Metropolitan Policy Program at BROOKINGS

Blueprint for American Prosperity
Unleashing the Potential of a Metropolitan Nation

MetroMonitor

Tracking Economic Recession and Recovery in America's 100 Largest Metropolitan Areas

June 2009

Beneath the constant drumbeat of headline numbers emanating from Washington on U.S. jobs, national unemployment, GDP, and home prices lies a complex, diverse set of 366 *metropolitan* economies. While no metro area has been immune from the current economic downturn, the pain is unevenly distributed. Some have felt only modest effects, and a few show early signs of recovery, while others are undergoing a wrenching restructuring that may fundamentally alter their economic trajectory.

The *MetroMonitor*, an interactive barometer of the health of America's metropolitan economies, looks "beneath the hood" of national economic statistics to portray the diverse metropolitan landscape of recession and recovery across the country. It aims to enhance understanding of the underpinnings of national economic trends, and to promote public- and private-sector responses to the downturn that take into account metro areas' unique starting points, weaknesses, and strengths—the potential "grassroots green shoots"—for eventual recovery.

This edition of the *Monitor* examines indicators through the first quarter of 2009 (ending in March) in the areas of employment, unemployment, wages, output, home prices, and foreclosure rates for the nation's 100 largest metropolitan areas. It finds that:

- **The recession has had highly varied impacts on different metropolitan areas, even within the same broad regions of the country.** In March 2009 the unemployment rate ranged from 5.1 percent in Provo to 17.5 percent in Modesto. From the beginning of 2008 through the beginning of 2009, home prices fell by 30.6 percent in Stockton but rose by 4.7 percent in Houston.

- **A few metropolitan areas are beginning to showing signs of economic recovery, although none has completely recovered.** McAllen is the only metropolitan area that saw growth in both employment and output during the first quarter of 2009. Employment also rose in New Haven and Baton Rouge, while output also increased in Seattle, Austin, Virginia Beach, Washington, Richmond, San Jose, and Riverside. Still, none of these metro areas has yet returned to its pre-recession levels of employment or output.

- **There are two distinct "Manufacturing Belts."** Economic pain is widespread in Midwestern metro areas that depend heavily on the auto industry and its supply chain. Most metro areas in Michigan and Ohio have experienced employment and output declines exceeding national averages. Several, including Dayton, Detroit, and Youngstown, began losing jobs two to three years earlier than the U.S. economy as a whole. At the same time, job losses have been more modest, and housing prices have risen slightly, in many Northeastern metro areas that have less auto-oriented manufacturing sectors (e.g., aerospace in Hartford, photonics in Rochester, plastics in Scranton).

- **There are also two distinct Sun Belts.** Large swaths of the South and West, particularly metropolitan areas in Florida, Arizona, Nevada, and inland California, have suffered severe employment, output, and home value declines over the past year due to the broader housing fallout. Wages in those metro areas have risen rapidly, most likely due to a slowdown in less-skilled migration to those areas, and to disproportionate losses of lower-paying jobs. Yet parts of the Southwest and Deep South—including metro areas in New Mexico, Texas, Oklahoma, Arkansas, and Louisiana—have performed relatively well, experiencing less severe job losses, relatively large wage gains, and modest home price increases. Specializations in energy and government, large amounts of federal hurricane recovery funding for the Gulf Coast, and smaller increases in housing prices during the early and mid-2000s may all help to account for their better performance.

- **Concentrations of jobs in "eds and meds" and government seem to have shielded some metro areas from dramatic job losses.** Compared to a national employment decline of 3.7 percent from the fourth quarter of 2007 through the first quarter of 2009, metro areas with specializations in education and health care saw employment drop by an average of only 2.0 percent, and those specialized in government/military employment saw average job losses of 1.3 percent. Specialization in these less volatile economic activities may help account for the relatively stable performance of educational centers like Boston, New Haven, and Provo; health care centers like McAllen, New Haven, and Springfield; and government/military centers like Honolulu, El Paso, and Washington, D.C.

- **Tourism-specialized metro areas suffered relatively large employment declines.** Metro areas with job concentrations in arts, entertainment, and recreation, such as Orlando, Las Vegas, and Bradenton, experienced 4.0 percent employment declines on average—reflecting not only the sensitivity of tourism to the recession, but also that many of these same areas had severely overpriced housing and high proportions of their pre-recession employment in real estate and related industries such as construction.

- **A few banking centers have been hard hit, but metro areas specializing in insurance have suffered less.** The New York and Charlotte metro areas, the nation's two foremost banking centers, have suffered in different ways during the recession. Charlotte has suffered deep recent employment losses and its unemployment rate rose dramatically since early 2008, while New York has actually shed jobs at a lower rate than the national average but has experienced steeper declines in output and housing prices. Meanwhile, metro areas specialized in the less-affected insurance industry, such as Des Moines, Hartford, and Omaha, have experienced very modest job losses and have performed relatively well on most other economic indicators.

- **38 of the top 100 metro areas avoided declines in home prices over the past year, even as prices nationwide dipped 6 percent.** Most of these metro areas also experienced below-average employment declines, and lie in the less-affected parts of the "Manufacturing Belt" (Pennsylvania and upstate New York) and Sun Belt (Texas, Oklahoma, Arkansas, Louisiana). They also exhibit below-average shares of properties in REO (real estate-owned) status due to bank foreclosure.

This metropolitan perspective begins to highlight the important role of local economic structure and housing dynamics on performance during the recession. It suggests that recovery may be quite uneven as well, posing particular challenges for policymakers seeking to ensure a truly national rising economic tide.

METROMONITOR: 1ST QUARTER 2009

Methodology

The *MetroMonitor* tracks quarterly indicators of economic recession and recovery in the nation's 100 largest metropolitan areas—those with at least 500,000 residents in 2007—which collectively contain two-thirds of the nation's jobs and generate three-quarters of GDP. These indicators include:

- **Employment**: Total wage and salary jobs, seasonally adjusted. Percentage change in employment is shown from each metro area's peak employment quarter to the most recent quarter, measuring the extent to which employment has recovered from the recession's impact. It is also shown from the previous quarter to the most recent quarter, measuring the extent to which employment is moving toward recovery. Source: Moody's Economy.com

- **Unemployment rate**: Percentage of the labor force that is currently employed, not seasonally adjusted, last month of quarter. Change in the unemployment rate is shown from the same month in previous year because comparisons between different months or quarters are not possible for data that are not seasonally adjusted. Source: Bureau of Labor Statistics.

- **Wages**: Average annual wage per job for all jobs combined. Percentage change in the average wage is shown from the previous quarter to the most recent quarter. (Because wages rarely fall during recessions, wage comparisons from each metropolitan area's peak wage quarter to the current quarter are not usually possible.) Source: Moody's Economy.com.

- **Gross metropolitan product (GMP)**: Total value of goods and services produced within a metro area. The percentage change in GMP is shown from each metro area's peak GMP quarter to the most recent quarter, and from the previous quarter to the most recent quarter. Source: Moody's Economy.com.

- **Housing prices**: Prices of single-family properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac, not seasonally adjusted. Because the data are not seasonally adjusted, the percentage change in housing prices is shown from the same quarter in the previous year to the most recent quarter. Source: Federal Housing Finance Agency House Price Index.

- **Real estate-owned (REO) properties**: Foreclosed properties that fail to sell at auction and thus become owned by the lending institution, shown as the share of all mortgageable properties in each metro area in the last month of the most recent quarter (changes in the REO rate are not available this quarter due to data limitations). Source: McDash Analytics.

This *MetroMonitor*'s Overall Performance index combines metropolitan rankings on four key indicators:

- Percent employment change from peak quarter to 1st quarter 2009
- Percentage point change in unemployment rate from March 2008 to March 2009
- Percent GMP change from peak quarter to 1st quarter 2009
- Percent change in House Price Index from 1st quarter 2008 to 1st quarter 2009

Metropolitan areas are then grouped by quintile (groups of 20) based on their average ranking across all four indicators, among the 100 largest metro areas.

Interactive *MetroMonitor* maps, underlying indicator data, and one-page profiles of each of the 100 largest metro areas are also available at www.brookings.edu/metromonitor

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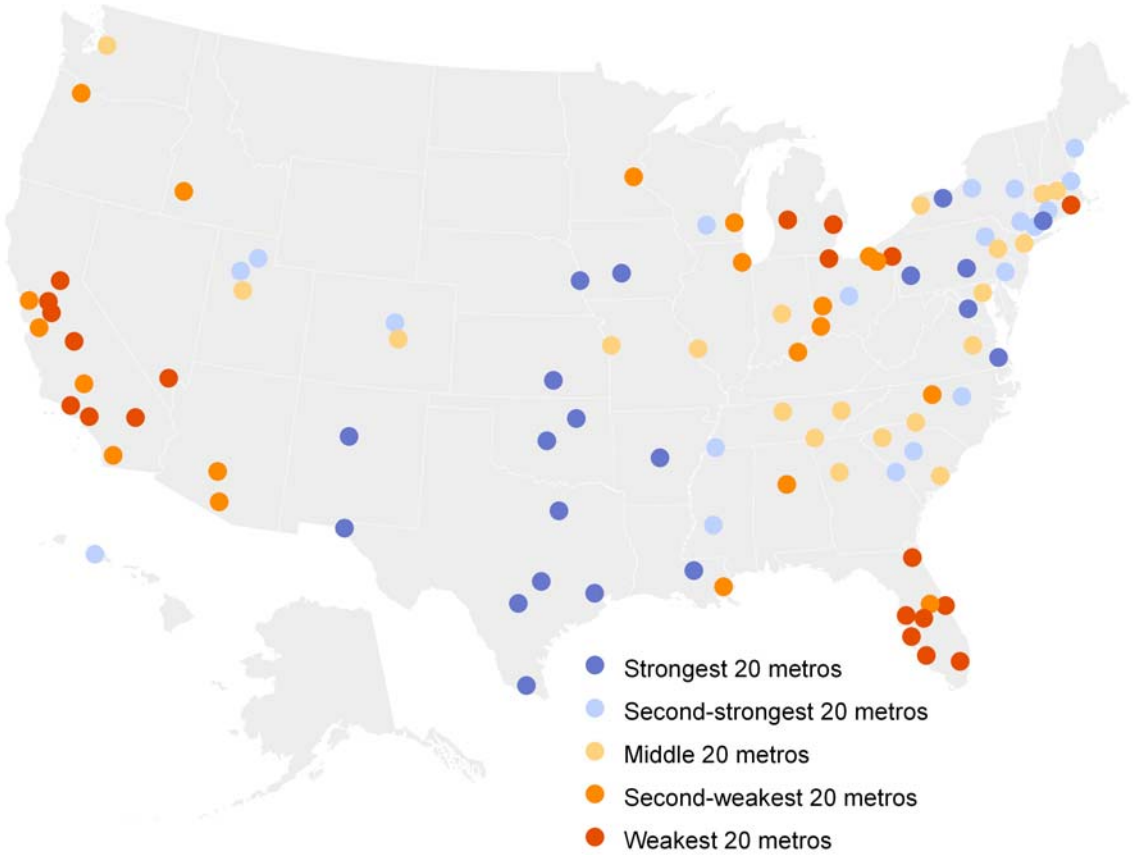
Overall Performance

