



International Trade Realities for the 21st Century in Ohio

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“By means of glasses, hotbeds, and hotwalls, very good grapes can be raised in Scotland, and very good wine too can be made of them at about thirty times the expense for which at least equally good can be brought from foreign countries. Would it be a reasonable law to prohibit the importation of all foreign wines, merely to encourage the making of claret and burgundy in Scotland?”

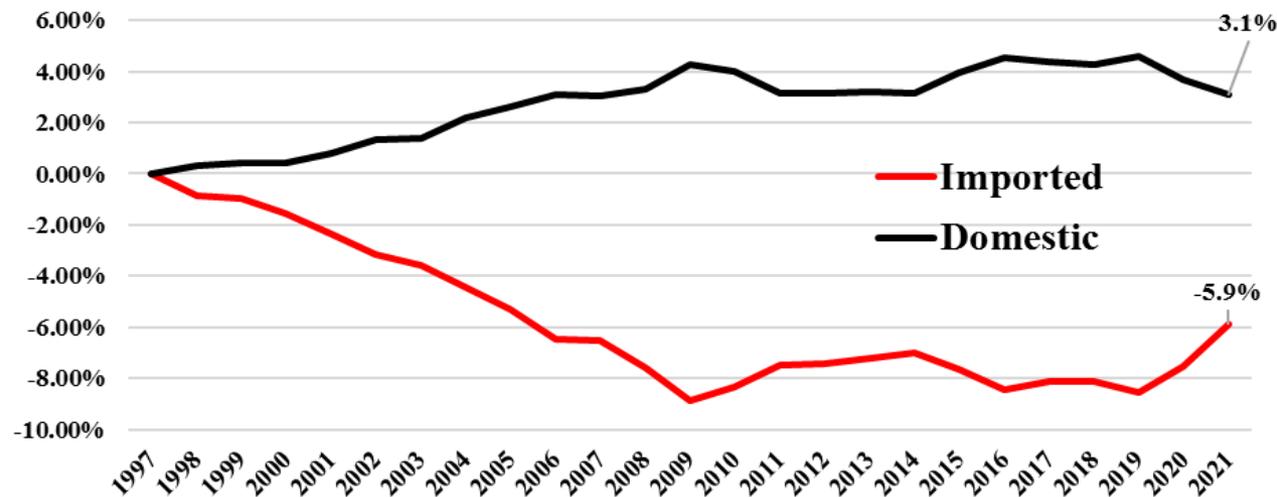
-Adam Smith, 1775

What has trade done for Ohioans?

Cut the price of traded goods!

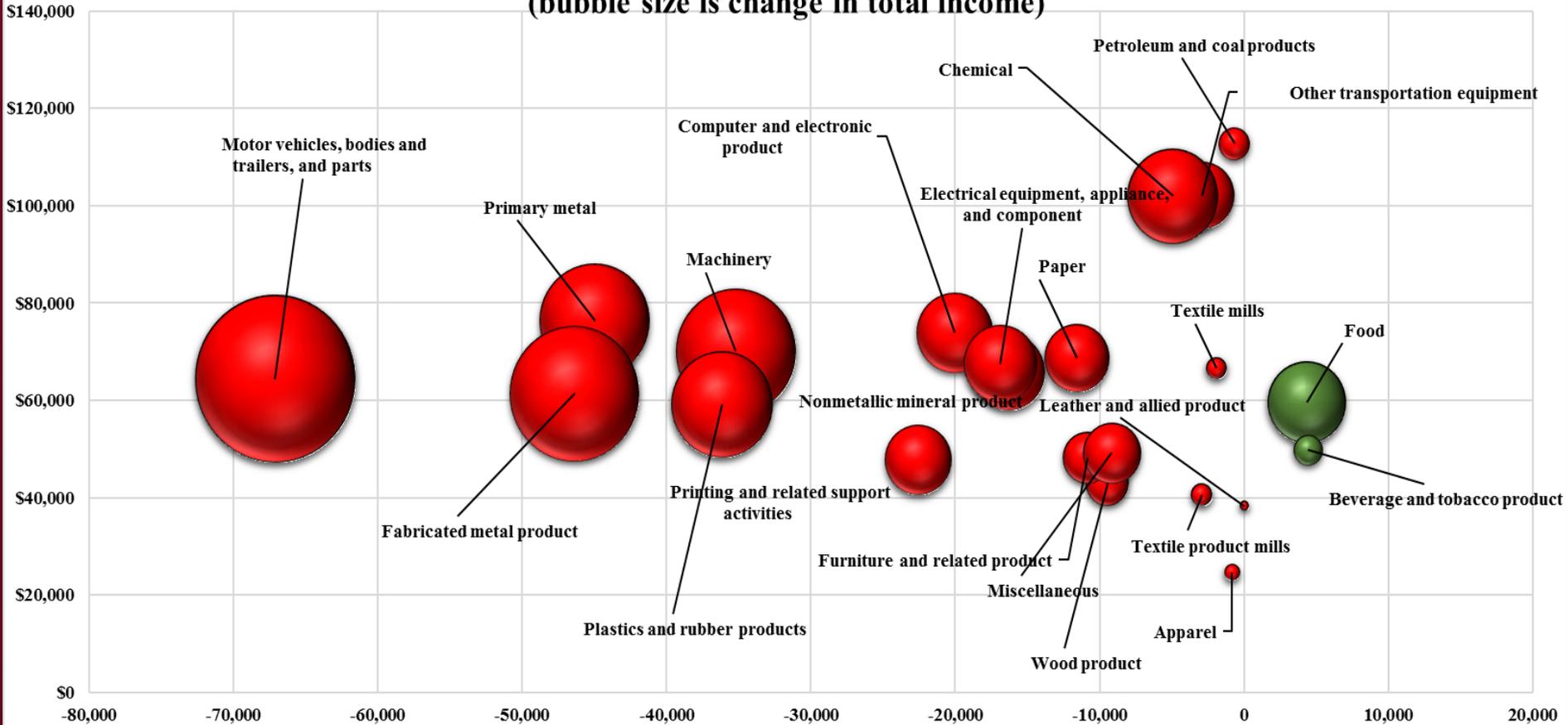
Source: Bureau of Economic Analysis and author's calculations

