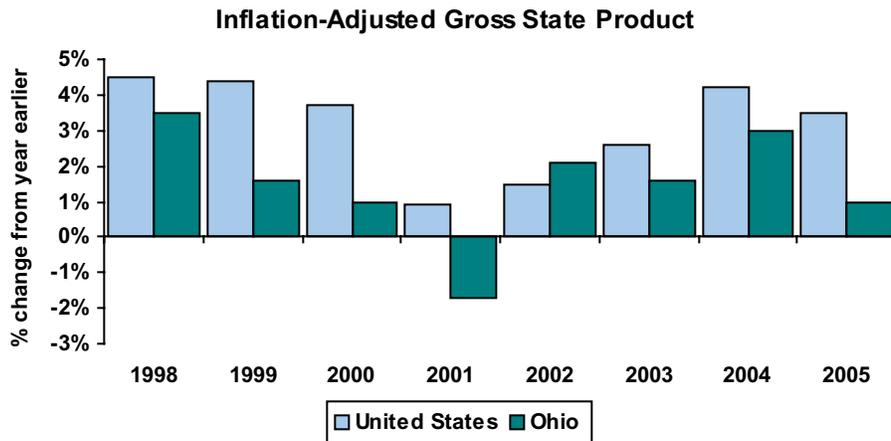


Ohio's Economy Has Grown More Slowly than That of the Nation for Many Years



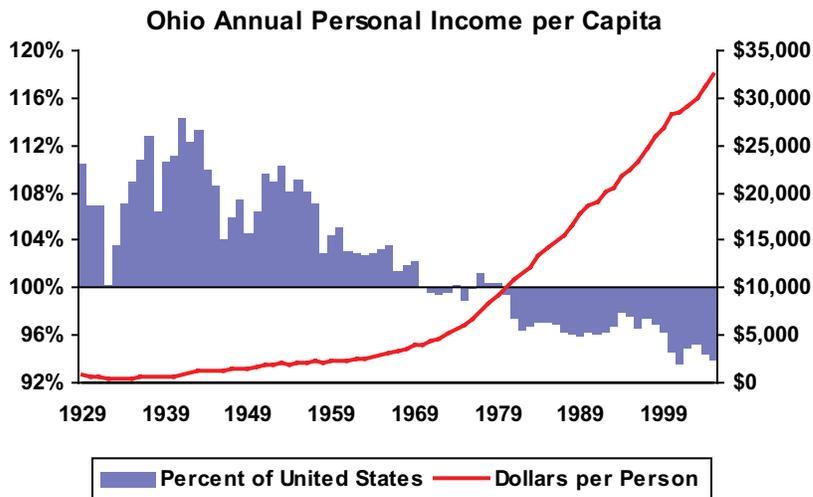
Source: United States Bureau of Economic Analysis

2005 Gross State Product

State	Billions of Current Dollars	National Rank
Illinois	\$560.2	5
Indiana	\$238.6	16
Kentucky	\$140.4	27
Michigan	\$377.9	9
Ohio	\$442.4	7
Pennsylvania	\$487.2	6
West Virginia	\$53.8	40
Wisconsin	\$217.5	19
50 States + District of Columbia	\$12,403.0	N/A

- Ohio's economy, measured by inflation-adjusted gross state product (GSP), grew more slowly than that of the nation ahead of the 2001 recession, turned down more sharply during the recession, and has expanded more slowly in most years since the recession.
- Ohio's 2005 GSP of \$442.4 billion, 3.6% of nationwide GSP, made it the 7th largest economy in the United States, just ahead of New Jersey, and 2nd largest in the Great Lakes region, behind Illinois. In comparison with the gross domestic product of the United States and other countries, Ohio's economy ranked 17th largest, behind Russia but bigger than Switzerland (based on *The Economist, Pocket World in Figures*, 2006 edition).

