

Embargoed for Release 12:01 a.m. EDT Wednesday, June 17, 2009

CONTACTS:

Barbara Semedo, 202-797-4368, bsemedo@brookings.edu

Carrie Collins, 301-664-9000 x18, ccollins@bcc-associates.com

For more information visit: <http://www.brookings.edu/metromonitor>

**Brookings Ranks 100 Largest Metropolitan Areas for
Economic Performance**
Recession Has Widely Varied Impact on Metro America

Washington, D.C. – A new report released today by the Brookings Institution provides the first “beneath the hood” look at the impact of the recession on metropolitan America. The *MetroMonitor* reveals that metropolitan areas, even those within the same regions of the country, have felt the pain of the downturn at radically varying levels, suggesting that the eventual economic recovery will occur at an equally uneven pace.

The first in a series of interactive quarterly reports, the *MetroMonitor* ranks the nation’s 100 largest metro areas for their economic performance, based on six key indicators—employment, unemployment rates, wages, gross metropolitan product, housing prices, and foreclosure rates. This initial report, by far the most comprehensive analysis to date of how metro areas across the nation are faring during this economic downturn, covers the period through the first quarter of 2009.

“All metropolitan areas are feeling the effects of this recession, but the distress is not shared equally,” stated Alan Berube, research director of the Metropolitan Policy Program at Brookings and co-author of the report. “While some areas of the country have experienced only a shallow downturn, and may be emerging from the recession already, people living in metro areas that are now performing weakest economically should prepare themselves for a long recovery period.”

Additionally, the recession has started to reshape the economic landscape in many regions of the country. For example:

- The *MetroMonitor* analysis shows that there are now two distinct “Manufacturing Belts”: Michigan and Ohio metro areas that depend on the auto industry began losing jobs two to three years earlier than the nation as a whole, while Northeastern metros that have less auto-oriented manufacturing sectors (e.g. aerospace, photonics) are experiencing fewer job losses and actual increases in housing prices;
- The “Sun Belt” also divides into two parts: The housing fallout has hurt large swaths of Florida, Arizona, Nevada, and inland California, while specializations in energy and

government employment have insulated metro areas in New Mexico, Texas, Oklahoma, Arkansas, and Louisiana;

- Concentrations of jobs in education, medicine and government seem to have shielded some metro areas from dramatic job losses. Specialization in these less volatile economic activities may help account for the relatively stable performance of educational centers like Boston, New Haven, and Provo; health care centers like McAllen, New Haven, and Springfield; and government/military centers like Honolulu, El Paso, and Washington, D.C.

These variations should inform recovery policy, says Howard Wial, director of the Metropolitan Economy Initiative at Brookings and co-author of the report. “Fiscal and monetary policy will not be sufficient for stimulating a truly nationwide recovery,” he said. “Many areas will need targeted assistance, and since states have no funds available, the federal government will have to step up to fill the void.”

According to *MetroMonitor*, the areas with the strongest overall economic performance during the recession through the first quarter of 2009 are San Antonio, TX; Oklahoma, OK; and Austin, TX. Those with the weakest economic performance are Tampa, FL; Bradenton, FL; and Detroit, MI.

20 Strongest Performing Metro Areas	20 Weakest Performing Metro Areas
1. San Antonio, TX	81. Boise City, ID
2. Oklahoma City, OK	82. Riverside, CA
3. Austin, TX	83. Grand Rapids, MI
4. Houston, TX	84. Palm Bay, FL
5. Dallas, TX	85. Miami, FL
6. McAllen, TX	86. Cape Coral, FL
7. Little Rock, AR	87. Oxnard, CA
8. Baton Rouge, LA	88. Sacramento, CA
9. Tulsa, OK	89. Las Vegas, NV
10. Omaha, NE-IA	90. Youngstown, OH-PA
11. El Paso, TX	91. Providence, RI-MA
12. Wichita, KS	92. Toledo, OH
13. Washington, DC-VA-MD-WV	93. Stockton, CA
14. Des Moines, IA	94. Fresno, CA
15. Albuquerque, NM	95. Modesto, CA
16. Virginia Beach, VA-NC	96. Jacksonville, FL
17. Harrisburg, PA	97. Lakeland, FL
18. Pittsburgh, PA	98. Tampa, FL
19. New Haven, CT	99. Bradenton, FL
20. Rochester, NY	100. Detroit, MI

This *MetroMonitor*'s Overall Performance index combines metro rankings on four key indicators: 1) Percent employment change from peak quarter to 1st quarter 2009, 2) percent point change in unemployment rate from 3/08 to 3/09, 3) percent GMP change from peak quarter to 1st quarter 2009, 4) percent change in housing prices from 1st quarter 2008 to 1st quarter 2009.

For individual statistical profiles for all 100 metro areas, visit <http://www.brookings.edu/metromonitor>

The *MetroMonitor* also reveals that:

- All of the nation's largest metro areas have lost jobs during the recession, ranging from 0.2 percent in Oklahoma City, OK to 13.5 percent in Cape Coral, FL. Ten of the 15 metro areas with the largest job losses are located in just three states – California, Florida and Ohio.
- No metro area avoided an increase in its unemployment rate from March 2008 to March 2009. Increases ranged from 1.2 percentage points in Des Moines, IA to 6.6 percentage points in Portland, OR.
- Nearly all metro areas have also seen a decline in economic output from their pre-recessionary peak. While gross metro product has continued to rise in Austin, TX and McAllen, TX, it has declined everywhere else, including by 10 percent in Detroit, MI. Nine of the 15 metro areas with the sharpest drops are located in Florida, Michigan and Ohio.
- Slightly more than one-third of the 100 largest metro areas avoided declines in home prices over the past year, even as prices nationwide dipped 6 percent. Most of these lie in the less-affected parts of the Manufacturing and Sun Belts. Meanwhile, prices dropped by more than 30 percent in Stockton, CA.
- As of March 2009, only ten of the 100 metropolitan areas are beginning to show signs of recovery. McAllen, TX is the only metro that saw growth in both employment and output during the first quarter of 2009. Employment also rose in New Haven and Baton Rouge, while output increased in Seattle, Austin, Virginia Beach, Washington, D.C., Richmond, San Jose, and Riverside. Still, none of these areas has yet returned to its pre-recession levels of employment or output.

“Metro areas are the country’s economic engines. The 100 largest contain two-thirds of our jobs and generate three-quarters of U.S. GDP,” added Berube. “Only by monitoring their individual trajectories will we know where and how the country begins to emerge from this deep downturn, as well as which areas will need more intensive assistance to turn the corner.”

About the *MetroMonitor*

The MetroMonitor, which will be released on a quarterly basis, is an interactive barometer of the health of America’s metropolitan economies that looks “beneath the hood” of national economic statistics to portray the diverse metropolitan trajectories of recession and recovery across the country. It aims to enhance understanding of the particular places and industries that drive national economic trends, and to promote public and private sector responses to the downturn that take into account metro areas’ unique starting points for eventual recovery.

About the Metropolitan Policy Program at Brookings

Created in 1996, the Metropolitan Policy Program (MPP) provides decision makers with cutting edge research and policy ideas for improving the health and prosperity of metropolitan areas including their component cities, suburbs, and rural areas. To learn more visit:

www.brookings.edu/metro

-END-