



INVESTMENT IN AMERICA FORUM



SUMMARY

THE NEW ECONOMY: BUILDING THE WORKFORCE OF THE FUTURE

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Investment in America Forum History

In today's demanding world of increasing competition and nearly limitless amounts of information, organizations and their leaders have had to adapt, sharpen their focus, and perfect their expertise in core areas of operations. These demands have constrained the time that leaders from across America's public, private, and social sectors have to discuss broader leadership issues and the most pressing social, economic, and security trends that affect our nation and all three sectors simultaneously.

In response to increasingly limited interaction across the sectors, The Conference Board, the Leader to Leader Institute, and the United States Army jointly developed the Investment in America Forum with a goal of fostering cross-sector interaction and initiating partnerships to help sustain America's values and leadership in the world. As hosts, Jonathan Spector, CEO of The Conference Board; Frances Hesselbein, chairman of the board of governors of the Leader to Leader Institute; the Honorable John M. McHugh, Secretary of the Army, and General George W. Casey Jr., Chief of Staff, U.S. Army, invite senior representatives from the corporate and social sectors to join senior leaders from the U.S. Army.

The objective of each meeting is to bring all three sectors together to look at leadership in tenuous times, to enable participants to learn from one another and experienced guest faculty, and to establish a network for high-level, cross-sector initiatives that strengthen our democracy with results that transcend the boundaries of any one sector or organization. These exchanges take place under rules of confidentiality and in an environment that encourages open dialogue.

About This Report

This report details the two days of formal and informal working sessions and exchanges. To facilitate the free flow of ideas and preserve the "off-the-record" nature of the gathering, it was agreed in advance that, with few exceptions, specific comments and quotes from participants other than keynote speakers, presenters, and facilitators, would not be attributed to individuals.

This report was written by Kristina Dell. The original IAF logo was designed by Peter Drubin.

Investment in America Forum 2009

The New Economy: Building the Workforce of the Future



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How Intense Is the Heat on the Burning Platform?

Six out of 10 eighth graders cannot do basic math. Forty percent of American high school students take only one science class—biology. Eleven percent of U.S. high school students are functionally illiterate. These are a few of the abysmal statistics entrepreneur and venture capitalist Robert Compton highlighted in his address to the 2009 Investment in America Forum (IAF).

It is the burning platform that statistics like these represent that inspired leaders from the military, business, educational, and social sectors to attend the two-day forum at West Point, which focused on how to revamp the nation's educational system and build the workforce of the future. Participants came ready to do more than just talk. They were determined to take action by signing up for specific measures that would carry out the proposals they discussed during the conference.

Actions such as creating a communications campaign, defining what it means to be an educated adult, and helping expand Junior ROTC were some of the first steps proposed for cracking the education crisis. "I hope we can use this opportunity, and the discussions that I sat in on today that were frankly ... surprisingly energizing, that were so important, that we take them beyond the easels that were set up and put them into practice," said the Honorable John McHugh, Secretary of the Army.

The cross-sector dialogue at IAF reaffirmed the need for collaboration, as panelist after panelist explained how the U.S. educational system is responding to a changing world using yesterday's techniques. Impassioned pleas came from each sector to pool resources and work together closely to make a dent in a problem that touches each American family and every sector of business.



Leaders from all sectors emphasized that this concern isn't just an educational issue—it is a national security issue of vital importance to the well-being of the nation. “There is a strong national security imperative to greatly improve this education system,” said Bob Wise, president of Alliance for Excellent Education and former governor of West Virginia. “Our Soldiers, not of the future but of today, are coming through this K–12 system, and we want them to be the best prepared in the world.”

Education: Even the Best Schools Deserve an F

Thirty percent of American students didn't finish high school in 2007, Wise told attendees. Another 30 percent finish high school, but graduate without the skills necessary for college or a career. “Two out of three of our kids hit the end of their high school career without the skills they need,” said Wise. Students might be able to read aloud, but it's important that they can take it to the next level and take three paragraphs and draw a conclusion because they can put what they've read in context, added panelist Edward Rust, chairman and CEO of State Farm Mutual.

In New York City alone, according to Frances Hesselbein, chairman of the board of governors of the Leader to Leader Institute, there are one million children in the city schools, but 500,000 will not graduate. “When I used that [figure] in a speech, a man came up and said, ‘You think one out of two is bad. I'm from Los Angeles. We graduate one in five.’” The bottom line: those who drop out are taking a toll on the U.S. economy.

The prolonged achievement gap in education in the United States imposes the economic equivalent of a permanent national recession, according to a McKinsey study that Hesselbein referenced.¹ Cutting the dropout rate in half would generate \$45 billion in tax revenues and cost saving for the United States, said Brenda Welburn, executive director of the National Association of State Boards of Education. Bob Wise parsed the figure further. “[In the] New York City metropolitan area, if you cut the dropout rate in half for one class alone, we'll be putting \$537 million a year in new wages into the economy. The best economic stimulus package is a diploma and increased education.”

