

Extension Area 7: Economic Overview

Allen, Auglaize, Hancock, Putnam, and Van Wert Counties

Report prepared September 2022 by Nancy Bowen, Associate Professor, OSU Extension Community Development

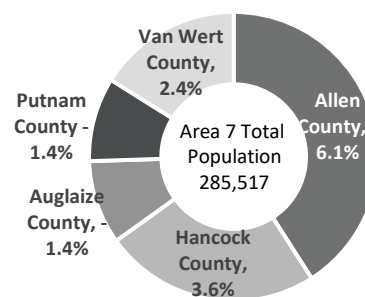
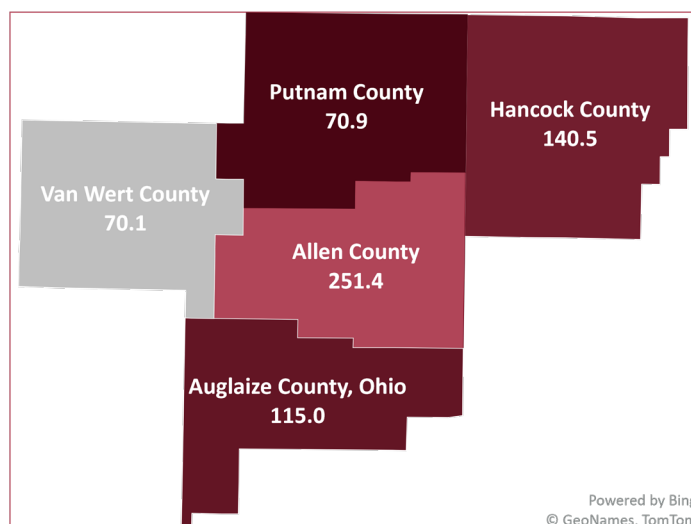
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Regional Overview

OSU Extension Area 7 is a five-county area in the western part of the state, including Allen, Auglaize, Hancock, Putnam, and Van Wert counties. In 2021, the combined Area 7 footprint is 2,231 square miles (mi²) supporting a population of 285,517 residents and an overall population density of 128 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, Allen County has the highest population density of 251.4, followed by Hancock County with a population density of 140.5, and Auglaize County with a population density of 115. Putnam and Van Wert counties were virtually tied at 70 residents per square mile.

Overall, the combined population in Area 7 dropped slightly by -2% from 291,367 in 2001 to a total population of 285,517 in 2021. Shifts in the population trends of individual counties differed slightly between 2001 and 2021. While Hancock County increased population from 72,046 to 74,656, or by 3.6%, all four of the other counties decreased in population. Auglaize and Putnam County experienced the least percentage change of 1.4% each, or from 46,797 to 46,141 for Auglaize County and from 34,808 to 34,318 for Putnam County between 2001-2021. Allen County decreased the most, from 108,276 in 2001 to 101,670 in 2021, or by -6.1%. Meanwhile, Van Wert County lost 708 people for a percentage drop of -2.4%, or from 29,440 in 2001 to 28,732 in 2021.

Image 1: OSU Extension Area 7 Population Density



Key Stats

Total of 331 Industries

Total Employment of 177,025

Gross Domestic Product \$15,141B

Data retrieved from IMPLAN
(2020 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 7 by total output in 2021. Petroleum refineries was the highest ranked industry with a total output of \$5.67 billion, up from \$1.79 billion in 2019, a very notable increase in output of over 200%. The industry also added almost 400 jobs during this 2-year period. The industry currently supports 599 jobs with an average employee compensation \$225,819. Industrial

truck, trailer, and stacker manufacturing was the second ranked industry with a total output of \$1.27 billion, supporting 3,234 jobs and an average employee compensation of just over \$90k.

Petrochemical manufacturing, which was in the second spot in 2019, dropped to 9th in 2021, with output decreasing from \$1.71 billion in 2019 to \$753 million in 2021 and currently supporting about 200 jobs. It is possible the petroleum and petrochemical industries industries could have cross-reported during this period and so data would be somewhat skewed. The hospital sector represents the largest number of jobs, with 6,965 employees who average about \$72k annually.

