

Pennsylvania Renews Economic Development Strategy

Governor Josh Shapiro outlines how the Keystone State's first economic development strategy in more than two decades will spur growth and interest.

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Governor Josh Shapiro has his sights set on making Pennsylvania a top contender for job creation and innovation. And he's going to do it by revamping the state's nearly two-decade old economic development strategy.

In September 2023, Gov. Shapiro first announced plans for the comprehensive strategy, which will involve listening sessions with business and economic development leaders, and a pilot program to issue grants for site assessments and remediation preparation.



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— Governor Josh Shapiro

“This plan will help the Commonwealth create real economic opportunity, where all Pennsylvanians have access to family-sustaining jobs, strong and vibrant communities, and a high quality of life,” he said at the time.

Plan details, unveiled in January, include five pillars: Invest in economic growth to compete; Continue to make government work at the speed of business; Create opportunities for all Pennsylvanians; Innovate; and Build vibrant and resilient regions. Each goal, according to the governor’s office, has specific initiatives.

Meanwhile, both the S&P Global Ratings and Moody’s improved Pennsylvania’s ratings outlook to “positive,” citing budget management policies and an increase in financial reserves.

The state also is the first to secure two [regional clean hydrogen hub projects](#), according to the governor’s office. The projects are funded through a U.S. Department of Energy program and will bring more than 41,000 jobs to the state.

(Photo: Adobe Stock/Michael Bogner)

Business Facilities recently spoke with Gov. Shapiro about the latest for business and citizens in Pennsylvania.

Business Facilities: *Please tell us about the business climate in Pennsylvania now. What is driving its success?*

Governor Josh Shapiro: There is no better place to grow a business than right here in Pennsylvania. We have the best, most skilled workers in the country, world-class universities and research institutions,

and a growing reputation as a hub for biosciences, agribusiness, and advanced manufacturing. Our proximity to major U.S. markets and low cost of doing business position us as a major economic hub, home to more than a million small businesses and 23 *Fortune* 500 companies.

Pennsylvania is a national center for workforce development, with our colleges and universities producing over 190,000 skilled graduates each year.

Those same colleges and universities invest \$5 billion into research and development annually, making Pennsylvania one of the best states in the country for academic research and development—and we have an abundance of natural resources that enhance our economic competitiveness.

Since day one, I promised that my administration would be open for business. That we would work closely with clients and investors in Pennsylvania to create a business-friendly climate that invites companies in and work with top research and training facilities to build up a strong, talented workforce. We're making big changes to the way our government works with business. And we are already seeing major results. Since I've taken office, we've already brought over \$1.2 billion in new private sector investments to Pennsylvania.

I'm extremely proud of the progress we've made together—but there is a lot more we need to do. Pennsylvania now has a historic and comprehensive economic development strategy.

For the first time in nearly two decades, we have a plan that brings business leaders, workers, elected officials, researchers, universities, and state government together behind common goals to grow our economy, create real opportunity, and show the world that Pennsylvania gets it done.

Philadelphia, PA City Hall (Photo: Adobe Stock/THANANIT)

BF: *Your office announced in September that it would create a new statewide economic development plan. What led to the decision to create that plan now?*

Gov. Shapiro: Over the last year, I've heard from folks both in the business and labor community, and we've told us we aren't doing enough to attract business, putting us behind some of our peers.

We need to catch up. Pennsylvania deserves to be on the shortlist for companies looking to grow or relocate.

There is no better place to grow a business than right here in Pennsylvania. But for too long, we have failed to fully capitalize on this potential, lacking a concrete plan and leadership that would take us to the next level. We needed a plan that would serve as an active blueprint for our economy, created in collaboration with our various regional economic development partners, academia, labor, and the broader business community.

And that's what we did. Our plan outlines what the business community can expect from Pennsylvania moving forward over the next 10 years. And the plan already informed the major investments I called for in my budget address for the upcoming fiscal year.

***BF:** What are target industries for Pennsylvania currently? Would you highlight a few projects in these industries that have chosen your state for their business, and what attracted those decision-makers?*

Gov. Shapiro: Part of our new economic development strategy was looking at the real economic data that's out there to determine the industries where we have the strongest growth potential. We confirmed that the industries most ripe for growth are largely the same ones that have been powering our economy as a whole: life sciences, robotics and technology, manufacturing, agriculture, and energy. We've noticed huge trends in Pennsylvania's economy shifting from industrial to innovative. My administration is committed to doubling down on innovation and fueling that growth to become a national leader.

***BF:** What incentives and other programs are being emphasized to encourage retention of businesses and encourage others to come to the state? Would you comment on rural-related initiatives?*

Gov. Shapiro: One of the things we've heard time and again is that the lack of "shovel-ready" sites is a major barrier to attracting new and expanding businesses to Pennsylvania. We heard you—and thanks to funding we secured in last year's bipartisan budget, we created a new pilot program called PA SITES. PA SITES provides funding to help make sites competitive, which means transportation access improvements, utility extensions, or grading of pad-ready sites.

PA SITES is especially important for rural areas. We have so many former manufacturing sites that, when properly prepared, would make great locations for businesses that would help spark smaller local economies and provide great jobs for residents in those rural communities.

My budget proposal calls for a transformational investment of \$500 million into the PA SITES program. We know it works, and we know how important it is for business. So, we're serious about building an arsenal of preferred sites.



Pennsylvania capital building in Harrisburg. Back side of the capital with the fountain in the foreground.

BF: *Access to available workforce is more important than ever to corporate site selection teams. How does Pennsylvania deliver on that need for businesses?*

Gov. Shapiro: We're fortunate to be home to so many prestigious higher ed institutions that are driving innovation forward by fueling an advanced workforce. But I also know that we need to do more.

One of the ways we're building our workforce is by going big on apprenticeship programs. My administration has secured huge investments for apprenticeships, such as \$23.5 million to prepare more students for skilled careers, \$6 million in pre-apprenticeship and apprenticeship programming, and an additional \$3.5 million to fund the Schools-to-Work Program to develop and expand career pathways for high school students via partnerships between schools, employers, organizations, and the Commonwealth. And my budget calls for even more investment into our apprenticeship systems.

BF: *What are the key issues facing the state in terms of business development? How are you addressing these issues?*

Westinghouse To Develop Clean Energy Technology In PA

Westinghouse will invest at least \$18M to further develop its innovative eVinci™ transportable nuclear battery technology in Allegheny County. [Read more...](#)

Gov. Shapiro: In addition to addressing site development and workforce, another critical area for us is making sure state government moves at the speed of business. In January 2023, I created the Office of Transformation and Opportunity, or OTO, which is cutting red tape and removing internal barriers within state government that are slowing down business operations. They've done an amazing job at streamlining processes so we can increase speed-to-market for companies.

We've already seen dramatic progress—in fact, it used to take up to eight weeks for the Commonwealth to process a business license, and now it takes just three days thanks to OTO facilitating improvements in how we work. OTO is going to continue to work on making government operations quicker and more effective, and we're going to see more big improvements because of it.

Check out all the latest news related to Pennsylvania economic development, corporate relocation, corporate expansion and site selection.

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