

# Extension Area 19: Economic Overview

## Morgan, Muskingum, Perry, and Washington Counties

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

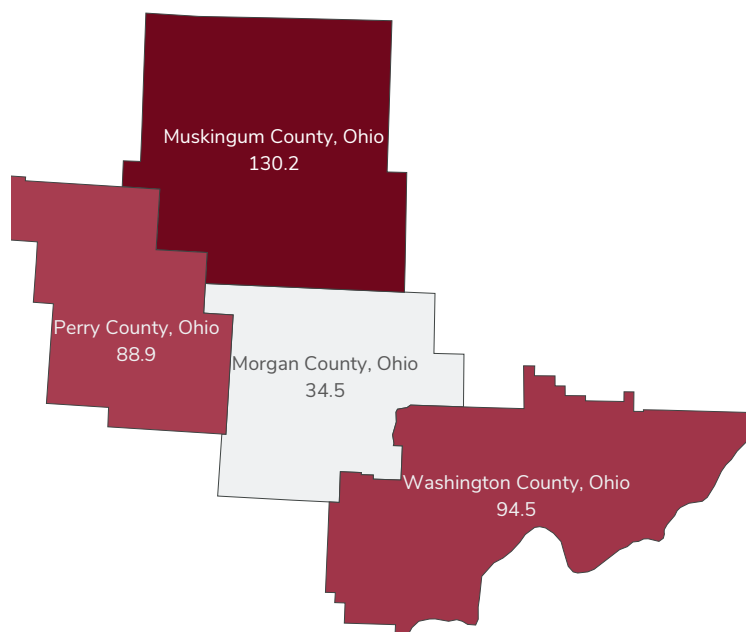
Fall 2022 Edition

### Regional Overview

OSU Extension Area 19 is a four-county area in the west-central part of the state, including Morgan, Muskingum, Perry, and Washington counties. In 2020, the combined Area 19 footprint was 2,127 square miles (mi<sup>2</sup>) supporting a population of 197,362 residents and an overall population density of 92.8 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, Muskingum County had the highest population density of 130, followed by Washington County with a population density of 94, while Perry County was 88, and Morgan County had the lowest population density of 34 residents per square mile.

Overall, the combined population in Area 19 has remained extremely consistent increasing by 200 residents between 2001 and 2020 to a total population of 197,362 in 2020. However, there were some notable shifts in the population trends of individual counties between 2001 and 2020. Perry County experienced the greatest amount of growth as the population increased by 6% from 34,380 in 2001 to 36,431 in 2020. During this period, Muskingum County underwent a population increase of 2% to a total of 86,533 in 2020. Meanwhile, Washington County had a population decrease of -5% to a total of 60,008 in 2020, while Morgan County had a -3% decline in population to 14,390 residents in 2020.

Image 1: OSU Extension Area 19  
Population Density



#### Key Stats

Population 197,362

Total of 291 Industries

Total Employment of 88,812

Gross Domestic Product \$7.96B

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 19 by total output in 2020. Plastics material and resin manufacturing was the highest ranked industry with a total output of \$1.08 billion, supporting 867 jobs, and an average employee compensation of \$174,850. When comparing 2020 to 2019 data, the oil and gas extraction industry experienced

an 82% decline in total output from 3.2 billion in 2019 to \$564 million in 2020. Similarly, the oil and gas extraction industry experienced a reduction in total employment from 1,718 jobs in 2019 to 514 jobs in 2020.

Owner-occupied dwellings had the second greatest total output at \$724 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 19 was monetary authorities and depository credit intermediation with a total output of \$618 million, supporting 1,256 jobs, and an average employee compensation of \$68,619 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 4,760 employees. The average annual income for these workers was \$66,738 per year.

Table 1: Area 19 Top 10 Industries by Total Output

Industry Description	Output	Total Employment	Average Employee Compensation
Plastics material and resin manufacturing	\$1,082,546,080	867	\$174,850
Owner-occupied dwellings	\$724,786,076	N/A	N/A
Monetary authorities and depository credit intermediation	\$618,628,683	1,256	\$68,619
Hospitals	\$596,257,897	3,551	\$68,524
Oil and gas extraction	\$564,905,953	514	\$134,513
Iron and steel mills and ferroalloy manufacturing	\$506,287,443	507	\$87,595
Offices of physicians	\$487,412,284	2,942	\$146,010
Electric power transmission and distribution	\$422,650,857	318	\$156,046
Other real estate	\$384,685,151	2,483	\$43,559
Employment and payroll of local govt, education	\$364,722,789	4,760	\$66,738

