

Using Data for Regional Growth: A Case Study from an Urban-Rural Region in Washington State

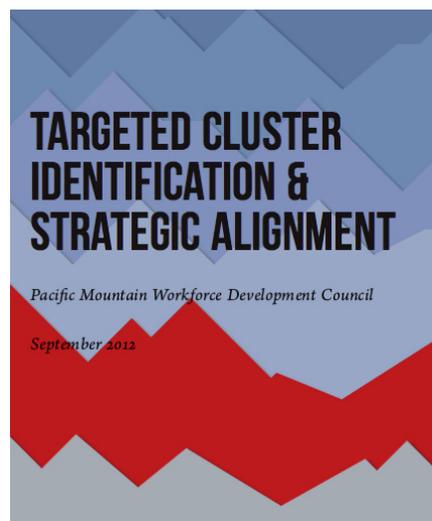
Washington state's Pacific Mountain Workforce Development Area is home to the state capital, rich forestland, and other prized assets. But leaders there have not always fully understood how to use or prioritize those assets as part of a regional workforce and economic development strategy. An innovative, data-driven process for selecting targeted industry clusters changed all that.

Background: Cluster Study Benefits 'Collective Whole'

In 2009, the Washington State Legislature passed a bill that called for coordination between workforce and economic development entities. The legislation gave each workforce development area in the state a directive: perform an industry cluster-based analysis to identify crucial sectors in their region.

Although a study was previously completed that included the Pacific Mountain (PacMtn) Workforce Development Area, it used out-of-date labor market data and settled on clusters (e.g., coal mining) that reflected the old numbers and dwindling industries. So last year, PacMtn's leadership committee—a group of leaders of local economic

development councils, community colleges, and businesses—commissioned a study specific to the PacMtn region. This time EMSI, along with Jason Robertson of J Robertson and Company, was chosen to conduct the data analysis and on-the-ground research.



EMSI's timely and thorough data, coupled with Jason Robertson's local knowledge, proved much more effective than the first study—not only in crafting comprehensive strategies to attract, grow, and expand industries within the region, but also in unifying workforce development, economic development, and education partners.

“I believe the partners came to this thinking this was going to benefit them,” says Cheryl B. Fambles, chief executive director of the PacMtn Workforce Development Council. “I think, in fact,

that’s true. And what PacMtn did in bringing everybody to the table was to demonstrate in a very tangible way that which benefits you also benefits the collective whole.

Bringing Workforce And Economic Development In An Urban-Rural Region Together

Looking back, Dick Larman, a member of the leadership team, calls the groundwork laid over the last year a “sweet-spot moment” for the PacMtn Workforce Development Area. Larman had spent 26 years at the Washington State Department of Commerce before becoming executive director of the Lewis EDC, and he knows how hard it is to get rural counties and communities moving in the same direction. Even more challenging for the five-county PacMtn area—nearly three-quarters of the region’s population lives in an urban setting in and around Olympia, the state capital.

Larman says he’s thrilled about the data-driven analysis from EMSI. Just as importantly, though, “the study set an interesting new tone between EDCs and workforce development and education. It caused a little shift in relationship building.”

The state-mandated cluster studies were intended to be part of joint strategic planning between regional workforce and economic development groups. Yet as was evidenced in the PacMtn region, there were natural barriers in bringing both together. For one, workforce and economic developers in the region often worked in isolation and moving toward their own goals. Economic developers from county to county typically

also worked individually, and they sometimes competed against each other.

About a year ago, however, Larman and others in the area sensed that local leaders and organizations—from workforce and economic development, education, and the private sector—were ready to come together for a comprehensive, regionally focused plan. The goal was to support the businesses that were already in the region and see the five counties (Thurston, Lewis, Mason, Pacific, and Grays Harbor) emerge as more than a “second consideration,” as Fambles put it, behind the Seattle-area counties that tend to drive the state’s economic policy.

“I can speak candidly about the economic development council people that populated the leadership committee,” says Michael Cade,

EMSI has a powerful tool in Analyst, and I think that’s something we’re going to need on an ongoing basis. So I think in the beginning we’ll take some of those areas where we think there might be opportunities and really dig a little deeper and sort out where some opportunities might be.”

—Dr. Gerald Pumphrey,
President, South Puget Sound Community College

executive director of the Thurston County EDC. “There’s a real strong sense of working together now, for a variety of reasons. We could help create a data product that is shared, that uses

a common language. That was one of the early guides to our conversation to ensure we had a common strategy and a common approach to this project.”

Approach: Developing a Consensus on Clusters, the Importance of the Process, and EMSI Data

The study identified industries and clusters with the best business opportunities in the region and target occupations necessary for cluster success. After EMSI provided comprehensive set of data and metrics on 10 clusters, the leadership group settled on the following five targeted industry groups:

- *Food production*
- *Wood product and paper manufacturing*
- *Life sciences*
- *Chemical products and plastics manufacturing*
- *IT/telecommunications*

Tourism and recreation, while not making the final cut, was also isolated as a key focus area because of the casinos and hospitality industry in the region. Ultimately, these clusters were chosen because of their existing strength in the five-county region, and their potential for growth.

