GROWTH AND OPPORTUNITY IN THE NEXT ECONOMY

@BrookingsMetro
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Better Growth: We Need More Jobs and Better Jobs

Post-Recession U.S. Jobs Gap
Since start of recession

Growth in Low and High Wage Jobs
2000-2014


Source: Brookings Analysis of Moody’s Analytics estimates.
Better Incomes: We Need Rising Wealth for the Economy and for People

Output Per Capita and Median Income
Change since 2000

Output per capita: $4,237
Median income: -$4,718

Share of Total Wage Growth
2000-2014

82%
18%

Top 10 percent
Bottom 90 percent

Source: Brookings Analysis of Decennial Census and American Community Survey data.
Greater Inclusion: We Need to Extend Opportunity

Unemployment Rate by Race
Q4 2014

- Total: 5.7%
- Black: 10.8%
- Hispanic: 6.6%
- White: 4.9%
- Asian: 4.7%

Unemployment Rate by Age
Recession through Q4 2014

- 16 to 19 years old:
  - 2007: 16%
  - 2014: 18%
- 20 to 24 years old:
  - 2007: 8%
  - 2014: 11%
- 25 and Older:
  - 2007: 4%
  - 2014: 5%

Economic Challenges Vary Across Metro Areas

Change in Output Per Capita
2000-2014

Minneapolis-Saint Paul
+7.8%

Chicago
+6.5%

Cleveland
+12.4%

Pittsburg
+23.6%

Boston
+17%

Philadelphia
+7.7%

Baltimore
+21.3%

Atlanta
-5.8%

New Orleans
+11.6%

Orlando
-1.5%

Increased up to 20%
Increased up to 10%
Decreased
Increased up to 40%

Economic Challenges Vary Across Metro Areas

Change in Poverty Rate by Metro Area
2000-2013

- Increased up to 10% pts
- Increased up to 5% pts
- Increased up to 2% pts

Minneapolis-Saint Paul
+3.5% pts

Chicago
+4.8% pts

Cleveland
+2% pts

Pittsburg
+2% pts

Boston
+1.9% pts

Philadelphia
+2.6% pts

Baltimore
+1.4% pts

Atlanta
+6.4%

Orlando
+6.5% pts

New Orleans
+0.9% pts

Source: Brookings Analysis of Decennial Census and American Community Survey data.
Economic Challenges Vary Within Metro Areas

Baltimore Poverty Rate by Census Tract
2009-2013

Source: Brookings Analysis of Decennial Census and American Community Survey data.
Build an advanced economy that works for all
Technological Advances Are Rapidly Disrupting Labor Markets

McKinsey & Company:

$33 trillion / YEAR
maximum estimated global economic impact of 12 technology platforms through 2025

Share of U.S. Jobs at Risk of Automation

47%

2013 – 2033


“Labor-saving technological change necessarily displaces workers performing certain tasks — that’s where the gains in productivity come from — but over the long run, it generates new products and services that raise national income and increase the overall demand for labor.”

— David Autor and David Dorn
Professors of economics at MIT and the Center for Monetary and Financial Studies
Global Competition Is Fierce, with Growth Shifting Away from the United States

Share of Global Growth Occurring Outside the U.S.

81%

2013 – 2020

Exporter Wage Premium

Average manufacturing wages

Exporting: $49,952
Non-Exporting: $44,014

"Our challenge now is to make the globalization we have work for our citizens"

— Larry Summers
Former Treasury Secretary

Source: International Monetary Fund, World Economic Outlook Database, April 2015.
The United States Is in the Midst of a Huge Demographic Shift

50.3% of the population will be minority by 2045

Bachelor’s Degree Attainment

51.3% 28.5%
51.3% 33.1%
51.3% 19.3%
51.3% 14.0%

Total Asian White Black Hispanic

“Tomorrow’s minority-driven labor force will be vital to maintaining a robust economy”

— William H. Frey
Senior Fellow, Brookings Institution


Source: American Community Survey 2013 data.
Some Metros Are Advancing Key Elements of Inclusive Growth Strategies

- Minneapolis-Saint Paul
- Northeast Ohio
- Chicago
- Louisville-Lexington
- Suburban Washington
- New Orleans
Northeast Ohio: A Call to Action on Inclusive Growth

To grow the Northeast Ohio economy through:

- Job Creation
- Job Preparation
- Job Access

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