



Lynn Casey & Peter Frosch

Minnesota business community must renew focus on racial equity, listen to unheard voices

A Minnesota-in-the-post-pandemic-world interview

August 28, 2020

In an August 28, 2020, interview with the Civic Caucus, Itasca Project 2020 Chair Lynn Casey and GREATER MSP CEO Peter Frosch speak about their organizations' history and work with the region's private business, government, education and civic communities on a variety of issues, including economic development, workforce readiness, education, housing and transportation. They both say there is a new urgency, following the Minneapolis police killing of George Floyd, for the organizations to focus on racial equity, inclusion and disparities and to listen to and engage with voices that haven't been heard before.

Background

00:30 - **Itasca Project**. Nearly 20 years ago, a group of business and civic leaders created a new organization focused on improving economic prosperity and quality of life in the Minneapolis/St. Paul region. They knew business couldn't do well without a healthy community. The Itasca Project would be fact-based, nonpartisan and work with the private and public sectors on a limited number of issues each year. It would operate on a minimal budget, depending on the sweat equity of community leaders to work on short-term initiatives designed to help solve long-term problems.

Itasca focuses on a few areas, among them, education, workforce readiness and job growth, and transportation, especially transit, all with a lens toward equity, diversity and inclusion. Itasca is just releasing **a report on housing affordability**, prepared jointly with

the Federal Reserve Bank of Minneapolis. Itasca is also working on a report on brain development in children from birth to age three, which will be released in the fourth quarter.

Following the killing of George Floyd by Minneapolis police in May 2020, Itasca working team members began discussing why disparities had closed so little in the region, despite what it considered its and other organizations' considerable investments of time and money. What needed to change? The working team turned its June participant meetings into listening sessions with members of the broader community.

04:44 - **GREATER MSP**, which grew out of an Itasca Project task force, is a partnership of more than 4,500 individuals from more than 300 leading businesses, universities, cities, counties and philanthropic organizations working together to accelerate the competitiveness and inclusive growth of the Twin Cities 15-county regional economy. The private/public regional economic partnership was created in 2011 to activate economic competitiveness. It's recognized nationally as a leading-edge economic development partnership.

Over its past nine years, GREATER MSP has attracted 27,000 jobs that pay \$50,000 or more in 53 metro-area cities. Those jobs have resulted in 41,000 indirect jobs at multiple levels. There has been \$3.6 billion of additional regional investment and expanded talent redemption traction. The organization has helped add three new international flights to MSP International Airport to help the region connect globally.

Today, GREATER MSP is living and working in a very different environment: a recession environment, instead of an expansion environment. And the urgency to focus on racial justice, equity and inclusion is stronger than ever.

Discussion

The notes of the discussion below are edited for brevity.

09:08 - **How have the Itasca Project and GREATER MSP communicated their efforts publicly?** (Paul Ostrow) **Lynn Casey, Itasca Project:** People have a low level of awareness of Itasca, somewhat by design. There is no structure, so no one is minding that piece of things. The idea is that Itasca's work, which is usually done in partnership with other organizations, would speak for itself. We really haven't sought credit. That low profile will change with the housing-affordability and birth-through-age-three reports, because the recommendations require action from a wide range of constituents and have public-policy implications.

Peter Frosch, GREATER MSP: We have placed more focus on doing the work, rather than telling others about it. We haven't prioritized communication within the region, because we've focused on talking to the rest of the country and the world. Now we realize we have to do that. Once the pandemic started, we launched an electronic newsletter where we've

shared weekly Zoom interviews we've done with various leaders in the region. We're going to be doing more and more of that, because transparency is a value of GREATER MSP. And we want to have a two-way dialogue, not just communicate outwards. (Those GREATER MSP Zoom interviews are available [HERE](#) .)

15:34 - **In the major areas of the public sector, where is the most urgent need to see if we can get higher quality, even with constrained public dollars?** (Paul Gilje)
Frosch: We're working with county commissioners and cities. During the pandemic, we've had to do things differently, because people couldn't go to offices for services. We're embracing digital government now, when before there was resistance to those things. Providing services digitally can cut costs and reduce barriers to qualify for programs. How do we redesign government in a digital age to meet our shared needs?

18:31 - **As we are moving rapidly into the digital age, is there a wide-reaching plan, like those for electricity or highways in the past, to extend broadband access to those who do not have it in rural areas or for other reasons?** (T Williams)
Frosch: The digital age is an opportunity and raises the priority of digital connectivity. Digital connectivity is a first-tier issue, both for work and school. We have a road network in the state so people can get to work and school, but our digital network is only partially completed. It can unite us to solve this problem, but we also need the federal government.
Casey: Perhaps GREATER MSP or Itasca could take on this issue. I would have thought the big tipping point on this issue would have been at the end of the 2019-2020 school year.

