

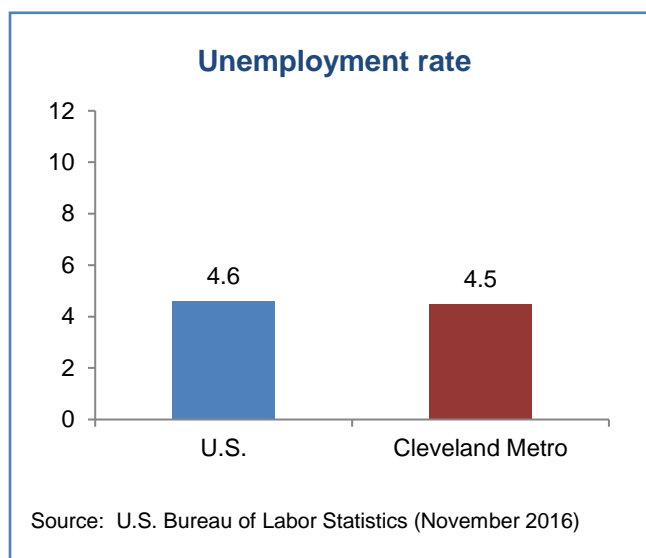


Metro Economic Outlook: Cleveland

Food production and the automotive industry continue to strengthen the Cleveland region's economy, and health care is expected to be a major driver for job growth in the near future.

From 2015 to 2025, the Cleveland area will generate 85,000 job openings in the health care industry, either through new positions or replacements, said Jacob Duritsky, managing director of research for Team Northeast Ohio (NEO), which promotes Greater Cleveland as a destination for new business.

The Cleveland region, which spans five counties in northeast Ohio, will have 123,000 new jobs overall by 2025, and food manufacturing will play a big role in that growth. That sector is responsible for \$2.6 billion



CLEVELAND METRO: VITAL STATS

Total working age population: 1,213,038 out of a total population of 2,060,810

Number of households: 849,475

Consumer price index: 220.777 (goods and services that cost \$100 in 1982-1984 cost \$220.78 in November 2016)

Percentage of local residents with bachelor's degrees: 18.0

With graduate or professional degrees: 11.5

Workers in STEM industries: 25 per 1,000 residents

Sources: U.S. Census Bureau (2015), U.S. Bureau of Labor Statistics (November 2016), American Institute for Economic Research (2015)

in annual local economic activity, and the reason for that success is twofold, Duritsky said.

“It’s a couple of things. One is our central location, we’re within an eight-hour drive of 60 percent of the country,” he said. “Two, it’s the nature of our region and our state. We have metro areas, but once you’re outside those areas, it’s pretty rural. So we have a combination of a lot of land, which lends itself to natural food production, and access to the workforce.”

New technologies associated with shale development – such as hydraulic fracturing, or “fracking” to extract natural gas from shale – are also converging near eastern Ohio and western Pennsylvania, where a high concentration of Utica shale has drawn the attention of energy companies.

A study by Cleveland State University said that the Utica shale development could eventually create more than 65,000 jobs in eastern Ohio, but employment

growth has not been substantial to date. That has not discouraged local economic development officials, Duritsky said.

“The pace of drilling has slowed with the downturn in the oil industry,” he said, “but what we have continued to bank on is natural gas liquids, and a lot of propane and butanes are prevalent with

Utica. We still see the potential of what’s in the ground as our biggest asset.”

