



team  
**neo**

Cleveland+  
Business

**JobsOhio**

NETWORK  
REGIONAL PARTNER

## PLUS REVIEW Q1 2013

Quarterly Economic Indicators  
18 Counties of Northeast Ohio

The Cleveland Plus economy continues to show gradual improvement. With employment at nearly 2 million workers, all major sectors—construction, services, government and manufacturing—experienced growth in the first quarter of 2013.

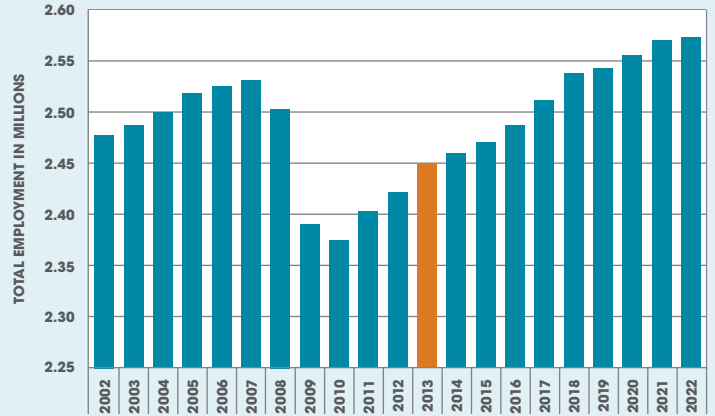
This report explores occupations, or professions regardless of industry, and looks at historical data from the past decade as well as projections through 2022. Occupations with the most job openings through 2022 include healthcare, office and similar occupations, and production.



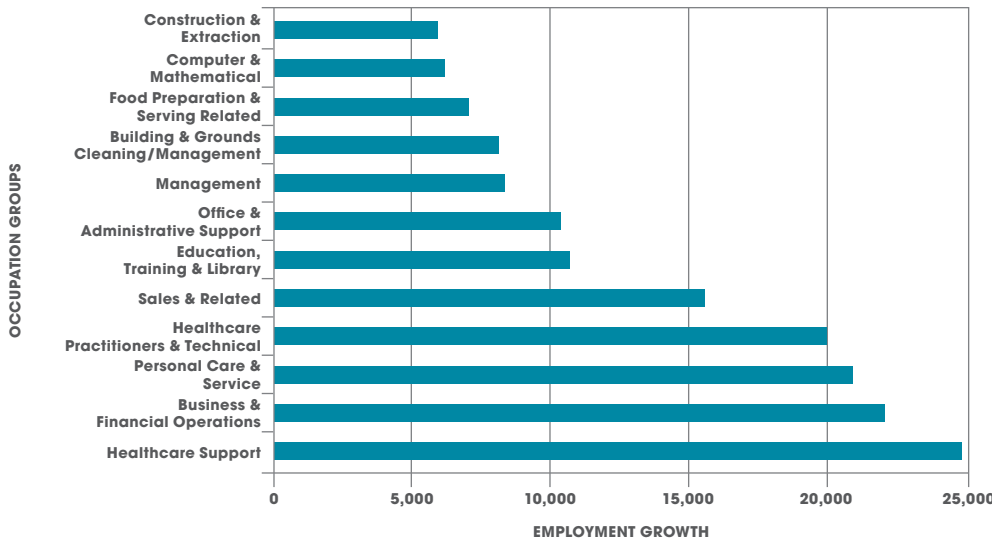
Jobs in Northeast Ohio are projected to grow by 150,000 in the next decade, surpassing job declines of the past decade. By 2022, employment is expected to be at its highest point in the past 20 years, with 2.57 million workers – 90,000 more than in 2002. While some occupations, such as production, will see an overall decline, they will maintain their integral role in the region’s employment picture as turnover and retirements continue to create many job openings.