# Area 19 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 19 annual employment trends between 2001 and 2020. As shown in the chart, Area 19 experienced a 12% decline in employment between 2001 and 2010, reaching a low of 87,306 jobs in 2010. However, Area 19 employment has since

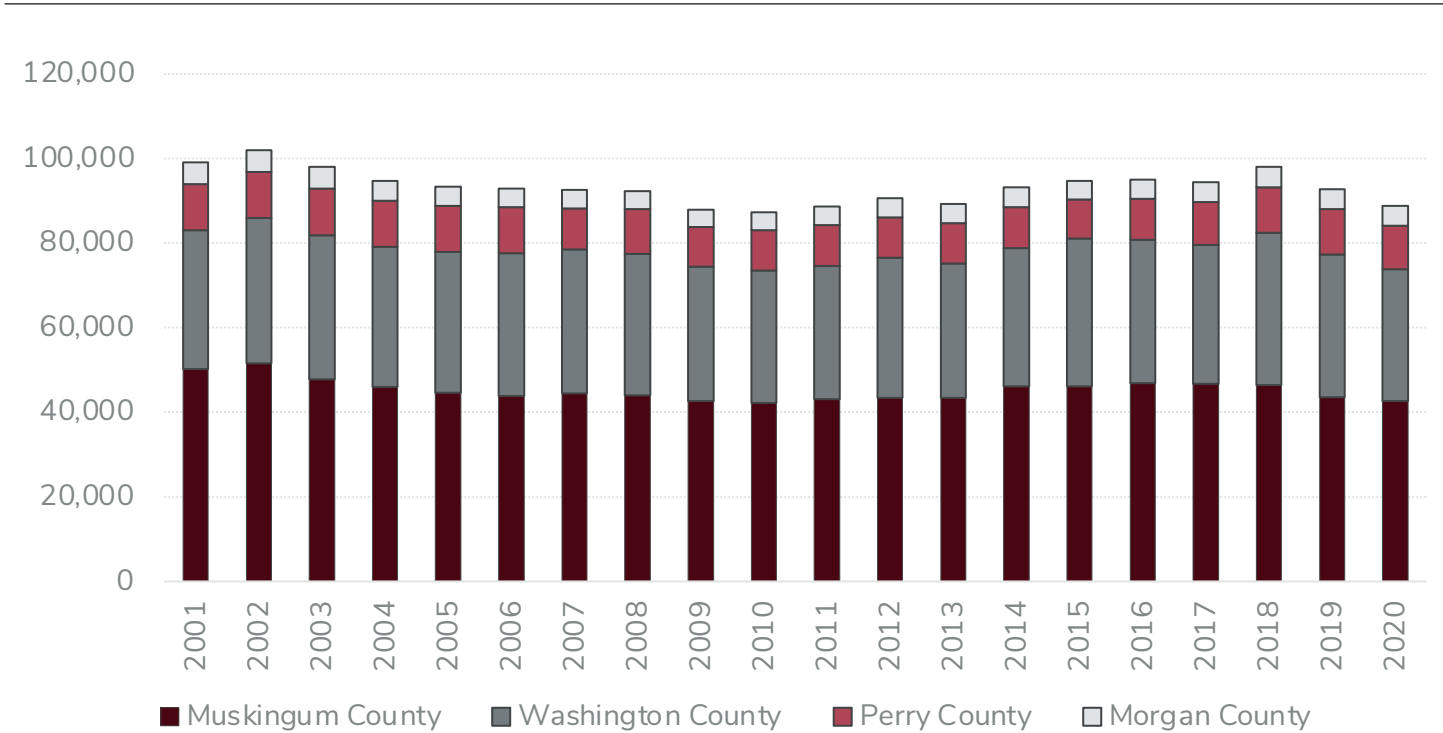
recovered as there was a 12% increase between 2010 and 2018 reaching a peak employment of 97,986 jobs in 2018. However, between 2018 and 2020 Area 19 decreased by 9%, losing 9,174 jobs, leaving an annual employment of 88,812 in 2020.

