The Impact of Unemployment: High and Low Unemployment Counties in Ohio



Introduction

Unemployment rates are a widely followed indicator of economic conditions. Much of the attention to unemployment rates is about their change over time: declining unemployment rates are better than rising unemployment rates. Less attention is paid to persistent differences in unemployment rates across counties, but some counties tend to have low unemployment rates while others tend to have high unemployment rates.

The difference in just a few percentage points in unemployment rates can indicate a large difference in economic conditions between two communities. With an unemployment rate of 4.0%, 40 out of every 1,000 people in the labor force will be unemployed and actively looking for work.¹ At 8.0%, the number of unemployed people in the labor force increases to 80 per 1,000.

This report explores some of the differences associated with low and high unemployment rates. Some differences may affect unemployment rates; others may be the results of the rates.

How This Analysis Was Conducted

High-Unemplo Countie		Low-Unemployment Counties		
Monroe	8.9%	Mercer	3.5%	
Adams	8.3%	Holmes	3.7%	
Meigs	8.3%	Delaware	3.9%	
Noble	8.1%	Putnam	4.0%	
Pike	7.9%	Union	4.1%	
Scioto	7.7%	Auglaize	4.1%	
Morgan	7.5%	Hancock	4.2%	
Jefferson	7.5%	Wayne	4.2%	
Jackson	7.4%	Wyandot	4.3%	
Trumbull	7.2%	Geauga	4.3%	

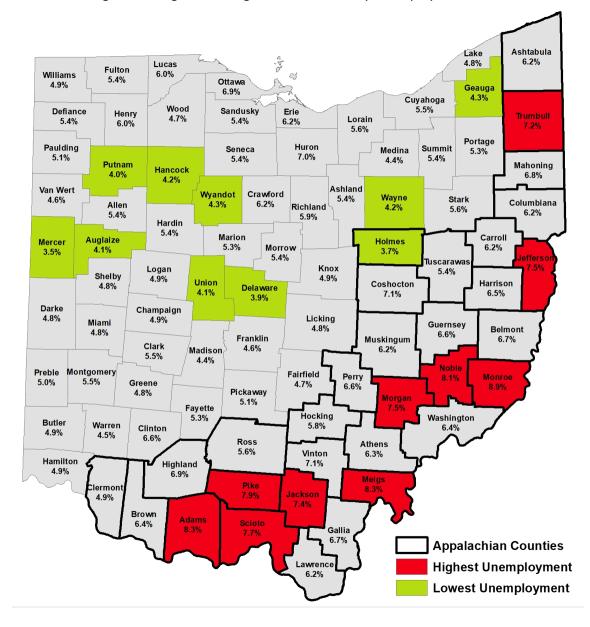
Figure 1. High- and Low-Unemployment Counties

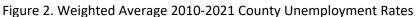
Source: Ohio Bureau of Labor Market Information analysis of Local Area Unemployment Statistics Program, U.S. Bureau of Labor Statistics

We examined 20 Ohio counties with relatively high or low unemployment rates from 2010 to 2021.² (See Figure 1.) The counties were chosen using a formula based on (a) the average of their annual unemployment rates from 2010 to 2021 and (b) their 2019 annual unemployment rate, divided by two. This took historical performance into account, but it also accounted for historically low pre-COVID pandemic unemployment rates in 2019. Figure 2 shows the weighted-average unemployment rates for all Ohio counties, with the low-unemployment counties highlighted in green and the high-unemployment counties highlight in red.

¹ See the U.S. Bureau of Labor Statistics definitions used for unemployment rates: <u>https://www.bls.gov/cps/cps_htgm.htm#concepts</u>

The differences in unemployment rates between the high- and low-unemployment counties are persistent. In 1990, the earliest year for which county unemployment rates are available, the average unemployment rate for the high unemployment counties was 8.6% compared to 5.0% for the low-unemployment counties. In 2000, the average annual unemployment rate for the high-unemployment counties was 6.8% while the average for the low-unemployment counties was 3.4%.





