



Battling competitiveness

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Siemens, the German engineering group, is having difficulty filling job openings in the U.S. With an unemployment rate of 9.1 percent, how is that possible?

Eric Spiegel, chief executive in the U.S. for Siemens, said in an interview with Financial Times that, “There’s a mismatch between the jobs that are available, at least in our portfolio, and the people that we see out there. There is a shortage (of workers with the right skills.)” For contrast, the article goes on to say that a Volkswagen plant had 85,000 applicants for 2,000 jobs at its new plant in Chattanooga, Tennessee.

America spends far more on education than most other nations, so why is its workforce lagging behind? There are jobs to be had, but the industries hiring say the knowledge, education and performance levels needed for these jobs aren’t being found in the U.S. While the Obama Administration and Department of Labor tout that more job training and government intervention would solve this problem, why not fix the problem at its roots—America’s current education system.

One simple and cost effective way to do so is to allow students and parents to choose what school they attend and what kind of education they want to receive. And that is exactly what many states are doing during this time of budget cuts and fiscal restraint. In fact, over the past five years, the number of states that have enacted school choice programs has doubled. One particular school choice program that is gaining in popularity is the tax credit program, now adopted by nine states. Currently, 123,544 students are enrolled in scholarship tax credit programs throughout the nation.

This type of program allows taxpayers to donate their own money towards a scholarship for a particular school or they can send their own child to a school of their choice. As a result, taxpayers and corporations most often receive a state income tax credit—though it is different for each state depending on tax codes.

The benefits of such a scholarship tax credit program are already being felt by some states. Florida’s Tax Credit Scholarship Program (FTC), one of the largest private school scholarship programs in the nation, has been so successful that the academic performance of students who remain in public schools has increased.

“This type of program keeps decisions in the private sector and it increases involvement in the local school sector,” says Adam B. Schaeffer, Cato Institute’s policy analyst for the Center for Educational Freedom. “It respects the rights of taxpayers.”

More states are favoring tax credit programs over other forms of school choice, like voucher programs, because there are far fewer regulations and restrictions on a tax credit program, Schaeffer says. “No credit program has ever been overturned by courts, while voucher programs have.”

If students and parents are given the right to choose their education path from an early age, their successes will someday carry into the workforce. Internationally companies like Siemens might not have the hiring issues they are having now.

“A tax credit program gives parents the freedom to use their own tax dollars to send their children to whichever school they think is best,” says Bill Wilson, president of Americans for Limited Government (ALG). “This kind of program removes the government bureaucracy and puts education back into the hands of the students and their parents, which will only benefit our future generations.”

America cannot afford to spend additional money on job training programs. Since the hefty cost of the public education system is already assumed by taxpayers, state lawmakers and school districts need to work to make it a worthy investment. A country as advanced and wealthy as America should produce only the best and the brightest.

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