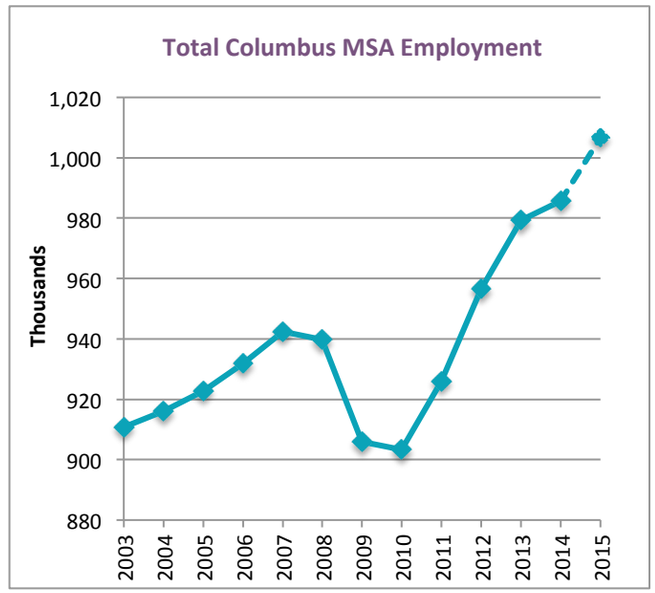
Columbus Forecast: Above-Average Employment Growth

Columbus Metropolitan Statistical Area (MSA) employment will enjoy above-average growth in 2015 with a net gain of 21,000 (2.1%).

As currently estimated, 2014 growth was a scant 0.7% versus the 1.8% national average. However, this estimate is preliminary and will likely be corrected upward in new estimates due in March. Analysis suggests that 2014 employment may have averaged 11,000 more than currently reported, implying growth matching the 1.8% national average.

The national and state economies will continue to add jobs as well. U.S. employment growth is expected at around 2.0%. The current estimates show Ohio growing only 0.9% in 2014. As with the MSA, Ohio's employment growth was likely stronger than these estimates suggest.

With the March corrections, the Bureau of Labor Statistics will reflect the new 10-county MSA including Hocking and Perry Counties. This will add about 12,000 to the reported monthly totals.



2015 Regionomics® Columbus MSA Forecast

Sector	Percentage change, 2013-2014			MSA employment		MSA Change, 2014-15	
	MSA	Ohio	U.S.	2014	2015	Change	Pct.
Total	**0.7%**	**0.9%**	**1.8%**	**985,700**	**1,006,700**	**21,000**	**2.1%**
Construction and mining	2.4%	1.9%	3.7%	32,400	33,400	1,000	3.1%
Manufacturing	(0.7%)	2.0%	1.1%	67,100	67,500	400	0.6%
Wholesale trade	2.9%	1.6%	2.1%	40,600	41,300	700	1.8%
Retail trade	1.4%	(0.5%)	1.9%	101,400	103,300	1,800	1.8%
Transportation and utilities	0.7%	2.7%	2.5%	46,800	47,500	700	1.4%
Information	(0.4%)	(2.3%)	(0.4%)	18,100	18,000	(100)	(0.7%)
Financial activities	(2.8%)	(1.2%)	1.0%	73,200	74,700	1,500	2.0%
Professional and business services	(0.1%)	2.6%	3.6%	163,100	170,700	7,600	4.7%
Professional and tech. services	(2.0%)	1.0%	2.9%	58,200	61,100	2,900	5.1%
Management of companies	0.5%	(1.0%)	2.0%	32,800	33,500	700	2.3%
Admin. support and waste svcs.	1.1%	5.3%	4.8%	72,100	76,100	4,000	5.5%
Education and health services	2.0%	0.8%	1.8%	140,800	144,900	4,100	2.9%
Private educational services	(5.7%)	(0.6%)	1.6%	18,000	17,700	(300)	(1.8%)
Healthcare and social services	3.2%	1.0%	1.8%	122,800	127,200	4,400	3.6%
Leisure and hospitality	1.0%	0.9%	2.8%	99,400	99,800	400	0.4%
Other services	2.6%	1.6%	0.9%	38,600	39,400	800	2.0%
Government	0.5%	(0.4%)	0.1%	164,200	166,300	2,100	1.3%
Federal government	(1.9%)	(0.9%)	(1.8%)	13,500	13,500	(100)	(0.4%)
State government	1.1%	(0.0%)	0.4%	72,000	73,800	1,900	2.6%
Local government	0.4%	(0.4%)	0.4%	78,600	78,900	300	0.4%

