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Message from Pennsylvania Chamber
President, Gene Barr

Dear Pennsylvania Chamber Member,

2018 was a good year for Pennsylvania employers. After years of sub-par economic performance following the Great Recession, months of higher than expected revenue returns and a sense of optimism culminating from the sweeping federal tax reforms of late 2017 created a long overdue boost to the economy. Largely because of these improvements the 2018-19 budget was signed on time. While the PA Chamber celebrated Pennsylvania’s surge in economic growth, we maintained our commitment to ensuring that the business community wasn’t saddled with new taxes in the 2018-19 budget. We also advanced several items on our legislative agenda that maximized Pennsylvania’s assets and are helping to set us apart as the best place to live, work and raise a family.

At the close of the year, the 2017-18 legislative session came to end. The PA Chamber defeated numerous punitive proposals during the course of the two-year session that would have cost employers an additional $2 billion. We were able to show that the multitude of proposed consumer and industry related tax increases on hotels, insurance, storage, technology, utilities and gas drilling were harmful to the economic growth of the Commonwealth. We also secured the enactment of a workers’ compensation fix that will save employers up to $300 million a year and corporate tax reforms that are making Pennsylvania more competitive (including increasing the cap on Net Operating Losses and bonus depreciation legislation).

Throughout the 2018 elections, the PA Chamber also worked to ensure that candidates who have a track record of or are receptive to supporting job creation were elected to public office. As part of these efforts, we implemented a strategic Independent Expenditure campaign that focused on select House and Senate races. Through our political arm, ChamberPAC, we also hosted a number of successful events throughout the year to help benefit the candidates we believe are the best representatives for the Commonwealth’s broad-based business community.

Embracing workforce as a cornerstone of the PA Chamber’s mission couldn’t have come at a better time, as for the first time ever our 28th Annual Economic Survey (which was conducted in August 2018) showed that employers listed difficulty finding qualified candidates as the leading issue that keeps them up at night. We were part of a coalition that successfully advocated for the passage of the “Clean Slate” law. The first of its kind in the country, this law helps to address the Commonwealth’s workforce needs by enhancing employment opportunities for those individuals who have learned from past run-ins with the law. We were also proud to have continued our work with the mikeroweWORKS Foundation by awarding our second round of Work Ethic Scholarships in fall 2018 to a number of deserving skilled trade students from all
walks of life. Thanks to the generosity of various company donors, we provided close to $103,000 to 25 scholarship earners in 2018 and hope to continue this trend for many years to come.

We also continue to excel in and expand upon the myriad of services we offer to our broad-based membership. From events that include our popular Gettysburg Leadership Program to our Spring and Fall HR Conferences, IT and OSHA Roundtables, our continuously growing list of events are developed based on the issues that are currently impacting the business community.

2018 saw the results of a wide-ranging member satisfaction survey that were very positive and reflective of the valued relationship established with member businesses. With lobbying/advocacy cited as the #1 reason for membership (beyond general support for the business community), 9 out of 10 survey respondents indicated they were likely to renew their membership in the PA Chamber. Survey respondents listed these PA Chamber action/programs in the order of importance: Lobbying/Advocacy, Networking, Business Development and Compliance Education. We also welcomed new talent to our membership team in 2018 and are geared up to take the PA Chamber to new heights in the years to come.

As one of the largest health care buying coalitions in the state, PA Chamber Insurance continues to explore and implement new features and employee benefit options for business owners in Pennsylvania. Our Benefits Consortium self-insurance program continues to grow in popularity among small and mid-size companies as a way to manage their increasing healthcare costs. Member companies and customers participating in the Consortium are seeing the benefits of increased savings on premium costs, transparency with claims utilization and more year-to-year control over increasing rates. The program has maintained 99 percent retention since its inception, and over the past two years the Benefits Consortium self-insured program has saved our customers more than $2 million.

Thank you for working with us to achieve great things on behalf of Pennsylvania’s job creators. As always, we welcome your feedback on the many ways in which we are working to advocate for and educate the state’s employers. We look forward to all we can accomplish together in 2019 and beyond.

Sincerely,

Gene Barr, President & CEO
Pennsylvania Chamber of Business and Industry
Our Mission:
To be the Statewide Voice of Business™, advocate for job creation and lead Pennsylvania to greater prosperity for its residents.

Our Vision:
To create a Pennsylvania where employers are attracted to invest and grow, families thrive and young people receive an education that prepares them to be productive and civically engaged members of the community.
Membership

Membership Survey
The Pennsylvania Chamber conducted a Membership Satisfaction Survey in October and November 2018 through Susquehanna Polling and Research, a Harrisburg-based public opinion polling company. A cross section of members representing companies from sole proprietorships to those with more than 5,000 employees, and from each major industry sector were asked 35 questions in the online survey.

Overall the results were very positive and reflective of the valued relationship established with member businesses. Aside from general support for the business community, lobbying/advocacy was cited as the #1 reason for membership. Members’ top issues: Workforce Development/Labor Shortage; Regulatory Environment; Healthcare Costs; and Taxes. Among survey respondents, 9 out of 10 indicated they were likely to renew their membership in the PA Chamber, a very strong retention rate. Survey respondents listed these PA Chamber action/programs in the order of importance to their companies: Lobbying/Advocacy, Networking, Business Development and Compliance Education.

State Chamber of the Year Award
To highlight best practices among state chambers and to provide recognition to Council of State Chambers’ (COSC) members and their leaders who have distinguished themselves by providing exceptional services and results for their members, each year COSC honors a state chamber with the State Chamber of the Year (SCOTY) Award.

State chambers that apply for the award, highlighting one or more of the following areas of achievement:
- Public policy
- Political engagement
- Membership & development
- Organizational development
- Communications
- Membership services

The purpose of the annual State Chamber of the Year award is to bring attention to innovative initiatives and best practices that advance state chambers’ mission and work and to provide deserved recognition to state chambers and their leaders who have distinguished themselves by providing exceptional services and results for their members. The Pennsylvania Chamber was a 2017 finalist and achieved first runner up.

