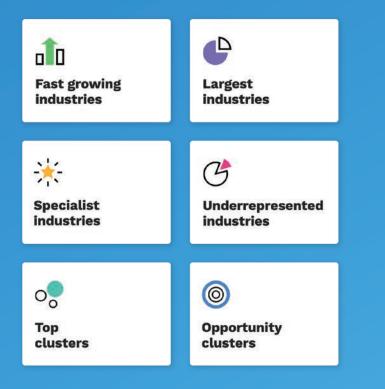
LOCALINTEL

INDUSTRY ADVANTAGES TOOL

User Guide



Helping Economic Developers Succeed

Localintel's Industry Advantages tool helps economic developers understand and promote what makes their location special. By embedding directly into your existing website, the tool makes it easier for businesses to uncover the industries that are driving your economy and generating new opportunities.

Data Driven Marketing

Economic developers know that their website is one of the most powerful marketing tools they have to promote their community's advantages. So why do so many include data and demographics on their website that highlight disadvantages in their community instead of strengths?

Localintel's Industry Advantages tool has been deliberately designed to only highlight data that puts your economy in a positive light. This is next-generation online marketing for economic developers that uses advanced data to promote your economy.

The following pages describe how each of these elements is presented in the tool and why this information is useful to economic developers and businesses.

Localintel's Industry Advantages tool can currently be created for a metropolitan area, county or region. While this user guide is equally applicable to all 4 of these areas, we limit the description to metropolitan areas and counties for simplicity.



FAST GROWING INDUSTRIES

This module promotes the industries that have been growing and driving job creation in your community over the last 5 years.

్లి^{త్ర} Why this information is useful for economic developers

Understanding which industries are growing, and driving job creation, is essential for local economic development professionals. With a better understanding of their local economy, economic developers can work with business, government and community partners to support and promote their high growth industries.

Why this information is useful for businesses

Identifying the industries that are experiencing growth is a valuable component of successful market research for businesses and/or investors looking for new opportunities.

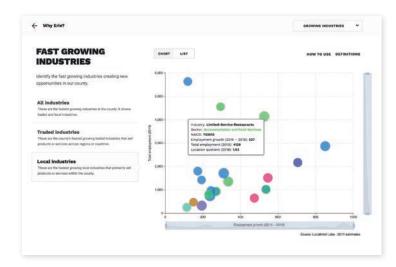
Example 1 – A business located outside your community is looking to expand or relocate to an area experiencing growth in a specific industry.

Example 2 – An existing business located within your community is looking for new growth industries that fuel demand for their goods or services.

Example 3 – An entrepreneur who wants to start their own businesses is researching growth industries in your community.



FAST GROWING INDUSTRIES



Chart

The interactive chart enables users to identify the fastest growing industries in your community between 2014 and 2019. Users can also analyze the current size of each industry and its location quotient.

Why Erie?					GRO	WING INDUSTR	es ~
FAST GROWING INDUSTRIES		URT LIST			ж	W TO USE D	EFINITIONS
dentify the fast growing industries creating new opportunities in our county.	Rank	Industry	NAICS	Employment growth (2014 - 2019)	Tatal angleymant (2819)	Total amployment (2014)	Location questions (2019)
All industries	1	Services for the Elderly and Persons with Disabilities	624120	861	2,870	2,678	2.54
These are the fastest proving industries in the county, it shows inded and local industries.	2 Religious Drganizations		813110	205	2,168	1,465	1.42
	15	Fitness and Recreational Sports Centers	713940	546	1,510	964	3.00
Traded industries These are the county's fastest proving traded industries that sell products or services across regions or countries.	. 40	Landsceping Services	561730	336	1,039	454	1.0
	1	Linched Service Restaurants	722513	w	4,129	8,612	1.05
ocal industries		Golf Courses and Country Clubs	719910	474	546	172	1.49
These are the fastest growing local inclustries that primarily sell	10	Food Service Contractors	722310	335	1,359	1,018	154
products or services within the county.		Residential Intellectual and Developmental Disability Facilities	623210	1 811	3,216	1386	1.0
		Full-Service Restaurants	722811	295	4.953	4,298	0.86
	10	Security Guarda and Parcol Services	561613	870	430	660	1.38
	н	Offices of Physicians (except Mental Health Specialists)	621111	263	3,229	2.996	1.29
	12	Child Day Care Services	626410	343	-	725	1.12
	13	Residential Mental Health and Substance Abuse Facilities	623220	236	743	585	38

List

The list ranks the fastest growing industries in your community by employment growth over the period 2014 - 2019.





