

Gross State Product by Industry, 1992–99

By Richard M. Beemiller and George K. Downey

NEW estimates of gross state product (GSP) for 1999 and revised estimates for 1992–98 were released by the Bureau of Economic Analysis (BEA) on June 4, 2001.¹ These estimates incorporate the results of the July 2000 revision of the national income and product accounts (NIPAs) and the most recent revision of State personal income published in the October 2000 SURVEY OF CURRENT BUSINESS, and they are consistent with the estimates of gross domestic product by industry for the Nation published in the December 2000 SURVEY.²

1. For the previously published estimates of GSP, see Richard M. Beemiller and Clifford H. Woodruff III, "Gross State Product by Industry, 1977–98," SURVEY OF CURRENT BUSINESS 80 (October 2000): 69–90.

2. See Sherlene K.S. Lum and Brian C. Moyer, "Gross Domestic Product by Industry for 1997–99," SURVEY 80 (December 2000): 24–35. In order to provide a more timely release of GSP, the July 2001 revision of the NIPAs was not incorporated in these estimates.

The major highlights of the GSP estimates for 1992–99 are the following:

- Most of the fastest growing States had strong growth in some high-tech manufacturing industries and in business services.³

- The growth rates of the more traditional manufacturing industries in the Great Lakes

3. In this article, high-tech industries, at the Standard Industrial Classification (SIC) two-digit level, consist of the following: SIC 35, industrial machinery and equipment (which includes computer and related hardware manufacturing), SIC 36, electronic and other electric equipment (which includes semiconductor manufacturing and related products), SIC 48, communications (which includes telephone, satellite, and multimedia services), and SIC 73, business services (which includes software development, data processing services, and computer rental and leasing). Although some low-tech industries are included at the two-digit level (the level at which the GSP estimates are produced), this definition is useful for determining the concentration of high-tech industries in States. This definition also corresponds, at the two-digit level, with the definition of "information technology producing industries" in Economics and Statistics Administration, *Digital Economy 2000*, U.S. Department of Commerce, 2000.

Gross State Product Estimates

The estimate of gross state product (GSP) for each State is derived as the sum of the gross state product originating in all industries in the State. In concept, an industry's GSP, or its value added, is equal to its gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported). Thus, GSP is often considered the State counterpart of the Nation's gross domestic product (GDP).

However, GSP for the Nation differs from GDP for three reasons. First, like the national estimates of gross domestic product by industry, GSP is measured as the sum of the distributions by industry of the components of gross domestic income, which differs from GDP by the statistical discrepancy.¹ Second, GSP excludes, and GDP and GDP by industry include, compensation of Federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment except domestically located office equipment. Third, GSP and GDP often have different revision schedules. For an accounting of the differences between GSP for the Nation and GDP by industry in 1999, see [appendix A](#).²

The GSP estimates are prepared for 63 industries. For each industry, GSP is presented in three components: Compensation of employees, indirect business tax and nontax liability, and property-type income. Compensation of employees is the sum of wage and salary accruals, employer contributions for social insurance, and

other labor income. Property-type income is the sum of corporate profits, proprietors' income, rental income of persons, net interest, capital consumption allowances, business transfer payments, and the current surplus of government enterprises less subsidies.

Current-dollar estimates of GSP and its components are "controlled" to national totals of current-dollar GDP by industry and its components for all industries.³

The estimates of real GSP are prepared in chained (1996) dollars. Real GSP is an inflation-adjusted measure of each State's gross product that is based on national prices for the goods and services produced within that State. The estimates of real GSP and of quantity indexes with a base year of 1996 are derived by applying national implicit price deflators to the current-dollar GSP estimates for the 63 industries. Then, the chain-type index formula that is used in the national accounts is used to calculate the estimates of total real GSP and of real GSP at a more aggregated industry level.⁴ Real GSP 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), GSP captures the differences across States that reflect the relative differences in the mix of goods and services the States produce. However, real GSP does not capture geographic differences in the prices of goods and services produced and sold locally.

1. In the national estimates of GDP by industry, the statistical discrepancy is not allocated by industry. In the GSP estimates, insufficient information is available for allocating the statistical discrepancy to States. For more information, see the box "The Statistical Discrepancy" in Robert P. Parker and Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts," SURVEY 77 (August 1997): 19.

2. See also the box "Gross Product Originating: Definition and Relationship to Gross Domestic Product" in Lum, Moyer, and Yuskavage, "Improved Estimates," 24.

3. If the initial sum of the State estimates differs from the national total for an industry, the difference between the national total and the sum-of-State total is allocated to the States according to the State distribution of the initial estimates.

4. For additional information, see J. Steven Landefeld and Robert P. Parker, "BEA's Chain Indexes, Time Series, and Measures of Long-Term Economic Growth," SURVEY 77 (May 1997): 58–68; and Howard L. Friedenber and Richard M. Beemiller, "Comprehensive Revision of Gross State Product by Industry, 1977–94," SURVEY 77 (June 1997): 28–29.

region were considerably higher than during the 1983–90 expansion, although they were less than the growth rates of the high-tech manufacturing industries.

- In the fast-growing States of Arizona, Oregon, New Hampshire, New Mexico, and Idaho, the rapid growth in high-tech manufacturing led to increases in the shares of manufacturing.

- In the slowest growing States, farms, mining, construction, nondurable-goods manufacturing, and Federal Government showed weakness or declines in growth.

- The revisions to GSP for 1992–98, as a percent of the previously published estimates, are generally small for all years.

The first part of this article provides historical perspective for the 1992–99 growth in GSP. The second part discusses the relative performance for selected States in terms of growth rates, industry shares of State totals, State shares of total GSP for the Nation, and the composition of GSP for BEA regions. The third part discusses the revisions to the GSP estimates and the major sources of the revisions.

1992–99 GSP Growth in Perspective

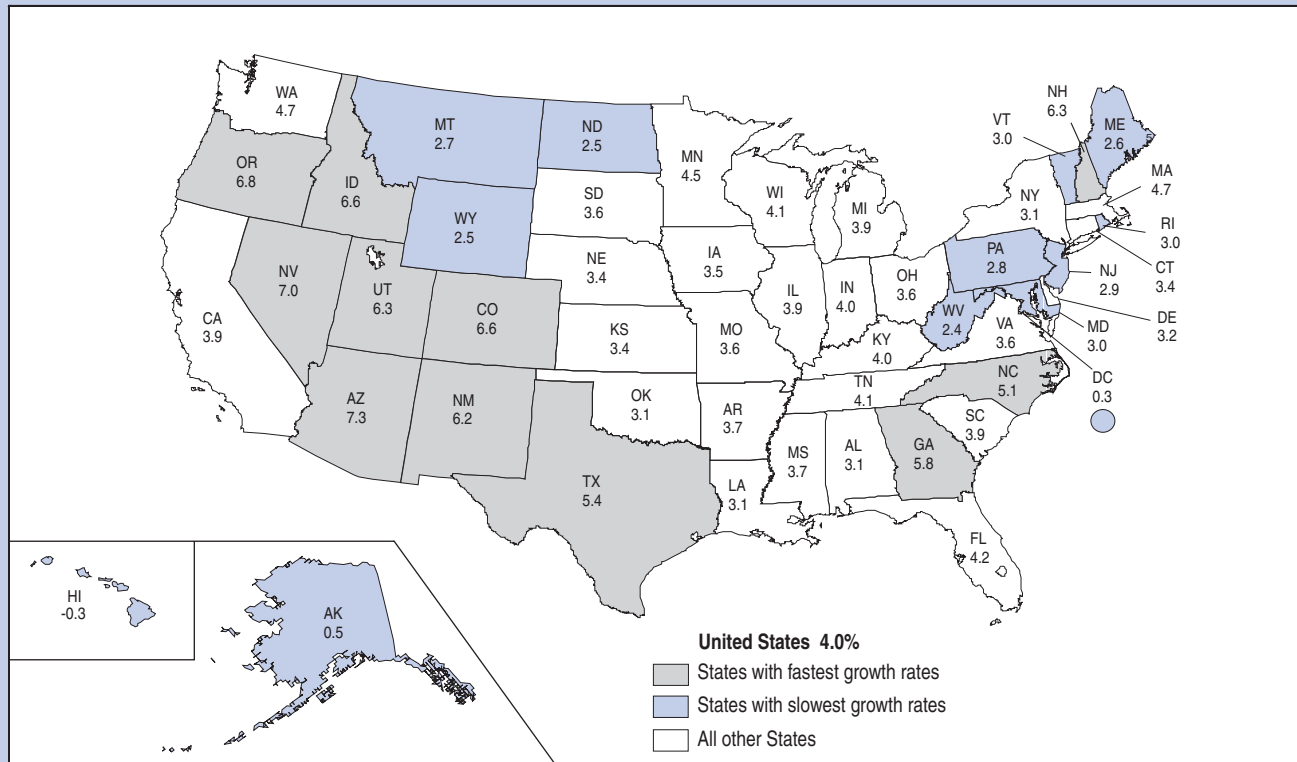
The revised and new GSP estimates for 1992–99 cover a period of the current economic expansion, which began after the 1990–91 recession and is still underway. In order to provide perspective, the trends in the U.S. and State economies for 1992–99 can be compared with those for 1983–90, the previous expansionary period.

From 1992 to 1999, real U.S. GSP grew at an annual rate of 4.0 percent, compared with a 3.8-percent rate in 1983–90; in comparison, real gross domestic product (GDP)—BEA’s featured measure of the Nation’s output—grew at an annual rate of 3.7 percent in 1992–99, compared with a 3.9-percent rate in 1983–90.⁴ During the current expansion, growth has been concentrated in western States; in the previous expansion, growth was concentrated in the coastal regions, largely reflecting strength in defense-related industries. The slower growth in many of the interior States during the previous expansion, particularly those in

4. Real GDP and real GSP are measured in chained (1996) dollars. For a discussion of the differences between total GSP and GDP, see the box “Gross State Product Estimates.”

CHART 1

Average Annual Percent Change in Real Gross State Product, 1992–99



the Rocky Mountain and Southwest regions, reflected weakness in oil and gas extraction, coal mining, and related activities due to declining energy prices. (charts 1 and 2).⁵

For 1992–99, real GSP increased in all States except Hawaii (table 1). The average annual growth rates ranged from a high of 7.3 percent in Arizona to a low of –0.3 percent in Hawaii. For 1983–90, the growth rates ranged from a high of 6.5 percent

in Nevada to a low of –0.2 percent in North Dakota.

