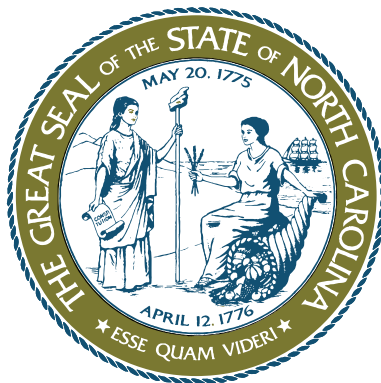


FIRST IN OPPORTUNITY

Strategic Economic Development Plan
for the State of North Carolina

Goals, Strategies, and Tactics for the New Economic Landscape



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NORTH CAROLINA
**DEPARTMENT of
COMMERCE**



Message from Governor Josh Stein

North Carolina's **First in Opportunity** Plan lays out a four-year roadmap to build a safer, stronger North Carolina, and create meaningful opportunity for every North Carolinian to succeed. The plan focuses on expanding economic opportunities, supporting working families, and preparing communities for long-term growth.

By investing in critical infrastructure, fostering innovation, and expanding access to affordable housing, child care, and health care, we can ensure that people have the essential supports needed to participate fully in a future-ready workforce. These investments reflect our shared belief that **opportunity is built here—in North Carolina.**



Message from Secretary Lee Lilley

The North Carolina Department of Commerce develops North Carolina's strategic economic development plan to guide long-term growth and opportunity across the state. This is not the Department of Commerce's strategic plan; rather it is a plan, developed collaboratively, for the state to build upon its strengths and address its weaknesses to create conditions for lasting economic prosperity.

The *First in Opportunity* Plan reflects a statewide vision, one that can only be achieved through intentional collaboration among economic and workforce development organizations, educational institutions, community-driven leadership, and new public and private sector investment. The NC Strategic Economic Development Plan Steering Committee, key advisors in the plan's development, are representative of the types of public and private partnerships that will animate and implement the recommendations of this document.

As emphasized in the previous strategic plan, *First in Talent*, our greatest asset is our people. Now is the moment to strengthen our foundation as a leading state for business and workforce development by supporting the people who fuel our success, investing in the places they call home, and building partnerships that prepare us to attract investment and create jobs in emerging, high-paying industries. **Together, we are First in Opportunity.**

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EXECUTIVE SUMMARY



Background and Plan Purpose

Over the past decade, North Carolina has maintained a position as a top economic performer, supported by a robust education system, a highly skilled workforce, and a diverse industry base. Sustaining our progress and ensuring that all North Carolinians have the opportunity to thrive will require strategic reinvestment in the very foundations of our success: our people, businesses, and communities.

North Carolina's growth intersects with geographic disparities, structural shifts, periodic economic volatility, and challenges that are actively reshaping the state's economic landscape:

- **Hurricane Helene and other severe weather events** have highlighted vulnerabilities and the need for resilience in physical infrastructure, particularly in rural and frequently disaster-impacted communities.
- **Sustained population growth and in-migration** have steadily increased pressure on housing, transportation, water systems, and local community services, often exacerbating the divide between high-growth metros and communities striving to attract new investment.
- **Capacity constraints in the child care system**, combined with an aging population, have limited labor supply and exposed gaps in the caregiving economy that affect workforce participation statewide.

- **The expansion of the advanced manufacturing and clean energy sectors**, supported by federal and private investments, has created good-paying jobs, while increasing competition for labor, materials, and project delivery, underscoring the need to better align workforce training with industry demand.
- **The integration of artificial intelligence and automation** is shifting work across occupations and industries, while also placing new demands on local energy and water resources.

Taken together, these factors have created an evolving operating environment for economic development. The primary challenge is no longer generating baseline growth, but ensuring that the capacity of infrastructure, workforce systems, and communities can sustainably support that growth and distribute its benefits more broadly. North Carolina's 2026 Strategic Economic Development Plan – *First in Opportunity* – provides a comprehensive framework for strengthening North Carolina's long-term competitiveness and advancing forward-looking economic development strategies that foster resilience in its people and the places they call home. At its core, this vision recognizes that true opportunity requires a foundation of infrastructure, innovation, access and affordability, talent, and alignment.



To execute this vision, the Plan outlines a coordinated approach organized around four strategic goals:

GOAL 1:

Modernize and Fortify State Infrastructure

to physically connect regions, build resilience, and determine where sustainable growth can practically occur.

GOAL 2:

Accelerate Economic Competitiveness

by strengthening the innovation ecosystems that help the state maintain its global advantages.

GOAL 3:

Enhance Community Well-being

by expanding housing, child care, and health care access so individuals can reliably participate in the local economy.

GOAL 4:

Build a Resilient and Future-Ready Workforce Through Unified Statewide Coordination

to prepare North Carolinians to fill available and emerging jobs and to ensure these efforts translate into accessible, seamless services and actionable outcomes for businesses and jobseekers.



GOAL 1:

Modernize and Fortify State Infrastructure for Sustainable Growth

Goal 1 focuses on supporting the future economic strength and population growth of North Carolina through strategic planning, investment, and modernization of the state's foundational infrastructure.

Reliable physical infrastructure – such as water and wastewater systems, energy networks, transportation corridors and systems, and digital connectivity – is essential to North Carolina's economic vitality and long term competitiveness. As the state continues to experience population growth and attract businesses and private investment, the capacity and performance of these systems play an increasingly important role in shaping where economic development occurs, how efficiently goods and services move, and whether communities can grow sustainably and resiliently. These assets support residents, employers, visitors, and key industries that depend on reliable, high-capacity infrastructure to operate, compete, and expand.

While these systems are critical, infrastructure capacity and readiness vary across the state, affecting economic opportunity, community growth, and regional competitiveness.

- **Local Water and Wastewater Systems Not Always Structured for Growth:** North Carolina has more than 5,200 public water systems and hundreds of wastewater utilities, the majority of which serve small or rural populations and operate aging infrastructure. Water and wastewater systems are typically designed and sized based on existing and projected local population and industrial demand, and expanding capacity

requires substantial planning, permitting, and capital investment over time. In most cases, maintaining appropriately scaled systems is more feasible than operating oversized infrastructure in small communities, which would be financially unsustainable and difficult to manage. At the same time, growth pressures in urban and rapidly developing areas can create localized constraints in water supply and treatment capacity, particularly where economic development and housing expansion are accelerating. As a result, water and wastewater capacity challenges exist across many parts of the state, reflecting differences in water availability, plant condition, technical capacity, financial strength, and regulatory compliance. These constraints can affect readiness for housing growth, industrial development, and population increases, particularly in rural and disadvantaged communities that do not meet the federal threshold to receive certain U.S. Department of Housing and Urban Development funds directly.

- **Transportation Network Vulnerabilities Exposed by Extreme Weather:** Recent storm events have highlighted the vulnerability of critical transportation assets. According to the North Carolina Department of Transportation (NCDOT), Hurricane Helene caused more than \$5 billion in damage to the state's transportation network,



disrupting travel, supply chains, and local economies. Hurricane Helene also caused \$3.7 billion in damage to water infrastructure leaving residents without safe drinking water, according to the Hurricane Helene Damage and Needs Assessment from the Office of State Budget and Management. Similar impacts to related infrastructure systems continue to complicate recovery efforts, particularly in rural areas and areas vulnerable to extreme weather.

- **Rising Demand for Energy and Digital Infrastructure from High Growth-Industries:** Growth in advanced manufacturing, life sciences, and data driven industries is increasing demand for reliable, cost competitive power and high capacity digital infrastructure. In 2025, North Carolina recorded \$24.1 billion in announced private investment and more than 35,000 new jobs, increasing the importance of energy, broadband, and energy and water systems. Grid reliability, price stability, interconnection timelines, and utility availability have become key factors in site selection, while utility intensive operations place growing demands on both energy and water systems.
- **Infrastructure Funding Gaps Require New Funding Mechanisms:** Across water, wastewater, and transportation infrastructure, North Carolina faces more than \$200 billion in identified infrastructure funding needs over the next decade. Existing state capital budgets, along with traditional state and federal grant and subsidized loan programs, are not sufficient to meet infrastructure needs at this scale across all communities, highlighting the need for the state to identify and develop alternative funding scenarios and financing approaches that complement existing resources and support large-scale infrastructure investment.