24:25 - **How do the Itasca Project and GREATER MSP share their research and ideas with the Legislature?** (John Cairns)
Casey: When Itasca has had an issue to bring forth that requires policymakers to consider it, we've always had an open door with legislators, because our analysis is airtight. Where it goes from there is a difficult hand-off. We haven't quite cracked that. A limitation is that we're nonpartisan and we don't lobby.
Frosch: GREATER MSP is a 501(c)(3) organization, so we don't do lobbying at the Legislature. Other entities do that. But to achieve the scale of solution we need to expand our long-term competitiveness, we must build a bridge from what we know is critical into the policy arena.

29:43 - **How do we move the broader political conversation away from simplistic slogans and towards valuing practical problem-solving and good ideas, of which there is no shortage?** (Paul Ostrow)
Casey: It's time to solve that. Coming off discussions we've had at Itasca, is it time to rethink our relationship to policymakers to form a coalition of the willing? That's what business leaders want to do.
Frosch: Policymaking and politics are two different things. We need a better politics that will enable a better policy. We need a parallel effort at a deeper level to shift the dialogue and awareness, because inequity is undermining our politics. Attacking inequity is a step toward achieving better policy and better politics.

33:26 - How did the public perception of the metro area go from that of a leading, creative, attractive region in the U.S. to one that is now viewed by national and international observers as having huge disparities? What can we do about this?

(Clarence Shallbetter) **Casey:** In 2003-2004, Itasca put together a report on how bad the region's disparities were in race, income and other areas. The gaps are still there, but that momentum has dried up. Itasca is trying to get some of those things started again. We have been living with these disparities for a long time and it can't continue. Maybe as a way to right these inequities, we need entrepreneurial growth, rather than relying on just our larger companies for that employee base.

Frosch: When it comes to racial inequity, the killing of George Floyd was a tragedy. Policing, health and economic inequities existed before today and still exist today. We can't be truly great and be as unequal as we are. We must start seeing every child as a Minnesota child, every neighborhood as a Minnesota neighborhood and responding with a level of visceral urgency to make every community a place of opportunity. We know how to create a world-class quality of life. We just need to create one for everybody.

38:34 - How can our community create more forums for people who live in very different worlds to provide them the opportunity to interact with one another and shape their worldview? How can we bring discussions of diversity away from aiming towards a quantitative solution, reaching a certain percentage, to realizing that this needs to be a continuous effort to shape qualitative outcomes? (T Williams) **Casey:**

When we had listening sessions after the killing of George Floyd, we wanted CEOs who are running companies in town to hear different points of view. We've had the best discussions in our lives with people who've come forward to say they haven't been heard before. They've said, "You stay in the background and we'll lead. This is going to be an African American initiative that we take forward and you can help us out."

Frosch: There's so much more we need to do for Minnesota to become the equitable, just place we believe it needs to be. It takes time and it takes resources. GREATER MSP has been focused on doing things and producing outcomes. We haven't put as much time or resources into dialogue. And that's critical. We need to engage and lift up more voices to shape what's important.

49:26 - As large, locally-based corporations become increasingly global, it seems business leadership may not have the bandwidth to tackle many local issues at the same time. What is your perspective on the current energy of business leadership to take on thorny issues to any great extent? (Lee Munnich) **Casey:**

This has become only more profound because we're more global than we've ever been. At Itasca, we knew we only could get so much attention from busy leaders to do things. Most business leaders know that their communities are important to them. They need to empower other people, so

that energy is redistributed throughout companies. Companies like General Mills, Target, Medtronic want to help, but they don't have the bandwidth.

Frosch: What assets do we have? We have a sophisticated civic infrastructure with a depth and breadth of civic engagement. We've made progress in the last decade to address challenges. We need a strategy that puts the most important issues in relationship. We must go out to corporate leaders, foundation leaders and education leaders and get their buy-in. We've been walking that path in the last few years. Leaders get into issues that are important to them. Real solutions take five years, 10 years. We need leadership and sustained action.

55:27 - How are the Itasca Project and GREATER MSP looking at the emergent movement of impact analysis of environmental, social and governance (ESG) issues?

