SEIZING THE MOMENT FOR PLACE-BASED ECONOMIC POLICY:

IMPLICATIONS FOR PRACTITIONERS AND POLICYMAKERS FROM THE BUILD BACK BETTER REGIONAL CHALLENGE

Joseph Parilla, Glencora Haskins, and Mark Muro

Brookings Metro

CONTENT

Accelerate WV Town of Wayne team members participate in an activity promoting team building and dynamics at a group session training in Huntington, WV. | Photo credit: West Virginia Community Development Hub

Executive summary

As federal policymakers seek to strengthen national competitiveness in key strategic sectors and technologies, they are increasingly recognizing that locally led solutions are a critical path for spurring technology-led growth, mitigating climate change, strengthening national security, and addressing economic, racial, and geographic inequities.

This is the central premise of place-based economic policies like the $1 billion Build Back Better Regional Challenge (BBBRC)—a challenge grant administered by the Economic Development Administration (EDA) in the U.S. Department of Commerce. As the EDA's signature American Rescue Plan Act (ARPA) recovery program, the BBBRC awarded between $25 million and $65 million each to 21 competitively selected regions. Over a period of up to five years, these investments will support the local development of nationally critical industries and technologies in ways that deliver economic opportunity to traditionally underserved people and communities.

Drawing on prior evidence and experience on what works in regional economic development, the BBBRC posited that catalytic public money, a focused cluster growth strategy, and a coordinated set of interventions are necessary to offer local economies—especially in lagging regions—the best chance for inclusive growth.[1] In these ways, the BBBRC represents a new development in federal place-based economic policy—a theory of policymaking that seeks to benefit people and economies by targeting explicit geographies. It is an important policy experiment with a variety of important stakes and stakeholders, and thus represents a critical test and learning moment for a wide range of regional, state, and federal leaders.

In that context, Brookings Metro and the EDA formed a learning engagement to document early insights from the BBBRC's implementation. To do so, Brookings Metro conducted in-depth case studies documenting the early implementation of the BBBRC in seven regions. These seven case studies, which accompany this report, document how coalitions came together around a shared cluster opportunity, identified and implemented projects, and organized themselves for sustained success.

This type of assessment aims to reveal critical early factors in operating a complex and ambitious effort, describe implementation barriers and success conditions, and assess whether and how the program has stimulated the kinds of decisions federal policymakers intended. As such, the current assessment is not an evaluation of the effectiveness of awardees' efforts at driving long-term outcomes, but rather offers unique insights that come from the implementing organizations themselves.

This report distills those insights for regional practitioners, investors, and policymakers into seven lessons for launching and implementing inclusive, cluster-based economic development strategies (aimed primarily at local and regional leaders), as well as five implications for the future of place-based economic policy (aimed primarily at policymakers and investors).

SEVEN LESSONS TO GUIDE PLACE-BASED ECONOMIC DEVELOPMENT STRATEGIES

1. **Build a diverse cross-sector coalition:** Cross-sector coalitions are critical to the success of place-based economic development strategies, offering and motivating a coordinating structure that enhances collaboration.
2. **Align the coalition around a shared call to action:** Those cross-sector coalitions need a shared call to action that is inspired by a window of opportunity, grounded in diverse and inclusive participation, enabled by effective facilitation, and anchored in a credible assessment of "where we are as a region" and "where we can go together."
3. **Source signature project ideas through technical analysis and civic outreach:** Identifying signature projects to operationalize a regional strategy is a process with both technical and civic elements, each requiring specific capabilities.
4. **Select signature projects that together enhance productivity and equity:** Well-crafted projects can enhance both productivity and equity—addressing barriers in a holistic way that differs from conventional economic development practice.
5. **Surge core operating capacity to successfully implement:** Developing and deploying core operating capacity is foundational to early implementation.
6. **Develop evaluation tools to track and communicate impact:** Determining the equitable impact of place-based policies requires new methods of performance measurement and strategic communication.
7. **Operationalize collaborative governance structures to manage and sustain the strategy:** Effective regional coalitions need functional structures for collaborative governance to track progress, course correct, and secure and allocate additional investment over time.

FIVE IMPLICATIONS FOR THE FUTURE OF PLACE-BASED ECONOMIC POLICY

1. **Appropriate at scale:** The BBBRC catalyzed a tremendous bottom-up response, which Congress can replicate with full appropriations for key place-based policies.
2. **Invest in local capacity:** Greater leadership development and capacity-building are necessary for successful implementation of place-based policies.
3. **Coordinate across federal agencies:** Cross-agency coordination and alignment can ensure multiple programs come to ground successfully in places.
4. **Make equity core:** Place-based policies should center equity in their processes, designs, and objectives.
5. **A whole-of-country approach is needed:** Sustaining place-based investments is a whole-of-country undertaking involving state governments, philanthropy, universities, and corporations.

Members of Southern West Virginia's ACT Now coalition working with installation professionals, students learned hands on safety and installation skills through ACT Now's workforce training partnership with Solar Holler | Photo credit: Coalfield Development

Introduction

As federal policymakers seek to strengthen national competitiveness in key strategic sectors and technologies, they are increasingly recognizing that locally led solutions are a critical path for spurring technology-led growth, mitigating climate change, strengthening national security, and addressing economic, racial, and geographic inequities.[2]

This is the central premise of place-based economic policies like the $1 billion Build Back Better Regional Challenge (BBBRC)—a challenge grant administered by the Economic Development Administration (EDA) in the U.S. Department of Commerce. As the EDA's signature American Rescue Plan Act (ARPA) recovery program, the BBBRC awarded between $25 million to $65 million each to 21 competitively selected coalitions.[3] These investments will support the local development of nationally critical industries and technologies in ways that deliver economic opportunity to traditionally underserved people and communities.

While the BBBRC is just a small part of the trillions of dollars in recent federal investments to support the economy, it represents a critical test for three key federal policy objectives: 1) improving the nation's technological and industrial competitiveness; 2) investing in historically excluded communities to redress past exclusionary policies and enhance the economy's productive capacity; and 3) pursuing those twin objectives of productive, equitable growth by investing in geographically concentrated assets in specific places.

First, at a time of disrupted supply chains, rising global insecurity, and an urgent need to decarbonize the economy, the BBBRC seeks to enhance the nation's ***technological and industrial capacity*** in areas such as advanced manufacturing, clean energy, agriculture, and biotechnology and health. The 117th Congress further supported these strategic sectors with $1.5 trillion in new investment in infrastructure, semiconductors, and clean energy via the Infrastructure Investment and Jobs Act, CHIPS and Science Act, and Inflation Reduction Act. Amid all this spending, place-based policies like the BBBRC acknowledge that the nation's industrial capacity derives from what Harvard University researchers call the "industrial commons"—the place-based concentrations of research institutions, skilled workers, and suppliers that anchor America's most productive clusters.[4]

Second, at a time of heightened geographic and economic inequality, as well as persistent racial inequities, the BBBRC recognizes that investing in historically disinvested people and communities is an essential component that must undergird the nation's industrial and energy transitions. To address national needs, federal investment could easily be directed to the largest and most productive knowledge hubs—circumventing the people long disconnected from the innovation economy in the process. Instead, the BBBRC responds to significant social and geographic divides by helping catalyze, grow, and reinvent existing clusters in ways meant to benefit low-income people and neighborhoods, rural communities, and tribal areas.[5] In that sense, the program proposes an economic development approach explicitly focused on ***equity***—not just the job and output gains we have long used to define success. Rather than a place-based redistribution program, the BBBRC seeks to make place-based investments in the talents and assets of historically excluded people and places. Such a strategy builds on evidence that enhancing equality of opportunity unlocks human potential and, in doing so, improves the productive capacity of the entire economy.[6]

Third, as a form of federalism, the program heralds the federal government's embrace of ***place-based policy***—a school of policymaking that seeks to benefit people and economies by targeting explicit geographies to spur and support local interventions. The 117th Congress authorized—although it has not yet fully appropriated—approximately $80 billion for these place-based programs through the four major pieces of legislation passed in 2021 and 2022.[7] These place-based programs acknowledge that upgrading critical sectors depends on the concentrations of talent, suppliers, and knowledge that uniquely interact in a certain place to spur development, but that supporting that development must recognize that places each have their own distinct history and opportunities.[8] What's more, the BBBRC recognizes that the regional networks—universities and colleges, community-based organizations, local and state governments, labor and workforce groups, and business intermediaries—have a leading role in the nation's industrial competitiveness.[9]

In these ways, the BBBRC represents an important advancement in federal place-based economic policymaking, and thus a critical test and learning moment for a wide range of regional, state, and federal leaders. In that context, this report—the last installment of an applied research engagement between Brookings Metro and the Economic Development Administration—provides seven key lessons learned and five policy implications from first year of the BBBRC's implementation. The seven lessons are primarily aimed at local, regional, and state implementers working across a wide diversity of sectors. The five policy implications are primarily directed toward lawmakers, government administrators, and investors. These lessons and implications synthesize our findings from **seven in-depth case studies**, each profiling an individual BBBRC coalition. The case studies, which accompany this report, offer significant detail on how coalitions came together around a shared cluster opportunity, identified and implemented projects, and organized themselves for sustained success.

BOX 1

Brookings Metro-Economic Development Administration learning engagement

Since July 2022, Brookings Metro has conducted research into the Economic Development Administration's role in the Biden-Harris administration's modern place-based industrial strategy. Beyond the case study series profiled in this report, research published as part of this learning engagement include:

- The Build Back Better Regional Challenge marks a new era of place-based industrial strategy
- The future of place-based economic policy: Early insights from the Build Back Better Regional Challenge
- Six keys to unlocking a new era of place-based federal investment
- In rural Alabama, a test for talent-driven economic development
- How research universities are evolving to strengthen regional economies
- Place-based investment can chart a new future for regions dependent on fossil fuel
- Why states should step in when local projects miss out on competitive federal grants
- Five roles communities need for implementing once-in-a-generation federal resources
- Multi-phase place-based economic policies can enhance the nation's development capacity
- Federal investments in sector-based training can boost workers' upward mobility
- Regional clusters and rural development: To what extent does EDA's Build Back Better Regional Challenge include rural areas?
- Financing transformation: How to sustain place-based economic development beyond early federal awards

For more insights into the BBBRC from EDA's other learning engagements, see the Building Better Regions Community of Practice.

Inside ATLAS, the Advanced Technologies Lab for Aerospace Systems, Sector E, at one of the National Institute for Aviation Research's laboratory spaces at Wichita State University | Photo credit: Wichita State University

Background

The Build Back Better Regional Challenge (BBBRC) originated out of the extraordinary emergency measures Congress and the Biden administration undertook following the early shocks of the COVID-19 pandemic. In January 2021, soon after he took office, President Joe Biden proposed the American Rescue Plan, and in March, Congress appropriated $3 billion to the EDA "to prevent, prepare for, and respond to coronavirus and for necessary expenses for responding to economic injury as a result of coronavirus" as part of the American Rescue Plan Act (ARPA).[10] Aside from a requirement that at least one-quarter of the funds target communities suffering economic loss due to declines in the travel, tourism, and outdoor recreation sectors, Congress gave the EDA significant discretion to design and deliver programs.

With this flexibility, the EDA earmarked $1 billion for the Build Back Better Regional Challenge (BBBRC) and released a Notice of Funding Opportunity (NOFO) in July 2021 that outlined a two-phase competition.[11] Through its Phase 1 activities, the EDA issued an open call for concept proposals that outlined a high-level vision for a "transformational economic development strategy." The thesis was that regions would identify an industry cluster opportunity, design "3-8 tightly aligned projects" to support that cluster, and build a coalition to "integrate cluster development efforts across a diverse array of communities and stakeholders."[12]

Industry clusters—groups of firms that gain a competitive advantage through proximity and interdependence in areas such as talent and innovation—can be a compelling strategic concept, especially for communities that have struggled through economic decline.[13] A clear body of evidence showing that firms and regions benefit from clustering has led to widespread adoption of cluster-oriented activities within the economic development field.[14] Yet a 2018 Brookings report concluded that sustaining the resources and collective action required to enact transformational cluster initiatives is quite rare.[15] Indeed, jurisdictional fragmentation and the lack of formal regional governance can make transformational regional economic strategies difficult to implement in the United States.[16]

The BBBRC provided regions with the prospect of significant resources to undertake cluster-based economic strategies. While leaving considerable flexibility for regions on how to manage such an approach, the EDA did require that applicants designate a strategic "regional economic competitiveness officer" (RECO) responsible for coordinating across projects and implementation partners. The requirement was meant to signal to applicants the importance of local leadership as a competitive factor. Importantly, equity was uniquely foregrounded in the NOFO: "Clusters should consider how projects can support economically disadvantaged communities and how both the projects and long-term strategy can advance equity, including the use of quantitative and qualitative data to measure and track outcomes and performance management." In these ways, the BBBRC incorporated several necessary design elements to enable inclusive, networked regional economic strategies.[17]

The BBBRC generated a tremendous amount of interest and activity across U.S. regions. In Phase 1, 529 prospective coalitions submitted concept proposals that outlined a vision for the cluster, a high-level description of potential projects, and the key institutions involved in the coalition. After receiving Phase 1 concept proposals, the EDA undertook two months of review to determine which coalitions would be awarded $500,000 technical assistance grants. Those resources enabled a hyper-intensive planning sprint between December 2021 and March 2022. During this period, each of the 60 selected Phase 2 finalist coalitions expanded their five-page concept proposal into a 10-page overarching narrative document that outlined their approach, key assets and institutions, the portfolio of projects and their expected outcomes, and matching resources to complement the EDA grant. For each specific proposed project, coalitions were also asked to outline implementation, financing, and measurement details in six-page component narratives. Brookings Metro analyzed these 60 Phase 2 finalists in "The future of place-based economic policy: Early insights from the Build Back Better Regional Challenge."[18]

FIGURE 1

Timeline of the Build Back Better Regional Challenge

SOURCE: Brookings review of EDA press releases, the BBBRC's program website, and conversations with EDA officials.

Ultimately, the 60 Phase 2 coalitions submitted funding requests totaling $4.3 billion—well beyond the BBBRC's $1 billion allocation. Given this gap, in May 2022, all 60 applicants were offered the opportunity to prioritize funding through a budget request reduction process after applications were received. Then, an Investment Review Committee (IRC) assessed all completed applications and made recommendations. In some cases, the EDA ultimately selected a subset of component projects for funding or funded component projects at a reduced level, requiring applicants to modify projects during the award process. In September 2022, the EDA selected 21 of the 60 coalitions for implementation awards, ranging in size from $25 million to $65 million, to be spent over a five-year period.[19]

In early 2023, Brookings Metro selected seven of those 21 coalitions that reflect a diversity of characteristics to participate in a qualitative research process that followed them through the first year of implementing their BBBRC awards. Complementary to other BBBRC research and technical assistance projects underway, this report focuses on the lessons learned from the early implementation of a major, federally funded place-based economic strategy.