Award from the Association of State Chamber Professionals
Each year the Association of State Chamber Professionals (ASCP) recognizes those state chambers of commerce that have excelled in the areas of membership growth, membership retention, and non-dues revenue. Among state chambers from across the U.S., the PA Chamber received the second place award for the Greatest Retention in number of members. ASCP is the professional society of the top membership, marketing, and communications professionals from state chambers of commerce from across the country.

Have a Bigger Voice

Investor Membership: The most dedicated and prestigious level of membership for member businesses
The Investor Member program, created in 2003, allows for company representatives to engage with Chamber leadership, board members, elected officials as well as business and industry professionals to contribute to the shaping of public policy that helps grow jobs and attract future investment in Pennsylvania. Investor Member companies also maximize exclusive and unique opportunities for business development and networking to support their organizations’ growth goals. PA Chamber Investor Members are a committed group of companies dedicated to investing in the future of their own businesses, as well as the economic future of the Commonwealth. The PA Chamber Investor Members initiative includes approximately 230 companies across Pennsylvania and the nation.
Investor Members joined the PA Chamber and legislative leaders at several events throughout 2018 including:

- Government Affairs Roundtables at the Pennsylvania Chamber headquarters
- Investor member receptions and networking events in Philadelphia and Pittsburgh
- Investor reception at the Governor’s residence in Harrisburg
- Chairman’s reception at the 2018 Annual Chamber Dinner in Hershey

**Policy Roundtable: Taking your membership to a higher level**

A unique and exclusive membership for presidents (or the senior Pennsylvania executive in a firm headquartered out-of-state), CEOs, COOs, CFOs and corporate chairpersons, the Policy Roundtable is a forum in which corporate officers meet on a peer-to-peer basis to formulate public policy proposals to the most pressing issues of competitiveness.

The Policy Roundtable provides senior executives the opportunity to:

- Develop the Pennsylvania Chamber’s long-term public policy strategy and guide public policy development
- Participate in in-depth policy evaluations with other Policy Roundtable members in exclusive forums throughout the state with leading national industry experts, business groups and think tanks
- Interact extensively with the state’s public officials and senior policymakers, policy experts, media and other stakeholders
- Participate in select meetings with federal and state lawmakers, members of the Governor’s Cabinet and other state officials to discuss current challenges and legislation
- Receive insightful legislative and political updates from Pennsylvania Chamber President and CEO Gene Barr and Vice President of Government Affairs Sam Denisco.

**Policy Roundtable In Washington D.C.**

For their October meeting, members of the PA Chamber’s Policy Roundtable met with leaders and policy experts from the U.S. Chamber of Commerce and the Business Roundtable in Washington D.C. U.S. Chamber of Commerce senior executives gave a political update and described the U.S. Chamber’s federal and state efforts on legal reform as well as their position on Trade Policy, including a discussion of NAFTA. Global Energy Institute executives discussed energy policy, including the roles of the U.S. and Pennsylvania in the global energy market. Business Roundtable executives discussed their policy agenda for 2019, and offered predictions for the general election. In addition, they provided an update on their legislative efforts, including issue campaigns and advocacy, highlighting their work on tax reform, workforce development and education. PA Chamber president and CEO Gene Barr provided a legislative update on state issues and led a Policy Roundtable discussion.

The PA Chamber is honored to have the following companies serve on the Policy Roundtable:

- Air Products and Chemicals, Inc.
- Allegheny Technologies Incorporated
- AmeriHealth Caritas
- Aqua Pennsylvania Inc.
- B. Braun Medical, Inc.
- Buchanan Ingersoll & Rooney PC
- Capital BlueCross
- Clements Associates, Inc.
- Columbia Gas of PA, Inc.
- Crayola, LLC
- Customers Bank
- Duquesne Light Company
- Energy Transfer
- EQT Corporation
- First National Bank of Pennsylvania
- Gannett Fleming, Inc.
- Highmark Inc.
- Johnson Matthey Inc.
- Lockton Companies
- PA American Water Company
- PA Manufacturers’ Association
- PECO Energy
- Pixelle Specialty Solutions
- Range Resources - Appalachia, LLC
- Reclamere, Inc.
- The Glatfelter Agency
- The PNC Financial Services Group
- UGI Utilities, Inc.
- UPMC Life Changing Medicine
- Verizon Communications
PA Chamber Membership
As of year’s end 2018, PA Chamber membership totaled approximately 10,000 business members, including Local Chamber Cooperative Program members.

The Local Chamber Cooperative Program
Introduced in 2013, the Local Chamber Cooperative Program gives our local chamber partners the ability to offer their member companies with 10 and fewer employees a free membership with the Pennsylvania Chamber of Business and Industry.

This program not only enhances membership benefits for the local chamber partners, it enables the PA Chamber to build even stronger grassroots advocacy efforts with active smaller businesses. These members, as part of the Statewide Voice of Business™, receive:

- Information on legislation and advocacy efforts that affect their business
- Action alerts on pressing, key issues
- Grassroots involvement with the PA Chamber’s Government Affairs lobbying team
- Discounted, members-only pricing on the PA Chamber’s renowned educational and compliance programs and publications
- Monthly newsletter, Small Business — Big Voice, featuring articles and information on advocacy issues and efforts affecting their business
- Increased visibility in the marketplace and in the state legislature

As of the end of 2018, this highly successful program has added approximately 7,000 members to the PA Chamber and included 25 local chambers as partners in the program:

