

Ohio's Finance Industry

Contribution to the Economy

- The latest available data show Ohio's finance industry (NAICS 521-2) provided services valued at \$21.9 billion – about 4.3 percent of the U.S. total, and ranking the state 7th in the nation.
- The \$21.9 billion also represents 4.7 percent of Ohio's Gross Domestic Product (GDP). This is greater than the finance industry's 3.7 percent of U.S. GDP, indicating a concentration of the industry here.
- The inflation-adjusted 25.6 percent net growth of the industry in Ohio from 2001 through 2009 sharply contrasts with the net decline of 0.7 percent for the state's total economic output.

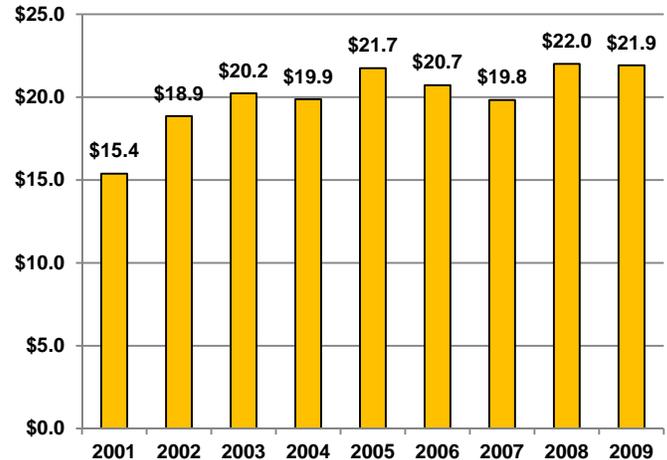
Employment – Ohio's Share of the Industry

- Driving the finance industry's (521-2) concentration in Ohio are the relatively large number of specific industry jobs here: processing financial transactions (52232) – 7.3 percent of the national total, mortgage and home equity credit loans (522292) – 4.7 percent, and credit card issuing (52221) – 4.4 percent.
- Also noteworthy are the 1,100-plus Cleveland Federal Reserve Bank employees (521), which were 6.3 percent of the System in 2009.

Employment – the Industry in Ohio

- 93,800 people worked in Ohio's private sector finance industry (522) in 2010 according to the U.S. Bureau of Labor Statistics. About 61,800, or 65.8 percent, worked for depository institutions (5221) such as commercial banks, savings organizations and credit unions. Bank employees (52211) were 50.5 percent of the total.
- Almost 20,100, or 21.4 percent, worked for private sector non-depository institutions (5222) providing loans, credit and other forms of financing. About 9,800, or 10.4 percent, specialized in mortgage and home equity credit (522292), while 4,300, or 4.6 percent, worked for credit card issuers (52221).
- Nearly 12,000 people, or 12.8 percent, worked for finance-related establishments (5223) in the private sector. 7,900-plus, or 8.5 percent, were processing transactions (52232). 4,000-plus, or 4.3 percent, cashed checks, issued money orders or travelers checks, or serviced or brokered loans.

Ohio's Finance Industry GDP (in billions)



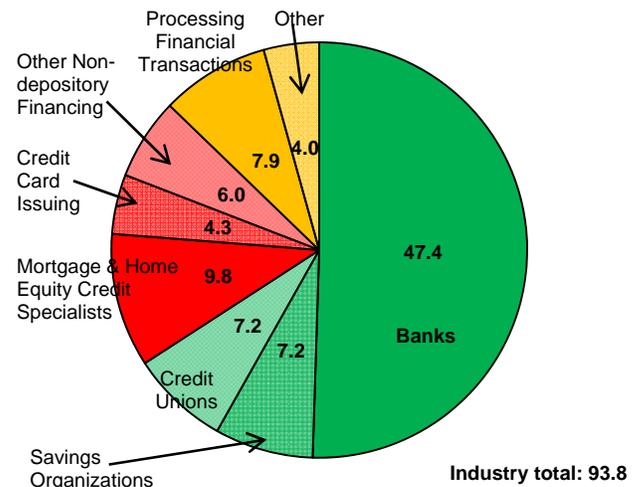
Source: U.S. Bureau of Economic Analysis, 2011

