

Traded industry clusters

Regional data scan

April 10, 2019

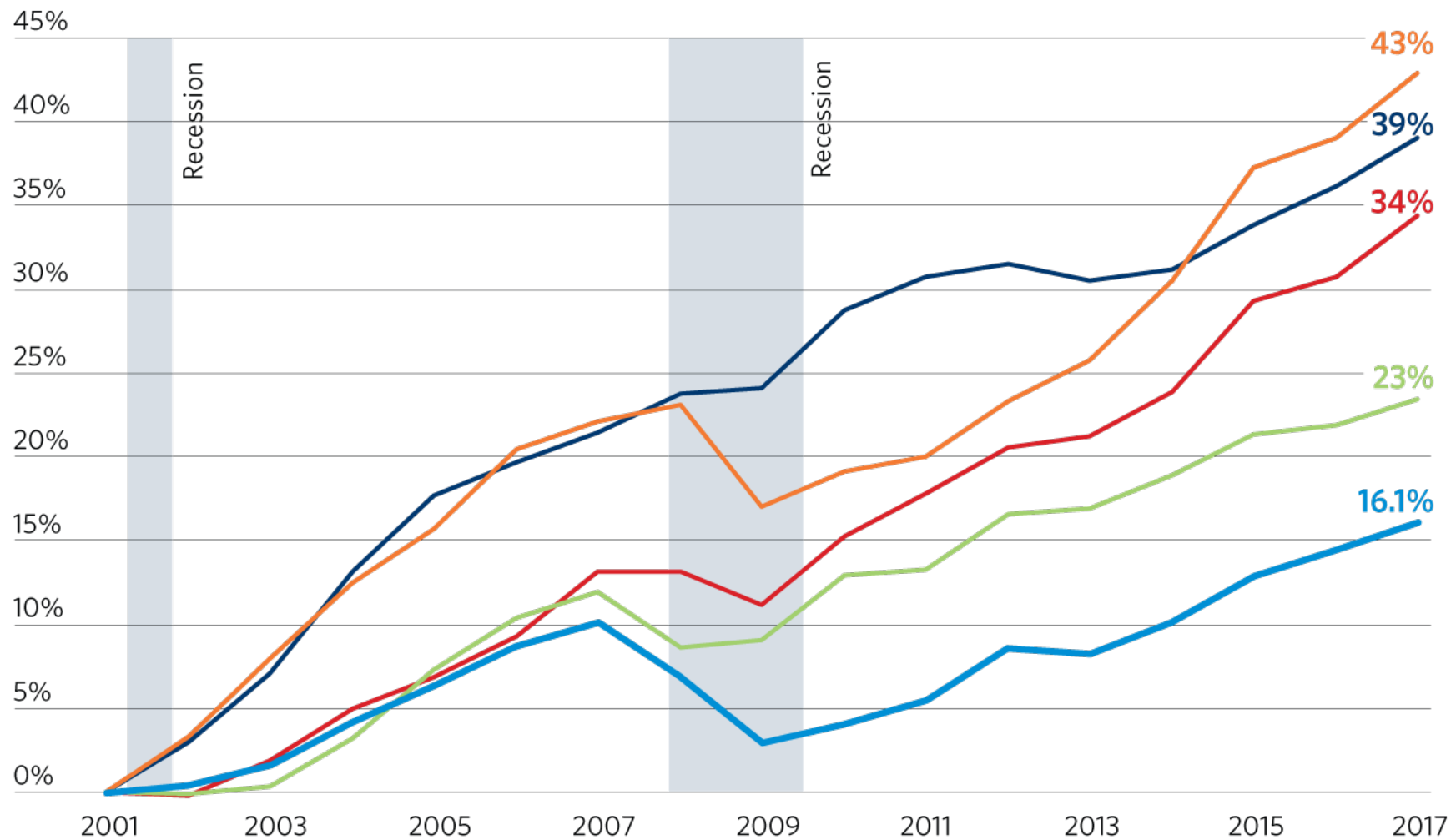


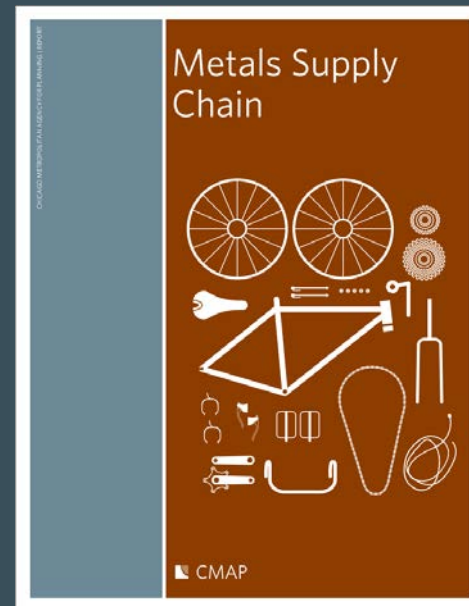
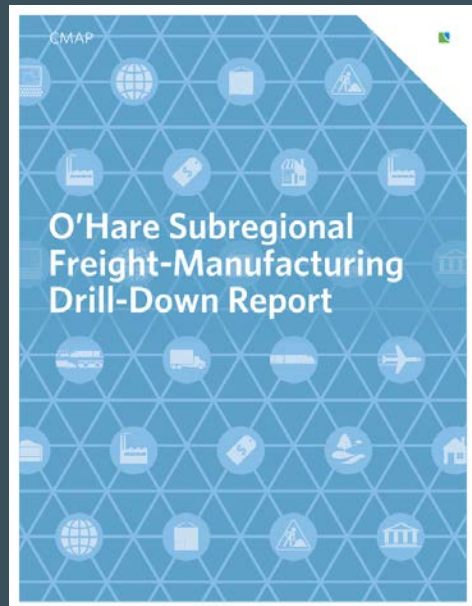
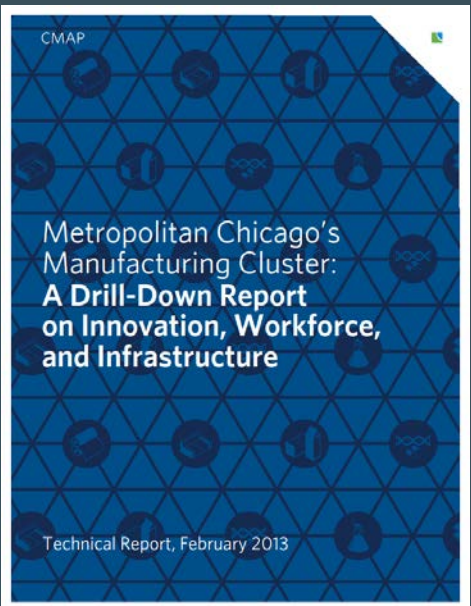
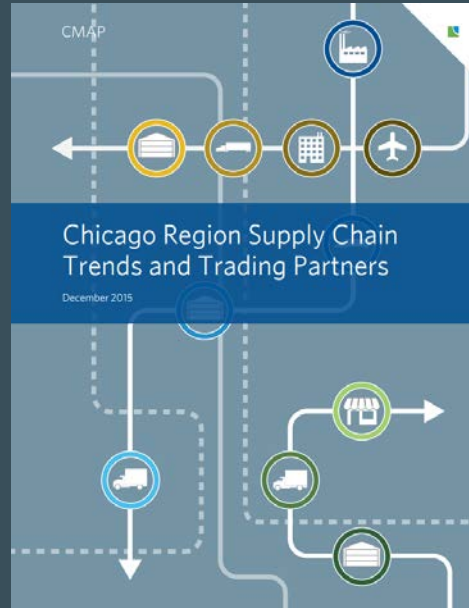
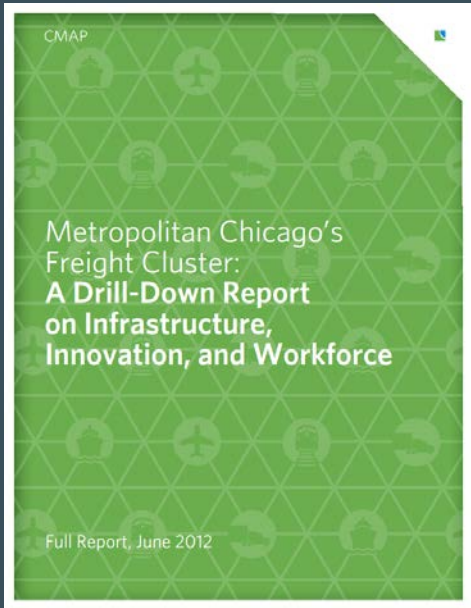
Real gross regional product growth in select metropolitan statistical areas, 2001-17

- 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.







