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Manufacturing in Ohio bounces back

By Mark Williams

After being pummeled by the worst recession since the Great Depression, manufacturing is on the rebound in Ohio.

The sector has added 54,000 jobs in the state over the past four years, the best gain in the past 20 years in such a period, according to state employment figures.

It is a similar story nationally, with the U.S. adding about 600,000 jobs in the same time.

“Ohio is going to be in the epicenter of something pretty good,” Jim Russell, U.S. Bank’s regional investment director, said recently at the Ohio Bankers League’s annual economic summit.

Such optimism is rooted in several trends that are brightening the outlook for an area of the economy that has withstood its share of darker days. Consider the following:

Newly developed energy sources are expected to provide manufacturers a cheaper, more-abundant supply of natural gas, which is used in most factories.

Higher wages and concerns about quality in places such as China have eroded some of the advantage of production abroad, prompting employers to move jobs back to the U.S., where manufacturing wages have been flat.

The U.S. employs technology — including computer software — in manufacturing that is superior to that in other countries.

Manufacturers are looking to keep suppliers close by to improve stability and efficiency, also spurring a return of jobs.

The recent recession also spurred changes, as manufacturers reacted by putting more emphasis on investing in technology and product development, said Eric Burkland, president of the Ohio Manufacturers Association.

“Coming out of the last deep recession, when all the cuts were made in budgets and head counts and some of the plants, there was tremendous caution about hiring,” he said.

“That’s gone now. People are hiring. There’s a great deal of confidence generally because of the competitive conditions in Ohio.”

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