FAST GROWING INDUSTRIES

$\operatorname{I\!I}$ How to use the chart

The chart shows the fastest growing industries in your community between 2014 and 2019. Each circle represents one industry and by clicking on a circle, or hovering the mouse pointer over it, you can see details about the industry.

The chart allows you to analyze the fast growing industries using three attributes:

employment growth between 2014 and 2019 (horizontal x-axis of the chart)
total employment in 2019 (vertical y-axis of the chart)
location quotient (size of the circle)

When a circle is further to the right on the chart, it means the industry has experienced greater employment growth between 2014 and 2019. When a circle is higher on the chart, it means the industry has larger levels of employment in 2019.

For example, an industry located in the top right of the chart, would be a comparatively large industry that has experienced strong employment growth in recent years. An industry located in the bottom left of the chart is a smaller industry that has experienced modest levels of employment growth over the same period.

The tabs on the left allow users to perform specific analysis on their choice of traded, local or all industries. Finally, the scale of the chart can be adjusted by using the sliders on the horizontal and vertical axis.

🗉 How to use the list

The list ranks the fastest growing industries in your community by employment growth over the period 2014 - 2019. The list also provides industry's NAICS code, total employment in 2014 and 2019 as well as its location quotient. The tool enables analysis to be done for traded, local or all industries. The tabs on the left allow users to perform specific analysis on their choice of traded, local or all industries.



LARGEST INDUSTRIES

This module promotes the largest industries in your community by employment.

ن الله Why this information is useful for economic developers

Your largest industries represent strengths that can be built upon and leveraged. Economic developers should consider what opportunities exist to enhance or support these industries while simultaneously assessing any threats that could detrimentally impact them.

Why this information is useful for businesses

Understanding the largest industries in your community is a valuable component of market intelligence for businesses, site selectors and entrepreneurs.

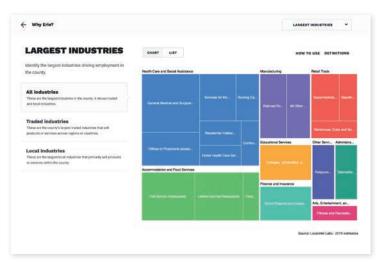
Example 1 – A site selector is comparing multiple locations and wants to understand the industries that account for most of the employment in your economy.

Example 2 – A business located outside your community wants to expand to a new location where their industry is already concentrated with a workforce and established supply chains.

Example 3 – An existing small business in in your community is seeking to identify larger industries that it can market goods and services to.

C

LARGEST INDUSTRIES



Chart

The chart highlights the industries that support the largest number of total jobs in your community.

Why Erie?			LARGEST IN	IDUSTRIES -
LARGEST INDUSTRIES	CHART LIST		HOW TO	USE DEFINITIONS
sentify the largest industries driving employment in he county.	Rack Industry	NACS	Total angleyeast (2019)	Location gustient (2214)
	T General Medical and Surgical Hospitals	622116	5,625	1.18
All industries Twise are the largest industries in the county. It shows traded	2 Pull-Benke Restaurte	722511	4,553	0.98
and local industries.	3 Länded Service Restaurants	722913	4,129	1.03
Traded industries These are the country's largest traded industries that sell products or exercises across regions or countries.	4 Colleges, Universities, and Professional Schools	611315	3.364	2.24
	8 Direct Property and Casualty Insurance Carters	\$24125	3,278	6.75
	6 Offices of Physiolane (except Mental Health Specializes)	623111	3,229	3.39
Local industries These on the import local industries that primarily set products or sensors within the county	7 Rainpad Rolling Stock Manufacturing	336910	2,955	134.63
	8 Services for the Eddely and Persons with Disabilities	624125	2,870	2.54
	9 Al Other Practice Product Manufacturing	329199	2,661	8.12
	10 Supermarkets and Other Grocery (incospt Convenience) Stores	445110	2,301	0.07
	11 Religious Organizations	#10110	2,764	1.42
	12 Telematering Bureaus and Other Contact Centers	861422	2,163	6.54
	13 Nursing Care Facilities (Skilled Nursing Facilities)	623112	1,800	1.27
	14 Residential Intellectual and Developmental Deability Pacifices	623210	1,716	243
	18 Fitness and Recreational Sports Centers	712942	1,510	1.08

List

The list ranks the largest industries in your community by employment in 2019.



