Extension Area 23: Economic Overview

Jackson, Lawrence, Pike, and Scioto Counties

Report prepared September 2022 by Amanda Osborne, Extension Educator, OSU Extension Community Development

Regional Overview

OSU Extension Area 23 is a four-county area in the southern part of the state, including Jackson, Lawrence, Pike, Scioto counties. In 2020, the combined Area 23 footprint is 1,930 square miles (mi²) supporting a population of 194,781 residents and an overall population density of 101 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, Lawrence County has the highest population density of 131, followed by Scioto County with a population density of 122, while Pike, and Jackson counties ranged between 63 to 78 residents per square mile.

Overall, the combined population in Area 23 has remained consistent decreasing slightly by -7.9% from 200,953 in 2001 to a total population of 194,781 in 2020. However, there were some notable shifts in the population trends of individual counties between 2001 and 2020. Scioto County experienced the greatest amount of decline as the population decreased by -13.1% from 78,435 in 2001 to 74,790 in 2020. During this period, Lawrence County also underwent a population decrease of -7.9% to a total of 59,443 in 2020. Between 2001 and 2020 there were minor shifts in population as Pike County had 27,860 residents and Jackson County had 32,687 in 2020.

Key Stats

Population 194,781
Total of 268 Industries
Total Employment of 76,587
Gross Domestic Product $5.93B

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 23 by total output in 2020. Owner-occupied dwellings was the highest ranked industry with a total output of $682 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.

The industry with the second highest total output in Area 23 was waste management and remediation services with a total output of $615 million, supporting 2,175 jobs, and an average employee compensation of $106,322 per year.

The industry with the third highest total output in Area 23 was hospitals, supporting 2,959 jobs, and an average employee compensation of $62,037.

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 4,834 employees. The average annual income for these workers was $70,873 per year.

Table 1: Area 23 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>Owner-occupied dwellings</td>
<td>$681,999,738</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Waste management and remediation services</td>
<td>$614,599,363</td>
<td>2,175</td>
<td>$106,322</td>
</tr>
<tr>
<td>Hospitals</td>
<td>$477,239,626</td>
<td>2,959</td>
<td>$62,037</td>
</tr>
<tr>
<td>Frozen specialties manufacturing</td>
<td>$401,029,601</td>
<td>1,121</td>
<td>$49,054</td>
</tr>
<tr>
<td>Employment and payroll of local govt, education</td>
<td>$393,311,896</td>
<td>4,834</td>
<td>$70,873</td>
</tr>
<tr>
<td>Monetary authorities and depository credit intermediation</td>
<td>$310,116,543</td>
<td>735</td>
<td>$55,669</td>
</tr>
<tr>
<td>Copper rolling, drawing, extruding and alloying</td>
<td>$258,619,193</td>
<td>273</td>
<td>$65,618</td>
</tr>
<tr>
<td>Limited-service restaurants</td>
<td>$249,933,119</td>
<td>3,266</td>
<td>$19,393</td>
</tr>
<tr>
<td>Offices of physicians</td>
<td>$217,182,070</td>
<td>1,268</td>
<td>$162,140</td>
</tr>
<tr>
<td>All other petroleum and coal products manufacturing</td>
<td>$199,064,622</td>
<td>124</td>
<td>$136,146</td>
</tr>
</tbody>
</table>
Area 23 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 23 annual employment trends between 2001 and 2020. As shown in the chart, Area 23 experienced consistent growth between 2002 and 2007 when the U.S. housing market collapsed, stressing global financial markets, and ultimately triggering the U.S. economy into a period of recession. Since 2010 annual employment in Area 23 decreased by -3.6% reaching a peak employment of 80,999 jobs in 2006. Between 2019 and 2020 Area 23 experienced a loss of jobs, losing 1,002 jobs, leaving an annual employment of 76,587 in 2020.

When considering the long-term employment trends by county, Scioto County saw the greatest decline in total employment of --8.7%, decreasing from 33,261 in 2001 to 30,362 in 2020. Similarly, Pike County total employment decreased by -8.2%, from 14,168 jobs in 2001 to 13,010 in 2020. During the same period (2001–2020) Lawrence County experienced an increase (6.6%) in total employment and Jackson County experienced a minor decrease (-0.4%).

“Year-to-year, Area 23 total employment is down 1,002 Jobs in 2020”

Chart 1: Area 23 Annual Employment
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 23 demonstrating a significant concentration of workers relative to the nation. In 2020, the top occupation by LQ in Area 23 was rail transportation workers with an LQ of 4.54. This suggests the region has more than four and a half times the number of rail transportation workers compared to the national average. The second highest occupation by LQ in Area 23 was forest, conservation, and logging workers at 2.88, followed by other construction and related workers with an LQ of 2.61, and woodworkers at 2.49.
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.

Of the counties in Area 23, Pike County had the highest average employee compensation of $66,603, also ranking 14th highest in Ohio. The next highest average employee compensation in Area 23 was Scioto County ($55,818), followed by Jackson County ($51,130), and Lawrence County ($50,024).
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.