**TOTAL EMPLOYMENT IN NEO: 2002-2022 (PROJECTED)**

This graph depicts historical data for the past 10 years, as well as projections through the next decade. *Source: emsi.com*



**OCCUPATION GROUPS WITH THE LARGEST PROJECTED GROWTH IN TOTAL EMPLOYMENT: 2012-2022**

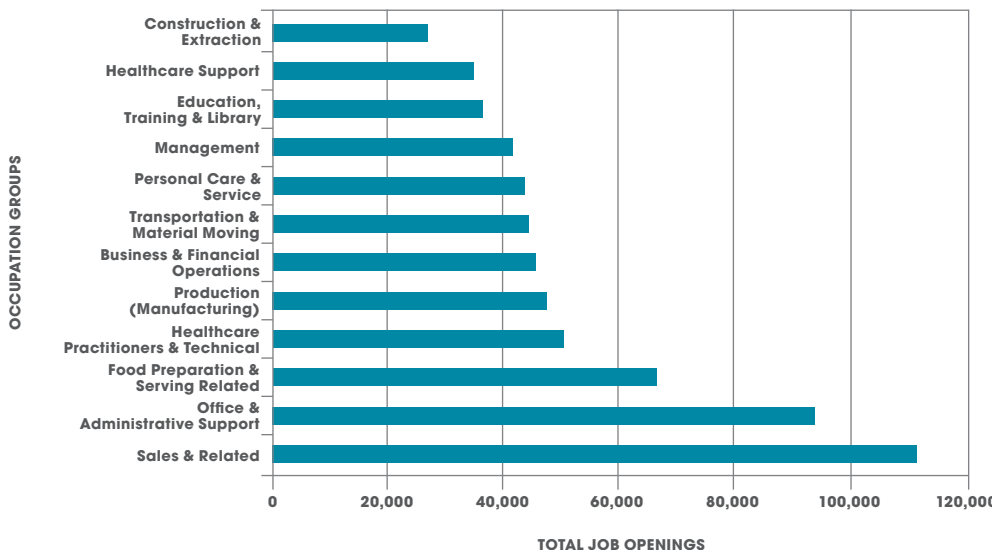


**HEALTHCARE, BUSINESS AND FINANCE LEAD GROWING SECTORS**

Occupations projected to add jobs to the Northeast Ohio economy in the 2012-2022 decade include many in the healthcare\* (45,000) and business and finance (22,000) sectors. High-wage positions, such as management, are expected to increase as well, with projected growth of more than 8,000 positions. Overall, total employment is projected to increase by more than 150,000 jobs from 2012 to 2022. By comparison, approximately 172,000 people are currently unemployed in Northeast Ohio.

*Source: emsi.com*

**NEO OCCUPATION GROUPS WITH THE MOST PROJECTED JOB OPENINGS (NEW AND REPLACEMENT JOBS): 2012-2022**



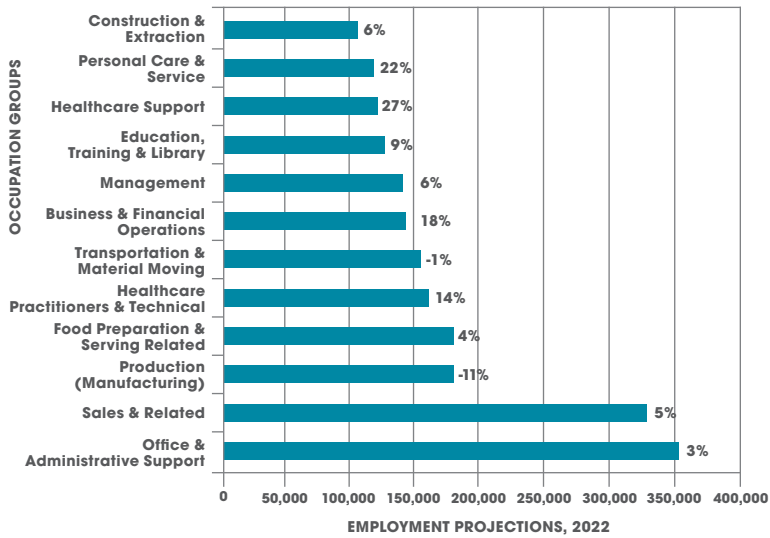
**SALES, ADMIN, HEALTHCARE AND PRODUCTION LEAD IN JOB OPENINGS**

Job openings result from both new job creation and turnover, as employees change jobs and retirees are replaced. Leading the way in overall job openings from 2012 to 2022 are sales, with 110,000 projected openings, and office and administration, with 94,000. Healthcare\* is expected to have 85,000 openings, and production – a key component of the largest sector for output in Northeast Ohio’s economy – more than 47,000. Despite gradual declines in production employment, manufacturers will be actively hiring due to turnover. Overall, more than 780,000 job openings are expected by 2022.

