SET Overview and Exploration of Regional Data
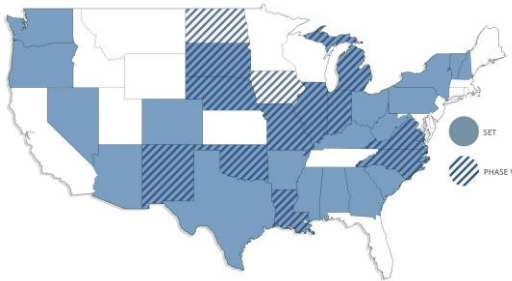
Session 1

SET

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

SET Participating States

SET — PHASE V

SET

SET Purpose: Doing Better Together

The regional team

develops and implements a
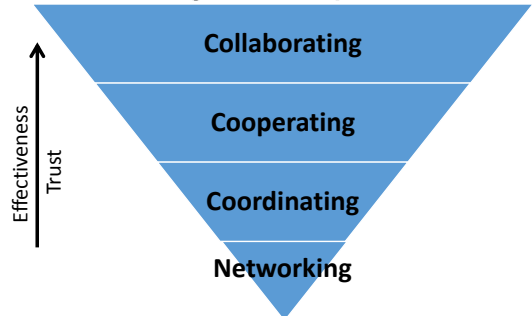
High Quality Regional Economic Development Plan

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

SET

High Quality Plan: Essential Components

Evidence-Based

Practical

Aligned with Goals

Team's Regional Plan

Broadly Supported

Focused on Regional Economic Development

SET

Building Shared Expectations

Collaborating

Cooperating

Coordinating

Networking

Effectiveness / Trust

SET

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.

SET

Round I: Forum Review

SET

Civic Engagement Forum Review

- Regional Strengths & Challenges

- Data Snapshot Reactions

- Opportunities

SET

Round II: Economic Data

SET

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

SET

Round III: Explain, Examine, and Explore

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

SET

Establishments

Components of Change for Establishments 2000-2011

Establishments Launched	13,469
Establishments Closed	8,955
Net Change	4,514
Net Migration	-9
Total Change	4,505
Percent Change	54.2%

An establishment is a physical business location. Branches, standalones and headquarters are all considered types of establishments.

Definition of Company Stages

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

Note: In-migration and Out-migration includes movement within the EC IN region.
Source: National Establishment Time Series (NETS) – 2011 Database

SET

Establishments

Number of Establishments by Employment Size

Stage	2000 Establishments	2000 Proportion	2011 Establishments	2011 Proportion
Stage 0	2,656	27.0%	4,265	29.8%
Stage 1	5,291	53.9%	8,362	58.3%
Stage 2	1,719	17.5%	1,574	11.0%
Stage 3	144	1.5%	118	0.8%
Stage 4	15	0.1%	15	0.1%
Total	**9,825**	**100%**	**14,334**	**100.0%**

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?

Source: National Establishment Time Series (NETS) – 2011 Database

SET

Jobs & Sales by Establishments

Number of Jobs by Establishment Stages

Year	2001	2011
Stage 0	2,656	4,265
Stage 1	19,845	26,249
Stage 2	44,284	40,192
Stage 3	25,166	22,301
Stage 4	22,567	19,054
Total	**114,518**	**112,061**

Sales ($ 2011) by Establishment Stages

Year	2001	2011
Stage 0	314,121,481	311,229,386
Stage 1	2,374,185,018	2,091,733,596
Stage 2	5,165,733,452	3,585,000,539
Stage 3	3,115,060,907	2,227,549,112
Stage 4	2,591,496,714	1,177,048,361
Total	**13,560,597,573**	**9,392,560,994**

Questions:
- What establishments are the most numerous based on company stages?
- What stages have experienced the largest growth? The greatest decline?
- What company stage employs the largest number of people?
- What stage captures the most sales?
- Which ones have experienced the greatest percentage loss over the 2002-11 period?

Source: National Establishment Time Series (NETS) – 2011 Database

SET

Top Five Industry Sector Employment Growth

NAICS	Description	2008 Jobs	2013 Jobs	Change	Change (%)
East Central Region					
61	Educational Services	3,641	6,010	2,369	65%
53	Real Estate and Rental and Leasing	2,591	3,226	635	25%
48	Transportation and Warehousing	3,058	3,540	482	16%
55	Management of Companies and Enterprises	1,042	1,195	153	15%
56	Administrative, Support, Waste Management and Remediation Services	4,378	4,792	414	9%
Rest of the State					
61	Educational Services	69,804	78,835	9,031	13%
56	Administrative, Support, Waste Management and Remediation Services	199,490	221,116	21,626	11%
62	Health Care and Social Assistance	363,413	400,878	37,465	10%
53	Real Estate and Rental and Leasing	114,447	124,514	10,067	9%
52	Finance and Insurance	138,862	149,431	10,569	8%

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: EMSI Class of Worker 2014.3 (QCEW, non-QCEW, self-employed and extended proprietors)

SET

Top Five Industry Sector Employment Decline

NAICS	Description	2008 Jobs	2013 Jobs	Change	Change (%)
East Central Region					
23	Construction	5,010	4,157	-853	-17%
21	Mining, Quarrying, and Oil and Gas Extraction	281	238	-43	-15%
51	Information	1,002	876	-126	-13%
22	Utilities	314	276	-38	-12%
54	Professional, Scientific, and Technical Services	3,811	3,505	-306	-8%
Rest of Indiana					
23	Construction	210,927	183,125	-27,802	-13%
22	Utilities	15,403	14,183	-1,220	-8%
51	Information	47,332	44,428	-2,904	-6%
31	Manufacturing	519,368	492,465	-26,903	-5%
42	Wholesale Trade	130,540	124,633	-5,907	-5%