North Carolina has an opportunity to address these challenges through a more strategic and regionally coordinated approach to infrastructure planning and investment. The state's existing financing programs, regulatory capabilities, and interagency and inter-local government partnerships provide a strong foundation to support and encourage regional planning efforts, better sequence projects, expand the use of innovative financing tools, and align infrastructure development with economic priorities. Over the long term, effective regional planning will require structured engagement across jurisdictions to help shift infrastructure delivery from reactive responses to proactive readiness.

Collectively, these efforts support a modern infrastructure strategy that recognizes water, energy, transportation, and digital systems as prerequisites for sustained economic growth. By targeting investments where capacity gaps are most likely to constrain population and economic development, particularly in fast growing areas, rural communities, and areas recovering from natural disasters, the state can reduce infrastructure related barriers to growth. This approach advances North Carolina's commitment to being First in Opportunity, ensuring that communities across the state have the infrastructure foundation necessary to support long term prosperity and shared economic success.

Strategy 1.1

Develop a comprehensive approach to funding necessary infrastructure improvements.

Tactic 1: Develop a comprehensive approach to resourcing necessary infrastructure improvements, across infrastructure types and investment needs.

Identify opportunities to increase investment while broadening the range of available funding and financing sources to support critical infrastructure needs that drive economic growth, regional connectivity, and environmental stewardship. The state's analysis should include a review of potential funding sources including public and private capital that may be deployed to provide loans, credit enhancement, seed capital, and other types of financial and technical support for priority projects – through potential solutions such as an economic infrastructure competitiveness fund and leveraging state and federal dollars for private investment. State and local entities involved in funding infrastructure projects will be encouraged to collaborate to assess options and develop strategies designed to increase access to infrastructure assets needed to meet the state's growing demand. In parallel, as appropriate and through collaborative planning with key stakeholders, alternate and progressive delivery approaches - including and not limited to public-private partnership (P3) procurement models - will be strengthened, broadening applicability beyond transportation, and building capacity at the local level.

Tactic 2: Continue to align infrastructure investments with economic development and job creation through support for local site certification.

Strengthen coordination across key economic development partners to expand participation in existing site certification programs. Align predevelopment activities – such as water and wastewater planning, energy planning, utility coordination, and permitting – with site selection- and site certification requirements. NCDOT and the Economic Development Partnership of North Carolina (EDPNC) will also track certified site performance, including recruitment activity, projects secured, and infrastructure dollars leveraged, to inform refinements to certification criteria and better target state infrastructure investments to sites most likely to drive job creation and attract private investment.

Tactic 3: Strengthen program delivery by focusing on on-time and on-budget execution while advancing local economic priorities.

Focus project delivery efforts on improving on-time and on-budget performance for capital investments, while continuing to support regional economic impact. While NCDOT's existing scoring process incorporates economic development priorities at both the state and local levels, the focus will be on delivering selected projects efficiently and effectively. To



drive accountability and operational efficiency across the program, performance tracking will be standardized around key delivery metrics, such as the percentage of projects let to contract on schedule, and plan vs. actual scope, schedule, and budget will be made available publicly.

Tactic 4: Prioritize comprehensive infrastructure health and rapid disaster recovery to sustain economic vitality.

Build upon existing asset management and resilience strategies - encompassing all modes (highways, bridges, rail, transit, ports, airports, other) - to maintain a high-quality transportation system that serves as the foundation

for state-wide economic opportunity. Recognizing that reliable, customer-centric infrastructure directly connects to community wellbeing and business growth, proactive maintenance resources will be deployed to increase the percentage of bridges and pavement miles consistently rated in good condition. Furthermore, the state will establish response and recovery protocols for adverse weather events to minimize community and business disruption, building on the lessons learned and innovation stemming from the state's Hurricane Helene response, to further support future preparedness.

Strategy 1.2

Plan and coordinate the regionalization of water and wastewater utility infrastructure.

Tactic 1: Design a statewide dashboard to track water and wastewater capacity.

Explore the development of a statewide dashboard that brings together existing local planning information and other available data into a more consistent statewide view. The statewide dashboard will help support a better understanding of water and wastewater system capacity, water quality requirements, anticipated needs, and future growth pressures. This approach will improve transparency, strengthen coordination between state and local partners, and provide a shared, data informed view of water and wastewater readiness to support longer-term planning efforts and growth across communities.

Tactic 2: Identify potential corridors for regional water and wastewater development.

Continue to inventory and identify where shared water and wastewater investments can most efficiently support growth. Establish a planning framework that defines regional groupings and incorporates input from community and business groups regarding their regional needs. Additionally,

utilities and governing boards should periodically come together to review regional conditions, identify shared risks, and explore practical options outside of emergency situations to help identify regional intra-basin level corridors. The state, or designated regional partners, would then facilitate structured discussions and analyze the regional findings. Utilities would subsequently assess potential shared service or regional approaches to support long-term growth.

Tactic 3: Enhance capacity training and technical assistance for local leaders and utility operators.

Coordinate and align existing and effective training, technical assistance, and peer learning resources across state partners, including the University of North Carolina at Chapel Hill School of Government Environmental Finance Center (SOG EFC) to strengthen local and regional capacity to manage water and wastewater systems. This effort will focus on promoting existing resources and technical assistance providers, making them more visible statewide, particularly for communities facing staffing constraints and complex regulatory and technical demands.

Strategy 1.3

Support the energy and infrastructure needs of North Carolina's strategic industries.

Tactic 1: Advance policies to maintain electric grid reliability and affordability while improving interconnection and grid utilization.

Collaborate with utilities, the North Carolina Utilities Commission, NCDEQ's State Energy Office and its regulatory divisions, regional planners, and large load customers to align electric grid strategies with the state's economic development goals. This effort will focus on improving reliability, affordability, resiliency, and sustainability, increasing transparency, identification of required network upgrades, and the broader use of grid enhancing technologies. Promoting the pairing of timely deployment of low-cost clean energy resources and planning that anticipates large load growth will support rate stability at or below the Southeast regional average, and maintains high reliability standards and resource diversity to attract and retain advanced manufacturing and life sciences industries.

Tactic 2: Track, analyze, and target economic development efforts to support emerging energy supply chains, including clean energy.

Maintain a shared, regularly updated inventory of North Carolina's energy supply chain footprint across key energy sectors, including utility scale batteries, nuclear (both traditional and next generation reactors including small modular reactors), wind, solar, hydro, and advanced grid technologies. This shared view will help the state focus recruitment and site readiness efforts for the energy sector on the segments most likely to locate in North Carolina, supporting durable in state supplier expansion and job creation.



Strategy 1.4

Evaluate the infrastructure, community, and economic impact of data centers.

Tactic 1: Engage communities, data center developers, and utilities to assess infrastructure needs required of our digital economy.

Convene local communities, hyperscalers, data center developers, utilities, and other stakeholders to support the development of effective strategies for generating power, ensuring transparency, encouraging the sustainability of water and other resources, and advancing innovations like cooling and battery systems to balance the community, environmental, and economic impact of data center project development. This coordination is intended to ensure digital advancements and innovations balance community, environmental, and economic impacts over the long term.

Tactic 2: Develop a toolkit for local governments to evaluate the economic and environmental implications of datacenters.

The Department of Commerce, in coordination with EDPNC and NCDEQ will develop a practical, standardized toolkit to help counties and municipalities evaluate data center proposals. The toolkit will provide a decision framework for assessing economic, environmental, and community impacts, infrastructure needs, and utility requirements. In addition, the toolkit will identify key considerations for local government discussions with developers and utilities that support enhanced alignment of incentives, approvals, permitting, and infrastructure planning with long-term public value.



GOAL 2:

Accelerate Economic Competitiveness through Strategic Innovation and Industry Investment



Goal 2 aims to foster a dynamic and innovative economy by supporting technology development, closing the capital gap for startups, and making targeted investments in high-growth and emerging industries. By taking a coordinated approach to connect research, entrepreneurship, capital, and industry growth, this goal establishes a cohesive system that moves ideas from concept to commercialization

North Carolina's economic momentum has been fueled not only by its ability to attract business, but by its capacity to innovate, adapt, and lead in emerging industries. As global competition intensifies and technological change accelerates, sustaining this momentum will require a more deliberate focus on strengthening the state's innovation ecosystem and ensuring that new ideas, technologies, and businesses can scale within North Carolina.

A convergence of economic and technological forces is reshaping the competitive landscape:

- **A New Era of Innovation and Industrial**

Investment: Since the release of the state's last economic development plan, historic federal investments have accelerated growth in advanced manufacturing, semiconductors, clean energy, and biotechnology. These investments have helped North Carolina secure projects and position the state as a national leader in key sectors. As this initial wave of investment matures, the state's competitiveness will increasingly depend on its ability to sustain and build on this momentum, by strengthening the systems that support innovation, commercialization, and long-term industry growth.