Ohio's Share of U.S. Employment in Finance

NAICS Code: Title	Share of U.S.
521: Federal Reserve System	6.3%
522: Credit Intermediation & Related Activities	3.7%
52211: Commercial Banks	3.6%
52212: Savings Organizations	4.0%
55213: Credit Unions	3.0%
52221: Credit Card Issuing	4.4%
522292: Mortgage & Home Equity Credit	4.7%
5222n: Other Non-depository Financing	2.3%
52232: Processing Financial Transactions	7.3%
5223n: Other Related Activities	2.7%

Sources: U.S. Census Bureau, 2011; U.S. BLS, 2012

Estimated Private Sector Industry Employment (in thousands)



Source: U.S. Bureau of Labor Statistics (BLS), 2012

Employment in Ohio: Trends and Projections*

Group Trends

- Private sector finance employment (NAICS 522) grew from 112,600 in 2001 to around 118,000 in 2003-2004. It fell thereafter to 93,800 in 2010. The net change was a loss of 18,800 jobs, or 16.7 percent. The corresponding U.S. employment also rose and fell with a net decline of 1.8 percent.
- Most of the job losses in Ohio – close to 13,700, a decline of 18.1 percent – occurred in the depository group (5221: banks, saving institutions and credit unions). Another 9,200 – a 31.5 percent drop – were lost from the non-depository group (5222: credit card issuers, etc.). Net job losses for the nation were concentrated in the non-depository group.
- The big exception to the overall downward trend has been the growth in financial transactions processing and clearing (52232). Employment here increased by 4,900, or 162.2 percent, from about 3,000 in 2001 to over 7,900 in 2010. Corresponding national industry employment grew by 39.0 percent.

The Current Situation

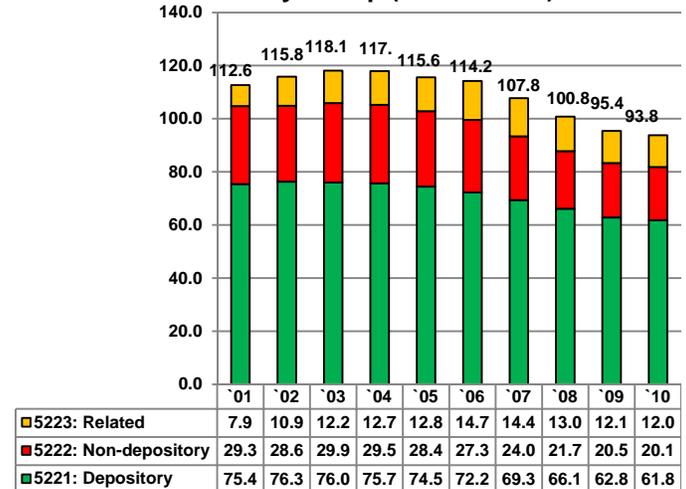
- The most recent data from the U.S. Bureau of Labor Statistics show private sector industry employment (522) in Ohio fluctuating around 94,000 for the last five quarters. Corresponding employment for the nation as a whole also has changed very little.

Projections

- Industry employment (522) is projected to be 103,200 by 2018 according to the Ohio Dept. of Job and Family Services' Labor Market Information Division (ODJFS-LMID). This is an increase of 2,400, or 2.4 percent, from 100,800 in 2008.
- These summary figures mask divergent predictions for the three groups. Jobs in related activities (5223) are forecast to grow by 2,800, or 21.5 percent, while non-depository (5222) jobs may fall by 1,900, or 8.8 percent. The number of jobs in the depository group (5221) is forecast to increase by 2.0 percent from 66,200 to 67,500.