Access to suppliers



Increased innovation



Deep labor pools



New efficiencies



Industry collaboration



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

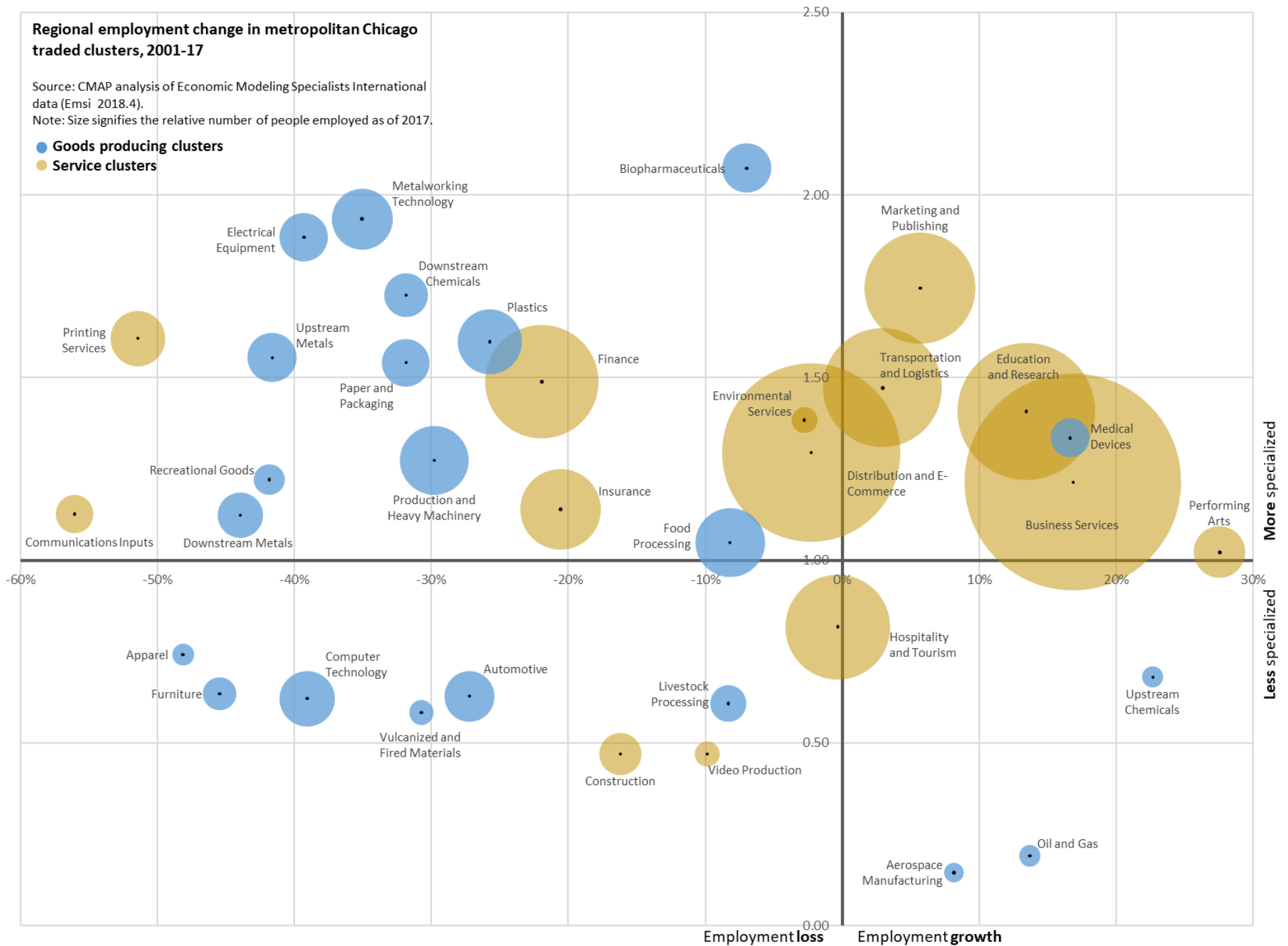


**CHICAGO REGIONAL
GROWTH CORPORATION**

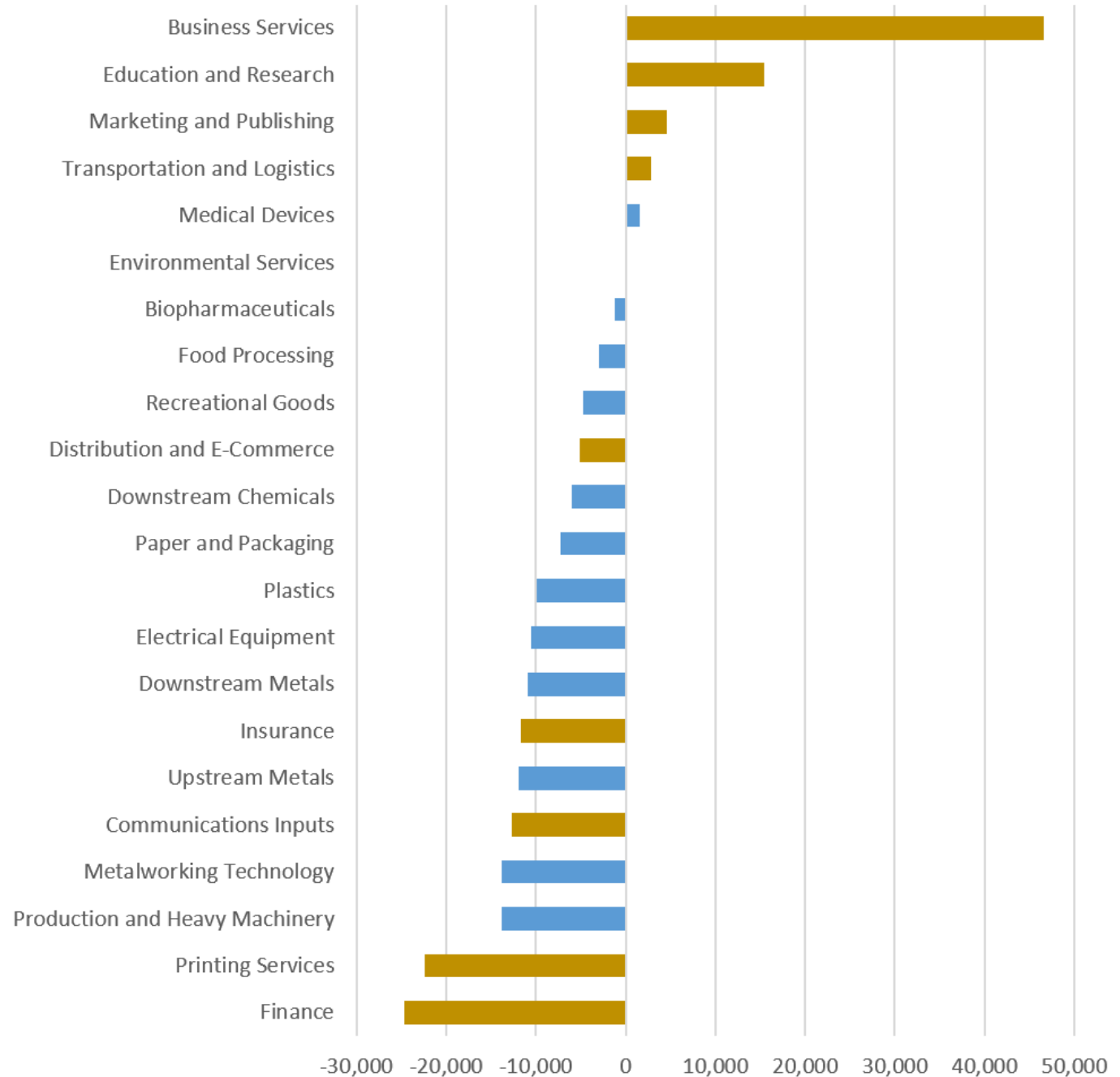
Regional employment change in metropolitan Chicago traded clusters, 2001-17

Source: CMAP analysis of Economic Modeling Specialists International data (Emsi 2018.4).
 Note: Size signifies the relative number of people employed as of 2017.

- Goods producing clusters
- Service clusters

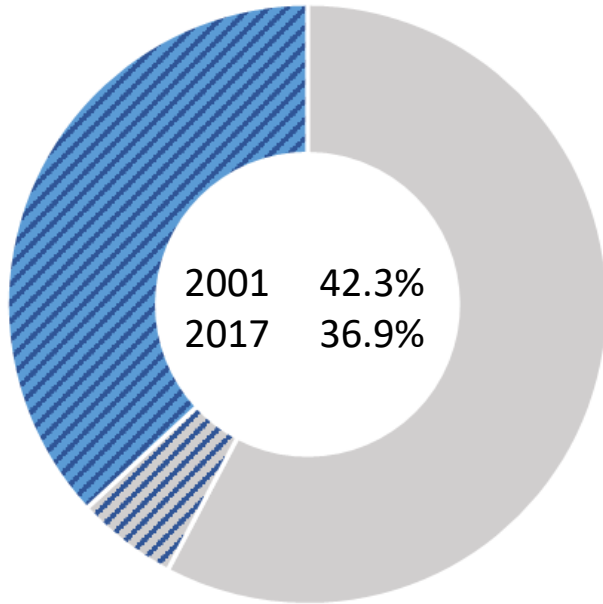


Total jobs change in specialized industry clusters, 2001-17

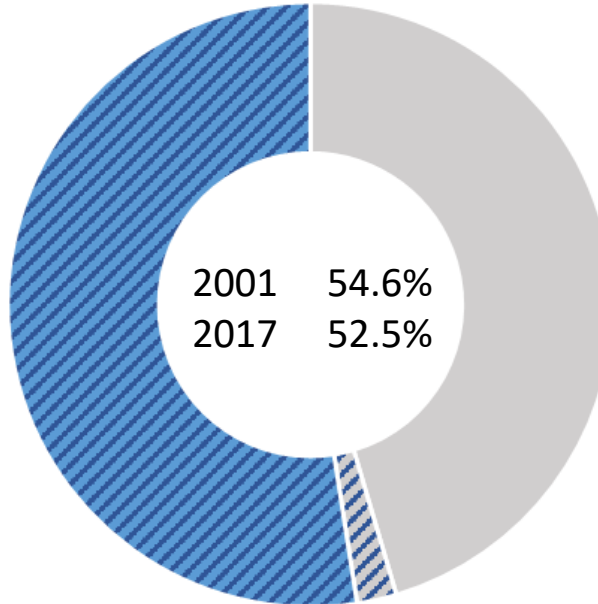


Traded cluster propel metropolitan economies in ways that local industries cannot replace.