*Source: emsi.com*

\*Healthcare includes healthcare practitioner and technical occupations as well as healthcare support occupations.

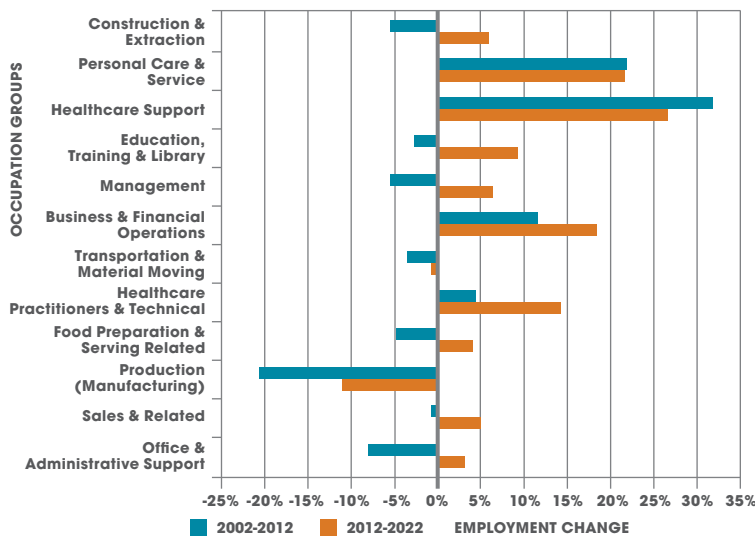
## HIGHEST PROJECTED EMPLOYMENT BY OCCUPATION: 2022



### HEALTHCARE, BUSINESS AND FINANCE LEAD GROWING SECTORS

This graph shows the projected major occupations in 2022, along with the percentage change from 2012. Production, although declining over the decade, will still employ nearly 180,000 people. Healthcare\* will account for more than 275,000 jobs. Other large occupation segments include administration, with office and similar positions offering more than 350,000 jobs, and sales, with more than 325,000 positions. Management jobs will make up nearly 140,000 of these positions. The fastest growing occupations will be healthcare\*, personal care and business/finance. *Source: emsi.com*

## PERCENTAGE EMPLOYMENT CHANGE IN NORTHEAST OHIO'S 13 LARGEST SECTORS



### MOST OCCUPATION SECTORS EXPECTED TO IMPROVE OVER THE NEXT DECADE

Several of the sectors that led the region in growth through the early 2000s are projected to continue growing aggressively over the next decade. For example, healthcare support positions are projected to grow 27% and personal care 22%. Most other areas are projected to do better than in the past decade - e.g., healthcare practitioner positions up 14% compared with only 5% over the last 10 years, and business and financial positions up 18% compared with 12% previously. Even sectors that declined throughout the 2000s are projected to rebound and grow. These include management, at 6% growth; education, at 9%; and construction, at 6%. Production, which declined 21% from 2002 to 2012, is projected to decline at a slower rate - 11% - over the next decade.

## DEVELOPMENT ACTIVITY

### DOWNTOWN CLEVELAND PROJECTS NEAR COMPLETION

Three downtown Cleveland developments are rapidly approaching completion:

- + The \$465 million Global Center for Health Innovation (formerly known as the Medical Mart) and attached Convention Center are slated for an early June completion, ahead of schedule and under budget.
- + The \$275 million first phase of the Flats East Bank project is moving along swiftly, as the 18-story office tower welcomes its first tenants in May. Occupancy in the 450,000-square-foot building is growing steadily, as Northwestern Mutual, Wells Fargo and Gilbane Building Co. recently joined anchors Ernst & Young LLP, Tucker Ellis LLP and CBRE Group. The initial phase also will include a 150-room Aloft hotel, restaurants and a public boardwalk. A planned second phase will include apartments and additional entertainment and dining options.
- + The \$290 million Innerbelt Bridge is steadily taking shape as massive steel girders continue to be set atop the concrete piers. The new span is expected to begin carrying two-way traffic in November 2013.

