



**Opening Statement**  
**Innovative Approaches to Meeting the Workforce Needs of Small Businesses**  
**Chairman Sam Graves**  
**House Committee on Small Business**

**September 8, 2011**

Good afternoon everyone and thank you for joining us. The hearing will now come to order.

I want to thank the witnesses for appearing today and look forward to your testimony.

The purpose of today's hearing is to examine the workforce needs of small businesses and the newer, more innovative programs being created to meet those needs.

The domestic economy has experienced profound changes in the last generation. Advances in technology have made it possible for firms across industries to increase the efficiencies of their workforce. Most agree that the future health and competitiveness of the domestic economy is dependent on continued innovation.

These technological advances have also increased businesses needs for workers who can understand and operate complex machinery and processes.

While the economy remains mired in recession and more than 14 million of our citizens remain out of work, a number of firms, including small businesses, report difficulty finding new workers with the requisite skills and knowledge for even entry-level positions. According to a recent survey by the National Federation of Independent Business, more than 33 percent of small firms report vacancies that remain unfilled because of a lack of qualified candidates.

The situation is becoming so acute that some are beginning to question whether the skills gap is a contributing factor, along with future budget, tax and regulatory uncertainty, to weak economic growth and further job creation.

When firms can't fill a job opening in a recession its clear there's a problem. The United States spends hundreds of billions of dollars a year on education and workforce training programs, yet the current system is in too many ways failing to meet the needs of businesses and the students it educates. This is leading some to question whether alternative paths to education and training can fill these gaps.

As in the past, the private sector is stepping into the void and moving forward with its own solutions to meet their workforce needs. Unfortunately, most small businesses don't have the resources or expertise to develop their own workforce training programs and their ability to influence the direction of existing workforce training partnerships can be limited.

Proponents of industry-led credentialing programs claim they help small businesses compensate for these limitations by providing students and workers with a broad-base of occupational knowledge and skills necessary for entry-level and more advanced jobs.

The Committee will hear from four witnesses intimately involved in these efforts. I appreciate their participation and testimony and now yield to the Ranking Member for her opening statement.