



Economic Review

Why Aren't More People Working in Low- and Moderate-Income Areas?

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Fewer residents in low- and moderate-income communities are working compared with higher-income areas, due in large part to employment barriers.

Despite overall strength in the U.S. labor market, employment in low- and moderate-income (LMI) communities lags behind non-LMI communities. This employment gap is persistent and has increased over time; as of 2017, 35 percent of residents in LMI communities age 18–64 were not working compared with 24.9 percent in non-LMI communities.

Kelly Edmiston uses a formal text analysis of a unique set of survey comments to examine prominent “employment barriers” in LMI and non-LMI communities. He finds that lower educational attainment and lack of access to transportation and childcare are among the most prominent barriers to employment and are especially prevalent in LMI communities. Although public assistance, disabilities, and chronic health conditions are considerably more prevalent in LMI communities, they are not especially prominent barriers in the text analysis.

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