

# FOURTH DISTRICT METRO MIX

YOUR DISTRICT, YOUR DATA



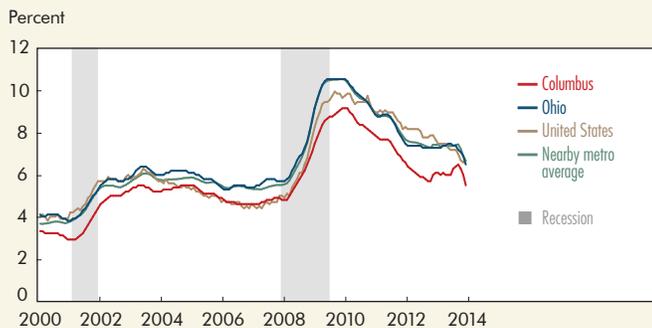
COLUMBUS, OHIO MSA | SECOND QUARTER, 2014

FEDERAL RESERVE BANK of CLEVELAND

## Columbus – Continuing along the Path of Growth

Although the recovery decelerated slightly during the last half of 2013, the Columbus economy remains strongly on the path of economic growth. The Columbus region continues to outpace the state of Ohio and other nearby metro areas in terms of employment and output growth. Because of its large investment in services dominated by educational institutions, the presence of the state capital, and multiple Fortune 500 companies either headquartered or doing business there, the region continues to see solid recovery across multiple sectors.

Unemployment rose 0.7%, but is still below the state and national averages

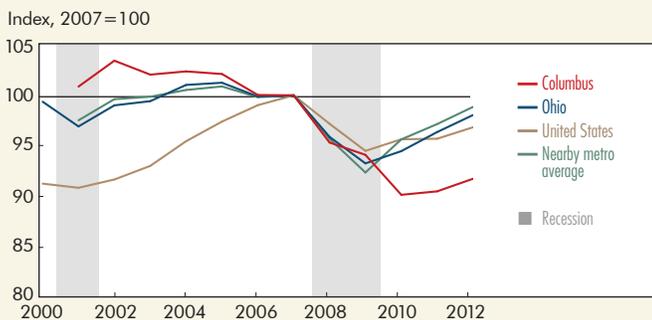


Source: Bureau of Labor Statistics/Haver Analytics.

### ◀ UNEMPLOYMENT RATE

The region's unemployment rate rose during the latter half of 2013, but declined in recent months. The metro area's unemployment rate was 5.5 percent in February 2014, down from 6.1 percent a year earlier. Even during the fall of 2013, it was lower than both the state and national averages. The increase was largely due to a slowing of growth in key sectors such as professional and business services and finance. Additionally, growth in auto demand slowed late in the year due to the harsh winter, thereby slowing hiring at local auto parts suppliers. However, overall expectations for 2014 remain bright as growth has recently resumed in these and several other key sectors.

Columbus's per capita GDP has slowly begun to recover

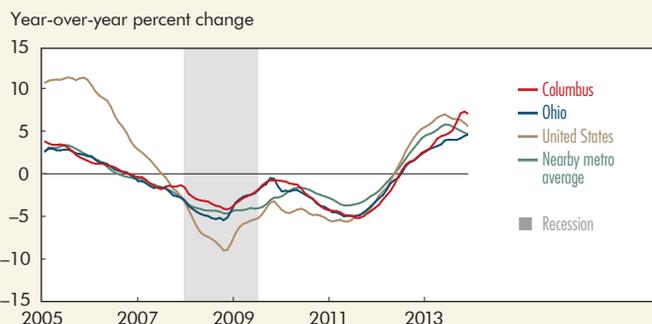


Source: Bureau of Economic Analysis/Haver Analytics.

### ◀ GROSS DOMESTIC PRODUCT

Per capita GDP has slowly started to recover since it began declining in 2002. This renewed growth can be attributed to strong underlying growth in metro income and production levels that have outpaced the growth in the metro area population, which also continues to grow. As one of the fastest-growing MSAs in the Midwest with at least one million people, Columbus is a positive driver of population growth in a population-stagnant state.

