



## June 12, 2018 Podcast Transcript

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**Announcer:** Welcome to HII Talking Points, a Huntington Ingalls Industries podcast. Twice a quarter, we'll sit down with HII leaders to discuss topics of interest about company and industry.

**Phoebe Richards:** My name is Phoebe Richards and today I'm speaking with HII President and CEO, Mike Petters, about early childhood education. Mr. Petters, thanks for joining me today.

**Mike Petters:** You bet. Great to be back.

**Phoebe Richards:** So I know this is a topic that's close to your heart. You have dedicated much of your work to early childhood education and making it a priority among families and businesses in the U.S. So I'd like to talk about this pursuit and hear a little more about your thoughts on the topic and why it's so important to you, both as a citizen, and as an employer. So, with that, let's get started.

A big part of workforce development is the talent pipeline. We hear that a lot. Where do you see the beginning of the talent pipeline and how does early childhood education factor in?

**Mike Petters:** Well, thanks, Phoebe. I would say that wherever you are in your life you're the product of all of your previous experiences. When you're trying to get into a college, or you're trying to go to school somewhere, you can't go to 12th grade until you've gone through the first 11 grades and you've done all of the things that you need to do there. I frankly think that you can use the pipeline analogy to describe lots of things like that and certainly, the talent pipeline is an analogy that's used to describe how we prepare somebody to be ready to come into the workforce. I think it begins, frankly, after children are born. They start learning and they learn at very differing speeds driven a lot by the environment that they're in.

One of the things that I have discovered is that about 90 percent of your brain is developed by the time you are five.

**Phoebe Richards:** Wow.

**Mike Petters:** So if you don't think the pipeline for talent starts until you're a junior in high school, you've just missed out on 90 percent of your brain development, more than 90 percent of your brain development, and ten years of schooling. So for me, it seems that we ought to really be thinking about how do we take full advantage of that time when children are learning how to learn and they're learning to love learning. To me, that's a very powerful tool to have at your disposal as you go through life if you're someone that loves learning. You have increased your opportunity for success.

**Phoebe Richards:** So it sounds like it's pretty evident that early childhood education is important for these little brains forming, but despite the evident benefits of early childhood education programs, a surprisingly small number of children are actually enrolled in these programs in the U.S. So what does that mean for you as an employer?

**Mike Petters:** Well, I think employers... we're not going to employ somebody when they're five or six years old. We're going to employ them when they're 18 or 19 and quite frankly, we're going to be typically more thoughtful about the person that we're employing tomorrow than we might be about the folks we might employ 10 or 15 years from now. So a lot of the discussion around workforce development sort of focuses on how do you get folks who have high school diplomas the skill set they need to be productive at work. How do you take advantage of the school systems, the community colleges, those kinds of things? A lot of employers, most employers, kind of think of workforce development in that fashion, and we do too. You know, we have apprentice schools. We are partnered with community colleges. When you're the largest employer in two states and you have employees located around the world, attracting talent and transitioning them into the workforce in a very productive way quickly is a central competency of this corporation and we put a lot into that.

Having said that, we actually have a horizon that is further than most companies and if we – I just view that if we're not the ones thinking about the beginning of the pipeline then who would be. So I felt an obligation to point out that for all of the energy that you put into getting someone that last piece to go from high school to employee, or from community college to employee, or from college to employee, that's an expensive transition. For all of the money that you put into that you might be able to head some of that off and make it just a fraction of that if you are able to make some of that investment early in the process rather than late in the process. A company with a long horizon, like HII, has a responsibility I think in our society to stand up and say that that's important.

**Phoebe Richards:** Right. So in the past you've connected two seemingly unrelated things, early childhood education and national security. What is the relationship between these two?

**Mike Petters:** Well, I didn't come up with that. I confess that there was a study done back in the mid '80s that pointed out that; it was a federal study; it pointed out that our education system as it existed in the '80s was a significant disadvantage and actually I'm not sure, they might have used the words unilaterally disarming or something. It was very much no enemy could do as much damage to us as we were doing with our own education system.

Now, I think that was set up to try to create a lot of these reports. They'll take really important data and they'll try to use the data to put forth a set of solutions and certainly, this was trying to move forward on an education agenda. But I think there's some sense of that now. We live in a society today, thirty years later, that technology is not an advantage. Back in those days when we were doing all of the R&D for the world, we were kind of at the end of the cold war, the American century had kind of come to fruition, nobody was really challenging us from a security standpoint. Nobody could match the technology that was in our labs. Nobody could match the innovation that we were seeing. Nobody else has a Silicon Valley like we do.

