

# I-72 Corridor Target Business Identification Study



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GROUP

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# BACKGROUND

## PURPOSE

The purpose of this Target Business Identification Analysis for Interstate 72 Corridor (Brown, Cass, Greene, Morgan, Pike, and Scott) is to identify potential target industries that will further growth in the I-72 Corridor.

## TARGET BUSINESS SEGMENTS

Based on discussions with Illinois Electric Cooperative the following target business segments were identified, and these segments served as the foundation for this Target Business Identification Analysis:

- Light Manufacturing and Agriculture Manufacturing
- Logistics & Distribution
- Grain Milling
- Food Processing
- Call Centers/ Back Office

## ANALYSIS

For these business segments, the appropriate NAICS code industries were identified and analyzed on a variety of factors including job growth, earnings, industry concentration, and education

- Historical and projected job growth
- Earnings per worker
- Number of establishments
- Rail usage (benefit from rail service in the potential industrial park)

In addition, completion data for degrees and certificates awarded by postsecondary education institutions in Region have been gathered for this project. The completion data that prepares students for positions in the target business sectors are shown because this is an important part of the skilled labor pipeline for companies in the target segments.

The source for the majority of the data used for the analysis is Economic Modeling Specialists Int'l (EMSI), which is a leading aggregator of economic and business information. The primary data sources in the EMSI database used for this

report are the Bureau of Labor Statistics, U.S. Census Bureau, and the U.S. Department of Education. The 10-year projections for job growth by industry were provided by EMSI.

These industries were analyzed and compared to the following four geographical areas:

- I-72 region -- for purposes of analysis, defined as a six county region in Illinois that includes: Brown, Cass, Greene, Morgan, Pike, and Scott
- State of Illinois
- Upper Midwest Region – an 8-state region that includes: Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, and Wisconsin
- United States

For each of the potential target industries, the number of jobs, historical and projected job growth, number of establishments, and earnings per worker are shown as well as a brief summary of the industry.

## **POSTSECONDARY EDUCATION COMPLETIONS**

### **U.S. DEPARTMENT OF EDUCATION DATA**

The Department's National Center for Education Statistics (NCES) publishes degree, certificate, and diploma program completions in its Integrated Postsecondary Education Data System (IPEDS). The majority of the postsecondary institutions in the United States annually submit their completion data for inclusion in IPEDS. The education completion data shown in this report are 2013 IPEDS data, which is the most currently available data.

### **POSTSECONDARY INSTITUTION**

For this report, two postsecondary institutions in the Region provide completion data to NCES:

- Illinois College
- John Wood Community College
- Lincoln Land Community College
- MacMurray College

## EDUCATION PROGRAM DATA

The completion data in IPEDS is reported by Classification of Instructional Programs (CIP) codes, which is a coding system that was developed by NCES for the accurate tracking and reporting of fields of study and program completion activity.

The completion information shown in this report show all the completions in the area. As you can see none of the institutions in the Corridor are offering programs that would help the targeted industries.

