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A First Look: EIG's Distressed Communities Index.

The Economic Innovation Group has been taking a look at the economic wellbeing of America's communities and this week released its findings. The research organization broke down the data by zip code and looked at seven metrics:

> **1. Educational Attainment:** Percent of population 25 years and over with a high school degree.
>
> **2. Housing Vacancy Rate:** Percent of habitable housing that is unoccupied.
>
> **3. Unemployment Rate:** Share of the labor force that is unemployed.
>
> **4. Poverty Level:** Percent of population living under the poverty line.
>
> **5. Median Income Ratio:** Ratio of the zip code's median income to the state's median income.
>
> **6. Change In Employment:** Percent change in the number of individuals employed.
>
> **7. Change in Business Establishments:** Percent change in the number of businesses.

The group listed the most distressed zip codes in each state and also ranked the states in terms of what percent of its population lives in a distressed zip code. Nevada easily tops the list with 33 percent of its population living in economic distress. The remaining top ten have between one-fifth and one-quarter of their residents living in economic distress and are located in the South or Southwest. States that have 4 percent or fewer residents living in distress zip codes are generally located in New England, the upper Midwest and Mountain West.

The results somewhat mirror findings last year by the National Association of Counties that most localities have not fully recovered from the recession. EIG also recently found in a survey of likely voters in presidential swing states that a significant portion of Americans still feel like the recovery has left them behind. "The [Distressed Communities Index] demonstrates that they don't just feel it, they live it – over 30 million Americans to be exact – in communities defined by slow job growth, vanishing businesses, and fewer opportunities to move up the economic ladder," EIG said.

States aren't necessarily faring much better, even with their greater taxing power. An analysis by PNC's Tom Kozlik this week concluded that U.S. state tax revenues are close to experiencing a "lost decade" – where overall tax revenue growth has been nonexistent. "This contrasts significantly with the last three recessions and partly helps to explain why: many state budgets are strained, some state credits have deteriorated…and why the public's trust in government remains near an all-time low," Kozlik wrote.

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