



Regional Economic Monitor & Insights

THE
COLUMBUS
REGION

APRIL 2022

THE
COLUMBUS
REGION

Economic Monitor



Economic Monitor

WHAT IT IS

- **Relevant:** 18 indicators across One Columbus strategy themes of Growth, Prosperity and Innovation.
- **Comparable:** benchmarks Columbus among all 35 U.S. metro areas with 1M to 3M population
- **High-frequency:** monthly and quarterly data
- **Low lag:** as close to real-time as possible

WHAT IT DOES

- Shows broader context around the Columbus Region's economic development
- Provides leaders data on key topics and trends to galvanize action among an issue's stakeholders

KEY

RANK OUT OF 35 METRO AREAS

TOP QUINTILE	1-7
	8-14
MIDDLE QUINTILE	15-21
	22-28
BOTTOM QUINTILE	29-35

Economic Monitor | Apr 2022

Columbus currently has 9 indicators (out of 18) in the top two quintiles (ranks 1-14).

No. indicators	Metros
15	Austin
13	Portland
12	Denver, San Jose
10	Baltimore, Nashville, Orlando, Salt Lake City, San Antonio
9	Charlotte, Columbus , Las Vegas, Raleigh, Sacramento
8	Indianapolis, Milwaukee
7	Cincinnati, Jacksonville, Pittsburgh, St. Louis
6	Cleveland, Hartford, Providence, Tucson
5	Buffalo
4	Birmingham, Kansas City, Memphis, Richmond, Rochester
3	Grand Rapids, Louisville, Virginia Beach
2	New Orleans
1	Oklahoma City

Economic Monitor | Growth

April 2022

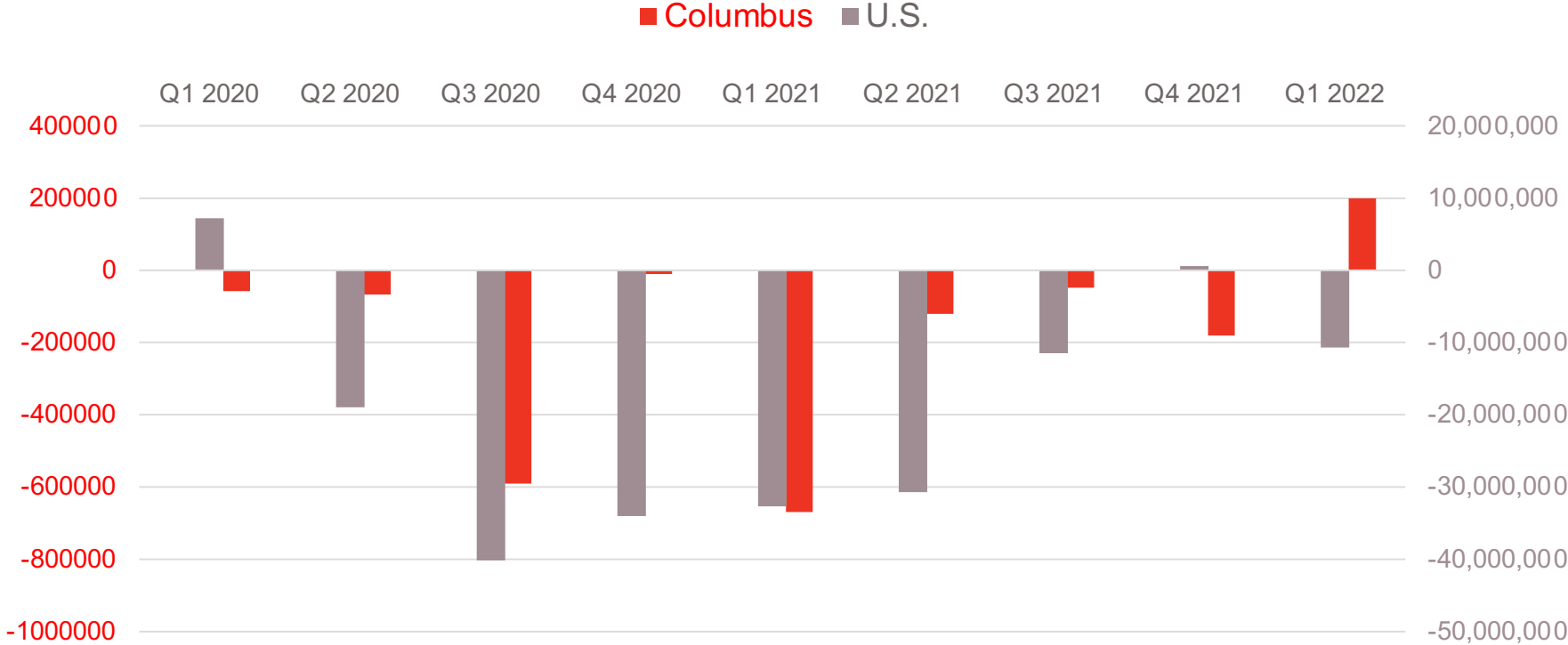
	CURRENT		1Y ago		1Q ago		DATA SOURCE RELEASE DATE
	Data	Rank	Data	Rank	Data	Rank	
Net New Jobs (YoY)	2.0%	32	-3.1%	7	2.9%	20	U.S. Bureau of Labor Statistics Feb-22
Labor Force Growth (YoY)	0.1%	27	-1.0%	14	-0.7%	27	U.S. Bureau of Labor Statistics Feb-22
Over/Under Optimal Unemployment Rate (4%-5%)	-0.6%	22	0.0%	1	-0.2%	14	U.S. Bureau of Labor Statistics Feb-22
Net Change in Permanent Change of Address (YoY)	-363	6	987	13	-1,543	21	U.S. Postal Service Q4-21
Aggregate Wage Growth (YoY)	9.2%	22	1.6%	6	12.6%	18	U.S. Bureau of Labor Statistics Q3-21
Office Sq Ft Under Construction Per 100 Sq Ft Inventory	3.6	4	2.6	8	3.6	6	Cushman & Wakefield Q4-21
Industrial Sq Ft Under Construction Per 100 Sq Ft Inventory	5.1	11	3.1	12	3.8	13	Cushman & Wakefield Q4-21

Source: One Columbus Economic Monitor. Sources for specific metrics listed next to metric.

Office Absorption Turns Positive

For the first time since 2019, quarterly net absorption of office space was positive, with estimates ranging from 200,000 to 500,000 among local brokers.

NET ABSORPTION



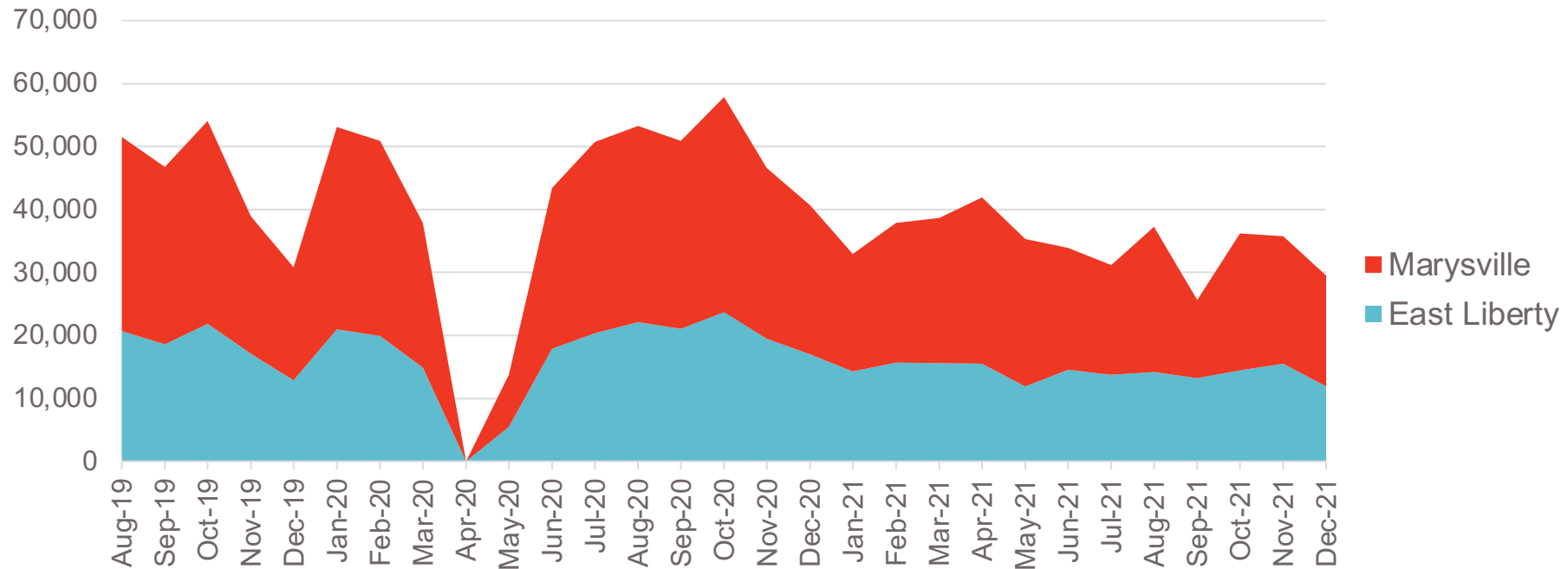
Source: Cushman & Wakefield.