Ohio Income per Person Less than United States Average

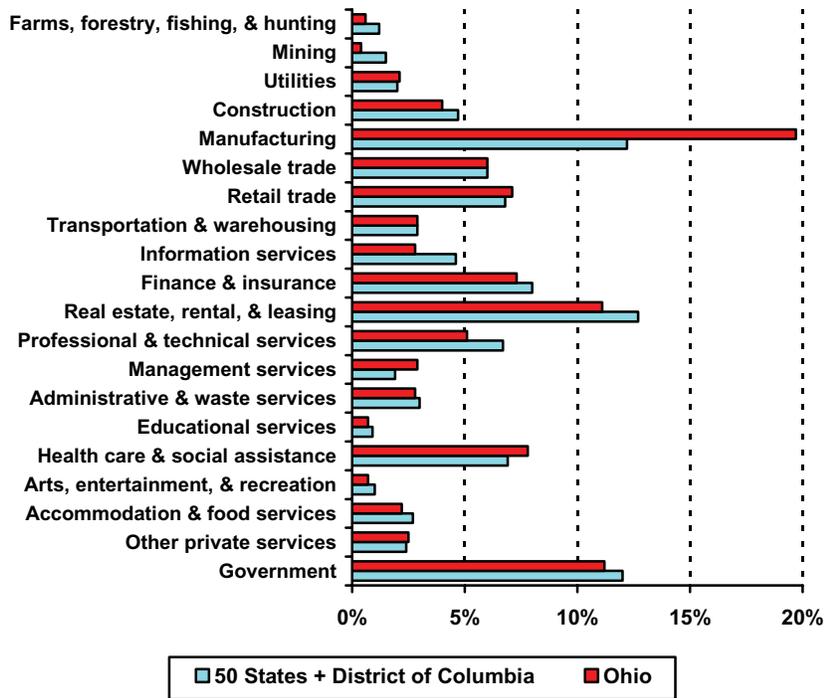


Source: United States Bureau of Economic Analysis

- Ohio personal income per capita was \$32,478 in 2005, 94% of that year's \$34,586 average for the United States.
- Ohio ranked 26th among the 50 states in personal income per capita in 2005. Connecticut's personal income per capita was highest at \$47,819, while Louisiana's was lowest at \$24,820.
- Per capita personal income in Ohio consistently exceeded the nationwide average prior to 1970, and has remained below that average since 1980.
- Much of the rise in personal income per capita shown in the chart is a result of higher prices. The general price level has risen nearly ten-fold since 1929. Net of increases attributable solely to inflation, personal income per capita in Ohio has doubled since 1968, tripled since 1950, and more than quadrupled during the entire period shown above.

Ohio's Economy Remains More Concentrated in Manufacturing than the Nation's Economy

Industry Shares of Gross State Product in 2004



Source: United States Bureau of Economic Analysis

- Manufacturing accounted for 19.7% of Ohio's gross state product in 2004. For the United States, manufacturing's share was 12.2%.
- Durable goods factories concentrated in Ohio include motor vehicles and parts, with 13.5% of nationwide output; primary metals, with 11.8%; electrical equipment and appliances, 9.7%; fabricated metal products, 8.5%; nonmetallic mineral products, 6.3%; machinery, 6.0%; transportation equipment other than motor vehicles, 5.9%; and furniture, 4.7%. Ohio nondurable goods makers include plastics and rubber products, 8.4%; printing, 5.4%; food products, 4.5%; chemicals, 4.2%; and paper, 4.1%.
- Among nonmanufacturing industries, Ohio accounted for relatively large shares of nationwide value added in management of companies and enterprises, 5.5%; truck and rail transport, 4.9% and 4.4% respectively; hospitals and nursing and residential care, 4.8%; warehousing and storage, 4.3%; and insurance carriers and related services, 4.1%.

Ohio Employment Shifts from Manufacturing toward Services

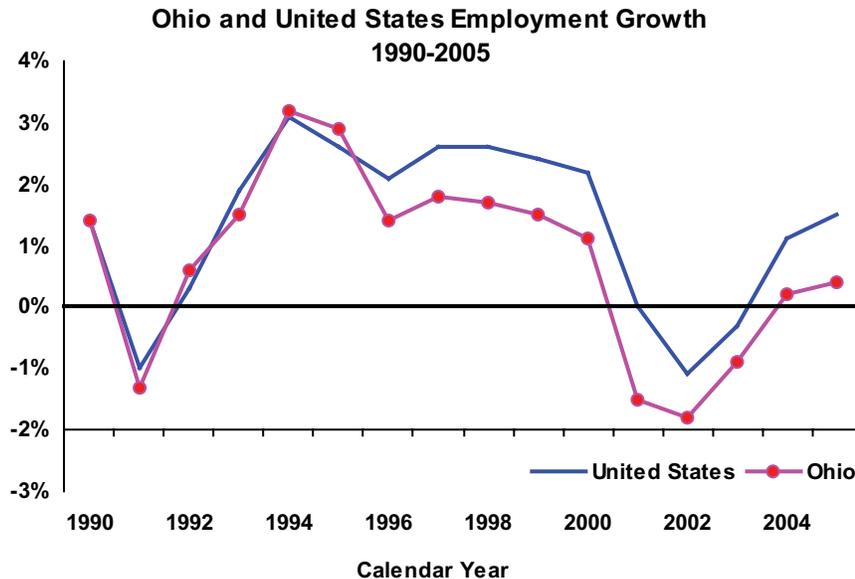
Ohio Employment by Sector (in thousands)

