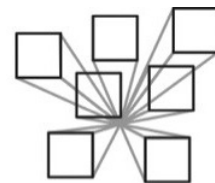




THE UNITED STATES
CONFERENCE OF MAYORS



OHIO MAYORS ALLIANCE

Ohio Metro Economies:

GMP and Job Growth

July 2018

Prepared for:

THE UNITED STATES
CONFERENCE OF MAYORS

and

OHIO MAYORS ALLIANCE

Prepared by:



METROPOLITAN ECONOMIES IN OHIO

Metropolitan areas dominate Ohio's economy. In 2017 they were home to 79.8% of the state's population, and 83.5% of its jobs. The metro shares of Ohio's jobs, wage income, 86.1%, and of real gross domestic product, 85.1%, have each increased over the last two decades. The metro proportion of state jobs is 1.3 percentage points higher than in 2000. And the productivity of those metro workers is higher than the state average, as witnessed by the greater metro share of GDP. Metro areas accounted for all of Ohio's job gains and 87% of Ohio's GDP gains since 2000.

The largest Ohio metros, Cincinnati, Columbus, and Cleveland rank in the top 30 of US metro by GDP, totaling over \$400 billion. (Table 1) They would each rank in the top 100 largest economies of the world, ahead of Kuwait and Ghana. (Table 2) Each of their GDP levels exceed that of Montana, Arkansas and the District of Columbia. The three cities account for 59% of Ohio GDP. Also, Dayton, Akron, and Toledo all rank in the top 100 in GDP among 381 US metros.

Ohio got off to a good economic start to begin 2018, with payrolls in May 1.4% above year-ago levels, the best performance since 2015. Manufacturing and construction have posted solid gains, while the natural resources and mining sector gradually adds jobs. The growth in construction is mostly in the area of work on roads and bridges, rather than buildings. Ohio's manufacturing numbers continue to be supported by the success of the automotive industry, especially the robust demand for SUVs built in Ohio and nearby states.

By the end of 2018, the report projects that the unemployment rate in five Ohio metros will be at or below 4.0% (Columbus 3.3%; Cincinnati 3.5%; Dayton 3.7%; Springfield 3.7%; and Lima 4.0%). All but three Ohio metros will have unemployment rates of 5.0% or below. (Table 7).

From 2016 to 2018 Dayton has experienced the largest increase in labor participation rate, jumping from 59.2% to 60.3%. Columbus in 2018 leads all Ohio metros with a labor participation rate of 65.3%. Only half (7 out of 14) Ohio metros have labor participation rates above 60%. The national average is 61.5% (Table 8)

The report also forecasts that over the two-year period (2019-2020) Columbus will lead Ohio job employment growth with an average annual 1.60% gain, followed by Cincinnati (1.10%); Akron (.80%); and Cleveland and Dayton (.70%). But in the 2021-2022 period, the economic slowdown will result in all Ohio metros, except Columbus, seeing no growth or declining growth in jobs (Table 5).

Among metros, Columbus has seen by far the largest number of new jobs, with 16% growth since 2000. Indeed, the only other metros which have not experienced net job loss since 2000 are Akron and Cincinnati. This is primarily due to the loss of manufacturing industry across the state. Over the years the manufacturing sector in Ohio has not performed well. Central Ohio has been one of the few areas in the state that has experienced notable growth over the past decade.

Columbus is the primary source, achieved in part because of its more diversified employment mix. The recent turnaround in Ohio's manufacturing sector will disproportionately help the historically poor-performing areas on the perimeter of the state, but longer-term growth prospects are better for central Ohio.

There are two long term trends in the US economy that have disadvantaged these metros. First was the flow of interstate migration from the northern states to the Sun Belt states. While much of this was driven by economic reasons it also created a demographic slowdown that limits growth by reducing labor force availability and the demand for local production of goods and services.

The second trend was the evolution of the US, and other advanced economies, from goods production towards a services economy. Manufacturing became a less important component of economic growth, diminishing the advantages of the factories and skilled laborers of the Northeast and Midwestern regions. Technological advances in automation have further diminished the demand for labor in goods production. The share of all US workers in manufacturing fell from 13.2% in 1990, to 8.5% in 2017. During this time the nation lost 5.4 million manufacturing jobs. For the Midwest the implications were dire – in 1990 manufacturing jobs were more crucial to the local economy, making up 20.8% of its employment. In 2017 that share has fallen to 13.1%, as the region lost 28% of its production jobs. Ohio lost 374,000 production jobs since 1990, before gaining 2,000 in 2017.