Other economic aggregates generally performed better in the current expansion than in the previous expansion. For example, during the current expansion, the U.S. unemployment rate has averaged 5.6 percent, compared with 6.7 percent during 1983–90. During 1992–99, average State unemployment rates ranged from a low of 2.8 percent in Nebraska to a high of 8.3 percent in West Virginia, compared with a low of 3.8 percent in New Hampshire to a high of 11.9 percent in West Virginia during 1983–90. Labor productivity in the United States, as measured by real GSP per employee, increased at an average annual rate of 1.7 percent, compared with 1.2 percent in 1983–90.⁶

5. For discussions of economic growth during the earlier expansion, see Howard L. Friedenberg and Rudolph E. DePass, "Recent Growth in Nonfarm Personal Income," SURVEY 68 (October 1988): 23–26; and Kenneth P. Johnson, Howard L. Friedenberg, and Vernon Renshaw, "Tracking the BEA Regional Projections, 1983–86," SURVEY 68 (June 1988): 23–27.

Acknowledgments

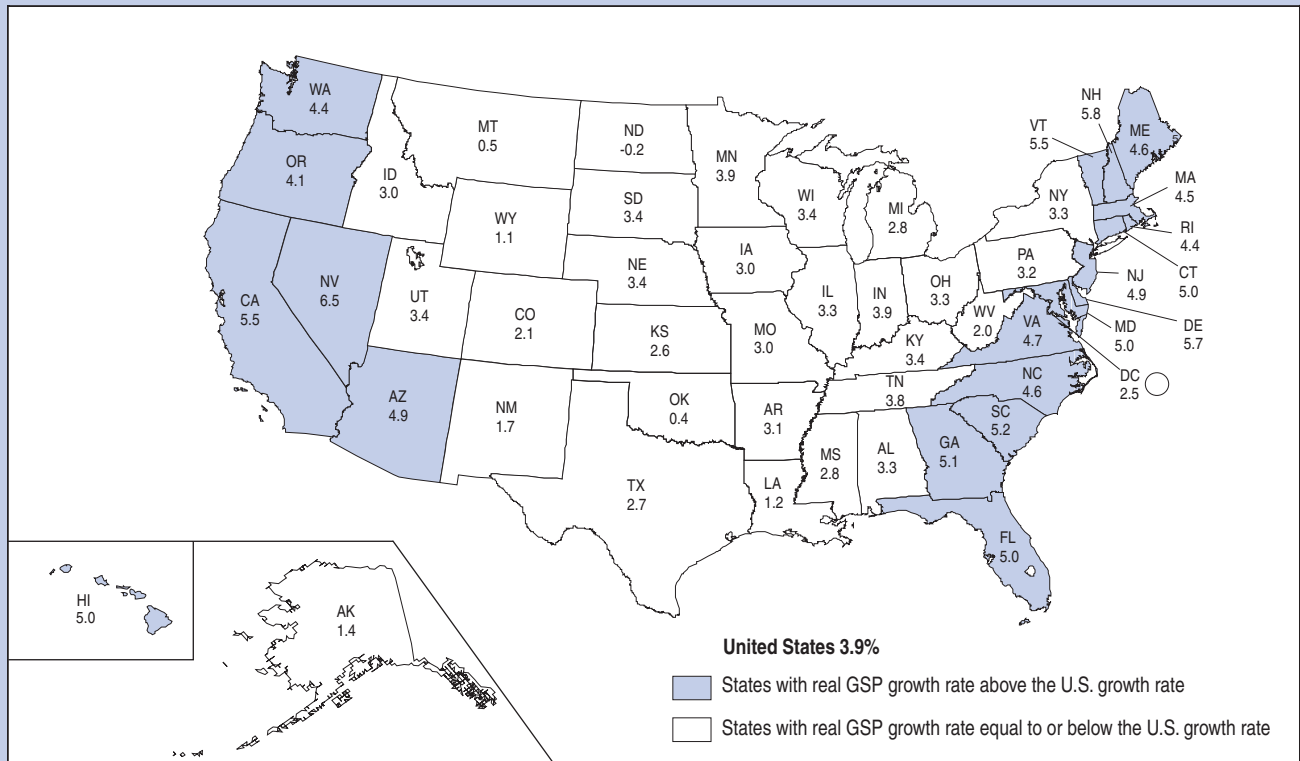
The estimates of gross state product were prepared by staff in the Regional Economic Analysis Division under the direction of John R. Kort, Chief, and George K. Downey, Chief of the Gross State Product by Industry Branch. Hugh W. Knox, Associate Director for Regional Economics, provided general guidance.

Contributing staff members were Gerard P. Aman, Richard M. Beemiller, Caitlin Coakley, Sharon Panek, and Clifford H. Woodruff III.

6. The ratio of real GSP to the number of employees in a State is used to approximate labor productivity. The employment data are based on quarterly tabulations of State unemployment insurance data on wage and salary workers from the Bureau of Labor Statistics (BLS); they include full- and part-time job holders. In addition, the employment data include BEA's estimate of the number of proprietors and partners. An alternative labor productivity measure estimated by BLS defines labor productivity as output (measured net of price change and interindustry transactions) divided by labor input (measured as hours worked in the corresponding sector). Both the BEA and BLS measures are only partial measures of productivity, and they reflect the combined influences of a host of factors.

CHART 2

Average Annual Percent Change in Real Gross State Product, 1983–90



For the Nation, inflation, as measured by the chain-type price index for real GDP, averaged 2.0 percent in 1992–99, compared with 3.7 percent in 1983–90.

Growth Rates, Shares, and Composition in 1992–99

Various measures can be used to compare the relative performance of States' economies and of industries within States' economies. Two measures

of a State's economic performance are growth rates of real GSP, which can be used to compare the relative growth of a State and of the State's various industries across time, and current-dollar shares of GSP, which provide an indication of whether an industry's claim on overall State resources is increasing or decreasing and if a State's claim on national resources is changing. Another related measure of a State's economic performance is real GSP per employee, which in 1999 ranged from

Table 1.—Average Annual Percent Change in Real Gross State Product, 1992–99

	Total gross state product	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
United States	4.0	2.1	3.5	4.1	5.0	4.4	6.9	5.8	3.9	3.5	1.0
New England	4.1	2.6	2.3	4.9	4.9	2.5	7.2	5.5	4.8	3.4	1.1
Connecticut	3.4	3.3	8.5	1.1	3.8	2.3	5.2	5.0	4.1	3.2	.4
Maine	2.6	3.3	-11.8	1.0	2.4	2.0	5.8	4.9	2.8	2.8	-2
Massachusetts	4.7	2.3	-1.1	7.5	5.2	2.7	8.2	5.7	5.5	3.7	1.9
New Hampshire	6.3	3.3	4.5	5.9	11.4	2.6	10.8	7.1	5.3	3.8	.9
Rhode Island	3.0	-4	-3.5	7.8	-5	3.5	6.0	4.9	4.9	2.0	1.1
Vermont	3.0	2.0	1.9	1.1	4.8	1.0	4.2	4.5	2.5	3.0	1.4
Mideast	2.9	2.1	10.3	1.6	2.0	3.1	5.3	4.4	4.4	2.1	.4
Delaware	3.2	3.4	-12.0	4.2	-6	3.5	6.7	5.9	3.6	4.2	2.4
District of Columbia .....	.3	1.7	12.2	-3.0	-2.7	1.4	2.4	1.6	1.4	1.7	-1.2
Maryland	3.0	2.4	8.9	2.3	3.6	3.7	6.3	4.2	2.9	2.9	1.2
New Jersey	2.9	3.9	9.5	1.9	.2	4.1	5.7	4.5	3.6	2.9	.7
New York	3.1	2.3	4.9	1.3	.9	2.7	4.7	4.4	5.8	1.7	.3
Pennsylvania	2.8	.9	12.0	1.3	4.4	2.8	5.4	4.4	2.0	1.9	.4
Great Lakes	3.9	.3	2.8	4.0	4.9	3.6	6.7	5.7	3.0	3.2	1.0
Illinois	3.9	-2.2	.8	2.7	5.0	4.1	5.8	4.9	3.8	3.6	1.4
Indiana	4.0	-1.7	6.6	3.6	5.9	2.4	7.0	5.7	2.4	3.0	1.0
Michigan	3.9	3.4	-2.8	6.8	4.4	4.3	7.6	6.8	1.6	3.5	.3
Ohio	3.6	.4	8.1	4.1	4.6	2.5	7.1	5.7	3.0	2.3	1.0
Wisconsin	4.1	2.2	.5	3.2	5.4	4.1	7.0	6.1	3.0	3.5	1.0
Plains	3.8	-2.1	3.7	4.4	4.2	4.5	6.9	5.9	3.5	3.5	1.1
Iowa	3.5	-4.1	5.8	3.3	5.0	4.9	7.1	4.9	2.5	3.1	1.3
Kansas	3.4	-1.3	2.0	4.7	3.2	5.9	7.0	6.1	1.5	2.9	1.0
Minnesota	4.5	.6	7.5	4.4	4.6	4.7	7.8	6.5	4.9	4.0	1.2
Missouri	3.6	-1.2	3.5	4.8	2.9	3.6	6.1	5.8	3.8	3.3	1.9
Nebraska	3.4	-2.9	-3.5	5.4	4.7	4.9	5.9	5.7	3.0	4.2	.6
North Dakota	2.5	-8.2	6.2	5.1	10.8	2.9	6.2	5.3	1.5	3.2	-1.4
South Dakota	3.6	.1	-4.5	2.9	10.4	3.8	7.3	6.0	1.9	3.4	-2
Southeast	4.2	2.7	6.2	5.2	3.2	4.5	7.7	6.4	4.5	4.3	1.3
Alabama	3.1	5.2	8.6	4.1	1.9	2.3	6.9	5.9	4.6	2.4	.6
Arkansas	3.7	3.6	3.8	5.0	4.0	2.8	7.4	6.9	2.6	2.5	1.5
Florida	4.2	3.3	.8	4.3	3.2	4.8	8.2	6.3	4.1	4.0	1.4
Georgia	5.8	5.2	8.4	9.3	5.0	6.9	8.6	8.1	4.9	5.9	2.2
Kentucky	4.0	-1.2	5.3	3.7	5.5	3.8	8.2	6.1	2.2	3.3	.9
Louisiana	3.1	1.9	7.0	2.2	3.0	1.9	5.8	5.8	1.8	2.2	.7
Mississippi	3.7	5.4	2.2	6.6	2.5	1.5	6.9	6.3	2.2	5.8	2.5
North Carolina	5.1	1.8	14.2	7.2	3.0	4.0	7.0	6.2	9.4	5.4	2.1
South Carolina	3.9	3.5	2.2	6.1	2.3	6.1	8.9	7.0	3.9	4.3	.6
Tennessee	4.1	-9	4.3	5.4	3.0	5.1	7.7	6.7	4.6	3.8	1.3
Virginia	3.6	.6	5.5	3.7	1.6	5.5	7.6	5.8	3.7	5.3	.3
West Virginia	2.4	-1.2	6.5	.9	2.7	.5	4.5	4.2	.8	2.0	2.2
Southwest	5.5	4.1	2.1	5.2	9.8	5.7	8.8	7.1	4.2	4.8	2.0
Arizona	7.3	5.0	4.5	7.6	13.2	5.5	11.2	8.3	6.3	6.6	2.7
New Mexico	6.2	5.3	7.9	2.6	19.9	3.8	6.4	5.5	3.5	2.6	1.1
Oklahoma	3.1	2.6	3.0	5.3	4.6	2.7	5.2	5.2	1.8	3.2	.5
Texas	5.4	4.2	1.3	4.8	9.1	6.3	8.9	7.3	4.0	4.8	2.2
Rocky Mountain	5.9	3.4	2.4	7.9	7.5	8.0	9.0	7.7	6.0	5.6	1.6
Colorado	6.6	5.3	9.0	8.3	5.0	10.5	9.3	8.3	6.8	6.5	1.4
Idaho	6.6	3.4	4.4	5.5	15.6	4.9	8.7	6.5	3.3	4.0	2.7
Montana	2.7	-4	2.2	5.0	3.0	3.2	6.2	4.4	2.1	2.8	.9
Utah	6.3	4.6	1.8	10.1	7.0	6.7	9.5	8.9	7.5	5.3	2.1
Wyoming	2.5	1.1	-4	5.6	9.4	4.0	8.0	5.1	2.5	2.8	.2
Far West	4.1	3.8	3.4	3.6	8.1	5.4	6.3	5.4	2.7	3.6	.6
Alaska .....	.5	-1.1	-6	2.4	-8	2.9	5.0	3.8	.7	1.2	-2.1
California	3.9	4.1	7.2	3.2	8.0	5.5	6.1	5.1	2.5	3.1	.2
Hawaii	-3	-1	.2	-7.9	-4.3	2.4	2.1	1.6	.1	-7	-7
Nevada	7.0	8.7	4.6	13.8	9.8	8.0	10.4	10.3	6.7	4.9	4.1
Oregon	6.8	5.7	7.3	6.6	16.0	3.9	7.6	6.3	2.8	3.8	2.5
Washington	4.7	1.6	5.2	2.3	3.2	6.2	6.4	6.4	3.7	7.6	1.5

