



OHIO DEPARTMENT OF DEVELOPMENT

Bob Taft
Governor

Bruce Johnson
Director

Ohio's Economy

Prepared by the Office of
Strategic Research

Economic Outlook

Ohio's economy is reflecting the slow national economy. Unemployment rates have climbed over the last year to 5.3%, seasonally adjusted, which is just below the U.S. national rate of 6.0%.

Total employment in Ohio is expected to increase 11% over the 10-year period from 2000 to 2010--a projected gain of nearly 660 thousand jobs.

Personal income in Ohio grew at a 4.7% rate, unadjusted for inflation, in 2000. The state's network, infrastructure, and workforce advantages will enable an economy-wide recovery by 2003 and a forecasted growth rate of 3.4%, according to Economy.com. Ohio's per capita income currently is \$28,816.

Gross State Product

Ohio's gross state product was \$386 billion in 2001, 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 nearly one million people. The state's factories lead the nation in the production of steel, rubber and plastics, and fabricated metals. Ohio also is a leading producer of 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. households lie within 600 miles of Ohio, and more than 50 percent of the Canadian market is within the same range.

Population Centers

Seventh in the nation in total population, Ohio's population of 11,421,267 people are concentrated in eight large urban centers and 15 micro-metropolitan centers.

The largest metropolitan area in Ohio is the Cleveland-Akron consolidated area with 2,945,831 people. Other metropolitan areas with populations in excess of 500,000 include Cincinnati, Columbus, Dayton, Toledo, and Youngstown.

Wage and Salary Employment December 2002

Industry	Employment	Percent
Total for Ohio.....	5,493	100.0%
Mining.....	12	0.2%
Construction.....	232	4.2%
Manufacturing.....	990	18.0%
Trans/Utilities.....	244	4.4%
Wholesale Trade...	282	5.1%
Retail Trade.....	1,032	18.8%
Fin/Ins/Real Estate	312	5.7%
Services.....	1,590	28.9%
Government.....	799	14.5%

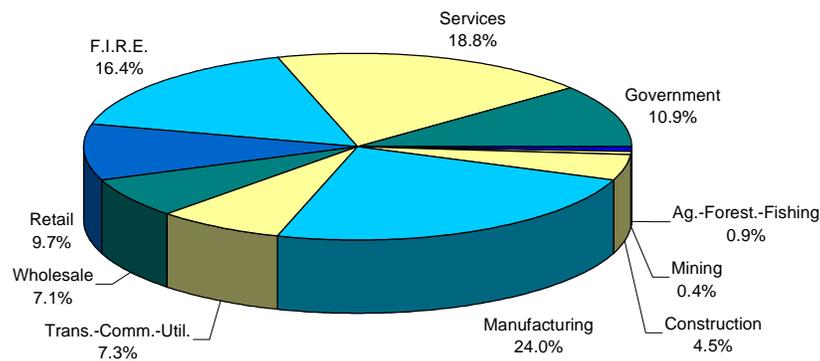
Note: Nonfarm payroll employment in thousands.
Source: Ohio Bureau of Labor Market Information.

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 top three manufacturing industries: transportation equipment, industrial machinery, and fabricated metals. These three industries are closely identified with a number of nationally recognized firms with a major presence

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 11th nationally. Individuals in Ohio received over 3,000 patents ranking 9th 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 ten major sectors, based on gross state product. These ten sectors and their contribution to Ohio's economy are presented in the chart above. About 66 percent of the state's manufacturing output consists of durable goods--compared to 58 percent for the nation.

in Ohio, including General Motors, DaimlerChrysler, Delphi, Ford, Honda, General Electric, Milacron, Illinois Tool Works, AK Steel, Timken, and WHX.

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

The state's two leading export commodities are machinery and motor vehicles. Ohio firms ship products to 194 countries, and the state accounts for about 4.0% of the U.S. export total. Ohio merchandise exports were \$27.1 billion in 2001.

The service-producing sectors produce 70 percent of the state GSP and are the major source of job growth. These sectors employ 74 percent of Ohio's workers and are expected to employ 77 percent by 2010.