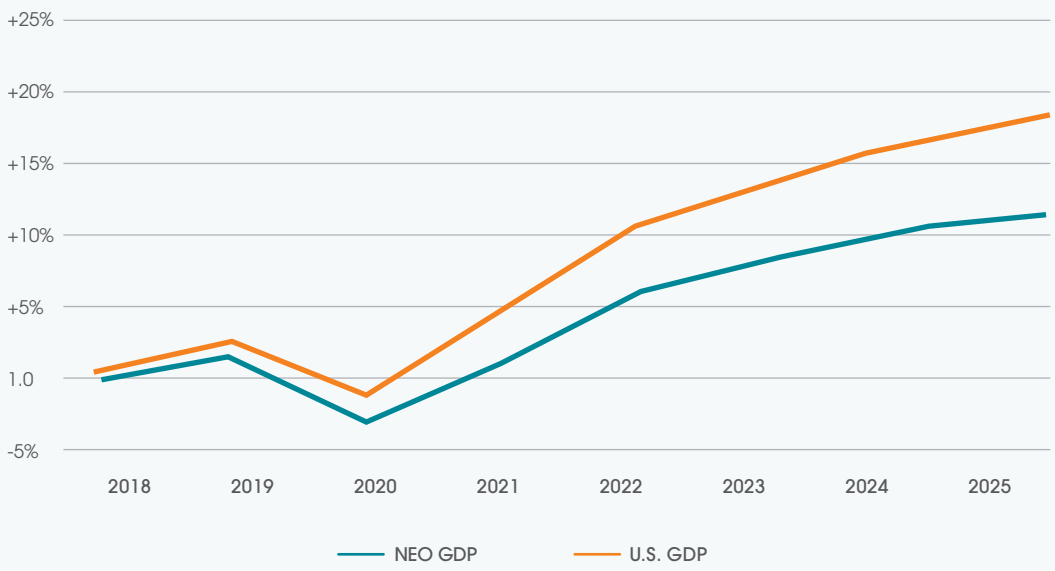
Post-Pandemic Economic Projections

as of March 2021

As the Coronavirus pandemic continues to affect economies around the world, Team NEO has analyzed March 2021 data from Moody's Analytics to project how the Northeast Ohio Region and its industry sectors are likely to be impacted.

Notably, Northeast Ohio GDP is projected to fully recover this year, while employment may not approach full recovery until 2025. Still, there is cause for renewed optimism as recent calculations indicate improvements over previous projections.

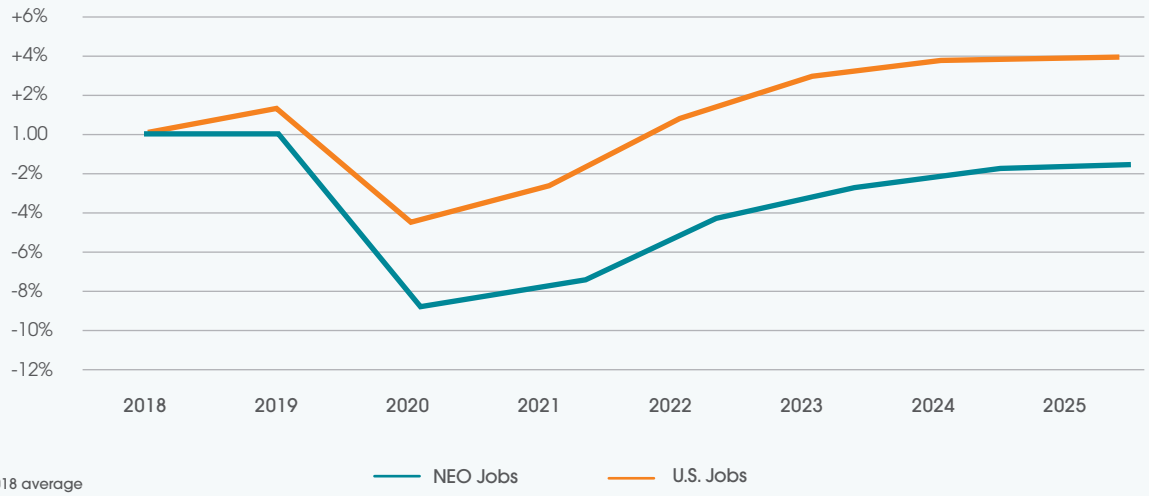
Projected Change in GDP: NEO vs U.S., 2018-2025



1.0 = 2018 average

Regional GDP is projected to fully recover in 2021, with growth of 4% over 2020. Similarly, the U.S. is projected to fully recover this year, with 5% growth over 2020.