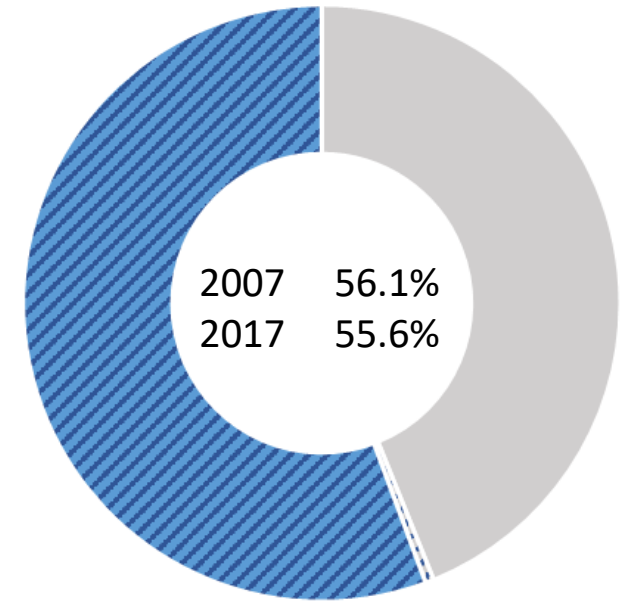
Shares of regional employment



Shares of worker's wages and earnings



Shares of gross regional product



Traded clusters, 2001

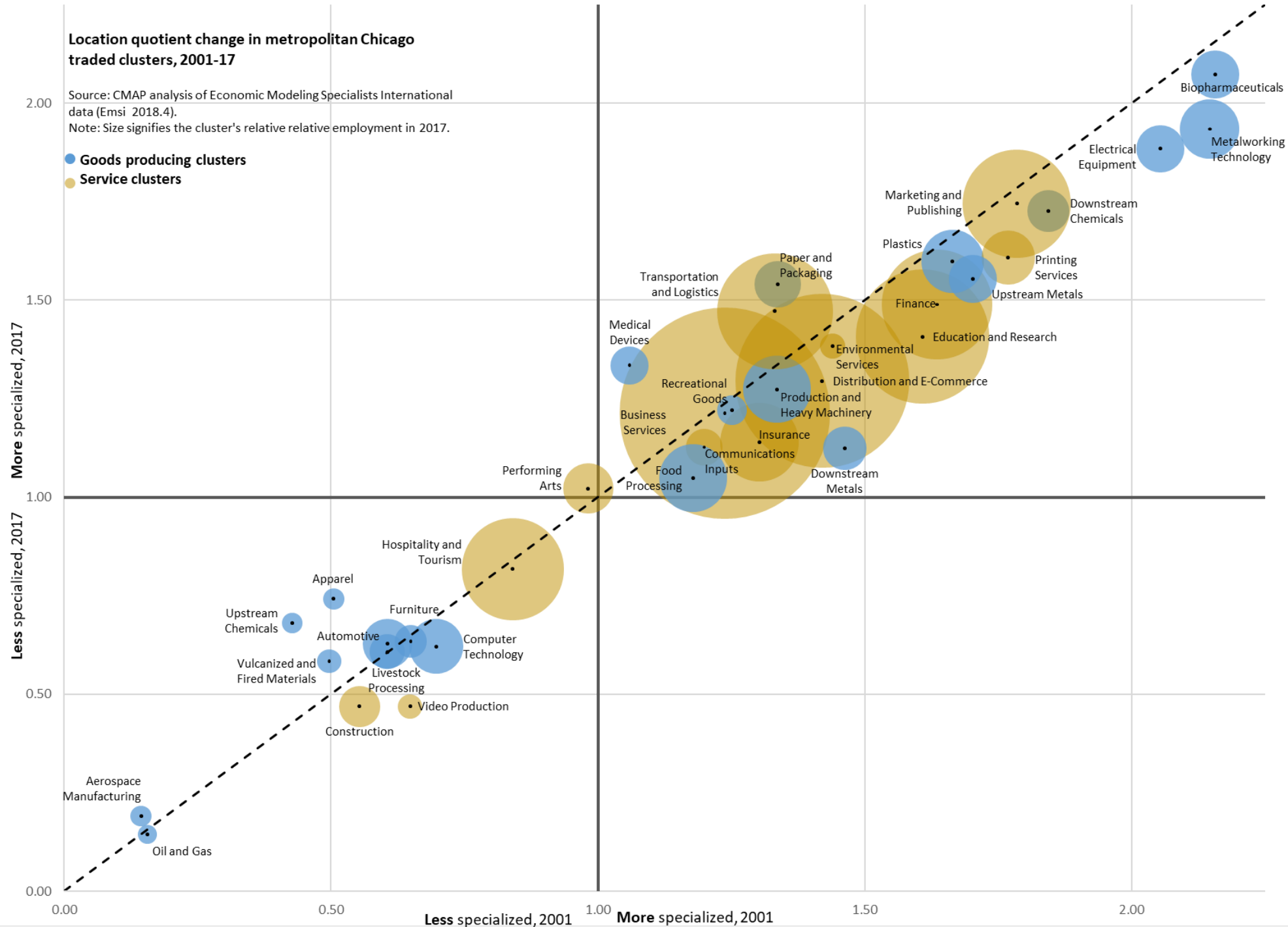


Traded clusters, 2017



Local clusters, 2001

Chicago



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

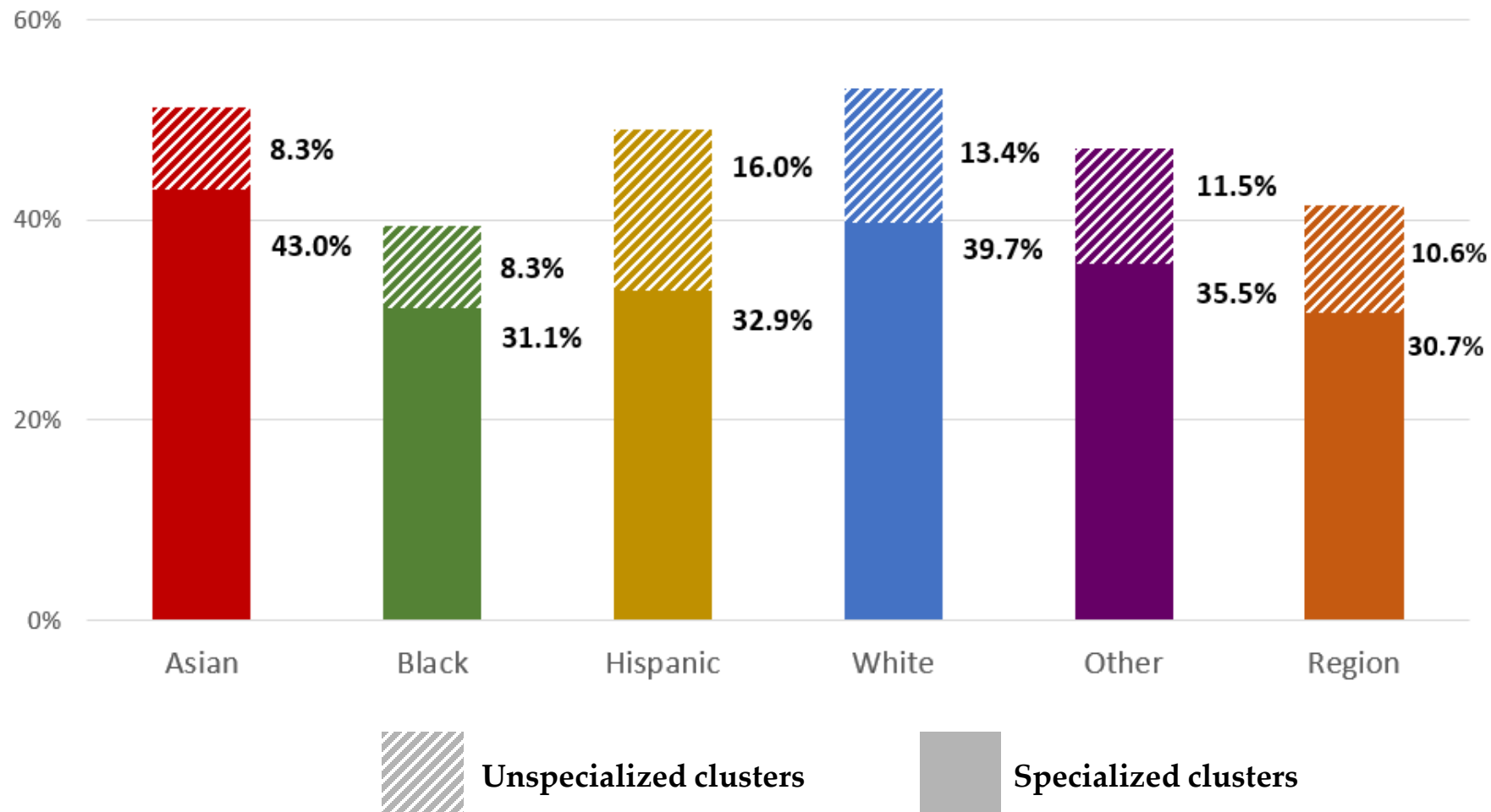
Mixed	
Biopharmaceuticals	Environmental Services
Business Services	Marketing, Design, and Publishing
Communications Equipment and Services	Plastics
Downstream Chemical Products	Production Technology and Heavy Machinery
Education and Knowledge Creation	Recreational and Small Electric Goods