Unemployment rates measure the percentage of unemployed people in a county's labor force. Another measure, the labor force participation rate, provides additional information about an area's employment situation. Low labor force participation rates indicate that significant portions of the adult population are neither employed nor actively looking for work. Those who are jobless but not actively seeking work are not "participating" in the labor force. Labor force participation rates have been declining as baby boomers retire and leave the labor force. Much like unemployment rates, they vary across counties.

Observations

In examining the differences between counties that tend to have high unemployment rates and counties that tend to have low unemployment rates, one characteristic we observed was that all the highunemployment counties are part of Appalachia. Ohio's Appalachian counties are outlined in Figure 2. Only one low-unemployment county, Holmes County, is in Appalachia.

In 1965, the Appalachian Regional Commission (ARC) was created as an economic development agency for the region.³ The ARC classifies counties' economies using an index it developed.⁴ Four highunemployment counties as classified as "Distressed," meaning they were among the lowest 10% in the nation on the ARC economic ranking. The other six high-unemployment counties were classified as "At Risk," putting them in the lowest 10% to 25% of counties in the nation. The low-unemployment counties rated more highly on the ARC's economic index. Four counties were rated in the top 10% ("Attainment") of counties in the U.S; five were in the top 10% to 25% of U.S. counties ("Competitive"). See Figure 3.

³ See the Appalachian Regional Commission: <u>https://www.arc.gov/about-the-appalachian-regional-commission/</u>

⁴ ARC: <u>https://www.arc.gov/classifying-economic-distress-in-appalachian-counties/</u>

Figure 3. County Economic Rankings and Data							
	County	Per Capita Market	Poverty Rate,				
	Economic	Income,	2015-				
	Status, 2022	2019	2019				
	l High-Unemployn		2010				
Monroe	Distressed	24,599	17.1				
Adams	Distressed	22,868	20.7				
Meigs	Distressed	23,823	19.6				
Noble	Distressed	19,705	15.6				
Pike	At-Risk	25,617	18.7				
Scioto	At-Risk	26,543	22.6				
Morgan	At-Risk	23,083	19.2				
Jefferson	At-Risk	27,858	17.5				
Jackson	At-Risk	24,582	18.8				
Trumbull	At-Risk	30,002	17.2				
	Low-Unemployn	nent Counties					
Mercer	Attainment	43,810	6.4				
Holmes	Competitive	41,292	10.0				
Delaware	Attainment	69,693	4.8				
Putnam	Competitive	41,986	7.6				
Union	Attainment	53,376	5.9				
Auglaize	Competitive	40,650	8.4				
Hancock	Competitive	43,308	10.8				
Wayne	Transitional	37,914	11.3				
Wyandot	Competitive	37,163	7.4				
Geauga	Attainment	62,433	5.8				

Figure 3. County Economic Rankings and Data

Figure 3 lists two of the three ARC economic index measures. Unemployment rates, the third measure in the index, are not shown here. Per capita market income measures income from providing goods or services, not from government and other non-trade payments. The <u>highest</u> per capita market income among the high-unemployment counties was \$30,002; the <u>lowest</u> per capita market income among the low-unemployment counties was \$37,163. Similarly, the lowest poverty rate among the high-unemployment counties was 15.6%, and the highest poverty rate among the low-unemployment counties was 11.3%.

Unemployment rates measure the percentage of unemployed people—those without jobs and actively looking for work—in a labor force. Another measure, the labor force participation rate, provides additional information about an area's employment situation. The labor force participation rate tells us what proportion of the working age population is either employed or unemployed. Those who are jobless but not actively seeking work are not "participating" in the labor force. Much like unemployment rates, they vary across counties.

Source: Appalachian Regional Commission

Figure 4 shows labor force participation rates for men and women ages 20 to 64. The lowunemployment counties have significantly higher 20-64 labor force participation rates than the highunemployment counties, except for women in Holmes County. High-unemployment counties tend to have low labor force participation, and low-unemployment counties tend to have high labor force participation. The two right-most columns show how the counties rank from 1, the highest labor force participation rate, to 88, the lowest labor force participation rate.

