

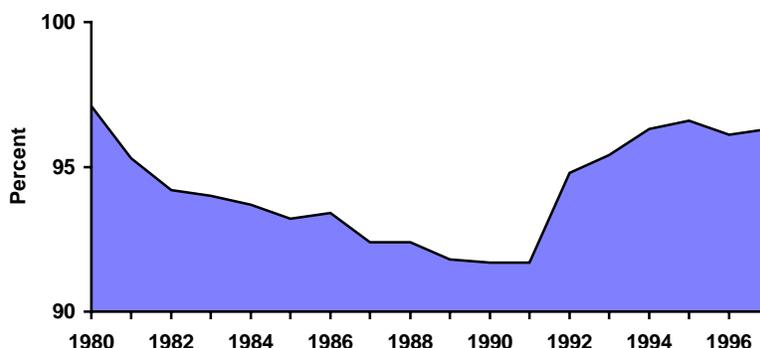
Ohio's Economy 2nd Largest in Midwest, 7th Largest in Nation

<i>Great Lakes States, 1996 Gross State Product</i>		
State	GSP in billions	National Rank
Illinois	\$370.8	4
Ohio	\$304.4	7
Michigan	\$263.3	9
Indiana	\$155.8	15
Wisconsin	\$139.2	20

- Ohio's 1996 Gross State Product (GSP) of \$304.4 billion made it the second largest economy in the Midwest (behind Illinois), the 7th largest in the United States, and the 18th largest in the world. Ohio's economy is bigger than Switzerland's but slightly smaller than Argentina's. Ohio's economy is more than half the size of that of its major trading partner, Canada.
- Over the 1986-1996 period, Ohio's real (inflation-adjusted) GSP grew by 25.5 percent, or 2.3 percent annually (average annual compounded growth rate). In contrast, U.S. real GDP grew by 28.5 percent, or 2.5 percent annually. Great Lakes region GSP grew by 28.8 percent, or 2.6 percent annually.
- Ohio's 1996 real GSP was 4.1 percent of the national total, down slightly from 4.2 percent in 1986. Ohio's manufacturing GSP was 6.1 percent of the national total, and its share of durable goods manufacturing was 7.0 percent.

Ohio Income Bounces Back, Holds Steady Against U.S. Average

**Ohio Per-Capita Income as a Percent of U.S.
1980-1997**



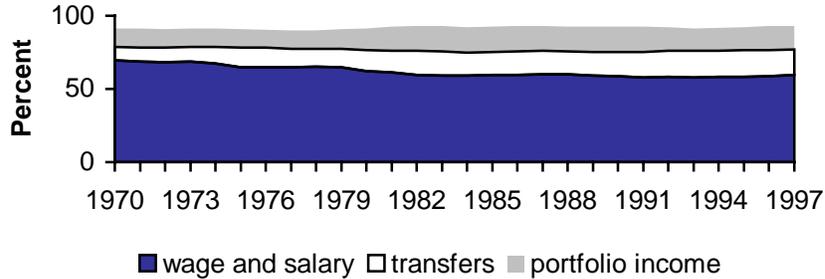
Great Lakes States, 1997 Per-Capita Income

State	GSP in Billions	National Rank
Illinois	28,202	8
Michigan	25,560	19
Ohio	24,661	22
Wisconsin	24,475	23
Indiana	23,604	30

- Ohio's per-capita income increased from \$9,738 in 1980 to \$24,661 in 1997. During that same period, U.S. per-capita income increased from \$10,030 to \$25,598.
- Ohio's per-capita income was 22nd in the nation in 1997. For the last few years, Ohio's per-capita income has held steady between 96 percent and 97 percent of the national average.
- Over the 1984-1996 period, median income grew from \$23,123 to \$34,070 in Ohio. U.S. median income grew from \$22,415 to \$35,492. Adjusted for inflation, U.S. median income rose by 4.9 percent, while Ohio median income fell by 2.4 percent.
- While Ohio's overall median income in 1996 was below the U.S. figure, median income for a family of four was \$51,835. The U.S. median is \$51,518.

