



Jack Manning, President of the Beaver County Chamber of Commerce

Good Morning. My sincere appreciation to The Center for Rural Pennsylvania, Senators Yaw, Wozniak, Bartolotta and Vogel, and Representative Matzie, for allowing me to speak on behalf of the approximately 540 regional members of the Beaver County Chamber of Commerce. Our membership includes organizations with operations in Allegheny, Butler, Greene, Lawrence, Washington and Westmoreland counties.

The issue of the heroin and opioid epidemic is impacting all aspects of life in southwestern Pennsylvania, including our business community. It has a significant impact on one of the most important economic strengths that Pennsylvania has to offer, our workforce. Our region has a legacy of producing some of the finest workers in the history of our country. The "steelworker work ethic" and "can-do attitude" help build this country and especially this region.

Unfortunately our workforce is aging rapidly. From 2015 to 2025 it is estimated that 290,000 workers will be eligible to retire and are expected to be leaving the workplace. In addition, the greater Pittsburgh ten county region is projected to grow jobs at a 4.2% rate.

In other words, we need to find a net new 34,000 workers a year for the next ten years in order to keep these roles filled and our economy resilient. With our current aging demographic and a pipeline of new, replacement workers in short supply, the problem of addiction becomes much more pronounced. Quite frankly, we need more fully productive and engaged workers than the region can currently supply.

Four years ago the Chamber began a Drug Free Workforce program to bring awareness to our business community on the problem of addiction and drug use in the workplace. We did so in response to some members indicating that the failure rate of new hire pre-employment drug screens was on the rise. Most of our trucking, energy and advanced manufacturing members require that employees be drug free. They have zero tolerance programs due to their need for the safety and security of their operations and the environment.

There were reports of five to 80% rejection rates for applicants wishing to get into the energy and advanced manufacturing field. It is a sector that currently provides employment for over 54,000 workers with a median salary of ~\$68,000/year in the ten county area. These lucrative, sustainable wages and careers are vital to our economy. With the potential for an ethane cracker plant just up the road in Potter Township, and the ancillary manufacturing and

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distribution jobs that accompany such a facility, drug-free workers are of the utmost importance.

Just a little over a month ago, on April 28th, the Chamber hosted a town hall type panel discussion on the topic of heroin and opioid addiction with some of the very folks testifying with you today. I began that discussion by asking the ~85 business and community members present to raise their hands if they personally knew someone struggling with addiction, and every hand was raised. With hands still raised, I then asked if they knew someone who had died as a result of that addiction, and only one hand was lowered. It was a sobering moment that emphasized the depth and reality of what we are dealing with.

The unemployment rate in Beaver County is ~5.8%. State-wide we are around 5%. I suspect that a portion of those unemployed are unemployable because they are unfit for work due to a combination of issues including lack of proper training and skills, and in some cases an addiction issue.

Our members are devoting a tremendous amount of time and effort on workforce development. We are partnering with trade schools, the community colleges, four year institutions and technical schools to provide the necessary skilled workforce to remain competitive. We even have a program, called E&, (Energy and Advanced Manufacturing Partnership) that is working with all 14 school districts in Beaver County and with some surrounding districts, to help align schools, parents and employers on career path options. This fall we have a program that will be geared specifically to the middle-schools students. It has been a great effort and partnership, often supported by private and public grant funding. It is helping to shape the employees of the future for Pennsylvania.

But while the programs are focusing on the education and training for increasing the skills and competency needed in these careers, we have not been as aggressive as we need to be on addressing the issue of there being a drug and addiction free workplace. We occasionally speak to the subject but need to do much more.

On an annual basis, the U.S. economy incurs costs in the hundreds of billions of dollars per year due to lost productivity, labor participation cost, drug treatment, incarceration, and premature death due to addiction.

From a business bottom line perspective, alcoholism and drug dependence in our workforce often leads to injuries; absenteeism; production losses; theft and/or illegal workplace activities; higher turnover rates; increased on-boarding and training costs; lower morale; poor decision making; and higher overall healthcare costs related to current or latent ailments from drug usage.

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During our town hall discussion, one panelist who was a former executive in an advertising agency, recalled how he spent almost his entire day at work figuring out how and where he was going to find more Oxy or Vicodin to get through the week.

The single biggest cost (25%) of worker compensation claims are related to opioid prescriptions. When workers get hurt on the job and are prescribed opioids for pain management, the cost increases four times versus managing the pain with other options. This presents a difficult challenge for employers wanting to do right by their employees and not wanting to exacerbate this healthcare epidemic.

This growth in opiate use and addiction in the last ten years has been in households earning up to \$50,000/year. A vast majority (67%) of current drug users over the age of 18 are employed. Some studies indicate that one in twelve workers reported illicit drug use within a current one month period. For the unemployed, the number is one in six.

There is hope. Treatment programs are available and can work. But we need many more drug and mental health providers, more beds and more help from private and public institutions. As business people, we must confront the reality that it exists in our workplace and with our employees' families. We must educate ourselves on the causes and where to seek that help.

As a former human resources director as well as a manufacturing plant manager, I have witnessed the ruin of some of my peers and employees careers, and the families behind those careers, due to addiction. It is painfully touching far too many lives in our region.

The Chamber will continue to do its part, where it can, in trying to help solve this issue. But we all must be aligned, especially over the next ten year period of workforce challenges we are facing.

Again, my thanks and gratitude to The Center for Rural Pennsylvania for this opportunity. It is a good step towards greater alignment to combat the epidemic of heroin and opioid addiction.