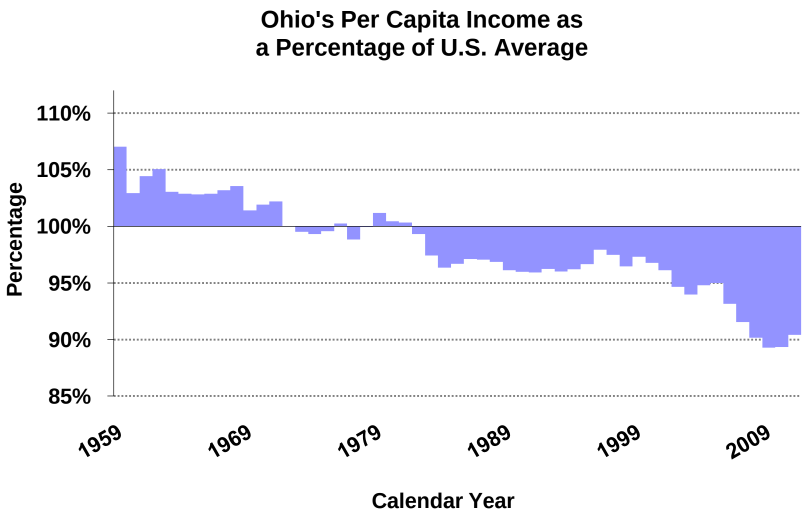
Ohio's Economy Ranks 8th Largest Among States

2008 Gross Domestic Product by State				
	Total GDP ($ in billions)		Per Capita GDP	
State	Amount	Rank	Amount	Rank
Ohio	**$471.5**	**8**	**$41,051**	**31**
Neighboring States				
Indiana	$254.9	17	$39,967	39
Kentucky	$156.4	27	$36,643	44
Michigan	$382.5	12	$38,241	41
Pennsylvania	$553.3	6	$44,448	25
West Virginia	$61.7	40	$33,978	49
Top Ranked State	$1,846.8	California	$70,814	Delaware
U.S.	$14,165.6	--	$46,588	--

Source: U.S. Bureau of Economic Analysis

- Ohio's gross domestic product (GDP), the broadest measure of economic production, totaled $471.5 billion in 2008, which was the 8th largest in the U.S., between New Jersey (7th) and North Carolina (9th). Among its neighboring states, Ohio's economy was 2nd largest, behind Pennsylvania.
- If Ohio's economy were compared with the U.S. and other nations, it would rank 25th largest in the world in 2008, according to a World Bank measure that takes into account exchange rate conversions based on purchasing power parity. Ohio's ranking would be between South Africa (24th) and Egypt (26th).
- On a per capita basis, Ohio's GDP of $41,051 ranked 31st largest among states in 2008. Pennsylvania was the only neighboring state to rank higher than Ohio, with per capita GDP of $44,448 (25th).
- In 2008, Ohio's total GDP accounted for 3.3% of U.S. GDP, compared with 4.0% a decade earlier. Ohio's share of the U.S. economy has declined in most years as Ohio's economy has grown more slowly than the U.S. as a whole. In nominal terms, Ohio's GDP grew by an average rate of 3.1% per year during the ten years ending in 2008, while GDP for the U.S. grew by 5.0% per year.
- A similar pattern holds for Ohio's neighboring states. Over the last decade, the average annual economic growth in each of those states was slower than the U.S. average. West Virginia's GDP growth was fastest during this period, averaging 4.6% per year. Michigan was the only neighboring state with slower GDP growth than that of Ohio, averaging 2.1% per year.