(Tom Abeles) **Casey:** Big corporate investors like Blackrock are telling corporations they must pay attention to ESG work, because they won't fund companies that don't. The next wave is to bear down on the social piece of this. We haven't done this at Itasca, because others are doing it. **Frosch:** There is movement around the idea of capitalism. Blackrock and the Business Roundtable are saying capitalism has a bigger purpose. The Bush Foundation funded a mapping of this kind of impact ecosystem several years ago. We're starting different kinds of funds to collect dollars aimed at this. We're doing a roadshow of purpose-driven businesses to connect venture capitalists with startup entrepreneurs.

1:03:33 - What is your relationship with the Federal Reserve Bank and their study process? (Pat Davies) **Frosch:** We work with the Fed on regional indicators.

Casey: Who actually sees the Fed's magazine and reports? Itasca is working with the Fed to get analysis we can't get elsewhere. This asset has been fairly underutilized.

1:05:51 - What do you think are the best strategies being employed now to address the problem of educational disparities? What can we learn from students who've left conventional school early? (Paul Gilje and Ted Kolderie) **Casey:** Great Minnesota Schools is doing some great work here to address some of the issues. It's a tough slog. Despite tens of millions of public and private dollars being spent on this, we don't know much about how we solve this. **Frosch:** There's nothing more important to the state's future than to get pre-K and K-12 education into the 21st century. Systems are built under certain realities. When realities change, it's hard to get change in the system. How would we design this today, given what we have today? We know great principals make a big difference. We need to give them freedom, have culturally relevant teachers and come up with different ways of thinking about teachers. We need to have a different group of people step back and ask what a 21st century education system should look like. It's overwhelmingly an adult system. We need to hear from young people.

1:15:05 - **Do you have any idea towards creating an inventory or guide to groups that are doing work in the civic ecosystem and the kinds of work they're doing?**

(Janis Clay) **Frosch:** We need to create more transparency for what's happening. We have a 21st century ecosystem and a 20th century communication system. How we can work together to create a commons would be a useful conversation.

Biographies

Lynn Casey is 2020 chair of the Itasca Project and has been a longtime member of the project's working team. She retired from the public relations and advertising firm Padilla at the end of 2019, after 18 years leading the employee-owned firm through multiple acquisitions and a sale to a privately-owned global firm based in Montreal. Prior to joining a predecessor firm of Padilla in 1983, she was marketing communications manager for Burlington Northern (now BNSF). She also developed Minnesota's first public relations campaign for foster-care home recruitment.

Casey remains active in her profession nationally and serves on various corporate and local nonprofit boards: Xcel Energy and two privately-owned companies; chair of the University of Minnesota Foundation; executive committee member of Mia (Minneapolis Institute of Arts); and Lakewood Cemetery.

Casey has received a number of awards professionally, including Woman Business Executive of the Year by the *Minneapolis/St. Paul Business Journal* in 2011; inductee into the Junior Achievement Hall of Fame in 2011, the Minnesota Business Hall of Fame in 2014 and the PRWeek National Hall of Fame in 2018. After graduating with a bachelor's degree from the University of North Dakota, she received her master's degree in journalism from the University of Minnesota and her MBA from the University of St. Thomas.

Peter Frosch is CEO of GREATER MSP, the Minneapolis-St. Paul regional economic development partnership, a position he has held since March 2019. As CEO, Frosch is responsible for leading the global strategy for economic development and job creation for the greater Minneapolis-St. Paul region, with 3.6 million residents and a Gross Metropolitan Product of more than \$260 billion.

Prior to being named CEO, Frosch served as Senior Vice President of Strategy & Partnerships and Chief of Staff. In this capacity, he created the MSP Regional Indicators Dashboard, a regional performance measurement now being replicated across the United States, and Make it. MSP., the talent retention and attraction initiative recognized by the International Economic Development Council as a leading initiative in economic development nationwide.

Before joining GREATER MSP in January 2013, Frosch served as legislative director for Congresswoman Betty McCollum in Washington, D.C., and also previously served as director of environmental policy at Environmental Initiative, a Minneapolis-based nonprofit. Frosch earned a bachelor's degree in history and American studies from Northwestern University and a master's degree in international relations from Dublin City University in Ireland, where he studied as a George Mitchell Scholar.

Present on Zoom interview

Tom Abeles, Helen Baer, John Cairns, Lynn Casey, Janis Clay (chair), Pat Davies, Peter Frosch, Paul Gilje, Curt Johnson, Randy Johnson, Ted Kolderie, Paul Ostrow, Dana Schroeder (associate director), Clarence Shallbetter, T Williams.

Again, click [HERE](#) to access the complete Zoom recording on YouTube of Lynn Casey's and Peter Frosch's interview with the Civic Caucus.