

Strengthening Workforce Development in Rural Areas

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2019 Special Topic Brief

Topic Overview

Listening sessions conducted in 2017 as part of the Investing in America's Workforce initiative shed light on workforce development challenges and opportunities. According to the report that resulted from the sessions: "Many regions shared that the main focus of economic development efforts is on business attraction and retention. In some regions, however, jobs are being created, but the local labor force does not have the skills to adequately fill those jobs. It was stated that without addressing these labor market challenges, localities run the risk of losing both the available jobs and the companies creating them."¹

In rural regions, where populations are more dispersed and farther from major job centers, labor markets face different challenges than those in metro areas, where people are closer to education, training, and employment opportunities. Throughout the first half of 2018, community development staff at the Federal Reserve Banks of Atlanta, Chicago, and Minneapolis conducted a listening session in their respective Federal Reserve System districts to discuss workforce development in rural areas.² Participants at the three listening sessions represented regional employers, city and county governments, chambers of commerce, economic development corporations, community colleges, technical schools, universities, nonprofits, and workforce development boards.

This brief will examine perspectives from both the listening sessions and research in the workforce development field to explore what challenges and strategies stakeholders face in building stronger rural economies.³

Opportunities for investment in workforce development in rural areas include:

- Education and training programs that prepare young and adult workers for high-demand jobs and skills within existing and burgeoning industry sectors
- Economic diversification initiatives to expand the region's job base and increase economic resiliency in case a major employer closes or relocates elsewhere
- Strategies to create community amenities, support entrepreneurship, and improve the quality of jobs in order to attract and retain workers with a range of skill sets and income levels
- Community development efforts focused on transportation, housing, child care, health care, and broadband that help workers and residents, particularly from low-wage sectors, access economic opportunity
- Collaboration across the public, nonprofit, and private sectors to align workforce development, economic development, and community development goals

Strengthening Workforce Development in Rural Areas

From remote parts of the Pacific Northwest to the Great Plains to the Mississippi Delta to Appalachia—and many places in between—rural areas across the United States are home to different cultures, people, businesses, and infrastructure, and are far from geographically or economically homogenous. However, since these rural areas are less densely populated and less connected to major centers of employment, they share common workforce development challenges. Listening session participants identified obstacles that impede attracting, training, and retaining skilled workers to meet employer demand, and that hinder the creation of economic opportunity for both workers and employers. Participants also noted a number of strategies and initiatives that they or others in their regions are testing in response to these challenges.

Building a Pipeline of Skilled Workers

Listening session participants noted that while there are well-paying jobs that do not require a four-year degree, there are not always enough skilled workers to fill existing positions. This concern is echoed in U.S. Department of Agriculture (USDA) survey data that show one out of four businesses located outside metropolitan areas struggle to find qualified workers, compared with just one in six businesses in metro areas that cite the same problem.⁴ According to participants, job applicants in their regions often lack necessary skills in basic math, hands-on trades, information technology, and manufacturing. However, participants also noted a shortage of higher-skilled workers with bachelor's degrees and beyond. Indeed, a [2018 Federal Reserve Bank of Atlanta paper](#) found firms located in rural areas are

almost 9 percent more likely to experience difficulty hiring for workers with at least a bachelor's degree compared with firms in metro areas.⁵

Demographic trends across nonmetro areas underlie the labor shortages and skills gap described during the listening sessions.⁶ Not only are rural areas less densely populated, their populations are getting older, on average, due to both out-migration of younger people, and, in some cases, older adults retiring to rural areas.⁷ As of mid-2018, those 65 and older make up almost a quarter of the population in nonmetro areas, and prime working-age adults (defined as those who are 25 to 54 years old) comprise less than half (43 percent) of the population. That compares to a 50 percent share of prime working-age adults and 19 percent of adults 65 and older in metro areas.⁸ As the rural population continues to age, business succession planning also becomes a challenge. One participant noted 70 percent of business owners in his region would be retiring over the next 20 years, leaving many businesses without clear replacement options.