- African American Chamber of Commerce
- Alle Kiski Strong Chamber
- Back Mountain Chamber
- Beaver County Chamber of Commerce
- Bedford County Chamber of Commerce
- Blair County Chamber of Commerce
- Chamber of Business and Industry of Centre County
- Chester County Chamber of Business and Industry
- Clarion Area Chamber of Business and Industry
- Erie Regional Chamber and Growth Partnership
- Gettysburg Adams Chamber of Commerce
- Harrisburg Regional Chamber
- Huntingdon County Chamber of Commerce
- Indiana County Chamber of Commerce
- Lebanon Valley Chamber of Commerce
- Mon Valley Regional Chamber of Commerce
- Pittsburgh Airport Area Chamber of Commerce
- Pittsburgh North Regional Chamber
- Schuylkill Chamber of Commerce
- Shippensburg Area Chamber of Commerce
- TriCounty Area Chamber of Commerce
- Upper Bucks Chamber of Commerce
- Venango Area Chamber of Commerce
- West Shore Chamber of Commerce
- Williamsport-Lycoming Chamber of Commerce
Government Affairs

Issue Advocacy Campaigns

The PA Chamber launched several grassroots advocacy campaigns. Using targeted social media strategies, individuals were directed to issue-specific pages, which included a “take action” option for users. Depending on the issue, users could either sign a petition or send a letter to the governor and members of the General Assembly urging their support of the PA Chamber’s position. Throughout the year, the PA Chamber’s strategically-developed grassroots campaigns ensured that the business community’s voice was heard in the halls of state government on the following issues:

- **Workers Comp Drug Formulary Legislation** – In 2017, the Philadelphia Inquirer wrote a series of investigatory articles unveiling an “unholy alliance” between certain lawyers, doctors and pharmacies manipulating Pennsylvania’s workers’ compensation system by charging extreme markups for non FDA-approved compound creams. One of the PA Chamber’s top legislative priorities for 2018 – S.B. 936 – would have helped address opioid and prescription drug addiction among injured workers by implementing a prescription drug formulary within the state’s workers’ comp system. As part of its advocacy on this issue, the PA Chamber ran a multi-pronged campaign that included: billboards in key locations along the PA Turnpike and Harrisburg region; editorial board meetings with newspapers throughout the Commonwealth; and social media campaigns targeting key House districts. Through the use of paid Facebook ads, individuals were encouraged to send an e-mail to their state representative urging them to vote “yes” on the drug formulary legislation. While the PA Chamber was successful in getting the legislation passed by both the House and Senate, it was ultimately vetoed by Gov. Tom Wolf.

- **Severance Tax** – The development of the Marcellus Shale has helped to revitalize Pennsylvania’s economy; creating jobs and reducing energy costs. However, the threat of additional punitive tax burdens jeopardize the industry’s future in the Commonwealth. For the past four years, the PA Chamber has been leading a diverse coalition through its 501(c)4 — Citizens to Protect PA Jobs — in fighting attempts to enact a severance tax. Our 2018 campaign included targeted social media ads and digital video ads directing users to the coalition’s website, www.stopnewenergytaxes.com. Two white board videos were also created in response to misleading ads by severance tax proponents. The PA Chamber-led coalition was successful in defeating this tax in 2018.

Session Report: 2018 Legislative Victories

As the Statewide Voice of Business™, the PA Chamber advocates for pro-jobs, pro-growth legislation in the halls of the state Capitol. Throughout 2018, several PA Chamber backed bills were recently passed by the General Assembly and signed into law by Gov. Tom Wolf, including:

- **Bonus Depreciation (Act 72 of 2018)**
  In response to the Federal Tax Cuts and Jobs Act that was signed in December 2017, the Pennsylvania Department of Revenue issued a tax bulletin days later that prohibited corporations from depreciating purchases until an asset was disposed or sold. This put Pennsylvania at an immediate competitive disadvantage, as it was the only state in the nation that implemented this type of policy. Act 72 provides for allowable methods of depreciation which have provided a much-needed improvement to the Commonwealth’s tax structure and its overall competitiveness.

- **Local Tax Enabling Act (Act 18 of 2018)**
  This law streamlines local tax collection procedures, bringing more clarity and simplicity to the process of reporting the local Earned Income Tax. Additionally, Act 18 bans the use of contingency fee collectors in the collection of the tax.

- **Mobile Telecommunications Services (Act 52 of 2018)**
  Prior to the enactment of Act 52, the definition for telecommunications in the Pennsylvania Tax Code had remained unchanged for approximately 15 years. During that time period, telecommunications technology drastically changed. This law updates the definition, creating uniformity within the state’s Tax Code and clarifying outdated sections of the Code.
Air Freight Taxation (Act 131 of 2018)
Signed into law in the waning days of the 2017-18 legislative session, this measure ensures the equal treatment of air freight companies under Pennsylvania tax law.

Online Permitting Portal (Act 107 of 2018)
Act 107 directs the state Department of Community and Economic Development to create a one-stop-shop online permitting portal for businesses, in order to help streamline and bring efficiency to existing permitting processes. Such efforts have already been employed with success within the Department of Environmental Protection, which has moved to e-permitting in a number of its programs. Additional deployment and use of this type of technology across all of DEP’s permit programs will allow for better use of taxpayer resources and create consistency and regulatory certainty for the business community.

Steel Slag for Manufacturing (Act 7 of 2018)
This important pro-growth measure eliminated the designation of steel slag as waste if it is sold commercially. Act 7 benefits the growth of one of Pennsylvania’s most important and historic industries — steel manufacturing — and encourages the practice of reuse and recycling of industrial materials.

WC Impairment Rating Evaluation (Act 111 of 2018)
In 2017, the state Supreme Court ruled in the Protz case to remove Impairment Rating Evaluations from the law based on a technicality. For more than 20 years, IREs brought structure and fairness to the process of determining circumstances in which claimants can reasonably be expected to transition back to work and when benefits should be paid for the rest of an individual’s life. This decision led the Pennsylvania Compensation Rating Bureau to take the unprecedented action of filing for a mid-year loss cost increase, which industry experts conservatively estimated was costing employers $300 million annually in higher insurance costs. Act 111 addresses the Court’s concern by updating the law with the most recent edition of the American Medical Association’s impairment guides.

