



F U N D F O R O U R
E C O N O M I C F U T U R E

NEO DASHBOARD INDICATORS

Prepared by:

W.E. Upjohn Institute for Employment Research and
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April 19, 2006



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Fund For Our Economic Future

A multi-year effort “to encourage and advance a common and highly focused regional economic development agenda” for the Northeast Ohio economy.



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Fund For Our Economic Future

Create and regularly update
Economic Dashboard for the
Northeast Ohio regional economy

- “Dashboard Indicators for Northeast Ohio”
 - Provides a framework for understanding the regional economic process
 - Track the progress of the regional strategies



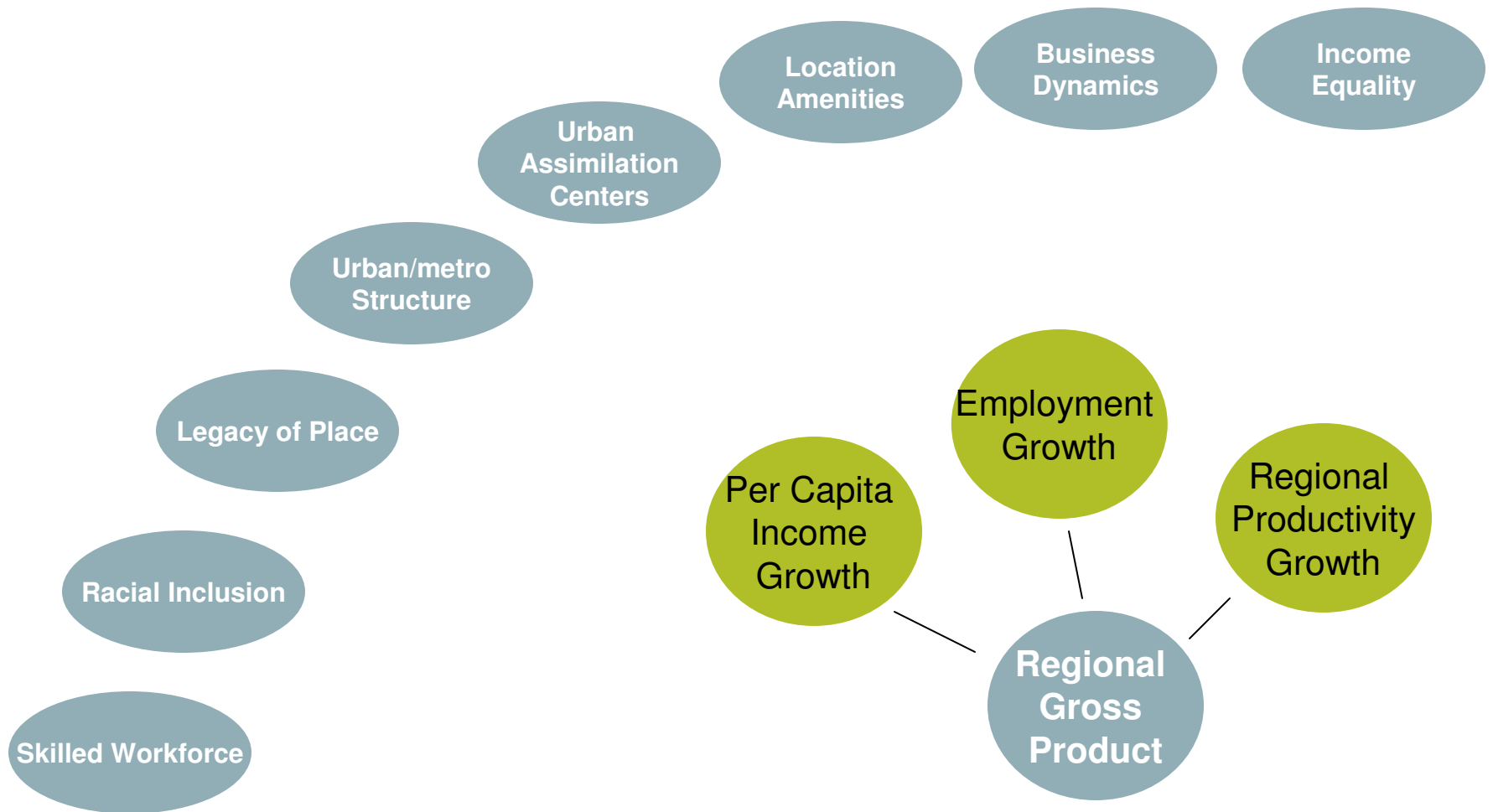
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Regional Framework

