



# Exploring Rural Context and Opportunities

A Report to the National Fund for  
Workforce Solutions

**Prepared by the Aspen Institute  
Community Strategies Group for the  
National Fund for Workforce Solutions**

**February 2008**



The National Fund for Workforce Solutions is a \$50 million effort to strengthen and expand high-impact workforce development initiatives around the country. It is addressing with effectiveness and efficiency a critically important problem in America today: The crisis in workforce preparedness. While workforce skills are increasingly important in a globally competitive market, more than a third of the American workforce lacks the skills needed to succeed in this environment. Jobs for the Future is the Implementation Partner for NFWS.



Jobs for the Future seeks to accelerate the educational and economic advancement of youth and adults struggling in today's economy. JFF partners with leaders in education, business, government, and communities around the nation to: strengthen opportunities for youth to succeed in postsecondary learning and high-skill careers; increase opportunities for low-income individuals to move into family-supporting careers; and meet the growing economic demand for knowledgeable and skilled workers.



The Community Strategies Group of the Aspen Institute (CSG) helps leaders and organizations develop and adapt strategies and policy that build widely shared and lasting prosperity in communities. CSG's efforts focus especially on these areas:

- Community and economy building, especially in rural places
- Effective Rural Workforce Development partnerships and practices
- Endowed philanthropy as a community building asset
- The livelihood of low-income families in communities
- The livelihood of regions
- The vital connections between rural and urban places
- The development of healthy civic and community capacity and culture

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# Exploring Rural Context and Opportunities

## A Report to the National Fund for Workforce Solutions

### I. BACKGROUND

Over the last few years, a consortium of foundations interested in workforce development created Investing in Workforce Intermediaries, a pilot project with a goal of supporting and learning from intermediaries doing exemplary work in the field of workforce development. In September 2007, the national funders announced a major new initiative, the National Fund for Workforce Solutions (NFWS), a \$50 million effort to strengthen and expand high-impact workforce development initiatives across the country.

Through the Investing in Workforce Intermediaries, the national funders gained a great deal of experience with the urban component of this work. Six pilot sites were established, which are principally urban. The primary approach used with these sites has been to help set up funder collaboratives to invest in workforce intermediaries. This has worked well in larger urban areas, where there is a range of locally focused philanthropies and public funders to participate in the funder collaboratives.

The rural context was less well understood by the Investor Committee. Initial examination of how the newly forming NFWS might work in rural America began surfacing an additional set of challenges. These include fewer potential funding partners for collaboratives, fewer players with broader roles, lower densities complicating service delivery, a proliferation of small, isolated providers, and greater distances for providers and customers.

#### ***What Do We Mean by “Workforce Partnership?”***

*Workforce partnerships are coalitions that work to meet the needs of employers and low-income job-seekers and workers, often in particular industry sectors or clusters. Workforce partnerships:*

- Serve both businesses and workers
- Organize multiple partners and funding streams around common goals
- Provide or broker services that go beyond worker recruitment and referral
- Reduce turnover, increase worker mobility, and/or upgrade worker skills to promote career advancement
- Change public systems and private employment practices to improve outcomes for businesses and workers

*This scan focused on groups whose activities are innovative and go well beyond the norm for the traditional public workforce development system.*

The Annie E. Casey Foundation, on behalf of the Investor Committee, engaged the services of The Aspen Institute Community Strategies Group (Aspen CSG) to conduct a scan to assist the group by:

- Identifying design issues that should be taken into account in developing a rural-focused element to the NFWS grantmaking program;
- Recommending alternative approaches for developing regional funding collaboratives to support and learn from workforce intermediaries doing good work in rural and small urban areas;
- Identifying *Sites of Excellence or Promise* from which to learn; and
- Suggesting other funders that may have an interest in collaborating to support the rural component of this work at the national or local levels.

The balance of this document reports on the outcome of this scan.<sup>1</sup> While its primary purpose is to assist the Investor Committee, the information contained within this report can also help to national and local funders and other stakeholders seeking to learn more about investing in workforce partnerships in rural areas.

This report mentions a number of *Sites of Excellence or Promise* to illustrate concepts. Selection of sites to highlight was made by the authors without input from the Investor Committee, and other sites could equally well have served to illustrate many of the points being made. Sites mentioned are not necessarily favored, nor are unmentioned sites necessarily disfavored in the NFWS investment process.

It should be noted that, by design, this scan was not comprehensive. Rural America is vast; few networks exist to facilitate aggregation of information about what may be happening in thousands of jurisdictions. With the limited time and resources available, Aspen CSG utilized its existing networks of contacts and forged new relationships to collect information to complete the scan. Even so, it is inevitable that some excellent candidates for inclusion in the scan were overlooked—because they have not come to the attention of the various networks that Aspen CSG accessed to complete this scan, or because they elected not to respond to inquiries by Aspen CSG.

***A note on terminology:*** Because the term “workforce intermediaries” is not well known among many of those doing excellent work on the ground in rural America, and may be confusing and off-putting to some, Aspen CSG avoided using this term in conducting the scan. Instead, we used the term “workforce partnership” and clarified what we meant by appending a bulleted list of basic criteria adapted from NFWS publications. Our logic here was that any group that would qualify as an “intermediary” would see itself in some way as a partnership—even if it was simply as a partnership between the lead organization and employers. We have continued to use the term “workforce partnership” as a substitute for “workforce intermediary” in writing this report.

## II. DESIGN ISSUES

Developing an effective rural component to NFWS’s work will require understanding how the rural context affects the design and delivery of workforce development partnerships. In conducting the scan, Aspen CSG identified five key clusters of design issues, including:

- Regional differences;
- Distance and density;
- Resource availability;
- Partnership structure; and
- Interrelated systems.

