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# **Partners, Networks, and the Economic Context for Generation II and III WIRED Regions**

*The Second Interim Report of the Evaluation of  
Workforce Innovation in Regional Economic  
Development (WIRED) Generations II and III*

**Submitted to  
U.S. Department of Labor  
Employment and Training Administration**

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# Acknowledgments

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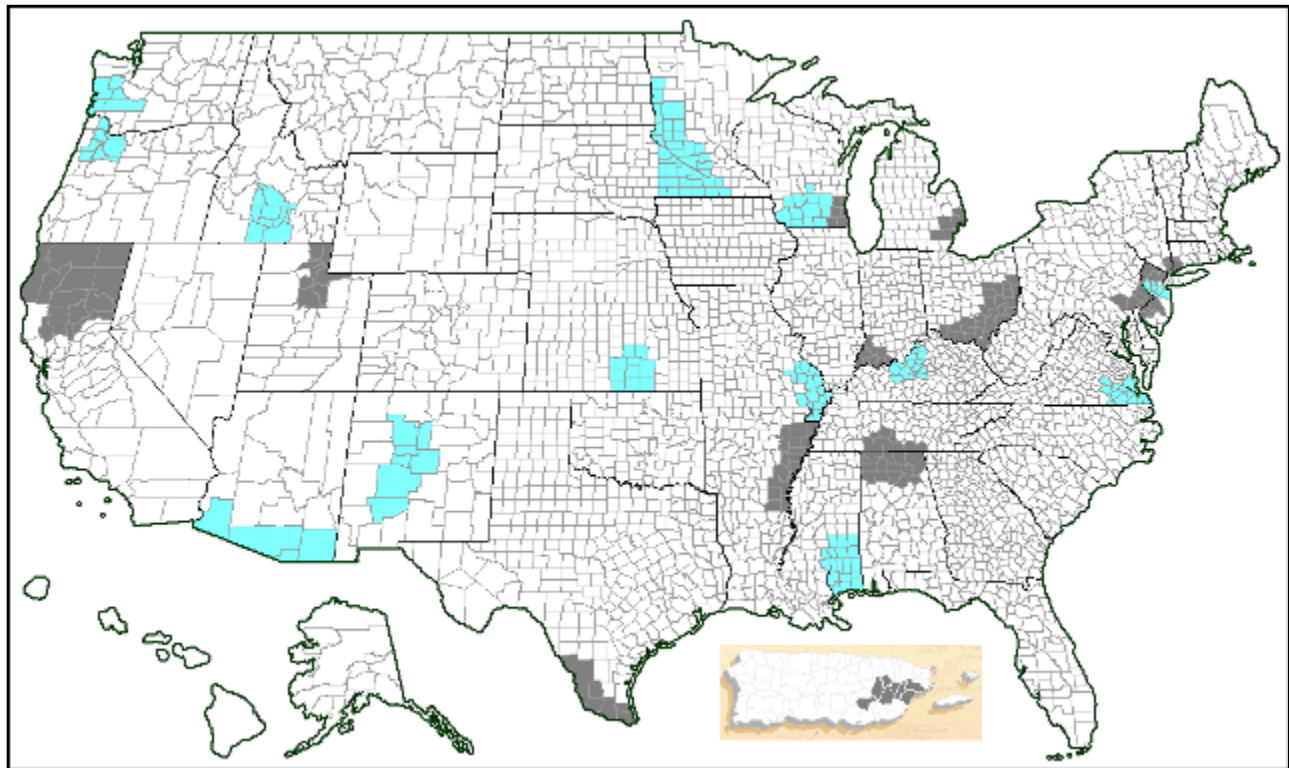
We would like to acknowledge the many people involved in the Workforce Innovation in Regional Economic Development Initiative for their commitment to engaging regional stakeholders in collaborative efforts to transform their regional economies and for their ongoing cooperation with the evaluation. Our deep appreciation goes to Eileen Pederson and Daniel Ryan of the U.S. Department of Labor, Employment and Training Administration for their commitment to conducting a thorough and thoughtful evaluation. They have provided valuable input and insights about the Initiative and the key role of the evaluation in capturing the lessons learned throughout the implementation process. We would also like to thank the staff of Berkeley Policy Associates and the University of California, San Diego for their willingness to share information and insights gained through their work as evaluators of Generation I of the Initiative.

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# GENERATION II AND III WIRED REGIONS



Generation II Regions	Generation III Regions
<ul style="list-style-type: none"> <li>■ Appalachian Ohio</li> <li>■ Arkansas Delta</li> <li>■ Central-Eastern Puerto Rico</li> <li>■ Delaware Valley</li> <li>■ Northern California</li> <li>■ Northern New Jersey</li> <li>■ Rio South Texas</li> <li>■ Southeast Michigan</li> <li>■ Southeastern Wisconsin</li> <li>■ Southwest Indiana</li> <li>■ Southwestern Connecticut</li> <li>■ Tennessee Valley</li> <li>■ Wasatch Range</li> </ul>	<ul style="list-style-type: none"> <li>■ Central Kentucky</li> <li>■ Central New Jersey</li> <li>■ Greater Albuquerque (NM)</li> <li>■ Southwest Minnesota</li> <li>■ North Oregon</li> <li>■ Pacific Mountain Washington</li> <li>■ South Central &amp; South West Wisconsin</li> <li>■ South-Central Idaho</li> <li>■ South-Central Kansas</li> <li>■ Southeast Missouri</li> <li>■ Southeastern Mississippi</li> <li>■ Southeastern Virginia</li> <li>■ Southern Arizona</li> </ul>



# Table of Contents

---

Executive Summary .....	i
Introduction.....	1
The Anatomy of WIRED: Partners, Their Roles, and Views .....	5
Social Networks Within WIRED Regions.....	21
The Context: Demographic, Labor Market, and Educational Trends By Region .....	33
Summary Findings and Conclusions .....	49
<b><u>Appendices:</u></b>	
Screener Surveys: Procedures and Findings .....	Appendix A
Partner Surveys: Procedures and Findings .....	Appendix B
Social Network Graphs, By Regions .....	Appendix C
Detailed Extant Data .....	Appendix D
Screener Survey .....	Appendix E
Partner Survey.....	Appendix F





# List of Tables

---

Mean Rating of Collaboration Status.....	Page 15
Perceptions of Success According to Select Indicators .....	Page 17
Perceptions of Success According to Select Indicators, By Organization Type, Role in Organization, and Role Played in Collaboration .....	Page 18
Connections Between Different Types of Organizations .....	Page 23
Position of WIRED Staff in Networks.....	Page 25
Position of Workforce Investment Boards in Networks.....	Page 25
Position of Workforce Agencies and WIBs in Networks .....	Page 26
Position of Educational Institutions in Networks .....	Page 26
Position of Economic Development Agencies in Networks.....	Page 26
Density of Regional Networks.....	Page 27
Cohesiveness of Regional Networks .....	Page 28
Statistics for the Example WIRED Region.....	Page 31
Summary of Demographic and Social Characteristics of WIRED Regions.....	Page 34
Characteristics of the Labor Market Environment.....	Page 36



# List of Figures

---

Constituency of Regional Partnerships, by Generation .....	Page 7
Organizational Awareness of Efforts to Transform Region .....	Page 8
Respondents' Role in Their Organization .....	Page 9
Agreement about Historical Context, by Generation.....	Page 10
Operational Roles Within Collaboration .....	Page 11
Roles Played in Collaborative Efforts to Transform Region .....	Page 13
Example of a WIRED Region.....	Page 30
Employment Index for All Generation II and III Regions and Comparison Regions .....	Page 38
Employment Index for Generation II Regions and Comparison Regions .....	Page 39
Employment Index for Generation III Regions and Comparison Regions.....	Page 40
Average Job Creation, All Generation II and III Regions and Comparison Regions.....	Page 41
Average Job Creation, All Generation II Regions and Comparison Regions.....	Page 42
Average Job Creation, All Generation III Regions and Comparison Regions .....	Page 42
Average Net Job Flows, All Generation II and III Regions and Comparison Regions .....	Page 43
Average Net Job Flows, All Generation II Regions and Comparison Regions.....	Page 44
Average Net Job Flows, All Generation III Regions and Comparison Regions .....	Page 44
2007 New Faculty Hires, Percentage of Total Faculty, Generation II.....	Page 45
2007 New Faculty Hires, Percentage of Total Faculty, Generation III .....	Page 46
2008 Postsecondary STEM Completions, Percent of Total Completions, Generation II.....	Page 46
2008 Postsecondary STEM Completions, Percent of Total Completions, Generation III ...	Page 47

# Executive Summary

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This is the second interim report of the evaluation of Generations II and III of the Workforce Innovation in Regional Economic Development (WIRED) Initiative, funded by the U.S. Department of Labor's Employment and Training Administration (ETA). The WIRED initiative involved a total of 39 grants in three rounds, referred to as separate "generations," and each generation had 13 grants.

The WIRED Initiative in all of the generations was intended to bring about major changes to regional areas within states (and sometimes crossing state borders) which were experiencing economic challenges. Conveners and partners in each Initiative region were charged with creating a strategy that was unique to each region's geographic, cultural, and economic assets, and to accomplish this by engaging regional stakeholders from multiple sectors in a unique collaborative enterprise. The Initiative's success was predicated upon the ability of collaborators to identify a regional identity, create a vision related to workforce skills and key industries, and establish and maintain leadership by key stakeholders. A comprehensive regional economic strategy needed to be developed, which identified assets, resources, and aligned investments. Further, specific strategies had to be created around regional economic and workforce development goals that were measurable, realistic, and achievable within a specified timeframe.<sup>1</sup> An important and related goal of the Initiative was to stimulate and strengthen relationships and social networks among participants, in order to sustain collaboration both during the grant period and afterward.

This report focuses on the range of partners, their roles, their perceptions regarding collaboration under the Initiative, the strength of social networks being developed among partners, and the level of awareness of the Initiative's activities among individuals across the regions. The report uses more systematic and broader data than collected for the first interim report of this evaluation. In addition, the report also documents labor force and economic conditions that existed in each region during early implementation of the grants, and compares them to a matched set of regions nationally, as a prelude to possible future analyses.

## **Methodology**

Data were collected from several sources. Two surveys (one of potential stakeholders and the other of Initiative partners) were conducted. The first survey, a "screener," was administered to potential stakeholders in education, business, and workforce development in each region, to determine who was actually engaged in Initiative projects and who was not. Questions were posed to the subset of individuals *not* involved with the Initiative regarding their knowledge of collaborative efforts more generally in regions. There were 1,319 respondents nationally to these questions from the screener survey, a response rate of 60.6 percent of identified, potential stakeholders.

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<sup>1</sup> ETA, "Six Steps of Economic and Workforce Transformation Through WIRED," U.S. Department of Labor, last modified July 27, 2007, accessed on September 7, 2011, <<http://tinyurl.com/dmtjof>>

The second survey was administered to self-identified Initiative partners, and is assumed here to be roughly representative of the partners in each region. The survey asked the respondents about their organizational background, the roles they played in the collaboration, their views about the effectiveness of the collaboration, and the contacts they developed as a result of the Initiative. This survey of partners complemented the two rounds of site visits undertaken earlier in the evaluation by providing data on a much larger number of respondents and in a common format that could be subjected to systematic, statistical analyses. Overall, there were 1,458 responses to the partner survey, with a response rate of 76.3 percent. However, please note that the underlying universe of all partners and their characteristics is unknown, so we cannot be certain that responses are truly representative.

A social network analysis was performed on data that the respondents supplied regarding various contacts and significant interactions in the context of the WIRED regional effort. The data were compared to similar information collected during site visits (as discussed in the first interim report). Survey data on social networks were limited, however, in that respondents were asked for only five contacts, those contacts were not approached regarding *their* contacts, and not all participants responded, suggesting that the social network analysis probably underestimated the true extent of the connections within a region.

Information on workforce and economic conditions was developed from extant economic, labor force, demographic and education data, which was assembled to match the boundaries defined by each region. Because of lags in the availability of the data, the information was limited to a time period roughly representative of the period during which initial or early-stage regional implementation of the Initiative occurred. As such, the data provide a basis for understanding the underlying environment in each region and represent a baseline for future comparisons.

## ***Findings***

*Extent of Collaboration Regionally:* About 80 percent of the screener survey respondents indicated that their organization was engaged in collaborative efforts “somewhat” (about 27 percent in Generation II regions and 34 percent in Generation III regions) or “a great deal” (about 50 percent in both generations).

*Partner Affiliations:* The results from the partner survey indicated that the composition of regional collaborations included a broad range of organization types. All of the regions had representation from business, workforce agencies, economic development agencies, education, and government entities. The mix of organization types varied considerably across the regions; more respondents were from the education sector than any other organization type, about one-third overall. Businesses and workforce agencies were also well represented; in total, each of these groups was about one-sixth of the survey respondents. Businesses had the most variation in representation across the regions, ranging from a low of about three percent of respondents to a high of over 40 percent. There were some differences in participation by organizational type between Generation II and Generation III, with the former having a higher share of education

and workforce development agency partners, while the latter had a higher proportion of government and business respondents.

*Operational Roles:* About a quarter of partner survey respondents described their operational role as part of the formal leadership structure of their region. About one-third said they were an activity or project leader. There was virtually no difference in operational roles identified across the two generations. Regarding particular tasks to support the regional collaboration, about two-thirds to three-quarters of respondents indicated that they attended and participated regularly in meetings. Given the chance to identify the role they play in their organization, most respondents classified themselves as strategists/decision-makers or implementers/managers. Less than 10 percent of respondents identified themselves as general staff/doers.

*Collaboration and Trust:* The partner survey attempted to place the region's WIRED efforts in the context of the region's recent history. Asked to recall the context in 2006, virtually all respondents felt that when the WIRED grants became available, the political and social climate seemed appropriate for starting a collaborative project. Considerably smaller percentages of respondents, but still over half of them, characterized the context of collaboration in the regional effort as one of working together or trust. The percentage of respondents who agreed that the partners in the WIRED grant had a history of working together varied widely, from about 38 to almost 93 percent. Asked about the stage of collaboration in their region, respondents overall placed the regions midway on a continuum between coordination and cooperation. The difference between the generations appears to be minimal but there was substantial variation across the regions.

*Access to Resources:* About half of the respondents indicated that they provided resources of various kinds to support their region, and 20 to 25 percent stated that they often participated in writing grant proposals or raising funds. Business respondents were disproportionately *unlikely* to provide such resources, while higher percentages of respondents from all of the other organization types did so. Among the self-identified roles in the respondent's organization, about half of the strategists/visionary leaders and implementers/managers indicated that they often provide access to resources.

*Perceived Benefits:* Generally, partners perceived successful outcomes for their organizations and their regions. More than 90 percent of respondents agreed with the following statements: "My organization is benefiting from being involved in regional transformation efforts," "The collaborative group includes a diverse range of stakeholders involved in many different aspects of regional transformation," and "I feel optimistic about our ability to improve the job skills of our regional workforce." However, respondents from businesses and from economic development agencies were less enthusiastic in their perceptions of success than were workforce development agency staff and educators.

*Social Networks among Partners:* An analysis of social network data found that networks were generally successful in crossing organizational boundaries; about 89 percent of the connections listed by respondents were between organizations of different types. The levels of cross-organizational connections varied somewhat across regions, and were similar to those revealed by the first round of social network data collection during the initial site visits. Individuals

associated with the region and state and local workforce investment boards (WIBs) were central to the regional networks in the sense that these individuals had more connections to others in the network than did individuals associated with other types of organizations. Educational institutions and economic development agencies were the least central to the networks. The density of the networks—their overall degree of interconnectedness—varied across the regions, with the majority making use of only 3 to 4 percent of possible connections. This differed from the previous, more preliminary, data collection, which indicated that most regions were utilizing between 5 and 9 percent of possible connections in the network. The density of a particular network was sensitive to the network's size, however. The change in network density appears to be related to both the size and maturity of the regional collaborations, since newer networks tend to be dense, becoming more dispersed as new members are added. While larger, more mature networks may result in slower communication among members, these networks tend to be more inclusive and less dependent on a small group. Interestingly, most of the grants had one or more “isolated networks” (separate, smaller networks made up of individuals not linked to the main network). Such small, separate networks within a region may hinder efficient communication within the larger network.

*Population, Labor Force, Economic, and Educational Conditions:* A descriptive analysis of each region was developed using multiple sources of extant data. Demographic data showed that from 2000 to 2008, Generation II regions had slightly slower population growth than the nation as a whole, while Generation III regions grew at nearly the national rate. Only nine of the 26 regions grew at a faster pace than the U.S. as a whole. Racial diversity in the regions overall was roughly similar to the U.S.; the proportion of Hispanic residents being higher in Generation II, but that is largely attributable to the inclusion of the Central-Eastern Puerto Rico region in Generation II. Both generations of grants have smaller proportions of African-American and Asian residents than the U.S. in general, perhaps reflecting the rural nature of many of the Initiative regions. Available data on education levels in the regions are limited to the 2000 Census, and at that time educational attainment in the regions was lower than the nation as a whole.

In 2008, the labor force participation rate was lower in the Generation II and III regions than for the U.S. as a whole. Only eight regions had higher participation rates than the national average. In 2000, Generation II and III regions had unemployment rates that were higher than the national average (although low by the recent recessionary standards). By 2008, the unemployment rate in the Generation II regions was still high but Generation III regions, on average, had an unemployment rate below the national unemployment rate. As the recession deepened, unemployment grew. Between August 2008 and August 2009, Generation II regions went from 6.9 to 10.7 percent unemployment, on average, and the average unemployment rate for Generation III regions rose from 5.6 percent to 8.6 percent. In the same time period, the national unemployment rate grew from 6.1 to 9.6 percent. These general labor force data suggest that the Generation II regions may have been more distressed than the Generation III regions and may face a more difficult workforce environment.

The data show that Generation II regions had an average quarterly job creation of about 55,000 (approximately 5.5 percent of total jobs), and Generation III regions had an average job creation figure of about 30,000 per quarter (about 6.0 percent of total jobs). Regarding net job flows, the

average region had employment growth in the first two quarters of 2007, the fourth quarter of 2007, and the first two quarters of 2008 before suffering significant employment losses in the last half of 2008. The average Generation III region seemed to recover from the initial slump in employment in the third quarter of 2007 more quickly than the average Generation II region, only to be hit harder by the effects of the recession in 2008.

## ***Conclusions***

The WIRED partner survey results indicate that the Generation II and III regions engaged a broad representation of organizations and included a strong business presence. Those who were involved considered it to be a productive collaboration, i.e., one worthy of receiving leveraged resources from regional partners. Respondents felt that the Initiative had begun to have positive outcomes in their regions. Social network data show considerable dispersion and complexity in the regional networks.

Analyses of external, secondary socioeconomic and labor market data show that Generation II and III regions were not relatively advantaged and, on average, had lower educational attainment and higher concentrations of manufacturing employment than the nation as a whole. Over 2007 and 2008, regions with collaborations tended to create more jobs, but also lost more employment, and on net, lost more jobs than their comparison regions.



# Introduction

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This is the second interim report of the evaluation of Generation II and III grants in the Workforce Innovation in Regional Economic Development (WIRED) Initiative. The grants were funded by the U.S. Department of Labor's Employment and Training Administration (ETA) as part of an overall initiative that involved 39 grants in three rounds, referred to as separate "generations." Generations II and III each involved 13 grants for a total of 26.

