FOURTH DISTRICT METRO MIX
YOUR DISTRICT, YOUR DATA

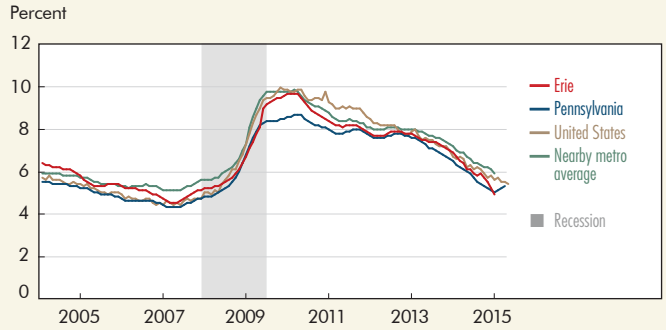
ERIE, PENNSYLVANIA MSA | JULY 2015

FEDERAL RESERVE BANK *of* CLEVELAND

Erie – Employment Growth Still Limited

The Erie metro area's unemployment rate remains close to the US average. Nevertheless, toward the end of 2014, employment levels were still well below where they were when the Great Recession began. Home prices, however, are a bright spot, rising roughly 4 percent in early 2015 relative to a year ago. And area credit card delinquency rates remain low compared to the rates that prevailed as the last expansion ended.

Erie's unemployment rate fell 2 percentage points in 2014

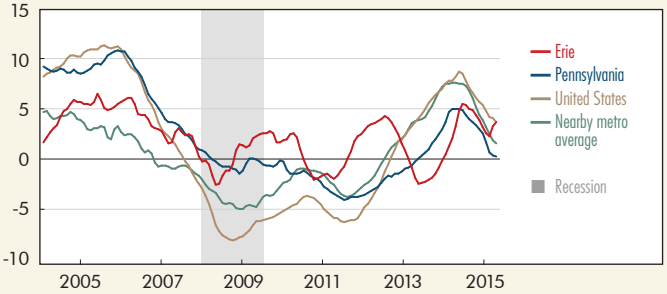


Source: Bureau of Labor Statistics/Haver Analytics.

UNEMPLOYMENT RATE

The unemployment rate fell sharply in Erie in 2014, by 2 percentage points. This was about twice as great as the decline for the area in 2013 (0.9 percentage points), as well as the decline for the nation in 2014 (1.1 percentage points). The Erie metro area's unemployment rate has tended to be below or about equal to the national average throughout this recovery, a reversal from the previous expansion in the 2000s. Preliminary data for April indicate that the area's unemployment rate continues to be close to the national average: 5.5 percent versus 5.4 percent for the United States.

Home prices in Erie have trended upward since the onset of the Great Recession



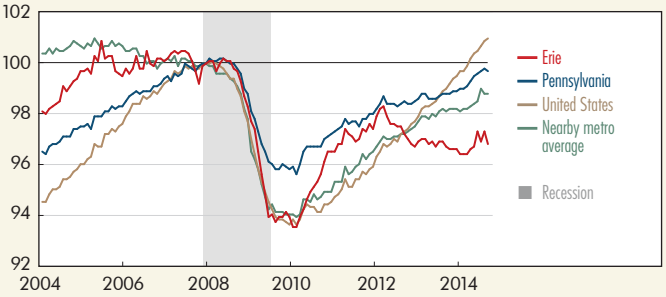
Source: Zillow.com/Haver Analytics.

HOUSING PRICES

In general, home prices in the Erie metro area avoided the downturn that affected much of the rest of the United States according to data from Zillow. Since December 2007, when the Great Recession began, home prices in the area have generally continued to trend upward and, as of March 2015, are about 13 percent higher. By contrast, over the same time period home prices have fallen by about 6 percent nationally. Over the year ending in March 2015, home prices in Erie rose roughly 4 percent, the same increase seen nationwide.