### A. Regional Differences

A critical precondition to developing effective workforce systems and partnerships in rural America is understanding that *there are multiple rural Americas*, each requiring a different partnership design and a different set of strategies to develop effective interventions. Models and strategies that work well in one rural area may be totally unsuited for others.

This can be illustrated by a simple comparison of just two of the key differences between typical conditions in the Great Plains and the Mississippi Delta.

*Mississippi Delta:* poor schools, plentiful workforce

*Great Plains:* good schools, sparse workforce

This difference in starting point means that workforce partnerships working in one area may have to take a vastly different approach than partnerships working in the other.

While one could undoubtedly slice up rural America differently or add regions to the list, some useful considerations for various areas of the country follow. The conditions listed for each are typical and may vary within an area and by individual community.

#### **Central Appalachia**

- Portions of the region still embrace a culture that is suspicious of formal education—creating work readiness challenges.
- Extractive industries (coal, timber) have gone high-tech, providing fewer jobs and at much higher skill levels than in the past.
- Environmental regulations are creating new employment opportunities, mitigating the impact of extractive industries.
- Tourism and second-home development are transforming the economies of more accessible communities—creating construction jobs, low-wage service industry jobs, and myriad entrepreneurial opportunities.

### **Deep South/Mississippi Delta**

- Failing public education systems result in a need for extensive remedial work around basic workforce skills.
- The low-skill industry employment base in fields like apparel and furniture manufacturing has been decimated by wholesale off-shoring, and job availability has not recovered in most areas.
- The available workforce is plentiful, but skill levels are very low.
- Racial issues still create deep divides that complicate workforce development and other useful efforts.

### **Frontier Areas**

- Very low population densities magnify issues of scale present in rural areas.
- Efforts that would be considered “too small to bother with” in other areas have very big impacts relative to the overall population size.
- A sparse and dispersed population base makes program sustainability both a challenge and a questionable goal—training and placing 25 to 50 people in a remote community may satisfy the need for workforce development efforts for several years.
- Extremely small labor markets create a “seesaw” effect, where small gains in employment create workforce shortages and small gains in workforce availability/readiness create unemployment and underemployment problems—both must be tackled in tandem.

### **Indian Country**

- Effective workforce development programs must be culturally appropriate—taking into account both traditional values and habits (e.g., “Indian time”).
- Promoting entrepreneurship is often one of the most successful workforce development strategies in Native communities—due to remote locations, lack of an existing employment base, and unique heritage/craft/tourist economic opportunities.
- Traditional job-placement focused workforce development efforts can face a huge barrier in working where entire communities have little experience with wage and hour employment.

### **Midwest/Great Plains**

- Most communities have sound K-12 systems with excellent outcomes, so there are fewer remedial issues than in many other areas.
- An aging population and decades of out-migration of youth mean that workforce development must focus more on retooling existing workers than training entering workers.
- The Midwest is experiencing a rapidly changing industrial economy:
  - In some places, especially those with a skilled workforce, companies are growing as they retool their operations for markets that remain competitive in a global economy.
  - In other places, companies are shutting down or pulling out, although they may be able to succeed if the workforce had the necessary skills.
- The emerging bio-economy is creating many new, high-skill opportunities, but few communities have the skilled workforce to capitalize on it.<sup>2</sup>
- Much of the Midwest is experiencing an increase in language and cultural issues as an influx of immigrants and refugees repopulates areas.<sup>3</sup>

### **Near-Urban and High-Amenity Rural Areas<sup>4</sup>**

- Second home and retirement development has driven housing costs to levels unsupportable by many long-term residents, so workforce housing has become a critical component of workforce development.
- Growth drives abundant creation of new service economy jobs that may never provide living wage opportunities.
- Growth in the arts economy provides some new chances and choices.
- Some of the best economic opportunities for workers may be focused in entrepreneurial activity: developing small businesses to service the influx of new, wealthy residents.

### **Pacific Northwest**

- A long-term decline of extractive (timber and fishing) industries has displaced many workers with few skills appropriate to a new economy, so workforce retraining may be a key strategy.
- New opportunities are growing in eco-friendly niches replacing extractive industries (e.g., eco-tourism, reforestation, habitat restoration), but few local residents have the requisite skills.
- Even the more remote areas in the Northwest are seeing strains similar to high-amenity, near-urban places.
- Tribes face issues common in Indian Country, and Colonias face similar issues to those found in the Southwest.

### **Southwest**

- A tripartite culture (Native/Latino/Anglo) complicates efforts, raising a central question: “Do you go for efficiency and attempt to create one program to serve all, or balkanize your efforts to improve effectiveness within a segment?”
- Language can define opportunity and must be factored into workforce training:
  - Spanish-only speakers are often economically marginalized.
  - Dual-language speakers can command a premium.
- Physically and culturally isolated communities, including both Colonias and reservations, have much in common with frontier areas—issues of isolation, scale, and density—plus a cultural dynamic that must be addressed.

### **Design Considerations:**

In addition to considerations of the specific characteristics of place, we suggest the following design considerations for investments in rural workforce partnerships:

**Resist Replication:** Attempts to “replicate” successful rural programs should be addressed with extreme caution. Differences among rural areas warrant careful examination of successful programs to determine whether they are suited to the circumstances of other areas. “Adaptation” of successful models—only where clearly warranted—should replace replication as the norm for spreading good practices in rural areas.

**Investigate Before Investing:** Effective investment in rural workforce partnerships requires significant pre-award investigation. Understanding the circumstances on the ground in the local community may be even more essential than for investments in efforts in major metropolitan areas.

