

Columbus Forecast: Growth Positive but Weaker than Average Again

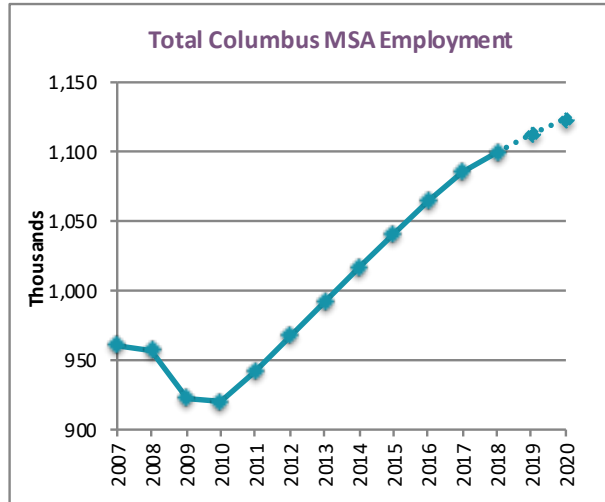
Columbus MSA employment growth continued in 2019, but slowed further from its robust pace earlier in the expansion. Growth failed to exceed the national average for a second consecutive year in 2019. This will be the case again in 2020.

Business leaders identified worker availability as their key concern in the recently-released *Columbus CEO* survey. This is one cause of somewhat slower growth in 2020, as is weakness in several key sectors.

As currently estimated, MSA employment grew 13,100 in 2019. However, as usual, some of the monthly Bureau of Labor Statistics (BLS) estimates seem to have been incorrect. Adjusted totals are shown in blue below.

U.S. employment growth is expected to slow from 1.5% in 2019 to 1.2% in 2020 as GDP growth slows. Current forecasts suggest that a recession is unlikely in 2020, though.

Ohio job growth in 2019 matched its 2018 pace of 0.6%. The slower Columbus growth was a negative factor, as were declines in retail and administrative support services, among others.



2020 Regionomics® Columbus MSA Forecast

Sector	Percentage change, 2018-2019			MSA employment		MSA Change, 2019-20	
	MSA	Ohio	U.S.	2019	2020	Number	Pct.
Total	1.2%	0.6%	1.5%	1,112,700	1,123,800	11,100	1.0%
Construction and mining	4.9%	(0.8%)	2.8%	43,800	45,400	1,600	3.7%
Manufacturing	2.4%	0.5%	1.1%	75,300	75,700	400	0.6%
Wholesale trade	3.6%	1.2%	1.5%	43,000	44,200	1,300	2.9%
Retail trade	(0.9%)	(1.3%)	(0.3%)	101,600	101,200	(300)	(0.3%)
Transportation and utilitie	1.7%	1.8%	2.2%	64,500	65,800	1,300	2.1%
Information	(1.0%)	(1.6%)	(0.3%)	17,200	17,100	(100)	(0.7%)
Financial activities	0.8%	0.4%	1.3%	86,800	87,400	600	0.7%
Professional and business services	0.9%	0.6%	2.2%	183,200	183,900	600	0.3%
Professional and tech. services	2.9%	4.5%	3.1%	67,100	68,200	1,100	1.6%
Management of companies	0.7%	(0.3%)	2.0%	38,200	38,200	100	0.2%
Admin. support and waste svcs.	(0.8%)	(2.2%)	1.4%	78,000	77,500	(500)	(0.7%)
Education and health services	2.3%	1.4%	2.5%	169,400	173,100	3,600	2.1%
Private educational services	5.3%	1.5%	2.4%	24,400	25,100	700	2.9%
Healthcare and social services	1.8%	1.4%	2.3%	145,000	147,900	2,900	2.0%
Leisure and hospitality	(0.1%)	2.1%	2.4%	107,800	107,200	(600)	(0.5%)
Other services	0.8%	0.1%	1.5%	41,900	42,100	200	0.4%
Government	1.1%	0.2%	0.6%	178,200	180,600	2,400	1.3%
Federal government	0.1%	0.6%	0.9%	14,500	15,200	700	4.8%
State government	1.8%	1.3%	0.1%	78,800	80,100	1,300	1.7%
Local government	0.5%	(0.3%)	0.7%	84,900	85,300	400	0.4%

Regionomics estimates of 2019 MSA employment in blue. Employment totals and changes rounded to the nearest hundred.