Below average LQ decline
of greater than ten percent

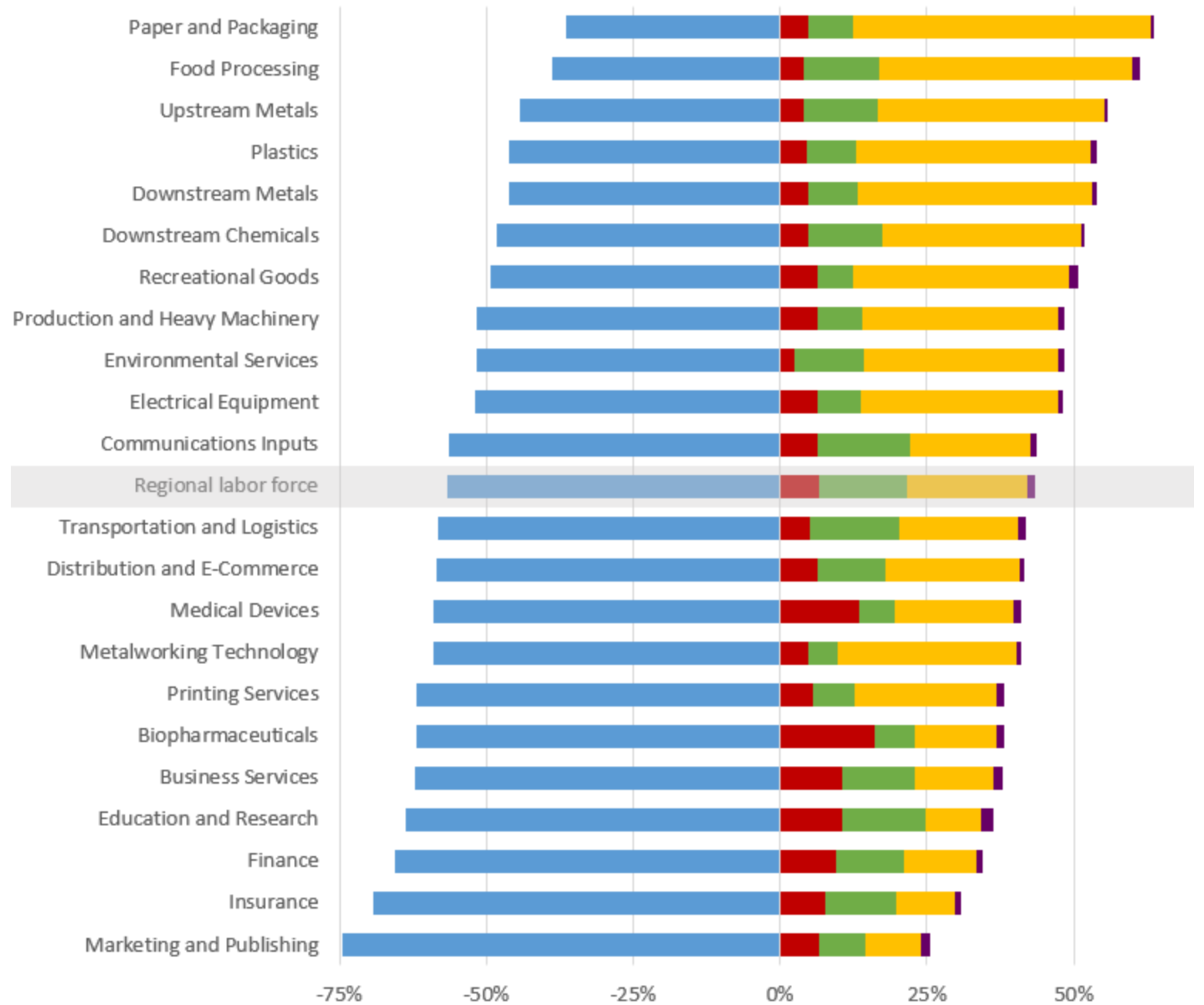
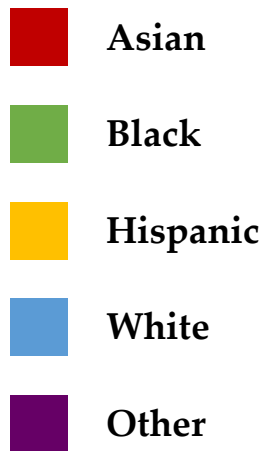
Trailing	
Distribution and E-Commerce	Lighting and Electrical Equipment
Downstream Metal Products	Metalworking Technology
Financial Services	Printing Services
Food Processing and Manufacturing	Upstream Metal Manufacturing
Insurance Services	

People

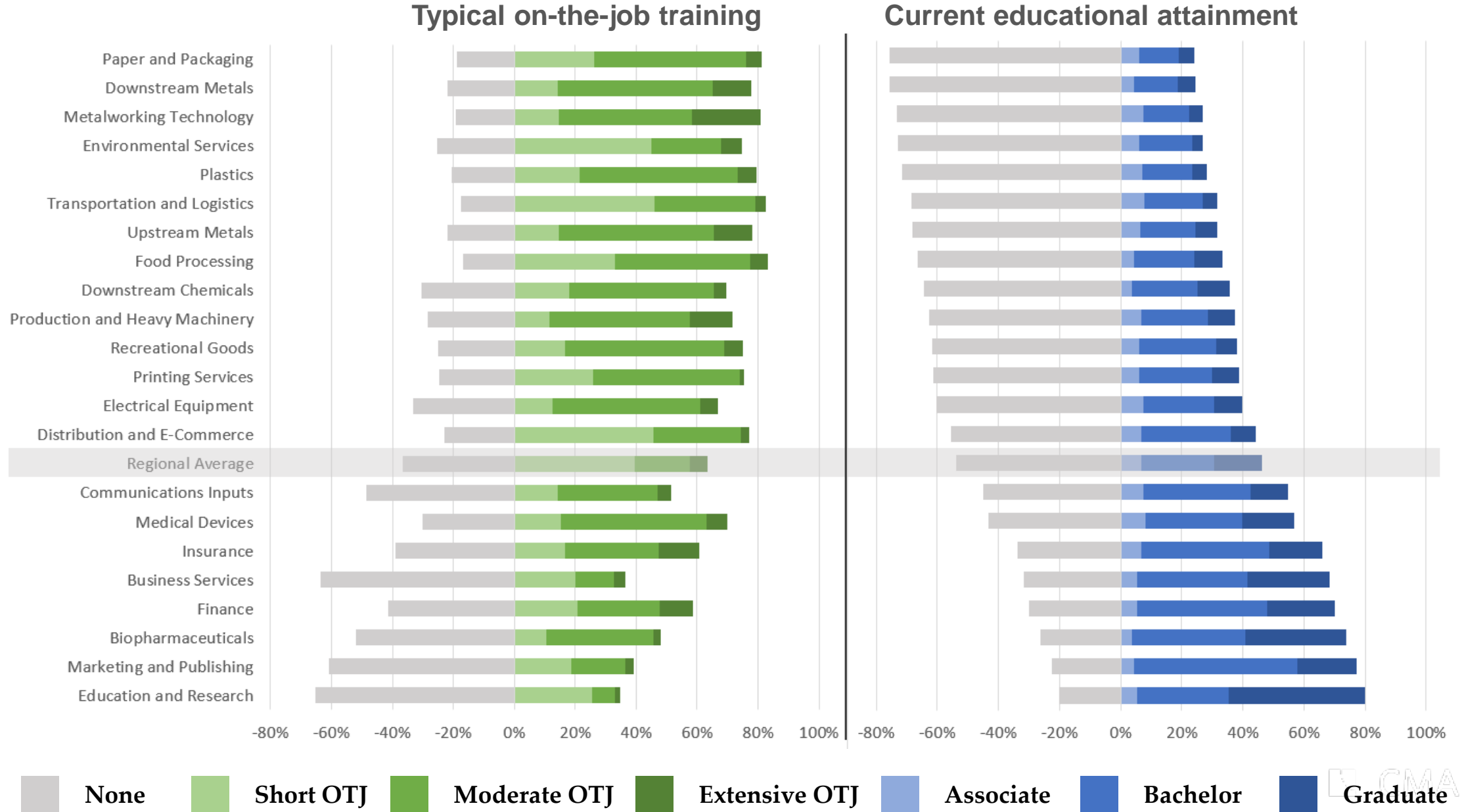
Share of workforce employed in traded clusters, 2017



