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Address to the New England Training and Employment Council

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**New England Training and Employment Council
November 8, 1999
Newport, Rhode Island**

Good afternoon. It's an honor to be here. Thank you for the invitation. I would especially like to acknowledge Lee Arnold, Marvin Perry, Bob Semler, Ray Bramucci and Bill Spring.

I have to say I feel a bit awkward coming before this group today. You are all skilled professionals in the area of helping people prepare for the challenges of job and career. I hold a job for which, by most accounts, no preparation or training is possible. Indeed, many people, when I first meet them or tell them what I do, respond immediately by saying, "You've got the toughest job in the country." Others just look at me sort of sadly, say nothing and shake their heads in silent commiseration.

This sense of the college presidency as an impossible task has been best captured by Clark Kerr, himself a former president of the University of California. Kerr has written, "It is sometimes said that the American university president is a two-faced character. This is not so! If he were, he could not survive. He is a many-faced character in the sense that he must face many directions at once. He is expected to be a friend of the student; a colleague of the faculty; a good fellow with the alumni; a sound administrator with the trustees; a good speaker with the public; an astute bargainer with the foundations and the federal

agencies; a politician with the state legislature; a friend of industry, labor and agriculture; a persuasive diplomat with donors; a champion of education generally; a supporter of the professions; a spokesperson to the press; a scholar in his own right; a public servant at the state and national levels; a devotee of opera and football equally; a decent human being; a good husband and father; an active member of a church. Above all, he must enjoy traveling in airplanes, eating his meals in public and attending public ceremonies."

How's that for a job description? Let's talk about a training program for that. Kerr, of course, was writing in the late 1960s, which was an especially hard time for college presidents. Indeed, if ever there was a job for which no program of preparation or training could ever be adequate, it was the task of being a college president in 1968 or '69.

Today, happily, is a different time, one in which academic institutions are finding many opportunities to involve themselves constructively in addressing critical social issues. High on this list, of course, is the challenge of preparing our students - undergraduates, graduate students, and adult learners - to participate effectively in our rapidly changing economy. So today it is fun to be a college president, and I would say before this particular audience, it is especially wonderful to be president of Northeastern University. Our history and mission in meeting the educational needs of people of all ages and across the professional spectrum make me feel like I am among friends and colleagues in this room. So I am very grateful for the chance to be with you today and to share some thoughts about common concerns and issues.

Every day, you are on the front lines making sure employment opportunities are available to all people, that employment and training programs are both accessible and effective, that the needs of employers and employees are both heard and met.

At Northeastern, we are engaged with these same issues through our special breed of education that we call practice-oriented education. The unique feature of practice-oriented education at Northeastern is that it involves classroom work with on-the-job

experience - we call it cooperative education - to create a total learning experience for our students. At its core, practice-oriented education is based on partnerships - with employers, with labor, with nonprofit groups, with programs such as yours - partnerships that ensure the education we deliver is in sync with the needs of our students and our economy. By working together, we can build mobility pathways that connect employers in search of workers with people who are looking for the kind of good honest work that will provide them with income, satisfaction and stability.

In New England, this is far more than just an academic mission or social goal. As we all know, this region faces very serious issues of labor supply and of the mismatch between labor supply and labor market demands. The very ability of our economy to sustain future growth is at risk unless we find ways to increase the number of people who enter - and stay - in our labor market. And we also must ensure that the knowledge, skills and abilities aspiring workers bring to the table match today's occupational demands.

Let me cite a few sobering facts compiled by our Center for Labor Market Studies, whose director - Andrew Sum - is the best source in the entire country for the kind of fresh, relevant and insightful data and analysis we all need to do our jobs.

Let's talk first about what has been happening with regard to labor supply. Between 1990 and 1998, the size of the American labor force grew by only 9.5 percent, or about 12 million people, down from 29 percent in the 1970s and just under 18 percent in the 1980s. In the mountain states from Nevada to Idaho in the 1990s, the laborforce growth rate was a robust 26.5 percent. But in New England, we actually saw a slight decline - the region lost 32,000 workers. During those eight years - which encompass our strong economic recovery - Connecticut alone saw nearly one in every 14 members of its workforce leave the state.

