

RECEIVED  
BOARD OF SUPERVISORS  
EL DORADO COUNTY  
10:56 am, Nov 02, 2010

# 21

**LATE DISTRIBUTION**

Date 10:56 am, Nov 02, 2010



# CSER Medical Industry Cluster Report

## Office Economic Development

Board of Supervisors  
November 2, 2010

# Welcome



## Discussion & Review

- Market Motivator (Marshall Medical Center)
- Due Diligence (El Dorado County, OED)
- Call to Action



# Market Motivator

## –Marshall Medical Center (Private Sector)

- Reviewed position in marketplace
- Aware changing market and demographics
- Recognize increasing market pressure from competition
- Cognizant of Health Care Reform legislation
- Formulated Strategic Plan for future
- Consolidate and Expand Marshall Medical Center – Community Cancer Program



# Due Diligence

## –OED & EDAC (Public Sector)

- Examine local economic strengths and weaknesses
- Determine place in broader regional economy
- Develop economic development vision and goals
- Identify community strategies to attain goals
- Connect economic development and other county policies/agencies
- Inform regulatory environment
- Involve local partners
- Ask business for their input
- Communicate economic development message
- Staff economic development activities

Source: **The Role of Local Elected Officials in Economic Development: 10 Things You Should Know**, Center for Research & Innovation, National League of Cities, Fall 2010



# Due Diligence - Background

- 2004 General Plan
- October 2, 2007 Economic Development Strategy
  - Regulatory Reform
  - Business Retention & Expansion
  - Entrepreneurship/Attraction
- May 18, 2009 12-Month Action Plan
  - Regulatory Reform
  - Transportation & Infrastructure
  - Economic Development Tools **(CSER Report)**
- Acquisition Process
  - July 15, 2009 CSER presentation to EDAC
  - September 23, 2009 EDAC vote to approve
  - November 3, 2009 BOS approved studies
  - December 11, 2009 CSER contract executed
  - December 15, 2009 Proposition 90/110 BOS approved
  - October 5, 2010 BOS received and filed Economic Base Report

# CSER Scope of Services



## – Analyze industrial clusters

- Historical and future trends
- Industry sector composition
- Industry sector specialization
  - Regional/Local
- Compared El Dorado to
  - Nation/State/Region/Benchmarks
- Examined components and contribution to County base - new wealth versus local serving
- Examined key inter-industry and value-chain relationships
- Examined staffing patterns, assess workforce/skill levels
- Reviewed demographic drivers

