

# News Release

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BEA 23-65

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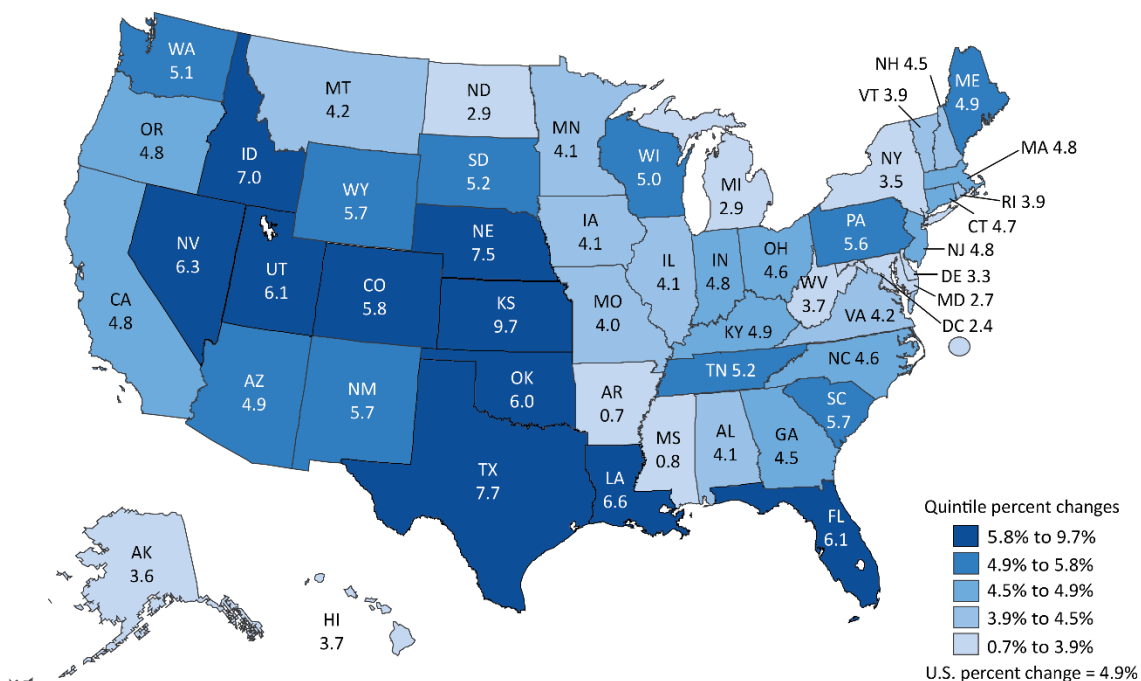
## Gross Domestic Product by State and Personal Income by State, 3rd Quarter 2023

**Real gross domestic product (GDP)** increased in all 50 states and the District of Columbia in the third quarter of 2023, with the percent change ranging from 9.7 percent in Kansas to 0.7 percent in Arkansas (table 1), according to statistics released today by the U.S. Bureau of Economic Analysis (BEA).

**Current-dollar GDP** increased in all 50 states and the District of Columbia in the third quarter, with the percent change ranging from 12.8 percent in Texas to 4.1 percent in Arkansas (table 1).

**Current-dollar personal income** increased in 49 states and the District of Columbia in the third quarter of 2023, with the percent change ranging from 5.2 percent in Texas to 0.0 percent in Arkansas (table 3).

