



House of Representatives “Job Growth Listening Tour”

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- Chairman Bosley, Chairman Torrisi, Chairman Rodrigues, Vice Chairman Sanchez, and Vice Chairman Leary, thank you for this opportunity to speak to you briefly today and convey some thoughts from MBR members about economic development and job creation.
- The national Business Roundtable, in a March 2004 report entitled “Securing Growth and Jobs: Improving U.S. Prosperity in a Worldwide Economy” warns that “without deliberate focus and intervention, the talent pipeline for research and innovation in the United States, especially in engineering and physical sciences, is in jeopardy.”
- As we think about what types of “focus and intervention” we need in Massachusetts, we must be mindful that we are competing against other states and, indeed, other countries. Rep. Bosley is quoted this week in the Berkshire Eagle as saying that he “wants to make it possible for every community in the state to have access to broadband Internet services and wireless communication.” When Bangalore, India is wired better than Massachusetts, putting us at a competitive disadvantage – particularly as the outsourcing and off-shoring of jobs increases – we couldn’t agree more.
- The Massachusetts Business Roundtable has been directing its efforts to create an environment in Massachusetts that is conducive to doing business. Our members have identified both short term items and long term themes that will help promote the social and economic vitality of the Commonwealth.
- In the short term, our members agree with much of what Governor Romney filed in H.603, H.604, and H.605 and what the Legislature has been discussing both in public and in meetings we have had with members. In particular, MBR members have expressed great concern about Unemployment Insurance costs, the cost and time of permitting, recapitalizing the Brownfields Redevelopment Fund, and the marketing of

the Commonwealth. In fact, at a recent meeting of our Executive Committee, almost all of the members in attendance said that they had been contacted by other states and offered cash incentives to relocate. They agreed that this is an effective recruiting tool that can make a difference.

- We urge you to provide relief for unemployment insurance costs, streamline the permitting process, and recapitalize the Brownfields Redevelopment Fund in your legislative proposal. In addition, we believe that MOBD should be given more tools to both sell the Commonwealth as a place to do business and recruit businesses to locate here. This combination of initiatives can help to create a more attractive business environment both for recruiting new businesses and, perhaps more importantly, for convincing those businesses that are already here to stay and grow here.
- More long term, as we engage in this discussion, we need to start thinking more broadly about job creation and economic development to include not only the traditional policies of reducing business costs, providing tax incentives, and seed money for loan funds, but also other areas such as transportation, housing, health care and education.
- These are not individual housing, education, health care and transportation policies. They are collectively job creation and economic development policies, and should be considered as part of any comprehensive look at Massachusetts policies going forward.
- For example, giving tax breaks and job creation incentive payments may help to create jobs. But at the same time, we need to ask:
 - Where will these people live? Our housing costs are amongst the highest in the nation.
 - How will they get to work? A study released just this week claims that in 2003, the Boston region tied for 13th worst in the nation for how long drivers were stalled or slowed by rush-hour traffic, while congestion also appears to be shifting to highways outside the city where weekday delays are growing as commuters move farther from Boston.
 - Will there be enough qualified people to fill these jobs? Our members in Berkshire County tell us that their priority is not bringing in new employers, but trying to find workers to fill their nearly 4,000 job vacancies.
 - And, of course, how will employers afford to provide these new employees with quality health care?

- The Massachusetts Business Roundtable has targeted its efforts to helping to answer these questions, providing useful information to policymakers in these areas as part of a broader economic development and job creation strategy. For example:
 - We are part of a group that is supporting a project by the Pioneer Institute and Rappaport Institute which is developing a database of local housing regulations identified as potential barriers to development that will help inform regulatory and policy changes that will hopefully help reduce the cost of housing.
 - We are supporting initiatives in early childhood education, higher education, teacher quality and worker training programs to help ensure that a pipeline exists that is producing educated and qualified workers to fill the jobs that are available and those that we hope to create.
 - We released a series of recommendations in 2003 on transportation planning and development, and are serving on the subsequent Transportation Finance Commission to help examine the transportation finance needs of the Commonwealth for the next 25 years and develop a comprehensive finance plan to meet those needs.
 - And finally, we released a report in 2002 which offered ideas for controlling health care costs, and are in the process of updating that report to help inform this year's debate.
- It is our hope that the results of these efforts will provide both information and ideas that will help you – as policymakers – drive the state's economic development and job creation policy into the future, while creating a broad infrastructure to support its success.
- In its December 2004 National Innovation Initiative report entitled "Innovate America," the national Council on Competitiveness questioned whether business leaders and policymakers will plan and invest for the long term, and put in place the talent pool, innovation capital and infrastructure necessary for continuing success throughout the 21st century. We believe we must, and stand ready to work with you to ensure that we do.
- We commend you for conducting this listening tour all across the state. The best policy is made inclusively, and we thank you and Speaker DiMasi for your leadership on this important issue.