Metropolitan Policy Program at BROOKINGS

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Uneven progress continues to define U.S. economy, as growth divides people and places

Washington, D.C. — A new report from the Brookings Metropolitan Policy Program provides a barometer for America's economic progress, showing that underneath the headline numbers and sound bites of a flourishing national economy, divides are growing between the coasts and the heartland, technology and other sectors, and the rich and the poor.

The report, "**Metro Monitor 2018**," an annual update to Brookings's signature economic benchmarking tool, provides an analysis of inclusive economic growth and prosperity measures for the 100 largest metropolitan areas within the U.S., finding in the latest data available that, despite widespread growth, uneven progress among people and places throughout the nation requires new solutions to create a more advanced economy that works for all.

Despite the economy posting 88 consecutive months of job growth, including seven straight years of adding more than two million jobs, recent economic progress has been driven largely by a select few large metro areas and several key economic sectors, while differing sectors and places have produced stagnation across key economic indicators. Notably, construction, hospitality, and health care sectors continued to contribute to job growth but held back productivity. Additionally, high-skilled sectors like professional services, finance, and information contributed to rising prosperity in the form of wages and productivity, but for the most part, not job growth. Further, sectors like manufacturing (declining in 42 of the 100 largest metros), government, and education played varying and less reliable roles in economic progress across large metro areas. Encouragingly, jobs at young firms grew faster than total jobs in 66 of the 100 largest metros, in what could be a promising sign of new investment and economic restructuring in some places.

The report's lead author, Chad Shearer, said, "The uneven progress metropolitan economies made in 2016 reflects the accelerating pace of economic change communities throughout the nation are grappling with today."

The report creates and indexes rankings for each of the 100 largest U.S. metro areas based on three categories of economic performance: growth, prosperity, and inclusion.

Key findings include:

- **Growth was widespread among large metropolitan areas** in 2016, with 83 of the largest 100 metros posting positive changes on all three measures of growth.

- **Few large metro areas posted consistent gains in prosperity** in 2016: only 31 of the largest 100 metros posted positive changes on all three measures of prosperity in 2016 due to waning productivity growth.

- **Most large metro areas posted at least modest improvements in economic inclusion** in 2016: 93 of the largest 100 metros posted positive changes on at least one of the three inclusion measures.

- While **racial disparities** in economic inclusion outcomes shrank in about half of the largest 100 metros, fewer metro areas reduced disparities by making everyone better off, and only a handful of metros made consistent progress in reducing economic disparities across inclusion measures.

- Despite progress on several fronts, **inclusive economic growth and prosperity have proved elusive for most large metro areas** in 2016, with only 11 of the largest 100 metro areas achieving improvements on each of the core measures of growth, prosperity, and inclusion (Cincinnati; Des Moines; Detroit; Greenville; Madison; Minneapolis-St. Paul; Portland; Providence; San Francisco; Spokane; Washington, D.C.).

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