

FOURTH DISTRICT METRO MIX

YOUR DISTRICT, YOUR DATA



CINCINNATI, OHIO MSA | AUGUST 2017

FEDERAL RESERVE BANK of CLEVELAND

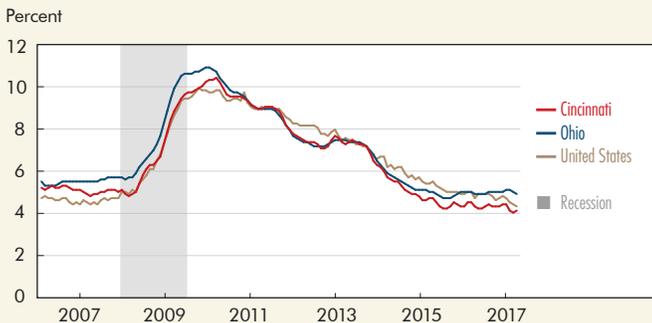
Cincinnati—Continued Strong Performance

The Cincinnati metro area continues to perform more strongly than Ohio across various metrics. Compared to Ohio, Cincinnati's unemployment rate and credit card delinquency rate are lower, while its home price values and payroll employment growth are higher. Generally, the metro area and the nation as a whole report comparable figures, except in terms of home prices. However, Cincinnati's credit card delinquency rate was lower than that of the nation during the first quarter of 2017.

METRO AREA SNAPSHOT

	Unemployment Rate		Median Home Value		Payroll Employment		Credit Card Delinquency Rate	
	May 2017 (percent)	One-year change (percentage points)	May 2017	One-year change (percent)	December 2016 (thousands)	One-year change (percent)	2017:Q1 (percent)	One-year change (percentage points)
Cincinnati	4.1	-0.2	\$151,600	6.3	1,030	1.3	6.1	-0.2
Ohio	4.9	0.0	\$127,500	5.7	5,330	0.7	6.7	-0.2
United States	4.3	-0.4	\$199,200	7.4	142,524	1.3	7.1	-0.6

The unemployment rate in the Cincinnati metro area was lower than in both the state and the nation.

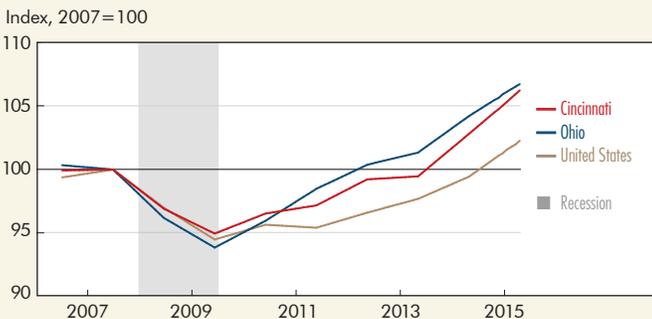


Source: Bureau of Labor Statistics/Haver Analytics.

◀ UNEMPLOYMENT RATE

Between July 2015 and April 2017, the unemployment rate in the Cincinnati metro area generally plateaued. Then, beginning in April 2017, there was a slight uptick to 4.0 percent, and in May 2017, the rate climbed a little further to 4.1 percent. However, the metro area's unemployment rate was still lower in May 2017 than the unemployment rate in Ohio and in the nation, which were 4.9 percent and 4.3 percent, respectively. Still, the metro area's rate was much lower than its peak rate since the last recession (10.5 percent in March 2010).

Since 2009, the Cincinnati metro area's real GDP per capita has risen faster than the nation's for every year except 2013.



Source: Bureau of Economic Analysis/Haver Analytics.

◀ GROSS DOMESTIC PRODUCT

Between 2014 and 2015, the Cincinnati metro area's real GDP per capita increased by 3.4 percent, outdoing the increases in Ohio and the nation (2.4 percent and 2.9 percent, respectively) during the same period. Relative to the beginning of the last recession in 2007, both the Cincinnati metro area and Ohio have seen stronger increases in real GDP per capita levels than did the nation. In 2015, the Cincinnati metro area's real GDP per capita was 6.3 percent higher than its 2007 level, Ohio's was 6.8 percent higher, and the nation's was 2.3 percent higher. In fact, except for 2013, the Cincinnati metro area has had faster per capita GDP growth than the nation in every year since 2009.

