

Extension Area 4: Economic Overview

Lorain, Medina and Summit Counties

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

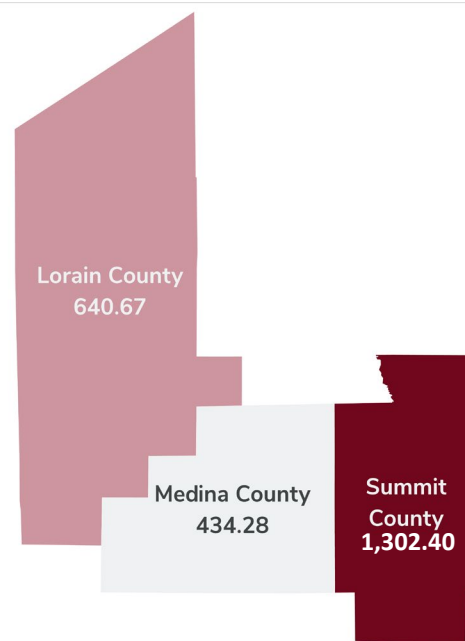
Winter 2023 Edition

Regional Overview

OSU Extension Area 4 is a three-county area in the north-east part of the state, including Lorain, Medina and Summit counties. In 2021, the combined Area 4 footprint is 1,327 square miles (mi²) supporting a population of 1,036,320 residents and an overall population density of 781 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, Summit County has the highest population density of 1,302 followed by Lorain County with a population density of 640, while Medina County had 434 residents per square mile.

Overall, the combined population in Area 4 has remained consistent increasing slightly by 4.4% from 992,617 in 2002 to a total population of 1,036,320 in 2021. However, there were some notable shifts in the population trends of individual counties between 2002 and 2021. Medina County experienced the greatest amount of growth as the population increased by 15.6% from 158,367 in 2002 to 183,092 in 2021. During this period, Lorain County also underwent a population increase of 9.6% to a total of 315,595 in 2021, while Summit County had a slight population decrease of -1.6% to a total of 537,633 in 2021.

Image 1: OSU Extension Area 4 Population Density



Key Stats

Population 1,036,320

Total of 429 Industries

Total Employment of 542,179

Gross Domestic Product \$55.09B

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 4 by total output in 2021. Owner-occupied dwellings was the highest ranked industry with a total output of \$4.72 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.

The industry with the second highest total output in Area 4 was management of companies and enterprises with a total output of \$4.56 billion, supporting 17,773 jobs, and an average employee compensation of \$136,682 per year. However, when comparing 2021 to 2020, the data shows the management of companies and

enterprises industry experienced a 13% increase in total output and an increase in total employment from 17,349 in 2020 to 17,773 jobs in 2021.

Of the top 10 industries by total output, the sector with the most employees in the region was hospitals with 22,299 employees. The average annual income for these workers was \$77,889 per year.

Table 1: Area 4 Top 10 Industries by Total Output

Industry Description	Output	Total Employment	Average Employee Compensation
Owner-occupied dwellings	\$4,724,829,732	N/A	N/A
Management of companies and enterprises	\$4,558,377,107	17,773	\$136,682
Hospitals	\$4,029,967,924	22,299	\$77,889
Insurance carriers, except direct life	\$3,256,386,950	5,282	\$82,476
Light truck and utility vehicle manufacturing	\$2,726,162,742	1,810	\$99,060
Other real estate	\$2,668,924,064	15,028	\$59,748
Monetary authorities and depository credit intermediation	\$2,316,299,702	3,507	\$82,893
Employment and payroll of local govt, education	\$1,885,089,674	21,564	\$76,096
Internet publishing and broadcasting and web search portals	\$1,790,549,689	1,511	\$107,438
Limited-service restaurants	\$1,722,003,921	18,007	\$21,799

Area 4 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 4 annual employment trends between 2001 and 2021. As shown in the chart, Area 4 experienced consistent growth between 2002 and 2008 when the U.S. housing market collapsed, stressing global financial markets, and ultimately triggering the U.S.