## B. Distance and Density

In rural America, distance and density profoundly affect every aspect of workforce development for employers, service providers, and workers. For example:

- Good jobs, quality child care, and affordable housing are seldom found in close proximity.
- Skill training, jobs, and services can be spread out or non-existent.
- Federally supported “one-stop service centers” may be 30, 100, or more miles from workers trying to retool, retrain, or find employment.
- Access to postsecondary education or other workforce training providers often requires relocation of workers and their families.
- While Internet access can help overcome these barriers in some areas, others lack even basic local dial-up services, and high-speed access is unavailable at affordable prices across vast swaths of rural America.

### Design Considerations:

Issues of distance and density suggest the following design considerations for efforts to support rural workforce partnerships:

**One Worker = One Car:** Transportation is an important element of workforce development anywhere in America, but in rural areas, transportation equals auto ownership—a reliable worker must have a reliable car. Ownership of a reliable car has been shown to reduce welfare recidivism in some rural areas by as much as 50 percent. Rural workforce partnerships that do not somehow address this issue will be much less successful than those that do, and funders investing in them would be well advised to consider how this issue will be addressed by the partnership.

**A Puzzle with Pieces Gone:** In developing a rural workforce partnership, one cannot assume that necessary pieces are available or accessible. For instance, in rural Maine, you may be two hours or more from the nearest postsecondary campus. Developing a successful workforce partnership may mean creating required resources, such as postsecondary education services, from scratch or forging partnerships with those located well outside the intended service area to bring in those services. In supporting a developing partnership, it is important to look well beyond the formative stages, determine what resources may be needed over time, compare that with what is available, and plan for filling the gaps from the outset.

### Profile: Meeteetse Summer Youth Employment Pilot

*Operating in Meeteetse, Wyoming, population 351, this partnership primarily serves at-risk youth whose family income levels are too high to qualify for WIA-supported youth employment programs.*

*Businesses in Meeteetse have difficulty filling available positions because of the very limited supply of available workers. Without the program’s associated training, the youth participating in it do not have the basic skills or experience necessary to qualify for or function in available jobs.*

*The program meets the needs of employers and youth by bridging this gap and helping youth prepare for and succeed in the workforce.*

*Funding for the project comes from the Wyoming Community Foundation, local donors, and local units of government.*

***Small Investments, Big Impacts:*** As population density decreases, so does the investment required to have major impact on workforce issues and community viability. In rural Wyoming, an investment in training 10 at-risk youth per year can be transformative for the workers, employers, and the community (*see the profile of Meeteetse Summer Youth Employment Pilot*). While some might look at participation numbers and conclude that the impact of a rural program is too small to warrant investment, these small programs often have a disproportionately large effect on workers, employers, and communities.

***Success Can Breed Failure:*** In small markets, a successful workforce development program can sometimes solve the workforce issues it sets out to address—but only for a time. Training and placing 25 or 50 workers for jobs that address workforce shortages in a small community may absorb the available workforce, satisfy the needs of local employers, and provide a real boost to a community. Once completed, however, the program that achieved this success may shut down because there is no longer a demand for its services. In a few months or a few years, the conditions leading to creation of the program may reemerge—after the infrastructure to address them has been dismantled. Approaches addressing a broader region may be a way of counteracting this issue, but at the expense of being difficult and costly to implement.

### **C. Resource Availability**

No discussion of workforce development in rural areas would be complete without a mention of resource availability, including human, financial, and institutional resources. Some of the driving factors influencing resource availability include:

***Workforce Investment Act allocation formulas shortchange rural areas:*** Formulas give precedence to areas with density and concentrations of poverty. Meanwhile, maintaining accessible workforce system infrastructure in rural areas costs more, because you must support more sites, each serving fewer workers, to maintain reasonable travel times for those served. Therefore, most rural programs have a disproportionate share of available resources tied up in keeping the doors open and providing core services to job seekers (e.g., job search systems). This leaves few resources available to invest in developing the skills of workers or addressing the needs of employers.

***Few foundation resources reach rural America:*** The list of major national or regional funders that intentionally focus a portion of their resources on rural America is very short. While community foundations have been proliferating in rural areas in recent years, they are latecomers to the field, their asset levels are far lower than those of their urban counterparts, and large portions of rural America remain unserved. Limitations on donor-restricted assets also make it harder for community foundations to invest in complex issues like workforce development. Major corporate foundations primarily give within their urban headquarters communities and places where they have concentrations of employees. Again, fewer philanthropic resources reach rural America.

***Rural areas have fewer players with broader roles:*** Workforce development systems work differently in rural areas, generally with fewer players operating over much broader geographic areas. Individual organizations tend to deliver a broad range of services, but they seldom exhibit the depth of expertise in any single discipline that comes with specialization. This results in less access to specialized services and gaps in service availability at the same time that it greatly simplifies the process of coordinating services.

*Small, isolated providers proliferate:* While fewer players serve any one rural area, the sheer volume of geographic territory covered by rural workforce programs also makes for far more players overall, each operating on a much smaller scale than their urban counterparts. Few venues exist to connect people and programs to those in other areas, so they often work in isolation. This greatly complicates efforts to gather information, disseminate knowledge, and improve skills in the field.

### **Design Considerations:**

Effective investment in rural workforce partnerships requires consideration of the following issues regarding resource availability:

*Funding Collaboration with Whom?* Developing funding collaboratives in rural areas is tougher because fewer organized funding resources are available upon which to build. Initial work of the Investing in Workforce Intermediaries Initiative in Pennsylvania shows the difficulty of setting up effective funder collaboratives outside of large urban communities. Even smaller urban areas, such as Erie, Pennsylvania, (with a county population of 280,000 in 2000) have difficulty finding multiple partners to participate in a funding collaborative. Starting by examining rural areas with strong, rural development-focused community foundations may be one of the better ways to find areas ripe for development of workforce partnerships. In addition, rural community foundations are often uniquely positioned to play an essential convening role in their service areas.

