



The United States Conference of Mayors

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U.S. Cities and Metropolitan Areas Dominate Economic Growth

Drive the Nation's Economy with Gross Domestic Product

Washington, D.C. – U.S. Metro areas continue to dominate the nation's economy by accounting for an increasingly larger share of gross domestic product (GDP), according to a new report released today by The United States Conference of Mayors and its Council for the New American City at the Conference's 75th Winter Meeting in Washington, D.C., January 24-26th.

The report, *U.S. Metro Economies: The Engines of America's Growth*, found that the nation's 361 metro areas, consisting of cities and their suburbs, grew to 86.7% of GDP in 2006, up from 86.0% in 2000. The report forecasts that by 2016, 87% of the nation's economic output will come from U.S. metros. By 2036 that number is expected to climb to 87.9 percent. In a \$12 trillion economy that will grow to \$23 trillion over this time, these seemingly small percentage changes represent hundreds of billions of dollars of economic activity.

"This report documents the continued and growing importance of city economies as engines of our national growth," said Trenton Mayor Douglas Palmer, President of the U.S. Conference of Mayors. "Our nation's competitive health and security rests on the vibrancy of these city economies."

If treated as nations, 42 U.S. metros would be among the world's largest 100 economies. Metro New York ranks as the world's tenth largest economy, larger than India and Brazil; the Los Angeles/Long Beach and Chicago metro areas rank 18th and 19th respectively, larger than Belgium, Switzerland, Sweden, and Turkey.

When compared to states, U.S. metros also dominate. New York's metro economy is larger than that of the entire state of Florida; Los Angeles/Long Beach is larger than Illinois, Pennsylvania, Ohio and New Jersey; Chicago is larger than Michigan and Georgia.

"Economically our nation functions as a conglomeration of metro economies that must compete on the global stage. The era of city versus suburb is fast becoming obsolete. Our competition is Tokyo, Shanghai, Berlin, London," said Detroit Mayor Kwame M. Kilpatrick, Chair of the Council for the New American City. "To compete globally, cities and the federal government must forge a new partnership. It is essential for the nation as a whole."

The New York Metro area again led the nation's 361 metros in economic output, generating \$952.6 billion in 2005, with a projected 3.0% real GMP growth rate for 2006 and 2.3% in 2007. Los Angeles/Long Beach metro is the second largest in the country, with a 2005 GMP of \$604.8 billion, a 2006 real GMP growth rate of 3.8% and 2.0% for 2007. Chicago again claims the slot of third largest metro with a 2005 GMP of \$422 billion and a 2006 real GMP growth of 2.8% and 2.1% for 2007. Washington, Dallas, Philadelphia, Houston, Boston, San Francisco/Oakland, and Atlanta round out the nation's top ten metro areas.

Among the largest metros, Las Vegas, Phoenix, Orlando, and Salt Lake City will lead the nation in job growth by wide margins. Austin, Charlotte, Seattle, Jacksonville, Tampa, and Dallas will generate gains in excess of 5% over the 2005-2007 period (Appendix Table 9).

In many cases, a metropolitan area is the largest component of a state's economy, and across the nation there are 16 metro areas that account for more than 50% of the economic output in their state. Likewise, an additional 28 metros individually account for more than 25% of the output of their respective states. In 30 states, the combined metro economies contribute 75% or more of the state's total economic outputs.

The report was prepared by the Global Insight, Inc., a nationally recognized economic forecasting firm, on behalf on The Conference of Mayors and can be found on the website at www.usmayors.org

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The U.S. Conference of Mayors is the official nonpartisan organization of cities with populations of 30,000 or more. There are 1,139 such cities in the country today, each represented in the Conference by its chief elected official, the Mayor.