Extension Area 1: Economic Overview

Defiance, Fulton, Henry, Paulding and Williams Counties

Report prepared September 2022 by Nancy Bowen, Associate Professor, OSU Extension Community Development

Regional Overview

OSU Extension Area 1 is a five-county area in the north-west corner of the state, including Defiance, Fulton, Henry, Paulding, and Williams counties. In 2020, the combined Area 1 footprint is 2,073 square miles (mi²) supporting a population of 162,749 residents and an overall population density of 78 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, Fulton County has the highest population density of 103.6, followed by Defiance County with a population density of 92.4, while Henry and Williams counties ranged between to 65 87 residents per square mile. Paulding had the lowest density at 45.1 residents per square mile.

Overall, the combined population in Area 1 dropped slightly by an overall -4.36%, or from 170,167 in 2001 to 162,749 in 2020. All five counties experienced at least some level of decrease in population during this time, with the greatest percentage loss in Henry County. Henry County’s population decrease was almost -8%, from 29,310 in 2001 to 27,064 in 2020. Paulding and Williams Counties followed closely behind with population declines of -6.6% and -6.2% respectively, or from 20,081 in 2001 to 18,759 in 2020 for Paulding and 39,211 in 2001 to 36,783 in 2020 for Williams. During this same period, Fulton County’s population stayed virtually the same with a loss of only 66 people, decreasing from 42,205 in 2001 to 42,139 in 2020. Defiance County also had a slight drop in population from 39,360 to 38,003 or by -3.45% between 2001 and 2020.

Image 1: OSU Extension Area 1 Population Density

Key Stats
- Population 162,749
- Total of 324 Industries
- Total Employment of 89,101
- Gross Domestic Product $7.56B

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 1 by total output in 2020. Canned specialties was the highest ranked job-producing industry with a total output of $1.35 billion, supporting 1,414 jobs, and an average employee compensation of $109,680. When comparing 2020 to 2019, the data shows that the canned specialties manufacturing industry experienced an almost 30% increase in total output and total employment from 1,161 in 2019 to 1,414 jobs in 2020. Average employee compensation increased from $96,434 in 2019 to $109,680 in this industry.

The second highest job-producing industry in Area 1 was iron and steel mills and ferroalloy manufacturing, with a total output of $562 million and supporting 546 jobs. Average compensation fell rather than rose in this industry, from $133,757 to $107,584. 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 4,386 employees. The average annual income for these workers was $69,743 per year.

Owner-occupied dwellings had the second greatest total output at $635 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.

Table 1: Area 1 Top 10 Industries by Total Output

<table>
<thead>
<tr>
<th>Industry Description</th>
<th>Output</th>
<th>Total Employment</th>
<th>Average Employee Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canned specialties</td>
<td>$1,351,624,953</td>
<td>1,414</td>
<td>$109,680</td>
</tr>
<tr>
<td>Owner-occupied dwellings</td>
<td>$635,900,702</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Iron and steel mills and ferroalloy manufacturing</td>
<td>$562,146,280</td>
<td>546</td>
<td>$107,584</td>
</tr>
<tr>
<td>Monetary authorities and depository credit intermediation</td>
<td>$494,436,956</td>
<td>915</td>
<td>$78,967</td>
</tr>
<tr>
<td>Motor vehicle gasoline engine and engine parts manufacturing</td>
<td>$407,136,126</td>
<td>690</td>
<td>$83,217</td>
</tr>
<tr>
<td>Employment and payroll of local govt, education</td>
<td>$351,176,809</td>
<td>4,386</td>
<td>$69,743</td>
</tr>
<tr>
<td>Other plastics product manufacturing</td>
<td>$335,960,113</td>
<td>1,202</td>
<td>$59,040</td>
</tr>
<tr>
<td>Other real estate</td>
<td>$333,781,086</td>
<td>2,323</td>
<td>$37,593</td>
</tr>
<tr>
<td>Truck transportation</td>
<td>$328,768,036</td>
<td>2,005</td>
<td>$66,488</td>
</tr>
<tr>
<td>Institutional furniture manufacturing</td>
<td>$303,362,064</td>
<td>1,392</td>
<td>$81,734</td>
</tr>
</tbody>
</table>
Area 1 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 1 annual employment trends between 2001 and 2020. As shown in the chart, Area 1 experienced negative growth between 2001 and 2010, peaking in 2001 with an overall employment of 100,436 and dropping to a low of 89,101 in 2020. Employment declines were affected not only by the pandemic, but also as a result of collapse of the U.S. housing market, which triggered a period of recession in the U.S. economy. During the three year recessionary period between 2009 and 2011, Area 1 experienced it’s lowest employment levels, except for 2020.

When considering the long-term employment trends by county, none of the five counties experienced an increase in employment. Henry County experienced the least decline in employment at -8%, while Fulton County experienced the greatest decline in employment at -14%.

Defiance County’s total employment decreased by -13%, or from 25,515 jobs in 2001 to 20,483 jobs in 2020, a loss of about 3,000 jobs. Williams and Paulding counties both experienced a percentage decrease in employment of -9% and -10% respectively, or by 2,243 jobs in Williams and 816 jobs in Paulding between 2001 and 2020.

“Area 1 total employment is down by 8,791 Jobs in the two decades between 2001-2020”
A location quotient (LQ) is a metric that compares the relative concentration of a local region’s 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 1 demonstrating a significant concentration of workers relative to the nation. In 2020, the top occupation by LQ in Area 1 was woodworkers, with an LQ of 7.79. This suggests the region has almost eight times the number of woodworkers compared to the national average. The second highest occupation by LQ in Area 1 was metal and plastic workers at 4.69, followed by assemblers and fabricators with an LQ of 3.47, supervisors of production workers at 3.12, other production workers at 2.17, and food processing workers at 2.17. Supervisors of farming, fishing and forestry workers had an LQ of just over 2.
Of the counties in Area 1, Henry County had the highest average employee compensation of $62,218, ranking in the mid-range of Ohio counties. The next highest average employee compensation in Area 1 was Fulton County ($59,021), followed by Defiance County ($57,353), Williams County ($57,140), and Paulding County ($54,824).

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.
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