

## **Statement of Michael B. Enzi**

### **Before Corporate Voices for Working Families**

#### ***Growing New Jobs/Growing the Workforce —What Will it Take?***

May 6, 2010

Thank you for inviting me here today to talk about how to grow quality new jobs here in America. As a nation, we are experiencing a very rough period economically. Unemployment has hovered at 10 percent and almost 10 million Americans are still drawing unemployment benefits. While there are some indications of recovery, there are still many other signs that difficulties lie ahead. And, the decisions we make here in Washington will impact speed and sustainability of economic growth.

The most important part of an economic recovery will be the creation of quality new jobs. I believe we will only succeed in this mission if we approach the goal by two paths. First, we must ensure an economic and regulatory environment that allows the growth of new businesses and small businesses. And, second, we must ensure that American workers have the skills they need to fill the quality jobs we want to create.

In this town we pay a lot of lip service to the fact that 80 percent of all new jobs are created by small businesses. To me, this fact is not just rhetoric but is reality in my home state of Wyoming. In fact, there is not a single business headquartered in Wyoming with more than 500 employees, which is how the Small Business Administration quantifies a small business. Additionally, I began my working career as a small businessman. My wife Diana and I owned and operated a small chain of shoe stores. When I was

elected Mayor of Gillette, WY, Diana took over the management of those stores completely, and did an excellent job of it. Such a good job, actually, that when my term as Mayor was completed and I mentioned that I could start managing the stores again, she said “Why?” And I agreed.

As small business people, we learned firsthand how government action, even when well-intentioned, can actually restrict growth. As the Ranking Member of the Senate Health, Education, Labor and Pensions Committee, I am often asked to support legislation that imposes mandates on businesses. All too often, the proposals I am reviewing are one-size-fits all approaches that offer no accommodation to businesses that don't fit the 9 to 5 office model or that already offer whatever particular benefit the bill sponsor is trying to mandate. Additionally, the proposals are often drafted without understanding that unfunded mandates on employers are either taken out on the consumer in higher prices or on the workforce through lower wages. In my view, increasing taxation and adding unfunded mandates on employers are the wrong things to do when your goal is new job creation and sustained economic growth.

In some sense, the most important thing government can do to encourage new job creation is to get out of the way. Women, however, have a much more important role to play. Over the last several decades, women's opportunities in the workplaces have increased dramatically. Today, women make up 47 percent of the workforce. In addition, more women than men are earning college degrees, and women are enrolling in many graduate degree programs in equal numbers. But women are not just taking their places in the workforce; like Diana did with our shoe store, they are leading it.

Over the last decade, the number of women-owned firms grew by more than twice the rate of all U.S. firms. Today, an estimated 8

million U.S. businesses are majority women-owned. They employ millions of people and generate trillions of dollars.

It is not at all surprising that so many women are entrepreneurial and choose to start a new venture rather than work their way up in an old one. One thing that women have been doing well since the dawn of time is balancing priorities and multi-tasking. I know from experience that women who have family obligations, whether it be small children, sick spouse or ailing parents, will choose jobs that offer the flexibility they need to balance those priorities the best they can. Workplace flexibility is one way employers can attract and retain the workforce they need. Flexibility also can reduce the high costs of employee turnover which can range from \$20,000 for customer service representatives to \$57,000 for middle managers.

If a 100-year old company that has been doing things the same way for 100 years isn't willing to accommodate the need for flexibility, many women will seek out or create a workplace that can. As women continue to supersede men in higher education, the talent draw to flexible workplaces will continue. Workplace flexibility is also a discussion about where work can occur. In my rural state of Wyoming many workers would benefit from telecommuting arrangements where they might be 100 miles from the closest workplaces. The federal government should not step in unnecessarily with regulations that can have a chilling effect on flexible workplace arrangements that benefit both employers and employees.

Of course, not every working woman is a college graduate, and many of the jobs we hope will be created in the coming recovery may not require college degrees. We can be sure, however, that more and more of the new jobs will require some postsecondary education and training to acquire specialized skills.

As leaders of some of our country's successful businesses, you understand the importance of an educated and skilled workforce in facing the challenges of a competitive, global economy. As the economy recovers it is the middle skill jobs that will grow the fastest. This growth will require a workforce with the skills that many of our current and dislocated workers do not have.

