

# A Third of America's Economy is Concentrated in Just 31 Counties

While America's economy has grown for over a decade, that growth is increasingly concentrated in 1% of the nation's counties.

Just 31 counties, or the top 1% by share, made up 32.3% of U.S. gross domestic product in 2018, according to data released last week by the Bureau of Economic Analysis that included nearly 20 years of county-level GDP data. That's despite these counties only having 26.1% of employed Americans and 21.9% of the population last year. Their combined GDP share is also up from a recession low of 30.1% in 2009.

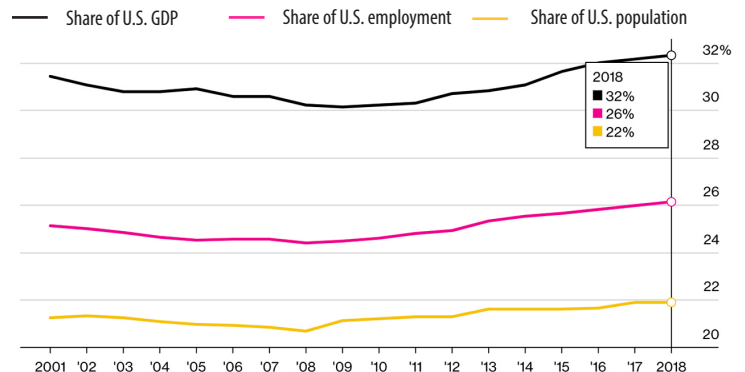
The nation's economy is becoming increasingly concentrated in large cities and by the coasts—and less so in rural counties—spurring the question of whether rural areas will be increasingly left behind. The growing concentration of the country's economic activity could impact a variety of things from infrastructure spending to labor mobility, but it's unclear how rural areas will fare as their share of economic output continues to dwindle.

each had multiple counties make the cut. But all 31 counties either included or were near major U.S. cities.

A large population and workforce is only part of the story. Last year, these counties represented \$1.3 trillion more of nationwide GDP than the share of workers alone would account for. Looking at population, their combined share of GDP rose even as their share of overall population fell. The difference may stem from other aspects of a city, such as clusters of activity or networks, that improve productivity.

### Squeezing More GDP into Less Space

The top 1% of counties have a greater share of output than people



The data also highlight differences in industry concentration. The information sector, dominated by West Coast tech giants like Apple Inc., Alphabet Inc.'s Google and Amazon.com Inc., is particularly consolidated, with nearly three-fifths of its output squeezed into just a few dozen counties.

Finance and the arts are also highly concentrated. While the New York City region still dominates national finance, Manhattan's grip on the industry has eased since 2014. Los Angeles has held the top spot in the arts and entertainment space from 2001 to 2018, but New York has increased its share from 4.6% to 7.2% over the period.

Still most industries didn't see that level of consolidation. Some businesses that need to be close to consumers like logistics, hospitality and retail are less concentrated.

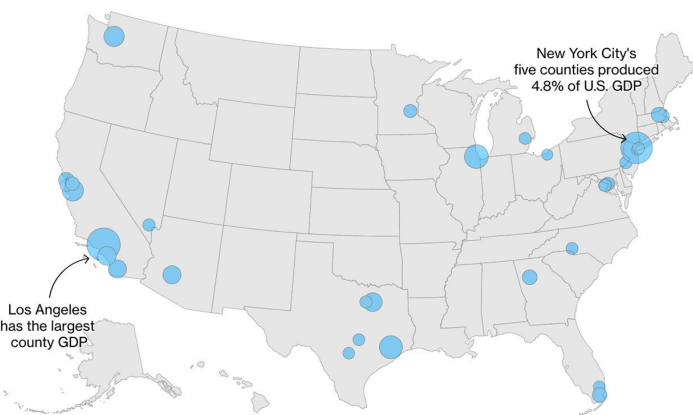
Yet, some industries are decentralizing. Transportation and warehousing has become less concentrated since its peak in 2017, while agriculture, forestry, fishing and hunting, a sector that was already relatively dispersed, continued in that direction.

### Top 1% of Counties

The largest 31 county economies made up 32% of national GDP in 2018

● Share of U.S. 2018 GDP

3.8%  
1.9%  
0.5%



### Northern California data (share of national GDP by county):

• Santa Clara County:	1.6%	• San Francisco County:	0.9%
• San Mateo County:	0.6%	• Alameda County:	0.7%

Looking at the largest counties by output, Los Angeles County, which has a GDP equivalent to Saudi Arabia, added \$395.2 billion to total U.S. GDP from 2001 to 2018. New York County, home to Manhattan, added \$340 billion.

