



# *Clackamas County Economic Landscape* ***Emerging Trends Update***

June 2015 update

# Clackamas County's Economic Contribution

**Regional (9 county) GDP =**

**\$165 Billion per year (2013)**

*down from \$183 B in 2012 but up from  
\$132 B in 2011*

**Clackamas County GDP =**

**\$18.1 Billion**

*Flat from \$18.1 B in 2012 and up from  
\$16.4 B in 2011*

Source: IMPLAN model.



# Definitions

- **IMPLAN** = **IMP**act for **PLAN**ining (economic input/output model)
- **IMPLAN Sectors**: up to 536 detailed industry or commodity types (i.e., sector #6, Greenhouse, Nursery & Floriculture Production)
- **NAICS**: North American Industrial Classification System; industry classification system utilized by Oregon Employment Dept. and US Bureau of Labor Stats.
- **Employment**: IMPLAN includes full and part-time job estimates; Oregon Emp. Dept. estimates “covered employment” with reported unemployment insurance
- **Direct vs. Secondary Employment**: see following graphic
- **Employee Compensation**: IMPLAN includes total payroll costs, labor income, and benefits. Oregon Emp. Dept. estimates labor income/payroll only.
- **Traded Clusters** or Traded Sectors: industries that derive the majority of sales from outside the PMSA.

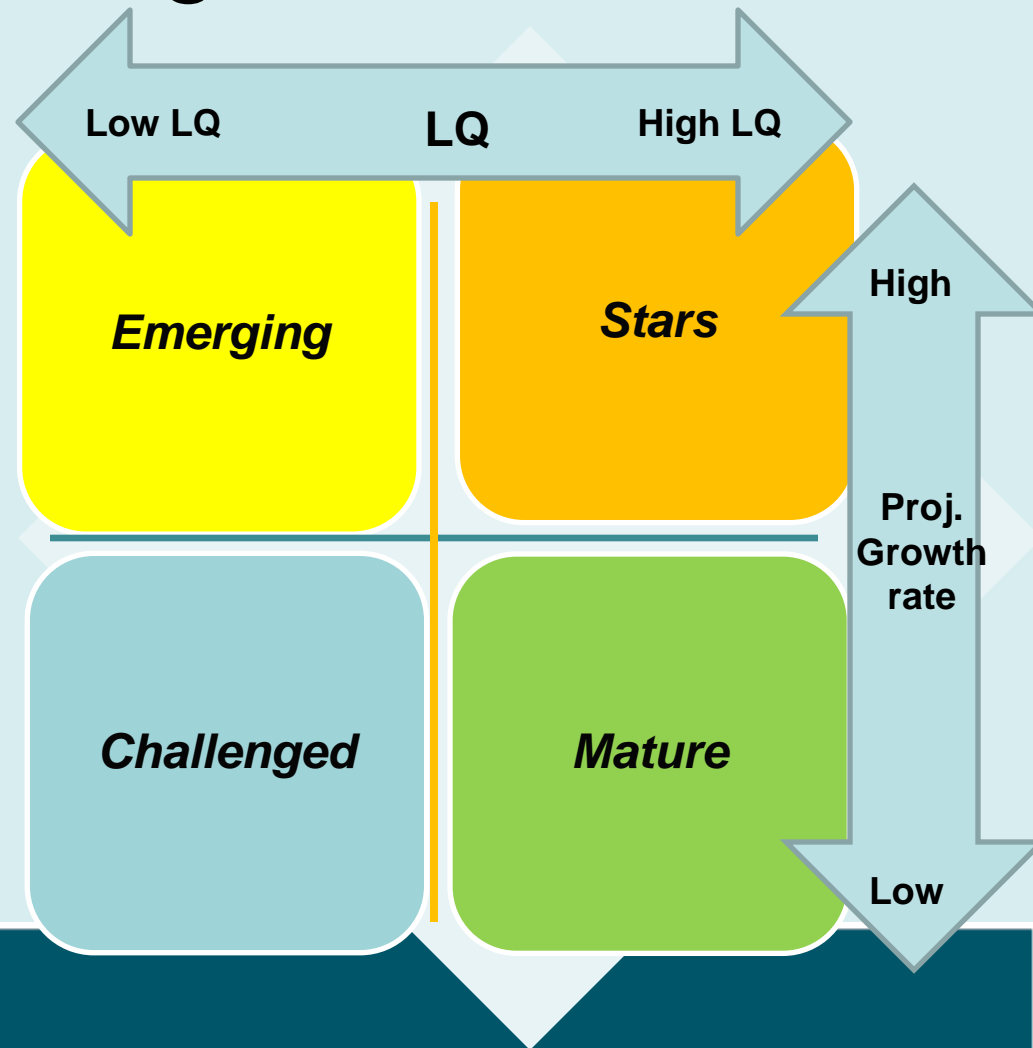
# Definitions

- **Location Quotient:** propensity of the industry to be produced in Clackamas County vs. the PMSA (9 county) region. A LQ of 1.0 means that the cluster propensity to locate in Clackamas County is equal to the average for the entire 9-county region.
- **Gross Domestic Product (GDP) or Valued Added:** annual contribution of an industry, measured by employee compensation, proprietor income, other income and tax payments
- **Output:** annual gross sales less ending year inventory and depreciation

# Understanding LQs

- Location Quotients

- Propensity of jobs to locate in Clackamas County in comparison to the entire Regional PMSA.
- Reflects relative size and growth based on 10-yr. job growth forecast and direct wages paid.
- Four categories: Stars, Emerging, Mature and Challenged.

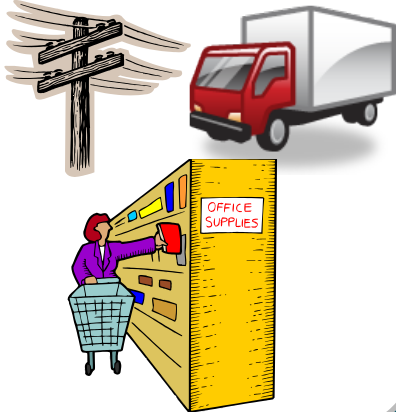


# Understanding Impacts using IMPLAN

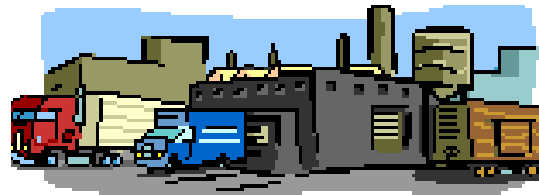
## Indirect Impacts

(backward linkages)

(supply-chain inputs, such as utilities, supplies, parts, materials, transport. and vender services)



## Direct Impacts



Direct spending by employers

(production cost, direct employee compensation, tax & fee payments)



## Induced Impacts

(forward linkages)

(household consumption spending)



# What Defines Key Cluster?

- Location Quotient  $> 1$  or approaching 1
  - Greater presence within Clackamas County relative to the region
  - Concentration of similar businesses & supply chains
  - Increasing propensity to locate in Clackamas County
- Strong Economic Contribution
  - Key clusters account for about 50% of county GDP

# Clackamas County Key Clusters\*

- Professional Business Services
  - *Corp. HQ, legal, insurance, engineering, finance (excl. banking, advertising)*
- High Tech Manufacturing & Software
- Wholesale Trade
- Health Care
- Advanced Manufacturing – Metals
  - *includes primary & fabricated metals and machinery mfg.*
- Film & Media Production
- Transportation & Distribution
- Agriculture & Food Production
- Food & Beverage Processing
- Nurseries and Greenhouses
- Wood Manufacturing

