



Three Numbers

Closing the Education Achievement Gap



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I'm honored to address such a distinguished audience—and particularly to talk about a subject so close to the heart of the U.S. Chamber and its members.

The work of the Foundation's Institute for a Competitive Workforce in the area of education is truly impressive. And, like the Foundation, I'm concerned about the ability of our public education system to equip our children, and our country itself, to compete in the global economy.

Like every parent, I also worry whether our young people will have the skills to win in an environment where pretty much anyone with a computer and the bandwidth—anywhere in the world—is a potential competitor. Especially if they have a math or engineering degree and can do the work at a fraction of the cost.

Because it's clear to me that in the U.S. we're operating 21st century schools as if the world had hardly changed in the last 100 years. In fact, 100 years ago, our nation decided an 8th grade education wasn't enough to sustain our democracy. So we set a vision for change and then, as a country, we made it happen.

Today, in a new century, we stand at a different decision point. And, in a global competitive environment where the stakes could not be higher. Now, a high school certificate, if attained, is no longer enough, just as an 8th grade degree was not enough back in 1908. So it's time to set our sights higher—much higher.

Well, I have the good fortune to be highlighting these issues at a critical time for both our country and our education system. I believe we're seeing much greater urgency in the public perception of the need to improve results. At the same time, we're witnessing a turning point in the willingness of business to take an active, even hands-on role, in helping to make the changes the system needs.

These issues are very real for me as a parent, as an American, and as the leader of a professional services organization—one that sells the skills and brain-power of its people. So, talent and education are issues that I deal with every day.

This year, even in a down economy, Deloitte will hire several thousand young people from our business schools and universities. But it's tough—even in this economy—to consistently find the right people. And projections show it will only get tougher.

Fortunately, there is some good news. More and more business people are stepping up to this particular challenge—we want to contribute and make a difference. But one of the factors holding us back is not being quite sure how to do this in the most effective way—practically and politically.

Speaking of which, we know well the thorny politics surrounding our involvement. I'll talk in a moment about some recent research we've done showing how widely business people and education professionals differ in their views on what that role should be. And then I'd like to open up the debate about how we move forward.

I certainly don't claim to have all the answers—but let me begin by throwing out three numbers—they may seem random but bear with me:

- **26 seconds.**
- **10 million.**
- **And, finally, \$1 million dollars.**

So, just what *do* these numbers have in common? Well, over the next few minutes, I'll endeavor to answer that. Because I think they hold some important lessons, both for business and the public at large.

First, 26 seconds: That's how often a student drops out of a U.S. high school. In the time I've been talking thus far, eight more kids have dropped out. Put another way, some 27 percent of Americans never finish high school. And maybe that's why, among the developed nations, the U.S. ranks 24th out of 29 in math scores. Imagine that in 2008, here in the most technologically-advanced country on earth!

Second, 10 million: That's the number of workers we'll be short by 2015. As the large Baby Boom generation retires and the much smaller Generation Y enters the workforce, we can expect to fall increasingly short of talent. So now is not the time to let any of our young people fall short. If we really focus on the issue, and get behind it—well, I bet we could put a real dent in this number. In fact, if this isn't a business-case for business involvement in education, well, then I don't know what is.

And, third, I offer a really hopeful number: \$1 million dollars.

That's how much more a young person can make in his or her working lifetime by completing college and going on to a career. And the social benefits of that \$1 million don't end there. Because when these kids become parents who finished college, studies show that, in most cases, their children—and their children's children—will do the same.

So here I would like to raise what I think is an urgent question: How can we in business help our country to be truly ambitious for our children—to equip every young person to succeed in an information-based global economy?

As a nation, we have the resources. And we have plenty of smart, experienced education professionals who know how to help our children learn. We just need the will and the ability to truly work together so we don't let one child down—let alone almost 30 percent of them.

So, isn't it possible that, if we can find the right fit, between policy makers, business people and educators—and between businesses and school districts—well, if so, can't we really change these troubling numbers? Can't we change the lives of thousands, potentially millions, of young people? And change America's future in the process?

