# Columbus Forecast: Continued Slow Growth

The U.S. avoided recession in 2023 and may do so again in 2024 with a rare soft landing, but economic growth is predicted to slow markedly. Workforce shortages hit the Columbus metropolitan statistical area (MSA) economy hard in 2023, resulting in employment growth far below average. Workforce shortages will persist in 2024, recession or not, but the severe constraints will ease slightly as demand for workers declines. The forecast is for growth of 9,800 (0.9%).

MSA employment grew 10,300 (0.9%) in 2023. This includes Regionomics adjustments to preliminary Bureau of Labor Statistics (BLS) estimates in some sectors.

U.S. employment increased 2.3% in 2023. National fore-casters expect a 2024 net employment gain of 1.4% to 1.5%.

Ohio employment increased 1.8% in 2023. July's 5.636 million total broke a 23-year-old record. Construction, other services, and federal government employment outperformed the U.S., while wholesale, retail, and administrative support were notably weak.

Total Columbus MSA Employment
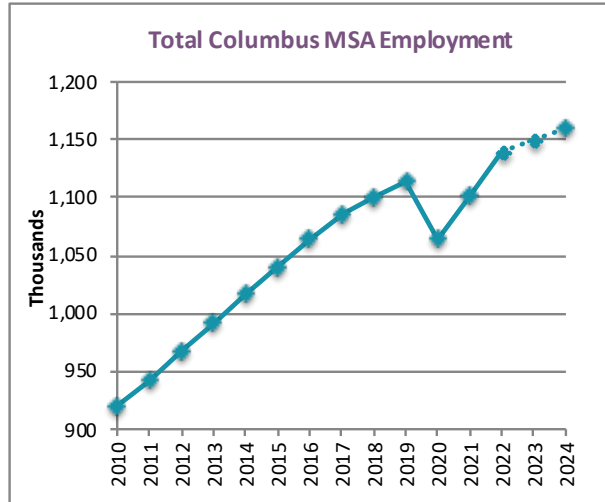
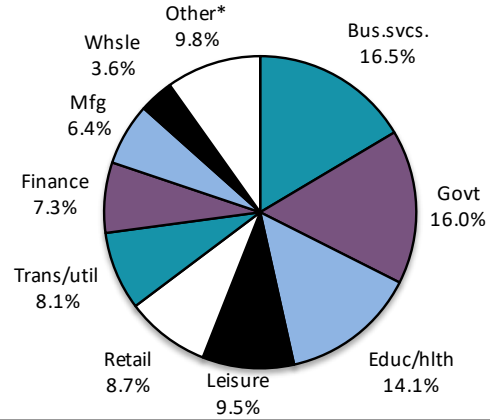### 2024 Regionomics® Columbus MSA Forecast

Sector	Percentage change, 2022-2023			MSA employment		MSA Change, 2023-24	
	MSA	Ohio	U.S.	2023	2024	Number	Pct.
Total	**0.9%**	**1.8%**	**2.3%**	**1,150,100**	**1,159,900**	**9,800**	**0.9%**
Construction and mining	7.1%	5.0%	2.9%	51,400	54,200	2,800	5.5%
Manufacturing	(0.1%)	1.1%	1.2%	74,000	73,700	(300)	(0.5%)
Wholesale trade	(0.6%)	0.2%	1.7%	41,000	40,800	(200)	(0.6%)
Retail trade	(1.1%)	(0.9%)	0.3%	100,600	99,600	(1,000)	(1.0%)
Transportation and utilities	(0.4%)	1.1%	0.9%	93,700	93,800	200	0.2%
Information	(1.0%)	(2.3%)	(0.1%)	18,000	17,900	(100)	(0.5%)
Financial activities	(1.5%)	(0.0%)	1.0%	83,900	83,300	(600)	(0.7%)
Professional and business svcs.	0.0%	(0.5%)	1.8%	189,400	190,500	1,100	0.6%
Professional and tech. services	4.6%	3.2%	3.4%	76,800	77,600	900	1.2%
Management of companies	(1.0%)	(0.2%)	1.3%	38,400	38,600	200	0.5%
Admin. support and waste svcs.	(5.1%)	(4.0%)	0.1%	73,200	73,300	100	0.1%
Education and health services	1.1%	3.9%	4.2%	162,000	163,800	1,800	1.1%
Private educational services	4.8%	2.0%	3.7%	18,500	19,000	500	2.8%
Healthcare and social services	0.7%	4.2%	4.3%	143,600	144,900	1,300	0.9%
Leisure and hospitality	3.4%	5.2%	4.8%	109,200	111,000	1,700	1.6%
Other services	4.4%	5.5%	2.6%	43,800	44,200	400	0.8%
Government	2.1%	1.2%	2.4%	183,900	187,000	3,100	1.7%
Federal government	4.1%	4.2%	2.0%	14,900	15,100	200	1.7%
State government	1.4%	1.8%	2.8%	77,300	78,000	700	0.9%
Local government	2.5%	0.6%	2.3%	91,700	93,800	2,200	2.4%

Regionomics estimates of 2023 MSA employment in blue. Employment totals and changes rounded to the nearest hundred.

