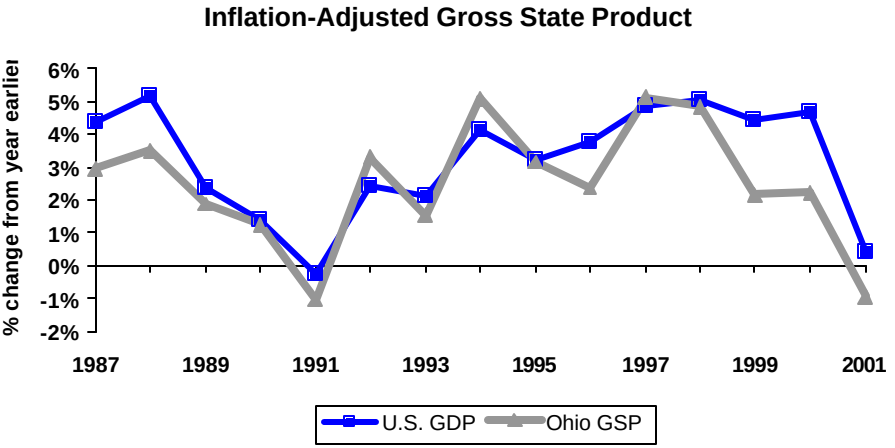
Economy of Ohio Grew More Slowly Than That of the United States during 1987-2001



Great Lakes States 2001 Gross State Product (GSP)

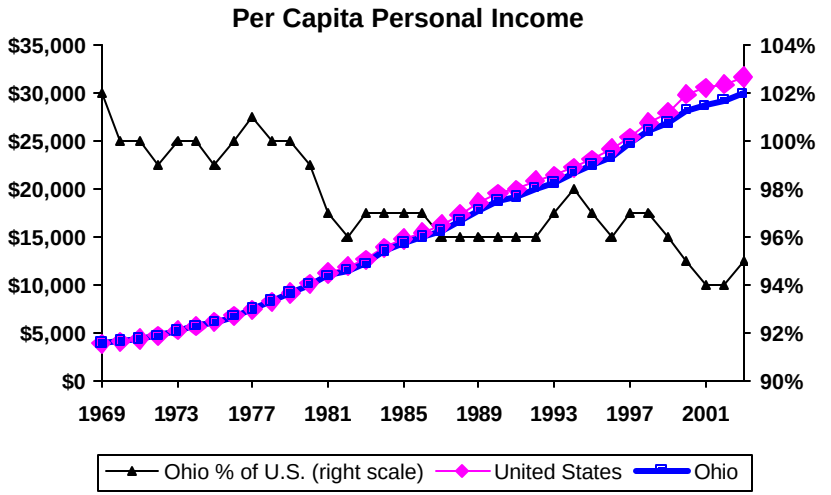
State	Billions of Current Dollars	National Rank
Illinois	$475.5	5
Ohio	$373.7	7
Michigan	$320.5	9
Indiana	$189.9	16
Wisconsin	$177.4	20

- Ohio's 2001 gross state product (latest available) of $373.7 billion made it the 2nd largest economy in the Great Lakes region, behind Illinois, and 7th largest in the United States. In comparison with the gross domestic product of the United States and other countries, Ohio's economy ranked 15th largest.

- During the period from 1986 through 2001, Ohio's nominal GSP grew by 103%, or 4.8% annually (average annual compounded growth rate). U.S. nominal GDP grew by 133%, or 5.8% annually. Ohio's share of national economic activity fell to 3.7% in 2001 from 4.2% 15 years earlier. The Great Lakes region's GSP grew by 111%, or 5.1% annually.

- Over the 1986-2001 period, Ohio's real (inflation-adjusted) GSP grew by 44%, or 2.5% annually. U.S. real GDP grew by 60%, or 3.2% annually. The Great Lakes region's GSP grew by 50%, or 2.7% annually.