Real GDP: Percent Change at Annual Rate, 2023:Q2–2023:Q3



## Real GDP

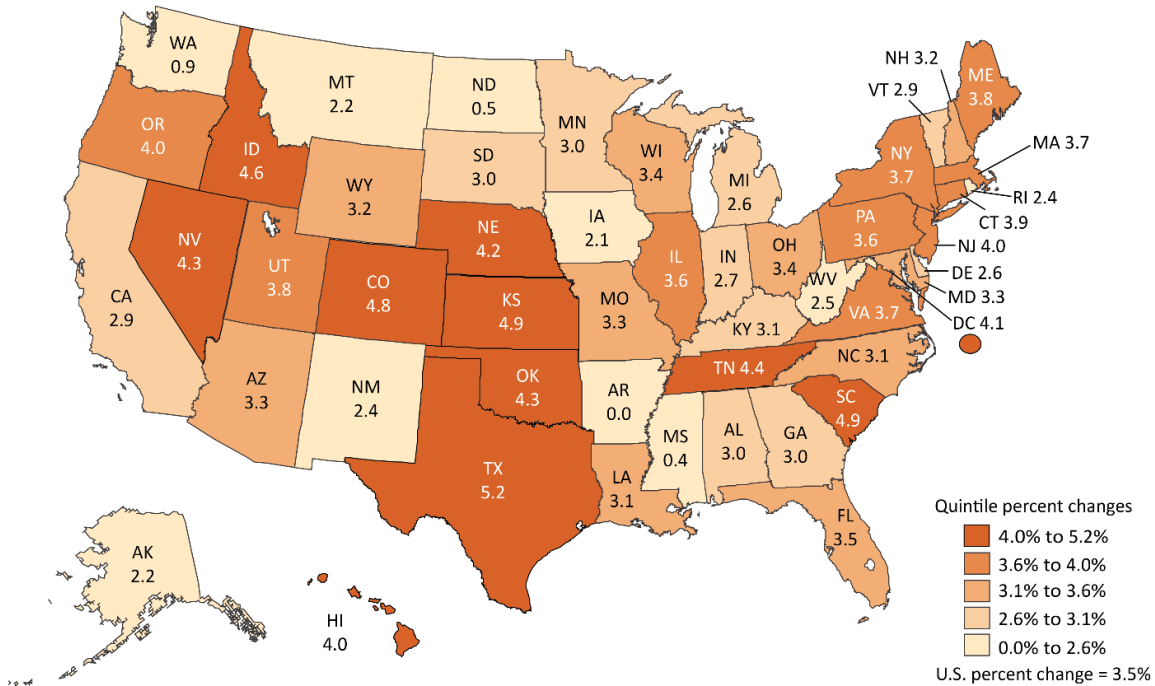
In the third quarter of 2023, real GDP for the nation grew at an annual rate of 4.9 percent. Real GDP also increased in 15 of the 23 industry groups for which BEA prepares quarterly state estimates (table 2).

- Agriculture, forestry, fishing, and hunting, which decreased nationally and in 33 states, was the leading contributor to growth in Kansas and Nebraska, the states with the largest and third-largest increases in real GDP. In contrast, this industry was the leading offset to growth in Arkansas and Mississippi, the states with the smallest increases in real GDP.
- Retail trade was the leading contributor to growth in 39 states, including Texas and Idaho, the states with the second- and fourth-largest increases in real GDP.
- Nondurable-goods manufacturing was the leading contributor to growth in three states, including Louisiana, the state with the fifth-largest increase in real GDP.

## Personal income

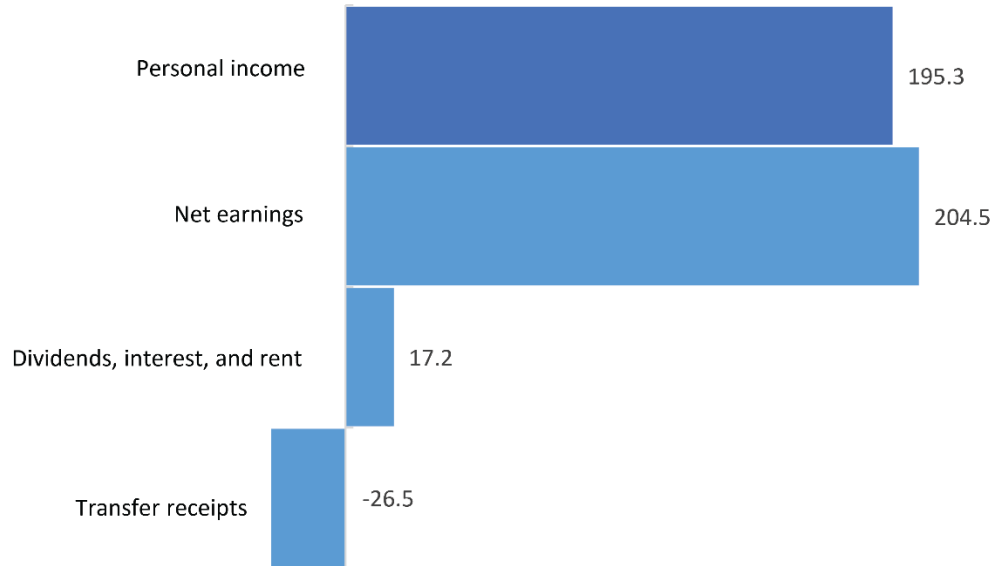
In the third quarter of 2023, current-dollar personal income increased \$195.3 billion, or 3.5 percent at an annual rate (table 3). Increases in earnings and property income (dividends, interest, and rent) were partially offset by a decrease in transfer receipts (chart 1).

