

Clermont County CIC, Inc.

**Economic Development
Strategy Plan**

An Economic Development Strategy for Clermont County Executive Summary

The proposed Clermont County Economic Development Strategy is based on an analysis of the County's changing economic base. This analysis establishes that over the past decade Clermont County has been experiencing a rapid rate of growth, both in absolute terms and relative to the metropolitan, state and national economies. This rapid growth is reflected in population, median household income, employment levels, wages and total number of jobs. Growth has been propelled by the comparative advantages of Clermont for such industries as manufacturing, accommodation and food services, health care and publishing. This growth has been sustained despite the relatively low level of educational attainment achieved by the County's population.

Additional advantages that have contributed to Clermont's growth are its proximity to interstate highways and the international airport, the availability of developable land and the age of its workforce. Weaknesses, in addition to educational achievement, include lack of housing options, attractiveness of the community for young adults and the relatively small number of prepared development sites.

Based on these trends and conditions, a broad range of policies and coordinated strategies are suggested. First, a clear set of economic goals are proposed. These include the following:

Vision

Clermont County will achieve an economic future that promotes the long-term prosperity of its citizens, the fiscal soundness of its government and the sustainability of its natural resources.

Mission Statement

Promote Clermont County's economic development, utilizing an aggressive marketing and comprehensive planning approach that encourages sound fiscal policy, citizen participation and environmental quality. Achievement of this mission will support optimal productive use of the community's human and natural resources.

- GOAL A: Promote a diverse economy through new business attraction and retention/expansion of existing businesses**
- GOAL B: Finance and maintain appropriate infrastructure for community and economic development**
- GOAL C: Provide and retain a high quality workforce**
- GOAL D: Foster collaborative working relationships among economic development stakeholders at the community, county, regional, state, federal and international levels**

GOAL E: Increase public understanding and involvement in economic issues

GOAL F: Ensure sustainable development and conservation of natural resources

Specific initiatives to accomplish each of these goals are described. For example, Goal B could be attained through such initiatives as the following:

1. Complete CIC formation process, including public/private capitalization and begin land acquisition and site preparation activities.
2. Extend necessary infrastructure to existing industrial-zoned properties, creating sites that encourage business location, retention, and expansion.
3. Maintain and improve the vitality of village and township cores and neighborhood business districts through enhanced pedestrian access, transit, and parking.
4. Encourage jurisdictions that have tax increment financing (TIF) ability to use that authority to support private sector investments in appropriate ways.

To carry out these initiatives, the strategy discusses a possible administrative structure. The optimal economic development structure for Clermont County has recently been a topic of considerable debate. The proposed model illustrates only one possibility and could be changed to reflect decisions on role assignments which, hopefully, will be made very soon.

The proposed strategy concludes with a set of potential measures for evaluating the success of its implementation. The indicators cover various aspects of the local economy's performance and can be tracked to determine which initiatives within the overall strategy need to be altered over time. These potential measures/indicators include:

- A. Increase (Decrease) in Average Household Income
- B. Growth (Decline) in Retail Sales
- C. Level of New Capital Investment
- D. Net Rate of New Business Starts/Closures
- E. Growth in Tax Receipts
- F. Population Growth
- G. New Housing Starts

Table of Contents

INTRODUCTION - I

ECONOMIC BASE ANALYSIS - II

STRATEGIC GOALS AND INITIATIVES - III

SECTION I: INTRODUCTION AND OVERVIEW

This document seeks to specify a strategic direction for all Clermont County efforts focused on economic development. The strategy is derived from three primary sources. First, the economic base and development context of the County has been described and analyzed in a comprehensive study performed by the Economics Center for Education & Research at the University of Cincinnati. Additional insight has also been derived from prior studies of the County's market position performed as part of the Vision 32 comprehensive planning exercise. Finally, the expert opinion of local public and private sector leaders has been obtained to place these other sources of data in a historical and practical policy context.

It is the intention of the Board of County Commissioners that this document will serve as a point of reference for guiding the County's economic development policy and programs. As such, it will need to be frequently revised and updated to reflect changing needs and opportunities.

The County currently operates a variety of programs which are meant to improve the ability of the County to attract new investment, thereby expanding the County's economic base and performance. This investment leads to the creation of new jobs, expansion of the tax base and enhancement of the County's quality of life. In order to obtain the optimal effectiveness of these programs, it is imperative that the County attempt to identify its comparative advantages for attracting various forms of economic investment. An analysis of past trends, current performance and possible future patterns of investment can indicate where and in what economic categories the County should focus its limited economic development resources.

The University of Cincinnati study concludes that Clermont possesses a variety of assets that explain the comparatively rapid and sustained growth of certain economic categories within its boundaries. Specific industrial categories within manufacturing, accommodations and food service, information, scientific and technical services have demonstrated rapid growth due to Clermont County's comparative advantages for these industries relative to other parts of the region, the state and the country.

Consequently, although many other industrial categories are represented in the County's economic base, it makes strategic sense to target and otherwise organize the County's resources and programs around those efforts that directly address the needs and concerns of the County's high growth industries. Further details on the methods used to identify these industrial categories are contained in Section II of this document.

The next step is to determine the strategic goals and initiatives which can most effectively enhance and market Clermont County's attractiveness to its target industries. The strategic goals and initiatives section of this document proposes a set of actions that have high probability of achieving this result. Resource requirements for implementing these initiatives are identified along with timeframes for their accomplishment. A proposed administrative structure for guiding and directing the strategic plan's implementation is also provided.

Finally, methods for measuring the overall effectiveness of the strategic plan are described. Agreement on the appropriateness of these measures will be essential because they will become the means for "keeping score" and determining whether or not the strategic plan is successfully moving Clermont County toward its desired economic future.

SECTION II

Clermont County Economic Base Analysis

**Prepared for the
Board of County Commissioners
and the
Department of Community Planning
of Clermont County**

**Prepared by the
Economics Center for Education & Research
University of Cincinnati**

November, 2003

Executive Summary

Introduction

A clear understanding of the local economy is a cornerstone of effective economic development efforts. The information contained in this economic base analysis will serve as both a resource for Clermont County leaders in understanding economic development issues and a foundation for making decisions.

The Demographic Picture

Population

Clermont County is growing substantially: a population growth of more than 33,000 from 1990 to 2002. Clermont County's attractiveness for homebuyers is the principal reason for this growth: during the 1990s, more than 90 percent of the population growth occurred in owner-occupied units.

During the 1990s, Clermont County grew at a faster rate than the Cincinnati metropolitan area,¹ the state of Ohio and the U.S. Growth between 2000 and 2002 puts Clermont County among the top ten counties in Ohio in terms of both rate of growth (3.0%) and numerical growth (5,375). Within the Cincinnati CMSA, Clermont County is one of the four counties that account for almost all population growth in the region.

Recent growth within Clermont County has taken place on the western side of the county, in areas easily accessible to roads and other infrastructure. The townships of Batavia, Miami, Pierce and Union grew by an average of 28 percent, and together they account for almost 86 percent of the total population increase in the county.

Age and Income

Clermont County has a relatively younger population than the Cincinnati metropolitan area, and its median household income is considerably higher than that of the metro area.

Clermont County has a higher percentage of residents under 18 years of age, but a smaller percentage of 18 to 24 year-olds than the Cincinnati metropolitan area has. Among the over-35 age cohorts, Clermont County has markedly higher concentrations in the 35-44 and 45-54 cohorts. This age distribution creates a higher proportion of working age residents within Clermont County. Population growth has occurred in almost all age groups, but especially in the 35-44 and the 45-54 age groups.

The median household income for Clermont County is 10 percent higher than the median income for the entire Cincinnati metropolitan area. In proportion to the CMSA, Clermont County has fewer low to moderate income households and more middle to upper-middle income households.

¹ The Cincinnati metropolitan area is defined by the U.S. Office of Management and Budget as the Cincinnati-Hamilton Consolidated Metropolitan Statistical Area (CMSA), includes thirteen counties: Hamilton, Butler, Warren, Clermont, and Brown in Ohio; Boone, Kenton, Campbell, Pendleton, Grant, and Gallatin in Kentucky; and Dearborn and Ohio in Indiana.

Education

Overall, Clermont County has a lower level of educational attainment than the CMSA. The pattern of lower educational attainment persists across all adult age groups, although college graduation rates are higher among 25 to 44 year olds. The County's lower level of education may limit employment opportunities for residents and deter development of businesses needing a more highly educated labor force.

The Labor Force Picture

Employment Trends

At the time of the 2000 Census, Clermont County had a labor force of 93,287, of whom only 3.5 percent reported being unemployed. Due primarily to its demographic composition, Clermont County had a Labor Force Participation Rate of 70 percent, compared with 67 percent for the CMSA, 65 percent for Ohio, and 64 percent for the US.

During the period from 1990 to 2002, Clermont County added 17,001 workers, a 22 percent increase. While Clermont County's labor force grew much faster than that of the Cincinnati metropolitan area, the County maintained an unemployment rate that closely resembled that of the Cincinnati CMSA. Clermont County's economy consistently had lower unemployment than the overall Ohio average, but usually had unemployment slightly above the average for the entire Cincinnati area.

The size and growth of Clermont County's labor force is directly tied to that of the population. In both 1990 and 2000, many more individuals left Clermont County for employment than those who had come into the Clermont County for work. Many individuals typically commute to more urban counties, such as Hamilton County, as a result of Clermont County's labor force being considerably larger than its employment base. However, the change since 1990 is a favorable one.

Occupations

Within the Clermont County's labor force, 31 percent of workers have management, professional, and related occupations. The labor force within Clermont County saw growth of 23 percent in the 1990s, with certain industries taking a commanding lead in growth.

Industries

There are several dominant industries within Clermont County, the largest being manufacturing, which employs 19 percent of the labor force. The distribution of employment by industry within Clermont County and Greater Cincinnati is very similar.

Wages

The occupations in which Clermont County residents work generally pay above average wages. The large majority of Clermont County residents have occupations with average annual wages of at least \$34,000.

The Employment Picture

Residents of other counties fill approximately 30 percent of the jobs in businesses located within Clermont County.

Between 1995 and 2000, employment trends indicated that Clermont County's employment base was shifting from the Manufacturing and the Wholesale & Retail Trade industry sectors to the Services and the Finance, Insurance, Real Estate industry sectors. Between 1995 and 2000, the Finance, Insurance, Real Estate sector had the largest growth in average wage rate (61.4 %) in Clermont County, followed by the Services sector (40.5%). There is a correlation between the industry sectors with faster employment growth and larger wage rate increases.

Clermont County's employment growth has been stronger and more stable than the trends for the metro area, state, and nation. In addition, Clermont County's average weekly earnings are growing at a faster rate than earnings in comparative areas. In Clermont County during 2000, the Information sector had the highest average weekly wage rate, at \$1,190, among all North American Industrial Classification System (NAICS) industry sectors.

The Industry Picture

Dominant Industries

Within Clermont County, certain industries play a leading role in the economy. Retail Trade, Manufacturing, Accommodation & Food Services, Health Care & Social Assistance, Construction, and Information are the six industry sectors with the largest employment in Clermont County.

General merchandise stores is the dominant industry within the Retail Trade sector, which is the most important sector, accounting for almost 20 percent of private employment in the County. The Manufacturing sector is a significant employer (16% of Clermont County jobs) and is primarily fueled by three industries: machinery mfg., transportation equipment mfg., and fabricated metal product mfg.

Within the Accommodation & Food Services sector, 97 percent of all jobs are found in the food services and drinking places industry. Ambulatory health care services and nursing & residential care facilities are the dominant industries in the Health Care & Social Assistance Sector. Two thirds of all jobs in the Construction sector exist in the special trade contractors industry. The dominant industry within the Information sector is publishing, which accounts for six out of every seven jobs in this sector.

Location Quotient Analysis

The location quotient (LQ) method of analysis is a measure of the relative concentration or specialization of economic activity (i.e., the comparative advantage) in an area. A location quotient that is substantially greater than 1.00 suggests that the industry has some local advantage in production.

When analyzed at the industry sector level, the economic base of Clermont County relative to the US is primarily based on Utilities (2.35), Information (2.06), and Retail Trade (1.54).

Of course, within any industry group, some industries are more important than others. Among the industries with the highest location quotients, four are in Manufacturing, three are in Retail Trade, and two are in Information.

Employment Change

The Retail Trade sector employed the most workers in 1997, followed by Services, and the Manufacturing sector is third. During the period 1990 to 1997, employment in Clermont County increased by 13,321 jobs; in terms of employment growth, the most important industry was Services (5,183 jobs).

Shift-Share Analysis

Determining Sources of the Shifts in Local Employment: Shift-share analysis examines the shifts over time in the employment patterns of a local or regional economy compared to the nation.

The National Growth Component: The first source of change is the growth or contraction in the American economy. Between 1990 and 1997, the national growth component was responsible for a 12.6 percent growth in local employment, or a total of 3,923 jobs in Clermont County.

The Industrial Mix Component: The second element in the analysis is the extent to which an industry has grown, net of effects from the national growth component. This component of the shift-share analysis identifies how various economic sectors are affected by growth or decline within that sector or industry at the national level. The most positive industrial mix component for the 1990 to 1997 period was in the Services sector, while the most negative component was in the Manufacturing sector.

The Local Share: The local share reflects how a region's industries performed compared to the national average for each industry. A positive local share component generally indicates that an area has a competitive advantage. Clermont County's local share accounted for 9,716 jobs out of the total growth of 13,321 between 1990 and 1997, with the Service sector alone accounting for 31 percent of the local share.

A small number of industries created most of these jobs. Among the industries with the highest local share, four are in Services, three are in Manufacturing, three are in Retail Trade, and two are in Wholesale Trade.

Local Share Index: The Local Share Index offers another way to look at the results of the shift-share analysis. Six of the seven major industry sectors (those with employment greater than 1,000) had above average Local Share Indexes, led by FIRE and Wholesale Trade.

The Local Share Index for the Manufacturing sector matches the 1.27 index for total employment. In both the Services and Construction sectors, the indexes of 1.31 show that they have contributed more than their share to local economic growth. The index for Retail Trade is fairly strong as well, primarily because growth in this sector is a response to growth in other sectors.

Growth from 1998 to 2001

Four NAICS industry sectors have dominated recent industry growth in Clermont County. Of these four growth sectors, Manufacturing is the largest, with the local share component responsible for the attraction or retention of 609 jobs. Another industry sector with substantial growth due to the local share component is Accommodations & Food Services. The Information sector also showed substantial growth in Clermont County, due primarily to the local share but also as a result of national and industry growth. The final NAICS industry sector with a strong local share performance is Professional, Scientific & Technical Services.

The Job Outlook Picture

Occupations

In 2000, the largest occupation categories within the four main southwestern Ohio counties were office & administrative support occupations, sales & related occupations, and production occupations. However, the occupations that currently employ the highest number of people are not projected to grow the most in the current decade.

The computer & mathematical occupations are projected to grow the most in southwestern Ohio, at a rate of 58.4 percent. Among individual occupations, the trend is similar, with computer-related occupations holding the top five positions in the list of fastest growing occupations. Similarly, in all of Ohio, computer-related occupations top the growth list.

At the other end of the spectrum, the fastest declining occupations in the Cincinnati area are led by two production-related occupations and two office & administrative support-related occupations.

Those occupations with the most annual job openings—food preparation & serving workers, retail salespersons, and cashiers—are predominantly low-skill and high-turnover, but not job growth occupations.

Education Level

Education is the key to the job outlook in southwestern Ohio: the fastest rates of employment growth are projected for those education and training levels that involve at least some amount of college education. The percentage growth of jobs requiring an associate degree is projected to be the greatest, followed by positions requiring post-graduate and bachelor's degrees.

The three fastest-growing occupations among positions requiring short-term on-the-job training are all in the health care field: personal & home care aide, home health aides, and physical therapist aides. Most of the fastest-growing occupations among positions requiring an associate's degree are specialists or technicians whose duties involve working with some type of technology.

Clermont County needs to face these changes that are projected to occur by developing strategies that foster post-secondary education. The educational attainment of Clermont County residents is increasing, but this trend must intensify if they are to be prepared for a future workplace with greater education demands.

Industries

Because occupations can be categorized to roughly match industries, an approximate job outlook by industry is possible.

Based on occupational projections, growth industries are most likely to appear in the Information and Health Care & Social Services sectors. Based on the projections related to education and training, the Professional, Scientific, & Management sector is also likely to produce growth industries.

This outlook means that the Information sector has the potential to become even more of an exporting industry, with a corresponding increase in its 2.06 location quotient. The job outlook for Clermont County is affected by a combination of factors: occupational projections, labor force qualifications (especially education), and industry strengths.

