U.S. METRO AREAS TO SPUR ECONOMIC GROWTH THROUGH 2020

Mayors Release New Report During 82nd Annual Meeting in Dallas, TX

Dallas, TX – According to a new economic report released today by the U.S. Conference of Mayors (USCM), metro areas will continue to lead the way in stimulating the economy, propelling it to achieve its growth potential of more than 3%, a rate not reached since 2004. Released during the USCM 82nd Annual Meeting in Dallas, the report is based on analysis by IHS Global Insight and also shows that by 2016, nearly three quarters of all metros (269) will have unemployment rates below 6%.

The report also indicates that in 2013, metropolitan areas were home to 84% of the nation’s population, 86% of total non-farm employment, 87% of total real income, 90% of new housing starts, and 90% of real gross domestic product. And they are expanding: total metropolitan employment climbed by 1.9% last year, real gross product increased by 2.1%, and metropolitan area population rose by 0.9%, with each growth rate faster than that of the US.

The report projects the economic growth of U.S. metro economies will accelerate next year (2015), driving the U.S. to real GDP gains of 3.2%.

“This report confirms what Mayors have been saying for years; that the economic prosperity of the U.S. economy is directly linked to the economic growth and job producing power of our nation’s 363 metro areas,” said USCM President Sacramento (CA) Mayor Kevin Johnson. “Mayors are optimistic that after years of struggling through the recession, we have turned the corner. Continued investment in our cities promises to be the game-changer the country needs to generate more jobs and fuel a full and robust recovery.”

The report also finds that eight of the world’s 40 highest producing economies are U.S. metro areas. It cites New York’s economy as ranking 13th among the nations of the world, ahead of Spain, South Korea and Mexico.

“Not only does this report show that metro areas are the beating heart of the U.S. economy, it also points to the importance of metro areas as competitive forces in today’s world economy,” said USCM Vice President Baltimore (MD) Mayor Stephanie Rawlings-Blake. “U.S. metros comprise 36 of the 100 largest world economies, and are truly major players in the global economy.”

“As this report shows, the role that metro areas play in spurring employment growth, export expansion and economic output can not be underestimated,” said USCM’s Chair for the Council on Metro Economies and the New American City Columbus (OH) Mayor Michael Coleman whose Council issued the report. “We need to invest in, not hinder, our metro areas because most of our future economic growth and the vast majority of our Gross Domestic Product will come from them.”

The report can be found here: http://usmayors.org/metroeconomies/2014/06/report.pdf.

Key findings or the report include:

2013 Metro Economy Performance

- In 2013 U.S. Metro area were home to 84% of nation’s population, 86% of total employment, 87% of real income, 90% of housing starts and 90% of gross domestic product (GDP).
In 2013, 294 metros (81%) saw their real gross metro product (GMP) increase. Of those 294, 21 metros saw growth of 4% or more, 52 saw growth of 3% or more, 120 of 2% or more, and 230 of 1% or more.

Among the 100 largest metro areas, Austin saw the largest real GMP increase of 4.6% followed by San Jose and Nashville of 4.2%, San Francisco 4.1%, New Orleans 3.9%, and Charlotte and Fayetteville at 3.8%.

Led by $1.4 trillion in New York, the gross metropolitan product (GMP) of 33 U.S. metros surpassed $100 billion in 2013, with Austin, Columbus, and Sacramento surpassing that level for the first time.

Combined, the nation’s 10 highest-producing metro economies surpassed the output of 37 states (See Appendix Table 4). New York, Los Angeles, and Chicago all rank in the top ten when compared to state economies (See Appendix Table 3).

Eight of the world’s top 40 (and 36 of the top 100) highest producing economies are U.S. metro areas. New York’s ranks 13th among nations of the world, ahead of Spain, South Korea and Mexico. Los Angeles ranks 20th in the world, followed by Chicago at 23rd.

Houston, Washington, Dallas, San Francisco, Philadelphia, Boston, Atlanta and Miami all rank among the top 50 economies of the world (See Appendix Table 2).

By the fourth quarter of 2013, 284 metro areas had seen their unemployment rates fall below 8%, while 205 fell below 7%, 121 dropped under 6%, 49 had rates less than 5% and 15 below 4% (See Appendix Table 10).

**U.S. Metro Economy Forecast**

- Real economic growth for the nation will accelerate in 2014 to 2.3%, with a second quarter rebound to 3.7%. For the rest of the year, growth is projected to average 3.0%, inflation just under 2%, housing starts above one million units, and unemployment dipping towards 6%.

- 344 metros (95%) will see real GMP growth in 2014. Only 19 metros will see no growth or decline.

- In 2014, U.S. metros will supply 87% of the nation’s payroll, 88% of total income, 97% of population growth and 91% of real GDP growth to the nation’s economy.

- 337 metro economies (93%) will experience year-over-year employment growth in 2014, with 254 seeing growth of 1% or more, 116 at 2% or greater, and 33 at 3% or higher (See Appendix Table 8).

