



One in a series for Revitalizing Regional Economies

▶ Regional Sector Strategies

Why it Matters

The COVID-19 pandemic has exposed wide disparities in the demand for workers and skills among regional labor markets and industry sectors. These inconsistencies hit workers in low-wage positions and distressed communities especially hard. For example, since the initial virus outbreak last spring, the restaurant and hospitality sector has endured massive layoffs. In contrast, white-collar fields in which people can work from home have proved largely immune, and sectors like health care, medical supplies manufacturing, and food distribution are growing because they play essential roles in the pandemic response.

In light of these discrepancies, it's critical to address the workforce and skill challenges facing different segments of regional labor markets and provide coordinated responses that meet employer demand and put people into good jobs.

One proven approach is for states to expand regional sector strategies. This involves having businesses within an industry sector form a partnership to identify common workforce and skill needs. Through these partnerships, workforce systems, education and training

providers, economic development agencies, and other organizations collaborate to develop recruitment and training solutions that satisfy common needs.

Regional sector strategies break down silos, help employers work together instead of competing for talent, and maximize the impact of public investments in economic and workforce development. In comparison, traditional approaches to serving employers—one employer at a time through customized training or economic development incentives—cannot keep up with regional labor market changes.

In addition, sector strategies feed into inclusive economic development goals by building the capacity of unemployed and historically disadvantaged workers to satisfy local labor market demand and reap the economic benefits of job creation efforts. These workers are provided supports to enter in-demand fields with career advancement opportunities.

Current Challenges

Even with federal workforce policy mandating states and local authorities to implement sector strategies, barriers to scale persist due to:

- Inadequate funding for skills development
- Lack of alignment across education, workforce, and economic development systems in support of sector initiatives
- Inadequate access to in-demand opportunities for underserved and underrepresented populations
- Inconsistent engagement with employers in industries with in-demand jobs

What's Needed

Support and scale the use of sector strategies to strengthen talent pipelines, close skill gaps, and limit workforce shortages in industries and occupations critical to regional economic recovery and resilience.

What State Policymakers Can Do



Foundational Steps

- ▶ Provide timely access to traditional and real-time labor market information to guide industry partnerships and workforce and education providers in their assessment of skill and workforce demands.
- ▶ Encourage greater alignment across state and regional workforce, education, and economic development efforts in order to scale the use of sector strategies through state planning documents and guidance.



Advanced Steps

- ▶ Provide funding, technical assistance, and other support for the establishment and expansion of regional sector initiatives that are implemented through industry partnerships.



Transformational Steps

- ▶ Provide incentives for inclusive outreach, recruiting, support, and hiring practices that are designed to ensure that underrepresented populations share in the benefits of sector strategy initiatives authorized under the Workforce Innovation and Opportunity Act (WIOA), as well as those that are part of career and technical education, postsecondary education, and poverty alleviation efforts.

State Spotlights

Colorado

For years, Colorado has been committed to implementing sector strategies to drive career pathways and change the way workforce, education, and economic development systems partner with industry. The state implements these strategies through industry-led, public-private partnerships that address collective business priorities. The Colorado Workforce Development Council provides support and technical assistance to advance these strategies using a regional, industry-specific approach that operates through the state's 14 economic regions and 14 major industries.

Key state legislation was passed in 2014 to formalize this collaboration and to recognize sector partnerships as a proven model for coordinating the needs of industry and workers. The legislation also created the Talent Pipeline Working Group, which was tasked with using sector partnerships to advise on the development of career pathways programs and ensure that education and workforce initiatives are coordinated. In 2015, further legislation (HB 1274) was passed that required sector partnerships to inform and drive the development of additional career pathways. Colorado has documented a positive return on investment for its sector approach across sector partnerships, jobseekers, and businesses.

Multiple States

More than 30 states have adopted policies that support sector partnerships as a way to connect education and skills training to industry needs. In 2008, Washington was one of the earliest states to pass such legislation. Since the passage of WIOA, Arkansas, California, Nebraska, Nevada, Pennsylvania, and Virginia, among others, have also passed legislation that names sector partnerships as integral to their state workforce development efforts.

Featured JFF Resources

Sector Strategies and Career Pathways: A Mutually Beneficial Alliance

JFF's Mary Clagett, is one of a series of briefs that the U.S. Department of Labor's Employment and Training Administration published to provide workforce practitioners with information about launching and advancing sector strategy initiatives. To learn more, visit the [Integrating and Implementing Career Pathways and Apprenticeship Within a Sector Strategy](#) page on WorkforceGPS.org.

Transforming IT Training Programs Into Successful Career On-Ramps.

This brief offers IT training providers recommendations about how they can more successfully connect participants to career advancement opportunities. It also lists steps employers can take to minimize barriers to entry and increase equity in the IT industry.

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State Policy Road Map for an Equitable Economic Recovery

This resource is a part of a series that provides state policy solutions focused on people, places, and systems – with the goal of closing equity gaps and driving economic advancement for all. [Read Full Series](#) ▶

