

# Labor Market Dynamics: A Spatial and Sectoral Analysis of Employment Changes in the Phoenix MSA

Amy Nelson  
Center for Environmental Studies  
and  
Sharon Harlan  
Department of Sociology

## Abstract

This study will investigate the effects of long-term labor market changes in the United States on gender, social class, and racial/ethnic inequalities in urban areas. The economic changes under study are: 1) economic restructuring, which social scientists define as the loss of manufacturing jobs and an increase in service jobs; and 2) spatial relocation of jobs within a metropolitan area. Outcome variables are employment indicators for different social groups and social and economic conditions in urban neighborhoods. The study will focus on the Phoenix Metropolitan Statistical Area (MSA) to represent economic expansion in Sunbelt cities. Data sets from three federal agencies for a 15-year period will be linked to develop area economic profiles, including the location and gender/racial composition of occupations in individual firms, wages for occupations in each area, and social indicators on urban neighborhoods where employers are located. Statistical techniques used to analyze the data will be based on multiple regression and logistic regression estimation procedures. The study will address the concerns of many social scientists that the current economic prosperity enjoyed in America is not being shared equally by all segments of society.

## Research Questions

*Has the relocation of employers affected the occupational, gender, or racial/ethnic composition of their workforces? What are the employment patterns of new industries moving into a region?*

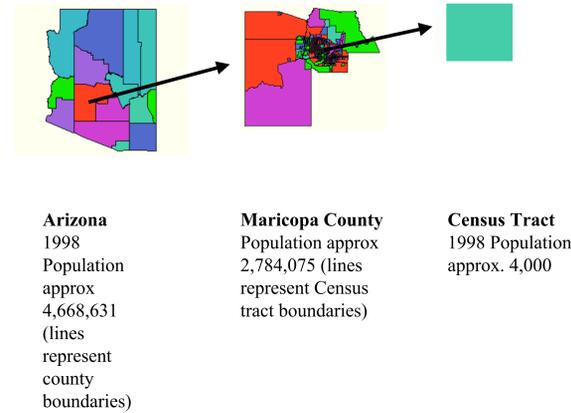
*What impact has the expansion or contraction of employment in different occupations and industries had on employment levels for women and men of different racial/ethnic backgrounds?*

*Are changes in the industrial or occupational structure related to the degree of occupational segregation between women and men and between racial/ethnic groups of workers?*

*Has job relocation or restructuring affected the wage gaps between men and women and between racial/ethnic groups of workers?*

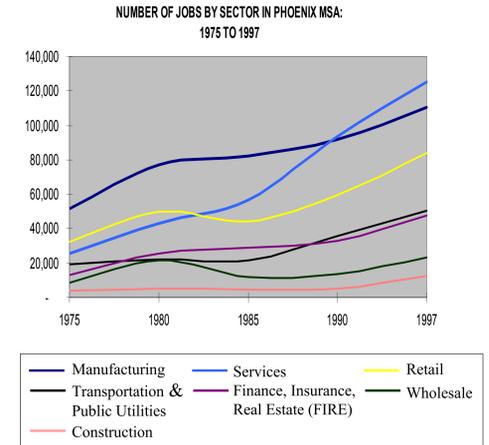
*Can employer relocation or changes in the industrial mix of employers in and urban area be systematically related to indicators of socioeconomic distress in urban neighborhoods, such as poverty rates, unemployment, or families headed by single mothers?*

## UNIT OF ANALYSIS = CENSUS TRACT



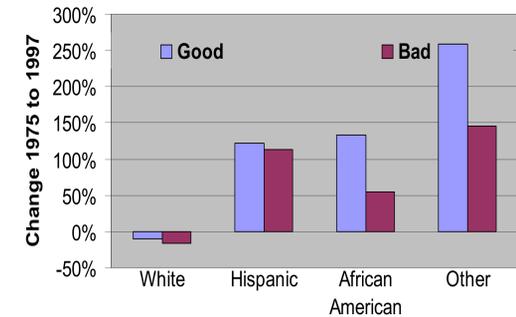
## Data

1. U.S. Census Bureau – Tract-Level Population and Housing data 1980 and 1990
2. Equal Employment Opportunity Commission – Annual Reports in Individual Establishments in Phoenix for years 1983-1998
3. U.S. Department of Labor – Metropolitan Area Occupational and Wage Estimates



Source: U.S. Equal Employment Opportunity Commission

## Percentage Change in Numbers of Good and Bad Service Sector Jobs in the Phoenix MSA by Race: 1975 to 1997



Summary: Minority employment in good service sector jobs increased at a faster rate than minority employment in bad service sector jobs in the Phoenix MSA from 1975 to 1997

Source: U.S. Equal Employment Opportunity Commission

## Transformation of the U.S. Economy During the Past 100 Years

Primary Sector → Secondary Sector → Tertiary Sector

Mining



Manufacturing



Agriculture



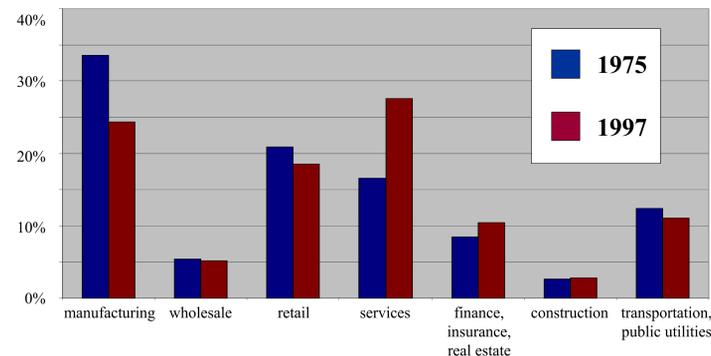
High Tech Producer Services



Low Tech Consumer Services



## PERCENTAGE OF THE PRIVATE SECTOR LABOR FORCE EMPLOYED BY INDUSTRY



Source: U.S. Equal Employment Opportunity Commission

## Future Research

1. Compare Phoenix, a Sunbelt MSA that experienced net job growth, with a Rustbelt metropolitan area that faced economic decline during this era (ex. Baltimore).
2. Extend analysis to include small employers in the Phoenix MSA. It is possible that specific demographic subgroups are disproportionately employed by small firms.