Key Findings

The US Economy in 2015

- US real GDP increased by 2.4% in 2014 and the nation achieved a record level of employment, at last regaining its peak level of jobs achieved more than six years earlier prior to the Great Recession.
- After a strong end in 2014, the US was poised to achieve its best rate of output growth since 2005. But output in the first quarter was restrained by harsh winter weather, work stoppages at West Coast ports, and a plunge in oil-related capital spending.
- The US economy is rebounding in the spring quarter. Payroll employment increased by 280,000 jobs in May, confirming the view that the first quarter slump in GDP was a blip.
- Moreover, average hourly earning rose 2.3% year-on-year, the strongest increase in nearly two years.
- Strong employment and income growth, low commodity prices, and low interest rates will contribute to 2.1% growth in real GDP in the second quarter and 3% growth in the second half of 2015.
- Recent evidence suggests that the housing market recovery is gaining momentum. Housing starts are projected to rise from 1.00 million units last year to 1.10 million in 2015 and 1.32 million in 2016.

Metropolitan Economies and Gross Metro Product

- US metros drove the national economy in 2014. They were home to 90.7% of real gross domestic product (GDP); 91.1% of wage income, and 87.5% of jobs.
- In 2014, metro areas contributed 94% of new jobs (2.5 million) and 95% of the increase in GDP ($585 billion).
- The metro share of US national economic activity had been steadily increasing over time. The share of output generated by metro areas has increased in the last 15 years from 85% to 91%.
- Gross Metropolitan Product (GMP) growth exceeded 5% in 19 metros, in 99 metros (26%) gains were greater than 3%, and almost half of metros, 181 (48%), grew by more than 2.0%.
- Led by $1.52 trillion in New York, the GMP of 35 US metros surpassed $100 billion in 2014, as San Antonio joined that elite group.
- The $10 billion GMP mark was surpassed by 197 metros (52%) in 2014.
- In 2014 371 of the country’s metro areas (97%) saw their real GMP increase.
- The fastest growers among metro areas in 2014 were dominated by those in the oil patch, fueled by large investments in oil & gas prior to the great oil price deflation. Their growth rates will be sharply lower in 2015.

International and State Rankings

- The combined output of the 10 highest-producing metro economies exceeds all the nations of the world save China, and is a quarter greater than that of Japan, the 3rd largest economy of the world.
- Nine of the world’s 40 highest producing economies are US metropolitan areas.
• New York’s economy alone would rank 12th among the nations of the world, ahead of South Korea and Australia. Los Angeles ranks 19th and Chicago ranks 23rd.
• In 2014, the nation’s 10 highest producing metro economies combined generated $5.8 trillion, surpassing the output of the sum of 36 states.
• For 16 US states, the metro share of gross state product exceeds 90%; for 32 states, metros account for over 80% of the state’s economy.
• New York, Los Angeles, and Chicago are each larger in GDP than Ohio, the 7th largest state economy.

**Metro Economies Growth in 2015 and 2016**

• US real economic growth of 2.1% is anticipated in 2015, 3.1% in 2016, and 2.6% in 2017.
• For the 2015 year, 361 metros (95%) will see real GMP growth, 92 metros (24%) will see real GMP growth of greater than 3.0%, and 225 (59%) will exceed 2.0%.
• The overall impact of low oil prices has benefitted consumer budgets across the United States, but those gains are being offset by the pullback in energy exploration and investment in the top energy-producing regions.

**Metro Economies and Unemployment in 2015 and 2016**

• In 2014, 62 metros (16%) saw job growth of greater than 3.0%, 142 metros (37%) had job growth of 2.0% or more, and only 42 (11%) of metros experienced actual job declines.
• The unemployment rate will also trend lower over 2015, with rates below 6.0% in 284 metros (75%). That is only one percentage point above the national rate of just under 5.0% in the prerecession years, and will be the largest number of metros with below 6.0% unemployment since 2008.
• In 2015 165 metros (43%) will have rates below 5.0%. The median unemployment rate among metros will be 5.1% in 2015, falling to 4.8% in 2016.
• By the year-end 2015, 229 metros (60%) will have regained their prerecession peak employment levels; in 2016 the total will increase to 66%. By the end of 2014, 186 metros (49%) had regained their lost jobs from the recession.
• While these job gains enable most metros to reach new heights of economic activity, it will still be the case that 130 metros (34%) will enter 2017 with fewer jobs than they supported almost a decade ago.

**U.S. Metro Population Forecast**

• In 2014 US Metros accounted for 85.5% of the nation’s population.
• The US population is projected to grow from 319 million in 2014 to 389 million in 2044, an increase of 69.3 million (21.7%).
• For the same period Metros will grow by 66.6 million (24.4%), or 96% of total US population growth.