

December 2022

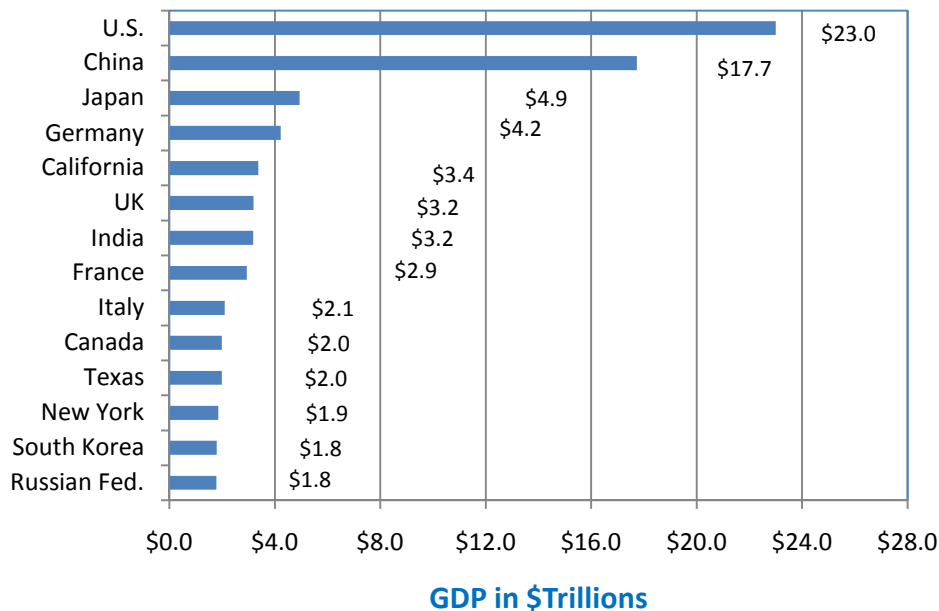
World, State, Region and Metro Area GDP and Rankings Ahead

California remained the world's 5th-largest economy in 2021 with a GDP of \$3.4 trillion and remained ahead of the 6th place United Kingdom (UK).

According to World Bank estimates released in July 2022 China was the world's second-largest economy in 2021 with a GDP of \$17.7 trillion or 77% of the U.S. total of \$23.0 trillion. Japan and Germany were the next two largest world economies in 2021 followed after California and the UK by India, France, Italy and Canada to round out the top ten economies.

The next largest economies in 2021 were South Korea (\$1.8 trillion) the Russian Federation (\$1.8 trillion), Brazil (\$1.6 trillion), Australia (\$1.5 trillion) and Spain (\$1.4 trillion). Texas would rank 11th with \$2.0 trillion and New York 13th with \$1.9 trillion.