The 100 largest metropolitan areas have varied greatly on changes in their employment level, unemployment rate, gross metropolitan product (GMP), and housing prices. We rank all 100 metropolitan areas on measures of their changes in these indicators since their peak or over the past year, depending on the indicator (see Methodology). We then group the areas by their average rank across all four indicators. This overall performance index yields a striking illustration of disparate economic performance among the nation's largest metros.

Overall performance on change in employment, unemployment rate, GMP, and housing prices



The 20 strongest-performing metro areas		The 20 weakest-performing metro areas	
Albuquerque, NM	New Haven, CT	Bradenton, FL	Modesto, CA
Austin, TX	Oklahoma City, OK	Cape Coral, FL	Oxnard, CA
Baton Rouge, LA	Omaha, NE-IA	Detroit, MI	Palm Bay, FL
Dallas, TX	Pittsburgh, PA	Fresno, CA	Providence, RI-MA
Des Moines, IA	Rochester, NY	Grand Rapids, MI	Riverside, CA
El Paso, TX	San Antonio, TX	Jacksonville, FL	Sacramento, CA
Harrisburg, PA	Tulsa, OK	Lakeland, FL	Stockton, CA
Houston, TX	Virginia Beach, VA-NC	Las Vegas, NV	Tampa, FL
Little Rock, AR	Washington, DC-VA-MD-WV	Los Angeles, CA	Toledo, OH
McAllen, TX	Wichita, KS	Miami, FL	Youngstown, OH-PA

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Employment

All 100 of the nation's largest metro have lost jobs during the recession, though pain has varied significantly. Overall, the 100 largest metro areas have suffered a 2.7 percent decline in employment from their peak job levels, just short of the nationwide decline of 2.9 percent. Ten of the 15 metro areas with the largest job losses from their peaks (of more than 5 percent) lie in just three states—California, Florida, and Ohio—and represent a mix of areas buffeted by long-term loss of manufacturing jobs, and areas battered more recently by the subprime mortgage crisis. Meanwhile, several metro areas have experienced employment losses of less than 1 percent from their peaks. Located primarily in Texas and the Plains states, the Mississippi River Valley, and upstate New York, these metro areas have weathered the storm better than most places.

Employment patterns in the first quarter of 2009 largely track the longer-run trend. About 40 percent of national job loss over the first 15 months of the recession occurred in the first quarter of 2009. Given the disproportionate influence of last quarter's employment trend, the winners and losers in short-run employment trends track those over the longer-run. Continued fallout in the housing sector, and recent dramatic impacts in the banking and auto sectors, help account for Charlotte, Phoenix, and Detroit's rank at the bottom of the list. Meanwhile, New Haven, McAllen, and Baton Rouge appear to be making an early recovery from the relatively modest employment losses they sustained since their peaks.

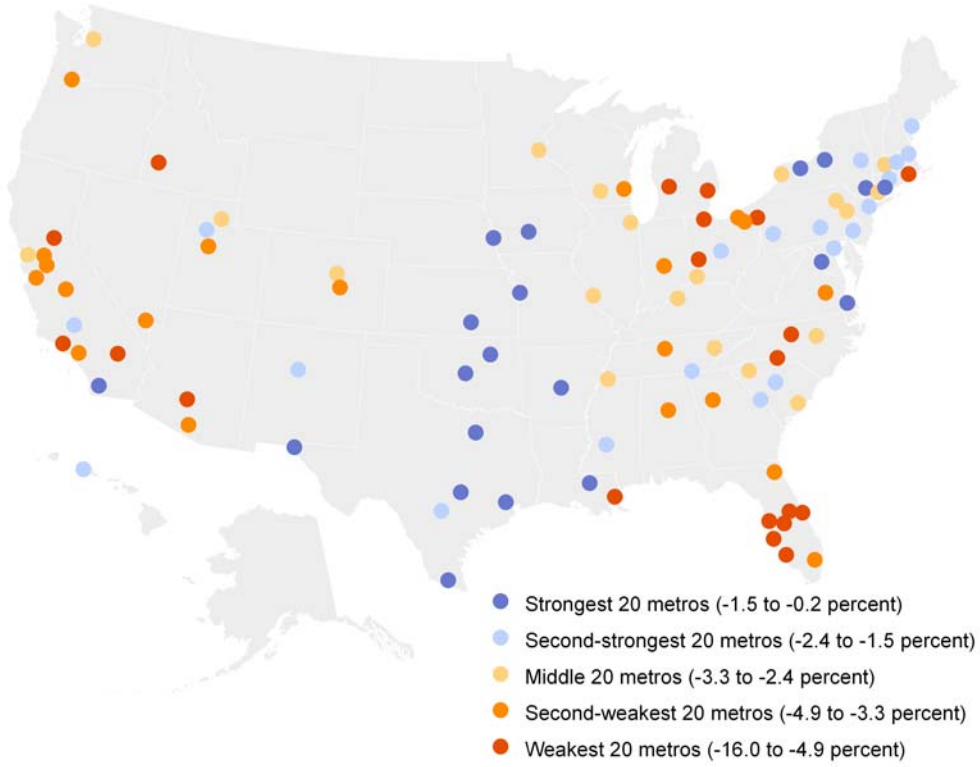
Change in employment Peak quarter to 1st quarter 2009

Rank	Metro	Percent employment change, metro peak to 2009Q1
1	Oklahoma City, OK	-0.2%
2	McAllen-Edinburg-Pharr, TX	-0.3%
3	Baton Rouge, LA	-0.3%
4	San Diego-Carlsbad-San Marcos, CA	-0.4%
5	Wichita, KS	-0.5%
6	Austin-Round Rock, TX	-0.5%
7	Syracuse, NY	-0.5%
8	Tulsa, OK	-0.6%
9	Houston-Baytown-Sugar Land, TX	-0.6%
10	Washington-Arlington-Alexandria, DC-VA-MD-WV	-0.6%
11	Rochester, NY	-0.7%
12	El Paso, TX	-0.7%
13	Omaha-Council Bluffs, NE-IA	-1.0%
14	Dallas-Fort Worth-Arlington, TX	-1.0%
15	Des Moines, IA	-1.3%
86	Oxnard-Thousand Oaks-Ventura, CA	-5.8%
87	Greensboro-High Point, NC	-5.9%
88	Sacramento--Arden-Arcade--Roseville, CA	-5.9%
89	Tampa-St. Petersburg-Clearwater, FL	-6.1%
90	Dayton, OH	-7.0%
91	Boise City-Nampa, ID	-7.2%
92	Youngstown-Warren-Boardman, OH-PA	-7.5%
93	Palm Bay-Melbourne-Titusville, FL	-7.7%
94	Riverside-San Bernardino-Ontario, CA	-7.8%
95	Phoenix-Mesa-Scottsdale, AZ	-7.8%
96	Toledo, OH	-8.8%
97	Bradenton-Sarasota-Venice, FL	-11.2%
98	Detroit-Warren-Livonia, MI	-12.3%
99	Cape Coral-Fort Myers, FL	-13.5%
100	New Orleans-Metairie-Kenner, LA	-16.0%
	100 Largest Metros	-2.7%
	United States	-2.9%