The drain on the economy is just one reason why business leaders are trying to pinpoint ways to reverse the under-achievement trend. More than half of America's dropouts come from 2,000 high schools that have been dubbed “dropout factories,” in which most of the students enter the ninth grade without adequate math and reading skills. “According to research, the schools don't have the financial or the human resources to meet the educational challenges,” said Welburn. Rust highlighted the dire repercussions: “We watch skill levels of second-, third-, fourth-grade students and know that [after] three straight years of not being at grade, there are some states that actually use this data to plan for how many prisons need to be built versus focusing on what we need to do to get all of our students on track.”

¹ *The Economic Impact of the Achievement Gap in America's Schools*, McKinsey & Company, April 2009 (www.mckinsey.com/clientservice/Social_Sector/our_practices/Education/Knowledge_Highlights/Economic_impact.aspx).

But it's not just the underperforming schools that are problematic. Even the very best schools aren't preparing their students to be part of the twenty-first-century workforce because they aren't teaching the kinds of skills students need in today's world. Tony Wagner, co-director of the Change Leadership Group at the Harvard Graduate School of Education, addressed two achievement gaps the commonly recognized gap between economically disadvantaged and middle-class children and the less-understood gap between what the top schools are teaching and what students will need for careers, college, and citizenship.

According to Wagner, today's top schools are holding onto outdated methods that emphasize memorization and multiple choice tests, even though the internet has made rote regurgitation less important. Knowledge is constantly changing and easily accessible on the web, so how much a person knows is less important than what he or she can do with that knowledge. Businesses are looking for employees who have a mastery of applied skills—leadership, communication, and teamwork. “The twenty-first century is about the skills of just-in-time learning, taking a brand new problem, a brand new question, as a team, working on it, looking at the most current information, and creating new knowledge,” Wagner said.

The Workplace: Are We Educating Employable Kids?

If schools teach one set of skills, but the workplace requires another, finding good employees becomes everyone's problem. “We [the military, educational, social service, and business sectors] have to work together because we all share the same talent pool,” said Secretary McHugh. “This challenge is as important as anything we have done.”

The largest employer in the United States isn't Wal-Mart, but the combined military forces. Lieutenant General Benjamin Freakley, Commanding General of the United States Army Accessions Command, sounded the alarm on Army eligibility. “The Army faces a problem in that only three out of ten 17- to 24-year-old males can come into our military,” he said. “[This] applies to all military. We know that in the next 10 years, this same population, by all projections, is going to be less qualified to join the military than today's three of 10.”

Poor education and obesity are the leading reasons why kids don't pass muster. When physical inability and a criminal background are added to the mix, the number of potential Army men and women is whittled down even further. A recent report published by Mission Readiness, a Washington, D.C., nonprofit composed of 89 retired military leaders, estimated that only one in four young people are eligible to serve.² Businesses and the military are fighting to hire from that same group of graduates. As one participant explained, “Business wants that same third that we [the military] do, and they want the same skill sets, those complex skill sets that the military has to have.... So we're all in this together.”

Speakers kept coming back to two skills that will make or break kids in the job market of the future: technological know-how and adaptability. One forum participant referred to U.S. Department of Labor estimates that millennials will have 10 to 14 different jobs by the age of 38. Increasingly, young workers don't sign up for one work style or lifestyle. Being adaptive to environmental changes will be a higher priority, and the development of this skill will require a different kind of engagement between student and teacher and more give and take, said Gail Mellow, president of LaGuardia Community College.

The current recession creates another problem for millennials. “Everyone, during this recession, has to move at least one step up in education level ... to work in a global marketplace,” said Wise. “But to do that at a time when state budgets are gone—I don't want the federal government making basic decisions at the state and local levels. I do want the federal government to help change the conversation and drive the changes that need to be made.”

Global Competition: Has the United States Lost Its Mojo?

To engage participants, Robert Compton began with a quick pop quiz. “How many K–12 students are there in the U.S.?” he asked. The room got it right: 54 million. “How many are in school, K–12, in India?” Compton supplied the answer: 212 million. “In China?” 194 million.

² *Ready, Willing, and Unable to Serve*, Mission Readiness, November 2009 (cdn.missionreadiness.org/NATEE1109.pdf).



“Think about it. They have four times as many kids in school. How many K–12 Chinese students are in the gifted and talented programs? 37 million.” While other nations are educating their young students and adult workers at record levels, efforts in the United States have stagnated. Compton then talked about the deficit and emphasized how the United States owes China somewhere between \$800 billion and \$1 trillion in U.S. securities alone. “Economically,” Compton asked, “who is more vulnerable, the United States or China?”

Several panelists cited *New York Times* columnist Thomas Friedman during the two-day panel. Both Tony Wagner and Compton talked about how Friedman’s book *The World Is Flat*—which almost everyone in the room had read—scared and inspired them into looking at the skills people would need to keep a good job in the global workplace. Friedman’s book envisions a world where any job that can be turned into a routine is going to be offshored or automated. General George Casey, Jr., Chief of Staff, U.S. Army, alluded to Friedman’s recent column that said fixing banks isn’t going to fix the economy. The United States has to address the failing educational system first.

“What I worry about with the achievement gap,” Compton said, “is that if we in this room don’t take action and get other people to take action ... we are going to have a very small number of people making a lot of money and then we’re going to have a lot of people making very little money and struggling almost their entire lives. The underclass is in deep, deep trouble.”

