

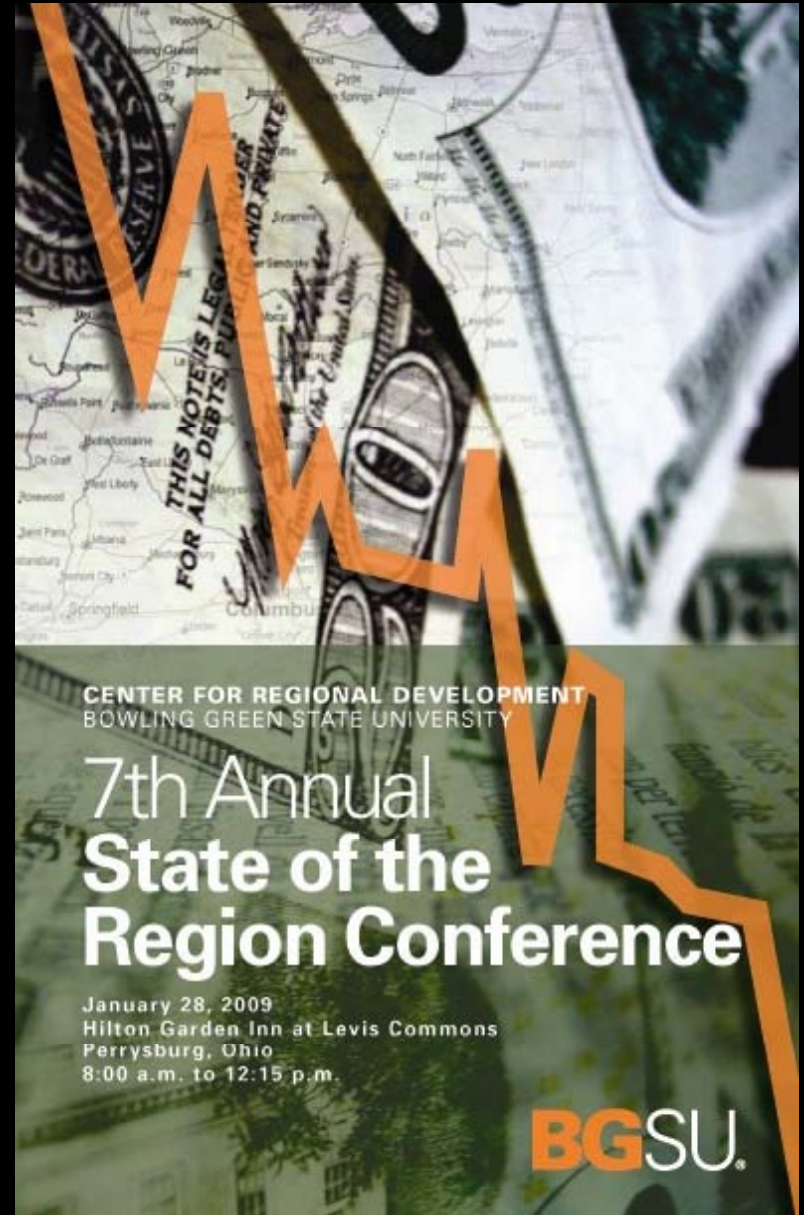
State of the Region 2009

Economic Crisis

Michael C. Carroll, Ph.D.
Center for Regional Development
Bowling Green State University

Topics


- Current Conditions
- Regional Perspective
- Future Conditions



CENTER FOR REGIONAL DEVELOPMENT
BOWLING GREEN STATE UNIVERSITY

7th Annual State of the Region Conference

January 28, 2009
Hilton Garden Inn at Levis Commons
Perrysburg, Ohio
8:00 a.m. to 12:15 p.m.



