U.S. METRO AREAS CONTINUE TO LEAD NATION’S ECONOMIC RECOVERY

New Report Predicts More Jobs and Wage Increases

Indianapolis, IN—As the nation’s mayors convene for their 84th Annual Meeting in Indianapolis to discuss their agenda for the upcoming presidential campaign, they released a major economic report showing the strength of America’s cities and metro areas in driving national economic growth and jobs. According to the report, metropolitan areas in 2015 accounted for 96.5% of new jobs—the most since 2000—and nearly 99% of the increase in GDP. The report is based on an analysis by IHS Global Insight.

The report shows that 211 metros (55%) saw 2% real gains in wages in 2015, while in 50 metros real wages increased by over 3%. It anticipates that recovery from the Great Recession will continue with U.S. growth accelerating 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.

“This report is dramatic in its conclusion that U.S. Metros are the drivers of our national economic growth and recovery,” said USCM President and Baltimore Mayor Stephanie Rawlings-Blake. “We need this growth to continue, and our report predicts it will unless unforeseen events derail it.”

The report shows that U.S. metros are global powerhouses and many have larger economies than some nations and U.S. states. The GMP of 37 metros surpassed $100 billion in 2015. New York ranks as the 10th largest economy in the world, followed by Los Angeles, ranked 17th; and Chicago, ranked 23rd. The $10 billion GMP mark was surpassed by 200 metros (52%) in 2015.

The report forecasts that although 2016 is off to a sluggish start, real GDP growth will return to previous levels and monthly job creation will regain its footing in the 150,000 to 200,000 range during the year. 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%.

In addition, in 2016 and 2017, the report predicts that real wage gains will continue, 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 2016 will boost the average wage to $58,754.

“The economy is growing and wages are now beginning to climb,” said Louisville (KY) Mayor Greg Fischer, chair of USCM’s Council on Metro Economies and the New American City, which sponsored the report. “While challenges remain, we think the future economic picture continues to show promise, and more and more people will continue to find jobs.”

The report also reviews the economic experience of metro economies since 2009. 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%. 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. But by the end of 2016, 117 metros (31%) will still have not regained their lost jobs from the recession.

“We are a nation dominated by metro economies that are larger than many nations. We hope the presidential candidates recognize this new reality and develop policies that reflect it,” said Tom Cochran, USCM’s CEO and Executive Director. “Investing in infrastructure and protecting America’s cities are two of the smartest things we could do to keep our economy going.”

The entire report can be found at www.usmayors.org and key findings of the report include:
US Metro Economy in 2015

- 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%.
- 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 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%).
- 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. 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.

US Metro Economy since 2009

- Metros have led the way in 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.
- 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.

The Conference’s Annual Meeting, where the report was released, is slated to run from Friday, June 24 to Monday, June 27th when hundreds of mayors will meet to discuss a wide variety of priorities that contribute to the overall health of America’s cities, and consider and adopt the policy resolutions that guide the advocacy agenda of the organization. With more than 85% of people in the United States living in our nation’s cities and metro areas, mayors are convinced that despite their geographic location, cities large and small are plagued by many of the same challenges. More information about the meeting, including an updated agenda, can be found at http://www.usmayors.org/84thAnnualMeeting/.

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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.