The Changing Composition of Ohio Income

Ohio Personal Income, 1970-1997: Changes in Share by Component



- Over the long run, wages and salaries have been a declining portion of total income in Ohio. However, that trend has reversed in recent years with the improving economy. The wage and salary share of income reached its low point in 1993 (57.8 percent), at the same time that the transfer payment share hit its maximum. Since then, the wage and salary share has increased, hitting 59.4 percent in 1997, and the transfer share has decreased slightly.
- Transfer payments (income maintenance, retirement, disability, unemployment insurance, veterans' benefits, and medical insurance) increased from 8.8 percent of Ohio personal income in 1970 to 18.1 percent in 1993, before falling back to 17.7 percent in 1997.
- The composition of transfer payments has changed. Unemployment insurance, veterans' benefits, and income maintenance (welfare) have declined as a share of total income, while government medical insurance payments to individuals have increased sharply.
- Retirement and disability payments are still the majority of transfers, at roughly 53 percent. This figure has fallen from almost 60 percent in 1970. Government medical payments have increased from 11.5 percent of transfer payments in 1970, to 31.9 percent in 1997.
- Ohio transfer payments used to be a lower percentage of income than for the U.S. The recession that began in 1980 changed that, and Ohio's share of income from transfer payments has exceeded the U.S. share since then. Ohio's share of income from wages and salaries still exceeds the U.S. share, although the difference has shrunk over time.

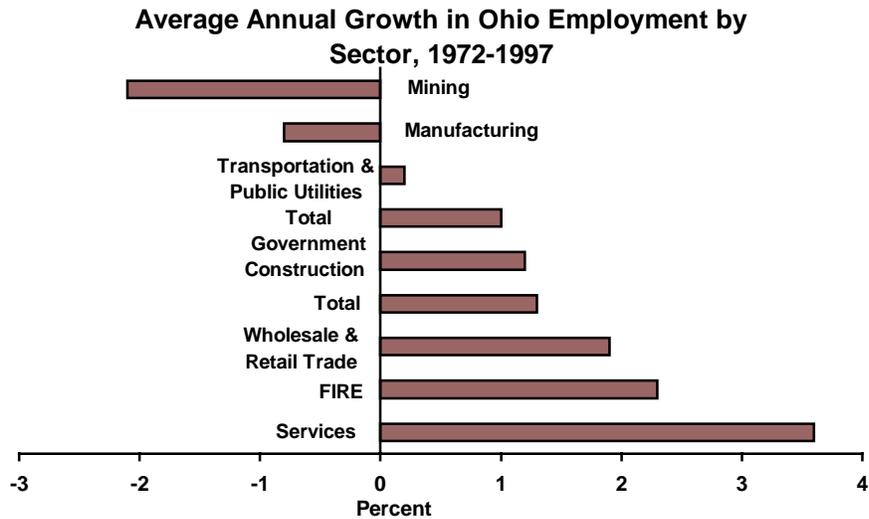
Manufacturing Still Heavy in Great Lakes

Manufacturing Output as a Share of Gross State Product

	1977 Share	Rank	1996 Share	Rank
Indiana	36.73%	2	31.67%	1
Kentucky	29.99	8	28.12	2
Wisconsin	33.05	6	27.74	3
Michigan	38.95	1	27.22	4
Ohio	35.60	4	27.16	5
North Carolina	33.74	5	26.97	6
South Carolina	30.81	7	26.56	7
Arkansas	25.70	16	24.63	8
Iowa	25.13	19	23.97	9
Mississippi	24.79	22	23.42	10
U.S. Average	23.35	----	17.46	----