In addition to America’s slipping educational prowess, Compton also discussed how innovation and capital are leaving this country at an accelerating pace. “Money is going where the innovation is,” he said. In a trend that is running parallel to the decline of U.S. education compared to other nations, patent applications—one of the leading indicators of innovation—are slowing in the United States and growing at a rapid clip in China and India. For Compton, this poses a danger to another segment of the U.S. workforce. “The creative class, which thinks it’s not in trouble, is actually in pretty serious trouble for those of us who are willing to hire the best talent no matter where it is in the world.”



Retooling Education: How Do You Change the System?

The troubling data cited by speakers only reinforced the need for immediate change. But diagnosing the problem is the easy part. Participants also wanted to come up with creative solutions to revamp education. All agreed that such innovations can only be created through collaboration between sectors and an honest exchange of ideas that includes both recognition of previous successes and admissions of past failures.

Beware the Magic Bullet

There is no simple solution for fixing the educational system, emphasized Jamie Merisotis, president and CEO of the Lumina Foundation for Education. “I get this question all the time: what’s the one thing we should do in order to fix this problem?” he said. “There is no such thing. It doesn’t work that way.” Instead, he said, people have to focus on the needs of individuals and try to push those forward.

Businesses and nonprofits should collaborate and share what has already worked. One participant said that no one should be afraid to borrow practices from other countries, cultures, or even other industries.

- **Ensure the investments are well designed upfront** “This is a hypothesis-driven way of making philanthropic investments,” explained Katherina Rosqueta, executive director of the Center for High Impact Philanthropy at the University of Pennsylvania. Focus on metrics to achieve results. “A long-term focus is what works and the willingness ... to get to that long-term outcome,” said Sterling Speirn, president and chief executive officer of the W.K. Kellogg Foundation. “That’s where the experimentation [comes in.]”
- **Philanthropists must be willing to take risks** “We are one of the only social entities for which risk has very few consequences,” Merisotis said. “We don’t have a lot of consequences in terms of failure of our enterprise if the risk that we take ... actually doesn’t pan out. We can end up learning from those experiences and applying them elsewhere.”
- **Know when enough is enough** The challenge for many organizations is determining how long they need to give an investment. “In education, the opportunity to learn whether or not something works can take a long time,” said Merisotis. “But learning, from our perspective, is the most important outcome that we’re focused on.” Staying true to goals and admitting when a practice doesn’t work can be hard, especially if it means pulling funding.



Make Lifelong Learning a Reality

Outside of the classroom, reformers who work to change the educational system must also think about each individual's connection to society, explained Mellow of LaGuardia Community College. Teachers need to develop both productive workers and productive citizens. "Education has to be knitted and threaded through the fabric of our society in a way that we've never really done before," said Mellow. "Education cannot be separated out from the development of human beings." One forum participant who put the matter more bluntly said, "We've talked about lifelong learning, yet we use the word training. You train hamsters or dogs. You develop people."

The concept of lifelong learning has never been more important, Rust said. Schools need to instill in students an intellectual curiosity that pushes them to keep growing mentally. Moreover, Rust emphasized that educators and businesses need to create an environment that allows people to feel comfortable taking classes—no matter what their age—"so it's just kind of a natural rhythm." Businesses, for example, could offer internal programs at work that encourage people in a nonthreatening manner to update their skills.

Foster Intentional Collaboration: Decide Who Should Do What

The responsibility for changing the educational system is shared by the four sectors represented at IAF. The best way to accomplish change is for these entities to work together, even if it means sharing assets and knowledge for free, said Sterling Speirn. One participant likened current thinking to that of opposing college teams. "Why would we go across the state line and look at a rival school and

do something they're doing?" he asked. "The reason is you have limited resources, and we don't have enough time to play that kind of rivalry."

Merisotis added that it is important to be very intentional about collaboration. While there are many entrepreneurs trying to scale their efforts, everyone is currently doing his or her own thing. "How many foundations look to see who you are working with?" asked Speirn. "I would like to say, 'Here's how I am working with the Buffet Foundation on early childhood. Here's how I am working with Lumina around community college work.'" There needs to be a more disciplined system of aligning these efforts. "There's a whole bunch of areas which are fairly new areas of collaboration," said Merisotis. For example, a number of institutions—the Kellogg Foundation, Irvine, Hewlett-Packard, the Lumina Foundation, and the Bill & Melinda Gates Foundation—are investing in post-secondary remedial education.

Education: Determine the Standards of Success

If schools are going to take on the task of creating well-rounded citizens, the metrics for success will need to be redefined. Mellow of LaGuardia Community College said that while people ask her all the time what her school's graduation rate is, no one has ever asked her how much students make upon graduation or how many students have started businesses in the community. She added, "I have never been asked the impact to my community, and yet that's our middle name." One participant pointed out that graduate schools and businesses regularly inquire how students perform financially after they leave, and that this is a normal evaluative tool because the relevance of education is ultimately determined by employability.