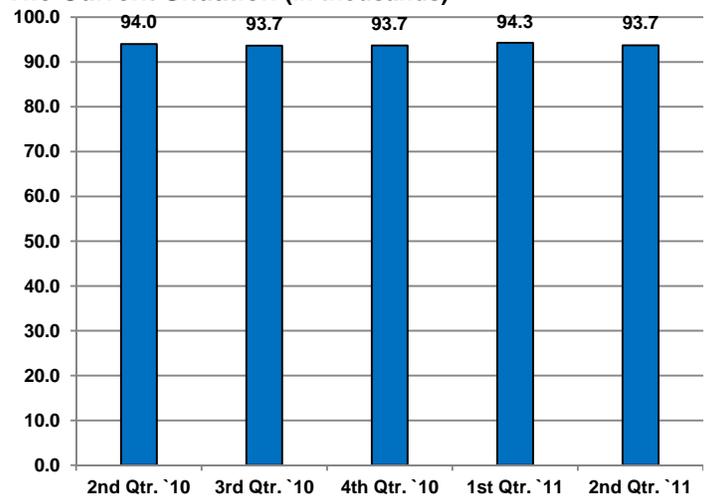
* - Figures have been rounded to the nearest 100, and may not sum to the totals.

Private Sector Trends by Group (in thousands)



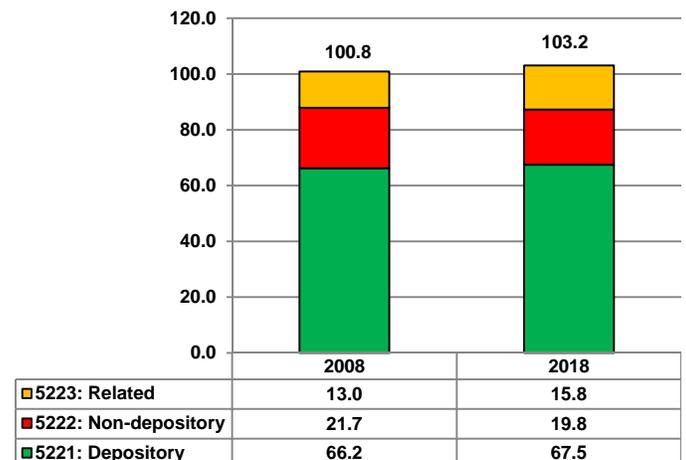
Source: U.S. Bureau of Labor Statistics

The Current Situation (in thousands)



Source: U.S. Bureau of Labor Statistics, 2012

Employment Projections by Group (in thousands)



Source: ODJFS-LMID, 2010

Companies and Projects

The Biggest Companies

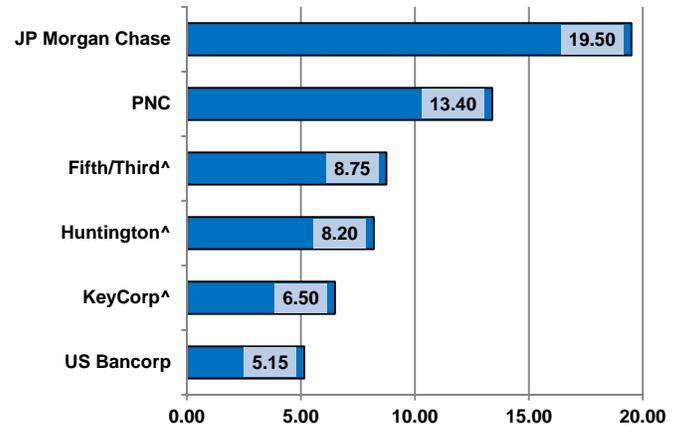
- Well over 200 financial organizations operated more than 6,800 establishments in Ohio, but the vast majority of the latter are branch offices with less than 20 people – according to the latest data from the U.S. Bureau of Labor Statistics (BLS), the U.S. Census Bureau, and the Federal Deposit Insurance Corporation (FDIC).
- Despite these big numbers, the industry is dominated by a few very large institutions. The chart at top-right illustrates state-wide employment by those on Fortune magazine's list of the 1,000 U.S. corporations with the greatest revenue. JP Morgan Chase is the biggest financial industry employer here with 19,500, followed by PNC, Fifth/Third, Huntington, KeyCorp and U.S. Bancorp.
- Considering domestic deposits (NAICS 5221) as well as non-depository and related activities (5222 and 5223) employment expands the list to include Bank of America's Fia Card Services, First Financial, First Place, FirstMerit, GE Capital Services, Macy's Credit & Consumers Services, New York Community Bank, and Third Federal Savings & Loan.¹
- Other Fortune U.S.-1,000 companies with smaller non-depository and related operations in Ohio include Ally Financial, Berkshire-Hathaway's Scott Fetzer Financial Group, and Wells Fargo.