UEGF Bill (Act 132 of 2018)
Act 132 provides for the Uninsured Employers Guaranty Fund, which covers medical and wage benefits for injured workers whose employers do not have workers’ compensation coverage. With the fund nearing insolvency, this new law will provide the Department of Labor and Industry with the tools to help prevent illegitimate claimants from accessing benefits, as well as the ability to pursue and penalize negligent employers whose failure to purchase workers’ compensation coverage increases costs on other employers. Additionally, it allows UEGF to establish a list of designated health care providers in each county for medical treatment.

Keystone Exam Alternative Requirements (Act 158 of 2018)
Act 158 provides students alternative pathways to fulfill graduation requirements besides the Keystone Exams, including a career and technical education path. Pennsylvania students are a diverse group and graduation requirements can and should, to a certain extent, reflect that diversity. This law expands the options for fulfilling high school graduation requirements in Pennsylvania and was signed by Gov. Wolf in the closing days of the 2017-18 session.

“Clean Slate” Bill (Act 56 of 2018)
This law — the first of its kind in the United States — enhances employment opportunities by providing that low-level crimes be sealed from public view after a period of time if the individual has no further interaction with the criminal justice system. More than one-third of Pennsylvania’s working-age citizens are estimated to have criminal records. Act 56 helps to address the Commonwealth’s workforce needs by making it easier for those individuals who have learned from past mistakes to enter the workforce.
Citizens to Protect PA Jobs — 501(c)4

Citizens to Protect PA Jobs is the PA Chamber’s 501(c)4 and serves as the grassroots arm of the organization. Through its website, www.protectpajobs.com, the C4 communicates a pro-jobs, pro-growth message to the general public. The website is updated regularly with news articles and educational materials that relate to topics of importance to the state’s business community. This information is also posted on the C4’s social media channels. Regular e-mails are also sent to the C4 audience — which consists of 32,402 individual e-mails.

Additionally, the C4 is often utilized for issue-specific campaigns. These campaigns often include the creation of micro-websites explaining the issue to a broad audience. Digital social media ads and brief informational videos are also sometimes created to garner attention and encourage action — which often means sending a pre-written communication to a legislator or the governor.

Key External Challenges

With state revenues continuing to look promising, the state’s financial outlook is positive. Yet, as a result of the growth of mandated expenses in government programs and more spending in areas such as education, there continue to be calls for additional taxes on the state’s energy industry. The threat of higher energy costs combined with costly government regulations and mandates negatively impact the state’s broad-based business community.

As part of our ongoing mission to improve the economic climate for businesses of all sizes, we are urging lawmakers to focus on the following public policy issues in order to improve the Commonwealth’s business climate and competitive edge in 2019:

- **Workforce Development** — Pennsylvania has an aging workforce and one that often does not offer a labor pool with the requisite skills and expertise to fulfill the demands of Pennsylvania’s employers. This results in a lack of qualified candidates for many available job opportunities. A greater focus on effective job training and workforce development programs, as well as encouraging youth employment, will help to prepare students and current employees with career readiness skills needed for Pennsylvania’s evolving jobs market.

- **Improve the Business Tax Structure** — Policymakers should look to reforming and aligning the Commonwealth’s tax structure with the recent pro-growth initiatives enacted at the federal level. Our corporate net income tax rate must be reduced in order for our employers to prosper in a global economy. The PA Chamber will advocate for comprehensive changes to the state tax structure that embody the principles of competitiveness, predictability, fairness and simplicity. These changes include addressing the manner by which local taxes are levied and administered.

- **Affordable and accessible health care** — High health-care costs remain an impediment for many businesses who wish to offer or maintain appropriate health-care benefits to their employees either through traditional coverage or alternative options in the marketplace. A high level of quality care and accessibility for employees must be made available at reasonable and affordable prices without undue regulatory burden and bureaucracy. The PA Chamber will continue to advocate for policies that will encourage competition in the provision of healthcare while also giving employers the most flexibility when making health care decisions.

- **Flexibility in energy markets and science-based environmental requirements** — Numerous state and federal environmental regulations and energy mandates are hindering the state’s economic positions. The PA Chamber opposes the imposition of new, and the expansion of existing, mandates and will continue to advocate for thoughtful, science-based development and flexible implementation of environmental law.

- **Creating an equitable civil justice system** — Pennsylvania’s legal climate is conducive to frivolous lawsuits and lacks protections that create a fair, balanced and common sense civil litigation system. The business community supports legal reforms that help prevent lawsuit abuse while protecting the right of legitimate plaintiffs to seek justice. The PA Chamber supports lawsuit abuse reform proposals that provide for full and timely compensation of parties legitimately injured; give employers predictability and certainty; change the judicial system to achieve greater efficiencies and unbiased justice; and contribute to greater productivity and economic prosperity.
Modern, safe, efficient and reliable infrastructure systems — Pennsylvania must construct and maintain adequately funded and reliable transportation and utility systems as well as other infrastructure. The PA Chamber will continue to advocate for greater efficiencies in their construction, maintenance and delivery, including streamlined permit and regulatory processes. The business community supports expanded reliance on public-private partnerships to help the Commonwealth meet its infrastructure needs in a manner consistent with the imperative for fiscal restraints.

Balanced labor and employment laws and regulations — State policies that govern labor relations and employment rules in Pennsylvania often fail to consider adverse impacts on employers. The PA Chamber supports public policy that helps facilitate a fair work environment without triggering unintended consequences that hurt employers. The business community supports eliminating misuse and improving the financial condition of the unemployment compensation system; and facilitating a workers’ compensation system that roots out abuse and, most importantly, focuses on returning injured workers to full health and function. Employers oppose excessive mandates and artificial wage inflators that unnecessarily increase the cost of doing business. In addition, Pennsylvania law still forces individuals in the private sector to pay dues to a union as a condition of employment and allows public resources to be used for collecting union dues and political contributions. The PA Chamber supports the prohibition of both practices.