But when should students be tested and at what level? If teachers wait and do it once a year, “the horse is already out of the barn and 20 miles down the road,” said Rust of State Farm. Attendees agreed that students should be measured against past performance and against international competition. One participant proposed taking each grade’s achievement tests, generalizing them, and posting them on the web so students can take practice tests whenever they want and find out where they stand in relation to their peers around the world. This would also be a low-risk environment that would allow students to hone their test-taking skills. Forum participants also agreed that schools need to assess the teachers too. “I would include in all faculty evaluations, from kindergarten up through the most erudite professor at MIT, an analysis of how their students performed,” said Mellow.

Despite a great deal of talk about metrics over the course of the two days of the forum, no agreement was reached about what they should be, which could be a roadblock to reform. “If we don’t agree on metrics and measures, at least to a slightly greater degree than we agree today,” said Jonathan Spector, CEO of the Conference Board, “it’s going to hamper our ability to move forward.” Perhaps, as one attendee suggested, the ultimate question should not be “How do you measure success?” but “How do you succeed?”

Public/Social Sector: Increase Cooperative Advantage

Given the way institutional philanthropies are structured, there is no reason for them to have their walls up. “Unlike the corporate sector, what doesn’t really work for us [the social sector] very well is being competitive with one another to differentiate ourselves,” said Speirn. Instead, he said organizations should exploit their cooperative advantage, which could include being transparent about their partners so others can see the teams addressing a particular cause. The unique status of nonprofits, as mentioned before, also means they should be more open to risk than their partners in the for-profit world. Speirn related how the W.K. Kellogg Foundation and others are funding part of the salary of the chief financial administrator in the Detroit Public Schools.

Bob Wise encouraged the nonprofit sector to unite around the idea of getting the updated Elementary and Secondary Education Act passed in the next year and a half to replace the outdated No Child Left Behind Act. “It’s not just a law,” said Wise, referring to the new act. “It is a system.” He also noted that the federal government will be the only entity in the next two years with any money to provide incentives, pay for changes, and influence behavior.

Business: Use Influence Wisely

The business sector has the cash, which means it has the ability to change the direction of the conversation. Billionaires, millionaires, and chief executives can also influence the debate in other ways. One participant suggested that business leaders lobby state departments of education and legislators to raise the bar on teacher certifications and performance evaluations. Another way companies could get involved is to determine the skills graduates need when they enter the workforce. In order to cut down the costs involved in remedial training of new hires, one participant said, businesses should work on skills development with colleges and universities. “I think the piece that is often missing is the real-life application,” one participant said.

Military: Find Ways to Join the Conversation

The military’s number one issue is its isolation from the other sectors. General Freakley asked everyone to work together. “Let the military into the conversation [and] look for the best practices that work across all disciplines,” he said. The sectors need to trust one another. “We do have some remarkable approaches to training, education, and experience in the Army,” said Freakley. “But if we don’t lower barriers, pool resources, and get behind best practices, we’re going to have a lot of talk, but not a lot of action.” Participants concluded that since there is a national security aspect to the education issue, the military is the best—and perhaps the only—entity that can speak credibly about this facet of the current crisis. The military needs to sound the alarm and point out to the U.S. Congress what the potential Soldiers who are coming out of our school systems need to be the best prepared in the world.



Prop It Up or Blow It Up? Should Education be Reformed or Transformed?

As participants and speakers addressed how each sector could contribute to educational reform, there was also a discussion about how these changes should be introduced. Would the sectors work together to reform the current system by employing new tactics within the old framework? Would they instead help upend the system completely and transform it from the ground up? The answers to these questions are important because they will determine how resources are allocated.

In revamping the educational system, leaders must evaluate the competing needs that oftentimes pull them in opposite directions, said IAF moderator Darlyne Bailey, dean and professor at the Graduate School of Social Work and Social Research at Bryn Mawr College. “Do we build basic skills or prepare our students for higher-level skills and abilities, like creative and critical thinking that are needed for our twenty-first-century jobs?” she said. “Some of us say we need to do both. The question becomes how.” One participant described it as a tactical fight versus a strategic fight, where it might not be the case of doing one over the other, but proceeding with both of them at the same time.

Reform Our Schools

Using Technology as a Tool to Transform

While the internet has caused problems for multiple industries—post offices and newspapers are two prime examples—the power of technology and readily available information might be the very thing that could win over students’ hearts and minds. Virtual learning through high-definition pictures, for example, could make a difficult classroom subject come alive. “I’m looking for the bright eyes and dropped jaw,” said Rust. “Capturing the imagination of youth early on is so critical.” But teachers have to know how to use the technology and the technological infrastructure needs to be in place. Information technology can also help ensure that students’ hard work is preserved. Tony Wagner proposed that each student could have a digital portfolio that accompanies him or her from kindergarten through twelfth grade.



Another way that new information systems could enhance the current learning experience would be the use of massive multiplayer online role-playing games to hone leadership skills and engage students. (Xerox and IBM are already doing this with their workforces.) There are over 12 million people between the ages of 12 and 22 spending an average of 40–50 hours a week playing World of Warcraft. Why not harness that enthusiasm and let students master analytics or science through these games? Moreover, users can adapt these games to their own learning styles. Panelists warned, however, that new technology should not be used simply to enhance existing systems, but to provide new experiences.

