

Dashboard of Economic Indicators

Assessing Northeast Ohio's Economic Competitiveness



FUND FOR OUR
ECONOMIC FUTURE

2010



Essays on What Matters Most

5th Anniversary Edition

Northeast Ohio's Economy

A globally competitive region



From the 2010 edition of the Dashboard of Economic Indicators.



Dashboard of Economic Indicators

What matters most?

Since 2006, the Fund for Our Economic Future has tried to help answer this question by sponsoring extensive economic analysis, called the Dashboard of Economic Indicators, which measures the performance of 136 markets in the country based on dozens of economic variables. How we collectively answer is critical to implementing an economic competitiveness strategy that will produce significant and lasting results.

This report highlights some of the key findings of the latest Dashboard, but more importantly, we have invited some of the region's leading economists and policy analysts to explore what really matters. Their experiences and opinions shed light on the topics most critical to improving Northeast Ohio's economic trajectory.

Answering the question of what really matters helped the Fund and its partners shape the region's economic competitiveness agenda, called Advance Northeast Ohio, which focuses on business growth, talent development, inclusion and efficient government. These themes were not just randomly selected; they are rooted in long-term empirical evidence of what characterizes the strongest-performing economies. The essays that follow delve into the challenges and opportunities facing the region as we all work to strengthen key factors tied to economic growth.

The answers to the question of how we are doing vary widely and are more vexing. If you would like to see how our region's metropolitan areas rank, please visit the Fund's website, www.Future-FundNEO.org/research, to see detailed charts and rankings.

When the Fund was formed in 2004, our members understood that it would take decades to create the economic transformation that was needed to move our region's economy from the back to the front of the pack. Now, seven years later, the Dashboard confirms that assessment. Encouragingly, we can point to signs of progress. The lift in variables related to skilled workforce development and technology commercialization suggests that positive change is happening. But a \$170 billion regional economy with decades of legacy issues does not change overnight. The latest edition of the Dashboard found once again that overall, Akron, Canton, Cleveland and Youngstown (Northeast Ohio's four metropolitan areas included in the Dashboard) were, for the most part, outperformed by much of the country when it comes to growth in jobs, incomes, output and productivity. Of course, this is true for most of the industrial Midwest and Northeast, but there also are important lessons we can glean from cities such as Pittsburgh and Indianapolis that are bucking the trend in one or more of the variables.

Like all economic research, the Dashboard has its

limitations to adequately telling us how the region is performing. For example, most of the economic data in the latest edition is from 2008, a year that seems remarkably far away following the Great Recession and (to date) the meager recovery that has followed. This date also is relatively early in the state and region's redoubled focus on economic competitiveness (e.g. the Third Frontier was launched in 2002 and the Fund made its first grants in 2004). Indeed, more recent aggregate data reported by the Brookings Institute suggest our progress is accelerating. The Fund is committed to working with others to identify more timely ways to measure the region's progress against the goals of Advance Northeast Ohio.

While the data has its limitations, the conclusions are no different. The Dashboard and the accompanying essays remind us that there are no "silver bullets" or quick fixes. Instead, Northeast Ohio must sustain an integrated program of change that pursues strategies and initiatives that address the building blocks of our region's economic competitiveness.

The Fund intends to stay the course. And we look forward to continued collaboration with our partners in business, government, education, labor and the civic sector to create a vibrant economic future.

Brad Whitehead
President
Fund for Our Economic Future

Skilled Workforce and R & D



Measures both the quality of the region’s workforce and level of innovation activity.

