Metropolitan Policy Program at BROOKINGS

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Contact: Carly Anderson
cpanderson@brookings.edu
202-797-6139

Explore the data and report: https://brook.gs/2O9gnZI

Inclusive economic growth proves elusive in metropolitan America

Washington, D.C. — A new report from the Brookings Metropolitan Policy Program explores the local realities of America's economic progress, illuminating how metropolitan economies are performing today and over the past decade. Beyond the headlines of the nation's rising GDP, low unemployment rate, and stock market performance, the report finds that truly inclusive economic growth remains rare in metro America.

The new report, ***Metro Monitor 2019***, analyzes trends for the 100 largest U.S. metro areas in **growth** (size and dynamism of the regional economy), **prosperity** (average wealth and income the regional economy produces), **inclusion** (how changes in growth and prosperity are distributed among the region's individuals and households), and **racial inclusion** (whether regional changes in inclusion expand or narrow differences by race and ethnicity). The report provides analysis both for the latest year of complete data (2016 to 2017), and across the decade from 2007 to 2017.

From 2016 to 2017, the report finds that while 80 metro areas made positive progress on growth measures, and 88 made progress on prosperity measures, only 24 metro areas made positive progress on inclusion measures (similarly, 24 metro areas made progress on racial inclusion measures). Just two metro areas made progress on growth, prosperity, and inclusion, while also shrinking disparities by race and ethnicity: Charlotte, N.C. and Los Angeles.

In the decade from 2007 and 2017, most metro areas (67) made progress on all three prosperity measures, but only a minority did so on inclusion (29), racial inclusion (26), and growth (11). As a result, only Denver posted improvements in all four economic measures. Four metro areas, however, made progress in all areas except entrepreneurship: Chattanooga and Knoxville in Tennessee, El Paso, Texas, and Los Angeles. These relatively rare instances of inclusive economic growth demonstrate that even as most metro areas have rebounded to pre-recession levels of output, jobs, and living standards, other changes in the economy and labor market have mostly served to widen their gaps by race and income.

The report's lead author and Brookings senior fellow, Alan Berube, said, "This multidimensional, ground-up view of the country's economic well-being points to positive progress in many metro areas. At the same time, very few places are truly firing on all cylinders when it comes to inclusive economic growth."

Key findings include:

- **Growth was widespread in 2017, but entrepreneurship declined over the last decade.** The fastest-growing metro economies in 2017 included emerging tech hubs such as Nashville, Tenn., Boise, Idaho, and Provo, Utah.

- **Prosperity rose in most places in 2017, but standards of living remain below 2007 levels in many metros.** In addition to tech hubs, economies transitioning away from manufacturing such as Pittsburgh, Syracuse, N.Y., and Winston-Salem, N.C. performed well on prosperity. Yet in many other metro areas, population growth ran ahead of quality job growth over the last decade.

- **Most metro areas grew more inclusive in 2017, but earnings in many have yet to reach pre-recession levels.** Metro areas in which the share of working-age adults with jobs rose tended to perform best overall on inclusion measures.

- **Concerning racial inclusion, more metro areas registered *increases* over the last decade in racial gaps for median earnings and relative poverty than achieved declines.** Only one metro area (Portland, Ore.) managed to narrow its racial gaps on all three dimensions of inclusion by statistically significant margins in 2017.

The report's webpage provides detailed economic performance rankings for each of the 100 largest U.S. metro areas and can be viewed here: https://brook.gs/2O9gnZI.

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