The WIRED Initiative and the grants in all of the generations were intended to bring about major changes to regional areas within states (and sometimes crossing state borders), which were experiencing economic challenges. Conveners and partners in each Initiative region were charged with creating a strategy that was unique to each region's geographic, cultural, and economic assets, and to accomplish this by engaging regional stakeholders from multiple sectors in a unique collaborative enterprise. Initiative success was predicated upon the ability of collaborators to identify a regional identity and vision related to workforce skills and key industries, and to establish and maintain leadership from key stakeholders. A comprehensive regional economic strategy needed to be developed, which identified assets, accessed resources and aligned investments. Further, specific strategies also had to be created around regional economic and workforce development goals that were specific, measurable, realistic, and achievable within a specified timeframe.<sup>2</sup> An important and related goal of the Initiative projects was to create strong professional relationships and social networks among participants, in order to sustain collaboration both during the grant period and afterward.

ETA contracted with Public Policy Associates, Inc. (PPA) and their subcontractor, W.E. Upjohn Institute for Employment Research (Upjohn), to conduct an evaluation of the Initiative's evolution overall, with a focus on the regions in Generation II and III. The evaluation of Generations II and III, which began in December 2007, involved two rounds of site visits, a general survey of collaboration partners, and analyses of extant demographic, economic and education data for each region. Another contractor conducted an evaluation of Generation I regions, and both evaluators will be producing individual final reports and a joint report summarizing findings from all of the Initiative generations.<sup>3</sup>

This report focuses on the findings related to the composition of partnerships and collaboration, partners' views regarding their roles and progress in the regions, the strength of social networks being developed, and the level of awareness of collaborative activities among individuals not directly involved in them. The report also documents labor force and economic conditions that existed in each region during early implementation of the grants, and compares them to a matched set of regions nationally, as a prelude to possible future analyses.

Data for the report were collected from two surveys: 1) a "screener" administered to potential stakeholders in education, business and workforce development in each region and 2) a survey of

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<sup>2</sup> ETA, "Six Steps of Economic and Workforce Transformation Through WIRED," U.S. Department of Labor, last modified July 27, 2007, accessed on September 7, 2011, <<http://tinyurl.com/dmtjof>>

<sup>3</sup> Evaluation of Generation I regions is being conducted by Berkeley Policy Associates, in partnership with University of California at San Diego/Extension.

Initiative partners regarding their organizational background, the roles they played in the collaboration, their views as to the effectiveness of the collaboration, and the contacts they had developed as a result of the Initiative. Information on workforce and economic conditions was developed from extant economic, labor force, demographic and education data, which was assembled to match the boundaries defined by each region.

## ***The Evaluation Framework***

The overall purpose of the evaluation was to document the implementation of the Initiative Generation II and III projects, including the activities and partners involved, the challenges and successes in the collaborative enterprise itself, and effectiveness as measured by achieving changes in various systems and in promoting economic development. However, as outlined in the first interim report, the evaluation design used the Theory of Change (TOC) as a framework for exploring the implementation and results of the Initiative in the 26 regions. The TOC<sup>4</sup> helps articulate the program strategies and assesses the linkage between strategies and the success of a region. Previous research conducted by PPA<sup>5</sup> and Upjohn<sup>6</sup> examined how collaborative workforce development initiatives operate. As identified in these prior studies, and informed by other research as well,<sup>7</sup> nine major dimensions of collaboration must be considered in evaluating the operation and success of collaborative alliances:

1. Context for collaboration
2. Governance and decision-making
3. Engagement among collaborators
4. Planning
5. Communication
6. Use of data
7. Resources and sustainability
8. Activities
9. Social networking

The performance within these nine dimensions was expected to be positively related to each region's ability to reach its goals. This report focuses on several of these dimensions, such as the

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<sup>4</sup> Carol Weiss, *Evaluation Research: Methods for Assessing Program Effectiveness*. (Englewood Cliffs: Prentice Hall; Weiss, Carol 1995) and James P. Connell et al., "Nothing as Practical as Good Theory: Exploring Theory-Based Evaluation for Comprehensive Community Initiatives for Children and Families" *New Approaches to Evaluating Community Initiatives: Concepts, Methods, and Contexts*, (Washington, DC: Aspen Institute, 1977), "Research for Policy's Sake: The Enlightenment Function of Social Research." *Policy Analysis* 3(4): 531-545, "Evaluating Collaboratives," University of Wisconsin Cooperative Extension, (1998), Ellen Taylor-Powell, B. Rossing, and J. Geran, "Evaluating Collaboratives, Reaching the Potential," (University of Wisconsin Cooperative Extension, 1998), and "Workforce Learning Strategies, Regional Skills Partnerships," (Employment and Training Administration, Office of Adult Services, August 2000).

<sup>5</sup> Jeffrey Padden, and Nancy Hewat., *Evaluation of the Skills Shortages Demonstration Programs: Final Report*, Public Policy Associates, Inc., (U.S. Department of Labor, 2003). Nancy Hewat, "Skills Partnership Self Assessment Tool." (U.S. Department of Labor, 2003).

<sup>6</sup> Upjohn Institute, *Evaluation of the Michigan Regional Skills Alliances*, (Mott Foundation, 2005).

<sup>7</sup> See for example, Ellen Taylor-Powell, "Collaboratives;" and ETA, Office of Adult Services, "Regional Skills."

context for collaboration, including data on a host of demographic, economic, labor force, and educational conditions within the regions during the planning and early implementation phases and the nature and strength social networks among the collaborators. This report also builds on findings from the first interim report (produced in 2009) which include the following:<sup>8</sup>

- Broad-based collaborations had been established in every region. Furthermore, successful collaboration appeared to be correlated with the likelihood of activities being transformational.
- The notion of regionalism appeared to have been inculcated successfully. For the most part, the collaborative partnerships seemed to have overcome competitive behaviors.
- Many of the stakeholders in the regions felt that private sector employers were underrepresented in collaborations.
- In about half of the regions, state government agencies were not participating substantively.
- Most regions focused at least some attention on sustainability early on and throughout their implementation.
- Many regions exhibited flexibility in their plans and activities. By the time of the evaluation site visits, about half of the regions already had made formal changes to their implementation plans, which is striking because the visits took place relatively early in the grant cycle.
- No major differences existed between Generations II and III regions.

## ***Content of this Report***

This report includes sections on the following:

- Information on the design of and response rates for the screener and partner surveys, and findings on the affiliations and roles played by participants and their perceptions of success of the collaboration along several dimensions.
- Social network data, collected in the partnership survey, mapped out and analyzed for each region.
- A snapshot of the economic, educational, and demographic make-up of the regions and (to the extent that these data allow) some recent trend data.
- Appendices providing the methodology and findings from the screener survey, data summaries by region from the partner survey, social network maps for the regions, detailed extant data, and the screener and partner survey instruments.

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<sup>8</sup> Nancy Hewat, and Kevin Hollenbeck, *Nurturing America's Growth in the Global Marketplace Through Talent Development, An Interim Report on the Evaluation of Generations II and III of WIRED*, (DC: U.S. Department of Labor, Employment and Training Administration, November 23, 2009), 114.



# The Anatomy of WIRED: Partners, Their Roles, and Views

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Stakeholders directly involved in the Generation II and III regions were surveyed to better understand the context and nature of regional collaboration in these regions. Survey questions were designed to identify:

- The organizational background of individuals engaged in the Initiative's regional collaborations and their roles within their own organization;
- The regional context and past attempts to form similar collaborations;
- The roles played by the partners in the Initiative's collaborative efforts;
- Individuals' opinions about the success of the collaboration along several dimensions; and
- Social networks and the strength of these connections.

## *Methodology*

A survey of about 1,900 partners in Initiative regional collaborations was administered in 2009 to all known partners for each region. The primary sources of information identifying partners included initial site visits, regions' implementation plans, and the social networking data captured during that initial site visit. In late May 2009, lists of these individuals were sent to the regions' project directors with a request to edit contact information and add information on any individuals who might have been missed. All of the regions responded to this request.

In addition to the list of individuals that came from the site visits or regional documentation, the evaluation team added individuals who were identified through the screener survey as being engaged in regional collaborations. The methodology and results of the screener survey are described in Appendix A. Across all of the regions, these individuals accounted for about 10 percent of the final list (194 out of 1,912 individuals).

The partner instrument, shown in Appendix F, was complex, and was fielded primarily online.<sup>9</sup> Appendix B provides details about the implementation of the survey, including the response rate by region, by generation, and for all regions. Overall, the response rate was 76.3 percent (1,458 usable responses out of 1,912 individuals).

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<sup>9</sup> In follow-up attempts to encourage non-respondents to complete the survey, potential respondents were given the option of completing the survey via telephone, or online. A Spanish version of the survey was programmed online, and respondents in the Puerto Rican region were allowed to choose English or Spanish.

## Results

### Types of Organizations

Respondents identified the type of organization in which they were employed by choosing one of twenty response categories. For analytical purposes, the data identified six general categories:

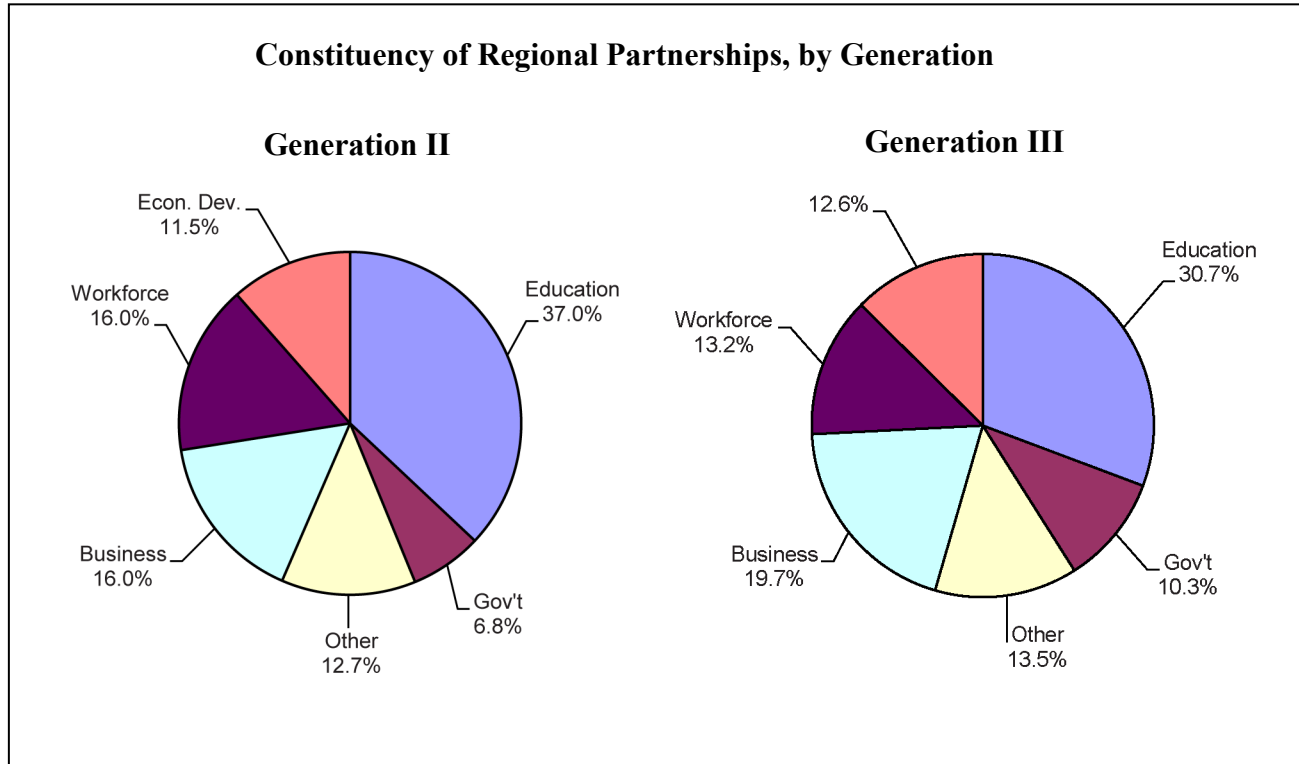
- Business
- Workforce agency
- Economic development agency
- Education
- Government official (including elected officials)
- Other

The findings suggest that regions varied quite a bit in the composition of their partnerships. Overall, about one-third of survey respondents came from education, which accounted for a plurality of respondents in 20 of the 26 regions. Across the regions, the percentage of respondents from education varied from less than 15 percent to almost 60 percent.

Business and workforce agency representatives were the next two most represented respondent groups. In total, each of these groups comprised about one-sixth of the survey respondents. In three regions more than 25 percent of respondents were from the business community, and in four other regions more than 25 percent of their respondents were from workforce agencies. The regional variation in business representatives ranged from a low of about three percent to over 40 percent. The variation in representatives from workforce agencies ranged from under 5 percent to just over 30 percent.

Individuals from economic development agencies accounted for about 12 percent of the total responses. Individuals from governmental agencies other than workforce development, economic development, or education, plus local elected officials comprised about 9 percent of the total respondents. Finally, the miscellaneous category of other (including media, foundations, labor organizations, and community-based organizations) accounted for about 13 percent of the respondents. The breakdowns of these data by region are shown in the charts in Appendix B.

Figure 1 shows the differences between the Generations in the composition of the partnerships. The most pronounced differences are that there is a smaller share of respondents from workforce development agencies and from education in Generation III, as compared to Generation II, and a larger share from business and government officials.



**Figure 1**

A later question in the survey asked respondents to describe the extent of awareness, throughout their organization, of efforts to transform the region. The response categories were as follows:

- Limited awareness; only a few key senior leadership participate
- Limited awareness; only a few mid-level managers or line staff participate
- General awareness
- Widespread awareness
- Don't know level of awareness

Across the entire sample, about half of the respondents indicated either general or widespread awareness within their organizations. About a third of the respondents indicated a limited awareness with either key senior leaders or mid-level managers or line staff participating, and about one-sixth of the respondents didn't know the level of awareness in their organization. These data are displayed in Figure 2, below.

**Figure 2**

*NOTE: Bars represent the percentage of survey respondents that described the extent of awareness in their organizations by this characteristic (survey question 7).*

In subsequent analysis, three categories were created from these five response options: first category respondents indicated that they did not know the extent of familiarity in their organization (the fifth bar in Figure 2); second category respondents are those with limited awareness (combining the first two bars in Figure 2); and third category respondents are those with general or widespread awareness (combining the third and fourth bars in Figure 2). Using these three categories highlights substantial variation across the regions. For example, in one region, 15 percent of respondents reported limited organizational awareness while 85 percent reported general or widespread awareness. On the other hand, 60 percent or more respondents in two regions reported limited organizational awareness while 40 percent or less reported general or widespread awareness.

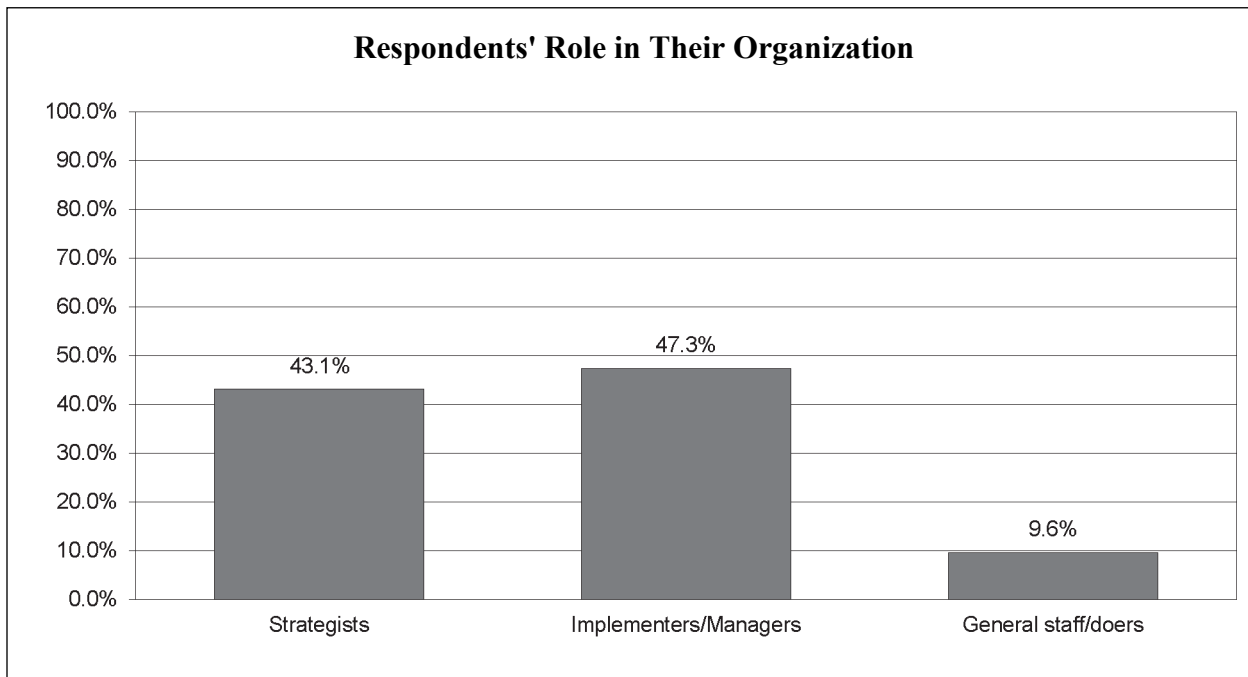
Survey respondents were also asked to identify their role within their home organizations. The possible roles presented to respondents were as follows:

- *Strategist/Visionary Leader, Decision-Maker.* Examples: WIRED leadership, president/CEO, executive director, board of directors' member, chancellor, benefactor, and foundation/civic leader.
- *Implementer/Manager/Administrator* with authority to make things happen. Examples: WIRED program manager, partner organization manager, manager of operations, mid-level manager, division head, and college dean.
- *General Staff* conducting day-to-day business of the organization. Examples: front-line employee, staff, clerical, professor, service staff, instructor, and trainer.



The preponderance of respondents identified themselves as being in one of the first two roles. As Figure 3 shows, about 90 percent of the respondents classified themselves as either strategists or as implementer/managers, while less than 10 percent identified themselves as general staff.

The charts in Appendix B show this data for each region. There is some variation across the regions: the percentage of strategists ranged from 24 to almost 59 percent, and the percentage of implementers ranged from about 30 to 58 percent.