- **The Rise of Transformational Technologies:**

Breakthroughs in artificial intelligence, quantum computing, and advanced materials are redefining industries and creating new markets. These technologies present a dual opportunity: to drive productivity and competitiveness across existing industries, and to establish leadership in emerging sectors. Realizing this opportunity will require broader access to innovation infrastructure, stronger connections between research institutions and industry, and expanded support for small and mid-sized businesses to adopt new technologies.

- **Gaps in Capital and Commercialization:** While total venture funding in North Carolina reached \$3.4 billion in 2025, the number of funded companies dropped by 14 percent. Capital is increasingly concentrating into fewer, larger rounds for proven milestones, leaving early-stage "concept-to-market" startups with a precarious funding gap. This bifurcation – combined with capital being heavily concentrated in traditional metro areas – makes it difficult for high-potential founders across the state to access the early-stage angel, VC, or PE networks required to scale.



As global competition intensifies, North Carolina needs to do more to build on its innovation ecosystem. The breakthroughs and discoveries happening at our world-renowned research universities need every opportunity to scale into North Carolina businesses through expanded capital networks and programs like OneNC Small Business. By helping legacy industries prepare for the future through AI adoption

and aligning state assets with the 10 key technology focus areas,¹ North Carolina secures its role as a global leader in the sectors that will define the future economy, from clean energy to national defense. Ultimately, these efforts serve as a cornerstone of the First in Opportunity vision, democratizing access to the innovation economy.

Strategy 2.1

Seize opportunities in high-growth and emerging industries, including life sciences, advanced manufacturing and technology-driven sectors.

Tactic 1: Leverage key technologies to drive statewide innovation.

Continue to harness the power of technology-driven economic growth by cultivating and supporting innovation ecosystems aligned with regional strengths and opportunities throughout the state to advance use-inspired research, innovation, and technology adoption. High-priority technologies include Advanced Manufacturing, Advanced Materials, Artificial Intelligence, Biotechnology, Communications and Wireless, Cyberinfrastructure and Advanced Computing, Cybersecurity, Disaster Risk and Resilience, Energy Technology, Quantum Information Science, and Semiconductors and Microelectronics. These technologies, which are foundational and supportive of a

wide range of industries, are interdependent drivers for future economic growth across the state, leadership on a global scale, and national security capabilities. By helping research institutions and companies prioritize, develop, translate, and utilize key technology innovations, this tactic positions North Carolina to maximize competitiveness in innovative industries and expand access to high-tech, high-quality jobs across the state.

Tactic 2: Expand access to large-scale funding through strategic partnerships.

Position state government as a central convener of employer, workforce, and education partners to help regions and industry partners pursue and secure federal and philanthropic funding opportunities to support high-impact

¹These are the 10 Key Technology Focus Areas (KTFAs) enumerated in the CHIPS and Science Act of 2022. They guide federal R&D investments to strengthen U.S. competitiveness in critical, emerging technologies and boost national security, economic growth, and STEM workforce development.

economic growth initiatives. A model to guide these efforts is the [Coalition Support & Resource Guide](#) produced by the NCDOC. The Guide provides a key resource and playbook of best practices for coalitions pursuing federal or private investment, so that coalitions can pursue those opportunities with stronger internal capabilities and the support they need to succeed.

Tactic 3: Align state assets to grow emerging and aerospace and defense technology sectors.

Establish a cross sector advisory board supporting statewide planning, outreach, and relationship-building related to defense and national security innovation. This board will be a key component to improve coordination among universities, training providers, economic development

organizations, and industry partners to advance innovation and provide the support needed to position North Carolina as the nation's leader in related research and development and manufacturing. North Carolina ranks in the bottom half of all states in total defense-related economic activity and R&D spending, but has the resources, including our skilled high-tech businesses and workforce, higher education systems, critical minerals, advanced materials, and military presence to maximize the unique opportunity for increased defense-related investment present in creating high-valued jobs and businesses in the aerospace and defense tech sectors. As federal defense agencies increasingly prioritize rapid commercialization, domestic manufacturing, and operational deployment, states with coordinated innovation ecosystems are best positioned to capture emerging opportunities.

Strategy 2.2

Activate, connect, and promote the innovation ecosystem.

Tactic 1: Strengthen innovation pipeline programs from concept to market.

Increase support for existing successful innovation pipeline programs that guide technologies from concept to market and develop new programs that address remaining gaps in the pipeline. This includes building upon existing efforts led by NCDOC's North Carolina Office of Science, Technology & Innovation (NC OSTI), the One North Carolina Small Business Program, and the North Carolina Biotechnology Center, and programs offered by entrepreneurial support organizations to support translational research, accelerate commercialization, and foster stronger collaboration between universities and industry. Efforts should also focus on improving coordination across programs, increasing awareness among researchers

and entrepreneurs, and aligning support with priority industry needs.

Tactic 2: Rename and expand the OneNC Small Business Program.

Support legislative action to rename the OneNC Small Business Program to more clearly reflect its role in supporting technology development and advancement toward commercial production. Expand program capacity to support more Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) applications and awards, and authorize the program to serve as state matching funds for additional federal innovation and technology grant programs and expand program beyond SBIR/STTR.

Tactic 3: Expand access to advanced manufacturing tools and facilities to support product development and commercialization.

Increase awareness of and access to advanced manufacturing tools and facilities that enable entrepreneurs and small businesses to develop, test, and refine products. This includes facilities that support prototype development, product testing, and small-batch production across universities, community colleges, and nonprofit innovation organizations. The NCDOC can support this effort by mapping available assets, improving visibility of resources, and connecting entrepreneurs and small firms to the facilities and technical assistance needed to move from concept to market.

Tactic 4: Support business adoption of artificial intelligence and digital technologies.

Expand support for the adoption of artificial intelligence (AI) and digital technologies by businesses, particularly small and mid-sized firms (such as partnering with the Microelectronics Center of North Carolina (MCNC)) to provide technical assistance on AI adoption. Partner with educational institutions and business support organizations to provide training, technical assistance, and extension-style services that help companies identify practical use cases, improve productivity, and integrate new technologies into their operations. Efforts should also include guidance on workforce implications, such as upskilling existing employees, redesigning roles, and integrating human-centered AI practices that augment rather than replace workers.

Tactic 5: Prepare entrepreneurs for investment and expand access to statewide capital networks.

Empower growth-oriented entrepreneurs in North Carolina’s priority industries – such as life sciences, advanced manufacturing, and emerging technologies – to successfully secure early-stage capital from angel, venture capital (VC), and private equity (PE) investors. To elevate current

entrepreneurial support, this effort will actively align and expand angel investor networks into underserved regions, while providing targeted founders with advanced investment readiness resources, including capital strategy, financial modeling, and direct investor positioning. By bridging the gap between prepared founders and coordinated regional investment networks, this tactic will increase the visibility of investment opportunities and drive startup growth across all regions of the state.



GOAL 3:

Enhance Community Well-being and Workforce Stability through Affordable and Accessible Housing, Child Care and Health Care



Goal 3 addresses core quality-of-life issues that are fundamental to economic competitiveness, focusing on systemic improvements to housing, child care, and health care accessibility and affordability.

Enhancing access to housing, child care, and health care is central to strengthening community well being and workforce stability across North Carolina. As the state continues to grow and attract jobs, people, and investment, ensuring that workers can afford to live in their communities, care for their families, and maintain their health is essential to sustaining that growth. These systems function as foundational economic infrastructure, directly shaping workforce participation, business expansion, and community resilience.

While this foundation is critical, many communities continue to face challenges in access to housing, child care, and health care.

- **Housing Affordability and Availability Limit Workforce Proximity:** More than 37 percent of renter households and nearly 23 percent of owner households in North Carolina face housing cost burdens or quality challenges, constraining access to housing in proximity to employment centers. In high growth regions, rising development costs and insufficient supply have intensified affordability pressures, while in rural and disaster impacted communities, limited housing stock and infrastructure gaps continue to impede recovery and long term economic competitiveness.

