

## Columbus Forecast: A Year of Recovery

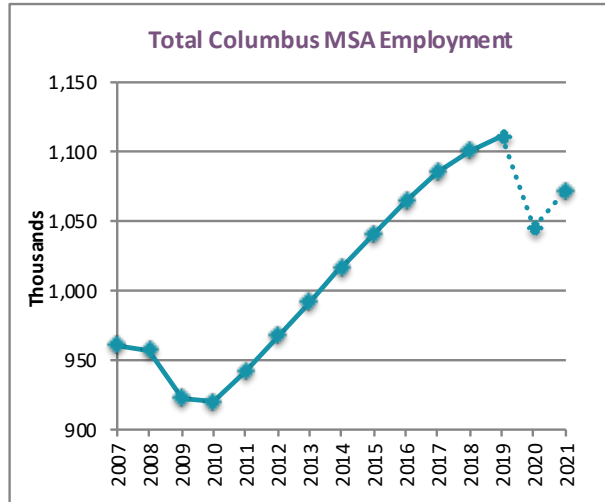
The COVID-19 pandemic has led to healthcare and economic crises worldwide and in the Columbus Metropolitan Statistical Area (MSA). The March and April shutdowns resulted in the loss of nearly 160,000 MSA jobs in those two months, more than triple the job loss of the 2007-09 recession.

Strong gains beginning in May have offset only half of the loss. An expected 2.6% gain in 2021 should leave year-end employment well below its February 2020 level.

As currently estimated, MSA employment declined 65,700 (5.9%) in 2020. This includes an upward adjustment to the government's estimate of financial activities employment.

U.S. employment declined 5.7% in 2020 and is expected to gain 2.7% in 2021. Current forecasts do not expect a double-dip recession.

Ohio lost more jobs than average in the spring and has regained more than average since then, but still lost an above-average 6.8% for the year. Construction, financial activities, business services, and government were especially weak.



### 2021 Regionomics® Columbus MSA Forecast

Sector	Percentage change, 2019-2020			MSA employment		MSA Change, 2020-21	
	MSA	Ohio	U.S.	2020	2021	Number	Pct.
<b>Total</b>	<b>(5.9%)</b>	<b>(6.8%)</b>	<b>(5.7%)</b>	<b>1,045,600</b>	<b>1,072,400</b>	<b>26,800</b>	<b>2.6%</b>
Construction and mining	(3.6%)	(5.3%)	(3.7%)	42,500	44,100	1,600	3.7%
Manufacturing	(2.5%)	(5.2%)	(4.6%)	71,500	73,800	2,300	3.2%
Wholesale trade	(8.7%)	(7.8%)	(3.6%)	38,500	38,800	300	0.7%
Retail trade	(5.5%)	(4.5%)	(4.8%)	95,300	97,400	2,100	2.2%
Transportation and utilities	(3.7%)	(1.6%)	(3.7%)	66,500	69,600	3,100	4.7%
Information	(5.2%)	(4.6%)	(6.5%)	16,500	16,700	200	1.0%
Financial activities	(1.5%)	(3.5%)	(0.5%)	85,600	87,500	2,000	2.3%
Professional and business svcs.	(4.4%)	(6.8%)	(4.4%)	173,600	178,000	4,400	2.5%
Professional and tech. services	(3.1%)	(3.2%)	(1.2%)	64,300	65,100	800	1.3%
Management of companies	(4.7%)	(3.6%)	(2.2%)	36,400	36,400	0	0.1%
Admin. support and waste svcs.	(5.3%)	(11.1%)	(8.2%)	73,000	76,500	3,500	4.8%
Education and health services	(5.8%)	(4.1%)	(3.6%)	153,700	158,500	4,800	3.1%
Private educational services	(13.3%)	(12.6%)	(6.2%)	16,700	16,800	100	0.7%
Healthcare and social services	(4.8%)	(2.9%)	(3.1%)	136,900	141,600	4,700	3.4%
Leisure and hospitality	(22.7%)	(21.9%)	(20.1%)	83,400	87,300	3,900	4.6%
Other services	(11.4%)	(6.0%)	(8.0%)	37,300	39,200	1,800	4.9%
Government	(0.9%)	(5.4%)	(3.2%)	181,200	181,600	400	0.2%
Federal government	2.0%	1.9%	3.7%	14,800	14,500	(300)	(1.9%)
State government	(0.2%)	(9.8%)	(3.5%)	78,700	78,700	0	0.0%
Local government	(2.1%)	(5.0%)	(4.5%)	87,800	88,400	700	0.7%

Regionomics estimates of 2020 MSA employment in blue. Employment totals and changes rounded to the nearest hundred.

