

Regional Competitiveness Fact Sheet

For too long, communities across the country were left on their own to weather economic shocks of disruptions from trade, automation, and threats from abroad. As a result, the United States lost critical industries, workers lost good paying jobs, and communities fell behind. Under Secretary Raimondo's leadership, the Department of Commerce adopted a new approach to driving regional competitiveness and broad-based growth. For the first time in the Department's history, Commerce is making massive investments in communities with the scale and strategy required to transform local economies. With those investments, the Department has mobilized state, local, private and philanthropic resources to support communities and workers in a new industrial era and drive long-term economic growth in areas previously left behind.

This transformative approach will advance U.S. competitiveness and national security by ensuring the technologies of the future are invented and manufactured in America. As opposed to small, temporary fixes, Commerce's new approach makes the transformative, large-scale, strategic investments required to help communities rebuild their economies and grow quality jobs. For the first time, the Department is investing in sectoral-workforce partnerships that place workers in good jobs today and create pipelines for the good jobs of the future.

Since 2021, the Department of Commerce has invested over \$70 billion in place-based initiatives through new programs created by the American Rescue Plan, the Bipartisan Infrastructure Law (BIL), the Inflation Reduction Act (IRA), and the CHIPS and Science Act. These investments have strengthened industries critical to our economic and national security – including semiconductors, quantum, biotechnology, critical minerals, and climate resilience. Their reach spans every American state and territory, and these investments will benefit more than two-thirds of all U.S. counties. The Department's new place-based competitive programs have been met by record demand – with over 3,000 requests for funding. Regional competitions were oversubscribed by as much as 27 times the available funds. The public dollars have brought new capital off the sidelines, catalyzing over \$500 billion in investment from states, philanthropy, and the private sector.

I. Securing U.S. leadership in technologies of the future

Commerce has stood up landmark programs to catalyze local innovation at a scale the federal government had not seen since the height of the Cold War. While U.S. innovation is unmatched, too many critical technologies invented in the U.S. are being manufactured and delivered by our competitors. Disinvestment in the civilian manufacturing base of essential products like semiconductors and solar panels hinders commercialization and weakens domestic production capacity. Additionally, technological innovation and capacity are essential to long-term economic growth. Meanwhile, capital has clustered in a handful of coastal cities, missing America's vast innovation potential and meaning many places have missed out on economic opportunity over the last few decades. The Department has adopted a new approach, making big bets on innovation and super-charging regional clusters with the assets needed to spur technological advancement and support national security.

- ***Supercharging innovation beyond the coasts:*** Commerce designated thirty-one regional [Tech Hubs](#), with more than \$700 million in investments to ensure the key technologies of

the future start, grow, and remain in the United States. Investments include developing facilities to commercialize new technologies in fields from sustainable polymers, to drones, to quantum sensing. Federal investments are also driving business and entrepreneurship development in selected regions –beyond federal funding, the Tech Hubs have already attracted nearly \$6 billion in investment commitments from private, public, and philanthropic sources. By investing in U.S. regions with high potential in critical and emerging technologies, Tech Hubs will help the United States grow its competitive advantage over the next decade.