- **Child Care Availability Varies Across Regions and Work Schedules:** Child care access presents a parallel challenge: In 2025, the state experienced a net loss of more than 280 licensed child care providers, with closures concentrated in rural and low density counties and among providers serving families with non traditional schedules.
- **Uneven Health Care Access Remains a Challenge Despite Expanded Coverage:** Health care access has improved through the expansion of Medicaid, which has extended coverage to more than 690,000 North Carolinians, but access to care remains uneven – particularly in rural areas where provider shortages, hospital financial strain, and long travel distances increase both cost and complexity of care. Nearly three million North Carolinians, or approximately 28 percent of the population, live in rural communities where these challenges are most acute. Since 2010, North Carolina has experienced eight hospital closures, all in rural communities, which further exacerbate access to care.

North Carolina is well positioned to respond to these challenges through a more coordinated and supply focused approach that strengthens local capacity across these systems. The state's existing financing tools, delivery structures, and regional



partnerships provide a strong foundation to expand housing and child care supply, support providers and developers, and improve implementation in communities facing the greatest constraints. Recent policy actions, including Medicaid expansion and the North Carolina Rural Health Transformation Plan, further support this direction by reinforcing access to care, modernizing service delivery, and stabilizing health care institutions that serve as economic anchors, particularly in rural areas.

Together, these efforts support a more integrated approach that recognizes housing, child care, and health care as essential enablers of workforce stability and economic growth. By addressing supply constraints and strengthening delivery where needs are greatest, especially in rural, disaster impacted, and high growth regions, the state can reduce structural barriers to work and support stronger workforce participation over the long term. This approach reinforces the principle that being First in Opportunity requires not only attracting jobs but ensuring that North Carolinians have the conditions needed to participate fully in the economy and share in the benefits of prosperity.

Strategy 3.1

Expand housing supply and improve access to affordable housing.

Tactic 1: Strengthen the housing construction supply chain.

Leverage the NCDOC's economic development and data capabilities to monitor and strengthen the housing construction supply chain and related manufacturing sectors. NCDOC will track incentives provided to firms that manufacture building materials and housing components (such as modular and prefabricated housing parts) to improve visibility into supply chain gaps and support in-state production capacity.

Tactic 2: Prioritize housing development as criteria for Opportunity Zone 2.0 designation and track outcomes.

Prioritize housing development potential as a core criterion in the Opportunity Zone 2.0 nomination process led by NCDOC. This approach will emphasize eligible census tracts where Opportunity Zone designation can meaningfully expand housing supply, while ensuring affordability for low- and moderate-income households, particularly in areas near employment centers, transit centers and corridors, and locations with existing or planned infrastructure

investments. Elevating housing considerations within the designation process will help align Opportunity Zone incentives with long-term housing needs, community revitalization priorities, and economic competitiveness.

Tactic 3: Provide technical assistance and other resources to local governments and municipalities to increase pathways to housing development.

Engage local governments in identifying best practices and local and state policy levers to modernize housing land use approaches in order to accelerate responsible housing growth, reduce development delays, and support a more sustainable statewide housing strategy. Collaborate with Councils of Government (COGs), North Carolina Housing Finance Agency (NCHFA), housing developers, and nonprofit organizations to coordinate technical assistance that strengthens local pathways to housing development. Leveraging COGs’ regional planning expertise and established relationships with local governments and municipalities, this effort will provide communities with structured guidance, peer exchange, and hands on support related to land use readiness, infrastructure coordination, development feasibility, and navigation of available funding and development tools. Aligning technical assistance across COG regions will promote consistency, reduce duplication, and surface recurring challenges and capacity gaps, helping inform targeted refinements to statewide housing and community development strategies.

Tactic 4: Support the construction of single-family, multi-family, and workforce housing in western NC and replicate best practices statewide.

Focus disaster recovery housing investments on rebuilding and expanding housing supply in impacted communities, leveraging NCDOC’s Division of Community Revitalization’s Renew NC Housing programs. These programs support the reconstruction and rehabilitation of single-family and multi-family housing damaged by Hurricane Helene as well as the construction of workforce housing in areas impacted by the disaster through a \$1.4 billion Community Development Block Grant Disaster Recovery (CDBG-DR) from the U.S. Department of Housing and Urban Development. The state should maximize the use of the CDBG-DR funding

while analyzing the applicability of Renew NC programs for broader statewide adoption.

Tactic 5: Strengthen coordination of housing programs and community capacity to expand affordable and workforce housing statewide

Align housing programs and resources by end user – such as household focused assistance and community level infrastructure and development programs – to improve coordination, clarity, and delivery of housing services. Building on the 2025 Office of State Budget and Management Centralized Housing Feasibility Study in coordination with the North Carolina Housing Finance Agency and the NC DHHS, this approach will streamline how housing tools are organized and accessed, improving visibility and usability for residents, workers, and communities. Use this aligned framework to strengthen access to affordable and workforce housing for low and moderate income households by better connecting residents to existing homeownership, rental assistance, and energy efficiency programs, while reducing cost burdens and supporting housing stability. Reinforce local capacity to deliver housing by coordinating place based development programs – such as Main Street initiatives supporting downtown planning and mixed use development – with Community Development Block Grant programs that fund housing rehabilitation, reconstruction, and energy retrofits. Integrating these efforts will help communities more effectively translate aligned programs and funding into housing production, preservation, and revitalization outcomes.



Strategy 3.2

Strengthen child care access and provider capacity to meet community and business demand.

Tactic 1: Increase child care subsidy rates and NC PreK rates and set a statewide child care subsidy reimbursement floor rate.

Increase child care subsidy reimbursement rates set by the NC General Assembly and establish a statewide reimbursement floor to improve funding adequacy and predictability, as recommended by the Task Force on Child Care and Early Education. Increasing subsidy reimbursement rates will address gaps between current reimbursement and the true cost of providing care, critical to rural and low-density counties where providers rely more heavily on subsidy payments and face greater enrollment volatility. These adjustments will provide clearer expectations for providers, support long-term staffing and planning decisions, and help sustain child care availability in communities where service reductions would have outsized impacts on families and workforce participation. NC PreK has been shown to be a significant factor in providers being able to stay open and attract qualified staff; however, the reimbursement rates are far below the actual cost of providing this nationally recognized free Pre-Kindergarten program. By increasing rates, providers can better work to stabilize their programs for families.

Tactic 2: Expand access to child care during non-traditional hours for high-demand industries and the public sector workforce.

Increase awareness of and access to child care solutions for non traditional hours by coordinating employer outreach, shared learning, and connection to available support, particularly in high demand industries (e.g., health care, prison, and state-operated health care facilities). This approach will improve access to back up child care that supports workforce participation during nights, weekends, and variable schedules.

Tactic 3: Expand on-campus and near-campus child care capacity, including reserved slots and wrap-around care options for children of students, faculty, and staff.

Partner with the North Carolina Department of Health and Human Services (NCDHHS), the University of North Carolina System, the North Carolina Community Colleges System, and K-12 districts to expand child care capacity through campus and school based models to address unmet demand. This effort will focus on identifying higher education campuses and school districts with significant child care shortages and limited nearby options, and expanding capacity through on campus facilities, co located centers, or partnerships with nearby providers. Priority will be given to models that offer reserved slots and wraparound care aligned with class schedules, shift work, and academic calendars, particularly for students, faculty, and staff with non traditional hours. Implementation will leverage existing campus land, underused facilities, and community infrastructure, with coordinated approaches to licensing, staffing, and operating models. In addition, this approach can be aligned with Rural Health Transformation Program efforts by expanding co located child care models within health care settings – particularly in rural areas where child care supply is constrained and health care workforce needs are acute. Strengthening access to reliable child care in these settings will support student persistence, improve employee recruitment and retention, and increase workforce participation, while creating replicable models that can be scaled across regions.

Tactic 4: Strengthen small business support for child care providers through technical assistance, shared services, and access to capital, with a focus on high need regions.

Coordinate across the NCDHHS, child care providers, and financing and philanthropic partners to support child care providers as small businesses. This effort will expand access to coordinated technical assistance, shared services, and business coaching that reduce administrative burden and improve provider sustainability. It will build on and scale proven North Carolina-based approaches, such as Smart Start-led provider networks, shared services alliances, and facility-based models like FlexPlex – while allowing flexibility to adapt models to regional needs. Improved access to flexible capital for startup, expansion, and facility improvements will help stabilize providers, support growth in underserved areas, and expand the supply of reliable, high-quality child care needed to support workforce participation and regional economic recovery.

Tactic 5: Explore the creation of a child care endowment and study potential revenue sources to fund child care need.

