

# Gross Domestic Product by Metropolitan Area

## New Statistics for 2016 and Updated Statistics for 2001–2015

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**R**EAL GROSS DOMESTIC PRODUCT (GDP) grew in 267 of the nation's 382 metropolitan areas in 2016, according to statistics released by the Bureau of Economic Analysis on September 20, 2017. Real GDP—the sum of current-dollar GDP for all metropolitan areas deflated by national price measures—grew 1.7 percent in 2016 down from 2.9 percent in 2015. Metropolitan area growth in 2016 ranged from 8.1 percent in Lake Charles, LA, and Bend-Redmond, OR, to –13.3 percent in Odessa, TX (chart 1). GDP by metropolitan area—the counterpart to GDP in the national income and product accounts (NIPAs)—is the most comprehensive measure of overall economic activity in a metropolitan area. Additional highlights for 2016 include the following:

- Professional and business services; information services; and finance, insurance, real estate, rental, and leasing led growth across metropolitan areas.
- Mining and nondurable-goods manufacturing declined in many areas across the country.

### The importance of metropolitan areas

Collectively, metropolitan areas accounted for more than 90 percent of U.S. GDP in 2016, with the five largest metropolitan areas accounting for almost a quarter of national GDP. In most states, metropolitan areas represent a large share of the state's GDP. Among metropolitan areas located within a single state, Urban Honolulu, HI, accounted for the largest share of GDP by state in 2016 (77.2 percent).

The size of metropolitan areas varies significantly. Most metropolitan areas have populations of less than 500,000. GDP for these small metropolitan areas ranges from \$31.2 billion (Trenton, NJ) to \$2.0 billion (Sebring, FL). GDP for medium metropolitan areas, which include areas with populations between 500,000 and 2,000,000, ranges from \$252.5 billion (San Jose-Sunnyvale-Santa Clara, CA) to \$17.1 billion (Deltona-Daytona Beach-Ormond Beach, FL). GDP for large metropolitan areas, which include areas with popula-

tions greater than 2 million, ranges from \$1.7 trillion (New York-Newark-Jersey City, NY-NJ-PA) to \$111.1 billion (Las Vegas-Henderson-Paradise, NV).

Metropolitan areas also vary in terms of their economic output. Much of this variation can be explained by the industries that are concentrated in the areas. Often the trends shown in national GDP are driven by a few metropolitan areas in which specific industries are most heavily concentrated.