- Provides useful perspective and background on the growth dynamics of the Northeast Ohio economy
- Identifies the basic fundamentals of regional economic growth taking place across the country and provides guidance in the selection of strategies
- Aids the selection of meaningful economic factors



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Northeast Ohio Metros (1994-2004 Per. Chg.)	Output	Productivity	Employment	Per Capita Income
Akron	24.1	16.5	6.5	47.3
Canton-Massillon	21.4	18.1	2.8	41.2
Cleveland-Lorain-Elyria	26.3	22.6	3.0	42.3
Youngstown-Warren	3.1	6.8	-3.5	38.5
Highest Growth Metro	153.8 (Boise City)	123.4 (San Jose)	49.3 (Sarasota, FL)	65.0 (San Jose)
Median	36.3 (Birmingham, AL)	16.6 (Buffalo)	16.3 (Indianapolis)	45.8 (Greenville)
Lowest	-11.0 (Flint, MI)	-3.0 (Corpus Christi)	-11.5 (Flint, MI)	30.7 (Rockford, IL)
Other Metro areas	(Growth/rank)			
Austin	144.3 (2)	72.0 (4)	42.0 (3)	53.3 (15)
San Diego	77.1 (8)	31.6 (12)	34.6 (12)	62.4 (3)
Seattle	61.3 (15)	38.2 (7)	16.7 (57)	57.7 (6)



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Steps to Identify Growth Factors

Step 1: Identify potential themes to be explored in analysis:

- Economic Growth and Employment
- Education and Workforce
- Quality of Life and Place
- Equity and Fairness
- Cooperation and Governance

Step 2: Select variables associated with initial themes and other factors

Step 3: Use statistical methods to identify structural relationships among variables that actually occur in metropolitan areas

Step 4: Use statistical methods to relate factors to measures of economic growth



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Growth Factors

- Skilled Workforce
- Business Dynamics
- Urban Assimilation
- Racial Inclusion
- Legacy of Place
- Income Equality
- Location Amenities
- Urbanization/Metro Structure



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Rankings of Growth Factors According to Their Importance to Economic Growth

Factors	Growth Rate of:			
	Employment	Per Capita Income	Productivity	Output
Skilled Workforce	5	1	1	1
Racial Inclusion	3		3	3
Urban Assimilation	6		2	2
Income Equality	4	4		5
Business Dynamics	2			6
Legacy of Place Costs (negative)	1	2		4
Location Amenities		5		
Urban/Metro Structure		3		7