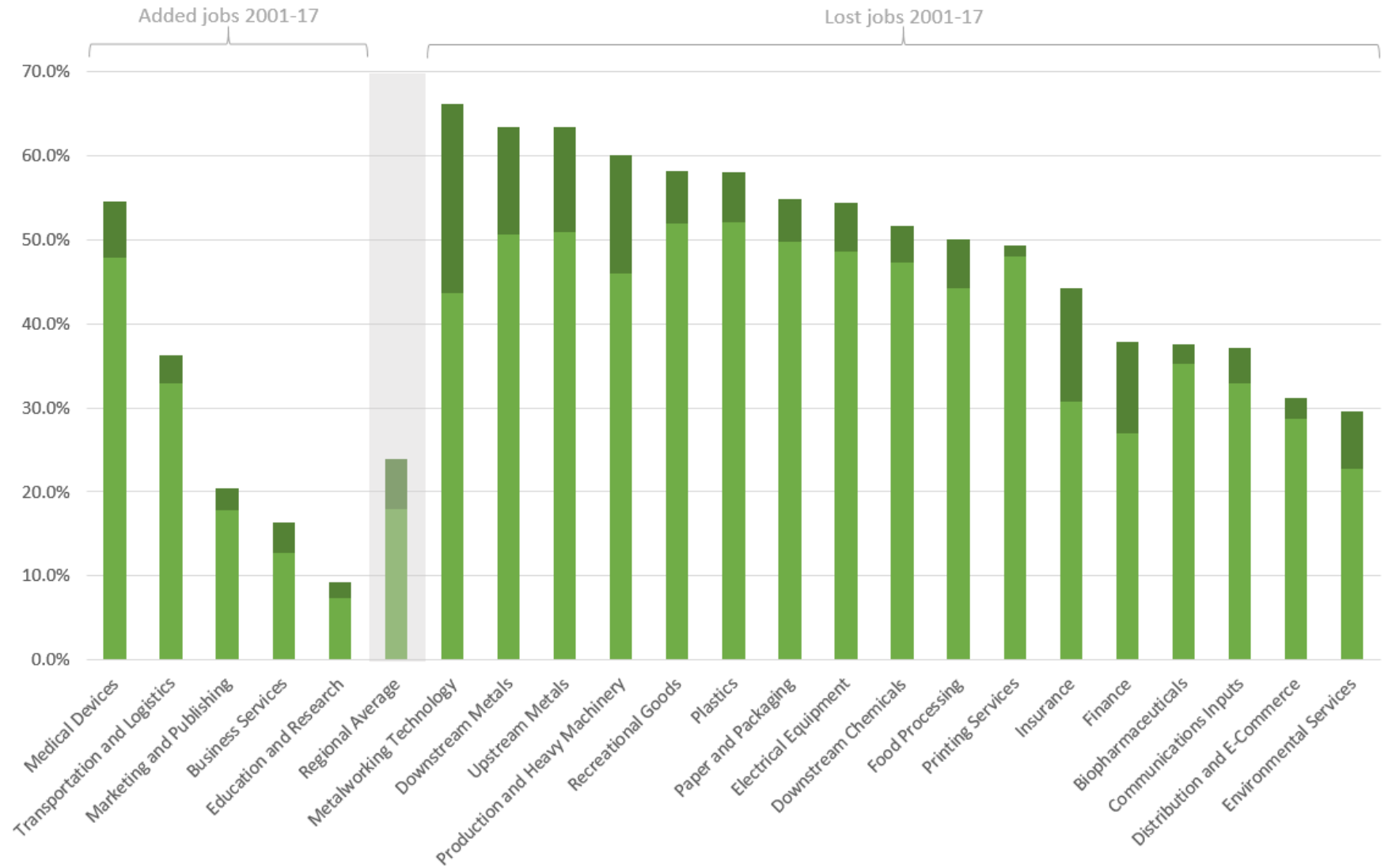
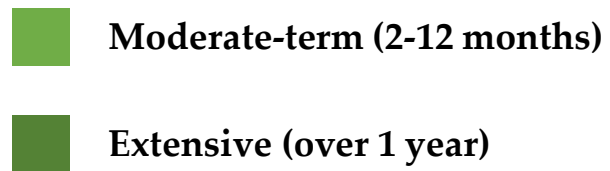
Share of cluster workforce by race and ethnicity, 2017



Qualifications differ, but all traded clusters require a highly skilled workforce.



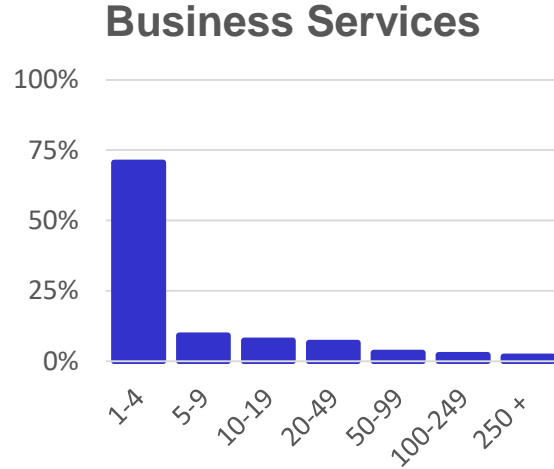
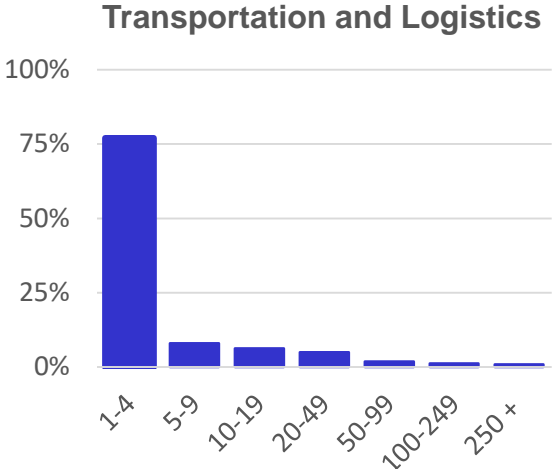
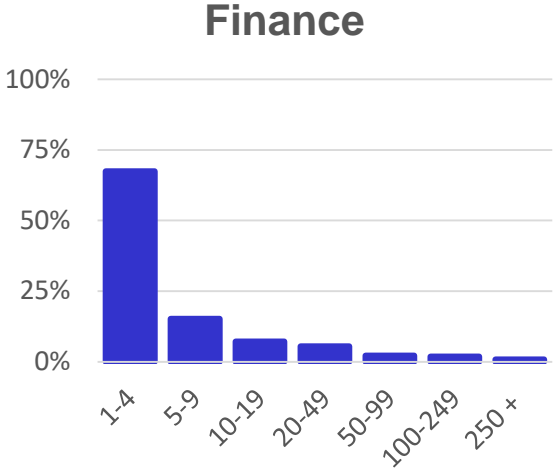
Share of jobs by typical on-the-job training, 2017



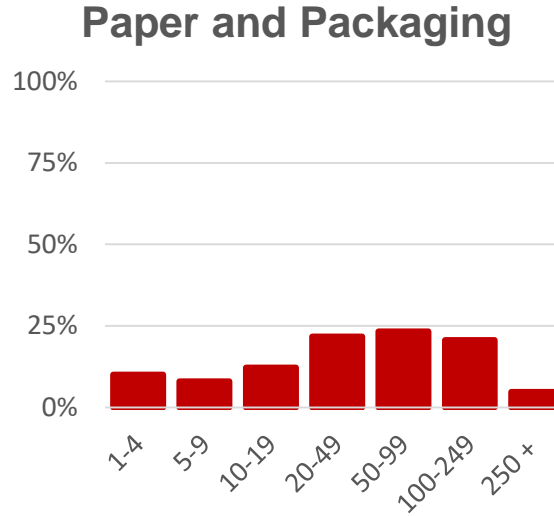
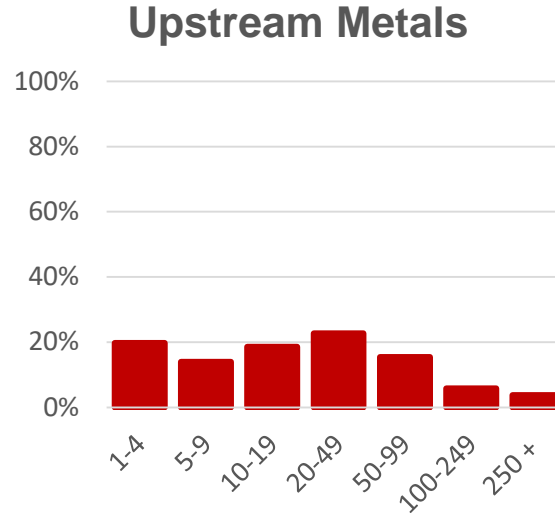
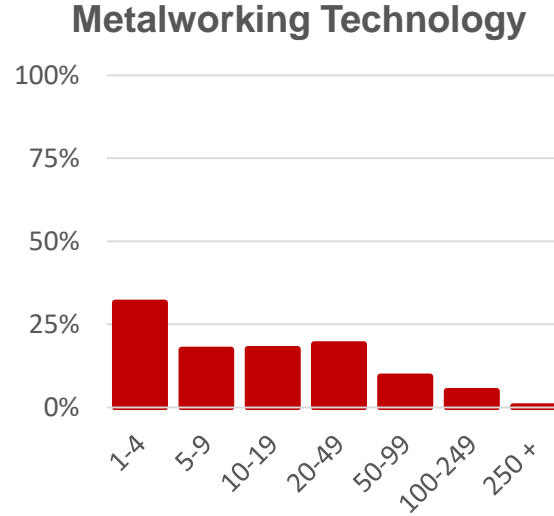
Establishments

