



pennsylvania
DEPARTMENT OF COMMUNITY
& ECONOMIC DEVELOPMENT

OEA INDUSTRY RESILIENCE GRANTEE CONVENING
VIRTUAL “LIGHTNING ROUND”

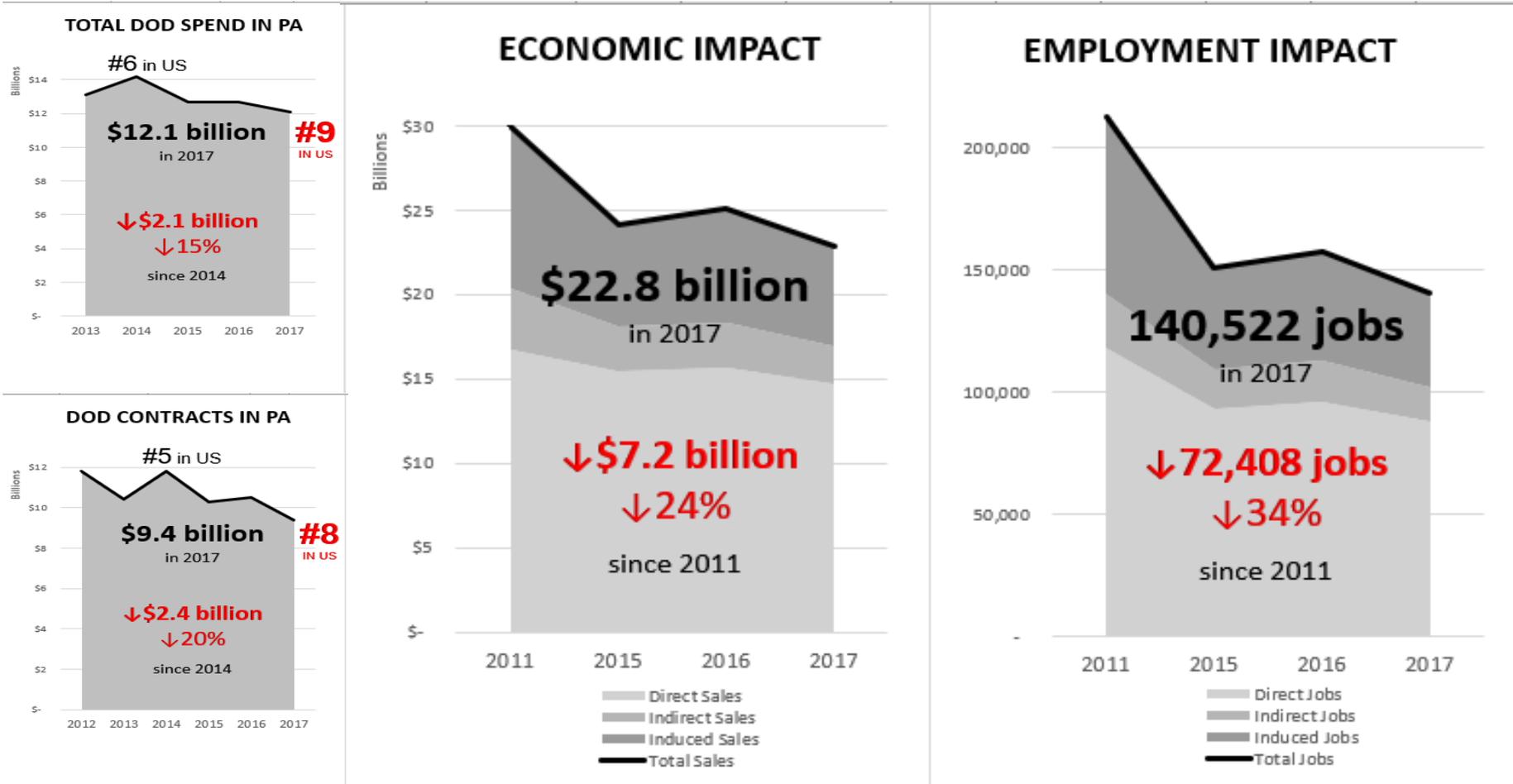
Working in Rural Regions: A Grantee Learning Session

