

## Regional Gross Domestic Product

### Definition and Uses

Gross Domestic Product (GDP) is one of the most comprehensive and closely watched economic statistics. Also called economic output, it measures the market value of goods, services, and structures produced by the nation's economy within a particular period. Economic output can be measured either by summing incomes or expenditures of all economic agents: households, businesses (including nonprofit corporations), governments, and international trade. Economic performance of countries and regions are typically measured using GDP.

### California GDP

While the most commonly cited figures are for national GDP, the U.S. Bureau of Economic Analysis (BEA) tabulates analogous annual measures for states and metropolitan areas. As shown in Chart 1, California has consistently had faster GDP growth than the nation as a whole since 2011. This trend of faster growth has accelerated in recent years. In 2015, California GDP rose 5.6 percent, while U.S. GDP increased 3.7 percent (unadjusted for inflation).

### Metropolitan Area GDP

GDP for metropolitan areas is a relatively new economic statistic.<sup>1</sup> The BEA began publishing metropolitan area GDP in 2007. Economic output is available for 382 metropolitan areas across the country.

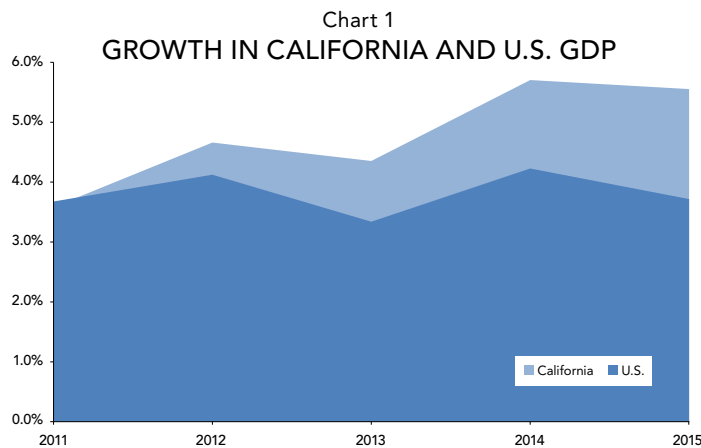


Table 1 shows 2015 GDP, the latest year available, for the top ten metropolitan areas of the United States. New York-Newark-Jersey City is by far the nation's largest metropolitan area as measured by GDP, with economic output of about \$1.603 trillion in 2015. California is represented by two of the top ten areas, Los Angeles-Long Beach-Anaheim (\$930.8 billion), and San Francisco-Oakland-Hayward (\$431.7 billion). By contrast, median metropolitan area GDP (middle value, the 191st metropolitan area) was only \$10.8 billion for Utica-Rome, New York.

Table 1  
GDP IN 2015 BY U.S. METROPOLITAN AREA  
(Millions of Dollars)

	GDP	Rank
New York-Newark-Jersey City	1,602,705	1
<b>Los Angeles-Long Beach-Anaheim</b>	<b>930,817</b>	<b>2</b>
Chicago-Naperville-Elgin	640,656	3
Houston-The Woodlands-Sugar Land	503,311	4
Washington-Arlington-Alexandria	491,042	5
Dallas-Fort Worth-Arlington	485,683	6
<b>San Francisco-Oakland-Hayward</b>	<b>431,704</b>	<b>7</b>
Philadelphia-Camden-Wilmington	411,161	8
Boston-Cambridge-Newton	396,549	9
Atlanta-Sandy Springs-Roswell	339,203	10

### California Metropolitan Areas

The BEA publishes GDP for 26 metropolitan areas in California. Table 2 shows 2015 GDP for the state's metropolitan areas, ranked from high to low. It also shows each metropolitan area's percentage of total California GDP. Economic output tends to be related to population, income, spending, employment, housing permits, and other measures of economic activity.

<sup>1</sup> The metropolitan (statistical) areas definitions used for BEA statistics are defined by the U.S. Office of Management and Budget. These definitions identify standardized county-based areas having at least one urbanized area with a population of 50,000 or more plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.

The geographical size differentials for California metropolitan area GDP are striking. As mentioned earlier, Los Angeles is the second largest metropolitan area in the U.S. and accounts for 37.9 percent of California GDP.<sup>2</sup> San Francisco area comprises 17.6 percent. At the opposite extreme in relative size, the Madera metropolitan area accounts for only 0.2 percent of the state's economic output. The Los Angeles metropolitan area produced 188 times as much GDP as the Madera area in 2015.

