Traded industry clusters

Regional data scan

December 3, 2018

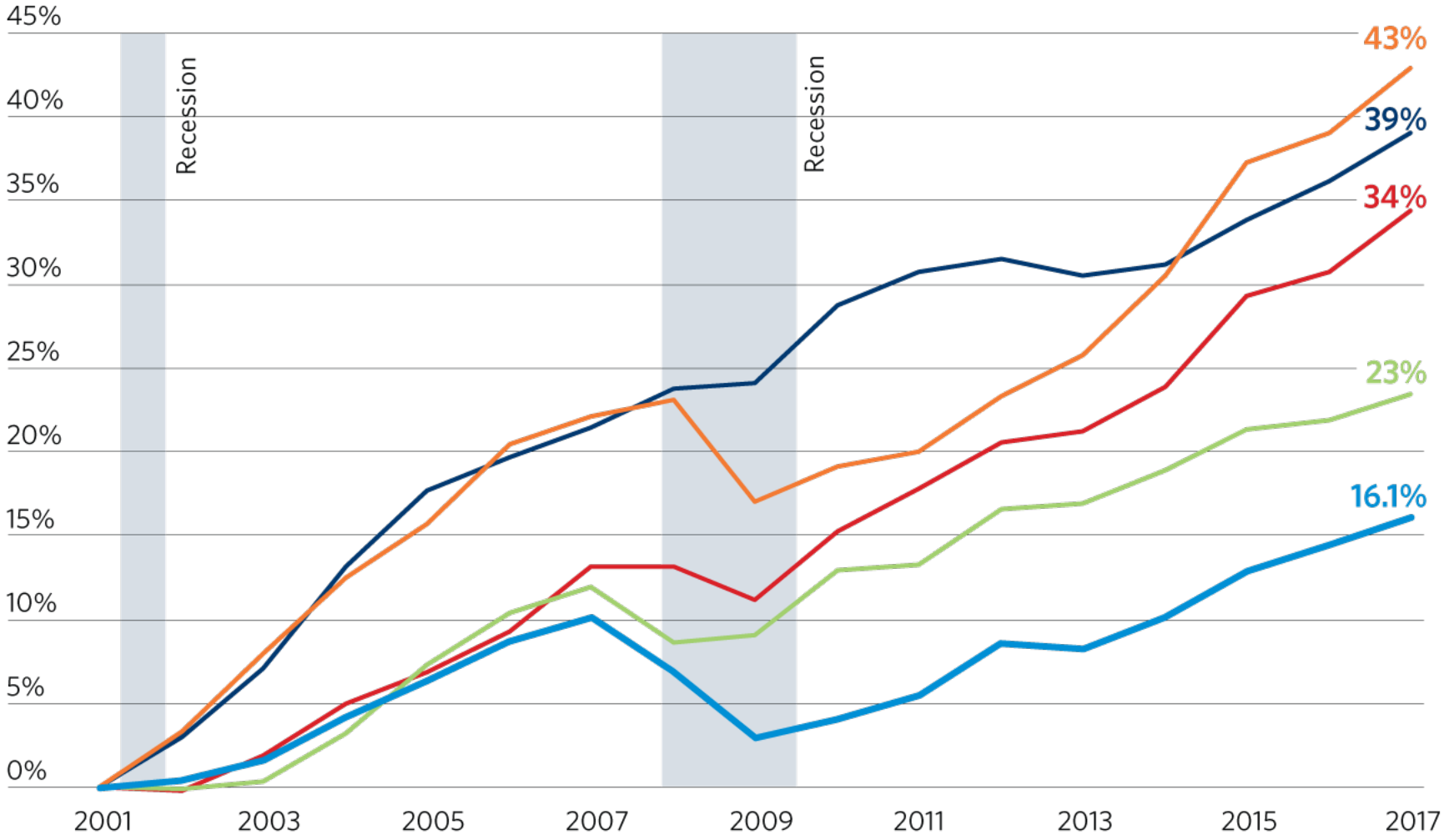
CMAP

Real gross regional product growth in select metropolitan statistical areas, 2001-17

- Boston
- Chicago
- Los Angeles
- New York
- Washington, D.C.

Note: Index year 2001.

Source: Chicago Metropolitan Agency for Planning analysis of U.S. Bureau of Economic Analysis data.