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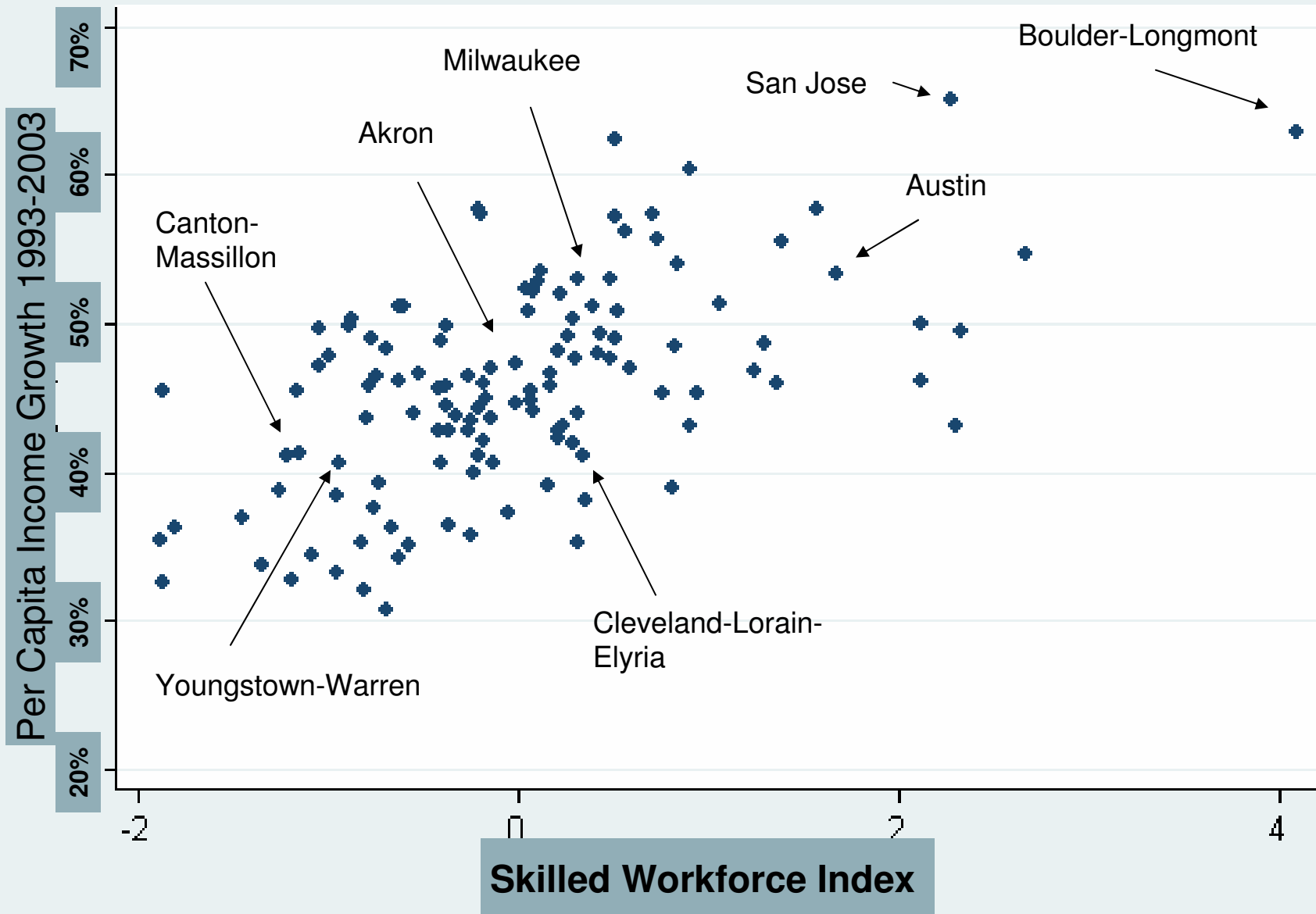
Skilled Workforce

Key factor for output, productivity, and per capita income

Rank	Metro Area	Score
1	Boulder-Longmont	4.092
2	Madison, WI	2.671
43	Cleveland-Lorain-Elyria	0.211
55	Akron	-0.017
103	Youngstown-Warren	-0.957
112	Canton-Massillon	-1.216
118	Visalia-Tulare-Porterville	-1.888



Per Capita Income Growth and Skilled Workforce are Highly Correlated





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Assimilation Centers

Key factor for employment, output, and productivity

Rank	Metro Area	Score
1	Miami	4.642
3	San Jose	2.855
67	Cleveland-Lorain-Elyria	-0.414
89	Akron	-0.562
104	Youngstown-Warren	-0.766
107	Canton-Massillon	-0.798
118	Tallahassee, FL	-1.124



