



BROOKLYN ECONOMIC DEVELOPMENT CORPORATION

INITIATIVE FOR A COMPETITIVE BROOKLYN

ICB UPDATED: CLUSTER CHARACTERISTICS TODAY

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ICB OVERVIEW

- **MISSION:** *The Initiative for a Competitive Brooklyn will enhance the competitiveness of Brooklyn firms in order to create a high and rising standard of living for Brooklyn residents.*
- **PRINCIPLES:** *ICB was founded on hard data and strives to achieve real, measurable results in specific clusters of the Brooklyn economy.*
- **METHOD:** *The ICB engages a team for each cluster. Teams represent a cross section of people, orgs and agencies involved in the cluster. ICB staff implements team recommendations.*



ICB FOUNDATION

- **RESEARCH:** *Consistent and rigorous research into Brooklyn activity*
 - *ICIC template of 10 standard industry clusters used to define Brooklyn's strengths*
- **ANALYSIS:** *Broad but focused*
 - *1990 and 2002 labor, economic and demographic data analyzed for trending and comparison with other local and regional stats*
 - *Continued research ongoing to pilot and measure ICB programs*
- **INVOLVEMENT:** *Wide community participation*
 - *Over 200 community leaders, private sector experts, government agencies recruited to assess findings and validate implications throughout 2 year life of research*



THE STANDARD 10 ICIC CLUSTERS

- *HEALTH CARE*
- *TOURISM*
- *FOOD PREPARATION*
- *EDUCATION & KNOWLEDGE TRANSFER*
- *FINANCIAL SERVICES*
- *CONSTRUCTION*
- *APPAREL*
- *BUSINESS SERVICES*
- *COMMUNITY ORGANISATIONS*
- *PERSONAL SERVICES*



