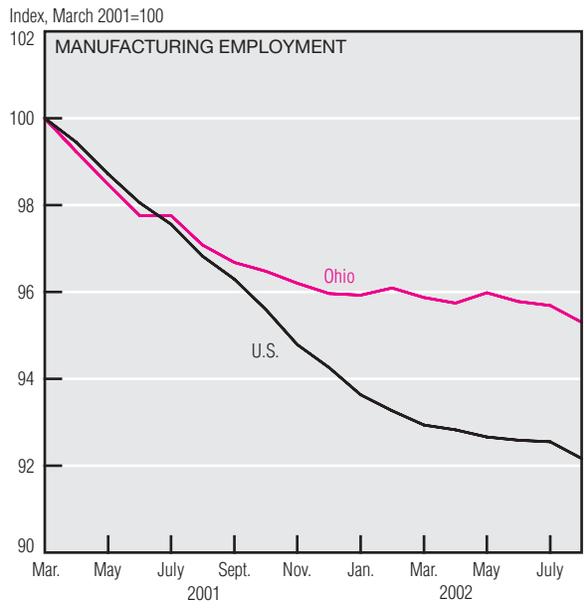
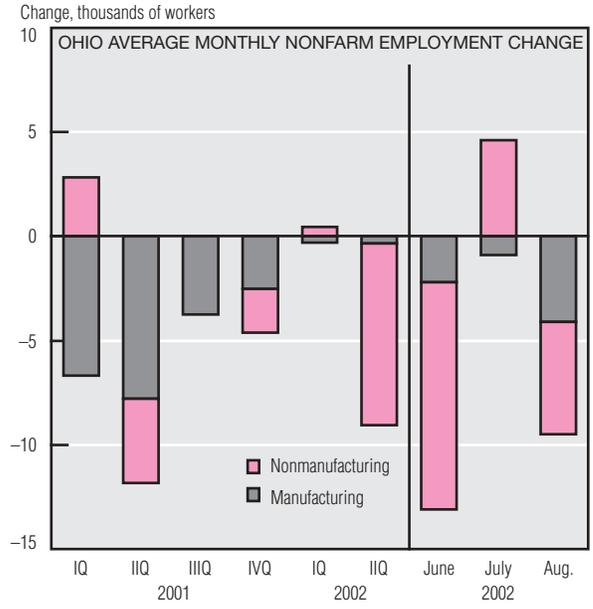
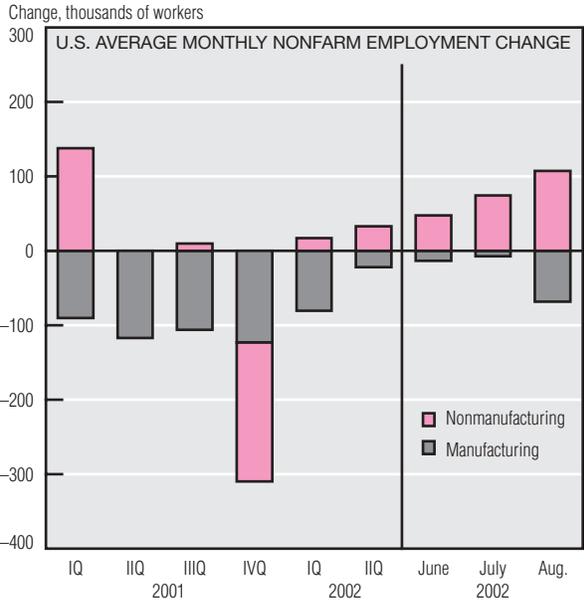


Manufacturing Employment



Ohio's Share of U.S. Manufacturing Losses

	Percent	
	March 2001–December 2001	January 2002–August 2002
Total manufacturing	4.1	2.4
Durable goods	4.2	3.1
Fabricated metals	7.1	6.0
Industrial machinery	4.9	3.4
Electronic and electrical equipment	1.4	1.4
Transportation equipment	7.1	9.2
Nondurable goods	3.8	0.7
Food processing	15.6	-0.4
Printing and publishing	4.2	2.1
Chemicals and products	13.3	2.5

NOTE: All data are seasonally adjusted.
 SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; and Federal Reserve Bank of Cleveland calculations.

Manufacturing employment declined significantly during the most recent recession. From the recession's beginning in March 2001 until December 2001 (which many economists consider its end), U.S. manufacturing suffered a net loss of more than 1 million jobs, or 5.7% of all jobs that existed in the industry when the recession began.

Although employment in non-manufacturing industries has grown throughout 2002, manufacturing continues to register monthly losses. The nation's rate of job loss

in manufacturing seemed to slow in 2002:IQ, but preliminary figures suggest that it increased again in August, nearing the average monthly losses of 2002:IQ.

