

# Memo

**To:** Dublin Council Member Cathy De Rosa

**From:** TEconomy Partners Project Team – Deborah Cummings, Ryan Helwig, Joe Simkins

**Date:** April 26, 2019

**Re: TEconomy Partners’ Response to Questions from Council Member Cathy De Rosa**

The following are responses to the questions posed by Council Member De Rosa in an email to Colleen Gilger on March 1, 2019. While there was discussion around most of these items at the March 4<sup>th</sup> Council Work Session, TEconomy has worked to more formally provide responses here. We are happy to follow up with the Council Member, as needed, following her review of these responses.

## **Q1. When we look at the Data Clusters for the Greater Columbus Region, which suburbs are included in that data set?**

The industry cluster analysis for Greater Columbus utilized the Census Bureau and Federal Office of Management and Budget’s county-based definitions of the Columbus Metropolitan Statistical Area (MSA). This currently includes the following 10 Counties across the region:

Delaware County, Fairfield County, Franklin County, Hocking County, Licking County, Madison County, Morrow County, Perry County, Pickaway County, Union County

“Greater Columbus”, in this context, includes all of the Columbus suburbs

## **Q2. Is it possible to see the Greater Columbus Region data without the “City of Columbus” included? In other words, can we look at regional data for all the suburbs? My interest – are the employment and company growth/declines happening in the City of Columbus or is the action in the suburbs? We can then compare how Dublin is performing relative to the Region and relative to all others suburbs. Not asking to do this for Monday evening, but it would be very interesting for future review if possible.**

As we discussed at the March 4<sup>th</sup> meeting, there are two data sets we are leveraging for the regional economic analysis—County-based data for the Greater Columbus regional analysis and the EMSI data that we have used for the Dublin-focused zip code level industry analysis. If we use the County-based data and drop Franklin County we would also be dropping most of Dublin and the suburban context you are most interested in, and therefore do not recommend. Instead, there are two options that would leverage the EMSI zip code level data:

1. We could provide a high-level analysis of the full 10-county region that simply drops out the zip codes most closely aligned with the City of Columbus. This would provide an overview of where the action is in a context of Columbus vs. “All else”. A concern here, though, may be that the 10-County region gets too far afield geographically to answer your question, which we interpret as asking “How is Dublin performing relative to the other suburbs “similar” to Dublin?”

2. Alternatively, we could focus solely on a high-level summary of employment trends for a select group of “leading” suburbs to compare against Dublin using zip codes. This could include, for example, those suburbs we have used to compare and gauge the series of “quality of life” indicators set out in the April 29<sup>th</sup> presentation.

If you could let us know your preference on this choice, we can work to summarize the key takeaways, at least at a high level for these intra-metro comparisons.

### **Q3. Who are the members of the Project Steering Committee?**

Colleen Gilger is providing a response to this question.

**The following questions relate to the data on some of the slides from the March 4<sup>th</sup> presentation.**

**Slide #19 – Identifies 67,759 Dublin employees in 2017 (source: EMSI).**

**Q4a. How does the EMSI “total employee count” and the split between resident and commuters compare to the numbers that City staff have used in the past relative to our Operating plans, etc? (source: Dublin anonymized tax data)**

EMSI, as we described in slide 6 from the March 4<sup>th</sup> presentation, is estimating local employment by industry using highly reputable federal data sources, which are reported by employers in the location in which they reside. At the total City employment level, we have compared this against the figures reported in the City’s “Comprehensive Annual Financial Report” (CAFR), which has total counts based on the number of W-2’s filed with the City. While the EMSI data show total employment in the City, as reported by employers under federal programs, for 2017 of approximately 67,000, the “unique” W-2 tax records show a total of more than 102,000 for the same year.<sup>1</sup>

Based on the differing data sources and underlying concepts, differences will occur with these figures as some of this W-2 activity is for employment that occurs outside of Dublin, some is for seasonal employees that are working only part year (e.g. summer jobs such as lifeguards that are not full year), some is for people that “pass through” the city for short periods that pay some city tax but are not located here or working regularly here (e.g. a home builder that is not headquartered in Dublin).

Our concern over the discrepancy was allayed by the City’s economic development team as they explained some of these issues and assured us they often see these discrepancies. The tax office advises them that a more accurate employment figure on any given day in Dublin lowers the W-2 count by about 30% overall and therefore the ED team says that about 70,000 work in Dublin on any given day. This clearly aligned well with the estimate by EMSI for zip codes 43016 and 43017.

The CAFR, as far as we know, does not provide data on commuters.

