



From the office of Texas Workforce Commission

Commissioner Tom Pauken

Speech

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Tom Pauken's Speech at Texas State Technical College in Waco on May 3, 2012

Chancellor Reeser, members of the Board of Regents of TSTC, ladies and gentlemen. It is an honor to be with you here this evening and discuss the important role that your institution plays in addressing the critical shortage of skilled workers in our state.

TSTC has a long and distinguished history in providing technical training to students throughout Texas. You have lived up to the mission set forth by Gov. John Connally in 1965, when you were originally established, by becoming one of the premier technical colleges in the nation. I recently saw in Community College Week that your Waco College was named the number one producer in 2010 of Associate Degrees in Engineering - Technologies and Engineering - Related Fields. You provide the necessary skills training in areas of real industry demand and your graduates are employment ready and get hired in good paying jobs.

Contrast that with many graduates of four-year universities with a general degree who are saddled with an average of more than \$25,000 in student debt and have difficulty in finding a decent paying job.

I had been out of government and in the private sector since heading a federal agency in the Reagan Administration when the Governor asked me to chair the Texas Workforce Commission in 2008. What shocked me in coming back into government four years ago was how different the attitude towards vocational and technical education among the political elites was from when I got back from Vietnam in 1969 and became a civilian again. I was asked to serve on the National Advisory Council on Vocational Education and did so from 1970 to 1975. Back then, the United States had the strongest manufacturing sector in the world, and there was a general recognition throughout American society of the value of technical education and the skilled trades. There was a strong emphasis – beginning at the secondary school level and continuing at post-secondary schools like TSTC – on providing opportunities for young people with the aptitude and the interest to get skills training at an early age.

So much has changed -- and it has not all been “positive change.” Over the past decade, we have hollowed out our manufacturing base. From 2001 through 2010, one-third of our U.S. manufacturing jobs –

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that's five and a half million – were shipped overseas, outsourced or simply went away. When I was growing up, we proudly touted products made in Texas and made in the U.S.A. Sadly, that has become more of an exception than the rule these days.

At the national level, we have the most onerous business tax system in the world – one which results in exporting prosperity and American jobs overseas. It needs to be replaced with a corporate tax system structure which rewards investing in America. If we have the political courage to do so, we can put policies in place in Washington to rebuild our U.S. manufacturing base. I address that issue in my book *Bringing America Home*, but that is a topic for another venue.

We can't do anything in Texas at the moment to fix a flawed national tax policy, but we sure can address the shortage of skilled workers in our state.

Despite the loss of so many manufacturing jobs over the past decade, manufacturers are complaining of a graying workforce and a shortage of skilled workers to replace those who will retire soon. The annual survey of Manpower Group for 2011 found that the hardest jobs to fill in the United States were for the skilled trades. A recent survey by the consulting firm Deloitte "found that 83 percent of manufacturers reported a moderate or severe shortage of skilled production workers for hire." The results are similar here in Texas.

What happened to our pipeline of skilled workers? Somehow, over the last two decades, certain political elites decided that everyone should be prepared to go to a four-year university. I call it a "one size fits all" approach. So, we got trapped into this "teaching to the test" mindset which was going to make all of our elementary and secondary students, "college ready." First, there was the TAKS test. Now, there is the so-called STAAR test. So much of our educational system is driven these days by this "teaching to the test" mentality from the third grade through high school.

In his marvelous book *Shop Class as Soulcraft: An Inquiry into the Value of Work*, Mathew Crawford points out that "high-school shop-class programs were widely dismantled in the 1990s as educators prepared students to become "knowledge workers." Writing at the time of the Great Recession four years ago, Crawford had this to say:

"This seems to be a moment when the useful arts have an especially compelling economic rationale. A car mechanics' trade association reports that repair shops have seen their business jump significantly in the current recession: people aren't buying new cars; they are fixing the ones they have. The current downturn is likely to pass eventually. But there

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are also systemic changes in the economy, arising from information technology, that have the surprising effect of making the manual trades – plumbing, electrical work, car repair – more attractive as careers. The Princeton economist Alan Blinder argues that the crucial distinction in the emerging labor market is not between those with more or less education, but between those whose services can be delivered over a wire and those who must do their work in person or on site. The latter will find their livelihoods more secure against outsourcing the distant countries. As Blinder puts it, ‘You can’t hammer a nail over the Internet.’ Nor can the Indians fix your car. Because they are in India.”

