



# OHIO DEPARTMENT OF DEVELOPMENT

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## Ohio's Economy

**Prepared by the Office of Strategic Research**

### Economic Outlook

Ohio's unemployment rate is 5.1%, seasonally adjusted, compared to 5.8% a year ago. The national rate is 4.4%.

Total employment in Ohio is expected to increase 9.7% over the 10-year period from 2002 to 2012—a projected gain of 562 thousand jobs.

Personal income in Ohio grew at a 3.7% rate in 2005. The state's central location to North American markets, its controlled business costs, and increasing diversification should support a forecasted growth rate of 4.3% in 2006 as reported by Economy.com. Ohio's per capita income currently is \$31,867.

### Gross State Product

Ohio's gross state product was \$441 billion in 2005, making Ohio the seventh largest state economy. Ohio ranks third among the 50 states in manufacturing gross state product.

### Leading Industries

Ohio's manufacturing sector employs 805 thousand people. The state's factories lead the nation in the production of plastics and rubber and electrical equipment and appliances. Ohio also is a leading producer of steel, autos, and trucks.

### Location

Located in the heart of the nation's industrial region, Ohio is strategically situated on the great inland waterways and crisscrossed by the interstate roadway system. Sixty percent of all U.S. and Canadian households lie within 600 miles of Ohio.

### Population Centers

Seventh in the nation in total population, Ohio's population of 11,464,042 people are concentrated in 16 metropolitan areas and 29 micropolitan areas.

The largest metropolitan area in Ohio is the Cleveland-Akron-Elyria Combined Statistical Area with 2,942,303 people. Other metropolitan areas with populations in excess of 500,000 include Cincinnati, Columbus, Dayton, Toledo, and Youngstown.

### Wage and Salary Employment November 2006

Industry	Employment	Percent
Total for Ohio.....	5,456	100.0%
Mining.....	11	0.2%
Construction.....	234	4.3%
Manufacturing.....	805	14.8%
Trade/Trans/Utilities.	1,037	19.0%
Information.....	89	1.6%
Financial Activities....	311	5.7%
Prof/Bus Services....	657	12.0%
Education/Health.....	775	14.2%
Leisure/Hospitality....	513	9.4%
Other Services.....	226	4.1%
Government.....	799	14.6%

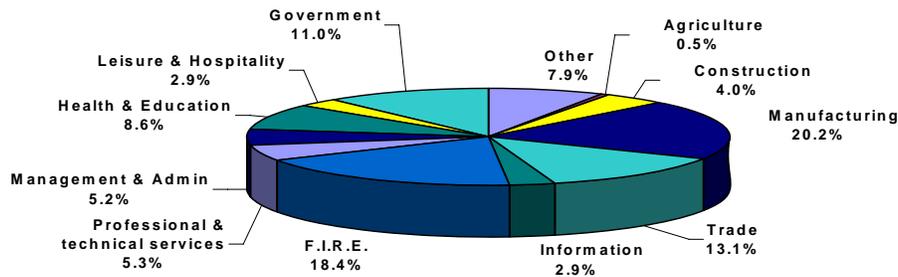
Note: Nonfarm payroll employment **in thousands**.  
Source: Ohio Bureau of Labor Market Information.

## The Structure of Ohio's Economy

Ohio's companies are technology intensive. Recently, Battelle using federal government standards identified over 28,000 establishments employing 820,000 people as Ohio's technology engine. Overall, it was found that Ohio has a 14% higher concentration of technology operations than the nation.

The importance of durable goods to Ohio's economy can be seen in the list of the state's two largest manufacturing industries: transportation equipment and fabricated metals. These two industries are closely identified with a number of nationally recognized firms with a major presence in Ohio,

### Gross State Product by Sector



In research, Ohio's educational institutions and private research facilities have core strengths in advanced manufacturing, biosciences, instruments and controls, power and propulsion and information technology. The National Science Foundation identifies \$8.1 billion in R&D contracts in Ohio, ranking the state 11<sup>th</sup> nationally. Individuals in Ohio received over 3,000 patents ranking the state 9<sup>th</sup> nationally. Ohio State University, Case Western Reserve University, and the University of Cincinnati are major research institutions that receive over \$150 million annually in federal research grants. Combined with NASA Glenn, Battelle Institute, and Wright-Patterson Air Force Base, Ohio is a major center of emerging technologies.

Manufacturing is the largest of Ohio's major sectors, based on gross state product. These sectors and their contributions to Ohio's economy are presented in the chart above. About 67 percent of the state's manufacturing output consists of durable goods—compared to 58 percent for the nation.

including General Motors, DaimlerChrysler, Delphi, Ford, Honda, General Electric, AK Steel, Mittal Steel, Timken, and WHX.

Other notable firms include Procter & Gamble, NCR, The Limited, Sherwin-Williams, and numerous financial institutions such as J.P. Morgan Chase, KeyCorp, National City Corp, Huntington Bancshares, and Fifth Third Bancorp.

The state's two leading export commodities are motor vehicles and machinery. Ohio firms ship products to 209 countries, and the state accounts for about 4.0% of the U.S. export total. Ohio merchandise exports were \$34.8 billion in 2005.

The service-producing sectors produce 75 percent of the state GSP and will account for virtually all job growth over the 2002-2012 period.