

**Statement of William D. Green
Chairman and CEO, Accenture**

**On “Realizing a Competitive Education:
Identifying Needs, Partnerships, and Resources”
Before the Committee on Finance
United States Senate**

March 20, 2007

Mr. Chairman, Senator Grassley, Members of the Committee, I am pleased to appear before you today to discuss the critical issues regarding Education and Competitiveness in the United States.

There is a Chinese proverb I like: “When the winds of change blow, some people build walls and others build windmills.” I think this applies to the subject at hand.

I am William D. Green, the Chairman and Chief Executive Officer of Accenture, a global management consulting and technology services company with approximately 150,000 employees in 49 countries.

We are proud that more than 30,000 of those employees are here in the United States. We intend to hire more than 7,000 new U.S. employees this year, many of whom will come to us directly from college campuses. Accenture has traditionally been one of the top college campus recruiters in the United States. We hire people with undergraduate degrees and advanced degrees, as well as graduates of two-year colleges and technical schools.

Accenture’s mission is to help companies and organizations improve their performance and competitiveness. We serve most of the global *Fortune* 500 companies, and I am therefore privileged to see firsthand how critical skills, knowledge, technology and innovation are to maintaining a competitive edge in business. This is true for small local businesses and large global enterprises.

In order for Accenture to accomplish its mission – and remain competitive ourselves – we need to attract educated and talented people who can also learn and grow. I speak with countless other CEOs on this topic and all of us agree that the ability to find and attract people who are well prepared is a top priority and a concern we all share.

The foundation of a competitive company, regardless of size, is a competitive workforce. And education is the key enabler of a competitive workforce.

As the world becomes flatter and moves faster, for the United States to continue to sharpen its competitive edge, it will take a significant investment in education, especially math and science.

Equally important, we need to raise the water table in terms of the education of our entire workforce in the U.S. across all industries. We need people with skills in critical thinking, analytical reasoning and problem solving. We need people who can communicate. We need to enhance the richness and diversity of the workforce, and we need people with the confidence to face the future.

It is very important that access to higher education is provided to all Americans, and that an environment is created that supports life-long, continual learning -- and in some cases, re-learning.

Access to education is about a lot of things, but increasingly it is about affordability. I applaud this committee for its efforts to help address this need.

Competitive Workforce Essentials

I am an active member of the Business Roundtable's Task Force on Education, and we believe the United States is facing a talent gap. To close that gap, it is important to:

- Strengthen K-12 math and science education programs;
- Recruit and retain outstanding math and science teachers;
- Expand undergraduate and graduate science and engineering programs;
- Increase funding for basic research in the physical sciences; and
- Address visa and green card programs for highly educated, foreign-born professionals.

This is not just about producing more scientists and engineers. To build a truly competitive workforce, every company needs:

- People who know how to learn;
- People with skills in critical thinking, analytical reasoning, problem solving and communications; and
- People who have ambition and self confidence.

In essence, we need people who are great raw material.

The Responsibility of Business

Obviously government cannot address these problems alone, but it can be an important catalyst, and the private sector can be an important partner.

That is why the Business Roundtable, and each of its member companies are working together to help improve the quality of our K-12 education and inspire a new generation of Americans to pursue degrees and careers in science, technology, engineering, math and other areas.

Together, we are doing much more for our educational institutions. We show our commitment by donating funds, recruiting students, offering career counseling, providing extensive training programs, using our employees to teach classes, and supporting government policies that can make these institutions more effective and efficient.

Accenture's Commitment

For our part, Accenture and our executives donate extensively to higher education. We have created scholarship programs, and we have teamed with a variety of institutions to create curricula to train our employees.

Through employee contributions and the U.S. Accenture Foundation's matching gift program, Accenture and its people donated more than \$4.4 million last year to colleges and universities in

the United States. These donations help to fund scholarship programs and various other educational and technology-based initiatives that focus on bringing knowledge and opportunity to America's youth.

