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Keeping up with the South's economy

Over the years, the Atlanta Fed's research group has found value in reviewing reports from other sources. Often these reports offer a broader perspective that adds insight into economic development in the region. For instance, two recent reports and a rural issues blog look at the effect of the decline in economic activity on metropolitan (divided in to urban and suburban) and nonmetropolitan areas.

In June, the [Brookings Institution](#) published a report titled "[The Landscape of Recession: Unemployment and Safety Net Services Across Urban and Suburban America](#)." Authors Elizabeth Kneebone and Emily Garr reviewed employment data and concluded that the statistics

"...believe the notion that big cities (versus suburbs) have cornered the market on the family and community distress accompanying rising unemployment during this recession. More so than the last recession, suburbs have felt the effects of this downturn alongside primary cities and core urban counties. The trend is fairly consistent across regions, with Western suburbs generally faring the worst. Exurbs have been hit particularly hard by this recession, perhaps owing to their economic reliance on a battered housing market."

The report contains information on all urban/suburban areas, including those in the South.

The Brookings study, however, does not look at rural areas, which traditionally have fared worse than metropolitan areas during recessions. [The Department of Agriculture's Economic Research Service](#) recently published the 2009 edition of [Rural America at a Glance](#). This work focuses on rural developments during the recession, showing that (all material quoted):

After several years of steady growth, nonmetro employment began to decline in the fourth quarter of 2006, according to seasonally adjusted Local Area Unemployment Statistics data, preceding the national economic downturn that began in late 2007.

Nonmetro employment losses accelerated in the second half of 2008 as the recession deepened.

Metro employment declines began later than nonmetro declines. Metro employment grew slowly through 2007 and into early 2008. The subsequent decline in employment, however, was sharper in metro areas than in nonmetro areas.

In both metro and nonmetro areas, employment declines were steepest in the first quarter of 2009, but they abated in the second quarter.

While this report approaches the topic from a national perspective, it has good information on the rural South.

In addition to sources like the Brookings Institute and the Department of Agriculture there are other sources that provide information we find helpful. The [Daily Yonder](#) provides daily news, commentary, reports, and updates from rural correspondents and bloggers, and many of these postings have an economic focus. The Daily Yonder provides frequent updates on Southern social and economic issues.

While geographic and industrial sector analysis lend themselves to data analysis, other sources offer an alternative view that is no less important.

By [Michael Chriszt](#), an assistant vice president in the Atlanta Fed's research department

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