

Restoring Prosperity:

THE STATE ROLE IN REVITALIZING AMERICA'S OLDER INDUSTRIAL CITIES

State Profile: Ohio

What are Ohio's "older industrial cities?"

The term older industrial cities is used here to describe a specific set of communities that are lagging their peers on a set of eight indicators of economic health and well-being (see table on p. 3). We began with an analysis of 302 U.S. cities—11 of which were in Ohio—that in either 1990 or 2000: (1) had a population of at least 50,000 and were the largest city in a metropolitan area; (2) were at least 50 percent of the population of the largest city in a metropolitan area; or (3) had a population of at least

150,000 regardless of whether they were the largest city in a metropolitan area. This analysis revealed that Ohio has eight economically struggling cities: Canton, Cincinnati, Cleveland, Dayton, Mansfield, Springfield, Warren, and Youngstown.¹

The list grows longer if we look at some of the state's other cities. When we expanded our criteria to include an additional 74 cities—11 of which were in Ohio—that had at least 30,000 people and that were either central cities in 1990 or principal cities in 2000, we found that Lima, too, is experiencing some of the same economic challenges as the other eight cities.²

All told, then, nine of the 22 Ohio cities we examined are among 80 U.S. cities identified as economically weak relative to the other 296 cities in the complete dataset. These nine cities—referred to here as "older industrial cities"—had a total population of more than 1.3 million in 2000, and were home to approximately 12 percent of Ohio residents.



Why "older industrial cities?"

Ohio's cities share an economic history dominated by manufacturing. In 1970, the average share of residents in the nine older industrial cities employed in manufacturing was 35.5 percent, with all nine having a manufacturing employment share of at least 25 percent. But deindustrialization over the past several decades has left these cities still struggling to find their economic niche: From 1970 to 2000, the average decline in the number of residents employed in manufacturing in these cities was 51 percent so that by 2000, only about 21 percent still held jobs in the sector.

Ohio ranks fourth highest among seven states based on the share of its cities identified as "older industrial cities"

State	Number of older industrial cities in original analysis (percent)	Number of older industrial cities in additional analysis (percent)	Total number of older industrial cities (percent)
Pennsylvania	9 of 10 (90%)	3 of 4 (75%)	12 of 14 (86%)
New York	7 of 8 (87.5%)	5 of 9 (56%)	12 of 17 (71%)
New Jersey	2 of 3 (67%)	3 of 9 (33%)	5 of 12 (42%)
Ohio	8 of 11 (73%)	1 of 11 (9%)	9 of 22 (41%)
Michigan	4 of 8 (50%)	2 of 16 (12.5%)	6 of 24 (25%)
Connecticut	3 of 7 (43%)	0 of 8 (0%)	3 of 15 (20%)
Massachusetts	3 of 5 (60%)	1 of 17 (6%)	4 of 22 (18%)

Source: Analysis by Hal Wolman, Kimberly Furdell, and Pamela Blumenthal, The George Washington University

What are the economic characteristics of Ohio's older industrial cities?

Taken together, Ohio's nine older industrial cities were characterized by slow—or declines in—economic growth from 1990 to 2000. On average, these nine cities lost nearly 10 percent of their jobs from 1990 to 2000, while employment actually grew by over 15 percent in the other 296 cities in the dataset. Warren, for example, lost 24 percent of its jobs over the decade; Dayton and Youngstown each lost over 14 percent. These nine older industrial cities saw their real average payroll increase by just 11 percent and their number of business establishments grow less than 3 percent, compared to 42 percent and 16 percent, respectively, among the other cities.³

These nine cities' performance on measures of residential economic well-being looks much the same. Their average per capita income in 2000 was 77 percent of the average for the other 296 cities (\$15,968 compared to \$20,886), and their average median household income was 71 percent of the average for the others (\$28,372 compared to \$39,999). These older industrial cities had an average unemployment rate of 9 percent and a labor force participation rate of 58 percent, compared to an average 6 percent unemployment and 65 percent labor force participation rate in the other cities. The average poverty rate in these nine cities was 21 percent, compared to an average of just 14 percent in the other cities in the dataset.

Due to data limitations, the data utilized to identify the older industrial cities are from 1990 and 2000 (condition indicators are based on year 2000 data, while change indicators reflect change from 1990 to 2000). However, a look at more recent data indicates that trends have remained consistent. According to American Community

Survey (ACS) data, for example, in 2005 the average poverty rate for the five older industrial cities in Ohio for which data was available (Canton, Cincinnati, Cleveland, Dayton, and Youngstown) was almost 28 percent, an increase of nearly 5 percentage points since 2000. The growth of wages and in the number of establishments, meanwhile, has continued to trail that of other cities. County Business Patterns data reveal that from 2000 to 2004 real annual payroll in Ohio's nine older industrial cities dropped nearly 10 percent while it grew over 2 percent in the other cities in the dataset. The number of establishments in the nine older industrial cities declined by over 2 percent during this period, while the number of establishments increased 4 percent in the other cities.

What is the relationship of Ohio's older industrial cities to their regions?

While cities are vital entities in and of themselves, markets don't adhere to the arbitrary boundaries that separate them from their surrounding jurisdictions. A look at the economic condition of the 376 sample cities' metropolitan areas demonstrates the relationship between cities and their surrounding regions. By dividing the cities' metros into "weak," "moderate," and "strong" groups based on their rank on a MSA Economic Condition index—which in this case included the change in MSA-level employment, wages, and gross metropolitan product from 1990 to 2000, and the gross metropolitan product per job in 2000—the strong link between the economic health of cities and that of their metropolitan areas becomes evident.