Change in Share of Personal Consumption Expenditures on Imported and Domestic Goods and Services in Ohio (1997-2021)



What has happened to jobs in tradable sectors?

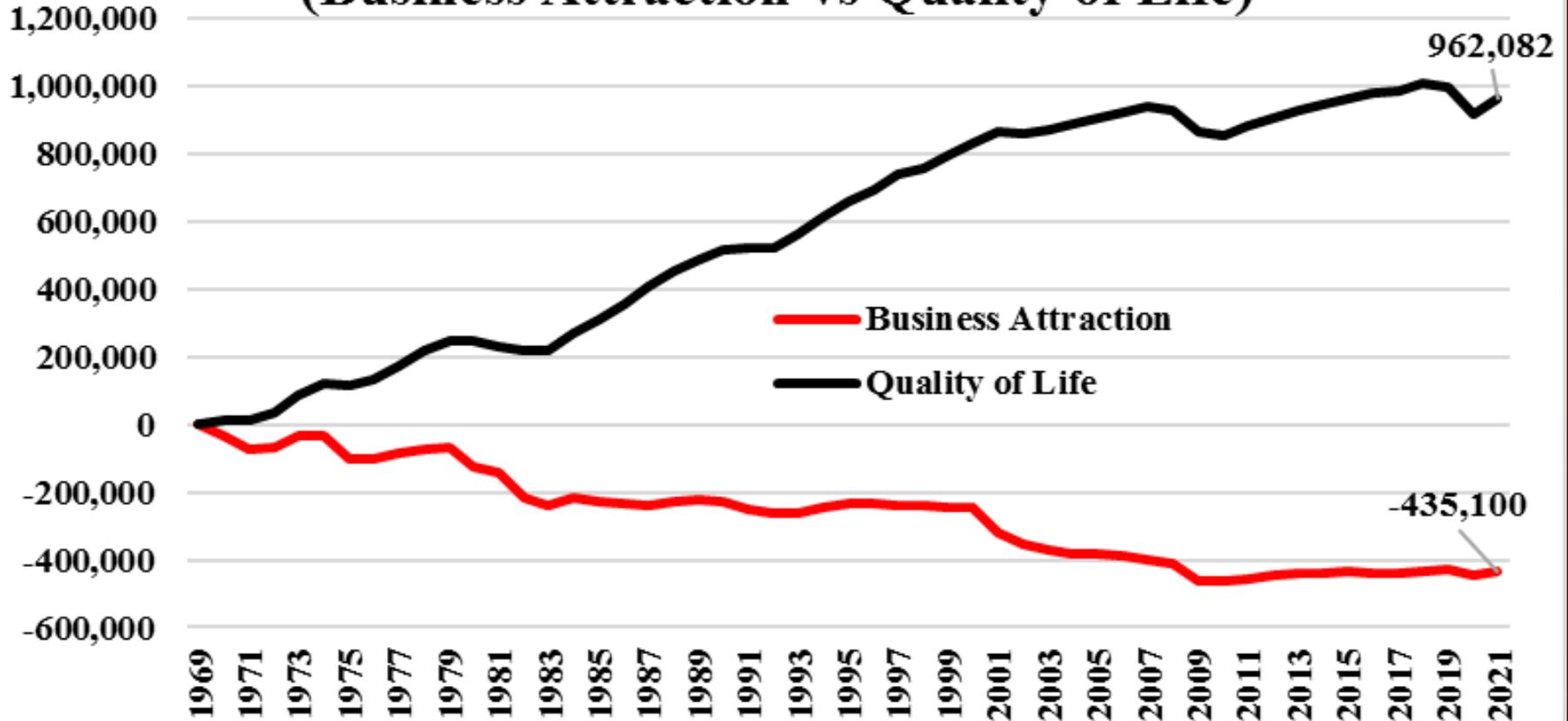
Manufacturing Wages and Employment Change in Ohio, 2000-2021
(bubble size is change in total income)



They are in steep decline . . .

Has public policy had an effect?

