

Last summer I attended a talk by Michelle Rhee, the dynamic chancellor of public schools in Washington. If we don't, there's no telling how "jobless" this recovery will be. A Washington lawyer friend recently told me about layoffs at his firm. I asked him who was getting axed. He said it was interesting: lawyers who were used to just showing up and having work handed to them were the first to go because with the bursting of the credit bubble, that flow of work just isn't there. But those who have the ability to imagine new services, new opportunities and new ways to recruit work were being retained. They are the new untouchables. That is the key to understanding our full education challenge today. Those who are waiting for this recession to end so someone can again hand them work could have a long wait. Those with the imagination to make themselves untouchables to invent smarter ways to do old jobs, energy-saving ways to provide new services, new ways to attract old customers or new ways to combine existing technologies will thrive. Therefore, we not only need a higher percentage of our kids graduating from high school and college more education but we need more of them with the right education. As the Harvard University labor expert Lawrence Katz explains it: "If you think about the labor market today, the top half of the college market, those with the high-end analytical and problem-solving skills who can compete on the world market or game the financial system or deal with new government regulations, have done great." This loss of competitiveness has weakened the American worker's production of wealth, precisely when technology brought global competition much closer to home. So over a decade, American workers have maintained their standard of living by borrowing and overconsuming vis-a-vis their real income. When the Great Recession wiped out all the credit and asset bubbles that made that overconsumption possible, it left too many American workers not only deeper in debt than ever, but out of a job and lacking the skills to compete globally. "Our education failure is the largest contributing factor to the decline of the American worker's global competitiveness, particularly at the middle and bottom ranges," argued Martin, a former global executive with PepsiCo and Kraft Europe and now an international investor. So our schools have a doubly hard task now not just improving reading, writing and arithmetic but entrepreneurship, innovation and creativity. A year ago, it all exploded.