Skilled Workforce and R & D Critical Variables	Northeast Ohio 2000	Northeast Ohio 2008	Top Midwest Peer Minneapolis 2008
University Research & Development (Per Employee)	\$76.2	\$137.0	\$363.0
Percentage of Population in Professional Occupation	31.6%	34.2%	41.7%
Percentage of Population With Graduate/Professional Degree	7.7%	9.0%	12.1%
Percentage of Population With Bachelor’s Degree	14.3%	16.3%	25.4%
Small Business Innovation Research/Small Business Technology Transfer Awards (Per Employee)	\$6.51	\$7.25	\$7.30

- Investments by the Fund for Our Economic Future Impacting Skilled Workforce and R&D
- NEO@Work
 - Education Works
 - NorTech
 - Social Innovation Fund

Educational Attainment and Intellectual Property Development Matters Most in Improving Per Capita Income
By James Robey, PhD
Team NEO

Education Pays – Get Yours is the well-tuned slogan of a social media campaign created by PolicyBridge urging young African-American males to go to college. The Dashboard suggests that such activity will, over time raise per capita income. Entrepreneurial organizations, like Team NEO, reinforce the notion that quality talent is a critical factor for attracting businesses to Northeast Ohio. If we are going to improve per capita income in Northeast Ohio, this matters.

For companies, human capital is likely the hardest factor to move and to find. The quality of the workforce, as well as quality of capital (such as sites, buildings and access to technology), all lead to a company’s ability to produce, compete and survive. In both earnings and unemployment, education and training matter. In 2009, the average unemployment rate for all U.S. workers was 7.9 percent, but was 9.7 percent for high school graduates and 14.6 percent for workers without a high school diploma. In contrast, the unemployment rate among workers with some college was 8.6 percent, an associate’s degree was 6.8 percent, a

bachelor’s degree was 5.2 percent and for those with advanced degrees the rate was less than 4 percent. Similarly, in 2009 median earnings for all U.S. workers were \$774 per week; for workers with a high school diploma and those without they were \$626 and \$454 per week, respectively. Median earnings per week were \$600 for U.S. workers with some college, \$761 for those with an associate’s degree, \$1,025 for those with a bachelor’s degree and \$1,257 to \$1,532 for those with advanced degrees.

When looking at Ohio, the relationship between education and unemployment is even more troubling. For those with less than a high school diploma, the unemployment rate was nearly 20 percent. For those with a high school diploma or equivalent certificate, unemployment was worse than the U.S. average, at 8 percent. For some college or an associate’s degree, the average unemployment rate was about 7 percent and for a bachelor’s degree and higher, it was less than 3 percent.

According to Claritas, education levels in Northeast Ohio in 2010 tell us that the region needs more residents with bachelor’s degrees or higher. In our region, 24 percent of the population has a bachelor’s degree or higher compared to national rates of 27.4 percent.

Northeast Ohio compares favorably in both rates for high school graduation (31.8 percent for Northeast Ohio vs. 29.6 percent

for the U.S.) and some college/ associate’s degree (27.5 percent both Northeast Ohio and the U.S.).

In comparison with target and high-performing peer regions, such as Raleigh-Durham, Minneapolis-St. Paul or Austin, Northeast Ohio Metropolitan Statistical Areas (MSA) do not compare favorably. A look at the 2000 Census data for “percent of population with college or professional degree” shows the Akron MSA ranks 156th (29.45 percent), the Cleveland MSA is 162nd (29.03 percent), the Canton MSA is 269th (22.49 percent) and the Youngstown-Warren MSA is 296nd (20.07 percent). Our peer regions have a significant lead – Raleigh-Durham (45.92 percent), Austin (42.13 percent), Minneapolis-St Paul (40.92 percent), Orange County (38.62 percent), San Diego (37.12 percent) and Chicago (35.74 percent).

So why does all this matter? If Northeast Ohio is going to improve per capita income, we need to improve our educational attainment rates and innovation activity. Capital is mobile—people will invest where they can get the most return for their investment. Commodity products that use low-skilled labor cannot be produced as cheaply in Northeast Ohio or the United States as they can be produced in China and increasingly in Vietnam.

A paraphrase from a former chief economist for a major automaker summarized global competition best, stating, “People all over the world

want to work, and can be trained to do the work we need.” When competing in a global economy, Northeast Ohio workers need to create a product that is differentiated with a greater return or higher “value added.” To do this in manufacturing, one of Northeast Ohio’s competitive strengths, or in the services and information industries, Northeast Ohio needs a flexible and well-trained workforce. Both of these features come with increasing the level of education and training within the population.