Vehicle Production

Automotive supply chain disruptions have been a drag on regional employment. Local production is currently down ~30% YoY and was down 17% in 2021 overall.

VEHICLES PRODUCED IN COLUMBUS REGION HONDA PLANTS

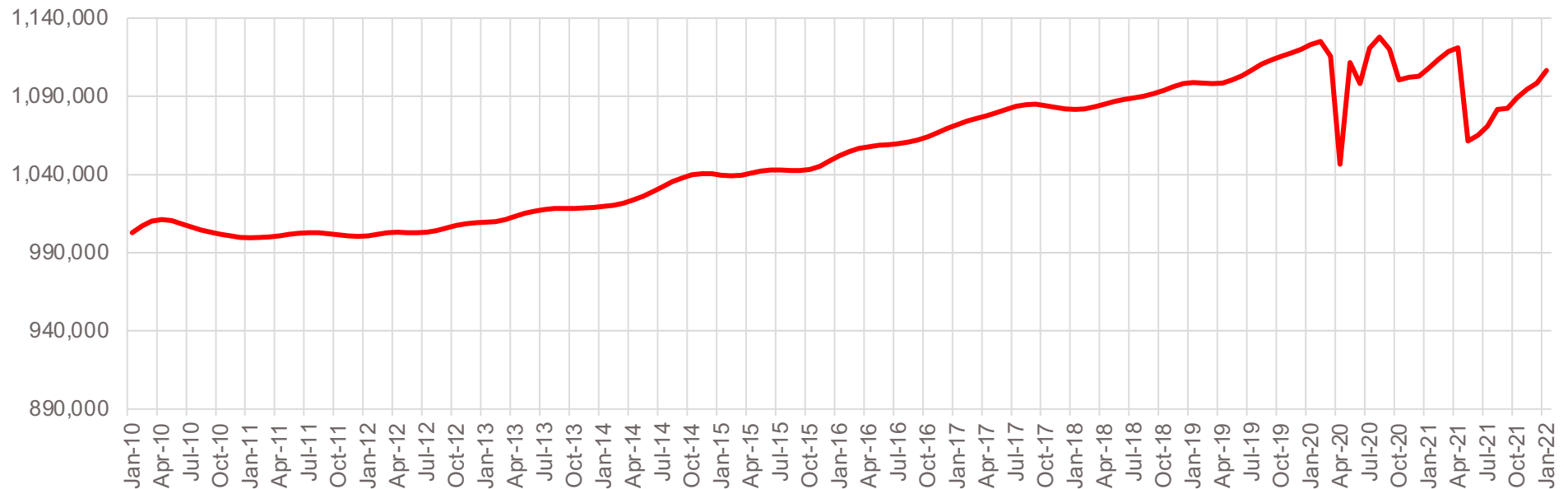


Source: Automotive News

Labor Force

The data indicate a sharp drop in labor force in May, but this may be due to issues with BLS methodology or state reporting.

COLUMBUS METRO AREA LABOR FORCE



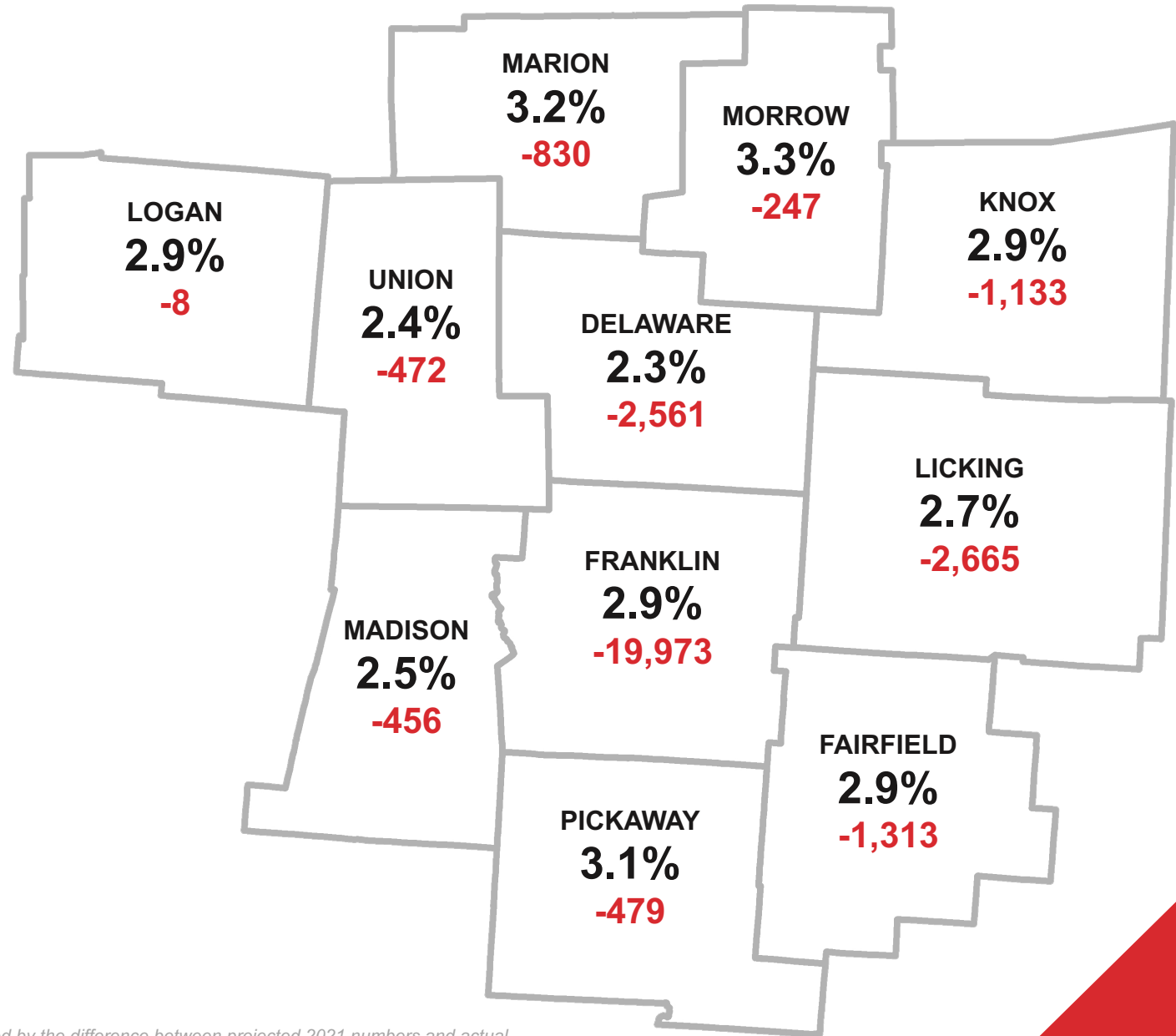
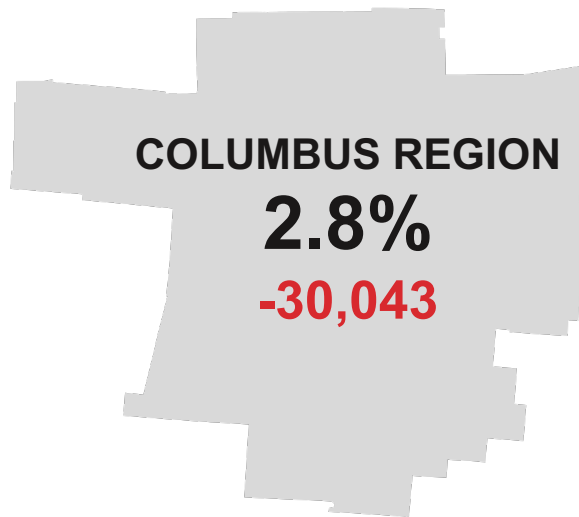
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, smoothed seasonally adjusted.