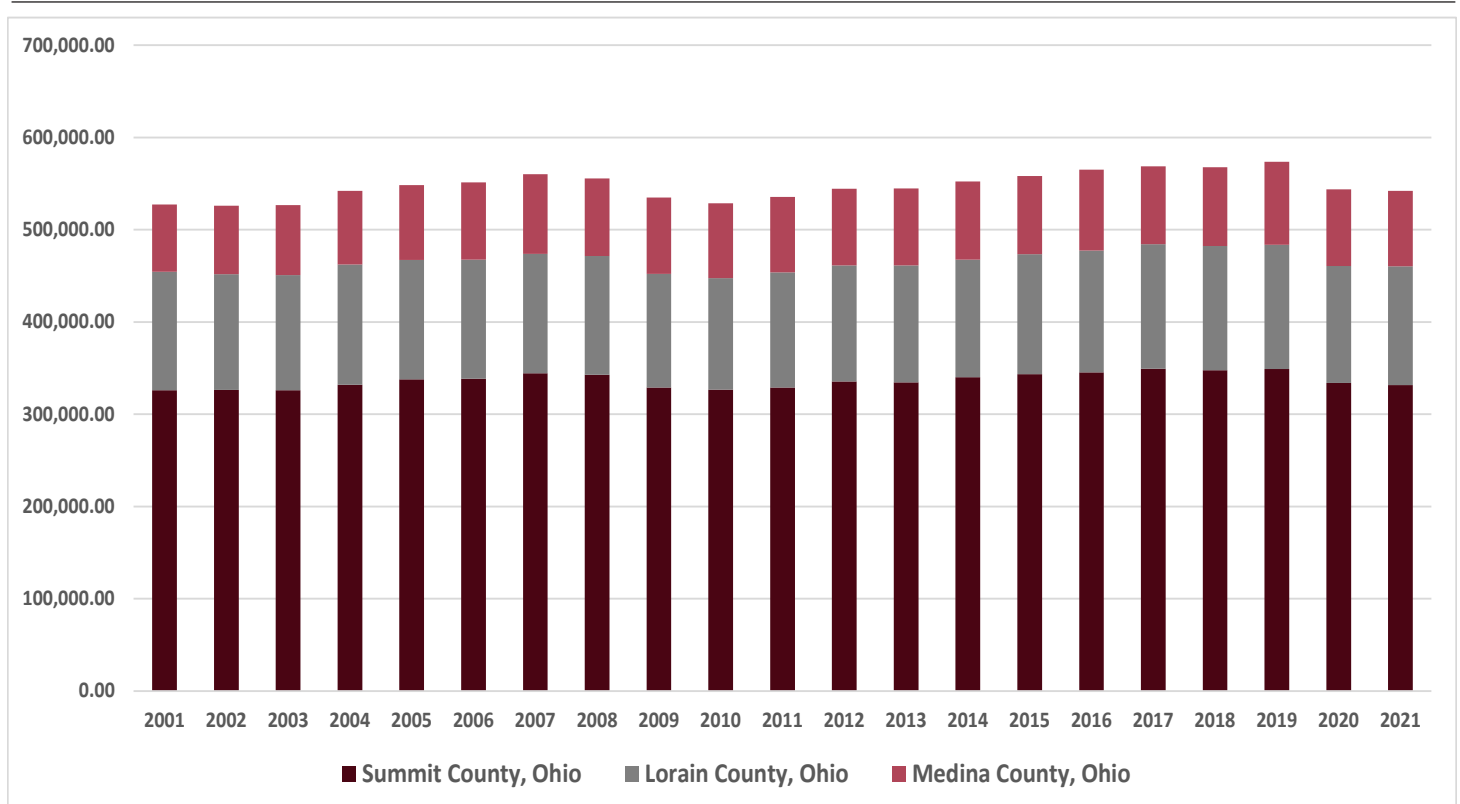
economy into a period of recession. Since 2010 annual employment in Area 4 increased by 2.6% reaching a peak employment of 573,615 jobs in 2019. However, between 2020 and 2021 Area 4 experienced year to year job loss, losing 1,489 jobs, leaving an annual employment of 542,179 in 2021.

When considering the long-term employment trends by county, Medina County saw the greatest growth in total employment of 12.3%, increasing from 72,855 in 2001 to 81,815 in 2021.

