

Global Economic Challenge

A Holistic Response



Wayne Smutz, Executive Director, Continuing & Distance Education

Penn State



- ★ 24 campuses
- ★ 83,000+ students
- ★ 50+ online degrees and certificate programs
- ★ 5,000 in-state internships and co-ops
- ★ 13,000+ baccalaureate, 2000+ masters, and 650+ doctoral degrees awarded, '05-06
- ★ 240,000+ alumni live and work in PA
- ★ 159,000+ alumni association—world's largest

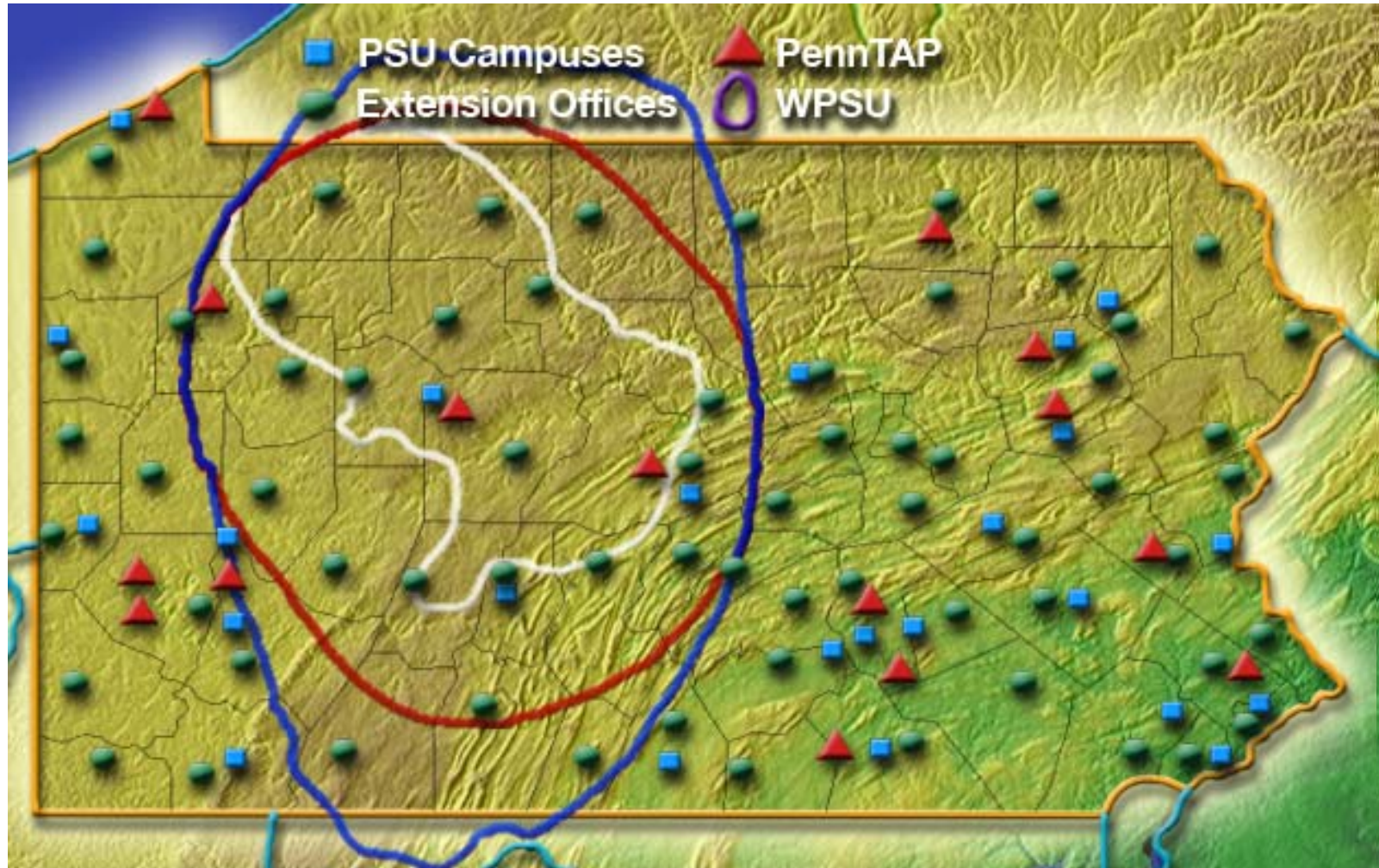
Penn State Outreach

Penn State Outreach is home to the largest unified outreach organization in American higher education, and I am extremely proud to say it is also one of the very best.

