



TESTIMONY

ON: The Role of Career and Technical Education in Creating a Skilled Workforce: Perspectives from Employers and Stakeholders

TO: Congressional Career and Technical Education Caucus
Bipartisan Field Hearing

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On behalf of the Opportunity America Jobs and Careers Coalition

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*The Role of Career and Technical Education in Creating a Skilled Workforce:
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Statement by
Tamar Jacoby
President, Opportunity America
On behalf of the Opportunity America Jobs and Careers Coalition

Good morning, Chairman Thompson and other distinguished members of the panel. Thank you for this opportunity to testify on the role of career and technical education in preparing a skilled workforce. My name is Tamar Jacoby. I'm president of Opportunity America and founder of the Opportunity America Jobs and Careers Coalition.

Opportunity America is a Washington think tank and policy shop promoting economic mobility – work, skills, careers and entrepreneurship. We founded and manage the Opportunity America Jobs and Careers Coalition, which is made up of employers and employer associations concerned about job training and workforce development. Members come from a broad range of industries experiencing skills mismatches and worker shortages – IT, manufacturing, construction and hospitality, among others. Our goals are to shine new light on the need for workforce training, drive a skills agenda on Capitol Hill, highlight successful state initiatives and change national perceptions of technical careers and career training.

The coalition's members couldn't be more diverse: from IBM to the small construction contractors represented by the National Roofing Contractors Association. But one thing unites them: they are all desperately worried that they won't have the workers they need to keep their businesses running and productive in years ahead.

The construction industry workforce, for example, has shrunk dramatically since the downturn, as building stopped and jobs dried up and workers left construction for other sectors. But now construction is booming again, thanks in large part to the new demand from the energy sector, including here in Pennsylvania, as well as reviving commercial and residential building. And forecasters estimate that construction alone could face a shortage of nearly 2 million skilled workers by 2017.

So too in manufacturing. According to a 2011 survey by Deloitte Consulting LLP and the Manufacturing Institute, 82 percent of manufacturing companies are experiencing a moderate or serious skills gap, with more than 600,000 positions unfilled – a striking 5 percent of all U.S. manufacturing jobs. A common complaint from manufacturing human-resources departments: they place a want ad and hear from 50 to 150 applicants, but no one who shows up is hireable because candidates lack the appropriate skills.

We hear the same kinds of stories and alarming predictions from other members of the Jobs and Careers Coalition – members representing employers in health care, IT and other sectors. IBM alone currently has more than 2600 skilled positions open across the U.S. – and is trying everything it can think of to fill them, to little avail.

The reason for these shortages? Primarily skills mismatches, which are expected to worsen, perhaps severely, in years to come. The underlying problem: new technology is transforming work across the economy. But businesses are often unable to find workers with the skills to man new machines and manage new processes. According to the most recent figures, 9.3 million Americans are unemployed, but 4.8 million jobs stand empty in the U.S. today because employers can't find trained people to fill them.

So the need is obvious: more and better skills training – both career and technical education for young people still in school and continuing workforce development for adults. We need more of both, delivered across a broad array of platforms.

But more training alone is not going to solve the problem. And this is the second message I bring from employers in my coalition – the second point they all make all the time, no matter what sector they come from. Employers need to be involved in designing and delivering workforce training. That's the key to effective training, and without it, frankly – without effective employer involvement – CTE isn't going to be worth the money we spend on it.

Why do my members say this? Because they know from experience: there are some inputs only an employer can provide.

Number one, only business owners, operating in real time in real market conditions, can forecast with any accuracy what skills will be in demand next month or next year. Educators can look to economic forecasters, they can collect data and run analytics – and they'll get some information from an inquiry of that kind. But the fact is none of these theoretical estimates are as good as input from employers navigating real conditions in a dynamic marketplace – actual business owners buffeted by fluctuating demand and making high-stakes decisions about when to hire and when to lay off workers. What this means for training: CTE educators need employers to help them make decisions about *what* to teach.

