

The vibrant economy Index

A measure of the Northeast Ohio Region's economy, and 12 comparable markets, in six key categories: **Talented, Equitable, Innovative, Resilient, Competitive, and Prosperous**



The VEI is presented and supported by:



JobsOhio Network Partner

vei.teamneo.org

The Vibrant Economy has hundreds of data points in six economic elements:

Talented, **Equitable**, **Innovative**, **Resilient**, **Competitive**, and **Prosperous**.



TALENTED

A vibrant economy has a growing, diverse population with equitable opportunities for education, training, and prospects for filling good-paying, in-demand jobs in our region. These opportunities for individuals in turn support business growth and vibrancy in our communities.

The VEI measures how **TALENTED** Northeast Ohio's economy is by analyzing

- In-demand Career Alignment
- Population Growth
- Educational Attainment



EQUITABLE

A vibrant economy reduces disparities in educational attainment, access to in-demand jobs, and economic outcomes for all. An equitable, vibrant economy strengthens communities, encourages innovation, increases resiliency, and is more competitive because of increased diversity in the workforce.

The VEI measures how **EQUITABLE** Northeast Ohio's economy is by analyzing

- Unemployment Rates by Race and Gender
- Educational Attainment by Race and Gender
- In-demand Job Alignment by Race and Gender



INNOVATIVE

An innovative, vibrant economy has businesses with a high adoption rate of new technologies and an environment that encourages start-ups. And it's where small businesses, minority-owned businesses, and female-owned businesses have access to capital and are thriving.

The VEI measures how **INNOVATIVE** Northeast Ohio's economy is by analyzing

- Annual Venture Capital Investment
- Number of Patents Granted
- Small Business Growth
- Research & Development Employment

These six elements are interdependent: success in one drives outcomes in another.



RESILIENT

A vibrant economy is forward-looking, helps address the core needs of businesses as they grow and innovate; and helps companies to understand why a market is a good, predictable, and safe place for long-term investment.

The VEI measures how RESILIENT Northeast Ohio's economy is by analyzing

- Industrial Vacancy Rates
- Broadband Access
- Availability/Cost of Public Transit



COMPETITIVE

A vibrant economy outperforms comparable regions and markets in gross domestic product, total employment, per capita income, and labor force participation. It also has a talented and diverse workforce, earning family-sustaining wages and capable of filling in-demand jobs.

The VEI measures how COMPETITIVE Northeast Ohio's economy is by analyzing

- Gross Domestic Product
- Jobs
- Labor Force Participation
- Wages



PROSPEROUS

A vibrant economy is prosperous when it creates equitable opportunities for more people to work, earn good wages and thrive. It also offers an environment that supports business startups, business growth and strengthens communities.

The VEI measures how PROSPEROUS Northeast Ohio's economy is by analyzing

- New Businesses Established
- Family Sustaining Wages
- Median Income and Home Value
- Poverty and Unemployment



WHAT does it mean to have a talented, vibrant economy?

A vibrant economy has a growing, diverse population with equitable opportunities for education, training, and prospects for filling good-paying, in-demand jobs in our region. These opportunities for individuals in turn support business growth and vibrancy in our communities.

HOW important is talent to a vibrant economy?

Talent is becoming the critical differentiator of regions that are growing and prospering. One of the most powerful ways to positively impact the overall economy is to increase the pool of educated, trained, and talented workers in your region. Growing the population with a bachelor's degree leads to significantly higher rates of growth in GDP, wages, and employment.

KEY TAKEAWAY

The Northeast Ohio Region must continue to strengthen education and training opportunities to support industries with in-demand jobs and create more opportunities for everyone in our workforce to access those in-demand jobs, as well as have access to quality post-secondary opportunities to develop skills through meaningful credentialing.

Key Data Points:	Talented Data Set:
<p>3 OUT OF 13</p> <p>NEO ranks 3rd out of 13 markets for population with an associate's degree.</p> <p>Source: EMSI</p>	<ul style="list-style-type: none"> • IT Completions to Job Postings • Manufacturing Completions to Job Postings • Health Care Completions to Job Postings • Percent of Population 25–34 Years Old • Population with BA+ • Population with Associate's Degree • Population with Some College • Population with High School Diploma • Population with Less than a High School Diploma



WHAT does it mean to have an equitable, vibrant economy?

A vibrant economy reduces disparities in educational attainment, access to in-demand jobs, and economic outcomes for all. An equitable, vibrant economy strengthens communities, encourages innovation, increases resiliency, and is more competitive because of increased diversity in the workforce.

HOW important is equity to a vibrant economy?

Equity is essential to building a vibrant economy. Research shows that increasing diversity in the workforce leads to innovation and overall economic growth for businesses and communities, as well as individual prosperity.

KEY TAKEAWAY

Taken together, strategies that emphasize diversity, equity, and inclusion, whether through communities of color or gender, are key to future regional growth. We can only grow our economy through equity. We cannot expect to grow in any substantial way when more than 20% of the region's population faces a disproportionate share of the economic challenges.

Key Data Points:

2 OUT OF 13

NEO ranks 2nd out of 13 markets for women in high demand IT jobs, 13th for Hispanic residents in IT and 7th for Blacks residents in manufacturing.

