

Extension Area 16: Economic Overview

Clinton, Fayette, Pickaway, and Ross Counties

Report prepared September 2022 by Eric Romich, Associate Professor, OSU Extension Community Development

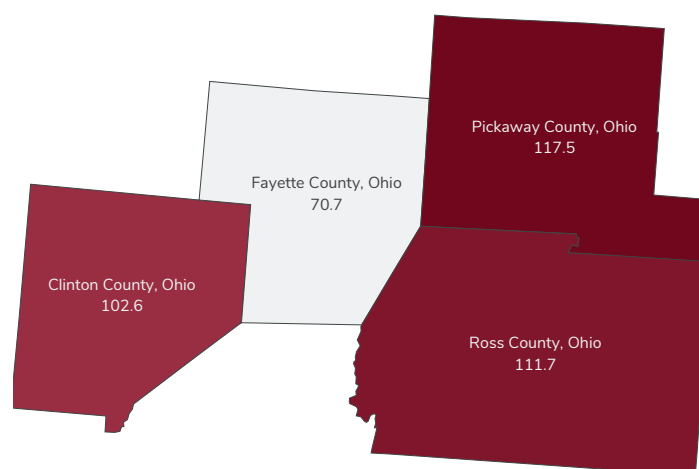
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Regional Overview

OSU Extension Area 16 is a four-county area in southcentral Ohio, including Clinton, Fayette, Pickaway, and Ross counties. In 2020, the combined Area 16 footprint was 2,008 square miles (mi²) supporting a population of 206,804 residents and an overall population density of 103 residents per square mile. Population density is a ratio of total population to total land area, simply described as a count of residents per square mile. As illustrated in Image 1, Pickaway County had the highest population density of 118, while Ross County was the second highest at 112, followed by Clinton County at 103, and Fayette County with 71 residents per square mile.

Overall, the combined population in Area 16 increased slightly between 2001 and 2020, growing by 51% from a total population of 207,947 to of 313,245 in 2020. While all four counties increased in population, Pickaway County experienced the greatest amount population growth increasing by 11% from 52,986 in 2001 to 59,008 in 2020. During this period, Ross County also increased in population by 4% to a total of 76,876 in 2020, while Clinton County had growth of 3% to 42,171, and Fayette County population increased by 2% to a total of 28,749.

Image 1: OSU Extension Area 16 Population Density



Key Stats

Population 206,804

Total of 277 Industries

Total Employment of 94,827

Gross Domestic Product \$8.28B

Data retrieved from IMPLAN
(2020 data)

Regional Industry Sector Overview

IMPLAN defines the total annual production value of each Industry or Commodity as Output. Total output represents the total production value of an industry including intermediate inputs, employee compensation, proprietor income, taxes on production and imports, and other property income.

Table 1 below ranks the top 10 industries in Area 16 by total output in 2020. Heavy duty truck manufacturing was the highest ranked industry with a total output of \$1.354 billion, supporting 1,302 jobs, and an average employee compensation of \$82,723. However, when

comparing 2019 to 2020, the data shows the heavy duty truck manufacturing industry experienced a 22% decrease in total output and a reduction in total employment of 363 jobs.

Owner-occupied dwellings had the second greatest total output at \$794 million. The owner-occupied dwellings sector represents the wealth generated from home ownership. Owning and maintaining a home is also a major area of spending and the owner-occupied dwellings sector captures that economic effect. However, there is no employment or labor income generated in the owner-occupied

dwellings sector, as the employment positions such as property managers and real estate agents is captured in the other real estate sector.

The industry with the third highest total output in Area 16 was hospitals with a total output of \$732 million, supporting 4,009 jobs, and an average employee compensation of \$81,572 per year. Of the top 10 industries by total output, the sector with the most employees in the region was employment and payroll of local government and education with 4,714 employees. The average annual income for these workers was \$72,239 per year.

Table 1: Area 16 Top 10 Industries by Total Output

Industry Description	Output	Total Employment	Average Employee Compensation
Heavy duty truck manufacturing	\$1,354,559,839	1,302	\$82,723
Owner-occupied dwellings	\$794,616,267	N/A	N/A
Hospitals	\$732,196,260	4,009	\$81,572
Paper mills	\$662,908,730	882	\$102,363
Other motor vehicle parts manufacturing	\$458,354,874	1,009	\$67,657
Employment and payroll of local govt, education	\$390,993,041	4,714	\$72,239
Monetary authorities and depository credit intermediation	\$388,397,163	827	\$65,009
Other real estate	\$324,575,317	2,063	\$40,908
Limited-service restaurants	\$320,335,744	4,034	\$19,691
Truck transportation	\$293,270,477	1,745	\$72,655

Area 16 Annual Employment Trends

The Total Employment figure reported by IMPLAN represents a full and part-time annual average including the self-employed, all federal, state, and local government employment and military employment (including overseas military).