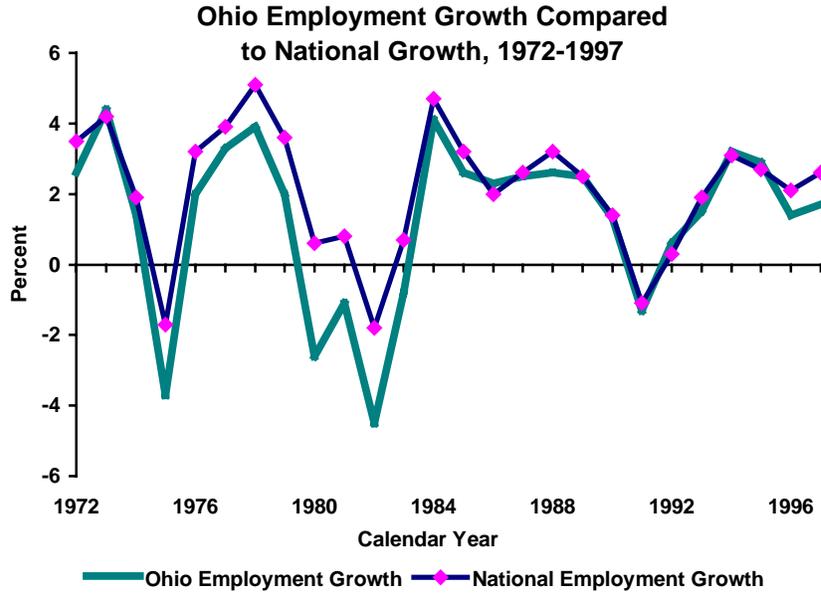
- The output of Ohio and the other Great Lakes states is still heavily concentrated in manufacturing, although services and trade now account for greater employment.
- The biggest contributors to Ohio GSP in 1996 were: manufacturing (27.2 percent); services (17.7 percent), finance, insurance, and real estate (15.3 percent); government (10.5 percent); and retail trade (9.2 percent).
- Ohio is not only concentrated in manufacturing, it is concentrated in durable goods manufacturing. In 1996, 66 percent of Ohio's manufacturing GSP came from durable goods. For the nation as a whole, the figure was 56 percent.
- Over the 1977-1996 period, while Ohio went from ranking 4th to 5th among the states in manufacturing concentration, it went from 33rd to 30th in terms of concentration in services. The share of Ohio's GSP coming from services rose from 11.0 percent to 17.7 percent.

Ohio Employment Moves Away From Manufacturing, Toward Services and Trade



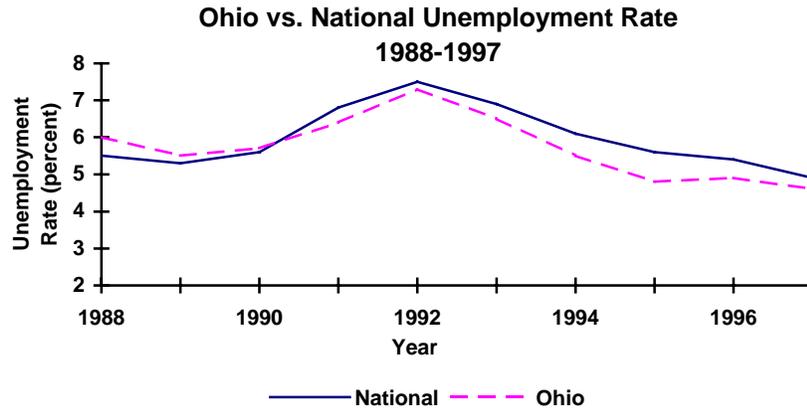
- Between 1972 and 1997, manufacturing employment in Ohio fell from 34.2 percent of wage and salary employment to 20.2 percent. During the same period, service jobs increased from 15.5 percent to 27.3 percent of wage and salary employment.
- Wholesale and retail trade also account for more Ohio employment than manufacturing, comprising 24.3 percent of wage and salary jobs in 1997.
- Ohio's four fastest growing sectors are quite different in their wage profiles. The fastest growing sector, services, has relatively low average pay, as does retail trade. Construction and Finance, Insurance, and Real Estate (FIRE), on the other hand, are relatively well-paid, although not as well as manufacturing. In 1996, average annual pay for Ohioans in the sectors with the most employment were: manufacturing, \$38,356; wholesale trade, \$36,423; services, \$24,238; and retail trade, \$14,126.
- Ohio's overall average annual pay in 1996 was less than the U.S. average; however, construction and manufacturing pay were higher than the U.S. average.
- Three sectors have reduced their share of Ohio employment since 1972: government, transportation and public utilities, and mining.