Distribution by firm size depends on age, type of cluster

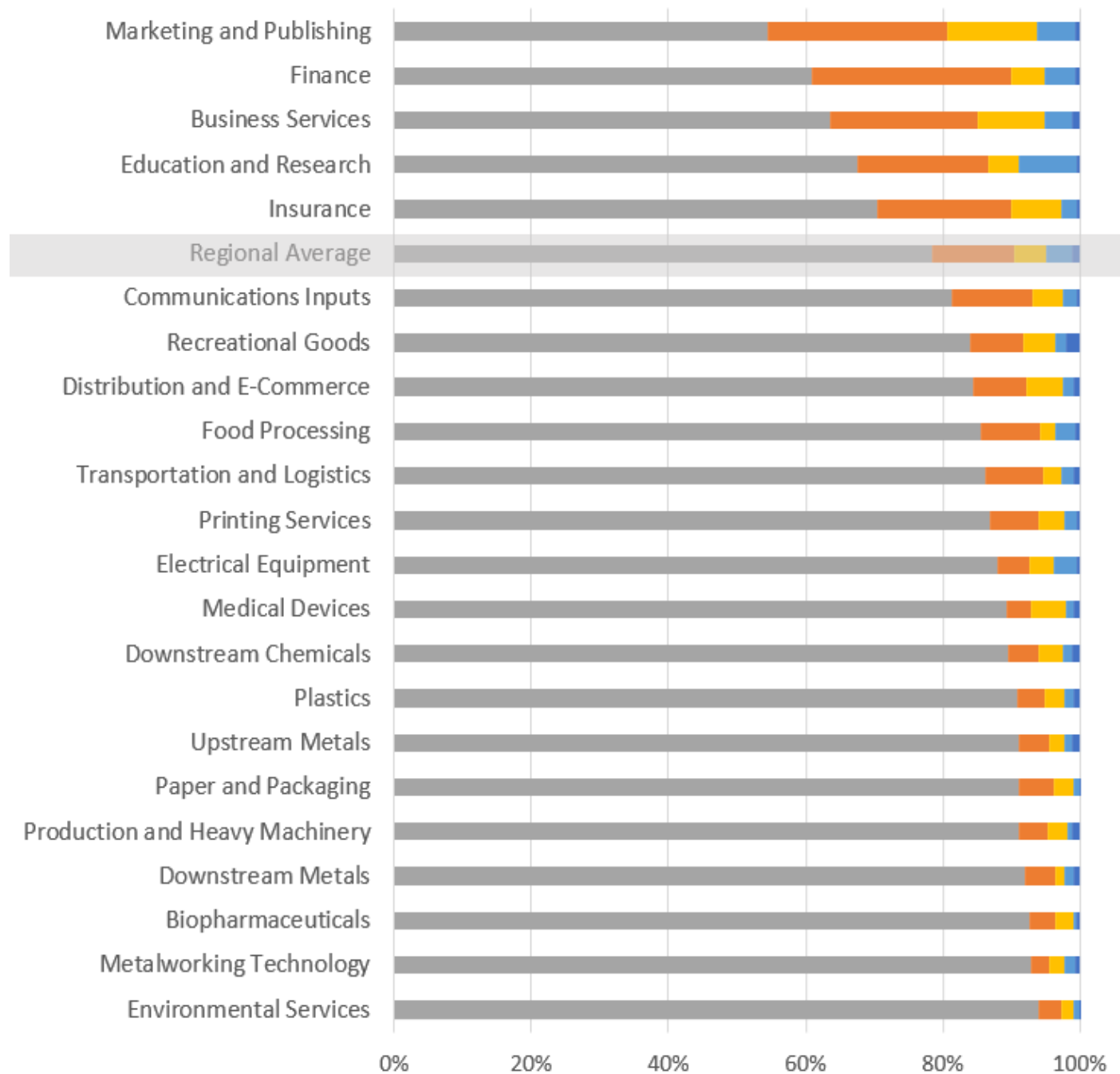
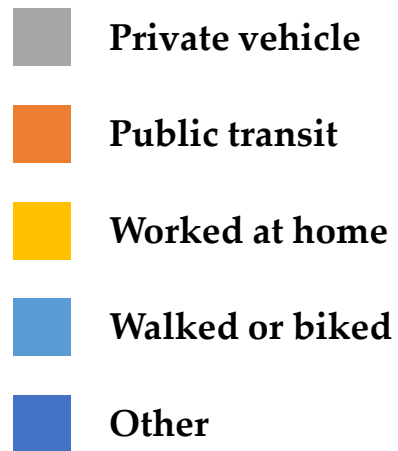
Youngest Clusters