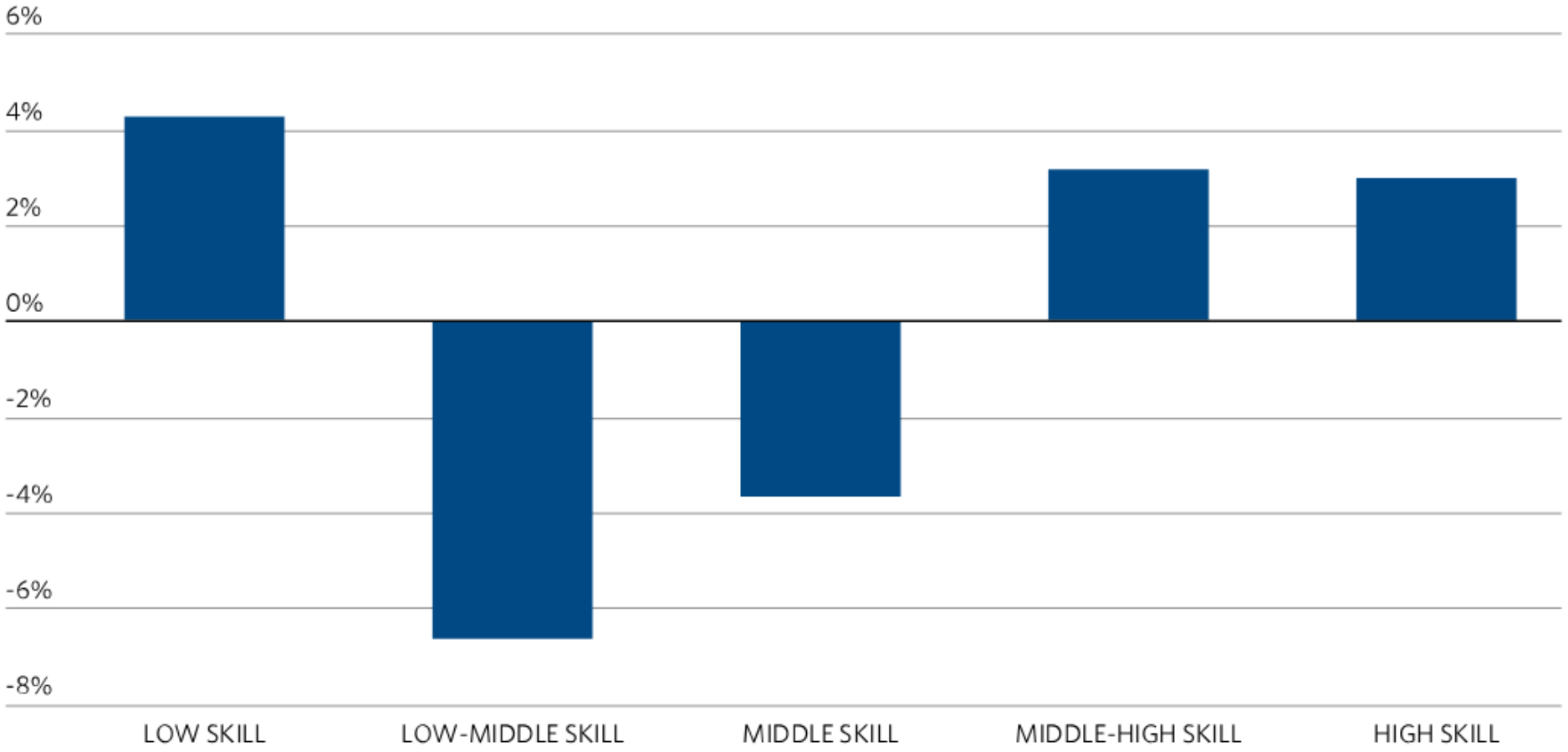


CMAP

Change in share of employment in the Chicago region, 1980-2016, by occupational skill level

Note: The geography for the Chicago region differs from traditional U.S. Census Bureau definitions and changes slightly over time. See About the Data section for more information. Median occupational wage in 1980 is used as a proxy for skill.

Source: Chicago Metropolitan Agency for Planning analysis of Integrated Public Use Microdata Series, 1980-2000 Decennial Census and 2010-16 American Community Survey data.



CMAP


Access to suppliers
Increased innovation
Deep labor pools
Industry collaboration
New efficiencies

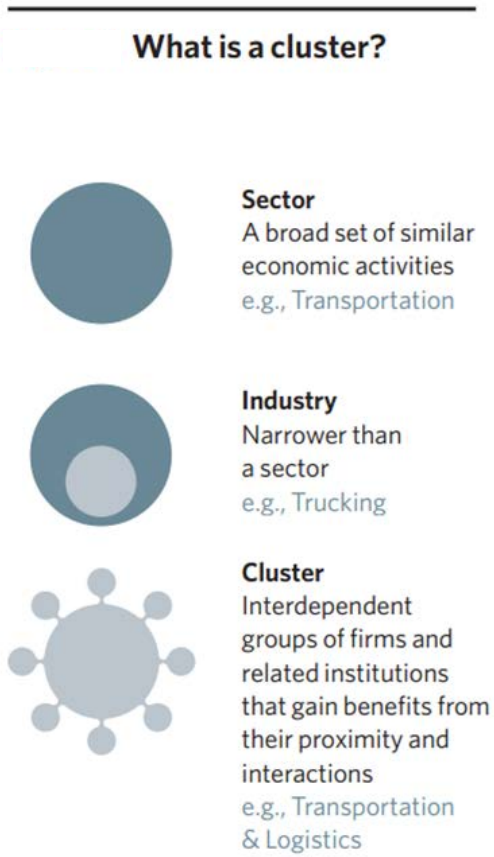
ON TO 2050 Strategy: **Support the region's traded clusters**

Convene industry leadership and support the coordination of cluster initiatives

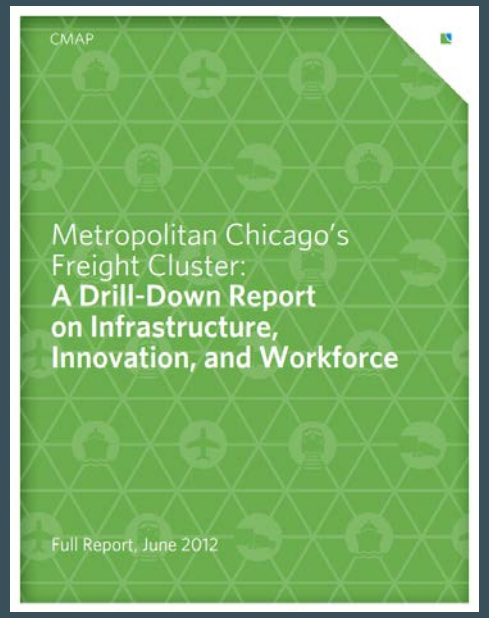
Pursue inclusive growth by prioritizing clusters that support regional economic opportunity

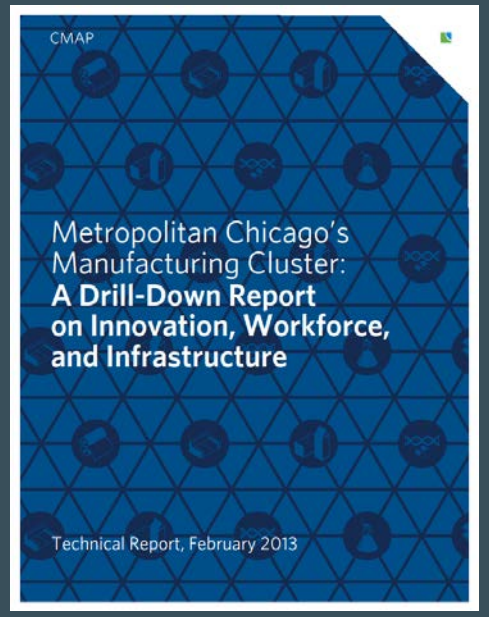
Leverage existing resources, relationships, and institutions to support industry innovators

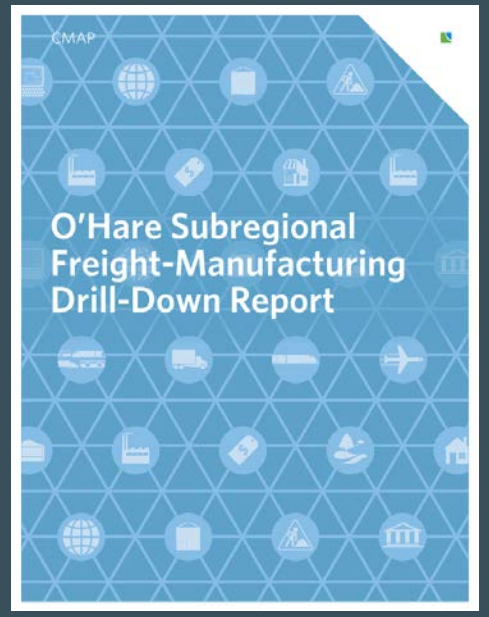
Conduct analysis on the human capital and planning needs of cluster-oriented economic development