### Industry growth

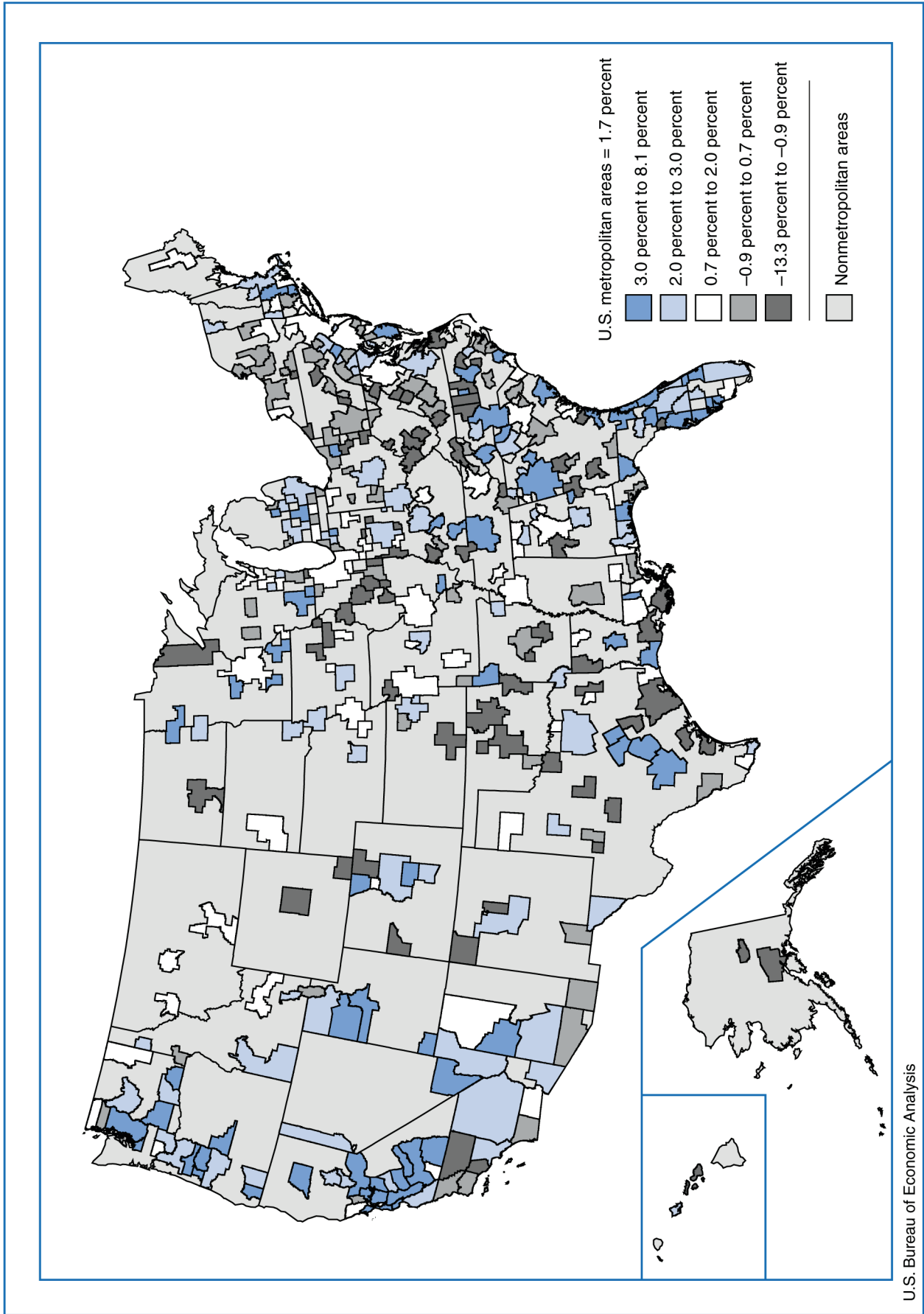
Growth in the U.S. metropolitan portion was led by professional and business services, information services, and finance, insurance, real estate, rental, and leasing. One or more of these three industry groups contributed to growth in 362 of the 382 metropolitan areas nationwide, while mining and nondurable-goods manufacturing declined in many areas across the country (table 1).

**Table 1. Real Gross Domestic Product for Selected Industries in the Metropolitan Portion of the United States**

	2015	2016	Growth in 2015 to 2016	Percent change	Contribution to percent change (percentage points)
	Millions of chained (2009) dollars				
Professional and business services .....	1,960,971	2,013,050	52,079	2.7	0.35
Information.....	828,894	882,600	53,706	6.5	0.32
Finance, insurance, real estate, rental, and leasing .....	3,033,805	3,069,256	35,451	1.2	0.25
Mining.....	295,910	268,444	-27,466	-9.3	-0.13
Nondurable-goods manufacturing.....	684,719	683,113	-1,607	-0.2	-0.01

**Professional and business services.** Professional and business services grew 2.7 percent in the nation's metropolitan areas in 2016. This industry group contributed to growth in 273 of the nation's 382 metropolitan areas, most notably in Ocala, FL, and Oshkosh-Nennah, WI, which had overall growth of 5.0 percent

Chart 1. Percent Change in Real Gross Domestic Product (GDP) by Metropolitan Area, 2016



and 2.6 percent, respectively (chart 2).