*Sometimes Less is More:* While isolation and scarcity of institutional resources may seem to put rural areas at a distinct disadvantage in developing workforce partnerships, this weakness masks a great strength. Because there are fewer players, and existing players wear more hats, true collaboration may be easier to achieve. Rural partnerships face fewer turf issues. They are typically well aware of and in some form of relationship with every organization that might somehow benefit their clientele. The smaller number of players makes relationship building easier. On the surface, workforce partnerships with a small number of participants might initially seem too limited in scope or at a premature stage of development for NFWS involvement. However, a small partnership may be entirely appropriate to the area it serves and an effective vehicle for achieving the desired outcomes.

## **D. Partnership Structure**

While most of the possible structures for effective rural workforce partnerships will also play out in metropolitan areas, differences in the circumstances may make one structure more appropriate than another in a given place. Borrowing from and expanding on the work of the Southern Rural Development Center at Mississippi State University,<sup>5</sup> we examine this issue across two continua:

*Organization and Governance Structure:* How a partnership chooses to organize and govern itself, and the implications of those decisions;

*Primary Constituency or Focus:* Which constituency the partnership gives primacy in designing and developing its programs and services.

While some combinations are more common than others, these two continua operate independently of each other. Therefore, depending on the specific circumstances of a partnership, it could match any organization and governance structure with any primary constituency or focus. This means that with the eight models described in the two continua, there are fifteen different major permutations before considering blended or hybrid structures.

## A Note on Fragility

*By far the most surprising result of the scan is the apparent fragility of even excellent workforce partnerships. Time and again, partnerships that were viable, and even cited in literature for their excellence two or three years earlier, were found to be no longer in operation.*

*We could not ascertain reasons for dissolution of many partnerships we investigated, but among those for which reasons were evident, we saw three common themes:*

*Over reliance on a single funding source: When it dried up, local efforts failed.*

*Loss of a key player: With fewer players wearing more hats, efforts sometimes failed when a single individual left or a key partner had to pull out.*

*Satisfying the need: Especially in remote and frontier areas, a year or two of a program might place most available workers in jobs or satisfy needs of most businesses for a time—resulting in disbanding of the program, even though it might be needed again in a few years.*

*We do not know how program structure may play into this fragility, and believe that this is a concern worthy of additional research for benefit of the field.*

## Continuum One: Organization and Governance Structure

There are three main models for organizing and governing rural workforce partnerships, with numerous variations in practice in the field tailored to individual places and the mix of local partners. Listed from most centralized to most diffused, these include:

- *Sole/Lead Provider:* A strong provider offers a wide or entire range of services to multiple employers, assembling additional resources as needed, with a strong bias towards doing things in-house where practical.
- *Hub/Spoke:* A “first among equals” approach where one organization generally takes the lead and parcels out, assembles, or packages services or resources on behalf of the partnership.
- *Distributed Network:* A collaborative amalgamation of multiple partners where the lead and participating partners both shift depending upon the specific needs of each project, the employers served, or the exigencies of funding streams.

The box, “Profiles: Partnership Governance Structures,” provides examples of workforce partnerships utilizing each of these governance structures.

## Continuum Two: Primary Constituency or Focus

There are five main models for determining primary constituency or focus among rural workforce partnerships:

- *Constituency-Centered:* A partnership primarily focused on a specific population or sub-population within its service area (e.g., youth, immigrants, TANF recipients).
- *Employer-Centered:* A partnership primarily or exclusively driven by needs and desires of participating employers.

## Profiles: Partnership Governance Structures

### Sole/Lead Provider Governance Structure

Workforce Development, Inc. of Rochester, Minnesota, is the local administrative agency for a 10-county Workforce Investment Area in Southeast Minnesota. In 2000, WDI created its Healthcare Academies to address a severe shortage of workers for area health care institutions and a significant population of chronically unemployed or underemployed workers in its service area—especially recent immigrants and refugees and those already working in low-skill jobs in area health care institutions. In creating the academies, WDI brought other partners to the table to form an advisory committee. These partners include two postsecondary institutions and several health care employers. WDI secured the necessary funding, in part by diverting a portion of its WIA funding and in part by obtaining grants and other resources. While the advisory committee for this effort has major input in service design and delivery, and each partner brings particular resources and capabilities to the table, WDI is unquestionably its leader.

### Hub/Spoke Governance Structure

Coastal Enterprises Incorporated has helped organize and staff multiple workforce partnerships throughout rural Maine. PACT—Progressive Alliance for Careers and Training—is the most successful and longest standing of these partnerships, serving a five-county area in northern Maine. PACT combines business creation and expansion activities with efforts to fill gaps in the regional workforce development system, particularly for incumbent workers. Industries targeted include but are not limited to forest and metal products manufacturing, allied health care, and information technology. Each workforce partnership assisted by CEI has a large number of participating organizations that operate as equal partners; however, CEI typically organizes the network, provides necessary staff support, and assists in identification of needed resources—serving as “*first among equals*.”