### About this Forecast and Regionomics®

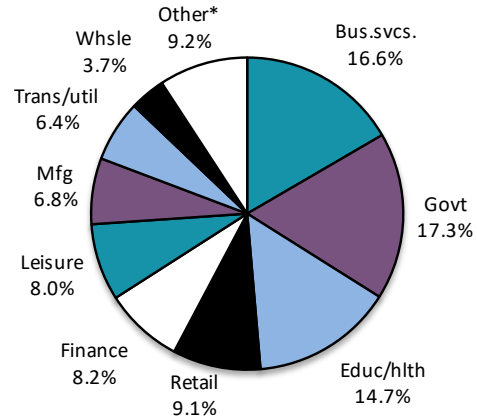
This is the 22nd annual Columbus MSA forecast by Bill LaFayette, Ph.D., founder and owner, Regionomics®.

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.

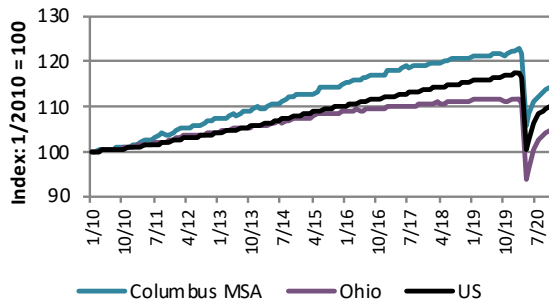
Please contact Regionomics at [info@regionomicsllc.com](mailto:info@regionomicsllc.com) or 614.654.2151 [info@regionomicsllc.com](mailto:info@regionomicsllc.com). You can also follow Bill by liking the Regionomics LLC page on Facebook. Learn more about Regionomics at [regionomicsllc.com](http://regionomicsllc.com).

### Columbus MSA Employment Distribution



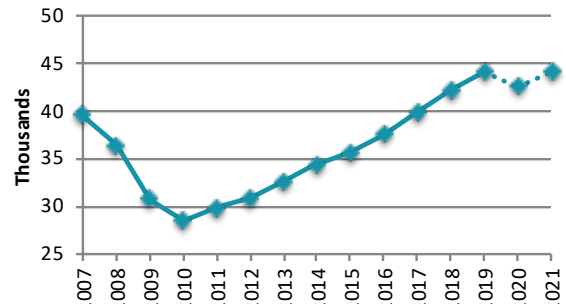
\*Other services, construction, and information.

### Cumulative Change, Jan. 2010 - Nov. 2020



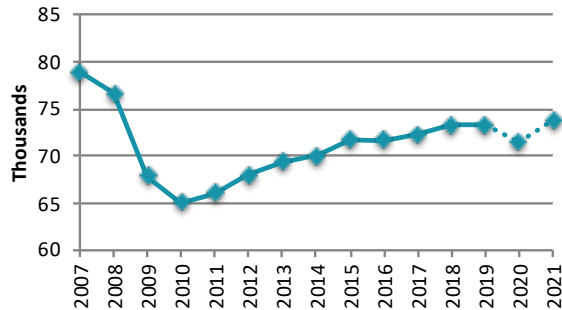
The spring employment collapse brought Columbus MSA employment to its lowest level since early 2012. U.S. employment was slashed to 2010 levels, while Ohio employment fell to levels not seen since 1988.

### Construction Employment



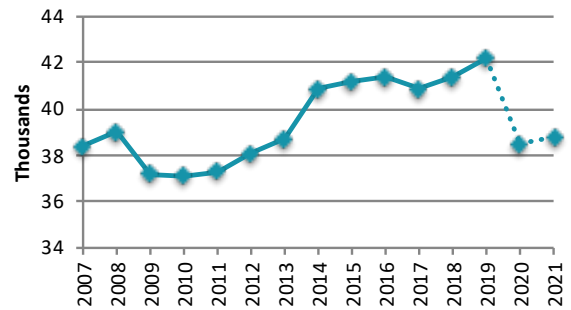
Monthly construction estimates are among the least reliable. However, they suggest a net decline of 3.6% in 2020, roughly equal to the U.S. average. The forecast is for a full recovery in 2021.

### Manufacturing Employment



Columbus manufacturing employment fell much less than the U.S. and Ohio averages in 2020. The economic recovery should favor the durables-focused Columbus manufacturing sector in 2021, but technology may substitute for employment growth.