Ohio Income Per Person Less Than U.S. Average

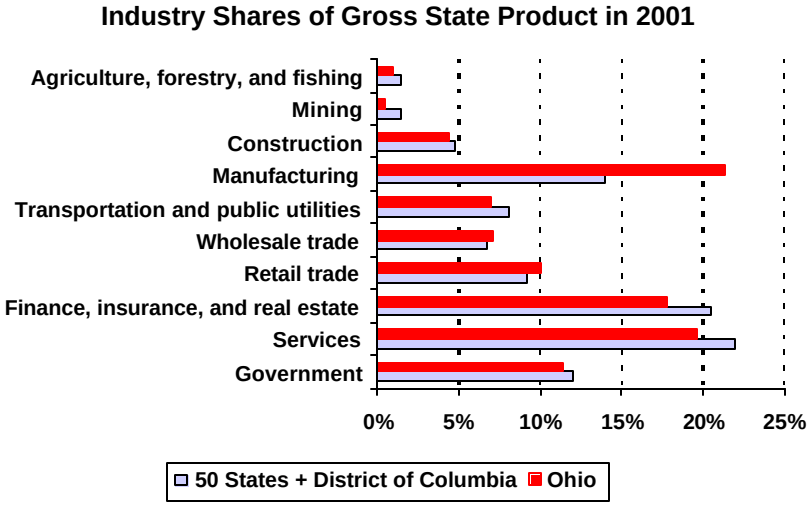


Great Lakes States 2003 Per Capita Income

State	Per Capita Income	Percentage of U.S.	Rank
Illinois	$33,690	107%	10
Wisconsin	$30,898	98%	20
Michigan	$30,439	96%	24
Ohio	$29,944	95%	25
Indiana	$28,783	91%	35

- United States and Ohio per capita personal incomes have risen approximately eightfold during the past 34 years, reflecting roughly a doubling of real purchasing power and a quadrupling of the general price level.
- Ohio per capita personal income, measured in current dollars, fell below the average for the United States in 1980 and has remained lower since then.
- In 2003, Ohio per capita personal income of $29,944 was 5% less than the United States average of $31,632.
- Personal income growth in the United States and Ohio slowed prior to and during the 2001 recession. Ohio income growth slowed ahead of U.S. income growth. Both have rebounded in recent quarters.

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



- Manufacturing accounted for 21.3% of Ohio's gross state product in 2001. For the United States, manufacturing's share was 14.0%.

- Durable goods manufacturing industries concentrated in Ohio include motor vehicles and equipment, with 13.1% of nationwide output, measured by 2001 gross state product, located in the state; primary metals, with 10.7%; fabricated metal products, 8.9%; stone, clay, and glass products, 6.7%; and industrial machinery and equipment, 6.0%.

- Nondurable goods manufacturing industries concentrated in Ohio include rubber and plastics products, 8.4% of United States output; food and kindred products, 5.2%; and chemicals and allied products, 5.1%.

- Among nonmanufacturing industries, Ohio accounted for relatively large shares of nationwide value added in the following industries: coal production, 5.0%; depository institutions, 5.0%; trucking and warehousing, 4.7%; health services, 4.3%; and insurance carriers, 4.2%.

Ohio Employment Shifts from Manufacturing Toward Services

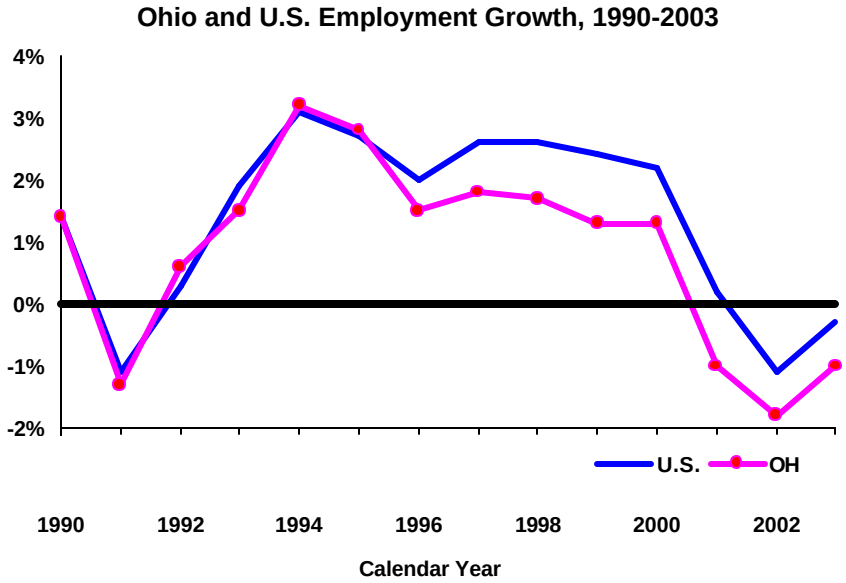
Ohio Employment by Sector
(in thousands)

