

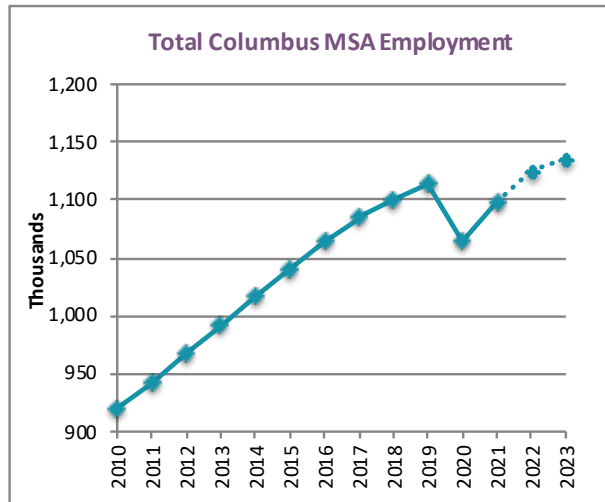
Columbus Forecast: Darkening Skies

Ongoing monetary tightening by the Federal Reserve will probably – but not inevitably – lead to a recession in 2023. The uncertainty surrounding the depth of this recession, its timing, and the possibility that a "soft landing" will keep growth positive but slow makes this forecast especially uncertain. The forecast is for a net gain of 10,300 jobs (0.9%) as gains early in the year are partly offset by later declines.

MSA employment grew 26,200 (2.4%) in 2022. This includes Regionomics adjustments to preliminary Bureau of Labor Statistics (BLS) estimates in many sectors.

U.S. employment increased 4% in 2022. National forecasters expect a 2023 net employment gain of 1.4% to 1.5%.

Ohio employment increased 2% in 2022. Construction and transportation outperformed the U.S. average, while retail, business services, education and healthcare, and state government were notably weaker than average.



2023 Regionomics® Columbus MSA Forecast

Sector	Percentage change, 2021-2022			MSA employment		MSA Change, 2022-23	
	MSA	Ohio	U.S.	2022	2023	Number	Pct.
Total	2.5%	2.0%	4.0%	1,125,500	1,135,800	10,300	0.9%
Construction and mining	4.6%	4.8%	3.8%	46,900	49,200	2,300	4.8%
Manufacturing	1.4%	2.7%	3.4%	72,900	73,200	300	0.4%
Wholesale trade	2.6%	2.6%	3.2%	42,000	42,000	100	0.2%
Retail trade	1.4%	(0.1%)	2.6%	101,300	101,700	400	0.4%
Transportation and utilities	6.0%	6.2%	5.6%	91,300	93,300	1,900	2.1%
Information	6.3%	6.1%	5.8%	16,800	17,200	400	2.3%
Financial activities	1.0%	0.5%	1.9%	86,500	86,800	400	0.4%
Professional and business svcs.	2.3%	0.8%	4.8%	184,700	183,900	(800)	(0.4%)
Professional and tech. services	5.3%	1.3%	5.7%	71,800	72,000	200	0.3%
Management of companies	3.2%	2.4%	2.0%	39,700	40,100	400	1.0%
Admin. support and waste svcs.	(0.9%)	(0.5%)	4.6%	73,100	71,700	(1,400)	(1.9%)
Education and health services	1.9%	(0.1%)	3.1%	162,200	162,900	700	0.4%
Private educational services	2.7%	1.8%	6.1%	18,400	18,500	100	0.8%
Healthcare and social services	1.8%	(0.4%)	2.5%	143,800	144,400	600	0.4%
Leisure and hospitality	6.9%	6.6%	11.0%	103,600	106,700	3,100	3.0%
Other services	4.0%	3.9%	4.3%	41,500	42,300	800	2.0%
Government	(0.5%)	0.5%	1.2%	175,800	176,400	600	0.4%
Federal government	(1.0%)	(0.2%)	(0.6%)	14,300	14,100	(200)	(1.7%)
State government	(2.8%)	(1.9%)	0.8%	72,700	73,000	300	0.4%
Local government	1.6%	1.4%	1.7%	88,800	89,400	600	0.7%

Regionomics estimates of 2022 MSA employment in blue. Employment totals and changes rounded to the nearest hundred.