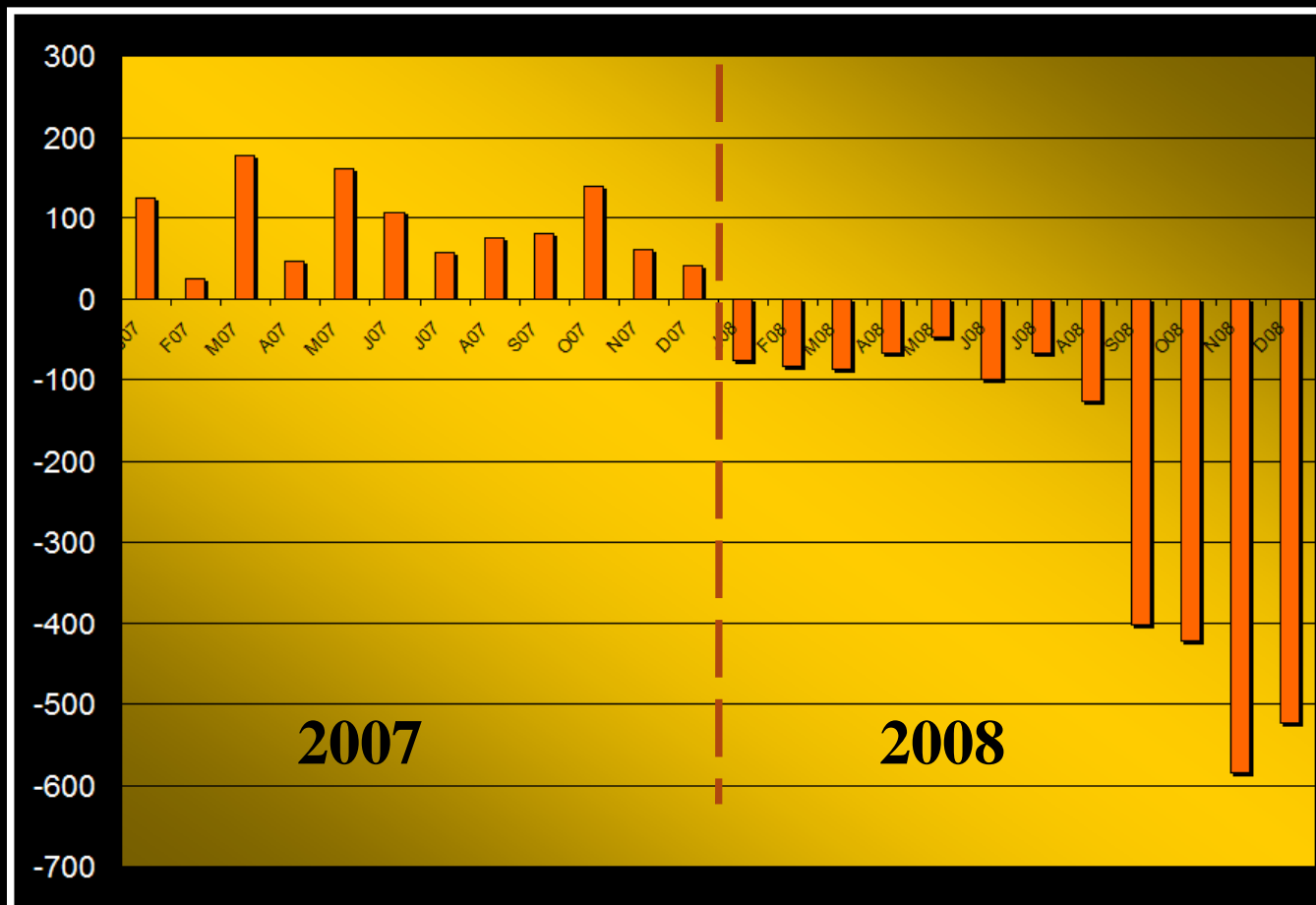
Current Conditions



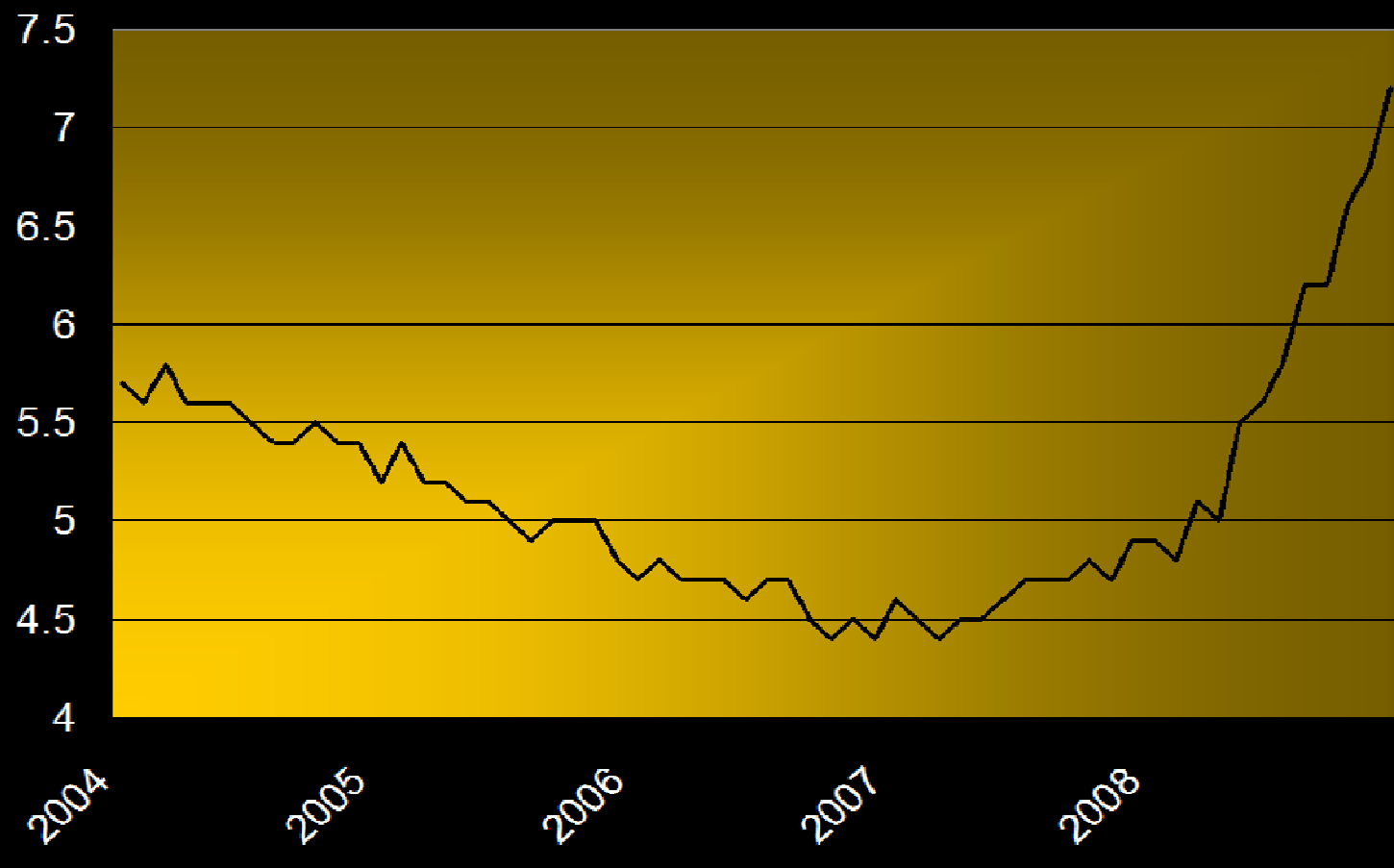
Center for Regional Development

BSU

Change in Earnings 2007 to 2008



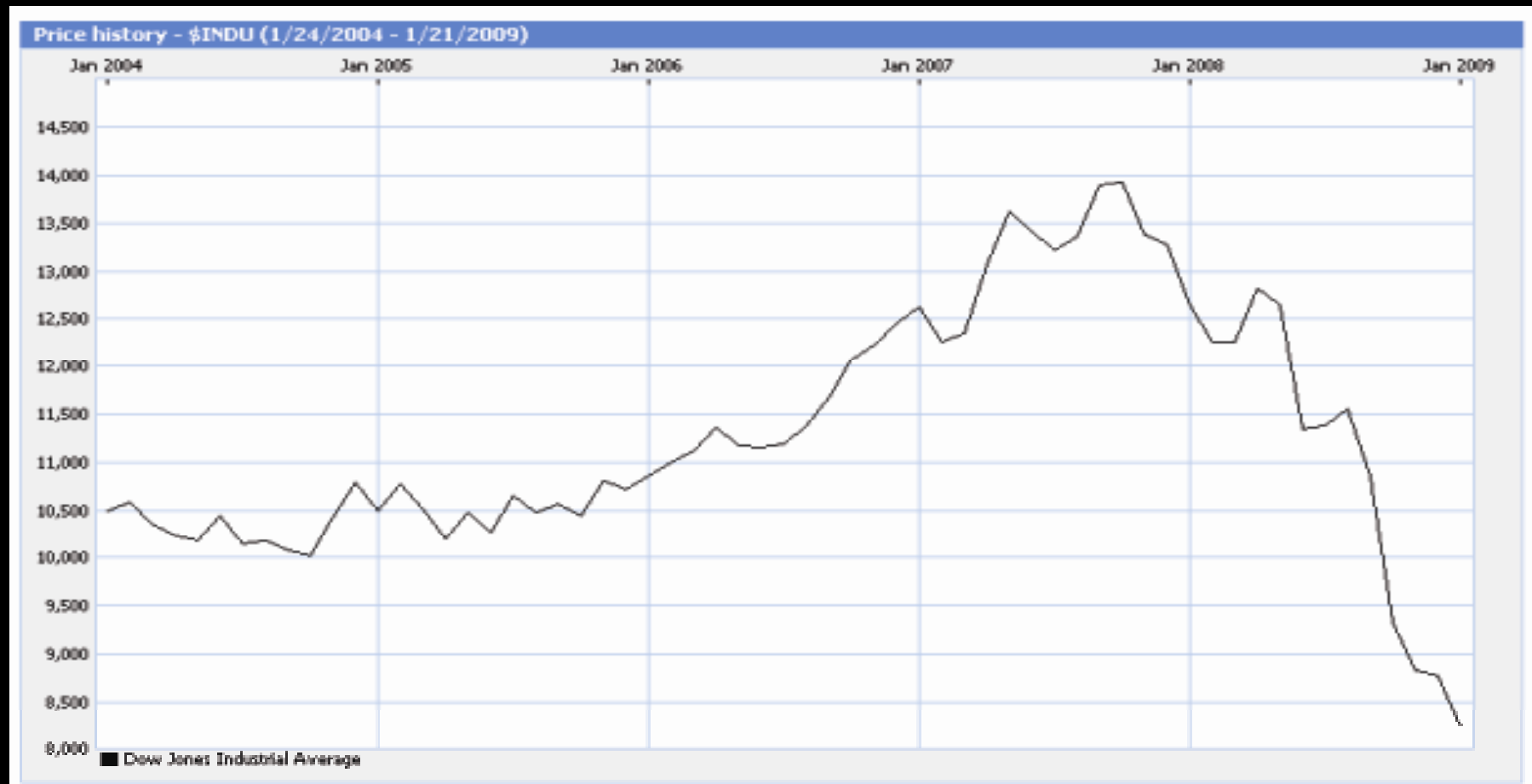
National Unemployment Rate



Dow Jones Industrials One Year



