



RISE: Next Steps



RISE
RHODE ISLAND **SUMMIT ON THE ECONOMY**



INTRODUCTION



RISE was developed for one reason – to bring together leaders in the state from diverse sectors including education, finance, businesses large and small, labor, health care, and government, in pursuit of the common goal of strengthening our state’s economic infrastructure to support good jobs for Rhode Islanders. This summit provided an opportunity for participants to consult, collaborate, and share ideas and success stories to spur job creation at the local level. Our goal was to foster cooperation and conversation that will be key to moving the state forward.

With that in mind, I am pleased to offer this report, *RISE: Next Steps*, to summarize the findings of the Rhode Island Summit on the Economy (RISE), held at the Community College of Rhode Island (CCRI) on April 12, 2010. I greatly appreciate the participation of all those who made this summit a success by having an open and honest exchange about the issues facing our state’s economy and how best to spur progress and prosperity.

Like RISE, this guide represents another beginning that I hope will spur more conversation and action throughout the state. I plan to immediately pursue several of the action items discussed and developed in the breakout sessions with state and local leaders, private industry, and through my role as a federal representative. Rhode Islanders have always impressed me with their hard work, innovation, and unwavering dedication to their state, and I look forward to our continued efforts to build relationships, strengthen cooperation and achieve results for our families, our businesses and our state.

I would like to especially thank President DiPasquale of CCRI and Neil Steinberg of the Rhode Island Foundation for their contributions to RISE and to this report. Finally, I am very grateful to our moderators, who traveled from near and far to lend their expertise and encouragement: Assistant Secretary John Fernandez from the Department of Commerce, Deputy Assistant Secretary Gerri Fiala from the Department of Labor, Dr. Johan Uvin from the Department of Education, and Rhode Island’s own, RISD President John Maeda.

James R. Langevin
Representative James R. Langevin
June 22, 2010

REMARKS BY PRESIDENT RAY DI PASQUALE



It was a pleasure for the Community College of Rhode Island to host the Rhode Island Summit on the Economy. It gave me a wonderful opportunity to meet so many of you that are committed to helping our state rebound from this economic downturn. My special thanks to Congressman Jim Langevin for arranging this informative and engaging forum.

As I noted in my remarks, in December 2009, I had the opportunity to represent Rhode Island and CCRI at the White House Forum on Jobs and Economic Growth. In summary, it was an experience that I will remember for the rest of my life and I am grateful to Congressman Langevin for nominating me as Rhode Island's sole representative.

This difficult economy has focused the spotlight on community colleges across the country. In Rhode Island, CCRI has a long history of leadership in economic development and we are being asked to play an even greater role in helping revive our sagging economy.

Recently, a year-long study was released by the 21st Century Workforce Commission that recommended that the Community College of Rhode Island be transformed into a prime resource to educate workers for high wage jobs in the knowledge economy. The Commission proposed four recommendations based on nationwide practices in regions where community colleges have become drivers of workforce development. The first of those recommendations is to enact legislation to create a statewide career pathways system that is driven by industry needs. The Commission also recommends strengthening CCRI's capacity to raise knowledge and skill levels in a greater share of the state's population. The next step is to encourage a culture of innovation and responsiveness at the college to meet the workforce development needs of students and business. The final step is to provide funding of \$500,000 to implement the commission recommendations.

As I stated during the press conference to announce the recommendations, for the college to implement, it comes down to money and resources. The college's resources are stretched to the limit and it would be impossible for us to implement these recommendations without added staff and financial resources. Clearly, there is much more to come as we move forward. To read more about the commission recommendations, go to:

www.riedc.com/files/EDC_CCRI%20Report_FINAL.pdf

I applaud each of you for taking time to share your thoughts and ideas with other business, academic and institutional leaders and for continuing our work by taking the time to read this report. I look forward to ongoing dialogue and action as we work to move our state forward.

A handwritten signature in black ink that reads "Ray M. Di Pasquale".

Ray M. Di Pasquale

President

Community College of Rhode Island

No MORE EXCUSES: JUST Do IT

Rhode Island's future – our collective future - depends on our ability to create a sense of urgency. Urgency generates the positive energy required to brainstorm and implement good ideas. We don't need another study. We don't need another summit. What we need now is action. Nike has it right: Just Do It.

