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NEWS RELEASE

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Cleveland State Report Ranks Metropolitan Areas on Business and Innovation Climate

Cleveland State University's Maxine Goodman Levin College of Urban Affairs Center for Economic Development (CED) has released a new report that provides benchmarking data of the Cleveland metropolitan statistical area against 35 comparable metropolitan areas across the nation. The study used eight key indicators relating to the business and innovation climate in each metropolitan area and aggregated these variables into a single measurement. Cleveland ranked 11th overall. The top five comparable areas, in order of rank, were San Diego, Seattle, Minneapolis, Austin and St. Louis.

The economic indicators that the CED used to determine the business and innovation climate index include Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards, venture capital, initial public offerings (IPOs), high-tech employment share, research and development funding, patents, corporate headquarters and business costs. The report states that "these indicators provide different ways of capturing a region's propensity to conduct research, transfer basic research to development and commercialization, innovate, promote entrepreneurship, and develop and sustain a technology-based economy." Cleveland's overall ranking was brought down by business costs, where the area ranked 30th. If business costs were not included as an indicator, Cleveland would have ranked 9th among the 36 comparable regions.

To be included in the study, the area had to be similar in size to the Cleveland area in terms of population and/or labor force. Each area included in the study also had to meet one of the following three criteria: have a similar industry structure, be located in a Midwestern state, or be a high-growth region in terms of labor force.

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Dr. Ziona Austrian, CED director, states that overall, Cleveland shows itself to be competitive among comparable metropolitan areas. “We have ideas and research and development,” she notes, “but we are weaker in the commercialization of those ideas and in building new companies.” She finds it noteworthy that Minneapolis and St. Louis ranked third and fifth, respectively. She cites this as proof that “you can be in the Midwest and still be very competitive.”

This study is the first in a series planned by the CED. Other themes that the center plans to investigate in the future include human capital, traditional economic indicators—employment, income, and output—quality of life, and social indicators. The full report can be found at: <http://urban.csuohio.edu/economicdevelopment>.

Cleveland State’s Levin College Center for Economic Development provides research and technical assistance activities aimed at furthering the development potential of the Cleveland region. It concentrates on economic impact analyses, industry cluster analyses, and industrial restructuring. The Center for Economic Development is one of twelve research centers within Levin College that provide applied research, technical assistance, and training to public officials, community leaders, and the private sector with the objective of enhancing the quality of life in urban communities.

The Maxine Goodman Levin College of Urban Affairs, Ohio’s only College of Urban Affairs, is ranked among the top eight schools of urban affairs in the United States. The College is ranked second in the graduate specialty of city management and urban policy in *U.S. News and World Report’s* 1998, 2002 and 2005 issues of “America’s Best Graduate Schools.” The College offers twelve degree programs: Bachelor’s, Master’s, Ph.D. and dual degree programs that provide the opportunity to earn the Juris Doctor (JD) with a Master’s in Public Administration (JD/MPA) a Master’s in Urban Planning, Design, and Development (JD/MUPDD), or a JD/Master of Arts in Environmental Studies. The College is also home to *Economic Development Quarterly (EDQ)*, the leading journal in the field of economic development.

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Business and Innovation Climate Index

