



# TOUGH CHOICES OR TOUGH TIMES

THE REPORT OF THE *new* COMMISSION ON  
THE SKILLS OF THE AMERICAN WORKFORCE

®

NCEE  
National Center On  
EDUCATION  
And The Economy

# Our Analysis of the Challenge

# A Changing World

- **India, China, Other Developing Countries** producing large numbers of young people with top mathematics and analytical skills
- **Result:** Professionals available on the world market in a wide range of fields for a fraction of what U.S. professionals charge

# Global Employers Have Choice of World's Workers

- World supply of **highly skilled**, relatively **low pay** workers rapidly increasing
- Employers aggressively searching for lowest cost workers at **every** skill level

# The Economic and Educational Challenge

- Our **1990** report said the problem was our **low-skilled** workers
- Now, our **high skills, medium skill and low skill workers** are being underbid by workers in lower cost countries
- **Entire American standard of living will slide if we do not do something**

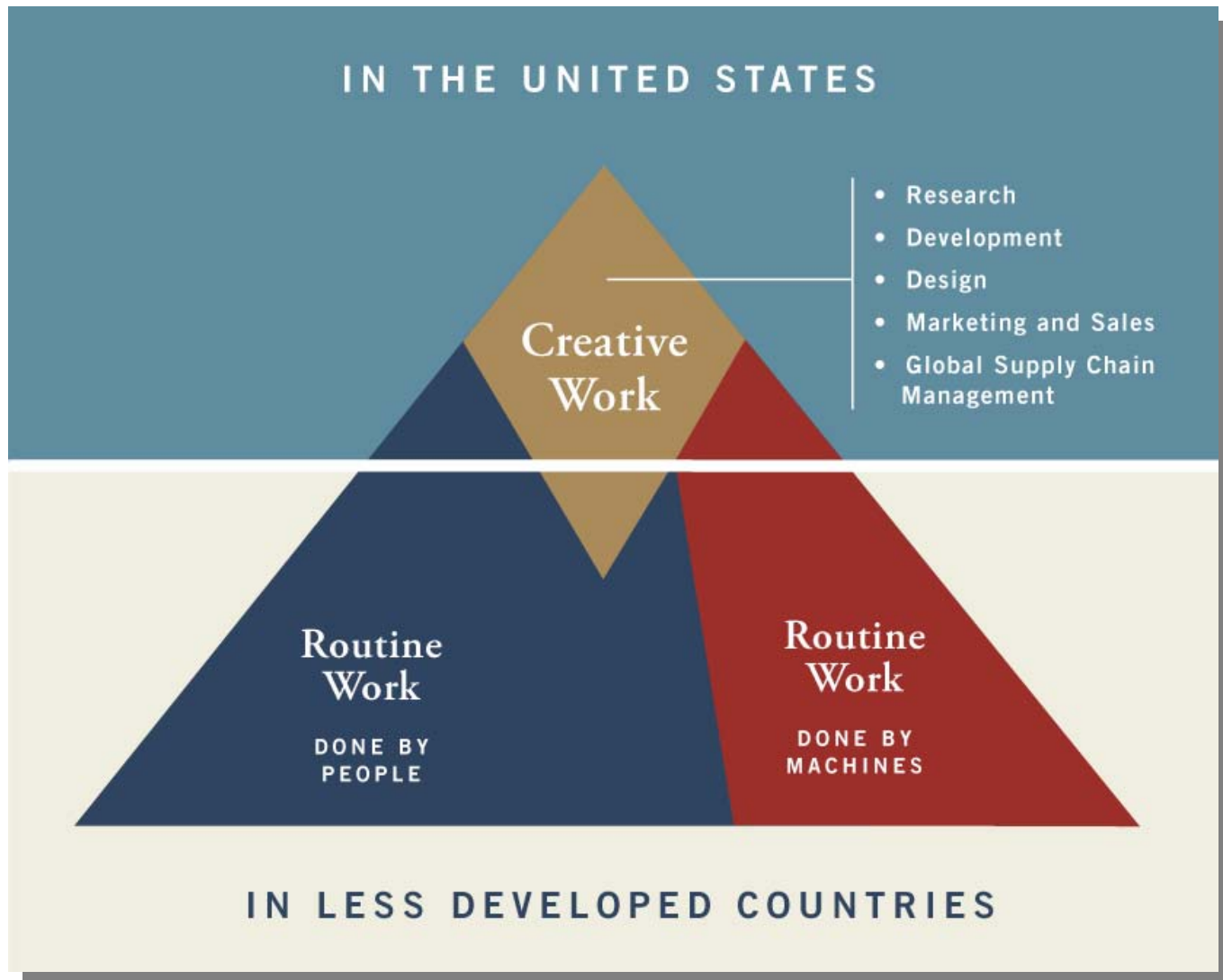
# Who Is Most At Risk?

