

Brookings / Living Cities  
State and Metropolitan Prosperity Collaborative

## Strengthening Educational and Employment Pathways To Support Growth and Opportunity In the Production Economy

Takeaways from the October 2012 Convening  
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With U.S. states and metropolitan areas still struggling to recover from the effects of the Great Recession and unemployment rates only slowly improving, economic development officials across the nation are increasingly focusing on how best to foster tradable sector growth. These leaders recognize that tradable sector strength will boost exports, spark job creation, and encourage the expansion of firms' capacity for innovation and production. However, as economies throughout the U.S. redouble their efforts to bolster their tradable sectors, state and metropolitan leaders are also recognizing the need for a new approach to workforce development, one that ensures that educational and employment pathways are closely attuned to the evolving labor needs of the private sector.

Against this backdrop, the second meeting of the Brookings / Living Cities State and Metropolitan Prosperity Collaborative drew together 27 senior leaders from 14 states to investigate how states—working closely with their cities and metros—can develop and implement new strategies that better integrate economic development efforts and workforce development programs. This two-day meeting, held in October 2012 at the Brookings Institution in Washington, D.C., provided participants with a unique opportunity for peer learning focused on improving the linkages between economic development and educational and employment pathways.

The Collaborative provides senior state economic development leaders with a platform for sharing and developing their policy vision and implementation strategies in order to create widely shared economic growth in their states and metro areas. Drawing on Brookings' expertise in metro-focused trend research and state and regional policy development and Living Cities' extensive experience investing in cities, the collaborative aims to give state leaders the chance to learn from and with their peers—as well as metropolitan-area leaders—about leading-edge, replicable, and effective state-level policy ideas that can advance economic opportunity both in the near term and for decades to come.

What follows is a distillation of the key takeaways that emerged over the course of the October convening.

## **Improving pathways to well-paying, middle-skill jobs**

Participants affirmed that the state has a critical role to play in cultivating stronger pathways to middle-skill jobs. By forging **strong vertical relationships between the state and its cities and metros**, state leaders will be able to develop and implement state-level strategies that encourage bottom-up innovation and align with regional economic priorities. Increased communication and cooperation between state government and cities and metros can help mitigate the often balkanized nature of workforce development. At the same time, participants noted that leaders must take care to ensure that current and projected labor demands strongly inform policy and programmatic decisions about educational and employment pathways.

Because leaders must necessarily tailor workforce development to the economic realities of their regions, the strategies adopted and programs offered will likely differ from one place to the next. But despite these variations, participants identified a handful of key factors that they deemed critical to the success of any state workforce development strategy.

## **Industry-driven workforce development requires sustained industry engagement**

While the notion that **industry needs should drive workforce development policy** is far from a novel concept, states and metros have had varying success in putting this idea into action. A truly industry-demand-driven pathways system requires industry intelligence that can only be acquired through sustained industry engagement. By giving industry leaders a place at the table and encouraging their continued involvement in strategic planning, states and metros alike can set goals and develop a flexible system that better prepares workers for the employment opportunities available in their regions.

Industry intelligence and engagement help ensure that pathways lead to industry-valued credentials. Only industry can provide the level of detailed information on existing and expected job openings and the skills needed for those positions. As such, industry partnerships can play a critical role in developing effective workforce development programming. In establishing these partnerships, the state should consider an initial focus on incumbent worker training in order to help develop industry trust and begin cultivating the relationships necessary for long-term engagement. Though time-consuming and in some cases expensive, state efforts to partner with industry and use industry intelligence to guide workforce development initiatives are well worth the cost.

Washington State's **direct-connect training program** stands as one example of how strong engagement with industry can inform state workforce strategy. Under this program, employers provide information on the credentials needed for available jobs and the workforce systems then develop the necessary interventions to meet these requirements. This approach helps ensure that pathways programs guide individuals toward obtaining the credentials most valued by industry.

**Outreach to small and medium-sized enterprises (SMEs)** is also of particular importance, especially since, given their smaller size and frequent lack of well-defined and well-

tuned HR functions, they tend to have much less capacity for in-house workforce development. To assist these smaller firms, the Workforce Alliance of South Central Kansas offers a set of core services for employers that include job posting and other basic labor-match functions. Where possible, states and regions should also work to improve SME engagement on strategic planning and goal-setting in order to ensure that educational and employment pathways systems meet the needs of smaller companies as well as larger-scale enterprises.

## **A sector approach can help state leaders best meet the workforce needs of its industries**

Many participants spoke of their states' adoption of sector-based approaches, particularly in the realm of economic development. **Extending the same sector approach to workforce development** helps ensure alignment between economic growth priorities and worker preparedness goals.

As states craft these sector-based approaches, leaders should take care to define sectors in ways that are both **narrow enough to provide policy and program cohesion** within an industry while also **broad enough to accommodate regional specialization**. For instance, Washington State identifies industry clusters both at the state level and for each of the 12 workforce regions in the state, reaching out to local leaders to gain a better understanding of which sectors are of particular strategic importance.