*\* Shown in order of annual GDP contribution to Clackamas County*



# Other Defined Clusters

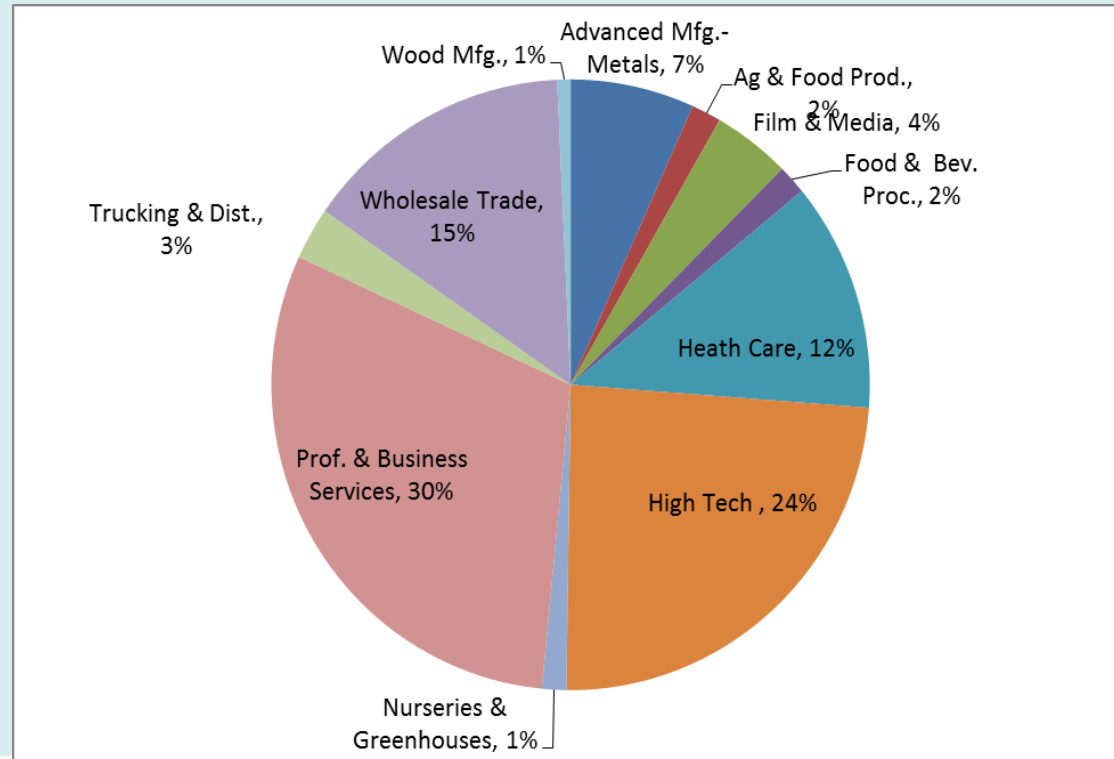
- **Leisure, Hospitality and Tourism:** Large level of employment but relatively low wages /output; spread among many sectors (e.g., retail, entertainment, lodging, etc.) County continues to develop tourism in related efforts.
- **Natural Resources and Mining** – low location quotient in County.
- **Retail:** Serves local population; lower wages & economic output, and is part of tourism cluster.
- **Construction:** Primarily serves local population and job growth; not usually considered as a traded sector (but could be emerging as one).
- **Education** – Important for workforce development and serving local population; but not currently a major traded sector.

# Clackamas County's Clusters

## Distribution of Annual GDP (\$10.5 Billion)

### Key Clusters in Clackamas County:

- ✓ Create \$10.5 billion in direct annual GDP
- ✓ Generates 56% of total direct GDP in County
- ✓ Employ 45% of the Job base
- ✓ Avg. covered payroll of \$47,000 in key clusters is over 17% above county average



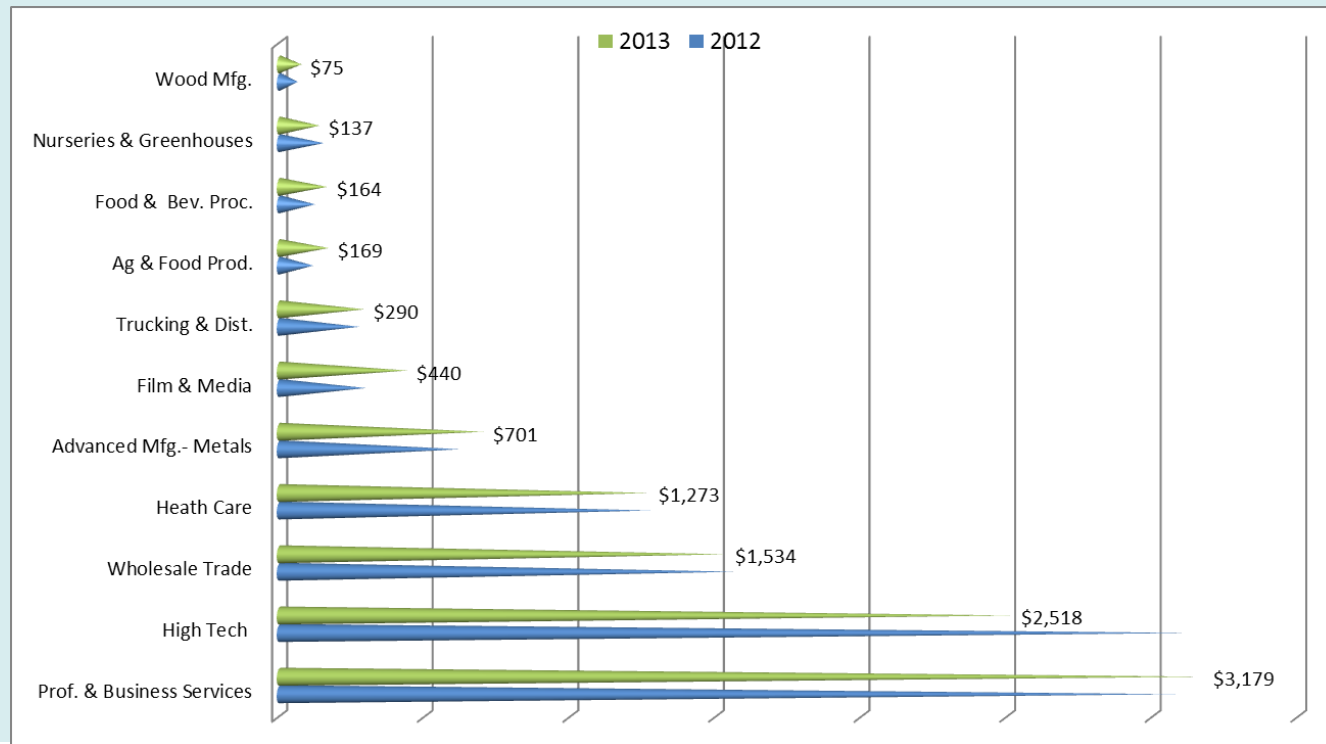
Source: FCS GROUP based on 2013 IMPLAN data

# Clackamas County Clusters:

## Annual Direct GDP (millions)

Overall GDP stayed flat between 2012 and 2013, with some clusters leading the way.

Fastest GDP growth occurring in:  
Film & Media,  
Advanced Manufacturing – Metals & Machinery and  
Agriculture and Food Production.

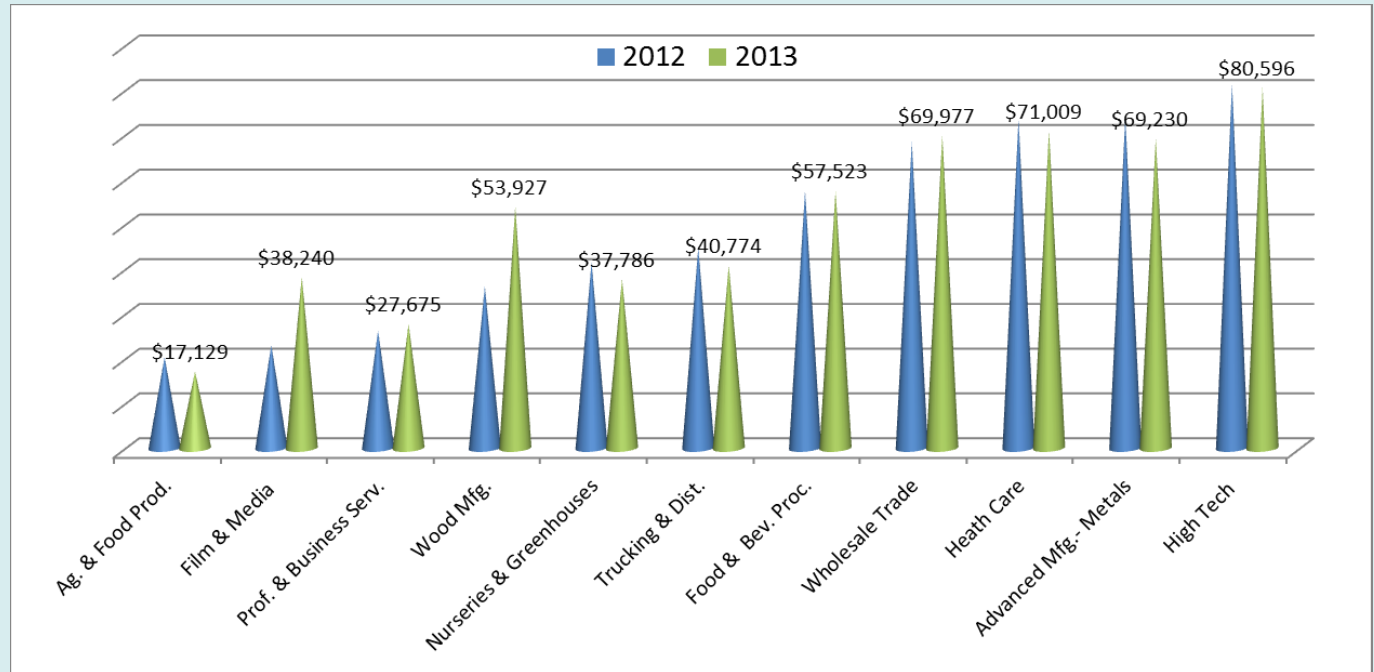


\* Source: IMPLAN data, adjusted to 2015 dollars.

