

Extension Area 5: Economic Overview

Cuyahoga County

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

Winter 2023 Edition

Regional Overview

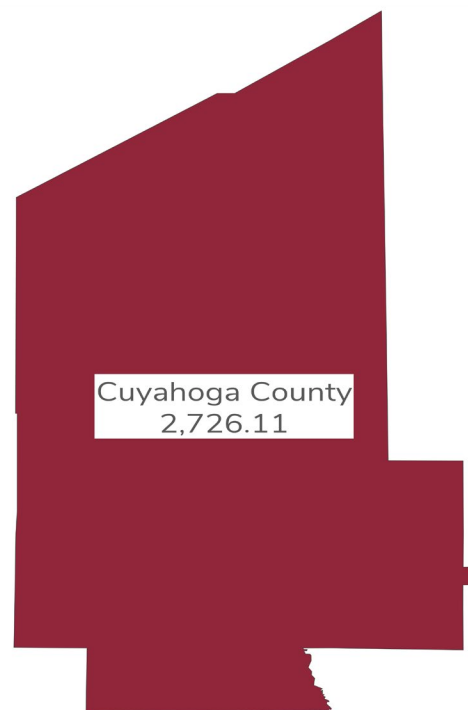
OSU Extension Area 5 is in the north-east part of the state encompassing all of Cuyahoga County. It is situated on the southern shore of Lake Erie, across the U.S.-Canada maritime border. The county seat and largest city is Cleveland. The county contains two townships and fifty-seven cities and villages.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

In 2021, the combined Area 5 footprint is 458 square miles (mi²) supporting a population of 1,249,387 residents and an overall population density of 2,726 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 -9% from 1,373,997 in 2002 to a total population of 1,249,387 in 2021.

Image 1: OSU Extension Area 5
Population Density



Key Stats

Population 1,249,387

Total of 444 Industries

Total Employment of 902,220

Gross Domestic Product \$115.52B

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 5 by total output in 2021. Insurance carriers, except direct life was the highest ranked industry with a total output of \$14.31 billion, supporting 19,269 jobs, and an average employee compensation of \$125,566. However, when comparing 2021 to 2020, the data shows the insurance

carriers, except direct life industry experienced a 33.7% increase in total output and an increase in total employment from 17,369 in 2020 to 19,269 jobs in 2021.

The industry with the second highest total output in Area 5 was the monetary authorities and depository credit intermediation industry with a total output of \$12.63 billion, supporting 12,010 jobs, and an average employee compensation of \$135,048 per year.

The third highest total output in Area 5 was the hospitals industry with a total output of \$12.53 billion, supporting 61,388 jobs, and an average employee compensation of

\$98,278 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 61,388 employees.

Table 1: Area 5 Top 10 Industries by Total Output

Industry Description	Output	Total Employment	Average Employee Compensation
Insurance carriers, except direct life	\$14,310,035,614	19,269	\$125,566
Monetary authorities and depository credit intermediation	\$12,633,076,577	12,010	\$135,048
Hospitals	\$12,533,574,043	61,388	\$98,278
Other real estate	\$6,932,231,459	30,678	\$84,418
Management of companies and enterprises	\$6,426,633,727	23,819	\$161,015
Owner-occupied dwellings	\$5,722,319,045	N/A	N/A
Insurance agencies, brokerages, and related activities	\$3,384,085,621	9,790	\$97,592
Legal services	\$3,136,632,928	12,102	\$123,792
Employment services	\$3,007,322,996	27,178	\$48,698
Tenant-occupied housing	\$2,953,276,346	6,524	\$52,037

Area 5 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 5 annual employment trends between 2001 and 2021.

