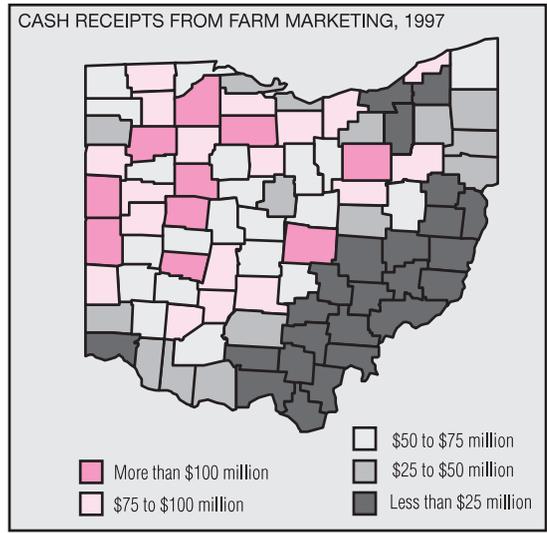
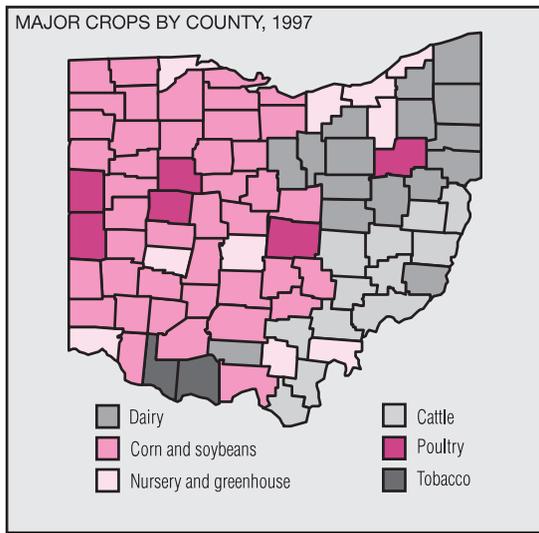
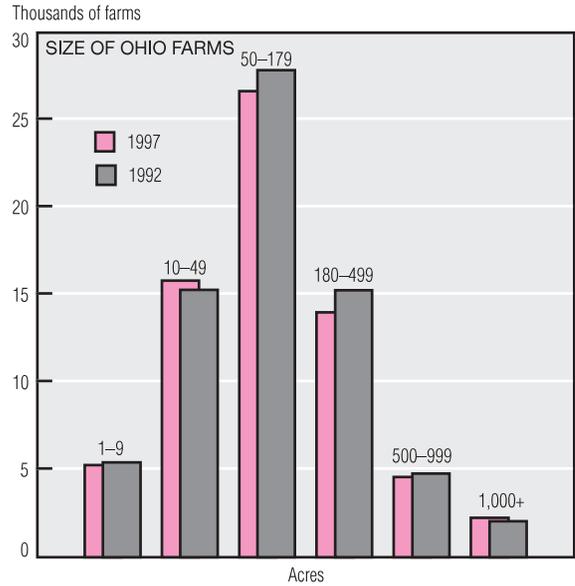
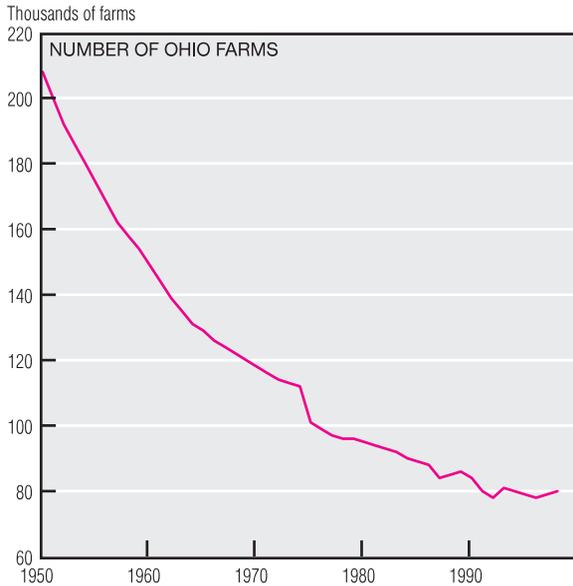


Regional Conditions



SOURCES: U.S. Department of Agriculture, 1997 Census of Agriculture and Ohio Agricultural Statistics Services.