About this Forecast and Regionomics®

This is the 25th 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 nearly 30 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 is an adjunct faculty member of The Ohio State University's John Glenn College of Public Affairs.

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### Columbus MSA Employment Distribution

- Other* 9.8%
- Bus.svcs. 16.5%
- Whsle 3.6%
- Mfg 6.4%
- Finance 7.3%
- Govt 16.0%
- Trans/util 8.1%
- Retail 8.7%
- Leisure 9.5%
- Educ/hlth 14.1%

*Other services, construction, and information.

Cumulative Change, Jan. 2010 - Oct. 2023


Columbus MSA — Ohio — US
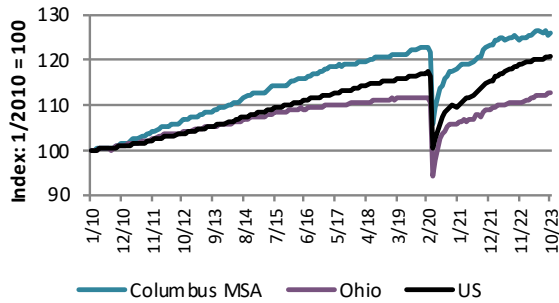
Despite 2023's year-over-year MSA job growth of 0.9%, employment barely moved during the year. October employment was only 5,500 higher in October than it was in January.

Construction & Mining Employment
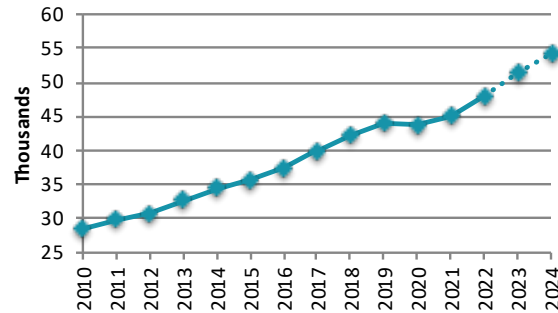
Construction will continue as a bright spot in 2024 as Intel and other projects continue. Workers will commute long distances or relocate temporarily to mitigate the workforce shortage.

Manufacturing Employment
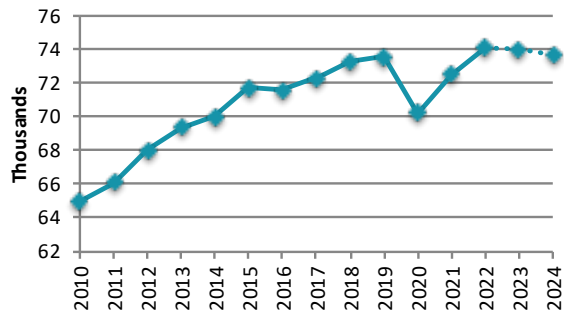
Manufacturing employment is vulnerable to the weakening economy in 2024. Lower interest rates will provide a tailwind for durable goods, though, including Central Ohio's auto industry.

Wholesale Trade Employment
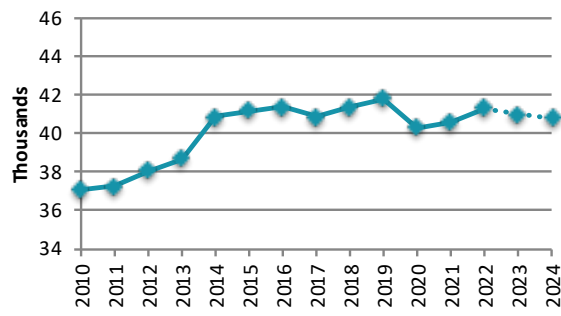
Wholesale trade has underperformed U.S. and Ohio averages since late 2021. Weakest segments included commercial equipment, appliances, and chemicals.

Retail Trade Employment

Retail has been challenged both locally and nationally since the mid-2010s. The below-average performance of MSA retail is slightly deceptive: employment fell from above average to average in late 2022.