Housing prices remain strong and growth will likely continue



Source: Zillow.com/Haver Analytics.

### ◀ HOUSING PRICES

Home price growth remained solid throughout 2013 due to strong performance in the labor market, as well as strong investor demand for real estate and growing consumer confidence. Foreclosure rates continue to decline, which help reduce the shadow inventory. Growth will likely continue in the real estate sector as employment strengthens further and homebuilding increases in response to a shrinking supply of new and existing homes available for sale.

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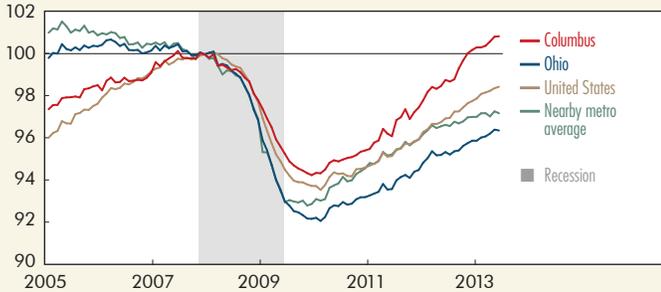
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## EMPLOYMENT AND INDUSTRIAL SECTORS

Columbus leads the state and nation in employment growth

Index, 2007: M12=100

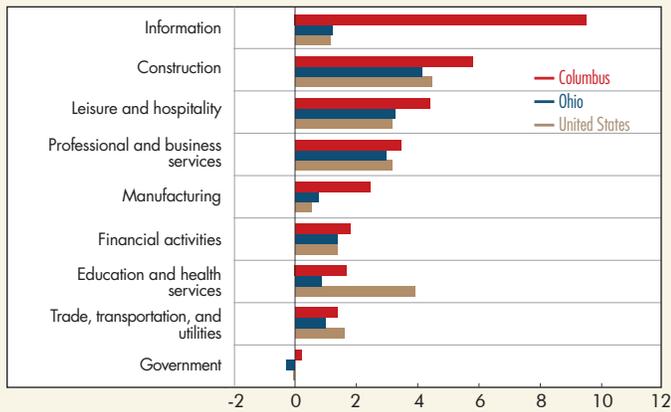


Source: Bureau of Labor Statistics.

### ◀ EMPLOYMENT

Job growth in Columbus remains strong as the region capitalizes on its substantial base of highly educated and innovative workers. Through the end of the third quarter of 2013, employment levels are 1.5 percent higher than their pre-recession numbers. In multiple sectors such as information, construction, and leisure and hospitality, the region leads the state and nation in employment growth. The Ohio State University, the area's largest employer with more than 26,000 employees, continues to provide the region a base of support as it expands its educational facilities and boosts hiring. Columbus is also benefiting from its investment in healthcare as major health employers are expanding their capacities, thus adding to job growth.

The region benefits from a highly educated workforce and diverse industries

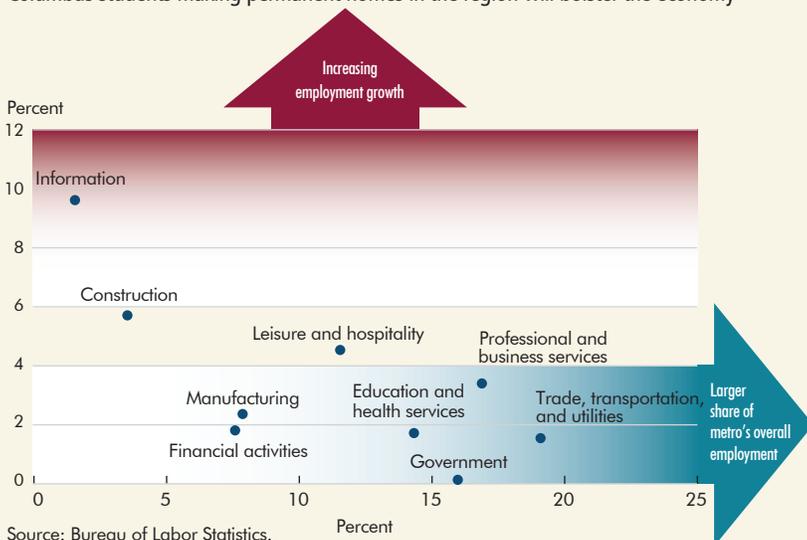


Source: Bureau of Labor Statistics.