Build on our strengths

- We are a small business state – this is our heritage
- Invest in, reinvent, grow small business; if every small business added one job, we would be home free on unemployment
- Hasbro, CVS, APC, GTECH – all have grown here from small companies – we must learn from these examples and others
- Leverage the pockets of excellence in our “meds and eds,” hospital and university networks that can attract NSF and NIH grants, for example, to grow research capacity
- Don't overlook the strengths of nonprofits – they contribute to quality of life, and deliver critical safety net services to Rhode Islanders in need

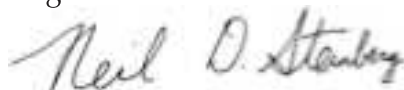
Retain in order to attract

- If we retain existing business, existing talent and existing great ideas, we can attract new businesses, new talent, new ideas
- Examples: Fidelity, Amgen
- Need the whole package to keep ideas/talent here – cannot just be an incubator, must be a great place to do business and raise a family

Promote growth

- Create a sense of urgency, beyond stating problems and initiating studies to implementation and action
- Pass business favorable tax policies and regulatory reform
- Support public education reform
- Availability of capital is not an overwhelming problem; good ideas will attract capital
- Education and job training: prepare this generation and the next generation now
- Consider and adjust for the changing demographics in the state (and the nation), especially among future business and civic leaders
- Foster productive, innovative partnerships – examples: URI/Brown, AS220/MIT
- Infrastructure: ports, airport runway, wind power, affordable housing
- One plan, one collective will, one community: prepare, invest, collaborate
- One plan: not an economic plan, not a tourism plan, not an education plan. A plan for Rhode Island
- Great execution of a mediocre plan is better than mediocre execution of a great plan

The brilliant entrepreneur and business champion Walt Disney once said, “The way to get started is to quit talking and begin doing.” The Foundation stands ready to work with Rhode Island's business, education, health and community leaders to set Rhode Island on a path for success. The time for studies and talk is past. We must begin doing.



Neil D. Steinberg
President and CEO
Rhode Island Foundation

BREAK-OUT SESSION SUMMARIES

Attracting Job Creators to Our State

Assistant Secretary Fernandez advocated moving away from the failing “boom and bust” pattern of the past decade and investing in technology and education. He also urged a bottom-up approach and a focus on building capacity at a regional and local level.

Participants spoke to the need to “unharness” our local workforce and entrepreneurs by reducing government regulations and taxes, and to leverage our largest industry, health care. In addition, the group discussed helping Rhode Islanders adapt to changing jobs, and helping businesses choose to relocate to Rhode Island with new incentives, better marketing, and distribution of a “welcome packet” on the benefits of owning and operating a business in Rhode Island. A similar packet might also be targeted to venture capital firms and others who wish to invest in creating new businesses in the state. Many agreed that Rhode Island needs to build a reputation as an efficient and transparent state, knocking down antiquated stereotypes. It is also important to focus on what Rhode Island can offer right now, including its tremendous infrastructure capabilities due to proximity to ports, air travel, rail, and I-95.

Most agreed that “one plan” was needed for Rhode Island businesses and industry to support. Participants also supported having “one voice” represent private industry or other economic initiatives when speaking to local government officials. Assistant Secretary Fernandez also suggested taking a regional approach (either a unified Rhode Island approach, or in partnership with other New England states) to create regional innovation clusters, which could lead to higher wages and more sustainable growth. Finally, there was a strong focus on the need for public and private partnerships, supported by local and federal government, to develop solutions. A database or information-sharing tool could help encourage these new relationships.



Educating Our Children, Narrowing the Skills Gap



Dr. Uvin began by highlighting that our education system is not sufficiently focused on educating workers for high-tech and knowledge sector jobs. Further, our high-skilled, medium-skilled, and low-skilled workers are being underbid by workers in lower cost countries. Finally, we are facing a shortage of some 35 million skilled and educated workers over the next 30 years. Add the 70 million Americans slated to retire in the next decade, and we have a major "skills recession" looming.

The group identified several ideas for narrowing the skills gap, including a stronger alignment between business and education; inclusion of nonprofits and government in the discussion; a strong focus on building fundamental skills in the early elementary years; ensuring computer literacy in young students; letting Rhode Island's unique assets and resources drive training and education; and promoting entrepreneurship, internship and apprenticeship.

The group also emphasized that incremental growth should be the goal: a series of modest successes built on proven strategies is preferable to going for the "homerun" right away. Along these lines, it is better to focus on a limited number of industries that are truly our state's strength, and allow industry to play a role in designing the training and education regimens to prepare workers for those jobs.