### Postsecondary Education Completions

CIP Code	Program	Institutional Completions* (2014)	Regional Completions (2014)	Regional Openings (2005)	Median Hourly Earnings	Regional Jobs (2005)	Regional Jobs (2015)	Growth in Jobs (2005-2015)
12	PERSONAL AND CULINARY SERVICES	14	21	295	\$11.12	4,618	4,329	(6%)
44	PUBLIC ADMINISTRATION AND SOCIAL SERVICE PROFESSIONS	5	0	71	\$26.67	1,915	2,188	14%
45	SOCIAL SCIENCES	23	0	18	\$23.10	465	563	21%
43	HOMELAND SECURITY, LAW ENFORCEMENT, FIREFIGHTING AND RELATED PROTECTIVE SERVICES	198	0	101	\$25.42	2,201	2,573	17%
42	PSYCHOLOGY	37	0	11	\$25.81	368	458	24%
31	PARKS, RECREATION, LEISURE, AND FITNESS STUDIES	8	0	33	\$25.93	1,086	1,207	11%
38	PHILOSOPHY AND RELIGIOUS STUDIES	2	0	4	\$25.62	211	288	36%
40	PHYSICAL SCIENCES	13	0	7	\$26.99	250	329	31%
46	CONSTRUCTION TRADES	22	0	162	\$17.28	2,334	1,898	(19%)
47	MECHANIC AND REPAIR TECHNOLOGIES/TECHNICIANS	158	0	49	\$17.82	986	875	(11%)
52	BUSINESS, MANAGEMENT, MARKETING, AND RELATED SUPPORT SERVICES	237	0	682	\$17.93	11,627	11,769	1%
54	HISTORY	10	0	9	\$25.67	334	429	28%
51	HEALTH PROFESSIONS AND RELATED PROGRAMS	787	0	298	\$20.93	5,481	5,093	(7%)
50	VISUAL AND PERFORMING ARTS	23	0	20	\$23.05	532	588	11%
48	PRECISION PRODUCTION	77	0	59	\$17.55	407	393	(4%)
49	TRANSPORTATION AND MATERIALS MOVING	133	0	149	\$17.59	2,210	2,724	23%
30	MULTI/INTERDISCIPLINARY STUDIES	369	0	21	\$26.06	659	743	13%
27	MATHEMATICS AND STATISTICS	8	0	6	\$26.70	271	344	27%
11	COMPUTER AND INFORMATION SCIENCES AND SUPPORT SERVICES	43	0	36	\$26.74	570	525	(8%)
13	EDUCATION	45	0	145	\$19.16	2,555	2,480	(3%)
10	COMMUNICATIONS TECHNOLOGIES/TECHNICIANS AND SUPPORT SERVICES	1	0	13	\$15.85	298	174	(42%)
09	COMMUNICATION, JOURNALISM, AND RELATED PROGRAMS	0	0	22	\$22.16	455	484	6%
03	NATURAL RESOURCES AND CONSERVATION	0	0	44	\$21.04	698	715	2%
05	AREA, ETHNIC, CULTURAL, GENDER, AND GROUP STUDIES	2	0	5	\$25.13	219	299	36%
14	ENGINEERING	2	0	27	\$30.68	486	545	12%
15	ENGINEERING TECHNOLOGIES AND ENGINEERING-RELATED FIELDS	27	0	71	\$21.15	1,176	1,152	(2%)
24	LIBERAL ARTS AND SCIENCES, GENERAL STUDIES AND HUMANITIES	635	0	4	\$25.44	208	285	37%
26	BIOLOGICAL AND BIOMEDICAL SCIENCES	47	0	7	\$26.58	277	339	23%
23	ENGLISH LANGUAGE AND LITERATURE/LETTERS	27	0	6	\$24.88	242	306	27%
22	LEGAL PROFESSIONS AND STUDIES	2	0	16	\$27.06	450	547	22%
16	FOREIGN LANGUAGES, LITERATURES, AND LINGUISTICS	10	0	5	\$25.13	219	299	36%
19	FAMILY AND CONSUMER SCIENCES/HUMAN SCIENCES	16	0	199	\$14.52	2,117	1,906	(10%)
01	AGRICULTURE, AGRICULTURE OPERATIONS, AND RELATED SCIENCES	34	0	325	\$14.86	3,523	3,511	(0%)

# POTENTIAL TARGET INDUSTRIES

## METHODOLOGY

Industries within each of the target business segments were identified and then analyzed on a variety of criteria:

- Historical and projected job growth
- Earnings per worker
- Number of establishments
- Rail usage
- Education completions

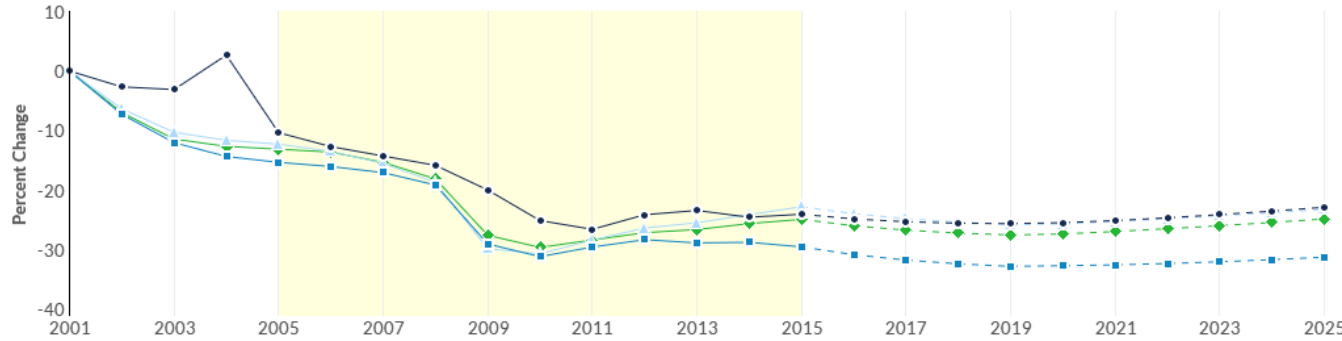
Industry data was collected for the six county region, Illinois, the 8-state Upper Midwest Region (Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, and Wisconsin), and the United States. Based on an assessment of the criteria for each of the three geographical areas, potential target industries were identified.

