Extension Area 5: Economic Overview

Cuyahoga County

Regional Overview

OSU Extension Area 5 is in the north-east part of the state encompassing all of Cuyahoga County. It is situated on the southern shore of Lake Erie, across the U.S.-Canada maritime border. The county seat and largest city is Cleveland. The county contains two townships and fifty-seven cities and villages. The county is bisected by the Cuyahoga River, after which it was named.

In 2020, the combined Area 5 footprint is 458 square miles (mi²) supporting a population of 1,261,696 residents and an overall population density of 2,695 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.

Cuyahoga County is the second largest county in Ohio and the 36th most populous county in the United States.

Overall, the population in Area 5 has remained consistent decreasing by -8.7% from 1,382,520 in 2001 to a total population of 1,261,696 in 2020.

Key Stats

- Population 1,261,696
- Total of 453 Industries
- Total Employment of 907,735
- Gross Domestic Product $100.89B

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 5 by total output in 2020. Hospitals was the highest ranked industry with a total output of $11.91 billion, supporting 60,571 jobs, and an average employee compensation of $93,684. However, when comparing 2020 to 2019, the data shows the hospitals industry experienced less than a 1% decrease in total output and an increase in total employment from 60,067 in 2019 to 60,571 jobs in 2020.

The industry with the second highest total output in Area 5 was the insurance carriers, except direct life industry with a total output of $10.70 billion, supporting 17,369 jobs, and an average employee compensation of $139,182 per year.

The third highest total output in Area 5 was the monetary authorities and depository credit intermediation industry with a total output of $7.48 billion, supporting 10,548 jobs, and an average employee compensation of $110,648 per year.

Of the top 10 industries by total output, the sector with the most employees in the region was again the hospital industry with 60,571 employees.

<table>
<thead>
<tr>
<th>Industry Description</th>
<th>Output</th>
<th>Total Employment</th>
<th>Average Employee Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals</td>
<td>$11,910,742,451</td>
<td>60,571</td>
<td>$93,684</td>
</tr>
<tr>
<td>Insurance carriers, except direct life</td>
<td>$10,707,149,244</td>
<td>17,369</td>
<td>$139,182</td>
</tr>
<tr>
<td>Monetary authorities and depository credit intermediation</td>
<td>$7,487,008,810</td>
<td>10,548</td>
<td>$110,648</td>
</tr>
<tr>
<td>Other real estate</td>
<td>$7,073,275,929</td>
<td>33,378</td>
<td>$78,528</td>
</tr>
<tr>
<td>Management of companies and enterprises</td>
<td>$6,631,428,983</td>
<td>25,782</td>
<td>$165,652</td>
</tr>
<tr>
<td>Owner-occupied dwellings</td>
<td>$5,394,719,112</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Insurance agencies, brokerages, and related activities</td>
<td>$3,035,666,804</td>
<td>10,180</td>
<td>$97,161</td>
</tr>
<tr>
<td>Tenant-occupied housing</td>
<td>$2,936,671,799</td>
<td>7,477</td>
<td>$49,701</td>
</tr>
<tr>
<td>Legal services</td>
<td>$2,853,249,502</td>
<td>12,197</td>
<td>$115,631</td>
</tr>
<tr>
<td>Employment payroll of local govt, education</td>
<td>$2,537,828,424</td>
<td>27,368</td>
<td>$80,763</td>
</tr>
</tbody>
</table>
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 5 annual employment trends between 2001 and 2020.

As shown in the chart, Area 5 experienced uneven 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 5 increased by 4% reaching a peak employment of 960,503 jobs in 2019. However, between 2019 and 2020 Area 5 experienced the greatest year to year job loss, losing 52,768 jobs, leaving an annual employment of 907,735 in 2020.

“Year-to-year, Area 5 total employment is down 52,768 Jobs in 2020”
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 5 demonstrating a significant concentration of workers relative to the nation. In 2020, the top occupation by LQ in Area 5 was communications equipment operators, with an LQ of 1.57. This suggests the region has more than one times the number of communications equipment operator workers compared to the national average. The second highest occupation by LQ in Area 5 was healthcare diagnosing or treating practitioners and metal workers and plastic workers, respectively, at 1.49, followed by legal support workers with an LQ of 1.47, and other healthcare practitioners and technical occupations at 1.41.
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.

Cuyahoga County in Area 5 had an average employee compensation of $79,619, also ranking 3rd highest in Ohio.
IMPLAN® model, 2020 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 Mission:
We help communities enhance their well-being and create social, economic and environmental conditions in which they can thrive.