Northeast Ohio has 29 colleges and universities, as well as for-profit training companies, career centers and other trainers such as union apprentice programs and internships. These institutions all have the potential to increase the skills and skill levels of future, incumbent, transitional workers and dislocated workers. The upskilling of all workers is essential to maintaining and improving the wealth curve of the Northeast Ohio region. To do this, we must not assume that the targets for college completion are just achieving the U.S. average rates. We need to target and achieve the completion rates of high performing economies such as those in San Diego, Austin and Minneapolis-St Paul.



Technology Commercialization

Measures a region’s ability to translate research into new products and services that are introduced to the marketplace.

Technology Commercialization Critical Variables	Northeast Ohio 2000	Northeast Ohio 2008	Top Midwest Peer Minneapolis 2008
Venture Capital (Per Employee)	\$550.4	\$3957.9	\$273.1
Number of Patents (Per Employee)	.889	.802	1.305

Investments by the Fund for Our Economic Future Impacting Technology Commercialization

- BioEnterprise
- JumpStart
- NorTech
- Many Fund members have invested in Early Stage Partners, NEO Capital Fund and other venture capital funds

Another Powerful Way to Boost Northeast Ohio’s Per Capita Income
By Ziona Austrian, PhD
Cleveland State University

The U.S. economy has been undergoing a dramatic transformation as the nation moves to an economy driven by technology through the creation of new industries and firms and the application of technology in traditional industries. For growth in technology-based economies, three types of capital are needed: human capital (education and skill level), intellectual capital (research and innovation) and investment capital (angel, pre-seed and venture funding). All three serve as the foundation for innovation and entrepreneurship.

A study conducted for the U.S. Small Business Administration (“The Innovation Entrepreneurship NEXUS: A National Assessment of Entrepreneurship and Regional Economic Growth and Development,” April 2005) found that the most entrepreneurial regions in the United States experience greater growth in employment, wage and productivity when compared to the least entrepreneurial regions. The study notes that innovation is not sufficient for regional economic growth because innovations may be portable, while entrepreneurial culture is place-based.

Innovation and entrepreneurship can be viewed as being on a continuum of activities from basic and applied research to the introduction of new products and processes to the market. How regions perform along this continuum can be measured by research and development funding, patent awards, pre-seed funding, venture capital, business birth and death, and initial public offerings. The Dashboard’s Technology Commercialization indicator includes two measures: the number of awarded patents and the amount of venture capital. The number of patents indicates successful research and potential for commercialization, while the amount of venture capital shows investors’ confidence in the possible transformation of these innovations into marketable products. According to the Dashboard’s methodological framework, the Technology Commercialization indicator affects regional growth through gains in per capita income, gross regional product and productivity. In other words, increases in the number of patents and amount of venture capital are positively associated with growth in economic performance across many regions in the United States.

How did Northeast Ohio and Midwest metropolitan areas perform in this indicator? For the number of patents, both the Akron and Canton metro areas ranked in the Top 25 percent of 136 regions with a population of 300,000 to 3.5 million. Akron was ranked No. 25 in 2008, achieving similar ranks to those in the previous two years, but showing

lower ranks than in 2000. Canton, ranked 24th in 2008, posted an improved ranking since its No. 33 rank in 2000. The Cleveland area, the largest in Northeast Ohio, ranked 39th; it posted some improvements from 2005, but had a similar ranking to that attained in 2000. More importantly, the Cleveland area outperformed seven out of the eight large metropolitan areas in the Midwest. Only Minneapolis-St. Paul ranked higher at 19th, while all others ranked between 40th and 75th.

The Cleveland metro area advanced to the top ranking in venture capital in 2008 due primarily to an influx of private-equity funding to National City Bank before it was purchased by PNC Bank Pittsburgh. Excluding this investment, Cleveland’s rank in venture capital would be similar to its rank in the previous years. The Akron area was highly ranked at 27th, with significant improvements from previous years. The highest ranked large metro areas in the Midwest were Pittsburgh (21st) and Minneapolis-St. Paul (23rd).

