

FOURTH DISTRICT METRO MIX

YOUR DISTRICT, YOUR DATA



COLUMBUS, OHIO MSA | NOVEMBER 2015

FEDERAL RESERVE BANK of CLEVELAND

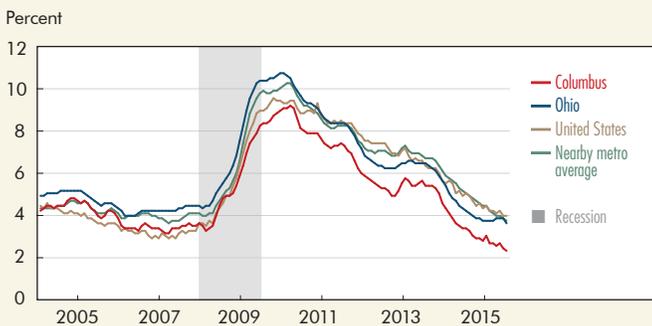
Columbus – Expansion Continues on Pace

Most segments of the Columbus metropolitan area's economy continue to expand. On net, the Columbus economy is the strongest metro area in the Buckeye State and one of the strongest in the Midwest. Despite some weakness in key sectors, overall employment growth remained strong. Housing prices are improving, business activity is progressing, and educational attainment, already at a high level, continues to advance. The outlook for the region remains solid for the remainder of 2015 and into early 2016.

METRO AREA SNAPSHOT

	Unemployment Rate		Median Home Values		Payroll Employment		Credit Card Delinquency Rates	
	July 2015	One-year change	July 2015	One-year change	December 2014 (thousands)	One-year change	2015:Q1	One-year change
Columbus	3.9%	-0.9	\$148,800	4.2%	974	2.3%	6.6%	-1.0
Ohio	5.0%	-0.5	\$117,200	3.1%	5,228	1.6%	6.9%	-1.1
United States	5.3%	-0.9	\$179,900	3.0%	138,068	2.2%	7.5%	-1.5
Nearby metro average	5.1%	-1.1	\$126,980	2.9%	1,174	1.5%	6.6%	-1.2

The region's unemployment rate stood at 3.9% in July 2015

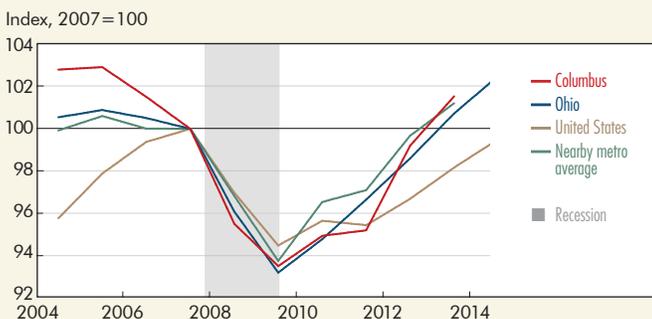


Source: Bureau of Labor Statistics/Haver Analytics.

◀ UNEMPLOYMENT RATE

The region's unemployment rate has declined below pre-recession levels. As of July 2015, the seasonally-adjusted unemployment rate in the Columbus metro area stood at 3.9 percent, below the previous expansion's low (4.6) and much lower than the state of Ohio's rate (5.0). Continued improvement in the unemployment rate accrues to employment growth across multiple sectors, with strong performance in construction, professional and business services; trade, transportation, and utilities; and leisure and hospitality. Collectively, these sectors account for more than 50 percent of local area employment. Expectations for continued growth in 2016 remain bright as demand for skilled labor in these sectors continues to increase.

Columbus' per capita GDP stood 1.6% above its level at the start of the recession



Source: Bureau of Economic Analysis/Haver Analytics.

◀ GROSS DOMESTIC PRODUCT

GDP per capita continues to approach levels not seen since before the recession. Through 2013, the most recent period for which data is available, GDP per capita in the Columbus metro area stood 1.6 percent above its level at the start of the recession. This was only slightly behind the statewide showing of 2.1 percent. Nearby metro areas exceeded their pre-recession levels by 1.2 percent, while the nation remained below its prior level by 1.6 percent. Because of the strong employment growth in Columbus' economy, the rate of growth in per capita GDP has been much faster than in the three other referenced areas since 2011.