### AKRON-CANTON AIRPORT SETS PASSENGER RECORD IN 2012

2012 marked the busiest year in the history of Akron-Canton Airport (CAK). A total of 1,838,083 customers traveled to and from Akron-Canton, besting 2011 by 173,686 passengers - a 10.4% increase. Contributing to this uptick was the addition of Southwest Airlines, which began offering services from CAK to its hubs at Denver International and Chicago Midway International Airports.

### CLEVELAND HOPKINS HAS STRONG START IN 2013

Cleveland Hopkins International Airport (CLE) has enjoyed a positive start to 2013. At 2,077,563 passengers, CLE's Q1 2013 traffic is up 5% over Q1 2012, a result that was driven in part by the 2.6% increase in scheduled capacity at the airport and also an improved Northeast Ohio economy. Capitalizing on the region's enhanced business conditions, hub carrier United Airlines launched new services to Nashville and Oklahoma City. United also announced the addition of summer service to Portland, Oregon, as well as weekend summer services to Charleston, South Carolina and Traverse City, Michigan.

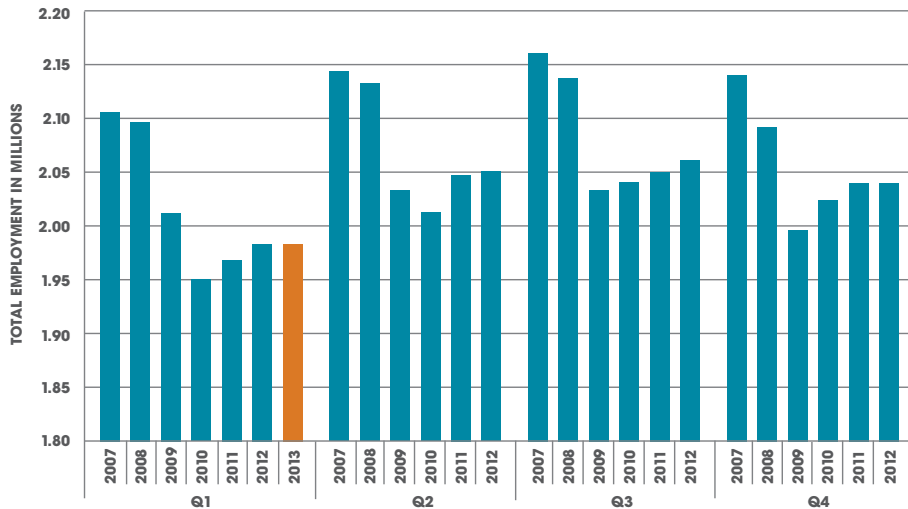
### OIL AND GAS INDUSTRY FUELS ACTIVITY AT NAVARRE RAIL CENTER

A Connecticut company, Unimin Corp., is among the first to restore life to the Neomodal rail center located near Canton, in Navarre. Unimin will operate a 24-hour distribution terminal at Neomodal to serve the oil and gas drilling industry with proppants - sands and other materials used in the hydraulic fracturing process. Two more oil- and gas-related companies are lined up to lease space at Neomodal as well. Owned by the Stark Development Board, the Neomodal rail center was built in the mid-1990s but closed when Conrail went out of business. The Utica Shale boom is creating exciting new opportunities.

### OHIO STAR FORGE INVESTS \$20 MILLION

Ohio Star Forge (OSF), manufacturer of bearing components for the automotive, oil and gas, and industrial industries, has committed to a \$20 million expansion at its Champion location in Trumbull County. The company plans to bring about 30 new jobs to the region, bringing OSF's local employee count to 130. The expansion includes construction of a 33,000-square-foot building that will house machinery capable of doubling steel production, to 36,000 tons a year. The Champion Township location was in competition with another site in Japan; the company chose Northeast Ohio so it could capitalize on automotive market demand here as well as the benefits of onshoring to optimizing supply chain networks.