Circles of Conversation

Instead of using traditional pedagogical methods, Gail Mellow of LaGuardia Community College suggested using conversation as a tool. “Teaching is not pouring the facts in,” she said. “Teaching is dealing with a complex adaptive system.” Mellow introduced attendees to the “circles of conversation” approach developed by Diana Laurillard, a faculty member of the University of London’s Knowledge Lab and author of *Rethinking University Education: A Framework for the Effective Use of Educational Technology*. “Her argument is that the more times you can put somebody through that circle, the sounder the education is because it has really become embedded,” Mellow said. “It’s adaptable, because you’ve had to listen, hear, see, practice, change.”

Determining the Value of Two Million Minutes

In addition to discussions of how technology might be able to provide future students with a more interactive classroom experience, the forum also provided an overview of the current pedagogical environment. Robert Compton talked to forum participants about how U.S. students spend their academic careers, and specifically spoke about the two million minutes they have in high school. The United States doesn’t have enough emphasis on science and math, he found, and American students tend to opt for easier courses than their counterparts in China and India. Compton is committed to learning how U.S. schools can reform their school day to achieve better results. “If you can’t tell perpendicular from parallel in fourth grade, your life is almost over,” said Compton. “That’s just so fundamental.”

In Compton’s first film *Two Million Minutes: A Global Examination*, he followed two seniors from Carmel High School in Carmel, Indiana, which is in the top 5 percent academically of all public high schools in America. He then followed two seniors in Bangalore and two in Shanghai. “In India and China, 80 percent of the courses are required, 20 percent are electives, and the electives for the most part tend to be [courses] like extra math,” Compton said. In the 12th grade, China brings science courses together in one integrated course. “More and more technologies are going to require the integrated sciences,” said Compton. “And I think it is prescient on the part of the Chinese that they do that in high school in the senior year. Academically, I’d have to argue that the Chinese and Indians are taking much more rigorous academics. But, extracurricular, that’s where we shine, and [it] gives America our competitive edge.”



For his second film, *Two Million Minutes: The 21st-Century Solution*, Compton searched the world for the best high schools. He showed attendees a clip from that film about how the BASIS school in Tucson was able to use subtle tweaks to accomplish extraordinary results. In Pima County, where the school resides, 50 percent of the students come from low-income families, and over 30 percent are from single-parent households. Yet these students achieve at an academic level that is higher than the Chinese and Indian curricular standards.

Nothing the school does is very radical. Instead of teaching certificates, about 80 percent of the teachers have advanced degrees in their fields. The enthusiasm and passion they bring to the classroom changes the atmosphere. “I got excited,” said Compton. “I compared it with my daughter’s

physics teacher who never took a course in physics.” The school runs the degreed professionals through a teaching boot camp and assigns each of them a mentor teacher for their first two years. All the advanced placement courses are taught over a two-year period—the one significant departure from what most schools do—which deemphasizes the importance of the test and allows for more in-depth learning. Overall, the school presents an easily replicated model that can be started cheaply.

Despite the potential represented by the BASIS school and other educational experiments, Compton worried that their accomplishments might be ignored by a culture that is not focused on education. “What do [Americans] revere, recognize, or reward?” he asked. “Sports, leisure, fun, and we’re very self-confident about it. If you go to India and China, they revere, recognize, and reward intellectual and academic achievement. Can culture be changed?” Compton said yes, but also added that it will take work. Symbols, recognition, and rewards can help bring about change, and Compton advocates elevating the recognition of intellectual and academic achievement to a level equal that of the emphasis placed on athletic prowess. He encouraged Indiana’s governor to create a Mr. and Miss Math and Science monetary award that goes alongside the Mr. Basketball and Miss Basketball award given during March Madness. “What we’re trying to do in Indiana is raise the level of academic performance and raise the level of the values of what students find important,” he said.

A Profile of BASIS Tucson

Grades Fifth through 12th grade

Teachers Eighty percent are not certified, but many have advanced degrees in their disciplines. For example, a physics teacher must have a PhD in physics.

School year At 180 days, the school’s academic year is no longer than that of any other public school year.

Cost \$6,500 per student

Start-up costs Expenses have been very modest. For example, instead of a cafeteria, students eat lunches brought from home in a common room. The school’s reasoning: “We’re not in the food business. We’re in the education business.”

Transform Our Schools

For some forum participants, working within the confines of the current system won't go far enough. "The fundamental question might go something like this," summarized one general. "If we didn't have an existing system and you took that white board and designed the system you think you need today, would it look anything like the system we [have]? If the answer is no, then I think we are talking about a transformation, not reformation." America is faced with huge systems embedded in educational institutions that are very slow to change. "If you built a business plan around [fixing the system], you'd say it was a 20–30 year turnaround," said another participant. "And my guess is we don't have 20 or 30 years."

More Robust and Focused Testing Is Needed

One of the problems with today's schools is "we're trying to do accountability on the cheap," said Tony Wagner of Harvard. "How much can you really learn on a 50 cent or \$1 test about a student's ability to reason, analyze, hypothesize, weigh evidence, work in teams, and communicate effectively?" Both Bob Wise and Wagner compared current U.S. assessments with the Programme for International Student Assessment (PISA) tests coordinated by the Organisation for Economic Co-operation and Development. While 75 percent of the PISA tests ask open-ended questions, very few U.S. standardized tests do. "There is less writing being done in schools today than ever before because it's not on the state tests," said Wagner.