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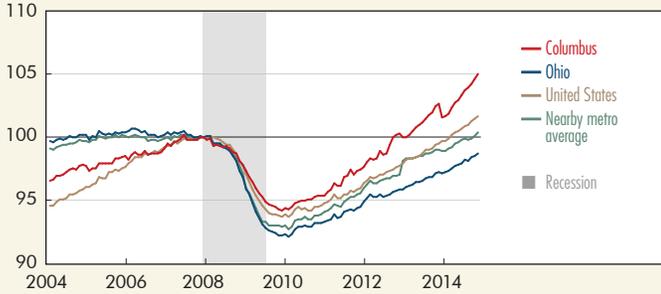
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EMPLOYMENT AND INDUSTRIAL SECTORS

Columbus' employment continues to exceed its pre-recession level

Index, 2007: M12=100

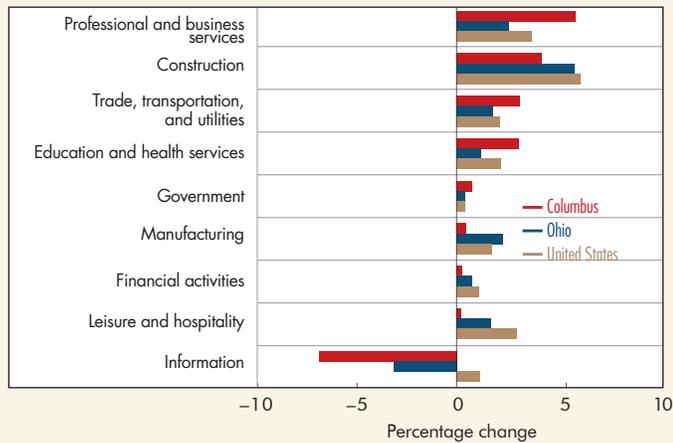


Source: Bureau of Labor Statistics' Quarterly Census of Employment and Wages.

EMPLOYMENT

Employment in the Columbus metro area remains strong as the region continues to capitalize on its substantial base of highly educated and innovative workers. Through the end of 2014, employment was approximately 5.1 percent above its pre-recession level. By comparison, the absolute employment level in the state of Ohio had yet to return to its pre-recession level, remaining 1.3 percent below it. The nation exceeded its pre-recession employment level by approximately 1 percent. Because of the strong employment market and the increasing demand for a skilled and educated labor force, young college graduates are opting to remain in the area at greater rates than in the past. This bodes well for the long-term growth in the region.

The construction and professional and business services sectors are the metro area's top performers

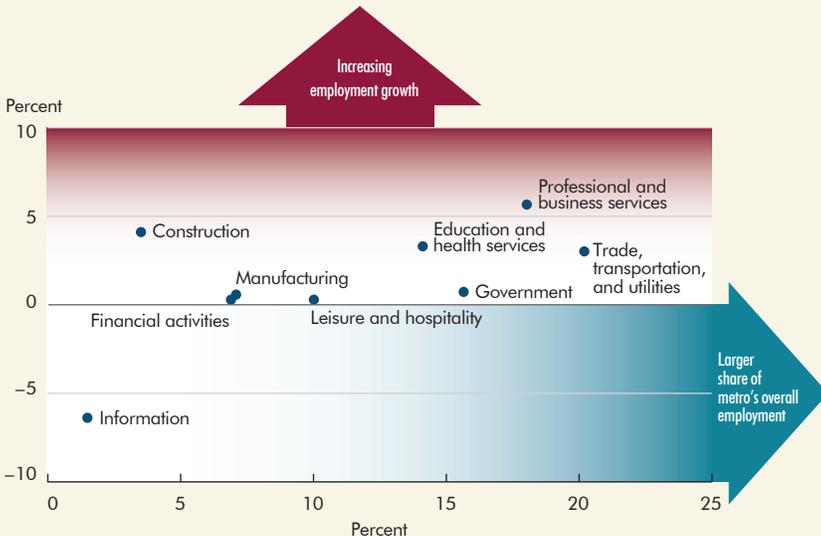


Source: Bureau of Labor Statistics' Quarterly Census of Employment and Wages.