**Figure 3**

*NOTE: Bars represent percentage of survey respondents by self-reported role in their own organization (survey question 4).*

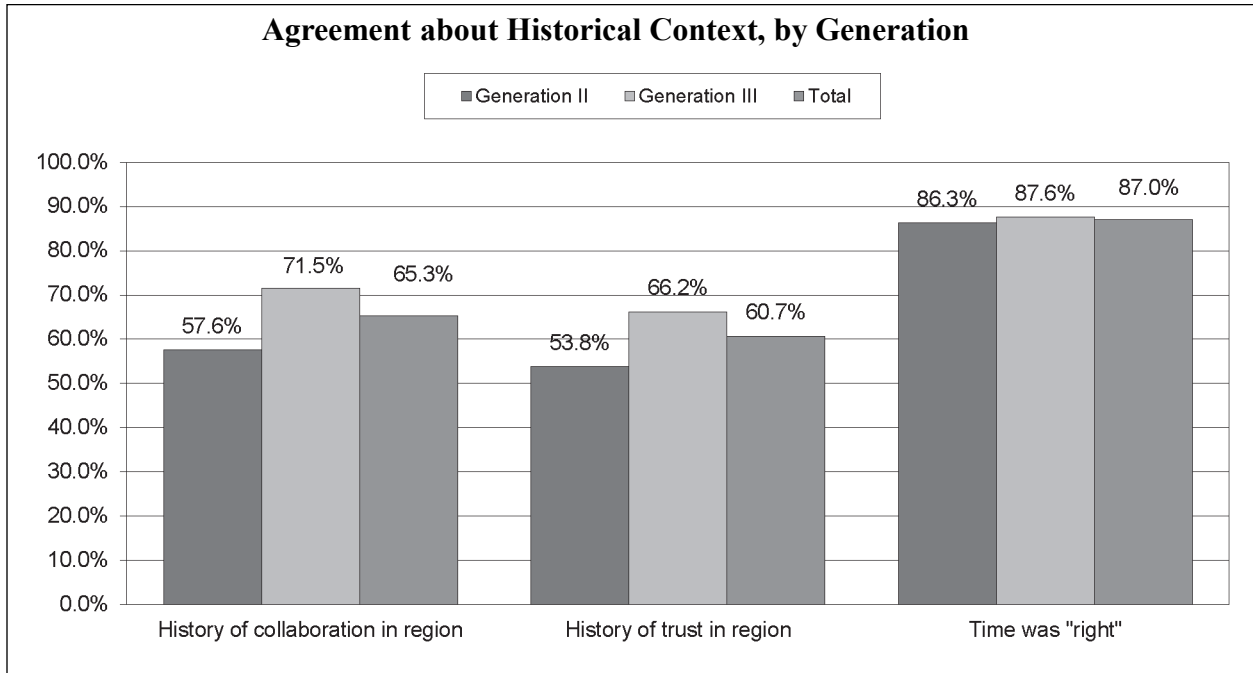
## Context for Collaboration

The historical context of the region, i.e., whether it has a history of collaboration and/or trust, is an important dimension in the Theory of Change discussed above. Question 8 in the survey asked respondents to recall the context of their region in the year 2006, and to indicate the extent of their agreement with the following:

- “Agencies in our community had a history of working together.”
- “People and organizations in our region had trust in one another.”
- “The political and social climate seemed to be "right" for starting a collaborative project related to regional transformation.”

A large majority—no less than 75 percent and up to 100 percent—of respondents in each of the regions agreed with the statement that the political and social climate seemed to be "right" for starting a collaborative effort towards regional transformation. Virtually everyone felt that when the Initiative was announced by ETA and the grants became available, the time was right for

starting a collaborative project. Yet, considerably smaller percentages of respondents characterized the context of collaboration in their region as one of working together or trust. Figure 4 shows these percentages for each generation and the total set of respondents.



**Figure 4**

*NOTE: Bars represent percentage of respondents in each generation and in survey that agreed or strongly agreed with regional characterization for year 2006 (survey question 8).*

Overall, about two-thirds of the respondents agreed that their region had a history of working together, but that percentage ranged from about 38 to almost 93 percent across regions. Less than 50 percent of respondents in five of the regions agreed that their region had such a history. About 60 percent of the total sample agreed that people and organizations had trust in one another in 2006, but again there is substantial variation across regions; from one-third to 80 percent. Not surprisingly, a substantial degree of correlation exists between the responses concerning a history of working together and trust. Over 80 percent of the respondents had consistent responses to these items; i.e., they tended to agree that both were true or to disagree with both.

Interestingly, the respondents in Generation II regions were less likely to indicate that their regions had a history of working together and less likely to indicate that they had a history of trust, as compared to respondents in the Generation III regions. Over 40 percent of the Generation II respondents disagreed with the statement that agencies have a history of working together; whereas less than 30 percent of Generation III respondents indicated the same. Similarly, over 45 percent of the respondents from Generation II regions disagreed with the statement that people and organizations in the regions have a history of trust, while less than 35 percent of the Generation III respondents so indicated. About 20 percent of the respondents in both generations who indicated that there was *not* a history of working together nevertheless indicated that there was a history of trust.

## Operational Roles within Collaborations

Respondents were asked a series of questions about their role in regional collaborative activities and were given a choice of the following possible responses:

- Part of formal leadership structure
- Provide leadership for a sub-region, activity, or project through the initiative
- Provide leadership for a sub-region, activity, or project that is not part of the initiative
- Other governance or leadership involvement
- No significant role in governance; may participate in a small part of the initiative and not familiar with all activities

Among respondents, a total of 59 percent indicated they provided leadership, with 25.9 percent saying they were part of the formal structure or 33 percent indicating they provided leadership on a specific activity or project. As shown in Figure 5, below, the remainder of the respondents are split between leaders of non-Initiative activities (about 10 percent), persons in other governance or leadership involvement (about five percent), and persons with no significant leadership responsibility (about 25 percent). Between the two generations, there was virtually no difference in any of these percentages. As might be expected, there was a systematic relationship between leadership role and self-identified organizational roles (strategist/visionary leader, implementer/manager/ administrator, general staff/doer). The modal response for the strategists/visionary leaders was that they were part of the formal leadership group while the implementers/managers generally said they provided leadership for a specific Initiative activity. General staff indicated they had no significant role in governance or leadership.

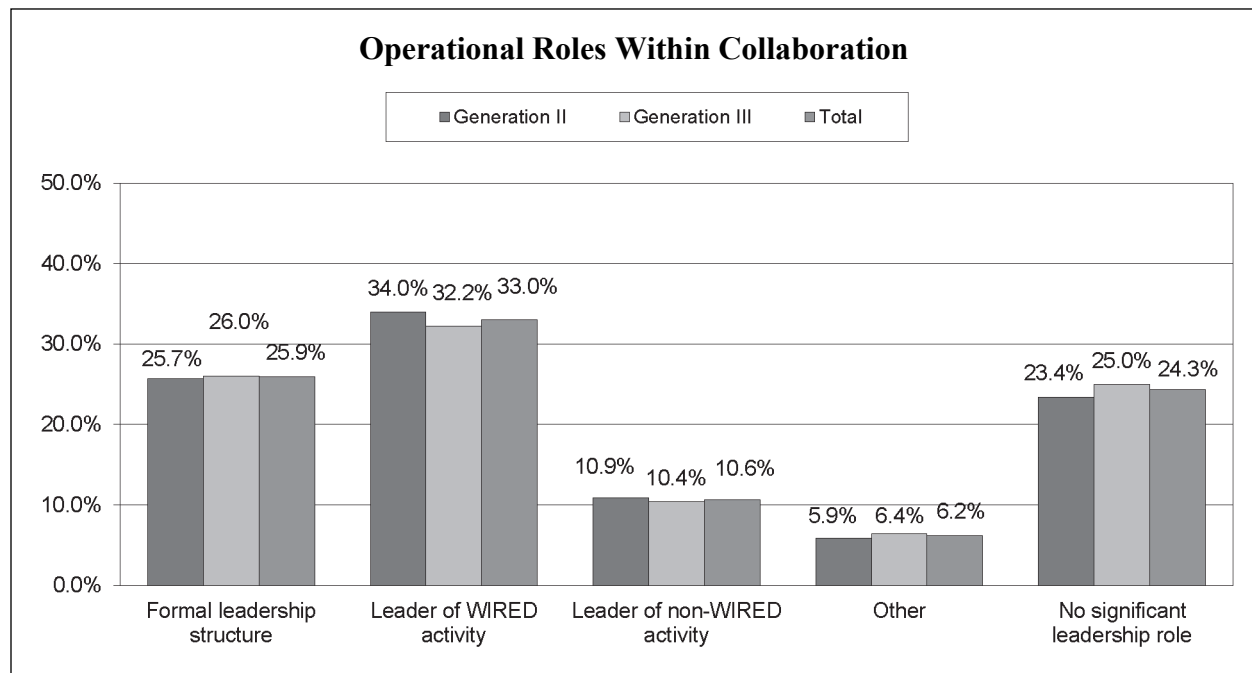


Figure 5

*NOTE: Bars represent percentage of respondents in each generation and in total survey that described their role in the governance of regional transformation efforts, including WIRED (survey question 6).*

Across the regions, the percentage of respondents who indicated that they were in the formal leadership structure ranged from about 12 percent to 50 percent, and the percentage who indicated that they were a leader of a project or activity associated with the initiative ranged between 19 and 55 percent. Combining these two categories, it turns out that the percentage of respondents who reported themselves to be in a substantial leadership role within the local collaboration ranged from 45 to 85 percent. Interestingly, the percentage of respondents who indicated that they had no significant leadership role approached 40 percent in one region. This response ranged from 4 percent to 39 percent, with the respondents in five regions having a percentage of over 30 percent.

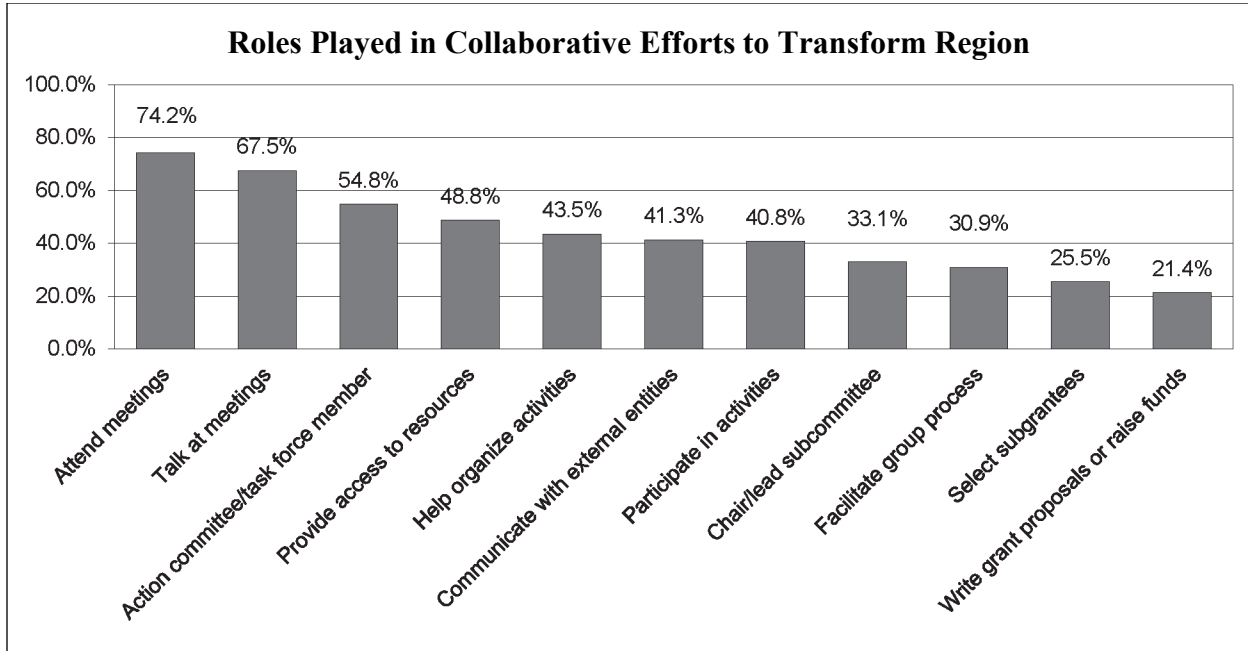
Respondents were asked (in question 5) how frequently they played particular roles by indicating “Often,” “Occasionally,” or “Never” for various activities, including:

- Attend meetings regularly
- Talk at meetings (make comments, express ideas, etc.)
- Serve as a member of an action committee or task force
- Assist in selecting recipients of funds (select subgrantees)
- Communicate with external constituencies/media
- Provide access to resources
- Help organize activities (other than meetings)
- Participate in the implementation of a program associated with regional transformation or the regional initiative
- Chair/lead a committee or sub-group
- Facilitate group process (e.g., team-building, conflict resolution, visioning, consensus-building, etc.)
- Write grant proposals/raise funds

About two-thirds to three-quarters of the respondents indicated that they often attended meetings regularly and participated in the discussion at those meetings. About half indicated that they often “served as a member of an action committee or task force” or “provided access to resources.” Around 40 percent of the respondents indicated that they often were involved in communication with external constituencies or the media, helping to organize activities other than meetings, or participating in a program or activity. About one-third of the respondents said they often chaired a committee or subgroup or facilitate a group process. Finally, between 20 to 25 percent said they often got involved in selecting fund recipients, writing grant proposals, or raising funds. This information is displayed in Figure 6.

This survey question also gave respondents the opportunity to indicate if they did not participate in any activities associated with the WIRED grant in their region. About 8 percent of the respondents (n=111) noted that they did not participate in or were not familiar with collaborative efforts to transform their region’s economy. One region had a high number who responded this way (31). For the other 25 regions, three-quarters of the remaining 80 individuals who indicated that they are not familiar with the collaborative efforts were listed by the regions as partners. One-fourth of the 80 were identified through the screener survey. Whereas it was somewhat

unexpected to have respondents who were identified by regions as being partners indicate that they did not participate or were not familiar with collaborative efforts in the region, the evaluation team did not judge this to be a significant issue because it occurred less than 5 percent of the time.



**Figure 6**

*NOTE: Bars represent percentage of survey respondents who indicated that they “often” played these roles in efforts to increase collaboration for transforming their region (survey question 5).*

## Access to Resources

It might be hypothesized that the regions that were successful at leveraging resources or raising additional funds are more likely to successfully sustain themselves. The questions about providing access to resources and about writing grant proposals/raising funds may be indicators of the extent to which regions focus upon sustainability. Across the regions, with almost no difference between the generations, about half of the respondents indicated that they often provide access to resources. The range across the regions was fairly tight, from about 40 percent to about 67 percent. Clearly, all regions look to their partners for access to resources. In terms of organization type, business respondents were disproportionately *unlikely* to provide access to resources. Larger percentages of respondents from all of the other organization types provided access to resources than their relative share of the population of respondents. Among the self-identified roles in the respondent’s organization, about half of the strategists/visionary leaders and implementers/managers indicated that they often provide access to resources; only about 5 percent of general staff/does answered in that manner.

The situation differed with regard to writing grant proposals or raising funds. Around 20 to 25 percent of the respondents indicated that they (often) engaged in this activity, although it ranged from 3 percent to 40 percent. Overall, the percentage of respondents in Generation III regions involved in grant writing/raising funds was less than for Generation II. Interestingly, there was

quite a high correlation (.428) between providing access to resources and writing grant proposals. This suggests that the regions that tend to have high percentages of respondents who said that they provided access to resources also tended to have respondents engaged in writing grants or otherwise raising funds. Respondents from education disproportionately indicated that they often helped to write grant proposals or otherwise raise funds. All other organizational types had responses that were approximately proportional to their share of the total population of respondents.

## **Current Status of Collaboration: Perceptions of Success**

Survey respondents were asked to indicate what level or stage of collaboration that they felt best described the current status of collaborative efforts in their region. The choices they were given, which are in ascending order of maturity, are as follows:

- *Co-Existence*: Entities are aware of each other, but have no prior history of interaction and know little about each other's composition or way of conducting business.
- *Communication*: Entities know of each other, have some history of interaction, and know the basics of each other's composition or way of conducting business. Communication is informal, without commonly defined mission, form, or planning.
- *Coordination*: Entities have committed to sharing resources in order to accomplish shared goals, and have implemented activities that depend upon these shared resources. However, few changes have been made in how the core businesses operate and there has been limited sharing of information or decision making occurring outside the area of coordination.
- *Cooperation*: Entities have established policies and practices that involve ongoing exchange of information integrated into routine practice/business. They negotiate mutual roles and share resources to achieve joint goals. Cooperating organizations have shared interests, joint decision making, and integrated efforts.
- *Collaboration*: Entities have engaged in shared planning and decision making that is taken seriously in the business decisions of each entity; such that each entity is willing to change its practices to achieve a shared goal. Authority is vested in the collaborative, rather than in individuals or an individual entity.

The overall mean rating of this is 3.38 if values of 1 to 5 are assigned to the stages (i.e., 1 for co-existence through 5 for collaboration). This is between coordination and cooperation. The ratings were virtually identical for the two generations: 3.39 for Generation II and 3.36 for Generation III. The variation across regions in this statistic, however, is quite wide. It ranged from 3.05 to 4.04. Eight regions (four in each generation) had means of less than 3.20, whereas six regions (three in each generation) had means of 3.60 or greater, as shown in Table 1. The ratings of respondents from workforce development agencies were relatively high, with a mean of 3.60; whereas the ratings of respondents from business were relatively low, with a mean of 3.07. All other organizations were statistically indistinguishable in the range of 3.30 to 3.39.

**Table 1: Mean Rating of Collaboration Status  
By Region, Generation, and Overall**

<b>Region and Generation</b>	<b>Mean Rating</b>
Appalachian Ohio	3.13
Arkansas Delta	3.78
Central-Eastern Puerto Rico	3.23
Delaware Valley	3.15
Northern California	3.41
Northern New Jersey	3.14
Rio South Texas Region	4.04
Southeast Michigan	3.50
Southeastern Wisconsin	3.38
Southwest Indiana	3.05
Southwestern Connecticut	3.26
Tennessee Valley	3.37
Wasatch Range	3.60
<b>Generation II</b>	<b>3.39</b>
Central Kentucky	3.05
Central New Jersey	3.62
Greater Albuquerque (NM)	3.35
Southwest Minnesota	3.22
North Oregon	3.48
Pacific Mountain Washington	3.17
South Central & South West Wisconsin	3.14
South-Central Idaho	3.29
South-Central Kansas	3.72
Southeast Missouri	3.18
Southeastern Mississippi	3.65
Southeastern Virginia	3.43
Southern Arizona	3.44
<b>Generation III</b>	<b>3.36</b>
<i>Overall</i>	<i>3.38</i>

In addition to identifying a level of collaboration, respondents were asked to share their opinions about efforts to transform their region's competitiveness. Some of these items refer to process; and some of them refer to outcomes. In particular, they were asked to agree or disagree with the following:

- a) My organization is benefiting from being involved in regional transformation efforts.
- b) Most people involved in efforts to achieve regional transformation are willing to compromise on important aspects of our joint efforts.
- c) Most people in this collaborative group have a clear sense of their roles and responsibilities.
- d) Most people in this collaborative group communicate openly with one another.
- e) The collaborative group is open to “out-of-the-box” thinking where diverse and unique ideas are highly valued.
- f) Most members of the collaborative group have a high degree of tolerance for risk-taking and change.
- g) The partners in this collaboration have a clear process for making group decisions.
- h) This collaborative group is able to adapt to changing conditions, such as changes in political climate, business climate, or leadership.
- i) Our collaborative group has adequate “people power” to do what it wants to accomplish.
- j) The level of commitment among the collaborative participants is consistently high.
- k) Resources (time, money, materials, staff, space, etc.) are shared among groups/organizations.
- l) The collaborative group includes a diverse range of stakeholders involved in many different aspects of regional transformation.
- m) All the most important stakeholders are involved in the collaborative process.
- n) My involvement (and/or that of my organization) in this collaborative effort is increasing over time.
- o) My organization has committed substantial resources to this collaborative effort.
- p) Significant cross-industry networks are developing in this region.
- q) Valuable cross-professional networks are developing in this region.
- r) Collaboration has resulted in leveraging new sources of funds beyond those used in the past for these kinds of efforts.
- s) I feel optimistic about our ability to improve the job skills of our regional workforce.
- t) I feel optimistic about the future of our regional economy.

Over 70 percent of the respondents agreed or strongly agreed with every one of these statements except for one, “Most members of the collaborative group have a high degree of tolerance for risk-taking and change.” But even for that item, about 65 percent agreed or strongly agreed. The items with more than 90 percent of the respondents agreeing were: “My organization is benefiting from being involved in regional transformation efforts,” “The collaborative group includes a diverse range of stakeholders involved in many different aspects of regional transformation,” and “I feel optimistic about our ability to improve the job skills of our regional workforce.”