\$70,535 in New York to \$36,128 in Montana (table 2). The following sections discuss State trends in GSP growth and related statistics and the changing composition of GSP.

Trends in the fastest growing States

Of the 11 fastest growing States in 1992–99, eight are west of the Mississippi River (chart 1).⁷ In all 11 States, population growth and job growth were also above the national growth rates. The 11 States

together accounted for 28 percent of U.S. growth in 1992–99, and their share of U.S. current-dollar GSP in 1999 was 20 percent. In Arizona, Oregon, Idaho, New Hampshire, and New Mexico, a major contributor to the fast growth was high-tech man-

7. The fastest (slowest) growing States are those whose growth rates are one-half of one standard deviation above (below) the mean annual growth rate for the States.

The western States also showed strong growth in personal income in 2000; see Duke Tran, "Personal Income and Per Capita Personal Income by State, 2000," SURVEY 81 (May 2001): 24–49.

Table 2.—Real Gross State Product Per Employee, 1992–99

	[Chained (1996) dollars]								Percent of national average	
	1992	1993	1994	1995	1996	1997	1998	1999	1992	1999
	United States	48,636	48,728	49,487	49,779	50,567	51,812	53,101	54,563	100	100
New England	51,308	51,263	52,201	53,145	54,374	56,170	57,879	60,399	105	111
Connecticut	59,875	59,682	61,103	61,611	62,313	65,667	67,396	69,407	123	127
Maine	39,398	39,109	39,127	39,724	40,094	40,764	41,269	41,889	81	77
Massachusetts	52,044	52,153	53,456	54,404	56,001	57,144	59,157	62,686	107	115
New Hampshire	44,780	44,513	44,847	47,574	49,897	51,282	54,554	56,857	92	104
Rhode Island	46,630	46,883	47,190	48,362	48,897	52,129	52,050	53,599	96	98
Vermont	39,267	39,177	39,025	38,699	39,566	40,672	41,309	42,247	81	77
Mideast	56,967	57,251	57,987	58,459	59,702	60,559	61,866	63,362	117	116
Delaware	61,589	61,252	62,224	63,198	63,386	64,140	65,441	63,950	127	117
District of Columbia	66,623	67,495	68,588	68,026	68,044	69,538	69,594	70,831	137	130
Maryland	50,383	50,719	51,353	50,841	51,140	52,169	53,122	54,091	104	99
New Jersey	61,396	62,049	62,744	63,377	64,982	65,919	66,543	67,797	126	124
New York	61,809	61,769	62,820	63,366	65,323	66,116	68,274	70,535	127	129
Pennsylvania	47,993	48,510	48,903	49,780	50,367	51,199	51,944	52,905	99	97
Great Lakes	46,755	47,268	48,476	48,380	49,047	50,442	51,820	52,821	96	97
Illinois	51,301	51,535	52,952	53,246	54,141	55,921	57,245	58,686	105	108
Indiana	42,516	42,994	44,009	44,011	44,957	45,870	47,946	48,280	87	88
Michigan	47,326	48,914	50,883	49,792	50,046	51,248	51,989	53,049	97	97
Ohio	46,055	45,917	46,825	47,030	47,405	48,999	50,467	51,376	95	94
Wisconsin	41,811	42,624	42,966	42,942	44,062	45,084	46,660	47,569	86	87
Plains	41,695	41,013	42,242	42,392	43,485	44,779	45,495	46,258	86	85
Iowa	39,342	38,908	41,147	40,608	42,012	43,853	43,360	43,564	81	80
Kansas	40,921	40,604	41,565	40,685	41,404	42,610	43,107	44,270	84	81
Minnesota	44,084	43,360	44,426	44,271	45,869	47,884	49,148	50,662	91	93
Missouri	42,666	41,607	42,983	43,987	44,569	45,605	46,403	46,852	88	86
Nebraska	41,047	40,212	41,113	41,861	43,160	43,587	44,099	44,667	84	82
North Dakota	35,902	34,510	35,268	35,564	36,909	36,444	38,362	37,550	74	69
South Dakota	38,285	39,155	38,715	39,440	40,139	40,279	41,543	41,903	79	77
Southeast	44,295	44,375	45,408	45,675	46,190	47,007	47,972	48,827	91	89
Alabama	42,055	41,465	42,539	42,704	43,211	43,754	44,235	45,693	86	84
Arkansas	38,494	38,273	39,487	39,225	40,046	40,647	41,247	42,342	79	78
Florida	46,003	46,057	46,362	46,273	46,781	47,175	48,127	48,684	95	89
Georgia	47,118	46,978	48,133	48,806	50,125	51,519	53,139	54,537	97	100
Kentucky	41,703	42,088	43,635	43,592	44,186	45,304	46,267	46,712	86	86
Louisiana	49,001	48,877	51,469	52,549	51,602	52,054	52,132	52,108	101	96
Mississippi	38,604	38,489	39,363	40,198	40,301	40,368	40,707	41,437	79	76
North Carolina	42,646	42,768	44,497	44,971	45,399	46,903	47,912	49,611	88	91
South Carolina	40,780	41,292	42,330	42,658	42,757	43,538	44,200	45,005	84	82
Tennessee	42,679	42,866	43,549	43,700	44,052	45,188	46,387	47,061	88	86
Virginia	47,693	48,142	48,692	48,818	49,666	50,350	51,772	52,070	98	95
West Virginia	41,552	41,879	43,072	43,208	43,513	43,434	43,475	44,244	85	81
Southwest	46,321	46,827	47,706	48,099	48,926	50,677	52,168	53,629	95	98
Arizona	43,925	44,322	45,459	46,183	46,754	47,799	49,802	51,399	90	94
New Mexico	42,432	45,416	48,761	47,100	48,073	51,056	53,005	54,154	87	99
Oklahoma	39,983	40,012	39,746	39,571	40,109	40,781	41,525	42,242	82	77
Texas	48,283	48,672	49,474	50,071	50,998	52,969	54,423	55,989	99	103
Rocky Mountain	41,591	42,142	42,194	43,016	43,532	44,634	45,989	47,658	86	87
Colorado	43,703	44,294	44,706	45,440	46,020	47,915	49,686	51,665	90	95
Idaho	36,900	38,354	38,815	40,696	40,424	40,992	42,303	45,060	76	83
Montana	36,090	36,368	35,444	35,134	34,462	35,078	35,572	36,128	74	66
Utah	39,593	39,594	39,541	40,479	41,942	42,126	43,090	44,022	81	81
Wyoming	51,420	52,261	50,879	51,537	51,820	51,644	52,358	53,422	106	98
Far West	53,191	53,045	53,022	53,453	54,187	55,895	57,535	60,237	109	110
Alaska	71,097	70,426	68,923	71,577	69,223	68,888	65,517	66,500	146	122
California	54,833	54,457	54,594	55,104	55,609	57,691	59,282	62,308	113	114
Hawaii	51,885	51,759	51,439	51,166	50,569	50,751	50,787	51,015	107	93
Nevada	51,094	51,765	51,531	51,706	52,408	51,920	52,998	53,303	105	98
Oregon	41,647	42,669	42,683	43,698	47,358	48,448	50,749	52,878	86	97
Washington	49,276	49,808	49,518	49,222	50,235	51,749	54,232	57,022	101	105

ufacturing, mainly electronic and other electric equipment and industrial machinery and equipment. In the other States, major contributors to growth were wholesale and retail trade and, except for in Nevada, business services. In Nevada, growth in construction and in hotels and other lodging places was also strong, largely reflecting casino gambling. In Colorado, growth was strong

in communications; and in North Carolina, depository institutions (table 3).

