

education

POINT/COUNTERPOINT

by Bill Napier & Ed Tashjian

Is the state of our educational system a big problem for our industry? Ed and Bill debate the cogs that drive educational opportunities for students, retailers and manufacturers.

Editor's Note: Here's more from Furniture World's point/counterpoint duo Bill Napier and Ed Tashjian. This is their sixth installment, having previously debated celebrity licensing, digital advertising overload, the millennial myth, whether or not furniture brands matter, the future of furniture markets and the future of independent reps. See all of their commentary at <https://www.furninfo.com/Authors/List>.

POINT: Ed Tashjian

Are people entering the furniture industry better served earning a college or a vocational degree? Is the current state of our educational system a problem for our industry?

Investing in yourself is always a good idea. You simply need to be smart about how you go about it. But, besides food and shelter there's nothing more nurturing than an education.

My colleague Bill Napier will argue that the \$1.5T in student debt is reckless, irresponsible and that most Americans would be far better served in earning a vocational degree. He will cite statistics that about 44 million graduates hold student debt, and today's graduates leave school holding promissory notes worth an average of \$37,000. He will tell you that student debt has more than tripled since 2004, reaching \$1.52 trillion—second only to mortgage debt in the U.S. College costs have outpaced the Consumer Price Index more than four-fold since 1985 and that college debt delays buying a house, getting married, having children and saving for retirement. And all of this is true.

College vs. Vocational

The question we are debating is whether people entering the furniture industry are better served earning a college degree or a

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- Bill Napier

vocational degree. As an adjunct college professor, I have experienced students who are not getting a good value for their money. Indeed, most colleges are businesses, and the administration is often more interested in cash flow than education. And, on the surface, some majors seem highly impractical—such as sports

marketing, art history or women's studies. The argument is that you would be better off to learn a trade like plumbing, welding or even upholstery. I will tell you from experience that every decent college professor cares deeply and is often at odds with administrators. I will also tell you that it is not the major, but rather the student that determines the value of the education. Students that are not ready for higher education, should take a gap year and find themselves. But everyone deserves the chance to get an education, and our country does depend on having an educated electorate.

Are We Lagging Behind?

Everybody seems to make a big deal out of the fact that the United States is behind other countries in math and science. This is highly misleading, because the way these statistics are calculated is with averages. In America, nearly everyone has access to an education, which is not true in most

of the world. A larger sample size almost always has a lower average. And I will argue, that what makes America great, is that we are a melting pot of the best and brightest who have emigrated here. Nearly everyone would rather be educated in United States.

It is my belief that you don't go to college to learn a profession, or even what is euphemized as "career focused outcomes." When I was 18, I had no idea what I wanted to do with my life and a career in home furnishings never crossed my mind. I don't think I'm unusual. The importance of a liberal arts education is about the pursuit of knowledge for its own sake. It teaches critical thinking, communication (reading, writing and making a presentation), problem-solving, self-expression—and most important of all, a love of lifelong learning. It allows you to explore your interests, learn different points of view and be exposed to people who come from different places and have had different experiences.

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Stem for Everyone?

The idea that everyone needs to get a degree in STEM is hogwash. Not everyone has an interest, inclination or aptitude. Our goal in life should be to become the best version of ourselves, just like the goal of an acorn should be to become a majestic oak. All the effort or best intentions in the world will not make it a coconut tree. Anyone who has ever coached his child through the college application process knows how random it is, and as much as many cultures hope their child will grow up to be a doctor, lawyer or engineer, what they want most of all is for their kids to be happy. And you can't be truly happy without doing something for which you have a passion, and some talent, that the world needs, and is willing to pay you to do.

The Cost

But, is it worth going into debt to get an education? It depends. It is always worth going into debt to buy something of an increasing value for which you can't afford to pay cash. Nearly every furniture manufacturer or retailer has debt. We buy our houses with debt. We finance our government with debt. Obviously, one needs to be sensible about the debt they incur. I will be the first to proclaim that there are many glorified loan sharks disguised as purveyors of higher education that do not have students' best interests at heart. But that should not discourage anyone from getting an education.