Employment totals and changes rounded to the nearest hundred.

About this Forecast and Regionomics®

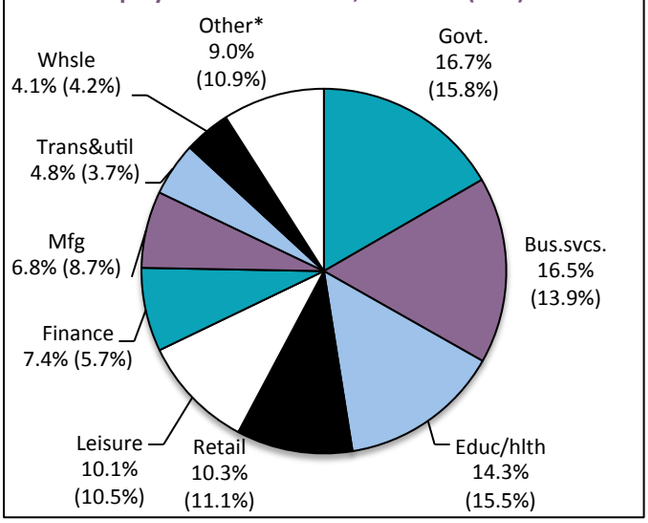
This is the 16th annual Columbus MSA forecast by Bill LaFayette, Ph.D., founder and owner, Regionomics® LLC.

Regionomics is a Columbus-based economic and workforce strategy firm focusing on local economies (neighborhoods to regions), employment analysis and forecasting, and economic and workforce development policy.

Dr. LaFayette has 16 years of experience in Central Ohio economic development organizations, including 12 years as vice president of economic analysis at the Columbus Chamber. Previously, he was a finance and real estate faculty member of Ashland University and the University of North Texas.

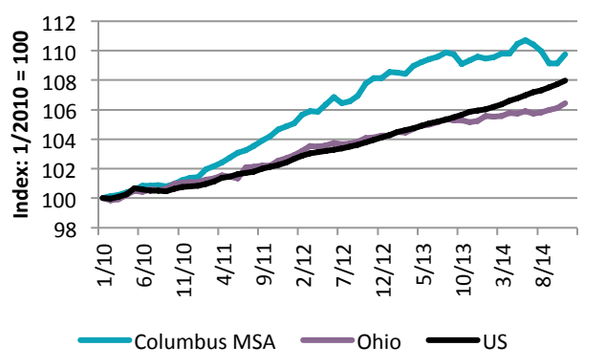
Please contact Regionomics at 614.443.3992 or info@regionomicsllc.com. You can also follow Bill on Twitter @RegionomicsLLC and by liking the Regionomics LLC page on Facebook. Learn more about Regionomics at regionomicsllc.com.

Employment Distribution, MSA and (U.S.)



*Other services, construction, and information.