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: EMSI Class of Worker 2014.3 (QCEW, non-QCEW, self-employed and extended proprietors)

SET

Exploring Industry Clusters

SET

Industrial Clusters

Clusters are groups of inter-related 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)
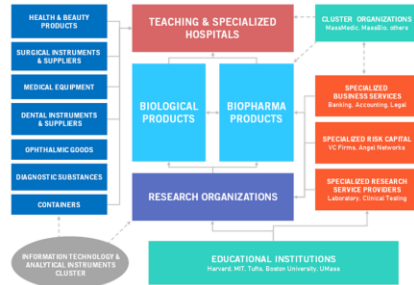   - Healthcare (service providers, equipment, medical supplies, pharmaceuticals)

Horizontal Clusters
- Groups of similar industries that use the same resources including raw materials and/or labor

  - Examples:
    - Silicon Valley
    - Wall Street Financial District
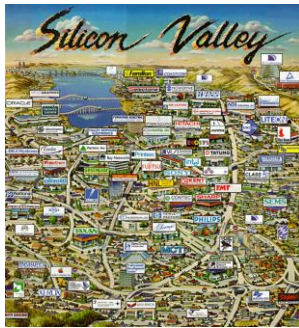   - Napa Valley Wine Region

---

Example of a Vertical Cluster

The Boston Biopharmaceuticals Cluster
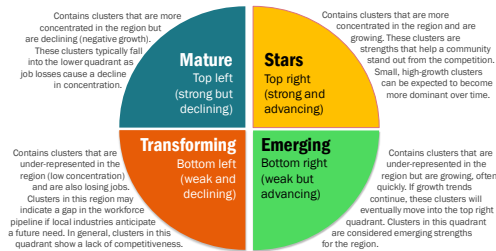

Example of a Horizontal Cluster

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.

Contains 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 concentration.

Mature — Top left (strong but declining)

Stars — Top right (strong and advancing)

Contains clusters that are more concentrated in the region and are growing. These clusters are strengths that help a community stand out from the competition. Small, high-growth clusters can be expected to become more dominant over time.

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

Transforming — Bottom left (weak and declining)

Emerging — Bottom right (weak but advancing)

Contains clusters that are under-represented in the region but are growing, often quickly. If growth trends continue, these clusters will eventually move into the top right quadrant. Clusters in this quadrant are considered emerging strengths for the region.

Modified from: http://www.charlestonregionaldata.com/bubble-chart-explanation/

Maturing Clusters	Star Clusters
Machinery Manufacturing (1.77; 1217)	Transportation Equipment Man. (4.37; 3957)
Education & Knowledge Creation (1.55; 3744)	Glass & Ceramics (3.88; 696)
Mining (1.01; 309)	Primary Metal Manufacturing (2.52; 598)
	Fabricated Metal Product Man. (2.17; 1854)
	Forest & Wood Products (1.86; 2780)
	Advanced Materials (1.4; 4410)
	Biomed/BioTech (1.31; 10814)
	Agribusiness, Food Proc. & Tech (1.28; 4039)
	Chemicals/Chemical-based Products (1.23; 1556)

Transforming Clusters	Emerging Clusters
Electrical Equipment, Appliance & Component Manufacturing (0.73; 168)	No clusters in this quadrant
Energy – Fossil & Renewable (0.62; 3498)	
Printing & Publishing (0.58; 1039)	
Business & Financial Services (0.55; 7639)	
Defense & Security (0.55; 2439)	
Apparel & Textiles (0.45; 349)	
Arts, Entertain,, Rec. & Visitor Industries (0.48; 2073)	
Information Technology & Telecom. (0.44; 1811)	

Level of Specialization

Percent Growth in Specialization

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.
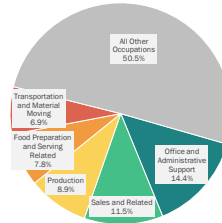
Workforce Data

- 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?

SET

Top Five Occupations in 2013

All Other Occupations 50.5%

Transportation and Material Moving 6.9%

Food Preparation and Serving Related 7.8%

Production 8.9%

Sales and Related 11.5%
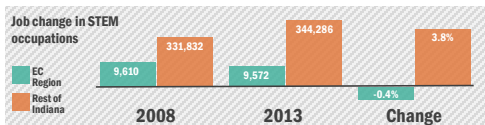
Office and Administrative Support 14.4%

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?

Source: EMSI Class of Worker 2014.3 (QCEW, non-QCEW, self-employed and extended proprietors)

SET

Science, Technology, Engineering & Math

Job change in STEM occupations

	2008	2013	Change
EC Region	9,610	9,572	-0.4%
Rest of Indiana	331,832	344,286	3.8%

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?

*Note: STEM and STEM-related occupation definitions from BLS (2010)
Source: EMSI Class of Worker 2014.3 (QCEW, non-QCEW, self-employed and extended proprietors)

SET

Now What?

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

What clusters should this region explore further?

SET

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.

SET

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?

SET

Reflections