

State of the Region Address 2014



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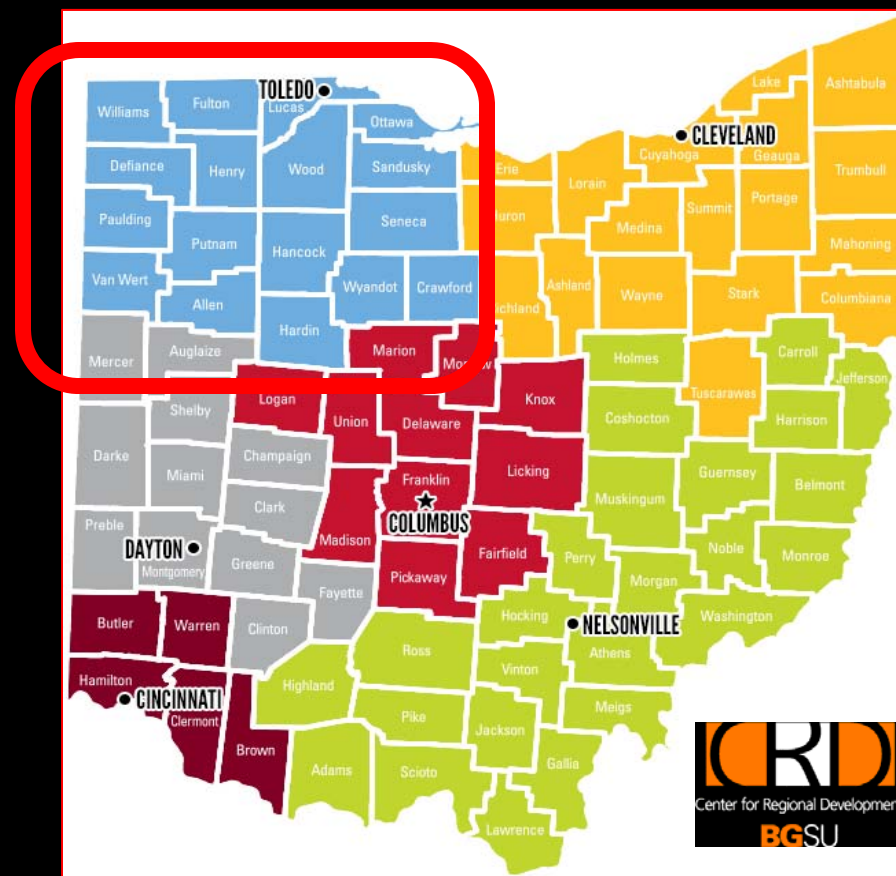


Introduction

- Regional Profile
- Focus on Firms
- Recent Performance
- Policy Implications

Our Region

- Jobs Ohio 17 County region in NW Ohio
- 7,356 Sq. Miles (18% of Ohio)
- Population: 1,230,725
- Labor force * 600,000
- Employment * 554,100
- Unemployment * 45,900
- Unemployment Rate * 7.7%



* January 2014

Region

- Gross Regional Product = \$51.3 billion (10.2% of Ohio GSP*)
- 373 industry categories (approx. 500 max)
- 75% of possible industries

U.S. Department of Commerce, BEA 2011



Top Ten Industries by Employment

Description	Employment	Labor Income	Output
Food services and drinking places	47,806	\$768,504,400	\$2,398,121,000
* Employment and payroll only (state & local govt, non-education)	39,755	\$1,937,548,000	\$2,225,516,000
* Employment and payroll only (state & local govt, education)	36,070	\$1,861,817,000	\$2,133,352,000
Private hospitals	26,095	\$1,416,247,000	\$3,114,304,000
Wholesale trade businesses	21,301	\$1,220,606,000	\$3,368,742,000
Nursing and residential care facilities	20,537	\$613,038,700	\$1,117,080,000
Employment services	20,438	\$497,253,500	\$702,546,200
Offices of physicians, dentists, and other health practitioners	19,286	\$1,437,095,000	\$2,275,662,000
Motor vehicle parts manufacturing	16,133	\$1,146,278,000	\$7,542,248,000
Retail Stores - General merchandise	15,547	\$371,215,900	\$841,296,600
	262,968	\$11,269,603,500	\$25,718,867,800

Education Attainment Age 25+ (2013)

	Region Number	Region Percent	United States Percent
High School	320,814	39.3%	28.9%
Associate Degree	69,915	8.6%	7.5%
Bachelor's Degree	101,522	12.4%	17.6%
Graduate Degree	58,717	7.2%	10.3%

Firms in Region

- 63,672 firms in region (represents 10% of Ohio firms)
 - 3,165 manufacturing firms (4.9% of region)
 - 5,012 Agriculture (7.8% of region)
 - 5,579 Professional and scientific (8.8% of region)
 - 122 Motor vehicle parts manufacturing (0.19%)

Firm level data from Hoovers (a D&B Company)



Firms in Region

- Most firms in our region are small firms
 - 52,490 have 10 employees or less (82.4%)
 - 2,137 greater than 50 workers (3.3%)
 - 601 greater than 125 workers (1%)
- 711 (1.1%) Small to mid sized (\$10m to \$1b sales)

Firm level data from Hoovers (a D&B Company)