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<sup>1</sup> See page 242 of the CAFR available at: <https://dublinohiousa.gov/dev/dev/wp-content/uploads/2018/07/Dublin-Ohio-CAFR-2017.pdf>

**Q4b. – Same question for slide #21 and #35 – how do the total of Dublin Area Establishments numbers reconcile with what we know from our anonymized tax data.**

We have not seen a total number of business establishments reported by the City. We will circle back with the ED team and Tax Office to see if this is available for a comparable definition of establishments.

**Slide #23 –**

**Q5. Since this data did not come from tax data, (source says EMSI) can we please get a list of the 47 companies with over 100 employees, and associated NAICS codes. This would be useful for our Monday evening discussion.**

The companies are based on the BDRC database we purchased for Dublin for this project, EMSI does not provide any company-specific information or details. The 47 companies are:

CARDINAL HEALTH INC  
EXPRESS SCRIPTS INC  
ASHLAND PERFORMANCE MATERIALS  
OCLC ONLINE COMPUTER LBRRY CTR  
WENDY'S  
OH HEALTH DUBLIN METHODIST  
XPO LOGISTICS  
LAB CORP  
YORK CLAIMS SVC  
WD PARTNERS INC  
FRIENDSHIP VILLAGE OF DUBLIN  
DUBLIN COMMUNITY RECREATION  
COMP MANAGEMENT INC  
HEWLETT-PACKARD  
DUBLIN SCIOTO HIGH SCHOOL  
MIDWESTERN AUTO GROUP  
CITY OF DUBLIN  
SYGMA-EAST REGIONAL OFFICE INC  
XEROX CORP  
MUIRFIELD VILLAGE GOLF CLUB  
LEGENDARY INK INC  
3SG CORP  
CARE WORKS CONSULTANTS INC  
DUBLIN COFFMAN HIGH SCHOOL  
GORDON FLESCH CO  
BOUND TREE MEDICAL  
TARTAN FIELDS GOLF CLUB  
SUTPHEN CORP  
SIMPLEXGRINNELL LP

ORACLE  
HEARTLAND DUBLIN  
CARE FUSION  
AMERISOURCE BERGEN DRUG CORP  
TRANSWORLD SYSTEMS  
STRATEGIC SYSTEMS INC  
GRAINGER INDUSTRIAL SUPPLY  
DIMENSION SERVICE CORP  
HENRY SCHEIN ANIMAL HEALTH  
C C TECHNOLOGIES  
FISERV  
CONVALARIUM IN DUBLIN  
EMPLOYEE BENEFIT MGMT CORP  
SOCIUS1 LLC  
QUEST SOFTWARE INC  
S&ME INC  
SANCTUARY AT TUTTLE CROSSING  
COUNTRY CLUB AT MUIRFIELD VLG

**Q6. How closely do the 2018 Top 10 employee counts compare to the EMSI 2017 employee count data for these companies? As these are public data, we should be able to compare and share the data.**

As we have laid out in the front-end set of slides from the March 4<sup>th</sup> presentation, the establishment level data we purchase from BDRC are utilized for establishment-level business dynamics analysis and are not suitable with respect to company-level employment analysis or trend analysis. In our extensive use of Hoovers D&B and BDRC data gathered by InfoGroup, we have found time and again that while very useful for business dynamics analysis (e.g. establishment openings/closings, births/deaths, move in's and move out's), the employment levels are often inaccurate. In Hoover's case, this stems from their collection process of irregular phone surveys that generate self-reported company employment estimates and typically only a single contact with a company once in a 3-year cycle. In the case of BDRC estimates, a wider array of data sources are used to validate establishment locations and business statuses, but employment estimates are still often inaccurate and based on best available information from public records. Therefore, while we have used orders of magnitude to sort out large employers, we are not comfortable with publishing or sharing employment levels or trends with these data.

We understand how important company-specific information is and it has been emphasized in discussions and in the initial Work Session with Council. As part of our recommendations from this study, we do intend to suggest a consistently-deployed employer survey that can begin to populate a curated database with company employment totals, trends, and perhaps additional information.

**Q7. Which of these Top 10 companies are included in the Top 47 “traded industries”, “Dublin Area Establishments”? Are in both?**

All of the top 10 companies except Nationwide are present in the BDRC establishment-level data – Nationwide and any other companies without a physical location in the Dublin area in the latest year of the data were excluded from the list and as a result the historical employment trend of the top 47 employment establishments only reflects levels for establishments that remain active in the city today.

