



The United States Conference of Mayors

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U.S. Conference of Mayors Release Metro Economies Report Showing Signs of Improvement, As Job Concerns Linger

Last Year, Metro Jobs Shrank 1%, But Projections Reflect Economic Growth Next Year

New York, NY – During a meeting of mayors in New York to map out a policy strategy for the '04 Presidential campaign, The U.S. Conference of Mayors issued the second annual metro economies report demonstrating that the engines of the American economy, its metro areas, are showing early signs of recovery. However, mayors voiced concern that the economy is still not generating jobs at a sufficient level for U.S. workers.

The report contains data on each of the nation's 319 metro areas, including 2002 and 2003 employment growth figures.

According to the report, authored by Global Insights, Inc., U.S. metros in 2002 accounted for 85.6% of the nation's Gross Domestic Product (GDP) the same as 2001 thus proving that metro areas are still the engines driving the nation's economy.

In 2002, U.S. metro jobs shrank 1.0%, documenting the failure of the economy last year to create jobs even when it was recovering. However, the report forecasts that U.S. metros will grow 2.1% in 2003, and a projected 3.4% in 2004.

The report's long-term forecast calls on metros to continue to increase their share of the national economy, growing to 87.3% over the next 25 years. Between 1992 and 2002, metro economies grew from 84.5% to 85.6% of GDP.

At a meeting convened by the Conference's new President, Mayor James A. Garner of Hempstead, New York, the mayors documented that in order for the national economy to experience robust growth, its U.S. metro areas must return to their economic health that fueled the economy during the past decade.

"We are hopeful that the early signs of economic recovery in our metro areas will gain momentum into next year, and our report gives us reason for optimism," said Mayor Garner. "But jobs are still a concern for us, we still have anemic job growth that we are watching very closely," as he convened mayors to work on a sustainable, long term strategy to make U.S. metro economies competitive over the long run.

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Of the nation's 319 metro areas, 294 grew in inflation adjusted dollars last year but only 43% grew faster than the national average. In total, U.S. metros only grew by 1.8% after inflation in 2002, while national economy grew at a 2.4% rate.

New York City, as the largest U.S. metro, had a 2002 * Gross Metro Product (GMP) of \$448.9 billion, up .7% in real terms, and forecasted to grow 1.8% in 2003. New York is followed by Los Angeles-Long Beach, with a GMP of \$411 billion, up 2.7% in real terms with 1.9% growth slated for this year.

"New York City's economy has faced many obstacles over the last few years, but we've remained strong and when our city recovers, the rest of the national will follow," said New York Mayor Michael Bloomberg.

In neighboring Nassau-Suffolk metro area, the GMP for 2002 was \$113.7 billion, the 16th largest in the nation, for a 4.3% real growth rate. It is projected to grow 2.4% in 2003.

The report highlights how U.S. metro areas compete internationally in the global market place with nations. Of the world's largest economies 48 are U.S. metro areas. Because of the sluggishness of the economy, several metros slipped in their international ranking. New York fell one spot, becoming the 14th largest world economy, (surpassed by Brazil), Los Angeles-Long Beach moved from 15th to 16th; and Washington, D.C. slipped one spot as Argentina fell below it and both Belgium and Sweden climbed several steps.

"This is a stubborn economy and we've been fooled by it before, but we know that as the engines of the economy, our metro areas are going to have to lead us into long term growth," said Detroit Mayor Kwame Kilpatrick, Chair of the Council for Investment in the New American City, who releases the report.

"Contrary to popular belief, it's not the economy of the 50 states that drives this nation. It's the 319 metro economies - made up of cities - that are the strength of this nation," added Tom Cochran, Executive Director of the U.S. Conference of Mayors.

The mayors will continue this meeting in Hempstead on Friday and will meet with Secretary Tom Ridge to discuss homeland security issues.

The complete report is available online at www.usmayors.org

[*Gross Metropolitan Product (GMP) is a measure of the total value of goods and services produced in a metro area.]

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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 more than 1,100 such cities in the country today. Each city is represented in the Conference by its chief elected official, the mayor.

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