Labor Force

Unemployment Rate

Labor force shortage relative to pre-pandemic trend (Dec 2017-Dec 2019 change)



Source: US BLS. LAUS Data analyzed 3/15/2022. Labor force shortage calculated by the difference between projected 2021 numbers and actual. Projected numbers based on Dec 2017 to Dec 2019 growth rate

Economic Monitor | Prosperity

April 2022

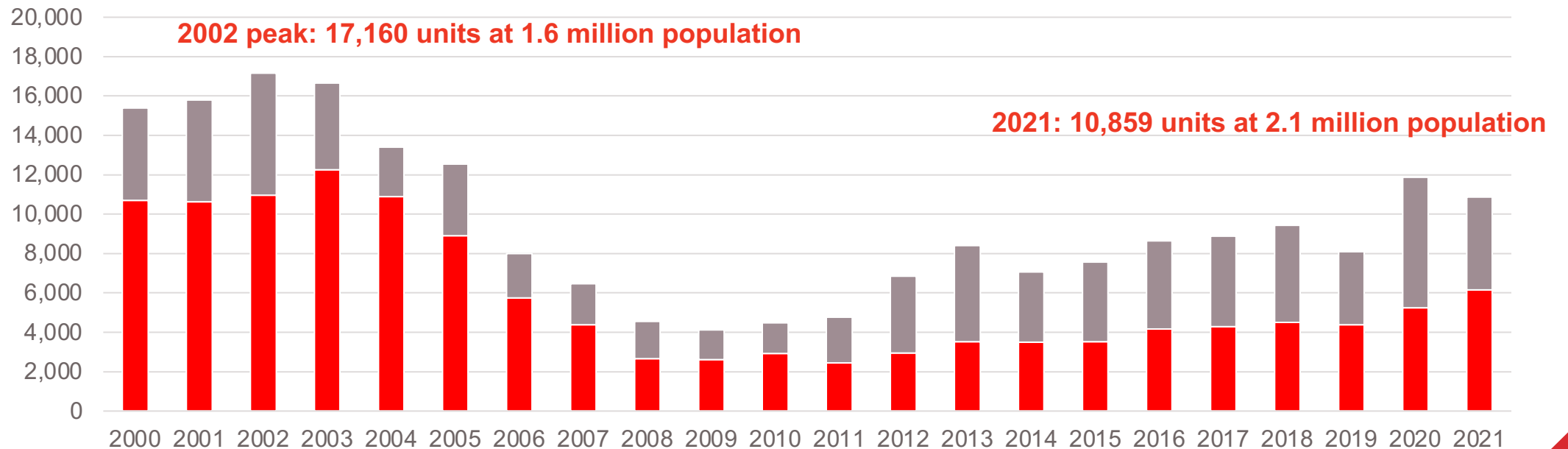
	CURRENT		1Y ago		1Q ago		DATA SOURCE RELEASE DATE
	Data	Rank	Data	Rank	Data	Rank	
Housing Permits	859	14	1,104	10	1,316	9	U.S. Census Bureau Feb-22
Housing Opportunity Index	69%	18	77%	16	69%	18	National Association of Home Builders Q4-21
Prime Credit Share of Population (YoY bps change)	107	26	259	9	155	23	Federal Reserve Bank of New York, Equifax Q4-21
Average Wage Growth (YoY)	5.2%	23	6.9%	18	3.8%	18	U.S. Bureau of Labor Statistics Q3-21
% of Job Postings > \$35K Salary	66%	14	53%	22	65%	12	Burning Glass Feb-22
% of Job Postings > \$75K Salary	15%	25	13%	24	15%	23	Burning Glass Feb-22

Source: One Columbus Economic Monitor. Sources for specific metrics listed next to metric.

Housing permits fewer than 20 years ago

As a metro with a half million fewer people, Columbus was building more housing 20 years ago than now

ANNUAL HOUSING PERMITS, SINGLE FAMILY AND MULTI FAMILY, COLUMBUS MSA

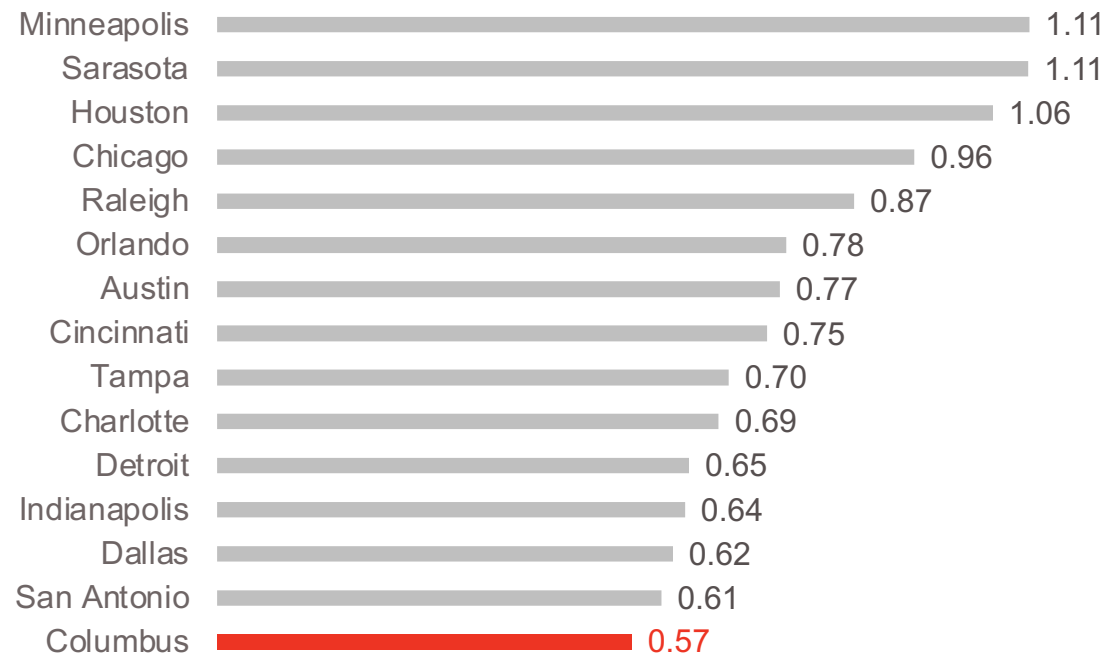


Sources: BIA of Central Ohio, Zonda.

Housing supply lags job growth

Relative to economic growth, Columbus is producing too little housing. The optimal ratio is 0.9-1.0 home for every job.