Ohio's Per Capita Income Remains Below U.S. Average



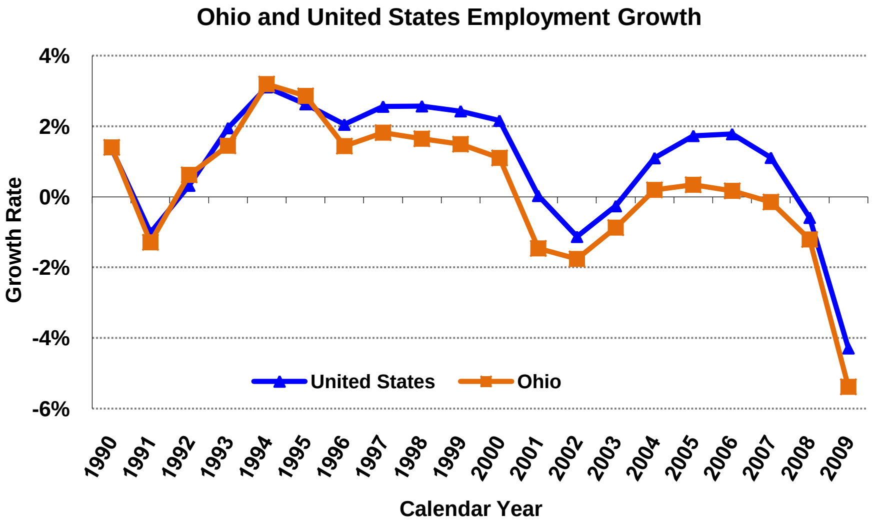
Source: U.S. Bureau of Economic Analysis

- Ohio's per capita income exceeded the U.S. average through the 1960s, but since 1980 it has remained below the U.S. average. The gap between Ohio's per capita income and the U.S. average has widened over the years, increasing from less than 1 percentage point below in 1980 to almost 10 percentage points below in 2009.
- In 2009, Ohio's per capita personal income of $35,381 ranked 33rd in the nation. Connecticut's personal income per capita was the highest at $54,397. The lowest, Mississippi, was $30,103. The table below shows the ranking and per capita incomes for the U.S. and Ohio's neighboring states. Ohio's ranking was higher than four of the five neighboring states.

Per Capita Income for the U.S. and Neighboring States, 2009

State	National Rank	Per Capita Income
U.S.	--	$39,138
Pennsylvania	18	$39,578
Michigan	37	$34,025
Indiana	40	$33,725
West Virginia	44	$32,219
Kentucky	46	$31,883

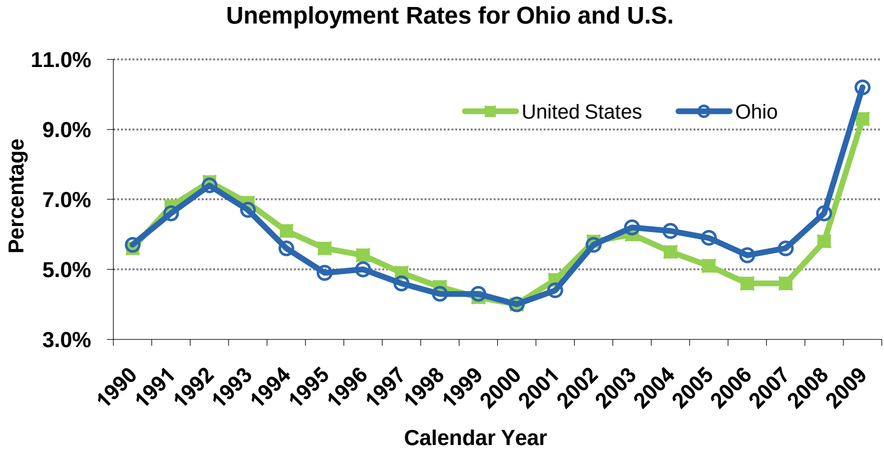
Ohio Employment Growth Lags National Pace Since 1996