## POTENTIAL TARGET INDUSTRIES

For each potential target industry, information is shown for jobs, historical and projected job growth, earnings, and number of establishments is shown for the four geographical areas – I-72 Corridor/Region, Illinois, the Upper Midwest Region, and the Nation. In addition, a brief summary assessment of the industry is listed.

The next step will be to review the information in this report with the client and finalize the selection of the target industries for the Target Business Identification Study.

## Manufacturing Trends



	Region	2005 Jobs	2015 Jobs	Change	% Change
●	I-72 Corridor	5,588	4,733	-855	-15.3%
●	Illinois	696,641	579,645	-116,996	-16.8%
●	Upper Midwest	4,193,464	3,689,238	-504,226	-12.0%
●	United States	14,465,035	12,499,134	-1,965,901	-13.6%

## Manufacturing Targets

Manufacturing has seen a decline over the last ten years. But recent trends are beginning to show a comeback in the manufacturing sector. For instance, in the last five years, the I-72 Corridor has seen a 1.4% growth, while the state of Illinois has seen a 2.4% growth and the Upper Midwest a little over 11% growth. In some cases, the identified targets currently have no presence in the area but their growth pattern and complementary status with other industries are considerations. It should be noted that the term used in the following analysis, **Location Quotient (LQ)**, denotes relative concentration of that segment in the region. A LQ of 1.5-2.0 and higher is considered strong. The targets below are listed in NAICS order, NOT by priority.

### Plastic Bag and Pouch Manufacturing (NAICS 326111)

Geographic Area	2005 Jobs	2015 Jobs	Change 2005-15	% Change	Earnings per Worker	Establish - ments	2025 Jobs	Change 2015-25	% Change
I-72 Corridor	508	933	425	84%	\$61,972	1	1,106	173	19%
Illinois	2,249	2,199	-50	-2%	\$62,991	28	2,481	282	13%
Upper Midwest	8,403	8,353	-50	-1%	\$60,397	104	10,110	1,757	21%
United States	28,623	31,146	2,523	9%	\$57,438	433	38,789	7,643	25%

#### Summary

- The Location Quotient for the Region is **very high** at 130
- This sector saw steady growth in the U.S. over the past 10 years
- Growth is projected to be good over the next 10 years at all levels
- Needs to have interstate access

### Paint & Coating Manufacturing (NAICS 325510)

Geographic Area	2005 Jobs	2015 Jobs	Change 2005-15	% Change	Earnings per Worker	Establish - ments	2025 Jobs	Change 2015-25	% Change
I-72 Corridor	81	105	24	30%	\$107,836	1	137	32	30%
Illinois	4,384	4,101	-283	-6%	\$97,470	123	4,119	18	0%
Upper Midwest	17,580	17,506	-74	0%	\$93,443	414	17,741	236	1%
United States	44,391	39,524	-4,867	-11%	\$89,938	1,370	37,686	-1,838	-5%

#### Summary

- This industry is projected to have slow growth in regional and national employment over the next ten years
- The location of the Corridor near St. Louis and close to Chicago could be a logistical advantage

- The wages are much higher in the Corridor, which can translate to a very high skilled work force
- The area has a high Location Quotient of 11.57

### Clay Building Material Refractories Manufacturing (NAICS 327120)

Geographic Area	2005 Jobs	2015 Jobs	Change 2005-15	% Change	Earnings per Worker	Establish - ments	2025 Jobs	Change 2015-25	% Change
I-72 Corridor	51	53	2	4%	\$67,684	2	73	20	38%
Illinois	476	534	58	12%	\$80,581	35	810	276	52%
Upper Midwest	6,576	5,595	-981	-15%	\$66,039	177	7,462	1,867	33%
United States	36,362	24,366	-11,996	-33%	\$64,965	681	26,198	1,832	8%

#### Summary

- There currently is only two companies in this industry in the Region
- This industry is expected to see growth at all levels over the next ten years
- The I-72 Corridor has a strong location for building materials with the proximity to large metropolitan areas

### Farm Machinery & Equipment Manufacturing (NAICS 333111)

Geographic Area	2005 Jobs	2015 Jobs	Change 2005-15	% Change	Earnings per Worker	Establish - ments	2025 Jobs	Change 2015-25	% Change
I-72 Corridor	0	59	59	--	\$82,636	3	88	29	49%
Illinois	6,680	6,353	-327	-5%	\$83,119	66	7,007	654	10%
Upper Midwest	28,970	32,688	3,718	13%	\$76,825	437	34,121	1,433	4%
United States	59,767	65,213	5,446	9%	\$70,633	1,330	67,592	2,379	4%

