

THE \$22 BILLION HEALTH CARE INDUSTRY IN NORTHEAST OHIO

37%
GDP
growth
2001-2019

21%
GROWTH
IN HEALTH CARE
OCCUPATIONS
2001-2019

270,000+
workers IN
2019



**Quarterly Economic Review
DECEMBER 2019**

Quarterly Economic Indicators
18 Counties of Northeast Ohio

Momentum Is Strong in the NEO Health Care Industry

Northeast Ohio is a health care hub with more than 60 hospitals, including the world-renowned Cleveland Clinic, Akron General, University Hospitals, and University Hospitals Rainbow Babies & Children's Hospital, Aultman Hospital, Mercy Medical Center, Northeast Ohio Medical University (NEOMED) and many other Northeast Ohio health care-related institutions.

In addition, the region's health care industry is supported with a vibrant biomedical community that includes 700 biomed businesses, which have raised more than \$3 billion in growth capital since 2002.

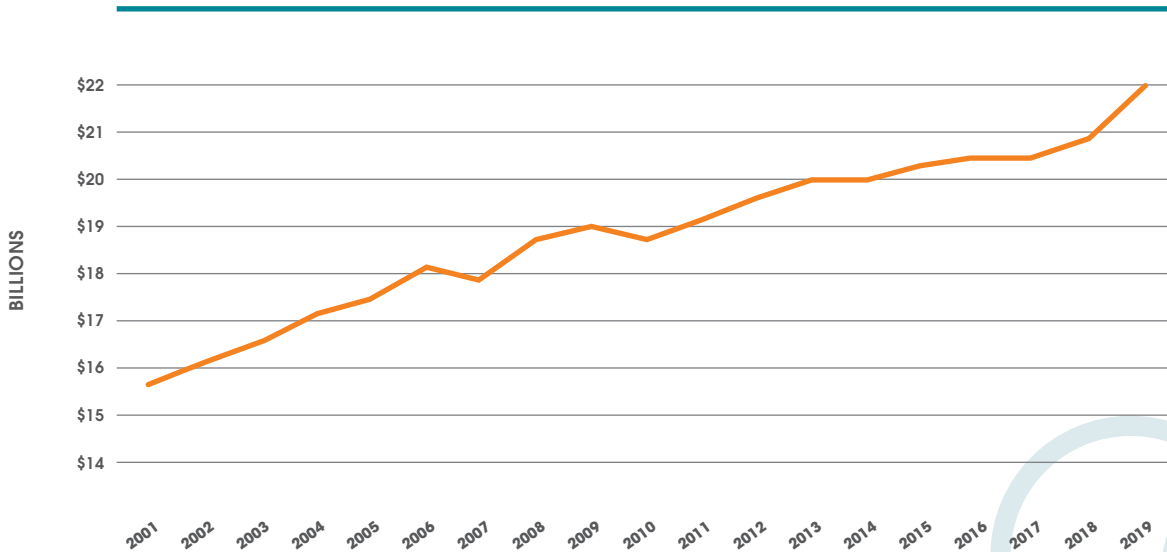
As reported earlier this year in the *Aligning Opportunities in Northeast Ohio* report, prepared by Team NEO in partnership with Delta Dental and with the generous support of Sherwin-Williams, health care is one of Northeast Ohio's strongest industries.

The region's health care workforce, which includes individuals with diverse levels of education, has grown significantly over the past couple of decades and is expected to continue growing.

Health care GDP has increased as well — by 37% since 2001. Now a \$22 billion industry, health care stands strong as a major driving force in Northeast Ohio's economy.



