

# Gross Domestic Product by State

## Overview

Gross Domestic Product (GDP) by State is the value of final goods and services produced by the labor and property located in a state. It is the state counterpart to the national Gross Domestic Product. Conceptually, GDP by State is gross output less intermediate inputs, and as such it measures the economic activity within a state. The Bureau of Economic Analysis (BEA) released revisions to the accelerated estimates in October 2006 while renaming the concept from Gross State Product to GDP by State.

## Nominal GDP

Utah's current dollar GDP was estimated by the BEA to be \$82.5 billion in 2004 and \$90.8 billion in 2005. This represents a growth rate of 10.0%, the 5th highest rate in the nation, exceeding the prior year's revised growth of 8.4%.

## Real GDP

Utah's real GDP (measured in chain-weighted 2000 dollars) growth in 2005 approached that of the mid 1990s. The BEA estimated real Utah GDP to be \$74.8 billion in 2004 and \$79.9 billion in 2005. This represents a 6.8% rate of growth, marking acceleration from the prior year's revised growth of 5.5% and ranking Utah 5th among the states in terms of growth. The Rocky Mountain Region was the fastest growing region with real growth of 5.2% in 2005; double that of the Plains (2.3%), New England (2.3%), the Mideast (2.9%), and quadruple the growth of the Great Lakes (1.3%). The nation's growth for all states for real GDP during the same period was 3.6% down from the prior year's revised growth of 4.2%.

## GDP Trends

Utah is positioned in the fastest growing region in the country in terms of real GDP growth. While the recession in the early 2000s slowed real GDP growth, Utah's subsequent recovery has outpaced that of the rest of the states. From 2001 to 2003, the growth in real Utah GDP was similar to the rest of the states growth. In 2001 Utah's GDP grew at a rate of 1.0%, while the rest of the states grew at 0.9%; in 2002 Utah grew at 1.2%, with the rest of the states at a rate of 1.5%; and in 2003 Utah grew at a rate of 2.7%, with the rest of the state at a rate of 2.6%. In the subsequent years, Utah's growth has outpaced that of the other states. In 2004 Utah's GDP grew at a rate of 5.5%, with the rest of the states at 4.2%; and in 2005 Utah's GDP growth increased at a rate of 6.8% while the rest of the states experienced lower growth at a rate of 3.6%.

## Changing Economy

Utah's economy is constantly changing. The industrial composition of the State of Utah underwent changes from 1997 to 2005. Financial activities produced a greater share of the state economy's goods and services during this period, moving

from 18.9% of real GDP in 1997 to 23.6% in 2005; a trend the nation also followed. Governments (federal, state, local) in Utah produced a declining share of goods and services moving from 15.0% of real GDP in 1997 to 12.2% in 2005; a trend also realized by the nation. Utah continues to experience the near half-century shift towards a more service based economy.

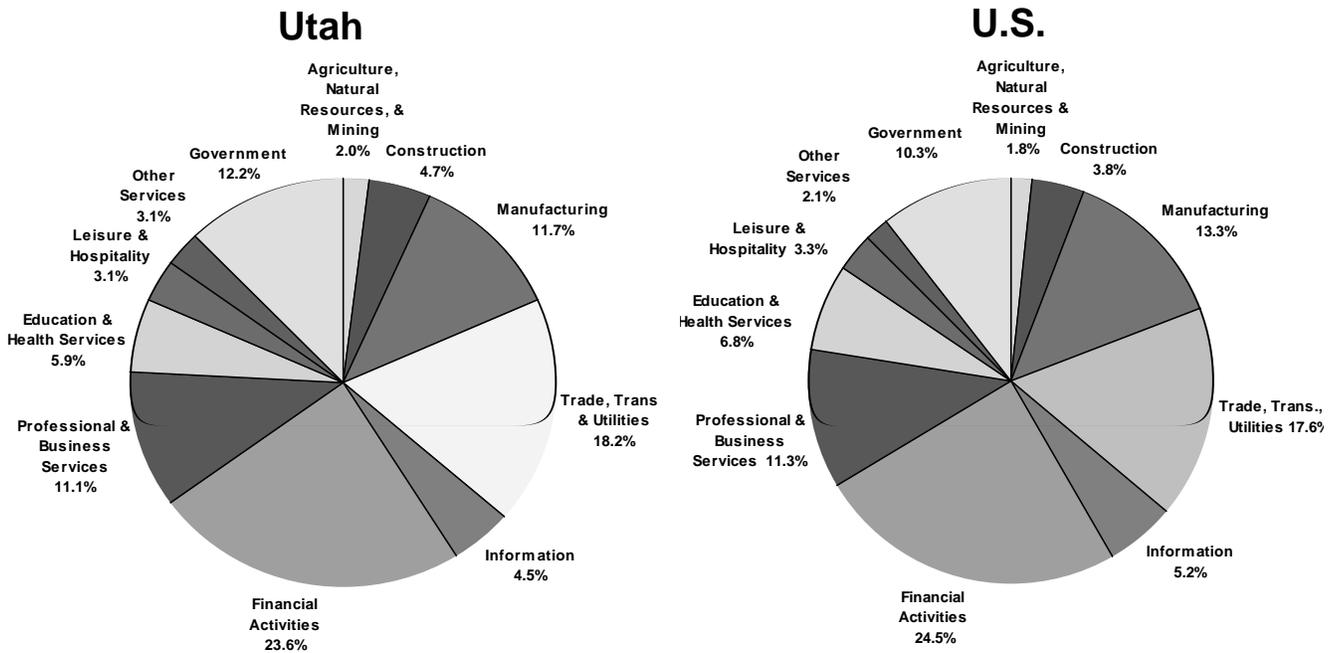
## Real and Nominal GDP by State Methodology