Cumulative Job Growth in NEO (Business Attraction vs Quality of Life)



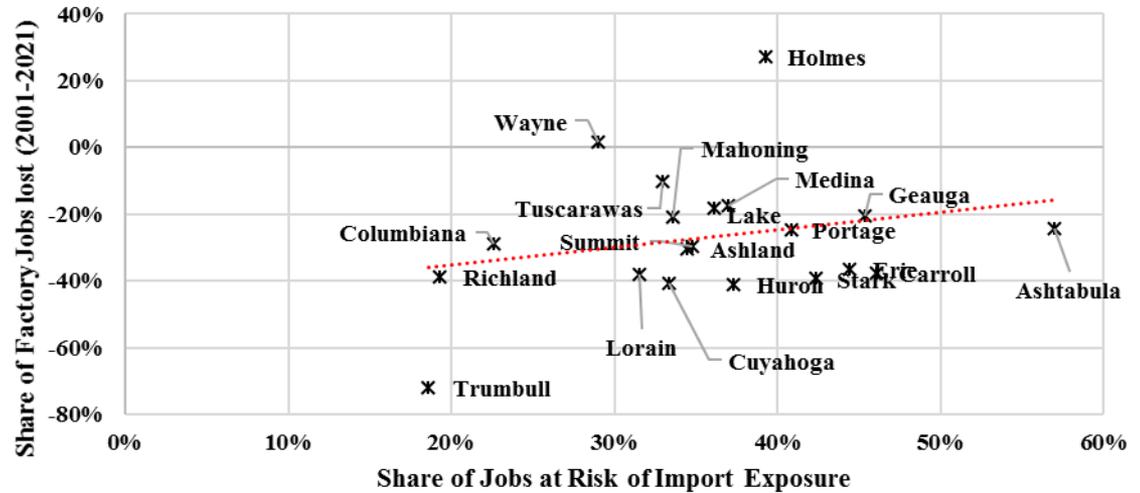
No, not in preserving tradable sector jobs

But, is trade really what is affecting NEO?

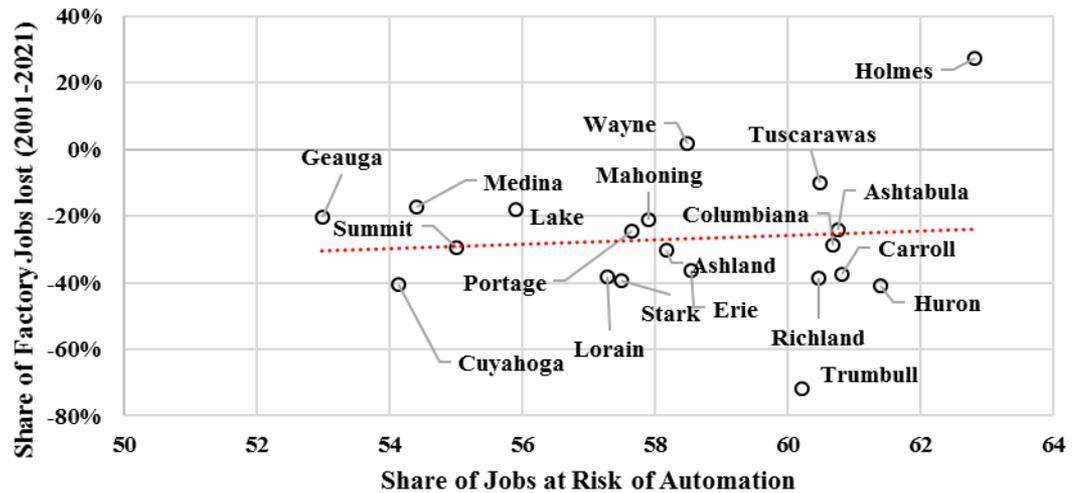
No, it is probably simple productivity, which might be pressured by trade.