- People at all skill and pay levels who do **routine work**
- Because that is the **easiest work to automate** or send offshore

# Who Will Pay High Wages?

- Employers and industries that are **on the technology and creative frontiers**
- Because they demand the **best-educated, most creative workers** at every level of the industry (think the entertainment industry)
- Only those firms can earn the margins that will be needed to attract and compensate such people

# Profile of Successful U.S. Firms in the Future



# Why Should They Pick Ours?

**Q: Why should employers pick our graduates?**

**A: They won't — unless:**

- Unless we can match their academic performance and
- Exceed them in creativity, innovative capacity and ability to learn quickly

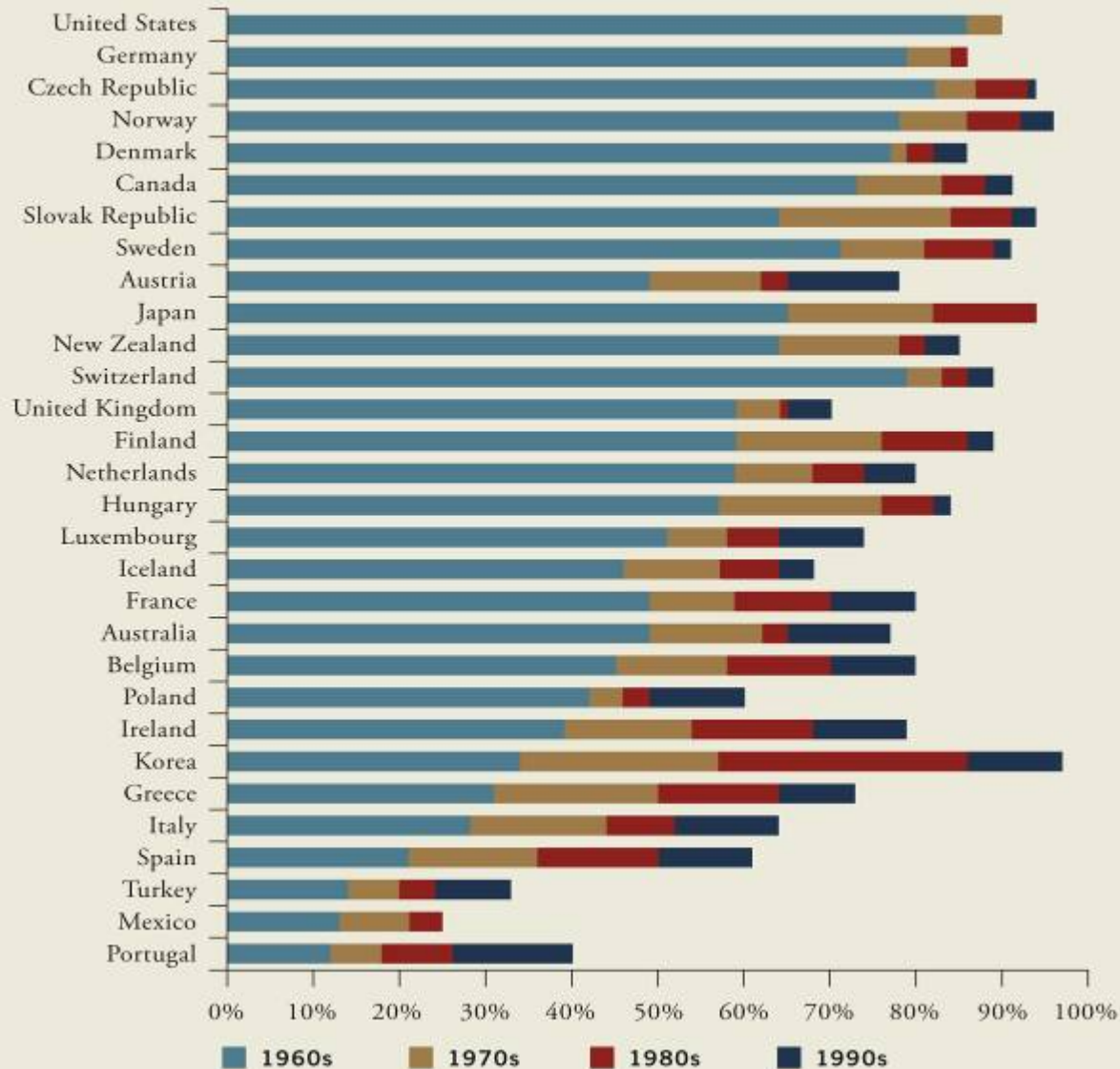
# Profile of Successful Workers

- Top academic performance
- Creative and innovative
- Able to learn very quickly

# Capacity of Our System to Meet These Requirements

- Proportion of our population being educated, compared to other countries?
- Quality of education, compared to other countries?
- Cost of our system, compared to other countries?
- What we get for our money, compared to other countries?