Although educational attainment has increased in both metro and nonmetro areas since before the Great Recession, there remains a significant rural-urban education gap. In metro areas as of 2018, 43 percent of the prime working-age population has a four-year college degree or higher, compared with just 25 percent of nonmetro populations. About 40 percent of the nonmetro prime working-age population lacks any postsecondary education. However, the share of nonmetro prime working-age adults with associate's or vocational degrees has increased at a faster pace than in metro areas since the start of the Great Recession in 2007.⁹ Listening session participants suggested

students could acquire skills they lack through more rigorous career and technical education (CTE) training programs in K–12 schools. Since the 1980s, the role of CTE (previously termed vocational education) in secondary schools has declined due to shifts in curricula and funding and to an increased emphasis on attaining four-year college degrees after graduating from high school.¹⁰ Several participants noted this trend and discussed how some K–12 schools steer students toward four-year college degrees without exposing them to vocational or technical career options. More funding for CTE programs, and better informing students of these options, could strengthen the pipeline toward in-demand, good-paying middle-skill career paths. Studies¹¹ show participation in vocational programs can lead to higher wages,¹² and high-quality CTE programs can increase high school graduation rates, particularly among lower-income students.¹³

CTE planning and implementation depends on regional collaboration and employer involvement, and is strengthened by support from the state government, college and university system, and industries. Participants in one session spoke about a new career academy in their county, part of a network of high schools across the state that partner with technical colleges and businesses to advance regional and state workforce needs. Academy students start building hands-on, technical skills before finishing high school, and they can earn college credits at partnering postsecondary institutions.¹⁴

In conjunction with CTE training, listening session participants discussed the growing interest across the country in youth work-based learning programs that give young people on-the-job experience in high-demand regional industries. In recent

years, the nation has seen an expansion of apprenticeship opportunities into new sectors beyond the traditional trades and manufacturing.¹⁵ In one listening session region, for example, an information technology (IT) alliance, comprised of regional IT employers, worked with the state to create and fund an IT Registered Apprenticeship program. This employer-driven program will help to build a pipeline of young adults into IT jobs and fill an identified skills gap in the region. In rural areas with limited employment opportunities for students to engage in on-the-job learning, some CTE schools use technologies and equipment to simulate work environments for students.¹⁶

A greater focus on young adult skill-building and training through initiatives such as CTE and apprenticeship programs is crucial given that the share of disconnected youth—young people 16 to 24 who are not in school or working—has grown significantly since the start of the Great Recession. Although the portion of disconnected youth in nonmetro areas has declined somewhat in recent years, their share remains above the prerecession 2007 rate, at 14 percent, and is 3 percentage points higher than in metro areas.¹⁷ The longer young adults stay detached from school or work, the longer they lose opportunities to gain skills, access quality jobs, and reach their full earning potential.¹⁸

Employer-Centered Economic Diversification

Workforce challenges also stem from stagnant job growth or even job loss. Nonmetro job growth has lagged behind that of metro areas, particularly in the wake of the Great Recession, which has had a longer-lasting impact on rural economies. Metro areas returned to prerecession

employment levels by 2013 and have gained jobs since, but rural areas have yet to return to 2007 levels.¹⁹

In some cases, job losses stem from the closure of larger, anchor companies or industries that had provided communities with stable employment for generations. In one particular listening session region, a paper mill shut down, and 40 percent of area jobs were lost, including a range of middle-skill and high-skill positions. The closure was devastating for the community, but also pushed local stakeholders to diversify their workforce development efforts that previously had focused largely on the needs of that one paper mill. Other regional employers (primarily manufacturing companies) were invited to come and discuss their workforce needs.