# Medical Cluster Report



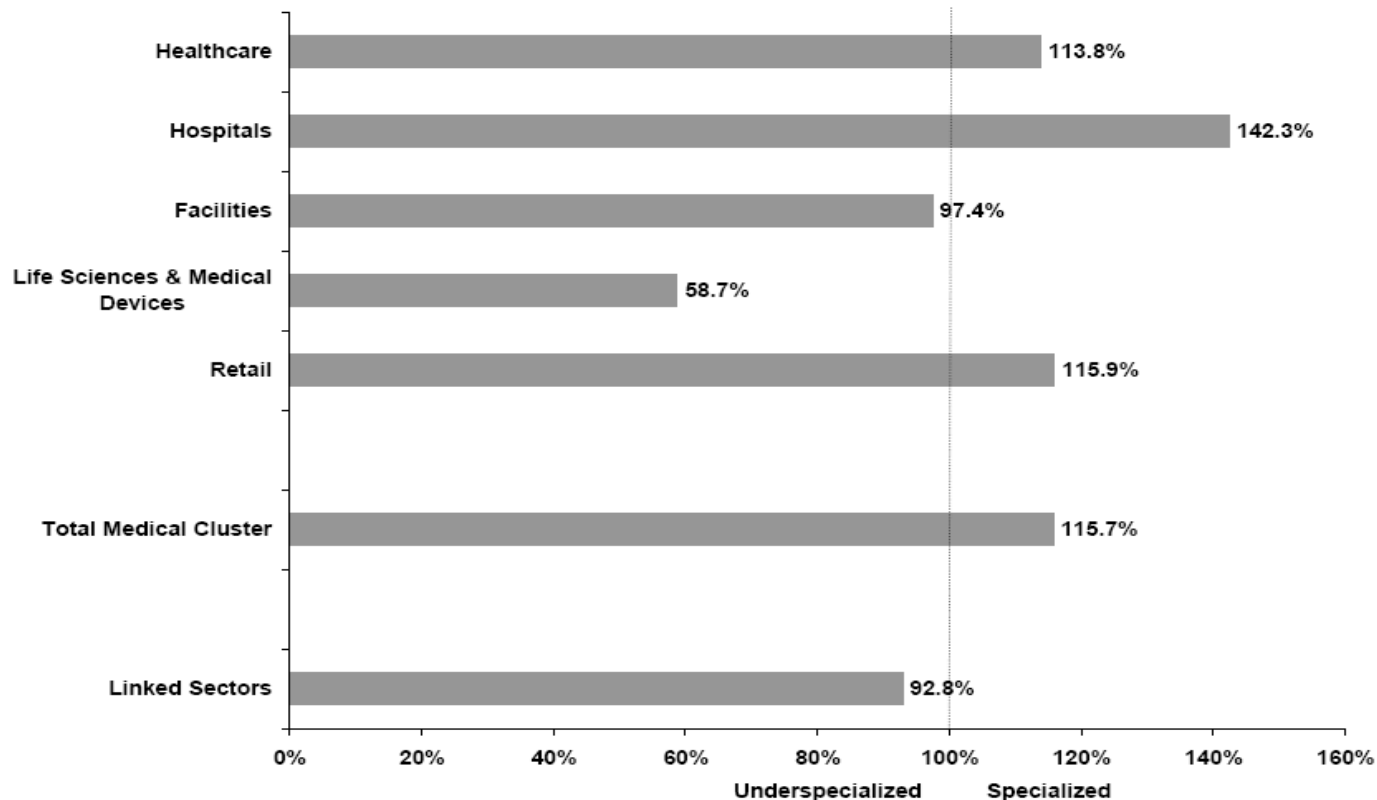
## – Findings

- Medical Cluster identified as largest based on economic performance, community views, employment (5,243 jobs)
- 11% of all jobs in EDC
- 8% of County annual economic output or \$787M
- Five segments
  - Healthcare (2,100 +/-)
  - Hospitals (1,800 +/-)
  - Facilities (700 +/-)
  - Life Sciences & Medical Devices (200 +/-)
  - Retail (400 +/-)
  - Supplier Relationship or Linked Sectors (7,000 +/-)
- Medical Sector is 15% more concentrated than State Avg.



# Medical Cluster Report

FIGURE 3  
EL DORADO COUNTY 2009 MEDICAL CLUSTER SPECIALIZATION



Center for Strategic Economic Research, September 2010

Data Source: CSER estimates based on Moody's Economy.com; CA Employment Development Department, Employment by Industry Data; and U.S. Bureau of Labor Statistics, Quarterly Census of Employment & Wages information