Cumulative Growth, Jan. 2010 - Nov. 2014

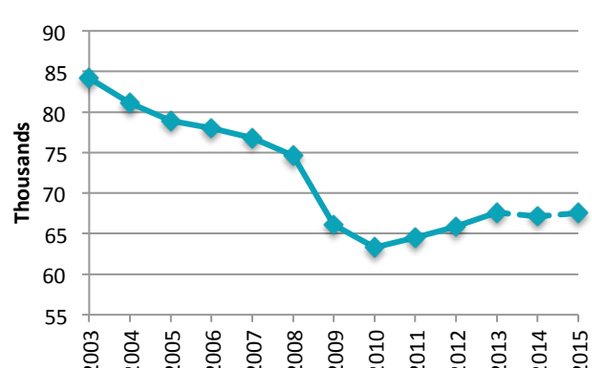


Columbus employment (based on current estimates) has increased 9.7% since the Jan. 2010 employment trough, better than Ohio (6.1%) or the U.S. (7.7%).

Construction Employment

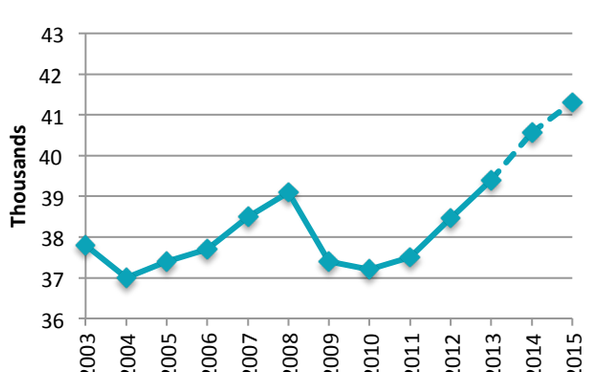
Construction jobs have increased 17.9% since Jan. 2010 versus the 12.5% U.S. average. Multi-unit residential properties have been a much larger focus in regional construction activity than average.

Manufacturing Employment



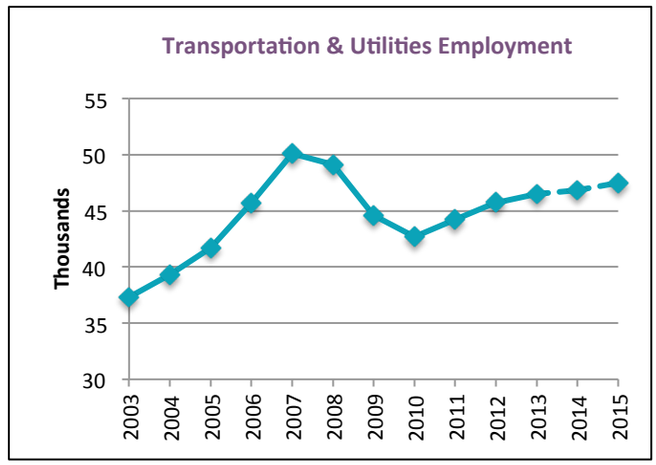
Manufacturing employment growth since Jan. 2010 has been 4.5% in the MSA but 6.6% nationwide. This is likely reasonably accurate, but probably represents the impact of technology rather than a lack of industry growth.

Wholesale Trade Employment

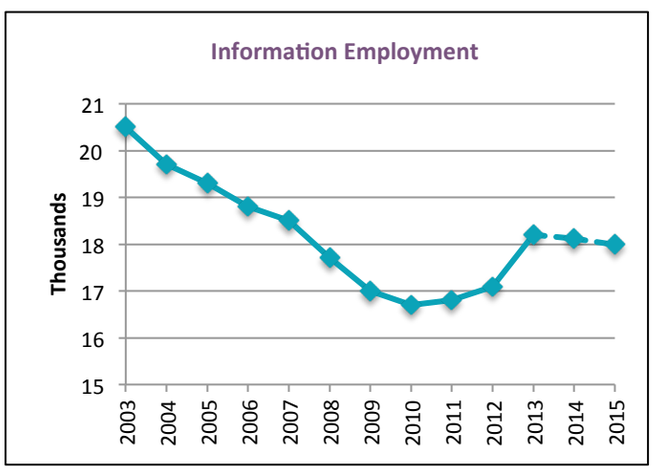


Wholesale employment growth was overstated in the 2013 preliminary estimates and may have been overstated in 2014 as well. Even so, growth has been above average and is likely to continue so in 2015.