The Development Potential Picture

Successful economic development in Clermont County will build on the strengths of the community while simultaneously addressing its weaknesses.

Clermont County's Strengths and Weaknesses	
Strengths	Weaknesses
Location <ul style="list-style-type: none"> - Cincinnati Metropolitan Area - Suburban Area with Strong Population Growth 	Labor Force Preparedness <ul style="list-style-type: none"> - Education Level - Occupation Projections
Transportation Infrastructure <ul style="list-style-type: none"> - Interstate and Other Major Highway Access - Proximity to Greater Cincinnati / Northern Kentucky International Airport 	Availability of Developed and Developable Sites for Business Locations
Availability of Developable Land <ul style="list-style-type: none"> - Vacant Industrial and Commercial Tracts - Other Undeveloped Land 	Retention and Attraction of Young Adults <ul style="list-style-type: none"> - Age Distribution and Growth - Housing Options
Labor Force <ul style="list-style-type: none"> - Growth - Favorable Age Distribution 	
Industry Strengths <ul style="list-style-type: none"> - Role of Manufacturing - Industry and Wage Growth 	
Tax Rates Lower Industrial and Commercial Rates	

Table of Contents

Executive Summary	i
Table of Contents	vii
Introduction	1
Section I Demographic Profile	2
A. Population Growth	2
B. Age and Income	3
C. Education	5
Section II Labor Force Profile	7
A. Employment Trends	7
B. Occupations.....	9
C. Industries	10
D. Wages	11
Section III Employment Profile	13
Section IV Industry Profile	17
A. Dominant Industries	17
B. Location Quotient Analysis	19
C. Employment Change.....	21
D. Shift-Share Analysis	21
E. Growth from 1998 to 2001	24
Section V Job Outlook	26
A. Occupations.....	26
B. Education Level.....	28
C. Industries	30
Section VI Development Potential Profile	32
A. Strengths.....	32
B. Weaknesses	35
Appendices:	
Appendix 1: Clermont County Location Quotient Table	37
Appendix 2: 1990-1997 Shift-Share Analysis by 2-digit SIC Industry	40
Appendix 3: Clermont County Land Use Maps	41
Current Vacant Land	
Current and Vacant Industrial Land Use	
Current and Vacant Commercial Land Use	

Introduction

A clear understanding of the local economy is a cornerstone of effective economic development efforts. Economic base theory provides a framework for understanding the local economy, and economic base analysis provides several techniques for analyzing the local economy.

Economic base theory breaks the economy into basic and non-basic industries. Basic industries are activities in which a region specializes. They serve markets outside a region. Toyota Manufacturing in Georgetown, Kentucky is a good example: cars are exported from Georgetown in response to external demand. Non-basic industries, in contrast, are composed of those firms that depend largely upon local business conditions. They serve internal markets. For example, a local grocery store sells its goods to local households, and its products are consumed locally. Most household services (like dry cleaners) and retail businesses (like drug stores) are non-basic because they respond almost entirely to local demand.

According to economic base theory, the means to strengthening and growing the local economy is to develop and enhance the basic industries. The basic industries are therefore identified as the "engine" of the local economy. Through these basic industries, the local economy brings new money into the community, which is key to the community's economic growth and prosperity.

Economic base analysis is a tool for understanding the local economy on the basis of this theory. It begins with a series of profiles of various aspects of the local economic development picture: key characteristics of the overall population, along with labor force, employment, and industry profiles.

The next step is an analysis of the local industrial base. The Location Quotient technique, which is employed in this study, is the most commonly utilized economic base analysis method. This technique is most useful for identifying specializations (basic industries) in the local economy. The Shift-Share technique, which is also used in this study, examines industry changes over time.

Other important components of an economic base analysis are projections related to employment by occupation and industry, as well as an overview of a community's economic development strengths and weaknesses.

The information contained in this economic base analysis will serve as both a resource for Clermont County leaders in understanding economic development issues and a foundation for making decisions.

I. Demographic Profile

A. Population Growth

Clermont County is growing substantially. As of July 1, 2002, Clermont County had 183,352 residents according to the U.S. Census Bureau, a population growth of more than 33,000 since 1990.

Table 1: Clermont County Population

1990	150,187
2000	177,977
2002	183,352

Clermont County's attractiveness for homebuyers is the principal reason for this growth. During the 1990s, most (92%) of the population growth of 27,590, was due to the 30 percent growth in owner-occupied units. This resulted in a 22 percent growth in the population living in owner-occupied units, compared to just a 6 percent growth in the population living in renter-occupied units. Table 2 contains detailed information about changes in housing units and the population residing in them.

Table 2: Clermont County Housing Characteristics

	1990	2000	1990-2000 Change	
	Number	Number	Count	Rate
Occupied housing units	52,726	66,013	13,287	25.2%
Owner-occupied housing units	38,028	49,339	11,311	29.7%
Renter-occupied housing units	14,698	16,674	1,976	13.4%
Persons in occupied units	148,922	176,512	27,590	18.5%
In owner-occupied housing units	113,243	138,642	25,399	22.4%
In renter-occupied housing units	35,679	37,870	2,191	6.1%

During the 1990s, Clermont County grew at a faster rate than the Cincinnati metropolitan area,² the state of Ohio and the U.S. In fact, the growth of Clermont County was more than five percentage points higher than the national growth rate and more than double the growth rate for the Cincinnati CMSA. According to the Census Bureau, Clermont County has continued this pattern of growth, as evidenced by a growth rate of 3.0 percent between 2000 and 2002.

Table 3: Population Growth Comparison

	% Change	% Change	Average
	1990-2000	2000-2002	Annual Growth
Clermont County	18.6 %	3.0 %	1.68 %
Cincinnati CMSA	8.9 %	1.5 %	0.84 %
Ohio	4.7 %	0.6 %	0.43 %
U.S.	13.1 %	2.5 %	1.24 %

² The Cincinnati metropolitan area is defined by the U.S. Office of Management and Budget as the Cincinnati-Hamilton Consolidated Metropolitan Statistical Area (CMSA), includes thirteen counties: Hamilton, Butler, Warren, Clermont, and Brown in Ohio; Boone, Kenton, Campbell, Pendleton, Grant, and Gallatin in Kentucky; and Dearborn and Ohio in Indiana.

Growth between 2000 and 2002 puts Clermont County among the top ten counties in Ohio in terms of both rate of growth (3.0%) and numerical growth (5,375). Within southwestern Ohio, only Warren County exhibits a faster rate of growth (10.6%), and only Butler and Warren Counties have added more population (7,736 and 16,750 respectively). As a result of this growth, Clermont County is gradually becoming a more significant county within Ohio. In 1990, the population of Clermont County represented 1.38 percent of the total population of Ohio, while in 2002 it's population represented 1.61 percent of the state total.

Within the Cincinnati CMSA, Clermont County is one of the four counties that account for almost all population growth in the region. These four have each grown by more than 5,000 people between 2000 and 2002, while no other county has even a growth of 1,250.

Table 4: Population of the Cincinnati CMSA

County	Census 2000 Population	July 1, 2002 Population	Change 2000-2002
Warren, OH	158,383	175,133	16,750
Butler, OH	332,807	340,543	7,736
Boone, KY	85,991	93,290	7,299
Clermont, OH	177,977	183,352	5,375
Hamilton, OH	845,303	833,721	-11,582
Other 8 counties	378,741	383,640	4,899
Total	1,979,202	2,009,679	30,477

Recent growth within Clermont County has taken place on the western side of the county, in areas easily accessible to roads and other infrastructure. The townships of Batavia, Miami, Pierce and Union grew by an average of 28 percent, and together they account for almost 86 percent of the total population increase in the county. These four townships include the communities of Amelia, Batavia, Mt. Carmel, Mt. Repose, and Withamsville, and the areas around Loveland and Milford.

Table 5: Population for Clermont County and Selected Townships, 1990 and 2000

Name	1990	2000	Change	Share of Increase
CLERMONT COUNTY	150,187	177,977	18.5%	
Miami township	28,199	36,632	29.9%	30.3%
Batavia township	13,673	17,503	28.0%	13.8%
Pierce township	9,589	12,226	27.5%	9.5%
Union township	33,368	42,332	26.9%	32.3%
Sum of 4 townships	84,829	108,693	28.1%	85.9%

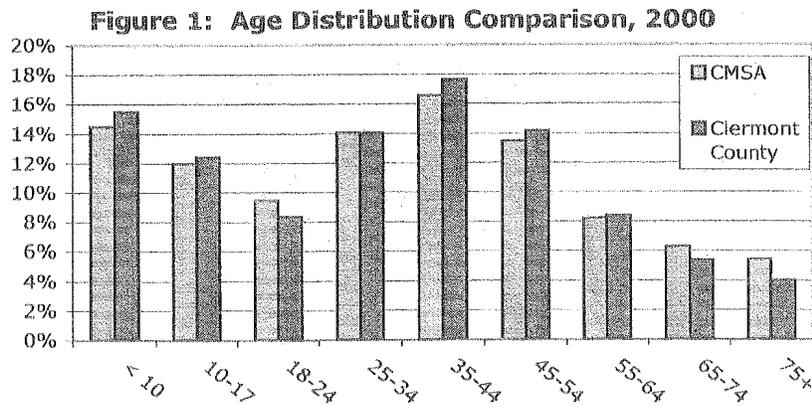
B. Age and Income

Clermont County has a relatively younger population than the Cincinnati metropolitan area, and its median household income is considerably higher than that of the metro area.

Clermont County has higher percentages of persons under 18 years of age, but a smaller percentage of 18 to 24 year-olds than the Cincinnati metropolitan area has. The percent of individuals in Clermont County under 18 years of age is 1.4 percentage points higher than the percent for the CMSA. Although the difference in the under 18 cohort is substantial, the median age difference (34.8 years for Clermont County and 35.0 for the CMSA) is relatively small because Clermont County has a much smaller percentage of residents in the 18 to 24 age range as compared to the CMSA.

Clermont County’s lack of residents in this age group is most likely due to the lack of college student residence complexes within the county. All of these complexes within the CMSA are located in other counties.

Among the over-35 age cohorts, Clermont County has markedly higher concentrations in the 35-44 and 45-54 cohorts. The percent of individuals in Clermont County in these two age groups is 1.7 percentage points higher than the percent for the CMSA. Another important fact to note is the lower proportion of retirees in Clermont County as compared to within the CMSA, as can be seen in Figure 1.



This age distribution creates a higher proportion of working age residents within Clermont County. As a result, Clermont County also has a higher presence in the local labor force as compared to the CMSA as a whole.

Population growth has occurred in almost all age groups, but especially in the 35 to 44 and the 45 to 54 age groups. As shown in Table 7, these two cohorts have accounted for more than 60 percent of the county’s net increase between 1990 and 2000. These people live in households that should be in their peak earning period through the next ten years, providing a strong demand for business establishments supplying consumer-oriented goods and services.

On the other hand, there are two cohorts that are exceptions to the general growth pattern: the 18 to 24 and the 25 to 34 age groups. This may be due to a combination of circumstances, but two potential barriers to growth in these population segments could be the lack of college opportunities and affordable housing within Clermont County.

Table 7: Population Change by Age, 1990 to 2000

	1990	2000	change	% change
0 to 9 years	25,015	27,562	2,547	10%
10 to 17 years	19,031	22,134	3,103	16%
Under 18 years	44,046	49,696	5,650	13%
18 to 24 years	14,699	14,885	186	1%
25 to 34 years	27,428	25,051	-2,377	-9%
35 to 44 years	24,084	31,412	7,328	30%
45 to 54 years	15,615	25,240	9,625	62%
55 to 64 years	11,264	14,946	3,682	33%
65 to 74 years	7,997	9,572	1,575	20%
75 years and over	5,054	7,175	2,121	42%

The median household income for Clermont County is 10 percent higher than the median income for the entire Cincinnati metropolitan area. Based on 1999 income data reported by the U.S. Census Bureau, Clermont County households had a median of \$49,386, while the median for the CMSA was \$44,914.

Table 8: 1999 Household Income Distribution

	Clermont County		CMSA		Difference
	Number	Percent	Number	Percent	
Median income (dollars)	\$ 49,386		\$ 44,914		\$ 4,472
Households with income:					
Less than \$30,000	18,025	27.3%	247,765	32.2%	-4.9%
\$30,000 to \$49,999	15,398	23.3%	176,150	22.9%	0.4%
\$50,000 to \$99,999	23,920	36.3%	247,085	32.2%	4.1%
\$100,000 to \$150,000	5,888	8.9%	62,363	8.1%	0.8%
\$150,000 to \$199,999	1,477	2.2%	16,905	2.2%	0.0%
\$200,000 or more	1,273	1.9%	18,186	2.4%	-0.5%
Total	65,981	100%	768,454	100%	

In proportion to the CMSA, Clermont County has fewer low to moderate income households and more middle to upper-middle income households. Table 8 shows that there are significant disparities in income between Clermont County and the metropolitan area in these two ranges. Clermont County has a smaller percentage of households in the lowest income division (below \$29,999), as compared to the Cincinnati metropolitan area. In addition, Clermont County has a significantly greater percentage of middle to upper-middle income households (\$50,000 - \$149,999).

C. Education

Overall, Clermont County has a lower level of educational attainment than the CMSA. The percentages of the 25-and-over population completing high school are comparable, but fewer Clermont County residents have achieved higher levels of education. As Table 9 shows, the largest difference is in the percentage of residents holding a bachelor's degree or more.

Population 25 years and over	Clermont County		CMSA	
	Number	Percent	Number	Percent
Total	113,513		1,267,807	
Less than HS diploma	20,377	18%	220,964	17%
High school graduate (includes equivalency)	40,139	35%	402,077	32%
Some college / Associate degree	29,440	26%	327,599	26%
Bachelor's degree or more	23,557	21%	317,167	25%

The pattern of lower educational attainment persists across all adult age groups, although college graduation rates are higher among 25 to 44 year olds. In these younger age groups, more people have attended or graduated from college than among older Clermont County residents, where the gap between County and CMSA educational levels is much larger (as indicated by the boldface print in Table 10). Yet even though the percentage of Clermont County residents with some college or a bachelor's degree or more increases with each younger age group, the college graduation rates still lag behind the rates for the CMSA among all age groups.

	Age: 25 to 34	35 to 44	45 to 64	65 and over
Population in age group	25,043	31,393	40,261	16,816
Percent of age group				
Less than HS diploma	12%	11%	17%	41%
High school graduate (incl. GED)	33%	36%	36%	35%
Some college / Associate degree	30%	29%	26%	14%
Bachelor's degree or more	<u>25%</u>	<u>24%</u>	<u>20%</u>	<u>9%</u>

As compared to CMSA: If number is bold, Clermont County's percent was well above the metro average. If number is bold, underlined and in italics, Clermont County's percent was significantly lower than the metro average.

The County's lower level of education may limit employment opportunities for residents and deter development of businesses needing a more highly educated labor force. Because the labor force in Clermont County is not as well educated as that of the region as a whole, persons who are in the labor force and those considering entry into it may face greater difficulty in finding work. This lower level of education could also hamper economic development efforts, both in attracting businesses that are looking at the Cincinnati area and in creating new enterprises that require a highly skilled labor force.

II. Labor Force Profile

The Labor Force Profile consists of data about people who reside in Clermont County, regardless of where they work. Examining labor force data provides information and insight about past and future economic development within Clermont County. Important information can be synthesized about the Clermont County economy by examining data (current and over a time period) on issues such as employment trends, prevalent industries and occupations, and wages.

A. Employment Trends

At the time of the 2000 Census, Clermont County had a labor force of 93,287, of whom only 3.5 percent reported being unemployed. Of the total labor force, 90,030 were employed and 3,257 were unemployed. Private wage and salary workers accounted for 85.7 percent of the employed labor force, government workers accounted for 8.2 percent, 5.9 percent of workers were self-employed, and the remainder were unpaid family workers.

Total Labor Force	93,287
Employed	90,030
Private Wage & Salary Workers	77,149
Government Workers	7,348
Self-Employed	5,305
Unpaid Family Workers	228
Unemployed	3,257
Unemployment Rate	3.5%

Due primarily to its demographic composition, Clermont County had a Labor Force Participation Rate of 70 percent, compared with 67 percent for the CMSA, 65 percent for Ohio, and 64 percent for the US. The Labor Force Participation Rate is calculated by dividing the labor force figure by the total population aged 16 and over.