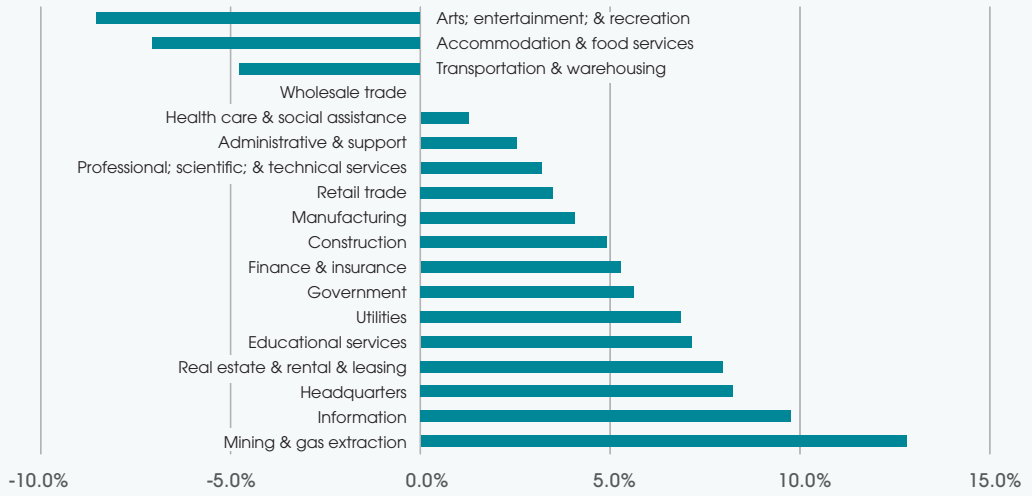
Projected Change in Employment: NEO vs U.S., 2018-2025



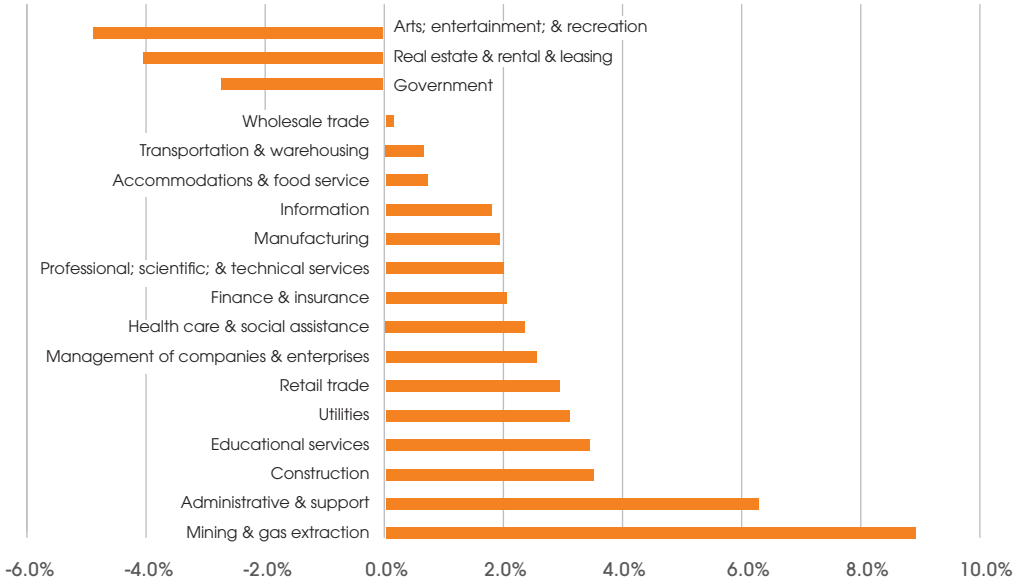
1.0 = 2018 average

Northeast Ohio Region employment is projected to grow 1.7%, up from an earlier estimate of less than 1% total projected growth, which had been based on fourth-quarter 2020 data. While this updated data is encouraging, particularly because it may be on the conservative side, the current projection doesn't indicate a return to full employment recovery until at least 2025. Meanwhile, the U.S. is projected to reach full recovery in 2022.

