

Embargoed for Release 12:01 a.m. EDT Tuesday, September 15, 2009

CONTACT:

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

Daniel Heim, 202-797-6420, dheim@brookings.edu

For more information visit: http://www.brookings.edu/metro/2009_09_metro_monitor.aspx

**Metropolitan Areas Post Mixed Economic Performance
During Second Quarter of 2009**

Most No Longer in Free Fall, but Wide Disparities Characterize 100 Largest Metro Areas

Washington, D.C. – A report released today by the Brookings Institution reveals that the pace of economic decline slowed in most of the nation’s 100 largest metropolitan areas in the second quarter of 2009, but that differences in overall performance among metro areas remained stark.

The second in a series of interactive quarterly reports, the *MetroMonitor* ranks the nation’s 100 largest metro areas for their economic performance, based on five key indicators—employment, unemployment, output, home prices, and foreclosure rates. This report covers the period through the second quarter (April through June) of 2009.

“Signs at the national level that job and income losses are slowing continue to mask the highly variable performance of individual metropolitan economies,” said Alan Berube, research director of the Metropolitan Policy Program at Brookings and co-author of the report. “While several metro areas may have reached a turning point, there are many others that still haven’t touched bottom, as well as a few that have almost fully recovered.”

The report reveals that metropolitan areas, even those within the same regions of the country, have felt the pain of the downturn—and are starting to experience recovery—at radically different levels. For example, the *MetroMonitor* analysis finds that:

- **Differences in the performance of metropolitan areas over the course of the recession remained substantial.** The 20 best-performing metro areas experienced average employment losses of 1.7 percent from their peaks, and 17 have seen home prices rise over the past year. By contrast, the 20 weakest-performing areas have sustained average employment declines of 8.2 percent, and their home prices have dropped an average of 11 percent in the past year.

- **Several metro areas showed signs of beginning to recover from the recession, and the rate of economic decline slowed in many more.** Twenty metro areas, including Albuquerque, Baltimore, Bridgeport (CT), Charlotte, Dallas, and Seattle, posted at least small increases in economic output in the second quarter of 2009 compared to the first quarter, and the remaining 80 saw output decline more slowly than in the first quarter. Only three—Austin, McAllen (TX), and Washington, D.C.—showed signs of full recovery in output (but not yet in employment).
- **The sharp drop in auto sales and severe challenges faced by U.S. automakers and suppliers has clearly affected those metro areas that depend most on the industry for jobs.** The 12 metro areas most highly specialized in auto and auto parts manufacturing shed an average of 5.6 percent of their jobs from the end of 2007 through the second quarter of 2009, compared to the national average of 4.1 percent.
- **The housing market appeared to be stabilizing in more metro areas, but rising foreclosures threaten several.** Of the 100 largest metro areas, 42 experienced inflation-adjusted increases in house prices from June 2008 to June 2009, versus 37 in the last *Monitor*. However, house price declines were stark, and rates of real estate-owned (REO) properties were high and rising in Florida, Arizona, and inland California metro areas.

According to *MetroMonitor*, the areas with the strongest overall economic performance over the course of the recession, through the second quarter of 2009, largely occupy the nation's midsection and parts of the inland Northeast and upper Southeast. Those with the weakest economic performance lie primarily in Florida, inland California, and around the Great Lakes.

20 Strongest Performing Metro Areas	20 Weakest Performing Metro Areas
Austin, TX	Boise City, ID
Baton Rouge, LA	Bradenton, FL
Columbia, SC	Cape Coral, FL
Dallas, TX	Dayton, OH
Des Moines, IA	Detroit, MI
El Paso, TX	Grand Rapids, MI
Harrisburg, PA	Jacksonville, FL
Honolulu, HI	Lakeland, FL
Houston, TX	Las Vegas, NV
Jackson, MS	Miami, FL
Little Rock, AR	Modesto, CA
McAllen, TX	Orlando, FL
Oklahoma City, OK	Palm Bay, FL
Omaha, NE-IA	Portland, OR-WA
Pittsburgh, PA	Providence, RI-MA
Rochester, NY	Riverside, CA
San Antonio, TX	Stockton, CA
Tulsa, OK	Tampa, FL
Virginia Beach, VA-NC	Toledo, OH

This *MetroMonitor's* Overall Performance index combines metro rankings on four key indicators: 1) Percent employment change from peak quarter to 2nd quarter 2009, 2) percentage point change in unemployment rate from June 2008 to June 2009, 3) percent change in gross metropolitan product from peak quarter to 2nd quarter 2009, 4) percent change in housing prices from 2nd quarter 2008 to 2nd quarter 2009.

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

This edition of the *MetroMonitor* includes a supplemental section on the Great Lakes region—providing a sharper view of the shared challenges and important differences that characterize this large and complex area of the country. The inaugural edition of what will be a quarterly series, it examines the 21 largest metro areas in the region, from Des Moines to Detroit to Rochester, looking closely at how they are faring relative both to each other and to their peers across the nation.

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-