The Cleveland metro area also had strong rankings in University Research and Development Funding (45th) and in Small Business Innovation Research Grants (14th), both components of a different indicator, Skilled Workforce and R&D. However, these two measures are essential for a region that is creating an environment conducive to increased innovation and entrepreneurship.

As shown in the latest update of Dashboard indicators, most of the Northeast Ohio region (primarily the Cleveland and Akron areas) has relatively strong rankings in measures that approximate innovation and entrepreneurship, which is encouraging news because innovation and entrepreneurship are essential for the competitiveness of existing firms and the growth of new industries and jobs. This is especially critical in Midwest communities where the economic infrastructure has changed dramatically.

It has been shown that four elements contributed to the early lead in entrepreneurial activity on the East and West coasts: access to cutting-edge research, access to early-stage funding and venture capital, a culture that encourages experimentation and risk taking, and a national regulatory structure that enables firms to start up and enter new markets while making it possible for less productive firms to exit. In recent years, several states and regions, including Northeast Ohio, have developed and implemented initiatives designed to accelerate the first three attributes, especially promoting and supporting innovative start-up companies, entrepreneurship, and angel and venture capital formation.

Regions, including Northeast Ohio, need to continue to focus on initiatives that promote the right environment for entrepreneurial investment that will attract leading researchers, risk capital and talented management with experience in start-up companies.

Racial Inclusion & Income Equality



Measures the level of racial inclusion and income inequality within a region.

Racial Inclusion & Income Equality Critical Variables	Northeast Ohio 2000	Northeast Ohio 2008	Top Midwest Peer Minneapolis 2008
Income Inequality*	5.70	5.68	4.70
Share of Students in Schools Where More Than 70% of Students Receive Free Lunch	19.9%	11.0%	4.8%

*Income inequality is the ratio of income of the top 10 to the bottom 10.

Investments by the Fund for Our Economic Future Impacting Racial Inclusion and Income Equality

- Minority Business Accelerator 2.5+

Diversity: More Than the “Right Thing to Do”... Inclusion Makes Economic Sense
By Randell McShepard
Chairman & Co-Founder, PolicyBridge

Northeast Ohio is making positive strides in its economic recovery and growth, as is evidenced by several sections of this economic dashboard report. Although the economic downturn faced in recent years will require significant investments of time and resources before a full recovery is realized, it is encouraging to see that many leaders in the region are beginning to pay attention to the myriad variables that factor into a successful economy. These variables, which range from per capita income and regional domestic product to education and a skilled workforce, all capture the essential and tangible statistical outcomes that help us to define, track and evaluate our success. The Northeast Ohio region at-large and the Fund for Our Economic Future are working in tandem to ensure that all categories affecting our economy are moving in the right direction. It is in this spirit that the Dashboard includes metrics in relation to racial inclusion and income equality.

Most highly-performing peer regions realize that racial inclusion and income equality are determining factors in their immediate success

and long-term viability. As such, they invest mightily in areas that strengthen their capacity to address the unique needs and circumstances of minority residents, businesses and communities. These regions embrace diversity as an economic competitive advantage versus a social program. They bring minority and other under-represented groups to the table as equal partners to share in the mission of growing the economy and identifying issues that impede progress. Finally, these regions carefully analyze where minority groups are losing ground and work collectively to modify systems, enhance programs and launch initiatives that offer guidance and support. This model works because it is designed to lift all boats.

The factors that are tracked in this edition of the Dashboard pertaining to racial inclusion and income equality focus on skilled workforce and research and development (R&D). Skilled workforce denotes educated and work-ready individuals who are positioned to satisfy the demand side of the workforce equation, while R&D speaks to the number of patents generated in the area. Patent development signifies a workforce is that is not only skilled and employable, but also equipped with an ability to create and innovate in a way that can move a business or entire industry forward.