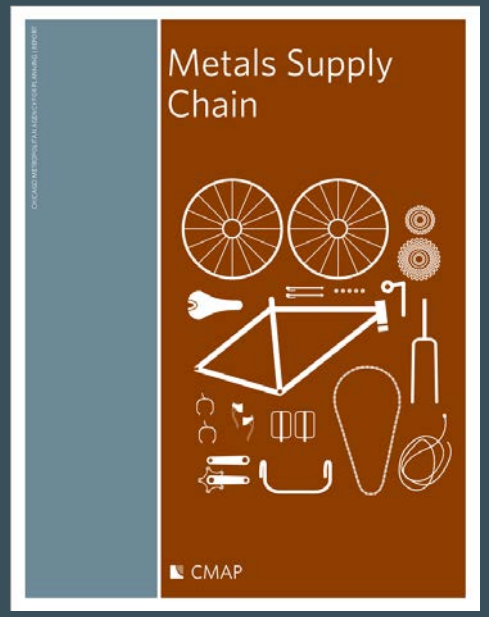


CMAP







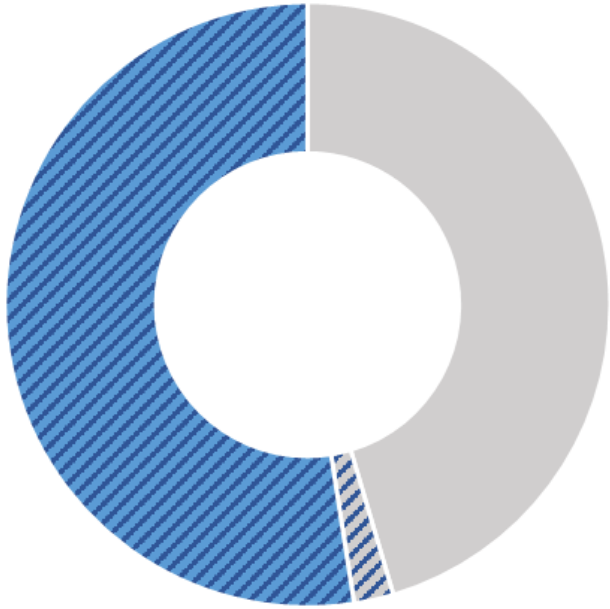


CMAP

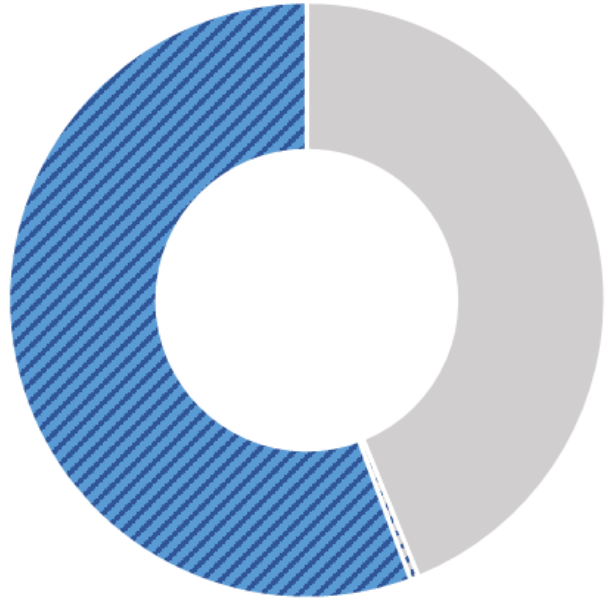
Regional Economy

Shares of regional employment

Shares of worker's wages and earnings



Shares of gross regional product



Traded clusters, 2001

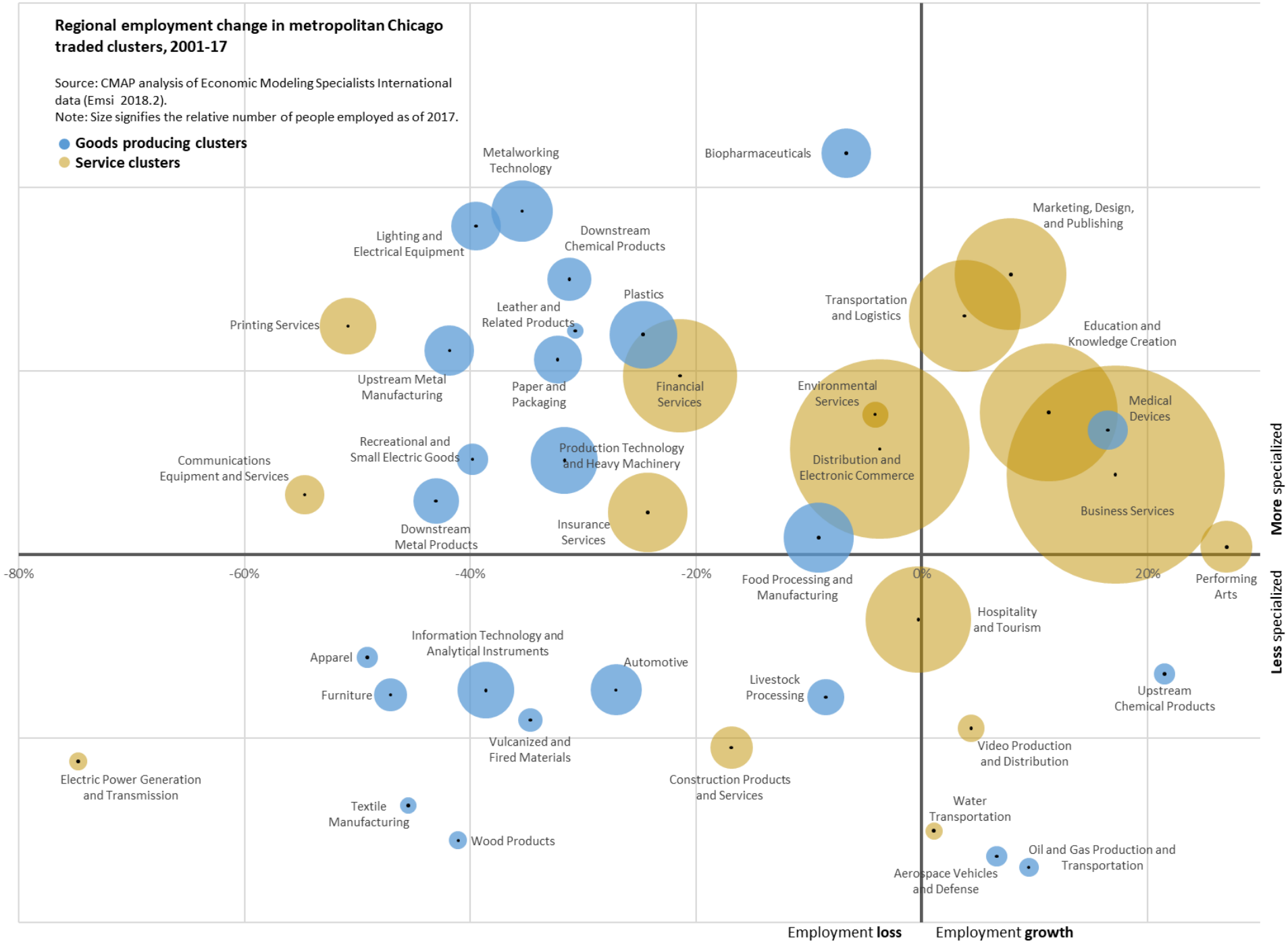
Traded clusters, 2017

Local clusters, 2001

Objectives

- Provide partners with data and analysis on the region's performance across all traded clusters
- Elevate common challenges and opportunities related to regional systems (infrastructure, governance, workforce, etc.)
- Support efforts on inclusive growth
- Articulate the growth benefits of cluster-oriented economic development
- Identify key traded clusters for further drill-down and workforce reports

CHICAGO REGIONAL GROWTH CORPORATION



CMAP

Key Research Questions

How have our traded clusters performed and changed over time?

