



# COORDINATING WORKFORCE EFFORTS WITH ECONOMIC DEVELOPMENT:

BACKGROUND AND TIPS FOR ECONOMIC DEVELOPMENT DISTRICTS

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## COORDINATING WORKFORCE EFFORTS WITH ECONOMIC DEVELOPMENT: BACKGROUND AND TIPS FOR ECONOMIC DEVELOPMENT DISTRICTS

Economic development and workforce development programs, supported by the U.S. Economic Development Administration (EDA) and the Department of Labor's Employment and Training Administration (DOL-ETA), respectively, can offer important services to businesses and industry. These programs, when designed in collaboration with one another, provide potential businesses with increased incentives to locate within an area served by an Economic Development District (EDD). EDDs are multi-jurisdictional entities federally designated by EDA that encourage regional coordination and promote opportunities to engage in meaningful planning and community conversations that foster economic development within their regions.

This resource provides a background for EDD staff about the workforce development ecosystem and how EDDs can better coordinate workforce and economic development programs that can lead to greater regional prosperity and resilience.

### **The Workforce Innovation and Opportunity Act (WIOA) & Workforce Development Boards (WDBs)**

The Workforce Innovation and Opportunity Act (WIOA) was designed to establish and maintain the public workforce system and help get employed and unemployed workers, including youth and those with significant barriers to employment, into high-quality jobs and careers, as well as help employers hire and retain skilled workers. The program strengthens and improves upon its predecessors, the Workforce Investment Act, Job Training Partnership Act, and other workforce programs. WIOA has several funding streams that may be used to provide training and support for workers. These include funding for adult, dislocated workers, and youth job training programs. In addition to funding, WIOA authorizes and mandates the maintenance of American Job Centers across the country.

Workforce development boards (WDB) are multi-jurisdictional entities that are a part of the public workforce system, a network of federal, state, and local offices that support economic expansion and develop the talent of the nation's workforce. The system allows states to determine the structure and function of local WDBs. State boards primarily set policy for how WIOA-funded expenditures will be spent by locals in support of a workforce development plan. Local boards will then do their own planning that bridges state policies and strategies with local priorities.

WDBs are comprised of a diverse group of stakeholders representing different interests including those from private businesses, labor, economic development, K-12 and higher education institutions, non-profit organizations, and community representatives. They are legislatively required to be at least 50% business-led with the remaining partners falling under mandated categories. WDBs facilitate these connections to maximize the productivity and success of businesses in their region, develop regional strategic plans, and set funding priorities for their area. WDBs also oversee the mechanisms that train and place employed and unemployed workers in jobs that provide opportunities for growth and development.

There are three key responsibilities of a WIOA Workforce Development Board:

1. Develop a business-led, community-endorsed strategic plan that guides investments to meet the business sector's needs.
2. Regularly analyze and update labor market data, local asset mapping, and business demand and publish as the region's Workforce Services Plan.
3. Deploy and monitor its programs for success against those objectives and in alignment with the core Performance Measures outlined in WIOA.

### **Coordinating WDB and EDD Efforts is a Recipe for Success**

While WIOA specifically provides guidance for coordination and collaboration among programs funded through the Departments of Labor, Education, and Health and Human Services, including welfare, K-12 and post-secondary education, veterans, Perkins Act, and Pell Grant programs among others, it does not provide explicit guidance for coordination between WIOA and EDA programs. What it does provide for, however, is that one or more representatives from economic development entities shall be on the WDB.

If your EDD does not already have a seat on the local WDB, you should request that the chief local elected official for that workforce development area appoint an EDD representative to serve on the WDB. The chief local elected official can vary by local setup; in some states it may be a county or a mayor, in others, it's a consortium. In other states, it may be the same consortium that is the EDD. Regardless of the relationship between your EDD and the WDB, coordination at the local level by local economic development and workforce development entities is a natural fit. By doing so, workforce development services can become a major part of your EDD's toolkit.

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Working with your local WDB will enable you to meet two important goals of the U.S. EDA:

**Job Creation:** The creation of new employment opportunities in competitive sectors that offer family-supporting wages and benefits.