Participants agreed that there is an urgent need for one overarching strategic economic plan for our state. They also emphasized the need to foster a culture of innovation, which is a common theme among successful firms. This innovation should be applied not just to business models, but also to education and training.

Strengthening Small Business and Creating Good Jobs



One theme of the discussion was the need for cohesion among municipal, state and federal plans for economic development, workforce development, adult education, literacy and ESL programs, and K-12 education reform. Further, workforce development should incorporate “soft” skills training, like professionalism, oral and written communication, collaboration and problem-solving. Internship programs and business/university partnerships are also an important element of training, particularly as we shift to a greater focus on technology and emerging industries.

As the group worked to identify good jobs for Rhode Island, there was a desire to both recruit businesses and workers from outside the state, and to better cultivate the skills, talent and industries already here. Some of our state’s assets include the marine industry, our natural resources, information technology, health care, green technology, and biotechnology. In addition, career ladders, which help employees train for other positions within the same place of business, can provide sustainable jobs and opportunities to move up. Work is also under way in Rhode Island on sector pathways, which provide training for specific job areas.

Priorities for further action should include: identifying businesses that can be recruited to come to our state; helping existing Rhode Island businesses sell themselves with the assets they already have and aiding small businesses in understanding and adapting to current markets and the changing business environment. One inexpensive option is to have college students in business career paths help small businesses with research and provide new ideas to meet current and future market demands.

In order to make Rhode Island’s business climate more welcoming, the group also cited the need for better customer service, effective leadership, quicker decision-making and greater efficiency. The One-Stop Center, which carries out job training services and provides access to job placements, should look to streamline its delivery system for both workers and businesses. The state also needs a coordinated plan for small businesses, including an examination of small business tax policies, fees and regulations.

Creating the 21st Century Economy

John Maeda began by explaining that while many American businesses still come from a framework of making and selling hardware, successful 21st century companies come from an intellectual property framework, where your primary revenue-generators are software and ideas. Rhode Island is well positioned to take advantage of this model due to our size, number of higher education institutions, close-knit community, and geographic location. But we need to incorporate the information superhighway into our discussions, learn to scale the growth of our businesses and recognize that Rhode Island is ideally suited for deploying new technology.

There was discussion of a Kauffman Foundation study which found that most successful companies are less than five years old, which indicates that companies will do better if they can adopt the mindset of those younger, newer businesses. The group also focused on the importance of quality education at all levels -- from building fundamental skills in K-3, to inspiring high school students and supporting higher education -- and the importance of education in the STEM (science, technology, math and engineering) disciplines, which might benefit from an added "A" to represent the arts and design, making it "STEAM" education.

The rest of the conversation was dominated by the need for private sector partnerships to enhance the educational experience. Internship programs provide free or low-cost assistance to local businesses; provide students a meaningful extra-curricular experience that might encourage new educational or career pursuits; and encourage students to remain in the state after graduation, giving our businesses the benefit of the talent the state has invested in. And rather than teaching interns how to do what employees are already doing, give them the freedom to take on challenges that haven't been tackled, whether because of a lack of time or resources, or a lack of familiarity with certain aspects of the new economy.

We should also bring entrepreneurs into school programs to inspire young people to build their skills, think creatively and take risks, knowing that there is a support system to offer mentoring and guidance. By keeping entrepreneurs invested and involved with the next generation, we give students a reason to stay and invest their skills in Rhode Island after they graduate.



CONCLUSION AND NEXT STEPS

Throughout the course of the summit, we saw similar concepts and common goals emerge. We looked beyond our current economic situation and saw the potential for turning our state into one that welcomes new and established businesses, helps entrepreneurs take advantage of a new economy focused on technology and innovation, and trains our students and workforce for the jobs of the 21st century. Due to our size, Rhode Island has the unique ability to take on cutting-edge initiatives and serve as a model for forward-thinking ideas and partnerships. Rhode Island's assets also include its natural resources, location and infrastructure, and a proud population that wants to help build our economy for future generations.

In order to make this a reality, it is critical to close our state's skills gap and ensure that students are prepared for at least a 2-year college program when they graduate from high school. Additionally, we need to link local businesses to our education system to meet demands and sharpen skills for new employees, while we pursue simultaneous workforce development activities in both businesses and schools. Small businesses are the backbone of our economy and are nearly 97 percent of the state's employers. To help them operate effectively and profitably, local, state and federal business regulations must be clear and cohesive. We also need to form more partnerships and collaborations across sectors to move forward together with home-grown solutions, and stop competing against each other within the state.

