U.S. METRO ECONOMIES 2004-2005: GMP, THE ENGINE THAT DRIVES THE NATION'S ECONOMY

KEY FINDINGS

GMP

- In 2004, the nation's 361 metro areas were responsible for 86.3% of U.S. gross domestic product, producing goods and services with a total value of $10.1 trillion.
- In 2004, 52% of metros grew faster than the nation in inflation adjusted terms.
- In 2004, metro areas grew in inflation-adjusted terms by 4.4% which was the highest rate of the decade.
- By 2015, the report forecasts that 88.5% of U.S. GDP, approximately $21 trillion, will be derived from the nation's metros. That number is forecasted to climb to 91% of GDP by 2030.
- When comparing metro areas to nations, out of the top 100 economies in the world, 42 are U.S. metro areas.
- In 2004, the U.S. Department of Commerce redefined metro areas, which increases the overall number of metros from 318 to 361. This re-definition also introduces the concept of Metropolitan Divisions, which are parts of metros with more than 2.5 million residents, but which are also strongly self-contained economies with large internal employment centers. Twenty-nine of these metro divisions have been defined with in 11 of the nation's largest metro areas.
- In 2004, the output from the 10 largest metro areas was greater than the combined GSP of the 35 smallest states.
- In 27 states, the combined metro economies contribute 75% or more of the state's total economic output.
- Metro areas cover only 26% of U.S. land area, but account for more than 85% of the nation's population, employment, and output.
- The report projects that in 2005, GMP will exceed $10.7 trillion, a 3.7% rate of inflation-adjusted growth.

Employment

- By the end of 2004, metro areas as a whole had regained all of the jobs lost during the 2001 recession, and employed over 113 million workers for the first time since early 2001.
- Labor markets across the country have not regained their jobs uniformly, however, and 99 metros are not forecasted to recover their lost jobs until after 2006.
- At the end of 2005, employment levels in 18 states (Colorado, Connecticut, Georgia, Kansas, Kentucky, Massachusetts, Michigan, Missouri, Mississippi, Indiana, Illinois, New York, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, and Wisconsin) were lower than they were in 2000, and Michigan,

Mississippi, and Massachusetts are not expected to have recovered their lost jobs by the end of the decade.

- The sunbelt Metros of Las Vegas (7.4% job growth in 2005), Orlando (4.4%) and Phoenix (4.1%) will lead the nation in job growth by wide margins over other large metro areas. Charlotte, Miami, Jacksonville, Tampa, Salt Lake City, and Riverside will generate excess of 5% over the 2004-2006 period.

Wage Gap

- In 2004, workers in metro areas earned a combined $4.8 trillion in wages and salaries, compared with $558 billion earned by those employed in non-metro areas. In 2005, the report estimates that metro workers earned $5.1 trillion, compared with $587 billion earned outside of metro areas.
- Metro wages are higher than non-metro wages, and in 2004 a metro area worker earned an average of $42,300 in wages and benefits compared to the average non-metro worker who earned $29,200.
- While metro workers have higher wages and salaries than non-metro workers, the report finds that the wage gap between the jobs lost from the beginning of the recession through the end of 2003 (average annual wage of $43,629 in the top ten sectors that lost jobs), and those jobs that were gained in 2004 and 2005 (average annual wage of $34,378 in those sectors that gained jobs) was 21%. This is significantly lower than the previously forecasted 18% gap.