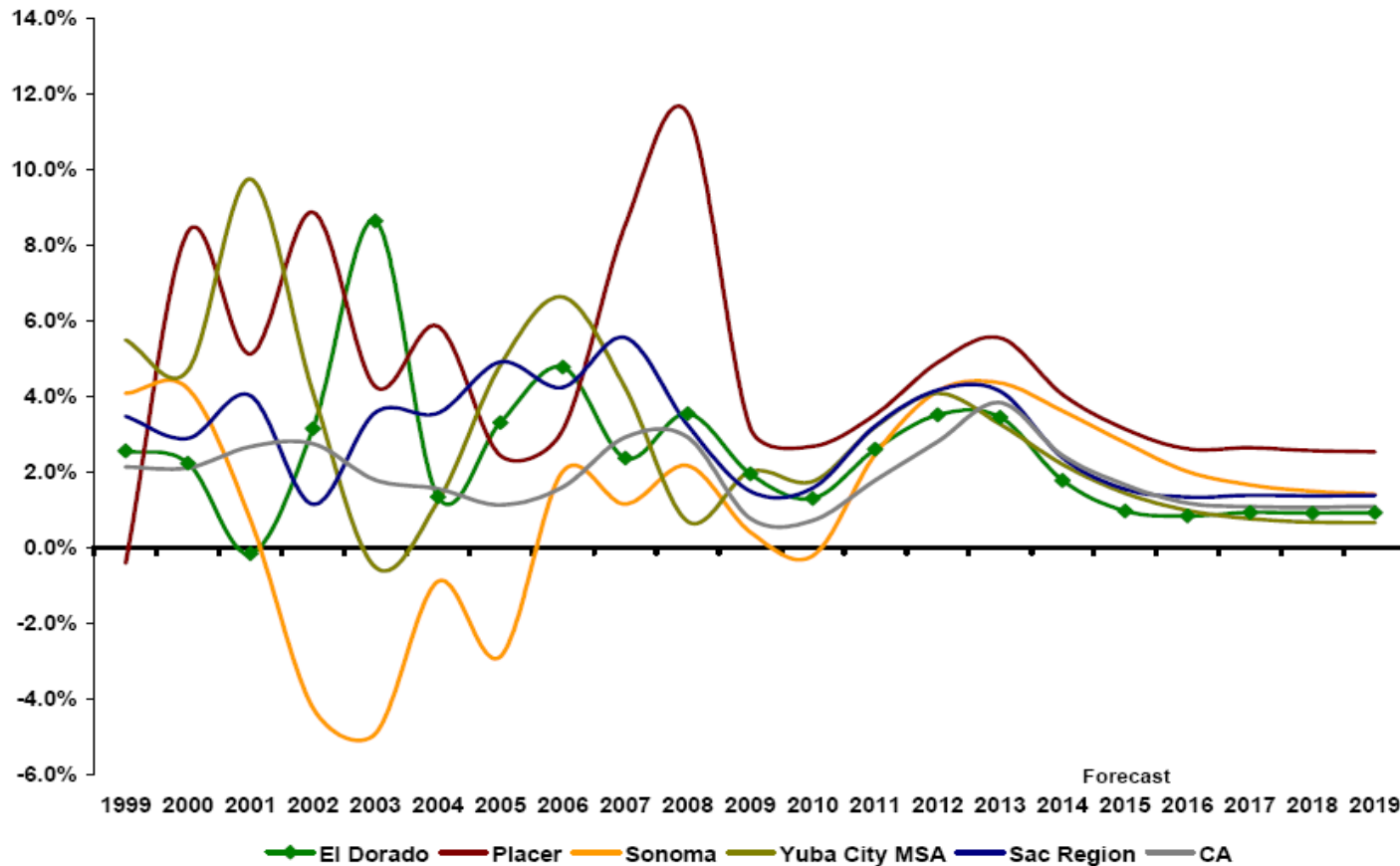
Note: A measure of 100% means that the local area has the same share of total employment as the statewide average.



# Medical Cluster Report



FIGURE 5  
MEDICAL CLUSTER ANNUAL EMPLOYMENT GROWTH



Center for Strategic Economic Research, September 2010

Data Source: CSER estimates based on Moody's Economy.com; CA Employment Development Department, Employment by Industry Data; and U.S. Bureau of Labor Statistics, Quarterly Census of Employment & Wages information

# Medical Cluster Report



FIGURE 6  
2010 MEDICAL CLUSTER  
ESTABLISHMENT COUNTS

<i>Sector</i>	<i>El Dorado</i>	<i>Placer</i>	<i>Sonoma</i>	<i>Yuba MSA</i>
<b>Counts</b>				
Total Medical Cluster	1,124	3,042	4,036	887
Healthcare	957	2,698	3,511	758
Hospitals	8	15	31	13
Facilities	50	97	186	36
Life Sci. & Med. Devices	22	39	74	14
Retail	87	193	234	66
Total Records All Industries	9,068	17,443	27,679	5,991
<b>Composition</b>				
Total Medical Cluster	12.4%	17.4%	14.6%	14.8%
Healthcare	10.6%	15.5%	12.7%	12.7%
Hospitals	0.1%	0.1%	0.1%	0.2%
Facilities	0.6%	0.6%	0.7%	0.6%
Life Sci. & Med. Devices	0.2%	0.2%	0.3%	0.2%
Retail	1.0%	1.1%	0.8%	1.1%