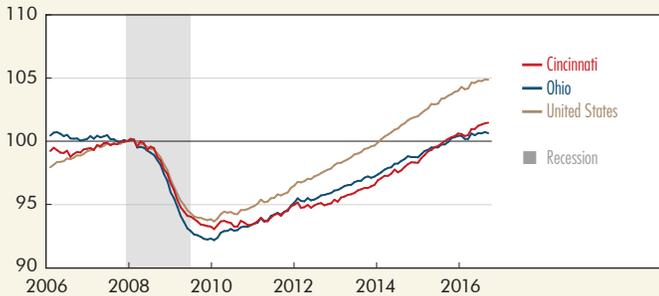
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The Cincinnati metro area's employment has trended upward since 2010.

Index, 2007:M12=100



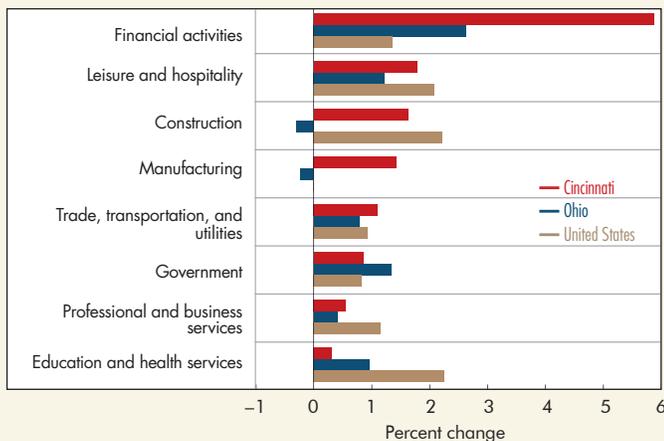
Source: Bureau of Labor Statistics' Quarterly Census of Employment and Wages.

EMPLOYMENT AND INDUSTRIAL SECTORS

◀ EMPLOYMENT

In 2016, the Cincinnati metro area added 1,030 jobs—a 1.3 percent increase from the previous year. Employment levels in the Cincinnati metro area have generally been trending upward since 2010. Compared to the beginning of the last recession, the metro area's employment growth has been slightly better than Ohio's, but neither have kept pace with the nation's growth. In 2016, employment in the metro area was 1.5 percent above its level at the start of the last recession in December 2007. By contrast, employment in Ohio was 0.7 percent higher than its level at the start of the recession, while the nation's employment was 5.0 percent above its level at that time.

The metro area's financial activities sector saw the greatest employment growth in 2016.



Source: Bureau of Labor Statistics' Quarterly Census of Employment and Wages.

◀ EMPLOYMENT GROWTH BY SECTOR

During 2016, all of the Cincinnati metro area's largest industry sectors experienced increases in employment. Financial activities experienced the highest year-over-year percentage change in employment, increasing by 5.9 percent. This was followed by employment in leisure and hospitality, which increased by 1.8 percent, and construction, which increased by 1.6 percent. With the exception of the government sector and the education and health services sector, the Cincinnati metro area saw higher rates of employment gains than did Ohio. The metro area also had higher employment gains than the nation in all sectors except education and health services, professional and business services, and leisure and hospitality. The sector with the lowest year-over-year percentage gains in the Cincinnati metro area was education and health services.

Trade, transportation, and utilities provided the most jobs in the Cincinnati metro area in 2016.

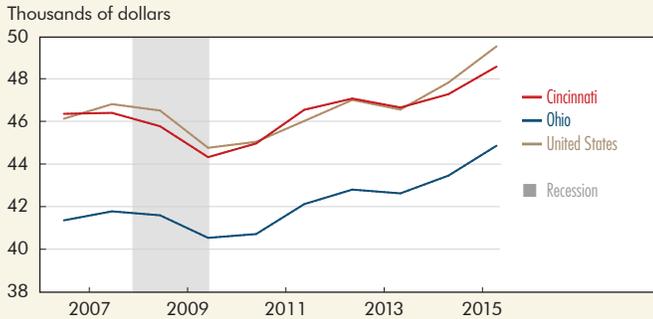
Sector	Employment	12-month change	Share of employment
Trade, transportation, and utilities	209,900	2,300	20.2
Professional and business services	162,555	907	15.7
Education and health services	160,100	516	15.4
Government	118,308	1,004	11.4
Leisure and hospitality	115,693	2,040	11.2
Manufacturing	115,081	1,624	11.1
Financial activities	66,346	3,689	6.4
Construction	43,234	693	4.2

Source: Bureau of Labor Statistics' Quarterly Census of Employment and Wages.

