

The Role of Initial Conditions in Post-Great Recession Recovery and Development: Single-County MSAs

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The Great Recession began with the business cycle peak in December 2007 and ended with the business cycle trough in June of 2009. The U.S. economy has been in recovery ever since, but the recovery has been uneven across regions and social groups (Kim and Warner 2018; Partridge and Tsvetkova 2017; Lewin, Watson and Brown 2017; Bennet, et al 2018). This paper studies the impact of initial (circa 2009) socio-economic conditions on post-recession economic development/recovery. The units observed are metropolitan statistical areas (MSAs) in the lower 48 American states that are comprised of a single county. In a world scrambling to identify the most effective policy route to economic development, this paper investigates the influence of prior local conditions on later economic performance.

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