Building on the Governor’s Task Force on Child Care and Early Education recommendation, explore the creation of a

child care endowment to address persistent child care access and affordability challenges across North Carolina. This will focus on assessing the feasibility and structure of a dedicated endowment, including expanding efforts to identify long-term sustainable financing solutions such as public-private partnerships, philanthropic investments, and untapped or underutilized revenue streams. Drawing on lessons from other states’ financing models, a dedicated endowment will help ensure the child care system can meet growing demand, support working families, and strengthen workforce participation and economic growth statewide.



Strategy 3.3

Expand access to affordable health care across North Carolina.

Tactic 1: Stabilize hospitals and clinics in rural NC by leveraging infrastructure and discretionary funding.

Leverage the RHTP funding to help stabilize rural hospitals and clinics through financial sustainability, workforce support, technology modernization, and new care models. Prioritize efforts to support critical infrastructure needs – such as facility modernization, equipment replacement, broadband connectivity, and site readiness – that enable

rural providers to maintain operations and adapt to evolving care delivery models. In coordination with NCDHHS, local governments, and health systems, infrastructure and discretionary resources will be aligned to address resource gaps that place rural hospitals and clinics at risk. Targeted investment in high need regions will help sustain access to care, strengthen rural health capacity, and support the economic stability of communities where hospitals and clinics serve as major employers and service anchors.

Tactic 2: Identify areas where technology can support health care accessibility, particularly in rural and underserved areas.

Leverage the RHTP investments to expand digital infrastructure and deploy technology as both a clinical and operational “force multiplier.” Collaborate with NC DHHS and the North Carolina Department of Information Technology (NC DIT) Broadband Infrastructure Office to expand telehealth capacity, broaden connectivity to the statewide Health Information Exchange, and deploy mobile health clinics in rural and underserved areas. To maximize the impact of this expanded reach, and in coordination with the agencies above, support the integration of AI-driven administrative tools that alleviate back-office burdens. By aligning broadband expansion with these modern data systems, partners can reduce provider burnout, safely increase daily patient capacity, and bring preventive, chronic, and behavioral health services directly to communities, overcoming geographic barriers and improving continuity of care.

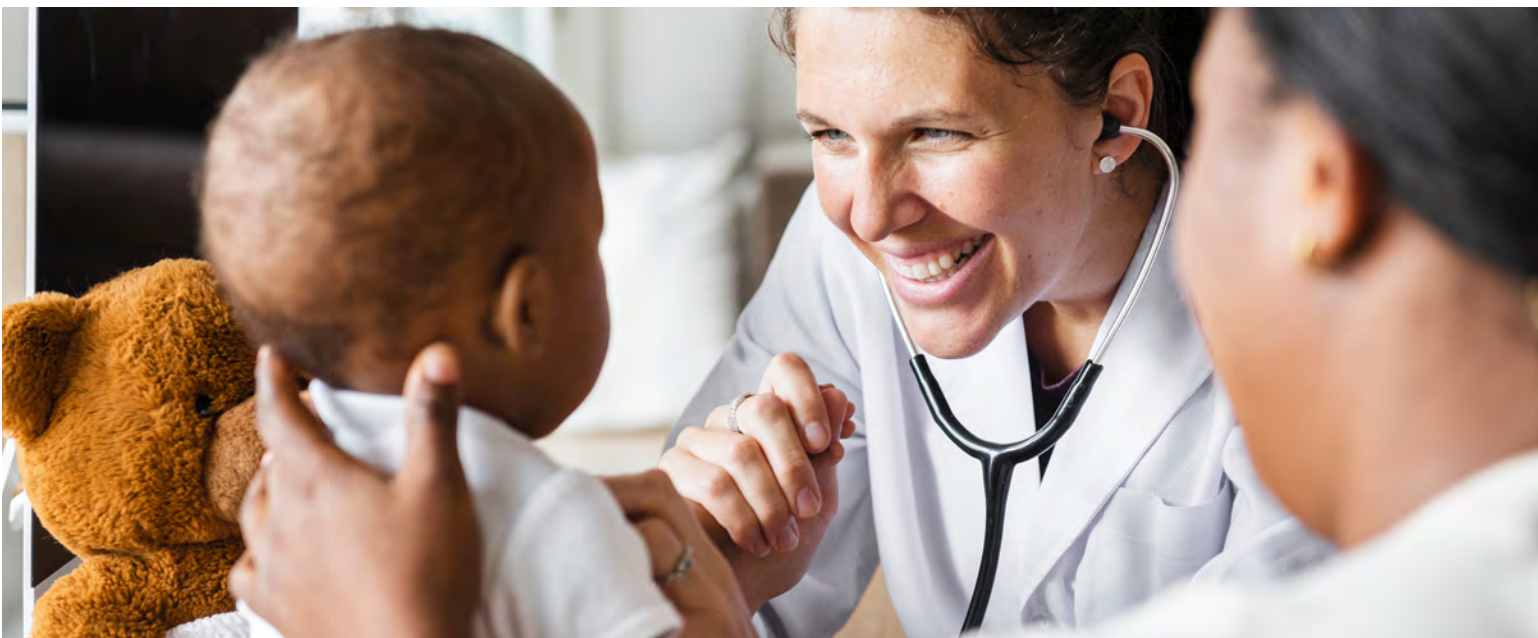
Tactic 3: Expand access to health care consortium plans for small businesses.

Coordinate with business organizations and health plan administrators to increase awareness of and participation in consortium-based health plans for small employers and child

care providers. This effort will focus on simplifying access, improving navigation, and leveraging trusted intermediaries – such as chambers of commerce and small business support organizations – to help employers understand available coverage options and enrollment pathways, including models like the Carolina Health Works Program, a partnership between the North Carolina Chamber and Blue Cross and Blue Shield of North Carolina.

Tactic 4: Develop a state level platform to evaluate the state’s cost-of-care models, identify shared drivers of spending, and advance solutions to address affordability.

Explore solutions for developing a modern approach to evaluating the state’s cost of care models such as an all payers claims database (APCD), advanced AI analytics, or a hybrid model used by peer states to improve affordability and transparency. This approach should examine whole system prices, utilization patterns, spending trends, and purchasing leverage across Medicaid, the State Health Plan, and other available state spending data. The resulting analysis can identify shared cost drivers and evaluate opportunities—such as shifting care to lower cost sites or coordinating group purchasing negotiations—that can holistically lower costs, reduce waste and overutilization, and improve affordability.



GOAL 4:

Build a Resilient and Future-Ready Workforce through Unified Statewide Coordination



Goal 4 aims to prepare North Carolina’s residents for high-quality jobs by increasing educational attainment, reskilling workers for a technology-driven economy, and dramatically strengthening talent pipelines, while simultaneously creating a highly efficient, data-driven, and aligned government ecosystem. By breaking down silos between state agencies, regional Councils of Government, and local workforce boards, this goal ensures a seamless, customer-centered experience that maximizes resources for employers and jobseekers alike. This goal builds upon the work of the First in Talent Plan and complements the Governor’s Council on Workforce and Apprenticeships (CoWA) and the AI Leadership Council

North Carolina’s rise as one of the nation’s top economic performers is built on a strong foundation of talent. Today, sustaining that success – and ensuring it is broadly shared – depends on our ability to connect more residents to the growing number of high-quality jobs across the state. The challenge is not a lack of opportunity; it is a growing disconnect between where opportunity exists and whether North Carolinians have the skills, support, and navigational access needed to reach it.

While the state maintains a low unemployment rate of approximately 3.8 percent, deeper challenges persist. Sector-specific layoffs surged roughly 50 percent in early 2026, displacing workers whose skills may not align with emerging opportunities. Labor force participation remains constrained at approximately 59 percent, and geographic disparities compound the issue, with parts of Western North Carolina continuing to experience unemployment levels more than 20 percent above pre-storm baselines.

Bridging this disconnect requires addressing several structural shifts, demographic changes, and systemic bottlenecks reshaping North Carolina’s labor and economic landscape:

- **A Skills Revolution and the “Demographic Age Shift”:** Rapid growth in advanced manufacturing and clean energy, alongside the increasing integration of AI and automation across industries, is transforming job requirements and compressing timelines for reskilling. Simultaneously, up to 40 percent of the state’s technical and skilled trades workforce is nearing retirement. Without a concentrated effort to expand the talent pipeline, the state risks leaving nearly 1.9 million jobs unfilled by 2033.
- **Structural Barriers to Participation:** Labor force participation is heavily impacted by bottlenecks in the infrastructure supporting working families. The lack of affordable child care costs the state \$5.65



billion annually, driven by a provider crisis where non-competitive wages cause a 38 percent annual separation rate. Simultaneously, as the population surges past 11.2 million, the 9th highest in the nation, rapid growth is bringing challenges on housing and transportation systems, creating additional obstacles that limit individuals' ability to enter and remain in the workforce.