Business is also prepared to invest in the competitiveness of its workforce in other ways. For example, at Accenture we spent \$700 million to train our people last year, and this year, we will invest even more as our workforce continues to grow.

Like most businesses, Accenture has specific initiatives focused on education. The following are just some examples of the dozens of initiatives we have developed:

- **Accenture American Indian Scholarship Fund:** This scholarship fund meets a vital need for Native American and Alaska Native students seeking higher education and requiring financial assistance. Accenture awards scholarships to eight or more high-achieving students seeking degrees and careers in teaching, medicine, law, high technology or business-related fields for undergraduate and graduate study support.
- **Accenture Scholarship Program for Minorities:** This program was created to encourage minority students to pursue degrees in engineering, computer science, and a variety of programs related to information systems and decision or management sciences. In 2006, Accenture awarded a total of 17 scholarships of \$2,000 each to outstanding students for undergraduate study at targeted mainstream schools and Hispanic-serving institutions (HSIs).
- **Thurgood Marshall Scholarship Fund:** This program awards scholarships directly to students at participating member schools. The Thurgood Marshall Fund provides scholarship money to historically black colleges and universities (HBCUs) for the purpose of helping students complete their education. Last year, Accenture awarded 12 scholarships of \$2,500 for each semester.
- **Accenture Junior & Community College Scholarship Fund:** This new program will award scholarships to students who are starting their careers in technology and engineering at two-year institutions to continue their education at four-year institutions. It will provide 20 students with \$5,000 per year for two years.
- **Working with Community Colleges:** Accenture is involved in innovative business ventures with Native American tribes, where we are working with a local community college to develop the curriculum to train Native Americans and others for technology related jobs.

In Wolf Point, Montana, a joint Accenture - Microsoft venture named Avanade has been working with the Assiniboine and Sioux tribes to train and employ tribal members, as well as other local Montana residents, in Microsoft .NET and other technologies. Avanade and Accenture began the program with the Assiniboine and Sioux tribes located on the Fort Peck reservation. This relationship resulted in the launch of Integrated Solutions in 2005, and joint information technology projects continue with Assiniboine and Sioux Diversified. The Fort Peck Community College in Wolf Point has had an active role in the training and education of the employees to prepare them for these projects.

In Pendleton, Oregon Accenture is providing management, technology infrastructure and training services to Cayuse Technologies, a business that is owned by the Confederated Tribes of the Umatilla Indian Reservation. There, we are in discussions with the local community college to develop curriculum to train prospective employees for software development, call center positions and other technology-related jobs.

Congressional Focus on Higher Education

In addition to the work we're doing at Accenture, I believe all of us in business and government must broadly embrace three principles to advance the cause of education and competitiveness:

- Access – providing access to educational opportunities;
- Affordability – making education a reality by reducing financial barriers; and
- Accountability -- teaching what is relevant and delivering good value for money.

I am delighted that the Finance Committee is focusing attention today on higher education and tax incentives to allow more people to have access to higher education. In an era in which intellectual capital is at a premium, post-secondary education has never been more important.

According to the Commission on Higher Education, 90 percent of the fastest-growing jobs in the new knowledge-driven economy will require some post-secondary education. The Commission has also found that there is a gap between college attendance and graduation rates of low-income Americans. The Commission has recommended improving the information about college that is available to students and reducing financial barriers to attendance.

I am aware that Chairman Baucus, Senator Grassley and several other members of this Committee have expressed an interest in simplifying and rationalizing the various education tax credits and deductions which are currently in the Internal Revenue Code. I support the Committee's efforts in this area.

In developing this proposal, I would stress the special financial needs of community and junior college students. The current HOPE tax credit can offset students' tax liability to cover much of their tuition expenses. I understand this has been extremely helpful for working students, and I urge you to consider maintaining this type of tax relief in any new proposal this Committee develops.

In addition, you might want to consider broadening any tax credit to cover other student costs such as books, supplies and certain other student fees. These costs can at times be as high as the cost of tuition, and thus, they can be a barrier to students who hope to continue their education.

