

PACP Column: May 2025

Pennsylvania's competitiveness is at a crossroads. Recent trends in job and GDP growth indicate that the state is stagnating. We've continued to drop our representation in Congress with each census over the last century, and our population trends are heading in the wrong direction. For example, Arizona's population has grown by 2.1 million people over the last 20 years – by comparison, it's taken Pennsylvania 70 years to grow by that same total (2.3 million from 1950 to today). Clearly, action needs to be taken to reverse these trends, and as the leaders in bringing economic growth and opportunity to Pennsylvania, we're proud to have unveiled a long-term strategy that will make it happen.

In April, the PA Chamber Foundation unveiled the Keystone Initiative - a private sector-led, long-range strategic vision for Pennsylvania to foster economic growth and prosperity. The Keystone Initiative is a blueprint for making Pennsylvania the best state in the nation to live, work, raise a family, attend school, and grow a business.

This strategic vision includes approximately 100 recommendations in eight categories with seven key priority areas. They include:

1. **Accelerating corporate net income tax rate reductions and adjusting the net operating loss carryforward cap.**
2. **Promoting tax reforms** to reduce the burden on small businesses.
3. Addressing **tort and judicial reform**.
4. Setting aggressive goals for **improving government responsiveness**, including client communication, permitting speed, and approval processes.
5. Developing a **statewide energy plan** focusing on innovation and infrastructure.
6. Supporting **policies to upskill and reskill adult workers**.
7. Finding **solutions to the childcare crisis** in Pennsylvania.

While not an exhaustive list, these recommendations are all examples of public policy and strategies that Pennsylvania can pursue to put it on the path to prosperity. In addition, the PA Chamber will utilize the recommendations in the report as the basis for much of its future advocacy work and initiatives; and future efforts. This includes the formation of the PA Chamber's Energy Institute, a PA Chamber Foundation-led effort that will develop a statewide energy plan focusing on innovation and infrastructure development; a campaign

to promote internships as a means to attract and retain students to Pennsylvania's workforce; and a comprehensive childcare strategy that centers on workforce solutions, reducing administrative burdens, and combating rising costs on providers.

The PA Chamber Foundation worked with the Economic Leadership Consultants (ELC), a national consulting firm, to help develop the recommendations; and conducted a series of interviews, meetings, and surveys to seek feedback and gather input from Chamber members and business leaders. We're also grateful to the Keystone Initiative co-chairs – a group of leaders from six PA Chamber member organizations that dedicated their time and resources toward the formation and release of this report. They include Charles Duncan, Vice President, Comcast; Chris Franklin, Chairman and CEO, Essential Utilities; Christine Martin, President and CEO, PPL Electric Utilities; Tim NeCastro, President and CEO, Erie Insurance; Dan Onorato, Executive VP, Highmark Health; and Toby Rice, CEO, EQT Corporation.

To read the Keystone Initiative, click [here](#).

To learn more about the Keystone Initiative, visit the PA Chamber Foundation website [here](#).