Owner-occupied dwellings had the fourth greatest total output at \$1.18 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.

Table 1: Area 7 Top 10 Industries by Total Output

Industry Description	Output	Total Employment	Average Employee Compensation
Petroleum refineries	\$5,671,002,694	599	\$225,819
Industrial truck, trailer, and stacker manufacturing	\$1,270,282,136	3,234	\$90,146
Hospitals	\$1,210,984,312	6,965	\$71,881
Owner-occupied dwellings	\$1,187,304,225	N/A	N/A
Automobile manufacturing	\$1,016,861,040	814	\$97,372
Management of companies and enterprises	\$850,378,484	2,739	\$206,047
Pipeline transportation	\$838,619,819	1,087	\$196,555
Monetary authorities and depository credit intermediation	\$778,621,397	1,275	\$73,710
Petrochemical manufacturing	\$753,463,694	200	\$180,679
Other real estate	\$715,038,998	4,452	\$48,330

Area 7 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 7 annual employment trends between 2001 and 2021. As shown in the chart, Area 7 experienced slight overall decline of 1%. Growth was off between 2009-2011 when the U.S. housing market collapsed, stressing global financial markets, and ultimately triggering the U.S. economy into a period of recession.

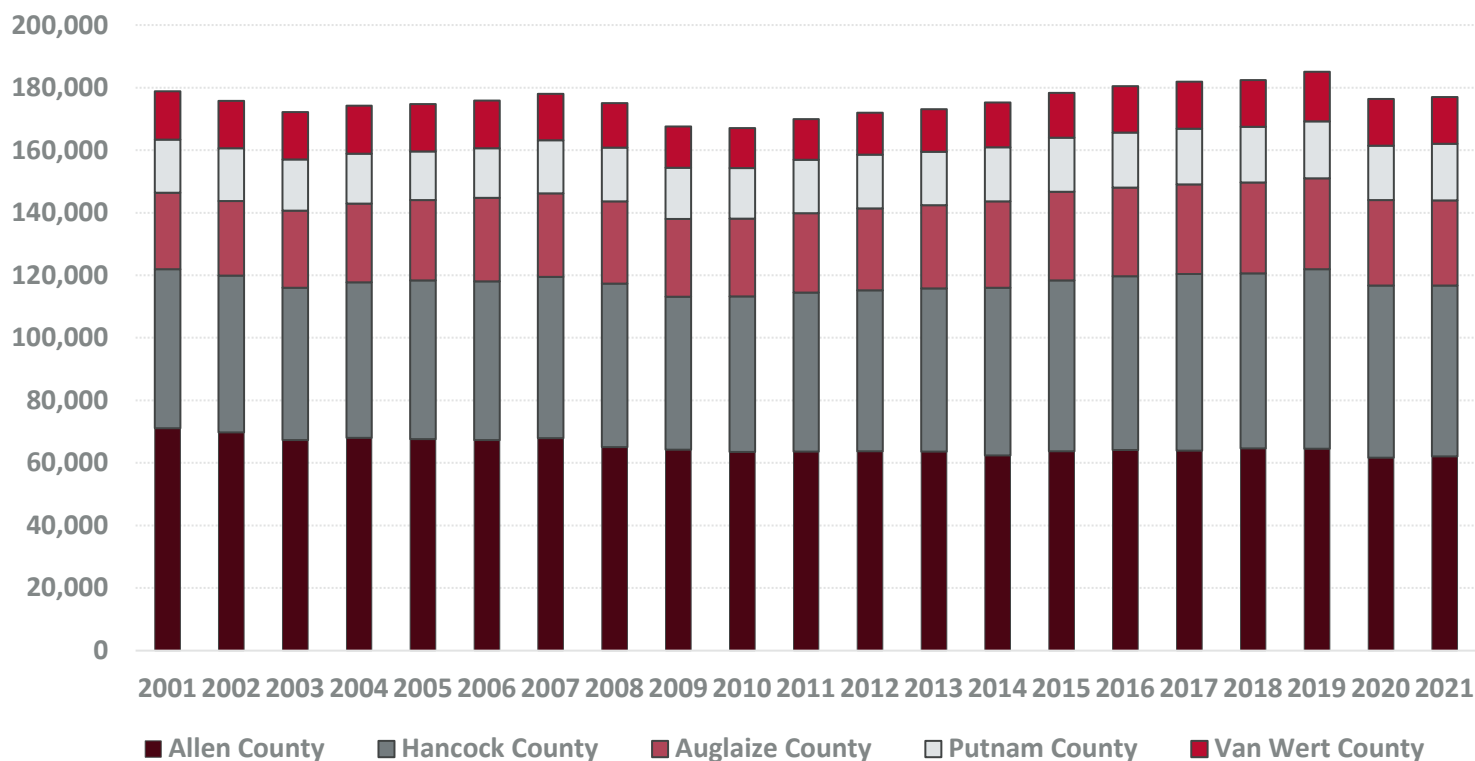
Since 2011, annual employment in Area 7 steadily increased, reaching a peak employment of 185,035 jobs in 2019. However, during the pandemic, between 2019 and 2021, Area 7 experienced the greatest year to year job loss - just over 8,000 jobs, leaving an annual employment of 177,024 in 2021.

