News Release

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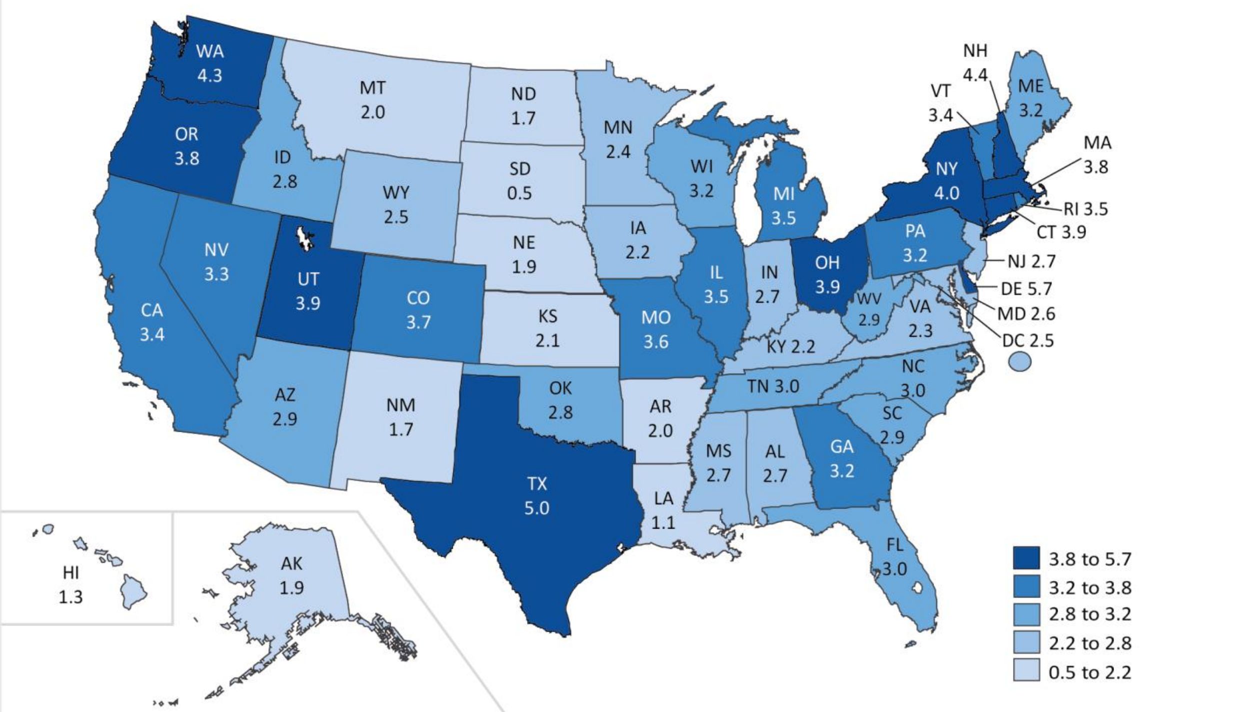
Gross Domestic Product by State: Third Quarter 2017

Finance and Insurance Led Growth Across States in the Third Quarter

Real gross domestic product (GDP) increased in every state and the District of Columbia in the third quarter of 2017, according to statistics on the geographic breakout of GDP released today by the U.S. Bureau of Economic Analysis. Real GDP by state growth in the third quarter ranged from 5.7 percent in Delaware to 0.5 percent in South Dakota (table 1).

Percent Change in Real GDP by State, 2017:Q2–2017:Q3, Seasonally Adjusted at Annual Rates



U.S. Bureau of Economic Analysis

For the nation, 17 of 21 industry groups increased in the third quarter. Finance and insurance, durable goods manufacturing, and information services were the leading contributors to national economic growth (table 2).

- Finance and insurance increased 14.7 percent nationally and contributed to growth in every state and the District of Columbia.[1] This industry was the leading contributor to growth in seven of the ten fastest growing states, including Delaware—the fastest growing state.

- Durable goods manufacturing increased 7.5 percent nationally—the sixth consecutive quarter of growth. This industry increased in 49 states and the District of Columbia, and was the leading contributor to growth in Oregon.

- Information services increased 9.0 percent nationally. This industry contributed to growth in every state and the District of Columbia, and was the leading contributor to growth in Washington.

Other Highlights

- Mining increased 9.7 percent nationally—the fourth consecutive quarter of growth. Although this industry wasn't a leading contributor to growth for the nation, it was the leading contributor to growth in Texas—the second fastest growing state.

