

Ohio's Economy Ranks 8th Largest Among States

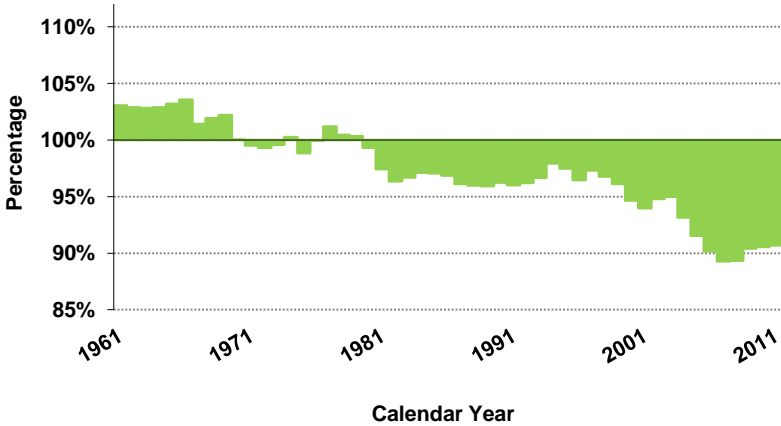
| 2011 Gross Domestic Product by State | | | | |
|--------------------------------------|----------------------------|------------|-----------------|-----------|
| State | Total GDP (\$ in billions) | | Per Capita GDP | |
| | Amount | Rank | Amount | Rank |
| Ohio | \$484.0 | 8 | \$41,920 | 33 |
| <i>Neighboring States</i> | | | | |
| Pennsylvania | \$578.8 | 6 | \$45,424 | 28 |
| Indiana | \$278.1 | 17 | \$42,678 | 32 |
| Michigan | \$385.2 | 13 | \$39,008 | 40 |
| Kentucky | \$164.8 | 28 | \$37,717 | 44 |
| West Virginia | \$66.8 | 39 | \$36,015 | 48 |
| Top Ranked State | \$1,958.9 | California | \$72,486 | Delaware |
| U.S. | \$14,981.0 | -- | \$48,079 | -- |

Source: U.S. Bureau of Economic Analysis

- Ohio's gross domestic product (GDP), the broadest measure of economic production, totaled \$484.0 billion in 2011, which was the 8th largest in the U.S., between New Jersey (7th) and North Carolina (9th). Among its neighboring states, only Pennsylvania's economy was larger at \$578.8 billion.
- On a per capita basis, Ohio's GDP of \$41,920 ranked 33rd largest in the nation in 2011. Among its neighboring states, Pennsylvania and Indiana ranked higher than Ohio, with per capita GDP of \$45,424 (28th) and \$42,678 (32nd), respectively.
- In 2011, Ohio's total GDP accounted for 3.2% of U.S. GDP, compared with 3.7% 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 2.4% per year during the ten years ending in 2011, while GDP for the U.S. grew by 3.9% per year.
- Over the last decade, average annual economic growth in Ohio's neighboring states was also slower than the U.S. average, with the exception of West Virginia where GDP growth averaged 4.5% per year. Michigan was the only neighboring state with slower GDP growth than that of Ohio, averaging 1.3% per year.
- If Ohio's economy were compared with the U.S. and other nations, it would rank 22nd largest in the world in 2010, based on a World Bank measure with GDP in domestic currencies converted into dollars at official exchange rates. On this basis, Ohio's ranking would have been between Belgium (21st) and Sweden (23rd).