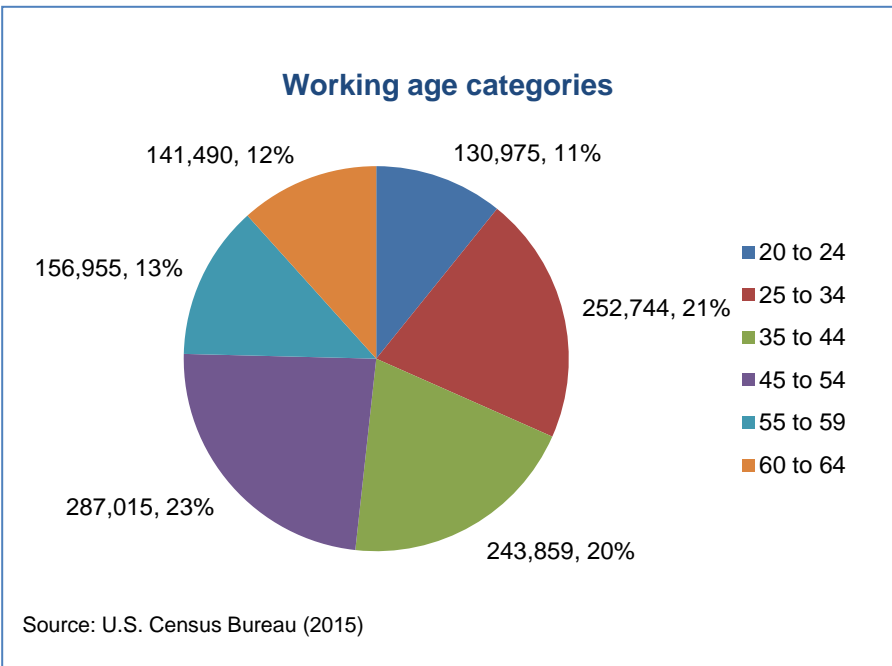
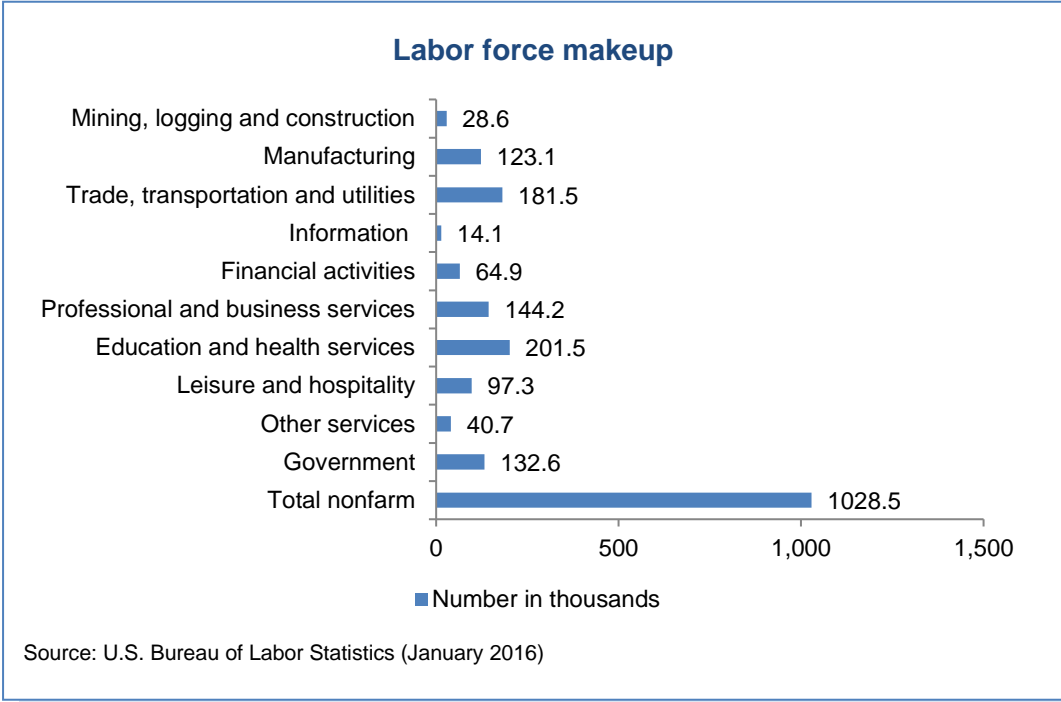
The automotive sector has also enjoyed a revival in the Cleveland region as of late. Among the recent good news was a decision by Ford Motor Co. to shift production of a line of its pickup trucks from Mexico to an existing plant in Avon Lake, located just west of

Cleveland. Ford invested \$168 million to retool the facility, and production began in the summer of 2015. Ford employs about 1,400 workers at the plant.

Some of the Cleveland area’s local *Fortune* 500 companies include auto insurance giant Progressive, paint products company Sherwin-Williams and technology interest Parker Hannifin.

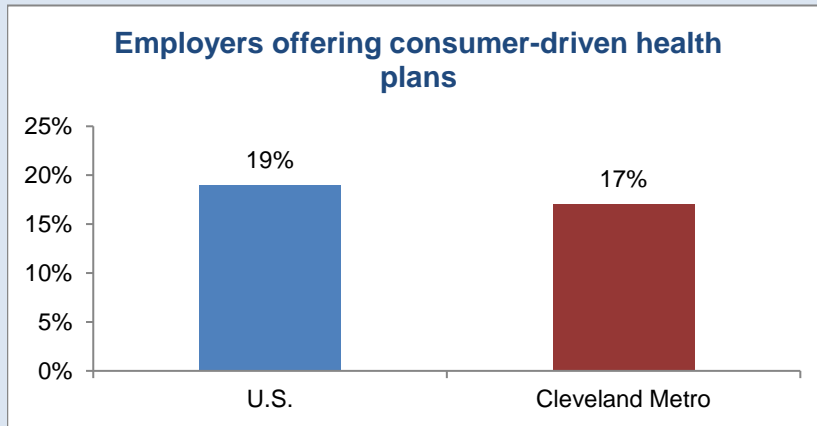
Even with steady growth in the local economy, many employers are struggling to find qualified workers for their job openings, Duritsky said. Some employers, particularly manufacturers, are hesitant to pay market-rate wages, as well.