# Clackamas County Clusters: Average Compensation Levels\*

Avg. Emp. Compensation fell slightly between 2012 and 2013.

Avg. Comp. in Clackamas County was 20% below Region



Most key clusters pay above average compensation

\* Source: IMPLAN; adjusted to 2015 dollars. Note, IMPLAN calculates employment compensation based on total payroll and benefits divided by covered and non-covered employment; which is different than average payroll calculated by Oregon Employment Dept based on covered workers and reported payrolls.

# Wholesale Trade

## 2013 Impacts

### Indirect Impacts Regional

5,777 jobs  
\$464 M in GDP

### Direct Impacts Clackamas County



11,753 jobs  
\$1,522 M in GDP

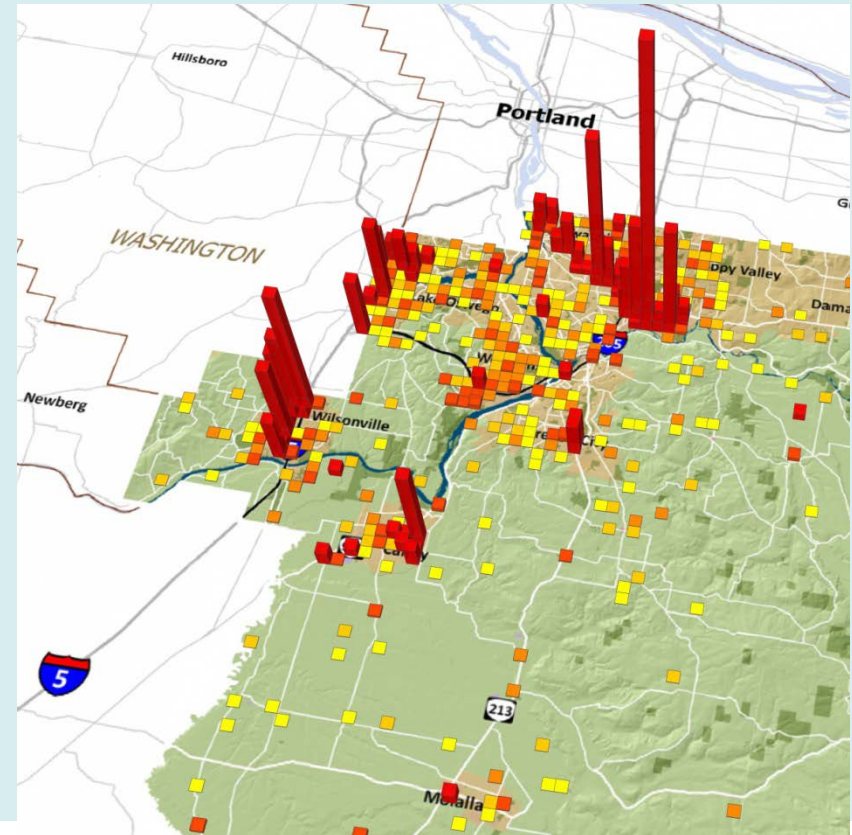
### Induced Impacts Regional

5,872 jobs  
\$421 M in GDP

**Total Impact on Region: 23,402 jobs; \$2,407 M in GDP**

# Wholesale Trade\*

- Good rebound in 2013
- Avg. compensation: \$69,977
- Employment: 11,753
- Annual GDP: \$1.5 billion
- LQ steady and “mature”
- 11 firms in County Top 100 (Kroger, Sysco, Pacific Sea Food, Orepac Building Products, etc.)



**Annual Economic Output by Location**

Source: FCS GROUP & Real Urban Geographics based on IMPLAN and Oregon Employment Dept. data.

\* Includes firms, agents and brokers engaged in sale of goods to retailers.

# High Tech, 2013 Impacts

## Indirect Impacts Regional

**4,868 jobs**  
**\$393 M in GDP**

## Direct Impacts Clackamas County



(production cost, direct  
employee compensation, tax  
& fee payments)

**8,163 jobs**  
**\$2,499 M in GDP**

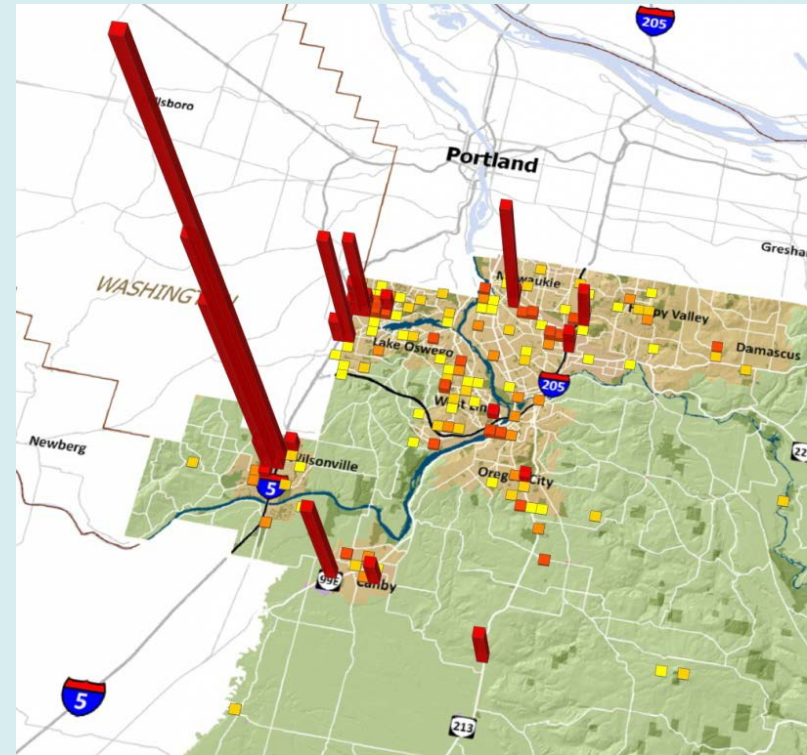
## Induced Impacts Regional

**5,090 jobs**  
**\$364 M in GDP**

**Total Impact on Region: 18,121 jobs; \$3,256 M in GDP**

# High Tech\*

- Strong GDP growth but lagging in jobs
- Avg. compensation: \$80,596
- Employment: 8,163
- Annual GDP: \$2.5 billion
- LQ has decreased
- 7 firms in County Top 100 (Xerox, TYCO Electronics, Flir Systems, Johnson Controls, Rockwell Collins)
- Emerging Opportunities: computer components, audio/video equip., battery mfg., and wire & cable mfg.