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

Ohio's Per Capita Income as a Percentage of U.S. Average

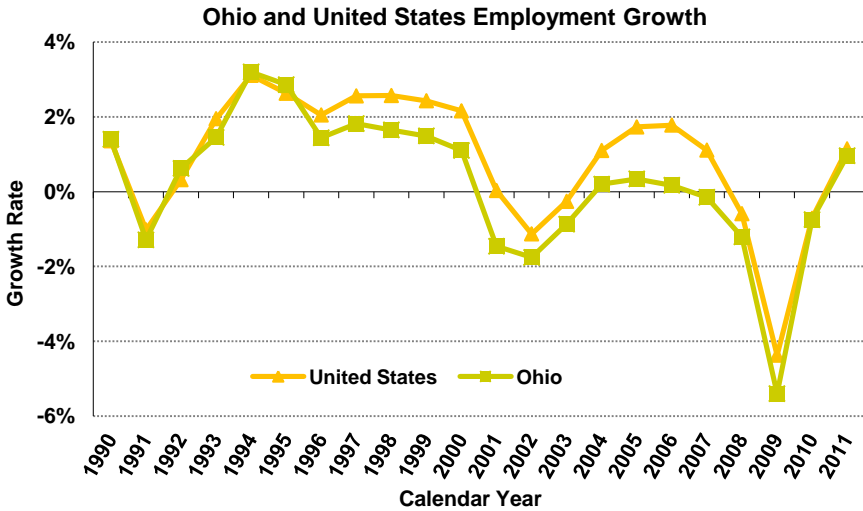


Source: U.S. Bureau of Economic Analysis

- Ohio's per capita income exceeded the U.S. average through the 1960s, but since 1980, 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 3 percentage points below in 1981 to over 9 percentage points below in 2011.
- In 2011, Ohio's per capita income of \$37,791 ranked 33rd in the nation. Connecticut's per capita income was the highest at \$56,889. The lowest, Mississippi, was \$32,176. As shown in the table below, Ohio's per capita income was higher than all neighboring states except Pennsylvania.

| Per Capita Income for the U.S., Ohio, and Neighboring States in 2011 | | |
|--|---------------|-------------------|
| State | National Rank | Per Capita Income |
| U.S. | -- | \$41,663 |
| Pennsylvania | 18 | \$42,478 |
| Ohio | 33 | \$37,791 |
| Michigan | 36 | \$36,533 |
| Indiana | 41 | \$35,550 |
| Kentucky | 47 | \$33,667 |
| West Virginia | 48 | \$33,513 |

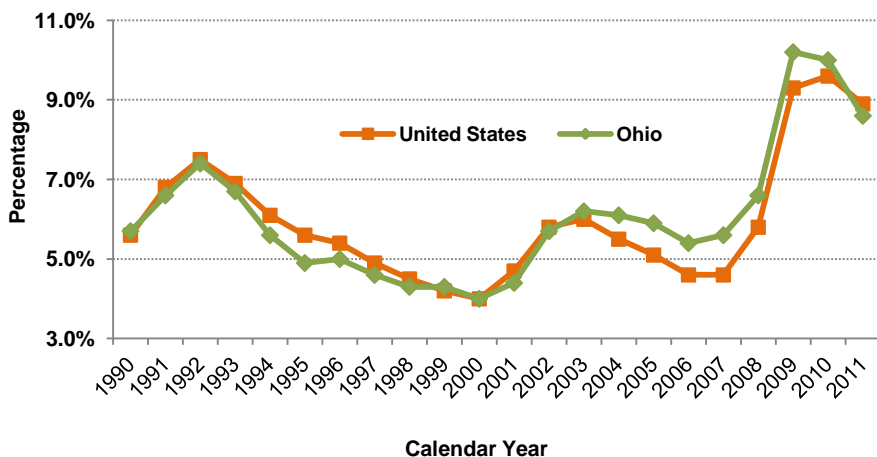
Ohio Employment Growth Mirrors National Pace Since 2010



- Since the conclusion of the most recent recession, Ohio employment growth generally mirrored the U.S. average, which was a pattern not seen since 1990-1995. In the ensuing years, from 1996-2009, Ohio employment grew more slowly than the U.S. average in years where growth was positive and employment declined faster 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 an intra-decade low of 5.03 million in 2010. Employment increased 1.0% in 2011 to 5.08 million, which is approximately 542,000 (9.6%) below its 2000 peak.
- U.S. nonfarm payroll employment of 131.36 million in 2011 was 0.3% below its 2000 level, and 4.5% below its 2007 peak level.
- Ohio's strongest job growth over the last decade was in educational and health services (2.0% annual average growth). Employment also grew in professional and business services (0.3%). Employment in all other industrial sectors declined between 2001 and 2011.
- The greatest employment loss occurred in manufacturing which lost jobs at an average annual rate of 3.9%. After declining following the 1990 recession, manufacturing employment rose to a peak of 1.04 million in 1995. From then through 2011, Ohio lost approximately 399,000 manufacturing jobs. However, manufacturing employment grew along with total employment in 2011.

