

FOURTH DISTRICT METRO MIX

YOUR DISTRICT, YOUR DATA



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TOLEDO, OHIO MSA | NOVEMBER 2019

FEDERAL RESERVE BANK of CLEVELAND

Toledo—Conditions Continue to Improve

Economic conditions in the Toledo metro area continue to improve. The unemployment rate has drifted downward as the size of the labor force has increased, a situation which suggests that good job prospects may be drawing people into the area's labor force. The construction sector continues to add jobs at a strong pace, and aside from normal fluctuations, other sectors' employment levels are holding steady. The housing market is a bright spot: Residential building permit issuance rebounded in the spring, home price growth accelerated in August, and the median home value is now higher than its prerecession peak. Households' finances appear to be holding up—the credit card delinquency rate is steady and consumer debt per capita remains low.

METRO AREA SNAPSHOT

	Unemployment Rate		Median Home Value		Payroll Employment		Credit Card Delinquency Rate	
	July 2019 (percent)	One-year change (percentage points)	August 2019	One-year change (percent)	March 2019 (thousands)	One-year change (percent)	2019:Q2 (percent)	One-year change (percentage points)
Toledo	4.4	-0.5	\$117,100	6.8	294	-0.1	7.4	0.0
Ohio	4.0	-0.6	\$141,400	5.4	5,439	0.7	6.9	-0.1
United States	3.7	-0.2	\$229,600	4.9	147,514	1.3	7.6	0.2

The Toledo metro area's unemployment rate held steady at 4.4 percent in July 2019.

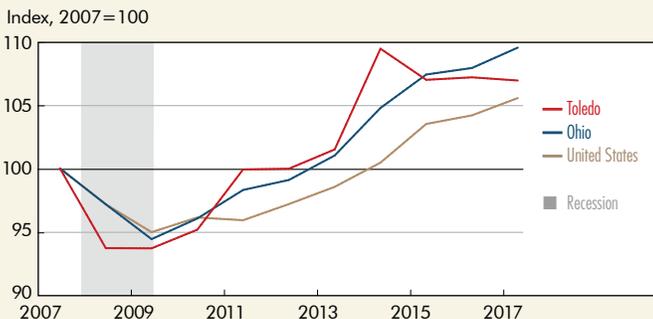


Source: Bureau of Labor Statistics/Haver Analytics.

◀ UNEMPLOYMENT RATE

The Toledo metro area's unemployment rate has fallen slowly in recent months, holding steady at 4.4 percent in July 2019. The decline in the metro area's unemployment rate is the result of both a drop in the number of people who are unemployed and a rise in the number of people who are in the labor force (that is, those who are working in or looking for work in the metro area). In other words, enough people are finding work that the number of people who are unemployed has fallen even as more people are entering the labor force. The unemployment rate in Ohio has also been trending downward (to 4.0 percent in July), while the rate in the United States has been relatively stable and was 3.7 percent in July.

The Toledo metro area's GDP per capita has been largely flat since 2015; it was \$58,038 in 2017.



Source: Bureau of Economic Analysis/Haver Analytics.

◀ GROSS DOMESTIC PRODUCT

After recovering relatively quickly after the Great Recession, GDP per capita in the Toledo metro area has been largely flat since 2015. At \$58,038 in 2017, it was just higher than in the state (\$57,589) and slightly lower than in the nation as a whole (\$62,331). Between 2007 and 2017, GDP per capita in the Toledo metro area grew 7.1 percent, a rate of growth that was slower than in Ohio (9.7 percent), but faster than in the nation as a whole (5.7 percent).

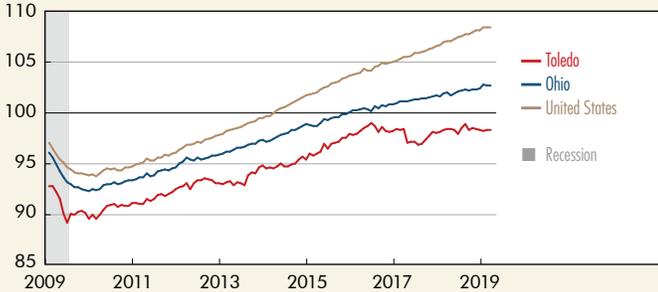
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Employment in the Toledo metro area largely has held steady since the beginning of 2018.