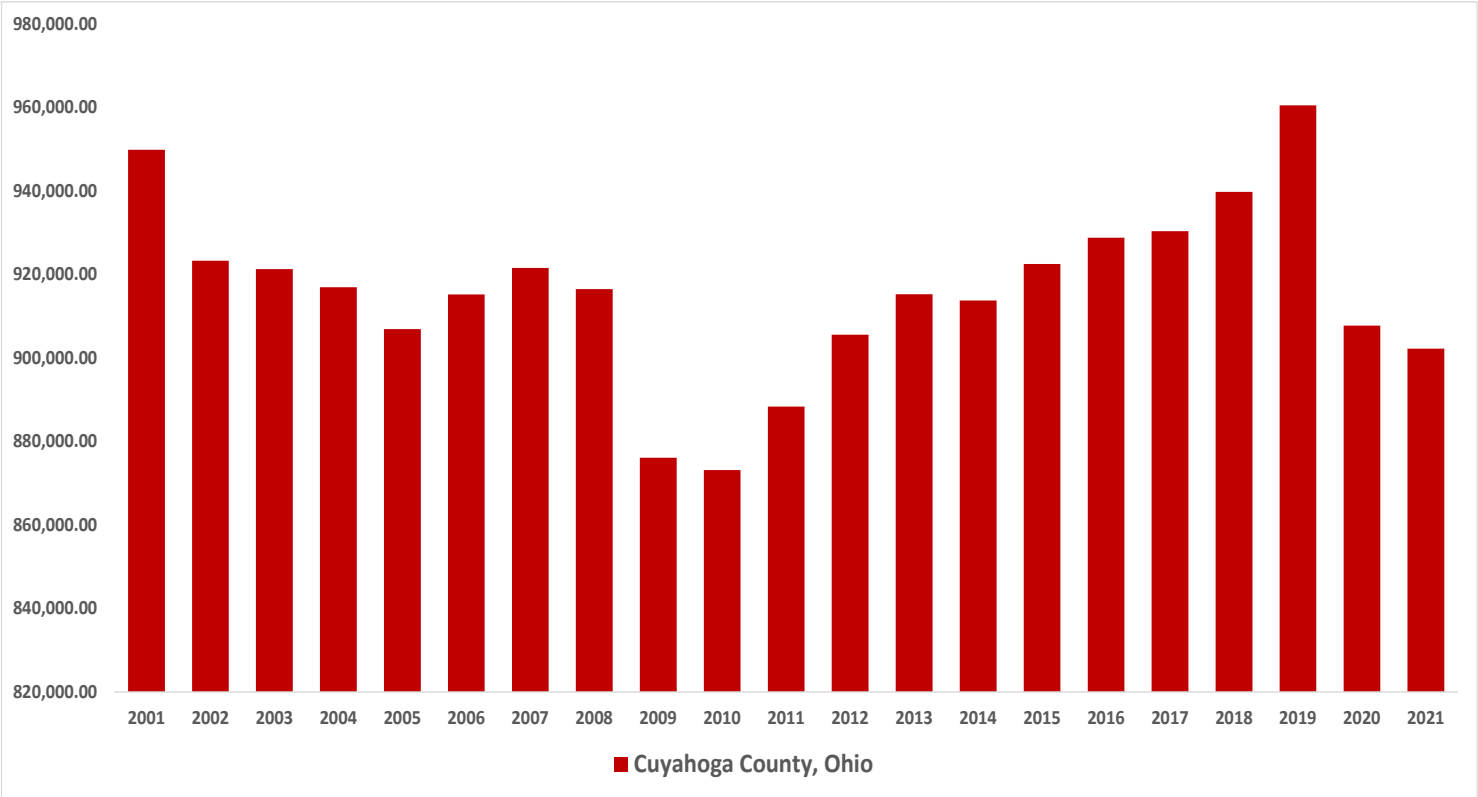
experienced uneven growth between 2002 and 2008 when the U.S. housing market collapsed, stressing global financial markets, and ultimately triggering the U.S. economy into a period of recession.

Since 2010 annual employment in Area 5 increased by 3.3% reaching a peak employment of 960,503 jobs in 2019. However, between 2020 and 2021 Area 5 experienced year to year job loss, losing 5,515 jobs, leaving an annual employment of 902,220 in 2021.

***“Year-to-year,
Area 5 total
employment is
down 5,515 Jobs in
2021”***

As shown in the chart, Area 5

Chart 1: Area 5 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 5 demonstrating a significant concentration of workers relative to the nation. In 2021, the top two occupations by LQ in Area 5 was healthcare diagnosing or treating practitioners and legal support workers, both with an LQ of 1.49. This suggests the region has more nearly one- and one-half times the number of these workers compared to the national average. The next highest occupation by LQ in Area 5 was metal workers and plastic workers at 1.45, followed by communications equipment operators with an LQ of 1.43, and other healthcare practitioners and technical occupations at 1.40.