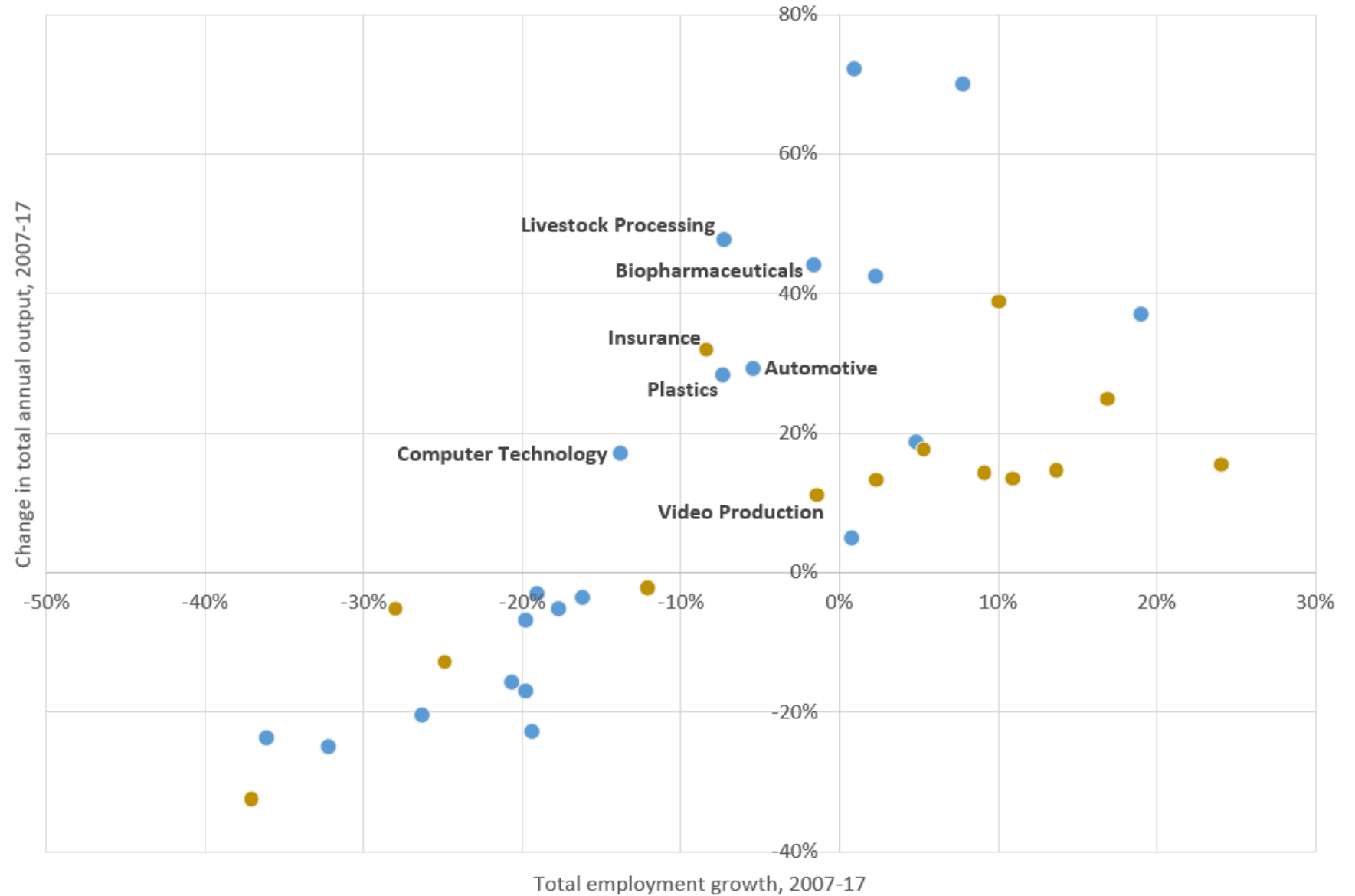
Oldest Clusters



Commute mode share, 2017

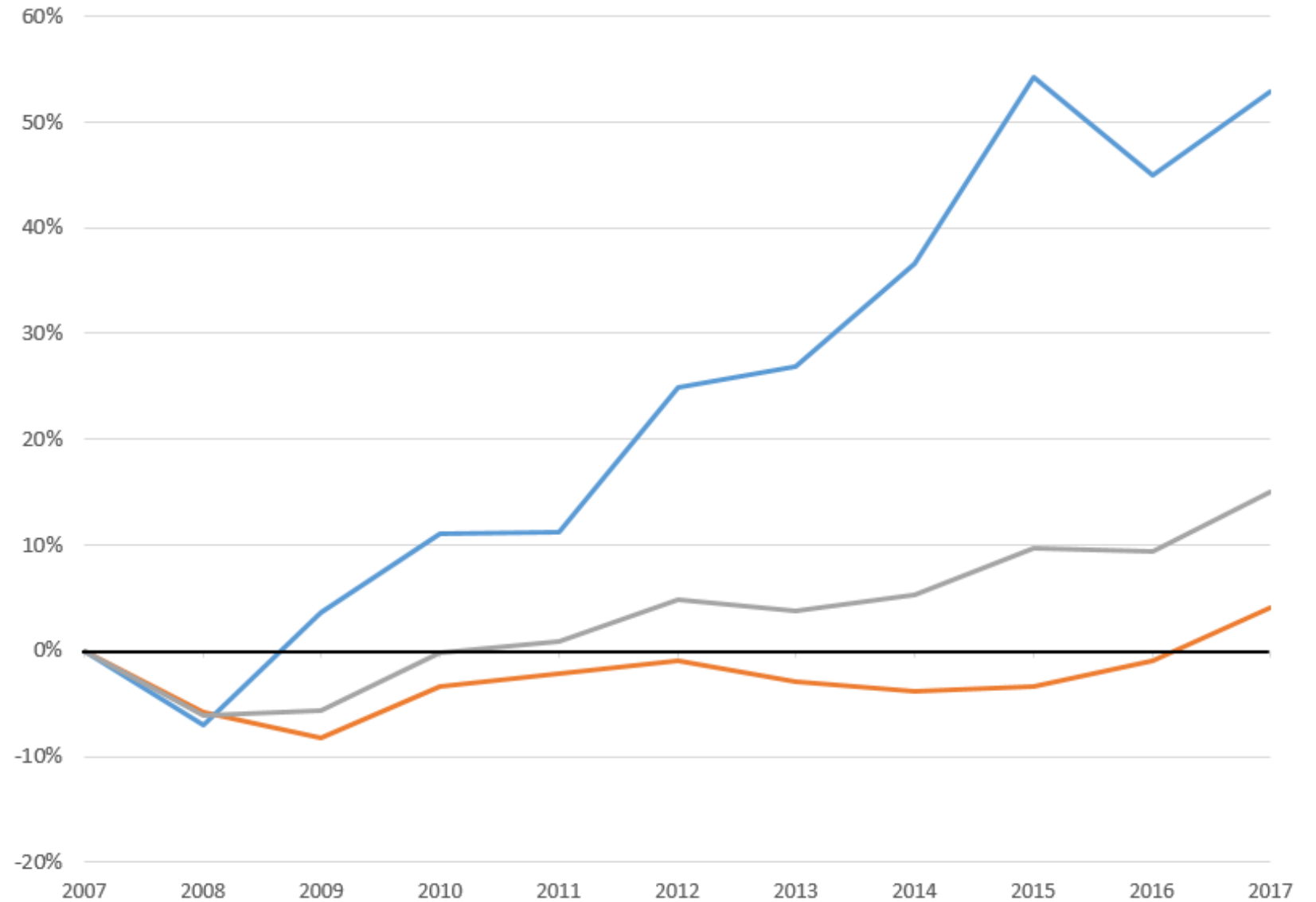


Change in total employment and annual output, 2007-17



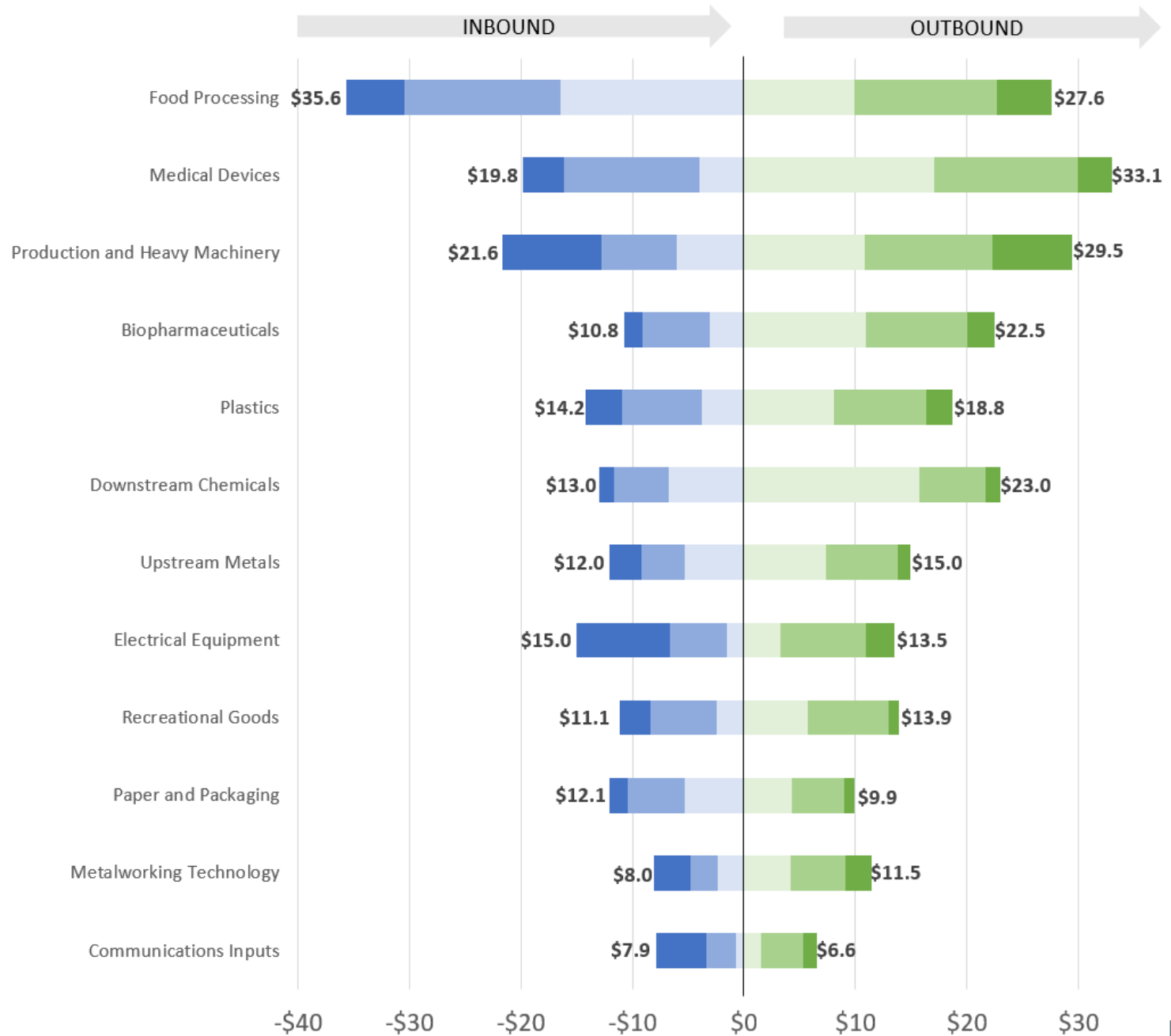
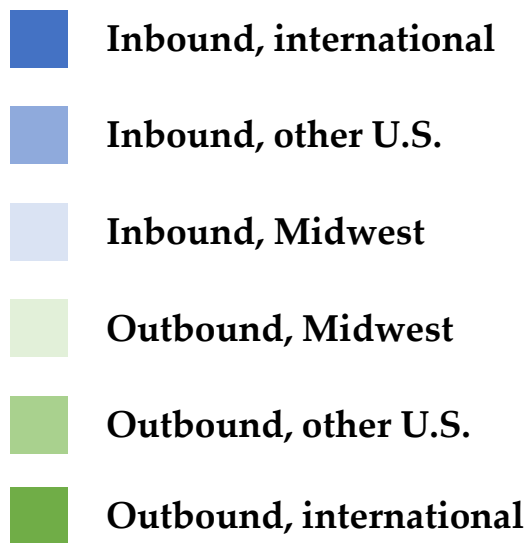
Cumulative change in total annual output, 2007-17

