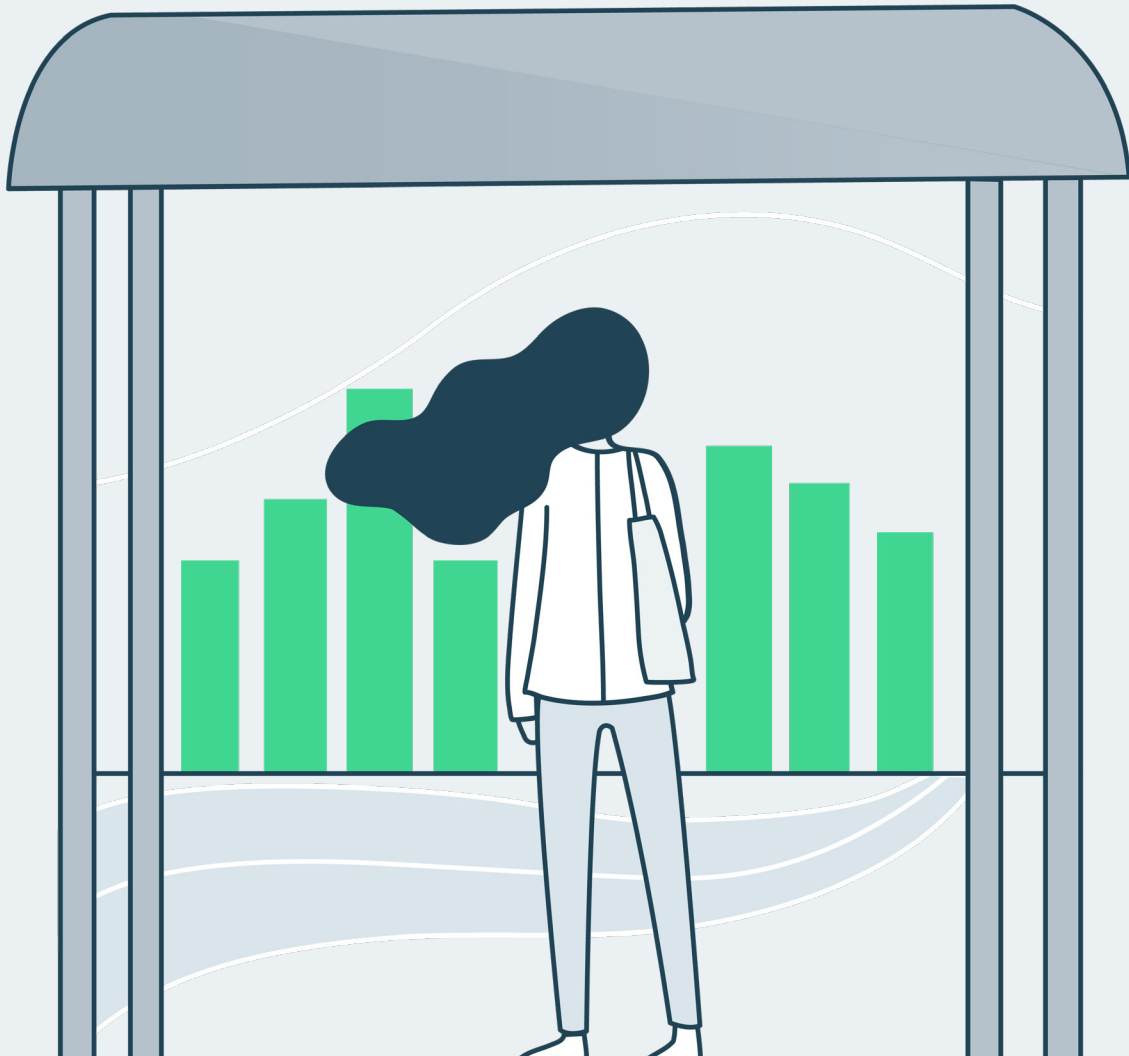




Three Steps to Support Economic Recovery

A Guide for Economic and Workforce Development Organizations



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The one common denominator of the COVID-19 pandemic is the unknown. How long will business restrictions or shelter-in-place policies last? When will restaurants be allowed to conduct sit down service? Will schools be in session in the fall? When will the public be allowed (and be comfortable) to congregate at concerts, sporting events, and the like? The unknowns and multiple variables, coupled with regional differences, make it difficult to predict with any certainty what an economic recovery will look like and how long it will take.

However, there are some things we do know:

- 1** The economy and business operations won't suddenly flip a switch back to normal. Restrictions on non-essential businesses will likely be relaxed over time, meaning impacts on industries and jobs will vary, and look different depending on the locale.
- 2** While some industries and companies will rehire laid off workers, some won't. This means workers will need to determine how to transfer their existing skills or reskill into a new career.
- 3** Economic development and workforce development has changed for good. Some of the fundamentals of both fields will remain, but it won't be business as usual.
- 4** Adaptability will be vital. Advanced labor market data and economic analysis will be the key to anticipating workforce needs and measuring impacts to regional economies.