Due to their importance in the context of the Dublin area employment footprint, Dublin city schools and Dublin City administration establishments were included in the listing despite the fact that they represent non-traded industry sectors; all other establishments are in traded sector industries.

One company, IGS, was not included in the list of Top 47 employers represented in the BDRC data. While this establishment did have a record in the larger database, its employment was not listed as greater than 100 in 2017 and thus not included in the list. However, the employment footprint of IGS is noted by several other sources as being at least 400 employees so this data point is likely inaccurate in the BDRC. Since we do not have accurate historical data for IGS employment it is not possible to include their employment in the trend line on Slide 23, but we could add this data in the future based on direct company outreach

**Q8. Would it be possible to include two additional lines on a second version of the chart on Slide #23. One line that excludes our single largest employer today, Cardinal Health. A second line without both Nationwide and Cardinal Health (interested in learning what the trend line looks like exclusive of the two largest employers)**

Nationwide’s past employment was not included in the trend line shown on Slide 23 – as noted above, this line only shows historical employment levels for top employer establishments that are listed as currently active in the Dublin area.

Various data sources list a range of values for current and historical employment at Cardinal Health as well as several potential establishment locations, and this trend line reflects values only for employment at the primary Cardinal HQ establishment. The estimates of potential Cardinal Health employment footprint in the Dublin area in 2017 range from 3,000 to 5,000 depending on the context of how establishments are identified and their employment counted; the upper end of this range likely includes all employees in the central Ohio area while the lower end is a conservative estimate of employees at the physical Dublin headquarters building. Further clarification of current employment footprint in Dublin is potentially possible from direct outreach to get historical trends information but not possible to definitively determine from current data.

Subtracting an estimate of between 3,000-4,000 jobs from the trend line per year over the time period gives a rough indication of the level of employment attributable to Cardinal Health’s Dublin operations. The overall increase in employment from 2010-2017 shown for Dublin’s top employer establishments was not driven by increases in Cardinal Health employment within the BDRC data and was instead driven by increased employment at other companies.

**Slide #21 -**

Dublin “market share” of business establishments in the Columbus MSA in 2010 was about 5.5%, in 2013 it climbed to 5.9% and in 2017 it was about 5.4%.

**Q9. Do we know which sub-regions – Columbus, or other suburbs, saw the greatest growth? Greatest decline in market share?**

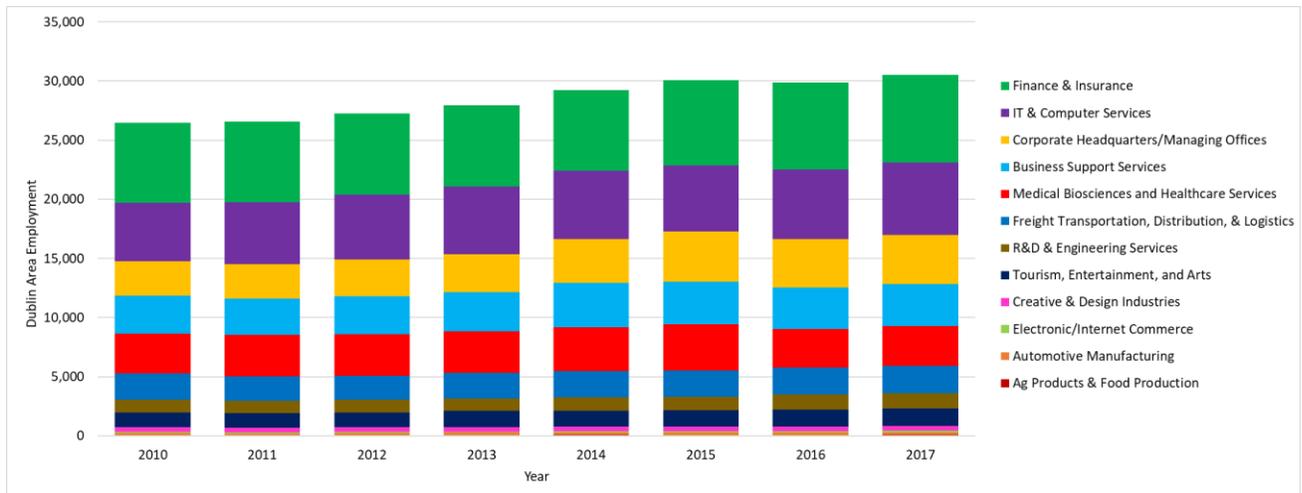
We purchased the BDRC database for Dublin-based companies and not for the full Greater Columbus region so we cannot address this for business establishments in other suburbs. The “Greater Columbus” trendline shown in slide 21 was based on the federal QCEW data which is county-level data, where we are not able to split out sub-regional cities/towns.

