

FOURTH DISTRICT METRO MIX

YOUR DISTRICT, YOUR DATA



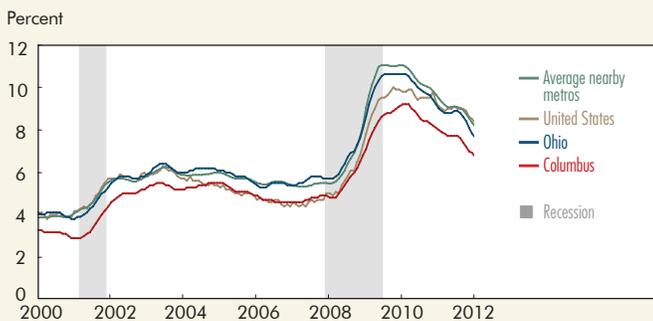
COLUMBUS, OHIO MSA | FOURTH QUARTER, 2013

FEDERAL RESERVE BANK of CLEVELAND

Columbus—leading the state to recovery

The Columbus metro area continues to outperform all other Ohio MSAs and most others in the Midwest. Its recovery in high gear, Columbus benefits from its large investment in services (dominated by educational institutions), the presence of the state capital, and multiple Fortune 500 companies headquartered or doing business there. Employment growth remains strong with the healthcare and professional and business service sectors showing the greatest strength.

Unemployment in the Columbus metro remains relatively low at 6%

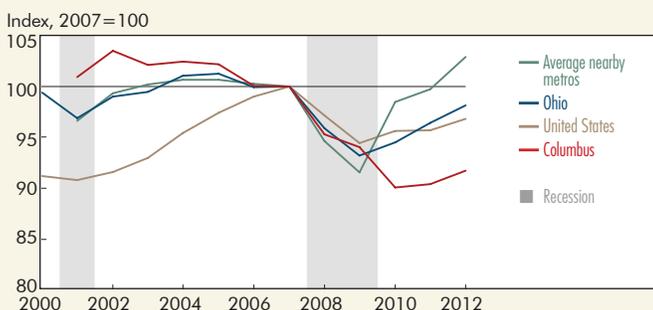


Source: Bureau of Labor Statistics/Haver Analytics.

◀ UNEMPLOYMENT RATE

As the nation recovers, the metro's large share of employment in high-growth, high-demand sectors is proving beneficial. The area's unemployment rate remains relatively low at 6 percent, as healthcare, professional and business services, and even local and state government services have all experienced a rise in jobs created. Healthcare is expected to be a primary source of strength as the federal Affordable Care Act goes into full swing in 2014. Additionally, major healthcare employers in the area have already announced expansion plans for next year that will require increased payrolls.

Per capita GDP has resumed growth

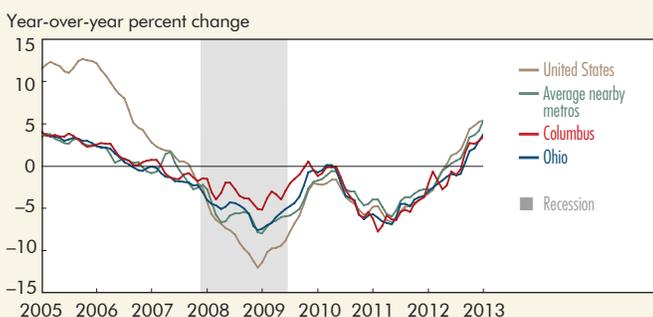


Source: Bureau of Labor Statistics/Haver Analytics.

◀ GROSS DOMESTIC PRODUCT

Similar to the nation and state of Ohio, per capita GDP in Columbus has resumed growing after declining strongly between 2006 and 2011. This renewed growth can be attributed to strong underlying growth in metro income and production levels that have outpaced the growth in the metro area population, which itself also continues to grow. As the second-fastest-growing Midwest MSA with at least one million people, the metro is a positive driver of population growth in a population-stagnant state. The Columbus metro's 2012 GDP per capita (\$51,704) was above that of the nation's (\$49,587), Ohio's (\$44,125), and the average of metros within 200 miles (\$42,644).

