Oral Statement 12/14/99

I want to thank the Chairman and the subcommittee for the opportunity to be here today. I am Bill Reed, President of the American Engineering Association. I am probably the only person on this panel who is not being paid to be here and I am sure I am the only person on this panel who gave up a days pay to be here.

The American Engineering Association was founded in 1979 on the premise that citizens should have the right of first refusal on jobs created in this country and has been involved in manpower issues since that time. AEA is a national, non-profit organization with members from virtually all disciplines of engineers, scientists, computer programmers and related occupations.

AEA is a professional organization as distinguished from a technical society. The dues and donations of individual members support AEA. The American Engineering Association does not accept corporate memberships and receives no federal funds. All AEA officials are volunteers.

The American Engineering Association is normally relegated to the roll of "token opposition" to the predetermined outcome of most hearings we are invited to. While I hope this is not true today, I must proceed as if it were.

Those who question the conventional wisdom of a crisis level shortage of technical workers and therefore the importing of more foreign workers have been called xenophobes, flat earth society members, raciest, anti-immigrant, nationalists, isolationists, and protectionist just to mention a few of the nicer things. None of these things are true.

We have been called all of these names, yet I have not heard of any one questioning our data.

The following items remind me of the little boy who cried wolf until one day there really was a wolf and no one would believe him. The problem here is everyone takes the word of the academics and industry leaders as the gospel. How could a lowly technical worker have any idea of what is good for the technical community or the nation?

Since the mid 1950's we have heard the stories of shortages of engineers and scientists.

We have the survey of the American Electronics Association, the National Science Foundation study, the Information Technology Association of America study, the Department of Commerce study which parroted the ITAA study, the ITAA Virginia Tech study and on and on. All of these studies have been debunked on various grounds.

Even the CNN financial show "Money Line" quoted the AEA report supporting the shortage stories in March of 1992 and less than a week later aired a report concerning the difficult time that years college grads were having finding a job. One of the groups highlighted as having the toughest time finding work was engineering,

The NSF is perhaps the most anti-engineer organization within the federal government. The May 12, 1986 issue of Electronic Engineering Times carried a story which makes the following statements**: "A high-ranking National Science Foundation official (Mr. Nam Suh) told engineering vice presidents here last week that America engineers are overpaid and less productive than their foreign counterparts."**

The article goes on to **state "When pressed later to clarify his remark, Suh said bluntly "Yes, I think American engineers are overpaid."** " Mr. Suh was the assistant director for engineering at NSF at the time.

The article continues **"In his speech,.....Suh said there is a shortage of engineers, a contention with which few engineering groups concur." "He told EE Times afterward. "We need to improve the quality of them and the number of them.""**

I believe the term "them" is very telling of the attitude of not just Mr. Suh, but the NSF. Engineers are not a "them" or a product to be bought, sold or traded. This attitude is not limited to the NSF, by the way, and will be found today in both government and industry.

My written testimony lists 15 categories of engineers and scientist from the BLS publication Occupational Outlook Handbook. Only three of the professions are listed as growing faster than average.

Seven of the categories either will grow more slowly than average or will decline in numbers between now and 2006.

The remaining five will grow only about as fast as all occupations.

Our analysis of salaries from 1983 to 1998 shows the salaries of IT professionals as being very flat. The chart is based on 1983 dollars. This is hardly indicative of a shortage situation.

There have been over thirteen million people with technical degrees over the last forty years. Only four million are currently employed in the technical professions. Wouldn't you think industry could find a few hundred thousand people our of the nine million?

Approximately 17% of the programmers over the age of 50 are unemployed in programming. Could any of these be used?

There are several million people with degrees in other fields which has computer training. Only about 35%, as I recall, of the current programmers have computer science degrees.

Why doesn't industry want to use the unused immigrant visas that are available each year?

Industry boasts of millions spent on retraining yet our analysis show that only amounts to about $100 per employee per year and there is no indication that all of that money went to technical training.

AEA believes any federal or state funds should be directed to small companies for on the job training" to be used only for citizens and permanent residents who are most vulnerable to layoffs.

Does my appearance here today help or hurt? I suppose that depends on where ones views lie.

I would urge the subcommittee to pay special attention the DSE curve, our salary curve as well as our Manpower Bulletins and one article at the end of my written testimony.