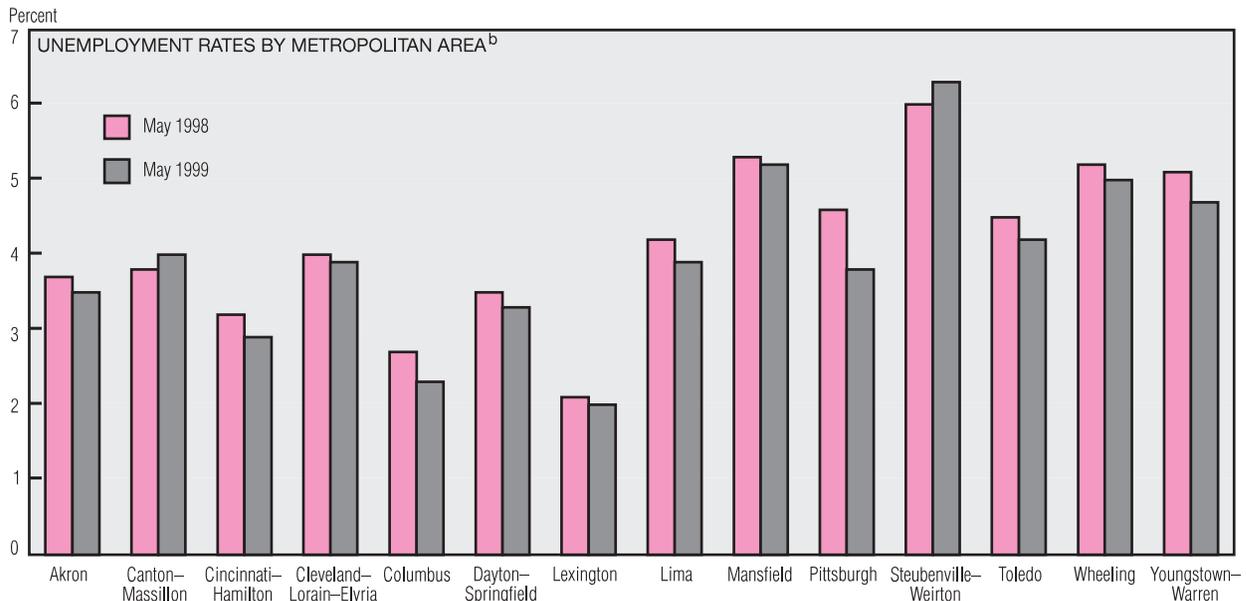
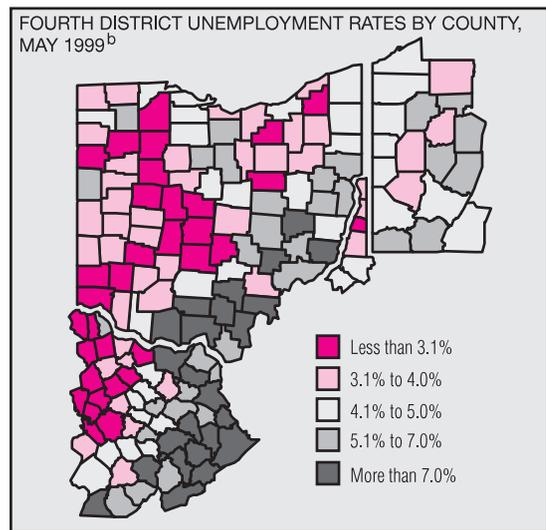
The long-term trend of Ohio agriculture—reducing the number of farms while increasing their average acreage—reversed during the 1990s. Although the last half of the twentieth century saw the number of farms decline by nearly two-thirds, this process was complete a decade ago. Since then, the number of farms has actually increased, but only a tiny amount. Indeed, when compared to the radical changes of the preceding decades, when small- and medium-sized farms were