Table 2  
GDP IN 2015 BY CALIFORNIA METROPOLITAN AREA

	2015 (Millions of Dollars)	Percent of CA
Los Angeles-Long Beach-Anaheim	930,817	37.9%
San Francisco-Oakland-Hayward	431,704	17.6%
San Jose-Sunnyvale-Santa Clara	235,222	9.6%
San Diego-Carlsbad	220,573	9.0%
Riverside-San Bernardino-Ontario	140,637	5.7%
Sacramento-Roseville-Arden-Arcade	118,822	4.8%
Oxnard-Thousand Oaks-Ventura	48,220	2.0%
Fresno	38,830	1.6%
Bakersfield	35,829	1.5%
Santa Rosa	26,052	1.1%
Santa Maria-Santa Barbara	25,018	1.0%
Stockton-Lodi	24,606	1.0%
Salinas	21,980	0.9%
Vallejo-Fairfield	19,646	0.8%
Modesto	19,110	0.8%
Visalia-Porterville	15,829	0.6%
San Luis Obispo-Paso Robles-Arroyo Grande	13,705	0.6%
Santa Cruz-Watsonville	11,908	0.5%
Napa	9,363	0.4%
Merced	8,348	0.3%
Chico	7,559	0.3%
El Centro	5,947	0.2%
Redding	5,933	0.2%
Yuba City	5,765	0.2%
Hanford-Corcoran	5,407	0.2%
Madera	4,962	0.2%

## Annual Growth

Table 3 shows annual growth for California metropolitan areas since 2010, ranked by 2015 growth. Statewide economic growth is also shown in the table for comparison purposes. Economic gains for San Jose have been striking, with growth rates ranging from 5.0 percent to 10.4 percent over the five-year period. It was the second fastest growing metropolitan area in the nation in 2015. Seven California areas had growth faster than the state average in 2015, while 19 had lower increases. Bakersfield and Madera had large declines in economic activity (6.6 percent and 2.1 percent) largely because of big drops in oil and other commodity prices.

Table 3  
CA METROPOLITAN AREA ANNUAL GDP GROWTH

	2011	2012	2013	2014	2015
San Jose	7.5%	5.0%	5.9%	8.7%	10.4%
Santa Rosa	4.8%	1.9%	4.0%	5.8%	9.3%
Riverside-San Bernardino	3.9%	1.9%	3.5%	5.0%	6.3%
Chico	0.9%	0.3%	8.4%	2.5%	6.1%
Sacramento	3.5%	5.6%	3.3%	3.6%	5.9%
San Francisco	3.4%	8.0%	3.2%	6.2%	5.8%
Los Angeles	2.2%	3.3%	4.8%	4.3%	5.8%
<b>California</b>	<b>3.6%</b>	<b>4.4%</b>	<b>4.4%</b>	<b>5.0%</b>	<b>5.7%</b>
Santa Cruz	2.6%	2.1%	7.0%	4.7%	5.5%
Stockton	3.3%	5.2%	2.1%	3.6%	5.5%
Redding	2.8%	0.2%	1.7%	5.2%	5.4%
Napa	1.9%	10.9%	7.5%	3.9%	5.4%
Yuba City	4.2%	0.6%	7.8%	2.1%	5.0%
San Diego	4.1%	5.1%	5.0%	4.0%	4.8%
Visalia	9.8%	-1.1%	10.5%	8.4%	4.8%
Fresno	6.5%	0.9%	2.9%	3.6%	4.7%
Vallejo-Fairfield	-0.3%	10.3%	8.9%	4.0%	4.7%
Modesto	3.8%	2.5%	3.5%	5.9%	4.5%
San Luis Obispo	3.5%	3.9%	4.7%	4.2%	4.4%
Santa Barbara	5.8%	4.2%	2.2%	3.4%	4.3%
Salinas	0.9%	4.6%	4.6%	3.4%	2.9%
Hanford	17.2%	0.1%	3.5%	0.8%	2.7%
Merced	13.8%	-2.1%	9.8%	6.1%	2.6%
Oxnard	5.7%	3.7%	3.2%	3.9%	2.2%
El Centro	11.9%	-3.7%	4.4%	5.5%	0.2%
Madera	8.8%	7.5%	10.3%	3.7%	-2.1%
Bakersfield	4.3%	6.4%	2.4%	3.4%	-6.6%

<sup>2</sup> Shortened names of California metropolitan areas will be used in the text for convenience, rather than the often much longer official names used by the BEA in their publications.