- **Friction in Service Delivery and Fragmented Coordination:** As complex federal funding and economic initiatives increase, the operational landscape has become increasingly difficult to navigate. State, regional, and local agencies often manage overlapping programs with limited resources, while a lack of alignment between statewide strategies and localized Comprehensive Economic Development Strategies (CEDS) reduces the effectiveness of regional investments. For employers and jobseekers, disconnected intake processes and separate online platforms for unemployment and career navigation create friction, preventing timely access to training, supportive services, and talent pipelines.

To ensure North Carolinians are prepared for a reshaping economy, the state must operate as a single, agile enterprise where pathways to success are never obstructed by systemic friction. By aggressively doubling registered apprenticeships, credentialing 2 million working-age adults by 2030, and future-proofing human capital through proactive AI reskilling, North Carolina is actively engineering its workforce for high-growth sectors. Simultaneously, the

state will stabilize the foundational caregiving economy via programs like WAGE\$ and T.E.A.C.H. to ensure sidelined parents can successfully re-enter the labor market.

To maximize the impact of these workforce investments, behind-the-scenes alignment must translate into a seamless public experience. By leveraging data tools like the Common Follow-up System and integrating digital platforms – creating a direct connection between unemployment services, NCWorks, and NCcareers.org – the state transforms into a proactive partner. Utilizing the Employer Engagement Portal to meet the Governor's Council on Workforce and Apprenticeship's goal to engage 50,000 employers on work-based learning opportunities will further ensure that economic and labor strategies are aligned directly with industry needs.

Ultimately, this comprehensive, coordinated approach embodies the First in Opportunity vision by actively dismantling structural barriers to employment. Whether it is a mid-career professional using NC Reconnect to learn digital skills, a resident entering a construction apprenticeship to rebuild Western North Carolina, a parent empowered by a stabilized local child care system, or a business navigating the talent pipeline, making available a unified, easy-to-navigate ecosystem. Workforce System improvements present an opportunity to translate unprecedented economic growth into direct, accessible, and generational opportunity for every North Carolinian.

Strategy 4.1

Prepare more North Carolinians for job opportunities in high-demand and high-wage fields.

Tactic 1: Commit to achieving the workforce development goals in the Governor’s Council on Workforce and Apprenticeship’s (CoWA) 2025 Strategy Report.

Workforce development is the foundation of economic development. The CoWA’s 2025 report outlines the workforce development strategies across the education continuum that will increase labor market alignment and create opportunities for job seekers in the future economy. The business community, education sector, and workforce partners should commit to achieving the CoWA’s workforce development strategy over the next four years to prepare more North Carolinians for good jobs. The workforce development strategies highlighted in the *First in Opportunity Plan* will advance the state’s economic development goals and align with the CoWA’s strategy report.

Tactic 2: Align industry-valued credentials with employer demand and improve access.

Support efforts to ensure that at least two million North Carolinians aged 25 to 44 have earned an industry valued credential or degree by 2023 by identifying and promoting industry-valued credentials that are aligned with employer demand. Ensure the state’s industry-valued credential list, maintained by the NC Workforce Credentials Advisory Council and housed on NCCareers.org, remains closely aligned with employer demand by prioritizing high-wage, in-demand occupations, continuing with regular updates using labor market data and employer input. Efforts should also focus on expanding access to these credentials by reducing cost barriers – such as through Workforce Pell Grants – and improving the design of training pathways to support clear, stackable progression from entry-level credentials to higher-skilled roles.

Tactic 3: Promote the unified Employer Engagement Portal to scale work-based learning and apprenticeships.

Double the number of registered apprentices and expand work-based learning (WBL) opportunities across priority industries (life sciences, advanced manufacturing, technology, and construction). To achieve this, promote the Employer Engagement Portal to actively connect employers with apprenticeships, internships, and on-the-job training opportunities. Increased employer-facing capacity is needed within NCWorks Career Centers to support the goal of engaging 50,000 employers over the next four years. By combining proactive outreach with the centralized portal, the state will facilitate strategic partnerships, expand access for underserved populations, and help employers build reliable, skilled talent pipelines.

Tactic 4: Develop and implement an energy-sector workforce strategy aligned with infrastructure and industry demand.

In coordination with the NCWorks Commission, the North Carolina Community Colleges System, utilities, and major employers, develop a statewide energy workforce strategy that translates planned investments in generation, transmission, and grid modernization into clear demand signals (occupations, credentials, timelines) and aligns training, apprenticeships, and work-based learning accordingly. Workforce pipelines will be aligned and scaled through high-impact pathways such as Careers Electric™, including expanding youth apprenticeship pathways in high-demand roles such as lineworkers and substation technicians, piloting provisional or competency-based credentialing approaches for specialized roles such as protection and relay technicians, and integrating work-based learning with classroom instruction to create faster, more accessible pathways into critical energy occupations.

Strategy 4.2

Strengthen workforce pipelines in critical community-serving sectors.

Tactic 1: Expand construction trades pathways to build workforce capacity in high-need regions.

Collaborate with local NCWorks career centers, workforce development boards, education and training providers, and industry partners to expand construction trades pathways that address workforce shortages in high-need areas such as Western North Carolina. This effort will encourage workforce boards to expand partnerships with proven career exposure and training initiatives—such as Be Pro Be Proud, YouthBuild, ApprenticeshipNC, and community college construction trades programs—to raise awareness of construction careers, engage students and jobseekers earlier, and connect participants to quality training and work-based learning opportunities. Expanding and aligning construction trades pathways across secondary education, community colleges, apprenticeships, and employer led training will increase local workforce capacity, support housing and infrastructure delivery, and strengthen long-term economic resilience in underserved regions.

Tactic 2: Expand programs, including WAGE\$, to strengthen the early childhood education workforce.

In coordination with NCDHHS and Smart Start partnerships, expand the WAGE\$ program statewide to provide consistent, education-based salary supplements for early childhood educators. Expanding coverage beyond its current geography will help stabilize wages, reduce turnover, and strengthen providers' ability to recruit and retain qualified staff, particularly in underserved regions. Aligning WAGE\$ expansion with existing workforce development and quality improvement efforts will also strengthen professional career pathways and contribute to a more stable and sustainable early childhood education system that better serves children, families, and communities.

Tactic 3: Expand early childhood scholarships and apprenticeships, such as T.E.A.C.H. and Building Bright Futures, to increase credentials and reduce turnover.

In coordination with NCDHHS, expand T.E.A.C.H. Early Childhood scholarships statewide to increase access to affordable pathways for early educators to earn credentials, degrees, and specialized training. Broader participation in T.E.A.C.H. will reduce financial barriers to higher education, strengthen educator qualifications, and support long term retention in the field. Aligning T.E.A.C.H. with complementary workforce pathways, such as early childhood apprenticeship models including Child Care Academies and Building Bright Futures, will support clear career progression, stabilize the workforce, and help ensure providers across North Carolina can recruit and retain a skilled, well-prepared early childhood education workforce that benefits children, families, and communities.



Tactic 4: Create scholarship and incentive programs to strengthen health care and child care workforce pipelines.

To build a reliable, long-term supply of qualified care professionals, the state will collaborate with NCDHHS, the North Carolina State Education Assistance Authority, the University of North Carolina System, and the North Carolina Community Colleges System to align education pathways with targeted financial incentives. A central focus will be establishing service-linked “Hometown” scholarships – modeled on initiatives like Teaching Fellows – that connect tuition assistance to defined in-state service commitments, incentivizing students to return and practice at local rural hospitals, clinics, or early care settings. To cultivate this “homegrown” workforce even earlier, the state will expand high school Career and Technical Education (CTE) pathways. By integrating medical skills training directly into the curriculum, students can graduate fully credentialed for high-demand roles, such as Certified Nursing Assistants (CNAs) or EMTs, allowing them to work locally while pursuing advanced degrees. Furthermore, the state will leverage Rural Health Transformation Program (RHTP) investments to maximize the current adult workforce.

This includes funding strategic cross-training for existing staff – such as adding trauma or specialized maternal care certifications to keep complex care local – alongside creating flexible retraining pathways to re-engage parents and caregivers who have temporarily left the workforce.

Tactic 5: Strengthen the caregiving workforce through clear career pathways, increased investment in recruitment and retention, new apprenticeships in health care, and expanded training capacity.