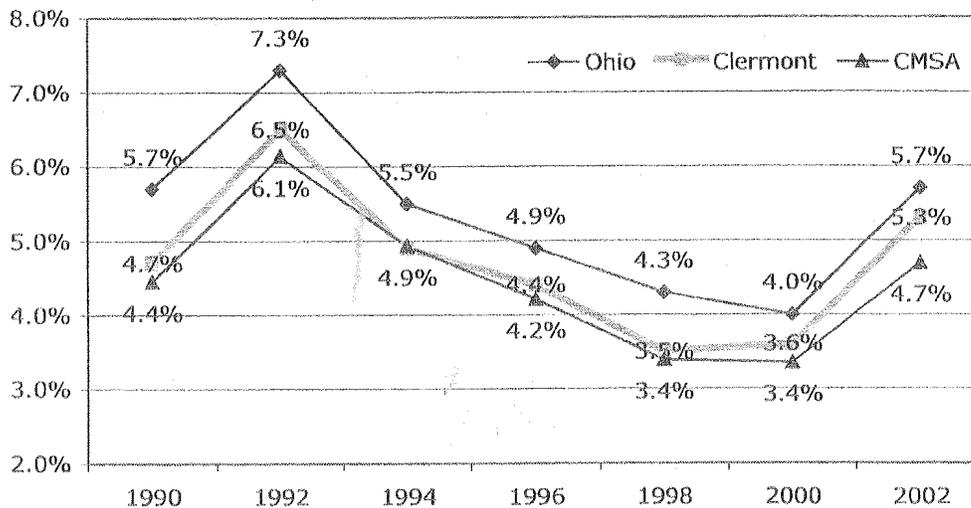
During the period from 1990 to 2002, Clermont County added 17,001 workers, a 22 percent increase. Table 12, based on data from the Bureau of Labor Statistics, also reveals that last year there were 98,126 individuals in the labor force, which was an increase of 18,414 individuals from 1990. Current data from the Bureau of Labor Statistics estimates that as of May 2003 Clermont County had 99,900 individuals in the labor force, of whom 94,800 were employed.

Year	Civilian Labor Force	Employed
1990	79,712	75,933
1992	83,564	78,110
1994	85,314	81,146
1996	89,832	85,858
1998	93,158	89,909
2000	94,697	91,272
2002	98,126	92,934

While Clermont County's labor force grew much faster than that of the Cincinnati metropolitan area, the County maintained an unemployment rate that closely resembled that of the Cincinnati CMSA. In comparison to Clermont County's 23 percent growth in its labor force, the Cincinnati CMSA labor force increased by 14 percent between 1990 and 2002. During this period, which roughly covers one economic cycle, the unemployment rate for Clermont County reached a recession-related high of 6.5 percent in 1992 and an economic expansion low of 3.5 percent in 1998, compared with a high of 6.1 percent in 1992 and a low of 3.4 percent in 1998 and 2000 for the CMSA. In Ohio, unemployment reached a high of 7.3 percent in 1992 and a low of 4.0 percent in 2000, while its labor force grew by 7.8 percent.

Clermont County's economy consistently had lower unemployment than the overall Ohio average, but usually had unemployment slightly above the average for the entire Cincinnati area. Figure 2 compares the performances of the three areas from 1990 to 2002, based on data from the US Bureau of Labor Statistics.

Figure 2: Unemployment Rate



The size and growth of Clermont County's labor force is directly tied to that of the population. Clermont County's labor force growth of 23 percent is slightly greater than the 22 percent population growth over the same time period. Between 1990 and 2002, 56 percent of the total growth in population was added to the labor force. Therefore, the labor force can be expected to continue to increase at about the same rate as the overall population of the County.

In both 1990 and 2000, many more individuals left Clermont County for employment than those who had come into the Clermont County for work. Table 13 shows this pattern of commuters coming into and leaving the Clermont County. The below information reveals that over the past ten years the number of individuals leaving the county has increased more than the number of workers commuting into Clermont County.

	1990	2000	Change
Total workers age 16+	71,376	88,372	16,996
Remain in Clermont County	27,257	35,454	8,197
Commute to Hamilton Co.	36,916	40,090	3,174
Commute to other counties	7,203	12,828	5,625

Many individuals typically commute to more urban counties, such as Hamilton County, as a result of Clermont County's labor force being considerably larger than its employment base. In fact, as can be seen in Table 13, a larger number of Clermont County's workers commute to Hamilton County than the number who have jobs within Clermont County.

However, the change since 1990 is a favorable one. The trend is that a larger proportion of the labor force is finding employment within Clermont County.

B. Occupations

Within Clermont County's labor force, 31 percent of workers have management, professional, and related occupations. As seen in Table 14, another 28 percent of employed Clermont County residents have sales and office occupations, while 16 percent are in production, transport, and material moving occupations. Most of the remaining workers who live in Clermont County are either in service occupations or construction, extraction, and maintenance occupations.

Occupation	Number	Percent
Management, professional & related occupations	27,442	30.5%
Sales & clerical occupations	25,399	28.2%
Production, transportation & material moving occupations	14,420	16.0%
Service occupations	11,860	13.2%
Construction, extraction & maintenance occupations	10,745	11.9%
Farming, fishing & forestry occupations	164	0.2%
Total employed persons in 2000	90,030	100.0%

The occupational distribution in the Cincinnati metropolitan area as a whole is fairly similar, with 3 to 4 percent more in management, professional, and related occupations, and 3 to 4 percent fewer in construction, extraction, and maintenance occupations.

The labor force within Clermont County saw growth of 23 percent in the 1990s, with certain industries taking a commanding lead in growth. The largest growth was seen in the management, professional, & related occupations where almost 8,500 workers were added and growth was over 44 percent. Service occupations also experienced growth over 40 percent, and the addition of over 3,400 positions. Sales & clerical occupations also experienced growth, but to a lesser degree, only 26 percent, adding 5,200 workers. The only occupations that experienced diminution were laborers and production workers. These occupations lost a total of 40 workers, resulting in -0.2 percent growth over the ten years.

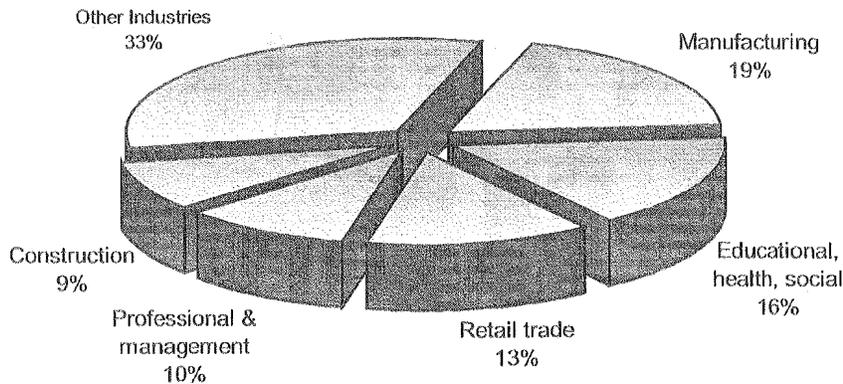
Occupation	1990	2000	Change
Management, professional & related occupations	18,986	27,442	8,456
Sales & clerical occupations	20,182	25,399	5,217
Service occupations	8,452	11,860	3,408
Laborers & production workers *	25,369	25,329	-40
Total	72,989	90,030	17,041

* Laborers & production workers includes three groups: Production, transportation & material moving occupations; Construction, extraction & maintenance occupations; and Farming, fishing & forestry occupations.

C. Industries

There are several dominant industries within Clermont County, the largest being manufacturing, which employs 19 percent of the labor force. Figure 3 also shows that following manufacturing are education, health and social services; retail trade; professional and management services (including waste management, scientific, and administrative); and construction, which employ 16 percent, 13 percent, 10 percent and 9 percent respectively. The remaining sectors constitute the remaining 33 percent, or 29,532 jobs, of the County employment base.

Figure 3: Clermont County Population Employment by Industry



"Other Industries" in Figure 3 is made up of agriculture, forestry, fishing & hunting; mining; wholesale trade; transportation & warehousing; utilities; information; finance & insurance; real estate & rental & leasing; arts, entertainment & recreation; accommodation & food services; other services (except public administration); and public administration.

The distribution of employment by industry within Clermont County and Greater Cincinnati is very similar. Table 16 also shows that the largest variance occurs within the educational, health and social services industry. This industry employs 2.3 percentage points more of the Cincinnati area's labor force as compared to Clermont County. Conversely, Clermont County is more heavily represented in the construction, manufacturing, and retail trade industries as compared to the entire Cincinnati area.

Industry	Clermont	CMSA
Agriculture, forestry, fishing & hunting; mining	0.3%	0.4%
Construction	8.6%	6.7%
Manufacturing	19.0%	17.3%
Wholesale trade	4.5%	4.0%
Retail trade	13.2%	11.7%
Transportation & warehousing; utilities	4.8%	5.6%
Information	2.1%	2.4%
Finance, insurance; real estate & rental & leasing	6.8%	7.5%
Professional, scientific, mgmt, admin, & waste mgmt services	10.0%	9.9%
Education, health & social services	16.4%	18.7%
Arts, entertainment, recreation, accommodation & food services	6.8%	7.9%
Other services (except public administration)	4.8%	4.4%
Public administration	2.7%	3.5%

D. Wages

The occupations in which Clermont County residents work generally pay above average wages. Table 17 combines County workers by occupation with state wage data.

SOC Code	Occupation	Avg. Hourly Wage	Avg. Annual Wage
<i>Primarily management, professional, and related occupations (30.5%)</i>			
11-0000	Management Occupations	\$29.81	\$62,008
29-0000	Healthcare Practitioners and Technical Occupations	\$29.10	\$60,528
15-0000	Computer and Mathematical Occupations	\$26.36	\$54,837
17-0000	Architecture and Engineering Occupations	\$23.91	\$49,730
13-0000	Business and Financial Operations Occupations	\$22.48	\$46,758
27-0000	Arts, Design, Entertainment, Sports, Media Occupations	\$18.09	\$37,636
25-0000	Education, Training, and Library Occupations	\$17.52	\$36,442
23-0000	Legal Occupations	\$17.39	\$36,171
<i>Primarily sales and clerical occupations (28.2%)</i>			
41-0000	Sales and Related Occupations	\$18.08	\$37,598
43-0000	Office and Administrative Support Occupations	\$13.29	\$27,642
<i>Primarily construction, extraction, and maintenance occupations (11.9%)</i>			
47-0000	Construction and Extraction Occupations	\$16.62	\$34,568
49-0000	Installation, Maintenance, and Repair Occupations	\$16.35	\$34,010
<i>Primarily production, transportation, and matrl. moving occupations (16.0%)</i>			
51-0000	Production Occupations	\$13.57	\$28,221
53-0000	Transportation and Material Moving Occupations	\$12.84	\$26,717
<i>Primarily farming, fishing, and forestry occupations (0.2%)</i>			
45-0000	Farming, Fishing, and Forestry Occupations	\$10.22	\$21,258
<i>Primarily service occupations (13.2%)</i>			
33-0000	Protective Service Occupations	\$20.50	\$42,640
21-0000	Community and Social Services Occupations	\$18.41	\$38,293
37-0000	Building & Grounds Cleaning& Maintenance Occupations	\$12.24	\$25,459
31-0000	Healthcare Support Occupations	\$9.63	\$20,026
39-0000	Personal Care and Service Occupations	\$9.41	\$19,576
35-0000	Food Preparation and Serving Related Occupations	\$8.29	\$17,234

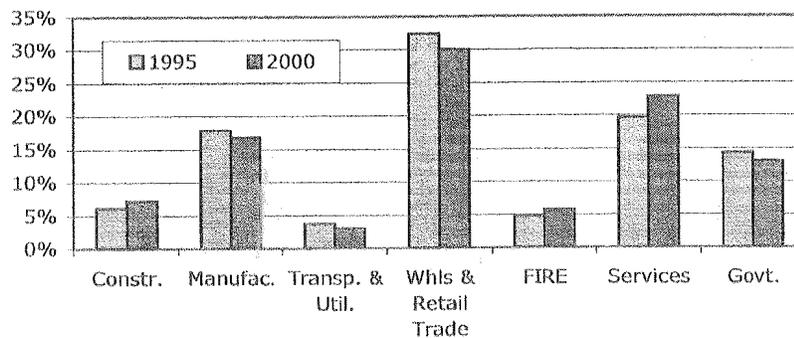
The large majority of Clermont County residents have occupations with average annual wages of at least \$34,000. Note that most of the well-paid occupations appear in the management, professional & related occupations, which also happens to have the highest concentration of workers (30.9%). The lowest-paid occupations are found in the service occupations, where a much smaller percentage of residents (13.2%) have positions. This data is drawn from the Occupational Employment Statistics survey and is based on Standard Occupation Classification Codes (SOC Codes).

III. Employment Profile

Residents of other counties fill approximately 30 percent of the jobs in businesses located within Clermont County. As established earlier, many Clermont County residents must travel outside of the County for work. Likewise, residents from surrounding counties fill a portion of the positions created by Clermont County businesses. This section examines the employment of businesses located within the County, regardless of the employees' places of residence.

Between 1995 and 2000, employment trends indicated that Clermont County's employment base was shifting from the Manufacturing and the Wholesale & Retail Trade industry sectors to the Services and the Finance, Insurance, Real Estate industry sectors. Although the number of employees increased in the Manufacturing sector, the proportion of covered employment³ within the sector decreased by a substantial amount. In contrast, the increase in employment in the Services sector was large in both quantity (adding 3,132 jobs) and percentage of total county employment (3.2%).

Figure 4: Changes in Employment Share



Covered Employment	1995	2000	Change '95-'00
All Industries	41,340	49,239	19.1%
Construction	2,539	3,568	40.5%
Manufacturing	7,387	8,284	12.1%
Transportation & Utilities	1,538	1,495	-2.8%
Wholesale & Retail Trade	13,413	14,777	10.2%
Finance, Insurance, Real Estate (FIRE)	1,987	2,827	42.3%
Services	8,128	11,260	38.5%
Government	5,946	6,423	8.0%

³ Covered employment refers to jobs covered under wage and hour law, as reported by the Ohio Bureau of Labor Market Information. Neither the Mining sector nor the Agriculture, Forestry, Fishing sector is included in the tables in this section because the figures are so small that they are suppressed.

Between 1995 and 2000, the Finance, Insurance, Real Estate sector had the largest growth in average wage rate (61.4 %) in Clermont County, followed by the Services sector (40.5%). The average annual growth rate of the average weekly earnings in all industry sectors in Clermont County was 4.2% from 1995-2000 while the average total growth from 1995 to 2000 was 22.8 percent.

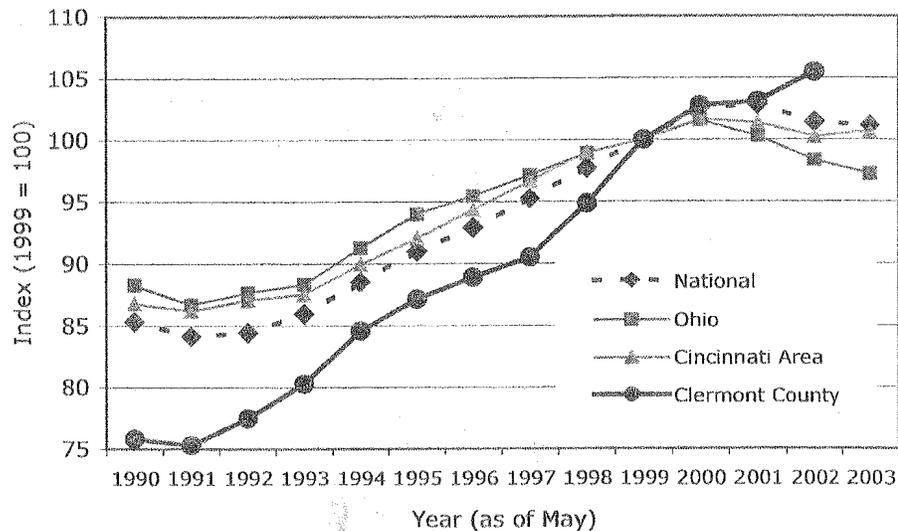
Covered Employment	1995	2000	Growth '95-'00
All Industries	\$497	\$611	22.8%
Construction	\$476	\$599	25.9%
Manufacturing	\$807	\$930	15.3%
Transportation & Utilities	\$693	\$869	25.4%
Wholesale & Retail Trade	\$364	\$405	11.5%
Finance, Insurance, Real Estate (FIRE)	\$483	\$780	61.4%
Services	\$422	\$592	40.5%
Government	\$493	\$596	20.9%

There is a correlation between the industry sectors with faster employment growth and larger wage rate increases. In most cases, when the growth rate is high for the number of employees, that industry sector also experienced larger growth in the average wage rate. The only industry sector where a similar change did not occur was in the Transportation & Utilities sector. In the remaining industry sectors similar growth was seen in both the employment growth rate and the average wage rate paid.

