



**Acceptance Speech
U.S. Chamber of Commerce
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**by David Perdue
Chairman, National Commission on Adult Literacy
Former Chairman & CEO, Dollar General Corporation**

I am truly humbled and honored to receive this award tonight. Having been a member of Amcham in Hong Kong back in the late eighties and early nineties and as a current member of the U.S. Chamber of Commerce, I have seen first hand the impact this organization can have on major issues. Because of that, I would like to very briefly discuss with you tonight an insidious issue about which many of us know little but which threatens our economic strength, our social stability and indeed, our standard of living.

Lee Kuan Yew, Singapore's former premier and mastermind of Singapore's economic miracle of the last forty years once said that economic development depended on four fundamental prerequisites: 1. dependable electricity, 2. clean, potable water, 3. world-class transportation, and 4. an educated, skilled workforce. Having lived in Singapore, I can tell you that they were successful on each of these.

Clearly, during our own economic miracle here in the U.S. over the past half century we have had the luxury of taking these prerequisites for granted. That, ladies and gentlemen, is coming to an end. Today, we are reluctant to build coal-fired or nuclear power plants and therefore can project power shortages in the very near future. In many states, water shortages have already become a way of life. Our transportation infrastructure is aging and our cities are in gridlock. Although our universities are the best in the world, our public schools only rank 15th in the world. We are falling behind other competing countries in developing an educated and trained workforce.

Indeed, today, we have a raging epidemic that is threatening our way of life here in America. Today, 90 million Americans can't read well enough to complete a job application. That is staggering when you consider the measured U.S. workforce is only in the range of 150 million workers. Today, 26% of our workforce in the U.S. does not have a high school education or a GED ... and this problem is getting worse. Today, one out of every three students who enters the 9th grade will not finish high school ... one out of three!!! And this is an average ... among some socio-economic groups the numbers are far worse!

I know what you're thinking ... you're thinking that I am taking liberties with the statistics to inflame an issue. Why else would we all not be aware of this problem? Well, trust me, I'm not. In my opinion, the primary reason most people aren't aware of this raging problem is that unlike most diseases, this problem is not generally experienced across all socio-economic categories. Cancer affects us all but illiteracy and lack of education primarily affect people of lower socio-economic standing.

Unfortunately, there is a high correlation between illiteracy and socio-economic standing. At the same time, there is new research about to be published by the National Commission on Adult Literacy that clearly shows that incremental gains in education, starting at the high school and GED level, have a significant impact on per capita income as well as the local, state and federal tax base.

Last year, 47% of all babies born in America were born into households that participate in WIC, the Women's and Infants' Care program which is a part of the U.S. food stamp program. One out of every two!!! Today, in America, the richest country in the history of the world, 22% of all our children under the age of 16 live in poverty. The only developed country that has a higher number is Mexico with 28%!

Every time I hear these statistics I just can't believe it. I am outraged that we have let this become such a severe problem. As a Fortune 500 CEO, I have seen firsthand how prevalent this issue is and how it affected my company, our employees and our customers. Many of you know that it has become harder and harder to find qualified, educated and trained workers and this is affecting our global competitiveness.

Given the economic miracles underway in the People's Republic of China and India, our ability to sustain acceptable economic growth in the U.S. is certainly at risk. Projected global GDP growth is not enough to meet the needs of growing consumer demand in Asia and the developing world and still allow Europe and North America to maintain their current level of consumption. What this means is that the current situation where less than 10 % of the world's population consumes more than 70% of the world's output simply will change over the next decade or so.

As we have seen, a skilled, educated workforce is vital to maintaining our global competitiveness. Certainly, we must continue to develop technology but at the same time we simply must rededicate ourselves to develop our workforce so we can compete. In short, education development is essential for economic development.

What is needed is a more coordinated approach on the part of all involved: parents, schools, federal, state and local governments and employers. In my opinion, this battle should be waged on four fronts. First, prior to kindergarten, children should be prepared to read and to enter the educational system. It may shock you to know that 40% of households in America have less than two books in them. Second, kindergarten through fourth grade, children simply must be taught to read ... and to read well. Third, from the fifth grade through high school, we must find a way to keep our children in school and to help them graduate either from a college preparatory curriculum or from a vocational/technical program. Finally, adults who fall through the cracks in the system must be taught to read, get their GED and to earn a living.

On this fourth battle front, para-educational groups, along with some government programs, focus on three dimensions of adult literacy: teaching adults to read, helping adults achieve their GED and teaching English as a second language. In this battle to improve adult literacy, in an attempt to better coordinate all the disparate efforts nationwide, a little over a year ago, many people from various parts of our communities came together to form the National Commission on Adult Literacy. This commission is a high-level independent body formed to examine the future of adult education and literacy in the U. S. and to

make recommendations on how to rebuild our system. In 2008, the commission will produce specific recommendations, some of direct interest to many of you here today. Included will be a communication plan to educate the business community, school systems, government agencies and parents about what is required to turn this thing around.

There can be no doubt that our economic miracle here in the U.S. much like that of Singapore's was to a large part built on an educated and competitive work force. Clearly, we have the resources to correct the current problem but we must demand that these statistics change.

What can you do as business leaders? First, get involved corporately. Tell your state and federal political leaders how this is affecting your business. Support public education systems where you operate. Find out what your own local and state graduation rates are. Second, get involved personally. Because this epidemic may not impact you directly today does not mean that it will not impact you dramatically indirectly. The social costs alone involved with failing to correct this problem are staggering and will affect every household. As a business leader, you have a responsibility to educate yourself about this problem. To that end, any of these adult education groups can provide plenty of information about the problem and how to get involved.

Twenty years ago, breast cancer was becoming epidemic but progress was slow in dealing with the problem. Only when our entire community decided that this was totally unacceptable did productive change occur. You only have to look at the medical advances of the past twenty years in this area to see the potential that exists in addressing literacy in the U.S. if we truly decide that the current situation is unacceptable. We Americans generally can be accused of being lethargic about most social issues until they become critical. Then we mobilize and attack the problem better than anyone in history. I am here today to tell you that the issue of literacy in America has truly become critical.

Today, we have the opportunity to change that and change it quickly. I implore you to become incensed about this deplorable situation in our country and demand change. Only then will true progress be achieved. As leaders in the business community, we simply could be the difference. After all, at the end of the day, we run the generators of economic development. As our country deals with improving economic

competitiveness and rising consumerism around the world we simply can't take our competitive position for granted. True, technology can help but it can only go so far if we don't improve the competitiveness of our workforce. Achieving universal literacy is a start toward that goal.

Thank you again for this recognition and forgive me for using this platform to discuss this literacy problem. You are to be commended for your participation in the Chamber. You really do make a difference.

Thank you.