Center for Strategic Economic Research, September 2010

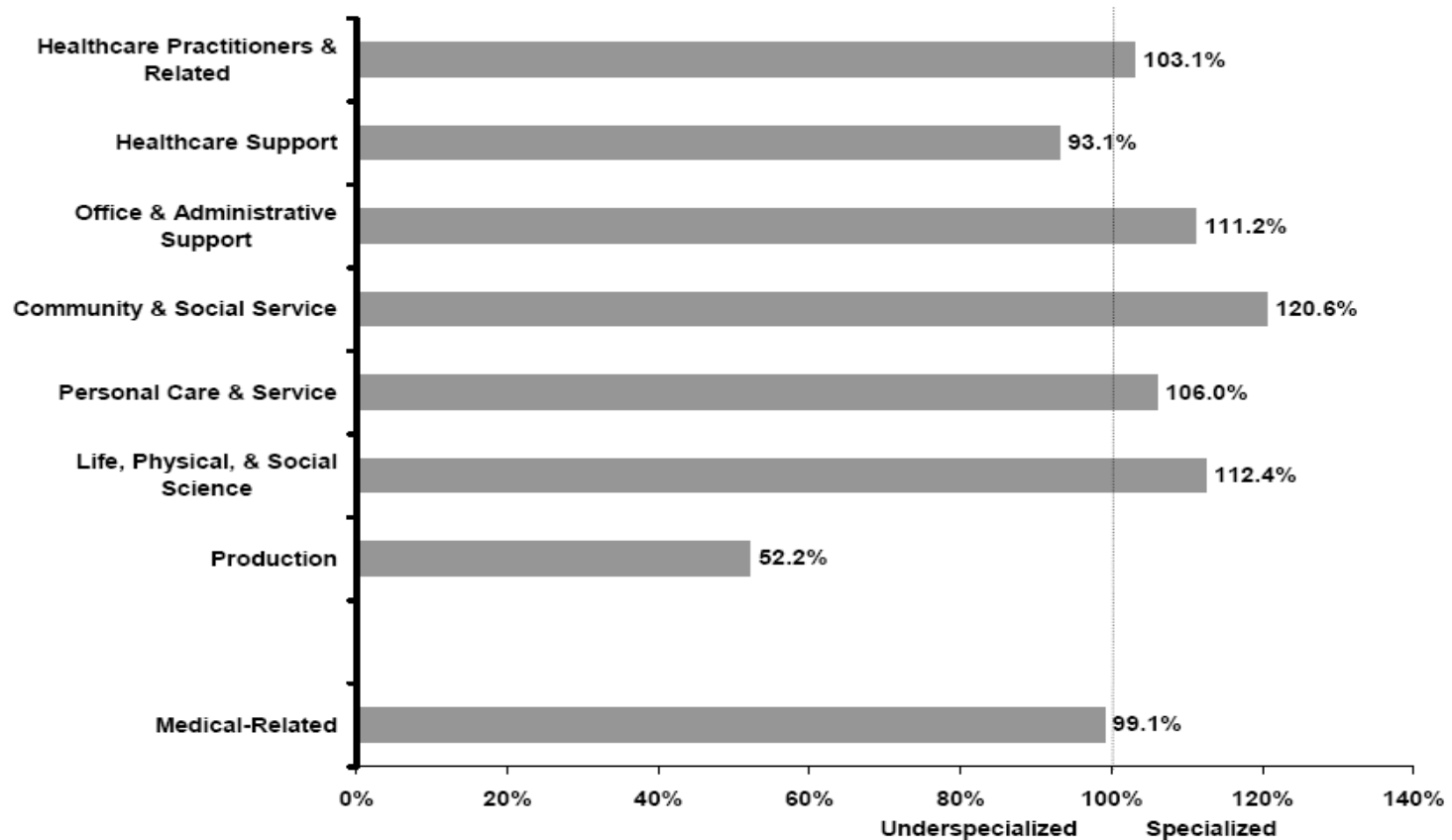
Data Source: ReferenceUSA

# Medical Cluster Report



FIGURE 7

## SACRAMENTO MSA 2009 ESTABLISHMENT OCCUPATIONAL EMPLOYMENT SPECIALIZATION IN MEDICAL CLUSTER-RELATED CATEGORIES



Center