



CINCINNATI

KEY FACTS

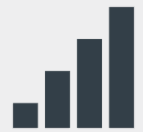
Headlines

- Overall job growth was decent from 2023 through the first half of 2025, although it trailed the national pace and remained below 1% year over year.
- Notably, job growth in the metro area slowed markedly in the second half of 2025. In addition to subdued employment growth, other indicators likewise suggest that Cincinnati’s labor market **was materially weaker than that of the nation more recently**.
- The unusually large decline in employment (subject to revision) and the contraction in the labor force during the latter half of 2025 may have been influenced by the U.S. government shutdown, which disrupted data collection and delayed publications.
- The housing market is likely to cool off on par with the nation over the very near term. Housing in Cincinnati remains more affordable than the U.S. average, a condition that supported its stronger annual home-price appreciation in 2025.
- PNC expects lower interest rates will offer limited support in 2026.
- Revived labor-market momentum, supported by strong aerospace manufacturing and AI-related capital expenditures and infrastructure investment, will help sustain continued regional expansion.



Population: 2.3 mil.
(ranked 33/411 MSAs)

Source: Bureau of Census; Moody’s Analytics



GDP: 2.2%
(ranked 200/411 MSAs)

Source: Bureau of Economic Analysis; Moody’s Analytics



Job Growth: -0.4%
(ranked 309/411 MSAs)

Source: Bureau of Labor Statistics



HPI Growth: 3.6%
(ranked 135/411 MSAs)

Source: CoreLogic, Inc.; Moody’s Analytics



“The region is still poised to expand this year, underscoring momentum supported by aerospace manufacturing and AI investment.”

The Cincinnati metropolitan area has posted stronger job gains than its peers in Northeast Ohio since the COVID-19 pandemic, although it continues to lag neighboring metropolitan areas such as Louisville (MSA) and Indianapolis (MSA) primarily because persistent weakness in the service-providing sector has offset solid performance in goods-producing industries. **Overall job growth was decent from 2023 through the first half of 2025, although it trailed the national pace and remained below 1% year over year.**

Notably, job growth in the metro area slowed markedly in the second half of 2025. In contrast to national trends where the service-providing sector has continued to serve as a major driver of job growth, Cincinnati has seen little to no expansion in service-sector employment since 2024. More recently, the region shed service-sector jobs for a third consecutive month in November 2025, further weighing on total employment. As of that month, employment across most service industries remained near or below pre-pandemic levels, with Education and Health Services as the only exception. Particularly notable, the Trade, Transportation, and Utilities sectors lost nearly 5,000 jobs in just five months toward the end of 2025. This decline ran counter to the typical seasonal hiring surge around Black Friday and the holiday period, as both retailers and logistics firms reduced staffing in response to rising input costs and increasingly discretionary consumer spending.

Other indicators likewise suggest that Cincinnati’s labor market was materially weaker than that of the nation in the second half of 2025. The unemployment rate has trended upward over the past two years, broadly mirroring the national increase as overall labor market conditions have softened. Wage growth also decelerated markedly in 2025; average hourly earnings rose only 0.9% from the prior year in late 2025, a rate significantly below both late-2024 levels and the

national pace of 3.8%. Moreover, the region’s civilian labor force contracted in November relative to a year earlier, in contrast to the robust expansion observed at the national level. **The unusually large decline in employment (subject to revision) and the contraction in the labor force during the latter half of 2025 may have been influenced by the U.S. government shutdown, which disrupted data collection and delayed publications.**

The housing market is likely to cool off on par with the nation over the very near term. The metro area’s sluggish labor market continues to weigh on home demand, contributing to slower expected price gains. The seasonally adjusted Case-Shiller home price index rose 3.4% on a year ago basis in November 2025, the slowest annual price gain since 2016. Furthermore, the National Association of Realtors’ housing-shortage tracker indicates that the region has sufficient supply, limiting upward pressure on home prices over the coming year. However, **housing in Cincinnati still remains significantly more affordable than the U.S. average, a condition that should support its stronger annual home-price appreciation in 2026.**

Lower interest rates are expected to offer limited support in 2026. PNC’s January baseline forecast calls for two additional 25-basis-point cuts to the fed funds rate in the second half of 2026, but mortgage rates are expected to edge only slightly lower this year. With below-average hourly earnings, weak home-price appreciation, and elevated mortgage rates, housing demand is likely to grow at a slow pace.

