

Cincinnati economy fastest-growing in the Midwest



Alexander Coolidge September 23, 2015



(Photo: The Enquirer/Will Velarde)

The Cincinnati metropolitan area's economy grew the fastest among major cities in the Midwest, new federal data shows.

In 2014, the 15-county region enjoyed a 2.5 percent increase in economic output – outpacing the 2.3 percent increase for all U.S. metro areas. Among the largest metro economies, Cincinnati was the 20th fastest-growing region in the U.S.

Cincinnati's economy sharply accelerated from just 1.6 percent growth in 2013 to the fastest growth since 2010. Prior to the latest numbers, the local economy's growth rate had been stuck under 2 percent for three years and had underperformed overall U.S. growth in the past two years.

Powering Cincinnati growth is its professional and business services sector – which includes legal, accounting, architectural, engineering, advertising services and other services – that contributed to nearly half the increase.

“There's an incredible energy here – both sides of the river, from the Banks to the Central Business District, OTR to Uptown, Blue Ash and beyond,” said Jill Meyer, president of the Cincinnati USA Regional Chamber. “Business and community leaders in Cincinnati USA have worked diligently to realize the modern renaissance we're experiencing, and it shows.”

Sun Belt and Western metro areas grew the fastest in the nation, the federal Bureau of Economic Analysis said Wednesday. Dallas-Fort Worth was the No. 1 growing major city, after notching an 8.5 percent jump in economic output in 2014.

But in the Midwest, Cincinnati's growth outpaced Detroit's 2.2 percent growth, Minneapolis' and Kansas City's 2.0 percent growth, and Columbus' 1.9 percent growth.

George Davis, the chair of the economics department at Miami University, said Cincinnati's growth rate was an impressive feat, given the region's demographics and economic diversity. The South and West economies are benefitting from population growth as people move there, construction and from hot tech sectors.

"We're like a thoroughbred with a lot of weight on us – to clock 2.5 percent growth is a win," Davis said.

Davis added Cincinnati's diverse economy, which depends a range of sectors from manufacturing to financials to marketing, prevents one hot sector from powering runaway growth. On the brightside, the region is also buffered from a slowdown hitting a single sector. For example, Houston's oil-dependent economy was hit by the drop in crude prices and grew 1.9 percent in 2014 after two years of growing 6.5 to 7.1 percent.

Including all metro areas, Midland, Texas, enjoyed a 24.1 percent jump in local economic output – but its \$32.6 billion economy is smaller – one quarter the size of Cincinnati.

The Cincinnati regional economy's \$121.4 billion output ranks as the nation's 29th-largest metro economy.

Among small and large metro areas, Toledo's \$33 billion economy grew the fastest in the Midwest with 6 percent growth. Elsewhere in Ohio and Kentucky: Louisville grew 2.4 percent; Akron grew 2.3 percent; Columbus grew 1.9 percent; Cleveland grew 1.2 percent; Youngstown grew 0.8 percent; Dayton grew 0.3 percent; and Lexington's growth was flat.

Economic growth and size of major U.S. metro areas

Average growth among U.S. metro areas: +2.3 percent

Five fastest-growing (size in \$):

- Dallas-Fort Worth (\$504.4B); +8.5 percent
- San Jose, California (\$213.8B); +6.7 percent
- Austin, Texas (\$115.3B); +6.1 percent
- San Francisco (\$412.0B); +5.2 percent
- Denver (\$187.1B); +5.0 percent

10 fastest-growing in Midwest (size in \$):

- Cincinnati (\$121.4B); +2.5 percent
- Detroit (\$236.5B); +2.2 percent
- Minneapolis (\$235.7B); +2.0 percent
- Kansas City (\$121.6B); +2.0 percent
- Columbus (\$117.8B); +1.9 percent
- Chicago (\$610.6B); +1.8 percent
- St. Louis (\$150.0B); +1.7 percent
- Cleveland (\$124.6B); +1.2 percent
- Indianapolis (\$125.9B); +0.9 percent
- Milwaukee (\$97.3B); +0.8 percent

Growth among other peer cities

- Nashville (\$106.7B); +3.6 percent
- Pittsburgh (\$135.7B); +2.9 percent
- Louisville (\$67.3B); +2.4 percent

Source: U.S. Bureau of Economic Analysis