



## Research Working Papers

# How Centralized Is U.S. Metropolitan Employment?

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The share of employment that takes place near the central business district is relatively low in most metropolitan areas. But it is considerably higher in some metropolitan areas, especially for employment in professional and scientific occupations.

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Centralized employment remains a benchmark stylization of metropolitan land use. To address its empirical relevance, we delineate “central employment zones” (CEZs)—central business districts together with nearby concentrated employment—for 183 metropolitan areas in 2000. To do so, we first subjectively classify which census tracts in a training sample of metros belong to their metro’s CEZ and then use a learning algorithm to construct a function that predicts our judgment. Applying this prediction function to the full cross section of metros estimates the probability we would judge each census tract as belonging to its metro’s CEZ. Using a high probability threshold for tract inclusion conservatively delineates a predicted CEZ for each metro. On average, the conservatively predicted CEZs account for only 12 percent of metropolitan employment in 2000. But the distribution of shares is positively skewed, with the conservatively predicted CEZs accounting for at least 20 percent of employment in 29 metros. Employment centralization is considerably higher for agglomerative occupations—those that arguably benefit most from face-to-face contact. The conservatively predicted CEZs account for at least 33 percent of agglomerative employment in 24 metros and at least 50 percent of total employment in 79 metros.

JEL Classification: C45, R12, R32

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## Related Research

- Rappaport, Jordan. 2014. "Monocentric City Redux." Federal Reserve Bank of Kansas City, Working Paper 14-09.
  - Rappaport, Jordan. 2017. "Crowdedness, Centralized Employment, and Multifamily Home Construction." Federal Reserve Bank of Kansas City Economic Review, 102(1) 41-83.
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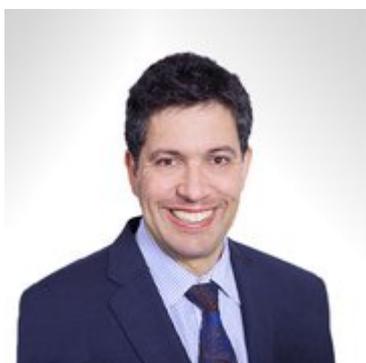
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