In 1998, U.S. nonfarm employment grew 2.3%, though this growth was not spread evenly throughout the country. The District of Columbia and Hawaii, for example, actually experienced declining employment in 1998; Hawaii's economy, being closely tied to Japan's, was adversely affected by its woes. Regionally, the West and the South showed the strongest rates of employment gain, led by Florida (4.2% annually) and Nevada (4.1%).

The Fourth District's employment growth was slightly weaker than that of the U.S. as a whole. Employment increased 2.1% in Kentucky, close to the national average of 2.3%; however, it grew only 1.4% in West Virginia, 1.2% in Pennsylvania, and 1.1% in Ohio.

Some of this difference relates to changes in population: In 1998, patterns of population growth and employment growth were strikingly similar. States with faster-growing populations tended to have higher levels of employment growth. Recently, the West and the South have experienced both the highest population growth and the highest employment growth. Nevada, which had the nation's second-highest rate of employment growth in 1998, also had the highest population growth (4.1% between 1997 and 1998). A notable exception to this pattern is Iowa, which had one of the highest rates of employment growth (3.0%), but relatively weak population growth (0.3%).

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The Fourth District's performance was similar to the nation's in both employment growth and population growth. With the exception of Kentucky, population growth in Fourth District states was stagnant. Kentucky's population grew 0.7% between 1997 and 1998, slightly below the national average of 1.0%. Pennsylvania and West Virginia declined slightly at rates of 0.1% and 0.2%, while Ohio rose only 0.1%.

Manufacturing employment continued to drop across the U.S., declining 1.2% in 1998. Despite the overall decline, almost half the states actually experienced increases in manufacturing employment, with four states posting growth rates higher than 2%. Manufacturing employment rose fastest in Iowa (at an annual rate of 2.9%) and fell most precipitously in New Mexico (at an annual rate of 5.0%). Fourth District states fared somewhat better than the national average: Manufacturing employment grew 0.5% in Kentucky, while it fell 0.5% in West Virginia and 0.7% in both Pennsylvania and Ohio.

The growth rates of manufacturing employment varied greatly across the Fourth District in 1998, though most metropolitan statistical areas (MSAs) showed declines. However, five MSAs did see increases in manufacturing employment in 1998; the largest gains were in Lexington, which posted a growth rate of 4.2%.