The growth in real GSP per employee was above the national average annual rate of 1.7 percent in 1992–99 for all these States except Nevada and Utah (chart 3). In both States, the slower growth in productivity was mainly due to the growth in the relatively low-wage industries of retail and whole-

Table 3.—Contributions to Percent Change in Real Gross State Product, 1992–99

	Average annual percent change in real gross state product	Percentage points									
		Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
United States	4.0	0.03	0.05	0.17	0.84	0.38	0.47	0.52	0.73	0.72	0.13
New England	4.1	.02	0	.17	.82	.16	.47	.46	1.13	.79	.12
Connecticut	3.4	.02	.01	.04	.68	.15	.34	.39	1.10	.66	.04
Maine	2.6	.07	0	.04	.40	.15	.34	.58	.50	.53	-.03
Massachusetts	4.7	.01	0	.26	.80	.17	.58	.45	1.28	.96	.18
New Hampshire	6.3	.03	0	.22	2.49	.17	.65	.69	1.19	.76	.08
Rhode Island	3.0	0	0	.33	-.07	.24	.31	.44	1.19	.43	.14
Vermont	3.0	.05	.01	.05	.92	.08	.24	.42	.42	.61	.17
Mideast	2.9	.01	.02	.06	.27	.25	.34	.33	1.09	.49	.05
Delaware	3.2	.03	0	.16	-.10	.18	.26	.41	1.38	.61	.22
District of Columbia .....	.3	0	0	-.03	-.07	.07	.03	.04	.17	.56	-.46
Maryland	3.0	.02	.01	.12	.30	.28	.38	.38	.61	.67	.23
New Jersey	2.9	.02	.01	.07	.03	.39	.52	.34	.81	.64	.07
New York	3.1	.01	0	.04	.10	.21	.29	.31	1.76	.39	.03
Pennsylvania	2.8	.01	.07	.05	.86	.25	.33	.39	.36	.43	.04
Great Lakes	3.9	0	.01	.17	1.20	.29	.47	.51	.49	.61	.11
Illinois	3.9	-.02	0	.12	.86	.39	.47	.41	.76	.78	.15
Indiana	4.0	-.02	.03	.17	1.81	.20	.41	.51	.32	.48	.11
Michigan	3.9	.03	-.01	.28	1.18	.29	.54	.63	.24	.66	.04
Ohio	3.6	0	.03	.16	1.23	.20	.48	.54	.45	.42	.11
Wisconsin	4.1	.05	0	.14	1.45	.30	.44	.55	.46	.60	.11
Plains	3.8	-.08	.02	.19	.80	.43	.52	.55	.53	.65	.14
Iowa	3.5	-.22	.01	.13	1.18	.40	.52	.44	.36	.49	.16
Kansas	3.4	-.05	.03	.19	.56	.70	.53	.59	.20	.48	.14
Minnesota	4.5	.01	.04	.20	.88	.36	.62	.60	.85	.80	.13
Missouri	3.6	-.02	.01	.21	.60	.37	.45	.55	.56	.65	.22
Nebraska	3.4	-.20	-.01	.22	.68	.51	.46	.48	.44	.74	.09
North Dakota	2.5	-.60	.21	.23	.81	.30	.53	.50	.20	.55	-.21
South Dakota	3.6	.01	-.04	.11	1.28	.32	.48	.61	.35	.55	-.02
Southeast	4.2	.05	.09	.23	.58	.41	.52	.63	.70	.81	.19
Alabama	3.1	.11	.11	.17	.39	.21	.43	.58	.61	.40	.10
Arkansas	3.7	.15	.03	.20	.94	.31	.46	.75	.30	.39	.19
Florida	4.2	.06	0	.20	.26	.42	.60	.71	.86	.95	.18
Georgia	5.8	.08	.04	.38	.89	.79	.77	.73	.75	1.08	.29
Kentucky	4.0	-.03	.15	.16	1.45	.32	.47	.56	.25	.51	.13
Louisiana	3.1	.02	.72	.10	.49	.19	.33	.51	.24	.37	.09
Mississippi	3.7	.15	.02	.26	.56	.16	.39	.65	.25	.87	.40
North Carolina	5.1	.04	.02	.31	.79	.31	.45	.57	1.45	.85	.29
South Carolina	3.9	.04	0	.31	.57	.51	.51	.73	.51	.66	.11
Tennessee	4.1	-.01	.01	.21	.69	.42	.56	.73	.61	.74	.16
Virginia	3.6	.01	.03	.16	.23	.48	.41	.49	.62	1.08	.07
West Virginia	2.4	-.01	.53	.04	.42	.06	.24	.40	.09	.33	.32
Southwest	5.5	.07	.12	.23	1.43	.58	.62	.68	.62	.92	.26
Arizona	7.3	.08	.05	.40	1.90	.43	.70	.88	1.16	1.38	.36
New Mexico	6.2	.12	.64	.10	3.07	.30	.27	.52	.47	.49	.21
Oklahoma	3.1	.07	.15	.17	.82	.26	.31	.52	.22	.55	.09
Texas	5.4	.06	.09	.21	1.29	.68	.67	.68	.58	.91	.26
Rocky Mountain	5.9	.09	.09	.42	.91	.85	.54	.75	.92	1.11	.24
Colorado	6.6	.09	.14	.44	.58	1.18	.58	.81	1.15	1.44	.20
Idaho	6.6	.22	.03	.34	2.96	.40	.54	.67	.41	.65	.38
Montana	2.7	-.02	.10	.23	.23	.38	.38	.44	.28	.52	.15
Utah	6.3	.06	.05	.54	.96	.60	.58	.91	1.14	1.08	.34
Wyoming	2.5	.03	-.11	.24	.50	.57	.28	.36	.26	.30	.02
Far West	4.1	.08	.03	.15	1.11	.40	.41	.50	.55	.81	.07
Alaska .....	.5	-.02	-.11	.08	-.03	.39	.12	.21	.06	.12	-.36
California	3.9	.08	.04	.12	1.14	.39	.40	.47	.55	.70	.03
Hawaii	-.3	0	0	-.41	-.13	.24	.08	.17	.02	-.14	-.14
Nevada	7.0	.06	.14	1.06	.38	.65	.47	1.02	1.11	1.63	.46
Oregon	6.8	.17	.01	.32	3.42	.30	.58	.56	.44	.68	.33
Washington	4.7	.04	.01	.11	.44	.48	.46	.63	.66	1.64	.22

sale trade, and, in Nevada, hotels and other lodging places.

California and Washington were noticeably absent from the fast-growing western States. In California, which accounts for the largest share (13 percent) of the Nation's GSP and which has a heavy concentration of high-tech industries, real GSP grew at an average annual rate of 3.9 percent, considerably less than its neighboring fast-growing States. The slow growth in California mainly reflected its delayed recovery from the 1990–91 recession and weakness in the following industries: Federal Government (both military and civilian); defense-related durable-goods manufacturing, mainly other transportation equipment; health services; and finance, insurance, and real estate, mainly insurance carriers and depository institutions. In Washington, real GSP growth was above average at 4.7 percent, but strong increases in business services, trade, and real estate were partly offset by declines in depository institutions, transportation equipment excluding motor vehicles, and lumber and wood products.

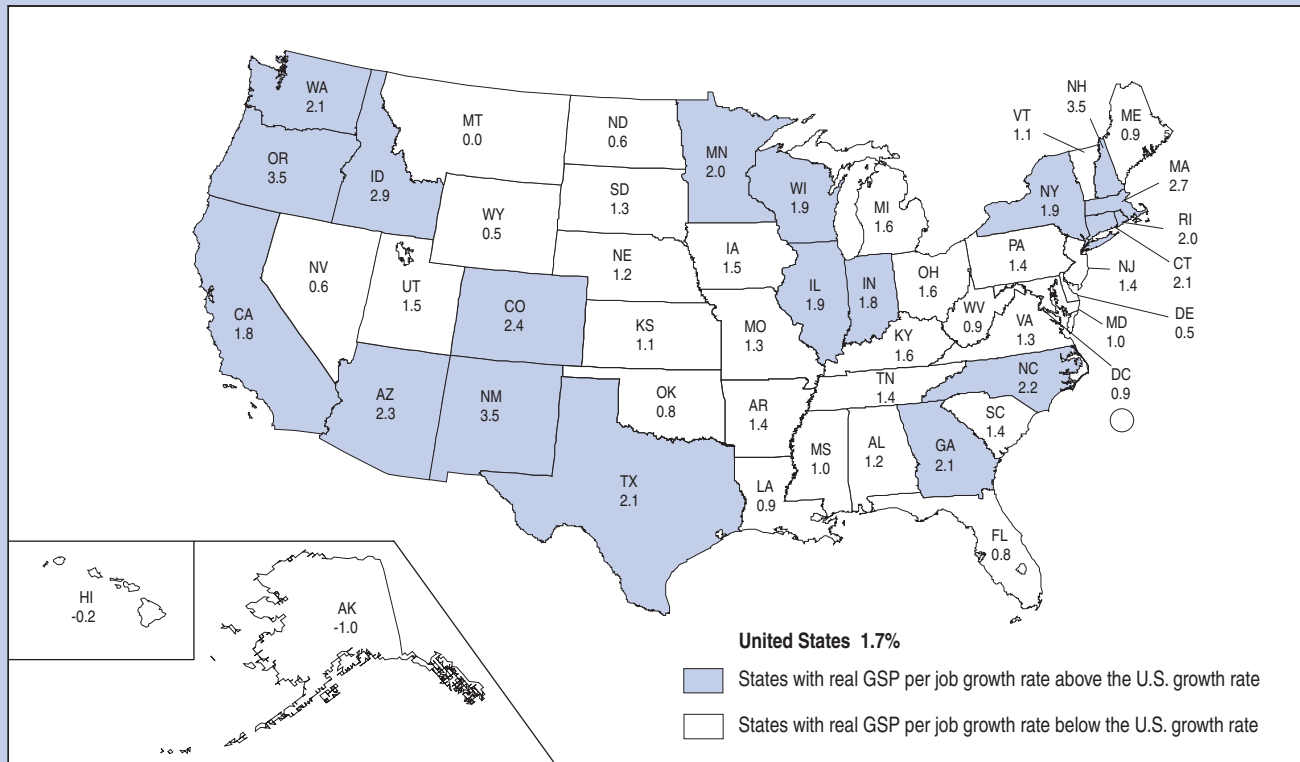
Trends in the slowest growing States

In the 12 slowest growing States except Montana, growth in both population and employment was below national growth rates, and in all these States except Rhode Island, growth in real GSP per employee was below the national growth rate.

In general, these States lagged behind in the economic expansion because of the importance of farming, oil and gas extraction, traditional manufacturing industries, and government in their economic bases. In Alaska and Wyoming, the slow growth mainly reflected a decline in oil and gas extraction due to low crude oil prices in the late 1990s. In Maine and North Dakota, the slow growth reflected a decline in Federal Government. In Montana and North Dakota, the slow growth reflected a decline in agriculture, forestry, and fishing—mainly farms. In Hawaii, the decline in real GSP reflected the State's slow recovery from the 1990–91 recession and the effects of the 1998 Asian financial crisis on growth in tourism, in exports of agriculture-related products, and in the construction industries. In Pennsylvania, Maryland, and

CHART 3

Average Annual Percent Change in Real Gross State Product Per Employee, 1992–99



West Virginia, the slow growth reflected declines in finance, mainly depository institutions; in Pennsylvania, the slow growth also reflected declines in nondurable-goods manufacturing, mainly in petroleum and coal products. In New Jersey, Maryland, and Vermont, the slow growth reflected declines in manufacturing, mainly printing and publishing. In New Jersey and Maryland, it also reflected declines in instruments and related products, and in Vermont, paper and allied products.