LARGEST INDUSTRIES

III How to use the chart

The chart highlights the industries that support the largest number of total jobs in your community. Each box represents the industry that is identified in the label and by clicking on a box, or hovering the mouse pointer over it, you can see the following details:

- Sector
- Industry
- NAICS code
- Employment in 2019
- Location quotient in 2019

The size of each box correlates to the number of people employed by that industry in your community. Bigger boxes indicate that a greater number of total jobs are being supported by that industry. The tool enables analysis to be done for traded, local or all industries.

E How to use the list

The list ranks the largest industries in your community by employment in 2019. The list also provides information on the industry's NAICS code, employment levels in 2019 as well as its location quotient. The tool enables analysis to be done for traded, local or all industries.





SPECIALIST INDUSTRIES

This module promotes the industries that your community specialize in. These industries are considered to be more prevalent in your location, relative to the rest of the country, and are categorized by concentration.

్రి^{స్ట} Why this information is useful for economic developers

The star and mature industries in your community represent unique strengths that are helping to drive the economy and generate local jobs. These specialist industries provide a competitive advantage over other locations and present an opportunity for economic developers to build upon and leverage. Your community's emerging industries have the potential to become star industries in the future and are worth keeping an eye on in coming years.

Focusing on local advantages is critical to economic development. A report prepared by the Brookings Institute states that:

"One of the most basic functions of an economic development officer (EDO) is to selectively invest in capacities that make a region "sticky" for specific types of firms and talent, spurring a cycle of self-reinforcing growth in certain industries. Nearly everything that an EDO does – from business attraction incentives, to workforce training to startup accelerators – should align to ensure that firms in some set of industries have to be in the region, whatever the cost. The point is that, when an EDO defines an industry as a "target," it is making a claim about an industry specialization: either that one exists and should be protected, or that an emerging one could be deepened through targeted investments."

Making economic development strategies more strategic, Brookings Institute (2017)

Why this information is useful for businesses

Many types of businesses want to know where their industry has a strong presence. Some businesses may wish to monitor their competitors. Other businesses may wish to expand or relocate to places that specialize in their industry to benefit from existing value chains. As the concentration of industries in a particular location grows, so does the availability of skilled labor, suppliers and the volume of knowledge spillovers.



SPECIALIST INDUSTRIES

SPECIALIST	CHA	er 60	π		HOW TO U	SE DEFINITIONS
NDUSTRIES						
sem more about the industries our county	20.77					
pecializes in.		0			7	
		1	ector: Manufacturing	e Fitting and Trim Manufacturing.		
Pur star industries	. 11-		AICS: 333913 .ccation guotient (2019):			
Nese industries are more concentrated in the county and are rowing			iverage annual LQ growth Istal employment (2018):			
our emerging industries	() II-					
Deale industries are underrepresented in the marry but are rowing.						
	1					
Our mature industries	3 4-	1				
hese industries are more concentrated in the county but are openencing declaring growth.	6					
	- 0					
	8-					
		6				
	6.74	- (18085
	22			Average annual LO growth (2014 - 2019)		

Chart

The chart promotes the industries that make your community unique by dividing them into star, emerging and mature industries.

