Key Findings

GROSS METROPOLITAN PRODUCT (GMP)

U.S. Jobs and Growth

- Growth in U.S. gross domestic product (GDP) has shown consistent improvement since the contraction in 2008 and 2009, surpassing its pre-recession peak levels (in real terms) by the middle of 2011 (see Appendix Table 1);
- Moderation in oil prices during 2012 has resulted in a boost to household budgets, which will support U.S. growth in the second half of the year;
- The average price of gasoline is expected to fall to $3.11 per gallon in the fourth quarter of 2012;
- Over the remainder of 2012, the report anticipates national job growth of 1.4% and real GDP growth of 2.0%; and
- The unemployment rate is expected to fall to 8.0% during the second half of 2012.

Strength of Metropolitan Economies

- Metro areas are home to 90.7% (see Appendix Table 6) of real GDP; 89.9% of wage and salary income; 85.8% of jobs; and 83.7% of population;
- Metro areas have been responsible for 87.9% of the recovery in the nation’s real GDP and 83.6% of employment growth since the economy reached its trough;
- In 2011, total real gross metropolitan product (GMP) grew by 1.7% as it expanded in 267 metros (see Appendix Table 5);
- In 2012, real GDP is anticipated to grow at 2.0%, and the average of all 363 metros will be just below 1.8% (see Appendix Table 9);
- Overall, in 2012, 50 metros will achieve real GMP growth rates of 3.0% or more, led by Austin and Houston among the largest. More than 110 metros will see growth of 2.0% or better (with Phoenix, San Francisco, Denver, and Boston as front-runners of this group) and over 220 metro areas will increase their GMP by 1.0% or higher (Des Moines, Sacramento and Chattanooga will lead the charge in the third tier)(see Appendix Table 8); and
- In 2012, more than 300 metro areas will see real GMP growth, continuing the steady progress seen since exiting the recession (see Appendix Table 9).
Metro-to-State Comparisons:

- Each of the three largest metro areas—i.e. New York, Los Angeles, and Chicago—have economic output greater than that of 45 states (see Appendix Table 3); and
- The combined production of the 10 largest metro areas is greater than that of the combined output of 36 states (see Appendix Table 4).

Metro-to-International Economies Comparisons: (see Appendix Table 2)

- Out of the 100 largest economies in the world, over a third of them (37) belong to metropolitan areas in the U.S.;
- The economies of New York, Los Angeles, Chicago, and Washington, D.C., respectively rank as the 14th-, 20th-, 23rd-, and 31st largest in the world; and
- The total gross metropolitan product (GMP) of U.S. metro economies ($13 trillion) equals almost a quarter (24%) of the production of the largest 200 countries (excluding the U.S.) and is greater than the combined product of 121 of those countries.

Special Chemical Industry Focus (see Appendix Table 11)

- The industry generates $760 billion in U.S. sales;
- The industry exports almost $200 billion per year and represents over 8.0% of all U.S. exports;
- The industry invests $50 billion per year in U.S. research and development;
- Chicago narrowly leads Houston with 43,000 jobs in chemicals and plastics manufacturing; and
- Twenty-eight metros have employment in excess of 10,000 in this sector and 206 metros employ more than 1,000.
TRANSPORTATION INFRASTRUCTURE

International Ranking of U.S. Infrastructure

- The U.S. ranks 24th in the quality of overall infrastructure just above Taiwan and behind European and Asian nations including Switzerland, France, Germany, Spain, Hong Kong, Japan, and South Korea;
- Public spending on transportation and water infrastructure has been only 2.4% of GDP in recent years and has been steadily declining; and
- Europe invests 5.0%- and China 9.0% of GDP on infrastructure spending.

U.S. Metro Congestion Costs

- The total congestion cost, which is the value of wasted time and fuel, is estimated to have cost U.S. urban areas $101 billion in 2010, or $713 per commuter (see Table T1);
- In 2010, congestion caused 4.8 billion hours of travel delay for Americans;
- Over the last two decades, the congestion cost per commuter has increased in 100 of the 101 largest urban areas and more than doubled in 66 (see Table T1); and
- The largest urban areas incur the highest congestion costs. Congestion costs per commuter exceeded $1,000 in Washington, D.C., Baltimore, and New York on the East Coast; Chicago in the Midwest; Houston in the South; and Los Angeles and San Francisco on the West Coast (see Figure 1 in text).

Upcoming Challenges for Transportation Infrastructure

- Employment Growth
  - Over the next 30 years, 92% of employment and population growth will occur in metros;
  - Over the next decade, the 15 metros with the largest increases in employment will be adding at least a quarter of a million jobs each. New York, the top metro, will see payrolls increase by over 900,000. Los Angeles, will rise by 500,000 from 2010-20 (see Table T4);
  - Employment growth from 2010-2020 will be faster than the previous ten years in 325 of the 363 metros, and in most instances will be significantly faster; and
  - Exports supported 9.2 million jobs in 2010, this number will grow in the coming years.

- Population
  - Total metro area population will grow by 32% from 2012-2042 and will be especially fast in some of the nation's largest metros (see Table T5);
• Population will grow by over 50% in 59 metro areas, over 75% in 21, and will more than double in 3 over the next 30 years (see Table T5); and
• By 2042, 70 metros will have population exceeding 1 million, compared to 2012 where only 51 achieved this feat. Also, by 2042, five metros will have over 10 million people – whereas just 2 currently have that population level (see Table T5).

- Growth in Trade and Exports

- Real exports and imports have more than tripled over the past two decades, going from a combined $1.27 trillion in 1990 to $3.75 trillion in 2010. This is expected to grow to $4.13 trillion by the end of 2012 and further expand to $6.04 trillion by 2020, as international trade becomes an even larger part of the U.S. economy;
- In 2011, the dollar value of imports totaled $2.66 trillion, or about 17.5% of real GDP, up from 13.6% ten years earlier. And American companies exported $2.09 trillion to overseas customers in 2011, about 13.8% of GDP, up from 10% in 2001;
- Exports are expected to outpace imports over the next 10 years, with the U.S. becoming a net exporter by 2020. This will be the first time this has occurred since the early 80s, and even then it was by a small margin, and lasted just 2 years;
- From 2005-2008, export merchandise value increased in 300 metros, expanded by over 50% in 168 of them, and doubled in 70. Over the next decade, U.S. exports will essentially double, with metro areas leading the way;
- Metros dominate the U.S. export market, accounting for 88% of merchandise value, and they house all of the nation’s major ports (see Figure 4 in text);
- The largest metros are the top exporters (see Figure 2 in the text), with the 20 biggest metro economies comprising 50% of the total U.S. share; and
- The New York MSA recorded exports of $85.1 billion in 2010, followed by Houston, Los Angeles, Detroit, and Miami to round out the top 5. Each of the top 25 metros recorded more than $10 billion in exports.

Conclusion

- Metros will continue to lead the nation in population, employment, and overall economic growth, which will put further strain on infrastructure in areas that are already congested.
- If the nation fails to dramatically increase its investment in transportation infrastructure, it will see congestion and its costs on families, commuters and businesses skyrocket, potentially doubling over the coming decade alone.