Quality educational opportunities — The PA Chamber supports a public education system based on rigorous standards, with appropriate transparency and robust accountability measures, to help ensure Pennsylvania students graduate high school as prepared as possible for the next phase of their lives. The PA Chamber further supports initiatives that help provide families with options to best fit the specific education needs of students.

Political Activity

The 2018 General Election had a number of important elected positions on the ballot — including governor, all of Pennsylvania’s Congressional delegation, one U.S. Senate seat, all 203 seats in the Pennsylvania House of Representatives and 25 of the 50 state Senate seats. Through its political action committee and the use of Independent Expenditures, the PA Chamber actively worked to get pro-business candidates elected to office. Additionally, as part of the Chamber’s “Get Out the Vote” effort, a voter resource page was created on the PA Chamber’s website. Through this webpage, voters were able to find their polling location, as well as determine their elected officials on both the state and federal levels.

ChamberPAC participation rates:
- Pennsylvania Chamber Board of Directors: 93 percent in 2018
- Pennsylvania Chamber employees: 100 percent in 2018
The Pennsylvania Chamber of Business and Industry Team

Membership

Government Affairs

Operations
PA Chamber Insurance

Communications

Marketing
ChamberPAC 2018 Election Results

In last year’s General Election, ChamberPAC endorsed Republican Scott Wagner for governor; along with 107 candidates for the state House and 18 candidates for the state Senate. In the end, 109 of the 125 legislative candidates endorsed by ChamberPAC won election. Incumbent Democrat Gov. Tom Wolf handily won re-election. In the legislature, Republicans still have a majority in both the House and Senate, albeit smaller than those they held in the previous session. In the House, Democrats had a net gain of 11 seats, resulting in a party split of 110 Republicans to 91 Democrats. In the Senate, Democrats gained five seats, changing the make-up of that chamber to 29 Republicans and 21 Democrats.

Independent Expenditures

As part of the PA Chamber’s election efforts, a comprehensive Independent Expenditure campaign was developed. This campaign strategically targeted specific state House and Senate candidates through a variety of mediums; including: TV, radio, digital mail and phone. These efforts aided in the victories of five ChamberPAC endorsed candidates.

Pennsylvania Chamber Insurance

Human Resource Consulting Services

Pennsylvania Chamber Insurance's (PCI) Human Resources Consulting services continues to grow as a valuable benefit for PA Chamber Insurance customers. Critical HR questions and assistance has been sought in the following areas:

- Difficult terminations
- Disability accommodation
- Background Checks
- Deductions from wages
- Sexual Harassment training
- Diversity training
- Recruiting
- Drug Testing
- ERISA Compliance

The PA Chamber Insurance HR Blog continued to cover important topics, including cross-training and succession planning, interviewing, dress code policy assistance and measuring HR success. PCI’s Chief HR and Compliance Officer also conducted a webinar for HR professionals, “Back to Basics; the Fundamentals of HR” and covered Exit Interviews at the Fall HR Roundtables.

PCI Benefits Consortium

The PCI Benefits Consortium self-insurance continues to grow in popularity among small and mid-size companies as a way to manage their increasing healthcare costs. In the past two years, the Benefits Consortium has saved customers more than $2 million.

In 2018, PA Chamber Insurance continued to see an increase in quoting self-insurance as an alternative to traditional healthcare plans under both the Benefits Consortium product and also carrier sponsored plans. Self-funding benefit plans are now being quoted for companies with as few as 2 employees. PA Chamber Insurance continued to educate organizations on self-insurance and the Benefits Consortium program throughout 2018 through informational webinars. Additionally, the PCI Benefits Consortium program has:

- Maintained 99 percent retention since the inception of the Benefits Consortium program
- The average group size in the consortium is 62 employees
Communications and Marketing

Visibility in the Media

The PA Chamber is committed to being recognized by the media and the public as the leading expert on business-related policy in Pennsylvania. We implemented a strategic communications plan in order to promote the PA Chamber’s pro-business message across traditional news outlets (print, television and radio) and social media platforms (Twitter, Facebook and LinkedIn).

Print

- Members of the PA Chamber’s Government Affairs team are regularly interviewed by print news outlets throughout the state. Over the past year, the PA Chamber was either mentioned, quoted or authored opinion pieces in 350 different articles in various print publications.

- In 2018, the PA Chamber authored more than 45 opinion columns and letters to the editor that were published in newspaper outlets throughout the state. Opinion pieces were regularly published in each of the Commonwealth’s major media markets. These pieces covered a wide range of topics from minimum wage to environmental policy, and regulations to necessary reforms within the state’s workers’ compensation system.

Television and Radio:

- PA Chamber Government Affairs staff makes regular appearances on television and radio broadcasts to highlight key advocacy goals. This includes segments on Pennsylvania Newsmakers, a statewide public affairs TV program that is underwritten in part by the PA Chamber; Comcast Newsmakers, a public and community affairs focused interview program; and Behind the Headlines, a television production by the Susquehanna Valley Policy Center that is underwritten in part by the PA Chamber; as well as regular appearances on the Pennsylvania Cable Network’s various programs, including the PCN Call-In Show and On the Issues.

- Members of the PA Chamber Government Affairs staff are often interviewed for television and radio news programs on a variety of topics. These interviews air throughout the state.

- Media outlets are occasionally invited to attend educational and special events hosted by the PA Chamber and the PA Chamber Educational Foundation.

Membership Communications

A popular benefit of PA Chamber membership is receiving timely updates on legislation and having the ability to take action on important policy goals for the business community. Our wide range of publications also affords members the opportunity to share their stories, gain practical advice and learn how their peers are inciting innovation and achieving success.

