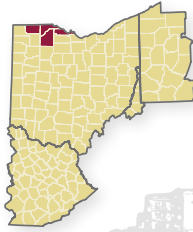


FOURTH DISTRICT METRO MIX

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TOLEDO, OHIO MSA | JULY 2016

FEDERAL RESERVE BANK of CLEVELAND

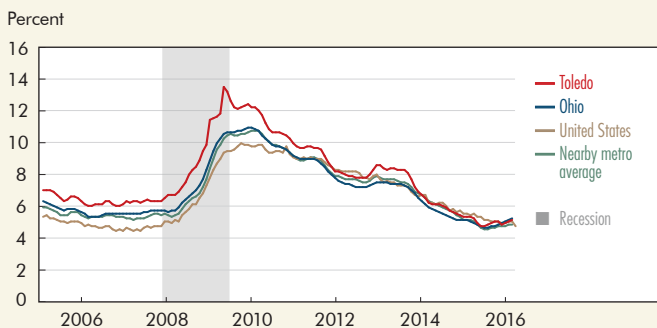
Toledo — More Employment Growth and Less Population Loss

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.

METRO AREA SNAPSHOT

	Unemployment Rate		Median Home Values		Payroll Employment		Credit Card Delinquency Rates	
	April 2016	One-year change	April 2016	One-year change	December 2015 (thousands)	One-year change	2016:Q1	One-year change
Toledo	5.1%	-0.2	\$98,800	2.5%	293	2.7%	6.8%	-0.7
Ohio	5.2%	0.2	\$120,000	2.7%	5,288	1.2%	6.9%	0.0
United States	5.0%	-0.4	\$187,000	4.9%	140,751	1.9%	7.7%	0.2
Nearby metro average	4.8%	-0.3	\$136,000	4.3%	1,166	1.6%	6.7%	0.0

Toledo's unemployment rate was 5.1 percent in April 2016, comparable to state and national rates

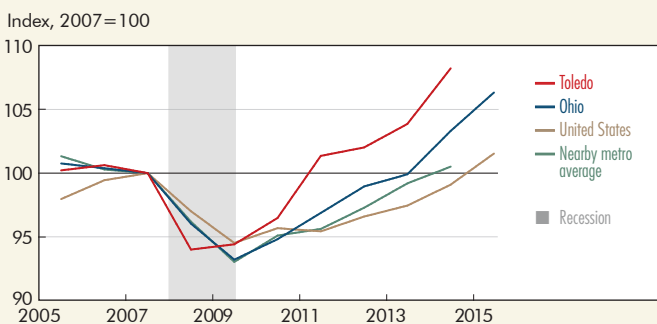


Source: Bureau of Labor Statistics/Haver Analytics.

◀ 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.

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



Source: Bureau of Economic Analysis/Haver Analytics.

◀ GROSS DOMESTIC PRODUCT

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.

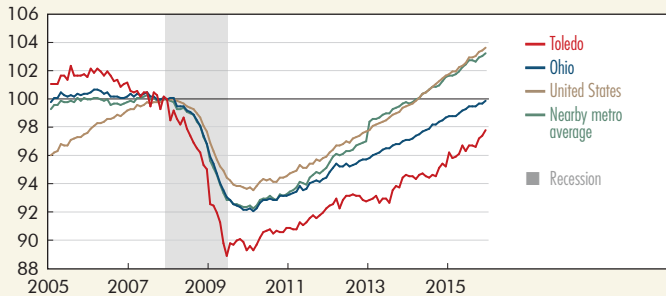
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The Toledo metro area added more than 7,800 jobs in 2015

Index, 2007:M12=100



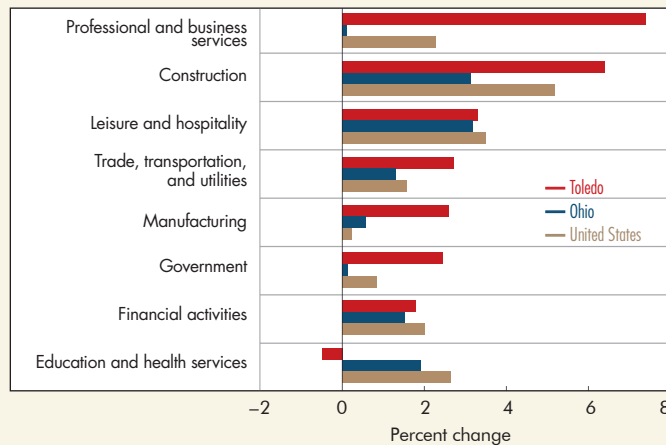
Source: Bureau of Labor Statistics' Quarterly Census of Employment and Wages.

EMPLOYMENT AND INDUSTRIAL SECTORS

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.

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

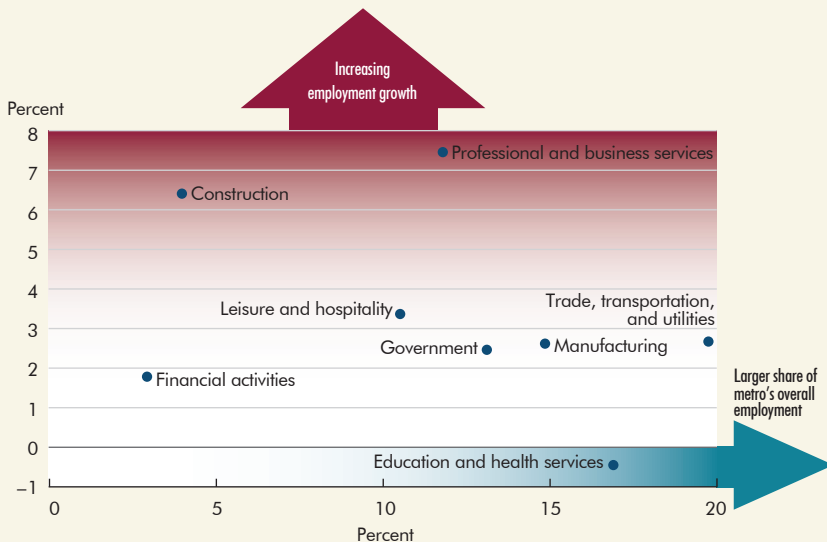


Source: Bureau of Labor Statistics' Quarterly Census of Employment and Wages.

