


Stronger Economies Together

SET Overview and Exploration of Regional Data

Session 1


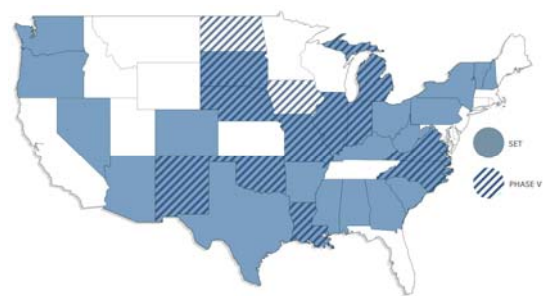


Today, We Will

- 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



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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.

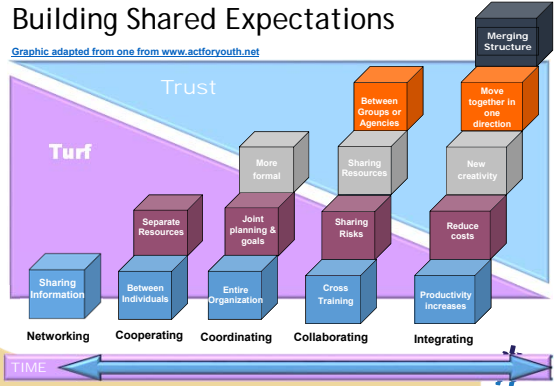



High Quality Plan: Essential Components




Building Shared Expectations

Graphic adapted from one from www.actforyouth.net





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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.



Round I: Forum Review



Civic Engagement Forum Review

- Regional Strengths & Challenges
- Data Snapshot Reactions
- Opportunities




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Civic Engagement Forum Review

Positive Features of the Region


Educational Systems - Peru State College	33
History & Tourism	19
Quality of Life	17
Agricultural/Production Livestock/crops	15
Transportation Routes	10
Work Ethic	10
Outdoor recreation & parks	10
Motivated leadership within each county	7
Cultural Area	7



Civic Engagement Forum Review


Challenges of the Region

Keeping Youth/ Availability of workforce/ lack of skilled workers	23
Shortage of quality jobs	19
Attracting and retaining young families	14
Retaining business or bringing in new businesses	12
Lack of housing choices	10
Availability of services (entertainment, restaurants, retail)	10
Maintaining infrastructure	9
Lack of Business Development startups	9
Cell phone & fiber optics	8
Outmigration	7

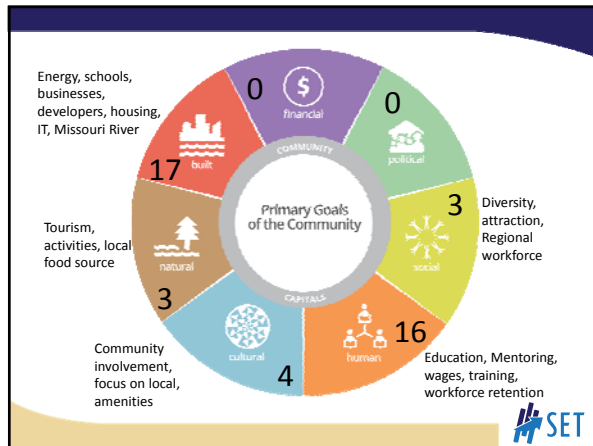


Civic Engagement Forum Review

	Strengths	Challenges
Education	Higher HS graduation rates, online education available, AA degrees same as state levels	Lower post-secondary education attainment, less technical education opportunities, limited educational access, industry and education not working together
Demographics	20-29 age group growing, increase in diversity, average income higher, poverty level down	Lower average earnings, higher poverty level for school-aged children, aging population, increased diversity, projected lower population
Workforce	Workforce: low unemployment, labor costs competitive, available workforce (20-29), growth in well-paying jobs	Skills gaps, out-commuters, lower wages, low STEM jobs, slight higher unemployment rate
Industry	Industry: Good manufacturing companies, mining, oil, gas opportunities, small business opportunities	Closing of establishments/empty, sales are down, commuting to outside of the region, outside purchasing opportunities



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Round II: Economic Data

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

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Round III: Explain, Examine, and Explore



Establishments

Components of Change for Establishments 2000-2011


Establishments Launched	3,691
Establishments Closed	2,278
Net Change	1,413
Net Migration (Establishments moving into minus the establishments moving out of the region)	6
Total Change	1,419
Percent Change	43.3%