“They’re having trouble finding qualified people, but is there a wage issue? I think there’s a component of that, too,” he said. “Our manufacturing labor tends to skew older, so there are some concerns and we need to be cognizant of it.” ♦

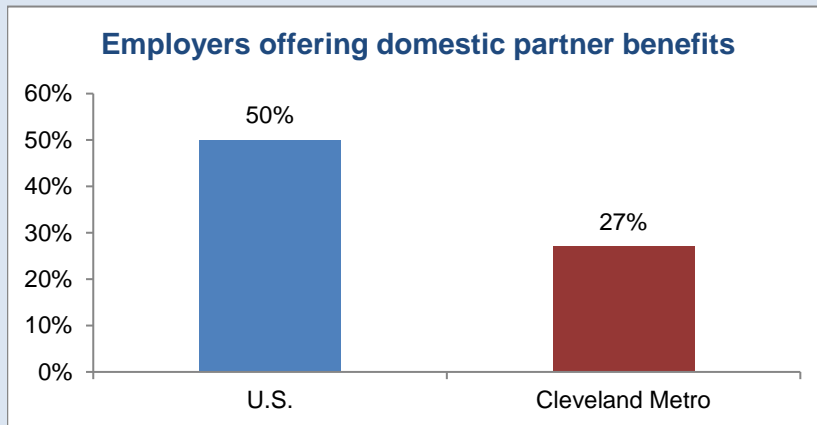




Employee Benefits Data



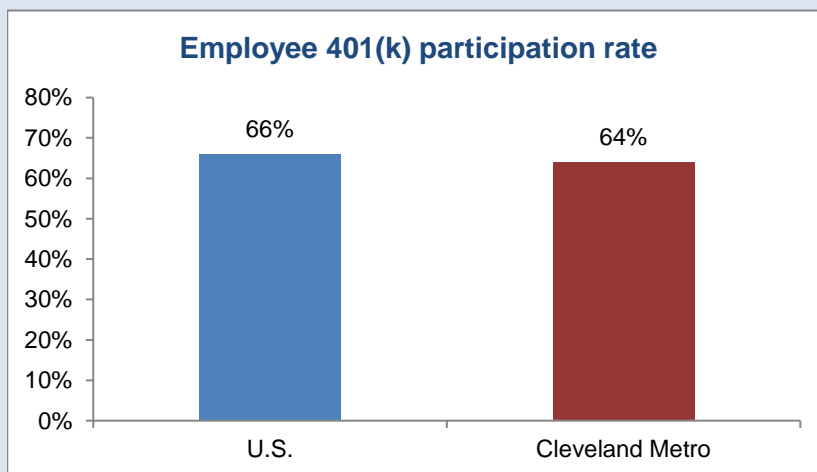
Employers in the Cleveland metro area are slightly less likely to offer consumer-driven health plans compared with the national level, by a margin of 2 percent.



They are considerably less likely to offer domestic partner benefits, by a margin of 23 percent below the national average.

Source: SHRM Health Care Benchmarking Database (2016)

Retirement

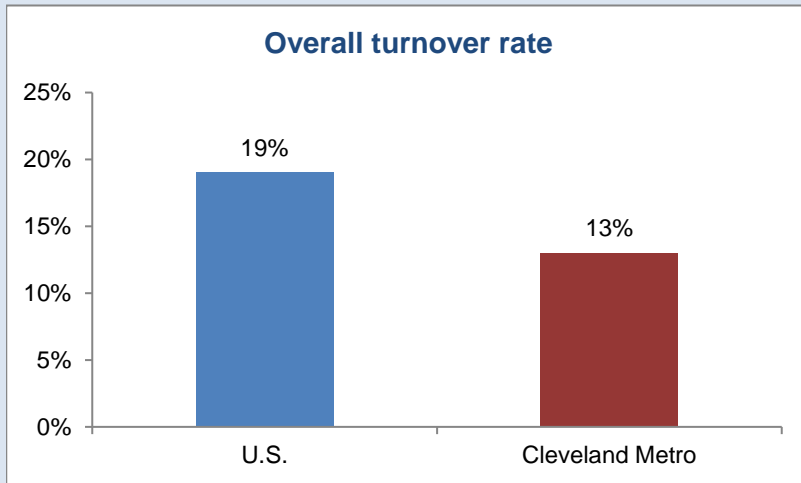


The rate of employee 401(k) participation in the Cleveland metro area's workforce is slightly below the national level, by a margin of 2 percent.