Change in Northeast Ohio Health Care GDP: 2001 - 2019

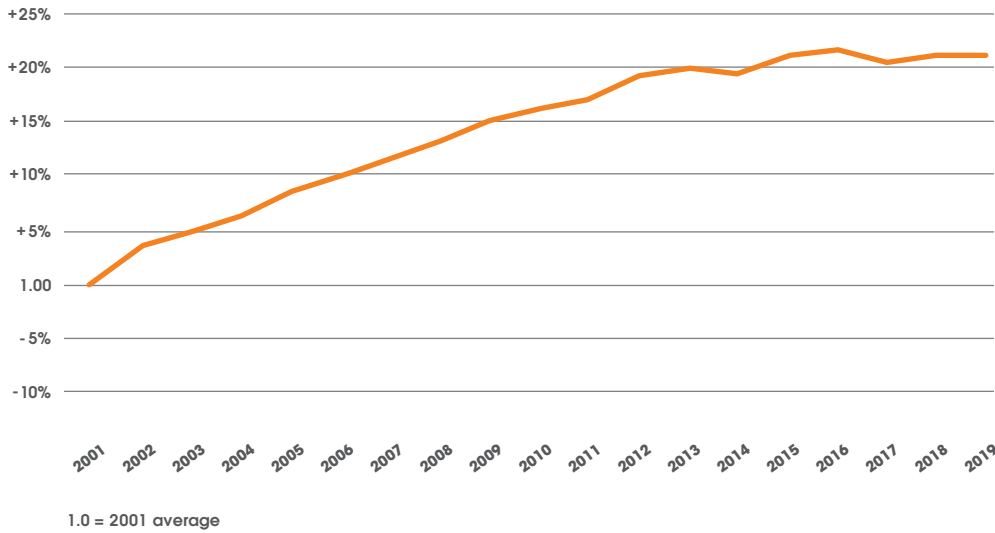


THE STEADY RISE OF HEALTH CARE GDP

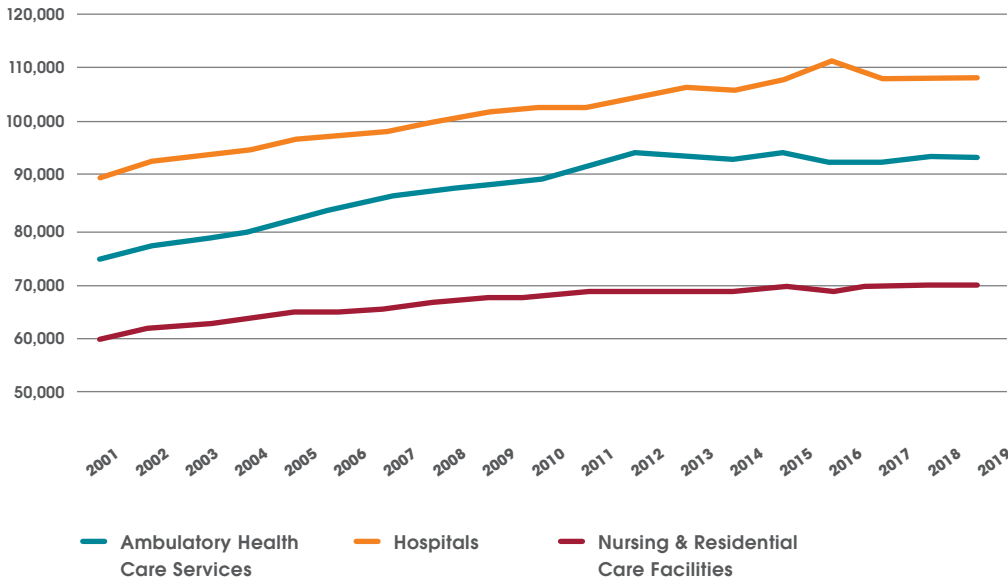
Health care GDP grew 37% from 2001 to 2019, reflecting growth from \$16 billion to \$22 billion overall. Ambulatory health care services and hospitals account for the lion's share of GDP, with ambulatory services contributing 46% and hospitals 42% of the total. Nursing and residential care facilities contribute the remaining 12%.



Growth in Northeast Ohio Health Care Employment: 2001 - 2019



Components of Northeast Ohio Health Care Employment Growth: 2001 - 2019



EMPLOYMENT GROWS 21%

Since 2001, health care employment has grown steadily, to 270,400 workers. This 21% overall increase reflects employment growth in the following sectors: ambulatory health care services, up 25%; hospitals, up 21%; and nursing and residential care facilities, up 17%.