Industry Sector	Growth	
	Employment	Wages
All Industries	19.1%	22.8%
Construction	40.5%	25.9%
Manufacturing	12.1%	15.3%
Transportation & Utilities	-2.8%	25.4%
Wholesale & Retail Trade	10.2%	11.5%
Finance, Insurance, Real Estate	42.3%	61.4%
Services	38.5%	40.5%
Government	8.0%	20.9%

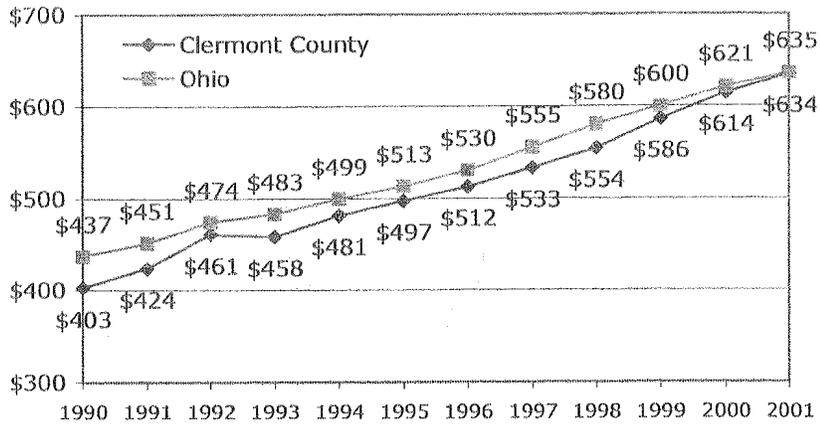
Clermont County's employment growth has been stronger and more stable than the trends for the metro area, state, and nation. Figure 5 shows the growth of employment in the nation, Ohio, the Cincinnati area and in Clermont County. Prior to 2000, although all of the area's employment trends were increasing, Clermont County's employment grew at a much faster rate. Since 2000, as all other employment numbers were dropping, employment in Clermont County has continued to rise.

Figure 5: Employment



In addition, Clermont County's average weekly earnings are growing at a faster rate than earnings in comparative areas. Figure 6 addresses the growth of Clermont County wages. Clermont County had an average weekly wage rate of \$634 in 2001. This 57.4 percent increase over the 1990 figure of \$403 is partly the result of inflation, but it also represents a 17.1 percent increase in real wages. Figure 6 also reveals that the average weekly earnings in Clermont County are slightly lower than statewide earnings. These numbers also show growth within Clermont County. In 1990, Ohio's average weekly earnings were \$437, while Clermont County had an average 8.5 percent lower. However, by 2001, the variance had all but disappeared. Clermont County's average weekly earnings, at \$634, were only 0.2 percentage points below the average weekly earnings statewide.

Figure 6: Average Weekly Earnings



In Clermont County during 2000, the Information sector had the highest average weekly wage rate, at \$1,190, among all North American Industrial Classification System (NAICS) industry sectors. Following the Information sector was the Manufacturing sector (\$936). The Accommodation & Food Services sector had the lowest weekly earnings at \$196.

IV. Industry Profile

A. Dominant Industries

Within Clermont County, certain industries play a leading role in the economy. Table 21 shows the distribution of employment by industry sector for the County, the Cincinnati PMSA,⁴ and the US. Industries employing a large percentage of the population are vital to the perpetuation of a thriving economy.

Table 21: Employment by Industry Sector, 2001

NAICS Code	Industry Sector Description	Clermont County	PMSA	US
23----	Construction	7.2%	5.4%	5.6%
31----	Manufacturing	16.2%	14.4%	13.9%
42----	Wholesale Trade	4.9%	6.5%	5.3%
44----	Retail Trade	19.9%	12.3%	12.9%
51----	Information	6.7%	2.7%	3.3%
52----	Finance & Insurance	4.8%	5.3%	5.4%
54----	Professional, Scientific & Technical Services	4.7%	5.8%	6.2%
62----	Health Care & Social Assistance	9.6%	12.2%	12.6%
72----	Accommodation & Food Services	10.0%	8.6%	8.7%
---	all other industry sectors *	10.5%	20.4%	20.6%

* This includes nine industry sectors: 11-forestry, fishing, & agriculture; 21-mining; 22-utilities; 48-transportation & warehousing; 53-real estate; 55-management of firms; 56-administration and related services; 61-education; 71-arts & recreation.

Retail Trade, Manufacturing, Accommodation & Food Services, Health Care & Social Assistance, Construction, and Information are the six industry sectors with the largest employment in Clermont County. Together these dominant industry sectors account for nearly 70 percent of all employment within the county. Of these six dominant industry sectors, five (Retail Trade, Manufacturing, Accommodation & Food Services, Construction, and Information) are more concentrated in the county, than in the Cincinnati PMSA and the US. The other industry sector, Health Care & Social Assistance, has a much less significant presence in the county as compared to the Cincinnati region and the United States.

General merchandise stores is the dominant industry within the Retail Trade sector, which is the most important sector, accounting for almost 20 percent of private employment in the County. As Table 22 shows, general merchandise stores account for 28 percent of all jobs in the Retail Trade sector. Food & beverage stores and motor vehicle & parts dealers also contribute significantly to the industry sector, each supporting nearly 16 percent of its employment.

⁴ The Cincinnati PMSA is the Cincinnati Primary Metropolitan Statistical Area, as defined by The Office of Management and Budget. It includes all of the counties in the CMSA, except Butler County. The PMSA is used in this portion of the analysis because certain business statistics used in this section are not available at the CMSA level.

Table 22: Dominant Sectors and Industries of Clermont County

NAICS Code	Sector / Industry Description	Employment	Percent
44----	Retail Trade	9,444	100%
452	General Merchandise Stores	2,664	28%
445	Food & Beverage Stores	1,502	16%
441	Motor Vehicle & Parts Dealers	1,493	16%
31----	Manufacturing	7,654	100%
333	Machinery Mfg	2,807	37%
336	Transportation Equipment Mfg	1,564	20%
332	Fabricated Metal Product Mfg	1,217	16%
72----	Accommodation & Food Services	4,723	100%
722	Food Services & Drinking Places	4,558	97%
721	Accommodation	165	4%
62----	Health Care & Social Assistance	4,545	100%
621	Ambulatory Health Care Services	1,708	38%
623	Nursing & Residential Care Facilities	1,270	28%
624	Social Assistance	797	18%
622	Hospitals	770	17%
23----	Construction	3,394	100%
235	Special Trade Contractors	2,250	66%
233	Building, Developing & General Contracting	603	18%
234	Heavy Construction	541	16%
51----	Information	3,181	100%
511	Publishing Industries	2,726	86%
513	Broadcasting & Telecommunications	209	7%

The Manufacturing sector is a significant employer (16% of Clermont County jobs) and is primarily fueled by three industries: machinery mfg., transportation equipment mfg., and fabricated metal product mfg. These three industries account for 37, 20, and 16 percent of the industry sector's employment, respectively.

Within the Accommodation & Food Services sector, 97 percent of all jobs are found in the food services and drinking places industry. This sector provides 10 percent of the employment in Clermont County.

Ambulatory health care services and nursing & residential care facilities are the dominant industries in the Health Care & Social Assistance Sector. This industry sector accounts nearly 10 percent of employment in the County.

Two thirds of all jobs in the Construction sector exist in the special trade contractors industry. The Construction sector provides more than 7 percent of Clermont County's employment.

The dominant industry within the Information sector is publishing, which accounts for six out of every seven jobs in this sector. Taken as a whole, nearly 7 percent of all employment occurs in the Information sector.

B. Location Quotient Analysis

The location quotient (LQ) method of analysis is a measure of the relative concentration or specialization of economic activity (i.e., the comparative advantage) in an area. It is often used in economic base studies as an initial step in understanding which sectors are driving a region's economy, and it most often uses employment as the gauge.

The location quotient method begins by determining the proportion of a local area's total employment that is in each industry sector. The same is then done for a much larger area, typically the nation. The local proportion is then divided by the national proportion (hence the name "location quotient"). Those industry sectors where the local proportion of employment exceeds the proportion of the national area (a location quotient greater than 1.00) are considered to be export-oriented to the degree that their location quotients exceed 1.00, and therefore part of the economic base. The rest of the sectors are assumed to be largely serving local demand and are therefore non-basic.

A location quotient that is substantially greater than 1.00 suggests that the industry has some local advantage in production. Industries with high location quotients are often targeted as industries with a high level of exports, following from the premise that if a greater portion of people are employed in this industry, then the region produces relatively more of this product and sells the excess to people outside the region.

Using County Business Pattern data from the US Department of Commerce, Table 23 calculates the location quotients for the county relative to the nation and the PMSA.

Table 23: Location Quotients for Clermont County Industry Sectors, 2001

NAICS Code	Industry Sector Description	LQ relative to US	LQ relative to PMSA
11----	Forestry, Fishing, Hunting, & Agriculture Support	0.60	4.38
21----	Mining	0.09	0.46
22----	Utilities	2.35	2.09
23----	Construction	1.27	1.33
31----	Manufacturing	1.17	1.12
42----	Wholesale Trade	0.92	0.75
44----	Retail Trade	1.54	1.62
48----	Transportation & Warehousing	0.55	0.43
51----	Information	2.06	2.46
52----	Finance & Insurance	0.89	0.91
53----	Real Estate & Rental & Leasing	0.67	0.73
54----	Professional, Scientific & Technical Services	0.76	0.82
55----	Management Of Companies & Enterprises	0.22	0.16
56----	Admin, Support, Waste Mgt, Remediation Services	0.48	0.54
61----	Educational Services	0.30	0.39
62----	Health Care & Social Assistance	0.76	0.79
71----	Arts, Entertainment & Recreation	0.63	0.57
72----	Accommodation & Food Services	1.15	1.16
81----	Other Services	1.12	1.22

Table 23 shows which industry sectors play a role in forming the economic base of Clermont County. The table also reveals that the County's economic base may be viewed differently, depending on the area the County is compared against. For example, the Forestry-Fishing-Hunting-Agriculture industry sector is non-basic in relation to the United States as a whole, but its high location quotient relative to the Cincinnati PMSA indicates that Clermont County may have a comparative advantage within the region and plays an important role in supplying regional demand outside of Clermont County.

When analyzed at the industry sector level, the economic base of Clermont County relative to the US is primarily based on Utilities (2.35), Information (2.06), and Retail Trade (1.54). Other industry sectors with location quotients above 1.00 are Manufacturing and Accommodation & Food Services. As the location quotients become increasingly greater than 1.00, the industry is considered more of an export industry and a significant component of Clermont County's economic base. The amount of comparative advantage sustained by any industry is proportional to the calculated location quotient.

The remaining industry sectors, with location quotients at or below 1.00, are generally assumed to supply the demands of Clermont County residents, not bringing into the region significant amounts of new income. Because these industries primarily serve the local population, they are considered to be non-basic.

Of course, within any industry group, some industries are more important than others. Not all business types within the Information sector are basic industries for Clermont County. Conversely, some types of Manufacturing are substantial and valuable parts of its economic base, even though the sector as a whole plays a modest role. Table 24 presents Clermont County's top basic industries (those with an LQ greater than 1.50).

Among the industries with the highest location quotients relative to the US, four are in Manufacturing, three are in Retail Trade, and two are in Information. Utilities, Transportation, Finance & Insurance and Other Services each have one representative. A complete list of 3-digit industries is found in Appendix 1 - Clermont County Location Quotient Table.

**Table 24: Top Clermont County 3-Digit Industries,
Ranked by 2001 US Location Quotient**

NAICS Code	3-Digit Industry Description	Employment	US LQ	PMSA LQ
511	Publishing industries	2,726	6.02	5.40
333	Machinery manufacturing	2,807	5.12	3.11
452	General merchandise stores	2,664	2.56	2.52
221	Utilities	634	2.35	2.09
485	Transit & ground passenger transportation	350	2.17	2.93
336	Transportation equipment manufacturing	1,564	2.17	1.54
441	Motor vehicle & parts dealers	1,493	1.96	2.32
811	Repair & maintenance	977	1.77	1.89
444	Bldg material & garden equip & supp dealers	903	1.76	1.80
332	Fabricated metal product manufacturing	1,217	1.68	1.25
339	Miscellaneous manufacturing	458	1.56	1.89
522	Credit intermediation & related activities	1,858	1.55	1.37

C. Employment Change

Location quotients are helpful, particularly in giving a sense of how the composition of local employment differs from national patterns. However, they are static and by themselves provide limited guidance for economic development. A number of additional questions must be answered in order to gain a fuller understanding of the factors affecting the health of the local economy. One such question is "What parts of the local economy have gained or lost employees?"

The Retail Trade sector employed the most workers in 1997, followed by Services, and the Manufacturing sector is third. Clermont County had a total 44,340 employees in 1997 in all industries. Table 25 presents employment by industry sector for the years 1990 and 1997 for Clermont County. The industries are ordered according to how many people they employed in 1997.

SIC Code	Industry Sector Description	1990 Employment	1997 Employment	Employment Change	Growth, 1990-97
	TOTAL	31,019	44,340	13,321	42.9%
52--	Retail Trade	10,034	13,098	3,064	30.5%
70--	Services	7,380	12,563	5,183	70.2%
20--	Manufacturing	6,420	7,906	1,486	23.1%
15--	Construction	2,432	3,350	918	37.7%
50--	Wholesale Trade	1,539	2,684	1,145	74.4%
60--	Finance, Insurance, & Real Estate (FIRE)	1,371	2,547	1,176	85.8%
40--	Transportation & Public Utilities	1,552	1,735	183	11.8%
--	Other: agriculture, mining, unclassif.	291	457	166	57.0%

During the period 1990 to 1997, employment in Clermont County increased by 13,321 jobs; in terms of employment growth, the most important industry was Services (5,183 jobs). It is followed by Retail Trade (3,064 jobs), and Manufacturing (1,486 jobs). On the other hand, the highest growth rates among the seven largest sectors were in Finance, Insurance, Real Estate (85.8%), Wholesale Trade (74.4%), and Services (70.2%).

D. Shift-Share Analysis

Analysis of local data leads, in turn, to other questions, such as "How have local industries performed relative to the nation?" "Which industries have a comparative advantage?" and "Have employment changes been caused by local or external forces?" A procedure called "shift-share analysis" helps answer these questions.

Determining Sources of the Shifts in Local Employment *Shift-share analysis examines the shifts over time in the employment patterns of a local or regional economy compared to the nation.* Its method is to take the change in employment for an area and decompose it into the three sources that account the change: overall national economic growth, economic shifts among the various economic sectors, and local economic growth.

The National Growth Component *The first source of change is the growth or contraction in the American economy.* Relying on the concept that "a rising tide lifts all boats," national growth in employment is assumed to affect the total employment in the region. The national growth component is that part of the change in total employment in a region ascribed to the rate of growth of employment in the nation as a whole. The effect of the national growth component is felt most acutely during the peaks and valleys of the business cycle, i.e. during recessions and boom times.

Between 1990 and 1997, the national growth component was responsible for a 12.6 percent growth in local employment, or a total of 3,923 jobs in Clermont County. Shift-share analysis applies this 12.6 percent to employment in the base year and estimates how employment would be expected to expand if the national influence were felt by every industry. Therefore, if employment grew locally at the same rate as national employment overall, local employment also would have grown by 12.6 percent. Consequently, the national growth component was responsible for a 12.6 percent growth in local employment, or a total of 3,923 jobs in Clermont County.

The Industrial Mix Component *The second element in the analysis is the extent to which an industry has grown, net of effects from the national growth component.* This component is determined by calculating the rate of change for an economic sector at the national level and subtracting from it the national growth component. In this way, the second aspect of the shift-share analysis, the industrial mix component, considers the effects of growth or decline in the individual economic sectors.

This component of the shift-share analysis identifies how various economic sectors are affected by growth or decline within that sector or industry at the national level. For example, the 1990s have been characterized by a decline in the Manufacturing sector. Therefore, areas that have been highly dependent on the Manufacturing sector have a more negative overall industrial mix component. Table 26 lists the components of change for each industry sector.

