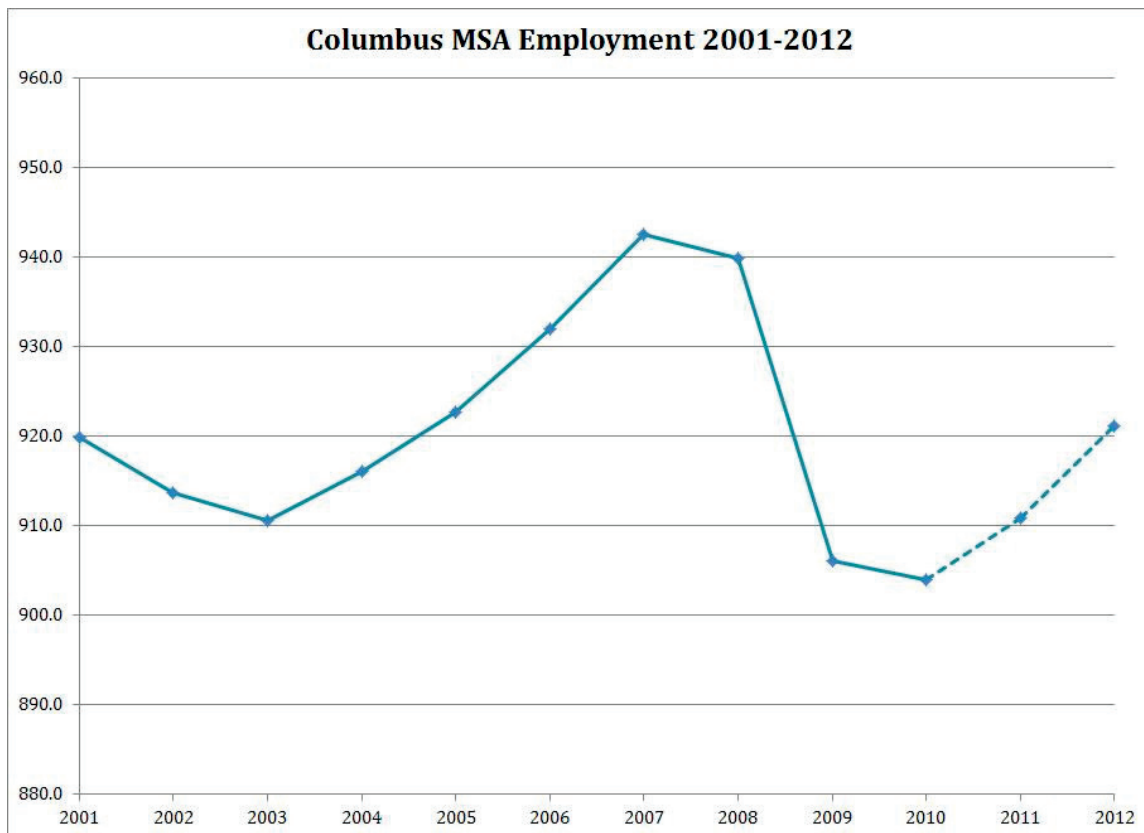


2012 Columbus Regionomics™ Forecast: Slow Recovery Continues

Employment growth in the Columbus Metropolitan Statistical Area (MSA – Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway, and Union Counties) will improve somewhat in 2012 but will still be too slow to reduce unemployment meaningfully. Average employment during 2012 will be 921,100, up 10,300 (1.1 percent) from 2011, according to the 13th annual forecast by Bill LaFayette, Ph.D., owner of Regionomics™ LLC, a Columbus-based regional economic strategy firm. The chart below shows Columbus MSA employment over the past decade. If the forecast 2012 growth is achieved, the region will have recovered 44 percent of the jobs lost in the recession, a somewhat higher percentage than the forecast national average.

All primary sectors except government and information should enjoy employment increases. Business services, retail, and construction should continue their strong showing. Manufacturing and transportation will advance but will be particularly weak relative to the national average. Detailed sector forecasts are in the table on the back of this sheet.

Economists surveyed by *The Wall Street Journal* expect economic growth to increase over the year, but remain at a relatively slow 2.6 percent by year-end. They expect the U.S. to add about 135,000 jobs per month, implying annual growth of 1.0 percent. The national unemployment rate at year-end should be 8.5 percent – almost exactly equal to the current rate.