Another important advantage of the PISA test is that it doesn't test every student. "They test demographically representative sample populations," said Wagner. "As Bob [Wise] pointed out, they can invest in much more robust assessments that demand students apply what they have learned." Finland, the highest scoring country in the world on all four PISA exams, does not test every single student every year. Instead, it spends the extra money on much higher quality assessments. "They plow the money back into creating networks where the responsibility for continuously assessing a child's progress belongs to the school," said Wagner. The variance between the highest performing school in Finland and the lowest performing one is only 4 percent, he said.

New Skills for a New Era

Wagner also pointed out that it's not just testing that needs a complete overhaul. Much like Robert Compton, Wagner traveled the United States talking to business leaders, community organizers, teachers, and civic leaders about the core survival skills students will need to succeed in their careers and become active citizens. He also discovered a disconnect between what students are currently being taught and the capabilities they will need when they enter the workforce.

- **Critical thinking and problem solving** Wagner found that companies that were leaders in their industries encouraged all of their employees to engage in critical analysis. For instance, The Ritz-Carlton Hotel Company gives every employee the ability to spend up to \$2,000 to solve any guest's problem, no questions asked. Again and again, business leaders told Wagner that this type of critical thinking is defined by the ability to ask good questions. Wagner said, "Every time I heard that I winced because school increasingly is about getting the right answers."
- **Collaboration across networks** Much of the collaboration in the new workplace is happening virtually, and employees need to be able to respect differences and work with other cultures.
- **Agility and adaptability** Especially in this tough economic climate, employees must be able to transition quickly across problems and disciplines. Also, since younger employees are expected to switch jobs at a faster pace than ever before, they need to be able to adjust to a variety of working environments.
- **Initiative and entrepreneurialism** Established companies that are constantly worrying about who their new competitors will be have cultures that emphasize a strong sense of initiative and an entrepreneurial spirit. For employees, this means that it is no longer good enough to set five goals and meet all five. Companies want employees to set 10 stretch goals, even though this may mean that they only make eight.
- **Effective oral and written communication** The number one complaint of college teachers and employers is that graduates cannot write. One senior executive said to Wagner, "Their writing is fuzzy because their thinking is fuzzy. They don't know how to reason. That's only half the problem. The other half is they cannot write with [a] voice or put themselves into their own writing."
- **Accessing and analyzing information** Wagner mentioned the comment of an executive at Apple that there was more new information generated online between 1999 and 2002 than had been created before then. "Textbooks are obsolete before the ink is dry," said Wagner.

- **Curiosity and imagination** Products and services that stand out must have something unique about them. “In this commoditized world,” Wagner said, “plain vanilla will not cut it anymore.” Curiosity and imagination are the driving forces behind the innovation companies need to create a distinct identity.

Where to Begin?

Given the lack of synchronization between the capabilities current students are acquiring and the qualities employers are craving, what programs should leaders endorse to transform schools? While many would suggest a return to the basics, Wagner said that this is an upside-down approach. Instead, teachers must be encouraged to first find new ways to motivate their students to want to read and write. Schools must also be open to avenues of teaching outside of the conventional classroom. Some students may thrive with workplace-based internships two days a week, while others might do better with a web-based “virtual” school.

In addition to joining Compton in endorsing the PISA tests, Wagner told attendees there were two initiatives that should receive special attention.

- **Teacher preparation** As a requirement for certification, a teacher should have a portfolio with video clips of classroom work and a sample of his or her students’ work and assignments. For recertification, schools should see whether a teacher’s students improved. Educators should not be able to obtain a teaching job by passing a multiple-choice test.
- **Pockets of innovation** School districts should be conducting educational research and development that is locally based, and every district should have its own laboratory of innovation. “We have to fund the kind of R&D that we know is required in every other industry to develop the kinds of profound transformations that are required,” said Wagner.

Two New Models: Project PASS and Achieving the Dream

In addition to defining current dilemmas, a few panelists offered examples of current educational initiatives that are already reaping impressive results.

- **Project PASS (Partnership for All Students’ Success)**

The U.S. Army and the National Association of State Boards of Education (NASBE) have teamed up during the past year and a half to take the successful principles of the Junior Reserve Officer Training Corps (JROTC) program and apply them on a larger scale. Project PASS uses the JROTC model as a dropout prevention program. “Less than 18 percent of students who participate in JROTC actually enter the military,” said Brenda Welburn, executive director of NASBE. “But a significant number of them complete high school in a disciplined environment and do better after they graduate high school than students in comparable circumstances.”

Project PASS is not a recruitment device. Rather, it is a way to help underperforming schools give students the order and discipline that JROTC students receive. In addition, it offers access to drill teams, academic competitions, and summer leadership camps. Project PASS includes a cadet-like middle school component to reach students at a younger age, especially those who feed into low performing high schools. The new project also offers additional after-school programs and added academic support. The pilot program will start in three states in 2010, and more states will be added each year.

Welburn and General Freakley asked business participants to help by offering career advice and perhaps providing summer and after-school jobs. They also suggested that philanthropists could help by offering supplemental support and spreading the word about Project PASS.