Why Erie?				SPECIALIST INDUST	reles v
SPECIALIST INDUSTRIES	CHART LIST.			HOW TO USE	DEFINITIONS
Learn more about the industries our county specializes in.	Ref. Industry	MACE	Location quotient (2919)	Average annual LO growth (2014 - 2015)	Total employment (2019)
	1 Relined Rolling Stock Manufacturing	336510	134.63	3.59%	2,858
Our star industries	2 All Other Potosleam and Coal Products Manufacturing	224199	90.45	can.	38.5
burned	3 Industrial Mold Manufacturing	333541	22.31	\$ 22%	701
Our emerging industries These industries are underrepresented in the startry but are growing.	4 Planbing Fature Filling and Trim Manufacturing	332913	20.06	2.40%	549
	8 Plastics Pipe and Pipe Pitting Manufacturing	326122	12.82	2.91%	386
	6 Recencia	281212	12,36	2,84%	962
Our mature industries	7 Nonferrous Metal Die Casting Foundhine	391929	10.78	0.285	228
These industries are more concentrated in the county but are expensioning decising growth.	8 Other Matal Value and Pipe Fitting Manufacturing	332919	38.73	56.05%	130
	8 Mechanical Power Transmission Equipment Manufacturing	333613	10.69	14	129
	10 Plate Work Manufacturing	3322113	10.05	0.275	294
	TI Spring Manufacturing	132533	9.38	8.75	140
	12 year and Bleef Farging	382111	8.7	7.82%	165
	13 AT Other Plastics Product Manufacturing	326199	6.12	1.24%	2,651
	14 Soft Drink Manufacturing	202333	7.4	1.975	267

List

The list also ranks your economy's specialist industries by dividing them into star, emerging and mature industries.



SPECIALIST INDUSTRIES

$\operatorname{I\!I}$ How to use the chart

The chart promotes the industries that make community unique by dividing them into star, emerging and mature industries. Each circle represents one industry and by clicking on a circle, or hovering the mouse pointer over it, you can see details about the industry.

The chart allows you to analyze your economy's specialist industries using three attributes:

1. location quotient in 2019 (vertical y-axis of the chart)

2. average annual location quotient (LQ) growth between 2014 and 2019 (horizontal x-axis of the chart)

3. employment in 2019 (size of the circle)

Higher on the chart means the industry has a larger location quotient. Further to the right on the chart means the industry's location quotient has increased between 2014 and 2019. This means the industry has become more prominent in your community.

Star industries are those industries that your community specializes in and have become more concentrated (i.e. unique) in recent years. An industry located in the top right of the chart, is more concentrated and its specialization has increased. An industry located in the bottom left of the chart is less concentrated and has experienced a more modest increase in specialization over the same period.

Emerging industries are currently underrepresented in your community, but they are becoming increasingly concentrated.

Mature industries are industries your economy specializes in but have not increased in their concentration over recent years.

Finally, the scale of the chart can be adjusted by using the sliders on the horizontal and vertical axis.

E How to use the list

The list also ranks your economy's specialist industries by dividing them into star, emerging and mature industries. It provides information on each industry's NAICS code, location quotient in 2019, average annual LQ growth as well as total employment in 2019.





UNDERREPRESENTED INDUSTRIES

This module promotes the underrepresented local industries in your economy.

心^必 Why this information is useful for economic developers

Economic developers should be constantly monitoring to identify new business and investment opportunities in their community. Local industries that are underrepresented in your location can be an indication that unmet consumer demand exists. If a viable commercial opportunity is confirmed economic developers can then begin the process of recruiting new businesses to their community, or helping existing businesses expand.

Why this information is useful for businesses

Identifying underrepresented industries gives businesses the opportunity to capitalize on unmet demand throughout their value chain.





