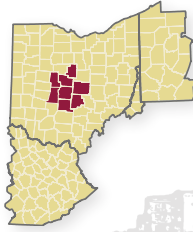


FOURTH DISTRICT METRO MIX

YOUR DISTRICT, YOUR DATA



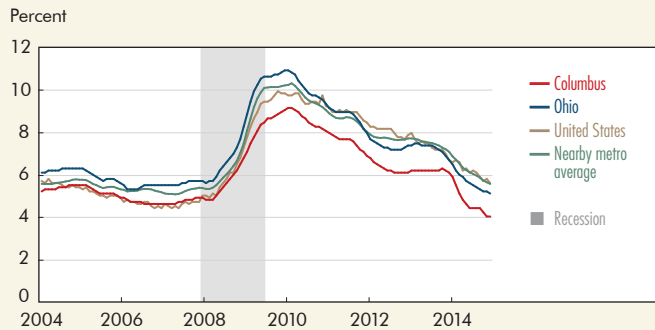
COLUMBUS, OHIO MSA | SECOND QUARTER, 2015

FEDERAL RESERVE BANK of CLEVELAND

Columbus – Continuing to Expand at a Solid Rate

Most areas of the Columbus metropolitan area's economy continue to expand. On net, the Columbus economy continues to be the strongest MSA in the Buckeye State and one of the strongest in the Midwest. Despite a harsh winter, growth continued: employment growth in key sectors remains 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 throughout 2015.

The region's unemployment rate sits well below the national average

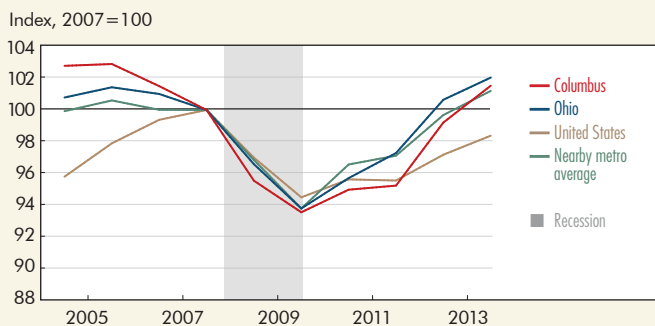


Source: Bureau of Labor Statistics/Haver Analytics.

◀ UNEMPLOYMENT RATE

The region's unemployment rate has declined past pre-recession levels. As of December 2014, unemployment in the Columbus metro area stood at 4.0 percent, below the 4.6 percent bottom of the previous expansion and much lower than the state of Ohio's rate of 5.1 percent. Continued improvement in the unemployment rate accrues to continued growth across multiple sectors, with especially strong performance in the construction and professional and business services sectors. Expectations for growth in 2015 remain bright as continued improvement in the manufacturing sector in response to increased motor vehicle demand is likely.

Per capita GDP has surpassed its level at the start of the recession

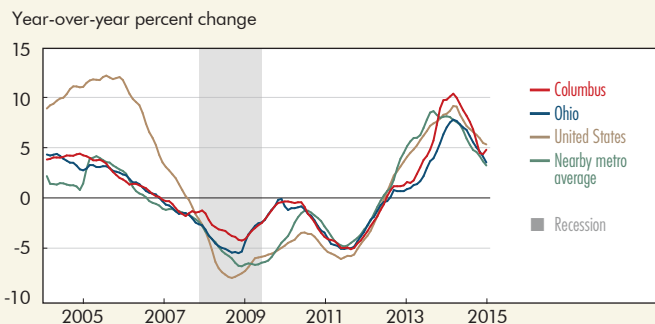


Source: Bureau of Economic Analysis/Haver Analytics.

◀ 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 nearly 1.6 percent above its level at the start of the recession. This was only slightly behind the statewide showing of about 2.1 percent, while nearby metro areas exceeded their pre-recession levels by 1.2 percent. The national average remains 1.6 percent below its prior level.