About this Forecast and Regionomics®

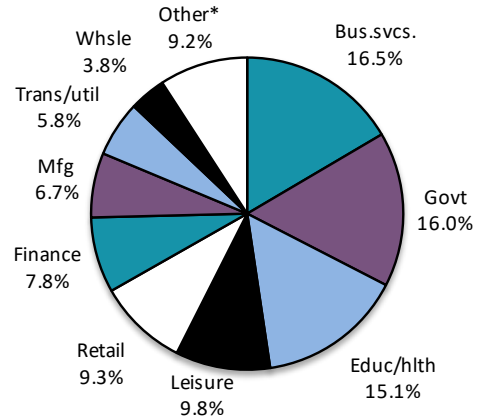
This is the 21st annual Columbus MSA forecast by Bill LaFayette, Ph.D., founder and owner, Regionomics®.

Regionomics is a Columbus-based economic and workforce strategy firm focusing on community and regional economies, employment analysis and forecasting, fiscal analysis, and economic and workforce policy.

Dr. LaFayette has 25 years of experience in Central Ohio economic development. Before founding Regionomics in 2011, he spent 12 years as vice president of economic analysis at the Columbus Chamber and four years with Rickenbacker Port Authority. He previously served on the finance and real estate faculties of Ashland University and the University of North Texas.

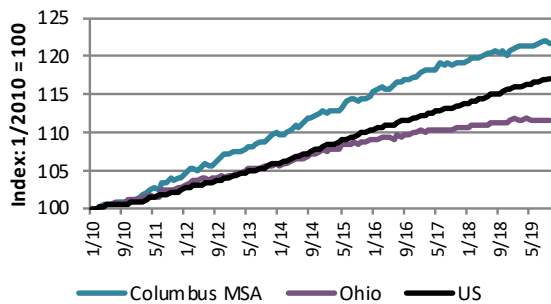
Please contact Regionomics at 614.443.3992 or info@regionomicsllc.com. You can also follow Bill by liking the Regionomics LLC page on Facebook. Learn more about Regionomics at regionomicsllc.com.

Columbus MSA Employment Distribution



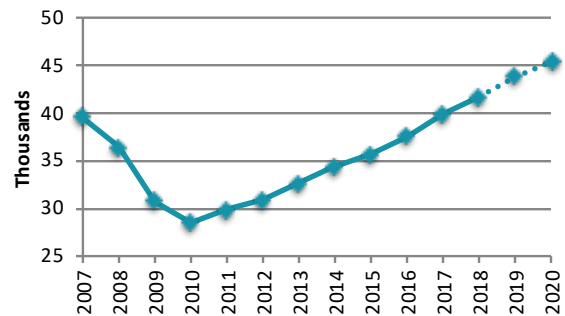
*Other services, construction, and information.

Cumulative Growth, Jan. 2010 - Oct. 2019



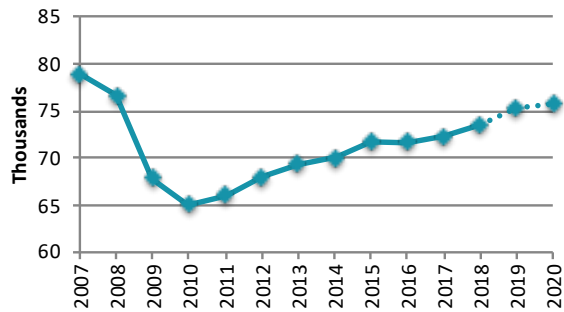
Based on current estimates, Columbus MSA employment has increased 21.9% (200,000 jobs) since the Jan. 2010 employment trough, far more than Ohio (11.7%) and the U.S. (17.1%).

Construction Employment



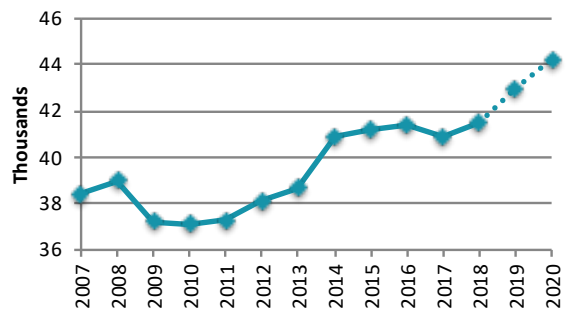
Monthly construction estimates are among the least reliable. Other evidence suggests that the 2019 estimates have been overstated. Even after reducing the reported estimate, growth has been far greater than the U.S. average.

Manufacturing Employment



Columbus manufacturing GDP growth between 2009 and 2018 was nearly twice the U.S. average (33.5% vs. 17.9%). Weaker GDP growth forecasts and slowing industrial production suggest that 2020 employment growth should be modest.