	Labor Force Ohio County Ranking					
			(High to Low)			
	Participation Rate					
	Men	Women	Men	Women		
High-Unemployment Counties						
Monroe	78.9%	59.1%	56	86		
Adams	67.5%	66.5%	81	75		
Meigs	70.1%	60.9%	77	84		
Noble	39.3%	64.3%	88	80		
Pike	68.6%	60.8%	80	85		
Scioto	60.4%	58.4%	87	87		
Morgan	66.1%	64.5%	82	79		
Jefferson	75.8%	67.8%	68	67		
Jackson	76.1%	67.8%	67	67		
Trumbull	75.2%	67.7%	69	70		
La	w-Unemplo	yment Count	ies			
Mercer	89.6%	83.6%	4	1		
Holmes	91.9%	56.9%	1	88		
Delaware	90.6%	77.9%	2	8		
Putnam	89.6%	80.8%	4	2		
Union	89.2%	69.5%	6	57		
Auglaize	90.3%	79.1%	3	6		
Hancock	84.5%	75.5%	25	23		
Wayne	85.2%	69.4%	20	59		
Wyandot	89.2%	76.1%	6	18		
Geauga	88.7%	74.1%	10	37		

Figure 4. Labor Force Participation Rates for Ages 20-64

Source: U.S. Census Bureau,

2017-2021 American Community Survey 5-Year Estimates

The average labor force participation rate for men ages 20 to 64 in the high-unemployment counties is 67.8%, compared to 88.9% for the low-unemployment counties. On average, the high-unemployment counties had 21 fewer 20- to 64-year-old men in the labor force for every 100 men in this population. The average labor force participation rate for 20- to 64-year-old women in high-unemployment counties was 63.8%; for the low-unemployment counties, it was 74.2%. The high-unemployment counties had about 10 fewer women in the labor force for every 100 women ages 20 to 64.

Using the formula described earlier, the low- and high-unemployment counties were ranked one to 10 and 79 to 88. While unemployment and labor force participation are related, they are not so closely related that all counties ranked similarly for their unemployment rates labor force participation. For example, Hancock County ranked 25th and 23rd in labor force participation for men and women but is ranked higher (7th) for its weighted average unemployment rate; Jackson County ranked 67th in labor force participation for both men and women but is ranked lower (80th) for its weighted average unemployment rate.

High-	15-64 Aged	Rank	Low-	15-64 Aged	Rank
Unemployment	Population per	(Low to	Unemployment	Population per	(Low to
Counties	100 Jobs	High)	Counties	100 Jobs	High)
Monroe	278	80	Mercer	131	8
Adams	285	81	Holmes	133	9
Meigs	394	87	Delaware	154	24
Noble	275	79	Putnam	177	47
Pike	179	49	Union	128	6
Scioto	203	57	Auglaize	139	13
Morgan	320	83	Hancock	110	2
Jefferson	201	55	Wayne	156	27
Jackson	208	58	Wyandot	145	17
Trumbull	208	59	Geauga	169	39

Figure 5.	Individuals Age	es 15 to 64	per 100 Jobs
			pe

Source, Jobs Data: 2021 Quarterly Census of Employment and Wages Source, Population Data: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates

Another way to look at county economies is the ratio of potential workers to jobs. In an ideal world, there would be a job for every potential worker. Even accounting for those unable to work and those not wanting work, some areas have more potential workers than jobs. The more people per job, the more competitive the labor market will be for workers. Figure 5 show the number of people ages 15 to 64 for each 100 jobs in the county. The high-unemployment counties have more working-age people per 100 jobs than the low-unemployment counties. Among the high-unemployment counties, the fewest people per 100 jobs was 179; the most was 394 people per 100 jobs. Among the low-unemployment counties, the fewest people per 100 jobs was 110; the most was 177 people per 100 jobs.