UNDERREPRESENTED

Why Erie?		UNDERREPRESENTED INDU
UNDERREPRESENTED	CHART LIST	HOW TO USE DEFINITIONS
NDOS I NILS	🔮 National L	Q 😑 State LQ 🐞 Our county LQ 🛞 Other counties LQ
lew business opportunities may exist for local		0.1 10 21.
sdustries that are underrepresented in the county.	All Other Specialty Food Stores	• • • • • • • • • •
These industries have a location quotient (LQ) less than 1.	Puel Dealers	0 0 🔕 a antes e 😑 a a a a a a a a a a a a a a a a a a
	Conflectionery and Nul Bloves	• • • • • • • • • • •
	Other Direct Selling Establishments	@ ma ca
Rotall Trade Industries in this sector are retailing merchanolosite the general public and providing services incidental to the sale of the merchanolae.	Baked Goods Dares	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
	Serving Needlework, and Place Guide Drives	a aa da da mana an a a
	Dathing Accessories Dares	
	Fleer Coversig Shares	
	Conversions Name	
Health care and social assistance These industries are primarly engaged in providing health care	Muscial Instrument and Supplies Onrive	
hy disprovia and treatment, residential care and social	Furthern Daves	
assistance.	Vending Machine Operation	
	Hardware Stores	
Repair, maintenance and personal		• • • • • • • • • • •
services	Warrien's Cluthing Stores	•
These industries provide repail, maintenance and personal salre	Maat Markata	e das consectate a
services, funeral services, laundry and other services to admituals.	Supermarkans and Other Grocery (secept Con	
	Costneros, Beauty Supplies, and Perfume St.,	Industry Motoraycle, ATV, and All Other Motor Vehicle De NAUCE 441228
Accompdation and Food services	Alutoritycle, ATV, and AR Other Motor Visite	
Accomodation and Food services infusitive primarily engaged in providing short-term todging and	Food (Health) Supplement Starves	Location quotent (2019) 5.69 Total establishments (2019): 5
complementary services to travelers, vacationers and others.	Tabacco Daves	· · · · · · · · · · · · · · · · · · ·
	Jewelly Iteres	e comme () anno

Chart

The chart shows how concentrated a range of local industries are in your community.

Why Erie?			UNDERHEPRI	ISENTED INDU Y
JNDERREPRESENTED NDUSTRIES	CHART LIST		HOW TO	USE DEFINITIONS
iew business opportunities may exist for local	Rank Industry	NAICS	Location quotient (2019)	Total establishments (2019)
idustries that are underrepresented in the county. hese industries have a location guotient (LQ) less	1 All Other Specially Food Shares	445299	0.34	R (
un 1.	2 Fuel Dealers	454035	0.37	2
	3 Confectionery and Nat Stores	445292	0.46	10
Retail Trade Industries in this sector are retailing membandics to the general public and providing sectors incidental to the sale of the membandiae	4 Other Direct Selling Establishments	454390	0.49	+
	8 Baland Goods Stores	445291	0.57	N:
	8 Sentry, Needlework, and Piece Goods Threes	401130	0.72	8
Health care and social assistance These industries are privatly engaged is providing health care by disposes and treatment, realisation care and social assistance.	7 Cluthing Accessiones Stores	448150	0.73	<i>4</i>
	8 Floor Covering Stores	442299	0.75	3
	8 Convenience Stores	449120	0.77	16
Repair, maintenance and personal	10 Funiture Dunes	442130	0.79	12
ervices ese industries provide repail, maintenance and personal care	19 Musical Instrument and Supplies Stores	451140	0.79	¥.)
inices, funeral services, laundry and other services to dividuals.	12 Vending Machine Operatore	454230	6.8	2
	13 Hardwale Stares	646130	0.81	
ccomodation and Food services dustries primarily engaged in providing short term lodging and	14 Women's Clubbing Stores	848120	0.96	
omplementary services to travellers, vacationers and others.	13 Supermarkets and Other Grocery (except Convenience) Scores	445130	0.98	- 29

List

The list ranks how concentrated a range of local industries are in your community, the state and other counties.





UNDERREPRESENTED

III How to use the chart

The chart shows how concentrated a range of local industries are in your community. The industries are divided into four overarching sectors – retail trade; health care and social assistance; repair, maintenance and personal services; and accommodation and food services.

Here the location quotients are used to measure the relative concentration of establishments in each industry. The location quotients for your location are contrasted relative to the nation, state and other counties within the state. Comparing the industry location quotient in your location with the state and other counties can provide context, and valuable insights, that can help businesses identify new opportunities. Please note, the "Underrepresented Industries" module uses establishment location quotients, rather than employment location quotients.

By clicking on a circle, or hovering the mouse pointer over it, you can uncover details about that industry specific to each location. Industries with a location quotient less than 1 are those that are less concentrated than the national average and may be underrepresented.

E How to use the list

The list ranks how concentrated a range of local industries are in your community. The list also provides information on the industry's NAICS code, location quotient and the total number of establishments in your community. The industries are divided into four sectors – retail trade; health care and social assistance; repair, maintenance and personal services; and, accommodation and food services.