BOX 2

Research and insights on the Build Back Better Regional Challenge

Brookings Metro is working with the Economic Development Administration to research, document, and assess the implementation of the Build Back Better Regional Challenge. Brookings Metro's research focuses primarily on the early implementation stage of this program to distill lessons for innovation-based economic development and evaluate what early phases of transformative place-based economic development strategies look like. The EDA's other research partners include:

Research Triangle Institute (RTI). In conjunction with the State Science and Technology Institute (SSTI), RTI is leading the BBBRC community of practice. In this role, RTI is the "front door" for regional grantees to raise issues, surface ideas, and seek technical assistance. The Community of Practice will facilitate network-building and information sharing among the BBBRC's 39 finalists and 21 awardees. RTI and SSTI have compiled research and insights from the Community of Practice at https://www.buildingbetterregionscop.org/.

Purdue University. The Purdue Center for Regional Development is conducting a quarterly survey of BBBRC awardees to collect data on regional economic impact, investment, and other outputs and outcomes. Purdue also plans to monitor macroeconomic indicators in BBBRC regions to evaluate what most impacts economic competitiveness and inclusive growth.

University of Michigan-New Growth Innovation Network (NGIN). The University of Michigan and NGIN are conducting a four-year equity analysis with awardees from the BBBRC and Good Jobs Challenge. Through this analysis, the University of Michigan and NGIN will identify equity best practices among recipients of these federal challenge grants.

Goodskills graduate Roberta Dixon works on her shift at Eastman Machine, a Buffalo-area company that producing cutting and material handling machines, where she was hired as a Manufacturing Technician immediately following graduation | Photo credit: Goodwill Industries of WNY

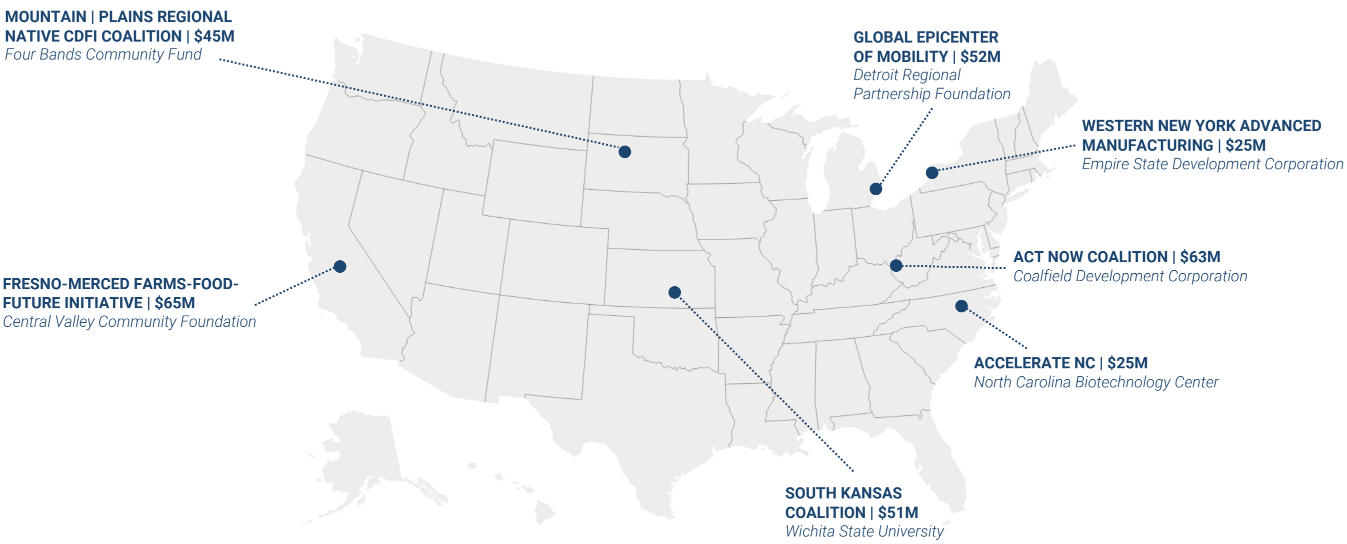
Methodological approach

CASE STUDY OVERVIEW

This report synthesizes insights gathered from three rounds of qualitative interviews and site visits conducted with individuals engaged in the BBBRC coalitions profiled in this case study series, including senior leadership, implementing staff, private sector investors, community-based partners, and other major stakeholders (n = 99 interviews). Insights from these interviews are supplemented by in-depth reviews of coalition documents, grantee progress reports, external background research, and other Brookings Metro publications about federal investments in place-based economic development over the past several years. The coalitions profiled in this case study series were selected to ensure that the insights in this report reflect a diverse set of coalitions based on their location, urbanicity, institutional leadership, cluster maturity, and industry focus.

FIGURE 2

This case study series profiles seven coalitions awarded funding through the Build Back Better Regional Challenge



SOURCE: Economic Development Administration

ABOUT THE COALITIONS

Abridged versions of the EDA's official descriptions[20] of its investments in the seven coalitions profiled in this case study series are provided below:

- **Accelerate NC:** This $25 million EDA investment supports the Accelerate NC - Life Sciences Manufacturing coalition, led by the North Carolina Biotechnology Center (NCBiotech), in strengthening the state's life sciences sector by investing in a more robust pipeline of biotech talent across the state and expanding those opportunities to underserved and historically excluded communities.

- **Fresno-Merced Farms-Food-Future (F3) coalition:** This $65 million EDA investment supports the Farms-Food-Future (F3) coalition, led by the Central Valley Community Foundation, in driving agriculture innovation in California's Central Valley by accelerating the integration of technology and skills in the region's agriculture industry—improving productivity and job quality for existing farmworkers while driving a more resilient and sustainable food system.

- **Mountain | Plains Regional Native CDFI coalition:** This $45 million EDA investment supports the Mountain | Plains Regional Native CDFI coalition, led by the Four Bands Community Fund, in growing the Indigenous finance industry in Montana, North Dakota, South Dakota, and Wyoming by expanding economic opportunity in Native American communities through an alliance of nine Native community development financial institutions (CDFIs).

- **Western New York Advanced Manufacturing:** This $25 million EDA investment supports the Western New York Advanced Manufacturing coalition, led by the Empire State Development, in strengthening the region's advanced industry cluster through modernized manufacturing practices and inclusive talent transformation.

- **Global Epicenter of Mobility (GEM):** This $52 million EDA investment supports the Global Epicenter of Mobility (GEM) coalition, led by the Detroit Regional Partnership, in catalyzing the mobility sector in Michigan by transforming Southeast Michigan's legacy automotive industry into a highly competitive advanced mobility cluster.

- **South Kansas coalition:** This $51 million EDA investment supports the South Kansas coalition, led by Wichita State University, in strengthening aerospace production in South Kansas by reinforcing the United States' competitive advantage and global market share in aerospace production.

- **Appalachian Climate Technology (ACT) Now coalition:** This $63 million EDA investment supports the ACT Now coalition, led by Coalfield Development, in spurring job growth in 21 economically distressed and coal-impacted counties in Southern West Virginia by creating a hub of clean energy and green economy jobs.

Members of the Mountain | Plains Regional Native CDFI coalition and partners gather to fuel the region's Indigenous Finance Industry at Blackfeet Nation, Montana.
Photo credit: Mountain | Plains Regional Native CDFI Coalition

Sharon Small, Executive Director of Peoples Partners for Community Development, and Gerald Sherman, Founder of the Mountain | Plains Regional Native CDFI coalition, laughing during a site visit to Four Bands Community Fund on the Cheyenne River Reservation, South Dakota. Photo credit: Mountain | Plains Regional Native CDFI Coalition

Seven lessons to guide place-based economic development strategies

This section distills insights from the seven case studies to understand the early impact of the Build Back Better Regional Challenge and use those lessons to inform the practice of place-based economic development more broadly. These seven lessons draw from how BBBRC coalitions are meeting market demands, strengthening economic assets, embedding equity and inclusion, and evaluating and governing their strategies. While grounded in the experience of a federal challenge grant, the institutional dynamics, strategic choices, implementation challenges, and early outcomes explored in this section will be relevant to any community that is seeking to advance more equitable economic growth via a coordinated strategy across multiple institutions, sectors, and investments. These lessons will have relevance to leaders from a wide range of institutions working in local communities, including economic development organizations, workforce boards, research universities, cluster groups, community-based organizations, labor organizations, infrastructure and planning agencies, and local, state, and tribal governments. Most importantly, these lessons—pursued in tandem at a comprehensive scale—can provide a roadmap for the future of place-based economic development.

Lesson 1. Build a diverse cross-sector coalition: Cross-sector coalitions are critical to the success of place-based economic development strategies, offering and motivating a coordinating structure that enhances collaboration.

The BBBRC required coalitions of leaders and institutions to elevate their capacities to design, finance, implement, and sustain inclusive, cluster-based economic development strategies. Yet the trajectory of key industry clusters in any regional economy is influenced by the complex interplay of regional drivers that are outside of any individual institution's direct control. Influencing these drivers requires unique levels of collaboration. To enable such collaboration, place-based policies require a center of gravity—a cross-sector coalition—to begin the process of developing a place-based strategy to shift a regional economy's trajectory. After reviewing the drivers that underpin equitable economic growth, this lesson explores the civic capabilities required to influence those drivers in a coordinated manner. It concludes with how BBBRC participants formed cross-sector coalitions as the organizing structure to enable such collaboration.

In North Carolina, a Career Celebration of recent training participants now in life sciences manufacturing careers. | Photo credit: Wake Tech CC

REGIONAL DRIVERS UNDERPIN EQUITABLE ECONOMIC GROWTH

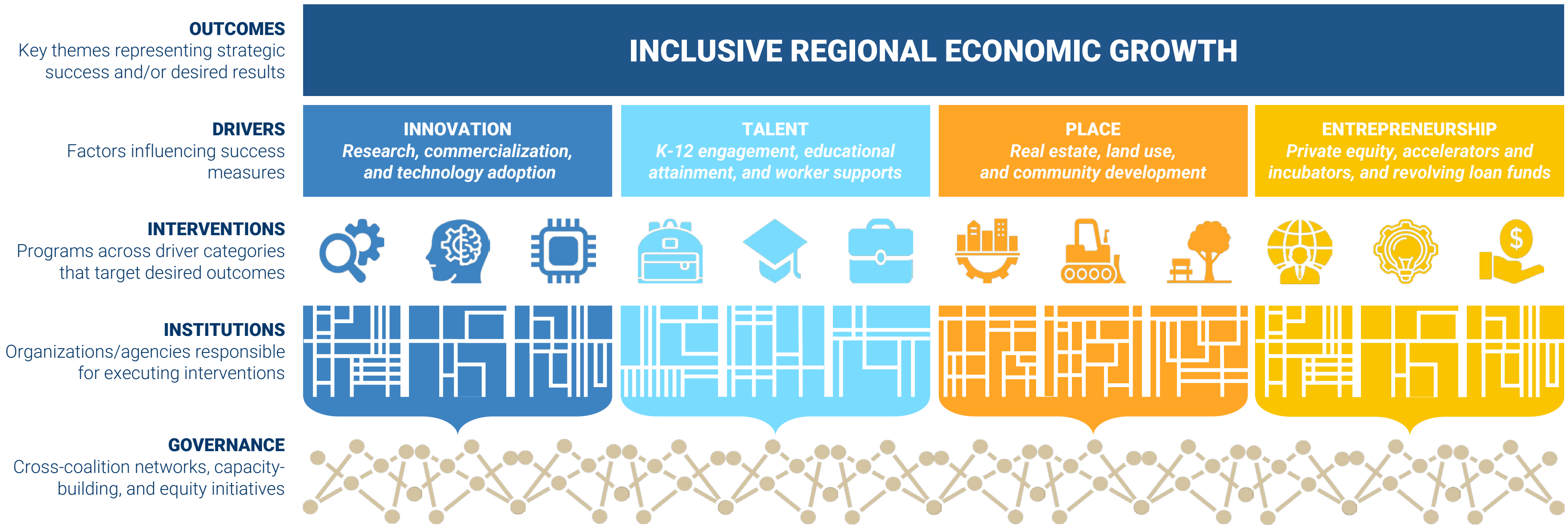
Inclusive economic growth is a complex process influenced by many drivers: innovation, talent development, infrastructure and placemaking, and entrepreneurship. These drivers uniquely combine in regions to spur economic development, but they are each influenced by different organizations operating with different incentives, timelines, and resource bases.[21] Governance—meaning the process for how institutions come together to influence those drivers in a coordinated manner—also matters significantly to economic development.

Importantly, equitable access to these elements of a regional economic system is critical to competitiveness. Over the past two decades, a growing body of research has demonstrated that economic and demographic inclusion creates widespread economic benefits, and exclusion exacts significant economic costs.[22] Metro areas that offer greater equality of opportunity for low-income individuals have higher aggregate economic growth, since they maximize the talent and entrepreneurial bases on which their growth and productivity depend.[23] In doing so, these metro areas minimize the fiscal and social costs of exclusion, and foster environments that allow for better collective decisionmaking to shape their economic future.[24]

In sum, several economic drivers influence inclusive regional growth, and many institutions influence those drivers. Therefore, launching a place-based strategy requires multi-institutional collaboration.

FIGURE 3

Institutions drive regional economic growth through a wide range of interventions



SOURCE: Brookings Metro

COLLABORATIVE CAPACITY IS IMPORTANT FOR COORDINATING INVESTMENT IN KEY DRIVERS OF EQUITABLE GROWTH

The BBBRC was distinct in that it provided regions with a multi-year infusion of flexible resources to create an economic development strategy that invests in job training, entrepreneurship acceleration, and real estate all at once to strengthen a key industry cluster. Yet coordinating these inputs in service of a specific industry cluster requires a high degree of what we call **collaborative capacity**. Collaborative capacity is the ability to marshal networks of corporations, entrepreneurs, governments, higher education institutions, community-based groups, and labor and environmental organizations in service of equitable economic development.[25] Collaborative capacity is not just convening these actors, but very proactively and purposefully connecting them in new ways to shift the trajectory of the economy. Building collaborative capacity, while demanding, can offer three advantages in changing the trajectory of a local economy:

- **Collaborative capacity is important to achieve equity.** Building networks that include and empower historically excluded communities—and the community-based organizations that work on their behalf—is a fundamental precursor to achieving equitable development. This requires broadening coalitions beyond traditional players in technology-based economic development—such as research universities, corporate-led intermediaries, and state governments—to ensure that grassroots organizations, religious leaders, labor leaders, and community-development stakeholders are empowered in positions of influence and leadership within these networks.

- **Collaborative capacity is important to achieve efficiency and innovation.** No single institution or sector has the knowledge and abilities to address equitable development challenges in isolation, nor do regions benefit from multiple entities serving in redundant, overlapping roles. Collaborative capacity brings together institutions from different disciplines to fill critical functions, create greater efficiencies, and solve place-based challenges in new, innovative ways.

- **Collaborative capacity is important to work at the scale necessary to deliver results.** Network-building can create more widespread legitimacy and buy-in for new economic strategies that must operate at new scales to solve pr roblems. At times, this may mean "scaling up" to deliver breadth of impact across a metro area or broader region. At other times, it requires "scaling down" to the achieve greater depth of impact and connect with specific historically excluded populations or neighborhoods.

For reasons of equity, innovation, and scale, place-based strategies often require a baseline of collaborative capacity, meaning the ability to marshal networks of institutions in service of a shared strategy.

