

Extension Area 3: Economic Overview

Ottawa, Erie, Sandusky, Seneca and Huron Counties

Report prepared February 2023 by Joe Lucente, Associate Professor, OSU Extension Community Development and Ohio Sea Grant College Program

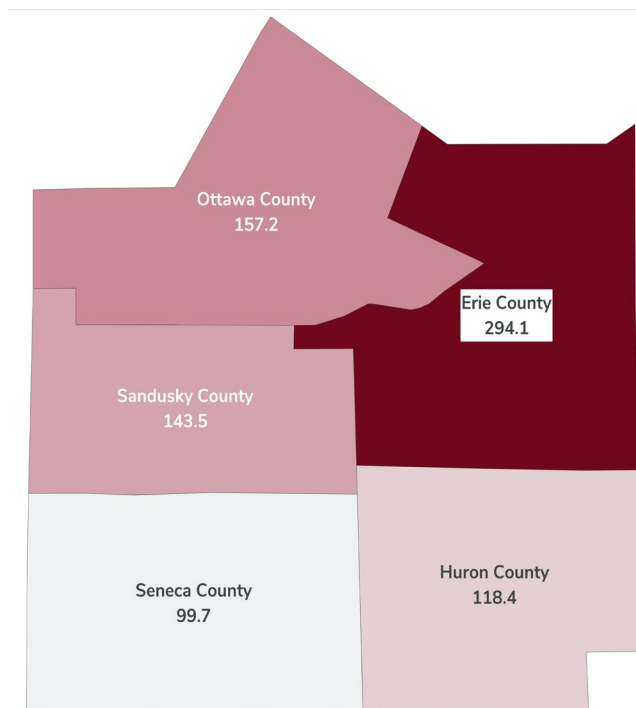
Winter 2023 Edition

Regional Overview

OSU Extension Area 3 is a five-county area in the north-central part of the state, including Ottawa, Erie, Sandusky, Seneca, and Huron counties. In 2021, the combined Area 3 footprint is 1,962 square miles (mi²) supporting a population of 286,944 residents and an overall population density of 146 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, Erie County has the highest population density of 294, followed by Ottawa County with a population density of 157, while Sandusky, Huron, and Seneca counties ranged between 143 to 99 residents per square mile.

Overall, the combined population in Area 3 has remained consistent decreasing slightly by -4% from 299,568 in 2002 to a total population of 286,944 in 2021. However, there were some notable shifts in the population trends of individual counties between 2002 and 2021. During this period, Seneca County underwent the largest population decrease of -5.5% to a total of 54,906 in 2021, followed by Erie County and Sandusky County with a population decrease of -5% (74,852) and -5.2% (58,715), respectively. Between 2002 and 2021 there were minor shifts in population as Ottawa County had 40,104 residents and Huron County had 58,367 in 2021.

Image 1: OSU Extension Area 3 Population Density



Key Stats

Population 286,944

Total of 351 Industries

Total Employment of 153,810

Gross Domestic Product \$14.69B

Data retrieved from IMPLAN
(2021 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 3 by total output in 2021. Owner-occupied dwellings was the highest ranked industry with a total output of \$1.2 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 labor or employment 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 output in Area 3 was monetary authorities and depository credit intermediation with a total output of \$853.4 million. However, when comparing 2021 to 2020, the data shows this industry experienced a 20.4% increase in total output and a 1.3% decrease in total employment from 1,478 in 2020 to 1,459 jobs in

2021.

The industry with the third highest total output in Area 3 was hospitals with a total output of \$731.7 million, supporting 4,393 jobs, and an average employee compensation of \$64,979 per year.

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 6,875 employees. The average annual income for these workers was \$71,474 per year.

Table 1: Area 3 Top 10 Industries by Total Output

Industry Description	Output	Total Employment	Average Employee Compensation
Owner-occupied dwellings	\$1,197,099,848	N/A	N/A
Monetary authorities and depository credit intermediation	\$853,427,036	1,459	\$69,175
Hospitals	\$731,743,917	4,393	\$64,979
Other real estate	\$662,099,344	4,128	\$41,647
Limited-service restaurants	\$579,936,455	5,877	\$22,484
Other plastics product manufacturing	\$571,582,844	1,908	\$63,523
Employment and payroll of local govt, education	\$564,539,101	6,875	\$71,474
Electric power generation - Nuclear	\$563,723,115	602	\$200,611
Motor vehicle gasoline engine and engine parts manufacturing	\$547,102,962	1,026	\$63,816
Truck transportation	\$529,618,786	2,637	\$77,675

Area 3 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 3 annual employment trends between 2001 and 2021. As shown in the chart, Area 3 experienced even growth between 2002 and 2007 when the U.S. housing market collapsed, stressing global financial markets, and ultimately triggering the U.S.

