

A Comparison of Economic Growth Trends between Atlanta and Other Large Metropolitan Areas

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In this brief, economic growth in the Atlanta metropolitan area over a 23-year period is compared to the growth experiences of other large metropolitan areas. Three measures of economic growth are considered: population, employment, and per capita income. Data was gathered for the 50 largest metropolitan statistical areas (based on population) for six different years (1990, 1995, 2000, 2005, 2010, and 2013, the most recent year available), but the analysis focuses on the 31 metropolitan areas that had a 2013 population of at least 2 million. The data comes from the U.S. Bureau of Economic Analysis, which reports historic data for the current definition of each metropolitan area. Per capita income is inflation adjusted (1990 = 1).

Population

Figures 1 and 2 report population for the six years. Figure 1 shows the level of population while Figure 2 shows the areas' rank. Because New York, Los Angeles, and Chicago are so much larger than the other metropolitan areas, they are not included in Figure 1, as including them makes it hard to read the rest of the figure. For each metropolitan area, Figure 1 includes a marker that indicates the area's population for each year. The metropolitan areas are arrayed left to right according to their 2013 population. The green square notes the 2013 population while the red triangle notes the 1990 population. The distance between any two markers reflects the growth or decline in population between the two years; thus, the distance between the red triangle and the green square measure the growth in population for the period 1990 to 2013.

As Figure 1 shows, Dallas, Houston, Atlanta, and Phoenix had the largest increases in population over the 23-year period. On the other hand, Detroit, Pittsburgh, and Cleveland had very small or negative changes in population.

Figure 2 shows population rank for each year. New York, Los Angeles, and Chicago ranked 1st, 2nd, and 3rd in all years. Among the 31 metropolitan areas, Phoenix's rank increased the most, from 20th to 12th, or eight places. Atlanta increased from 12th to 9th, while Dallas went from 9th to 4th, Houston went from 10th to 5th, and Charlotte went from 29th to 23rd. Atlanta ranked 9th in 2005, so the change in Atlanta's rank occurred in the first 15 years of the period. The rank of many of the metropolitan areas fell, Detroit for example, which went from 5th to 14th.

Columns 1 and 3 of Table 1 show the change in population, both absolute and percentage, for the entire period for the largest 50 metropolitan areas, while columns 2 and 4 show the rank for those changes. Among the largest 50 metropolitan areas, the Atlanta area experienced the 4th largest increase in population, with Dallas, Houston, and New York experiencing the largest increases. Atlanta had the 6th highest percentage change, which was greater than the percentage change for New York, Dallas, Houston, and Charlotte. The metropolitan areas with the greatest percentage change were smaller metropolitan areas, such as Las Vegas (whose 2013 population ranked 31st) and Raleigh, N.C. (whose 2013 population ranked 47th).

Employment

Figures 3 and 4 are equivalent to Figures 1 and 2 except they are for employment. Because the correlation between population and employment is very high, the two sets of figures are very similar. Atlanta's employment in 2013 ranked 9th, while in 1990 it ranked 12th. Dallas's rank went from 7th to 4th and Houston's went from 10th to 6th.

Columns 5 and 7 of Table 1 shows the change and percentage change in employment for the period 1990-2013, while columns 6 and 8 show the rank for those changes. The growth of employment is highly correlated (0.98) with the growth in population. In general, the metropolitan area rankings for employment growth are about the same as population growth. Atlanta ranked 4th

In terms of both the number of new residents and new jobs, but ranked 6th in terms of the population growth rate and only 11th in terms of employment growth rate.

There are a couple of interesting observations. First, none of the 50 metropolitan areas experienced a decrease in employment, even those metropolitan areas that lost population. Second, there are differences in the ratios of employment growth and population growth. For example, Detroit added three times as many jobs as people, while Boston added about 25,000 more jobs than people. Atlanta added about 55 jobs for every 100 additional people, while Dallas and Houston added about 65 jobs for every new 100 residents.

Per Capita Income

Real per capita income data are presented in Figures 5 and 6, where the metropolitan areas are ordered from largest to smallest in terms of 2013 per capita income. A few observations to note. All of the 31 metropolitan areas experienced an increase in real per capita income over the period 1990-2013. The range of per capita incomes was smaller in 1990 than in 2013, implying greater cross metropolitan inequities in 2012 than in 1990. In general, the larger the 1990 per capita income, the larger the increase in per capita income over the period (correlation of 0.41). For a few of the metropolitan areas, 2013 per capita incomes were below the highest income they had over the period. For example, Atlanta's per capita income was largest in 2000 and is now (2013) almost \$2,000 smaller (in real terms). In 1990, per capita income in Atlanta was almost equal to that for Dallas and 2.6 percent greater than income in Houston. By 2013, Dallas' per capita income was 7 percent greater, and Houston's per capita income was 14.6 percent greater.