The most positive industrial mix component for the 1990 to 1997 period was in the Services sector, while the most negative component was in the Manufacturing sector. Because much of Clermont County's employment was concentrated in sectors with more negative industrial mix components, the area could expect less employment on the basis of its industry mix. After adding up across all the sectors, it appears that the industrial mix had a negative impact on the county's employment of 304 jobs.

Table 26: Shift-Share Analysis for Clermont County, 1990-1997

SIC Code	Industry Sector Description	Components of Employment Change			Percent of Local Share
		National Share	Industry Mix	Local Share	
	TOTAL	3,909	-304	9,716	100%
15--	Construction	306	-179	791	8%
20--	Manufacturing	809	-990	1,667	17%
40--	Transportation & Public Utilities	196	-14	1	0%
50--	Wholesale Trade	194	-77	1,028	11%
52--	Retail Trade	1,264	-156	1,956	20%
60--	Finance, Insurance, & Real Estate (FIRE)	173	-92	1,095	11%
70--	Services	930	1,268	2,985	31%
--	Other, incl. agriculture, mining, unclassif.	37	-64	193	2%

The Local Share *The local share reflects how a region's industries performed compared to the national average for each industry.* In other words, the third and final component of shift-share analysis reflects the difference between the actual change in employment and the employment change to be expected if each industrial sector grew at the national rate.

A positive local share component generally indicates that an area has a competitive advantage. This advantage could be due to local firms having superior technology, management, or market access, or the local labor force having higher productivity and/or lower wages. A negative local share component could be caused by local shortcomings in one or more of these areas.

Clermont County's local share accounted for 9,716 jobs out of the total growth of 13,321 between 1990 and 1997, with the Service sector alone accounting for 31 percent of the local share. The other major local share contributors were Retail Trade (20%) and Manufacturing (17%). These sectors, combined with FIRE, Wholesale Trade, and Construction, accounted for 98 percent of the local share component of employment change.

A small number of industries created most of these jobs. As was true with the location quotient analysis, not all industries within each of these sectors are equally important. Table 27 presents Clermont County's top industries in terms of the local share contribution to job growth (those with a local share of at least 250).

Table 27: Top Clermont County 2-digit SIC Industries, Based on Local Share

Sector-SIC Code	Industry Code Description	Employment		National Share	Industry Mix	Local Share
		1990	1997			
CONS-1700	Special trade contractors	1,529	2,623	193	-38	939
MFG-2300	Apparel & other textile products	8	380	1	-3	374
MFG-3400	Fabricated metal products	440	735	55	-39	279
MFG-3800	Instruments & related products	1,270	1,534	160	-360	464
WHL-5000	Wholesale trade - durable goods	1,072	1,760	135	-48	601
WHL-5100	Wholesale trade - nondurable goods	467	873	59	-20	367
RET-5300	General merchandise stores	1,053	2,265	133	20	1,059
RET-5500	Automotive dealers & service stations	1,059	1,709	133	-29	546
RET-5800	Eating & drinking places	2,768	4,022	349	138	767
FIRE-6100	Nondepository institutions	102	1,006	13	-1	892
SERV-7300	Business services	1,421	3,860	179	626	1,634
SERV-7500	Auto repair, services, & parking	212	636	27	29	368
SERV-7830	Motion picture theaters	370	565	47	-373	521
SERV-8000	Health services	2,298	3,278	290	372	318

Among the industries with the highest local share, four are in Services, three are in Manufacturing, three are in Retail Trade, and two are in Wholesale Trade. Construction and FIRE each have one representative. Note that, in most of these industries, the growth occurred as a result of the business decisions of many small- and medium-sized firms. A complete list of 2-digit SIC industries is found in Appendix 2 - 1990-1997 Shift-Share Analysis by 2-digit SIC Industry.

Local Share Index *The Local Share Index offers another way to look at the results of the shift-share analysis.* This index takes the local employment change (1997 employment ÷ 1990 employment) and divides it by the national change. So, as Table 28 shows for total employment, the local change of 142.9% (44,340 ÷ 31,019) is divided by the national change of 112.6% produces a Local Share Index of 1.27. If an industry within a particular region grew at the same rate as that industry nationwide, then the index figure would be 1.00. An index greater than 1.00 represents better than average performance and an index of less than 1.00 represents below average performance.

Table 28: Local Share Index for Clermont County, 1990-1997

SIC Code	Industry Sector Description	1990 US Empl. (000s)	1997 US Empl. (000s)	1990 Clermont Empl.	1997 Clermont Empl.	1997/1990 US	1997/1990 Clermont	Local Share Index
	TOTAL	93,476	105,299	31,019	44,340	112.6%	142.9%	1.27
15--	Construction	5,239	5,513	2,432	3,350	105.2%	137.7%	1.31
20--	Manufacturing	19,173	18,633	6,420	7,906	97.2%	123.1%	1.27
40--	Transp. & Utilities	5,592	6,247	1,552	1,735	111.7%	111.8%	1.00
50--	Wholesale Trade	6,328	6,810	1,539	2,684	107.6%	174.4%	1.62
52--	Retail Trade	19,815	22,003	10,034	13,098	111.0%	130.5%	1.18
60--	FIRE	6,956	7,367	1,371	2,547	105.9%	185.8%	1.75
70--	Services	28,800	37,380	7,380	12,563	129.8%	170.2%	1.31
--	Other	5,424	6,055	291	457	111.6%	157.0%	1.41

Six of the seven major industry sectors (those with employment greater than 1,000) had above average Local Share Indexes, led by FIRE and Wholesale Trade. In both of these sectors, national growth was below average, while local growth was well above average. Because of their extremely strong local performance in comparison to the nation, these two industry sectors had the highest indexes.

The Local Share Index for the Manufacturing sector matches the 1.27 index for total employment. This is an interesting coincidence, since the health of a region's Manufacturing sector is often regarded as an indicator of overall economic performance.

In both the Services and Construction sectors, the indexes of 1.31 show that they have contributed more than their share to local economic growth. In both sectors, more than half of the new jobs were due to local growth factors. The Services sector, with its dramatic growth, appears to owe its strong performance to the attractiveness of Clermont County as a business location, while the growth of the Construction sector is primarily a response to the increased demand for both residential and commercial development.

The index for Retail Trade is fairly strong as well, primarily because growth in this sector is a response to growth in other sectors. The Transportation and Utilities sector was the only one where growth did not exceed the national average.

E. Growth from 1998 to 2001

Four NAICS industry sectors have dominated recent industry growth in Clermont County. These years must be analyzed separately because, through 1997, industry data was organized according to the SIC system. As a result, direct comparisons between those years and the 1998 to 2001 period, in which NAICS is used, are not possible. In place of

the 9 SIC industry sectors, NAICS has 20 sectors; while there is correspondence in several cases, those situation are the exceptions.

Of these four growth sectors, Manufacturing is the largest, with the local share component responsible for the attraction or retention of 609 jobs. When this is combined with the local share for 1990 to 1997, the total local share component for Manufacturing amounts to 2,276 jobs, of which 1,655 are net new jobs and the remainder are, in effect jobs retained despite the national decline in this sector.

Another industry sector with substantial growth due to the local share component is Accommodations & Food Services. Total employment in this industry sector increased by 772, of which 561 jobs were due to the local share, during the period from 1998 to 2001. As noted in the location quotient analysis, this sector consists almost entirely of the food services & drinking places industry. Between 1990 and 1997, this industry, which had been part of Retail Trade in the SIC system, was one of the top local share growth industries identified in Table 28.

The Information sector also showed substantial growth in Clermont County, due primarily to the local share but also as a result of national and industry growth. (The local share of the sector accounted for 508 jobs of the 944 total growth.) This sector includes the printing & publishing industry from the SIC Manufacturing sector and the computer & data processing services industry from the SIC business services industry. Manufacturing and business services were both areas that had strong local share components in the 1990 to 1997 period.

The final NAICS industry sector with a strong local share performance is Professional, Scientific & Technical Services. This sector had a total increase of 442 jobs, of which 113 were due to the local share component. This industry sector corresponds to a wide variety of industries in the SIC Services sector and also incorporates some businesses from the SIC FIRE sector.

Limitations The use of the shift-share analysis technique does have some limitations. Perhaps the most significant one is that the use of broad sectors of the economy ignores the possible effects of industry distributions within those sectors. For example, if a region had a higher than average proportion of durable goods industries in the base year, that would have a negative effect on the region's industry mix statistic. However, it is possible that the particular region had a very large share of employment in fast-growth durable goods industries. In that event, the industry mix statistic would paint too negative a picture of the manufacturing sector's effect on the region's industry mix. It would be unusual, however, for a region's employment mix within a broad industry group to differ so markedly from the national average as to change the sign of the industry mix statistic for that particular industry (unless, of course, if the statistic were already close to zero).

V. Job Outlook

A. Occupations

In 2000, the largest occupation categories within the four main southwestern Ohio counties were office & administrative support occupations, sales & related occupations, and production occupations. (The state of Ohio has combined these four counties into the Southwest Ohio Region⁵ for purposes of labor market analysis.) Together, these occupation categories account for more than 322,000 jobs, which in nearly 36 percent of all jobs in southwestern Ohio.

Table 29: Largest Projected Employing Occupations in SW Ohio

Occupation Category	2000 Employment	2010 Employment	Change 2000-2010	% Change 2000-2010
Office & Administrative Support Occupations	148,110	159,710	11,600	7.8%
Sales & Related Occupations	91,960	101,830	9,870	10.7%
Production Occupations	82,460	82,390	-70	-0.1%
TOTAL	859,210	972,500	113,290	13.2%

However, the occupations that currently employ the highest number of people are not projected to grow the most in the current decade. All three of these categories are forecasted to grow at less than the overall regional rate. Yet despite their less substantial growth, they will continue to dominate the occupations of area residents. In fact, office & administrative support occupations will continue employ the greatest number of individuals, projected to employ 159,710 in 2010.

The computer & mathematical occupations are projected to grow the most in southwestern Ohio, at a rate of 58.4 percent. Other occupational categories growing over 25 percent are projected to be healthcare and support occupations, community and social services occupations, and protective service occupations.

Table 30: Largest Projected Growth in Occupational Employment in SW Ohio

Occupation Category	2000 Employment	2010 Employment	Change 2000-2010	% Change 2000-2010
Computer & Mathematical Occupations	19,220	30,450	11,230	58.4%
Healthcare Support Occupations	21,540	28,910	7,370	34.2%
Community & Social Services Occupations	12,130	16,150	4,020	33.1%
Protective Service Occupations	18,590	23,350	4,760	25.6%

Among individual occupations, the trend is similar, with computer-related occupations holding the top five positions in the list of fastest growing occupations. In first place is the computer software engineers occupation, in which growth is projected to more than double over the course of the decade.

⁵ The Southwest Ohio Economic Development Region, as defined by the Ohio Department of Development, includes four counties: Hamilton, Butler, Warren, and Clermont in Ohio.

Table 31: Fastest Growing Individual Occupations in SW Ohio

Occupation Title	Employment Growth 2000-2010	2001 Average Wage
Computer Software Engineers, Applications	100.4%	\$31.25
Computer Support Specialists	89.3%	\$20.73
Network & Computer Systems Administrators	75.0%	\$29.21
Database Administrators	71.6%	\$30.01
Network Systems & Data Comm. Analysts	69.8%	\$27.50

Similarly, in all of Ohio, computer-related occupations top the growth list. Statewide growth projections also have computer occupations in the top five positions. Note also the above average wages for all these computer-related occupations.

Table 32: Fastest Growing Individual Occupations in Ohio

Occupational Title	Employment Growth 2000-2010	2001 Average Wage
Computer Support Specialists	86.5%	\$19.96
Computer Software Engineers, Applications	79.5%	\$30.70
Computer Software Engineers, Systems Software	73.5%	\$30.87
Network & Computer Systems Administrators	70.1%	\$25.09
Network Systems & Data Comm. Analysts	65.4%	\$27.55

At the other end of the spectrum, the fastest declining occupations in the Cincinnati area are led by two production-related occupations and two office & administrative support-related occupations. This helps to explain why these large occupation categories have weaker job outlooks. If declines such as these actually occur, some of these workers will require job retraining in order to find new positions.

Table 33: Fastest Declining Individual Occupations in SW Ohio

Occupation Title	Employment Growth 2000-2010	2001 Average Wage
Prepress Technicians and Workers	-32.2%	\$16.01
Insurance Claims and Policy Processing Clerks	-28.4%	\$14.91
Loan Interviewers and Clerks	-24.5%	\$14.91
Machine Feeders and Offbearers	-22.0%	\$11.95

Those occupations with the most annual job openings—food preparation & serving workers, retail salespersons, and cashiers—are predominantly low-skill and high-turnover, but not job growth occupations. Based on the number of annual job openings (more than 1,000 each), these occupations may seem to be growing. But the reality of the situation can be found in by looking at the turnover and wage rates. As seen in Table 34, the vast majority of these openings are created by people leaving their jobs. This, in turn, is largely a result of the fact that the average wages are low to extremely low for all of these occupations.

Table 34: Occupations with the Most Annual Job Openings in SW Ohio

Occupation Title	Annual Openings	% Due to Turnover	Average Wage 2001
Combined Food Preparation & Serving Workers	1,517	68%	\$6.98
Retail Salespersons	1,118	79%	\$10.36
Cashiers	1,095	79%	\$7.41

B. Education Level

Education is the key to the job outlook in southwestern Ohio: the fastest rates of employment growth are projected for those education and training levels that involve at least some amount of college education. Economic development is heavily dependent on having a qualified labor force. Given the strong correlation between education level and job growth, it becomes clear that the Southwest Ohio Economic Development Region needs to make education and training for its residents a top priority.

Table 35: Employment Projections by Education and Training Category

Education & Training Level	2000	2010	Change 2000-2010	
	Employment	Employment	Number	Percent
Postgraduate degree	23,730	28,140	4,410	18.6%
Work experience plus degree	42,960	49,260	6,300	14.7%
Bachelor's degree	101,170	119,810	18,640	18.4%
Associate degree	33,500	42,180	8,680	25.9%
Postsecondary vocational training	37,200	42,940	5,740	15.4%
Work experience in related occupation	60,700	65,360	4,660	7.7%
Long-term on-the-job training	65,820	70,770	4,950	7.5%
Moderate-term on-the-job training	164,770	179,030	14,260	8.7%
Short-term on-the-job training	305,800	348,910	43,110	14.1%

The percentage growth of jobs requiring an associate degree is projected to be the greatest, followed by positions requiring post-graduate and bachelor's degrees. The largest number of newly created positions in the Cincinnati area will be in jobs that require short-term training. Of the more than 43,000 positions in this category, most will also be low wage jobs.

The three fastest-growing occupations among positions requiring short-term on-the-job training are all in the health care field: personal & home care aide, home health aides, and physical therapist aides. These three occupations are all projected to grow by more than 40 percent, but their wage rates are low.

Table 36: Top Occupations Requiring Short-term on-the-Job Training

Occupation Title	2000 Employment	2010 Employment	% Change 2000-2010	Average Wage 2001
Personal & Home Care Aides	1,150	1,800	56.5%	\$9.54
Home Health Aides	3,860	5,720	48.2%	\$9.61
Physical Therapist Aides	120	170	41.7%	\$11.27
Security Guards	8,190	11,250	37.4%	\$10.03

Most of the fastest-growing occupations among positions requiring an associate's degree are specialists or technicians whose duties involve working with some type of technology. These positions, which require only a limited amount of higher education, generally offer substantially higher wages than those calling for only short-term training. The 2001 weighted average wage for the occupations in Table 38 (based on projected 2010 employment) is \$19.08, which is nearly double the \$9.87 weighted average for the occupations in the previous table.