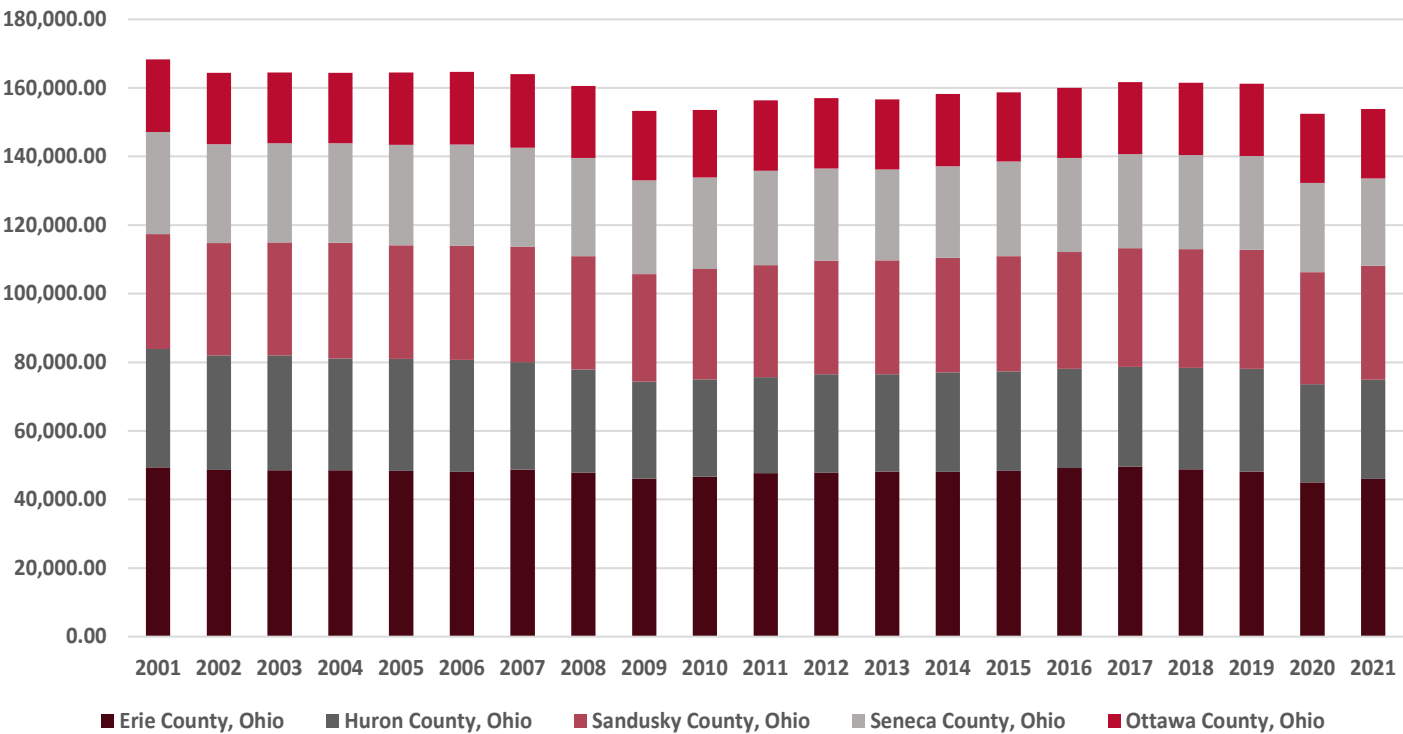
economy into a period of recession. Since 2010 annual employment in Area 3 increased by less than 1% reaching a peak employment of 161,702 jobs in 2017. However, between 2020 and 2021 Area 3 experienced very modest year to year job growth, gaining 1,327 jobs, leaving an annual employment of 153,810 in 2021.

When considering the long-term employment trends by county, Huron County saw the greatest loss in total employment of -16.3%, decreasing from 34,505 in 2001 to 28,885 in 2021.

