

Economic Development Policy Statement

Winter 2016



The Vermont Business Roundtable (Roundtable) was founded on five fundamental beliefs that serve as the foundation for our view on all facets of life in Vermont, but especially on economic development vision, strategies, and planning. The CEO members of the Roundtable, who lead Vermont's major companies operating in every sector of the economy, believe that realizing our full potential to create more high-wage jobs and greater opportunity for all Vermont families should be our state's top priority, and furthermore,

1. That quality of life is inextricably intertwined with the preservation of the environment and financial prosperity.
2. That strong economic, social, and political forces operating in the world, nation, and state must be understood and directed for the benefit of Vermonters.
3. That it is in the best interest of the citizens and the individual commercial enterprises of business to take a leadership position in making plans and in forming policy.
4. That planning and policy-making require that selected long-range issues be identified and studied through analytical research that provides a factual basis upon which a course of action can be pursued.
5. That the widest possible education and communication about these long-range issues is essential to reaching a Vermont consensus on planning and policies.

The following categories reflect the Roundtable's key areas of focus, which we believe can ensure that Vermont will be the best place in America to do business, be educated and live life.

Investment in Human Capital

- ❖ **Birth to Five**
- ❖ **K-12**
- ❖ **Postsecondary Education and Credentials**

The Roundtable understands the strong connection between early childhood learning, workforce development, and strong local economies. School readiness, literacy proficiency, student-centered learning, post-secondary aspiration and attainment, and ongoing workforce training and development are all essential to acquiring and mastering the higher-order, complex skills, communication, and expert thinking required of the 21st century worker.ⁱ

The Roundtable supports:

1. Proven policies and programs that focus on all students reading proficiently by the end of 3rd grade including high-quality prekindergarten programs and research-based reading practices to prepare prekindergarten through grade 3 teachers.ⁱⁱ

2. Efforts to increase the number of Vermont workers who earn post-secondary credentials (e.g., degrees, workforce credentials, and skills assessments) that are valued by employers.ⁱⁱⁱ
3. Efforts to eliminate barriers to access, eligibility, and affordability of higher education for all Vermont students.^{iv}

Investment in Communities

- ❖ **Infrastructure**
- ❖ **Quality of Life**
- ❖ **Workforce Housing**

Recruitment and retention of workers is increasingly a challenge for businesses across Vermont. Research shows that quality of life features such as transportation options, affordability, parks, walkability, local vitality, health, and presence of friends and family are highly important to individuals considering relocating. And beyond the specifics of high-speed Internet service and the nascent “sharing” economy, technology and a culture of innovation are increasingly more important factors in attracting new residents and businesses.^v

The Roundtable supports:

1. Public investments in a sound infrastructure of roads, bridges, rail lines and airports, and a robust telecommunications system to support commercial activities that connect Vermont to people, ideas, investments, and markets across the globe.
2. Policies and programs that improve the quality of life for high-risk/high need individuals and families as they move from dependence on state services to increasing levels of economic self-sufficiency, including access to affordable childcare; workforce training/retraining and education programs for people who have left the labor force; and access to appropriate treatment programs for dependency issues that improve the safety of our communities and help individuals assume a productive role in our economy and democracy.
3. Public-private partnership efforts that support the necessary growth in Vermont’s affordable workforce housing stock, in all areas of the state and especially for younger workers seeking to enter the housing market.

Affordability and Accountability

- ❖ **Control Government Spending**
- ❖ **Modernization of Tax Policy**
- ❖ **Pension Reform**

Vermont has a spending problem; our spending outpaces our revenues. In relation to the rest of the country, Vermont has had the greatest increase in spending level (4.8 percentage points) compared with 20 years ago.^{vi} And on the revenue side, in 2015, states collected 4 percent more revenue than they did in 2008, while Vermont collected 8 percent.^{vii} In a state with a flat shrinking workforce population and neutral outlook on the business climate, Vermont’s fiscal condition has become a chronic problem and critical issue for policymakers.

The Roundtable supports:

1. Efforts by the Committee on Government Restructuring to identify areas in which government can become more efficient; how long-term improvements in quality and cost-effectiveness of government service delivery can be improved by public-private partnerships; and, how results-based accountability measures can benefit taxpayers.
2. Modernization of Vermont's tax system, as recommended by the 2011 Blue Ribbon Tax Structure Commission report, that results in more competitive tax rates that would promote economic growth through greater investment, higher wages and more jobs in Vermont.
3. Pension reform measures that enable Vermont to keep pace with our current obligations and reduce the liability on future generations of Vermont taxpayers.

Call to Action

Despite efforts to the contrary, overall, Vermont continues a painfully slow emergence from the Great Recession. While the northwestern region of Vermont is economically vibrant, the rest of the state struggles for growth. The Roundtable calls on the state's policymakers, together with leadership from the private sector, to take a close look at developing a ten-year plan that will bring the cost of government to a more affordable level, while at the same time, reallocating those savings in proven strategies that will attract and retain our human capital and improve the livability and desirability of our communities.

Endnotes

ⁱ Carnevale, Anthony P.; Smith, Nicole; and Jeff Strohl. "Recovery, Job Growth and Education Requirements through 2020." June 2013. Georgetown University. <http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/Recovery2020.FR.Web.pdf>

ⁱⁱ Hernandez, Donald J. (2011). Double Jeopardy: How Third-Grade Reading Skills and Poverty Influence High School Graduation. Annie E. Casey Foundation. April 2011. P. 3. Available at <http://www.aecf.org/Newsroom/NewsReleases/HTML/2011Releases/~media/Pubs/Topics/Education/Other/DoubleJeopardyHowThirdGradeReadingSkillsandPoverty/DoubleJeopardyReport040511FINAL.pdf>.

ⁱⁱⁱ The Chronicle of Higher Education (2012). The Role of Higher Education in Career Development: Employer Perceptions. December 2012. Available at <http://chronicle.com/items/biz/pdf/Employers%20Survey.pdf>.

^{iv} Ibid.

^v Great Places in America: Public Spaces ~ Church Street Marketplace, Burlington Vermont
Fiscal 50: State Trends and Analysis, Pew Charitable Trusts, October 2015 <http://www.pewtrusts.org/en/multimedia/data-visualizations/2014/fiscal-50#ind2>

^{vi} Ibid. <http://www.pewtrusts.org/en/multimedia/data-visualizations/2014/fiscal-50#ind0>