There was a lot of shuffling of per capita income ranks over the period, as can be seen in Figure 6. Houston and Pittsburgh experienced the largest increase in rank—Houston went from 21st to 9th, while Pittsburgh went from 25th to 13th. Miami had the largest decrease in rank,

going from 7th to 20th. Atlanta’s rank initially rose from 18th to 14th (by 2000) and then fell to 25th.

Table 2 shows the growth and growth rates of real per capita income for the entire period for the largest (by population) 50 metropolitan areas. Atlanta ranked 47th in both the dollar increase and the percentage increase. Among all 380 metropolitan areas, Atlanta’s per capita income ranked 55th in 1990 and 149th in 2013. Between 1990 and 2013, Atlanta’s per capita income increased 12.9 percent, compared to increases of 33.0 percent for Dallas, 22.9 percent for Charlotte, and 20.7 percent for Houston. Over the entire period, Atlanta’s growth in per capita income ranked 24th, for both dollar increase and percentage increase. Clearly, Atlanta’s per capita income growth is seriously lagging.

Concluding Comments

The Atlanta metropolitan area enjoyed robust growth between 1990 and 2013 when growth is measured by the increase in population and employment. Only three metropolitan areas experienced larger increases. However, as measured by per capita income growth, Atlanta has done very poorly. The data suggest that while Atlanta has been attracting people and jobs, the jobs it has added pay less than the jobs going to most other large metropolitan areas. This suggests that Atlanta — and Georgia — needs to rethink its economic development strategy, both in terms types of jobs that are being added and the skill levels of the workers.

Table 1. Population and Employment Change, 1990-2013

METROPOLITAN AREA	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	POPULATION				EMPLOYMENT			
	CHANGE	RANK	PERCENT CHANGE	RANK	CHANGE	RANK	PERCENT CHANGE	RANK
Atlanta	2,418,721	4	77.9%	6	1,321,123	4	68.2%	11
Austin	1,031,153	14	121.0%	3	690,432	11	134.6%	2
Baltimore	380,195	34	15.9%	38	326,363	31	23.2%	34
Birmingham	181,591	42	18.9%	33	145,877	44	28.2%	31
Boston	546,997	27	13.2%	40	573,925	17	21.5%	36
Buffalo	-56,828	49	-4.8%	50	23,954	51	3.8%	50
Charlotte	985,511	16	73.0%	7	516,150	21	61.1%	14
Chicago	1,334,079	10	16.3%	36	1,004,382	9	21.3%	37
Cincinnati	300,192	37	16.3%	35	255,518	34	25.2%	32
Cleveland	-39,563	47	-1.9%	47	79,922	47	6.6%	47
Columbus	498,803	29	34.0%	25	358,896	27	40.1%	21
Dallas	2,767,169	1	68.4%	8	1,793,228	2	71.1%	10
Denver	1,039,452	12	62.7%	11	688,781	12	63.5%	12
Detroit	43,997	46	1.0%	46	148,029	42	6.6%	48
Hartford	90,164	45	8.0%	44	40,111	49	5.3%	49
Houston	2,537,538	2	67.2%	9	1,641,085	3	75.6%	7
Indianapolis	522,654	28	36.5%	22	331,517	30	37.6%	23
Jacksonville	462,455	30	49.6%	16	268,276	33	48.3%	17
Kansas City	435,568	31	26.9%	28	305,631	32	31.0%	27
Las Vegas	1,271,698	11	168.2%	1	669,164	13	148.0%	1
Los Angeles	1,834,288	6	16.2%	37	1,079,224	8	15.7%	41
Louisville	236,813	40	23.1%	31	170,594	41	28.8%	30