After Lagging the Nation, Ohio Employment Growth Catches Up Some in the 1990s



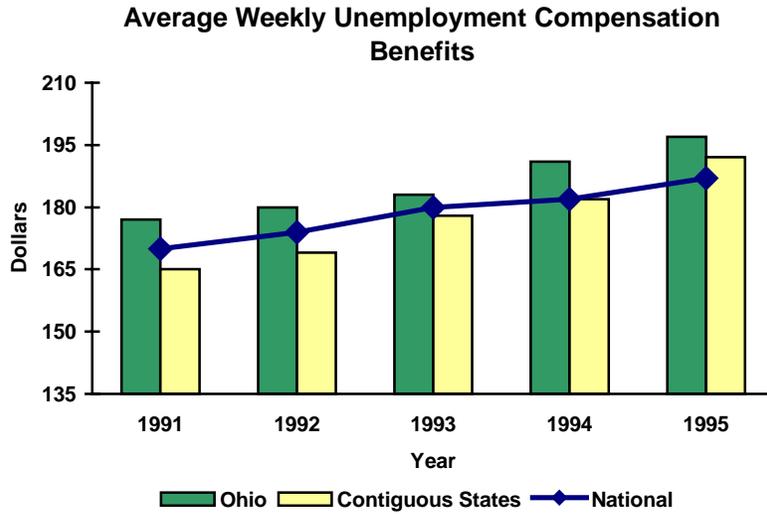
- From 1972 through 1991, Ohio had greater percentage growth in nonfarm payroll employment than the U.S. only twice: 1973 and 1986.
- From 1992 through 1995, Ohio employment growth topped the national figure three times. However, Ohio employment growth once again fell below national growth in 1996 and 1997.
- Over the last 6 years, Ohio's strongest growth has been in construction (average annual compounded growth of 3.8 percent), services (3.4 percent), and retail trade (2.2 percent). Although manufacturing has lost jobs over the long run, over the last 6 years jobs have grown by 0.4 percent annually.

Ohio's Unemployment Better Than National Rate



- Since 1991, Ohio's annual average unemployment rate has remained below the national average.
- A year later the average "stay" or length of unemployment in Ohio fell below the national average. This pattern continued for the following five years.
- At the end of 1997, Ohio's annual average unemployment rate was 4.6 percent compared to 4.9 percent at the national level. The average annual number of unemployed people in 1997 in Ohio totaled 262,280.
- Although the state's annual average unemployment rates have compared favorably to those of the nation, unemployment rates vary greatly among counties within the state. In 1997, 49 counties had average annual unemployment rates higher than the nation's; 38 counties were below national levels; and one county's rate matched the nation's.

Ohio Unemployment Benefits Exceed National Average



**Average Weekly Unemployment Compensation Benefits
1991-1995**

	1991	1992	1993	1994	1995
Ohio	\$177	\$180	\$183	\$191	\$197
Contiguous States	165	169	178	182	192
National	170	174	180	182	187
Indiana	112	126	142	158	179
Kentucky	145	144	156	159	167
Pennsylvania	197	201	210	212	219
West Virginia	160	163	167	167	172
Michigan	212	211	215	213	221

- Ohio's average unemployment benefits have exceeded the national average and were greater than the median benefits paid by its contiguous states for the period 1991-1995.

Ohio Ranks High in Exports

1997 Exports and Exports Per Capita

1997	Exports (millions of \$)	Rank	Exports Per Capita	Rank
U.S. Total	687,598	na	\$2,569	na
California	103,802	1	3,217	7
Texas	56,293	2	2,896	11
New York	48,885	3	2,695	14
Michigan	37,920	4	3,880	6
Illinois	34,225	5	2,877	12
Washington	31,746	6	5,658	3
Ohio	25,106	7	2,244	17
Florida	22,889	8	1,562	29
New Jersey	20,815	9	2,585	15
Pennsylvania	19,298	10	1,606	26

- Ohio's exports grew by almost 1.6 times the U.S. growth rate over the 1987-1997 period (288.1 percent vs. 181.3 percent). Ohio increased its share of total U.S. exports from 2.6 percent to 3.7 percent.
- Ohio's state rank in total export volume jumped from 11th in 1987 to 7th in 1997. Its per-capita export ranking improved from 26th to 17th.
- In 1997, Ohio had five export markets where dollar volume exceeded \$1 billion: Canada, France, Mexico, Japan, and the United Kingdom. Of these, Canada was by far the largest market, purchasing \$10.47 billion of Ohio's \$25.1 billion in exports, or almost 42 percent. Overall, Ohio exported to 192 countries in 1997.
- In 1996, 5 Ohio Metropolitan Statistical Areas (MSAs) were ranked in the top 70 MSAs nationally in export volume: Cleveland-Lorain-Elyria (23rd), Cincinnati (25th), Akron (51st), Dayton-Springfield (52nd), Columbus (69th).