Manufacturing Job Losses versus Import Exposure



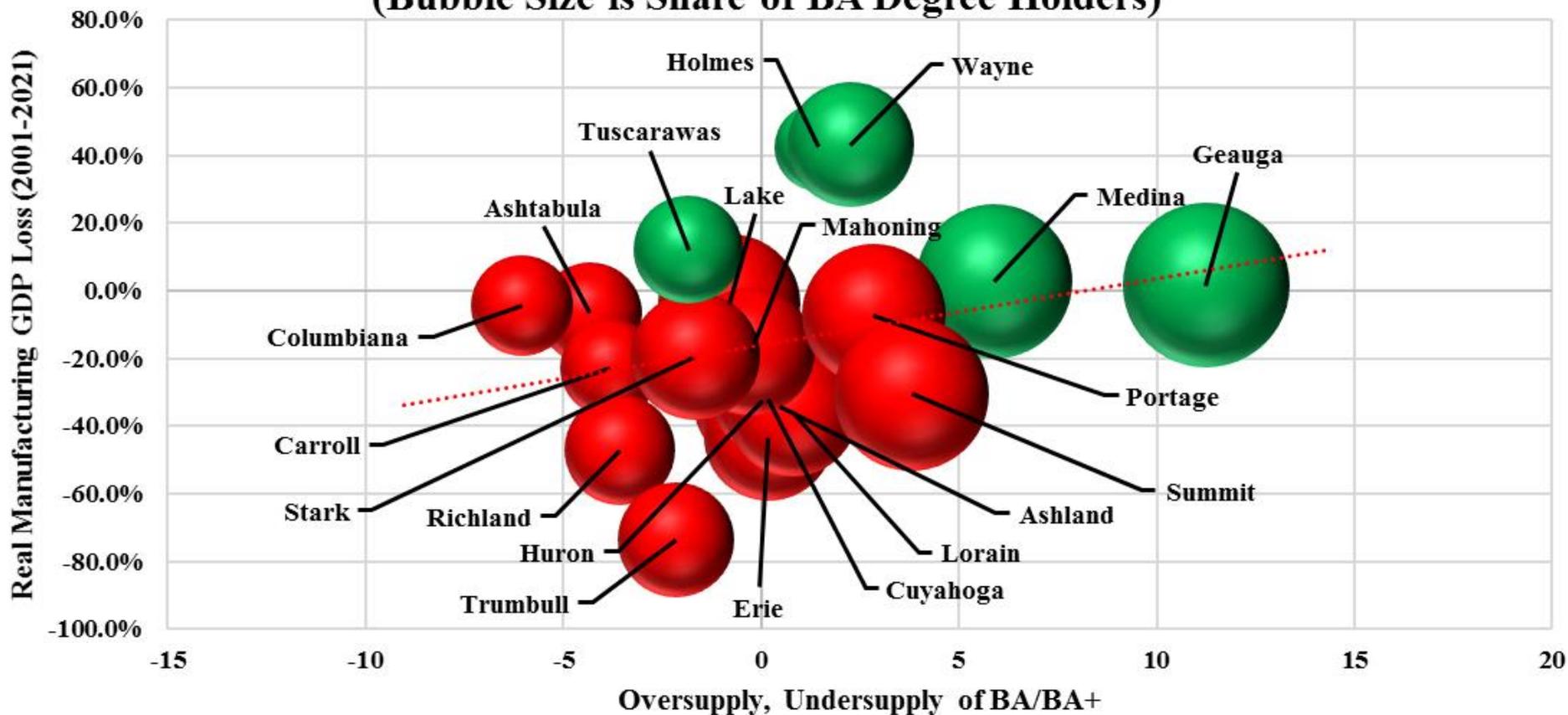
Manufacturing Job Losses versus Automation Exposure





Educational Attainment is driving GDP growth, even in manufacturing – it is Automation!

NEO Manufacturing GDP Loss, and Over/Under Supply of BA Degree Holders (Bubble Size is Share of BA Degree Holders)



Source: Hicks, Weinstein and Wornell, 2023b.

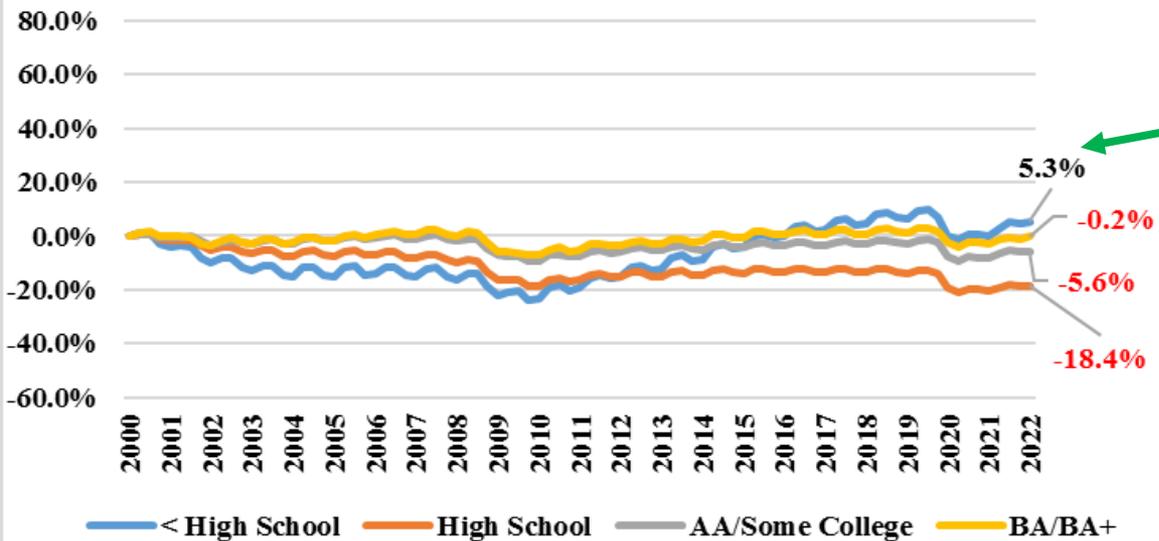
Mike Hicks: ChatGPT, What would Adam Smith say today about productivity enhancing innovations?

ChatGPT: Smith would likely see many of the technological innovations of today, such as automation, artificial intelligence, and the internet, as powerful tools for increasing productivity and economic growth. He would likely view these innovations as opportunities for businesses to become more efficient and competitive, and for workers to increase their output and earn higher wages.