Ambulatory Health Care Services

+25%



Hospitals

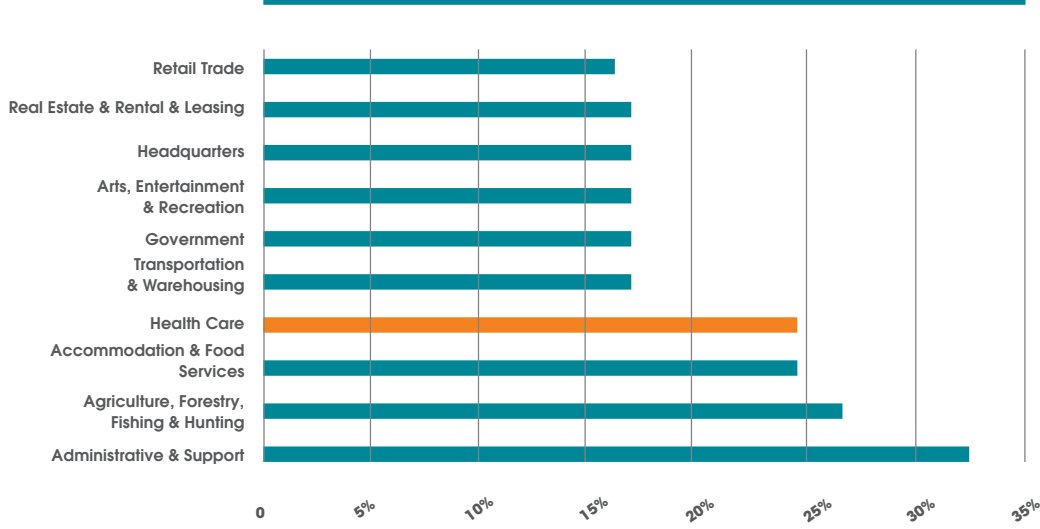
+21%



Nursing & Residential Care Facilities

+17%

Industry Sectors with the Largest Share of Minority Employment: 2019



MINORITY REPRESENTATION IN HEALTH CARE

Health care is one of the top three industries in Northeast Ohio for minority employment, with nearly a quarter of health care occupations currently filled by people of color. Only administrative/support and agriculture/forestry/fishing/hunting employ a larger percentage.

BIOMEDICAL SECTOR FLOURISHES

In addition to strength on the clinical side of this vital industry, Northeast Ohio's biomedical sector – including medical devices, pharmaceuticals and therapeutics, health IT software and services, and research and development — continues to thrive. Innovation in the bioscience sector fuels new company creation, growth and employment.

Cleveland alone boasts more than 700 biomed businesses, which have raised more than \$3 billion in growth capital since 2002. According to BioEnterprise's *2018 Midwest Healthcare Growth Capital Report*, 71 Northeast Ohio biomedical companies raised \$294 million in growth capital in 2018 alone, making NEO the third-largest region in total investments in the Midwest. In total, 438 Midwest biomedical companies raised \$2.5 billion in capital in 2018. That amount validates a record increase of 43% in 2017, showing continued momentum in this important health care sector.



TOP 10 Occupations

Registered Nurses

Nursing Assistants

Home Health Aides

Licensed Practical and
Licensed Vocational Nurses

Clinical Laboratory Technologists
and Technicians

Physicians and Surgeons

Pharmacy Technicians

Nurse Practitioners

Medical Records and Health
Information Technicians

Physical Therapists

	Total Demand 2018	Entry-Level Demand 2018	Median Hourly Earnings	Family-Sustaining Wage	Risk of Automation
Registered Nurses	9,950	7,077	\$31.54	Above	Low
Nursing Assistants	2,612	622	\$12.39	Below	Low
Home Health Aides	2,335	700	\$10.03	Below	Low
Licensed Practical and Licensed Vocational Nurses	1,791	899	\$20.46	Below	Low
Clinical Laboratory Technologists and Technicians	1,031	423	\$26.48	Above	Low
Physicians and Surgeons	1,012	51	\$102.27	Above	Low
Pharmacy Technicians	1,008	321	\$14.19	Below	High
Nurse Practitioners	841	482	\$47.61	Above	Low
Medical Records and Health Information Technicians	738	416	\$17.51	Below	High
Physical Therapists	727	326	\$41.31	Above	Low

EMPLOYMENT OPPORTUNITIES ABOUND

The *Aligning Opportunities* report revealed an abundance of available job opportunities in the Northeast Ohio health care sector, from entry-level positions to high-level, specialized occupations. The greatest opportunity exists for candidates who have earned appropriate credentials — i.e., an academic degree or a professional certification.