Indeed, virtually all of the wage and salary jobs created during this current economic recovery have been generated outside of the Northeast. Were it not for foreign immigrants entering our

labor force, our regional situation might have been far worse. And when we look inside these statistics to the outflow of workers from New England, the picture becomes even more disturbing. This net out-migration of workers includes significant numbers of the younger, better-educated workers our employers are scrambling to find and retain. They are leaving for other parts of the nation mainly because of our higher cost of living, especially the cost of housing.

Even as such workers have left for other parts of the nation, the kinds of jobs that require their skills are being created here. According to the U.S. Bureau of Labor Statistics, employment across New England rose by 107,000 over the 12 months ending in September. By contrast, manufacturing employment fell by another 19,000 jobs in the same period. Of those new jobs, well over half - 60,000 - are in services. For the general public, the term "services" often implies low-end, less skilled work. But as you all know, today's service sector features many high-end, high-paying jobs. Service today does include temporary workers hired through employment agencies, but business services also include accountants, lawyers, software trainers and computer specialists.

Other jobs continue to be created in such critical high-end areas as engineering and technology. But the statistics on job creation fail to show something else: how many more jobs New England would be adding if only we had enough people to fill them.

We all read newspaper stories about how strong the economy is around here, and I'm happy to say that indeed times are good for many people, and for many firms. But we also need to see more headlines about the severity and the implications of this high-end labor shortage. Other regions are also facing a lack of workers with technical, scientific and engineering skills, but in New England, the threat - and the challenge - stand out in especially stark terms.

If anything, the data indicate that this problem will continue for years to come. Ultimately, the solution lies in resolving enormously complicated issues -housing availability and affordability, overdue infrastructure improvements, attracting

and keeping new people and new businesses here. But while working on such big-picture strategies, we must also deal with more immediate challenges, such as this laborskills gap.

Northeastern University has a proud tradition of accomplishment when it comes to these kinds of issues. Our cooperative education program is a well-established success story: Right now, about 6,500 of our students go to work each year for more than 1,800 co-op employers, from Fidelity Investments to Picturitel to the White House. We also offer a wide range of certificate programs, both to help people move up within their professions and to help workers transition into new careers.

But this is no longer enough. Change can be difficult in the academic world, but the scope of the emerging laborshortage problems requires us to be willing to reshape, rethink and revise our programs. We owe that to our students - current and future - to our employers and to our regional community.

This is why Northeastern has sought to become a leading voice and center of agitation in calling attention to the region's labor situation and its centrality to our economic well being. We have been reaching out in all directions, developing partnerships and brainstorming together to develop effective approaches and programs.

A year or so after my appointment to the presidency, I hosted a Massachusetts Business Roundtable conference on developing job-training strategies to cope with growing problems in finding skilled workers. This was no purely academic endeavor: We spent two days together, and I heard firsthand from key business executives that the labor situation was so severe that it was causing many of them to think about leaving the region.

We've also worked with the Roundtable and the AFL-CIO to create new programs at the state level capable of responding quickly to spot labor shortages, improving information collection and building an effective evaluation system. I'm happy to tell you that this effort led to the filing of two bills that have been reported favorably out of committee by the

legislature.

In January, I was asked by Vice President Al Gore to meet with him and a small group of CEOs and others in Washington to discuss how to make sure our workforce has 21st century skills for 21st century jobs.

Two weeks ago, we launched a partnership with the New England Council, under which Fleet Bank senior vice president Anne Finucane and I will co-chair a private commission to examine high-end labor shortages. We will sponsor six hearings across New England over the next 16 months and will utilize Northeastern's research capabilities to help us better understand the nature and causes of these spot shortages. Our goal is to develop a set of strategies to combat what many employers have found to be a serious constraint on their ability to grow.

I hope soon also to be able to formally announce another industry-Northeastern partnership, this one with the Massachusetts Software Council. The software industry as a whole has an 18 percent job vacancy rate. Jobs are going unfilled for months at a time, often because applicants lack the right set of skills and knowledge.

It is in areas such as this that meaningful collaborations between higher education, labor, government and business that allow them to anticipate and respond to employment trends are not only appropriate but crucial to the health of New England's economy.