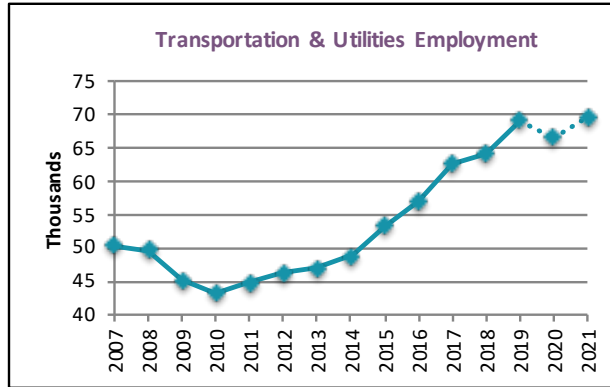
### Wholesale Trade Employment



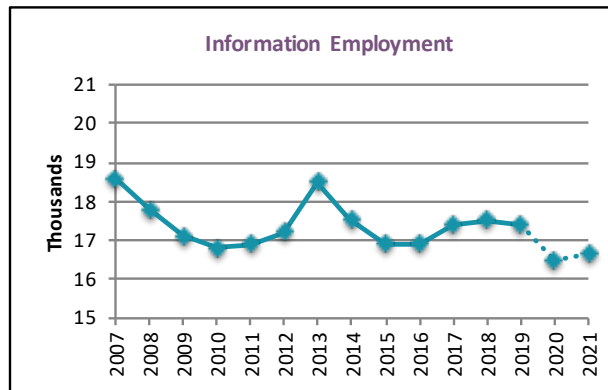
Wholesale employment growth was unusually strong in 2018 and 2019. This left it vulnerable and led to a 12.8% decline through May, compared to a 6.7% U.S. loss. There has been little indication of a recovery since then.



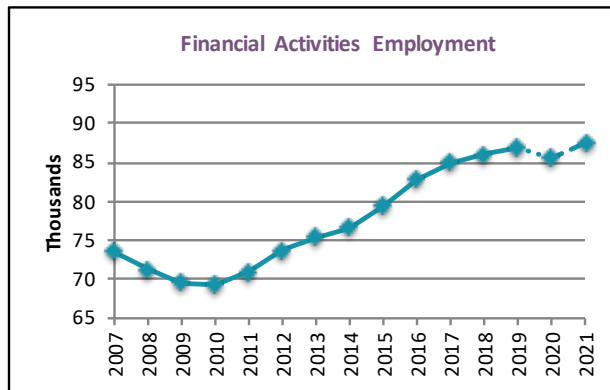
Retail employment growth was weaker than average through the expansion, leaving local employment less vulnerable than average when the springtime shutdown arrived. The trend since then suggests only a partial recovery this year.



There are two offsetting impacts of the pandemic on transportation: a staggering decline in passenger travel but a sharp increase in online shopping. The 2020 decline should reverse itself in 2021 as travel demand returns.



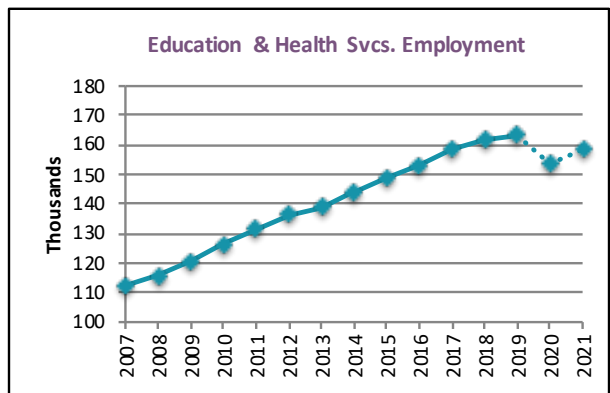
The information sector has long been vulnerable to advances in information technology, which have upended business plans in publishing and broadcasting. Employment this year will recover only partially from the 2020 decline.



Monthly employment estimates indicated that Columbus MSA employment fell 13% in March and April. Later, more reliable information showed a decline less than half as great. These later statistics were used to revise the 2020 estimates.



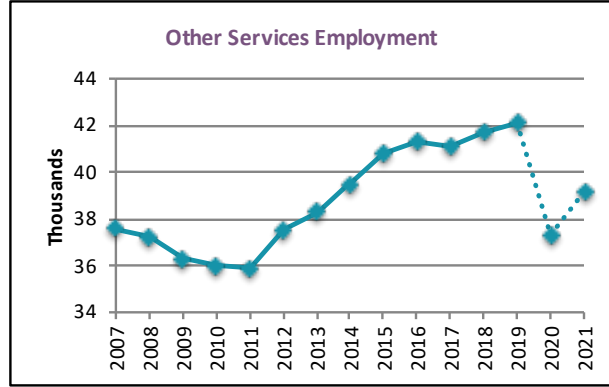
In contrast to the weakness over the past six years, available trends suggest some revival in the business services sector. This will be driven by administrative services, with professional services and corporate management underperforming.



