

**Human Capital Investments
in the FY 2005-06
Governor's Budget**

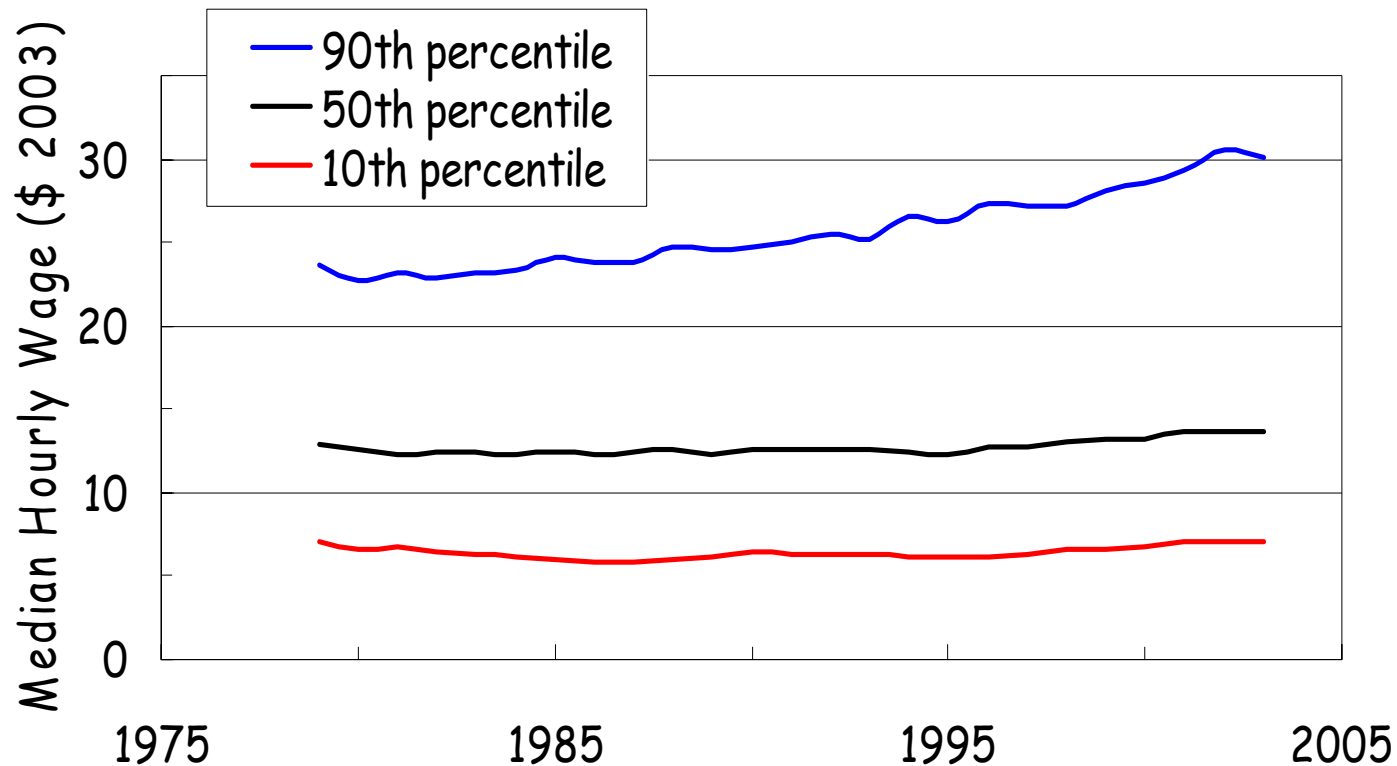
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Keystone Research Center
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The Context for HC Investments

- Slow Growth/Lack of Prosperity
- Lack of Economic Opportunity -- education sorts workers into good, decent, and bad jobs
- Low Levels of Educational Attainment, especially at the sub-baccalaureate level

