The Industrial Heartland: Rust and Renewal

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The views expressed today are my own and not necessarily the views of the Federal Reserve Bank of Cleveland or the Federal Reserve System.
The Industrial Heartland of the US
Key Questions

• Can we identify a distinct “Industrial Heartland” region?

• Does the Industrial Heartland matter for economic performance?

• What should we do differently for better outcomes in the region?
The Industrial Heartland of the US

- **Industrial Heartland**
- **Other Manufacturing Intensive**
- **Service Intensive**
Industrial Heartland is manufacturing heavy

Manufacturing Share of MSA Earnings

<table>
<thead>
<tr>
<th>Year</th>
<th>Industrial Heartland</th>
<th>Other Manu Intensive</th>
<th>Service Intensive MSAs</th>
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<td>1970</td>
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<td>2010</td>
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But manufacturing job losses are large

![Manufacturing Employment Levels](image)

- **SIC**
- **NAICS**

- Industrial Heartland
- Other Manu Intensive
- Service Intensive MSAs
Industrial Heartland employment stands out

Employment--Indexed to 1969

Year

Relative to 1969


Industrial Heartland
Other Manu Intensive
Service Intensive MSAs
Income growth also stands out

Real Per Capita Personal Income

2015 Dollars

Year


Industrial Heartland  Other Manu Intensive
Service Intensive MSAs
Does this matter?

- Paper connects manufacturing job loss with the economic performance of the Industrial Heartland

- We need to understand the headwinds to evaluate economic performance

- Policy may need to focus differently in this region if we want to address the growing differences

- So what does this look like?
To learn more

www.clevelandfed.org/region