METROPOLITAN AREA	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	POPULATION				EMPLOYMENT			
	CHANGE	RANK	PERCENT CHANGE	RANK	CHANGE	RANK	PERCENT CHANGE	RANK
Memphis	263,148	38	24.4%	30	184,507	38	29.6%	29
Miami	1,749,613	9	42.9%	18	1,267,007	5	58.9%	15
Milwaukee	134,356	43	9.4%	42	112,064	45	12.7%	44
Minneapolis	852,990	18	32.7%	26	612,979	16	35.6%	26
Nashville	649,389	25	58.6%	13	439,681	25	63.5%	13
New Orleans	-44,037	48	-3.4%	48	74,352	48	10.9%	46
New York	2,491,559	3	14.3%	39	2,224,603	1	23.1%	35
Oklahoma City	347,165	35	35.7%	23	251,354	35	44.3%	19
Orlando	1,027,122	15	82.8%	5	625,092	15	84.5%	5
Philadelphia	589,492	26	10.8%	41	516,646	20	17.3%	39
Phoenix	2,149,646	5	95.6%	4	1,124,079	6	88.8%	4
Pittsburgh	-108,814	50	-4.4%	49	183,534	39	14.6%	43
Portland	778,589	21	50.7%	15	470,792	23	51.3%	16
Providence	91,075	44	6.0%	45	87,004	46	11.1%	45
Raleigh	665,642	24	121.3%	2	354,831	28	98.1%	3
Richmond	326,029	36	35.4%	24	181,893	40	30.9%	28
Riverside	1,750,407	8	66.5%	10	792,452	10	79.0%	6
Sacramento	694,308	23	45.6%	17	385,622	26	46.0%	18
Salt Lake City	383,872	33	50.7%	14	340,686	29	72.4%	9
San Antonio	866,648	17	61.4%	12	544,812	19	75.3%	8
San Diego	698,887	22	27.8%	27	509,062	22	35.7%	25
San Francisco	796,601	19	21.4%	32	561,679	18	23.4%	33
San Jose	384,499	32	25.0%	29	209,916	37	19.9%	38
Seattle	1,031,298	13	40.0%	20	655,309	14	39.6%	22
St. Louis	236,036	41	9.2%	43	222,825	36	15.2%	42
Tampa	792,712	20	38.2%	21	470,083	24	43.7%	20
Virginia Beach	247,123	39	16.9%	34	146,000	43	17.0%	40
Washington, D.C.	1,776,531	7	42.6%	19	1,088,503	7	37.1%	24

Table 2. Change in Real Per Capita Income, 1990 - 2013

METROPOLITAN AREA	CHANGE	RANK	PERCENT CHANGE	RANK
Atlanta	2,655	47	12.9%	47
Austin	7,089	15	39.3%	9
Baltimore	8,570	5	39.0%	10
Birmingham	5,924	22	33.0%	17
Boston	9,978	3	40.4%	8
Buffalo	5,615	28	29.2%	20
Charlotte	4,347	38	22.9%	34
Chicago	4,926	33	21.8%	37
Cincinnati	5,050	32	25.8%	29

METROPOLITAN AREA	CHANGE	RANK	PERCENT CHANGE	RANK
Cleveland	4,143	40	19.3%	40
Columbus	5,451	29	28.5%	22
Dallas	5,836	26	28.4%	25
Denver	7,417	12	34.1%	15
Detroit	2,864	46	13.5%	46
Hartford	5,866	24	23.3%	33
Houston	9,164	4	45.9%	2
Indianapolis	3,850	41	19.2%	41
Jacksonville	4,479	36	22.7%	35
Kansas City	5,661	27	28.4%	23
Las Vegas	1,108	49	5.6%	49
Los Angeles	4,914	34	22.1%	36
Louisville	4,590	35	24.6%	32
Memphis	5,092	31	28.4%	24
Miami	3,057	44	13.6%	45
Milwaukee	5,894	23	28.3%	27
Minneapolis	6,329	19	28.3%	26
Nashville	7,132	14	38.5%	11
New Orleans	7,720	9	44.4%	4
New York	6,726	17	25.4%	31
Oklahoma City	7,423	11	42.6%	6
Orlando	2,088	48	11.2%	48
Philadelphia	7,168	13	32.2%	19
Phoenix	2,991	45	16.0%	44
Pittsburgh	8,011	7	41.1%	7
Portland	4,379	37	21.7%	38
Providence	6,401	18	32.7%	18
Raleigh	3,821	42	18.3%	42
Richmond	4,286	39	19.9%	39
Riverside	637	50	3.6%	50
Sacramento	5,845	25	28.9%	21
Salt Lake City	7,007	16	43.0%	5
San Antonio	6,041	21	36.9%	13
San Diego	7,796	8	37.1%	12
San Francisco	12,133	2	45.5%	3
San Jose	13,337	1	52.3%	1
Seattle	8,175	6	35.9%	14
St. Louis	5,226	30	25.4%	30
Tampa	3,504	43	18.3%	43
Virginia Beach	6,302	20	33.5%	16
Washington, D.C.	7,601	10	28.3%	28

