Toledo—Economy Rebounds

By a number of measures, the economy of the Toledo metro area has essentially bounced back to where it was at the end of 2015. The number of jobs, the unemployment rate, output per person, and median personal income are all similar to their 2015 levels—a positive situation representing a recovery from the 2017 closure of the Jeep Cherokee plant that reduced the number of jobs and increased the unemployment rate in the region. Coupled with the start of Jeep Gladiator production in March 2019, the rebound suggests the region will experience growth in 2019, as it will once again have two active Jeep plants (a first since the first half of 2017). Construction activity picked up in 2018, with more construction jobs and anecdotal reports of strong demand for warehouse space. Another bright spot in the region has been the housing market; building permits for apartments rose dramatically in 2018, and house values have continued to grow about 5.4 percent per year.

### METRO AREA SNAPSHOT

<table>
<thead>
<tr>
<th></th>
<th>March 2019 (percent)</th>
<th>One-year change (percentage points)</th>
<th>March 2019 (percent change)</th>
<th>September 2018 (thousands)</th>
<th>One-year change (percentage points)</th>
<th>2019:Q1 (percent)</th>
<th>One-year change (percentage points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toledo</td>
<td>4.8</td>
<td>0.1</td>
<td>$113,400</td>
<td>5.4</td>
<td>294</td>
<td>1.1</td>
<td>7.4</td>
</tr>
<tr>
<td>Ohio</td>
<td>4.4</td>
<td>–0.1</td>
<td>$139,600</td>
<td>7.0</td>
<td>5,410</td>
<td>0.7</td>
<td>7.0</td>
</tr>
<tr>
<td>United States</td>
<td>3.8</td>
<td>–0.2</td>
<td>$226,700</td>
<td>6.6</td>
<td>146,414</td>
<td>1.6</td>
<td>7.5</td>
</tr>
</tbody>
</table>

In March 2019, the unemployment rate fell to 4.8 percent in the Toledo metro area.

#### UNEMPLOYMENT RATE

After falling sharply at the end of 2017, the unemployment rate in the Toledo metro area gradually moved upward throughout 2018. In March 2019, the rate fell to 4.8 percent. This drop is the result of both an uptick in the size of the labor force and a drop in the number of people unemployed. In Ohio, the unemployment rate has been fairly steady since December 2017, hovering around 4.6 percent. However, the state also experienced a drop in the number of people unemployed in March 2019, and the rate fell to 4.4 percent, its lowest level since August 2001. In the United States, the unemployment rate has leveled off, hovering around 3.8 percent (the March 2019 reading) for the previous 12 months.

#### GROSS DOMESTIC PRODUCT

After making a relatively quick recovery after the Great Recession, GDP per capita in the Toledo metro area has been largely flat since 2015. At $57,571, it is slightly higher than in the state ($57,125). However, Ohio's GDP per capita has grown steadily since 2012, and it increased 1.5 percent between 2016 and 2017. This was slightly faster than in the United States as a whole, where GDP per capita grew 1.3 percent to $61,829 between 2016 and 2017.
The number of jobs in the Toledo metro area rose 1.1 percent between September 2017 and September 2018.

Index, 2007:M12=100

In the Toledo metro area, manufacturing saw the largest 12-month change in employment, adding 2,940 jobs between September 2017 and September 2018.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employment</th>
<th>12-month change</th>
<th>Share of employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade, transportation, and utilities</td>
<td>54,680</td>
<td>−618</td>
<td>18.6</td>
</tr>
<tr>
<td>Education and health services</td>
<td>50,316</td>
<td>208</td>
<td>17.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>44,797</td>
<td>2,940</td>
<td>15.2</td>
</tr>
<tr>
<td>Government</td>
<td>38,834</td>
<td>−390</td>
<td>13.2</td>
</tr>
<tr>
<td>Professional and business services</td>
<td>34,565</td>
<td>29</td>
<td>11.7</td>
</tr>
<tr>
<td>Leisure and hospitality</td>
<td>33,890</td>
<td>104</td>
<td>11.5</td>
</tr>
<tr>
<td>Construction</td>
<td>14,434</td>
<td>820</td>
<td>4.9</td>
</tr>
<tr>
<td>Financial activities</td>
<td>9,953</td>
<td>310</td>
<td>3.4</td>
</tr>
</tbody>
</table>

