

City of Cincinnati Income Tax Forecast

FY2022-FY2027

Earnings Tax Forecast

FY2022-2027

- Population Trends
- Industry Trends
- Employment
- Forecast
- Potential Risk Implications

Population Trends

2021-2027

	City of Cincinnati*	Cincinnati MSA	United States
Population Change %	4.0%	3.0%	4.0%
Jobs Change %	-1.0%	3.0%	5.0%
Current Average Earnings	\$87,785	\$71,927	\$75,544
COL Index	100.7	96.8	100

Source: Emsi Burning Glass.

*Zip code approximation, Emsi

Population Trends

2020-2030

Region	Population		Population Change	Growth Rate
	2020	2030		
City of Cincinnati*	422,956	447,241	24,285	5.7%
Cincinnati MSA	2,232,421	2,339,246	106,339	4.8%
State of Ohio	11,693,217	11,867,529	174,312	1.5%
United States	329,484,123	346,460,056	16,975,933	5.2%

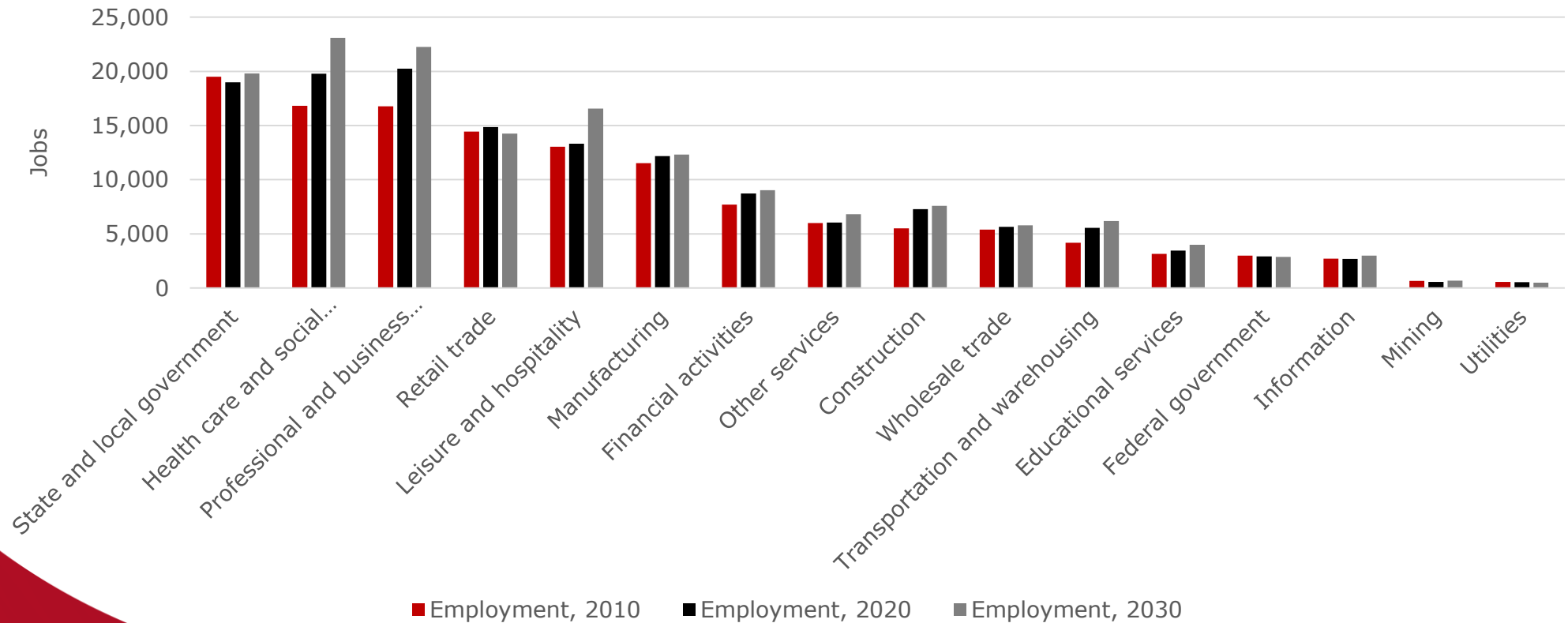
Source: Emsi Burning Glass.

