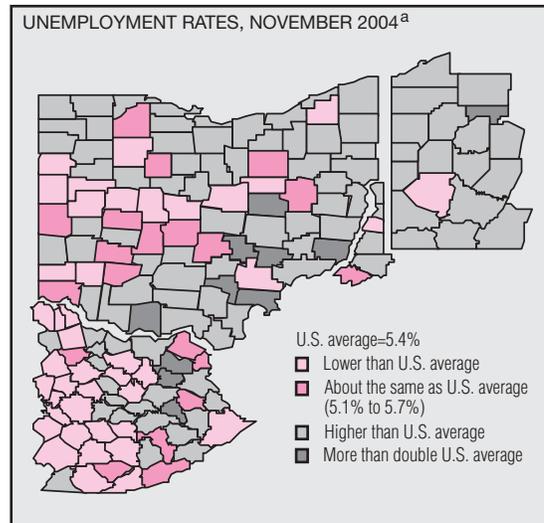


Fourth District Employment



Payroll Employment by Metropolitan Statistical Area

12-month percent change, November 2004

	Cleveland	Columbus	Cincinnati	Dayton	Toledo	Wheeling	Pittsburgh	Lexington
Total nonfarm	0.0	0.2	0.4	-1.0	-1.2	1.2	0.9	1.4
Goods-producing	0.5	-0.6	-2.1	-2.7	-0.9	5.4	2.0	1.8
Manufacturing	0.1	-1.0	-1.4	-2.5	-2.4	2.0	-0.9	1.2
Natural resources, mining, and construction	1.9	0.0	-3.8	-3.8	4.2	9.1	7.1	3.4
Service-providing	-0.1	0.3	0.9	-0.6	-1.3	0.5	0.7	1.3
Trade, transportation, and utilities	-1.5	-2.0	1.0	-4.5	-4.5	0.0	0.9	1.6
Information	-1.9	-3.4	3.3	4.4	4.3	-8.3	-2.5	1.7
Financial activities	0.6	1.0	-0.7	-1.0	4.1	0.0	1.0	-0.9
Professional and business services	0.2	2.1	1.3	-2.2	-1.9	4.3	1.8	-2.5
Education and health services	2.3	2.0	1.6	2.8	1.4	-3.7	1.7	0.6
Leisure and hospitality	-0.5	0.4	4.1	2.0	-4.1	1.4	1.0	9.5
Other services	-2.2	-1.4	0.6	-4.2	0.0	3.6	1.1	2.8
Government	-0.5	1.1	-2.3	0.7	0.2	3.9	-2.5	-0.5

a. Seasonally adjusted.

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; Ohio Department of Job and Family Services, Bureau of Labor Market Information; Center for Workforce Information and Analysis, Pennsylvania Department of Labor and Industry; Workforce Kentucky, Department for Employment Services; and West Virginia Bureau of Employment Programs.

In November, the Fourth Federal Reserve District's unemployment rate rose 0.1 percentage point to 6.2%, while the national unemployment rate fell by the same amount to 5.4%. The discrepancy of 0.84 percentage point between the U.S. and the District is the largest since the Bureau of Labor Statistics started publishing labor market data for all counties in 1990.

County rates for the month reveal that most of the Pennsylvania area included in the District saw higher unemployment rates than the U.S.

Only Allegheny County had an unemployment rate at least as low as the nation's. In contrast, Kentucky's labor market generally outperformed the U.S.; nearly 60% of its counties posted unemployment rates at or below the national average. Considerably less than half of Ohio's 88 counties enjoyed below-average rates.