Region's Firms

- 63,672 firms in region
 - 1,619 Headquarters (2.5%)
 - 7,305 branch plants (11.5%)
 - 2,158 public or owned by a public firm (3.4%)
 - 433 firms export
 - 436 firms import
 - 152 both import and export

Firm level data from Hoovers (a D&B Company)



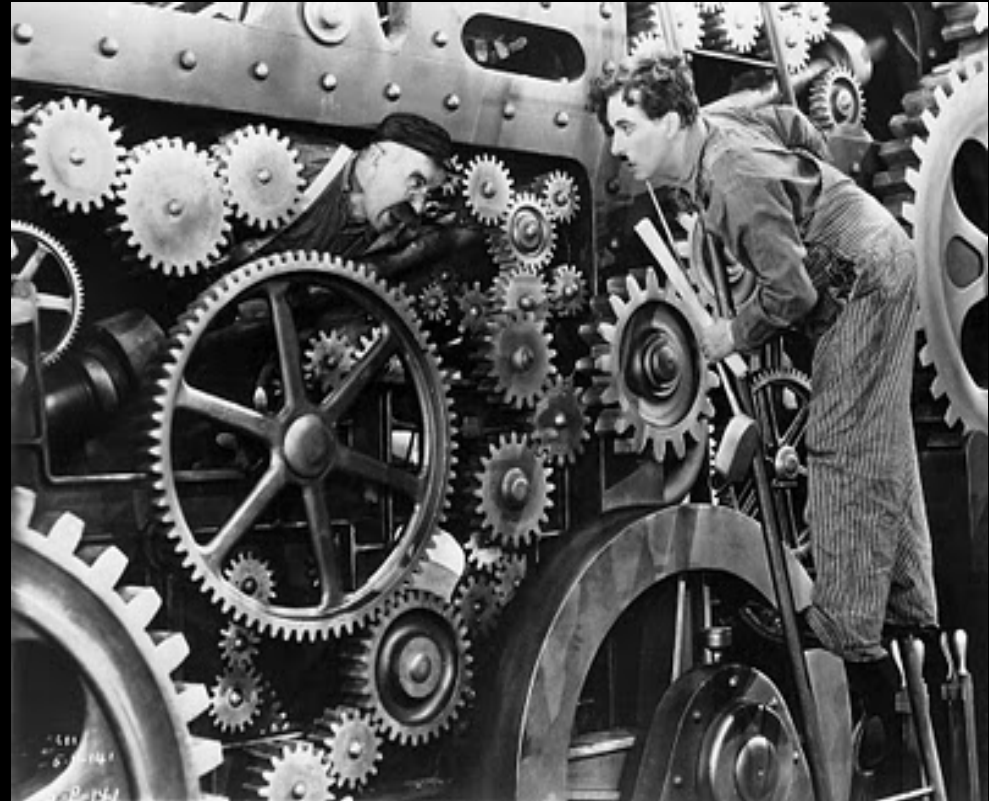
D&B Risk Analysis

- **D&B Prescreen** -- Prescreen Scores predict the likelihood of a firm paying in a severely delinquent manner (90+ days past terms) over the next 12 months.

	Region	Ohio	US	Toledo MSA	Region WO/MSA
High Risk	7.6%	7.6%	2.5%	9.6%	5.7%
Medium Risk	4.4%	4.7%	3.4%	5.2%	3.5%
Low Risk	88%	87.7%	94.1%	85.2	90.8%

Region's Public Firms

Marathon Petroleum Corporation (MPC)
Owens-Illinois, Inc. (OI)
Dana Holding Corporation (DAN)
The Andersons, Inc. (ANDE)
Owens Corning (OC)
Cooper Tire & Rubber Company (CTB)
Health Care REIT, Inc. (HCN)
Libbey Inc. (LBY)
MPLX LP (MPLX)
First Defiance Financial Corp. (FDEF)
SB Financial Group, Inc. (SBFG)
Croghan Bancshares, Inc. (CHBH)
United Bancshares, Inc. (UBOH)
Commercial Bancshares, Inc. (CMOH)
The Ohio Art Company (OART)
Community Investors Bancorp, Inc. (CIBN)
Axion International Holdings, Inc. (AXIH)
N-Viro International Corporation (NVIC)



