



Testimony

Submitted on behalf of the
Pennsylvania Chamber of Business and Industry

Public Hearing on the “Grow PA” Higher Education Plan

Before the:
Senate Education Committee

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Introduction

Chairman Argall, Chairwoman Williams, and honorable members of the Senate Education Committee, my name is Aaron Riggleman, and I serve as the Manager of Government Affairs for the Pennsylvania Chamber of Business and Industry. The PA Chamber is the largest, broad-based business advocacy association in Pennsylvania. We represent employers of all sizes, crossing all industry sectors throughout the Commonwealth. Within our membership, we proudly represent over 40 of Pennsylvania's best higher education institutions, including PASSHE schools, state-related institutions, independent schools, and Community Colleges.

The PA Chamber recognizes the significant role that all Pennsylvania institutions of higher education play in the economic environment of the Commonwealth. Colleges and universities serve as major economic development hubs through their commitment to research, entrepreneurship, advances in technology, and by providing opportunities to some of the Commonwealth's most vulnerable communities, as well as thousands of employees and small businesses that serve their campus communities. Additionally, higher education stands as the linchpin for a continuing pipeline of qualified workers for Pennsylvania employers. For these reasons we thank you for focusing on higher education and providing us the opportunity to testify before your committee today.

Current State of Affairs

The demographic challenges facing the Commonwealth are widely recognized across all industries. Pennsylvania faces a workforce crisis with only 66 available workers for every 100

jobs.¹ Furthermore, recent statistics show Pennsylvania's population growth rate has slowed significantly, with the state experiencing a net outflow of residents to other regions.² Relatedly, the median age of Pennsylvanians has been steadily rising, now higher than the national average.³ Lastly, data from the U.S. Census Bureau indicates that the proportion of Pennsylvania's population aged 65 and older is steadily increasing, while the share of working-age adults is declining.⁴

More acutely, Pennsylvania colleges and universities have faced and will face a continuing enrollment cliff as they confront the perfect storm of outmigration, an aging population, and shrinking high school graduating classes. In response, colleges continue adapting, including offering innovative education delivery strategies, online courses, and diversifying their potential applicant pools. Despite their efforts, colleges and universities face myriad challenges, including persistent rhetoric that has permeated the public sphere which questions the value of a college degree. To be sure, pursuing a four-year degree may not be the best option for everyone; nor is it always necessary to be qualified for a quality, career-oriented job in the Commonwealth. At the same time, however, the data show that college graduates see average lifetime earnings of \$1.19 million dollars, more than twice that of a high school graduate.⁵ In light of challenges facing the higher education community, we appreciate

¹ <https://www.uschamber.com/workforce/america-works-data-center>

² <https://www.macrotrends.net/global-metrics/states/pennsylvania/population>

³ <https://fred.stlouisfed.org/release/tables?eid=329035&rid=430>

⁴ <https://data.census.gov/profile/Pennsylvania?g=040XX00US42>

⁵ <https://www.hamiltonproject.org/publication/post/major-decisions-what-graduates-earn-over-their-lifetimes/>

the Governor and lawmakers recognizing the great opportunity we have to change the future of higher education in the Commonwealth.

Higher Education as a Recruitment Tool

While details are crucial and need to be aptly tailored to ensure programs meet their goal, the PA Chamber appreciates the attempt within the “Grow PA” plan to attract young out-of-state residents to come to Pennsylvania. Pennsylvania higher education institutions are universally admired for providing some of the highest quality education in our nation; and furthermore, incentivizing students to obtain their post-secondary education in the Commonwealth provides a years-long opportunity to showcase the Commonwealth’s rich history, diverse culture, and thriving economy to a potential new generation of Pennsylvania workers and entrepreneurs. Moreover, as these students find themselves immersed in Pennsylvania's communities, they begin sharing their positive experiences with friends and family back home. This word-of-mouth promotion not only enhances Pennsylvania's reputation as a top-tier educational destination but also promotes tourism, economic growth, and hopefully, an influx of working age residents that this Commonwealth so desperately needs. A strategic attempt to attract college aged students to the Commonwealth not only provides a cure to the demographic challenges our higher education institutions face, but also serves as a crucial step to righting the Commonwealth’s ever-growing workforce challenges.