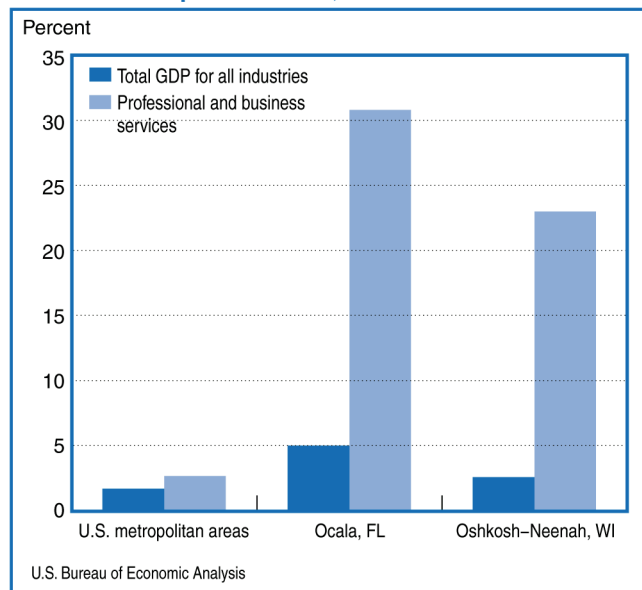
**Information services.** Information services grew 6.5 percent in the nation’s metropolitan areas in 2016. This industry group contributed to real GDP growth in 260 metropolitan areas, most notably in Provo-Orem, UT, and in Seattle-Tacoma-Bellevue, WA, which had overall real GDP growth of 6.1 percent and 4.3 percent, respectively (chart 3).

**Finance, insurance, real estate, rental, and leasing.** Finance, insurance, real estate, rental, and leasing was the third-largest driver of growth for the nation’s met-

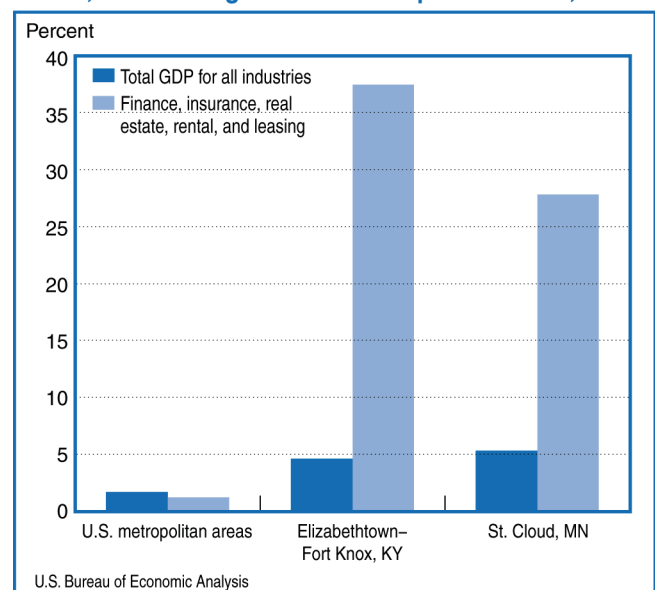
ropolitan areas, growing 1.2 percent in 2016. It contributed to growth in 217 metropolitan areas, most notably in St. Cloud, MN, and Elizabethtown-Fort Knox, KY, which had overall real GDP growth of 5.3 percent and 4.6 percent, respectively (chart 4).

**Mining.** Real GDP for this industry group declined 9.3 percent for the nation’s metropolitan areas. It subtracted from growth in 241 metropolitan areas. Sizable declines in this industry group occurred in Victoria, TX, and Tuscaloosa, AL, which had overall declines in real GDP of 10.2 percent and 4.3 percent, respectively (chart 5).

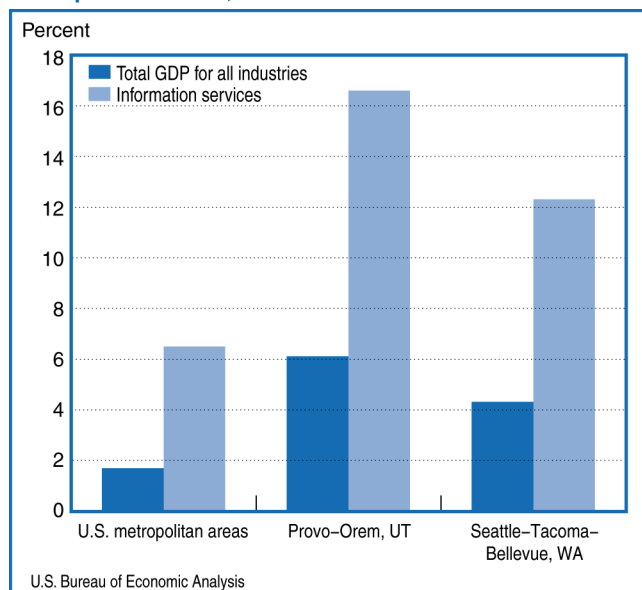
**Chart 2. Percent Change in Real Gross Domestic Product (GDP) for Professional and Business Services in Select Metropolitan Areas, 2016**