How can traded clusters contribute to future prosperity?

How can this research help inform public policy and planning support for cluster growth?

Interviews – What we've heard so far

"Clusters are great to talk about in an economic sense, but we really only need a rallying point so companies can self-identify into a modern business network."

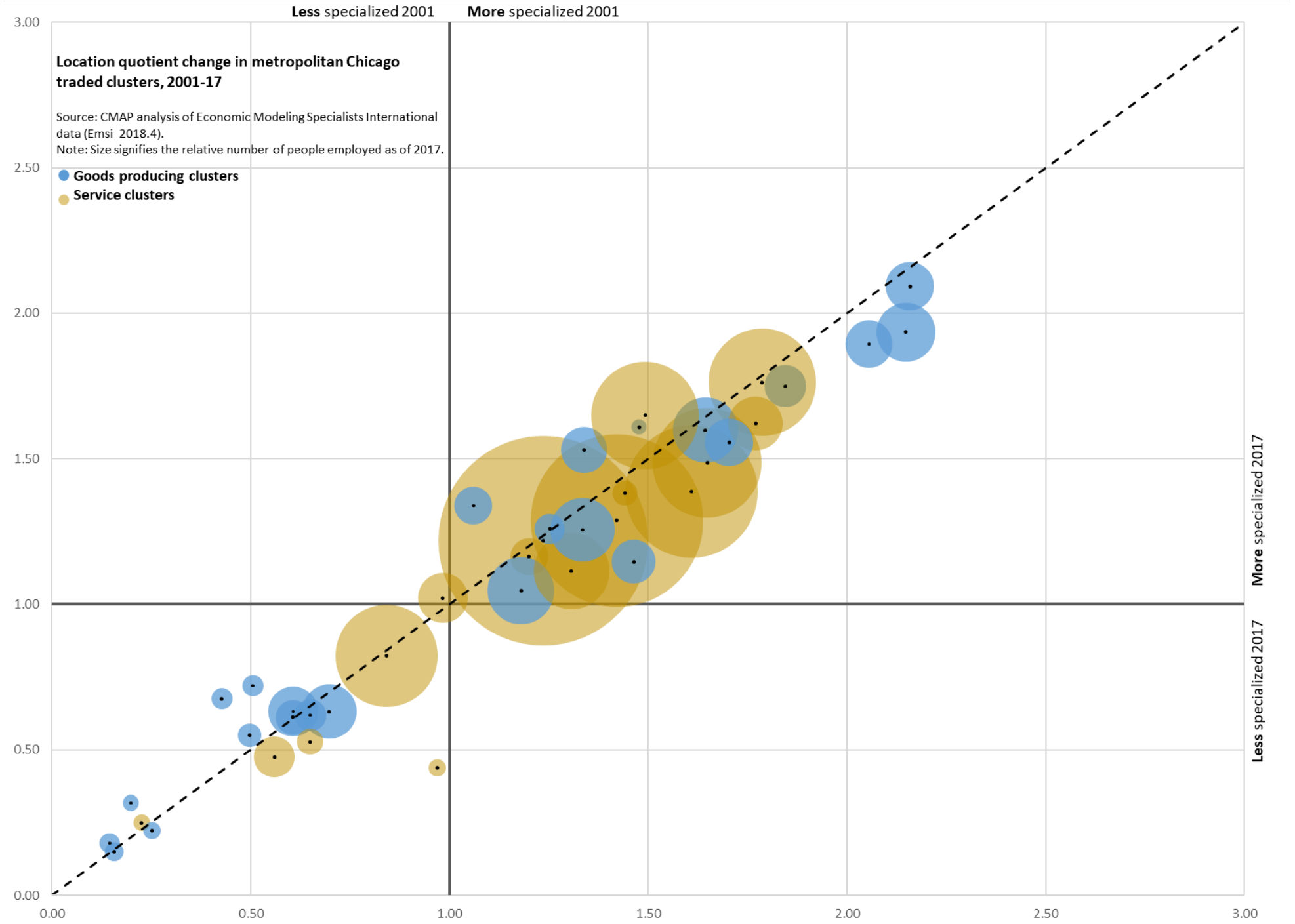
Interviews – What we've heard so far

- Recent progress in launching facilities to support and stabilize key industries, yet mixed results
- Wariness towards formal, ecosystem-building cluster initiatives, both nationally and locally
  - Sustained engagement of private sector, higher education, national labs
  - Need for substantial, concerted, organized investment over time
  - Providing direct services, eco-system initiatives, policy coordination
  - Building the business case for inclusion
- Combining multiple metrics with direct business intelligence
- Prioritize everything, prioritize nothing

Example: “Key Industries”

- Advanced manufacturing
- Healthcare
- Transportation, distribution, and logistics,
- Information technology and engineering
- Retail and hospitality
- Business services

