

**Mike Petters**

**Virginia FREE Annual Luncheon**

**Dec. 18, 2018**

**(as prepared)**

Thank you Paul.

If the goal of Virginia FREE is to strengthen Virginia's prosperous business environment, I think we'll all look back on 2018 as a turning point.

That has little to do with my company, Huntington Ingalls Industries ...

Though we're proud to be partnered with the commonwealth to hire as many as 7,000 shipbuilders in Newport News over the next five years.

It has everything to do with the recent announcement that Virginia is one of two winners in Amazon's HQ2 competition.

As a champion of workforce development, I loved the fact that Virginia's economic incentives included investments in elementary, secondary and higher education.

And if I were giving the incentive package an Amazon Customer Rating, I would say it was *almost* a 5.

What would have earned a perfect rating—from this customer, at least—would have been commensurate investments in *early* education.

You see, at HII, a Fortune 400 company that builds military warships and is the largest manufacturing employer in Virginia—we strongly believe we must do more to invest in the beginning of the workforce development pipeline.

And I would tell you it's a national security issue.

Why?

**Because the ships we build at HII are statements of national purpose.**

**When our aircraft carriers sail the globe, protecting us and our nation's interests, they represent America's industrial strength and economic prosperity.**

**They represent the talent and will of thousands of people who design, build, test and maintain them.**

**And most importantly, they represent the best and the brightest who sail them, and who, if needed, sail them into harm's way to defend our democracy.**

**Because of these attributes, these ships are also a statement about what makes America globally competitive.**

**And part of what enables us to build these ships and have them crewed by our nation's finest is the investment we make in education—starting at the very beginning.**

A few years ago, I heard then-Secretary of the Navy Ray Mabus talk about the service's recruiting challenges.

Look at the United States' population between the ages 18 and 25, he said.

Then take away anyone without a high school diploma.

Anyone with physical fitness issues.

Anyone with a criminal record.

What you're left with is about 25 percent of the population.

That's the "talent pool" from which the Navy and other services are recruiting.

When I heard that, I thought: Me too.

One in four is a *staggering* indictment.

Now take that to an elementary school classroom.

**One in four students in that classroom will ultimately be employable.**

**The other three will face challenges that, frankly, we all will pay for.**

**Ask any pre-school educator, and they will tell you they can predict which of their students will be successful by how they learn in the classroom even at that early age.**

**So pre-K schooling is not only A solution ... it is THE solution that can change the future for those students.**

**In November, I was honored to participate in ReadyNation's Global Business Summit on Early Childhood.**

**ReadyNation, a part of the Council for a Strong America, promotes public policies and programs that build a stronger workforce and economy.**

**Because its members—more than 2,000 business executives—know that early childhood education can predict a child’s success in the job market.**

**ReadyNation reports that:**

- Early childhood is a time when children acquire the foundation of many skills needed for 21st-century jobs, including both cognitive and character skills.**
- Children’s brains develop 1 million synapses—the neural connections that support learning and skills—every second. By age 3, a child’s brain has reached about 85 percent of its adult weight.**
- Disadvantaged children can start kindergarten as much as 18 months behind their peers. Many of these children never catch up and are at increased risk of dropping out of high school.**

**A large part of the problem is that public education—in most of the United States, at least—doesn’t begin until a child is 5, and some parents will even “red shirt” their children until they’re 6.**

In fact, the OECD, the Organisation for Economic Co-operation and Development, shows that only 91 percent of 5-year-olds in the U.S. are enrolled in school.

That's just below the OECD average of 95 percent.

But the data is even more alarming for 3- and 4-year-olds.

In the U.S., *only 38 percent* of 3-year-olds are enrolled in a pre-school program.

The OECD average is 75 percent.

And *only 67 percent* of 4-year-olds are enrolled in a pre-school program.

The OECD average is 88 percent.

Translation: The rest of the world is starting to educate its children before we are.

And much of the rest of the world is educating its children *better* than we are.

The problem only gets worse over time.

Educators will tell you that children who are not reading at grade level by the third grade are lost.

At Hill's shipyards, we know that the earlier you can find and fix a problem in the value stream, the more successful you'll be.

The problem will also be more affordable to solve than if you find it at a later phase.

The same holds true for education.

And any educator will tell you that it's much preferred—with a higher chance of success—to prevent problems at the beginning of a child's education than in the middle or especially toward the end of secondary school.



This is where the discussion shifts from strictly educational issues to socioeconomic ones—like cost and accessibility.

When you consider the cost of child care and early education versus the median income in Virginia, I think we can agree the barriers are high for a family with two working parents and one child.

But what if you add one ... or two ... or three more children?

What if one of the parents doesn't work?

Or what if it's a *single* parent—which, according to data from the organization Kids Count—is the case for 31 percent of the families in Virginia ...

And what if they're living in poverty, which Kids Count reports is the case for 15 percent of the families in Virginia?

