State Economic Development Executives Network (SEDE)
Helping State Economic Development Leaders Thrive

State Economic Development Executives Network (SEDE)
Executive Summary

May 4, 2026 – AC Hotel by Marriott National Harbor
156 Waterfront Street – National Harbor II Meeting Room

Meeting Overview

The State Economic Development Executives Network (SEDE) convened leaders from 24 states at the SelectUSA Investment Summit in National Harbor, Maryland. Registrants from 6 other states were unable to attend due to legislative or SelectUSA conflicts. SEDE Chair Sandra Watson, President and CEO of the Arizona Commerce Authority noting the growth in SEDE and the importance of the meeting for networking and issue discussion. CREC staff supported the meeting and provided updates on network activities and resources.

State leaders shared introductions and key challenges facing their states, revealing a broadly consistent set of pressures and opportunities. The meeting also featured a presentation from the Economic Development Administration (EDA), represented by Acting Chief of Staff Caleb Spencer, and group discussions on innovative funding models, incentive effectiveness, the Colorado River Basin, and communicating the value of economic development.

Energy issues continue to be an important site selection factor across nearly every state. Data centers were a recurring topic – both as significant economic opportunities and sources of local opposition and infrastructure pressure. Workforce development remains a central concern, with states pursuing innovative approaches to skills training, talent attraction, and early career pathways.

Federal uncertainty is a significant and growing challenge. States reported difficulties navigating changes to programs including EDA grants, STEP funding, NIH research dollars, and WIOA workforce resources. Several leaders noted that the combined pressures of tariffs, R&D funding cuts, and shifting federal priorities are creating a more complex environment for economic development than at any prior point in their experience.

Incentive effectiveness and return on investment were central themes. Leaders discussed the need to demonstrate the importance of incentives in business location. Several states shared innovative funding models and performance metrics that generated significant interest among peers.

Other Key Takeaways

- **Energy is the defining site selection factor.** Nearly every state reported that energy availability, cost, and grid capacity are now the first questions from site consultants and investors, particularly for data centers and advanced manufacturing.
- **Data centers offer economic benefits but face growing opposition.** States are grappling with NIMBYism, water use concerns, and local government resistance while working to capture the significant capital and tax revenue that data center projects generate.
- **Workforce development is evolving.** States are more closely integrating workforce and economic development functions, pursuing skills-based hiring, early career pipelines, and talent attraction campaigns including for transitioning military personnel and former residents.

- **Federal volatility is reshaping state strategy.** Cuts to NIH, WIOA, STEP, and other programs are forcing states toward more self-sufficient approaches. EDA presented new programming, including a Disaster 2025 recovery grant program and an upcoming AI workforce development initiative.
- **Incentive programs face increasing scrutiny.** Leaders acknowledged difficulty proving additionality and expressed strong interest in performance-based models, rigorous outcome metrics, and regional compacts to reduce destructive interstate competition.
- **Self-funding models offer a path to greater independence.** Several states have developed mechanisms to fund economic development activities through small fees or percentages of incentives, drawing significant interest from peers facing flat or declining general fund appropriations.
- **Communicating the value of economic development is increasingly urgent.** States are investing in public-facing ROI reports, social media, and direct legislator engagement to demonstrate tangible state and community impact of economic development activities.
- **Opportunity Zones and nuclear energy are gaining renewed attention.** Several states reported positive Opportunity Zone momentum and a notable shift in public perception toward nuclear power, including reactor restarts and small modular reactor planning.

The meeting concluded at noon with a box lunch. The next SEDE meeting is planned for fall 2026, hosted by Colorado's Office of Economic Development and International Trade (OEDIT), on October 14–16.