



FUND FOR OUR
ECONOMIC FUTURE

Lessons of the Dashboard



PER CAPITA INCOME



EMPLOYMENT



SKILLED WORKFORCE AND R&D



TECHNOLOGY COMMERCIALIZATION



RACIAL INCLUSION & INCOME EQUALITY



BUSINESS DYNAMICS

Northeast Ohio's economic past dictates much of its present, but the region has the assets, resources and capabilities to break from its past and create a new, brighter future.

There is no single “silver bullet” or “quick fix” solution sufficient to transforming a \$150 billion regional economy. However, we believe that the 2007 edition of the Dashboard of Economic Indicators can help focus the region’s economic development efforts on those factors most closely connected to growth in per capita income, employment, productivity and output.

The Dashboard’s economic analysis of 136 U.S. metropolitan areas tells us that increasing jobs and incomes requires sustained, bold efforts on multiple fronts. These efforts should be focused on developing a more educated population that is innovative and entrepreneurial. And, importantly, the region’s economy will grow if we take steps to assure that minority groups and others who have traditionally been left behind have access to emerging economic opportunities.

Advance Northeast Ohio, the region’s economic action plan, provides the framework for implementing such bold, regional initiatives. Many of the initiatives of Advance Northeast Ohio are already producing strong results, yet the region must continue to unite behind this plan and devote resources to implement its initiatives.

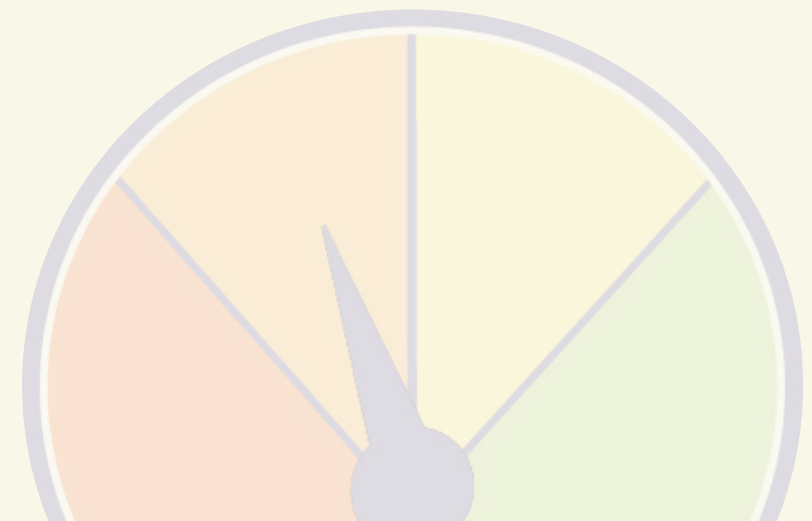
While the The Fund for Our Economic Future encourages you to review the Dashboard (*available at www.futurefundneo.org*) to draw your own conclusions, we take away four important lessons:

1
There is no single solution to turning around a \$150 billion economy.

2
The region's past dictates much of its present economic performance, but it doesn't preordain Northeast Ohio's future.

3
Regional economic development efforts need to stay focused on the factors tied to growth, in particular the essential role talent and entrepreneurship play in a knowledge-based economy.

4
Regional goals need to be incorporated into Advance Northeast Ohio to boost the region's aspirations and its economic performance.



Lesson 1

No Silver Bullets

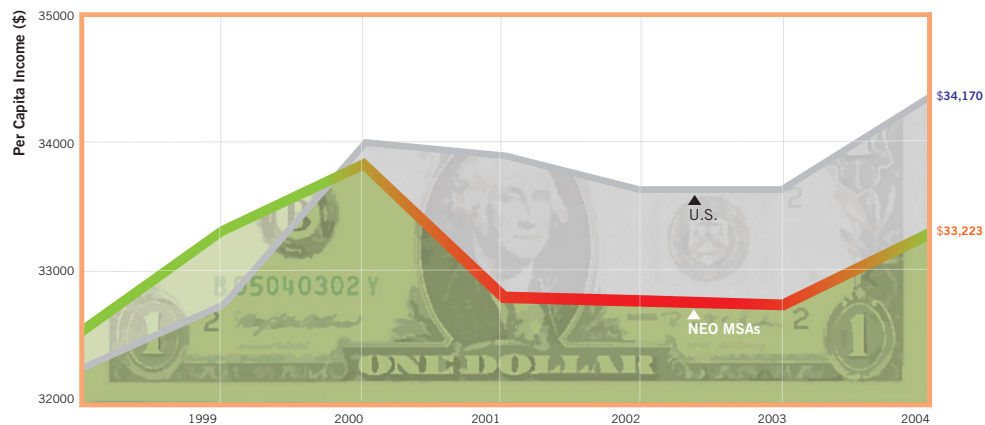
While it can be comforting to pick out one answer to a region's economic challenges, the Dashboard shows that simply isn't possible. The Dashboard's analysis of the economic performance of 136 communities across the United States finds there are nine distinct factors correlated to economic growth, and those factors consist of separate elements.