- ***Accelerating cutting-edge semiconductor industry clusters:*** Commerce is investing \$39 billion to rebuild the domestic semiconductor manufacturing base and secure the semiconductor supply chain, and \$11 billion to push the innovation frontier, ensuring the next generation of semiconductor technology is invented and manufactured in the United States. Two years after the passage of the CHIPS Act, the U.S. has seen the largest wave of semiconductor manufacturing expansion in U.S. history, with planned investments now nearing \$450 billion. CHIPS funds have secured [commitments to construct](#) 17 new fabs—as well as eight new supply chain and advanced packaging facilities—in 21 states. All five of the world’s leading-edge technology manufacturers are building and expanding in the U.S. By contrast, no other economy in the world has more than two of these companies manufacturing on its shores. In addition to financial support for CHIPS projects, states and localities have announced at least \$20 billion in new infrastructure investments, including transportation and roads, water, and energy in CHIPS regions. These investments will help accelerate development of globally-competitive cluster ecosystems in the United States. The CHIPS Program Office is also signing MOUs with states, cities, and counties hosting key CHIPS projects, piloting a [new model](#) for federal-state-local collaboration on industrial strategy. In addition, Commerce is making investments in three flagship CHIPS for America research facilities and a first-of-its-kind Manufacturing USA Institute, creating new job and innovation centers in Arizona, California, New York, and North Carolina.
- ***Growing next-generation industries across the country:*** Commerce invested in sixty [Build Back Better Regional Challenge \(BBBRC\)](#) coalitions that are working cohesively to promote new industry development in regions across the country, with a focus on strengthening local economies that have been adversely impacted by economic shocks over the last few decades. Twenty-one of these coalitions received substantial implementation awards ranging from \$25 to \$65 million each. Since September 2022, BBBRC coalitions have supported the growth of 361 new businesses and the adoption of new technologies in 157 existing businesses. In just two years, awarded coalitions have reported \$3.6 billion in additional investment from public and private sector.
- ***Reshoring electronic and fiber supply chains:*** The [Build America Buy America Act](#) requires federally funded projects use materials made in the United States. This means the majority of fiber broadband equipment—including optical fiber, fiber optic cable, key electronics, and enclosures—necessary to bring affordable and reliable high-speed Internet service to everyone in America will be made in America. While some in industry said domestic manufacturing couldn’t be done, manufacturers stepped up and proved this narrative wrong. Internet for All’s commitment to domestic sourcing of broadband equipment has spurred over \$700 million in new domestic manufacturing investments in at least 10 states, creating over 2,000 jobs.

II. Building Opportunity in Communities Left Behind

Too often, federal programs haven't been sufficient in scale or strategic planning to create jobs or drive growth in distressed communities. Commerce's new approach leverages public and private investment to target the underlying causes of economic distress and to spur future growth. Using holistic and flexible investment tools, the Department has made investments in socially and economically disadvantaged communities, including many rural areas.

- ***Creating and retaining good jobs in distressed communities:*** The [Recompete Pilot Program](#) provides almost \$200 million in flexible funds to address the root causes of distress in six communities facing low prime-age employment rates – together, these communities represent places with poverty rates nearly triple the national average and median household incomes less than half the national average. These communities received substantial implementation awards ranging from \$20 to \$40 million each, in many cases, the largest federal grants ever received by these regions. The investments will directly create 9,000 quality jobs in those communities while also accelerating workforce training, infrastructure development, entrepreneurship, and small businesses growth. An additional 24 communities received strategy development grants. Recompete is the most high-demand national competition in the Economic Development Administration's (EDA) history. The program received 565 applications – approximately half of which were first-time applicants to the bureau – demonstrating a need for transformative place-based federal investment.
- ***Growing socially and economically disadvantaged businesses:*** The [Minority Business Development Agency](#) invested \$125 million in the first-of-its kind Capital Readiness Program, which funds incubators and accelerators that help underserved entrepreneurs grow and scale their businesses. In less than two years, 43 awardees serving all 50 states have already graduated nearly 6,000 entrepreneurs who have raised \$286 million in capital. The Biden-Harris Administration secured the authorization of MBDA for the first time in Department history, formalizing and expanding the mission. Since 2021, MBDA's network of business and specialty centers across the nation, along with CRP, helped businesses secure over \$10.8 billion in contracts and \$4.8 billion in capital, and helped to create and retain over 69,000 jobs.
- ***Connecting communities to the digital economy:*** [Internet for All](#) programs are bringing every single household and small business access to affordable, reliable, high-speed Internet service by 2030. Once complete, 7.5 million currently unserved locations will be connected to the 21st century economy. Commerce investments have already built or upgraded 3,200 miles of fiber, connected 40,000 previously unserved households, nearly 3,000 businesses, and more than 130 community anchor institutions (like schools and libraries). Internet for All is also investing \$3 billion into Tribal areas to improve connections in Native communities, provide laptops and other essential computer equipment to Tribal members, and promote high-speed Internet deployment. Already Internet for All has awarded \$1.86 billion in awards to 226 Tribal entities – the largest ever investment in high-speed Internet on Tribal Lands – and connected or lowered Internet costs for more than 4,500 Tribal homes, with many more to come.

