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White Paper

Job Shock: Solving the Pandemic & 2030 Employment Meltdown

Part III: The Kids and Workers Are Not “All Right”

Many students and workers cannot accept the new reality that they are undereducated for many jobs in this decade’s labor market, let alone future ones!

KNAPP has created a robot for warehouses with the dexterity to recognize and sort random items with 99 percent accuracy. Once such robots are put into operation, humans would continue to work alongside them, but the catch is that these workers will need a whole set of additional skills.

“If this happens 50 years from now,” stated Pieter Abbeel, an artificial intelligence professor at University of California, Berkeley, “there is plenty of time for the educational system to catch up to the job market.” The trouble with his prediction is that the COVID-19 pandemic has sped up companies’ plans to further automate workplaces today!

Throughout the course of the COVID-19 pandemic, small business owners have consistently reported that the quality of labor was an important business problem. In a February 2021 National Federation of Independent Business survey 56 percent of the respondents were trying to hire and 91 percent of these employers reported few or no qualified applicants for their job openings.

This situation is the result of outdated regional education-to-employment systems across the United States. They have largely become broken pipelines with an inadequate flow of people qualified to fill local jobs. Unfortunately, this skills-jobs gap has persisted throughout the last two decades. As labor economist, Kevin Hollenbeck wrote in 2013, “I am reminded of the adage about the frog in the pot. If you put a frog into a pot of boiling water, it will jump out. But if you put a frog in a pot of water and then slowly boil it, the consequences will be dire for the frog. . . . We (workers, employers, policymakers, and politicians) like that frog, have not been alarmed enough by the signals of a widening skills-jobs gap . . . to jump to action, and now we face the dire consequences in the form of a “talent cliff.”

The COVID-19 pandemic has made this talent cliff steeper. The switch to remote schooling has meant that many students may be behind as much as a full grade level. Jobs go unfilled due to the lack of qualified applicants while more workers remain unemployed for six months or more and the labor-force participation rate decreases. Clearly the kids and workers are not “all right.” Denial or wishful thinking will not change this job shock reality.

Knowledge Shock

The 2017 film “Hidden Figures” focuses on the lives of three African-American women who NASA hired because of their advanced math attainments. Through making important contributions to NASA’s space mission, these women overcame race and gender discrimination, earned the respect of their co-workers, and secured career advancement. These three women are unsung heroes of the U.S. space race against the Soviet Union.

What was a major reason for their success? With the long-term help of their parents, each of the women overcame formidable barriers to obtaining the educational preparation that developed their mathematical talents. Education is a shared responsibility between parents and schools. Education should begin at home. Habits of learning should be instilled there. Parents can help a child ‘learn-how-to-learn by fostering each child’s personal talents and interests.

Unfortunately, America’s popular culture does not esteem educators or link educational attainment to success in life. Parents are the primary motivators of their children. If parents do not believe that doing well in school is very important, neither will their children.

Many parents also believe that their local school is providing a good education to their children. Regretfully this is often not the case. Education levels have not kept pace with skill demands in workplaces.

There is ample evidence that K-12 education in the United States is not providing many students with the educational foundations needed for their future development. Every two years nationwide achievement tests are given to students in grades 4, 8, and 12. The National Assessment of Educational Progress (NAEP) commonly called the “Nation’s Report Card” is conducted by the U.S. Department of Education. Recent results have been nothing short of alarming.

Students are ranked at four levels: below basic, basic, proficient (at grade level), and advanced (above grade level). The Grade 4 test results in 2019 were: 65 percent read below grade level, 26 percent were at grade level, and 9 percent were above grade level. Fourth grade is a crucial point for reading attainment because in the first three grades students are taught how to read, but by the fourth grade they should have attained a level of reading proficiency that enables them to learn how to learn.

At grade 12 in 2019, 37 percent received NAEP reading scores of proficient or above. However, 30 percent were at the below basic level which was larger than in any previous assessment year. In math only 24 percent of high school seniors were at the proficient or above levels.

Yet paradoxically the U.S. high school graduation rate has been rising. How can this be explained? Grade-level standards are being downgraded or bypassed. For instance, failing students are enrolled in special “credit recovery programs” that

allow them to move on to the next grade or graduate with no or minimal academic standards for a passing grade. Clearly all high school degrees are not equal!

The NAEP scores indicate that a large proportion of U.S. students are not equipped with the basic educational foundation needed for success in post-secondary programs. About 67 percent of high school graduates attend higher educational institutions. After six years only about one-third complete a degree, certificate or apprenticeship.