### ◀ EMPLOYMENT GROWTH BY SECTOR

Columbus's economy benefits from a highly educated workforce and diversified industrial base. As such, the region leads the nation and state in multiple sectors including information, construction, leisure and hospitality, professional and business services, manufacturing, and financial activities. Being the state capital, the area also heavily depends on government employment, but has seen relatively less growth from this sector. Even though its revenues have increased during the recovery, the state government is trying to prevent its own payroll from growing.

Columbus students making permanent homes in the region will bolster the economy



Source: Bureau of Labor Statistics.

### ◀ RELATIVE EMPLOYMENT GROWTH

The Columbus metro area is home to 15 Fortune 1000 companies, five of which are Fortune 500 companies. A large portion of the area's workforce operates in the professional and business services sector. Although growth slowed in this sector over the second half of 2013, it is expected to improve throughout 2014. The Columbus metro area is also home to 54 college and university campus locations, with a total enrollment of more than 147,000 undergraduate and graduate students. The economy will continue to improve over the medium term as an increased number of students are making the surrounding area their home upon graduation.

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SECOND QUARTER, 2014

## HOUSING MARKET

Columbus's housing supply still remains tight

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



Source: Census Bureau/Haver Analytics.

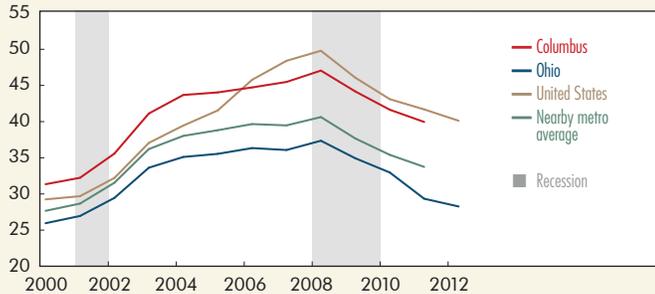
### HOUSING PERMITS

Homebuilding slowed during the second half of 2013; however, it still exceeds its pre-recession level. Housing supply remains exceptionally tight as builders have not significantly added to supply since late 2006. Multifamily vacancy rates remain low as apartment construction still has not caught up with growth in regional demand. Like other areas across the state and nation, two factors that are often cited for the slow resurgence of supply are continuing: tight credit conditions and a scarcity of skilled construction labor. Recently, labor force construction has begun to grow, thus helping to reduce the mismatch between increased demand and short supply of the region's housing.

## CONSUMER FINANCES

Consumers have less mortgage, auto, and credit card debt than the national average

Thousands of dollars



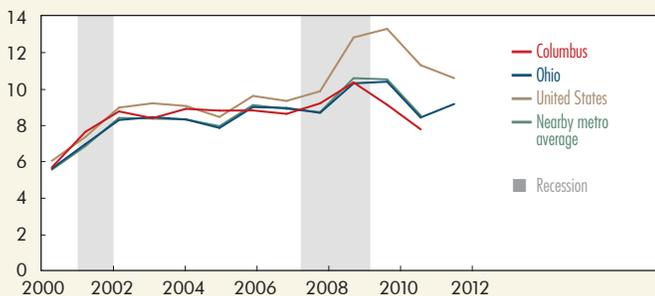
Source: FRBNY Consumer Credit Panel.

### CONSUMER DEBT

Since 2005, consumers in the Columbus metro area have had less mortgage, auto, and credit card debt per capita than the national average, primarily because of the increase in national house prices and thus, mortgage debt, from 2000 to 2007. The metro has actively sought to deleverage since the onset of the recession and has succeeded at a rate similar to that of the nation. Reasons for the debt decline include lower mortgage debt due to foreclosures and smaller average outstanding balances on revolving debt instruments such as credit cards and home equity loans.