In addition to classroom work, participants worked an active Solar Holler installation | Photo credit: Coalfield Development

CROSS-SECTOR COALITIONS—AND THE STEWARDSHIP OF BACKBONE ENTITIES—ENABLE COLLABORATIVE CAPACITY

The EDA designed the BBBRC with several organizational requirements to build collaborative capacity. First, it required applicants to form "coalitions." Each coalition designated a "lead entity" as well as project implementation leads. "Partners" were organizations that supported the strategy but were not formally funded by the BBBRC program. Finally, each coalition was encouraged to name a "regional economic competitiveness officer" (RECO) to convene and coordinate the coalition.

Beyond these design elements, the EDA left considerable flexibility for coalitions to organize themselves as they saw fit. That is sensible and necessary, given the variation of institutions, norms, and cultures of collaboration across a country as large and diverse as the United States. The diversity of starting points in our case study regions reflects that. Indeed, there is no one right way to build a coalition, and the case studies accompanying this report explore coalition formation with the level of nuance it requires. That noted, several common observations emerged from the case studies:

- **Coalitions build on past collaborations.** Across all seven case studies, the BBBRC was not the first instance of collaboration among coalition members. For some coalitions, government and philanthropic funding enabled prior formal collaborations. For the **Western New York Advanced Manufacturing** coalition, many members had collaborated since 2012 through the state-led Buffalo Billion economic development strategy. In California's Central Valley, the coalition that eventually became the **Fresno-Merced Farms-Food-Future (F3)** coalition was kickstarted by the Fresno DRIVE economic planning process.[26] Other funded coalitions were more nascent, such as the **Mountain | Plains Regional Native CDFI coalition (Mountain | Plains)**, which brought together nine CDFIs from Montana, North Dakota, South Dakota, and Wyoming at the height of the COVID-19 pandemic. The varying starting points of these coalitions reflect how the EDA saw viable baselines of collaborative capacity across several contexts, suggesting that place-based policies likely require coalitions to build off of some degree of prior collaboration and trust, but should not only be reserved for places with long-term, formalized collaborations.

- **Coalitions require a backbone entity.** Over the past decade, communities have pursued new collective impact strategies to catalyze economic and social change.[27] Past evidence on the success of collective impact strategies finds that backbone entities—or "lead" entities in the BBBRC's parlance—provide the necessary staff and support to enable complex collaboration.[28] As Table 1 shows, the seven case studies reveal that a diversity of organizations can serve as backbone entities, many of whom played important roles in bringing coalitions together around a shared call to action (see Lesson 2 on page 22 for more on this).

A stakeholder engagement session bringing together the Fresno-Merced Farms-Food-Future (F3) coalition. | Photo credit: Central Valley Community Foundation

TABLE 1

Different types of organizations can serve as coalition backbone entities

Organization type	Backbone entities
Higher education institutions	Wichita State University University of Buffalo Regional Institute
Industry representatives	North Carolina Biotechnology Center
Corporate leadership groups	Detroit Regional Partnership
Community-based organizations	Coalfield Development Indigenous Impact Co. Northland Workforce Training Center
Community foundations	Central Valley Community Foundation
State economic agencies	Empire State Development

SOURCE: Brookings Metro

- **Coalitions are an expression of equity commitments.** Who is at the table in the early days of coalition formation matters for equity. In line with the NOFO's guidance, the seven coalitions highlighted equity as a fundamental consideration when forming coalitions, but acknowledged that federal grants like the BBBRC have requirements that can be difficult to meet for smaller grassroots organizations. Nearly all have projects led by organizations from historically excluded communities,[29] including minority-serving institutions (MSIs) of higher education, community-based nonprofits, and labor and environmental groups. Two coalitions—**Mountain | Plains** (tribal) and **ACT Now** (rural)—are led by organizations from historically excluded communities.[30] One leader in West Virginia emphasized how coalition-building itself was a key expression of equity as a value, and a needed process to build trust across a wide range of grassroots organizations.

Like any muscle, collaborative capacity must be strengthened over time, most typically through the establishment of cross-sector coalitions.

Voices from West Virginia:

"We consciously and purposefully expanded the coalition to try to be equitable and inclusive and pay it forward. A lot of us...sort of took the smaller organizations under the wing. That introduced new voices, new perspectives, and the trust hadn't been earned. We opened ourselves up to investing a lot of time and energy into building that trust and that rapport with both partners, new and old."

– Brandon Dennison, Coalfield Development

Main takeaway from lesson 1

The first lesson from the BBBRC is that collaborative capacity underpins successful place-based economic strategies, and cross-sector coalitions—anchored in prior collaboration, reinforced by a backbone entity, and strengthened by inclusive outreach and equitable participation—are foundational to building collaborative capacity.

HOW COALITIONS FORMED

Lesson 2. Align the coalition around a shared call to action: Cross-sector coalitions need a shared call to action that is inspired by a window of opportunity, grounded in diverse and inclusive participation, enabled by effective facilitation, and anchored in a credible assessment of "where we are as a region" and "where we can go together."

In 2021, in the wake of a global pandemic, deep recession, and social and racial reckoning, coalition leaders were working hard to create better jobs, educate workers, improve neighborhoods, and make overall economic growth more inclusive for their residents, businesses, and communities. Yet these efforts were too often operating in isolation, with insufficient resources.[31] As a result, they were struggling to address significant challenges to equitable economic growth in their communities, with tremendous downstream consequences for historically excluded communities. These leaders were all too aware of the imperative for more inclusive economic growth. Their problem was not one of knowledge or motivation, but rather in marshaling the capacity—fiscal, political, and institutional—to act urgently at a scale commensurate with the problems they faced.[32]

The BBBRC's NOFO created a roadmap for regional coalitions to act at this greater scale. In Phase 1 of the competition, the EDA issued an open call for concept proposals that outlined a high-level vision for a "transformational economic development strategy," including identifying an industry cluster growth opportunity, potential investments, and a coalition to implement the strategy. The response was overwhelming: The EDA received 529 applications during the project's first phase, submitted by thousands of institutions and leaders nationwide that mobilized around this unprecedented funding opportunity.

The most successful Phase 1 respondents forged consensus through a compelling, locally designed **call to action** that spurred a diversity of institutions to make real commitments for a concrete strategy. Depending on the baseline level of shared understanding and trust in a region, this process for establishing a call to action will vary. But in general, four components were needed to build the necessary civic consensus around a call to action:

- **A window of opportunity,** or the recognition by a critical mass of stakeholders that there is a favorable moment for joint action that must be immediately seized. The BBBRC motivated a wide diversity of actors to align their efforts for several reasons. First, the program offered the prospect of large, flexible funding: BBBRC implementation awards ranged from $25 million to $65 million, a dramatic increase from the agency's typical award size.[33] Second, it provided an institution-agnostic application process. Beyond some basic requirements that applicants form a coalition and designate a "lead entity," the EDA allowed coalitions to organize themselves as they saw fit, which likely made the opportunity relevant across a wide range of institutions and communities. And third, it took the form of a multi-stage application process—beginning with a high-level five-page concept proposal—that, while still effortful, had relatively few barriers to entry relative to other federal challenge grants.

- **Diverse stakeholder partnerships** were foundational to developing a call to action. BBBRC coalitions were pushed to consider the following questions: What organizations and leaders need to be at the table contributing to this visioning process? Are the leaders and organizations representing historically excluded populations in positions of influence and decisionmaking? Is industry properly motivated and bought-in? Do potential investors understand the value proposition? Across many coalitions, there were already existing forums for these diverse stakeholders to come together. Partnerships had been built from direct past experiences. But while the BBBRC certainly built on the histories of collaboration in each region, it also evolved the types of institutional partnerships involved in regional economic development strategies, especially to include more community-based organizations with direct ties to historically excluded communities.

- **Trusted facilitation** is required to bring diverse stakeholders together to make progress toward a shared call to action, and it proved important to coalition development. The diversity of organizations that found relevance in the BBBRC meant that leaders were also coming to a shared table with distinctive organizational missions, incentive structures, lived experiences, and biases. Bridging these differences required a trusted facilitator to communicate across diverse stakeholders, offer forums for dialogue and debate, and conclude the process with some form of consensus around the path forward. BBBRC coalitions needed to determine: What organizations and leaders are well positioned to construct and socialize a call to action? What technical and civic capabilities are required to execute that process?

- **A credible, compelling assessment** is the final component of a call to action. For credibility, have the conclusions of the process gone through a rigorous assessment of the region's economic opportunities and constraints? Has the diagnosis considered what institutions are already doing, and whether those approaches are working? Is there a clear and compelling synthesis to align the coalition to fill gaps and seize new possibilities? The five-page concept proposals were the ultimate manifestation of these assessments, which meant that they not only needed to achieve these internal objectives, but also be compelling to external audiences—in this case, the EDA.

Undoubtedly, some of these components—especially trusted facilitation—are present when building a cross-sector coalition in the first place. But we found that these components are even more necessary during the condensed sprint to align the coalition around a concrete strategic opportunity. The **Fresno-Merced Farms-Food-Future (F3)** coalition epitomizes how coalition-building and a strong call to action can advance local progress. The coalition's call to action was to "spur inclusive innovation and commercialization with supports that proactively engage small farmers and entrepreneurs alongside multinational companies; building a seamless talent development pipeline; and catalyzing local market growth of the small-scale farm and food industry."

This call to action emerged from a challenging baseline: Despite producing an outsized share of the nation's agricultural output as the "agricultural heartland" of California, the Central Valley has some of the highest food insecurity and poverty rates in the United States. This contradiction inspired a new economic approach in the Fresno-Merced region, one built upon a much broader set of stakeholders. In the decades leading up to the COVID-19 pandemic, traditional economic development practices were increasingly being called into question by a resurgent power-building movement led by environmental groups, workers' rights advocates, and other community-based organizations.[34] These movements heavily influenced the priorities of an equitable economic development strategy effort that predated the BBBRC, called Fresno DRIVE, led by the Central Valley Community Foundation. In 2020, Fresno DRIVE resulted in a 10-year, $4 billion community investment plan anchored by 14 initiatives. Fresno DRIVE was developed with input from a diverse

Voices from Fresno-Merced:

"I would advise regions to think more about their work as community mediation and conflict resolution than economic development. This world of inclusive economic development needs to develop a cadre of people who are skilled at community-based conflict resolution and mediation in the economic realm."

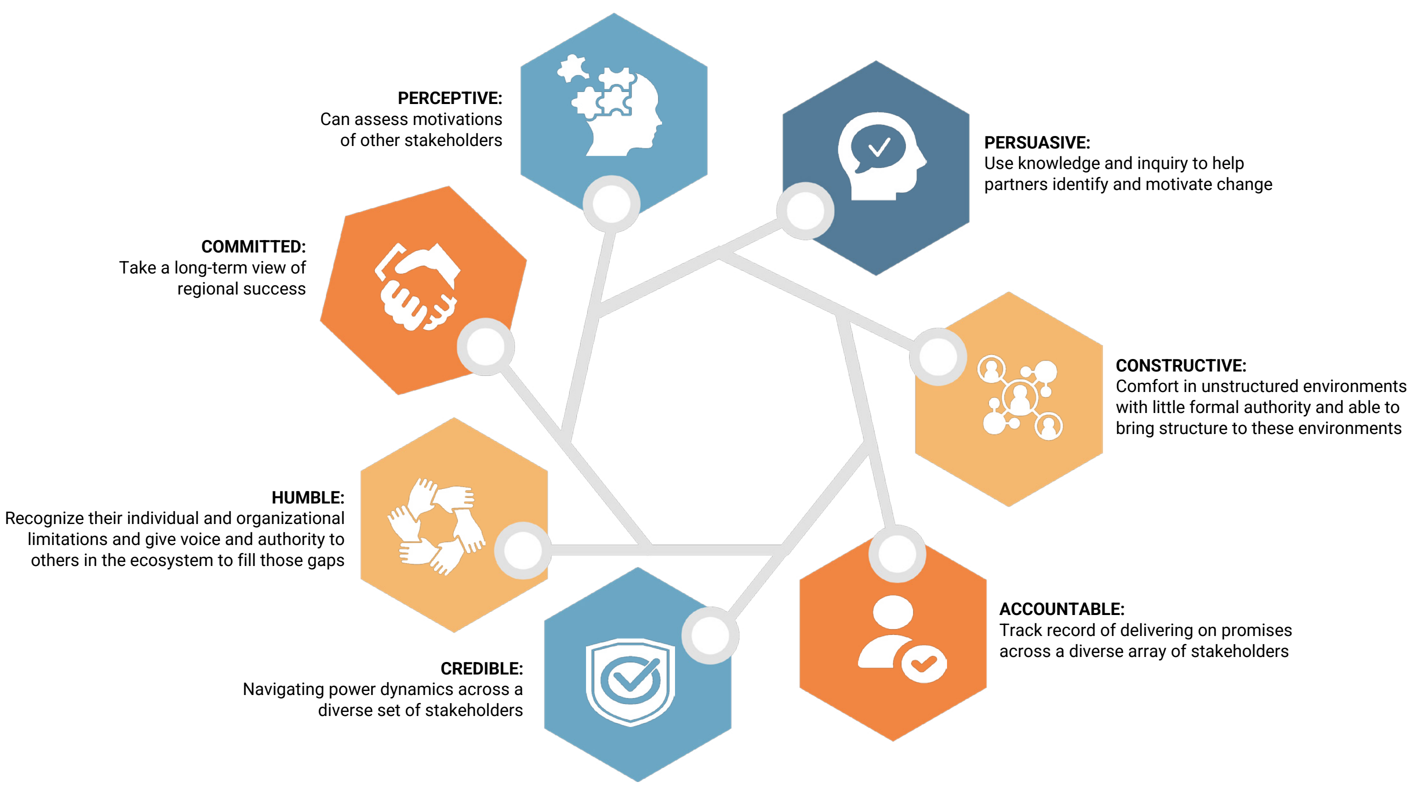
– Ashley Swearengin, Central Valley Community Foundation steering committee representing civic, business, and community organizations from across the region.[35]

One of Fresno DRIVE's ideas—F3—served as the basis for the BBBRC application. F3 brought together labor groups, environmental groups, and agribusiness leaders, who had historically experienced tension due to a legacy of labor abuses, environmental degradation, and job displacement in the industry. Yet by convening groups that are not often in the same room together—and expanding the Fresno DRIVE strategy to encompass the five-county region of Fresno, Kings, Madera, Merced, and Tulare—F3 stakeholders were able to agree that the region would benefit from enhanced job pathways into high-quality agrifood technology; more dynamic agricultural innovation to meet the needs of industry partners, small-scale farmers, and food entrepreneurs; and the development of climate-friendly technologies in agriculture.

Given the history of distrust between groups in the region, simply achieving consensus across such a diverse coalition can be considered a success. Interviews with multiple coalition members pointed to the Central Valley Community Foundation as playing the role of trusted facilitator, leveraging its connections to grassroots organizations, industry, government, and higher education; its data-driven economic assessment process; and its mediation capabilities. Central Valley illustrates how a shared call to action requires civic trust, which, in turn, demands facilitators with a unique blend of attributes (Figure 4).

