SET Overview and Exploration of Regional Data

Session 1

Today, We Will

• Lay the foundation for SET work together
• Review the Regional SET Forum
• Explore the regional economic data:
  • Regional industry clusters
  • Employment and occupation
  • Chart the next steps

SET Participating States

SET Purpose: Doing Better Together

The regional team develops and implements a

*High Quality Regional Economic Development Plan*

that builds on the region’s current and emerging economic strengths.

High Quality Plan: Essential Components

Team's Regional Plan

- Evidence-Based
- Practical
- Aligned with Goals
- Broadly Supported
- Focused on Regional Economic Development

Building Shared Expectations

- Collaborating
- Cooperating
- Coordinating
- Networking

Effectiveness

Trust
Guiding Principles for Our Discussions

Sample ideas:
• Enter into the discussion enthusiastically.
• Give freely of your experience.
• Allow and encourage others to contribute.
• Listen attentively and take accurate notes.
• Ask questions when you don’t understand.
• Appreciate the other person’s point of view.
• Provide constructive feedback and receive it willingly.
• Keep confidences and assume others will.
• Conﬁne your discussion to the topic.

Civic Engagement Forum Review

• Regional Strengths & Challenges

• Data Snapshot Reactions

• Opportunities

Data Scavenger Hunt: Thriving Businesses

• Number of employees
• Workforce skills needed
• Type of business (i.e. manufacturing, retail, health services)
• Average earnings
• County

• Size
  • Large= over 100 employees
  • Small= under 100
• Other businesses/industries for which it is providing support

Round I: Forum Review

Round II: Economic Data

Round III: Explain, Examine, and Explore

COACHES: Insert regional data in place of sample tables throughout this section
Establishments

### Components of Change for Establishments 2000-2011

<table>
<thead>
<tr>
<th>Category</th>
<th>2000</th>
<th>2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishments Launched</td>
<td>13,469</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establishments Closed</td>
<td>8,055</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Change</td>
<td>5,414</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Migration</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total/Change</td>
<td>5,414</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
<td>42.2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Definition of Company Stages**

- **0** Self-employed
- **1** 1-9 employees
- **2** 10-99 employees
- **3** 100-499 employees
- **4** 500 employees

**Note:** In migration and loss computing inclusion is limited to the U.S. regions.


---

## Jobs & Sales by Establishments

### Number of Establishments by Employment Size 2000-2011

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 0</td>
<td>2,565</td>
<td>2,655</td>
<td>27.0%</td>
<td>29.4%</td>
</tr>
<tr>
<td>Stage 1</td>
<td>8,391</td>
<td>8,392</td>
<td>90.3%</td>
<td>54.3%</td>
</tr>
<tr>
<td>Stage 2</td>
<td>1,718</td>
<td>1,718</td>
<td>19.7%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Stage 3</td>
<td>585</td>
<td>585</td>
<td>6.6%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Stage 4</td>
<td>15</td>
<td>15</td>
<td>0.2%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Total</td>
<td>9,580</td>
<td>9,584</td>
<td>100%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Questions:**
- What size businesses have shaped the region’s economic growth in the last 10 years?
- Which ones are growing or declining the most?
- How might these trends shape the region’s future economic growth?


---

### Top Five Industry Sector Employment Growth

<table>
<thead>
<tr>
<th>NAICS Description</th>
<th>2000 Jobs</th>
<th>2011 Jobs</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 Construction</td>
<td>5,450</td>
<td>5,187</td>
<td>-5.0%</td>
</tr>
<tr>
<td>31 Mining, Quarrying, and Oil &amp; Gas Extraction</td>
<td>786</td>
<td>734</td>
<td>-6.5%</td>
</tr>
<tr>
<td>41 Transportation</td>
<td>1,307</td>
<td>1,239</td>
<td>-5.3%</td>
</tr>
<tr>
<td>51 Professional, Scientific, and Technical Services</td>
<td>921</td>
<td>921</td>
<td>0%</td>
</tr>
<tr>
<td>55 Management of Companies and Enterprises</td>
<td>93,385</td>
<td>95,310</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

**Questions:**
- Which regional industry sectors have seen the greatest growth?
- Did they grow at the same rate as the state?
- What factors are causing the growth?

Source: QCEW, QCEW, self and employer unemployment payments.

---

### Top Five Industry Sector Employment Decline

<table>
<thead>
<tr>
<th>NAICS Description</th>
<th>2000 Jobs</th>
<th>2011 Jobs</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 Construction</td>
<td>5,450</td>
<td>5,187</td>
<td>-5.0%</td>
</tr>
<tr>
<td>31 Mining, Quarrying, and Oil &amp; Gas Extraction</td>
<td>786</td>
<td>734</td>
<td>-6.5%</td>
</tr>
<tr>
<td>41 Transportation</td>
<td>1,307</td>
<td>1,239</td>
<td>-5.3%</td>
</tr>
<tr>
<td>51 Professional, Scientific, and Technical Services</td>
<td>921</td>
<td>921</td>
<td>0%</td>
</tr>
<tr>
<td>55 Management of Companies and Enterprises</td>
<td>93,385</td>
<td>95,310</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

**Questions:**
- How does the industry sector make-up of the region compare to the rest of the state?
- Which industry sectors are growing and declining the most in employment?

Source: QCEW, QCEW, self and employer unemployment payments.

---

### Exploring Industry Clusters

- **Note:** The charts illustrate how industries cluster geographically.