Strengthen the state’s caregiving workforce, including in the fields of nursing, direct care, and mental health and substance abuse, as recommended by the NC Caregiving Workforce Strategic Leadership Council, and develop a health care sector workforce strategy as recommended by the Governor’s Council on Workforce and Apprenticeships. Expand data collection of regional employer-educator collaboratives such as the [Health Talent Alliance](#). Increased engagement from health systems and other health care providers will help align training with employer demand, reduce turnover, address high-vacancy roles in state agencies, and support a more stable and sustainable caregiving workforce statewide.

Strategy 4.3

Prepare North Carolinians for resiliency and next generation roles.

Tactic 1: Expand reskilling pathways for workers in transition or displaced by AI.

Efforts should focus on proactively reaching workers in roles most vulnerable to automation and AI displacement, while partnering with employers to design training that reflects evolving skill needs and helps workers quickly transition careers. Implement and expand programs that support mid-

career workers, adult learners, and individuals with barriers to employment in transitioning into high-demand, resilient occupations, including efforts such as NC Reconnect. These programs should prioritize short-term, industry-aligned credentials; flexible delivery models (e.g., online, evening and competency-based learning); and integrated wraparound support to improve completion.

Tactic 2: Prepare youth for innovative careers by integrating AI literacy and responsible use into K-12 education.

Support the integration of AI literacy and responsible use into K-12 education by working with education and industry leaders to advance curriculum development, educator training, and age-appropriate exposure to AI concepts, while introducing students to how AI is used across industries and occupations. This includes supporting alignment between K-12 education, postsecondary pathways, and workforce needs to ensure students are prepared for an increasingly technology-driven economy.



Strategy 4.4

Increase coordination between local and state governments.

Tactic 1: Align the Councils of Government’s Comprehensive Economic Development Plans and the NC Strategic Economic Development Plan to enable greater coordination, cooperation, and shared resources.

Coordinate with North Carolina’s sixteen Councils of Government to better align the North Carolina Strategic Economic Development Plan with existing Comprehensive Economic Development Strategies (CEDS). The Department of Commerce will work with the NC Association of Regional Councils of Government to explore ways to coordinate timing, resources, and initiatives of the two plans to maximize the efficiency and effectiveness of both efforts. By aligning processes, shared goals, and planning resources, the state and regions can create a stronger foundation

for coordination, reduce duplicative efforts, and ensure regional initiatives complement statewide objectives while maintaining distinct regional priorities.

Tactic 2: Encourage the alignment of geographic regions used in economic and workforce initiatives.

Encourage greater alignment in the geographic regions used across economic development, workforce, and education initiatives to improve coordination, data sharing, and resource allocation. This effort would focus on improving consistency across Workforce Development Boards, economic development organizations, Councils of Government, and education providers, while respecting existing governance structures, and to encourage more coordinated strategic planning.

Strategy 4.5

Enhance the workforce system to better serve employers and jobseekers.

Tactic 1: Use peer-state Workforce Innovation and Opportunity Act (WIOA) guidance to unlock flexibility for jobseekers, and employers.

Study how peer states interpret and provide guidance on laws governing WIOA-funded supportive services, co-enrollment, and incumbent-worker training to create a more flexible, customer-centered WIOA experience – one that enables faster access to quality child care, transportation needs, and other barrier-reduction support; streamlines co-enrollment across programs; and allows NCWorks to better serve both individuals and employers through integrated training, retention, and career advancement strategies. By increasing flexibility and reducing barriers within the workforce system, this tactic improves access to services and enables more effective workforce participation and retention.

Tactic 2: Launch effort to demonstrate the value of workforce services to employers.

Assess and communicate the economic value of the NCWorks System services to employers by developing methods to quantify the return on investment of key offerings, such as recruitment support, training programs, and work-based learning. Analyze employer engagement data across NCWorks Career Centers and local workforce development boards to better understand which services are most utilized and effective. The Department of Commerce can use these insights to refine service offerings, prioritize high-impact programs, and improve consistency across regions. Promote the NCWorks System and include the value in employer facing materials, including incentive packages. Results should be embedded into employer facing materials, including outreach efforts and incentive packages, and aligned with shared metrics or scorecards – particularly for sector based partnerships – to support a more consistent, data driven approach to employer engagement and workforce economic development alignment across the state.



Strategy 4.6

Strengthen data utilization and integration to drive better workforce and education decision-making.

Tactic 1: Strengthen data utilization and integration to improve workforce and education outcomes.

Support the continued development and sustainability of North Carolina's core workforce and education data systems through the Common Follow-up System (CFS). Priorities include strengthening data governance, expanding data sharing, onboarding additional data contributors, and improving data quality and accessibility. Leverage supporting data service platforms, such as the NC Longitudinal Data System (NC LDS), to enhance data integration and access. These efforts will enable workforce boards, education partners, and policymakers to make timely, coordinated, and evidence-based decisions.

Tactic 2: Improve the quality of employer-reported data to better track outcomes and inform program design.

Enhance workforce and education data by improving the quality, consistency, and usefulness of key inputs, such as unemployment insurance wage records. This includes incorporating Standard Occupational Classification (SOC) codes and hours worked to better understand job quality, underemployment, and career progression. Improved data will support more accurate evaluation of programs, including training initiatives and funding mechanisms such as Workforce Pell, and help education providers better understand student outcomes. By improving the quality and depth of outcome data, this tactic enables more effective program design, evaluation, and alignment with labor market needs.



Tactic 3: Promote NCcareers.org as the state's free career navigational tool and AI literacy platform.

Promote and sustain NCcareers.org to serve as the state's comprehensive career navigation tool, providing clear information on occupations, wages, and credential pathways. Concurrently, use the platform to deploy accessible, entry-level AI literacy and digital skills training tailored for job seekers, incumbent workers and small businesses. Ensure the platform is leveraged in every school system and community organization (e.g., libraries, NCWorks), while streamlining its connection to other existing tools such as NCcareers.org to promote awareness and connect individuals to training opportunities. This aligns with the state's AI literacy goals by expanding access to foundational AI and digital skills training for North Carolinians across all stages of their careers.

