













# REGIONAL ECONOMIC DIRECTIONS

MARCH 2022

# REGIONAL TRENDS

Table I:

	12 Months	1 Month	NWO	Ohio
<b>Labor Force</b>			559,700	5,698,200
<b>Employed</b>			540,200	5,441,800
<b>Unemployed</b>			19,200	256,400
<b>Unemployment Rate</b>			3.4%	4.5%
<b>Labor Force Participation</b>			60.5%	61.5%

The trends in the employment indicators continue to be mixed for the region. This is true for both the year-over-year and the month-over-month trends. In the year-over-year (Y/Y) data from December 2020 to December 2021, the total labor force declined by 3,600. This is consistent with the trend both in Ohio or nationally. But the month-over-month (M/M) data from November to December of 2021 show growth in the labor force by an estimated 4,100 for the Regional Growth Partnership's (RGP) region of 17 counties.

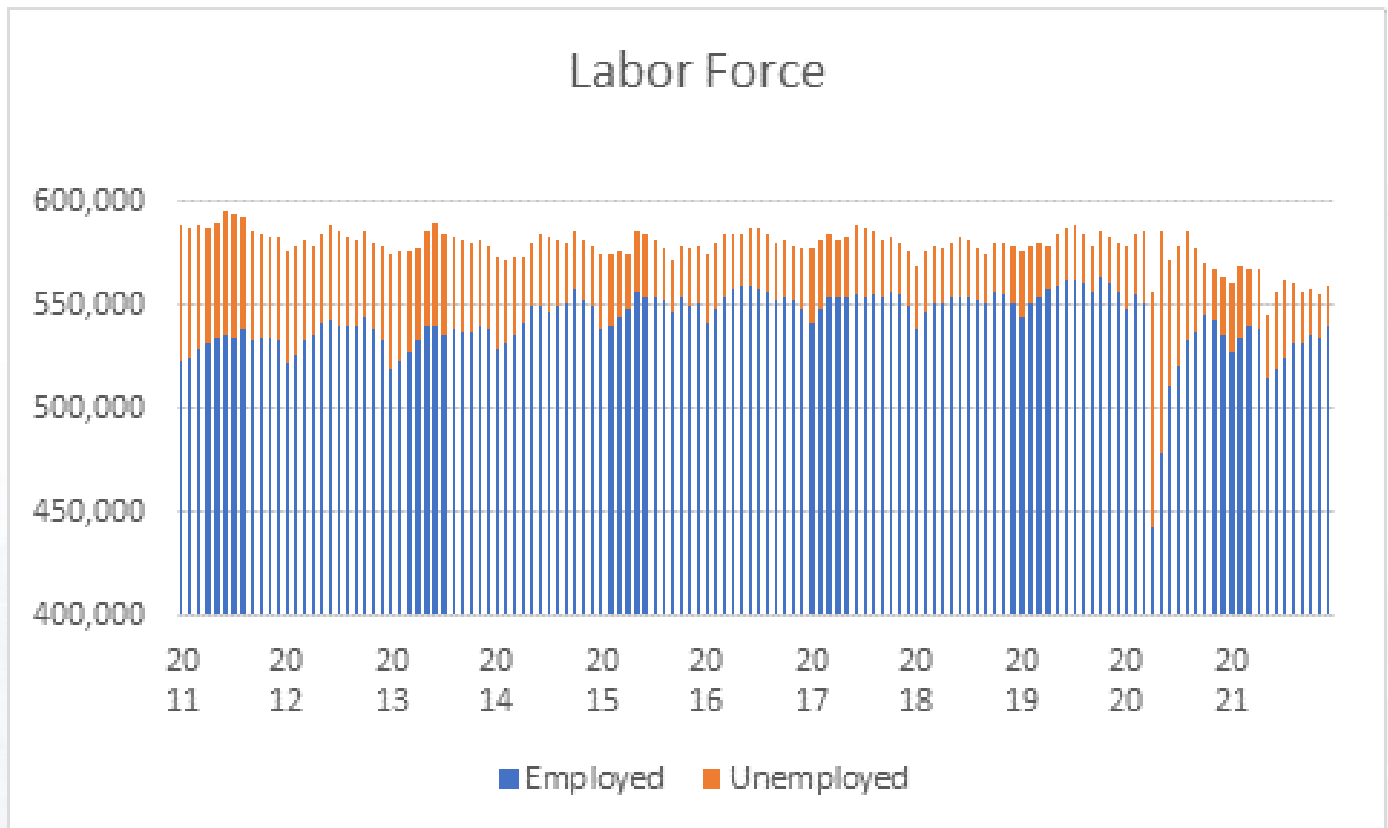
Conversely, the number of employed persons grew for both periods. Y/Y grew by about 4,800 workers while M/M employment grew by about 5,300 workers, between November and December of 2021. Similarly, the number of unemployed workers declined for both periods. The unemployed pool of workers declined by 8,600 between December 2020 and December 2021. The unemployment rate for the same period dropped from an estimated 4.9% in the prior year (2020), to an estimated 3.4% in December 2021.

