

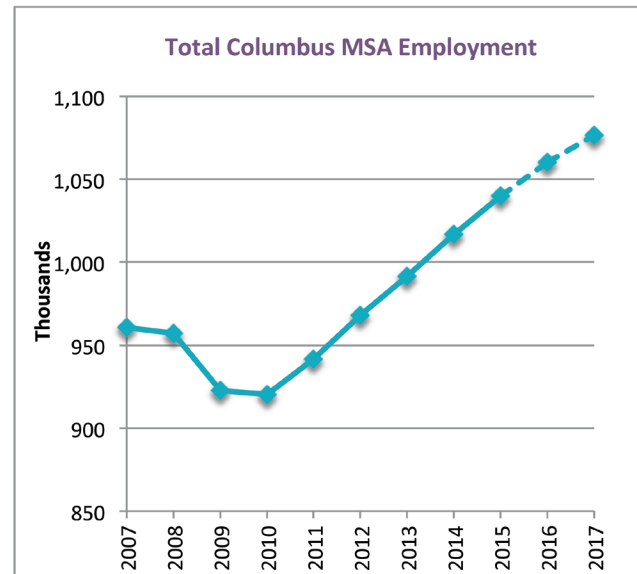
Columbus Forecast: Slower Employment Growth Nationally, Locally

Although the Columbus MSA should continue to enjoy employment growth close to or slightly above the national average in 2017, both local and U.S. employment should grow more slowly than in recent years.

As currently estimated, 2016 MSA employment grew 2.0% versus the 1.7% national average. This estimate is preliminary, and will be corrected in revisions to be released in March 2017. However, analysis suggests that actual 2016 employment may have been close to that currently reported, implying that the revisions to total employment will be small. (As noted below, though, some sector-level revisions may be significant.)

U.S. employment growth is expected to slow from 1.7% to around 1.4% in 2017, hampered mostly by government and manufacturing.

Ohio job growth continued below average in 2016. The preliminary estimates show Ohio employment growing only 1.4%. However, construction, transportation, leisure, and other services did better than average.



2017 Regionomics® Columbus MSA Forecast

Sector	Percentage change, 2015-2016			MSA employment		MSA Change, 2016-17	
	MSA	Ohio	U.S.	2016	2017	Change	Pct.
Total	2.0%	1.3%	1.7%	1,060,200	1,076,500	16,300	1.5%
Construction and mining	5.6%	2.1%	1.2%	37,900	39,200	1,300	3.4%
Manufacturing	1.9%	0.1%	(0.3%)	72,900	73,200	300	0.4%
Wholesale trade	(1.6%)	0.9%	0.9%	41,300	41,300	0	(0.0%)
Retail trade	(0.8%)	0.9%	1.9%	102,200	102,000	-200	(0.2%)
Transportation and utilities	2.4%	1.9%	1.1%	53,200	55,800	2,500	4.8%
Information	(1.4%)	0.6%	0.9%	16,700	16,600	-100	(0.4%)
Financial activities	1.7%	2.2%	2.0%	81,000	82,200	1,200	1.5%
Professional and business services	2.2%	(0.1%)	2.9%	181,600	185,300	3,700	2.0%
Professional and tech. services	4.6%	3.0%	3.4%	63,400	65,700	2,300	3.6%
Management of companies	0.7%	(0.6%)	2.5%	37,800	38,300	500	1.2%
Admin. support and waste svcs.	1.5%	(2.3%)	2.4%	80,600	81,300	700	0.9%
Education and health services	2.2%	2.1%	2.9%	154,500	156,800	2,400	1.5%
Private educational services	0.9%	0.5%	2.2%	21,600	21,100	-500	(2.1%)
Healthcare and social services	2.4%	2.3%	3.0%	132,900	135,700	2,800	2.1%
Leisure and hospitality	4.5%	3.0%	2.4%	107,200	110,100	3,000	2.8%
Other services	4.5%	2.7%	1.3%	42,800	44,400	1,500	3.6%
Government	1.5%	1.1%	0.7%	169,200	169,500	400	0.2%
Federal government	3.2%	1.6%	1.2%	14,200	14,200	0	0.0%
State government	2.9%	3.2%	0.2%	73,500	73,800	300	0.4%
Local government	0.1%	0.3%	0.7%	81,500	81,500	100	0.1%

Employment totals and changes rounded to the nearest hundred.