TOP CLUSTERS

This module promotes the largest traded clusters in your community.

ن الله Why this information is useful for economic developers

Encouraging and supporting traded clusters have been shown to strengthen competitiveness and promote job creation through increased collaboration and productivity.

A cluster-based approach to economic development starts with analyzing clusters to get a better understanding of your economy's strengths. Localintel's Top Clusters module will help to identify the largest traded clusters in your community by employment size. Cluster analysis should also include ongoing dialogue with the firms and other economic actors in all associated industries to better understand their needs and challenges.

It is important to develop strategies that build on the strengths of the overarching cluster, rather than focusing on individual companies or industries. Different clusters will need different strategies and economic developers should aim to build on the competitive advantages of their existing clusters instead of trying to replicate other locations from scratch.

Economic developers can also diversify their economy by supporting the growth of new clusters that are complementary to existing cluster strengths in the region. Start by assessing the clusters and assets that are already present in the region. Then identify related clusters that could be a fit for your economy.

Cluster-based economic development strategies are not easy or quick to implement. They require economic developers to analyze factors that cut across industries. Thinking outside of a more typical industry focused approach requires working with a variety of players in each cluster to identify shared problems and develop strategies that address larger issues that include workforce availability, infrastructure and regulatory constraints.

Finally, please remember this tool is a starting point and further detailed research should be undertaken to confirm which clusters are well suited to your community. This could include considerations involving location and legacy as well as existing and potential strengths.

Why this information is useful for businesses

For many types of businesses, being a part of a large industry cluster is essential to their value chain and strategy. Having a dense network of suppliers and buyers nearby can generate significant competitive advantages. Moreover, strong traded clusters increase innovation and job growth as well as greater new business formation, growth and survival.

Further reading

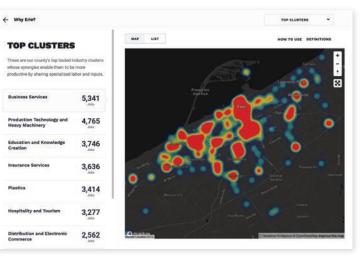
Clusters 101, The U.S. Cluster Mapping Project, Harvard Business School Industry Clusters and Economic Development, Indiana Business Review Reshaping Regional Economic Development: Clusters and Regional Strategy, Michael Porter

Rethinking Cluster Initiatives, Metropolitan Policy Program at Brookings





TOP CLUSTERS



Map

The map shows the location and concentration of your economy's top traded clusters.

Why Erie?						TOP CLU	ITERS V
TOP CLUSTERS		MAP	LIST			HOW TO U	SE DEFINITIONS
These are our county's top traded industry clusters		county's top traded industry clusters.		Business Services			
hose synergies enable them to be roductive by sharing specialized la		Descrip	tier:	Firms in this cluster include establishment business or to assist unreliated companies such as consulting, legal services, facilitie architectural services, and placement services also present in this cluster.	. This incluits support se	des corporate headquarten ervices, computer services,	Professional services engineering and
lusiness Services	5,341	Industri cluster.	es within the	The 33 industries in the cluster are listed to the county. Note some industries within the			
roduction Technology and leavy Machinery	4,765	-	Industry		NACE	Total employment (2019)	Location quatient (2019)
	344	1 Telemarkering Bulsaus and Other Contact Centers.				2,153	6.54
ducation and Knowledge			2 Corporate, Subiolitary, and Regional Menaging Offices		\$81114	977	8.32
reactor	Ada	3 Administrative Management and General Management Consulting Services		541411	601	100	
surance Services	3,636	4 Custom Computer Programming Services		541511	391	841	
			Engineering Ser	witers	541330	264	6.27
lastics	3,414		4 Process, Physical Distribution, and Logistics Consulling Services		561414	165	
	10023	7	Employment Pt	scenent Apendies	501311	101	0.58
lospitality and Tourism	3,277		8 Contractor: Systems Design Services		541512	129	8.16
			All Other Profes	etonal, Scientific, and Technical Services	541990	85	6.79
Section and Electronic	2,562	10	All Other Legal	Invices	\$41199	79	1.78

List

The list identifies the top traded clusters in your community and ranks them based on the total number of jobs.