Hiring the Best

For entry level jobs, I would always rather hire a curious and educated generalist than a specialist. Over my 45-year career,

I have worked in many different places. Each has its own culture and its own way of doing things. When young people enter the furniture industry in manufacturing or retailing, they know hardly anything of practical use. What they have learned or believe they know is mostly wrong and needs to be relearned. It is incumbent on any company in our business to take on the job training and continuing education seriously.

The Future of Work

There is dignity in all forms of work, and I admire and respect the sewers, upholsterers and skilled workers who can create

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all sorts of furniture. But truthfully, in our lifetime, these are probably dead-end jobs. They will be replaced by robots or cheap labor from another part of the world. We have already seen this happen in case goods, and the only reason it doesn't happen in upholstery is because of shipping inefficiencies. All this will change in the next decade with flat pack upholstery that will make the cube to value ratio similar to case-goods.

Two Anecdotes

The world's first computer was a weaving machine. The eponym Jacquard is named for Joseph-Marie Jacquard the inventor of the programmable loom that played an important role not only in the textile industry, but also in the development of other programmable machines. Let's say that sometime after 1804, you were employed as an artisan weaver, and that you learned how to use a handloom at a vocational school or as an apprentice. Most

likely, the industrial revolution was a bad time for you because machines were introduced that could do your job better, faster and cheaper. Any American who built casegoods at the turn of the 20th century saw history repeat itself.

This leads me to a second anecdote: It's an urban legend about the etymology of the word sabotage, which ironically is closely related. Sabot is the French word for shoe, which in those days were wooden. The story goes that when management wasn't looking, the artisans would stick their sturdy wooden shoes, lodging them in the delicate wooden cogs of the weaving machines, which would cause the spines of the cogs to break, and the artisan bought a few more weeks of work until they could be replaced.

But in the end, the machines and the educated engineers who build them always win, just as surely as the American folk hero John Henry "the steel driving man" was beaten by the steam-powered machine.

Caveat Emptor

Like any other purchase, in education, caveat emptor is in order. There are many ways to get an inexpensive education. Our community colleges and state schools are a tremendous value. But the best value of all is the Internet, which is practically free. Our current education system is flawed, based on an antiquated rhythm

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centered around the agricultural farming calendar. The reason we have a summer vacation is so that the boys could come home to work the fields. But that is no reason to throw out the baby with the bathwater.

In our pockets we hold a smartphone which is more powerful than computers that put a man on the moon 50 years ago. Mobile access democratizes knowledge so that someone living in a hut in Haiti has incredible access to knowledge. Between Siri and Alexa we don't even need to go to the trouble of typing in a search query.

In the end, the best teachers teach us how to teach ourselves. But it all depends on a student's level of curiosity. He or she can use internet access to learn the wisdom of ancient minds, or post pictures of their cat.

What This Industry Needs

Bill will argue that Ashley is investing in its people and its future. Yep, Ashley is a remarkable company with remarkable leadership. One needs only look at its growth and market domination to see it is truly a great company. They have created thousands of jobs, made many rich, and enriched the homes of America with quality furniture at a fair price. But who are we

kidding? It is more a marketing success than a STEM success. Innovative franchising, low pricing, and great marketing is what drove its growth. At the same time, old-world furniture companies were asleep at the switch, doing the same things in the same ways. A combination of massive foreign investment and subsidies, currency fixing, and superior supply chain logistics killed them. No matter how strong a brand is, it cannot make up for something that is nearly as good for 40% less. You wouldn't learn that from studying STEM, or from being part of the historic furniture manufacturing culture. You learn that from common sense and critical thinking.

What this industry needs more of is smart, curious and motivated spirits. We do not need more human robots. In the words of the ancient Chinese philosopher Lao

Tse, "those who labor with their minds will always rule those who labor with their backs."

COUNTERPOINT: Bill Napier

Before I get to my RANT, let me state unequivocally that there are many great colleges and universities that offer great fields of study, leading to fulfilling careers.