**Annual Economic Output by Location**

Source: FCS GROUP & Real Urban Geographics based on IMPLAN and Oregon Employment Dept. data

*\* Includes manufacturing of computer parts and electronic devices, software design, and computer systems programming.*



# Advanced Mfg. – Metals & Machinery

## 2013 Impacts

### Indirect Impacts Regional

**3,749 jobs**  
**\$305 M in GDP**

### Direct Impacts Clackamas County



(production cost, direct  
employee compensation, tax  
& fee payments)

**7,566 jobs**  
**\$695 M in GDP**

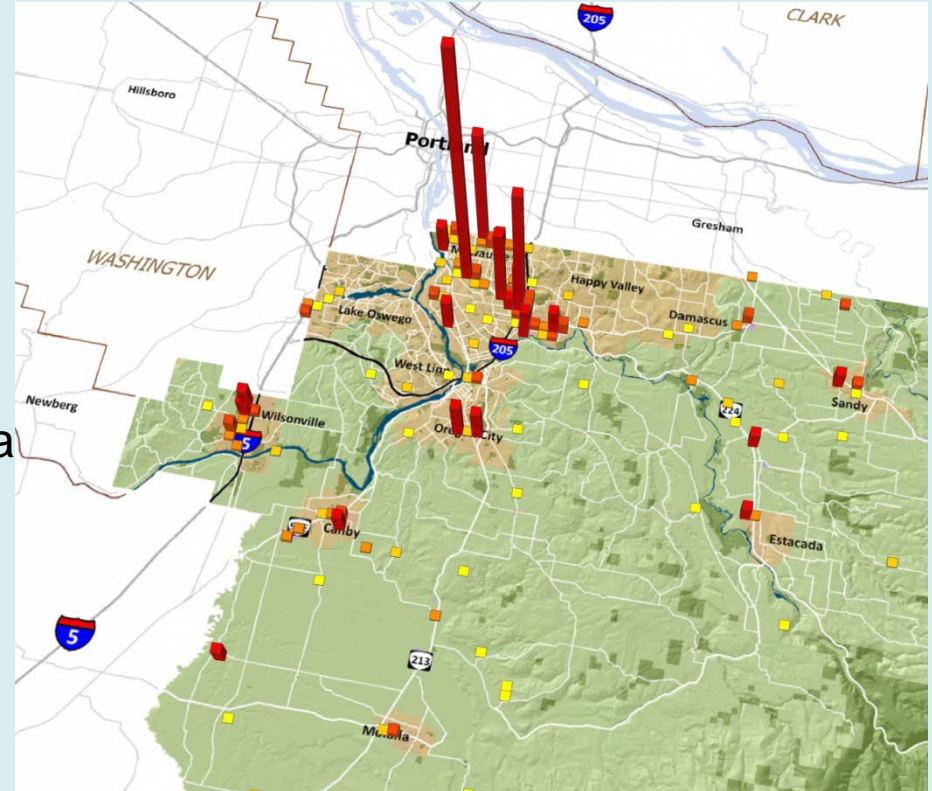
### Induced Impacts Regional

**3,748 jobs**  
**\$269 M in GDP**

**Total Impact on Region: 15,063 jobs; \$1,269 M in GDP**

# Advanced Mfg. – Metals & Machinery\*

- Recent job and GDP growth
- Avg. compensation: \$69,230
- Employment: 7,566
- Annual GDP: \$695 million
- LQ still very high
- 2 firms in County Top 100 (PCC Structurals, Oregon Iron Works,
- Growth areas: cutlery, handtools, metal tanks and specialty coatings



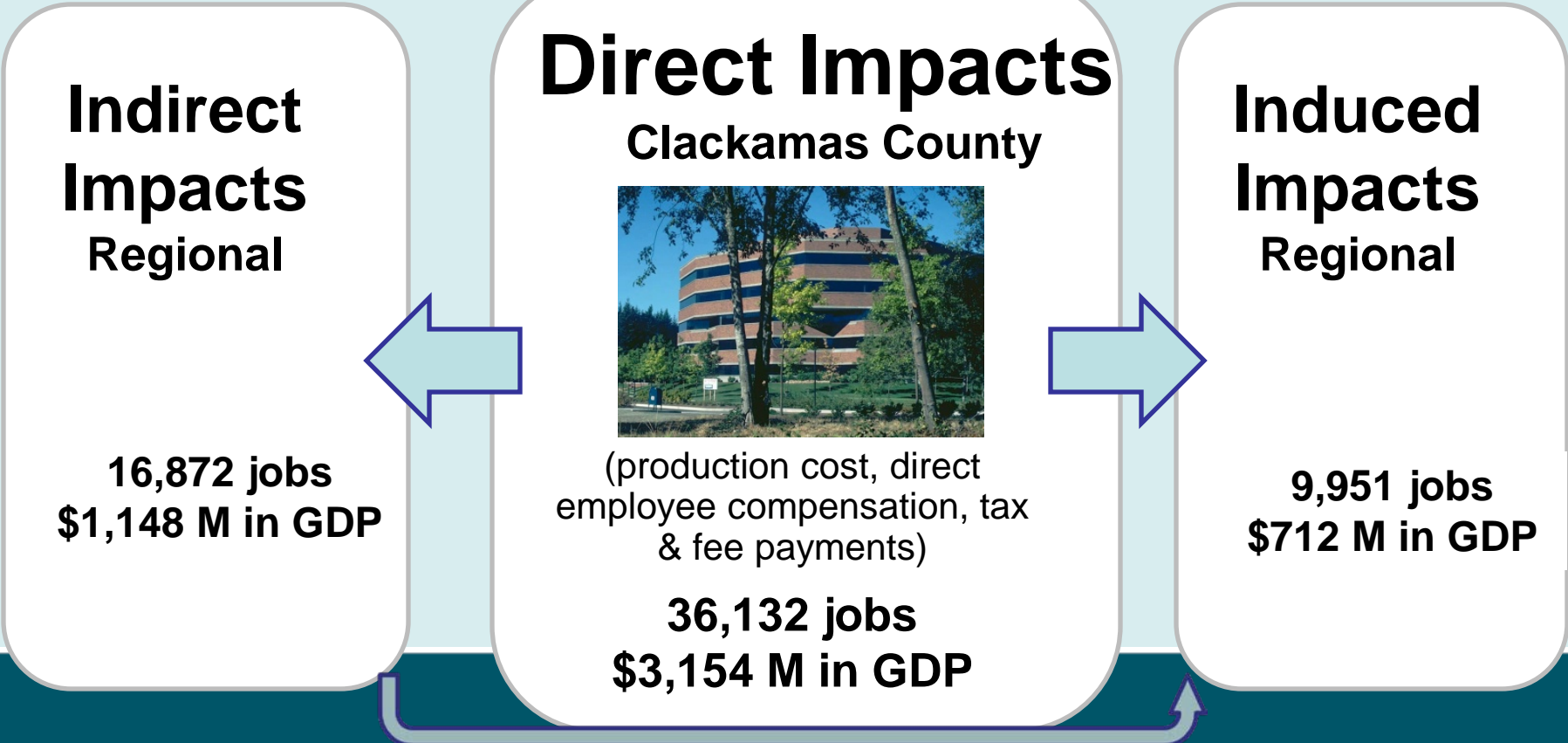
**Annual Economic Output by Location**

Source: FCS GROUP & Real Urban Geographics based on IMPLAN and Oregon Employment Dept. data

\* Includes primary metals, fabricated metals, machinery manufacturing.