The Bureau of Economic Analysis introduced new terminology measuring GDP by State in October 2006. Gross State Product was renamed Gross Domestic Product by State. GDP by State is a measure of production, as distinguished from income or spending. It is the sum of the value added by each industry in the state's economy and is expressed in dollars. Changes in nominal (current dollar) GDP by State from one year to the next result from quantity changes in production and product price changes. BEA attempts to separate these affects by calculating real (constant dollar) GDP by State, using price indices to remove the affect of changing prices. This produces a measure of the amount of goods and services produced in a state over time.

## Conclusion

Gross Domestic Product by State measures the value of goods and services produced by businesses and people in Utah. After more than a decade of posting strong increases in aggregate production, Utah GDP growth slowed along with the nation in the early 2000s. Growth in real GDP in Utah began to exceed the pace of growth experienced in the nation as a whole in 2004. While the growth in the nation as a whole slowed in 2005, the growth in Utah's real GDP increased. The Gross Domestic Product by State illustrates the diversity, robustness, and strength of Utah's changing economy.

Figure 32  
Percent of Gross Domestic Product by Industry 2005



Source: Bureau of Economic Analysis

Table 37  
Percent of Utah Gross Domestic Product by Industry

NAICS	Industry	1997	1998	1999	2000	2001	2002	2003	2004	2005
11,21	Agriculture, Nat. Resources, and Mining	2.2	2.0	2.0	2.1	2.1	1.8	1.8	1.9	2.0
23	Construction	6.6	6.2	5.9	5.4	5.0	4.8	4.7	4.7	4.7
31-33	Manufacturing	11.8	11.6	11.3	12.0	10.6	11.1	11.5	11.8	11.7
22,42-49	Trade, Transportation, and Utilities	18.6	18.5	18.5	17.9	18.4	18.5	18.5	18.6	18.2
51	Information	3.3	3.3	4.0	4.0	3.9	3.8	3.8	4.2	4.5
52,53	Financial Activities	18.9	21.6	22.3	22.4	23.5	23.3	23.3	23.1	23.6
54-56	Professional and Business Services	10.6	10.3	10.4	10.4	10.6	10.3	10.8	11.0	11.1
61,62	Education and Health Services	6.3	5.9	5.6	5.8	5.8	6.0	6.0	5.9	5.9
71,72	Leisure and Hospitality	3.3	3.2	3.2	3.2	3.4	3.5	3.2	3.1	3.1
81	Other Services	3.4	3.3	3.2	3.1	3.0	3.1	3.0	3.0	2.8
92	Government	15.0	14.1	13.7	13.6	13.7	13.7	13.3	12.8	12.2

Note: GDP data for these industry series (NAICS) are unavailable before 1997

Source: U.S. Bureau of Economic Analysis

Table 38  
Utah Nominal Gross Domestic Product by Industry (Millions of Current Dollars)

NAICS	Industry	1997	1998	1999	2000	2001	2002	2003	2004	2005	Percent Change 04-05
	Total Gross Domestic Product by State	\$56,590	\$60,168	\$63,834	\$67,568	\$70,109	\$72,665	\$76,180	\$82,546	\$90,778	10.0%
	Private Industries	48,346	51,610	54,832	57,960	60,022	61,934	65,009	70,690	78,215	10.6
11	Agriculture, Forestry, Fishing, and Hunting	454	473	471	461	544	450	523	620	551	-11.1
21	Mining	984	828	838	1,007	1,090	949	1,242	1,650	2,377	44.1
22	Utilities	1,008	1,039	1,080	1,012	1,142	1,210	1,128	1,090	1,163	6.7
23	Construction	3,321	3,555	3,777	3,825	3,843	3,916	4,101	4,632	5,292	14.2
31-33	Manufacturing	7,418	7,795	7,793	8,437	7,556	7,914	8,313	9,009	9,822	9.0
42	Wholesale Trade	3,017	3,336	3,515	3,631	3,729	3,744	3,797	4,234	4,599	8.6
44-45	Retail Trade	4,722	4,972	5,273	5,135	5,390	5,526	5,819	6,344	6,762	6.6
48-49	Transportation and Warehousing, excludes USPS	2,472	2,644	2,707	2,842	2,654	2,713	2,920	3,041	3,362	10.6
51	Information	2,015	2,183	2,733	2,844	2,782	2,759	2,817	3,140	3,654	16.4
52	Finance and Insurance	3,905	4,311	4,627	5,085	6,156	6,669	7,089	7,427	8,161	9.9
53	Real Estate, Rental, and Leasing	6,386	6,786	7,374	7,809	8,256	8,396	8,594	9,245	10,239	10.8
54	Professional and Technical Services	2,939	3,258	3,510	3,983	4,238	4,515	5,069	5,487	6,163	12.3
55	Management of Companies and Enterprises	1,081	1,149	1,277	1,482	1,533	1,333	1,379	1,547	1,608	3.9
56	Administrative and Waste Services	1,660	1,810	2,003	1,878	1,930	1,905	1,952	2,239	2,485	11.0
61	Educational Services	484	513	571	655	702	754	793	838	929	10.9
62	Health Care and Social Assistance	2,881	3,046	3,136	3,399	3,681	3,973	4,271	4,616	5,091	10.3
71	Arts, Entertainment, and Recreation	404	433	477	513	660	808	658	687	747	8.7
72	Accommodation and Food Services	1,427	1,538	1,622	1,747	1,820	1,924	1,940	2,069	2,271	9.8
81	Other Services, except Government	1,768	1,941	2,046	2,216	2,319	2,478	2,604	2,773	2,940	6.0
92	Government	8,245	8,557	9,002	9,608	10,086	10,731	11,171	11,856	12,563	6.0
	Federal Civilian	2,038	2,035	2,159	2,464	2,584	2,848	2,940	3,152		
	Federal Military	491	496	517	555	589	745	898	938		
	State and Local	5,716	6,026	6,326	6,589	6,913	7,139	7,333	7,767		