Regional Performance

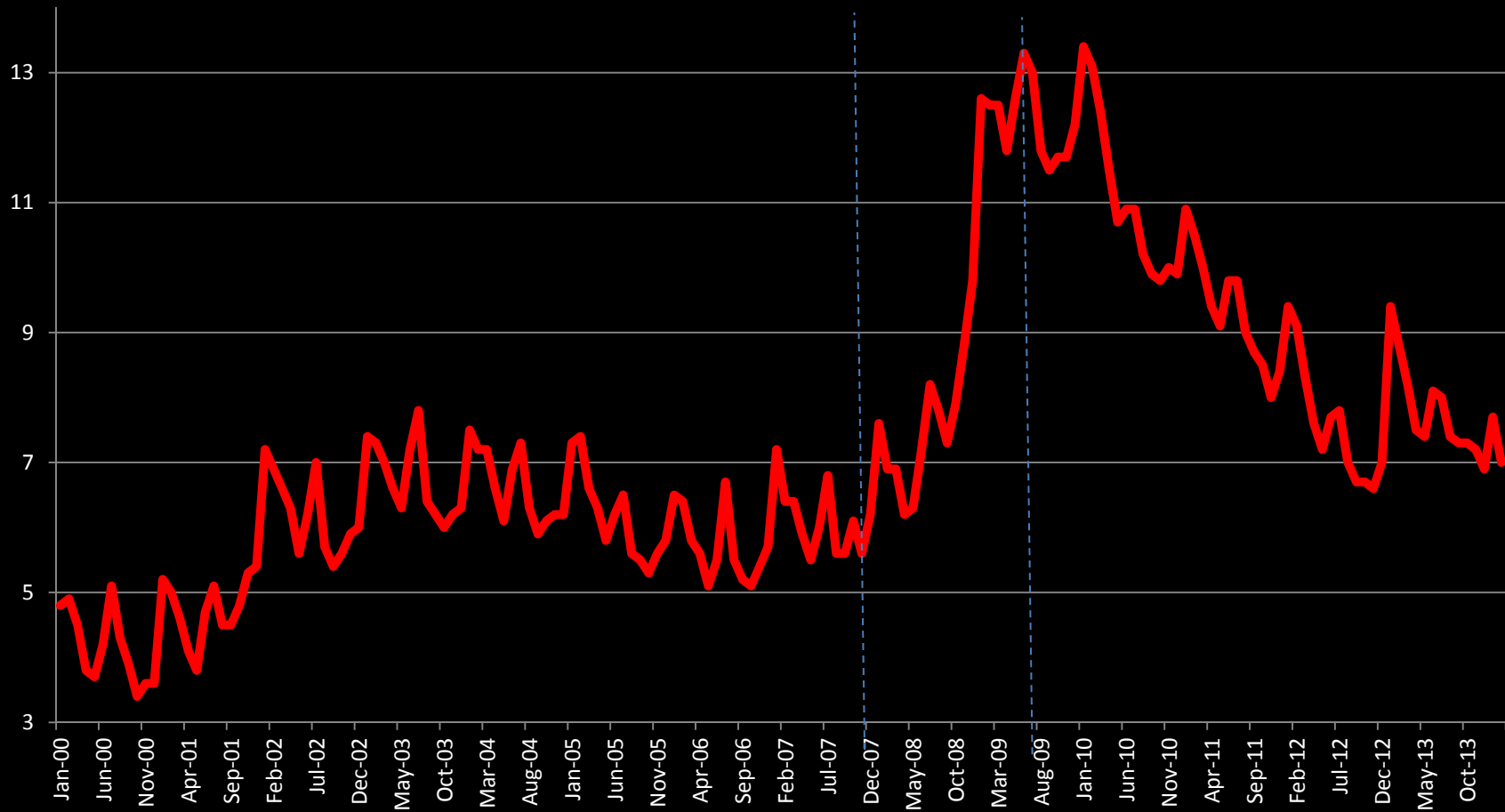
The Sky is Falling?

Or

Steady Progress?