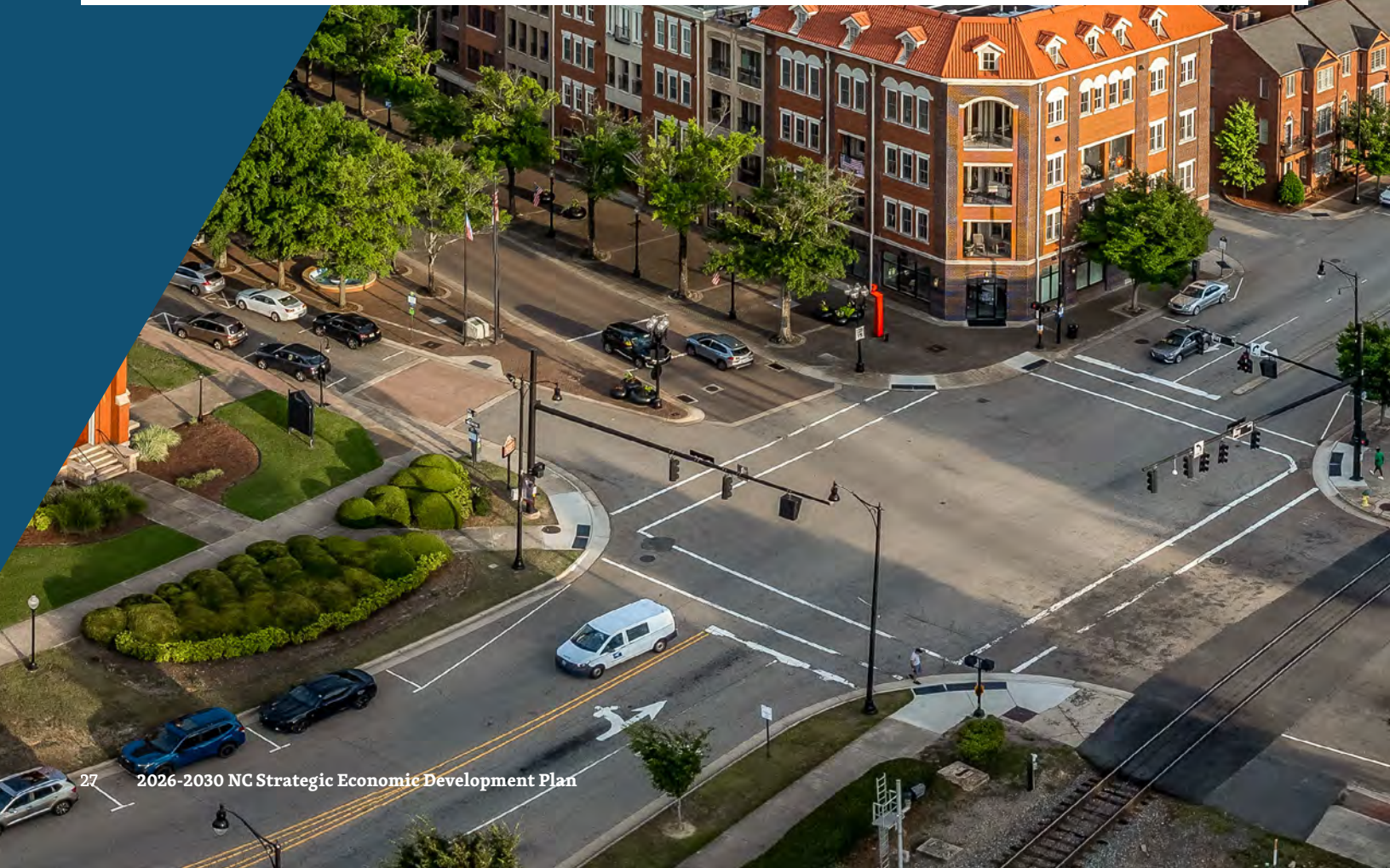
APPENDIX

Plan Background

The NCDOC is statutorily responsible for leading the development of the NC Comprehensive Strategic Economic Development Plan (NC SEDP) that sets a unified vision for statewide economic development over a four-year period.

The new plan updates and succeeds the First in Talent Plan, released in 2021, which was centered around three goals to prepare North Carolina's workforce, businesses, and communities for success. Under the direction of Commerce Secretary Lee Lilley, the new plan intends to build on the existing talent-centered goals while broadening the state's economic development plan to address today's economic drivers and priorities.

The NC SEDP outlines a statewide framework that requires collaboration from state agencies, economic and workforce development organizations, regional and local governments, the private sector, and community-based organizations.



Steering Committee

In partnership with Governor Josh Stein, Secretary Lilley formed the Comprehensive Strategic Economic Development Plan Steering Committee (Steering Committee) to provide guidance on the key themes and effective strategies to drive economic advancement across diverse communities, regions, and sectors.

The Steering Committee includes leaders from business, education, workforce development, local government, and nonprofit organizations.

Additionally, the Steering Committee was charged with supporting outreach and engagement efforts during regional listening sessions, reviewing stakeholder input, and providing guidance on policy and program recommendations.



Secretary
Lee Lilley



Brittany Brady



Stephen De May



Representative
Stephen Ross



Steve Smoot



Scott Hamilton



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Shawn Harding



Senator
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Zack Barricklow



Tracy Dodson



Gary Salamido



Christie McNeill



Sean Suggs



Krista Walton



Chris Chung



Doug Edgeton



Graham Bennett



Keith Wheeler



Malcomb Coley

Plan Development Approach

The planning process was divided into two phases, community engagement and research and plan development. The Commerce Department partnered with two organizations, experts in each area, to support the planning efforts.

PROJECT TIMELINE



Phase 1 - Community Engagement

The first phase of the planning process was focused on community input and stakeholder engagement. The University of North Carolina School of Government’s ncIMPACT Initiative served as Commerce’s lead partner during phase 1, responsible for hosting nine public listening sessions across the state, one in each of the eight Prosperity

Zones, plus a statewide virtual webinar. The listening sessions were informed by a robust economic analysis conducted by Commerce’s Labor and Economic Analysis Division (LEAD), offering a data-driven foundation for the regional input and forthcoming recommendations.



Guiding Principles

Additionally, Anita Brown-Graham, ncIMPACT Initiative Director, facilitated a guided discussion with the Steering Committee, to define success through Governor Stein’s vision to build a safer, stronger North Carolina, and create meaningful opportunity for every North Carolinian to succeed.

Together, they identified five Guiding Principles to anchor the conversations in the regional listening sessions.

- **Job Creation:** Prioritize job growth resulting in higher-wage jobs and upward mobility in high-growth industries, support small business and entrepreneurship, and provide pathways for transition to durable employment.
- **Shared Prosperity:** Address the needs of distressed communities and include strategies to ensure that economic growth is geographically dispersed.
- **Future Ready:** Prepare for future challenges, including tech disruptions and natural disasters. Foster ever-evolving workforce, embrace innovation, and build on NC’s resilience.
- **Collaboration:** Support existing culture of collaboration among local, regional, and state partners to more intentionally leverage cross-sector and cross-boundary cooperation.
- **Safety & Quality of Life:** Extends beyond personal security to include public health, energy, environmental stewardship, and infrastructure to attract and develop talent and foster business.

Regional Listening Sessions Findings

The ncIMPACT Initiative summarized the Strategic Plan Listening sessions in a report, *Future Focused*, submitted to the Commerce Department at the conclusion of phase 1.

According to the *Future Focused* report, approximately 650 participants attended the listening sessions, representing 91 counties, and public and private sector employers. The statewide virtual webinar accounted for 222 of the participants.

In person participants were asked to identify problems and potential solutions to better prepare North Carolina’s workforce, businesses, and communities for success. Their

feedback was categorized into themes, and the attendees were asked to prioritize the themes in a post-session survey.

Housing, child care, and health care access and affordability were most commonly identified as barriers to success. Additionally, gaps in critical infrastructure, local career pathways, competitive salaries and wages, attracting and retaining young people, and downtown development were top themes across listening sessions.

Additional data and recommendations to the state can be found here in the [Future Focused Report](#).

Phase 2 - Research and Plan Development

The Commerce Department partnered with KPMG to develop a Plan that is responsive to the feedback gathered during the regional listening sessions during 2025. KPMG was asked to analyze the listening session findings and cross-reference the recommendations with best practices nationally and globally.

To start, KPMG benchmarked 15 state economic development plans, analyzed 42 data sources provided by NCDOC – including ncIMPACT Listening Session outputs – along with developing initial Goal Area definitions and a set of 20 potential priorities for consideration.

On January 15, 2026, KPMG facilitated a Prioritization Workshop with 14 NCDOC leadership team members to review and align on a set of core priorities to support the development of strategies and tactics for inclusion within the Plan. During the session, participants validated priorities across the three Goal Areas – Community Development, Workforce Development, and Business Development – and confirmed a set of seven core priorities based on both their importance to the state and their level of implementation difficulty.

These priorities were validated and refined with the Steering Committee (SteerCo) on January 29, leading us to the February 12 “Ignition” session where the objective was to identify and select the strategies that SteerCo believed would have the greatest impact or address the greatest areas of need over the next four years.

Following these collaborative workshops, KPMG and the Department of Commerce organized the highest-impact

strategies into the comprehensive framework that serves as the foundation of the final document

The First in Opportunity Plan is organized around four goals and a set of supporting strategies and tactics that collectively advance a holistic and integrated approach to economic development and continue to drive North Carolina’s competitiveness.

The development of the First in Opportunity Plan was a deliberate, inclusive, and data-driven process. Recognizing that North Carolina’s economic landscape is rapidly evolving, the planning process was designed to capture the diverse realities of both high-growth urban centers and transitioning rural communities.

To ensure the final strategy was both comprehensive and actionable, the development process was grounded in the strategic priorities of the state’s executive leadership and the holistic economic philosophy of the North Carolina Department of Commerce.

Alignment with the Governor’s Goals and Objectives

The Plan is philosophically aligned with the Governor’s overarching strategic vision and Commerce’s mission to increase economic opportunities for all North Carolinians.

A Holistic View of Economic Development

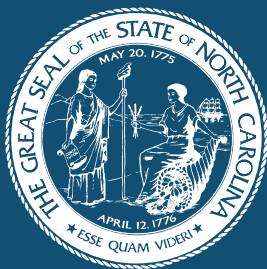
This foundational vision is operationalized through the NC Department of Commerce’s holistic approach to economic development. Recognizing that true economic mobility cannot be achieved in silos, Commerce anchors its work across three interconnected Goal Areas:

Business Recruitment & Industry Growth: Fostering a competitive environment to attract new investment and support the expansion of existing and emerging industries.

Workforce & Talent Development: Cultivating a resilient, future-ready talent pipeline that meets employer demand and provides pathways to high-quality careers.

Community & Infrastructure Capacity: Equipping local communities – particularly in rural and disaster-prone areas – with the physical, social, and digital infrastructure required to absorb and sustain economic growth.





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