***PENNSYLVANIA DEFENSE INDUSTRY
ASSISTANCE PARTNERSHIP***

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THE ECONOMIC IMPACT OF DEFENSE CUTS IN PENNSYLVANIA



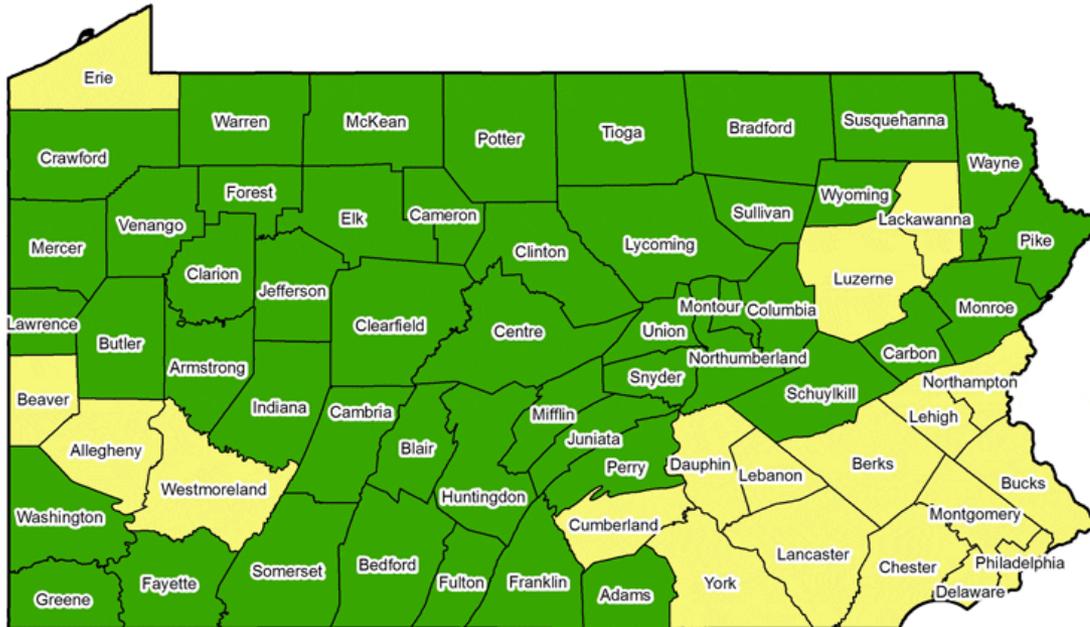
PENNSYLVANIA DEFENSE INDUSTRY ASSISTANCE PARTNERSHIP



PROJECT OUTCOMES (PHASE 1-2)

- Engaged over 1,200 defense suppliers and directly assisted over 400 of these clients through the delivery of over 100 workshops, 122 assessments, and ongoing technical assistance
- Developed 100 diversification/growth plans for impacted defense firms aimed at improving their positioning/resiliency
- Implemented 74 projects to carry out the strategic recommendations outlined in those customized plans
- Assisted 430 dislocated workers through the delivery of over 100 workshops and ongoing direct technical assistance
- Created or retained 665 jobs
- Leveraged over \$5 million in private and public funding
- Commercialized 16 new products or technologies
- Created 7 new companies

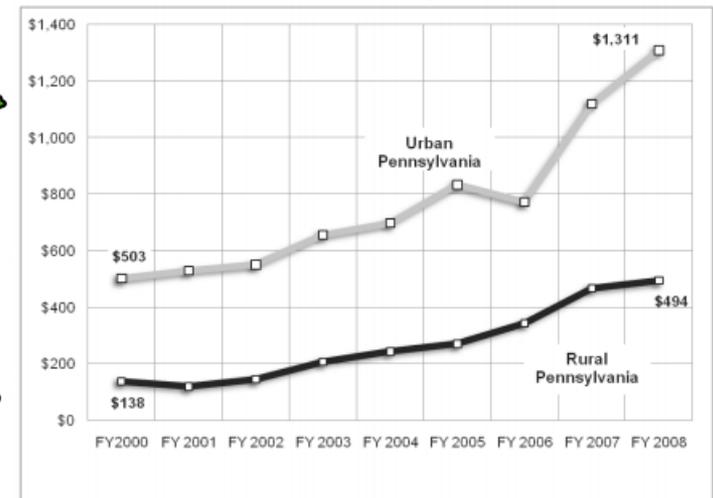
SNAPSHOT OF RURAL PA



Source: U.S. Census Bureau, 2010 Census

Urban Rural

Figure 1: Per Capita U.S. Department of Defense Procurement Contract Spending, FY2000 to FY2008



Data adjusted for inflation with CPI-U = 100. Data source: Consolidated Federal Fund Reports, U.S. Census Bureau

- 48 or 72% of PA's 67 counties are considered rural
- 52% of rural Pennsylvania businesses had fewer than five employees (2008)
- 3.5 million people, or about 27% of the state's 12.7 million residents, lived in rural PA (2010)

RURAL OBSERVATIONS & CHALLENGES

- Many are anchor tenants = \$ impacts have greater community impact
- Higher proportion of sub-tier players = hard to find / serve
(this is an on the ground / full contact sport not for the faint of heart)
- Workforce / succession planning challenges = not a deep bench / wearing many hats
- Some were unaware of their involvement in the defense supply chain before our engagement
- Decisions are not always controlled locally / subject to corporate HQ approval
- Travel / connectivity challenges can limit participation / engagement
- Our Greatest Asset & (sometimes) Our Greatest Challenge:
PA's large and robust economic development service provider network
- Can lead to confusion on how to navigate / what resources are available
- Some firms are reluctant to seek out assistance or do so too late

RURAL TIPS & BEST PRACTICES

- Can't understate the importance of using a local trusted advisor
(and that may even mean a different member of the team depending on the firm)
- There is “no one size fits all” solution - rather must have a customized approach to address regional/county/industry/firm dynamics
- We must meet them where they are / ensure a strong foundation to build from
(prepare to lift the hood)
- Go in armed with business intelligence *(it changes the conversation)*
- Recognize that what is sought out is often not what is needed
- Explore the benefit of collaborative business cohorts / job clubs
(while some firms are very guarded about sharing any info, others welcome this forum to learn from one another and strengthen local connections)
- Expand virtual offerings to reach those for whom travel is a barrier
(this is becoming our new COVID-19 reality)
- Reduce no shows at free trainings by charging a cancellation fee

PENNSYLVANIA'S SECRET SAUCE

- PA intentionally built nothing “new”...rather we enhanced / honed our existing economic development service provider network capabilities / offerings to serve the defense sector
- Partnership is key (*65-100 partners were involved in carrying out PA's effort*)
- Sustainability mindset to build and refine the toolkit long-term
- Prioritized direct client assistance
- Statewide vision, but local control on how to best get there
[*Partnerships for Regional Economic Performance \(PREP\)*](#)
- Proactive client engagement to build relationships before help is needed
[*Engage!*](#)
- Statewide client management system for statewide service coordination
ExecutivePulse

www.dced.pa.gov/defense

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