

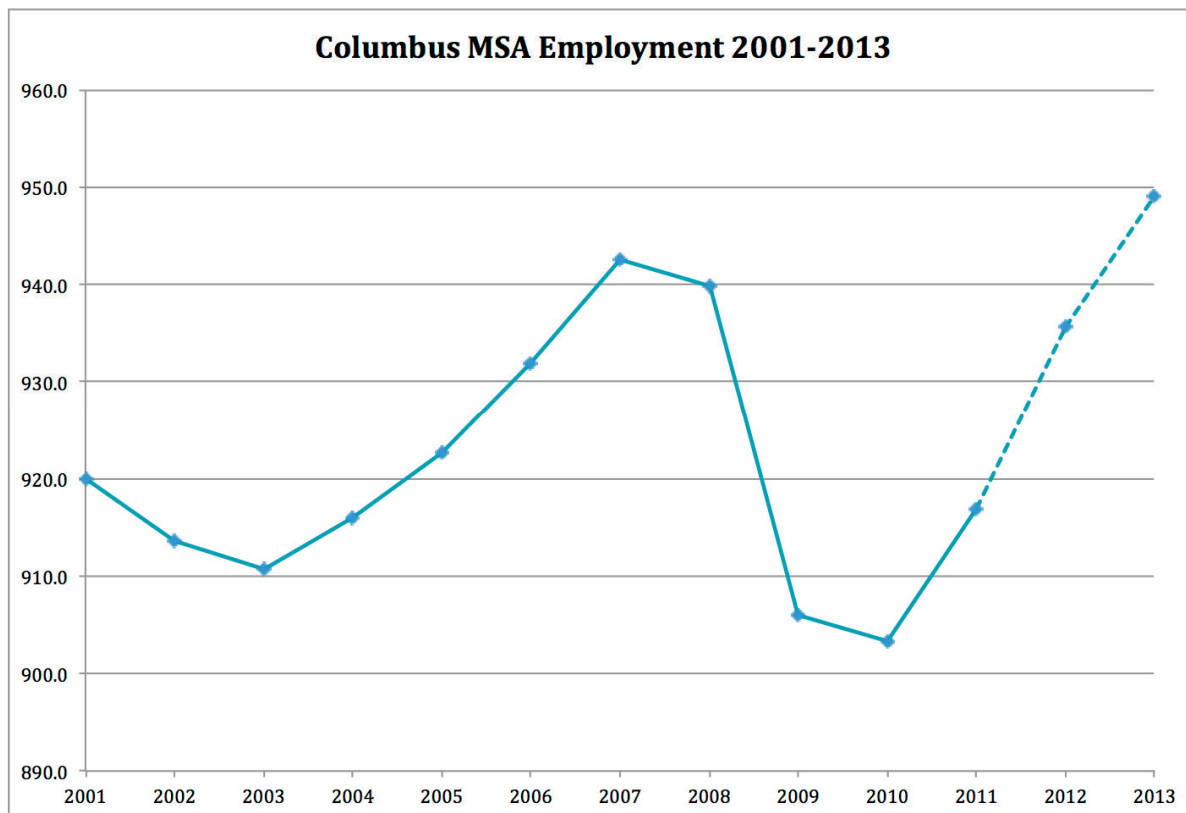
2013 Columbus Regionomics® Forecast: Employment Recovery Continues

Employment growth will continue in 2013 in the Columbus Metropolitan Statistical Area (MSA – Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway, and Union Counties) powered by a gradually improving U.S. economy. Average employment during 2013 will be 949,700, up 13,500 (1.4 percent) from 2012, according to the 14th annual forecast by Bill LaFayette, Ph.D., owner of Regionomics® LLC, a regional economic and workforce strategy firm.

Based on current employment estimates, the 2013 gain would bring MSA employment to a new high, but it is possible that the annual revisions in March will reduce estimated 2012 employment. In any case, the region is far closer than Ohio or the U.S. to recovering the jobs lost in the recession.

Government will weigh on overall employment growth as it did in 2012. Key sectors such as business services and transportation will also underperform, but other sectors such as healthcare, retail, and finance and insurance will continue to enjoy above-average growth. Detailed sector forecasts are in the table on the back of this sheet.

Economists surveyed by *The Wall Street Journal* expect the U.S. to add about 150,000 jobs per month, implying a gain for the year of 1.3 percent. The national unemployment rate at year-end should be 7.5 percent, slightly lower than the November 2012 rate of 7.8 percent.