**Critical Skills:** The creation of workforce development resources that directly align with relevant employment opportunities in competitive sectors that offer family-supporting wages and benefits.

### **Work is Still Needed to Achieve Coordination**

Two studies by the Federal Reserve System in 2017 and the Federal Reserve of Cleveland in 2019 make clear that further alignment of workforce development and economic development programming is necessary. The Federal Reserve found that lack of alignment between economic development and workforce development systems was a significant challenge that public and private sector entities faced.

The latter study focused on the disconnect between economic and workforce development programs and sought to determine whether there had been increased alignment of the two systems. The Federal Reserve of Cleveland held listening sessions, in-depth interviews, and a stakeholder survey, collecting input from approximately 70 community, economic, and workforce development professionals, educators, philanthropy representatives, government officials, and nonprofit executives. They focused on select regions in the Federal Reserve Bank of Cleveland's Fourth District, which includes Ohio, western Pennsylvania, eastern Kentucky, and the northern panhandle of West Virginia. This in-depth research found that only 21% of respondents indicated that the economic and workforce development systems within their regions were strongly aligned. 24% of respondents indicated that they were not aligned at all, and the remainder, 55%, said they were only somewhat aligned.

The report concluded that both systems were failing to meet the potential goals and objectives that would arise from proper alignment and pointed to practices those respondents identified as necessary for better alignment:

- Embed reciprocal policies to improve coordination between economic and workforce development systems by identifying ways to convene, align, and codify practices.
  - Put in place a mechanism to measure progress toward alignment across the two systems
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that is jointly developed and tracked to assess progress toward their alignment goals, whether they be related to policy, programs, or funding.

- Lay out specific alignment goals based upon a unified vision and purpose with a clear timeline and structure to address agreed-upon goals.

### **Strengthening Connections Between EDDs and WDBs**

If your EDD is not housed in the same regional development organization as the WDB, it is imperative that you develop a working relationship where you each provide the other with support. If you do not have a seat on the WDB, you should contact the chief local elected official for that seat. The WIOA State Plan and Local Workforce Services Plans are two areas where EDDs can get a lot of influence, making it important to get involved in the process and development of those plans. As you develop your Comprehensive Economic Development Strategy (CEDS) and other regional plans, ensure that you are doing so with the involvement of your local WDB. They have the resources and the capacity to provide the kinds of job training and job placement services that your new and existing businesses require.

The WDB can provide the kinds of training and support to employers and their workers with specific workforce development services that will help businesses be successful. These may include identifying a range of residents who, with some training, will be able to fill entry-level positions. It may also include working with local educational institutions such as secondary schools, vocational-technical schools, community colleges, universities, and other public and private educational institutions to help existing workers upgrade their skills or gain new ones. Additionally, due to the wide range of participants who are referred to WDBs and American Job Centers, WDBs are excellent referral sources for candidates, especially in a tight labor market.

### **EDDs and WDBs in Action**

The following two case studies provide successful examples of 1) where the EDD and WDB are housed in the same regional development organization and 2) where they are separate entities. Regardless of the organizational arrangement, there are always opportunities to improve communications and partnerships to strengthen economic development and workforce development programming. By aligning economic and workforce development, a wide range of important economic development assets and tools will become available to your region.

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### **Case Study: Western Piedmont Council of Governments / Workforce Development Board**

The Western Piedmont Council of Governments Workforce Development Board (WPCFWDB) is responsible for overseeing the various NCWorks Career Centers (locally directed American Job Centers) located within its four-county region in North Carolina and identifying and developing strategies for retaining and attracting business. As part of its work, in 2022 the WDB developed the Western Piedmont Industry Growth Analysis (IGA) as a way for the WPCFWDB and the Western Piedmont Council of Governments (WPCOG), which houses the regional EDD, to assist the region in identifying future economic development opportunities. The report highlighted those industries that are most favored within the region, pay above the average regional wage, and are expected to grow nationally over the next ten years. The report also analyzed regional educational offerings to determine if training would be available to prepare the region's residents for positions in the area's most favored industries.

