

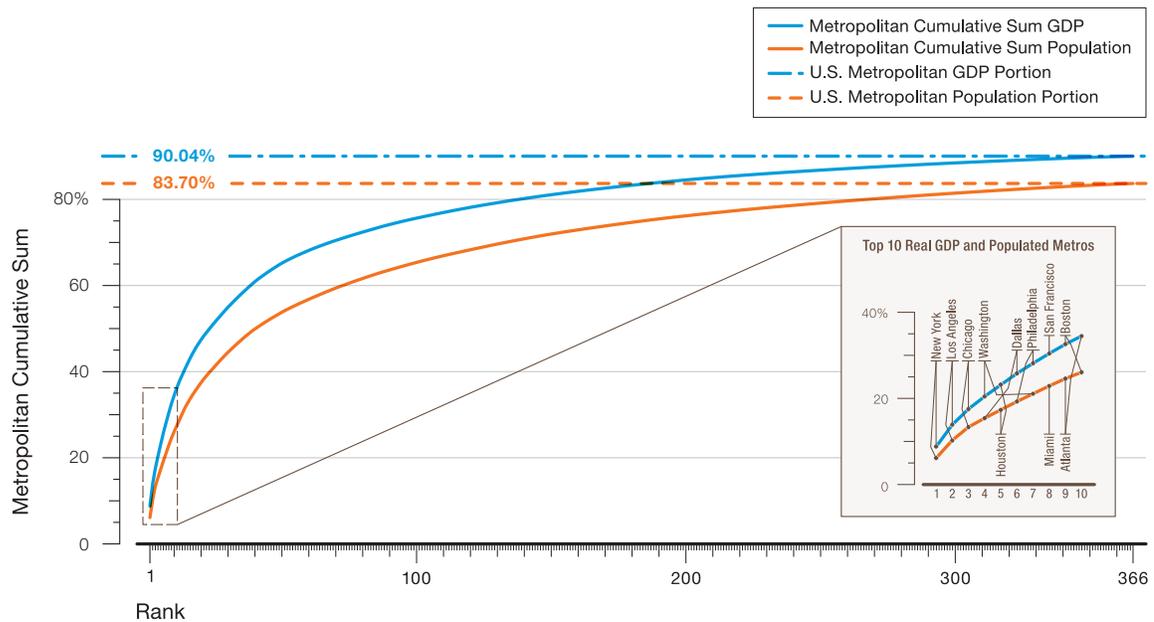
## Big Ones Still “Punch Above Their Weight”

Metropolitan areas throughout the United States play a vitally important role in the economic success of the entire country. While this may come as no surprise, the full extent of their individual contribution is less well understood. For example, is it large metropolitan areas that are driving economic gains, or are smaller metros generating larger shares when it comes to GDP? This Insight will take a closer look at the contributions of American metropolitan areas to both the nation’s population and GDP in the year 2010. It will demonstrate that many of America’s largest metros are leading the way in terms of innovation and economic impact. In fact, it was found that the top 25 most highly populated metros generate over half of the nation’s GDP.

The graph below displays population and economic output for all 366 American MSA’s in 2010. A note about the graphic: the bottom axis displays the rank of every American metro, while the left axis displays the metropolitan cumulative sum of all American metros. The orange dotted line across the top of the graph is where the U.S. metro cumulative population sum ends (83.70% of total U.S. population is in metro areas). The blue dotted line across the top of the graph is where the U.S. metro cumulative GDP sum ends (90.04% of total U.S. GDP is from metro areas). The solid orange line displays American metropolitan population in relation to individual rank (highest to lowest populated) and the cumulative population percentage of the metros. The solid blue line displays American metropolitan GDP in relation to individual rank (largest to smallest by GDP) and the cumulative GDP percentage of the metros. The smaller grey box on the left hand side of the chart displays the top ten ranked metros. The axes for this chart are exactly the same: the one difference is the added dots on the orange and blue solid lines, which are labeled with the names of the corresponding metros.

When looking at the population of the different American metros, there are few surprises. The top 5 largest metros are: New York-Northern New Jersey-Long Island (18,919,983), Los Angeles-Long Beach-Santa Ana (12,849,383), Chicago-Joliet-Naperville (9,474,363), Dallas-Fort Worth-Arlington (6,403,102) and Houston-Sugar Land-Baytown (5,976,735) as displayed in the graph above. Overall, the metros in America constitute an extremely large portion of the country’s population, as they house 83.7% of the total U.S. population, or 309,330,219 people. The New York and Los Angeles metros alone account for 10.27% of the total U.S. population. People have been flocking to metros for many reasons in the United States, and this is why the top 10 highest populated metros in the U.S. are home to just over 26% of the total American population, while the top 25 house 41.17%. As displayed in the graphic above, the orange line is at its greatest upward increase throughout the ranking 1-25.