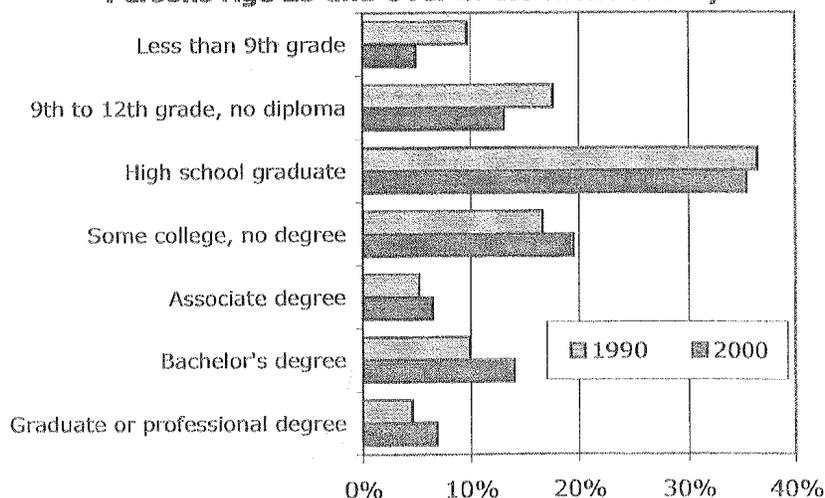
Table 37: Top Occupations Requiring an Associate's Degree

Occupation Title	2000 Employment	2010 Employment	% Change 2000-2010	Average Wage 2001
Computer Support Specialists	3,740	7,080	89.3%	\$20.73
Medical Records & Health Info Technicians	740	1,060	43.2%	\$11.81
Veterinary Technologists and Technicians	240	340	41.7%	\$11.77
Physical Therapist Assistants	210	290	38.1%	\$17.91
Environmental Engineering Technicians	260	350	34.6%	\$15.67

Clermont County needs to face these changes that are projected to occur by developing strategies that foster post-secondary education. In 2000, the percentage of Clermont residents age 25 and over with at least a high school diploma was 82 percent. In addition, the percentage holding at least bachelor's degree was 21 percent. Yet fully 35 percent of this population group ended their education with their high school graduation.

The educational attainment of Clermont County residents is increasing, but this trend must intensify if they are to be prepared for a future workplace with greater education demands. Figure 7 shows that educational attainment is improving. This is consistent with data presented earlier that the percentage of residents with at least some college is increasing with each younger age group. Yet the gap between Clermont County and the Cincinnati CMSA has not closed appreciably.

Figure 7: Changes in Educational Attainment Among Persons Age 25 and Over in Clermont County



C. Industries

Because occupations can be categorized to roughly match industries, an approximate job outlook by industry is possible. Table 38 shows a general correspondence between industry sectors and occupational groups. Although this is not an exact match, it provides some insights for analysis.

Table 38: Approximate Industry and Occupation Correspondence

Industry Sector	SOC Code	Occupation Category
Construction	47-0000	Construction & Extraction
Manufacturing	51-0000	Production
Transportation & warehousing	53-0000	Transportation & Material Moving
Wholesale trade	---	---
Retail trade; Accommodation & food services	41-0000	Sales & Related
Information	15-0000	Computer & Mathematical
Finance, insurance, real estate	13-0000	Business & Financial Operations
Education, health & social services	29-0000	<i>Healthcare Practitioners & Technical</i>
	31-0000	Healthcare Support
	25-0000	Education, Training & Library
	21-0000	Community & Social Services
Arts, entertainment & recreation	27-0000	Arts, Design, Entertainment, Sports & Media
Professional, scientific, management, administrative & waste management services	43-0000	<i>Office & Administrative Support</i>
	17-0000	<i>Architecture & Engineering</i>
	23-0000	<i>Legal</i>
	11-0000	<i>Management</i>
Other services (except public administration)	33-0000	Protective Services
	35-0000	Food Preparation & Serving Related
	37-0000	Building & Grounds Cleaning & Maintenance
	39-0000	Personal Care & Service
	49-0000	Installation, Maintenance & Repair
Public administration	---	--(various)--

Based on occupational projections (in bold on the right side of the table), growth industries are most likely to appear in the Information and Health Care & Social Services sectors. Based on the projections related to education and training (in bold italics), the Professional, Scientific, & Management sector is also likely to produce growth industries.

This outlook means that the Information sector has the potential to become even more of an exporting industry, with a corresponding increase in its 2.06 location quotient. The Information Industry is one sector that is already a significant component of Clermont County's economic base. In general it can be assumed that this industry more intensively uses highly skilled labor, since the computer-related industries are also ones with higher levels of education and training.

The job outlook for Clermont County is affected by a combination of factors: occupational projections, labor force qualifications (especially education), and industry strengths. For example, some of the top Clermont County industries, based on location quotient (Table 24 on page 19) and the shift-share analysis (especially pages 22 and 23), correlate well with the fast growth occupations presented on pages 25 and 26, and the educational demands discussed on pages 27 and 28.

VI. Development Potential Profile

Successful economic development in Clermont County will build on the strengths of the community while simultaneously addressing its weaknesses. The following list can be considered a starting point in identifying these strengths and weaknesses.

Strengths	Weaknesses
Location <ul style="list-style-type: none"> - Cincinnati Metropolitan Area - Suburban Area with Strong Population Growth 	Labor Force Preparedness <ul style="list-style-type: none"> - Education Level - Occupation Projections
Transportation Infrastructure <ul style="list-style-type: none"> - Interstate and Other Major Highway Access - Proximity to Greater Cincinnati / Northern Kentucky International Airport 	Development of Vacant and Undeveloped Land
Availability of Developable Land <ul style="list-style-type: none"> - Vacant Industrial and Commercial Tracts - Other Undeveloped Land 	Retention and Attraction of Young Adults <ul style="list-style-type: none"> - Age Distribution and Growth - Housing Options
Labor Force <ul style="list-style-type: none"> - Growth - Favorable Age Distribution 	
Industry Strengths <ul style="list-style-type: none"> - Role of Manufacturing - Industry and Wage Growth 	
Tax Rates <ul style="list-style-type: none"> - Lower Industrial and Commercial Rates 	

A. Strengths

There are number of strengths within Clermont County that can be capitalized on when pursuing economic development.

Location Its location within the Cincinnati metropolitan area puts Clermont County in close proximity to a center of commerce and culture, research and recreation. These various attractions within the region will have spill over benefits for Clermont County, attracting individuals and businesses to the area.

In addition, Clermont County is one of the growth areas of the Cincinnati CMSA. Over the last 12 years, Clermont County has had a significantly higher annual growth rate than the United States, Ohio and the Cincinnati metropolitan area. Furthermore, the accessible, but removed location of Clermont County allows individuals and families to have the convenience living in a vibrant metropolitan area, but the lifestyle of a smaller community.

Transportation Infrastructure Clermont County has a highway system that includes Interstate 275 extending through almost the entire western side of the County, along with two major US highways and the Appalachian Regional Highway running east to west, connecting the rest of the county with the Interstate system. This major highway infrastructure, combined with the presence of two railroads, provides easy shipment of all types of goods, an essential element for many prospective companies. Businesses will be more likely to settle in the County because of the existence of this transportation infrastructure.

The Cincinnati/Northern Kentucky International Airport is a global gateway for business located in the Cincinnati metropolitan area. With 620 daily departures to 120 cities worldwide, the airport provides access to more than half the U.S. population and manufacturing base within an hour's flight time, and direct flights to many other national and international business centers. Additionally, travelers worldwide have rated the Cincinnati/Northern Kentucky International Airport one of the best airports for service and convenience 10 years running. The airport also promises to be a portal for new business in the area if indeed it remains one of the "fastest-growing major airports in the U.S. over the next 10 years," as predicted by the Federal Aviation Administration.

Availability of Developable Land Clermont County has a significant amount of undeveloped and currently vacant land. Table 40 indicates that 26 percent of the total area of the county is vacant. Additionally, 30 percent of its industrial acreage is vacant, and most of it is located adjacent to existing industrial development in the Mount Repose area and along the central east-west corridor. In the commercial category, 19 percent of the total acreage is vacant, and most of it is located adjacent to existing commercial development along major routes in the northern two-thirds of the county. The largest share of vacant land is currently classified as agricultural. This undeveloped land also has the potential to be used in the County's economic development efforts. The first map in Appendix 3 shows where all vacant land is located.

Table 40: Clermont County Land Use, 2003

	Total Acres		Percent Vacant
	Vacant	Total	
Industrial	636	2,088	30.5%
Commercial	2,444	12,824	19.1%
Residential	9,200	81,945	11.2%
Agricultural	65,001	153,190	42.4%
Exempt, Utilities, Other		43,593	
Total	77,281	293,640	26.3%

The amount of undeveloped land within Clermont County is a large asset for the County. The land is still in a state that would allow the county to use it to attract a variety of potential businesses. This land could be developed and marketed for industrial or commercial use; it could even be left in a more natural form, to be developed and marketed for tourism and recreational opportunities.

Labor Force The labor force within Clermont County has continued to be one of the County's strong suits.

Growth Since 1990, both the population and the labor force of Clermont County have grown. Not only has there been growth, but the County's growth has been significant. Average annual growth of the civilian labor force since 1990 has been 1.75 percent.

In addition, the number of individuals leaving the County for work has proportionately decreased. It can therefore be determined that although the County has gained in population and labor force, it has been able to provide jobs for an increasing number of its own residents.

Age Distribution and Large Presence of Wage Earners The number of residents age 35 to 54 is increasing faster than any other cohort in Clermont County. Growth of this age group is valuable to Clermont County because this age group is most likely the highest wage earners, therefore enabling these residents to invest in their communities and the County. A result of the age distribution is that in fact, Clermont County has a significantly higher average income than the CMSA and a larger proportion of households earning relatively high wages.

Industry Strengths

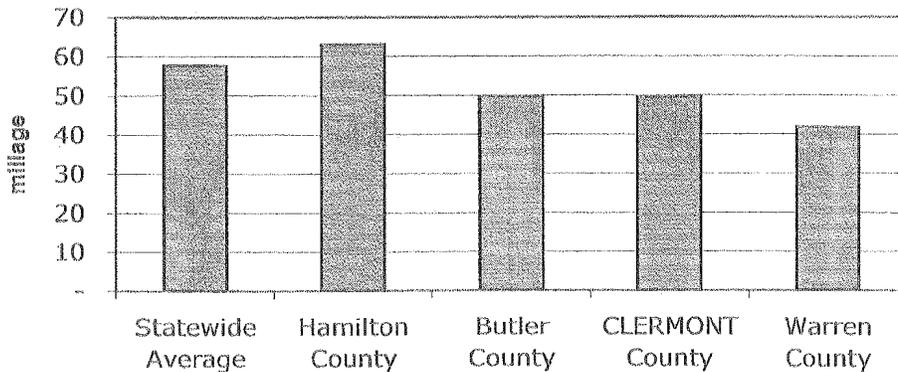
Role of Manufacturing As evidenced by the location quotient analysis and the shift-share analysis, manufacturing still plays a large role in Clermont County's economy. Despite the national decline in manufacturing scene in the national arena, manufacturing in Clermont County continues to grow.

Economic Base and Industry Growth Consistency Of the five largest industry sectors, manufacturing, retail trade, and construction are among the industries that make up Clermont County's economic base. For the most part, resources spent helping Clermont County's export industries will overlap to help develop the County's other industries also.

Industry and Wage Rate Growth In most cases, when the employee growth rate is high in an industry, that industry also experienced larger growth in the average wage rate. If Clermont County continues to be able to supply workers for local businesses, it will benefit from this trend.

Low Tax Rate Clermont County's property tax rates are another of its strengths. As can be seen in Figure 8, Clermont County's net tax rate is among the lowest in the area.

Figure 8: 2001 Net Property Tax Rates for Commercial and Industrial Property



In fact, Ohio's statewide average tax rate is 14.0 percent higher than Clermont County's net tax rate. In addition, Hamilton County had a net tax rate 21.3 percent above the rate in Clermont County and Butler County's tax rate is very slightly higher as well. In the immediately surrounding counties, only Warren County's net tax rate was lower than Clermont County's rate.

Having a net tax rate relatively lower than that found in adjacent counties can prove beneficial to the County in future economic development efforts. The County has a competitive advantage in attracting future businesses to within its borders; when businesses are looking to move to the area, Clermont County's low net tax rate can be an important selling point.

These lower tax rates have the potential to attract businesses that sell goods and services subject to sales tax, so lower property tax rates can help to foster growth in sales tax revenues. Indeed, over the last fourteen years, Clermont County saw an average 6.93 percent annual growth in taxable sales.

B. Weaknesses

Despite the aforementioned strengths, there are weaknesses within Clermont County that will hamper economic development unless they are successfully addressed.

Labor Force Preparedness The extent to which Clermont County residents are prepared to enter the labor force is a significant factor in the County's economic development.

Education Level One of the foremost weaknesses within Clermont County is the apparent shortage of post-secondary education within the population. Attention needs to be paid to increasing the number of county residents that receive post-secondary education and training. Clermont County is at a disadvantage in providing a qualified labor force for certain industries because of its less educated population. In order to sustain employment in industries that require workers with higher levels of education and training, Clermont County may be forced to encourage residents of other counties to commute into Clermont County. In addition, the limited amount of higher education opportunities within Clermont County may even deter certain businesses from settling within the County's borders. Programs need to be implemented that will address this issue.

Occupation Projections Most of the positions that are projected to have the largest growth in Clermont County require workers with above average levels of education and training. As was seen above, without a better educated population, Clermont County may not be able to supply the required workers.

Availability of Developed and Developable Sites for Business Locations Although the availability of developable land is one of the County's greatest strengths, its lack of readily available commercial and industrial sites is also a significant weakness.

The maps in Appendix 3 show that much of the vacant land is classified as agricultural, even along the I-275 corridor and the rest of the County's highway system. The location options in the industrial land use classification are particularly limited.

With such a vast amount of undeveloped land, Clermont County may run into the problem of having a lot of land, but not enough that is suitable for industrial and commercial use. This condition will inhibit the attraction of companies into the area since they may be able to

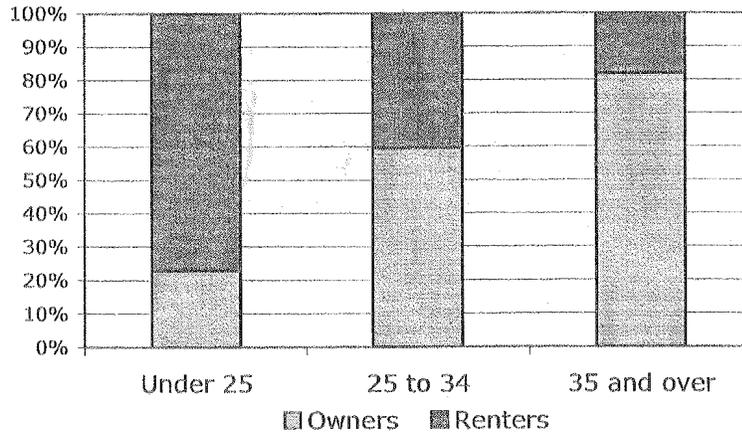
tolerate the delays and investment required in order to get their business up and running. In order to address this situation, capital investment will be required to transform the vacant and undeveloped land into useful and developable sites.

Retention and Attraction of Young Adults Clermont County has a significantly smaller population of young adults (age 18-34). The uneven distribution of Clermont County's population could have unfavorable effects on economic development.

Age Distribution and Growth Within Clermont County, according to growth, there are two very distinct cohorts. The 18 to 34 age cohort has had significantly smaller (or negative) growth as compared to the 35 to 54 age cohort. Clermont County is losing an important demographic group as the lack of college student residence complexes and other factors push away the younger age group. Additionally, Clermont County is losing diversity within the community and the work place.

Housing Choices and Options Worsening the age issue is the fact that Clermont County runs the risk of having a population that out-grows the County's supply of housing. As Figure 9 shows, individuals, especially above the age of 35, prefer to live in residences they own as opposed to renting. If this is the case, then the number of houses being built will have to increase to satisfy the rate at which the county is growing. With proper planning, this could be a strength, requiring that additional investment be brought into Clermont County.

Figure 9: Housing Choices by Age



However, the majority of young adults are not benefiting from the current housing outlook in Clermont County. Up to date, the county has been fulfilling demand for houses, but has not been adequately supplying rental units for younger perspective age groups. Preventing young adults from moving to Clermont County is not only the limited supply of rental units but also the expected rise in housing prices (due to increasing quantity demanded). One way to attract a larger number of young adults to Clermont County would be to provide for them housing options that are more inline with their living habits.