Source: U.S. Bureau of Labor Statistics

- Between 1990 and 1995, Ohio employment growth generally mirrored the U.S. average. Since then Ohio employment has grown slower than the U.S. average in years where growth was positive, and employment declined more than the U.S. average when growth was negative. Ohio's divergent growth is related to Ohio's slower population growth and the industry structure of Ohio's economy.
- Total nonfarm payroll employment in Ohio peaked in 2000 at 5.62 million, and then fell to 5.40 million in 2003. After three years of modest growth, employment began falling again, totaling 5.07 million in 2009, about 550,000 (9.8%) below its 2000 peak.
- U.S. nonfarm payroll employment of 130.92 million in 2009 was 0.7% below its 2000 level, and 4.9% below its 2007 peak level.
- Ohio's strongest job growth over the last decade was in educational and health services (2.1% annual average growth). Employment also grew in government (0.2%) and was essentially flat in leisure and hospitality. Employment in all other industrial sectors declined between 1999 and 2009.
- The greatest employment loss occurred in manufacturing which lost jobs at an average annual rate of 4.8%. After declining following the 1990 recession, manufacturing employment rose to a peak of about 1.04 million in 1995. From then through 2009, Ohio lost approximately 408,000 manufacturing jobs.

Ohio's Unemployment Rate Exceeds National Average Since 2003



Sources: U.S. Bureau of Labor Statistics; Ohio Labor Market Information

- Ohio's unemployment rate has been higher than the national average every year since 2003. In 2003, Ohio's unemployment rate was 0.2 percentage points higher than the national average. By 2009, the gap widened to 0.9 percentage points.
- During the 1990s, Ohio's unemployment rate exceeded the national average in only two years, 1990 and 1999.
- Between 1990 and 2009, the number of people unemployed in Ohio varied from a peak monthly average of 611,000 in 2009 to a low of 234,000 in 2000. From 2008 to 2009, the number of unemployed people increased by 218,000.
- Ohio's unemployment rate for 2009 was 10.2%, the third highest among neighboring states next to Michigan's (13.6%) and Kentucky's (10.5%). Other neighboring states had lower unemployment rates compared to Ohio: Indiana (10.1%), Pennsylvania (8.1%), and West Virginia (7.9%).
- Unemployment rates vary greatly among Ohio's counties. In 2009, 61 counties had unemployment rates that exceeded the statewide average and 27 counties had rates at or below the statewide average. The highest rate was 15.7% (Williams) and the lowest rate was 6.9% (Delaware).
- Among Ohio workers receiving regular unemployment compensation, the average duration of unemployment benefits during the 12 months ending in July 2010 was 22.2 weeks, which is higher than the average duration (19.9 weeks) for all U.S. workers receiving unemployment benefits.

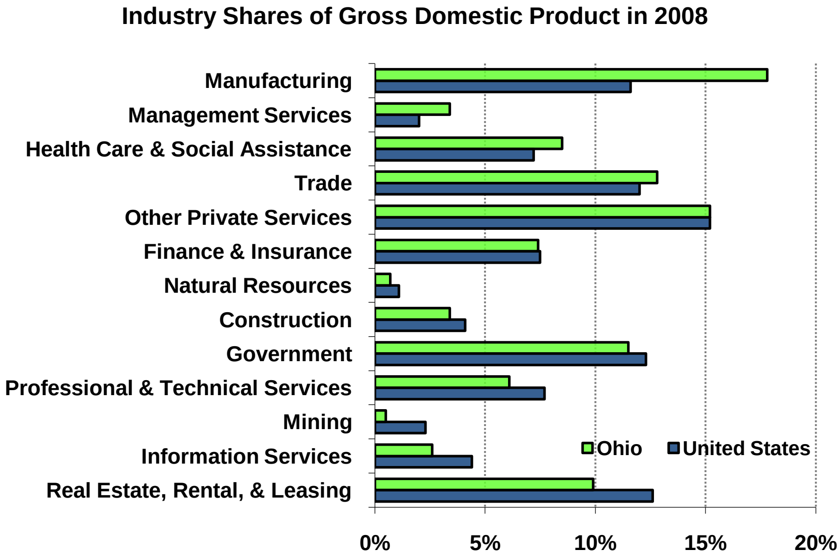
Ohio Employment Continues Shifting Toward Services

