Manufacturing in the Northeast Ohio Region is a **$46 billion** industry with **248,000+ workers** and **7,700 facilities.** The industry was critical to Northeast Ohio's response to the COVID-19 pandemic with efficient and timely production of much-needed personal protection equipment. Accounting for 20% of the Northeast Ohio's gross domestic product (GDP), manufacturing is a driving force in our region's economy. This Quarterly Economic Review explores the state of manufacturing today and the projections through 2025.

Team neo

JobsOhio Network Partner

MAGNET

Ohio Manufacturing Extension Partnership

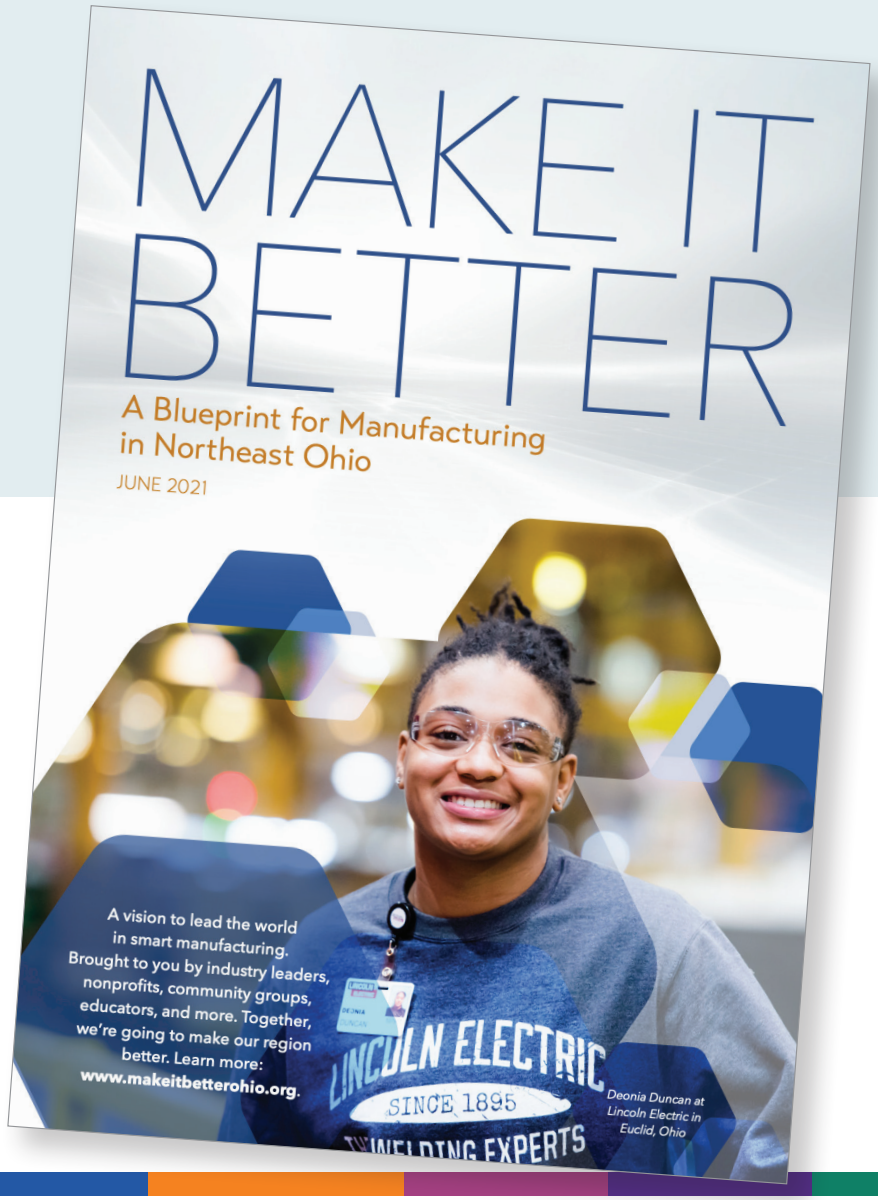
Quarterly Economic Review

OCTOBER 2021

Technology Driving the Future of Manufacturing

Northeast Ohio has everything it needs to lead the world in smart manufacturing. In fact, earlier this summer, MAGNET, our region's MEP organization, released "Make It Better: A Blueprint for Manufacturing in Northeast Ohio" – a ten-year vision for the Northeast Ohio Region's manufacturing community. The Manufacturing Blueprint seeks to engage manufacturers around four key pillars for growth – talent, transformation, innovation, and leadership. It is a resource for expanding the use of innovative industry 4.0 technologies in manufacturing and developing the talent to power them. The Smart Manufacturing Cluster, facilitated by Team NEO, is the platform to engage small- to mid-size manufacturers for each of the Manufacturing Blueprint's four pillars.