Dow Jones Industrials Five Year



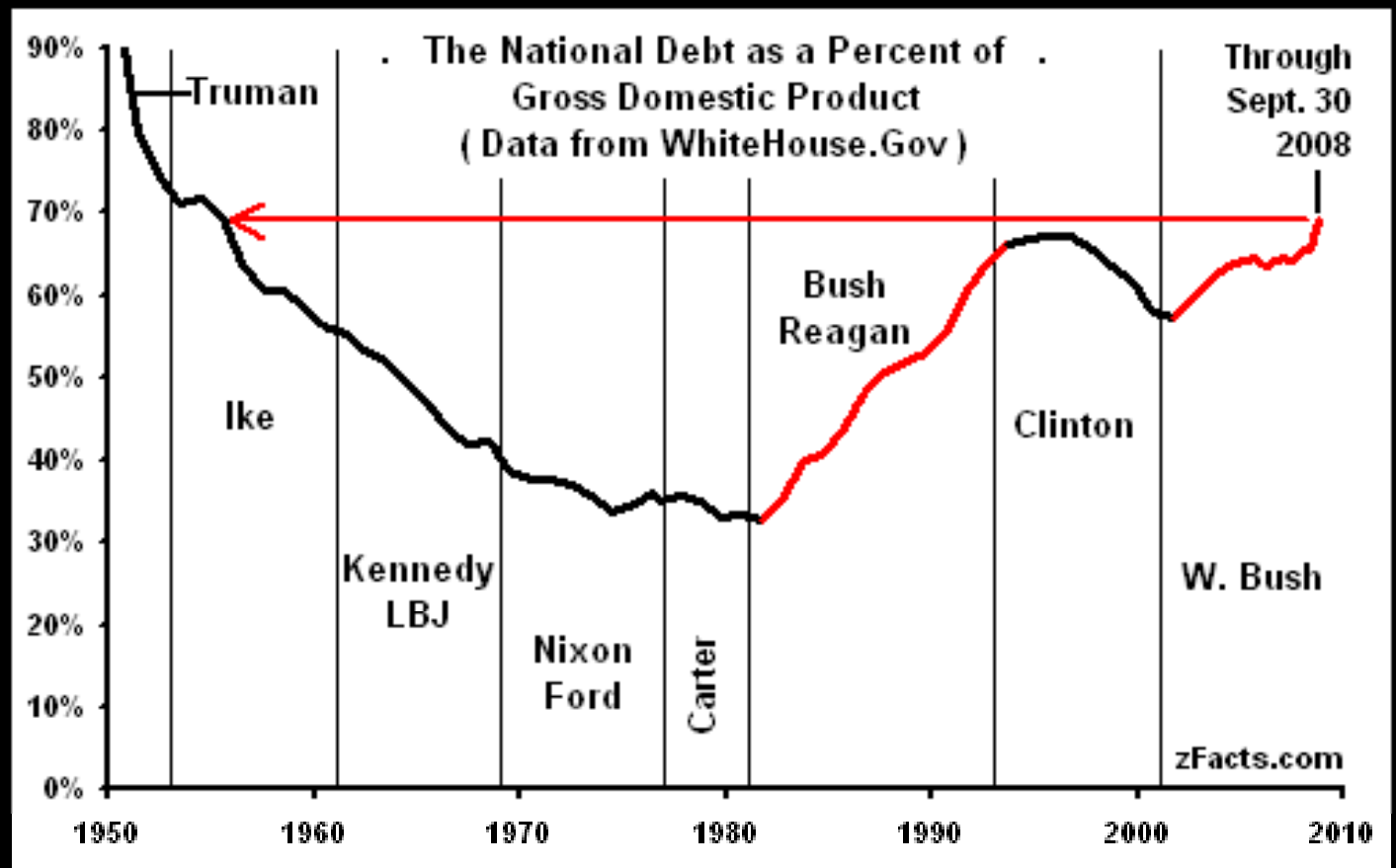
History of US Business Cycles

	Number of Business Cycles	Average Duration (Months)	Expansion Prior to Recession (Months)
1845-1919	16	22	27
1919-1945	6	18	35
1945-2001	10	10	57

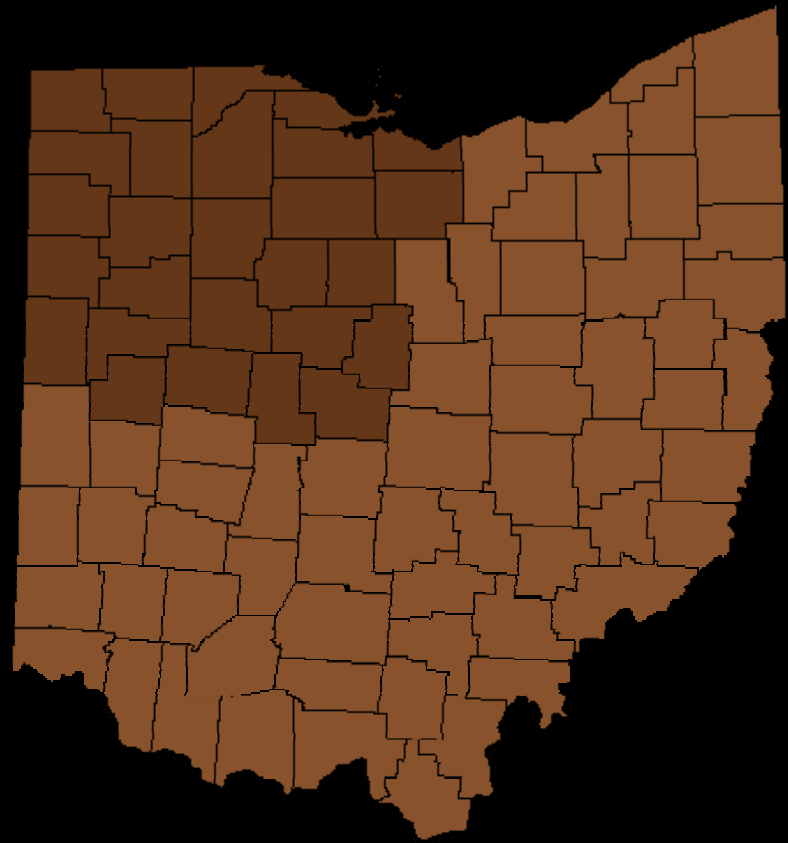
Business Cycles

Peak	Trough	Duration (Months)	Months of Expansion Prior to Recession
August 1929	March 1933	43	21
<i>Recent Business Cycles</i>			
November 1973	March 1975	16	36
January 1980	July 1980	6	58
July 1981	November 1982	16	12
July 1990	March 1991	8	92
March 2001	November 2001	8	120
December 2007	???	?	73