*Zip code approximation

National Industry Trends

2010-2030

Employment By Industry in 2010, 2020, and 2030
(Jobs in thousands)

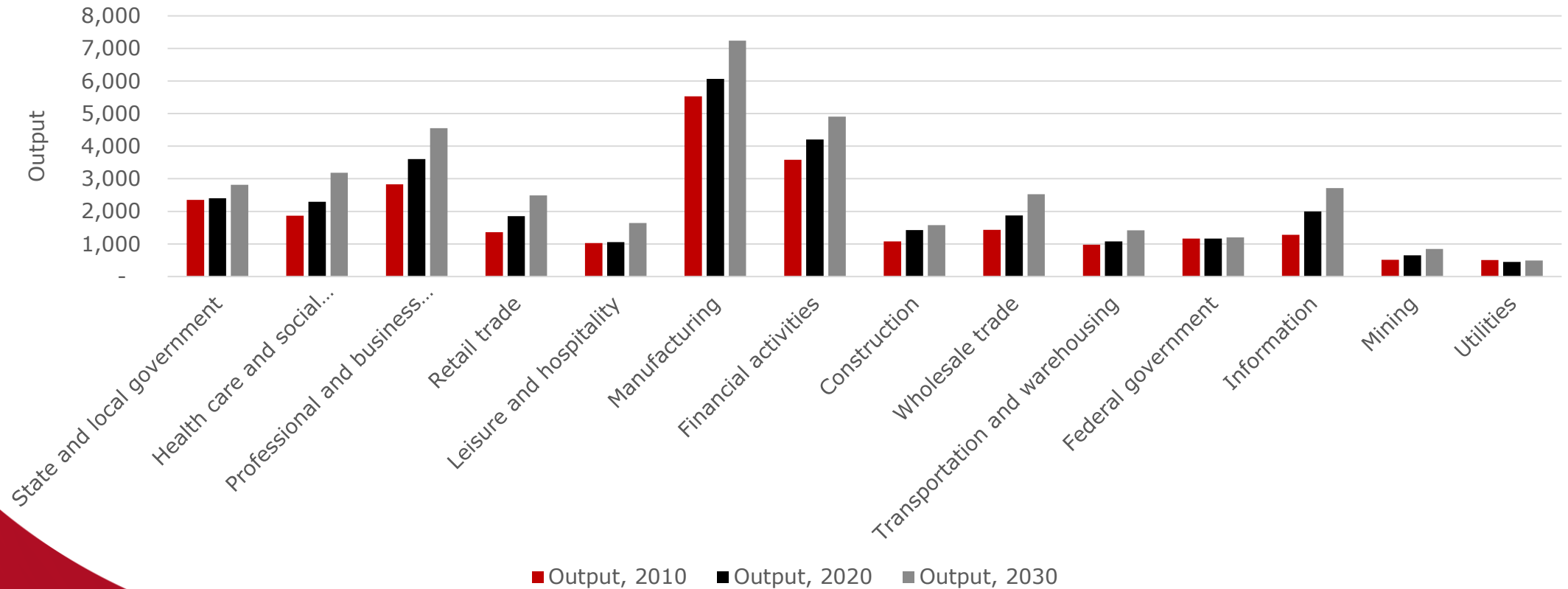


Source: BLS Employment by Major Industry, Table 2.1

National Industry Trends

2010-2030

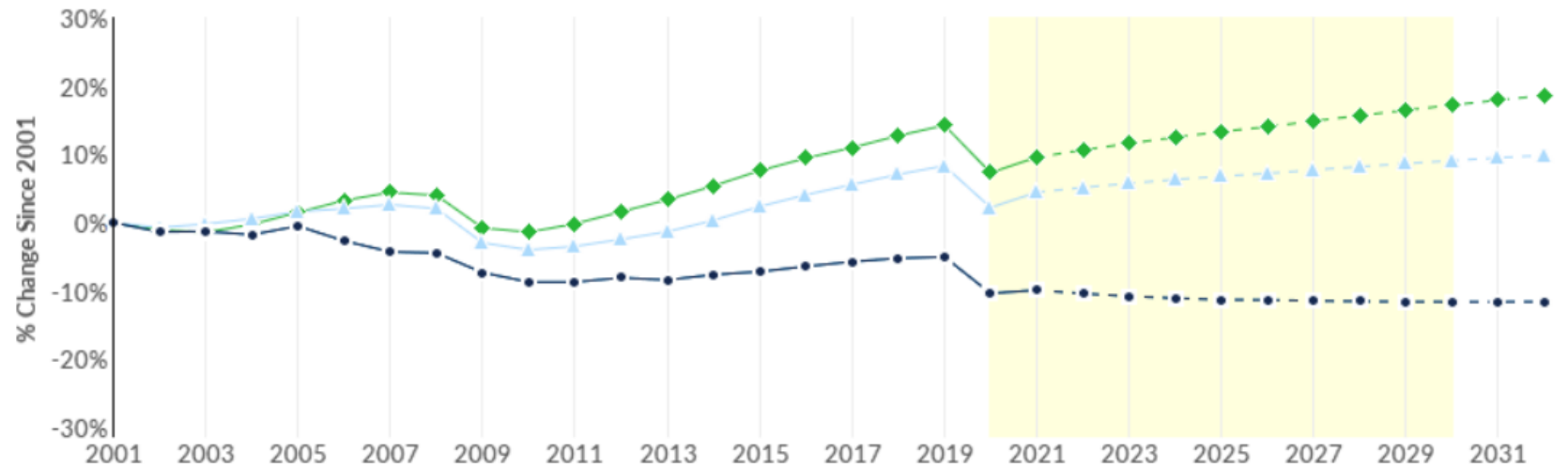
Output By Industry in 2010, 2020, and 2030
(\$billion in 2012 dollars)



Source: BLS Output by Major Industry, Table 2.2

Employment Trends

2020-2030



Region	2020 Jobs	2030 Jobs	Change	% Change
● City of Cincinnati	246,392	242,976	-3,416	-1.4%
▲ Cincinnati MSA	1,009,095	1,076,971	67,876	6.7%
◆ United States	139,103,792	151,949,341	12,845,549	9.2%

Source: Emsi Burning Glass.

Estimated Collections and General Fund FY2022-2027

Fiscal Year	Forecasted Collections (\$M)	Percent Change	General Fund, Pred. (\$M)	General Fund, Smoothed (\$M)
2021	\$409.60		\$330.86	
2022*	\$383.24	-6.44%	\$321.43	\$321.43
2023*	\$398.37	3.95%	\$343.04	\$327.04
2024*	\$400.28	0.48%	\$344.69	\$332.65
2025*	\$402.48	0.55%	\$346.58	\$338.25
2026*	\$404.29	0.45%	\$348.14	\$343.86
2027*	\$405.84	0.38%	\$349.47	\$349.47

Source: Economics Center model results and calculations.

Earnings Tax Forecast

FY2022-2027

- There are two major different risk/confidence thresholds to be mindful of:
 - Confidence Intervals