FIGURE 4

Seven key leadership attributes help facilitate calls to action



SOURCE: Brookings Metro

Main takeaway from lesson 2

By providing a unique "window of opportunity," the BBBRC motivated coalitions to craft a shared call to action. For a call to action to have legitimacy, though, it requires diverse stakeholder engagement, trusted facilitation, and a credible, compelling assessment to identify potential economic opportunities and existing constraints. Importantly, the conditions that motivated strong calls to action can be recreated outside of federally led challenge grants. As we explore in the Implications section, state governments, philanthropies, and other investors can replicate this "window of opportunity" to motivate similarly ambitious economic visions.

HOW COALITIONS ALIGNED AROUND A CALL TO ACTION

Lesson 3. Source signature project ideas through technical analysis and civic outreach: Identifying signature projects to operationalize regional strategy is a process with both technical and civic elements, each requiring specific capabilities.

The prospect of significant capital investment inspired BBBRC coalitions to cohere around more ambitious visions. But once coalitions were formed, they needed to apply for funding at the project level while also indicating how those projects could align in a coherent strategy to support the cluster's growth. Because communities are rarely presented with the real prospect of securing investments at the scale of the BBBRC, place-based economic development strategies often struggle to move from compelling calls to action to concrete discussions and debates about signature investments. Especially for the 60 Phase 2 coalitions that participated in a hyper-intensive planning sprint, the BBBRC incentivized coalitions to identify signature investments with specific implementation partners, budgets, and expected outcomes—leaving them with an investable portfolio of projects even if they were not provided implementation funding. To determine where to invest scarce resources, coalitions undertook a project identification process with both technical and civic elements, beginning in Phase 1 but ramping up much more aggressively after being selected for Phase 2 (and provided a $500,000 technical assistance grant).

Technical capabilities such as industry analysis, technology road-mapping, institutional assessments, and financial planning were important elements in the project selection process. Applicants needed to credibly identify the market failures inhibiting their cluster and how projects could address those failures to unleash economic development that would not have otherwise occurred. Through the application process and in subsequent site visits, the EDA asked applicants to explain why the government's resources were specifically needed, and how those resources would affect the competitiveness and equity of the chosen cluster. Answering these questions requires considerable technical capabilities to source both the market insights and knowledge of existing institutions. Several approaches were common across the case studies:

- **Road-mapping to identify key technologies.** Disruptive technologies such as robotics and artificial intelligence are shifting key industries, creating the need for technology adoption strategies that help small and midsized companies stay at the cutting edge. In **South Kansas**, leaders at Wichita State University noted that project selection focused heavily on "turbo-charging" market-ready technologies and their adoption among suppliers in the aerospace cluster. To determine this, the coalition worked closely with equipment manufacturers, technology experts, and organizations using advanced equipment to determine which

Voices from Western New York:

"We just know that we'll fall behind if we don't think about tech as part of our economy. It is cross-cutting across the sectors, and we will fall behind if we can't fill those jobs. And again, there's a lot of overlap between manufacturing and tech, so we really wanted to be thoughtful about the future, thinking about where manufacturing is headed."

– Laura Quebral, Center for Regional Strategies products and technologies were ready for the market, such as metallic additive manufacturing and hybrid robotic manufacturing. Such road-mapping exercises require considerable technical expertise, often housed at research universities, scientific organizations, and corporations.

- **Labor market forecasting to identify in-demand jobs.** Technological shifts are also creating significant changes in the labor market. In **Western New York**, the region's long-standing manufacturing sector has become much more technology-intensive, as companies adopt robotics and automation. The lines are increasingly blurry between the region's fast-growing but nascent "tech" sector and its legacy manufacturing sector. Labor market analysis in the region revealed that both sectors will grow over the next decade, and each provides technical jobs (many of which are going unfilled) that do not require a four-year degree. Regionally based data and research organizations, economic development groups, and workforce organizations are often sources for such labor market analytics.

- **Surveys to identify key worker needs and barriers.** Often, coalitions needed to conduct explicit outreach to target populations to inform project selection and design. In **Fresno-Merced**, for example, a central objective was to deploy agricultural technology as a tool for inclusion and prosperity rather than one of worker displacement and exploitation. To ensure representation for farmworkers who may not be able to participate in a formal coalition structure, they conducted several farmworker engagement activities, including two surveys (receiving 250 complete responses), six outreach convenings, and numerous informal conversations, to hear directly from farmworkers about their hopes and concerns for these new technologies.

Civic capabilities in areas such as stakeholder engagement, strategic planning, coalition management, and trusted facilitation were perhaps even more important than the technical side. Strong implementation requires that coalition members be fully bought-into the project portfolio, necessitating a transparent process in which a diverse set of communities and institutions feel included and empowered to contribute their experiences, ideas, and resources. Bringing those perspectives together into a coherent, investable strategy requires trusted facilitation, which is why the EDA's RECO suggestion was an important design element. Acknowledging their many nuanced gradations, we identified three types of project identification processes, each influenced by broader norms of collaboration and governance, across our seven case studies:

- **Distributed process.** Coalitions using this model created formal mechanisms to crowdsource project ideas. The Southeast Michigan-based **Global Epicenter of Mobility (GEM)** coalition used a quasi-procurement strategy to solicit "requests for proposals" from industry leaders, economic developers, and other partners to identify their needs gaps and industry focuses, as well as gather preliminary ideas for component projects. These proposals were then organized by their high-level thematic domains and reviewed by the lead entity—the Detroit Regional Partnership (DRP)—based on their alignment with the NOFO requirements and the EDA's investment priorities. In total, the DRP received over 20 responses to this solicitation, with nearly all advocating for the region's BBBRC proposal to focus on advanced mobility and vehicle electrification.

- **Consensus-based process.** Coalitions using this model brought organizations into a more formal, consensus-based decisionmaking process about key investments. For the **Mountain | Plains** coalition, most major coalition decisions are made by unanimous consent. As one leader said, "We are all equal partners in this. And everyone knows that. There is not any one coalition that is better than anyone else, and we acknowledge that moving forward." Similarly, the **ACT Now** coalition in West Virginia brought small, grassroots nonprofits alongside larger local governments, universities, and economic development groups to have an equal say in all decisions regarding the coalition, operationalized by a consensus-based voting structure. For these coalitions, a consensus-based leadership model was an important expression of the values of equity and justice, provided that less well-resourced organizations were compensated for their time.

- **Centralized process.** Coalitions using this model relied disproportionately on a strong planning organization with broad existing credibility. For example, the **South Kansas** coalition and **Accelerate NC** relied on Wichita State University and NCBiotech, respectively, to run more centralized processes. Each of these organizations was a trusted broker and strong strategic planner that knew the existing opportunities, needs, and ongoing activities within the aerospace and life sciences clusters, respectively. Project identification was more informal, with the lead entity conducting outreach to existing and potential collaborators and soliciting their ideas on potential projects and investments. In this context, interviews revealed that time-constrained leaders in these coalitions were amenable to outsourcing much of the BBBRC planning process to the lead entity.

Voices from North Carolina:

"What the North Carolina Biotechnology Center does incredibly well, and the region for that matter, is collaborate. In Made in Durham's case, we were already at the table as a key workforce development partner of the Center's. And so when BBBRC came along, we had heard of it, but it was really the leadership of NCBiotech. They reached out and said, 'We like what you're doing. You fit the model. We're already partnering, and feel this is as much yours as it is ours. So, do you want to come on board as part of the group?'"

– Casey Steinbacher, Made in Durham

There are inevitable tradeoffs across these approaches. Centralized processes often require very well-established institutions with high degrees of existing legitimacy. But they may run the risk of overlooking institutions that are not already existing collaborators, which could reinforce existing inequalities and power imbalances within a community. Consensus-based processes emerge when considerable upfront communication and collective decisionmaking are needed to secure buy-in. Ensuring that smaller organizations are compensated for their participation is critical. Distributed processes fall somewhere in the middle, relying on a lead entity while also doing more formal outreach for ideas. Yet these solicitation exercises depend on an array of organizations to opt-in to contributing their ideas and voice. One **GEM** coalition stakeholder in Southeast Michigan referred to the process as a "Catch-22," where small organizations that do not have the capacity to write and orchestrate large federal grants may not be the best candidates for federal funding, but excluding them from strategy-setting and discussions about project identification introduces substantial equity limitations.

Executing all these approaches requires dedicated staff and resources, both within the context of the BBBRC and for broader economic development planning processes. The BBBRC requested each coalition designate a RECO to facilitate the project identification process, although that individual was oftentimes balancing the BBBRC application with their prior day-to-day responsibilities. By all accounts, Phase 2 planning was a very intense, straining process for the coalitions, partly because it had to occur over a three-month timeframe and required dedicated full-time staff. Many of the BBBRC's design elements—dedicated planning staff, clear requirements from which to identify projects, and an intentional process to solicit ideas—could be replicated outside the federal challenge grant context, but they require upfront resources to achieve.

Main takeaway from lesson 3

The BBBRC incentivized coalitions to operationalize high-level calls to action by identifying signature projects with specific budget amounts, implementation partners, and expected outcomes. This strategy development process, particularly in Phase 2, left coalitions with a concrete portfolio of investable ideas. The case studies reveal that project identification processes require two sets of capabilities. Technical capabilities are needed to identify the core opportunities and constraints facing the local economy. Civic capabilities are needed to engender buy-in among a diverse set of stakeholders to finance and deliver those projects. This process requires considerable time and effort, but with dedicated resources—such as the EDA's $500,000 technical assistance grants to Phase 2 finalists—it could be replicated nationwide, such that every region in America has an investment-ready equitable economic development strategy.

HOW COALITIONS IDENTIFIED PROJECTS

Lesson 4. Select signature projects that together enhance productivity and equity: Well-crafted projects can enhance both productivity and equity—addressing barriers in a holistic way that differs from conventional economic development practice.

For projects to scale up and strengthen the economy, they must evolve and improve the key systems that shape a cluster's development.[36] The BBBRC recognized that cluster development requires multiple investments in several critical drivers of economic competitiveness and inclusive growth. The EDA asked respondents to design project portfolios "organized under a singular vision to support industry growth across the region."

In response, the 60 Phase 2 coalitions submitted funding requests well beyond the BBBRC's $1 billion allocation. The average Phase 2 funding request submitted to the EDA was approximately $75 million, while the average award amount available in the competition budget was approximately $50 million. Given this gap, in May 2022, all 60 applicants were offered the opportunity to prioritize funding through a budget request reduction process after applications were received. Then, an Investment Review Committee (IRC) assessed all completed applications and made recommendations. In some cases, the EDA ultimately selected a subset of component projects for funding or funded component projects at a reduced level, requiring applicants to modify projects during the award process.

In total, the 21 BBBRC coalitions anticipate investing $1.26 billion in new projects: $967 million from the EDA and $295 million from non-federal matching funds. Of this sum, nearly $200 million had been deployed as of the end of 2023 (see Figure 3).[37]

Graduating students at Forsyth Tech, one of Accelerate NC's biotechnology training partners | Photo credit: Ash Lucero

TABLE 2

Coalitions awarded funding through the BBBRC are investing $1.2 billion in critical economic drivers

	EDA funding	Match funding	Total funding
Talent development	$323 million	$98 million	$421 million
Innovation	$250 million	$76 million	$325 million
Infrastructure and placemaking	$133 million	$58 million	$190 million
Entrepreneurship and capital access	$179 million	$47 million	$226 million

SOURCE: Brookings Metro analysis of Economic Development Administration data. Numbers may not sum due to rounding.

This section explores project design across four main categories: talent development, innovation, infrastructure and placemaking, and entrepreneurship and capital access (we explore a fifth category—governance—in a later section). Since these projects are still in the process of design and launch, it is too early to assess their ultimate outcomes. Rather, we selected these investments because they exemplify how signature projects can advance the BBBRC's dual, mutually reinforcing objectives of high-quality growth and equity. The case studies provide further detail on each coalition's signature projects.

- **Talent development** projects address skill, competency, and education deficits within the cluster through K-12 programs, higher education degree programs, workforce training programs, apprenticeships, internships, and other talent pipeline initiatives. For example, the **Accelerate NC** coalition's BBBRC grant is supporting a $7.5 million investment that extends a two-week biopharmaceutical training course currently offered at North Carolina Central University (NCCU) to six minority-serving institutions (MSIs) across the state. This investment in the state's talent development infrastructure will support Accelerate NC's mission to fill the 12,500 new life science manufacturing jobs expected to be created in North Carolina over the next few years with existing residents (instead of just in-migrants) and will ensure the entire state can benefit from the industry's rapid expansion. The short course also serves as an initial proof-of-concept for how the North Carolina higher education system can collaborate in a critical state industry.

- **Innovation** projects address product development and innovation gaps within the cluster through R&D investment, technology adoption assistance programs for small and midsized businesses, product commercialization initiatives, and supply chain advancements. For example, the **South Kansas** coalition is investing $50 million ($26 million in federal funding plus $24 million in non-federal funds) in a new Hub for Advanced Manufacturing and Research facility at Wichita State University that combines a small-scale physical shop floor with capabilities to conduct digitally enabled smart-manufacturing research, which the region's small and midsized manufacturers (SMMs) will be able to use to test out new advanced manufacturing technologies. This investment will support the region's wide base of SMM suppliers in adopting the cutting-edge technologies that are widely available to large manufacturers, but are typically too expensive or complex for these suppliers to purchase on their own.

- **Infrastructure and placemaking** projects provide physical ecosystem improvements to facilitate cluster growth, typically through tailored infrastructure development, site preparation, supportive infrastructure, and multi-purpose real estate development. For example, a core element of the **Western New York Advanced Manufacturing** coalition's strategy is its $18 million investment in the redevelopment of several industrial properties on Buffalo's East Side (an area with a long history of systemic disinvestment and poverty). These infrastructure improvements are co-located with some of the East Side's existing economic assets (including Buffalo Manufacturing Works and the Northland Workforce Training Center) and will create a new leasable space for local manufacturers, employers, and workforce training providers seeking to relocate or expand into the neighborhood. Through this approach, the coalition aims to ensure that low-income, high-poverty communities like the East Side are not left behind as the region's advanced manufacturing sector becomes more technology-intensive.

- **Entrepreneurship and capital access** projects provide critical resources to young firms and entrepreneurs to support startup growth and innovation, typically through private sector equity facilitation, accelerator and incubator programs, and revolving loan funds. For example, the **Mountain | Plains** coalition's $24 million revolving loan fund project will enable the nine CDFIs in the coalition to provide lending services to Native American entrepreneurs and businesses. This investment will expand capital access to Native American businesses wishing to start and/or expand operations, enabling them to hire more people, provide jobs for tribal citizens, and support economic activity on tribal land. The revolving structure of this program will also allow the coalition's CDFIs to continue making loans once the original loans are repaid, helping fill a significant gap in capital access for Native markets created by the fractured landscape of Native land ownership and lack of access to mainstream financial institutions.[38]

The remainder of this section explores the factors that were considered to select projects. Our interpretation of the NOFO combined with interviews with coalition members revealed that five selection criteria stood out, summarized below in Table 3 with illustrative projects from our case studies. Importantly, the "FRAME" project selection framework described below represents an interpretative summary of the project selection process, distilling requirements in the BBBRC NOFO alongside the sentiments coalition members expressed in interviews. Coalitions did not follow this rubric explicitly, nor necessarily used this specific language when making decisions. Each coalition weighed factors differently and developed their own unique decisionmaking process. Nevertheless, we summarize these five criteria in the hopes that they are a useful framework as leaders across the country make hard choices on where to channel scarce resources in support of place-based economic development strategies.

