

Cleveland Fed leader cites concerns about U.S. development

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Sandra Pianalto spoke Thursday at Toledo symposium

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Sandra Pianalto, president and CEO, Federal Reserve Bank of Cleveland, speaks to the Global Interdependence Center and University of Toledo at the Crown Plaza Thursday.

The president of the Federal Reserve Bank of Cleveland, one of a dozen or so people who help guide the nation's monetary policy, told a Toledo audience Thursday that while technological and productivity advances have helped manufacturers improve their costs, the nation and the region are falling behind in their "development of human capital," forcing companies to locate elsewhere.

"One of the most important factors that will determine where companies will locate is the development of human capital," with increased education and skill levels for workers, explained Sandra Pianalto, one of 12 regional Fed presidents. Her district includes Ohio, western Pennsylvania, eastern Kentucky, and portions of West Virginia.

"The U.S. is falling behind," in terms of the percentage of adults with college degrees among the 20 largest developed nations, dropping from No. 2 in 1995 to 13th in 2008, Ms. Pianalto told an audience of several hundred

during a symposium sponsored by the University of Toledo and the Global Interdependence Center in a ballroom at the Crowne Plaza Hotel in downtown Toledo.

"And Ohio is 38th among the states in terms of adults with college degrees. That's not a good record."

Ms. Pianalto, an economist, said economic growth would continue to lag, with the nation's Gross Domestic Product at at about 2.5 percent through 2012 — a rate similar to current growth rates — and that prolonged high levels of unemployment would continue to dog the economy as household spending is held down by uncertainty.

"Housing markets remain subdued, the government sector is very constrained, and international markets are unsettled. These headwinds continue to create challenges for businesses, employees, and families," she told the audience.

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