

House Committee on Education and Labor  
Subcommittee on Higher Education, Lifelong Learning and Competitiveness

Hearing on  
New Innovations and Best Practices under the Workforce Investment Act

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Written Testimony of  
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Mr. Chairman and respected members of the Committee, thank you for the opportunity to speak with you today. My name is David Berè. I am President and Chief Strategy Officer of Dollar General Corporation. Dollar General is the largest discount retailer in the United States by number of stores with more than 8,400 neighborhood stores located in 35 states. We are headquartered in Goodlettsville, Tennessee and employ more than 72,000 workers. As a large employer, we have a vested interest in ensuring that this country has a workforce that is prepared to meet the challenges of doing business in the 21<sup>st</sup> century.

**Dollar General's History with Adult Literacy**

Dollar General's history of supporting literacy dates back to 1939. Our co-founder, J.L. Turner, was functionally illiterate. He had to drop out of school in the third grade when his father was killed in an accident. As the oldest child in the family, he never had the opportunity to return to school. However, with hard work and

determination he started the Fortune 300 company we recognize today as Dollar General.

Dollar General is committed to supporting literacy, not only because of our founder's legacy, but also because of our commitment to meeting the basic needs of our customers and employees. Since 1994, we have donated more than \$33.4 million to nonprofit literacy efforts. We have helped more than 1.6 million adults receive basic education assistance and provided more than 50,000 literacy referrals to individuals who would like to learn to read, prepare for the GED or learn the English language. Dollar General also underwrote the work of the National Commission on Literacy, which released its findings and recommendations last June in a report titled, *Reach Higher America: Overcoming Crisis in the U.S. Workforce*. This report shows the connection between our country's global competitiveness and the need for a workforce that can read, write, do math, speak English, and use technology.

While we are proud of our investments in literacy and basic education, we recognize that the staggering number of adults in need of basic literacy and education assistance continues to grow. It will take the federal government, state governments and an increased awareness across the nation to initiate the tide of change needed to give back the American Dream to the American people and to those arriving in our country looking for opportunities to improve their lives.

### **Adult Education in the United States**

According to the National Assessment of Adult Literacy, 93 million adults in the United States – or roughly 30 percent of our nation's total population – read at the two lowest levels of literacy.

Unfortunately, we have become a society that is desensitized to numbers and statistics. So, I would like to put this statistic into context. According to the U.S. Census Bureau, 93 million exceeds the total population of the following states ***combined***:

- New York;
- Texas;
- Pennsylvania;
- Tennessee;
- Ohio;
- Delaware;
- Indiana; and
- Michigan<sup>i</sup>.

### **Impact on Business**

According to the Bureau of Labor Statistics, 63 percent of the 18.9 million new jobs created during the 2004 – 2014 period are projected to be filled by those with at least a bachelor’s degree. <sup>ii</sup>

According to the Employment and Training Administration’s report on *Why America Needs an Educated and Prepared Workforce*, 90 percent of the fastest growing jobs in the United States require some level of post-secondary education or training.<sup>iii</sup>

We live in the most powerful nation in the world, and yet one third of our population cannot read well enough to succeed in most work environments. <sup>iv</sup>

The National Center on Educational Quality of the Workforce estimates that literacy deficiencies result in an estimated \$60 billion loss in productivity in the United States annually.<sup>v</sup>

There are more than 150 million people in the US work force.<sup>vi</sup> While there is great need for support of K-12 programs, only two percent of the annual workforce will come from the current year's high school graduating class.<sup>vii</sup> Therefore, there is a great need to invest in the adults that are already in the workforce to maintain our global competitiveness and increase the employability of the current labor pool.

### **What does this mean to business?**

To maintain the United States' ability to compete globally, we must address the issue of adult literacy and basic education in our nation. We can no longer allow this silent epidemic to cripple our productivity and diminish our standing in the world's economy. The inability of so many of our adult citizens to read, write, speak English, and to perform other vital basic work and life tasks at a proficient level threatens the social fabric of our nation as well as the vibrancy of our local and national economies.

### **What does this mean to Dollar General?**

Dollar General employs more than 72,000 people across 35 states at our stores, distribution centers and corporate office. Despite the tough economic times, we are creating more than 4,000 new jobs this year and opening at least 450 stores in communities across the country.