“Year-to-year, Area 4 total employment is down 1,489 Jobs in 2021”

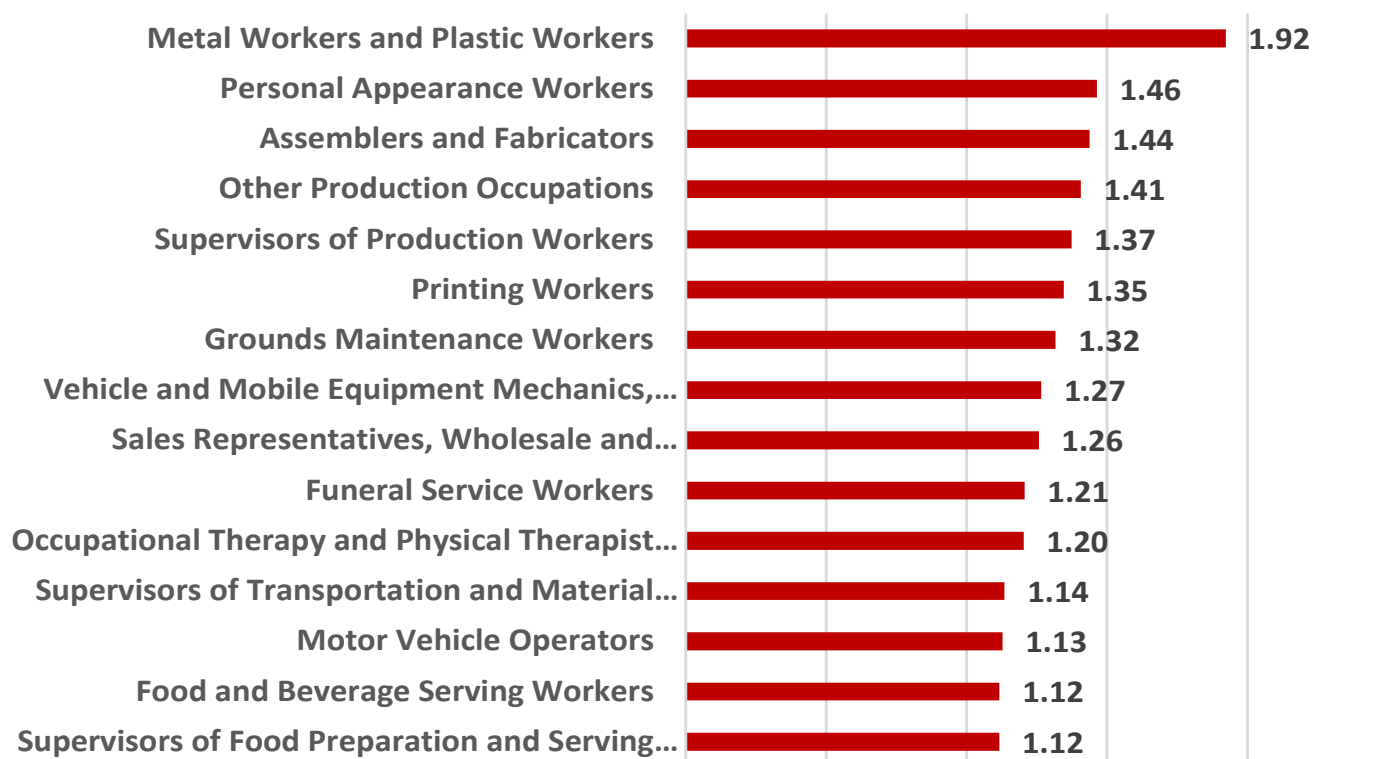
Lorain County total employment decreased by less than 1%, from 128,705 jobs in 2001 to 128,688 in 2021. During the same period, Summit County in Area 4 experienced a modest increase in total employment of 1.8% from 325,930 jobs in 2001 to 331,676 in 2021.

Chart 1: Area 4 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 4 demonstrating a significant concentration of workers relative to the nation. In 2021, the top occupation by LQ in Area 4 was metal workers and plastic workers, with an LQ of 1.92. This suggests the region has nearly twice the number of metal workers and plastic workers compared to the national average. The second highest occupation by LQ in Area 4 was personal appearance workers at 1.46, followed by assemblers and fabricators (1.44), other production occupations (1.41) and supervisors of production workers with an LQ of 1.37.

