaska Native, and other minority communities.

To that end, let me share with you some of my own views on educational reform. First, I embrace the view that access to good schools is every American child's basic civil right. I have an open mind about how we create those good schools and will continue to refine my views based on emerging research and experience. Our 50 states and well over 500 independent tribal governments give the United States a rich laboratory of local educational programs to learn from. Through conferences like this and other channels, we need to share the examined evidence from schools and educational programs across the nation. Tribal community leaders have a great opportunity to use their sovereign powers to see what works and decide which reforms to champion and adopt in their own communities. For my part, I have been impressed by the ability of many schools to significantly improve student outcomes when families and educators are engaged in the entire educational system. I encourage you to consider the programs discussed in this conference and seek solutions that work best for you in your own communities to support early childhood development.

As you do, I encourage you to think boldly. Look at the educational outcomes in your community. If you see evidence of the big gaps indicated in state and national data on American Indian and Alaska Native students, such as test scores and high school graduation rates that lag well below national average, I hope you also will see the need for decisive action and improvement. One thing I learned in battling the 2008 financial crisis is that you can't tackle big problems with incremental measures. Big problems require big changes, so think boldly and in terms of not just reforming but rather of transforming your educational system.

This is urgent work. Your communities and our nation cannot afford to shortchange the current generation of American Indian and Alaska Native students, let alone future generations. I promise you that as you seek the solutions that will work for you, I and my staff at the Bank and the Center for Indian Country Development will continue to support you, through research, outreach, and convenings like this. I am excited to be part of this conference and look forward to meeting and talking with you.