

# Regional Data Snapshot

Industry Cluster Analysis
SET Session 1

7 Rivers Alliance, Wisconsin





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# **7 Rivers Alliance, WI**

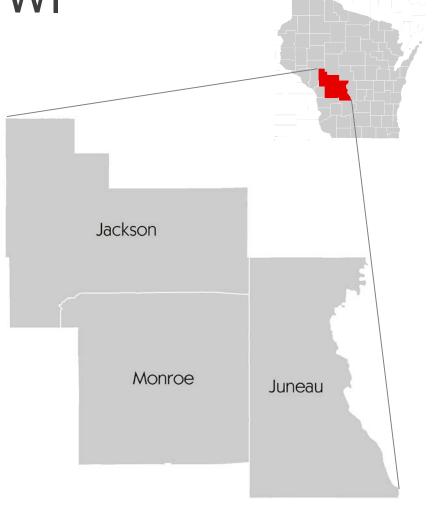
# 01 overview

### **Overview**

# 7 Rivers Alliance, WI

The Seven Rivers Alliance Region is comprised of 3 Wisconsin counties. Interstate 90 crosses the region from east to west, and Interstate 94 crosses the region from north to south.

- Jackson
- Juneau
- Monroe



**Establishments** 

**Employment by industry** 

# Components of changes in Jobs

| Changes in Jobs (2009-2015) |               |         |  |  |  |
|-----------------------------|---------------|---------|--|--|--|
| Gained by                   | New Startups  | 13,498  |  |  |  |
|                             | Spinoffs      | 3,120   |  |  |  |
|                             | Expansion     | 7,046   |  |  |  |
|                             | In-migration  | 686     |  |  |  |
| Lost by                     | Closings      | -16,242 |  |  |  |
|                             | Contractions  | -5,118  |  |  |  |
|                             | Out-migration | -384    |  |  |  |
| Net change                  |               | 2,606   |  |  |  |

An establishment is a physical business location.

Branches, standalones and headquarters are all considered types of establishments.



# **Definition of Company Stages**

Selfemployed 1

2-9 employees

2

10-99 employees 3

100-499 employees

4

500+ employees

# **Establishments**

# **Number of Establishments by Company Stages**

|         | 2009           |            | 2015           |            |
|---------|----------------|------------|----------------|------------|
| Stage   | Establishments | Proportion | Establishments | Proportion |
| Stage 0 | 847            | 20%        | 914            | 19%        |
| Stage 1 | 2,657          | 62%        | 3,225          | 66%        |
| Stage 2 | 688            | 16%        | 725            | 15%        |
| Stage 3 | 60             | 1%         | 53             | 1%         |
| Stage 4 | 5              | 0.1%       | 6              | 0.1%       |
| Total   | 4,257          | 100%       | 4,923          | 100%       |

### Questions:

- What stage businesses have shaped the region's economic growth in the last 6 years?
- Which ones are growing or declining the most?
- Which stage of establishments are likely to shape the region's future economic growth?

# **Establishments**

### **Number of Jobs by Company Stages**

| , , , , , |        |        |          |  |  |  |  |
|-----------|--------|--------|----------|--|--|--|--|
| Year      | 2009   | 2015   | % Change |  |  |  |  |
| Stage 0   | 847    | 929    | 10%      |  |  |  |  |
| Stage 1   | 9,953  | 12,113 | 22%      |  |  |  |  |
| Stage 2   | 16,806 | 17,243 | 3%       |  |  |  |  |
| Stage 3   | 10,682 | 9,988  | -6%      |  |  |  |  |
| Stage 4   | 4,115  | 4,736  | 15.1%    |  |  |  |  |
| Total     | 42,403 | 45,009 | 6%       |  |  |  |  |

#### Sales (\$Billion, 2015) by Company Stages

| Year    | 2009 | 2015  | % Change |
|---------|------|-------|----------|
| Stage 0 | 0.14 | 0.1   | -1%      |
| Stage 1 | 2.16 | 2.5   | 16%      |
| Stage 2 | 3.73 | 3.4   | -9%      |
| Stage 3 | 1.56 | 2.1   | 32%      |
| Stage 4 | 1.22 | 3.2   | 163.3%   |
| Total   | 8.81 | 11.31 | 28%      |

### **Ouestions**

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 2009-15 period?

