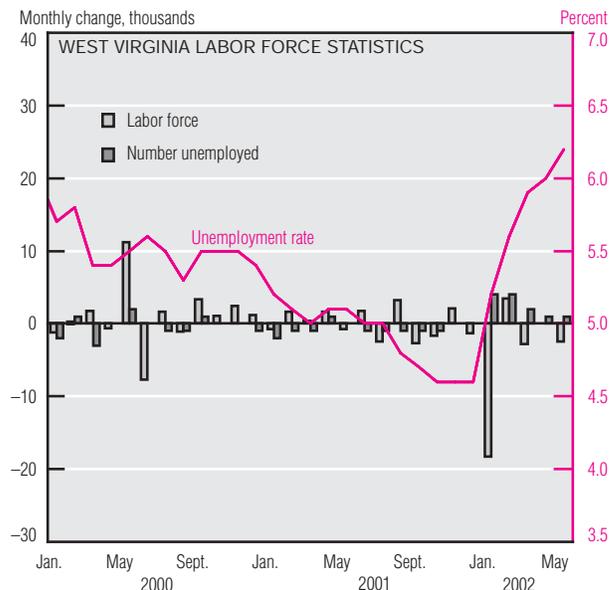
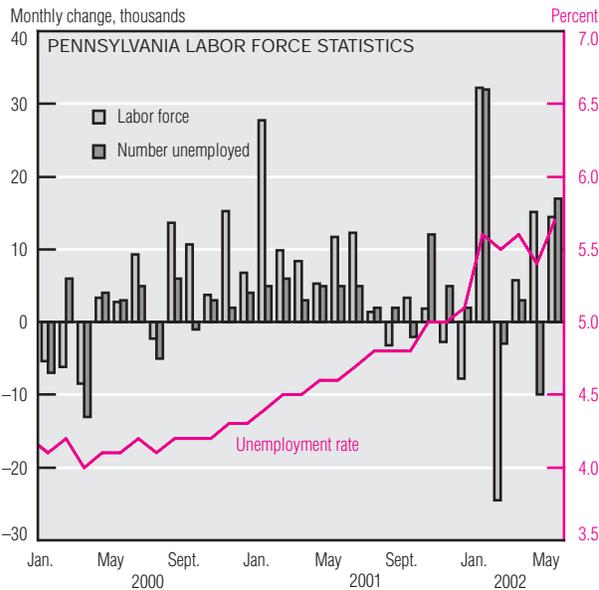
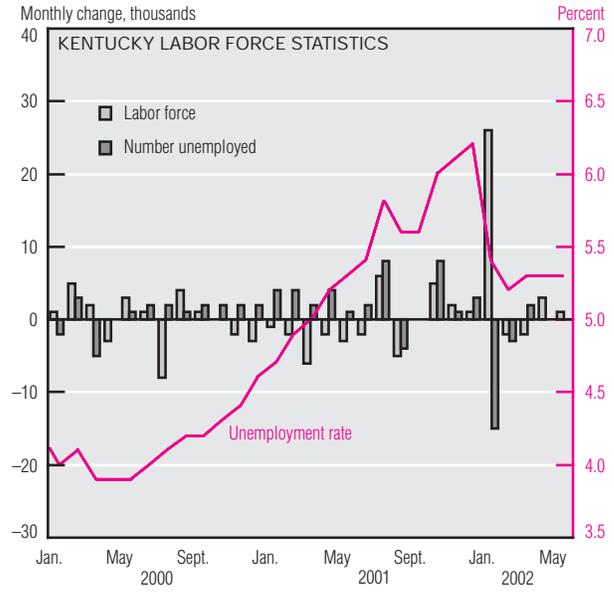
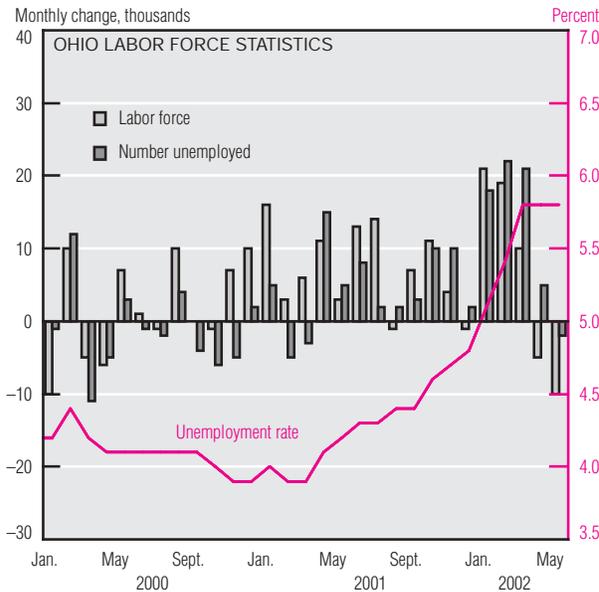


Employment in the Fourth District



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

Kentucky reported the Fourth District's lowest seasonally adjusted unemployment rate for May (5.3%), while rates in Ohio (5.8%) and Pennsylvania (5.7%) were the same as—or slightly lower than—the U.S. average of 5.8%. West Virginia registered an unemployment rate of 6.2% in May.