The income equality in Northeast Ohio has remained virtually unchanged from 2000 through 2008, maintaining a full percentage point difference compared to the Top Midwest Region Peer. The number of

students at schools with at least 70 percent of the student body receiving free lunch decreased from 0.199 in 2000 to 0.110 in 2008. This category also lags behind the Top Midwest Peer which is at 0.048. Our region’s differences can be attributed to many factors, and there is obvious room for improvement. It is important to note that Northeast Ohio has a wider gap to close than most of its peers. This is due in part to the large number of auto industry job losses, significant poverty (with Cleveland being ranked second poorest city in the nation) and challenges associated with lower performing public school districts, particularly in urban core cities.

These factors have led the region’s leaders to take bold and proactive measures in an effort to mitigate these complicated and enduring challenges. Some have come in the form of radical education reform. Others have come by way of “stepped up” efforts to increase and fortify the pipeline of students moving into higher education opportunities, which keeps the future workforce in lock-step with a growing knowledge economy and jobs of the future. In addition, the Fund for Our Economic Future in particular has invested in the Minority Business Accelerator 2.5+ in an effort to assist minority businesses with receiving the technical and practical experience they will need to grow their bottom line, refine their business practices and successfully make the transition from mere “lifestyle” businesses to wealth-generating, high-growth businesses.

It will be imperative that the Fund for Our Economic Future continues to realize the economic future of our region is inextricably linked to our ability to educate, motivate, activate and advocate on behalf of our minority communities. In doing so, the economic engine of the region will be “fine tuned” for greatness for many years to come.

Legacy of Place



Measures a region’s economic history and reflects the legacy costs of that history on the present economy.

Legacy of Place Critical Variables	Northeast Ohio 2000	Northeast Ohio 2008	Top Midwest Peer Milwaukee 2008
Number Government Units Per 10,000 Population	1.355	1.378	1.004

Investments by the
Fund for Our Economic Future
Impacting Legacy of Place

- [EfficientGovNow](#)
- [Regional Prosperity Initiative](#)

Why Economic Rebound is Harder in Northeast Ohio than Other Places

By Hunter Morrison
Youngstown State University

Winston Churchill, speaking to the nation in 1943, first spoke the now often-quoted words: “First we shape our buildings; thereafter they shape us.”

Though Churchill was speaking to a country at war about the importance of rebuilding the House of Parliament, destroyed in May 1941, he could have been describing the challenges facing Northeast Ohio today.

Like post-war London, Northeast Ohio faces the daunting tasks of physical reconstruction and economic restructuring following a long and grinding conflict. Since the late 1970s, we have faced relentlessly powerful national market trends and global economic forces that have resulted in a 30-year period of labor force shedding, core city depopulation, and low-density, auto-dependent regional development. This conflict has hollowed out our region’s core cities; absorbed ever-increasing quantities of our region’s farmland; threatened the long-term economic viability of our cultural and religious institutions; emptied our historic working-class neighborhoods; and spread our people farther apart from each other, their jobs and their families.

As Churchill so poetically noted, the buildings, places and communities assert themselves long after the original architects and builders have passed on. Our core cities grew up as a tight fabric of ethnic neighborhoods around mills and factories. In the days before the widespread use of the automobile, these compact communities were connected to each other and to the downtown retail and entertainment district by a web of street car lines all focused on their city’s central business district. In the decades before the construction of the regional freeway network and development of the region’s suburbs, our core city neighborhood shopping districts were vibrant, and each city’s downtown was the center of its community life.

As our region’s industries closed, relocated or experienced significant cuts to their labor forces, once-productive factories and industrial districts were abandoned as obsolete brownfields. Altogether, the places and people left behind by the forces of a rapidly-changing and increasingly globalized economy constitute the Legacy of Place, which continues to have a significant impact on the communities of Northeast Ohio as they seek to adjust to the realities of the new, knowledge-based regional and global economies.

Legacy of Place as a concept is easily and intuitively grasped. Increasingly, the importance of “place” and the relationship of “place making” to creating an economically competitive community are understood not only by design and development professionals, but also by the public at large and its elected representatives. Several of the individual factors the Fund

measures to determine the Legacy of Place and compare Northeast Ohio’s metropolitan areas with a set of benchmark cities may appear abstract and unrelated to the qualities of the “place” that our communities seek to create.