- **East Central Region:**
  - 56 Industries
  - Employment: 946,481

- **Midwest Region:**
  - 64 Industries
  - Employment: 870,975

- **Northeast Region:**
  - 56 Industries
  - Employment: 1,051,757

- **South Region:**
  - 56 Industries
  - Employment: 953,678

**Questions:**
- What regional industry sectors have seen the greatest growth?
- Did they grow at the same rate as the state?
- What factors are causing the growth?

Source: QCEW, QCEW, self and employer unemployment payments.
Industrial Clusters

Clusters are groups of interrelated industries that drive wealth creation in a region, primarily through export of goods and services.

**Vertical Clusters**
- Represents the entire value chain of a broadly defined industry from suppliers to end products.
- Examples:
  - Auto manufacturing (glass, paint, engine, plastic, etc. that goes into making a car)
  - Healthcare (service providers, equipment, medical supplies, pharmaceuticals)

**Horizontal Clusters**
- Groups of similar industries that use the same resources including raw materials and/or labor
- Examples:
  - Auto manufacturing (glass, paint, engine, plastic, etc. that goes into making a car)
  - Healthcare (service providers, equipment, medical supplies, pharmaceuticals)

---

Example of a Vertical Cluster

**Example of a Vertical Cluster**

*The Boston Biopharmaceuticals Cluster*

**LIST OF CLUSTERS**

- Advanced Materials
- Agribusiness, Food Processing & Technology
- Apparel & Textiles
- Arts, Entertainment, Recreation & Visitor Industries
- Biomedical/Biotechnical (Life Sciences)
- Business & Financial Services
- Chemicals
- Computer & Electronic Product Manufacturing
- Defense & Security
- Education & Knowledge Creation
- Electrical Equip, Appliance & Component Manufacturing
- Fabricated Metal Product Manufacturing
- Energy (Fossil & Renewable)
- Forest & Wood Products
- Glass & Ceramics
- Information Technology & Telecommunications
- Machinery Manufacturing
- Manufacturing Super-cluster
- Mining
- Primary Metal Manufacturing
- Printing & Publishing
- Transportation & Logistics
- Transportation Equipment Manufacturing

---

How to interpret cluster data results

The graph’s four quadrants tell a different story for each cluster.

**Clusters that are more concentrated in the region but are declining (negative growth).**
These clusters typically fall into the lower quadrant as job losses cause a decline in size. Clusters in this quadrant may indicate a gap in the workforce pipeline if local industries anticipate a future need. Generally, clusters in this quadrant show a lack of competitiveness.

**Clusters that are more concentrated in the region and are growing.**
These clusters are strengths that help a community stand out from the competition. Examples: High-growth clusters such as biotechnology, aerospace, or advanced materials.

**Clusters that are under-represented in the region (low concentration) and are growing.**
These clusters are under-represented in the region but are growing, often because of larger trends outside the region. If growth trends continue, these clusters will eventually move into the top right quadrant.

**Clusters that are under-represented in the region (low concentration) and are losing jobs.**
Clusters in this quadrant may indicate a gap in the workforce pipeline if local industries anticipate a future need. Generally, clusters in this quadrant show a lack of competitiveness.

---

**LIST OF CLUSTERS**

- Advanced Materials
- Agribusiness, Food Processing & Technology
- Apparel & Textiles
- Arts, Entertainment, Recreation & Visitor Industries
- Biomedical/Biotechnical (Life Sciences)
- Business & Financial Services
- Chemicals
- Computer & Electronic Product Manufacturing
- Defense & Security
- Education & Knowledge Creation
- Electrical Equip, Appliance & Component Manufacturing
- Fabricated Metal Product Manufacturing
- Energy (Fossil & Renewable)
- Forest & Wood Products
- Glass & Ceramics
- Information Technology & Telecommunications
- Machinery Manufacturing
- Manufacturing Super-cluster
- Mining
- Primary Metal Manufacturing
- Printing & Publishing
- Transportation & Logistics
- Transportation Equipment Manufacturing

---

**Example of a Horizontal Cluster**

*Silicon Valley*

**Clusters that are more concentrated in the region and are growing.**
These clusters are strengths that help a community stand out from the competition. Examples: High-growth clusters such as biotechnology, aerospace, or advanced materials.

**Clusters that are under-represented in the region (low concentration) and are growing.**
These clusters are under-represented in the region but are growing, often because of larger trends outside the region. If growth trends continue, these clusters will eventually move into the top right quadrant.

---

**Note:** The first number after each cluster represents its location quotient while the second number represents the number of people employed in that cluster in the ECI region.
Workforce Data

• What are the region’s unemployment trends?

• Are more people commuting into the region or commuting out?

• How do regional earnings compare to the state or nation?

Top Five Occupations in 2013

Questions:
• What are the education and skill requirements for these occupations?
• Do the emerging and star clusters align with the top occupations?
• What type salaries do these occupations typically provide?

Science, Technology, Engineering & Math

Questions:
• How do STEM jobs compare to the state?
• What has been the trend of STEM jobs over time?
• How important are STEM jobs to the region’s Star and Emerging clusters?

Now What?

Based on the assets of the region and current industrial trends...

What clusters should this region explore further?

Reality Check and Next Steps

Did the data reveal:
• Any new opportunities that should be considered?

• The need to eliminate previously considered opportunities?

• New partners that need to be included in the planning process.

Actions: Begin Writing the Plan

• Describe and summarize the Civic Engagement Forum process and results.

• Summarize key strengths and challenges based on the data.

• Describe the selected clusters:
  • Why were these clusters selected for further exploration?
  • What are the strengths and challenges associated with the selected clusters?
  • Which suggested opportunities are associated with each selected cluster?