Chicago



CMAP

During 2001-17, few clusters grew employment ahead of national averages

Above average LQ growth
of greater than ten percent

Leading
Medical Devices
Paper and Packaging
Transportation and Logistics

Average LQ change
of between -10 and +10 percent

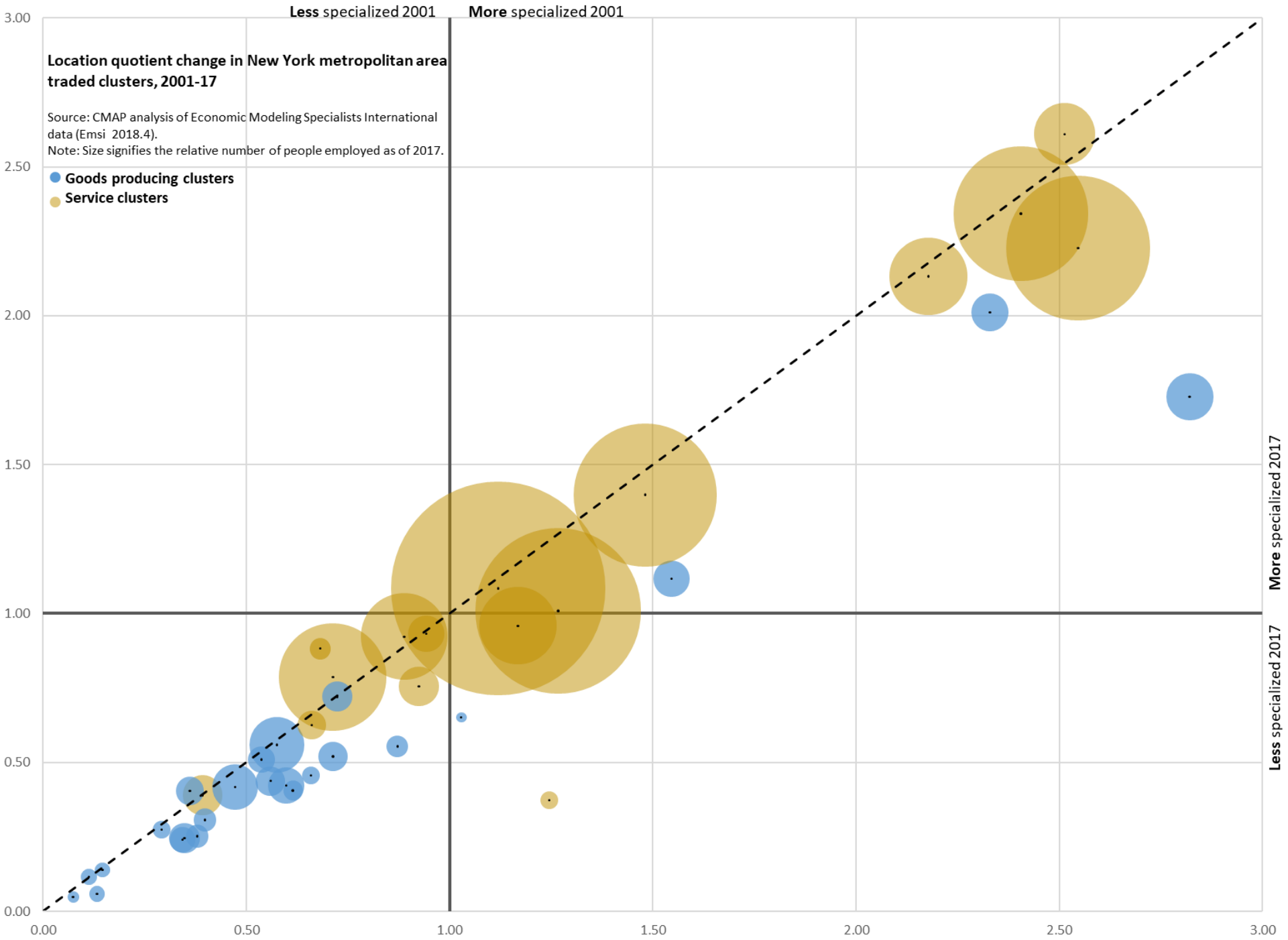
Mixed	
Biopharmaceuticals	Environmental Services
Business Services	Marketing, Design, and Publishing
Communications Equipment and Services	Plastics
Downstream Chemical Products	Production Technology and Heavy Machinery
Education and Knowledge Creation	Recreational and Small Electric Goods

Below average LQ decline
of greater than ten percent

Trailing	
Distribution and E-Commerce	Lighting and Electrical Equipment
Downstream Metal Products	Metalworking Technology
Financial Services	Printing Services
Food Processing and Manufacturing	Upstream Metal Manufacturing
Insurance Services	