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and brands should take a close look at what Ashley does, both internally and in the communities where they do business." - Bill Napier

I know this because my daughter graduated with a major in computer software design and a minor in hardware design. She's an executive in Silicon Valley. The journey was VERY expensive and as of three months ago, paid for in full.

But to Ed's point, let's look back to the book: *The Furniture Wars* and how America lost a 50 billion dollar industry, written by Michael Dugan in 2009. I wrote about this incredible case study in March 2017 on my marketing website, www.social4retail.com and much of what I RANTED about, still holds true.

Where Did We Go Wrong?

As it pertains to our educational system, all you need to do is watch and listen to what's happening in our society today, heavily influenced by what is taught, and what is NOT taught in most of our institutions. Intelligent platforms like:

- *Free education for all.*
- *Free medical for all.*
- *Free jobs for all.*
- *Free housing for all.*
- *Safe spaces – OMG what is that?*
- *And so, on.*

Our educational system is failing everyone. It has permeated a belief that "People can think themselves into acting" when in fact, all that matters is "acting yourself into thinking!" A degree in "feelings" delivers no economic impact or value, except maybe to the person that spent tens of thousands for that degree.

In Dugan's book, he relates how industry outsiders thought they could take over the industry, grow it with marketing, without any knowledge or experience as to how furniture was designed,

manufactured and delivered. They chose to ignore STEM-based educational platforms that drive the basics of our industry. They failed miserably because they diverted financial and intellectual resources to the emotions of marketing instead of making investments in manufacturing and technology. And, it is interesting that even today our industry doesn't invest in manufacturing and technology. Instead, most outsource their furnishings products from Asia. Why? Because they have invested in STEM!.

Is the U.S. Lagging Behind?

Research shows that the U.S. has 12.75 million manufacturing jobs, according to the Bureau of Labor Statistics, employing approximately 8.5 percent of the workforce. Manufacturing jobs pay an average of 12 percent more than all other jobs. In 2017, the average was \$84,832 per worker, including benefits. That's \$40.79 per hour. That's roughly 27 percent more than average workers, who earned \$66,847 annually.

Yet, 89 percent of manufacturers are leaving jobs unfilled. They

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can't find qualified applicants, according to a 2018 Deloitte Institute report. The skills gap could leave 2.4 million vacant positions between 2018 and 2028. That could cost the industry \$454 billion in 2028.

What Ed neglected to state is that of the \$1.5 trillion of debt, much of this is in either default, over 90 days, in forbearance, deferment or in a grace period, before it enters negative collection territory.

- *Loans in deferment: \$124.3 billion, 3.7 million borrowers.*
- *Loans in forbearance: \$111.1 billion, 2.6 million borrowers.*
- *Loans in default: \$101.4 billion, 5.1 million borrowers.*
- *Loans in grace period: \$43.9 billion, 1.7 million borrowers.*

Additionally, let's look at where we stand educationally, worldwide. The latest findings from the Pew Research Center have the U.S. in 38th place out of 71 countries when it comes to math scores and 24th place when it comes to science. AND the cost for a college degree has grown. OUCH!

This is because our educational system is failing, failing to teach the basics of reading, writing,

science and math. Those four basic elements make our world go around.

The Cost

Think about these statistics since 1998:

- *The average tuition and fees at private national universities have jumped 168 percent.*
- *Out-of-state tuition and fees at public national universities have risen 200 percent.*
- *In-state tuition and fees at public national universities have grown the most, increasing 243 percent.*

And for what? Because it's easy to get free money/loans, but it's not so easy to pay them back if a degree doesn't result in a sufficient salary to service the debt (I mean "investment").

As it pertains to STEM, here's one statistic that is interesting:

The Bureau of Labor Statistics projects that by 2020, there will be 1.4 million computer-science-related jobs available and only 400,000 computer science graduates with the skills needed to apply for those jobs. Further, Information Technology (IT) workers have been estimated to earn

74 percent more than the average worker.

Before I RANT about what we can do and what one company is doing, let this statistic set in:

The share of American young adults living with their parents is the highest in 75 years.