Top World Economies in 2021

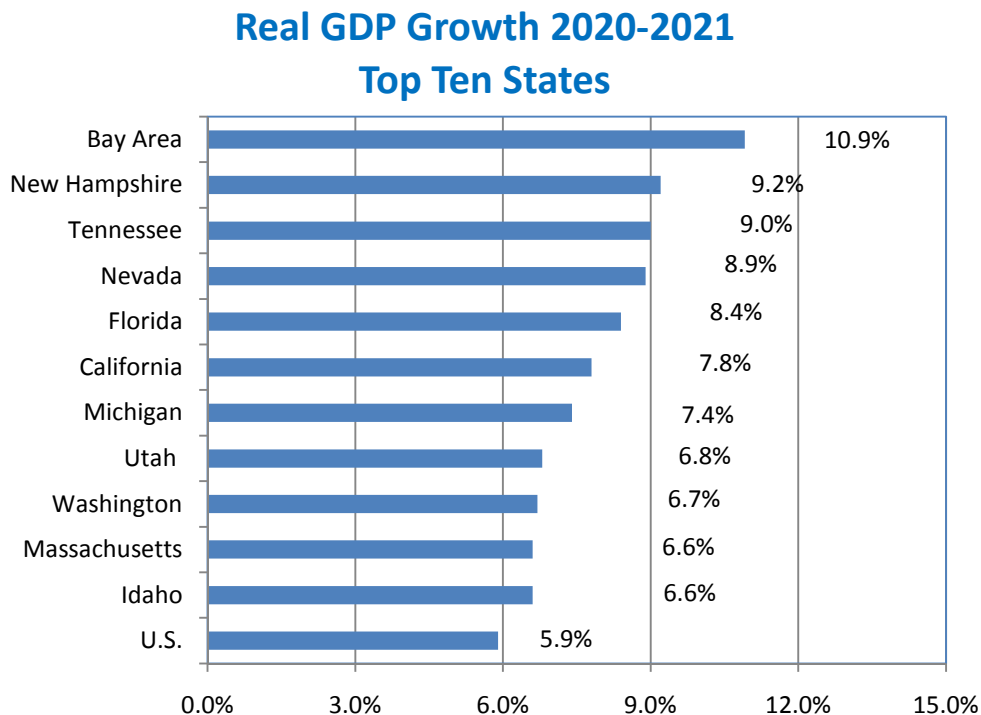


Fastest State Growth in 2021

California had the 5th highest real Gross Domestic Product (GDP) growth among states in 2021 at 7.8% outpacing the national 5.9% growth rate. New Hampshire,

Tennessee, Nevada and Florida were the only states with faster growth than California. Growth in 2021 was exceptionally high as it included a rebound from the 2020 pandemic year.

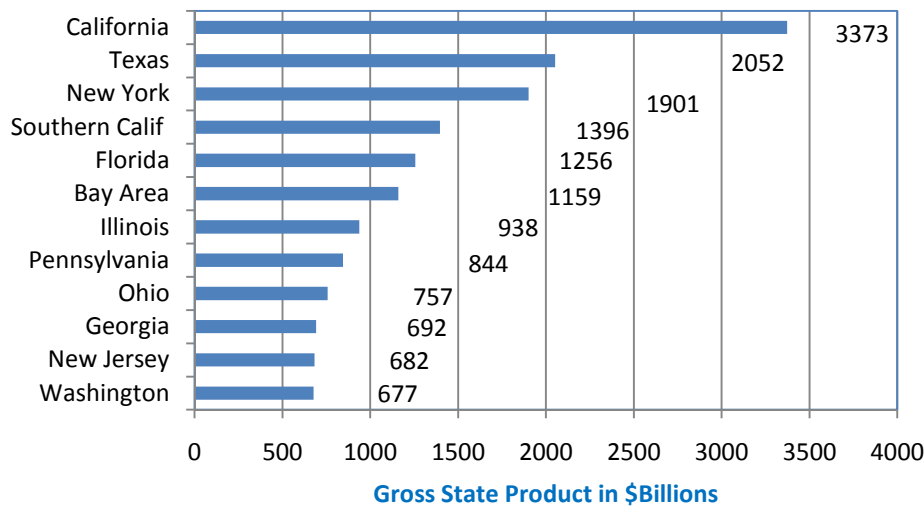
Note that the Bay Area had higher GDP growth in 2021 than any state.



Highest State GDP in 2021

California has the largest GDP among states, which is to be expected since the state is much larger in terms of jobs and population than Texas, the next largest state. California's GDP in 2018 was \$3,375 billion followed by Texas with \$2,052 billion and New York with \$1,901 billion. The Southern California region, if a state, would rank 4th with a 2021 GDP of \$1,396 billion. The Bay Area would rank 6th behind Florida

