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How to Close the Skills Gap

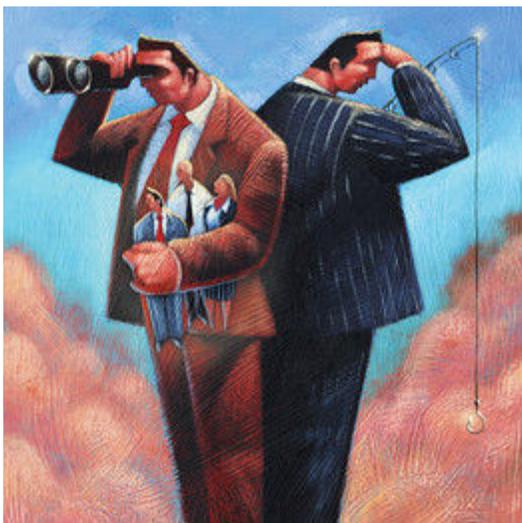
Small-business owners say that they have jobs but can't find qualified people.

By **MARY L. LANDRIEU** And **PATTY MURRAY**

According to the Bureau of Labor Statistics, the U.S. currently has approximately three million job openings, all waiting to be filled. With so many Americans out of work, what is the delay? Workers want to work, and so many businesses want to hire—but there is a widening "skills gap" that prevents many Americans from filling the jobs of the 21st century economy. If we want to get our economy back on track and get workers back on the job, we will have to address this issue in a better way.

Consider this: According to a report by the National Commission on Adult Literacy, 90 million adults have literacy skills so low that success in postsecondary education and training is becoming more and more challenging. Anthony Carnevale of Georgetown University, using Bureau of Labor Statistics (BLS) data, reports that of the nearly 50 million new jobs the BLS projects to be created by 2018, 30 million will require recognized postsecondary credentials. However, there will be three million too few workers with these credentials. Meanwhile, high-school graduation rates are falling—1.2 million students in America drop out of school every year, and young adults are now less educated than their parents' generation was.

A recent report on this issue from the perspective of CEOs and college presidents found that more than half of the companies surveyed reported a challenge in finding candidates with the right skills. Of the smaller businesses, 67% said finding skilled workers was difficult. A Wells Fargo/Gallup Small Business Index Survey reveals that while half of small-business owners hired new workers in 2010, 42% of these hired "fewer" [employees] than needed." Sixty-two percent of that group said this was because it was "hard to find qualified employees for [the] positions available."



Adding to the urgency of the situation is the reality that the U.S. competes in a global economy, and businesses today take stock of assets around the globe when they make investment decisions. The sad fact is that we spend considerably less than other developed countries on labor-market policies, including work-force training and job-search programs. At the individual level, the U.S. invested only \$908 per labor-market participant—\$84 dollars, or 9.2%, less than the average amount spent by other member countries of the Organization for Economic Cooperation and Development (OECD).

We believe that the skills gap is a consequence of our failure to seriously invest in the education of America's work force.

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Without an educated pool of workers from which to hire, small businesses are bearing the financial burden of teaching these

skills.

John Russo, the president of Scientific Analytical Solutions in North Kingston, R.I., recently talked to the AP about the problem his small business faces: "It's very difficult to find the right person, and there's all walks of life trying to find jobs. I honestly think there's a large swath of unemployable. They don't have any skills at all."

The Small Business Administration (SBA) hears the same sentiments from those on the front lines in its field offices across the country. At a recent roundtable organized by the Senate Small Business Entrepreneurship Committee, SBA district directors repeatedly cited the alarming, widening skills gap in the nation as preventing small businesses from expanding.

As we work to create jobs and get our economy back on track, closing this skills gap needs to be a top priority. A critical first step: reauthorizing and reforming the Workforce Investment Act, our nation's foundational federal work-force development policy. We also need to expand innovative approaches that have produced results, such as career pathways programs that provide labor-market information to students and job seekers about in-demand jobs, and the skills and education necessary to get them.

Other important elements of tackling this problem include integrating education and work-based learning, and supporting strategies that allow learners to work while receiving training (also known as "earn and learn" strategies). We should also support public-private partnerships that draw on the expertise of successful members of the business community to help provide assistance and job-preparation advice to our work force.

Building a bigger and more highly skilled work force will help our small businesses step up to global competition. There's no excuse to delay getting to work on the problem any longer.

Ms. Landrieu, a Democratic senator from Louisiana, is chairwoman of the Committee on Small Business and Entrepreneurship. Ms. Murray, a Democratic senator from Washington, is chairwoman of the Employment and Workplace Safety Subcommittee of the Committee on Health, Education, Labor, and Pensions.

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