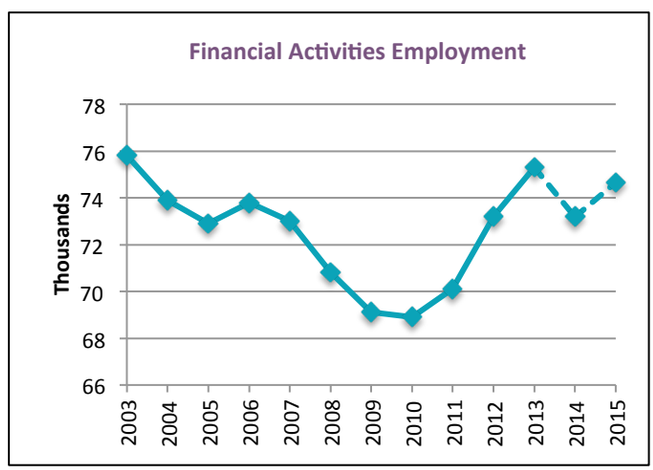
Unlike many sectors, retail has generally underperformed during the recovery. Analysis suggests that retail is not overbuilt and there is room for additional growth.



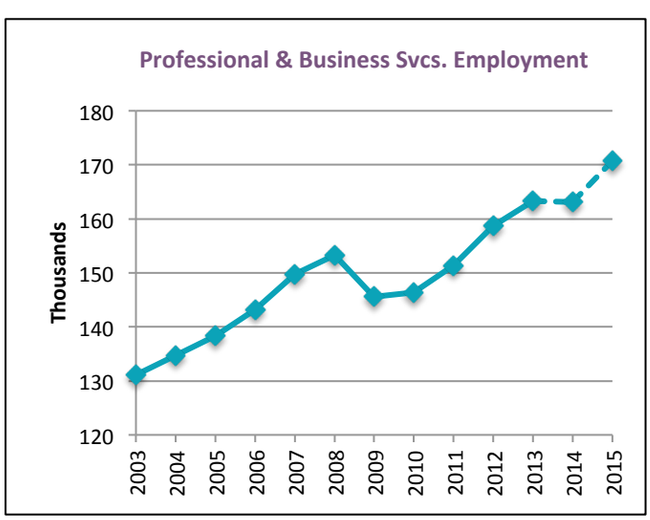
This sector is 92% transportation and warehousing. While 2014 growth is probably understated, transportation and utilities employment has underperformed over the last five years. Only moderate growth is predicted for 2015.



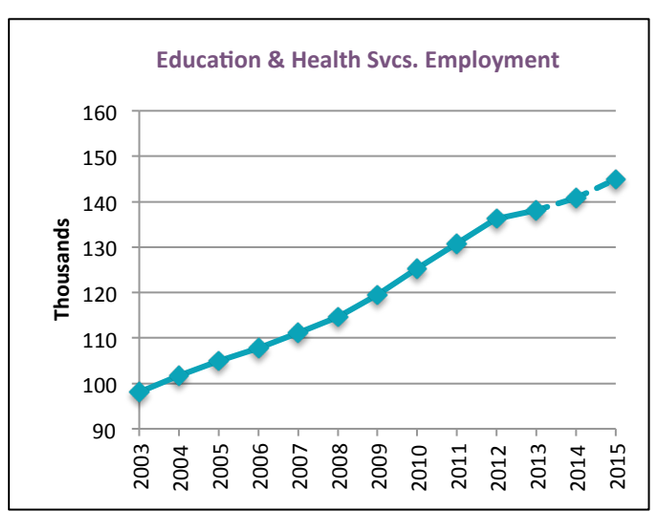
National and local trends suggest that the decade-long employment decline in the information sector may have reached its end. If the promise of the local big data initiatives is fulfilled, the long-run impact could be significant.



