As Americans have migrated to the West and South, so have their jobs. Along the way, the composition of these jobs has changed. The exact causal relationship between the composition of employment and the location of the population is impossible to decipher, but the correlation is intriguing.

Over the past 40 years, the population center has begun to drift toward the South and West, away from the regions traditionally associated with the nation's industrial base. The South and the West have shown the greatest gains in employment shares. In 1996, 56% of all U.S. nonfarm jobs were located in these areas—a 4-percentage-point rise from 15 years earlier. This gain came at the expense of employment shares in the Northeast and Midwest.

Part of this movement may reflect the changing composition of employment. The major increases in jobs growth—in all regions—are centered in the burgeoning services sector. The share of workers employed in retail trade has also increased nationwide. When manufacturing and mining industries were a dominant force in the U.S. economy, the population was centered more toward the Northeast and Midwest, where these industries were concentrated.

In the Fourth Federal Reserve District states (Kentucky, Ohio, Pennsylvania, and West Virginia), only construction, retail trade, and services have gained employment shares since 1982. Increases in these states' share of construction and retail trade jobs have outpaced the national average, but growth in the service share has fallen short.