Business Coalition for Student Achievement

**Upgrade America 2013**

Remarks of Chancellor William E. Kirwan

Tuesday, April 16, 2013

Good morning. I am very pleased to join you today. I want to thank Ed Rust, Chairman of the U.S. Chamber of Commerce and Chairman and CEO of State Farm Mutual, both for the invitation to participate in today’s event and for the leadership he is bringing to the critical issue of quality education as an economic necessity.

My thanks as well to the Business Coalition for Student Achievement and your partners in this effort to improve education and economic success: The U.S. Chamber of Commerce, The Business Roundtable, The Business Higher Education Forum, and the National Association of Manufacturers.

As Ed noted, today’s gathering was convened in recognition of the 30th anniversary of the landmark “Nation at Risk” report. I think we can all agree that the intervening decades have only exacerbated the need for increased action and accountability on the quality of education in America. We are, in fact, a Nation at Greater Risk today than we were three decades ago.

For my part today, I have been asked to speak about education as an economic issue. Now, I could talk about this topic for the next several hours . . . but fortunately for everyone here, I have been asked to keep my comments to fifteen minutes! So I will focus on a few key issues before we move to a panel discussion that will include some former governors—and current education executives—who can bring some added perspective.

I will begin my comments by noting that while I come at this issue from a higher education vantage point, there is no question that the connection between education and economic prosperity is a systematic problem, involving the entire education spectrum from pre-K to the Ph.D.

So I will start with some thoughts on K-12, specifically the critical need to implement the new rigorous K-12 common core standards. I want to commend the National Governor’s Association, who championed the effort to develop and adopt uniform educational standards. K-12 teachers and university faculty, working in partnership, developed these standards. There is near universal agreement that these are the right standards and that high school students who meet these standards will be college and career ready. Remarkably and encouragingly, forty-six states have adopted these standards. This is perhaps the most hopeful thing that has occurred in my lifetime to address our national and debilitating educational under performance.

With the standards adopted, the hard work of developing assessments to determine if students are actually meeting the standards has begun. Two national consortiums of states are each nearing completion on these assessments. Maryland is a member of one of these consortiums, the Partnership for Assessment of Readiness for College and Careers (PARCC) and I am the state’s higher education representative to it. While I’m pleased by the progress we are making with the assessments, I have a major concern, which I believe this group can play a role in addressing. Once these assessments are implemented, I’m fairly certain large numbers of students, maybe as many as 60% in many states, will be deemed to be “not college ready.” Assuming that occurs, my fear is that enormous political pressure will build to discredit or abandon these standards. As a nation, we must not allow this to happen. These standards are our last best hope to address the under performance of our K-12 schools. If we hold firm to them, over time, we can raise the educational level of our youth. If we relent and lower these standards, our youth and our nation will simply not be able to compete in the highly competitive global economy of the future. It’s that simple, but it’s also that important that we hold firm.

Of course, when you look at the PARCC effort, or the broad issue of common core standards, it is important to understand that it is not just about getting these young people ready to start college, it is about putting them on the path to complete college.

As we all know, our nation has not fared well in this area in recent decades either. Thirty years ago, the United States ranked first among industrialized nations in both high school completion rates and the percentage of adults with a two- or four-year degree. According to the Organization for Economic Cooperation and Development's (OECD) 2012 *Education at a Glance* report released last September: The U.S. now ranks 22nd in high school graduation, and we rank 14th in the percentage of 25-34 year-olds with a two- or four-year degree with a 42 percent attainment rate.

Essentially, we have made no progress in college attainment in a generation, while nation after nation has improved dramatically. By standing still, we are falling further and further behind.

This is a situation we simply MUST reverse. How can America remain the leader in the world in things that matter if we aren’t the leader in educating our citizens?

In today’s world, education beyond high school—a four-year degree, a two-year degree from a community college, certified career training, or an apprenticeship—is rapidly become indispensible. It is an imperative for our nation’s long-term economic security and global leadership. It is an imperative for individual success and prosperity. And it is an imperative if we are to see the American Dream as we know it to endure into the 21st century.

Looking first at the competitiveness issue, the Georgetown University Center on Education and the Workforce estimates that 60 percent of U.S. jobs will require some form of postsecondary education by the end of this decade. *Bloomberg News* recently reported that almost half of U.S. employers surveyed are unable to find workers with the skills match to fill available positions. The U.S. Department of Labor essentially corroborates this fact, noting that companies have reported more than 3 million job openings every month since February 2011 because of an absence of applicants with the skills to fill the positions. And, according to the National Science Foundation, right now there are between 2 and 3 million unfilled positions in the STEM disciplines of Science, Technology, Engineering, and Mathematics.

All indications are, this shortage is set to get even more troublesome. A recent Department of Commerce report shows that in the past decade STEM jobs grew at three times the rate of non-STEM jobs, and we can only expect that trend to continue and accelerate.

For America to realize her full potential, we simply must do more to make college ready high school completion and post-secondary education a reality across the nation. Our national competitiveness—our future of global leadership—is directly tied to our ability to generate a highly skilled, well-educated populace. There is simply no counter argument to be made.

But there is a second reason why the imperative for us to produce many more college ready high school graduates and college degree holders is so compelling. Simply put, in today’s economy, a college degree is the passport to a good job and a satisfying life.

According to an Economic Policy Institute report, for recent high school graduates without a college degree, the unemployment rate was over 30 percent. For recent college graduates, it was under 6% percent.