Projected Change in NEO GDP: 2020-2021



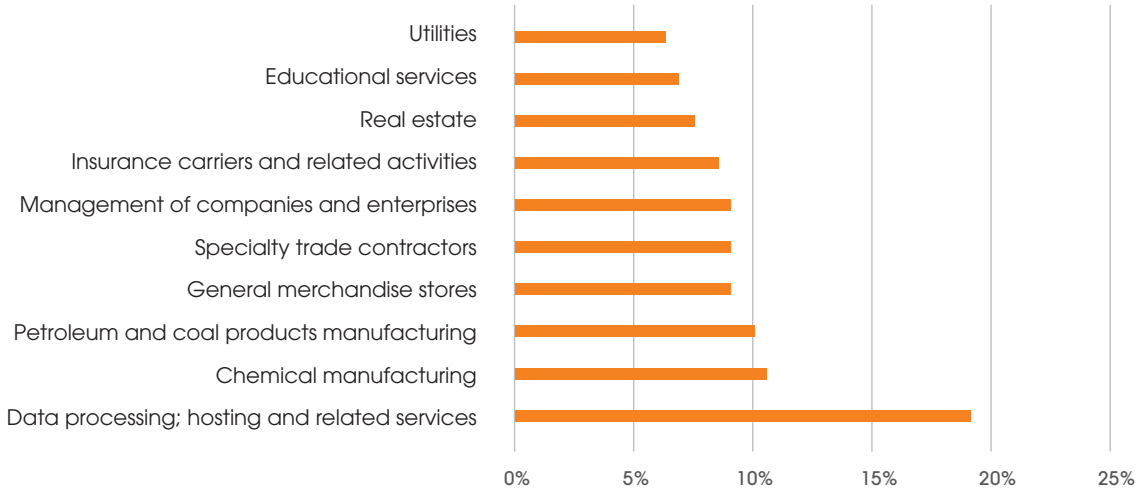
Projected Change in NEO Employment: 2020-2021



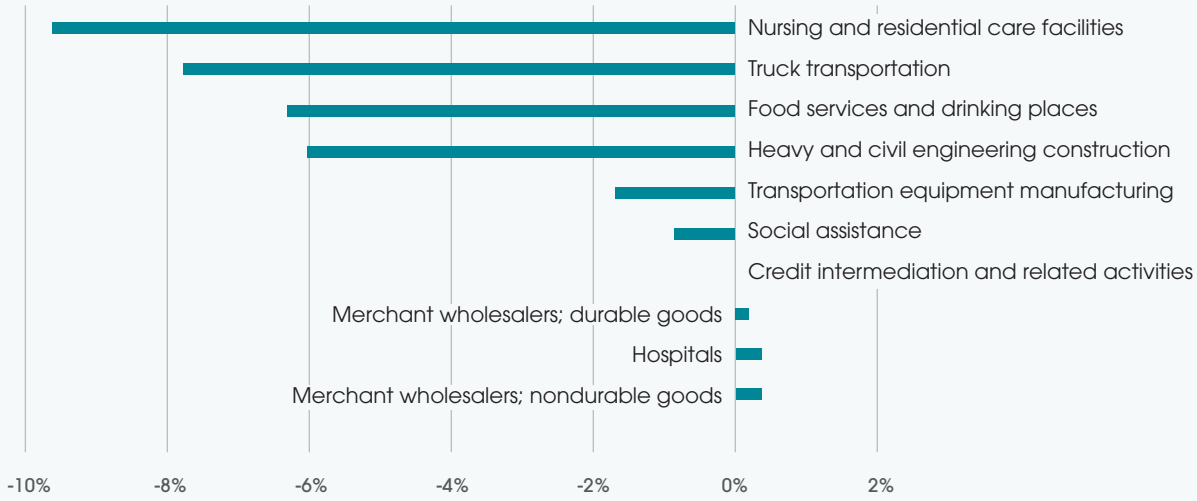
Almost all sectors of the economy are projected to increase GDP and add jobs in 2021, with the exception of some portions of leisure and hospitality, government and real estate. The mining and gas extraction sector is projected to see the highest percentage of growth in GDP, at 12.5%. Other sectors projected to fare well in GDP include information (9.6%), headquarters (8.1%), and real estate/rental and leasing (7.8%).