- In 2015, real GMP growth will accelerate yet again, reaching 3.2% annual growth for all metropolitan areas and the U.S. alike.

- In 2015, all U.S. metros will see growth of 1% or better, with nearly half (172) metros experiencing growth in excess of 3% and only 32 metros (9%) will see growth of less than 2%.

- At yearend 2013, 123 metros (34%) had returned to their pre-recession employment levels. That number will grow to 175 (48%) by this year, and to 219 (60%) by end of 2015 (See Appendix Table 11).

- By the end of 2016, 324 metros will have jobless rates below 7%, 269 under 6%, 144 less than 5%, and 49 will drop below 4% (See Appendix Table 10).

- Longer term, through 2020, U.S. metros will continue to be the crux of economic growth, supplying 89% of the employment and real income growth, 92% of real GDP growth, and 94% of population growth.

- Through 2020, Austin (4.4% average annual change), Raleigh (4.3%) and Fayetteville (4.2%) will be the three fastest growing large metros.

- U.S. metros will experience a 1.5% compound annual employment growth through 2020.

The Mayors’ meeting, where the report was released, is slated to span four days with confirmed speakers as follows:

**Friday, June 20 – Opening Press Conference at 11am:** Welcome from Dallas Mayor Mike Rawlings; USCM President Sacramento Mayor Kevin Johnson’s Inaugural Address; Climate Protection Awards for Winning Cities; Women’s Mayors Meeting; Special Session on Education Excellence w/ Oklahoma City Mayor Mick Cornett, Louisville Mayor Greg Fischer, Tacoma (WA) Mayor Marilyn Strickland, Indianapolis Mayor Greg Ballard, Cleveland Mayor Frank Jackson; Breakout Sessions Led by Baltimore Mayor Stephanie Rawlings-Blake, Indianapolis Mayor Greg Ballard, Columbus Mayor Michael Coleman, Denver Mayor Michael Hancock
Saturday, June 21 – Session on Building an Early Learning Nation w/ Education Sec. Arne Duncan, Jackie Bezos, Denver Mayor Michael Hancock, Seattle Mayor Ed Murray and USCM President Johnson; Citi Exec. V.P. for Global Public Affairs & fmr NYC Deputy Mayor Edward Skyler; Boston Mayor Martin Walsh; City Livability Awards for Innovation; Panel Discussion on Transportation with Atlanta Mayor Kasim Reed, Los Angeles Mayor Eric Garcetti and U.S. Representative Eddie Bernice Johnson; National Anti-Bullying Initiative to be Announced; Special Session on Veterans’ Services; Breakout Sessions Led by Newton (MA) Mayor Setti Warren, Gresham (OR) Mayor Shane Bemis, Pembroke Pines (FL) Mayor Frank Ortis, Atlanta Mayor Kasim Reed and New Orleans Mayor Mitch Landrieu

Sunday, June 22 – Maria Shriver to Discuss The Shriver Report; Interactive Discussion on Climate Protection with EPA Administrator Gina McCarthy and Energy Sec. Ernest Moniz, Bridgeport (CT) Mayor Bill Finch & mayors; New York City Mayor Bill de Blasio; Breakout Sessions Led by Kansas City (MO) Mayor Sly James & Burnsville, (MN) Mayor Elizabeth Kautz, Columbia (SC) Mayor Steve Benjamin & Dubuque (IA) Mayor Roy Buol, Fresno (CA) Mayor Ashley Swearengin, Madison (WI) Mayor Paul Soglin, Lansing (MI) Mayor Virg Bernero, Memphis Mayor A.C. Wharton & Santa Barbara Mayor Helene Schneider, Rochester (MN) Mayor Ardell Brede & Sumter (SC) Mayor Joseph McElveen, Laredo (TX) Mayor Raul Salinas & Anaheim (CA) Mayor Tom Tait, Carmel (IN) Mayor Jim Brainard & Bridgeport (CT) Mayor Bill Finch and Orlando Mayor Buddy Dyer

Monday, June 23 – Special Session on Sports, Race and Politics featuring NBA All-Time Leading Scorer Kareem Abdul-Jabbar, Sacramento Kings Principal Owner Vivek Ranadive, Philadelphia Mayor Michael Nutter, Indianapolis Mayor Greg Ballard, Journalist, TV Host and Author Roland Martin, a current NBA Player/Coach TBA and USCM President Sacramento Mayor Kevin Johnson; Google’s Get Your Business Online City Challenge Awards; Business Session to Debate/Vote on Policy Resolutions by Conference General Body; Breakout Sessions Led by Jacksonville (FL) Mayor Alvin Brown, Oklahoma City (OK) Mayor Mick Cornett

About The United States Conference of Mayors – The U.S. Conference of Mayors is the official nonpartisan organization of cities with populations of 30,000 or more. There are nearly 1,400 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.

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