About this Forecast and Regionomics®

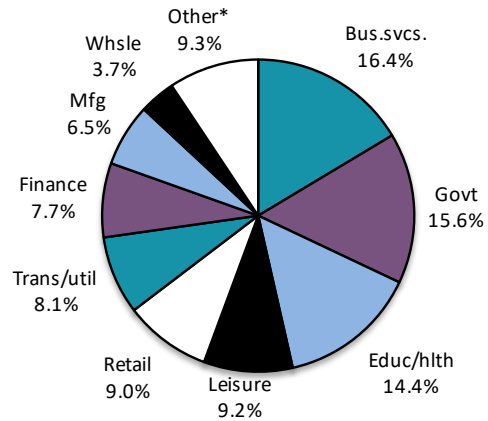
This is the 24th annual Columbus MSA forecast by Bill LaFayette, Ph.D., founder and owner, Regionomics®.

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 more than 25 years of experience in Central Ohio economic analysis and 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.

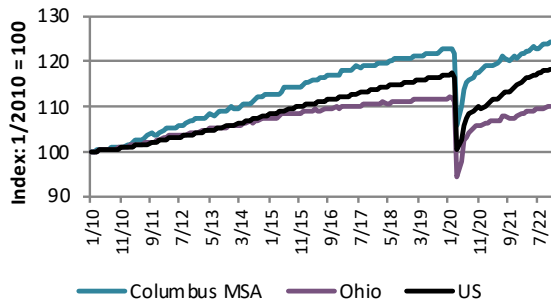
Please contact Regionomics at info@regionomicsllc.com or 614.654.2151. You can also follow Bill by liking the Regionomics LLC page on Facebook. Learn more about Regionomics at regionomicsllc.com.

Columbus MSA Employment Distribution



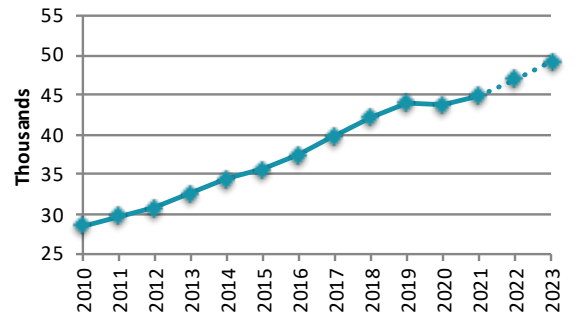
*Other services, construction, and information.

Cumulative Change, Jan. 2010 - Nov. 2022



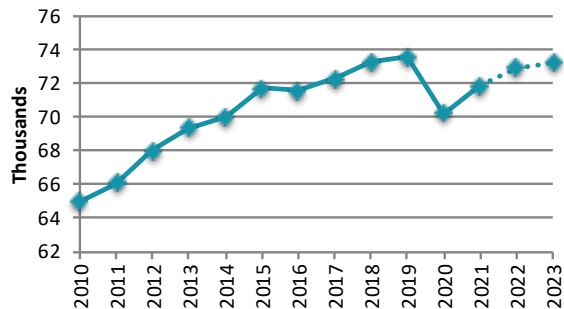
Both the Columbus MSA and the U.S. recovered all of their spring 2020 employment loss during 2022. Ohio employment remains 104,000 (1.8%) below its February 2020 level.

Construction & Mining Employment



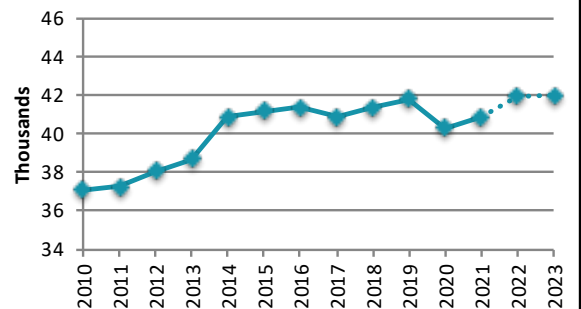
Construction will be a bright spot in 2023, given the continuing Intel construction and the related infrastructure needs. High costs and interest rates will cool demand elsewhere.

Manufacturing Employment



The region's durables-focused manufacturing sector is especially vulnerable to the higher interest rates and weak consumer sentiment that should persist in 2023.

