

DELIVERING THE NEXT ECONOMY

twitter 
@bruce_katz

 Metropolitan Policy Program
at BROOKINGS

Buffalo, New York / March 15, 2012

8.8 million
jobs lost in the recession





8.3%
people unemployed





15.1%
people in poverty





3 in 4
people lost a job, or were
close to someone who did

1 2 3

1 A vision for the next American economy



1 2 3

1 2 3

1 2 3

2 The next economy will be largely metropolitan

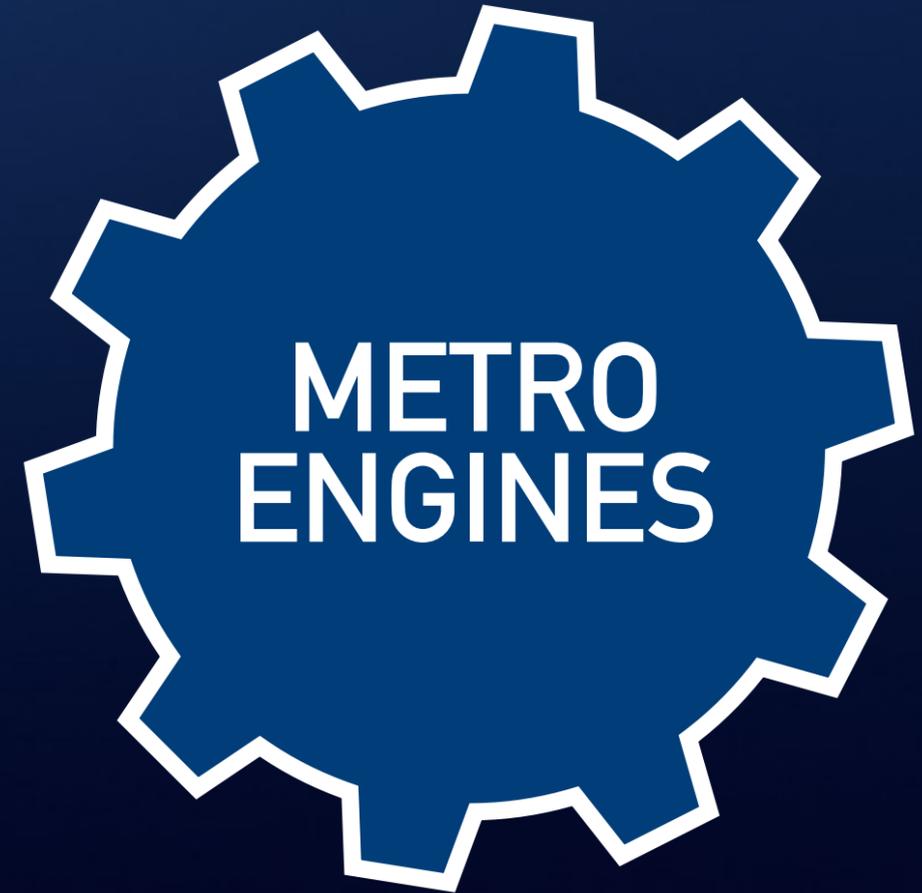


1 2 3

1 2 3

1 2 3

3 We must build the next economy by unleashing America's metro engines



Pragmatic Caucus

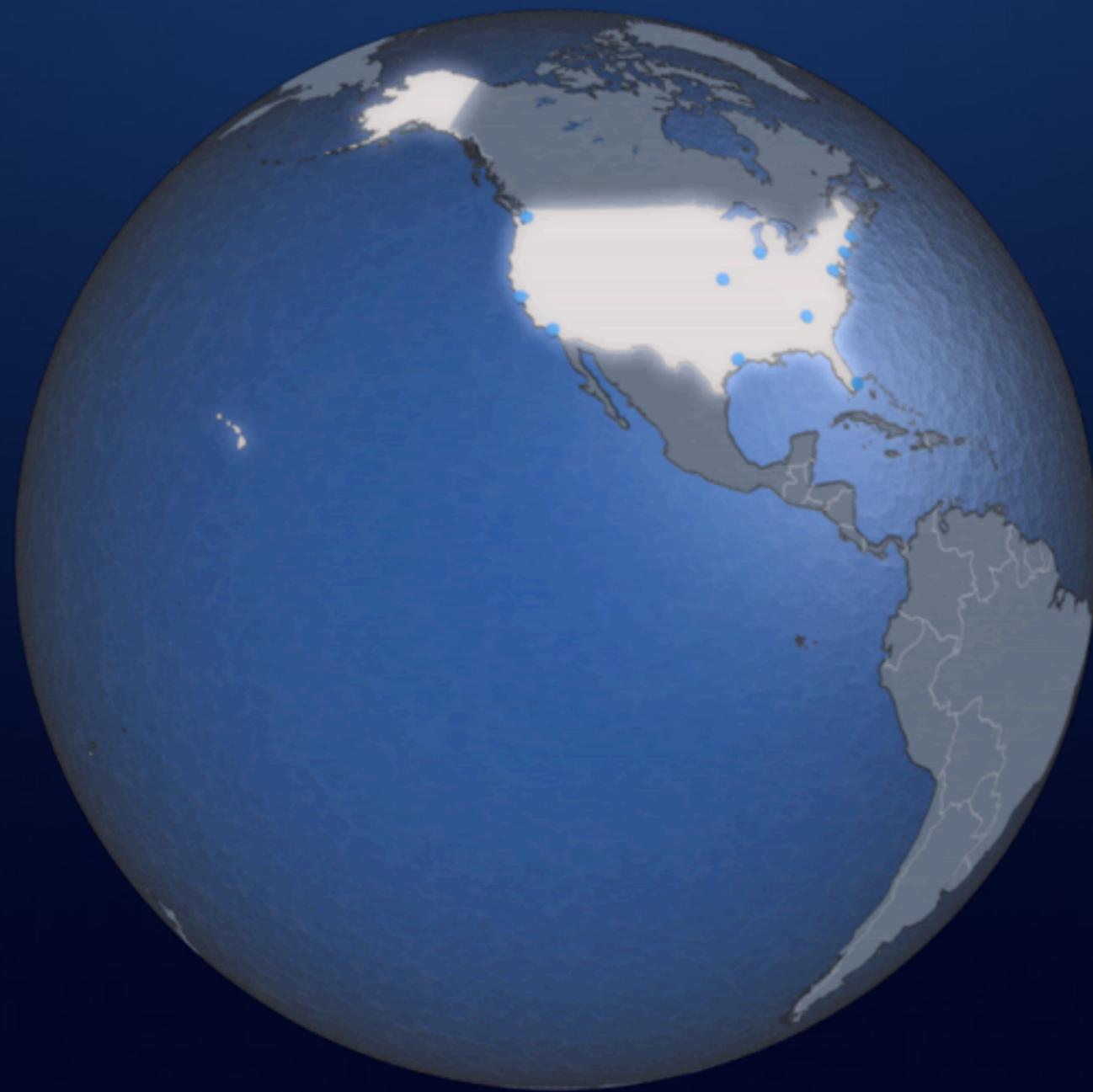
1 2 3

1 A vision for the next American economy









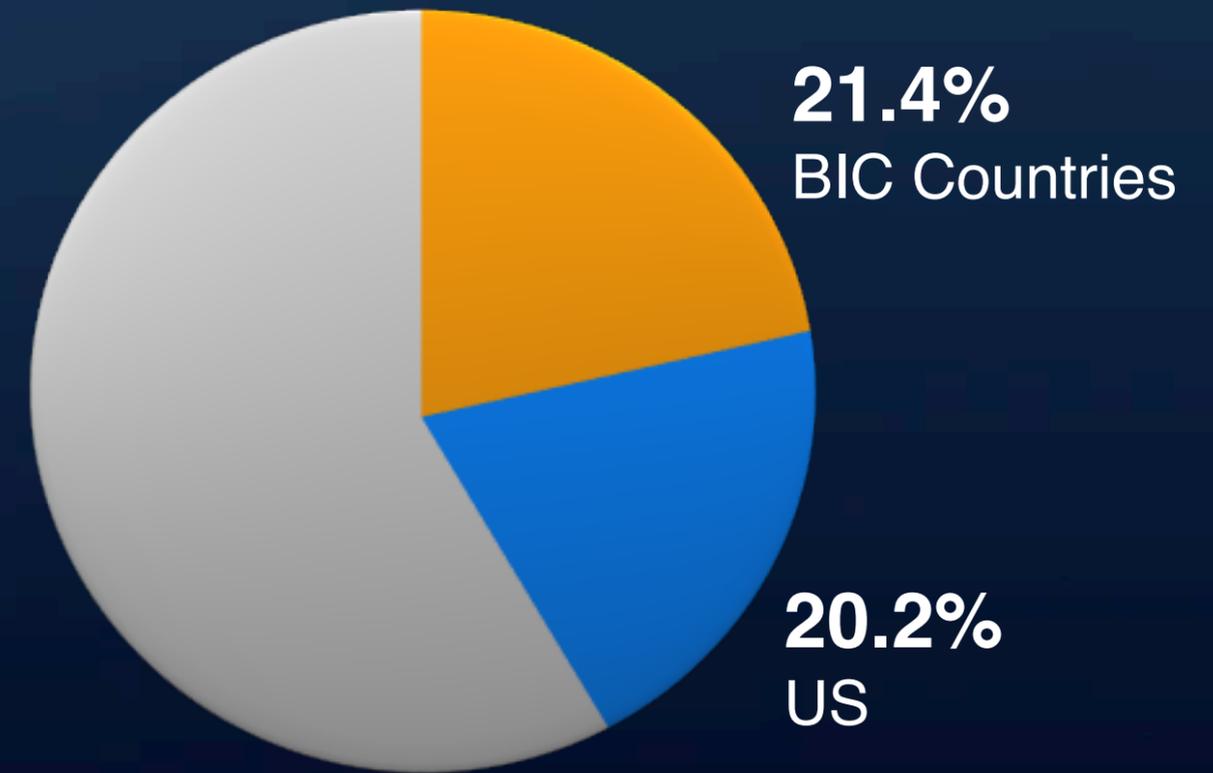


Source: International Monetary Fund, World Economic Outlook Database, April 2010

Thursday, March 15, 2012



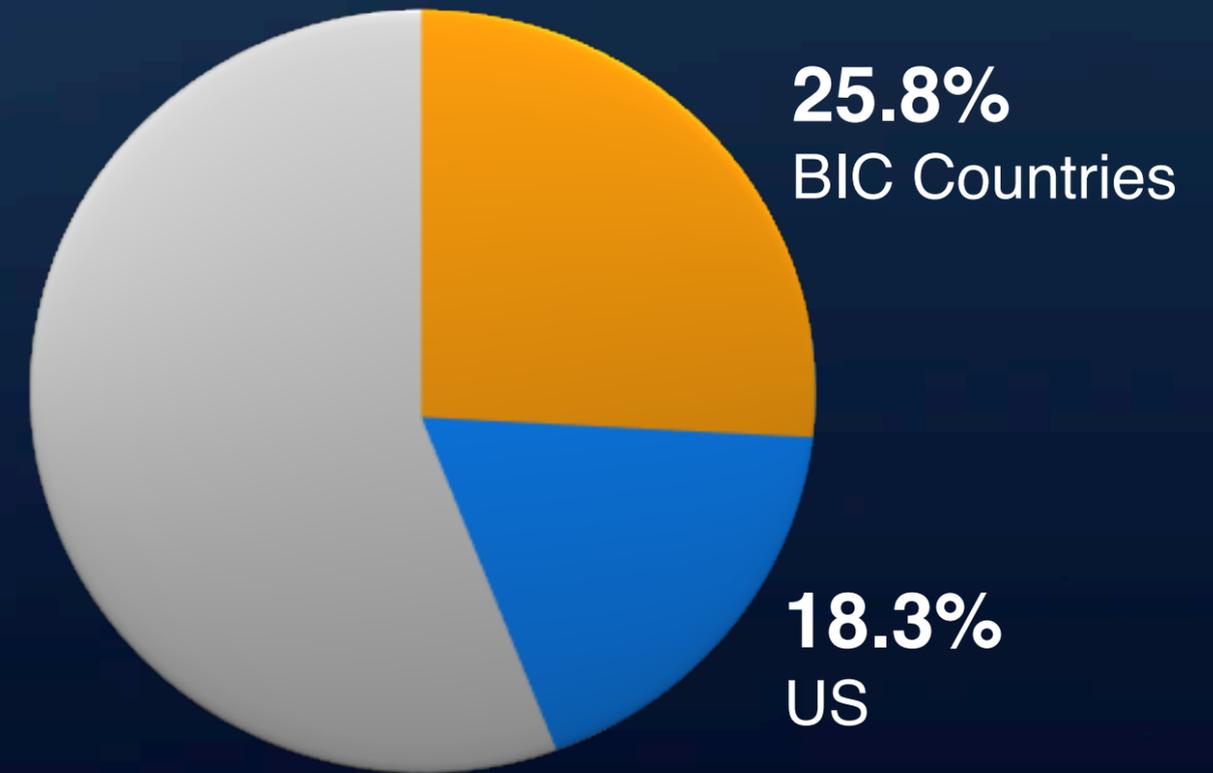
Global GDP



2010



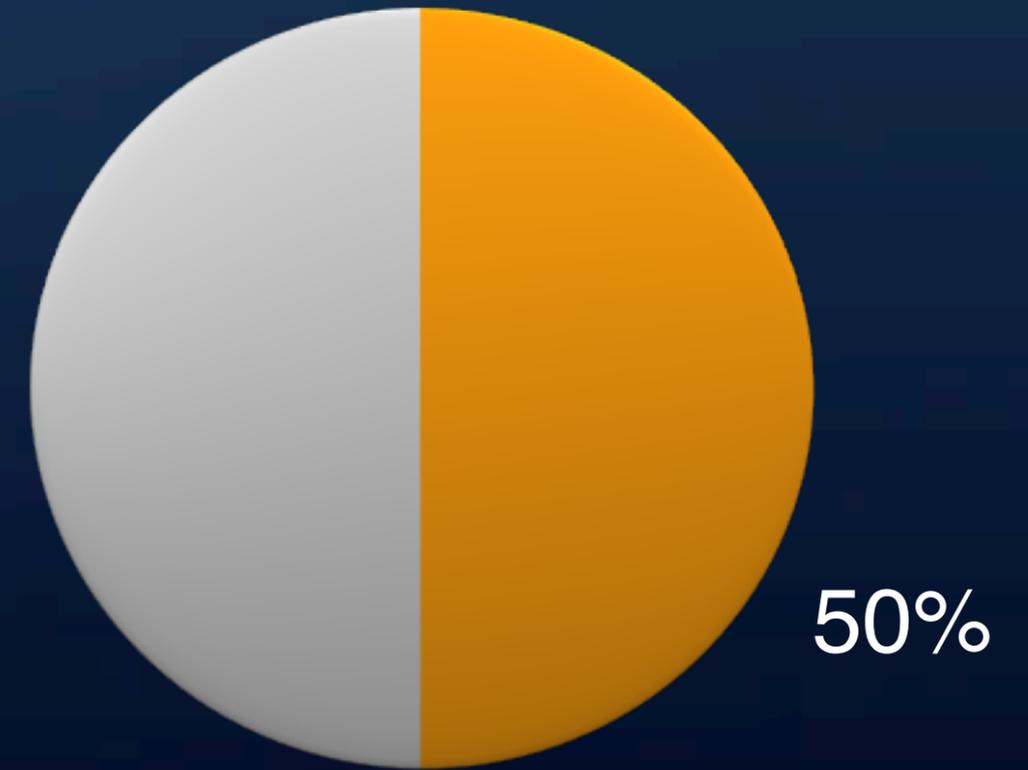
Global GDP



2015

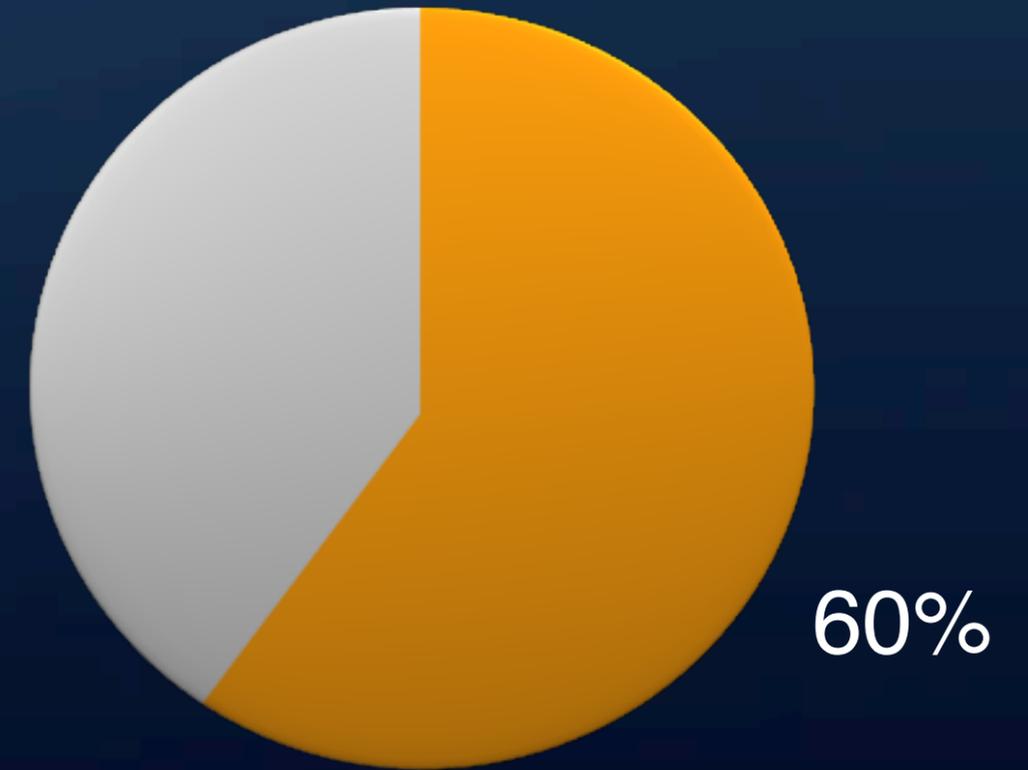


Global Metro Population

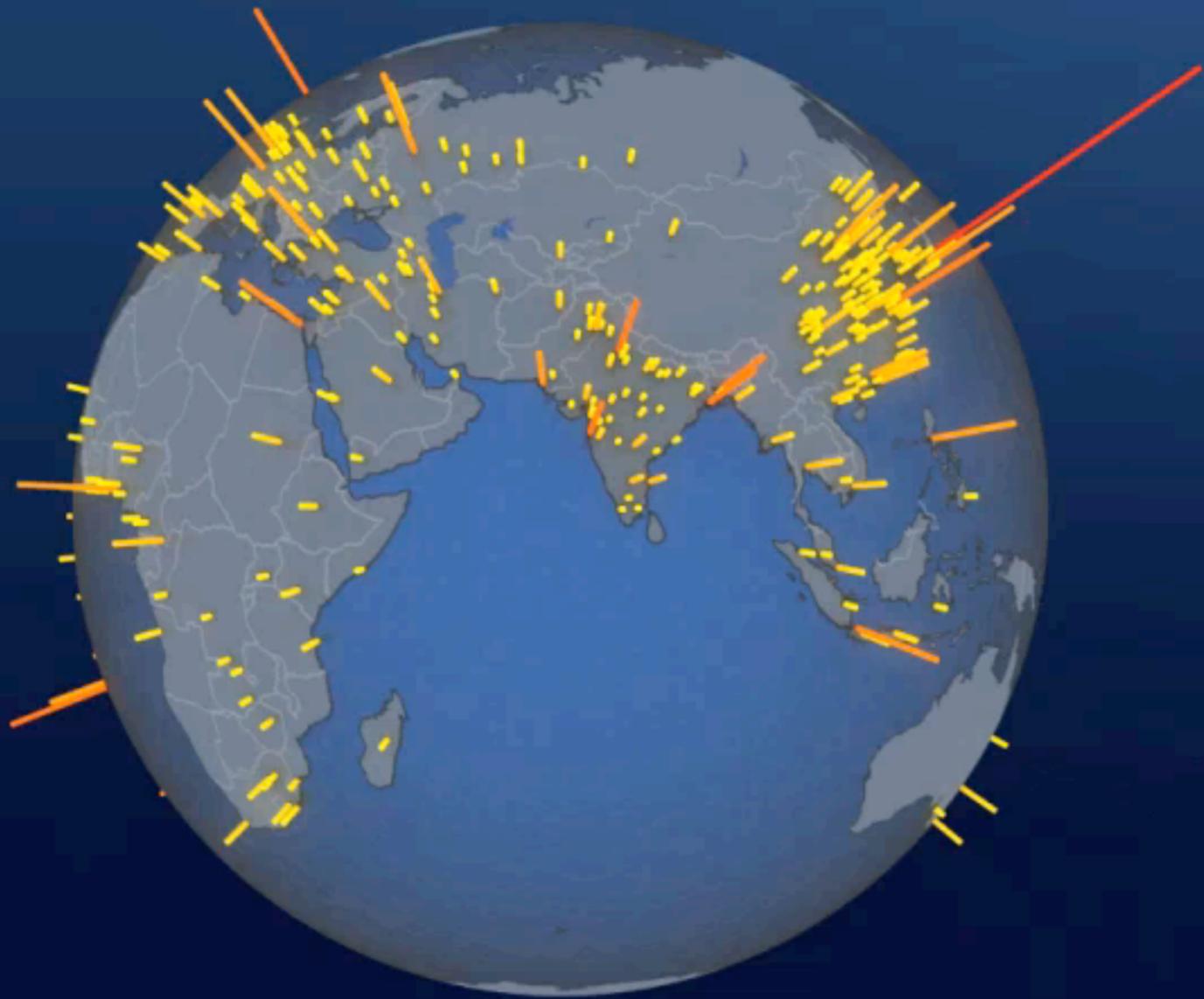


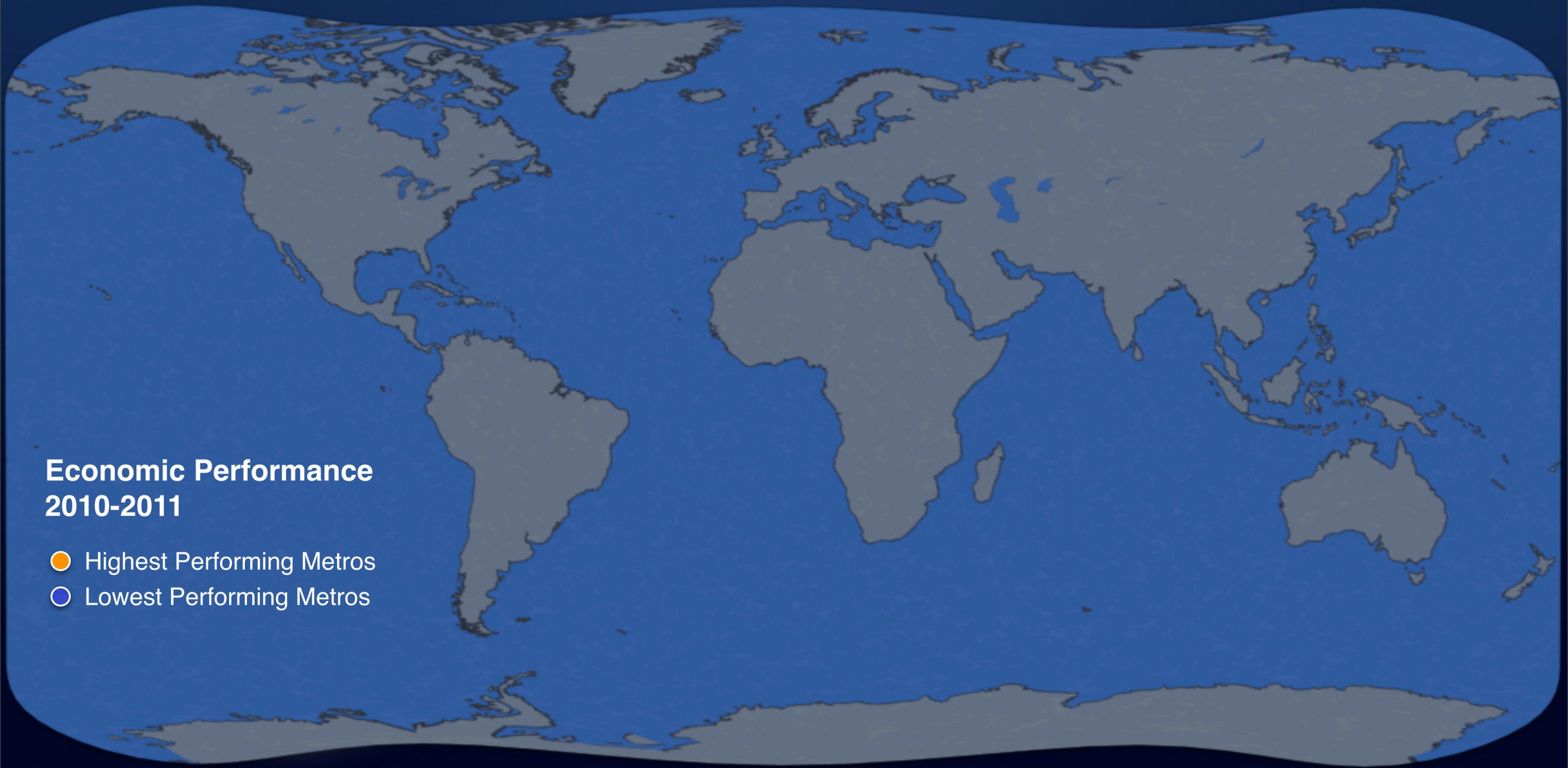
2009

Global Metro Population



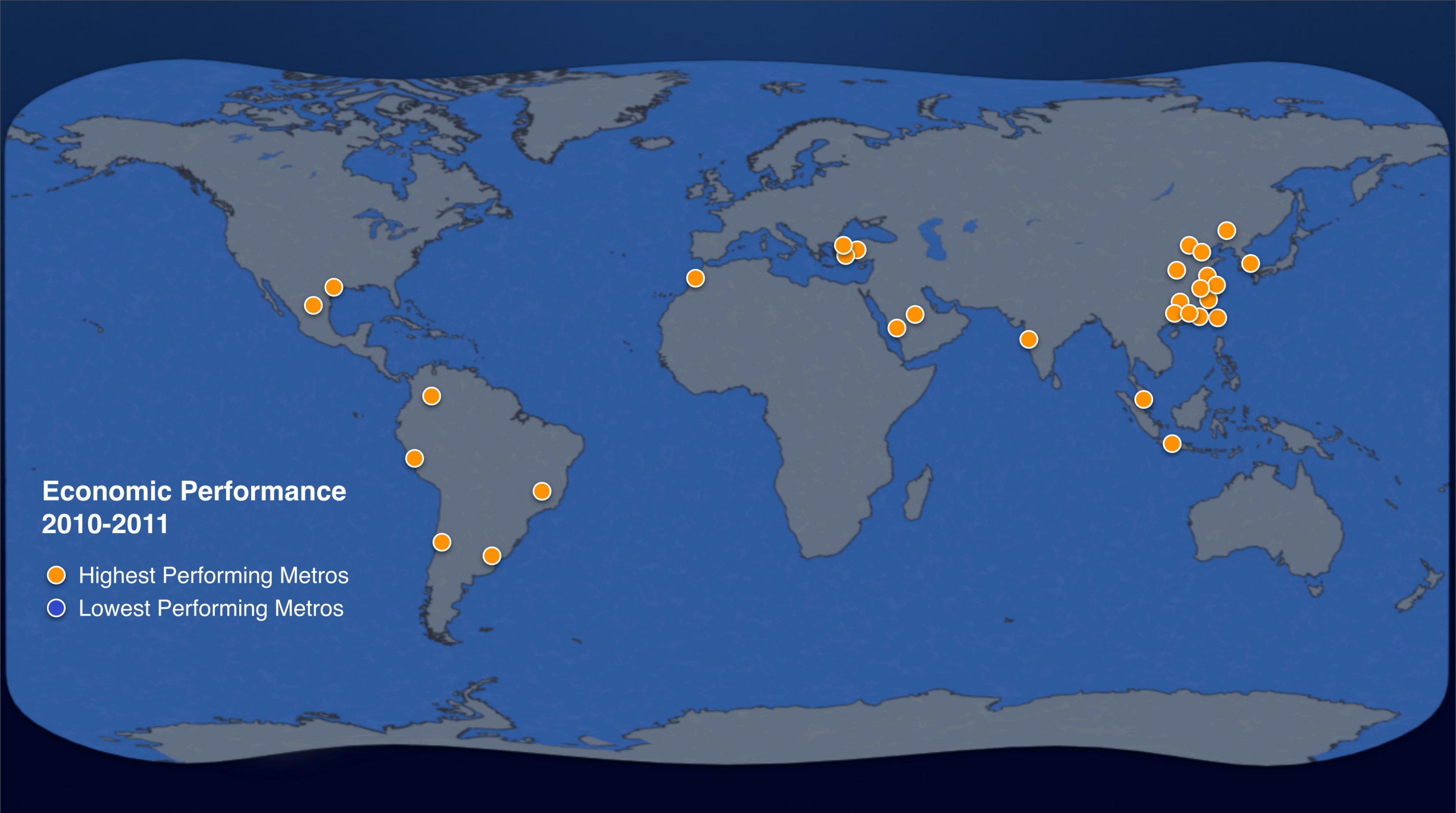
2030

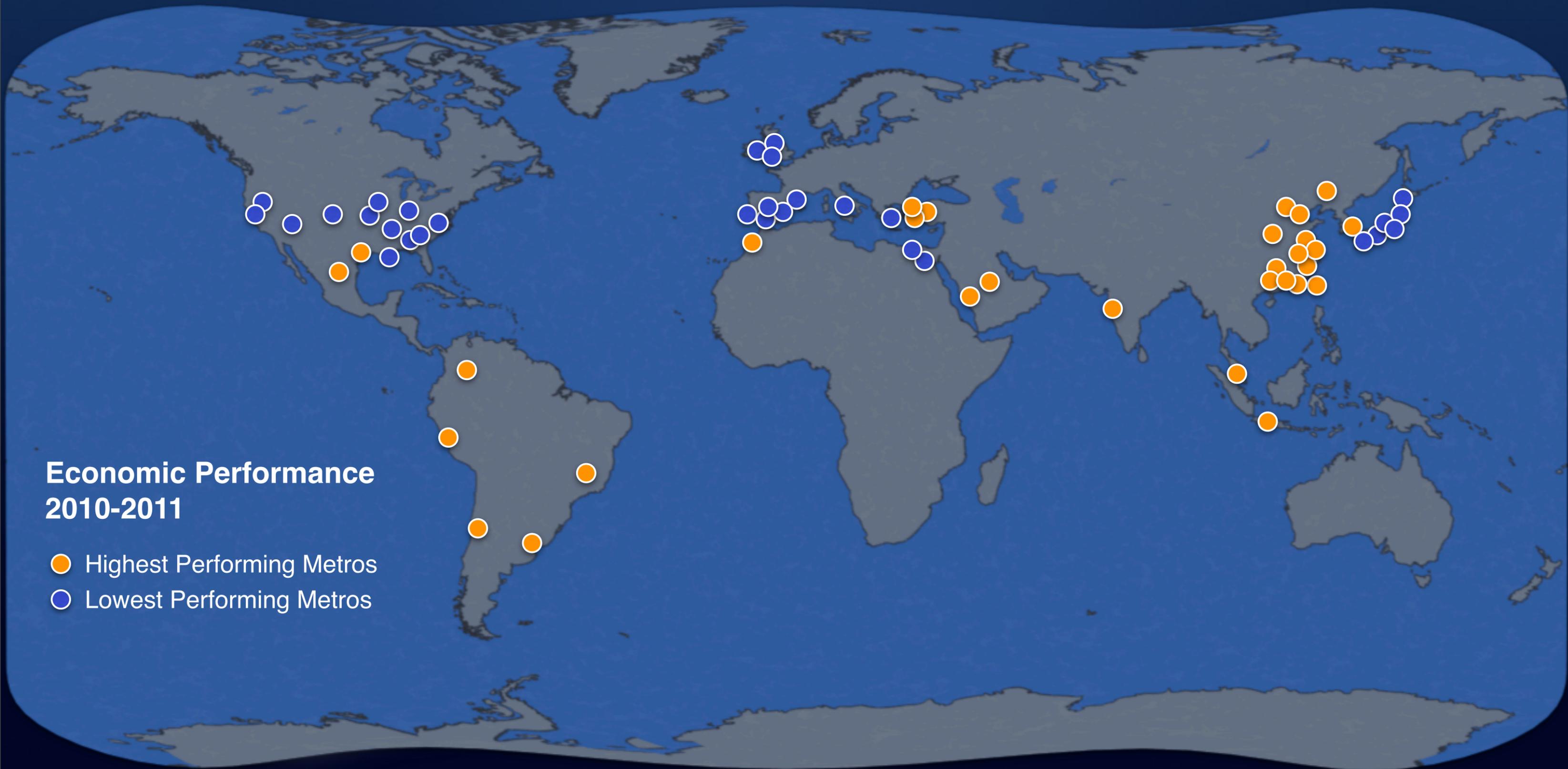




Economic Performance 2010-2011

- Highest Performing Metros
- Lowest Performing Metros

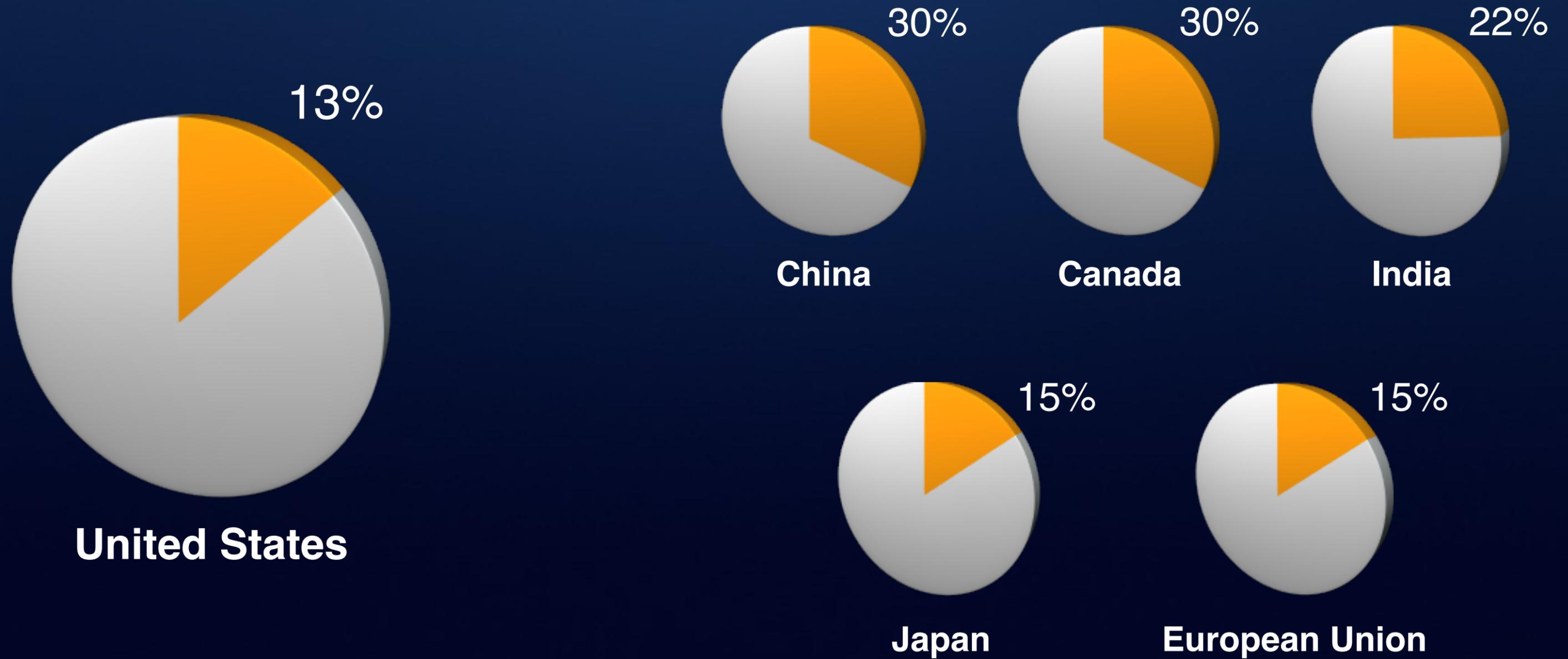




Economic Performance 2010-2011

- Highest Performing Metros
- Lowest Performing Metros

Share of GDP in Exports



Transport Networks are Clogged and Congested

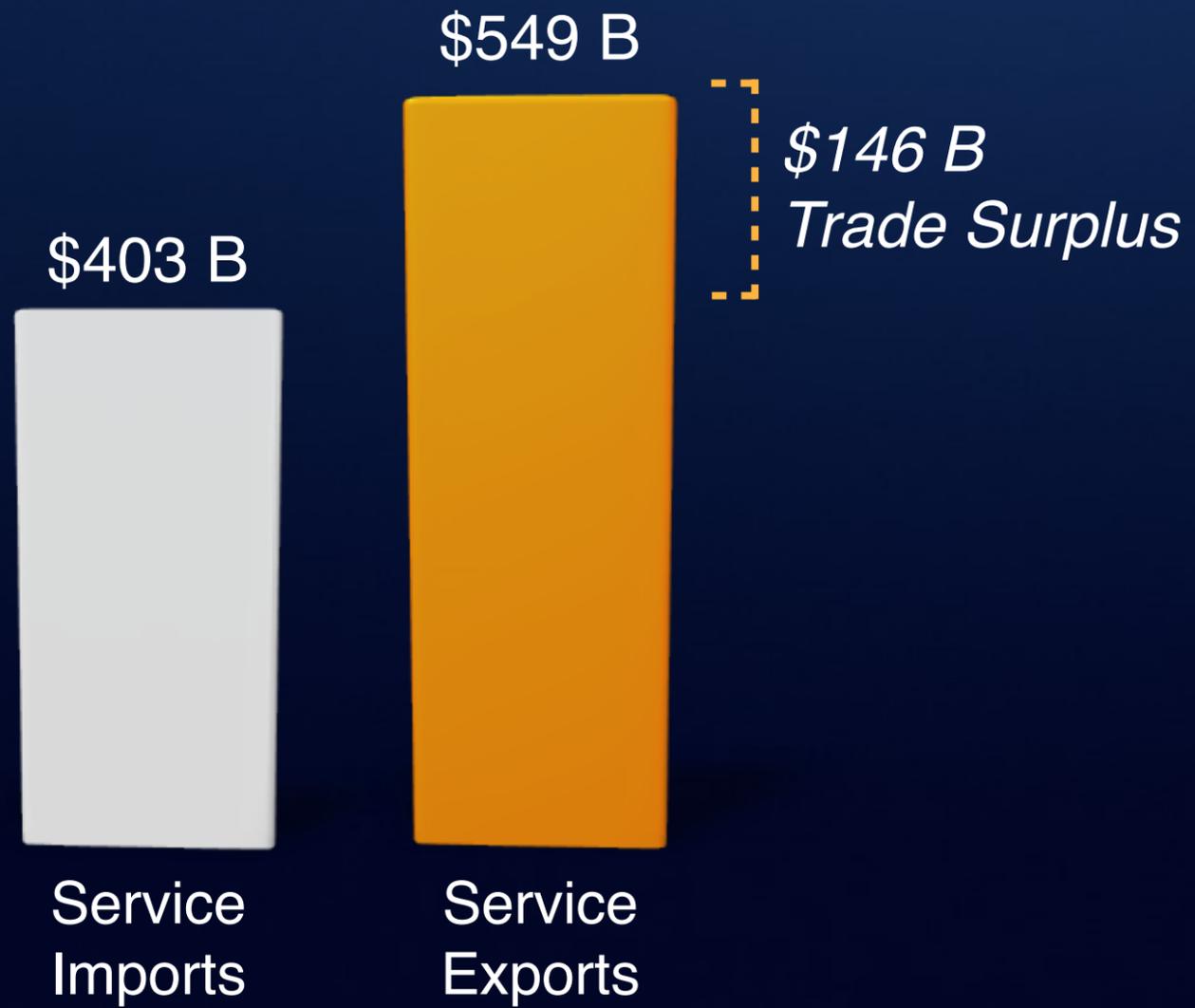




**Can we get back into the
export game?**



U.S. Service Trade





“We set a new goal: We will double our exports over the next five years, an increase that will support two million jobs in America.”

President Obama
January 27, 2010