The 12 slowest growing States accounted for less than 10 percent of U.S. growth in 1992–99, and their share of current-dollar U.S. GSP was 12 percent in 1999.

Trends in States with near-average growth

The growth rates of the States in the Plains and Great Lakes regions except for North Dakota were close to the national growth rate in 1992–99. In the Plains, the average annual growth of real GSP ranged from 2.5 percent in North Dakota to 4.5 percent in Minnesota. Growth was held down by a weak farm sector, as the prices received for all farm products declined at an average annual rate of 0.3 percent in 1992–99.⁸ Real farm income declined at an average annual rate of 2.1 percent.⁹ Excluding farms, the average annual growth rates in real GSP were significantly higher, ranging from 4.0 percent in North Dakota to 5.4 percent in Minnesota.

In the Great Lakes region, the average annual growth of real GSP ranged from 3.6 percent in

Ohio to 4.1 percent in Wisconsin. The growth rates in the region's manufacturing base—primary metals (4.7 percent), fabricated metals (5.3 percent), and motor vehicles and equipment (5.6 percent)—were higher than in the previous expansion.¹⁰ Growth in the region's high-tech manufacturing—industrial machinery and equipment (11.5 percent) and electronic and other electric equipment (15.0 percent)—was also strong. The growth rate in real GSP per employee exceeded the national rate in all States except Michigan and Ohio.

Most of the other States with growth rates that were about average were in the Southeast region. In these States, the major contributors to the growth tended to be wholesale and retail trade.

Shares of current-dollar GSP

Industry shares.—In 1992–99, the share of U.S. current-dollar GSP accounted for by private services-producing industries increased 2.9 percentage points, from 62.2 percent to 65.1 percent (table 4).¹¹ The share accounted for by private goods-producing industries declined 1.3 percentage points, from 24.4 percent to 23.1 percent. The share accounted for by government declined 1.5 percentage points, from 13.3 percent to 11.8 percent.

10. In 1983–90, the average annual growth rates were the following: Primary metals (1.8 percent), fabricated metals (2.1 percent), and motor vehicles and equipment (–2.3 percent).

11. Private services-producing industries consist of transportation and public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and "services." Private goods-producing industries consist of agriculture, forestry, and fishing; mining; construction; and manufacturing. Government consists of Federal civilian, Federal military, and State and local government.

8. Source: U.S. Department of Agriculture.

9. Real farm income for the States was computed by deflating current-dollar farm income, from BEA's State personal income accounts, using the implicit price deflator for personal consumption expenditures from the NIPAs.

Data Availability

This article presents summary estimates of gross state product (GSP) by major industry group. The GSP estimates for 63 industries for States, BEA regions, and the United States were released in June 2001 and can be accessed interactively on BEA's Web site at <www.bea.doc.gov>; click on "State and local area data," and look under "Gross state product." Users of the GSP estimates can specify which GSP components, States, regions, industries, and years to display or download. The GSP estimates are also available online to subscribers to STAT-USA's Internet services (call 202–482–1986, or go to <www.stat-usa.gov>).

In July 2001, BEA released the CD-ROM *Gross Product by Industry for the United States and States* (product number RCN–0281, price \$35.00), which contains current-dollar estimates of GSP and its three components—compensation of employees, indirect business tax and

nontax liability, and property-type income for 1977–99—and real GSP estimates in chain-type quantity indexes for 1977–99 and in chained (1996) dollars for 1986–99. (The CD-ROM also includes the following estimates for the United States: Gross product by industry for 1947–99, detailed gross output for 1977–99, value of manufacturing product shipments for 1977–96, value of manufacturing industry shipments for 1977–99, and detailed indirect business taxes for 1978–99.) The CD-ROM includes a data-retrieval program that allows users to view or print selected records from the database and selected analytical tables and charts; users may also export selected data to a file for importation into computer spreadsheets. To order, call the BEA Order Desk at 1–800–704–0415 (outside the United States, call 202–606–9666).

For further information, e-mail <gspread@bea.doc.gov> or call 202–606–5340.

By State, the changes in the shares of the private goods-producing industries ranged from an increase of 7.0 percentage points in Oregon to a decline of 5.9 percentage points in Wyoming. In

Oregon, the largest increase was in durable-goods manufacturing, mainly electronic and other electric equipment. In Wyoming, the largest decline was in mining, mainly oil and gas extraction.

Table 4.—Gross State Product By Broad Industry Group in Current Dollars and As a Percentage of Total Gross State Product, 1992 and 1999

	Millions of dollars								Percent of total gross state product					
	1992				1999				1992			1999		
	Total gross state product	Private goods-producing industries ¹	Private services-producing industries ²	Government	Total gross state product	Private goods-producing industries ¹	Private services-producing industries ²	Government	Private goods-producing industries ¹	Private services-producing industries ²	Government	Private goods-producing industries ¹	Private services-producing industries ²	Government
United States	6,209,096	1,515,727	3,865,105	828,265	9,308,983	2,154,398	6,058,303	1,096,282	24.4	62.2	13.3	23.1	65.1	11.8
New England	357,145	78,702	240,486	37,957	542,347	109,797	381,762	50,788	22.0	67.3	10.6	20.2	70.4	9.4
Connecticut	103,794	23,677	70,168	9,948	151,779	31,154	107,995	12,631	22.8	67.6	9.6	20.5	71.2	8.3
Maine	24,397	5,724	14,754	3,919	34,064	7,492	21,801	4,770	23.5	60.5	16.1	22.0	64.0	14.0
Massachusetts	167,334	33,972	116,402	16,960	262,564	48,957	189,715	23,892	20.3	69.6	10.1	18.6	72.3	9.1
New Hampshire	26,396	6,740	17,026	2,630	44,229	11,973	28,790	3,466	25.5	64.5	10.0	27.1	65.1	7.8
Rhode Island	22,656	5,150	14,567	2,939	32,546	6,049	22,598	3,899	22.7	64.3	13.0	18.6	69.4	12.0
Vermont	12,570	3,440	7,569	1,561	17,164	4,173	10,862	2,129	27.4	60.2	12.4	24.3	63.3	12.4
Midwest	1,234,406	229,247	844,606	160,553	1,734,325	288,141	1,241,786	204,398	18.6	68.4	13.0	16.6	71.6	11.8
Delaware	23,069	5,536	15,332	2,201	34,669	6,694	24,781	3,194	24.0	66.5	9.5	19.3	71.5	9.2
District of Columbia	44,458	1,733	24,556	18,170	55,832	1,806	32,994	21,032	3.9	55.2	40.9	3.2	59.1	37.7
Maryland	120,734	17,756	80,497	22,481	174,710	25,251	118,968	30,491	14.7	66.7	18.6	14.5	68.1	17.5
New Jersey	235,456	46,375	163,161	25,919	331,544	53,969	244,005	33,570	19.7	69.3	11.0	16.3	73.6	10.1
New York	535,341	86,619	387,615	61,106	754,590	103,946	573,601	77,042	16.2	72.4	11.4	13.8	76.0	10.2
Pennsylvania	275,349	71,229	173,445	30,675	382,980	96,474	247,436	39,070	25.9	63.0	11.1	25.2	64.6	10.2
Great Lakes	996,218	305,528	576,789	113,901	1,464,641	433,423	880,568	150,649	30.7	57.9	11.4	29.6	60.1	10.3
Illinois	303,238	73,152	197,684	32,402	445,666	97,348	304,138	44,180	24.1	65.2	10.7	21.8	68.2	9.9
Indiana	123,604	45,753	64,067	13,784	182,202	68,111	95,818	18,273	37.0	51.8	11.2	37.4	52.6	10.0
Michigan	206,666	66,481	114,983	25,202	308,310	99,344	177,066	31,900	32.2	55.6	12.2	32.2	57.4	10.3
Ohio	250,363	80,873	140,273	29,217	361,981	113,546	209,788	38,648	32.3	56.0	11.7	31.4	58.0	10.7
Wisconsin	112,347	39,270	59,782	13,296	166,481	55,074	93,759	17,648	35.0	53.2	11.8	33.1	56.3	10.6
Plains	410,814	119,171	238,572	53,071	601,905	156,173	374,777	70,956	29.0	58.1	12.9	25.9	62.3	11.8
Iowa	61,104	21,729	31,782	7,593	85,243	26,035	48,950	10,258	35.6	52.0	12.4	30.5	57.4	12.0
Kansas	56,338	15,843	32,215	8,280	80,843	20,636	49,331	10,876	28.1	57.2	14.7	25.5	61.0	13.5
Minnesota	111,908	31,332	67,502	13,074	172,982	43,712	111,672	17,599	28.0	60.3	11.7	25.3	64.6	10.2
Missouri	115,993	32,305	69,911	13,776	170,470	43,690	107,331	19,449	27.9	60.3	11.9	25.6	63.0	11.4
Nebraska	37,593	10,586	21,107	5,900	53,744	12,772	33,388	7,585	28.2	56.1	15.7	23.8	62.1	14.1
North Dakota	12,740	3,203	7,331	2,206	16,991	3,769	10,767	2,455	25.1	57.5	17.3	22.2	63.4	14.4
South Dakota	15,137	4,172	8,723	2,242	21,631	5,559	13,339	2,733	27.6	57.6	14.8	25.7	61.7	12.6
Southeast	1,320,694	350,781	767,752	202,161	2,023,742	493,805	1,258,020	271,917	26.6	58.1	15.3	24.4	62.2	13.4
Alabama	81,115	24,032	43,023	14,061	115,071	31,090	65,832	18,149	29.6	53.0	17.3	27.0	57.2	15.8
Arkansas	44,610	14,719	24,054	5,837	64,773	20,470	36,311	7,993	33.0	53.9	13.1	31.6	56.1	12.3
Florida	285,518	44,775	200,847	39,896	442,895	62,838	326,018	54,039	15.7	70.3	14.0	14.2	73.6	12.2
Georgia	160,814	38,567	99,388	22,859	275,719	65,466	177,445	32,808	24.0	61.8	14.2	23.7	64.4	11.9
Kentucky	76,726	27,842	37,192	11,693	113,539	40,774	57,459	15,306	36.3	48.5	15.2	35.9	50.6	13.5
Louisiana	91,243	29,276	49,709	12,258	128,959	42,233	70,860	15,866	32.1	54.5	13.4	32.7	54.9	12.3
Mississippi	44,222	14,513	22,671	7,038	64,286	18,565	35,426	10,295	32.8	51.3	15.9	28.9	55.1	16.0
North Carolina	159,977	56,685	80,555	22,737	258,592	79,469	146,915	32,207	35.4	50.4	14.2	30.7	56.8	12.5
South Carolina	71,934	23,377	35,927	12,630	106,917	30,522	60,214	16,180	32.5	49.9	17.6	28.5	56.3	15.1
Tennessee	111,844	33,290	64,137	14,417	170,085	44,856	105,684	29,858	29.8	57.3	12.9	26.4	62.1	11.5
Virginia	161,790	34,312	93,125	34,353	242,221	45,942	153,074	43,205	21.2	57.6	21.2	19.0	63.2	17.8
West Virginia	30,901	9,394	17,125	4,383	40,685	11,581	22,781	6,323	30.4	55.4	14.2	28.5	56.0	15.5
Southwest	598,584	160,843	355,280	82,461	968,362	249,435	602,391	116,537	26.9	59.4	13.8	25.8	62.2	12.0
Arizona	79,000	17,400	49,894	11,705	143,683	32,385	93,912	17,385	22.0	63.2	14.8	22.5	65.4	12.1
New Mexico	32,858	8,842	17,573	6,443	51,026	15,879	26,553	8,594	26.9	53.5	19.6	31.1	52.0	16.8
Oklahoma	62,013	18,033	33,197	10,783	86,382	24,122	48,486	13,774	29.1	53.5	17.4	27.9	56.1	15.9
Texas	424,713	116,567	254,616	53,530	687,272	177,049	433,440	76,783	27.4	60.0	12.6	25.8	63.1	11.2
Rocky Mountain	170,508	41,893	101,282	27,334	288,479	65,968	184,759	37,753	24.6	59.4	16.0	22.9	64.0	13.1
Colorado	85,844	17,930	54,489	13,425	153,728	29,517	105,909	18,303	20.9	63.5	15.6	19.2	68.9	11.9
Idaho	20,354	6,243	11,036	3,074	34,025	11,568	17,894	4,562	30.7	54.2	15.1	34.0	52.6	13.4
Montana	15,084	3,563	8,954	2,568	20,636	4,284	12,967	3,385	23.6	59.4	17.0	20.8	62.8	16.4
Utah	35,671	8,429	20,943	6,299	62,641	14,244	39,350	9,047	23.6	58.7	17.7	22.7	62.8	14.4
Wyoming	13,555	5,728	5,859	1,967	17,448	6,355	8,638	2,455	42.3	43.2	14.5	36.4	49.5	14.1
Far West	1,120,726	229,561	740,339	150,827	1,685,181	357,656	1,134,241	193,285	20.5	66.1	13.5	21.2	67.3	11.5
Alaska	22,372	7,561	9,965	4,846	26,353	8,088	13,141	5,124	33.8	44.5	21.7	30.7	49.9	19.4
California	831,576	165,917	560,704	104,955	1,229,098	256,877	840,728	131,493	20.0	67.4	12.6	20.9	68.4	10.7
Hawaii	35,549	3,992	23,884	7,674	40,914	3,219	28,767	8,928	11.2	67.2	21.6	7.9	70.3	21.8
Nevada	36,480	5,349	26,751	4,380	69,864	12,062	50,620	7,182	14.7	73.3	12.0	17.3	72.5	10.3
Oregon	64,129	16,678	38,649	8,802	109,694	36,155	60,547	12,992	26.0	60.3	13.7	33.0	55.2	11.8
Washington	130,620	30,064	80,386	20,170	209,258	41,254	140,438	27,566	23.0	61.5	15.4	19.7	67.1	13.2