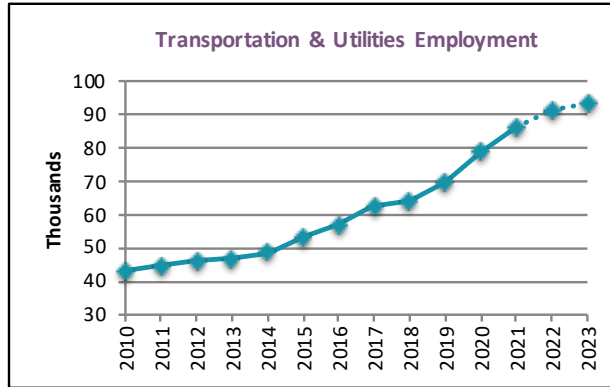
Wholesale Trade Employment



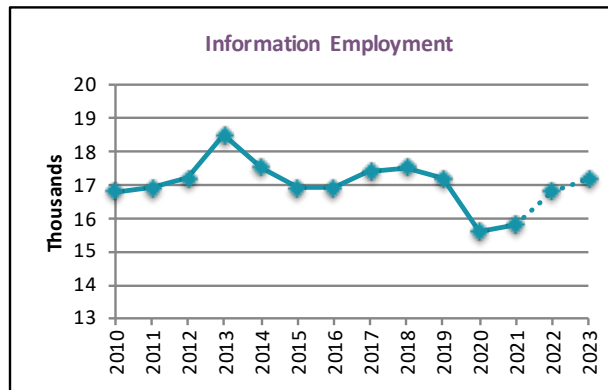
Wholesale employment growth has generally tracked the U.S. average during the pandemic. The slowdown in economic activity will be the major negative factor in 2023.



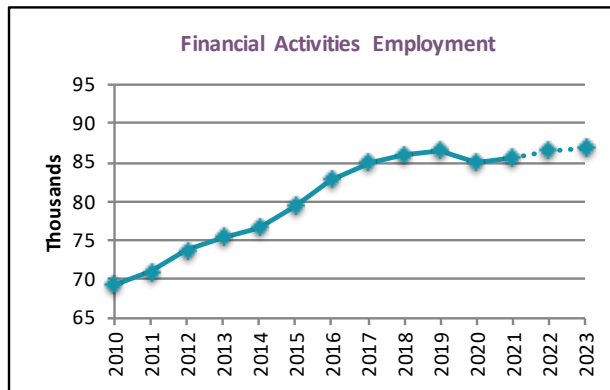
Despite the 2.4% annual U.S. gain in 2022, month-over-month growth was flat; local growth was probably weaker. Inflation means that spending growth does not translate to an equal growth in activity.



The Columbus transportation sector's growth has been twice the U.S. average since the pandemic began, thanks to the local focus on freight rather than passengers. The slowing economy will take a toll.



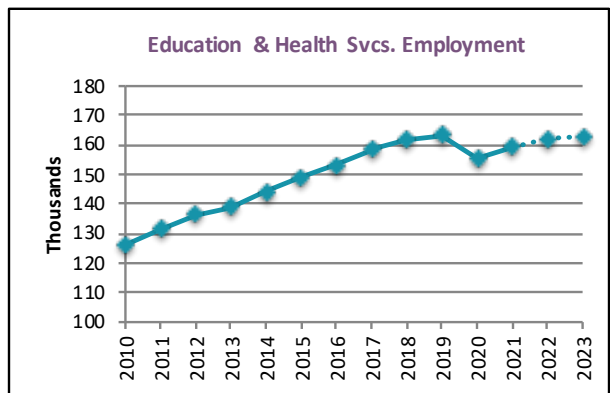
U.S. and local information employment increased meaningfully for the first time in many years. Web-related services drove the national and local increases, but so did sound recording services.



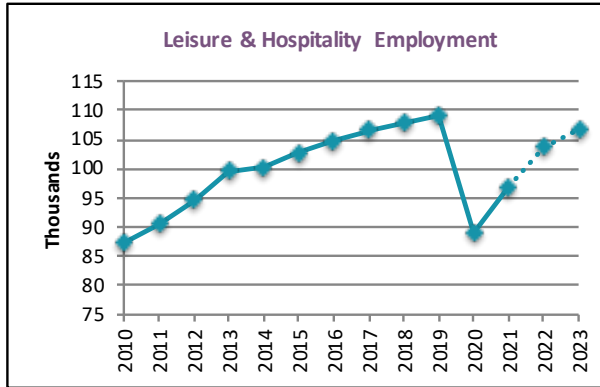
Financial activities' rapid pre-pandemic growth has given way to stagnation. The key culprit has been insurance carriers, which have suffered several prominent local layoffs.



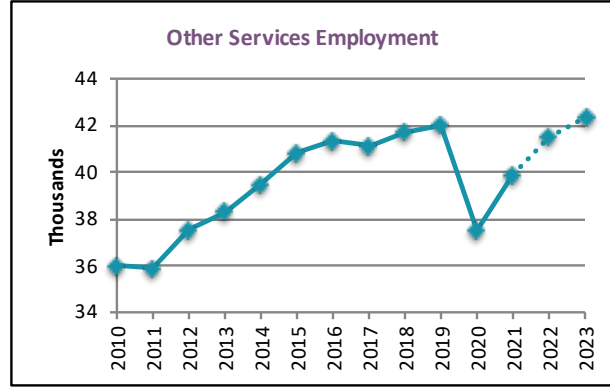
Business services growth may have been significantly understated in the preliminary estimates. The slowing economy will lead to weakness, especially in the administrative and business support segment.