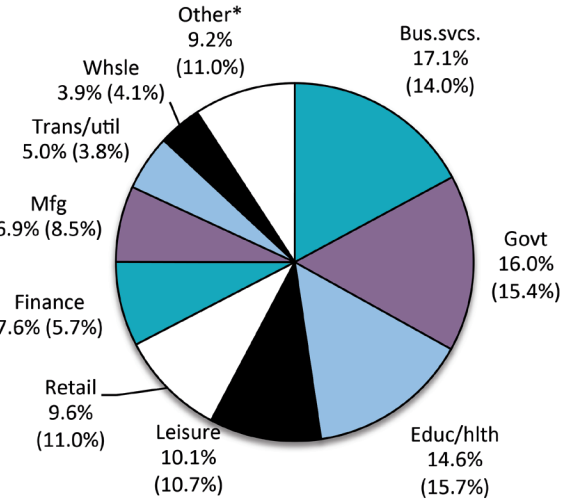
About this Forecast and Regionomics®

This is the 18th 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 community and regional economies, 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.

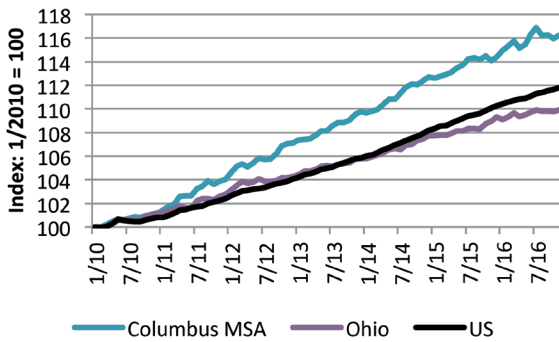
Please contact Regionomics at 614.443.3992 or info@regionomicsllc.com. You can also follow Bill on Twitter @RegionomicsLLC and by liking the Regionomics LLC page on Facebook. Learn more about Regionomics at regionomicsllc.com.

Employment Distribution, MSA and (U.S.)



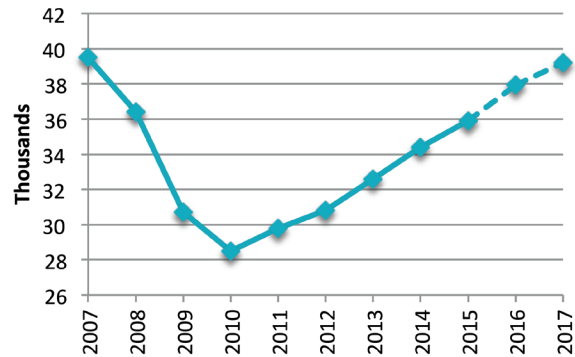
*Other services, construction, and information.

Cumulative Growth, Jan. 2010 - Nov. 2016



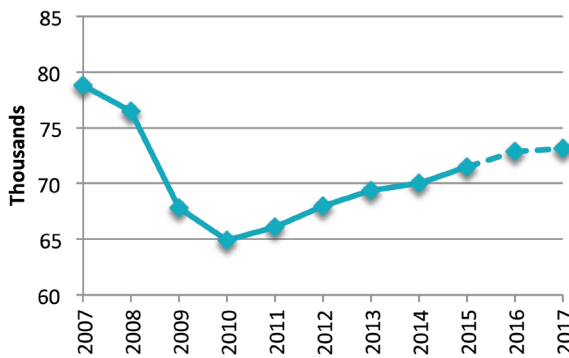
Columbus MSA employment (based on current estimates) has increased 16.2% since the Jan. 2010 employment trough, better than Ohio (9.9%) and the U.S. (11.8%).

Construction Employment



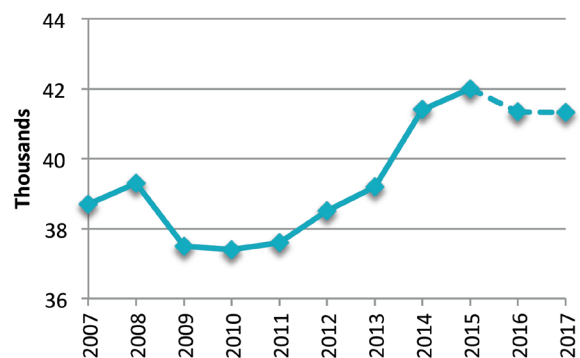
Local construction employment has increased 31% since January 2010 versus 18.2% nationally. The forecast assumes continued strong growth, but also that 2016 growth was overestimated.