Figure 1. Metropolitan Area Population, Ordered by 2013 Rank

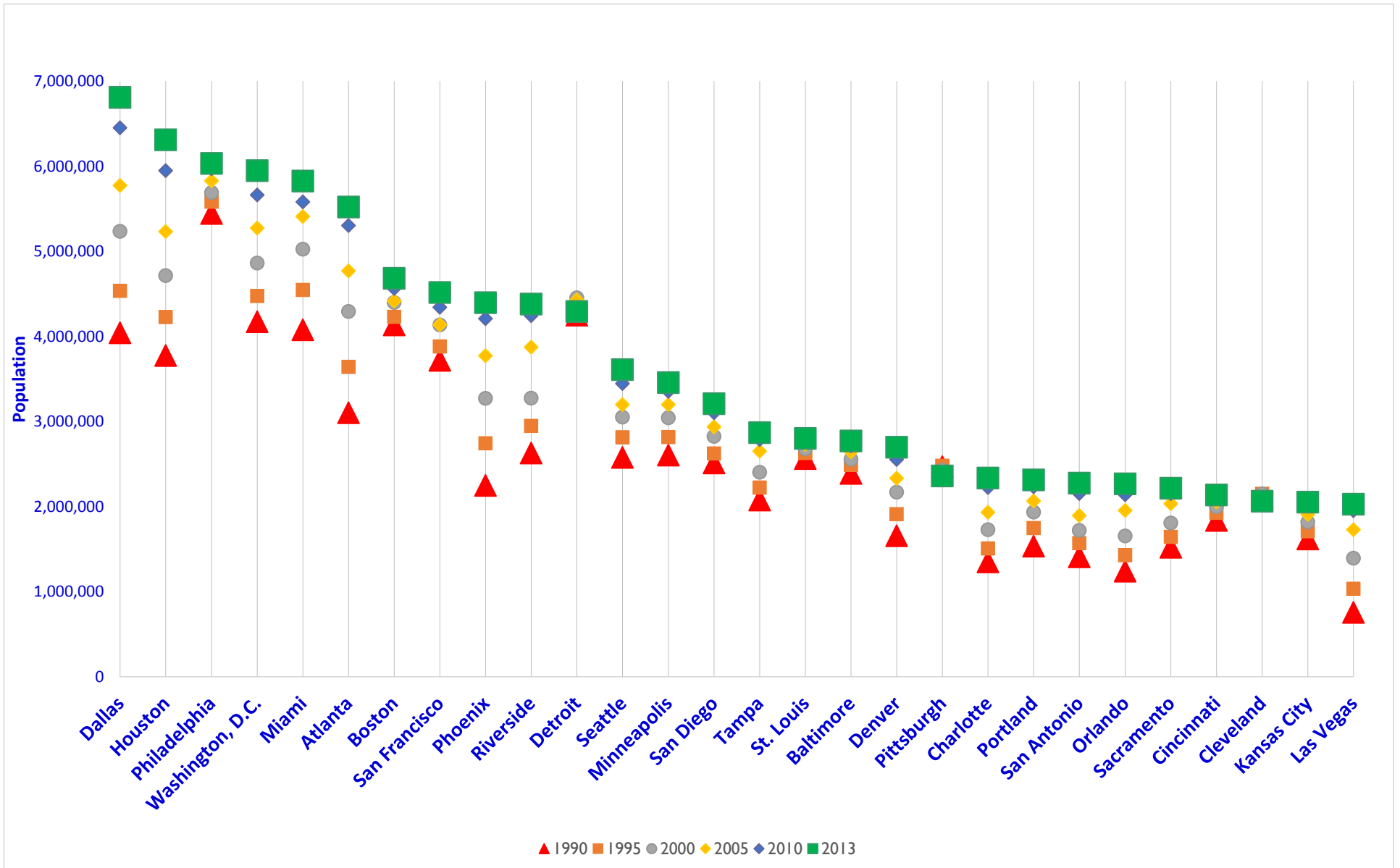


Figure 2. Metropolitan Area Population