Chart 1 provides a visual reference of the Area 16 annual employment trends between 2001 and 2020. As shown in the chart, Area 16 experienced consistent growth between 2002 and 2007 when the U.S. housing market collapsed, stressing global financial markets and ultimately

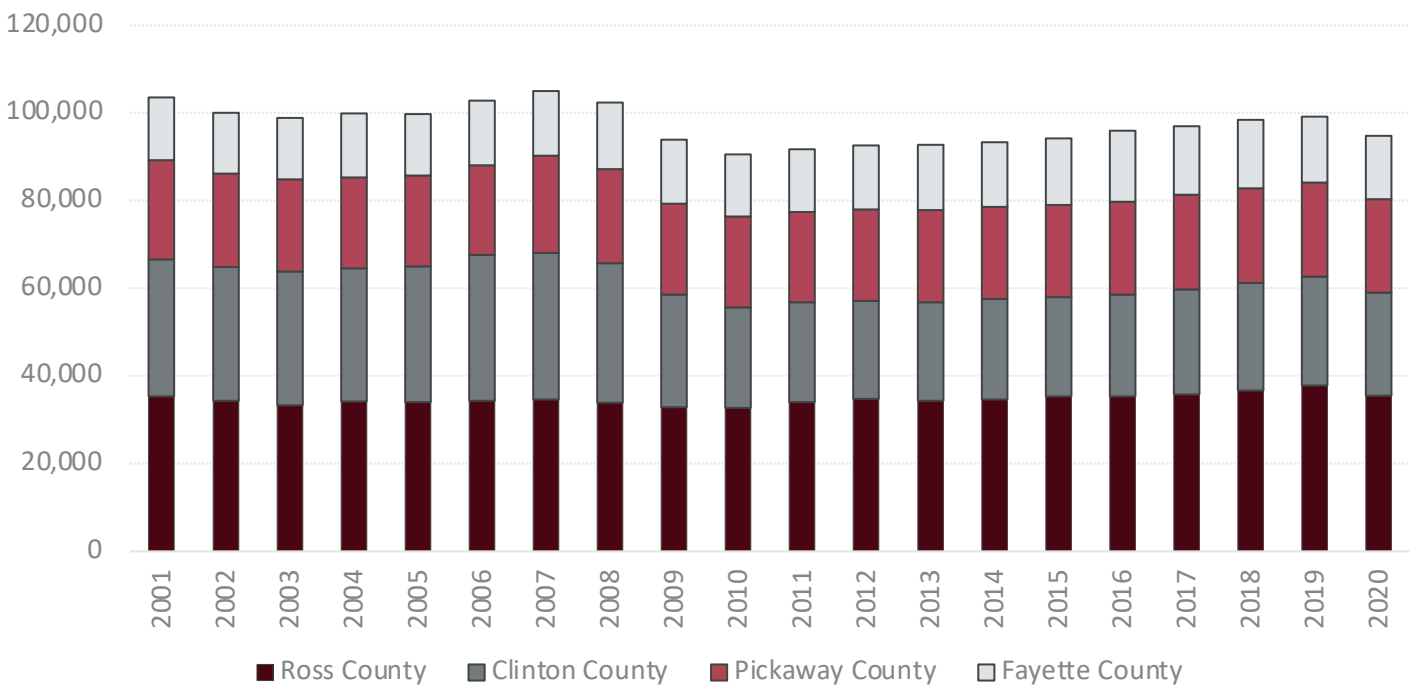
triggering the U.S. economy into a period of recession. Since 2010 annual employment in Area 16 increased by 9% reaching a peak employment of 99,165 jobs in 2019. However, between 2019 and 2020 Area 16 experienced a year-to-year job loss of 4,338 jobs, posting an annual employment of 94,827 in 2020.

When considering the long-term employment trends by county, Union County saw the greatest growth in total employment of 1.3%, increasing from 14,286 in 2001 to 14,470 in 2020. Similarly,

“Year-to-year, Area 16 total employment is down 4,338 Jobs in 2020”