Manufacturing Employment



Manufacturing employment growth has stalled and slightly reversed elsewhere as technology has substituted for labor. Growth was somewhat better than average in central Ohio last year, but should weaken in 2017.

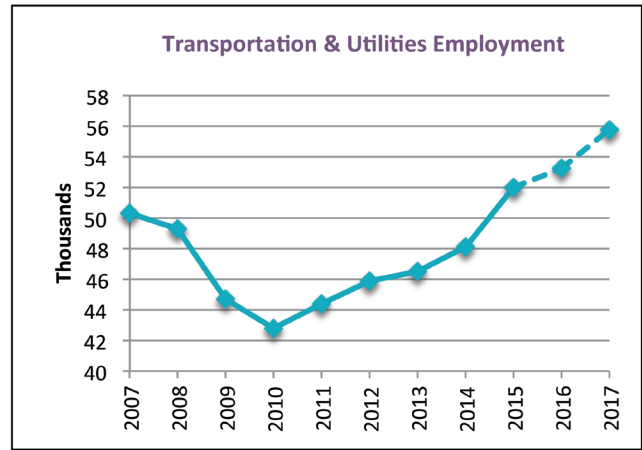
Wholesale Trade Employment



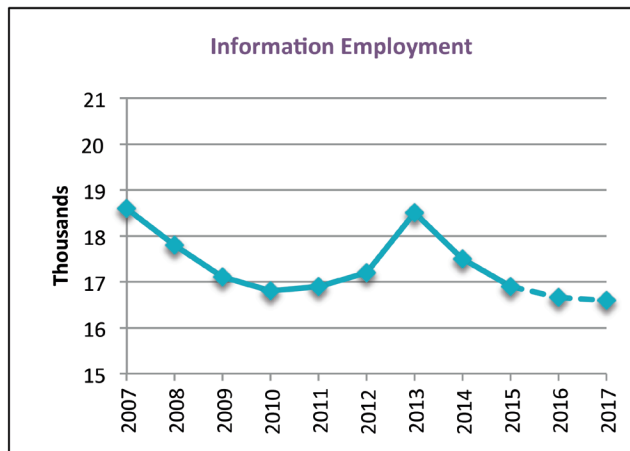
Preliminary employment estimates show a 1.6% drop in 2016. The actual change may not have been this bad, but was likely still far below average. The same weakness is expected in 2017.



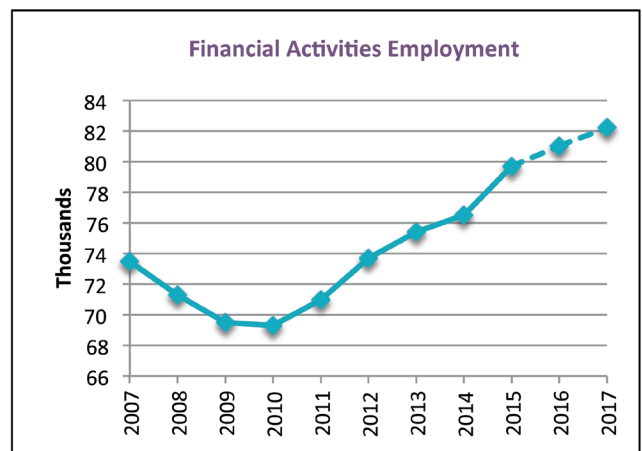
While 2016 retail employment estimates may have been low, growth since January 2010 has been half the U.S. average. There has been weakness in electronics, food, and drug stores, and especially nonstore retailers.



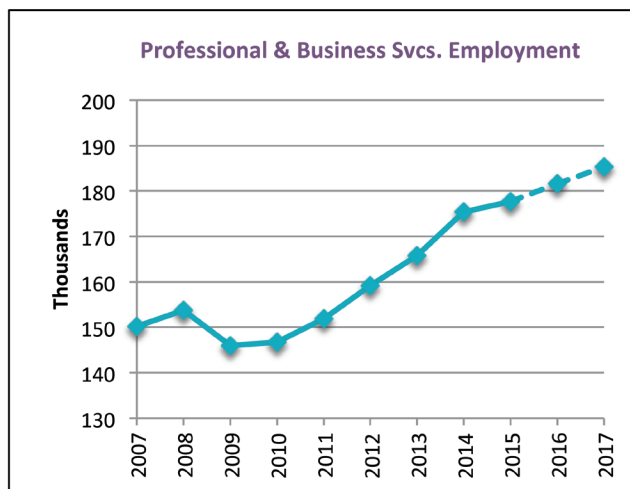
This sector is 92% transportation and warehousing, and has enjoyed notable strength in recent years. The forecast assumes both an understatement of 2016 growth and that the trend will continue in 2017.