Rank, Ordered by 2013 Rank

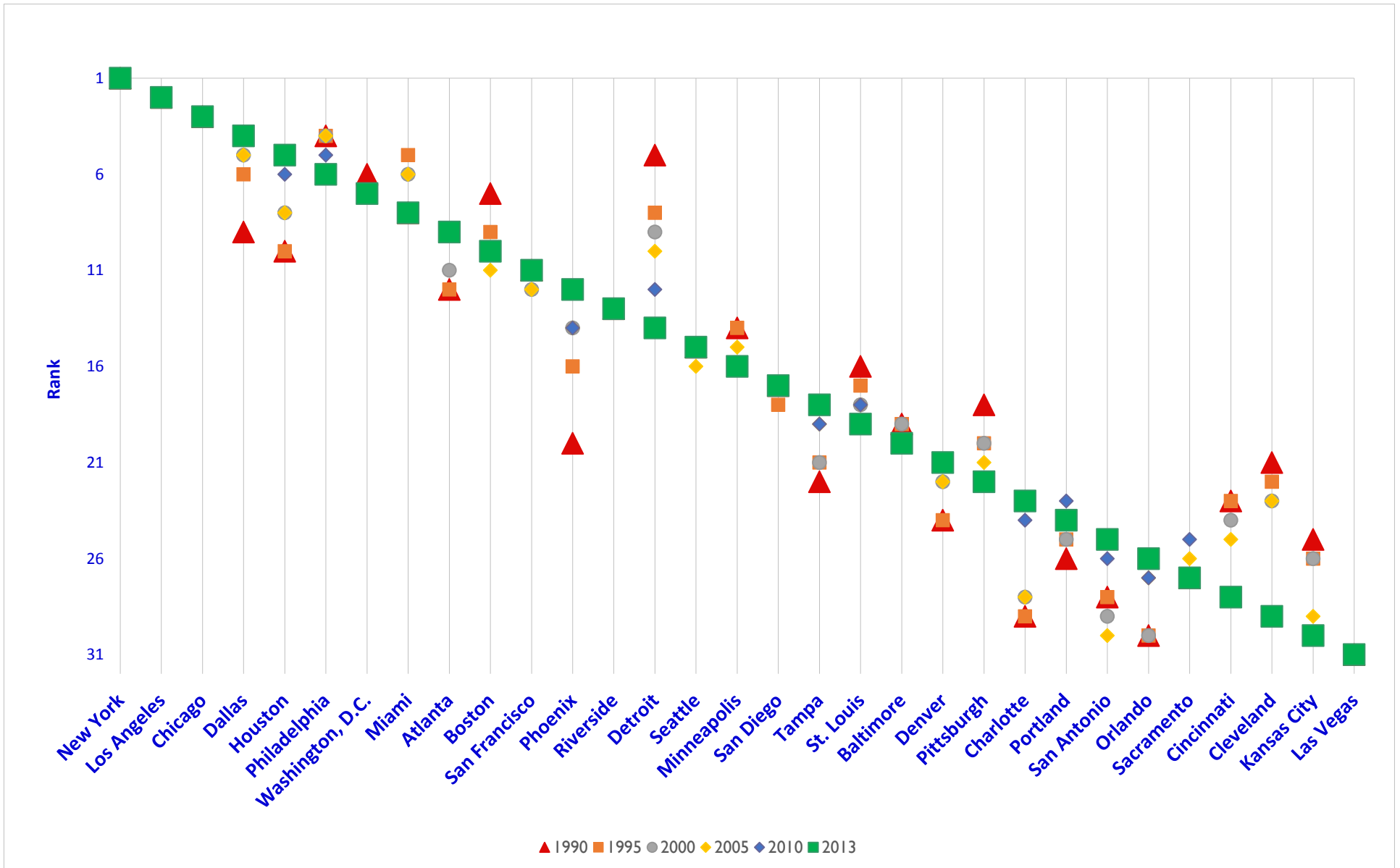


Figure 3. Metropolitan Area Employment, Ordered by 2013 Rank