Columbus's credit profile remains much better than those of the nation and Ohio

Percent of credit card balances delinquent



Source: FRBNY Consumer Credit Panel/Haver Analytics.

### CREDIT CARD DELINQUENCY RATES

The credit card delinquency rate is an indicator of the financial health of households. The credit profile of the Columbus metro area remains much better than that of the nation and the state of Ohio. Declines in credit card delinquency rates have continued through 2011, the latest period for which data is available. In 2011, the share of credit card balances that were 90-or-more days delinquent was 3.6 percentage points lower in Columbus than in the United States and had fallen below pre-recession levels.

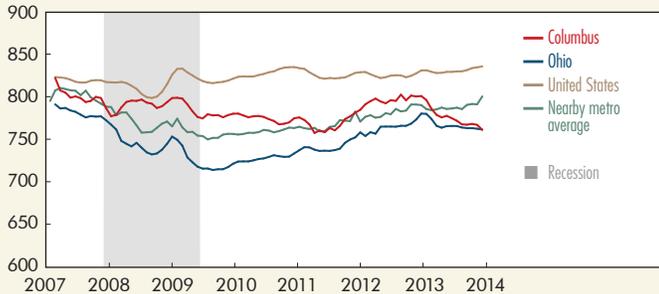
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The metro area's average weekly wages fell to \$768 in January 2014

Dollars, three-month moving average



Source: Bureau of Labor Statistics/Haver Analytics.

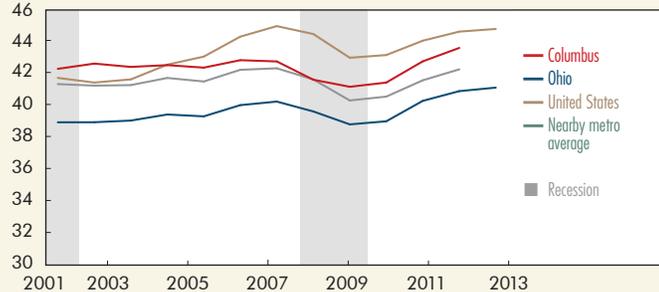
## INCOME

### ◀ AVERAGE WEEKLY EARNINGS

In the Columbus metro area, average weekly wages fell from a post-recession high of \$802 in February of 2013 to \$768 in January of 2014. This decline is due largely to stronger growth in relatively lower-paid sectors such as the construction, leisure and hospitality, and trade, transportation, and utilities sectors. The state of Ohio also saw a slight decline in average weekly wages paid, while nearby metro areas saw some improvement over a comparable time period.

Income per capita is expected to continue to rise

Thousands



Source: Bureau of Economic Analysis/Haver Analytics.

### ◀ INCOME PER CAPITA

The Columbus metro area continues to benefit from higher income per capita than the state of Ohio and nearby metro areas. Even with a growing population, since 2009 income per capita has been rising faster in Columbus than in the nation and at a slightly faster pace than in nearby metro areas and Ohio. This trend is likely to continue as long as the region continues to experience an influx of highly educated and skilled workers into the relatively higher-paying professional and business services sectors.

## DEMOGRAPHICS AND EDUCATION

### ◀ COLUMBUS, OHIO

According to 2012 Census estimates, Columbus is the 32nd largest of the 381 metropolitan statistical areas in the US.

	Columbus metro area		United States	
	2012	Change from 2009	2012	Change from 2009
Population	1,944,002	+3.0%	313,914,000	+2.3%
Adults with less than a high school diploma	9.5%	-0.7%	14.1%	-0.7%
Adults with an undergraduate degree or higher	34.1%	+0.8%	28.5%	+0.6%
Median age (years)	35.4	+0.7 years	37.4	+0.6 years
Median household income	\$55,378	-1.4%	\$52,977	-4.7%

Sources: Census Population estimates; American Community Survey.

All monthly figures are seasonally adjusted and all dollar figures are in current dollars. 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. Employment data in the Metro Mix come from the Quarterly Census of Employment and Wages, which we have found to be the earliest accurate source of the number of jobs in metro areas.

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).