Extension Area 17: Economic Overview

Franklin County

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

Regional Overview

OSU Extension Area 17 is includes one county, Franklin, which encompasses a land area of 540 square miles (mi2), supporting a population of 1,316,756 residents and with an overall population density of 2,438 people 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. Image 1 is the visual depiction of Franklin County located in the central part of Ohio.

Between 2019 and 2020, the population in Area 17 increased by almost 12% from 1,316,756 in 2001 to a population of 1,332,525 in 2020. Going back to 2001, population increased by almost 25%, or from 1,071,524, in this urban county. The Chart 1 below shows the trajectory of population growth over time in Area 17.

Key Stats

- Population 1,332,525
- Total of 411 Industries
- Total Employment of 975,331
- Gross Domestic Product $109.89B

Data retrieved from IMPLAN (2020 data)
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 17 by total output in 2020. Insurance carriers, except direct life was the highest ranked industry with a total output of $11.64 billion, supporting 18,518 jobs, and an average employee compensation of $134,592. However, when comparing 2020 to 2019, the data shows the insurance carriers, except direct life industry experienced a 5.1% decrease in total output from 12.50 billion in 2019 to 11.86 billion in 2020, while employment increased from 18,061 in 2019 to 18,518 in 2020.

The industry with the second highest total output in Area 17 was other the real estate industry with a total output of $6.89 billion, supporting 31,135 jobs, and an average employee compensation of $78,004 per year. Of the top 10 industries by total output, the sector with the most employees in the region was employment and payroll of state government, other services, with 32,157 employees. The average annual income for these workers was $97,833 per year.

Owner-occupied dwellings had the fifth greatest total output at $6.08 billion. 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 17 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>Insurance carriers, except direct life</td>
<td>$11,864,158,549</td>
<td>18,518</td>
<td>$134,592</td>
</tr>
<tr>
<td>Other real estate</td>
<td>$6,893,512,631</td>
<td>31,135</td>
<td>$78,004</td>
</tr>
<tr>
<td>Management of companies and enterprises</td>
<td>$6,412,448,495</td>
<td>25,541</td>
<td>$147,255</td>
</tr>
<tr>
<td>Monetary authorities and depository credit intermediation</td>
<td>$6,299,546,233</td>
<td>9,504</td>
<td>$99,088</td>
</tr>
<tr>
<td>Owner-occupied dwellings</td>
<td>$6,087,958,731</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Hospitals</td>
<td>$4,982,819,014</td>
<td>28,061</td>
<td>$76,436</td>
</tr>
<tr>
<td>Nondepository credit intermediation and related activities</td>
<td>$4,239,243,740</td>
<td>13,700</td>
<td>$115,557</td>
</tr>
<tr>
<td>* Employment and payroll of state govt, other services</td>
<td>$3,604,294,706</td>
<td>32,157</td>
<td>$97,833</td>
</tr>
<tr>
<td>Tenant-occupied housing</td>
<td>$3,352,209,964</td>
<td>7,677</td>
<td>$55,696</td>
</tr>
<tr>
<td>Offices of physicians</td>
<td>$3,256,194,385</td>
<td>20,513</td>
<td>$135,364</td>
</tr>
</tbody>
</table>
Area 17 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 17 annual employment trends between 2001 and 2020. As shown in the chart, Area 17 experienced consistent growth overall. A decrease in employment took place between 2002 and 2007 and again between 2008 and 2011 when markets collapsed, stressing global financial markets, and ultimately triggering the U.S. economy into periods of recession.

Since 2011, annual employment in Area 17 increased significantly by almost 20%, reaching a peak employment of 1,011,008 jobs in 2019. However, between 2019 and 2020 Area 17 experienced the greatest year to year job loss, loosing 35,677 jobs due to the pandemic, leaving an annual employment of 975,331 in 2020. “Year-to-year, Area 17 total employment increased by 113,318 Jobs in 2020”

Overall, between 2001 and 2020, Area 17 added 113,318 jobs and employment grew by 13.1%. Columbus ranks as one of the Midwest’s top cities with the highest job growth. According to Forbes, the city has been ranked as the #1 rising city for startups.

Chart 2: Area 17 Annual Employment

![Chart 2: Area 17 Annual Employment](image-url)
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.

As illustrated above, Chart 3 lists the top 15 occupations with the highest LQ in Area 17 demonstrating a significant concentration of workers relative to the nation. In 2020, the top occupation by LQ in Area 17 was air transportation workers, with an LQ of 1.53. This suggests the region has more than one and a half times the number of air transportation workers compared to the national average. The second highest occupation by LQ in Area 17 was law enforcement workers at 1.49, followed by mathematical science occupations at 1.45, financial specialists at 1.30, and computer operations and business operations specialists tying with LQ’s at 1.28.
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.

Franklin County ranks among the top five counties in the state for employee compensation with an average employee compensation of $78,324. The highest average employee compensation in Ohio is Hamilton County (Cincinnati) at $84,376.
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 www.IMPLAN.com

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We help communities enhance their well-being and create social, economic and environmental conditions in which they can thrive.