Similarly, the labor market tightened between November and December of 2021 in the RGP region. The M/M number of employed workers increased by 5,300 while the total number of employed workers declined by 1,200. The increase in employed coupled with a decrease in the unemployed pushed the unemployment rate down from 3.7% in November 2021 to an estimated 3.4% in December 2021. The current labor force participation (LFPR) rate declined from 60.9% in December 2020 but did rebound a bit in December from the estimated rate of 60.1% in November of 2021.

# LABOR FORCE

The labor force is comprised of two components – those who are currently working (black bars in the table below), and those who are unemployed (grey bars) and actively seeking employment. The average (mean) number of workers in the labor force since the start of the COVID-19 pandemic in March 2020 is about 566,355. At current levels, the labor market is close to the trend at just under 99%. Similarly, the average number of employed workers during the pandemic period is 525,809, with those employed in December estimated to be at 3% above the average. Finally, the number of unemployed workers in the RGP service area is less than half of the pandemic average of just over 40,000.

**Figure 1**

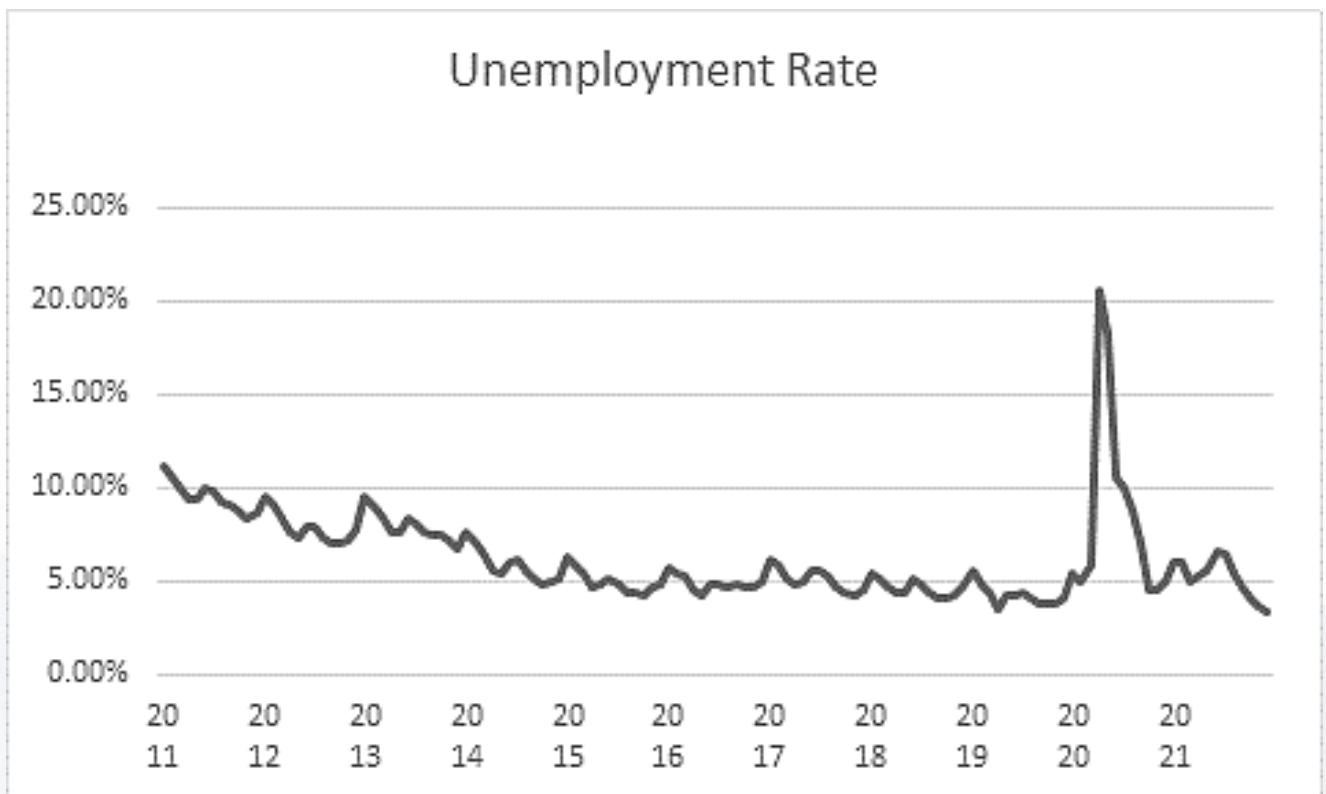


**Source:** <https://ohiolmi.com/Home/LAUShome/index>

# UNEMPLOYMENT

The average (mean) trend for unemployment in the RGP region is estimated at just over 3.4%. This suggests that employers are likely experiencing a very tight labor market. The rate for the RGP region falls below that of the state of Ohio. The state, at a rate of 4.5%, is at or close to “full” employment, and the RGP region is likely at full employment. The estimated average unemployment rate for 2019, the last full year of data in a pre-pandemic environment, was 4.2%, indicating a tighter labor market than prior to the pandemic. As shown in the graph below, the regional unemployment rate was trending downward prior to the pandemic and continued that trend into the end of 2021.

