



NEWS The United States Conference of Mayors

1620 Eye Street, N.W. • Washington, D.C. 20006
Phone (202) 293-7330 • Fax (202) 293-2352
E-mail: info@usmayors.org URL: usmayors.org

FOR IMMEDIATE RELEASE
Thursday, July 19, 2012

Contact:
Elena Temple-Webb
202-286-1100 (etemple@usmayors.org)
Lina Garcia
202-341-6113 (lgarcia@usmayors.org)
Karen Hinton
703-798-3109 (Karen@hintoncommunications.com)

NEW ECONOMIC REPORT BY US CONFERENCE OF MAYORS SHOWS STEADY GROWTH IN NATION'S METRO ECONOMIES

But Forecasts Urgent Need for Aggressive Investment in Infrastructure

PHILADELPHIA, PA – A new report released today by The U.S. Conference of Mayors (USCM) shows that the nation's cities and their metro areas continue to make steady progress toward economic recovery, while sounding a warning alarm that failure to dramatically increase investment in transportation infrastructure could cause skyrocketing costs to families, commuters and businesses, potentially doubling over the next decade.

The report examines the impact that population increases, employment growth, export expansion and economic output will have on metropolitan areas.

The report forecasts that by the end of 2012, 300 of the nation's 363 metro areas will experience real economic growth (gross metro product), and predicts that over the remainder of the year the nation's economy will see 1.4 percent increase in employment and a real GDP growth of 2.0 percent. Prepared by IHS Global Insight, the report also projects that household budgets will receive a boost from falling gas prices that are expected to decline to \$3.11/gallon by the fall.

"This report clearly shows that economic recovery is improving slowly, but surely. It's yet another indication that the nation's Mayors stepped up to the plate when Congress would not. If Congress would stop the bickering, we could realize even greater growth and prove this report wrong," said U.S. Conference of Mayors President Philadelphia Mayor Michael Nutter.

Over the next 30 years, the report shows that U.S. metros will grow in population by 32 percent or nearly 84 million people. More specifically, the report predicts that the population will grow by over 50 percent in 59 metro areas, over 75 percent in 21, and will more than double in three. Already, these regions are home to most of the nation's traffic congestion, costing the average American commuter \$713 annually.

During their Summer Leadership Meeting this week, mayors argued that the current system of infrastructure cannot absorb this projected growth and failure to dramatically expand it will put U.S. global competitiveness and future economic growth in jeopardy.

For example, the report cites that U.S. metros dominate the U.S. export market, accounting for 88

percent of the merchandise value and housing all the nation's major ports. In the coming decades, these metros will see dramatic increases in international trade, potentially making the nation a net exporter by 2020. But public spending on transportation and water infrastructure in the U.S. has been only 2.4% of GDP in recent years compared with Europe, which invests 5 percent of GDP and China, which invests 9 percent.

"We need to hear from the Presidential candidates about their plan to make America competitive and increase our market share in the global economy," said USCM Vice President Mesa (AZ) Mayor Scott Smith. Referencing the recently signed federal surface transportation legislation, Mayor Smith said, "A 'status quo' approach to funding is not the answer. In this era of tight budgets in both Washington and our cities, we must make smart, strategic investments that further our goals to increase economic growth and job creation."

Noting that economic growth demands a skilled workforce, USCM Second Vice President Sacramento (CA) Mayor Kevin Johnson said, "The quality of this nation's workforce and its economic growth is directly tied to the quality of education. We must focus on ensuring our children access to the best education possible to prepare them for the future challenges of the expanding global economy."

To view the full report, please visit: <http://usmayors.org/>

Additional insights from the report are below:

- Metro areas are home to 90.7% of real Gross Domestic Product (GDP); 89.9% of wage and salary income; 85.8% of jobs; and 83.7% of population
- Metro areas have been responsible for 87.9% of the recovery in the nation's real GDP and 83.6% of employment growth since the economy reached its trough
- In 2011, total real gross metropolitan product (GMP) grew by 1.7% as it expanded in 267 metros
- In 2012, real GDP is anticipated to grow at 2.0%, and the average of all 363 metros will be just below 1.8%
- Overall, in 2012, 50 metros will achieve real GMP growth rates of 3.0% or more, led by Austin and Houston among the largest. More than 110 metros will see growth of 2.0% or better (with Phoenix, San Francisco, Denver, and Boston as front-runners of this group) and over 220 metro areas will increase their GMP by 1.0% or higher (Des Moines, Sacramento and Chattanooga will lead the charge in the third tier)
- Over the next 30 years, 92% of employment and population growth will occur in U.S. metros
- By 2042, 70 metros will have population exceeding 1 million, compared to 2012 where only 51 have achieved this feat. Also, by 2042, five metros will have over 10 million people – whereas just 2 currently have that population level
- Real exports and imports have more than tripled over the past two decades, going from a combined \$1.27 trillion in 1990 to \$3.75 trillion in 2010. This is expected to grow to \$4.13 trillion by the end of 2012 and further expand to \$6.04 trillion by 2020, as international trade becomes an even larger part of the U.S. economy

###

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](https://www.facebook.com/usmayors), or follow us on Twitter at twitter.com/usmayors.