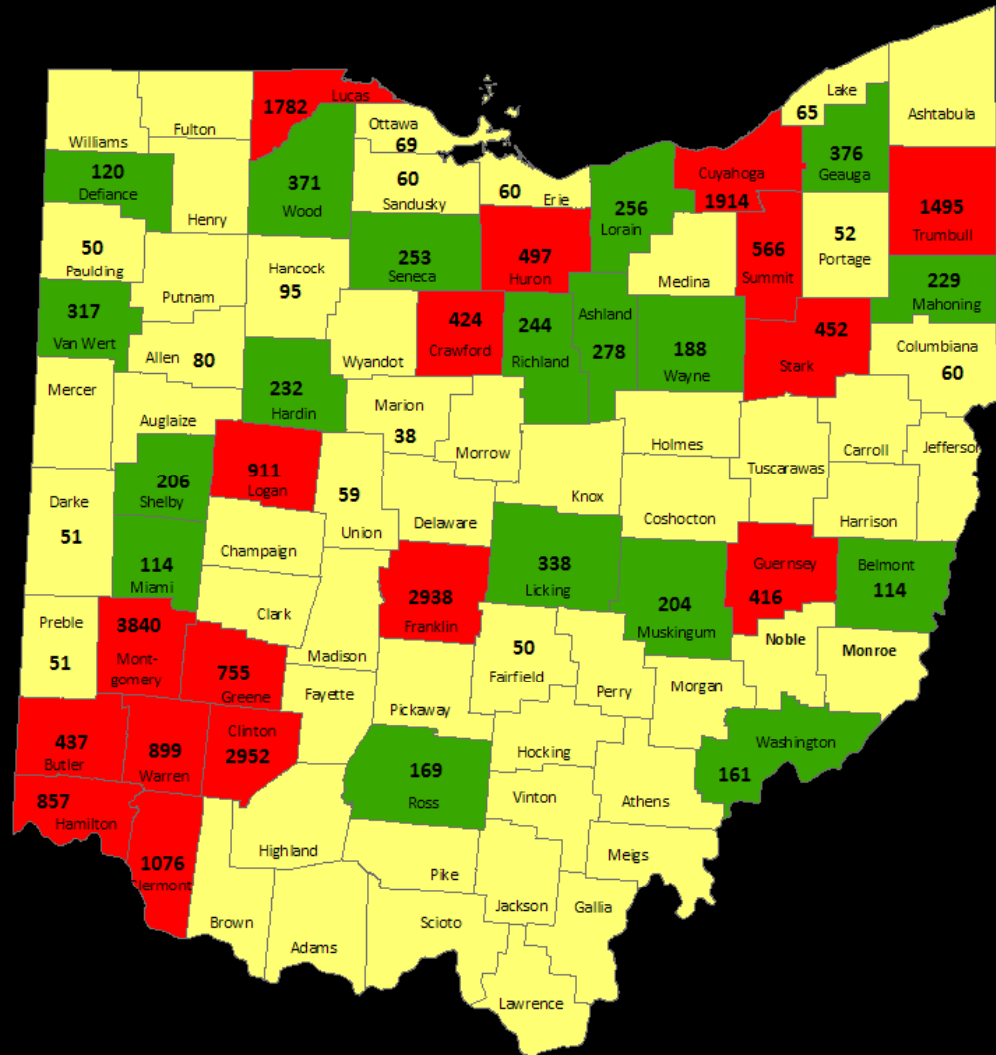
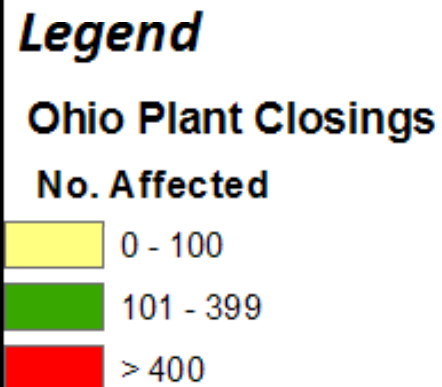
National Debt History



