

PENNSYLVANIA CAN GROW THE ECONOMY BY STRENGTHENING THE WORKFORCE.

The foundation of the economy is people working. To grow the economy Pennsylvania can strengthen the work force by training youth, adults, and untapped populations who are held back by barriers. Lawmakers can focus on policies that are pro-growth, pro-business, and pro-jobs. Pennsylvania has all of the essential ingredients – a prime location, abundant energy, water and natural resources, and excellent institutions of higher learning – to attract and retain young families who can fill the workforce pipeline.

PENNSYLVANIA'S LONG-TERM DEMOGRAPHIC TRENDS

Pennsylvania's labor pool is shrinking while its population ages.

The commonwealth has been losing residents to net outmigration (*more people leave PA than move in*) for years. The Pennsylvania Independent Fiscal Office (IFO) forecast in October 2021 that, due to outmigration and an aging population, the state will lose another 250,000 working-age residents by 2025.

WORKFORCE

MBA membership is composed of small and medium-sized manufacturers, service, and commercial businesses. Workforce was tied with the cost of health insurance as the number one issue in MBA's 2022 Government Affairs Survey.

Workforce was the number one issue for the past two years at the Business Issues Forum at CNX Resources. Roundtable discussions took place with businesses ranging in size from very large gas and oil corporations to smaller service and manufacturing firms.

While youth are sought after for training, what's needed is to get all potential employees – both young and old – off of the sidelines and into the workforce pipeline.

- Invest more in trade, technical, vo-tech schools and other types of training programs needed to provide current and potential workers with the skills needed by employers.
- Expanding access to advanced industry careers may fill some gaps now and in the future. Technologies are needed for manufacturing.
- Invest more in opportunities to upskill incumbent workers and train older workers for new careers.
- Incentivize those on the sidelines to transition back in by policies that encourage workforce participation, or alternatively, policies that do not discourage it.
- Some people choose to work in the cash-only, underground economy and continue to collect benefits.
- Some people misuse the Unemployment Compensation (UC) system. Increasing the requirements to collect and maintain UC can be addressed.

**Comments from testifiers, PA House Republican Policy Hearing, “Developing Our Workforce,”
2/2/23, Cranberry Township**

- *A general manager of a restaurant said they have been in business for 40 years and have never seen staffing issues like this. They pay a competitive wage, offer signing bonuses up to \$5,000, and still cannot find staff. At times he has had 50 interviews scheduled over 3-4 weeks and not one person showed up. When someone does show up, often they have no experience, no steady ride, do not want to work the available shifts or want to be paid in cash. The result, he is operating with only 66% of his normal staff level, is closed one day per week and restaurant hours have been reduced. He would like to employ immigrants but often they do not have proper documentation and work visas. Transportation is also a huge problem. Potential employees in Beaver and Allegheny County can't get to Cranberry. There is no public transportation to get them back and forth.*
- *The Executive Director, Builders Guild of Western PA, is also the Executive Director, of Pittsburgh Works Together, a labor-business-workforce alliance focused on economic development and creating a diverse portfolio of jobs in the region. He noted his members face workforce challenges every day. Literally thousands of good paying positions go unfilled in the construction, manufacturing, utility, and energy industries. Lack of transportation was cited as a huge barrier to employment. A worker must have a vehicle because in construction a worker can be in Cranberry for two weeks and Canonsburg for four weeks. When he tries to recruit minorities, many times they have no driver's license and no car.*