Mining and gas extraction is expected to lead in job growth as well, with an 8.6% projected increase in 2021. A close second, the administrative and support sector is projected to show a 6.3% year-over-year increase.

Largest Projected GDP Gains by Subsector: 2021
(*Minimum $1 billion GDP)

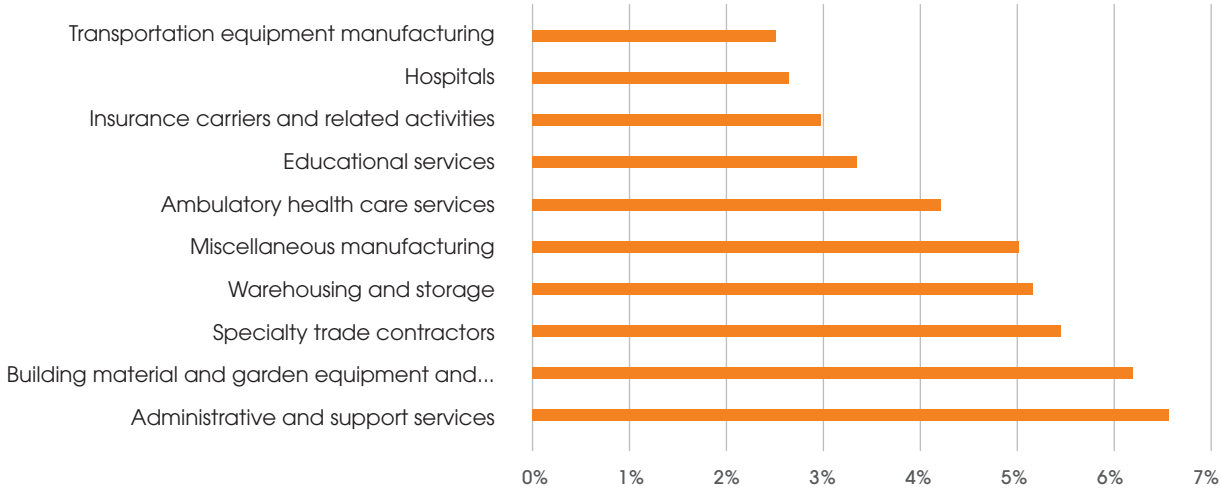


Largest Projected GDP Declines by Subsector: 2021
(*Minimum $1 billion GDP)