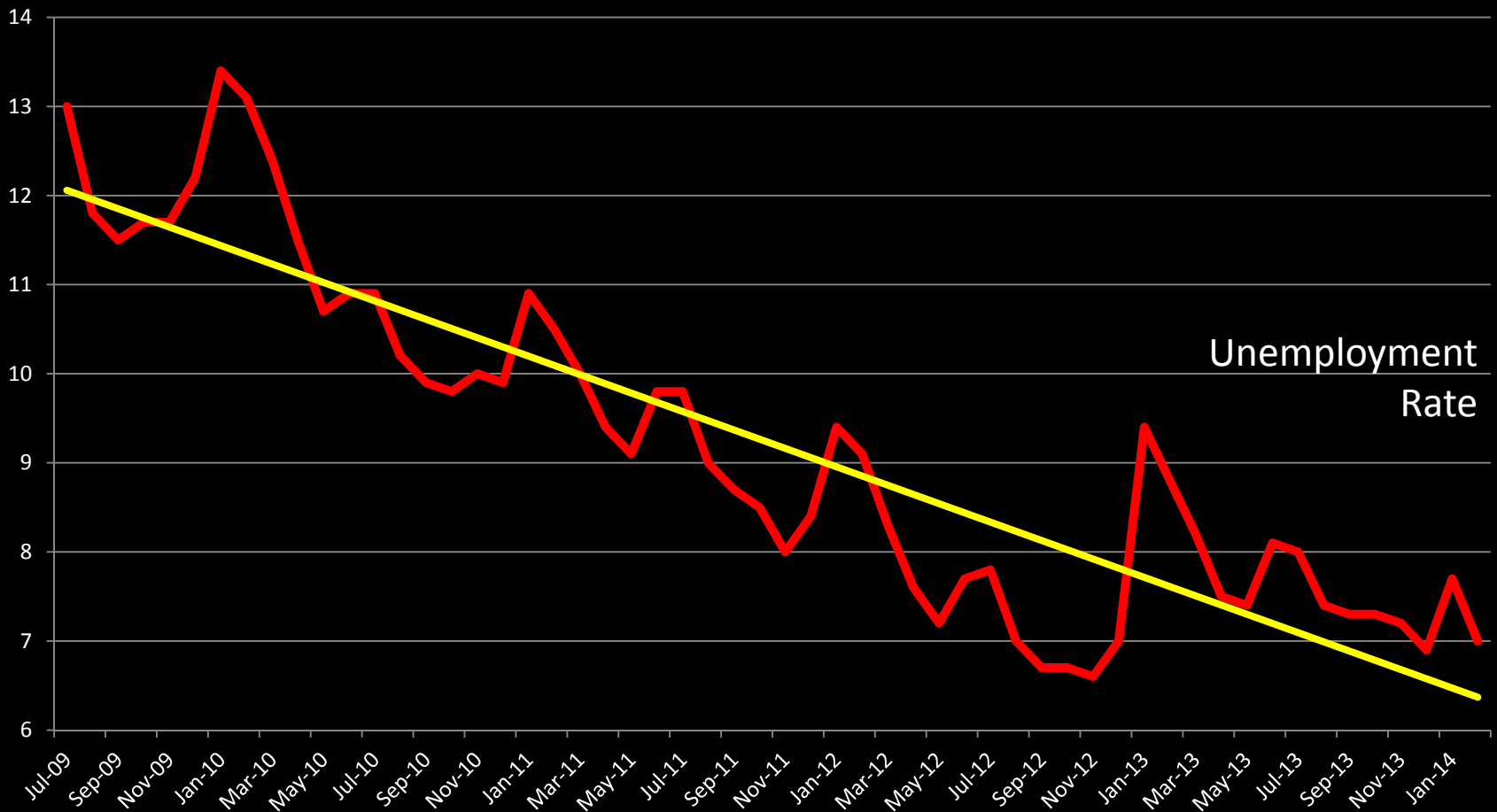
Unemployment Rate 2000 to Present



Post Recession Performance



Post Recession Performance



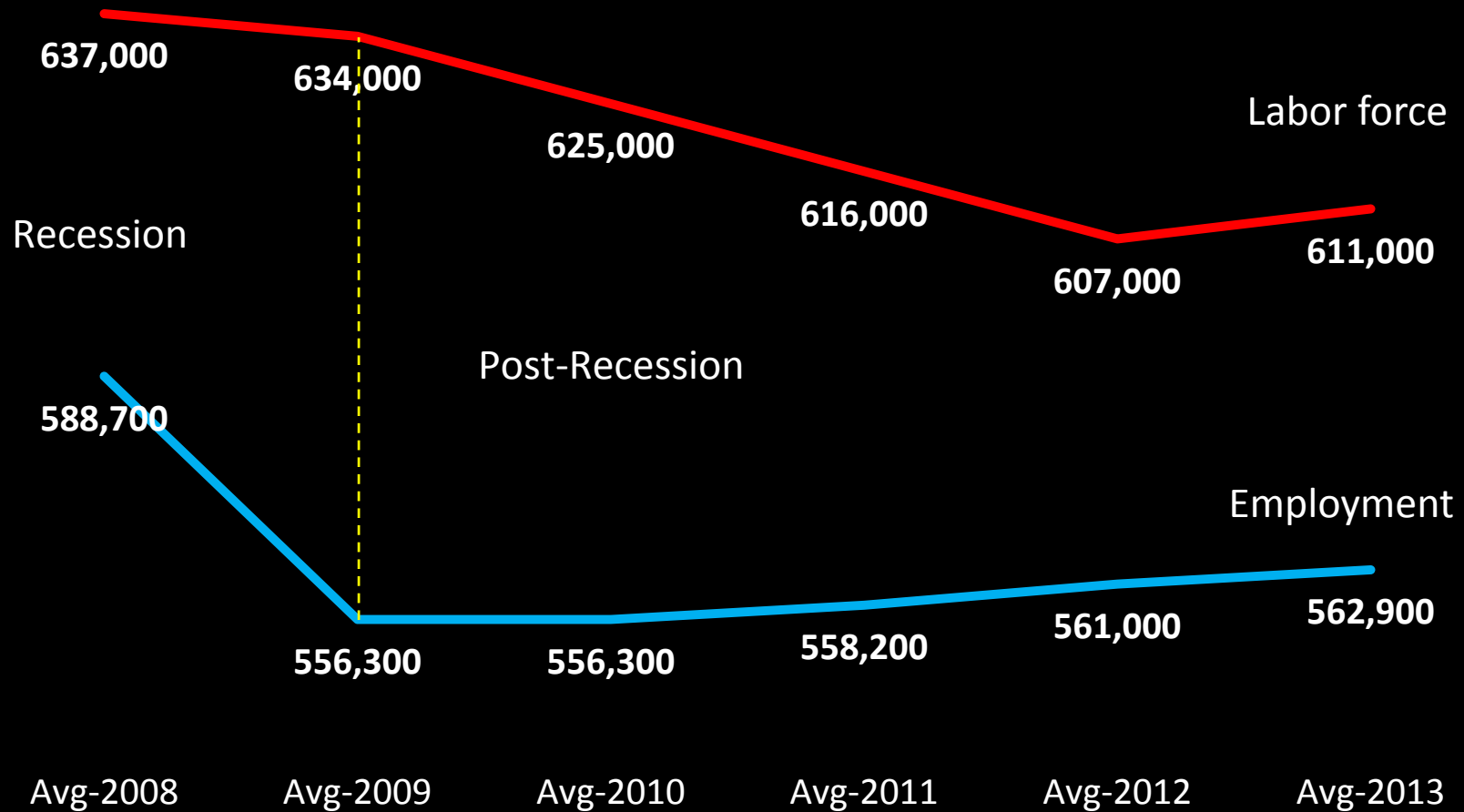
Local Large Public Firms

- 63% (10/16) showed a negative revenue growth in 2013
- 43% (6/14) showed a negative employment growth in 2013

