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Rural Northeast Is Hit Hard By Job Loss, New Report Shows

Beth Potier

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Global Economic Pressures And Other Factors Cost Rural America 1.5 Million Jobs In Six-Year Period

Contact: Beth Potier
603-862-1566
UNH Media Relations

Angie Cannon
301-656-0348

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DURHAM, N.H. -- Competition in the global economy displaced 1.5 million workers from jobs in rural America in a recent six-year period and is changing the nature of work in many rural areas, a new report by The Carsey Institute at the University of New Hampshire shows.

The report finds that the rural Northeast had the highest rate of job displacement of any region in the country, with low-skill workers at the highest risk of losing jobs for good.

That painful economic reality was underscored recently with announcements that two paper mills in the region are shutting down, one in Old Town, Me., and another in Berlin, N.H., costing hundreds of jobs and hurting the tax base of those areas.

The new Carsey policy report analyzes job displacement figures from around the country between 1997 and 2003.

The loss of rural jobs was particularly large in the manufacturing sector, the report finds, and the rate of loss was higher in the rural Northeast than in the rest of rural America. The key causes fueling the trend have been the push for cost savings through automation and cheaper labor overseas.

“Increases in productivity and international competition are changing the nature of work in rural America. Job losses are mounting in communities where low-skill employment has dominated the economy,” the report’s authors conclude.

Among the report’s key findings:

- Less-educated rural workers were the most likely to be displaced. Workers with a college education lost their jobs at less than half the rate of those with a high school education.

- 47 percent of jobs lost in rural America during the period studied were in manufacturing. The comparable figure for the nation as a whole was one-third, indicating that rural manufacturing jobs are especially vulnerable to international competition and automation.

- Northeastern rural manufacturing workers were five times more likely to be displaced than were those in service industries, between 2001 and 2003.

- While the rural Northeast is losing jobs at a higher rate than other regions, the rural South is losing the largest number of jobs to displacement. From 2001 to 2003, 42
percent of rural displaced workers were in the South. One-third of the rural displaced workers were located in the Midwest. Both the rural South and Northeast have lost jobs at a faster rate than the rural West and Midwest.

- Between 2001 and 2003, rural workers in the Northeast were more likely to be displaced than rural workers in the rest of the country.

In response to the problem, the report recommends better education and training in rural America, as well as innovative, community-based economic development approaches to keep small towns and rural areas economically viable.

The report was written by Amy Glasmeier, a visiting professor at the Carsey Institute and the E. Willard Miller Professor of Economic Geography at the Pennsylvania State University, and Priscilla Salant, associate director of the Carsey Institute.

The report relies on data collected in the Displaced Workers Survey, conducted by the U.S. Census Bureau every other year.

The report includes focused looks at issues brought on by economic changes in two communities – Coosa Valley, GA., which has been hard hit by the closure of three textile and apparel plants, and Berlin, N.H., where the biggest employer, a paper mill, declared bankruptcy in 2001, then reopened and is now closing for good later this spring. As part of the report, writer and researcher Julie Ardery details steps taken by the Berlin community to re-focus its economic development efforts.

Copies of the report are available by contacting Amy Seif at The Carsey Institute, 603-862-2821. Or visit www.carseyinstitute.unh.edu for a PDF of the report.

The Carsey Institute at the University of New Hampshire conducts research and analysis on the challenges facing families and communities in New Hampshire, New England, and the nation. The Carsey Institute sponsors independent, interdisciplinary research that documents trends and conditions affecting families and communities, providing valuable information and analysis to policymakers, practitioners, the media, and the general public. Through this work, the Carsey Institute contributes to public dialogue on policies that encourage social mobility and sustain healthy, equitable communities/