To summarize the responses to this question set, the evaluation team created an index of the responses and aggregated the various items into four categories: indicators of collaborative operational smoothness (items b–m), an indicator of sustainability (item r), indicators of successful organizational outcomes (items a, n, and o), and indicators of successful regional outcomes (items p, q, s, and t). The index is calculated by weighting responses that are “strongly disagree” by -3; responses that are “disagree” by -1; responses that are “agree” by 1; and responses that are “strongly agree” by 3. Higher indices imply a higher degree of agreement from respondents. The overall means for these indices are presented in Table 2.



**Table 2: Perceptions of Success According to Select Indicators**

<b>Topic Areas</b>	<b>All</b>	<b>Generation II</b>	<b>Generation III</b>
Collaborative Operational Smoothness	0.77	0.73	0.80
Sustainability	0.82	0.82	0.81
Organizational Outcomes	0.99	0.99	0.99
Regional Outcomes	1.10	1.09	1.10

In general, the survey respondents were most positive about regional outcomes, followed closely by outcomes for their own organization. The indices for the other two indicators were slightly less positive, i.e., less than 1.0, which means that respondents were less likely to agree with the positive assessments of the collaboratives' operational smoothness or future sustainability, compared to outcome statements.

As might be expected, there was considerable variation in these indices across the regions. The ratings for operational smoothness ranged from 0.36 (Pacific Mountain Washington) to 1.43 (Rio South Texas). The ratings for sustainability ranged from 0.28 (Central Kentucky) to 1.63 (Arkansas Delta). The ratings for successful organizational outcomes ranged from 0.50 (Central Kentucky) to 2.02 (Arkansas Delta). Finally, the ratings for successful regional outcomes ranged from 0.66 (Northern New Jersey) to 2.02 (Rio South Texas).

Examining these indicators by the respondents' organization type and their self-identified role in their organization and in the collaboration reveals interesting relationships and generates several hypotheses. Respondents from business and from economic development agencies were less enthusiastic in their perceptions of success along all four dimensions than any of the other organization types. Respondents associated with workforce development agencies were the most sanguine about success, followed closely by educators.

Little variation is apparent among the respondents in terms of their self-reported roles in their organizations, although it is of interest to note that the general staff/doers, who have the least role in governance or leadership, have the highest average ratings of perceived success.

In terms of the role played in the collaboration by the respondent, individuals who reported that they participated in the implementation of programs have much higher average ratings of perceived success than all of the other categories.

In short, these measures suggest that individuals from business and economic development are least optimistic about the success of the collaborations; whereas the workforce developers are most optimistic. Furthermore, not surprisingly, the individuals who indicated that they actually participated in the implementation of the WIRED activities, and thus are probably most invested in the region, are most optimistic about outcomes.

**Table 3: Perceptions of Success According to Select Indicators,<sup>a</sup>  
By Organization Type, Role in Organization, and Role Played in Collaboration**

Organization Type/Role	Topic Area			
	<i>Collaborative Operational Smoothness</i>	<i>Sustainability</i>	<i>Organizational Outcomes</i>	<i>Regional Outcomes</i>
<b>Organization Type</b>				
Business	0.65	0.73	0.69	0.95
Workforce Development	0.88	1.02	1.24	1.23
Economic Development	0.66	0.56	0.91	1.05
Education	0.81	0.95	1.14	1.13
Government	0.88	0.79	0.89	1.20
Other	0.69	0.66	0.93	1.10
<b>Role in Organization</b>				
Strategist/Visionary Leader	0.76	0.80	1.00	1.12
Implementer/Manager/Administrator	0.76	0.82	0.97	1.07
General Staff/Doer	0.83	0.87	1.08	1.19
<b>Role Played in Collaboration<sup>b</sup></b>				
Attend meetings	0.84	0.90	1.17	1.20
Participate/talk at meetings	0.86	0.96	1.21	1.22
Serve on action committee/task force	0.88	0.99	1.26	1.25
Assist in selecting sub-grants	0.88	1.12	1.25	1.22
Communicate with external constituencies	0.87	0.98	1.24	1.25
Provide access to resources	0.85	0.94	1.26	1.25
Help organize activities	0.89	0.97	1.30	1.27
Participate in implementation of program	1.02	1.21	1.51	1.40
Chair committee or sub-group	0.87	1.05	1.30	1.26
Facilitate group process	0.86	0.98	1.28	1.27
Write grant proposals/raise funds	0.83	1.06	1.29	1.25

<sup>a</sup> Higher indices imply a higher degree of agreement from respondents.

<sup>b</sup> Respondent indicated that they “Often” played this role.

## Summary of Findings

The partner survey provided considerable information about the collaborative efforts in the regions, and even allowed the estimation of some indicators of success. All in all, the response rate to the data collection effort was quite high, almost three-quarters. The analyses of the survey data presented in this section of the report have been predicated on the assumption that the survey response was representative of all the partners in the regions.

- *Composition of Collaborations.* All regions had representation from business, workforce agencies, economic development agencies, education, government, and other entities. However, the composition of the partnerships from these entities varied considerably across regions. Overall, the education sector had a plurality of partners; about one-third of the participants came from education. Business (including business associations) and workforce agency staff members were the next two most represented groups. The group that had the most variation across regions was business, which ranged from a low of about 3 percent to over 40 percent. The Generation II regions had a higher share of education and workforce agency staff members, and the Generation III regions had a higher percentage of government and business respondents.

Thus, the education sector was well represented in all regions, with business organizations and workforce agency representatives also engaged, and which offset each other to varying degrees. For the most part, respondents identified themselves as strategists, leaders, implementers, managers, or administrators.

- *Context for Collaboration.* Recognizing that the historical experience of regions with collaboration was likely to be an important dimension in the effectiveness and success of regions, one set of questions in the survey was targeted on this dimension. Respondents were asked to recall the context of their region in 2006, and to indicate the extent to which the region (1) had a history of working together, (2) had a sense of trust between people and organizations, and (3) was experiencing a time that seemed to be “right” for starting a collaborative project aimed at regional transformation. A large majority—no less than 75 percent and up to 100 percent—of respondents in each region agreed with the final statement. Virtually everyone felt that, when the Federal grants became available, the political and social climate seemed to be appropriate for starting a collaborative project.

Considerably smaller percentages of respondents characterized the context of collaboration in their region as one of working together or trust. Overall, about two-thirds of the respondents agreed that their region had a history of working together, but that percentage ranged from about 38 to almost 93 percent. About 60 percent of the total sample agreed that people and organizations had trust in one another in 2006, but again there was substantial variation across regions, from one-third to 80 percent. Interestingly, the respondents in Generation II regions were less likely to indicate that their regions had a history of working together and less likely to indicate that they had a history of trust, than were respondents in the Generation III regions. This finding did not seem to be caused by the composition of the respondents since there was broad consistency in these perceptions across organization type and role of the respondent in their organization. In general, the Generation II regions were more populous and urban than the Generation III regions, so the lack of working together historically may be a function of population size.

- *Operation of the Collaboration.* The survey asked respondents a series of questions about their role in the governance of the regional transformation efforts and their roles in the ongoing functioning of the collaboration. Consistent with the preponderance of the respondents reporting themselves as strategists/visionary leaders or implementers/managers, a substantial majority of respondents indicated that they were in the formal leadership

structure of the collaboration or a leader of a sub-region, activity, or project that was directly related to the region.

The regions appear to have been looking to their partners for resources. About half of the respondents indicated that they provided “access to resources” to the region. Across the regions, this statistic had a fairly tight range, from 40 to 67 percent. As regional collaborations finish up activities funded by ETA, many of the regions were engaged in finding resources in order to support sustainability at the time of the survey. Around 20 to 25 percent of the respondents (disproportionately from education and disproportionately strategists or implementers) indicated that they often engaged in writing grant proposals or raising funds. Across the regions, the percentage ranged from 3 to 40 percent.

- *Perceptions of Success.* Survey respondents were asked to indicate the stage of collaboration that best described the current status. The choices, in ascending order of complexity, were as follows: co-existence, communication, coordination, cooperation, and collaboration. Using values of one to five for these stages, the overall mean rating was 3.38 (between coordination and cooperation). There was no difference between the Generations, but the variation across the regions was substantial, ranging from 3.05 to 4.04. Eight regions (four in each generation) had means of less than 3.20, suggesting that respondents in those regions felt that the collaborations had not expanded much beyond coordination. On the other hand, six regions (three in each generation) had means of 3.60 or greater indicating that respondents felt that these regions were reaching or achieving cooperation.

Finally, indicators of success were derived from a series of opinion questions on the survey. In general, the survey respondents were most optimistic about the success of the collaborations for the region as whole, and remained optimistic about the outcomes for their own organization. With respect to having the necessary partners, ongoing operations and new sources of resources and funding, respondents were slightly less optimistic. In short, the data suggest that most individuals who responded to the survey believed that the collaborative efforts in which they were engaged came together at a propitious time and were optimistic about the region’s future workforce and economic viability.

# Social Networks within WIRED Regions

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A key facet of regional collaboration is the importance of the relationships that allow regions to envision their future prosperity; identify available resources; and build support among key stakeholders to implement, monitor, and refine action plans. Social network analysis, which measures and maps these relationships, provides one way to monitor these relationships and evaluate the progress of a region as it moves from jointly identifying assets and needs to responding in accordance with an agreed-upon vision and plan. Social networks are related to several dimensions identified in the Theory of Change cited earlier, including engagement, governance, and communication. In the summary of findings at the end of this section, some positive indication of progress in these areas is noted.

This section discusses the methodology for collecting and analyzing social network data and the findings from that analysis.

## ***Methodology***

Social network data were generated through the partner survey which included a series of questions focused on contacts. Respondents were asked to provide information on up to five individuals with whom the respondent had significant interaction—defined as meaningful and important but not necessarily the most frequent—in the context of their regional collaboration; and collected information included the contact’s name, organization, type of organization, level in the organization, job title, and frequency of contact. Respondents were asked for contacts outside of their own organization only. Therefore, this network data is not a representation of intra-agency collaboration.

## **Data Analyses and Data Limitations**

Data analyses were focused on the extent of connections among different organizations (as represented by individuals), roles played by different types of organizations, the density of connections, and cohesiveness in the regional networks.<sup>10</sup>

The amount of network data has increased from the first data collection to the second, because the survey was administered to a broader set of individuals at a later stage in the development of the regions. The first round of data was collected directly during site visits from persons who agreed to meet with the site visit team. The second round was collected as part of a two-stage online survey (described in detail in earlier chapters) and directed at a wider stakeholder audience. This broader group, which included individuals listed as contacts during the first round of network data collection, naturally varies in the degree to which stakeholders were actually aware of, connected to, or engaged in regional efforts. The second round of social network data may also capture the structure of network connections in the region at a relatively

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<sup>10</sup> Social network analysis was conducted using UCINET software from Analytic Technologies. Borgatti, S.P., Everett, M.G. and Freeman, L.C. 2002. UCINET for Windows: Software for Social Network Analysis. Harvard, MA: Analytic Technologies.

more mature stage of their development. In both rounds, respondents were limited to naming a maximum of five contacts.

There are several characteristics of the data that limit the conclusions that can be drawn about the social networks in the regions:

- The collection of organizational affiliations was complicated by the fact that those who serve on WIBs or in leadership or management roles in the regions' projects are often affiliated with other organizations as well, such as educational or business institutions. Data handling protocols were crafted to address these duplicate roles, maximizing the amount of data on WIBs. Where a person could be identified both as serving on a WIB and filling some other role, they were considered to be a WIB member (which may have introduced some bias toward WIBs being found as more central to the networks). Similarly, data handling protocols specified that individuals with a "WIRED" job title would be considered to have a WIRED organizational affiliation.<sup>11</sup> Where an individual could be considered to be affiliated with both a WIB and WIRED, they were treated as a WIRED staff member (which may have made the WIRED affiliation appear more central). Because of this necessary data handling, organizational data are approximations of actual affiliations, and roles other than WIRED staff member and WIB member are known to be slightly underestimated.
- The survey respondents consisted of people identified as likely stakeholders by virtue of their position, and, as much as possible, people identified as stakeholders by the respective project managers in their region. While the survey was sent to those named as contacts in the first round of data collection, a more complete picture of the network could be gained by contacting everyone named as a contact by second round respondents and asking for *their* contacts.
- The number of persons named in the social network survey varied across the regions. While the analysis takes into account differences in network size, the variation alone suggests that the survey data more accurately depicts the network of relationships for some regions than it does for others.
- The analyses probably underestimate the true extent of network connections within regions, because respondents were limited to naming a maximum of five significant contacts, and those contacts named in this second round survey were not then pursued to gather *their* contacts.
- In some cases, respondents may have chosen to list fewer than five contacts.
- Finally, in many of the areas professional networks existed in some form prior to the regions. This analysis cannot distinguish between these prior networks and those networks formed as a specific result of the Initiative.

## **Results**

### **Working Between Organizations**

Generating comprehensive, strategic regional economic development involves bringing together individuals from all segments of the community. Using their collective resources, participants in

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<sup>11</sup> A category for grant-related responsibilities (i.e., WIRED) did not exist in the survey instrument.

Initiative-funded regions aimed to design and implement a plan to transform the regional economy and bring about long-term economic prosperity and workforce growth.

One measure of how successful a region has been at bringing together individuals from a diverse set of organizations is the proportion of social network connections among different types of organizations. This measure, however, is very sensitive to the size and configuration of the network; it is difficult to work across organizational boundaries, for example, if one is in a network with only a small number of organizations. Since the level of cross-organizational ties cannot be compared across networks directly, each region is evaluated against the level of cross-organizational ties that would be expected in a network of a particular size and configuration in which the links between individuals are assigned randomly.<sup>12</sup> The difference in cross-organizational connections between a region and these simulated networks provides a metric that can be meaningfully compared across regions.

Regional networks were fairly successful in crossing organizational boundaries. Across all of Generation II and III (aggregated), about 89 percent of the connections listed by respondents were between organizations of different types.<sup>13</sup> This is slightly less than what would be expected from networks of this size, with this number of organizations.

In all of the regions, more than 75 percent of contacts crossed organizational boundaries, and 13 of the regions had cross-organizational connection rates of over 90 percent. Table 4, below, shows the number of regions that exceeded, met, or fell short of the percentage of cross-organizational connections that would have been expected for that particular region, given its size and structure.

**Table 4: Connections Between Different Types of Organizations**

<b>Connections Between Organization Types</b>	<b>Difference From Expected Result</b>	<b>Generation II Regions</b>	<b>Generation III Regions</b>	<b>All Regions</b>
More Numerous	1 to 4 percentage points <i>greater</i> than expected	1	3	4
	No difference from expected result	1	1	2
	1 to 3 percentage points <i>less</i> than expected	6	3	9
	4 to 7 percentage points <i>less</i> than expected	3	5	8
	10 to 15 percentage points <i>less</i> than expected	2	1	3
Less Numerous				

<sup>12</sup> To calculate the percentage of cross-organizational connections that would be expected in each region, the evaluators simulated the creation of 5,000 networks per region, randomly assigning ties between the individuals in the network. The resulting sampling distribution was then compared to the observed values for each region.

<sup>13</sup> The percent of cross-organizational connections is the number of ties between organizations of different types in the network divided by the total number of connections in the network.

The level of cross-organizational connections in the regions highlighted here is similar to the level identified in the initial data collection. Even though many of the regions had a relatively large percentage of cross-organizational connections, most still had a lower number of these connections than would be expected in a network with the same size and composition. This suggests that in most regions individuals still had to overcome a tendency to connect with those in similar organizations and thus increase cross-organizational collaboration.

## Positions of Different Organizations in Regional Networks

Organizations that make up the central core of a network play an important role in disseminating information, coordinating group action, and bridging communication gaps. “Degree centrality” (defined as the number of other individuals in the network to which a member of the network is directly linked) is a useful way of identifying those individuals that play a key role in the region.<sup>14</sup> For the purpose of this report, the centrality of an individual is expressed as a proportion; the number of people in the network that are directly connected to the individual, divided by the number of other people in the network. More central individuals have high-degree centrality and are directly connected to a large proportion of the network, while more peripheral individuals have low-degree centrality and are directly connected to a small proportion of the network. By looking across the regions at those well-connected individuals and their organization types, those organizations that play an important role in the functioning of the network can be better identified.

Certain individuals appeared more frequently than others at the center of the regional networks. Of the organization types explored in this report, individuals with a management role in their region, with state and local WIBs, and with workforce agencies were the most central to the regional networks; educational institutions and economic development agencies were the least central to the networks. For each organizational type, its degree centrality was similar for Generation II and Generation III regions.

### The Position of WIRED Staff

Not surprisingly, individuals who functioned as staff for the grant-funded regions were the most central to the regional networks. The average individual was directly connected to about 4 percent of their respective regional partners, but the average regional staff person was linked to just over 15 percent of the partners. There was substantial variance in the network position of regional staff. In two regions, Initiative-affiliated contacts were linked to less than 5 percent of the network. At the other end of the spectrum, one region’s staff was connected to 42 percent of all network members. Overall, the average degree centrality of Initiative-affiliated individuals was about the same as in the previous round of data collection. Table 5 reports the position of Initiative-affiliated individuals in the regional networks by listing the range of degree centrality values and the number of regions that appear in each range.

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<sup>14</sup> The number of individuals that a person is in direct contact with is one of several means of measuring the centrality of individuals and groups within a network.



**Table 5: Position of WIRED Staff in Networks**

<b>Position of WIRED</b>	<b>Individuals Directly Connected to WIRED</b>	<b>Generation II Regions</b>	<b>Generation III Regions</b>	<b>All Regions</b>
More Central	42 percent	1	0	1
	25 to 34 percent	1	2	3
	17 to 22 percent	3	6	9
	9 to 12 percent	3	2	5
More Peripheral	4 to 7 percent	5	3	8

### The Position of WIBs

Individuals associated with state and local WIBs were relatively well-connected, reaching an average of 5 percent of their region. In the previous round of network data collection, respondents in four regions did not identify any contacts affiliated with a local WIB. Either a state or local WIB had a presence in each of the 26 regions in the partner survey data, but WIBs overall were less central than they were in the previous round of data collection. In the previous data collection, the average person associated with a local WIB reached 10 percent of his or her colleagues.<sup>15</sup> Table 6 reports a range of WIB degree centrality values and the number of regions that appear in each range.

**Table 6: Position of Workforce Investment Boards in Networks**

<b>Position of Workforce Investment Boards</b>	<b>Individuals Directly Connected to a WIB</b>	<b>Generation II Regions</b>	<b>Generation III Regions</b>	<b>All Regions</b>
More Central	8 to 11 percent	2	2	4
	5 to 7 percent	3	3	6
	3 to 4 percent	7	6	13
More Peripheral	1 to 2 percent	1	2	3

In the previous round of data collection, WIBs in Generation III regions were slightly more central than WIBs in Generation II regions. In the data collected from the partner survey, however, WIB centrality was about the same in Generation II and Generation III regions, even though Generation III regions were required to have a WIB take a lead role in the Initiative. The reason there is no significant difference in WIB centrality between generations may be because even though WIBs were not required to take a lead role in the Initiative in Generation II regions, it still made sense from a strategic perspective to have them actively involved. Also, since respondents were limited to selecting one organization type, they may have chosen a label other than WIB, even though the WIB label was also appropriate. In this case, the centrality of WIBs may be underestimated.

### The Position of Workforce Agencies

In the context of this report, workforce agencies include those individuals associated with state and local WIBs, state workforce agencies, and other workforce and training organizations.<sup>16</sup> This combination of organizations is directly linked to an average of 5 percent of the individuals

<sup>15</sup> In the previous report, only the local workforce investment board's centrality was reported.