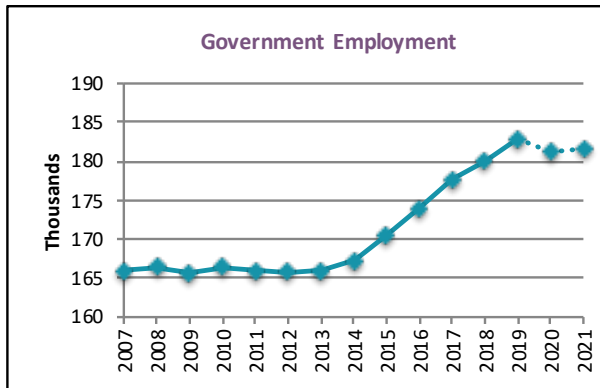
Only private education is included in education and health services, so the sector is 85% healthcare. The 5.8% decline in 2020 broke a 30-year string of growth. The 2021 increase should be close to average, but not enough to offset the loss.



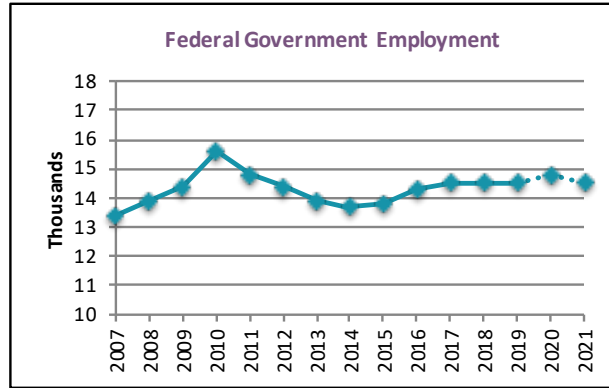
Leisure bore the brunt of the employment collapse, losing 50% in March and April. The sector has recovered about half of its loss since then. The recovery will continue in 2021, but employment will remain far below its 2019 level.



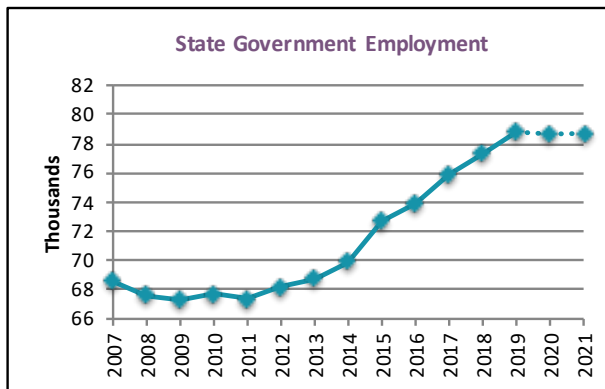
Other services suffered a 25% loss in the spring. This sector includes personal services such as beauty and nail salons, as well as advocacy and social organizations. All of these were affected by the pandemic. Growth should resume in 2021.



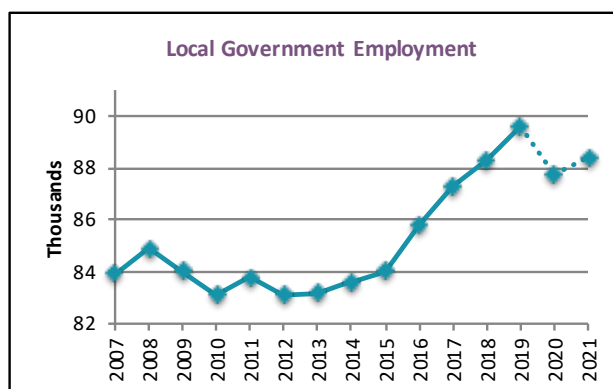
Government employment slipped 0.9% (1,600 jobs) in 2020, driven entirely by losses in local government. Prospects are for a small net increase in 2021.



The temporary jobs supporting the 2020 census peaked at about 1,900, two-thirds the 2010 peak. The surge was also shorter than that 10 years ago. Ongoing federal job counts have been trending steady to slightly upward.



State education shed 4,100 jobs last year (11.6%), part of a statewide loss of 19,600. This was offset locally by an increase in non-education jobs. Not so statewide; total state government employment across Ohio fell nearly 10%.



Local government education lost 3,500 jobs (7%) in 2020. Jobs outside education were steady, so total employment fell 2.1%. Return to full-time in-person education later in 2021 should lead to a partial employment recovery for the year.