The real GDP for American metropolitan areas, when sorted from largest to smallest, produces a list and line in our graphic that is very similar to that of population; suggesting that population does have a direct relation with overall GDP within American metros. The top 5 metros with the highest GDP’s are: New York-Northern New Jersey-Long Island, Los Angeles-Long Beach-Santa Ana, Chicago-Joliet-Naperville, Washington-Arlington-Alexandria and Houston-Sugar Land-Baytown. Interestingly, Washington has the 4th largest GDP despite having a smaller population than the metros of Dallas, Houston, and Philadelphia.



Designed by Michelle Hopgood, Martin Prosperity Institute

The dominance of metros in contributing to the United States overall GDP is displayed in our graph, as 90.04% of the total American GDP comes from metropolitan areas. New York and Los Angeles alone contribute to almost 14% of the country’s entire GDP. The top ten highest GDP metros account for a large 34.48% of the country’s entire GDP, while the top 25 metros account for 51.41%. The top 5 metros with the highest GDP’s in California alone contribute to 10.6% of the country’s GDP, which is higher than the entire GDP of numerous states.

In general, the larger the metro, the higher the GDP, this was not always the case. For the most part when looking at metros in regards to population, usually their population rank was close to the same ranking when in turn looking at GDP. There was some variation in this trend, as in some cases a smaller populated metro had a larger GDP than a higher populated metro. As displayed in the graphic, Washington (3rd highest in GDP), San Francisco (8th highest in GDP) and Boston (9th highest in GDP) are examples of three metros that have higher GDP’s than a number of metros that have a higher population than them. But for example, Miami and Atlanta are metros that have larger populations than Boston and San Francisco, yet they have a smaller GDP. The metro of Riverside is another example in which large population does not necessarily mean large GDP as Riverside has the 13th largest population (4,245,773), yet the 25th largest GDP.

The relation between population and GDP displayed some interesting results when looking at the different metros. Firstly our graph displays that when looking at the GDP line (blue) compared to the population line (orange) that the cumulative GDP of the top 50 metros moves at a faster pace than their cumulative population. This is partially because the cumulative GDP moves at its fastest rate amongst the ten highest populated metros. The highest populated metros for the most part contribute a GDP share that outperforms their population share. For example, the New York metro contributes to 6.12% of the total American population, while contributing to 8.76% of the total GDP. Even when comparing population increases, the graph displays that GDP for the largest metros has a greater increase than their population share, as New York has a 1.97% larger

population than Los Angeles, while having a 3.64% larger GDP. Generally, the gap between percentage of total U.S. GDP and percentage of total U.S. population is largest amongst the highest populated metros as their capabilities and advantages to thrive economically contributes to this.

When looking at GDP and population, there is another interesting finding in regards to the different metros. As stated above, some of the largest metros contribute to a larger share of the total U.S. GDP than U.S. population. In fact, 9 out of the 10 highest populated metros fall within this category. The only metro within the top 10 that does not is Miami, Florida, which accounts for 1.78% of the total U.S. GDP and 1.80% of the total population. This discontinuity in the difference also appears with the 12th highest populated metro (Detroit), along with the Phoenix, St. Louis and Tampa metros. When looking at medium sized metros, generally they contribute to less or the same share of the total American GDP as they contribute to population, with a few small exceptions. The smallest metros in terms of population size were found to generally contribute to a smaller share of the total U.S. GDP than U.S. population. Larger metros have a comparative economic advantage over smaller metros and in most cases they outperform them as they contribute to a larger share of total American GDP in relation to their population. For example San Jose's GDP accounts for twice the share of its population (1.00 percent of the total GDP but 0.60% percent of total population). This is why it was found that the top 25 MSA's generated about 52% of the nation's GDP, while housing around 41% of the population and the top 50 MSA's generated about 65% of the nation's GDP while housing around 54% of the population. While population was not always the factor in determining the GDP of a metro, generally the larger metros contribute more to GDP than population, whereas many smaller metros contribute more to overall U.S. population than GDP.

*Data and original idea provided by Jose Lobo.*

*The [Martin Prosperity Institute](#) at the [University of Toronto's Rotman School of Management](#) is the world's leading think-tank on the role of sub-national factors—location, place and city-regions—in global economic prosperity. We take an integrated view of prosperity, looking beyond economic measures to include the importance of quality of place and the development of people's creative potential.*