## PERCENT OF WORKING-AGE ADULTS COMPLETING HIGH SCHOOL



# Quality of Our Graduates

## Mediocre

- High school students perform **at or below** the median on PISA and TIMSS
- Our young adults in the labor market score at “**mediocre**” levels on the best international measure of their performance

# U.S. Education System: Small Gains at Ever-Higher Cost



# Portrait of a Failing System



FOR EVERY 100 9TH GRADERS:



68 GRADUATE ON TIME;



OF THOSE, 40 ENROLL DIRECTLY IN COLLEGE;



OF THOSE, 27 ARE STILL ENROLLED THE FOLLOWING YEAR;



OF THOSE, 18 EARN AN ASSOCIATES DEGREE WITHIN  
3 YEARS OR A B.A. WITHIN 6 YEARS.

**82 DON'T MAKE IT!**

# The Current System Isn't Up to the Job

Tried and failed:

- more money
- more programs
- more initiatives

***THE PROBLEM IS THE SYSTEM!***

# Our Proposals

*Building A  
New System  
for the 21st Century*

# First Principles

- **Recruit teachers** from the top third
- Let students **go on when ready**
- **Reprogram funds** for higher payoff
- **Create** lean, performance-oriented **management systems**
- **Create incentives** for schools to perform
- **Give schools room** to innovate

