

# Ferdinand Rauch

London School of Economics

## **“The Division of Labor in U.S. Cities 1880-2000”**

### Abstract

We document substantial changes in distribution of tasks performed in areas with different population densities within the US throughout the twentieth century. Using novel data that measure tasks using verbs, we show that over time, more interactive occupations tend to concentrate more in denser areas, even after controlling for industry characteristics. We use theory and evidence to explain this change as the consequence of improvements in communication technology, which allow less interactive workers to move to sparser areas, where land is cheaper.