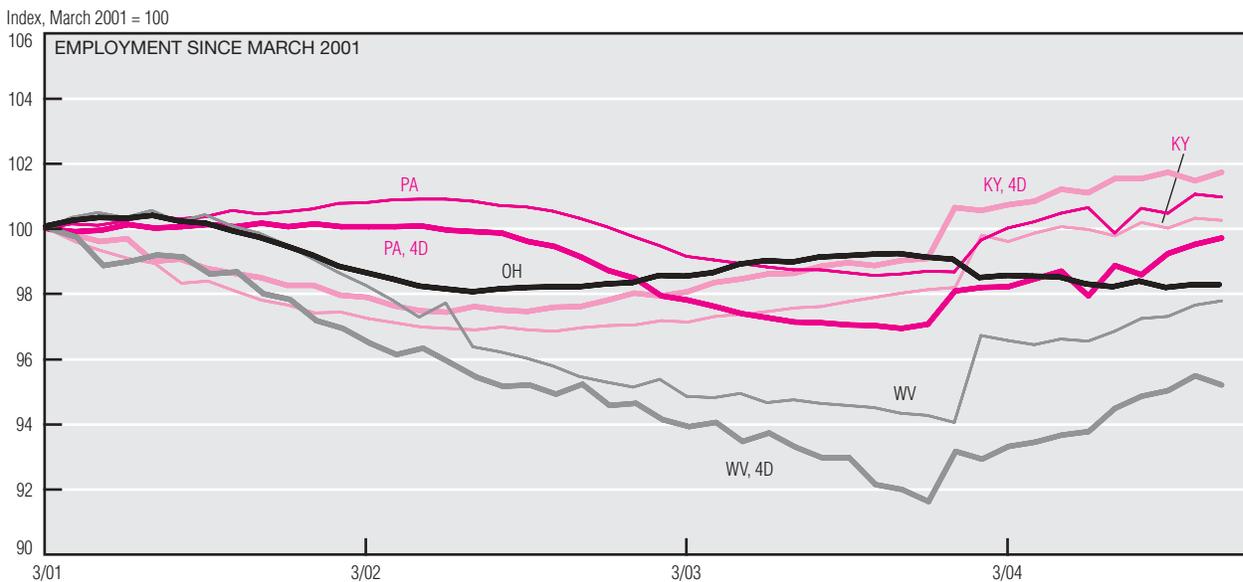
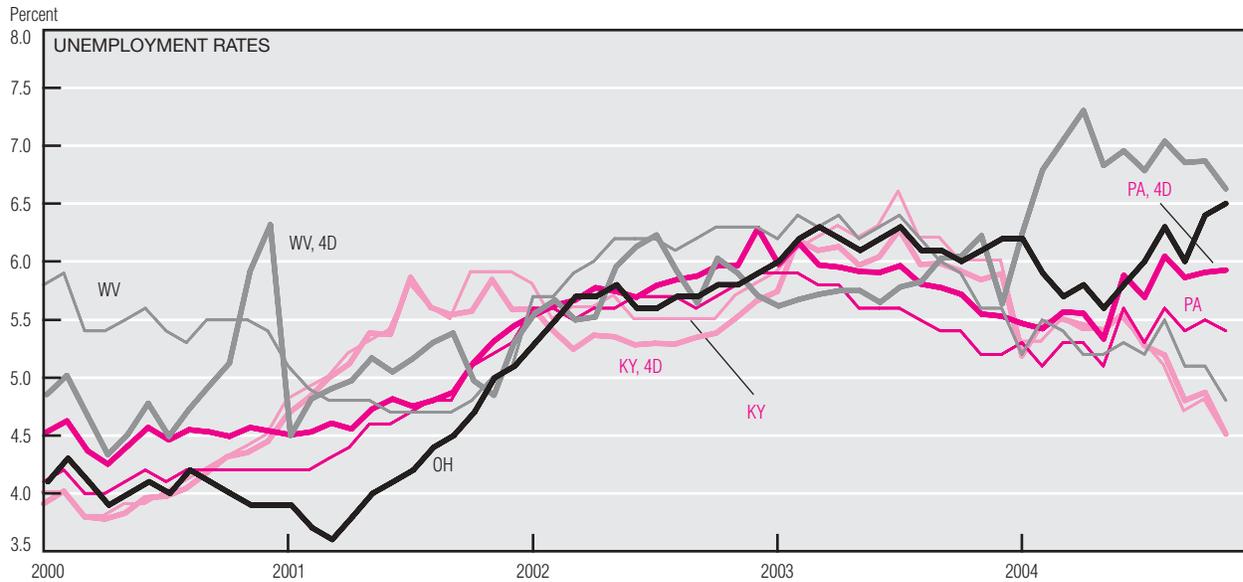
Not surprisingly, payroll employment data were consistent with unemployment rates for each area. Lexington led the District's major metropolitan areas in year-over-year non-farm employment growth, whereas

employment growth in Dayton and Toledo was negative in both goods-producing and service-providing industries over the year.

An interesting picture emerges when unemployment rates for the District's areas of each state are compared with the state as a whole. The difference between the rate in the District's portion of western Pennsylvania and the entire state is 0.5 percentage point. The recent improvement in steel has certainly helped the Pittsburgh area: Allegheny County, where steel is most heavily concentrated,

(continued on next page)

Fourth District Employment (cont.)



NOTE: All data are seasonally adjusted. Lines labeled "4D" refer to the part of the state included in the Fourth District.

SOURCES: Ohio Department of Job and Family Services, Bureau of Labor Market Information; Center for Workforce Information and Analysis, Pennsylvania Department of Labor and Industry; Workforce Kentucky, Department for Employment Services; and West Virginia Bureau of Employment Programs.

was the only Pennsylvania county in the District to enjoy an unemployment rate lower than the national average. Despite improvements in the Pittsburgh area, other areas are still contending with severe unemployment problems. Forest County reported Pennsylvania's highest unemployment rate, 13.7%, more than double the national average.

Although improvements in steel have reached some areas of the District, the steel industry continues to struggle in others. In the panhandle of West Virginia, the industry's struggles,

along with the departure of some mid-sized non-steel employers, raised unemployment rates in Fourth District counties well above the state average for most of 2004. This contrasted sharply with the area's historical performance relative to the state: For most of the past decade, the panhandle has enjoyed rates far below state averages.

The Fourth District's portion of Kentucky tracked the state's overall unemployment extremely closely throughout 2004. The District's relatively high unemployment is not

improved at all by Ohio's rate—the entire state is within the District.

As might be expected, a state's employment patterns echo its unemployment rate. Since the last business cycle peak in March 2001, the recovery in employment has been softer in the District's portion of both West Virginia and Pennsylvania than in either of those states overall. Employment performance was stronger in Kentucky's eastern half than in the state as a whole. And Ohio has yet to reach prerecession employment levels.