Ohio Employment by Sector (in thousands)			
Sector	Calendar Year		Average Annual Growth
	1999	2009	1999-2009
Goods-Producing			
Mining/Natural Resources	13.5	11.7	-1.4%
Construction	240.4	181.4	-2.8%
Manufacturing	1,027.6	629.2	-4.8%
Subtotal	***1,281.5***	***822.3***	***-4.3%***
Private Service-Providing			
Trade	910.5	781.6	-1.5%
Transportation & Utilities	192.0	186.7	-0.3%
Information	106.2	80.6	-2.7%
Financial Activities	303.4	278.6	-0.8%
Professional & Business Services	633.2	616.5	-0.3%
Educational & Health Services	669.0	826.3	2.1%
Leisure, Hospitality, and Other Services	695.4	690.6	-0.1%
Subtotal	***3,509.8***	***3,461.0***	***-0.1%***
Government	***772.1***	***790.4***	***0.2%***
Total	**5,563.5**	**5,073.6**	**-0.9%**

Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics

- Between 1999 and 2009, Ohio employment in the private service-providing industries decreased by 0.1% per year and government employment grew by 0.2% per year. In contrast, employment in the goods-producing industries fell by 4.3% annually during the same period.
- Due to the different growth rates, the goods-producing industries' share of total employment decreased from 23.0% in 1999 to 16.2% in 2009 while the private service-providing industries' share increased from 63.1% to 68.2%. The government sector share increased from 13.9% to 15.6%.
- The share of manufacturing employment in Ohio fell from 18.5% to 12.4% between 1999 and 2009, compared with a national decrease from 13.4% to 9.1%.
- Overall employment growth in the government sector was entirely attributable to growth in local government employment, which increased by 24,100 employees between 1999 and 2009 whereas the entire government sector grew by 18,300 employees over the same period. Growth in state employment was essentially flat, while federal employment decreased over this period.

Manufacturing Comprises Larger Share of Ohio's Economy than That of the Nation

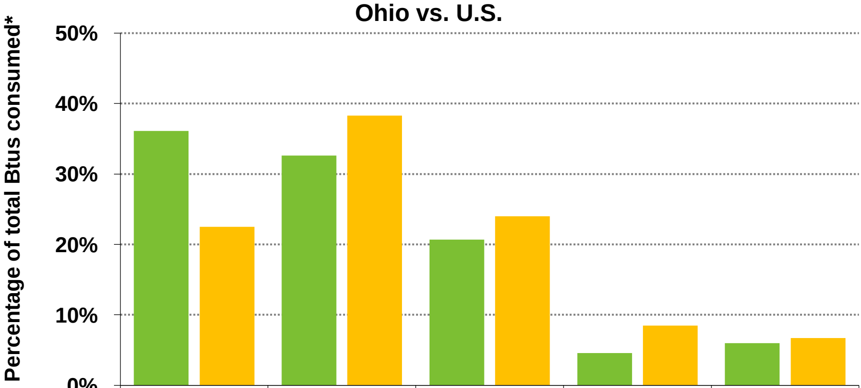


Source: U.S. Bureau of Economic Analysis

- Ohio's economy remains more concentrated in manufacturing than the nation's economy. Output of the state's factories accounted for 18% of Ohio's gross domestic product (GDP) in 2008. Nationwide, manufacturing's share was 12%. Other industry groups that are more concentrated in Ohio than nationwide include management services, health care and social assistance, and trade, particularly wholesale trade.
- Manufacturing's larger share of Ohio's GDP reflects the state's specialization in production of durable goods, particularly motor vehicles and parts, primary metals, fabricated metal products, and electrical equipment and appliances, as well as plastics and rubber products. Ohio's economy has been heavily concentrated in manufacturing for decades.
- Oregon (16%) and Indiana (15%) derived a higher share of state GDP from durable goods manufacturing in 2008 than Ohio's 12%. Wisconsin and Michigan's shares were also slightly higher than that of Ohio. All other states had lower shares.
- Production of goods – in construction, natural resource industries, mining, and manufacturing – accounted for 23% of Ohio's GDP in 2008, higher than the comparable figure for the nation (19%) because of the relatively large share of manufacturing in Ohio. The rest of the value of economic activity is in the service sector, for Ohio (77%) and the nation (81%).