# Professional Business Services

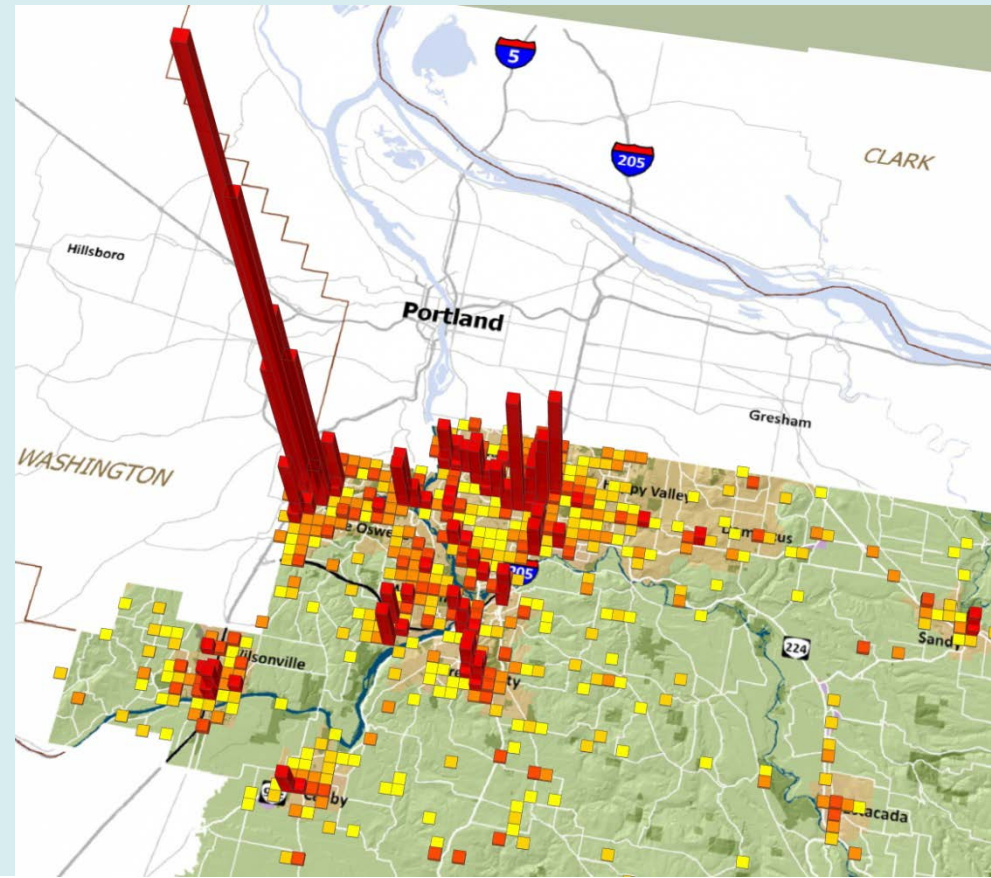
## 2013 Impacts



**Total Impact on Region: 62,955 jobs; \$5,014 M in GDP**

# Professional Business Services\*

- Significant job growth in recent years
- Avg. compensation: \$27,675
- Employment: 36,123
- Annual GDP: \$3.2 billion
- LQ holding steady
- 3 firms in County Top 100 (Alpine Mortgage, Huron Consulting, Princeton Property Mgmt..)



\* Includes legal, eng., accounting, marketing, insurance, sales, real estate, computer systems; excludes commercial banking

## Annual Economic Output by Location

Source: FCS GROUP & Real Urban Geographics based on IMPLAN and Oregon Employment Dept. data

# Nurseries & Greenhouses

## 2013 Impacts

**Indirect  
Impacts**  
Regional

552 jobs  
\$22 M in GDP

**Direct Impacts**  
Clackamas County



4,231 jobs  
\$136 M in GDP

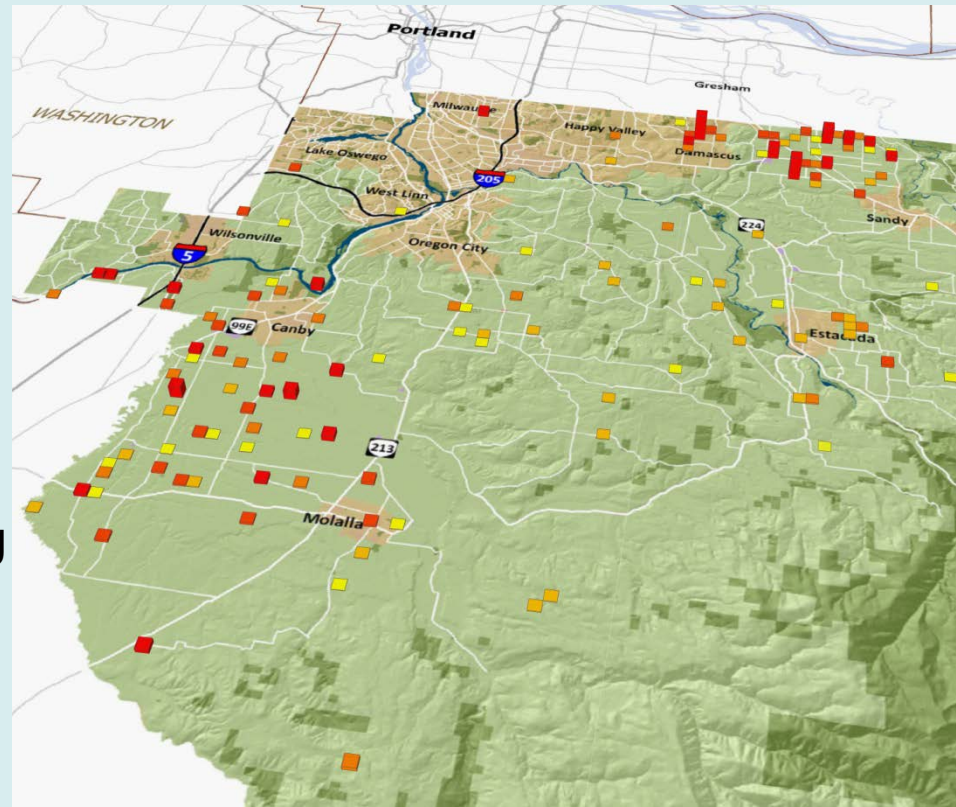
**Induced  
Impacts**  
Regional

562 jobs  
\$40 M in GDP

**Total Impact on Region: 5,345 jobs; \$198 M in GDP**

# Nurseries and Greenhouses

- Very hard hit by recession and still struggling
- Avg. compensation: 37,786
- Employment: 2,013
- Annual GDP: \$136 million
- Mature industry with stable LQ
- 2 firm in County Top 100 (Leo Gentry Wholesale, Early Morning LLC)
- Primarily rural impacts
- Legal hemp/marijuana may help this cluster



## Annual Economic Output by Location

Source: FCS GROUP & Real Urban Geographics based on IMPLAN and Oregon Employment Dept. data.

\* Includes production of landscaping trees, shrubs and seedlings, herbs, flowers and related products.

# Trucking & Distribution

## 2013 Impacts

### Indirect Impacts Regional

**1,407 jobs**  
**\$106 M in GDP**

### Direct Impacts Clackamas County



(production cost, direct  
employee compensation, tax  
& fee payments)

**4,295 jobs**  
**\$288 M in GDP**

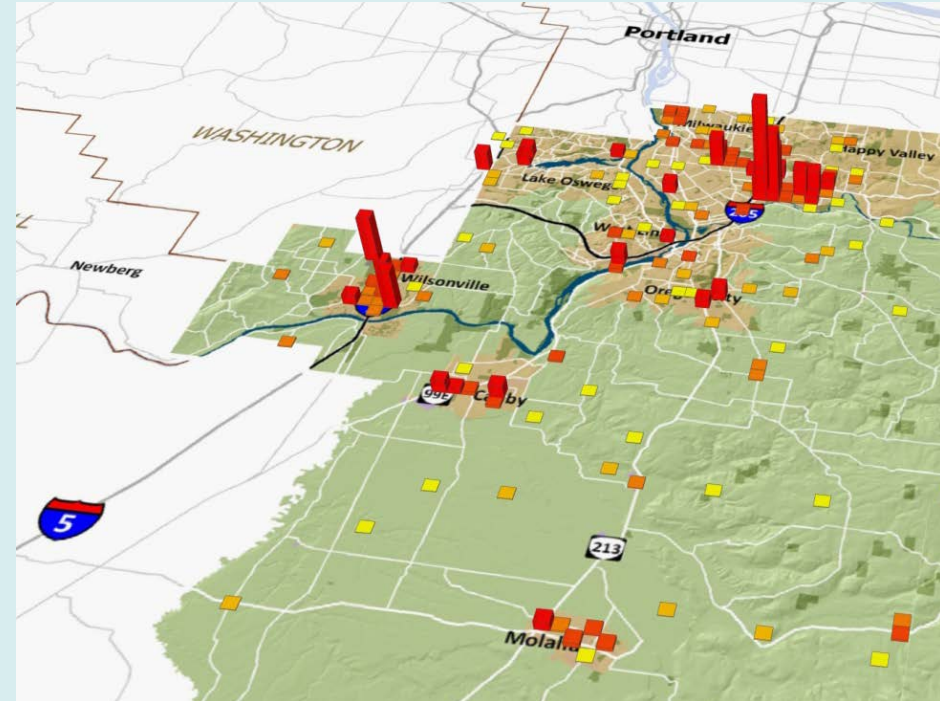
### Induced Impacts Regional

**1,531 jobs**  
**\$109 M in GDP**

**Total Impact on Region: 7,233 jobs; \$503 M in GDP**

# Trucking & Distribution\*

- Recorded best year since recession in 2013
- Avg. compensation: \$40,774  
Employment: 4,259
- Annual GDP down: \$288 million
- LQ holding steady “mature”
- 4 firms in County Top 100  
(Interstate Distributor Co,  
Safeway Dist. Center, Rite Aid  
Dist. Center, Gordon Trucking  
etc.)



