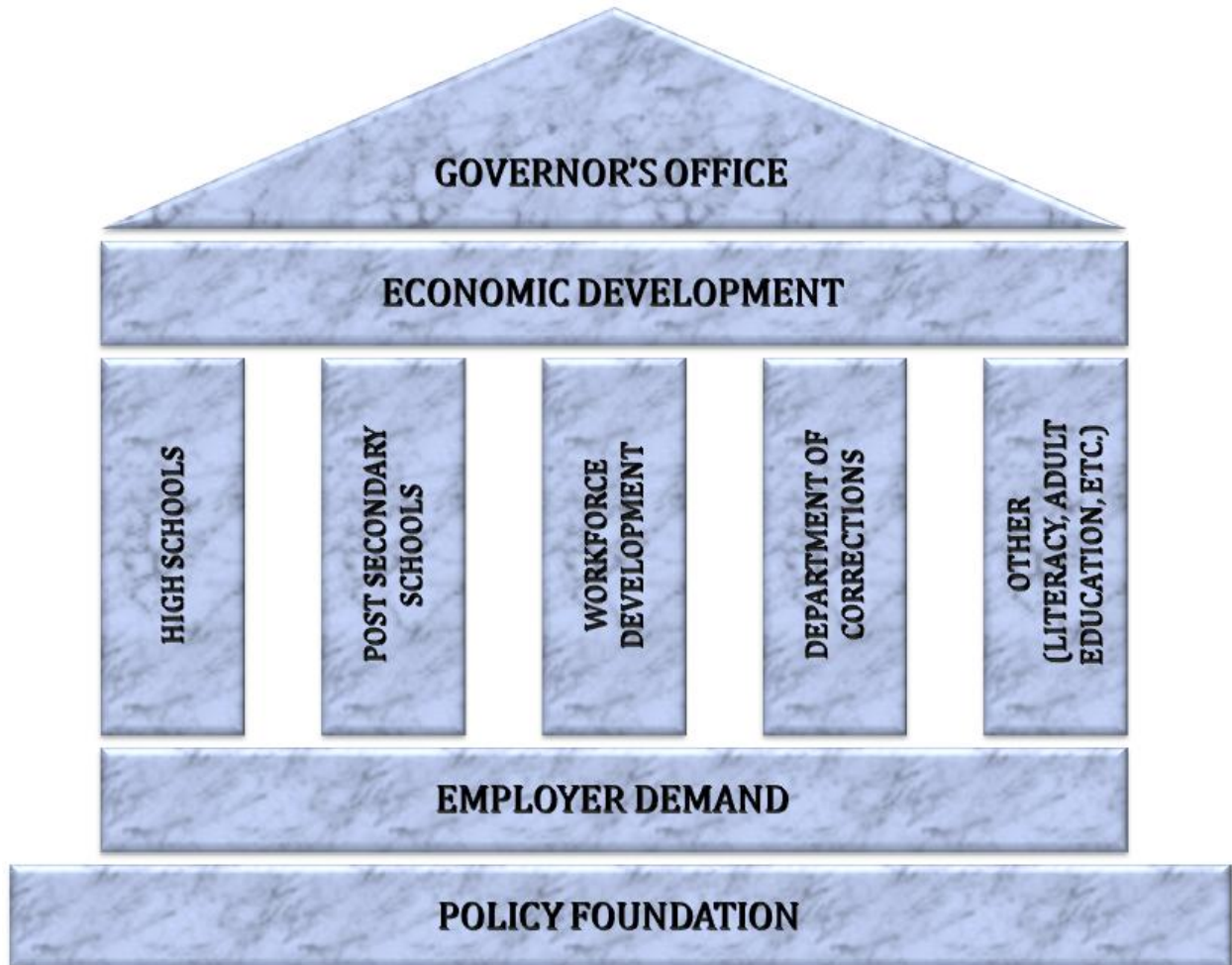


## Closing Remarks – Michigan WorkKeys Conference – November 20, 2008

- Skills – an economic imperative – Skill Up – transform unskilled into skilled workers
- Infrastructure was: roads, rail, water, power...now: high-speed internet connected brains
- The problem is clear – it is time to focus on the solution
- The national model for states to align resources to build skills using the NCRC:



- Michigan one of 11 states to lead the nation forward
- Michigan:
  - Governor, Economic Development, and Leadership
    - Done - Called upon CLEG for NCRC, CLEG plan and decision
    - Challenge – Funding and staff
    - Next – Roll out plan and funding for MWAs, funding for NCRC in schools
    - Vision – State-of-the State in January – jab other governor’s at NGA
    - Dream – Michigan top of list in Site Selection articles due to our high skills
  - High schools
    - Done – Reading and Math in 2007, Locating added in 2009
    - Challenge – Funding for certificate for all high school students
    - Next – Align curriculum and use to build “relevance” – Alternative schools

- Vision – Students need NCRC for work permit – key employers require it
- Dream – Require NCRC prior to driver's training
- Post secondary schools
  - Done – Macomb, St. Clair, Lake Michigan College, GRCC, and others
  - Challenge – NCRC viewed as for the underprepared – only entry
  - Next – Align entry around NCRC – launch the Platinum
  - Vision – Degree and NCRC upon completion
  - Dream – Gold and Platinum required for graduation with honors
- Workforce development system – NWLB
  - Done – DLEG actively supporting, many MWAs training and certifying
  - Challenge – Roll out plan, funding, public awareness, MI Advocates roll
  - Next – Expand to cover all 83 counties – Focus on employer demand
  - Vision – Three measures: Certifications, Learning, and Employers
  - Dream – Employers require it – job applicants get it – everywhere
- Corrections system
  - Done – Some pilots – Youthful Offender Program
  - Challenge – Connect with leadership – internet restrictions
  - Next – Expand to more facilities
  - Vision – All facilities have integrated the NCRC into education offerings
  - Dream – Can't get out early without one – required by parole board
- Others – literacy, adult education, faith-based
  - Done – Literacy Center of West Michigan
  - Challenge – Planning all of the connections
  - Next – Work with DLEG to identify the right connections
  - Vision – Statewide glue that helps us work together
  - Dream – Alignment with DHS – The NCRC is recognized as the first step on a clear path from poverty to prosperity – path from struggle to success
- Employer Demand
  - Done – Over 454 that employ over 61,705 as of October 31st
  - Challenge – Getting supply side to talk to employers
  - Next – Get 500 Endorsements – 2000 Commitments – 5 per county
  - Vision – Employers understand and require the NCRC (72% of colleges)
  - Dream – 75% of employers in Michigan REQUIRE an NCRC