Encouraging Students to Enter In-Demand Fields

Building a pipeline of students entering higher education is crucial, but equally vital for both students and employers is encouraging students to enrolling in in-demand fields, and at

least providing students and families with workforce data and economic insight so they can make informed decisions. In today's job market, industries reliant on STEM (Science, Technology, Engineering, and Mathematics), healthcare, and information technology (IT) majors face continuing workforce shortages despite these fields offering long term job stability and opportunities for above-average wages. Emphasizing the importance of aligning educational pursuits with the evolving needs of the economy helps ensure students maximize their potential and lead themselves to a stable career path.

Additionally, a pipeline of students with degrees in high-skilled, in-demand industries is vital for employers and for Pennsylvania to attract businesses in innovative sectors that could drive the next era of our economy. As the largest broad based business advocacy organization in the Commonwealth, the PA Chamber understands the need to attract new innovative industries such as robotics, advanced manufacturing, and artificial intelligence. These industries are examples of those reliant on cutting-edge technologies driven by the work of a highly skilled workforce. By encouraging students to obtain degrees in these fields, Pennsylvania can commit to fostering a robust pipeline of working-age talent; a must have for businesses seeking to establish or expand operations in the state. This not only helps existing companies in Pennsylvania to access the talent they need but also serves as a magnet for new businesses looking to tap into the region's skilled workforce.

Addressing Non-Traditional Education Opportunities

The PA Chamber has long recognized that we should and must prioritize not only traditional higher education attainment, but also career and technical education. Despite

dramatic workforce shortages in a wide array of trades, many educational institutions focused on the trades are practically bursting at the seams. For example, Thaddus Stevens Technical College has seen record high enrollment to the tune of a 15 percent enrollment jump.⁶ Thaddeus Stevens and other training schools are critical to filling much needed job openings, and the interest is evident in the record enrollment, but they need support to meet the increasing interest. We believe the recently unveiled Grow PA's call for continued and increased support for career and technical education serves a critical, and often neglected, component of meeting the needs of Pennsylvania employers.

An equally important component of correcting the Commonwealth's workforce woes, and a challenge that higher education institutions have embraced, is the need for reskilling and upskilling our current workforce. Reskilling, or acquiring an entirely new set of skills, and upskilling, or enhancing current skills, are vital to maximizing the productivity of workers. By investing in these opportunities, we decrease the likelihood of unemployment or underemployment, but also create a qualified pool of applicants for Pennsylvania employers.

The PA Chamber's workforce policy position statement specifically outlines our support for "encouraging educational, retraining, and upskilling opportunities for the current workforce to help ensure incumbent workers can obtain the skill set required for the modern and emerging economies."⁷ We understand the most effective way to effectively reskill our workforce is to allow institutions of higher education to be nimble and efficiently react to market demands; as well as offer courses that align with workforce needs, such as online

⁶ <https://local21news.com/news/local/thaddeus-stevens-eyes-15-percent-enrollment-bump>

⁷ https://www.pachamber.org/legislative_agenda/workforce/

programs, that are structured to best facilitate participation from non-traditional students. Through technical training programs, certificate courses, stackable credentials, and apprenticeships, higher education institutions provide a diverse array of pathways for traditional and non-traditional students. Lawmakers should seek to incentivize and allow educational institutions to further promote these non-traditional opportunities to all Pennsylvania workers.

Conclusion

It is no secret that each segment of higher education in the Commonwealth has their own legislative interests, but what transcends all those issues is a deep commitment to equipping students with the skills necessary to enter our workforce and have illustrious and fulfilling careers. The PA Chamber shares this goal and has prioritized the intersection of higher education and private industry. The importance of carefully crafted legislation cannot be overstated and we look forward to working with lawmakers as the Grow PA plan is developed. Based on our review of materials provided, it is clear the plan represents a commitment to aligning the needs of Pennsylvania employers with the training and education of students and the PA Chamber strongly shares that goal. Together, we hope these efforts will benefit employers, educational institutions, and students.

Thank you for the opportunity to testify and I am happy to answer any questions.