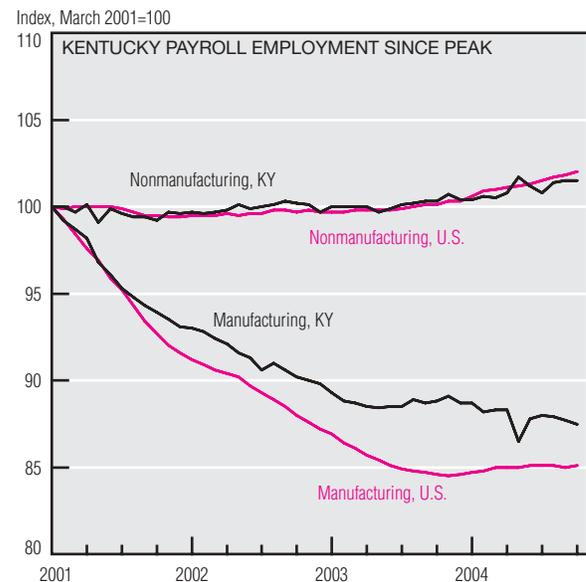
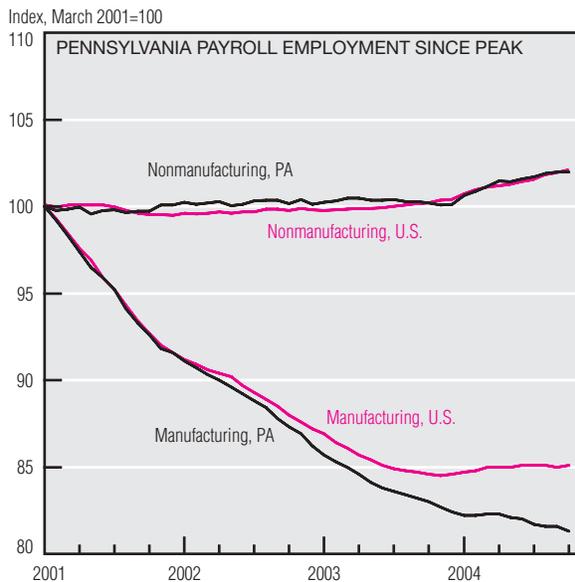
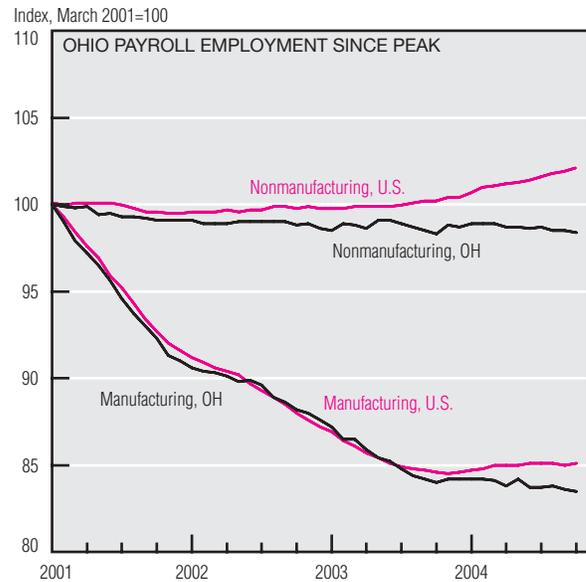
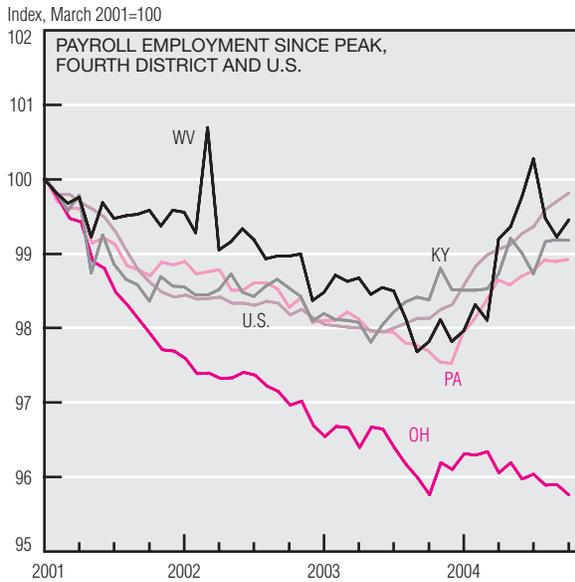


Fourth District Employment



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

By some measures, Ohio's economic performance during the current recovery has been disappointing. Ohio trails the other Fourth District states in employment growth. Kentucky, Pennsylvania, and West Virginia have tracked the nation, more or less, since the last business cycle peak. Ohio employment, on the other hand, lags the national average by more than four percentage points.

Why is Ohio's employment growth so slow? Many have cited weakness in manufacturing jobs, which account for 15.3% of the state's employment. Since the last business cycle peak, Ohio has lost 1.6% more manufacturing jobs than the nation. But Pennsylvania, whose industrial makeup is 12.2% manufacturing, has lost an even greater percentage of its manufacturing jobs than Ohio—about 2% more.

Weakness in nonmanufacturing industries is what makes Ohio employment remarkable. Since the last peak, nonmanufacturing jobs increased by 2% nationwide; in Ohio, they *decreased* by 1.6%. Nonmanufacturing employment has fared much better in Pennsylvania and Kentucky, where it never fell more than 1% from its 2001 levels. These two states have tracked U.S. nonmanufacturing employment almost exactly.