The region is still poised to expand this year, underscoring momentum supported by aerospace manufacturing and AI investment. According to the U.S. Census Bureau, **new orders for defense aircraft and parts rose 20% year over year in November 2025 under increased federal military investments, while orders for nondefense aircraft and parts also surged 182%.** Robust demand for aircraft and parts should provide meaningful support to the metro area’s economic growth and revived labor-market momentum in 2026. Complementing this, PNC expects ongoing AI-driven capital expenditures to lift



AI-related equipment manufacturing and infrastructure-related employment. Surging AI venture-capital inflows and a growing AI-startup presence should continue to drive AI-sector growth and job creation in the affordable Cincinnati metropolitan area. **Risks remain tilted to the downside for the region, particularly if population growth weakens further amid a softening labor market.** Downstream industries, including construction, leisure and hospitality, retail, and other services, could face reduced consumer activity, potentially affecting local businesses more than national or multinational firms.



Key Charts and Figures

Figure 1: Key Metric Percentiles – Cincinnati vs. the Rest of the Country

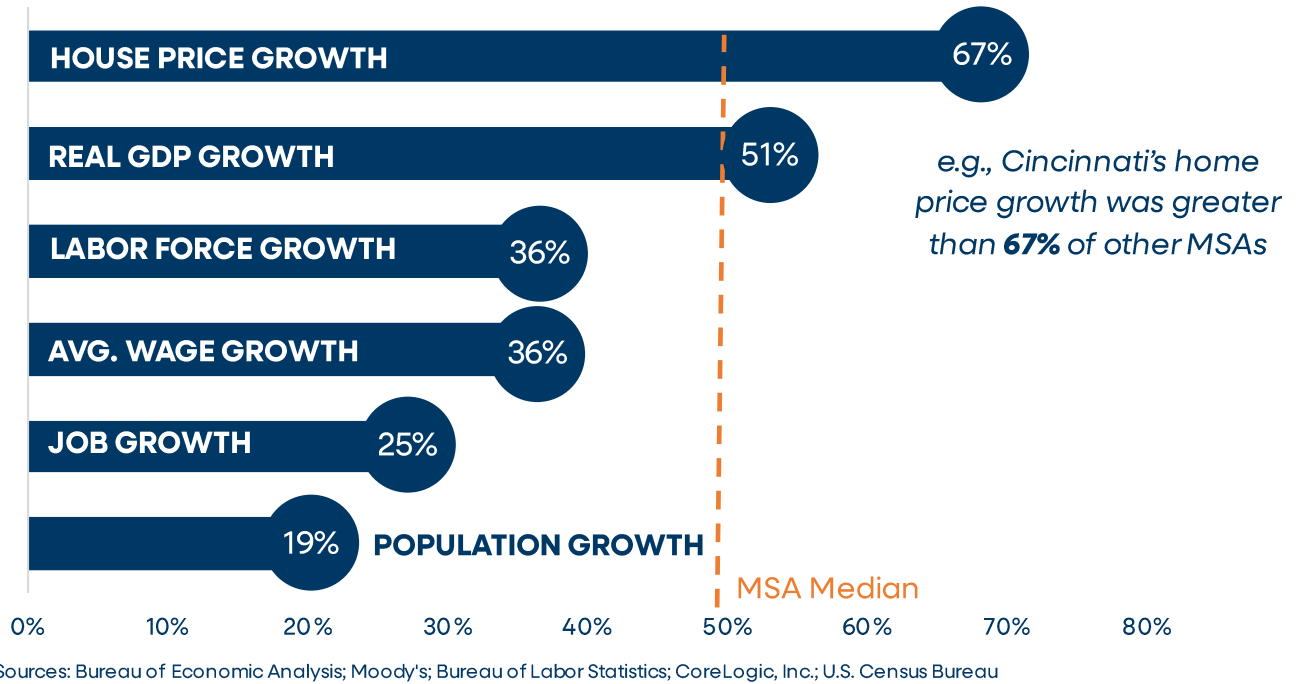
