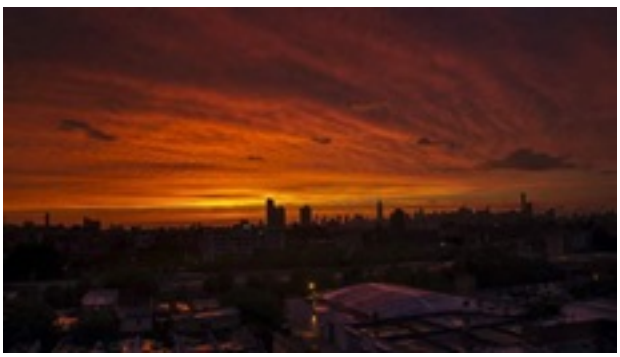
Pete Carlson | August 4, 2015

The changing face of regional partnerships



From the structures being built, to the players involved, and (most importantly) the strategies being pursued, there is a sea change underway in economic development. That comes through loud and clear in the Brookings-Rockefeller Project on State and Metropolitan Innovation, in which Brookings partnered with 29 metropolitan areas to rethink economic development in their regions.

The lessons from these efforts, documented in a monitoring and evaluation report that focuses on 10 of these regions, are compelling and should help inform economic developers in the public, private, and civic sectors across the country.

Together, they show evidence of a national movement toward a new model of economic development designed to build a globally competitive advanced economy that works for all.

Ten years ago, most regional economic development partnerships focused primarily on regional branding and marketing to attract businesses from elsewhere. However, some regions have realized that the returns to those efforts are minimal, with businesses attraction accounting for only 1 to 2 percent of net new jobs in most places, according to economist Jed Kolko. So, the focus has been shifting toward growing new jobs by strengthening and leveraging existing assets already present in the region's firms, industry clusters, and supply chains.

Correspondingly, many regional partnerships are expanding their portfolios, launching new initiatives, and forging new partnerships. A good example is World Business Chicago, which, until several years ago, mainly focused on attracting international firms to locate in Chicago. It still pursues that mission but now gives equal weight to carrying out its Plan for Economic Growth and Jobs, which focuses on growing the regional economy from the inside out.

Similarly, over the past several years, Team NEO in Northeast Ohio has broadened its focus from marketing and attraction to growing existing businesses, and more recently to supporting the growth of new tech-based industries in the region.

In addition, as job growth has resumed without wage and income growth—leaving many workers and communities behind – more and more regional partnerships are abandoning the notion that a rising tide lifts all boats and are becoming more intentional about expanding opportunity for all, further broadening their agenda.

For example, the Regional Indicators Dashboard—developed by Greater MSP, the McKnight Foundation, ULI Minnesota, the Regional Council of Mayors, the Itasca Project, the Minnesota Business Partnership, the Metropolitan Council, and the Minneapolis, Saint Paul, and Minnesota chambers of commerce—represents a major break from past regional indices that focused narrowly on the cost of doing business and housing prices. The new dashboard includes measures of job quality, job preparation, job access, and shared prosperity.

Similarly, a growing number of regional partnerships are launching or supporting workforce development initiatives designed to connect lower-skilled workers with middle-skill job opportunities by better aligning worker training with the needs of the economy and employers.

In Louisville and Lexington the Bluegrass Economic Advancement Movement (BEAM) led to the creation of paid apprenticeships by a network of major employers, adopting a model pioneered by Toyota Motor Manufacturing in Central Kentucky. In Chicago, World Business Chicago helped launch Skills for Chicagoland's Future, which has developed partnerships with over 30 employers and has placed over 1,200 people in jobs.

These innovative efforts are broadening the scope and building the capacity of regional partnerships to deploy more effective approaches to economic development that focus on promoting both growth and opportunity. But those efforts face many challenges that are highlighted in the monitoring and evaluation report and will be discussed in other blogs in this series.

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