**Figure 2**

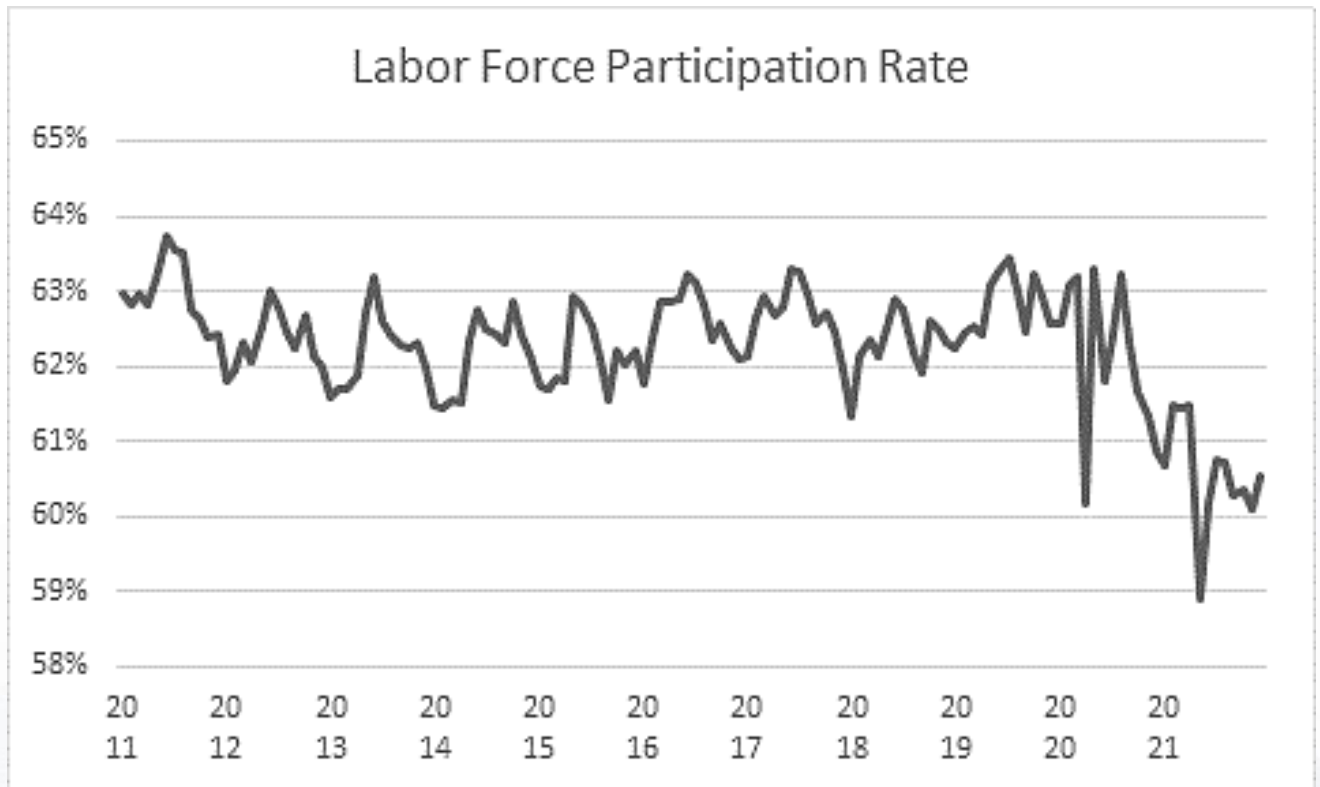


**Source:** <https://ohiolmi.com/Home/LAUSHome/index>

# LABOR FORCE PARTICIPATION RATE

The labor force participation rate is the share of the population that age 16 and over that is part of the labor force. While the RGP region has generally bounced between 62% and 63% historically and as shown in the graph below, the LFPR has declined during the post-pandemic period. While the LFPR is a full 1% below the state of Ohio, this trend is consistent with the trend nationally, with the often mentioned “Great Resignation” as people either exit the workforce or don’t return post-pandemic.

**Figure 3**



**Source:** <https://ohiolmi.com/Home/LAUSHome/index>

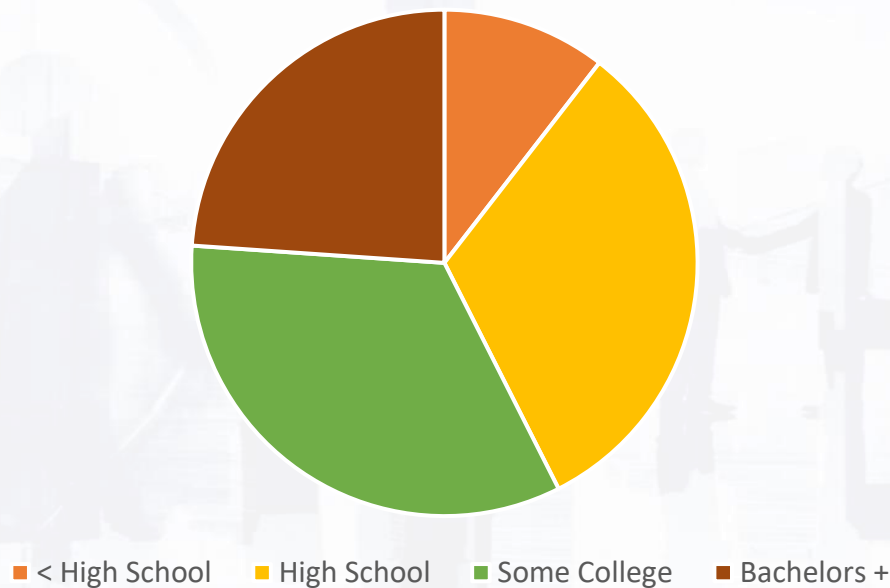
# EDUCATIONAL ATTAINMENT

The RGP region has a smaller percentage of workers that didn't finish high school compared to both the nation (14.9%) and the state of Ohio (11%). As shown the table below, the region does well with nearly one third of workers having a high or equivalent degree, which compares favorably with the state at 30.7% and the nation at 26.9%. In the third group, some college or Associate degree, northwest Ohio has a larger share of workers at 33.5% compared to the state at 32.7 and the nation at 32.5. The share of works with a Bachelor's or advanced degree is slightly lower (23.9%) than the state at 25.7% and the nation at 27.26%. Not included in these shares are workers for which educational attainment is not available.

**Table 2: Educational Attainment**

Less than high school	High school	Some college	Bachelor's and higher
10.49%	32.06%	33.54%	23.91%

