

# THE REVERSAL OF A CLOSING GAP: HOW THE RECENT RECESSION WIDENED UTAH'S URBAN/RURAL WAGE GAP



## METROPOLITAN COUNTIES:

Cache  
Davis  
Juab  
Morgan  
Salt Lake  
Summit  
Tooele  
Utah  
Washington  
Weber

## MICROPOLITAN COUNTIES:

Box Elder  
Carbon  
Iron  
Uintah

## RURAL COUNTIES:

Beaver  
Dagget  
Duchesne  
Emery  
Garfield  
Grand  
Kane  
Millard  
Piute  
Rich  
San Juan  
Sanpete  
Sevier  
Wayne

In the July/August 2010 issue of *Trendlines*, we examined the gap between the wages of rural and urban Utah workers. It was found that, contrary to national trends, the gap in wages between workers in rural counties and urban counties in Utah was shrinking from 2001 to 2009. Now that we have three years of post-recession data available, what impact, if any, did the recession have on the rural/urban wage gap?

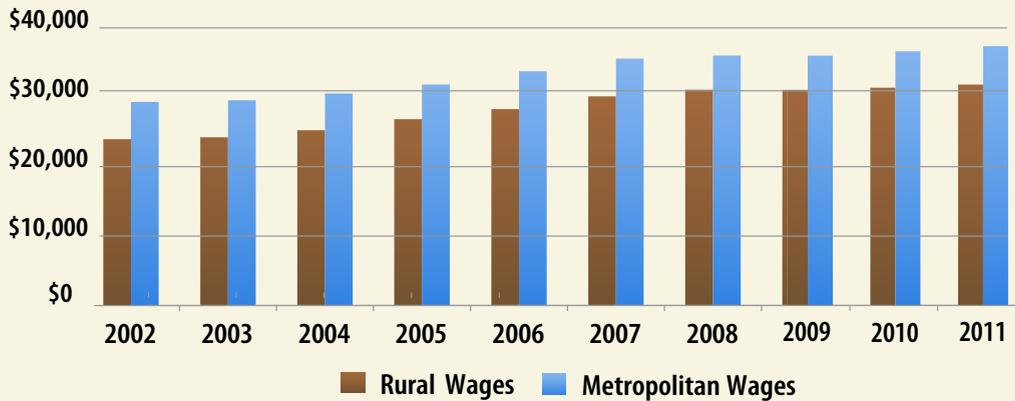
The definitions of rural and urban areas in this article follow the July/August 2010 article. A metropolitan area includes one or more counties surrounding an urbanized area of more than 50,000 people. A micropolitan area includes counties around an urbanized area between 10,000 and 50,000 people. Finally, rural refers to areas that are neither metropolitan nor micropolitan. The table shows all of Utah's 29 counties classified according to these definitions. Here, the focus will be on the differences between metropolitan counties and rural counties.

Figure 1 depicts annual trends for the change in wages over the past nine years. The year-over-year growth rate of wages has been held back for both rural and urban areas since the recession. Yet even more interesting is that whereas the year-over rate of growth was greater for rural areas from 2003 to 2008 (except for the year 2006), urban wage growth started outpacing rural wages in 2009 and has outpaced them since. Otherwise expressed, when calculated as a percentage of average annual wages of metropolitan areas, rural average annual wages have been decreasing since the beginning of the recession in 2008. As Figure 2 illustrates, rural wages for the last three years are increasing at a decreasing rate compared to 2002 to 2008. In fact, the gap might be even more pronounced than shown were it not for the oil and gas boom that Duchesne County is experiencing.

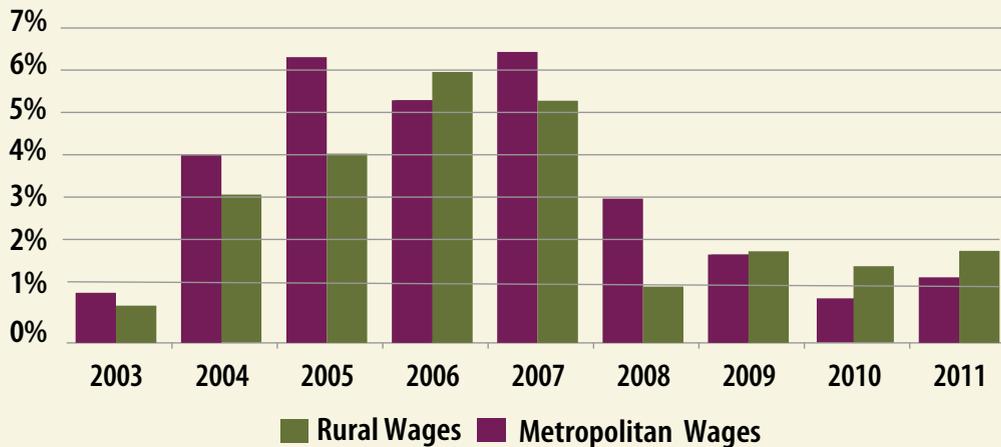
Although a pre-recession trend showed rural wages in Utah had been receiving an ever greater slice of the economic pie, the Great Recession seems to have reversed that trend. ●

**ALTHOUGH A PRE-RECESSION TREND** showed rural wages in Utah had been receiving an ever greater slice of the economic pie, the Great Recession seems to have reversed that trend.

**FIGURE 1: ANNUAL AVERAGE WAGES  
RURAL VS. METROPOLITAN 2002–2011**



**FIGURE 2: YEAR-OVER CHANGE IN ANNUAL AVERAGE WAGES  
FOR URBAN AND RURAL UTAH**



Source: U.S. Bureau of Labor of Statistics.