Recognizing that cultivating a robust talent pipeline will help ensure the sustained growth of this important industry, the region's corporate and civic leaders, educators and economic development organizations are focusing efforts on connecting candidates with outstanding career education and training opportunities to prepare them for these careers.





Link 59

Address: 6100 Euclid Ave,
Cleveland, Cuyahoga

Date Available:
Immediately

Available SF: 20,554

Type: Office

Description: Situated along Cleveland's Health Tech Corridor, Link59 is a state-of-the-art, newly constructed, 61,000 square foot building with office and R&D space with free parking available on site.



The Innovation Center

Address: 703 S Cleveland-
Massillon Rd., Fairlawn, Summit

Date Available:
Immediately

Available SF: 14,429

Type: Class A

Description: This Class A property, built in late 2008, includes 97,845 sq.ft. and features four stories and cutting-edge materials, complete with a forward-thinking office environment and a planned state-of-the-art innovation center. The suites come fully furnished with private offices, conference rooms, cubicles, break and training rooms.



Research Laboratory Property In Valley View

Address: 7650 Hub Parkway,
Valley View, Cuyahoga

Date Available:
Immediately

Available SF: 12,500

Type: Research Lab

Description: This is a 12,500 sq. ft. Research Lab with Wet-Lab capability, formerly occupied by Sherwin-Williams R&D group. This building boasts many first-class amenities including hoods, vents, engineered air make-up system, compressed air, completely air conditioned, Di water, and much more. The building sites on 2 additional acres that can be used for expansion.



Former TRW World Headquarters

Address: 1950 Richmond Road,
Lyndhurst, Cuyahoga

Date Available:
Immediately

Available SF: 476,030

Type: Class A

Description: Maintained by the Cleveland Clinic, this office space is the former world headquarters of TRW. Built in 1985, the facility offers over 400,000 sf of quality office space with over 500 underground parking spots. It sits on nearly 100 acres and comes with The Bolton Manor, a mansion that may be used how the owner sees best fit. This property has quick access to I-271 and an abundance of local food and retail.

DEVELOPMENT ACTIVITY

Over the past five years, Northeast Ohio has seen 50 health care-related company expansions. Below is a sampling of development projects across the region in this industry.

THE SMITHERS GROUP MAKES AKRON ITS WORLD HEADQUARTERS

The former home of a nonprofit medical research and development center, Austen BioInnovation Institute in Akron (ABIA) will become the new world headquarters of The Smithers Group. This \$22 million project will involve total renovation of the six-story downtown Akron office building and the construction of additional office, R&D, lab and parking space to the complex. The Smithers Group, a multinational provider of testing, consulting, information, and compliance services that employs 800 workers worldwide, will create 84 jobs while retaining 145 positions.

OPTION CARE BUILDS EMPLOYEE WORKFORCE

Option Care Enterprises Inc., the nation's largest independent provider of home and alternate-site infusion services, has committed to growing its business in Northeast Ohio by adding to its current workforce of 148. The company provides patients with multidisciplinary care from diagnosis through completion, or long-term maintenance therapy.

STERIS CORPORATION DEMONSTRATES COMMITMENT TO NORTHEAST OHIO

STERIS Corporation, a leading provider of infection-prevention and other products and services for the pharmaceutical, medical device, personal care product and cosmetic industries, continues to grow at its Mentor campus. Recently the company expanded its administration building with a 30,000-square-foot addition to accommodate customer service growth. The expansion resulted in the addition of 150 new hires to the organization's 1,576-employee base at the Mentor campus.

