Key Findings

US Metro Economy in 2015

- Metropolitan areas drove the US economy in 2015. They were home to 85.7% of the nation’s population, 87.7% of total employment, 87.9% of total real income, 91.3% of wage income, and 90.8% of GDP.
- Metro share of national economic growth in 2015 was even greater – metros contributed 96.5% (2.6 million, the most since 2000) of new jobs and 98.9% ($578 billion) of the increase in GDP.
- In 2015, 72 metros (19%), saw job growth of greater than 3.0%; 153 metros (40%) had job growth of 2.0% or more, while 47 (12%) experienced actual job declines.
- In 2015, real wages increased in 50 metros by more than 3%, led by San Jose and other California metros. San Jose and San Francisco also had the highest average wages in 2015. (Figure 9) Over 2015, a whopping 211 metros (55%) exceeded 2% real gains in wages, while only 11 metros had declines.
- Gross Metropolitan product (GMP) gains were greater than 3% in 141 metros (37%); more than three-fifths of metros, 232, (61%) grew by more than 2.0%. (See Appendix Table 8.)
- The GMP of 37 US metros surpassed $100 billion in 2015, as Las Vegas and Bridgeport joined that elite group. The $10 billion GMP mark was surpassed by 200 metros (52%) in 2015.
- Combined, the nation’s 10 highest-producing metro economies generated $6.2 trillion in economic value in 2015, surpassing the output of the sum of 37 US states.
- Many US metros have larger economies than states. In 16 states the metro share of Gross State Product (GSP) exceeds 90%, and in 32 it exceeds 80%. New York, Los Angeles, and Chicago are each larger in GMP than the state of Ohio, our 7th largest state economy.

US Economy in 2016

- The report estimates that second quarter 2016 growth will come in at 2.6%, while first quarter growth was just 0.8%.
- US growth will accelerate to 2.9% by the fourth quarter of 2016. As a result, the pace of overall GDP growth will pick up from 1.9% this year to 2.6% in 2017.
- Payroll employment gains over the three months through May 2016 averaged 116,000, compared with an average 224,000 from December through February.
- The pace of monthly employment growth may remain sluggish for a few more months, similar to other weak episodes over the past few years, before returning to the 150,000-200,000 range, consistent with an underlying GDP growth rate of around 2.5%.

US Metro Economies in 2016-2017

- In 2016 a total of 52 (14%) metros will have job growth of more than 3%; 152 (40%) will gain more than 2%, and 273 (72%) greater than 1%. Thirty-seven metros however will lose jobs in 2016 in our forecast.
- At the same time, real GMP growth will exceed 3% for 42 (11%) metros, 2% for 126 (33%), 1% for 255 (67%), and will be positive for 333 (87%). (See Figures 3 and Appendix Table 8.)
In 2016 we estimate that another 20 metros will have prerecession peak levels of employment, bringing the total to 250, or 66%. And by year-end 2016 we forecast that 264 metros (69%) will have achieved this job recovery. (See Appendix Table 11) While these job gains will enable most metros to reach new heights of economic activity, it will still be the case that 117 metros (31%) will yet enter 2017 with fewer jobs than they supported almost a decade ago.

In 2017, GMP growth for all metros of 2.7% again leads the increase in US GDP in our forecast. Eighty-one percent of metros (309), are projected to see real GMP growth of at least 2% in 2017, with 33% (125) exceeding 3% growth. Though the Sun Belt areas will still lead the US, growth will be more evenly distributed with the Northeast and Midwest improving significantly. (See Figure 4 and Appendix Table 8.)

Employment growth between 1% and 2% is forecast in 2017 for 203 metros (53%). Sixty five metros (17%) will see job growth greater than 2%, only 3 metros are projected to see a decline. (See Figure 4 and Appendix Table 8.)

US Metro Economy since 2009

As 2009 began, the US was in the midst of a sharp slide in economic activity that characterized the Great Recession. The decline remained steep, losing an additional 4 million jobs over the next 15 months.

In 2014, national employment had finally regained its pre-recession peak job level as over 14 million jobs were added in four years. As of the second quarter of 2016, the US unemployment rate, having peaked at over 10%, has now retreated to less than 5%.

Employment data through May 2016 indicates that US payrolls reached 143.9 million that month, a 7.3% increase from January 2009, or 9.8 million additional jobs. This employment level exceeds the trough of the recession, which occurred in February 2010, by 14.2 million.

The economy has added 10.3 million private sector jobs since 2009, reaching 121.8 million in 2016, a 9.3% increase.

Metros have led the way in this job growth. The New York and Dallas metro areas have each gained more than a half-million jobs since 2009, and the metros of Los Angeles, Houston, San Francisco, Miami, and Atlanta have gained more than a quarter-million (Figure 7.)

Since January 2009, 315 metros, 83%, gained jobs. Twelve metros, led by Provo at 29% and Austin at 27%, exceeded a 20% growth rate. Ninety-one metros, or 24%, achieved double digit growth, and 208 of them, or 55%, saw more that 5% gains (Figure 8 and Appendix Table 13.)

There was very good news concerning wages in 2015. The average wage per worker reached $56,471, a real, inflation-adjusted increase of 2.3% over 2014, representing a marked acceleration from the first several years of the decade. Real wage increases averaged just 0.4% across all metros from 2009 to 2013, but accelerated to 1.7% in 2014 and 2.3% in 2015.

In 2016 and 2017 we forecast that real wage gains will continue the faster pace finally achieved in 2014, generating considerable disposable income for workers and middle-class households. Gains in real, inflation-adjusted, terms of 1.7% in 2016 and 1.9% in 2017 will boost the average wage to $58,754.