In February, the Fourth District’s unemployment rate rose 0.4 percentage point (pp) to 6.1%, double the U.S. increase of 0.2 pp from 5.2% to 5.4%. (March data show the U.S. unemployment rate falling back to 5.2%.) As a result, the gap in unemployment rates between the District and the U.S. widened in February. It began to widen at the end of 2003, grew widest near the end of 2004 and, after narrowing slightly, grew again to 0.7 pp in February, the highest level since at least 1990.

Differences between the District and U.S. are also clear in county unemployment rates, particularly since new methods for estimating regional unemployment were implemented in January. In February, unemployment rates exceeded the U.S. average in about three-quarters of District counties, including those associated with almost every major population center in Ohio. However, unemployment rates in the counties where Pittsburgh, Wheeling, and Lexington are located were at or below the U.S. average.

Although payroll employment in many of the District’s metropolitan areas rose during the 12-month period ending in March, these gains generally did not keep pace with the nation’s. Growth in the Lexington area was balanced between goods-producing and service-providing sectors during this period. By contrast, losses in goods-producing sectors in the Dayton, Toledo, and Pittsburgh areas were offset by growth in service-providing sectors, and large employment gains in Cleveland and Cincinnati goods-producing sectors offset weaker performance in service sectors.