

Workshop 3

EXAMINING STATE PARTNER ROLES IN SPARKING, SUPPORTING, AND SUSTAINING REGIONAL INCLUSIVE ECONOMIC INITIATIVES

PRESENTERS

- **Marek Gootman**, Nonresident Senior Fellow, Brookings Metro
- **Rachel Barker**, Nonresident Fellow, Brookings Metro

In the context of the summit discussing this historic federal moment of investments in people and in places across the country, this workshop spotlighted the unique and important role that states can play in driving inclusive growth and innovation. While states have not historically been viewed as core actors in economic strategies (due to complex bureaucratic and geographic boundaries), they are increasingly recognizing and acting on the uniquely important role they can play in advancing inclusive economic initiatives, through activating local assets and encouraging regional collaboration to maximize impact. In this moment, **state governments can provide regions and localities with more durable relationships, institutional and financial support, and longer-term commitments** that they can leverage to not only make the most of this federal moment, but also sustain economic initiatives for years beyond it.

KEY CONCEPTS: STATES CAN...

- **Spark** inclusive economic initiatives: Different states have established their own structures to reach, activate, engage, and leverage the existing strengths of industry and community perspectives from diverse regions across the state, as well as make sure state policies and processes are informed by regions' needs and priorities (examples detailed below: New York, Virginia, California, Indiana);
- **Support** inclusive economic initiatives, especially by aligning economic and workforce development priorities, policies, activities, and funding across state agencies to streamline processes to maximize impact; and
- **Sustain** inclusive economic initiatives through building regional, cross-sector partnerships; incentivizing greater local philanthropic support for economic initiatives; and strengthening regions' and communities' relationships with the state government.
- Areas for continued learning: How can states better engage philanthropies, local entrepreneurial ecosystems, regional/state public universities, and hard-to-reach communities?

WHAT CAN STATES DO? A 7-FACTOR FRAMEWORK FOR STATE ROLES AND ACTION

The presenters laid out the following framework, which can guide state action that is both structured (in ways tailored to the state's unique regional assets and needs) and sustainable across time:

1. Establish the scale of regional areas/boundaries for strategy development and action
2. Articulate the state's perspective on goals and drivers of economic competitiveness that can resonate across regions

3. Set the framework and parameters for regional economic development planning
4. Develop a system to support regional capacity-building (e.g., funding, communities of practice, data support, technical assistance)
5. Redefine the state operating model – institutionalize funding and other resources as well as channels for communication (to both hear and respond to local needs)
6. Align state funding to enable implementation
7. Leverage cross-regional commonalities and complementarities

FOUR EXAMPLES OF STATE INITIATIVES FUELING REGIONAL INCLUSIVE ECONOMIC INITIATIVES

For the remainder of the workshop, we discussed how we can see this framework in action across four regional examples, exploring their origins, structure, and underlying strategies.

In **New York**, the state has set up [Regional Economic Development Councils](#) (REDC), which have enabled the development of regionally-driven strategic plans for economic development, powered by deep partnerships between regional employers, universities, public officials, and community organizations. The state has invested billions of dollars in regional initiatives since the program launched in 2011.

In **Virginia**, business leadership groups and the state drove the creation of [GO Virginia](#), which has supported the growth of industry clusters by setting up regional councils that identify local priorities and streamlined processes for regions to secure state funding for economic initiatives.

In **California**, the state has established the [Community Economic Resilience Fund](#), which is pivoting the state away from a one-size-fits-all strategy and instead empowering regional governance and strategic planning to create quality jobs and advance inclusive growth.

In **Indiana**, the [Regional Economic Activation and Development Initiative](#) (READI) is offering structured funding support for regional economic initiatives, tapped into regions' unique assets, and encouraging regional collaboration.