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BUSINESS

Run faster

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We're moving forward, not back, but we're still losing ground to almost every region in the country. That's the sad conclusion we reach from the wrapup of the latest Northeast Ohio Economic Review produced by regional economic development group Team NEO.

There are positives to be gleaned from this latest update from Team NEO, which is charged with attracting businesses to the region. However, the information contained late in the report in the portion headlined, "NEO Economy Continues to Expand" isn't among them.

The report notes that 2007 "is expected to be the sixth consecutive year of growth in gross regional product." But then comes the "but."

"However, growth has been slow, averaging only about 1% the last two years compared with the U.S. growth rate of 3.3% during 2005-6," the report said. The region's slow rate of growth is expected to continue in 2007, with the current estimate at 1.2%.

Those figures are disturbing, especially because they're part of an ongoing trend. Team NEO notes that despite "the many challenges the Northeast Ohio economy has faced, our economic output is now 32% higher than 15 years ago." However, the nation's gross domestic product over that same period was up 55%. That means the growth in output since 1992 for the United States as a whole was 72% greater than was seen in this region. And there are states in the West and Southeast where output is growing at far faster clips than the GDP.

Think of the situation as a long-distance race in which Northeast Ohio is running one-minute laps, but many of its regional rivals are turning in times of 55 seconds and less. With each lap the gap between us and our swifter competitors grows, until eventually we're lapped altogether.

Other regions aren't about to slow down to let us catch them, which means we'll need to run faster if Northeast Ohio is to make up lost ground.

The evidence indicates civic leaders are striving hard to pick up the pace. Consider that Team NEO had expected its marketing efforts would attract serious interest this year from 36 companies with expansion plans, but that the group already has 44 active leads. Or that it had hoped to bring at least nine companies to Northeast Ohio this year for site visits for projects that could end up here, and that it's now on 10 of those short lists.

Even more impressive is word from biotech assistance group BioEnterprise Corp. that health care companies in Northeast Ohio pulled in nearly \$200 million in investments during the first half of 2007. That's more money than they raised during any full year since BioEnterprise started tracking these investments in 2002.

Indeed, the level of investment in local health care companies over the last few years has rivaled such investments in the biotech hotspots of Minneapolis and North Carolina's Research Triangle Park. That statement would have sounded like a joke last decade. That it can be made now is a testament to the determination of civic leaders to out hustle the competition. Such hard work must continue.