

# How Competitive is Metropolitan Cleveland?

By James M. Trutko

Many Metro Clevelanders wonder how competitive the area's economy is in creating Jobs and businesses. It's possible to look at data from the Bureau of Labor Statistics to compare the area's performance against eleven other Midwestern metropolitan areas.

BLS's Quarterly Survey of Employment of Wages (QCEW) is an excellent data source because it is based on actual business reports, as compared to the survey data. BLS also defines geographic areas in standard ways based on objective criteria which allows for reliable comparison of various metropolitan areas, cities, counties and states. However, it is often not used because the information is actual company data, the reports generally lag by about 6 months.

The period from 2010 to 2023 offers a fair period to assess Metro Cleveland's ability to create jobs and businesses and to compare the area's performance against eleven other large Midwestern metropolitan areas. Overall, Metro Cleveland finished tenth in job creation and ninth in business formation. The two metropolitan areas performing worse than Cleveland were Buffalo and Pittsburgh.

## Large Midwestern MSA Ranking for Employment & Establishment Change (2010-2023)

| Metropolitan Statistical Area<br>(MSA) | 2010-23<br>Rank Empl<br>%Chg | 2010-23<br>Rank Estab<br>%Chg |
|----------------------------------------|------------------------------|-------------------------------|
| Indianapolis-Anderson, IN              | 1                            | 2                             |
| Columbus, OH                           | 2                            | 1                             |
| Minneapolis-St. Paul, MN-WI            | 3                            | 8                             |
| Detroit-Warren, MI                     | 4                            | 6                             |
| Kansas City, MO-KS                     | 5                            | 3                             |
| Cincinnati, OH-KY-IN                   | 6                            | 5                             |
| Chicago-Elgin, IL-IN-WI                | 7                            | 12                            |
| St. Louis, MO-IL                       | 8                            | 4                             |
| Milwaukee-Waukesha, WI                 | 9                            | 7                             |
| <b>Cleveland-Elyria, OH</b>            | <b>10</b>                    | <b>9</b>                      |
| Buffalo-Niagara Falls, NY              | 11                           | 10                            |
| Pittsburgh, PA                         | 12                           | 11                            |

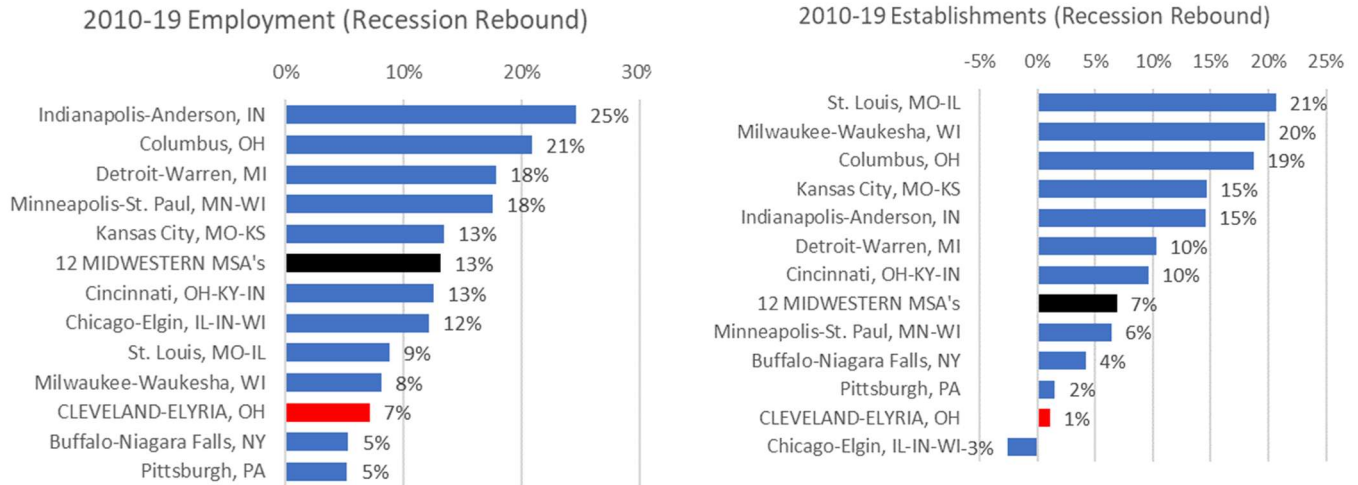
Source: BLS, QCEW

It is possible to provide a more nuanced look at the Metro Cleveland's position by analyzing the 2010-2019 recovery period from the 2008-2010 recession and the 2019-2023 Covid business collapse and rebound separately. From 2010 to 2019, employment in the twelve Midwestern metro area grew by 13% and the number of business establishments increased by 7%. During the Covid economy and rebound from 2019 to 2023, employment failed to fully recover, falling by 1%. The most interesting finding from the 2019-2023 Covid period is the explosion of business establishments which increased by 9% in the period.

