Leading Through Crisis and Recovery

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The JobsOhio Model

Unique Model
- Independent funding allows for flexibility and long-term planning
- Private sector functionality with an independent board
- Integrated network of cooperation with regional and local partners
- Proven return on investment model guides investments and decision-making

Customer-Focused Efficiency
- Focus on long-term relationships and not just the transaction
- Assist in removing barriers to growth
- Maintain confidentiality during negotiations and planning
- Quick action to address market needs, company needs
- Long-term stability and predictability with private model

Industry Expertise
- Leaders with 200+ years of combined industry experience opens doors to deeper and broader industry connections, unparalleled insights
- Long-term business and economic growth strategies centered around future trends, technology innovation and industry advancements

JobsOhio is unique in its setup and is designed to move at the speed of business.
The outcome of the model design is reflected in the services and support JobsOhio provides today:

- Site selection and research services
- Business development incentives
- Workforce recruitment and training support
- Streamline permitting process
- Introduction to service providers
- Long-term partnership for business success

JobsOhio provides comprehensive support to companies looking to invest in Ohio.
One Firm, One State

One of the most important decisions made when creating JobsOhio was to build capacity across the state.

JobsOhio partners with six regional economic development organizations around the state to deliver economic development services.
JobsOhio Recognized for Transparency and Effectiveness

Awarded Guidestar’s Platinum Seal of Transparency

Guidestar is the nation’s premier nonprofit database, founded to promote transparency and provide a central repository for 1.8 million IRS recognized nonprofit organizations.


Consistently Ranked in Top 5 Best State EDOs

Development Counselors International has consistently ranked JobsOhio in the top 3-5 best performing state economic development organizations in the United States over the past five years.

From 2011 - 2019, JobsOhio assisted companies on over 2,500 projects that committed to create over 198,000 new jobs and invest $56.6 billion of new capital in Ohio, earning top-five honors in project success rate every year from EY and Site Selection.
Ohio is one of the few states that has all 5 “Game Changers” identified by McKinsey Global Institute: Shale Energy, Big Data Analytics, Advanced Manufacturing, Infrastructure, and Talent.

Cross Sector Strategies:
1. Internet of Things
2. Fintech
3. Health Tech
4. Carbon Fiber
5. Smart Mobility

Sectors of Focus:
1. Advanced Manufacturing
2. Aerospace & Aviation
3. Automotive
4. Healthcare
5. Technology
6. Energy & Chemicals
7. Financial Services
8. Food & Agribusiness
9. Logistics & Distribution
COVID-19 Pandemic Causing Dramatic Disruptions in the Ohio Economy

1. Ohio is facing an economic crisis not seen since the Great Depression
   Pre-C19, Ohio was ranked a top 10 business and talent destination in at least a half dozen media sources. C19 created 16-20% potential unemployment rate for May 2020 vs. 4.1% in Feb 2020; 3-8.5%, or $18-52B estimated GDP drop

2. Building resilience and secure supply chains is more important
   Opportunity to capture more growth sectors, protect ‘backbone’ industries, and selectively pursue reshoring opportunities

3. Low-skilled are occupations at risk, high-skilled talent will drive the recovery
   85% of jobs displaced have been held by people with less than a college degree, STEM jobs among least impacted

4. SMBs, startups and investments in innovation are at risk
   50% of SMBs have ~27 days of cash buffer; estimated 30% decrease ($300M) in funding for startups
   Regions that invest in innovation and research in down-cycles outperform peers

5. The vulnerable have been the most impacted
   ~81% of jobs at-risk pay less than $40K/year; non-white workers are 37% of the labor force but 58% of the newly-unemployed

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Ohio Lost ~30K Jobs/Day in April, State Unemployment Rate of 16.8% = 6th Highest in U.S.