House prices have steadily increased in the last year



Source: Zillow.com/Haver Analytics.

◀ HOUSING PRICES

House prices have risen throughout the year due to the labor market's solid performance, strong investor demand for real estate, and growing consumer confidence. Foreclosure rates have also been on the decline, which helps reduce additions to the shadow inventory. Growth should likely continue in the real estate sector as employment further strengthens and homebuilding increases in response to a shrinking supply of new and existing homes for sale.

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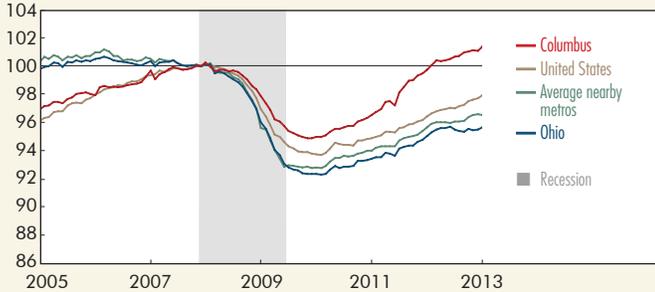
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EMPLOYMENT AND INDUSTRIAL SECTORS

Payroll employment continues to grow and lead the state

Index, 2007: M12=100

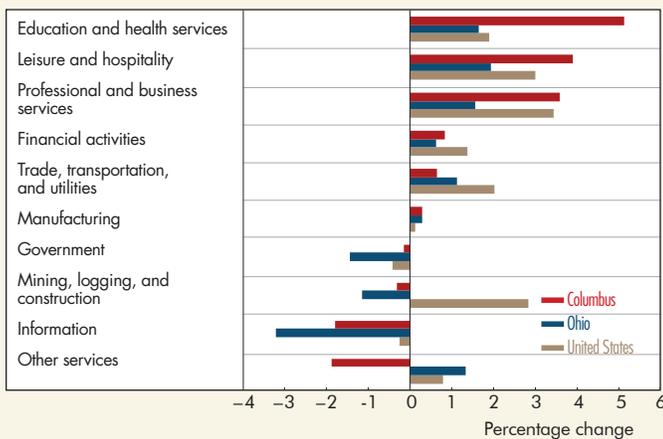


Source: Bureau of Labor Statistics.

EMPLOYMENT

Job growth in Columbus remains strong as the region capitalizes on its substantial base of highly educated and innovative workers. The healthcare and professional business sectors have led the growth in payroll, with growth also coming from the education sector. The Ohio State University, the area's largest employer with more than 26,000 employees, continues to provide the region a base of support as it expands its educational facilities and boosts hiring.

Relative growth in sectoral employment largely mirrors the national trend

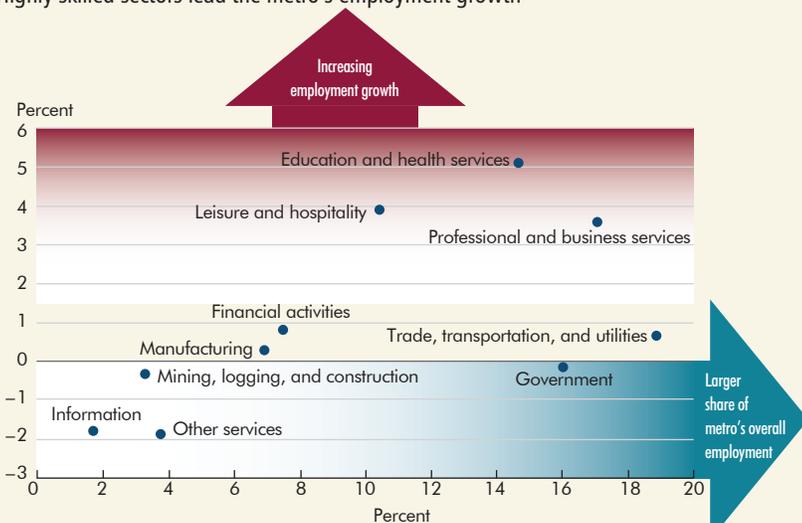


Source: Bureau of Labor Statistics.