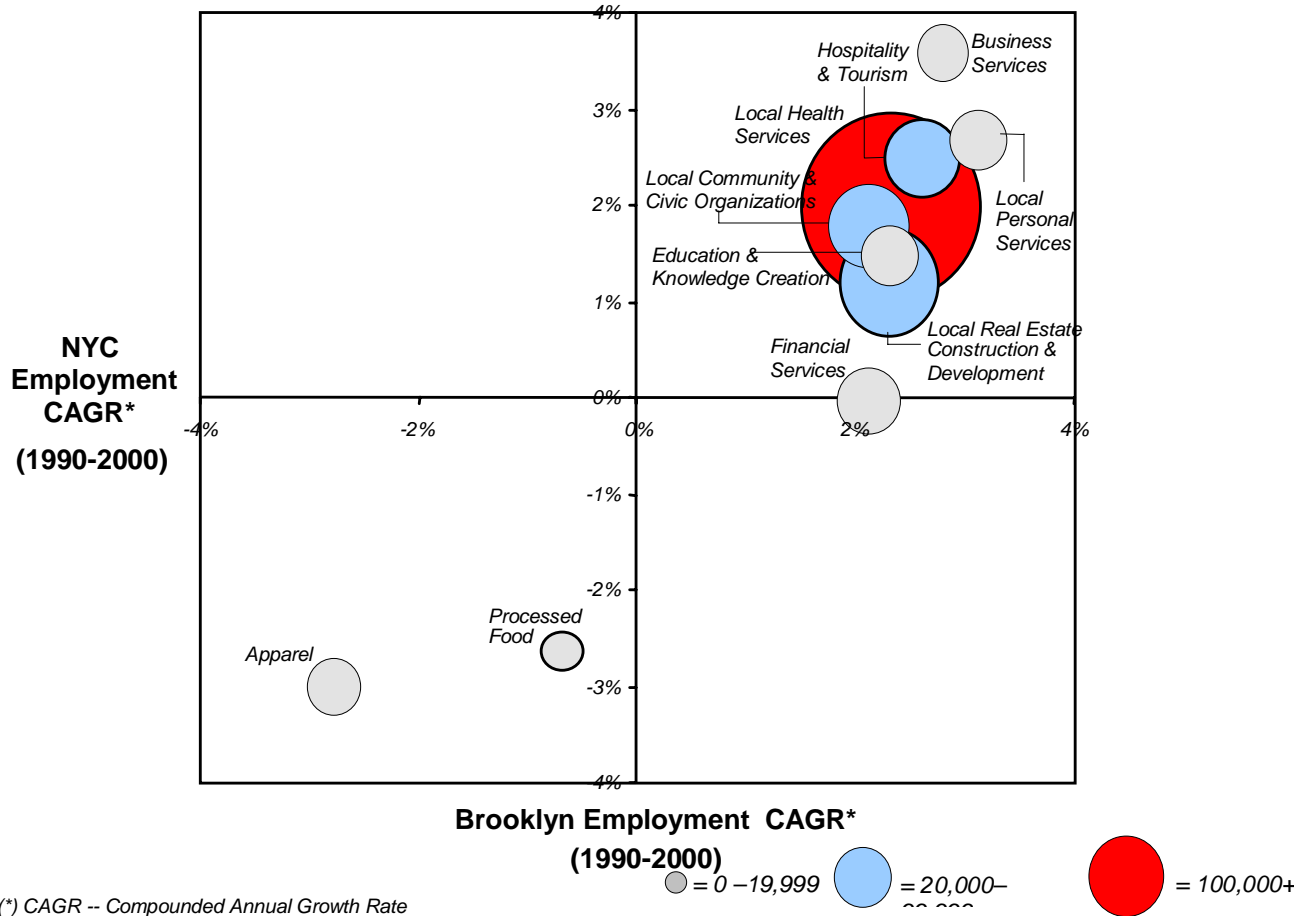
ICB DEFINED: RESEARCH OUTCOMES

- *Local goods and services for local Brooklyn people*
 - *Four (4) clusters met strategic criteria of:*
 - *Underutilized workers (ready, willing and able)*
 - *Underserved local populations (demand in place)*
 - *Strategic location and transportation, and*
 - *Rational connections with large economic drivers in region (construction, financial services)*
 - *Six (6) were already at parity with NYC or in decline without undertapped competitive advantage*



ICB DEFINED: RESEARCH OUTCOMES (CONT)

Top 10 Brooklyn Clusters by Employment



(*) CAGR -- Compounded Annual Growth Rate

Note: The New York City MSA includes all five boroughs of the Source: Cluster Mapping Project, County Business Pattern data; ICIC analysis



ICB CLUSTER ACTIONS 2005-PRESENT

- **HEALTH CARE**

- *Created Brooklyn Nursing Partnership.*
 - *BNP now self sufficient and growing nursing faculty across borough.*
 - *An estimated 300 new nursing spots created through the program*
- *Create translation businesses for multilingual patients and providers*
 - *Facilitating roll-out of business into more hospitals Summer '07*
 - *Investigating further expansion into other areas sectors*
- *Champion biotech at Brooklyn sites*

- **TOURISM**

- *Facilitated creation of Brooklyn Borough President's Tourism Office and website*
- *Creating specialty tour opportunities in conjunction with Big Onion and BEDC's Council of Economic Development Corporations*
 - *Pilot Spring '07*
 - *Analysis and roll-out Fall '07*

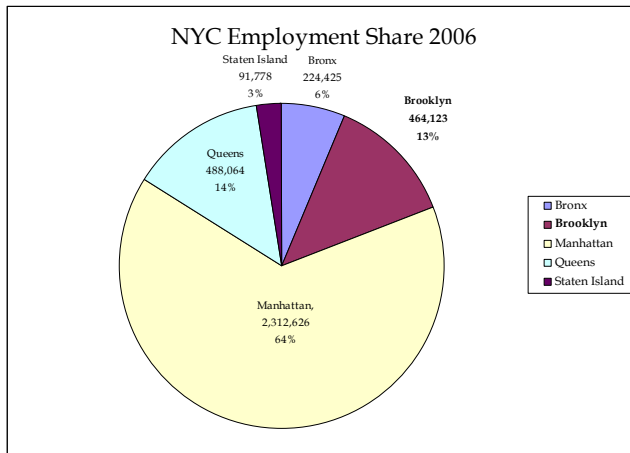


ICB CLUSTER ACTIONS 2005-PRESENT (CONT)

