

Search

☒ Today☐ Archive

Go

[Advanced search](#)[Home](#)[Local](#)[Nation / World](#)[Business / Tech](#)[Editorials / Opinion](#)[Eric Devericks](#)[STop blog](#)[Columnists](#)[Sports](#)[Entertainment](#)[Comics / Games](#)[Living](#)[Pacific Northwest Magazine](#)[Travel / Outdoors](#)[Real estate](#)[Obituaries](#)[Special reports](#)[Photojournalism](#)[Corrections](#)[Archive](#)[Alerts / E-mails](#)[Marketplace](#)[Jobs](#)[Autos](#)[Homes](#)[Rentals](#)[Shopping](#)[NWsource](#)[Personals](#)[Post an ad](#)[Services](#)[Your account](#)[Contact us](#)[Submit listings](#)[Send us news tips](#)[Seattle Times store](#)[Advertise with us](#)[RSS feeds](#)[Wireless](#)[Newspapers In Education](#)[Home delivery](#)

Thursday, August 11, 2005 - Page updated at 12:00 AM

Guest columnist

## Intellectual Imports

By Theo Eicher

*Special to The Times*

They meet the highest quality standards and are designed for performance. I am not referring to the new BMW or Lexus SUV, but to Washington's most important import: educated workers attracted by the "new economy."

We've all heard so much about high tech's transformation of the economy, it has become a stale tale.

But something startling has now emerged: Keeping this new economy going will require a realignment of Washington's education system.

This was the conclusion at a conference last month on "Education & Productivity: A 21st Century Workforce." Some 200 participants, including Gov. Christine Gregoire, received a bracing dose of reality when internationally known economists laid out the policy changes necessary to keep the Washington economy ticking and our children one day gainfully employed.

Let's backtrack briefly to the heyday of the manufacturing economy, when Washington became a leader in producing community-college graduates to serve sawmills and aircraft plants, electronics manufacturing and technical support. So good, indeed, that we still rank fifth in the nation in community-college enrollment.

At the conference, however, Kevin Stiroh of the Federal Reserve Bank of New York showed how the key driver of the economy no longer is manufacturing but this "new economy." What's "new" is that most highly productive companies demand at least a four-year college degree from their hires.

Washington is not prepared to provide such a work force. Two-thirds of the state's firms report problems finding workers with four-year degrees. More to the point, the Department of Commerce shows that Washington's enrollment in public four-year universities ranks a dismal 49th!

Washington's education system is optimized for a different economy — adequate in the past but unlikely to provide a living wage for our kids.



Theo Eicher

 [E-mail article](#) [Print view](#) [Search](#) [Most e-mailed](#) [Most read](#) [RSS](#)[Marketplace](#)[Jobs](#) | [Autos](#) | [Shopping](#)[Homes](#) | [Rentals](#) | [Post an ad](#)

What is so striking is the subtlety of the change: Nothing seems to be obviously wrong with the education system right now. Parents observe that their children receive the same education in college and high school that they themselves enjoyed. So why all the excitement?

Because new-economy employers' educational needs are different from manufacturing employers', future two-year-degree holders are likely to work in service or retail, for about half the wages of new-economy workers.

What is accelerating these developments is the fact that Washington is home to many leading technology companies. Their mere presence has attracted even more new industry to Washington. And, indeed, the demand for new-economy workers is so immense that such firms must import them.

The math is straightforward: Washington ranks 14th in the number of four-year graduates living here, but 35th in the number of four-year degrees produced here. This gap represents the intellectual imports from other places — 75,000 workers in the past 10 years.

A common misperception I often hear is that international competition from low-wage countries is destroying Washington's manufacturing jobs. But this hypothesis has been soundly debunked by the data. The real reason manufacturing jobs are paying less and less is that demand for low-skilled jobs, overall, is falling.

If the educational system does not change, our sons and daughters will end up working in retail while the high-paying new-economy jobs are largely filled by out-of-state workers armed with the necessary education.

What we need now is a comprehensive plan for a 21st-century work force, a plan that fosters excellence in K-12 schooling by increasing teacher quality, science instruction and overall student performance.

Likewise, we need a dramatic revamping of the higher-education system, providing a variety of new avenues to increase the output of four-year degrees throughout the state.

In five years, Washington's fortunes will be determined by our ability to compete in the new economy. If we don't change, the economy certainly will. The information-technology sector that is driving the new economy is growing six times faster than the rest of the economy.

Will we be able to say we adequately prepared our kids?

If Washington's educational system does not change, and if new-economy firms still locate in Washington five years from now, they won't be hiring most of their workers from in-state. While Washington kids are searching for jobs, these firms must hire intellectual imports from Boston and Bangalore.

*Theo Eicher is the Robert R. Richards Distinguished Scholar in Economics and director of the Economic Policy Research Center at the University of Washington.*