Photo: Pete Souza, The White House







**Can the U.S. play in the
low carbon revolution?**



2.7 million
clean economy jobs





Electric Vehicles



Smart Homes



Remote Health Care



Photos: Living PlanIT, city of Stockholm, Wikipedia/mailer_diablo, The New York Times

Thursday, March 15, 2012

\$1.2 Trillion

value of smart technologies market
2010-2020

Can the U.S. be an **Innovation Nation?**



Source: National Science Foundation

Thursday, March 15, 2012



- France
- Sweden
- Turkey
- United Kingdom
- Lebanon
- Mexico
- Canada
- Bolivia
- Spain
- Switzerland
- Uganda
- Algeria
- Estonia
- Slovenia
- South Africa
- Mozambique
- Morocco
- United States**
- Honduras
- Lithuania

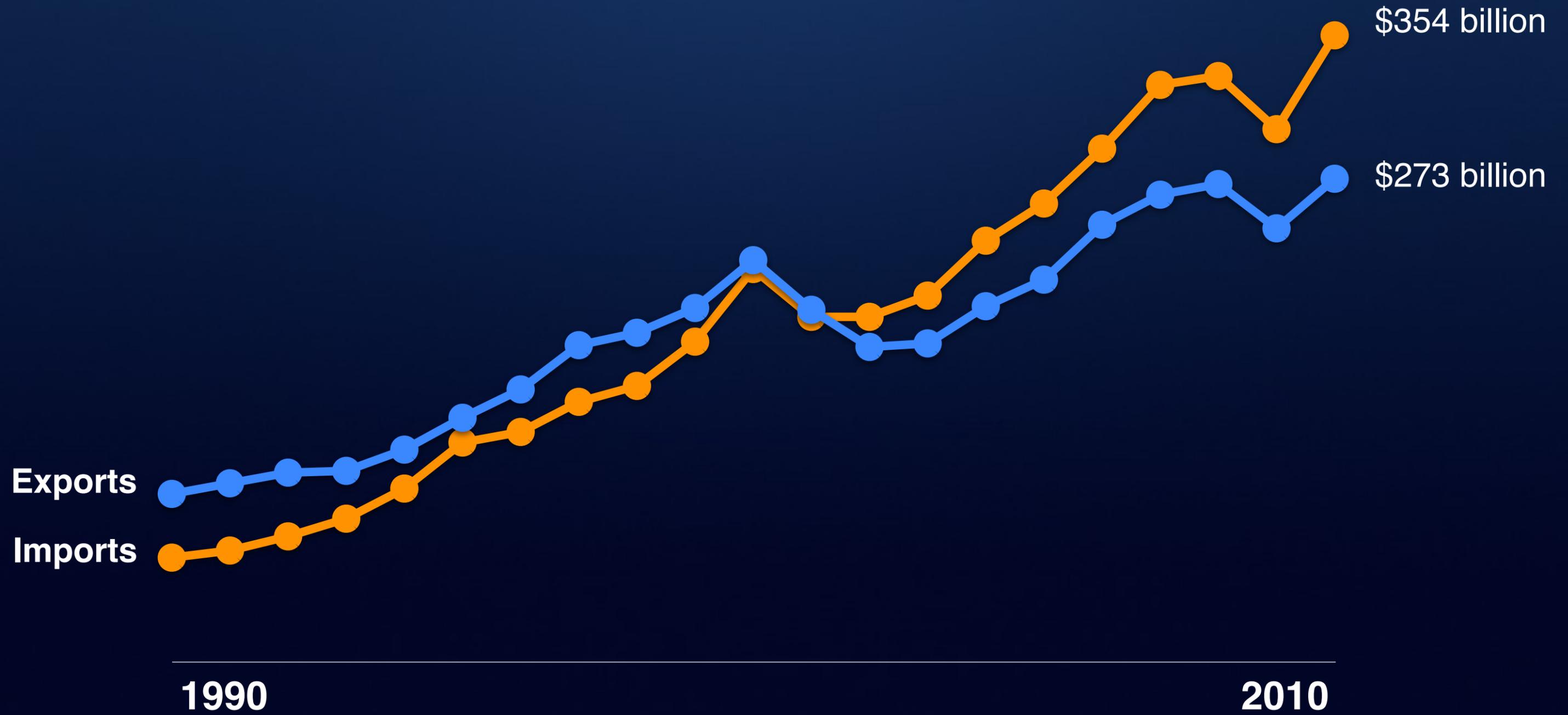
45th

Share of BAs in Science and Engineering

Source: National Science Foundation

Trade in Advanced Technology Products

Trade in Advanced Technology Products

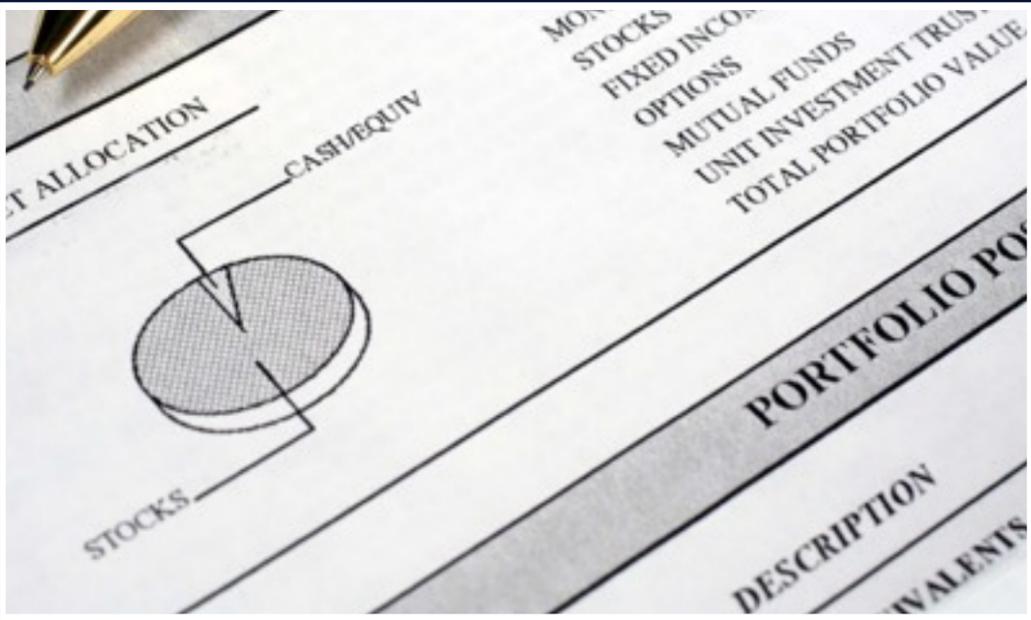
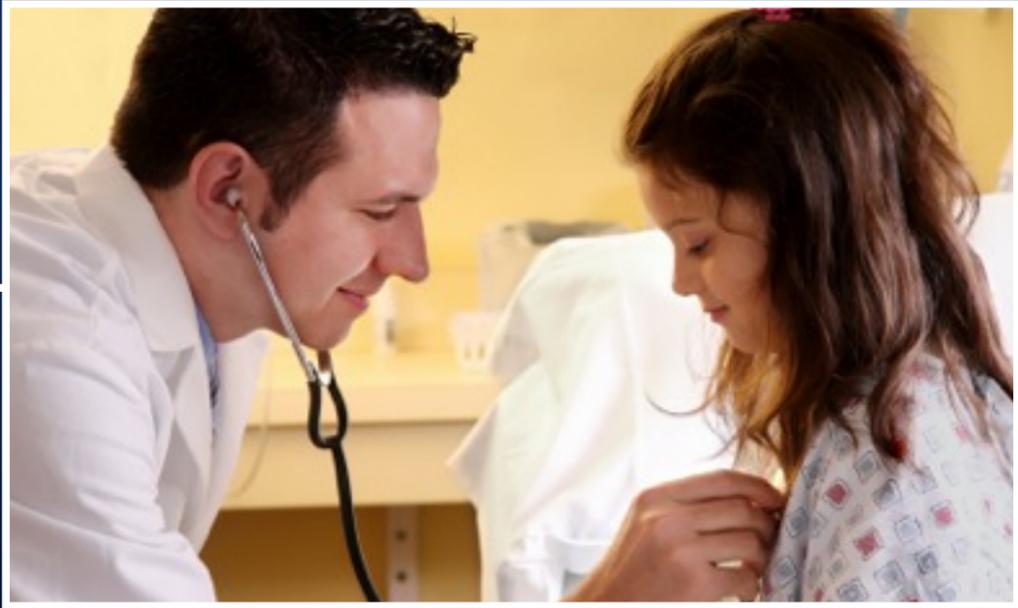


Source: US Census Bureau, Foreign Trade Statistics

**It is time to
rediscover our
innovation...**







Jobs in the Low Carbon Economy

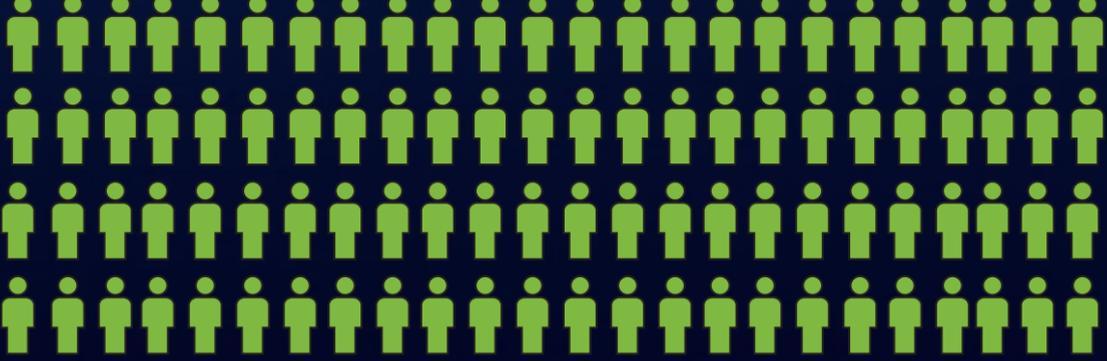
Financiers



Scientists and Engineers

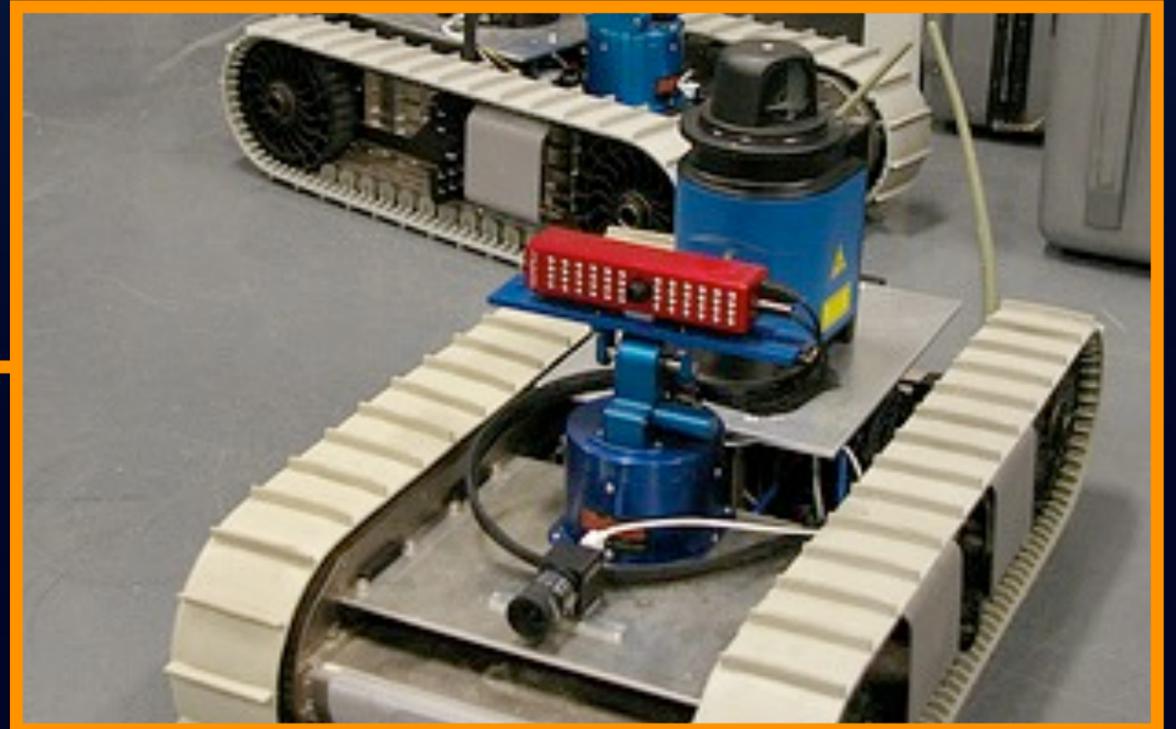
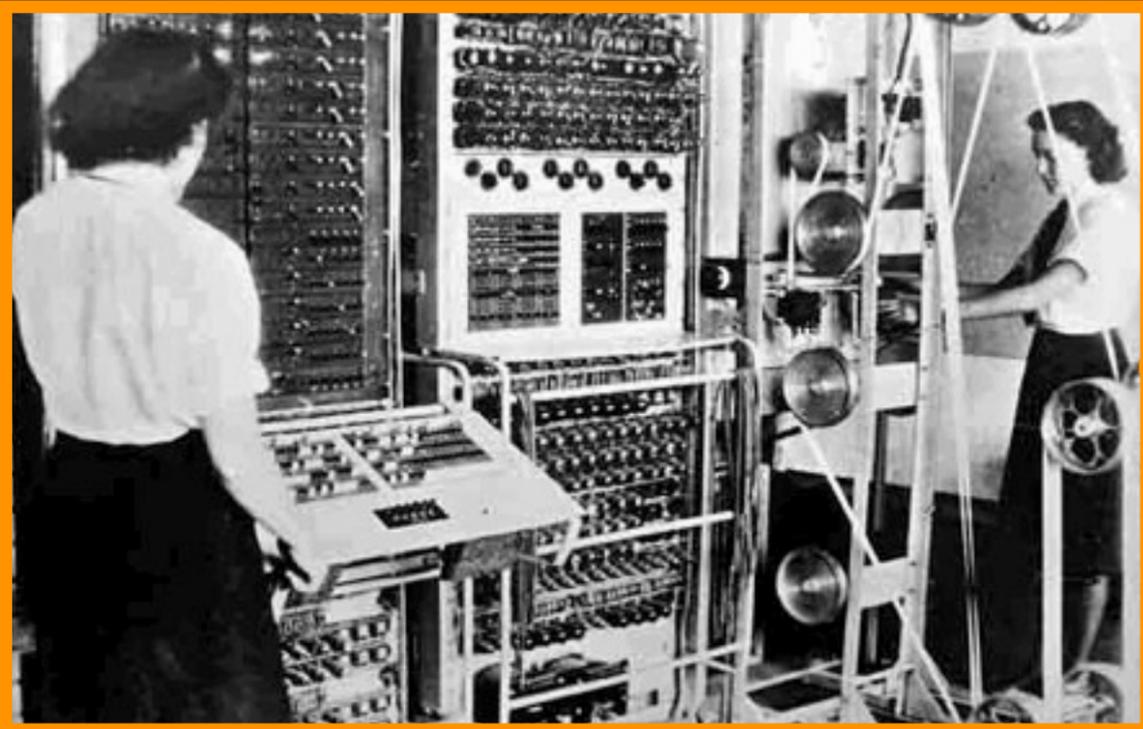
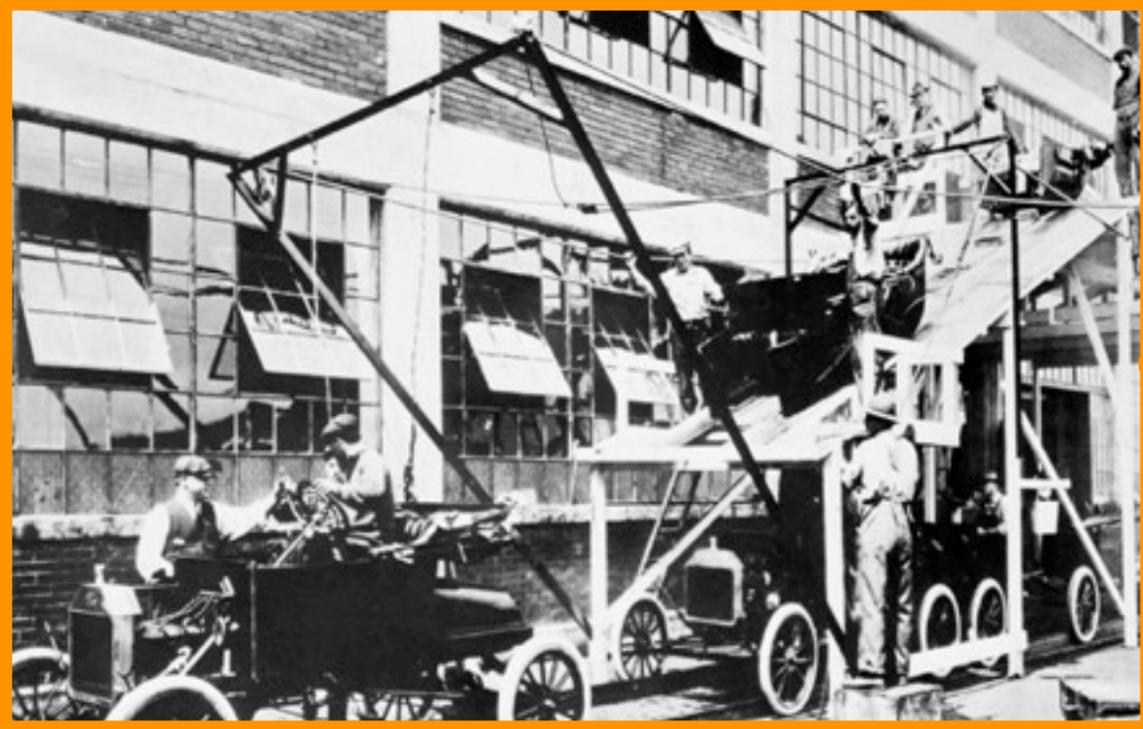


Entrepreneurs



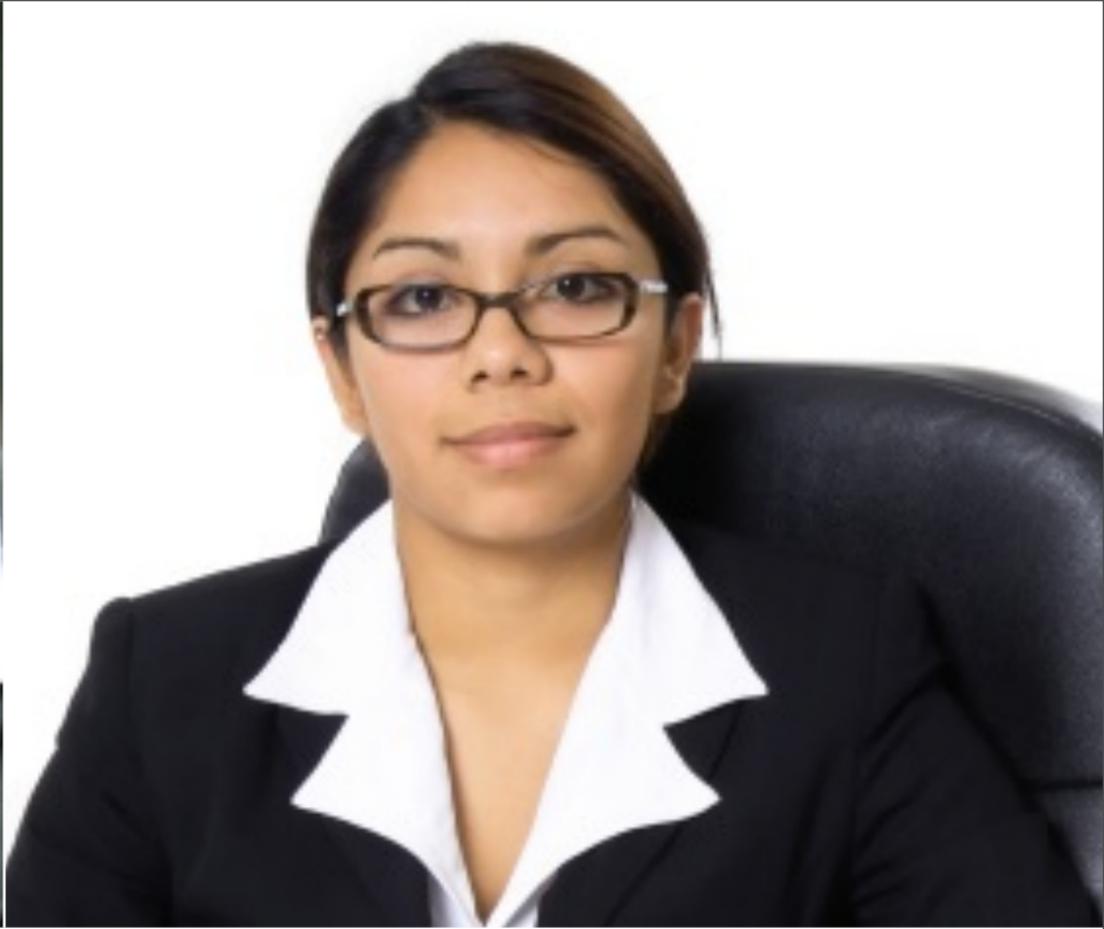
Laborers





The U.S. must get smart...

fast

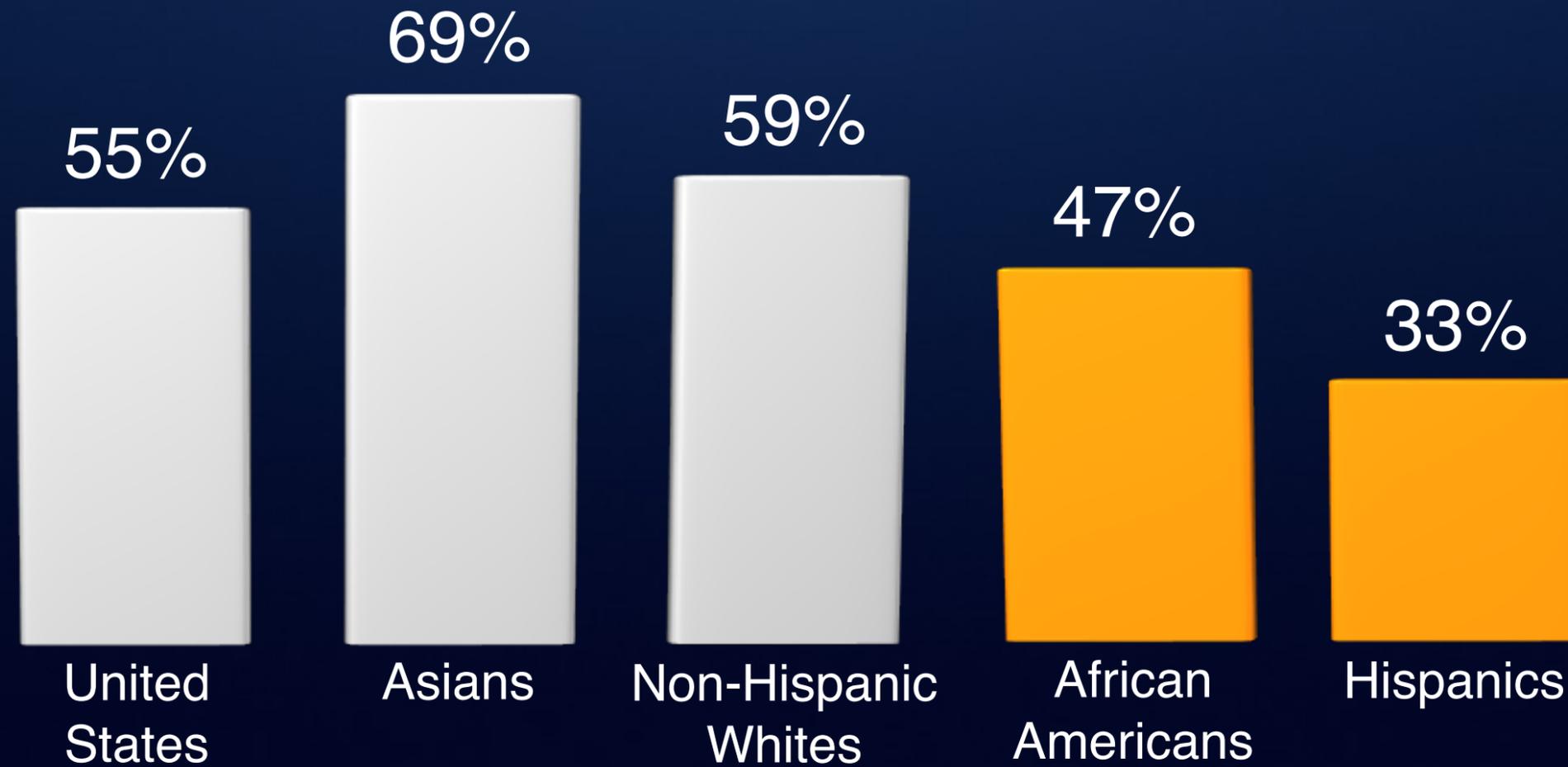


Educational Attainment

Associate's Degree or Higher

Educational Attainment

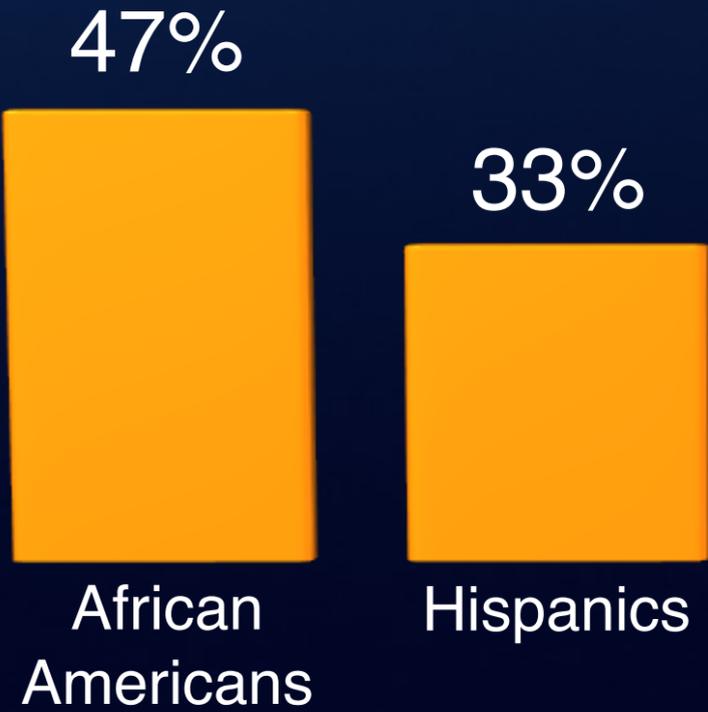
Associate's Degree or Higher





Educational Attainment

Associate's Degree or Higher



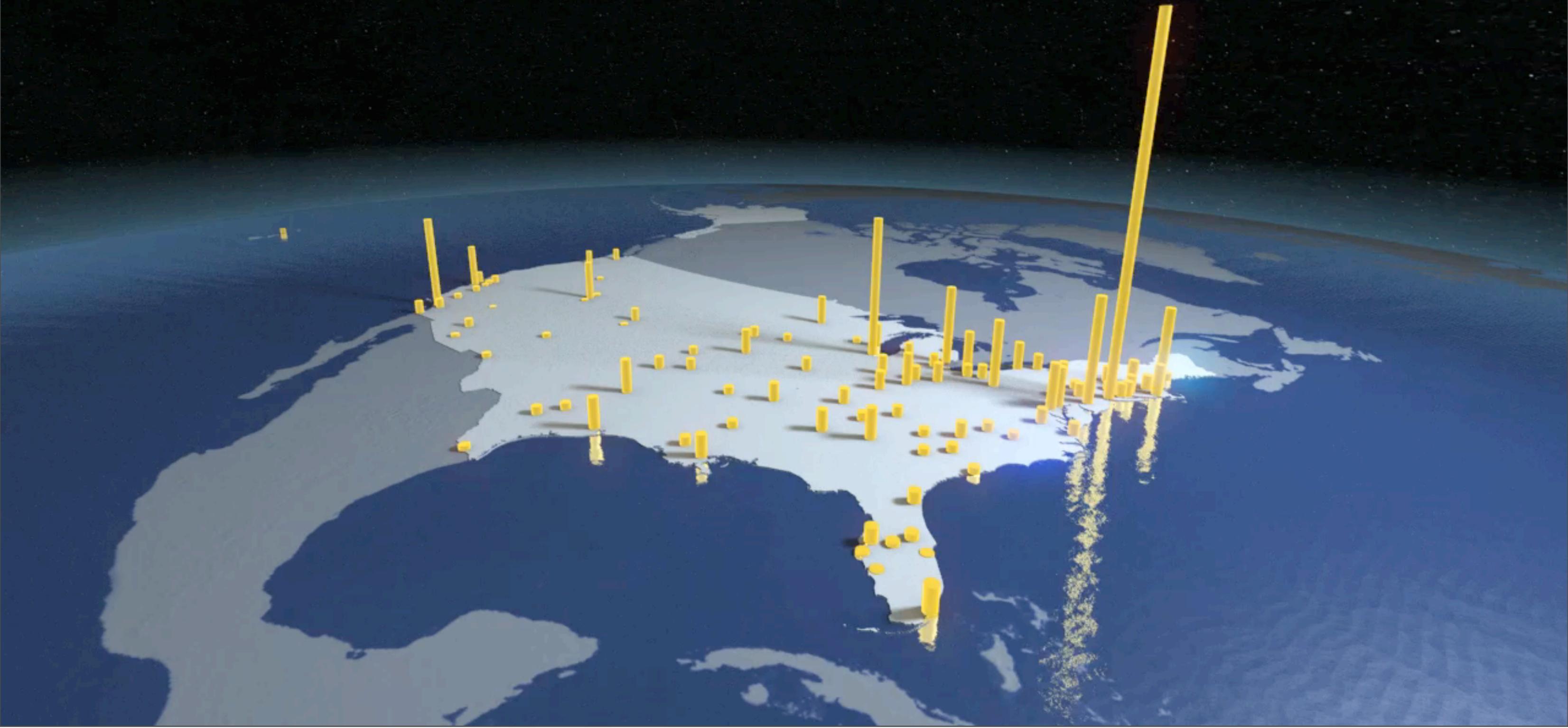
Source: US Census Bureau, 2009 American Community Survey