As you consider these proposals, I would encourage you to give special attention to the nation's junior and community colleges. If one of our principal goals to ensuring our nation's competitive position in the world is greater access to higher education for more Americans, one of the great opportunities for accomplishing that lies in our junior and community colleges.

These institutions are often overlooked and under appreciated, not unlike the people who attend them. They can help enhance the nation's competitiveness, improve the skills of the workforce

and contribute to a more fulfilling life for millions of citizens. And, our system of community and junior colleges is already in place.

A Personal Story

I am a shameless advocate for junior and community colleges because I am a living example of what they can accomplish. I credit Dean College, a two-year school outside of Boston, with getting me on the right path. I was not an especially good student in high school. I spent the year after high school working in construction, and considered becoming a plumber, like my father.

Then one day, I went to visit some friends who were students at Dean College, and my mind-set began to change. As I walked around campus and listened to my friends talk about their experiences, I realized this was an opportunity to change my path that might never come again—an opportunity to take another shot at learning. Dean reached out a hand to me, and I can honestly say it was a life-altering experience. Our community and junior college system does the same thing for millions of students every day.

Dean's philosophy is to educate, energize and inspire. In fact, it was a Dean Professor, Charlie Kramer, who ignited my passion for economics and taught me how to think analytically. After all these years, I still have my notes from his economics classes, and I've referred back to them from time to time—even as I went on to Babson College, where I earned my bachelor of science degree in economics and then an M.B.A. I am proud to say that today I'm a member of Dean College's board of trustees.

Would I be running a global consulting company with thousands of employees today if I'd followed a different path? Who knows? But there is no doubt that my two years at Dean College not only prepared me for advancing my education and gearing up for a career, but also transformed me as a person. Our network of junior and community colleges can produce these results. I am living proof.

Whenever I get the chance to talk to young people, I urge them to consider junior and community colleges which can help them become better equipped to continue their education and to face real-world challenges. These colleges can smooth their transition from high school to work life, provide them with core decision-making skills and teach them how to think and learn.

In the United States there are more than 1,100 community colleges, most of them publicly funded, which serve nearly 12 million students. Almost two thirds of these students attend school part time, and many of them are holding down a full-time job. What's especially striking is the diversity of these schools: 47 percent of all African-American undergrads in this country attend community college, as do 56 percent of Hispanic undergraduates.

But what makes community and junior colleges so important to our competitive future? For starters, I can't think of any other institutions so tuned in to the needs of our communities. The American Association of Community Colleges estimates that more than half of new health-care workers get their training at community colleges. In 2003, 62 percent of the applicants who took the national exam to become licensed registered nurses were graduates of such programs.

Community colleges excel at working with local businesses to identify specific needs, whether helping displaced autoworkers gain new job skills or helping local companies ensure they will have a steady supply of skilled workers.

Community and technical colleges are located all over the United States within thirty minutes of almost all centers of business activity in America. Chances are, if there is a large manufacturing plant in your town, your community college offers technical training in conjunction with the plant. Better skills and better pay lead to more secure and productive employees. That boosts the economy, which gives us all a better standard of living.

Conclusion

Mr. Chairman, I know that you and this Committee are well aware of the competitive challenges the U.S. faces. Many countries in Asia and Europe are educating and training their citizens in a dramatic fashion. The numbers, which we have all seen, tell the story.

The question is whether Americans will face this challenge with complacency or with the competitive spirit and determination that helped us become the world's innovation leader. Will we build walls — or windmills? I believe we will build windmills.

We need to do everything we can to enhance access to education, to make it affordable and to be accountable for developing the best educational programs possible.

Learning is now the highest form of capital. It needs to be focused and built around a clear understanding of special skills and competencies that our workforce needs. It is the answer to maintaining US competitiveness in our ever-flattening world, and all of us -- business, government and citizens across America -- must work together to focus on education as the key enabler of competitiveness and success.

I would be happy to answer any questions you might have.