

## **An Open Letter to the New President of the United States**

### **Dear President-Elect Obama:**

As the 44th President of the United States, you and the 111th Congress will face urgent challenges from the moment your terms begin in January 2009. We expect and require swift, wise responses to the threat to the American dream, which is melting down before our very eyes.

I am writing on behalf of my fellow metalforming manufacturing companies, and other employers across the United States, to remind you that urgent crises must not cause us to neglect long-term needs. Even now, with millions of Americans desperate to feed and house their families, there also are many good-paying jobs in metalforming and other industries going unfilled because employers like me cannot find workers with the necessary skills.

We should never have these two problems at the same time. We need action that addresses both our unemployment problem and our skills problem.

### **Education Is the Key to Economic Security**

This past July, with the political races heating up and the financial crisis beginning to loom large, David Brooks wrote a column in the New York Times that clearly showed the connection between middle-class security and educational attainment. Brooks noted that:

- Between 1870 and 1950, the average American's level of education rose by 0.8 years per decade;
- In 1950, no European country enrolled 30 percent of its older teens in full-time secondary school. In the United States, 70 percent of older teens were in school.
- By 1960, the level of education in this country was nearly 14 years.

Brooks asserts, and most of us would agree, that those were years of growth and prosperity in the United States. However, Brooks wrote, "high school graduation rates peaked in the United States in the late 1960s, at about 80 percent. Since then they have declined."

The educational and skills attainment of the American workforce is not keeping pace with the rest of the world. As a result, employers across a range of employment sectors—manufacturing, healthcare, energy, automotive and construction among others—report that skills shortages are significantly impacting our abilities to compete, produce and meet customer demands. This human-capital performance gap has emerged as our nation's most critical long-term business issue.

### **Middle-Skills Jobs: Our Nation's Strength**

As a member of the third generation of a metalforming family, I firmly believe that the real strength of the United States lies in its middle-skill workers. Today, middle-skill jobs require more than high school but less than a four-year degree. These jobs employ workers who manufacture goods to a standard of quality and productivity unrivaled anywhere in the world. These are the workers who build our homes and public buildings and have provided a highway

system envied throughout the world. These are the workers who keep us safe in our homes and on our roads. These are the workers who literally keep the lights on and drive the economic engine of this country.

These are also the workers who are already in short supply, and who will become even scarcer unless your administration takes immediate action to help us change what has not been working for America.

The Bureau of Labor Statistics projects that middle-skill occupations will comprise about 45 percent of all job openings between 2004 and 2014, compared to 33 percent in the high-skill occupational categories and 22 percent in service occupations. But the percentage of adult workers with at least some college learning will remain at about 28 percent through 2020. These projections are driven heavily by anticipated retirements of baby boomers, with a smaller and less-educated population coming along as workforce replacements.

### **High School Graduation and Work-Readiness Rates Unacceptably Low**

As an employer in the Twin Cities metropolitan area, I am particularly concerned and disheartened by the dropout rates among our inner city youth. In 2007, 1.2 million teens in this country failed to graduate from high school. Unemployment rates for men and women not in school and without high school diplomas totaled 15.7 and 19.0 percent, respectively. The unemployment rate for black youth was more than twice that for white youth and Asian youth who were not enrolled in school. Remember, those statistics cover a period when overall unemployment was under 5 percent.

Each and every student who does not complete high school is a loss to me and my fellow manufacturers. Each dropout represents lost potential for high quality and high productivity, rewarded by a living wage, good benefits and a challenging career path. Today's 18-year-old dropout will earn \$260,000 less over a lifetime and contribute \$60,000 less in federal and state income taxes—wages and tax revenue that are desperately needed to rebuild our economy.

We need to provide resources for workers not just when they come of age in the labor market, but also as they move through it. Two-thirds of U.S. workers in 2020 are already in the workforce today and already out of reach of our nation's K-12 educational system. Employers like me need workers with specific, often technical skills, and those skills are constantly evolving. Workers need access to training throughout their lives—not just to get a job, but to keep a job and get a better job.

### **Innovative Programs Create Middle-Skill Workers**

While the problem is severe, there is good news to report. The metalforming industry has been responding to the skills shortage with innovative programs.

The Precision Metalforming Association (PMA) Educational Foundation has awarded 60 grants totaling more than \$1 million for “sharing and fostering best practices in workforce development.”

Our country has 1200 of the best community and technical colleges in the world. For example, two new centers of excellence in manufacturing and engineering in the Minnesota State Colleges

and Universities system are enhancing opportunities for students at the two-year colleges and are working closely with employers and community partners. And the National Institute for Metalworking Skills has created a competency-based apprenticeship program that has credentialed more than 20,000 skilled workers since 1996.

In my home state of Minnesota, the Dunwoody Academy, a charter high school, provides several hundred inner-city youth with rigorous academic preparation plus work skills in manufacturing, automotive repair, health care and construction trades. The M-Powered program has graduated more than 300 entry-level metalforming workers who received classroom and paid on-the-job training at PMA member companies. This partnership of private industry, higher education, state government agencies, nonprofits and national associations won a Department of Labor collaboration award for workforce development. At the University of Minnesota, the Ramp-up to Readiness is developing a new paradigm for helping high-school students focus on the coursework, experience and finances needed to get into college and the skills needed to succeed once they're there.

### **21st Century Skills Guarantee**

Similar programs are in place across the country. They are effective and innovative--but they are not enough. We need your support as President to work with all members of Congress to support a new 21st Century Skills Guarantee. With this guarantee, all of America's workforce— young or old, college-bound or not, regardless of current skill level—must be able to pursue the equivalent of at least two years of education or training past high school, culminating in an industry certificate, vocational credential or their first two years of college. Components of this guarantee include the following:

- *Help U.S. industries develop pipelines of skilled workers.*

Invest in bringing together stakeholders—business, labor, education and training providers, and the public workforce system—to address skill shortages in specific industries. These investments have proven to have significant payoff for local economies.

- *Align policies to create diverse career pathways alongside traditional college pathways.*

Every U.S. worker must be part of our country's economic solution. We must make four-year college degrees more available. But we need a new focus on access to basic skills, vocational training or technical certifications required to provide middle-skill workers, who must be able to pursue these skills while working over time.

- *Ensure that national skills investments are adequate, proportionate and accountable.*

The United States ranks 21st among the 30 nations of the Organization for Economic Co-operation and Development in investing to train workers for skilled jobs. We cannot be first in the global economy when we are 21st in our level of investment in human capital. We must not only invest more, but also make sure that our investments are targeted proportionately—not just focusing on bachelor and graduate degrees, but on job-ready basic-skills certificates, industry certifications, vocational degrees and associates degrees. And we need a central authority that can look across our federal agencies and work with Congress to assess where we need to grow our investments in human capital.

I hope that everyone who reads this letter will become familiar with the programs in their own areas of the country. I hope that many of my metalforming colleagues will contact the President-elect and their own elected officials to urge support for this vision.

Implementation of these strategies should be a key component of the economic recovery plans that will be among the first items on the agenda of the new president. Without workers freshly qualified to fill the skill gaps that existed prior to the downturn, our nation cannot get back on track.

Sincerely,

A handwritten signature in black ink that reads "Erick Ajax". The signature is written in a cursive, flowing style.

Erick Ajax

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