- ***Building climate resilience:*** The IRA and BIL invested a record \$6 billion into the National Oceanic and Atmospheric Administration (NOAA), allowing Commerce to fund projects that help America mitigate and adapt to climate change. Transformational funding and new resilience programs have allowed NOAA to restore thousands of acres of habitat and waterways, help people across the country make climate-smart investments in their communities and coasts, and improve the climate data and services provided to decision makers, families, communities, and businesses. NOAA has announced \$2.8 billion in funding through its coastal resilience programs to strengthen ecosystems and communities along the coasts. For example, NOAA’s \$575 million [Climate Resilience Regional Challenge](#) program made awards to 19 collaborative projects to increase the resilience of coastal communities to extreme weather and other climate impacts. This program was the most oversubscribed program in the IRA, demonstrating the demand communities across the country have for climate resilience capacity.

III. Growing American Jobs and the Workforce of the Future

America has the greatest workers in the world, and with the right skills and opportunities they can do anything. Too often in the past, workforce development programs have followed a “train and pray” model - where job training is disconnected from actual jobs. Over the last four years, Commerce has invested over \$2.9 billion in workforce development that prioritizes placement in relevant, quality jobs as the most important outcome. By integrating workforce development into economic development strategies that support industries of critical national importance, we can ensure that Americans get good jobs today and are prepared for the good jobs of the future.

- ***Helping workers gain a foothold in the high-wage industries of the future:*** Commerce’s flagship workforce training investment, the \$525 million [Good Jobs Challenge \(GJC\)](#), is scaling some of the country’s most promising workforce solutions in key industries such as technology, energy, and manufacturing.
 - GJC’s 40 awardees are on track to place 53,000 workers in good-paying jobs with benefits, and nearly doubling workers’ previous annual earnings. Already, more than 12,000 workers across 35 states and Puerto Rico have made the jump from low-wage employment into high-demand, good-paying jobs.
 - GJC is helping to boost participation by underserved communities in good jobs industries. For instance, relative to industry baseline workforce statistics, GJC energy and manufacturing trainees are almost three times as likely to be Black, GJC IT and cybersecurity trainees are nearly two times as likely to be Hispanic, and building and construction trainees are nearly two times as likely to be women.
 - Modeled on the GJC, NOAA’s [Climate Ready Workforce](#) initiative invested \$60 million to train tomorrow’s workers in climate-smart tools, technology and insights. Thanks to this program, thousands of people are being trained and placed in jobs that help coastal and Great Lakes states, tribes and territories adapt to climate change.

- ***Mobilizing semiconductor training:*** Commerce has deployed an all-hands-on-deck strategy to ensure we have the workforce we need to fill the approximately 125,000 jobs created by CHIPS investments, including:
 - Commerce is investing nearly \$300M in dedicated incentives to grow the workforce for 28 CHIPS-funded semiconductor manufacturing facilities across 12 states.
 - Natcast, a new public-private partnership created by the CHIPS Act, launched the [NSTC Workforce Center of Excellence](#) (WCoE) with an initial \$250M investment from Commerce to seed the next generation of technicians, engineers, and researchers.
 - At least 14 states have invested over \$300M in new workforce pipelines for CHIPS since 2022. Semiconductor companies have allocated over \$200M in private capital to recruiting, training, and advancing workers. And over 80 community colleges across 22 states have started or expanded semiconductor training programs.

- ***Combining workforce development and economic development:*** Commerce's economic investments are paired with workforce development investments that build coalitions across industry, education, non-profits, and unions to expand recruitment, keep people enrolled, and teach the practical skills needed to get a job and advance in a career.
 - *Build Back Better Regional Challenge (BBBRC):* BBBRC includes \$270 million in workforce investments to help workers access new jobs and job training in high-growth industry clusters across 24 states, leveraging partnerships with 27 labor unions and worker organizations and over 450 employers.
 - *Tech Hubs:* Tech Hubs invests \$155 million in training workers for industries of the future across 14 Hubs covering 16 states, including partnerships with labor organizations, community colleges, universities, and high schools.
 - *Internet for All:* Building broadband networks on time and at scale across 56 states and territories will require tens of thousands of broadband construction workers: from network designers to pole surveyors, from locators to drill operators, from general laborers to fiber splicers. So far, 18 states plan to allocate over \$300 million in BEAD funding to support broadband workforce development initiatives.

Figure 1. FY 21-24 Place-Based Commerce Awards