	Calendar Year			Avg. Annual Rate of Change
Sector*	**1990**	**2000**	**2003**	**1990-2003**
Natural Resources & Mining	17.9	12.9	11.7	-3.2%
Construction	193.3	246.1	229.8	1.3%
Manufacturing	1,064.6	1,021.0	844.2	-1.8%
Trade	814.0	919.0	862.7	0.5%
Transportation & Utilities	154.5	196.3	182.4	1.3%
Information	101.8	107.2	97.3	-0.4%
Financial Activities	252.7	305.2	312.0	1.6%
Professional & Business Svcs.	438.4	644.9	607.2	2.5%
Educational & Health Svcs.	543.1	680.3	727.1	2.3%
Leisure, Hospitality, and Other Svcs.	580.0	706.6	715.1	1.6%
Government	722.2	785.1	801.5	0.8%
Total	**4,882.3**	**5,624.6**	**5,391.0**	**0.8%**

* The figures in the table are based on the North American Industrial Classification System (NAICS), which the U.S. Bureau of Labor Statistics (BLS) adopted in 2003. Prior to 2003, BLS reported employment based on an employer's Standard Industrial Classification (SIC). The NAICS system was intended to provide better information about the structure of today's economy, but much historical data is not available on the NAICS basis.

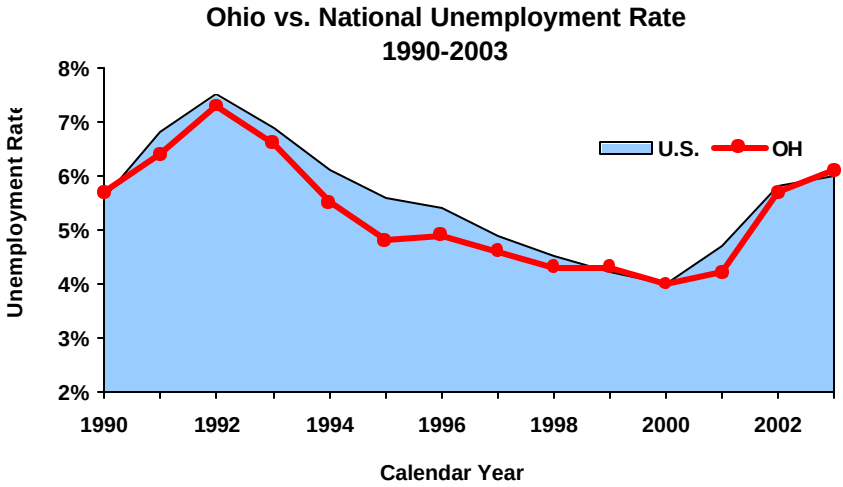
- Between 1990 and 2003, manufacturing employment in Ohio fell from 21.8% of wage and salary employment to 15.7%. During this same period, employment in professional and business services and in educational and health services increased from 20.1% to 24.8%.
- Local governments account for 69.5% of government 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 BLS reports statistics, construction paid Ohio nonsupervisory workers the most in 2003: $783.58 in average weekly earnings (AWE). Ohio manufacturers, by comparison, paid $738.00 and firms in the transportation and utilities sector paid $583.13. Retail trade paid the least among industries for which wages are reported: $334.95 AWE in 2003.
- Although it is the highest paying sector, construction decreased in AWE from $796.80 in 2001 to $783.58 in 2003, a fall of 1.7%. AWE increased in all other sectors reported except transportation and utilities. AWE increased the most, by 6.7%, in manufacturing.