TOP CLUSTERS

\mathbf{d} How to use the map

The map shows the location and concentration of your economy's top traded clusters. The largest traded clusters in your community are then ranked by employment and the geographic location of the industries within each cluster is visualized by the heat map. Users can zoom in and out or maximize to view on a full screen.

How to use the list

The list identifies the top traded clusters in your community and ranks them based on the total number of jobs. The list also itemizes the industries within each of the cluster and ranks them by the number of employees. Information on the industry's NAICS code, and location quotient are also available.

By using the list, economic developers can identify the industries that make up the cluster and how many people each employs in your community. Note, some industries within the cluster may not have a presence in your area, which gives economic developers an opportunity to potentially "fill the gaps". Research has shown that clusters with a range of industries are stronger than clusters dominated by one or two large firms.





OPPORTUNITY CLUSTERS

This module identifies the largest traded clusters in the broader region to help uncover new opportunities for businesses and economic developers.

Further reading

Clusters 101, *The U.S. Cluster Mapping Project, Harvard Business School* Industry Clusters and Economic Development, *Indiana Business Review* Reshaping Regional Economic Development: Clusters and Regional Strategy, *Michael Porter*

Rethinking Cluster Initiatives, Metropolitan Policy Program at Brookings

^{(2) ※} Why this information is useful for economic developers

Economic developers can potentially diversify and strengthen their local economy by supporting the growth of industry clusters. This is known as cluster-based economic development and in the right circumstances, it can increase productivity, innovation and economic growth.

This module makes it easier to identify the largest clusters (by employment) across the broader region surrounding your location. This is valuable information because strong clusters in neighboring areas can help support and grow your economy.

Even if a particular cluster isn't prevalent in your community you can potentially leverage the strength of regional clusters to identify new opportunities. This type of interaction and cooperation can help to strengthen and diversify your economy while increasing regional interconnectivity.

Furthermore, the list in this module can be used to analyze the type, size and concentration of industries in each cluster. For example, the list may show that some industries within your neighbor's cluster may not exist, which may present an opportunity for your community to "fill the gap".

Please remember this tool is a starting point and further detailed research should be undertaken to confirm which clusters are well suited to your community. This could include considerations involving location and legacy as well as existing and potential strengths.

Why this information is useful for businesses

According to the Brookings Institute there are three ways that clustering helps the performance of businesses:

1. By sharing tailored facilities, infrastructure, and suppliers

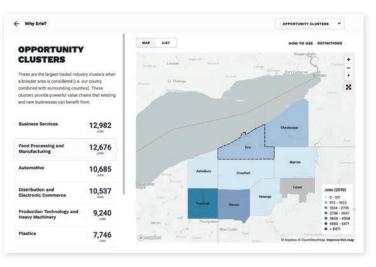
2. By matching workers productively through deep labor markets

3. By learning through dense, knowledge-rich environments that facilitate knowledge exchange and innovation between interdependent firms





OPPORTUNITY CLUSTERS



Map

The map shows the top traded clusters when a broader area is considered. The clusters are listed on the left and ranked by the total number of jobs in that cluster.

Why Erie?	-				OPPORTU	NITY CLUSTERS
OPPORTUNITY		MAP	LIST		HOW	TO USE DEFINITIONS
CLUSTERS These are the largest traded industry clusters when a broader area is considered (i.e. our county combined with surrounding countiles). These clusters provide powerful value chains that existing and new builtnesses can benefit from.		Chester Hame: Description: Industries within the		Food Processing and Manufacturing		
				This class includes from indexes in the surveysing of an four nutriceles est from nutricelings of dementations the domains for and using a this includes million and information of inclusions, sans as allowed. These patteress products contributes in part to producing specially loads, samal factors, a goods, cardies, lace, coffree, Server, while, of the howen part, mails, particeling specially possible processed Stars products. The domain and the domains with the start and waveletable processed Stars products.		
ind new pusifiesses can benefit th	om,	cluster:		presence in the county.		
Business Services	12,982	Retk	Industry		NAICS	Total amployment (2019)
	John	0.	Cookie and Or	acker Manufacturing	311821	6.625
food Processing and Manufacturing	12,676	2	Fluid Milk Mar	suffecturing	211811	1,883
nanorac coring	2000	3	Dog and Cat F	ood Manufacturing	271111	1.062
Automotive	10,685		Nitration		312130	607
			Freen Specia	ity Food Manufacturing	311402	440
Distribution and Electronic Commerce	10,537	1.6	Ice Onem and	I Prozen Dessert Manufacturing	311520	421
	-	1	Selt Drink Ma	nutacturing	312111	400
Production Technology and leavy Machinery	9,240		Fruit and Vege	nable Canoing	pilgi	373
			Brewerten		\$12120	279
Plastics	7,746	10	Donfectionery	Manufacturing from Purchased Choosilate	311362	790
	10000	11	Niechondale	Conflectioners Manufacturing	111340	140