However, Smith would likely also caution against potential negative effects of technological change, such as displacement of workers and growing inequality. He would likely advocate for policies to support workers and communities that are negatively impacted by innovation, such as retraining programs and social safety nets.



Cumulative Employment Growth by Educational Attainment, Adults in NEO

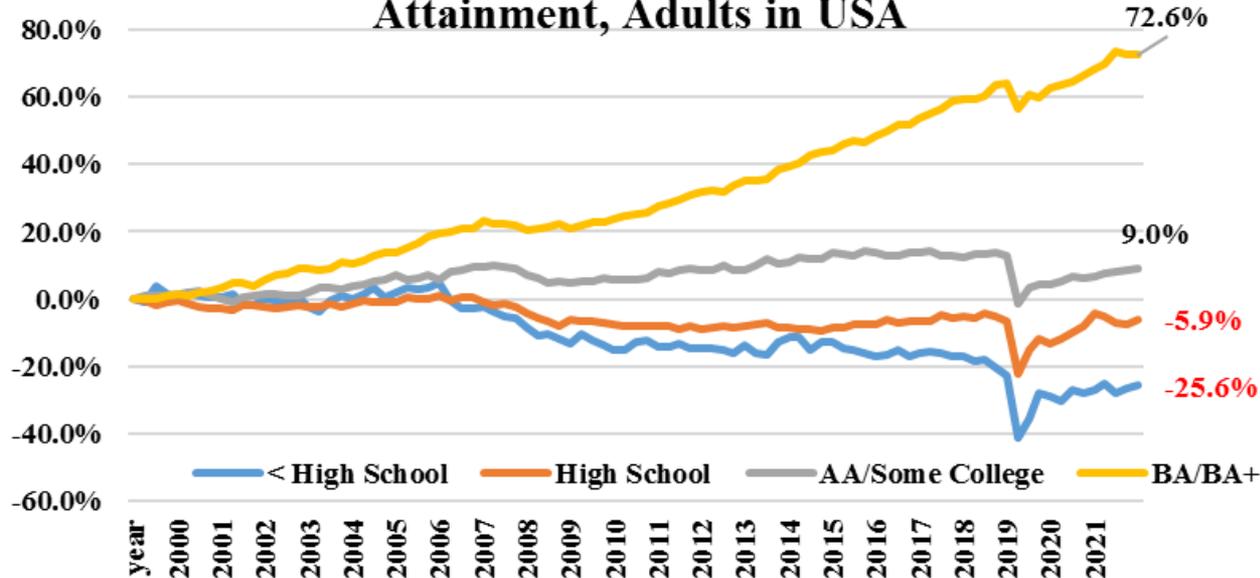


NEO is seeing job growth for drop outs, USA is seeing job growth for college graduates

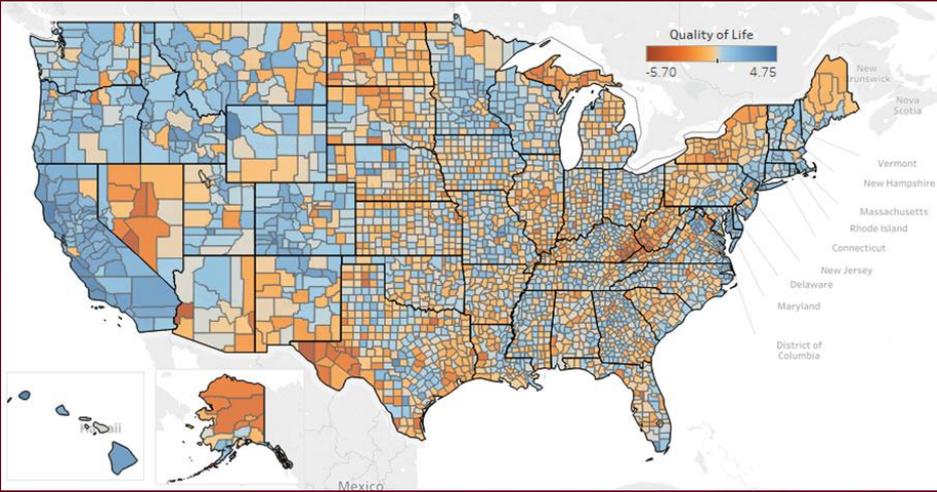
This is a mostly a supply-side, not a demand-side problem

(for the BA/BA+)