Ohio's Unemployment Rate Fell Below National Average in 2011 for the First Time Since 2003

Unemployment Rates for Ohio and U.S.



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

- In 2011, Ohio's unemployment rate was 8.6%, 0.3 percentage points lower than the national average of 8.9%. Prior to 2011, Ohio's unemployment rate exceeded the national rate for eight consecutive years, from 2003 to 2010.
- From 1990 to 2002, Ohio's unemployment rate exceeded the national average in only two years, 1990 and 1999.
- Between 1990 and 2011, the number of people unemployed in Ohio varied from a peak monthly average of 601,401 in 2009 to a low of 233,882 in 2000. From 2010 to 2011, the number of unemployed people decreased by 84,000.
- Compared to its neighboring states, Ohio's 2011 unemployment rate of 8.6% was higher than that of Pennsylvania (7.9%) and West Virginia (8.0%), but lower than that of Michigan (10.3%), Kentucky (9.5%), and Indiana (9.0%).
- Unemployment rates vary greatly among Ohio's counties. In 2011, 60 counties had unemployment rates that exceeded the statewide average and 28 counties had rates at or below the statewide average. The highest rate was 15.3% (Pike) and the lowest rate was 5.9% (Mercer).
- Among Ohio workers who were unemployed in 2011, the median duration of their unemployment was 22.1 weeks. Among all U.S. workers who were unemployed in 2011, the comparable figure was 21.4 weeks.

Ohio Employment Continues Shifting Toward Services

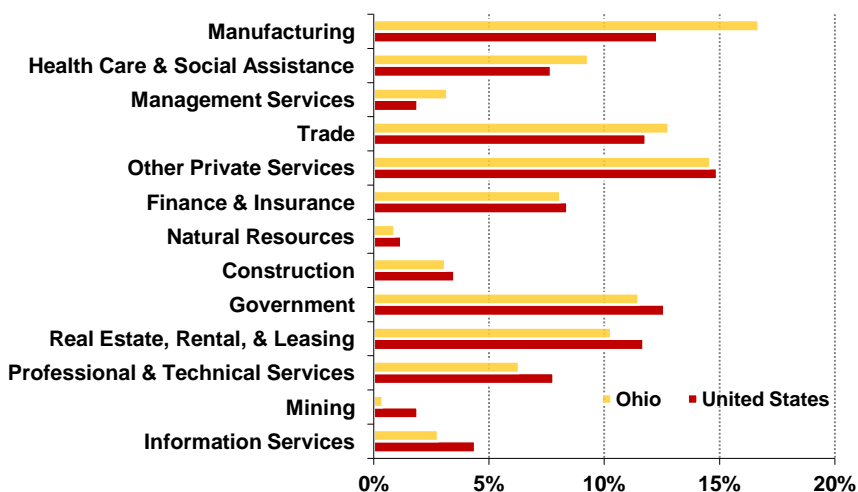
| Ohio Employment by Sector (\$ in thousands) | | | |
|---|----------------|----------------|-----------------------|
| Sector | Calendar Year | | Average Annual Growth |
| | 2001 | 2011 | 2001-2011 |
| Goods-Producing | | | |
| Mining/Natural Resources | 12.9 | 11.7 | -1.0% |
| Construction | 240.5 | 173.9 | -3.2% |
| Manufacturing | 953.0 | 638.4 | -3.9% |
| Subtotal | 1,206.5 | 823.9 | -3.7% |
| Private Service-Providing | | | |
| Trade | 904.1 | 770.8 | -1.6% |
| Transportation & Utilities | 191.7 | 182.8 | -0.5% |
| Information | 106.3 | 76.4 | -3.2% |
| Financial Activities | 307.3 | 278.1 | -1.0% |
| Professional & Business Services | 629.0 | 646.9 | 0.3% |
| Educational & Health Services | 694.0 | 850.1 | 2.0% |
| Leisure, Hospitality, and Other Services | 709.7 | 687.8 | -0.3% |
| Subtotal | 3,542.1 | 3,493.0 | -0.1% |
| Government | 794.0 | 766.2 | -0.4% |
| Total | 5,542.6 | 5,083.1 | -0.9% |