Total Employment in Ohio, Nov 2019 – April 2020

<table>
<thead>
<tr>
<th>Month</th>
<th>Employment (Ths.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 2019</td>
<td>5,576</td>
</tr>
<tr>
<td>Dec 2019</td>
<td>5,575</td>
</tr>
<tr>
<td>Jan 2020</td>
<td>5,580</td>
</tr>
<tr>
<td>Feb 2020</td>
<td>5,588</td>
</tr>
<tr>
<td>March 2020</td>
<td>5,539</td>
</tr>
<tr>
<td>April 2020</td>
<td>4,715</td>
</tr>
</tbody>
</table>

Unemployment Rate, April 2020¹,²

<table>
<thead>
<tr>
<th>State</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan</td>
<td>22.7</td>
</tr>
<tr>
<td>Indiana</td>
<td>16.9</td>
</tr>
<tr>
<td>Ohio</td>
<td>16.8</td>
</tr>
<tr>
<td>Illinois</td>
<td>16.4</td>
</tr>
<tr>
<td>California</td>
<td>15.5</td>
</tr>
<tr>
<td>Kentucky</td>
<td>15.4</td>
</tr>
<tr>
<td>New Jersey</td>
<td>15.3</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>15.1</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>14.1</td>
</tr>
<tr>
<td>Florida</td>
<td>12.9</td>
</tr>
<tr>
<td>Texas</td>
<td>12.8</td>
</tr>
<tr>
<td>North Carolina</td>
<td>12.2</td>
</tr>
</tbody>
</table>

U.S. = 14.7
All Regions Significantly Impacted – NE Ohio Saw Most Displaced By Volume

Initial Unemployment Claims by County, March-May 16, 2020

Number of initial claims

- Lucas 61K
- Cuyahoga 128K
- Hamilton 76K
- Franklin 129K

Initial Unemployment Claims by Ohio Region, March-May 16, 2020

Thousands of initial claims, Bubble = Pct of total,%

- Northeast 448.0 (37.9)
- Central 211.2 (17.9)
- Northwest 156.7 (13.3)
- Southwest 154.0 (13.0)
- West 137.3 (11.6)
- Southeast 75.0 (6.3)

1. ~40K claims or 3.7% of total initial unemployment claims in March 2020 were not mapped

Source: Ohio LMI, US Department of Labor, Ohio SE, OneColumbus

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Learning from the 2008-09 ‘Great Recession’ – Greater Emphasis Now on Inclusive Recovery

Total Nonfarm Employment by Ohio Region, 2007-2018

Indexed to 2007

Source: US Bureau of Labor Statistics, Moody’s Analytics
Ohio Manufacturing Employment Loss Particularly Concerning – What Seemed Temporary Risks Permanency

Ohio Manufacturing Employment (in Thousands), 1939 - Present

Note: Data from 1990 to present are from BLS CES and Ohio LMI; Data prior to 1990 are from discontinued SIC data series.

Source: U.S. Bureau of Labor Statistics, Ohio LMI

China joins WTO

-99K (April '20 vs. April '19)
Ohio businesses import ~$31B of goods from international locations in product categories that could be subject to reshoring due to COVID-19 (for, e.g., national security priorities)

Beyond “winning” its own imports, Ohio’s upside could grow by winning reshoring for other states’ imports (USA imports ~25-30x Ohio imports)
Bold Investment Required to Bend Economic Recovery Curve Upward

Employment Recovery, 2019Q1 – 2023Q3
Indexed to 2019Q1

- **106K additional jobs** by 2023Q3
- **$4.8B additional GDP** by 2022Q1
- **$10.4B additional wages** by 2022Q1

**Achieving top 10 recovery performance would create**

1. Above OH’s current forecast; DC counted as a State
2. US Census - Census Regions and Division of the United States, includes both West North Central and East North Central, includes 12 States
3. Tennessee is the Top 10 State in Employment Recovery