### Distributed Network Governance Structure

The West Central Minnesota Labor Force Development Council, an ad hoc network formed in 1993, consists of virtually every entity in any way involved or interested in workforce development in a nine-county region in rural Minnesota. The network has undertaken many different initiatives directed at various workforce development issues and unemployed or underemployed populations in its region. Coordination is funded by West Central Initiative, a regional community foundation, and staffed by Tri-State Manufacturers' Association. Projects have been run by many of the partners at the table, including a regional educational cooperative, a senior center, several colleges, and Minnesota's Manufacturing Extension Program. Choice of a lead partner for a specific project is determined largely by common sense and consensus, flowing to the most logical entity for the particular endeavor.

- *Sector-Centered (Industry Cluster)*: A partnership focused on a specific group of businesses determined by industry sector (e.g., health care, manufacturing) or type of product or service produced (e.g., biotechnology, metal fabrication).
- *Service-Centered*: A partnership that is built out based on the availability of a particular type of workforce service (most often, postsecondary education). All programs or projects supported will incorporate a strong central component of this core service.
- *Opportunistic*: A partnership that has no single predetermined focus and uses constituency-, employer-, service-, and sector-centered approaches as necessary to capitalize on opportunities or address needs in its service region.

Blending of these models is also relatively common—for instance, a program focused on a specific industry with a specific constituency. However, in most cases one model takes primacy in project design and implementation.

The box, “Profiles: Partnership Focus,” provides examples of partnerships utilizing each principal focus including a blended model.

### **Design Considerations:**

While each structure has its place, and each community’s circumstances may mitigate toward a particular structure, some common design considerations can be useful in considering investments in workforce partnerships:

#### **Profiles: Partnership Focus**

##### **Constituency-Centered Partnership Focus**

Southern Good Faith Fund operates what is perhaps the best developed and most comprehensive Career Pathways Program in rural America. The program has been so successful, that Arkansas recently appropriated \$8 million in TANF funding to expand it statewide, including into areas not served by SGFF. Career Pathways is a partnership among SGFF, community colleges, and employers. It helps TANF eligible low-skilled workers build and achieve a plan for career advancement in fields with opportunities for upward mobility. The partnership emphasizes use of bridge curricula to build literacy and math skills needed for advanced career opportunities, without expending eligibility for financial aid. The partnership is constituency-centered, focusing on doing whatever it takes to get TANF eligible low-income workers into a career.

##### **Employer-Centered Partnership Focus**

Rural Opportunities Inc. is an established, respected multi-state economic and community development organization whose efforts frequently extend into workforce development as well. ROI leads an employer-centered workforce partnership focused on Pennsylvania’s mushroom-growing industry. Gentrification of this area, in which much of the nation’s mushroom growing is concentrated, is forcing the industry to make changes that require a more highly skilled workforce. ROI is collaborating with the nation’s largest mushroom grower and the U.S. Department of Labor to apply an apprenticeship model to meeting this need. The apprenticeship model allows the industry to transfer knowledge gained from its operating experience without investing the time and expense required to develop a formal curriculum. In addition, the population served is primarily Hispanic, and training begins in workers’ native Spanish while slowly building a base of occupational English skills, greatly increasing the workers employability in this industry.

##### **Sector-Centered Partnership Focus**

Northern Initiatives leads a “Regional Skills Alliance” focused on the forest and timber Industry sector. This two-year old partnership, led by a veteran workforce and economic development organization in northern Michigan, helps companies and workers adapt to rapid technological and market changes in the timber and forest products industries. The efforts are research-based: they closely examine trends in the field in partnership with industry to determine specific interventions to ensure that both industry and workers adapt to change. A major goal of the partnership is to change the sector’s orientation, and related workforce skills, from a focus on extraction of a commodity to production of globally competitive, value-added products—with an eye toward positioning the region to compete in the emerging global bio-economy. This initiative puts them on a path for having a substantial influence on the restructuring and renaissance of an important industry sector in the area, as well as the retooling of existing workers and training of entering workers to fill new types of jobs with good income potential and a positive outlook for long-term stability.

*continued on next page.*

## Profiles: Partnership Focus, continued

### Service-Centered Partnership Focus

Oweesta Collaborative Entrepreneurship Development is a service-centered workforce partnership that includes nine tribal organizations from the western United States (especially but not exclusively organizations serving Lakota bands from the Great Plains) and a variety of local partners. Operating on remote reservations with very little available wage and hour employment, Oweesta seeks to improve the work-based income and economic outlook of indigenous people by encouraging entrepreneurship and creating self-employment opportunities. Entrepreneurship training services are the core around which all partnership activities revolve. Many of the entrepreneurial ventures supported focus on heritage, craft, and tourist markets unique to Indian communities. While entrepreneurship may fall outside the anticipated focus of NFWS investments, it may be the only effective way to increase earned income on the more remote reservations and in certain other isolated or culturally unique communities. It is also a powerful employment strategy in high-amenity and second-home communities.

### Opportunistic Partnership Focus

The Montgomery Institute's Western Alabama Eastern Mississippi WIRED Initiative (WAEM) is principally funded through the U.S. Department of Labor's WIRED Initiative and local foundations. It is a comprehensive regional approach that combines locally focused economic development with workforce and entrepreneurship training. WAEM utilizes an opportunistic and decentralized approach to working in the communities in its multi-state service area. Primarily working through trained "Rural Place Coaches" recruited from local community colleges, this initiative takes local communities through a seven-step planning process designed to identify local assets and opportunities and identify and implement specific interventions appropriate to specific community context and circumstances.

### Blended Partnership Focus

An excellent example of a blended partnership focus is the Learning Circles for Health Technicians project of Northern Arizona University. The project combines service- and constituency-centered models, with primacy going to the service-centered model because the lead organization is a university. This is a partnership between the Navajo Nation, Northern Arizona University in Flagstaff, and area health care institutions to prepare and place Navajo people on a career path in front-line health care. While the project clearly focuses on providing educational services, it brings in elements of a constituency-centered approach by utilizing "Learning Circles" in order to be more culturally appropriate for Navajo people than traditional classroom/lecture formats.

