



## **WIRED Town Hall**

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Good morning and thank you all for coming to Washington. It is my pleasure to welcome each of you and your thirteen regions to the WIRED team. I look forward to traveling to each of your regions in the next two months and getting to know all of the partners in these exciting projects.

The thirteen regions were chosen from an incredibly competitive field of 97 regional economies from 49 states. As everyone in this room can attest, it was an extremely compressed timeline both for your submission and for our review. But as I'm sure you're beginning to realize by now, WIRED is not an ordinary Department of Labor grant program. I am fond of saying, WIRED is a force, not a grant. From the different set of partners you see around your tables to the continuing and direct involvement of ETA and its star-studded resource team, WIRED is all about a new way of doing business.

This new approach is in direct response to the economic transformation we are now witnessing. For nearly 100 years, the United States has been the unquestioned leader of the world economy. From the automobile and the airplane at the turn of the last century, to the personal computer and the internet before the turn of this century, we have been at the forefront of the innovations that have shaped our world.

But to borrow a phrase that is now defining this era, our success has led to the flattening of the world. The advances made in communications and technology allow for instant access to information from all parts of the globe. And those advances have allowed billions of people to enter into competition with the United States.

Many of the regions in this room have felt the results of that competition as low-skill production jobs that used to provide careers for millions of Americans are accomplished overseas at a fraction of the cost. And now, higher skill programming, accounting, and medical tasks can be performed anywhere those skills can be found.

President Bush has responded to these events with a vision for the role of America in the global economy. It is a vision where the best and brightest come to learn and contribute; where Americans strive to be engineers and scientists and entrepreneurs; and where research leads to innovation which leads to economic opportunity and



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growth for all Americans. It is called the American Competitiveness Initiative and, in short, it is a vision of global economic leadership.

The American Competitiveness Initiative recognizes that the United States must meet two great challenges. The first is to individual citizens. If our role is to be the global innovator, then we must possess a talent base capable of meeting that task. And that requires greater levels of education than most Americans possess.

For most of the last century, no more than a high school education was required in our economy. Almost anyone with a high school diploma could find a job that would allow them to support a family, own a home, and build a career. Today, high school serves only as the prerequisite to further education.

A recent report from the Labor Department showed that 90% of the fastest growing jobs in our economy require education beyond high school. And nearly two-thirds of all the jobs created over the next decade will require a college degree. Yet today, only one-third of our citizens possess a degree. To make up that deficit requires a renewed commitment across all levels of our education system.

It begins, of course, in our nation's grade schools. President Bush's No Child Left Behind program established a commitment to providing students with the fundamentals of math and reading. It continues into high school, where the foundation of skills development must be laid through rigorous study of math and science. Part of the President's Competitiveness Initiative seeks to do just that through the encouragement of math and science professionals to become adjunct teachers and the promotion of Advanced Placement courses to challenge students from all backgrounds.

But it no longer stops there. Whether it is an 18-year-old student entering a four-year university or a 50 year-old worker displaced from the manufacturing sector entering a community college to learn new skills, our citizens need access to the education and skills development that our role in the global economy demands.

While individuals must meet the demand for greater education in a global economy, they must be able to access the tools and resources that provide improved education. And that is where our second challenge lies.

Over the past 75 years, we have built an array of systems and structures that feed and support our economy. As a general rule, each of these creations has operated independently from one another. In a world where goods and services moved slowly





and information even slower, the independence and isolation of these systems were economically irrelevant. But in today's world, that is no longer the case. We must now integrate and leverage all available resources to meet the challenge of global competition or risk the irrelevance of the systems themselves.

Though this global competition is often seen as a national challenge, it is actually at the regional level where solutions must be developed and the challenge met. It is in regional economies where companies, workers, researchers, entrepreneurs and governments come together to create competitive advantage and where new ideas and new knowledge are transformed into advanced, high-quality products or services. In other words, it is in regions where innovation occurs.

To facilitate the growth of a regional economy requires attention to three critical elements. These elements were identified by the Council on Competitiveness in their groundbreaking report, *Innovate America*. The first is infrastructure. This includes not only the traditional factors such as highways, bridges, and buildings, but also 21<sup>st</sup> century factors like access to broadband and wireless networks. The second critical element is investment, including the availability of risk capital and the conditions that encourage the use of such capital.

And the third element, and in my opinion the most critical, is talent. A region may possess a strong infrastructure and the investment resources for success, but without the talented men and women to use those elements for economic growth, they are meaningless. And talent can also drive the other two elements because investment capital is smart money and it will follow the talent while infrastructure can be built to support a growing economy.

It was this recognition of the importance of talent that is key to President Bush's Competitiveness Initiative. Through greater focus on math and science and the resources to achieve greater education through Career Advancement Accounts, the Competitiveness Initiative helps individuals meet their challenge of increased education.

And through the WIRED Initiative, we seek to help regions meet our second great challenge, that of transforming our systems and organizations to serve an innovation economy that does not recognize traditional borders or relationships.

We view these thirteen regions as a national demonstration. You are the ones that will blaze the trail for others to follow. That is why there is such diversity in this room.





From metropolitan areas like Denver and Kansas City to rural areas like Eastern Montana and the Mississippi-Alabama border. From the transformation of traditional industries in Michigan, New York, Pennsylvania, and North Carolina, to the creation of entirely new industries in Maine and California. And from a competition in Florida in search of the best ideas to a university in Indiana leading the way in a region, each of you brings unique characteristics and offers the promise of unique solutions.

And the rest of the country is watching. They are looking to you to demonstrate that a partnership among such a diverse and disparate group of organizations can in fact come together and leverage each others' strengths for the common good.

And we are looking to you as well – to demonstrate that the systems and structures of the 20<sup>th</sup> century are not acceptable for today's economy. Our agenda for reform of these structures is tied to your success.

And that is why we are not simply giving you \$15 million and a good luck wish. We will be actively engaged with you every step of the way. We have invested in three of the leading organizations in this country to help guide your region and we have partnered with a major state university now working to become an integral part of its regional economy.

Your regions are truly a model for how others should approach economic transformation and I look forward to participating in and supporting your efforts.

Congratulations on your winning proposals and welcome to the President's WIRED team!



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