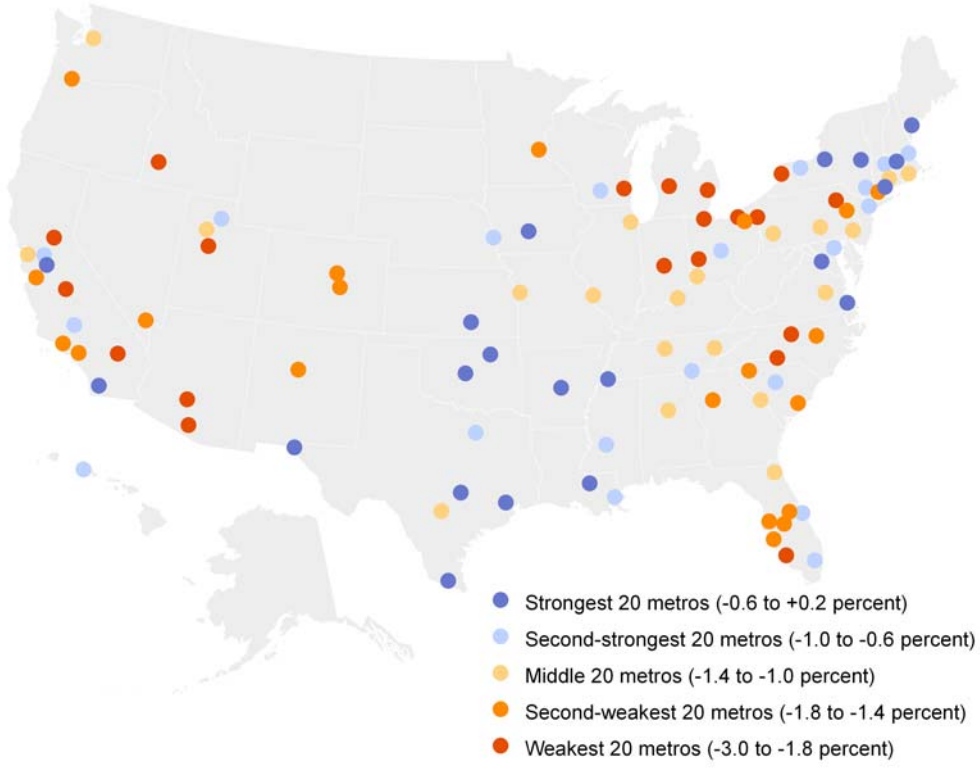
Change in employment 4th quarter 2008 to 1st quarter 2009

Rank	Metro	Percent employment change, 2008Q4 to 2009Q1
1	New Haven-Milford, CT	0.2%
2	McAllen-Edinburg-Mission, TX	0.2%
3	Baton Rouge, LA	0.0%
4	El Paso, TX	-0.1%
5	Virginia Beach-Norfolk-Newport News, VA-NC	-0.1%
6	Oklahoma City, OK	-0.2%
7	San Antonio, TX	-0.3%
8	Washington-Arlington-Alexandria, DC-VA-MD-WV	-0.3%
9	Portland-South Portland-Biddeford, ME	-0.4%
10	Syracuse, NY	-0.4%
11	Wichita, KS	-0.5%
12	Austin-Round Rock, TX	-0.5%
13	Memphis, TN-MS-AR	-0.5%
14	Albany-Schenectady-Troy, NY	-0.5%
15	Little Rock-North Little Rock-Conway, AR	-0.5%
86	San Jose-Sunnyvale-Santa Clara, CA	-1.9%
87	Indianapolis-Carmel, IN	-1.9%
88	Grand Rapids-Wyoming, MI	-2.0%
89	Dayton, OH	-2.0%
90	Cape Coral-Fort Myers, FL	-2.0%
91	Sacramento--Arden-Arcade--Roseville, CA	-2.2%
92	Tucson, AZ	-2.2%
93	Buffalo-Niagara Falls, NY	-2.2%
94	Toledo, OH	-2.7%
95	Greensboro-High Point, NC	-2.7%
96	Youngstown-Warren-Boardman, OH-PA	-2.8%
97	Charlotte-Gastonia-Concord, NC-SC	-2.9%
98	Phoenix-Mesa-Scottsdale, AZ	-2.9%
99	Boise City-Nampa, ID	-3.0%
100	Detroit-Warren-Livonia, MI	-3.0%
	100 Largest Metros	-1.2%
	United States	-1.5%

Percent change in employment, peak quarter to 1st quarter 2009



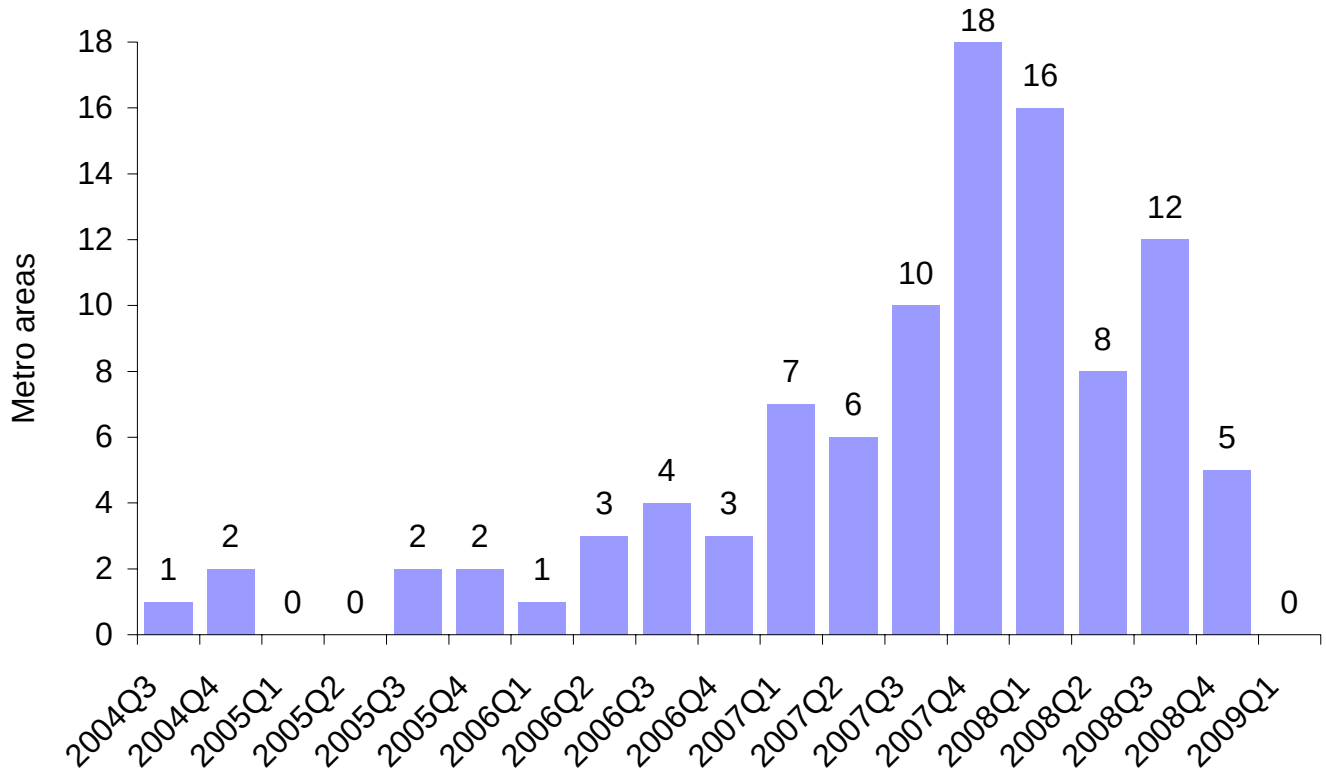
Percent change in employment, 4th quarter 2008 to 1st quarter 2009



Employment Peaks

Another indication of this recession's variable impact, employment in each of the 100 largest metro areas reached its highest level at different points in time over the last four-plus years. Fully half of the metro areas reached their job peak between the second quarter of 2007 and the first quarter of 2008. But some metro areas continued to gain jobs until the second half of 2008, and a few—including Austin, Oklahoma City, and Omaha—only began to lose jobs in the first quarter of 2009. At the other end of the spectrum, some metro areas experienced employment declines well before the current recession. Employment in Modesto, Youngstown, and Detroit, for instance, topped out between the fourth quarter of 2004 and the fourth quarter of 2005.

Quarter of peak employment, 3rd quarter 2004 to 1st quarter 2009



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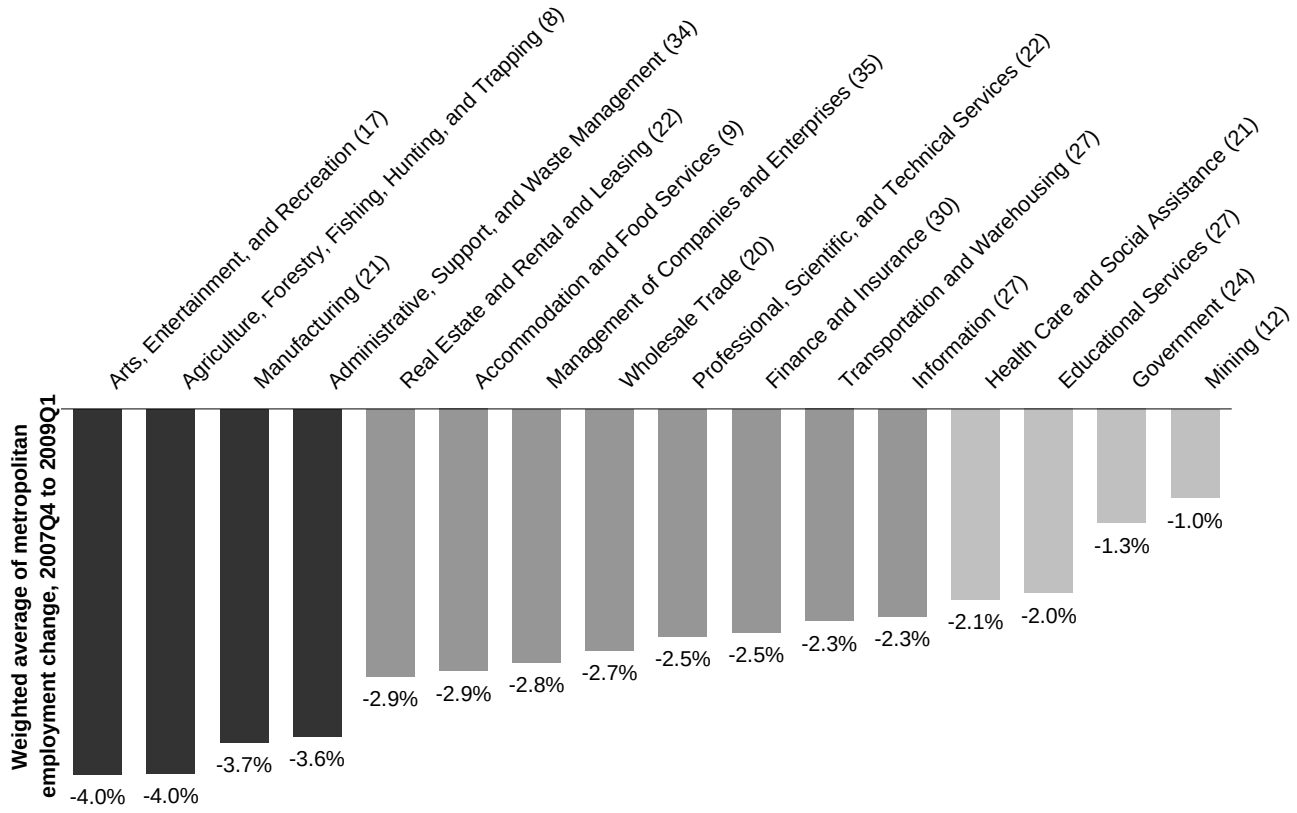
Employment Loss by Industry Specialization

Metro areas' industry compositions appear to relate to their overall employment trend during the recession. Metros with specializations in industries such as manufacturing, arts/entertainment/recreation, and real estate have suffered larger job losses than those with specializations in areas like health care, education, and government.