<sup>16</sup> WIRED staff are not included in this group.

in the network. Table 7 shows a range of workforce agency degree centrality values and the number of regions that appear in each range.

**Table 7: Position of Workforce Agencies and WIBs in Networks**

Position of Workforce Agencies	Individuals Directly Connected to Workforce Agencies	Generation II Regions	Generation III Regions	All Regions
More Central	9 to 17 percent	1	1	2
	5 to 7 percent	4	5	9
	3 to 4 percent	5	6	11
More Peripheral	2 percent	3	1	4

### The Position of Educational Institutions

Individuals associated with educational institutions (including K-12, colleges, and research institutions) were directly connected to just over 3 percent of network members, on average. Education institutions reached about 7 percent of regional networks in the analysis presented in the prior interim report. Individuals associated with educational institutions were slightly less central to their regions' networks than were those associated with other organization types. Table 8 shows the range of degree centrality values for educational institutions and the number of regions that appear in each range.

**Table 8: Position of Educational Institutions in Networks**

Position of Educational Institutions	Individuals Directly Connected to Educational Institutions	Generation II Regions	Generation III Regions	All Regions
More Central	5 to 8 percent	4	1	5
	2 to 4 percent	3	7	10
More Peripheral	1 to 2 percent	6	5	11

### The Position of Economic Development Agencies

Individuals associated with economic development agencies—including state, regional, and local economic development organizations—were directly connected to just under 4 percent of network members on average. Table 9 shows the degree centrality of economic development agencies and the number of regions that appear in each value range.

**Table 9: Position of Economic Development Agencies in Networks**

Position of Economic Development Agencies	Individuals Directly Connected to Economic Development Agencies	Generation II Regions	Generation III Regions	All Regions
More Central	8 to 9 percent	1	2	3
	6 percent	2	0	2
	3 to 5 percent	5	8	13
More Peripheral	1 to 2 percent	5	3	8

## Network Position Summary

There are several possible reasons for the difference between the average degree centrality of the WIBs and educational institutions in the partner survey and the last round of social network data collection.

- The change in the pool of respondents may have been the reason that the partner survey identified a lower level of degree centrality for individuals associated with WIBs and educational institutions. As noted previously, the first round of data was collected during site visits to the region, while the partner survey was directed to a wider stakeholder audience and includes individuals listed as contacts during the first round of data collection.
- As the networks have matured, they may have become less dependent on specific individuals or particular organization types. With time, responsibilities and links among network members may have become more evenly distributed among those affiliated with WIBs and educational institutions, and those affiliated with other types of organizations.

## Network Structure

An efficient network makes use of a large proportion of possible connections. These networks are said to have high density; that is, they are tightly connected, with multiple links between key members of the network. Sparse networks, on the other hand, make use of fewer of the possible connections between individuals. The typical network has elements of both density and sparseness, with a closely linked core and a more sparsely connected periphery. Most of the WIRED regions have several key players that make up the network core. Those key individuals have connections to the greatest number of other individuals in the network. Beyond the well-connected core and sparse periphery, the degree of interconnectedness varies between regions.

In the analysis presented in the first interim report, regions were making use of a greater proportion of possible connections. The previous round of data collection revealed that most regions were utilizing 5 to 9 percent of possible connections, but in the partner survey the majority of regions were making use of 3 to 4 percent of possible connections. Table 10 presents the density of regional networks identified by the partner survey.

**Table 10: Density of Regional Networks**

Network Density	Percent of Possible Connections	Generation II Regions	Generation III Regions	All Regions
More Dense	8 to 9 percent	1	2	3
	5 to 7 percent	2	1	3
	3 to 4 percent	8	8	16
More Sparse	1 to 2 percent	2	2	4

The density of a particular region was closely related to the network size (which is a standard consequence of the density formula, as larger networks tend to have lower densities). Over time, the amount of data available for each network has grown substantially. The initial social network data identified 1,208 unique individuals, while the partner survey identified 2,339

unique individuals. Data collected during the second round revealed networks that were less dense overall, with connections distributed among a larger group of individuals. This change is not unexpected, because as more individuals join the network, it becomes less likely that all possible connections will be used.

To see this, imagine a network of 100 people. If an additional individual joins the network, the network gains 100 possible connections, one possible tie to each of the existing members in the network. However, since network members are limited in the number of contacts they can provide in response to a social network survey, in larger networks the additional connections added with each new individual will be less than the increase in possible connections experienced by the network, making the network less dense overall.

Density depends not only on the size of the network, but also on its maturity level. Newer networks are denser. As they become more established, networks tend to become more dispersed. The dense network core typically expands, but so does the periphery as new members are added. While larger more mature networks may result in slower communication among members, these networks will be more inclusive and less dependent on a small group.

Another measure of importance is the cohesiveness of the network, or the proportion of links that are connected to the main cluster of data points. Ideally, each respondent would have one or more avenues of communication with the main collaborative network. However, the majority of regions had one or more isolated networks, or separate, smaller networks made up of individuals not linked to the main network.<sup>17</sup> Having separate networks within a region may hinder efficient communication within the network and the ability of the region to build capacity for transformation. Regions that work to bridge communication gaps and coordinate activities with all interested parties are likely to be more successful in bringing about regional economic development.

In four of the regions, all members were linked to the main collaborative effort. At the other extreme, two regions were severely fragmented, with just 55 to 65 percent of the region's links occurring within the main network. On average, 86 percent of a region's connections were part of the main network structure. Table 11 shows the cohesiveness of the regional networks.

**Table 11: Cohesiveness of Regional Networks**

<b>Network Cohesiveness</b>	<b>Percent of Links in the Main Network</b>	<b>Generation II Regions</b>	<b>Generation III Regions</b>	<b>All Regions</b>
More Cohesive	100 percent	1	3	4
	89 to 96 percent	3	5	8
	81 to 85 percent	8	1	9
	71 to 79 percent	0	3	3
More Fragmented	55 to 65 percent	1	1	2

<sup>17</sup> Because the evaluators did not have responses from each individual involved in each region's WIRED initiative, existing connections may not appear in the data and many seemingly isolated individuals may actually be connected to the main network.

## Example of a Regional Network Structure

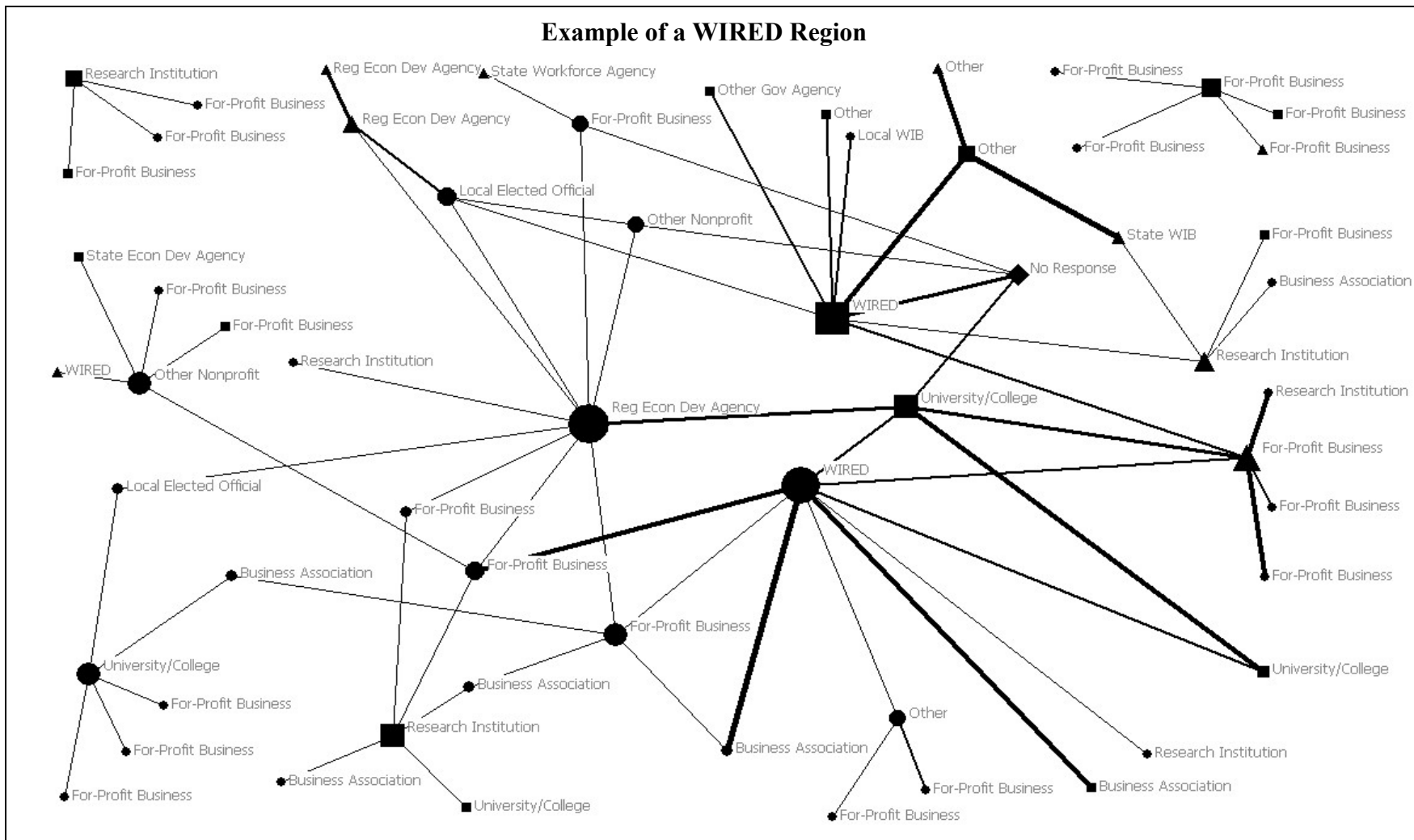
Figure 7, below, provides an example of a network map for one of the regions (a social network map for each of the regions is included in Appendix C).<sup>18</sup>

- Individuals are identified by their type of organization and level within the organization (circles are strategists, squares are implementers, triangles are general staff, and diamonds are individuals who did not specify their level in the organization).<sup>19</sup>
- Line thickness signifies the frequency of communication between the individuals, with thicker lines indicating more frequent contact.
- The size of each symbol is proportional to that individual's degree centrality; the larger the symbol, the more connections that individual has.

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<sup>18</sup> Figures were created using NetDraw software from Analytic Technologies. Borgatti, S.P. 2002. NetDraw: Graph Visualization Software. Harvard: Analytic Technologies.

<sup>19</sup> The survey gave several examples of each of these roles. Strategists were defined as decision-makers, for example, CEO, executive director, or WIRED leadership. Implementers were defined as people with authority to implement decisions, such as program managers, division heads, or college deans. General staff were described as doers or those who conduct the day-to-day business in an organization.



**Figure 7**  
*NOTE: In this figure, circles are strategists, squares are implementers, triangles are general staff, and diamonds are individuals who did not specify their level in the organization.*

The network concepts and measures introduced earlier in this report can be applied to the example region. Table 12 reports the statistics that were discussed earlier in this section, as applied to the example region in Figure 7.

**Table 12: Statistics for Example Region**

<b>Network Statistics</b>	<b>Results</b>
Connections Between Organization Types	4 percentage points greater than expected
Position of WIRED	directly connected to 10% of the region
Position of Workforce Investment Boards	directly connected to 3% of the region
Position of Workforce Agencies	directly connected to 2% of the region
Position of Educational Institutions	directly connected to 5% of the region
Position of Economic Development Agencies	directly connected to 7% of the region
Network Density	4%
Network Cohesiveness	85%

A region's ability to cross organizational boundaries may be related to the extent of the region's outreach. In the example region, almost 86 percent of connections are between organizations of different types, a slightly higher level than would be expected for a network of this size and composition. This suggests that the region has implemented a broad outreach effort that connects workforce development, economic development, educational institutions, and the private sector.

Initiative-affiliated staff members are the most central individuals, on average, in the example region; they are connected to about 10 percent of the network. Two individuals associated with the Initiative—one a strategist and one an implementer—are visible near the center of Figure 7. Another, less well-connected regional staff member can be seen on the far left. These individuals play a key role in connecting disparate parts of the network.

The example region has state and local WIBs tied to an average of 3 percent of the network, a less central position than in most regional networks. One individual affiliated with a state WIB and one affiliated with a local WIB are located near the top of Figure 7, just right of center. The level of workforce centrality is similar, at an average of 2 percent. An individual affiliated with a state workforce agency is visible at the top of the network map, just left of center.

Individuals affiliated with educational institutions were directly connected to 5 percent of the example region, on average. Well-connected individuals associated with universities or colleges can be seen just right of the center of the map, as well as in the lower-left corner. An individual affiliated with a research institution has several links near the bottom of Figure 7, left of center, and several others from research institutions and colleges or universities are shown throughout the periphery.

The example region's economic development agencies are more connected than the norm, linking to an average of 7 percent of other network members. The individual affiliated with a regional economic development organization near the center of Figure 7 is the most connected person in the regional network.

This example region has average density, which means it is utilizing about the same proportion of its possible connections as most other regions. Like most of the other regions, this example region has a tightly linked core with connections becoming less numerous along the periphery. Not all of the connections are within the main network. There are two isolated networks shown in Figure 7, one in the upper-left corner and one in the upper-right corner. The individuals in these isolated networks do not have an open line of communication into the main collaborative effort. There are also several members of the network, positioned along the periphery, that are dependent on a single individual for their Initiative-related communication. This has implications for the efficiency and accuracy of network communication. The loss of those individuals that link several others to the main collaborative network could create additional isolated networks and reduce the ability of the region to make progress on their economic development goals.

## ***Summary of Findings***

While analysis of social network data in the first interim report served as a preliminary review of the regions' networks, the data presented here from the partner survey provide a view of the regions at a more mature point in their development. Recognizing that the data still provide an incomplete picture and likely underestimate the extent of social networks, tentative findings are as follows.

- The centrality of specific organization types (WIBs and educational institutions) is lower than in the previous analysis. This may be because there was a greater distribution of responsibility across partners following the completion of the implementation plans and the allocation of funds for specific activities or it may be an artifact of the data collection process.
- As regions have built more ties within their communities, the networks have become less dense. Even though this data reveals a smaller proportion of possible connections are being utilized, this growth can result in more balanced and sustainable networks. Having links spread more evenly across the network—provided there are few isolated networks—eliminates a reliance on a few individuals and still allows for effective communication.
- Regional collaboration continued to be characterized by a successful crossing of organizational boundaries, as the overwhelming majority of each region's connections are between organizations of different types. This is important because it takes a combination of diverse organizations to create a foundation for comprehensive economic transformation.



# The Context: Demographic, Labor Market, and Educational Trends by Region

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This section presents demographic, labor market, and educational data from outside sources that provide a context for Generation II and Generation III regions and how they compare to the nation, as well as to each other. These extant data are used to illustrate the conditions facing the regions during the periods prior to their implementation and the early stages of their collaborations. Although the data reveal little about the specific workings of any given regional activity, they do offer a detailed picture of the context in which each region operated, including the needs and attributes of the workforce, the strengths of the local economy, and the potential resources available to the collaborations as they pursue development activities. Detailed data for each region is presented in Appendix D to this report.

## *Methodology*

### **Data Sources and Limitations**

Multiple data sources were identified for examination during the research design phase of the evaluation project.<sup>20</sup> Using these sources, data were collected at the county level and assembled to match the boundaries defined by each region. As described below, comparison regions were also developed for each of the regions; county-level data were assembled for each of these regions as well. Because of the lags in the availability of the data, the information presented in the following sections is limited in its coverage to a time roughly representative of the period during which initial or early-stage regional implementation of the Initiative occurred. As such, the extant data should not be looked upon as presenting any measure of region performance; instead, these data provide a basis for understanding the environment that brought these regions together and guided the development of each region's workforce development goals.

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<sup>20</sup> Nearly all data selected during the research design phase are included in this report, either in this section or in the appendix (Appendix D). However, it should be noted that two data sources have been excluded from this analysis for reasons beyond the control of the evaluation team. Federal research and development grant funding by county could not be included because the source of the data, the RaDiUS database, was discontinued by the Rand Corporation. Second, a county-level analysis of patent applications was to have been provided by Cleveland State University; however, they were unable to supply the requested data. Alternate sources of recent county-level patent data are being investigated for inclusion in the final report.

## Results

### Socio-Demographic Characteristics

Data on socio-demographic characteristics provide a descriptive view of the population in each region, including the racial and ethnic background, age, and level of education attainment. As shown in Table 13, during the period of 2000 to 2008, on average, regions in Generation III grew at nearly the national rate of 8.0 percent; however, regions in Generation II generally experienced a slightly slower rate of population growth, 5.8 percent. Only nine of the 26 regions in both generations grew at a faster pace than the U.S. as a whole.

**Table 13: Summary of Demographic and Social Characteristics of WIRED Regions**

Extant Data Factors	Average Across All Regions			U.S.
	Generation II	Generation III	All Regions	
Population Growth 2000 to 2008	5.8%	7.9%	6.9%	8.0%
<i>Population Share by Race(2008):</i>				
Hispanic	20.3%	10.2%	15.3%	15.4%
White (non-Hispanic)	66.1%	77.3%	71.7%	65.6%
Black (non-Hispanic)	9.9%	7.6%	8.7%	12.2%
Asian (non-Hispanic)	1.9%	2.2%	2.0%	4.4%
Other and Multiracial (non-Hispanic)	1.9%	2.7%	2.3%	2.4%
<i>Age of the Population (2000):</i>				
Weighted Average Median Age	34.6	35.8	35.2	36.8
<i>Highest Level of Education Attained, Age 25+ (2000):</i>				
H.S. Diploma or GED	29.4%	29.6%	29.5%	28.6%
Four-Year College Degree	13.8%	14.5%	14.2%	15.5%
Graduate or Professional Degree	7.8%	8.2%	8.0%	8.9%

Source: U.S. Census Bureau, population estimates and 2000 Census

The overall racial diversity of the regions was relatively similar to the U.S.; however, there are notable differences between the generations. The proportion of Hispanic residents in the average Generation II region was over 20 percent, whereas for Generation III, the average was only 10.2 percent. This was due primarily to the fact that one Generation II region is in Puerto Rico, which is over 99 percent Hispanic. If the Central-Eastern Puerto Rico region was excluded from Generation II, the average Hispanic population percentage across the remaining 12 regions would be only 13.7 percent. All regions were home to smaller concentrations of African American and Asian racial groups than the U.S., which may reflect the rural and semi-rural nature of many of the regions. The concentration of other racial groups and multi-racial residents was small and not far from the national average in all instances.

The weighted average median age of all counties, 35.2 years, is slightly below the national median of 36.8 years. Six regions have a higher weighted average median age profile than the nation.

Unfortunately, because of the rural nature of many counties, the available data on educational attainment were limited to the 2000 Census, which is now quite dated. If it is assumed that any increases in educational attainment in recent years have been roughly the same in most counties, then average educational attainment in the regions was lower than for the nation. In all regions, on average, the share of residents age 25 and older whose highest level of education was a high school diploma or GED was higher than the national proportion, whereas the proportion with a bachelor's or graduate degree was lower.

## **Workforce Characteristics**

Data on labor markets in the regions provide a descriptive view of the environment that workers in each region must navigate in order to find gainful employment. Selected factors examined here include labor force participation, which measures the percentage of adults who are either employed or searching for work, and unemployment rates, which serve as indicators of the difficulty of matching workers to employment opportunities. The share of employed persons who choose self-employment serves as an indicator of the entrepreneurial and small business environment for the region. Finally, the share of workers in manufacturing or farm employment serves as a measure of the dominance of these traditional sectors, as well as indicators of the potential size of a pool of candidates for retraining to fill positions in new or expanded industries stimulated through the collaboratives' activities.