for Strategic Economic Research, September 2010

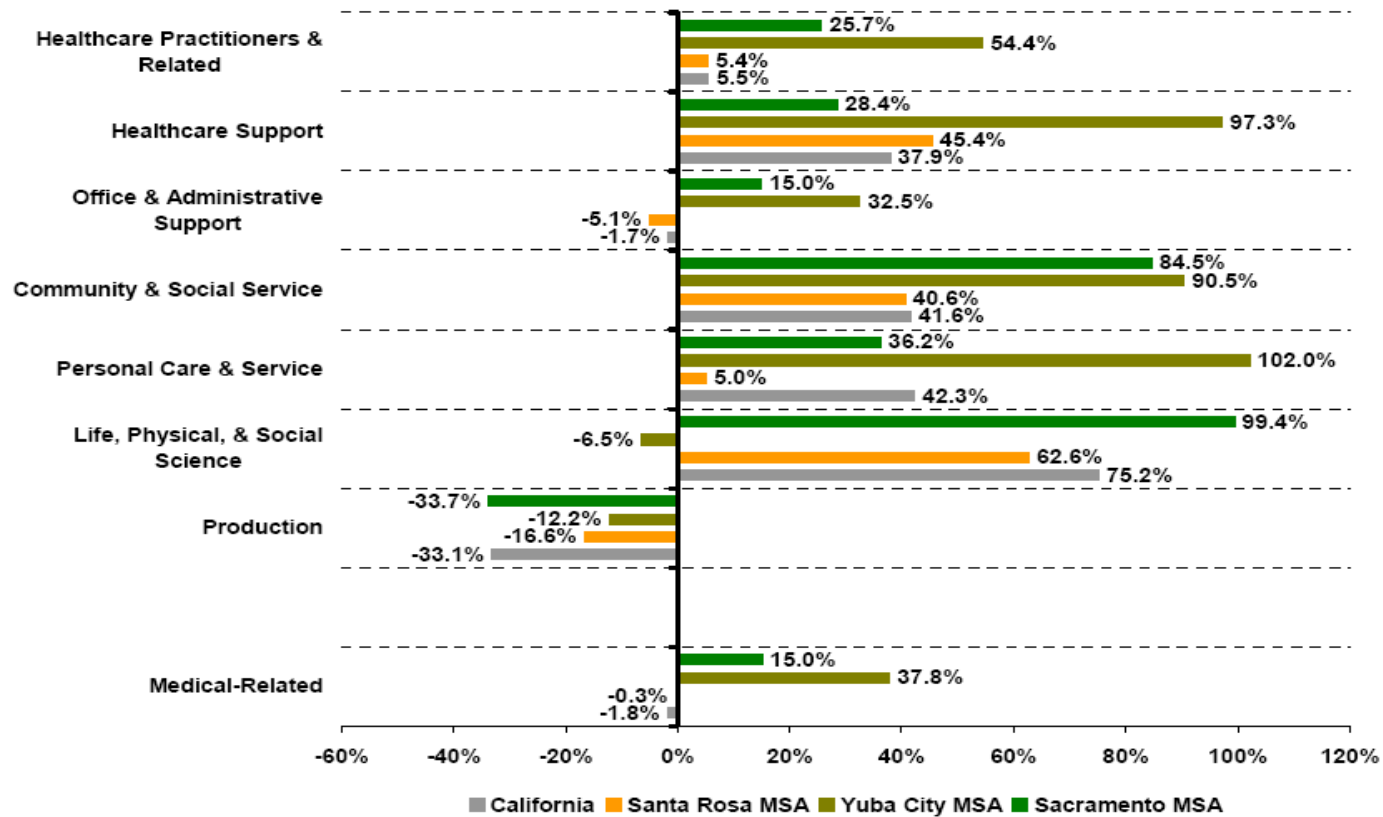
Data Source: U.S. Bureau of Labor Statistics, Occupational Employment Statistics

Note: A measure of 100% means that the local area has the same share of total employment as the statewide average.



