



The United States Conference of Mayors

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REPORT FINDS SLOW RETURN TO PRE-RECESSION JOB LEVELS IN METRO AREAS, PROJECTS 3.5% GROWTH IN GDP FOR REST OF YEAR

75 Metro Areas Expected To Have Double Digit Unemployment By End Of Year While 27 Metro Areas Drop To Single Digit Unemployment

BALTIMORE, MD – Metro areas will be slow to regain their pre-recession employment levels -- many of them into the next decade – according to forecasts in a report released today by the U.S. Conference of Mayors (USCM) at its annual meeting where the nation's mayors are discussing the tough economic challenges facing cities and their suburbs.

The mayors' annual U.S. Metro Economies report is not all bad news. It anticipates that the nation's gross domestic product will jump from a sluggish 1.9% growth during the first half of 2011 to 3.5% for the second half and that by December 2014 over half of metro areas will have returned to their previous peak employment level. (The report's forecasts are based on assumptions Congress will extend the debt ceiling without any disruptions to the national and global systems.)

The report and key findings can be found here:

<http://www.usmayors.org/metroeconomies/2011>

Still, of the 363 metro areas in the report, 75 metro areas are expected to have double-digit unemployment rates by December 2011, and 48 are not expected to return to peak employment until after 2020. With that in mind, mayors attending the meeting delivered an urgent call to Congress and the White House to do more to stimulate the economy, calling on both to end the wars in Afghanistan and Iraq as quickly as possible and repurpose military spending for domestic job creation.

In remarks to mayors attending the conference, USCM President Los Angeles Antonio Villaraigosa said, "It's time for Congress to get on with the serious business of legislating short and long-term solutions to our jobs crisis.... We need to stand for a new world order in federal spending. It's time to bring our investments back home. We can't be building roads and bridges in Baghdad and Kandahar, and not Baltimore and Kansas

City. Not when we when we spend \$2.1 million on defense every single minute. Not after nearly \$1.2 trillion spent and over 6,000 lives lost in Iraq and Afghanistan.”

The report makes a strong case for why urgent job creation assistance is needed and why Congress should not cut important programs, like Community Development Block Grants, which local officials use for many basic services.

It reads: “(Federal officials) need to bear in mind that although the economy needs a credible long-term deficit reduction plan, it does not need an immediate dose of austerity. Aggregate demand is too fragile.”

Metro areas are forecast to comprise over 86.4% of all payroll additions through 2015. Meanwhile, unemployment rates are expected to exceed 10% in 69 metros; 9% in over 100 metros; and 8% in 173 metros until the end of 2012, according to the report, written by Global Insight in conjunction with the USCM’s economic team.

Other findings in the report include the following:

National Economic and Job Projections

- Job growth in 2011 will reach just 1.2%, only a bit higher than underlying labor force growth, resulting in an unemployment rate that only slowly retreats from its current rate of 9.1%.
- Unemployment will end 2011 at 8.6%, and not fall below 8% until late 2013.
- Only in the first half of 2014 will employment in the U.S. match its previous peak level of early 2008.

Metro Area Unemployment

- By the end of 2011, 75 metros will have double-digit unemployment rates, and 193 metros (53%) will have rates higher than 8%.
- At the end of 2012, 311 metros will have unemployment rates above 6%; 173 metros will have rates above 8%; and 69 metros above 10%.

Gross Metropolitan Product (GMP)

- In 2010, U.S. metro economies accounted for 89.8% of the nation’s gross domestic product and wage income, and 85.7% of all jobs—slightly down from 2008, but still the overwhelming majority of domestic product and wage and salary disbursements.
- New York metro ranked first with a 2010 GMP of \$1.28 trillion, followed by Los Angeles (\$738 billion), and Chicago (\$531 billion)
- Following consecutive years of decline in 2008 and 2009, total real GMP increased by 3.1% in 2010, with 347 (out of 363) metros experiencing

increases—a stark contrast to last year’s performance when 280 metropolitan areas saw it fall.

- Of the 100 largest economies in the world, 37 of them belong to metropolitan areas of the United States.

The U.S. Conference of Mayors is the official nonpartisan organization of cities with populations of 30,000 or more. There are 1,210 such cities in the country today, and each city is represented in the Conference by its chief elected official, the mayor. Find us at usmayors.org, on facebook.com/usmayors, or follow us on Twitter at twitter.com/usmayors.

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