

## Gross Domestic Product (GDP) by Metropolitan Area

The Bureau of Economic Analysis prepares annual estimates of GDP by metropolitan area for 363 metropolitan statistical areas.<sup>1</sup> GDP by metropolitan area is the local counterpart of the nation's GDP, the Bureau's featured and most comprehensive measure of U.S. economic activity. Conceptually, an industry estimate of GDP by metropolitan area, or its "value added," is the sum of incomes earned by labor and capital and the costs incurred in the production of goods and services. The GDP-by-metropolitan-area estimates are computed by applying the state ratio of GDP to earnings by place of work to local estimates of earnings by place of work. The Bureau prepares GDP-by-metropolitan-area estimates in millions of current and chained dollars for 61 North American Industry Classification System (NAICS) industries, beginning with 2001.<sup>2</sup>

BEA releases GDP-by-metropolitan-area estimates in both current and chained dollars three months after the annual revision of GDP by state. The Bureau also prepares analyses of the GDP-by-metropolitan-area estimates that accompany the release of new estimates.

### Uses of GDP by metropolitan area

The GDP-by-metropolitan-area estimates are used widely by

both public and private sectors for various administrative purposes or for studying economic trends in metropolitan areas. For example:

- State and local governments may use the estimates in econometric models to project tax revenues and the need for public services and to promote economic development opportunities in their local area.
- Federal government agencies may use the estimates in econometric models, such as those used to project energy and water uses for cities.
- Academic researchers may use the estimates for applied economic research.
- Businesses, trade associations, and labor organizations may use the estimates for market research.

### Availability

BEA disseminates the GDP-by-metropolitan-area estimates in free, interactively accessible files on our Web site at [www.bea.gov](http://www.bea.gov). BEA also publishes these estimates and their analyses in the Bureau's monthly journal — the *Survey of Current Business*. *Survey* articles for recent years are available on our Web site at [www.bea.gov](http://www.bea.gov).

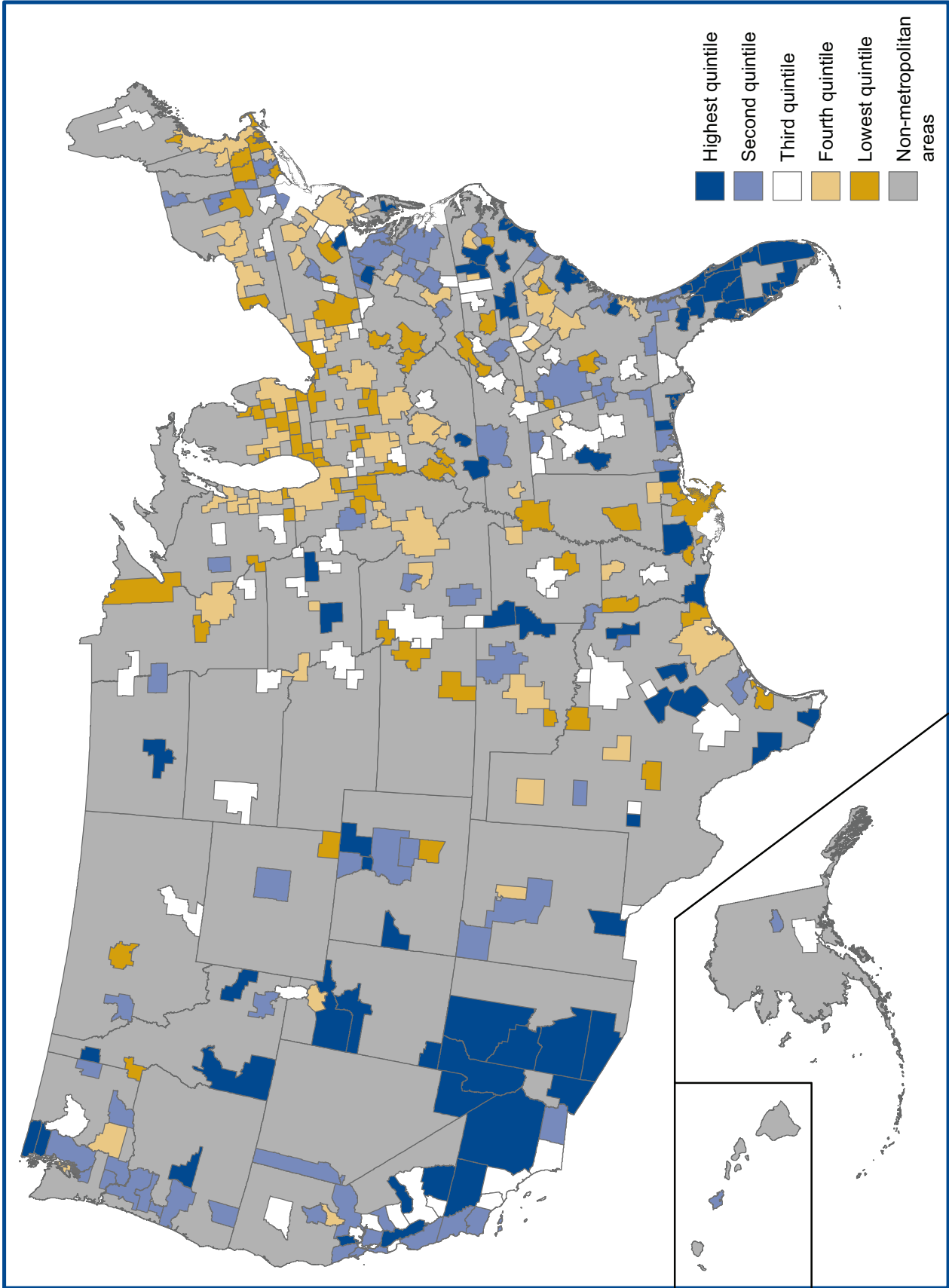
### For more information

Call the GDP-by-metropolitan-area staff at 202-606-5341 or e-mail [gdpbymetro@bea.gov](mailto:gdpbymetro@bea.gov)

1. The metropolitan statistical areas (MSAs) used by BEA are the county-based definitions issued by the Office of Management and Budget (OMB) for Federal statistical purposes, updated December 2006.

2. The real (chained-dollar) estimates of GDP by metropolitan area use 2001 as the reference year, whereas GDP by state and the national estimates of GDP use 2000 as the reference year.

Chart 1. Percent Change in Real GDP by Metropolitan Area, 2004-2005



U.S. Bureau of Economic Analysis