1 2 3

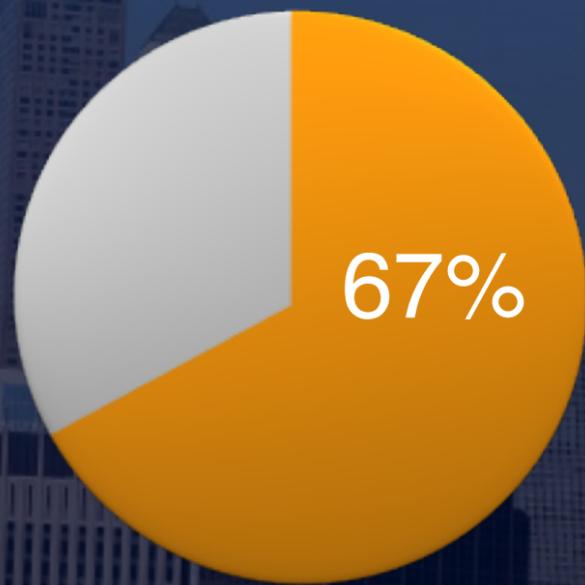
2 The next economy will be largely metropolitan



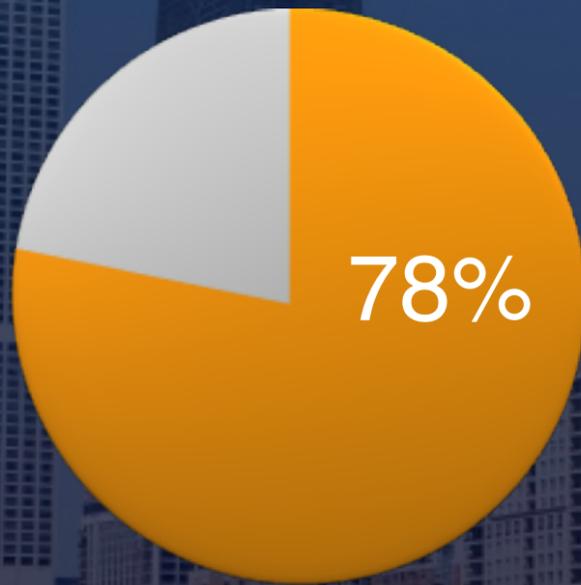
1950



Chicagoland

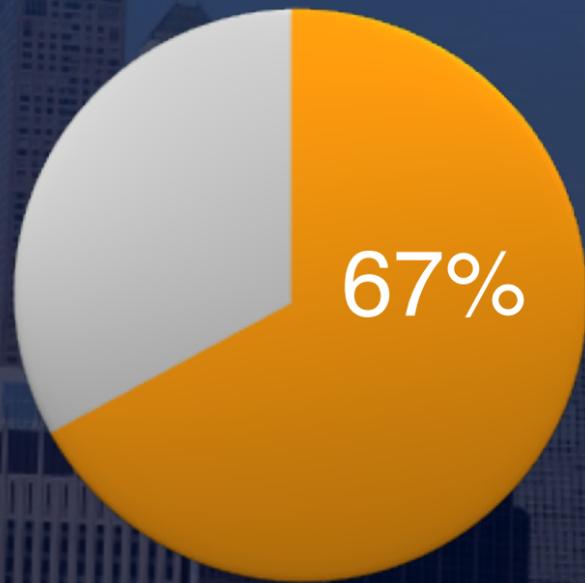


Residents

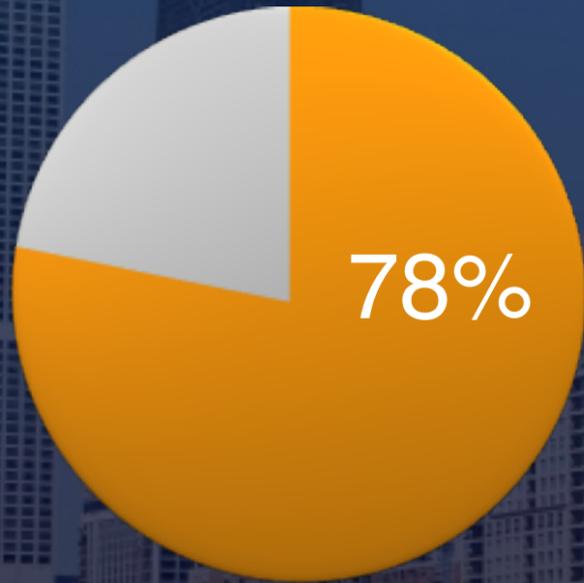


Economic Output

Chicagoland

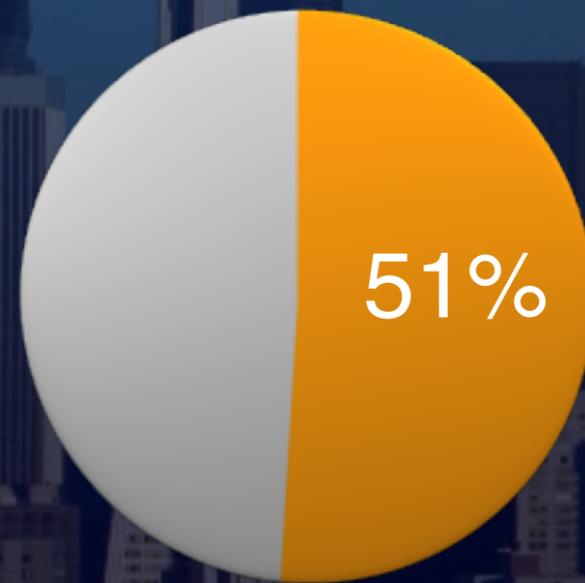


Residents

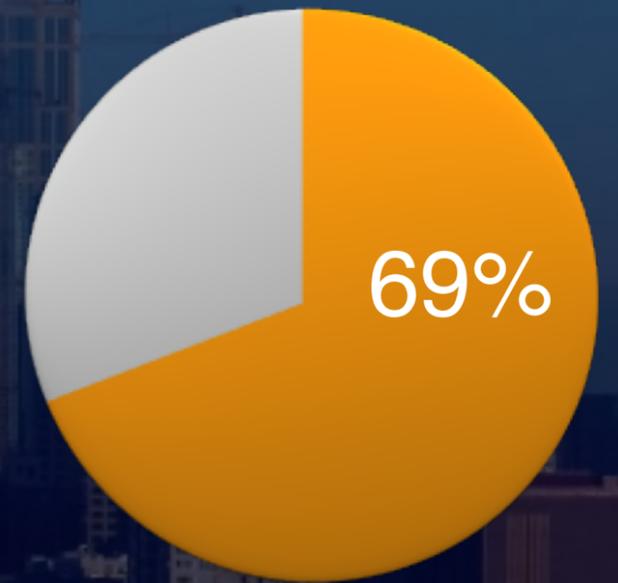


Economic Output

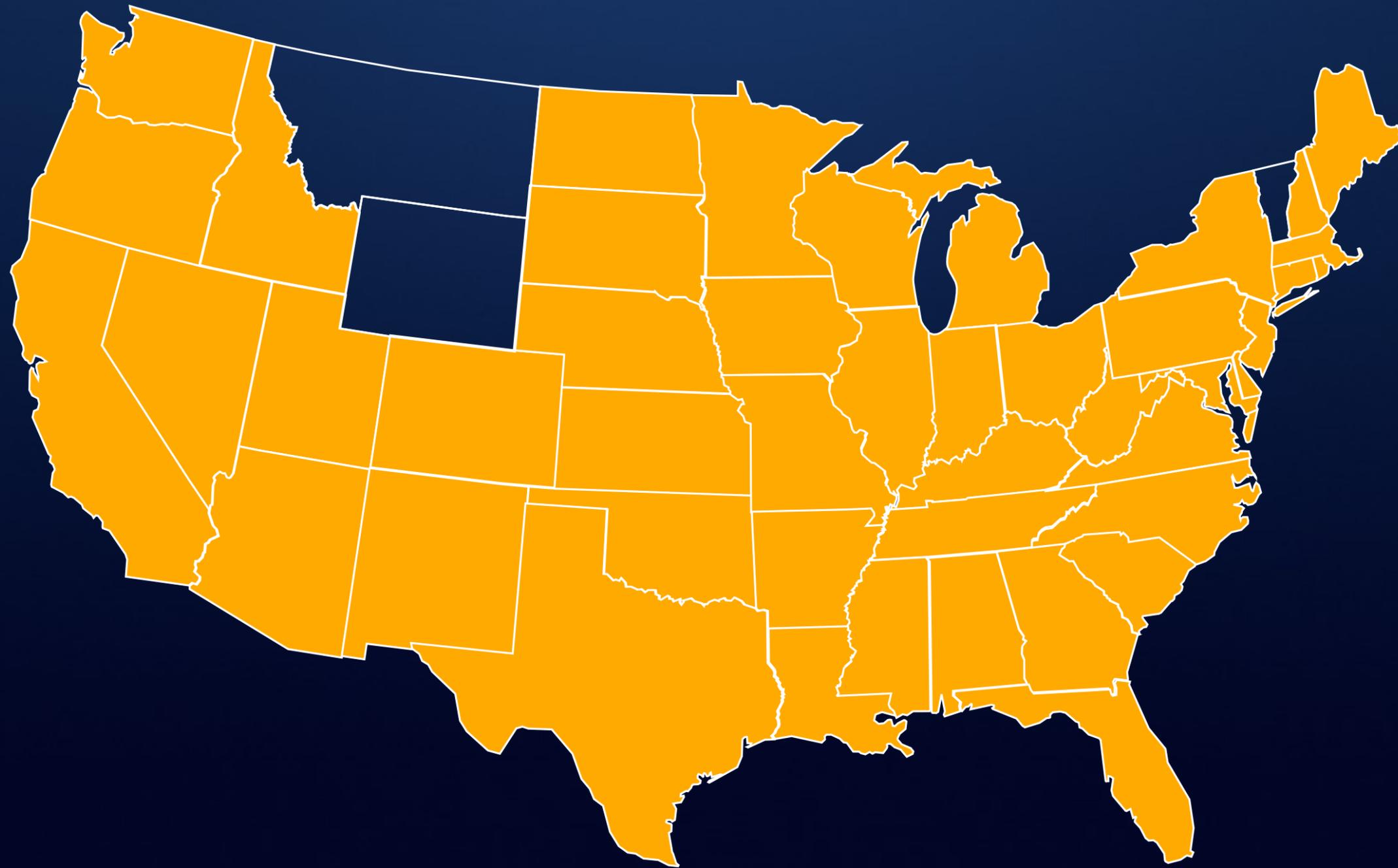
Greater Seattle



Residents

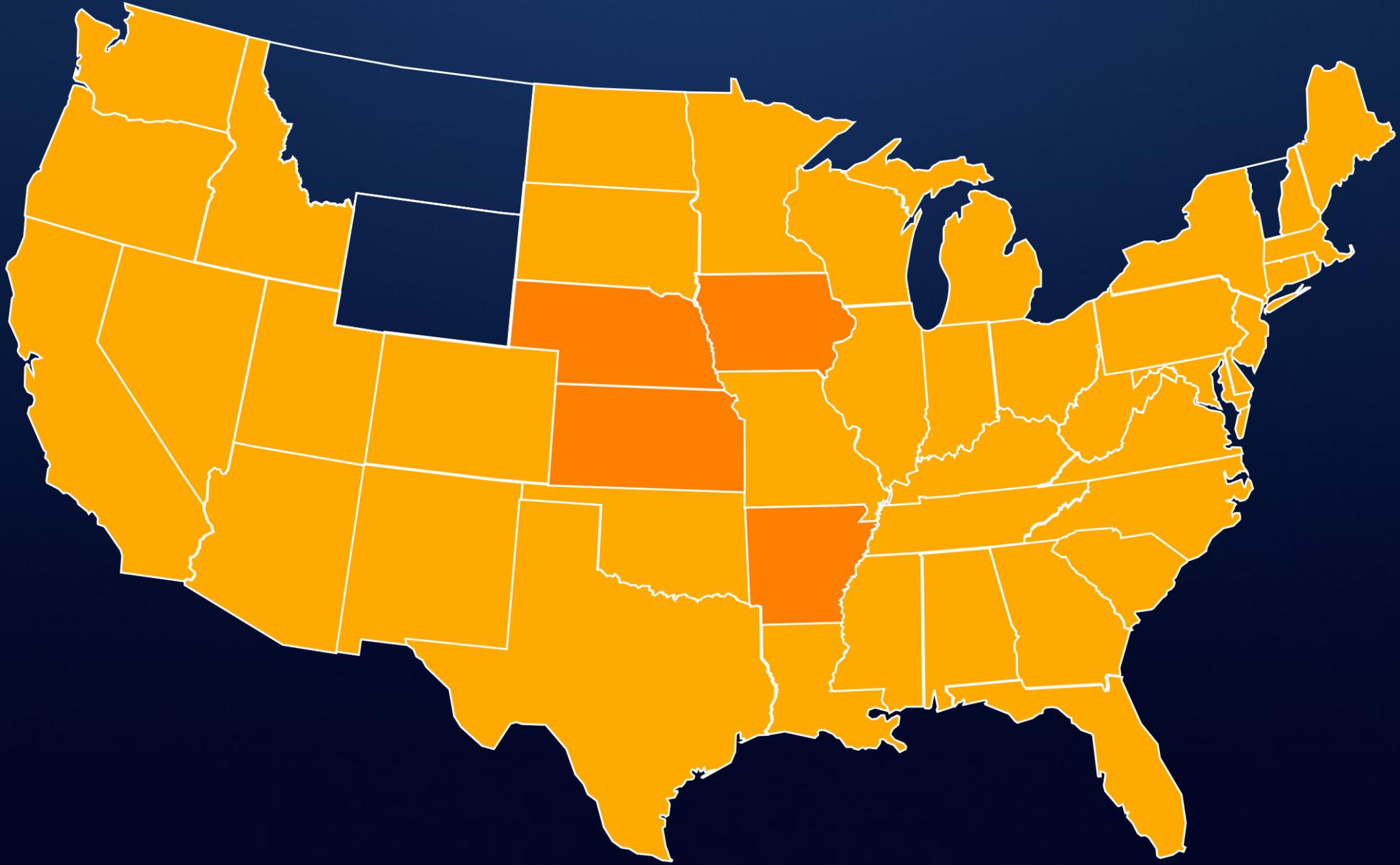


Economic Output



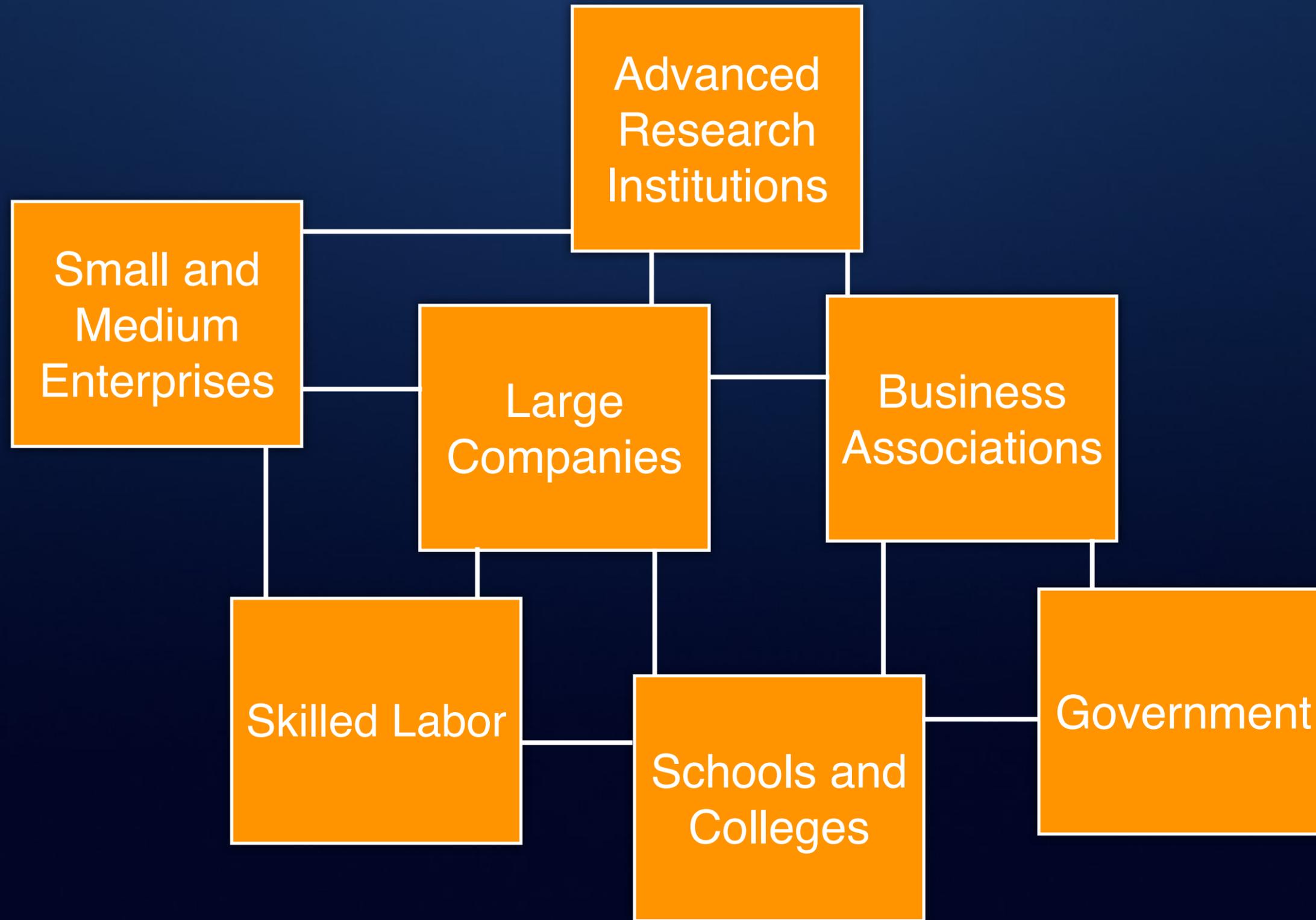
Source: Brookings analysis of US Bureau of Economic Analysis data

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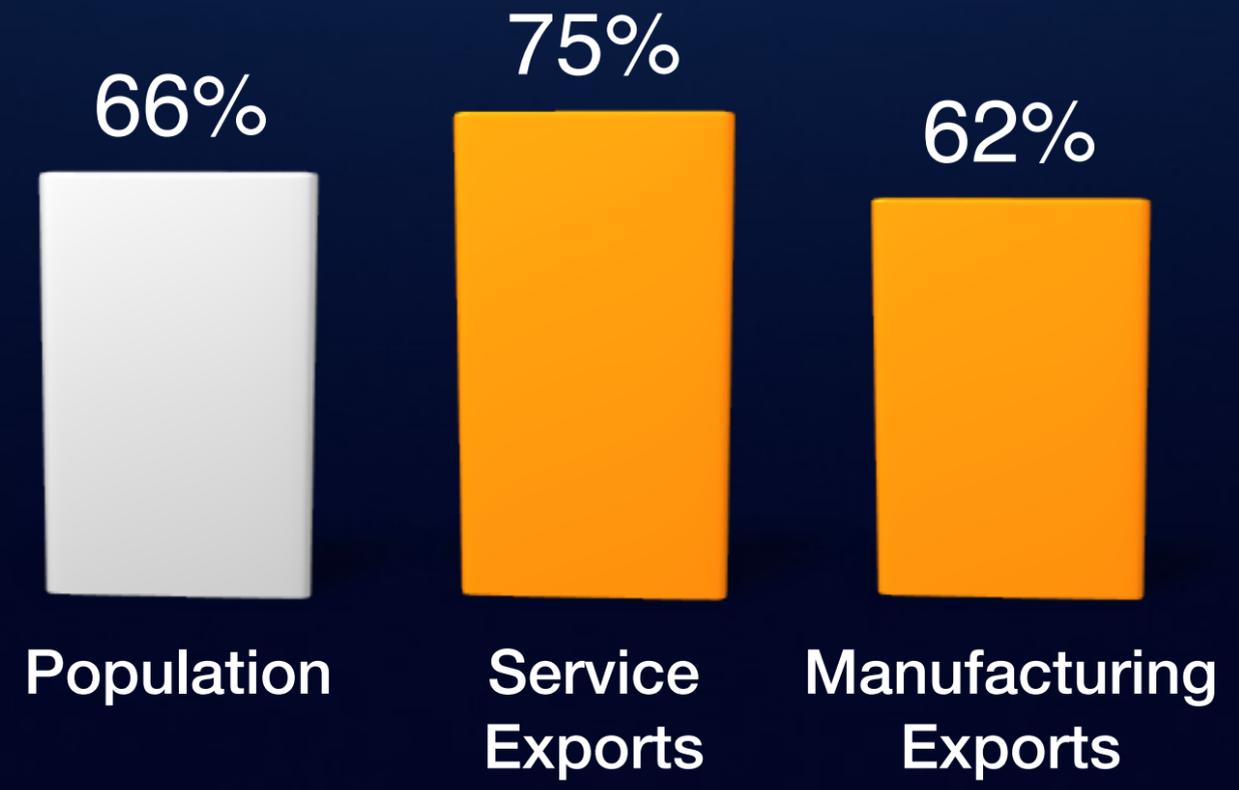
Source: Brookings analysis of US Bureau of Economic Analysis data

