October 31, 2016

The Honorable Penny Pritzker
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Madam Secretary:

Enterprises seeking foreign direct investment opportunities identify a destination’s workforce as a key factor that determines where they will invest. The U.S. offers foreign enterprises an unparalleled choice of regions, states, and local municipalities in which to invest, each of which possesses a workforce with its own unique attributes and skills.

The federal government is committed to ensuring that the capabilities of its workforce are aligned with the enterprise needs of today and the future, and the Department of Commerce’s “Skills for Business” agenda is a prime example of that commitment. With the input of the Department of Commerce, the federal government has undertaken such initiatives as developing a job-driven training checklist. As of October 1, 2014, applications used by all federal agencies for competitive training grants (totaling $1.4 billion) incorporate elements of the job-driven checklist.

The effort the federal government is undertaking to align the skillsets of our workforce with the needs of the private sector can enhance the appeal of the U.S. as a destination for foreign direct investment, and the U.S. Investment Advisory Council (the “Council”) suggests that the Department of Commerce take steps to improve the process for foreign enterprises to obtain key workforce information that is relevant to their investment decision-making process. Enabling foreign enterprises to better understand labor markets in the United States will increase investor confidence and expedite the research and analysis that is an essential step of any investment decision-making process.

Recommendation:

Our recommendation is to develop a searchable, cloud-based portal that foreign enterprises can use to identify U.S. locations with the potential to meet their specific labor requirements. This portal will be populated with information provided by federal sources and supplemented with standardized workforce demographic data from state, regional, and local sources that is not available at the federal level. We additionally recommend development of a
promotional campaign that showcases to foreign enterprises the availability, accessibility and relevance of this information.

As part of this recommendation, we have identified three specific initiatives:

**Develop a searchable, cloud-based portal that foreign enterprises can use to identify U.S. locations with the potential to meet their specific labor requirements. This portal will be populated with information provided by federal sources.**

While foreign enterprises interested in investing in the U.S. benefit from the breadth of regions, states and cities available to them, the corresponding task of determining the optimal U.S. location in which to invest can be daunting. Today, there is no single source foreign enterprises seeking workforce data for different U.S. locations can visit. As a result, foreign enterprises may be forced to undertake the burdensome and expensive process of searching for workforce data one region, state and city at a time.

In this competitive foreign direct investment environment, the U.S. can differentiate itself and demonstrate the high value it places on foreign direct investment by ensuring that data critical to foreign investment decisions is collected and made available in a manner that can be easily evaluated. The following are workforce data points we have identified as key to enterprises researching foreign direct investment opportunities:

- Salary/wages and benefits by community
- Labor availability by job classification, employment, and residence location
- Total size of the workforce by job classification and community
- Workforce demographics (population by educational level attained, age, workforce growth trends etc.)
- Number of college graduates by degree per year by state and local community
- Trade Certifications (by type and percent of workforce holding certifications)
- Community educational system (K-12, colleges and graduate schools, technical schools, and apprentice and co-op programs)
- Community workforce training support programs
- Regional/Local workforce productivity trends
- Cost of living by community
- Federal, regional, local, and other workforce hiring incentives
- Key employers by community
- International Benchmark comparisons of key labor statistics
- Federal/Regional/Local Labor Laws

We recommend the collection of standardized data including the above-mentioned data points and display of that data in a manner that enables potential investors to easily analyze and compare. In addition to a standard web-based portal, we recommend developing an application to make the data accessible on mobile iOS and Android devices.

**Supplement the portal with searchable data from state, regional, and local sources that agree to provide standardized workforce demographic data and display it in a standardized format.**
Currently, each region, state, and local municipality determines the data to collect and the method to use for depicting and describing that data, resulting in inconsistent data sets and, in some cases, lack of data. Without access to readily comparable information at the local community level necessary to make educated investment decisions, potential investors may delay their investment decisions or turn to other destinations where they can invest without facing as many unknown or confusing factors.

**Develop a promotional campaign for the cloud-based portal that highlights the relevance and accessibility of its content.**

To build awareness, we recommend publicizing the cloud-based portal at trade shows, seminars, and through advertising literature and communications made available through U.S. embassies and consulates and foreign economic development organizations. Targeted advertising of the portal will spur the interest of the foreign direct investment community, increase usage of this important tool and allow the U.S. to showcase its continuing commitment to making the U.S. the best global destination for foreign direct investment. Inclusion of testimonials and success stories would demonstrate to potential investors the positive experiences and outcomes other foreign enterprises have achieved through use of the portal.

In summary, the federal government has made significant efforts to develop and align workforce skillsets with private sector requirements. The Council strongly believes that improving the quality and accessibility of our workforce data will build investor confidence, speed investment decision-making, and ultimately increase the level of foreign direct investment in the U.S.

Respectfully submitted,

Jane Garvey, Catherine Smith
Chair Vice Chair

Jeffrey Wilson
Chair, Workforce Alignment Subcommittee