Board – Stand up – These are the people who are leading us there. They can help you.

Thanks for coming – Drive safe.

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## Appendix – Closing Remarks – Key Thoughts from our NCRC Business Case:

Talent drives prosperity. Regions need to develop, certify, and report talent at all levels to compete with other regions of the world in the 21<sup>st</sup> Century. Historically, high school diplomas and college degrees have been the credentials of choice. More recently, work readiness credentials such as the National Career Readiness Certificate (NCRC) have been gaining popularity because they offer a reliable certification of foundational skills known to be directly relevant to workplace needs. According to the 2006 census, 28% of U.S. adults had received a bachelor's degree or higher. We need reliable credentials for everyone. The race is now on between the states and regions to build and certify foundational skills to showcase their talent to employers looking to relocate. We can win this race. The NCRC is our bridge to prosperity.

Michigan must realign our infrastructure with the demands of the global economy. Consider:

- Last century – solid regional infrastructure meant good roads, rail access, water, electricity, etc. – the ability to receive supplies and ship goods effectively.
- This century – solid infrastructure means high speed internet connections and knowledge workers – people capable of operating in a networked world – creative networked brains.
- Today – there is a surplus of unskilled workers - 33% of the workforce competes for the bottom 12% jobs.
- Today – there is a shortage of skilled workers – those that work with their head and their hands – the fastest growing segment of the workforce.
- The high school graduation rate in the United States is 69.9% (freshmen that graduate).
- The number of people living below and near poverty is increasing. It is no surprise. Those who lack solid foundational skills, cognitive skills, to do knowledge work are less valuable to employers.
- Unskilled workers earn low wages. They are the working poor. They suffer and they draw upon regional resources to make ends meet. Unskilled workers are more likely to draw public assistance.
- Skilled workers earn higher wages and are self-sufficient. They can survive and prosper in the new “flat” world and they contribute resources to the region. Skilled workers pay more taxes.
- The only way to reverse the trend of increasing poverty is to “skill up.”
- Four year degrees alone won't do it. We need higher skills at all levels of the workforce.
- Jobs follow talent.
- We must transform unskilled workers into skilled workers
- The NCRC is the most cost effective way to transform our workforce.

Business leaders and philanthropic leaders must re-think their investment priorities. Michigan needs a significant investment in our foundational skill infrastructure. Now more than ever, we need to invest in brains rather than buildings. Historically, investing in adult education has been risky. Sometimes the outcomes were not clearly aligned with employer needs. Returns were difficult to measure. Now, we have a valid reliable skills credential that is cost effective and is aligned to employer needs. Now is the time to – skill up – to invest in state-wide skill-building.

We need Michigan to be a leading state. Companies looking for skilled workers need to hear we are the #1 state. That is how we can drive prosperity quickly. We also need more college degrees. We can be number #1 in NCRCs next year. How long will it take and how much will it cost to be #1 in college degrees? Do we focus on short-term goals or long-term goals? – Both.

### **Summary Points:**

- Michigan now ranks #3 in the country with over 40,000 NCRCs earned.
- Michigan now ranks #4 in the country with 3,962 NCRCs per million residents.
- Michigan is the first state in the country to incorporate all three WorkKeys tests into the state high school exit exam. We will be the first to ensure that all students have an opportunity to earn an NCRC. This aligns our public schools with employers needs.
- Michigan Council for Labor and Economic Growth (CLEG) approved the NCRC as our state workforce foundation skills credential in the June 2008 meeting. This aligns our WFD system with employer needs.
- Michigan is the first state in the county to align both high schools and the workforce development system around a common credential. This is an unprecedented level of alignment.
- Michigan Department of Corrections has completed pilots of the NCRC.
- Some Michigan colleges are already recognizing WorkKeys scores and are issuing NCRCs to their students along with occupational certificates and degrees.

### **College Admissions Analogy:**

Colleges and universities speak to thousands of high schools via the ACT. They use the ACT scores as one of many criteria to admit students. The ACT test speaks to thousands of high schools throughout the nation and the world to define “ready for college.”

Employers can collectively speak to thousands of high schools, colleges, and workforce agencies via the NCRC. The NCRC aggregates many voices into an actionable set of preparation targets. Employers register their voices most clearly by signing a Letter of Commitment (LOC) to require the NCRC and by making that commitment public. Employers, with the NCRC, define “ready for work”.

It is appropriate for colleges and universities to define – Ready for College.

It is equally appropriate for employers to define – Ready for Work.

### **Our Vision:**

High Schools, Colleges and Universities, Workforce Development Agencies, Department of Corrections, Adult Education, and Literacy Organizations, etc. will all be aligned with employer needs via the Michigan NCRC. We will be the first state to accomplish state-wide alignment around the objective of workforce skill building. We will be recognized for our leadership in the nation. By helping each of our neighbors to gain skills and earn higher wages we will see our collective prosperity increase dramatically.