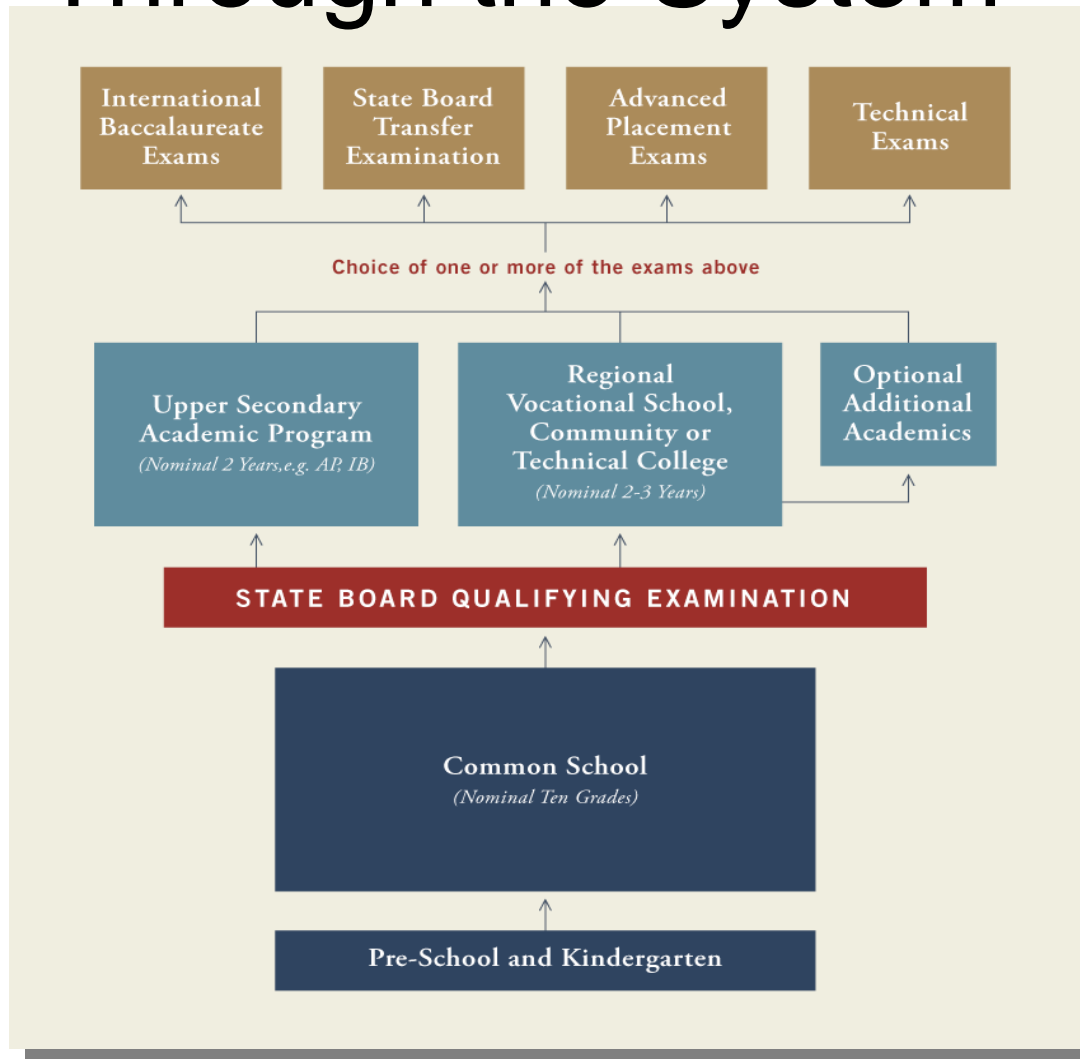
# First Principles

- **Create a fair financing system** so all kids have a good shot at success
- **Reform** our nineteenth century **governance** system for 21st century results
- Fewer, much **higher quality tests**
- Create the same **opportunities for working adults**

# Step 1: Assume We Do Job Right the 1st Time

- Most students pass exam set to skills needed to do college level work **at age 16**
  - 95% by the end of high school
  - The rest can continue to challenge it
- Students **automatically admitted** to state community or technical colleges when they pass
- Those who pass at higher level **stay in high school to take IB, AP or similar program**

# The New Progression Through the System



# Step 2: More Efficient Use of Resources

- **Enormous savings: \$60 B**
  - fewer years in high school for most students
  - no remediation of students in college
- **Less: \$10 B**
  - More high school graduates
- **Additional Funds: \$8 B**
- **Total Investment Funds Available: \$58 B**

# Step 3: Invest in Early Childhood Education

**\$19+ B for high quality early childhood education available to all:**

- All 4-year-olds
- Low-income 3-year-olds

## Step 4: Recruit Teachers From the Top Third of College Grads

- **\$19+ B** to provide:
- **New starting pay** = current median pay
- Top would be **\$95,000, \$110,000** for full year teachers
- **Abolish pay based on seniority**; instead base it on student performance, career ladder, incentives for shortage occupations, etc.

# Step 5: Create High Performance Schools, Districts Everywhere

- Districts **write performance contracts** with 3rd party organizations to run schools
- All contract schools to be **public schools**

# Step 5: Create High Performance Schools, Districts Everywhere

- All schools to be directly **funded by the state**
- **Uniform base funding** for all students plus **increments for:**
  - children from low-income families
  - students in which English is not spoken at home
  - the mildly disabled, the severely disabled, etc.

# Step 5: Create High Performance Schools, Districts Everywhere

- Portfolio of contract schools managed to **produce steady improvements in student performance**
- **Teachers employed by state, but no job until hired by a school**

# Step 6: Provide Strong Support to Disadvantaged Students

- **\$18+ B 'tops up'** school funding
- Makes possible:
  - extended day schools
  - extensive screening and diagnostic support
  - supports for physical and learning disabilities
  - tutoring, counselors and mentors

# Step 7: Rebuild Standards, Assessment and Curriculum

- **Improve quality, reduce number of tests**
- Federal government to create limited number of **national literacy and math tests** at lower grades

# Step 7: Rebuild Standards, Assessment and Curriculum

- States to adopt and create **world class syllabus-driven high school exams**
- **Curriculum based on** mastery of key ideas and concepts, core facts and procedures and capacity for creativity and innovation

# Step 8: Provide Free Education For All to New Standard

- **Federal guarantee:** All members of the workforce 16 years old and older have access to a free education up to the new high school standard (ready for college level work)
- **Many venues for adults** to get that education in appropriate form

# Step 9: Create New GI Bill— Lifelong Learning Support

- Federal government creates **tax-protected account** for every child when born, deposits \$500 in it, \$100 each year thereafter up to age 16
- Individual, parents, state, employers **can contribute** to this account
- Individual can withdraw funds only for **educational** purposes

# Step 10: Create Regional Economic Development Authorities

- Federal government to authorize states and localities to **create regional authorities** to combine economic development, adult education and job training
- Authorities to be **appointed by local and state** officials and headed by key business leaders
- **Strategic allocation of job training resources** to be guided by local and regional economic development goals



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