Average employment change for metro areas by metropolitan industry specialization*, 4th quarter 2007 to 1st quarter 2009



* metro area specialization defined by employment location quotient of at least 1.2; one metro area may specialize in multiple industries

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Unemployment Rate

Metropolitan unemployment rates range from 4 percentage points below to 8 percentage points above the national average of 9 percent. The metropolitan areas with the highest unemployment rates in March 2009 generally had the greatest percentage job losses since the recession began in their local economies. Metro areas in Utah, Louisiana, and Texas had relatively modest employment declines and exhibited unemployment rates well below the national average. The same was true of state capitals like Honolulu and Little Rock, as well as Washington, D.C. Metro areas that have lost considerable numbers of jobs, including Midwestern manufacturing centers and those in California's Central Valley—where unemployment rates were high before the recession—place near the bottom of the rankings on this measure.

Unemployment rates rose in all metro areas in the year ending March 2009. Just as all metro areas lost jobs since the recession began, no metro area has avoided an increase in its unemployment rate. Metropolitan areas ranked by change in unemployment rates largely track rankings for unemployment in March 2009, with more Florida metros appearing near the bottom (where unemployment rates were somewhat below-average before the recession). Notably, Portland, OR outpaced all metro areas in the past year with a 6.6-point increase in its unemployment rate.

Unemployment rate, March 2009

Rank	Metro	Unemployment Rate, March 2009
1	Provo-Orem, UT	5.1%
2	Omaha-Council Bluffs, NE-IA	5.1%
3	Des Moines-West Des Moines, IA	5.2%
4	Salt Lake City, UT	5.2%
5	Baton Rouge, LA	5.2%
6	New Orleans-Metairie-Kenner, LA	5.3%
7	Little Rock-North Little Rock-Conway, AR	5.5%
8	Ogden-Clearfield, UT	5.5%
9	Oklahoma City, OK	5.6%
10	Honolulu, HI	5.8%
11	Washington-Arlington-Alexandria, DC-VA-MD-WV	5.9%
12	San Antonio, TX	5.9%
13	Austin-Round Rock, TX	6.2%
14	Tulsa, OK	6.3%
15	Albuquerque, NM	6.3%
86	Grand Rapids-Wyoming, MI	11.3%
87	Providence-New Bedford-Fall River, RI-MA	11.3%
88	Greensboro-High Point, NC	11.3%
89	Sacramento--Arden-Arcade--Roseville, CA	11.3%
90	Charlotte-Gastonia-Concord, NC-SC	11.4%
91	Portland-Vancouver-Beaverton, OR-WA	11.8%
92	Toledo, OH	12.1%
93	Cape Coral-Fort Myers, FL	12.2%
94	Youngstown-Warren-Boardman, OH-PA	12.8%
95	Riverside-San Bernardino-Ontario, CA	12.9%
96	Detroit-Warren-Livonia, MI	14.0%
97	Bakersfield, CA	15.9%
98	Stockton, CA	16.4%
99	Fresno, CA	17.0%
100	Modesto, CA	17.5%
	100 Largest Metros	8.8%
	United States	9.0%

Change in unemployment rate March 2008 to March 2009

Rank	Metro	Percentage Point Change in Unemployment Rate, March 2008 to March 2009
1	Des Moines-West Des Moines, IA	1.2%
2	Little Rock-North Little Rock-Conway, AR	1.4%
3	Omaha-Council Bluffs, NE-IA	1.5%
4	Baton Rouge, LA	1.5%
5	Provo-Orem, UT	1.7%
6	San Antonio, TX	1.9%
7	New Orleans-Metairie-Kenner, LA	1.9%
8	Salt Lake City, UT	2.0%
9	Ogden-Clearfield, UT	2.0%
10	Cleveland-Elyria-Mentor, OH	2.3%
11	Albany-Schenectady-Troy, NY	2.3%
12	Oklahoma City, OK	2.3%
13	Houston-Sugar Land-Baytown, TX	2.3%
14	Austin-Round Rock, TX	2.3%
15	Hartford-West Hartford-East Hartford, CT	2.4%
86	Bakersfield, CA	5.2%
87	Bradenton-Sarasota-Venice, FL	5.3%
88	Orlando-Kissimmee, FL	5.3%
89	Lakeland-Winter Haven, FL	5.4%
90	Cape Coral-Fort Myers, FL	5.5%
91	San Jose-Sunnyvale-Santa Clara, CA	5.6%
92	Riverside-San Bernardino-Ontario, CA	5.9%
93	Fresno, CA	5.9%
94	Youngstown-Warren-Boardman, OH-PA	6.0%
95	Detroit-Warren-Livonia, MI	6.0%
96	Greensboro-High Point, NC	6.0%
97	Stockton, CA	6.2%
98	Charlotte-Gastonia-Concord, NC-SC	6.3%
99	Modesto, CA	6.4%
100	Portland-Vancouver-Beaverton, OR-WA	6.6%
	100 Largest Metros	3.7%
	United States	3.8%

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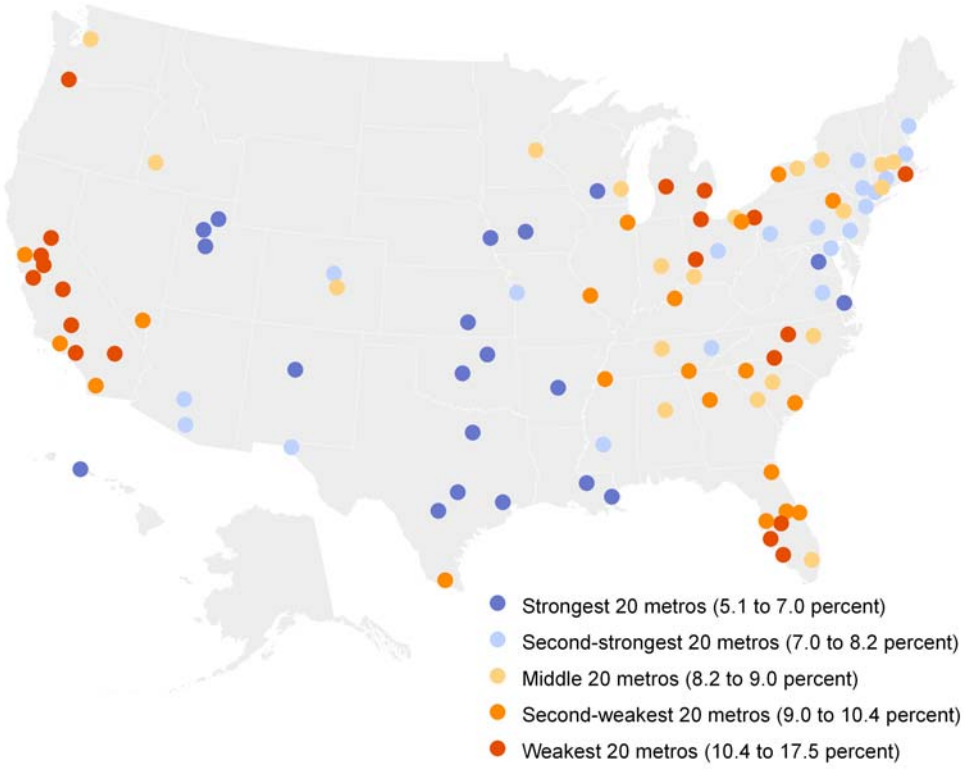
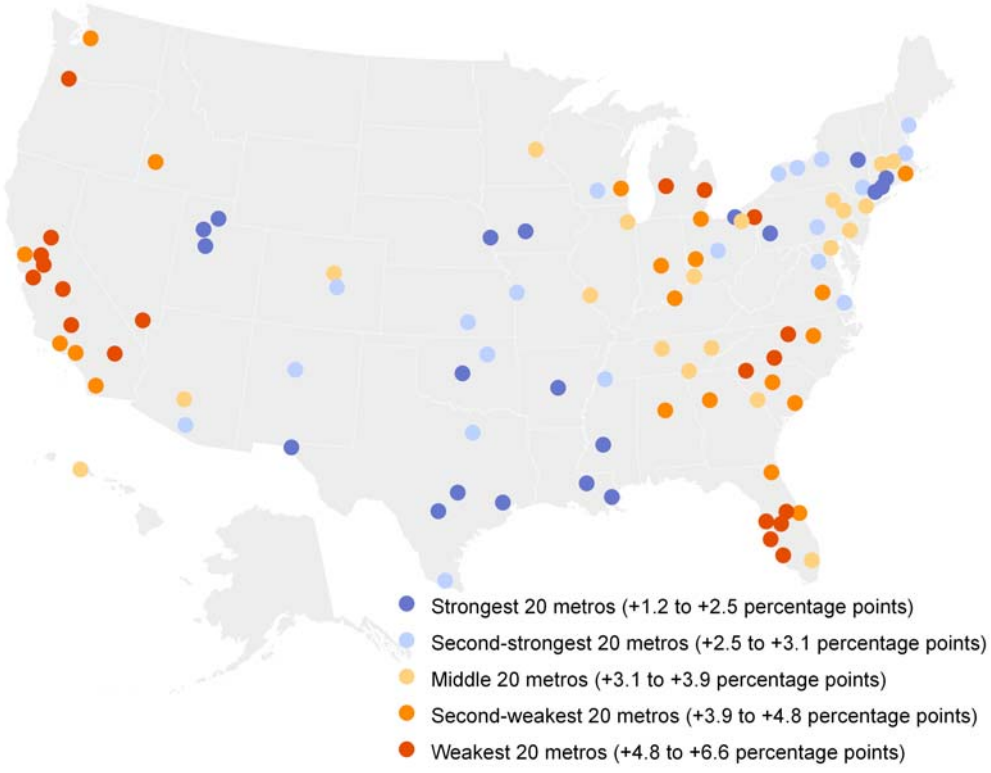
Unemployment rate, March 2009