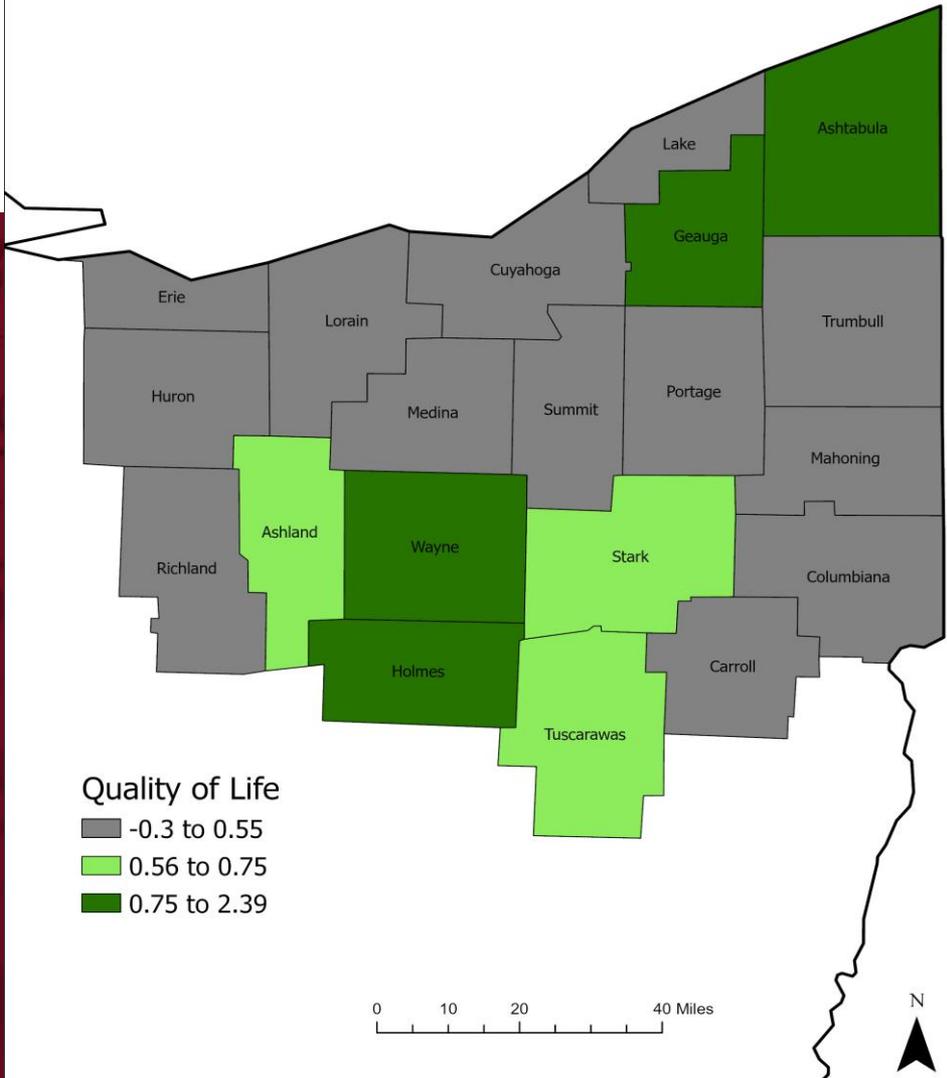
Cumulative Employment Growth by Educational Attainment, Adults in USA



Quality of Life in Northeast Ohio is not what you think it is . . . It is average, or much above