- Catalyst magazine — Premiering in 2006, the PA Chamber’s full-color, statewide quarterly magazine, Catalyst, features insightful articles and regular features including member business profiles; member news; legislative and regulatory updates; and practical advice for business. Readership of the magazine includes more than 15,000 business leaders and elected officials statewide.

Achievements

PA Chamber Insurance continues to provide valuable service to business clients across the state through its array of products and services with our carrier partners. We have been recognized by several carriers for our performance:

- High Performing Standard Producer status with Capital Blue Cross
- Maintained General Agency arrangement with Highmark Blue Shield
- Maintained Elite Brokerage status with Highmark Blue Shield
Social Media

In 2018 we saw steady growth across all of our digital media platforms. We continue to see tremendous results with our paid social media and display advertising campaigns. Through strategic targeting efforts we were able to attract new followers and spread our message beyond our captive audience to include those professionals and businesses we felt best suited for each particular campaign. The social media advertising focus in 2018 continued to be mostly spread across our three main platforms: Facebook, Twitter and LinkedIn.

Social Media Analytics Highlights in 2018

- We gained more than 1,000 new followers across all social media platforms
- Once again, we have eclipsed more than 1 million impressions across all social media platforms

Armed with our new website and strategic knowledge gained from year-over-year data analysis, we greatly increased our web presence through digital display advertising. We launched a year-long branding campaign that has produced significant increases in our web traffic. Website Analytics Highlights include:

- 166% increase in total sessions
- 163% increase in the total number of users coming to our site
- 83% increase in total pageviews
This significant increase is largely due to the new digital display branding campaign, however we also saw increases in website traffic coming from organic search, email campaigns and social media. We expect steady growth into 2019 that should benefit all areas of the Pennsylvania Chamber including membership, events and PA Chamber Insurance.

The **ALL BUSINESS** Podcast

The Pennsylvania Chamber continued to feature member companies and their incredible stories in the **ALL BUSINESS podcast**. Business leaders from across the state shared how their organization is contributing to the economic landscape of Pennsylvania. The **ALL BUSINESS** podcast featured these dynamic companies in 2018:

- ALMAC Group
- Legacy Business Advisors
- Stevens & Lee/Griffin International
- US Army Recruiting Battalion
- Commonwealth Charter Academy
- The Challenge Program
- Keystone Canna Remedies
- UnitedHealthcare Community Plan

[ALL BUSINESS PODCAST]

pachamberinsurance.com

Pennsylvania Chamber Insurance also launched its new website in 2018. The new site simplifies the end-user experience and features the unique benefits offered by Pennsylvania Chamber Insurance that makes them a lot more than a broker:

- Benefits Consulting including traditional group plans, self-insurance programs and PA Chamber Insurance’s exclusive supplemental products and programs
- Human Resources consulting and assistance
- Services including service and support, administrative services and education and events
- Account Management tools that make it easy to manage your employee benefit program
Member Services

Annual Chamber Dinner

Over 1,700 guests joined the PA Chamber as we celebrated the 34th Annual Chamber Dinner on Monday, October 1, 2018. This highly anticipated gathering of Pennsylvania’s decision makers featured the 2018 Pennsylvania Gubernatorial debate between incumbent Governor Tom Wolf and Republican nominee Senator Scott Wagner, which was moderated by Jeopardy host Alex Trebek.

The Annual Dinner program also featured the recognition of veteran and former POW Ralph Galati with a letter from the late Sen. John McCain, and an uplifting presentation of the Allegheny College Prize for Civility in Public Life to former Republican Congressman Charlie Dent and Democratic Auditor General Eugene DePasquale.

The PA Chamber’s Annual Dinner is the premier event of the year for the Commonwealth’s business community. Each year we seek to feature a keynote speaker who will bring attention to important issues in the world of business, politics and public affairs. Previous keynote speakers have included former President George W. Bush, Condoleezza Rice, Gen. Colin Powell, Tom Brokaw, Ted Koppel and Chris Wallace. As a result of the high quality program we have produced year after year, our event attracts an attendance of nearly 1600-1800 business leaders and elected officials.

15th Annual PA Chamber/PA Chamber Insurance Business Golf Outing

More than 200 business leaders from across Pennsylvania enjoyed an exciting day of networking, fun and challenges on Hershey® Country Club’s famed East and West Courses at the 15th Annual PA Chamber/PA Chamber Insurance Business Golf Outing on Monday, October 29. A four person scramble format and shotgun start, the event challenged golfers to a variety of contests, including prizes for best scores, longest drive, longest putt and more. In addition, every golfer received a deluxe gift package courtesy of Exclusive Platinum Sponsor UPMC Pinnacle. This year’s mulligan sales were designated for the PA Chamber Educational Foundation’s support of the mikeerowORKS Work Ethic Scholarship Program.
Small and Diverse Owned Business Town Hall

Presented by the Pennsylvania Chamber, and sponsored by AmeriHealth Caritas, the Small and Town Hall focused on fostering success and growth opportunities for small and minority-owned businesses in Pennsylvania, and highlighted the economic impact of these businesses.

The Town Hall brought together local and state elected officials, business leaders and agency experts to discuss the benefits of partnering with small and diverse-owned businesses and explored initiatives to promote continued growth and contribution to the local economy. The event was attended by over 200 business leaders and state and local officials.