#### Summary

- This sector has a good Location Quotient of 3.96
- Great location
- Industry experiencing some growth



### Air-Conditioning & Warm Air Heating Equip. & Commercial & Industrial Refrigeration Equip. Manufacturing (NAICS 333415)

Geographic Area	2005 Jobs	2015 Jobs	Change 2005-15	% Change	Earnings per Worker	Establish - ments	2025 Jobs	Change 2015-25	% Change
I-72 Corridor	18	110	92	511%	\$46,317	2	120	10	9%
Illinois	3,588	2,206	-1,382	-39%	\$67,129	100	1,703	-503	-23%
Upper Midwest	31,811	26,055	-5,756	18%	\$68,724	290	24,852	-1,203	-5%
United States	104,452	81,996	-22,456	-21%	\$66,840	1,122	77,544	-4,452	5%

#### Summary

- This sector has a good Location Quotient of 5.85
- Other regions are seeing a decline in jobs while the Corridor has seen a large increase
- Work closely with the two existing industries in this sector to assist further growth

### Printed Circuit (Electronic Assembly) Manufacturing (NAICS 334418)

Geographic Area	2005 Jobs	2015 Jobs	Change 2005-15	% Change	Earnings per Worker	Establish - ments	2025 Jobs	Change 2015-25	% Change
I-72 Corridor	0	37	37	--	\$47,379	1	64	27	73%
Illinois	2,040	2,260	220	11%	\$60,791	54	2,706	446	20%
Upper Midwest	14,490	16,094	1,604	11%	\$76,825	220	19,381	3,287	20%
United States	52,296	53,917	1,621	3%	\$64,811	1,110	67,689	13,772	26%

#### Summary

- This sector has a good Location Quotient of 2.94
- Very strong growth over the next ten years in all geographic regions

## Food Processing Targets

### Dry, Condensed, & Evaporated Dairy Product Manufacturing (NAICS 311514)

Geographic Area	2005 Jobs	2015 Jobs	Change 2005-15	% Change	Earnings per Worker	Establish - ments	2025 Jobs	Change 2015-25	% Change
I-72 Corridor	211	321	110	52%	\$58,191	1	375	54	17%
Illinois	508	1,177	669	132%	\$63,456	16	1,703	526	45%
Upper Midwest	8,138	9,054	916	11%	\$97,710	93	9,054	380	4%
United States	14,420	15,604	1,184	8%	\$91,661	215	16,434	830	5%

#### Summary

- The Location Quotient for the Region is very high at 89.57
- This is a strong sector with a relatively small number of businesses in the sector
- Should be well received in this agricultural area

### Meat Processed from Carcasses (NAICS 311612)

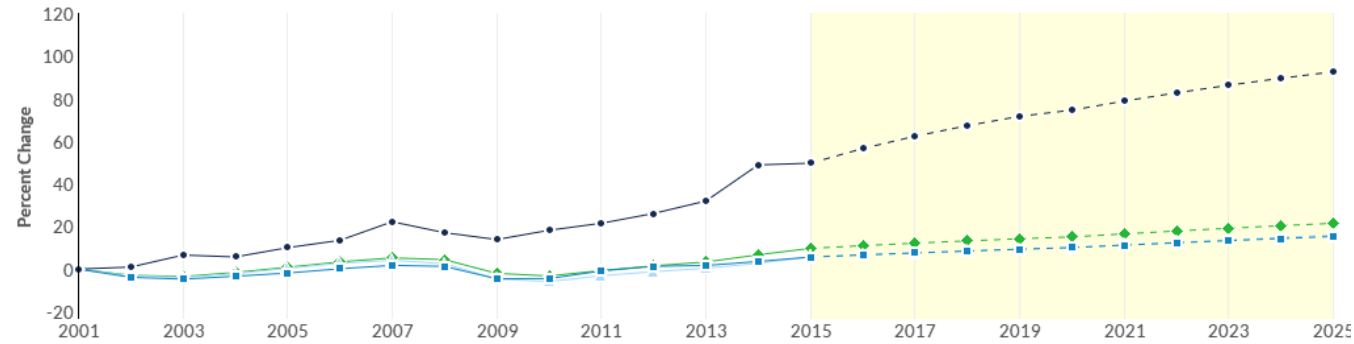
Geographic Area	2005 Jobs	2015 Jobs	Change 2005-15	% Change	Earnings per Worker	Establish - ments	2025 Jobs	Change 2015-25	% Change
I-72 Corridor	0	848	848	--	\$42,808	1	1,856	1,008	119%
Illinois	8,180	10,678	2,498	31%	\$58,436	106	15,136	4,458	42%
Upper Midwest	43,928	50,689	6,761	15%	\$55,591	440	59,806	9,117	18%
United States	111,974	118,527	6,553	6%	\$52,202	1,517	135,240	16,713	14%