I've been focusing until now today on the high-end labor market situation. But I also believe that this shortfall creates an enormous opportunity for workforce development programs and initiatives from entry level on up. A full employment economy creates and opens up jobs across the entire job market spectrum, from software specialists to people with less formal education, who today too often are relegated to the unemployment line or low-wage, marginal jobs. With proper training, these less skilled workers now have a better chance to improve their standing in the labor market.

This full employment economy also means that the underemployed, the malemployed and the mid-career professional who is downsized out at 50 - people with yesterday's skills, or workers unsatisfied or unfulfilled in their current jobs - also have a real shot at moving up the career ladder into the kinds of higher-tier, higher-wage positions that are currently sitting empty. But they can make that move up only if they learn new skills, only if they get the right training at the right time.

For many of you, the challenge has long been to get people with limited skills into the workforce, period. Often, you've had to focus on entry-level jobs for entry-level workers. Now our challenge - and our collective opportunity - is to keep performing that role while developing fresh ways to move those people further up the mobility ladder.

Training for incumbent workers is already an important component of state workforce development programs in New England. In Washington, the New England Congressional delegation has begun talking about revising workforce development legislation in ways that will enhance our efforts to meet our regional labor supply problems. Led by Rhode Island, our region is leading the nation in developing substantial incumbent worker training initiatives.

Let me put what we are trying to do in the context of the incumbent worker training issue with which we are all dealing. At Northeastern, at any given time, we are educating about 12,000 adult learners. About 95 percent of these adult students hold full-time jobs. And while some of them are seeking degrees, the vast majority - about three-quarters - are at Northeastern either because their firms have sent them to learn a particular set of new skills or because they have seen such a need on their own.

These students - we think of them as workers first and students second - are very different from the part-time students of past decades, most of whom were working towards a bachelor's degree on a parttime basis. The real action in our part-time programs today involves people in their thirties or older. They

already have a bachelor's degree or some college background, but they need new skills to either move up within their own organization or move into a new line of work.

We must demonstrate to the employer community that we can meet its needs and its workers' needs. If that means rethinking our part-time programs every single quarter, then look for us to redefine ourselves every single quarter. We seek the same kind of interaction with employers as we work to keep our fulltime programs and our program of cooperative education relevant to their needs.

Let me give you just one more example of how we are trying to build real connections among employers, higher education and the workforcedevelopment community to keep the labor population full at every level.

I serve as a board member of the Boston Private Industry Council, which offers me a ground level listening post for employer and labor market needs. The healthcare industry has been telling the PIC and others that it faces a serious shortage of medical records coders. So through the PIC, the U.S. Department of Labor is now funding a program under which current employees in health care can go to Northeastern University to obtain certification as medical coders. We developed the program in cooperation with Massachusetts General Hospital.

With their new certification, these employees will be able to significantly increase their pay. Hospitals and other healthcare employers will begin to fill a serious labor supply need. And as healthcare workers move up the ladder and become coders, they leave behind jobs that can be filled by entry-level job seekers.

Ultimately, we hope some of these retrained workers will make their way all the way up the skill ladder to the high-end positions that are currently going begging. So we have taken some initiatives, and we have tried to sound the alarm that attention must be given to the shortage of skilled workers in this region. But much more needs to be done - by universities like Northeastern, by employers, by legislators and, of course, by the

profession that you represent.

This is an exciting time. The economy is being transformed. The incredible advances of technology, the rapid globalization of markets and companies, the demographic changes within our population -all these factors are coalescing to produce one of the most hopeful periods in recent history.

But along with the opportunities and promise of this period, there are dangers, most particularly the danger that this region will be left behind as jobs and workers migrate to other regions where growth is more robust and opportunity less constrained. Our challenge as educators and professionals concerned with workforce development is to stand against this trend, and to call together coalitions of employers, labor unions, government officials and universities to join our cause. This is a winnable battle - but it is a battle - and we need to wage it with energy and determination. I have come here to pledge Northeastern University's commitment to this effort. We will happily join forces with all of you in this room to protect the future of our region, our business, our workers and our families.

Thank you.

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