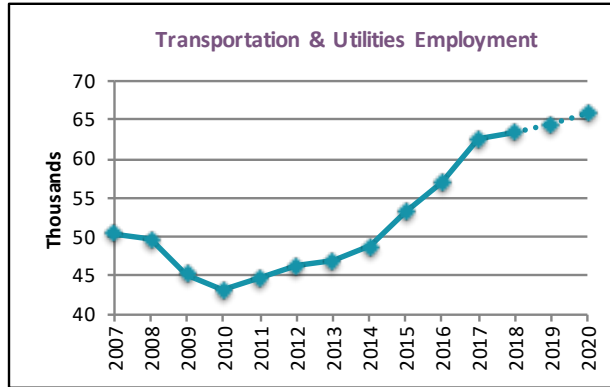
Wholesale Trade Employment



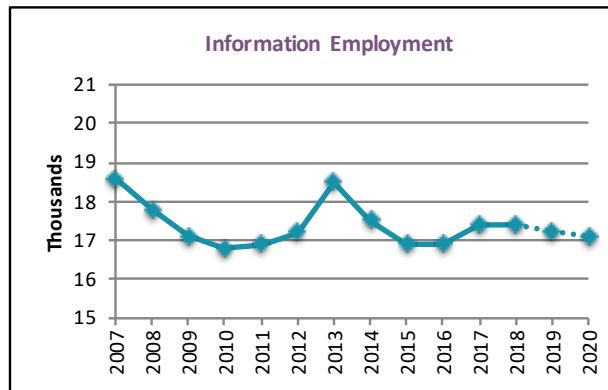
Wholesale, retail, transportation, and utilities together seem to have been underestimated in the monthly BLS totals. The allocation to individual components involves guesswork. Wholesale employment growth seems to have been especially strong.



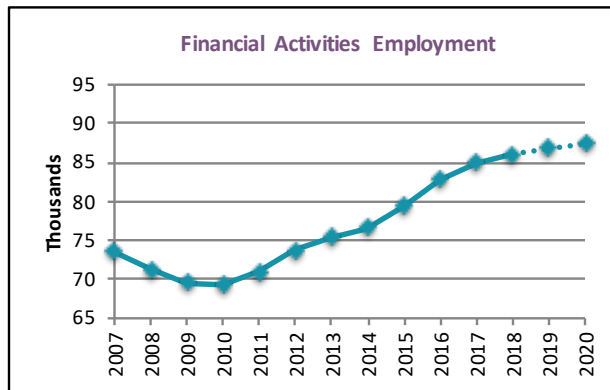
Retail employment has declined, especially in segments including drugstores, sporting goods, gas stations, and nonstore retailers. This has been offset somewhat by growth in home improvement stores, auto dealers, and auto parts stores.



This sector's employment growth was likely much better than the 0.6% growth implied by the preliminary BLS estimates. These are restated to yield a 1.7% gain, but this is somewhat speculative. Further growth is predicted for 2020.



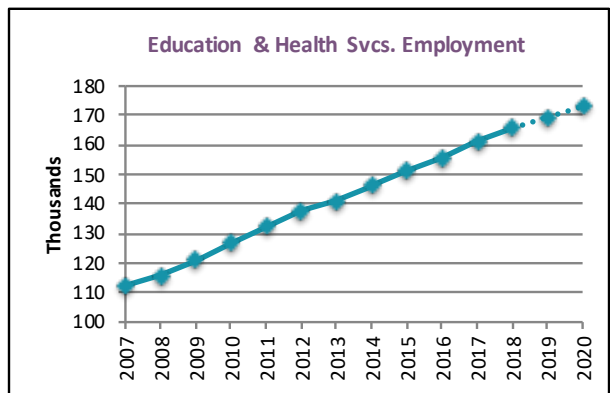
Growth in data processing and hosting employment drove the 1,300-job information employment spike in 2013. This segment and information retrieval services have helped to offset more recent declines in broadcasting and sound recording.



Financial activities employment growth has cooled from its rapid pace earlier in the expansion. Preliminary BLS estimates suggest that strength in real estate and leasing has offset limited growth in the larger finance and insurance segments.



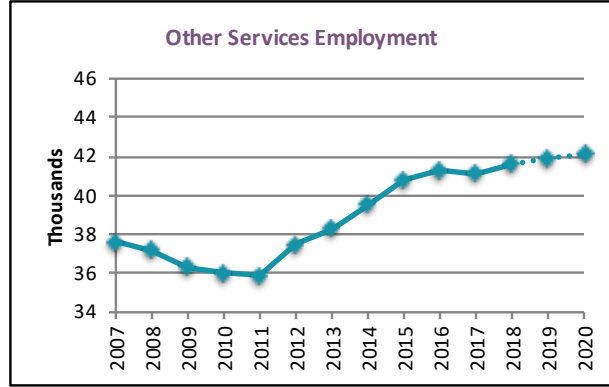
Limited professional and business services employment growth since 2015 has been a drag on overall MSA employment. The weakness is centered in company management, temporary employment, and business support services.