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

- Between 2001 and 2011, Ohio employment in the private service-providing industries decreased by 0.1% per year and government employment decreased by 0.4% per year. In contrast, employment in the goods-producing industries fell by 3.7% per year during the same period.
- Due to the different growth rates, the goods-producing industries' share of total employment decreased from 21.8% in 2001 to 16.2% in 2011, while the private service-providing industries' share increased from 63.9% to 68.7%. The government sector share increased from 14.3% to 15.1%.
- The share of manufacturing employment in Ohio fell from 17.2% to 12.6% between 2001 and 2011, compared with a national decrease from 12.5% to 8.9%.
- Employment growth in the service sector occurred entirely in educational and health services and in professional and business services. Employment in these two sectors increased by 174,000 between 2001 and 2011, whereas the entire private service-providing sector decreased by 49,100 employees over the same period.

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

Industry Shares of Gross Domestic Product in 2011



Source: U.S. Bureau of Economic Analysis

- Ohio's economy remains more concentrated in manufacturing than the nation as a whole. Output of the state's factories accounted for 17% of Ohio's gross domestic product (GDP) in 2011, while manufacturing's share of the national economy was 12%. Other industry groups in which Ohio's economy is more concentrated than the nation's economy include health care and social assistance, management services, and trade.
- Manufacturing's larger share of Ohio's GDP reflects the state's specialization in the production of durable goods, particularly fabricated metal products, primary metals, motor vehicles and parts, machinery, and electrical equipment and appliances, as well as nondurable goods including plastics and rubber products and chemicals. Ohio's economy has been heavily concentrated in manufacturing for decades.
- Six states derived higher shares of their GDPs from manufacturing than Ohio in 2011: Oregon, Indiana, Louisiana, North Carolina, Wisconsin, and Iowa. All other states derived lower shares from manufacturing.
- Production of goods – in construction, natural resource industries, mining, and manufacturing – accounted for 21% of Ohio's GDP in 2011, 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 (79%) and the nation (81%).

Ohio Ranks 9th Nationally in the Value of Exports

| Top Ten States in Exports | | | | |
|---------------------------|--------------|-----------------------|-----------------------|-----------------------|
| 2011 Rank | States | 2010 (in billions) | 2011 (in billions) | % Change 2010-2011 |
| | U.S. | \$1,278.1 | \$1,480.7 | 15.8% |
| 1 | Texas | \$206.6 | \$249.9 | 20.9% |
| 2 | California | \$143.3 | \$159.4 | 11.2% |
| 3 | New York | \$67.7 | \$82.9 | 22.5% |
| 4 | Florida | \$55.2 | \$64.8 | 17.3% |
| 5 | Washington | \$53.2 | \$64.6 | 21.4% |
| 6 | Illinois | \$49.8 | \$64.6 | 29.7% |
| 7 | Louisiana | \$41.3 | \$55.1 | 33.3% |
| 8 | Michigan | \$44.5 | \$50.8 | 14.2% |
| 9 | Ohio | \$41.4 | \$46.4 | 12.0% |
| 10 | Pennsylvania | \$34.8 | \$41.0 | 17.8% |

Source: U.S. Census Bureau

- In 2011, the value of Ohio's exports to foreign countries was \$46.4 billion, 9th highest among the 50 states. Overall, Ohio accounted for 3.1% of total U.S. exports in 2011.
- Ohio's exports were 9.6% of the state's gross domestic product (GDP) in 2011, lower than the U.S. average of 9.9%.
- From 2010 to 2011, the value of Ohio's exports increased 12.0%, compared to an overall U.S. jump of 15.8%. Among the top ten exporting states, only California had a slower rate of export growth than Ohio.
- On a per capita basis, Ohio's exports ranked 25th highest in 2011. Ohio's per capita export value of \$4,023 in that year was 16% lower than the U.S. average of \$4,796.
- In 2011, sales of Ohio exports exceeded \$1 billion in each of eight markets: Canada, Mexico, China, France, Brazil, the United Kingdom, Japan, and Germany. Canada was the largest market, purchasing \$18.7 billion, or 40.4% of Ohio's exports. Mexico was Ohio's second largest export market at \$4.0 billion, or 8.7%. Ohio's largest overseas market was China, accounting for \$2.7 billion, or 5.9%.
- Nine of Ohio's production sectors exported over \$1 billion each in 2011. They were: machinery (\$8.5 billion), vehicles/not railway (\$7.0 billion), aircraft (\$5.2 billion), electrical machinery (\$2.9 billion), iron/steel (\$2.7 billion), plastics (\$2.4 billion), optical/medical instruments (\$1.9 billion), rubber (\$1.2 billion), and pharmaceuticals (\$1.0 billion). Together, these nine sectors accounted for 71.0% 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 in 2010