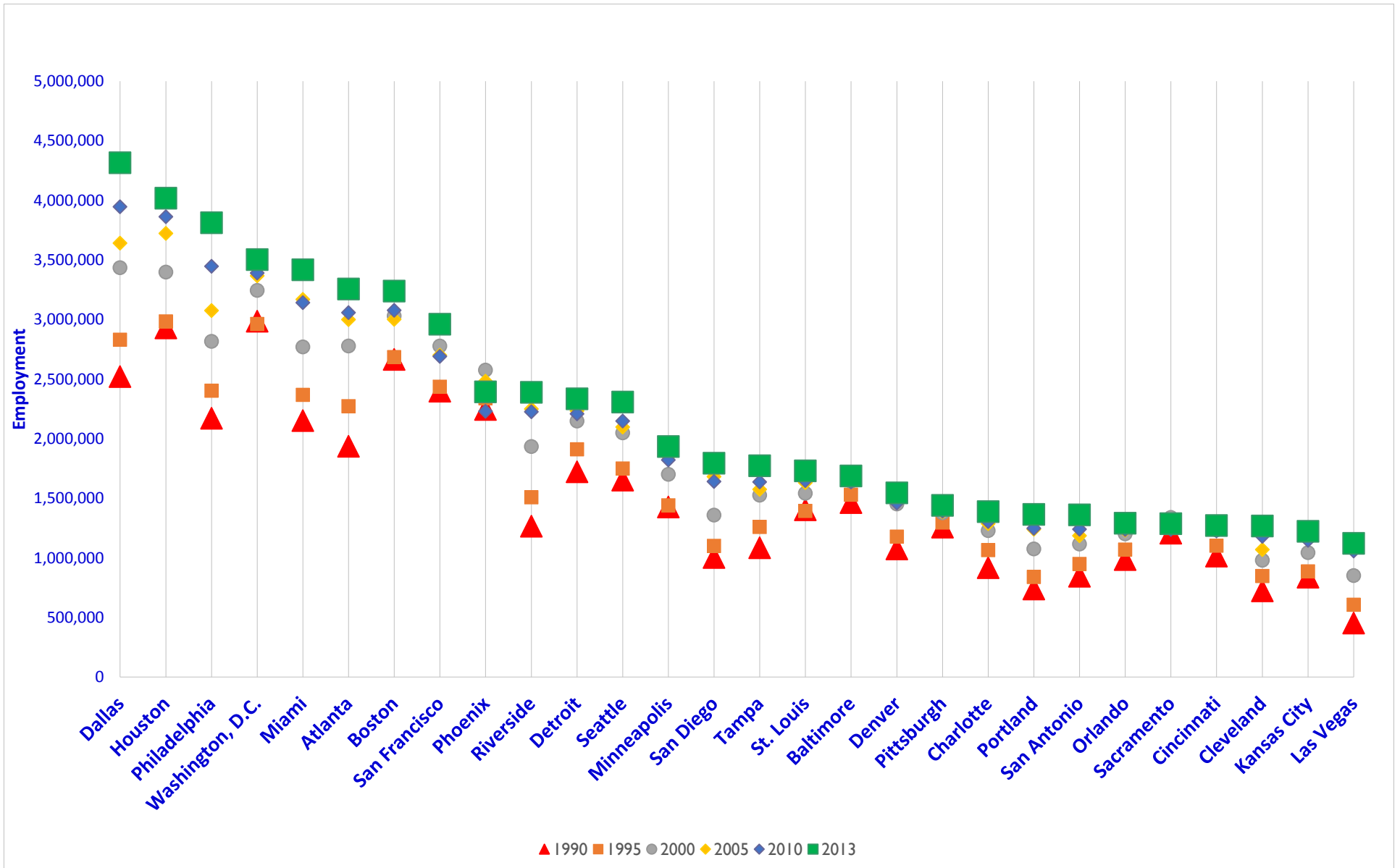


Figure 4. Metropolitan Area Employment Rank, Ordered by 2013 Rank

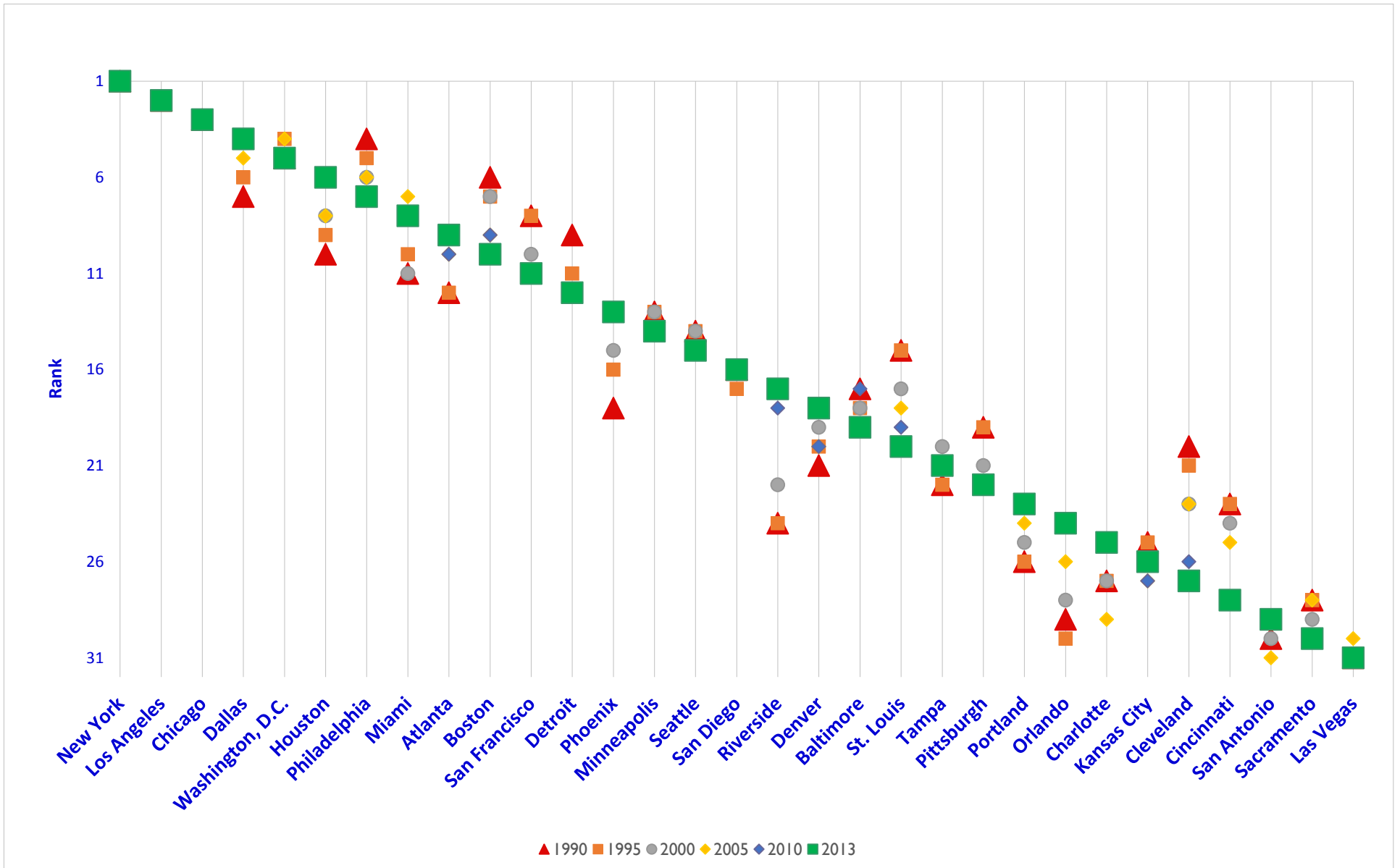