Index, 2007:M12=100



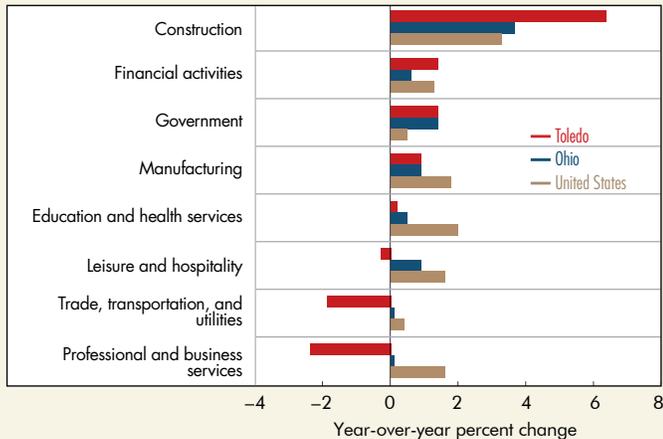
Source: Bureau of Labor Statistics' Quarterly Census of Employment and Wages.

EMPLOYMENT AND INDUSTRIAL SECTORS

EMPLOYMENT

After making a relatively quick recovery from the temporary closing of the Jeep assembly plant in April 2017, employment in the Toledo metro area largely has held steady since the beginning of 2018. In March 2019, there were 0.1 percent fewer jobs than in March 2018, a decrease that translates to 309 fewer jobs. Meanwhile, in Ohio, employment continued to grow at a slow but steady pace. Between March 2018 and March 2019, employment in the state increased 0.7 percent. Employment growth was faster in the United States, growing 1.3 percent during the same period.

Construction employment in the Toledo metro area grew 6.4 percent between March 2018 and March 2019.



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

EMPLOYMENT GROWTH BY SECTOR

In percentage terms, the construction sector saw the most growth in employment between March 2018 and March 2019 in the Toledo metro area—employment in the sector grew 6.4 percent during that period. Employment in the financial activities sector grew faster in the metro area (at 1.4 percent) than it did in Ohio (0.6 percent) and in the United States (1.3 percent). This relatively faster growth in the metro area was driven by a 6.1 percent increase in employment in the real estate and leasing subsector, while the finance and insurance subsector saw a slight decrease of 0.6 percent.

Employment in the professional and business services sector grew at very different rates in the metro area, the state, and the nation between March 2018 and March 2019: While employment in the sector grew 1.6 percent in the nation and held steady in Ohio at 0.1 percent, in the Toledo metro area it fell 2.4 percent, driven by a decline in the administrative and waste services subsector. Since the Great Recession, employment levels in this subsector, which accounts for about half of the professional and business services sector, change more from month to month than they did in the past. These month-to-month fluctuations make it difficult to draw conclusions from a single month's year-over-year change for the professional and business services sector.

Of the eight significant job sectors in the Toledo metro area, only two lost more than 100 jobs between March 2018 and March 2019.

Sector	Employment	12-month change	Share of employment
Trade, transportation, and utilities	53,351	-1,057	18.3
Education and health services	50,018	110	17.2
Manufacturing	45,896	426	15.7
Government	39,935	545	13.7
Professional and business services	33,907	-830	11.6
Leisure and hospitality	32,489	-90	11.1
Construction	13,308	804	4.6
Financial activities	9,816	139	3.4

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

SECTOR EMPLOYMENT

Only two sectors lost more than 100 jobs in the Toledo metro area between March 2018 and March 2019. The trade, transportation, and utilities sector shed more than 1,000 jobs, and the professional and business services lost 830 jobs, though, as noted above, much of the loss can be attributed to typical fluctuations in employment in the administrative and waste services subsector. The decline in employment in that subsector, which includes temporary help agencies, janitorial service providers, and other support services, accounted for two-thirds of the jobs lost from the professional and business services sector. The sectors that added the most jobs during this period were construction, government, and manufacturing.