Regional Perspective

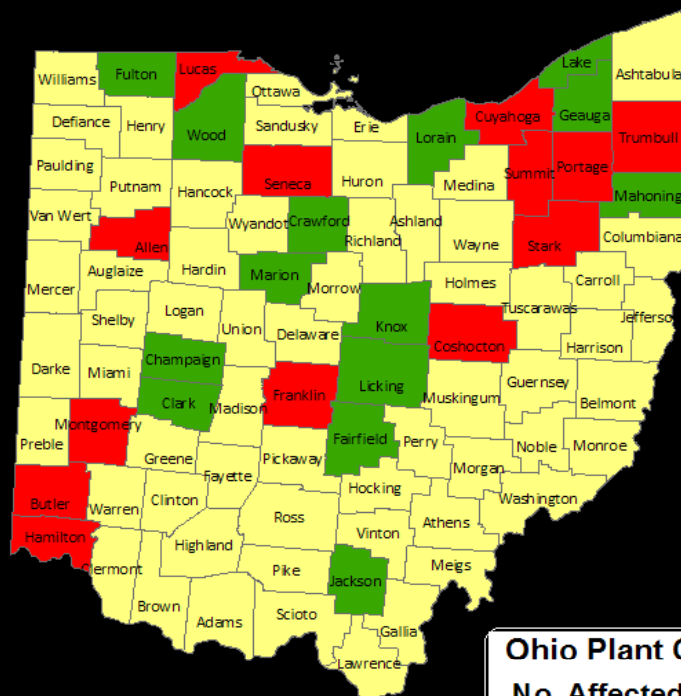


2008 Ohio Plant Closings and Mass Layoffs

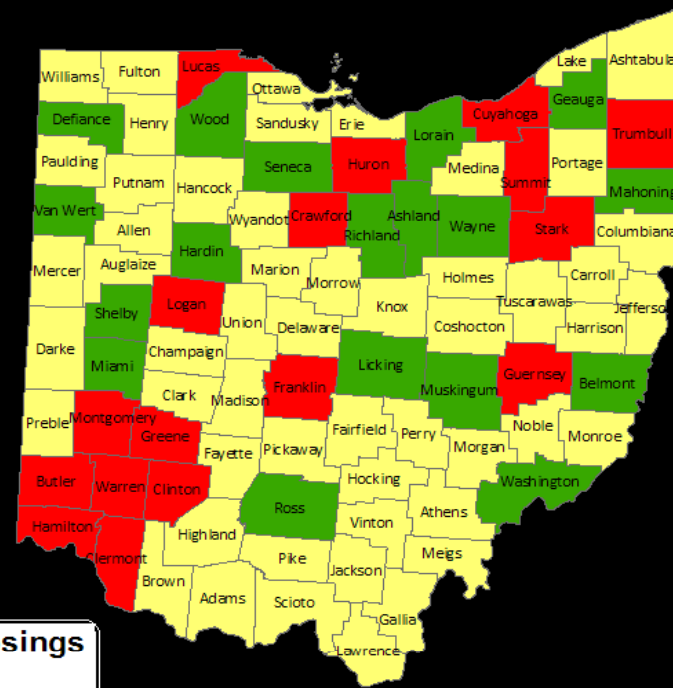


Plant Closings and Mass Layoffs 2007 vs. 2008

Ohio Plant Closings - 2007

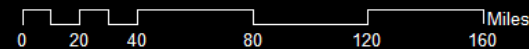
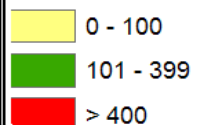


