CFAES

Extension Area 17: Economic Overview

Franklin County

Report prepared March 2023 by Nancy Bowen, Associate Professor, OSU Extension Community Development

2023 Edition

Regional Overview

OSU Extension Area 17 includes one county, Franklin, which encompasses a land area of 540 square miles (mi2), supporting a population of 1,321,414 residents and with an overall population density of 2,447 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. For the first time in twenty years, population dropped in 2021, by just over 11,000. 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.
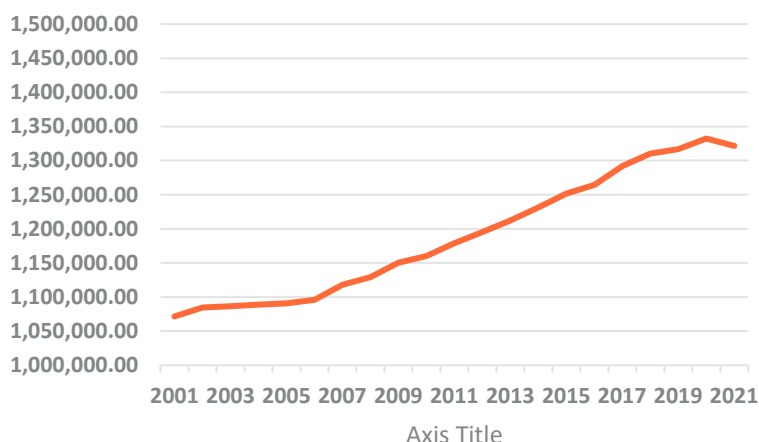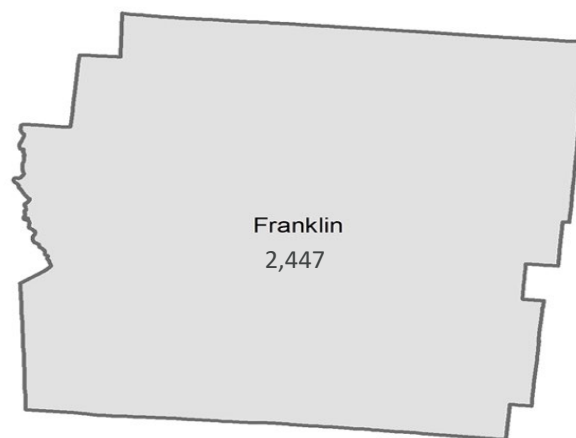
Image 1: OSU Extension Area 17 Population Density

Franklin
2,447

Key Stats

Population 1,321,414

Total of 416 Industries

Total Employment of 979,476

Gross Domestic Product $120,852B

Data retrieved from IMPLAN
(2021 data)

Chart 1: Area 17 Population Growth (2001-2021)

Axis Title

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 17 by total output in 2021. Insurance carriers, except direct life was the highest ranked industry with a total output of $12.59 billion, supporting 16,617 jobs, and an average employee compensation of $127,131. When comparing 2020 to 2019, the data shows the insurance carrier, except direct life industry experienced a 5.1% decrease in total

output from $12.50 billion in 2019 to $11.86 billion in 2020, but recovered in 2021, increasing to $12.59 billion. However, while employment increased from 18,061 in 2019 to 18,518 in 2020, it fell by over 2,000 jobs to 16,617 in 2021.

The industry with the third highest total output in 2021 was other the real estate industry with a total output of $7.08. The sector supported 31,135 jobs in 2020, but employment dropped by just over 1,000 in 2021 to 29,989. Of the top 10 industries by total output, the sector with the most employees in was employment and payroll of state government, other services, with 32,157 employees in 2020, increasing to 34,668 in 2021. The average

annual income for these workers was over $90k per year.

