

SPEECH

## Educational Opportunities

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### Remarks by First Vice President Christine M. Cumming before the New York Citywide School-to-Work Alliance's 8th Annual School Business Partnership Recognition Reception

I am delighted to join you this evening to celebrate the 8th annual School-Business Partnership Recognition Reception organized by the New York Citywide School-to-Work Alliance. The Alliance is committed to building school-business partnerships that foster strong career pathways and career readiness for New York City's public school students. This evening is meant to honor the work of many of you here who have developed particularly effective school-business partnerships within our City. The evening is also meant to highlight the important role the business community can play in making the connections for students between the classroom and their future careers.

Chancellor Klein has contributed importantly to this effort by establishing the Office of Strategic Partnership at the Department of Education. His efforts, along with those of many other educators, business leaders, members of government and non-profit communities working together with students and parents, demonstrate what makes partnerships work. It gives me much pleasure to be part of this recognition reception and to share with you some of the ways that my institution, the Federal Reserve Bank of New York, has sought to contribute to these initiatives.

I would like to begin by commenting on why the initiatives we are honoring tonight are so very important and why each of us in the business community here tonight attaches a priority to these efforts in meeting our business objectives. As a bottom line, preparing young people for their careers and helping them develop their skills and competencies are simply good business. Let me elaborate.

There is no question that the importance of education and the returns from education have been steadily increasing over the past several decades. This is in large part because of the rapid acceleration in the pace at which businesses have adopted new technologies and the dramatic ways in which innovation in technology and in work organization have influenced day-to-day business operations. These changes have required significant shifts in the mix of skills needed in order to be hired and succeed in the job market. For instance, understanding how information and communication technologies work is now among the basic tools in today's skill set.

Not only has the workplace been undergoing rapid change, it will continue to do so in the foreseeable future as new technologies develop and refinements to existing technologies are introduced. Such change has an important impact on our careers. The likelihood that people will change careers at least once in their working lifetimes--if not more than once--has steadily increased. What does this imply?

For me, the implication is that people need to develop and have in place skills to allow them to adapt to the continuously changing nature of the workplace and to be able to respond to new opportunities when they arise. These skills must be developed early on and there is no better place to start than when the students are in junior and senior high school. It seems to me that this is precisely the time to expose young people to the kinds of opportunities that might be open to them as they grow and mature. These are the crucial years when students can begin to dream and to imagine what they might like to do later in life. And it is precisely during these years that they can begin to develop the necessary technical skills that may help make their dreams a reality.

Further, in the increasingly complex labor market, any initiative that allows firms to get to know their future employees better--and prospective workers to learn more about their future employers--will yield better and more successful matches in the labor market. The programs we are here to celebrate this evening represent a two-way street of knowledge that can only improve efficiency and bring gains to all parties involved.

Moreover, from the firms' perspective, the programs offer an excellent opportunity to become acquainted with the variety of backgrounds the students represent. This is especially important in such a vibrant city as New York, given the great diversity of the people who live and work here.

Clearly, not all students need dream of business as their future career, but the broad business and non-profit communities will hire a large number of young people over the coming decades. And we all want to hire the best for our own institutions. To do so, we must be willing to help prepare these young people by introducing them to our businesses and sharing with them the variety of career possibilities our institutions can offer them. By these means, we can help them identify the mix of skills they will need to be competitive for the jobs they desire and, in so doing, help guide them toward developing those necessary skills so that when they join our respective institutions they will in fact be the very best. Whatever the job that needs to be done, the way we will get the best is to commit to help train young students and prepare them to join the work force of tomorrow--our labor pool.

The challenge is large--and it is ongoing. The schools cannot meet this challenge alone. Chancellor Klein and his many colleagues recognize this. You who are honored here tonight recognize this and so do we at the Federal Reserve Bank of New York. We in the business community have the resources and the insights to help and we must remain committed to using--and increasing--our resources and to attract even more businesses into this partnership for our future.

Let me now highlight for you some of the ways we at the New York Federal Reserve Bank have contributed to these efforts of working with young students as they move from school to the workforce.

One way in which the New York Fed has been involved in these initiatives has been to work directly with students. The Bank is currently involved in programs that range from career awareness--that is, introducing students to the kinds of jobs available in different areas of the Bank and the related education and work experience required--to others that provide career preparedness--that is, students actually working at the Bank for a period of time.

To start with career awareness, we have organized a Wall Street Economics and Finance Club that introduces high school students to analysts, traders, and economists at Wall Street firms and to the range of occupations available to financial services professionals.

Our institution participates in the Department of Education's shadowing day as well as the Governor's mentoring programs. We pair 30 New York City students from Madison and Curtis High School with Bank employees who counsel and advise the students, introduce them to the arts via Broadway, and help guide them through the college application process. We also take part in the Weill Institute, a program through the High School of Economics and Finance, which invites students to visit us and spend time learning about specific jobs in a number of different areas of our Bank.

Most important, our Bank offers a number of paid internships to high school students each summer.

In addition to these activities that deal directly with students, the New York Fed also tries to leverage its impact by working directly with high school teachers in two specific activities. First, each year we help train Academy of Finance teachers, addressing such topics as business ethics, dressing for success, and job-interview skills. Moreover, our staff works with Virtual Enterprise teachers, by developing their economics and finance lessons, delivering workshops, and sitting on their advisory committee.

The Bank has further committed itself to supporting the work of high school teachers, developing instructional materials and serving as a business representative on a Department of Education advisory council. One of our most successful programs is our Econ Explorers Club, which is aimed at elementary and middle school children, ages 9-13. One of the projects we provide requires students to interview an individual about his or her career, prepare a written report on what they have learned, and then make a presentation to their class. By this means, students get to learn about interviewing, writing, and presentation skills--all in one exercise. Our staff is also active on the Business Advisory Council organized by the New York State Education Department.

Second, and a program I believe is especially important, is the Fed Challenge. This is an annual competition among high school students that has earned national recognition in the ten years it has been in place. Teams of five students from over 100 high schools in our district have 15 minutes to present an analysis of current economic conditions, a forecast for the economy, and a monetary policy recommendation before a panel consisting of several members of our senior staff who act as judges. The judges have 10-15 minutes to question the students--and the questions can be hard-hitting. Student teams are scored on the thoroughness and accuracy of their presentation as well as on their teamwork, their ability to answer questions, and their presentation skills. The winners go on to compete against teams from seven other Federal Reserve districts. I can assure you that the students who compete in the Fed Challenge come away with a superb understanding of some of the major economic issues facing our economy, how our economic system works, and how both economists and policymakers go about their crafts.

I am enormously proud of all these collaborations my institution has developed with the students and teachers of New York. We certainly hope that our efforts are making a difference and that they are helping to improve the performance and awareness of students and the preparation of teachers.

While the specifics of each institution's involvement in projects such as ours may vary, what counts is that all of us are dedicated to the same overriding goals: to prepare the young students of today for the jobs they will be seeking tomorrow and to expose them to the broad range of choices they can consider and the technical skills they will need to succeed in their choices. Nothing we do can be more important than providing young students with the tools they will need to pursue satisfying careers in the workplace once they complete their formal education.

Thank you.

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