

# Workforce and Talent Development Across the Metropolitan Washington Region

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# Today's conversation

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How governments  
are using incentives  
to support  
workforce and talent  
development

Examples from the  
state, regional and  
local levels

# Why do we use incentives?

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## **To achieve our community's economic development goals**

- Jobs
- Investment
- Support for strategic industries
- Workforce and talent
- Growing existing businesses
- Downtown revitalization
- Quality of life and quality of place
- Strengthen tax base

Incentives are not just about winning a deal. Smart incentive use is always connected to a larger economic development strategy.

# Workforce incentive goals

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Provide opportunities for individuals

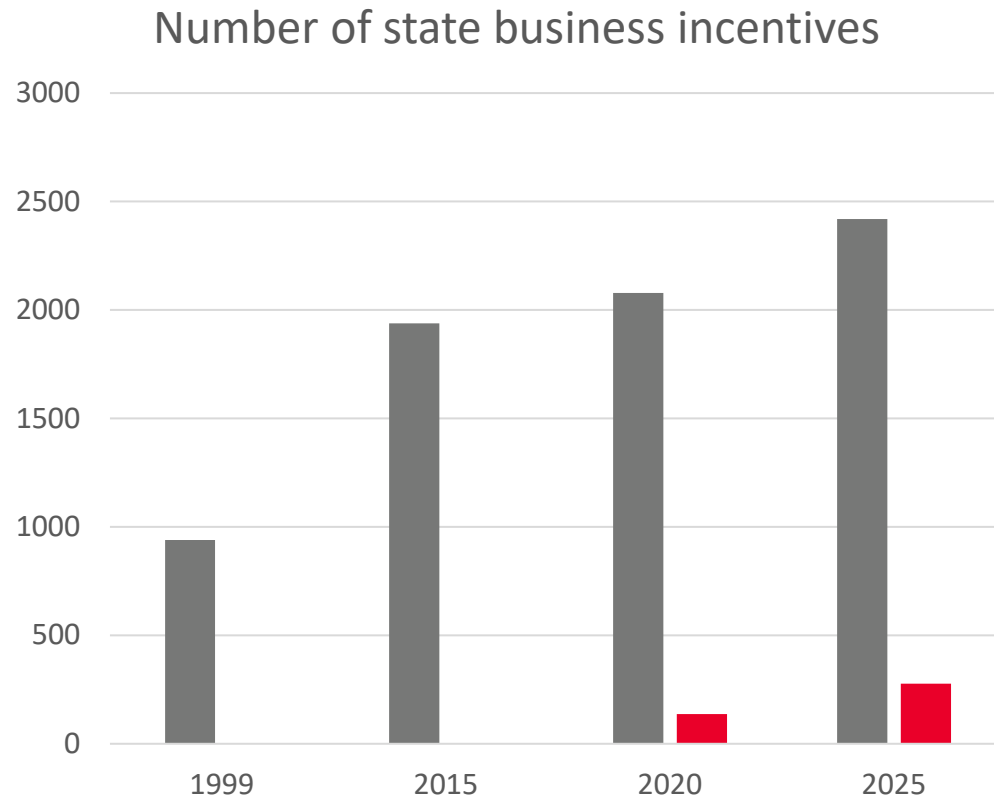
- Develop and retain skilled talent in the community
- Offer career path opportunities
- Create employment opportunities for specified populations

Address the #1 business need – skilled and available workforce

Invest in yourself

- Incentives that benefit residents as well as businesses
- Help create a competitive environment

# Incentive program trends



2020: 137 workforce & training programs

2025: 277 workforce & training programs

- 88 are tax incentives

- Majority are for training and pipeline programs for companies creating new jobs

- Approximately 10% seek to address individual barriers to employment

- About 15% support incumbent worker training or upskilling

Source: Council for Economic Research (C2ER) State Incentives Database

# Evaluating workforce incentives – NYS example

## Worker-Specific Tax Credits

- Employee Training Incentive
- Empire State Apprenticeship
- Hire a Veteran
- Employment of Persons with Disabilities
- Workers with Disabilities



## Economic Impact of Tax Incentive Programs

### New York State Department of Taxation and Finance

December 30, 2023

#### **PFM Group Consulting LLC**

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In conjunction with:

**MFR Consultants Inc.**  
**Fourth Economy Consulting**  
**The Center for Regional Economic Competitiveness**  
**Smart Incentives**