Going forward, the US economy will be slowing as it reaches full employment levels and declining labor force growth. The labor force constraints on growth are even tighter in Ohio, with an older, aging, workforce, and little population growth. Moreover, the recent gains in the manufacturing sector, while very good news, cannot be expected to drive the economy as it had in the past. The experience of Columbus, as a diversified, service and knowledge- oriented economy, should be the model for future growth. This report has demonstrated that Ohio cannot grow unless its cities' metro areas do, and that those regional economies will be best served by aggressively transitioning to new and emerging industries while preserving their manufacturing base.

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Table 1: Gross Metropolitan Product of Ohio Metro Areas
(US\$, Billions)

Rank 2017 (of 381)		2016	2017	2018	2019
25	Pittsburgh, PA	138.0	143.8	150.5	157.4
26	Austin-Round Rock, TX	133.7	142.9	153.3	162.8
27	Indianapolis-Carmel, IN	136.8	142.9	149.7	158.1
28	Cincinnati, OH-KY-IN	131.6	137.6	143.9	151.0
29	Columbus, OH	130.5	137.2	143.9	151.8
30	Cleveland-Elyria, OH	129.2	133.9	139.9	146.2
31	Orlando-Kissimmee-Sanford, FL	127.3	133.6	141.0	149.7
32	Kansas City, MO-KS	128.9	133.1	138.9	146.3
50	Urban Honolulu, HI	65.5	67.8	70.4	72.7
67	Fresno, CA	40.7	42.7	45.1	47.8
68	Greenville-Mauldin-Easley, SC	40.9	42.2	43.9	46.1
69	Dayton, OH	40.5	42.0	43.7	45.8
70	Knoxville, TN	40.2	41.9	43.7	46.0
71	Columbia, SC	40.3	41.6	43.2	45.6
75	Tucson, AZ	37.2	38.6	40.7	43.1
76	Akron, OH	37.2	38.3	39.9	41.7
77	Bakersfield, CA	35.4	36.8	39.0	41.5
78	Harrisburg-Carlisle, PA	35.4	36.8	38.4	40.2
79	Boise City, ID	32.3	34.2	36.0	38.1
80	Toledo, OH	33.1	33.9	35.4	37.0
81	Syracuse, NY	33.0	33.7	34.5	35.9
99	Reno, NV	26.0	27.8	29.8	31.7
125	Lincoln, NE	19.8	20.3	20.9	22.0
126	Youngstown-Warren-Boardman, OH-PA	19.9	20.2	20.7	21.6
127	Davenport-Moline-Rock Island, IA-IL	19.4	19.8	20.5	21.3
142	Montgomery, AL	17.3	17.8	18.4	19.3
147	Elkhart-Goshen, IN	15.7	16.9	18.3	19.2
148	Canton-Massillon, OH	16.3	16.8	17.5	18.3
149	Salem, OR	16.1	16.7	17.6	18.5
153	Tallahassee, FL	15.8	16.5	17.3	18.3
160	Rockford, IL	14.9	15.1	15.9	16.7
161	Huntington-Ashland, WV-KY-OH	14.3	14.9	15.4	16.0
162	South Bend-Mishawaka, IN-MI	14.2	14.8	15.4	16.1
191	Napa, CA	10.6	11.2	11.6	12.2
239	Monroe, LA	7.4	7.6	7.8	8.2
240	Wheeling, WV-OH	7.2	7.6	7.8	8.2
241	La Crosse-Onalaska, WI-MN	7.3	7.5	7.9	8.3
273	Jackson, MI	6.1	6.3	6.6	6.9
294	Owensboro, KY	5.5	5.8	6.1	6.4
295	Lima, OH	5.5	5.7	5.9	6.2
294	Owensboro, KY	5.5	5.8	6.1	6.4
316	Ithaca, NY	5.1	5.3	5.5	5.7
337	Lake Havasu City-Kingman, AZ	4.3	4.5	4.8	5.1
338	Springfield, OH	4.3	4.5	4.6	4.8