Table 14 shows that in 2008, the percentage of persons age 16 and older who were working or actively seeking work—the labor force participation rate—was notably lower in Generation II regions than for the U.S. overall. Across all 26 regions, the participation rate varied from a low of 41 percent to a high of 71.7 percent. In total, only eight regions had higher participation rates than the nation, and they are equally represented in the Generation II and Generation III groups.

It should be pointed out that the low participation rates may suggest that the regions were more likely to face a labor force surplus than a labor force shortage. Areas with lower-than-average participation rates may have had a significant share of individuals who had become discouraged with the job market, but who could have been enticed to seek work if accessible opportunities or higher wages were perceived as being available.

**Table 14: Characteristics of the Labor Market Environment**

Extant Data Factors	Average Across WIRED Regions			U.S.
	Generation II	Generation III	All Regions	
Labor Force Participation Rate (2008)	60.8%	64.9%	62.9%	66.0%
Unemployment Rate 2000	5.0	4.1	4.5	4.0
Unemployment Rate 2008	6.9	5.6	6.3	6.1
Unemployment Rate August 2009	10.7	8.6	9.7	9.6
<b><i>Share of Workers by Employment Environment (2007):</i></b>				
Nonfarm Proprietors (self employed)	18.6%	18.4%	18.5%	18.8%
Manufacturing	9.8%	9.0%	9.4%	8.0%
Farm	2.0%	3.1%	2.6%	1.6%

*Source: Calculated using data from U.S. Census Bureau, Bureau of Labor Statistics, and Bureau of Economic Analysis.*

Unemployment has been increasing nationwide, particularly since the beginning of the current recession in December 2007. In 2000, most regions had unemployment rates that were similar to the nation; 13 of the 26 regions were equal to or below the 4.0 percent national rate and six regions were less than 1 percentage point higher. By 2008, however, unemployment was on the rise in all regions and the two generations were split in their performance relative to the U.S. average; with Generation II regions having an average rate above the U.S., while Generation III regions remained, on average, below the nation.

Unfortunately, as the national recession deepened in 2009, overall rates of unemployment increased significantly. Over the year-long period between August 2008 and August 2009, the average regional unemployment rate increased from 6.9 percent to 10.7 percent for Generation II regions and from 5.6 percent to 8.6 percent for Generation III regions. At the same time the U.S. unemployment rate grew from 6.1 to 9.6 percent. The unemployment rate in Puerto Rico, which is part of Generation II; was 17.4 percent in August 2009, an outlier that contributed to the high overall average in the region. Still, seven of the 13 Generation II regions had unemployment rates higher than the nation, compared to only three Generation III regions, which suggests that Generation II regions may be more distressed in the aggregate and face a more difficult workforce environment.

Finally, the relative concentration of self-employed workers and employees in traditional sectors, such as manufacturing and farming, provided an insight into the focus and needs of the regional collaborations. As shown in Table 14, above, the regions had levels of self-employment that were, on average, similar to the nation overall. Among the 26 regions, the percentage of workers who were self-employed ranges from 13.3 to 25.3 percent, with 10 regions having percentages equal to or greater than the U.S. and 16 that are below. The self-employment profile in both generations was very similar, with five regions having above average concentrations and eight regions with below average concentration in each generation. Overall, this suggests that there was no systematic difference across regions or generations in terms of the entrepreneurial environment.

The average concentration of employment in the manufacturing and farm sectors was higher in the 26 regions than the nation as a whole. Of course, across all 26 regions there was a large variance. Manufacturing employment concentrations in individual regions range from 3.1 to 16.8 percent, whereas farm employment concentrations range from 0.1 percent to 9.0 percent. For both the manufacturing and farm sectors, 14 out of the 26 regions report higher concentrations than the U.S. The regions with high percentages of manufacturing are equally distributed across the two generations; however, the majority of regions—9 out of 14—with high concentrations of farm employment are in the Generation III cohort.

Not surprisingly, there appears to be a modest difference between the two generations in regards to manufacturing and farm employment, with Generation II showing a slightly higher average concentration of employment in manufacturing—9.8 percent versus 9 percent—and Generation III exhibiting a slightly higher concentration of farm employment—3.1 percent as compared to 2 percent. Simply put, it appears that Generation III regions may be, on average, more rural and agricultural in nature than Generation II regions.

Overall, these data suggest that the workforce environment facing most regions was more challenging than the nationwide average. The reasons for this can only be hypothesized. Perhaps the regions that had difficult workforce environments may have been more likely to seek funding, or more likely to have been awarded funding by ETA; perhaps it was a combination of these reasons or it could have been for some other reason; or it could have occurred by chance. At any rate, this information is useful because it negates the possibility of a positive selection claim that the WIRED regions started from an advantaged position.

## **Economic Growth in Early Stages of Implementation**

A key standard economic measure of how well a region is doing is employment change. To get a sense of how to interpret that change—be it positive, zero, or negative—the evaluation team has constructed comparison regions using several socio-demographic, educational, and economic variables prior to the award of funding to the regions to use as a benchmark.<sup>21</sup> That is, each region has a comparison region that is a grouping of counties in roughly the same geographic region and having similar socio-demographic, educational, and labor force characteristics, but which did not receive funding and may not have applied for it.

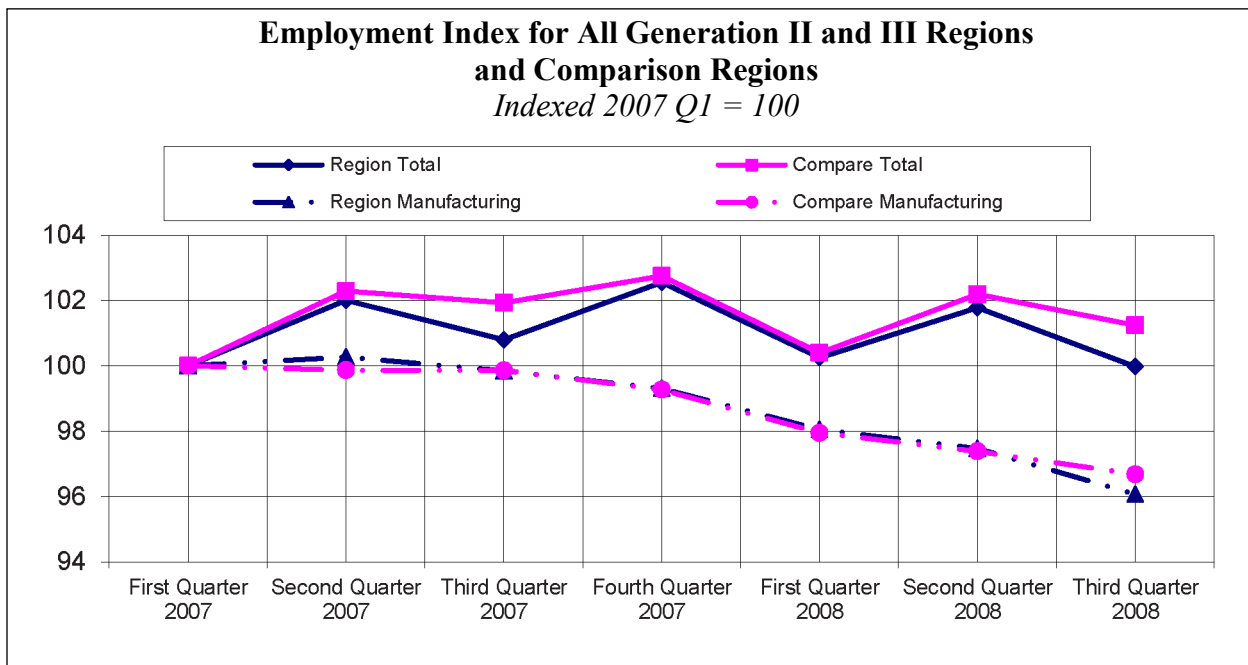
Comparing employment growth between the Initiative's regions and their matched regions may provide information about the regions' economic trajectories. If the rate of employment growth in a region that has a funded collaboration exceeds the growth in its comparison region, then it may be the case that early implementation of the effort is having some immediate payoff. If the rate of growth is about the same or is smaller than the matched comparison region, then it may be unlikely that the early implementation is having a coincident payoff or it may be too early to tell. In any case (rates of growth in the regions that exceed, that are approximately equal to, or that are less than comparison regions), the relative long-term employment growth in the region cannot yet be projected.

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<sup>21</sup> The method and data used for matching regions to comparison regions is described in Appendix D.

To examine the relative economic performance of the various regions, employment by place of residence from the Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages is used to track trends in employment in the funded regions relative to the comparison regions.<sup>22</sup> Comparing the employment trends in the quarters immediately before and after the start of the current recession provides a basis for understanding the rapidly changing economic conditions that regions are facing and whether these conditions are typical relative to comparison areas with some similar characteristics (but without funds from the Initiative).

Figure 8, below, shows the overall employment trends observed across the 26 regions and the corresponding comparison regions. The employment statistics are indexed where 100 equals the regions' employment level during the first quarter of 2007. Indexing the data allows for easy comparison between groups of non-equal size—the comparison regions—and provides for a simple percentage change analysis for succeeding points based on the index value. As shown below, aside from some seasonal fluctuations, overall employment in both the funded regions and the comparison regions remained relatively steady during 2007 and through the first three full (recessionary) quarters in 2008. This is not surprising, given that employment downturns typically lag other economic measures during a recession; however, it does confirm that the regions in the Initiative did not, as a group, face large or systematic employment difficulties prior to or in the first year of the downturn.



**Figure 8**

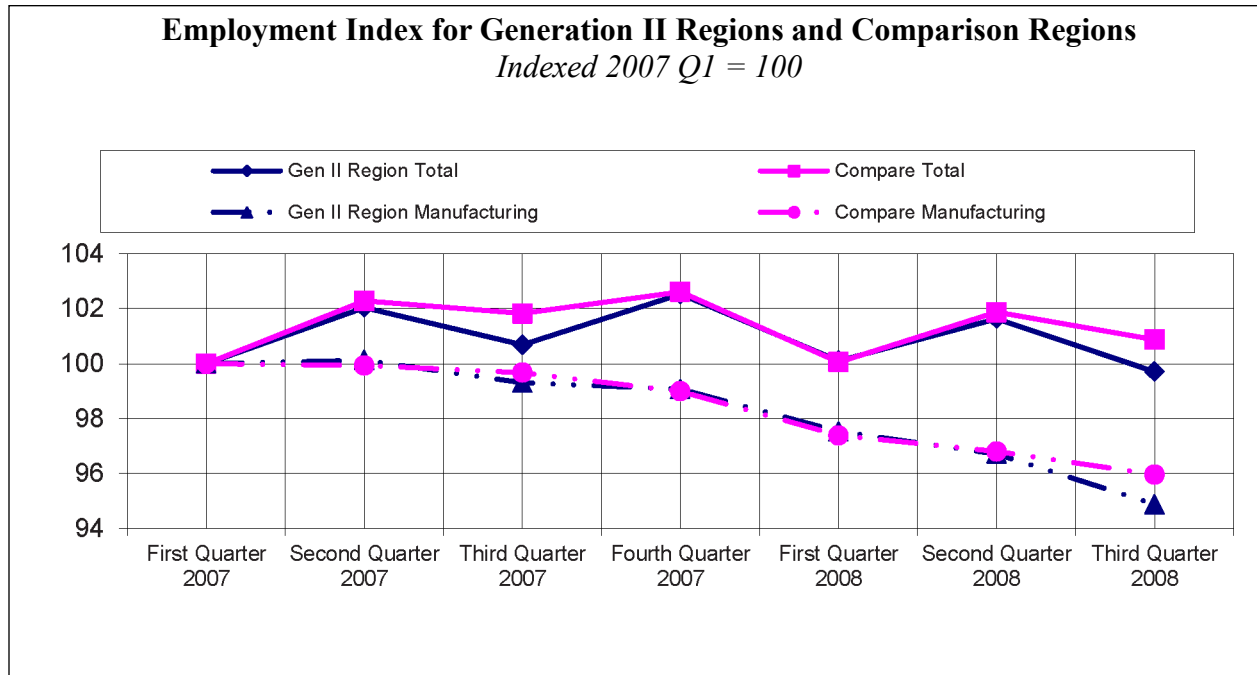
Source: BLS Quarterly Census of Employment and Wages

The second set of lines in Figure 8 present the index of manufacturing employment for the 26 regions and their comparison regions. Although manufacturing employment is not a key

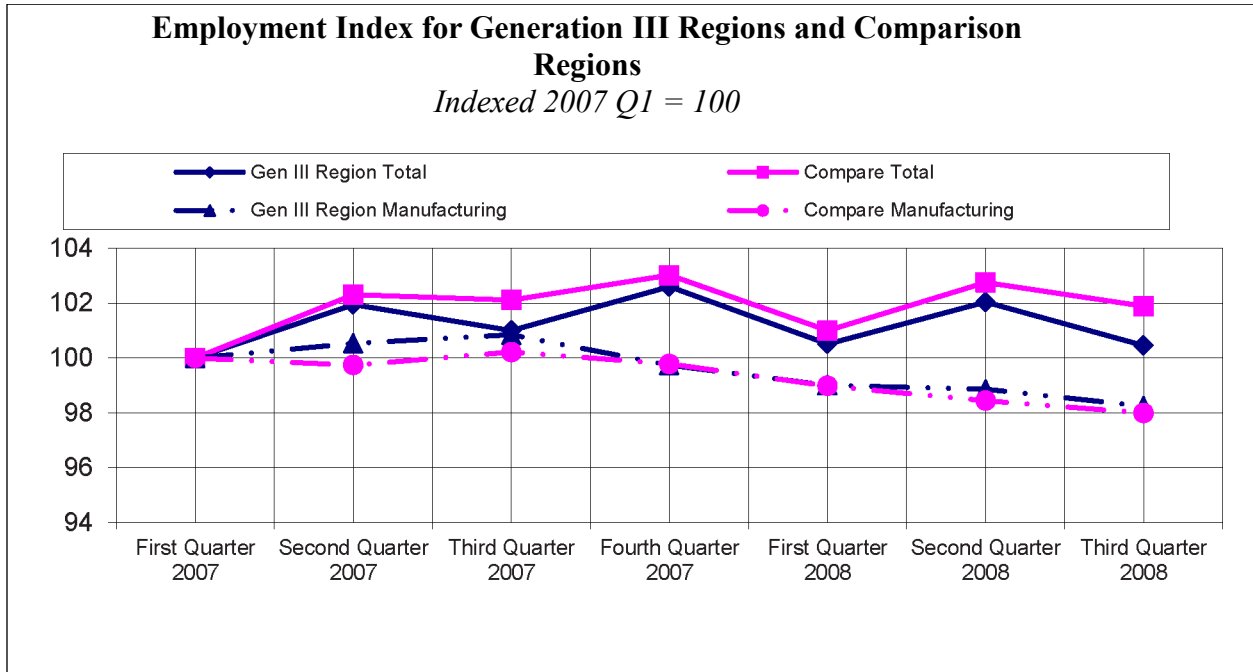
<sup>22</sup> Bureau of Labor Statistics, "Quarterly Census of Employment and Wages," (2010).  
<<http://www.bls.gov/cew/>>

economic concern for all regions, as a sector it is the focus of many regions and plays a substantial income and employment role even in regions that are not engaged in manufacturing-related workforce transformation efforts. As Figure 8 shows, manufacturing employment declined in a similar fashion in both generations and the comparison regions. This is not surprising, given the well-documented long-term decline that has been occurring in U.S. manufacturing sector employment.

In Figures 9 and 10, the employment index is broken down by generation. Both generations had relatively flat employment during the seven-quarter period; however, it does appear that Generation II regions, on average, have faced slightly more difficult employment conditions than Generation III regions. As shown earlier (Table 14), Generation II had a higher average concentration of employment in the manufacturing sector and, as shown in Figure 9, has seen overall manufacturing sector employment decline at a slightly faster pace than Generation III. This suggests only that Generation II, as a whole, may be comprised of regions where workforce needs are driven by a more traditional, manufacturing-focused economic base as compared to Generation III.



**Figure 9**  
 Source: BLS Quarterly Census of Employment and Wages

**Figure 10**

Source: BLS Quarterly Census of Employment and Wages

As shown, employment trends in both Generation II and Generation III are similar to the average of the comparison regions. During most quarters, the index of employment for the regions in Generation II was nearly identical to the composite of their comparison regions. Likewise, the employment index for the regions in Generation III was similar to the composite comparison regions' index.

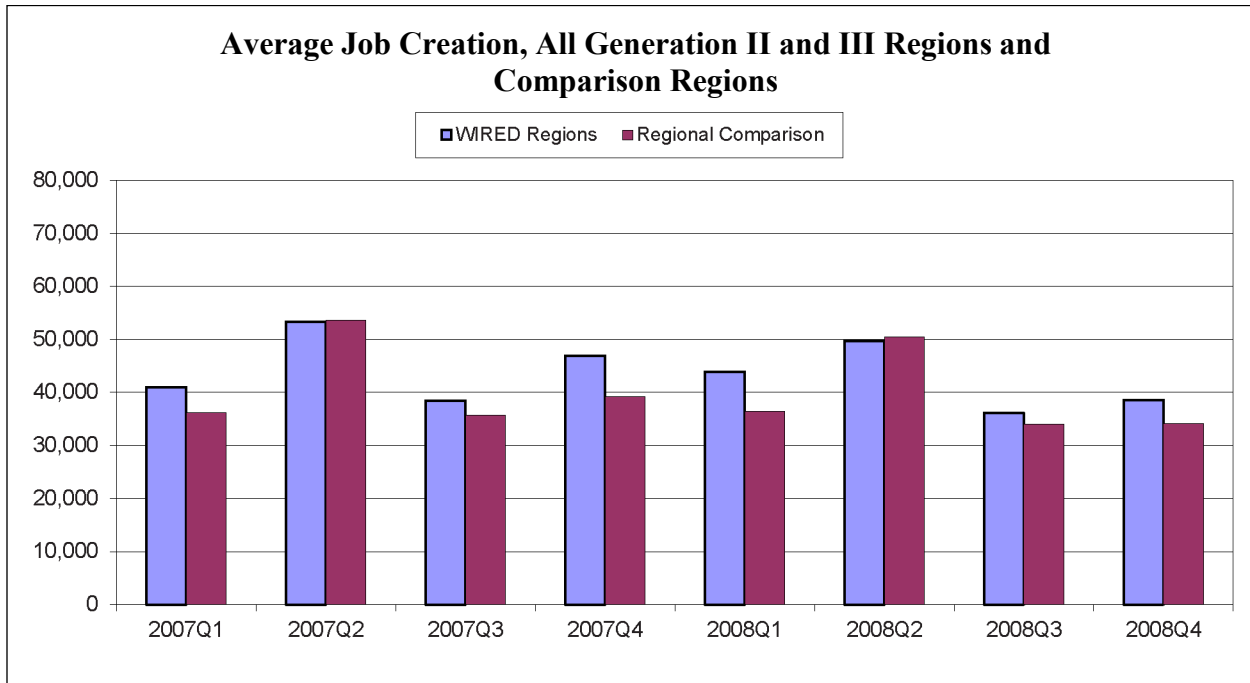
Overall, there appears to be nothing in the quarterly employment change data to suggest that the regions were facing any unexpected or systematic employment difficulties at the beginning of their activities and in the early quarters of the subsequent national economic recession. This suggests that despite the downturn that occurred during implementation, the initial strategy of workforce development innovation had not been subjected to any unique challenge or disadvantage in a manner different from other, similar parts of the country.