Local technical colleges got involved in conversations and created seven new career pathway degrees based on skills gaps, such as in food science training for the regional cranberry and egg industries. Regional nonprofits and private sector employers pooled resources to offer transportation funding and child care for people seeking degrees in these career pathways programs. These extra support services helped adults access new skills, which is particularly important in towns and regions where large firms have closed and former employees need retraining to access jobs in other industry sectors. Much of this initiative was driven by philanthropic resources from a local funders collaborative that, in turn, attracted national philanthropic dollars and technical assistance. Examples of similar efforts exist around the country. The National Fund for Workforce Solutions supports regional collaboratives that bring together businesses, workforce practitioners, funders, and other community members, which leverage national and local funding

to provide education and training for job seekers and incumbent workers.²⁰

Employer-centered collaboration is crucial to the success of workforce development initiatives aiming to diversify the region's economy. In another listening session region, during roundtable discussions with local industries, employers informed local city and county leaders that firms were having trouble filling positions with qualified workers. This surprised leaders, who initially thought the focus of the roundtables would be on how to attract new jobs to the community, rather than on how to fill current openings. In response, the local chamber of commerce and economic development commission pivoted to focus the roundtables on the workforce needs of current employers. The discussions led to a collaboration with the local technical college, which created a two-semester certificate program that formed a pipeline to entry-level jobs in the manufacturing, distribution, and logistics industries. Trust and partnership among the public and private sectors in the community were key in building this new program.

Attracting and Retaining Talent: Community Amenities, Entrepreneurship, and Job Quality Strategies

Building and maintaining a workforce with the skills that match industry demand also requires attracting skilled workers to a region and retaining them over time. Participants discussed that young people seeking four-year degrees and higher-skill, higher-wage work tend to move to metropolitan areas to pursue academic and economic opportunities. This out-migration from rural areas can hinder the growth of businesses there. The head of a law firm explained the firm generates

enough business to expand, but is unable to attract enough younger, qualified lawyers to justify expansion. The law firm cannot compete with the competitive salaries and amenities of a large metropolitan center four hours away.

Listening session discussions alluded to the declining sense of community in small towns struggling with population and economic decline. Towns and counties with limited budgets may struggle to maintain or rebuild this sense of community, and listening session participants discussed how quality of life initiatives can strengthen the sense of community and are critical for attracting workers along the entire skill spectrum. Representatives of a small city were hopeful that amenities such as increased downtown housing, a brewery, and regional riverfront trails would help to attract and retain residents across age groups and employers from diverse industry sectors. Municipalities could consider leveraging natural resources, such as the river that runs through this small city, to attract visitors interested in outdoor activities. There are opportunities for local municipalities to tap into federal and nonprofit grants and capacity building for main street projects specifically aimed at rural revitalization, such as through the USDA, the National Main Street Center, and Project for Public Spaces.

Some listening session participants agreed that supporting homegrown businesses and talent is a more effective use of public funding than offering incentives such as job creation tax credits, property tax abatements, and subsidies to attract outside employers to the region.²¹ Economic Gardening, for instance, is an approach that provides assistance to local businesses with capacity to grow. It has proven effective in small towns throughout

the United States.²² Additionally, workforce development boards could increase entrepreneurial training supports²³ both for students and for the more than 25 percent of rural workers who are self-employed, freelancers, or independent contractors.²⁴

The quality of jobs offered in communities can also help to attract and retain talent. One aspect of job quality is the wage offered. As of 2018, the wage gap between metro and nonmetro areas is less than a dollar an hour, after accounting for cost of living differences.²⁵ In nonmetro areas, wages among less educated workers have actually risen slightly faster over the past decade than for less educated workers in metro areas.²⁶ This acceleration may reflect, in part, the shortage of working-age adults in rural areas, due to declining labor force participation rates.²⁷ Listening session participants emphasized the importance of employer-provided benefits beyond just wages such as skills development, career advancement opportunities, tuition assistance, and flexible scheduling, which can give firms a competitive advantage to attract and retain workers. These sorts of strategies also benefit employers through increased employee retention and productivity.²⁸

Low-wage workers can more easily achieve financial stability with specific job benefits. Predictable scheduling is particularly important for frontline workers whose livelihoods depend on working a certain number of hours each week.²⁹ Listening session members also discussed how some workers in their regions do not have checking or savings accounts and instead, rely on alternative financial services such as check cashing services and high-interest payday loans. Poor credit scores add another barrier to qualifying for

certain jobs. Employers have opportunities to support employees with financial literacy and planning strategies that deter dependency on check cashing and payday loans. For example, businesses large and small around the country are partnering with companies that offer downloadable apps for workers to access a portion of their earnings between paychecks. Some of these pay-advance apps also prompt employees to open savings accounts and build assets.³⁰