## NORTHEAST OHIO TOTAL EMPLOYMENT (NOT SEASONALLY ADJUSTED)

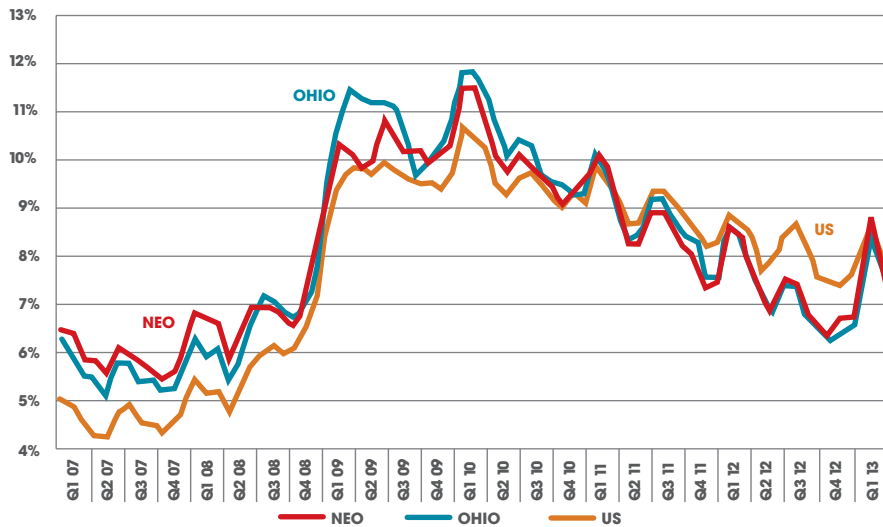


## YEAR-OVER-YEAR EMPLOYMENT FLAT

The Cleveland Plus region employed 1.98 million workers in the first quarter of 2013, the same as 2012 employment.

Source: Current Population Survey (CPS), a survey of 60,000 households nationwide.

## UNEMPLOYMENT RATES THROUGH MARCH 2013

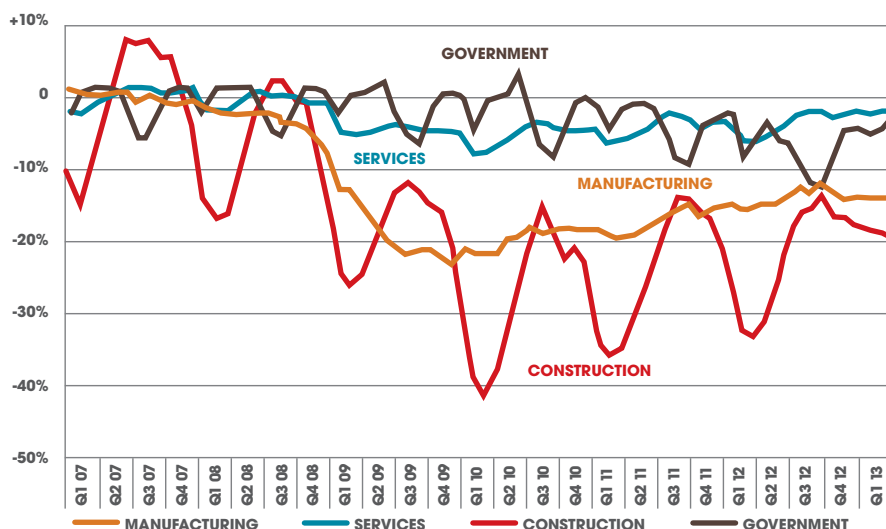


## NEO UNEMPLOYMENT RATE

With an unemployment rate of 8.0% in Q1 2013, Northeast Ohio is similar to the state of Ohio (7.8%) and the US rate of 8.1%. This represents a slight decrease in the unemployment rate as compared with Q1 2012, when it averaged 8.3%. Based on first quarters in prior years, this jump in the rate, which puts Northeast Ohio closer to the US, may be seasonal.

Source: Current Population Survey (CPS), a survey of 60,000 households nationwide.