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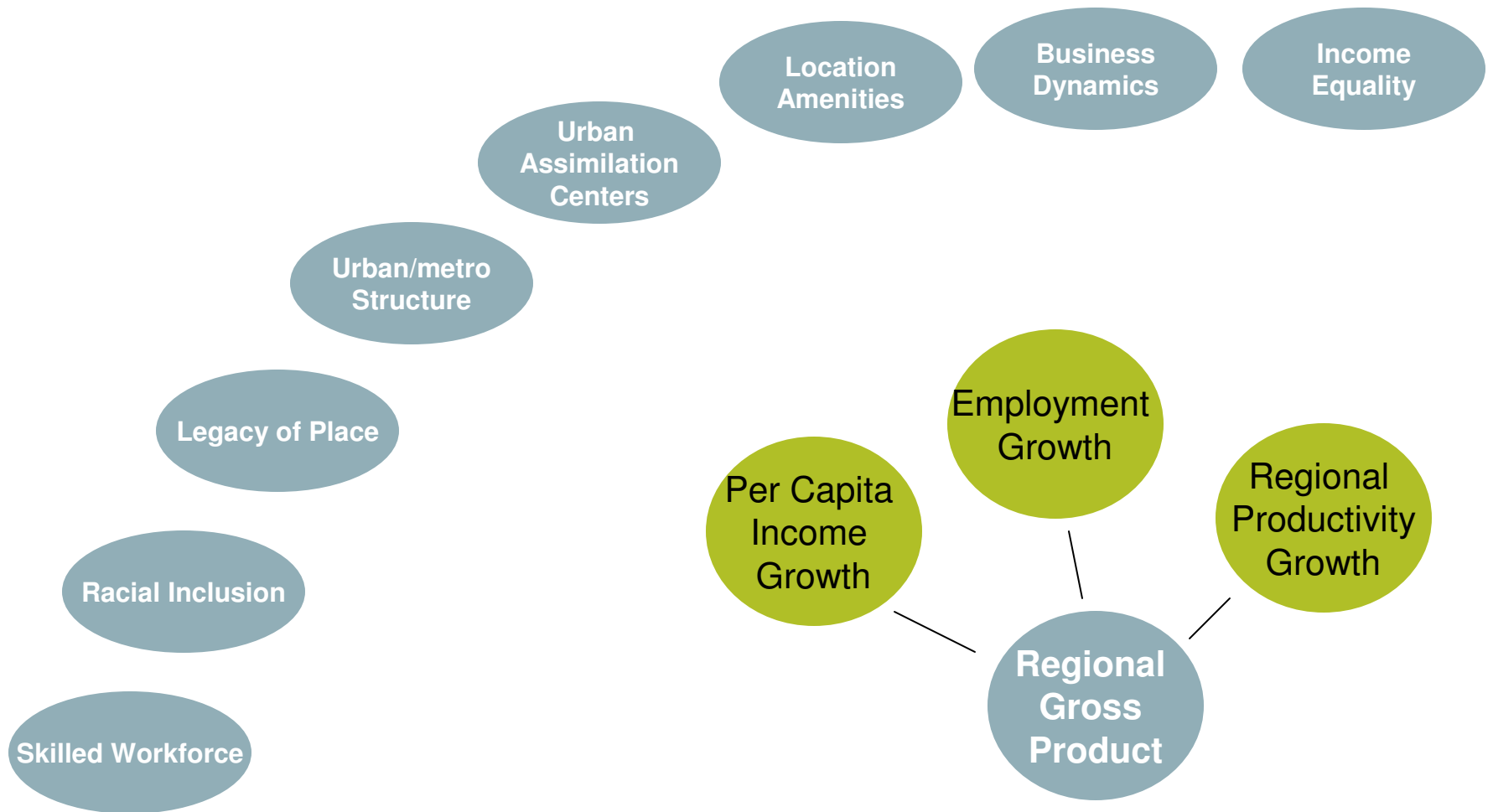
Business Dynamics

Key factor for employment and output growth

Rank	Metro Area	Score
1	San Jose	2.635
4	Grand Rapids MI	1.520
31	Canton-Massillon	0.630
34	Akron	0.587
44	Cleveland-Lorain-Elyria	0.424
54	Youngtown-Warren	0.164
118	Atlantic-Cape May NJ	-2.181



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Lessons Learned

- No “silver bullet” that turns a slow-moving traditional-based economy into a vibrant, high performance one
- A skilled workforce and strong business dynamics are most highly correlated with regional economic growth
- Racial inclusion and income equality correlates to economic growth



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Lessons Learned

- Location amenities, a measure of quality of life variables, such as universities, recreation, transportation, and arts and health services, is positively correlated to per capita income growth but not as strongly as other factors
- Regions with “legacy of place” costs face greater challenges when repositioning their economies for growth



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Northeast Ohio Regional Economic Indicators Advisory Group

- Ziona Austrian
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- Mark Schweitzer
Federal Reserve Bank of Cleveland
- James Shanahan
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- Mark Sniderman
Federal Reserve Bank of Cleveland
- Bradley Whitehead
The Fund For Our Economic Future



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Next Steps

- Continue NEO roll-out around region
- Assemble NEO regional economic advisors
- Begin update of Dashboard
- Plan Federal Reserve-University Collaborative
Regional Economics Forum for Fall '06
- Continue providing 'content' to V&C from Dashboard
- Pursue 'drill-down' research questions as need arises (with authorization of Funders' Committee)



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