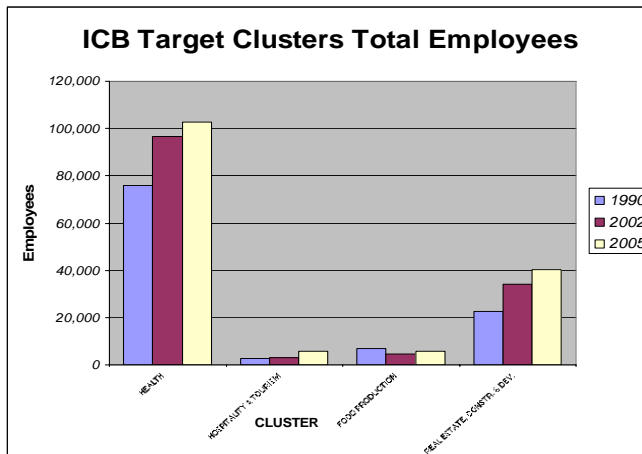
- **FOOD PREPARATION**
 - *In coordination with NYIRN, created online forum and food processing community hosted at www.foodfromnewyork.com*
 - *Further research being undertaken to evaluate ICB opportunities with smaller, local food production entrepreneurs*
- **REAL ESTATE & CONSTRUCTION**
 - *Generate job training and pre-apprentice slots*
 - *Champion Project Labor Agreements (PLAs)*
 - *Created sub-cluster on Green Building focused on smaller Brooklyn Contractor (see appendix)*



BROOKLYN TODAY VS. BOROUGHS



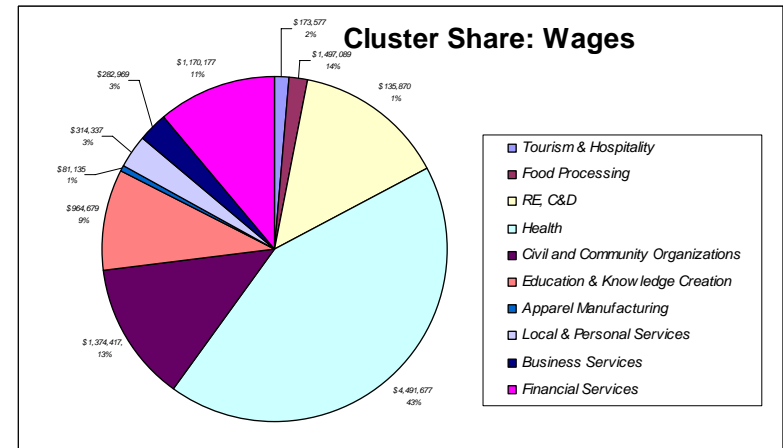
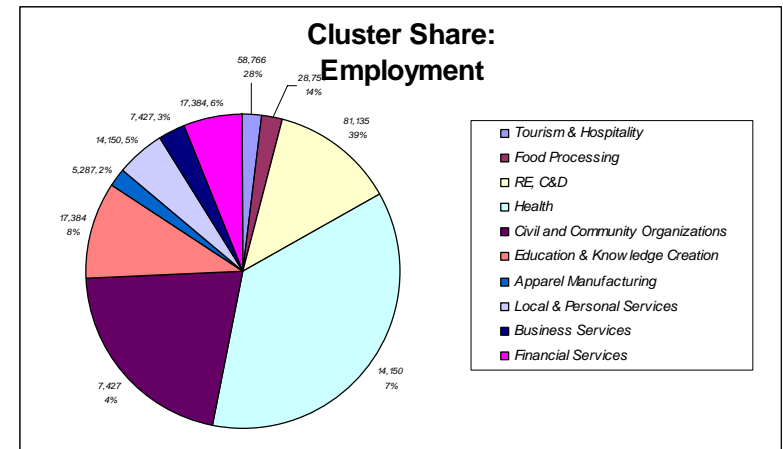
- 13% Brooklyn's share of employees: no change
- *HOWEVER: ICB 4 target clusters have grown since 2002*
 - follows trend from 1990
- Hospital services continue to dominate, but growth is decelerating
 - organic or funding? Latter
- Tourism shows benefit of focused activity in Boro President's office
- Food (ethnic and specialty) recovers
- Steady real estate growth





CLUSTER SHARE: WAGES VS. EMPLOYEES

- *Health, Real-Estate & Construction continue to be wage drivers*
- *Education & Knowledge Creation are very steady forces in the Brooklyn economy*
- *Civil and Community Organizations are more dominant in Brooklyn than other boroughs, but are indexed lower than other clusters in wages*

