County officials cite workforce skills gap as top economic development barrier

New NACo report highlights innovative approaches to economic growth

WASHINGTON, D.C. – Workforce challenges are at the top of the county economic development agenda, according to a new study by the National Association of Counties (NACo). Unemployment or underemployment is the most common challenge across counties, especially with the national unemployment level still above 6 percent and 176 counties at 10 percent or higher. County officials are also focused on the shortage of skilled workers and the importance of attracting and retaining a young workforce in their communities.

The NACo report, Strong Economies, Resilient Counties: The Role of Counties in Economic Development, explores the data on county involvement in economic development, plus the opinions and noteworthy practices of county officials. It also features an interactive map with 35 county case studies covering a full range of county economic development activities, including workforce training, business recruitment and retention, regional marketing, international initiatives and disaster preparedness. This research was developed in partnership with the Lyndon B. Johnson (LBJ) School of Public Affairs at the University of Texas.

“Each year, counties invest nearly $500 billion in essential public services such as transportation and infrastructure, public safety and health and human services,” explained Dr. Emilia Istrate, NACo’s director of research and one of the report's lead authors. “Because many of the core county functions focus on important quality-of-life issues and are tied to the fundamental building blocks of vibrant regional and local economies, county elected officials closely track the needs and conditions of their local economies.”

Recognizing the increasing complexity of regional and local economic development strategies, county officials identified collaboration as the key to the future. According to the NACo study, funding is often the most common county contribution to regional and local partnerships, including with other public, nonprofit and private partners. County officials also play an important leadership role in convening major stakeholders, as well as providing business and entrepreneurial development facilities, public infrastructure and gap financing/seed capital for business start-ups and expansions.

The study’s key findings include:

- Tackling workforce challenges is the highest priority for county governments.
More than 80 percent of responding counties reported that unemployment or underemployment is a challenge in their community.

Nearly 3 out of 4 responding counties mentioned dealing with challenges such as a shortage of skilled workers and the inability to attract and retain a young workforce.

- Counties fund local economic development initiatives.
  - More than 90 percent of counties participate in economic development work, and 81 percent of counties contribute funding to their economic development partnerships.

As the 35 case studies accompanying the report illustrate, collaboration among public, nonprofit and private partners is necessary for successful local economic development initiatives.

Some highlights from the case studies include:

- **Lee County**, N.C., collaborated with Central Carolina Community College (CCCC) to develop the Innovation Center, a dual-purpose industrial incubator and workforce training facility. This collaboration resulted in a $28.3 million Caterpillar expansion project and gave rise to an award-winning apprenticeship program through which the CCCC and Caterpillar recruit and train high school juniors.

- **Dane County**, Wis., is lowering unemployment while addressing economic disparities in its community. This year, Dane County’s newly-created Office of Economic and Workforce Development is working with Wisconsin Regional Training Partnership/Big Step to increase access to jobs for under-represented groups – including minorities and women – and to meet the local construction industry’s demand for skilled workers.

- **Harris County**, Texas, created the Harris County Toll Road Authority (HCTRA) to help meet the growing demands on the region’s transportation infrastructure. With state law limiting counties’ funding mechanisms for transportation, HCTRA provides the finance and development vehicle for critical road and other transportation projects.

- **Riverside County**, Calif., is engaged in extensive international trade, with its Office of Foreign Trade negotiating and executing a series of bilateral trade agreements with Canada, China, Croatia and Japan. The county has trade relationships with 68 other foreign countries.

- The **PUL Alliance** in Mississippi – named for the partnership of Pontotoc County, Union County and Lee County – is an example of effective regional marketing, development and business recruitment. Its joint development of an industrial site and collaborative marketing efforts attracted a new $800 million Toyota manufacturing plant that is turning into an auto manufacturing cluster. The Mississippi Development Authority projected that the full production at the plant will create 10,000 direct and indirect jobs.

For the 35 case studies, interactive map, executive summary and full report, visit: [http://www.naco.org/strongeconomies](http://www.naco.org/strongeconomies).

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The National Association of Counties (NACo) is the only national organization that represents county governments in the United States. Founded in 1935, NACo assists America’s 3,069 counties in pursuing excellence in public service to produce healthy, vibrant, safe and resilient counties. NACo promotes sound public policies, fosters county solutions and innovation, promotes intergovernmental and public-private collaboration and provides value-added services to save counties and taxpayers money. More information at: [www.naco.org](http://www.naco.org).