

**For Immediate Release**

October 18, 2018

**Contact:** Anthony Fiano, [afiano@brookings.edu](mailto:afiano@brookings.edu)

**Report + Interactive Data:** [factbook.theheartlandsummit.org](http://factbook.theheartlandsummit.org)

## **New report from Brookings benchmarks the American Heartland's economic performance**

*The American Heartland is doing better than many think on an array of socioeconomic indicators but faces serious human capital and innovation deficits*

Washington, D.C. – The Brookings Metropolitan Policy Program and the Walton Family Foundation (WFF) today released new research that benchmarks the economic growth, prosperity, and inclusion of America's Heartland region. The report offers Heartland and U.S. leaders and citizens a baseline fact set for assessing and understanding the region's current condition and future prospects. Overall, the report finds that **the region is belying its "flyover country" reputation by outperforming the rest of the nation on several key socioeconomic indicators, notwithstanding a set of serious challenges associated with its weak human capital and low innovation capacity.**

***State of the Heartland: Factbook 2018***—authored by Brookings scholars Mark Muro, Robert Maxim, and Jacob Whiton and WFF's Ross DeVol—employs a novel state-based definition of the Heartland, developed by the WFF, to benchmark how 19 mostly inland, non-coastal states are doing economically compared to the coastal "rest of the nation" as well as with each other, using multiple metrics and maps and charts.

Progress is tracked across nine top-line "outcome" measures of inclusive growth, while 17 other economic indicators are used to benchmark the region's standard on four types of "drivers" of strong outcomes. In addition, the report's accompanying web interactive tool provides readers with the opportunity to actively explore how the region and their local communities are doing.

The authors note three overarching takeaways:

1. **The Heartland economy is doing better than is often portrayed**, as evidenced by steady job and output growth, rising median wages that exceed those in the rest of the country, and decreasing rates of poverty. Importantly, every Heartland state had a cost of living-adjusted median wage that was greater than in the non-Heartland.
2. **The Heartland economy varies widely across place**, with strong performance gaps between the western and eastern states, and between the northern and southern states, on key indicators such as labor market performance. Areas such as the Black Belt (running from Louisiana through Mississippi and Alabama), Appalachia, and Indian Country struggle with emergencies of elevated poverty and high rates of obesity and addiction.

3. **Serious deficits in the region’s workforce, education, and innovation capacities pose the most difficult challenges** to improving future prosperity for all Heartland residents. These findings represent the most challenging findings of the factbook.

“Far from what the ‘Rust Belt wasteland’ or ‘American carnage’ storylines imply, jobs are broadly available in the Heartland, and many people can live more comfortably there than in the rest of the country given the region’s affordable cost of living and strong industrial and export sectors,” said Mark Muro, co-author and Brookings senior fellow. “With that said, the region needs to do more to support entrepreneurship and increase its digital skills to support further high-value growth in advanced manufacturing and especially tech.”

“Many will be surprised that the Heartland’s performance exceeds that of the rest of the nation on many metrics such as standard of living and employment rate, and that the Nashville, Tenn. metropolitan area is among the fastest growing in the nation,” said Ross DeVol, co-author and Walton Family Foundation fellow. “The Heartland must implement policies to enhance research, build entrepreneurial capacity, and invest in post-secondary education.”

Encouragingly, the American Heartland outperforms the rest of the country on several core economic indicators such as employment rate, median wage, advanced manufacturing, export concentration, and alternative energy production. The Heartland region economy produced \$4.9 trillion in goods and services, and also generated nearly 55 percent of the country’s agricultural output in 2016.

Altogether the report notes that the Heartland economy is bigger than Germany’s and just a bit smaller than Japan’s, making it the fourth largest economy in the world.

The report emphasizes that human capital and innovation shortcomings are the most pressing long-term challenges facing the Heartland region and its residents. Relatively slow population growth, low bachelor’s degree attainment, a racial degree gap, and productivity-sapping obesity and opioid use all threaten to depress the Heartland’s future productivity. At the same time, less dynamic metropolitan areas, weak R&D, spotty tech transfer from universities, and nearly non-existent venture capital flows limit the region’s innovation potential.

*State of the Heartland: Factbook 2018* features an interactive data explorer, data tables and appendices, and a full PDF version of the report available for download here: [factbook.theheartlandsummit.org](http://factbook.theheartlandsummit.org).

###

The Metropolitan Policy Program at Brookings delivers research and solutions to help metropolitan leaders build an advanced economy that works for all. To learn more, please visit [brookings.edu/metro](http://brookings.edu/metro). Follow us on Twitter at [twitter.com/brookingsmetro](https://twitter.com/brookingsmetro).

The Walton Family Foundation is, at its core, a family-led foundation. The children and grandchildren of our founders, Sam and Helen Walton, lead the foundation and create access to opportunity for people and communities. The foundation works in three areas: improving K-12 education, protecting rivers and oceans and the communities they support, and investing in its home region of Northwest Arkansas and the Arkansas-Mississippi Delta. In 2017 the foundation awarded more than \$535 million in grants in support of these initiatives. To learn more, visit: [waltonfamilyfoundation.org](http://waltonfamilyfoundation.org).