- **Achieving the Dream**

As the Lumina Foundation’s largest initiative, this program is intended to improve success in community colleges through the collaboration of various foundations. “The idea was to help community colleges use data to actually make decisions that will result in improvements in student success,” said Lumina president and CEO Jamie Merisotis. The Lumina Foundation put in \$60 million to start the program, and other foundations, including the Houston Endowment and the Hines Endowment, have more than matched that sum. The initiative has had amazing results, and over 100 community colleges in 22 states now participate. “That model has led to what I think is now [a] national focus on community colleges as a major avenue for changing the workforce development paradigm in this country,” said Merisotis. “The president’s American Graduation Initiative to graduate five million more people can look to [programs] like Achieving the Dream [to show] you don’t have to reinvent the wheel.”



Taking the Next Step

After two days of diagnosing problems and considering solutions, participants were ready to commit to specific actions to implement change. “The time for report is over,” said Robert Compton, referring to a 1983 report that had 23 recommendations that were never implemented. “The time is for action, getting people to put their names down.” With that, Compton committed a \$100,000 check to the Junior ROTC program to “move things along.” In this spirit, attendees broke into groups and developed the following initiatives.

1 Create a Communications Plan/Campaign

Robert Compton pointed to America’s fighting spirit in times of crisis as one of the things that gives him hope. But, he said, the problem is that most of America doesn’t realize there is an emergency. “We’re dying of 1,000 cuts right now,” he said, “so it’s hard for people to see that crisis.” One participant added, “We’re all really horrified with the Army statistics about only one in three youth being qualified for the Army. The general public [also] doesn’t have good or perfect knowledge of the kinds of schools Tony [Wagner] is talking about.”

A few attendees suggested creating a film along the lines of Al Gore’s *An Inconvenient Truth* as a way to get the message out and sound the alarm. One attendee proposed that the film could follow a child who dropped out of school and show how the decision affected his or her life. The film could then show, this participant said, “the impact on America from a cost standpoint.”

Instead of a film, some participants thought a broader communications plan would be a better way to articulate a specific goal. One participant suggested a campaign to have 50 percent of young people graduate from high school qualified to enter the military or the workforce. “People would say, ‘Are you out of your mind? Only 50 percent? Why are you setting a big, hairy, audacious goal of only 50 percent?’” she said. “When you tell them that that is double what is currently happening in our society, they will be astounded.” The overarching goal would be to reverse the statistics.

2 Create a Common Definition of What It Means to Be an Educated Adult in the Twenty-First Century

In recognition of the need for new skills, educators should have a coherent list of attributes that prepare students for college and their eventual careers and revise their curricula to include programs that develop these talents. “If we don’t find a way to agree on what it means to be an educated adult in the twenty-first century, you won’t convince anybody [about] the burning platform,” said Wagner. “[It is] the first step.” Whatever list of skills is chosen, businesses should be involved in its creation to ensure students are trained with an eye toward acquiring the talents businesses need.

3 Expand and Support the Junior ROTC Program

This values-based program in the Army, Navy, Air Force, and Marines is a \$151 million annual investment. It already has 280,000 students in 1,645 high schools and works either within a high school or as a stand-alone program. JROTC offers after-school programs—academic bowl teams and drill teams—that emphasize character building, civics, and leadership from freshman to senior year. By law, it is not a recruiting program, and it costs about \$500 a student. “When you look at what the results are for us, this is a remarkable investment,” said General Freakley. But many people outside the military aren’t aware of its existence.

JROTC has been so successful in preventing kids from dropping out of high school that many of the IAF participants wanted to bring it to their own school districts. “What could we accomplish if we allocate the resources from those 2,000 [dropout factories] to organizations such as Junior ROTC that have proven they can succeed?” asked one participant.

4 Collectively Support the Secretary of Education’s Reform Efforts

“We need to understand [who] has the finger on the budget, has access to the President,” said one attendee. “That’s [U.S. Secretary of Education] Arne Duncan.” Attendees suggested assembling representatives from the philanthropic and private sectors to create an agenda and have people commit to areas where they can offer solutions. The group would ultimately meet with Secretary Duncan to offer a solution to a specific problem.

“One of the ways [we can support Duncan] is by encouraging certain governmental activities [that] can be accomplished easily without legislation,” the participant said. “For example, the president could create an interagency task force or an interagency committee on the educational crisis.” Merisotis and Speim have already met with Secretary Duncan, and they are assembling a spread sheet of all the education reforms proposed by major foundations to help increase cooperation and avoid duplication of efforts.

5 Create an Open Source Curriculum and Open Source Testing

“There’s a lot of content that’s already available, either free or at low cost, and we need to figure out ways of getting this available,” one attendee said. In the age of the internet, the barriers to distributing have been eroded significantly, allowing easy access to learning at a low cost. One promising company is offering as many college courses as a student can take for \$99 a month. Participants wanted to harness the power and low-cost nature of the web to make sure students can take tests and know where they stand in relation to their peers in other countries. One participant offered to make sure citizens of his home state have access to free education at the high school and college level through digital pathways. “It would cost very little money to offer it,” he said.