# Medical Cluster Report

FIGURE 8  
1999-2009 ESTABLISHMENT OCCUPATIONAL EMPLOYMENT GROWTH IN  
MEDICAL CLUSTER-RELATED CATEGORIES

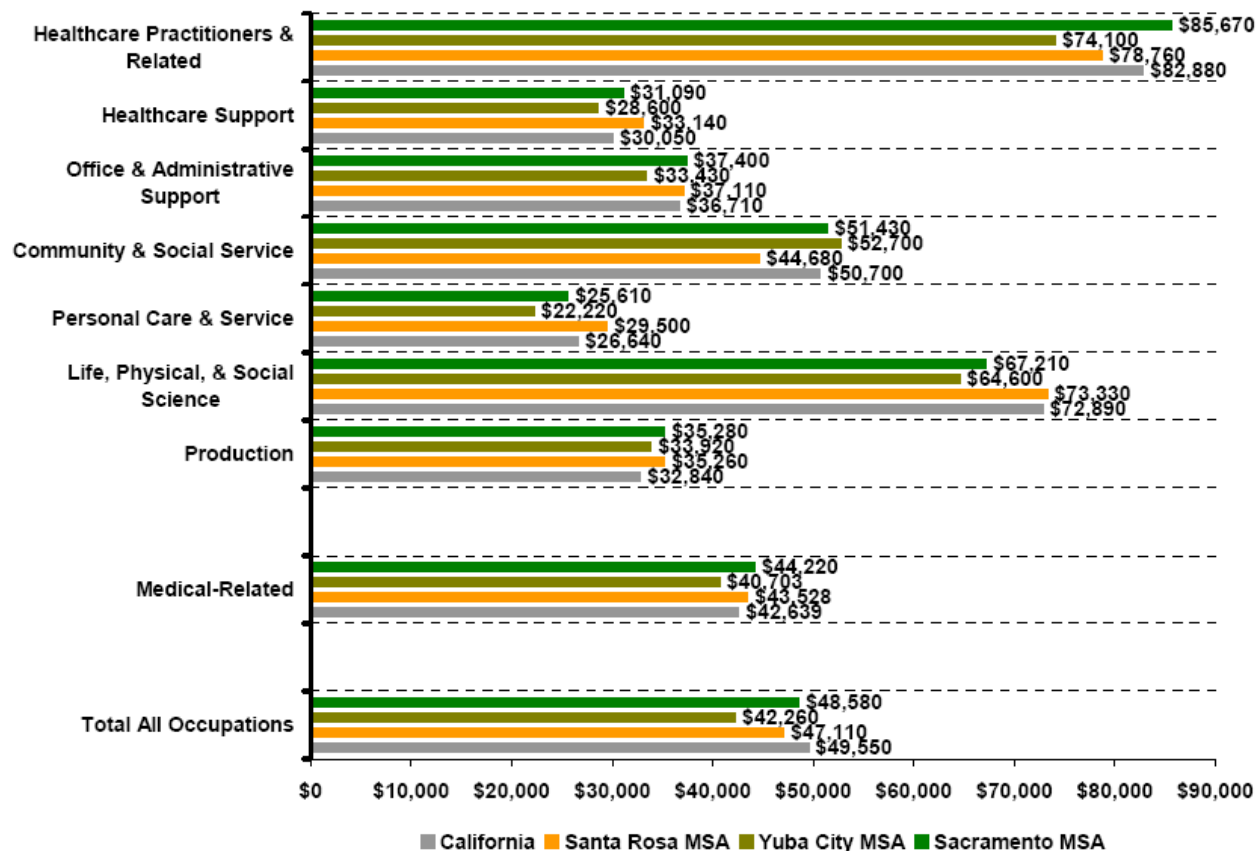


Center for Strategic Economic Research, September 2010  
Data Source: U.S. Bureau of Labor Statistics, Occupational Employment Statistics