- Agriculture, forestry, fishing, and hunting declined 2.4 percent nationally—the fourth consecutive quarter of decline. This industry subtracted from growth in every state in the Plains region, most notably in South Dakota and Iowa.

Update of Gross Domestic Product by State

Gross domestic product by state statistics for the fourth quarter of 2017 and annual statistics for 2017 will be released on May 4, 2018. At that time, BEA will also release revised statistics for the first quarter of 2014 through the third quarter of 2017. These statistics will incorporate newly available state-level source data.

Next release — May 4, 2018 at 8:30 A.M. EDT for:
Gross Domestic Product by State: Fourth Quarter 2017 and Annual 2017 (preliminary)

[1] Percent change by industry for the nation can be found in Table 1 of the "Gross Domestic Product by Industry: Third Quarter 2017" release of January 19, 2018.

Additional Information

Resources

- Stay informed about BEA developments by reading the BEA blog, signing up for BEA's email subscription service, or following BEA on Twitter @BEA_News.
- Historical time series for these estimates can be accessed in BEA's Interactive Data Application.
- Access BEA data by registering for BEA's Data Application Programming Interface (API).
- For more on BEA's statistics, see our monthly online journal, the *Survey of Current Business*.
- BEA's news release schedule.

Definitions

Gross domestic product (GDP) **by state** is the market value of goods and services produced by the labor and property located in a state. GDP by state is the state counterpart of the Nation's GDP, the Bureau's featured and most comprehensive measure of U.S. economic activity.

Current-dollar statistics are valued in the prices of the period when the transactions occurred—that is, at "market value." Also referred to as "nominal GDP" or "current-price GDP."

Real values are inflation-adjusted statistics—that is, these exclude the effects of price changes.

Contributions to growth are an industry's contribution to the state's overall percent change in real GDP. The contributions are additive and can be summed to the state's overall percent change.

Statistical conventions

Seasonal adjustment and annual rates. Quarterly values are expressed at seasonally-adjusted annual rates (SAAR). For details, see the FAQ "Why does BEA publish estimates at annual rates?"

Quantities and prices. Quantities, or "real" measures, are expressed as index numbers with a specified reference year equal to 100 (currently 2009). Quantity indexes are calculated using a Fisher-chained weighted formula that incorporates weights from two adjacent periods (quarters for quarterly data and annuals for annual data). "Real" dollar series are calculated by multiplying the published quantity index by the current dollar value in the reference year (2009) and then dividing by 100. Percent changes calculated from chained-dollar levels and quantity indexes are conceptually the same; any differences are due to rounding.

Chained-dollar values are not additive because the relative weights for a given period differ from those of the reference year.

Chained-dollar values of GDP by state are derived by applying national chain-type price indexes to the current dollar values of GDP by state for the 21 NAICS-based industry sectors. The chain-type index formula that is used in the national accounts is then used to calculate the values of total real GDP by state and real GDP by state at more aggregated industry levels. Real GDP by state may reflect a substantial volume of output that is sold to other states and countries. To the extent that a state's output is produced and sold in national markets at relatively uniform prices (or sold locally at national prices), real GDP by state captures the differences across states that reflect the relative differences in the mix of goods and services that the states produce. However, real GDP by state does not capture geographic differences in the prices of goods and services that are produced and sold locally.

Relation of Gross Domestic Product (GDP) by State for the U.S. to GDP in the National Accounts. An industry's GDP by state, or its value added, in practice, is calculated as the sum of incomes earned by labor and capital and the costs incurred in the production of goods and services. That is, it includes the wages and salaries that workers earn, the income earned by individual or joint entrepreneurs as well as by corporations, and business taxes such as sales, property, and Federal excise taxes—that count as a business expense.

GDP is calculated as the sum of what consumers, businesses, and government spend on final goods and services, plus investment and net foreign trade. In theory, incomes earned should equal what is spent, but due to different data sources, the measurement of income earned, usually referred to as gross domestic income (GDI), does not always equal the measurement of what is spent (GDP). The difference is referred to as the "statistical discrepancy."

GDP by state for the U.S. differs from the GDP in the national income and product accounts (NIPAs) and thus from the Industry Economic Accounts' GDP by industry, because GDP by state for the U.S. excludes federal military and civilian activity located overseas, which cannot be attributed to a particular state.

List of News Release Tables