Sector	Calendar Year			Avg. Annual Rate of Change
	1990	2000	2005	1990-2005
Natural Resources & Mining	17.8	12.9	11.3	-3.0%
Construction	193.2	246.1	233.2	1.3%
Manufacturing	1,064.6	1,021.0	813.4	-1.8%
Trade	813.8	918.9	849.7	0.3%
Transportation & Utilities	154.4	196.3	194.0	1.5%
Information	101.7	107.2	90.0	-0.8%
Financial Activities	252.6	305.2	309.0	1.4%
Professional & Business Services	438.3	644.8	641.6	2.6%
Educational & Health Services	543.0	680.3	760.9	2.3%
Leisure, Hospitality, and Other Services	579.8	706.5	726.3	1.5%
Government	722.2	785.0	799.1	0.7%
Total	4,882.3	5,624.6	5,428.6	0.7%

Source: United States Bureau of Labor Statistics

- Between 1990 and 2005, manufacturing employment in Ohio fell from 21.8% of wage and salary employment to 15.0%. During this same period, employment in professional and business services and in educational and health services increased from 20.1% to 25.8%.
- Between 1990 and 2005, manufacturing employment in the U.S. as a whole fell from 16.2% of wage and salary employment to 10.7%.
- Local governments account for 69.2% of government employment in Ohio. Local governments and state universities account for all of the growth in government employment during the period shown.
- Among those industries for which the Bureau of Labor Statistics reports statistics, construction paid Ohio nonsupervisory workers the most in 2005: \$808.73 in average weekly earnings (AWE). Ohio manufacturers, by comparison, paid \$789.50 and firms in the transportation and utilities sector paid \$618.12. Retail trade paid the least among industries for which wages are reported: \$324.28 AWE in 2005.
- AWE increased between 2001 and 2005 in all the sectors for which AWE was reported. AWE increased the most, by 14.9%, in wholesale trade, with manufacturing close behind at 14.1%. During this period the Consumer Price Index-All Urban Consumers increased by 10.3%.

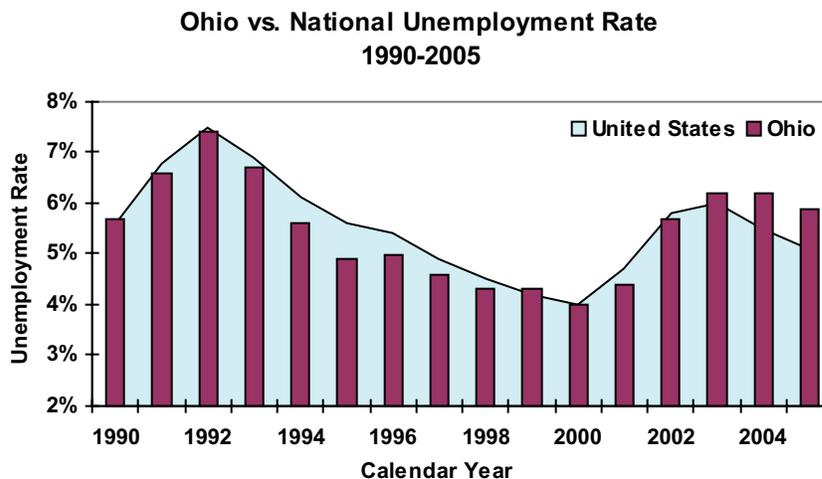
Ohio Employment Growth Lags National Pace



Source: United States Bureau of Labor Statistics

- Between 1990 and 2005, Ohio job growth averaged 0.7% per year compared to a U.S. average growth rate of 1.3%. Ohio's population grew more slowly than the country's as a whole over that decade (by 0.5% per year vs. 1.2% per year, respectively).
- Total nonfarm payroll employment in Ohio peaked in calendar year (CY) 2000 at 5.62 million, then fell to 5.40 million in CY 2003. For CY 2005, average payroll employment was approximately 5.43 million, about 196,000 below its CY 2000 peak, and about 30,900 higher than its CY 2003 low point.
- Ohio's strongest job growth between 1990 and 2005 was in professional and business services (2.6% average annual compounded growth), educational and health services (2.3%), other services (1.6%), and transportation and utilities (1.5%).
- In percentage terms the greatest employment loss occurred in mining, which lost jobs at a 3.0% average annual rate.
- Manufacturing lost jobs over this period at an average annual rate of 1.8%. After declining following the 1990 recession, manufacturing employment rose to a peak in 1995. From then through 2005, Ohio lost approximately 224,000 manufacturing jobs.