Figure 5. Metropolitan Area Per Capita Income, Ordered by 2013 Rank

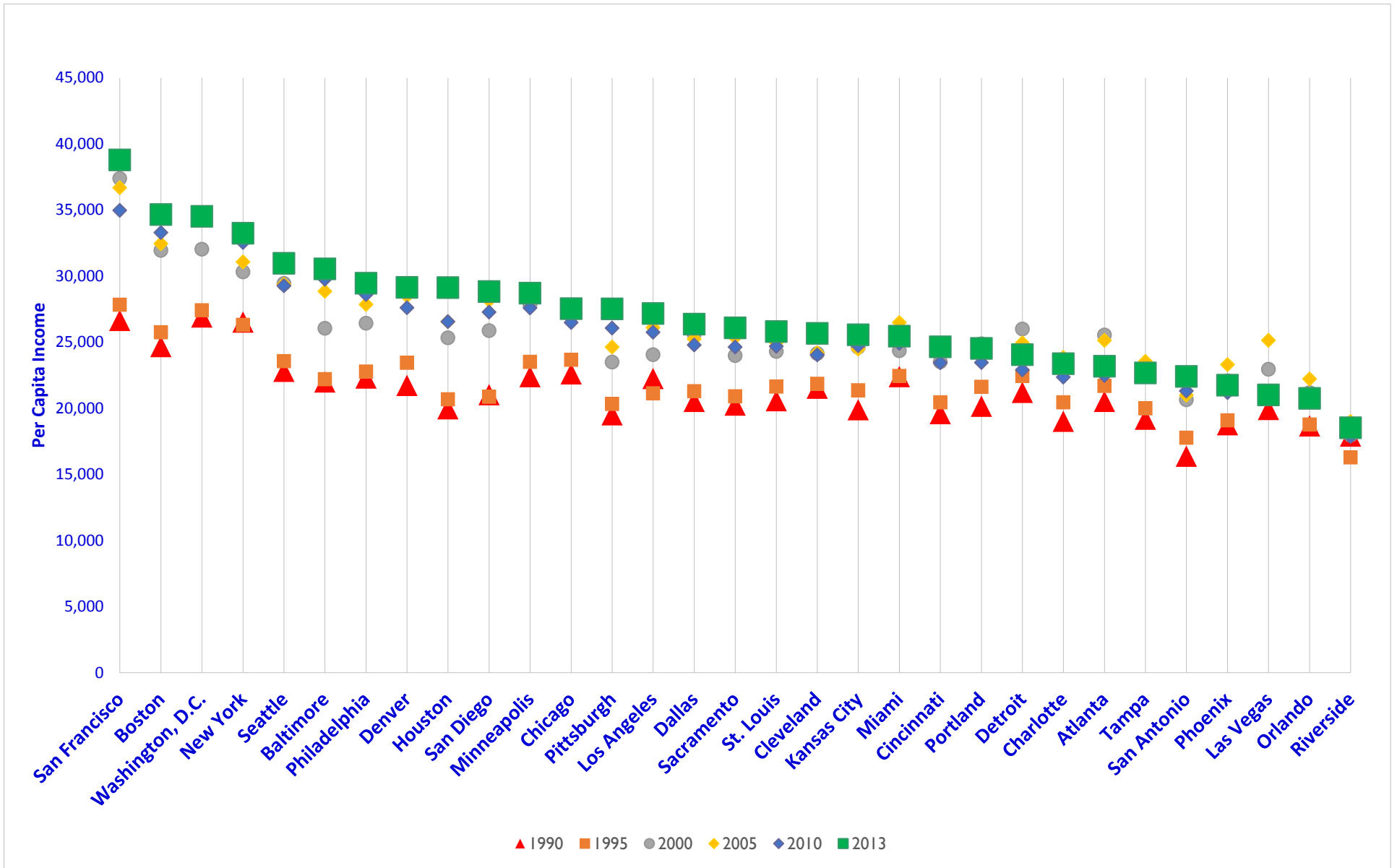
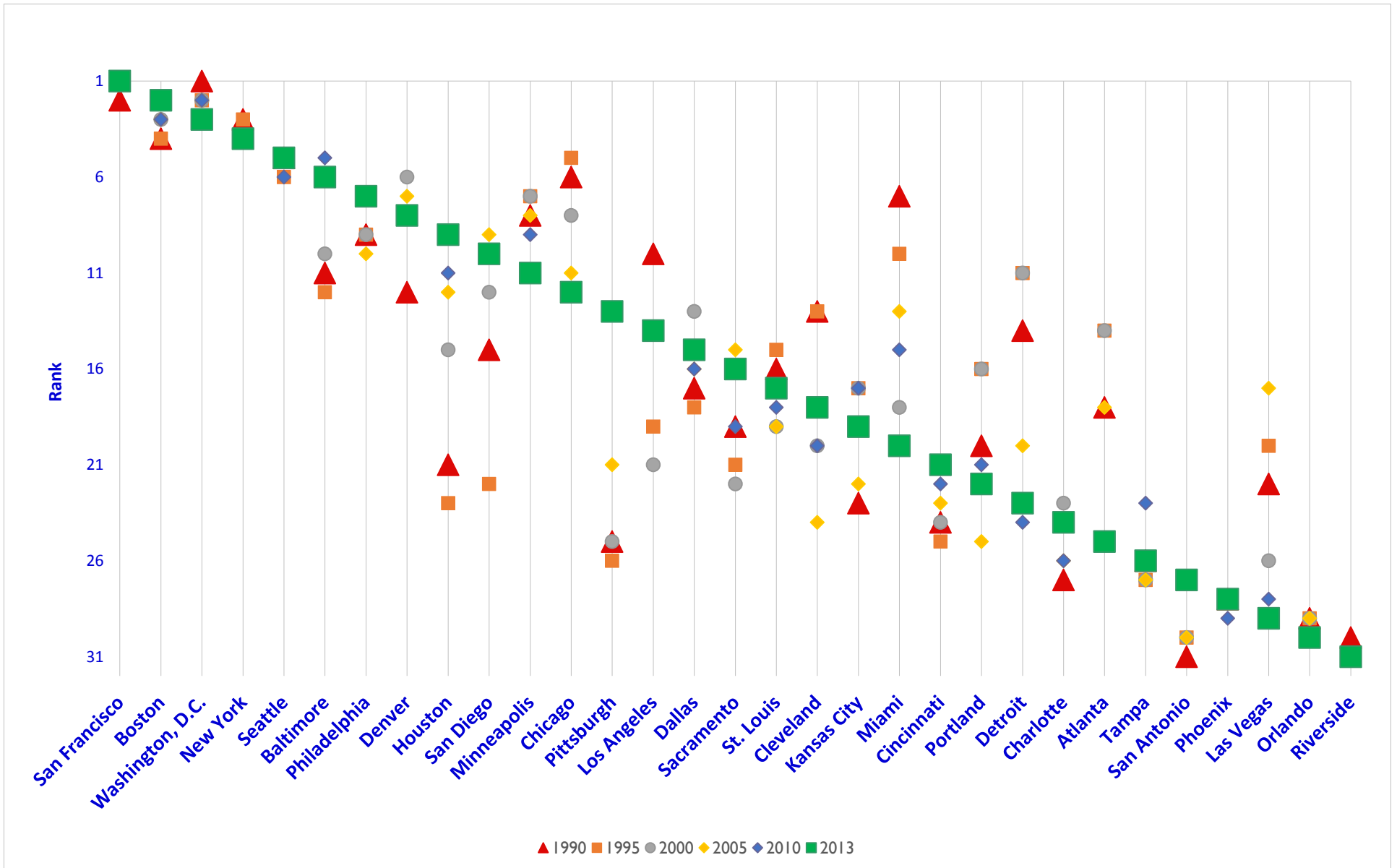


Figure 6. Metropolitan Area Per Capita Income Rank, Ordered by 2013 Rank



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