Many of these students take either the SAT or ACT exams that are designed to access their readiness for higher learning. Between 1967 and 2017 overall test scores on these exams have declined. In 2019 only 37 percent of ACT takers and 45 percent of SAT takers tested fully ready for post-secondary programs.

Most higher-educational institutions are compelled to offer remedial education for entering students. About 40 percent of entering freshmen are now enrolled in non-college credit reading, math, or written communication classes. At some institutions over 90 percent of entering students need remedial education. Poor student preparation is also leading to declining quality in higher education.

America does have excellent schools and universities. On the 2020 Social Progress Index the United States ranked first in the world in the quality of its universities. But on this same index, the United States ranked 91st in student access to a quality elementary/secondary education. Over the past decade the decline of the U.S. rank on this indicator has been greater than that any other nation. Unless widespread systemic reform of U.S. K-12 education becomes a national priority, a significant proportion of the next generation of American workers will be under-skilled for employment in the workplaces of the future.

COVID-19 Learning Consequences

Since March 2020 almost all K-12 students have been receiving at least some instruction remotely rather than in the classroom. When the pandemic subsides, what kind of learning losses can we expect?

- Millions of low-income and rural students lacked reliable internet access and about 3 million mainly low-income students were not enrolled in school. Many will likely fall behind a full grade level or more.
- The longer the pandemic persists, the greater the harm to students being taught fully or partly online.
- Online learning is less effective for younger students as their attention spans are limited, and it also negatively impacts their social skill development.
- Two major testing services reported that the math scores of elementary students dropped 5 to 10 percentile points in fall 2020. Both noted that

their 2020 testing pool was significantly smaller as dropouts or students lacking access to digital technology were absent.

- High school dropout rates most likely will increase.

COVID-19 has also led to a severe decline in enrollments at America's community colleges. Student enrollment was down 10 percent in the fall of 2020 compared to that of 2019. Because community colleges are an important component of apprenticeship, certificate, and other job preparation programs, this is a significant blow to the development of a more skilled workforce. Moreover, community colleges are the most accessible post-secondary option for low-income Americans whose K-12 education has suffered most due to a lack of internet access.

The Best Time for Education Reform Is Now!

In the wake of the COVID-19 pandemic, as the Brookings Report "Beyond Reopening Schools" cogently states "it is hard to imagine there will be another moment in history when the central role of education in the economic, social, and political prosperity and stability of nations is so obvious and well understood by the general population." Now clearly is the time for local, state, and federal action to revitalize K-12 education in the United States.

It is time to go beyond piecemeal reforms and playing "blame games" if we are to close the widening gap in the quality of U.S. education. There are some fundamental components of quality education that can be learned from the study of the world's most successful educational systems.

1. Great teachers: The key to boosting student results is improving instruction. Teachers need to thoroughly know their subjects and then receive extensive training and coaching in instructional methodology before and after they begin teaching. More top college students need to become teachers. To attract and retain these recruits, we need to front-load their compensation so that entry-level salaries are competitive with those of alternate professions. To keep their skills up-to-date, teachers need quality professional development programs throughout their careers.
2. Effective Principals: School principals need to be educated and trained as both efficient administrators and drivers of instructional improvement. They have a key leadership role in fostering a culture of high expectations in educational attainment for teachers, students, and parents.
3. Updated curriculums: All states need to mandate strengthened 21st-century curriculums to give more students the educational foundations necessary for high-skill/high-paying employment. To accommodate the diverse interests and talents of students, more options should be available at the high-school level including career education programs and advanced placement courses.

4. The Key Role of Parents: The switch to remote schooling during the COVID-19 pandemic seems to have greatly increased parent awareness of the difficulties teachers face in keeping students engaged and in helping them make progress in their day-to-day learning. This should motivate parents to take a greater interest in the quality of the schooling their children are receiving and cooperate more fully in the fostering their children's daily academic progress.

The Looming Disaster of Job Shock

As low-skill jobs shrink due to automation, underprivileged elementary, high school and community college students will bear the brunt of technological advances. They are under threat of becoming the “technopeasants” of the 21st century.

We are referring to millions of our future workers who deserve an education systemically updated to meet the knowledge and skill demands of modern workplaces. America needs them to become part of a new talent pool for the 21st-century, not the victims of job shock.

Coming Next: “Job Shock Part IV”

Businesses across America now complain about the low skills of many job applicants. Yet, they often resist job training or employee reskilling programs. “Job Shock” will next review this paradox in our business culture and what needs to change to avoid potentially dire economic consequences over the next decade.

The monthly Gordon Report Webinars will be focusing on key topics of the “Job Shock White Paper.” For more information on signing up or viewing these webinars, [click here](#).

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