Ohio Employment Growth Lags National Pace



- Between 1990 and 2003, Ohio job growth averaged 0.8% per year compared to a U.S. average growth rate of 1.3%. This may have been due in part to a relative scarcity of workers in Ohio, since Ohio's unemployment rate was below the national rate through most of this period. Moreover, Ohio's population grew more slowly than the country's as a whole over the decade of the 1990s (by 0.5% per year vs. 1.2% per year, respectively).
- Total nonfarm payroll employment in Ohio peaked in CY 2000 at 5.62 million. For CY 2003, average payroll employment had fallen by approximately 234,000 to 5.39 million, a decrease of 4.2%.
- Ohio's strongest job growth between 1990 and 2003 was in professional and business services (2.5% average annual compounded growth), educational and health services (2.3%), other services (1.9%), and financial activities (1.6%).
- The greatest employment loss occurred in mining, which lost jobs at a 3.2% average annual rate.
- Manufacturing lost jobs over this period at an average annual rate of 1.8%. Following the 1990 recession, manufacturing employment peaked in mid-1995. From then until the end of 2003, Ohio lost approximately 214,000 manufacturing jobs.

Unemployment Rates for Ohio, U.S. Rise



- For most of the period between 1990 and 2003, Ohio's annual average unemployment rate was below the national average. Ohio's unemployment rate exceeded the national rate in 2003, the second year since 1990 that that has happened.
- In 1990, Ohio's unemployment rate was 5.7%. In 2003, it was 6.1%. The U.S. unemployment rate was 5.6% in 1990 and 6.0% in 2003.
- Throughout 1990 an average of 309,674 people were unemployed in Ohio. In 2003, the average was 363,385.
- During the period shown, both the unemployment rate and the average annual number of unemployed reached their highest levels in 1992, at 7.3% and 401,562. The lowest levels were reached in 2000 at 4.0% and 233,060.
- Although the state's average unemployment rate for 2003 was higher than Indiana's (5.1%) and Pennsylvania's (5.6%), it was lower than Kentucky's (6.2%), Michigan's (7.3%), and Illinois' (6.7%). West Virginia's rate (6.1%) was the same as Ohio's.
- Unemployment rates vary greatly by county within Ohio. In 2003, 51 counties had average unemployment rates that exceeded the statewide average and 37 counties were at or below the statewide average. The highest rate was 16.4% and the lowest rate was 3.4%.
- Among Ohio workers receiving unemployment compensation, the average duration of unemployment during the 12 months ending in December 2003 was 15.6 weeks. Among all U.S. workers receiving unemployment compensation, the comparable figure was 16.4 weeks.

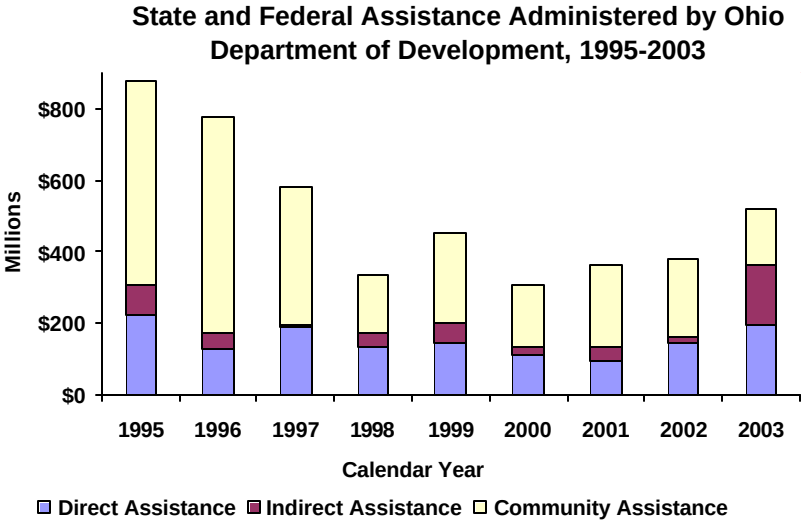
Ohio Ranks High in Exports

2003 Exports and Percentage Change

Rank	Description	CY 2002 (millions)	CY 2003 (millions)	% Change 2002- 2003
	Total All States	**$693,257**	**$723,743**	**4.4%**
1	Texas	$95,396	$98,846	3.6%
2	California	$92,214	$93,995	1.9%
3	New York	$36,977	$39,181	6.0%
4	Washington	$34,627	$34,173	-1.3%
5	Michigan	$33,775	$32,941	-2.5%
6	**Ohio**	**$27,723**	**$29,764**	**7.4%**
7	Illinois	$25,686	$26,473	3.1%
8	Florida	$24,544	$24,953	1.7%
9	Massachusetts	$16,708	$18,663	11.7%
10	Louisiana	$17,567	$18,390	4.7%

