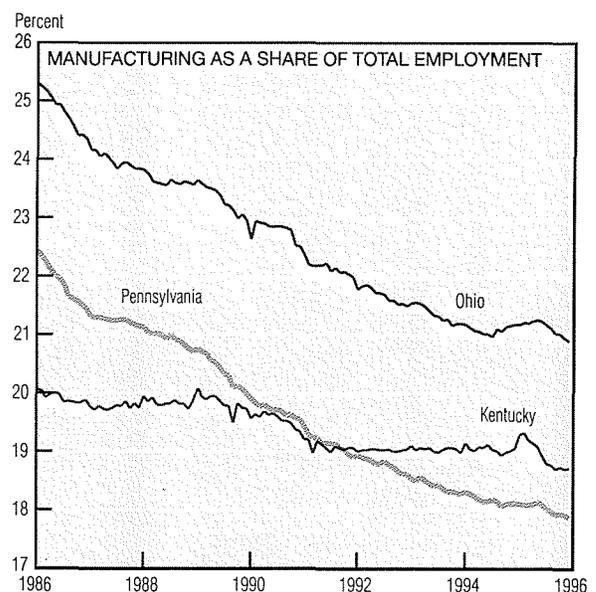
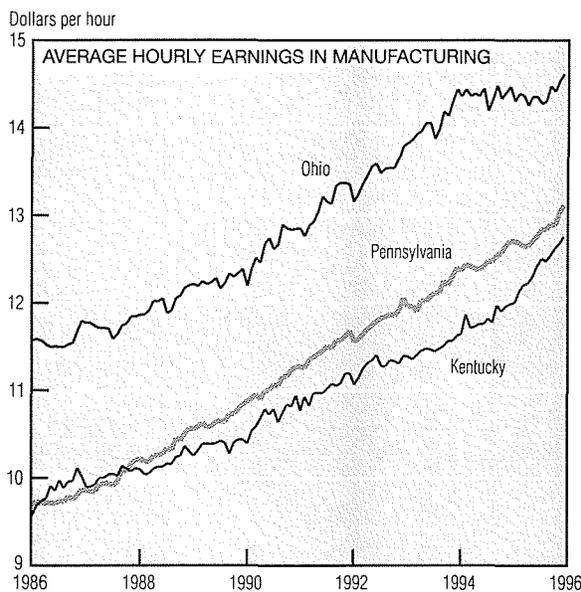
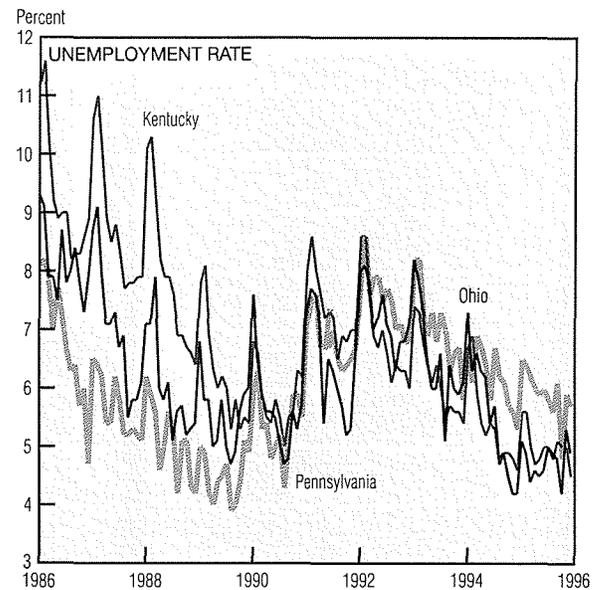
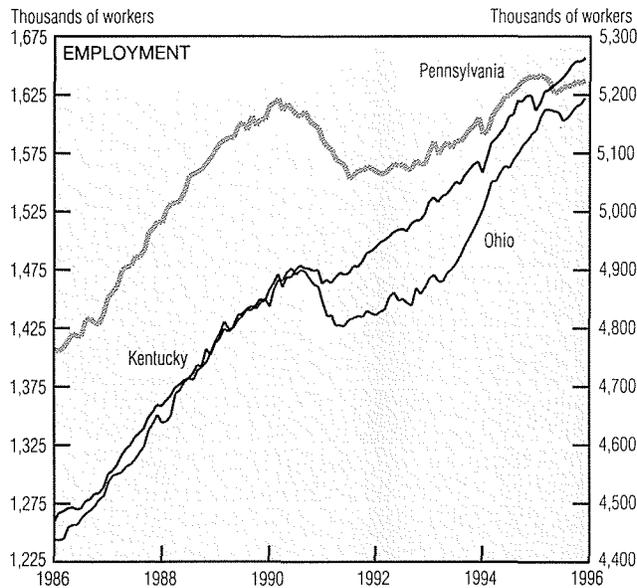


Regional Conditions



NOTE: All data are seasonally adjusted.
SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

Recent labor market trends in Ohio, Kentucky, and Pennsylvania seem to reflect the slowing in national economic activity, but the regional picture—like the national one—is mixed and difficult to interpret.

In Kentucky, employment continues to expand briskly. Ohio's employment, which slowed in 1995, has picked up somewhat in recent months, while Pennsylvania's remains below year-ago levels. Slower growth in Ohio and Pennsylvania, however, has not contributed to an

obvious rise in unemployment rates. The current jobless rates in Ohio, Kentucky, and Pennsylvania—4.9%, 4.5%, and 5.7%, respectively—are all low relative to historical averages. Further, many of the seasonal variations that caused wide swings in the states' unemployment rates seem greatly attenuated. Pennsylvania's unemployment is now higher than both Ohio's and Kentucky's, a situation that reverses trends prior to the 1990 recession.

Hourly earnings in manufacturing

provide little evidence of a sustained slowdown. Ohio's nominal earnings growth flattened over the last two years, but the level remains high compared to the other two states. Some unsettling news comes from manufacturing employment, which has fallen in all three states. While this generally follows a longer-term pattern, it is a trend that appeared to have run its course by mid-1994. In Ohio and Kentucky, manufacturing as a share of total employment actually increased during early 1995.