Educational Events

In 2018, the Pennsylvania Chamber held more than 24 educational events throughout the state including webinars, half-day roundtables, conferences and summits. These compliance training events covered critical information on topics including:

- **Spring HR Conference**, an off-shoot of the popular Fall HR Conference, covered critical topics facing HR professionals: Recruiting in Age of Googlization; Complying with FMLA and Strategies to Prevent Harassment and Other Abusive Employee Conduct

- **Human Resources Manager Webinar Series** covered:
  - Conducting Proper Background Checks, HR Fundamentals, presented by PA Chamber Insurance Human Resource Consultant, Dee Yingst; and Employee Handbook Do’s and Don’ts

- **IT Security Conference** presented: Best Practices to Prevent Insider Threat; Global IT Security Threats and How Businesses Should Prepare; Using the FFIEC Cyber Security Assessment Tool to Determine Your Regulatory Compliance; and Ransomware Mitigation: Going Through It Step-by-Step

- **Annual Environmental Conference**: Opening keynotes from top officials with the U.S. Environmental Protection Agency, the Federal Energy Regulatory Commission along with the U.S. Chamber of Commerce’s Global Energy Institute. Breakout topics included: Air Permitting; Groundwater and Emerging Contaminants; Residual and Hazardous Waste Regulations/Inspecting Tanks; Energy Case Studies; EPA’s New Ozone Depleting Substance Regulation

- **Fall HR Conference**: The Rising Surge of Discrimination Claims with Strategies to Protect Your Company; People Analytics; Understanding the Intersection of Workers’ Comp, the FMLA and the ADA; Maximizing Your Re-entry Programs for Military Veterans and Older Workers
PA Chamber Foundation

The Pennsylvania Chamber Foundation seeks to enrich discussions among policymakers, business leaders and the public concerning ways to improve Pennsylvania’s economy and business climate, and lead to a more prosperous Pennsylvania for all its citizens. The Pennsylvania Chamber of Business and Industry Educational Foundation, dba PA Chamber Foundation, is a registered 501(c)(3) organization created to fund timely and insightful research and educational programs that will positively impact Pennsylvania’s economic future and enhance the quality of life for all Pennsylvanians.

Start the Conversation HERE.com

The PA Chamber Educational Foundation’s workforce initiative, Start the Conversation HERE, firmed up its mission and purpose to close the skills gap and help organizations find the workforce they need to grow and succeed.

The program, dedicated to Pennsylvania’s growing need for our next-generation workforce, launched the starttheconversationhere.com website, offering businesses, employers, future employees and parents in-depth information on:

- Resources for employers to help attract the talent they need
- Resources for parents and students that showcase in-demand jobs in Pennsylvania, along with the required skills and education
- Upcoming workforce events
- Student success stories — including the mikeroweWORKS Work Ethic Scholarship recipients from Pennsylvania
- Workforce spotlight features — businesses successfully tackling workforce challenges
- The PA Chamber Educational Foundation partnership with the mikeroweWORKS Foundation to help award scholarships to Pennsylvania students.

Workforce is at the heart of every discussion the Pennsylvania Chamber has with both educators and the business community throughout the Commonwealth. Our members have strongly expressed their concerns with attracting the workforce they need to fill many vacant positions. For the first time ever in our Annual Economic Survey, employers cited difficulty finding qualified and skilled candidates to fill open positions as the top issue that keeps them from being competitive.

Fourteen (14) percent of employers cited difficulties finding skilled and qualified employees to fill open positions as the biggest issue facing their companies, surpassing all other top of mind issues. This increased from 11% last year and is a record high. Perhaps most importantly, concern about finding qualified applicants now trumps other traditional pocketbook issues usually topmost to employers, such as concern about taxes (down to 8%), health care insurance (down to 7%) and excessive mandates and regulations (at 6%). Accordingly, the percentage of employers who rate the quality of the available workforce as “poor” has increased to 17%, a record high.

The Commonwealth is home to first-rate educational institutions, as well as world-class health care, pharmaceutical, technology and bio-tech operations. The development of the natural gas industry has secured Pennsylvania’s position as a net energy exporter, as the state is now the second largest natural gas producer in the United States. We also have abundant water resources as well as an extensive transportation network that includes interstates, airports, rail and water routes with port infrastructure.

Sponsorships

In 2018, approximately 200 companies sponsored and exhibited at PA Chamber events including the Annual Chamber Dinner, Annual Golf Outing and numerous educational events. Through promotional packages customized to fit various budgets and business development goals, participating organizations marketed their brands to targeted key audiences and decision makers among the PA Chamber’s diverse network of more than 9,000 member companies. Sponsors and exhibitors not only gained valuable exposure at high-profile events throughout the state, but also aligned themselves with Pennsylvania’s largest and most respected broad-based business association, fostered new business relationships and networked with CEOs, business leaders and elected officials. The PA Chamber greatly appreciates the support of these companies in helping us to bring quality programs and events to the Pennsylvania business community.
Despite these strengths, the state is facing serious workforce issues in finding work-ready candidates to fulfill growing job markets. Most recently, we felt the effects of a lagging workforce with Amazon’s decision not to choose Pennsylvania for its headquarters. It has further been speculated that the difficulty in finding a suitable workforce likely played into their decision to split the project among two cities.

Additionally, we have a growing need in the natural gas industry, where there is an abundance of jobs. Our Foundation has partnered with Forge the Future, a project of Pennsylvania businesses designed to help the state advance and accelerate an energy-enabled economy based on the use of its world-class natural gas reserves. The focus of the project is to engage business and other leaders across the state to build on initial economic development ideas and job fulfillment to meet the needs of the growing gas industry in the Commonwealth. The growing interest and concerns from employers across the Commonwealth regarding workforce is the driver of the PA Chamber’s cornerstone issue.

The PA Chamber has declared workforce one of its top focuses in 2019 and will continue to build on solutions-based programs that will help Pennsylvania businesses attract the workforce they need.

**Start the Scholarships HERE**

In May 2016, Mike Rowe — Executive Producer and Host of Facebook’s *Returning the Favor* — told more than 400 students, educators and business leaders in Hershey: **many students are unaware of the excellent career opportunities available in Pennsylvania in the skilled trades.**

The Pennsylvania Chamber Educational Foundation partnership with the mikeroweWORKS Foundation continues its work in increasing public awareness around the growing demand for workers in the skilled trades and awarding scholarships to Pennsylvania students through the Work Ethic Scholarship Program.