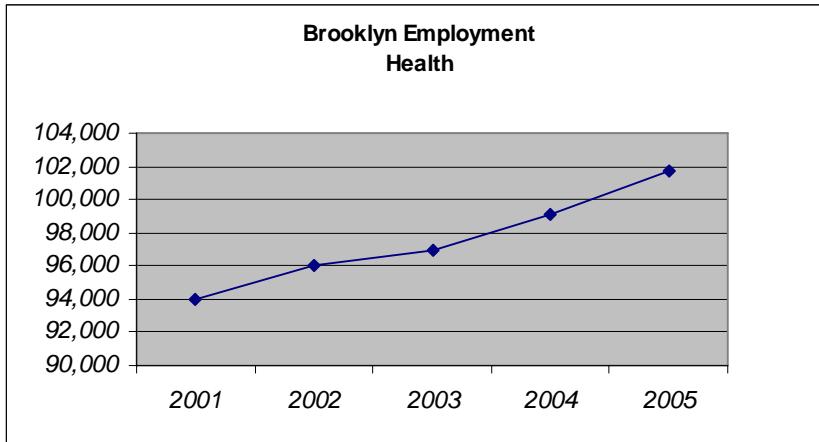




CLUSTER SHARE: HEALTH CARE

DEMAND CONTINUES

- *Health Care showing very steady growth in jobs and wages*
 - *Tops \$1 billion in 2005*
- *Local jobs for Brooklyn residents*



- *Private Ambulatory offices offer most opportunity in volumes; hospitals for wage growth*

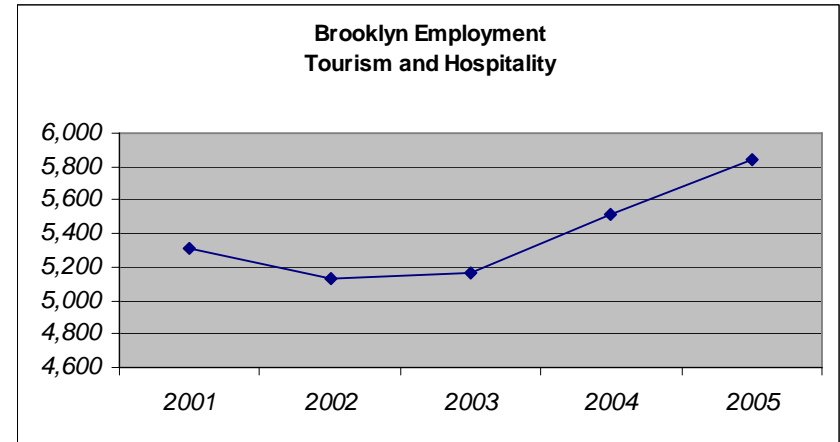
HEALTH*	Employees	Wages (\$1,000's)	Establishments
2002	96,777	\$3,882,219	4,048
2003	94,688	\$3,988,553	4,145
2004	99,133	\$4,326,861	4,351
2005	102,645	\$4,491,677	4,337
*Ambulatory (Private)	Employees	Wages	Establishments
2002	28590	\$1,105,697	3,164
2003	30846	\$1,176,042	3,224
2004	32148	\$1,331,616	3,330
2005	33943	\$1,382,458	3,312



CLUSTER SHARE: TOURISM & HOSPITALITY

INTEGRATED EFFORT

- *Tourism and Hospitality recovery*
- *Top-down boro-wide integration under Boro President as DMO shows effect*
- *Absolute numbers of establishments is lower, but wages per job have risen*
 - *gentrification of restaurant, retail*



Tourism & Hospitality	Employees	Establishments	Wages
2001	5,309	754	\$111,061
2002	5,134	721	\$107,598
2003	5,160	707	\$109,907
2004	5,518	706	\$123,942
2005	5,844	701	\$135,870



CLUSTER SHARE: FOOD PROCESSING

Food Processing	Employees	Establishments	Wages
2001	6,042	351	\$200,585
2002	5,866	345	\$197,313
2003	5,728	325	\$196,833
2004	5,765	330	\$193,571
2005	5,648	322	\$173,577

FOOD CONUNDRUM

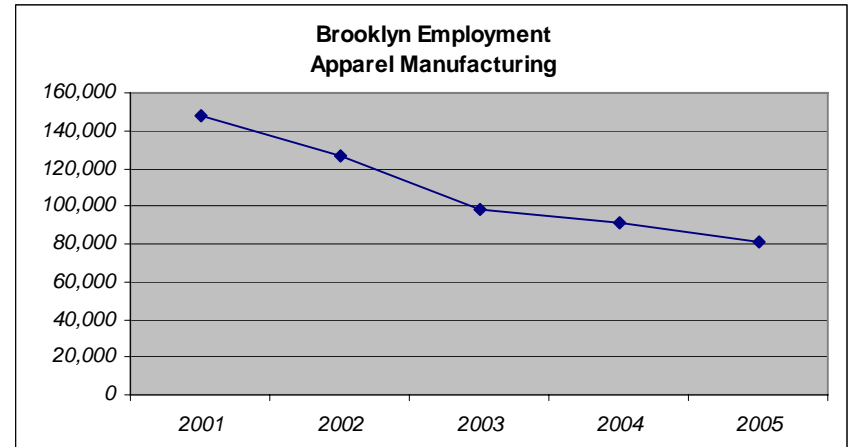
- *Food processing has not met expectations of 2002*
- *Real opportunity still felt for ethnic and specialty items*
- *Economic development effort, not workforce readiness or job-finding*
- *Business attraction will become focus for ICB in this cluster*
- *In discussion: Develop more targeted/nuanced approach or transition out?*