President Graham Spanier



More Than 111 Outreach Doors to Penn State



Impact

- ✦ Touch 1 in 4 PA households
- ✦ Impact 267,000 youth
- ✦ Serve 1 million people each year through cooperative extension
- ✦ Reach 67 counties, 50 states, 130 countries, 7 continents
- ✦ Broadcast public radio and television to 650,000 listeners and 1.4 million viewers
- ✦ Provide courses, programs, and conferences to more than 87,000 people



The Global Challenge



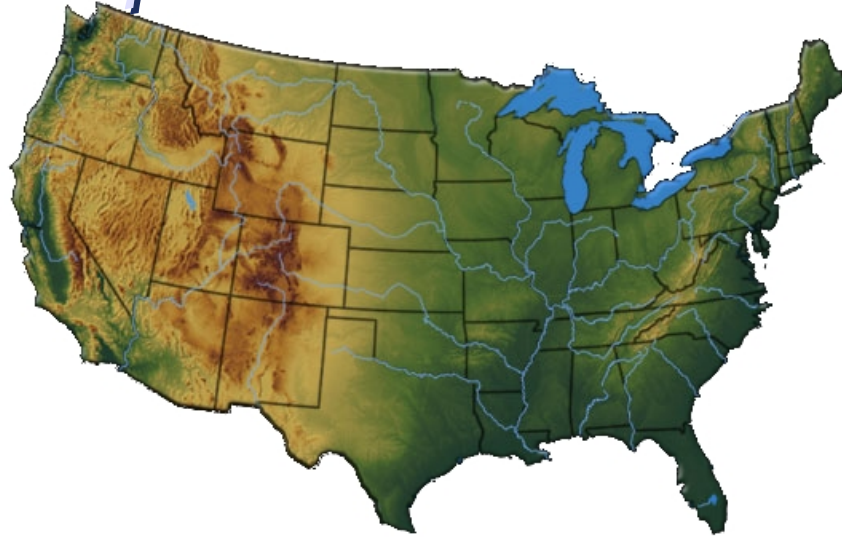
U.S. and Global Economy



- ✦ **Venture capitalists expanding**
- ✦ **U.S. trade deficit ballooned to \$717 billion**
- ✦ **Dropped from 1st to 6th place**
- ✦ **Claim to college students fallen 26%**
- ✦ **Short 7 million skilled workers**

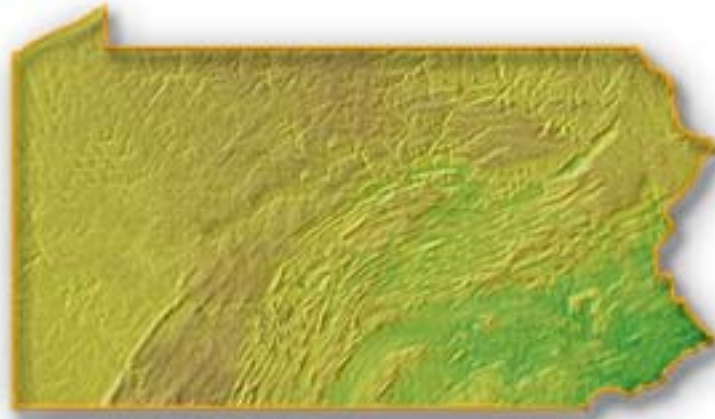
Factors fostering the global economy: foreign talent, technology expansion, global investment, and expanding markets

An Educated U.S. Workforce is a *Competitive Workforce*



- ✦ **Adult learners will grow 23%**
- ✦ **80% of new jobs require postsecondary education**
- ✦ **White—Hispanic educational gap has doubled**
- ✦ **15.6 million more degrees are needed**
- ✦ **Population growth will be in minority populations**

Pennsylvania's Challenges



- ✦ **Growing gap between rural and urban residents with a college degree**
- ✦ **3rd in nation for largest share of Americans over age 65**
- ✦ **More than 1 in 4 residents live in rural areas**
- ✦ **48% of minority growth is in Hispanic population**

Old Pennsylvania



- ◆ Murata Electronics, Inc. 2000
- ◆ Corning, Inc. 2000
- ◆ Hershey Company 2008



New Pennsylvania

Logistics and Transportation

Education

Life Sciences

Agriculture and Food Production

Lumber, Wood and Paper

Business and Financial Services

Building and Construction

Advanced Materials and Diversified Manufacturing

Information and Communication Services

- ✦ 5th in nation for state economic development achievements
- ✦ #1 destination for new projects
- ✦ 80% of businesses expect to increase their company investments next year



A Holistic Model for Economic, Community, and Workforce Development



Higher Education's Role in Economic and Workforce Development

In Cleveland's heyday. . . proximity to water or rail mattered a lot. Today, proximity to a university campus matters a lot.