Based on what we do know, here are three steps communities can take to move forward, support local businesses, and spur recovery.

01

Assess and Pivot

While some components of strategic plans and economic development strategies will still be in play, many economic development organizations (EDOs) will need to assess the impact of COVID-19 on their community and make significant adjustments. The same is true for workforce and talent development organizations. Communities can make assessments in multiple areas and pivot their economic and workforce development strategies accordingly.

Economic impact and ripple effects

When mapping out a recovery and new course of action, it's important to know the footing your community is on. Lots of numbers have likely been thrown out regarding job losses, reduction in tax revenue, permanent business closures, etc. Accuracy of economic impact data is vital to making decisions on new strategies and courses of action. You don't want to set out on a journey only to realize you left in the wrong direction.

A [true economic impact study](#) determines the net change to the economic base of a region that can be attributed to a firm or industry that otherwise would not be there. If working with a consultant, make sure you're conducting an economic impact study and not just a contributions or GRP study.

One form of economic impact study is an Input-Output Model. A disruption, such as a change in jobs, earnings, or sales, can be applied to an industry or a few industries of a region. The initial impact and multiplier effects are then measured.

Analyze hardest hit industries and occupations

COVID-19 is truly a unique event. It is impacting each industry differently, and those impacts are also unique depending on the region and the containment measures taken by local and state government.

Understanding which industries have been hit hardest in the short-term and which will experience long-term unemployment will help determine the pivot that needs to take place. One place to start is with the industries identified by [Brookings](#) as being at immediate risk, near-term risk, and long-term risk due to COVID-19. In assessing the economic impact regionally in these categories, particular businesses and occupations will begin to emerge as priorities. Some likely won't be those which were obvious at the start of the pandemic. There will also be stark differences between those industries which were deemed essential versus non-essential.

Examining pre-pandemic industry reports or snapshots will provide a good baseline of which industries saw steep job and revenue declines in early 2020. Initial unemployment claims by industry provides an early indicator, and monitoring job posting and profile activity will provide early details on employment trends.

Analyze industries poised for growth

While the economic impact is broad and far reaching, not all industries will take a hit. Some will come through unscathed and others are well positioned for growth. It's just as important to understand these industries and the firms that comprise them. Driver industries before the pandemic will likely remain, but perhaps look different. Analyzing how they have changed (altered supply chains, new talent needs, etc.) and being ready to help them find necessary solutions will support their growth potential coming out of the pandemic.

Determine in-demand and resilient skills

One of those solutions will be skills — what people have and employers need. It's why [Emsi Skills](#) was created: to help jobseekers, companies, and education providers speak the same language so that opportunities and gaps in human skills, technical skills, and certification and training can be unearthed.

The current environment reiterates the importance of determining resilient skills so that people and communities can weather economic storms. In a rapidly shifting economy and labor market, it's skills that transmit value, define a job, and clearly state the abilities, knowledge, and experience that are in demand.

Coupling skills data with economic impact and industry analysis will give a great picture of where workforce and talent development programs should begin placing their resources.

Identify and pursue recovery grants

In the coming weeks and months, many grant opportunities will be made available to provide COVID-19 relief to communities. These will take different forms and be administered by various entities: federal or state agencies, municipalities, local community foundations, private funds, and others.



For tips on Emsi specific reports that can assist in assembling grant applications, check out our free [Grant Writer's Toolkit](#).

Assembling a grant application can be a great way to determine where your community stands and prioritize its needs for recovery. To improve your chances of receiving an award, tell your community's unique story by using data that makes a compelling case. Ideally, funds are received. But even if not, the exercise of answering tough questions and information gathering will provide a great guide for next steps.

02

Act and Adjust

Once a new course is set, action must be taken. During the first few weeks of business restrictions and stay-at-home orders a certain amount of paralysis set in as communities were in such uncharted territory. But as the “new normal” sets in and economies slowly begin to re-open, organizations need to respond to the findings from their economic, industry, and skills analysis.

Big adjustments to strategic plans and initiatives will be needed, as will smaller modifications to tactics along the way. But the perfect can't get in the way of the good. If you act on an idea or strategy and it doesn't bear fruit, that's fine. Adjust accordingly and keep moving forward. The worst thing an organization can do right now is remain in paralysis.

Employer Engagement Cemented

Whether resuscitating mainstreet businesses or helping large employers find talent with more digital skills, existing businesses will drive the economic recovery. Supporting these businesses will look different in a post-COVID environment, but it's where an organizations focus should lie. If you're in need of a refresher or crash course on BRE and employer engagement, our Business Engage Playbook is a great resource.