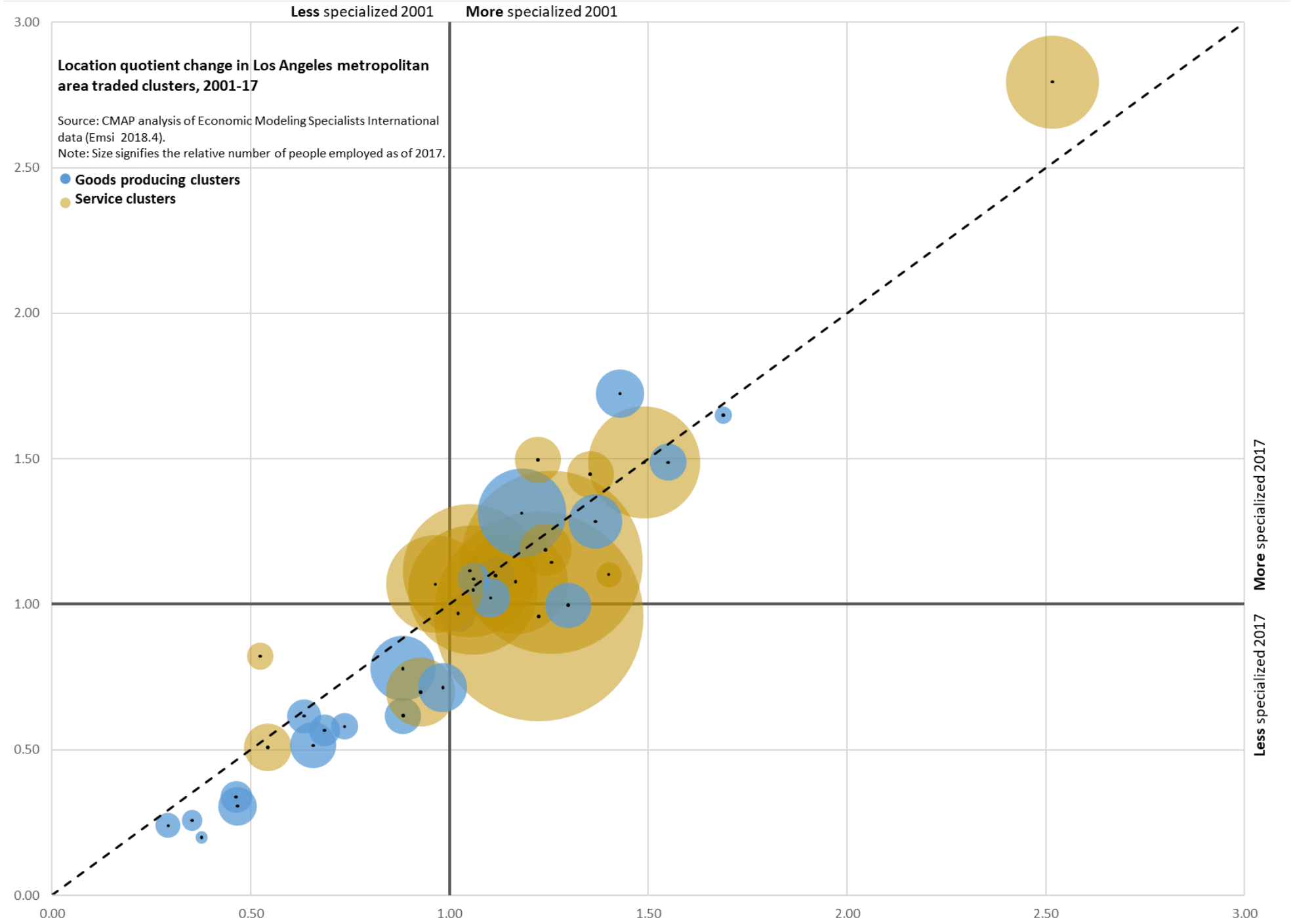
CMAP

New York



CMAP

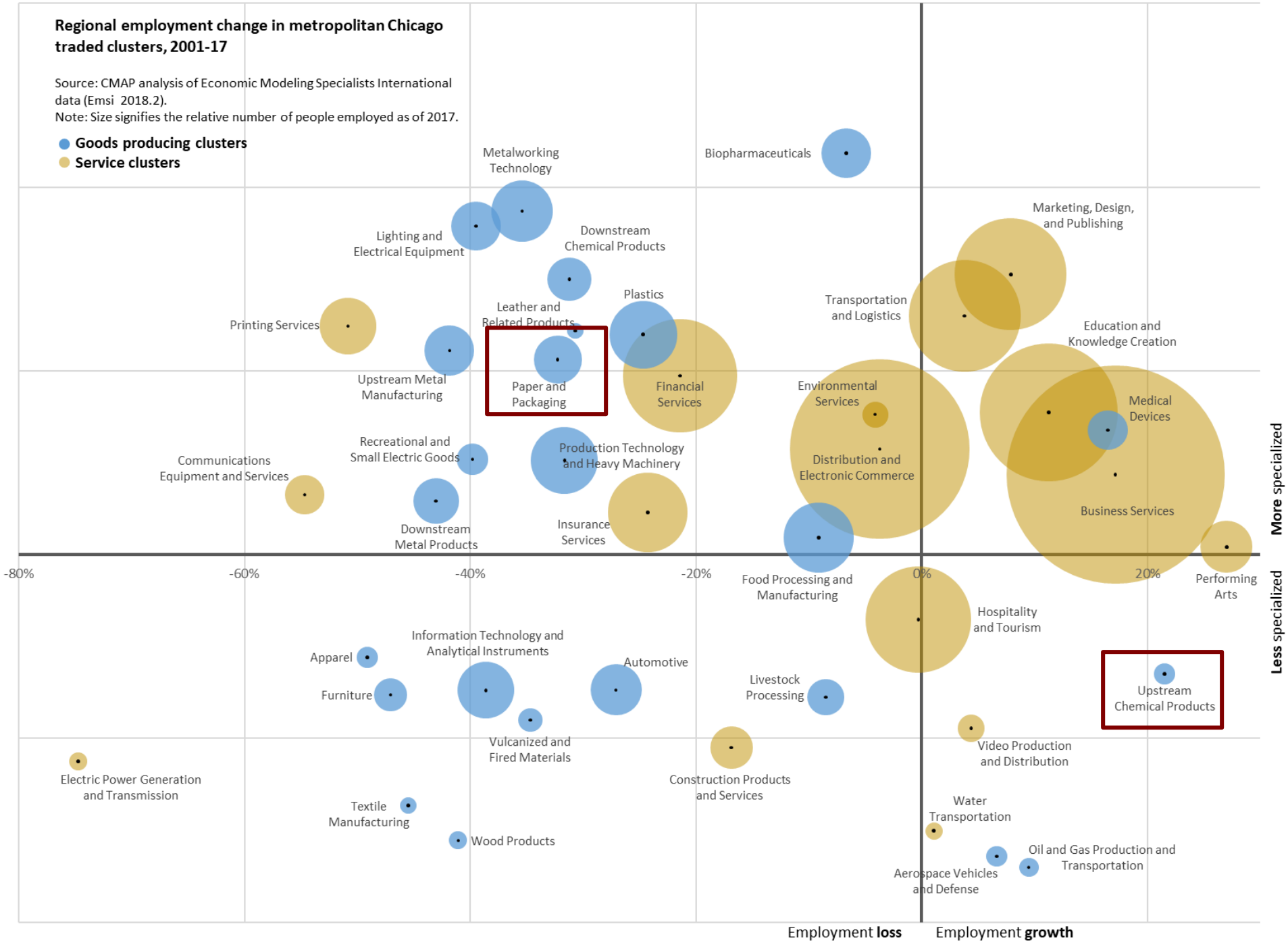
Los Angeles



CMAP

Framing

- Regional data scan: compile and synthesize data to prioritize
- Standard cluster definitions from U.S. Cluster Mapping project
- Focus on cluster-oriented economic development and regional industrial policy
- Distinguish between strategies for cluster expansion and competitiveness
- Provide data to partners and public for further analysis



CMAP

Further data and analysis

How are our traded clusters performing and changing?

- Employment and output
- Location quotient
- Typical establishment profile
- Industry and occupation composition
- Regional multipliers
- Freight weight, mode, value

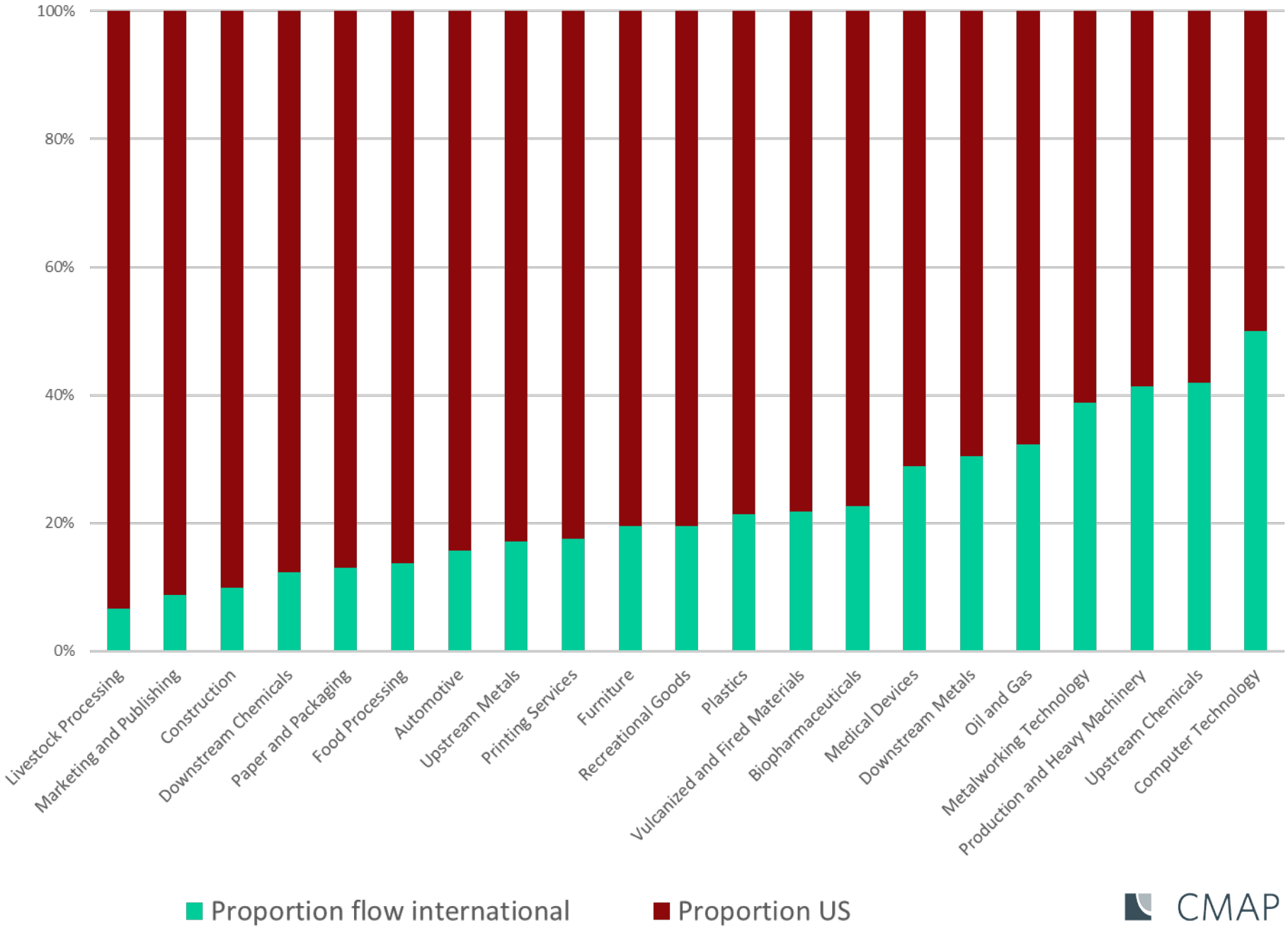
How can traded clusters contribute to future prosperity?