Housing prices are growing at a faster rate than those of nearby metros and the state of Ohio



Source: Zillow.com/Haver Analytics.

◀ HOUSING PRICES

Through February of 2015, housing prices in the Columbus metro area had returned to growth rates that are consistent with historical norms. Housing prices were rising at a 4.4 percent rate, surpassed only by the national average of 4.9 percent. This is due to strong growth in the employment sector, continued improvements in consumer credit quality, and slow growth in the supply of available housing in the metro area. Foreclosure 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.

FOURTH DISTRICT METRO MIX

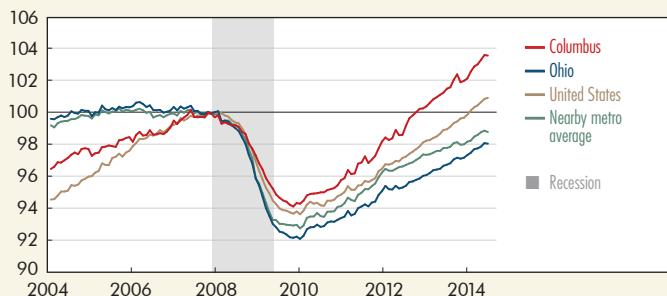
SECOND QUARTER, 2015

YOUR DISTRICT, YOUR DATA

EMPLOYMENT AND INDUSTRIAL SECTORS

Employment levels continue to exceed their pre-recession numbers

Index, 2007: M12=100

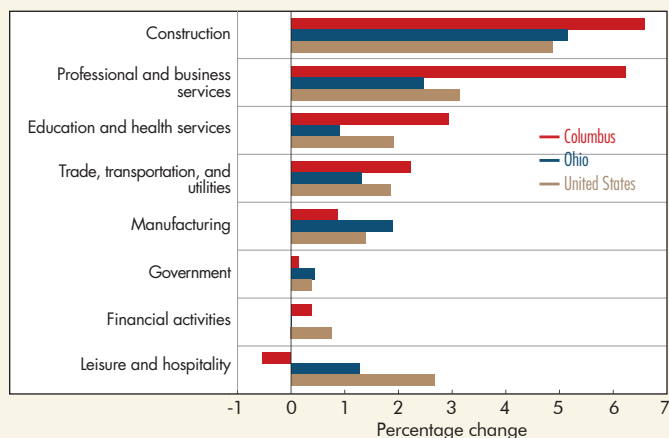


Source: Bureau of Labor Statistics' Quarterly Census of Employment and Wages.

◀ 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 the third quarter of 2014, employment levels were approximately 3.7 percent above their pre-recession numbers. By comparison, the absolute employment levels in nearby metro areas and the state of Ohio have yet to return to their pre-recession levels. The nation is exceeding its pre-recession employment performance by approximately 1 percent.

Sectoral employment growth strongly outweighs declines

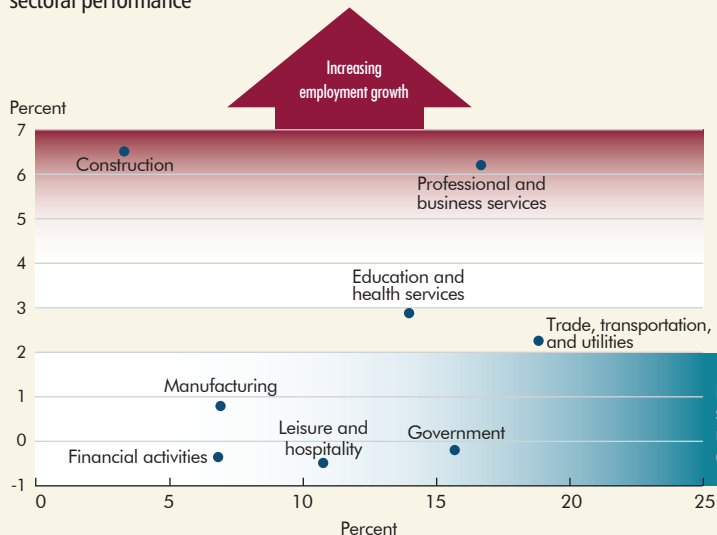


Source: Bureau of Labor Statistics' Quarterly Census of Employment and Wages.