Source: US Bureau of Economic Analytics, Moody’s Analytics
<table>
<thead>
<tr>
<th>Status</th>
<th>Initiative</th>
<th>Status (as of 5/10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>Bar and restaurant owners affected by COVID-19 could return high proof liquor products purchased between 2/12–3/15</td>
<td>Over 850 businesses supported, total paid ~$1.5M</td>
</tr>
<tr>
<td>✓</td>
<td>Six-month deferral of payment on JobsOhio loans (until October 1, 2020)</td>
<td>Launched March 19, ~40 borrowers elected to defer</td>
</tr>
<tr>
<td>✓</td>
<td>Ohio Personal Protective Equipment (PPE) Database – Manufacturers, distributors, and potential contract manufacturers to FDA-approved entities</td>
<td>Many PPE supply/demand market inquiries processed. Resource shared with state, OMA, OHA <a href="https://repurposingproject.com/">https://repurposingproject.com/</a> launched</td>
</tr>
<tr>
<td>✓</td>
<td>Temporary – $50M Workforce Retention Loan Program. Forgivable loan program allows for 6 monthly draws of up to $100,000, but not to exceed total monthly payroll</td>
<td>Letter released, March 27 – Over 220 companies expressed interest, 90 received assistance</td>
</tr>
<tr>
<td>✓</td>
<td>Appalachian Growth Capital (AGC) – $2M Investment. Long-term, low interest loan to AGC to help more small companies in Appalachian Ohio with financing</td>
<td>Press release, March 31 – Long-term, Low interest loan to AGC</td>
</tr>
<tr>
<td>✓</td>
<td>New – $50M Innovation Fund. Ohio-based, venture backed private businesses (targeted loan per deal is between $250K–$2.5M (matched by at least 1:1)</td>
<td>Launched April 4 – Convertible loans toward Ohio’s most promising and innovative companies</td>
</tr>
<tr>
<td>✓</td>
<td>Temporary Adjustments to Existing Programs – Case-Specific Compliance Waivers</td>
<td>Enhanced incentive programs for existing JO client companies to allow maximum flexibility + support</td>
</tr>
<tr>
<td>✓</td>
<td>New (Temporary) – $50M Community Bank Partnership pilot with Peoples Bank and First Federal/Home Savings Bank</td>
<td>Launched April 21 – Lending Support for Small Business</td>
</tr>
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</table>
## Restart (Phased)

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<tr>
<th>Status</th>
<th>Initiative</th>
<th>Status (as of 5/10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔️</td>
<td>Provided extensive analytical assistance to the Governor’s Economic Advisory Board, which led to a phased restart</td>
<td>Complete</td>
</tr>
<tr>
<td>✔️</td>
<td>Collecting data from hundreds of Ohio companies and secondary sources to understand post-COVID safety, talent and other realities</td>
<td>Ongoing</td>
</tr>
<tr>
<td>✔️</td>
<td>Amplifying Responsible RestartOhio protocols to Ohio businesses</td>
<td>Responsible RestartOhio protocols</td>
</tr>
<tr>
<td>✔️</td>
<td>Liquor Rebate: One-time support restaurants and bars to defray cost of restocking high-proof spirituous liquor</td>
<td>$500 rebate in high-proof spirituous liquor to eligible permits for purchases made through Ohio Liquor Contract Liquor Agencies ($6.8M potential value)</td>
</tr>
</tbody>
</table>
Go-Forward

**Goal:** Comprehensive strategy that brings together the best economic recovery and growth plan, responsible parties and range of potential outcomes.

**State of Ohio**
- COVID19 testing
- Max federal funds
- Stimulate demand through procurement
- Pro-growth legislation
- Regulatory relief
- BroadbandOhio

**JobsOhio + Regional Partners**
- Amplify Ohio message
- Adjust JO 2.0, for post COVID conditions
- Assess effectiveness of new programs
- Maintain flexibility given economic unknowns

**Business Groups**
- Amplify Ohio message
- Safety best practices and playbooks
- Stoke consumer confidence
- Evangelize more secure supply chains
# JO Recovery Priorities

## Weaker Short-Term Investment Case
- Speculative site development
- Air service expansion

## Stronger Investment Case
- Grow resilient sectors (including Federal)
- Talent (matchmaking, tech talent, Industry 4.0)
- Innovation (districts, funds)
- Inclusive growth (people and places)
- Sites (tied to projects/strategic initiatives)

## Excluded Potential New Focus Areas
- Open, secure supply chains (reshoring)
- Reskilling/redeploying displaced workers
- Talent (retention and reshoring)
- Support broadband expansion
- Air service (restoration)
The Known Unknowns

- Need to monitor and understand the **temporal, geographic, demographic, and talent** implications of each:

- How well will health systems, governments, businesses and individuals respond to **flatten the infection curve**?

- What are the dimensions of **unemployment** and **business closures**?

- How have **public sector fund balances** been affected? What lasting impacts will this have?

- When will **consumer spending** rebound? In what ways will spending patterns change?

- What are the dimensions of **supply chain** resiliency?

- Which **sectors** and companies will decline and thrive? What are the global, state and regional dimensions?

- How many **COVID curves** will there be?

- How **long will the virus pose a serous health risk** to mass populations?