The Cincinnati primary metropolitan statistic area (PMSA) has a population of almost 1.6 million (1997 data) and an employment distribution quite similar to the nation’s. The PMSA’s service sector is dominated by health, education, and other professional services, as are many other large urban areas. Recent data for Hamilton County (which includes the city of Cincinnati but excludes part of the PMSAs) show that its economy has a smaller government sector and larger manufacturing sector than the nation—an industrial composition typical of the Fourth District.

Over the past five years, population has declined in both the city (down an average of about 0.9% annually) and Hamilton County (about 0.5% annually). Although the city’s population has declined, the PMSA’s population has risen about 0.6% annually on average. This pattern, which is common in major urban areas, almost certainly reflects continued outmigration to the suburbs.

Employment in the Cincinnati PMSA rose about 2.3% over the last year, exceeding Ohio’s employment growth of 1.4%. The region’s unemployment rate is consistently lower than that of the state or the nation, a trend which has persisted for several years. The combined influence of continued employment growth and lower-than-average unemployment has helped bolster area incomes. In fact, on a per capita basis, personal income growth in the Cincinnati (continued on next page)
Regional Conditions (cont.)

The Pittsburgh MSA has tended to exceed national rates by half a percentage point annually for the past 10 years—a very strong growth rate. The area's per capita personal income was $25,359 in 1996, compared to $24,436 for the U.S. and $23,493 for Ohio.

In 1998, about one-third of the workforce in the six-county Pittsburgh metropolitan statistical area (MSA) was concentrated in services and one-quarter in trade. The area has a relatively small manufacturing sector (13%, compared to Pennsylvania's 18% and the nation's 15%).

Until its huge losses in the 1980s, Pittsburgh’s manufacturing sector was larger than that of the nation as a whole. During the last few years, however, manufacturing as a share of total employment has gained slightly in Pittsburgh, while it continues to decline in the rest of the U.S.

Employment trends in the Pittsburgh MSA have been modestly positive. Unemployment rates tracked state and national averages closely in 1996. Pittsburgh’s average unemployment rate was 4.6%, identical to both Pennsylvania and the U.S. However, employment in the MSA rose only 0.2% during the same period.

The Pittsburgh MSA’s income level exceeds that of the state and the nation and is identical to that of Cincinnati. Its average per capita personal income reached approximately $25,359 (current dollars) in 1996, compared to $24,803 for Pennsylvania and $24,436 for the U.S. Over the 10 years ending in 1996, per capita income showed an average annual growth rate of 5.5% in the MSA, compared to 5.2% for Pennsylvania and 4.9% for the U.S.