# Top ten industry sector employment growth

| NAICS | Description                                   | <b>2009</b> Jobs | <b>2014 Jobs</b> | Change | Change (%) | State<br>Change (%) |
|-------|---|------------------|------------------|--------|------------|---------------------|
| 21    | Mining, Quarrying, and Oil and Gas Extraction | 138              | 574              | 436    | 316%       | 70%                 |
| 55    | Management of Companies and Enterprises       | 113              | 188              | 75     | 66%        | 29%                 |
| 61    | Educational Services                          | 149              | 191              | 42     | 28%        | 6%                  |
| 31    | Manufacturing                                 | 6,052            | 7,018            | 966    | 16%        | 6%                  |
| 42    | Wholesale Trade                               | 905              | 972              | 67     | 7%         | 4%                  |
| 71    | Arts, Entertainment, and Recreation           | 515              | 549              | 34     | 7%         | 7%                  |
| 52    | Finance and Insurance                         | 1,319            | 1,387            | 68     | 5%         | -3%                 |
| 23    | Construction                                  | 2,691            | 2,784            | 93     | 3%         | -1%                 |
| 48    | Transportation and Warehousing                | 3,933            | 4,068            | 135    | 3%         | 1%                  |
| 62    | Health Care and Social Assistance             | 4,331            | 4,419            | 88     | 2%         | 5%                  |

### **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?

# Top eight industry sector employment decline

| NAICS | Description   | <b>2009</b> Jobs | <b>2014 Jobs</b> | Change | Change (%) | State<br>Change (%) |
|-------|---|------------------|------------------|--------|------------|---------------------|
| 22    | Utilities   | 183              | 130              | -53    | -29%       | -6%                 |
| 72    | Accommodation and Food Services   | 3,758            | 3,283            | -475   | -13%       | 3%                  |
| 54    | Professional, Scientific, and Technical<br>Services                         | 1,147            | 1,037            | -110   | -10%       | 3%                  |
| 56    | Administrative and Support and Waste<br>Management and Remediation Services | 1,429            | 1,324            | -105   | -7%        | 18%                 |
| 51    | Information   | 269              | 253              | -16    | -6%        | 1%                  |
| 81    | Other Services (except Public Administration)                               | 1,992            | 1,903            | -89    | -4%        | 2%                  |
| 11    | Crop and Animal Production  | 4,577            | 4,475            | -102   | -2%        | 3%                  |
| 44    | Retail Trade  | 5,131            | 5,017            | -114   | -2%        | 0%                  |

### **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?

# lndustry cluster analysis

**7 Rivers Alliance, WI** 

## **Industry cluster analysis**

# 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

## **Industry cluster analysis**

# 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)

# **Transforming**

Bottom left (weak and 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 region stand out from the competition.

Small, high-growth clusters can be expected to become more dominant over time.

# **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.

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.

## **Industry cluster analysis**

#### **Mature Clusters**

Machinery Manufacturing (3.54; 1,143)

Transportation & Logistics (2.5; 3,907)

Electrical Equip, App & Comp Mfg (2.39; 264)

Chemicals & Chemical Based Prod (1.97; 1,179)

Glass & Ceramics (8.92; 728)

Agribusiness, Food Proc & Tech (4.27; 6,383)

Mining (3.92; 597)

Fabricated Metal Prod Mfg (3.23; 1,308)

Manufacturing Supercluster (1.97; 3,308)

Forest & Wood Products (1.39; 1,010)

Transportation Equipment Mfg (1.11; 483)

Advanced Materials (1.02; 1,501)

### **Transforming Clusters**

Energy (Fossil & Renewable) (0.94; 2,577)

Biomedical/Biotechnical (0.76; 2,965)

Defense & Security (0.35; 730)

IT & Telecommunications (0.32; 632)

Business & Financial Services (0.31; 1,983)

### **Percent Growth in Specialization**

#### **Emerging Clusters**

**Star Clusters** 

Primary Metal Manufacturing (0.98; 109)

Arts, Ent., Rec. & Visitor Industries (0.84; 1,723)

Apparel & Textiles (0.68; 254)

Printing & Publishing (0.38; 322)

Education & Knowledge Creation (0.15; 165)

Note: There is no 2014 regional jobs in Computer & Electronic Product Manufacturing.

