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By Bill LaFayette, PhD, owner, Regionomics® LLC

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New Employment Estimates for Ohio and Its Metro Areas

Last month, the Ohio Labor Market Information Bureau and the U.S. Bureau of Labor Statistics released revised employment estimates for Ohio and its Metropolitan Statistical Areas (MSAs). This issue of *On the Money* is an annual look at the impact of these revisions on what we know about growth both in recent years and since employment growth resumed after the recession at the beginning of 2010. Typically, these revisions restate employment for the past two years, although this year's revisions affect estimates as far back as 2007. The revisions reveal that recent growth was stronger in Ohio and most MSAs than first thought, although changes in the MSAs themselves make comparisons of estimates for those areas before and after the revisions less clear than usual.

These estimates (called the Current Employment Statistics) are released monthly and reflect employment at the middle of the previous month. However, as is usual with statistics this timely, the estimates are far from reliable. The estimates rely on a national sample of 526,000 workplaces covering about 43 million employees – 32 percent of workers. However, sample coverage is far greater in government (76 percent) than in the private sector, where the sample covers fewer than one-quarter of employment in most sectors. Consequently, revisions are issued when more complete and reliable information becomes available. Despite these revisions, the estimates for the most recent year (2014 in this case) are still somewhat tentative – especially for the last half of the year. Note also that because of the sample size, the original estimates are more reliable for the U.S. than for Ohio, more reliable for Ohio than for MSAs, and more reliable for large MSAs than small ones.

