

Obama calls for effort to boost high-tech training, hiring

9 March 2015, by Jim Kuhnhen



President Barack Obama speaks at the National League of Cities annual Congressional City Conference in Washington, Monday, March 9, 2015. Targeting stagnant wages in an otherwise improving economy, the president is calling on employers, educational institutions and local governments to ramp up training and hiring of high-technology in an effort to drive up higher-income employment. (AP Photo/Jacquelyn Martin)

Targeting stagnant wages in an otherwise improving economy, President Barack Obama on Monday called on employers, educational institutions and local governments to develop a home grown high technology workforce that could help drive up higher-income employment.

The effort aims to attack a stubborn downside of the current economic recovery and fill a gaping demand for high-tech workers in the United States.

"We've got to keep positioning ourselves for a constantly changing global economy," Obama said in announcing his "TechHire" initiative at a gathering of the National League of Cities. "If we're not producing enough tech workers, over time that's going to threaten our leadership in global innovation, which is the bread and butter of the

21st century economy."

Obama has obtained commitments from more than 300 employers as well as local governments in 21 regions of the country to train and hire low-skilled workers for jobs in software development, network administration and cybersecurity.

Under the program, the Obama administration will provide \$100 million in competitive grants to joint initiatives by employers, training institutions and local governments that target workers who don't have easy access to training. The money comes from fees companies pay to the government to hire higher-skilled foreign workers under the H-1B visa program.



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"Too many Americans think these jobs are out of their reach, that these jobs are only in places like Silicon Valley or that they all require an advance degree in computer science. That's just not the case," said Jeff Zients, director of the White House National Economic Council.

Among the communities that have pledged to participate are New York City, Louisville, Detroit, Nashville, San Francisco, and Kansas City, Missouri.

The initiative is designed to prepare U.S. workers for a growing number of technology jobs. According to the White House, of the 5 million jobs available today, more than half a million are in those fields.

Obama's attention to technology comes as the unemployment rate is dropping but wages remain flat. The unemployment rate in February dropped to 5.5 percent but average hourly earnings rose just 3 cents from January to \$24.78. Raising wages has become one of the biggest challenges of the current economic recovery.

"These tech jobs pay 50 percent more than the average private sector wage, which means they are a ticket to the middle class," Obama said.

The administration's plan is for universities and community colleges to provide training. It is also relying on high-tech educational academies, some of which have entered arrangements with cities to train workers in a matter of months and help place them in jobs.

The training academies undergo independent studies to confirm the rate of job placements.

"The world's technology needs are just moving a lot faster than traditional education solutions. That's the fundamental problem here," said Louisville, Kentucky, Mayor Greg Fischer, whose city has pledged to expand an existing program with high tech. "So that's why these non-conventional methods are needed right now."

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APA citation: Obama calls for effort to boost high-tech training, hiring (2015, March 9) retrieved 15 September 2019 from <https://phys.org/news/2015-03-obama-effort-boost-high-tech-hiring.html>

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