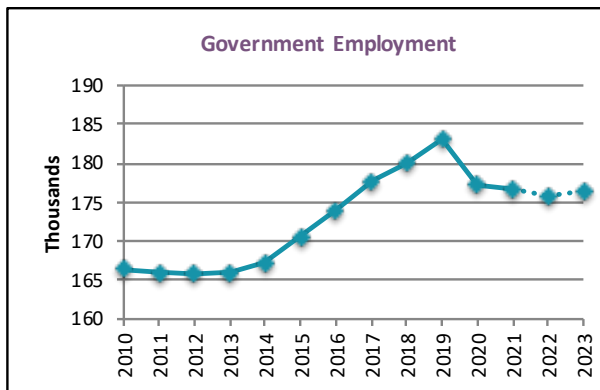
Only private education is included in this sector, so it is 91% healthcare. Recent weakness is driven by losses in nursing and residential care facilities. The prediction of minimal 2023 growth may be pessimistic.



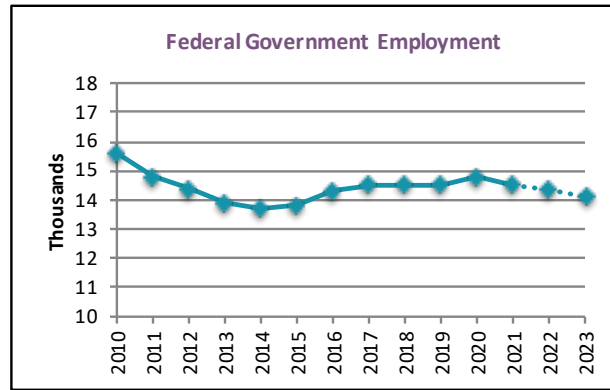
Leisure lost half of its jobs in March and April 2020 and is still 4,500 (4%) below its pre-pandemic peak. Continuing recovery will be slowed by the weakening economy.



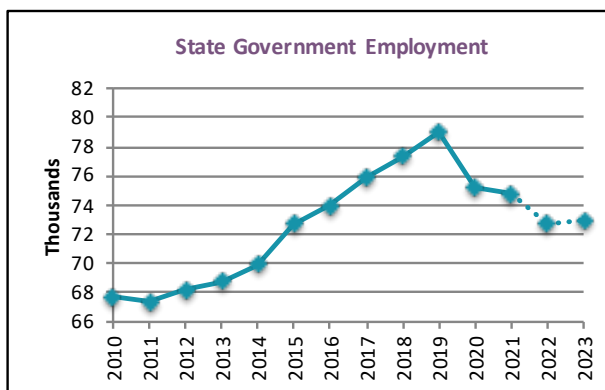
This catch-all sector includes repair services; personal services; religious organizations; grantmakers; and professional, political, and social organizations. The latter segment has been declining and is vulnerable in the weaker economy.



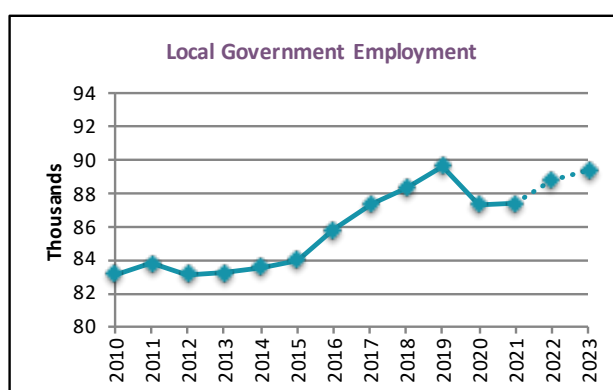
Government lost 800 jobs in 2022 as declines in federal and state government more than offset a 1,400-job gain in school districts and municipal, township, and county governments.



Federal employment is fairly small but anchored by the logistics operations of DSCC. This has created a decade of stability. The small forecast decline could as easily be a small increase.



The concentration of state employment in the Columbus MSA increased for decades and led to ongoing job growth. This seems to have paused in 2022, leaving the region vulnerable to the weak growth statewide.



Local government growth accelerated in 2022 in both public education and municipal and county government. These will have a harder time generating gains in 2023 in the face of slowing revenue growth.