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Top 100 Metro Exports

Share of U.S. Totals



Top 100 Metro Exports

Share of U.S. Totals



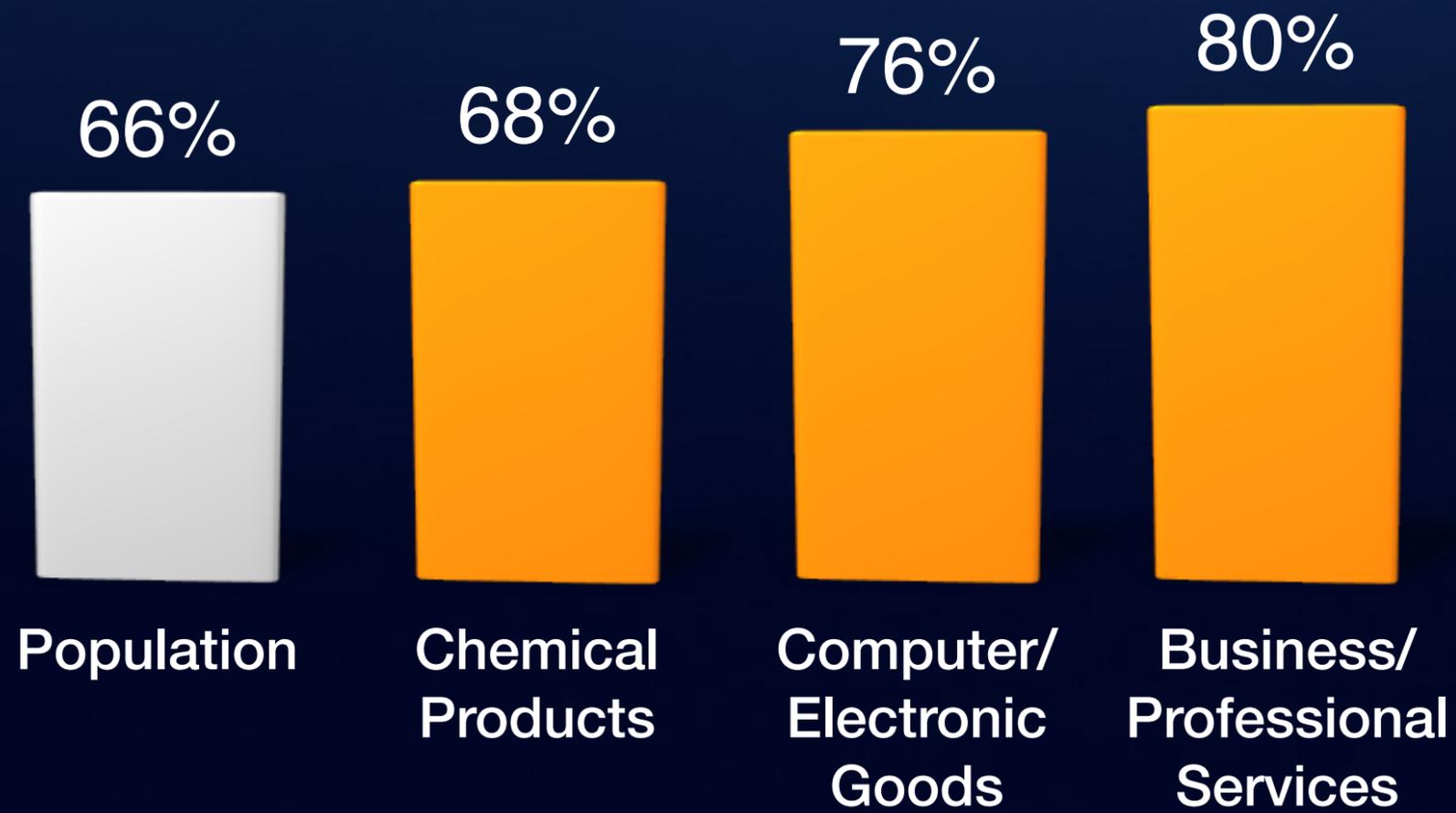
Top 100 Metro Exports

Share of U.S. Totals



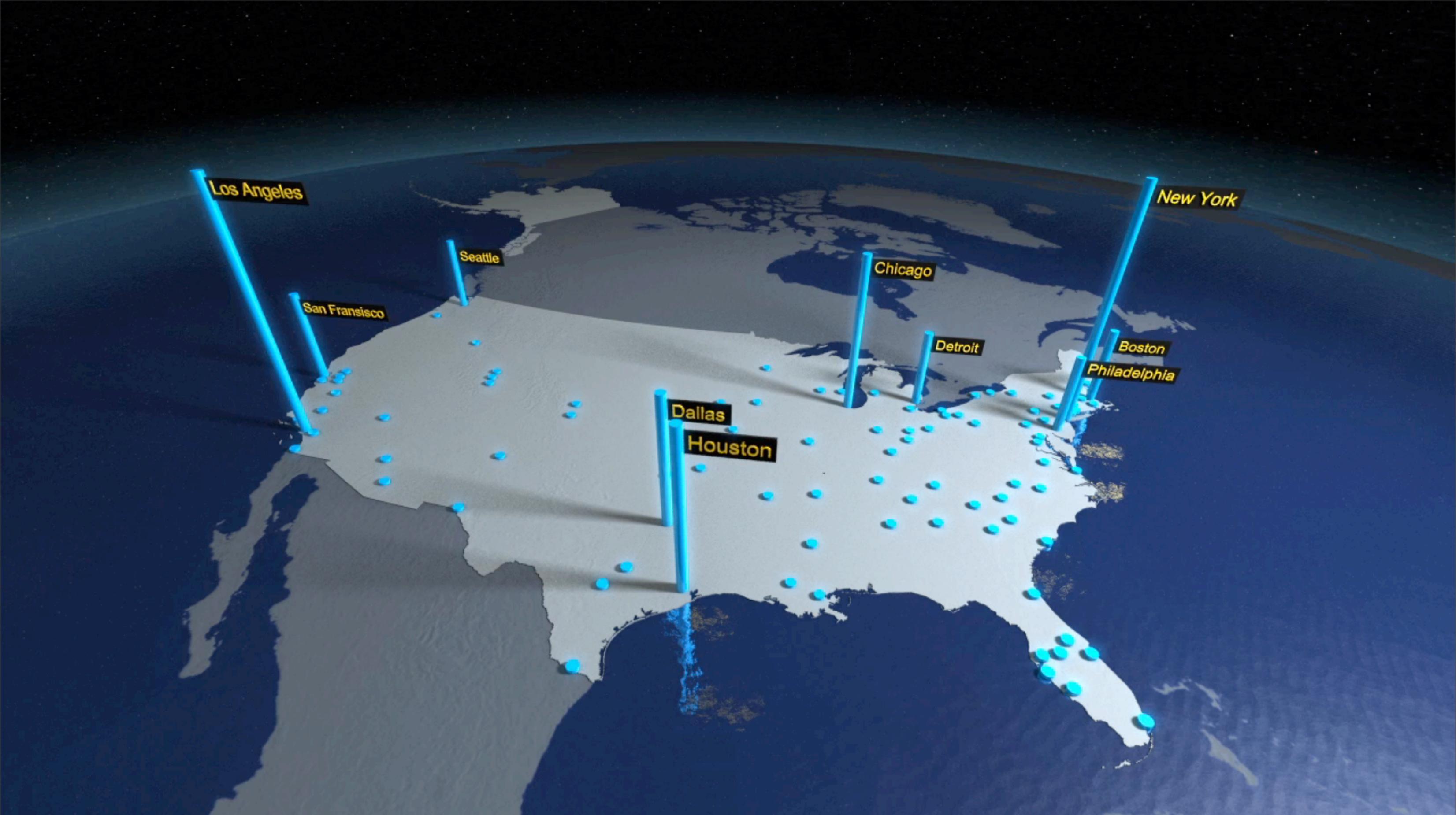
Top 100 Metro Exports

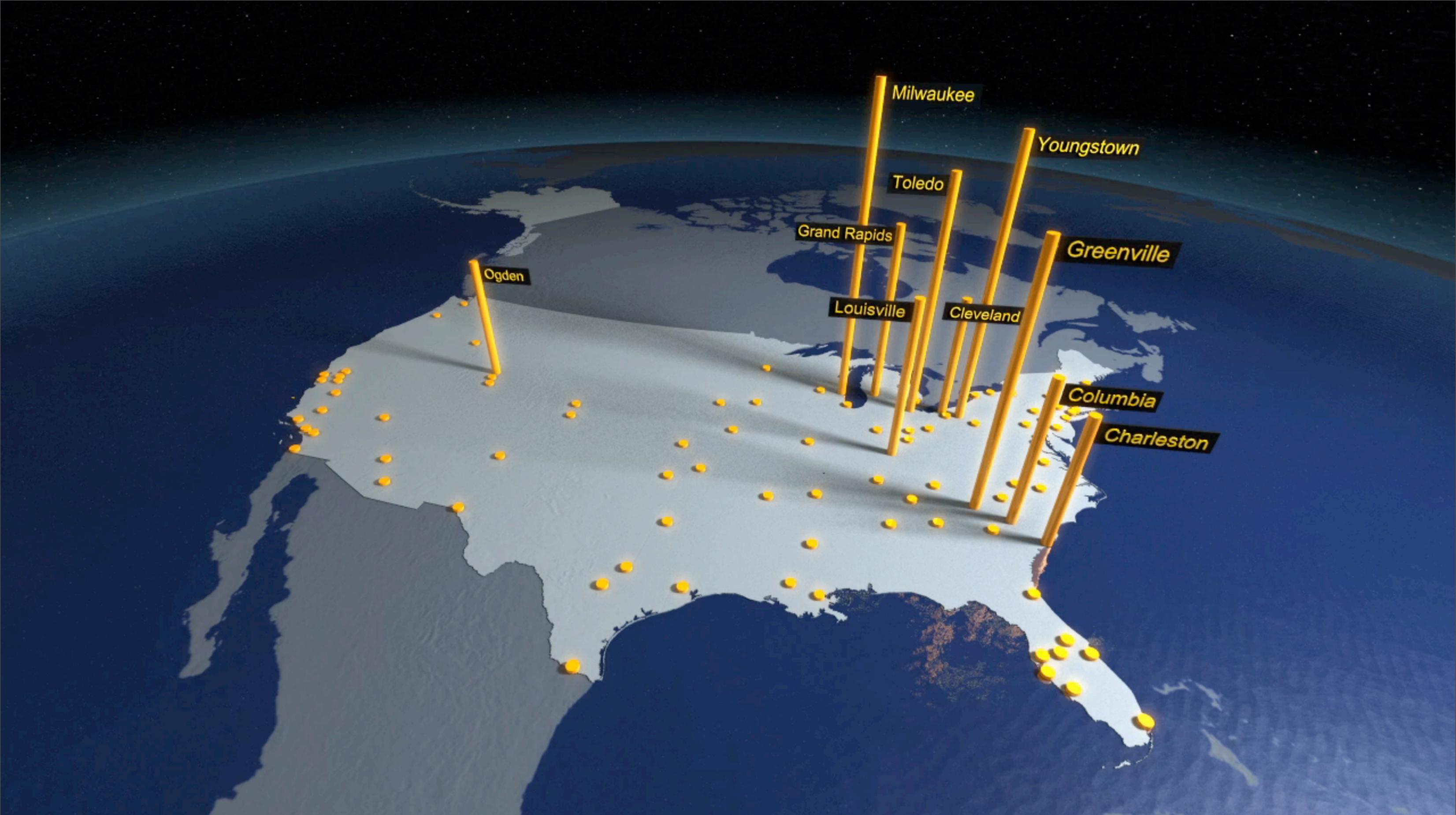
Share of U.S. Totals











Top 100 Metro Trade Logistics

Share of U.S. Totals

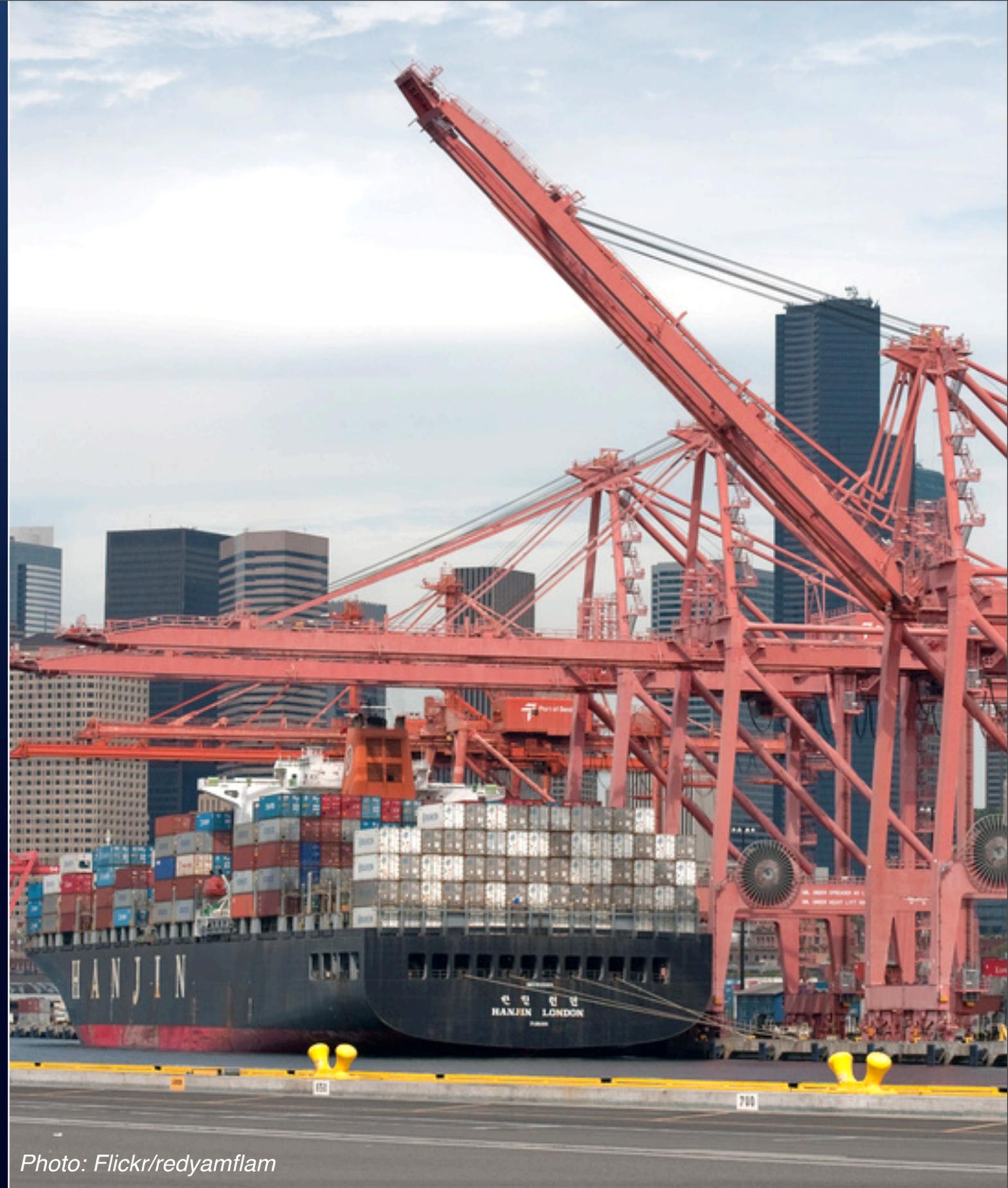
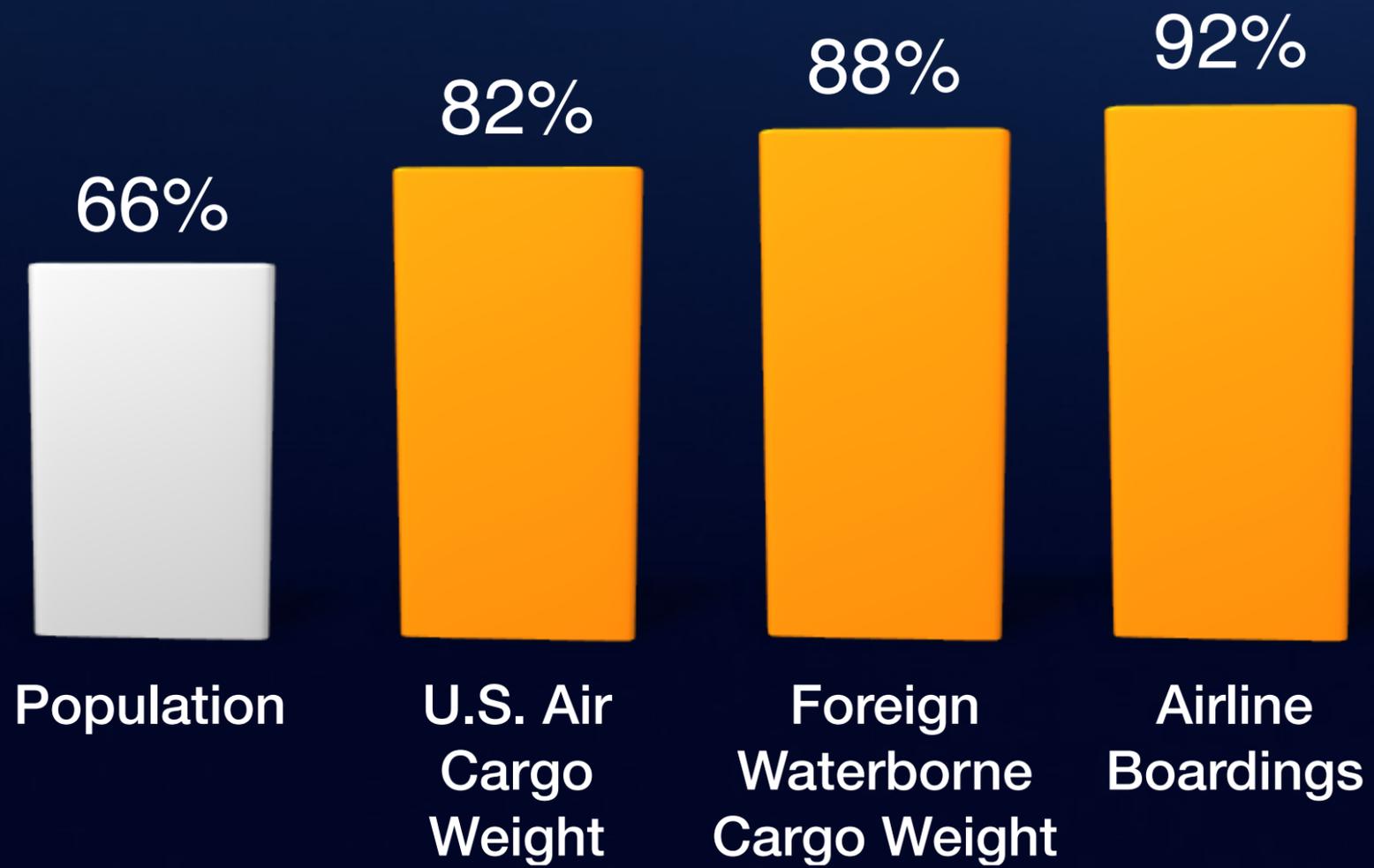


Photo: Flickr/redyamflam

Source: Brookings analysis of US Census Bureau, FAA, and PIERS data (2009)

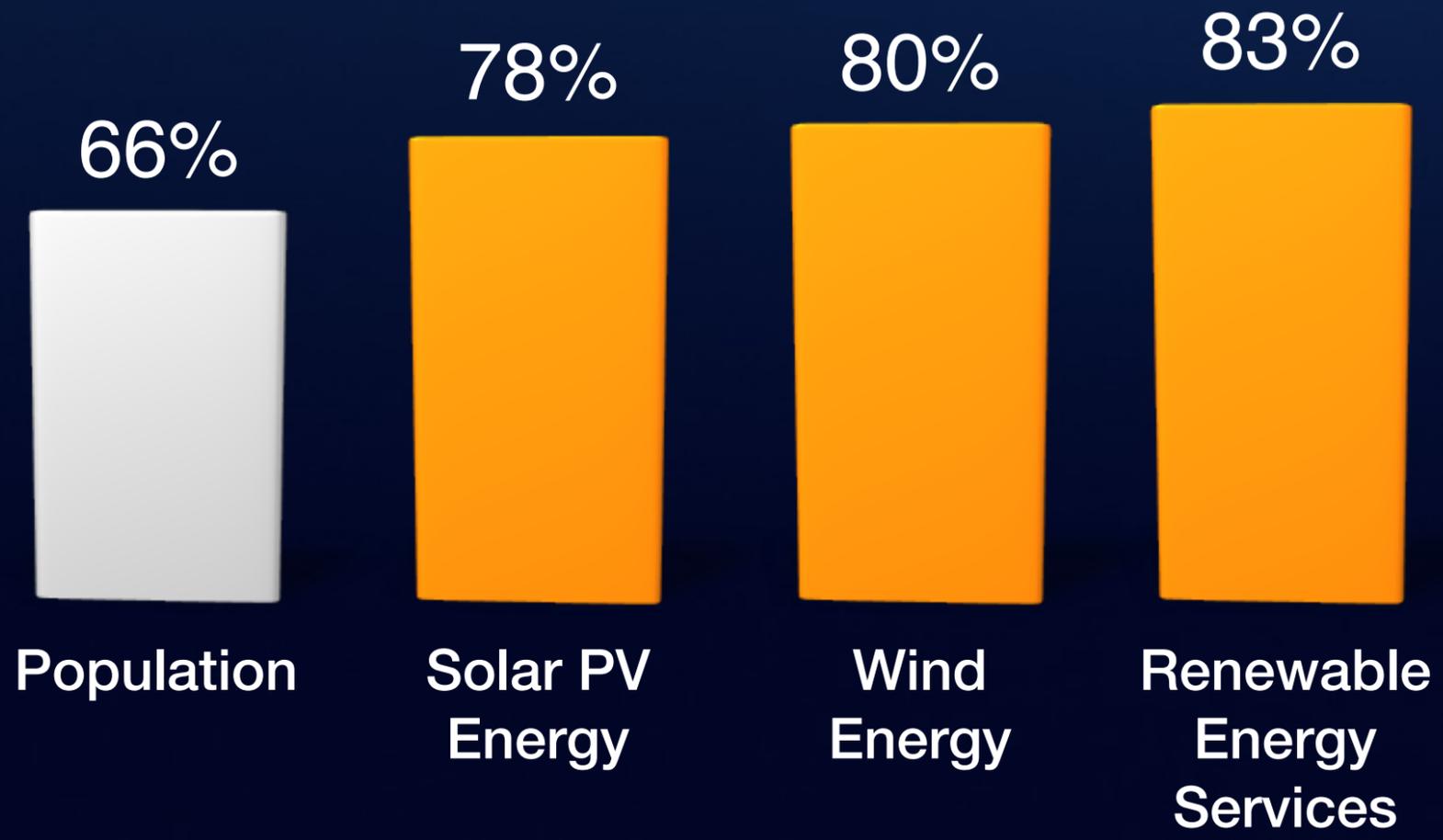
66%



Population

Top 100 Metro Clean Economy Employment

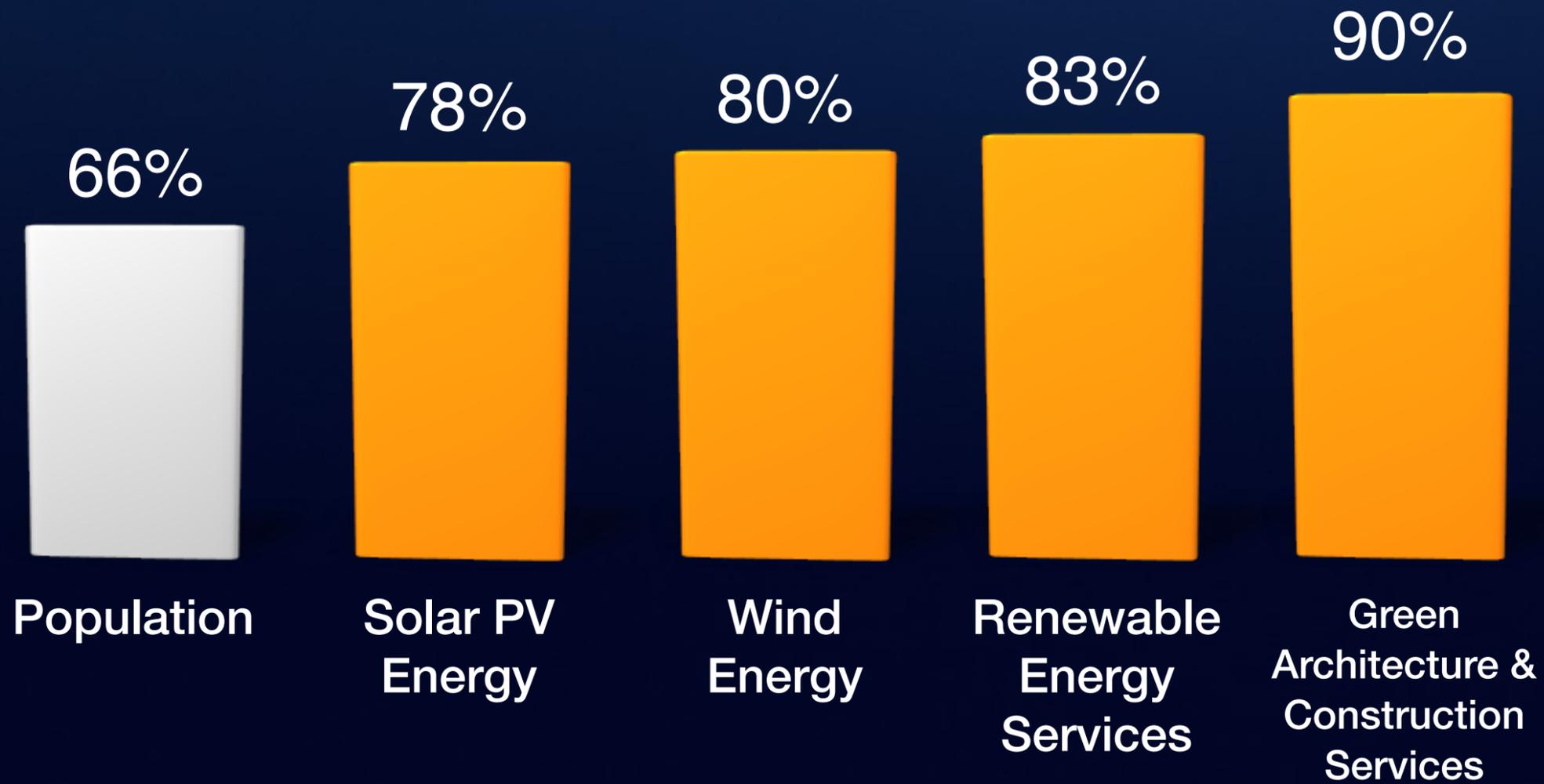
Share of U.S. Totals



Source: Brookings, "Sizing the Clean Economy" (2011)

Top 100 Metro Clean Economy Employment

Share of U.S. Totals



66%



Population

Top 100 Metro Innovative Assets

Share of U.S. Totals

66%

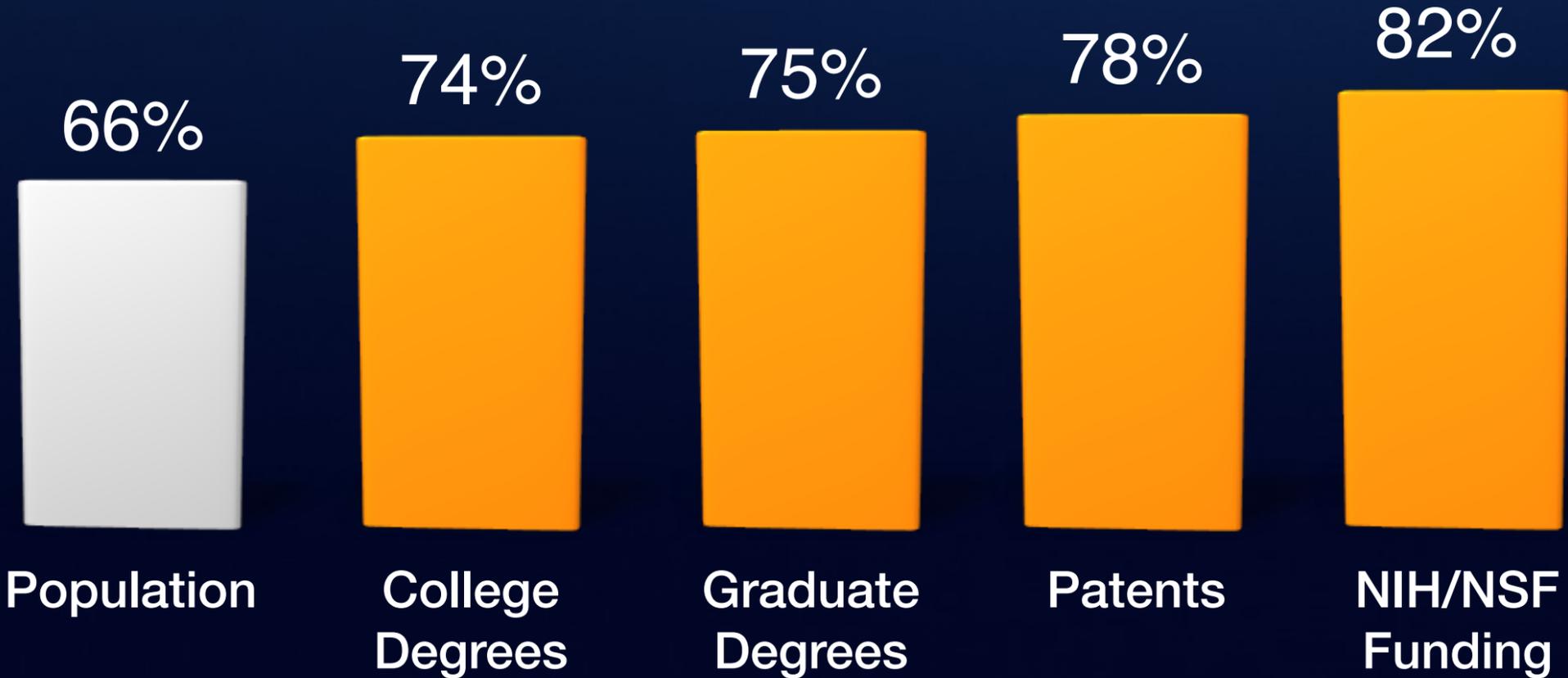


Population



Top 100 Metro Innovative Assets

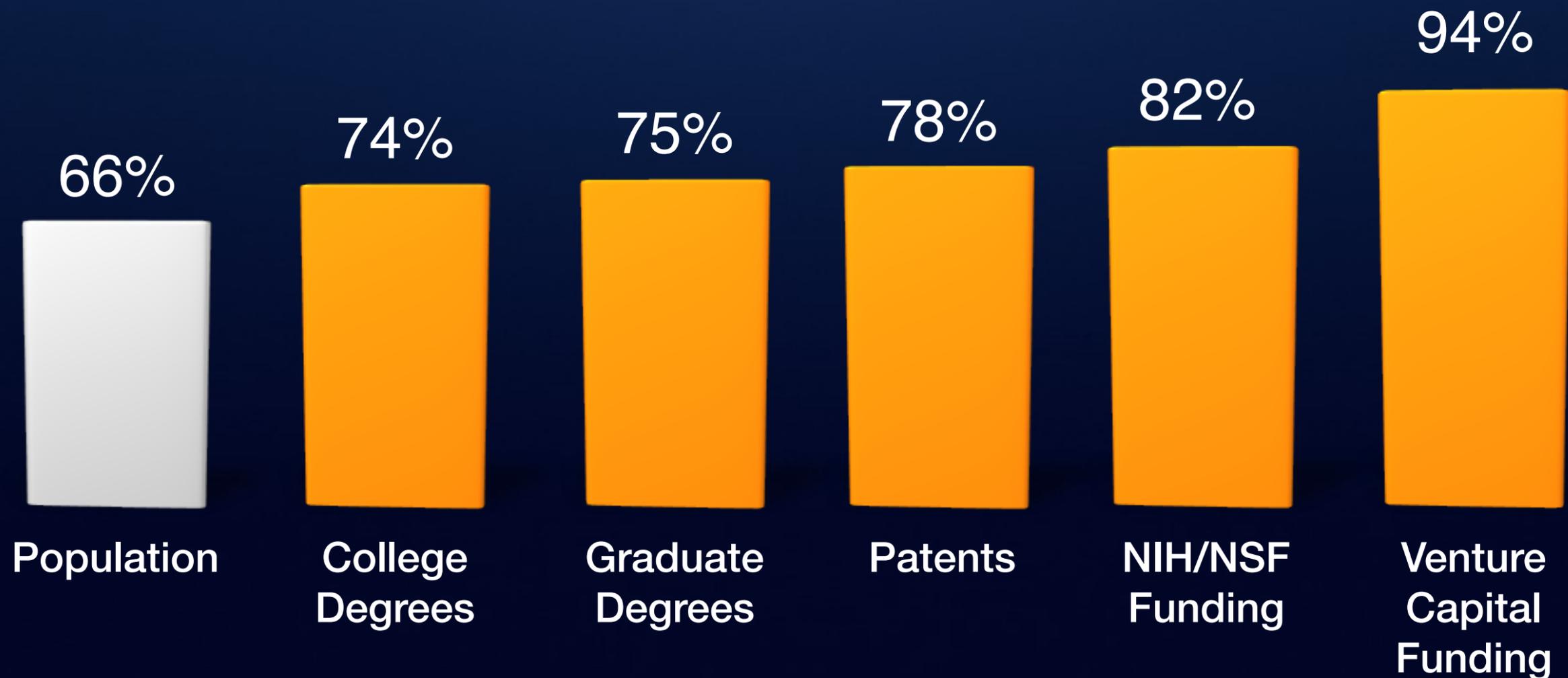
Share of U.S. Totals



Source: Brookings analysis of US Census Bureau, BLS, BEA, NIH and NSF data

Top 100 Metro Innovative Assets

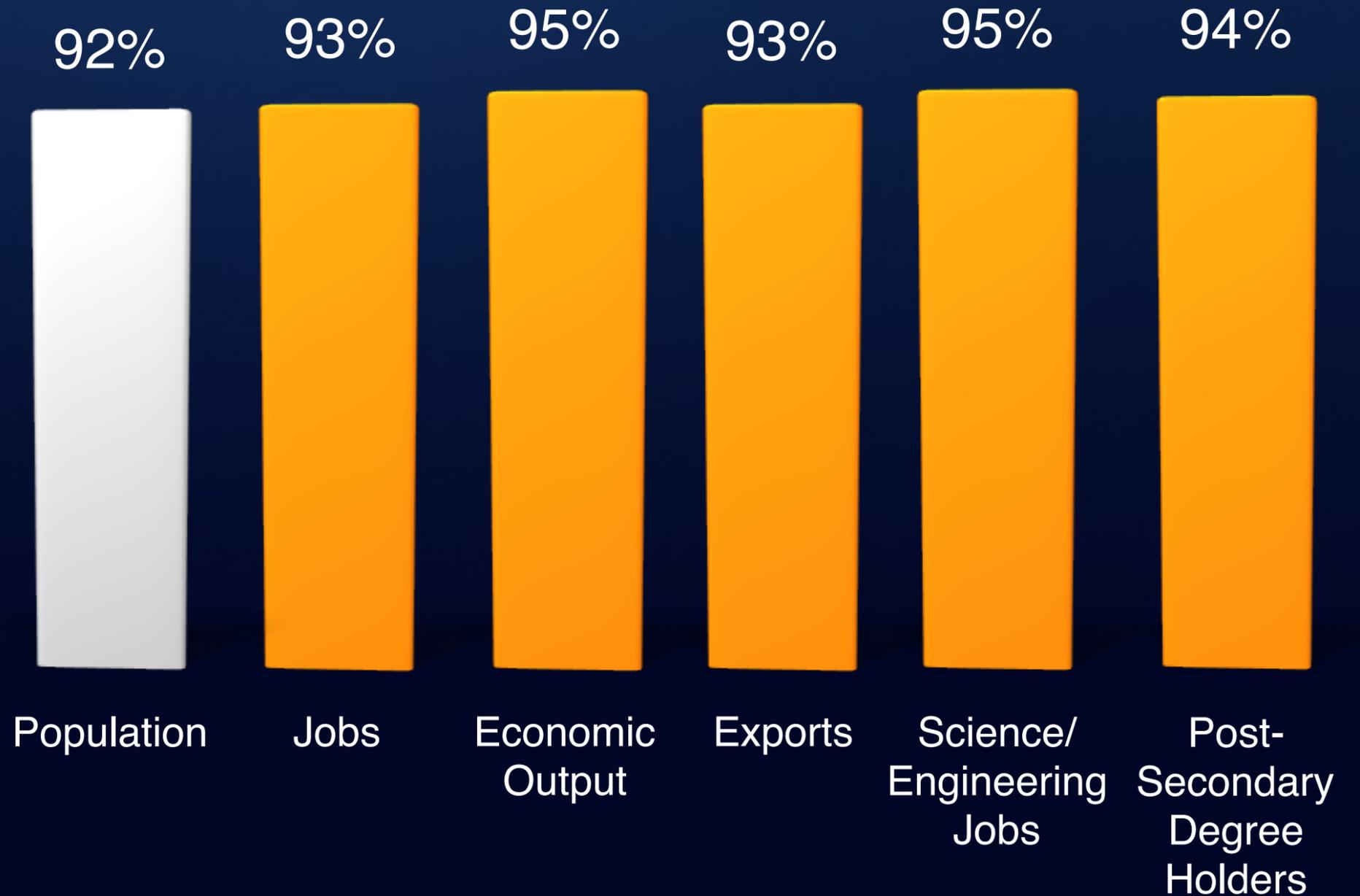
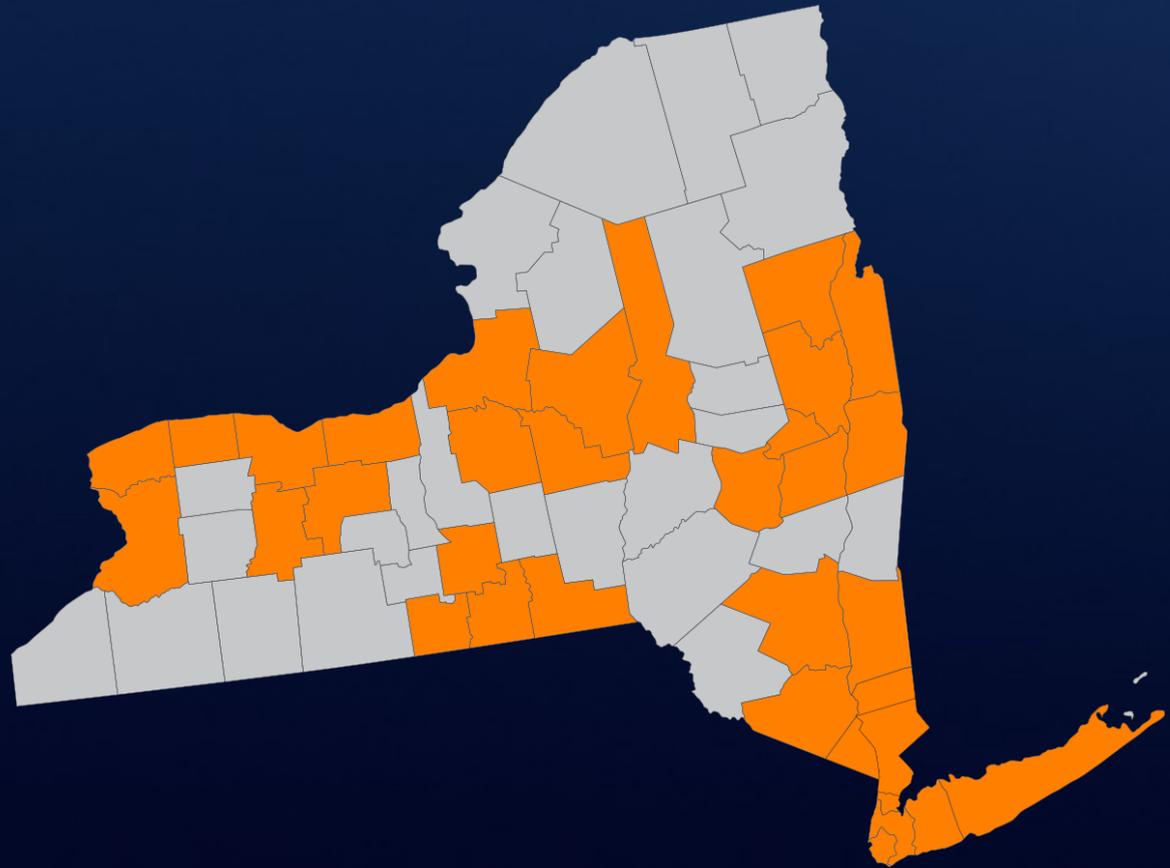
Share of U.S. Totals



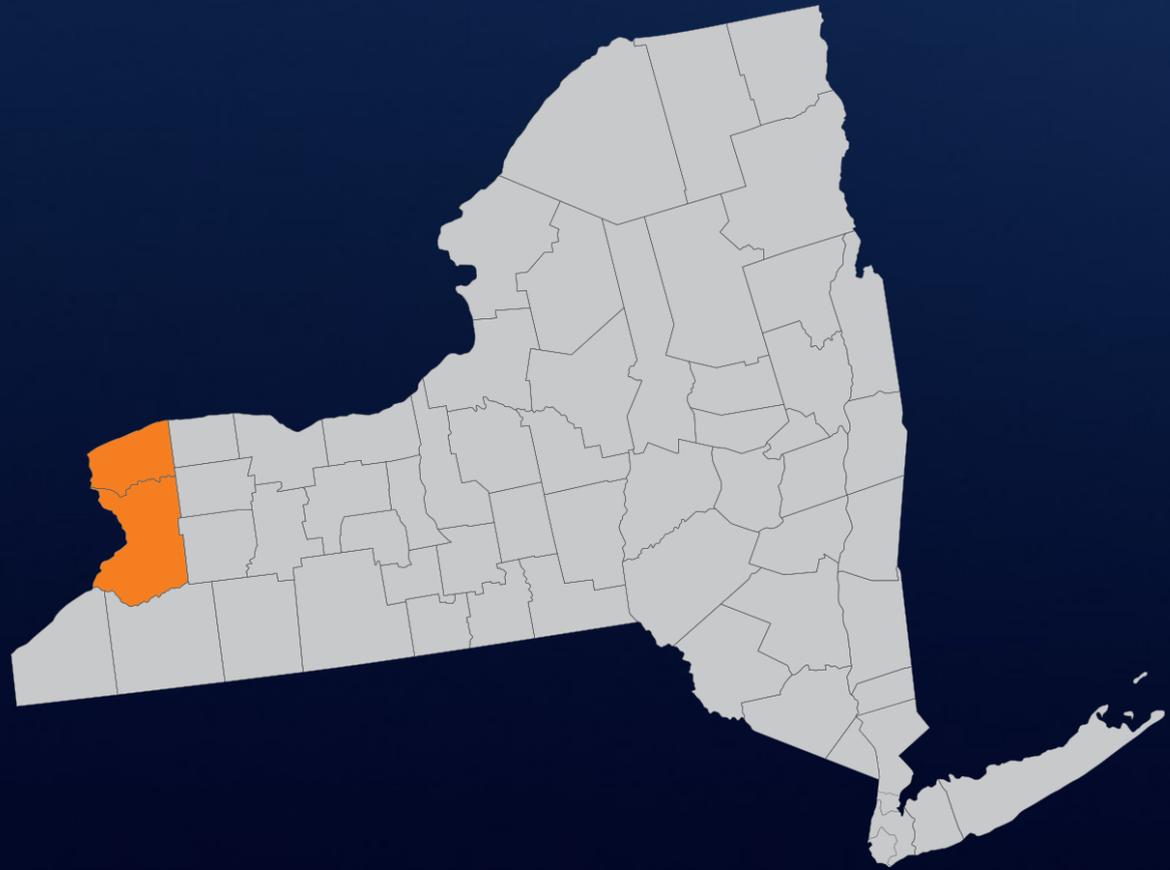
New York's Assets are Concentrated in its Metropolitan Areas

