Key Findings
U.S. Conference of Mayors US Metro Economies Annual Report
Report prepared by: S&P Global Market Intelligence

Metropolitan Areas And GDP

- In 2024, metros accounted for **90.8% of US GDP**, 89.5% of personal income, 92.1% of wages and salaries, 88.2% of employment, 90.3% of employment change, and 86.4% of population.
    - In 37 states, metros contribute more than 80% of the state GDP.

The US Economy

- National employment grew by **1.4%** in 2024, but the national unemployment rate increased during the year, from **3.8% to 4.1%**.

2025 US Outlook

- In the near term, GDP growth is expected to remain below potential. Accounting for assumptions on tariffs, S&P Global Market Intelligence forecasts 1.3% US GDP growth in 2025, followed by 1.7% growth in 2026.
- The unemployment rate is expected to **peak at 5.0% in late 2026**.
- Core personal consumption expenditures **inflation firms to 3.9%** over the four quarters of this year before easing to 2.1% in 2026.
- Going forward, the tariff rate on imports from mainland China is expected to decline from current levels, while “reciprocal” tariffs are expected to remain at the current 10% universal baseline after the 90-day pause expires in July.
    - As a result, the average effective tariff rate is estimated to peak in the second quarter, before easing in the third, remaining below levels assumed in April.
- Despite the recent healing, there remain financial and other risks that could **tip the economy into recession**.
- The dollar has weakened materially since early April, raising the specter that foreign investors have soured on US financial assets.
- Trade policy uncertainty remains elevated and threatens to **significantly reduce capital spending** later this year.
- The threat and uncertainty of tariffs has added to business uncertainty with **negative consequences for investment and ultimately job creation**. This is in addition to potential layoffs at the affected firms in the traded goods sectors.
- On the immigration front the US has benefitted greatly from immigrant labor in these times of labor market tightness owing to our aging demographics. **Restricting immigration can also be detrimental to US economic growth.** Our growth is limited by the availability of labor, which is acute due to our aging demographics. Immigration gives a boost to the labor force which can accelerate economic growth.