consolidated into large businesses, the size distribution of Ohio farms has changed very little in the last five years. There has been a slight increase in the number of nurseries and greenhouses (with less than 50 acres), and an increase in farms of 1,000 acres or more, but these changes remain so slight as to be insignificant. Incidentally, Ohio's farms are classically Midwestern, with much of the acreage still in farms of less than 1,000 acres, as opposed to being Western, where much of the acreage is in very large farms.

The distribution of crops in Ohio also is typical of a Corn Belt state. Urban areas have concentrations of nurseries and greenhouses, as one would expect. The southern part of the state produces tobacco. The Ohio counties that border West Virginia are poor agricultural producers. Most of the agricultural receipts come from the northwestern, corn- and soybean-producing part of the state, which is why Ohio is considered part of the Corn Belt.

(continued on next page)

Regional Conditions (cont.)



a. Seasonally adjusted.

b. Data not seasonally adjusted.

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; Kentucky Department of Employment Services, Labor Force Estimates Division; Ohio Bureau of Employment Services, Labor Market Information Division; Pennsylvania Department of Labor and Industry, Bureau of Research and Statistics; and West Virginia Bureau of Employment Programs, Labor Market Information.

Unemployment in the region remains quite low and with the exception of West Virginia, is even lower than the rates experienced on average in the rest of the country. Even West Virginia, which typically has had high unemployment rates due to the vicissitudes of the eastern coal industry, has experienced historically low rates in the last year.

Within the Fourth District, unemployment is concentrated in eastern Kentucky's coal-producing counties and in the rural counties bordering the Ohio River. Both are areas

of historically high unemployment. What is notable is how much this unemployment has tapered off in recent years. Coal mines in particular contributed to high unemployment through their widely fluctuating employment demands, but many mines shut down permanently in the early 1990s. That industry, where each firm has a wide variation in its demand for workers, has a higher unemployment rate as workers laid off in one mine look for work in another. The steadier employment in the current industries is reflected in the low unemployment rates

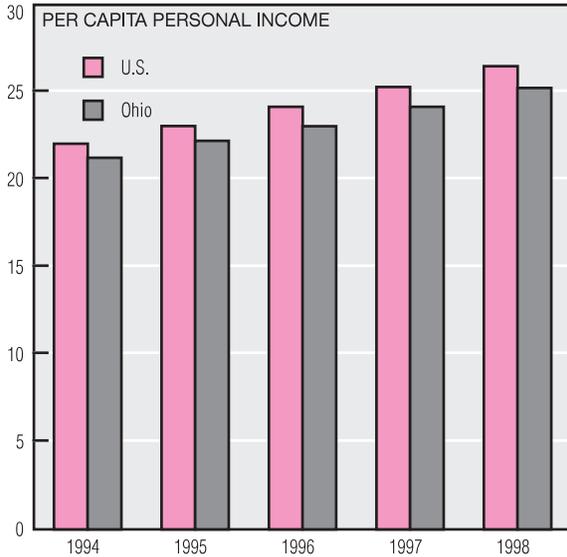
(compared to the historical average) of cities such as Wheeling.

Whereas the two largest urban areas of the district, Cleveland and Pittsburgh, have unemployment rates that are slightly below the national average, rates in several other large urban areas, notably Cincinnati, Columbus, and Lexington, are considerably lower than the U.S. average. This reflects hot labor markets created by the modern white-collar industries that are growing so quickly in these cities.