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

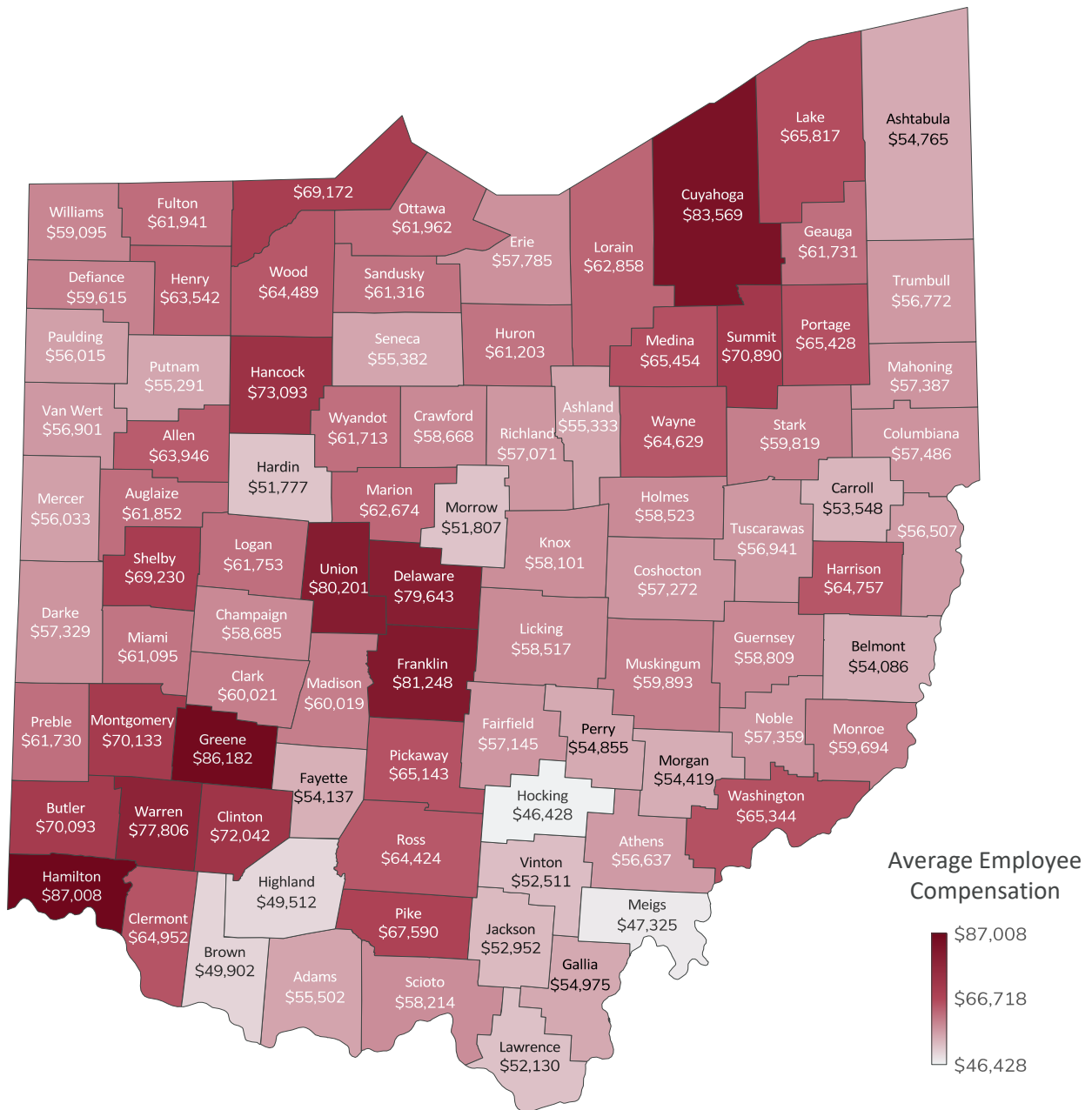


Image 2 illustrates the average employee compensation by county for 2021. Employee Compensation is the total payroll cost of an employee including wages and salaries, all benefits, and payroll taxes. The average employee compensation is calculated as Employee Compensation divided by wage and salary Employment.

Ohio.

Cuyahoga County in Area 5 had an average employee compensation of \$83,569, also ranking 3rd highest in



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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