*Comparing Apples and Chickens:* The sheer range of partnership structure options presents formidable challenges to anyone developing an evaluation framework for investments in them. Simply measuring a common set of outcomes may not get at one of the most important considerations: the extent to which partnership structure influences or defines outcomes. To maximize the learning potential from the investments, we would recommend that an evaluation framework that considers the impact of structure be in place before, and be a key driver in, informing the selection process for partnerships receiving investments.

*Past Performance Does Not Guarantee Future Results:* Different partnership structures are suited to different environments, and what is hardy in one environment may not survive when the environment changes. A sole-provider, service-centered model may achieve the most robust results where lead provider competencies coincide with worker and employer needs and align with available resources. However, if any of these factors change, a more adaptable structure—such as an opportunistic-distributed network—may be more sustainable and achieve more over time. In selecting partnerships for investment, you can optimize for

## Linking Economic and Workforce Development for Better Results

Many of the **Sites of Excellence or Promise** identified by the scan share a characteristic: they link economic and workforce development to boost outcomes of both. Two examples—in very different parts of rural America—are the efforts of Southern Good Faith Fund in Arkansas and West Central Initiative in Minnesota.

While starting with radically different underlying conditions, both sites participate in economic development activities, such as business lending, aimed at increasing the number and quality of jobs within their service areas. These sites will often tie their workforce development efforts to employers and jobs created or improved by their economic development efforts.

Training is targeted to specific needs identified by these employers—training needs that are part of a larger plan to increase both business competitiveness and the quality and stability of jobs.

This dual approach is particularly important in rural America, where regions often face shortages of both good jobs and skilled workers.

results with existing conditions or optimize for adaptability/resilience, but you probably cannot optimize for both.

***Preconceptions Are Dangerous:*** While some structures may seem like obvious winners or losers, not all structures are possible in all locations, and most structures have a context in which they will be the preferred vehicle for achieving the desired results. Careful attention to the rationale used to select a particular partnership structure by those on the ground who know the situation best is warranted before accepting or rejecting a partnership based on its structure.

## E. Interrelated Systems

While workforce development and other issues are certainly interrelated in metropolitan areas, the sheer scale of metropolitan areas buffers the effect of the larger environment on partnership efforts and limits the collateral impact of any partnership intervention. Metropolitan scale also profoundly complicates efforts to take a comprehensive, multi-system approach, which can be both much simpler and more necessary in a rural environment.

Because rural partnerships operate on a smaller scale, they often must work to address barriers that are beyond the scope of most urban workforce development programs. For instance, in an urban area, you can nearly always presume that there are some jobs available that are suitable targets for a workforce development initiative. In many rural areas, this is not the case, and an effective program may have to simultaneously work to improve the quality and/or quantity of available employment and the preparation of workers to assume jobs.

Conversely, when a rural program succeeds, its very success may adversely affect other issues, requiring intervention to maintain an environment conducive to additional workforce development efforts. For instance, success in workforce development can create a housing crunch, hampering further workforce development efforts unless one also addresses housing issues. (*See the sidebar on Columbus, Nebraska.*)

## Columbus, Nebraska: Workforce Success Fuels Housing Shortage

*Drive for Five is a partnership under the direction of the Columbus Area Chamber of Commerce, with oversight by its Workforce Taskforce. The goal is to recruit and/or retain 500 workers for the Columbus area by 2010 to address workforce shortages created by an economic boom.*

*Early successes of the Drive for Five program raised the specter of housing shortages. To address this, Columbus applied for and was selected to participate in Nebraska's New Neighborhoods Initiative workforce housing program.*

*By mitigating the housing impact of Drive for Five, Columbus addressed an issue that may have derailed its workforce efforts.*

### Design Considerations:

Design considerations related to integrated systems include:

***A Three-Legged Stool:*** In most rural communities, workforce development, economic development, and workforce housing function so much in tandem that they cannot be separated. If one leg of the stool gets too short or too long, the community economy becomes unstable and efforts to address any one element will meet with limited success. While it may be tempting to focus workforce development investments exclusively on traditional workforce development activities, in many rural places it would be naïve to expect these efforts to succeed without simultaneous efforts to address interrelated issues such as economic development and workforce housing. In reviewing potential investments, it will be important to ensure that those on the ground in the community have looked well beyond workforce preparation and the worker/employer relationship—and are ready to respond to collateral issues that will inevitably arise as they pursue their primary workforce development focus.

***Entrepreneurship Is Employment:*** As discussed briefly in the section on regional differences, in some rural areas one of the most effective ways (and perhaps the only way) to attach workers to quality employment opportunities is to help them create their own jobs through entrepreneurship training and support. This is a particularly apt strategy in remote areas lacking large employers, in high-amenity tourism and second-home communities, and in places that have a unique cultural heritage and whose artisans produce products with strong market potential (e.g., Appalachia, Colonias, and reservations). Entrepreneurship also helps workers learn transferable skills that can be very useful in traditional employment. Since most rural areas also face severe shortages of quality child care and preschool opportunities, efforts to train and support entrepreneurs in these fields can be an effective workforce development strategy—simultaneously creating jobs and enabling workers to accept employment.

