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http://www.brookings.edu/papers/2009/0722_recession_kneebone.aspx

The Crabgrass Recession
Suburbs Feeling More Pain Than Past Downturn

Washington, D.C. – A new report released today by the Brookings Institution provides a first look at the impact of the current recession on the cities and suburbs of the country’s major metro areas. Measuring recent changes in unemployment and the demand for safety net services, “The Landscape of Recession: Unemployment and Safety Net Services in Urban and Suburban America” reveals that, more so than the last recession, suburbs are feeling the negative effects of this downturn alongside cities.

The report—the first in a series that Brookings will periodically update—assesses the recession’s impact on cities and suburbs by tracking changes in unemployment within the 100 largest metro areas through May 2009, as well as changes in the demand for safety net services, including Unemployment Insurance (UI) and the Supplemental Nutrition Assistance Program (SNAP, formerly know as the Food Stamp Program).

“Though the effects of the recession vary widely across regions, no city or suburb in the country’s largest metro areas has proven immune to rising unemployment over the course of this downturn,” stated Elizabeth Kneebone, senior research analyst at the Metropolitan Policy Program and co-author of the report. Overall, city and suburban unemployment increased at nearly equal rates over the year ending May 2009, with city workers only 0.9 percentage points more likely to be unemployed than suburban workers (9.6 percent unemployment versus 8.7 percent). However, fully 75 metro areas—including metro areas like Charlotte, Cincinnati, Portland, OR, and Youngstown—saw their suburban unemployed population grow at a faster rate than the unemployed population living in cities, further illustrating that the effects of this downturn reach beyond the primary cities in these regions.

Among suburban communities, newer, lower-density suburbs—so-called “exurbs”— and emerging suburbs have been hardest hit by upticks in unemployment over the past year, surpassing older, denser suburbs with a May 2009 unemployment rate of 9.0 percent. Western metro areas also proved particularly vulnerable to the current downturn, leading

other regions for increases in both city and suburban unemployment with gains of more than 4 percentage points on average.

The report also reveals that, as unemployment continued to rise over the course of the downturn, demand for safety net services escalated in cities and suburbs across the country. Initial claims for UI more than doubled in the nation's major urban centers between March 2008 and March 2009, and rose by 92.5 percent in the surrounding suburbs. Tracking with larger unemployment trends, new spells of unemployment appear to be growing at a faster rate in newer, lower-density suburbs, with the greatest increases in UI claims occurring in exurban communities (122.4 percent).

Suburban households seeking food assistance also increased at a faster rate than their urban counterparts (a 20.5 percent increase versus 16.0 percent). Contrary to employment trends, older, denser suburbs led for upticks in SNAP participation, while exurbs experienced the smallest (though still considerable) increase among suburban types at 18.4 percent, which could point to a possible gap in safety net access.

“In order to craft more effective policies for economic recovery, regional leaders and policymakers should be aware of how both cities and suburbs within their regions are responding to the current downturn,” added Kneebone. “As cities and suburbs alike struggle with growing unemployment, the role of emergency and safety net programs becomes more critical, as does ensuring that struggling workers and families have adequate access to that safety net.”

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.