
I. Motivation and Goals of the Midwest Assessment Project

In cooperation with national and regional researchers, the Federal Reserve Bank of Chicago began its assessment of the Midwest economy in late 1995 to take an in-depth look at the underlying changes that have been responsible for the dramatic turnaround in the region's economic fortunes since the early 1980s. Observations from around the U.S. suggest that periods of regional prosperity arising from externally driven forces, such as foreign exchange rates, commodity prices, and national spending patterns, often prove to be fleeting. So too, prosperous regions often handle their prosperity with complacency rather than foresight. For these reasons, a thorough understanding of the turnaround is necessary to identify and motivate those public policy considerations and private investment decisions that can sustain regional prosperity.

Looking to the future, emerging economic trends can be no less important than the historical ones, although it may be more difficult to predict their permanence. Accordingly, much of the research addresses emerging developments in governmental relations, work force relationships, industrial structure and restructuring, global market conditions, and geographic shifts in major industry groups.