Table 1: Gross Metropolitan Product of Ohio Metro Areas
(US\$, Billions)

Rank 2017 (of 381)		2016	2017	2018	2019
339	Goldsboro, NC	4.4	4.4	4.6	4.8
340	Sherman-Denison, TX	4.3	4.4	4.6	4.9
341	Mansfield, OH	4.3	4.4	4.6	4.8
342	Cleveland, TN	4.3	4.4	4.6	4.9
352	Beckley, WV	4.0	4.2	4.4	4.5
353	Weirton-Steubenville, WV-OH	4.0	4.1	4.2	4.4
354	Bloomsburg-Berwick, PA	3.9	4.1	4.2	4.4
381	Sebring, FL	2.0	2.1	2.1	2.3

Table 2: Gross Product of Countries (GDP) and Metro Areas (GMP)
(US\$, Billions)

Rank (of 584)	Country or Metro Area	2017
1	United States	19,390.6
86	Hungary	139.0
87	Cincinnati, OH-KY-IN	137.6
88	Columbus, OH	137.2
89	Cleveland-Elyria, OH	133.9
95	Kuwait	122.0
127	Luxembourg	62.4
149	Ghana	46.2
157	Dayton, OH	42.0
160	Cote d'Ivoire	41.4
169	Democratic Republic of Congo	38.4
170	Akron, OH	38.3
171	Azerbaijan	37.6
176	Bahrain	34.9
178	Toledo, OH	33.9
185	North Korea	30.5
218	Iceland	24.0
242	Papua New Guinea	20.2
243	Youngstown-Warren-Boardman, OH-PA	20.2
253	Bosnia and Herzegovina	18.4
262	Botswana	17.7
267	Canton-Massillon, OH	16.8
272	Laos	16.6
273	Zimbabwe	16.5
283	Huntington-Ashland, WV-KY-OH	14.9
284	Palestinian Authority	14.8
290	Jamaica	14.4
332	Macedonia	11.1
380	Niger	8.3
390	Wheeling, WV-OH	7.6
400	Kyrgyzstan	7.2
419	Bermuda	6.4
445	Guam	5.9
453	Lima, OH	5.7
461	Mauritania	5.5
486	Fiji	5.0
500	Togo	4.6
504	Springfield, OH	4.5
507	Mansfield, OH	4.4
519	Weirton-Steubenville, WV-OH	4.1
529	US Virgin Islands	3.8
530	Cayman Islands	3.7
584	Tuvalu	0.0

**Table 3: Gross Metropolitan Product of Ohio Metro Areas
and Gross State Product of U.S. States**
(US\$, Billions)

Rank (of 432)	State or Metro Area	2017
8	Pennsylvania	746.4
10	Ohio	651.9
11	New Jersey	589.6
56	Kansas	152.6
61	Cincinnati, OH-KY-IN	137.6
62	Columbus, OH	137.2
63	Cleveland-Elyria, OH	133.9
67	District of Columbia	131.6
69	Arkansas	127.2
110	Montana	47.7
118	Dayton, OH	42.0
121	Wyoming	41.3
126	Akron, OH	38.3
130	Toledo, OH	33.9
136	Vermont	32.1
177	Youngstown-Warren-Boardman, OH-PA	20.2
199	Canton-Massillon, OH	16.8
291	Wheeling, WV-OH	7.6
346	Lima, OH	5.7
389	Springfield, OH	4.5
392	Mansfield, OH	4.4
404	Weirton-Steubenville, WV-OH	4.1

Table 4: Gross Metropolitan Product as a Share of Gross State Product
(US\$, Billions)

	2017 GMP	% of GSP
Ohio		
Akron, OH	\$38.3	5.9%
Canton-Massillon, OH	\$16.8	2.6%
Cincinnati, OH-KY-IN	\$113.6	17.5%
Cleveland-Elyria, OH	\$133.9	20.6%
Columbus, OH	\$137.2	21.1%
Dayton, OH	\$42.0	6.5%
Huntington-Ashland, WV-KY-OH	\$1.2	0.2%
Lima, OH	\$5.7	0.9%
Mansfield, OH	\$4.4	0.7%
Springfield, OH	\$4.5	0.7%
Toledo, OH	\$33.9	5.2%
Weirton-Steubenville, WV-OH	\$2.3	0.3%
Wheeling, WV-OH	\$2.7	0.4%
Youngstown-Warren-Boardman, OH-PA	\$15.7	2.4%
<i>Sum of Metro Areas</i>	\$552.3	85.1%