EMPLOYMENT GROWTH BY SECTOR

The Columbus metro area's economy benefits from a highly educated workforce and diversified industry base. The professional and business services and construction sectors led year-over-year growth with rates of 5.0 and 4.6 percent, respectively. These performances were followed closely by the education and healthcare and trade, transportation, and utilities sectors, growing at a rate of 3.0 percent each. Continued growth is expected into 2016 in these sectors, but little to no growth is expected in the manufacturing sector because of weakened exports resulting from a strong dollar, reduced demand from the extractive energy market, and weak growth from overseas trading partners. However, strong demand for manufactured products from the automotive sector and construction sectors is expected to continue.

Job losses in the information sector were outweighed by gains in construction

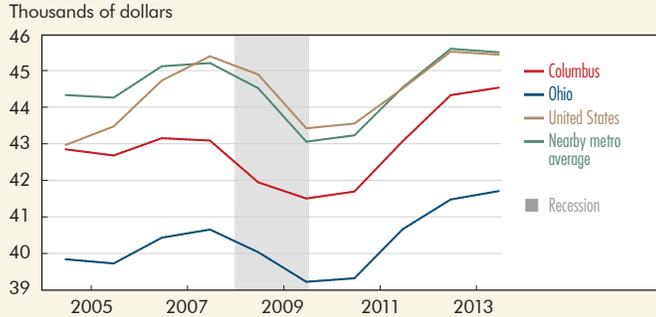


Source: Bureau of Labor Statistics' Quarterly Census of Employment and Wages.

RELATIVE EMPLOYMENT GROWTH

Accounting for approximately 17 percent of the area's labor force, the professional and business services is the fastest-growing sector among Columbus' industry segments. Construction is the second fastest-growing sector in the metro area, though it accounts for only 3.2 percent of the region's employment. Gains in this sector are primarily due to large and significant capital investments already underway at many of the area's healthcare facilities, as well as the continued expansion in auto manufacturing and real estate construction. The information sector remains exceptionally weak. The 6.7 percent decline in information employment is driven by job losses in print media as the demand for labor in this sector declines.

Columbus exceeds Ohio's income per capita performance



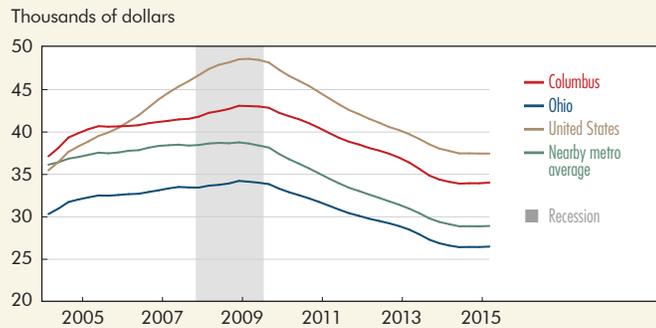
Source: Bureau of Economic Analysis/Haver Analytics.

INCOME

◀ **INCOME PER CAPITA**

The Columbus metro area continues to benefit from higher income per capita than the state of Ohio, but trails that of the nation and nearby metro areas. The metro area's slow population growth, which is slower relative to the national average but exceeds the state's, has helped to improve growth in income per capita. The region continues to experience an influx of highly educated and skilled workers into the higher-paying professional and business services sector.

The rate of household deleveraging in Columbus has remained stable



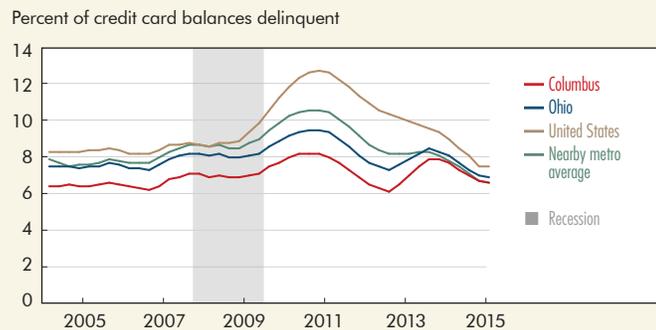
Source: Authors' calculations from the Federal Reserve Bank of New York's Consumer Credit Panel/Equifax.