- From 2002 to 2003, the dollar value of Ohio's exports increased by 7.4%, compared to an overall U.S. increase of 4.4%. Among the top ten exporting states, Ohio ranked second in the percentage increase in exports in 2003.
- Ohio's state rank in value of exports rose from 11th place in 1987 to 7th place in 1999. It fell back to 8th place in 2000 and 2001 before rising to 6th place in 2002 and 2003.
- In 2003, Ohio had five export markets where dollar volume exceeded $1 billion: Canada, Mexico, United Kingdom, Japan, and France. Of these, Canada was by far the largest market, purchasing over $16.9 billion of Ohio's $29.8 billion in exports, or about 57%. Mexico was Ohio's second largest export market at $2.1 billion, or 7.1%. The state's largest overseas market was the United Kingdom, accounting for $1.2 billion, or 4.2%.
- In 2003, Ohio's top exporting sectors were vehicles/not railway ($8.5 billion), machinery ($7.6 billion), electrical machinery ($1.8 billion), plastics ($1.3 billion), and optic/medical instruments ($0.9 billion). Together these five manufacturing sectors accounted for $20.1 billion, or about 67%, of all Ohio exports.

Economic Development Spending Increases after Years on the Decline



- State and federal funds 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 the Ohio Department of Development (ODOD)).
- Included are programs administered by the following ODOD divisions: Community Development, Minority Business Affairs, Economic Development, Technology, and the Ohio Housing Finance Agency.
- Total 2003 spending of $519,207,827 on economic development reflects a 40.8% decrease from total 1995 spending of $876,689,236; however, 2003 spending levels increased 35.7% from $382,660,974 in 2002.
- Reported as projections by companies: 16,727 jobs were created, 39,680 jobs were retained, and 61,651 workers were trained through 2003 direct assistance. 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 $572,209,029 in 1995 to $154,590,927 in 2003, representing a 73.0% decrease.

Ohio among Nation's Leaders in Agriculture

Ohio Rankings for Selected Field Crops in 2002

Commodity	U.S. Rank	Unit	Production	State Ranked First	Production
Corn for grain	10	Bushels	252,560,000	Iowa	1,963,500,000
Corn for silage	13	Tons	2,565,000	Wisconsin	11,680,000
Oats	9	Bushels	3,720,000	Minnesota	15,960,000
Winter Wheat	6	Bushels	50,220,000	Kansas	267,300,000
Soybeans	7	Bushels	141,300,000	Iowa	494,880,000
Hay (baled)	16	Tons	3,750,000	Texas	13,850,000
Sugarbeets	12	Tons	37,000	Minnesota	8,854,000
Tobacco	8	Pounds	9,625,000	North Carolina	347,920,000

- According to the 2002 U.S. Census of Agriculture, Ohio had approximately 10 million 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. Approximately 85% of Ohio's harvested cropland is used for these three crops.
- According to the Ohio Department of Agriculture's *Annual Report and Statistics*, the 2002 crop was affected by excess rain during the planting and harvesting seasons, as well as drought conditions during the growing season. This resulted in some of the poorest yields for corn and soybeans since 1988.
- In 2002, the average size of a farm in Ohio was 187 acres, while the average U.S. farm was 441 acres.
- The number of farms in Ohio has been decreasing over the past several decades. The number of farms in 1960 was 149,000, compared to 78,000 farms in 2002. There were 2,129,000 farms in the U.S. in 2002.
- Of the 78,000 farms in Ohio, 71,000 are owned by a family or individual.
- In 2002, Ohio led the nation in the production of Swiss cheese (94,390,000 pounds) and was ranked second in the number of eggs produced (7.9 billion collected).
- Ohio ranked third in the nation in the number of livestock slaughter plants. There were 160 plants in January of 2003.