

**DRAFT TESTIMONY – US SENATE’S HEALTH, EDUCATION, LABOR,
AND PENSIONS COMMITTEE**

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BY CHARLES BUTT, CHAIRMAN & CEO OF H-E-B

Good afternoon Mr. Chairman,

It’s a **great honor** to address your **distinguished** committee.

Our business had its beginning in 1905 when my grandmother opened a small grocery to keep her family afloat. Since the 1930’s, we’ve given 5% of our pre-tax income to public and charitable causes and consider ourselves close to the communities we serve. We now employ 75,000 and are the largest private employer in Texas. **We know the workforce well.**

Recently a major manufacturer opening a large new plant in Texas had to interview **30 people** for every manufacturing hire. This illustrates the dilemma of a society less than well prepared for this century.

A 2009 McKinsey & Company study showed that our **education gap with top performing nations** costs the U.S. **\$3 to \$5 billion per day in GDP.**

Today the **existing gaps in educational achievement impose the equivalent of a permanent national recession**, as demonstrated by McKinsey’s study of the Economic Costs of the Achievement Gap.

If by 1998, 15 years after the publication of A Nation at Risk, we had improved African-American and Latino performance to that of white students, US GDP would be \$310 to \$525 billion larger annually.

If we had lifted the performance of **students with family incomes of less than \$25,000** to the same level of students with **families earning more than \$25,000**, our 2008 GDP would have been **\$400-670 billion larger**. And for individuals, avoidable shortfalls in academic achievement impose heavy and often tragic consequences via lower earnings, poor health, and higher rates of incarceration.

A small very poor town on the Texas/Mexico border, Hidalgo, Texas, through great leadership, sends students to top national schools annually. **These things can be done!**

Only 20-25% of new jobs in Texas require a four-year college education.

Nevertheless, much of the impetus continues to be focused on the vital national goal of preparing high schoolers for college.

We see no conflict between college preparation and workplace preparation. Yes, there is some complexity in designing high school curriculum that adequately serves both without tracking, but it's definitely doable.

A coming together of the college-ready advocates and the workplace-ready advocates would serve the nation well. Recently, 14 major firms including Dow Chemical, Dupont, Shell Oil, Exxon Mobile, and Time Warner Cable joined us in testifying for more workplace ready high school graduates because of their difficulty in filling job openings. These are the same firms that are also pushing for more college bound people in math, science and technology. Companies need both and it's vital for the nation that we produce both.

All industries are brutally competitive today, especially during this recession, and most companies, like ours, have multiple productivity, process and efficiency efforts underway. Workplace ready high school graduates are crucial to driving these programs forward.

Young people in the workplace struggle with attendance and punctuality. Many have difficulty in understanding the consequences of not meeting workplace expectations. Although they are comfortable with technology and multi-tasking, they **lack basic skills in math, grammar, and interpersonal relationships.**

It's popular today to blame the public schools for less than desirable results but an assessment is incomplete without recognizing that many schools inherit an **over-entertained, distracted** student body, disinclined to pursue scholarship in a serious way.

Developing globally competitive workplace skills calls increasingly for **“teaching as leadership”** rather than solely communicating subject content. This is crucial to combat our anti-scholastic, shallow learning culture.

Great teaching can impact the **sense of entitlement** and **self absorption** that has infected all great societies through history – by **opening young minds** to a wider, challenging world.

Perhaps it is regrettable and an admission of societal failure that the schools are called on to encourage respect for others and the ability to work in a collegial setting in which accountability is important. Attempts at assigning blame or cause for this are another matter but the **reality is that these are the kids we are educating today, or failing to educate if they dropout.**

Teaching is for many a **default profession**. It's **essential** that we **raise** the status so that the **best and brightest** will be attracted. Recognition and respect, working conditions and pay are all key!

We've built the **greatest nation in the world** and our military protects us today but **nothing can protect us against a poorly educated America!**

Your leadership voices are critical!

THANK YOU!