As this report reveals, while manufacturing employment is not projected to reach pre-pandemic levels, technology will fuel GDP growth.



TO LEARN MORE, VISIT
smartmanufacturingcluster.org
and **makeitbetterohio.org**

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smart MANUFACTURING CLUSTER
OF NORTHEAST OHIO

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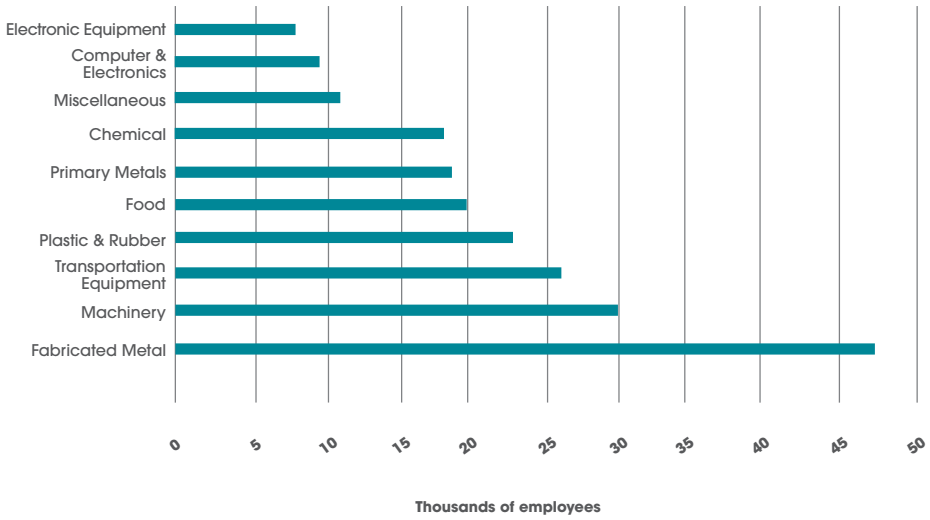
Largest Northeast Ohio Manufacturing Employment Sectors: 2021

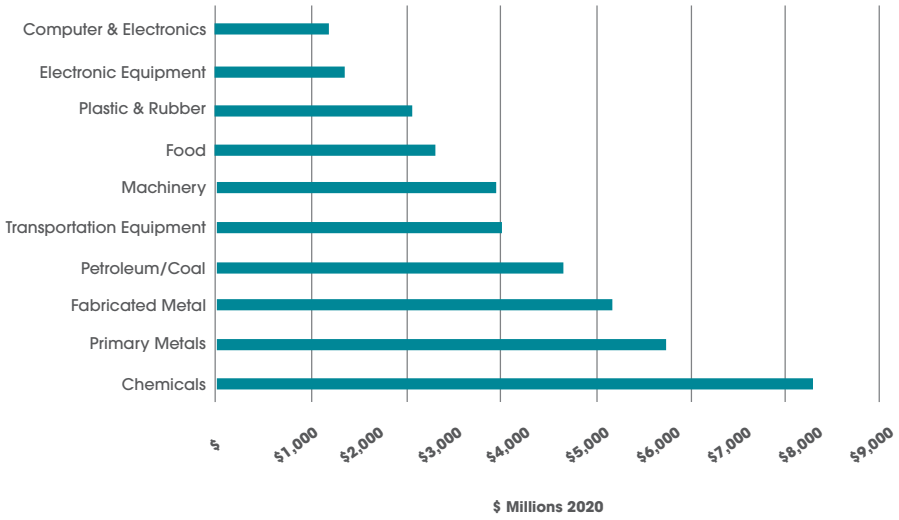


Fabricated Metal Product Subsector Tops Employment in 2021

Representing more than 47,300 jobs, the fabricated metal product subsector employs more workers than any other manufacturing subsector in the region. Other subsectors topping the list include machinery, with 30,100 employees, and transportation and equipment, with 26,250. Less traditional subsectors such as food manufacturing (almost 20,000 employees), and computer & electronics (9,700 employees), demonstrate the growing diversity of the goods produced in Northeast Ohio.