Change in unemployment rate, March 2008 to March 2009



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Wages

Average wages continue to rise in most metro areas. Even in recessions, average wages typically do not fall; economists refer to wages as "sticky" because it can be difficult for employers to cut them. Several metro areas that have sustained large job losses, such as Phoenix, Cape Coral, Boise, Las Vegas, and Stockton, actually saw average wages rise over the last quarter. This may indicate that migration to these places has slowed, especially among less skilled workers, and that their recent job losses have occurred disproportionately among lower-paying industries. Yet fully 14 metro areas did post average wage declines, including several in New York state, and others that may be shedding higher-paying jobs on average, such as Chicago, Miami, and Raleigh.

Percent change in average wage 4th quarter 2008 to 1st quarter 2009

Rank	Metro	Percent change in real average wages, 2008Q4 to 2009Q1
1	Phoenix-Mesa-Scottsdale, AZ	2.6%
2	Tulsa, OK	2.6%
3	Baltimore-Towson, MD	2.5%
4	Cape Coral-Fort Myers, FL	2.3%
5	Tucson, AZ	2.2%
6	Boise City-Nampa, ID	2.2%
7	Allentown-Bethlehem-Easton, PA-NJ	2.1%
8	Milwaukee-Waukesha-West Allis, WI	2.0%
9	Fresno, CA	1.9%
10	Albuquerque, NM	1.9%
11	Las Vegas-Paradise, NV	1.8%
12	Harrisburg-Carlisle, PA	1.8%
13	Jackson, MS	1.7%
14	Stockton, CA	1.6%
15	Scranton--Wilkes-Barre, PA	1.5%
86	Raleigh-Cary, NC	0.0%
87	Dayton, OH	-0.1%
88	Memphis, TN-MS-AR	-0.1%
89	Miami-Fort Lauderdale-Pompano Beach, FL	-0.2%
90	Kansas City, MO-KS	-0.3%
91	Honolulu, HI	-0.3%
92	Worcester, MA	-0.3%
93	Buffalo-Niagara Falls, NY	-0.4%
94	Chicago-Naperville-Joliet, IL-IN-WI	-0.7%
95	Louisville-Jefferson County, KY-IN	-0.7%
96	Poughkeepsie-Newburgh-Middletown, NY	-1.4%
97	New York-Northern New Jersey-Long Island, NY-NJ-PA	-1.5%
98	Albany-Schenectady-Troy, NY	-2.0%
99	Syracuse, NY	-2.2%
100	Rochester, NY	-2.3%
	100 Largest Metros	0.4%
	United States	1.0%

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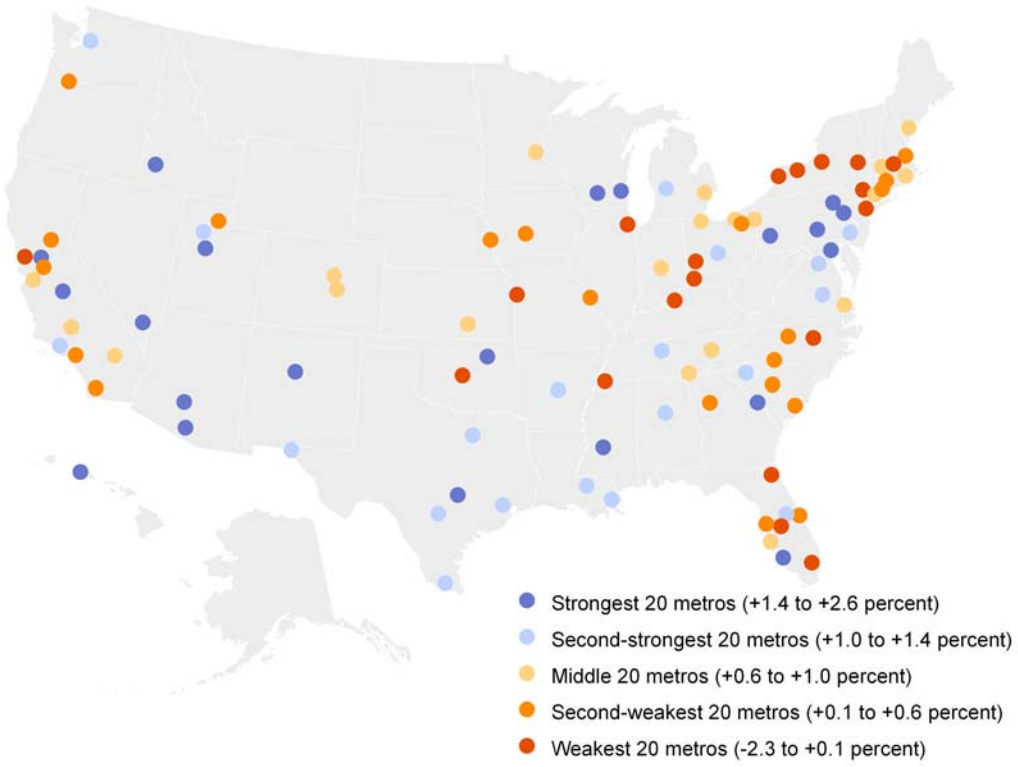
Percent change in average wage, 4th quarter 2008 to 1st quarter 2009



METROMONITOR: 1ST QUARTER 2009

Gross Metropolitan Product

Though all metro areas have experienced declines in gross metropolitan product (GMP), patterns differ slightly from those for employment. All 100 metro areas have experienced a decline in economic output from their pre-recessionary peak, with nine of the 15 metros experiencing the sharpest declines located in Florida, Michigan, and Ohio. The map shows particularly acute downturns affecting metro areas in the country's midsection, even stretching into upstate New York, where employment declines have not been as severe. Metro areas with more modest GMP declines include those in Texas and Oklahoma that also had smaller employment declines, as well as a few in Florida and California, where significant job losses may have been concentrated among lower-paying industries and occupations.

Some metros saw increased output last quarter, while others continued their decline. Eight metro areas—including some centers of government and high-tech employment—actually posted slight increases in GMP over the last quarter, signaling that they may be turning the corner already. But GMP in most metro areas continues to fall, especially in the country's midsection and around the Great Lakes, where manufacturing job losses appear to translate into significant declines in incomes and output.

Percent change in GMP Peak quarter to 1st quarter 2009

Rank	Metro	Percent change in GDP from each metro's peak to 2009Q1
1	Austin-Round Rock, TX	0%*
1	McAllen-Edinburg-Pharr, TX	0%*
3	Washington-Arlington-Alexandria, DC-VA-MD-WV	-0.1%
4	Dallas-Fort Worth-Arlington, TX	-0.4%
5	Virginia Beach-Norfolk-Newport News, VA-NC	-0.5%
6	San Antonio, TX	-0.5%
7	Oklahoma City, OK	-0.5%
8	Houston-Baytown-Sugar Land, TX	-0.7%
9	Richmond, VA	-0.8%
10	San Jose-Sunnyvale-Santa Clara, CA	-1.0%
11	El Paso, TX	-1.0%
12	Bridgeport-Stamford-Norwalk, CT	-1.1%
13	Raleigh-Cary, NC	-1.1%
14	Seattle-Tacoma-Bellevue, WA	-1.3%
15	Riverside-San Bernardino-Ontario, CA	-1.3%
86	Louisville, KY-IN	-5.2%
87	Kansas City, MO-KS	-5.3%
88	Buffalo-Cheektowaga-Tonawanda, NY	-5.3%
89	Dayton, OH	-5.3%
90	Syracuse, NY	-5.4%
91	Tampa-St. Petersburg-Clearwater, FL	-5.5%
92	Toledo, OH	-5.8%
93	Providence-New Bedford-Fall River, RI-MA	-5.9%
94	Akron, OH	-6.0%
95	Cleveland-Elyria-Mentor, OH	-6.2%
96	Stockton, CA	-6.6%
97	Jacksonville, FL	-6.8%
98	Youngstown-Warren-Boardman, OH-PA	-7.1%
99	New Orleans-Metairie-Kenner, LA	-9.6%
100	Detroit-Warren-Livonia, MI	-10.1%
	100 Largest Metros	NA**
	United States	-3.3%