Retail jobs are a great entry point into the workforce for many individuals. Through the retail experience, individuals learn basic business skills, customer service and technology skills that can help them transition into higher paying management positions within retail or transition to other sectors.

While retail is a great point of entry into the workforce, the evolution of the retail industry has necessitated that Dollar General and many other retailers require a

higher level of basic skills for entry-level workers. This is true at our neighborhood stores and in our distribution centers.

To meet the educational needs of our workforce, we have on-site GED classes and ESOL classes at our distribution centers. We offer a GED reimbursement program for full-time employees. Through a partnership with ProLiteracy, we offer a literacy and basic education referral program for employees and customers across our 35 state market area. That program, which we are very proud of, generates more than 6,000 referrals annually.

We recognize the value of incumbent worker training and are developing plans to expand and strengthen our training programs for lower skilled workers. We support training programs that are designed to increase productivity and the potential for company growth while increasing an employee's basic education, work skills, earnings potential and potential for upward mobility. Other companies support and provide similar programs. However, for a variety of reasons, businesses alone cannot tackle all the needs of incumbent workers. The cost of training and lost or delayed productivity can present challenges for businesses. Additionally, because individuals have different preferences in terms of where and how they want to receive instruction, it is difficult for a company like Dollar General to meet the needs of all of its workers who want to improve their literacy skills. To meet those critical needs, we need continued support from and partnership with federal and state governments. Therefore, we encourage and ask for your continued support of tax credits and incentives to encourage businesses to hire and invest in the professional development and basic skills of lower skilled workers.

We also need to increase access to programs for employees outside of the work environment. Entering a classroom for an adult learner can be intimidating. For matters of privacy and pride, some employees do not want to take classes on-site or in a setting with their peers. We understand and respect our employees' desire for confidentiality. Therefore, in those circumstances, we make every effort to refer

them to a local program to receive the assistance they need. When making outside referrals, we are challenged by access to instruction due to a waiting list or the absence of programs in rural markets for learners at all levels. Therefore, we ask for your continued support in increasing access for learners.

With increased funding for incumbent worker training programs and more parity in funding for community-based and institutional-sponsored programs, we can help resolve some of the challenges noted above.

Dollar General remains steadfast in our commitment to literacy. Our support for adult education will not waiver. Today, we extend our hand in partnership and hope that you will join us in expanding opportunities for adult learners across the nation.

## **Conclusion**

Winston Churchill once said, "It is no use saying, we are doing our best. You have got to succeed in doing what is necessary."

As you address this important issue, we ask that you help ensure that adult literacy is high on the national agenda and that you consider these four specific things.

1. We ask for the Committee's consideration of the recommendations presented by the National Commission on Adult Literacy in its report titled, *Reach Higher America: Overcoming Crisis in the U.S. Workforce*.
2. We ask that the Committee evaluate the funding sources for literacy and ensure that there is open dialogue between funding streams. We need to build strategic collaborations between and among government agencies and between those agencies and the private sector to ensure that we are working toward a common goal and strategically focusing funding efforts.

3. We ask the Committee to continue to support employment tax credits such as the Work Opportunities Tax Credit, the Welfare-to-Work Tax Credit and also incentives for Incumbent Worker Training Programs across the United States.
  
4. We ask the Committee to recognize the valuable role and increase support for community-based organizations that help adults at the lowest level of literacy receive the personalized instruction they need to increase their employability and advance to traditional Adult Basic Education programs.

Thank you for the opportunity to present this testimony and for your work in this area of critical importance to our country.

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<sup>i</sup> US Census Bureau, Population Finder

<sup>ii</sup> United States Department of Labor, Employment and Training Administration, *Why America Needs an Educated and Prepared Workforce*

<sup>iii</sup> United States Department of Labor, Employment and Training Administration, *Why America Needs an Educated and Prepared Workforce*

<sup>iv</sup> US Department of Education, Institute of Education Sciences, National Center for Education Statistics, 1992 National Adult Literacy Survey and 2003 National Assessment of Adult Literacy

<sup>v</sup> Policy Brief, The Working Poor Families Project: Strengthening State Policies for America's Working Poor;

<sup>vi</sup> Bureau of Labor Statistics, Employment Situation Summary, March 2009

<sup>vii</sup> Bureau of Labor Statistics, Economic News Release, College Enrollment and Work Activity of High School Graduates, 2008