### III. RECOMMENDED APPROACHES

The National Fund for Workforce Solutions is seeking to identify and support regional funding collaboratives to improve local workforce development systems by investing in sector-based workforce partnerships, as well as capacity-building and systems-change strategies. In considering how NFWS might assemble a cohort of rural regional funding collaboratives in which to invest, Aspen CSG identified two principal approaches:

*Focus on strong existing workforce partnerships;*

*Build-out from existing funding collaboratives.*

It is also possible to try to pick a cohort that exhibits both characteristics—strong existing partnerships that already have strong funding collaboratives in place. However, this may be difficult to accomplish because most of the strong partnerships identified in the scan rely heavily on a single funding stream for much of their support.

#### A. Focus on Existing Partnerships

Since NFWS expects support for workforce partnerships in particular industry sectors to be a central component of a regional funding collaborative's investment strategy, there are a variety of advantages to focusing on rural areas where strong existing workforce partnerships already exist. These benefits include:

- *Better Investment Returns:* Investing in known winners means that the overall results of the investment—benefits for workers, employers, and the community—are likely to be greater.
- *Faster Results:* Starting with strong programs that are already in place will help avoid the cost and delay that inevitably accompanies starting something new. There will be less need to invest in infrastructure and the basic capacities necessary to run an effective program.
- *Avoiding Costly Mistakes:* Strong existing programs have already made and learned from their mistakes. Starting with them will direct more resources into productive channels.
- *Excellent Candidates:* While the overall number of promising sites identified by the scan is relatively modest, it includes a solid core of very strong programs that would be excellent risks for investment and good models to study.

The *primary disadvantage* of starting with areas that have strong existing partnerships is that evaluation is less likely to capture the forces that allowed the partnership to develop into a site of excellence. Institutional memory changes over time, and the important factors that one might uncover by investigating partnerships as they form may not be caught by investing in those that have already achieved stable, effective operations.

## Community Colleges and Rural Workforce Development

The nation’s community colleges\* would seem to be natural lead players in forming and sustaining rural workforce partnerships. They exist throughout much of rural America. Many focus their mission on preparing students for jobs. With an open-door admissions policy, most have experience with hard-to-serve populations and remedial education. Some have nurtured relationships with industry and try to match their programs with industry needs. In most places, their funding streams far outstrip resources available through the public workforce development system.

With all this and more going for them, this rural scan identified surprisingly few community colleges that functioned as the lead player in a rural workforce partnership.\*\* Some of this is undoubtedly due to the information collection mechanisms employed, which relied most heavily on networks of workforce development, rural development, and philanthropic organizations. At the same time, many community college-led efforts that were initially identified as promising candidates for inclusion were screened out (or self-screened out) as not meeting workforce partnership criteria set by the NFWS Investor Committee.\*\*\*

So what’s going on here? What are some of the factors that may have led to the unexpectedly small number of rural community colleges identified as leading players in rural workforce partnerships? An examination of how common community college practices may differ from those of an effective, dual-customer workforce partnership may help illustrate what may be limiting community college leadership roles in some workforce partnerships.

<b>Common Community College Practice</b>	<b>Common Workforce Partnership Practice</b>
Focus on degree and certificate programs	Focus on job/employer-specific training
Provide pre-employment training	Provide incumbent worker and on-the-job training where feasible, as well as pre-employment training
Prioritize offerings based on student enrollment	Prioritize offerings based on business needs
Schedule most programs on weekdays	Schedule around workers’ jobs and lives
Schedule around the academic calendar	Schedule around business cycles
Operate from a campus—workers and businesses come to them	Operate wherever it works best for the workers and the businesses—often on site
Change and adapt slowly—lengthy processes to approve offerings	Change and adapt continually—at the speed of business
Concentrate on using skills of existing faculty—driven by commitments to current staff	Concentrate on finding the best trainer—driven by rapid changes in industry and technology
Rely on students (tuition and financial aid) for much of their funding—limiting who can participate	Assemble multiple funding streams and avoid placing financial burdens on participants
Operate within a well-defined institutional structure	Challenge systems, policies, and practices to improve outcomes for workers and businesses

\* We use the term “community college” generically to apply to any accredited higher education institution offering short-term training, certificate programs, AA and AAS degrees, and/or other postsecondary education offerings that do not reach a baccalaureate level.

\*\* Many, perhaps most, partnerships identified by the scan included community colleges as one participant among many in the workforce partnership, but not serving in the principle leadership role.

\*\*\* See sidebar on Page 1 for a summary of these criteria.

## B. Build-Out from Funding Collaboratives

Organized regional funding collaboratives with a defined strategic investment plan can create a comprehensive initiative to reform workforce development by bringing more attention, clout, and resources to the change effort. The National Fund is supporting funding collaboratives that implement a new approach to workforce development—workforce partnerships—along with capacity-building and systems-impact strategies to strengthen and expand these partnerships. Although a very few rural funding collaboratives exist, they offer tremendous prospects for the creation of new workforce partnerships, which will be the primary focus in this discussion. While opportunities are fewer in number, there are distinct advantages to building out new partnerships from funding collaboratives:

*Built-in Sustainability:* Workforce partnerships that are built out from a funding collaborative are more likely to be sustainable. Loss or interruption of any one funding stream is less likely to bring the whole effort to a halt. This may help counteract the observed fragility of rural partnerships (*noted in Section II, D*).

*Learning from the Start:* Unlike investments in preexisting partnerships, investing in the build out of new partnerships allows you to learn from the outset. Evaluation mechanisms can be set up to capture the lessons learned during the early phases of organizing and starting workforce partnerships.

*Learning from Mistakes:* Unlike successful preexisting partnerships, newly built-out partnerships are likely to make the common mistakes of beginners. Eventually, if these efforts move to scale, identifying these mistakes and appropriate solutions could provide an extremely valuable information resource for the field.