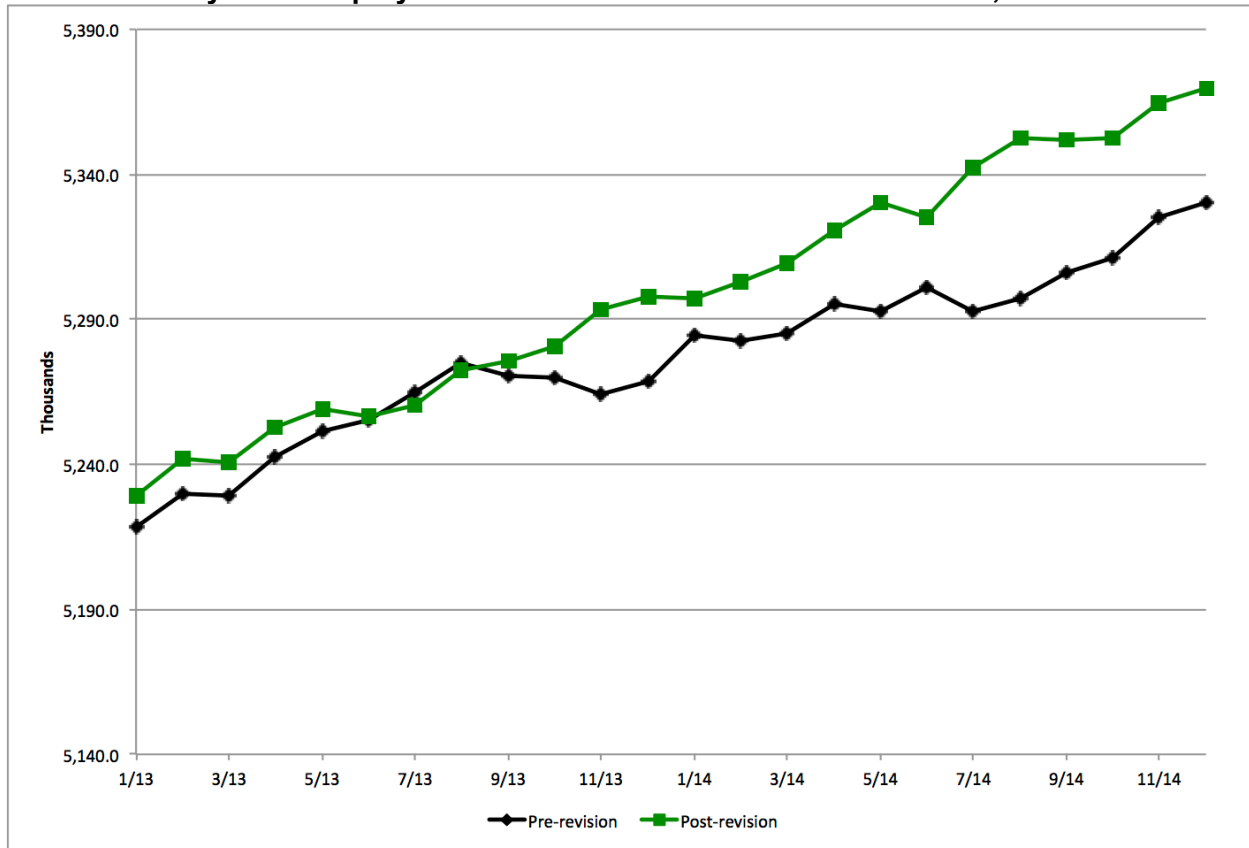
Statewide Employment Growth

The estimates originally issued during 2014 showed Ohio with net job growth of 48,000, or 0.9 percent, half of the national average. This was revised upward to an increase of 67,600, or 1.3 percent – better, but still less than the national average. The revision of 2013 employment increased 2012-2013 growth from 62,800 to 64,800 – 1.2 percent to 1.3 percent – on top of last year's large upward revision.

Figure 1 graphs monthly statewide employment over the last two years before and after this year's revisions. By December 2014, the difference between the employment level originally reported and the revised estimate had widened to 58,200 – nearly the level of annual employment change itself. Note too that the revised estimates lack the large month-to-month swings present in the originally-reported totals. This reinforces the point that it is never wise to put too much stock in these monthly changes as they are reported, but rather to look at trends over the past several or half-dozen months. More recent estimates show seasonally-adjusted Ohio employment rising further to a new recovery high of 5,387,200 in February 2015 – still

below the state's pre-recession high of 5,453,900 in March 2006 and its all-time high of 5,636,200 in May 2000.

Figure 1
Monthly Ohio Employment Before and After the 2015 Revisions, 2013-2014



Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

Table 1 on the next page shows the impact of the revisions on employment estimates for the major industry sectors statewide. These were a mixed bag. Construction and mining's employment gain over the past two years was increased 10,000. This large revision in a fairly small sector increased 2014 year-over-year growth from 1.7 percent to 5.2 percent. A similarly large upward revision in financial activities employment transformed that sector's annual change from a net loss of 1.2 percent to a net gain of 1.4 percent. Also increased were employment estimates for wholesale trade, retail trade, transportation and utilities, business services, and leisure. On the other hand, previously-reported gains for manufacturing and education and health services were trimmed, other services and information's gains were restated to losses, and the previously-estimated losses in government employment were increased.

Table 1
Impact of Employment Revisions on Ohio Industry Sectors

Sector	Dec. 2014 employment*		Jan. 2013-Dec. 2014 change	
	Pre-revision	Post-revision	Pre-revision	Post-revision
Total	5,330,400	5,369,900	111,900	140,600
Construction and mining	197,900	209,100	3,100	13,100
Manufacturing	682,600	677,200	22,700	17,200
Wholesale trade	230,700	234,000	5,500	8,700
Retail trade	556,600	563,400	-3,900	2,800
Transportation and utilities	199,100	200,400	7,900	9,400
Information	77,000	71,600	800	-3,800
Financial activities	279,700	289,900	-1,800	8,300
Prof. & business services	714,200	716,600	38,800	41,400
Education & health svcs.	892,000	890,200	22,200	19,100
Leisure & hospitality	534,300	547,100	22,900	35,800
Other services	217,100	210,200	3,700	-3,200
Government	754,300	760,200	-4,800	-8,200

*Seasonally adjusted.

Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

MSA-level employment revisions are less straightforward to interpret than those at the state level – and less straightforward than the MSA revisions usually are – because they reflect not only the corrected estimates of employment but also the impact of once-a-decade changes to the MSAs themselves announced by the U.S. Office of Management and Budget in February 2013. These changes arise primarily from changes over the decade in worker commuting patterns between outlying counties and the central county or counties, and were discussed in the April 5, 2013, issue of *On the Money* (Vol. 120, No. 7). The Cincinnati MSA remained at 15 counties, but Union County, Indiana, was substituted for Franklin County, Indiana. Columbus became a 10-county MSA with the addition of Hocking and Perry Counties. Dayton and Toledo each lost a county – Preble and Ottawa, respectively. While Sandusky remained a single-county area (Erie County), the Sandusky MSA was redefined as a “Micropolitan Statistical Area” (an area anchored by a smaller city) so its employment estimates are no longer reported in the Current Employment Statistics.