“Year-to-year, Area 3 total employment is up 1,327 jobs in 2021”

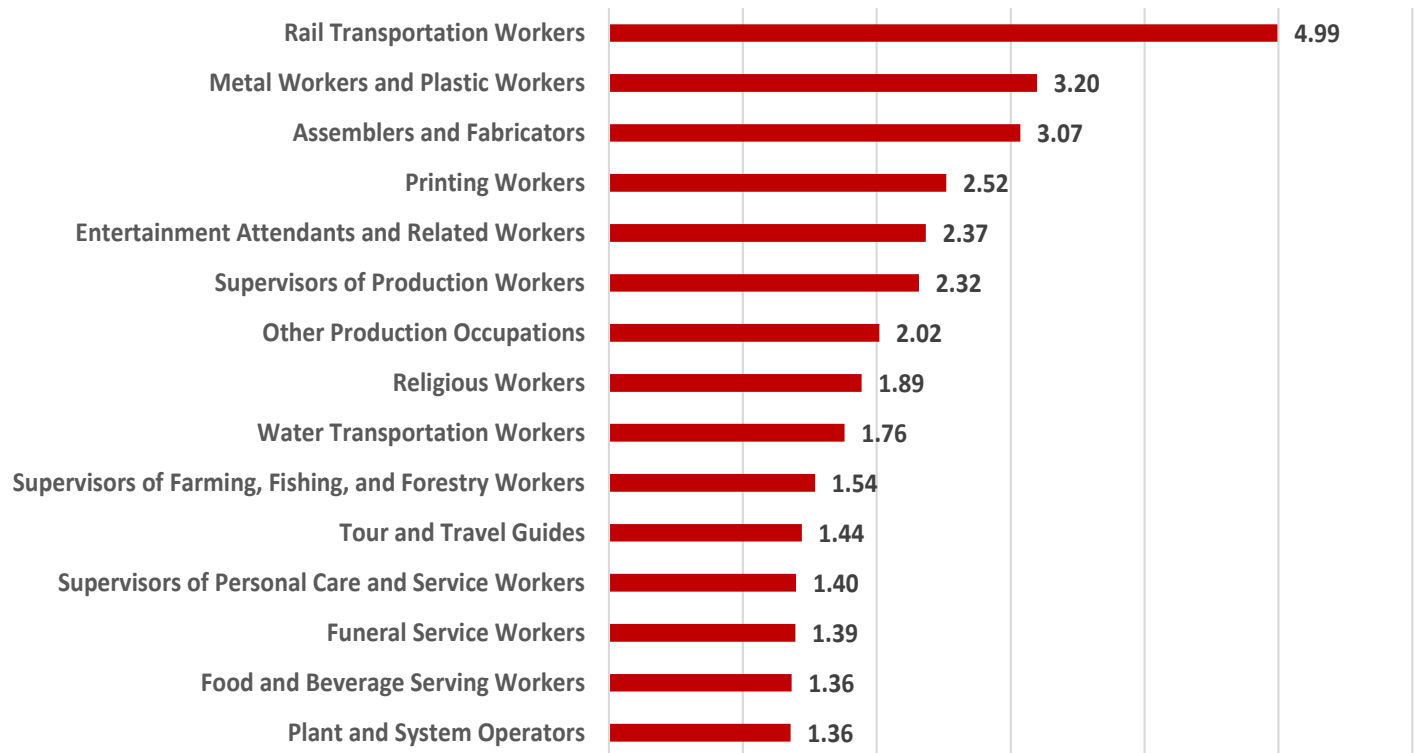
Similarly, Seneca County total employment decreased by -14.3%, from 29,719 jobs in 2001 to 25,475 in 2021. During the same period (2001–2021) three other counties in Area 3 experienced a decline in total employment including Erie County (-6.7%) and Ottawa County (-4.9%), while Sandusky County had a modest decrease of less than 1%.

Chart 1: Area 3 Annual Employment



Top 15 Occupations by Location Quotient

Chart 2: Occupation Location Quotient



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 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 3 demonstrating a significant concentration of workers relative to the nation. In 2021, the top occupation by LQ in Area 3 was rail transportation workers, with an LQ of 4.99. This suggests the region has nearly five times the number of rail transportation workers compared to the national average. The second highest occupation by LQ in Area 3 was metal workers and plastic workers at 3.20 followed by assemblers and fabricators with an LQ of 3.07, and printing workers at 2.52.