Image 2: Average Employee Compensation by County
2021 Data and Dollar Year

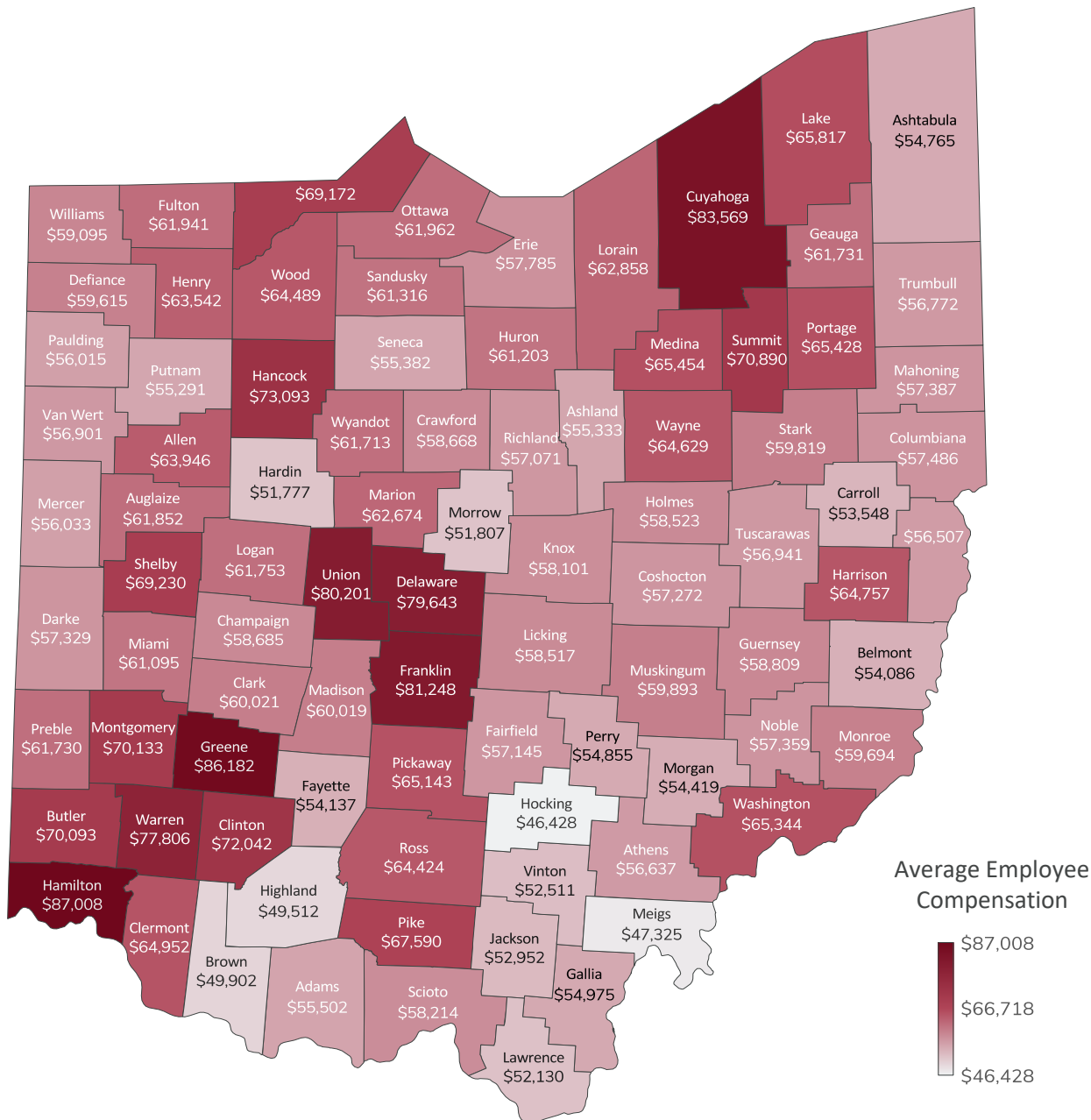


Image 2 illustrates the average employee compensation by county for 2021. Employee Compensation is the total payroll cost of an employee including wages and salaries, all benefits, and payroll taxes. The average employee compensation is calculated as Employee Compensation divided by wage and salary Employment.

highest average employee compensation in Area 4 was Medina County (\$65,545), followed by Lorain County (\$62,858).

Of the counties in Area 4, Summit County had the highest average employee compensation of \$70,890. 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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OSU Extension Community Development IMPLAN Team

Nancy Bowen-Ellzey, Associate Professor and Field Specialist (bowen-ellzey.1@osu.edu)

Joe Lucente, Associate Professor, OSU Extension, CD, and Ohio Sea Grant College Program (lucente.6@osu.edu)

Amanda Osborne, Educator, CD, OSU Extension – Cuyahoga County (osborne.414@osu.edu)

Eric Romich, Associate Professor and Field Specialist (romich.2@osu.edu)

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