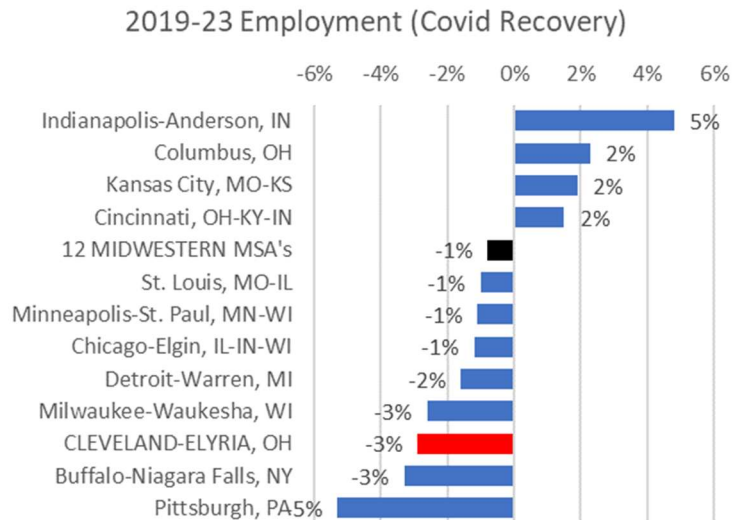
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During the 2010-2019 period after the severe 2008-2010 recession, one would expect the Midwestern economies to bounce back strongly. Overall, employment growth in the twelve economies averaged 13% with employment in two areas exceeding 20%. Metro Cleveland employment growth was only 7% and it finished tenth of twelve areas. Overall establishment growth averaged only 7%, but Metro Cleveland establishment growth ranked eleventh with a meager increase of only 1%.



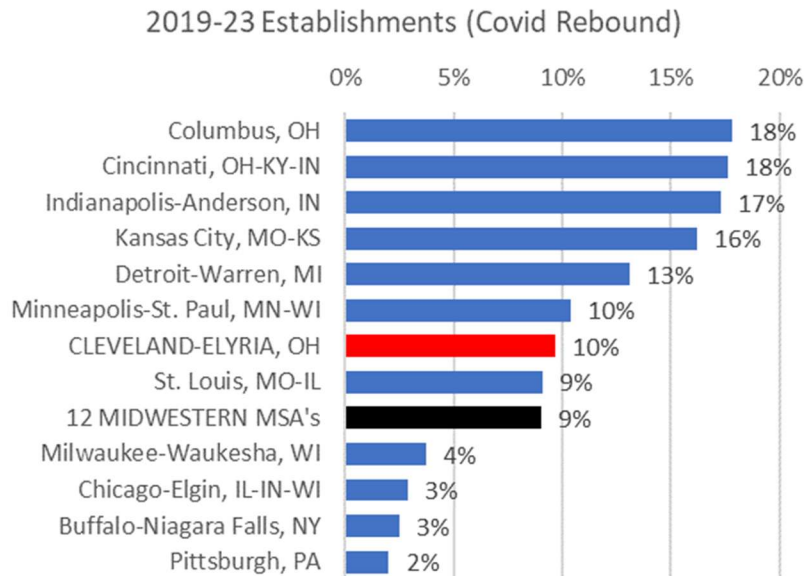
A current issue concerns the extent and nature of the economic recovery after the major business disruptions caused by the Covid virus. Overall, despite the low unemployment numbers discussed by many analysts, employment in the twelve Midwestern metro areas decreased by 1%. Metro Cleveland employment decreased by 3% from 2019 to 2023, ranking tenth of twelve areas.



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The story on business establishments is much different with a huge surge in the number of business establishments after the Covid-related closures. Overall, the number of business establishments increased by 9% in the twelve areas. Metro Cleveland ranked seventh with an increase of 10%. (As a state, Ohio had an excellent performance with Columbus and Cincinnati ranking number one and two among Midwestern areas.)