Owner-occupied dwellings had the fifth greatest total output at $6.34 billion in 2021. 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

Industry Description	Output	Total Employment	Average Employee Compensation
Insurance carriers, except direct life	$12,594,873,461	16,617	$127,131
Monetary authorities and depository credit intermediation	$7,485,948,395	9,217	$99,349
Other real estate	$7,083,344,835	29,989	$81,656
Management of companies and enterprises	$7,078,259,827	25,838	$154,983
Owner-occupied dwellings	$6,344,076,208	N/A	N/A
Hospitals	$5,121,931,719	27,894	$78,363
Nondepository credit intermediation and related activities	$4,684,725,639	14,645	$113,305
Retail - Nonstore retailers	$4,237,822,009	12,781	$70,478
Employment services	$3,638,058,147	32,383	$51,796
Employment and payroll of state govt, other services	$3,584,253,720	34,668	$90,609

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 2021. As shown in the chart, Area 17 experienced consistent growth overall, other than a drop in employment in the last two years of 2020 and 2021. A decrease in employment also 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 2021, Area 17 experienced the greatest year to year job loss, down 31,532 jobs, due to effects of the pandemic, leaving an employment of 979,476 in 2021.

"Year-to-year, Area 17 total employment increased by 117,463 Jobs in 2021"

Overall, between 2001 and 2021, Area 17 added 117,463 jobs, with employment growing by 14%. Columbus ranks as one of the Midwest's top cities with the highest job growth. According to a recent Forbes article, the city has been ranked as the #1 rising city for startups.

Chart 2: Area 17 Annual Employment

Franklin County, Ohio
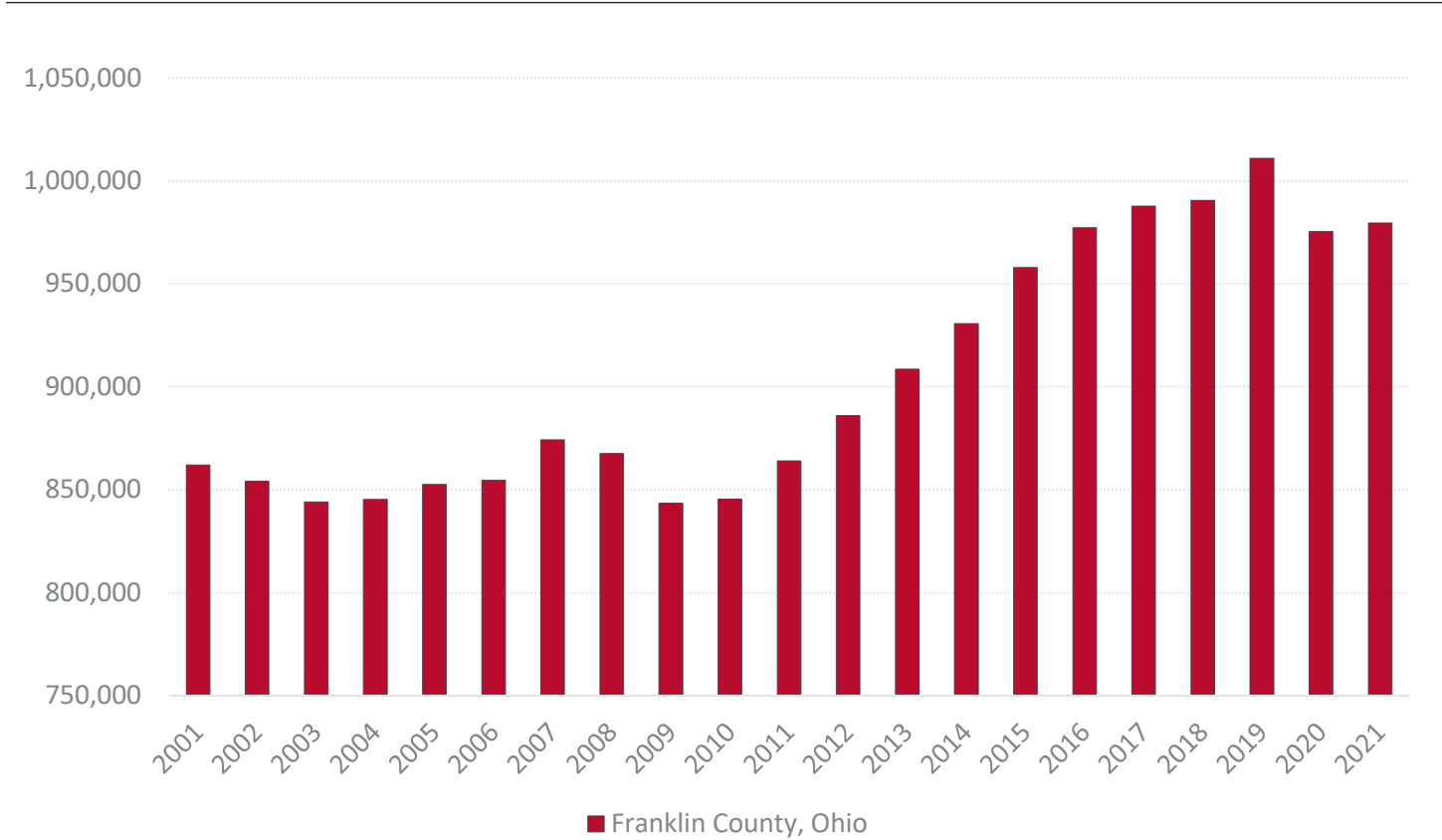
Top 15 Occupations by Location Quotient