| Commodity | Value of Receipts (Thousands of Dollars) | % of Ohio Total Receipts | % of U.S. Total Receipts | National Rank |
|--------------------------|---|--------------------------------|--------------------------------|------------------|
| Soybeans | \$2,269,806 | 28.8% | 6.8% | 6 |
| Corn | \$1,908,888 | 24.2% | 4.3% | 8 |
| Dairy Products | \$932,720 | 11.8% | 3.0% | 11 |
| Hogs | \$580,673 | 7.4% | 3.2% | 9 |
| Chicken Eggs | \$427,071 | 5.4% | 6.6% | 3 |
| Top Five Subtotal | \$6,118,158 | 77.6% | 2.8% | -- |
| All Commodities | \$7,884,539 | 100.0% | 2.5% | 12 |

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

- In 2010, 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 (3rd). Cash receipts from these five leading commodities were \$6.1 billion and accounted for 77.6% of Ohio's total commodity cash receipts.
- Overall cash receipts of Ohio commodities (nearly \$7.9 billion) ranked 12th in the United States in 2010 and accounted for 2.5% of the nation's total commodity cash receipts.
- From 2000 to 2010, Ohio's overall cash receipts from commodities increased by 79.0%, from \$4.4 billion to \$7.9 billion. This rate of increase was higher than the national average increase of 63.6%, but was the lowest among the five states in the Cornbelt Production Region, behind Missouri (82.0%), Illinois (111.5%), Indiana (111.7%), and Iowa (115.7%).
- Ohio farm acreage declined from 14.8 million acres in 2000 to just over 13.7 million acres in 2010, a decline of 7.4%. This rate of loss exceeded the 2.7% decrease for the nation as a whole over the same period.
- In 2010, Ohio had 74,700 total farms, which ranks 11th nationally. The number of farms in Ohio represents 3.4% of the more than 2.2 million farms nationwide.

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 | 2005 | 2011 | Change |
| Akron | \$120,500 | \$90,900 | -24.6% |
| Cincinnati-Middletown | \$145,900 | \$122,300 | -16.2% |
| Cleveland-Elyria-Mentor | \$138,900 | \$105,100 | -24.3% |
| Columbus | \$152,000 | \$123,900 | -18.5% |
| Dayton | \$119,700 | \$93,300 | -22.1% |
| Toledo | \$117,300 | \$75,700 | -35.5% |
| Midwest | \$168,300 | \$135,800 | -19.3% |
| United States | \$219,000 | \$166,200 | -24.1% |

Source: National Association of Realtors

- The median sales prices of existing single-family homes in Ohio's six largest metropolitan statistical areas (MSAs) are below the medians of both the United States and the Midwest region.¹ In 2011, the Columbus MSA had the highest median sales price in Ohio, at \$123,900, while the Toledo MSA had the lowest, at \$75,700.
- Between 2005 and 2011, sales prices of homes in the Midwest region declined at a slower rate than the U.S. The Ohio MSA with the highest rate of decline was Toledo (35.5%), while the MSA with the lowest rate of decline was Cincinnati-Middletown (16.2%).
- The number of existing homes (including single-family homes, condominiums, and co-ops) sold in Ohio decreased by 19.2%, from approximately 286,900 in 2005 to approximately 231,900 in 2010. This compares to a decline of 30.7% nationally and a decline of 32.2% in the Midwest region.
- In comparison to the five border states, Ohio had the lowest decline in home sales from 2005 to 2010. Total existing home sales decreased significantly in Pennsylvania (37.2%), West Virginia (31.3%), Indiana (29.4%), Michigan (27.7%), and Kentucky (26.9%) during this period.

¹ Median home sales price data for the Canton-Massillon and Youngstown-Warren-Boardman MSAs were not available for 2011.