We distilled conversations from dozens of the leading economic developers in the country to develop **best practices and key takeaways** that you can infuse into your business engagement efforts.



Some things to consider:

- Virtual engagement will play a major role in BRE and employer engagement for the foreseeable future. In an effort to reduce exposure, companies will likely limit unnecessary meetings. Many business visits will need to be conducted over video conference. This may mean first training and assisting those businesses unfamiliar with such tools.
- The same goes for webinars or virtual roundtables. They will be the best way to continue providing resources and education to the business community. But be prepared to first train those businesses that don't use the technology as part of their daily operations.
- And while the efficacy of business surveys has always been debated, they are a practical and necessary tool in the current environment. Remember to keep them short and communicate how the results will be used.

- Tracking real-time indicators will be one of the best ways to monitor business recovery. Job posting data can help measure the demand for talent in a region, giving an indicator of which industries are bouncing back and which are still lagging. Profile data can help measure the supply of talent in a region, revealing workers that still need to find re-entry into the workforce.
- Advanced labor market information (LMI) is great for understanding the structure of an economy and getting a full picture of the major trends in jobs and wages. As we move further away from the epicenter of the crisis, monitoring and analyzing LMI for trends will notify communities of needed adjustments.

Future Proofing

Like the Great Recession, COVID-19 will cause (or continue) major shifts in the economy, the types of jobs that drive it, and the skills necessary to succeed. A reset, pivot, shuffle, or pause, whatever it's coined, this event again highlights the need for communities and workers to develop resiliency.

A few ways to consider doing this:

- To keep up with the changes, skill transferability will be key. Whether upskilling (staying in the same career but elevating knowledge and abilities) or reskilling (developing the necessary skills to move into a new career), the ability to adapt into high demand areas will be necessary. A focus on resilient skills will help protect workers from future shocks. From [teasing out the in-demand skills](#) within a person's resume to [identifying the courses](#) to help them adapt their skill base, communities need to focus on skill transferability to strengthen their economy and workforce.

Free tools from [Emsi Skills](#) such as the Resume Optimizer and SkillsMatch help to better connect people to the skills-based marketplace.



- Many supply chain impacts of COVID-19 have already been felt. The long-term impacts will continue to bear out over time. But it stands to reason that in an effort to minimize future disruptions, manufacturers and brands will look to onshore their supply chains. This could mean more producers choosing to locate sites domestically. It could also mean local manufacturers are going to look domestically, even regionally or locally for their inputs. This is a huge opportunity. As part of your BRE and employer engagement work, always be looking for supply chain connections regionally. The more localized a supply chain is, the more it will be able to withstand future shocks.
- Like other trends, the growth in automation was already occurring. The question will be to what degree the pandemic accelerates the shift. Economic and workforce developers need to continue their [analysis of automation](#) on local industries, but now in light of COVID-19 and industry concerns about how future disruptions could shut down their operations if people aren't allowed to work.

The New Nature of Business Attraction

While BRE and helping local businesses get back on their feet is the top priority, a [new landscape of business attraction](#) is likely emerging.

As mentioned above, building economic resiliency will include more localized supply chains. On the recruitment front, this means the reshoring of threatened supply chains could result in an uptick in RFIs. And unsure of possible future regulations on imports, foreign producers may want a U.S. presence, meaning more foreign direct investment specific RFIs could be coming. As always it will be important to have accurate and readily available workforce data, site information, etc. And communities should be ready to talk about how they handled the pandemic. This can be a great opportunity to showcase collaboration, ingenuity, and resourcefulness, traits that a company will be looking for in a community when searching for a new location.

Communities should also be ready for attraction opportunities in emerging industries. Whether it's new technologies in digital payment, manufacturers retooling to meet medical needs, or new platforms to consume entertainment at home, innovation will occur within industries, and in some cases entirely new industries will emerge. As a result, communities need to be ready to shift their targeted industries, because there might simply be some new ones.

Accommodating Entrepreneurs for a New Economy

Speaking of innovation and emerging industries, if you haven't already, now is a great time to be working on an entrepreneurial ecosystem. Unfortunately, some businesses won't be able to bounce back from this pandemic. One silver lining though is that it creates space for new businesses and ideas. Another is that owners and managers of shuttered businesses, who have loads of experience, may now use this as the chance to execute on an idea they've always had. Not to mention the entrepreneurs that were working on fledgling startups before the crisis. Whether they need to now adapt their business plan to a new market, conduct updated industry research, or tweak their minimum viable product for a different user, they need an ecosystem to support and foster their work.