METROPOLITAN STATISTICAL AREA	AGGREGATED INDEX		SUB-INDICES RANKING							
	INDEX	RANK	SBIR	VC	IPO	EMP	R&D	PATENTS	HQs	COSTS
Akron, OH MSA	2.30	29	20	35	10	29	28	17	21	27
Austin-Round Rock, TX MSA	5.52	4	3	3	10	2	10	3	21	6
Buffalo-Cheektowaga-Tonawanda, NY MSA	2.27	30	19	27	10	21	17	19	32	33
Canton-Massillon, OH MSA	1.76	35	32	34	10	34	36	33	32	21
Charlotte-Gastonia-Concord, NC-SC MSA	3.53	13	24	16	5	25	31	22	4	7
Cincinnati-Middletown, OH-KY-IN MSA	3.78	10	9	14	10	17	13	7	4	18
Cleveland-Lorain-Elyria, OH MSA	3.73	11	11	13	10	19	6	8	2	30
Columbus, OH MSA	3.37	15	8	18	10	11	9	18	11	19
Denver-Aurora, CO MSA	4.32	6	2	5	10	3	11	11	11	23
Grand Rapids-Wyoming, MI MSA	1.96	34	33	36	10	31	34	25	21	32
Greensboro-High Point, NC MSA	2.62	28	30	24	10	32	29	34	21	3
Indianapolis, IN MSA	3.55	12	34	23	3	23	26	13	15	10
Jacksonville, FL MSA	2.24	31	29	33	10	22	33	35	30	14
Kansas City, MO-KS MSA	3.80	9	27	12	3	6	24	24	11	12
Las Vegas-Paradise, NV MSA	1.98	33	31	31	10	36	32	29	15	17
Louisville, KY-IN MSA	2.90	23	26	26	10	26	25	31	15	2
Memphis, TN-MS-AR MSA	3.10	19	35	21	5	28	21	29	15	5
Milwaukee-Waukesha-West Allis, WI MSA	3.25	17	23	25	10	15	16	10	4	24
Minneapolis-St. Paul-Bloomington, MN-WI MSA	6.28	3	4	4	5	4	5	1	1	29
Nashville-Davidson-Murfreesboro, TN MSA	3.02	21	21	9	10	24	7	26	21	8
Oklahoma City, OK MSA	3.11	18	25	29	10	18	19	28	15	1
Orlando, FL MSA	2.62	27	6	11	10	27	30	21	30	20
Phoenix-Mesa-Scottsdale, AZ MSA	3.52	14	7	8	10	8	27	6	14	24
Pittsburgh, PA MSA	3.95	7	12	6	10	9	4	9	9	30
Portland-Vancouver-Beaverton, OR-WA MSA	3.89	8	13	7	10	10	8	5	21	13
Providence-New Bedford-Fall River, RI-MA	2.94	22	17	22	10	20	15	14	21	15
Richmond, VA MSA	3.08	20	28	20	10	12	18	27	9	9
Riverside-San Bernardino-Ontario, CA MSA	2.17	32	16	32	5	35	22	16	32	35
Sacramento-Arden-Arcade-Roseville, CA MSA	2.70	25	15	15	10	7	12	15	32	34
San Antonio, TX MSA	3.31	16	22	19	10	30	14	23	8	4
San Diego-Carlsbad-San Marcos, CA MSA	7.45	1	1	1	1	5	1	2	15	36
Seattle-Tacoma-Bellevue, WA MSA	7.31	2	5	2	1	1	2	4	2	28
St. Louis, MO-IL MSA	4.36	5	18	10	5	14	3	12	4	16
Tampa-St. Petersburg-Clearwater, FL MSA	2.70	26	14	17	10	16	23	20	21	21
Virginia Beach-Norfolk-Newport News, VA-NC MSA	2.84	24	10	28	10	13	20	32	21	11
Youngstown, OH MSA	1.73	36	36	30	10	33	35	36	32	26

SBIR: Small Business Innovation Research/Small Business Technology Transfer awards

VC: Venture Capital

IPO: Initial Public Offering

EMP: High-Tech Employment Share

R&D: Research and Development

Patents: Utility Patents

HQs: Fortune 500 Corporate Headquarters

Costs: Cost of Doing Business

For a description of each sub-index and its associated variables, refer to the section titled "Business and Innovation Climate-Economic Indicators" and Appendix C.

Aggregated Index: Matching indices in Table 1 are due to rounding for presentation. The associated rank order is correct.

In 2001, no IPO activity was reported in 27 of the 36 comparable metro areas. The result is that 27 metro areas are ranked 10th.- Only 15 IPOs were issued across all 36 metro areas in 2001.