

## Macro Roundup Article

**Headline:** [Changes in the U.S. Economy and Rural-Urban Employment Disparities](#)

**Article Link:** <https://www.federalreserve.gov/econres/notes/feds-notes/changes-in-the-us-economy-and-rural-urban-employment-disparities-20240119.html>

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**Tweet:** While total employment in metro areas has passed its pre-pandemic peak, rural employment is still below 2007 levels. The employment-to-population rate of prime-aged men in metro areas is 84.2 relative to 76.2 for their rural counterparts. @FedResearch

**Summary:** In the United States, long-term changes in the nature of the economy – including advances in technological innovation and automation, declines in the extraction of certain energy resources, increases in globalization, and a shift to the "knowledge-based" economy – have coincided with disproportionately negative employment outcomes in many rural, or "nonmetro," communities, especially for prime working-age men and those with less than a high school degree. These relatively large, negative employment effects may be due, in part, to differences in the historical industrial composition of nonmetro economies (e.g., a relatively large concentration in manufacturing), as well as the lower levels of educational attainment of their residents. In addition to these historical factors, remote places may face an inherent disadvantage in the modern knowledge economy where the clustering of highly skilled workers and firms in dense areas generate increasing returns.

**Related Articles:** The World's Rust Belts: The Heterogeneous Effects of Deindustrialization on 1,993 Cities in Six Countries and Pandemic Population Boom in Rural Hotspots Sparks Resentment

**Primary Topic:** Urban vs Rural

**Topics:** Academic paper, Productivity, Unemployment/Participation, Urban vs Rural, Weekly, Workforce, Workforce Reorganization

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