1. Private goods-producing industries include agriculture, forestry, and fishing; mining; construction; and manufacturing.

2. Private services-producing industries include transportation and public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and "services."

The change in the shares of the private services-producing industries ranged from an increase of 6.4 percentage points in South Carolina to a decline of 5.1 percentage points in Oregon. In South Carolina, the largest increase in share was in services, mainly business services. In Oregon, the largest decline was in finance, insurance, and real estate, mainly depository institutions.

The changes in the shares of government ranged from an increase of 1.3 percentage points in West Virginia to a decline of 3.7 percentage points in Colorado. In West Virginia, the decline in share was both in Federal Government and State and local government. In Colorado, the decline in share was mainly due to the rapid growth in private industries.

State shares.—In 1999, the current-dollar GSP of the Nation was \$9.3 trillion. California's GSP accounted for the largest share (13.2 percent) of the U.S. total (chart 4). The four States with the next largest shares were New York (8.1 percent), Texas (7.4 percent), Illinois (4.8 percent), and Florida (4.8 percent). In 1992, these States also

accounted for the largest shares, but Florida's share (4.4 percent) was less than Illinois' share (4.9 percent). These five States also have the largest shares of the U.S. population.

The five States with the smallest shares of U.S. GSP were Vermont, North Dakota, Wyoming, Montana, and South Dakota; each State accounted for about 0.2 percent of the U.S. total. In 1992, these States also accounted for the smallest shares, each again having about 0.2 percent of the U.S. total.

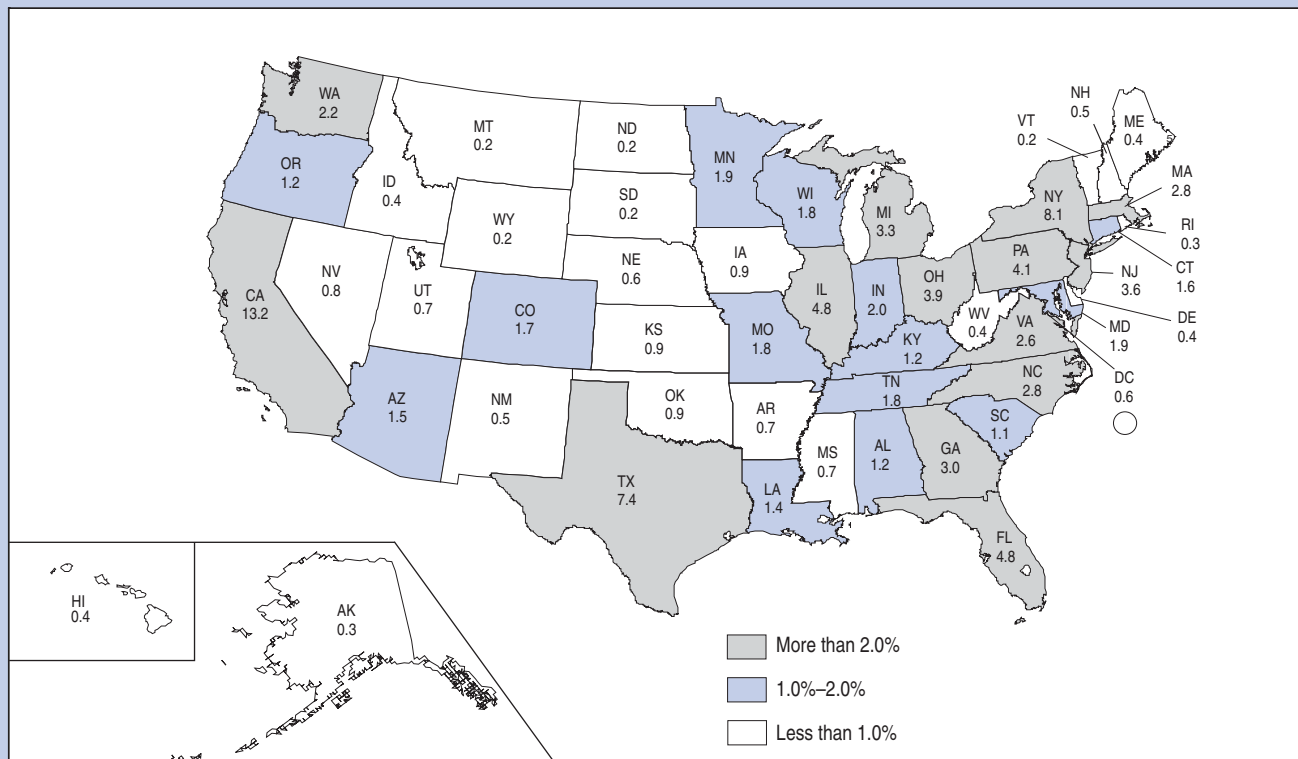
Composition of GSP

The changes over time in industry shares of labor and capital reflect differences in the growth rates of the components of current-dollar GSP.¹² In 1992–99, the labor share of U.S. GSP declined 1.7 percentage points, the property-type income (cap-

12. The labor share of production is approximated using compensation of employees. The capital share of production is approximated using property-type income; within property-type income, an unknown portion of proprietors' income represents a labor share of production (see the box "Gross State Product Estimates"). Indirect business tax and nontax liability (primarily sales, property, and excise taxes) is not included in property-type income, because it is the part of the pretax return to capital that accrues to government rather than to business.

CHART 4

Gross State Product in Current Dollars: Percentage of U.S. Total, 1999



ital) share increased 2.2 percentage points, and the indirect business tax and nontax liability (IBT) share declined 0.5 percentage point (table 5).¹³

For the BEA regions, the component shares generally mirrored the trend in the U.S. shares. The changes in labor's share of total GSP ranged from a decline of 2.1 percentage points in the New England region to no change in the Plains region. The increases in property-type income's share ranged from 2.8 percentage points in the New England region to 0.2 percentage point in the Plains region. The declines in the IBT share ranged from 1.1 percentage points in the Rocky Mountain region to 0.1 percentage point in the Great Lakes and Southeast regions.

Durable-goods manufacturing mainly accounted for the decline in the New England labor share and for the increase in the New England property-type income share.

Revisions to the Estimates

Impact of the revisions

The revisions to GSP for 1992–98, as a percentage of the previously published estimates, were generally small for all years. The largest revisions were in the most recent years.

Current-dollar estimates.—For 1998, the five States with the largest upward percentage revisions were Alaska, New Mexico, Nevada, Ohio, and Oklahoma (table 6). The revisions mainly reflected revisions to the estimates for the following industries: Oil and gas extraction in Alaska, New Mexico, and Oklahoma and electronic and other electric equipment in New Mexico and Oklahoma; retail trade and amusement and recreation services in Nevada; durable goods in Ohio, mainly primary metals, motor vehicles and equipment, and industrial machinery and equipment.