The ratio of potential workers to jobs in their county of residence may play a factor in unemployment rates, but its effect is limited. Several low-unemployment counties are not in the top ten of ratios of potential workers to jobs, and some high-unemployment counties are not in the lowest ten of the worker to jobs ratios.

High				Low			
Unemployment	Population	Percent	Percent	Unemployment	Population	Percent	Percent
Counties	Change	Change	Rank	Counties	Change	Change	Rank
Monroe	-955	-6.5%	87	Mercer	384	0.9%	22
Adams	-839	-2.9%	58	Holmes	1,487	3.5%	14
Meigs	-824	-3.5%	66	Delaware	34,078	19.6%	1
Noble	-236	-1.6%	42	Putnam	-615	-1.8%	44
Pike	-840	-2.9%	57	Union	6,524	12.5%	3
Scioto	-4,350	-5.5%	83	Auglaize	-242	-0.5%	33
Morgan	-526	-3.5%	68	Hancock	1,094	1.5%	20
Jefferson	-4,345	-6.2%	86	Wayne	1,316	1.1%	21
Jackson	-835	-2.5%	53	Wyandot	-816	-3.6%	70
Trumbull	-11,866	-5.6%	85	Geauga	260	0.3%	25

Figure 6. Population Change, 2010 to 2019

Source: U.S. Census, Annual Estimates of the Resident Population (PEPANNRES)

The high-unemployment counties all saw population declines from 2010 to 2019. Several highunemployment counties suffered some of the largest proportional losses. Three low-unemployment counties had population losses; only two low-unemployment counties were among the top 10 in proportional population increases.

Figure 7, 2019 County	Populations and	Metropolitan/I	Micropolitan Area Status
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High-		Population		Low-		Population	
Unemployment	2019	Rank	Micropolitan/	Unemployment	2019	Rank	Micropolitan/
Counties	Population	(High to Low)	Metropolitan Area	Counties	Population	(High to Low)	Metropolitan Area
Monroe	13,654	87		Mercer	41,172	60	Micropolitan Area
Adams	27,698	78		Holmes	43,960	54	
Meigs	22,907	81		Delaware	209,177	14	Metropolitan Area
Noble	14,424	86		Putnam	33,861	70	
Pike	27,772	77		Union	58,988	46	Metropolitan Area
Scioto	75,314	34	Micropolitan Area	Auglaize	45,656	51	Micropolitan Area
Morgan	14,508	85		Hancock	75,783	33	Micropolitan Area
Jefferson	65,325	38	Metropolitan Area	Wayne	115,710	24	Micropolitan Area
Jackson	32,413	71	Micropolitan Area	Wyandot	21,772	82	
Trumbull	197,974	15	Metropolitan Area	Geauga	93,649	29	Metropolitan Area

Source: Population Data: U.S. Census Annual Population Estimates

The more people who live in an area, the more businesses – and, therefore, jobs – that area is likely to have. Figure 7 shows counties' 2019 populations and their ranking by size. On average, the high-unemployment counties had fewer people than the low-unemployment counties. Four high-unemployment counties were among the 10 least-populous, but only one low-unemployment county was among the 10 least-populous. Although the low-unemployment counties had larger populations than the high-unemployment counties, none were among the 10 most-populous.

Counties can be classified as being in a metropolitan or micropolitan statistical area. Metropolitan statistical areas have a dense urban core and nearby counties with close economic ties. Two high-unemployment counties and three low unemployment counties are part of metropolitan areas.

Micropolitan statistical areas have an urban center larger than 10,000 but smaller than 50,000. Two high-unemployment counties and four low-unemployment counties are part of micropolitan areas.

Six high-unemployment counties and three low-unemployment counties are neither in metropolitan nor micropolitan areas. These counties are not economically tied to large urban centers and do not have cities or towns larger than 10,000.