Appendices

Appendix 1: Clermont County Location Quotient Table

Industry (2,3-Digit)		2001 County Business Patterns		Economics Center Calculations		
NAICS	Name	Estab-lishments	Employment	Employment	U.S. Location Quotient	PMSA Location Quotient
11----	Forestry, fishing, hunting, and agriculture	6	45	45	0.60	4.38
115	Agriculture & forestry support activities	6	45	45	1.14	6.55
21----	Mining	3	0-19	18	0.09	0.46
212	Mining (except oil & gas)	2	0-19	12	0.15	0.36
213	Mining support activities	1	0-19	6	0.07	2.81
22----	Utilities	18	500-999	634	2.35	2.09
221	Utilities	18	500-999	634	2.35	2.09
23----	Construction	500	3394	3394	1.27	1.33
233	Building, developing & general contracting	129	603	603	0.91	0.94
234	Heavy construction	20	541	541	1.46	2.58
235	Special trade contractors	351	2250	2250	1.38	1.33
31----	Manufacturing	168	7654	7654	1.17	1.12
311	Food mfg	5	20-99	73	0.12	0.11
313	Textile mills	1	0-19	5	0.04	0.10
314	Textile product mills	2	20-99	21	0.25	0.31
315	Apparel manufacturing	2	0-19	9	0.05	0.39
321	Wood product mfg	4	23	23	0.10	0.32
322	Paper mfg	5	113	113	0.51	0.37
323	Printing & related support activities	16	164	164	0.51	0.32
324	Petroleum & coal products mfg	2	0-19	2	0.05	0.03
325	Chemical mfg	8	163	163	0.46	0.28
326	Plastics & rubber products mfg	12	266	266	0.64	0.62
327	Nonmetallic mineral product mfg	9	238	238	1.10	1.65
331	Primary metal mfg	3	0-19	11	0.05	0.08
332	Fabricated metal product mfg	35	1217	1217	1.68	1.25
333	Machinery mfg	23	2807	2807	5.12	3.11
334	Computer & electronic product mfg	7	104	104	0.16	0.48
335	Electrical equip, appliance & component mfg	7	262	262	1.11	1.09
336	Transportation equipment mfg	5	1564	1564	2.17	1.54
337	Furniture & related product mfg	13	128	128	0.50	1.22
339	Miscellaneous mfg	9	458	458	1.56	1.89
42----	Wholesale trade	181	2323	2323	0.92	0.75
421	Wholesale trade, durable goods	145	1823	1823	1.22	0.97
422	Wholesale trade, nondurable goods	36	500	500	0.48	0.42

Industry (2,3-Digit)		2001 County Business Patterns		Economics Center Calculations		
NAICS	Name	Estab-lishments	Employment	Employment	U.S. Location Quotient	PMSA Location Quotient
44----	Retail trade	550	9444	9444	1.54	1.62
441	Motor vehicle & parts dealers	65	1493	1493	1.96	2.32
442	Furniture & home furnishing stores	28	316	316	1.35	1.51
443	Electronics & appliance stores	18	227	227	1.30	1.28
444	Bldg material & garden equip & supp dealers	64	903	903	1.76	1.80
445	Food & beverage stores	73	1502	1502	1.23	1.09
446	Health & personal care stores	41	447	447	1.13	1.15
447	Gasoline stations	57	416	416	1.09	1.38
448	Clothing & clothing accessories stores	57	468	468	0.82	1.02
451	Sporting goods, hobby, book & music stores	29	302	302	1.18	1.41
452	General merchandise stores	31	2664	2664	2.56	2.52
453	Miscellaneous store retailers	63	431	431	1.24	1.29
454	Nonstore retailers	24	275	275	1.18	1.79
48----	Transportation & warehousing	79	844	844	0.55	0.43
484	Truck transportation	56	358	358	0.62	0.86
485	Transit & ground passenger transportation	5	250-499	350	2.17	2.93
488	Transportation support activities	10	20-99	74	0.37	0.43
492	Couriers & messengers	5	20-99	26	0.11	0.05
493	Warehousing & storage	3	20-99	36	0.60	0.71
51----	Information	42	3181	3181	2.06	2.46
511	Publishing industries	9	2,500-4,999	2726	6.02	5.40
512	Motion picture & sound recording industries	8	100-249	164	1.34	1.58
513	Broadcasting & telecommunications	18	100-249	209	0.29	0.35
514	Information & data processing services	7	20-99	82	0.34	1.00
52----	Finance & insurance	184	2283	2283	0.89	0.91
522	Credit intermediation & related activities	91	1858	1858	1.55	1.37
523	Security, commodity contracts & like activity	22	120	120	0.31	0.71
524	Insurance carriers & related activities	71	305	305	0.32	0.32
53----	Real estate & rental & leasing	103	555	555	0.67	0.73
531	Real estate	75	378	378	0.69	0.83
532	Rental & leasing services	28	177	177	0.66	0.60
54----	Professional, scientific & technical services	295	2242	2242	0.76	0.82
541	Professional, scientific & technical services	295	2242	2242	0.76	0.82
55----	Management of companies & enterprises	13	260	260	0.22	0.16
551	Management of companies & enterprises	13	260	260	0.22	0.16

Industry (2,3-Digit)		2001 County Business Patterns		Economics Center Calculations		
NAICS	Name	Estab-lishments	Employment	Employment	U.S. Location Quotient	PMSA Location Quotient
56-----	Admin, support, waste mgt, remediation services	190	1807	1807	0.48	0.54
561	Administrative & support services	183	1709	1709	0.47	0.55
562	Waste management & remediation services	7	98	98	0.79	0.36
61----	Educational services	23	323	323	0.30	0.39
611	Educational services	23	323	323	0.30	0.39
62----	Health care and social assistance	256	4545	4545	0.76	0.79
621	Ambulatory health care services	160	1708	1708	0.88	0.90
622	Hospitals	1	500-999	770	0.37	0.39
623	Nursing & residential care facilities	28	1270	1270	1.15	1.11
624	Social assistance	67	500-999	797	0.95	1.02
71----	Arts, entertainment & recreation	49	462	462	0.63	0.57
711	Performing arts, spectator sports, & related industries	12	20-99	30	0.20	0.20
712	Museums, historical sites & like institutions	2	20-99	29	0.62	0.46
713	Amusement, gambling & recreation industries	35	403	403	0.75	0.68
72----	Accommodation & food services	227	4723	4723	1.15	1.16
721	Accommodation	7	165	165	0.23	0.35
722	Food services & drinking places	220	4558	4558	1.35	1.26
81----	Other services (except public administration)	339	2472	2472	1.12	1.22
811	Repair & maintenance	145	977	977	1.77	1.89
812	Personal & laundry services	93	659	659	1.22	1.21
813	Religious, grantmaking, civic, prof & like organizations	101	836	836	0.75	0.87
95----	Auxiliaries (exc corporate, subsidiary & regional mgt)	5	112	112	0.27	0.12
99----	Unclassified establishments	25	20-99	57	1.32	2.02

Appendix 2: 1990-1997 Shift-Share Analysis by 2-digit SIC Industry

SIC Code	Industry Code Description	Employment		National Share	Industry Mix	Local Share	Local Share Index
		1990	1997				
1500	General contractors & operative builders	669	479	84	-123	-151	0.76
1600	Heavy construction, except building	234	248	29	-19	4	1.01
1700	Special trade contractors	1,529	2,623	193	-38	939	1.56
2000	Food & kindred products	37	105	5	-2	65	2.68
2300	Apparel & other textile products	8	380	1	-3	374	58.43
2500	Furniture & fixtures	21	112	3	-2	90	5.38
2600	Paper & allied products	77	60	10	-11	-16	0.79
2700	Printing & publishing	222	255	28	-35	40	1.19
2800	Chemicals & allied products	124	158	16	-20	38	1.32
3000	Rubber & miscellaneous plastics products	215	300	27	5	53	1.21
3200	Stone, clay, & glass products	104	160	13	-17	60	1.61
3400	Fabricated metal products	440	735	55	-39	279	1.61
3500	Industrial machinery & equipment	1,409	1,562	178	-154	129	1.09
3600	Electronic & other electronic equipment	130	261	16	-19	134	2.05
3700	Transportation equipment	1,881	1,671	237	-471	24	1.01
3800	Instruments & related products	1,270	1,534	160	-360	464	1.43
3900	Miscellaneous manufacturing industries	363	376	46	-41	8	1.02
4100	Local & interurban passenger transit	77	329	10	19	223	3.12
4200	Trucking & warehousing	359	507	45	38	65	1.15
4700	Transportation services	51	35	6	1	-23	0.60
4800	Communication	142	146	18	-2	-12	0.93
4900	Electric, gas, & sanitary services	920	704	116	-149	-183	0.79
5000	Wholesale trade - durable goods	1,072	1,760	135	-48	601	1.52
5100	Wholesale trade - nondurable goods	467	873	59	-20	367	1.73
5200	Building materials & garden supplies	584	749	74	54	37	1.05
5300	General merchandise stores	1,053	2,265	133	20	1,059	1.88
5400	Food stores	2,861	2,031	360	-325	-865	0.70
5500	Automotive dealers & service stations	1,059	1,709	133	-29	546	1.47
5600	Apparel & accessory stores	328	336	41	-71	38	1.13
5700	Furniture & homefurnishings stores	264	408	33	8	103	1.34
5800	Eating & drinking places	2,768	4,022	349	138	767	1.24
5900	Miscellaneous retail	1,090	1,378	137	3	148	1.12
6000	Depository institutions	393	503	50	-43	103	1.26
6100	Nondepository institutions	102	1,006	13	-1	892	8.80
6200	Security & commodity brokers	24	49	3	12	11	1.27
6300	Insurance carriers	382	352	48	-6	-72	0.83
6400	Insurance agents, brokers, & service	196	159	25	-23	-39	0.80
6500	Real estate	215	434	27	-20	212	1.96
6700	Holding & other investment offices	59	44	7	-6	-16	0.73
7000	Hotels & other lodging places	83	104	10	-1	12	1.13
7200	Personal services	506	585	64	-25	40	1.07
7300	Business services	1,421	3,860	179	626	1,634	1.73
7500	Auto repair, services, & parking	212	636	27	29	368	2.38
7600	Miscellaneous repair services	127	169	16	-10	36	1.27
7800	Motion pictures	51	244	6	9	178	3.70
7830	Motion picture theaters	370	565	47	-373	521	13.05
8000	Health services	2,298	3,278	290	372	318	1.11
8100	Legal services	101	123	13	-8	17	1.17
8200	Educational services	74	240	9	9	148	2.61
8300	Social services	489	838	62	77	210	1.34
8600	Membership organizations	513	705	65	21	106	1.18
8700	Engineering & management services	1,073	1,111	135	172	-269	0.80
8900	Services, n.e.c.	31	49	4	-18	32	2.92

SECTION III: STRATEGIC GOALS AND INITIATIVES

PART 1: VISION, MISSION, GOALS, AND INITIATIVES

Section III/Parts 1-4 outlines a strategic "blueprint" for achieving Clermont County's preferred economic future. This "blueprint" is meant to be a logical set of interrelated initiatives that respond to the economic conditions of Clermont County described in the Economic Base Analysis. The "blueprint" describes, through its specification of goals and strategic initiatives, the "tools" which the program's administrative structure (see Section III/Part 2) and the broader community will use to guide future decision-making, undertake program actions and evaluate results.

Over the past three years, there have been a variety of community-wide efforts to articulate a "Vision" for the County's future. Each of these efforts has had value and has contributed to forming the Vision for this economic development strategic plan. For the purposes of this strategic plan, the overall Vision and Mission Statement sought by the implementation of the plan and its various initiatives can be described as follows:

Vision

Clermont County will achieve an economic future that promotes the long-term prosperity of its citizens, the fiscal soundness of its government and the sustainability of its natural resources.

Mission Statement

Promote Clermont County's economic development, utilizing an aggressive marketing and comprehensive planning approach that encourages sound fiscal policy, citizen participation and environmental quality. Achievement of this mission will support optimal productive use of the community's human and natural resources.

To realize this Vision and Mission Statement will require sustained efforts and coordinated actions to achieve a variety of strategic goals. Achievement of these goals are meant to address the strengths, weaknesses, opportunities and threats, revealed by the Economic Base Analysis (See Section II). Each of the goals will be obtained by effective execution of several strategic initiatives undertaken by the County and its partners in the private and non-profit sectors. The interrelated strategic goals and supporting strategic initiatives are presented below:

GOAL A: Promote a diverse economy through new business attraction and retention/expansion of existing businesses

A fundamental component of any development strategy is to aggressively and pro-actively create an attractive business climate while making prospective and

existing businesses aware of your location's profit-making advantages. This effort must be based on a thorough understanding of the County's locational advantages to the business sectors that need what a Clermont County location provides. This awareness and clarity, regarding our target market, must then be built upon through redesign of governmental practices that intentionally or unintentionally make the climate for doing business difficult or unattractive. Consistent, long-term efforts need to be undertaken which provide the infrastructure, development services, financing and marketing support necessary for attracting, fostering and promoting business growth.

Strategic Initiatives

1. Urge local, state, and federal agencies to improve coordination of government regulations and foster a fair, timely and predictable permit and development review process.
2. Provide a sufficient number of sites and buildings serviced by sewer, water, telecommunications and road access to meet current and future demand for diverse business and industry.
3. Support and finance marketing of Clermont County's attributes for growth and attraction to targeted businesses and industries.
4. Identify and promote the unique attributes of each area of the county and share information with economic development prospects to leverage community strengths.
5. Support the promotion of Clermont County locally grown agricultural and manufactured products.
6. Review the local taxation and fee structure for competitiveness and determine fiscal imbalances across the county that may hinder economic development.
7. Enhance current retention and expansion efforts by improving availability of business development services and financing.
8. Build on Clermont County's recreation base to support tourism industries, and market cultural/heritage sites and events.

GOAL B: Finance and maintain appropriate infrastructure for community and economic development

Providing a network of infrastructure for communities to serve the local economy is a fundamental service of local government. One of Clermont County's key challenges is to provide sufficient infrastructure. Meeting this challenge can be cost prohibitive, requiring an increasing level of financial resources from state, federal, and private sources. Transportation systems must be efficient, well planned and connected to move people and goods. The available land base for new economic development may be limited due to the lack of services to appropriate sites. More information is needed about what land is suitable for development and redevelopment. It must be known what infrastructure is available and what is needed for our community. Finally, more resources need to be leveraged in order to meet community priorities. Planning wisely and investing strategically now will save costs in the future.

The Board of County Commissioners has recently decided to establish a new Community Improvement Corporation (CIC). This entity will be empowered by state statutes to undertake a number of economic development related activities. Based upon the findings of the Economic Base Analysis, the primary task of the CIC will be to acquire and prepare sites for new industrial and commercial development. Because of its non-profit status, the CIC will be able to offer the private sector land and/or prepared site at below market rates. As these CIC sites come onto the market, they should do much to alter the regional development community's perception that Clermont County lacks available, prepared sites at highly competitive prices.

Strategic Initiatives

1. Complete CIC formation process, including public/private capitalization and begin land acquisition and site preparation activities.
2. Extend necessary infrastructure to existing industrial-zoned properties, creating sites that encourage business location, retention, and expansion.
3. Maintain and improve the vitality of village and township cores and neighborhood business districts through enhanced pedestrian access, transit, and parking.
4. Encourage jurisdictions that have tax increment financing (TIF) ability to use that authority to support private sector investments in appropriate ways.

5. Encourage efforts of agencies to achieve multi-modal transportation solutions, including road, non-motorized, air, rail and water, to provide mobility for people and goods throughout the County and the region.
6. Build on public/private efforts in telecommunications development to create a fiber optics "backbone" and/or wireless capability in the County, including private-sector efforts to extend services to the end customer.
7. Finance priority infrastructure projects through short and long-term financing plans that maximize opportunities for grants and low interest loans.
8. Seek efficiencies in the use of infrastructure through reuse and redevelopment of underdeveloped existing lands and buildings, and through in-fill of adjacent vacant lands.
9. Complete an overall assessment of natural resources and public/private infrastructure conditions and needs throughout Clermont County.

GOAL C: Provide and retain a high quality workforce

The Economic Base Analysis has identified labor force unpreparedness and the retention/attraction of young adults as major weaknesses and constraints on the growth and development of Clermont County's economy. The County's comparative disadvantages include an unacceptably low-level of post-secondary educational attainment. This shortfall hampers the County's ability to pursue the type of high value-added manufacturing and service industries the County is otherwise well-positioned to attract.

These trends are made worse by the lack of housing opportunities for the important 18 to 34 age cohort. The lack of affordable housing can accelerate the outmigration of young workers, leaving the less educated to compete for jobs which require skills beyond their qualifications.

Clermont has been making a number of strides toward addressing this problem through innovative workforce development strategies. These initiatives need to be strengthened, expanded and intensified.

Strategic Initiatives

1. Create a competitive workforce by involving business, industry, labor and education in partnerships to:

- a. Validate activities by the local Workforce Policy Board economic development interests and K-12 public education to connect planning of workforce education programs, business needs, and strategic economic development goals, and then align workforce education and training with available and emerging jobs.
 - b. Adapt rapidly to changing skills needed by business, and support life-long learning models.
 - c. Create clear pathways to careers by providing a seamless progression from high schools using apprenticeships and/or two-year technical colleges to four-year and graduate education.
 - d. Maximize the utility and economic development effectiveness of the New Product Technology Academy.
2. Retain a competitive workforce through investments and development of public policy to:
- a. Expand access to affordable health care including high-end specialization for retirees, basic preventive and maintenance care for workers and young families, childcare and aged parent care.
 - b. Maintain a high quality K-12 public education system.
 - c. Examine the housing market to determine appropriate policies and actions for housing that support workforce expansion, including affordable housing.
 - d. Enhance cultural and environmental recreation opportunities to maintain a good quality of life.