- **Failure (of markets):** Is the project addressing a genuine market failure that requires public investment?
- **Resources:** Is there sufficient capital, including from non-federal matching sources, to resource the project sustainably?
- **Alignment:** Does the project align with the call to action and form a cohesive whole with other projects?
- **Momentum:** Is there existing stakeholder momentum and community buy-in for the project?
- **Equity:** Is the project likely to benefit historically excluded groups and the institutions that serve them?

TABLE 3

Five key factors influenced project selection, as exemplified by four sample projects

	TALENT	INNOVATION	ENTREPRENEURSHIP	INFRASTRUCTURE
	Accelerate NC *HBCU and HAIU Coalition*	***South Kansas*** *NIAR Hub for Adv. Manufacturing and Research*	***Mountain | Plains*** *Revolving Loan Fund (RLF)*	***Western NY*** *BUDC Industrial Building*
Failure (of markets)	Lack of information and awareness about careers in life sciences; insufficient investment in training programs to meet industry demand	Barriers to cutting-edge technology adoption for small and midsized suppliers	History of intentionally destructive federal policymaking complicates Native land ownership, asset-building, and access to capital	Concentrated blight and distress limits private market activity on Buffalo's East Side
Resources	Industry committed unencumbered match funding to support the training network	Significant funding from Kansas state legislature ($16 million) and WSU ($8 million), as well as in-kind match from WSU negotiating below-market rate prices for equipment	Coalition CDFIs initially co-invested in RLF, but now in process of determining whether to waive matching requirement	Supplemental $55 million investment by Empire State Development
Alignment	Short course is complemented by outreach and awareness efforts (e.g., Community Ambassador program) in other projects in the portfolio	NIAR Hub complemented by skills training programs and industry-targeted outreach projects	RLF complemented by additional project-based investments in workforce development, physical infrastructure, and coalition shared services	Neighborhood revitalization provides physical improvements to match other BBBRC investments in talent development and business support
Momentum	NCCU had already piloted the short course; existing professional networks allowed coalition to spread to other HBCUs and HAIUs	NIAR Hub is embedded into WSU's broader 10-year innovation campus development plan; BBBRC effort preceded by multiple regional growth plans	CDFIs had already been actively collaborating before and during the COVID-19 crisis, with clear consensus that new capital sources were needed	Infrastructure improvements built on momentum of broader East Side Avenues philanthropic efforts, although there is still need for greater communication with community residents
Equity	Intentional partnership with MSIs in urban and rural settings; training is free to maximize access; provides investment in equipment in MSI science labs to build long-term capacity	No explicit equity focus, but complemented by WSU and coalition partner efforts to connect historically underrepresented groups to careers in advanced manufacturing	The only Native-led, and primarily Native-women-led, coalition; supports entrepreneurs passed over by the mainstream financial industry	Explicit focus on improving the physical, social, and economic assets of a high-poverty neighborhood on East Side of Buffalo

SOURCE: Brookings Metro

Future place-based policies must acknowledge that one of these factors—resources, and specifically how applicants found "match" resources—presented both opportunities and challenges for coalitions. Cost-sharing between the federal government and grantees is a common practice, since it helps federal dollars find additional financial leverage and ensures that recipients have some "skin in the game." For regions with state governments, philanthropies, and corporations ready and willing to co-invest, this matching requirement helpfully aligned resources around a shared strategy. Yet resource endowments remain highly uneven across the country, with many smaller communities and rural areas facing unique challenges after being under-resourced for decades. This creates a difficult equilibrium, in that the very same regional inequities in access to resources that inspire place-based policies in the first place could prevent places from participating if they cannot offer competitive matching funds.

For the BBBRC, financial match was a "competitive factor," although not technically a requirement. The EDA signaled through its NOFO that applicants should expect the agency to fund at least 80% and up to 100% of eligible project costs, with the determination of increasing the federal share beyond 80% being considered on a case-by-case basis. Additionally, the EDA indicated it would fund a maximum investment rate of up to 100% for Native American tribes' projects, and in "very limited other circumstances." These details were important as coalitions put together their final project portfolios, because determining where non-federal investors could provide support was a crucial factor. Indeed, all seven case study coalitions were able to provide an upfront financial match, although the burden of providing that match was not even. The challenges in meeting the match requirement were particularly pronounced for the **ACT Now** coalition in Southern West Virginia and the **Mountain | Plains** coalition, with the latter coalition later securing a match waiver for a portion of its component projects.

Executive Directors of the Mountain | Plains Regional Native CDFI Coalition wrap a blanket around Christianne Lind and Karla Miller of the Northwest Area Foundation in honor of their leadership role in growing the private ecosystem fueling the region's Indigenous Finance Industry | Photo credit: Mountain | Plains Regional Native CDFI Coalition

Main takeaway from lesson 4

The BBBRC invested in the drivers of productive, equitable regional economies: talent development, innovation, entrepreneurship, and infrastructure and placemaking. While it is too early to assess the ultimate outcomes from these investments, the BBBRC illustrates how, with proper sources and incentives, local leaders have no shortage of creative ideas to stimulate equitable economic growth. For strategists and investors across the country, BBBRC coalitions offer a blueprint for how to craft projects that meet a wide range of criteria, including solving market failures, investment-readiness, alignment with a broader strategy, local momentum and buy-in, and equitable impact.

HOW COALITIONS SELECTED SIGNATURE PROJECTS

Lesson 5. Surge core operating capacity to successfully implement: Developing and deploying core operating capacity is foundational to early implementation.

Place-based economic policies require a surge in capacity to be effectively implemented. Through their efforts over the past year, BBBRC coalitions offer lessons on how to build core operating capacity to launch projects, oversee grant administration, and manage coalition-wide dynamics. The individual case studies go into greater detail on how coalitions are progressing on individual projects and coalition-wide organizing, including early successes and challenges. Drawing on those findings, this section summarizes where capacity must surge during the startup phase of a large place-based economic development strategy.

BUILDING CAPACITY TO SECURE AND ADMINISTER THE AWARD

A clear takeaway from both phases of the BBBRC competition is that responding to a federal challenge grant requires significant capacity, time, and resources. In Phase 2, the 60 coalitions condensed into weeks what typically takes months or even years. This process accelerated widespread impact, but significantly strained the capacity of regional applicants, many of whom applied for the grant while continuing to manage the day-to-day operations of their organizations. The BBBRC revealed that the nation's economic development strategic planning infrastructure needs more long-term capacity investment. This report's Implications section explores these issues in more detail, but it is clear that capacity-building resources and predevelopment funding—which can come from the federal government, state governments, or philanthropy—are critical to support the intensive staff work required to respond to a federal grant opportunity. More consistent federal grant opportunities like the BBBRC could provide the type of recurrent funding that would warrant greater strategic planning capacity in regions across the country.

For the 21 awardees that received implementation funding in late 2022, the task shifted from winning the award to securing and administering it. For example, the **Mountain | Plains** coalition's $25 million revolving loan fund (RLF) involved a complex set of capital access and compliance issues. Coalition leaders were caught off guard by the amount of time and energy that went into setting up the RLF—about a year passed between the coalition's initial designation as an awardee in September 2022 and the first RLF loans being issued in September 2023. Coalition members acknowledged that pushing for these changes was time- and labor-intensive for the coalition and its members, and cut into their daily operational responsibilities. But Native leaders also felt a sense of achievement in knowing that future Native American CDFIs would be able to benefit from their work with the EDA to make place-based programs more accessible to Indian Country.

Voices from Mountain | Plains:

"We want [our experience with the BBBRC] to be a learning opportunity so that more money can go to Indian Country and small nonprofits."

– A Mountain | Plains coalition leader

The EDA established a multi-method, comprehensive approach to understand the BBBRC's early progress and impact. As with all EDA programs, the grantees provide direct reporting to the agency through standard reporting. But given the significant scale and novelty of the BBBRC, the EDA engaged with several research organizations—Brookings Metro, the University of Michigan, New Growth Innovation Network (NGIN), and the Purdue Center for Regional Development—to provide more frequent, real-time insights into grantee activities and report the status of the program's early implementation to key internal and external stakeholders.

Executing such an approach requires that coalitions develop new capacity to support data collection and impact measurement. For organizations that have dealt with federal reporting before, many of those systems are already in place. But for many organizations across our case studies, the reporting requirements have strained existing staff and systems. To its credit, the BBBRC invested in less well-resourced organizations that have not previously received federal funding and thus have not built the systems or staff to manage reporting. Knowing this, applicants often—although not always—planned standalone projects devoted to "governance" or "research" to build this infrastructure within the coalition. But because coalitions had to begin reporting at the grant's outset (before that capacity had been built), the startup reporting phase has been overwhelming for some, with grantees feeling like they've already been expected to do the type of work that they were being funded to develop.

BUILDING CAPACITY TO IMPLEMENT THE STRATEGY

Place-based economic strategies require a surge in staff to effectively scale up project implementation. Indeed, implementing the BBBRC has relied on the talent and efforts of hundreds of leaders across the country, many of which had to be hired anew. Brookings analyzed dozens of job descriptions to see what types of roles were most important in the startup phase.[39]

Implementation across individual projects has largely relied on project directors and project managers. Project directors serve in high-level oversight and management roles, working to lead program development and implementation. The domain expertise required of these roles and their complexity have led coalitions to seek out candidates with demonstrated academic and professional successes within a particular industry. In support of these efforts, project managers are working to operationalize programs and manage systems. Our interviews revealed that these project managers are often iterating project designs based on early implementation lessons; entrepreneurialism and the ability to bring structure to new projects are key skills. Then, project-level implementation efforts are accelerated and aligned by the RECO, who works to directly support the coalition's operations and governance. Coalition administrators as well as finance and compliance staff are also critical in coalition-wide management of administrative process, logistics, data tracking, and grant compliance.

TABLE 4

Early implementation has required coalitions to build capacity in five key roles

Coalition roles	Key responsibilities
Project directors	Project oversight, program development, and implementation
Project managers	Task operationalization, project execution
Regional economic competitiveness officers	Coalition governance, network development, impact, and sustainability
Administrators	Administrative and logistical support, planning
Finance and grant compliance	Budget supervision, performance tracking, grant compliance

SOURCE: Brookings Metro

The BBBRC's early implementation reveals that having qualified personnel is fundamental to successful implementation, but also that surging staff capacity in the startup phase can be challenging and typically requires three to 12 months. Many coalitions—particularly those operating in smaller labor markets—had to undertake national searches to find qualified personnel. These searches occurred within a tight labor market amid high inflation, and estimated salary ranges became increasingly uncompetitive.

Finding staff with industry expertise often meant that nonprofits and higher education institutions were competing for talent with private sector companies. An early challenge for the **Accelerate NC** coalition was hiring the program manager and instructors needed to scale the biopharma training program to six additional MSIs, since both positions were competing against the life sciences industry itself for talent. Coalition leaders relayed that hiring within the higher education system has been slow, at least compared to the pace of hiring among nonprofit partners, and the salaries are low relative to the private sector. The **GEM** coalition in Southeast Michigan experienced hiring bottlenecks as well, at which point it partnered with Delivery Associates, a consulting firm, to recruit qualified candidates into several leadership roles. The EDA also partnered with organizations such as America Achieves to support hiring.

MANAGING SCALE AND INTERDEPENDENCE

The BBBRC helped each coalition build a more scaled strategy, which creates lots of opportunities but also unique challenges. On staffing, coalitions were onboarding new personnel into their organizations. As staff grew beyond the core designers of the strategy, coalitions had to ensure that the original mission was communicated clearly to new staff who were not there from the beginning. Scale also creates the need for new operating systems to hold coalitions together. Individual institutions in a coalition typically have a workflow management system, but those systems have no ability to interact with one another. As a result, some coalitions have created shared project management, communication, and tracking platforms that enable more seamless collaboration across project implementation leads.

Indeed, one of the strengths of the BBBRC's design is that it allowed coalitions to craft project portfolios for which the whole is greater than the sum of its parts. But this interdependence creates costs as well. Multiple organizations are oftentimes working on one BBBRC project, which creates coordination costs and can slow down progress. When executing the overall BBBRC project portfolio, individual projects may be reliant upon one another to achieve their core objectives. For example, the BBBRC grant allowed the **South Kansas** coalition to cover the upfront costs of major equipment purchases—in this case, leading-edge manufacturing equipment that small suppliers have little incentive or ability to buy for themselves. This "industrial commons" at Wichita State University and WSU Tech, the local technical college, will be accessible to manufacturers across the region. Yet supply chain delays have challenged the project's early implementation, impacting other projects in the South Kansas portfolio, particularly the advancement of a complementary skills training program. A key point that coalition members emphasized in interviews was that most of the curricula design can't happen until the factory is set up and the equipment is delivered. Creatively, the coalition is proceeding with developing some courses that can be implemented regardless of lab design and equipment delivery.

This interdependence is even more pronounced because implementing a federal place-based policy requires continuous monitoring, adaptation, and communication between coalitions and the overseeing agency. It is commendable that the EDA—both its headquarters staff and regional offices—and recipient coalitions have been able to negotiate around the funding, regulations, and processes that undergird implementation; this tailored problem-solving is a critical advantage of place-based policies. But our interviews revealed it can also be a time-consuming and frustrating process that isn't without its miscommunications and inevitable frictions. There is undoubtedly a powerful upside to this highly networked governance approach, but achieving that upside requires high degrees of capacity, collaboration, communication, and trust.

Main takeaway from lesson 5

BBBRC coalitions are working to overcome several common hurdles to effectively execute projects, including administrative burdens, hiring, procurement, and the challenges of managing interdependence among many partners. For any large and complex place-based strategy, the first year will likely be focused on building core operating capacity—a necessary foundation to drive project-level outcomes in future years.

HOW COALITIONS ARE NAVIGATING IMPLEMENTATION

Lesson 6. Develop evaluation tools to track and communicate impact: Determining the equitable impact of place-based policies requires new methods of performance measurement and strategic communication implementation.

As government, business, and nonprofit leaders implement place-based economic policies like the BBBRC, they must address several questions. Some of these we've already discussed: How can coalitions develop a shared and specific call to action outlining their biggest economic challenges and opportunities, and what strategies will best address that call to action using an infusion of new resources? This section explores two additional questions. First, how can coalitions define a realistic expectation of impact? Second, how do they measure progress, learning what works and adapting the strategy as needed, and communicate that progress externally? Answering these questions is hard for any strategy, but particularly so for place-based economic policies, which must measure progress across several distinct yet interrelated interventions all at once.

MEASURING CHANGE THROUGH MORE COMPREHENSIVE ECONOMIC PERFORMANCE MEASUREMENT

For these reasons, place-based economic development policies like the BBBRC are pushing regional coalitions to develop new methods and tools for measurement, evaluation, and storytelling. Coalitions are tracking impact at several levels. First, at the **project level**; each BBBRC project has its own goals and key performance indicators (e.g., workers trained, businesses served, capital invested, etc.). Second, at the **economy level**; each project contributes to a broader strategy intended to shift the trajectory of the local, regional, or even multi-regional economy, for which there is a complementary set of metrics (e.g., job/industry growth, wage growth, etc.). But linking project-based investments to economy-level outcomes is impossible without a middle layer that establishes goals and metrics at the **driver level**. This third level is the theory for how projects can drive broader economic change.