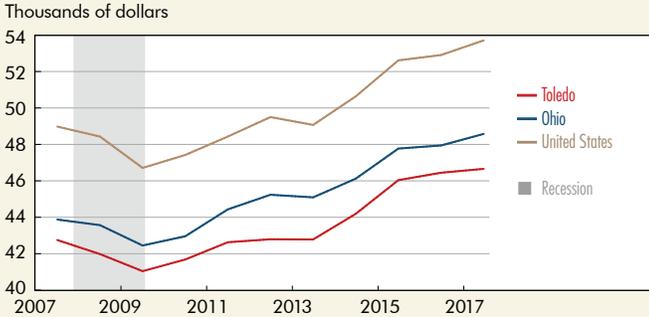
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INCOME

Real personal income per capita increased just \$218, to \$46,632, in the Toledo metro area in 2017.



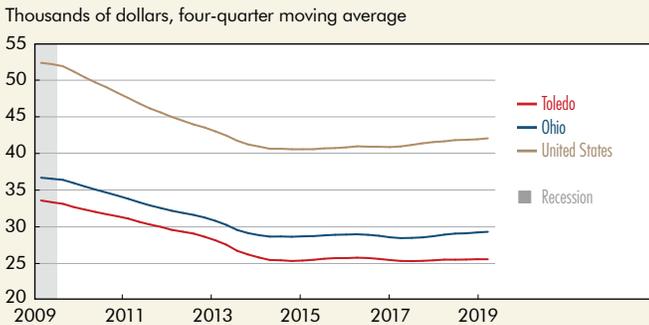
Source: Bureau of Economic Analysis/Haver Analytics.

◀ INCOME PER CAPITA

Real personal income per capita increased to \$46,632 in the Toledo metro area between 2016 and 2017. This is an increase of just \$218 year-over-year, or 0.5 percent. Income per capita grew faster in the state, rising 1.3 percent (\$647), year-over-year, to \$48,584. In the nation as a whole, it grew even faster, rising 1.5 percent (\$818), to \$53,806.

CONSUMER FINANCES

Consumer debt per capita remains relatively low and stable in the Toledo metro area.

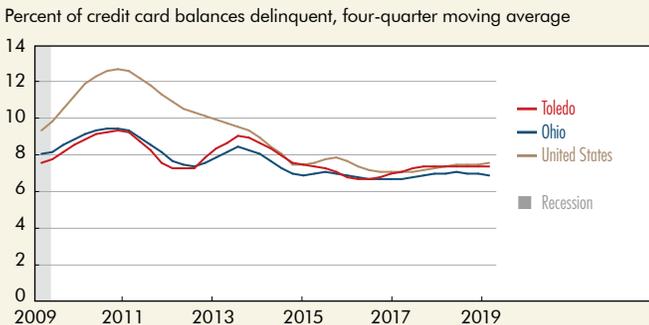


Source: Authors' calculations from the Federal Reserve Bank of New York's Consumer Credit Panel/Equifax.

◀ CONSUMER DEBT

Consumer debt per capita remains relatively low and stable in the Toledo metro area, Ohio, and the United States. In the metro area, debt per capita was \$25,133 during the second quarter of 2019, up just \$51, or 0.2 percent, since the second quarter of 2018. In Ohio, the figure rose \$394 to \$28,963, a 1.4 percent increase between the second quarter of 2018 and the second quarter of 2019. Debt per capita is lower in the metro area and in the state than it is in the nation as a whole primarily because home prices are relatively lower in the metro area and in the state than they are in the nation as a whole. Lower home prices mean that mortgage balances are lower, too.

The Toledo metro area's credit card delinquency rate held steady at 7.4 percent for the seventh quarter in a row in the second quarter of 2019.



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

◀ CREDIT CARD DELINQUENCY RATE

The Toledo metro area's credit card delinquency rate held steady at 7.4 percent for the seventh quarter in a row in the second quarter of 2019. Although the rate has fluctuated a bit in Ohio and in the United States, all three regions continue to exhibit low and stable delinquency rates. In the second quarter of 2019, the state's credit card delinquency rate was 6.9 percent and the nation's was 7.6 percent.