EMPLOYMENT GROWTH BY SECTOR

The Columbus economy benefits from a highly educated workforce and a large presence in service-sector employment. The area's largest employers—the Ohio State University, JP Morgan Chase & Co., OhioHealth, and Nationwide Mutual Insurance—have all experienced significant growth and are positioned to continue to benefit from growth in their sectors. Being the state capital, the area also heavily depends on government employment. State government has fared well, experiencing only minor decreases, while expectations grow for increased hiring in the near future as tax revenues continue to improve.

Highly skilled sectors lead the metro's employment growth



Source: Bureau of Labor Statistics.

RELATIVE EMPLOYMENT GROWTH

Fifteen Fortune 1000 companies, five of which are Fortune 500, are headquartered in the Columbus metro. Many of these are boosting hiring, as are smaller companies. High-paying professional and business services employment is expected to continue to increase over the near to medium term. The Columbus area is also home to 54 college and university campus locations with a total enrollment of more than 147,000 students. The economy will continue to improve over the medium term as more of these students make the area their home upon graduation.

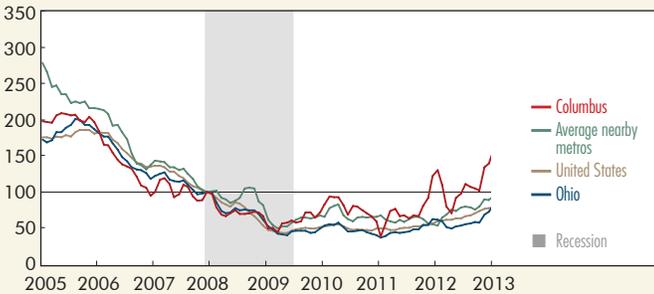
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FOURTH QUARTER, 2013

Houses are being built again in Columbus

Index, 2007: M12=100, 3-mo moving average



Source: Census Bureau/Haver Analytics.

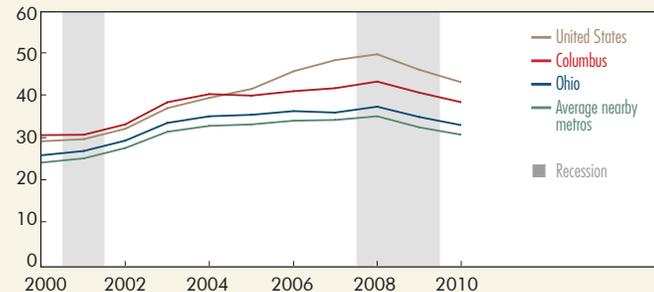
HOUSING MARKET

◀ HOUSING PERMITS

After more than four years of subpar growth, homebuilding is occurring at rates exceeding pre-recession levels, though the housing supply remains exceptionally tight. Multifamily vacancy rates remain low, as apartment construction has yet to catch up with growth in regional demand. Two factors often cited for the slow resurgence of supply are continuing tight credit conditions and a scarcity of skilled construction labor. Recently, the residential construction labor force has begun to grow, helping to reduce the mismatch between increased demand and short supply of the region's housing.

Mortgage, auto, and credit card debt has continued to decline

Thousands of dollars



Source: FRBNY Consumer Credit Panel.

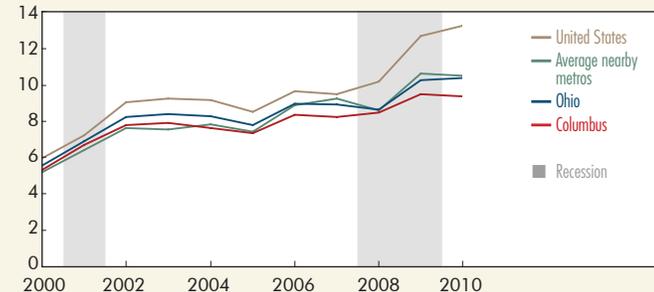
CONSUMER FINANCES

◀ CONSUMER DEBT

Since 2005, consumers in the Columbus metro have had less mortgage, auto, and credit card debt per capita than the national average, primarily because of the increase in national house prices, and thus mortgage debt, from 2000 to 2007. The metro has actively sought to deleverage since the onset of the recession and has succeeded at a rate similar to that of the nation's. Reasons for the debt decline include 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 have continued to decline from their recession highs

Percent of delinquent credit card balances



Source: FRBNY Consumer Credit Panel/Haver Analytics.

