In June, the Fourth District’s unemployment rate held steady at 5.8% for the third consecutive month. The U.S. unemployment rate was 5.0% in both June and July. The 0.8 percentage point difference between the nation’s rate and the District’s matches the largest recorded divergence between the two, previously reached only in March 2005.

June unemployment rates in most Fourth District counties were higher than the U.S. average. However, when compared to the recent past, there are signs of improvement. Between May and June, 93 counties’ unemployment rates fell, 28 stayed the same, and 48 rose. The trend holds over the last year as well: from June 2004 to June 2005, 103 counties’ unemployment rates improved, 19 stayed the same, and 47 worsened. Similarly, unemployment rates in most of the District’s major metropolitan areas decreased over the year.

Regarding specific metropolitan areas, Lexington’s growth in nonfarm payrolls outpaced the nation’s, increasing by almost 2% over the past year. Its employment growth was broad, with every major industry except information adding jobs. In contrast, Cleveland lost 3,200 jobs over the year, although employment growth in goods-producing sectors (manufacturing, natural resources, mining, and construction) outpaced the nation’s. Employment in the information industry was down or flat in every major metropolitan area in the District for the 12 months ending in July.