ECONOMIC ANALYSIS OF KEY PRESIDENTIAL ELECTION ISSUES: THE COLUMBUS REGION ECONOMIC PERSPECTIVE

Jung Kim | Columbus 2020
3 October 2016
Economic development organization for the 11-county Columbus Region

Network of public and private sector partners

Launched in 2010 to strengthen and diversify economic base:

- Build existing assets
- Attract new investment
- Create new business opportunities
- Continually improve Region as a business location
U.S. companies exported $2.2 trillion in goods and services in 2015, down slightly from the past two years but still far above historical levels.

Source: Census Bureau
In 2015, the U.S. reached record levels of FDI ($348bn)

Source: Bureau of Economic Analysis

Note: Net FDI equals greenfield investment and acquisitions minus closures and dispositions back to domestic ownership.
Columbus Region exports grew 56% from $6.9bn in 2003 to $10.7bn in 2015.

Services’ share of exports rose from 30% to 41%.

Source: Brookings Institution
COLUMBUS REGION EXPORTS

Export-supported jobs in the Columbus Region grew 30% from 2003 to 2015, compared to 9% overall job growth.

Source: Brookings Institution
# Columbus Region Exports

## Top 10 Industries by Export Sales ($M)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Sales ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Equipment</td>
<td>2,269</td>
</tr>
<tr>
<td>Financial Services</td>
<td>993</td>
</tr>
<tr>
<td>Chemical Manufacturing</td>
<td>867</td>
</tr>
<tr>
<td>Machinery Manufacturing</td>
<td>833</td>
</tr>
<tr>
<td>Travel &amp; Tourism</td>
<td>673</td>
</tr>
<tr>
<td>Royalties</td>
<td>567</td>
</tr>
<tr>
<td>Tech Sector</td>
<td>520</td>
</tr>
<tr>
<td>Food Manufacturing</td>
<td>404</td>
</tr>
<tr>
<td>Freight &amp; Heavy Industry</td>
<td>382</td>
</tr>
<tr>
<td>Electrical Equipment &amp; Appliances</td>
<td>362</td>
</tr>
</tbody>
</table>

Source: Brookings Institution
COLUMBUS REGION
INDUSTRIES AND TPP

- **Agriculture**: Meat and soybean exporters in particular will benefit from reduced foreign tariffs.

- **IT, Finance, Professional Services**: More clarity for service (“knowledge industry”) exports, including short-term business visits.

- **Apparel**: Neutral to positive for U.S. retail brands and production source countries (e.g. Vietnam).

- **Automotive**: Reduction of NAFTA regional value content may provide more flexibility for OEMs but affect suppliers.
The Columbus Region has 451 foreign-owned firms that employ >60,000 workers. Japanese-owned firms employ >25,000 workers.
International projects comprise about half of our active attraction projects.

74% of FDI projects announced from 2011 to 2016 YTD (August) are manufacturing or science/technology, versus 45% of domestic projects.

Source: Columbus 2020
COLUMBUS REGION FDI

Employment by entry year of foreign-owned establishment

From 1991 to 2011, M&A represented 58% of the Columbus Region’s employment growth in foreign-owned firms.

Source: Brookings Institution

Columbus-based pharma acquired as pure generic play in 1978. Now ~1,200 employees in Columbus Region.

Columbus-based company acquired in 1980s and consolidated with 6 other U.S. acquisitions. Now a major 3PL HQ with ~2,000 employees in Region.
A VALUE CHAIN PERSPECTIVE ON TRADE AND INVESTMENT

Apparel
Imports support thousands of HQ, office, IT and logistics jobs in the Columbus Region

Automotive
Parts can cross national borders within and outside NAFTA multiple times for cars assembled here or elsewhere

Abercrombie & Fitch
ascena retail group inc.
Eddie Bauer
EXPRESS
JCPenney
THE LIMITED
lululemon
athletica
thirty-one
TJX
THE TJX COMPANIES INC.
VICTORIA'S SECRET

HONDA
TS TECH AMERICAS, INC.
Cardington Yutaka Technologies Inc.
SHOWA AMERICAN SHOWA INC.
KEIHIN

THE COLUMBUS REGION
# A Value Chain Perspective on Trade and Investment

Auto parts manufacturing value added per worker

<table>
<thead>
<tr>
<th>Location</th>
<th>Value Added per Worker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio</td>
<td>$134,235</td>
</tr>
<tr>
<td>México (nation)</td>
<td>$21,362</td>
</tr>
<tr>
<td>Chihuahua</td>
<td>$18,972</td>
</tr>
<tr>
<td>Coahuila</td>
<td>$19,120</td>
</tr>
<tr>
<td>Guanajuato</td>
<td>$22,682</td>
</tr>
<tr>
<td>Jalisco</td>
<td>$20,722</td>
</tr>
<tr>
<td>México (state)</td>
<td>$24,519</td>
</tr>
<tr>
<td>Nuevo León</td>
<td>$27,481</td>
</tr>
<tr>
<td>Querétaro</td>
<td>$18,671</td>
</tr>
<tr>
<td>San Luis Potosí</td>
<td>$19,110</td>
</tr>
</tbody>
</table>

Sources: 2013 data from the U.S. Census Bureau, 2013 Annual Survey of Manufactures and Instituto Nacional de Estadística y Geografía, Censos Económicos 2014
Multinational manufacturing companies hire an extra 250 U.S. workers for every 100 employees they bring on in Mexico. (Source: Peterson Institute)

Automation manager at Wisconsin plant who started career at $5.50/hour: “The robots do my [old] job, and I am managing people that manage them.”
IMMIGRATION IN COLUMBUS

Age by nativity, Columbus MSA

63% of foreign-born residents in the Columbus metro are of prime working age (age 25 to 54), compared to 41% of their U.S. born counterparts.

Source: Census Bureau, American Community Survey 2015
Entrepreneurship

- Immigrants represent 10.5% of Columbus metro business owners, versus 7.7% of the population.
- >40% of Fortune 500 companies were founded by immigrants or the children of immigrants (Partnership for a New American Economy).
- 51% of unicorn startups (>\$1 billion valuation) had at least one immigrant founder (National Foundation for American Policy).
IMMIGRATION IN COLUMBUS

Income range by nativity

<table>
<thead>
<tr>
<th>Income Range</th>
<th>U.S.-born</th>
<th>Foreign-born</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$25K</td>
<td>30%</td>
<td>25%</td>
</tr>
<tr>
<td>$25-35K</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>$35-50K</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>&gt;$50K</td>
<td>15%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Educational attainment by nativity, adults age 25+

<table>
<thead>
<tr>
<th>Educational Attainment</th>
<th>U.S.-born</th>
<th>Foreign-born</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school graduate</td>
<td>30%</td>
<td>25%</td>
</tr>
<tr>
<td>High school graduate (includes equivalency)</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>Some college or associate's degree</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>Graduate or professional degree</td>
<td>10%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Census Bureau, American Community Survey 2015
IMMIGRATION IN COLUMBUS

Poverty rate by nativity, year of entry into U.S.

Source: Census Bureau, American Community Survey 2015
THANK YOU

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