A major deficiency in the Metro Cleveland area is the lack of objective analysis of the area's job and business growth. A regular and objective review of data on the area's economy compared to other Midwestern areas could allow policymakers to develop more effective strategies to make the area more economically competitive. The fact is Metro Cleveland has performed poorly in employment and establishment growth compared to other metro Midwestern areas, which generally trail US growth as a whole. The recent surge in business establishment growth is one area where Metro Cleveland has performed comparatively well. It deserves more strategic attention and careful analysis from area policymakers.

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## Large Midwestern MSA Employment Change (2010-2023)

| Metropolitan Statistical Area (MSA) | 2023 Estimate Empl | Recession Rebound |                        | COVID Recovery    |                        |
|-------------------------------------|--------------------|-------------------|------------------------|-------------------|------------------------|
|                                     |                    | 2010-19 %Chg Empl | 2010-19 Rank %Chg Empl | 2019-23 %Chg Empl | 2019-23 Rank %Chg Empl |
| Buffalo-Niagara Falls, NY           | 526,200            | 5%                | 11                     | -3%               | 11                     |
| Chicago-Elgin, IL-IN-WI             | 4,492,700          | 12%               | 7                      | -1%               | 7                      |
| Cincinnati, OH-KY-IN                | 1,080,500          | 13%               | 6                      | 2%                | 4                      |
| <b>Cleveland-Elyria, OH</b>         | <b>995,800</b>     | <b>7%</b>         | <b>10</b>              | <b>-3%</b>        | <b>10</b>              |
| Columbus, OH                        | 1,071,700          | 21%               | 2                      | 2%                | 2                      |
| Detroit-Warren, MI                  | 1,909,600          | 18%               | 3                      | -2%               | 8                      |
| Indianapolis-Anderson, IN           | 1,080,300          | 25%               | 1                      | 5%                | 1                      |
| Kansas City, MO-KS                  | 1,072,200          | 13%               | 5                      | 2%                | 3                      |
| Milwaukee-Waukesha, WI              | 811,000            | 8%                | 9                      | -3%               | 9                      |
| Minneapolis-St. Paul, MN-WI         | 1,918,300          | 18%               | 4                      | -1%               | 6                      |
| Pittsburgh, PA                      | 1,066,200          | 5%                | 12                     | -5%               | 12                     |
| St. Louis, MO-IL                    | 1,320,500          | 9%                | 8                      | -1%               | 5                      |
| 12 Midwestern MSA's                 | 17,345,000         | 13%               |                        | -1%               |                        |

Source: BLS, QCEW. 2023 estimate is 12-month average

## Large Midwestern MSA Establishment Change (2010-2023)

| Metropolitan Statistical Area (MSA) | 2023 Estimate Estab | Recession Rebound  |                         | COVID Recovery     |                         |
|-------------------------------------|---------------------|--------------------|-------------------------|--------------------|-------------------------|
|                                     |                     | 2010-19 %Chg Estab | 2010-19 Rank %Chg Estab | 2019-23 %Chg Estab | 2019-23 Rank %Chg Estab |
| Buffalo-Niagara Falls, NY           | 30,100              | 4%                 | 9                       | 3%                 | 11                      |
| Chicago-Elgin, IL-IN-WI             | 261,100             | -3%                | 12                      | 3%                 | 10                      |
| Cincinnati, OH-KY-IN                | 65,600              | 10%                | 7                       | 18%                | 2                       |
| <b>Cleveland-Elyria, OH</b>         | <b>62,000</b>       | <b>1%</b>          | <b>11</b>               | <b>10%</b>         | <b>7</b>                |
| Columbus, OH                        | 59,700              | 19%                | 3                       | 18%                | 1                       |
| Detroit-Warren, MI                  | 118,500             | 10%                | 6                       | 13%                | 5                       |
| Indianapolis-Anderson, IN           | 58,200              | 15%                | 5                       | 17%                | 3                       |
| Kansas City, MO-KS                  | 75,600              | 15%                | 4                       | 16%                | 4                       |
| Milwaukee-Waukesha, WI              | 49,100              | 20%                | 2                       | 4%                 | 9                       |
| Minneapolis-St. Paul, MN-WI         | 107,600             | 6%                 | 8                       | 10%                | 6                       |
| Pittsburgh, PA                      | 64,700              | 2%                 | 10                      | 2%                 | 12                      |
| St. Louis, MO-IL                    | 96,300              | 21%                | 1                       | 9%                 | 8                       |
| 12 Midwestern MSA's                 | 1,048,500           | 7%                 |                         | 9%                 |                         |

Source: BLS, QCEW. 2023 estimate is 4-quarter average