List

The list identifies the top traded clusters in your broader region and ranks them based on the total number of jobs.





OPPORTUNITY CLUSTERS

\blacksquare How to use the map

The map shows the top traded clusters when a broader area is considered. The clusters are listed on the left and ranked by the total number of jobs in that cluster. The map shows where the cluster's jobs are located by county. Click on a county to find out how many jobs it has in the cluster. Users can zoom in and out or maximize to view on a full screen. The map will update when you select a different cluster from the list on the left.

E How to use the list

The list identifies the top traded clusters in your broader region and ranks them based on the total number of jobs. The list also itemizes the industries within each of the clusters and ranks them by the number of employees. Information on the industry's NAICS code, and location quotient are also available.

Q ESSENTIAL DEFINITIONS

Cluster - An industry cluster is a group of firms, and related economic actors and institutions, that are located near one another and that draw productive advantage from their mutual proximity and connections.

Location quotients (LQ) - Location quotients is a way of quantifying how concentrated a particular industry is in a county or metropolitan area compared to the national average. Importantly, it can help uncover what makes a location unique. Places with high employment specialization in an industry have a location quotient of industry employment greater than 1. The higher the LQ, the greater the specialization. Places with low employment specialization in an industry have a location quotient of industry employment less than 1.

NAICS codes - The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the US business economy. To look up a NAICS code go <u>here.</u>

Traded and local industries - The economy can be characterized by two kinds of industries: traded and local. Traded industries are those that concentrate in particular locations but sell products or services across regions and countries. Local industries are industries present in most (if not all) geographic areas, and primarily sell locally. The presence of local industries in a particular location tends to be proportional to the size of the location. For example, a population of 10,000 people will generate similar demand for dentists in any location.

Traded and local industries are linked in two ways. First, traded industries directly purchase goods and services from local industries. Second, workers employed by traded industries purchase goods and services such as food, housing and health care from local industries. Growth in an area's traded industries generates additional income, which can potentially flow through to greater spending on local industries and improve a community's economic well-being.

Industries are categorized as either traded or local industries using the nationally consistent benchmark definitions produced by the U.S. Cluster Mapping Project at the Harvard Business School's Institute for Strategy and Competitiveness.

Traded clusters - are the engines of regional economies. They serve markets in other regions or nations and are concentrated in regions that afford specific competitive advantages. Examples include aerospace and biopharmaceuticals. Local clusters are the foundations of the local economy. They sell products and services primarily for the local market and are located in every region. Examples include hospitality or local financial services. Localintel has grouped industries into clusters based on the nationally consistent benchmark cluster definitions produced by the U.S. Cluster Mapping Project. This methodology groups 778 six-digit NAICS industries into 51 traded cluster categories, and 310 NAICS industries into 16 local cluster categories (all mutually exclusive).

Ö DATA SOURCES

Data for this tool is sourced from *Industry Locale*, a proprietary dataset of industry business counts and employment estimates produced by data scientists at Localintel Labs.

The dataset is created using an advanced machine learning techniques and the most reliable data sources, including the Quarterly Census of Employment and Wages from the US Bureau of Labor Statistics and the US Census Bureau's County Business Patterns. At this point, the dataset does not include agricultural industries.

Importantly, the *Industry Locale* dataset is updated annually and provides the most up to date industry business counts and employment estimates available for US counties, MSAs and regions.

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