Ohio's Reliance on Coal for Energy Needs Exceeds National Average

Energy Consumption by Source, 2008
Ohio vs. U.S.



	Coal	Petroleum	Natural gas	Nuclear	Other
Ohio	36.1%	32.6%	20.7%	4.6%	6.0%
U.S.	22.5%	38.3%	24.0%	8.5%	6.7%

* A Btu is a heat unit with which energy consumption is measured. One Btu will raise the temperature of one pound of water by one degree Fahrenheit.

Source: United States Energy Information Administration

- Coal provided the largest source of energy consumed in Ohio in 2008 (36.1%); petroleum was a close second (32.6%). Nationally, petroleum was the largest source of energy consumed (38.3%), followed by natural gas (24.0%). Greater use of coal in Ohio reflects the state's legacy as a leading coal-producing state.
- Natural gas was the third largest source of energy consumed in Ohio providing just over one-fifth of the total.
- Other sources, including nuclear, hydroelectricity, biomass, and other renewable sources, made up the remaining 10.6% of energy consumed in Ohio. Nationally, these sources made up 15.2%.
- Ohio was the sixth largest energy user among the 50 states in 2008, due primarily to Ohio's relatively large population. On a per capita basis, Ohio ranked 24th in the nation in energy consumption.
- Ohio's industrial base requires significant energy resources. In terms of usage by industrial customers, Ohio ranked 4th among states in 2008 in overall energy usage and 2nd behind Texas in electricity usage.

Ohio Ranks 7th Nationally in the Value of Exports

Top Ten States in Exports				
2009 Rank	**States**	**2008 (in billions)**	**2009 (in billions)**	**% Change 2008-2009**
	U.S.	**$1,300.5**	**$1,056.9**	**-18.7%**
1	Texas	$192.1	$163.0	-15.1%
2	California	$144.8	$120.1	-17.0%
3	New York	$79.6	$57.3	-28.0%
4	Washington	$66.9	$51.7	-22.6%
5	Florida	$54.3	$46.9	-13.5%
6	Illinois	$53.4	$41.5	-22.3%
7	**Ohio**	**$45.5**	**$34.1**	**-25.1%**
8	Louisiana	$41.9	$32.7	-22.0%
9	Michigan	$44.9	$32.6	-27.5%
10	Pennsylvania	$34.4	$28.3	-18.0%

Source: U.S. Census Bureau

- In 2009, the value of Ohio's exports to foreign countries ranked 7th highest among the 50 states. Ohio's export value of $34.1 billion accounted for 3.2% of total U.S. exports in 2009.
- Ohio's exports were 9.6% of the state's gross domestic product (GDP) in 2008, higher than the U.S. average of 9.2%.
- From 2008 to 2009, the value of Ohio's exports decreased 25.1%, compared to an overall U.S. decline of 18.7%. Among the top ten exporting states, New York (-28.0%) and Michigan (-27.5%) were the only two that had larger rates of decrease than Ohio.
- On a per capita basis, Ohio's exports ranked 23rd highest in 2009. Ohio's per capita export value of $2,953 that year was lower than the U.S. average of $3,443.
- In 2009, Ohio had seven export markets where sales exceeded $1 billion each: Canada, Mexico, China, the United Kingdom, Greece, Brazil, and Japan. Canada was the largest market, purchasing $14.2 billion, or 41.6% of Ohio's exports. Mexico was Ohio's second largest export market at $2.7 billion, or 7.9%. Ohio's largest overseas market was China, accounting for $1.9 billion, or 5.5%.
- Six of Ohio's production sectors exported over $1 billion each in 2009. They were: machinery ($6.8 billion), vehicles/not railway ($4.6 billion), aircraft ($3.9 billion), electrical machinery ($2.4 billion), plastics ($1.7 billion), and optical/medical instruments ($1.5 billion). Together, these six sectors accounted for 61.1% of Ohio's exports.

