



## Background

Global competition, a 21<sup>st</sup> century economic reality, is typically seen as a national challenge, but the front lines of the battlefield are regional, where companies, workers, researchers, entrepreneurs and governments come together to create a competitive advantage. That advantage stems from the ability to transform new ideas and new knowledge into advanced, high quality products or services – in other words, to innovate. And those regions that are successful demonstrate the ability to network innovation assets – people, institutions, capital and infrastructure – to generate growth and prosperity in the region's economy.

The U.S. Department of Labor (DOL), Employment and Training Administration (ETA) has undertaken an initiative called Workforce Innovation in Regional Economic Development (WIRED) to create these conditions in regions; integrating economic and workforce development activities and demonstrating that talent development can drive economic transformation in regional economies across the United States.

## Conceptual Framework

The WIRED Initiative is applying the following six-step conceptual framework to the activities taking place in each of the regions where investments have been made.

1. Define the regional economy by identifying the surrounding communities that share common characteristics, looking beyond traditional political boundaries.
2. Create a leadership group that represents the major assets of a region and provides a forum for regional economic decision-making.
3. Conduct a regional assessment to fully map the area's assets and identify the strengths, weaknesses, opportunities and risks based on those assets.
4. Develop an economic vision based on those strengths and assets and gain support for that vision from the broad-based regional partnership.
5. Build a strategy and corresponding implementation plan that identifies specific goals and tasks and provides a blueprint for how to achieve the region's economic vision.
6. Identify resources -- both to support the region's plan and invest in the region's economy -- from a wide range of sources including foundations, angel and venture capital networks, and federal, state and local governments.

This six-step framework is not a linear process, instead requiring constant revision and reevaluation. Traditional systems and structures must be challenged in this process and all programs and resources realigned to support the region's economic strategy.





## **WIRED Investments**

The WIRED Initiative began in February 2006 with the selection of 13 regions to be part of the First Generation of WIRED. Each region was awarded \$15 million over a three year period to build regional partnerships and invest in talent development strategies following the six-step process described above.

The Initiative was expanded in April 2006 with the creation of the WIRED Virtual Regions. Thirteen different regional economies were invited to participate in the WIRED Initiative as Virtual Regions. These regions received a \$100,000 planning grant, were invited to participate in all WIRED related activities, and were given access to the tools and resources developed under the WIRED Initiative.

Then in January 2007, the Virtual Regions became the Second Generation of WIRED Regions. Each region received an immediate investment of \$500,000. This investment supported the development of a comprehensive implementation plan. Upon completion and acceptance of this plan, each region will receive an additional \$4.5 million investment over a three year period, bringing the total award to each 2nd Generation WIRED region to \$5.1 million.

Finally, in June 2007, thirteen applications were selected to become the Third Generation of WIRED Regions. Each will receive a \$5 million investment over a three year period.

Awards to all three generations of WIRED regions are intended to act as seed funding, catalyzing the investment of money from other public and private sources in support of the region's strategy. Results have shown that this is occurring in the 1st and 2nd Generation Regions with \$331 million in additional leveraged funds. ETA hopes to replicate that success in the 3rd Generation Regions.

## **Other WIRED Tools and Resources**

In addition to the monetary investments, a number of activities are taking place in support of the WIRED regions including:

- Assignment of senior ETA managers and emerging leaders to each region to guide and assist the WIRED activities.
- Development of a nationwide network of foundations interested in investing in regional economic and talent development.
- Linkages to angel and venture capital networks.



- Connections to programs and investments at ten other federal agencies for regions to access and apply in support of their economic strategy. Examples include:
  - The U.S. Department of Commerce's Economic Development Administration to support infrastructure improvements;
  - The U.S. Department of Commerce's International Trade Administration to facilitate entry into foreign markets;
  - The U.S. Department of Commerce's National Institute of Standards and Technology to engage regional manufacturers;
  - The U.S. Department of Agriculture's Rural Development Agency to support infrastructure and business development in rural areas;
  - The U.S. Department of Energy's National Laboratories to promote technology transfer and access to their experts;
  - The U.S. Department of Defense to improve STEM education and connect with Small Business Innovation Research grants;
  - The National Science Foundation to coordinate activities with regional Advanced Technological Education centers; and
  - On-going partnerships with the U.S. Departments of Education, Transportation and The Interior.
- Partnerships with state universities and land grant colleges as well as university continuing education departments to:
  - Promote technology transfer from university research programs to entrepreneurs and small businesses;
  - Create business incubators on campus to support business and job creation;
  - Deliver improved entrepreneurship training and mentoring;
  - Improve regional economic data collection and analysis;
  - Develop course offerings in conjunction with the regional economic strategy to provide adults the opportunity to develop in-demand skills; and
  - Provide overall leadership for a region's strategic partnership.

### WIRED Going Forward

In addition to funding these three generations of regions under the WIRED Initiative, ETA is making available Regional Innovation Grants to areas of the country that have recently experienced an economic shock and want to begin the WIRED process of identifying their region, creating a leadership team and developing a regional economic strategy.