Educational Attainment



**Source:** Census: Quarterly Workforce Indicators



# REGIONAL INDUSTRY SECTOR TRENDS: YEAR OVER YEAR

**Table 3:**

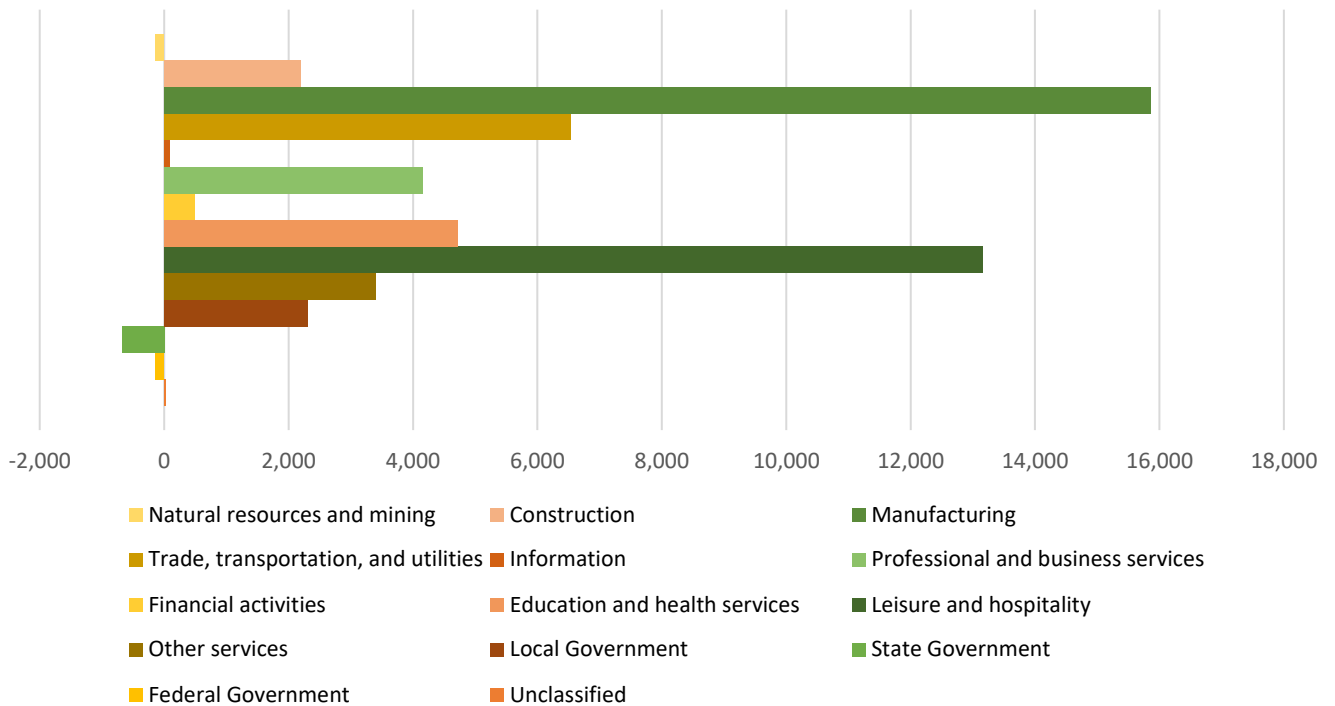
	2020:Q2	2021:Q2	Year/Year	Year/Year %
Natural Resources & Mining	4,651	4,510	-142	-3.05%
Construction	21,211	23,407	2,196	10.35%
Manufacturing	90,325	106,185	15,860	17.56%
Trade Transportation, and Utilities	93,615	100,150	6,536	6.98%
Information	3,961	4,004	83	2.10%
Professional and Business Services	3,961	48,604	4,160	9.36%
Financial Activities	16,466	16,947	481	2.92%
Education and Health Services	79,819	84,541	4,722	5.92%
Leisure and Hospitality	40,387	53,541	13,154	32.57%
Other Services	12,011	15,411	3,400	28.31%
Local Government	51,873	54,187	3,314	4.46%
State Government	12,036	11,356	-680	-5.65%
Federal Government	3,656	3,511	-146	-3.98%
Unclassified	46	73	27	59.12%
<b>Grand Total</b>	<b>474,500</b>	<b>526,466</b>	<b>51,966</b>	<b>10.95%</b>

The table above examines sectoral changes in industries over quarterly timeframes. Data are from the Bureau of Labor Statistics (BLS). In comparing the employment estimates for the Education and Health Services sector, it is important to note that these employment data are only for establishments in the private sector. All public sector education, including K-12 and higher education, are now part of employment either in local or state governments. Also note that these data lag by two quarters, and the data for the second quarter of 2021 are the most current available.

The first figure below shows the industry sector trends by the change in number of jobs between the second quarters of 2020 and 2021. The second figure below shows the same trends for industry sectors as a percent change in jobs and for the same time period.