For example, a technology adoption project may posit that those technologies can help midsized aerospace manufacturers innovate and compete in ways that enhance region-wide productivity. Many additional inputs will matter to the core driver—productivity in aerospace and related advanced industries—and those inputs will be influenced by many market dynamics and regional inputs well beyond those leading the specific technology adoption project. Yet the technology adoption project has a clearly defined contribution to enhancing productivity for aerospace SMMs, for which it can be held accountable.

For this economic performance measurement approach to be relevant to strategies like the BBBRC, they must be able to measure both the **expected duration and equitable distribution of economic change**. "Duration" refers to the reasonable time horizon for the strategy's impact. A coalition can agree that a given indicator is important to improve, but half may expect to see the gap closed in five years while the other half may hope just to not let the status quo worsen. Second, distribution—specifically, how is the strategy working for historically excluded communities? The ability to track these outcomes depends not only on whether the intervention itself is targeting specific sub-populations and/or sub-geographies, but also whether there is data available—at the driver or economy level—to track outcomes for these targeted groups.

Without clarity on expected duration and equitable distribution, strategies run the risk of ending in a confusing stalemate or, conversely, resulting in a superficial cross-sector agreement that holds for several years before disintegrating. Prior Brookings analysis on economic performance measurement recommends establishing a quantitative "window of possibility" on key indicators, expressed as gaps between the region's current state and an ambitious but attainable future state. This future state can be estimated by comparing the region's performance on a particular indicator to a set of reasonable peers, in order to determine what is possible to achieve given national policy and macroeconomic conditions.[40]

These issues around measurement were raised in our interviews with coalition members. The **South Kansas** coalition is developing a public-facing website that tracks metrics at both the programmatic and ecosystem level.[41] In our interviews with South Kansas leaders, they raised practical questions that get at the complexity of measuring economic change: Over what timeframe and starting at what baseline? How do we embed equity into the tool if there is not publicly available data that measures indicators for different demographics or sub-geographies? When do we need to incorporate our own surveys to complement publicly available data? The economy is a complex system with hard-to-measure inputs and forces, many of which are outside of a local coalition's control.

'DATA PLUS STORY' IS A POWERFUL COMMUNICATION COMBINATION

As the next section explores, evaluation and reporting are important cross-coalitional activities to assess progress, iterate and adapt strategies, and report impact. The economic performance measurement approach outlined above can be a useful tool in documenting and reporting outcomes, as well as linking them to publicly available data measuring broader economic change.

Yet publicly available data is only one tool in the evaluation, impact, and communications toolkit. Coalitions have utilized surveys to better understand the needs of workers, businesses, and communities, such as **F3's** survey of farmworkers' interests and concerns with new agricultural technologies. Core to the coalition's equity strategy, this intentional survey outreach improved project design and engendered greater trust among farmworkers. Going forward, coalitions can utilize surveys to understand the experiences of program participants.

In our interviews, we've also been struck by how individual stories can also be a powerful way to communicate impact. For example, **Accelerate NC** has launched an Ambassador Program, through which community members can raise awareness of employment and training opportunities within the state's life sciences industry. When asked what an ambassador does, one leader simply responded with the anecdote below, conveying both the objective of the Ambassador Program and its potential everyday impact. Stories like these can humanize the impact of place-based economic development strategies and translate strategies and projects into easily understandable terms.

Voices from North Carolina:

"Ambassadors are centers of influence—anyone who will not only raise awareness about these opportunities, but who can keep on top of people and make sure they're getting through the training. I'm a frequent guest at a hotel in this area and over the past few months have gotten to know a particular gentleman, a maintenance worker, and I realized how diligent and meticulous he always is about his work. I walked up to him one day and asked him if he'd ever considered an alternative career, gave him my card, told him about the program, and now he's signing up for BioWork at Durham Tech. We can all be ambassadors. We want to engage people anywhere we find someone that might want to learn about this opportunity. This is a way to give back to other people."

– Andrea Chapman, Flood Mason Holdings

Main takeaway from lesson 6

The lessons learned from measurement approaches being piloted in the BBBRC are applicable to any local or state government, nonprofit entity, civic leadership group, chamber of commerce, or higher education institution that is interested in situating their organizational actions within broader regional economic change. Building economic performance measurement systems requires operating at multiple scales, establishing clear durations for expected outcomes, and being explicit about equity. Effective communications approaches often combine data and compelling stories that ground place-based economic strategies in the human experience.

HOW COALITIONS ARE PURSUING MEASUREMENT

Lesson 7. Operationalize collaborative governance structures to manage and sustain the strategy: Effective regional coalitions need functional structures for collaborative governance to track progress, course correct, and secure and allocate additional investment over time.

Because BBBRC coalitions are implementing many projects all at once within a complex strategic portfolio and funding ecosystem, they not only need to integrate across these projects but also monitor progress to enable necessary strategic pivots. That requires capacity to address the project-based implementation barriers mentioned above as well as new infusions of resources to manage governance, reporting, decisionmaking, and other cross-cutting functions. Creating a functional structure for collaborative governance also helps ensure that collaboration is not simply a front-loaded, short-term endeavor, but rather an operating model that serves coalitions as they face the inevitable challenges and opportunities over the full lifecycle of the strategy. For these collaborations to be sustained, they must be imbued with trust, transparency, accountability, and authentic and inclusive recognition of what each partner can contribute to the broader strategy. More formal structures of governance can enable such an approach.

During the first year of implementation, BBBRC coalitions are experimenting with collaborative governance structures to manage collective decisionmaking and strategic adaptation. The topic has drawn considerable interest through the Building Better Regions Community of Practice, which RTI has documented in a set of useful explainers.[42] As a complement to that work, drawing on the case studies, we have distilled coalition governance into five key dimensions, summarized in the "POWER" framework below.[43] Equity should be considered fundamental across all dimensions of the framework. While no one coalition utilized this framework explicitly nor is pursuing formal governance in this way, the framework summarizes many of the common needs coalition leaders expressed in our interviews.

PARTNERSHIP: WHO IS IN THE COALITION AND WHAT ARE THEIR ROLES AND RESPONSIBILITIES?

Most coalitions include institutional partners from different sectors, including government, higher education (both two-year and four-year), economic development, workforce development, community development, labor, and philanthropy. The size of the BBBRC coalitions suggest that these strategies are not being carried out by a select few institutions, nor can they reasonably be expected to directly organize the work of hundreds of stakeholders. Given the potential size and efficiency tradeoffs, place-based economic strategists should differentiate between committed coalition members (entities integral to the success of the BBBRC strategy) and supporting advisors (important regional partners that are kept apprised of key developments and tapped for expertise and input). However, making this distinction can be difficult.

OVERSIGHT: HOW DOES THE COALITION HANDLE OVERSIGHT AND DECISIONMAKING?

Creating effective oversight and decisionmaking processes is one of the most important and potentially challenging elements of coalition governance, and where we observe some real variation in approaches. "Oversight" refers to the monitoring function over the entire strategy. "Decisionmaking" refers to norms and structures for gathering information and making choices about coalition-wide strategy. While these are distinct processes, coalitions often handle them in tandem. A few models have emerged. The **South Kansas** coalition has leveraged a "steering committee model," in the form of a Technical Advisory Panel

(TAP), to lead its governance and evaluation work. The TAP is an intergovernmental network consisting of leaders from a half-dozen regional economic organizations and labor representatives. The TAP meets biannually to review and course-correct project work plans, providing high-level strategy input from a regional well-being perspective. The **ACT Now** coalition has instituted a "consensus-driven model." In this model, Coalfield Development (the lead entity) and all six project leads are part of a leadership team. That leadership team is consensus-based, "intentionally non-transactional," and rooted in openness, trust, and collaboration. Yet when inevitable disagreements arise, they have established a voting structure to resolve conflict, including a Memorandum of Understanding that allows the entire coalition to weigh in if an individual project proposes a budget shift of over 10%. The **Accelerate NC** coalition has an "informal stewardship model" of oversight. Consistent with many of its past collaborations with higher education institutions and nonprofits, NCBiotech, the lead entity, has not introduced new mechanisms of formal oversight or shared decisionmaking with project implementation partners. Rather, due partly to how regularly it has worked with its partner organizations, NCBiotech felt comfortable organizing the coalition around a largely informal governance structure in which the RECO periodically touches base with project implementers to strategize on challenges and new developments.

WORKFLOW: HOW DOES THE COALITION MANAGE WORKFLOW AND FIND SYNERGIES ACROSS PROJECTS AND STAKEHOLDERS?

One lesson from the early implementation of the BBBRC is that finding synergies across individual projects is possible, but not necessarily natural. For most coalitions, although not all, it requires new mechanisms of collaboration between project implementers and the lead entity with the ability to strategically identify opportunities for collaboration across the coalition as well as the trust and credibility to pull project implementers together. In Southeast Michigan, the **GEM** coalition stood up monthly meetings to provide their implementing partners with an opportunity to share updates, discuss needs, and communicate with peers. This monthly meeting is further complemented by a GEM Central newsletter sent out to leadership within each strategy pillar. Members of coalition leadership have lauded this culture shift as one of the region's most significant achievements to date.

Voices from Southeast Michigan:

"It's so different now than it was last year when no one really knew each other. There are so many good organizations talking with each other that used to operate in silos. Now that our partners aren't looking over their shoulder to compete for funding with each other, they are finding they all have a shared mission that they didn't recognize before, and want to become smarter about working together to find ways to move users between different elements of the mobility ecosystem and pipeline. And once you get this group together, it's hard to tear them apart."

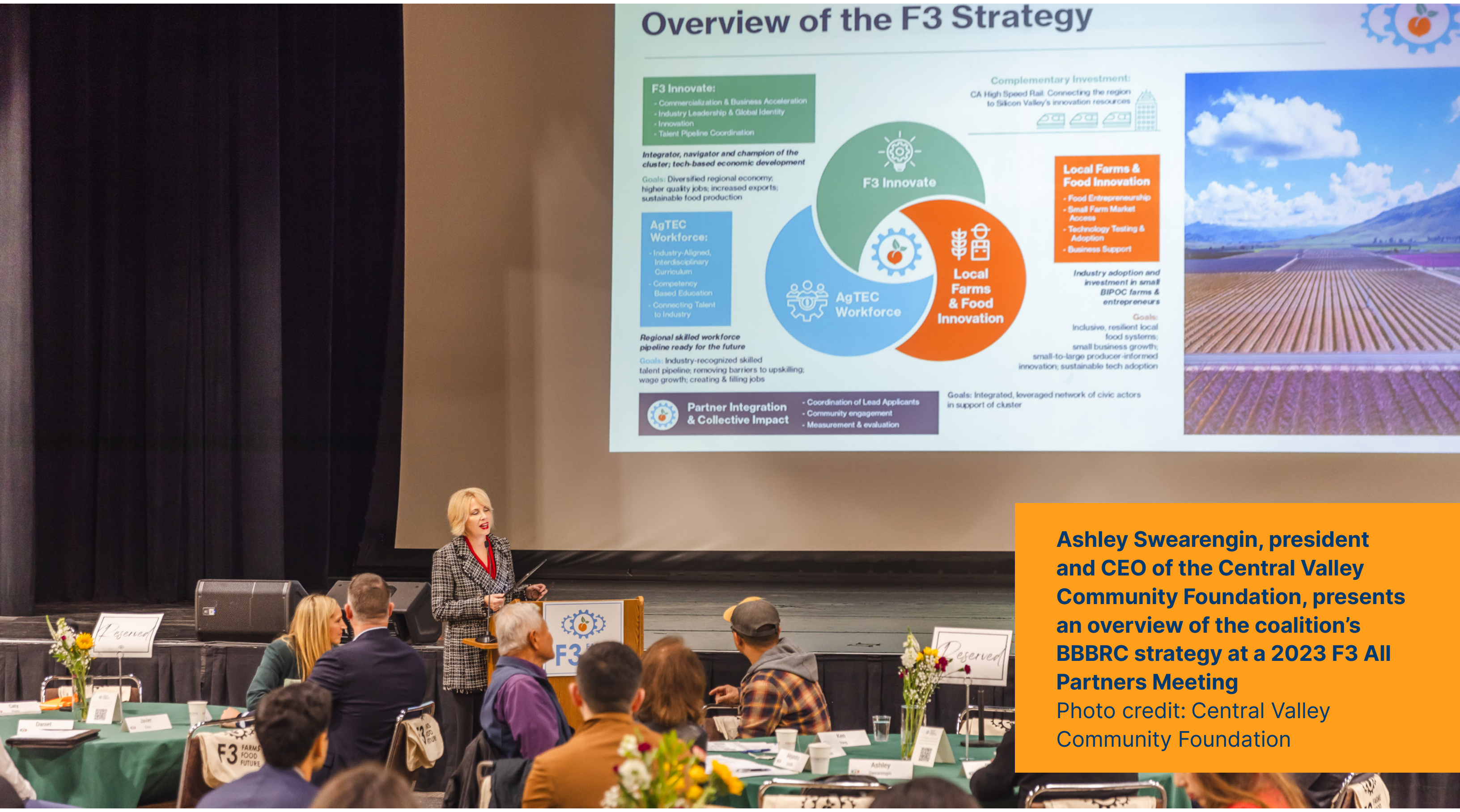
– A GEM coalition leader

EVALUATION: HOW DOES THE COALITION EVALUATE, REPORT, AND COMMUNICATE IMPACT?

The BBBRC has revealed gaps in existing monitoring and evaluation infrastructure at the regional level, and simultaneously provided resources to address them. New systems are emerging. For example, the **South Kansas** coalition is creating a public-facing website for tracking both programmatic and ecosystem-level metrics.[44] Other coalitions, including **GEM** and **F3**, are building out similar systems. Sustaining programmatic investments will require that coalitions share data and stories about the impact to date. Reporting and evaluation, therefore, are not only useful for the EDA to explain to taxpayers the impact of their investment, but also for BBBRC coalitions to bring data and evidence to other funders to sustain the work. This may also require that coalitions develop strategic communications materials and coordinated outreach to tell the story of how these resources are supporting workers, businesses, and communities.

RESOURCING: HOW DOES THE COALITION SECURE RESOURCES TO SUSTAIN THE WORK?

Though the BBBRC was intended to be a catalyst for transformational regional economic development, the ability of these strategies to achieve long-term impact will rely on each coalition's ability to sustain its programmatic activities once federal funding is gone. In the first year of implementation, the **F3** coalition formally established a new 501(c)(3) entity, F3 Innovate, with the stated goals of promoting the Central Valley as a globally recognized leader in climate-smart ag-tech, facilitating university-industry-community partnerships, and coordinating talent pipeline pathways. Already, F3 Innovate has identified and convened a board of directors to guide the direction of the new entity, and its next steps include hiring a permanent CEO and finalizing agreements for revitalizing a historic downtown Fresno building to serve as the organization's new headquarters. This long-term governance mission demonstrates the unique role that philanthropy can play in seeding non-governmental actors to serve as long-term stewards for inclusive growth strategies.