The factors and variables that together constitute the Legacy of Place matrix include:

- The obvious and largely unchangeable component of “climate”;
- Two social factors that too-often appear to be intractable: “dissimilarity index for the African-American population” and “city poverty ratio”;
- Two factors that change slowly and over a long time: “percent of houses built before 1940” and “number of government units per 10,000 population”;
- Two factors that may be receptive to traditional economic development policy interventions: “business churning” and “share of manufacturing employment.”

Our discussion frequently focuses on efforts intended to change the factors that appear to be most easily quantified and impacted: “business churning” and “share of manufacturing employment.” The argument is temptingly simple: If only we could reduce our region’s reliance on manufacturing and increase the level of entrepreneurial activity, then Northeast Ohio would be out of the woods and on a trajectory of long-term economic growth.

The remaining four factors offer a lens to analyze qualities of place that are, to a large degree, legacies of

the industrial era in Northeast Ohio. Intervening to impact these factors will require patience and a long-term commitment to change.

The “percent of houses built before 1940” captures the aging housing stock built to accommodate the rapid growth of the industrial workforce in our core cities. These are the neighborhoods built quickly—and often not well—on small urban lots near the mills and factories that employed the majority of our cities’ work forces. These are often the neighborhoods that were first abandoned by the flight to the suburbs. Most recently, these neighborhoods were the target of subprime lending and most affected by the mass foreclosure and abandonment that followed the collapse of the subprime market. While some, such as Cleveland’s Little Italy, have found new life by relating to the burgeoning medical/educational nexus of University Circle, most, like Cleveland’s Slavic Village or Youngstown’s Southside, face the relentless pressure of abandonment.

Addressing the need to adjust the size and characteristics of the region’s housing stock to the size of its population and preferences of its housing markets will be one of the region’s biggest challenges moving forward.

The “dissimilarity index for the African-American population” and the “city poverty ratio” capture the reality that most of our region’s metropolitan areas have, at their center, core cities that have become poorer with time. One of our persistent Legacies of Place

Concluding Thoughts



Legacy of Place – continued

is the concentration of poverty and minority households in our core cities. Reducing the economic and social isolation of the region's poor and minority households remains a significant challenge moving forward.

Finally, “number of governments per 10,000 population” captures the challenge of governance in our region. In the boom years after World War I, households that could afford to leave the region's core cities did. Following the adoption of the Municipal Home Rule amendment to the Ohio Constitution in 1912, self-governing municipalities sprung up around most of Northeast Ohio's core cities, limiting their ability to benefit from the suburban migration that followed World War II.

The proliferation of these new cities—each with its own separate municipal administration and independent school board—is a lasting legacy of the post-war suburban boom years. During this period, new communities and school systems were joined by park districts, library districts, transit districts, sewer and water districts, metropolitan planning agencies, port authorities, housing authorities, community college districts and other special purpose governmental bodies answering largely to themselves.

Maintaining a complex and uncoordinated mélange of local governments is a luxury Northeast Ohio can little afford. In addition to the costs incurred by the region's

households and firms, the sheer size and complexity of the region's local government structure renders it less competitive to attract talent and investment. Leaner governance will both make us more competitive and provide direct and tangible benefits to the citizens and the firms that call our region home.

The Legacy of Place in Northeast Ohio is not simply one of abandoned factories and neighborhoods. The Legacy of Place is found in the beloved communities that remain today; the memories and customs that make these places distinct and authentic; the assets of culture, nature and education that are the bequest of the industrial era; and the entrepreneurial spirit, strong work ethic and love of community that have long formed our region's one foundation.

Our Ongoing Commitment to Examining Northeast Ohio's Economy

Robert B. Jaquay
George Gund Foundation
Co-chair, Council of Regional Economic Policy Advisors

Release of this, the 5th edition of the Dashboard of Economic Indicators, prompts a few thoughts on research and economic development.

The Dashboard constructively guides regional investment.

