SECTOR STRATEGIES FAQ
09.12.12
Source: www.sectorstrategies.org

Q: What is a state sector strategy?

A: A State Sector Strategy is a set of state policies designed to promote and support the development of industry-focused sector partnerships across their regions. Sector partnerships are regional collaborations (convened by a strategic partner) of employers, training and education providers, labor organizations, community organizations, and other key stakeholders around a specific industry to address the workforce needs of employers, and the needs of workers for relevant training to advance into good jobs. Sector partnerships can be particularly effective for low-skilled and low-income workers. Industry sector partnerships successfully exist in almost every industry, and can be convened by almost any type of organization, as long as that organization is keenly aware of the challenges and opportunities of workers in relationship to that industry.

Q: Why do states promote sector strategies?

A: For state and local public systems, separate missions, funding streams, and structures make it difficult to focus on the complex, larger challenges that confront a regional economy. Without a mechanism for collaboration across various stakeholders and systems, the opportunity is lost to coordinate information and leverage resources in ways that address regional workforce and economic challenges. Sector approaches have emerged as a response to these challenges. By coordinating workforce, education, economic development and other systems at the state-level, resources are leveraged toward common goals at the local level. In this way, *"sector strategies are more responsive to industry demand than traditional job-matching and training services because they are problem oriented, not program oriented; address needs interdependently, not independently; and work with employers in an industry collectively, not as individual firms." – The National Governors Association.*

Q: What outcomes can be expected from sector strategies?

A: Simply put, the sector partnership model is growing because it shows success to employers, workers and public systems responsible for making shrinking dollars go further. A recent evaluation of the impact of sector initiatives on workers shows: decreases in poverty from 64% to 35%; increases in employer-offered health insurance plans from 49% to 73% and in paid sick leave from 35% to 58%. Studies also indicate that sector initiatives are effective mechanisms for employers to stay competitive. A third party evaluation of sector initiatives in the State of Massachusetts showed that 41% of the employers surveyed reported that participating in the sector initiative led to a reduction in turnover; 19% reported a reduction in rework; 23% reported a reduction in customer complaints; and 100% of companies reported that partnerships with other companies and public institutions were valuable.

Q: Which stakeholders are important to engage in a state sector strategy?

A: States need to engage system and state leadership, industry leadership and public partners at a variety of levels and in many different ways.
Review Module 2 (Engaging System and State Leaders), Module 3 (Engaging Industry Leaders) and Module 4 (Engaging Public Partners) of the State Sector Strategies Toolkit for tips, lessons learned, advice and tools for engaging all these stakeholders.

Q: How can a state promote sector partnerships in their regions?

A: Many states offer start-up and implementation grants for regions to build industry-focused workforce development partnerships. Pennsylvania currently supports 81 Industry Partnerships, training over 18,000 workers in critical industries since 2004. States vary in how much financial support they provide, with seed or planning grants (usually up to 6 months) ranging from $25,000 to $150,000 and implementation grants (from one to three years) from $50,000 to $500,000. For sector partnerships to be successful, states must offer more than financial support. It is critical that states play a role in building awareness and knowledge about industry analysis, effective coordination of partners, and strategies that facilitate employers to drive the process and solutions. Many states offer individualized technical assistance to their regional sector partnerships as well as statewide summits, workshops and "learning networks" that help regional partnerships build their capacity. For additional specific examples of how states have promoted sector strategies at the regional level, read the Phase 1 Project Report, Module 5 of the toolkit (Promoting Regional Economies) and/or Module 6 of the toolkit (Funding Strategies and Sustainability).

Q: How does a state or region know which industries to target?

A: Knowing the industries that drive regional economies is a critical step to being able to meet the workforce needs of employers within those industries. States can play a key role in assisting regions to undertake regional industry analyses. In Oklahoma, the state Labor Market Information office provides in-depth analysis of critical industries and occupations, and then works closely with regions to produce up-to-date regional analyses. This involves complementing state data resources with national resources, as well as with primary data collection obtained by talking with regional employers. In Georgia, a recent state RFP for regions to plan and convene a sector partnership requires applicants to use workforce and economic intelligence to conduct an industry assessment that identifies the distinct labor market regions relevant to critical industries. This is worth one-third of the funding criteria.

Q: How can states assist regions to plan and implement sector partnerships?

A: A key component of the model is the ability of the convener to listen carefully to the needs of the employers within the industry; facilitate an understanding of the workforce challenges faced by employers; and coordinate customized solutions to those challenges across regional partners. Conveners can be a local workforce board (the most common type); a community based organization; a chamber of commerce; a college; a labor organization; or other. A pivotal dimension of whether or not a sector partnership succeeds is the skill and capacity of the organization serving as the convener to be a neutral, or to facilitate the progress of the partnership without charting its course. That is the job of employers driving the effort. States can help convening organizations by providing funding for planning and coordination (often pooled by multiple state systems in order to reduce "turf" issues); by offering one-on-one technical assistance; and by offering learning opportunities across conveners on topics such as employer engagement, designing meetings, strategic planning and evaluation.

Q: How can states build legislative and leadership support for sector strategies?

A: Some states are very successful at building support for their sector partnerships. The keys to their success include funding and supporting partnerships across regions and industries; tracking their progress both quantitatively and anecdotally; and using employers that have benefited from participation in a partnership for testimonials. The benefit of sector strategies is that they act as a "big tent" for multiple systems and private sector stakeholders to come together for common regional economic growth that benefits workers, employers and communities. With the right record-keeping and evidence, that's something that makes its own case to state legislators and other funders.

Q: Do states with sector strategies have a mechanism to evaluate performance of regional partnerships?

A: Evaluation of sector partnerships is a hot topic across state sector leaders. A handful of states are experimenting currently with different ways to evaluate sector partnerships in order to assess impact on employers, workers and systems. Often the best way to measure impact on employers is to survey them about their participation. While they may not be yet able to tell reduced turnover as a result of participation, they likely can point to benefits from collaborating with other employers in their industry as well as evidence of improvement in the quality of workers they are hiring. Measuring impact on workers can be easier, particularly if the sector partnership involved a new or revised training program. “Systems change” is a third common area for evaluation, indicated by (as two examples) a changed human resource practice or a new college program as a result of the sector partnership’s efforts. While much progress is being made in the area of evaluation, it is also hard work. Sector partnerships can be difficult to evaluate systematically because of their highly customized approach.