# Medical Cluster Report



FIGURE 9  
2009 AVERAGE ANNUAL MARKET WAGES IN MEDICAL CLUSTER-RELATED OCCUPATIONAL CATEGORIES



# Medical Cluster Report



FIGURE 10  
RESIDENT OCCUPATIONAL EMPLOYMENT, 2006-2008 AVERAGE

<i>Occupational Category</i>	<i>El Dorado</i>	<i>Placer</i>	<i>Sonoma</i>	<i>Yuba MSA</i>	<i>Sac Region</i>	<i>CA</i>
<b>Employment</b>						
Medical-Related	26,308	48,322	73,672	22,428	359,227	5,395,178
Healthcare Practitioners & Related	4,073	8,267	10,425	2,864	46,673	709,881
Healthcare Support	1,491	2,796	4,354	1,693	20,841	294,988
Office & Administrative Support	11,325	23,084	31,992	9,291	159,009	2,348,868
Community & Social Service	1,486	2,152	2,828	1,157	17,654	245,237
Personal Care & Service	3,087	6,075	9,471	3,184	40,452	656,569
Life, Physical, & Social Science	1,008	1,364	2,135	312	13,293	182,252
Production	3,838	4,584	12,467	3,927	38,877	957,383
Total All Workers	90,156	164,486	233,387	67,460	1,052,630	16,834,866
<b>Composition</b>						
Medical-Related	29.2%	29.4%	31.6%	33.2%	34.1%	32.0%
Healthcare Practitioners & Related	4.5%	5.0%	4.5%	4.2%	4.4%	4.2%
Healthcare Support	1.7%	1.7%	1.9%	2.5%	2.0%	1.8%
Office & Administrative Support	12.6%	14.0%	13.7%	13.8%	15.1%	14.0%
Community & Social Service	1.6%	1.3%	1.2%	1.7%	1.7%	1.5%
Personal Care & Service	3.4%	3.7%	4.1%	4.7%	3.8%	3.9%
Life, Physical, & Social Science	1.1%	0.8%	0.9%	0.5%	1.3%	1.1%
Production	4.3%	2.8%	5.3%	5.8%	3.7%	5.7%
<b>Specialization</b>						
Medical-Related	91.1%	91.7%	98.5%	103.7%	106.5%	-
Healthcare Practitioners & Related	107.1%	119.2%	105.9%	100.7%	105.2%	-
Healthcare Support	94.4%	97.0%	106.5%	143.2%	113.0%	-
Office & Administrative Support	90.0%	100.6%	98.2%	98.7%	108.3%	-
Community & Social Service	113.1%	89.8%	83.2%	117.7%	115.1%	-
Personal Care & Service	87.8%	94.7%	104.1%	121.0%	98.5%	-
Life, Physical, & Social Science	103.3%	76.6%	84.5%	42.7%	116.6%	-
Production	74.9%	49.0%	93.9%	102.4%	64.9%	-

Center for Strategic Economic Research, September 2010

Data Source: U.S. Census Bureau, 2006-2008 American Community Survey

# Medical Cluster Report



FIGURE 11  
2009 MEDICAL SPENDING ACTIVITY

<i>Indicator</i>	<i>El Dorado</i>	<i>Placer</i>	<i>Sonoma</i>	<i>Yuba MSA</i>	<i>Sac Region</i>	<i>California</i>
Total Medical (\$M)	\$312	\$663	\$8,153	\$1,689	\$3,238	\$51,282
HH Average Healthcare	\$4,543	\$4,942	\$4,487	\$2,924	\$3,769	\$4,050
Medical Index*	122	133	120	78	101	109
Healthcare (\$M)	\$151	\$322	\$396	\$82	\$1,567	\$25,058
HH Average Healthcare	\$2,196	\$2,396	\$2,177	\$1,417	\$1,825	\$1,979
Healthcare Index*	123	134	121	79	102	110
Health Insurance (\$M)	\$161	\$342	\$420	\$87	\$1,670	\$26,225
HH Average Health Insurance	\$2,346	\$2,546	\$2,310	\$1,508	\$1,944	\$2,071
Health Insurance Index*	121	132	119	78	101	107
Median HH Income	\$66,079	\$76,441	\$68,255	\$43,558	\$59,140	\$60,992

Center for Strategic Economic Research, September 2010

Data Source: ESRI Business Analyst Online, 2009 Medical Expenditures Report

\*Notes: National average spending is indexed at 100.