For 1998, the five States with the largest downward percentage revisions were West Virginia, Wyoming, Louisiana, Iowa, and South Dakota. The revisions mainly reflected revisions to the esti-

13. Component shares of the U.S. totals were calculated from current-dollar GSP estimates.

Table 5.—Components of Gross State Product in Current Dollars as a Percentage of Total Gross State Product, 1992–99

[Percent]

	1992	1993	1994	1995	1996	1997	1998	1999	1992–99 Difference
United States	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	0
Compensation of employees	58.5	58.4	57.8	57.4	56.8	56.4	56.8	56.8	-1.7
Indirect business tax and nontax liability	8.2	8.3	8.3	8.1	8.0	7.9	7.8	7.7	-5
Property-type income	33.3	33.3	33.9	34.5	35.1	35.7	35.4	35.5	2.2
New England	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	0
Compensation of employees	60.5	60.4	59.6	59.2	58.9	58.2	58.3	58.4	-2.1
Indirect business tax and nontax liability	7.8	7.8	7.7	7.6	7.5	7.3	7.3	7.1	-7
Property-type income	31.7	31.8	32.6	33.2	33.6	34.5	34.4	34.5	2.8
Mideast	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	0
Compensation of employees	59.2	59.2	58.8	58.1	57.7	57.3	57.5	57.5	-1.7
Indirect business tax and nontax liability	8.6	8.7	8.6	8.4	8.3	8.0	7.9	7.9	-7
Property-type income	32.3	32.1	32.5	33.5	34.1	34.7	34.6	34.6	2.3
Great Lakes	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	0
Compensation of employees	61.6	61.9	61.0	61.0	60.2	59.6	59.7	59.8	-1.8
Indirect business tax and nontax liability	7.6	7.7	7.9	7.5	7.7	7.6	7.5	7.5	-1
Property-type income	30.7	30.3	31.2	31.5	32.1	32.8	32.9	32.7	2.0
Plains	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	0
Compensation of employees	58.0	59.1	57.9	57.9	56.9	56.6	57.5	58.0	0
Indirect business tax and nontax liability	7.6	7.8	7.9	7.9	7.6	7.4	7.3	7.3	-3
Property-type income	34.5	33.1	34.2	34.2	35.5	36.0	35.2	34.7	.2
Southeast	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	0
Compensation of employees	58.0	57.8	57.2	56.6	56.3	56.0	56.4	56.1	-1.9
Indirect business tax and nontax liability	8.4	8.5	8.6	8.4	8.3	8.2	8.3	8.3	-1
Property-type income	33.6	33.7	34.2	35.1	35.3	35.7	35.3	35.6	2.0
Southwest	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	0
Compensation of employees	55.3	54.6	54.1	54.0	53.3	52.7	54.0	54.1	-1.2
Indirect business tax and nontax liability	9.1	9.1	9.0	8.7	8.6	8.3	8.2	8.1	-1.0
Property-type income	35.6	36.2	37.0	37.2	38.1	39.0	37.7	37.8	2.2
Rocky Mountain	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	0
Compensation of employees	58.2	57.7	57.5	56.9	56.5	56.4	56.6	56.7	-1.5
Indirect business tax and nontax liability	8.2	7.8	8.1	7.9	7.6	7.4	7.2	7.1	-1.1
Property-type income	33.6	34.5	34.5	35.2	35.9	36.2	36.2	36.2	2.6
Far West	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	0
Compensation of employees	56.6	56.2	55.9	55.3	54.9	54.7	55.1	55.2	-1.4
Indirect business tax and nontax liability	8.0	8.1	8.0	8.1	7.8	7.6	7.4	7.2	-8
Property-type income	35.3	35.7	36.1	36.6	37.4	37.8	37.6	37.6	2.3

mates for the following industries: Coal mining, manufacturing (mainly chemicals and allied products), and electric, gas, and sanitary services in West Virginia; mining (except metal mining), and communications in Wyoming; oil and gas extraction and public utilities (mainly electric, gas, and sanitary services and communications) in Louisiana; industrial machinery and equipment, nonde-

pository institutions, and agriculture, forestry, and fisheries in Iowa and South Dakota.

Real growth rates.—For 1997–98, the States with the largest upward revisions to the growth rates of real GSP were Wyoming, New Hampshire, Indiana, Ohio, and New York (table 7). The States with the largest downward revisions were Iowa, Dela-

Table 6.—Revisions to Gross State Product in Current Dollars, Selected Years

	1993			1995			1997			1998		
	Millions of dollars		Percent revision ¹	Millions of dollars		Percent revision ¹	Millions of dollars		Percent revision ¹	Millions of dollars		Percent revision ¹
	Revised	Revision		Revised	Revision		Revised	Revision		Revised	Revision	
United States	6,513,026	0	0	7,309,516	0	0	8,224,960	-15,352	-0.2	8,752,363	7,144	0.1
New England	373,298	106	0	416,166	93	0	471,336	-376	-1	504,155	2,346	.5
Connecticut	107,924	-69	-1	118,645	-328	-3	134,968	176	.1	143,191	1,092	.8
Maine	25,358	-15	-1	27,987	-100	-4	30,409	-236	-8	32,138	-180	-6
Massachusetts	175,729	119	.1	197,469	364	.2	223,571	88	0	240,898	1,519	.6
New Hampshire	27,507	12	0	32,388	15	0	37,470	-667	-1.7	41,229	-84	-2
Rhode Island	23,627	46	.2	25,703	147	.6	29,409	234	.8	30,468	25	.1
Vermont	13,154	14	.1	13,974	-7	-1	15,510	31	.2	16,233	-24	-1
Mideast	1,282,906	485	0	1,403,270	564	0	1,547,124	-9,876	-6	1,642,652	-108	0
Delaware	23,827	72	.3	27,575	187	.7	31,263	65	.2	33,912	177	.5
District of Columbia	46,596	0	0	48,408	9	0	50,546	-53	-1	52,175	-1,925	-3.6
Maryland	126,442	-43	0	139,495	-237	-2	154,646	-362	-2	164,287	-511	-3
New Jersey	246,727	120	0	271,435	138	.1	299,986	-3,594	-1.2	316,467	-2,734	-9
New York	551,161	-20	0	597,593	-230	0	663,377	-6,069	-9	710,897	4,011	.6
Pennsylvania	288,154	357	.1	318,765	699	.2	347,306	137	0	364,914	875	.2
Great Lakes	1,052,019	-705	-1	1,191,441	156	0	1,317,428	-3,330	-3	1,397,473	4,024	.3
Illinois	317,248	-648	-2	359,451	-392	-1	400,327	-1,955	-5	424,756	-923	-2
Indiana	131,485	-246	-2	148,447	-195	-1	162,953	-822	-5	176,095	1,662	1.0
Michigan	222,886	152	.1	254,179	239	.1	279,503	-675	-2	291,557	-2,948	-1.0
Ohio	260,891	38	0	295,668	461	.2	326,451	1,212	.4	346,778	5,708	1.7
Wisconsin	119,508	-2	0	133,694	41	0	148,194	-1,089	-7	158,286	525	.3
Plains	424,025	-1,055	-2	484,013	-1,124	-2	547,790	-419	-1	575,947	-11	0
Iowa	62,764	-396	-6	71,687	-465	-6	81,695	121	.1	83,094	-1,534	-1.8
Kansas	58,380	-36	-1	64,069	86	.1	72,998	-61	-1	76,796	-195	-3
Minnesota	115,420	-97	-1	131,841	-7	0	152,334	-6	0	162,478	1,086	.7
Missouri	119,680	-92	-1	139,547	-191	-1	155,811	568	.4	163,949	1,177	.7
Nebraska	38,665	-100	-3	44,084	-218	-5	49,275	-496	-1.0	51,702	-35	-1
North Dakota	12,855	-248	-1.9	14,529	-218	-1.5	15,910	-283	-1.7	17,031	-183	-1.1
South Dakota	16,261	-86	-5	18,257	-109	-6	19,767	-263	-1.3	20,898	-326	-1.5
Southeast	1,400,329	442	0	1,599,405	443	0	1,791,586	-3,040	-2	1,903,691	-5,451	-3
Alabama	84,497	86	.1	95,514	173	.2	104,213	-468	-4	108,950	-883	-8
Arkansas	47,188	11	0	53,809	190	.4	59,141	25	0	61,626	-2	0
Florida	305,036	385	.1	344,771	390	.1	389,473	-1,600	-4	416,422	-2,429	-6
Georgia	172,220	227	.1	203,505	755	.4	235,733	1,960	.8	255,455	1,686	.7
Kentucky	80,882	43	.1	91,472	35	0	101,535	90	.1	107,571	419	.4
Louisiana	95,587	-559	-6	112,157	-1,948	-1.7	123,549	-3,628	-2.9	125,311	-3,940	-3.0
Mississippi	47,384	28	.1	54,562	164	.3	58,743	-549	-9	61,417	-799	-1.3
North Carolina	168,830	-29	0	194,634	120	.1	221,629	729	.3	236,472	720	.3
South Carolina	75,955	126	.2	86,880	396	.5	95,447	908	1.0	101,214	864	.9
Tennessee	119,758	73	.1	136,821	193	.1	151,738	1,010	.7	161,835	2,260	1.4
Virginia	170,754	31	0	188,963	-40	0	212,105	-1,253	-6	227,997	-2,828	-1.2
West Virginia	32,240	23	.1	36,315	13	0	38,281	-264	-7	39,423	-515	-1.3
Southwest	640,277	97	0	730,598	-844	-1	858,147	3,309	.4	910,977	2,190	.2
Arizona	85,483	41	0	104,586	-52	0	122,273	-859	-7	133,509	-292	-2
New Mexico	37,110	89	.2	42,170	154	.4	47,829	1,345	2.9	49,223	1,487	3.1
Oklahoma	65,035	286	.4	69,960	605	.9	79,423	1,102	1.4	83,022	1,367	1.7
Texas	452,649	-319	-1	513,882	-1,551	-3	608,622	1,721	.3	645,223	-373	-1
Rocky Mountain	185,006	-124	-1	214,923	-1,079	-5	249,183	-2,447	-1.0	267,647	-2,095	-8
Colorado	93,588	35	0	109,021	-177	-2	129,575	-78	-1	141,056	-735	-5
Idaho	22,758	96	.4	27,155	135	.5	29,388	302	1.0	31,236	300	1.0
Montana	16,151	3	0	17,537	-127	-7	18,907	-153	-8	19,881	20	.1
Utah	38,395	-12	0	46,290	-134	-3	55,070	-992	-1.8	58,997	-627	-1.1
Wyoming	14,114	-246	-1.7	14,920	-777	-4.9	16,244	-1,526	-8.6	16,477	-1,053	-6.0
Far West	1,155,166	753	.1	1,269,700	1,791	.1	1,442,365	826	.1	1,549,820	6,248	.4
Alaska	23,014	172	.8	24,791	588	2.4	26,575	1,063	4.2	25,008	772	3.2
California	847,879	885	.1	925,931	1,349	.1	1,045,254	1,585	.2	1,125,559	6,614	.6
Hawaii	36,308	4	0	37,243	-16	0	38,537	-270	-7	39,610	-102	-3
Nevada	39,929	85	.2	49,377	283	.6	59,248	760	1.3	64,260	1,216	1.9
Oregon	69,810	-240	-3	81,092	-209	-3	97,510	-1,327	-1.3	103,549	-1,222	-1.2
Washington	138,225	-154	-1	151,265	-204	-1	175,242	-984	-6	191,834	-1,030	-5

1. Revision is a percentage of the previously published estimate.

ware, Rhode Island, Michigan, South Dakota, and Louisiana. For all these States, the revisions mainly reflected revisions to the current-dollar estimates.