Table 2 shows the same information as Table 1 for each of the 12 MSAs totally or partially located in Ohio. Also included is the 2013 employment for the added, deleted, or changed counties in each of the MSAs. This comes from a different database (the Quarterly Census of Employment and Wages) and suggests the *approximate* impact of the MSA changes. Akron and Canton’s employment was revised upward slightly – marginally in the case of Canton – giving each MSA a slightly better employment gain. Cleveland employment remained essentially unchanged. Columbus employment was increased 36,000, suggesting a large upward revision in employment in addition to the impact of the enlargement of the MSA, and giving Ohio for the first time three MSAs with more than a million jobs. Dayton fared better in the revisions despite losing a county, and Toledo’s post-revision employment loss was similarly less than would have been expected. Lima and Springfield both suffered downward revisions, while Mansfield and Youngstown saw small net two-year losses changed to small net two-year gains.

Table 2
Employment and Area Revisions in Ohio Metropolitan Statistical Areas

Area	Dec. 2014 employment*		Jan. 2012-Dec. 2013 change		Approximate MSA change impact
	Pre-revision	Post-revision	Pre-revision	Post-revision	
Akron	329,400	332,200	6,800	7,600	0
Canton	172,700	172,800	2,700	2,800	0
Cincinnati	1,050,400	1,053,100	36,400	38,700	(2,703)
Cleveland	1,041,700	1,041,900	16,300	16,200	0
Columbus	993,700	1,026,700	21,100	44,600	12,130
Dayton	382,800	375,000	6,800	8,700	(10,507)
Lima	53,200	52,500	1,100	300	0
Mansfield	52,100	52,600	-300	200	0
Springfield	53,600	52,000	2,500	900	0
Toledo	311,800	298,200	5,500	5,300	(12,613)
Wierion-Steubenville	43,000	42,900	-400	-400	0
Youngstown	224,200	225,800	-700	200	0

*Seasonally adjusted.

Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

Employment Recovery Status Report

Table 3 uses the newly-revised employment estimates to analyze the employment gains made by Ohio and its MSAs in the employment recovery that commenced nationally at the beginning of 2010, comparing those gains to the losses suffered during the recession. The months designated as the pre-recession employment peak and the post-recession trough are specific to each area. Although the employment trough occurred in February 2010 for both Ohio and the U.S, employment hit bottom in individual areas as early as November 2009 or as late as June 2010 (in the case of Lima). Defining the peak is a larger challenge. National employment peaked in January 2008, but employment in most of Ohio's MSAs (those marked with an asterisk in Table 3) declined fairly steadily throughout the 2000s. This was primarily due to the decade-long employment decline in manufacturing that has been analyzed in previous issues of *On the Money*. In order to focus solely on the impact of the recession, employment peaks were assumed to occur no earlier than October 2007. (The recession officially began in December.) However, in some cases this was either an intermediate peak or not a peak at all.

Table 3
Recovery of Recession Employment Losses by Ohio and its MSAs

	Peak to trough		Trough to Feb. 2014		Percentage recovered
	Number	Percentage	Number	Percentage	
Ohio	-425,100	-7.8%	384,400	7.7%	90.4%
Akron	-28,700	-8.4%	20,100	6.4%	70.0%
Canton	-15,500	-8.9%	15,400	9.7%	99.4%
Cincinnati	-72,800	-6.9%	74,900	7.7%	102.9%
Cleveland*	-86,600	-8.1%	56,700	5.7%	65.5%
Columbus	-52,300	-5.4%	117,900	12.9%	225.4%
Dayton*	-33,300	-8.5%	16,100	4.5%	48.3%
Lima*	-4,600	-8.2%	2,100	4.1%	45.7%
Mansfield*	-6,400	-11.1%	1,900	3.7%	29.7%
Springfield*	-4,600	-8.7%	3,900	8.0%	84.8%
Toledo*	-30,700	-9.9%	19,000	6.8%	61.9%
Weirton- Steubenville*	-4,700	-9.6%	-800	-1.8%	-17.0%
Youngstown*	-22,000	-9.2%	9,100	4.2%	41.4%
United States	-8,716,000	-6.3%	11,534,000	8.9%	132.3%

*Employment was in decline prior to the recession.

Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

As Table 3 reveals, Ohio has made back 90 percent of its lost jobs, compared to a complete recovery at the national level. This was due as much to the greater-than-average impact of the recession as to the somewhat smaller rate of gain in the recovery. Both Cincinnati and Columbus have recovered completely from the recession, with Columbus gaining more than twice as many jobs as its smaller-than-average recession loss. Canton's larger-than-average gain is now only marginally less than its loss. On the other hand, employment growth has been notably weak in Cleveland, Dayton, Lima, and Mansfield, and nonexistent in Weirton-Steubenville. Employment totals in these regions remain far below their pre-recession job losses, let alone the levels prior to the decade-long stagnation that came before.

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 Columbus, Ohio 43215.

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