Eight of Ohio's nine older industrial cities—all but Cincinnati—are located in "weak" metropolitan areas. Add the over 4.4 million people living in these metros in 2000 to the over 331,000 people living in Cincinnati and you have a total of nearly 4.8 million people—42

Ohio's older industrial cities are lagging other U.S. cities on several indicators of economic health and well-being

	Canton	Cincinnati	Cleveland	Dayton	Lima	Mansfield	Springfield	Warren	Youngstown	Average for Nine OH Cities	Average for Other 296 Cities in Dataset*
City Economic Condition Index (1990–2000)											
Change in Employment	-7.5%	-9.7%	-12.0%	-14.4%	-3.5%	-1.9%	1.6%	-24.1%	-14.5%	-9.6%	15.3%
Change in Annual Payroll (County)	13.5%	19.2%	17.7%	13.2%	11.9%	4.4%	10.3%	-0.4%	9.3%	11.0%	42.3%**
Change in Establishments (County)	8.0%	1.3%	3.2%	-1.9%	2.8%	5.4%	-2.0%	6.5%	0.5%	2.6%	16.3%**
Residential Economic Wellbeing Index (2000)											
Median Household Income	\$28,730	\$29,493	\$25,928	\$27,423	\$27,057	\$30,176	\$32,193	\$30,147	\$24,201	\$28,372	\$39,999
Per Capita Income	\$15,544	\$19,962	\$14,291	\$15,547	\$13,882	\$17,726	\$16,660	\$16,808	\$13,293	\$15,968	\$20,886
Unemployment Rate	7.8%	7.3%	11.2%	9.3%	9.4%	6.4%	8.6%	9.0%	11.3%	8.9%	6.3%
Labor Force Participation Rate	60.5%	63.1%	57.4%	59.5%	57.7%	57.6%	60.8%	55.8%	51.2%	58.2%	65.3%
Poverty Rate	19.2%	21.9%	26.3%	23.0%	22.7%	16.3%	16.9%	19.4%	24.8%	21.2%	14.4%

Sources: U.S. Department of Housing and Urban Development, State of the Cities Data Systems; U.S. Census Bureau, County Business Patterns 1990 and 2000; U.S. Census of Population and Housing 2000. Analysis by Hal Wolman, Kimberly Furdell, and Pamela Blumenthal, The George Washington University
 *Doesn't include the 80 cities that were on the original (65) and expanded (15) older industrial cities list
 **Doesn't include Carson City, NV (data not available)

percent of the state's total population—living in economically anemic communities, a fact that should surely alarm state leaders concerned about Ohio's long-term competitiveness. It also demonstrates the need for government, civic, and business leaders within and across metropolitan regions to work together to advance a new state agenda for revitalizing Ohio's urban areas.

What are some of these cities' assets?

For all their economic challenges, Ohio's older industrial cities possess numerous physical, economic, and cultural attributes that, if fully leveraged, could be converted into vital competitive assets. These nine cities have a total of 755 properties on the National Register of Historic Places, for example, a number that doesn't include the additional homes and businesses that together help shape the many great neighborhoods located in these communities. These cities also have a concentration of education and medical facilities in their urban core: They boast a total of 24 four-year colleges and universities and 28 two-year colleges, as well as 58 hospitals and medical centers employing approximately 96,000 people. Finally, these cities are rich with cultural amenities. With 30 museums and six professional sports teams (three each in Cleveland and Cincinnati)—not to mention the dozens of galleries, theaters, music venues, and minor league sporting events—these cities offer a range of regional attractions that can help fuel the revitalization of downtowns and their surrounding neighborhoods.

After decades of painful economic restructuring, the time is ripe for Ohio's state and local leaders to seize upon new trends and attitudes that have begun to revalue cities' special characteristics—and to again make them innovative, competitive, high-quality communities where their residents have the choices and opportunities needed to thrive.

Ohio's older industrial cities boast a number of physical, economic, and cultural assets

City	Historic Properties	Four-Year Colleges and Universities	Two-Year Colleges	Hospitals and Medical Facilities	Museums	Major League Sports Teams
Canton	38	1	2	3	3	0
Cincinnati	242	7	10	16	6	3
Cleveland	216	8	4	14	9	3
Dayton	98	2	6	8	5	0
Mansfield	48	2	1	2	0	0
Springfield	29	1	1	2	3	0
Warren	9	0	2	3	0	0
Youngstown	48	1	1	5	3	0
Lima	27	2	1	5	1	0
Total	755	24	28	58	30	6

Sources: U.S. Department of Education, National Center for Education Statistics, 2007; AHA Annual Survey Database, FY 2005; National Register of Historic Places, 2007; American Association of Museums, 2007; NFL, NBA, NHL, MLB, WMBA, MLS

Endnotes

- 1 For a full description of the methodology employed to identify Ohio's older industrial cities, please see Jennifer S. Vey, "Restoring Prosperity: The State Role in Revitalizing American's Older Industrial Cities" (Washington: Brookings Institution, 2007).
- 2 These 74 additional cities were located in seven states: Connecticut, Massachusetts, Michigan, New Jersey, New York, Ohio, and Pennsylvania. Additional cities in other states were not examined.
- 3 Due to data availability constraints, the annual payroll and establishments variables were measured at the county level for all years discussed in this document (1990, 2000, 2004).



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