HOUSING UNITS PERMITTED PER JOB CREATED IN M/I HOMES' MARKETS, 2010-2020

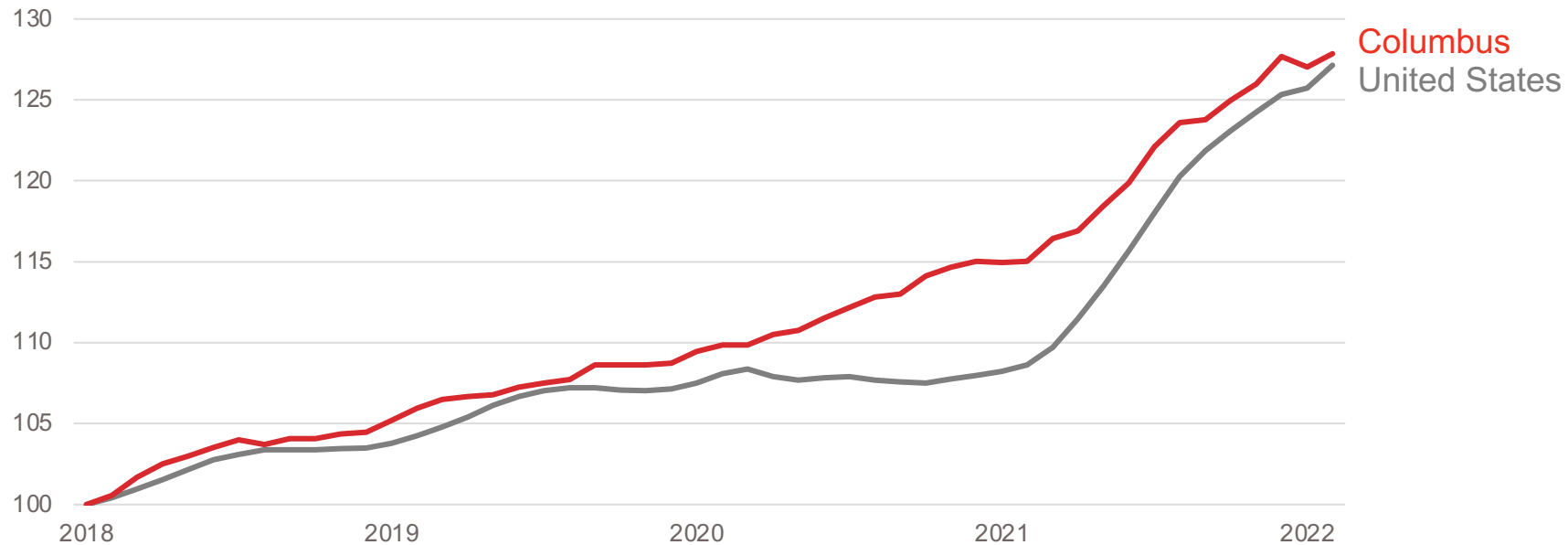


Sources: U.S. Census Bureau, Building Permits Survey; U.S. Bureau of Labor Statistics.

Rising rent prices

Rent prices increases accelerated in 2021. Rents in Columbus are up 11% year on year, compared to the normal annual increase of ~4%.

AVERAGE RENT PRICES, INDEXED TO 100 IN JAN 2018

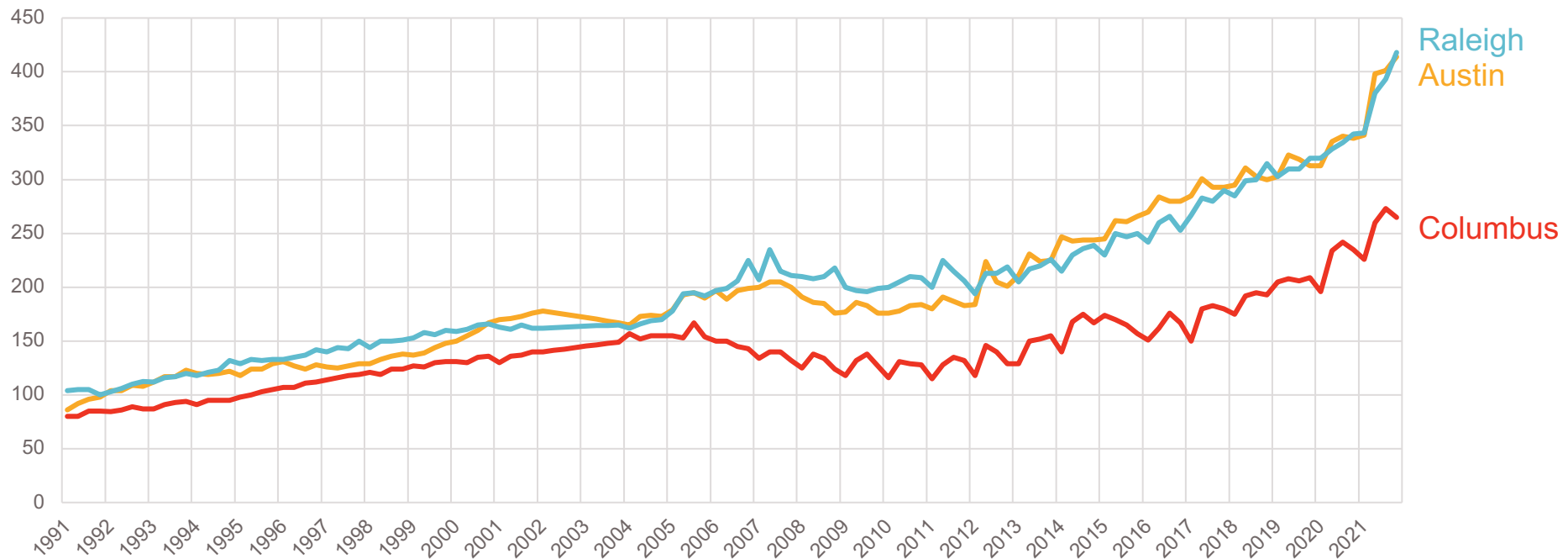


Source: Zillow.

Let's get ahead of the problem

Up to the mid-2000s, Columbus, Austin and Raleigh trended closely in home price appreciation. Then the other markets diverged as housing supply lagged economic growth.

MEDIAN HOME PRICE (\$ THOUSANDS)



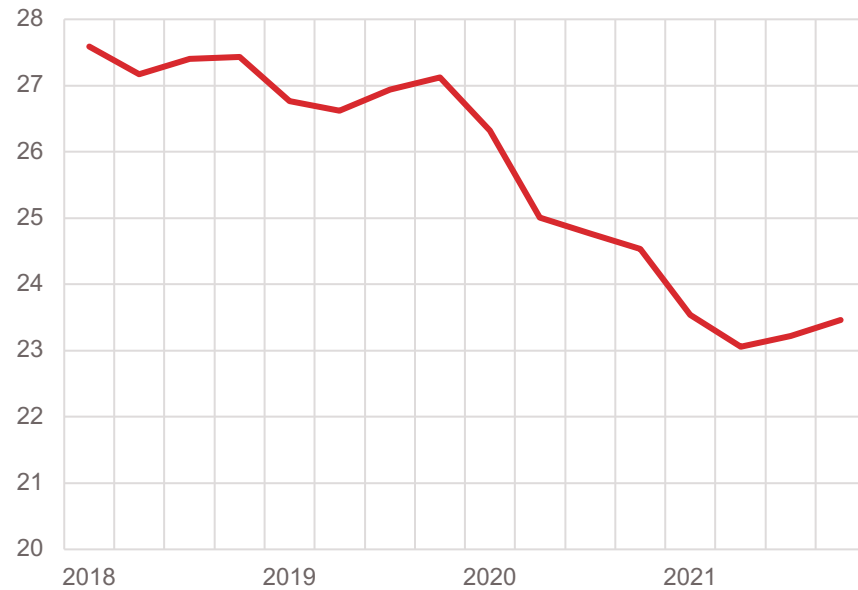
Source: National Association of Home Builders.



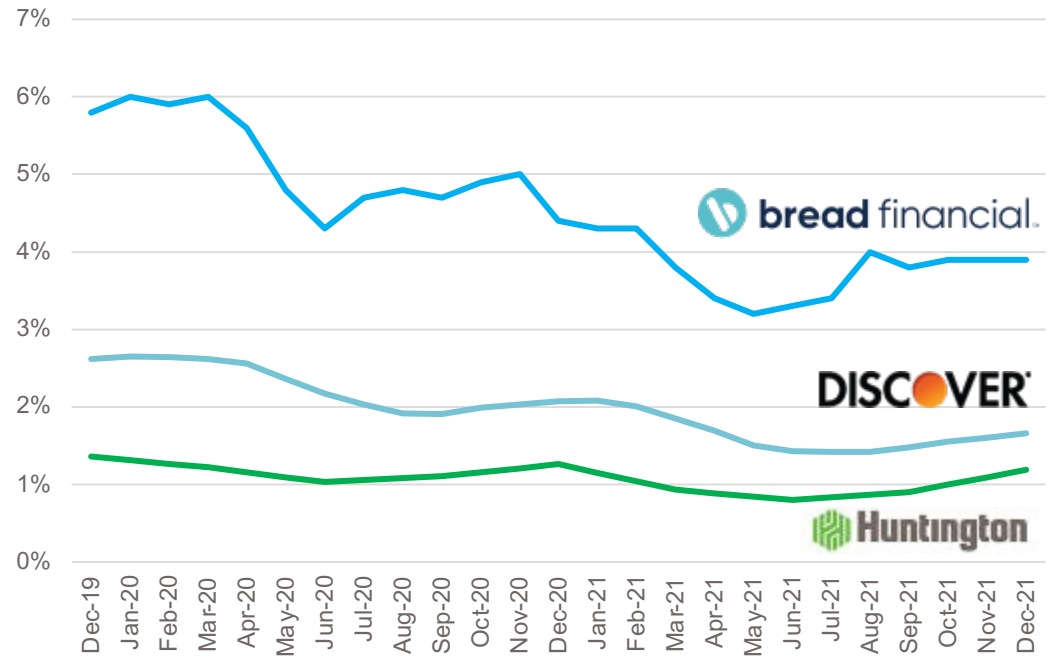
Credit Quality

Federal stimulus and benefits drove the share of population with subprime scores – along with delinquency rates on mortgages, consumer loans, credit cards – to historical lows. But both have started to rise since Q2 2021.