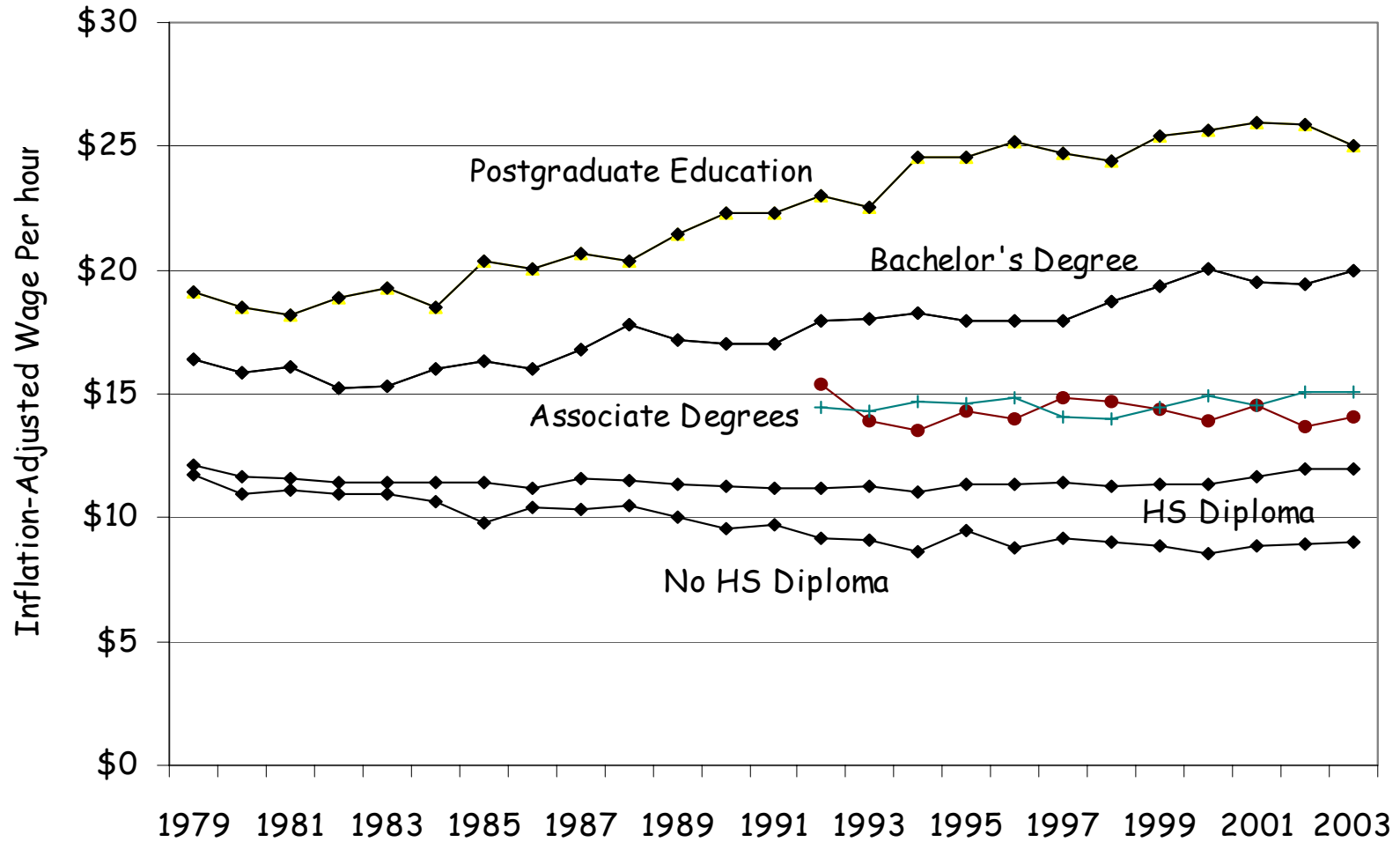
The source for the data that follow is Keystone Research Center, *Human Capital for a Prosperous Pennsylvania* (working title), forthcoming. Wage and education data below are from the Current Population Survey.

Real Wages for Pennsylvania Workers by Percentile



- Median hourly wage up by less than 6 percent since 1979
- 2003 median wage 20th among the states
- Wage dispersion up sharply

Median Hourly Wage by Educational Attainment in Pennsylvania,
1979-2003 (2003 dollars)



Why Should You Care?

- Education alone is not enough to restore opportunity and prosperity
- The ability to fund education, health care, child and human services requires a return to prosperity
- If human capital can restore prosperity it can help achieve your long-term goals

Governor's Job Ready PA Human Capital Investments

- 101 million new dollars in strategic investments to boost economic development & expand opportunity
- Develop skills employers need to create good/better jobs and workers need to advance (high priority occupations - e.g., early childhood teachers)
- Help firms learn from one another
- Build and strengthen career ladders
- More affordable and accessible higher education

Structural Change Investments

- Not a lot of \$
- Create missing institutions in the private sector labor market (industry partnerships)
- Reform education-industry relationship
- Reorient business strategy towards innovation and high wage-high skill

Some Specifics (mostly post-secondary)

- Industry Partnerships: \$5 million
- \$15 million for employer-driven training funneled through industry partnerships
- \$22.8 million for community colleges, a 10 percent increase
- \$10 million for nurse educators and to expand clinical training opportunities
- \$10 million PHEAA grant program to help working adults obtain credentials in high priority occupations
- 75 new Child Development Associate programs in secondary schools