New York's Assets are Concentrated in its Metropolitan Areas

New York's 12 Metropolitan Areas *Share of State Totals*

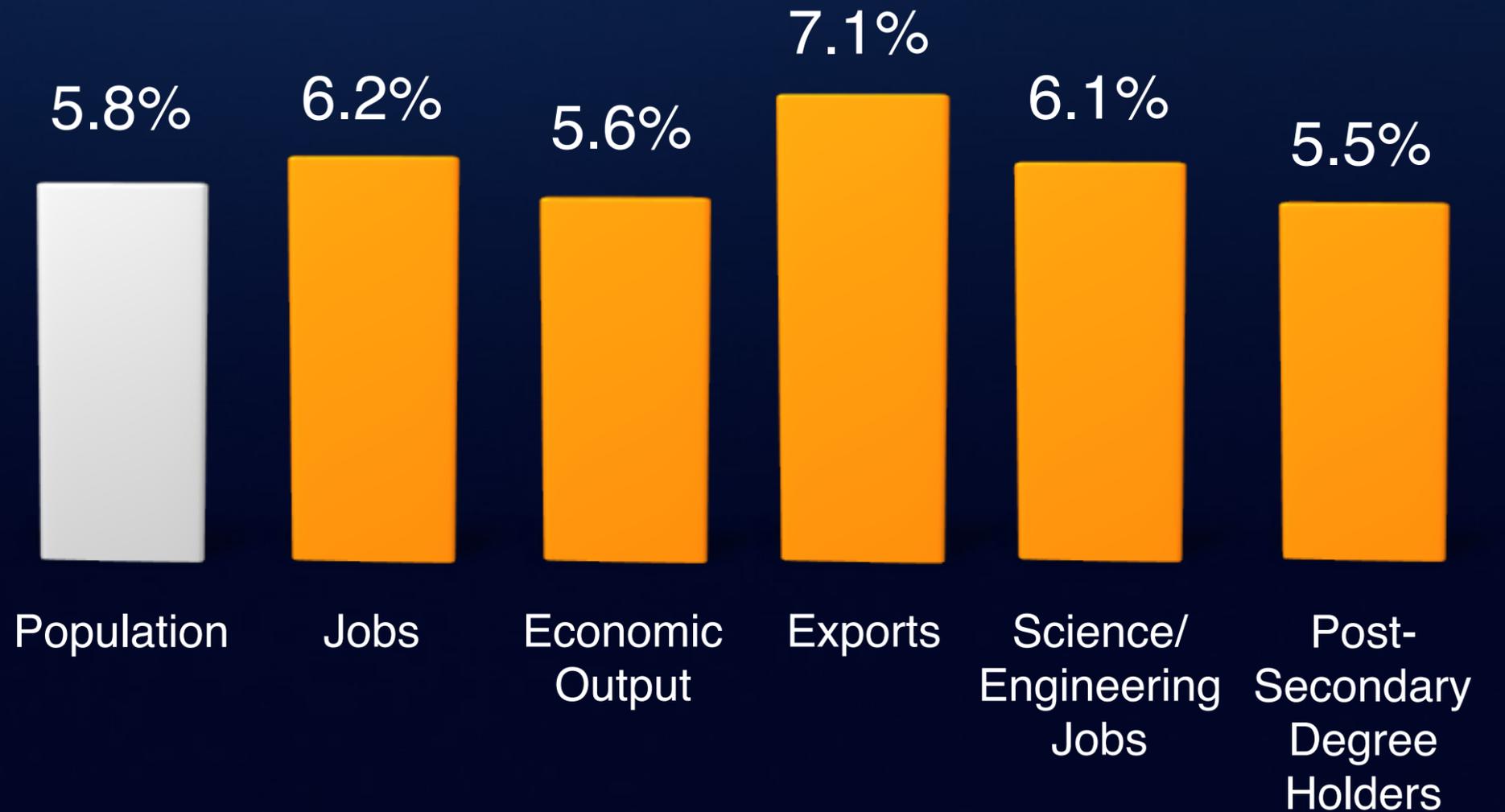
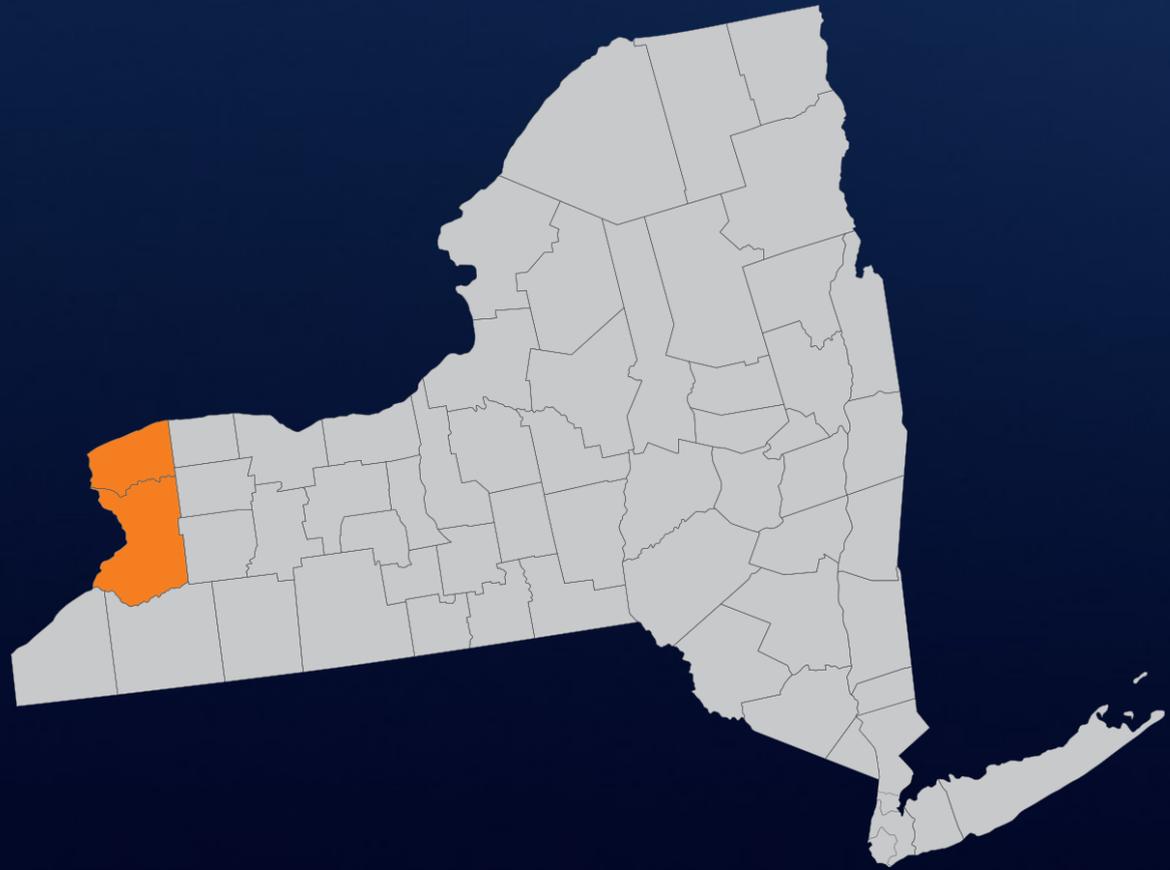


New York's Assets are Concentrated in its Metropolitan Areas

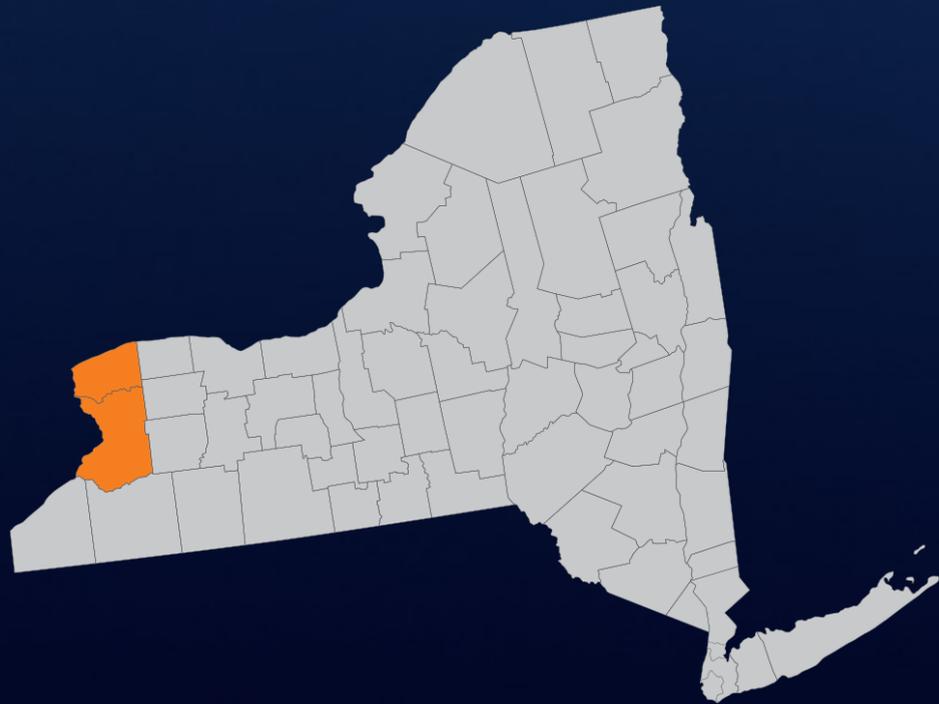


New York's Assets are Concentrated in its Metropolitan Areas

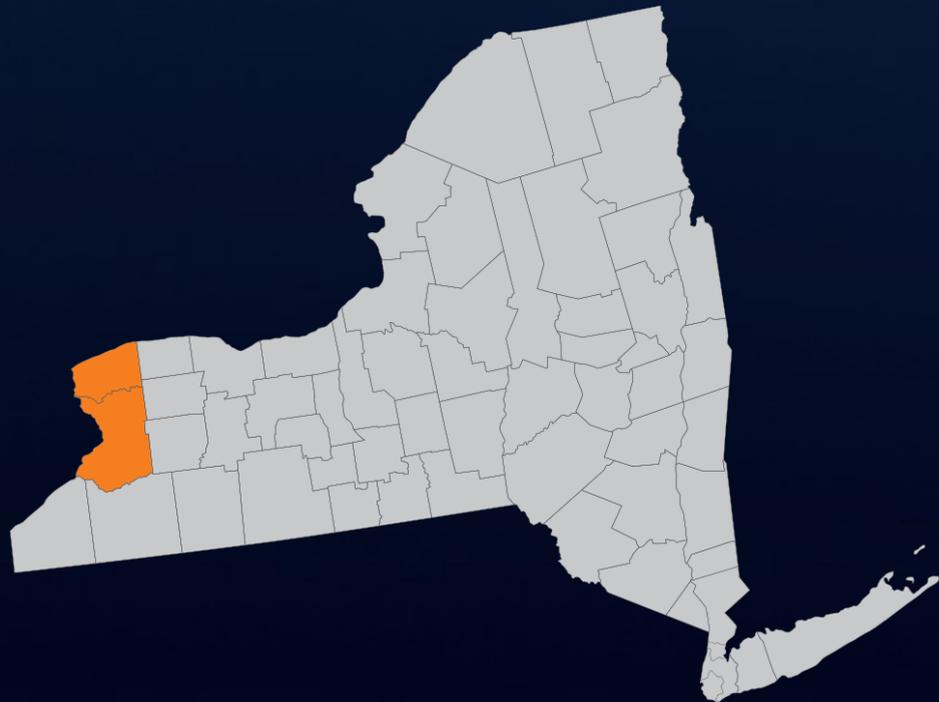
Buffalo-Niagara Falls Metropolitan Area *Share of State Totals*



New York's Assets are Concentrated in its Metropolitan Areas



BUFFALO-NIAGARA FALLS METRO NEXT ECONOMY DASHBOARD

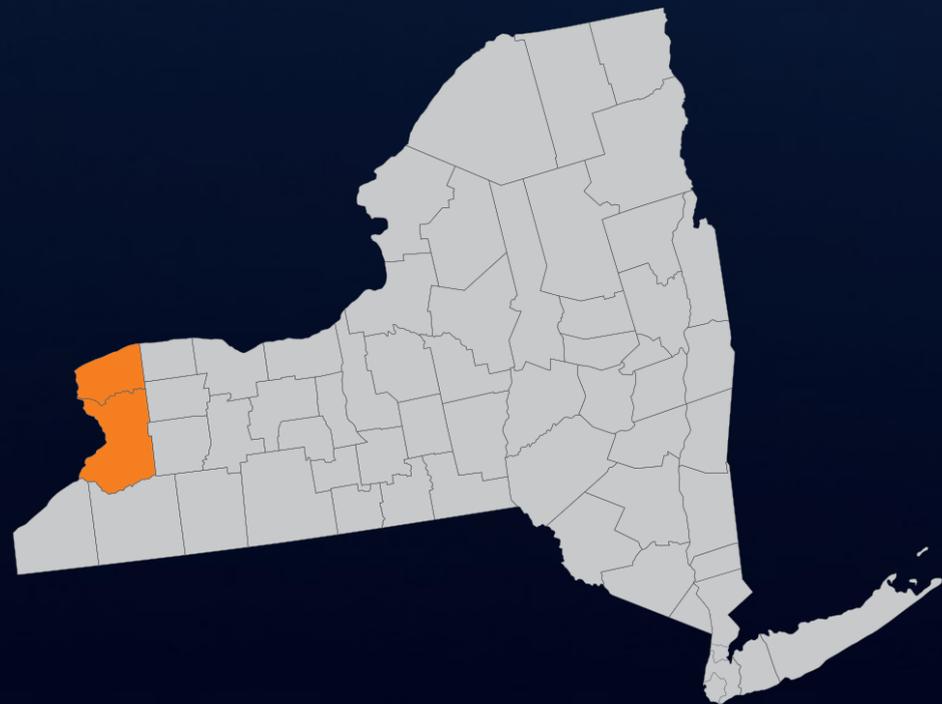


BUFFALO-NIAGARA FALLS METRO NEXT ECONOMY DASHBOARD



Export Composition

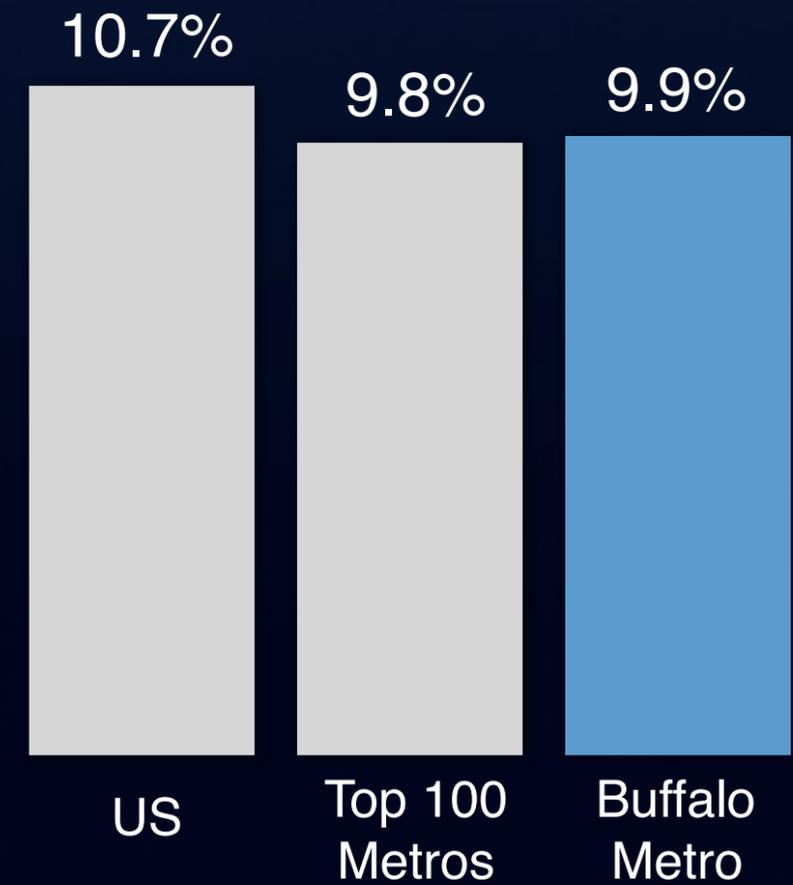
Buffalo - Niagara Falls, NY



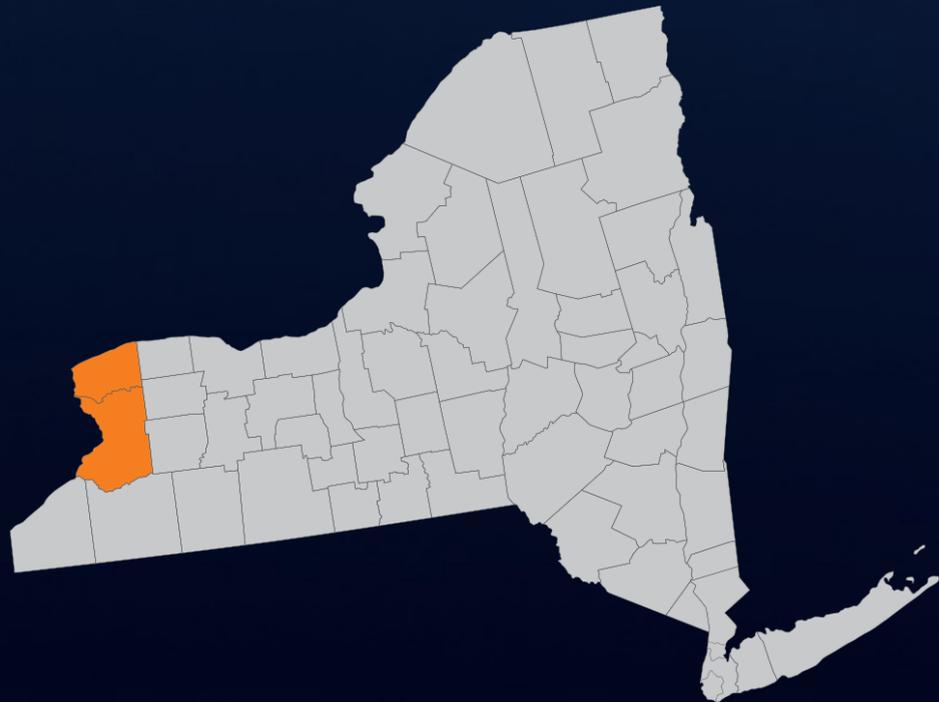
\$4.6 B
export volume (46th)

Top Sectors	% of Total
Chemicals	21.5%
Machinery	10.7%
Business Services	8.0%

Export Intensity (44th)



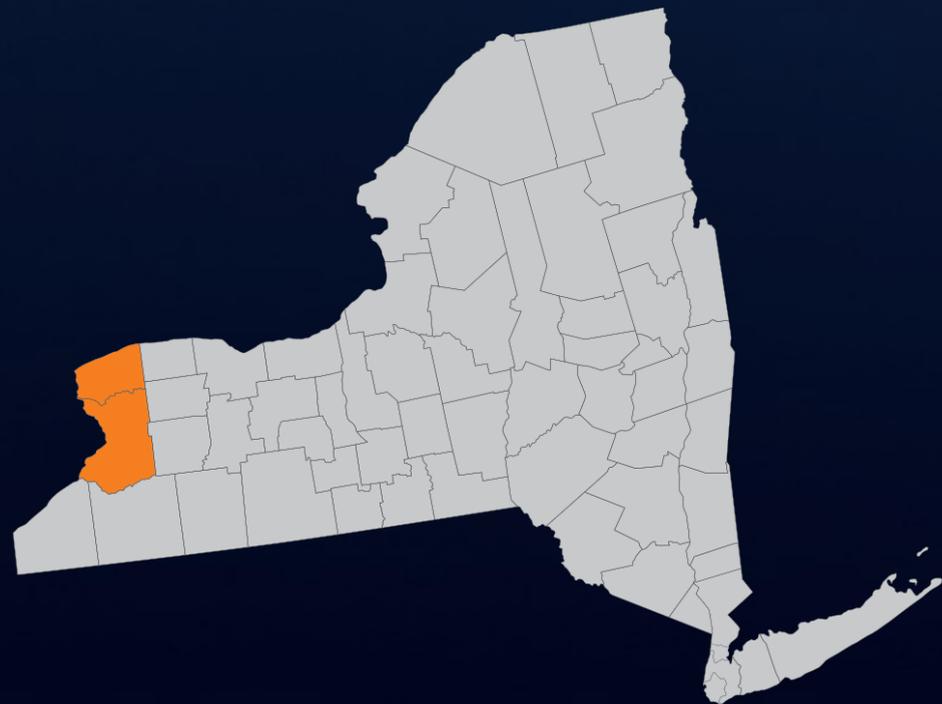
BUFFALO-NIAGARA FALLS METRO NEXT ECONOMY DASHBOARD



BUFFALO-NIAGARA FALLS METRO NEXT ECONOMY DASHBOARD



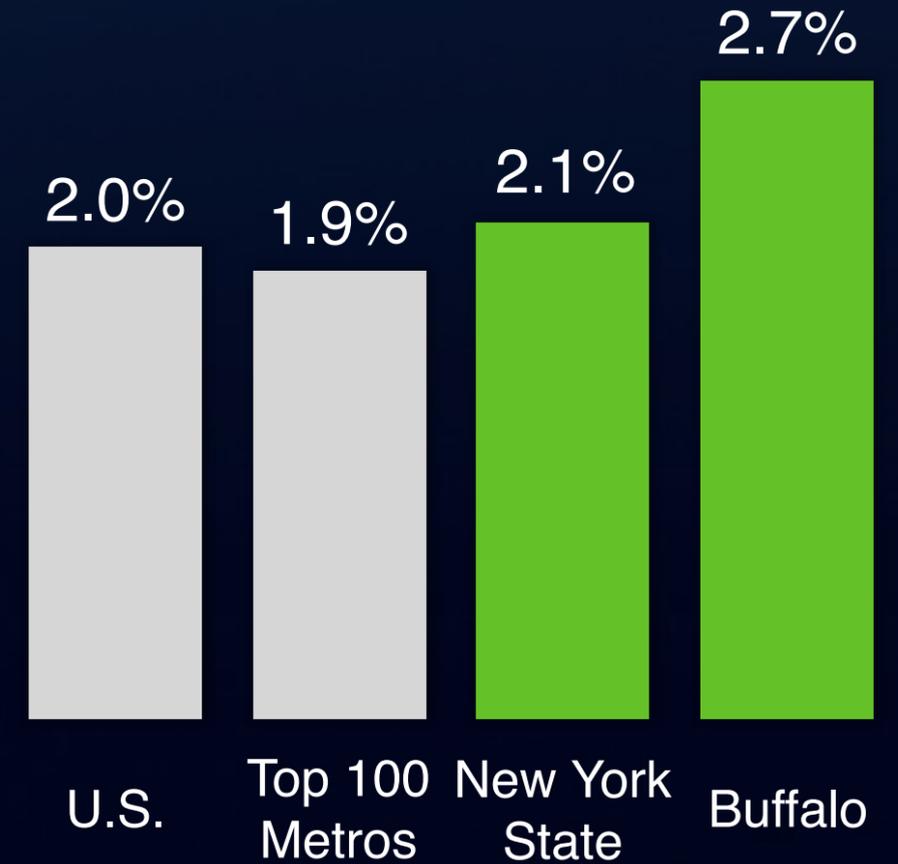
Low Carbon



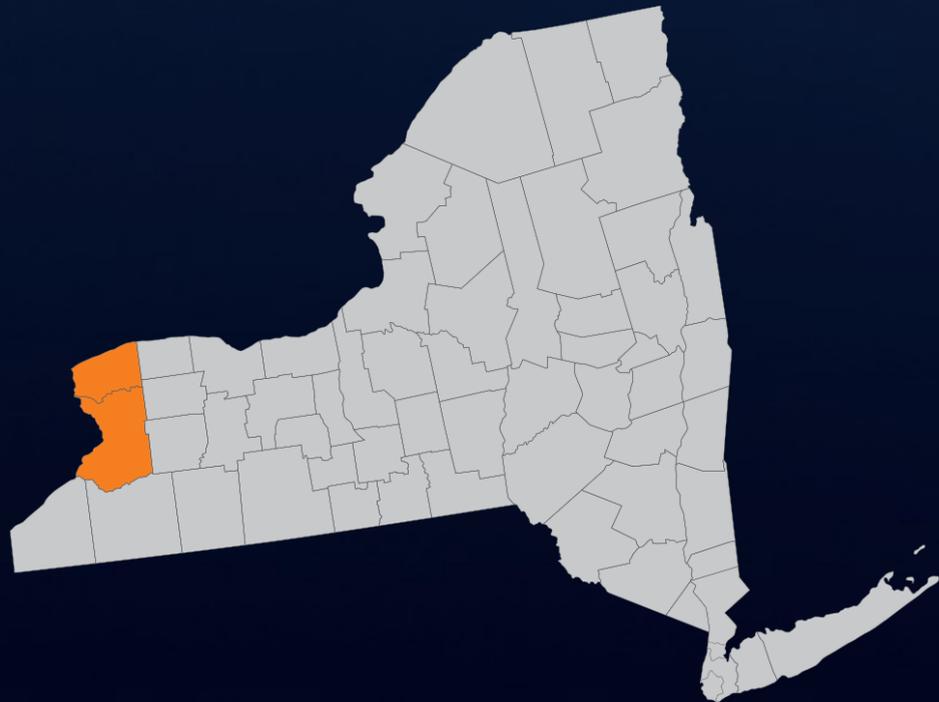
14,452
clean jobs (37th)

Top Sectors	LQ
Waste-to-Energy	6.8
Hydropower	6.4
Geothermal	4.6

Clean Employment Intensity (18th)



BUFFALO-NIAGARA FALLS METRO NEXT ECONOMY DASHBOARD

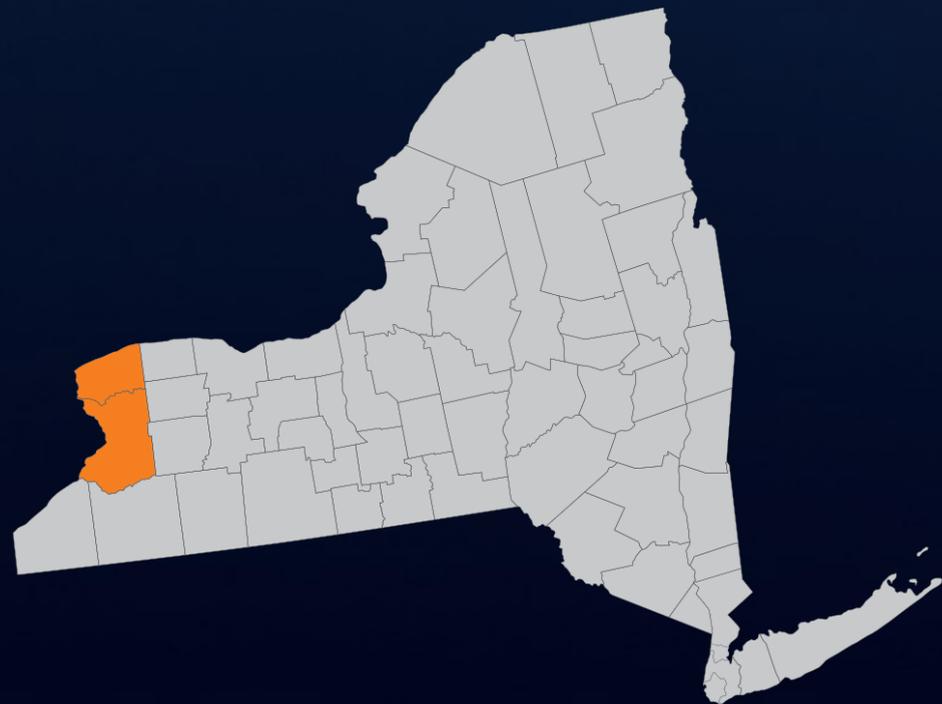


BUFFALO-NIAGARA FALLS METRO NEXT ECONOMY DASHBOARD

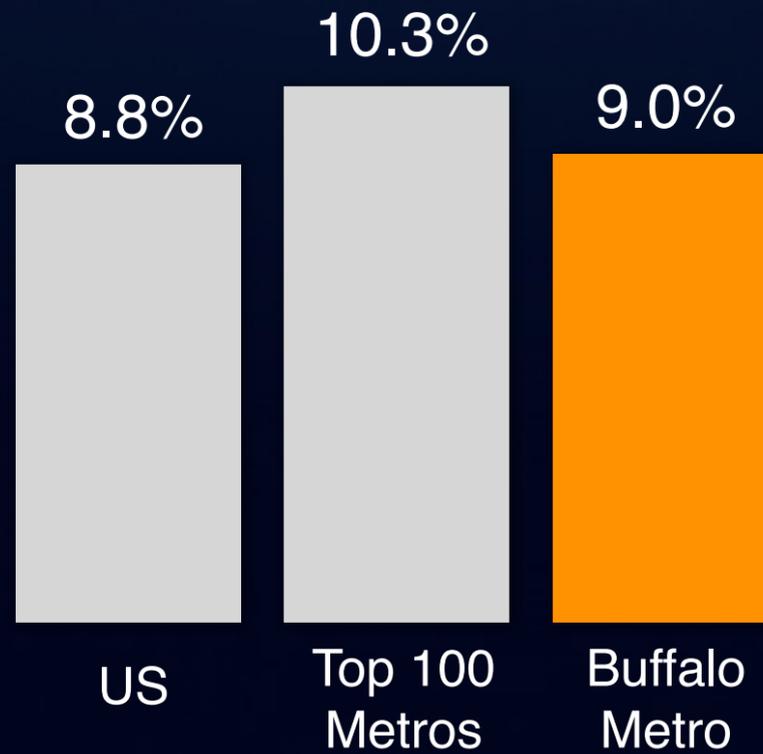


Innovative Capacity

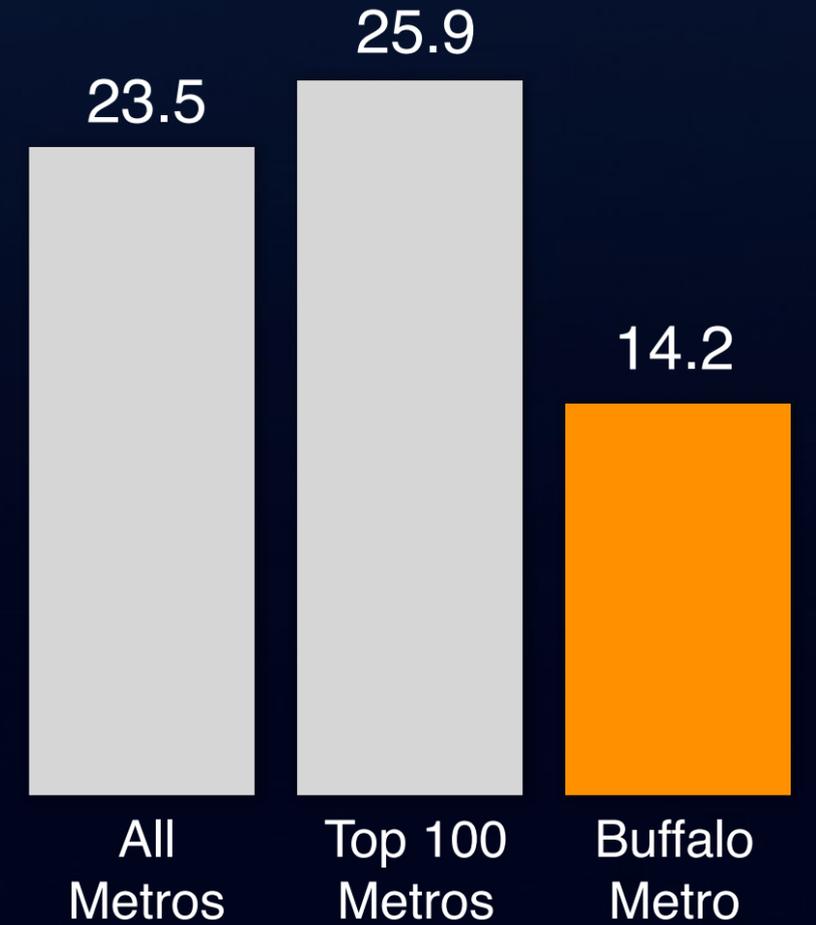
Buffalo - Niagara Falls, NY



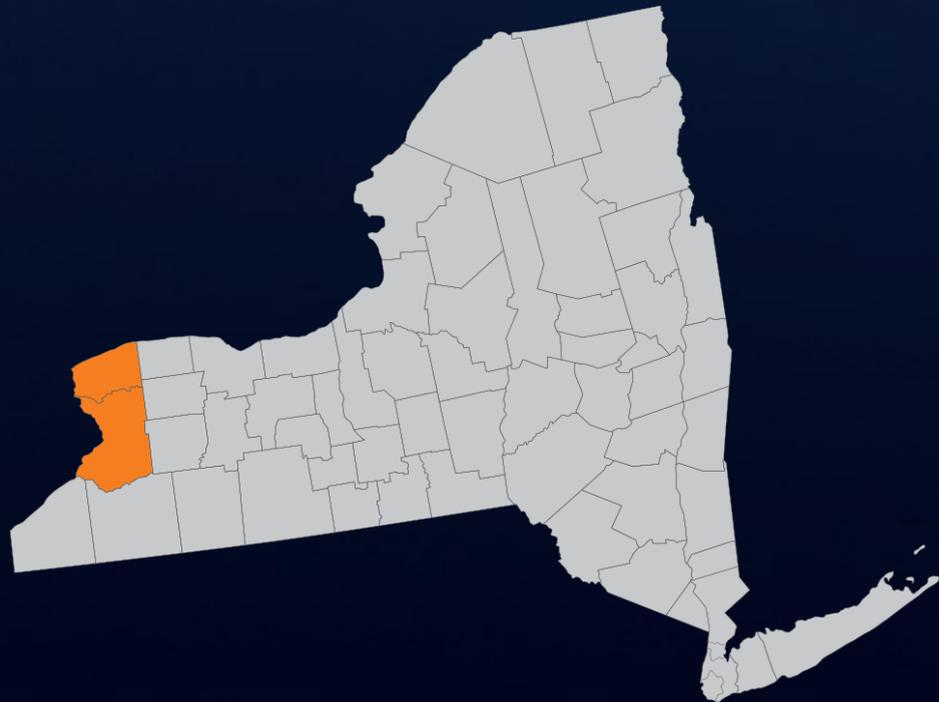
High-Tech Employment *Share of Total Employment (2010)*



Patent Applications *Per 1,000 Workers (2001-2010)*



BUFFALO-NIAGARA FALLS METRO NEXT ECONOMY DASHBOARD



BUFFALO-NIAGARA FALLS METRO NEXT ECONOMY DASHBOARD



Innovative Capacity

Buffalo - Niagara Falls, NY

\$57,080

Buffalo's average manufacturing wage

Top Manufacturing Sectors

Machinery Manufacturing

Motor Vehicle and Parts Manufacturing

Fabricated Metal Product Manufacturing

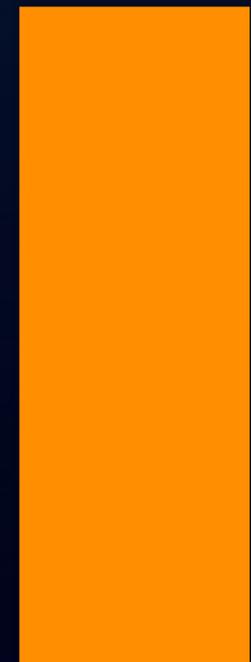
Manufacturing Employment *Share of Total Employment*