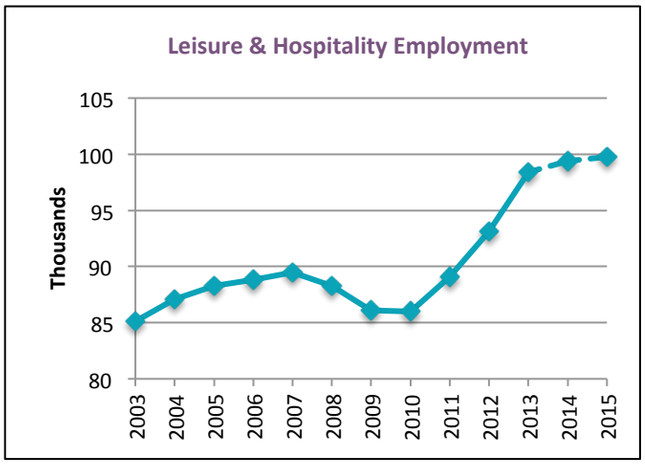
While layoffs in mortgage operations put downward pressure on financial activities employment in 2014, the 2.8% employment decline is probably overstated. The sector is likely to fare better in 2015.



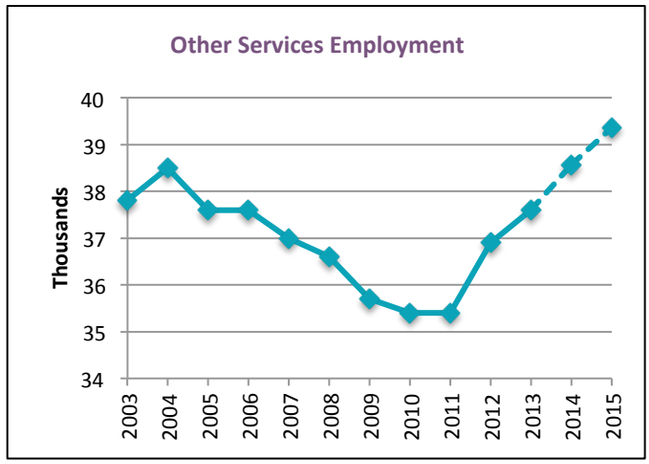
Rather than the lack of growth implied by the preliminary statistics, professional and business services employment may have grown robustly in 2014. The forecast predicts similarly strong growth in 2015.



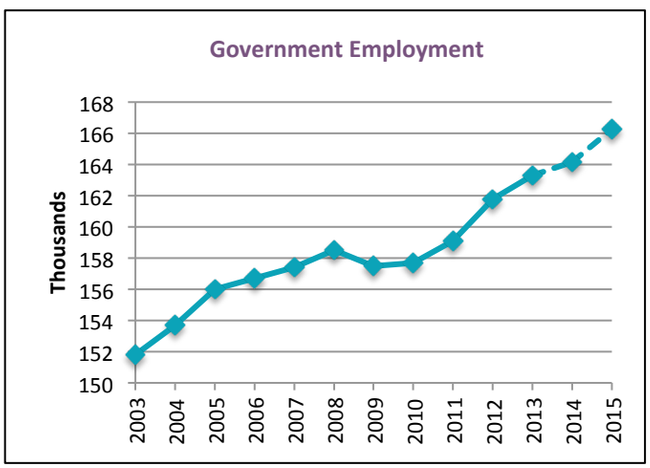
Education and health services may have done better than the preliminary estimates suggest. However, private education (12.7% of the sector) has been in decline since early 2013 – possibly as a result of oversaturation.