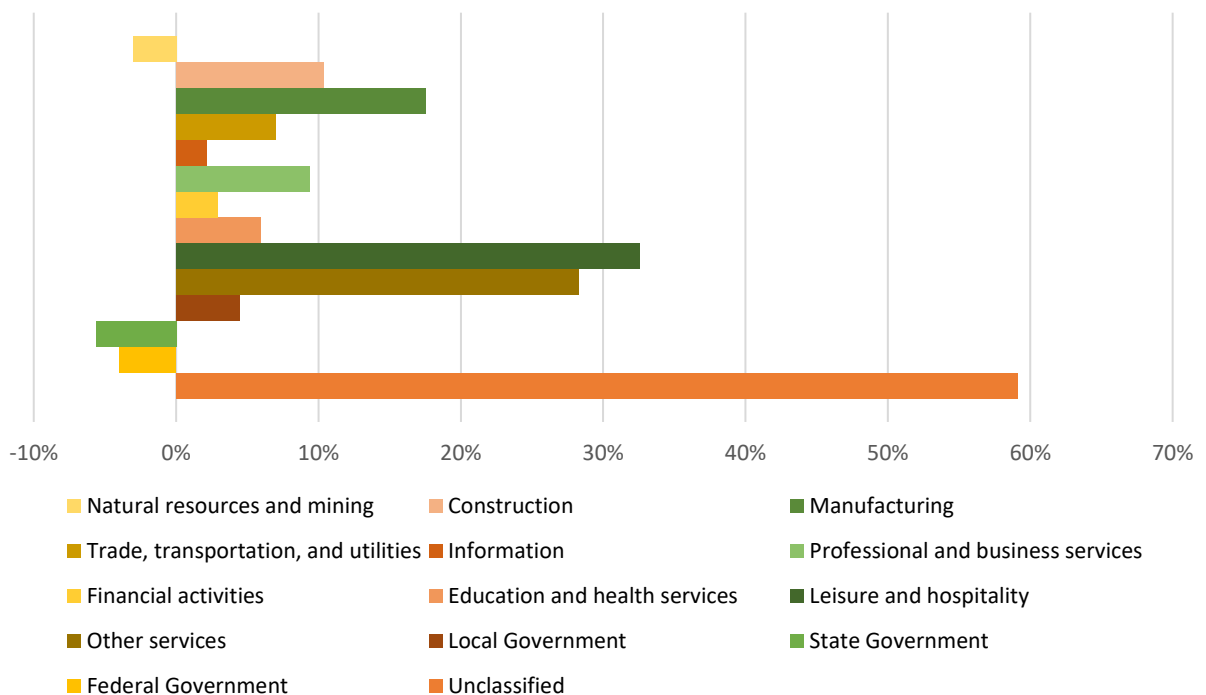
# REGIONAL INDUSTRY SECTOR TRENDS: YEAR OVER YEAR

Y/Y job change



**Figure 4:** Employment trends between Q2 2020 and Q2 2021 in terms of jobs  
<https://www.bls.gov/cew/>

Y/Y % job change



**Figure 5:** Employment trends between Q2 2020 and Q2 2021 in terms of share of jobs  
<https://www.bls.gov/cew/>



# REGIONAL INDUSTRY SECTOR TRENDS: QUARTER OVER QUARTER

As shown in the table below there were mixed results in employment in the first half of 2021 in the RGP region. A few industry sectors saw significant gains in employment. Construction and Leisure and Hospitality saw gains in both jobs and as a share of employment change. Conversely, Manufacturing saw a small decline in employment of about 2% or a little over 2,000 jobs in the region. Across all industries, the RGP region added almost 9,500 jobs between the first and second quarters of 2021.