#### Summary

- Projected to have significant growth in the region over the next ten years
- Competitive wages within the industry
- Heavy user of interstate

## Transportation & Logistics Targets

### Transportation Trends



Region	2015 Jobs	2025 Jobs	Change	% Change
● I-72 Corridor	2,091	2,690	599	28.6%
● Illinois	268,146	292,687	24,541	9.2%
● Upper Midwest	1,092,971	1,198,744	105,773	9.7%
● United States	5,152,496	5,705,367	552,871	10.7%

### Specialized Freight (except Used Goods) Trucking, Long Distance (NAICS 484230)

Geographic Area	2005 Jobs	2015 Jobs	Change 2005-15	% Change	Earnings per Worker	Establish- ments	2025 Jobs	Change 2015-25	% Change
I-72 Corridor	43	78	35	81%	\$62,373	12	119	41	53%
Illinois	2,198	2,934	736	33%	\$66,403	405	3,503	569	19%
Upper Midwest	30,124	31,572	1,448	5%	\$62,677	2,739	35,344	3,772	12%
United States	116,725	137,488	20,763	18%	\$66,582	10,119	166,544	29,056	21%

#### Summary

- This sector has a good Location Quotient of 2.47

- Great interstate access
- Earnings in Region are well below the State and Nation averages, which may be an advantage in attracting companies to the Region
- Very strong wages in all three geographies

### General Warehousing & Storage (NAICS 493110)

Geographic Area	2005 Jobs	2015 Jobs	Change 2005-15	% Change	Earnings per Worker	Establish - ments	2025 Jobs	Change 2015-25	% Change
I-72 Corridor	<10	<10	--	--	--	0	<10	--	--
Illinois	30,433	38,807	8,374	28%	\$51,193	483	46,307	7,500	19%
Upper Midwest	122,496	153,846	31,350	26%	\$50,767	2,540	182,008	28,162	18%
United States	10,026	11,811	1,785	18%	\$49,864	11,777	785,510	115,114	17%

#### Summary

- No warehousing presence currently in the Region
- This sector has strong growth in State, Upper Midwest and US
- In order for this to become a viable industry in the Region available land at interstate exits needs to be developed and marketed

### Back Office Targets

#### Data Processing, Hosting, & Related Services (NAICS 518210)

Geographic Area	2005 Jobs	2015 Jobs	Change 2005-15	% Change	Earnings per Worker	Establish - ments	2025 Jobs	Change 2015-25	% Change
I-72 Corridor	<10	69	--	--	\$34,349	2	133	64	93%
Illinois	10,680	10,399	-281	-3%	\$126,986	901	11,567	1,168	11%
Upper Midwest	55,961	59,088	3,127	6%	\$105,874	3,307	64,992	5,904	10%
United States	269,738	298,501	28,763	11%	\$113,472	16,760	324,646	26,145	9%

#### Summary

- Wages are significantly lower than the rest

- A site(s) will need to be identified which has access to significant water and power. The site can't be near a railroad
- The target companies could focused in St. Louis or Chicago that needs an off- site location for their data

**Financial Transactions Processing, Reserve & Clearing House Activities (NAICS 522320)**

<b>Geographic Area</b>	<b>2005 Jobs</b>	<b>2015 Jobs</b>	<b>Change 2005-15</b>	<b>% Change</b>	<b>Earnings per Worker</b>	<b>Establish - ments</b>	<b>2025 Jobs</b>	<b>Change 2015-25</b>	<b>% Change</b>
I-72 Corridor	<10	0	--	--	\$--	0	0	--	--
Illinois	2,128	2,567	439	21%	\$81,383	298	3,158	591	23%
Upper Midwest	14,107	20,364	6,257	44%	\$80,865	890	25,313	4,949	24%
United States	94,947	129,760	34,813	37%	\$92,161	5,686	170,057	40,297	31%

- This sector does not currently have any businesses in this area
- The sector is experiencing strong growth in the other geographies
- Proximity to Chicago and St. Louis should be an advantage