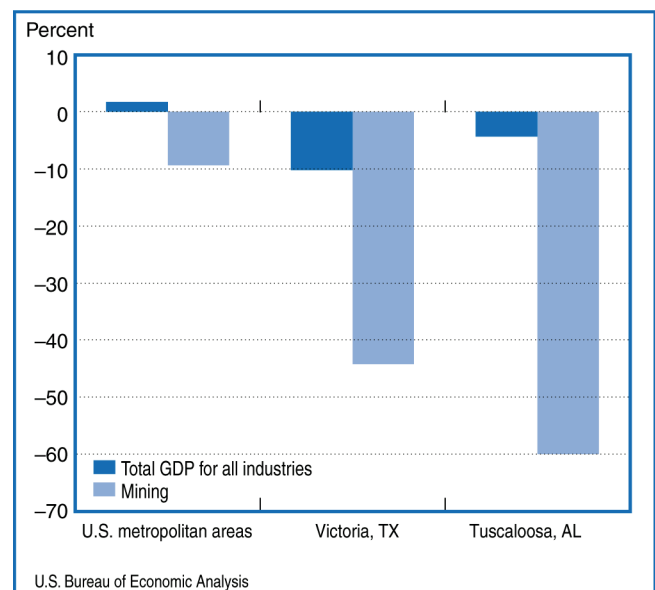
**Chart 4. Percent Change in Real Gross Domestic Product (GDP) for Finance, Insurance, Real Estate, Rental, and Leasing in Select Metropolitan Areas, 2016**



**Chart 3. Percent Change in Real Gross Domestic Product (GDP) for Information Services in Select Metropolitan Areas, 2016**



**Chart 5. Percent Change in Real Gross Domestic Product (GDP) for Mining in Select Metropolitan Areas, 2016**



**Nondurable-goods manufacturing.** The U.S. metropolitan portion experienced a 0.2 percent decline in this industry in 2016. The industry also declined in 201 metropolitan areas. The largest declines occurred in Rocky Mount, NC, and Utica-Rome, NY. Overall real GDP declined 6.2 percent in Rocky Mount, NC, while it was flat (0.0 percent) in Utica-Rome, NY (chart 6).

### Growth by size of metropolitan area

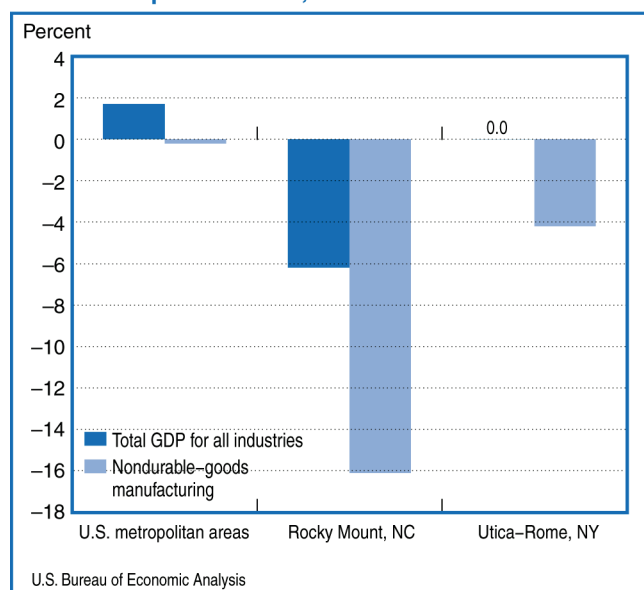
Large metropolitan areas generally showed less volatility than medium and small metropolitan areas. Large metropolitan areas had a narrower range of growth rates, 8.4 percentage points, while medium and small metropolitan areas had larger ranges of growth rates, 9.5 percentage points and 21.4 percentage points, respectively.