**Table 4:**

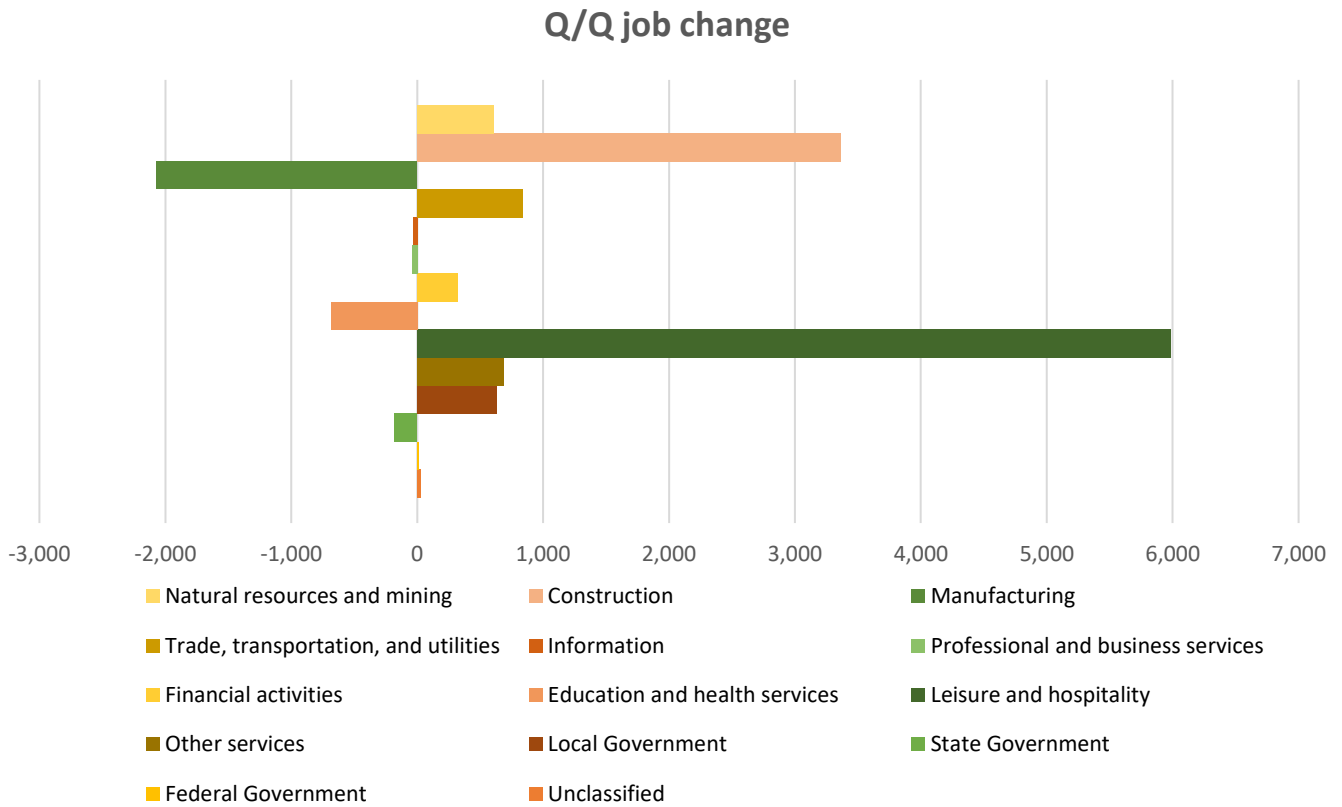
	2021:Q1	2021:Q2	QTR/QTR	QTR/QTR %
Natural Resources and Mining	4,651	4,510	-142	-3.05%
Construction	21,211	23,407	2,196	10.35%
Manufacturing	90,325	106,185	15,860	17.56%
Trade, Transportation, and Utilities	93,614	100,150	6,536	6.98%
Information	3,961	4,044	83	2.10%
Professional and Business Services	44,444	48,604	4,160	9.36%
Financial Activities	16,466	16,947	481	2.92%
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Leisure and Hospitality	40,387	53,541	13,154	32.57%
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<b>Grand Total</b>	<b>474,500</b>	<b>526,466</b>	<b>51,966</b>	<b>10.95%</b>