Source: SHRM Retirement & Welfare Benefits Database (2016)

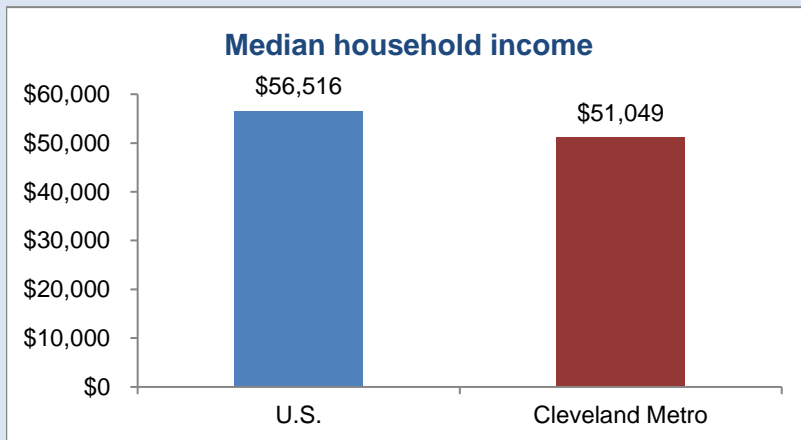


Income and Turnover Data



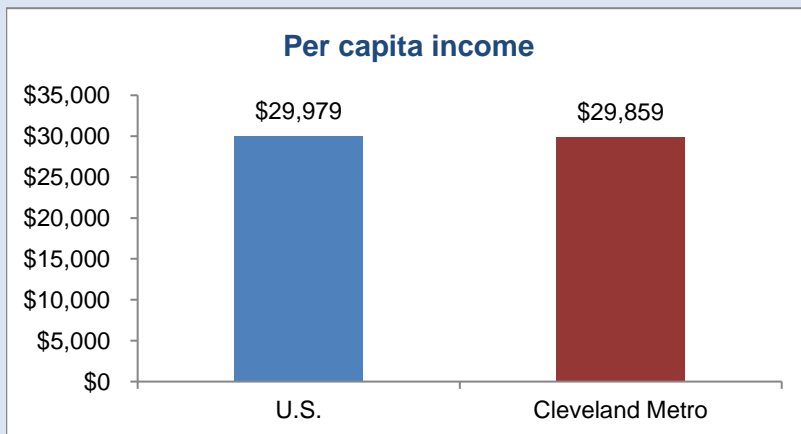
Source: SHRM Human Capital Benchmarking Database (2016)

The turnover rate in the Cleveland metro area's workforce is lower than the national level, by a margin of 6 percent.



Source: U.S. Census Bureau (2015)

Median household income in the Cleveland metro area is lower than the national level, by more than \$5,000 annually.



Source: U.S. Census Bureau (2015)

Per capita income in the Cleveland metro region is nearly on par with the national level.



Top Management Salaries Data



Median salaries for top management level employees in the Cleveland metro area are typically below national levels.

*Ohio state median data

**Ohio state median data, without labor relations experience

Source: Willis Towers Watson Data Services 2016 Survey Report on Top Management Compensation

Project lead: Joseph Coombs, Senior Analyst, Workforce Trends, SHRM
 Project contributors: Shonna Waters, Ph.D., VP of Research
 External contributors: Jacob Duritsky, Team Northeast Ohio
 Copy editing: Katya Scanlan, copy editor

This report is published by the Society for Human Resource Management (SHRM). All content is for informational purposes only and is not to be construed as a guaranteed outcome. SHRM cannot accept responsibility for any errors or omissions or any liability resulting from the use or misuse of any such information.

© 2017 Society for Human Resource Management. All rights reserved. Printed in the United States of America.

These materials and the data contained within them are copyrighted by SHRM, another copyright holder (where noted), or are government-owned. SHRM hereby grants permission for users to copy and use these materials and the data contained within them only if proper attribution is given to SHRM (or the noted copyright holder) as the source of the material.

For more information, please contact:

SHRM Research Department
 1800 Duke Street, Alexandria, VA 22314, USA
 Phone: (703) 548-3440 Fax: (703) 535-6432
 Email: SHRMResearch@shrm.org
 Web: www.shrm.org/research