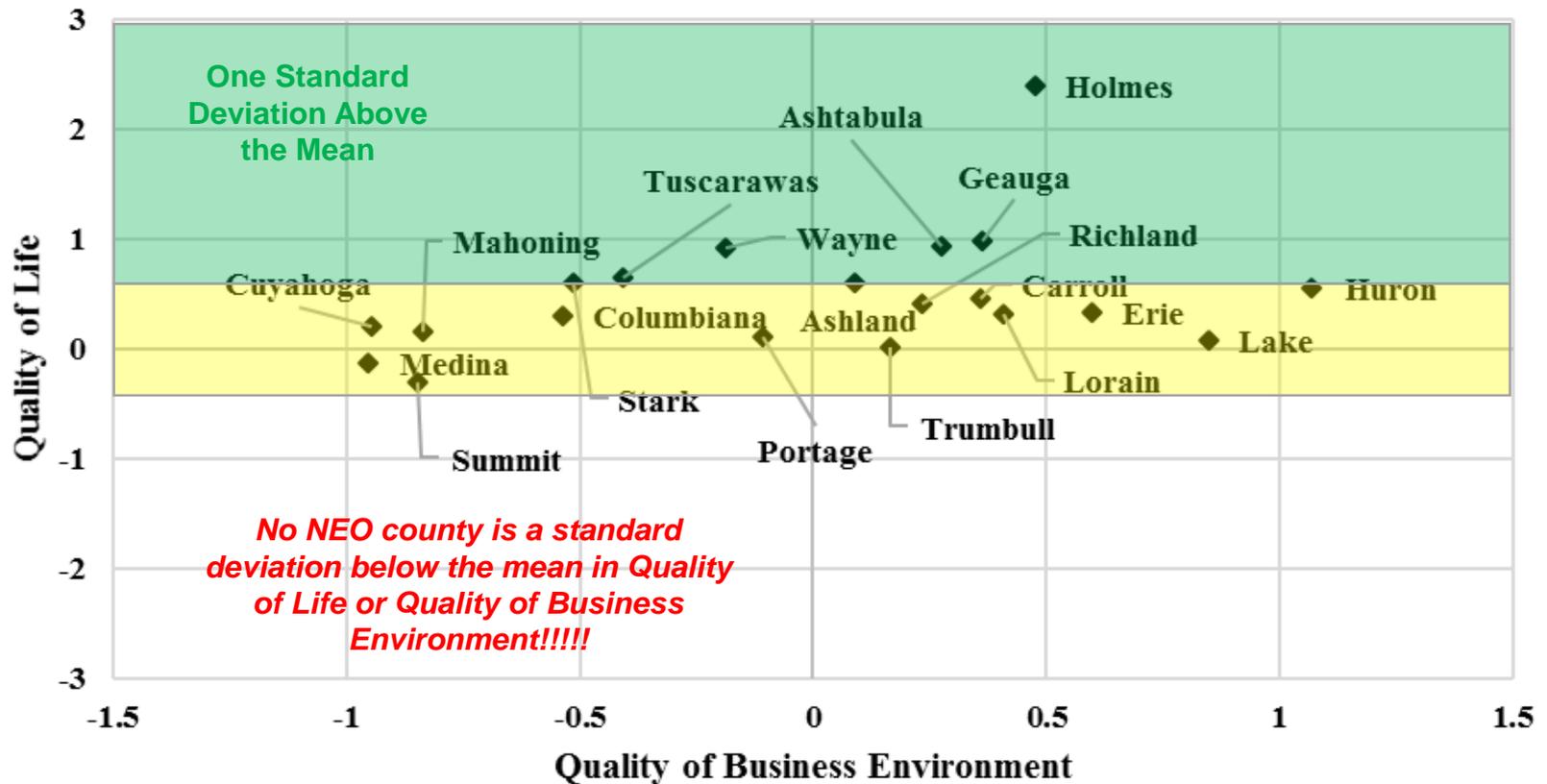


- Grey denotes 1 standard deviation from the national average
- Green is 1 or more standard deviations above the national average



North East Ohio's HUGE opportunity is in Quality of Life

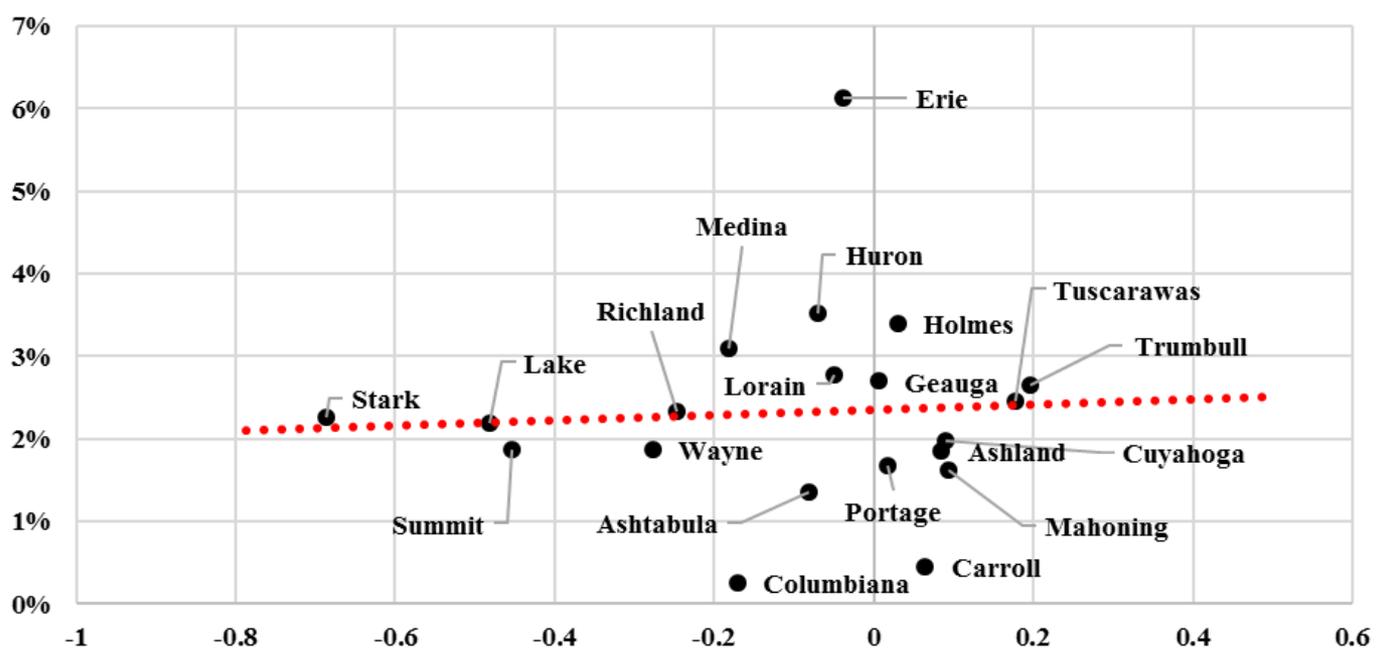
Quality of Life versus Quality of Business Environment (NEO Region, 2019)





Very strong evidence of exploding migration to high quality of life places in the post-COVID period