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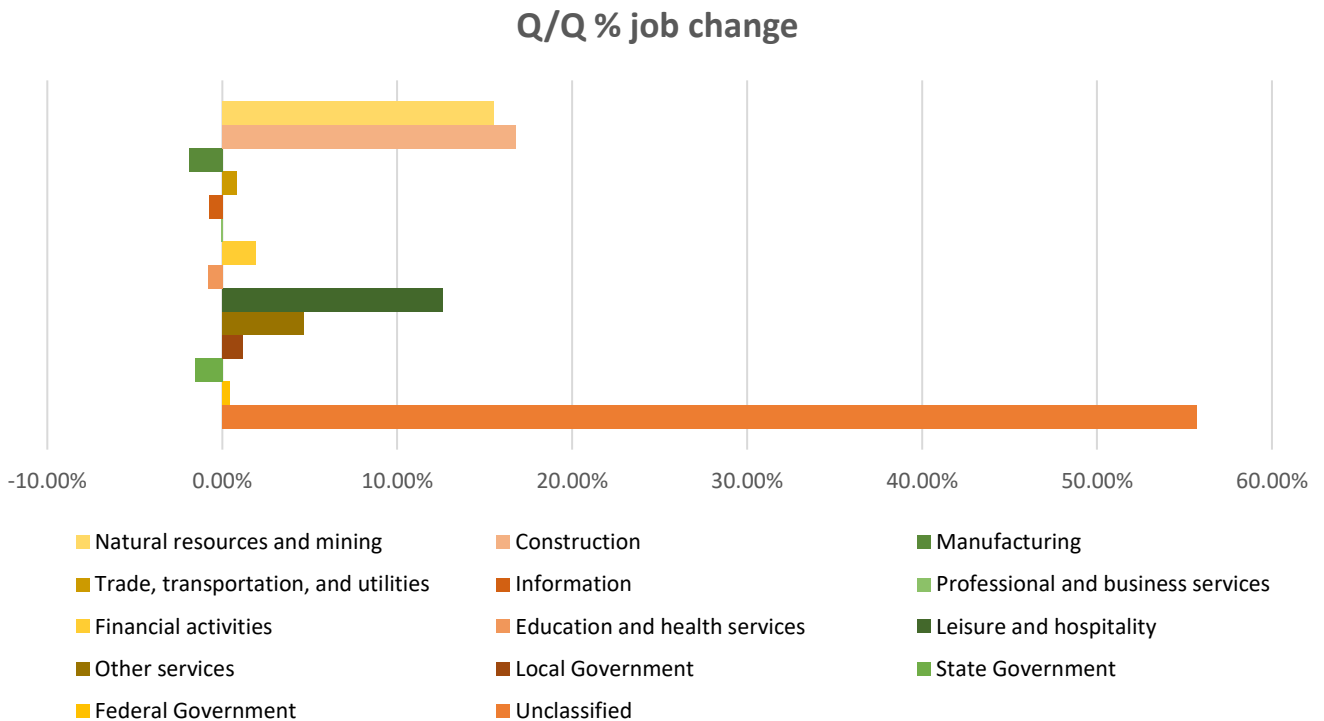
Most industry sectors grew in employment between the second quarters of 2020 and 2021. The second quarter of 2020 was when some of the most stringent barriers to work were in place due to the COVID-19 pandemic. Some of the strongest performers were, not surprisingly, in the Services sector, which was one of the hardest-hit groups of industries throughout the pandemic. Leisure and Hospitality and Other Services had, along with Manufacturing, saw some of the largest proportional growth year-over-year. In actual jobs, Leisure and Hospitality and Manufacturing added the largest share of actual jobs.

The first figure below shows the industry sector trends by the change in number of jobs between the second quarters of 2020 and 2021. The second figure below shows the same trends for industry sectors as a percent change in jobs and for the same time period.

# REGIONAL INDUSTRY SECTOR TRENDS: QUARTER OVER QUARTER



**Figure 6:** Employment trends between Q2 2020 and Q2 2021 in terms of jobs  
<https://www.bls.gov/cew/>



**Figure 7:** Employment trends between Q1 2021 and Q2 2021 in terms of share of jobs  
<https://www.bls.gov/cew/>

# INDUSTRIAL REAL ESTATE MARKET CONDITIONS

12 Mo Deliveries in SF

**1.3M**

12 Mo Net Absorption in SF

**515K**

Vacancy Rate

**2.5%**

12 Mo Rent Growth

**6.8%**

Industrial rents in the Toledo market were rising at a 6.8% annual rate during the first quarter of 2022 and have posted an average annual gain of 4.0% over the past 3 years. There is 2.8 million square footage currently under construction, representing the largest new square footage in the pipeline in over 3 years. Over the past 12 months, 1.3 million square footage has been delivered, increasing the overall the market inventory to approximately 106 million square feet. At just 2.5%, the vacancy rate in Toledo sits well below neighboring markets and the national average. Vacancy has steadily fallen in Toledo over the past decade amid demolished, limited new supply, and consistent demand.

## KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	51,505,417	2.4%	\$4.62	8.0%	121,967	0	1,353,659
Specialized Industrial	48,059,827	2.5%	\$4.67	8.1%	(51,735)	0	1,458,500
Flex	5,973,679	2.9%	\$8.13	6.6%	(11,874)	0	22,400
Market	105,538,923	2.5%	\$4.84	8.0%	58,358	0	2,834,556

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.6%	4.9%	2.7%	8.2%	2007 Q1	1.1%	2020 Q1
Net Absorption SF	515K	600,926	1,585,883	2,463,057	2015 Q2	(826,643)	2007 Q3
Deliveries SF	1.3M	504,260	1,865,257	2,038,000	2021 Q2	9,502	2014 Q3
Rent Growth	6.8%	1.7%	3.8%	6.6%	2022 Q2	-2.3%	2010 Q2
Sales Volume	\$95.4M	\$54.5M	N/A	\$141.7M	2015 Q4	\$14.8M	2007 Q3

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