The top 1% of counties were spread across 16 states and the District of Columbia, and populous states like California, Florida and Texas

Region	November 2018	October 2019	November 2019	Percentage Point Change	
				1 month	12 months
San José–Sunnyvale MSA	2.4%	2.3%	2.3%	0.0	- 0.1
San Francisco MD	2.1%	1.9%	1.9%	0.0	- 0.2
California	3.9%	3.7%	3.7%	0.0	- 0.2
United States	3.5%	3.3%	3.3%	0.0	- 0.2

Sector — November 2019	San Jose MSA	San Francisco MD	Combined Region	Percentage Change (Combined Region)	
				1 month	12 months
<b>Total Nonfarm</b>	<b>1,174,400</b>	<b>1,203,000</b>	<b>2,377,400</b>	<b>+ 0.6%</b>	<b>+ 3.0%</b>
Construction	49,200	45,600	94,800	< 0.1%	+ 2.2%
Manufacturing	181,000	38,300	219,300	+ 0.1%	+ 2.7%
Retail Trade	90,600	80,700	171,300	+ 4.3%	- 1.3%
Information	101,700	93,700	195,400	+ 0.6%	+ 7.1%
Professional & Business Services	246,800	305,400	552,200	+ 0.3%	+ 3.5%
Educational Services	49,200	30,100	79,300	+ 1.4%	+ 0.6%
Health Care & Social Assistance	129,500	119,300	248,800	+ 0.3%	+ 3.9%
Leisure & Hospitality	104,800	147,800	252,600	- 0.6%	+ 2.7%
Government	106,800	135,600	242,400	+ 1.0%	+ 3.8%

Note: San José MSA (San José–Sunnyvale–Santa Clara Metropolitan Statistical Area) = Santa Clara and San Benito Counties  
San Francisco MD (San Francisco–Redwood City–South San Francisco Metropolitan Division) = San Mateo and San Francisco Counties

Source: California Employment Development Department, LMID

Jurisdiction	Labor Force			Unemployment			Unemployment Rate		
	November 2018	November 2019	Change	November 2018	November 2019	Change	November 2018	November 2019	Change
• San Mateo County	462,300	467,400	+ 1.1%	9,300	8,600	- 7.5%	2.0%	1.8%	- 0.2
• Santa Clara County	1,059,500	1,072,200	+ 1.2%	25,100	24,100	- 4.0%	2.4%	2.3%	- 0.1
Cupertino	30,300	30,600	+ 1.2%	700	700	0.0%	2.3%	2.2%	- 0.1
Los Altos	15,000	15,200	+ 1.3%	300	300	0.0%	2.2%	2.1%	- 0.1
Milpitas	42,200	42,700	+ 1.2%	1,100	1,100	0.0%	2.6%	2.5%	- 0.1
Mountain View	52,000	52,700	+ 1.3%	900	900	0.0%	1.8%	1.7%	- 0.1
Palo Alto	36,300	36,800	+ 1.4%	700	700	0.0%	1.9%	1.8%	- 0.1
Santa Clara	71,000	71,800	+ 1.1%	1,600	1,500	- 6.3%	2.2%	2.1%	- 0.1
Sunnyvale	88,800	89,800	+ 1.1%	1,700	1,600	- 5.9%	2.0%	1.8%	- 0.2
<b>NOVA Region</b>	<b>797,900</b>	<b>806,400</b>	<b>+ 1.1%</b>	<b>16,300</b>	<b>15,300</b>	<b>- 5.5%</b>	<b>2.0%</b>	<b>1.9%</b>	<b>- 0.1</b>

Note: NOVA Region consists of seven cities in Northern Santa Clara County and the entirety of San Mateo County

Source: California Employment Development Department, LMID

November 2019 Events			WARN SUMMARY	
Company	Location	# Affected	Events YTD <sup>†</sup> :	34
Bay City Flower Company	Half Moon Bay	195	Individuals Affected YTD:	3,530
Chili's Bar & Grill	Milpitas	53	Individuals Previous YTD <sup>‡</sup> :	1,863
Illumina	Foster City	16		
Impakt Holdings	Burlingame	39		
Norton LifeLok	Mountain View	104		
Peet's Coffee	Multiple cities	14		
Verity Health	Multiple cities	1,424		
<b>Total</b>		<b>1,845</b>		

\* **WARN: Worker Adjustment and Retraining Notification**  
(notice of mass layoff or closure)

† **YTD: Year to Date**  
(Program year: July 1–Present)

‡ **Previous YTD:**  
(Same date range as YTD, one year prior)

Note: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: NOVA's internal Rapid Response database