GOAL D: Foster collaborative working relationships among economic development stakeholders at the community, county, regional, state, federal and international levels

The stakeholders in Clermont County's economic development represent local, county, regional, state, federal, and international sectors. Our local interests include governments, businesses, non-profits, labor groups, and the broader community. Clermont County is fortunate to have a wide range of economic

development service providers, but gaps in service also exist. Opportunities need to be captured to ensure that resources for business development, job training, and public finance investment are accessed for the entire County. There is room for everyone at the table. By working cooperatively, available resources will be used more wisely.

Strategic Initiatives

1. Work cooperatively with all jurisdictions in the region to help develop appropriate economic, transportation, and environmental initiatives.
2. Include federal agencies in local economic development strategic planning.
3. Increase leadership and collaboration locally by:
 - Working with agencies at the state and federal level to develop opportunities requiring technical assistance and funding.
 - Improving information sharing between local organizations about development opportunities requiring technical assistance and funding.
 - Sharing information about upcoming initiatives and projects that are underway.
4. Coordinate data development relative to economic development, such as, needs assessments, demographic/economic data, geographic information systems, transportation modeling, and economic impact analysis.
5. Identify and define the roles of existing community economic development organizations. Ensure that Clermont County communities and businesses are connected to local and regional economic development service providers.
6. Provide for the ongoing maintenance, updating, and implementation of the Clermont County Economic Development Strategy.
7. Develop and publicize criteria to prioritize projects requiring countywide public investments. Actions should be inclusive and respectful of local governments.

8. Evaluate local government services to the rural areas of the county to capitalize on shared resources for water, sewer, public safety, and related public services.

GOAL E: Increase public understanding and involvement in economic issues

Elected officials, business leaders, the general public, and especially the young people of Clermont County will benefit from improved economic education. It is good economic development policy to further education about the local economy and explain how business decisions by different sectors affect various communities. To get the kind of diverse public involvement needed to make sound decisions about economic issues, a better job of educating all of the community about these issues must be undertaken.

Strategic Initiatives

1. Further develop the Department of Community Planning and Development's internet web site to allow for public access to information, such as, the status of projects, latest drafts of documents, and access to general economic development resources.
2. Encourage policymaking organizations and groups to incorporate economic development in their planning efforts.
3. Create opportunities for public involvement using such methods as, community summits, surveys, published materials, group presentations, and focus groups that ensure the opportunity for the full diversity of the population to participate.
4. Integrate a basic knowledge of economic development and how the economy works into education curricula.

GOAL F: Ensure sustainable development and conservation of natural resources

Clermont County has many unique and diverse natural resources. Community connection to these natural resources can help to enhance economic vitality. Clermont County's challenges include providing water availability for multiple uses, retaining productive farmland, and protecting critical areas without undue regulatory burdens. A key challenge is to forge a balance between environmental quality and economic development. Economic development and growth should be done in a way that accounts for natural resources and the environment.

Strategic Initiatives

1. Integrate sustainable economic development policies with land use and transportation goals and other growth management strategies and regulations.
2. Manage the recreational uses of Clermont County's natural resources.
3. Implement farmland preservation programs to sustain a productive agricultural economy.
4. Evaluate and account for the ecological and economic functions of environmental resources in the development process.

PART 2: ADMINISTRATIVE STRUCTURE

To ensure aggressive and successful efforts to attract investment from the County's target industries, all programs must be effectively coordinated. This coordination must be timely, responsive, and flexible to capture opportunities arising from rapidly changing market conditions. The economic development program's administrative structure must be built around this set of criteria.

In communities across the United States, there is constant debate about whether the primary administrative focus of the economic development effort should be in the public, private or non-profit sectors. Although the greatest number of economic development programs are in the non-profit arena, there is no consensus on the relative effectiveness of one organizational placement over any other. The literature does suggest that the effectiveness of a program's placement relates more to local circumstances, tradition and practice. The literature provides some evidence that certain economic development functions are more effectively delivered if administered by a particular sector. Consequently, there is strong research based support for partnerships and project team arrangements between and among public, private, and non-profit economic development programs.

In all of these diverse arrangements, there is a common element. Successful economic development efforts engage professional staff that receive policy direction from a board composed of both private and public sector leaders. The board can be either advisory or exercise direct authority over the program and its budget.

Consequently, the proposed administrative structure for the Clermont County strategic economic development effort blends public sector staffing and non-profit contractual outsourcing arrangements to achieve program objectives. It also proposes that an Economic Development Advisory Board, composed of public and private sector leaders, be formed. This new advisory board would propose policy direction to the Board of County Commissioners, but the Board of County Commissioners would retain full authority and accountability for program outcomes.

Primary staff accountability would be assigned to the Director of the Department of Community Planning and Development. Approximately 75% of the Director's annual work effort would be allocated to the strategy's implementation. Principle duties would include participation in direct marketing, coordination of incentive package development, obtaining and applying specialized development grants, leadership of interdepartmental project teams, oversight of partnership agreements with out-source agencies and key media contacts on development matters. In addition, the Director would provide executive staff services to the Advisory Board and the CIC, as well as, the County Administrator and the Board of County Commissioners. The Director would be assisted by time allocations from the existing positions of fiscal services coordinator and administrative services specialist. The full-time intern would also devote 50% of total annual work effort to this project. Further details on County staff time allocations and funding requirements are provided in Section III/Part 3.

Two other strategic initiatives that require personnel support are marketing and community resource development. Although, as noted above, no one model is clearly better than another, anecdotal evidence suggests that private sector firms and their executive decision-makers are likely to be more responsive to marketing overtures from a private-sector Chamber of Commerce, than from a public agency. Business leaders perceive the Chamber as a business advocate and government as a potential problem or barrier. If it is working in concert and in harmony with the public sector's agenda, a Chamber of Commerce can be the most effective means for achieving the marketing goals of the County's overall economic development strategy.

For the past several years, just such a strategic and financial arrangement has existed between the Board of County Administrators and the Clermont Chamber of Commerce. It is proposed that this partnership be continued. Operational experience with this arrangement has suggested that the specific expectations for the relationship need further clarification. In addition, the frequency, clarity and extensiveness of the Chamber's contract reporting needs to be greatly improved and must directly reach the Board of County Commissioners. Achieving this target will be a shared responsibility of the Director of the Office Economic Development and the Chamber's staff assigned to this project.

It should be emphasized that direct prospect contact will not be limited to Chamber personnel. Rather, prospect contacts will occur as a team between the Chamber and the Director. At times, this team will be augmented by the direct participation and involvement of leaders from the Advisory Board, CIC and the Board of County Commissioners. Decisions on the precise make-up of the prospect contact team will be determined by the Director, based upon information received by the Chamber on the prospect's needs and desires at different points in the site selection or expansion process.

Another fundamental goal and strategic initiative of this plan has been described as community resource development. The Director's efforts to achieve this goal will be augmented by a Board of County Commissioners' contract with OSU Extension for the provision of a Community Development Agent. The Scope of Work for this contract will specify that the Community Development Agent will focus on assisting townships and villages in their efforts to enhance their attractiveness for new business investment. This task will primarily consist of direct assistance in soliciting and obtaining grant assistance from state, federal and foundation sources. The purposes for which these funds will be applied will significantly depend upon the self-identified needs of each community. However, the common theme will be public sector infrastructure investment that will enhance the likelihood for new private sector investment. These grants may be as varied as Main Street revitalization efforts to industrial parks to roadway improvements.

Specific work programs will be developed for each assisted community, including project descriptions, grant source targets, timeframes and expected results. Reports on work program progress for each assisted community will be prepared monthly and submitted to the Director. The reports will be summarized by the Director and presented quarterly to the Advisory Board and directly to the Board of County Commissioners.

The costs associated with outsourcing the Community Development agent function to OSU Extension are identified in the proposed budget (see Section III/Part 3).

In summary, the strategic plan's implementation will be administered directly under the authority of the Board of County Commissioners. The Board of County Commissioners and its staff will receive policy and program advice from an Economic Development Advisory Council comprised of business and public sector leaders. Among the business leaders will be representatives from the CIC board. Staff direction and accountability will be assigned to the Director, **Clermont County Office of Economic Development**. The Director will plan, direct and coordinate county government involvement in the development process. In addition, the Director will directly oversee and insure the effectiveness of contracted activities, most particularly, marketing activities assigned to the Clermont County Chamber of Commerce and community resource development activities assigned to OSU Extension. This collaborative approach will: 1) place clear policy authority with the Board of County Commissioners; 2) ensure Board of County Commissioners' staff direction and accountability for all program activities; 3) utilize the demonstrated capabilities of the Clermont County Chamber of Commerce and OSU Extension for specialized activities; and 4) engage the participation and support of Clermont County's private and public sector leadership through their involvement on the Advisory Board and the CIC.

PART 3: TIMEFRAMES, PERFORMANCE INDICATORS AND EVALUATION METHOD

Section III/Part 1 identified six strategic goals with associated arrays of strategic initiatives. These initiatives are designed to accomplish each goal. Many of these initiatives have already been started. With the resource commitment and administrative structure described in Section III/Parts 1 & 2, work efforts on all strategic goals and initiatives can continue or begin as of January 1, 2004.

The economic conditions which the goals are designed to address will require a multi-year effort to achieve. However, incremental progress can be assessed in two ways. First, when the strategic plan is adopted, detailed activity/action plans will be written for each strategic initiative. Specific monthly benchmarks for program progress will be established. Monthly reports will be prepared which will provide clear, measurable indications of progress toward completion of activities. These monthly reports will be circulated to the Board of County Commissioners, the Advisory Council, the CIC and other interested stakeholders. Although this progress data is useful for maintaining accountability for program progress, it does not address the fundamental question of whether the activities are bringing about positive change in Clermont County's economic conditions. This form of impact data will need to be obtained from indicators that directly measure changes in the County's economic performance.

A wide variety of such indicators exist and are tracked by various agencies. Any one measure is not adequate to give a complete picture of evolving changes in the County's economy. Consequently, it will be necessary to choose multiple indicators.

Potential indicators that could be reviewed, on at least a semi-annual basis, would be the following:

- A. Increase (Decrease) in Average Household Income
- B. Growth (Decline) in Retail Sales
- C. Level of New Capital Investment
- D. Net Rate of New Business Starts/Closures
- E. Growth in Tax Receipts
- F. Achievement/Maintenance of Desired Balance between Commercial and Residential Valuations
- G. New Housing Starts
- H. Population Growth

The Advisory Board and the Board of County Commissioners will need to decide which of these or alternative indicators will be used to gauge the impact of the strategic plan's implementation. Once the set of indicators is established, baseline conditions can be established for each. Indicator reports will then be developed annually or semi-annually that show changes

in the baseline conditions. Over time, trend lines will be established which will assist all stakeholders to determine whether and how the strategic goals and initiatives need to be altered or re-targeted.

PART 4: RESOURCE REQUIREMENTS

PROPOSED 2004 ECONOMIC DEVELOPMENT RESOURCE BUDGET

	<u>Clermont County</u>	<u>Private Sector</u>	<u>Totals</u>
Personal Services			
Regular	\$ 73,087.04 ¹		\$ 73,087.04
Temporary	\$ 11,440.00 ²		\$ 11,440.00
Fringe	\$ 16,531.84 ³		\$ 16,531.84
Purchased Services			
Clermont Chamber Contract	\$ 60,000.00 ⁴		\$ 60,000.00
OSU Extension Contract	\$ 38,000.00 ⁵		\$ 38,000.00
Other (Planning Assistance)	\$ 5,000.00 ⁶		\$ 5,000.00
Operational Expenses	\$ 8,175.00 ⁷		\$ 8,175.00
Land Acquisition/Development (CIC)	<u>\$500,000.00⁸</u>	<u>\$500,000.00</u>	<u>\$1,000,000.00</u>
	<u>\$712,233.88</u>	<u>\$500,000.00</u>	<u>\$1,212,233.88</u>

Notes: All of these allocations are currently within the BCC approved 2004 Tax Budget, with the exception of "Land Acquisition".

¹This represents Planning Director's salary @75% = \$59,482.80, Administrative Support Specialist's salary @25% = \$6,994.00, and Fiscal Support Specialist's salary @ 20% = \$6,610.24

²This represents Planning Co-op's salary @ 50%

³This represents Fringe Benefits for the above salaries, including PERS @13.55%, Life Insurance @ \$3.10/month, and Health Insurance at \$7,003.44 family/annually or \$3,634.80 single/annually

⁴The purposes of this contract are described in Section III/Part 2.

⁵The purposes of this contract are described in Section III/Part 2.

⁶This allocation will be utilized to obtain data reporting needed for monitoring charges in the various economic impact indicators.

⁷This category represents a portion of the Department's operational expenses that can be directly attributed to the strategic plan's Implementation.

⁸This represents a new allocation from the County's General Fund to capitalize the CIC. These funds will be utilized to acquire and prepare industrial/commercial sites.

⁹This represents private sector donations toward capitalization of the CIC. These funds will be utilized to acquire and prepare industrial/commercial sites.

Clermont County CIC, Inc.
Attachment "A" to Economic Development Plan

Summary of Organizational Purpose

The Clermont County CIC, Inc. (CIC) was established in November, 2003 as an economic development tool for Clermont County. The CIC can aid the County in many aspects of the overall adopted economic development strategy, but its current efforts are focused on facilitating land transactions which will lead to new industrial and commercial investment, as identified in Goal B of the strategic plan. These land transactions will result in a greater amount of "shovel ready" industrial and office sites, a critical component in attracting new business investment to the County.

In addition to facilitating land transactions, the process for which is described in greater detail below, the CIC will also retain a certain portion of assets to close financing gaps when needed. Financing gaps can include funding shortfalls as well as infrastructure improvements to a property, to attract a particular company to invest in Clermont County.

Objectives and Time Line

MONTHS 1-6

Seed Funding – The CIC will receive selected County-owned properties to sell, in order to build seed funding for land acquisition. The properties were identified in early 2004 based on investment criteria established by the Board of Trustees, and after determining their status as surplus with respect to the County's needs. A total of seven properties have been identified by the CIC Investment Committee, and ranked in order of marketability.

Specific activities include:

- Splitting lots from larger properties, where needed
- Obtaining appraisals of selected properties
- Entering into an agreement with commercial realtor(s) to market properties

Outcome: The CIC will raise a minimum of \$500,000 to begin the process of land assembly. Any shortfall is anticipated to be bridged by supplemental funding from the Clermont County Board of Commissioners.

Market Analysis – To avoid unnecessary competition with the private sector, the Office of Economic Development (OED) will assemble a catalog of currently available land within Clermont County for industrial/office/commercial use. This land will be ranked according to a variety of factors including asking price,

zoning, road access, water/sewer infrastructure, tax incentive districts, etc. Concurrently, this process will also be used to identify land with potential for acquisition by the CIC.

Outcome: The CIC will have a clear, current picture of prime sites already on the market. This information is essential to understanding where gaps exist in available land for a variety of customer types. This process will also produce a list of target properties for acquisition.

MONTHS 6-12

Development Plan – Based on the catalog of available land that has been developed, the CIC will evaluate different options available for marketing and selling property. The options will vary depending on the site(s) selected for acquisition and the amount of infrastructure that must be invested in the site. The development options can vary from a simple land purchase/sell scenario to a development agreement with a development firm. The CIC will solicit development proposals from several development firms.

Outcome: The CIC will produce a development plan tailored to the individual characteristics of several target properties.

Land Acquisition – The CIC will acquire land in Clermont County based on the results of a market analysis and development plan. The land will be purchased with a predetermined target ROI and with a specific industry segment as the profiled customer.

Outcome: The CIC will establish an initial portfolio of land ranging from 10-50 acres.

Land Sales – After establishing an initial portfolio of land, the CIC will actively market the land to industrial or office end users. The land will be priced to attain a predetermined ROI, and will be marketed under the scenario identified in the development plan.

Outcome: The CIC will sell land to companies that will create jobs and invest in new real and tangible personal property in Clermont County. This investment will be a direct measure of the success of the CIC's efforts, and the resulting proceeds from the transaction can be used for additional investments or other related CIC activities.