◀ SECTOR EMPLOYMENT

As of December 2016, the trade, transportation, and utilities sector constituted 20.2 percent of the Cincinnati metro area's employment; employment for this sector was 209,900—2,300 more jobs than in the previous year. The construction sector, which employed 43,234 as of December 2016 and thus constituted only 4.2 percent of the metro area's employment, saw an increase of 693 jobs from the previous year. The government sector, which employed 118,308 and constituted 11.4 percent of the metro area's total employment, saw an increase of 1,004 jobs from 2015 to 2016.

Income per capita has been rising steadily since 2013.



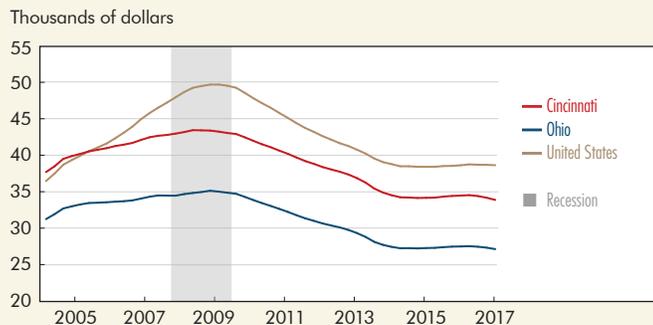
Source: Bureau of Economic Analysis/Haver Analytics.

INCOME

INCOME PER CAPITA

Income per capita in the Cincinnati metro area fell to its lowest point since 2006—\$44,321—during the Great Recession. Since 2013, it has been steadily increasing in the metro area as well as in Ohio and the nation. As of June 2015, income was \$48,626 in the metro area (up from \$46,682 in 2013); \$44,864 in Ohio (up from \$42,598); and \$49,589 in the nation (up from \$46,583). Though the metro area's 2015 income per capita was higher than Ohio's, it still trailed that of the nation. Between 2014 and 2015, the metro area, Ohio, and the nation saw increases in income per capita of 2.8 percent, 3.3 percent, and 3.6 percent, respectively.

Average debt levels in the Cincinnati region remain well below pre-Great Recession debt levels.



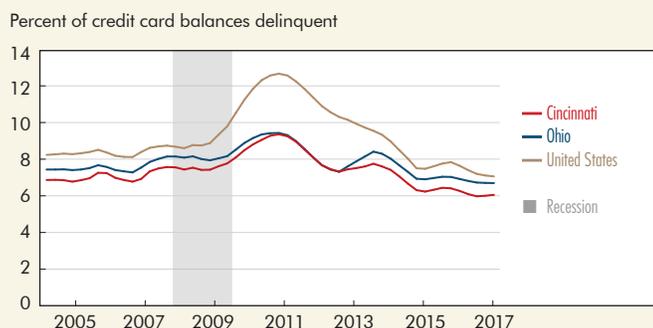
Source: Authors' calculations from the Federal Reserve Bank of New York's Consumer Credit Panel/Equifax.

CONSUMER FINANCES

CONSUMER DEBT

As of March 2017, consumer debt per capita in the Cincinnati metro area was \$33,797, a slight decrease from March 2016, when consumer debt per capita was \$34,402. Since June 2014, consumer debt per capita for the metro area, state, and nation has generally plateaued. Though consumer debt per capita in March 2017 for the metro area was higher than that of Ohio (\$26,905), it was lower than that of the nation (\$38,657) and much lower than its peak level during the recession (\$43,563).

The Cincinnati metro area's delinquency rate is lower than that of Ohio and the United States.



Source: Authors' calculations from the Federal Reserve Bank of New York's Consumer Credit Panel/Equifax.

CREDIT CARD DELINQUENCY RATES

The credit card delinquency rate in the Cincinnati metro area has been fairly flat since approximately December 2014. The rate decreased slightly (0.2 percentage points) from March 2016 to March 2017, but it has increased slightly in the past few months (from 6.0 percent in December 2016 to 6.1 percent in March 2017). The metro area's most recent delinquency rate was lower than that of Ohio and the nation (6.7 percent and 7.1 percent, respectively) and much lower than its highest rate after the last recession (9.4 percent in December 2010).

