



**Pennsylvania
Business
Council**

Pennsylvania Business Council

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Statement of David W. Patti President & CEO, Pennsylvania Business Council Industry Partnerships

Good morning. I am David Patti, the President and CEO of the Pennsylvania Business Council. I appreciate the opportunity to join Senator Mike Brubaker and our other distinguished advocates in support of legislation to make permanent, Pennsylvania's innovative and effective industry partnership program.

The Pennsylvania Business Council envisions a Commonwealth in which residents enjoy a very high quality of life in sustainable communities, where those who are seeking employment find high quality jobs with good compensation, and where those who invest their capital and hard work can grow firms that flourish and are profitable.

Personally, I have been working on topics of education and workforce development since Governor Thornburgh's Administration. Currently, it is my pleasure to serve on the Pennsylvania Workforce Investment Board as an appointee of Governor Rendell.

The members of the Pennsylvania Business Council believe improving Pennsylvania's education and job readiness programs are essential steps to make Pennsylvania more competitive and more able to retain and attract family sustaining employment opportunities. Workforce development is a major area of interest and concern for the nearly 50 senior executives of Pennsylvania's largest firms who make up our Policy Roundtable.

A few weeks ago, it was my pleasure to testify before the Senate Education Committee at a public hearing in Latrobe. That hearing addressed issues of college and career readiness. College education – especially the graduation of young people with degrees in science, technology, engineering and math – is vitally important to American competitiveness. But as I testified in Latrobe and will stress here today – college is not the only avenue to individual success and is one of several pathways Pennsylvania must take to be economically successful in the global marketplace.

In the 21st Century economy, about one quarter of all careers require a four-year college education or greater for entry and success. About half of all careers require an education or training level beyond the traditional high school curriculum, but less than a four-year college education. And, in today's world – and I do want to stress the increasingly global nature of the economy – only about one quarter of careers and jobs are available to a person without skills and education at a high school level or less.

According to the US Census Bureau, about 22 percent of Pennsylvania's entire population has a four-year college degree or more. When you limit this to the working age population, the percentage increases (older Pennsylvanians are less likely to have a college education) and we have – on average – the right number of people with a higher education to meet job vacancies. Of course, in some specialties and areas of study, there may be a shortage.

Unfortunately, the good news ends here. Only about one quarter of Pennsylvania's population has education and/or skills training at a level between high school and a four-year college degree. This means Pennsylvania's workforce has a severe shortage of skilled labor. This is a hindrance to economic growth in the Commonwealth.

Worse, the remaining half of Pennsylvania's population is unskilled. Since these individuals are qualified for only about one quarter of all jobs—the lowest paying jobs in the workforce – there are two applicants for each unskilled position driving wages and benefits for these positions even lower.

John W. Gardner wrote, “The society which scorns excellence in plumbing as a humble activity and tolerates shoddiness in philosophy because it is an exalted activity will have neither good plumbing nor good philosophy...neither its pipes nor its theories will hold water.”

The global marketplace requires skills – “head skills” to be sure, but also “hand skills.” For every scientist, engineer, and chemist we need scores of lab techs and operators. For every corporate executive and factory manager we need dozens of electricians, machinists, carpenters, mechanics, welders, and yes, plumbers. In today's information-dependent economy add to the list web designers, server-farm administrators, webcasters, and digital recording specialists.

Pennsylvania employers generally can find the degreed professionals they need. It's the skilled workers and artisans that are in short supply and who often earn the surprisingly larger salaries in safe, rewarding and very satisfying careers.

Pennsylvania must prepare our young people, and our incumbent workers, to pursue the American Dream in any form. I am happy to report that the state is already doing some very good things in this area. Very importantly, the efforts have been bipartisan and have transcended gubernatorial administrations. There is a good deal of commonality in the Corbett and Onorato policy positions when it comes to job training and I look forward to a strong partnership between the legislature and next governor to strengthen our job readiness capacity.

Industry partnerships are one very important tool in our workforce development portfolio; and are an initiative embraced by both candidates for governor. Industry Partnerships or IPs are multi-employer collaborative efforts that bring together management and labor around the common purpose of improving the competitiveness of a cluster of companies or organizations producing similar products or services and sharing similar supply chains,

critical human resource needs, infrastructure requirements, business services, and/or retention/recruitment challenges.

Industry Partnerships are employer driven. The initiative began in the Schweiker Administration and expanded in the Rendell Administration. Since the inception of the initiative, more than 6,300 employers have been involved and more than 73,000 workers have been trained. The industries that have participated in the program are very varied and the geographic areas served span the Commonwealth.

This is a record of success we can all celebrate!

I am happy to join my colleagues here today in an effort to win passage of legislation that will make permanent industry partnerships in the Commonwealth.

Thank you.