PERCENT OF COLUMBUS MSA POPULATION WITH CREDIT HISTORY THAT HAS SUBPRIME SCORE



CONSUMER CARD AND LOAN DELINQUENCY RATES (30+ DAYS)



Sources: Federal Reserve Bank of New York; Equifax; company earnings updates.

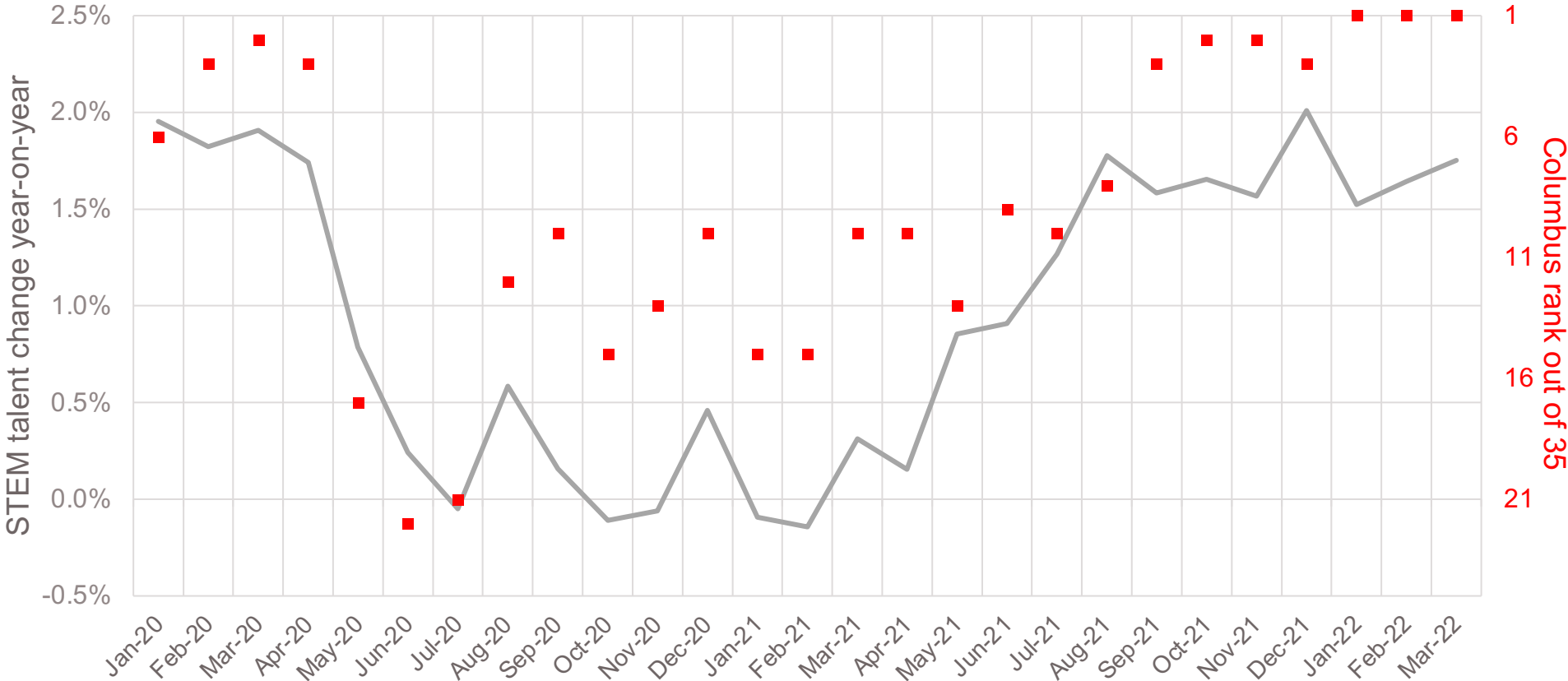
Economic Monitor | Innovation

April 2022

	CURRENT		1Y ago		1Q ago		DATA SOURCE RELEASE DATE
	Data	Rank	Data	Rank	Data	Rank	
STEM Talent Growth (YoY)	1.8%	1	0.3%	10	2.0%	3	LinkedIn Talent Insights Mar-22
Venture Capital Deals	11	11	20	9	17	10	PitchBook Q4-21
Venture Capital Raised (\$M)	190	10	422	4	305	5	PitchBook Q4-21
Patents by Inventor Location	150	14	114	22	119	21	U.S. Patent and Trademark Office Q3-21
Patents by Assignee Location	112	17	92	20	93	20	U.S. Patent and Trademark Office Q3-21

STEM Talent

STEM talent growth in the Columbus Region has bounced back since mid-2021.



Source: LinkedIn Talent Insights.

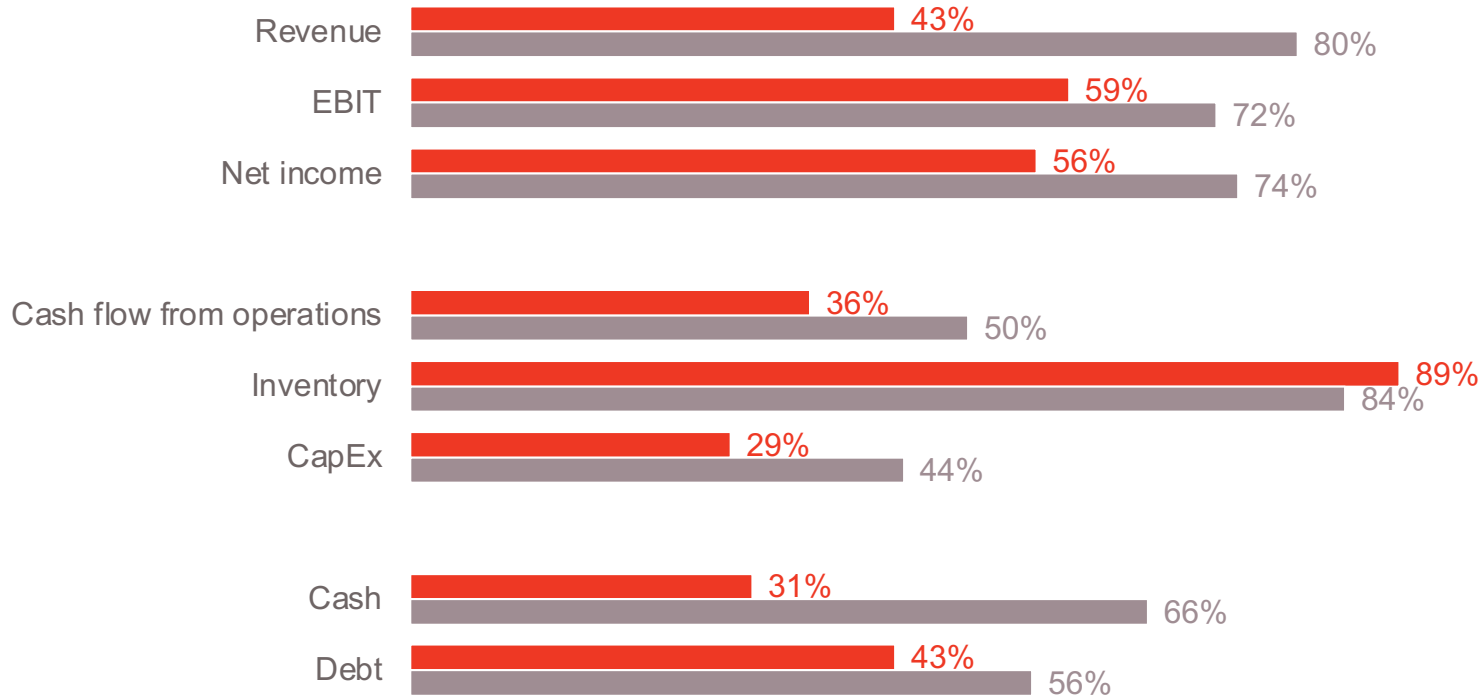


Business and Economic Data



Critical public company financials

PERCENT OF COMPANIES THAT ARE HIGHER IN FINANCIAL MEASURE IN LATEST QUARTER VERSUS
1 YEAR AGO AND 2 YEARS AGO



The Columbus Region's critical companies are still performing strongly compared to pre-COVID (2 years ago) but mixed compared to a year ago.