## Increases From 2010 to 2015

Cumulative growth since 2010 is displayed in Table 4. Again, the San Jose area had the largest increase, 37.6 percent from 2010 to 2015. This is more than 60 percent higher than the California average gain of 23.1 percent. Los Angeles had a below-average increase of 20.4 percent. Bakersfield had the smallest gain, 10.0 percent, corresponding with a sharp decline in crude oil prices.

Table 4  
RANKED CUMULATIVE GDP GROWTH SINCE 2010

San Jose-Sunnyvale-Santa Clara	37.6%
Visalia-Porterville	32.4%
Merced	30.2%
Napa	29.6%
Madera	28.1%
Vallejo-Fairfield	27.4%
San Francisco-Oakland-Hayward	26.5%
Santa Rosa	25.7%
Hanford-Corcoran	24.2%
San Diego-Carlsbad	23.2%
<b>California</b>	<b>23.1%</b>
Santa Cruz-Watsonville	21.9%
Sacramento-Roseville-Arden-Arcade	21.8%
San Luis Obispo-Paso Robles	20.7%
Riverside-San Bernardino-Ontario	20.6%
Los Angeles-Long Beach-Anaheim	20.4%
Modesto	20.2%
Santa Maria-Santa Barbara	19.9%
Yuba City	19.7%
Stockton-Lodi	19.7%
Oxnard-Thousand Oaks-Ventura	18.7%
Fresno	18.6%
El Centro	18.4%
Chico	18.2%
Salinas	16.4%
Redding	15.3%
Bakersfield	10.0%

## Real Per Capita GDP

A standard way to compare economic wellbeing among regions is to calculate inflation-adjusted GDP per capita. Staff made these calculations and ranked California metropolitan areas for 2015; the results are shown in Table 5. Once again, a striking contrast exists among regions of the state. San Jose real GDP per capita was \$113,796 in 2009 dollars. This is nearly twice as high as California average GDP per person of \$57,197 (199 percent of the state average). Other areas with higher than average per capita real GDP include San Francisco, Los Angeles, San Diego, and Napa. At the other end of the spectrum, Merced had per capita real GDP of \$27,614, only 48 percent of the state average.

Table 5  
RANKED 2015 REAL PER CAPITA GDP

	2015 (2009 Dollars)	Percent of CA Average
San Jose-Sunnyvale-Santa Clara	\$113,796	199%
San Francisco-Oakland-Hayward	\$82,333	144%
Los Angeles-Long Beach-Anaheim	\$62,982	110%
San Diego-Carlsbad	\$60,833	106%
Napa	\$58,801	103%
<b>California</b>	<b>\$57,197</b>	<b>100%</b>
Santa Maria-Santa Barbara	\$51,201	90%
Oxnard-Thousand Oaks-Ventura	\$49,979	87%
Sacramento--Roseville--Arden-Arcade	\$47,271	83%
Santa Rosa	\$46,975	82%
Salinas	\$44,654	78%
San Luis Obispo-Paso Robles-Arroyo Grande	\$43,676	76%
Vallejo-Fairfield	\$39,543	69%
Santa Cruz-Watsonville	\$38,597	67%
Bakersfield	\$36,971	65%
Fresno	\$34,838	61%
Hanford-Corcoran	\$32,290	56%
Modesto	\$31,871	56%
Visalia-Porterville	\$30,833	54%
Stockton-Lodi	\$30,419	53%
Chico	\$29,966	52%
Redding	\$29,458	52%
Yuba City	\$29,447	51%
Madera	\$28,595	50%
Riverside-San Bernardino-Ontario	\$28,276	49%
El Centro	\$28,163	49%
Merced	\$27,614	48%

## Summary

- California economic output has been growing faster than the nation for the past four years.
- Los Angeles is the second largest metropolitan area in the nation in terms of economic activity.
- San Jose has been the fastest growing area within California.
- San Jose has been among the highest producing areas of the entire country over the past several years, with stronger economic growth than 380 of the nation's 382 metropolitan areas in 2015.
- Real economic output per capita in San Jose in 2015 was close to twice that of the California average.

## Contact the BOE

**Please contact the BOE if you have questions or comments.**

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U.S. Bureau of Labor Statistics

[www.bls.gov](http://www.bls.gov)

U.S. Bureau of Economic Analysis

[www.bea.gov](http://www.bea.gov)

U.S. Census Bureau

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