## CHANGE IN EMPLOYMENT BY SECTOR = 2007 AVERAGE



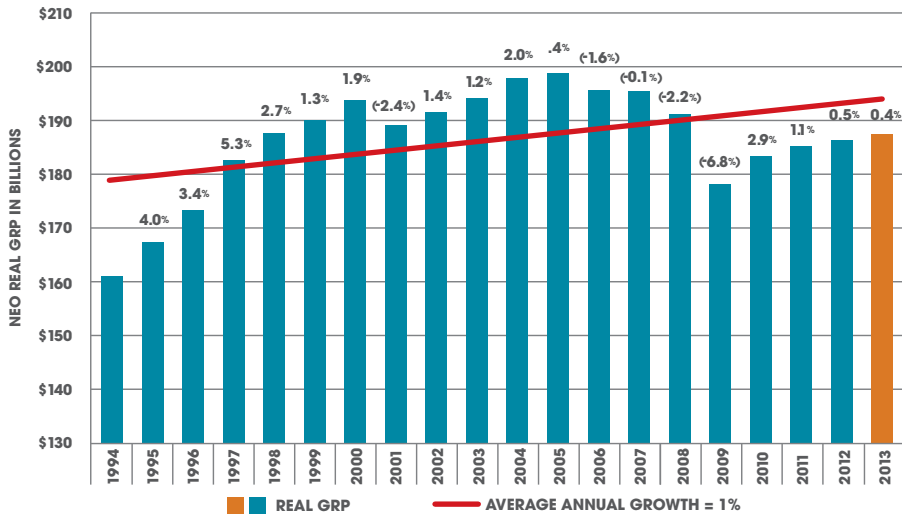
## ALL SECTORS SEE YEAR-OVER-YEAR INCREASES

The services sector gained almost 34,000 jobs year-over-year, averaging 1.2 million workers in Q1 2013, while construction gained more than 5,000 jobs (9%). With about 1,500 jobs gained, government remained steady year-over-year, as did manufacturing, with approximately 500 jobs added.

Source: Current Establishment Survey (CES), a survey of 145,000 businesses and government agencies throughout the country.

Note: Multiple sources are used when compiling employment data. At times, these data show slightly different outcomes.

## NEO 18-COUNTY REAL REGIONAL GROSS PRODUCT (GRP) IN BILLIONS

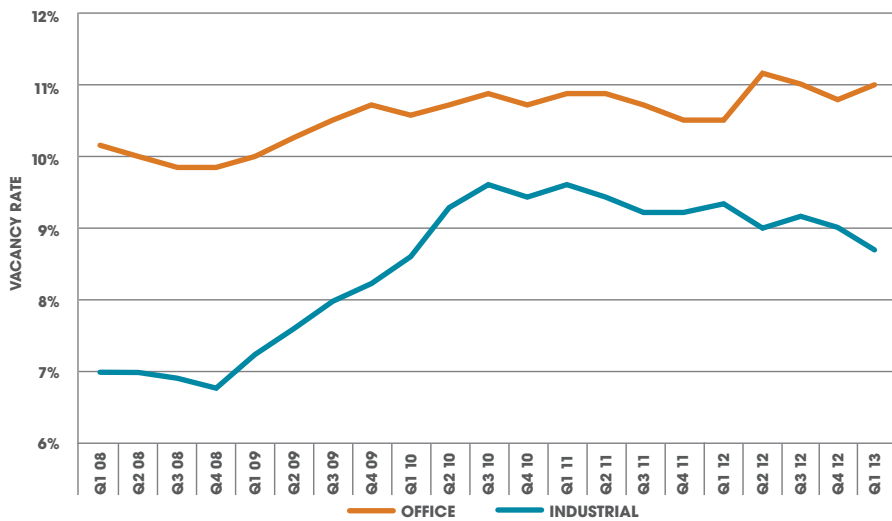


## NEO GRP PROJECTED TO GROW

Moody's Economy.com continuously changes projections for GRP. For the 18 counties of Cleveland Plus, the estimate for 2012 was adjusted to growth of .5% and GRP of \$186 billion. Continued modest growth is projected for 2013. Since 1994, our economy has grown by more than \$25 billion, or almost 16%.