Personal Income: Percent Change at Annual Rate, 2023:Q2–2023:Q3



U.S. Bureau of Economic Analysis

Chart 1. Change in Personal Income and Select Components  
United States, 2023:Q2–2023:Q3  
[Billions of dollars]



U.S. Bureau of Economic Analysis

**Earnings** increased in all 50 states and the District of Columbia, while growing 5.9 percent nationally. The percent change in earnings ranged from 8.3 percent in Texas to 1.3 percent in North Dakota (table 4).

- Earnings increased in 20 of the 24 industries for which BEA prepares quarterly estimates (table 5).
- Construction was the leading contributor to the increase in earnings in seven states, including Texas, the state with the largest percent increase in personal income.
- State and local government was the leading contributor to the increase in earnings in 24 states, including South Carolina, Colorado, and Idaho, the states with the second-, fourth-, and fifth-largest percent increases in personal income.
- Farm, which decreased nationally and in 41 states, was the leading contributor to the increase in earnings in Kansas, the state with the third-largest percent increase in personal income.

**Property income** increased in all 50 states and the District of Columbia, while growing 1.5 percent nationally. The percent change ranged from 3.0 percent in Texas to 0.1 percent in Iowa.

**Transfer receipts** decreased in 47 states and the District of Columbia, while declining 2.5 percent nationally. The decrease in transfer receipts was due to declines in Medicaid payments, other personal current transfer receipts, and state unemployment insurance compensation partially offset by increases

in Medicare and social security payments. The percent change in transfer receipts ranged from 4.4 percent in New York to -7.0 percent in Rhode Island and New Mexico (table 4).

### **Update of state statistics**

Today, BEA also released revised quarterly estimates of personal income by state for the first and second quarters of 2023. This update incorporates new and revised source data that are more complete and more detailed than previously available and aligns the states with the national estimates from the National Income and Product Accounts released on December 21, 2023.

BEA also released new estimates of per capita personal income for the third quarter of 2023. BEA used U.S. Census Bureau (Census) population figures to calculate per capita personal income estimates for the first quarter of 2020 through the third quarter of 2023. For earlier estimates, BEA used intercensal population statistics that it developed based on Census methodology. See "[Note on Per Capita Personal Income and Population.](#)"

Next release: March 29, 2024, 10:00 a.m. EDT

Gross Domestic Product by State and Personal Income by State, 4th Quarter 2023 and Preliminary 2023

## Additional Information

### Resources

- Stay informed about BEA developments by reading [The BEA Wire](#), signing up for BEA's [email subscription service](#), or following [@BEA\\_News](#) on X, formerly known as Twitter.
- 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](#).
- For more on BEA's statistics, see our online journal, the [Survey of Current Business](#).
- For upcoming economic indicators, see BEA's [news release schedule](#).
- BEA Regional Facts ([BEARFACTS](#)) is a narrative summary of personal income, per capita personal income, components of income, and gross domestic product for counties, metropolitan statistical areas, and states.
- For complete information on the sources and methods used to estimate gross domestic product and personal income by state, see BEA's [gross domestic product by state](#) and [state personal income and employment](#) methodologies.

### 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.” They are 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.