Ohio Ranks in the Top 15 Nationally in Receipts from Each of Its Five Leading Agricultural Commodities

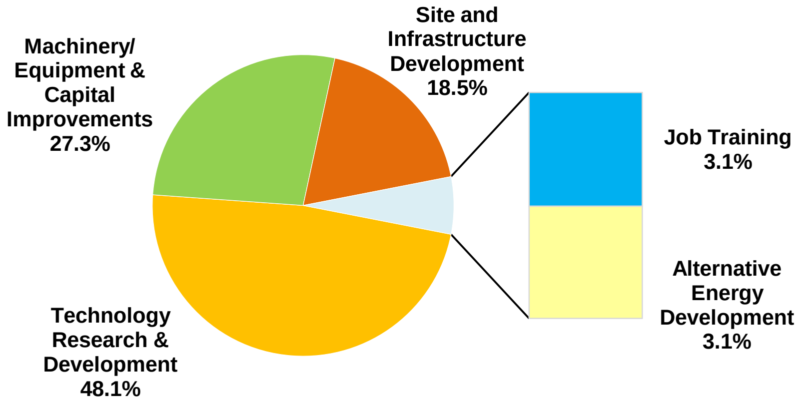
Cash Receipts and Rankings of Ohio's Five Leading Commodities, 2008				
Commodity	**Value of Receipts (in 000s)**	**% of Ohio Total Receipts**	**% of U.S. Total Receipts**	**National Rank**
Corn	$2,071,390	26.0%	4.0%	7
Soybeans	$1,874,494	23.5%	6.5%	5
Dairy Products	$1,004,700	12.6%	2.9%	11
Chicken Eggs	$585,489	7.3%	7.1%	2
Hogs	$434,662	5.4%	2.7%	14
Top Five Subtotal	**$5,970,735**	**74.8%**	**2.8%**	**--**
All Commodities	**$7,979,401**	**100.0%**	**2.5%**	**15**

Sources: U.S. Department of Agriculture; U.S. Census Bureau

- In 2008, cash receipts from each of Ohio's five leading agricultural commodities ranked among the top 15 in the nation. The highest ranking was for chicken eggs (2nd). Cash receipts from these five leading commodities were almost $6.0 billion and accounted for 74.8% of Ohio's total commodity cash receipts.
- Overall cash receipts of Ohio commodities (nearly $8.0 billion) ranked 15th in the United States in 2008 and accounted for 2.5% of the nation's total commodity cash receipts.
- From 2002 to 2008, Ohio's overall cash receipts from commodities increased by 87.2%, higher than the national average increase of 61.6%. Of the five states in the Cornbelt Production Region, Ohio's growth rate ranked fourth only above Missouri's (69.3%). Iowa (101.7%), Indiana (108.3%), and Illinois (113.1%) had higher growth rates during the same period.
- Mercer, Darke, Wayne, Hardin, and Licking were the top five Ohio counties in cash receipts from commodities in 2008.
- Ohio farm acreage declined from 14.8 million acres in 2000 to just over 13.9 million acres in 2008, a decline of 6.1%. This rate of loss exceeded the 2.7% decrease for the nation as a whole over the same period.

Research and Development Assistance Comprises Largest Share of Development Loan and Grant Spending

Development Loan and Grant Expenditures by Category, FY 2010



Source: Ohio Administrative Knowledge System

- The Department of Development disbursed $257.9 million in economic development loans and grants in FY 2010. Of this total, $123.9 million (48.1%) was disbursed under programs providing assistance for research, development, and commercialization of new technologies, including $74.4 million in Third Frontier funds.
- FY 2010 spending in the Machinery, Equipment, and Capital Improvements award category totaled $70.3 million. These awards, such as 166 Direct Loans, Rapid Outreach Grants, and Minority Business Enterprise Loans, assist businesses with machinery and equipment purchases, facility renovations, or real estate purchases.
- Site and Infrastructure Development award spending totaled $47.8 million in FY 2010, including $28.0 million under the Job Ready Sites Program. Roadwork Development Grants and Urban Redevelopment Loans comprise the remainder of this category.
- The Ohio Workforce Guarantee Program spent $8.0 million to provide job training grants to businesses in FY 2010. Although it comprises only a modest portion of all loan and grant spending, this program typically has a high volume of awards, with 192 new grants announced in FY 2009.
- Advanced and alternative energy assistance constitutes a fast-growing category of development incentives. Loan and grant expenditures from the Advanced Energy Fund grew from $520,000 in FY 2003 to $7.9 million in FY 2010, a 15-fold increase.