2013 Columbus Regionomics® Forecast

Sector	Avg. employment (thousands)		Percentage changes				
	2012	2013	2012			2013	
			MSA	Ohio	U.S.	MSA	U.S.
Total	935.7	949.1	2.0%	1.7%	1.4%	1.4%	1.3%
Construction & mining	28.8	28.7	1.0%	1.9%	1.2%	-0.4%	0.3%
Manufacturing	62.0	61.1	-4.4%	2.8%	1.8%	-1.5%	0.3%
Wholesale trade	39.7	41.0	5.9%	3.2%	1.8%	3.2%	2.0%
Retail trade	100.3	102.3	2.6%	2.4%	1.0%	2.0%	1.3%
Transport & utilities	44.2	44.3	2.2%	1.0%	1.9%	0.2%	1.9%
Information	16.7	16.7	-0.7%	1.0%	-1.0%	-0.1%	0.2%
Financial activities	72.0	73.3	2.2%	0.6%	0.7%	1.8%	0.8%
Professional & bus. svcs.	152.8	156.8	2.3%	2.0%	3.3%	2.6%	3.3%
<i>Prof. & tech. svcs.</i>	<i>68.1</i>	<i>70.1</i>	<i>2.0%</i>	<i>2.6%</i>	<i>3.3%</i>	<i>3.0%</i>	<i>3.3%</i>
<i>Mgt. of companies</i>	<i>20.9</i>	<i>21.1</i>	<i>0.9%</i>	<i>-0.1%</i>	<i>1.8%</i>	<i>1.1%</i>	<i>2.1%</i>
<i>Administrative support</i>	<i>63.8</i>	<i>65.5</i>	<i>2.9%</i>	<i>2.3%</i>	<i>3.6%</i>	<i>2.7%</i>	<i>3.6%</i>
Education & health svcs.	139.3	143.9	7.3%	2.7%	2.2%	3.3%	2.1%
<i>Private education svcs.</i>	<i>21.4</i>	<i>21.9</i>	<i>12.5%</i>	<i>0.7%</i>	<i>2.5%</i>	<i>2.3%</i>	<i>1.6%</i>
<i>Health & social svcs.</i>	<i>118.0</i>	<i>122.1</i>	<i>6.4%</i>	<i>3.0%</i>	<i>2.1%</i>	<i>3.5%</i>	<i>2.2%</i>
Leisure and hospitality	89.9	91.8	1.8%	0.5%	2.4%	2.1%	2.3%
Other services	38.5	40.9	9.7%	2.6%	0.6%	6.3%	1.0%
Government	151.2	148.4	-2.5%	-0.4%	-0.6%	-1.8%	-0.7%
<i>Federal government</i>	<i>14.2</i>	<i>13.7</i>	<i>-3.4%</i>	<i>-2.6%</i>	<i>-1.6%</i>	<i>-3.5%</i>	<i>-1.8%</i>
<i>State government</i>	<i>60.9</i>	<i>59.7</i>	<i>-2.7%</i>	<i>2.2%</i>	<i>-0.3%</i>	<i>-2.0%</i>	<i>-0.2%</i>
<i>Local government</i>	<i>76.1</i>	<i>75.0</i>	<i>-2.2%</i>	<i>-0.9%</i>	<i>-0.5%</i>	<i>-1.4%</i>	<i>-0.7%</i>

Indented, italicized entries are segments of the sector above.

The following are brief comments on the larger sectors:

- **Manufacturing** employment growth weakened in the second half, both because of uncertainty and productivity gains. Local employment declines will continue, but at a slower pace.
- **Wholesale** grew strongly in 2012, and will continue to enjoy above-average growth in 2013.
- **Retail** will continue to be one of the better-performing sectors in 2013. Oversaturation will eventually become a concern, but seems not to be as yet – at least at the regional level.
- **Transportation** finally registered a stronger-than-average annual gain in 2012, but entirely in the first half. The forecast expects a slight improvement in the second half's slow growth.
- **Financial activities** employment growth has been four times the U.S. average in the recovery. The forecast expects the pace to slow, but 2013 will be another good year.
- **Professional services** employment growth was slow in 2012 in each of the three subsectors. Apart from the outstanding computer-related services industry, the professional and technical subsector contracted. The forecast expects below-average growth to continue.
- **Education and healthcare** growth has benefited from local hospital expansions – but the 2012 estimates may overstate reality. In any case, it is reasonable to expect the trend to slow.
- **Leisure** employment growth accelerated in 2012's second half. Growth will continue in 2013 with the improving regional and statewide economy.
- **Government** employment has declined nationwide and at all levels throughout the recovery. Monthly MSA and Ohio government employment estimates have been unusually volatile, calling into question the accuracy of the calculated 2012 changes and making forecasting difficult. The predicted changes reflect the likelihood of continued government belt-tightening.