

Building on Springfield's Assets: Leveraging a Better Future

Appendix

Produced for the Greater Springfield Chamber of Commerce



Report produced by the Dayton Development Coalition



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Appendix

R&E Scorecard User's Guide

The Springfield R&E Scorecard ranks company by nine factors that would cause a company to move out of Clark County, or flight risk variables, and three that measure impact risk variables.

Column Descriptions

Company: The Company name

City: The city where the company is located

Industry: The NAICS code of the company at that location

Springfield Cluster: The targeted Clark County industry cluster the NAICS belongs to, as defined in the industry cluster report.

DDC Industry: The targeted Dayton Development Coalition industry cluster the NAICS belongs to

JO Industry: The targeted JobsOhio industry cluster the NAICS belongs to, as defined by JobsOhio

Estimated Payroll: The number of jobs in the company multiplied by the average industry wage

Composite Score: The total of the flight score and the impact score

Flight Score: The total of the columns in green (Industry Growth-Clark, Industry Growth-Region, National Comparison-Clark, National Comparison-Region, Pipeline Gap, Job Vacancies, HQ Location, Recent Tax Incentive, Supply Chain)

Impact Score: The total of the columns in blue (Jobs, Income, Multiplier)

Industry Growth-Clark: Industry growth percentage (2013-2018) for Clark County by NAICS code. This is intended to measure how quickly the industry is growing or losing jobs with a high percentage of job growth or job loss putting the company at risk of an expansion or closing/relocating, respectively. Scores highlighted in red are showing job loss and scores highlighted in green are showing job growth. The score is defined as follows:

% Growth	Score
+65%	10
+55%	9
+45%	8
+35%	7
+30%	6
+25%	5
+20%	4
+15%	3
+10%	2
+5%	1
+0%	0

Data: Source, QCEW Employees, Non-QCEW Employees & Self-Employed - EMSI 2013.2 Class of Worker. This data can be updated on a quarterly basis.

Industry Growth-Region: Industry growth percentage (2013-2018) for the 14-County Dayton Region by NAICS code. This is intended to measure how quickly the industry is growing or losing jobs with a high percentage of job growth or job loss putting the company at risk of an expansion or closing/relocating, respectively. Scores highlighted in red are showing job loss and scores highlighted in green are showing job growth. The score is defined as follows:

% Growth	Score
+65%	10
+55%	9
+45%	8
+35%	7
+30%	6
+25%	5
+20%	4
+15%	3
+10%	2
+5%	1
+0%	0

Data: Source, QCEW Employees, Non-QCEW Employees & Self-Employed - EMSI 2013.2 Class of Worker. This data can be updated on a quarterly basis.

National Comparison-Clark: The industry growth percentage (2013-2018) for Clark County by NAICS code compared to the national average. This is intended to measure Clark County's competitiveness in the industry and provide a view to national trends. For instance, a growth percentage of 25% in truck manufacturing is a good thing. However, if the national average is 50% then Clark County doesn't have a competitive advantage.

The score factors in both positive and negative growth percentages. A growth score where Clark County has a higher percentage than the national average may show some competitive advantage and could offer potential expansion opportunities. A score where Clark County has a lower percentage than the national average may show a competitive disadvantage, putting the company at risk for relocation. Scores highlighted in red show a greater national growth percentage and scores highlighted in green show a higher growth percentage in Clark County. The score is defined as follows:

Difference in Growth %	Score
+50%	10
	9
+40%	8
	7
+30%	6
	5
+20%	4
	3
+10%	2
	1
+0%	0

Data: Source, QCEW Employees, Non-QCEW Employees & Self-Employed - EMSI 2013.2 Class of Worker. This data can be updated on a quarterly basis.

National Comparison-Region: The industry growth percentage (2013-2018) for the 14-county Dayton Region by NAICS code compared to the national average. This is intended to measure the region’s competitiveness in the industry and provide a view to national trends. For instance, a growth percentage of 25% in truck manufacturing is a good thing. However, if the national average is 50% then the region doesn’t have a competitive advantage.

The score factors in both positive and negative growth percentages. A growth score where the Dayton Region has a higher percentage than the national average may show some competitive advantage and could offer potential expansion opportunities. A score where the region has a lower percentage than the national average may show a competitive disadvantage, putting the company at risk for relocation. Scores highlighted in red show a greater national growth percentage and scores highlighted in green show a higher growth percentage in region. The score is defined as follows:

Difference in Growth %	Score
+50%	10
	9
+40%	8
	7
+30%	6
	5
+20%	4
	3
+10%	2
	1
+0%	0

Data: Source, QCEW Employees, Non-QCEW Employees & Self-Employed - EMSI 2013.2 Class of Worker. This data can be updated on a quarterly basis.