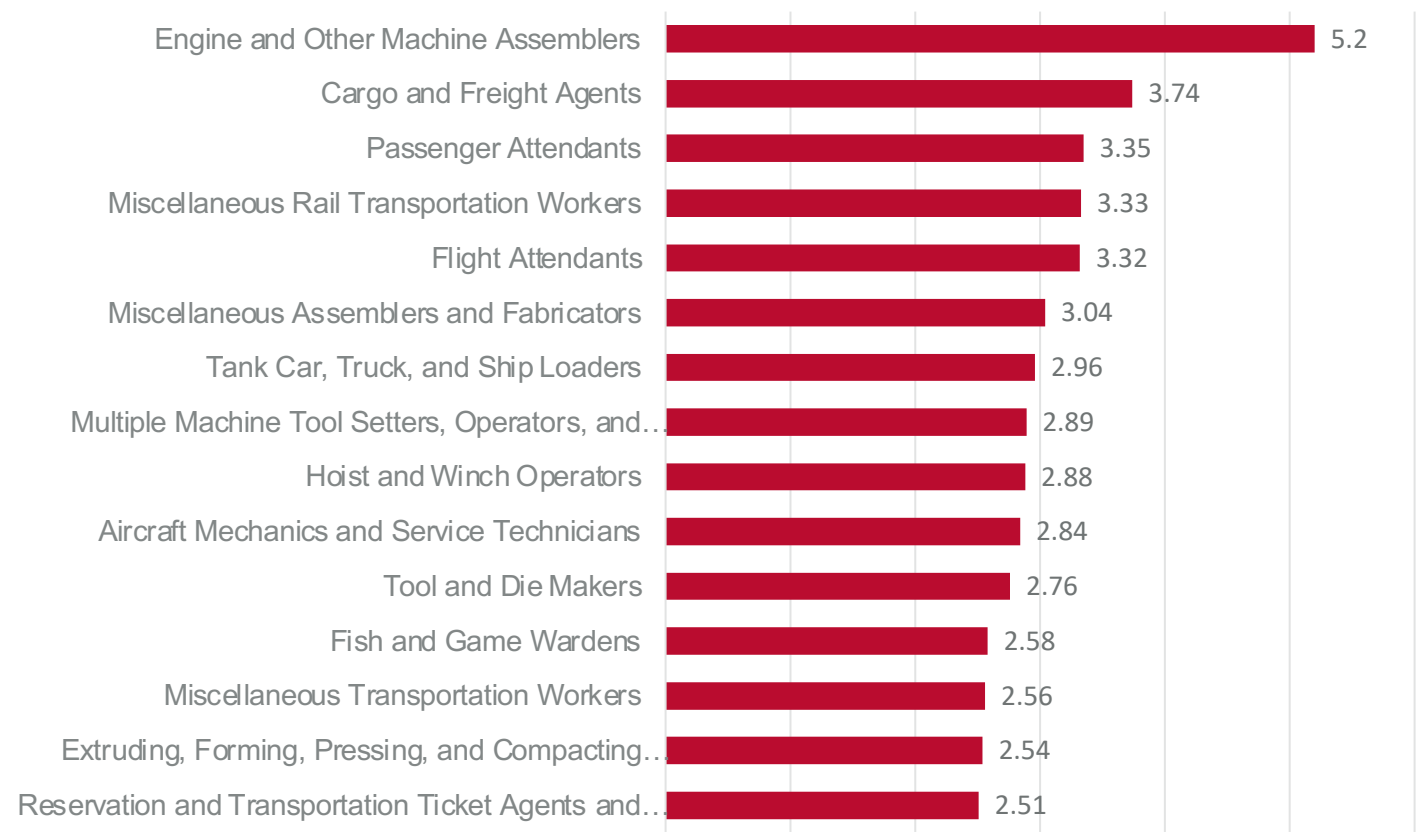
Ross County total employment increased by 50 jobs between 2001 and 2020 to to 35,499. During the same period (2001–2020) two counties in Area 16 experienced a decline in total employment including Clinton County with a decline of 25% from 31,182 jobs in 2001 to 23,521 in 2020, while Pickaway employment declined by 6% to 21,336 in 2020.

Chart 1: Area 16 Annual Employment



Top 15 Occupations by Location Quotient

Chart 2: Occupation Location Quotient



A location quotient (LQ) is a metric that compares the relative concentration of a local regions workers in a specific industry sector to the concentration of workers nationally in the same sector. An LQ equal to 1 signifies that the local share is equal to the national share, while an LQ greater than 1 means the local share is greater than the national share and is typically an exporter or perhaps has a specialization in that sector. Where there is an occupational concentration, there also tends to be higher core competencies relative to other areas, creating a competitive advantage. In addition, training and education opportunities associated with the occupation are often readily available to meet hiring demands.

Illustrated above, Chart 2 lists the top 15 occupations with the highest LQ in Area 16 demonstrating a significant concentration of workers relative to the nation. In 2020, the top occupation by LQ in Area 16 was engine and other machine assemblers, with an LQ of 5.2. This suggests the region has more than five times the number of engine and other machine assembler workers compared to the national average. The second highest occupation by LQ in Area 16 was cargo and freight agents at 3.74, followed by passenger attendants with an LQ of 3.35, and miscellaneous rail transportation workers at 3.33.