RELINK MEDICAL MOVES HEADQUARTERS TO TWINSBURG

ReLink Medical, a unique health IT company that streamlines the process of hospitals to dispose of obsolete, excess or out-of-service medical equipment, has moved its headquarters to Twinsburg. The company plans to add 30 new positions, doubling its current workforce.

Health Care Expansions 2014 - 2019

Abeona Therapeutics Inc.

Alltech Medical Systems
America, Inc.

Applied Medical Technology, Inc.

Arteriocyte, Inc.

Brooks Life Sciences

Cardioinsight Technologies Inc.

City of Cleveland

Complion Inc.

Discount Drug Mart, Inc.

Echo Health, Inc.

Exact Care Pharmacy, LLC

Exsurco Medical, Inc.

GenomOncology, LLC

GOJO Industries, Inc.

Infinite Arthroscopy, Inc.

Innovative Medical Equipment LLC

Inogen, Inc.

Keyghobad Ventures, LLC DBA
NanoBioSystems

MedInvent, LLC

Nervine, Inc

Option Care Enterprises, Inc.

Piping Rock Health Products, LLC

Population Genetics
Technologies Ltd.

Quadax, Inc.

Quality Electrodynamics LLC

Relatecare, LLC

RhinoSystems, Inc.

ROE Dental Laboratory, Inc.

Smithers RAPRA

Sotera Health LLC

Steris Corporation

The Schroer Group, Inc.

The ScottCare Corporation

Theken Companies, LLC

Wellness IQ, Inc.

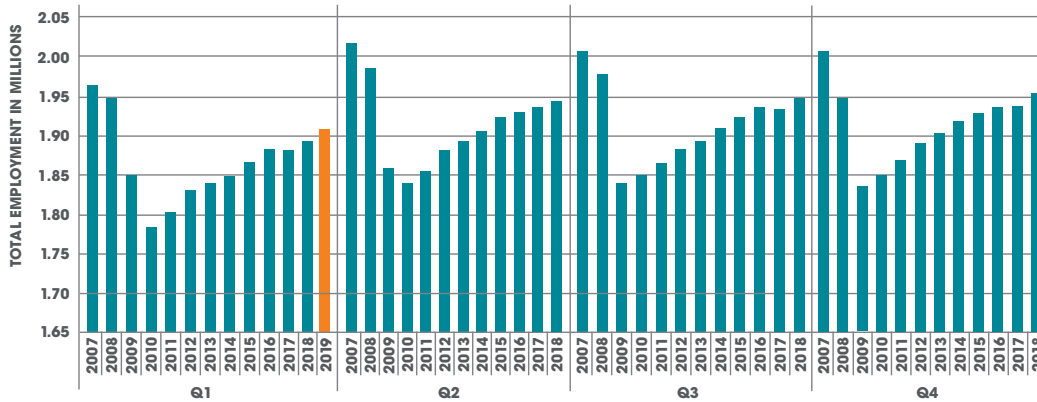
Xellia Pharmaceuticals USA LLC

Zimmer Surgical, Inc.

Zuga Medical



NORTHEAST OHIO TOTAL EMPLOYMENT (NOT SEASONALLY ADJUSTED)