Chart 3: Occupation Location Quotient

Occupation	LQ
Air Transportation Workers	1.58
Law Enforcement Workers	1.52
Mathematical Science Occupations	1.39
Financial Specialists	1.3
Lawyers, Judges, and Related Workers	1.27
Supervisors of Transportation and Material...	1.27
Computer Occupations	1.27
Business Operations Specialists	1.26
Supervisors of Protective Service Workers	1.23
Information and Record Clerks	1.23
Operations Specialties Managers	1.23
Material Moving Workers	1.23
Counselors, Social Workers, and Other...	1.21
Sales Representatives, Services	1.21
Financial Clerks	1.21

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 tha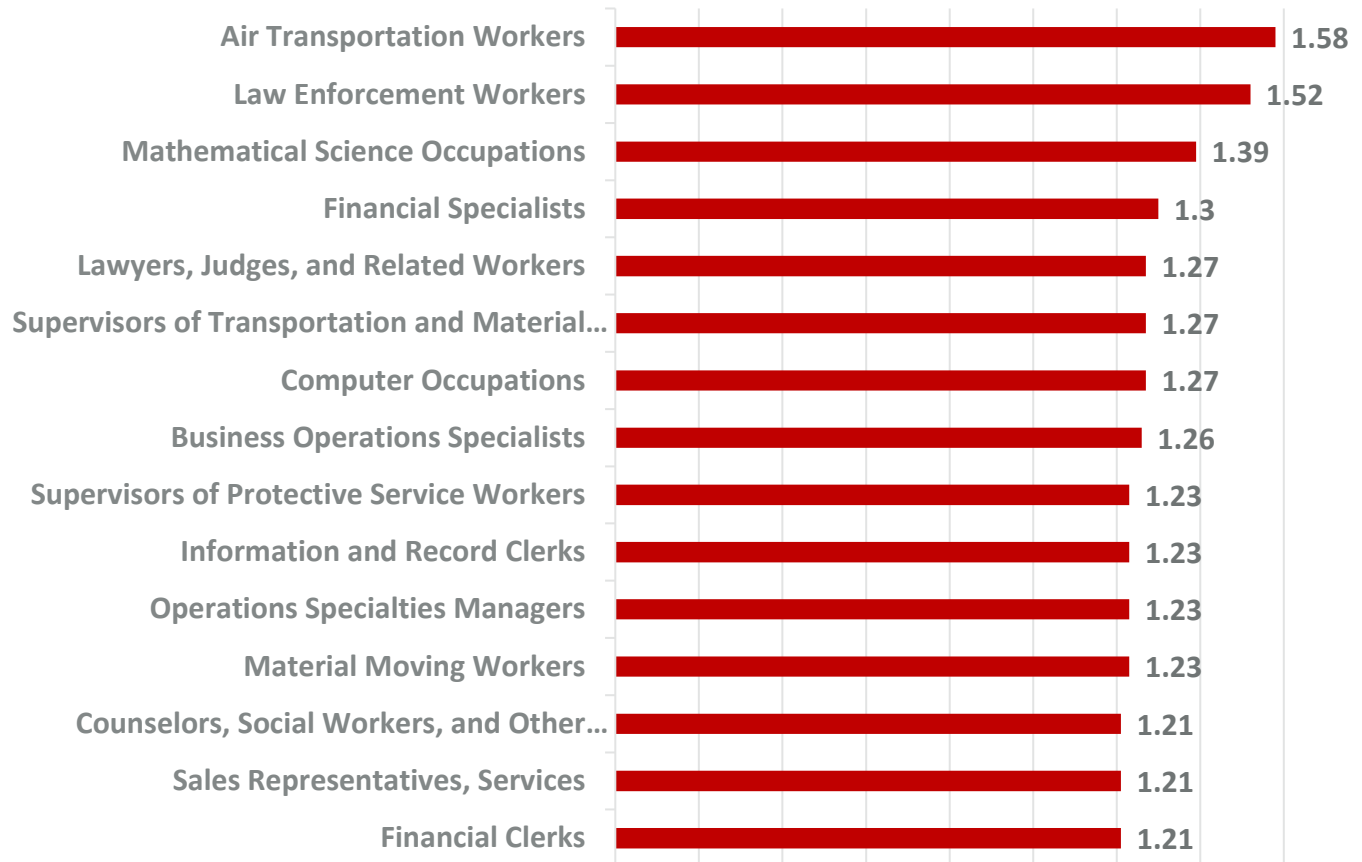n the national share and is typically an exporter or perhaps has a specialization in that sector. Where there is an occupational concentration, there also tends to be higher core competencies relative to other areas, creating a competitive advantage. In addition, training and education opportunities 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 2021, the top occupation by LQ in Area 17 was air transportation workers, with an LQ of 1.58. 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 1.52, followed by mathematical science occupations at 1.39, financial specialists at 1.30, and lawyers, judges, and related workers, computer operations and business operations specialists all tying with LQ's at 1.27.