Major Projects

- Beginning with 2002, 32 financial institutions announced 47 major projects² with intentions to invest \$318 million. More than 4,600 new jobs were anticipated at announcement. 2008 was the peak year for project values – \$70 million, while 1,252 jobs were anticipated in 2002.
- Institutions planning to spend at least \$20 million during these years include Fifth/Third – \$84.7 million, PNC – \$64.8 million, JP Morgan Chase – \$27.5 million, New York Community – \$27.0 million, and People's Community – \$20.0 million.
- Seven institutions anticipated adding at least 200 jobs over the years at the time(s) of announcements. They included JP Morgan Chase – 1,700, Huntington – 550, Fifth/Third – 500, Quicken Loans – 300, Citigroup – 250, PNC – 240, and the Radian Group – 200.

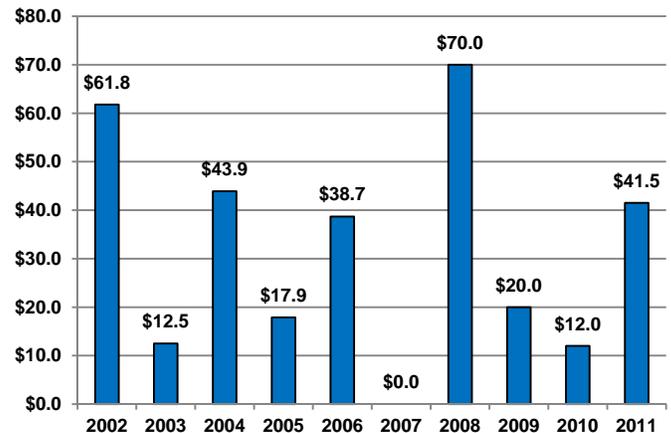
1 – Bank and savings-and-loan names often are slightly different than those of their parent holding companies.

The Largest Employers* in Ohio's Financial Industry (in thousands)



Notes: * - figures may include some jobs in industries other than credit intermediation (NAICS 522 – their principal business); [^] - world headquarters are in Ohio.
Source: Ohio Dept. of Development, 2011

Aggregate Announced Investments (in millions)



Source: Ohio Dept. of Development

The 2011 Announcements

Company	Dollars (millions)	Jobs Anticipated
New York Community	\$27.0	n.a.
JP Morgan Chase	\$7.5	500
Waterford	\$5.0	n.a.
PNC	\$2.0	n.a.
First Financial	n.a.	n.a.