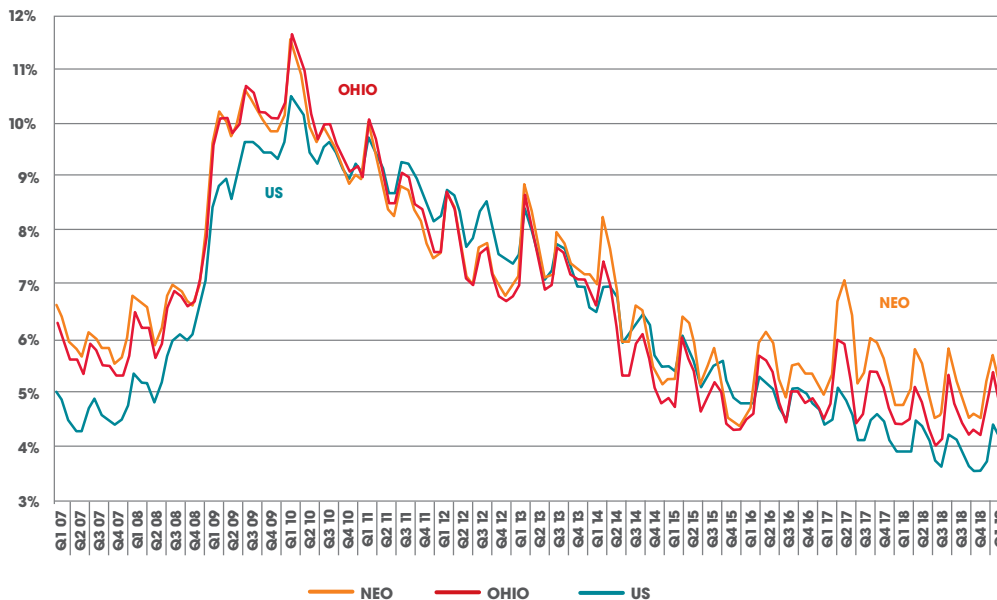


TOTAL EMPLOYMENT GROWS YEAR-OVER-YEAR

Total employment averaged 1.91 million workers in Q1 2019, up more than 15,300 jobs year-over-year.

Source: Quarterly Census of Employment and Wages (QCEW). This is the most current reliable data available for total jobs in Northeast Ohio.

NORTHEAST OHIO UNEMPLOYMENT RATES THROUGH MARCH 2019

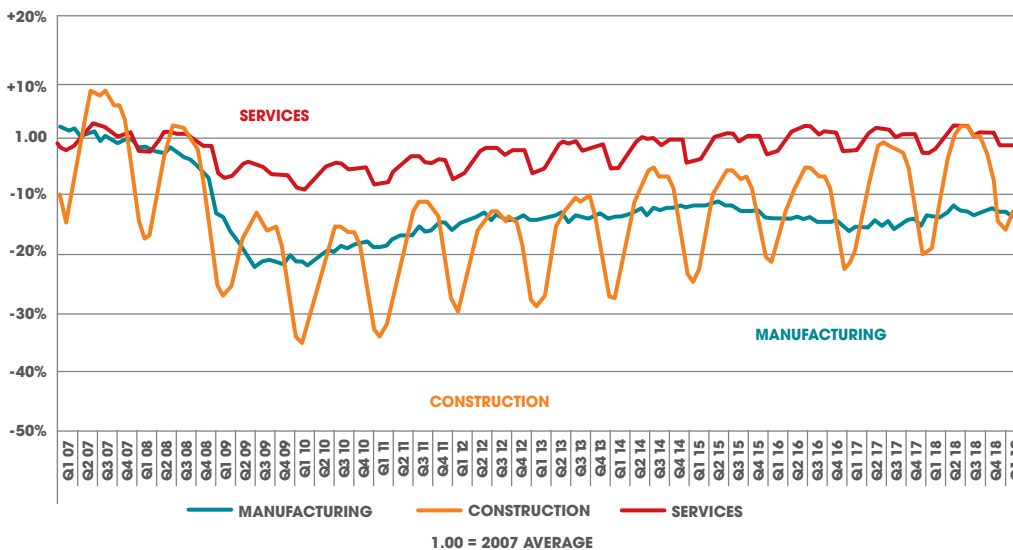


NEO YEAR-OVER-YEAR UNEMPLOYMENT RATE

The unemployment rate for Northeast Ohio averaged 5.1% in Q1 2019. This represents a .3% improvement in the unemployment rate as compared with Q1 2018, when it was 5.4%. The state of Ohio averaged 4.7%, while the U.S. averaged 4.1%, in Q1 2019.

Source: Current Population Survey (CPS), a survey of 60,000 households nationwide.