**Personal income** is the income received by, or on behalf of, all persons from all sources: from participation as laborers in production, from owning a home or business, from the ownership of financial assets, and from government and business in the form of transfers. It includes income from domestic sources as well as the rest of world. It does not include realized or unrealized capital gains or losses.

Personal income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

**State personal income** differs slightly from the estimate of U.S. personal income in the National Income and Product Accounts because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data. In BEA's state statistics, estimates of personal income for the United States is the sum of the state estimates and the estimate for the District of Columbia.

**Per capita personal income** is calculated as the total personal income of the residents of a state divided by the population of the state. In computing per capita personal income, BEA uses mid-quarter population estimates based on unpublished U.S. Census Bureau data.

**Earnings by place of work** is the sum of wages and salaries, supplements to wages and salaries, and proprietors' income. BEA's industry estimates are presented on an earnings by place-of-work basis.

**Net earnings by place of residence** is earnings by place of work less contributions for government social insurance plus an adjustment to convert earnings by place of work to a place-of-residence basis. BEA presents net earnings on an all-industry level.

**Property income** is rental income of persons, personal dividend income, and personal interest income.

**Personal current transfer receipts** are benefits received by persons from federal, state, and local governments and from businesses for which no current services are performed. They include retirement and disability insurance benefits (mainly social security), medical benefits (mainly Medicare and Medicaid), income maintenance benefits, unemployment insurance compensation, veterans' benefits, and federal education and training assistance.

Personal income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

### Statistical conventions

**Quarter-to-quarter percent changes** are calculated from unrounded data and are annualized. Annualized growth rates show the rate of change that would have occurred had the pattern been repeated over four quarters (1 year).

Annualized rates of change can be calculated as follows:  $((\text{level of later quarter} / \text{level of earlier quarter})^4 - 1) * 100$ . Quarterly estimates are expressed at seasonally adjusted annual rates unless otherwise specified. Quarter-to-quarter dollar changes are differences between published estimates.

**Seasonal adjustment and annual rates.** Quarterly values are expressed at seasonally adjusted annual rates. For details, see the FAQ [“Why does BEA publish estimates at annual rates?”](#) on the BEA website.

**Quantities and prices.** Quantities, or “real” measures, are expressed as index numbers with a specified reference year equal to 100 (currently 2017). Quantity indexes are calculated using a Fisher chain-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 quantity index by the current dollar value in the reference year 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 23 North American Industry Classification System-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.

## BEA regions

BEA groups all 50 states and the District of Columbia into 8 distinct regions for purposes of presentation and analysis as follows:

**New England** (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont)

**Mideast** (Delaware, District of Columbia, Maryland, New Jersey, New York, and Pennsylvania)

**Great Lakes** (Illinois, Indiana, Michigan, Ohio, and Wisconsin)

**Plains** (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota)

**Southeast** (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia)

**Southwest** (Arizona, New Mexico, Oklahoma, and Texas)

**Rocky Mountain** (Colorado, Idaho, Montana, Utah, and Wyoming)

**Far West** (Alaska, California, Hawaii, Nevada, Oregon, and Washington)

## Uses of GDP and personal income by state statistics

GDP and personal income by state statistics provide a framework for analyzing current economic conditions in each state and can serve as a basis for decision-making. For example:

- Federal government agencies use the statistics in forecasting models to project energy and water use. The statistics are also used as a basis for allocating funds and determining matching grants to states.
- State governments use the statistics to project tax revenues and the need for public services.
- Academic regional economists use the statistics for applied research.
- Businesses, trade associations, and labor organizations use the statistics for market research.

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## News release tables

Table 1. Gross Domestic Product by State and Region: Level and Percent Change From Previous Period

Table 2. Contributions to Percent Change in Real Gross Domestic Product, by State and Region, 2023:Q2–2023:Q3

Table 3. Personal Income by State and Region: Level and Percent Change From Preceding Period

Table 4. Personal Income Change by Component, by State and Region, 2023:Q2–2023:Q3

Table 5. Contributions of Earnings to Percent Change in Personal Income, by Industry and by State and Region, 2023:Q2–2023:Q3