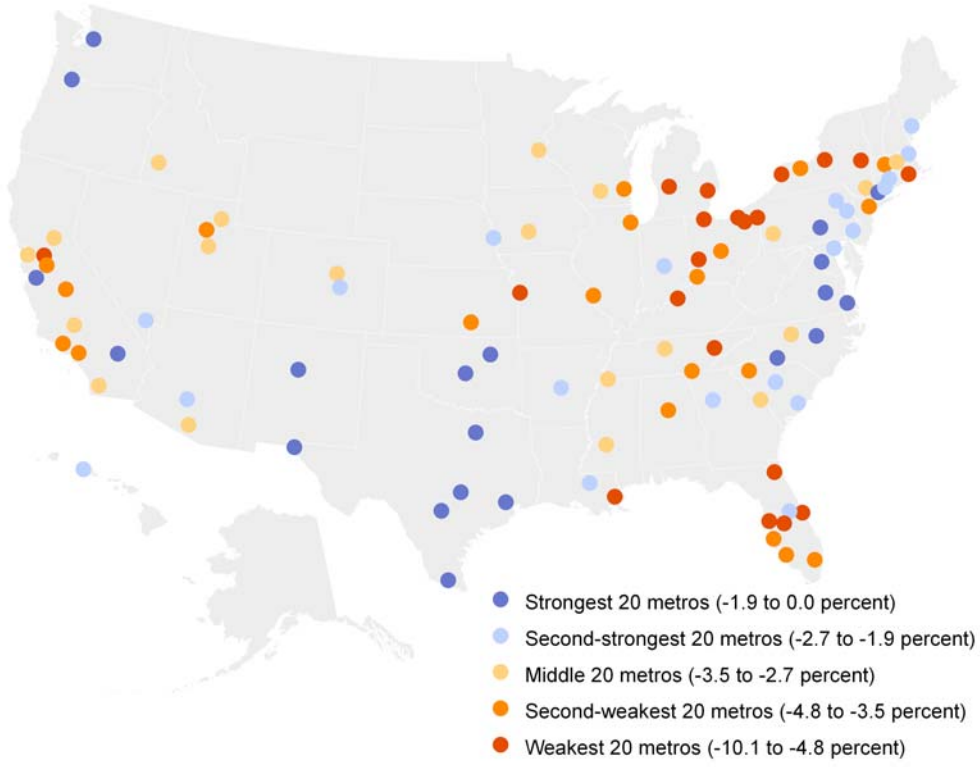
* GMP in Austin and McAllen peaked this quarter.
** Only the U.S. average is used for comparison due to an inflation adjustment method that makes a 100-metro average incomparable.

Percent change in GMP 4th quarter 2008 to 1st quarter 2009

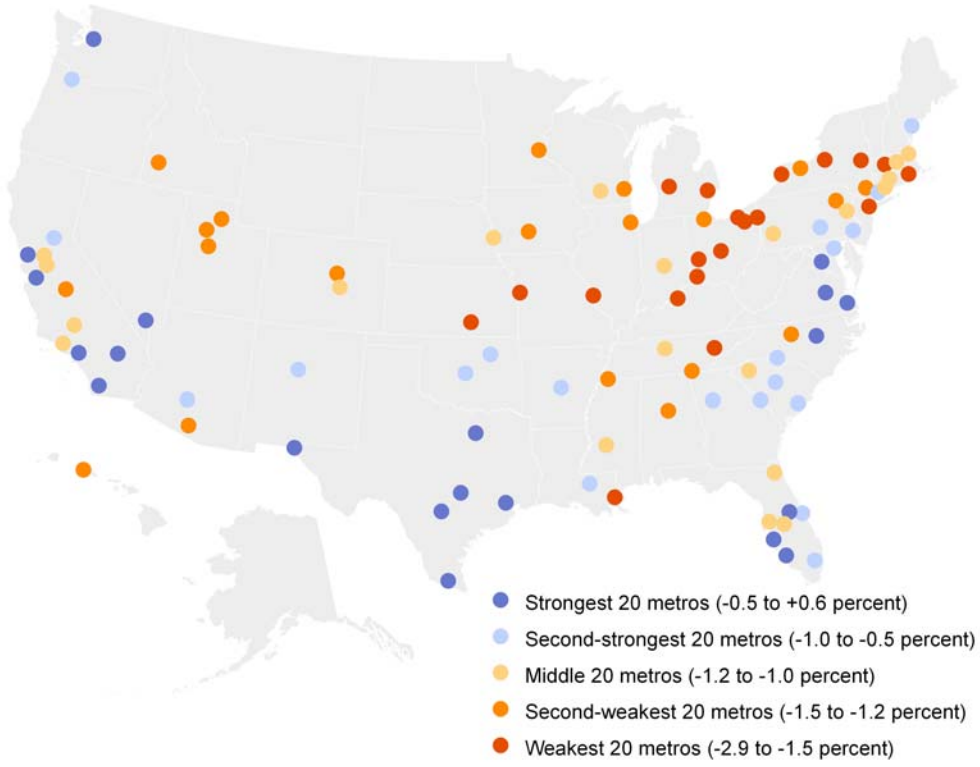
Rank	Metro	Percent change in GDP from 2008Q4 to 2009Q1
1	Seattle-Tacoma-Bellevue, WA	0.6%
2	Austin-Round Rock, TX	0.6%
3	Virginia Beach-Norfolk-Newport News, VA-NC	0.3%
4	Washington-Arlington-Alexandria, DC-VA-MD-WV	0.3%
5	Richmond, VA	0.2%
6	McAllen-Edinburg-Pharr, TX	0.1%
7	San Jose-Sunnyvale-Santa Clara, CA	0.0%
8	Riverside-San Bernardino-Ontario, CA	0.0%
9	Dallas-Fort Worth-Arlington, TX	-0.1%
10	San Antonio, TX	-0.2%
11	Cape Coral-Fort Myers, FL	-0.2%
12	San Diego-Carlsbad-San Marcos, CA	-0.3%
13	Las Vegas-Paradise, NV	-0.3%
14	El Paso, TX	-0.3%
15	Houston-Baytown-Sugar Land, TX	-0.3%
86	Knoxville, TN	-1.7%
87	Columbus, OH	-1.7%
88	Albany-Schenectady-Troy, NY	-1.8%
89	Buffalo-Cheektowaga-Tonawanda, NY	-1.8%
90	Youngstown-Warren-Boardman, OH-PA	-1.8%
91	Grand Rapids-Wyoming, MI	-1.8%
92	Providence-New Bedford-Fall River, RI-MA	-1.9%
93	Dayton, OH	-1.9%
94	Syracuse, NY	-1.9%
95	Cleveland-Elyria-Mentor, OH	-2.1%
96	Kansas City, MO-KS	-2.2%
97	New Orleans-Metairie-Kenner, LA	-2.2%
98	St. Louis, MO-IL	-2.2%
99	Louisville, KY-IN	-2.4%
100	Detroit-Warren-Livonia, MI	-2.9%
	100 Largest Metros	NA**
	United States	-1.6%

METROMONITOR: 1ST QUARTER 2009

Percent change in GMP, peak quarter to 1st quarter 2009



Percent change in GMP, 4th quarter 2008 to 1st quarter 2009



METROMONITOR: 1ST QUARTER 2009

Housing Prices

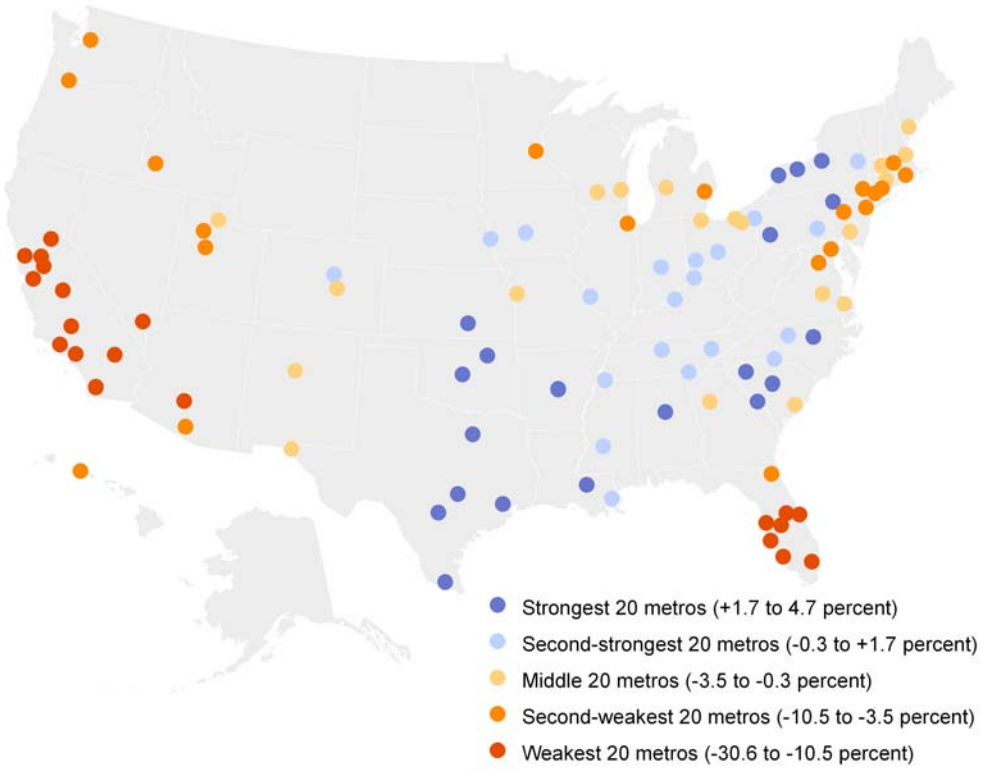
Many metro areas have suffered housing price declines well above the national average, while others have actually seen increases. As the map below shows, the most severe housing price declines are even more highly concentrated in metro areas in California, Florida, and the Intermountain West than are other indicators of economic distress. Five metro areas—Las Vegas, Cape Coral, Riverside, Modesto, and Stockton—experienced real price drops of more than 25 percent between the first quarter of 2008 and the first quarter of 2009. Another swath of moderate declines links metro areas along the Northeast corridor. Yet 38 of the 100 largest metros actually managed to post stable or modestly rising home prices over the past year. Most were located in the nation's interior and parts of the Southeast that did not experience the same dramatic run-up in prices over the decade as coastal metro areas.