◀ CREDIT CARD DELINQUENCY RATES

The credit card delinquency rate is an indicator of the financial health of households. The credit profile of Columbus remains much better than the nation's and Ohio's. Declines in credit card delinquency rates have continued through 2011, the latest period for which data is available. In 2011, the share of credit card balances that were 90-plus-days delinquent was 3.7 percentage points lower in Columbus than in the United States and had fallen below pre-recession levels.

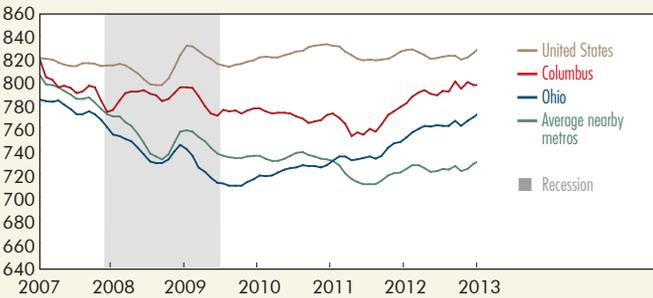
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Weekly wages in the MSA have been declining since early 2013

Dollars, three-month moving average



Source: Bureau of Labor Statistics/Haver Analytics.

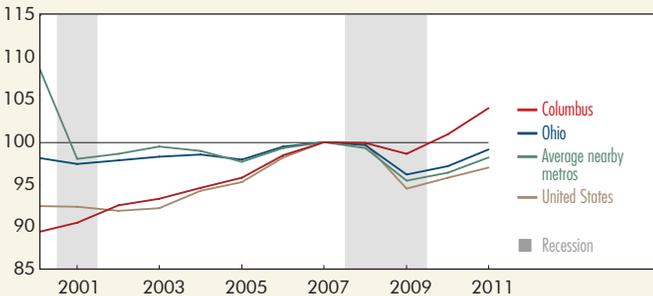
INCOME

◀ AVERAGE WEEKLY EARNINGS

In the Columbus area, average weekly wages fell from \$819 in January 2007 to \$753 in April 2011. Nearby metros and Ohio saw similar declines, but average weekly wages increased in the United States during the recession as the composition of the workforce changed. The decline in Columbus-metro-area wages in 2013 is largely in response to increased growth in the relatively lower-paying leisure and hospitality and trade, transportation, and utilities sectors.

Income per capita has risen since the end of the recession

Index, 2007: M12=100



Source: Bureau of Economic Analysis/Haver Analytics.

◀ INCOME PER CAPITA

Before 2007, the Columbus metro and the nation saw more income growth per capita compared to Ohio and nearby metros. The Columbus metro also saw a much smaller decline during the recession. Per capita income growth is under increasing pressure to continue rising as population growth exceeds income growth. However, as the region continues to experience an influx of highly educated and skilled workers into the relatively higher-paying professional and business services sectors, some of the downward pressure on income per capita due to population growth will be offset.

DEMOGRAPHICS AND EDUCATION

◀ COLUMBUS, OHIO

According to 2012 Census estimates, Columbus is the 32nd largest of the 381 metropolitan statistical areas in the United States.

| | Columbus metro | | United States | |
|---|----------------|------------------|---------------|------------------|
| | 2011 | Change from 2009 | 2011 | Change from 2009 |
| Population | 1,944,002 | +7.9% | 311,591,917 | +1.5% |
| Adults with less than a high school diploma | 10.0% | -0.2% | 14.1% | -0.7% |
| Adults with a bachelor's degree or higher | 32.9% | -0.4% | 28.5% | +0.6% |
| Median age (years) | 35.4 | +0.7 years | 37.3 | +0.5 years |
| Median household income | \$57,031 | +3.0% | \$52,207 | -4.1% |

Sources: Census Population estimates; American Community Survey.

All monthly figures are seasonally adjusted and all dollar figures are in current dollars. The charts in this publication use gray shading to indicate recessions. 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).