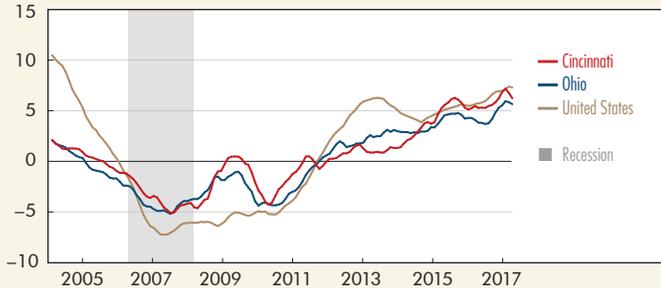
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As of May 2017, housing prices in the Cincinnati metro area rose 6.3 percent year-over-year.

Year-over-year percent change



Source: Zillow.com/Haver Analytics.

HOUSING MARKET

HOUSING PRICES

The median house price in the Cincinnati metro area as of May 2017 was \$151,600, a 6.3 percent increase from the previous year. The year-over-year percent change in housing prices generally has been trending upward since June 2011, the month that marked a 4.1 percent fall in year-over-year percent change. However, between April and May 2017, the year-over-year percent change in house prices decreased from 6.8 percent to 6.3 percent. The metro area's year-over-year housing price growth was higher than Ohio's but lower than the nation's (5.7 percent and 7.4 percent, respectively). Still, the metro area's year-over-year percent change was significantly higher than the lowest figure observed since 2006 (-5.2, during the recession).

The number of building permits issued in the Cincinnati metro area has increased about 4 percent since the start of the last recession.

Index, 2007:M12=100, six-month moving average



Source: US Census Bureau/Haver Analytics.

HOUSING PERMITS

Building permits for single-family homes have been experiencing a general upward trend since April 2011 and, as of June 2017, are 4.3 percent above their level at the start of the last recession in 2007. By contrast, the number of housing permits issued in Ohio was 13.0 percent lower in June 2017 than in 2007, while the number of permits issued in the nation was 1.5 percent higher in June 2017 than in 2007.

DEMOGRAPHICS AND EDUCATION

CINCINNATI, OHIO

Both the Cincinnati metro area and the nation have seen increases in their populations since 2010 (1.8 percent and 3.7 percent, respectively). The increases in the Cincinnati metro area can be attributed to natural increases, specifically birth rates and international migration—domestic migration has been negative for the metro area since 2001. Both the Cincinnati metro area and the nation have seen increases in the percentage of adults with at least a bachelor's degree. They have also seen decreases in the percentage of adults with less than a high school diploma. Between 1970 and 2010, the percentage of adults earning at least a bachelor's degree in the Cincinnati metro area has been modest compared to other metropolitan areas of the United States and the nation overall. Typically, the Cincinnati metro area trails the metropolitan portion of the nation in percentage of adults with at least a bachelor's degree. Cincinnati has historically seen higher percentages of adults with at least a bachelor's degree than the nation overall.

	Cincinnati Metro Area		United States	
	2015	Change from 2010	2015	Change from 2010
Population	2,155,392	+1.8%	320,897,000	+3.7%
Adults with less than a high school diploma (percent)	9.5	-2.3	12.9	-1.6
Adults with an undergraduate degree or higher (percent)	32.1	+2.9	30.6	+2.4
Median age (years)	37.7	+0.6	37.8	+0.6
Median household income	\$58,676	+1.4%	\$57,591	+2.5%

Source: US Census Bureau population estimates, American Community Survey.

All monthly and quarterly figures are seasonally adjusted and all dollar figures are in current dollars, except home prices (which are left nominal). Where applicable, these adjustments are made prior to calculating percent changes or indexes. Several charts use indexed measures to facilitate comparisons across regions and have a reference line at 100. These numbers can be thought of as the percentages of pre-recession levels. If levels were growing before the recession, pre-recession indexes will be below 100; if levels were falling before the recession, pre-recession indexes will be above 100. Cincinnati metro area employment was imputed for the construction; financial activities; leisure and hospitality; and professional and business services sectors due to suppression in the source data.

The Federal Reserve Bank of Cleveland, including its branch offices in Cincinnati and Pittsburgh, serves the Fourth Federal Reserve District (Ohio, western Pennsylvania, the northern panhandle of West Virginia, and eastern Kentucky).