Rather than haggle over the individual clusters themselves, Fambles says the leadership committee wanted the bulk of its effort to “come as we try to figure out what strategies are going to make a difference.” The process to choose the clusters and the best strategies for each was critical in developing the consensus.



“There’s now real agreement to get behind these five clusters,” Fambles says.

Further, she noted the process helped bring to light previously unknown regional assets. “Among the economic development folks, when there was this discovery about food processing ... that was big surprise,” Fambles says. “But as they all sat around, they went, ‘Well, yeah, there’s shellfish and there’s chickens and there’s ...’ and they went on and on and on. And they started to talk about how they could perhaps help each other in conversations with individual businesses.”

EMSI’s robust labor market data, meanwhile, was the foundation of the study, members of the leadership team say. Dr. Gerald Pumphrey, the president of South Puget Sound Community College in Olympia, notes that EMSI’s current data—compared to often out-of-date publicly available data sources—was “at the very core of what we needed.”

Adds Larman, of the Lewis County EDC, “We’d still be doing it intuitively without data. We’re able to just state the case: ‘Here are the hard, pure numbers.’ ... Like it or not, we can make much more bolder statements (with hard data) than going with anecdotal evidence over and over again.”

To stay up-to-date with the performance of the clusters and other industries in the region, PacMtn and the leadership committee organizations have access to Analyst, EMSI’s web-based tool and the source for the much of the data in the cluster study. Each organization can log into the subscription-based tool to generate the data and reports they need to best address stakeholders and local businesses.

Conclusion: Study, EMSI Data Generate Promising Early Results

One of the important results of the study is that it has opened avenues for PacMtn, the EDCs, and the local colleges to have focused, meaningful conversations with business owners about how to grow their businesses and the region in general. Members of the leadership group have been encouraged by other early results, too. “We can show you actual things that are happening as a function of the cluster study,” Fambles says. The following are a few examples:

At **South Puget Sound Community College**, Pumphrey and his staff are using the study and EMSI data to help tighten existing training or consider adding new programs in chemical and plastics manufacturing, food processing, healthcare informatics, and other areas. He’s most interested in how EMSI data can help address the perceived skills gap issue in the Olympia area and the state in general. As of now, there’s little “actionable information” about why employers can’t fill job openings and why there aren’t qualified applicants. Says

Pumphrey, “Nobody could tell me what kinds of jobs those were, or which communities they were in. As part of the community and technical college system, I think we have an obligation to try to understand that. And if any of those jobs can be filled by applicants whose preparation is adequate on the basis of a two-year education, then we need to be about doing that, because our state’s a mess. And it’s not going to get better until more people go to work.”

Pumphrey’s staff is using Analyst to see how the clusters tie to specific occupations that potentially fall under the skills gap category. EMSI, he says, has “a powerful tool in Analyst, and I think that’s something we’re going to need on an ongoing basis. So I think in the beginning we’ll take some of those areas where we think there might be opportunities and really dig a little deeper and sort out where some opportunities might be.”

In **Thurston County**, Cade and his team have used the study and EMSI data inside Analyst to

strengthen an ongoing sustainability initiative. The initiative started about two years ago after the local metropolitan planning organization received a HUD grant. “We want to use the data to better understand how we can create a strategy for a sustainable economy,” Cade says. “We now know based on the cluster study what drives the local economy. (We’re being) data-driven. Of course, before it was kind of anecdotal. So we’re using the study and Analyst to help develop a sustainable strategy.”

In **Lewis County**, Larman points to two early outcomes. First, the study relayed the importance of the food processing cluster and chicken production in the county. Larman has used the data to think about tightening the supply chain for chicken farmers. Instead of getting wheat from the east side of the state, he’s initiated conversations with a Washington State University agriculture extension professor who is working on developing grains that can be

locally produced, allowing for lower costs and increased profits for the chicken farmers. Second, the study helped Dr. Jim Walton at Centralia Community College push for shifting the college’s welding program to include fabrication and blueprint reading, two in-demand skills that local employers said would make graduates stronger hires for businesses locally and around the state.

In its upcoming strategic planning session, **Pacific County Economic Development Council** will examine each of the recommended clusters to identify its county’s unique opportunities.

The **PacMtn Workforce Investment Board** will use the cluster study data as the primary driver for development of the four-year, local integrated plan for the workforce development system that includes both a strategic plan and a detailed description of local operations.

To read the full cluster study, go to:

[HTTP://WWW.PACMTN.ORG/DOCUMENTS/PAC MTN CLUSTERSTRATEGY.PDF](http://www.pacmtn.org/documents/Pac_Mtn_ClusterStrategy.pdf)

or visit the Pacific Mountain Workforce Development Council website at: [HTTP://WWW.PACMTN.ORG](http://www.pacmtn.org)

For more on EMSI data and Analyst, or if you have any questions,
contact Josh Wright at JWRIGHT@ECONOMICMODELING.COM or (208) 883-3500.