## Job Creation and Net Job Changes

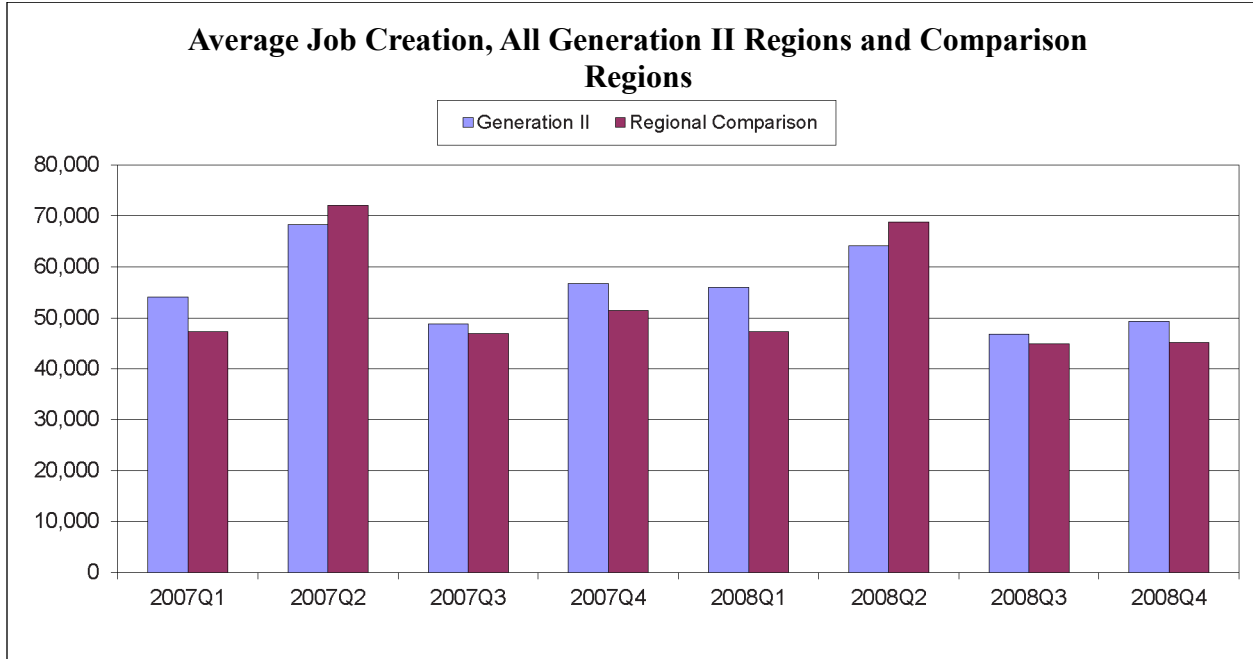
Two important employment indicators that may be used to characterize a region are job creation and net job changes. The latter are defined as quarter-to-quarter changes in employment. They occur through the dynamics of some firms starting up, some firms increasing their employment, some firms decreasing employment, and some firms going out of business. Job creation measures the number of new jobs created at firms that were expanding during the quarter, which is an important consideration for workforce development, since the presence of companies that are adding jobs may create a demand for newly trained workers, even in places or times of seemingly modest net employment change.



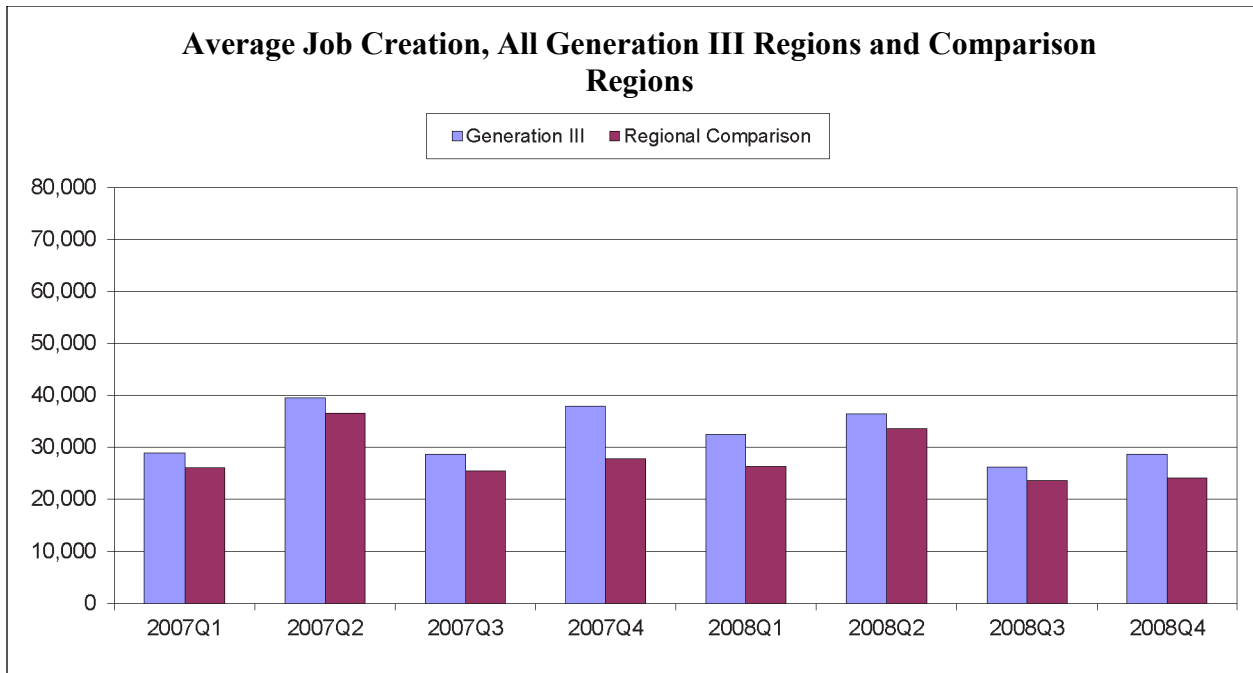
Figure 11 displays the average level of job creation for the 26 regions and for the 26 comparison regions. Throughout the eight quarters displayed, the average job creation for Generation II and III regions combined was around 43,000 jobs per quarter. With the exception of a couple of quarters, the average for the Initiative regions was slightly higher than for the comparison regions. Figures 12 and 13 show these data for the two generations. In the Generation II regions, the average quarterly job creation was around 55,000 and in the Generation III regions, the average was around 32,000.



**Figure 11**  
 Source: U.S. Bureau of the Census, Quality Workforce Indicators



**Figure 12**  
 Source: U.S. Bureau of the Census, *Quality Workforce Indicators*

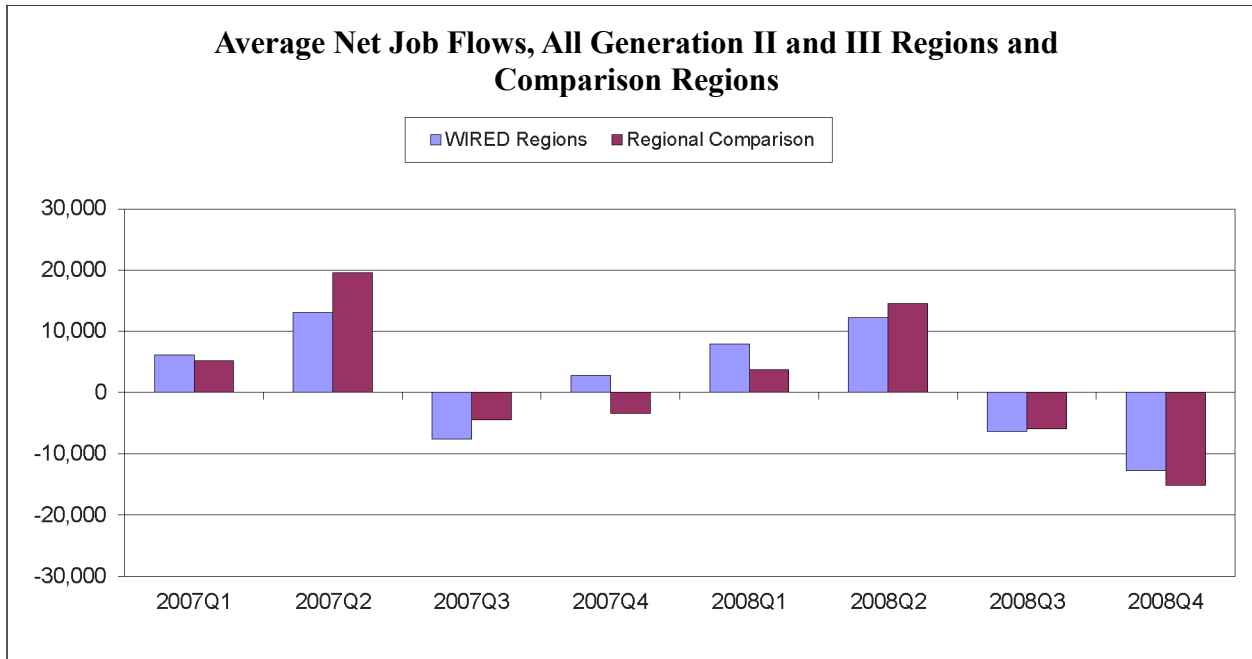


**Figure 13**  
 Source: U.S. Bureau of the Census, *Quality Workforce Indicators*

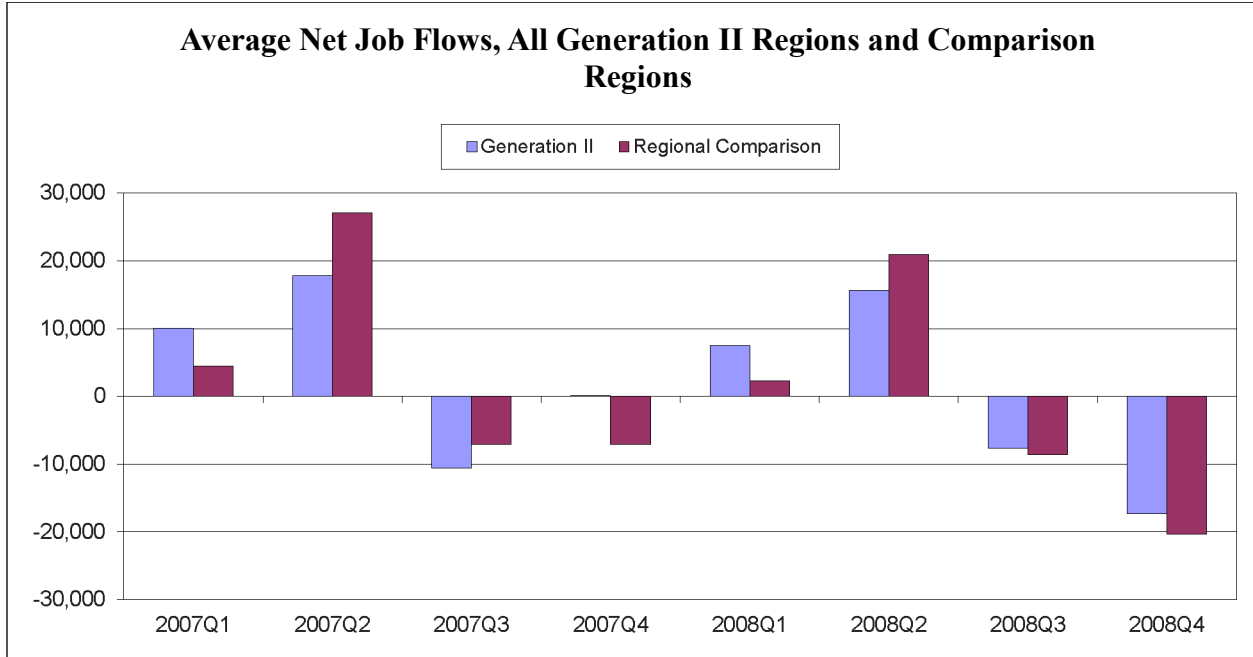
The average regional net job flows, which essentially are the underlying data for the employment changes shown in the figures above, are shown in Figures 14 through 16 for all of the funded regions, as well as breakouts for the regions in Generations II and III. The patterns indicate that the average WIRED region had employment growth in the first two quarters of 2007. Then, in

the third quarter of 2007, the average region lost employment. Note that this was prior to the official start of the recession in December 2007. The average region recovered in the next three quarters—the fourth quarter of 2007 and the first two quarters of 2008—and then suffered significant employment losses in the last two quarters of 2008.

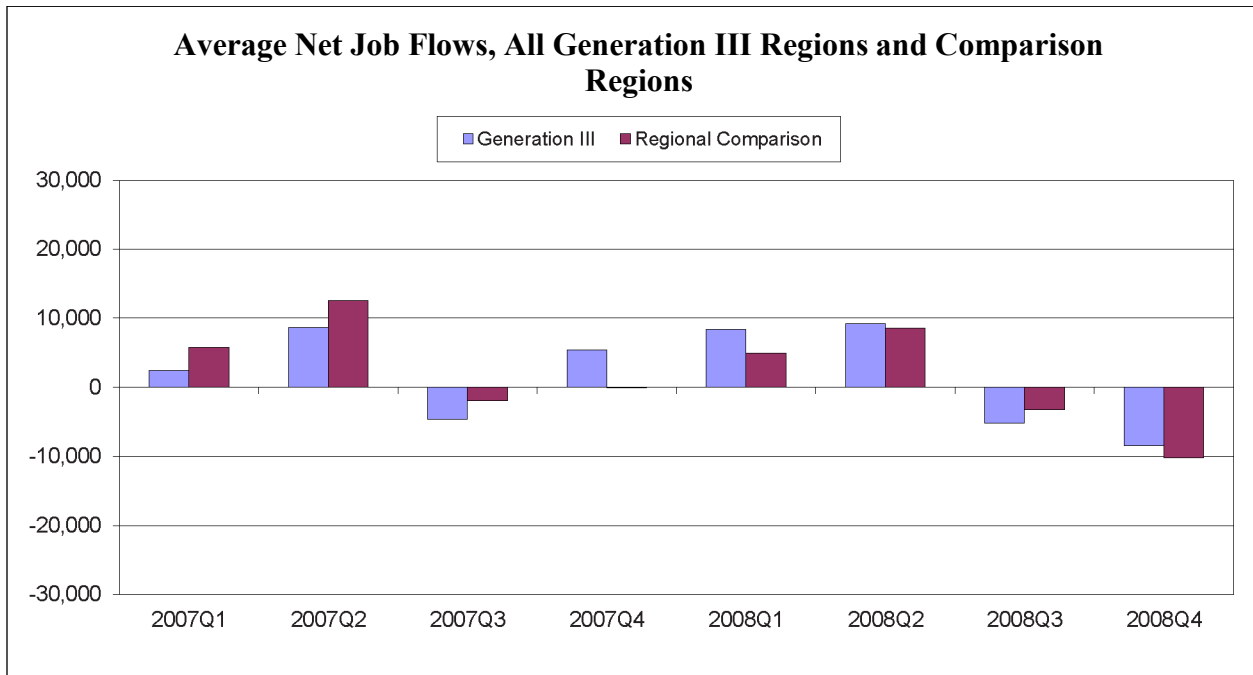
From the late 2007 employment slump, recovery for Generation II started in 2008, but started in the fourth quarter of 2007 for Generation III. Late in 2008, both generations and their respective comparison regions experienced net job loss. In 2008 overall, Generation II net job loss was about twice as great as compared to Generation III.



**Figure 14**  
 Source: U.S. Bureau of the Census, *Quality Workforce Indicators*



**Figure 15**  
 Source: U.S. Bureau of the Census, Quality Workforce Indicators



**Figure 16**  
 Source: U.S. Bureau of the Census, Quality Workforce Indicators

## New Faculty Hires and STEM Completions

Colleges and universities were expected to play an important role as regions transformed their workforce, and economic development systems. The last set of extant data presented here comes from the U.S. Department of Education Integrated Postsecondary Education Data System

(IPEDS). Figures 17 and 18, below, display the percentage of all faculty that are new hires for all of the regions and their comparison regions at all public and private postsecondary institutions (colleges, tech schools, universities, etc.) for the academic year 2007. For the most part, these percentages hover around 4 to 5 percent; nine of the regions have higher percentages than their comparison regions and 17 have lower percentages. These baseline data suggest that in the period just before the regions got started, faculty turnover and faculty expansions seem to be slightly higher in the comparison regions.

IPEDS also provides data on the percentage of student completions that are in science, technology, math, or engineering (STEM) fields. Figures 19 and 20 show these data for 2008 for each region and its comparison region. These data refer to all levels of completion in postsecondary education--certificates, associate degrees, baccalaureate, and graduate degrees. Many of the funded regions have some degree of focus on expanding or supporting workforce training, or on starting or expanding educational programs in community colleges, tech schools, and universities in STEM fields. These data provided a benchmark measure of each region's relative development pipeline capacity for both such programs.

For most regions, the percentage of STEM completions is around 6 percent, although there are six regions with much higher percentages, in some cases more than double the 6 percent figure (Central New Jersey, South Central & South West Wisconsin, Central-Eastern Puerto Rico, Southeast Michigan, and Tennessee Valley). All together, 17 of the regions surpass the percentage in their comparison regions. All other factors being equal, this may suggest that many of the regions' focus on STEM is based on an existing, strong STEM presence.