Ohio's Median Home Prices Remain Below National and Regional Levels

Median Sales Price of Existing Single-Family Homes in Ohio Metropolitan Statistical Areas			
Metropolitan Statistical Area	**2008**	**2009**	**Change**
Akron	$100,500	$93,200	-7.3%
Canton-Massillon	$92,500	$86,200	-6.8%
Cincinnati-Middletown	$131,800	$125,800	-4.6%
Cleveland-Elyria-Mentor	$108,500	$106,800	-1.6%
Columbus	$139,300	$134,900	-3.2%
Dayton	$107,000	$104,100	-2.7%
Toledo	$91,200	$83,400	-8.6%
Youngstown-Warren-Boardman	$71,700	$66,500	-7.3%
Midwest	**$150,500**	**$142,900**	**-5.0%**
United States	**$196,600**	**$172,100**	**-12.5%**

Source: National Association of Realtors

- The median sales prices of existing single-family homes in Ohio's eight largest metropolitan statistical areas (MSAs) are below the medians of both the United States and the Midwest region. In 2009, the Columbus MSA had the highest median sales price in Ohio, at $134,900, while the Youngstown-Warren-Boardman MSA had the lowest, at $66,500.
- From 2008 to 2009, Ohio and the Midwest's existing home sales prices declined at a slower rate than the U.S. The Ohio MSA with the highest rate of decline was Toledo (-8.6%), while the lowest rate of decline was in the Cleveland-Elyria-Mentor MSA (-1.6%).
- The number of existing homes (including single-family homes, condominiums, and co-ops) sold in Ohio increased by 8.3%, from 229,700 in 2008 to 248,700 in 2009. This compares favorably to both the growth rates for the U.S. (4.9%) and the Midwest region (3.0%).
- Three out of the five states that border Ohio also experienced a gain in total existing home sales from 2008 to 2009: Pennsylvania (0.9%), Michigan (7.4%), and West Virginia (8.2%). Existing home sales in Kentucky and Indiana decreased by 2.0% and 11.7%, respectively, during the same period.

Liquor Sales Continue to Increase at Retail and Decrease at Wholesale

Source: Ohio Department of Commerce

- Due to the growth in retail dollar sales, total liquor sales increased to $742.7 million in FY 2010, an increase of $12.8 million (1.8%) compared to total liquor sales of $729.9 million in FY 2009. Retail sales account for nearly 70% of total liquor sales.
- Retail dollar sales – those sales made by contract liquor agencies directly to consumers – continued to grow in FY 2010, though at a slower pace than in recent years. In FY 2010, retail sales increased $16.6 million, or 3.4%, over FY 2009. Retail dollar sales have increased every year from FY 2001 to FY 2010 with an average annual growth rate of 5.9%.
- In FY 2010, wholesale liquor dollar sales – those sales made by contract liquor agencies to retailers, such as restaurants and bars – decreased for the third consecutive year, declining by $3.8 million, or 1.6%, from FY 2009. The annual growth rate in wholesale dollar sales has been declining since FY 2004, turning negative in FY 2008.
- The proceeds of liquor sales are used to pay for the operating expenses of the Division of Liquor Control of the Department of Commerce, retire certain economic development and Clean Ohio revitalization bonds, and fund state liquor law enforcement and alcoholism treatment. After these expenses have been paid, the profits are transferred to the GRF. In FY 2010, transfers to the GRF from the Liquor Control Fund (Fund 7043) amounted to $167.7 million.