CLUSTER SHARE: APPAREL & CIVIC ORGANIZATIONS

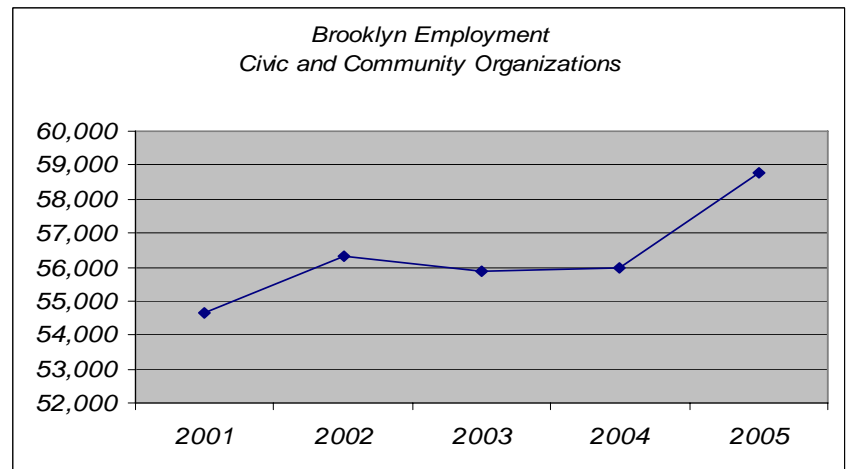
APPAREL LOSING GROUND

- *45% reduction on Apparel workforce 2002-2006*



CIVIC & COMMUNITY ORGANIZATIONS STRONG

- *cannot be outsourced*
- *demand and favorable real estate prices are drivers*

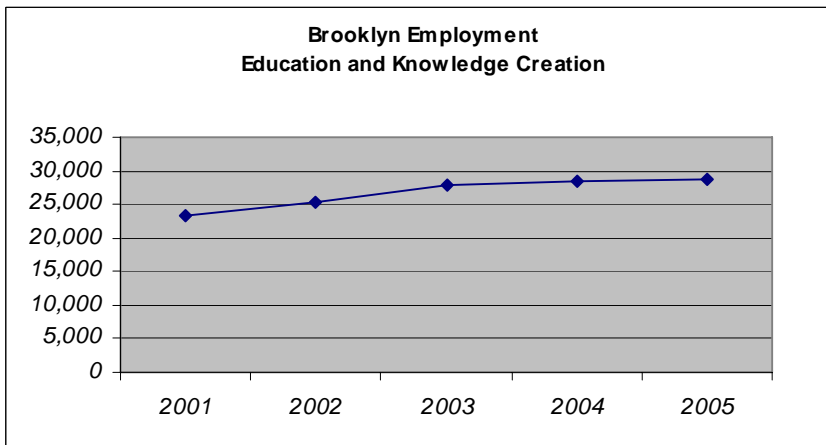
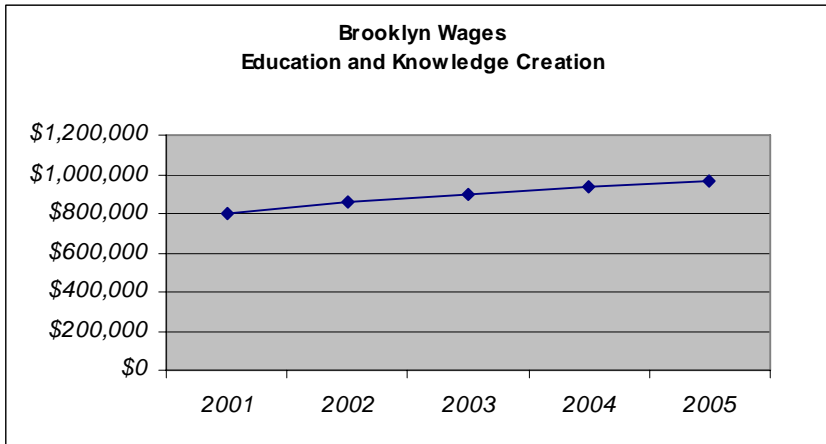




