

## WIRED to the Innovation Economy

Today's globally competitive economy has heightened the demand for a skilled workforce. Aligning the workforce system with the new economic realities of the 21<sup>st</sup> century is critical to ensuring that American workers and businesses are competitive in the global marketplace. ETA has strived to transform the workforce investment system into a demand-driven system that catalyzes and leverages all available resources to respond to regional businesses' need for skilled workers. A demand-driven system that addresses the skill needs of businesses will result in more workers obtaining quality jobs that pay higher wages and more businesses able to compete in today's economy.

The President's High Growth Job Training Initiative is the cornerstone of the Department's efforts to create a demand-driven workforce investment system that balances the skills of America's workers with the demands of employers. Through the High Growth Job Training Initiative, ETA has invested over \$284,000,000 in 149 partnerships among employers, education programs, and the workforce investment system. Each project targets the skill and talent needs of 14 high growth, high demand industries in our nation's economy.

The High Growth Job Training Initiative revealed a critical shortcoming in the workforce development capacity of many regions: many communities were not positioned to meet the training demands of their high growth industries because of limited training capacity and outdated curricula and training delivery systems. To address this need for expanded, affordable, and flexible education and training capacity in communities across the country, the President launched Community-Based Job Training Grants.

Community-Based Job Training Grants – also known as the Community College Initiative – build the capacity of these educational institutions and train workers for jobs in high growth sectors. America's community colleges are well positioned to meet the needs of local and regional economies because of their close connections to local and regional labor markets. In October 2005, ETA announced the first installment of this initiative by investing \$125,000,000 in grants to 70 community colleges around the country. A second round of \$125,000,000 in grants to 72 community colleges and other entities was announced in December 2006.

Building on these two efforts, ETA launched the Workforce Innovation in Regional Economic Development (WIRED) Initiative in February 2006 to emphasize the critical linkages among workforce development, economic development, and education in regional economies. Though global competition is often seen as a national challenge, it is actually at the regional level where solutions must be developed and challenges met. It is in regional economies where companies, workers, educators, researchers, entrepreneurs, philanthropies, and government come together to create competitive advantage and where new ideas and new knowledge are transformed into advanced, high-quality products or services.



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Facilitating the growth of a regional economy requires attention to three critical elements. The first is infrastructure, which includes both traditional factors such as highways, bridges, and buildings, as well as “21<sup>st</sup> Century” factors like access to broadband and wireless networks. The second element is investment of capital, including the availability of risk capital and the conditions that encourage entrepreneurial risk-taking. The third element is a flexible, talented labor force. A region may possess a strong infrastructure and the investment resources for success, but without the talented men and women to use those elements for economic growth, they are meaningless.

WIRED focuses on the role of talent development in driving regional economic competitiveness, job growth and prosperity for American workers. Under WIRED, the Department is investing \$260 million in 26 regions across the nation to implement strategies that will transform their regional economies, as well as the workforce development, economic development and education systems that support the economy, so that they can compete more vigorously in the global marketplace.

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