8.5%

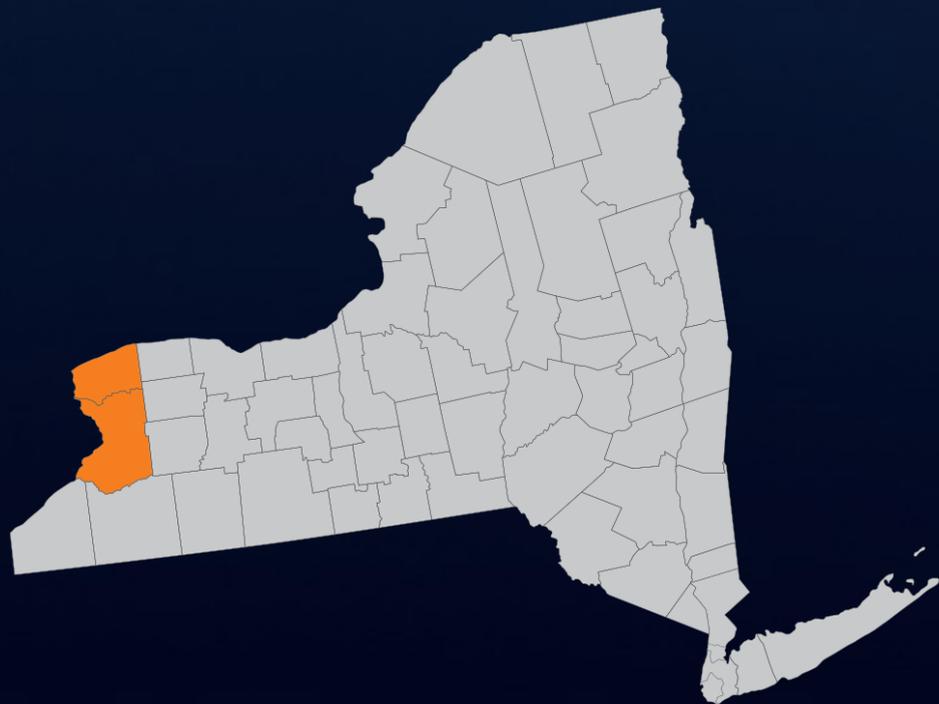


United States

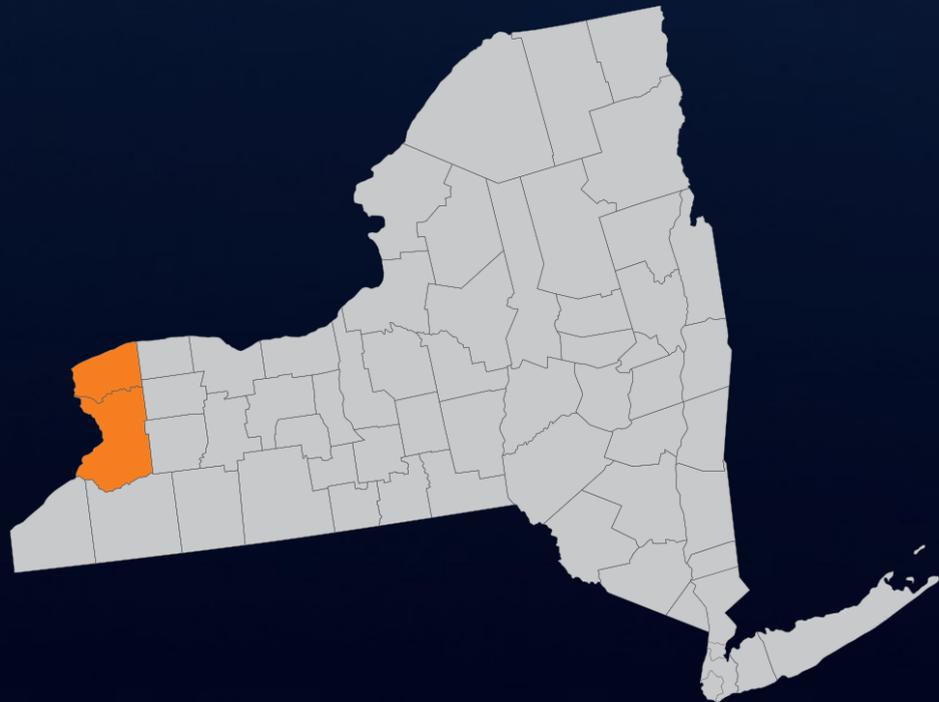
8.4%



Buffalo Metro



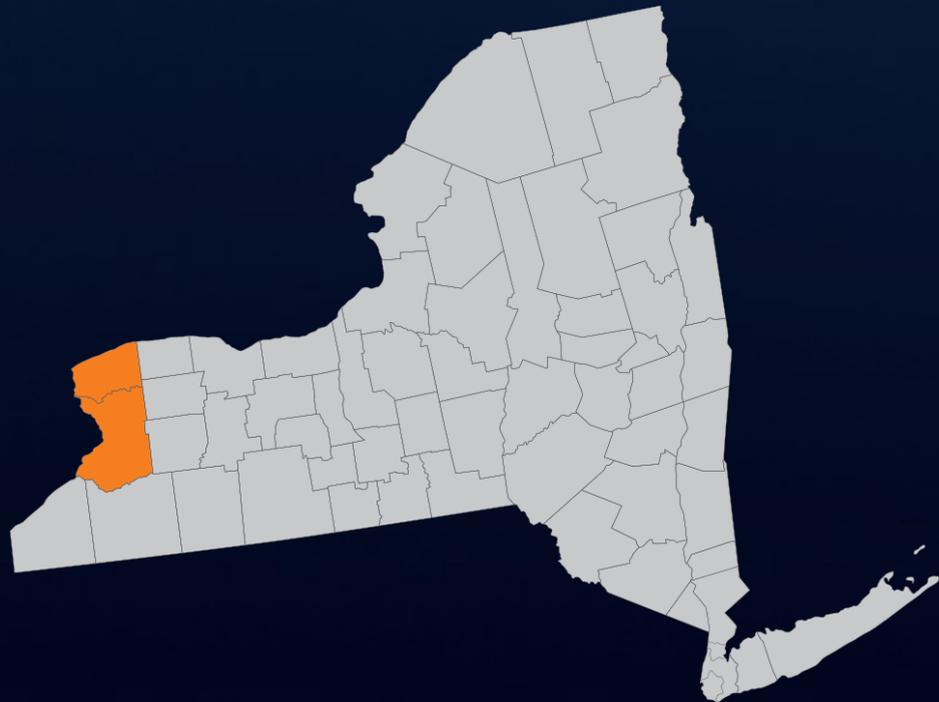
BUFFALO-NIAGARA FALLS METRO NEXT ECONOMY DASHBOARD



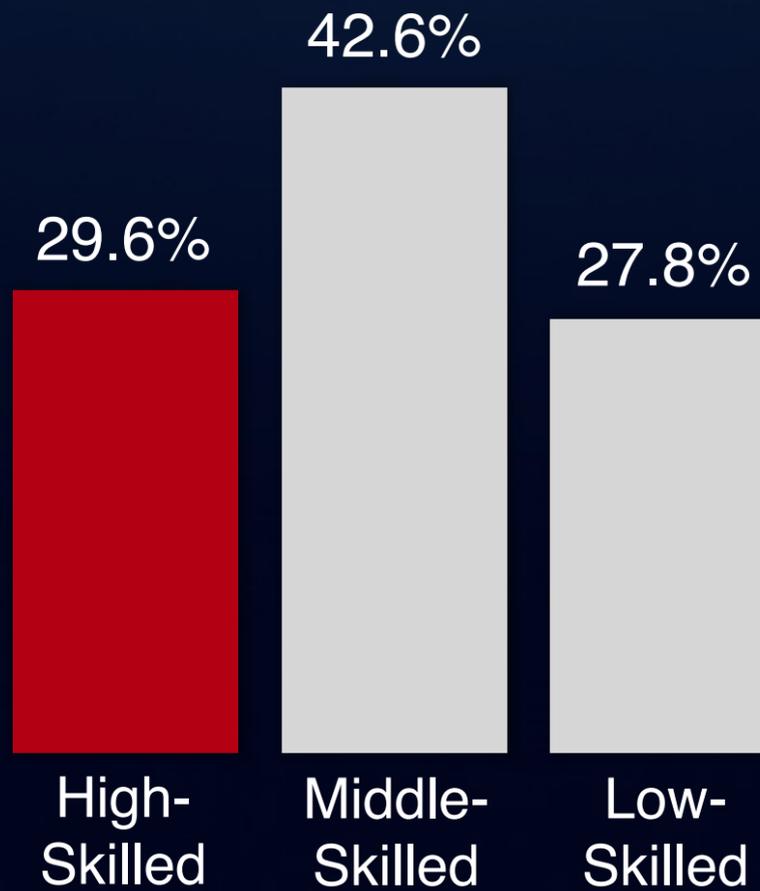
BUFFALO-NIAGARA FALLS METRO NEXT ECONOMY DASHBOARD



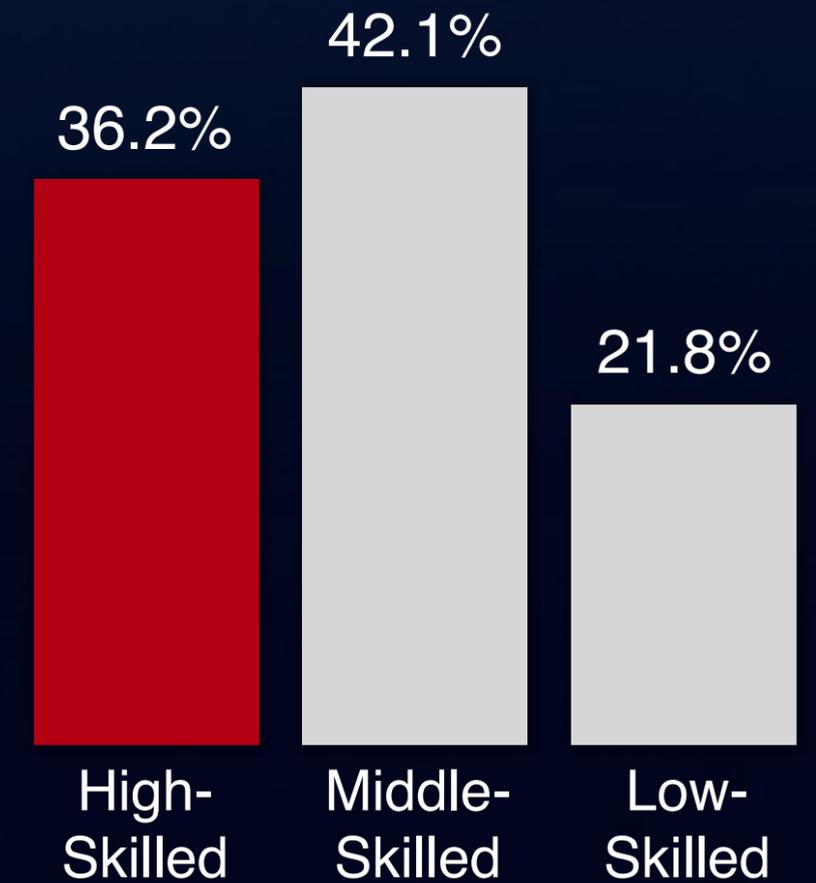
Skilled Immigrant Composition *Share of Total Immigrant Population* (2010)



United States

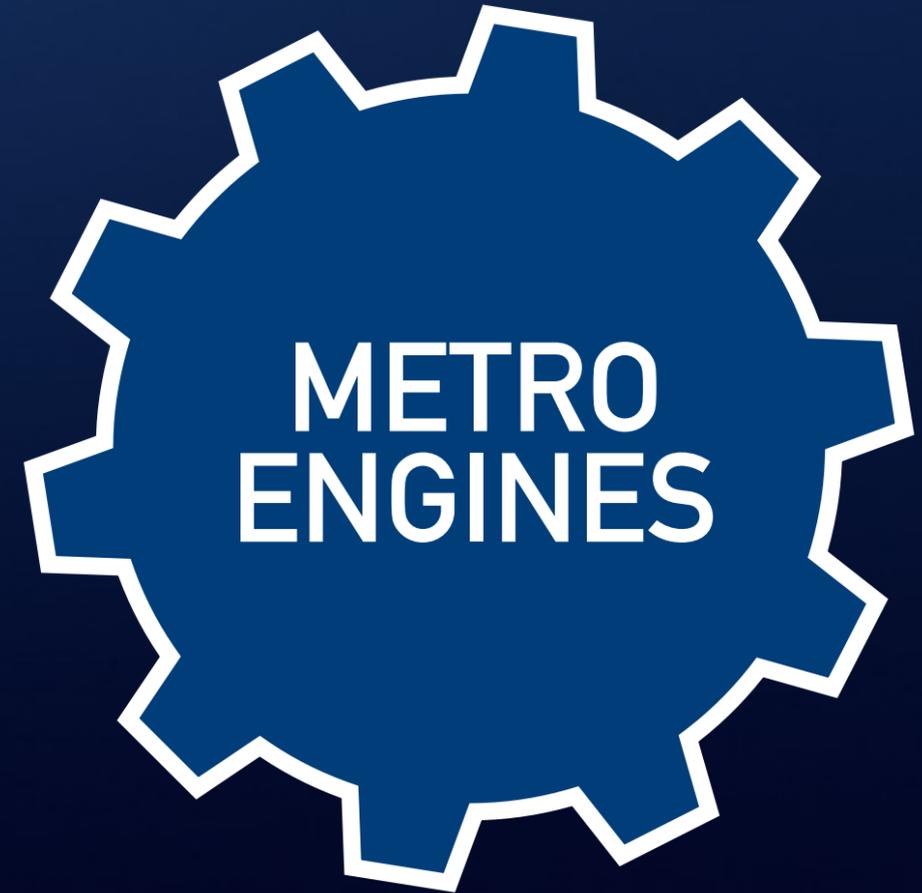


Buffalo-Niagara Falls, NY



1 2 3

3 We must build the next economy by unleashing America's metro engines



Innovate Locally



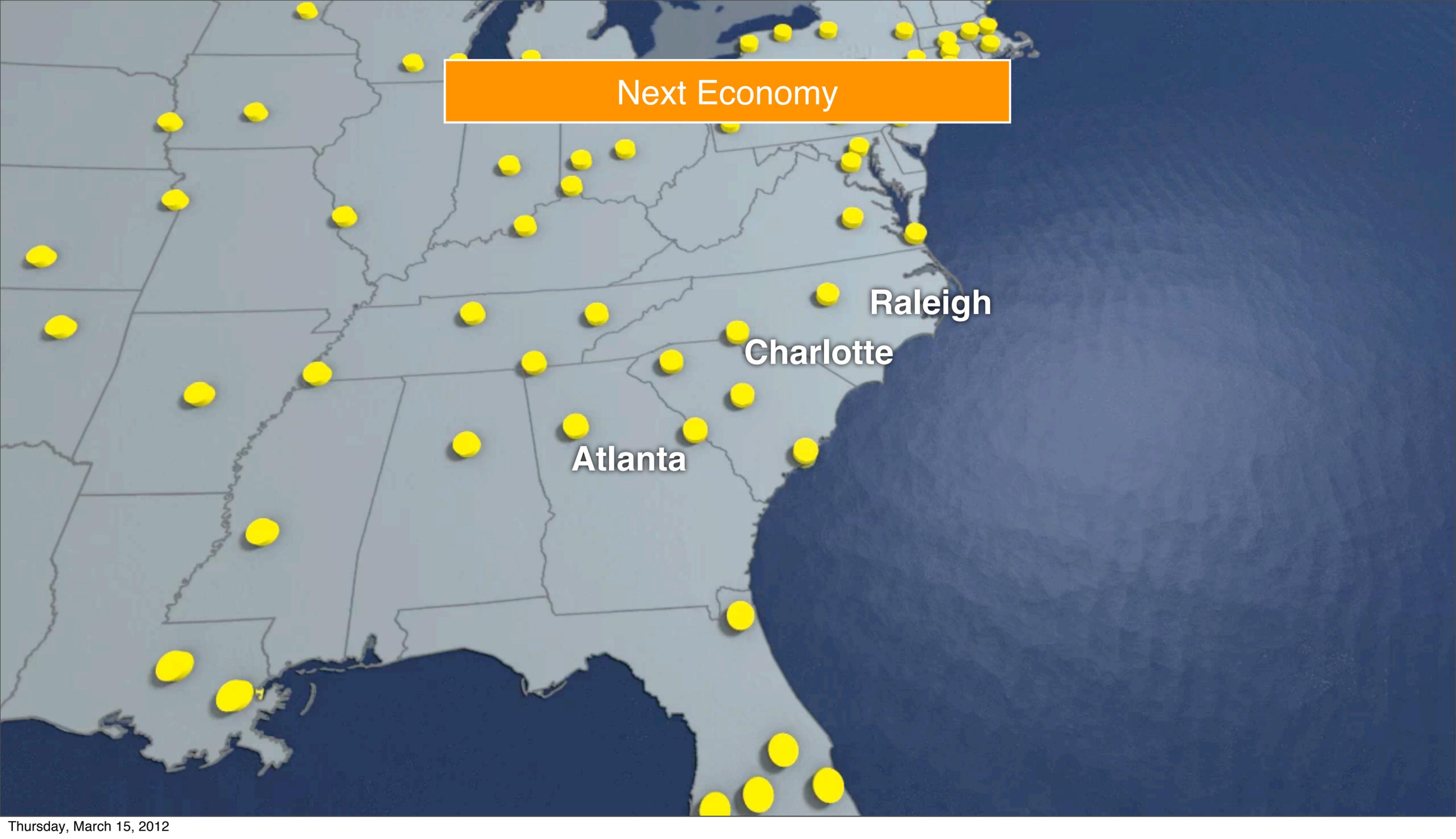
Prior Economy

STARBUCKS®



STADIA



A map of the Southeastern United States, including parts of Virginia, North Carolina, South Carolina, and Georgia. The map is overlaid with numerous yellow pushpin markers. Three cities are labeled in white text: Atlanta, Charlotte, and Raleigh. An orange banner with the text "Next Economy" is positioned at the top center of the map.

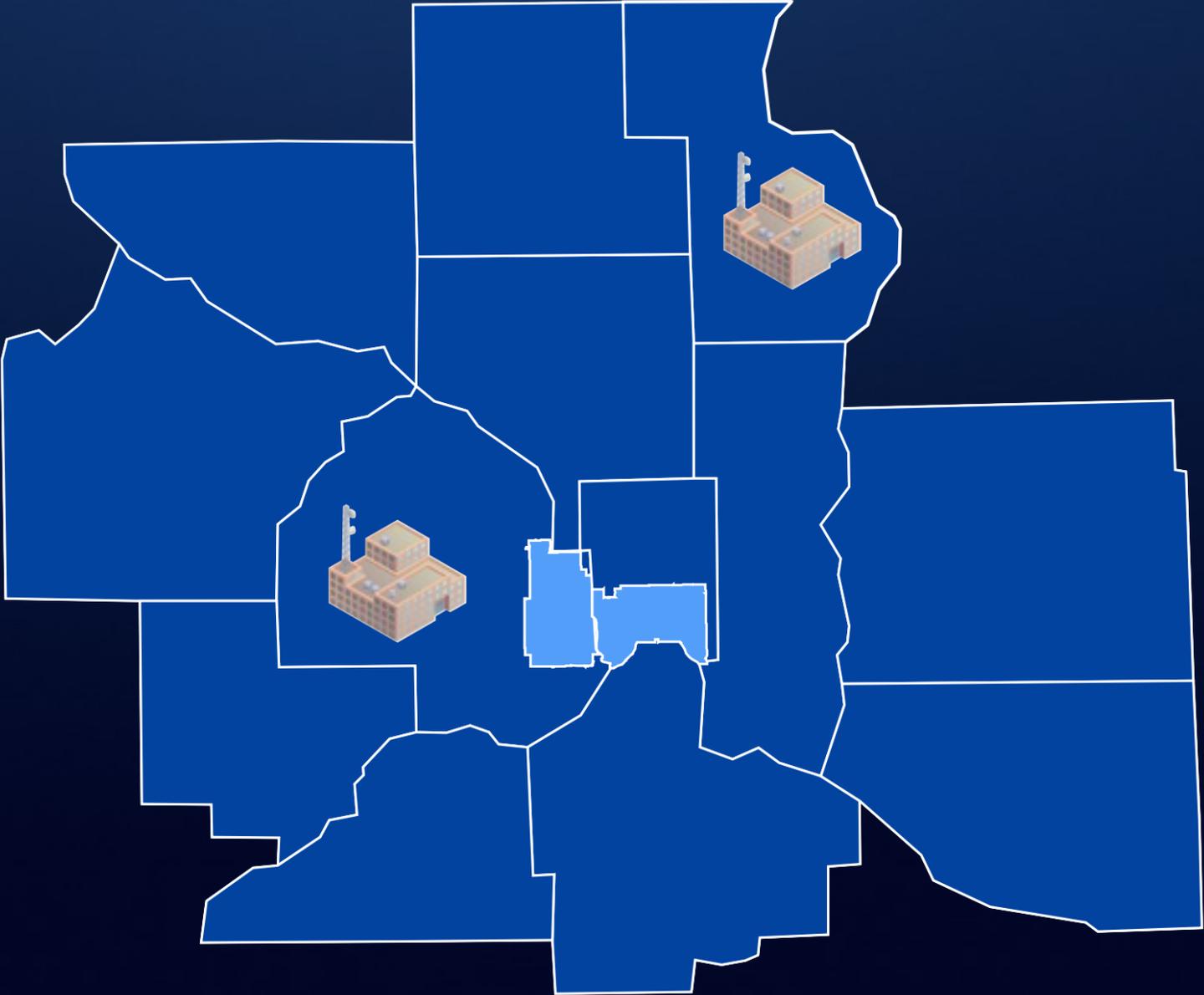
Next Economy

Raleigh

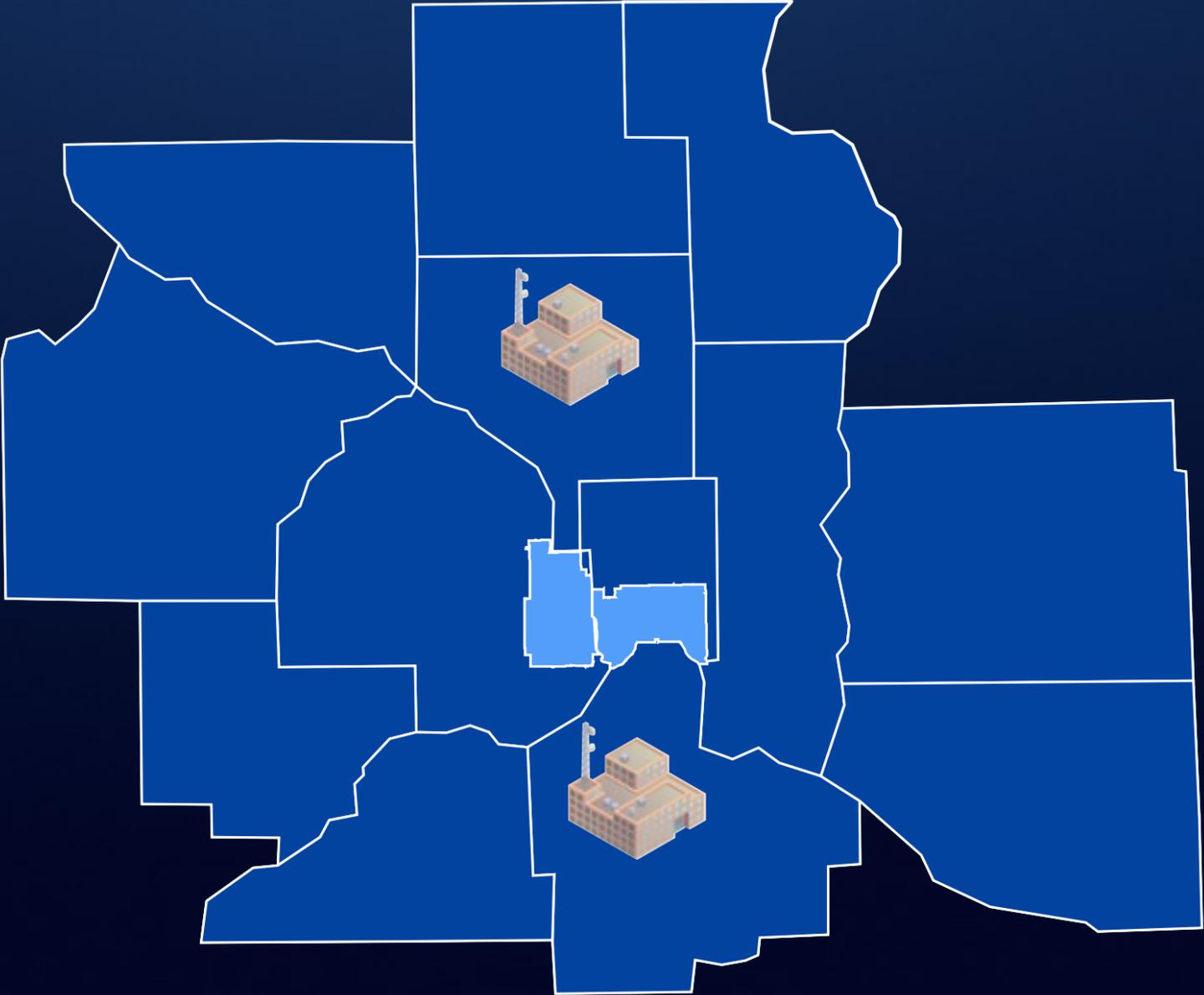
Charlotte

Atlanta

Prior Economy



Prior Economy

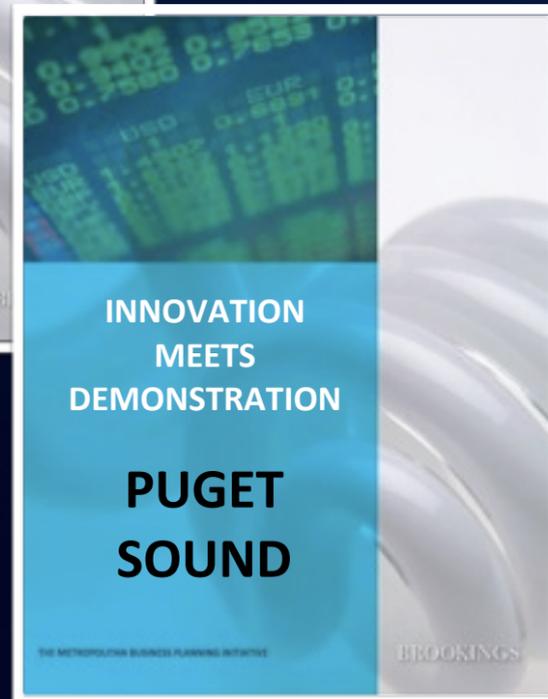
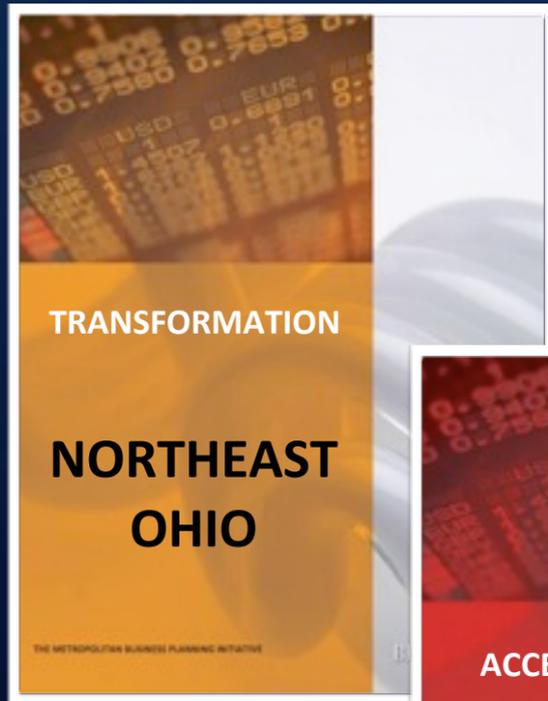


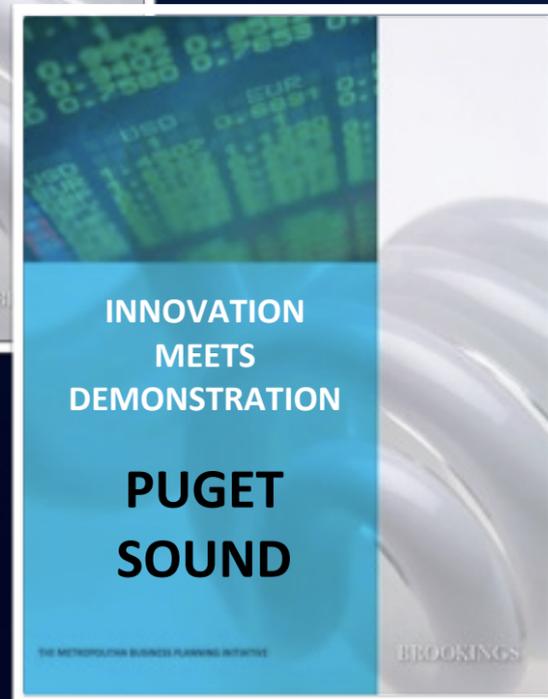
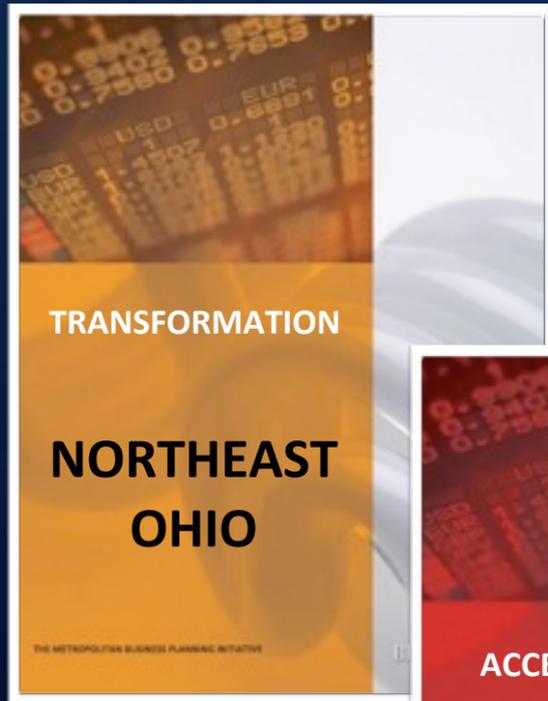
Next Economy

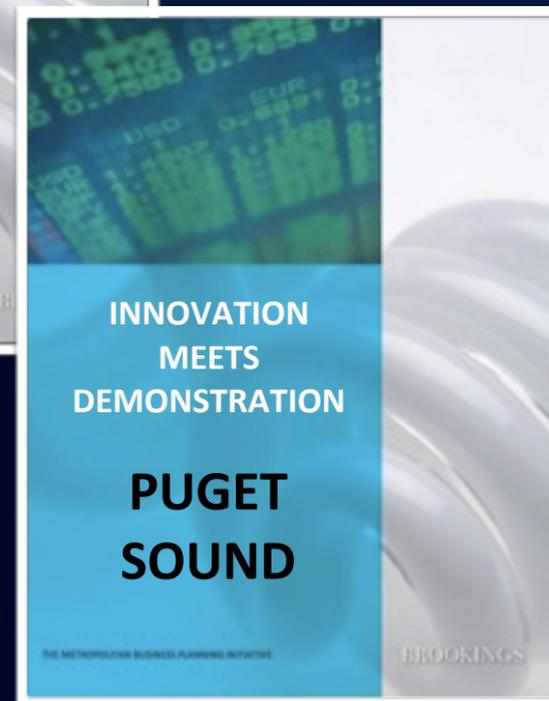
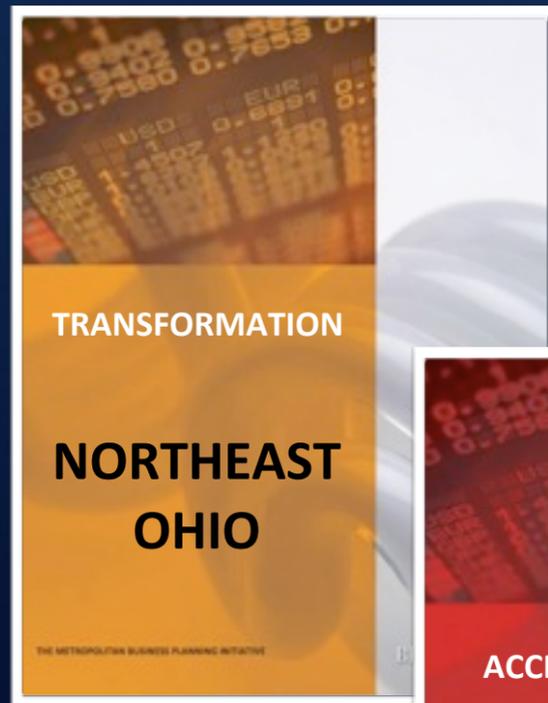
Collaborate to Compete



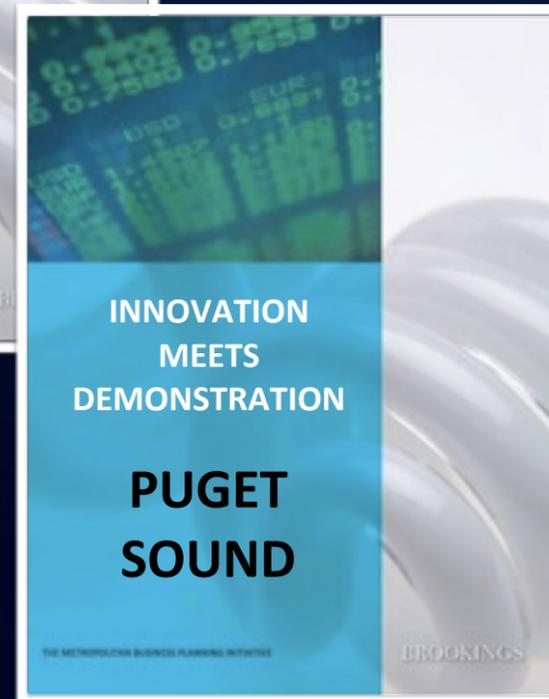
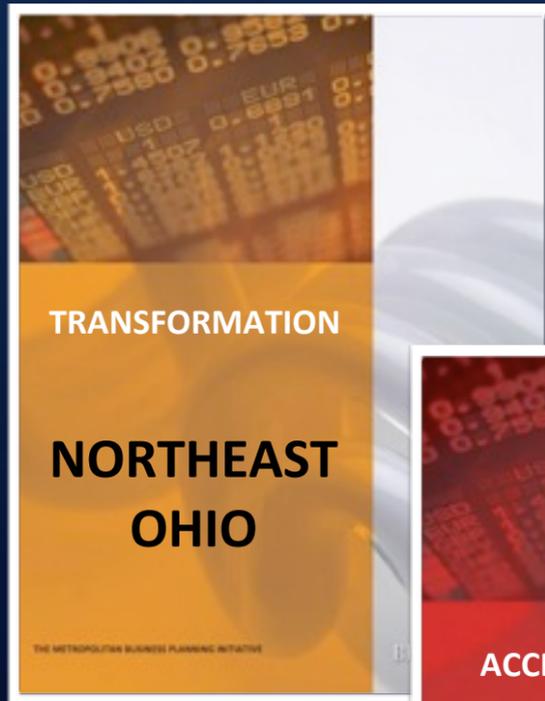






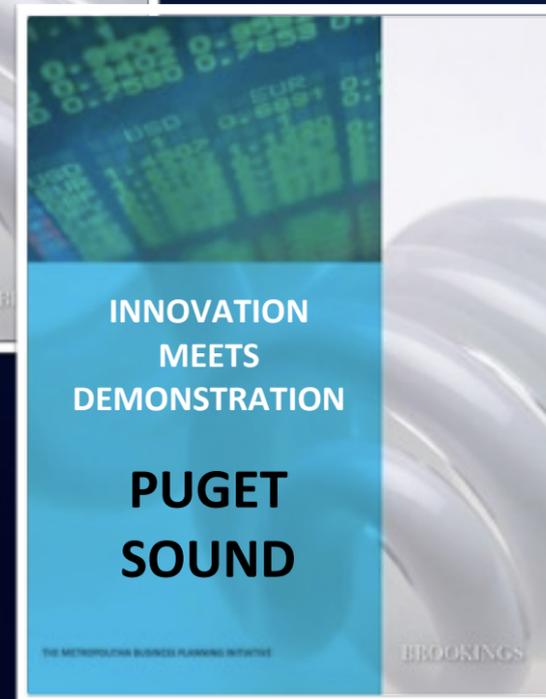
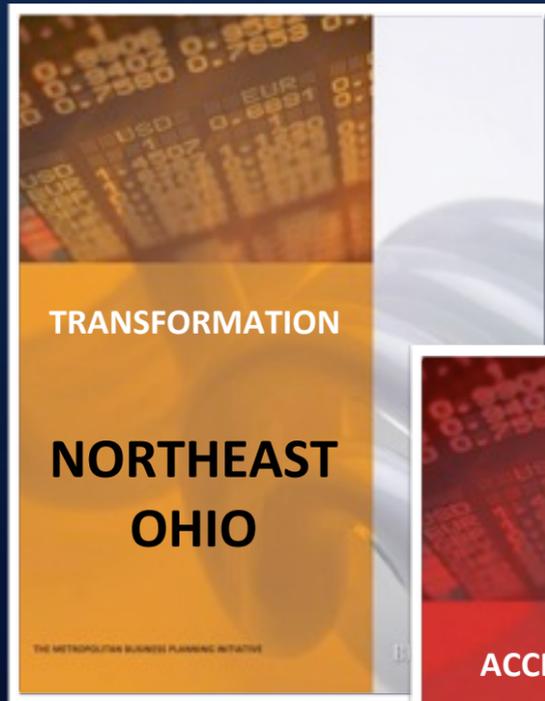


Retooling manufacturing and retraining industrial workers



Retooling manufacturing and retraining industrial workers

Spurring entrepreneurial activity and commercializing innovation



Retooling manufacturing and retraining industrial workers

Spurring entrepreneurial activity and commercializing innovation

Becoming a global hub of advanced green technologies

Innovate Locally



Innovate Locally



Advocate Nationally



**set a
platform**

A vertical orange line is positioned to the right of the text, extending from the top of the text area down to the bottom of the text area.