**Large metropolitan areas.** Of the large metropolitan areas, San Francisco-Oakland-Hayward, CA (5.4 percent) and Austin-Round Rock, TX (4.9 percent) were the fastest growing (table 2). San Francisco-Oakland-Hayward, CA, was led by strong growth in finance, insurance, real estate, rental, and leasing (7.1 percent), while growth in Austin-Round Rock, TX, was led by professional and business services (8.9 percent).<sup>1</sup>

The largest decline among large metropolitan areas was in Houston-The Woodlands-Sugarland, TX (-3.0

1. These growth rates are available on [BEA's Web site](#).

**Chart 6. Percent Change in Real Gross Domestic Product (GDP) for Nondurable-Goods Manufacturing in Select Metropolitan Areas, 2016**



percent), due to a decline in mining (-13.1 percent). The slowest growth occurred in Pittsburgh, PA (0.1 percent), due to a decline in professional and business services (-2.4 percent) that offset growth in other industries.

**Medium metropolitan areas.** Of the medium metropolitan areas, Provo-Orem, UT (6.1 percent) and San Jose-Sunnyvale-Santa Clara, CA (5.9 percent) were the fastest growing. Services industries such as information services drove growth in Provo-Orem, UT, while professional and business services drove growth in San Jose-Sunnyvale-Santa Clara, CA.

**Table 2. Gross Domestic Product (GDP) and Population for Large, Medium, and Small Metropolitan Areas, 2016**

[ Ranked by percent change in real GDP ]

Large metropolitan areas (population of more than 2 million)			
	Population	Current-dollar GDP (millions of dollars)	Percent change in Real GDP
Fastest growing			
San Francisco-Oakland-Hayward, CA.....	4,679,166	470,529	5.4
Austin-Round Rock, TX.....	2,056,405	135,010	4.9
Seattle-Tacoma-Bellevue, WA.....	3,798,902	330,409	4.3
Slowest growing			
San Diego-Carlsbad, CA.....	3,317,749	215,343	0.3
Pittsburgh, PA.....	2,342,299	138,187	0.1
Houston-The Woodlands-Sugar Land, TX.....	6,772,470	478,618	-3.0
Medium metropolitan areas (population between 500,000 and 2 million)			
	Population	Current-dollar GDP (millions of dollars)	Percent change in Real GDP
Fastest growing			
Provo-Orem, UT.....	603,309	23,251	6.1
San Jose-Sunnyvale-Santa Clara, CA.....	1,978,816	252,487	5.9
Raleigh, NC.....	1,302,946	79,843	5.3
Slowest growing			
Oxnard-Thousand Oaks-Ventura, CA.....	849,738	48,517	-2.7
Durham-Chapel Hill, NC.....	559,535	43,908	-2.7
Tulsa, OK.....	987,201	58,248	-3.3
Small metropolitan areas (population less than 500,000)			
	Population	Current-dollar GDP (millions of dollars)	Percent change in Real GDP
Fastest growing			
Lake Charles, LA.....	207,483	16,472	8.1
Bend-Redmond, OR.....	181,307	9,364	8.1
Brunswick, GA.....	116,784	4,114	7.2
Slowest growing			
Lafayette, LA.....	491,528	20,645	-11.5
Casper, WY.....	81,039	5,859	-11.6
Odessa, TX.....	157,462	8,718	-13.3

The medium metropolitan areas with the largest declines were Tulsa, OK (−3.3 percent) and Durham-Chapel Hill, NC (−2.7 percent). The decline in Tulsa, OK, was mainly due to a decline in mining (−10.1 percent), while nondurable-goods manufacturing (−15.7 percent) mainly caused the decline in Durham-Chapel Hill, NC.

**Small metropolitan areas.** Of the small metropolitan areas, Lake Charles, LA (8.1 percent) and Bend-Redmond, OR (8.1 percent) were the fastest growing, and the fastest and second-fastest growing metropolitan areas overall. Growth in Lake Charles, LA, was led by a strong contribution from nondurable-goods manufacturing, and growth in Bend-Redmond, OR, was led by strong growth in finance, insurance, real estate, rental, and leasing (9.1 percent).