Source:
EMSI

Equitable Data Set:

- Adjusted Median Household Income by Race
- Unemployment Rate by Race
- Educational Attainment by Race
- Educational Attainment by Gender
- Health Care In-Demand Jobs by Race
- IT In-Demand Jobs by Race
- Manufacturing In-Demand Jobs by Race
- In-Demand Jobs by Gender
- Population with a Broadband Internet Subscription by Race



WHAT is an innovative, vibrant economy?

An innovative, vibrant economy has businesses with a high adoption rate of new technologies and an environment that encourages start-ups. And it's where small businesses, minority-owned businesses, and female-owned businesses have access to capital and are thriving.

WHY is innovation important for a vibrant economy?

Innovation can be a powerful economic driver if we understand our regional economic vitality and the nature of our existing assets, and if we make strategic investments in those assets, such as manufacturing technology, over time. Strategic investments in areas like the smart and additive manufacturing are critically important to making our market more competitive and more attractive as a destination for business expansion and retention.

KEY TAKEAWAY

It will be important to measure progress in innovation against ourselves over time based on the investments that we choose to make as a region, and the ways those investments translate into regional economic outcomes. Our ability to innovate is highly interdependent on the other pillars, like talent and equity, to drive it forward.

Key Data Points:	Innovative Data Set:
<p data-bbox="341 1270 771 1354">\$140,450,000</p> <p data-bbox="341 1396 722 1459">NEO saw \$140,450,000 in venture capital investment in 2019.</p> <p data-bbox="341 1753 812 1806">Source: PriceWaterHouseCoopers MoneyTree Report</p>	<ul data-bbox="885 1270 1518 1543" style="list-style-type: none"> • Loans to Businesses Under \$1M Revenue • Patents per 1,000 Workers • Annual Amount of Venture Capital Investment • Number of Venture Capital Deals • Research & Development Employees as Percentage of Total Employment



WHAT does it mean to have a resilient, vibrant economy?

A vibrant economy is forward-looking, helps address the core needs of businesses as they grow and innovate; and helps companies to understand why a market is a good, predictable, and safe place for long-term investment.

WHY is resilience important to a vibrant economy?

Resiliency helps us think about our competitiveness relative to the infrastructure investments we make over time. It has a direct impact on our ability to cultivate a talented and equitable workforce and helps companies think differently about the future. And it helps people and companies withstand economic downturns.

KEY TAKEAWAY

Investing in resilient infrastructure, fostering strong relationships between businesses and the economic development network, and having tools and programs in place to help people and companies withstand economic downturns is key to long-term economic progress for the region.

Key Data Points:

3.7%

NEO's industrial vacancy rate in 2020 was 3.7%.

Source:
Cushman Wakefield MarketBeat Insights

Resilient Data Set:

- Number of Declared Natural Disasters
- Industrial Vacancy Rates
- Number of Days with Air Quality Index over 100
- Ratio of Alternative Fuel Stations to Population
- Population with Access to Insurance
- Number of Direct Flight Destinations
- Public Transit Affordability



WHAT does it mean to have a competitive, vibrant economy?

A vibrant economy outperforms comparable regions and markets in gross domestic product, total employment, per capita income, and labor force participation. It also has a talented and diverse workforce, earning family-sustaining wages and capable of filling in-demand jobs.

WHY is it important to have a competitive, vibrant economy?

Through the lens of the VEI, a competitive, vibrant economy will demonstrate economic progress as a whole and for individuals—making it an attractive destination for business expansion and retention, and talent seeking to advance their careers.

KEY TAKEAWAY

These output measures rely on improvement in many of the other enabling pillars of the VEI to see meaningful progress. We anticipate that growth and improvements in the talented, equitable, innovative, and resilient pillars will create a vibrant economy—for all Northeast Ohio residents.

Key Data Points:	Competitive Data Set:
<p>+3% GRP</p> <p>+1% EMPLOYMENT</p> <p>From 2018–2019, NEO's GRP grew 3%, employment grew 1%, and labor force participation remained unchanged.</p> <p>Sources: GRP and Employment: Bureau of Economic Analysis</p> <p>Labor Force Participation: EMSI</p>	<ul style="list-style-type: none"> • Gross Regional Product • Total Employment • Per Capita Income • Unemployment Rate • Labor Force Participation Rate



WHAT does it mean to have a prosperous, vibrant economy?

A vibrant economy creates equitable opportunities for more people to work, earn good wages and thrive. It also offers an environment that supports business startups and growth.

WHY is the VEI focused on prosperity?

Measuring prosperity adds a nuanced look at the impact of economic policy, strategy and investment on individuals and communities, in addition to the traditional measures of broad economic growth. We can better understand the impact economic development has on people—and if we’re reducing disparities—by measuring prosperity.

KEY TAKEAWAY

The Northeast Ohio Region must continue efforts to increase access to educational and career opportunities to all residents in the region in a way that increases equitable economic growth and prosperity, which will be a significant driver of future growth potential.

Key Data Points:

\$60,729

In 2019, NEO’s regional median household income adjusted for cost of living was \$60,729.

Source:
US Census

Prosperous Data Set:

- Percent Change in Payrolled Business Locations
- New Establishments as a Percentage of Total Establishments
- Percent of Jobs Paying a Family-Sustaining Wage
- Median Household Income Adjusted for Cost of Living
- Median Home Value Adjusted for Cost of Living
- Small Business Tax State Ranking
- Cost of Living
- Poverty Rate