State & National Clean Energy Standards

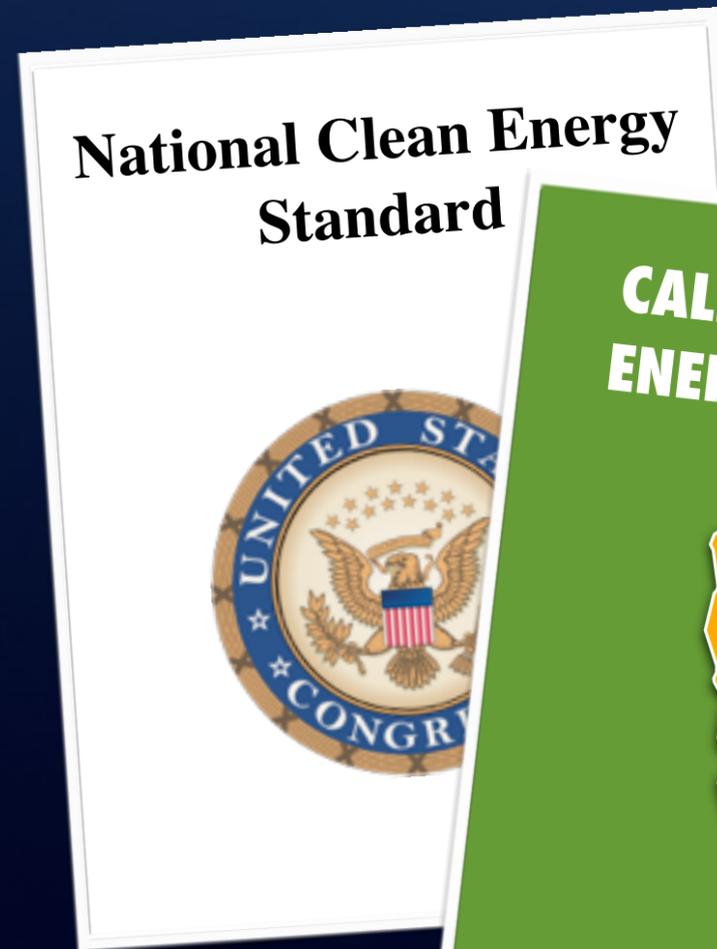
**set a
platform**



State & National Clean Energy Standards

Free Trade Agreements

set a
platform



New York State Regional Economic Development Councils

align



New York State Regional Economic Development Councils

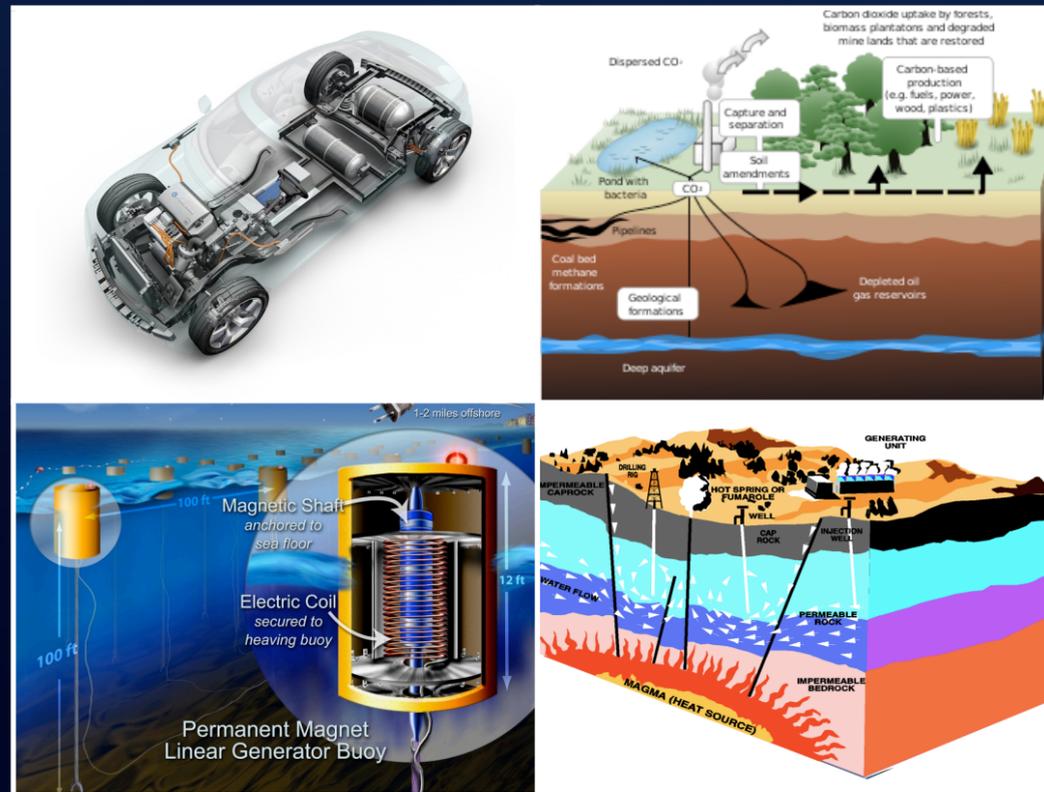
Empire State Development	Department of Transportation	Department of State	Department of Labor	NYSERDA	Parks, Rec & Historic Preservation
Environmental Facilities Corporation	Homes and Community Renewal			NYS Canal Corporation	Private Activity Bond Cap

align



invest
smart

STATE & NATIONAL ADVANCED R&D



STATE & NATIONAL INFRASTRUCTURE BANKS



Innovate Locally



Advocate Nationally



Innovate Locally

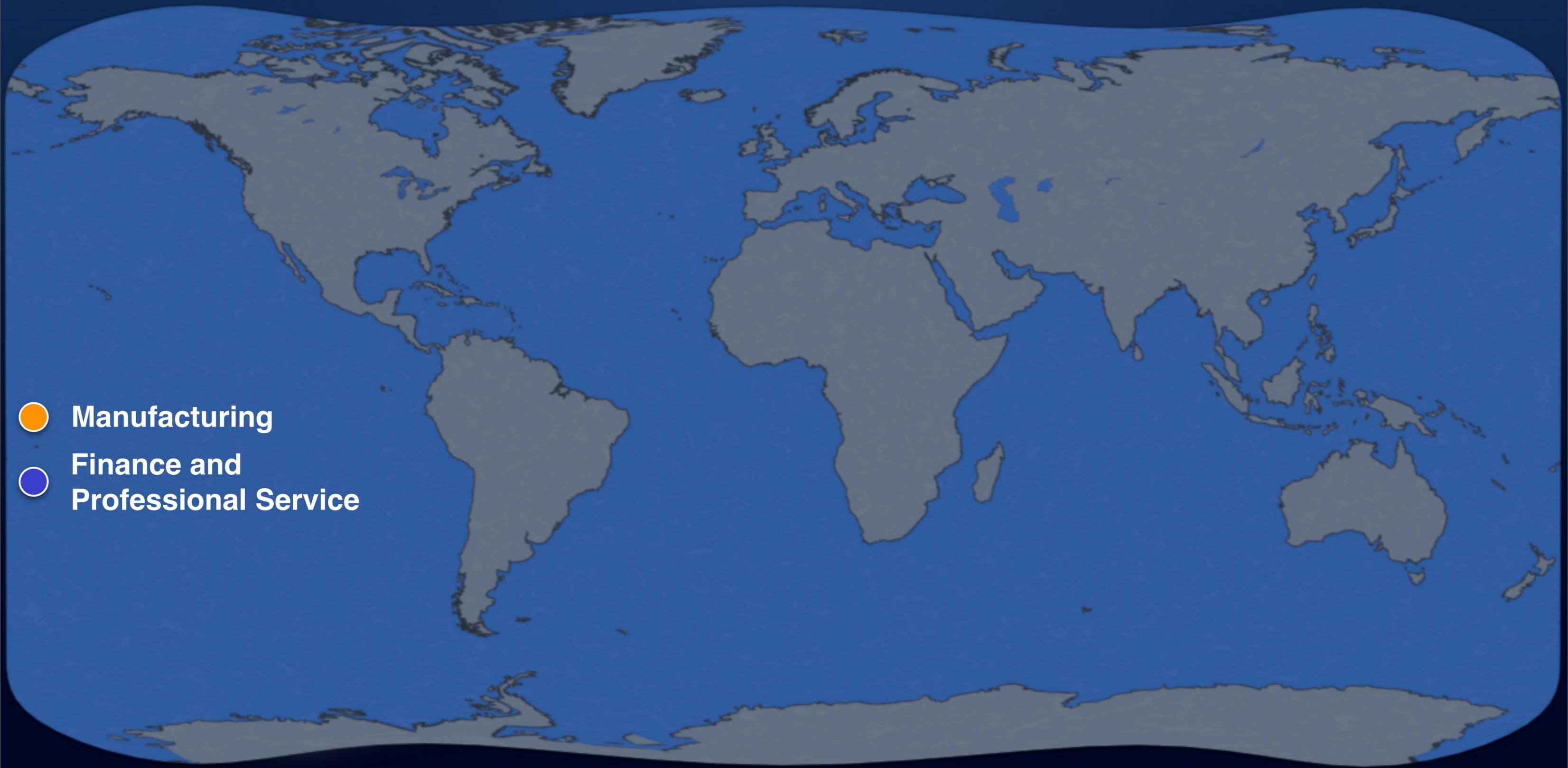


Advocate Nationally



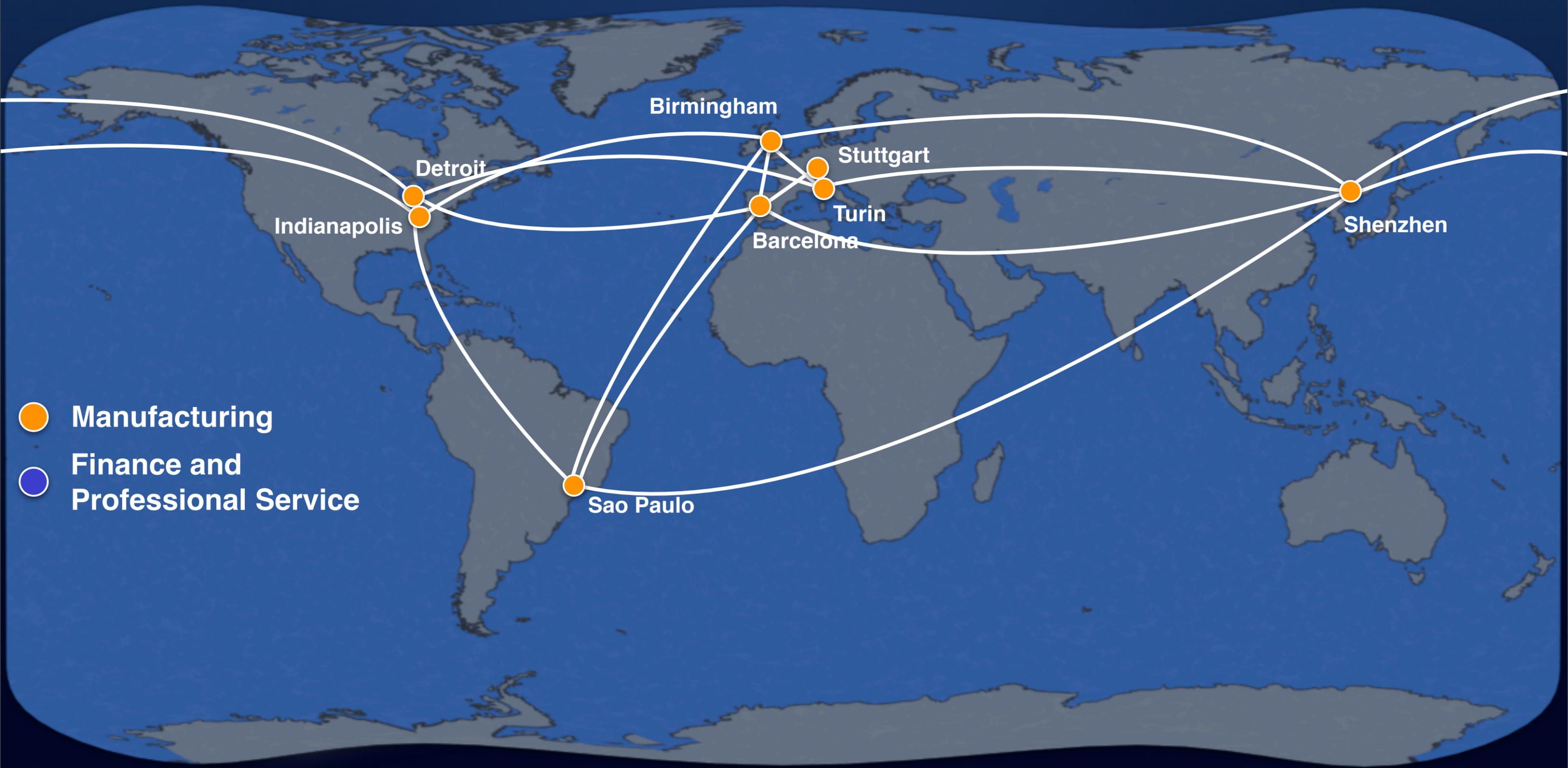
Network Globally



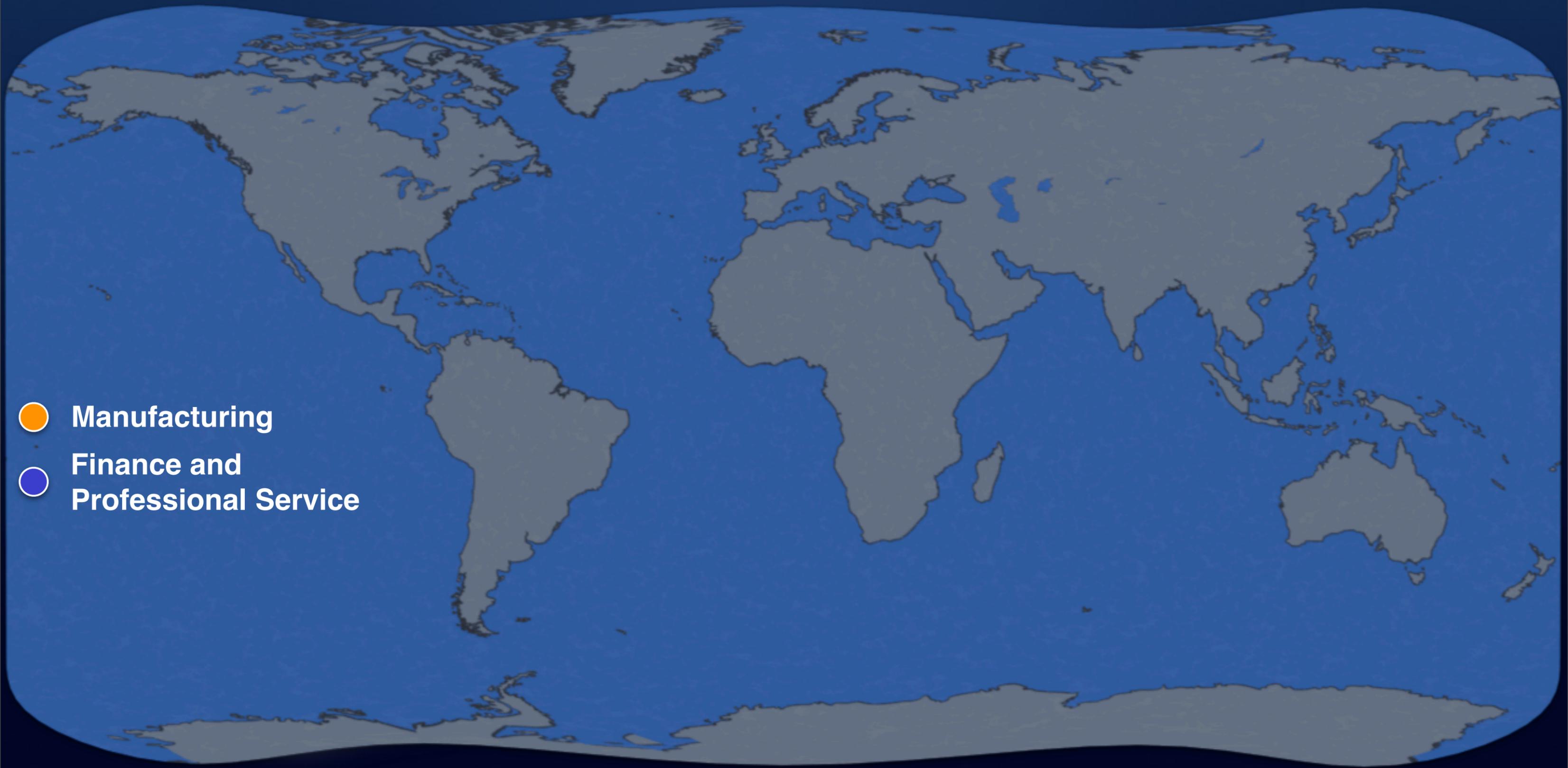


- Manufacturing
- Finance and Professional Service

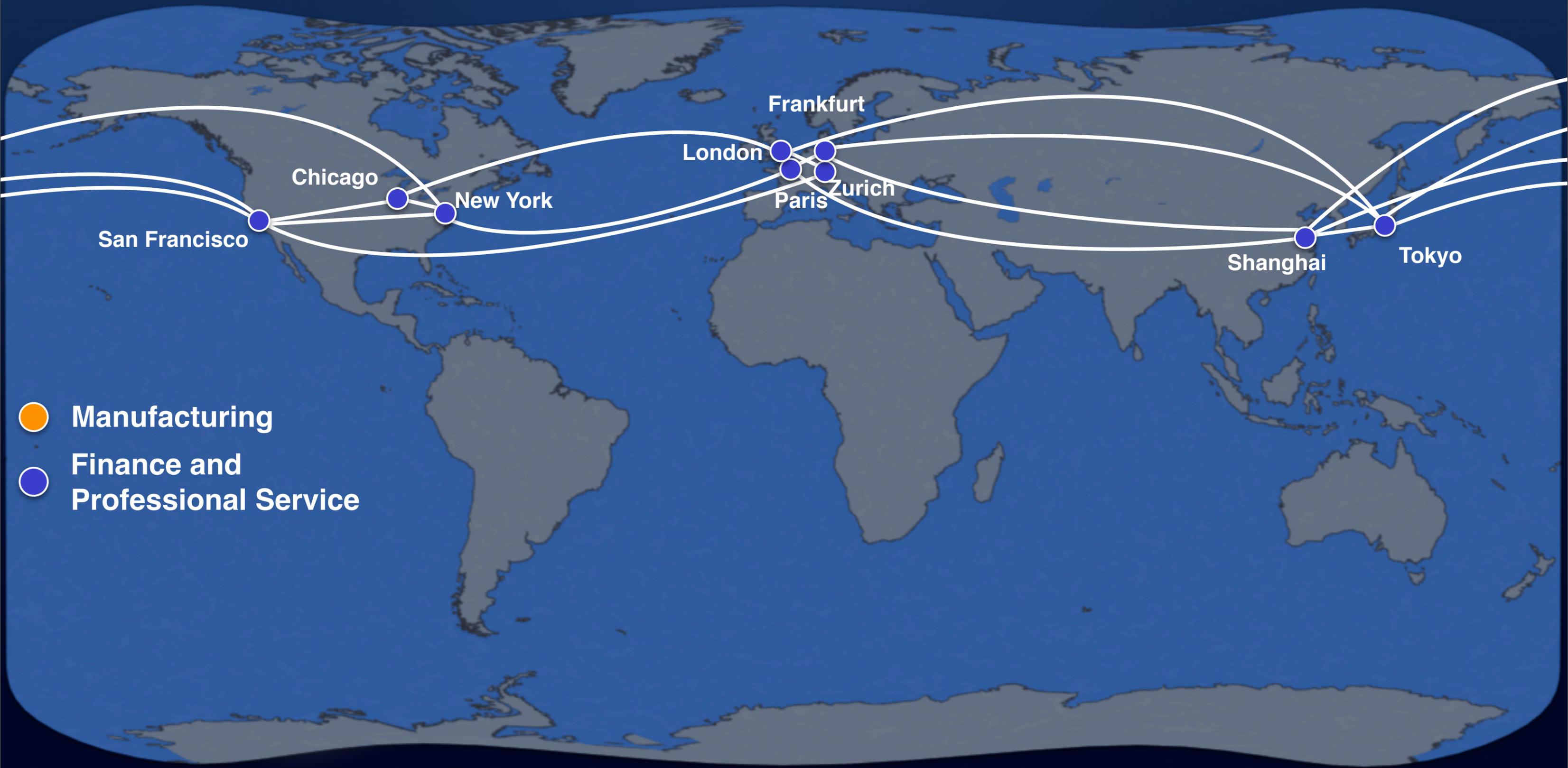
Source: Brookings/LSE, Global MetroMonitor, December 2010



Source: Brookings/LSE, Global MetroMonitor, December 2010



- Manufacturing
- Finance and Professional Service



Source: Brookings/LSE, Global MetroMonitor, December 2010



METROPOLITAN BUSINESS PLANS

A New Approach to Economic Growth

We Need to Be Intentional

We Need to Be Intentional



1 2

1 The basics of a Metropolitan Business Plan



Current Metropolitan Business Plans

Current Metropolitan Business Plans



- *Metropolitan Business Plans*
- Seattle
- NE Ohio
- Minneapolis-St. Paul
- Louisville-Lexington
- Memphis
- Phoenix
- Syracuse
- Chicago

MBP: Applying the Discipline of Private Sector Planning to a Region

Identify a Regional Economic Vision and Mission

Know Your Market Niche

Identify Strategies and Goals

Specify Products, Services and Policies

Develop an Operational Plan

Develop a Financial Plan

Target and Monitor Performance

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Traditional Economic Development

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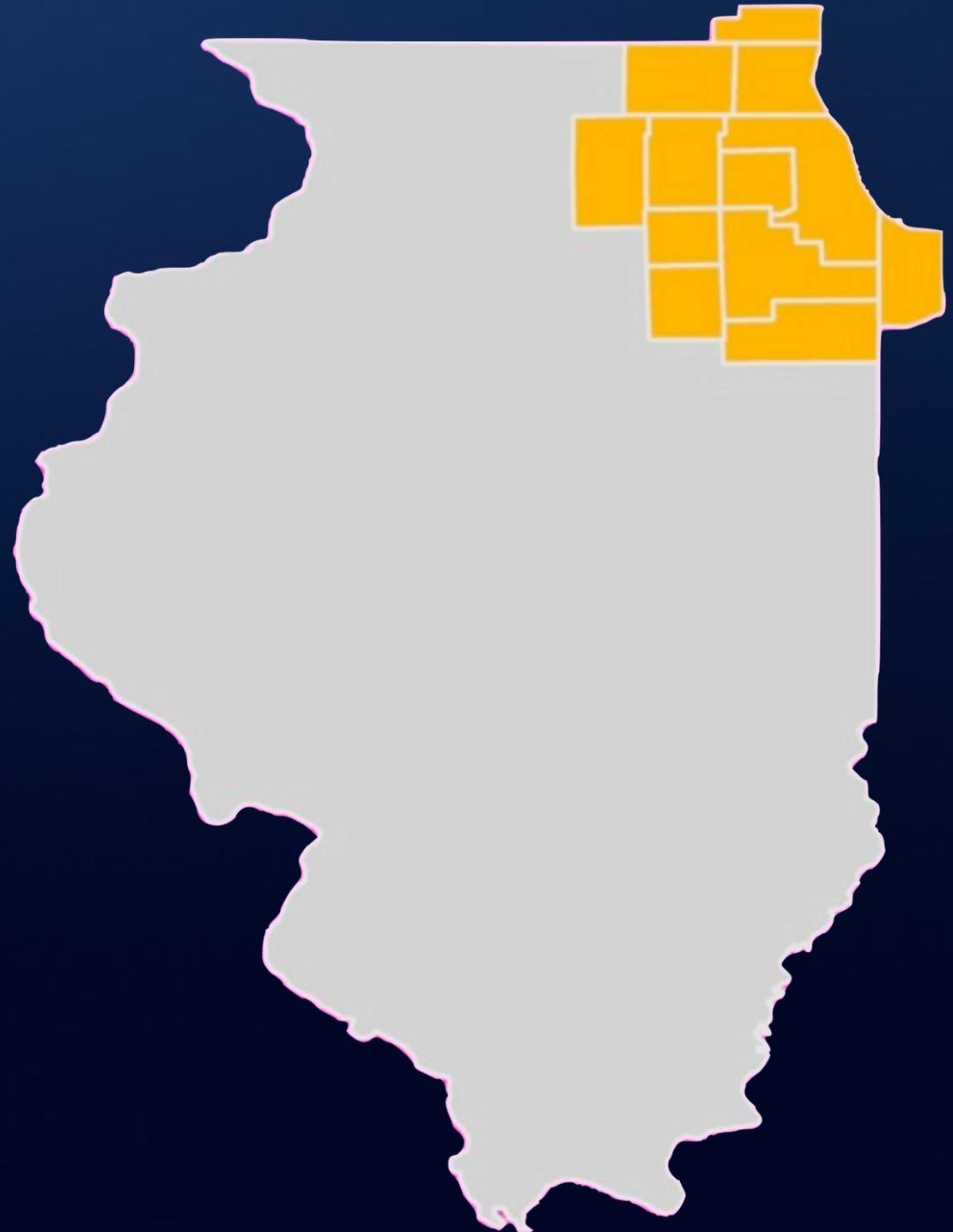
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Metropolitan
Business Plans

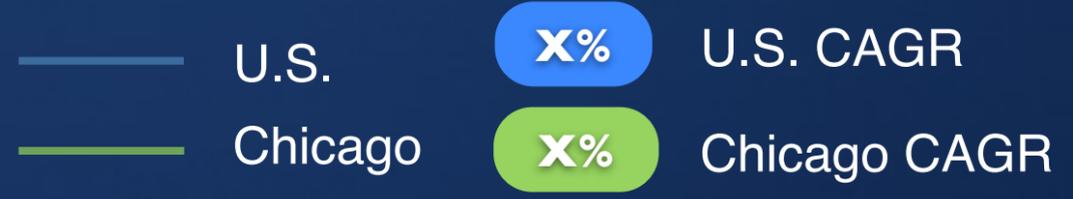


1 2

2 Innovation Profile: Greater Chicago



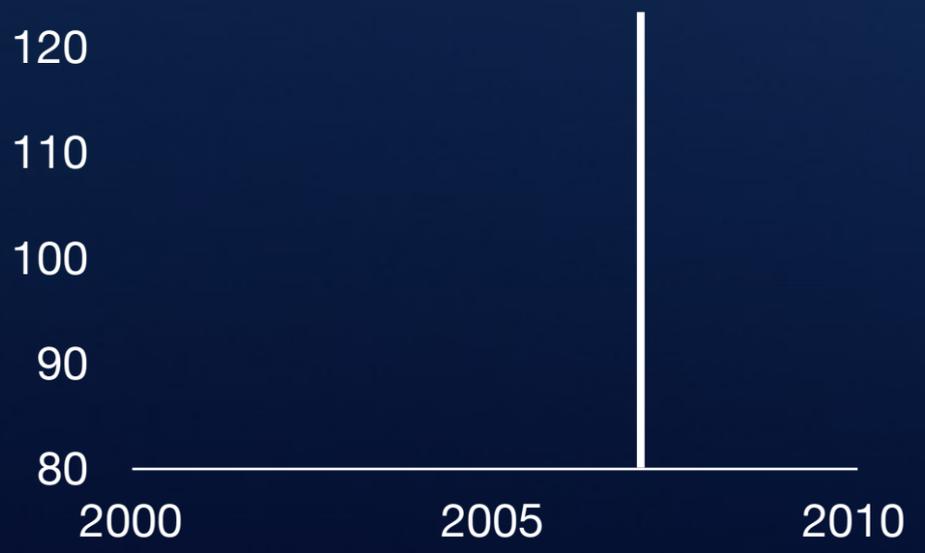
Overview of Chicago's Trend Story



Source: Brookings, Moody's Analytics, BLS analysis

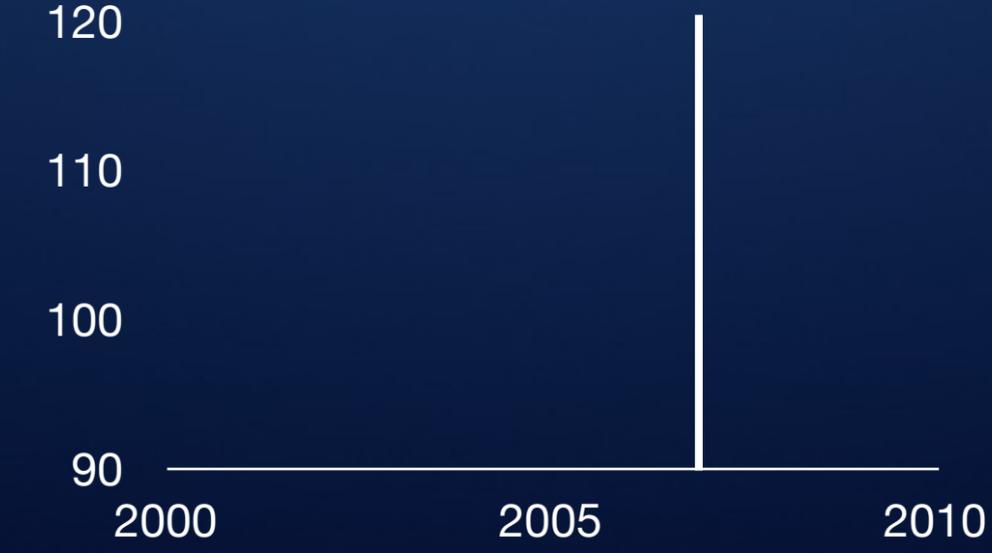
Productivity, 2000-2010

GMP/GDP per worker (ths \$)