Each factor is important and inter-related, but the complexity of the economic analysis shouldn't prohibit us from drawing conclusions. From the Dashboard, the Fund distills four key drivers of economic growth, particularly in terms of per capita income and employment:

- >> **Educational Attainment**
- >> **Entrepreneurship**
- >> **Innovation**
- >> **Racial and Economic Inclusion**

One part of the Dashboard isn't complicated, and that's the portion that shows how Northeast Ohio is performing against the rest of the nation. As the chart below demonstrates, our per capita income fell below the national average in 1999. One of the key goals of Advance Northeast Ohio is to increase our region's per capita income above the national average.

Per Capita Income in Northeast Ohio, the U.S.



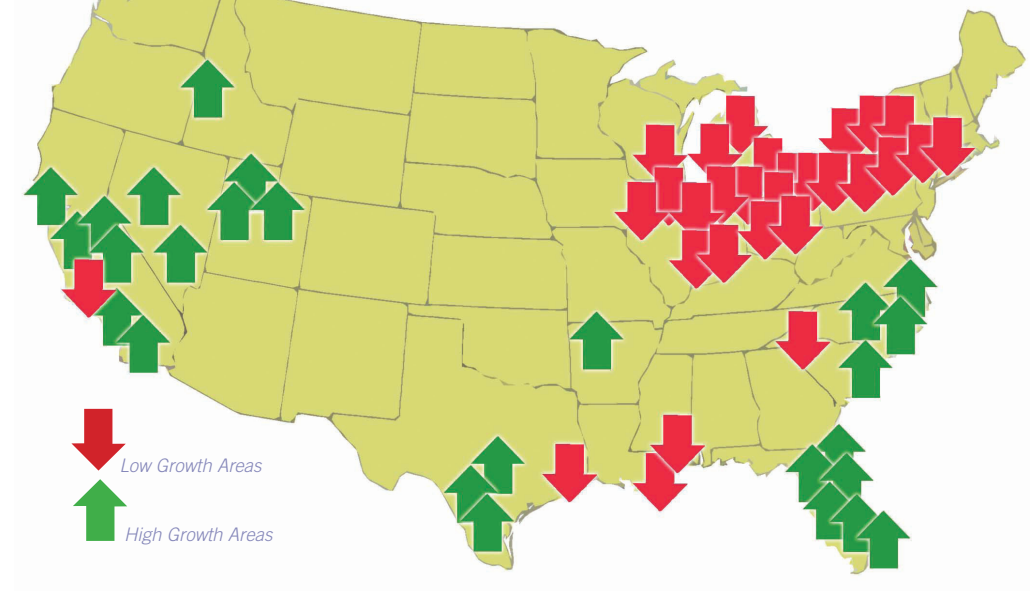
* Per capita income is adjusted for inflation.

Lesson 2

History Shapes Our Present, Not Our Future

Northeast Ohio's economic performance reflects the performance of markets throughout the Great Lakes. The economic shortcomings of the Great Lakes in general, and Northeast Ohio in particular, are tied closely to economic history – especially the region's dependence on the Big Three automotive companies and slow growth industries.

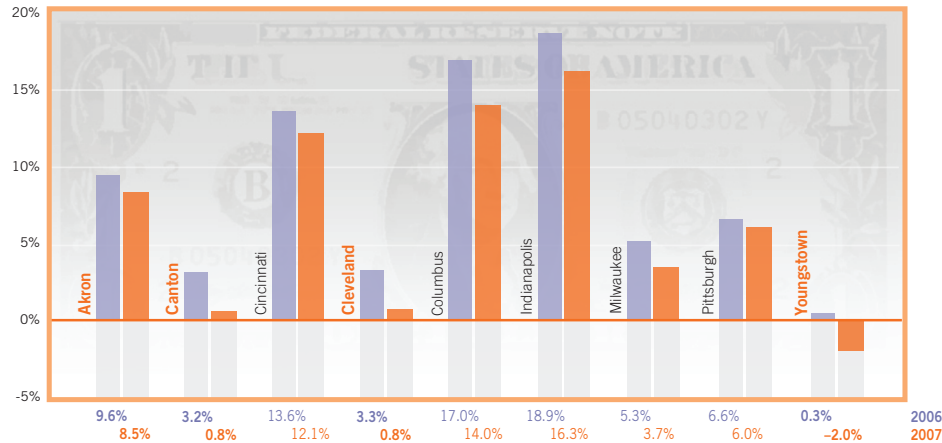
Employment Growth Leaders and Laggards 1995-2005



The Dashboard reflects the connection among history, location and economic performance through a group of economic statistics grouped together under the heading "Legacy of Place." As we consider the best and worst performing economies, it is clear that this legacy plays a powerful role in shaping the region's present economy.

