The Fourth District’s unemployment rate—compiled from county unemployment rates that are released a month after the states’—fell sharply in September, declining 0.3 percentage point to 5.9%. Beginning in early summer, the District’s unemployment rate had risen steadily, diverging sharply from the nation’s; by August, it had returned to its expansion high of 6.2%. But the September reading showed the difference between the District and U.S. unemployment rates had narrowed to a half percentage point. Is this likely to continue?

In September, unemployment rates declined in every District state, but the most important contribution was the drop of 0.3 percentage point in Ohio, where almost 70% of the District’s labor force is concentrated. The District’s high employment rate during the summer can be traced to Ohio’s poor performance in those months.

Ohio’s unemployment rate declined markedly in September, with lower rates in 74 of the state’s 88 counties compared with about 20 over the preceding three months. Improved District employment seemed confirmed by 12-month growth of September’s nonfarm payrolls in most of the District’s largest urban areas. However, Ohio’s unemployment rate rebounded to 6.3% in October, suggesting that September may only have been a respite.