## Annual Economic Output by Location

Source: FCS GROUP & Real Urban Geographics based  
on IMPLAN and Oregon Employment Dept. data

\* Includes trucking, warehousing and storage  
businesses



# Food & Beverage Processing

## 2013 Impacts

**Indirect  
Impacts  
Regional**

**1,185 jobs  
\$91 M in GDP**

**Direct Impacts**  
Clackamas County



**1,984 jobs  
\$162 M in GDP**

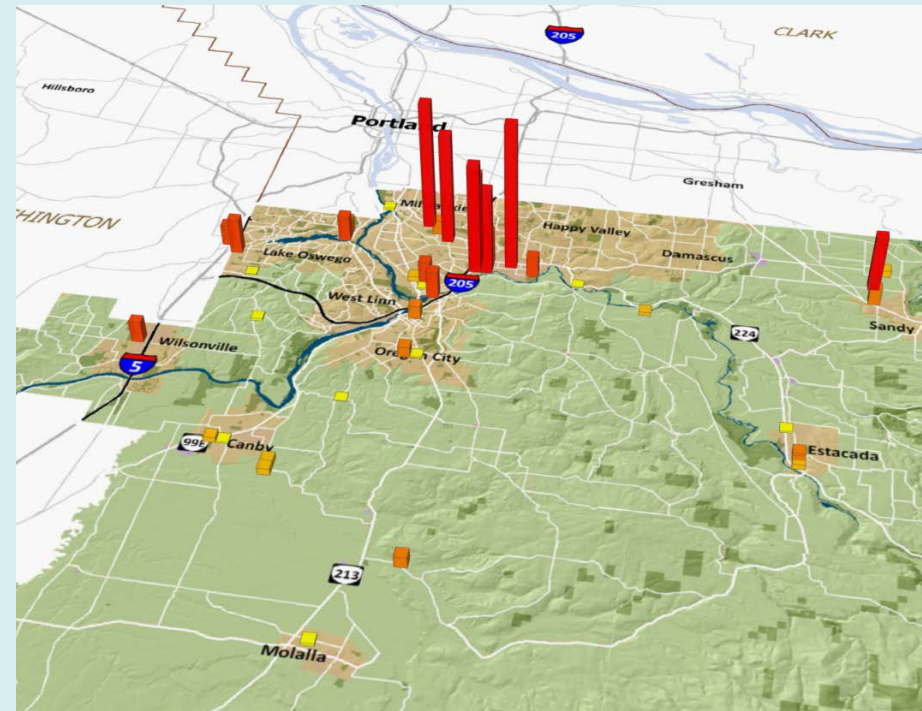
**Induced  
Impacts  
Regional**

**857 jobs  
\$61 M in GDP**

**Total Impact on Region: 4,026 jobs; \$314 M in GDP**

# Food & Beverage Processing\*

- 2013 was record year for this Cluster in Clackamas County
- Avg. compensation: \$57,523
- Employment: 1,984
- Annual GDP: \$162 million
- LQ still “challenged”
- 1 firms in County Top 100 (Bob’s Red Mill Natural Foods, Nature Bake)
- Opportunities: animal food, and snack food manufacturing



**Annual Economic Output by Location**

\* Includes food processing and beverage manufacturing businesses.

Source: FCS GROUP & Real Urban Geographics based on IMPLAN and Oregon Employment Dept. data

# Agriculture & Food Production

## 2013 Impacts

**Indirect  
Impacts**  
Regional

511 jobs  
\$30 M in GDP

**Direct Impacts**  
Clackamas County



5,346 jobs  
\$167 M in GDP

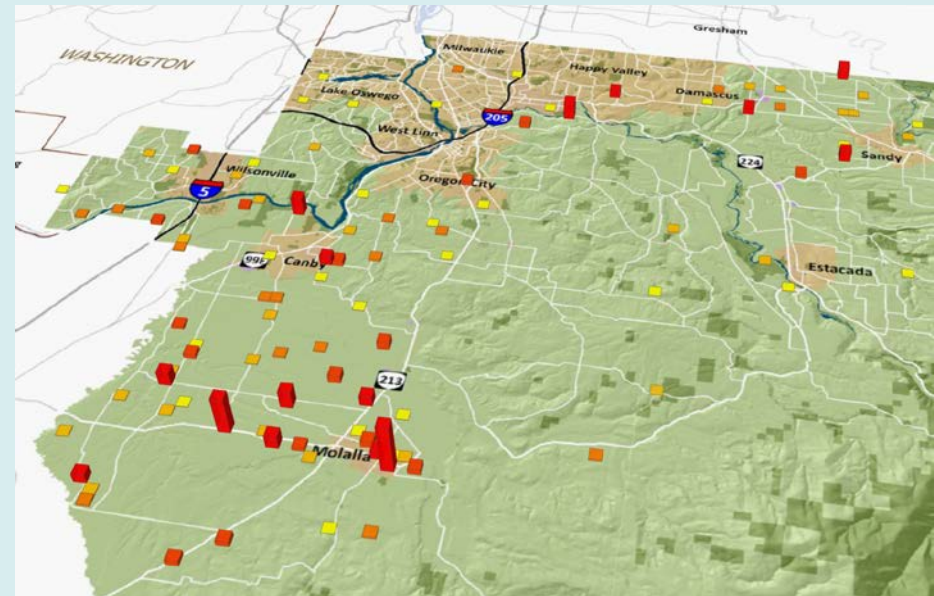
**Induced  
Impacts**  
Regional

662 jobs  
\$47 M in GDP

**Total Impact on Region: 6,519 jobs; \$244 M in GDP**

# Agriculture and Food Production\*

- 2013 set a two-decade record for jobs and GDP in this Cluster
- Employment: 5,346
- Average Compensation: \$17,129
- GDP: \$167 million
- LQ is trending up
- Major concentrations in rural areas. Important rural and urban interface



Annual Economic Output by Location

\*Includes agriculture and animal production for food and medicinal purpose, and support activities.

# Wood Product Manufacturing

## 2013 Impacts

### Indirect Impacts Regional

421 jobs  
\$37 M in GDP

### Direct Impacts Clackamas County



720 jobs  
\$75 M in GDP

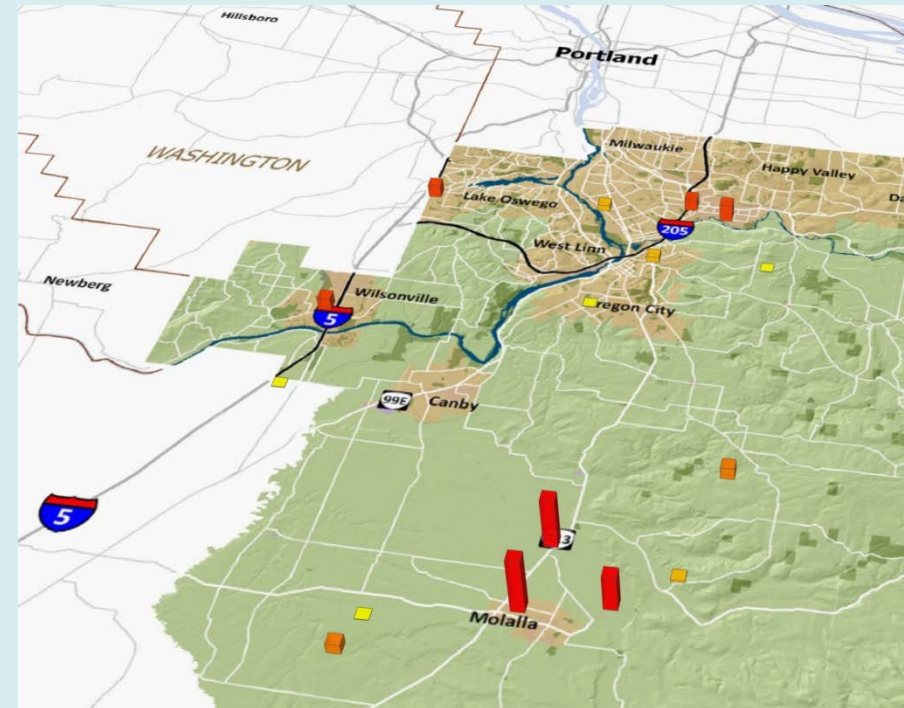
### Induced Impacts Regional

438 jobs  
\$31 M in GDP

**Total Impact on MSA: 1,579 jobs; \$143 M in GDP**

# Wood Product Manufacturing\*

- Cluster still struggling
- Avg. compensation: 53,927
- Employment: 720
- Annual GDP: \$75 million
- Mature industry with shrinking LQ
- 1 firm in County Top 100 (Boise Cascade Company)
- Primarily rural impacts



**Annual Economic Output by Location**

\* Includes firms making products, such as trusses, cabinets, wood furniture, etc.