**Q10. Do we have this data at the NAICS level? Not asking to see a chart, just wondering if the data is available at the six-digit NAICS digit level?**

For the trendlines in slide 21, yes we do have underlying data at a detailed, 6-digit NAICS level.

**Slide #28 – Is it possible to also prepare the chart without the “Other Industries” so we can see the trend lines in the other categories a bit better.**

Yes, please see the revised chart pasted here below.



**Slide #30 –**

**Q11. I am having a bit of trouble reconciling the 2017 Employment numbers with our own Top 10 data from our 2018/19 Operating Plans. For example, in 2018 our Operating Plan has Cardinal Health at 3,600 employees and on slide 29, it indicates that Cardinal health is included as one of several local companies in the Medical Biosciences & Healthcare services. The chart on Slide 30 indicates a total 2017 employment of 3,363, lower than just the Cardinal numbers as we know them. Also, the Corporate Headquarters numbers offer the same trend. The chart on slide 30 show a 2017 total of**

**4,110 but the chart on slide 29 says the several companies are included that would take the total much greater than 4,110. Can you please reconcile with us during the conversation on Monday.**

As discussed during the work session, the underlying classification of industry coding by the Federal statistical agencies utilizes the concept of “primary activities” at individual establishments. So, our understanding is that even within Dublin, Cardinal Health has multiple “establishments” – often delineated by multiple physical buildings/street addresses, and that one or more of these are classified as primarily a “headquarters” operation and one or more are classified within a code aligned with the Medical Biosciences industry cluster. Cardinal Health’s employment, therefore, is most certainly spread across these 2 industry clusters.

**Q12. Would be really interesting in see this chart from 2013 – 2017 in addition to the 2010 to 2017 chart. A really important question is “what sectors are growing/trending NOW” given our generally flat revenue and business growth years? What is declining now? A more recent timeline comparison might help illuminate.**

Answered below

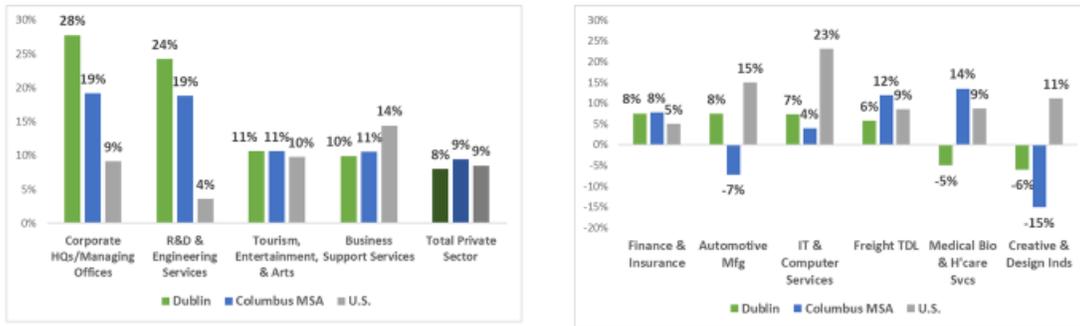
**Slide #33**

**Q13. Same question. Thinking it would be interesting to see this data from 2013 to 2017. What sectors are growing NOW relative to the region.**

As you may recall, we presented the slide below at the March 4<sup>th</sup> presentation to help address your request for a 2013-17 trend analysis. We will be sure to include this additional trend analysis and corresponding figures in the final report.

## Shifting Analysis Period to 2013-17 Shows Dublin Grew at Slightly Slower Pace in Total Private Sector Jobs Compared to Metro Area, U.S.

Employment Change in Regional Industry Clusters, 2013-17



### Slide #36.

Q14. The chart show a total of about "800" companies each year across these sectors. No total growth in the number of companies - 2010 (790ish) to 2017 (810ish)? So the story is in the change in mix of companies, and/or the change in number of employees in each sector over time. Would be interesting to see Slide #36 and Slide #33 combined in some way to provide this info.

We have attempted to show this in a new chart that we can share with you once it is completed.

### Slide # 38

Q15. Would be interested to understanding Cluster Birth and Deaths for the more recent period - from 2013 to 2017.

This is something we can prepare and adjust the analysis forward for 2013-17. In addition, we are working with the ED team to potentially reach out to interview a small sample of companies that have left Dublin to better understand why.