To better frame some possible directions, let's look at that research I mentioned: *The 2008 Deloitte Business and Education Survey*.

In August we polled more than 600 senior business executives and professors, teachers and education administrators. We wanted to know how business can best help improve educational outcomes and close that achievement gap. We found:

- Overall, more than two thirds think business should expand its role in education.
- And 85 percent believe that business involvement would better prepare students for real life.
- BUT educators see the role of business as giving funds, as setting up scholarships and donating equipment—in short, doing more of the same. More than 95 percent of educators hold this view.

So it seems safe to say that business people and educators hold very different views on how business can help. On the one hand, educators want us to continue giving money but otherwise to remain on the outside. On the other, business people want to get more involved. So how do we bring everyone together? How do we make sure we don't stay stuck, getting the same old results—what I like to call “institutional insanity”?

Well, I have some thoughts, based on Deloitte's experience of partnering with both school systems and non-profits to improve educational results. As usual, the answer is not simple or binary—it takes a willingness to listen and learn from each other. And, above all, a willingness to work together.

And this is a great time to be contemplating such partnerships, since we're likely to see action on education from the new Obama administration. True, the economic climate may trim or delay President-elect Obama's ambitions on education, but it's clear he is passionate about the need to improve our education system and provide greater opportunity.

His public commitments include early interventions to address the drop-out crisis. He also wants to create high quality afterschool and vacation programs to bridge the achievement gap. And he supports outreach to prepare young people from low income families for college.

And I believe we will see from President-Elect Obama an increasing emphasis on the need for service—from all of us, in all areas. So I'm pretty sure his administration will only encourage leadership from the business community in this arena. If we step up and give our ideas, our expertise, and offer our time and resources, I'm confident we'll find the door wide open.

And we will also see more accountability at the high school level and beyond. Because we believe it's time to see high school not as the goal itself—but rather to see it in the broader trajectory. Namely, of a child going onto college, then likely on to a rewarding, well-paying career.

This change is very much in line with the work Deloitte does with educators, locally and nationally. We work with non-profits and school districts to build their capacity and drive systemic change. In fact, for both schools and young people, our goal is to shift the focus from simply staying in high school to preparing for, and then going to, college.

For example, we've been partnering with an innovative organization called College Summit, to support their work in getting low-income kids to college.

College Summit tackles the issue on both a local and a macro level. On the local level, they work with school districts to raise horizons for parents and kids. In other words, to create a culture of college-going and the kind of life success that goes along with it.

Many of our people are very directly involved. Some sit on College Summit boards around the country. And many more work each summer at college prep sessions as college counselors and writing coaches. .

But here's the thing we really like about College Summit: It's outcome-directed. They measure success very specifically by the number of young people that get into college. So our involvement with them goes beyond making grants and tutoring students—we also deploy our business skills in a very concrete way. Specifically, through pro bono work we have helped create a system to be used by school districts to manage and report college enrollment and retention metrics for thousands of students

Going forward, we will continue to partner with College Summit—who also work with other partners such as the Gates Foundation, and the federal and state government—to help school districts focus on college readiness. We're excited by the prospects.

That's what we're doing nationally. Meanwhile, Chicago is a good example of our efforts on a local level. There, through a mix of classroom presentations, in-office experiences, after-school programming, college-visits, and paid-internships, we give kids more than enhanced learning. They also get to interact with Deloitte professionals—true role models.

The result, we hope, is to address the number one reason young people give for dropping out of school. That is, because they don't find school “relevant” to their lives. But we find that the relevance comes when young people understand how their high school experience connects to their future career and college success—and, that such success is really possible.

And for me, that's a point of personal connection. I'm probably not the only person in this room who came from modest circumstances—in my case from Brooklyn, New York, where I was one of the first in their family to go to college. My older sister was the first, and I was the second.