By heeding the Dashboard's lessons of 'What Matters Most', the Fund for Our Economic Future has contributed substantially toward building an infrastructure that fosters entrepreneurship in Northeast Ohio. The Fund also is providing leadership or convening others in our region to support vital tasks such as building a more competitive workforce and lessening some of the “legacies of place” through more efficient local government, collaborative land use and infrastructure planning – activities also called for by the Dashboard. Many of these investments and projects justifiably have been noted in local and national media.

More importantly, these, along with many other orchestrated efforts within our region, seem to be resulting in improved economic performance. A recent report by Team NEO suggests that our region is faring much better in the current economic downturn than in the recession of the early 1980s. The Brookings Institution reports that during the nascent economic recovery Greater Cleveland is performing among the top third out of the top 150 global metropolitan areas.

Among the region's economists, exists a 'community of practice.'

Often overlooked is the Fund's decision to convene and support a community of

economists and public policy analysts making serious study of our region's economy. We recognize the need for competent, timely research to guide wise investment of time and money. In economic development, the *idea de jour* often tempts the undisciplined and ill-informed.

This community of practitioners (which includes the authors of the foregoing essays) has consciously conducted ongoing research so it builds upon the intellectual foundations that precede creation of the Fund in 2004:

- A 1981 study of the Greater Cleveland economy conducted by the Rand Corporation under sponsorship of the Cleveland Foundation;
- More than 20 years of research contributions from the Center for Regional Economic Issues through 2004; and
- A Northeast Ohio driver and ascendant industry cluster analysis lead by Dr. Jack Kleinhenz and Dr. Edward Hill in 1997.

Since gathering six years ago, this community of practice has amassed a noteworthy body of work.

The Dashboard of Economic Indicators remains the flagship research sponsored by the Fund. Both the methodology and the economic lessons of the Dashboard have drawn inquiries from around the globe and been replicated by other regions in the country.

Yet, other smaller research products also supported by the Fund contributed to a better understanding of the regional economy:

- The Barometer of Economic Attitudes, a bi-annual survey of citizen opinion from throughout the region;

- The Northeast Ohio Venture Capital Report, annually measuring financing available for early-stage companies here; and
- A range of one-time studies focused on: labor-management issues (with a view to debunking myths about this region's cost environment), community support needed to encourage maximum growth of potential “gazelle” companies and case studies on local government efforts to share services or facilities in order to reduce costs.

Each annual Dashboard report and many of these other publications are available at www.futurefundneo.org/research.

The Fund values economic research and the community of economists and policy analysts.

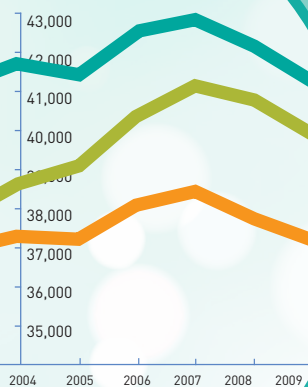
Though the dollars devoted by the Fund to research are modest compared to other vitally important investments, the impact of sponsored research and our collective learning is deep, and will pay dividends for years. The Fund values this research and views it as an important component of our region's efforts to improve the trajectory of our economy – especially as it defines ways to improve the measures of economic vitality highlighted by the Dashboard – per capita income, employment, productivity and gross regional product.

A debt of gratitude is owed to everyone involved in updating and reviewing the Dashboard of Economic Indicators each year. This year, particular thanks go to the authors of the essays, Ziona Austrian's research team at Cleveland State University and to Molly Johnson, the Fund's Communications Manager for her work to edit and prepare this publication.