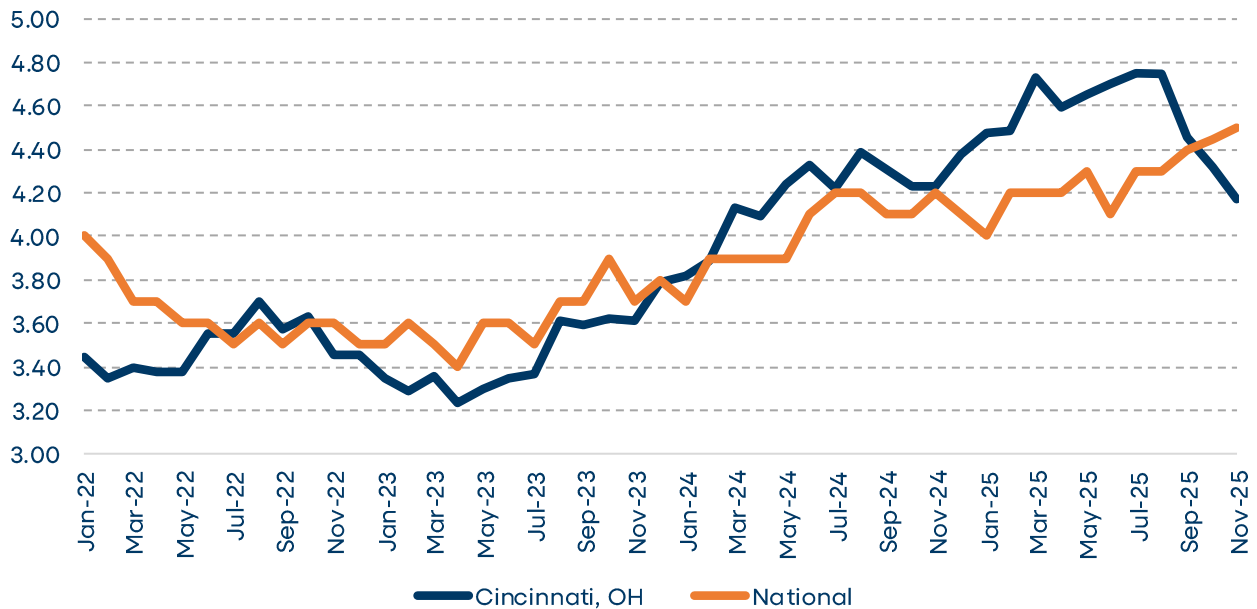


Figure 2: Unemployment Rate: Cincinnati vs. National Average





Disclosures

The material presented and the views expressed herein are of a general nature and does not constitute the provision of investment or economic advice to any person, or a recommendation of any particular securities, financial instruments, strategies or banking services. Opinions and forecasts expressed herein are subject to change without notice. Relevant information was obtained from sources deemed reliable. Such information is not guaranteed as to its accuracy. You should seek the advice of an investment professional to tailor a financial plan to your needs.

Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties, which change over time. Future events or circumstances may change our outlook and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. Forward-looking statements speak only as of the date made. We do not assume any duty and do not undertake any obligation to update forward-looking statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance. As a result, we caution against placing undue reliance on any forward-looking statements.

“PNC” is a registered mark of the PNC Financial Services Group, Inc.

© 2026 The PNC Financial Services Group, Inc. All rights reserved.