Source: FCS GROUP & Real Urban Geographics based on IMPL and Oregon Employment Dept. data.

# Health Care, 2013 Impacts

## Indirect Impacts MSA

**3,777 jobs**  
**\$293 M in GDP**

## Direct Impacts Clackamas County



(production cost, direct  
employee compensation, tax  
& fee payments)

**13,514 jobs**  
**\$1,263 M in GDP**

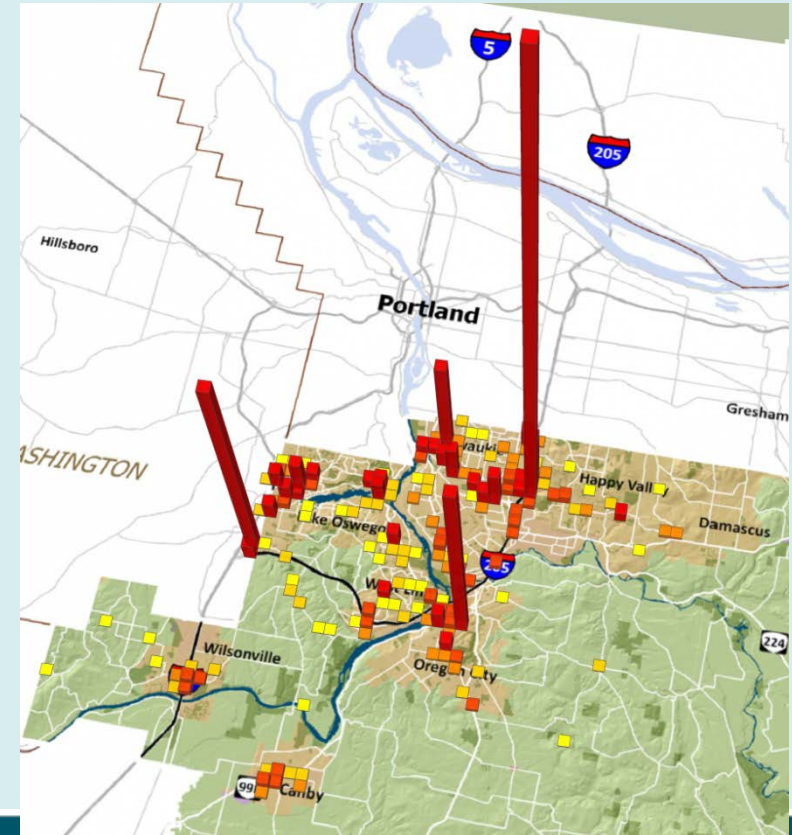
## Induced Impacts MSA

**6,449 jobs**  
**\$462 M in GDP**

**Total Impact on Region: 23,740 jobs; \$2,018 M in GDP**

# Health Care\*

- 2013 set a record in jobs for this Cluster in Clackamas County
- Avg. compensation: \$71,009
- Employment: 13,541
- Annual GDP: \$1.3 billion
- Increasing LQ (still a “star”)
- 8 firms in County Top 100 (American Medical Response, Legacy Meridian Park Hospital, NW Permanente, Providence Hospital, Sunnyside Hospital, etc.)
- Opportunity to intercept trade outflow



## Annual Economic Output by Location

Source: FCS GROUP & Real Urban Geographics based on IMPLAN and Oregon Employment Dept. data.

\*includes hospitals, offices of physicians, dentists, and home health care professionals



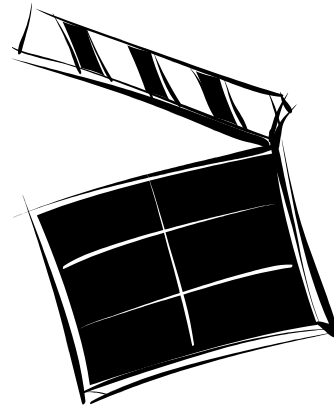
# Film & Media Production

## 2013 Impacts

### Indirect Impacts Regional

3,047 jobs  
\$203 M in GDP

### Direct Impacts Clackamas County



4,999 jobs total  
(335 in film only)  
\$437 M in GDP total

### Induced Impacts Regional

1,787 jobs  
\$128 M in GDP

**Total Impact on MSA: 9,833 jobs; \$768 M in GDP**

# Film & Media Production

- Includes publishers, motion picture and video industries, broadcasting, advertising, photography, arts/sports agents/promoters and independent artists and performers.
- Record GDP contribution within this Cluster in 2013
- 2 firms in top 100 (Waggener Edstrom, Autodesk Inc.)
- Top 10 firms in sector account for about 70% of payroll in cluster
- Top 10 (ranked by payroll):

Waggener Edstrom (marketing, LO)  
Dark Horse Publishing, (Milwaukie)  
AEC, Inc. (publishing, Sandy)  
Oregon Publications (Milwaukie)  
Chevalier Advertising (Lake Oswego)  
Pamplin Broadcasting (Milwaukie)  
Pacific Marketing & Broadcasting  
(Milwaukie)  
KPDQ AM & FM (Milwaukie)  
Hot Off the Press (Canby)  
Pacific Coast Crewing (film prod. in Boring)

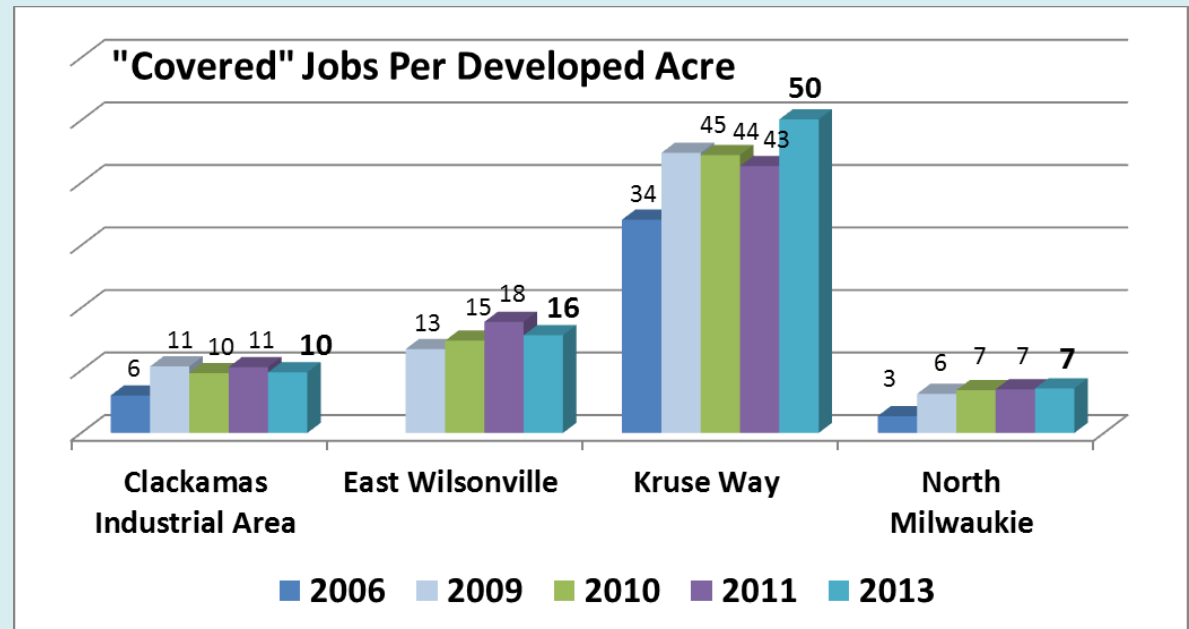


**Annual Economic Output by Location**

# Employment Areas: Job metrics

(Jobs per Developed Acre)

- Jobs per acre increasing in Kruse Way only
- However, not much “jobs ready” vacant land exists currently
- Most of the remaining vacant employment land supply is “challenged”

