The Fourth District is an unwieldy entity, composed of 169 counties in four states, but its composition is important for understanding its evolving economy. New figures indicate that the District’s population now stands at 16.6 million, 13.4 million of whom live in counties that the Census Bureau classifies as part of a metropolitan statistical area (17 MSAs are located at least partly in the District). Only 68 of 169 counties (40%) are located in MSAs, yet they account for 81% of the District’s population, 83% of its labor force, and 85% of its income.

The District’s population grew at a decreasing rate throughout the 1990s, lagging national growth trends considerably. The story is similar for District MSAs.

In 1996, the District’s per capita income fell relative to the U.S. average (that is, the gap between national and District figures widened), and that gap has remained relatively larger than it was when the expansion began. In 1991, annual per capita income in the Fourth District was $1,784 less than the U.S. average; by 1998, the gap had nearly doubled. In that year, per capita income in the District was $25,496, compared to the U.S. average of $28,542 (a difference of $3,046).

Although the District’s population growth was relatively low throughout the 1990s, its labor force grew because of rising labor force participation rates. (Bureau of Labor Statistics data show that the District’s labor force declined in 1998, perhaps reflecting the Bureau’s switch from using a direct counting method for the 10 largest states to using a standardized sampling method for all 50 states). Throughout the 1990s, labor...
force growth in District MSAs closely followed changes in the District as a whole. The year 2000 appears to be an exception: Although the labor force shrank in the District overall, it grew in District MSAs. In fact, labor force growth in District MSAs even outpaced the U.S. average in 2000.

Unlike population growth rates, the District's unemployment rate generally followed the national trend over the last decade. During the 1980s, the District—as well as its MSAs—reported unemployment rates considerably higher than the nation's; starting with the current expansion, however, it has enjoyed lower unemployment rates than the U.S. as a whole. Over the last two years, the figures have fluctuated around the U.S. average. These varying relationships to the national unemployment trend can likely be explained by the District’s heavier-than-average dependence on manufacturing as a source of employment. When manufacturing unemployment is high, the District’s rate tends to be high.

The eastern part of the District tends to have higher unemployment rates than the nation as a whole, while the western part reports figures below or at national rates. (The western counties are more heavily concentrated in agriculture, which generally has lower unemployment.) In December 2000, the District’s non-seasonally adjusted unemployment rate was slightly higher than the rate reported by District states and the U.S., but year-over-year changes for the District and its MSAs were comparable to the nation’s.