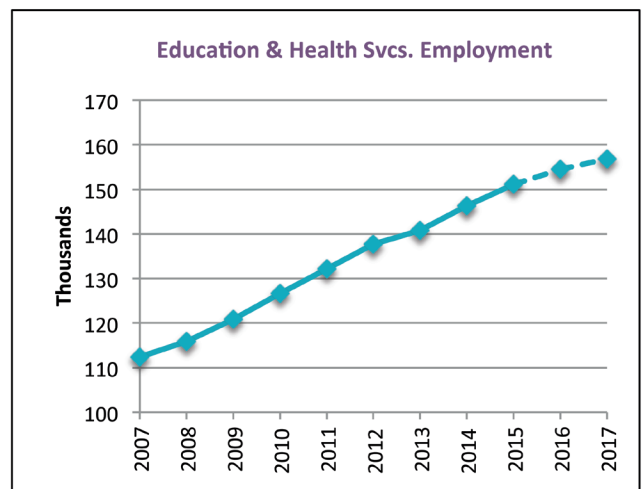
The 1,300-job spike in 2013 may have been due to classification changes. Information employment locally and nationally has been fairly stable in the recovery – much better than its 24% plunge before the recession.



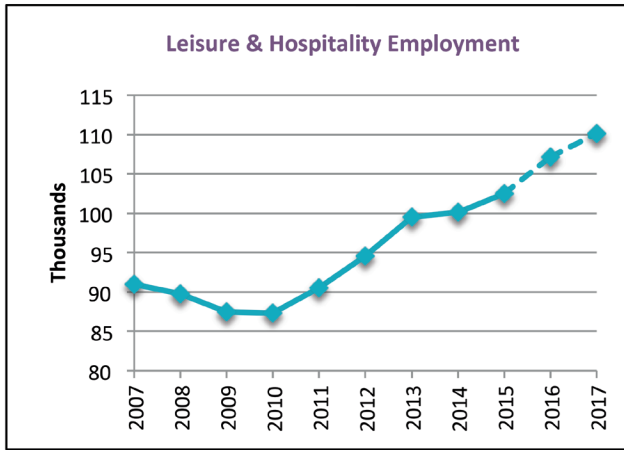
Weak growth in the crucial finance and insurance segment is likely to lead to a second year of below-average growth for financial activities – offset to a degree by strength in the small real estate and rental segment.



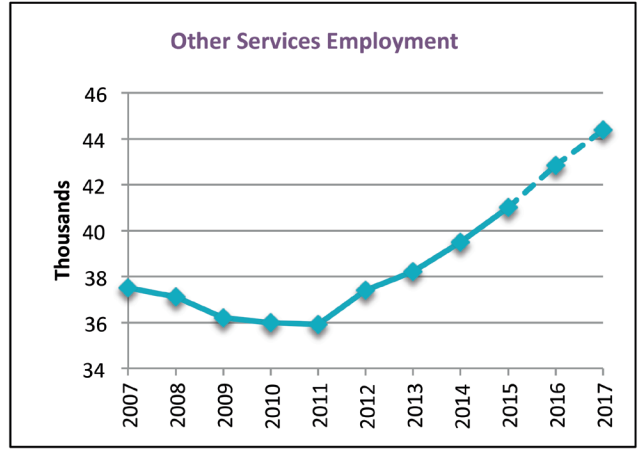
Headquarters growth was weak in 2016. This is of concern because of the segment's crucial role and its high salaries. Weakness here and in administrative support should cause the total sector to underperform in 2017.