Source: Moody's Economy.com

Largest Northeast Ohio Manufacturing GDP Sectors: 2021



$46 Billion GDP Represents Diverse Subsectors

Manufacturing in Northeast Ohio includes a broad range of subsectors. These ten sectors are expected to be the largest (of 21 total sectors) in 2021. Among the top subsectors in terms of output are chemical at more than $8.1 billion, primary metals at $6.1 billion and fabricated metal at almost $5.4 billion

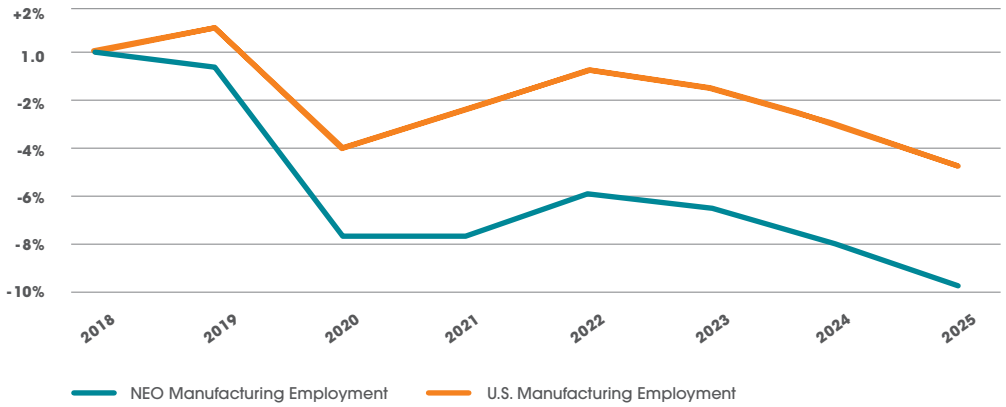
Source: Moody's Economy.com

Technology Advancement Boosts Manufacturing GDP

Although both the Northeast Ohio Region and U.S. will see some recovery in manufacturing employment post-pandemic, it is not projected to fully recover to 2018 levels. While GDP is projected to grow 8% by 2025, implementation of innovative technologies such as the Industrial Internet of Things and Additive Manufacturing can grow the sector's projected GDP to 73% for this time period.*

Today, advances in technology are changing the face of manufacturing. With these changes, there is an opportunity to upskill workers. That is why one of the pillars of the Manufacturing Blueprint focuses on talent and the need to build a workforce for the future, creating thousands of more high-tech manufacturing jobs.

Post-Pandemic Change in Manufacturing Employment: Northeast Ohio vs U.S. 2018-2025



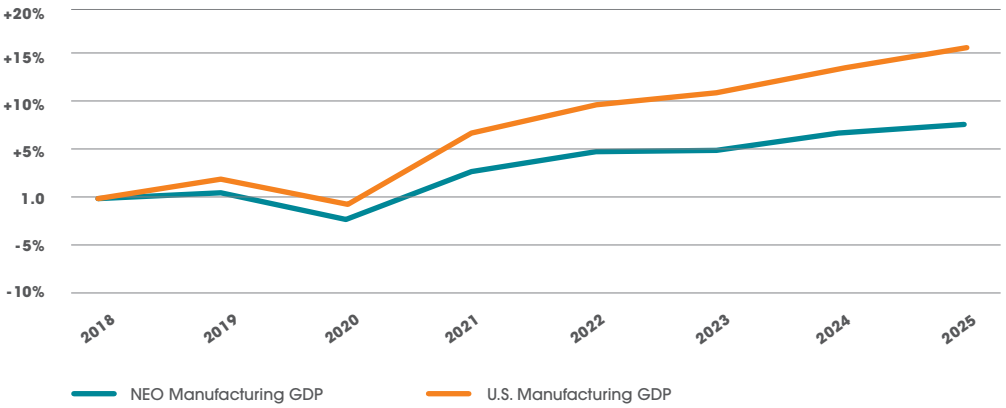
1.0 = 2018 Average Manufacturing Employment

Manufacturing Employment Sees Some Recovery Post-Pandemic

Employment in 2025 in Northeast Ohio is projected to be at 243,000 – 10% lower than in 2018. The U.S. is projected to fare a little better with a decline of about 5% lower. This variance may be attributed to the size of the economy manufacturing represents in Northeast Ohio versus the U.S.