According to a new survey from Zillow Group Inc. (ZG-Get Report), approximately 22.5 percent of millennials ages 24 through 36 are living at home with their moms or both parents. That's up nine percentage points since 2005 and the most in any year in the past decade. That is over 17,000,000! I blame education propaganda stating that a degree

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in any field of study is critical for a young person's future, the lack of content in our so-called educational systems, and especially the high cost of getting an education.

I could RANT on and on about these failures, yet I don't want to denigrate those people Ed mentioned that are truly dedicated to their educational professions.

Stem for Everyone?

The problem as I see it is that the U.S. furnishings industry sits idly by as we watch countries like China, Vietnam and 30+ other countries excel with STEM, while we do nothing. That is except for one company I know of, Ashley Furniture Industries, Inc.

Ashley, being the world's largest furniture manufacturer knows that STEM is critical to its success today and even more for its future. They constantly invest in new technologies, machinery, robotics and more. Ashley knows that their investments in the U.S. will require skilled operators and managers, and they're doing something about it, as you should you as a manufacturer or retailer.

Ashley is investing millions of dollars to expose students as young as sixth graders to STEM, even building out one of their tractor trailers with a full-blown

STEM laboratory that visits local school districts, allowing kids to explore, get school credit for their learning experiences, and find out about career opportunities with STEM.

Ashley has developed several partnerships with K-12 as well as post-secondary schools over the past five years. They have invested in STEM-based learning opportunities and scholarships, providing students with exposure to technical trades and career opportunities, instructor training, and robotics programs. As manufacturing continues to advance and the global economy evolves, training and educating the current and future U.S. workforce will be a crucial part of our country's success.

Some media outlets promote the idea that robotics will take away jobs, but someone must design, manage, fix and maintain these systems, and it won't be someone with a degree in philosophy. It will be someone with a STEM background.

Today, everyone expects an entry-level job should pay \$15+ per hour. These were the kinds of jobs that were once stepping stones for high school and younger people to learn how to show up for work, understand basic working environments, and

prepare them for future work opportunities. Now, these jobs are being justified as a working wage life career. REALLY? This is a de-facto dumbing down of people's aspirations that plays into a narrative advanced by a privileged, educated class that a blue-collar career choice based on STEM learning is not to be respected or considered. That concerns me.

On LinkedIn I continually see posts about "Investing in your people" to the point of extreme redundancy, but in fact, that is exactly what we must do as retailers and manufacturers. Ashley invests over \$20 million per year in continuous improvement, and that's a statement on how and why they are and will remain the largest furniture company in the world.

What This Industry Needs

Retailers and brands should take a close look at what Ashley does, both internally and in the communities where they do business. They invest in their people with tuition reimbursements and scholarship programs for their employee's children. They send their leaders into communities to speak on issues relevant to STEM education, and so much more.

Ashley innovates and never gets comfortable with the status-quo that has become the norm for many manufacturers and retailers. They focus on continuous improvement in people, processes, community, technology, and education. Every company could use this model to attract, retain employees and improve their business today and into the future. The alternative is to ignore these types of commitments and quickly become irrelevant like many of the iconic brands and retailers that are extinct today. If you can't figure that out, call or email me and I'll enlighten you further.

About Ed Tashjian: *Tashjian Marketing provides senior marketing leadership to the Home Furnishings Industry. It specializes in business analytics and in helping its clients to segment the*

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market, define and communicate a sustainable differentiated value proposition. Get more information at www.Tashjianmarketing.com or call Ed at (828) 855-0100.

About Bill Napier: *Bill is Managing Partner of Napier Marketing Group. He has been the chief marketing officer of several small, medium and large companies throughout his career, most notably Ashley Furniture Industries.*

Bill is also a featured writer and speaker in the retail industry. His passion is to help retail brands & brick mortar retailers grow their businesses by creating, guiding

and deploying successful marketing B2B/B2C solutions integrating traditional marketing with the web/social media. He has demonstrated this with his FREE website www.social4retail.com with hundreds of articles and "how-to" strategies for retailers and brands. Reach Bill at: billnapier@napiermkt.com or 612-217-1297.

See all of Bill and Ed's commentaries at <https://www.furninfo.com/Authors/List>.