Over the past two years, thanks to generous donations from the Pennsylvania business community, the PA Chamber Educational Foundation has provided more than $200,000 in Work Ethic Scholarships for 70 Pennsylvania students who are entering into the skilled trades. And now we are on our way to raising funds for the 2019 program.

Thanks to the donations from the following companies and the mikeroweWORKS Foundation in 2018, 25 students received $102,800 to pursue their careers in the skilled trades. These students shared their success stories with us and were featured in the Catalyst magazine and also on social media.
### Leaders of Industry

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<th>AT&amp;T</th>
<th>Air Products</th>
<th>Customers Bank</th>
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### Job Creators

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<td>Chief Oil and Gas</td>
<td>Beck Electric Actuators</td>
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### Skill Builders

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<th>ACE Fix-It Hardware</th>
<th>CAMCO</th>
<th>Cheetah Chassis Corp.</th>
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<td>DenTech Industrial</td>
<td>EF Smith Inc</td>
<td>Energy Assoc. of PA</td>
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<td>Huntley &amp; Huntley</td>
<td>JennMar</td>
<td>Kessel Construction</td>
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<td>KINSLEY Construction</td>
<td>Littlestown Foundry</td>
<td>Mike Leonard's Plumbing</td>
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<td>RAYCO</td>
<td>Royalton Recycling</td>
<td>Stephenson Equipment</td>
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Additionaly, the Pennsylvania Chamber Foundation held two education programs focused on leadership and a high-level executive briefing on the state of Pennsylvania’s economy:

**In the Footsteps of Leaders: Gettysburg Leadership Program**

Introduced in 2016, the PA Chamber Educational Foundation’s In the Footsteps of Leaders Gettysburg Leadership Program has become a sell-out leadership training program.

Many of today’s companies describe a shortage of employees ready to move into management positions. And with baby boomers retiring in increasing numbers — taking a lifetime of expertise and knowledge with them — some of the most critical issues facing today’s businesses are the development of leaders and the need for business succession planning.

Using powerful and dramatic real life examples of leadership lessons learned from one of the most important battles ever fought on American soil, this dynamic program introduces participants to the lessons learned by Gettysburg’s most famous leaders during the Civil War. They gain a deeper understanding of the decisions made during the Battle of Gettysburg, their important consequences and their immediate relationship to team management, communication and cohesiveness.

Because of the program’s popularity, the PA Chamber Educational Foundation held two programs in 2018; one in the spring and one in the fall.

**Economic Survey**

**PA Chamber’s 28th Annual Economic Survey**

Pennsylvania employers reported record high confidence in the state’s business climate, and were making investments in their facilities and workers that reflected this optimism according to responses from the PA Chamber’s 28th Annual Economic Survey, which was conducted in August 2018 by Susquehanna Polling and Research, a Harrisburg-based public opinion polling company.

However, according to the survey of 650 employers, job creators listed difficulties finding skilled and qualified employees to fill open positions as the biggest problems facing their companies. This represents a stark increase over the previous year and officially reached a record high as business owners’ “top of mind” issue.

Standing out as a positive, a record high 40 percent of employers said the economy had gotten better during the past 12 months, up sharply from 25 percent the previous year. Moreover, 26 percent of employers rated Pennsylvania as “very” business friendly, up from 15 percent and also a record high. However, when asked about the issues that should top business advocates and lawmakers’ “to-do” lists, they overwhelmingly cited ongoing concerns about the state’s tax structure and rising healthcare rates still creating barriers to economic opportunity.
Sixth Annual Economic Forecast Summit

The PA Chamber Educational Foundation and the PA Bankers Association hosted the Fifth Annual Economic Forecast Summit in Harrisburg, PA on February 15, 2018. The summit welcomed over 200 business leaders and executives from across Pennsylvania to engage on topics that focused on the economic growth and success of organizations throughout the Commonwealth.

Topics and speakers who were featured included:

- James Chessen, Executive Vice President and Chief Economist, American Bankers Association, presented the national economic perspective and its impact on business.

- David DeLong, Ph.D., AgeLab Research Fellow, Massachusetts Institute of Technology and Expert in Workforce Development, Corporate Culture and Knowledge Retention described how to develop new leaders faster, and create a smarter workforce by building a Millennial-friendly culture, maximizing the value of veteran workers, and managing organizational changes to build tomorrow’s workforce.

- Chris Valasek, Security Lead, Uber Advanced Technologies Center and Renowned “White Hat” Hacker provided insights on security problems in various technologies and devices that can lead to compromises from the outside world, and shared solutions for protecting against imminent cyber-threats faced by our increasingly digital, wireless and ‘Internet of Things’ way of life and business.
In 2018, the Pennsylvania Chamber again ran a successful United Way campaign. With 49 employees and 100 percent participation, the chamber exceeded its goal, donating a total of $33,204.50 to the United Way of the Capital Region.

The Chamber’s 2018 campaign was “The Magic of Giving,” which featured a Harry Potter theme and inspired staff to give with a number of incentives from daily raffle prizes to team-based prizes.

Chamber employees also participate in United Way of Capital Regional leadership giving programs including:

Women’s Leadership Network and Bridges Society — Thirteen employees participate in the WLN and 16 employees participate in the Bridges Society. These employees participate in volunteer programs and/or projects throughout the year. Members of the WLN and the Bridges Society contribute $500 or more annually to the United Way.

Leaders in Giving — Seven employees are United Way Leaders in Giving. Leaders in Giving contribute $1,000 or more to the United Way.

United Way Day of Caring — Thirteen employees participated in the Day of Caring and provided assistance cleaning and helping to landscape Vision Resources in Harrisburg.

100 Percent Employee Participation — The PA Chamber has a history of 17 consecutive years of achieving 100 percent employee participation. Our employees are very proud of this tradition.