 - Statistical measure of the model
 - Based on historical actuals
 - Employee/employer behavior
 - Work-from-home
 - Earnings tax refunds
- Based on a comparison of past collections as well as potential increases in refund utilization, the Economics Center maintains an expected risk of 16.0 to 24.0 percent of earnings taxes being at risk in part due to a portion of workers in the City returning to the office but some also maintaining a hybrid or entirely work-from-home work environment.

Estimated Collections and General Fund FY2022-2027

Fiscal Year	Forecasted General Fund (\$M)	90 CI Lower Bound (\$M)	90 CI Upper Bound (\$M)
2021	\$330.86	\$330.86	\$330.86
2022*	\$321.43	\$304.82	\$341.27
2023*	\$343.04	\$278.37	\$422.74
2024*	\$344.69	\$277.11	\$428.75
2025*	\$346.58	\$276.15	\$434.97
2026*	\$348.14	\$275.01	\$440.70
2027*	\$349.47	\$273.80	\$446.08

Source: Economics Center model results and calculations.

Based on estimates of FY2021 and the 2022-2027 model/refund risks, these are the estimates for the forecasted general fund as well as potential lower and upper bounds for likely outcomes based on earnings tax legislation and refund utilization. These bounds represent the general fund less the funds that are most likely at risk for refund. Compound average growth is approximately 1.7% per year.