Firm level data from Hoovers (a D&B Company)



Annual Average Labor Force and Employment

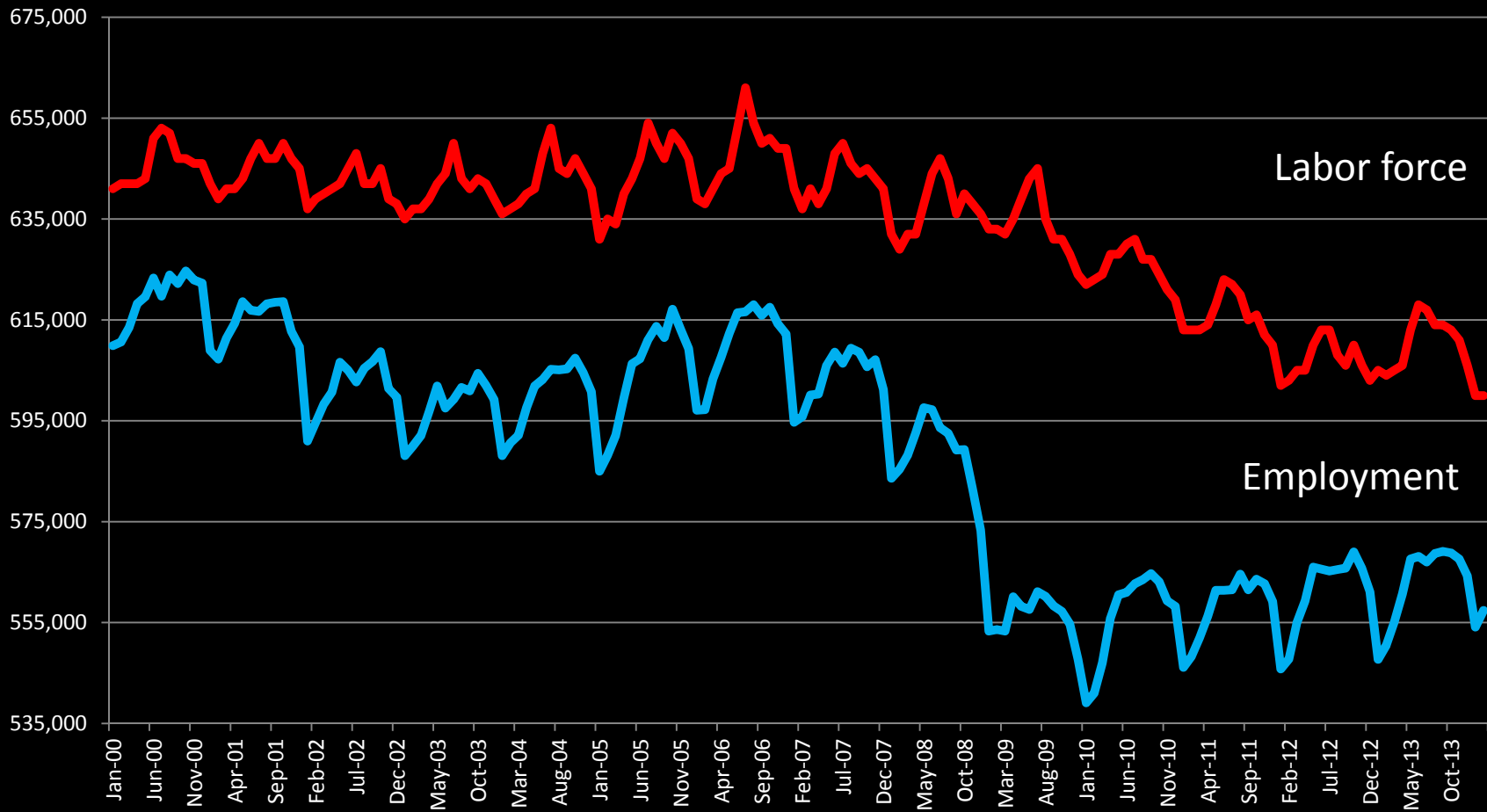


Employment and Labor Force

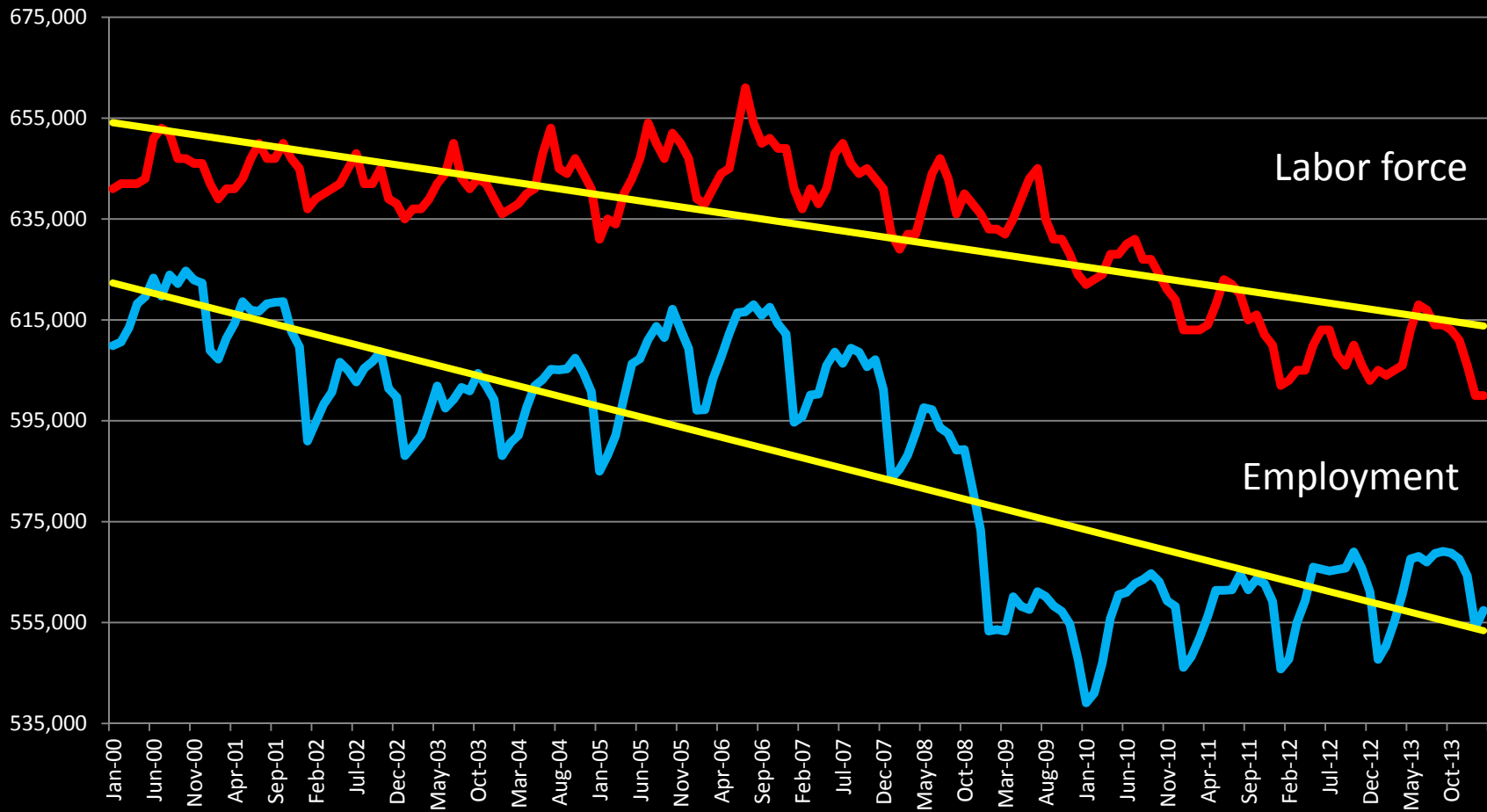
A Closer Look

- **Employment**
 - 6,600 Jobs were created since 2009
 - 1.18% regional employment growth (U.S. 4.66%)
 - Net change in employment 2007-2014 -40,800
- **Labor force**
 - 23,000 left the labor force since 2009
 - 32,000 left the labor force since 2007