At the metropolitan level, leaders can also prioritize the use of a sector-focused approach, like that employed by the Workforce Development Council of Seattle-King County (WDC). As the area WIB, WDC supports industry-driven workforce development by **organizing industry sector panels that bring together leaders from the worlds of industry, education, and labor** to explore and address critical workforce issues. Selected for their economic impact in the region, current and projected level of job demand, and potential for successful intervention by WDC, these target sectors help WDC focus its time and resources on those industries that are likely to provide the greatest opportunities for workers in the region.

## **By establishing clear goals and empowering regions, state leaders can set a platform for metro-level action**

Perhaps the most critical role that the state can play is setting a platform for bottom-up innovation and problem-solving in cities and metropolitan areas. Because metropolitan areas are the true drivers of the nation's economy, states interested in fostering greater economic prosperity should seek out ways to support metros as they work to integrate economic and workforce development.

**Goal-setting is a major platform-setting function** that the state—in conjunction with its cities and metros—can and should fulfill. Several members of the metro small group described their struggles working in states that either did not articulate goals effectively or allowed proliferation of goals that in some cases conflicted with one another. By instead working with

cities and metros to identify a select number of truly critical workforce development goals, states can help ensure that all are working to achieve the same ends.

Which is not to say that the process of identifying goals is without its obstacles. The state and its metros may have very distinctive economic and workforce development priorities and may find it difficult to set goals together. In these cases, **bringing in a third-party to facilitate discussion** can make all the difference. With the help of a third-party facilitator who can act as convener and honest broker among the different parties involved, the state and its metros can establish a joint process for strategic planning and goal-setting that fosters collaboration and consensus-building on which outcomes are of most critical importance.

**Encouraging cross-sector collaboration at the regional level** is another critical platform-setting function for the state. The state has an important role to play in providing incentives for collaboration, even as it works to align and integrate state educational and workforce programs with regional efforts. By setting a strong agenda with clearly defined goals, providing funding incentives to encourage collaboration, and then allowing regions to determine how to organize themselves to meet those goals, the state can support more collaborative, regional solutions to educational and workforce development needs.

As state leaders work to foster cross-sector efforts at the regional level, they should also support greater regional creativity in seeking out financing mechanisms for workforce development programs. For example, the Workforce Alliance of South Central Kansas took its WIA allocation as a minimum funding level and worked diligently to **braid together funds from a variety of public, private, and philanthropic sources**. Where possible, states should encourage cities and metros to seek out innovative approaches to financing workforce-related endeavors.

## **States can help strengthen metro-level workforce development by improving access to useful data**

To further support cities and metros working to tie their workforce development efforts to economic development priorities, state leaders should improve how data on workforce-related goals is collected and distributed to regions. By **providing data to facilitate performance evaluation** on credentialing, job attainment, and other critical outcomes, the state can help its regions identify and build on those programs that work well and engage in course-correction for less successful efforts. Maryland's StateStat offers a ready example of how data and performance measurement can be used to support change in education and employment pathways programs. Tracking progress on such goals as improving student achievement and college and career readiness by 25 percent by the end of 2015 and increasing the number of Marylanders who receive skills training by 20 percent by the end of 2012 will support a climate of continuous improvement at both the state and metropolitan levels. In addition, improved access to workforce-related data will further **encourage data-driven innovation and problem-solving** at the regional level.

## **State leaders can encourage greater cooperation across state agencies involved in economic and workforce development**

In many states, economic development, workforce development, and education exist in almost entirely separate spheres. Instead of working in tandem towards the intertwined goals of economic growth and stronger educational and employment pathways, these three critical functions remain siloed, with different and in many cases conflicting priorities and perspectives undermining opportunities for cross-agency collaboration.

Bridging the gaps among these distinctive state roles requires a concerted effort by the governor and other senior officials to bring together these disparate functions, encourage communication across agencies, and ultimately develop shared goals and priorities that span individual agency domains. In Kansas, the creation of a Director of Workforce Education and Training position that spans the Kansas Department of Commerce and Board of Regents served to link up two state agencies that had previously operated separate from one another. By introducing **innovation in the very structure and organization of its state agencies**, Kansas is better positioned to ensure cooperative, cross-agency action on critical economic and workforce development priorities.

At the regional level, collaboration across economic development, education, and workforce development organizations is also of critical importance. For instance, the Workforce Alliance of South Central Kansas has positioned itself as a bridge between the secondary and postsecondary educational systems by helping **connect secondary-level career and technical education (CTE) courses to postsecondary degrees**. Similar efforts to connect programming will make for a workforce development system that is easier for individuals to navigate successfully.

## **Conclusion**

This second meeting of the Brookings / Living Cities State and Metropolitan Prosperity Collaborative further affirmed the critical role that peer learning and sharing of best practices can play in helping encourage policy and programmatic innovation at the state and metro levels. The ideas surfaced over the course of the convening underscored the importance of educational and employment pathways that are industry-driven and strongly connected to economic development efforts. By seeking out opportunities for greater industry engagement, state and metro leaders can reorient their workforce development and educational programs and policies in ways that better support the current and projected workforce needs of area employers. Improving the connection between economic and workforce development efforts and strengthening the vertical relationship between the state and metro levels on these issues will help state agencies as well as cities and metros in their efforts to ensure that workers in their states are prepared for the well-paying, middle-skill employment opportunities produced by the next economy.

## Featured Best Practices

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## Selected References

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## For more information:

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