CHANGE IN EMPLOYMENT BY SECTOR THROUGH MARCH 2019

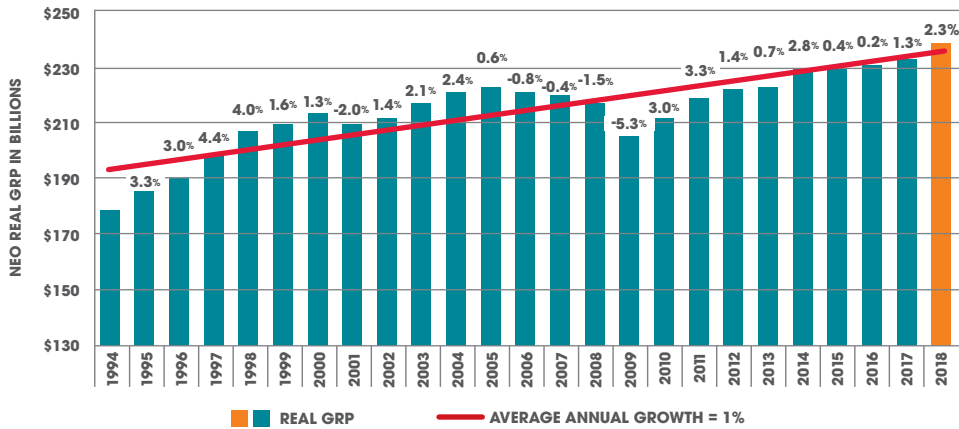


ALL SECTORS SEE YEAR-OVER-YEAR GROWTH

In Q1 2019, the construction sector added more than 3,300 jobs year-over-year, with about 69,000 total workers. At almost 270,000 jobs, the manufacturing sector added just over 3,000 jobs year-over-year, while the services sector added nearly 7,800 workers year-over-year.

Source: Quarterly Census of Employment and Wages (QCEW). This is the most current reliable data available for total jobs in Northeast Ohio.

NEO REAL GROSS REGIONAL PRODUCT (GRP) IN BILLIONS

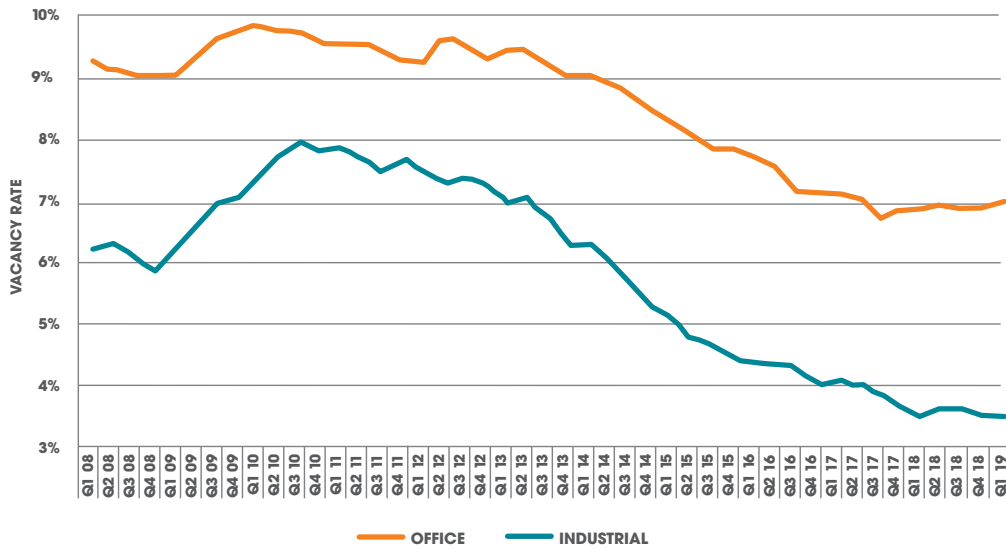


GRP PROJECTED TO REACH \$238.5 BILLION

Moody's Economy.com is projecting Northeast Ohio's GRP to grow 2.3% in 2018 to reach \$238.5 billion. Projections are continuously updated and subject to change for up to 18 months.

