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 = IMPact for PLANining** (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.
Understanding Impacts using IMPLAN

Direct Impacts
- Direct spending by employers
  - (production cost, direct employee compensation, tax & fee payments)

Indirect Impacts
- (backward linkages)
- (supply-chain inputs, such as utilities, supplies, parts, materials, transport, and vendor services)

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

- 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
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. 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

Direct Impacts
Clackamas County
11,753 jobs
$1,522 M in GDP

Indirect Impacts
Regional
5,777 jobs
$464 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.)

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

Source: FCS GROUP & Real Urban Geographics based on IMPLAN and Oregon Employment Dept. data.
High Tech, 2013 Impacts

**Direct Impacts**
Clackamas County
- 8,163 jobs
- $2,499 M in GDP

**Indirect Impacts**
Regional
- 4,868 jobs
- $393 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.

*Includes manufacturing of computer parts and electronic devices, software design, and computer systems programming.*
Advanced Mfg. – Metals & Machinery
2013 Impacts

**Direct Impacts**
Clackamas County
(production cost, direct employee compensation, tax & fee payments)

- 7,566 jobs
- $695 M in GDP

**Indirect Impacts**
Regional

- 3,749 jobs
- $305 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

* Includes primary metals, fabricated metals, machinery manufacturing.

Annual Economic Output by Location

Source: FCS GROUP & Real Urban Geographics based on IMPLAN and Oregon Employment Dept. data
Professional Business Services
2013 Impacts

**Indirect Impacts**
- Regional
  - 16,872 jobs
  - $1,148 M in GDP

**Direct Impacts**
- Clackamas County
  - (production cost, direct employee compensation, tax & fee payments)
  - 36,132 jobs
  - $3,154 M in GDP

**Induced Impacts**
- Regional
  - 9,951 jobs
  - $712 M in GDP

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

Source: FCS GROUP & Real Urban Geographics based on IMPLAN and Oregon Employment Dept. data
Nurseries & Greenhouses
2013 Impacts

Direct Impacts
Clackamas County

Indirect Impacts
Regional

552 jobs
$22 M in GDP

Induced Impacts
Regional

4,231 jobs
$136 M in GDP

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

Direct Impacts
Clackamas County

- 4,295 jobs
- $288 M in GDP

Induced Impacts
Regional

- 1,531 jobs
- $109 M in GDP

Indirect Impacts
Regional

- 1,407 jobs
- $106 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.)

*Includes trucking, warehousing and storage businesses
Food & Beverage Processing
2013 Impacts

**Direct Impacts**
Clackamas County

- 1,984 jobs
- $162 M in GDP

**Indirect Impacts**
Regional

- 1,185 jobs
- $91 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

Direct Impacts
Clackamas County

5,346 jobs
$167 M in GDP

Indirect Impacts
Regional

511 jobs
$30 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

*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

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

Source: FCS GROUP & Real Urban Geographics based on IMPLA and Oregon Employment Dept. data.
Health Care, 2013 Impacts

Direct Impacts
Clackamas County

- (production cost, direct employee compensation, tax & fee payments)
- 13,514 jobs
- $1,263 M in GDP

Indirect Impacts
MSA

- 3,777 jobs
- $293 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

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

Source: FCS GROUP & Real Urban Geographics based on IMPLAN and Oregon Employment Dept. data.
Film & Media Production
2013 Impacts

Direct Impacts
Clackamas County

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

Indirect Impacts
Regional

- 3,047 jobs
  $203 M in GDP

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 (Lake Oswego)
  - Pacific Marketing & Broadcasting (Milwaukie)
  - KPDQ AM & FM (Milwaukie)
  - Hot Off the Press (Canby)
  - Pacific Coast Crewing (film prod. in Boring)
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

Clackamas County
$18.1 Billion GDP; 351 IMPLAN sectors

Key Clusters
$10.3 Billion GDP; 11 clusters;
252 IMPLAN sectors

Key Traded Clusters
7 Clusters: Ag.; Food Processing; Metals; High Tech; Wholesale Trade; Nurseries; Wood Mfg.
209 IMPLAN sectors

Target Businesses

Criteria

• 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.)

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

• Over 10 workers/firm
• Pay above National median wage
• Above avg. job growth in sector since 2009
• Plus “Top” employers*

*excludes retail, hotels, banks, congregate 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:

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