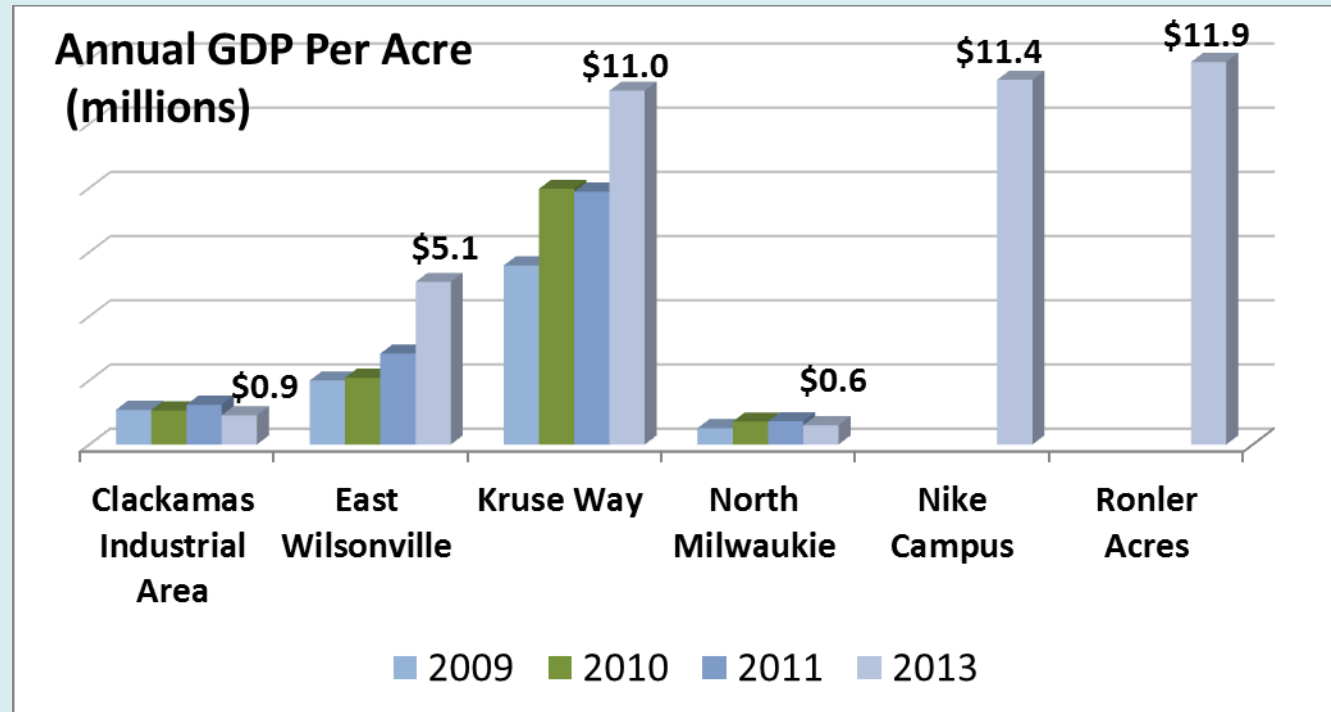


Source: FCS GROUP based on data from the Oregon Employment Department data.

# Employment Areas: GDP metrics

(GDP in Millions per Acre)

- GDP per acre increased in East Wilsonville and Kruse Way; and fell in other areas, between 2011 and 2013.
- Nike Campus and Ronler Acres are regional pace setters

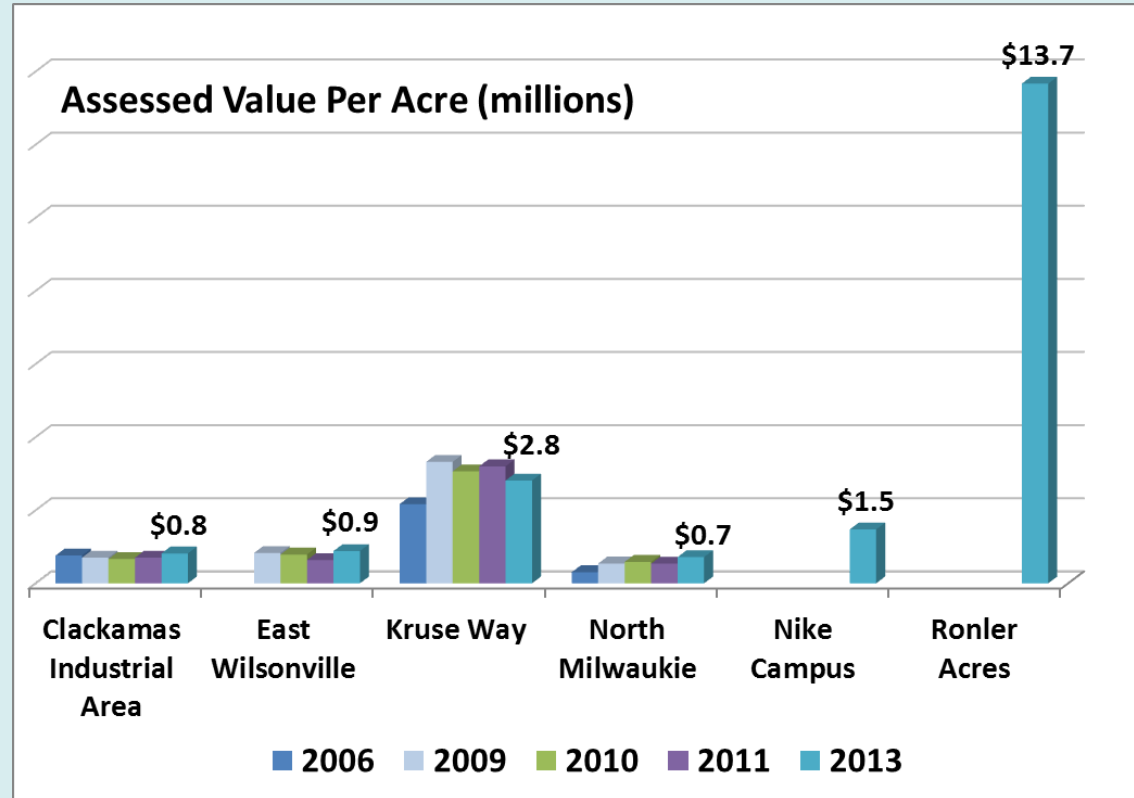


Source: FCS GROUP based on data from the Oregon Employment Department and IMPLAN

# Employment Areas: AV metrics

(Assessed Valuation in Millions per Acre)

- AV per acre in Clackamas County still highest in Kruse Way
- AV per acre in Region highest at Ronler Acres
- Relatively low utilization rates in North Milwaukie and Clackamas Ind. Area
- Consider strategies to enhance employment in older industrial areas



Source: FCS GROUP based on data from the Oregon Employment Department and IMPLAN;

# Portland Region

(9 counties)

\$165 Billion GDP; 471 IMPLAN sectors

## Criteria

## Clackamas County

\$18.1 Billion GDP; 351 IMPLAN sectors

- LQ > 0.9
- Clusters make up at least 50% of "GDP" in County
- At least 1 firm in "Top 100" (with exception of Wood Product Mfg.)

## Key Clusters

\$10.3 Billion GDP; 11 clusters;  
252 IMPLAN sectors

- LQ > 1.0
- Inter-Regional Exports" account for 50%+ of trade in sector
- Foreign Exports >\$100,000 in sector

## Key Traded Clusters

7 Clusters: Ag.; Food Processing; Metals; High Tech; Wholesale Trade; Nurseries; Wood Mfg.

209 IMPLAN sectors

- Over 10 workers/firm
- Pay above National median wage
- Above avg. job growth in sector since 2009
- Plus "Top" employers\*

## Target Businesses

\*excludes retail, hotels, banks, congregare care and non-profits.

## Process for Focusing on Targeted Industries in Clackamas County

2015 update

# Strategies

1. Target fast growing gazelle firms that are locally owned Stage II businesses (10-100 workers) in key clusters that meet criteria
2. Devise retention strategies for large firms (500+ workers) and export growth strategies for Stage II businesses (firms with 10 to 100 workers).
3. Create “Jobs ready” employment sites needed in urban and rural areas
4. Monitor workforce training in line with changing business needs

For additional information please contact:

Clackamas County Business & Economic  
Development Department

503-742-4329