Tim Ferguson, Forbes, 5/31/99



Boston, MA



San Diego, CA

Higher Education Commits Resources



Four Dimensions of the Holistic Approach

- 1. Economic Impact**
- 2. Human Capital Development**
- 3. Research and Innovation**
- 4. Community Engagement**



Higher Education's Economic Impact

- ★ **University of Georgia** **\$9.7B**
- ★ **University of Wisconsin** **\$9.5B**
- ★ **Johns Hopkins University** **\$7.0B**



Johns Hopkins, Baltimore, MD

- ★ **Commonwealth of Pennsylvania, total \$33 billion**
 - Penn State
 - Other Pennsylvania Universities
 - State-related Institutions
 - Pennsylvania Independent Colleges and Universities



Human Capital Development

★ Graduates

By 2012, the US will come up short by more than 7 million skilled workers.

Human Capital Development

- ★ **Graduates**

- ★ **Internships/Service Learning**

Colleges and universities are the crown-jewels of America's human capital economy.

Business Week



Human Capital Development

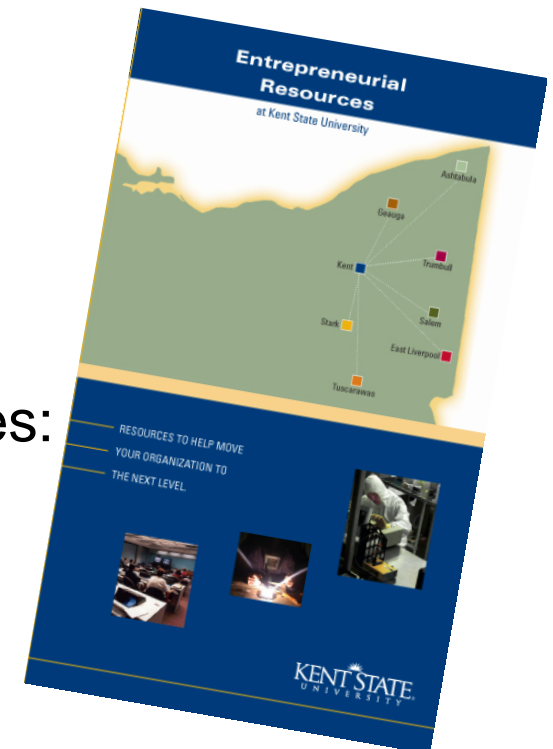
- ★ **Graduates**
- ★ **Internships/Service Learning**
- ★ **Entrepreneurship**

Colleges Offering Entrepreneurship Courses:

1980: 300

1990: 1,050

2005: 1,600



The M.F.A. will be the M.B.A. of the future.

Dan Pink, A Whole New Mind

Human Capital Development

- ★ **Graduates**
- ★ **Internships/Service Learning**
- ★ **Entrepreneurship**
- ★ **Workforce Training**

As the U.S. economy becomes even more reliant on workers with greater knowledge and technological expertise, the domestic supply of qualified workers is not keeping up with demand.

The Business Roundtable



Research & Innovation

Entrepreneurship

- ✦ 75% of small, 59% of medium, and 44% of large regions have not realized their entrepreneurship potential
- ✦ The most entrepreneurial regions have:
 - 125% more employment growth
 - 58% more wage growth
 - 109% higher productivity than the least entrepreneurial regions

Universities and Technology Transfer

- ✦ 635 new technologies offered to public
- ✦ 16,871 invention disclosures
- ✦ 4,800 new licensed technologies
- ✦ 462 new companies based on academic research
- ✦ 195 research parks in North America



Purdue Discovery Park



Community Engagement

- ✦ Convener
- ✦ STEM
- ✦ Applied Research
- ✦ Evidence-based Intervention
- ✦ Faculty Consulting and Advocacy
- ✦ Economic Development Research
 - Needs Assessment



Penn State's Holistic Response to Economic, Community, and Workforce Development



Internal Relationships

- ✦ **University Economic Development Council**
- ✦ **Continuing Education**
- ✦ **Regional Outreach Councils**
- ✦ **Office of Economic & Workforce Development**
- ✦ **Thematic Initiatives**

External Relationships

- ✦ **Keystone Innovation Zone Program**
 - Industry-University partnership
- ✦ **Pennsylvania Workforce Investment Boards**
 - Functional Manager Training
 - Southeast PA Food Consortium
- ✦ **Pennsylvania Department of Labor & Industry**
- ✦ **U.S. Department of Labor**

Holistic Management

★ **Pennsylvania Plastics Industry**

- \$3.75 million grant from U.S. Department of Labor to create a multi-dimensional statewide network

★ **WIRED**

- Nine counties in northeast selected for 1st and 2nd generation grants
- New proposal

★ **Pennsylvania CareerLink**

- 1,700 employees trained



Resources

- ✦ Where American Stands: Entrepreneurship
www.compete.org/newsroom/readnews.asp?id=403
- ✦ Hitting Home: Quality, cost, and Access Challenges
Confronting Higher Education Today
www.makingopportunityaffordable.org/
- ✦ The 2007 State New Economy Index: Benchmarking
Economic Transformation in the States
www.kauffman.org/item.cfm?item=766
- ✦ Philadelphia 2007: Prospects and Challenges
www.pewtrusts.org/pubs/

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