

# Ohio economy poised for strong growth in 2016

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At least one economist is particularly bullish on the Northeast Ohio economy in 2016.

A strengthening regional economy performing at least on par with — and in some areas better than — the national average, growing manufacturing and housing sectors, payroll growth and unemployment levels at their lowest in a decade bode particularly well for economic expansion in the coming year.

“We’ve heard the old saying that we are the Rust Belt,” said George Mokrzan, director of economics at Huntington National Bank. “I’m here to firmly state if the Rust Belt was true in the past, it’s true no longer.”

Citing research from the Federal Reserve Bank of Philadelphia, Mokrzan’s report on the regional economy points out that Michigan, Indiana and Ohio have grown significantly faster than the nation during the economic recovery.

Unemployment, meanwhile, is around 4.4% in Ohio — its lowest point since 2001 — compared with 5% nationally.

In the Akron and Cleveland areas, unemployment is at 4.6% and 5.3%, respectively. That’s the lowest for Akron since third quarter 2001 and the lowest for Cleveland since the first quarter of 2007.

Manufacturing is one of the strongest sectors hiring right now. Of all the manufacturing job growth in the country, “well over” 50% of those net jobs are in Ohio, Michigan and Indiana, he said. Low petroleum prices are actually helping drive that growth as companies that use lots of oil and gas see the cost of business fall, while manufacturers like automobile makers see sales grow.

“We are still a manufacturing-intensive industry relative to the rest of the nation, and we’re growing at a great rate,” Mokrzan said.

Manufacturers are growing at a clip that means they’ll likely have to hire more staff from outside the state, which will contribute to in-migration. The services and health care industries should also have a similar impact.

“The medical complex in Cleveland will definitely result in people moving to the area,” Mokrzan said.

Since June 2009, non-farm payrolls have grown in Ohio a little less than 8%, which is also slightly below the national average. But Mokrzan said indicators suggest that growth could pick up.

“The actual nominal wage growth is going to accelerate,” he said.

Skilled jobs can expect the highest gains, although there will be some payroll growth across the board.

“The economy is moving to a point where all boats are going to be rising to the same level,” Mokrzan said.

Growth of both jobs and wages overall should decrease unemployment even further in the coming year, which bodes well for the economy.

“The tighter the labor market gets, the more upward pressures we’re likely to see,” he said. “That’s going to start to pull more people who sat on the sidelines or have been out of the labor force entirely. It may give them incentive to come back in bigger numbers.”