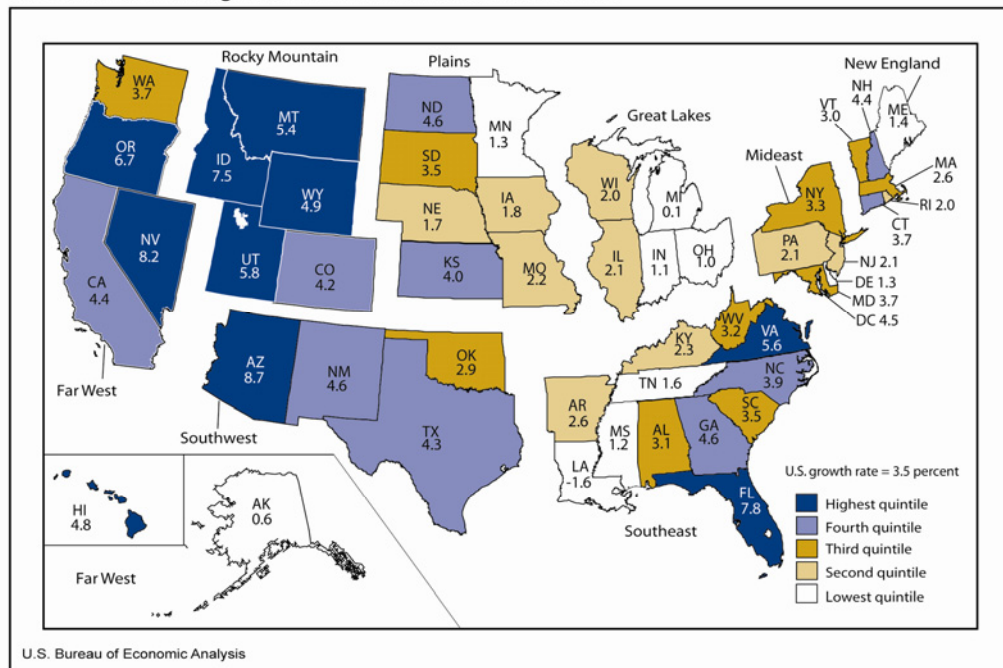


WESTERN STATES LED ECONOMIC GROWTH IN 2005

Advance Gross State Product (GSP) Estimates

U.S. economic growth was widespread in 2005, as GSP grew in 49 of 50 states and the District of Columbia, according to estimates released today by the U.S. Bureau of Economic Analysis.¹ Eight of the ten fastest-growing states are west of the Mississippi River². However, as compared to 2004, growth slowed for the nation and most states.

Chart 1. Percent Change in Real Gross State Product, 2004-2005



- Growth in real U.S. GSP slowed from 4.2 percent in 2004 to 3.5 percent in 2005; most states' growth slowed as well.
- The services-producing sector continued its expansion with financial activities being the largest contributor to growth. The information-communications-technology-producing industries continued to experience double-digit growth. Most of the fastest-growing states have large concentrations in one or both of these sectors.
- Real GSP grew in all states except Louisiana. The decline in Louisiana was due to the effects of Hurricanes Katrina and Rita.
- Six of the fastest-growing states—Florida, Idaho, Nevada, Oregon, Utah, and Virginia—were also among the fastest-growing states in 2004.

¹ The 2005 estimates draw heavily on the 2005 preliminary state earnings-by-industry estimates released on March 28, 2006. Estimates for 2004 and earlier are based on BEA's regular GSP methodology. For further details, see the forthcoming July 2006 *Survey of Current Business* article on gross state product. Revised 2005 GSP totals, along with advance NAICS sector-level estimates of GSP for 2005, will be released in October 2006.

² Seven coterminous states plus Hawaii.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on the BEA Web site: www.bea.gov.

NOTE: The next release of GSP for advance 2005 NAICS sector-level estimates, along with revised 2005 totals, will be in October, 2006.