- Total goods-producing sector
- Biopharmaceuticals and Food Processing
- Rest of goods-producing sector

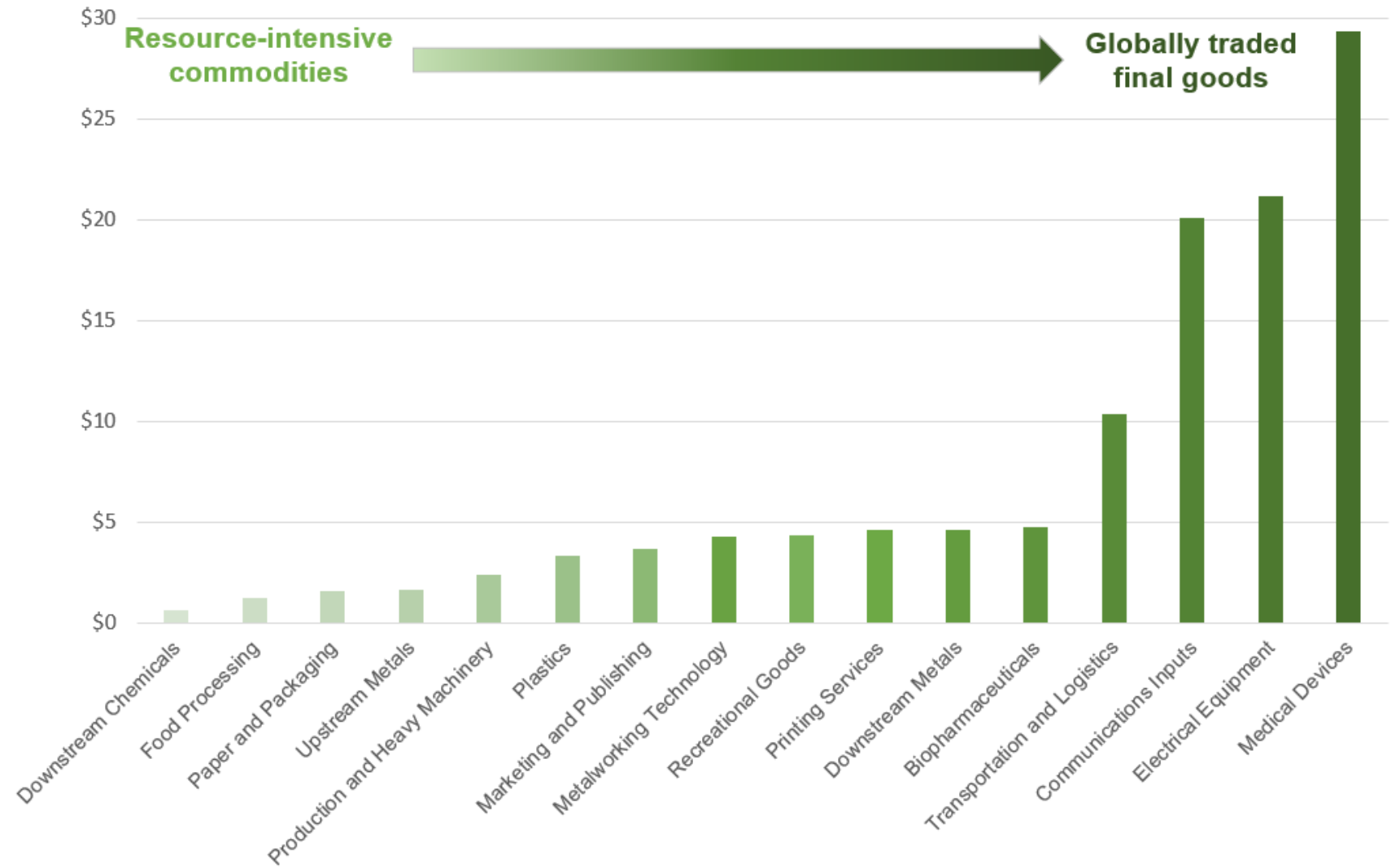


Infrastructure

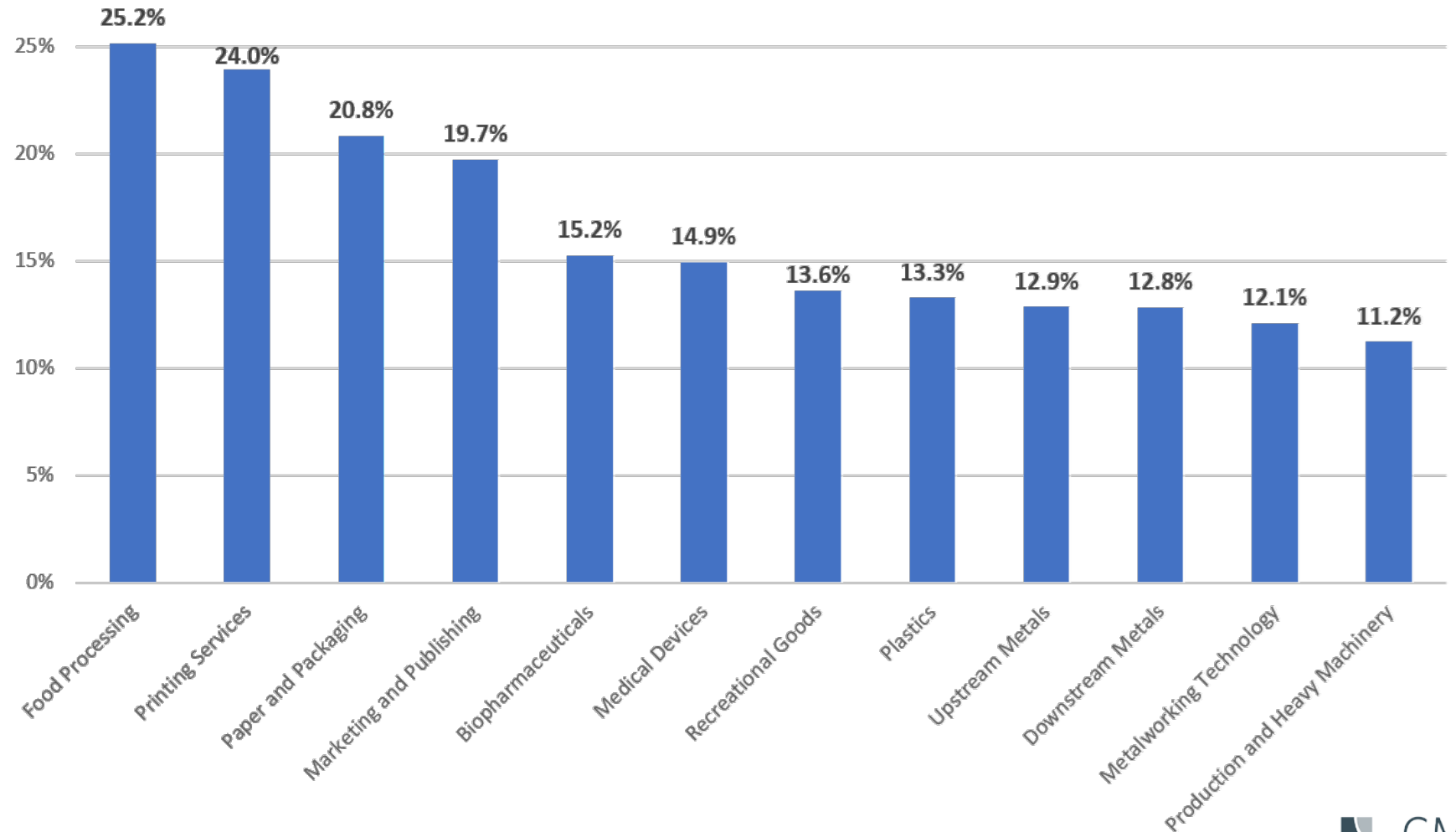
Top freight shipping clusters by value, 2016, in billions



Value of shipments per ton, 2016, in thousands



Intraregional truck as a share of total freight shipments by value, 2016



Strategies

Pursuing regional economic development

Smart industrial policy

- Best practices
- Guided by industry trends and needs
- Improving traditional and innovative public services

Cluster-oriented economic development

- Strategic, performance-based approaches
- Driven by in-depth cluster analysis
- Adapting existing resources to build a more robust ecosystem

Cluster initiatives

- Significant, sophisticated investments
- Led directly by industry leadership
- Addressing the specific growth constraints in high-priority clusters

Smart industrial policy

Develop a regional economic strategy.

Coordinate multijurisdictional transportation investments and share economic development resources.

Align workforce planning with evolving skills demand.

Enhance the economic development expertise of local staff and officials through technical assistance.

Cluster-oriented economic development

Provide guidance to local partners on best practices for fostering growth in specific clusters.

Establish joint cluster strategies – such as sector-specific non-compete agreements – and reduce public costs from intraregional competition.

Encourage succession planning in key industries and form an “early warning system.

THANK YOU.

Questions?

Austen Edwards

AEwards@cmap.illinois.gov