When considering the long-term employment trends by county, all four counties experienced a reduction in employment. Muskingum County saw the greatest employment decline of -15%, falling from 50,235 in 2001 to 42,662 in 2020. Similarly,

***“Year-to-year, Area 19 total employment is down 10,301 jobs between 2019 and 2020”***

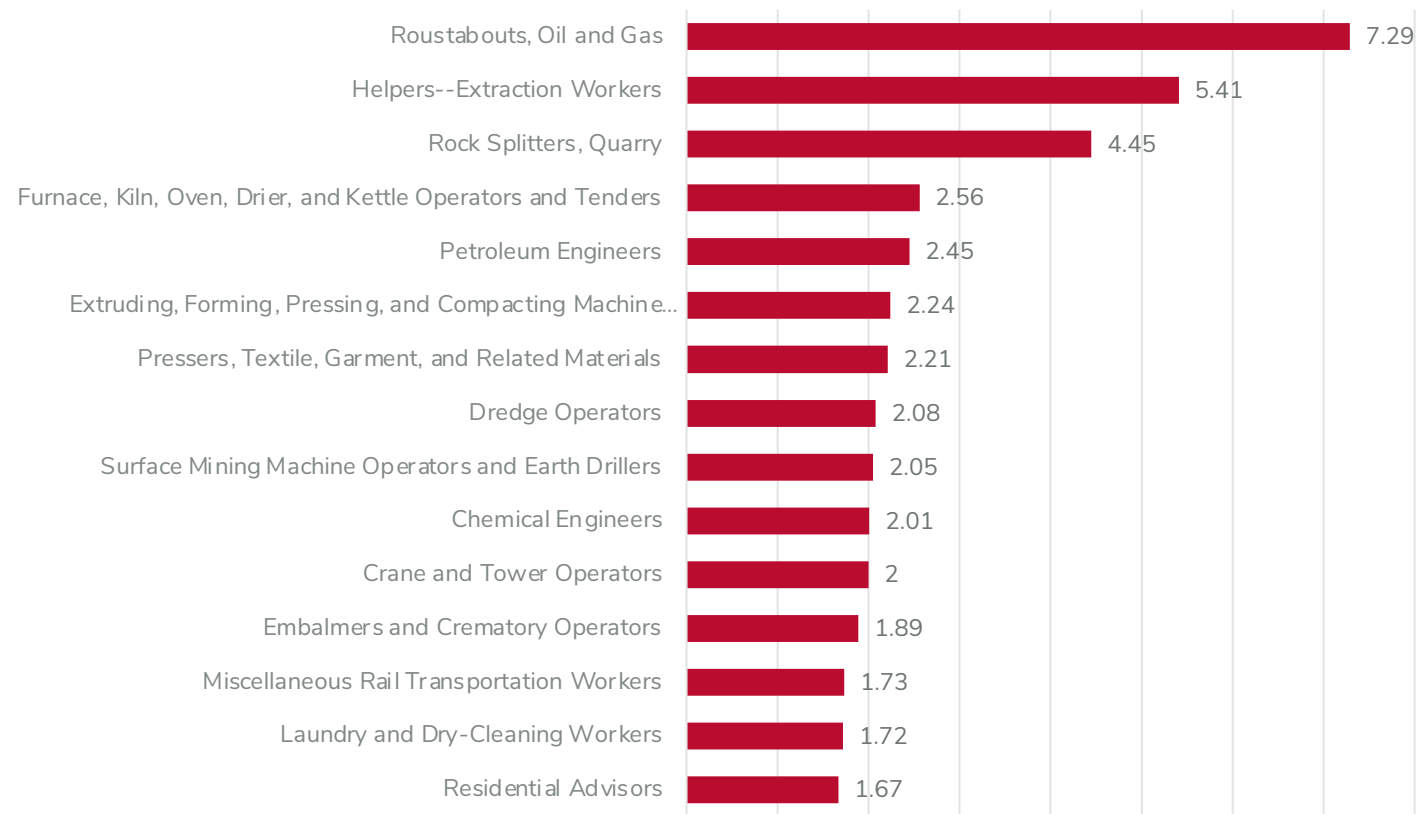
during the same period (2001–2020) Morgan County employment declined by -10% to 4,649 jobs in 2020, while Washington County jobs declined by -5% to 31,106 in 2020, and Perry County jobs fell by -5% to 10,396 in 2020.

Chart 1: Area 19 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 19 demonstrating a significant concentration of workers relative to the nation. In 2020, the top occupation by LQ in Area 19 was oil and gas roustabouts, with an LQ of 7.29. This suggests the region has more than 7 times the number of oil and gas roustabout workers compared to the national average. The second highest occupation by LQ in Area 19 was extraction worker helpers at 5.41, followed by quarry rock splitters with an LQ of 4.45, and furnace, kiln, oven, dryer, and kettle operators at 2.56.

