

Quarterly Gross Domestic Product by State

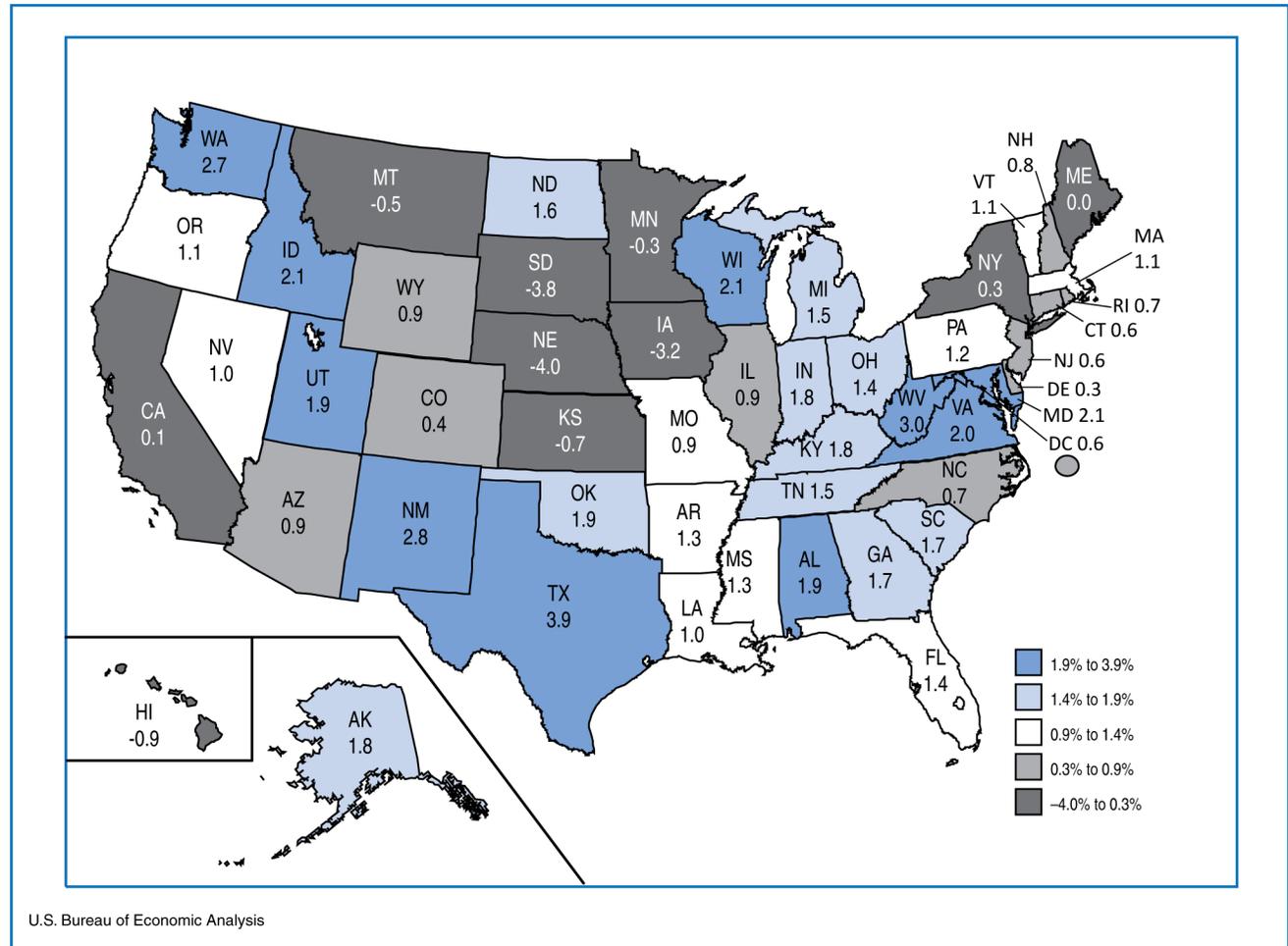
Statistics for the First Quarter of 2017

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ON JULY 26, 2017, the Bureau of Economic Analysis (BEA) released statistics on gross domestic product (GDP) by state for the first quarter of 2017; these statistics show that real GDP increased in 43 states and the District of Columbia in the first quarter. Real GDP by state growth ranged from an annualized rate of -4.0 percent in Nebraska to 3.9 percent in Texas (chart 1). GDP by state is the most comprehensive measure of economic activity in states—the counterpart to GDP in the national income and product accounts.

In the first quarter of 2017, 12 of 21 industry groups contributed to the overall growth in real GDP for the nation. The leading contributors to this growth were real estate and rental and leasing; mining; and durable-goods manufacturing. Real estate and rental and leasing grew 2.7 percent nationally, its fastest pace of growth since the first quarter of 2015 (chart 2). Mining grew 21.6 percent nationally, continuing its rebound; this industry grew for the second consecutive quarter after declining in the previous six quarters. Durable-goods manufacturing grew 4.4 percent.