It concerns me to hear that up to 70 percent of today's workforce need to increase their education and training just to meet the skill demands of their current jobs. Reports that nearly 30 percent of incoming first-year college students are not prepared for college-level work adds to my concern. Further, we know that nearly half of American adults 25 or older have no more than a high school education and thousands of students are dropping out of high school every day. At a time when 8 out of 10 jobs require some type of postsecondary credential, this must change.

The skills gap of our current and future workforce represents one of the biggest challenges to the competitiveness of our economy. How can we expect employers to add jobs and grow their businesses if we do not have the workforce with the skills needed to fill those jobs?

This is why I am committed to working with my colleagues and the Administration to develop a bipartisan bill that strengthens and modernizes the Workforce Investment Act (WIA). We need to build on what is happening in many areas of the country through innovative partnerships that provide the opportunity for youth and working adults to gain the literacy, language and core skills needed to enter and advance in the 21<sup>st</sup> century workplace.

We also need to find ways to better engage the business community. They are an essential partner in a successful workforce development system. They know what skills and training their workforce needs and they know what assistance

they need as employers to make smarter hires, reduce the cost of turnover and help workers advance in their careers.

I think that the stakes are much higher now for the workforce investment system than they were 12 years ago when WIA was first authorized. We must make sure that workers at all levels have the access to the education and training they need to be successful. We also need to respond to employers concerns so that they can find the skilled workers they need to fill the jobs they have.

We need look no further than my home state of Wyoming to find a perfect example of what is happening and what can happen to improve the job skills and training for women. Wyoming, as some of you may know is nicknamed “The Equality State”. It was the first territory and the first state to extend the right to vote to women. Wyoming was home to our nation’s first woman judge, the nation’s first woman governor, and the nation’s first woman elected to state-wide office. In 1920 the town of Jackson, Wyoming elected the nation’s first all-woman town government.

Despite Wyoming’s long history of gender equality, its “pay gap” is among the highest of all the states. I can assure you that this is not because Wyoming employers are notoriously discriminatory, or grossly undervalue their female workers. Rather, Wyoming demonstrates that markets, choices, education, training and opportunity all play a role in the establishment of wages and wage differentials.

In Wyoming, important sectors of the economy such as energy, natural resources, and construction have faced significant labor shortages and therefore offer very high paying jobs. The reality is that many of these jobs, from heavy equipment operators to carpenters, and from welders to coal miners, are not positions that women traditionally gravitate to. In Wyoming market forces

have greatly increased the labor rates for those jobs traditionally held by men, which largely explains the magnitude of the wage gap. Closing this gap requires an increase in training and educational opportunities for women.

The role of education and training is evident in the results of one such program. “Climb Wyoming” is a not-for-profit program funded through a mix of private and public funds. Its mission is to move low income single mothers to higher paying careers through training and placement assistance. The program has enjoyed considerable success, with program graduates earning double and even triple their pre-program income levels.

In many instances these gains have been achieved by encouraging program participants to consider “non-traditional” work in the energy, natural resources and construction industries; and providing participants with the necessary skills training and placement assistance to make the transition into such “non-traditional” work. To date, Climb Wyoming has trained and placed more than one thousand single mothers in such non-traditional careers as short-haul truck driving, welding and construction trades.

One woman from my home town of Gillette earned a commercial driver’s license and now works as a short-haul truck driver for a construction company – more than doubling her pre-program earnings. Another single mother with two children entered the program in Cheyenne. Previously, she worked in a fast food restaurant and earned \$6.00 per hour. She enrolled in Climb, studied integrated systems technology and is now employed at a wind energy generation farm and earning nearly three times her pre-program income.

These are all real examples of women that have, with encouragement, training and education, managed to eliminate the

pay gap in their own working careers. I'm sure it wasn't easy; just as it isn't easy to start a business, expand a business by hiring more employees, or stay afloat in a tough economy. It is going to take continued determination and perseverance from employees, Employers, students and teachers to grow the new job and new workforce we need to remain competitive in this increasingly global environment.

Thank you again for inviting me to be with you today. I hope you enjoy the rest of your conference. There are many challenges and opportunities we all have as we work toward a common goal of a sound and competitive economy. Please keep in touch with me so that we can continue to interact on these and other issues of concern to us all.