		Loss of	Rank of			Rank of Total
	Year of Peak	Manufacturing	Manufacturing	Year of Peak	Loss of	Employment
	Manufacturing	Employment, Peak	Loss	Total	Employment,	Loss
	Employment	to 2021	(High to Low)	Employment	Peak to 2021	(High to Low)
		High-Un	employment Cour	nties		
Monroe	1979	-98.3%	1	1980	-62.2%	1
Adams	1999	-30.4%	63	2007	-10.3%	54
Meigs	1978	-72.1%	9	1977	-31.5%	9
Noble	1978	-69.0%	13	2013	-15.6%	32
Pike	2000	-88.0%	2	1998	-19.4%	16
Scioto	1975	-66.0%	16	2002	-8.0%	56
Morgan	1977	-64.9%	20	1987	-42.0%	3
Jefferson	1976	-84.8%	4	1976	-31.5%	8
Jackson	2005	-40.5%	53	2005	-18.2%	24
Trumbull	1979	-85.9%	3	1979	-39.3%	4
	•	Low-Une	employment Coun	ties	•	
Mercer	2018	-17.8%	74	2018	-6.1%	62
Holmes	2021	0.0%	87	2021	0.0%	85
Delaware	2019	-2.5%	86	2019	-1.8%	82
Putnam	2000	-15.4%	78	2000	-4.6%	69
Union	1998	-29.7%	64	2018	-4.7%	68
Auglaize	2019	-11.9%	82	2019	-5.9%	63
Hancock	1999	-17.9%	73	2019	-4.2%	73
Wayne	1995	-13.7%	80	2019	-5.7%	64
Wyandot	2003	-28.0%	66	2003	-16.0%	30
Geauga	2000	-32.7%	62	2019	-3.4%	75

Figure 8. Manufacturing and Total Employment Peaks and Changes

Source: Quarterly Census of Employment and Wages

Ohio ranks third in the nation for the number of manufacturing jobs.⁵ However, the number of manufacturing jobs nationwide has declined since the 1970s for various reasons, including foreign competition and automation. This has affected some areas more than others, depending on their industry mix. Figure 8 shows the proportional changes in manufacturing and total employment over time. On average, the high-unemployment counties lost a much higher proportion of their manufacturing employment than the low-unemployment counties. Monroe County, a high-unemployment county, has lost 98.3% of its manufacturing employment since its peak in 1979. Manufacturing employment peaked prior to 1980 for many high-unemployment counties, much earlier

⁵ See <u>https://jfs.ohio.gov/RELEASES/100722-Ohio-Ranks-Third-in-the-Nation-in-Manufacturing-Jobs.stm</u>

than for the low-unemployment counties. Eight of the 10 low-unemployment counties saw peak manufacturing employment from 2018 to 2021.

On average, the high unemployment counties lost more total employment than the low-unemployment counties. Total employment peaked earlier in the high-unemployment counties, as well. The most recent total employment peak among the high-unemployment counties was 2013. Six high-unemployment counties peaked before 2000. The low-unemployment counties had total employment peaks in 2000 or later, and eight low-unemployment counties had total employment peaks between 2018 and 2021.

Summary

Unemployment rates measure the percentage of unemployed people in a county's labor force. The difference in just a few percentage points in unemployment rates can indicate a large difference in economic conditions between two communities. When looking at the characteristics of counties that tend to have either low or high unemployment rates, several patterns emerge:

- On average, the low-unemployment counties have more people than the high-unemployment counties and/or close economic connections to large metropolitan areas.
- The more people who live in an area, the more businesses, jobs, and economic activity that area is likely to have.
- All the high-unemployment counties examined are part of Appalachia; only one lowunemployment county (Holmes) was part of Appalachia.
- Low-unemployment counties have been less impacted by changes in the manufacturing industry over the last several decades.
- Low-unemployment counties have lower poverty rates than high-unemployment counties.



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- Be known as an important and reliable source for information solutions that support workforce development goals and outcomes.

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Mike DeWine, Governor Jon Husted, Lt. Governor State of Ohio <u>http://Ohio.gov</u>

Matt Damschroder, Director

Ohio Department of Job and Family Services <u>http://jfs.ohio.gov</u>

> Office of Workforce Development <u>http://jfs.ohio.gov/owd/</u>

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