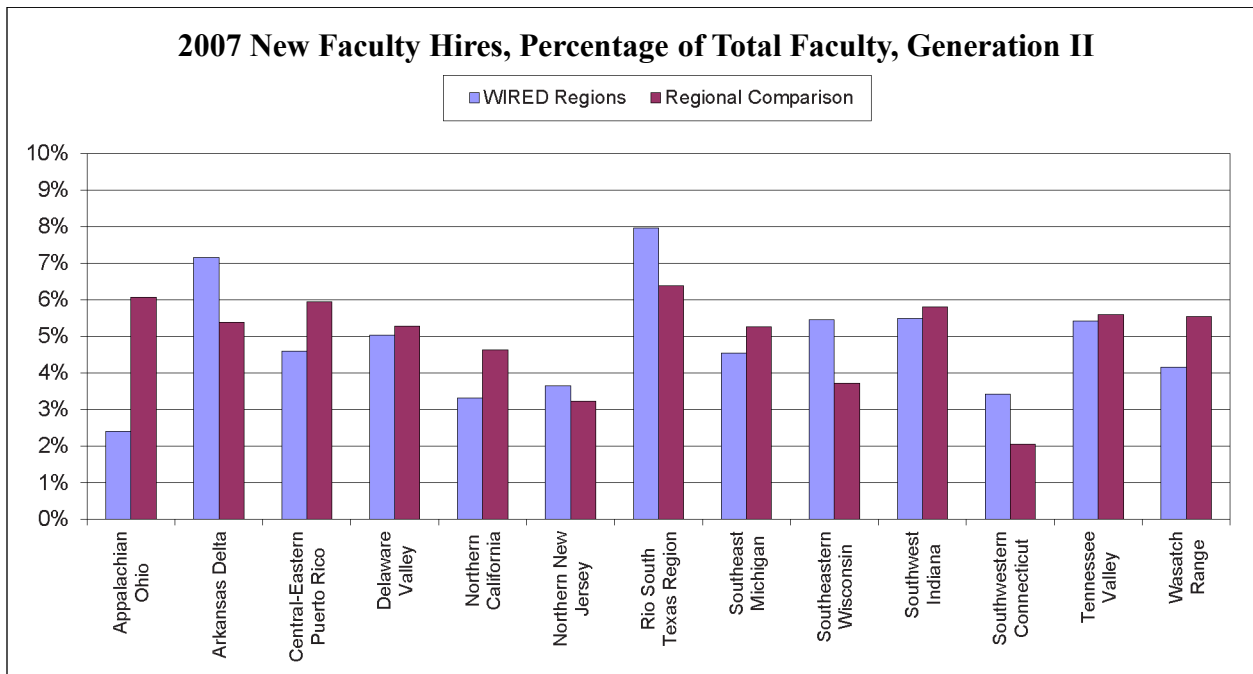
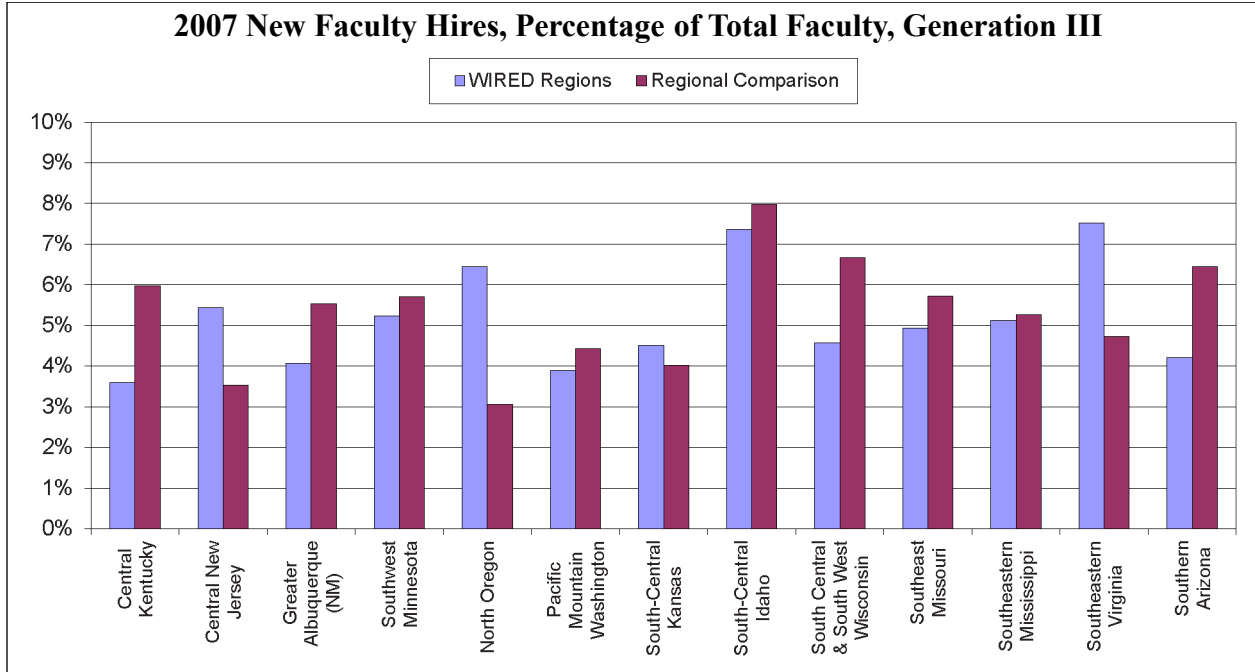
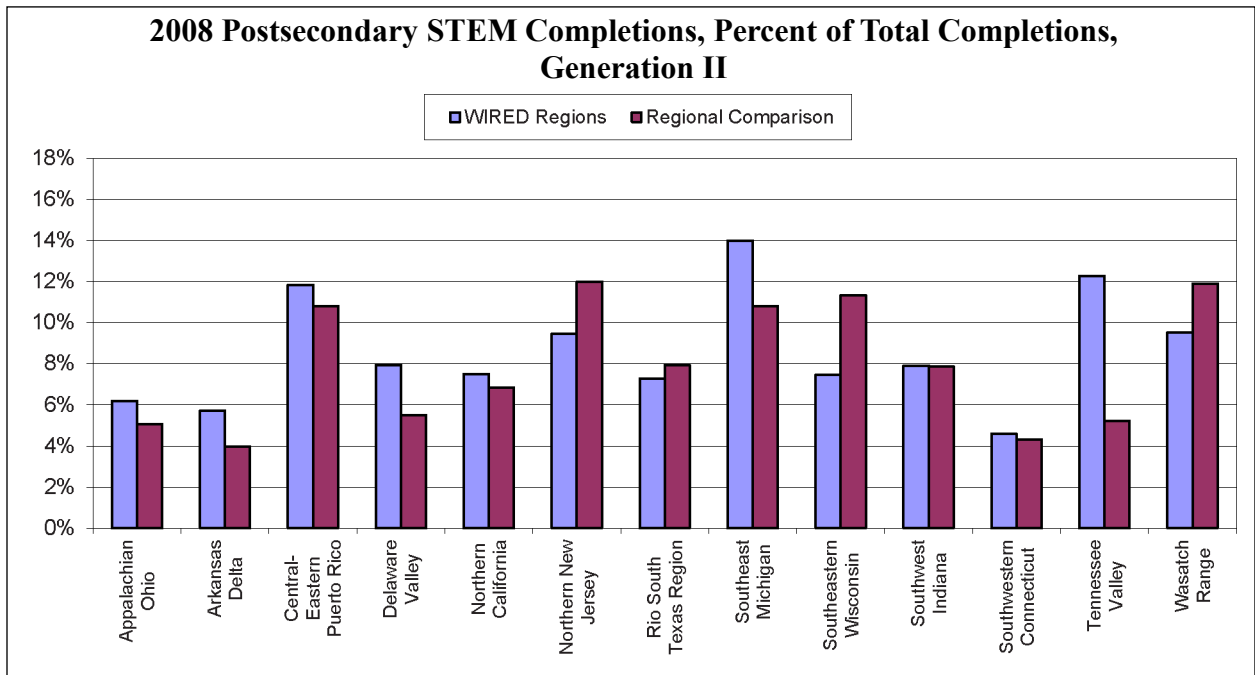


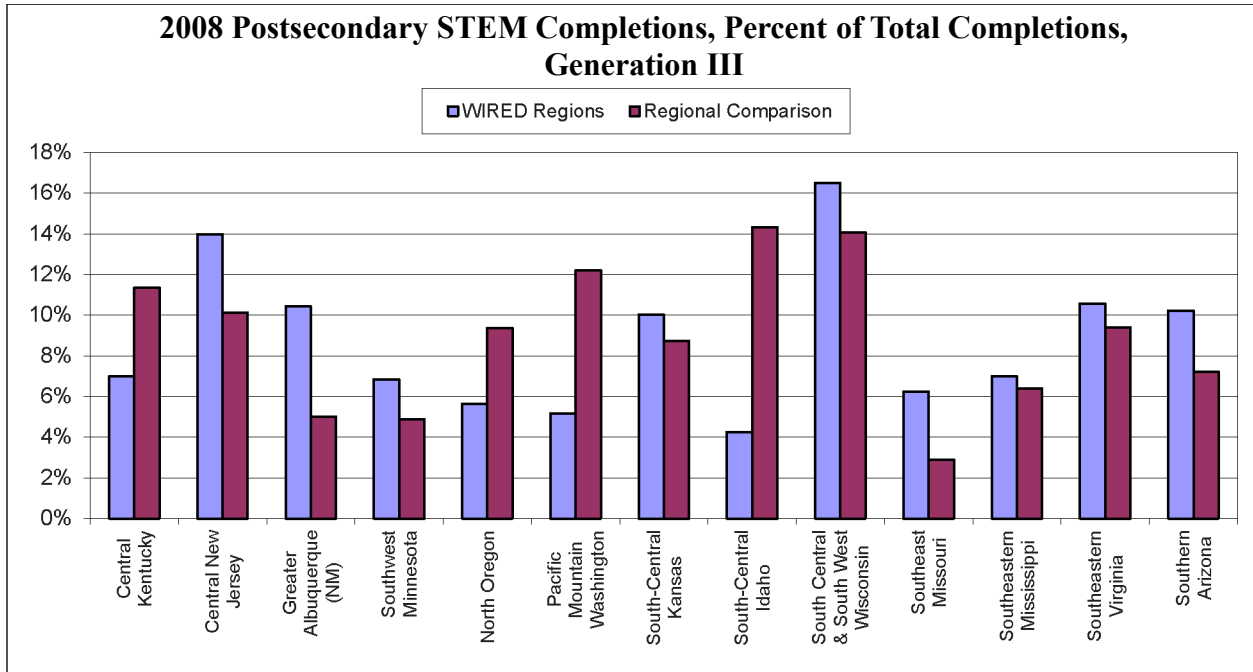
Figure 17  
Source: NCES IPEDS



**Figure 18**  
Source: NCES IPEDS



**Figure 19**  
Source: NCES IPEDS

**Figure 20**

Source: NCES IPEDS

## Summary of Findings

The extant data examined here provide a context for understanding data from other sources in regard to each Generation II or III region and nationally. The demographic data indicate that the areas of the country that became Generation II regions generally experienced a slightly slower rate of population growth than the nation as a whole between 2000 and 2008. On average, regions in Generation III grew at nearly the national rate of 8.0 percent; however, Generation II regions grew at a slower pace (5.8 percent). Only nine of the 26 regions grew at a faster pace than the U.S. as a whole. Aside from population growth, all regions appear to have relatively small ethnic minority shares of the population. Both generations had smaller concentrations of African-Americans and Asian-Americans than in the U.S. overall, which may reflect the rural nature of many of the regions.

In an average region of either generation, the share of residents age 25 and older whose highest level of education was a high school diploma or GED was higher than the nation, whereas the proportion with a bachelor's or graduate degree was lower. In short, the regions that were funded had slower population growth, less ethnic diversity, and lower educational attainment relative to the U.S. average.

In terms of workforce characteristics, the 2008 labor force participation rate was notably lower in all regions than for the U.S. overall. Across all 26 regions, the participation rate varied from a low of 41 percent to a high of 71.7 percent. In total, only eight regions had higher participation rates than the national average, and they were equally represented in both Generation II and Generation III.

Unfortunately, as the national recession deepened in 2009, overall rates of unemployment increased significantly. Over the year-long period between August 2008 and August 2009, the average regional unemployment rates increased by 3.0 or more percentage points for both Generation II and Generation III. Employment trends between the beginning of 2007 through the third quarter of 2008 in both Generation II and Generation III regions were similar to the average of the comparison regions. Overall, there appears to be nothing in the quarterly employment change data to suggest that the funded regions were facing any unexpected or systematic employment difficulties at the beginning of their activities, which coincided with the national economic recession.

With just a few exceptions, the average job creation, an indicator of a dynamic economy, for the funded regions was slightly higher than for the comparison regions. In Generation II regions, the average quarterly job creation was around 55,000 (approximately 5.5 percent of total jobs), and in the Generation III regions, the average was around 30,000 (about 6.0 percent of total jobs). The fact that the funded regions generally had slightly higher levels of job creation than their comparison regions is a positive attribute.

Finally, many of the funded regions are focused on expanding or supporting workforce training, or on starting or expanding educational programs in community colleges, tech schools, and universities in STEM fields. U.S. Department of Education postsecondary data suggest that funded regions are likely to be building on a relative strength. All together, 17 of the 26 regions have a higher percentage of STEM completions in 2008, early in the implementation of the regional collaborative efforts, than in their comparison regions.



# Summary Findings and Conclusions

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Key findings from the analysis of data from two surveys and the extant data, for Generations II and III are as follows:

## ***Perceptions of Collaborative Activities***

- *As described in depth in Appendix A, there was a high level of awareness of collaborative activities among actual and potential stakeholders in the WIRED regions. 88 percent of respondents to the screener survey were aware of regional collaborative efforts but the response rate to the screener survey was only between 56 percent and 60 percent.*
- *Regional collaborative activity may have broader effects on entities within the region. Among the 60 percent of the screener survey respondents who said they had little or no engagement in regional collaborative efforts noted that their organizations were influenced by efforts of such collaboration at least to some extent. Although these effects could be negative or positive, most of those reported were positive. This was based on a relatively small number of observations on this issue from the screener survey.*
- *The collaborations included broad representation of organization types, but varied considerably across regions. The partner survey indicated that all of the regions had representation from business, workforce agencies, economic development agencies, education, government, and other entities. Overall, the education sector comprised about one-third of the participants and represented the largest plurality. Business (including business associations) and workforce agency staff members were the next two most represented groups; business had the most variation across the regions, ranging from a low of about 3 percent to over 40 percent. Generation II regions tended to have a higher share of education and workforce agency staff members, while within Generation III regions there tended to be a higher percentage of government and business respondents.*
- *Participants in the WIRED regions felt that the timing for regional collaboration was propitious. Respondents to the partner survey were asked to recall the context of their region in the year 2006 and a large majority—no less than 75 percent and up to 100 percent—of respondents in every region agreed that when the grants became available, the political and social climate seemed appropriate for starting a collaborative project.*
- *Most partners reported a history of working together and mutual trust. About two-thirds of respondents to the partner survey characterized the context of collaboration in their region as one of working together or mutual trust, but that fraction varied across the regions. The percentage of respondents who reported a regional history of working together ranged from about 38 to almost 93 percent. About 60 percent of the total sample agreed that people and organizations had trust in one another in 2006, but again there was substantial variation across regions, from one-third to 80 percent. Interestingly, the respondents in Generation II*

regions were less likely to indicate that their regions had a history of working together and less likely to indicate that they had a history of trust, than were respondents in the Generation III regions.

- *Providing access to additional resources to the collaboration varied among regions.* About half of the partner survey respondents indicated that they provided “access to resources” to support their region’s efforts. Across the regions, the percentage of partners saying they provided such access ranged from 40 to 67 percent. Many of the partners were engaged in finding resources in order to support sustainability and around 20 to 25 percent of the respondents indicated that they often engaged in writing grant proposals or raising funds. Across the regions, the percentage ranged from 3 to 40 percent.
- *In the early implementation phase of the Initiative, regions typically described the engagement level of regional partnership as coordination and cooperation.* Survey respondents were asked to indicate the stage of collaboration that best described the current status. The choices, in ascending order of complexity, were as follows: co-existence, communication, coordination, cooperation, and collaboration. Using values of one to five for these stages, the overall mean rating was 3.38 (between coordination and cooperation). There was no difference between the generations, but the variation across regions was substantial ranging from 3.05 to 4.04. Respondents in eight regions (four in each generation) felt that the collaborations had not expanded much beyond coordination. On the other hand, respondents in six regions (three in each generation) felt that these regions were reaching or achieving cooperation.
- *Partners in the regional collaborations perceived successful outcomes for their organizations and for the region.* More than 90 percent of the partner survey respondents agreed or strongly agreed with the statements, “My organization is benefiting from being involved in regional transformation efforts” and “I feel optimistic about our ability to improve the job skills of our regional workforce.”

## **Social Networks**

- *Social networks are not generally dependent on specific organizations and organization types.* The centrality of specific organization types (e.g., WIBs and educational institutions) is less than the centrality ascertained from data collected during the first round of site visits. This may be because of the regions had completed the implementation planning process and had allocated funds for specific regional activities. It may also be because there is a more even distribution of responsibility across partners, or it may be an artifact of the data collection processes.
- *Regional networks have a central core that is tightly linked, but a more sparsely connected periphery.* Although there are limitations in analyzing the data, the majority of the regions have at least one isolated network, or group of individuals collaborating outside of the main network. This may have implications for the ability of the regional networks to communicate efficiently and coordinate group action.

- *Regions continue to be successful at crossing organizational boundaries.* The overwhelming majority of each region's connections are between organizations of different types. This is important because it takes a combination of diverse organizations to create an environment where comprehensive economic transformation is possible.

## ***Education and Employment***

- *Extant data suggest that funded regions may be disadvantaged educationally.* Aggregating all the regions, the proportion of residents age 25 and older whose highest level of education was a high school diploma or GED was higher than the national average, whereas the proportion with a bachelor's or graduate degree was lower (2000 Census data).
- *At the outset of the collaborations, the regions did not differ from the U.S. average in self-employment.* Among the 26 regions, the percentage of workers who were self-employed ranged from 13.3 to 25.3 percent, with 10 regions having percentages equal to or greater than the U.S. and 16 that were below. The self-employment profile of the regions in both Generations is very similar, with five regions having above average concentrations and eight regions with below average concentrations in each generation. Overall, this suggests that there is no systematic difference across regions or generations in terms of the entrepreneurial environment.
- *At the outset of the collaborations, the regions had slightly higher than U.S. average concentrations of manufacturing and agricultural sector employment.* Manufacturing employment concentrations in individual regions range from 3.1 to 16.8 percent, whereas farm employment concentrations range from 0.1 percent to 9.0 percent. For both the manufacturing and farm sectors, 14 out of the 26 regions report higher concentrations than the U.S. The regions with high percentages of manufacturing were equally distributed across the two generations; however, the majority of regions—9 out of 14—with high concentrations of farm employment were in the Generation III cohort. Simply put, it appears that Generation III regions may be, on average, more rural and agricultural in nature than Generation II regions.
- *Regions with collaborations tended to create more jobs, but also lost more employment, and on net, lost more jobs than their comparison regions.* Job creation measures the number of new jobs created at firms that were expanding during the quarter, which is an important consideration for workforce development, since the presence of companies that are adding jobs may create a demand for newly trained workers even in places or times of seemingly modest net employment change. Throughout the eight quarters of calendar years 2007 and 2008, the average job creation in the funded regions was around 40,000 jobs per quarter. During the eight quarters of calendar years 2007 and 2008, in Generation II regions the average quarterly job creation was about 55,000, and in Generation III regions it was 32,000.
- *Net job flows showed growth prior to the end of 2008.* In terms of net job flows, the average region had employment growth in the first two quarters of 2007, the fourth quarter of 2007, and the first two quarters of 2008 before suffering significant employment losses in the last half of 2008.

- *Extant data suggest that WIRED regions seemed to have weathered the early quarters of the recession better than average.* In terms of employment growth, aside from some seasonal fluctuations, overall employment in the grant-funded regions remained relatively steady during 2007 and through the first three full (recessionary) quarters in 2008.

## **Conclusions**

The responses to the surveys conducted for the evaluation suggested a high level of involvement among stakeholders in the collaborative activities, and some limited evidence that such efforts had generated positive broader benefits within the geographic area.

Respondents to the partner survey demonstrated that all regions had representation from business, workforce agencies, economic development agencies, education, government, and other entities in active collaborations. In general, the survey respondents were most optimistic about the success of the collaborations for the region as whole. While a high share of participants perceived successful outcomes for their own organizations and for the region, the extant data for the most part did not identify obvious indicators of success in the early quarters of implementation.

The extant data suggests that the WIRED regions lagged the national average in many economic and labor market indicators. On average, these regions had lower educational attainment and higher concentrations of manufacturing employment than the U.S. as a whole. Due to lags in data availability, it was not possible to use existing secondary data sources to gauge the longer-term outcomes of the regions for this report; the analyses of extant data was primarily for establishing a baseline.

The examination of the social networks suggests that while regions continued to be successful in crossing organizational boundaries, the additional ties that had been established may have caused the density of the regional networks to decrease. This suggests that regions needed to be especially mindful of their communications' content and audiences.

As this evaluation proceeds, additional data will be collected and analyzed, including a second round of visits to each of the 26 regions, review of periodic reporting by the regions, and updated extant data. In addition, contact with the regions after the end of the funding period will be attempted to determine the extent to which structures, strategies, and activities launched during the grant period may have continued. Evidence of changes in the workforce systems within the regions should be obvious by that point. Data on early economic trends in each region will also be available, and this information will be probed as to the possible effects of WIRED, though findings will only be suggestive given the inherent methodological problems in attributing such changes to WIRED activities.