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The Role of CSU's EDA University Center (Presentation)

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The Role of CSU’s EDA University Center

Leveraging Capacity and Expertise of Colleges and Universities for Economic Development

Presented at the 2008 EDA Regional Economic Development Conference

Ziona Austrian, Ph.D.
The EDA University Center at Cleveland State University

May 13, 2008
University Role in Economic Development

- Educate and train future labor force
- Conduct R&D leading to innovations and patenting activities
- Utilize efficient technology transfer process to spin off companies
  - Manage business incubators
- Acquire and develop real estate around the university
  - How real estate development practices of universities impact long-term development of cities and neighborhoods
- Create regional dialogue
  - Conduct research on regional economies to assist policy makers to design and implement new initiatives
The CSU’s EDA University Center

- Serve as a think tank for regional economic development organizations
  - Analyze urban and regional economies
  - Conduct research on critical economic development issues
  - Respond to needs of local and regional economic development entities

- Participate in state and national discussions on economic development
Economic Development Problems in Northeast Ohio

- Northeast Ohio (NEO) is a 16-county area, including five metropolitan areas and four rural counties.
  - It accounts for more than one-third of Ohio’s population, Gross State Product, and employment.

- The NEO economy continues to underperform
  - Stagnant population
  - Lagging job growth
    - Growing at a slower rate during expansionary years
    - Declining at a faster rate during recessionary years

Figure 1. Total Employment, 1997:Q1 to 2007:Q1
Per capita income in NEO was higher than the U.S. through 1999, after which it fell and remained below the national average.

*Sample average: average of 136 metropolitan areas in the U.S.*
NEO’s Metro Areas Are Lagging: Gross Metropolitan Product

- Growth patterns were similar between 1995 and 1998
- In 1999, NEO declined while the U.S. and sample MSAs continued to grow
- The gap between NEO and the national economy has increased
Leadership Actions in Response to NEO’s Poor Economic Performance

- The region’s philanthropic sector pooled resources to fund economic development
  - Regional initiatives
  - Regional economic dashboard indicators
  - Civic dialogue

- Emphasis on regional approach to economic development
  - Global competitiveness
  - Retention and expansion
  - Innovation and entrepreneurship
  - Regional Marketing Strategy (Cleveland +)
  - Advance Northeast Ohio
EDA Center’s Scope of Work

- Advance entrepreneurship in Northeast Ohio
  Partner: JumpStart
- Advance innovation in Northeast Ohio
  Partner: NorTech
- Enhance the competitiveness and growth of the manufacturing sector through research and analysis
  Partner: Manufacturing Advocacy & Growth Network (MAGNET)
- Measure economic performance of regional economies
  Partner: The Fund for Our Economic Future
- Develop and disseminate economic briefs tracking regional economic performance
- Provide general technical assistance
Advance Entrepreneurship in Northeast Ohio Partner: JumpStart, Inc.

Entrepreneurship Confidence Surveys
- Second-year survey completed in Spring 2007; report released in October 2007
- Both surveys received wide media coverage: locally and national
- A third survey is currently being developed
Advance Entrepreneurship in Northeast Ohio: Economic Impact of JumpStart

- Economic impact of JumpStart portfolio companies
  - Conducted in partnership with JumpStart
  - Measures impact through JumpStart’s investment in portfolio companies and its technical assistance to other entrepreneurs
  - Dissemination of results:
    - Results presented by JumpStart CEO at annual meeting (Jan. 2007); approximately 500 in attendance
    - Joint press release issued by JumpStart and the Center
    - Wide coverage in local media
    - Results included in a presentation by JumpStart at an EDA Development Symposium in Kansas City, September 2007

- A second economic impact study was just completed; results to be announced in JumpStart’s 2008 annual meeting
Performance of the High-Tech Sector
Partner: NorTech

- Performance of the high-tech sector in Northeast Ohio in comparison to the Midwest and the U.S.
  - Define high-tech industries
  - Measure trends in high-tech industries (using measures of Employment, Wages, Gross Regional Product, and Productivity)
  - Measure trends of high-tech clusters
  - Measure trends in High-tech occupations
  - Research and development (measured in terms of industry and academic R&D)
Advanced Innovation in the Cleveland MSA: Knowledge Flows

- Identified the Cleveland MSA’s competitive patent product classes
- Compared the Cleveland MSA with other metropolitan areas in its knowledge flows
- Analyzed main patenting entities in *Professional and Scientific Instruments* field
- Identified patent classes at *expanding* and *high plateau* phases
  - Analyzing dynamics of industries associated with identified patent classes
Manufacturing Importance to Ohio’s Economy
Partner: MAGNET

- Develop and release a series of Manufacturing Briefs
- Series is intended to provide a quick, current, and informative report on the status of the region’s manufacturing sector
- First two briefs for Northeast Ohio released in May and October 2006; third released in November 2007
- First brief for Northwest Ohio just released (May 2008)
- All briefs are widely distributed by MAGNET
Dashboard Indicators: Measuring Economic Performance
Partner: Fund for Our Economic Future

The study answers three questions
- How do we measure economic growth?
- What factors are closely tied to economic growth?
- How do Northeast Ohio and other regions perform?

The study created
- A common language
- Consistent metric to track over time (versus reacting to latest headlines)
- Tool to focus resource investment
  - Initiatives to pursue
  - Defense against extraneous requests
Study Accomplishments

- Developed a framework for regional growth
- Established a set of economic growth measures
- Established a set of dashboard indicators and the variables that underlie each indicator
- Showed the association between each of the indicators and four measures of economic growth
- Ranked the performance of metropolitan areas in each of the indicators and the measures of economic growth
- Provided policy makers with information to design effective strategies and interventions
Factors’ Impact on Regional Economic Growth

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<th>Per Capita Income</th>
<th>Employment</th>
<th>GMP</th>
<th>Productivity</th>
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Lessons:
- No silver bullet; several factors determine a region’s economic performance
- History shapes present, not future
- Focus on what matters
- Set regional goals
How is the Dashboard Used?

The Region’s Economic Action Plan: Shared priorities among business, political, civic, and philanthropic leaders
- Business Growth and Attraction
  - Attraction and Retention
  - Innovation and entrepreneurship
- Talent Development
- Racial and Economic Inclusion
- Government Collaboration
Tracking Economic Conditions in NEO: Economic Briefs

- Fourth brief focusing on 2005-2007 trends
- Widely distributed (10,000 copies were mailed)
  - Private, public, and nonprofit sector organizations in Northeast Ohio
  - Ohio legislators
  - Ohio federal delegation
Major Partners and Other Clients
Center Contributions

- Significant participation in initiatives to transform Northeast Ohio from an industrial to a knowledge-based economy
- Serving as a regional resource for applied research and technical assistance
- Providing analytical capacity to the region’s economic development organizations
- Providing research reports and publications on Center’s website as a resource for regional and national economic development organizations
- Participating in the Regional Council of Economic and Policy Advisors
- Speaking engagements
- Media attention (locally and nationally)
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http://urban.csuohio.edu/economicdevelopment/index.shtml