The 2000 Census reported that U.S. per capita income was $21,587. Among the Fourth District’s 169 counties, only 21 registered per capita incomes above that figure. With the exception of Ottawa County, Ohio, all 21 were located in metropolitan statistical areas.

Between the 1990 and 2000 censuses, per capita income growth in most Fourth District counties exceeded the national rate, but this can be misleading—some counties with very low per capita incomes outpaced the U.S. in terms of percentage growth but dropped further below the national average between censuses.

Critics argue that per capita income may not measure wealth accurately because it distributes income across all individuals, including children. This makes areas such as Northeast Ohio’s Holmes County (which has large shares of children and larger-than-average families) appear worse off than they truly are. Although the 2000 Census reports per capita income for Holmes County at only $14,197 (roughly two-thirds of the national average), the county’s poverty rates are nearly equal to the nation’s.

The census also reports median family income. Judging from this figure, the Fourth District appears better off than the per capita data would suggest. While it is still true that pockets of higher income are concentrated in metropolitan areas, several central counties in metropolitan areas no longer seem to have above-average income levels: Allegheny (Pittsburgh), Cuyahoga (Cleveland), Fayette (Lexington), Hamilton (Cincinnati), and Montgomery (Dayton). As with (continued on next page)
per capita income, median income growth between the 1990 and 2000 censuses was stronger in most Fourth District counties than in the nation as a whole.

No matter which measure of income one uses, there clearly is considerable disparity between the U.S. and the Fourth District's Appalachian regions. For Kentucky and West Virginia, this is true for the entire state. In both states, the gap between national and state per capita income increased over the last 30 years, with the gap’s growth accelerating in the late 1990s.

In the 1970s, Ohio enjoyed per capita income levels near national averages but it has fallen behind since then. As in Kentucky and West Virginia, the gap widened considerably in the late 1990s. (Population shifts would not factor into the widening gap for any of these states; rather, the gap would narrow because population grew more slowly in each state than in the nation.) Surprisingly, quarterly per capita income figures suggest that all four states in the District have gained ground relative to the nation since the recession began in March 2001.

While it is true that areas with higher-than-average per capita or median incomes are more likely than not to be in metropolitan statistical areas, it is not necessarily true that metropolitan statistical areas have higher-than-average per capita or median income. When it comes to income trends, an area’s economic composition and age distribution are more important than its location.