Ohio Plant Closings - 2008



Ohio Plant Closings

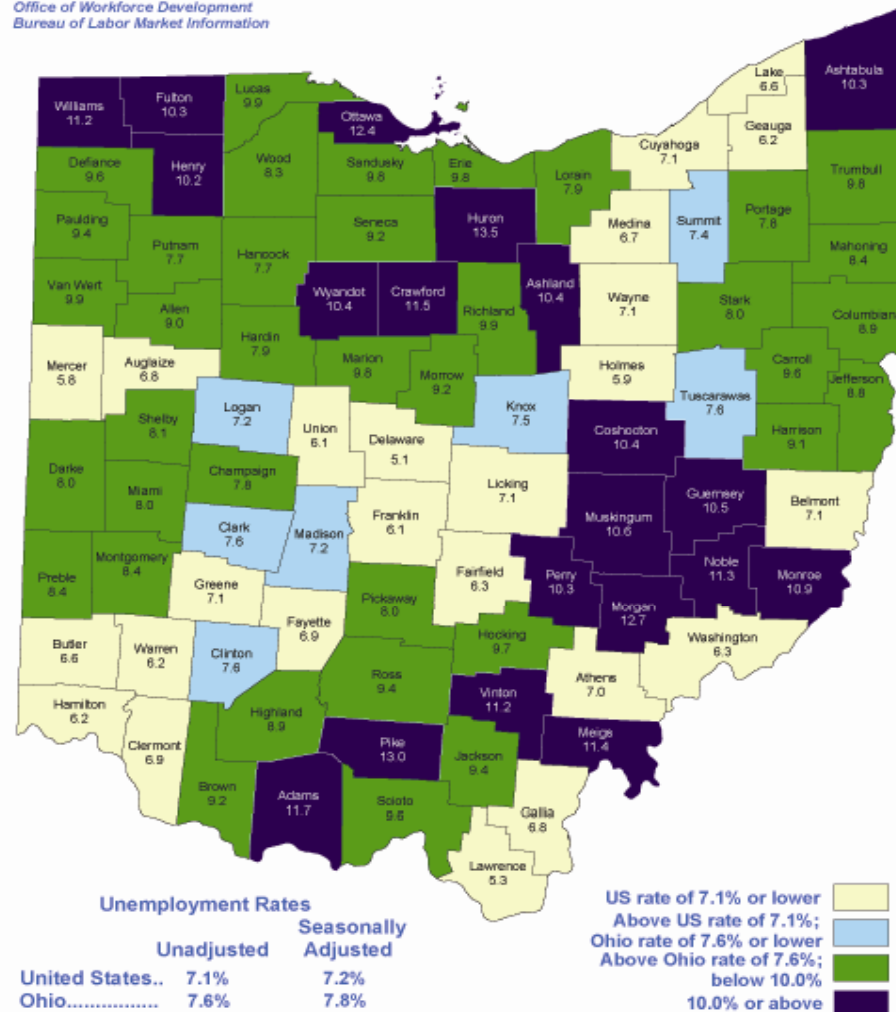
No. Affected



Unemployment Rates by County

Civilian Labor Force Estimates December 2008

Office of Workforce Development
Bureau of Labor Market Information



Ohio Department of Job and Family Services

Ted Strickland, Governor

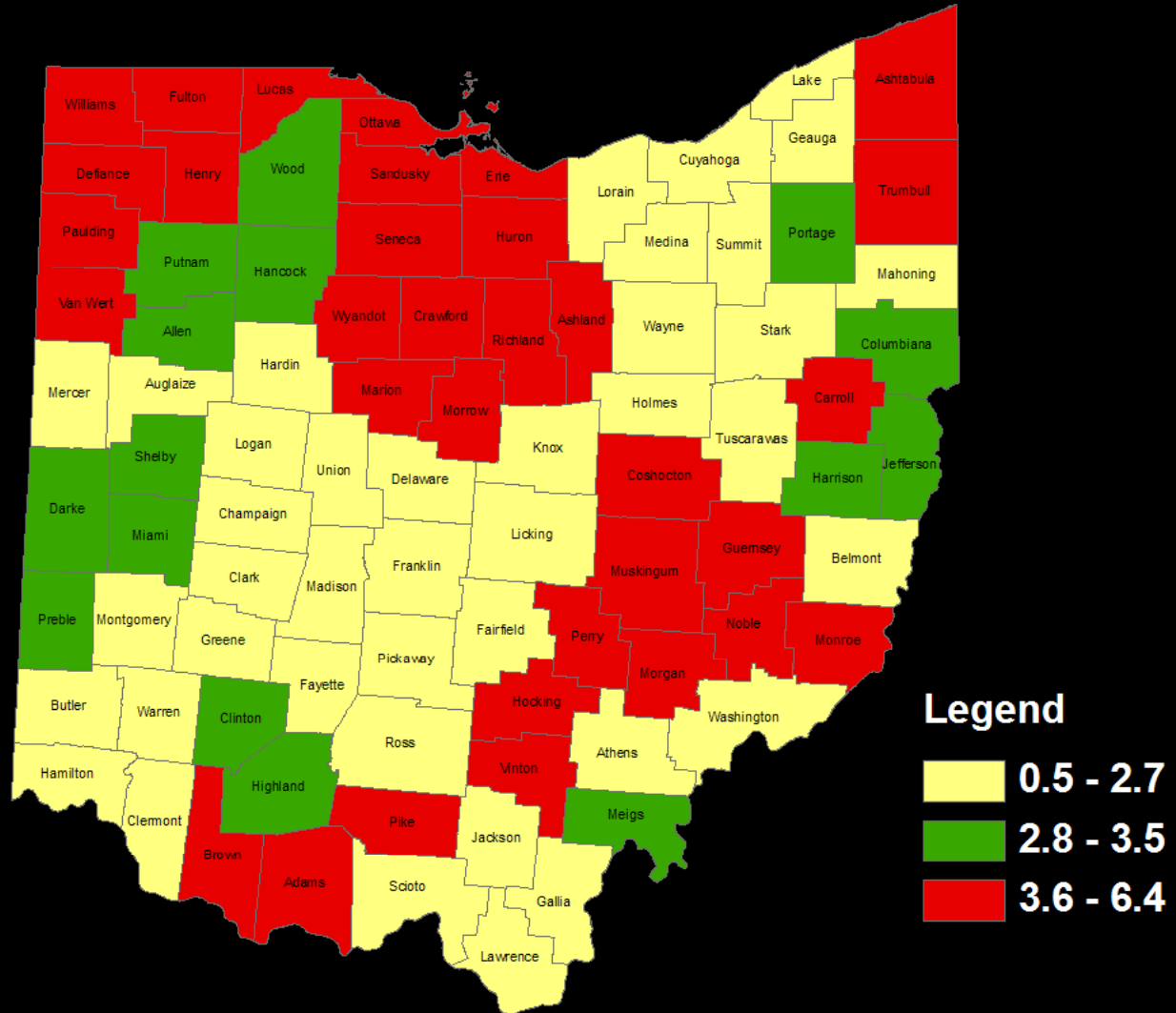
Douglas Lumpkin, Director

Local Unemployment Rates

	Fulton	Lucas	Ottawa	Wood
2001	4.5	5.0	5.6	3.9
2002	5.9	6.8	7.2	5.2
2003	6.5	7.5	8.1	5.7
2004	6.2	7.4	8.1	5.7
2005	6.1	6.8	7.6	5.6
2006	5.9	6.3	7.0	5.2
2007	6.3	6.7	7.2	5.4
2008 (December)	10.3	9.9	12.4	8.3