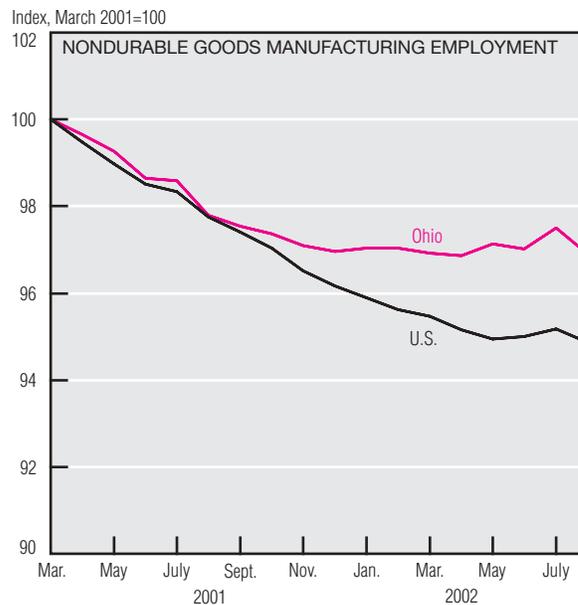
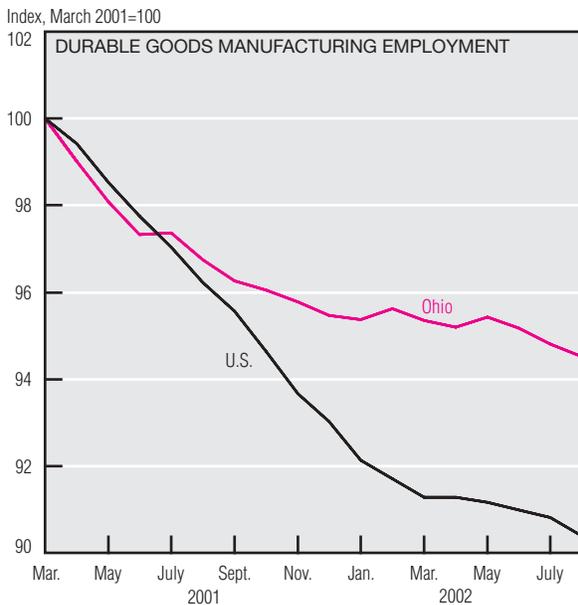
Ohio's manufacturing industry also has struggled, showing a net loss of almost 43,000 jobs from March to December 2001—roughly 4% of all manufacturing jobs that existed in Ohio when the recession started. Unlike the U.S. as a whole, however, Ohio's manufacturing employment losses began to moderate in 2001:IIIQ, before the recession

ended. In August 2002, however, Ohio's rate of losses worsened, and the state's monthly employment decline in manufacturing was the largest since September 2001.

In the first four months of the recession, the rate of manufacturing employment decline was higher in Ohio than in the U.S., but since July 2001, the U.S. rate of job loss has exceeded Ohio's. By November 2001, steep manufacturing declines had slowed in Ohio, but U.S. declines did not start to moderate until February 2002. Indeed, Ohio's share of the

(continued on next page)

Manufacturing Employment (cont.)



Percent Change in Manufacturing Employment (March–December 2001)^a

	U.S.	Ohio
Total manufacturing	-7.6	-5.4
Durable goods	-9.2	-6.0
Fabricated metals	-6.6	-5.6
Industrial machinery	-12.3	-8.6
Electronic and electrical equipment	-17.3	-6.0
Transportation equipment	-5.8	-5.3
Nondurable goods	-5.1	-4.0
Food processing	-0.7	-3.0
Printing and publishing	-6.8	-6.2
Chemicals and products	-1.9	-4.1

Percent Change in Manufacturing Employment (January–August 2002)^a

	U.S.	Ohio
Total manufacturing	-2.3	-1.0
Durable goods	-2.8	-1.3
Fabricated metals	-1.0	-0.7
Industrial machinery	-4.5	-2.0
Electronic and electrical equipment	-6.9	-2.1
Transportation equipment	-1.2	-1.5
Nondurable goods	-1.6	-0.2
Food processing	-0.1	1.0
Printing and publishing	-3.4	-1.6
Chemicals and products	-0.6	-0.2

NOTE: All data are seasonally adjusted.

a. Annualized rate

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; and Federal Reserve Bank of Cleveland calculations.

nation's manufacturing job losses fell sharply with the onset of the recovery. With the exception of transportation equipment, Ohio's share of U.S. losses fell in manufacturing as a whole and in each of its major sub-industries. In fact, food processing added jobs from January to August 2002, reducing U.S. losses in that sub-industry by 0.4%.

Trends in the manufacturing industry as a whole are closely mirrored in durable goods production, which creates more than 60% of U.S.

manufacturing employment (in Ohio, that figure is nearly 67%). Although Ohio's durable goods manufacturing posted net employment gains in both February and May 2002, these were offset by declines in March and June. Conditions for nondurable goods in Ohio have remained fairly steady since the recovery began; throughout 2002, employment has held near December 2001 levels.

Sub-industries' performance during the recession and the recovery further supports the point that

Ohio's manufacturing troubles in the most recent recession were less severe than those of the U.S. Even during the recession, most sub-industries fared better in Ohio than in the nation. Employment declines in food processing and chemicals and in allied products, however, were more severe in Ohio than in the nation as a whole. During the recovery, only one Ohio industry, transportation equipment, has had greater percentage declines than the nation as a whole.