CLUSTER SHARE: EDUCATION

EDUCATION & KNOWLEDGE CREATION STEADY

- *Potential future IBC target cluster*
- *Jobs and wages in favorable, but creeping lockstep*
- *Career path opportunities attractive*
- *Analysis required for acceleration strategies*

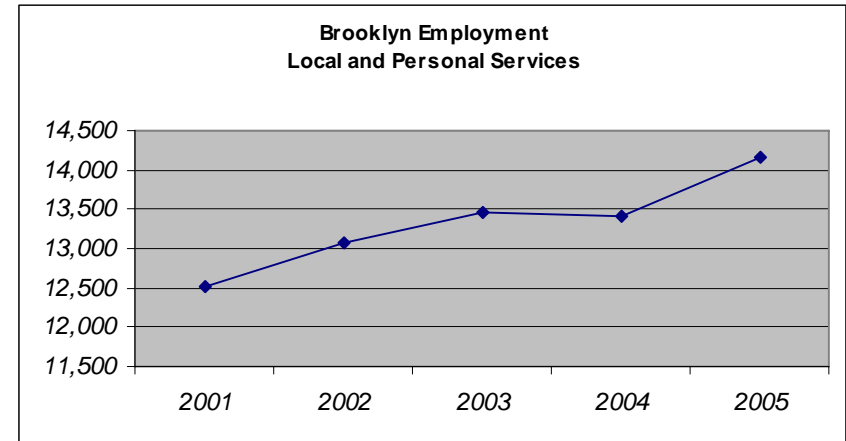




CLUSTER SHARE: SERVICES CLUSTERS

LOCAL & PERSONAL SERVICES GROWTH

- *Influx of wealth into Boro*
- *Room for Entrepreneurship; few businesses >5 employees*



BUSINESSES SERVICES

- *Took a hit post-9/11, not stably recovered*
- *Wage rise accompanied by static business growth indicates business expansion*

Business Services	Employees	Establishments	Wages
2001	8,509	2,202	\$367,401
2002	7,737	2,098	\$340,757
2003	7,188	1,930	\$292,488
2004	6,471	1,741	\$260,778
2005	7,427	1,766	\$282,969

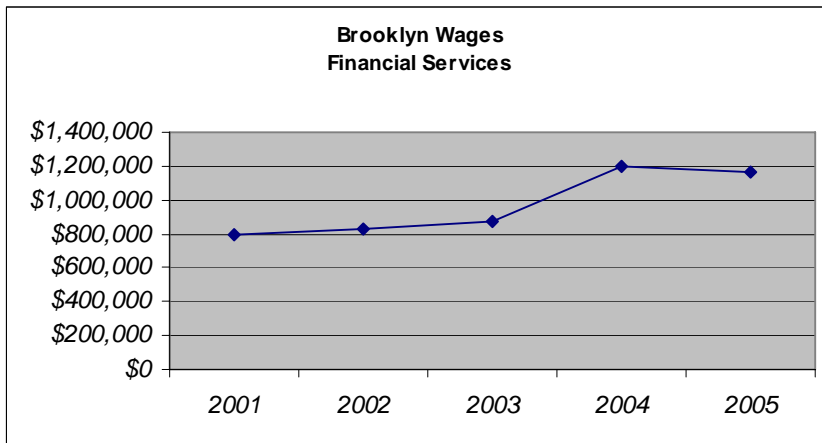


CLUSTER SHARE: FINANCIAL SERVICES

Financial Services	Employees	Establishments	Wages
2001	13,689	1,024	\$792,639
2002	14,135	1,109	\$827,672
2003	14,538	1,084	\$874,611
2004	17,277	1,085	\$1,195,999
2005	17,384	1,181	\$1,170,177

OPPORTUNITY IN FRONT AND BACK OFFICES

- *Branch expansions into changing neighborhood drives job levels up*
- *Back office functions still underrepresented*
- *More needed in underserved neighborhoods*





CONCLUSIONS AND NEXT STEPS

- *The Cluster Strategy:*
 - *Aggressive:*
 - *Health*
 - *Construction*
 - *Tourism*
 - *Self-Employed*
 - *Analysis:*
 - *Food Processing*
- *Support*
 - *Aggressive: workforce readiness throughout*
- *New and Emerging Clusters*
 - *Aggressive:*
 - *Technology*
 - *Analysis:*
 - *Financial Services*
 - *Education & Knowledge Creation*