Ashley Swearengin, president and CEO of the Central Valley Community Foundation, presents an overview of the coalition's BBBRC strategy at a 2023 F3 All Partners Meeting
Photo credit: Central Valley Community Foundation

Main takeaway from lesson 7

BBBRC coalitions are beginning to construct more formalized governance structures that bring partners together, conduct decisionmaking and oversight, manage workflow, evaluate and report impact, and secure additional financing to sustain their success. Collaborative governance structures pioneered through the BBBRC offer useful lessons for any economic development strategy that is operating with a similar multi-actor, multi-sector, long-term, and regional approach.

HOW COALITIONS ARE ORGANIZING

Testing and Proving Pillar team members met with team members from Mcity. | Photo credit: Global Epicenter of Mobility Coalition

Five implications for the future of place-based economic policy

The BBBRC represents a uniquely large-scale, flexible test for a new form of place-based economic policy focused on delivering equitable, sustainable, and productive growth. It is no surprise, then, that the initial implementation of the program yields several implications and lessons for government, industry, and philanthropic decisionmakers considering the future of place-based economic programs. Specifically, five key implications, aimed mainly at policymakers and investors, stand out.

1. **Appropriate at scale:** *The BBBRC catalyzed a tremendous bottom-up response, which Congress can replicate with full appropriations for key place-based policies such as the Regional Technology and Innovation Hubs and Regional Innovation Engines programs.*

To begin with, the massive response to the $1 billion BBBRC opportunity illustrates the power of sizable challenge grant programs to motivate new coalitions and grander strategies. The program's grants of $25 million to $65 million clearly stimulated significant interest. And for good reason: The BBBRC exemplifies recent new thinking in the development field that has been moving away from narrower transactions and toward more transformative, integrated approaches that recognize the importance of investing at scale.[45]

Place-based investments will need to be more sizable and flexible in the future in order to truly accomplish their mission of transformation. However, key future place-based programs face significant appropriation limits. Research by Brookings and the Federation of American

Scientists shows that the funding levels for multiple place-based industrial policy programs passed by the CHIPS and Science Act of 2022 remain far below their authorization levels.[46] The EDA's Regional Technology and Innovation Hub ("Tech Hubs") program is launching with about 5% of its authorization level funding in hand, meaning there will be too few hub awards, and those that are awarded will see prohibitive reductions of present- and out-year funding.[47] Likewise, the EDA's Recompete Pilot Program and the National Science Foundation's (NSF) Regional Innovation Engines program are also contending with short-funding and uncertain prospects from the start.

A first policy implication, then, is the urgent need for Congress to finish the job it started in the 117th Congress and fully fund the CHIPS and Science Act, with special attention to its multiple advancements in regional development. Absent that, Congress runs the risk of turning programs with the potential for long-term transformation in communities into a one-off that leaves local implementers without the resources to sustain the work they've begun. More broadly, Congress needs to make recurrent the provision of large-scale, "big bet" challenge grants to boost equitable growth and make sure the resources are even more flexible and catalytic than those made available through the BBBRC. These grants are already built on the premise that government can play a critical role in addressing place-based market failures that hold back economic development in too many communities. Accordingly, federal funding needs to be institutionalized as a more flexible catalyst of action even as it is structured to leverage corporate, university, state-local, and philanthropic support for sustained transformation beyond the scope and life of the initial federal award.

2. **Invest in local capacity:** *Greater leadership development and capacity-building are necessary for successful implementation of place-based policies.*

Organizing and delivering high-performance, cross-sector, and inclusive regional transformation strategies is complex, labor-intensive work, whether in large regions, small towns, or rural areas. The BBBRC case studies underscore that with more being asked of regional applicants, coalitions have in many cases run into staffing challenges, especially in smaller regions. In many instances, networks have found they needed to both add more staff and elevate their capacities to design, finance, implement, and sustain sophisticated initiatives. Similar scale-up will be necessary to support the implementation of other major place-based challenge programs.

In light of that, Congress and federal implementing agencies should make it a high priority now and in the near future to help build the capacity of local and regional intermediaries to plan and implement effective, inclusive, multi-player economic development strategies.[48] Stable, sustainable capacity-building is the intent of the EDA's Planning program, which provides grants to support economic development planning.[49] Additionally, the EDA's provision of Phase 1 capacity-building grants for BBBRC applicants—like those furnished by the Tech Hubs program and Recompete Pilot Program—point the way toward broadened capacity-building to support ambitious implementation.

But Congress and federal agencies can go further to institutionalize this response.

Specifically, Congress and the agencies should focus intensely on two kinds of capacity-building: capacity-building for economic development leaders and capacity-building to support the emergence of organizations and program-level professionals to deliver specific initiatives. Places need help in developing leaders who can organize and deliver inclusive regional strategies, but they also need to accumulate staff-level expertise in delivering innovative and impactful programs.

Given that, Congress and potential philanthropic partners should help the EDA and other agencies expand the availability of capacity-building programs to support place-based development. Two examples of ways agencies can build the talent base for more equitable development are the EDA's Equity Impact Investments (EII) program and its Economic Recovery Corps (ERC).[50] The EII program aims to provide capacity, knowledge, and technical assistance to organizations that serve underrepresented populations. Looking ahead, potential additional investment programs could include further grantmaking to invest in the capacity of regional "backbone" organizations to execute high-quality economic development strategies. For its part, the ERC program (leveraging a $30 million cooperative agreement) will recruit and place nearly 70 trained "fellows" in economic development organizations throughout the nation. Serving two-and-a-half year terms, fellows will help regional organizations develop and execute regional economic development plans and projects in the communities they serve. Both of these approaches start the work of capacity- and leadership-building. All of this capacity-building will accelerate progress toward greater local effectiveness in implementing place-based strategies.

Moving beyond the EDA's programs, the Environmental Protection Agency's Environmental Justice Thriving Communities Technical Assistance Centers is a model for helping underserved and overburdened communities build capacity for navigating federal grant application systems.[51] The Rural Partnership and Prosperity Act—co-sponsored by Sen. Bob Casey (D-Penn.) and Sen. Deb Fischer (R-Neb.) is another good example of proactively helping underserved communities compete more effectively for federal investment opportunities.[52]

The multi-phase design of regional challenge programs has itself been a capacity-building opportunity as well. Multi-stage competitions that involve both planning and implementation grants allow regions to build capabilities that make their strategies more attractive to other investors should they ultimately lose out on federal funding. It was notable, for example, that BBBRC Phase 2 finalists accounted for half (eight of 16) of the finalists for the NSF's Regional Innovation Engines program. This significant overlap between BBBRC applicants and NSF finalists is partly due to the underlying quality of the applicants' strategies, regardless of their participation in the BBBRC process. Yet the comparative success rate among BBBRC participants who reused investment-ready elements of their project portfolios for the NSF program suggests that coalitions participating in both programs found that the former helped prepare them for the latter.[53]

3. **Coordinate across federal agencies:** *Cross-agency coordination and alignment can ensure multiple programs come to ground successfully in places.*

Local capacity-building won't suffice on its own. Effective, stakeholder-friendly administrative coordination across key federal agencies is also necessary. Just as the POWER framework for regional coalition governance begins with "partnership," so too does the overall program's effectiveness depend heavily on effective stakeholder alignment at the federal level. Along these lines, several of the case studies suggest opportunities for optimizing the alignment of program and agency engagement with implementing regions. Greater coordination of relevant but diverse agencies and programs addressing pertinent aspects of regional transformation (such as housing or transportation) could multiply the impact of federal engagement. So could more cross-agency and cross-program coordination on the delivery of, for example, technical assistance related to varied aspects of regional coalitions' work.

The EDA's Tech Hubs program illustrates the potential power of such cross-agency coordination. One of the benefits of being designated a Tech Hub is it affords coalitions access to a range of technical assistance from agencies such as the Department of Transportation, Department of Agriculture, and Small Business Administration, as well as funding opportunities from the Treasury Department.[54] The EDA and NSF have also signed a memorandum of understanding to coordinate Tech Hubs and NSF's Regional Innovation Engines program. By aligning funding and technical assistance, the federal government can maximize the impact of its place-based programs. Predating these partnerships and providing useful precedents, meanwhile, is a relatively mature link between the Rural Partners Network and the Interagency Working Group for coal-affected communities. Together, the network and the working group seek to align their respective offerings to enhance accessibility and maximize impact.

4. **Make equity core:** *Place-based policies should continue to center equity as a core objective by designing policies accessible to historically excluded communities.*

The BBBRC's success—like that of other place-based endeavors—relies on the capacity of inclusive, locally driven coalitions of leaders and institutions. Building truly collaborative and inclusive networks is critical for achieving equity, catalyzing innovation, and establishing scope and legitimacy. However, local coalitions have been in varying stages of formation when the new challenge competitions began. Frequently, historical patterns of disinvestment explain and exacerbate continuing realities of underdevelopment and thin local capacity.

In light of that, federal leaders need to redouble their efforts to counter histories of exclusion and build new capacities and practices. Future place-based challenge programs must focus even more on how coalitions can meet the needs of historically excluded communities. They need to include guidance emphasizing the importance of historically excluded communities and leaders as core actors at the coalition level and from the beginning (as opposed to at the project level and/or as an afterthought).

Relatedly, federal policymakers and administrators need to be ready to actively promote inclusion—particularly in underserved places—by providing technical assistance, policy flexibility, and active communication as they tailor programs to underinvested areas. For example, place-based policies typically spell out requirements and rules through a NOFO. But questions and clarifications are often answered through interactions between applicants and agency staff, which means that those staff are particularly important for providing clear, consistent information to coalitions.

Decisions about financial match from non-federal sources loom particularly large for whether historically underinvested communities—including but not limited to rural areas and tribal communities—are able to effectively participate in place-based policies. Federal policymakers—as well as state and philanthropic investors—need to balance equity, fairness, and accountability when considering local matching. For programs explicitly targeting distressed communities, such as the EDA's Recompete Pilot Program, it is sensible to waive the match requirements (although match is a competitive factor for Recompete's Phase 2 application). For programs like the BBBRC, which target a wide diversity of places, agencies will need to pursue a tailored approach. Setting match as a "competitive factor" incentivizes applicants to leverage non-federal sources and allows regions to pay what they can. But our case studies revealed that coalitions often interpret "competitive factors" as "requirements," even though that was not the intent. Therefore, two implications arise. First, clear communication at the outset is paramount; agencies should clearly articulate what is required of applicants to be competitive and dispel any confusing or ambiguous language. Second, agencies should lean toward more generous waivers for less well-resourced areas, which are disproportionately (although not exclusively) rural and/or tribal areas. That would ensure that match as a competitive factor does not undercut a program's equity objectives.

In short, federal and regional partners need to bear down even more than they have on aligning institutions and networks around equity. To achieve this alignment, federal implementors need to continue requiring local coalitions to systemically plan for the delivery of equitable growth.

5. **A whole-of-country approach is needed:** *Sustaining place-based investments is a whole-of-country undertaking involving state governments, philanthropy, universities, and corporations.*

Place-based economic policies have been catalyzed by major federal investments during the 117th Congress, but—as the previous section reviews—it is unclear whether future rounds of place-based programs will receive their full appropriations. While the federal government can and should continue to be a foundational designer and investor of place-based policies, it is clear from the BBBRC's early implementation that coalitions are also considering additional funding sources to sustain their strategies beyond the life of any initial BBBRC grant. These efforts to construct funding roadmaps allow for the longer-term viability of

BBBRC strategies, and illustrate how sustaining place-based economic policies will be a whole-of-country undertaking involving state governments, philanthropy, and university and corporate investors, alongside federal agencies.[55]

STATE GOVERNMENTS

The BBBRC has served as a testbed for how state governments can support place-based strategies through investments in regional intermediaries or community-based organizations. The state of California, for example, is investing $32 million in **F3**'s strategy portfolio. Building on prior investments in the region, the state made this commitment a week after F3 was selected as a BBBRC awardee in September 2022, as a supplement to their original $20 million match. F3 leadership views California's commitments as an important demonstration of how the state continues to serve as an ongoing champion for economic development in the Central Valley, and is focusing attention on the region as a critical domestic hub for agricultural technology and food production. The California model provides a blueprint for how states seeking to make targeted investments in regional cluster-building can plug into strategies while also managing their own financial risk, given that federal awards are an affirmation of a coalition's credibility.

PHILANTHROPY

These affirmations of credibility are particularly important for coalitions seeking to fill funding gaps in their existing strategies (for example, where the EDA funded some but not all elements of a project portfolio) as well as for coalitions creating their post-BBBRC funding roadmaps. In both instances, BBBRC coalitions have leveraged their position as awardees (or Phase 2 finalists) to pitch elements of their strategies to philanthropic funders, appealing to their common interest in making highly localized, targeted investments in organizational infrastructure, human capital, and community wraparound services. In Buffalo, N.Y., for example, the Ralph C. Wilson, Jr. Foundation (note: the foundation provides financial support to the Brookings Institution) has emerged as a principal funder for the Western New York Manufacturing and Tech Workforce coalition. While the foundation was central to the original BBBRC coalition's formation and strategic planning from its inception, the EDA's decision to only fund a portion of the coalition's strategic portfolio (leaving its governance capacity unfunded) heightened its role as a central convener and stakeholder. The foundation's funding support and direct engagement with Empire State Development and the UB Regional Institute have been critical in keeping partner organizations engaged with the coalition, leading to further collaboration and funding relationships between participating organizations.

Voices from Western New York:

"[There can be] lots of factions in workforce development, all vying for the same pool…Let's not throw this out just because the feds didn't fund it. That happens all the time…Let's not throw out this really good collaboration. Let's see how we can fund this internally."

– Paul Tronolone, Empire State Development

UNIVERSITIES AND CORPORATIONS

BBBRC coalitions are also working to establish funding channels that provide sustained support for their strategies beyond the public and philanthropic sectors. Previous Brookings research has found that while successful cluster-based economic development strategies require public sector investment to scale up effectively, research universities are uniquely well positioned to assume central roles in both funding and project execution related to economic and workforce development, particularly for initiatives that require higher levels of R&D investment, innovation assets, or capital intensity.[56] In the **South Kansas** coalition, for example, Wichita State University will continue managing the operations of its manufacturing labs far beyond the BBBRC period, relying on capital and equipment the grant financed.

Because cluster interventions are fundamentally industry-oriented, this type of university backing can be further augmented through private sector investment. While private sector firms do not typically function as lead implementation partners in broad-based economic development strategies such as those being implemented through the BBBRC, some coalitions have worked to fill gaps in their future funding roadmaps by engaging corporations in lower-cost programmatic interventions where they have a vested strategic interest and high potential return on investment (such as human capital investments). Such a model is currently underway in North Carolina, where **Accelerate NC's** industry consortium is poised to continue financing scholarships for BioWork certificates using a membership fee system.

Sustaining place-based strategies such as those seeded by the BBBRC will require commitment, capital, and capacity well beyond any one federal agency. In thinking through their financial sustainability strategies, BBBRC coalitions have provided a roadmap for how different actors—from state government to corporate America to regional philanthropies—can rally behind long-term, transformative efforts to grow the economy in ways that benefit more people in more places.