2012 Columbus Regionomics™ Forecast

Sector	Avg. employment (thousands)		Percentage changes			
	2011	2012	MSA, 2011	Ohio, 2011	U.S., 2011	MSA, 2012
Total	910.8	921.1	0.8%	1.4%	1.0%	1.1%
Construction & mining	30.1	30.7	10.9%	2.6%	1.2%	2.1%
Manufacturing	62.6	63.0	-0.7%	1.9%	1.7%	0.6%
Wholesale trade	37.4	37.9	0.3%	1.9%	1.5%	1.4%
Retail trade	98.5	100.9	2.3%	0.4%	1.1%	2.4%
Transport & utilities	42.7	43.0	-0.4%	0.8%	1.7%	0.7%
Information	16.3	16.0	-1.9%	-0.7%	-1.6%	-1.8%
Financial activities	69.3	70.4	1.8%	0.7%	-0.2%	1.5%
Professional & bus. svcs.	151.3	155.6	2.9%	3.0%	3.0%	2.8%
<i>Prof. & tech. svcs.</i>	<i>64.6</i>	<i>66.6</i>	<i>2.2%</i>	<i>3.8%</i>	<i>2.7%</i>	<i>3.2%</i>
<i>Mgt. of companies</i>	<i>20.6</i>	<i>21.0</i>	<i>0.6%</i>	<i>0.9%</i>	<i>1.2%</i>	<i>1.9%</i>
<i>Administrative support</i>	<i>66.2</i>	<i>67.9</i>	<i>4.5%</i>	<i>3.1%</i>	<i>3.8%</i>	<i>2.7%</i>
Education & health svcs.	123.5	125.7	-1.3%	2.8%	2.2%	1.8%
<i>Private education svcs.</i>	<i>16.8</i>	<i>16.4</i>	<i>-7.0%</i>	<i>1.1%</i>	<i>2.3%</i>	<i>-2.3%</i>
<i>Health & social svcs.</i>	<i>106.6</i>	<i>109.2</i>	<i>-0.3%</i>	<i>3.0%</i>	<i>2.1%</i>	<i>2.5%</i>
Leisure and hospitality	87.0	88.2	0.6%	1.9%	1.5%	1.4%
Other services	36.0	36.3	0.8%	2.1%	1.5%	0.7%
Government	156.1	153.4	-1.2%	-1.3%	-1.8%	-1.7%
<i>Federal government</i>	<i>14.5</i>	<i>14.2</i>	<i>-5.6%</i>	<i>-5.4%</i>	<i>-4.6%</i>	<i>-2.1%</i>
<i>State government</i>	<i>62.7</i>	<i>61.7</i>	<i>-0.3%</i>	<i>0.4%</i>	<i>-0.9%</i>	<i>-1.6%</i>
<i>Local government</i>	<i>78.8</i>	<i>77.5</i>	<i>-1.1%</i>	<i>-1.1%</i>	<i>-1.5%</i>	<i>-1.7%</i>

Indented, italicized entries are segments of the sector above.

The following are brief comments on the larger sectors:

- **Manufacturing** employment has grown elsewhere but not locally because of a lack of growth in motor vehicles and parts. Growth is likely in 2012, but at a slower-than average pace.
- **Wholesale** was affected early in 2011 by the Japanese supply disruptions. It has been showing much greater strength in recent months.
- **Retail** has outperformed the U.S. since 2007 and shows no sign of slowing as yet.
- **Transportation** has been one of the region's worst-performing sectors during the past three years. Employment should increase in 2012, but much more slowly than average.
- **Financial activities** employment has fared far better than average, partially because of continued growth of JPMorgan Chase. The forecast expects this trend to slow somewhat.
- **Professional services** have been a major growth sector here and elsewhere, a trend that should continue, albeit with some slowing in the administrative support segment as job creation shifts away from temporary employment.
- **Education and healthcare** growth has been disappointing, in part because of a 2,000-job decline in private education in the first half. The forecast expects healthcare to strengthen and education to see month-to-month growth at its new lower level.
- **Leisure** employment growth was weak in 2011, which may enable stronger growth in 2012.
- **Government** employment nationwide is in an historic decline, although the large federal declines are a function of high Census-related employment in 2010. All levels should continue to weaken in 2012, but local government is especially vulnerable as state support declines.