Moving the Initiatives Forward

IAF participants were asked to vote for the initiatives they would be willing to engage in and support. In early January 2010, The Conference Board held a webcast for the participants, during which they revealed the results of the survey and analyzed the various merits of each initiative. After a spirited debate, the group decided to concentrate on two initiatives: “Create a Common Definition of What It Means to Be an Educated Adult in the Twenty-First Century” and “Create a Communications Plan/Campaign.” The temporary chairs for these groups will be, respectively, Alfred Berkeley, former chairman, NASDAQ, and Steven Speiss, chairman of the board of Americans for the Arts. Under their direction, the two groups will hold initial meetings in February to define objectives, determine what resources are needed, and decide how their efforts will be organized.

Participants

Event Hosts

The Honorable John M. McHugh
Secretary of the Army
United States Army

General George W. Casey, Jr.
Chief of Staff,
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Jonathan Spector
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Bryn Mawr College

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Executive Producer
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Superintendent
United States Military Academy, West Point

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United States Army

Joseph M. McDade, Jr.
Assistant Deputy Chief of Staff, G-1
United States Army

Lieutenant General Jack C. Stultz
Commanding General
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I Have a Dream Foundation

Mark L. Goldsmith
President and CEO
Getting Out and Staying Out

Adrian K. Haugabrook
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Melinda Hudson
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Linda Katz
Founder, Executive Director
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Sally Prouty
President and CEO
The Corps Network

Edward T. Reilly
President and CEO
American Management Association

J.B. Schramm
Founder and Chief Executive Officer
College Summit

Steven D. Spiess
Chairman of the Board
Americans For The Arts

About the Host Organizations

The United States Army “The Strength of the Nation”



America’s Army is a force for good. It is the most professional, combat-seasoned, best-led and equipped Army our Nation has ever fielded. Standing shoulder to shoulder with our Soldiers are Army Families, truly full partners in the selfless service to our nation. This all-volunteer force is a national treasure, answering the call to duty in this era of persistent conflict.

We are at war. We are fighting against a global terrorist network that will not go away or give up easily. After more than eight years at war, we are facing a future in which we will continue to confront complex, dynamic, and unanticipated challenges to our national security and to the collective security of our friends and allies. One thing is for sure, the U.S. Army will remain central to any national strategy to ensure our security.

The Army of the 21st-century will be a fundamentally different Army than we had before 9/11. Since the cold-war era, the Army has adapted and taken advantage of the lessons we continue to learn in our current counterinsurgency operations. But we must continue to adapt with a versatile mix of tailorable and networked organizations that are operating on a rotational cycle ... so that we can do the three most important things we have to do in this environment. We have to sustain protracted commitments, we have to hedge against the unexpected, and we have to do both of these things at a tempo that is predictable and sustainable to this all-volunteer force. Building this essential versatile mix of forces will be no easy task – and one that will require the full support of Congress and the American people.

The U.S. Army remains, as it has been since 1775, the strength of the nation. The strength comes from our values, our warrior ethos, and our people – especially our people. Our Soldiers and their Families epitomize what is best about America. Their willingness to sacrifice and to build a better future for others is the reason that America stands strong.

www.army.mil



Established in 1990 as the Peter F. Drucker Foundation for Nonprofit Management, the Leader to Leader Institute furthers its mission—to strengthen the leadership of the social sector—by providing social sector leaders with essential leadership wisdom, inspiration and resources to lead for innovation and to build vibrant social sector organizations. It is this essential social sector, in collaboration with its partners in the private and public sectors, that changes lives and builds a society of healthy children, strong families, decent housing, good schools, work that dignifies; all embraced by the diverse, inclusive, cohesive community that cares about all of its people.

The Leader to Leader Institute provides innovative and relevant resources, products, and experiences that enable leaders of the future to address emerging opportunities and challenges. With the goal of leading social sector organizations toward excellence in performance, the Institute has brought together more than 400 thought leaders to publish over twenty books available in twenty-eight languages and the award-winning quarterly journal, *Leader to Leader*.

The Leader to Leader Institute engages social sector leaders in partnerships across the sectors that provide new and significant opportunities for learning and growth. We coordinate unique, high-level summits for leaders from all three sectors and collaborate with local sponsors on workshops and conferences for social sector leaders on leadership, strategy, and cross-sector partnerships.

Building on our legacy of innovation, the Leader to Leader Institute explores new approaches to strengthen the leadership of the social sector. With sources of talent and inspiration that range from the local community organization to the U.S. Army to the corporate boardroom, we help social sector organizations identify new leaders and new ways that embrace change and abandon the practices of yesterday that no longer achieve results today.

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Founded in 1916, The Conference Board creates and disseminates knowledge about management and the marketplace, conducts research, convenes conferences, releases economic forecasts, assesses trends, publishes information and analysis, and brings executives together to learn from each other.

The Conference Board has organized its knowledge assets into four main areas: Corporate Leadership; Economy, Markets & Value Creation; High-Performing Organizations; and Human Capital. Through this structure, The Conference Board is able to address a wide spectrum of business issues, ranging across economic trends, innovations in talent management, sustainability issues, and governance concerns. In 2009, for example, The Conference Board Task Force on Executive Compensation released a roadmap for how companies should restore trust in pay practices and oversight. The Conference Board is also currently engaged in a Workforce Readiness Initiative that is aimed at ensuring that all employees have the skills and knowledge they need to be productive and valued at work.

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