Transportation & Utilities Employment
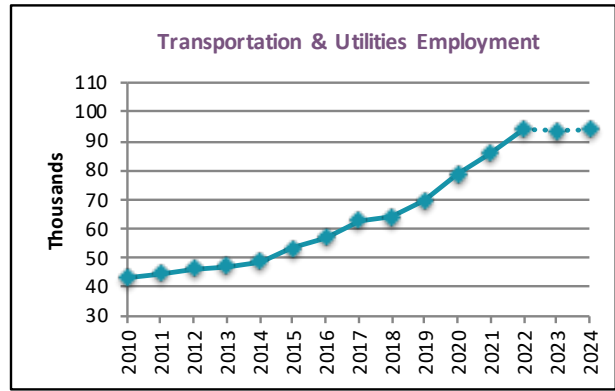
The high-flying MSA transportation sector hit a brick wall in 2023, but the same has been true of the U.S. since late 2022. Weak economic growth will do the sector no favors in 2024.

Information Employment
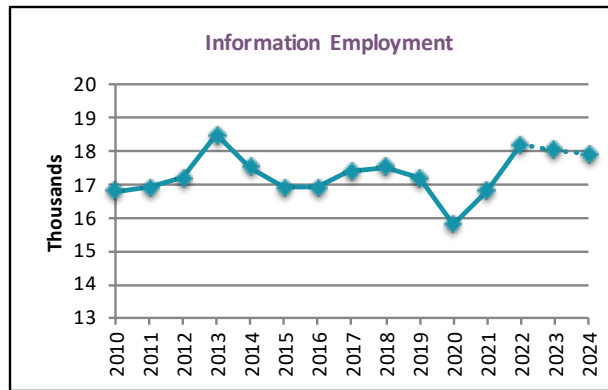
The growth enjoyed in information during 2021 and 2022 paused in 2023. The data do not yet exist to identify specific causes. The MSA's burgeoning data center industry is in this sector, but these centers have relatively few jobs.

Financial Activities Employment
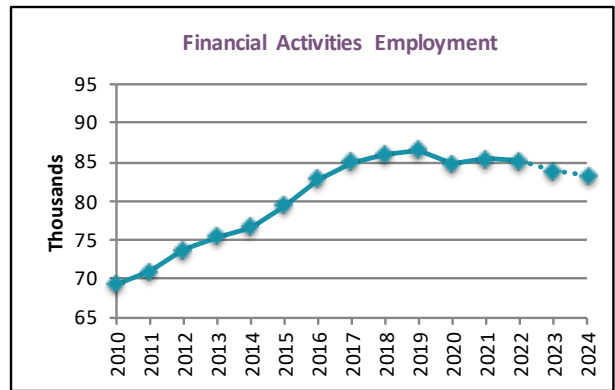
Insurance is the culprit behind the weakness in this sector. MSA insurance employment is off 6,400 (16%) since February 2018 after earlier rapid growth. This trend has stabilized, but economic weakness will be the problem in 2024.

Professional & Business Svcs. Employment

Administrative and waste services are driving the weakness of the business services sector. This includes all temporary jobs, so the tight labor market is most likely to blame. The weak economy will be the problem in 2024.

Private Education & Healthcare Employment
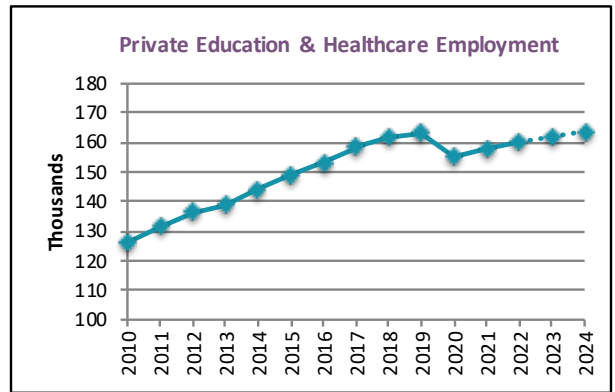
This sector is 91% healthcare. Slower MSA growth is due to practitioners other than physicians and dentists, and to hospitals. However, OSU Wexner Medical Center jobs are classified in government and cannot be extracted.

Leisure & Hospitality Employment

Preliminary estimates show that leisure employment came within a few hundred of its pre-pandemic peak in summer 2023 before slipping in the fall. Growth in this sector will be difficult in the slower 2024 economy.