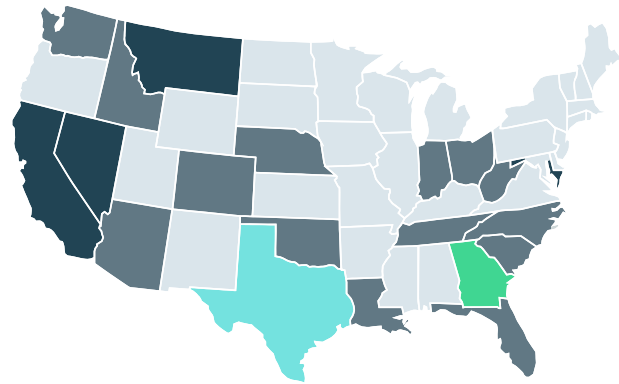
Additionally, communities in university settings, those with large health systems, or that have existing medical or health care industries are well positioned for COVID-19 specific innovation and startups. Based on their talent and industry clusters, communities should seek to create linkages to help spur innovation resulting from COVID-19.

More changes to talent development: remote training and work

Talent development was already ever evolving. And online learning and training can now be counted as another trend that COVID-19 will accelerate. During social distancing measures, connecting workers with online training opportunities will help those returning to their job develop new skills. These connections are perhaps even more important for those who won't be able to return to their job or are looking to use this time to reskill. A great tool is Emsi's [Skills Match](#), which provides recommendations for online learning based on an individual's education, experience, and skills.

The pandemic made remote work ubiquitous, proving that a lot of jobs can be performed outside the traditional office. Both out of necessity and preference, many jobs likely will remain remote. Training workers on how to succeed in the new remote work environment will be a surefire way to get people back to work. Utah's [Rural Online Initiative](#) is a great example of what this can look like. And longer term, attracting remote workers can be a viable talent development strategy.

For some communities, **attracting remote workers** can be a great compliment to other economic development strategies. We took a deep dive into the rise of remote work, what it means for communities, and strategies to consider for attracting and retaining this growing segment of the workforce.



Of course, broadband infrastructure is a prerequisite for remote work and learning. Rural communities and disadvantaged urban areas know all too well how a lack of broadband limits economic and neighborhood development efforts. However, having seen the need for every individual to have access to quality internet, policy makers may be as open as ever to funding necessary broadband infrastructure projects. Using demographic and employment data, communities should be ready to showcase their broadband gaps and the necessity of filling them.

03

Communicate and Monitor

The economic recovery, even by optimistic assessments, will be slow. Communities might take a few steps forward, only to take one back. The important thing will be to communicate progress and be honest about setbacks.

One of the most difficult aspects of the pandemic was the unknown. This will be the same in recovery. But providing stakeholders and policy makers with timely information can help mitigate this. And when data reveals positive trends, it will help put setbacks in perspective.

- Consider weekly, monthly, or quarterly economic updates. In addition to the economic information, these can include progress reports on initiatives and details on new recovery resources. Committing to updates will also force you to monitor your progress and reveal where adjustments need to be made.

- Dashboards that track key and real-time indicators can give stakeholders a quick reference. In the coming months it will be important, however, to move beyond just job loss information to data that helps partners adjust and make informed decisions. Providing trend analysis of labor market information or insights on resilient skills is the value EDOs need to be bringing to the table.
- Large events like yearly economic updates or policy summits that traditionally filled a ballroom may need to move online this year. Similar to business training and education needing to be conducted remotely, large events will need to adapt and be delivered using different mediums. Even though states will begin relaxing containment measures, economic and workforce development groups shouldn't assume their events will be conducted as usual. However, these are still great opportunities to communicate how the recovery is going, and often to an audience beyond primary stakeholders.
- It's okay to just have a phone call. Yes, Zoom meetings work great but they aren't always necessary. If you typically just gave your mayor, city council member, or board president a call, that still works. Chances are you'll make their day by reducing their number of video conference calls.

Continuing to report out will have an additional benefit: it will provide you with more perspectives. While various technologies allow us to stay connected, we're still isolated, and to some degree working in silos. Reporting and communicating will naturally result in feedback and input that otherwise wouldn't have been received. Some of it will be criticism, some of it won't be constructive. But some it may spark a new idea or reveal an opportunity, providing a much needed jumpstart.

Conclusion

It's often said that businesses thrive on certainty. This is true for people and communities, too. And while there isn't much of that right now, economic and workforce developers can help provide as much as possible by developing and communicating a clear recovery strategy.

By first assessing your region's current and unique position, you can determine the pivot that needs to take place. Changes to strategic plans and the creation of new programs and initiatives are likely. This is one plan that EDOs can't afford to put on the shelf and let collect dust. Act on the information gathered in your assessment and adjust along the way as needed. Finding the right channels to communicate the realities of the recovery will help stakeholders stay engaged and be a much needed tool to help monitor the effectiveness of efforts.

You're there to help your community thrive, we want to help you do that. If you have a question or would like to discuss any of these strategies further, please contact us. We have a host of free resources, data tools, and years of working with communities to help with these efforts.

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