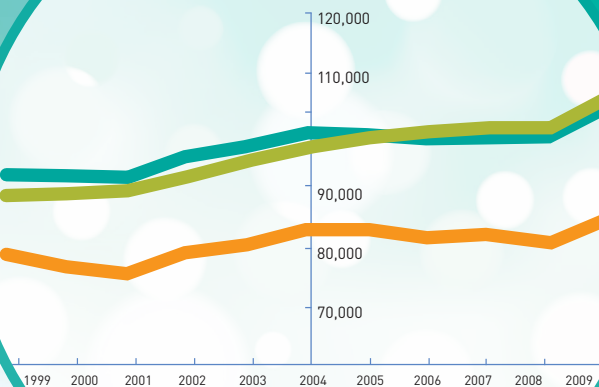
Northeast Ohio's Economic Challenge

Per Capita Income
1999-2009*



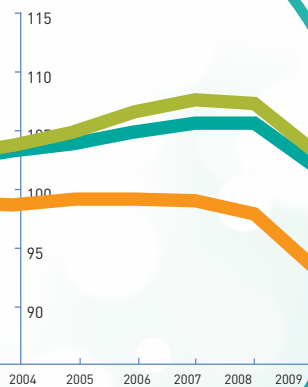
*Per capita income is adjusted for inflation to 2009 dollars.
Source: U.S. Commerce Dept., Bureau of Economic Analysis

Productivity
1999-2009*



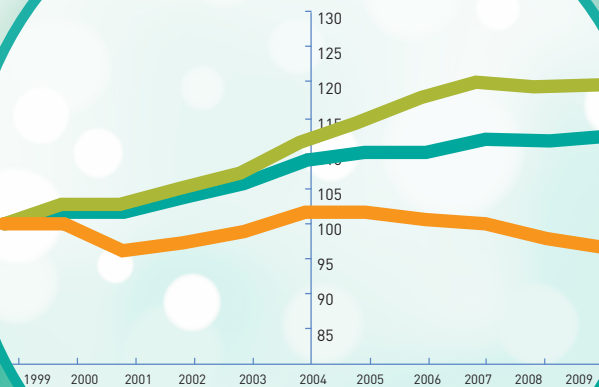
*Productivity is adjusted for inflation to 2009 dollars.
Source: Moody's Economy.com

Employment
1999-2009



1999 = 100
Source: Moody's Economy.com

Gross Metropolitan Product
1999-2009



1999 = 100
Source: Moody's Economy.com

● Midwest Average
● U.S.
● NEO Average

Each year that it has been issued, the Dashboard of Economic Indicators has starkly shown the size and scope of the challenge facing the partners in Advance Northeast Ohio in their efforts to revitalize our region's economy. The charts on these pages highlight that challenge quite clearly, as do more charts that are available on the Fund's website.

We share these charts not to lament past problems, but to remind us how we must stay committed to addressing the priorities that truly matter. These are the priorities at the heart of Advance Northeast Ohio, the region's economic competitiveness agenda.

They are:

Business Growth

Talent Development

Racial & Economic Inclusion

Government Collaboration & Efficiency

As the preceding essays have shown, our region has made meaningful progress in addressing those key priorities but much work is in front of us. It is our sincerest hope at the Fund for Our Economic Future (www.futurefundneo.org) that you will use the ideas and numbers shared in this report to evaluate how you and the organizations you work with can align your assets and efforts to help the region address these four priorities.

Together, Northeast Ohio has the capacity and the inventiveness to revitalize our region's economy. Together, we can transform our region's economic future.



About **Advance Northeast Ohio**

Advance Northeast Ohio is a regional agenda shaped in part by public outreach conducted through the Voices and Choices program in 2007 and the economic research of the Dashboard of Economic Indicators. Advance Northeast Ohio aims to develop and implement regional strategies that address four key priority areas: business growth and attraction, talent development, racial and economic inclusion, and government collaboration and efficiency.



ADVANCE
NORTHEAST OHIO



FUND FOR OUR
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About the **Fund for Our Economic Future**

The Fund for Our Economic Future is a collaboration of philanthropic organizations and individuals that have united to strengthen the economic competitiveness of Northeast Ohio through grantmaking, research and civic engagement.

Begun in 2004, the mission of the Fund is to encourage and advance a regional competitiveness agenda, which will lead to long-term economic revitalization that strengthens our region's core cities, encourages inclusion and enhances the region's quality of life.

About the **Council of Regional Economic Policy Advisors**

The Council of Regional Economic Policy Advisors counsels the Fund for Our Economic Future and the region on how to best address what matters most to achieve improved economic outcomes.

Council of Regional Economic Policy Advisors

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