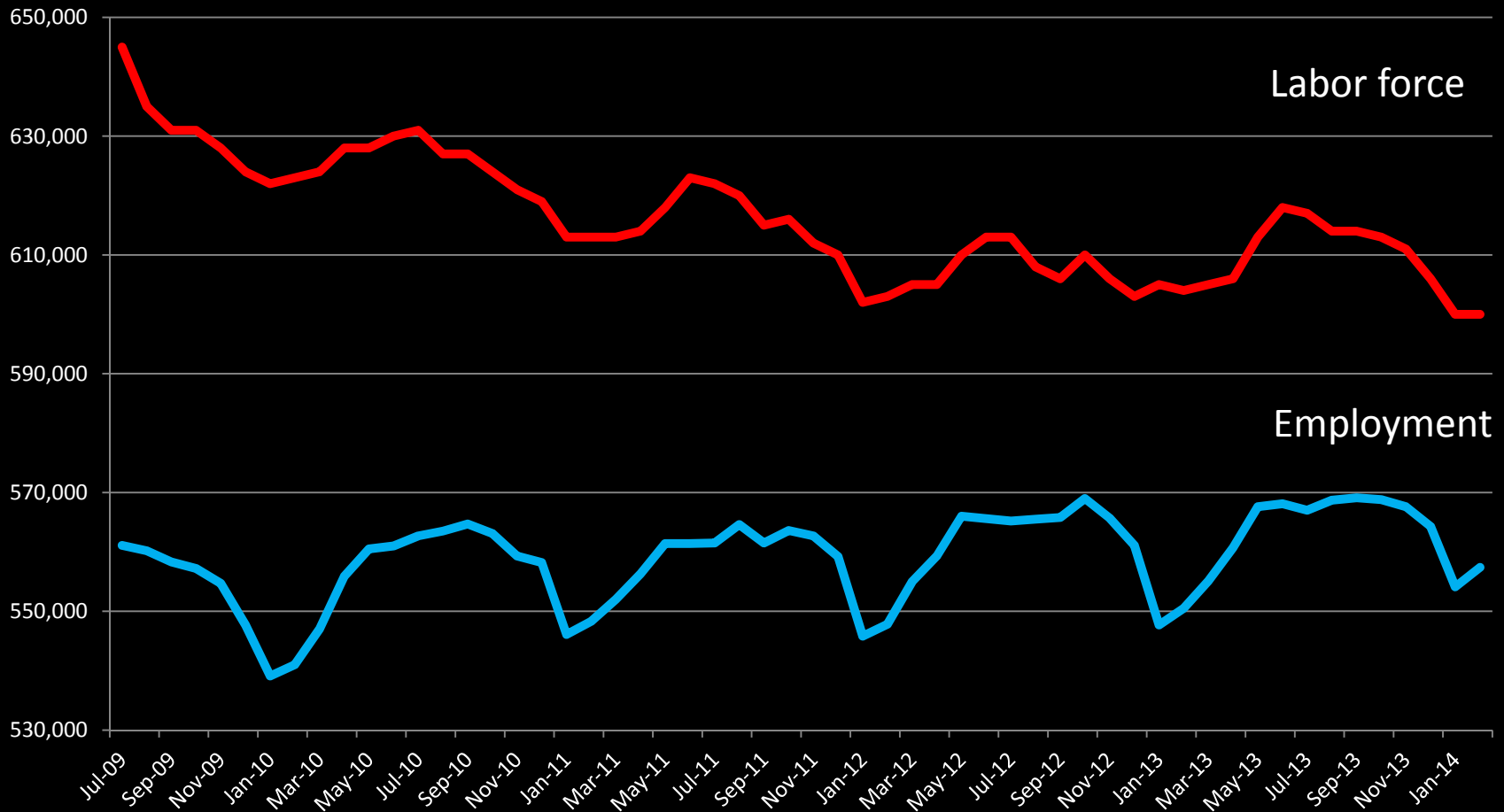
Employment and Labor Force 2000 to Present



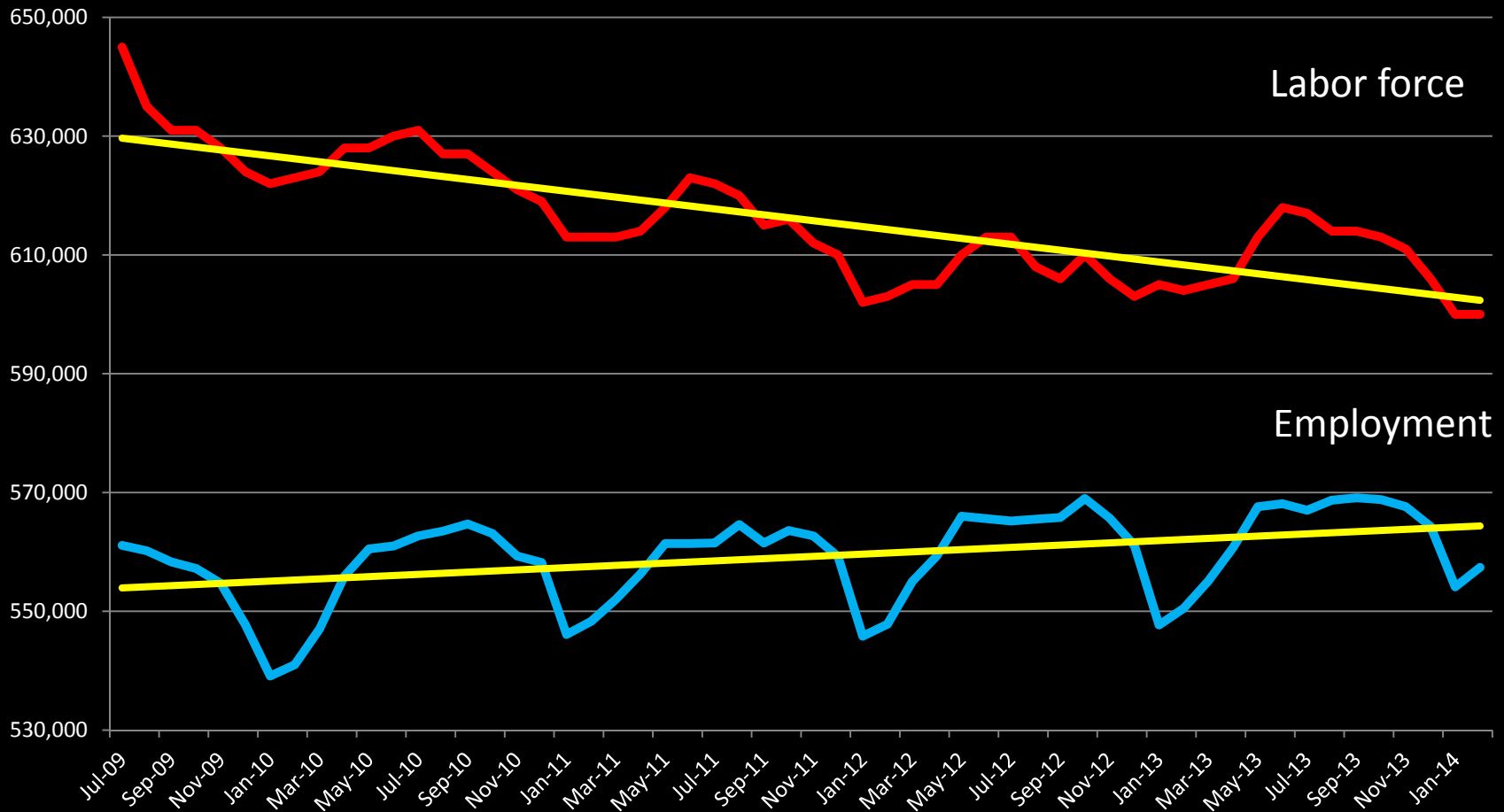
Employment and Labor Force 2000 to Present