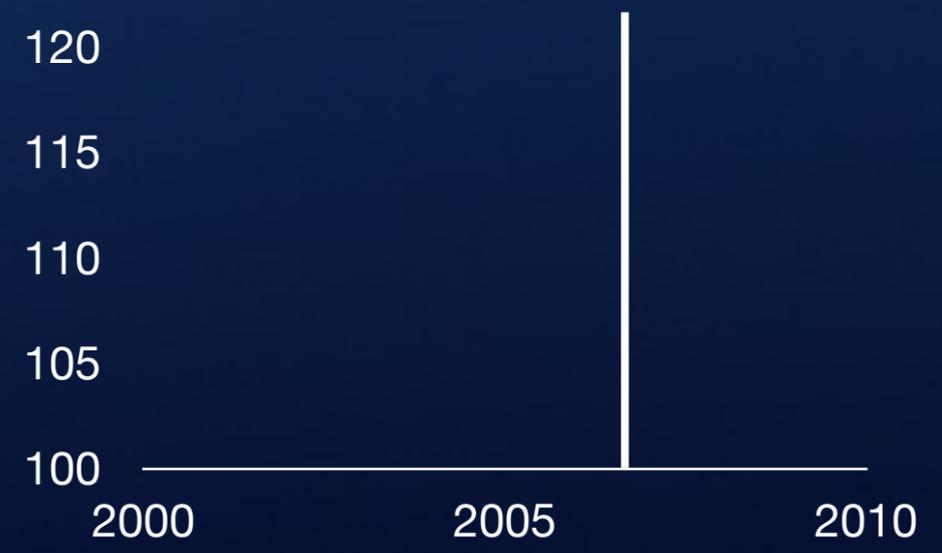
Employment, 2000-2010

Indexed to year 2000



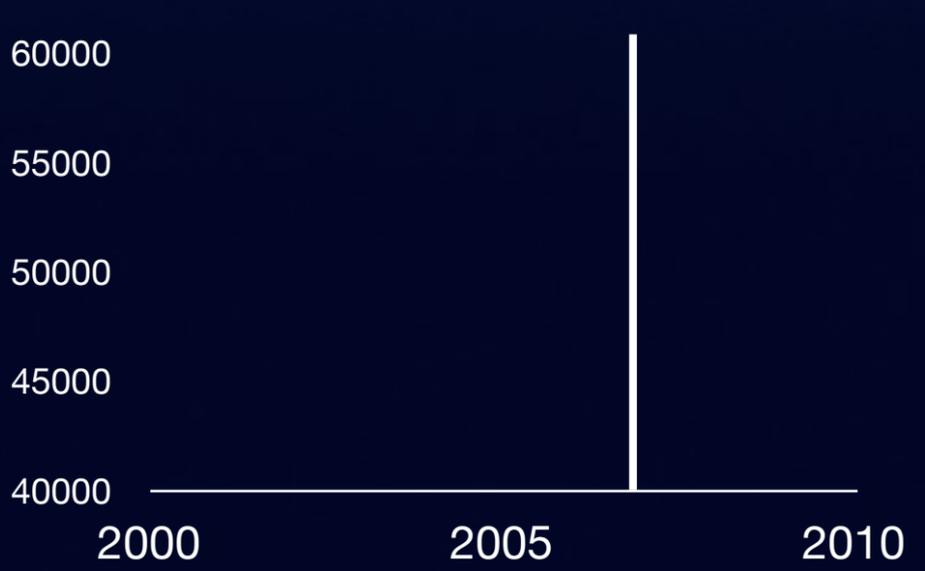
GMP/GDP, 2000-2010

Indexed to year 2000



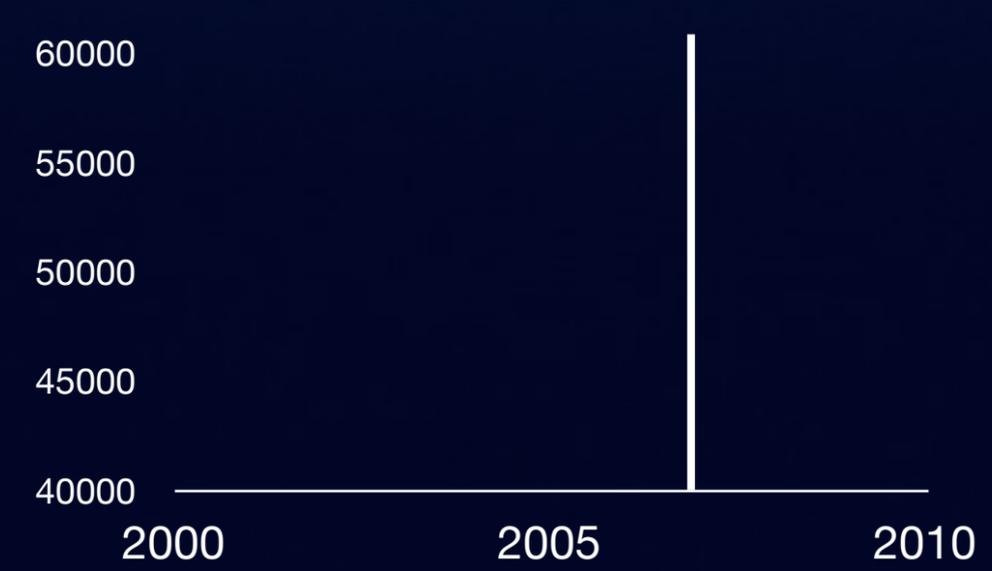
Median HH Income, 2000-2010

Thousands \$



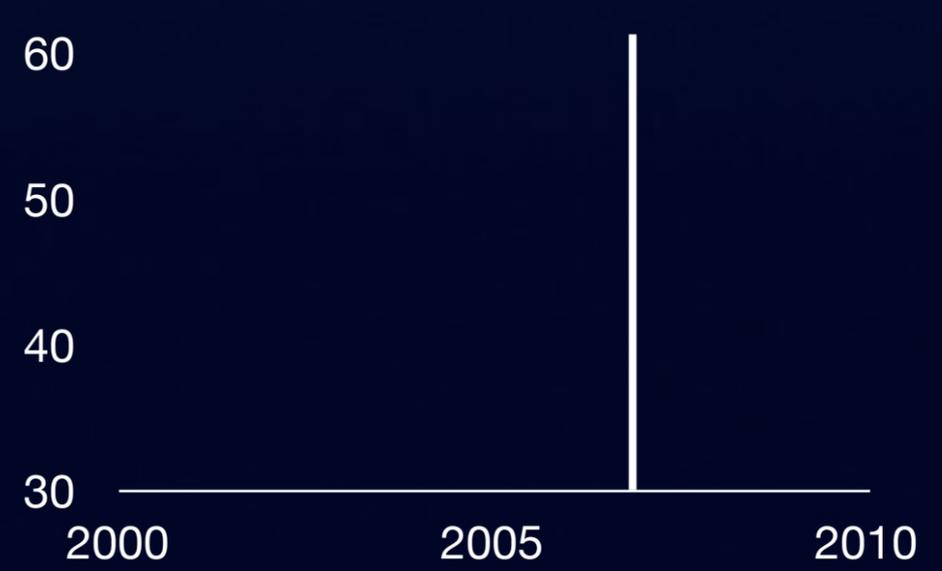
Annual Average Wage, 2000-2010

Thousands \$



GMP/GDP per capita, 2000-2010

GMP or GDP per population

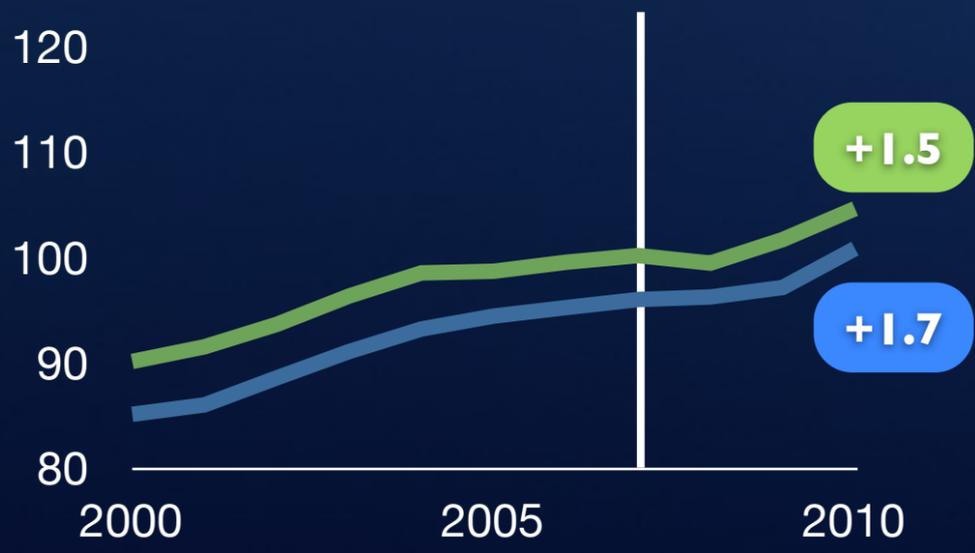


Overview of Chicago's Trend Story

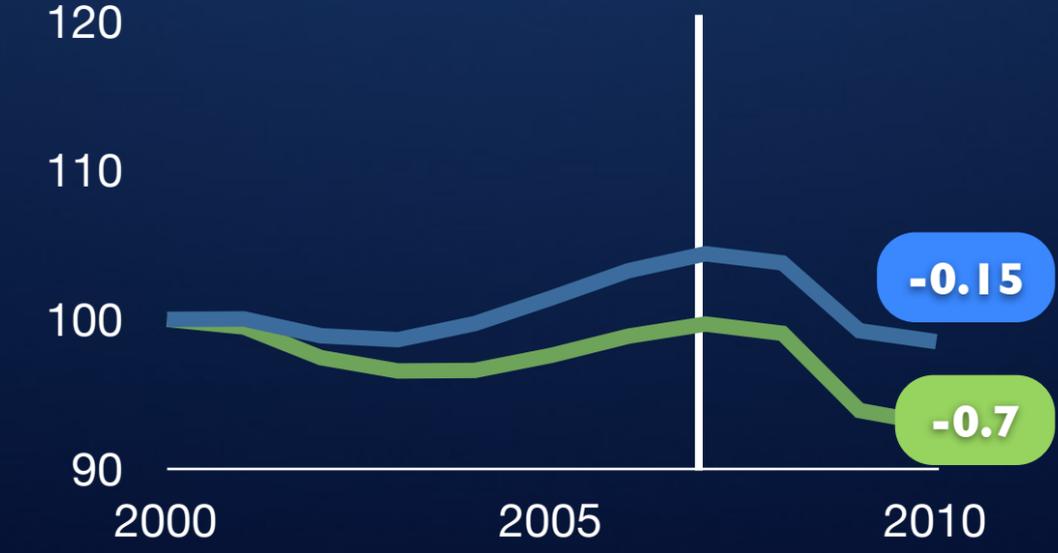
— U.S. X% U.S. CAGR
— Chicago X% Chicago CAGR

Source: Brookings, Moody's Analytics, BLS analysis

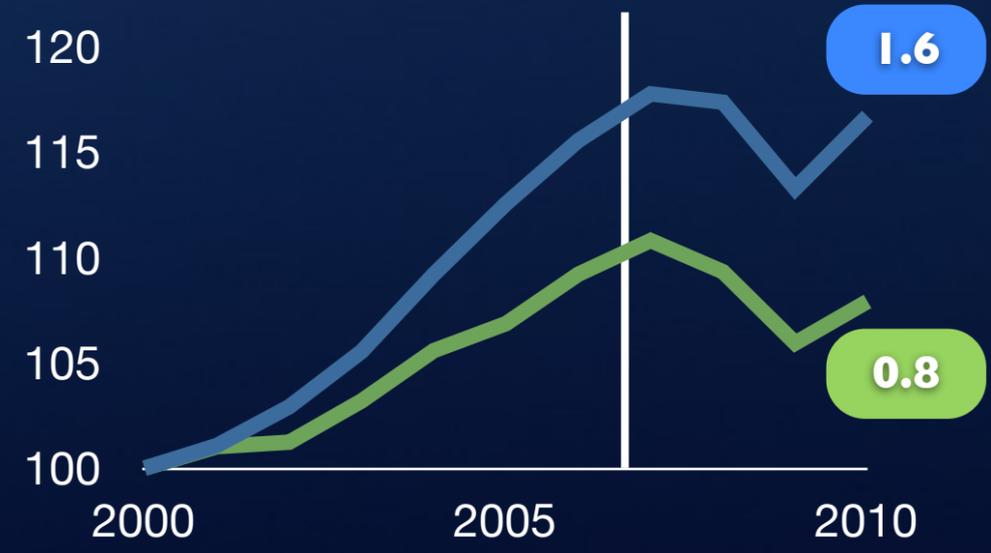
Productivity, 2000-2010
GMP/GDP per worker (ths \$)



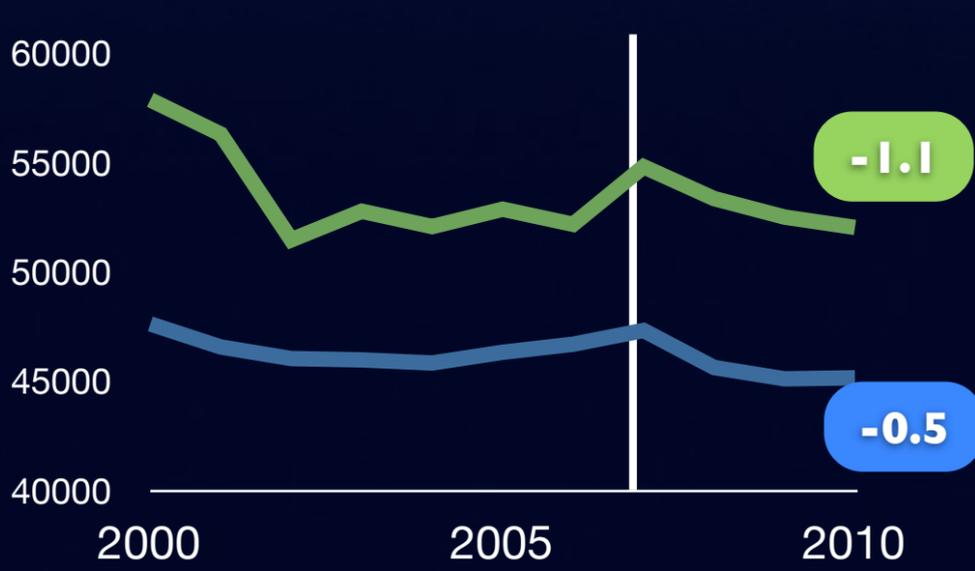
Employment, 2000-2010
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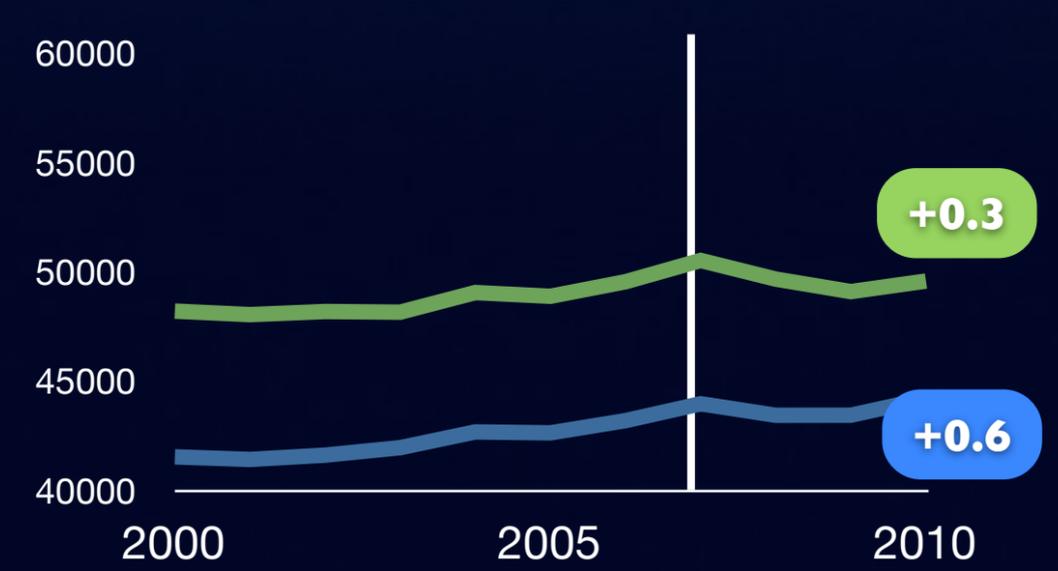
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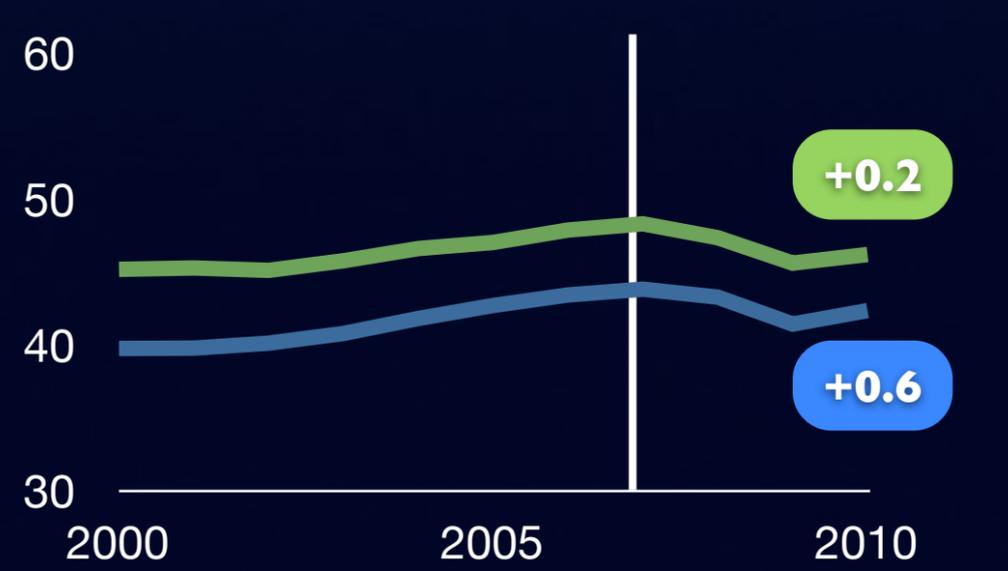
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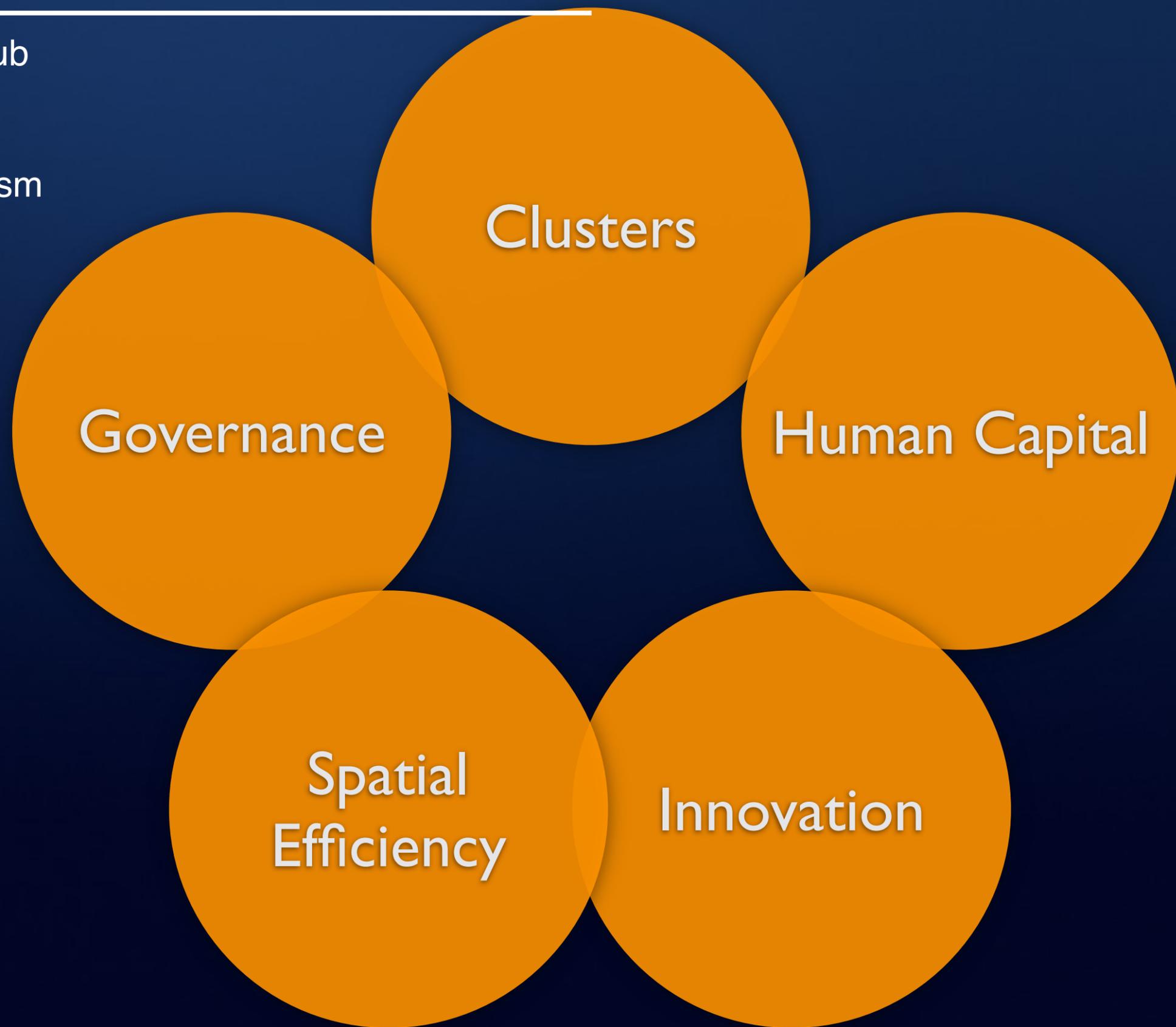
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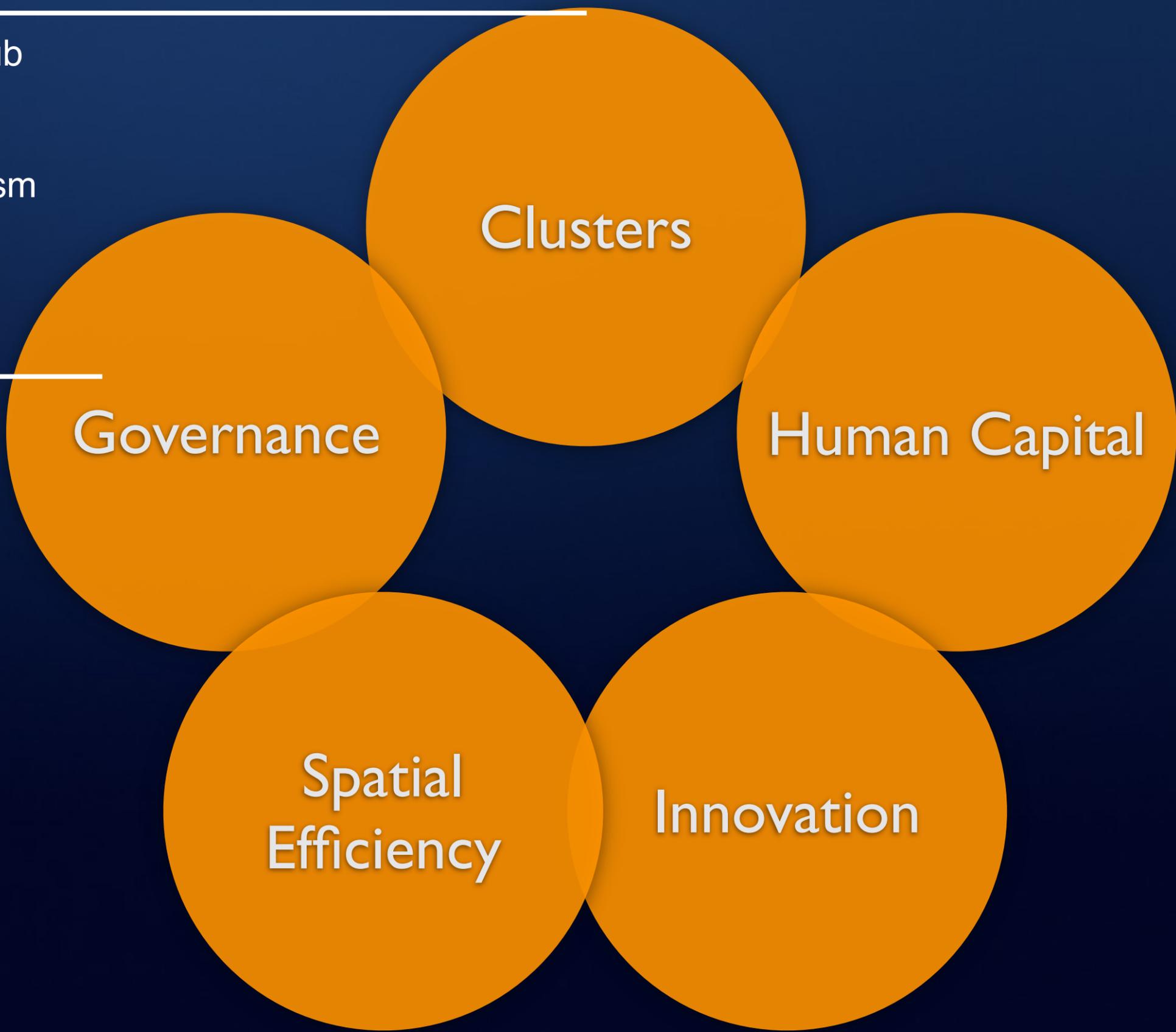


- Become a leading advance manufacturing hub
- Increase attractiveness as a center for business services and headquarters
- Make Chicago a premier destination for tourism and entertainment
- Become more competitive as a leading transportation and logistics hub



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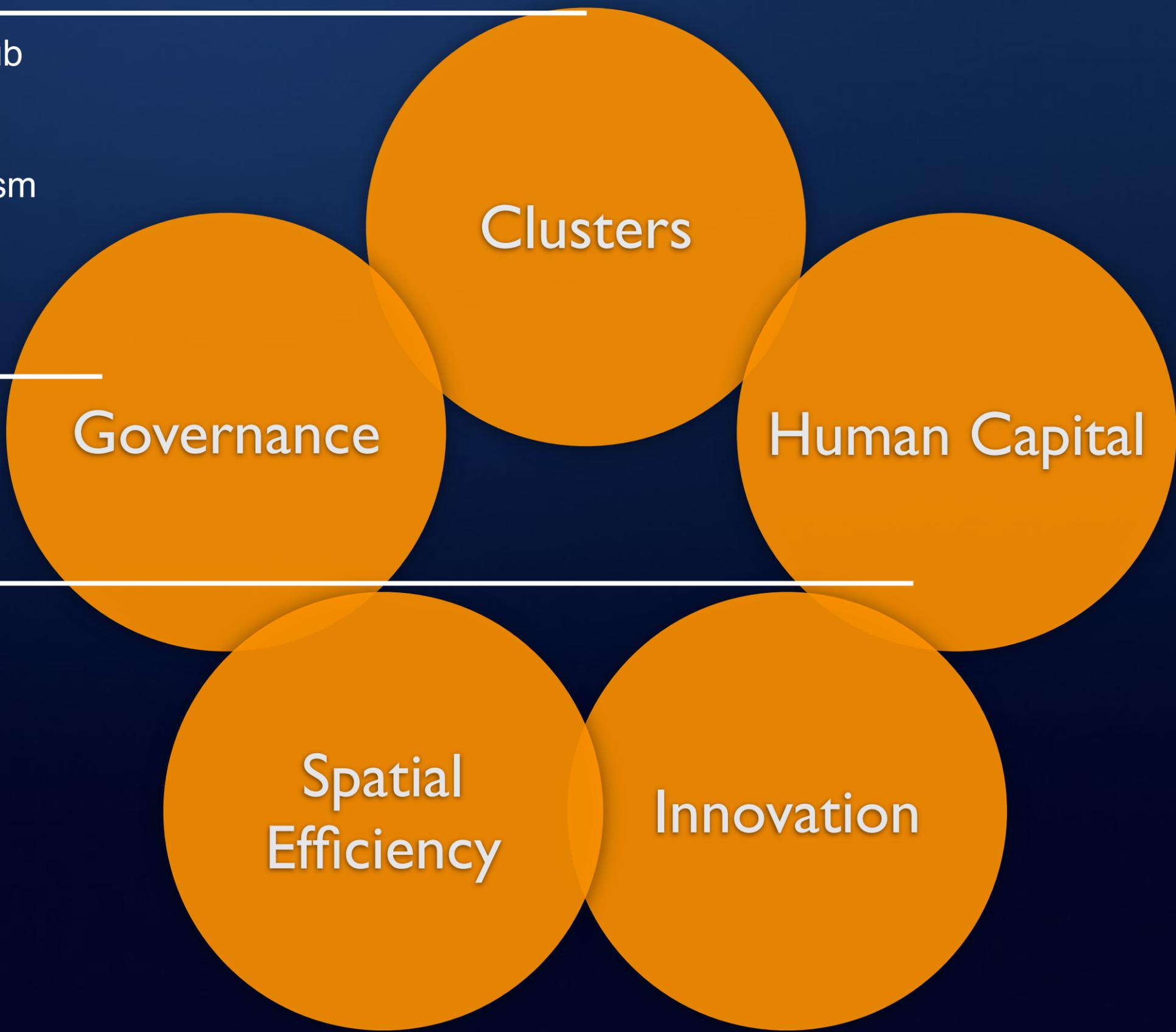
- Make Chicago a nationally leading exporter
- Create an environment and processes that allow businesses to flourish



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- Create a demand-driven and targeted workforce development

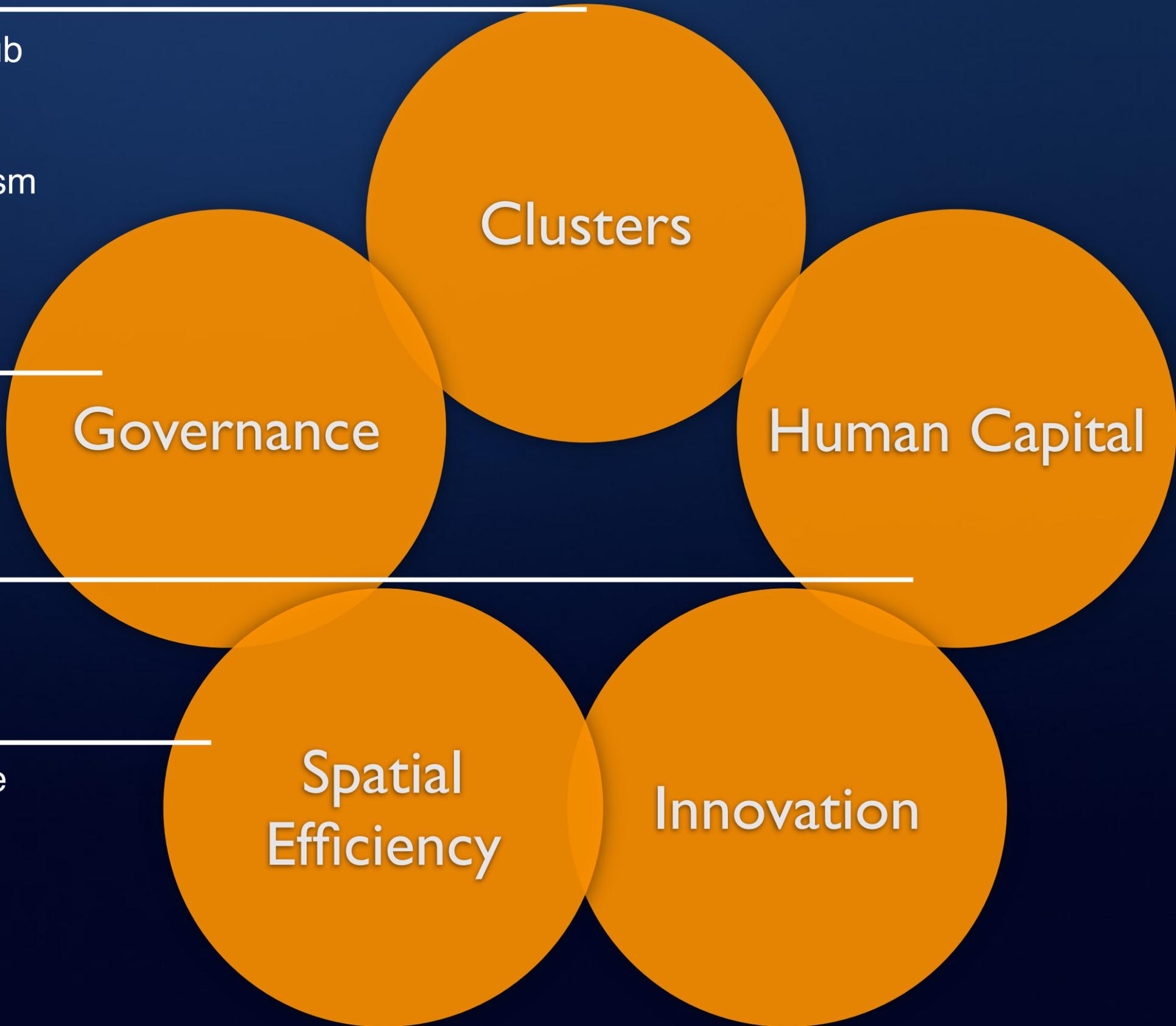


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- Create a demand-driven and targeted workforce development

- Invest to create next-generation infrastructure
- Develop and deploy neighborhood assets to align with regional economic growth



*All strategies are mutually reinforcing

- Become a leading advance manufacturing hub
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Clusters

- Make Chicago a nationally leading exporter
- Create an environment and processes that allow businesses to flourish

Governance

Human Capital

- Create a demand-driven and targeted workforce development

Spatial Efficiency

Innovation

- Invest to create next-generation infrastructure
- Develop and deploy neighborhood assets to align with regional economic growth

- Foster innovation in mature and emerging sectors and support entrepreneurship

Sample Lead Initiatives

Make Chicago a Nationally Leading
Exporter

Chicago Export Acceleration
Agency

Become a Leading Advanced
Manufacturing Hub

Advance Manufacturing
Innovation Park

Create Demand-Driven and Targeted
Workforce Development

Chicago Talent Market
Intermediary

Invest to Create Next Generation
Infrastructure

Chicago Infrastructure Trust

The Chicago Economic Growth Plan Timeline

2012

Sept

Oct

Nov

Dec

Jan

Feb

Mar

Apr

May

June

July

Aug

Sept

Oct

Nov

The Chicago Economic Growth Plan Timeline

2012

Sept

Oct

Nov

Dec

Jan

Feb

Mar

Apr

May

June

July

Aug

Sept

Oct

Nov

Phase I

- Perform detailed market analyses across 5 levers
- Inventory existing efforts
- Define most promising strategies
- Identify practical, leading initiatives for each strategy
- Gather ideas through stakeholder interviews/ outreach

The Chicago Economic Growth Plan Timeline



The Chicago Economic Growth Plan Timeline



In Sum, MBPs Can Lead to Results in Economic Performance

Identify a Regional Economic Vision and Mission

Know Your Market Niche

Identify Strategies and Goals

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Develop an Operational Plan

Develop a Financial Plan

Monitor Performance

Metropolitan
Business Plans

In Sum, MBPs Can Lead to Results in Economic Performance

Fundamentally nested in market dynamics

Identifies cross-cutting initiatives

Operationalized with clear accountability

Metropolitan
Business Plans

DELIVERING THE NEXT ECONOMY

twitter 
@bruce_katz

 Metropolitan Policy Program
at BROOKINGS

Buffalo, New York / March 15, 2012