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 DC W region.
Source: National Establishment Time Series (NETS) - 2011 Database



Establishments


Number of Establishments by Company Stages

Stage	2000		2011	
	Establishments	Proportion	Establishments	Proportion
Stage 0	1,270	38.8%	2,091	44.5%
Stage 1	1,683	51.4%	2,274	48.4%
Stage 2	294	9.0%	307	6.5%
Stage 3	27	0.8%	21	0.4%
Stage 4	1	0.03%	1	0.02%
Total	3,275	100%	4,694	100%

Questions:

- What size businesses have shaped the region's economic growth in the last 10 years?
- Which ones are growing or declining the most?
- Which stage of establishments are likely to shape the region's future economic growth?

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



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Exploring Industry Clusters



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

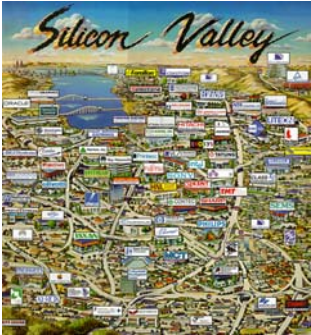
The Boston Biopharmaceuticals Cluster


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graph TD; subgraph Products; direction TB; P1[HEALTH & BEAUTY PRODUCTS]; P2[SURGICAL INSTRUMENTS & SUPPLIES]; P3[MEDICAL EQUIPMENT]; P4[DENTAL INSTRUMENTS & SUPPLIES]; P5[OPHTHALMIC GOODS]; P6[DIAGNOSTIC SUBSTANCES]; P7[CONTAINERS]; end; subgraph Support; direction TB; S1[TEACHING & SPECIALIZED HOSPITALS]; S2[RESEARCH ORGANIZATIONS]; S3[EDUCATIONAL INSTITUTIONS  
Harvard, MIT, Tufts, Boston University, UMass]; end; subgraph Services; direction TB; S4[CLUSTER ORGANIZATIONS  
Trade Shows, Associations, etc.]; S5[SPECIALIZED BUSINESS SERVICES  
Banking, Accounting, Legal]; S6[SPECIALIZED RISK CAPITAL  
VC Firms, Angel Networks]; S7[SPECIALIZED RESEARCH SERVICE PROVIDERS  
Laboratory, Clinical Testing]; end; Products --- Support; Support --- Services;
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Example of a Horizontal Cluster





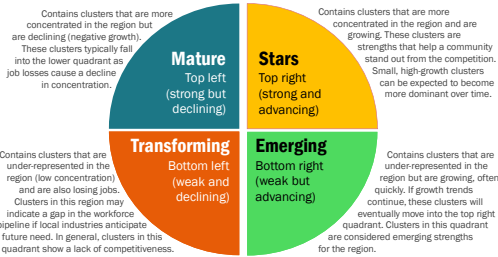
LIST OF CLUSTERS

<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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
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How to interpret cluster data results

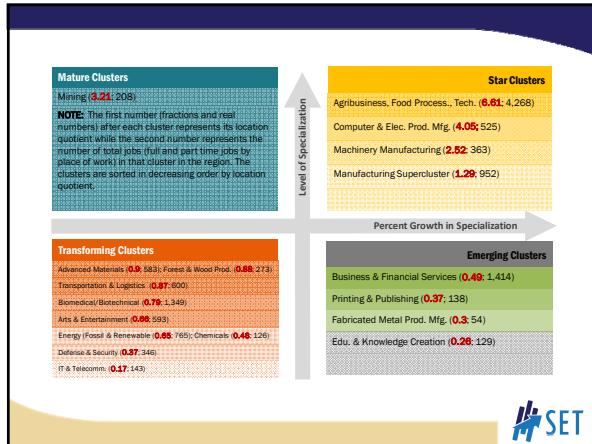
The graph's four quadrants tell a different story for each cluster.



Modified from: <http://www.clusterobservatory.org/cluster-observatory-public-chart-publication/>



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Industry and occupation

Bubble chart interpretation

Mature Industries

Southeast Nebraska Partners for Progress (P4P) Region has only one cluster in the Maturing stage: Mining. These mining industries are relatively concentrated, but their growth is trending downward. Overall, this is likely a reflection of nationwide changes in mining jobs and emphasis on less use of fossil fuels. It is worth noting, however, that the Partners for Progress Region may find it worthwhile to invest in efforts to shore up the concentration of these industries.