(continued on next page)

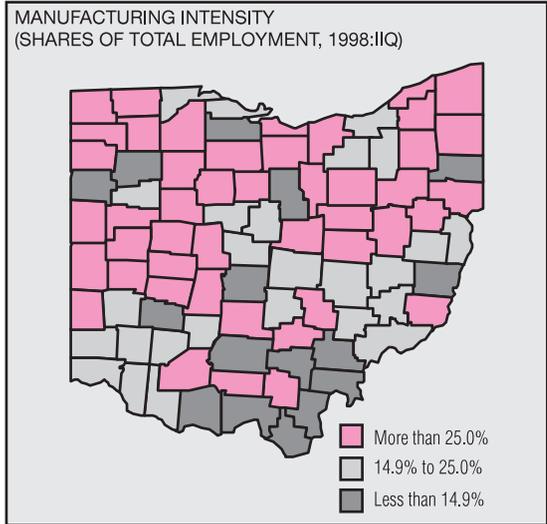
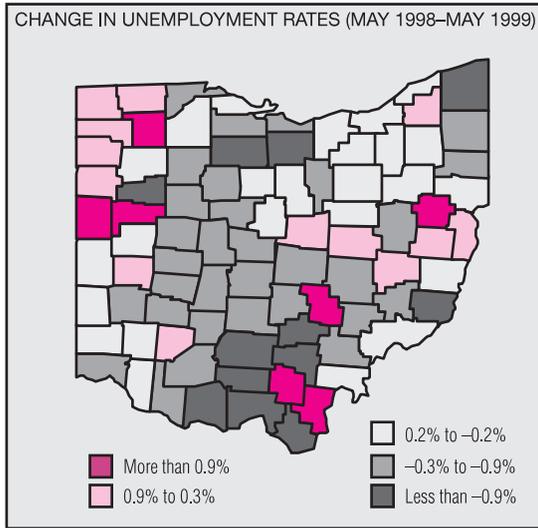
Regional Conditions (cont.)

Income, thousands of current dollars



Employment by Industry

	Percent of nonfarm employment, 1998	
	Ohio	U.S.
Mining	0.2	0.5
Construction	4.1	4.7
Manufacturing	20.0	14.9
Durable goods	13.5	8.8
Nondurable goods	6.5	6.1
TPU ^a	4.4	5.2
Wholesale and retail trade	24.2	23.3
FIRE ^b	5.5	5.8
Services	27.6	29.8
Government	13.9	15.8



a. Transportation and public utilities.

b. Finance, insurance, and real estate.

SOURCES: U.S. Department of Labor, Bureau of Economic Analysis; and Ohio Bureau of Employment Services, Covered Employment Services, Labor Force Estimates.

Ohio's experience provides a counterexample to the belief that the best jobs are in manufacturing. In many ways, Ohio is the archetype of a desirable job mix. Not only are there more manufacturing jobs as a percent of total employment, but they are heavily weighted toward the durable goods sector—precisely the type of jobs that have been lost in the rest of the country through the 1980s and 1990s. Much of the offset comes in the service sector, where Ohio employment is 2.2 per-

centage points less than the service-sector share nationally. Thus, the “autoworker-turned-short-order-cook” description of jobs does not seem to hold true for Ohio, but the state's per capita personal income, while growing at a steady rate, remains below that of the nation as a whole. Apparently, service-sector jobs are not necessarily bad after all.

Regional manufacturing intensity shows some interesting patterns. The large urban centers (Columbus, Cleveland, and Cincinnati) do not

display the highest manufacturing intensity. They have many of the service-sector jobs needed to support the manufacturing industries in adjacent regions. The areas with the highest manufacturing intensity are the old steel, chemical, and rubber centers of the state's northeastern section, and the auto corridor of the western portion. The auto parts manufacturers of western Ohio have experienced the largest increase in unemployment since May 1998.