Transitioning to employee-owned companies is another strategy to give workers a voice and to counteract challenges around business succession planning. Participants suggested that firm owners could shift to worker cooperatives or employee stock ownership plans (ESOPs), which can help retain jobs and wealth locally, as well as increase job quality for low-wage workers.³¹

Inclusive employee culture is also an important component of a quality job. Rural populations tend not only to be older, as previously discussed, but also tend to be less diverse in terms of race, ethnicity, and foreign-born populations. As of mid-2018, white, non-Hispanic adults age 16 and older make up about 82 percent of the population in nonmetro areas compared to 60 percent in metro areas.³² According to participants, nonmetro firms that are less racially and ethnically diverse may have environments in which new employees feel less comfortable, which could, in turn, hinder attraction and retention of new talent. In response, companies could proactively invest in creating a more inclusive and welcoming culture. In one listening session region, a philanthropic grant allowed employers to rethink and modify firm culture and human resource practices. Participants highlighted a firm that, after acknowledging it needed to increase

employee inclusivity, formed an external advisory board and hired an employee dedicated to diversity and inclusion.

Community Development Efforts to Overcome Nonskill Barriers to Work

Challenges to workforce development efforts stem from issues beyond the need to reduce the skills gap and build, attract, and retain talent. The share of nonmetro households below the poverty line exceeds that of metro areas. The vast majority of counties with persistent poverty, where more than 20 percent of the population has been living in poverty over the past 30 years, are located in nonmetro areas.³³ Listening session participants spoke about high poverty rates and the barriers faced by households struggling to make ends meet, including limited access to transportation, affordable housing, child care, health care and drug treatment, and broadband internet. Scarcity of support services in rural areas makes it more difficult to access and maintain employment, further exacerbating cycles of generational poverty. Participants noted barriers to work are particularly acute for formerly incarcerated individuals, whose criminal records put them at a distinct disadvantage when competing for jobs, especially in areas with fewer employment options. Limited access to public transportation, stable housing, and social services also make it difficult for ex-offenders to integrate into the labor force.³⁴ The following section will expand upon challenges and strategies related to nonskill barriers in rural areas.

Transportation

A major concern among listening session participants is a lack of well-connected public transportation systems in rural areas. Due to lower average household incomes and higher average vehicle miles

traveled, nonmetro households tend to spend a greater share of their incomes on transportation.³⁵ That, along with less extensive transit systems, creates a greater burden for low-income workers. For workers who cannot afford reliable personal transportation or do not have access to a driver's license, as may be the case with formerly incarcerated individuals,³⁶ it may be more difficult to access training and employment opportunities. When a 300-employee poultry processing plant closed in one region, participants shared that hourly workers were offered reemployment at a plant an hour away, which was impossible to reach without a personal vehicle. One man had to walk for miles to get to a federally funded workforce training center where a reemployment job fair was being held.

A representative from a staffing agency explained that her organization gives gas card gift certificates to workers who have cars and agree to drive their colleagues without cars to and from work. While such ad hoc carpool systems can work on a case-by-case basis, they are fragile and not easily scaled. Sustainable solutions for rural transportation systems also depend on increases in both state and federal investments. One study shows that the benefits of transit systems in small urban and rural areas, including trips made to and from work that would otherwise have been impossible to make, outweigh the costs.³⁷ States or regions may consider conducting a needs assessment and explore various rural transit options, such as integrated regional bus services, vanpool services, and rural ride-sharing services.³⁸

Housing

Some employers at listening sessions discussed how a limited supply of affordable housing makes it more difficult

to hire and retain frontline workers. Housing developers face greater labor and materials costs when operating in rural areas due to smaller economies of scale. Additionally, given greater profit margins on the construction of higher-priced housing, developers may be less apt to invest in areas farther from metropolitan centers, especially those with a decreasing population. In 2016, for example, only 10 percent of single-family homes were built in rural areas, versus 14 percent in 2010.³⁹ Scarcity of affordable housing creates a cost burden for workers, particularly in low-wage sectors, who must dedicate a higher share of their income to housing. A [2018 study from the Federal Reserve Board of Governors](#) shows 40 percent of nonmetro renter households and 21 percent of nonmetro owner occupants spend more than 30 percent of their income on housing costs.⁴⁰