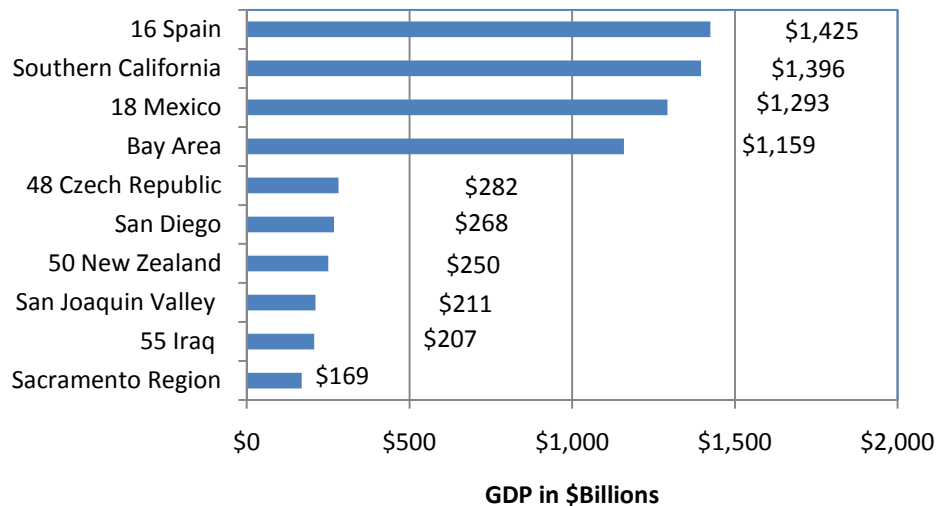
Top State Economies in 2021



Regional Rankings

The Southern California region ranked between Spain and Mexico with a 2021 GDP of almost \$1.4 trillion. The Bay Area economy ranked just below Mexico with a 2021 GDP of \$1.159 trillion. The San Diego regional economy ranked between the Czech Republic and New Zealand with a 2021 GDP of \$268 billion.

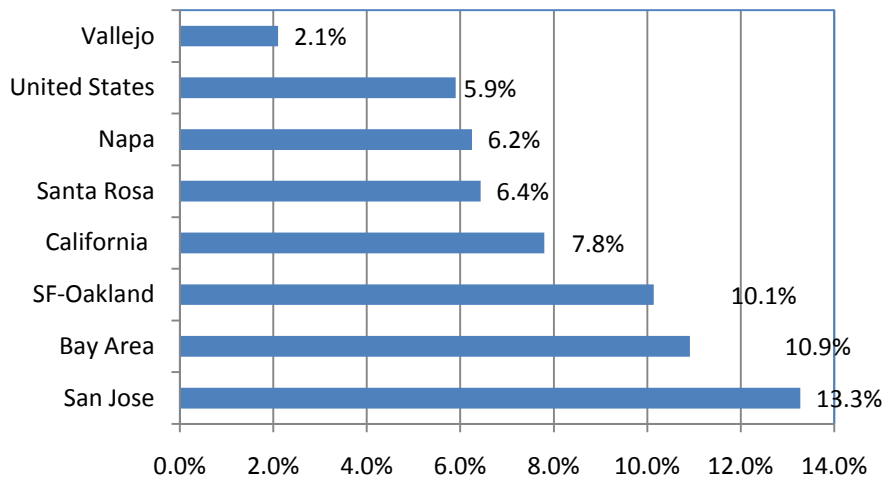
California Regional Economies Ranking in the World 2021 (\$Billions)



Metro Area Rankings

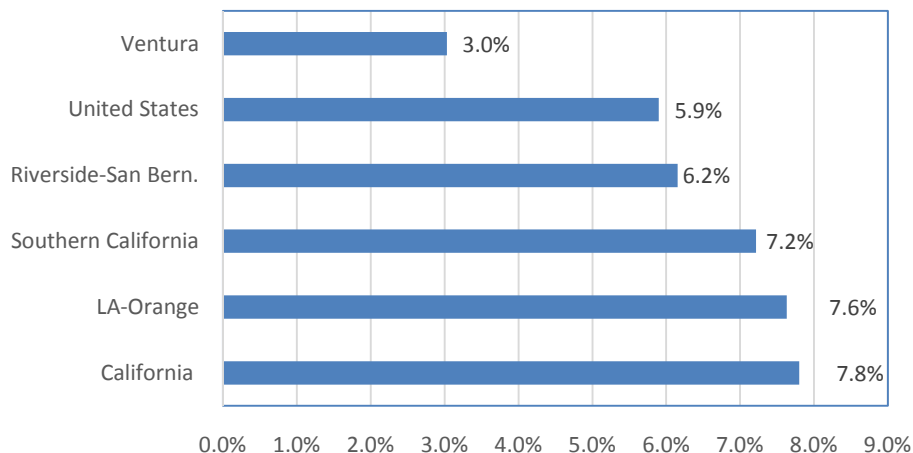
Bay Area GDP growth in 2021 was led by the San Jose metro area, which had the fastest growth in the nation among large metro areas at 13.3%. All Bay Area metro areas except Vallejo (Solano County) outpaced the nation. The Santa Rosa metro area is Sonoma County and the SF-Oakland metro includes Alameda, Contra Costa, Marin, San Francisco and San Mateo counties.