International Trade Offices Now Cover Five Continents

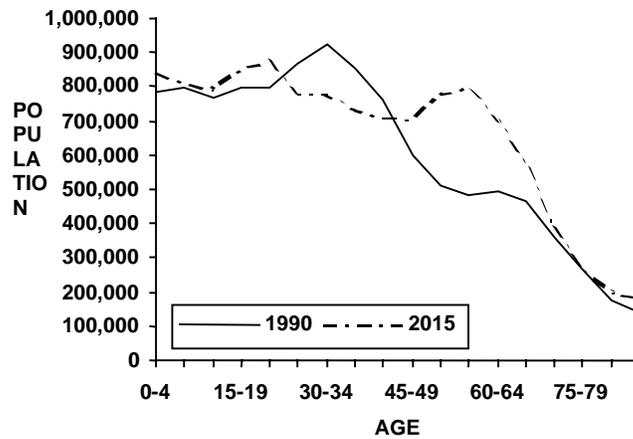
Location	Date Office Opened	Proposed FY 1999	% Change 1995-1999
Columbus, Ohio	Before July, 1975	\$2,895,727	56.3
Brussels, Belgium	July, 1976	366,904	-7.4
Hong Kong	May, 1990	405,563	53.8
Johannesburg, S. Africa*	July, 1998	149,321	n/a
Mexico, Distrito Federal	September, 1995	417,861	n/a
Sao Paolo, Brazil	July, 1997	50,000	n/a
Tel Aviv, Israel	September, 1995	343,655	n/a
Tokyo, Japan	July, 1976	421,815	-21.5
Toronto, Canada	October, 1990	187,154	30.7
Total – All Offices		\$5,238,000	63.3

*Previously, operations were located in Lagos, Nigeria, 1987-1992.

- Actual general revenue fund spending for Ohio's Department of Development International Trade activities totaled over \$5.2 million in FY 1998, a 63 percent increase from FY 1995 expenditures of \$3.2 million.
- In FY 1998, 2 new offices – Sao Paolo, Brazil and Johannesburg, South Africa—were opened, increasing the number of Ohio's off-shore trade office locations to eight. The "trade presence" office in Sao Paolo is a joint effort with three other Great Lakes States: Indiana, Pennsylvania and Wisconsin. The creation of the office in Johannesburg, which re-establishes Ohio's trade presence in Africa, is a joint effort with The Ohio State University.
- Since FY 1996, the establishment of offices in Mexico, Tel Aviv, Sao Paolo and Johannesburg has doubled Ohio's off-shore trade locations.
- In FY 1998, major Ohio trade missions have included trips to Canada and the A-B-C's of South America: Argentina (Buenos Aires), Brazil (Sao Paolo) and Chile (Santiago).

“Baby Boomers” Impact Ohio Demographics

1990 Census & 2015 Projections of Population by Age Group



- Ohio’s “baby boomers,” like their peers in the rest of the nation, will reach retirement age between the years 2010 and 2030.
- In 2015, the “baby boomers” will be age 51 to 69. It is estimated that the segment of Ohio’s population between the ages of 50 and 69 will increase by approximately 884,000 people or 45.2 percent between the year 1990 and 2015.
- In 2015, the “baby boom echo” (children of “baby boomers”) will be age 20 to 38 and will represent the next largest increase in population for any given age category when compared to 1990 demographics.
- The demographic group sandwiched between the “boomers” and the “echo” is known as “Generation X” or the “baby bust.” In 2015, this significantly smaller demographic segment will be age 39 to 50 and will be in their prime wage earning years.