Unemployment Percentage Change

November 2007 to
December 2008



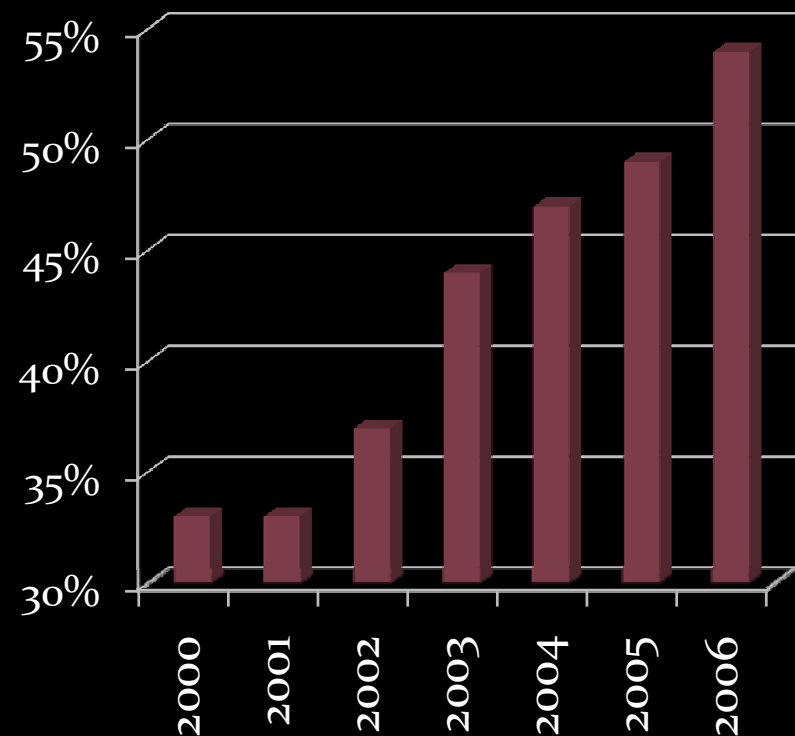
Change in Unemployment Rate

County	November 2007	December 2008	13 Month Net Change
Van Wert County	5.6	9.9	4.4
Williams County	5.5	10.2	4.7
Paulding County	4.9	9.4	4.5
Fulton County	5.5	10.3	4.8
Huron County	7.1	13.5	6.4
Henry County	5.1	10.2	5.1
Defiance County	4.9	9.6	4.7
Ottawa County	7.3	12.4	5.1

Manufacturing Concentration

Toledo MSA's Manufacturing Concentration Above the National Average

2000	33%
2001	33%
2002	37%
2003	44%
2004	47%
2005	49%
2006	54%



Toledo MSA's increasing dependence on manufacturing

US Manufacturing Employment

(thousands)



Family Income Sources

	Fulton	Lucas	Ottawa	Wood
Single Income Families	32.30%	39.30%	33.90%	35.80%
Multiple Income Families	51.70%	38.70%	43.20%	48.80%

Firm Credit Risk as a Percentage of Total Firms

Taken from Dunn and Bradstreet data set. This measures the likelihood that a firm will pay in a significantly delinquent manner (90+ days past terms) over the next 12 months.

	Fulton	Lucas	Ottawa	Wood	Ohio
High Risk	5.17%	9.64%	5.54%	6.45%	8.32%

Future?



Keys to the Immediate Future

- How quickly can federal dollars get to the states?
- Banking system's balance sheets
 - How bad are they and how much risk is being carried off the balance sheet s? (e.g. letters of credit)

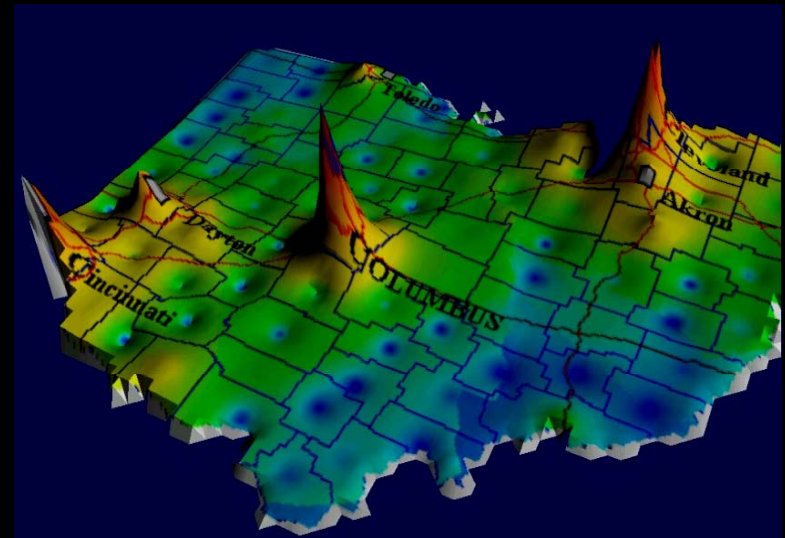
Economic Development Agencies

- Attraction, Retention, Expansion
 - Retention is the key function of ED agencies
 - ED practitioners must get ahead of the plant closings and financial problems
 - Perform the role of cluster champion
- Structural Unemployment

High Tech is Not Our Future

	Output	Employment
Nation	8.1%	5.1%
Ohio	5.7%	3.9%
NW Ohio	2.5%	2.3%

Knowledge Economy is
Our Future





Thank you

*Michael C. Carroll, Ph.D.
Center for Regional Development
Bowling Green State University*