# Findings for hiring tax credits – few users and low ROI

	Empire State Apprenticeship	Employee Training Incentive	Employment of Persons with Disabilities	Hire a Veteran	Workers with (Developmental) Disabilities
Start Year and Agency	2018 DOL	2015 Empire State Development	1998 DOL	2014 Taxation & Finance	2015 DOL
Max Credit Per Worker	\$7,000	\$10,000	\$2,100	\$20,000	\$8,000
2019 Credits Claimed	\$518,000	\$15,145	\$65,027	\$15,051	0 OR \$14,177 (2017-19)
Fiscal Return to NYS	\$0.52/\$1.00	\$0.12-\$2.35/\$1.00			
2019 Taxpayers Using Credit	31	3	34	9	0 or 12



# Lessons learned

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## **Are the participating workers better off?**

Data collected is not consistent with stated goals

Program data may not be sufficient to answer questions about impact.



## **Tax credits do not appear to motivate hiring behavior**

Lack of awareness likely limits use

But often a big difference between number of taxpayers certified to use the tax credit and those actually taking the tax credit



## **Complex tax and program rules may be inhibiting tax credit use**

Extensive eligibility requirements and application rules may mean the “juice is not worth the squeeze”

In many cases, these programs would be better structured as grants than tax credits



# Other evaluation findings

**Virginia Jobs Investment Program (2018, 2025)** – grant to encourage job creation and employee training at new and expanding businesses

- Exceeded employment goals
- Improved employee skills and 24% of trained workers received an increase in wages (2018)
- Not a critical factor for business locations or expansions
- Positive but moderate economic impact

**Oklahoma Tax Credits for Aerospace Employees (2021, 2025)** – income tax credit for qualified aerospace sector employees to address the shortage of engineering talent in Oklahoma

- Appears to help attract engineering talent
- Positive economic impact
- Estimated net positive revenue impact for the state

**California Employment Training Panel (2020)** – provides funding to employers to assist in upgrading the skills of their workers through training

- Positive and significant impacts on company sales and employment
- Strongest effect on companies with 19-100 employees

# Virginia talent initiatives for business and job growth (select)

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## Incentives

- Virginia Jobs Investment Program
- Virginia Talent Accelerator Program

## Other

- Tech Talent Investment Program
- Virginia Center for Advanced Pharmaceutical Manufacturing
- Virginia Office of Education Economics

 **#1** Top State  
for Business –  
Education

 **#1** Best Public  
Schools in  
the South

 **#2** Best State  
for Higher  
Education

# GO Virginia Talent Pipeline Initiative

**GoVA Region 7 leaders are looking to co-invest in solutions to expand the talent pool for all.**

Leaders in northern Virginia harnessed the GO Virginia Talent Pipeline Initiative (GoVA-TPI), launched by the Governor and legislature in 2022, to examine the workforce needs in targeted industry clusters and identify equitable pathways for careers in digital technology within Northern Virginia.

*Source:* GO Virginia Region 7: Talent Pipeline Initiative Executive Brief, Center for Regional Analysis (GMU), Center for Regional Economic Competitiveness (CREC). December 2024

## Policy Priorities

- Offer high impact training for upskilling and talent attraction/retention
- Leverage underutilized talent pools
- Anticipate next gen skill needs for key sectors

## Takeaways

- “Mid-level” roles are in high demand and finding “mid-level” talent is a key pain point for employers.
- Women and people of color are under-represented in advanced technical and management roles.
- Employers, especially small- and mid-sized companies, often have disconnected recruitment and retention strategies
- Work-based learning opportunities (such as internships) provide a key source of entry-level talent
- The region’s high cost of living limits options for workers to earn and learn, especially if they have student debt

*Source:* GO Virginia Talent Pipeline Initiative, Fairfax Working Group Meeting, March 2025

# Alexandria/Arlington Regional Workforce Council

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Arlington Employment Center and Alexandria Workforce Development Center offer career pivot workshops, resume writing and interviewing labs, and access to tuition support for credentialing programs.

**Alexandria/Arlington Executive Coaching Service:** free service for laid off federal workers and contractors residing in City of Alexandria and Arlington County. Enrollees can explore career options and industry trends, career planning and goal setting, resume and interview support.

**Recipe for success event on 11/22 for affected Alexandria city residents .** Career pivot/resume transformation event. Includes free food and childcare.

Over 2,500 have attended RWC job fairs, using AI for career search workshops and other services to help individuals reenter the workforce.

# Let's continue the conversation

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## Evaluation Links:

[Economic Impact of Tax Incentive Programs in New York State](#)

[Virginia Workforce and Small Business Incentive Evaluations](#)

[Impacts of California's Incumbent Worker Training Program](#)

[Evaluation of Oklahoma's Aerospace Employee and Employer Tax Credits](#)