When considering the long-term employment trends by county between 2001-2021, Auglaize County saw the greatest percentage growth in total employment at 11.2%, with an increase in jobs from 24,462 to 27,206. Similarly, Hancock County's employment also increased by 7.5%, or from 50,890 jobs to 54,707 jobs.

“Area 7 total employment has declined by 1,812 jobs from 2001-2021”

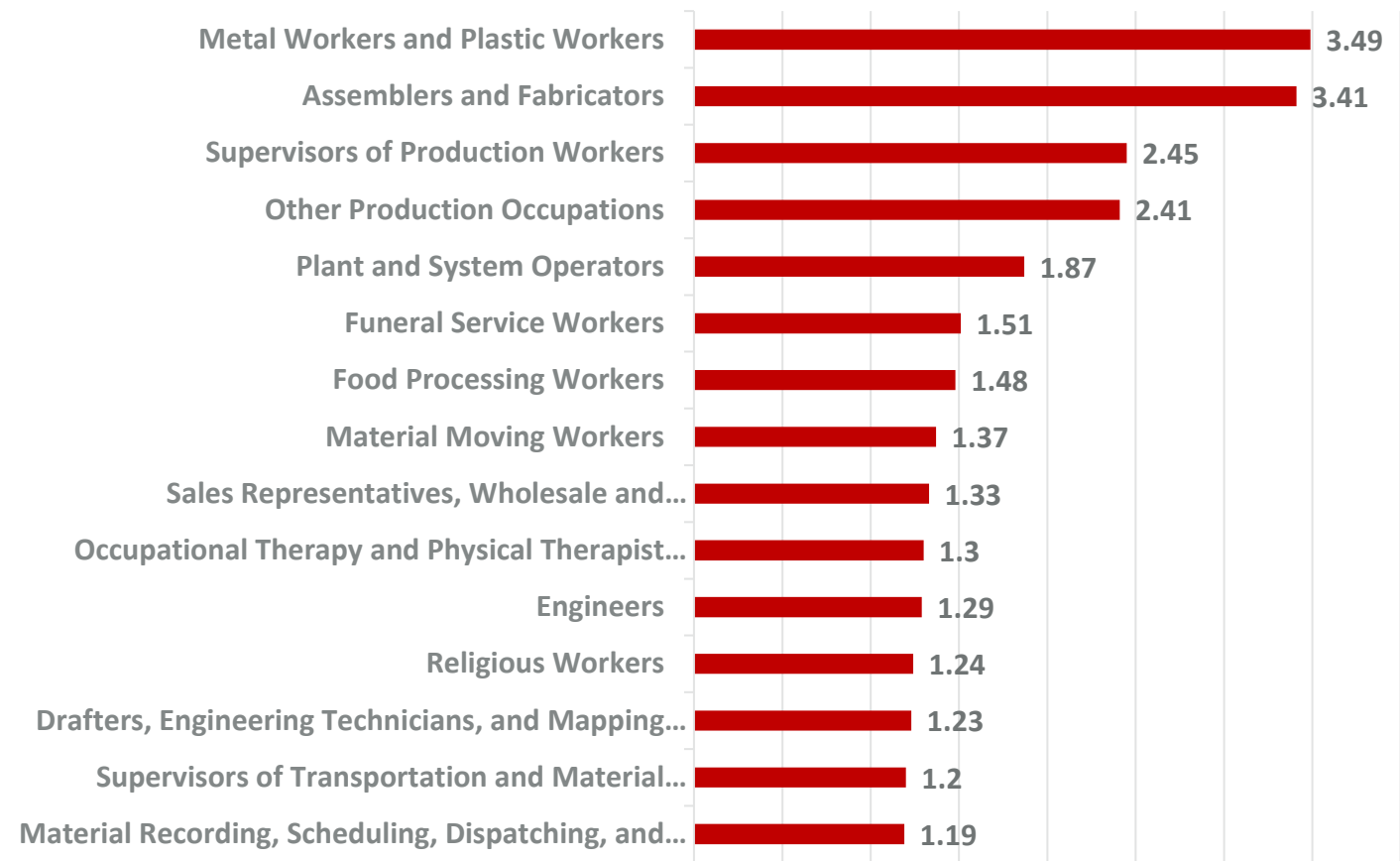
Putnam County's total employment also increased during this period by 6.9%, or from 16,899 jobs to 18,073 jobs. At the same time, two of the counties in Area 7 experienced a decline in total employment. Allen County lost 9,038 jobs (-12.7%), while Van Wert's employment dropped by just over 500 jobs (-3.3%).