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.

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



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

RELATIVE EMPLOYMENT GROWTH

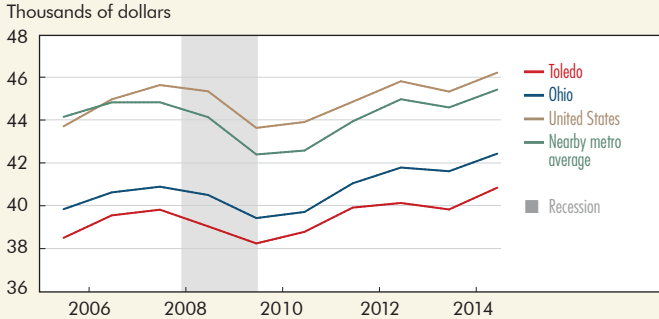
Toledo saw broad-based employment gains in 2015, with employment growing by at least 2.4 percent in all its major sectors except education and health services, which lost 245 jobs. The professional and business services sector added 2,500 jobs, the largest increase of any of the metro area's sectors. 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.

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In 2014, Toledo's income per capita growth outpaced state and national performance



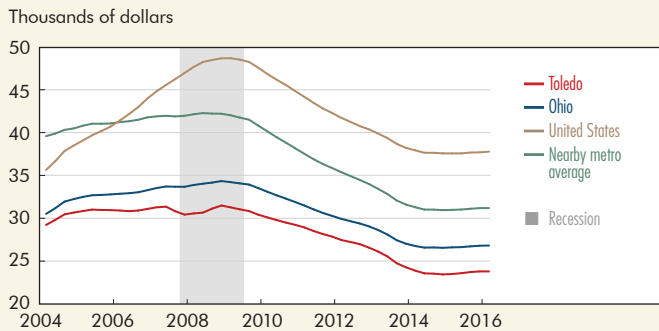
Source: Bureau of Economic Analysis/Haver Analytics.

INCOME

◀ 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.

Low home prices in the Toledo metro area kept consumer debt levels down



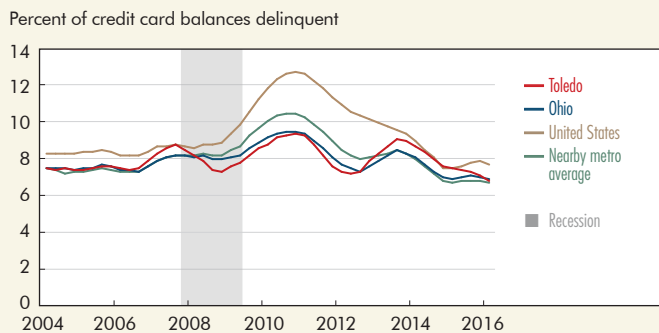
Source: Authors' calculations from the Federal Reserve Bank of New York's Consumer Credit Panel/Equifax.

CONSUMER FINANCES

◀ 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 littler larger than that of the nation and state (both 22 percent).

The metro area's credit card delinquency rate continued its downward trend in the first quarter of 2016



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

◀ 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.

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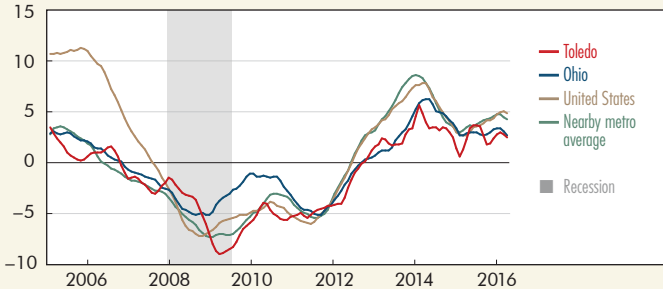
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HOUSING MARKET

From April 2015 to April 2016, Toledo's median home price growth tracked the state trend

Year-over-year percent change



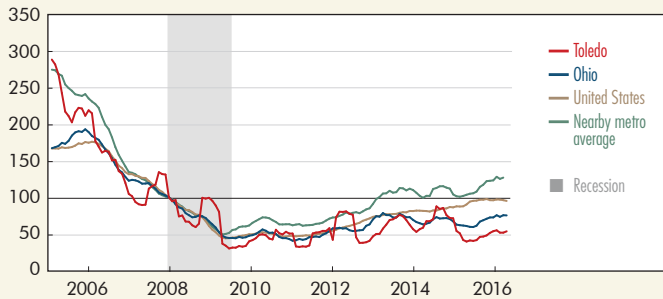
Source: Zillow.com/Haver Analytics.

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.

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 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.

	Toledo Metro Area		United States	
	2014	Change from 2009	2014	Change from 2009
Population	606,781	-0.6%	318,857,000	+3.9%
Adults with less than a high school diploma	9.8%	-2.7%	13.1%	-1.7%
Adults with an undergraduate degree or higher	27.4%	+5.3%	30.1%	+2.2%
Median age (years)	37.5	+0.1 years	37.7	+0.9 years
Median household income	\$46,089	-4.6%	\$54,229	-3.2%

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).