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MANY U.S. METROS STILL STRUGGLING
YET CONTINUE TO DRIVE THE NATION’S ECONOMY
MAYORS REPORT SHOWS

Washington, D.C. – The nation’s cities are struggling more economically in 2013 than they did in 2012, according to a report done by IHS Global Insight for The U.S. Conference of Mayors. The report findings show that one-third (119) of the nation’s 363 U.S. metropolitan areas -- cities and their surrounding suburbs -- will see stagnant or declining economies this year. That number has increased significantly since last year, when only one-fifth (73) of U.S. metros experienced no growth.

Released today from the USCM headquarters in Washington, D.C., the report (available at www.usmayors.org) also shows that while two-thirds (244) of U.S. metropolitan areas will see some measure of economic expansion in 2013, almost 40 percent of the cities/metros will grow by only 1 percent or less.

“This report makes clear how critical metropolitan areas are to our nation’s economy and ongoing recovery. Cities and their metro economies account for over 90% of Gross Domestic Product (GDP); nearly 86% of the nation’s population; and almost 86% of all jobs. So if our metro areas aren’t doing well, the entire country suffers,” said USCM President Mesa (AZ) Mayor Scott Smith.

“Because the recovery is still very fragile, we cannot afford manufactured crises like sequestration, the debt ceiling battle and the federal government shutdown. So it is important that Washington not return to dysfunction, which has real economic consequences in our cities and on Main Street,” Smith continued.

While the economic outlook for metro areas in the U.S. is not outstanding, the report also shows that the economic output of many of this country’s metros remains stronger than that of some foreign countries. For example, of the world’s 100 largest metropolitan areas, 36 of them belong to the United States. New York ranks as the 13th largest economy in the world, followed by Los Angeles 20th, and Chicago 23rd, and Houston 30th. And the Phoenix-Mesa metro economy is the 65th largest economy in the world, with over $201.7 billion of economic output annually -- bigger than the economies of Peru, or New Zealand.

Of these findings, USCM CEO and Executive Director Tom Cochran said, “This report shows that our nation’s cities and their metro areas are real players on the international scene. If we choose to ignore our metro areas, we will do so at our own peril. To stay competitive as a country, we must invest in their economic growth and job generating power.”

See key findings of the report below (Note 2013 numbers represent forecasts, not actual figures, which will not be final until 2014):

Metro Economic Output
- One-third (119) of all U.S. metros will see flat or negative economic growth in 2013, compared to 73 metros which experienced no growth or declining economies in 2012
- 244 U.S. metros in 2013 will see economic expansion, although 93 (38%) of those will grow by 1.0% or less. This is down from 2012, when 290 metros experienced real GMP growth, and in 2011 when 265 metros saw growth. Nearly all metros (358) are slated for GMP growth in 2014.
- In 2013, the report forecasts that Gross Domestic Product will expand by 1.7%, while GMP growth will be slightly less at 1.6%.
- In 2013, metros of Texas will again top the list of fastest growers in real GMP: Midland tops the list at 7.3%; Odessa is second at 6.4%, and Corpus Christi is 10th, at 3.8%.
- Metros in housing bubble states of California, Arizona and Florida will comprise 9 of the top 50 fastest growers: San Francisco, San Jose, Tampa and Jacksonville will all see output jump by more than 3% this year.
• Among our largest Metros, New York and Los Angeles will see real GMP increase by more than $23.5 billion (2%) and $15.1 billion (2.3%) respectively, while Chicago will see a jump of $6.3 billion (1.3%).

Role of Metros in U.S. and Global Economy
• In 2012, 92.3% of the jobs added, 89.2% of growth in real GDP, and virtually all of our nation’s population gains occurred in metro areas.
• In 2013, U.S. metros will contain 86% of total U.S. non-farm employment, 90% of real GDP, and 85.7% of U.S. population.
• Of the world’s 100 largest, 36 of them belong to metropolitan areas of the United States. New York ranks as the 13th largest economy in the world, followed by Los Angeles 20th, and Chicago 23rd, and Houston 30th.
• The metros of New York and Los Angeles both produce more than 46 states—surpassed only by Florida, Texas, California, and New York.

Metro Employment
• The impact of sequestration, the federal shutdown, and tepid economic growth in Europe has hindered the U.S. economy; employment will grow only 1.5% and real income will rise by 1.4%
• The report projects that 290 metros will see some employment gains this year, while 73 metros will see flat or declining employment.
• Among the larger metros, Salt Lake City will see its number of jobs increase by 3.8%; Houston 3.6%; Dallas and Nashville 3.4%.

The U.S. Conference of Mayors is the official nonpartisan organization of cities with populations of 30,000 or more. There are 1,295 such cities in the country today, and each city is represented in the Conference by its chief elected official, the mayor. Like us on Facebook at facebook.com/USMayors, or follow us on Twitter at twitter.com/usmayors.