Source: Ohio Dept. of Development, 2012

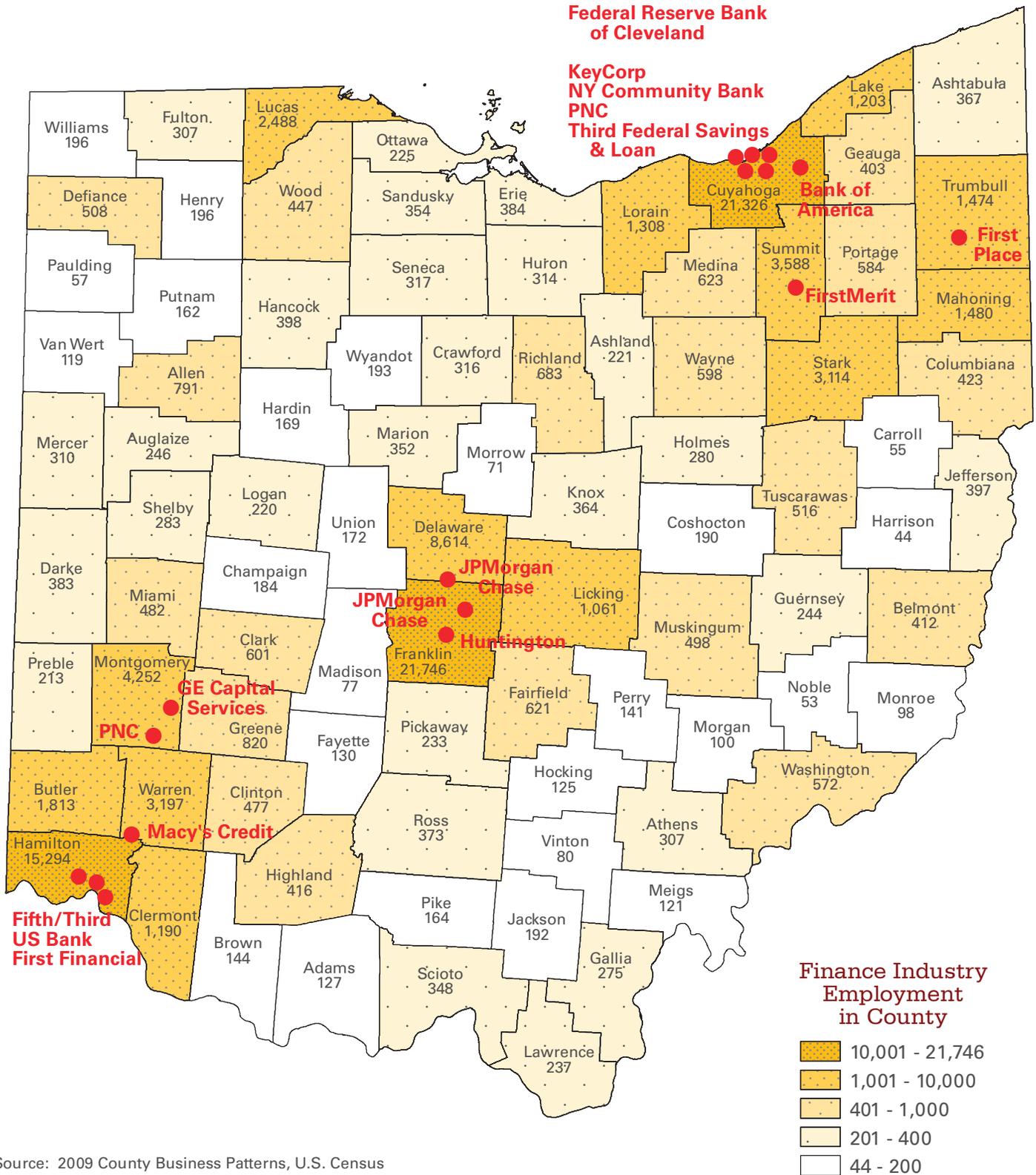
2 - A major project involves at least \$1 million, 50 new jobs, or an addition of 20,000 square feet. Such projects often are phased-in over several years.

Finance Industry

Employment by County

Statewide: 115,524

Ohio



Source: 2009 County Business Patterns, U.S. Census Bureau, Hoover's Online and FDIC 2012

Prepared by: Policy Research and Strategic Planning, Ohio Department of Development (March 2012)

● Larger Finance Establishments and their principal locations