Pipeline Gap: The percentage of an industry’s workforce in occupations the county, region, and state are underproducing a talent pipeline. This is intended to measure the ability to measure the ability to maintain the workforce needed for a company to operate in Clark County.

The score is calculated by identifying the occupations that are being underproduced. This is done by looking at the number of annual openings (2013) for an occupation and then comparing it to the talent coming out of local, regional, and state colleges and universities (most recent dataset from 2011). Then, the percentage those occupations make up of a specific industry within the county, region, and state is used to calculate the score. The score for all three is calculated using the definition below and then averaged.

% of Industry in Underproduced Occupations	Score
20+%	20
<20%	10
	9
<15%	8
	7
<10.0%	6
	5
<7.5%	4
	3
<5.0%	2
	1
<2.5%	0

Data: Source for industry staffing pattern and annual openings for the gap analysis: QCEW Employees, Non-QCEW Employees & Self-Employed - EMSI 2013.2 Class of Worker.

This data can be updated on a quarterly basis.

Source for completers: IPEDS 2011

This can be updated on a yearly basis when the new IPEDS data is released.

Job Vacancies: The percent of a company’s total jobs listed as vacant. This is intended to be another measure of workforce issues and is a more immediate measure than the pipeline gap. The score is defined as:

Vacant Jobs as % of Total	Score
>25%	10
	9
25%	8
	7
20%	6
	5
15%	4
	3
10%	2
	1
5%	0

Data: Source, OhioMeansJobs.com.

Can be updated at any time.

HQ Location: The location of a company’s headquarters and, if foreign owned, its US headquarters. This is intended to measure the mobility of a company under the assumption that a headquarters operations more difficult to move than a branch operation. The score is defined as follows

Foreign or Domestic HQ	Domestic HQ location	Score
Foreign	Outside Ohio	10
		9
		8
Foreign	Ohio	7
Domestic	Outside Ohio	7
		6
Foreign	Local	5
Domestic	Ohio	5
		4
		3
		2
		1
Domestic	Local	0

Data: Source, Hoovers.com

Can be updated at any time.

Recent Tax Initiative: If the company has recently received a Job Creation Tax Credit from the State of Ohio. This is intended to measure a company’s commitment to their current location. The score measures the recency of a tax credit and the standing of the tax credit with the state (ie. if it was terminated before the commitment was completed). The score is defined as follows:

Standing	Recency	Score
Good	Active	-10
Good	Recent, w/in 5 years of completion	-6
Good	Old, > 5 years since completion	-2
NO JCTC	NO JCTC	0
Terminated w/o clawback	Old, > 5 years since completion	2
Terminated w/o clawback	Recent, w/in 5 years of completion	6
Terminated w/ clawback		10

Data, Source: Ohio Job Creation Tax Credit Annual Report

The annual report is updated yearly but JCTC’s are awarded monthly.

Supply Chain: The percentage of the industry’s supply chain that is available in the region (Clark and surrounding counties). This is intended to measure the ability for a company to get the products they need from the region with the assumption that the more condensed their supply chain the harder it is to pick up and move. The score is calculated by the percentage of the industry that is not available in the region that must be imported in. The score is defined as follows:

% Imported	Score
90%	10
85%	9
80%	8
75%	7
70%	6
65%	5
60%	4
55%	3
50%	2
40%	1
< 40%	0

Data: Source, QCEW Employees, Non-QCEW Employees & Self-Employed - EMSI 2013.2 Class of Worker. This data can be updated on a quarterly basis.

Jobs: The number of people employed at a facility. The score is defined as follows:

% Imported	Score
300	10
250	9
200	8
150	7
125	6
100	5
75	4
52	3
25	2
10	1
<10	0

Data: Source, Hoovers.com with business intelligence provided by Clark County CIC and City of Springfield.

Can be updated at any time.

Income: The average earnings for an industry. The score is calculated by comparing the earnings to the average wage for Clark County. The score is defined as follows:

% Imported	Score
\$103,245/ 2.50x Average	10
\$92,921/ 2.25x Average	9
\$82,596/ 2.00x Average	8
\$72,272/ 1.75x Average	7
\$61,947/ 1.50x Average	6
	5
	4
\$51,623 / 1.25x Average	3
	2
	1
\$41,298/ Average Wage	0

Data: Source, QCEW Employees, Non-QCEW Employees & Self-Employed - EMSI 2013.2 Class of Worker. This data can be updated on a quarterly basis.

Multiplier: The jobs multiplier for an industry. The jobs multiplier score is intended to measure the ripple effect adding or losing jobs would have on a community. The score is defined as follows:

% Imported	Score
2.5	10
2.2	9
2.1	8
2	7
1.85	6
1.8	5
1.7	4
1.65	3
1.6	2
1.5	1
<1.5	0

Data: Source, QCEW Employees, Non-QCEW Employees & Self-Employed - EMSI 2013.2 Class of Worker. This data can be updated on a quarterly basis.

