



Identifying Target Sectors for Next Generation Sector Partnerships

This worksheet will help guide you through the packet of regional labor market data, and walk through the process of using data to make decisions about industries to target for Next Generation Sector Partnerships. Utilizing these criteria, the group should determine two potential industries for focus.

10 Minutes: Individual Review

- Quickly review this worksheet on your own
 - Review the data.
1. **Review the data**, keeping in mind factors that you already know about your region and industry, such as regional footprint, existing regional strengths, family sustaining wages, impact on economy, size of industry, and growth.

When reviewing the data, pay special attention to:

- **Size of industry** (number of establishments and total employment)
- **Average annual wages**
- **Signs of growth** (change in employment over time)
- **Industry concentration** (location quotient, which compares the concentration of jobs in an industry sector in your region to the concentration of jobs in that industry nationally. If the location quotient is higher than 1, it means the industry is *more concentrated* in your region relative to the state as a whole.)
- *Note, you may consider combinations of industries or clusters that would make sense in your regional economy.* Industry-led sector partnerships do not have to be organized by NAICS codes. Consider combinations of industries that share common markets, such as Agriculture and Food Manufacturing that may make sense to combine in a single “Food and Ag” partnership. The goal is to build a partnership where business leaders share enough common ground (similar workforce needs, markets, infrastructure needs) to develop a shared agenda for action. Be careful not to go too big or broad – you still want companies to be able to identify with each other.

10-15 Minutes- Brief Discussion

- What stands out? Where are there high numbers? Low numbers? Combined high numbers? What do they tell us?
- What industries show the best combination of high numbers? What does this tell us?

2. Combine the data with your on-the-ground knowledge of the regional economy.

- Where is the data confirming what you know to be true about your region's economy? Where are there disconnects?
 - Are there industries that are "ready" for this type of engagement? Readiness can be determined by an unmet need or gap in current convenings or activities. Another key mark of readiness is the presence of industry champions who can help recruit and rally businesses from the industry of focus.
 - What industries make sense to jointly target? List out the industries that make sense for your sub-region to focus on
 - Option: have folks write down their top choice for what industry to target moving forward on a post-it note and stick it on the front wall. Group them together to identify the best candidates for partnership development.
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