#### section 03

Level of Specialization

# **Bubble Chart: What to Look at First**

Quadrant Location



Size of Location Quotient

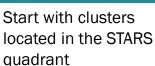


Percentage Change in Last 5 Years



Number of Employees

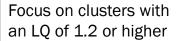




See if the MATURING clusters might have a good chance of growing again

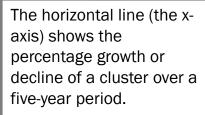
Determine if EMERGING clusters are likely to grow in strength

Avoid clusters that are "TRANSFORMING"



Clusters with high LQs represent economic activities in which the region is competitive relative to the U.S.

REMEMBER: Clusters only capture industries that have the likelihood of exporting goods and services.



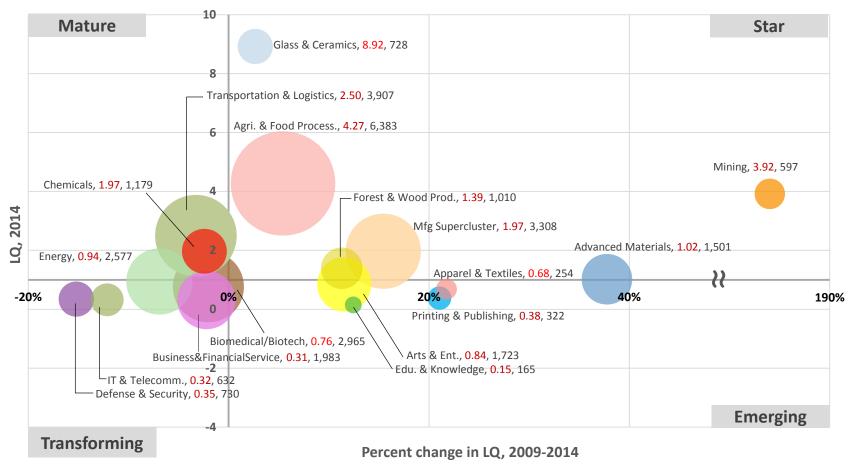
Make sure to examine the SIZE and DIRECTION of that change.

Dramatic declines in a cluster with a an LQ of 1.2 or higher could be a difficult one to resurrect.

The size of the bubble refers to the number of people employed in that cluster.

It may be worthwhile to focus on clusters that are both competitive and that employ a good number of people.

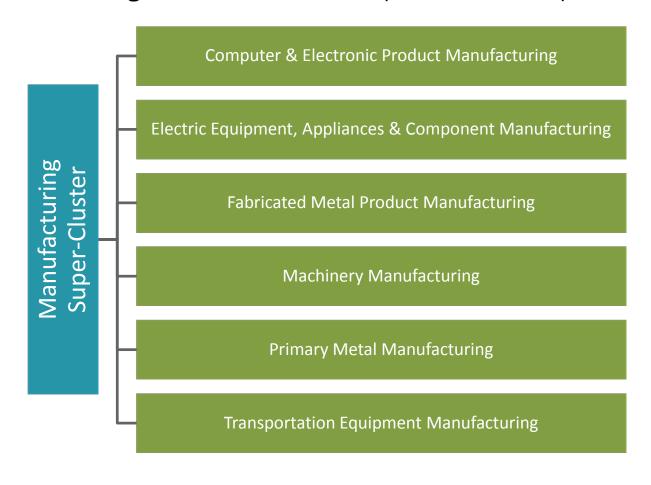
# Industry cluster bubble chart



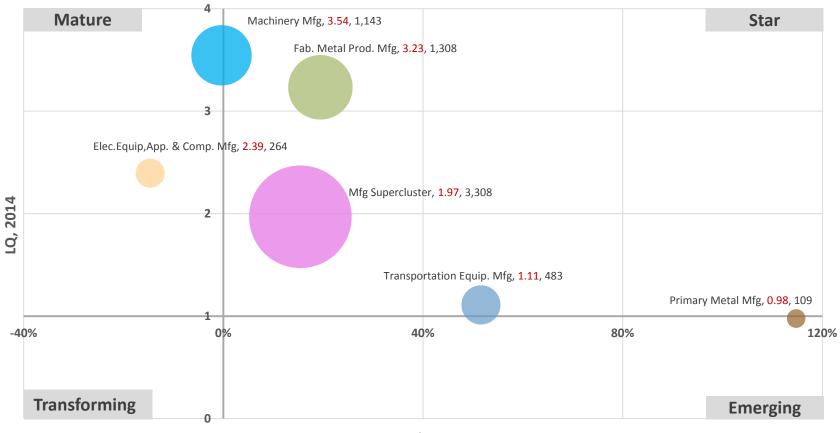
Note: Label includes cluster name, LQ in 2014, and Employment in 2014.