CONSUMER FINANCES

INCOME

INCOME PER CAPITA
Real personal income per capita increased by just $216, or 0.5 percent, in the Toledo metro area in 2017. Total real personal income grew just 0.3 percent in 2017, but per capita income grew faster because the metro area’s population declined during the same period. This means that a slightly larger pie was divided among a slightly smaller number of people, so the percentage increase per person was greater than the total percentage increase. In Ohio, per capita personal income increased by $641, or 1.3 percent, and in the United States, it increased $811, or 1.5 percent. In 2017, personal income per capita was also higher in Ohio ($48,192) and the United States ($53,373) than in the Toledo metro area ($46,257).

CONSUMER DEBT
Consumer debt per capita has been relatively stable in the Toledo metro area since the second quarter of 2014. In the first quarter of 2019, the four-quarter moving average of debt per capita in the metro area was $24,775, lower than that in the state ($28,462) and that in the nation ($41,252). In Ohio, debt per capita was up 1.8 percent compared with the first quarter of 2018; the Toledo metro area and the United States saw slower growth, at 0.6 percent and 0.9 percent, respectively.

CREDIT CARD DELINQUENCY RATE
At 7.4 percent, the credit card delinquency rate has been stable in the Toledo metro area since the fourth quarter of 2017. During the same period, the nation’s credit card delinquency rate has increased slowly, to 7.5 percent. In Ohio, the rate has been steady at 7.0 percent except for a one-quarter uptick of 0.1 percentage points in the third quarter of 2018.

INCOME PER CAPITA

CONSUMER DEBT

CREDIT CARD DELINQUENCY RATE

Real personal income per capita increased by just $216 in the Toledo metro area in 2017.

Source: Bureau of Economic Analysis/Haver Analytics.

Consumer debt per capita has been relatively stable in the Toledo metro area since the second quarter of 2014.

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

At 7.4 percent, the credit card delinquency rate has been stable in the Toledo metro area since the fourth quarter of 2017.

Source: Authors’ calculations from the Federal Reserve Bank of New York’s Consumer Credit Panel/Equifax.
After slowing during the second half of 2018, home price growth in the Toledo metro area has picked up. In March 2019, the median home value was $113,400, 5.4 percent higher than it was a year earlier. Still, homes are less expensive in the metro area than elsewhere in the state and nation. In Ohio, the median home value was $139,600 in March 2019, 7.0 percent higher than in March 2018. During the same period, the median home value in the United States rose 6.6 percent to $226,700.

Building permit issuance in the Toledo metro area shot up in March 2019, as a result of a spike in the number of permits for apartment buildings. In the Toledo metro area, Ohio, and the United States, permit issuance has not reached the level it was prior to the recession. However, the period before the recession was marked by a large build-up in residential construction activity, so it is not surprising that construction has not returned to that unsustainable level of activity.

Between 2007 and 2017, the Toledo metro area’s population declined by 1.6 percent, while the population in the United States grew 7.9 percent during the same period. Similarly, inflation-adjusted median household income declined by 8.2 percent in the metro area, compared with a slight increase (0.6 percent) in median income in the nation. The population has aged in both the metro area and the nation—the median age increased to 37.3 and 38.1 years, respectively. Educational attainment continues to improve in the metro area. About 1 in 8 adults aged 25 years or older had less than a high school diploma in 2007; in 2017, that figure was down to about 1 in 10.

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All monthly and quarterly figures are seasonally adjusted, and all dollar figures are in constant dollars, for which the base period is provided by the latest available data. Home prices are an exception, and they are not adjusted for inflation. 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 prerecession levels. If levels were growing before the recession, prerecession indexes will be below 100; if levels were falling before the recession, prerecession indexes will be above 100.

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