Source: Sentieo data analyzed March 7, 2022.

Critical public company financials

Columbus Region critical companies, Apr 2022 earnings updates

- Banks: consumer and business loan activity strengthening, asset management fees up, investment banking income and fees down, corporate banking fees (e.g. M&A) down
- Interest rates/inflation
- Ukraine/Russia impacts depend on company and even for those affected, under 1% or 2% of revenue. Europe showed recovery and growth in many areas of business and retail. COVID restrictions in China have had broader negative business impact.
- Several manufacturers reporting record revenues and high backlogs but also lower margins and profits. Construction remains strong, and aerospace recovery is a boost to various sectors (paint/coatings, metals) but automotive remains mixed.

Missing Labor Force

Labor force participation is a multi-pronged issue with short-term and long-term factors.

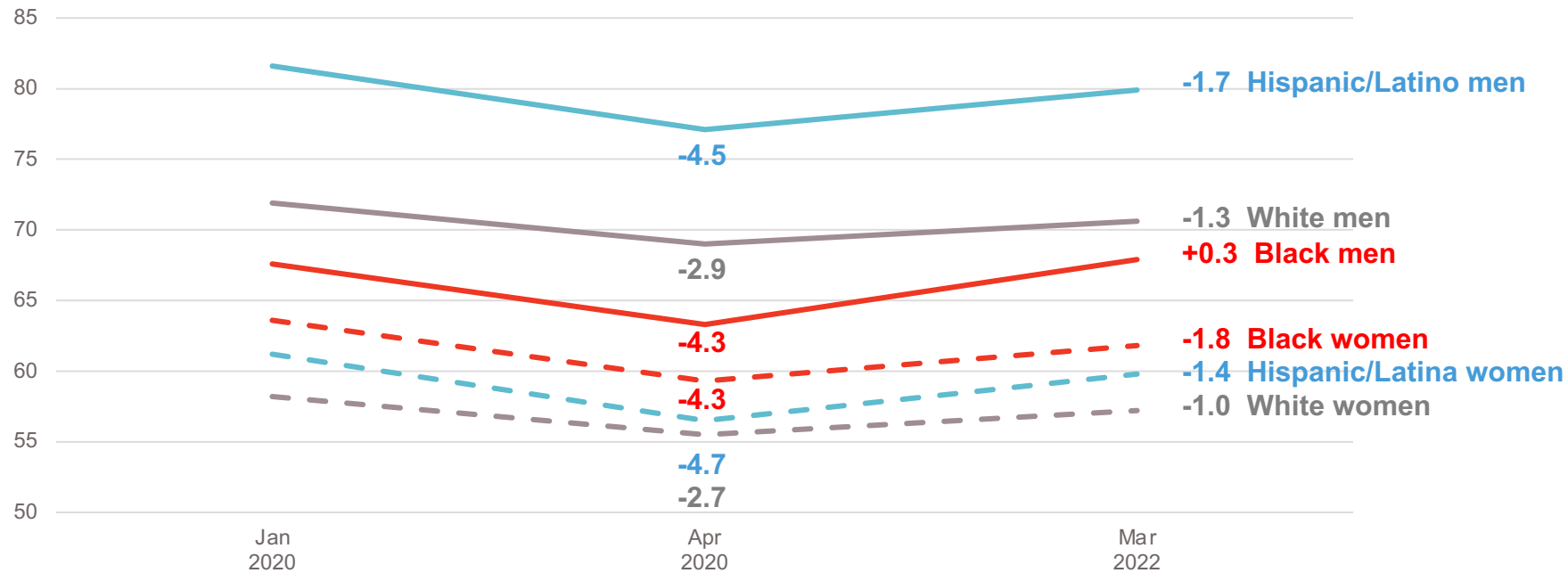
ESTIMATING MISSING WORKERS IN U.S.

- ❑ Child care: ~1 million, multiplier from 117,000 fewer child care jobs
- ❑ Immigration: 1.2 million fewer immigrants in 2017-2020 vs. 2013-2016
- ❑ Silver tsunami: 1.2 million more Baby Boomers retired in 2020 than 2012-2019 average (Pew Research Center, November 2020)
- ❑ Long COVID: 1.6 million (Brookings, January 2022)

Labor Force

For most demographic groups, participation rates still remain below pre-pandemic levels.

U.S. LABOR FORCE (AGE 20+) PARTICIPATION RATES AND PERCENTAGE POINT CHANGE FROM JAN 2020



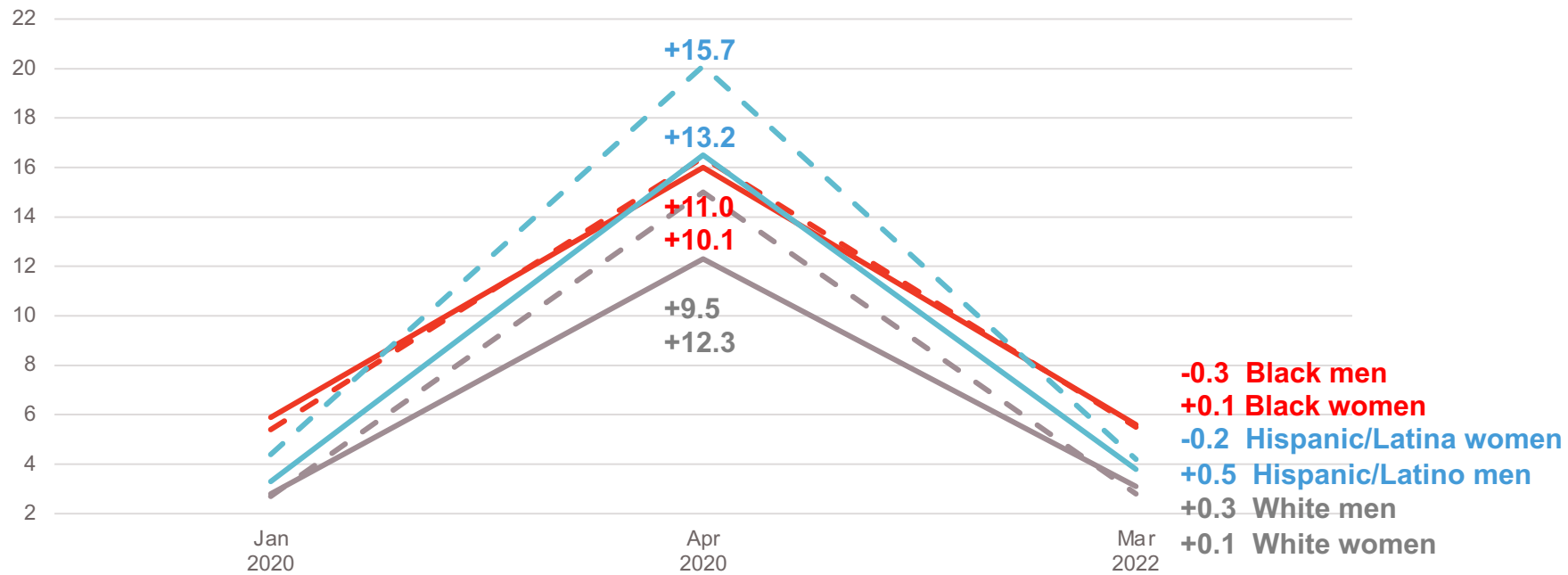
Source: U.S. Bureau of Labor Statistics.