From this study, the region and the WDB were able to determine that “of the 26 most-favored goods-producing industries identified in the Western Piedmont IGA, 21 (80.7%) have degree/certificate programs offered within the region. Of the 51 most-favored service-providing industries listed in the Western Piedmont IGA, 31 (60.7%) have degree/certificate programs offered within the region.” Based on this finding, the WPCOG identified the industries it should focus on retaining or recruiting, and the workforce development board identified the ways in which it could collaborate through training and education with WPCOG.

### **Case Study: Greater Portland Inc / Greater Portland Economic Development District**

The Greater Portland, Oregon region is continuously working to align its workforce and economic development systems even though economic development and workforce development programs are the responsibilities of differing entities. To better align these activities, a partnership has emerged between Greater Portland Inc (GPI), which serves as the economic development partnership for the region and staffs the Greater Portland Economic Development District (GPEDD), and Clackamas Workforce Partnership, Worksystems Inc., and Workforce Southwest Washington. Together they have developed regional economic development partnerships that provide support and services to companies seeking to relocate or expand in the

Greater Portland region, by ensuring that the region has a sufficient supply of skilled workers to meet the needs of businesses and industries.

This collaboration made it possible for the region to ensure a skilled workforce that meets the workforce needs of those industries that the GPEDD has targeted. In addition, this collaboration allows for employees to acquire the skills they need that will allow them to secure living wage jobs in the region's target industries, which include metals and machinery, computers and electronics, clean tech, and food and beverage manufacturing. One example of this is the [Quality Jobs Initiative](#) from the [Columbia Willamette Workforce Collaborative \(CWWC\)](#). This collaborative partnership represents the region's commitment to "designing and developing a regional approach with workers, employers, job seekers, community-based organizations, economic developers, and local municipalities to define, support, and promote quality jobs." In this way, the region is better able to align economic and workforce development and incorporate that alignment into its [Comprehensive Economic Development Strategy \(CEDS\)](#).

GPEDD is also implementing the [Greater Portland Economic Recovery Plan](#) to guide the region during its post-COVID-19 recovery. The plan identifies three target impact areas closely connected to workforce development: helping small businesses recover and grow; advancing economic mobility for individuals; and supporting families and children.

### **EDD Tips for Success**

- **EDD and WDB Coordination:** Your EDD and the WDB should work together to strategically plan what is necessary to ensure that your region has a well-trained and skilled workforce over the next decade or more. Whether the EDD and WDB are part of the same regional development organization or separate entities, there are always opportunities to improve communications and partnerships to strengthen economic development and workforce development programming in your region.
  - **Incorporating Workforce Development into your CEDS:** As you develop your Comprehensive Economic Development Strategy (CEDS), explore ways to [better incorporate workforce development activities into the plan](#). Businesses often want to include workforce development in their own plans, and the related job training and education assistance that comes with that via WIOA can be a critical element of the EDDs own services to these employers. (As part of its updated CEDS Content Guidelines, EDA
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offers some additional ideas and resources about workforce development and the CEDS [here](#)).

- **Job Placement and Training:** Attracting new employers and retaining existing ones working in concert with your WDB will provide you with certain immediate advantages. The capacity of WDBs to provide job placement and job training assistance to businesses should be a critical component of any business recruitment and retention effort. The work you will perform together should be part of the local workforce plan.
- **Working with Local Elected Officials:** Always work with your local elected officials and the business community to ensure that your plans are commensurate with the needs of your business community and have the endorsement of local elected officials. The aligned career pathway you provide, when designed with the cooperation of your business community, is more likely to be successful because it will reflect the types of employment they are offering.

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***This brief was written by staff at the [National Association of Regional Councils \(NARC\)](#).***

This resource is offered as part of the Economic Development District Community of Practice (EDD CoP), managed by the NADO Research Foundation to build the capacity of the national network of EDDs. To learn more, visit: [www.nado.org/EDDCoP](http://www.nado.org/EDDCoP). The EDD CoP is made possible through an award from the U.S. Economic Development Administration, U.S. Department of Commerce (ED22HDQ3070106). The statements, findings, conclusions, and recommendations in this resource are those of the author(s) and do not necessarily reflect the views of the U.S. Economic Development Administration or the U.S. Department of Commerce.

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