Source: Economy.com

## NORTHEAST OHIO INDUSTRIAL & OFFICE VACANCY

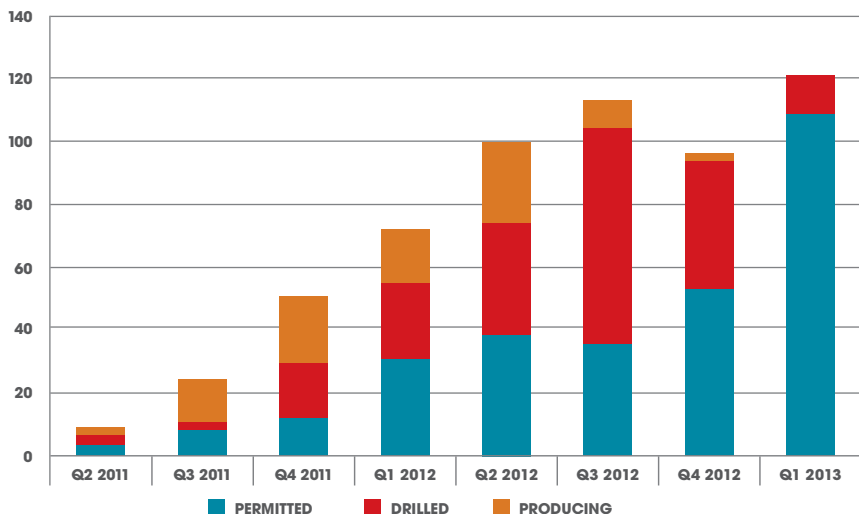


## INDUSTRIAL AND OFFICE SPACE VACANCY REMAINS FLAT

The vacancy rate for industrial space declined slightly in Q1 2013 to 8.7%. Occupied square feet is at 510 million for industrial space. Class A, B and C office space decreased slightly, to 147 million square feet. The vacancy is at 11%, up slightly from Q4 2012.

Source: CoStar

## OHIO UTICA WELL ACTIVITY NONCUMULATIVE



## WELL ACTIVITY CONTINUES TO GROW

In Ohio, 109 wells were permitted in Q1 2013. This jump in permitting signals the coming increase in drilling activity. However, further progress on installing infrastructure, such as pipelines, is needed for drilling to turn into gas production.

Source: Ohio Department of Natural Resources

**GENEROUS SUPPORT PROVIDED BY:**



**DATA SOURCES**

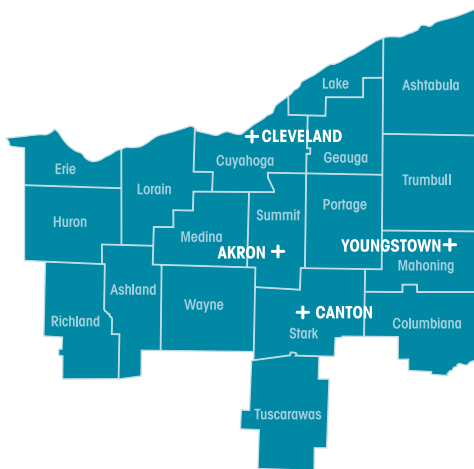
Team Northeast Ohio uses a number of data sources for the Regional Economic Review. One of the primary sources is Moody's Economy.com (economy.com) data for Northeast Ohio.

Moody's Economy.com county-level output, employment and payroll historical data are estimated from several publicly available sources and are summarized into the Team NEO regional footprint. It is important to understand data provided by Economy.com are estimates of economic activity.

Team NEO also uses data from federal and state sources as part of the report. We rely heavily on data from the U.S. Bureau of Labor Statistics (bls.gov) and Ohio's Labor Market Information (lmi.state.oh.us) for information on wages, unemployment and both general and industry-specific employment.

Industrial and office real estate data for this edition were derived from the CoStar Group. Due to market limits within the CoStar database, historic trend data for the Team NEO region are reflective of 14 of the 18 counties forming the regional footprint. These counties include: Ashtabula, Cuyahoga, Erie, Geauga, Huron, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit and Trumbull. Recession employment data for this edition reflect a 16-county footprint. Employment sector data reflect MSA data (Cleveland-Akron-Canton-Youngstown).

**ABOUT TEAM NEO AND THE CLEVELAND PLUS 18-COUNTY REGION**



Team NEO advances Northeast Ohio's economy by marketing the region's many assets, attracting new businesses from around the world, building collaboration among the 18-county region's economic development organizations and linking the region to the state's JobsOhio program. Since 2007, the organization has attracted 67 new company operations, more than 5,900 new jobs and \$243 million in annual payroll to Northeast Ohio, leading to a total annual regional payroll benefit of more than \$575 million.