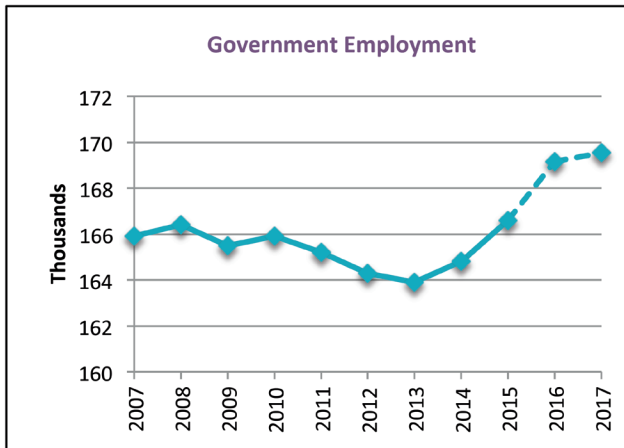
After years of blistering growth, the education and health sector may finally be slowing somewhat. The 2016 estimates may be low, however. Only private education is included here, so the sector is 86% healthcare.



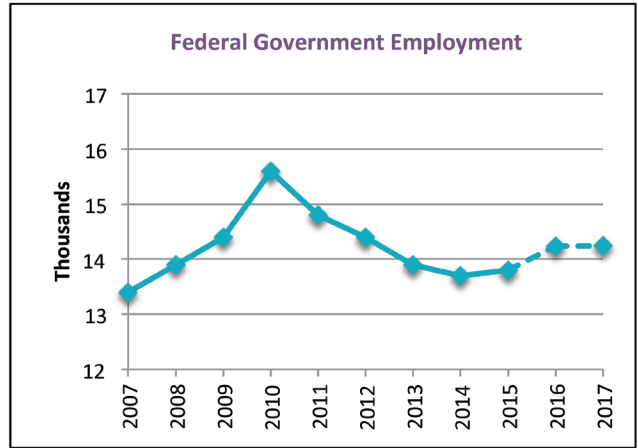
After a brief pause, leisure employment is off and running again, although the 4.5% growth in 2016 may be overstated. Growth double the national average is possible in 2017.



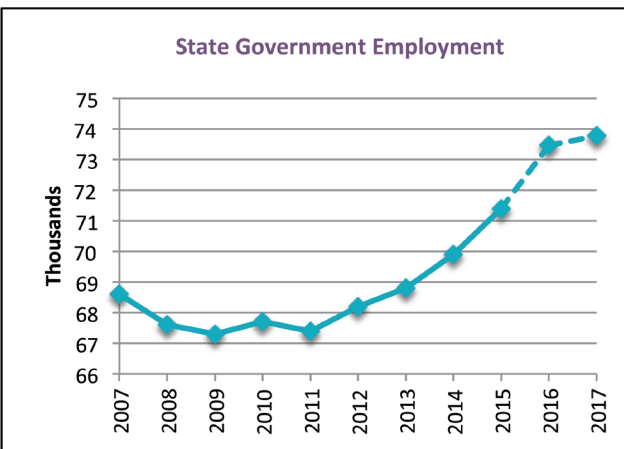
The miscellaneous other services category has grown to double the national pace through the recovery. The locally-serving personal and repair services segments may be in danger of overheating.



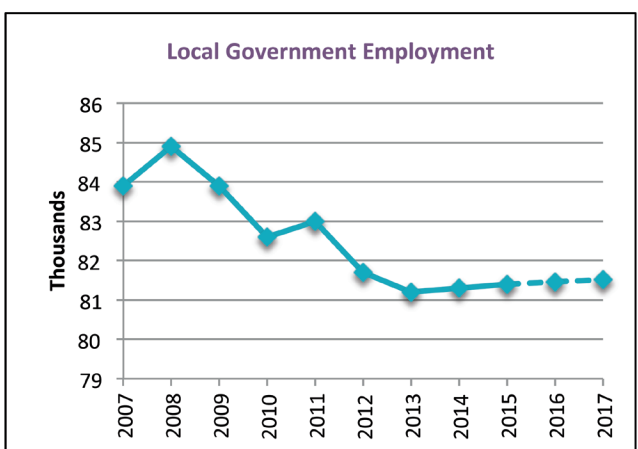
Growth in government employment should largely pause in 2017. Federal employment growth will be affected by the presidential administration change; state government growth will be limited by the tight budget.



Over the last 70 years, federal employment has declined an average of 0.9% in years in which the presidential administration changed, but has grown an average of 0.45% in other years.



State government employment growth in 2017 is likely to be modest. Although Governor Kasich's December warning of an Ohio recession was a probable overstatement, agency budgets in the coming year should be tight.



The prediction of continued slow growth in local government employment assumes that the austere state budget will impact local budgets as in the past. But central Ohio's rapid population growth may require some hiring.