Medical reflects the combination of the healthcare and health insurance categories.

# Medical Cluster Report



FIGURE 12  
RESIDENT AGE RANGES

<i>Range</i>	<i>El Dorado</i>	<i>Placer</i>	<i>Sonoma</i>	<i>Yuba MSA</i>	<i>Sac Region</i>	<i>California</i>
<u>2010</u>						
Age 0 - 4	5.8%	7.0%	6.0%	8.0%	7.3%	7.5%
Age 5 - 9	6.4%	7.1%	5.9%	7.6%	7.1%	7.2%
Age 10 - 14	6.9%	7.1%	5.9%	7.1%	6.8%	6.7%
Age 15 - 19	6.9%	6.7%	6.7%	7.4%	7.3%	7.4%
Age 20 - 24	5.0%	5.0%	6.5%	7.3%	7.0%	7.5%
Age 25 - 34	10.2%	11.9%	13.7%	14.3%	13.9%	14.6%
Age 35 - 44	13.3%	14.3%	12.6%	12.2%	13.5%	13.6%
Age 45 - 54	17.9%	16.1%	15.4%	13.2%	14.5%	14.0%
Age 55 - 64	14.4%	11.9%	13.5%	11.0%	11.1%	10.5%
Age 65 - 74	7.4%	6.9%	7.0%	6.6%	6.1%	5.8%
Age 75 - 84	4.1%	4.1%	4.4%	3.8%	3.8%	3.6%
Age 85+	1.6%	1.8%	2.4%	1.6%	1.7%	1.7%
Median	41.8	38.8	39.3	33.7	35.5	34.4
<u>2015</u>						
Age 0 - 4	5.8%	7.1%	6.0%	7.9%	7.3%	7.5%
Age 5 - 9	6.4%	7.2%	5.9%	7.7%	7.2%	7.2%
Age 10 - 14	7.0%	7.1%	5.9%	7.4%	6.9%	6.8%
Age 15 - 19	6.2%	6.1%	5.8%	6.5%	6.4%	6.4%
Age 20 - 24	4.8%	4.9%	6.2%	7.0%	6.8%	7.5%
Age 25 - 34	11.1%	13.1%	14.5%	14.7%	14.5%	15.4%
Age 35 - 44	12.9%	13.2%	12.5%	12.2%	13.1%	12.8%
Age 45 - 54	15.5%	14.7%	13.6%	11.7%	13.1%	12.8%
Age 55 - 64	15.2%	12.4%	13.3%	11.6%	11.6%	11.2%
Age 65 - 74	9.5%	8.2%	9.4%	7.9%	7.5%	7.2%
Age 75 - 84	4.1%	4.2%	4.4%	3.8%	3.7%	3.6%
Age 85+	1.6%	1.7%	2.4%	1.6%	1.6%	1.7%
Median	41.9	38.3	39.3	34.2	35.5	34.5

Center for Strategic Economic Research, September 2010  
Data Source: ESRI Business Analyst Online, 2010 Market Profile Report





# CSER Considerations

- Regulatory Environment
- Demographic Drivers
- Spending Leakage
- Industry Requirements
- Supply Chain
- Workforce Development
- Wild Cards (Federal Leg./Competition)



# Call to Action

1. Invest in expanding workforce training
2. Establish Board & Private advisory group
3. Review business development incentives
4. Focus attraction effort
5. Augment/Attract Capital
6. Conduct industry forums (Manufacturing 1<sup>st</sup>)
7. Conduct EDC Real Estate Forum
8. Continue EDAC Regulatory Reform
9. Partner with private sector



# Q & A



# Thank you