Lesson 3

Comparison of Employment Trends among Midwest MSAs



The 2006 Dashboard study measured employment growth from 1994 to 2004; the 2007 Dashboard study measured growth from 1995 to 2005.



LEGACY OF PLACE

Northeast Ohio cannot change its past, and we shouldn't spend a lot of time fretting about what was. We can, however, reshape the region's future, and one way to accelerate that process is learning from others. As the accompanying chart illustrates, some Great Lakes communities are doing comparatively well in employment growth.

Closer to home, Akron has done better in recent years at creating jobs and growing incomes than the other three metropolitan areas in Northeast Ohio (Canton, Cleveland-Elyria and Youngstown). While our legacy may prevent us from quickly surpassing younger economies in the South and West, we can make dramatic improvements in our economic future. The region needs to continue to learn from these other markets and identify whether any of the lessons they've learned and programs they've implemented can be applied to Northeast Ohio. Simply getting to their level of performance would yield about an extra 300,000 jobs and \$2,100 in per capita income.

Focus on What Matters

Economic development can be susceptible to fads. Leaders from government, business, education, labor and other sectors should use the Dashboard to help them stay focused on what matters. Overwhelmingly, the Dashboard tells us entrepreneurship, innovation and economic inclusion matter. But most importantly, in the global, knowledge-based economy of the 21st century, all roads ultimately lead to talent.

Again, there is no silver bullet related to talent. The talent challenge spans the societal spectrum. Our region cannot prosper if too many adults are illiterate. Nor can the region compete with high-growth markets unless a much higher percentage of its residents have a bachelor's degree or higher. And in an era where life-time employment is obsolete, we must provide incumbent and displaced workers access to the training and education opportunities that result in life-time employability.

The four action areas of Advance Northeast Ohio reflect the need to stay focused, and they all connect to the importance of developing, attracting and retaining talent:

- >> **Business Growth and Attraction** – Companies will only grow where they have access to the talent needed to compete.
- >> **Racial and Economic Inclusion** – Minority and disadvantaged populations will not be able to fully benefit from economic growth without the skills and training required to succeed as either employees or entrepreneurs.
- >> **Government Collaboration and Efficiency** – The region's quality of life, often dictated by land use, taxes and government services, plays an integral role in its ability to attract and retain talent.
- >> **Workforce Preparation and Educational Excellence** – To develop world-class talent, Northeast Ohio's workforce development programs and educational institutions must excel.

The region needs to stay focused on implementing the economic development initiatives in each of the four action areas of Advance Northeast Ohio.

Lesson 4

Set Regional Goals

Advance Northeast Ohio provides a framework for meeting the region's talent imperative and to address the other key factors tied to economic growth. The public, private and philanthropic sectors have committed significant resources to implementing more than 20 separate initiatives under the four action areas. We are encouraged by the success of many of the initiatives, but the region's economic performance, as measured by the Dashboard, continues to lag well behind most of the nation.

With the framework of Advance Northeast Ohio agreed to, we believe that the region can build more support and secure more resources for the plan's initiatives by setting firm goals to outperform the national average in **job growth, per capita income** and the percentage of people living in **poverty**. To reach those three overarching goals, we'll need more tangible, ideally shorter-term objectives that will influence the Dashboard's growth factors. Regional goals are needed in such areas as:

- >> *Increasing the number of residents under age 25 with a bachelor's degree or higher.***
- >> *The amount of venture capital invested in the region.***
- >> *The percentage of youth in high poverty areas going on to higher education.***

These are just some of the areas where goals are needed. And Northeast Ohio will need to agree on specific targets to achieve in these areas and others. The Fund for Our Economic Future is beginning conversations with the public, as well as private and public sector leaders, to identify the areas for goals and the appropriate achievement targets. Then the public, private and philanthropic sectors will need to commit resources to the Advance Northeast Ohio initiatives that will enable the region to achieve those targets.

Conclusion

The Dashboard of Economic Indicators can help guide Northeast Ohio's regional economic development efforts. The Fund for Our Economic Future is confident that if the region collectively applies the lessons of the Dashboard, then Northeast Ohio will be home to highly educated, entrepreneurial and innovative residents. Minorities and disadvantaged populations will be included in the region's economic prosperity. And Northeast Ohio's economic future will be bright.



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