Kentucky is the only state in the District that did not report a year-over-year increase (its current unemployment rate is the same as a year ago). Ohio posted the largest increase (1.6 percentage points), followed by Pennsylvania (1.3 percentage points). West Virginia reported an increase of

1.1 percentage points for the year ending May 2002.

Kentucky's strong labor force performance compared with the other District states in the last six months contrasts with its abysmal performance from June 2000 to July 2001. During that period, its unemployment rate rose from 4.0% to 5.8%, and for eight consecutive months beginning with November 2000, the labor force shrank while the number of unemployed in the state grew.

During the first four months of 2002, Ohio reported a considerably larger average monthly increase in

the number of unemployed than did other District states. In May, the number of unemployed persons in the state (345,100) fell from the previous month for the first time since March 2001, but this probably results from a technicality—the elimination of "discouraged workers" from the labor force. These workers are not counted as part of the labor force if they have not interviewed for a job within four weeks of the survey date.

Year-over-year, Kentucky is the only state in the District to report jobs growth; it posted an increase of

(continued on next page)

Employment in the Fourth District (cont.)

	Thousands of employees		
	May 2002	Change from	Change from
		May 2001	April 2002
Payroll employment	1,827.4	14.5	3.8
Goods-producing	409.3	-7.7	1.0
Mining	20.3	0.4	0.1
Construction	88	0.8	0.4
Manufacturing	301	-8.9	0.5
Service-producing	1,418.1	22.2	2.8
TPU ^a	106.3	-1.8	0.3
Wholesale and retail trade	427.1	5.4	-1.5
FIRE ^b	76.1	1.1	0.1
Services	495.7	13.9	3.9
Government	312.9	3.6	0.0

	Thousands of employees		
	May 2002	Change from	Change from
		May 2001	April 2002
Payroll employment	5,516.1	-51.6	4.8
Goods-producing	1,246.2	-33.8	2.4
Mining	12.2	-0.6	-0.1
Construction	228.8	-7.4	-0.2
Manufacturing	10,05.2	-25.8	2.7
Service-producing	4,269.9	-17.8	-7.2
TPU ^a	247.3	-4.1	0.1
Wholesale and retail trade	1,315.5	-16.8	-4.0
FIRE ^b	311.9	-0.4	0.2
Services	1,598.3	-3.8	0.8
Government	796.9	7.3	-4.3

	Thousands of employees		
	May 2002	Change from	Change from
		May 2001	April 2002
Payroll employment	5,647.4	-66.7	2.3
Goods-producing	1,120.6	-48.2	-1.5
Mining	19.0	0.2	-0.3
Construction	253	5.3	4.0
Manufacturing	848.6	-53.7	-5.2
Service-producing	4,526.8	-18.5	3.8
TPU ^a	292.9	-13.7	0.3
Wholesale and retail trade	1,259.7	-15.6	-2.9
FIRE ^b	327.1	-1.7	-0.3
Services	1,991.7	3.9	5.4
Government	735.4	8.6	1.3

	Thousands of employees		
	May 2002	Change from	Change from
		May 2001	April 2002
Payroll employment	730.9	-5.7	-3.3
Goods-producing	129.5	-4.3	-1.7
Mining	22.2	0.2	-0.6
Construction	33.8	0.2	-0.7
Manufacturing	73.5	-8.9	0.5
Service-producing	601.4	-1.4	-1.6
TPU ^a	36.6	-0.5	-0.4
Wholesale and retail trade	160	-2.1	-1.1
FIRE ^b	29.2	-0.3	-0.4
Services	234.7	2.1	-0.1
Government	140.9	-0.6	0.4

a. Transportation and public utilities.

b. Finance, insurance, and real estate.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

14,500 jobs—0.7% of its total non-farm employment. Ohio lost 51,600 jobs (0.9%), and Pennsylvania lost 66,700 (1.2%). West Virginia posted a loss of 5,700 jobs, roughly 0.7% of its total workforce.

In every state in the District, the goods-producing sector (comprising the mining, construction, and manufacturing industries) registered year-over-year losses. Not surprisingly, manufacturing suffered the heaviest losses (the same was true in all 50 states). In Pennsylvania,

the goods-producing sector's entire job loss resulted from heavy annual losses in manufacturing (53,700 jobs). The exact causes of manufacturing employment losses in District states are not yet identified, but state experts have suggested that attrition, foreign competition, and technological replacement all figured significantly in the downsizing of the manufacturing workforce within each state.

Although it fared far better than the goods-producing sector in the

most recent recession, the service-producing sector (comprising transportation and public utilities; trade; finance, insurance, and real estate; services; and government industries) posted losses in every District state except Kentucky. Compared with other service-producing industries in Ohio and Pennsylvania, government's performance was strong: For Ohio, the increase of 7,300 jobs in government was the only net industry employment gain from May 2001 to May 2002.