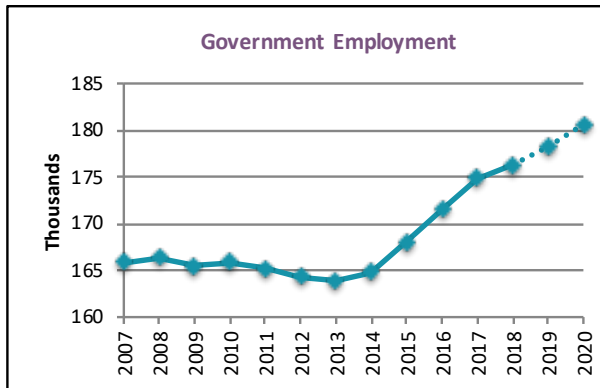
Only private education is included in education and health services, so the sector is 85% healthcare. Growth should continue in this sector in 2020, as it has for at least the past 30 years.



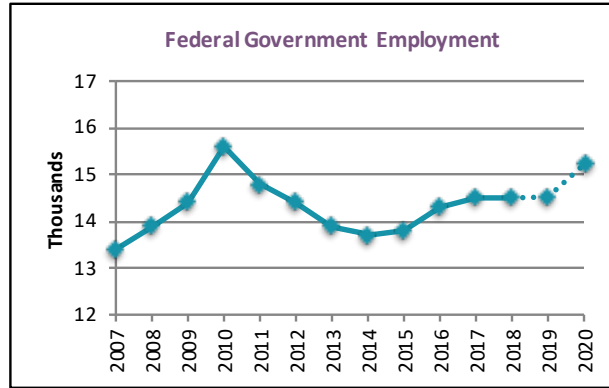
Leisure and hospitality employment growth has been less than average since 2014. The loss in 2019 seems to have been due to a decline in arts and recreation more than offsetting strength in the much larger hotel and restaurant segment.



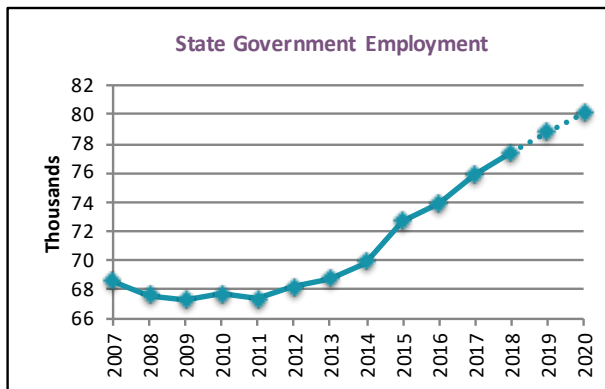
Other services employment saw only modest growth in 2019. While we currently lack detailed data for this relatively miscellaneous sector, personal services employment declined in 2017 and 2018.



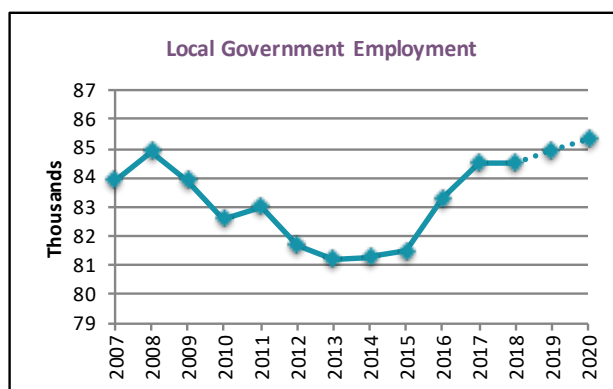
Government employment increased 13,500 (8.2%) between 2014 and 2019, compared to increases of 1.9% for Ohio and 3.2% for the U.S. All three branches of government are predicted to contribute to a 2,400-job gain in 2020.



Average federal government employment in 2020 should be 700 greater than the 2019 average. This is due to the hiring of temporary Census workers in the spring. These jobs could peak at more than 3,000, but will mostly end by June.



State government employment increased 11,400 between 2011 and 2019. The share of total state employment in the Columbus MSA increased from 39.3% in 2012 to 43.4% in 2019, its highest level in more than 55 years.



Local government employment growth during 2018 and 2019 occurred outside of public schools. School district employment shrank in 2018 and has been flat during 2019. Employment in other functions may have increased by more than 1,100.