Change in House Price Index, 1st quarter 2008 to 1st quarter 2009

Rank	Metro	Real percent change in HPI, 2008Q1 to 2009Q1
1	Houston-Sugar Land-Baytown, TX	4.7%
2	Buffalo-Niagara Falls, NY	4.2%
3	Dallas-Fort Worth-Arlington, TX	3.4%
4	Wichita, KS	3.3%
5	Greenville-Mauldin-Easley, SC	3.1%
6	Tulsa, OK	3.0%
7	Little Rock-North Little Rock-Conway, AR	2.8%
8	Oklahoma City, OK	2.8%
9	San Antonio, TX	2.6%
10	Rochester, NY	2.5%
11	Scranton--Wilkes-Barre, PA	2.4%
12	Austin-Round Rock, TX	2.4%
13	McAllen-Edinburg-Mission, TX	2.3%
14	Augusta-Richmond County, GA-SC	2.3%
15	Columbia, SC	2.2%
86	Orlando-Kissimmee, FL	-14.2%
87	Sacramento--Arden-Arcade--Roseville, CA	-14.4%
88	Los Angeles-Long Beach-Santa Ana, CA	-15.3%
89	Palm Bay-Melbourne-Titusville, FL	-15.3%
90	Bradenton-Sarasota-Venice, FL	-15.4%
91	Oxnard-Thousand Oaks-Ventura, CA	-15.8%
92	Phoenix-Mesa-Scottsdale, AZ	-16.6%
93	Fresno, CA	-19.7%
94	Bakersfield, CA	-22.1%
95	Miami-Fort Lauderdale-Pompano Beach-Homestead, FL	-23.0%
96	Cape Coral-Fort Myers, FL	-25.3%
97	Riverside-San Bernardino-Ontario, CA	-27.7%
98	Modesto, CA	-28.8%
99	Las Vegas-Paradise, NV	-28.9%
100	Stockton, CA	-30.6%
	100 Largest Metros	-6.9%
	United States	-6.3%

METROMONITOR: 1ST QUARTER 2009

Percent change in House Price Index, 1st quarter 2008 to 1st quarter 2009



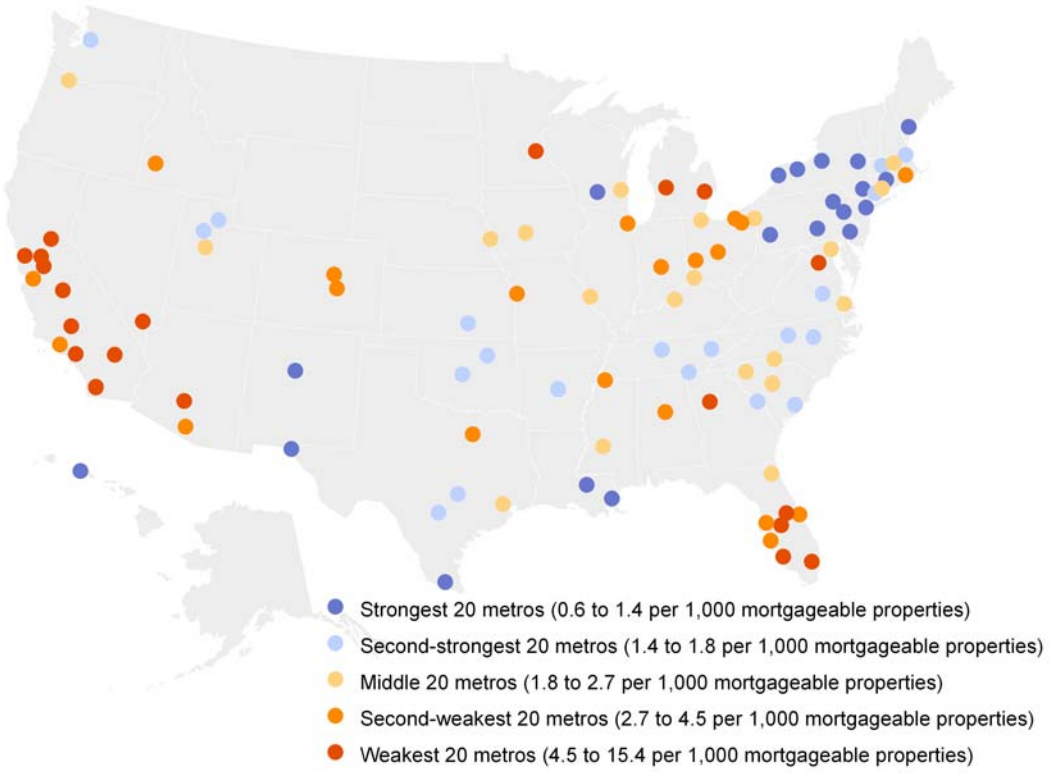
Real Estate Owned (REO) Properties

The largest concentrations of bank-owned homes are located in metro areas that have experienced the steepest house price declines. Six metro areas—in California, Florida, Arizona, and Nevada—record at least 10 real-estate-owned (REO) properties for every 1,000 mortgageable properties. These metro areas were effectively ground zero for the subprime mortgage crisis. A few metro areas that are somewhat healthier economically, but that experienced significant exurban expansion in recent years—Atlanta, Washington, and Minneapolis—register high REO rates as well. By contrast, the better performing manufacturing-based metro areas of the Northeast—especially those in upstate New York and Pennsylvania—have relatively few bank-owned properties, owing perhaps to lower initial penetration of subprime loans and more modest recent employment losses.

REOs per 1,000 mortgageable properties

Rank	Metro	REOs per 1,000 mortgageable properties, March 2009
1	Syracuse, NY	0.58
2	Albany-Schenectady-Troy, NY	0.61
3	Harrisburg-Carlisle, PA	0.71
4	Buffalo-Niagara Falls, NY	0.88
5	Honolulu, HI	0.91
6	Scranton--Wilkes-Barre, PA	0.94
7	Madison, WI	0.96
8	Baton Rouge, LA	1.05
9	Pittsburgh, PA	1.06
10	Allentown-Bethlehem-Easton, PA-NJ	1.07
11	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.07
12	El Paso, TX	1.10
13	Portland-South Portland, ME	1.12
14	Rochester, NY	1.13
15	Hartford-West Hartford-East Hartford, CT	1.17
86	Miami-Fort Lauderdale-Miami Beach, FL	6.22
87	Atlanta-Sandy Springs-Marietta, GA	6.27
88	Orlando, FL	6.45
89	Washington-Arlington-Alexandria, DC-VA-MD-W\	6.49
90	Fresno, CA	6.55
91	Sacramento--Arden-Arcade--Roseville, CA	7.45
92	Minneapolis-St. Paul-Bloomington, MN-WI	7.63
93	Detroit-Warren-Livonia, MI	9.75
94	Bakersfield, CA	9.84
95	Phoenix-Mesa-Scottsdale, AZ	10.91
96	Cape Coral-Fort Myers, FL	12.62
97	Modesto, CA	13.84
98	Riverside-San Bernardino-Ontario, CA	14.14
99	Stockton, CA	14.73
100	Las Vegas-Paradise, NV	15.43
	100 Largest Metros	3.87
	United States	3.06