◀ EMPLOYMENT GROWTH BY SECTOR

The Columbus metro area's economy benefits from a highly educated workforce and diversified industry base, which is demonstrated across multiple sectors of its economy. The construction, professional and business services, and education and health services sectors lead state and national levels in terms of their rates of growth; however, the construction sector represents a much smaller share of the local economy. Much of the growth in construction is occurring in the commercial real estate sector as area businesses invest strongly in capacity expansion, especially in the industrial sector. Continued growth is expected in the professional and business services sector. This fundamentally accrues to the relatively large number of corporate headquarters that are now pursuing revenue growth after having focused on cost containment through slow payroll growth.

The construction and professional and business services sectors lead Columbus' sectoral performance



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

◀ RELATIVE EMPLOYMENT GROWTH

Construction is the fastest-growing sector among the Columbus metro area's industry segments. This is 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. Accounting for approximately 17 percent of the area's labor force, the professional and business services sector also continues to expand at a strong clip. Demand for insurance-related, trade, and high-tech professionals remains strong, while the area's demand for finance-related and information professionals continues to lag. The Columbus area continues to respond to and benefit from the increased national demand for more educated and technically proficient labor.

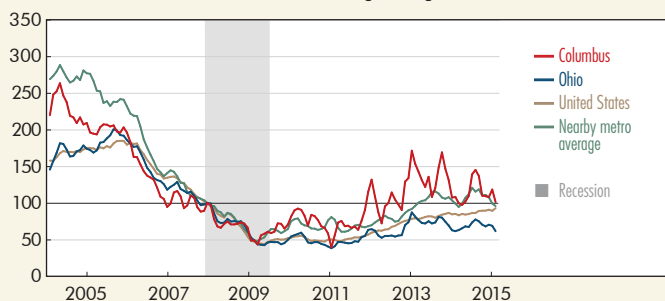
FOURTH DISTRICT METRO MIX

YOUR DISTRICT, YOUR DATA

SECOND QUARTER, 2015

Homebuilding growth continues to outpace that of the nation, state, and nearby metro areas

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



Source: Census Bureau/Haver Analytics.

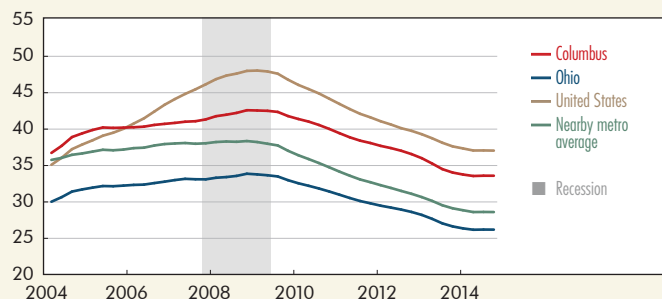
HOUSING MARKET

◀ HOUSING PERMITS

Homebuilding growth in the Columbus metro area continues to outpace those of the nation, state, and nearby metro areas. Homebuilding slowed substantially during the first two months of 2015, in comparison to strong third- and fourth-quarter showings. The 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. Recently, the construction labor force has begun to grow, thus helping to reduce the mismatch between increased demand and short supply of the region's housing.