Number two, CTE educators also need input from employers about *how* to teach state-of-the-art technical trades. Many if not most of the occupations in high demand today are changing rapidly. Precision machining has undergone a technical revolution in recent years, driven by new digital equipment and the rise of robots on the factory floor. Mechatronics hardly existed two decades ago; today it's a staple of any good CTE program and among the most popular fields of study for young people seeking to learn a practical skill. IT coding is constantly evolving – month to month, if not week to week. So is health care, as new technologies and new business models change what workers need to know and be able to do on the job. Without input from employers – regular, structured, real-time input – CTE educators can't hope to keep up with changes of this kind. And if they don't keep up, the training they provide is all but worthless. How hireable, after all, is a software programmer using outmoded code or a welder trained on obsolete equipment?

Number three and perhaps most important, only employers can provide opportunities for CTE students to hone their skills in the workplace, supplementing what they learn in class with on-the-job training. There's no substitute for real experience in the shop or on the factory floor – no better way to motivate trainees or inculcate a sense of responsibility, no clearer way to convey the satisfactions that come with skilled work or the time pressures and other demands that make it hard.

Bottom line: CTE educators and employers need each other. There can be little effective technical training without collaboration between the two sectors – and not just one time or

occasionally. What's needed is a sustained, structured exchange of information and often day-to-day cooperation.

The problem: many if not most of the employers my members represent, particularly small and medium-sized employers, don't know how to engage educators in the way that's needed. They don't know people at their local high school or community college. They often don't trust them: they commonly believe, and sometimes correctly, that educators are interested only in academic programs and won't be open to employers seeking to have input on CTE training. Far too few employers know about the opportunities for collaboration created by the Perkins Career and Technical Education Act and the Workforce Innovation and Opportunity Act. And even when they know about what's possible, they've often heard discouraging stories from colleagues – from someone they know who tried to engage with the federal workforce system but couldn't handle the paperwork or someone else who felt he wasted his time by volunteering to serve on a local Perkins advisory council.

The lesson for government, state and federal: employers need you – need your help in structuring effective forms of collaboration. Business owners are desperately short of trained workers. They need more ample skills training, starting with CTE. They're eager to have input. But they often don't know where to turn.

This is why we formed a business coalition focused on job training and workforce development, and I hope it's clear from what I've said – our members grasp the need for a two-way effort. They're eager to work with policymakers to spur the creation of more and better technical training, with more opportunity for more employer input. *And* they see the need to educate employers, especially small and medium-sized employers, about the opportunities that already exist and how to make better use of them.

When it comes to policy recommendations, I don't have time today to go into detail. But I'll make two general points: members of our coalition come back repeatedly to two overarching concerns.

First of all, they feel it's critically important to identify and encourage *meaningful* collaboration between employers and educators – and I stress the word “meaningful” because all too often it is not. In some states, for example, Perkins advisory councils have input at every stage of the CTE process – advising on what should be taught, helping to shape curriculum, working with educators to set standards, helping to recruit and hire instructors, providing on-the-job training and more. In other states, Perkins councils are a once-a-year luncheon opportunity, with employers and educators alike merely checking a box – without meaningful or substantive collaboration of any kind. So too with state and local workforce boards, recognition and use of industry certifications and other opportunities for employer input and advice suggested or mandated by the federal government but not always realized at the local level.

Second, members of my coalition want better ways to measure collaboration – we need accountability. Both Perkins and WIA, now WIOA, have been pointing in the right direction for a long time. Lawmakers in Washington who grasp the critical importance of private-sector involvement have been creating mechanisms and incentives for employers and educators to collaborate. They've got the vision right, and WIOA, for example, is a huge improvement over its predecessor. But the vision cannot and will not be realized without effective measurement and tools to hold the system accountable, both the federal workforce system and educational institutions with CTE programs.

In closing, I'd like to thank you again, Rep. Thompson, for holding this hearing. I appreciate the opportunity to testify on behalf of the Opportunity America Jobs and Careers Coalition. I know my members are grateful for your leadership on workforce policy. The coalition looks forward to working with you and other members of the panel, in Washington and here in Pennsylvania and other states, to deliver on the promise of career and technical education – teaching young people the skills they need to be productive in the workplace even as it provides employers with the workers they need to remain competitive in a rapidly changing global economy.

I look forward to your questions.