CONSUMER FINANCES

◀ **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. Like many other areas, households in the Columbus area have actively sought to deleverage since the onset of the recession and have done so at a rate similar to that of the nation. Recently, however, that deleveraging process has slowed, with little change in average debt levels in 2014. Reasons for the previous debt decline are lower mortgage debt because of foreclosures and smaller average outstanding balances on revolving debt instruments, such as credit cards and home equity loans.

Delinquency rates are stable and slightly below pre-recession levels



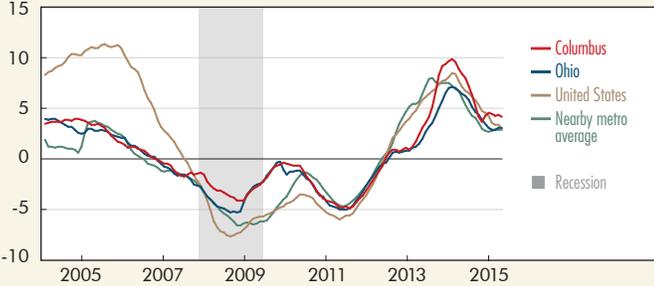
Source: Authors' calculations from the Federal Reserve Bank of New York's Consumer Credit Panel/Equifax.

◀ **CREDIT CARD DELINQUENCY RATES**

The credit card delinquency rate is an indicator of the financial health of households. At 6.7 percent, the delinquency rate of Columbus remains better than those of the nation and state and is in line with the average of nearby metro areas. Immediately before the recession, delinquency rates in the region were around 7 percent. After a rapid decline immediately following the recession and some increases to historical levels since that time, the net average of credit quality in the Columbus metro area is approaching the level typical a decade ago.

Home price appreciation in the region exceeds national, state, and nearby metro area performance

Year-over-year percent change



Source: Zillow.com/Haver Analytics.

HOUSING MARKET

HOUSING PRICES

Through July 2015, housing prices in the Columbus metro area had returned to growth rates that are consistent with historical norms, rising at a 4.2 percent rate. Through the first seven months of 2015, house price appreciation in the Columbus area averaged 4.3 percent, exceeding the performance of the nearby metro areas (2.9 percent), the state of Ohio (3.2 percent), and the national average (3.9 percent). This relatively strong performance is due to robust employment growth, continued improvements in consumer credit quality, and slow growth in the supply of available housing in the metro area. Foreclosure and delinquency rates continue to decline, which also helps to reduce the shadow inventory. Growth should 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.

Homebuilding growth in the metro area outpaces that of the state

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



Source: Census Bureau/Haver Analytics.

HOUSING PERMITS

Building permit activity in the Columbus metro area mirrors that of the nation and nearby metro areas and exceeds that of the state. Homebuilding slowed substantially during the first two months of 2015 in comparison to a strong showing in the latter half of 2014, which included the April through August construction season. The metro area's 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 yet to catch up with growth in regional demand. Rental vacancy rates in the Columbus area, as estimated by the US Census Bureau, averaged 5.5 percent during the second quarter. This compares favorably to the national average of 6.8 percent. Tight supply is expected to continue into 2016 as it will take some time to significantly reduce the mismatch between increased demand and short supply of the region's housing.

DEMOGRAPHICS AND EDUCATION

COLUMBUS, OHIO

According to 2014 Census estimates, Columbus, Ohio, ranks as the 32nd largest of the 381 metropolitan statistical areas in the United States.

	Columbus Metro Area		United States	
	2013	Change from 2009	2013	Change from 2009
Population	1,967,066	+4.2%	316,129,000	+3.1%
Adults with less than a high school diploma	10.0%	-0.2%	13.4%	-1.3%
Adults with an undergraduate degree or higher	33.7%	+0.4%	29.6%	+1.7%
Median age (years)	35.7	+1.0 years	37.5	+0.7 years
Median household income	\$55,401	-1.9%	\$53,528	-4.2%

Sources: Census 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.

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).