Unemployment

Unemployment rates are close to parity with pre-pandemic levels, but gaps between demographic groups persist.

U.S. UNEMPLOYMENT RATES AND PERCENTAGE POINT CHANGE FROM JAN 2020

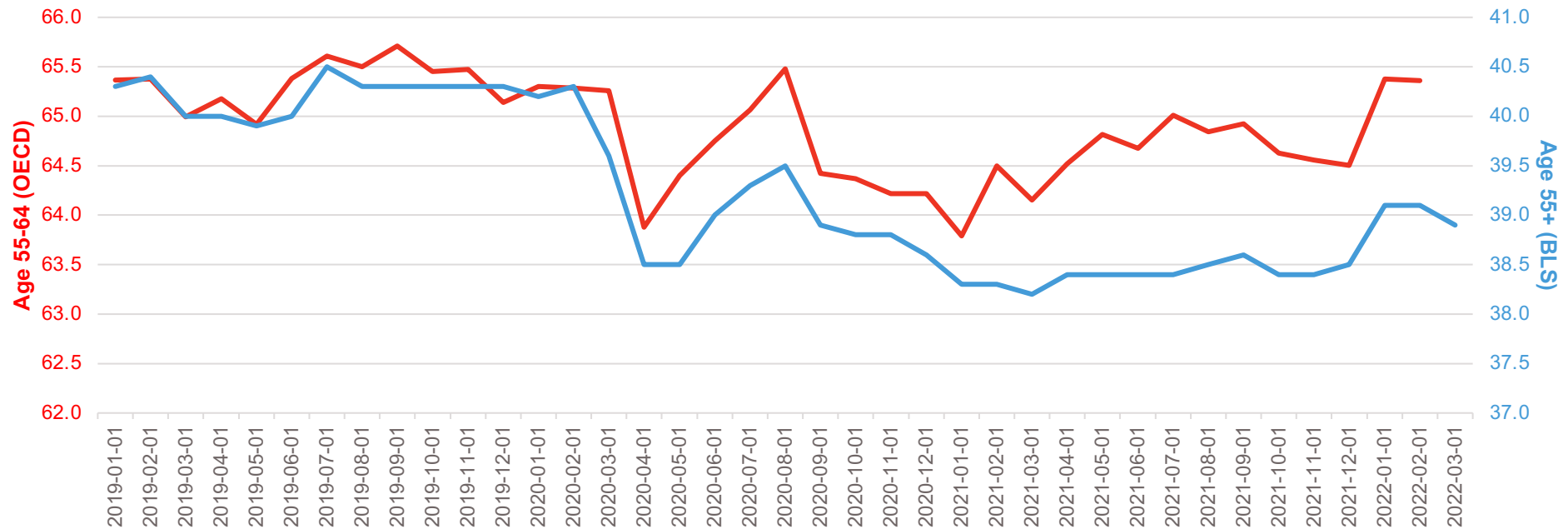


Source: U.S. Bureau of Labor Statistics.

Labor Force

Older Americans may be coming back into the labor force to deal with inflation pressures.

U.S. LABOR FORCE PARTICIPATION RATES BY AGE GROUP

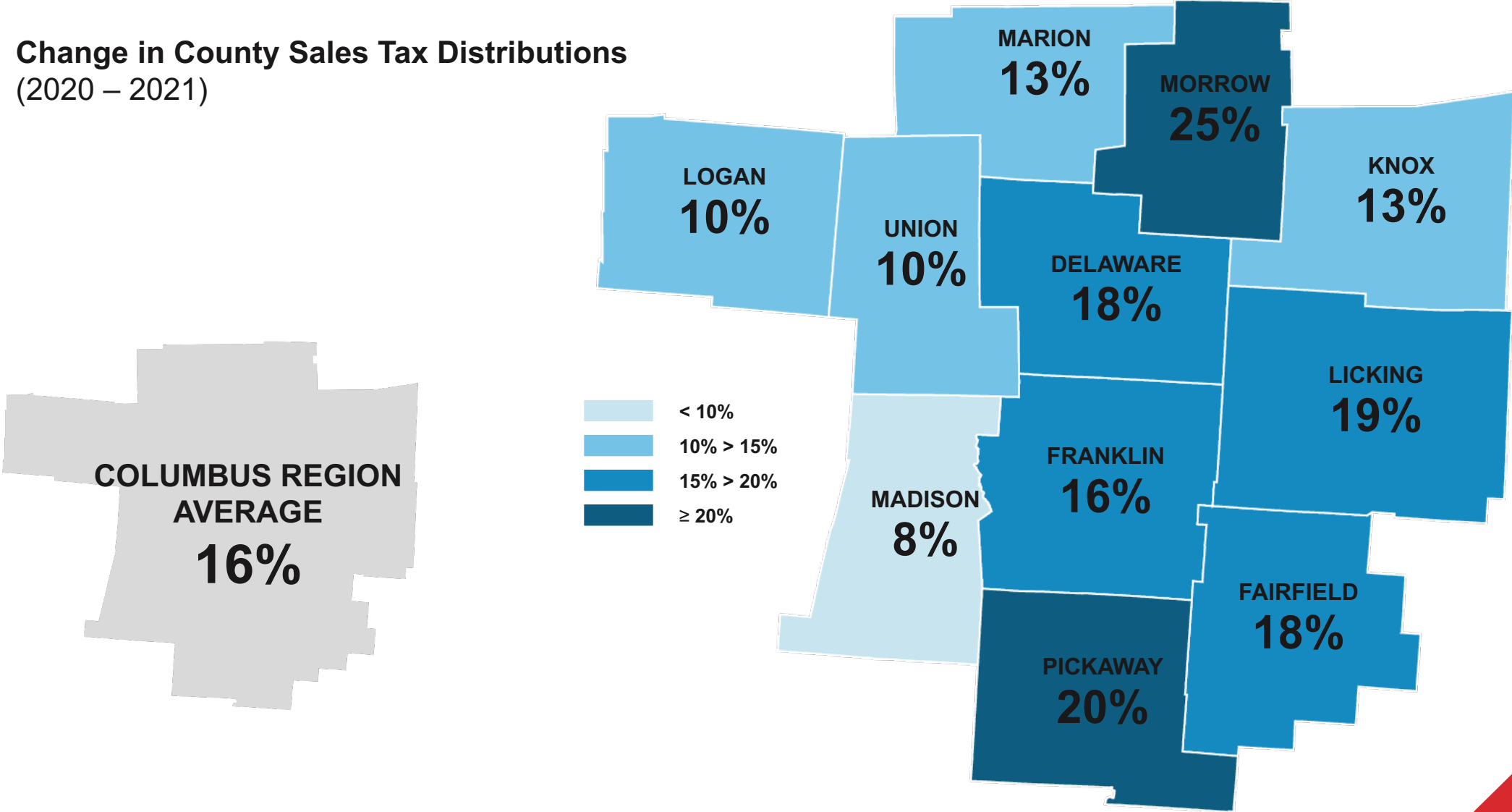


Sources: U.S. Bureau of Labor Statistics, Organisation for Economic Co-operation and Development.