Other Services Employment
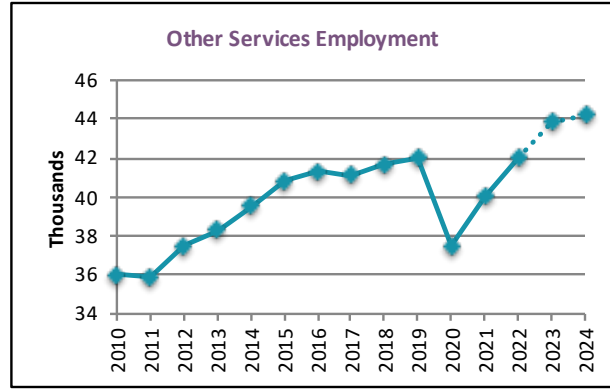
This catch-all sector includes repair services, personal services, religious organizations, grantmakers, and professional and social organizations. Despite the annual gain, the sector seems to have weakened in recent months.
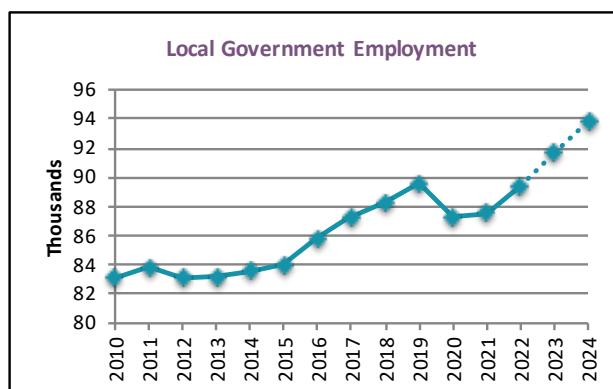
Government Employment
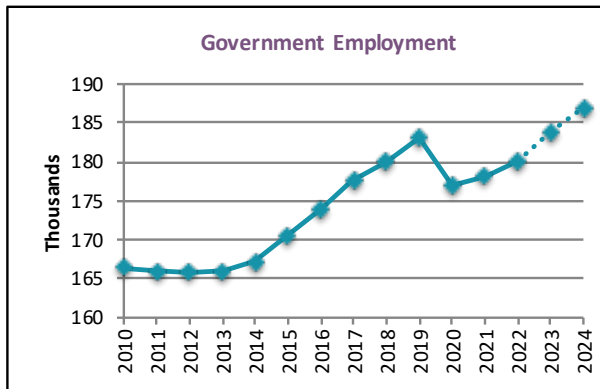
Government did well in 2023 thanks to gains in all three levels, federal, state, and local. The one weak spot was state government education, but even that was offset by growth in other state jobs.

Federal Government Employment
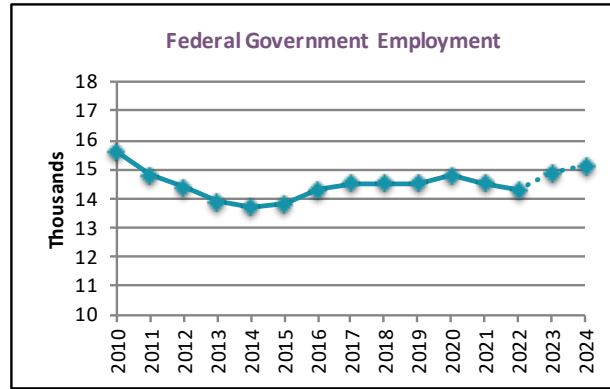
MSA federal employment enjoyed its largest non-census year gain since 1989. No local detail is available, but the smaller U.S. gain was driven by federal (e.g., VA) hospitals.

State Government Employment
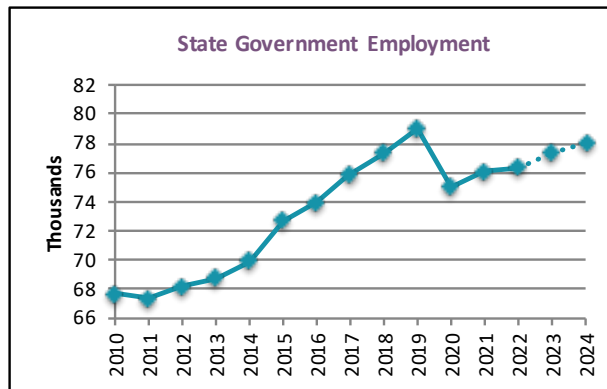
State government employment in 2023 was negatively impacted by state educational employment, which fell 1.4%. Other state employment grew 3%. Non-education employment growth may slow in 2024.

Local Government Employment

Local government employment growth has exceeded the U.S. average since 2016. However, the preliminary estimates may have been overstated