Students participating in Accelerate NC's first HBCU and HAIU coalition training cohort | Photo credit: NCBiotech

The Detroit Smart Parking Lab team on site. | Photo credit: Detroit Regional Partnership

Conclusion

The nation stands at an important juncture as it explores the potential of place-based economic development to promote equitable, sustainable, and productive growth in new ways. Federal programs such as the BBBRC have been launched. Regional consortia have responded. And assessments like this report are tracking progress and identifying insights to inform a critical learning moment for a wide range of regional, state, and federal leaders.

All parties can learn from these ambitious initiatives, not least from the BBBRC program, because it was first. For a wide range of organizations operating in local communities, the BBBRC exemplifies how new coalitions are recognizing that no single institution can bear the responsibility for equitable growth, and institutionalizing shared outcomes requires new collaborations, scaled investments, and modernized models of change. In a time of intense political polarization, these place-based approaches are building new capabilities, transcending historic divides, and yielding uncommon partnerships in pursuit of a shared goal.

For Congress and administrators in the federal government, the BBBRC exemplifies the potential of a bolder, better-resourced place-based approach, led in this case by an EDA that has provided the necessary resources to deliver economic opportunity across all corners of the country.[57] As the program moves into full implementation, future research should continue to track outcomes, identify best practices, and ensure learnings are disseminated and incorporated across the country, such that the lessons learned from this novel program are not lost on future generations of implementers, policymakers, and investors.

Going forward, the implementation framework presented here, the BBBRC case study insights, and the more general policy implications comprising this report provide both peer-to-peer and “bottom-up” signals to local and federal stakeholders for making sure place-based industrial policy takes hold and succeeds in the coming years.

ACKNOWLEDGEMENTS

The Brookings Institution is a nonprofit organization devoted to independent research and policy solutions. Its mission is to conduct high-quality, independent research and, based on that research, to provide innovative, practical recommendations for policymakers and the public. As such, the conclusions and recommendations of any Brookings publications are solely those of its authors, and do not reflect the views of the Institution, its management, or other scholars.

Brookings recognizes the value it provides in its absolute commitment to quality, independence, and impact. Activities supported by its funders reflect this commitment.

The authors thank Alex Jones, Bernadette Grafton, Ilana Valinsky, Ryan Zamarripa, Suyog Padgaonkar, Scott Andes, and Justin Tooley from the Economic Development Administration for their insights into the Build Back Better Regional Challenge and for their guidance throughout the development of this case study series. For their comments and advice on drafts of this paper, the authors also thank our colleagues Rachel Barker, Alan Berube, Lavea Brachman, Xavier de Souza Briggs, Hanna Love, Robert Maxim, Tony Pipa, and Mayu Takeuchi, as well as Sara Lawrence (RTI International), and Sarah Crane (University of Michigan). The authors also thank all local leaders, community-based organizations, economic development practitioners, regional intermediaries, industry representatives, and other coalition members who participated in informational interviews and site visits throughout this project, and who provided feedback on the research insights and policy recommendations detailed in this report.

This report was prepared by Brookings Metro using federal funds under award ED22HDQ3070081 from the Economic Development Administration, U.S. Department of Commerce. The statements, findings, conclusions, and recommendations are those of the author(s) and do not necessarily reflect the views of the Economic Development Administration or the U.S. Department of Commerce.

ABOUT BROOKINGS METRO

Brookings Metro collaborates with local leaders to transform original research insights into policy and practical solutions that scale nationally, serving more communities. Our affirmative vision is one in which every community in our nation can be prosperous, just, and resilient, no matter its starting point. To learn more, visit www.brookings.edu/metro.

END NOTES

1 Liu, A. (2016). *Remaking economic development: The markets and civics of continuous growth and prosperity.* Brookings Metro. Retrieved from https://www.brookings.edu.

2 U.S. Department of the Treasury. (2022, September 8). *Remarks by Secretary of the Treasury Janet L. Yellen at Ford Rouge Electric Vehicle Center* [Speech transcript]. Retrieved from https://home.treasury.gov.

3 Economic Development Administration. (n.d.). *$1B Build Back Better Regional Challenge*. Retrieved from https://www.eda.gov.

4 Pisano, G., Shih, W. (2012). *Producing Prosperity: Why America Needs a Manufacturing Renaissance*. Harvard Business Review Press. ISBN 978-1422162682.

5 Atkinson, D., Muro, M., Whiton, J. (2019). *The case for growth centers: How to spread tech innovation Across America*. Brookings Metro. Retrieved from https://www.brookings.edu.

6 White House. (2023, May 31). Remarks by Heather Boushey on How President Biden's Invest in America Agenda has Laid the Foundation for Decades of Strong, Stable, and Sustained, Equitable Growth [Speech transcript]. Retrieved from https://www.whitehouse.gov.

7 Muro, M., et al. (2022). Breaking down an *$80 billion surge in place-based industrial policy*. Brookings Metro. Retrieved from https://www.brookings.edu.

8 Haskins, G., Parilla, J., Takeuchi, M. (2024). *Metro Monitor 2024: Is metropolitan America benefitting from national growth?*. Brookings Metro. Retrieved from https://www.brookings.edu/articles/metro-monitor-2024/

9 Liu, A. (2016). *Remaking economic development: The markets and civics of continuous growth and prosperity*. Brookings Metro. Retrieved from https://www.brookings.edu.

10 ARPA-H Act, H.R.5585 - 117th Cong. (2022). Retrieved from https://www.congress.gov.

11 Economic Development Administration. (2021). *FY 2021 American Rescue Plan Act Build Back Better Regional Challenge Notice of Funding Opportunity (NOFO) (ARPA BBBRC NOFO)*. U.S. Department of Commerce. Retrieved from https://www.eda.gov.

12 Ibid.

13 Feser, E., Renski, H., Goldstein, H. (2008). Clusters and Economic Development Outcomes: An Analysis of the Link Between Clustering and Industry Growt". *Economic Development Quarterly* 22, No. 4 (November 1, 2008): 324–44, https://doi.org/10.1177/0891242408325419. & Maskell, P., Kebir, L. (2006) What Qualifies as a Cluster Theory?. *Clusters and Regional Development: Critical Reflections and Explorations*, (2006): 30-49, https://doi.org/10.4324/9780203640890.

14 Muro, M., Katz, B. (2010). *The new 'cluster moment': How regional innovation clusters can foster the next economy*. Brookings Metro. Retrieved from https://www.brookings.edu.

15 Donahue, R., Parilla, J., McDearman, R. "Rethinking Cluster Initiatives". Brookings Metro. July 25th, 2018.

16 Liu, A., et al. (2022) "Making Local Economies Prosperous and Resilient: The Case for a Modern Economic Development Administration". Brookings Metro. Retrieved from https://www.brookings.edu.

17 Liu, A. (2016). *Remaking economic development: The markets and civics of continuous growth and prosperity*. Brookings Metro. Retrieved from https://www.brookings.edu.

18 Parilla, J., Haskins, G., Muro, M. (2022). *The future of place-based economic policy: Early insights from the Build Back Better Regional Challenge*. Brookings Metro. Retrieved from https://www.brookings.edu.

19 Economic Development Administration. (2021). *FY 2021 American Rescue Plan Act Build Back Better Regional Challenge Notice of Funding Opportunity*. U.S. Department of Commerce. Retrieved from https://www.eda.gov.

20 Federal Awards. (2023). In USAspending.gov. Retrieved from https://www.usaspending.gov.

21 Parilla, J., Donahue, R., Martinez, S. (2022). *Institutionalizing inclusive growth: Rewiring systems to rebuild local economies*. Brookings Metro. Retrieved from https://www.brookings.

edu.
22 Dixon-Fyle, S., et al. (2020). *Diversity Wins: How Inclusion Matters*. McKinsey & Company. Retrieved from https://www.mckinsey.com. & Hsieh, C., et al. (2016). *The Allocation of Talent and U.S. Economic Growth*. (NBER Working Paper No. 18693). Retrieved from https://www.nber.org.
23 Bradbury, K., Triest, R. (2016). Inequality of Opportunity and Aggregate Economic Performance. *RSF: The Russell Sage Foundation Journal of the Social Sciences 2, no. 2* (2016): 178–201. https://doi.org/10.7758/rsf.2016.2.2.08. & Parilla, J. (2017). *Opportunity for growth: How reducing barriers to economic inclusion can benefit workers, firms, and local economies*. Brookings Metro. Retrieved from https://www.brookings.edu.
24 Ibid.
25 Evidence suggests that businesses benefit from being in regional economies that have strong, networked organizations that have bred the trust and created the capacities to enact strategies that lead to scaled change. Michael Storper et al., *The Rise and Fall of Urban Economies: Lessons from San Francisco and Los Angeles*, (Stanford, Stanford University Press, 2015).
26 Hackler, D., Harpel, E. (2020). *Fresno DRIVE: Drilling Down to Reflect a History of Inequitable Growth*. Smart Incentives. Retrieved from https://smartincentives.org.
27 Kania, J., & Kramer, M. (2011). Collective Impact. *Stanford Social Innovation Review*, 9(1), 36–41. https://doi.org/10.48558/5900-KN19.
28 Collective Impact Forum. Collective Impact Forum. (2021). *Backbone Starter Guide: A Summary of Major Resources about the Backbone from FSG and the Collective Impact Forum*. FSG. Retrieved from https://collectiveimpactforum.org.
29 Historically excluded communities (HECs) include populations that have suffered from historic and systemic discrimination, disinvestment, and disenfranchisement, including (but not limited to) women and people of color. In recognition that systemic inequality varies based on regional historical context, coalitions were permitted to create their own tailored definitions for HECs in their service regions, rather than use a universal definition from the EDA.
30 Pipa, A., Swarzenski, Z. (2023). *Regional clusters and rural development: To what extent does EDA's Build Back Better Regional Challenge include rural areas?*. Brookings Metro. Retrieved from https://www.brookings.edu.
31 Parilla, J., Donahue, R., Martinez, S. (2022). *Institutionalizing inclusive growth: Rewiring systems to rebuild local economies*. Brookings Metro. Retrieved from https://www.brookings.edu.
32 Ibid
33 Theodos, B., et al. (2021). *Economic Development Administration Programs and Project Types*. Urban Institute. Retrieved from https://www.urban.org.
34 A prior case study by Smart Incentives concluded: "The inclusive convening process of DRIVE has a rippling effect and is bringing more CBOs, advocates, and residents to the table which continues to create even a "bigger tent" for Fresno's economic development conversations." For more information, see: Hackler, D., Harpel, E. (2020). *Fresno DRIVE: Drilling Down to Reflect a History of Inequitable Growth*. Smart Incentives. Retrieved from https://smartincentives.org.
35 Steering Committee Information. (n.d.). In FresnoDRIVE.org. Retrieved from https://www.fresnodrive.org.
36 Donahue, R., Parilla, J., McDearman, B. (2018). *Rethinking cluster initiatives*. Brookings Metro. Retrieved from https://www.brookings.edu.
37 Based on Brookings analysis of internal survey data provided by the Purdue Center for Regional Development.
38 Castillo, D., et al. (2023). *Redlining the reservation: The brutal cost of financial services inaccessibility in native communities*. National Community Reinvestment Coalition. December 6, 2023. Retrieved from https://ncrc.org.
39 Parilla, J., and Haskins, G. (2023). *Five roles communities need for implementing once-in-a-generation federal resources*. Brookings Metro. Retrieved from https://www.brookings.edu.
40 Donahue, R., Fleming, P., Parilla, J. (2023). *How local leaders can upgrade their regional economic dashboards for a new era of place-based policymaking*. Brookings Metro. Retrieved from https://www.brookings.edu.
41 South Kansas Coalition. (n.d.). *Driving*

Adoption: Smart Manufacturing Technologies. Wichita State University. Retrieved from https://wsuppmc.github.io.

42 Wilkinson, J., Estabrooke, I. (2024). *Governance from the Field—Different Ways to Structure Your Multiorganization Coalition*. RTI International. Retrieved from https://www.buildingbetterregionscop.org. & Wilkinson, J. (2024). *Three Governance Frameworks for Multi-organization Regional Economic Development Coalitions*. RTI International. Retrieved from https://www.buildingbetterregionscop.org.

43 Ioffreda, F., Parilla, J., Haskins, G. Ioffreda, F., Parilla, J., Haskins, G. (2023). *A governance framework for regions competing for Tech Hubs and other new federal investments*. Brookings Metro. Retrieved from https://www.brookings.edu.

44 South Kansas Coalition. (n.d.). *Driving Adoption: Smart Manufacturing Technologies*. Wichita State University. Retrieved from https://wsuppmc.github.io.

45 Liu, A., et al. (2022). *Making local economies prosperous and resilient: The case for a modern Economic Development Administration*. Brookings Metro. Retrieved from https://www.brookings.edu.

46 Hourihan, M., Muro, M., Chapman, M. (2023). *The bold vision of the CHIPS and Science Act isn't getting the funding it needs*. Brookings Metro. Retrieved from https://www.brookings.edu.

47 White House. (2023, October 23). *FACT SHEET: Biden-Harris Administration Announces 31 Regional Tech Hubs to Spur American Innovation, Strengthen Manufacturing, and Create Good-Paying Jobs in Every Region of the Country* [Press release]. Retrieved from https://www.whitehouse.gov.

48 Liu, A., et al. (2022). *Making local economies prosperous and resilient: The case for a modern Economic Development Administration*. Brookings Metro. Retrieved from https://www.brookings.edu.

49 Economic Development Administration. (n.d.). *Planning Program FAQ*. U.S. Department of Commerce. Retrieved from https://www.eda.gov.

50 International Economic Development Council. (2024, February 5). *International Economic Development Council (IEDC) Announces the Economic Recovery Corps' Inaugural Cohort of 65 Fellows & Host Communities* [Press release]. Retrieved from https://www.iedconline.org. & Equity Impact Investments. (n.d.). In EDA.gov. Retrieved from https://www.eda.gov.

51 Environmental Protection Agency. (2023, April 13). *Biden-Harris Administration Announces $177 Million for 17 New Technical Assistance Centers Across the Nation to Help Communities Access Historic Investments to Advance Environmental Justice* [Press release]. Retrieved from https://www.epa.gov.

52 Hart, O. (2023). *Senators introduce bipartisan legislation to level playing field for rural communities*. National Association of Counties. Retrieved from https://www.naco.org.

53 Haskins, G., Haskins, G., Parilla, J., Takeuchi, M. (2023). *Multi-phase place-based economic policies can enhance the nation's development capacity*. Brookings Metro. Retrieved from https://www.brookings.edu.

54 White House. (2023, October 23). *FACT SHEET: Biden-Harris Administration Announces 31 Regional Tech Hubs to Spur American Innovation, Strengthen Manufacturing, and Create Good-Paying Jobs in Every Region of the Country* [Press release]. Retrieved from https://www.whitehouse.gov

55 Johnson, D., Muro, M. (2024). *Financing transformation: How to sustain place-based economic development beyond early federal awards*. Brookings Metro. Retrieved from https://www.brookings.edu.

56 Donahue, R., Parilla, J., McDearman, B. (2018). *Rethinking cluster initiatives*. Brookings Metro. Retrieved from https://www.brookings.edu.

57 Liu, A., et al. (2022). *Making local economies prosperous and resilient: The case for a modern Economic Development Administration*. Brookings Metro. Retrieved from https://www.brookings.edu.

Brookings Metro

1775 Massachusetts Ave NW,
Washington, DC 20036
(202) 797-6000
www.brookings.edu