RISE participants also focused on taking better advantage of what our state currently offers. We must continue to build upon our successes, encouraging cooperation between businesses, educational institutions and our government agencies to create not only a talented and skilled workforce, but also the jobs that will keep these workers and students in our communities. There is no magic solution to improve our state's economy, but we will see positive progress if we continuously develop and strive for incremental, achievable goals. The partnerships built during RISE and in the future will be key to transforming our economy in Rhode Island.

Together, we developed a series of action items that we can begin to implement now. They are described below.



RISE Proposed Actions for Public/Private Partnerships

Business Friendly Initiatives

In each session, participants discussed the need to make Rhode Island more business friendly. A relatively simple first step is to develop a “welcome packet,” which would provide information for those interested in starting a new business in the state or moving or expanding existing operations to Rhode Island. This packet should clearly outline resources for assistance and support, benefits of operating a business in Rhode Island, and information regarding regulations, taxes, fees and other requirements. Participants also recommended creation of a Board to meet with new businesses, venture capital firms, or others looking for investment opportunities in the state. The Board could provide a general orientation on how to establish and operate a business in the state, while acting as a liaison between businesses and local leaders, state resources, or other businesses.

“Internpreneurship” Program

Many participants cited the need for greater interaction between schools and businesses in our small state. A database, which could be started as a pilot on a social networking website such as Facebook, was proposed to create an “internpreneurship” program. Internpreneurs, which combines “interns” and “entrepreneurs,” will benefit by learning about a specific business or receiving training in certain skills, while businesses can take advantage of a student’s fresh perspective to tackle projects like website and social media development, or implementing new business or marketing models. A fall kickoff event could offer a networking opportunity for businesses and students at the start of the school year, which would be sustained via a website. Connections could be made and success stories could be reported on the website and circulated to demonstrate the benefits of this new model for internpreneurs.

Highlight Business Success Stories

We must ensure that others can learn from and model business success stories in Rhode Island. In partnership with local organizations, Congressman Langevin will host meetings to highlight how local businesses have successfully grown their sales, output, customer base or exports, and will work to bring federal officials to our state to get the word out about resources available to help businesses prosper. Summit participants also recommended the creation of a business mentoring program for established small business owners to help entrepreneurs, as well as a program that would encourage successful entrepreneurs to visit high school and college classrooms to inspire students to think innovatively and pursue their business goals.

State Policy Report

The Rhode Island Economic Development Corporation, or a similar non-partisan organization, should undertake a comprehensive evaluation that is accepted by a majority of stakeholders, outlining how the state aligns its policies (including taxes) with the federal government. They should then analyze to identify which current policies help or hinder economic development in the state, and how we can realistically implement recommended changes to the existing system. Similarly, business policies and guidelines across municipalities should be evaluated and streamlined when possible. Above all, the common refrain during the summit was the need for a single, unified and comprehensive economic plan for the state of Rhode Island. This will obviously require the agreement and participation of a large and diverse group of people and organizations, but this state policy report could be an important first step towards this overriding goal.

RISE Proposed Actions for Congressman Langevin

Economic development is largely impacted by actions and circumstances at the state and local level, from tax structure to school conditions to zoning decisions. However, there is clearly a role and a need for support and collaboration at the federal level. In this vein, Congressman Langevin plans to take several actions that will assist and enhance new and ongoing economic development initiatives in Rhode Island. Among his first priorities will be:

- Increasing interaction with our neighboring state delegations to work more collaboratively in pursuing regional efforts at the federal level.
- Supporting or introducing legislation necessary to prevent and end any existing “skills recession.”
- Frequent communication with local and federal agencies to ensure that Rhode Island is not missing out on any funding opportunities.
- Enhancing federal support for STEM education at all levels and working to create greater recognition of the importance of art and design in these disciplines.
- Creation of incentives to increase computer literacy starting in elementary school through grant opportunities or other Department of Education programs.
- Support for increased funding for adult education, as well as linking workforce and economic development through sector partnerships and career pathways, as Congress pursues reauthorization of the Workforce Investment Act.
- Sharing this report with the candidates for Governor in Rhode Island and encouraging them to incorporate its recommendations into their economic plans for the state wherever possible.