- Workforce demographics
- Educational attainment
- Hours and wages
- Brookings' opportunity jobs
- Health insurance benefits
- Commute modes and times
- Migration data

Sources

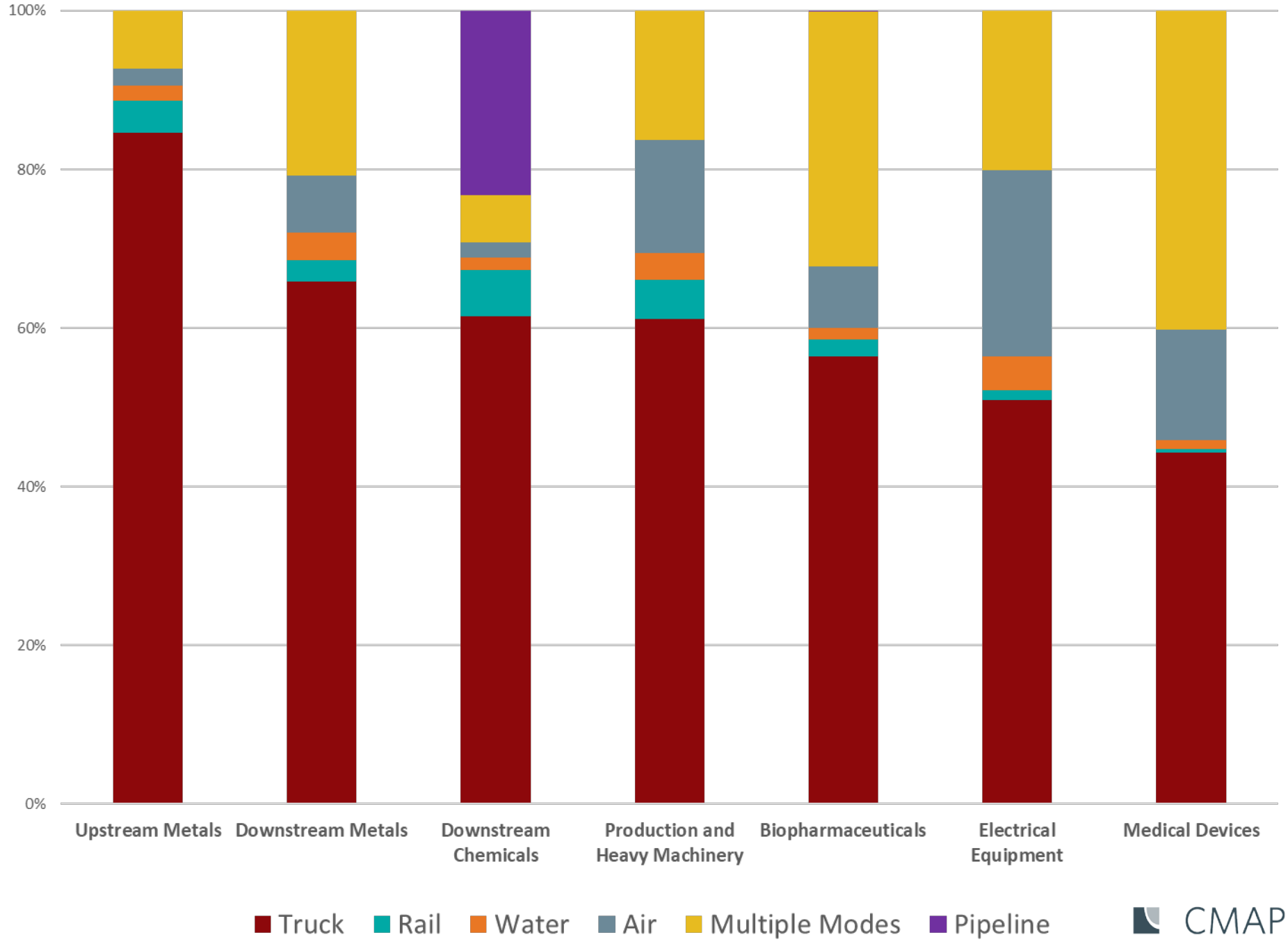
- Emsi (Economic Modeling Specialists International)
- Bureau of Labor Statistics
- American Community Survey
- County Business Patterns
- Freight Analysis Framework v4
- Illinois Department of Employment Security
- Moody’s Analytics
- Brookings Institution
- Dun & Bradstreet

