

***Testimony of Michael D'Ambrose  
Senior Vice President and Chief Human Resources Officer  
Archer Daniels Midland Company  
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Madame Chairman; Commissioners Feldblum, Yang and Burrows; fellow panelists; ladies and gentlemen:

My name is Michael D'Ambrose. I am senior vice president and chief human resources officer for Archer Daniels Midland Company, one of the world's largest agricultural processors and food-ingredient providers. I'm grateful for the chance to join you for today's panel discussions...which to me highlight the often-underappreciated "O" in the acronym "EEOC."

People sometimes forget that the Commission's work is intended first and foremost to create opportunity for all. I think it's an important point for all us to bear in mind throughout our discussions today.

By way of introduction, ADM sources crops from farmers worldwide; transports them to 250 processing plants around the world with a vast network of trucks, railcars, barges and oceangoing vessels; processes them into thousands of food ingredients, as well as animal feeds and renewable fuels and chemicals; and distributes them to customers in 160 countries.

Our global headquarters is in Chicago, and our North American headquarters is in Decatur, Illinois. We employ 32,000 people worldwide, including 18,000 here in the U.S.—all of them deeply and personally committed to ADM's purpose of feeding the world.

As you might imagine, a global enterprise of our size, reach and complexity needs a steady stream of talent to fulfill our mission and deliver value to our customers and shareholders. From engineers, risk managers, logistics experts and plant operators to accountants, marketers, food scientists and skilled tradespeople, we are constantly searching for employees who are the best at what they do.

But that task is becoming more challenging with each passing year.

ADM already has hundreds of good-paying jobs we can't fill because there aren't enough skilled workers available to us. And we're not alone. If current projections hold, there soon won't be enough qualified graduates to fill the roughly 58,000 job openings available each year in food, agriculture and related fields. Within five years, just over 35,000 students are expected to graduate with degrees in these areas.

But these challenges aren't unique to our sector.

In 2015, a report from Deloitte and The Manufacturing Institute revealed that about 80 percent of U.S. manufacturing companies have a moderate or serious shortage of qualified applicants for skilled production positions. That shortage is only going to worsen as baby boomers begin leaving the workforce in greater numbers, and as manufacturing companies continue to add jobs.

The National Association of Manufacturers has projected that—even though the sector has added 800,000 jobs since the end of the Great Recession—many manufacturers will grow their workforces by more than 10 percent in the next five years. And yet, nearly 2 million manufacturing jobs will go unfilled due to a shortage of skilled labor.

In my view—and that of many experts—the single biggest reason for the skills gap is the failure of the nation's public education system to provide employers with a diverse pool of workforce-ready graduates.

In 2014-15 school year, 17 percent of high school students—or about 700,000 young people—failed to graduate from high school. Diverse populations were disproportionately affected. While the failure rate for white students was around 12 percent, it was 22 percent for Hispanic-Americans and 25 percent for African-Americans.

What's more, in recent years, the Nation's Report Card has revealed that less than 40 percent of high-school students scored at college- or career-ready levels on the National Assessment of Educational Progress. That means we had thousands upon thousands of young people who graduated high school, but who weren't ready to succeed in college, or in the workplace.

The Community College Research Center at Columbia University has reported that about 70 percent of students beginning at public two-year colleges need remedial coursework. And for those students who go right from school to work, it's often left to employers and labor unions to provide basic-skills training.

Clearly, we can do better. And we must do better, if American companies are to remain competitive in the 21<sup>st</sup> century global marketplace. Our educational system needs to place a greater premium on turning out skilled, job-ready workers. And a big part of that challenge involves changing Americans' perceptions of the value of skilled tradespeople.

We need for more Americans to recognize that—while college is essential for high-school graduates aiming for careers as engineers, lawyers, teachers, accountants or astrophysicists—there are literally millions of great jobs available to those who pursue vocational/technical education to learn a trade ... those who apprentice with skilled tradespeople ... or those who pursue other types of on-the-job training.

At ADM, for example, a five-year apprentice electrician can earn substantially more than an entry-level electrical engineer. And this is commonplace in today's manufacturing sector. A skilled tradesperson can earn a great salary—and live a great life—doing fulfilling work that employers value and reward. So we do our students a disservice when we suggest to them, directly or indirectly, that admission to a four-year college is the only kind of success that matters.

I can tell you from my 30 years of experience in the HR profession that it just isn't true.

This is why we at ADM have been so supportive of Jobs for Americas Graduates, or JAG, which for almost 37 years has helped nearly 1.1 million at-risk students stay in school, pursue postsecondary education, and secure good entry-level jobs. With a bipartisan board of directors that includes about a dozen current or former state governors, as well as U.S. Senators, Congressmen and other dignitaries, JAG is achieving exceptional results...without any federal funding. In 2015 alone, the tens of thousands of at-risk students or recent dropouts participating in JAG had a 94 percent graduation rate and an aggregate employment rate above 60 percent. That's what progress looks like.

ADM also supports the Council for Adult and Experiential Learning, the nationwide leader in linking learning and work. I've had the privilege of serving on the organization's board.

In addition, to help the agriculture and food sectors attract more diverse candidates, ADM last year founded the Agriculture Diversity and Inclusion Consortium in collaboration with USDA and dozens of other stakeholders. These stakeholders include Bunge, Cargill, Caterpillar, John Deere, Monsanto, Tyson Foods and many other companies, universities, NGOs, trade associations and government agencies.

The idea is to awaken students, parents, teachers and the nation-at-large to the incredible opportunities available in our industries for skilled workers and college graduates alike.

This is an era of great promise and possibilities for young people preparing to enter the workforce. The options before them are many and exciting. Working together, government, industry and labor unions can help ensure that they fulfill their promise and achieve their goals...all while making American industry more competitive.

Madam Chairman, with my remaining time, I would like to briefly share some thoughts on how the EEOC might play a role in addressing our national skilled-labor challenge. Back before nearly every employer came to understand that diversity is a business imperative, it was understandable that the EEOC's work focused largely on enforcement. But today, companies realize that diversity is closely tied to financial performance. I believe they no longer need carrots or sticks to help them do the right thing.

This, to me, suggests that the EEOC could spend more of its energy and resources working in partnership with industry to ensure we have the best workforce in the world. Your leadership and ability to marshal resources to strengthen the linkages between school and work would be invaluable, and greatly appreciated.

The U.S. needs a strategy for workforce development, and the EEOC has a major role in developing such a strategy. We also need to ensure that our high schools institute career-readiness courses that ease the school-to-work transition. Again, I think the EEOC could work with other federal and state agencies to make this vision a reality.

In the meantime, today's sessions and panel discussions represent an excellent start.

We at ADM would welcome the chance to partner with the Commission and with companies in other industries to help build the diverse pool of qualified talent our country needs. And we believe our peers in other industries would be equally excited about the opportunity.

In conclusion, I would just say this: We live in an era where people care passionately about protecting the world's natural resources...our air, water, land and ecology. It is sometimes mind-boggling to me that we don't often see the same passion directed at our most precious and sustainable resources. The students who today are preparing to enter the world of work represent the future of our economy and our society as a whole. It's my fondest hope that—working together— industry, government, educational institutions and civil society can come together for the benefit of those students...and for the future of our nation.

Once again, I want to thank you for inviting me to share ADM's views on the future of work and the labor challenges facing industry today. And I look forward to a series of productive and enlightening discussions with our panels later on. Thank you.

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