Chart 1. Percent Change in Real Gross Domestic Product by State, 2016:IV–2017:I



Mining was the leading contributor to growth in Texas, West Virginia, and New Mexico—the three fastest-growing states in the first quarter of 2017. In each of these three states, mining is very important, accounting for more than 8 percent of each state’s economy. Nationally, mining accounts for less than 2 percent of the economy. In Texas, mining grew 28.8 percent (table 1). According to data from the Energy Information Administration (EIA), increases in petroleum extraction bolstered the mining industry in the

state.¹ In addition to mining, manufacturing was a strong contributor to real GDP growth in Texas; it grew 8.6 percent. In the first quarter, Texas manufacturing jobs increased in both durable-goods and non-durable-goods manufacturing industries.² In West Virginia, mining grew 26.4 percent; data from EIA

1. Energy Information Administration data is available on its Web site.
 2. Employment data are from the Bureau of Labor Statistics current employment statistics on monthly seasonally unadjusted employment. In durable-goods manufacturing, a majority of the increases were in fabricated metal products; machinery; and computer and electronic products. In nondurable goods, most of the job gains were in chemical products. For information on employment by industry in Texas, see the Web site of The Labor Market and Career Information Department (LMCI) of the Texas Workforce Commission.

Chart 2. Percent Change in U.S. Real Gross Domestic Product by Industry

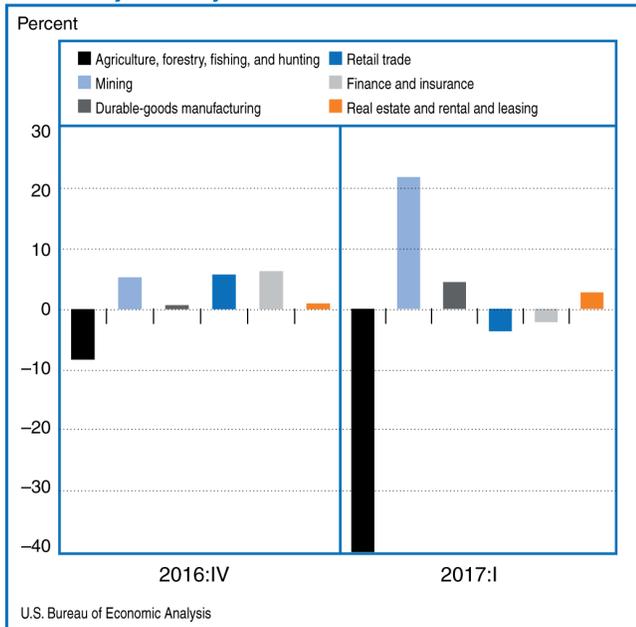


Table 1. Largest Industry Contributors to States with Fastest Real Gross Domestic Product (GDP) Growth, 2017:I

Industry	Share of total current-dollar GDP (percent)	Percent change in real GDP (annualized rate)	Contribution to percent change in total real GDP (percentage points)
Texas			
Mining	8.5	28.8	2.08
Manufacturing	13.7	8.6	1.15
Real estate and rental and leasing	9.3	4.7	0.43
West Virginia			
Mining	14.2	26.4	3.20
Health care and social assistance	10.2	4.4	0.44
Wholesale trade	4.3	5.1	0.22
New Mexico			
Mining	9.6	20.7	1.75
Manufacturing	4.3	20.0	0.78
Construction	3.7	7.6	0.27

shows gains in the extraction of coal, natural gas, and petroleum bolstered mining in the state. Another strong contributor to the growth in West Virginia was health care and social assistance, which grew 4.4 percent. In New Mexico, mining grew 20.7 percent; rising levels of coal and petroleum extraction bolstered mining in the state, according to data from EIA. Similar to Texas, manufacturing was a strong contributor to growth in New Mexico; the industry grew 20.0 percent.

In the first quarter of 2017, 9 of 21 industry groups declined. The largest declines occurred in agriculture, forestry, fishing and hunting; retail trade; and finance and insurance (chart 2). Agriculture, forestry, fishing, and hunting declined 39.8 percent. This decline was quite large even after considering the volatility of the industry. It has not had a double-digit decline since the first quarter of 2014. Retail trade and finance and insurance declined 3.6 percent and 2.1 percent, respectively. These two industries reversed direction after growing in the last two quarters of 2016.

Declines in agriculture, forestry, fishing, and hunting were primarily responsible for the declines in the Plains region states, especially in South Dakota, Iowa, and Nebraska—the states with the largest declines in real GDP. In each of these three states, this industry accounts for 4 percent or more of the state’s economy, much more than the national average of less than 1 percent. In South Dakota, this industry declined 63.1 percent (table 2). In addition to this decline, retail trade declined 4.8 percent, further exacerbating the

state’s overall decline. There were “bright spots” in the state as construction and manufacturing industries grew, but this growth was overwhelmed by the decline in agriculture, forestry, fishing, and hunting. In Iowa, agriculture, forestry, fishing, and hunting declined 60.3 percent, and retail trade declined 5.0 percent. In Nebraska, agriculture, forestry, fishing, and hunting declined 56.1 percent. The second-largest detractor from growth in the state was finance and insurance, which declined 3.8 percent.

Table 2. Largest Industry Detractors from States with Largest Declines in Real Gross Domestic Product (GDP), 2017:1

Industry	Share of total current-dollar GDP (percent)	Percent change in real GDP (annualized rate)	Contribution to percent change in total real GDP (percentage points)
South Dakota			
Agriculture, forestry, fishing, and hunting	5.6	-63.1	-5.96
Retail trade	7.5	-4.8	-0.37
Accommodation and food services.....	3.1	-4.0	-0.12
Iowa			
Agriculture, forestry, fishing, and hunting	4.0	-60.3	-3.85
Retail trade	5.5	-5.0	-0.28
Finance and insurance	12.8	-1.7	-0.22
Nebraska			
Agriculture, forestry, fishing, and hunting	4.5	-56.1	-3.85
Finance and insurance	10.0	-3.8	-0.38
Transportation and warehousing.....	7.6	-3.7	-0.28