The public, private, and nonprofit sectors have a role to play in responding to these shortages. Various federal and government-sponsored enterprise programs provide funding for the creation and preservation of housing as well as for rental subsidies in rural areas.⁴¹ Some states distribute grants to rural communities to build multi- and single-family homes at different levels of affordability. Other small towns have used bonds to renovate run-down homes with the hopes of attracting new construction.⁴² Listening session participants also suggested that rural municipalities use tax increment financing⁴³ to develop more affordable housing. In addition, participants specifically mentioned employer-led housing initiatives that offer employees down payment assistance in exchange for staying at a firm for a minimum number of years. In another case, a local hospital used private fundraising and grants to offer medical school residents free or reduced-cost housing,

in addition to other program perks. The residency program was fully subscribed for the first time in 2018, and local leaders hope this effort will continue to attract and retain rural health care professionals.

Child Care

Quality child care is often limited in rural areas, and it adds another stress and hurdle for low-income employees, especially those working second and third shifts. A recent study found that 58 percent of rural census tracts in the United States have limited or no access to quality child care.⁴⁴ At one roundtable, an employer described how when one of their employees finished a shift, her husband would be waiting for her at the entrance with their young child before he went inside to start the next shift. Access to affordable child care reduces a barrier to training and employment, according to listening session participants. A technical college president said more students can enroll in courses thanks to the free child care center on campus. The aforementioned retraining program in the area where the paper mill closed also provided child care for people seeking degrees in career pathways programs. Listening session participants noted businesses can play a role by working with public and nonprofit organizations to help employees access quality child care or by providing employer-based child care incentives.

Head Start centers⁴⁵ in rural counties also serve a vital role for low-income families who would otherwise have no access to child care. Eighty-six percent of the nation's rural counties have a Head Start center, which is the only early child care program available in some cases. Over two-thirds of rural Head Start facilities provide other types of family services, including health education and substance abuse prevention, which are especially important

in areas with shortages of preventative health care services. In some centers, Head Start parents even have access to job training opportunities. According to Head Start providers, transportation to and from centers is essential, especially in more remote areas that lack public transit systems.⁴⁶

Health Care and Drug Treatment

Although unemployment rates have dropped to historic lows in both rural and urban economies, the labor force participation rate—meaning the share of those employed or actively seeking work—of the prime working-age population (adults aged 25 to 54) remains lower in nonmetro areas.⁴⁷ Rural-urban health disparities⁴⁸ may underlie some of this rural-urban variation. Of the prime working-age adults in nonmetro areas who were not seeking a job in mid-2018, nearly 50 percent noted they were disabled or too sick to work, compared with just 30 percent in metro areas.⁴⁹

Households in rural areas face greater obstacles to access health care, since providers are limited and becoming more dispersed. Ninety-five of approximately 2,400 rural hospitals in the United States have closed between 2010 and 2018.^{50, 51} Employer-sponsored insurance coverage is less common and uninsured rates are higher in nonmetro areas.⁵² In addition, uninsured people in rural areas are more likely to live in states that did not expand Medicaid under the Affordable Care Act, increasing the rural-urban eligibility gap in health care coverage.⁵³ For people who do have access to public insurance, there may be a disincentive to seek higher-wage work. A listening session participant said a worker refused a promotion because of the benefits cliff effect, such that the income boost would have meant he no longer qualified for the state's health care

benefits. Another participant pointed out limited access to health care may stymie entrepreneurship for those who do not want to give up jobs with stable benefits.

Drug addiction, particularly to illegal and prescribed opioids, has had devastating impacts on families and communities⁵⁴ and contributes to low labor force participation rates in rural areas, where the overdose rate increased and exceeded metropolitan rates in 2015.⁵⁵ Listening session participants expressed concerns that drug addiction prevents employers from finding and retaining quality workers. In one case, three potential truck drivers lost their jobs in one day by failing a drug test after having completed a truck driver training program that was a partnership between a technical college and a large-scale employer. Access to addiction treatment and counseling remains more limited and dispersed in rural areas.⁵⁶ Federal funds have been distributed to rural areas to pilot telemedicine projects, whereby patients can receive addiction treatment through telephone or online conversations,⁵⁷ but wider-scale and ongoing resources are necessary to tackle this issue in rural contexts.