Building out new workforce partnerships from existing funding collaboratives also has significant downside risks, including:

*Cost of Capacity Building:* Newly formed partnerships may not have the capacities or infrastructure in place to be effective. Significant resources invested in building out a new partnership will inevitably be consumed in the process of developing these prerequisites.

*Chasing the Cash:* No matter how good the screening is, some parties that respond to inquiries about building new workforce partnerships will inevitably be more focused in capturing the resources than on creating an effective partnership that meets the goals of NFWS investments.

*Evaluation Complexity:* Building out from funding collaboratives adds significant complexity to conducting an outcomes-focused evaluation. Determining why things are or are not working as planned is much harder when you are dealing with both the dynamics of starting something new and the specifics of how services are delivered.

Similar challenges are being confronted in the urban NFWS sites, although the issues in rural areas are likely to be more difficult, given more limited resources and capacity. Peer learning and coaching opportunities that are offered through the National Fund can help rural funding collaboratives address these issues, drawing from and adapting effective strategies being used around the country.

#### **IV. POTENTIAL FUNDING PARTNERS**

Aspen CSG's process for identifying potential funding partners focused on two principal groups: community foundations and private and corporate foundations. Aspen CSG identified 144 funders that we have reason to believe upon further exploration may have an interest in supporting workforce partnerships either locally or as a part of a larger regional or national initiative.

Two lists of potential funders were provided to NFWS with the completed scan. These include:

*Community Foundations:* This list contained 93 community foundations with a known interest in rural development, including potential interest in support of workforce development projects within their service areas.<sup>6</sup> In their convening and funding roles, these foundations may be interested in drawing together interested parties to form a regional funding collaborative to develop and invest in workforce partnerships, capacity-building and systems change efforts. Some are already doing aspects of this work.

*Private/Corporate Funders:* This list contained 51 corporate and private foundations that have expressed significant interest in grantmaking in rural America, in workforce development grantmaking, or in both. The list includes some parties that are already active in NFWS. Some funders listed limit their activities to a particular locality, state, or region, and some are national in scope.

Given CSG's charge, and limitations in resources available to conduct the scan, no attempt was made to ascertain the specific degree of interest of funders on either list. Additional exploration beyond that envisioned or possible within the scope of this project will be required to narrow these lists down to a more likely subset for support of either local workforce partnerships through regional funding collaboratives or national efforts.

## APPENDIX

### Conducting the Rural Scan

In carrying out the scan of workforce partnership *Sites of Excellence or Promise*, Aspen CSG used a variety of networks and contacts across rural America. Initial inquiries resulted in a list of nearly 100 sites for further exploration.

One very surprising result was the large number of sites that dropped out of consideration upon further inquiry. These dropouts fell into three major categories:

- **Limited or Mono-dimensional Sites:** Sites that on examination did not represent a true workforce partnership or did not utilize a dual-customer workforce development approach that simultaneously skills up workers and builds the workforce that employers actually need.

*The most prevalent group of limited or mono-dimensional sites explored were community or technical college-based programs that, upon examination, had little if any connection to specific employers and/or did not incorporate specific mechanisms for adapting academic programs to meet the real-life needs of workers.*

- **Defunct Sites:** Sites that formerly operated excellent programs but had shut down and dismantled operations. *The magnitude of this was by far the most surprising result of the scan.* Dozens of sites that Aspen CSG attempted to contact were no longer in operation—some because a critical funding stream had dried up, some because they had met the need for which they were formed, and some for unascertainable reasons.

*The dissolution of one group written up extensively in 2000 to 2004 as an exemplary workforce partnership is a prime example of this phenomenon. Various attempts to contact the partnership met with disconnected phone lines and non-functional e-mail addresses. Ultimately, a contact with a primary funder of the partnership uncovered word of its demise.*

- **Non-responsive Sites:** Sites that failed to provide requested information despite repeated contacts. In some cases these sites may be defunct. Some may have self-screened after reviewing materials concerning criteria for inclusion in the scan. Some, despite strong evidence that they continue to operate, failed to provide basic information required for inclusion.

*While in most cases, there was no way to infer why an organization may have been nonresponsive, one example of a nationally recognized workforce intermediary may be illustrative of the kind of factors that can come into play. The organization had recently undergone a leadership change, and a key employer-partner was experiencing a significant business downturn. Despite repeated attempts at contact, no one in a position of authority responded to calls or e-mail—perhaps because the organization's new leaders felt compelled to focus their attention on more pressing matters.*

At the conclusion of the scan, Aspen CSG provided NFWS with profiles of an astoundingly diverse group of *Sites of Excellence or Promise*. Undoubtedly, many more sites of promise scattered throughout rural America did not come to our attention or respond to our inquiries during the scan. We drew from these profiles to provide examples of concepts and design elements recommended from our analysis of the rural context. Overall, Aspen CSG believes that the group both provides a good cross section and includes many of the foremost examples of effective and innovative workforce partnerships serving rural America.

## Endnotes

- <sup>1</sup> The lists of promising sites for potential NFWS investment and possible funding partners are redacted.
- <sup>2</sup> This is not limited to the Midwest/Great Plains, but it is likely to have the biggest impact here.
- <sup>3</sup> Again, this is not limited to the Midwest/Great Plains, but the explosive growth in immigration here is a new phenomenon in these historically homogeneous areas.
- <sup>4</sup> This is occurring throughout rural America, especially the rural Northeast, Pacific Northwest, accessible parts of Central Appalachia, and Rocky Mountain states.
- <sup>5</sup> SRDC Policy Series, September 2003, No. 1.
- <sup>6</sup> A primary resource for developing this list was the Rural Development Philanthropy Learning Network, a group of foundations and others interested developing and channeling community resources to support rural development. The network is organized and supported by Aspen CSG.



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