# The Manufacturing Super-Cluster

Please note that this is not a cluster that a SET region should select. Rather, focus on the manufacturing sub-clusters that are important to that super-cluster.



# Manufacturing sub-cluster bubble chart



Percent change in LQ, 2009-2014

Note: Label includes cluster name, LQ in 2014, and Employment in 2014

There is no 2014 regional jobs in Computer & Electronic Product Manufacturing.

# For your region

#### **Mature Industries**

Four industry clusters in the 7 Rivers Alliance Region are in the Matured stage: Chemicals; Electrical Equip., Appliance & Component Mfg.; Machinery Mfg.; and Transportation & Logistics. These industries are relatively concentrated, but its growth is trending downward. It is worth noting, however, that the 7 Rivers Alliance Region may find it worthwhile to invest in efforts to shore up the concentrations of these industries.

#### **Transforming Industries**

Transforming clusters capture the mix of industries that are experiencing relative decline and limited export capability. In the 7 Rivers Alliance Region, Biomedical/Biotechnical (Life Sciences); Business & Financial Services; Defense & Security; Energy; and IT & Telecom are the five industry clusters that are Transforming clusters. Any amount of growth in these industries would require relatively large investments.

#### **Star Industries**

Star industry clusters are highly concentrated, exporting and still experiencing growth in the region. Seven Star industry clusters in the 7 River Alliance Region are Advanced Materials; Agribusiness, Food Processing & Tech.; Fabricated Metal Product Mfg.; Forest & Wood Products; Glass & Ceramics; Mining; and Transportation Equipt Mfg. These clusters indicate that they have a little more jobs concentration in the region compared to the U.S.

#### **Emerging Industries**

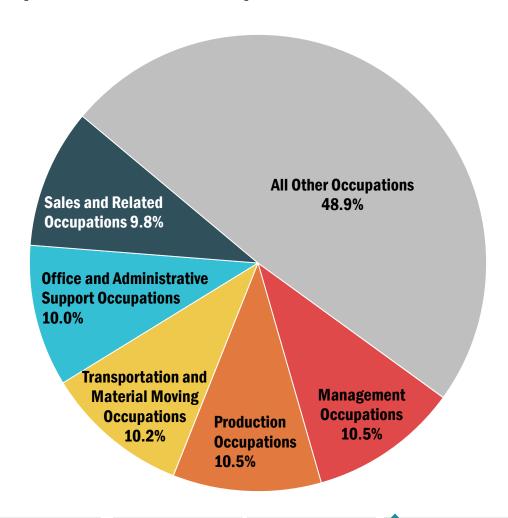
Industry clusters that may be poised for future growth are classified as "Emerging." There are five Emerging clusters in total in the 7 Rivers Alliance Region: Arts, Ent., Rec. & Visitor Industries; Apparel & Textiles; Education & Knowledge Creation; Printing & Publishing; and Primary Metal Mfg.

# 04 occupations

**Top occupations** 

**STEM occupations** 

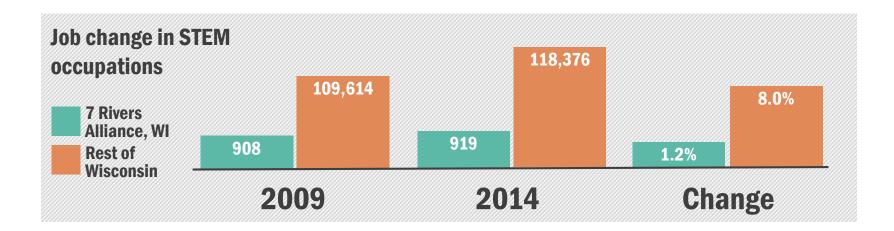
# Top five occupations in 2014



### **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



### **Ouestions:**

- 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?

# Report Contributors

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