Broadband

Participants emphasized that lack of high-speed internet in rural areas can stifle growth and economic opportunities.⁵⁸ Across the United States, rural communities remain less connected than their urban counterparts. A Brookings Institution analysis shows rural residents comprise 57 percent of the population in neighborhoods with no broadband access, but only 15 percent of the country's total population.⁵⁹

Listening session participants stressed the importance of deploying broadband in rural areas where it is currently lacking. High-speed internet not only attracts businesses, entrepreneurs, and economic growth,⁶⁰ but also enables workers to access training and gain new skills through virtual learning opportunities.⁶¹ Certain federal and state policy initiatives have focused on expanding connectivity to underserved areas. The Federal Communications Commission (FCC) Connect America subsidy provides federal dollars to telecom carriers that extend service to a certain share of areas lacking service, though the minimum service requirements are lower than the 25-Mbps speed benchmark set by the FCC. Certain states have gone one step further and created programs to increase access to 25-Mbps broadband in sparsely populated areas. Some of these programs provide matching funding to support public and private broadband projects in more remote regions.⁶² As participants pointed out, however, the per capita amount of funding allocated for broadband expansion varies significantly by state. Funding allocation within states can also change from year to year.

Conclusion

The listening sessions that informed this brief increase understanding about the challenges that rural areas around the country grapple with every day. As the share of prime working-age individuals declines and businesses close in rural areas, participants highlighted the need for strategies that address both labor demand and supply issues. Building a skilled workforce means creating a pipeline of workers to meet demand through policies such as sector partnerships and work-based learning. For these skills-oriented policies to be effective, community leaders must also implement strategies to retain skilled workers and to address nonskill barriers to work faced by vulnerable populations. Community amenities, quality job policies, transportation systems, affordable housing, health care, child care, and broadband should all be aligned with workforce development efforts.

Many of the recommended tactics from the listening sessions to address challenges remain ad hoc and have limited impact. More work needs to be done to highlight cases where rural workforce development, economic development, and revitalization strategies have been effective. Community leaders and community development researchers can then assess if and how these strategies can be scaled up to affect more workers and employers, or scaled out and implemented in other rural communities.

There is no one solution to tackle all of the community issues that were raised, and all strategies take money and resources that are not always available to towns and regions struggling with population and economic decline. A lack of revenue and resources to engage in the revitalization and reskilling efforts necessary to sustain workers and businesses compounds many of the challenges that rural communities face. Participants noted that population decline and business closures in rural areas result in lost property and sales tax revenue.

As leaders in rural areas choose how to prioritize resources, collaboration between public, private, and nonprofit sectors is crucial. Regional employers should be at the center of this collaboration, as they drive the demand for specific skills. State and federal government and foundations also have a role to play to support rural communities, particularly those with high poverty rates and declining populations. Support can come in the form of funding and capacity building, so that local leadership is empowered to drive community improvement. Collaboration leads to a more holistic view of the complex challenges and investment opportunities involved in preparing workers for jobs, stimulating work opportunities, and building quality of life in rural communities.

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The views expressed in this special topic brief are those of the listening session participants, as summarized by the authors, as well as the authors' own insights, and do not necessarily reflect the views of the Federal Reserve System.

Methodology

In 2017, the community development departments at each of the 12 Federal Reserve Banks organized regional meetings at locations around the country with nearly 1,000 workforce development leaders to confer on the status of the nation's workforce development system and the challenges it faces. The community development team at the Federal Reserve Bank of Philadelphia gathered and analyzed the information from those meetings, and it subsequently published [Investing in America's Workforce: Report on Workforce Development Needs and Opportunities](#).