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

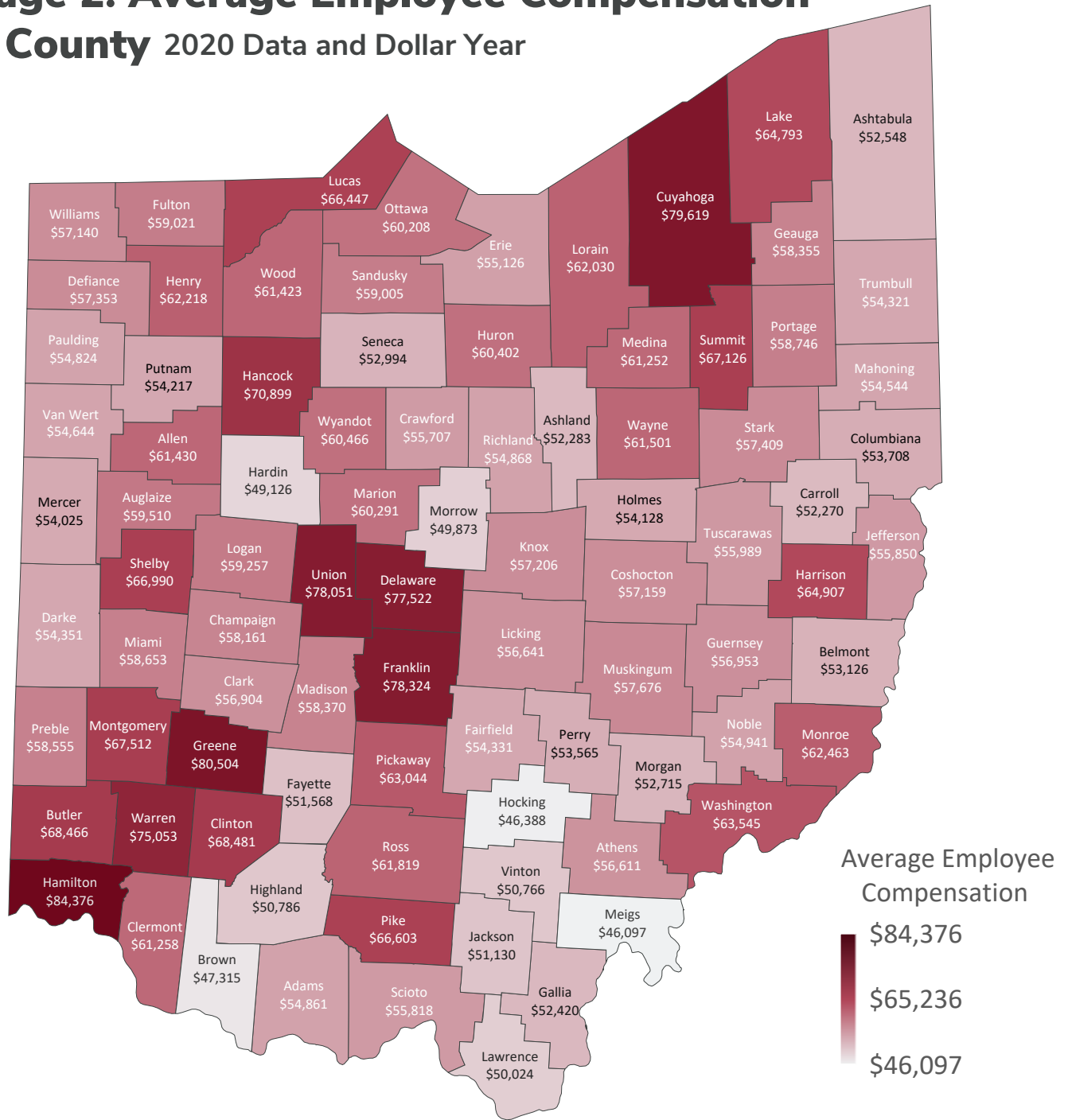


Image 2 illustrates the average employee compensation by county for 2020. Employee Compensation is the total payroll cost of an employee including wages and salaries, all benefits, and payroll taxes. The average employee compensation is calculated as Employee Compensation divided by wage and salary Employment.

Of the counties in Area 19, Washington County had the highest average employee compensation of \$63,545, ranking 18<sup>th</sup> among all Ohio counties. The next highest average employee compensation in Area 19 was Muskingum County (\$57,676), followed by Perry County (\$53,565), and Morgan County (\$52,715).



IMPLAN® model, 2020 Data, using inputs provided by the user and IMPLAN Group LLC, IMPLAN System (data and software), 16905 Northcross Dr., Suite 120, Huntersville, NC 28078  
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