Source: Moody's Economy.com

Post-Pandemic Change in Manufacturing GDP: Northeast Ohio vs U.S. 2018-2025



1.0 = 2018 Average Manufacturing GDP

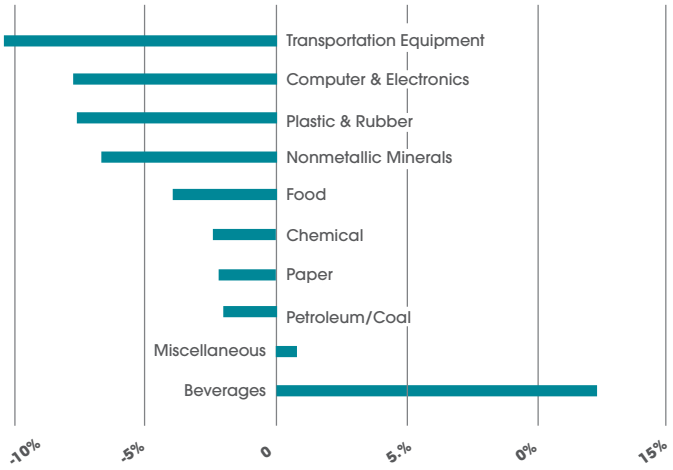
Manufacturing GDP Projected to Grow 8% by 2025

Northeast Ohio is projected to grow almost $2.2B, or 8%. The U.S. is projected to grow at a faster pace, to 16% by 2025.

Source: Moody's Economy.com

**Moody's Analytics Economy.com as noted in the 2021 Additive Manufacturing Roadmap*

Projected Change in NEO Manufacturing Employment Sectors: 2018-2025

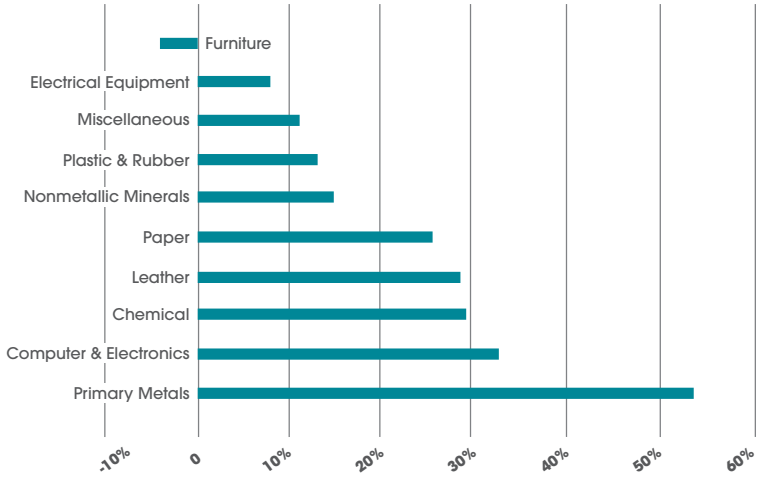


Beverage Sector Employment Projected to Grow 12.3% by 2025

With automation and technology advancements playing a role in manufacturing, most sectors will see slight decreases in employment. However, beverage employment, impacted by consumer behavior and preferences pronounced by the pandemic in 2020, is projected to see an increase in employment of 12.3% by 2025.

Source: Moody's Economy.com

Projected Change in NEO Manufacturing GDP Sectors: 2018-2025



Technology Sector Projected to Grow

While traditional sectors such as primary metals (54%) and chemical (29%) are projected to grow by 2025, technology will also fuel growth with the computer & electronics sector projected to grow 33%.

Source: Moody's Economy.com

SiteOhio Authenticated

Construction Ready Day One

All utilities on site day one

All due diligence studies completed

State & federal entities concurrence

NEO RIGHTSITES

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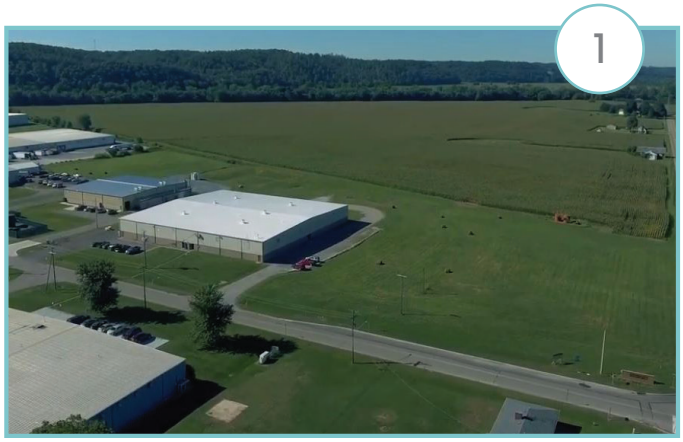
Northeast Ohio boasts a variety of sites, both urban and rural, ideal for manufacturing operations. Here is a sampling of our most competitive sites:

1



Newcomerstown Ohio Industrial Park

Address: East State Rd., Newcomerstown, Tuscarawas County

For Sale: $30,000 per acre

Total Developable Acres: 97.39 total developable (78.89 contiguous)

Zoning: Industrial

jobsohio.com/site-selection/newcomerstown-ohio-industrial-park/

JobHub

Priority Sites

Supported by The Fund for Our Economic Future

2

401 Newell Street Site

Address: 401 Newell Street, Parcel 0109708 and 0109707, Barberton, Summit County

For Sale: $43,100 per acre

Zoning: 1-2 Medium Industrial/Manufacturing

Total Developable Acres: 36 acres

To view more options or for more information, visit: jobhubs.teamneo.org

3

Warren BDM Brownfield

Address: 1040 Pine, Warren, Trumbull County

For Sale: $50,000 per acre

Total Developable Acres: 236 acres

Zoning: Industrial (foundries & heavy manufacturing)

To view more options or for more information, visit: rightsites.teamneo.org

4

Massillon Energy & Technology Park

Address: 411 Oberlin Ave, Massillon, Stark County

For sale: Land lease from $2,000 to $5,000 per acre per year triple net

Total Developable Acres: 200

Zoning: Heavy Industrial

To view more options or for more information, visit: rightsites.teamneo.org

Data Sources

The data used for this report is Moody's Analytics and EMSI based on Q4 2020 annualized national and local projections to employment and GDP. It is important to note that it is still VERY EARLY into the COVID-19 crisis, and as such, all projections are highly subject to change. Moody's preliminary estimates have already been significantly revised nationally. Fully calculated data on the true impact to employment and GDP at the local level could take 18-24 months to understand. Early projections are likely to be conservative, as nationally forecasted changes for 2020 pre-COVID data have not been fully analyzed at the local level.

About Team NEO

Team NEO is a private, nonprofit economic development organization accelerating business growth and job creation throughout the 18 counties of the Northeast Ohio Region. As the designated JobsOhio Network Partner, we align and amplify local economic development efforts in the region's 18-counties; we conduct research and data analysis to inform local conversations and influence solutions; we market the Northeast Ohio Region; and we work to increase access to jobs, education and training for the region's 4.3 million people. We do this to build a more vibrant regional economy; one that is more talented, equitable, competitive, innovative, resilient and prosperous. For more information, visit **teamneo.org.**

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Economic Development Partner Investors

JobsOhio · GAC Greater Akron Chamber · Stark Economic Development Board · Lake Development Authority · MAGNET · Ohio Manufacturing Extension Partnership · YBI Youngstown Business Incubator

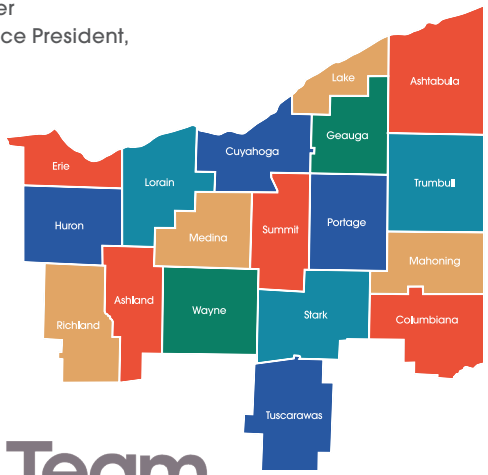
Philanthropic Investors

Fund for Our Economic Future · Timken Foundation of Canton · College Now Greater Cleveland · Deaconess Foundation · The Hoover Foundation · scf stark community foundation

For a complete list of funders, visit **teamneo.org/investors.** To join Team NEO as an investor partner and help drive the next wave of economic growth in our region, connect with **Dawn Southard,** Vice President, Investor Relations at **440.476.0476** or **dsouthard@teamneo.org.**

Economic development partners across 18 counties of Northeast Ohio

- Ashland Area Economic Development
- Columbiana County Port Authority
- Erie County Economic Development Corporation
- Geauga Growth Partnership, Inc.
- Greater Akron Chamber
- Greater Cleveland Partnership
- Growth Partnership for Ashtabula County
- Huron County Development Council
- Lake Development Authority
- Medina County Economic Development Corporation
- Portage Development Board
- Richland Area Chamber & Economic Development
- Stark Economic Development Board, Inc.
- Tuscarawas Economic Development Corporation
- Youngstown/Warren Regional Chamber
- Wayne Economic Development Council



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teamneo.org or on social