I think that where we are today, 30 years later, is that all of those technological advantages, while we may still come up with them sometimes, the length of time before somebody else, one of our peer competitors, has that advantage or equalizes the playing field, levels the playing field, that is a lot shorter than it used to be. It used to be measured in years. Now it might be measured in months, or weeks, or days. So when you're in that kind of a competition that's sort of an all hands on deck competition.

I fundamentally believe that our society is actually principled in the way with protection of freedom and rights, to be in a place where we can be stronger than some of the other kinds of societies that have been suggested out there. But, if we are not able to get all hands on deck we may never get the chance to prove it. The Navy has been talking as recently as the past couple of months about if you take the population of the country today between the ages of 18 and 24 and you take out the people that do not have a high school diploma, and you take out the people that have a criminal record, and you take out the people that have some sort of physical fitness issue, you're left with 25 percent of that population between the ages of 18 and 24. That 25 percent is the population that the Navy has to recruit from, because they can't recruit from the other 75 percent. Those are the people that businesses want to recruit from too, and the question for our society, I think, is going to be what do we do about that other 75 percent? Are we just going to pay for them or are we going to try to find ways to solve that 75 percent challenge and drive it the other way?

I think there are probably lots of ideas out there, but I think that the way to solve those kinds of strategic, long-term challenges is start at the beginning and investment in early childhood education is going to have, my instinct tells me, that that's going to have a pretty high return on that investment and that's a way to start chipping away at that 75 percent, or increasing the 25 percent. In an environment where we're competing with peers, who have essentially the same technology that we have, we had better be thinking about how do we solve that problem.

**Phoebe Richards:** You've said in the past that education can change people's trajectories. Do you see education as a major change agent in your own life?

**Mike Petters:** Oh, without question. There was a point in time when I changed schools. I went from a school where it was in my hometown and it was a good school, but the question that I was always asked in that environment was, "Are you going to go on to college? Are you going to go to a community college? Are you going to do anything after high school?" My answer was, "I don't know."

I changed schools, by virtue of a scholarship, and the first day in the new school the question that was proposed by the principal of the school was, "Your job while you are with us for the next four years is to figure out where you're going to go to college."

Well, for someone at the beginning of ninth grade that's a complete change in reference frame. That was a change in the trajectory of my life. So I think creating access – I think we actually have a lot of people, all they want is opportunity and if there are ways that we can continue to create access for those folks, expand the access, then we have a chance. That's another way that we can chip away at the 75 percent.

**Phoebe Richards:** Speaking of expanding access, what are some things that HII does for the talent pipeline and to make education more accessible?

**Mike Petters:** Well, we have various scholarship programs that we have for our employees. Over the last couple of years we've given out a couple of hundred scholarships, I guess. We're unique in that not only do we do scholarships to four-year colleges. We do scholarships to junior colleges, or community colleges. But we've also created, and I think it's a one-of-a-kind program, to allow for parents of young children to get access for their children to preschools. I'm particularly proud of that, because when we first brought that up to the folks that do this, the scholarship people that do this, they kind of looked at us and said, "Nobody does that." So I was really proud that we were able to go and kind of get that started. That's just consistent with our world view, that, you know, you certainly have to be able to take care of your workforce development needs today, but a truly strategic company is going to be also thinking about its workforce development needs of the future.

**Phoebe Richards:** So looking towards the future, and kind of what you already mentioned, the HII Scholarship Fund does provide preschool kids with access to education that could change their lives. So where do you see those children in 20 or so years when they're entering the workforce for the first time?

**Mike Petters:** Well, my view is that they're not going to be in the 75 percent.

**Phoebe Richards:** Right.

**Mike Petters:** They're going to be in the 25 percent and they're going to be working with us in our society, maybe working in our company, but certainly working in our society to continue to try to change that 75 percent to something else.

**Phoebe Richards:** Great. Well, it's apparent you're very passionate about this topic. So, Mr. Petters, thank you for joining me today and sharing your thoughts on this issue.

**Mike Petters:** Well, thanks for giving me a chance.

**Introducer:** Thanks for listening to HII Talking Points. This podcast was produced by Huntington Ingalls Industries Corporate Communications Team. We welcome your feedback and ideas for future podcasts at [www.huntingtoningalls.com/podcasts](http://www.huntingtoningalls.com/podcasts). **Announcer:** Thanks for listening to HII Talking Points. This podcast was produced by Huntington Ingalls Industries' corporate communications team. We welcome your feedback and ideas for future podcasts at <http://www.huntingtoningalls.com/podcast>.

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