Image 2: Average Employee Compensation by County

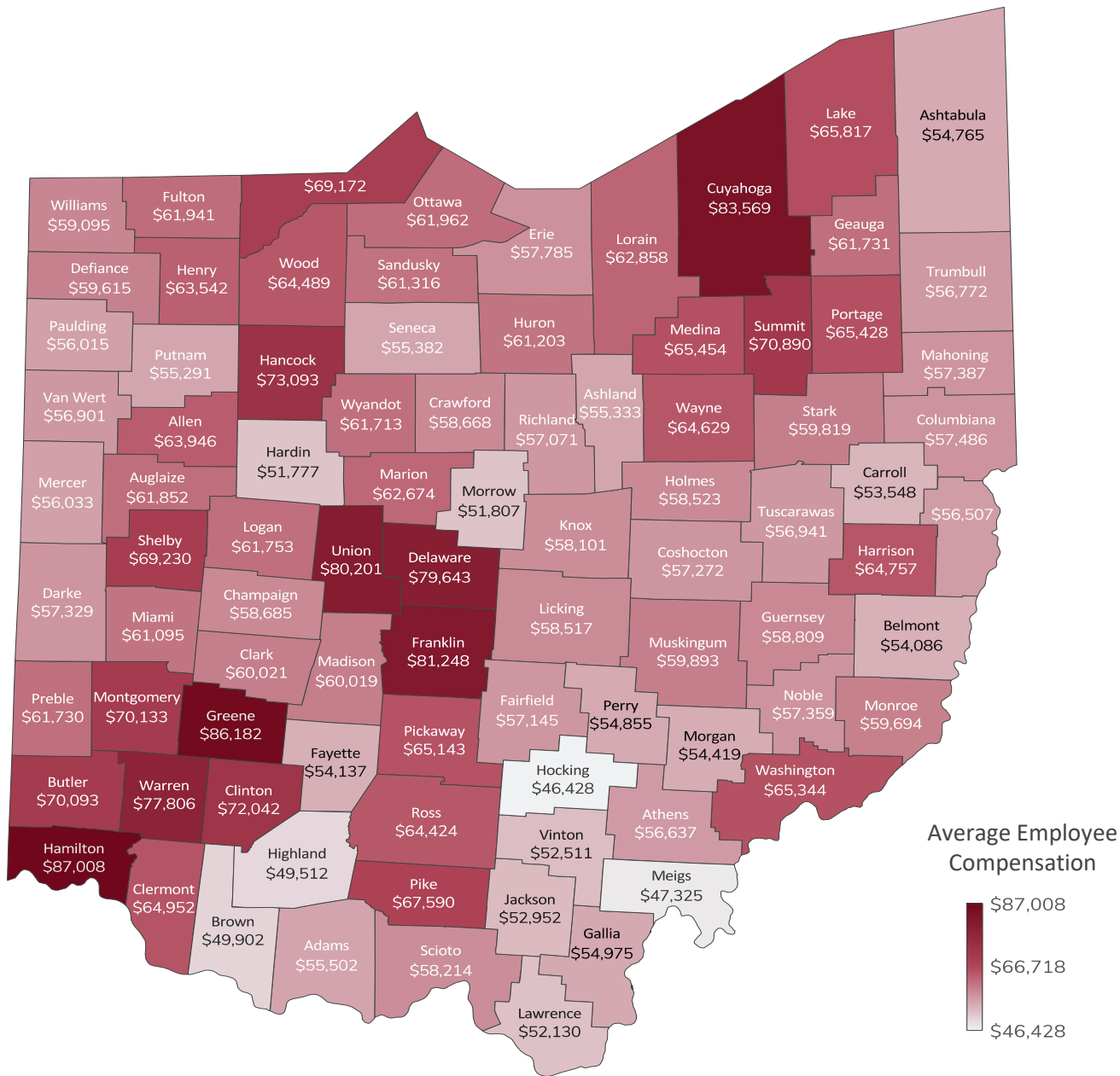


Image 2 illustrates the average employee compensation by county for 2021. Employee Compensation is the total payroll cost of an employee including wages and salaries, all benefits, and payroll taxes. The average employee compensation is calculated as Employee Compensation divided by wage and salary Employment.

highest average employee compensation in Area 3 was Sandusky County (\$61,316), followed by Huron County (\$61,203), Erie County (\$57,785), and Seneca County (\$55,382).

Of the counties in Area 3, Ottawa County had the highest average employee compensation of \$61,962. The next



IMPLAN® model, 2021 Data, using inputs provided by the user and IMPLAN Group LLC. IMPLAN System (data and software). 16905 Northcross Drive, 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.

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