Image 2: Average Employee Compensation by County

2021 Data and Dollar Year

Average Employee Compensation

$87,008

$66,718

$46,428

County	Amount
Williams	$59,095
Fulton	$61,941
$69,172	
Ottawa	$61,962
Lake	$65,817
Ashtabula	$54,765
Cuyahoga	$83,569
Erie	$57,785
Lorain	$62,858
Geauga	$61,731
Defiance	$59,615
Henry	$63,542
Wood	$64,489
Sandusky	$61,316
Trumbull	$56,772
Paulding	$56,015
Seneca	$55,382
Huron	$61,203
Medina	$65,454
Summit	$70,890
Portage	$65,428
Putnam	$55,291
Hancock	$73,093
Mahoning	$57,387
Van Wert	$56,901
Allen	$63,946
Wyandot	$61,713
Crawford	$58,668
Richland	$57,071
Ashland	$55,333
Wayne	$64,629
Stark	$59,819
Columbiana	$57,486
Mercer	$56,033
Auglaize	$61,852
Hardin	$51,777
Marion	$62,674
Morrow	$51,807
Knox	$58,101
Holmes	$58,523
Carroll	$53,548
Tuscarawas	$56,941
Harrison	$64,757
$56,507	
Shelby	$69,230
Logan	$61,753
Union	$80,201
Delaware	$79,643
Coshocton	$57,272
Darke	$57,329
Champaign	$58,685
Licking	$58,517
Guernsey	$58,809
Belmont	$54,086
Miami	$61,095
Clark	$60,021
Madison	$60,019
Franklin	$81,248
Muskingum	$59,893
Preble	$61,730
Montgomery	$70,133
Greene	$86,182
Fairfield	$57,145
Perry	$54,855
Morgan	$54,419
Noble	$57,359
Monroe	$59,694
Fayette	$54,137
Pickaway	$65,143
Hocking	$46,428
Washington	$65,344
Butler	$70,093
Warren	$77,806
Clinton	$72,042
Ross	$64,424
Athens	$56,637
Hamilton	$87,008
Highland	$49,512
Vinton	$52,511
Meigs	$47,325
Clermont	$64,952
Pike	$67,590
Jackson	$52,952
Gallia	$54,975
Brown	$49,902
Adams	$55,502
Scioto	$58,214
Lawrence	$52,130

Image 2 illustrates the average employee compensation by county for 2021. 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. When comparing counties statewide, Hamilton County had the highest average employee compensation of $87,008, while Hocking County posted the lowest county average of $46,428 in 2021. When combining all Ohio counties, the statewide average employee compensation in 2021 was $60,659 pe worker, which was a 4% increase compared to 2020.

Franklin County's average employee compensation is within the top 5 counties in Ohio at $81,248.

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