EMPLOYMENT AND INDUSTRIAL SECTORS

Erie has yet to recover its pre-recession employment level



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

EMPLOYMENT

After increasing early in the recovery, Erie's employment peaked in 2012. In the two-year period from March 2012 to March 2014, employment in the metro area declined by about 2 percent. (For context, the area's employment decline during the Great Recession was about 4 percent.) Nevertheless, Erie's employment has trended up since early 2014, increasing almost half a percent between March and September of that year. Still, employment levels in the area remain about 3 percent below where they were when the Great Recession began.

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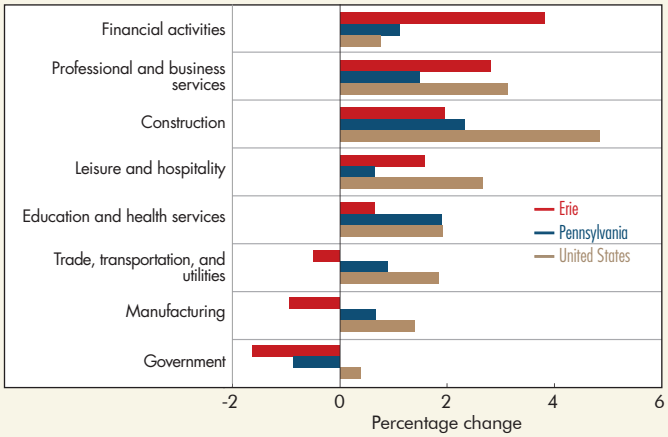
Erie's financial activities sector outperformed the nation's



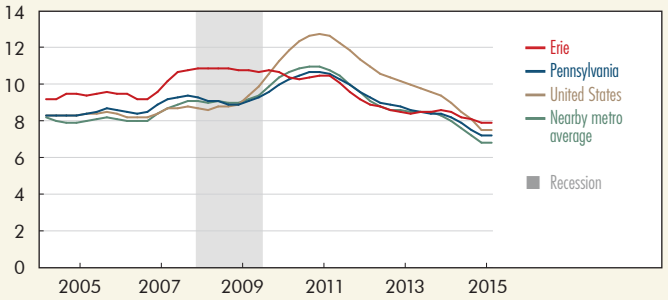
Source: Bureau of Labor Statistics' Quarterly Census of Employment and Wages.

EMPLOYMENT GROWTH BY SECTOR

Several industry segments in Erie saw employment gains between September 2013 and September 2014, with one—financial activities—registering a much stronger employment increase than the industry did nationally (3.8 percent versus 0.8 percent). Nevertheless, overall employment in the area was almost unchanged during this period, rising a scant 0.1 percent from the fall of 2013 to the fall of 2015. In part, that's because the industry segments that saw employment declines (government, manufacturing, and trade, transportation, and utilities) collectively account for about half of the area's employment.

Credit card delinquency rates in Erie are slightly higher than those of the nation

Percent of credit card balances delinquent



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

CREDIT CARD DELINQUENCY RATES

Credit card delinquency rates in the Erie metro area have trended down throughout the recovery and remain below the rates that were common in the area toward the end of the last expansion. In 2014, these delinquency rates fell by about 0.7 percentage points; however, declines in delinquency rates were more pronounced in Pennsylvania (–1.2 percentage points) and in the United States (–1.8 percentage points) during the year. As a result, credit card delinquency rates in the Erie area are now slightly above those in the nation, which has not been the case throughout most of this recovery.

DEMOGRAPHICS AND EDUCATION

	Erie metro area		United States	
	2013	Change from 2009	2013	Change from 2009
Population	280,294	+0.2%	316,129,000	+3.1%
Adults with less than a high school diploma	10.2%	-1.3%	13.4%	-1.3%
Adults with an undergraduate degree or higher	26.6%	+2.6%	29.6%	+1.7%
Median age (years)	38.7	+0.2 years	37.5	+0.7 years
Median household income	$44,893	-4.9%	$52,959	-4.2%

Sources: American Community Survey; Bureau of Economic Analysis; Census population estimates.

ERIE, PENNSYLVANIA

According to the 2014 Census population estimates, Erie is the 167th largest of the nation's 381 metropolitan statistical areas. This is down from the 166th largest in 2013.

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).