Toledo — More Employment Growth and Less Population Loss

Toledo’s economy continues to expand. There was strong growth in manufacturing and professional and business services employment in 2015. Per capita GDP and per capita income rose faster than in the state or nation in 2014. Recently the metro area’s unemployment rate has gone up, but it appears to be a reflection of increased labor force entry rather than job loss. Population loss has slowed down markedly in recent years, which improves the region’s long-term outlook.


In 2014, Toledo’s per capita GDP increased 4.3 percent

The level of output per person continued to rise during 2014 in Toledo, nearby metro areas, Ohio, and the United States. However, per capita GDP increased 4.3 percent in Toledo in 2014, a larger percent increase than in the nation, state, or nearby metro areas (1.7, 3.5, and 1.3 percent, respectively). By 2014, Toledo’s per capita GDP was 8.4 percent higher than it was at the start of the Great Recession, while the nation still had not fully recovered its per capita GDP. Strong growth in manufacturing and professional services output since 2011 has helped Toledo’s recovery, while the metro area’s population decline has had mixed effects: GDP is divided across fewer people but industries that serve local residents, such as retail trade, have experienced declines in output.

UNEMPLOYMENT RATE

In April 2016, 5.1 percent of the Toledo metro area’s labor force was unemployed. This rate is comparable to the nation’s (5.0 percent) and state’s (5.2 percent). The unemployment rate has been on an upward trend since September 2015 in both Toledo and Ohio. Estimates from the Bureau of Labor Statistics indicate that the unemployment rate is increasing because the number of people in the labor force is rising, which suggests that people have entered Toledo’s labor force as its economy has improved.

GROSS DOMESTIC PRODUCT

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EMPLOYMENT AND INDUSTRIAL SECTORS

The Toledo metro area added more than 7,800 jobs in 2015.

Index, 2007:M12=100


With the exception of the education and health services sector, all of Toledo’s sectoral employment growth outperformed Ohio.


The professional and business services sector added more than 2,500 jobs in 2015.


< EMPLOYMENT >
The Toledo metro area had relatively strong employment growth in 2015. The region added 7,832 jobs in 2015—a 2.7 percent increase. This is a faster rate of growth than seen in the nation, state, or nearby metro areas (1.9, 1.2, and 1.6 percent, respectively). However, employment in Toledo remained below pre-recession levels, while in Ohio employment was nearly at its pre-recession levels and the nation and nearby metro areas had more than 3.0 percent more employment than at the beginning of the Great Recession.

< EMPLOYMENT GROWTH BY SECTOR >
In 2015, the sector with the fastest employment growth in Toledo was the professional and business services sector. It grew 7.4 percent, more than three times its growth rate at the national level. The next fastest-growing sector was construction, in which employment grew 6.4 percent in Toledo, 3.1 percent in Ohio, and 5.2 percent in the United States. All but one sector grew more in Toledo than in Ohio: education and health services, which lost 0.5 percent in Toledo and gained 1.9 percent in Ohio.

< RELATIVE EMPLOYMENT GROWTH >
Toledo saw broad-based employment gains in 2015, with employment growing by at least 2.4 percent in all its major sectors except education and health services, which lost 245 jobs. The professional and business services sector added 2,500 jobs, the largest increase of any of the metro area’s sectors. The next-largest increase was in the trade, transportation, and utilities sector, which accounts for a relatively large share of Toledo’s employment and added 1,553 jobs. Manufacturing, another relatively large sector in the metro area, added 1,132 jobs.
In 2014, Toledo’s income per capita growth outpaced state and national performance.

**Income Per Capita**

Toledo’s per capita income rose $1,029 to $40,827 in 2014, an increase of 2.6 percent. This is larger than the increases in nearby metro areas, Ohio, and the United States, which all rose about 2.0 percent. However, Toledo’s per capita income remains well below that of the state and nation.

![Income Per Capita Graph](source)

**Consumer Debt**

At $23,613 per adult with a credit report in the first quarter of 2016, the Toledo metro area’s average balance of mortgage, auto, and credit card debt continued to sit below that of Ohio, nearby metro areas, and especially the United States. This is largely due to the metro area having relatively low home prices, which keep mortgage balances low. The metro area’s decline in typical debt balance since the recovery began (24 percent) is a little larger than that of the nation and state (both 22 percent).

![Consumer Debt Graph](source)

**Credit Card Delinquency Rates**

The metro area’s credit card delinquency rate fell 0.3 percentage points in the first quarter of 2016, the tenth consecutive quarter this measure of financial distress has declined. After rising in the second half of 2015, credit card delinquency rates ticked down in the United States, Ohio, and nearby metros in the first quarter of 2016. At 6.8 percent, Toledo’s latest credit card delinquency rate is 0.9 percentage points below the United States’ and 0.1 percentage points below Ohio’s.

![Credit Card Delinquency Rates Graph](source)
From April 2015 to April 2016, Toledo’s median home price growth tracked the state trend.

Year-over-year percent change

Source: Zillow.com/Haver Analytics.

Permitting activity in Toledo has yet to recover to its pre-recession level.

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

Source: US Census Bureau/Haver Analytics.

HOUSING MARKET

HOUSING PRICES

Home prices have continued to rise in the Toledo metro area. Between April 2015 and April 2016, the median home price rose $2,400 to $98,800. This is a 2.5 percent increase, which is comparable to the 2.7 percent increase in Ohio and about half of the nation’s increase of 4.9 percent over this period. The Toledo housing market is still working through a relatively large stock of foreclosed property, which limits price growth.

HOUSING PERMITS

Residential building permits have been relatively stable in Toledo since mid-2015, as they have been in Ohio and the United States. In the metro area, permits remained at about half their pre-recession level in May 2016, which is to be expected given the lingering problem of foreclosures in Toledo and the fact that the region lost population over this period. However, population loss appears to have slowed. The Toledo metro area lost an average of 1,521 people per year from 2006 through 2009. This average shrank to 656 people per year from 2010 through 2014.

DEMOGRAPHICS AND EDUCATION

TOLEDO, OHIO

According to 2015 US Census Bureau estimates, Toledo remained the 91st largest of the 381 metropolitan statistical areas in the United States. The share of adults over 25 with an undergraduate degree is higher in the nation than the metro area, but from 2009 to 2014 it increased faster in the metro area.

<table>
<thead>
<tr>
<th>Toledo Metro Area</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Change from 2009</td>
</tr>
<tr>
<td>Population</td>
<td>606,781</td>
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<tr>
<td>Adults with less than a high school diploma</td>
<td>9.8%</td>
</tr>
<tr>
<td>Adults with an undergraduate degree or higher</td>
<td>27.4%</td>
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<tr>
<td>Median age (years)</td>
<td>37.5</td>
</tr>
<tr>
<td>Median household income</td>
<td>$46,089</td>
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</tbody>
</table>

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.

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).