Well, obviously, college made a huge difference in my life, and that's why one of my deepest-held beliefs is that everybody deserves that kind of opportunity. And it's up to all of us to make sure every child understands the connection, gets the support they need, knows the door to college is open, makes it through to a fulfilling career—and then can contribute to keeping America at the forefront of the world's economy.

So, I've talked about the problems and some of the ways my particular business is engaging with them. I know many others—and no doubt some of you here—are giving time and resources to get better results. But could we do better? Could we make more impact?

Well, I think so, but we need agreement on both why this matters to businesses, and how best to join the battle.

I believe that, on some level, all of us here are focused on education. But we need debate around some simple questions:

- One, what our role should be?
- Two, what can we do better than anybody else?
- And, three, just how involved should we be?

I'll share some thoughts on these – again, with the caveat that I am anything but an education expert.

First—on **what our role should be**: Everything I see suggests that we have a crucial role to play in improving education. The research I mentioned earlier confirms that most of the players agree:

- Seventy-one percent of our respondents—both business people and educators—believe that business should increase its involvement.
- A whopping 88 percent of business executives say that if business were more involved, the quality of our education system would improve. And 74 percent of educators agree.

And I know that our new administration will expect us all to come together to serve and solve problems, such as this one, to the nation's benefit. So I think we agree that it's the right time for us to step up.

Our nation's educators are clear about their mission. But they may often struggle with all the business challenges of running a strong overall organization. The key to business involvement is respecting what schools do well and identifying where businesses can actually make a difference.

So I believe one of the answers to the question: **what do we better than anybody else** is *"use our expertise to drive results."*

That means playing to our strengths—for example, providing pro-bono resources. We went this route with College Summit, giving them technical expertise to improve data measurement. Non-profits and school districts could benefit greatly from operational expertise that helps establish a strong organizational infrastructure—clearly, a place where we could readily make a contribution.

And all of us, as businesses and personally, are well-equipped to connect young people to the world of work through internships, mentoring, or even curriculum development.

Finally, we have, of course, two particularly valuable resources available to us:

- We can support educational programs that have proven to be successful with cash donations and volunteers.
- And we can advocate for the support our educational system needs to achieve goals that make it competitive for the 21st century.

So, **just how involved should we be?**

As I said, I'm anything but an expert in this area—but I know just how big a stake my business has in the future success of our education system.

I think it's up to us, as leaders of the businesses that power this nation's economy, to challenge ourselves. We know how to drive our businesses forward, to generate growth and opportunity. It seems to me likely that we can put those same skills to use in providing better opportunities for our country's greatest resource—our young people.

Consider: America's high school graduation rate today is 21st in the world. 40 years ago we were first. Sure, maybe I'm preaching to the choir today, but it's important to keep such stark facts squarely on the agenda, and then to step up to help.

At the same time, however, we need to be realistic. The federal government spends \$500 billion a year on education. By contrast, the total annual resources for philanthropy available from corporations and their foundations is \$12 billion. Thus, we have to make the most of every hour and every dollar we can provide.

No indeed, we can't take a go-it-alone approach when it comes to education. For, in these blindingly fast global times, the truth is, nobody else can successfully go-it-alone. And so I return to those three seemingly random numbers:

- **26 seconds**—the rate at which another child drops out to a diminished future.
- **10 million**—the number of knowledge workers we'll be short by 2015.
- **And \$1 million dollars**—the added income a drop-out can have by finishing college. Truly, an endowment for many, many generations.

Today, in the U.S., I say we need to join together to connect these three numbers. To help scale and take this effort to the next level with new and exciting ideas—models like those of College Summit and others testing new school models and programs.

Just imagine: If we use our skills, we can help extend those 26 seconds to minutes and hours—with incalculable results. We can make a really serious dent in that shortfall of 10 million workers. We can put a million in a person's pocket over his or her career. And, better yet, can lift their children and their children's children to a whole new world of opportunity. And that's what I call the ultimate ROI.

Thank you. And now I'll be happy to take your questions.

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