Major sources of the revisions

For the States with the largest revisions to current-dollar GSP, the revisions mainly reflected revisions to the national estimates of GDP by industry or the incorporation of data from the 1997 Economic Census and from the Census Bureau's 1998 Annual Survey of Manufactures (ASM).

For agriculture, forestry, and fishing, the revisions mainly reflected the incorporation of revised expense data for farms by State from the U.S. Department of Agriculture.

For mining, the revisions mainly reflected the incorporation of payrolls and value-added-in-production from the census of mineral industries and revised source data on value-of-production by State from the U.S. Department of Interior.

For construction, the revisions mainly reflected the incorporation of data on payrolls and value of construction work from the census of construction industries.

For manufacturing, the revisions mainly reflected the incorporation of data on payrolls and value-added-in-production from the census of manufactures and the 1998 ASM. The ASM data are based on the North American Industry Classification System (NAICS) rather than on the Standard Industrial Classification (SIC) system. For this revision, the 1998 ASM data were converted from NAICS to the SIC by BEA on the basis of information provided by the Census Bureau (see the

box "Implementation of the North American Industry Classification System").

For electric, gas, and sanitary services, the revisions mainly reflected the incorporation of data on revenues and payrolls from the census of transportation, communications, and utilities; for communications, the revisions mainly reflected revisions to the national estimates of GDP by industry.

Table 7.—Revisions to Average Annual Rates of Change of Real Gross State Product, Selected Periods

[Percent]


	1996-97			1997-98			1993-98		
	Pre-viously published	Revised	Dif-ference	Pre-viously published	Revised	Dif-ference	Pre-viously published	Revised	Dif-ference
United States	5.2	4.9	-0.3	5.1	5.1	0	4.3	4.2	-0.1
New England	5.6	5.4	-0.2	5.2	5.5	.3	4.2	4.2	0
Connecticut	6.3	6.8	.5	4.2	4.6	.4	3.6	3.7	.1
Maine	4.1	3.6	-.5	3.6	3.7	.1	2.8	2.6	-.2
Massachusetts	4.8	4.6	-.2	6.0	6.3	.3	4.5	4.6	.1
New Hampshire	8.0	5.9	-2.1	8.4	9.6	1.2	7.3	7.2	-.1
Rhode Island	8.0	7.9	-.1	2.8	1.5	-1.3	3.1	3.0	-.1
Vermont	4.2	4.4	.2	4.1	3.7	-.4	2.9	2.8	-.1
Mideast	3.9	3.1	-.8	4.1	4.4	.3	3.1	2.9	-.2
Delaware	4.7	3.9	-.8	6.5	5.1	-1.4	4.3	4.1	-.2
District of Columbia	2.0	1.6	-.4	4.6	.9	-3.7	.2	-.6	-.8
Maryland	4.6	4.4	-.2	4.5	4.2	-.3	3.2	3.0	-.2
New Jersey	4.3	2.9	-1.4	3.4	3.6	.2	3.2	3.0	-.2
New York	3.6	2.7	-.9	4.6	5.7	1.1	3.2	3.2	0
Pennsylvania	3.8	3.4	-.4	3.5	3.3	-.2	2.9	2.8	-.1
Great Lakes	5.0	4.6	-.4	4.4	4.7	.3	4.1	4.1	0
Illinois	5.5	4.9	-.6	4.8	4.7	-.1	4.4	4.3	-.1
Indiana	4.5	3.8	-.7	5.4	6.6	1.2	4.3	4.4	.1
Michigan	4.6	4.1	-.5	3.9	2.8	-1.1	4.0	3.7	-.3
Ohio	5.2	5.1	-.1	3.8	4.9	1.1	3.9	4.1	.2
Wisconsin	5.2	4.2	-1.0	4.7	5.5	.8	4.2	4.1	-.1
Plains	5.0	5.0	0	4.1	3.9	-.2	4.5	4.5	0
Iowa	5.3	5.9	.6	3.5	1.0	-2.5	4.8	4.4	-.4
Kansas	6.4	5.8	-.6	4.4	4.0	-.4	3.9	3.8	-.1
Minnesota	6.4	6.3	-.1	4.9	5.3	.4	5.1	5.2	.1
Missouri	4.3	4.7	.4	3.4	3.5	.1	4.4	4.5	.1
Nebraska	3.1	2.4	-.7	2.9	3.5	.6	4.2	4.1	-.1
North Dakota .....	.6	-.2	-.8	6.3	6.6	.3	4.1	4.1	0
South Dakota	2.3	1.6	-.7	6.0	4.9	-1.1	3.9	3.4	-.5
Southeast	4.9	4.6	-.3	4.9	4.5	-.4	4.5	4.4	-.1
Alabama	4.4	3.4	-1.0	3.6	2.9	-.7	3.5	3.2	-.3
Arkansas	3.9	3.2	-.7	3.3	2.9	-.4	3.9	3.7	-.2
Florida	5.0	4.3	-.7	5.5	5.1	-.4	4.5	4.3	-.2
Georgia	5.4	5.6	.2	6.8	6.4	-.4	6.1	6.1	0
Kentucky	5.0	4.9	-.1	4.0	4.0	0	4.3	4.3	0
Louisiana	3.7	3.3	-.4	3.4	2.4	-1.0	4.4	3.7	-.7
Mississippi	3.9	2.2	-1.7	3.7	3.2	-.5	4.0	3.6	-.4
North Carolina	6.8	6.7	-.1	4.5	4.3	-.2	5.3	5.3	0
South Carolina	4.9	4.9	0	4.6	4.2	-.4	4.0	4.1	.1
Tennessee	4.8	5.1	.3	4.3	4.8	.5	4.1	4.2	.1
Virginia	4.7	4.0	-.7	5.8	5.1	-.7	4.1	3.8	-.3
West Virginia	2.0	1.2	-.8	2.1	1.4	-.7	2.8	2.5	-.3
Southwest	7.2	7.6	.4	6.9	6.5	-.4	5.9	5.9	0
Arizona	7.6	7.0	-.6	8.3	8.7	.4	8.0	7.9	-.1
New Mexico	5.7	8.0	2.3	5.0	5.5	.5	5.3	5.9	.6
Oklahoma	4.4	4.4	0	4.1	4.5	.4	3.2	3.4	.2
Texas	7.6	8.1	.5	7.1	6.4	-.7	5.9	5.8	-.1
Rocky Mountain	6.8	6.3	-.5	6.6	6.4	-.2	6.1	5.8	-.3
Colorado	8.6	8.7	.1	8.3	7.6	-.7	6.7	6.5	-.2
Idaho	4.0	4.3	.3	6.7	6.4	-.3	5.7	5.7	0
Montana	3.4	3.0	-.4	3.5	3.9	.4	2.5	2.3	-.2
Utah	6.8	4.8	-2.0	5.3	5.4	.1	7.2	6.8	-.4
Wyoming	2.5	.7	-1.8	1.8	3.4	1.6	3.0	2.0	-1.0
Far West	5.9	5.6	-.3	6.2	6.3	.1	4.2	4.2	0
Alaska .....	.9	1.1	.2	-2.5	-2.7	-.2	-6	-1	.5
California	5.9	5.7	-.2	6.3	6.5	.2	4.0	4.1	.1
Hawaii	1.3	.5	-.8	.1	.5	.4	-.4	-.5	-.1
Nevada	5.5	5.4	-.1	5.1	6.0	.9	6.9	7.2	.3
Oregon	7.4	5.9	-1.5	7.2	6.8	-.4	7.6	7.3	-.3
Washington	7.1	6.5	-.6	7.8	7.6	-.2	4.7	4.6	-.1

Implementation of the North American Industry Classification System

In 1997, the Federal Government statistical agencies adopted the North American Industry Classification System (NAICS)—an economic classification system that groups establishments into industries on the basis of the similarity of their production processes. NAICS provides a new framework for collecting, analyzing, and disseminating economic data on an industry basis. However, much of the source data for BEA's estimates remain on a SIC basis, so BEA's plan for implementing NAICS depends on the implementation schedules of its source data agencies (see John R. Kort, "The North American Industry Classification System in BEA's Economic Accounts," SURVEY OF CURRENT BUSINESS 81 (May 2001): 7-13). BEA tentatively plans to incorporate NAICS into its estimates of gross state product in 2004-05.

For nondepository institutions, the revisions mainly reflected revisions to the national estimates of GDP by industry; for real estate, the revisions mainly reflected the incorporation of data on property taxes from the census of governments.

For retail trade and services, the revisions mainly reflected the incorporation of data on re-

ceipts and payrolls from the census of retail trade and the census of service industries; for amusement and recreation services in Nevada, the revisions also reflected revisions to proprietors' income. 

Appendix A.—Relation of GSP to GDP by Industry, 1999

[Billions of dollars]

	GSP	GDP by industry	GSP less GDP by industry
Total	9,309.0	9,371.1	-62.1
Compensation of employees	5,290.0	5,305.2	-15.2
Wage and salary accruals	² 4,470.7	4,480.5	-9.8
Supplements to wages and salaries:			
Employer contributions for social insurance	³ 322.7	323.6	-0.9
Other labor income	⁴ 496.6	501.0	-4.4
Indirect business tax and nontax liability	718.1	718.1	0
Property-type income	3,301.1	3,348.0	-46.9
Proprietors' income with inventory valuation adjustment:			
Farm	33.6	33.6	0
Nonfarm	585.5	585.5	0
Rental income of persons	199.4	199.4	0
Corporate profits with inventory valuation adjustment	702.5	702.5	0
Net interest	624.2	624.2	0
Business transfer payments	39.7	39.7	0
Less: Subsidies less current surplus of government enterprises	28.4	28.4	0
Private capital consumption allowances	991.9	991.9	0
Government consumption of fixed capital:			
Federal	⁵ 45.9	92.8	-46.9
State and local	106.8	106.8	0

1. Equals gross domestic income (GDI) from the national income and product accounts. GDI differs from gross domestic product (GDP) because it excludes the statistical discrepancy.

2. GSP excludes the wages and salaries of Federal civilian and military personnel stationed abroad.

3. GSP excludes employer contributions for social insurance of Federal civilian and military personnel stationed abroad.

4. GSP excludes other labor income of Federal civilian personnel stationed abroad.

5. GSP excludes the consumption of fixed capital for military equipment, except domestically located office equipment, and for military structures located abroad.

NOTE.—For definitions of the line items shown in this table, see "A Guide to the NIPAs," SURVEY OF CURRENT BUSINESS 78 (March 1998): 27-34.

GDP Gross domestic product
GSP Gross state product