Bay Area Real GDP Growth in 2021



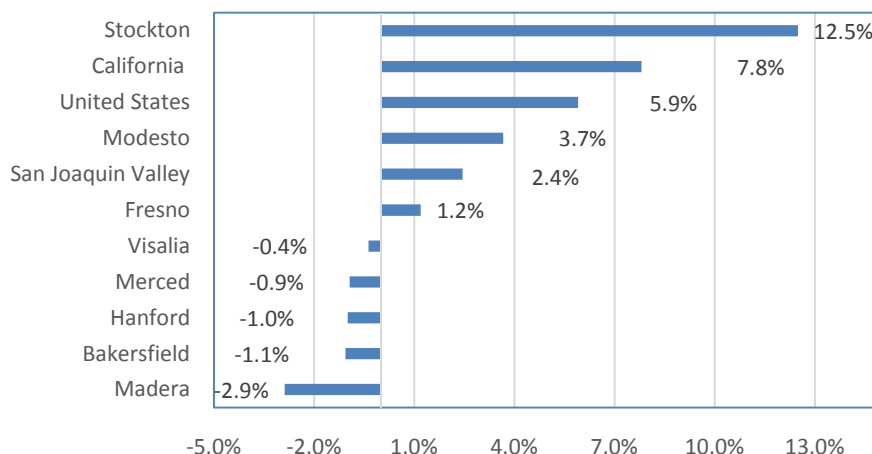
Growth in the Southern California region outpaced the nation and at 7.2% was close to the state average, which was inflated as a result of the strong Bay Area growth. The Los Angeles-Orange County metro led the region with real GDP growth of 7.6% in 2021 followed by the Riverside-San Bernardino metro. The Ventura metro had the slowest growth and trailed the nation.

Southern Calif. Real GDP Growth in 2021



The San Joaquin Valley had below average real GDP growth in 2021 as agriculture and oil production were affected by the pandemic. Only the Stockton metro (San Joaquin County) outpaced the state and nation. Several metro areas had real GDP declines including Visalia (Tulare County), Merced, Hanford (Kings County), Bakersfield (Kern County) and Madera.

San Joaquin Valley Real GDP Growth in 2021



The Sacramento region also had below average real GDP growth. The large Sacramento metro area and the region had a 4.5% increase while the Sutter-Yuba metro had a gain of 4.1%.

Looking Forward

GDP growth slowed in the nation and California in 2022. Data released on December 23, 2022 showed California with a 3.8% real GDP increase in the 3rd quarter of 2022 compared to Q2. But real GDP declined by 2.5% in 2022 Q1 and by 0.5% in Q2. The comparable U.S. quarterly real GDP changes were -0.4% in Q1, -0.6% in Q2 and +3.2% in Q3.

The UCLA December 2022 forecast has state real GDP growing by 2.4% in 2023 if there is no recession and by 0.5% if there is a recession. Both of these are above their forecast of national real GDP growth. However, the 2022 and 2023 state GDP trends will not repeat the surge of 2021.

There are no regional 2022 GDP estimates yet so we do not know how regions in the state fared.

In terms of comparisons with other countries, it is likely that the U.S. will outperform European countries but there is great uncertainty beyond that.