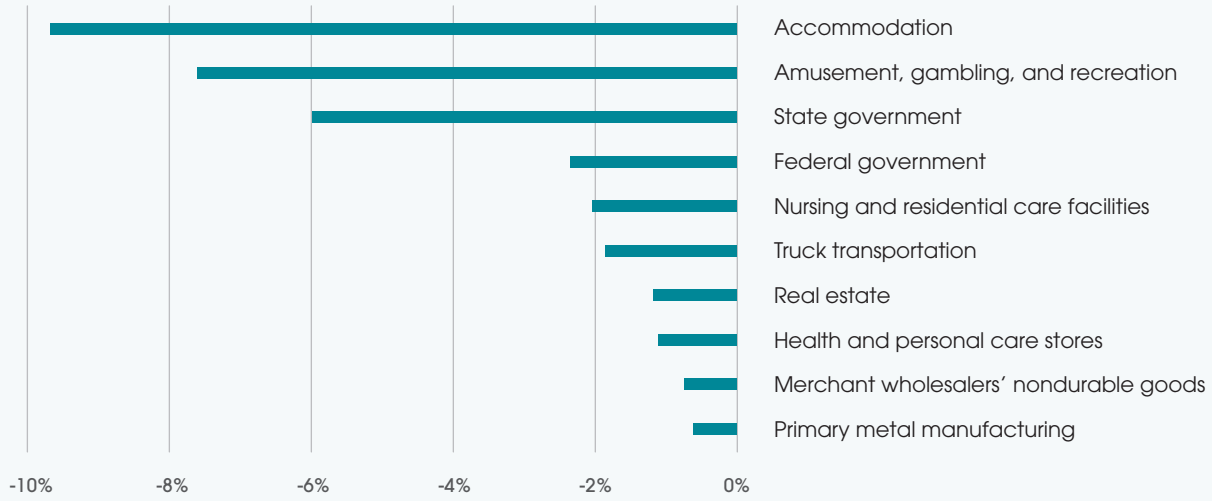


If we break down sectors of the economy more granularly, we can gain insight into subsector projected performance. Data processing (19%), chemical manufacturing (11%), and petroleum and coal products manufacturing (10%) are projected to gain the highest percentage increases in GDP from 2020 to 2021. Subsectors projected to experience declining GDPs this year include nursing and residential care facilities (-10%), truck transportation (-8%) and food services and drinking places (-6%).

Largest Projected Employment Gains by Subsector: 2021
(*Minimum 10k employees)



Largest Projected Employment Declines by Subsector: 2021
(*Minimum 10k employees)



In subsector employment, administrative and support services are expected to experience the greatest gains, adding 6.5% more employees from 2020 to 2021. Building material and garden equipment/supplies dealers are close behind, adding 6.3% more employees.

Meanwhile, leisure and hospitality subsectors are projected to see the greatest declines: The accommodation subsector is expected to reduce employment by 10%; amusement, gambling and recreation industries by 7.7%. State government is also among declining employment subsectors, with a projected 6.1% year-over-year decline in employment.

Keep in mind that these projections are subject to change based on a variety of factors. Importantly, the timing of the Northeast Ohio Region's return to normal activity levels may have a substantial impact on certain sectors. Team NEO will continue to monitor Moody's Analytics data and update these projections regularly to provide the most accurate forecasts possible.

Data Sources

The data used for this report is Moody's Analytics based on April annualized national and local projections to employment and GDP. It is important to note that it is still VERY EARLY into the COVID-19 crisis, and as such, all projections are highly subject to change. Moody's preliminary estimates have already been significantly revised nationally. Fully calculated data on the true impact to employment and GDP at the local level could take 18-24 months to understand. Early projections are likely to be conservative, as nationally forecasted changes for 2020 pre-COVID data have not been fully analyzed at the local level.

About Team NEO

Team NEO is a private, nonprofit economic development organization accelerating business growth and job creation throughout the 18 counties of the Northeast Ohio Region. As the designated JobsOhio Network Partner, we align and amplify local economic development efforts in the region's 18-counties; we conduct research and data analysis to inform local conversations and influence solutions; we market the Northeast Ohio Region; and we work to increase access to jobs, education and training for the region's 4.3 million people. We do this to build a more vibrant regional economy; one that is more talented, equitable, competitive, innovative, resilient and prosperous. For more information, visit **teamneo.org.**

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For a complete list of investors, visit teamneo.org/investors. To join Team NEO as an investor partner and help drive the next wave of economic growth in our region, connect with Dawn Southard, Vice President, Investor Relations at 440.476.0476 or dsouthard@teamneo.org.

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- Erie County Economic Development Corporation
- Geauga Growth Partnership, Inc.
- Greater Akron Chamber
- Greater Cleveland Partnership
- Growth Partnership for Ashtabula County
- Huron County Development Council
- Lake County Ohio Port & Economic Development Authority
- Medina County Economic Development Corporation
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- Richland Area Chamber & Economic Development
- Stark Economic Development Board, Inc.
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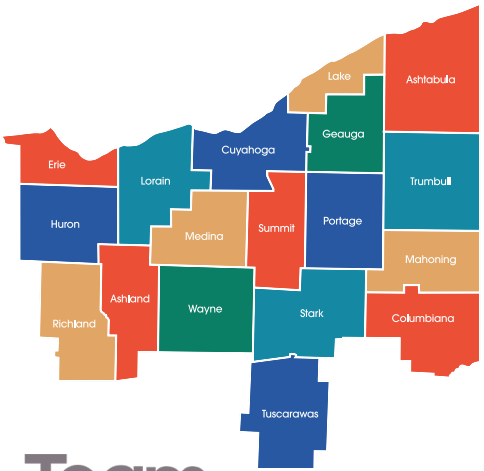

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