Source: Moody's Economy.com

NORTHEAST OHIO INDUSTRIAL AND OFFICE VACANCY

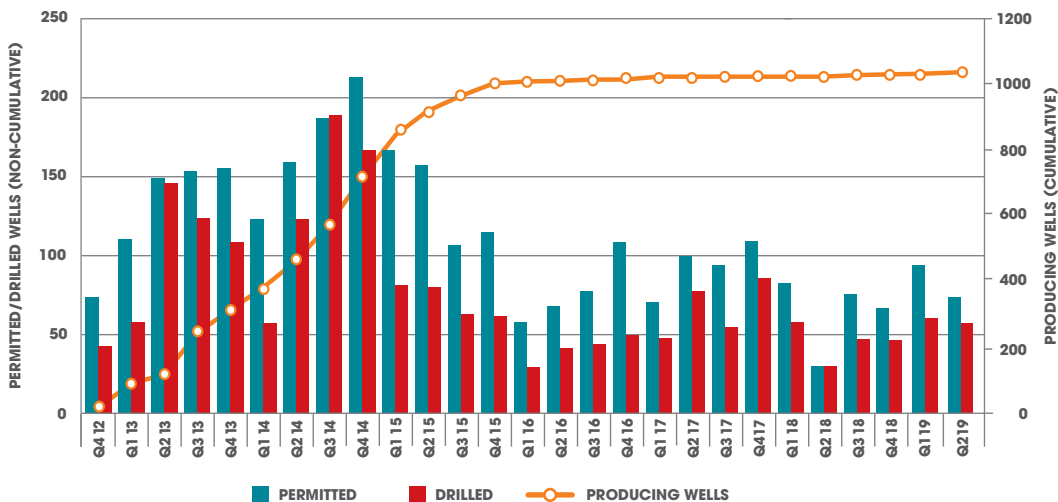


INDUSTRIAL AND OFFICE VACANCY RATES TRACKING LOW

In Q1 2019, the vacancy rate for industrial space is at 3.5%, while the vacancy rate for office space is at 7.0%.

Source: CoStar

OHIO UTICA WELL ACTIVITY (NONCUMULATIVE)



OHIO UTICA WELL ACTIVITY (NONCUMULATIVE)

This graph shows the status of Utica shale wells originally permitted, drilled and in production for each quarter. Since tracking results in Q4 2012, 2,955 total permits have been issued, of which 2,011 have been drilled. Of the 2,011 drilled, 1,037 are currently in production in the state.

Source: Ohio Department of Natural Resources

SPECIAL THANKS FROM TEAM NEO TO OUR INVESTORS



For a complete list of funders, visit teamneo.org/investors.

DATA SOURCES

Team Northeast Ohio uses a number of data sources for the [Regional Economic Review](#). One of the primary sources is [Moody's Economy.com \(economy.com\)](#) data for Northeast Ohio.

Moody's Economy.com county-level output, employment and payroll historical data are estimated from several publicly available sources and are summarized into the Team NEO regional footprint. It is important to understand data provided by Economy.com are estimates of economic activity.

Team NEO also uses data from federal and state sources as part of this report. We rely heavily on data from the U.S. Bureau of Labor Statistics (bls.gov) and Ohio's Labor Market Information (lmi.state.oh.us) for information on wages, unemployment and both general and industry-specific employment.

Industrial and office real estate data for this edition were derived from the CoStar Group. Due to market limits within the CoStar database, historic trend data for the Team NEO region are reflective of 14 of the 18 counties forming the regional footprint. These counties include: Ashland, Cuyahoga, Erie, Geauga, Huron, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit and Trumbull.

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 County Ohio Port & Economic Development Authority
- Medina County Economic Development Corporation
- Portage Development Board
- Richland Community Development Group
- Stark Economic Development Board, Inc.
- Tuscarawas County Economic Development Corporation
- Youngstown/Warren Regional Chamber
- Wayne Economic Development Council

ABOUT TEAM NEO

Team NEO is a private, nonprofit economic development organization accelerating business growth and job creation throughout the 18 counties of Northeast Ohio. As the designated JobsOhio Network Partner, we align and amplify local economic development efforts in Northeast Ohio's 18-county region; we conduct research and data analysis to inform local conversations and influence solutions; we market Northeast Ohio as a region; and we work to increase access to jobs, education and training for the region's 4.3 million people. For more information, visit teamneo.org.

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