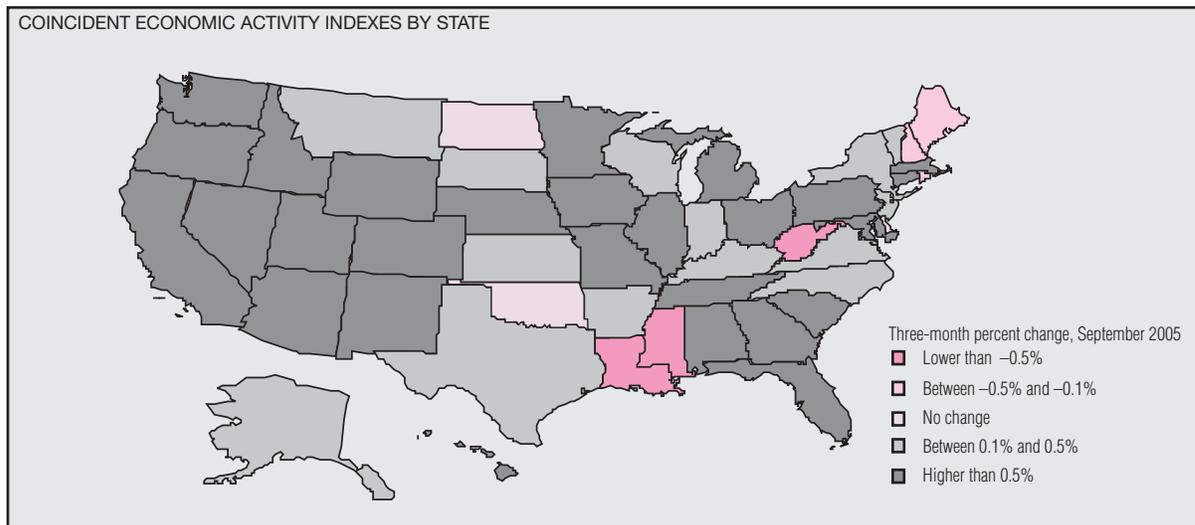
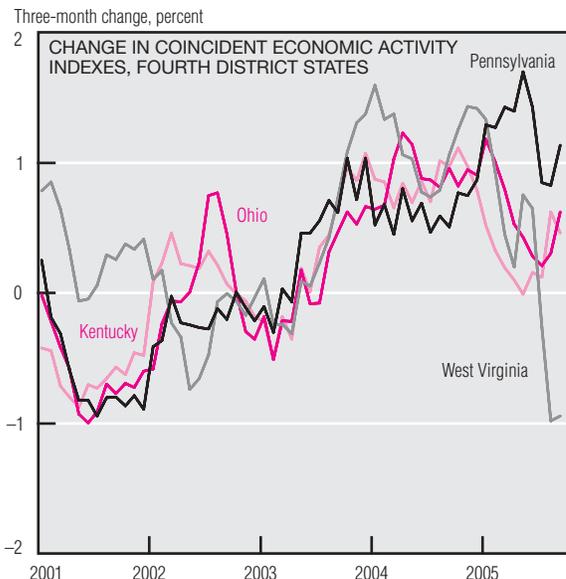
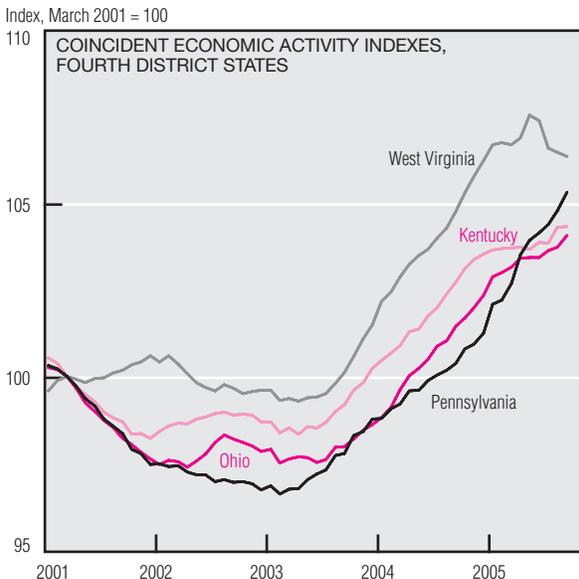


Coincident Economic Indexes



SOURCE: Federal Reserve Bank of Philadelphia.

Although measures such as the unemployment rate and gross domestic product are significant, they can leave out important information that is captured in other economic series. To round out the picture, the Federal Reserve Bank of Philadelphia regularly calculates and publishes coincident economic indexes for each state, incorporating data from several sources (nonfarm employment, the unemployment rate, average

hours worked in manufacturing, and wages and salaries).

Although Ohio's coincident economic index has risen steadily since mid-2003, it still lags behind the other Fourth District states. West Virginia continues to have the highest coincident index of any District state, the rank it has held since May 2001.

Changes in the indexes over three-month periods help distinguish trends from temporary aberrations. In the three months ending September

2005, West Virginia's index dropped sharply, making it one of only three states to undergo such a decline; the other two were hurricane-ravaged Mississippi and Louisiana. The recent decline in West Virginia's coincident index can be attributed primarily to the state's rising unemployment rate, which has resulted from major layoffs in the steel and manufacturing industries, and to its payroll employment performance.