Chart 1: Area 7 Annual Employment



Top 15 Occupations by Location Quotient

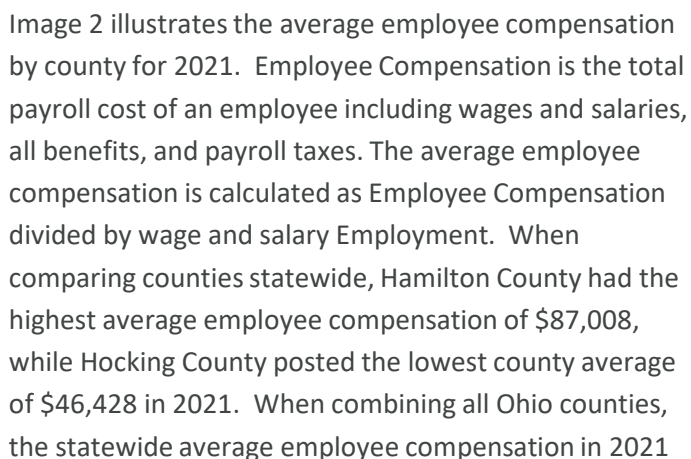
Chart 2: Occupation Location Quotient



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 7 demonstrating a significant concentration of workers relative to the nation. In 2021, the top occupation by LQ in Area 7 was metal and plastic workers, with an LQ of 3.49. This suggests the region has more than three times the number of metal and plastic workers compared to the national average. The second highest occupation by LQ in Area 7 was assemblers and fabricators at 3.41, followed by supervisors of production workers with an LQ of 2.45, other production occupations at 2.41, and plant and systems operators at 1.87.

2021 Data and Dollar Year



was \$60,659 per worker, which was a 4% increase compared to 2020. Of the counties in Area 8, Marion County had the highest average employee compensation of \$62,674, ranking 29th highest in Ohio. The next highest average employee compensation in Area 8 was Wyandot County at \$61,713, followed by Crawford County \$58,668, Richland County \$57,071, and Hardin County \$51,777.



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