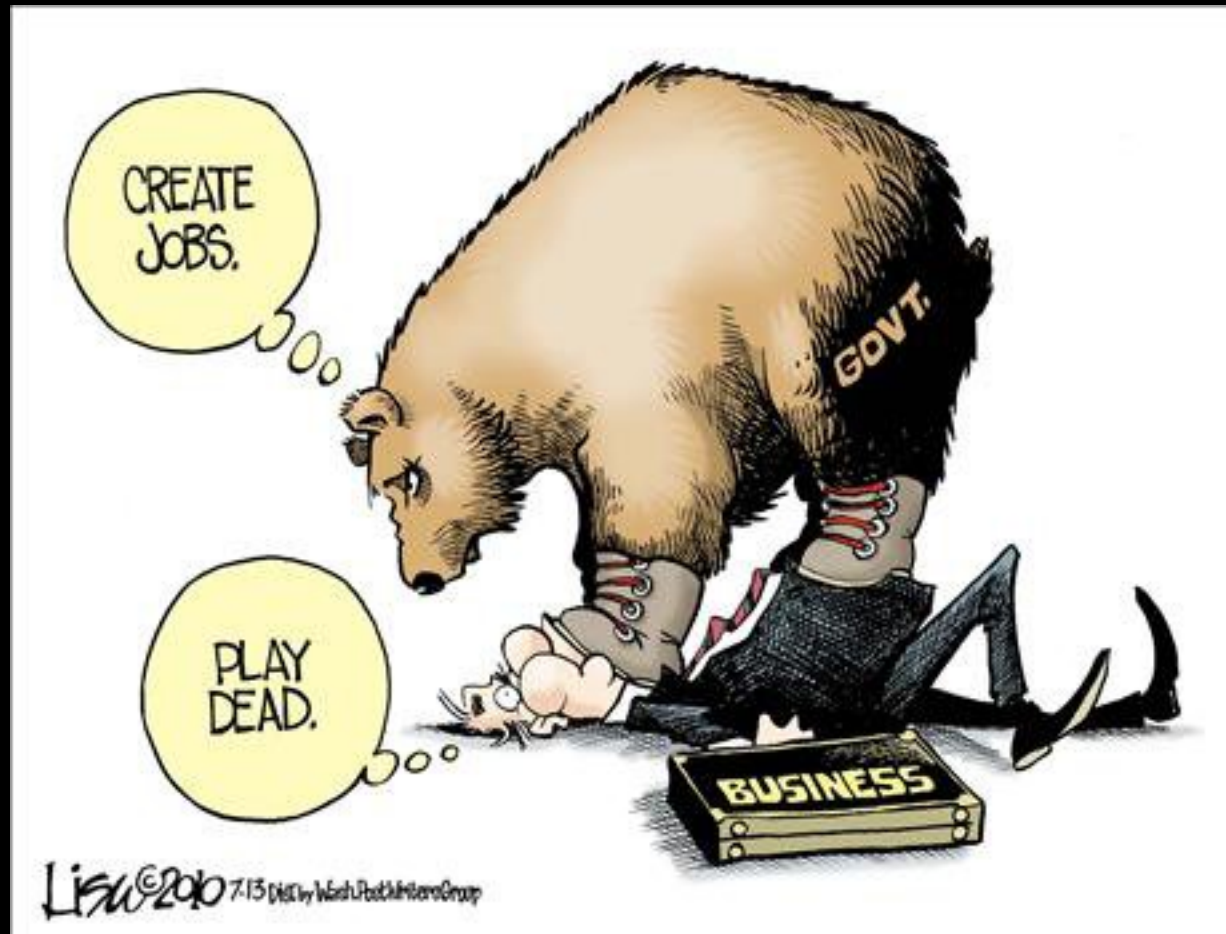
Post Recession Performance



Post Recession Performance



Policy Implications



Recommendations

- Focus on retention and expansion of SME companies (\$10 million to \$1 billion)
 - SME gained employment during the recession
 - SME outperformed others post-recession
 - 3.8% growth vs 2.8% small firms and 0.8% large firms
- Productivity gains will continue to displace manufacturing workers
- Our future is not shop floor manufacturing employment– **stop smokestack chasing**
- We must diversify the economy

Over the Horizon

- Department of Defense Office of Economic Adjustment
- Global growth is slowing (China, India, Brazil, Europe)
- Washington, D.C. environment is still very difficult
- New tools for the national toolbox?

Thank
You



Center for Regional Development

BGSU

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