Image 2: Average Employee Compensation by County 2020 Data and Dollar Year

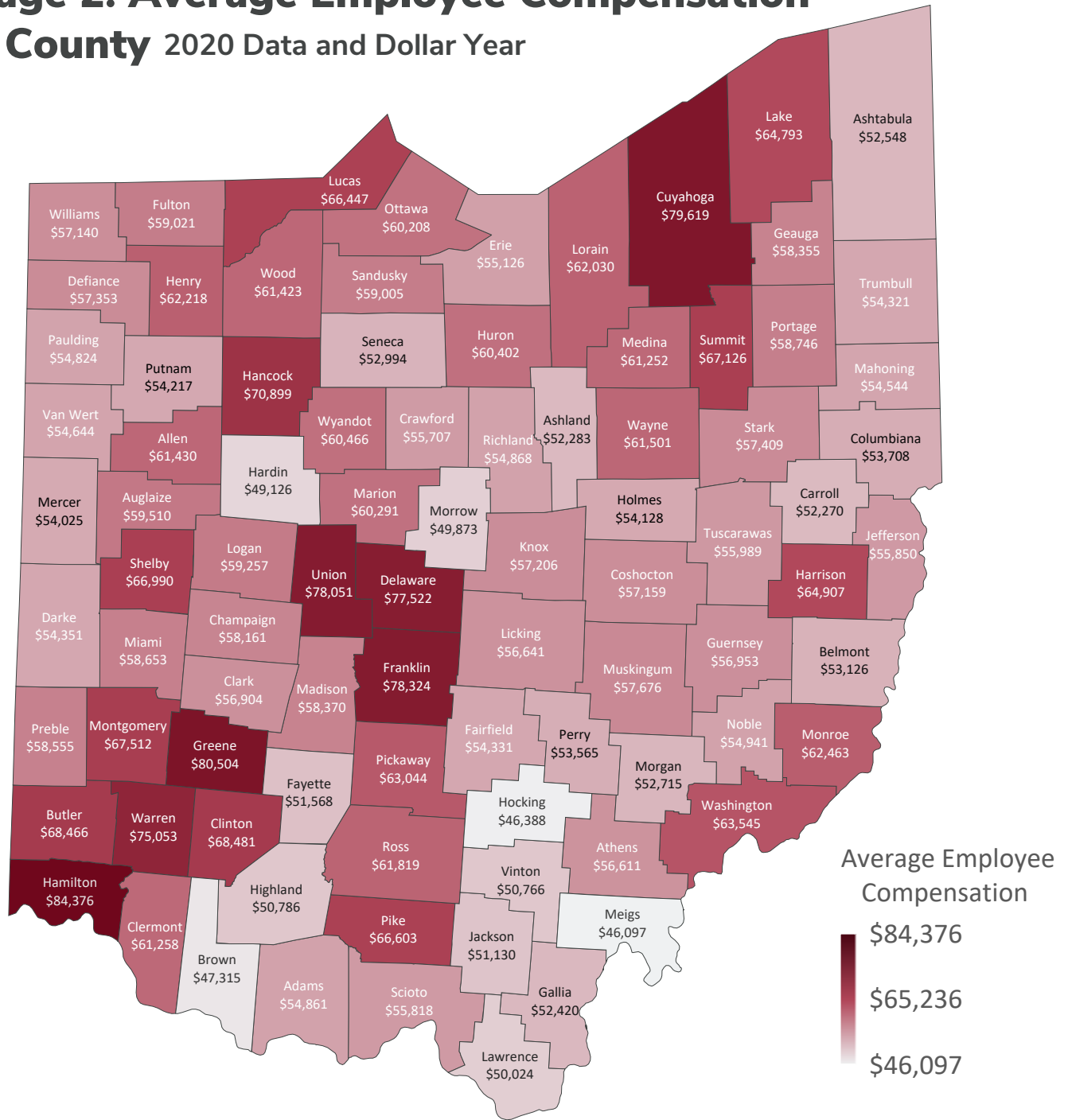


Image 2 illustrates the average employee compensation by county for 2020. Employee Compensation is the total payroll cost of an employee including wages and salaries, all benefits, and payroll taxes. The average employee compensation is calculated as Employee Compensation divided by wage and salary Employment.

Of the counties in Area 16, Clinton County had the highest average employee compensation of \$68,481, ranking 9th highest in Ohio. The next highest average employee compensation in Area 16 was Pickaway County at \$63,044, followed by Ross County at \$61,819, and Fayette County with average employee compensation of 51,568.



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OSU Extension Community Development IMPLAN Team

Nancy Bowen-Ellzey, Associate Professor and Field Specialist (bowen-ellzey.1@osu.edu)

Joe Lucente, Associate Professor, OSU Extension, CD, and Ohio Sea Grant College Program (lucente.6@osu.edu)

Amanda Osborne, Educator, CD, OSU Extension – Cuyahoga County (osborne.414@osu.edu)

Eric Romich, Associate Professor and Field Specialist (romich.2@osu.edu)

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