Moreover, an individual with no more than a high school diploma can expect to earn about $1.3 million over the course of a lifetime. With an Associate’s degree, that individual’s lifetime earnings increase to $1.7 million. And with a Bachelor’s degree, that individual can expect to earn approximately $2.3 million over his or her lifetime. That’s $1 million more—or an 84 percent premium—for a Bachelor’s degree-holder versus someone with only a high school diploma.

If we do not accelerate our efforts in a coordinated, systematic way to get more young people into—and through—postsecondary education, we are consigning a large swath of the next generation to a grim economic future.

The data are indeed chilling…a child born into a family in the highest quartile of income has a roughly 85 percent chance of earning a college degree. A child born into a family in the lowest quartile of income has a less than 8 percent chance of earning a degree.

A fundamental value of this great nation is the American Dream, the belief that a person’s status at birth is not supposed to determine his or her status throughout life. From our nation’s founding, we have prided ourselves as being the land of opportunity; the world’s shining example of an upwardly mobile society; the nation where each generation passes a better life on to the next. Now, admittedly, progress toward these ideals has varied over time based on race, gender and ethnicity. But there is no denying that until this moment in our history, movement toward our founding principles and values has been inexorable for all.

But we are staring at the possible disappearance of the American Dream. The OECD 2012 Education at a Glance report notes that children of less-educated parents in the U.S. have a tougher time climbing the educational ladder than in almost any other developed country. It is sobering in the extreme to consider that an American child’s educational achievement is more dependent on the education level of his or her parents than for a child born in almost any other developed country. For generations, social mobility through education was America’s great strength and a precious gift for our citizens.

As Laura D’Andrea Tyson, chair of the Council of Economic Advisers under President Clinton, observed recently: “The United States is caught in a vicious cycle largely of its own making. Rising income inequality is breeding more inequality in educational opportunity, which results in greater inequality in educational attainment. That, in turn, undermines the intergenerational mobility upon which Americans have always prided themselves and perpetuates income inequality from generation to generation.”

In today’s American, where higher education is the gatekeeper to the middle class, to economic and social stability, and to a higher quality of life, we simply have to do more to make sure the doors of opportunity are open to ALL our citizens.

Let me close by making one more point. We don’t just need more degrees; we need more of the right degrees. We need the talent and skills that can address workforce shortages in the critical fields that will drive our economy forward. I want to briefly describe an innovative approach to this challenge. It comes from one of today’s sponsors, the Business Higher Education Forum, or BHEF. BHEF is the nation’s oldest-and I would say most successful—organization bringing higher education and business leaders together to address issues of mutual interest.

I recently completed my term as Chair of BHEF. Ed Rust was a former chair and Wes Bush, Chairman, CEO, and President of Northrop Grumman, is the current chair. Brian Fitzgerald, who is on the program a bit later today, is the president of BHEF. Brian has led an ambitious effort to align education outcomes and workforce needs in a fundamentally different and systematic way, BHEF launched a series of scalable, evidence-based, “innovation partnerships” projects across the country.

To date, there are a dozen of these regional workforce initiatives, built on a partnership between higher education and business leaders aimed at addressing regional workforce needs. One of these initiatives is based in Maryland and is focused on the desperate need for more highly skilled and trained graduates in cybersecurity. As part of this effort, we did a survey and found that there are currently 19,000 cyber workforce openings in Maryland alone. Working in tandem with our partners in the cyber industry, we have a good understanding of the degree levels and skills that are needed. Northrup Grumman, Lockheed Martin, Raytheon, and others have stepped forward to help us design degree programs and to provide scholarship and internship opportunities for our students.

Northrop Grumman, for example, has established a landmark honors program at our flagship campus, the University of Maryland at College Park (UMCP). This program is designed to educate a new generation of cybersecurity professionals. The Advanced Cybersecurity Experience for Students (ACES) will immerse undergraduate students in all aspects of the field to meet growing manpower needs in the nation and in Maryland. Students enrolled in the program will have the option of interning with Northrop Grumman or other cyber companies and preparing for security clearance. ACES will produce skilled, experienced cyber security leaders highly sought by corporate and government organizations. Over time, through distance education programs, online course offerings, transfer of students, and competitions, universities across the University System of Maryland will participate in the program.

In fact, thanks to funding from the Sloan Consortium, we are on the verge of an exciting new development. With leadership from UMCP and the University of Maryland, Baltimore County (UMBC), which has a parallel partnership with Northrop Grumman, we are bringing two additional institutions into the mix—Towson University and Bowie State University—and launching a new Cyber Network to expand our partnership with government and industry.

To me, this effort is a perfect example of the extent to which the worlds of higher education and business have become inextricably linked, with no real lines of demarcation anymore. We must move, and are moving, from a “transactional relationship”—where higher education provides graduates and businesses provide jobs—to a “strategic partnership”—where business and higher education work together to increase student interest and abilities in high-demand fields.

In this new model, businesses must be hands-on, both programmatically with efforts like the USM-BHEF partnership, and at the policy level. And I want to close by stressing the importance of this second element. If we are going to see the change we need to see, business and higher education leaders must ramp up their support of effective and impactful policy. We must advocate for the adoption of the common core standards at the K-12 level. We must voice our support for efforts to increases access to colleges and university for all capable students. We must affirm the importance of quality higher education at all levels as indispensible for economic growth and social mobility.

I know that all of us here today understand this. But it is a message that must go beyond this room and with a sense of urgency. Time is not on our side. We have too much ground to make up. We, along with our counterpart leaders across the country, are the ones who must deliver this message. It is our best chance to secure the future of our nation—economically, socially, and globally. It will be a challenge, but I have every confidence with the energy and effort behind initiatives like Upgrade America we can succeed.

Once again, thank you for giving me your time and attention. I look forward to the discussion that will follow.

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