In 2018, the Federal Reserve's community development departments conducted a second series of regional meetings with stakeholders across public, private, and nonprofit sectors. The meetings focused on several workforce-related topics that impact communities, which originated from themes captured in the 2017 report. A series of special topic briefs were created based on regional meetings and community development research interests. Briefs include research and insights from workforce development organizations, experts, and community development staff.

About the Initiative

Investing in America's Workforce is a [Federal Reserve System](#) initiative in collaboration with the [John J. Heldrich Center for Workforce Development](#) at Rutgers University, the [Ray Marshall Center for the Study of Human Resources](#) at the University of Texas at Austin, and the [W.E. Upjohn Institute for Employment Research](#). Led by the community development function of the Federal Reserve System, the initiative aims to reframe and reimagine workforce development efforts as investments that can lead to scalable solutions and measurable outcomes. Components of the initiative to further this goal include:

- A series of listening sessions and [subsequent report and special topic briefs](#) aimed at gathering and analyzing information and ideas from people who work at the intersection of workforce training, recruiting, and finance.
- A [national conference](#) in Austin, Texas, in October 2017, where over 300 attendees discussed promising approaches to workforce development.
- A [three-volume book](#) that offers research, best practices, and resources on workforce development from a wide range of experts in various fields.
- A training curriculum for Community Reinvestment Act bank examiners on qualifying workforce investments under new Interagency Q&A clarifications for the regulation.

For more information about the initiative, and to read chapters from the three-volume book and other special topic briefs, please visit www.investinwork.org.

References

- 1 St.Clair, Noelle. 2017. "Investing in America's Workforce: Report on Workforce Needs and Opportunities." Federal Reserve System. Page 13. <https://www.investinwork.org/reports>.
- 2 To protect the anonymity of the participants, specific states and regions where sessions were held are not named throughout the brief. For questions about specific strategies mentioned throughout, please contact the authors for more information.
- 3 This brief is intended to amplify the voices of participants in the listening sessions, who play key roles in local workforce and economic development systems. Discussion is limited to challenges and strategies introduced in the listening sessions.
- 4 Rosenfeld, Stuart A. 2018. "Skills to Sustain Rural Economies." *From Investing in America's Workforce: Improving Outcomes for Workers and Employers*. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research. <https://www.investinwork.org/-/media/Files/volume-two/Skills%20to%20Sustain%20Rural%20Economies.pdf?la=en>. Data from USDA's unpublished "ERS Rural Establishment Innovation Survey Data." 2014.
- 5 Terry, Ellyn, and Mels de Zeeuw. 2018. "How Do Firms Respond to Hiring Difficulties? Evidence from the Federal Reserve Banks' Small Business Credit Survey." Federal Reserve Bank of Atlanta Community and Economic Development Discussion Paper 01-18. <https://www.frbatlanta.org/-/media/documents/community-development/publications/discussion-papers/2018/01-how-do-firms-respond-to-hiring-difficulties-2018-04-09.pdf>.
- 6 In this brief, we use metropolitan statistical areas (MSAs) and counties located outside MSAs (nonmetro) as a proxy for urban and rural areas, respectively. An MSA, designated by the Office of Management and Budget (OMB), "consists of one or more counties that contain a city of 50,000 or more inhabitants, or contain a Census Bureau-defined urbanized area (UA) and have a total population of at least 100,000 (75,000 in New England)." See <https://www2.census.gov/geo/pdfs/reference/GARM/Ch13GARM.pdf>. In effect, MSAs are labor markets defined by commuting patterns. In this brief, any region outside of an MSA, including micropolitan statistical areas (populations of at least 10,000, but fewer than 50,000), is considered nonmetro. While MSAs and non-MSA areas are used as a proxy for urban and rural areas, these definitions are limited in that they do not account for less densely populated counties within MSAs, parts of which are rural as defined by the U.S. Census Bureau. See https://www2.census.gov/geo/pdfs/reference/ua/Defining_Rural.pdf. Listening session discussions included some participants who live and/or work in MSAs. While these areas may not fit into the OMB definition of nonmetro, these MSAs include rural counties or parts of counties that share some characteristics of rural areas laid out in this section. Other cited reports in this brief use varying methodology to distinguish rural and urban areas.
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