International freight flows



CMAP

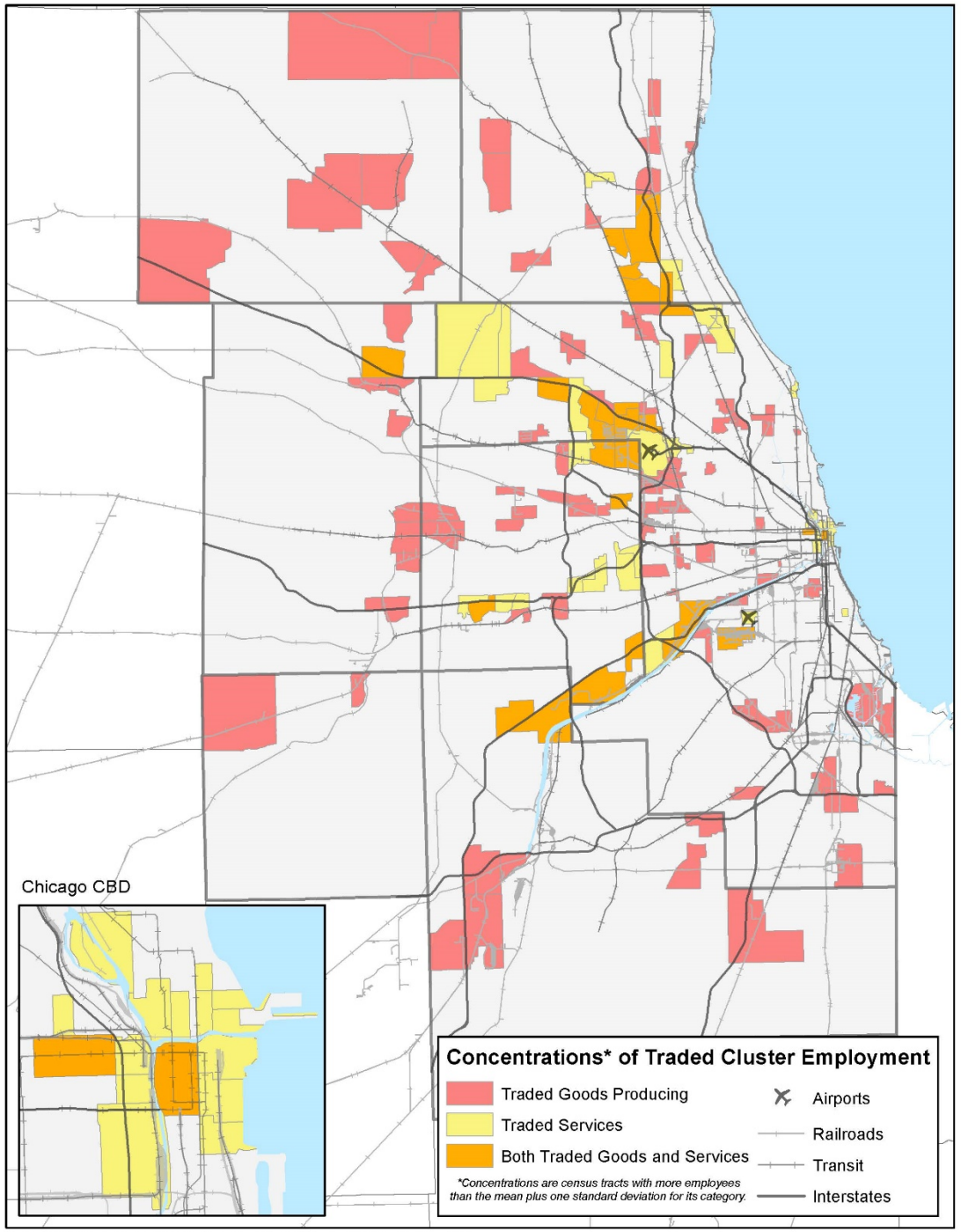
Mode share, by value



CMAP

Geography

- Freight bottlenecks, reliability
- Transit availability
- Economically disconnected and disinvested areas
- Effective industrial and commercial tax rates
- Infill supportiveness



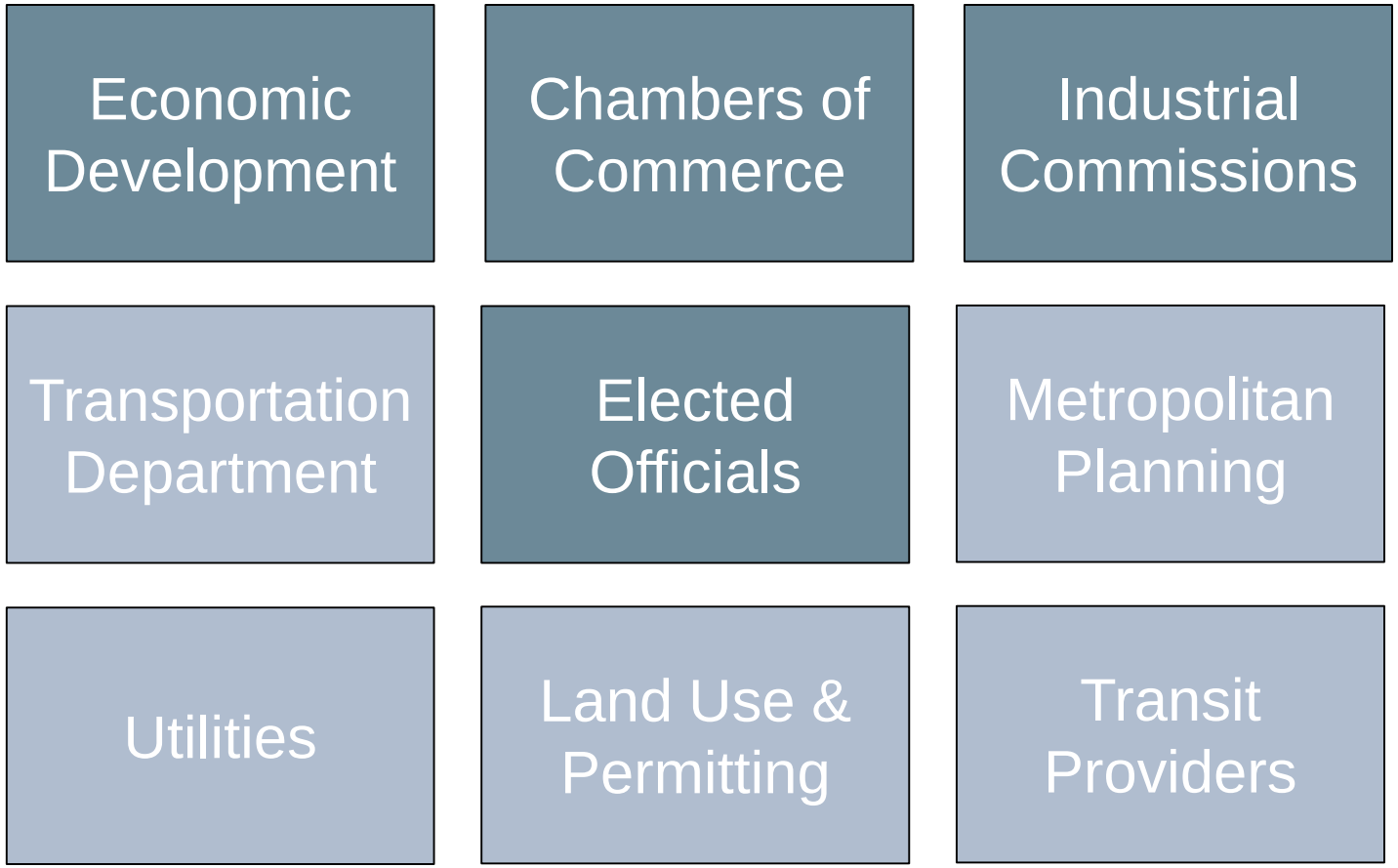
Source: CMAP analysis of Illinois Department of Employment Security data, 2015

Many entities have a role in building regional economic growth…

Economic Development	Chambers of Commerce	Industrial Commissions
Transportation Department	Elected Officials	Metropolitan Planning
Utilities	Land Use & Permitting	Transit Providers

CMAP

But key voices are often left out of critical investments.



CMAP

Timeline

June-September 2018

- Conduct data analysis and interviews
- Develop initial findings

October-December 2018

- Discuss initial findings with committee
- Draft report internally

January 2019

- Share final analysis and findings with committee
- Publish

What else should we consider?

Who should we be talking to?

THANK YOU.

Questions?

Austen Edwards
AEdwards@cmap.illinois.gov

Diana Cooke
DCooke@cmap.Illinois.gov

CMAP