Sales Tax Distributions

Change in County Sales Tax Distributions
(2020 – 2021)

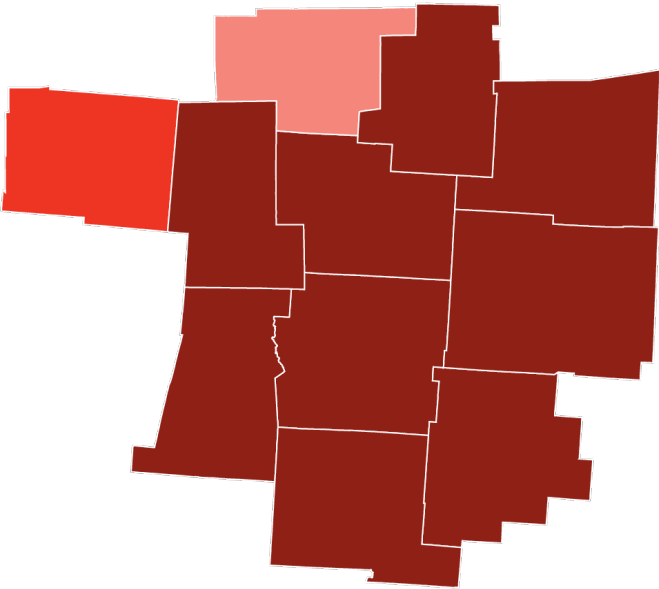


Source: Ohio Department of Taxation

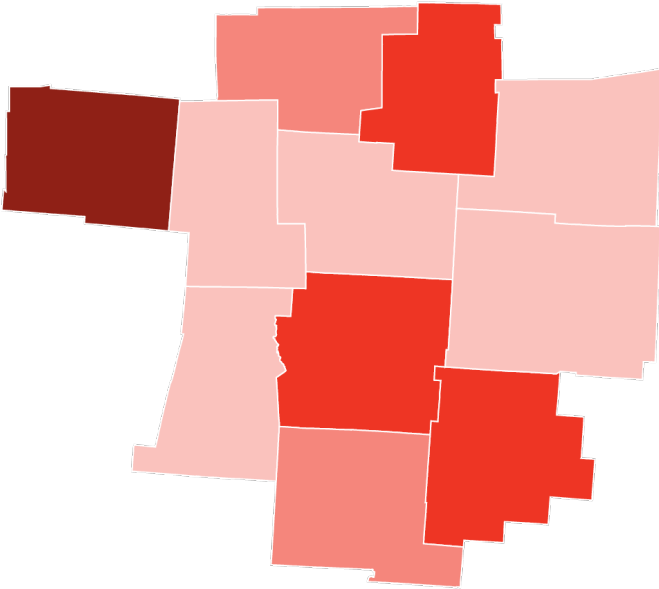
Property Tax Base

Change in Assessed Value per County (2018 – 2021)

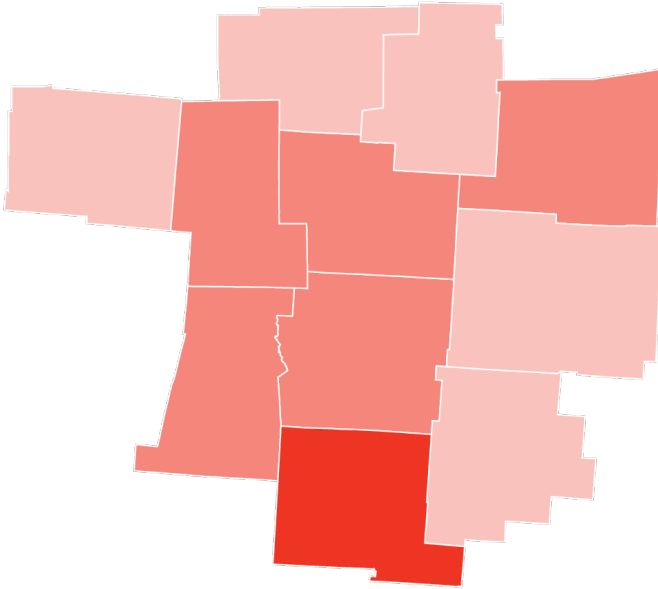
RESIDENTIAL



INDUSTRIAL



COMMERCIAL



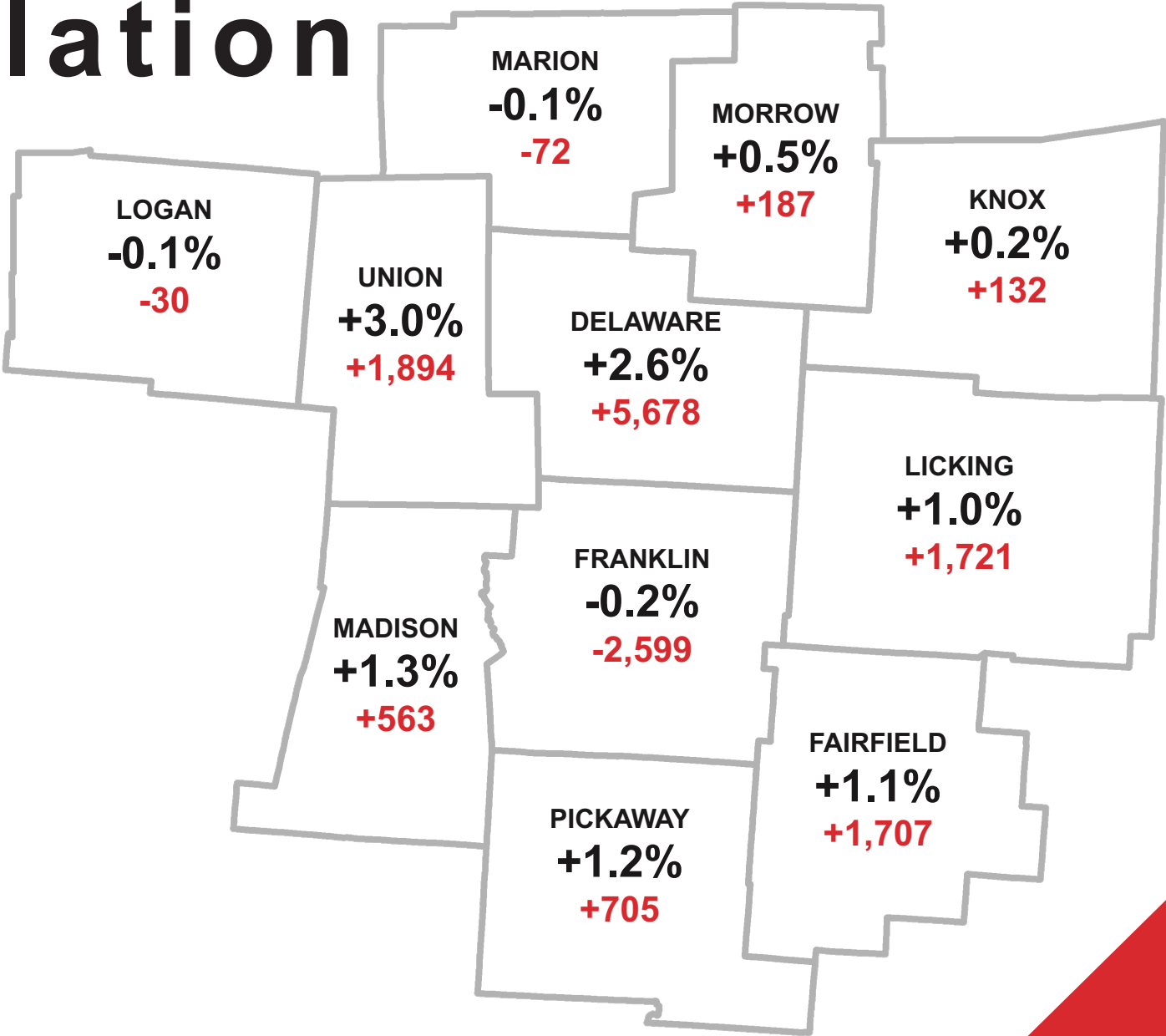
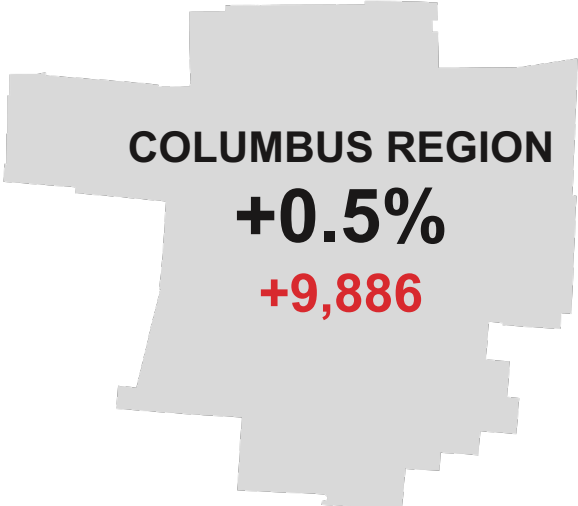
< 10% 10% > 15% 15% > 20% ≥ 20%



Source: Ohio Department of Taxation.

2021 Population Estimates

2020-2021 population change, percent
Number change



Source: U.S. Census Bureau.