REOs per 1,000 mortgageable properties



Appendix: Metro performance across four key indicators

	Metro	Percent change in employment, from peak employment to 2009Q1	Rank	Percentage point change in unemployment rate, 2008Q1 to 2009Q1	Rank	Percent change in gross metropolitan product, from peak GMP to 2009Q1	Rank	Real percent change in housing prices, 2008Q1 to 2009Q1	Rank
Strongest 20 metros	San Antonio, TX	-0.4%	4	1.9%	6	-0.5%	6	2.6%	9
	Oklahoma City, OK	-0.2%	1	2.3%	12	-0.5%	7	2.8%	8
	Houston, TX	-0.6%	9	2.3%	13	-0.7%	8	4.7%	1
	Austin, TX	-0.5%	6	2.3%	14	NA*	1	2.4%	12
	Dallas, TX	-1.0%	14	2.6%	21	-0.4%	4	3.4%	3
	Little Rock, AR	-1.5%	19	1.4%	2	-2.2%	27	2.8%	7
	McAllen, TX	-0.3%	2	3.1%	40	NA*	1	2.3%	13
	Baton Rouge, LA	-0.3%	3	1.5%	4	-2.3%	32	2.0%	18
	Tulsa, OK	-0.6%	8	2.9%	32	-1.7%	19	3.0%	6
	Omaha, NE-IA	-1.0%	13	1.5%	3	-2.2%	28	0.4%	34
	El Paso, TX	-0.7%	12	2.5%	17	-1.0%	11	-1.5%	48
	Wichita, KS	-0.5%	5	2.7%	25	-4.4%	75	3.3%	4
	Des Moines, IA	-1.3%	15	1.2%	1	-3.5%	60	0.1%	36
	Washington, DC-VA-MD-WV	-0.6%	10	2.7%	24	-0.1%	3	-8.8%	77
	Albuquerque, NM	-1.6%	23	2.6%	22	-1.6%	17	-2.1%	52
	Harrisburg, PA	-2.0%	32	3.0%	35	-1.9%	20	0.6%	29
	Virginia Beach, VA-NC	-1.3%	16	3.1%	37	-0.5%	5	-3.2%	60
	New Haven, CT	-1.4%	18	2.5%	19	-2.0%	22	-3.5%	61
	Pittsburgh, PA	-1.8%	26	2.5%	16	-3.5%	59	2.0%	19
	Rochester, NY	-0.7%	11	2.7%	23	-4.4%	77	2.5%	10
Second-strongest 20 metros	Jackson, MS	-2.2%	35	2.5%	18	-2.9%	43	0.6%	28
	Scranton, PA	-2.5%	44	3.2%	44	-2.2%	26	2.4%	11
	Augusta, GA-SC	-1.8%	28	3.4%	50	-3.0%	45	2.3%	14
	Hartford, CT	-2.0%	31	2.4%	15	-2.5%	37	-2.3%	55
	Bridgeport, CT	-2.4%	41	2.5%	20	-1.1%	12	-4.5%	67
	Syracuse, NY	-0.5%	7	2.8%	29	-5.4%	90	2.0%	16
	Columbia, SC	-2.2%	37	4.1%	63	-2.3%	31	2.2%	15
	Albany, NY	-1.5%	21	2.3%	11	-5.1%	85	0.5%	30
	Portland, ME	-1.8%	29	3.0%	34	-2.5%	36	-2.0%	51
	Boston, MA-NH	-1.5%	22	3.1%	38	-2.4%	34	-2.8%	57
	Ogden, UT	-2.5%	42	2.0%	9	-3.3%	51	-1.5%	49
	Raleigh, NC	-2.9%	51	4.6%	75	-1.1%	13	2.0%	17
	Madison, WI	-2.8%	47	2.8%	26	-2.7%	41	-0.4%	43
	Honolulu, HI	-1.9%	30	3.2%	43	-2.0%	23	-3.9%	64
	Poughkeepsie, NY	-1.4%	17	2.8%	28	-2.8%	42	-6.2%	75
	Salt Lake City, UT	-1.8%	27	2.0%	8	-3.7%	66	-4.0%	65
	Philadelphia, PA-NJ-DE-MD	-2.4%	40	3.2%	45	-2.3%	30	-2.3%	54
	Memphis, TN-MS-AR	-2.8%	49	2.9%	30	-3.4%	53	0.0%	38
	Denver, CO	-3.1%	57	3.4%	49	-2.9%	44	1.7%	21
	Columbus, OH	-1.7%	25	3.0%	36	-4.8%	80	0.4%	32
Middle 20 metros	Colorado Springs, CO	-3.9%	71	3.0%	33	-2.1%	24	-0.9%	46
	Indianapolis, IN	-3.3%	61	4.0%	62	-1.9%	21	0.5%	31
	Allentown, PA-NJ	-2.5%	43	3.2%	46	-2.1%	25	-3.9%	63
	Kansas City, MO-KS	-1.5%	20	2.9%	31	-5.3%	87	-0.3%	41
	Buffalo, NY	-2.9%	52	3.1%	39	-5.3%	88	4.2%	2
	Richmond, VA	-3.3%	62	4.1%	64	-0.8%	9	-2.2%	53
	Worcester, MA	-1.7%	24	3.5%	53	-3.2%	50	-4.7%	68
	Chattanooga, TN-GA	-2.3%	39	3.6%	54	-4.4%	76	0.8%	27
	St. Louis, MO-IL	-2.3%	38	3.2%	42	-4.6%	79	-0.2%	39
	Nashville, TN	-3.6%	70	3.8%	58	-3.0%	46	0.9%	25
	Greenville, SC	-2.8%	48	5.2%	85	-3.5%	62	3.1%	5
	Baltimore, MD	-2.2%	36	3.6%	55	-2.6%	38	-5.6%	72
	Seattle, WA	-2.6%	45	4.5%	72	-1.3%	14	-5.9%	73
	Provo, UT	-4.1%	73	1.7%	5	-3.4%	56	-5.6%	71
	Knoxville, TN	-3.0%	53	3.5%	51	-4.8%	81	0.8%	26
	Springfield, MA	-3.1%	58	3.1%	41	-3.7%	65	-1.7%	50
	Atlanta, GA	-4.5%	75	3.9%	61	-2.5%	35	-0.8%	45
	Charleston, SC	-3.1%	55	4.7%	77	-2.3%	29	-2.4%	56
	Charlotte, NC-SC	-5.0%	82	6.3%	98	-1.4%	16	1.3%	22
	New York, NY-NJ-PA	-2.1%	34	3.4%	48	-3.9%	69	-4.9%	69

METROMONITOR: 1ST QUARTER 2009

	Metro	Percent change in employment, from peak employment to 2009Q1	Rank	Percentage point change in unemployment rate, 2008Q1 to 2009Q1	Rank	Percent change in gross metropolitan product, from peak GMP to 2009Q1	Rank	Real percent change in housing prices, 2008Q1 to 2009Q1	Rank
Second-weakest 20 metros	Minneapolis, MN-WI	-3.0%	54	3.5%	52	-3.1%	49	-4.1%	66
	Cincinnati, OH-KY-IN	-2.8%	50	3.6%	56	-4.4%	78	0.1%	37
	Birmingham, AL	-3.4%	68	4.5%	74	-3.5%	61	2.0%	20
	Cleveland, OH	-4.7%	78	2.3%	10	-6.2%	95	-0.7%	44
	Louisville, KY-IN	-3.1%	56	4.4%	71	-5.2%	86	1.0%	24
	Tucson, AZ	-4.8%	79	2.8%	27	-3.4%	55	-9.0%	79
	San Jose, CA	-3.2%	60	5.6%	91	-1.0%	10	-11.0%	82
	San Diego, CA	-2.6%	46	4.1%	65	-3.1%	48	-13.0%	84
	New Orleans, LA	-16.0%	100	1.9%	7	-9.6%	99	-0.3%	40
	Milwaukee, WI	-3.4%	67	4.2%	67	-3.7%	67	-1.0%	47
	Chicago, IL-IN-WI	-3.1%	59	3.8%	59	-4.2%	73	-3.8%	62
	Portland, OR-WA	-3.4%	66	6.6%	100	-1.6%	18	-5.0%	70
	Greensboro, NC	-5.9%	87	6.0%	96	-3.4%	58	1.1%	23
	Akron, OH	-3.5%	69	3.9%	60	-6.0%	94	-0.4%	42
	Phoenix, AZ	-7.8%	95	3.3%	47	-2.4%	33	-16.6%	92
	Bakersfield, CA	-2.1%	33	5.2%	86	-3.4%	54	-22.1%	94
	San Francisco, CA	-3.4%	64	4.5%	73	-3.3%	52	-11.2%	83
	Boise City, ID	-7.2%	91	4.1%	66	-3.0%	47	-7.6%	76
	Dayton, OH	-7.0%	90	4.3%	70	-5.3%	89	0.3%	35
	Orlando, FL	-5.1%	83	5.3%	88	-2.7%	39	-14.2%	86
Weakest 20 metros	Riverside, CA	-7.8%	94	5.9%	92	-1.3%	15	-27.7%	97
	Miami, FL	-4.5%	76	3.7%	57	-4.1%	71	-23.0%	95
	Las Vegas, NV	-4.8%	80	5.1%	84	-2.7%	40	-28.9%	99
	Los Angeles, CA	-4.1%	72	4.8%	80	-3.6%	64	-15.3%	88
	Grand Rapids, MI	-5.5%	85	4.9%	81	-4.8%	82	-3.1%	59
	Sacramento, CA	-5.9%	88	4.9%	82	-3.4%	57	-14.4%	87
	Oxnard, CA	-5.8%	86	4.2%	68	-4.0%	70	-15.8%	91
	Youngstown, OH-PA	-7.5%	92	6.0%	94	-7.1%	98	0.4%	33
	Providence, RI-MA	-5.4%	84	4.3%	69	-5.9%	93	-6.0%	74
	Fresno, CA	-4.2%	74	5.9%	93	-3.6%	63	-19.7%	93
	Toledo, OH	-8.8%	96	4.8%	79	-5.8%	92	-3.0%	58
	Jacksonville, FL	-4.7%	77	4.6%	76	-6.8%	97	-8.9%	78
	Modesto, CA	-3.4%	65	6.4%	99	-3.7%	68	-28.8%	98
	Lakeland, FL	-4.9%	81	5.4%	89	-4.9%	83	-10.5%	81
	Palm Bay, FL	-7.7%	93	4.8%	78	-5.0%	84	-15.3%	89
	Bradenton, FL	-11.2%	97	5.3%	87	-4.3%	74	-15.4%	90
	Tampa, FL	-6.1%	89	5.0%	83	-5.5%	91	-13.2%	85
	Stockton, CA	-3.3%	63	6.2%	97	-6.6%	96	-30.6%	100
	Cape Coral, FL	-13.5%	99	5.5%	90	-4.1%	72	-25.3%	96
	Detroit, MI	-12.3%	98	6.0%	95	-10.1%	100	-9.3%	80
	100 Largest Metros	-2.7%		3.7%		NA**		-6.9%	
	United States	-2.9%		3.8%		-3.3%		-6.3%	

* GMP in Austin and McAllen peaked this quarter.

** Only the U.S. average is used for comparison due to an inflation adjustment method that makes a 100-metro average incomparable.

Overall metropolitan performance, and performance on each component indicator, is grouped by quintile (20 metro areas each) and indicated by the following shading:

Strongest	Second Strongest	Middle	Second Weakest	Weakest

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The *Blueprint* initiative is supported and informed by a network of leaders who strive every day to create the kind of healthy and vibrant communities that form the foundation of the U.S. economy. The Metropolitan Policy Program Leadership Council—a bipartisan network of individual, corporate, and philanthropic investors—comes from a broad array of metropolitan areas around the nation. Council members provide us financial support but, more importantly, are true intellectual and strategic partners in the *Blueprint*. While many of these leaders act globally, they retain a commitment to the vitality of their local and regional communities, a rare blend that makes their engagement even more valuable. To learn more about the members of our Leadership Council, please visit www.blueprintprosperity.org

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