The metro area's rate of household deleveraging has remained stable since the previous reporting period

Thousands of dollars



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

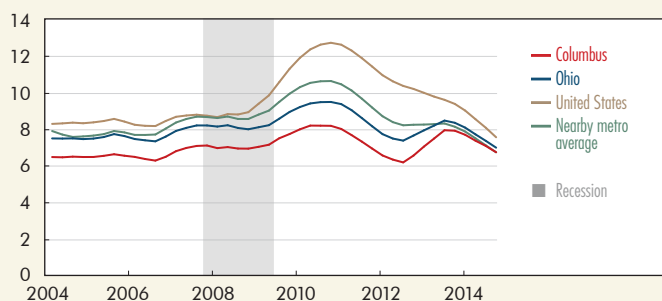
CONSUMER FINANCES

◀ CONSUMER DEBT

Since 2005, consumers in the Columbus metro area continue to have 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 as shown by few changes in average debt levels in 2014. Reasons for the previous debt decline continue to be lower mortgage debt due to foreclosures and smaller average outstanding balances on revolving debt instruments such as credit cards and home equity loans.

Delinquency rates are in line with pre-recession levels

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

The credit card delinquency rate is an indicator of the financial health of households. The credit profile of Columbus remains better than that of the nation and is in line with nearby metro areas and the state. Delinquency rates stand approximately where they were prior the start of the recession, around 7 percent. After a rapid decline immediately following the recession and some increase to historical levels since that time, the net average of credit quality in the Columbus metro area is largely the same as it has been for the past 10 years.

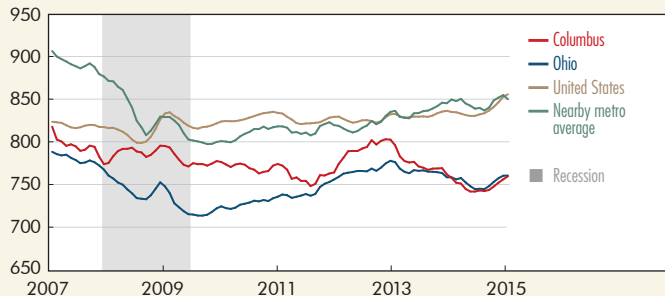
FOURTH DISTRICT METRO MIX

SECOND QUARTER, 2015

YOUR DISTRICT, YOUR DATA

Average weekly wages have risen to \$759, but remain below pre-recession levels

Dollars, three-month moving average



Source: Bureau of Labor Statistics/Haver Analytics.

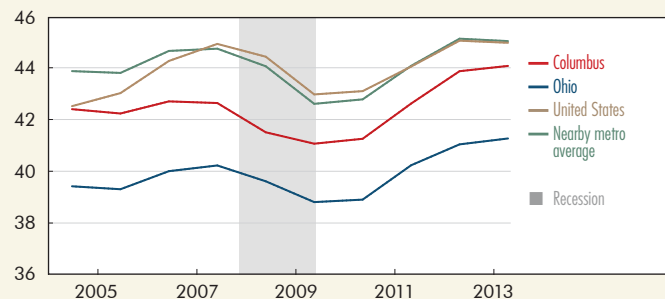
INCOME

◀ AVERAGE WEEKLY EARNINGS

Average weekly wages in the Columbus metro area continue to underperform the nation and nearby metro areas. In Columbus, average weekly wages fell from a post-recession high of \$803 in December 2012 to \$759 in February 2015. This decline is due largely to stronger growth in relatively lower-paid sectors, such as the construction and leisure and hospitality sectors. The state of Ohio also saw a slight decline in average weekly wages paid, while nearby metro areas continue to see marginal improvement over a comparable time period. This pattern is not unique to the Columbus area as national wage growth has lagged since the start of the millennium.

Columbus exceeds the state in income per capita performance

Thousands of dollars



Source: Bureau of Economic Analysis/Haver Analytics.

◀ INCOME PER CAPITA

The Columbus metro area continues to have income per capita well above Ohio and moderately below the nation and nearby metro areas. The metro area's slow population growth has helped to improve growth in income per capita. The region continues to experience an influx of highly educated and skilled workers into the relatively high-paying professional and business services sectors.

DEMOGRAPHICS AND EDUCATION

◀ COLUMBUS, OHIO

According to the 2013 US Census Bureau estimates, Columbus is 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	1,969,032	+4.3%	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	\$54,489	-1.9%	\$52,646	-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).