Post-COVID change in Employment and Quality of Life in NEO Counties

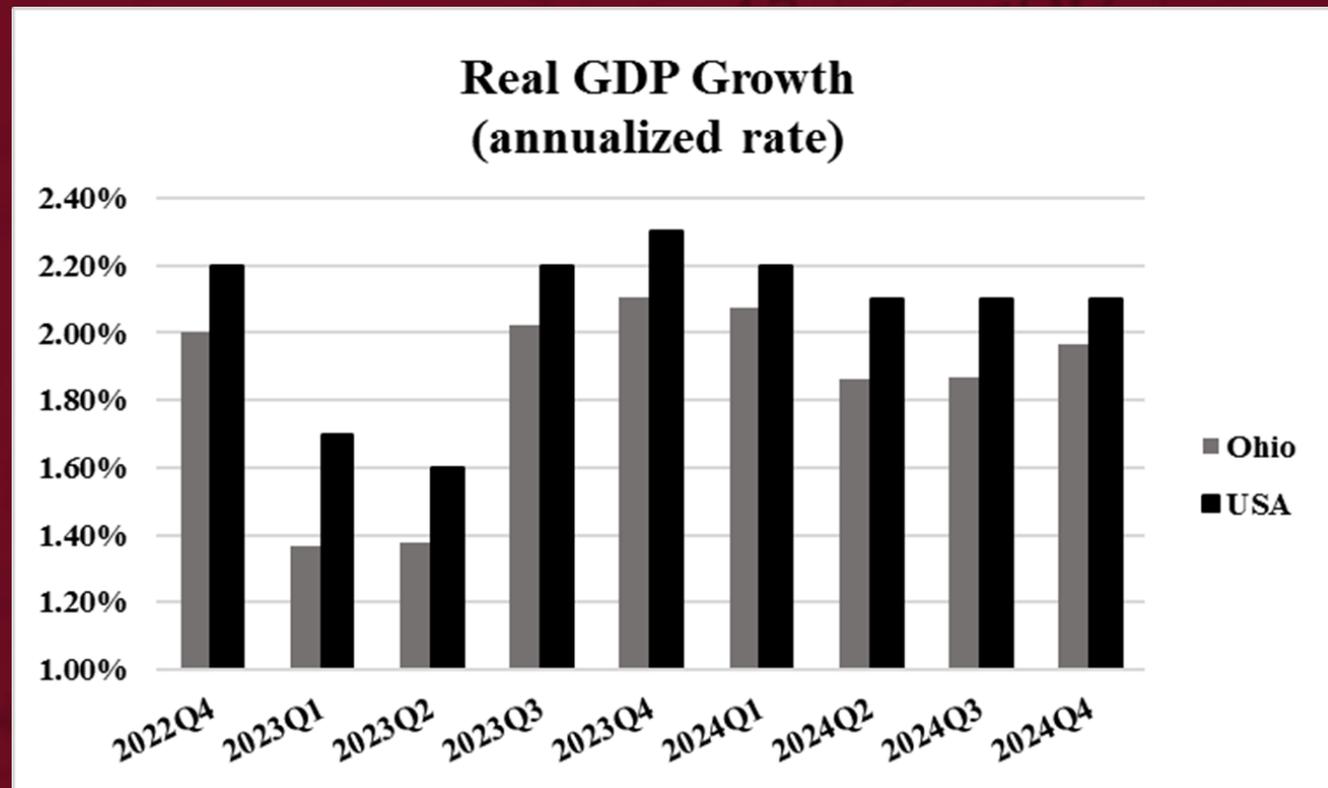


Source: Hicks, Weinstein, and Wornell, 2022

As of March 14, a full 595,000 Ohio College Graduates were working remotely full time, and 48% at least partially remote.

Education	1-2 days per week	3-4 days per week	Full Time
Less than high school	0.0%	0.0%	9.5%
High school or GED	1.1%	0.5%	10.1%
Some college/associate's degree	3.9%	4.8%	14.6%
Bachelor's degree or higher	12.2%	12.5%	23.2%

- Real GDP growth in Ohio will lag the US slightly through 2024
- This is based on no largescale post COVID change (which is unrealistic)
- High Quality of Life places are seeing faster population, employment and thus GDP growth.



Some Very Optimistic post-COVID Changes

County	Relative to USA		Relative to Ohio	
	Employment Growth	New Business Starts per 100k	Population growth	Population Growth
Ashland	1.7%	13.0	-0.2%	-0.2%
Ashtabula	1.4%	59.7	-0.1%	-0.1%
Carroll	0.4%	8.9	0.0%	0.0%
Columbiana	0.3%	28.8	-0.3%	-0.3%
Cuyahoga	1.9%	227.6	-1.0%	-1.0%
Erie	6.3%	26.6	-0.8%	-0.8%
Geauga	2.5%	5.2	0.2%	0.2%
Holmes	2.7%	7.5	0.2%	0.2%
Huron	3.5%	21.0	-0.1%	-0.1%
Lake	2.1%	102.3	-0.2%	-0.2%
Lorain	2.6%	20.4	0.7%	0.7%
Mahoning	1.7%	74.6	-0.5%	-0.5%
Medina	2.9%	161.5	0.3%	0.3%
Portage	1.6%	130.5	0.4%	0.4%
Richland	2.4%	51.3	0.3%	0.3%
Stark	2.2%	1,788.5	-0.1%	-0.1%
Summit	1.8%	1,383.7	-0.4%	-0.4%
Trumbull	2.9%	65.4	0.0%	0.0%
Tuscarawas	2.3%	59.0	-0.6%	-0.6%
Wayne	1.7%	43.1	-0.1%	-0.1%



Thank You!



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