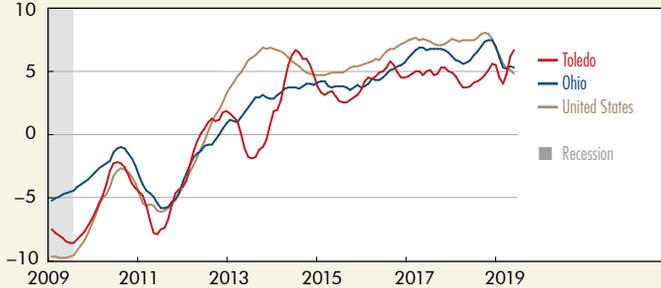
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Home price growth accelerated in the Toledo metro area in June, July, and August 2019.

Year-over-year percent change



Source: Zillow.com/Haver Analytics.

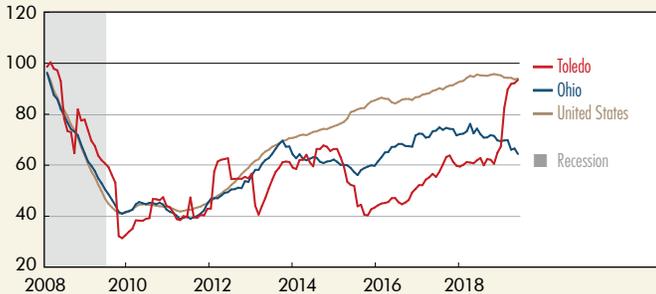
HOUSING MARKET

HOUSING PRICES

Home price growth accelerated in the Toledo metro area in June, July, and August 2019, even while it has slowed in Ohio and in the United States. In the metro area, the median home value grew 6.8 percent in the 12 months through August 2019, to \$117,100. As a result of this growth, the median home value is now higher than its peak before the Great Recession. In Ohio, home price growth has slowed but still remains robust—at \$141,400, the median home value was 5.4 percent higher in August 2019 than it was a year earlier. Growth slowed in the United States as well, and between August 2018 and August 2019, home prices grew 4.9 percent to \$229,600.

Multifamily building permits rose sharply in the Toledo metro area in March and April 2019.

Index, 2007:M12=100, 12-month moving average



Source: US Census Bureau/Haver Analytics.

HOUSING PERMITS

Residential building permit issuance shot up in the Toledo metro area in March and April 2019, as a result of a large number of permits issued for housing units in multifamily buildings. In July 2019, the 12-month moving average of total permits was 51.2 percent higher than in July 2018. Meanwhile, permit issuance in Ohio has been trending downward and was 13.5 percent lower in July 2019 than a year earlier. In the United States, permit issuance has shown some signs of deterioration after holding steady throughout much of 2018 and the early part of 2019; in July, the nation's total permits were down 1.6 percent compared with a year earlier.

DEMOGRAPHICS AND EDUCATION

TOLEDO, OHIO

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. In the Toledo metro area, the number of people younger than 25 declined by 8.7 percent during the previous 10 years, while the number of people aged 55 or older increased by 21.8 percent.

	Toledo Metro Area		United States	
	2017	Change from 2007	2017	Change from 2007
Population	603,830	-1.6%	325,147,000	+7.9%
Adults with less than a high school diploma	10.5%	-1.8 pp	12.0%	-3.5 pp
Adults with an undergraduate degree or higher	27.1%	+3.4 pp	32.0%	+4.5 pp
Median age (years)	37.3	+0.7	38.1	+1.4
Median household income	\$52,740	-8.2%	\$63,152	+0.6%

Note: Percentage points is abbreviated as pp.

Source: US Census Bureau population estimates, American Community Survey.

Joel Elvery is a policy economist at the Federal Reserve Bank of Cleveland. Julianne Dunn is a research analyst at the Bank. The authors thank economic analyst Christopher Vecchio for preparing the charts.

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.

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).