The small metropolitan areas with the largest declines were Odessa, TX (−13.3 percent) and Casper, WY (−11.6 percent). The declines in Odessa, TX, and Casper, WY, were mainly due to declines in mining.

**Per capita real GDP by metropolitan area**

Per capita real GDP for the nation’s metropolitan areas was \$53,645 in 2016, which is 6.1 percent higher than the national average (\$50,577), which includes non-metropolitan areas.<sup>2</sup> The five metropolitan areas with the highest per capita real GDP in 2016 were Midland, TX; San Jose-Sunnyvale-Santa Clara, CA; Bridgeport-Stamford-Norwalk, CT; San Francisco-Oakland-Hayward, CA; and Boston-Cambridge-Newton, MA-NH (table 3). Midland, TX, had the highest per capita real GDP at \$175,837, which was 247.7 percent higher than the national average; a strong concentration of the mining industry in this area contributed greatly to its per capita real GDP.

The five metropolitan areas with the lowest per capita real GDP in 2016 were Sebring, FL; Lake Havasu City-Kingman, AZ; The Villages, FL; Homosassa Springs, FL; and Punta Gorda, FL. Sebring, FL, had the lowest per capita real GDP in the nation at \$17,666, which was 65.1 percent lower than the national average.

**Updates**

The statistics on GDP by metropolitan area for 2001–2015 that were released in September 2016 have

2. Per capita real GDP by metropolitan area was computed using Census Bureau midyear population estimates.

been updated. The updated statistics incorporate the annual updates from GDP by industry (released in November 2016), GDP by state (released in May 2017), and local area personal income (released in November 2016).

**Current-dollar statistics.** The updates to the current-dollar GDP statistics, measured as a percentage of the previously published statistics, were modest for most metropolitan areas. The mean absolute revision (MAR) was 2.8 percent for 2001–2015. The MARs were 10 percent or less for all metropolitan areas except Tyler, TX, and Midland, TX (table 4).

**Real growth rates.** The updates to real GDP growth rates are measured as a percentage point difference from the previously published growth rate. The MAR of annual growth rates for metropolitan areas was 1.4 percentage points for 2001–2015. The MAR of annual growth rates was less than 5 percentage points for all metropolitan areas except Midland, TX.

**Table 3. Highest and Lowest Per Capita Real Gross Domestic Product (GDP) for Selected Metropolitan Areas, 2016**

	Population	Real GDP (millions of chained (2009) dollars)	Per Capita Real GDP
		Highest per capita	
Midland, TX .....	168,288	29,591	175,837
San Jose-Sunnyvale-Santa Clara, CA.....	1,978,816	236,855	119,695
Bridgeport-Stamford-Norwalk, CT .....	944,177	88,026	93,231
San Francisco-Oakland-Hayward, CA .....	4,679,166	406,294	86,830
Boston-Cambridge-Newton, MA-NH .....	4,794,447	371,577	77,502
		Lowest per capita	
Punta Gorda, FL.....	178,465	3,608	20,214
Homosassa Springs, FL .....	143,621	2,654	18,477
The Villages, FL.....	123,996	2,282	18,406
Lake Havasu City-Kingman, AZ.....	205,249	3,726	18,153
Sebring, FL.....	100,917	1,783	17,666

**Table 4. Metropolitan Areas With the Five Largest Mean Absolute Revisions (MARs) in Current-Dollar and Real Gross Domestic Product (GDP)**

Rank		Current-dollar GDP MAR (percent)	Rank		Real GDP growth MAR (percentage points)
1	Midland, TX .....	45.8	1	Midland, TX .....	9.5
2	Tyler, TX.....	21.4	2	Punta Gorda, FL.....	4.8
3	Dalton, GA.....	10.0	3	Crestview-Fort Walton Beach-Destin, FL.....	4.7
4	Laredo, TX.....	9.9	4	Carson City, NV .....	4.6
5	Casper, WY .....	8.9	5	Casper, WY .....	4.1