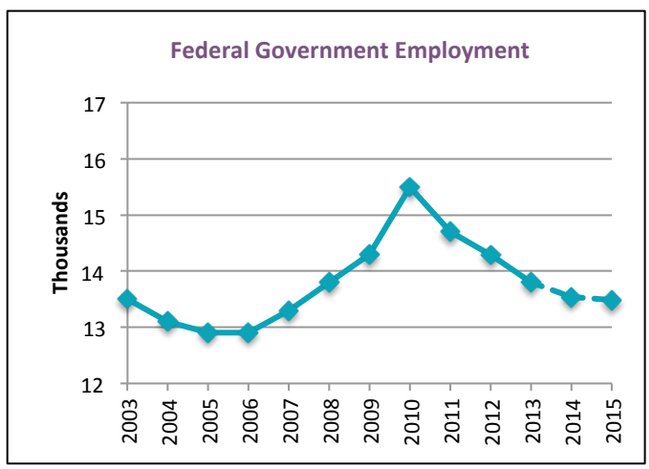
Columbus leisure employment grew much more slowly in 2014 than previously. In this case, growth may have been even weaker than the preliminary estimates suggest. This slow growth is expected to continue in 2015.



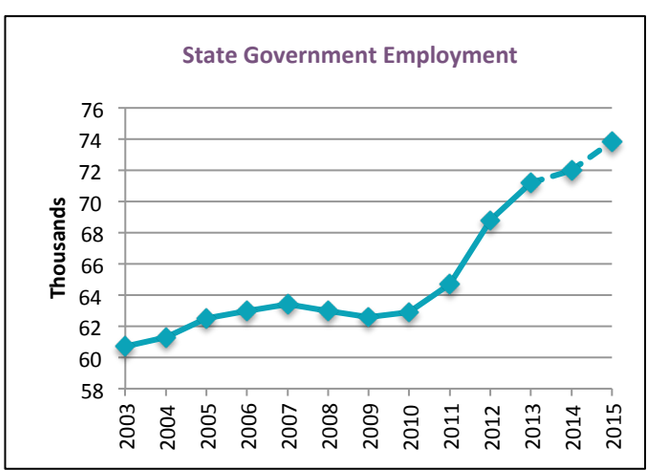
Other services employment has increased 9% over the past five years versus 4.1% nationally. The outstanding growth in 2014 may in fact be somewhat understated. Another good year is predicted for 2015.



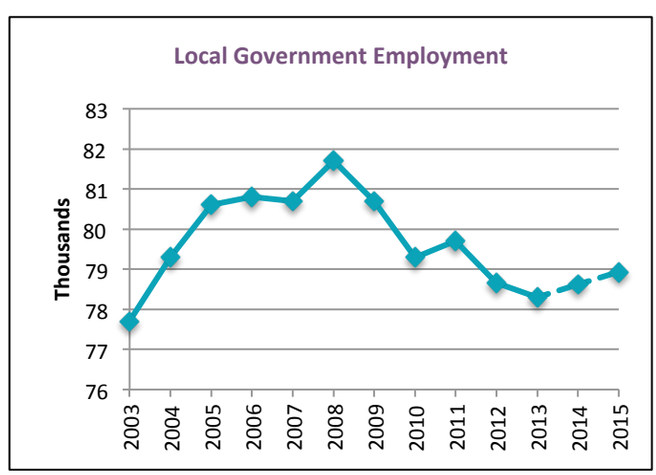
Government employment has increased steadily since 2010, yielding a net gain of 4.1% locally versus declines of 3.5% and 2.4% for Ohio and the U.S., respectively. State government has been the leading cause of this gain.



Federal employment has been falling since its Census-fed 2010 peak. Nationally, Defense jobs (a key component of Columbus employment) have fallen over the last two years; Postal Service jobs have been declining since 1999.



State employment in the MSA has increased 14.3% since January 2010, but only 3.5% statewide. The share of state employment in the Columbus MSA has been increasing since 1989 and is now at its highest level since 1964.



The sharp decline in local government jobs (4,500 between late 2008 and early 2013) seems to have ended. Preliminary numbers suggest a small net increase in 2014; a similar increase is predicted for 2015.