Ohio's Unemployment Rate Begins to Fall



Sources: United States Bureau of Labor Statistics; Ohio Labor Market Information

- Ohio's annual average unemployment rate has exceeded the national average each year since 2003. This is in contrast to the decade of the 1990s, when Ohio's unemployment rate exceeded the national rate in only two years, 1990 and 1999.
- In 1990, Ohio's unemployment rate was 5.7%. In 2005, it was 5.9%. The U.S. unemployment rate was 5.6% in 1990 and 5.1% in 2005.
- Throughout 1990, a monthly average of 309,641 people were unemployed in Ohio. In 2005, the average was 349,877.
- During the period shown, both the unemployment rate and the average annual number of unemployed reached their highest levels in 1992, at 7.4% and 402,480. The lowest levels were reached in 2000 at 4.0% and 233,882.
- Although the state's average unemployment rate for 2005 was higher than Illinois' (5.7%), Indiana's (5.4%), Pennsylvania's (5.0%), and West Virginia's (5.0%), it was lower than Kentucky's (6.1%) and Michigan's (6.7%).
- Unemployment rates vary greatly by county within Ohio. In 2005, 49 counties had average unemployment rates that exceeded the statewide average and 39 counties were at or below the statewide average. The highest rate was 13.3% and the lowest rate was 3.8%.
- Among Ohio workers receiving unemployment compensation, the average duration of unemployment during the 12 months ending in December 2005 was 15.2 weeks, slightly lower than the average duration among all U.S. workers receiving unemployment compensation, which was 15.3 weeks.

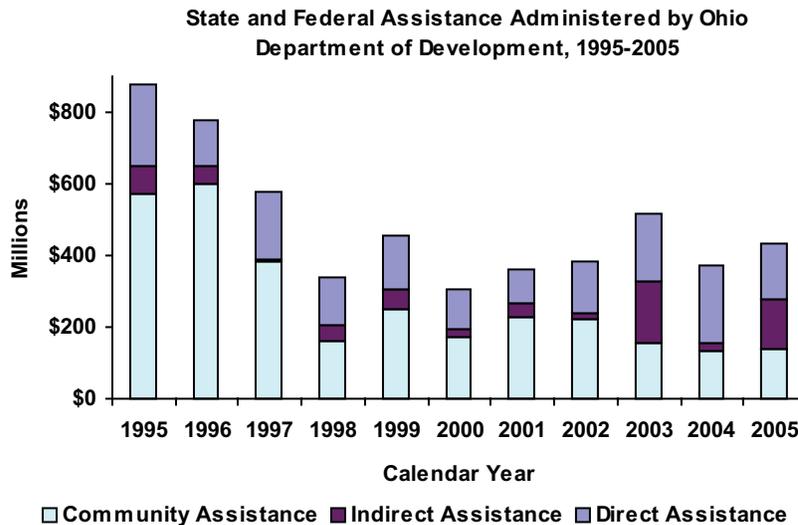
Ohio Ranks High in Exports

United States Exports				
2005 Rank	Description	CY 2004 (in millions)	CY 2005 (in millions)	% Change 2004-2005
	Total, All States	\$817,936	\$904,380	10.6%
1	Texas	\$117,245	\$128,761	9.8%
2	California	\$109,968	\$116,819	6.2%
3	New York	\$44,401	\$50,492	13.7%
4	Washington	\$33,793	\$37,948	12.3%
5	Michigan	\$35,625	\$37,584	5.5%
6	Illinois	\$30,214	\$35,868	18.7%
7	Ohio	\$31,208	\$34,801	11.5%
8	Florida	\$28,982	\$33,377	15.2%
9	Pennsylvania	\$18,487	\$22,271	20.5%
10	Massachusetts	\$21,837	\$22,043	0.9%

