

2001 EDUCATION QUOTIENT: Tomorrow's Work Force Depends Upon Today's Schools

Good schools are just as important to employers as they are to parents because the quality of tomorrow's labor force depends upon how good those schools are.

[12/1/2001] By: Bill King, Chief Editor

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As parents, schools play a very important role in our lives. We respect and admire our children's teachers and, for the most part, believe that our local schools are doing a great job. In fact, most of us probably feel that, if only the rest of the country's school districts were as good as our local school, we wouldn't have this "crisis" in education that everyone keeps talking about.

As employers, on the other hand, we take a slightly different attitude. We seem to constantly complain about the lack of work ethic in some of our employees, and about their inability to grasp the increasingly more complex job tasks our modern economy requires of them. It's been like that for as long as I can remember.

The difference, clearly, is one of perspective.

Obviously, in every city there are at least some excellent public high schools. While some cities may have more of them than others, there are at least one or two high schools that are outstanding. As parents, these are the schools we try to place our kids in. In fact, schools, probably more than any other factor, determine where we live and where we buy our home.

Employers look at schools in much the same way when looking for the best workers, except that their focus is much broader. One or two isolated, but good, high schools — while good enough for parents — usually isn't enough for employers. Instead, they look at entire districts in order to get a broader feel for the overall educational quality of a particular community's labor pool.

Eleven years ago, Expansion Management published the first of what was to become our annual Education Quotient™ as a way of providing companies with a basis for comparing the type of work force they would likely encounter in various communities throughout the country. Over the years, the EQ has grown from its initial 250 school districts to this year's total of nearly 2,500.

Since our goal is to provide a means for our readers to compare the type of work force they are likely to encounter, we decided to rate every school district with at least 700 students that is located in a city with a population of at least 15,000.

According to the U.S. Department of Education, there are about 2,500 high school degree-granting districts that meet these criteria, and this year's EQ includes 2,433 of those districts (a 97 percent participation rate). As in years past, some school districts chose, for whatever reason, not to provide certain pieces of data that was otherwise unavailable through any source. In those cases, the district was not included in this year's study.

Why schools are important

Schools are more than just a place for kids to hang out during the day. They are where our nation's future work force is being trained, and if the schools are not up to the task, it will adversely impact a community's ability to maintain a thriving and growing local economy.

When we talk about work force, several factors are at play: quantity, quality, and reliability.

Quantity is basically a function of the business cycle. After several years of low unemployment and tight local labor markets, the nation's unemployment rate is once again above 5 percent. It'll probably even go a little higher, perhaps to 6 percent, before the improving economy once again begins creating more jobs and drives the unemployment rate back down.

Quality, however, is not something that is captive to the business cycle. That is, if a community is composed of educated workers, their work force will be educated regardless of what the unemployment rate is. Unfortunately, the opposite is also true. If a community's educational level is below that of the rest of the country, that sad fact is not going to change with the unemployment rate, either.

What makes this a ticking time bomb for a community's economic future is that, with the fastest growing companies in our economy being focused in the high-technology area, the chances of attracting those companies to your community — if your educational levels are low — are somewhere between slim and none.

So, what can a community do to quickly raise its education level? Unfortunately, nothing. Not in the short run, at least.

That doesn't mean that the situation is hopeless. Rather, it means that work force development, like economic development, is a long-term project, kind of like planting a tree. The axiom, "The best time to plant a tree is 10 years ago, while the second best time is right now," also applies to educating your work force.

But let's be honest. If your local school district doesn't compare favorably with other school districts in your region — or in your state, or even nationally — you've got a problem, and that problem goes well beyond whether or not the superintendent and the principal and the teachers are doing a good job, or are bad people, or any of the other highly-charged emotional issues that surround local education.

It means your community is at a competitive disadvantage with other communities vying for companies offering good jobs in industries with a bright future. It's as simple as that.

What about our urban districts?

Many of our nation's metropolitan areas are ringed by excellent suburban school districts, and it's pretty clear that the people who run school districts in affluent areas have a much easier task

achieving academic excellence than do the educators in more rural or impoverished districts.

Unfortunately, many, if not most, of the nation's urban school districts are woefully underperforming in their mission to educate our kids so that they will be able to participate fully in the new economy.

Until we solve that problem — and we better start now because the results won't even begin to show for at least another decade — we're never going to get businesses to move back into the heart of our cities in any meaningful numbers.

Why? Because where a company locates is a business decision, and companies go where the skilled labor is. If they can't find it in one place, they tend to move to a place that has the work force they need.

When corporate site selectors look at potential sites, they try to pick locations within 20 minutes of their projected work force. Sometimes they stretch it to 30 minutes. But in the end, picking a site is a business decision based largely on whether or not the company will be able to access a qualified work force in sufficient quality and quantity.

America's urban core will continue to lose out to the suburban "outer ring" as long as that's where the qualified labor pool is. The current reality reflects this.

When you add that to the fact that land and office space is generally much cheaper in the suburbs, where there is also room to grow, it's easy to understand why companies have been migrating from the central city to the outskirts for decades.

Commuting patterns have also changed dramatically throughout most of the country. As much as environmentalists dislike crowded rush hour traffic, the people actually stuck in those cars dislike it even more. With job growth in the suburbs far outstripping job growth in the central business district, more of those unhappy commuters are finding employment closer to home. Turning that around is going to be difficult, too.

Finding ways to revitalize our cities must take these issues into consideration, but simply trying to physically block suburban growth is not the answer. All that will do is cause businesses to move out entirely from the metro area. Besides, in order to stop suburban sprawl, cities will need the cooperation of the suburban communities, many of which are independent political jurisdictions.

But those issues can probably be resolved through political give and take. What won't be resolved, and what cannot be ignored, is the fact that continuing to rationalize why your particular urban school district really isn't as bad as its record indicates — or that, even if it is, that everyone concerned is doing the best they can — is not good enough.

Every day American businesses vote with their feet when they relocate from the central business district, and, until our urban school districts start improving achievement and begin turning out well-educated graduates in large numbers, the suburbs will continue to "sprawl" while the city

center deteriorates.

If “Smart Growth” is to be something more than just a slogan, its proponents need to place improving the urban school districts at the top of their list of things to do.

So next time you pass a school, don’t think of it as a place to keep the kids occupied and off the street until they reach the age of maturity. Instead, look at it as the foundation of that community’s economic future ... and take an active interest in making it the best it can possibly be.

How we calculated the EQ™

A school district’s EQ score is composed of three major indices: the Graduate Outcome (GO), the Resource Index (RI), and the Community Index (CI).

The Graduate Outcome measures the final output of a district’s schools, and includes college board results and graduation rates. This is the most important, as well as the most heavily weighted, factor in our final calculations. After all, that’s what school is all about.

The Resource Index measures a community’s financial commitment to public education and includes things such as teachers’ salaries, student-teacher ratios and per pupil expenditures. While important, it has a lesser weight in the final calculations because we feel that a school district should be measured by its results, not by how much money it spent.

The Community Index, which measures the economic and educational background of the adult population, has almost no weight in the final calculations. Instead, is used as a benchmark for site selectors and other people engaged in evaluating a work force.

These three indices, as well as the final EQ score, are calculated on a scale of 50 (lowest) to 150 (highest), with 100 being the midpoint.

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