Transforming Industries

Transforming clusters capture the mix of industries that are experiencing relative decline and limited export capability. In the Partner for Progress Region, Advanced Materials, Forest and Wood Products, Transportation and Logistics, Biomedical/Biotechnical, Arts and Entertainment, Energy (fossil and renewable), Chemicals, Defense and Security and IT and Telecommunication are transforming cluster. Any amount of growth in these industries would require relatively large investments.

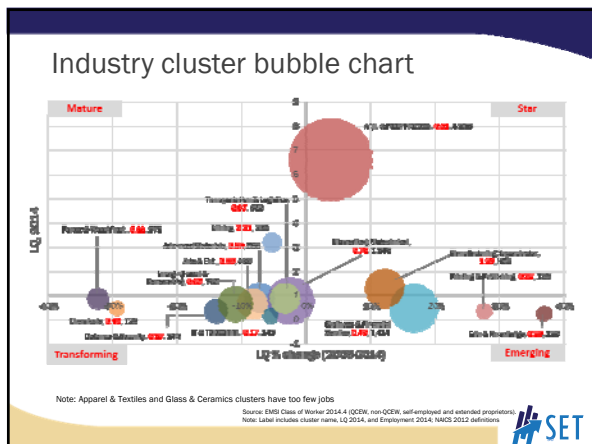
Star Industries

Star industry clusters are highly concentrated, exporting and still experiencing growth in the region. The most highly concentrated of the Star industry clusters in the Partners for Progress Region is Agribusiness, Food Production and Technology. Its location quotient is 6.61, indicating that the cluster is more than 6 times more concentrated in the region compared to the U.S. Other strong clusters of note in the region include Computer and Electronic Products Manufacturing, Machinery Manufacturing, and Manufacturing Supercluster.

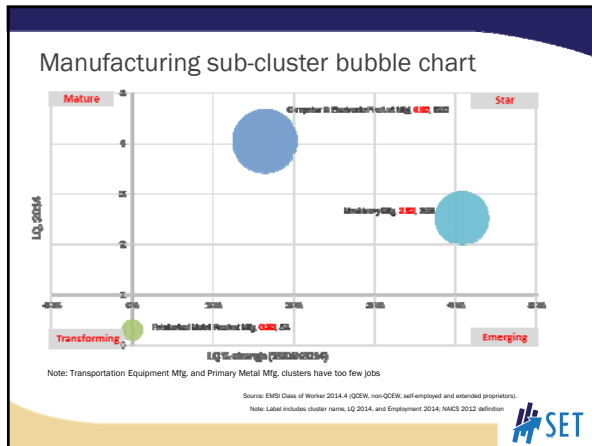
Emerging Industries

Industry clusters that may be poised for future growth are classified as "Emerging." There are four Emerging clusters in the Partners for Progress Region: Business and Financial Services, Printing and Publishing, Fabricated Metal Product Manufacturing and Education and Knowledge Creation clusters.

Source: EMSI Class of Worker 2014.4 (QCEW, non-QCEW, self-employed and unemployed)

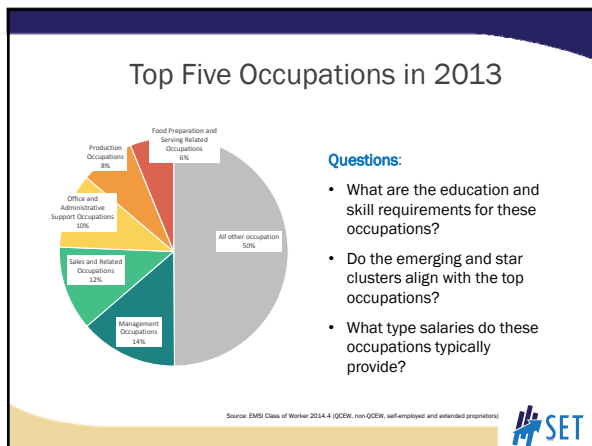


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Workforce Data

- 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?



- 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?

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Science, Technology, Engineering & Math

Year	Region	Rest of Nebraska
2009	333	33,044
2014	309	34,674
Change	-7.2%	-4.9%

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 2014-4 (QCEW, non-QCEW, self-employed and extended proprietors)

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.

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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?



Reflections