Recruitment Scorecard User's Guide

The recruitment scorecard identifies areas of the country and industries where Clark County may have a competitive edge. This is done by looking at seven variables that are factors in a business relocation decision.

Column Descriptions

NAICS: The NAICS code of the industry

Description: The description of the NAICS code

Springfield Cluster: The targeted Clark County industry cluster the NAICS belongs to, as defined in the industry cluster report.

DDC Industry: The targeted Dayton Development Coalition industry cluster the NAICS belongs to

JO Industry: The targeted JobsOhio industry cluster the NAICS belongs to, as defined by JobsOhio

Metropolitan Statistical Area Name: The MSA being compared to the Springfield MSA

Right to Work: The state's right to work status. Companies, such as Boeing, have recently created operations to right to work states over expanding in their current non-right to work state. In fact, Washington legislation is even considering putting a right to work issue on the ballot in fear of losing Boeing completely to a right to work state. For this scorecard, the State of Ohio is at a disadvantage to states that are right to work and on the same ground for states that are not. Therefore, the scoring for this variable is defined as:

Right to Work	Score
Yes	-5
No	0

Data: Source, www.nrtw.org/rtws.htm

Can be updated any time legislation passes

Real Estate: The leasing cost of real estate for the industry (either office, industrial, or retail) for the MSA or, when not available, the State. For this scorecard the rate of the Dayton MSA is being used as a proxy for Clark County. Scores are based off of the percent difference between MSA lease rates and are defined as:

Real Estate Rate Percent Difference	Score
50% Cheaper in Clark County	5
40% Cheaper	4
30% Cheaper	3
20% Cheaper	2
10% Cheaper	1
Equal	0
10% More Expensive in Clark County	-1
20% More	-2
30% More	-3
40% More	-4
50% More	

Data: Source, loopnet.com/markettrends

Can be updated monthly.

Taxes: The competitiveness of the business tax structure in the State of Ohio. For this scorecard the ranking of the State of Ohio in three tax indices is averaged and compared to the average ranking of other states. Scores are based on this comparison and the difference in rankings and are defined as follows:

Average Rank	Score
+ 25 States	5
+20	4
+15	3
+10	2
+5	1
State of Ohio Average Rank	0
-5 States	-1
-10	-2
-15	-3
-20	-4
-25	-5

Data: Source,

Ernst & Young's Competitiveness of state and local business taxes on new investment, Ranking states by tax burden on new investment, April 2011

http://www.areadevelopment.com/article_pdf/id48148_Competitiveness_of_state_and_local_business_taxes_SCORE_YY2481.pdf

Tax Foundation 2012 State Business Tax Climate Index

<http://taxfoundation.org/article/2012-state-business-tax-climate-index>

Small Business & Entrepreneurship Council's Business Tax Index 2012

<http://www.sbecouncil.org/uploads/BTI2012FINAL.pdf>

Can be updated yearly when a new study is published.

Utilities: Electric and gas rates for the State of Ohio. For this scorecard the percentage difference of electric and gas rates between Ohio and other states are scored and then averaged. Scores are defined as:

Utility Rate % Difference	Score
30% cheaper rates in Ohio	5
25%	4
20%	3
15%	2
10%	1
Ohio Rate	0
10% more expensive in Ohio	-1
15%	-2
20%	-3
25%	-4
30%	-5

Data: Electric Source, US Energy Information Administration, Electric Power Monthly, Table 5.6.A Average Retail Price of Electricity to Ultimate Customers by End-Use Sector

http://www.eia.gov/electricity/monthly/epm_table_grapher.cfm?t=epmt_5_06_a

Can be updated monthly

Gas Source, US Energy Information Administration, Natural Gas

http://www.eia.gov/dnav/ng/ng_pri_sum_a_EPG0_PCS_DMcf_m.htm

Can be updated monthly

Growth: A comparison of growth rates in the industry. For this scorecard it is the difference (subtraction) in growth rates between Clark County and another MSA in an industry. To be considered, an industry must have at least 100 jobs. Industries that do not have 100 jobs in Clark County or the MSA were removed from the scorecard. Scores are defined as:

Difference in Growth Rates	Score
25% (Stronger in Clark County)	5
20%	4
15%	3
10%	2
5%	1
0%	0
5% (Stronger in MSA)	-1
10%	-2
15%	-3
20%	-4
25%	-5

Wages: A comparison of wages in the industry. For this scorecard it is the percent difference in wage rates between Clark County and another MSA in an industry. To be considered, an industry must have at least 100 jobs. Industries that do not have 100 jobs in Clark County or the MSA were removed from the scorecard.

Difference in Growth Rates	Score
25% (Stronger in Clark County)	5
20%	4
15%	3
10%	2
5%	1
0%	0
5% (Stronger in MSA)	-1
10%	-2
15%	-3
20%	-4
25%	-5