Source: Ohio Exports 2005, Origin of Movement Series, prepared by the Office of Strategic Research, Ohio Department of Development, March 2006

- From 2004 to 2005, the dollar value of Ohio's exports increased by 11.5%, compared to an overall U.S. increase of 10.6%. Among the top ten exporting states, Ohio ranked 6th in the percentage increase in exports in 2005.
- Ohio's state rank in value of exports deteriorated from 6th place in 2002, 2003, and 2004 to 7th place in 2005.
- In 2005, Ohio had five export markets where dollar volume exceeded \$1 billion: Canada, Mexico, United Kingdom, Japan, and Germany. Of these, Canada was by far the largest market, purchasing \$17 billion of Ohio's \$34.8 billion in exports, or about 49%. Mexico was Ohio's second largest export market at \$2.4 billion, or 6.9%. The state's largest overseas market was the United Kingdom, accounting for \$1.2 billion, or 3.4%.
- In 2005, Ohio's top exporting sectors were machinery (\$8.9 billion), vehicles/not railway (\$8.9 billion), electrical machinery (\$2.2 billion), plastics (\$1.7 billion), and optic/medical instruments (\$1.2 billion). Together these five manufacturing sectors accounted for \$22.9 billion, or about 66%, of all Ohio exports.

Community Assistance Making Up Smaller Portion of Economic Development Spending



Source: Ohio Department of Development

- State and federal funds spent for economic development by the Department of Development (DOD) include *direct assistance* (state assistance for business attraction and expansion projects that include job creation, retention, and workforce training), *indirect assistance* (funding for competitiveness improvements, such as research and development for priority technology initiatives and infrastructure improvements in rural areas that are not measurable in terms of employment increases), and *community assistance* (federally funded local quality-of-life enhancements administered by DOD).
- Included are programs administered by the following DOD divisions: Community Development, Minority Business Affairs, Economic Development, Technology, and the Ohio Housing Finance Agency.
- Total 2005 spending of \$431,648,005 on economic development reflects a 50.8% decrease from total 1995 spending of \$876,689,236; however, 2005 spending levels increased 16.0% from \$372,151,480 in 2004.
- Companies receiving direct assistance in 2005 projected that through the aid 22,856 jobs were created, 26,366 jobs were retained, and 50,219 workers were trained. Companies have three years from the time of receiving their assistance to fulfill these commitments.
- Community assistance, which consists primarily of federal funding, declined from \$572.2 million in 1995 to \$141.4 million in 2005, representing a 75.3% decrease.

Ohio among Nation's Leaders in Agriculture

Ohio Rankings for Selected Commodities in 2004

Commodity	Ohio Rank	Unit	Production	State Ranked First	Production
Corn for grain	7	Bushels	491,380,000	Iowa	2,244,400,000
Corn for silage	11	Tons	3,230,000	Wisconsin	13,300,000
Oats	11	Bushels	3,150,000	North Dakota	14,080,000
Winter Wheat	9	Bushels	55,180,000	Kansas	314,500,000
Soybeans	7	Bushels	207,740,000	Illinois	499,950,000
Sugarbeets	12	Tons	34,000	Minnesota	9,823,000
Tobacco	7	Pounds	10,976,000	North Carolina	351,630,000
Egg Production	2	Number	7,355,000,000	Iowa	11,613,000,000
Swiss Cheese	1	Pounds	118,776,000	Ohio	118,776,000

Source: Ohio Department of Agriculture, 2004 Annual Report

- According to the 2002 U.S. Census of Agriculture, Ohio had approximately 10,000,000 acres of harvested cropland. Of this harvested cropland, 4,710,000 acres of land were devoted to soybeans, 2,870,000 acres were devoted to corn for grain, and 810,000 acres were devoted to winter wheat. The remaining 1,610,000 acres were devoted to other crops.
- According to the USDA's Economic Research Service, Ohio's 2005 net farm income, which is the return earned by farm operations, was \$1.45 billion, a decrease of 8% from 2004's record net farm income of \$1.58 billion. Contributing to the record net farm income in 2004 were crop yield records for corn and soybeans.
- The Ohio Department of Agriculture reported that in 2004 the average size of a farm in Ohio was 189 acres, while the average U.S. farm was 443 acres.
- The number of farms in Ohio has been decreasing over the past several decades, from 149,000 in 1960 to 77,300 in 2004. There were 2,112,970 farms in the U.S. in 2004. Families and individuals own approximately 91% of Ohio's farms.