**The fact that some kids go to pre-K because their families can afford it and other kids don't go because their families cannot ... creates a rift between "the haves" and "the have-nots" before formal public education even begins.**

**We see the consequences down the line, and that's a shrinking pool of applicants years before most workforce development efforts begin.**

**Government wrestles with this issue all the time, but let's talk about what businesses can do.**

**Those of us who are deeply committed to education and workforce development know this is not just a social problem.**

**This is also an economic problem, and framing it this way should bring us together to work toward solutions.**

**To my colleagues in the business community: We can—and should—take a leadership role.**

**And we should work with government and education to do so.**

**I'll use HII as an example.**

**Bill Ermatinger, who many of you know, is our chief human resources officer.**

**He serves as chairman of the Virginia Early Childhood Foundation's board of directors.**

**He's also a board member and past chair of the Virginia Chamber of Commerce, which published "Blueprint Virginia 2025" last December.**

**And Jennifer Boykin, president of HII's Newport News Shipbuilding division, was vice chair for the effort.**

**The Blueprint includes seven goals related to early childhood education:**

- **Improve access to affordable, high-quality early childhood education for Virginia's working families.**

- **Encourage employer policies and strategies that support access to high-quality early learning for families.**
- **Protect the early education workforce by ensuring access to affordable, competency-building credentials and exploring strategies that value and retain this talent pool.**
- **Expand public-private partnerships and mixed delivery of the Virginia Preschool Initiative.**
- **Establish an integrated early childhood data system to inform financing and policymaking decisions and promote accountability.**
- **Create an integrated public-private financing model that promotes innovative, flexible, and collaborative approaches to high-quality early childhood services for at-risk children.**
- **Explore performance-based financing policies that incentivize and sustain high-quality early childhood services as part of Virginia's quality improvement framework.**

**We also have Chavis Harris at Newport News Shipbuilding, who serves on the board for CHIP of Virginia, a network responsible for increasing access to health care for thousands of Virginia’s low-income children and their families.**

**At our Ingalls Shipbuilding division in Mississippi, Denise Jones serves on the board of Excel By 5, a community-based program that emphasizes the important roles communities play in educating their children during their most formative years.**

**In addition to our talent resources, we provide financial support to these organizations.**

**In Newport News, we contribute every year to Smart Beginnings of the Peninsula, an initiative that creates community commitment to the school readiness of young children.**

**Newport News Shipbuilding also supports the Downtown Hampton Child Development Center, one of the highest-rated child care facilities in the state and an integral part of our community.**

**Two years ago, we launched the HII Scholarship Program.**

**In addition to awarding post-secondary scholarships to children of HII employees, we award scholarships of up to \$3,000 toward pre-school readiness education costs.**

**Granted, for businesses to invest in pre-school education, we have to be willing to be patient about any specific return on investment.**

**We have to really be making the investment for the “greater good,” so to speak.**

**And that may be a hard truth for some to believe.**

**Especially if you, like me, did not go to pre-K or even kindergarten.**

**I didn’t start school until first grade myself.**

**For most of us who didn’t go, it’s because we didn’t HAVE TO.**

**For me it was more than 50 years ago.**

The work environment was a different place and, indeed, education was different than it is today.

We didn't know about how the brain developed at such an early age like we do today.

Today, it's less about local competition and more about global competition.

We know the world is starting earlier.

To stay competitive, so should we.

The bottom line is that in today's economy—in today's *society*—pre-K is critical to the U.S. being able to deliver the product of a globally competitive education.

We have to foster a love of learning—*before* kindergarten.

So whether you represent government, business, schools, parents, child care providers, faith communities—*you* drive the effort to lay

the groundwork for school success and a more prosperous community.

But my call to action for the members of Virginia FREE is to ask yourselves:

Will I be able to recruit, hire and retain the people I need to be successful next year?

Will I be able to compete ... *with Amazon* ... for the best and brightest?

What about five years from now?

Ten?

Twenty?

I am asking you to please step up and take a leadership role in this very important issue.



**We need you.**

**If you do, we will ALL reap the rewards.**

**And remember: This isn't just an issue for Virginia or for my business or for yours.**

**This is an issue for our country.**

**It's a national security issue.**

**And it's something we must address today for our nation to remain strong tomorrow.**

**Think back to the beginning of my remarks and those aircraft carriers—statements of national purpose—sailing the globe.**

**Think about the men and women who build them and the men and women who sail them.**

**Think about how much stronger we could be if we were recruiting from a talent pool not of 25 percent, but of 50 or 75 or 100 percent.**

Early education *for all* can get us there.

In closing, I'll credit the namesake of this landmark hotel.

We all know about Thomas Jefferson's many accomplishments and the value he placed on education.

But who knows that his father, who had no formal education, enrolled him in school at age 5—early for that time period—just a few miles from here, in Tuckahoe?

And who knows how different our history might have been if he hadn't?

In 1800, while he was serving as vice president, Jefferson wrote in a letter to Joseph Priestley:

*"I thank on my knees him who directed my early education for having put into my possession this rich source of delight, and I would not*

*exchange it for any thing which I could then have acquired and have not since acquired.”*

I don't know if Jefferson could have conceived of Amazon, a company with a market cap of \$1 trillion, doing business in the commonwealth.

But I think it's safe to say he would want that “rich source of delight”—an early education—for every American that came after him.

And he would want Virginia to lead the way.

Thank you.