Indiana

Sum of Metro Areas \$296.80 82.60%

Kentucky

Sum of Metro Areas \$150.50 74.30%

West Virginia

Sum of Metro Areas \$52.40 68.20%

Pennsylvania

Sum of Metro Areas \$696.10 92.60%

Michigan

Sum of Metro Areas \$448.80 88.90%

**Table 5: Employment Growth, 2017 to 2022
average annual rate**

	2017-2018	2019-2020	2021-2022
Akron, OH	0.50%	0.80%	-0.30%
Canton-Massillon	0.60%	0.40%	-0.40%
Cincinnati, OH-KY	1.10%	1.10%	0.00%
Cleveland-Elyria, OH	0.40%	0.70%	-0.30%
Columbus, OH	1.50%	1.60%	0.50%
Dayton, OH	1.20%	0.70%	-0.30%
Huntington-Ashland	0.00%	0.70%	-0.10%
Lima, OH	0.50%	0.50%	-0.40%
Mansfield, OH	0.20%	0.40%	-0.50%
Springfield, OH	0.30%	0.60%	-0.50%
Toledo, OH	0.00%	0.60%	-0.50%
Weirton-Steubenville	-1.20%	0.20%	-0.60%
Wheeling, WV-OH	-0.10%	0.60%	-0.10%
Youngstown-Warren	-1.00%	0.40%	-0.50%

**Table 6: Real GMP Growth, 2017 to 2022
average annual rate**

	2017-2018	2019-2020	2021-2022
Akron, OH	1.70%	1.60%	0.70%
Canton-Massillon	1.70%	1.80%	0.90%
Cincinnati, OH-KY	2.80%	2.10%	1.10%
Cleveland-Elyria, I	2.00%	1.70%	0.70%
Columbus, OH	3.10%	2.60%	1.70%
Dayton, OH	2.20%	1.70%	0.90%
Huntington-Ashla	2.10%	0.90%	0.60%
Lima, OH	1.80%	2.00%	1.00%
Mansfield, OH	1.50%	1.70%	0.60%
Springfield, OH	1.80%	1.90%	0.70%
Toledo, OH	1.60%	1.80%	0.70%
Weirton-Steuben'	1.00%	1.30%	0.40%
Wheeling, WV-Ot	2.30%	1.60%	1.10%
Youngstown-War	0.20%	1.20%	0.30%

Table 7: Unemployment Rate

	2016	2018	2020
Akron, OH	5.0	4.1	3.8
Canton-Massillon, OH	5.5	4.4	3.9
Cincinnati, OH-KY-IN	4.3	3.5	3.4
Cleveland-Elyria, OH	5.4	4.9	4.1
Columbus, OH	4.1	3.3	3.2
Dayton, OH	4.7	3.7	3.6
Huntington-Ashland, WV-KY-OH	6.2	5.0	4.3
Lima, OH	5.0	4.0	3.7
Mansfield, OH	5.5	4.6	4.2
Springfield, OH	5.2	3.7	3.5
Toledo, OH	4.8	4.3	4.0
Weirton-Steubenville, WV-OH	7.7	5.7	4.8
Wheeling, WV-OH	6.9	5.2	4.2
Youngstown-Warren-Boardman, O	6.3	5.8	5.2

**Table 8: Labor Force Participation Rate
percentage**

	2016	2018	2020
Akron, OH	62.2	62.3	62.3
Canton-Massillon	61.1	60.7	61.6
Cincinnati, OH-KY	63.4	64.1	64.4
Cleveland-Elyria, I	61.4	61.0	61.4
Columbus, OH	65.1	65.3	65.7
Dayton, OH	59.2	60.3	60.2
Huntington-Ashla	50.4	51.3	52.1
Lima, OH	58.1	58.2	59.5
Mansfield, OH	54.2	54.0	54.9
Springfield, OH	58.6	58.8	60.4
Toledo, OH	62.9	63.0	63.3
Weirton-Steuben'	52.1	51.3	51.3
Wheeling, WV-Ot	55.1	54.9	55.1
Youngstown-War	55.4	54.6	55.2

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