To borrow a phrase from Will Rogers, “if stupidity got us into this mess, then why can’t it get us out?”

The answer to this critical shortage of skilled workers is simple, but not easy. There are powerful interests arrayed to protect the existing system of education financing and performance measurements. The problem is that the system is broken – and the average Texan gets it, even if many of the political elites don’t. The time is ripe for major reform of our educational system so that we place greater emphasis on vocational and technical education at the secondary and post-secondary school levels.

Let’s replace the one-size-fits-all TAKS and STAAR tests that we use to evaluate all our students, with two different tests – one that measures college readiness for those that plan to pursue that route such as the ACT or SAT, and one that measures career readiness.

We all learn differently. Some students don’t enjoy or do well in an abstract classroom setting – I have a son like that – but would excel by working with their hands in a skilled trade. That’s why your “hands on” approach to skills training is so important in preparing a student to be job ready.

Let’s give our high school students the facts about the employment market. Young people who have completed a skills training program at TSTC have a better opportunity to get a good-paying job than many graduates of four-year universities.

If we are going to move in this direction of rebuilding our pipeline of skilled workers with increased opportunities for vocational education, we have to be creative in how we go about implementing these changes given our finite resources. Equipment is expensive for certain technical training programs, and we have to be resourceful in providing these opportunities to our young people.

We need to avoid expensive duplication of services wherever possible. We should do more to empower you and your institutions to partner with school districts in your region. Your schools already have trained instructors and equipment for skills training. Some of you may have underutilized capacity that could be made

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available to local high school students who want to take technical courses. And we should do more to make sure these courses qualify for dual credit and make it more attractive for school districts to utilize them in that way. As always, the devil is in the details; and there needs to be an appropriate financing mechanism that is acceptable to both sets of educational institutions.

I also want to issue a challenge to you. As we learned last session, many four-year universities do not want to be held accountable. They like the current funding model which allows them to receive state dollars based on their enrollment without regard to what their students are learning or how well they do after graduation. I believe that community colleges – especially programs providing career and technical education – can lead by example in this area and help bring about reform by advocating an alternative model in which schools are measured by how many of their graduates obtain employment. Schools that do well could take in more than they currently receive while underperforming schools would receive less.

In a bold move, your Chancellor already has proposed such an approach. Chancellor Mike Reeser has developed a model that bases the state funding received “on the job placements and projected earnings of graduates.” As reported by *The Texas Tribune*, Chancellor Reeser noted, “You won’t find a better example of total accountability because we won’t get paid for a student until we put him in a job.”

The time has come to return to an educational model which recognized the value of career education and encourages the young people of Texas to have such learning opportunities at the high school and post-secondary school levels. It really is just a matter of common sense. We have accepted for too long this misguided notion that everyone should go to a four-year university. That flies in the face of reality and human nature. We have different talents and different abilities. Let’s design a school finance and accountability system which recognizes that and re-establishes the importance of skills training to provide young Texans with terrific career opportunities. TSTC is leading the way with a common sense approach to training young Texans and putting them back to work.

Our nation faces a more serious set of challenges than at any time in my lifetime. Whenever I get discouraged by the difficulties we face, I remind myself that Americans always seem to respond in times of crisis by getting our nation back on the right track. The words of a dying father to his son in Brenham, Texas seem particularly appropriate as we address the serious problems facing our state and nation. Here is an excerpt from *One Father’s Words* written to Tiemann Dipple:

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“The time that we spend on earth is relatively small in comparison with the great movement of history. All we can do in our life span is to make the world better than we first arrived. All fortunes ultimately are dispersed, but the ideas and values that you leave to society can live forever... we must try to make every generation’s character better than the one before it and build a higher standard of living through wise policies.”

Let me repeat that last sentence, “...we must try to make every generation’s character better than the one before it and build a higher standard of living through wise policies.”

Texas State Technical College exemplifies those worthy objectives. Keep up the fine work you are doing.

Tom Pauken is the Commissioner Representing Employers and author of Bringing America Home.

Media Contact: Lisa Givens 512-463-8556

The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the programs it offers in coordination with its network of local workforce development boards, call (512) 463-8556 or visit www.texasworkforce.org.

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