## Notes:

1. GDP by State data for these industry series (NAICS) are unavailable before 1997.
2. In October of 2006, the BEA renamed the gross state product (GSP) series to gross domestic product (GDP) by state.

Source: U.S. Bureau of Economic Analysis

Table 39  
Utah Real Gross Domestic Product by Industry (Millions of Chained 2000 Dollars)

NAICS	Industry	1997	1998	1999	2000	2001	2002	2003	2004	2005	Percent Change 04-05
	Total Gross Domestic Product by State	\$60,081	\$62,974	\$65,596	\$67,568	\$68,275	\$69,091	\$70,945	\$74,814	\$79,891	6.8%
	Private Industries	51,059	53,804	56,256	57,960	58,535	59,213	61,123	64,859	69,656	7.4
11	Agriculture, Forestry, Fishing, and Hunting	343	378	435	461	497	450	463	440	454	3.2
21	Mining	963	926	956	1,007	990	809	886	1,044	1,208	15.7
22	Utilities	968	984	1,044	1,012	1,016	1,095	1,025	948	1,000	5.5
23	Construction	4,000	4,018	4,026	3,825	3,574	3,476	3,458	3,649	3,965	8.7
31-33	Manufacturing	7,101	7,566	7,747	8,437	7,528	7,990	8,468	9,204	9,849	7.0
42	Wholesale Trade	2,933	3,470	3,615	3,631	3,889	3,890	3,921	4,167	4,341	4.2
44-45	Retail Trade	4,687	4,974	5,260	5,135	5,522	5,559	5,811	6,402	6,701	4.7
48-49	Transportation and Warehousing, excludes USPS	2,595	2,661	2,710	2,842	2,649	2,732	2,898	3,075	3,251	5.7
51	Information	2,005	2,181	2,734	2,844	2,766	2,756	2,843	3,273	3,813	16.5
52	Finance and Insurance	4,428	4,671	4,851	5,085	5,926	6,144	6,471	6,528	7,059	8.1
53	Real Estate, Rental, and Leasing	6,943	7,209	7,628	7,809	7,974	7,861	7,861	8,269	8,919	7.9
54	Professional and Technical Services	3,069	3,376	3,567	3,983	4,127	4,303	4,808	5,195	5,692	9.6
55	Management of Companies and Enterprises	1,402	1,349	1,390	1,482	1,552	1,344	1,381	1,426	1,422	-0.3
56	Administrative and Waste Services	1,926	2,001	2,122	1,878	1,830	1,763	1,798	1,982	2,171	9.5
61	Educational Services	569	574	606	655	653	657	654	653	685	4.9
62	Health Care and Social Assistance	3,206	3,264	3,252	3,399	3,497	3,655	3,811	3,990	4,284	7.4
71	Arts, Entertainment, and Recreation	456	474	499	513	632	748	592	601	633	5.3
72	Accommodation and Food Services	1,533	1,627	1,670	1,747	1,754	1,786	1,783	1,838	1,957	6.5
81	Other Services, except Government	2,037	2,145	2,157	2,216	2,164	2,218	2,252	2,310	2,365	2.4
92	Government	9,037	9,174	9,339	9,608	9,739	9,877	9,837	10,000	10,259	2.6
	Federal Civilian	2,237	2,220	2,262	2,464	2,521	2,609	2,573	2,589		
	Federal Military	536	533	537	555	566	660	732	725		
	State and Local	6,263	6,421	6,540	6,589	6,652	6,606	6,525	6,682		

## Notes:

1. GDP by State data for these industry series (NAICS) are unavailable before 1997.
2. In October of 2006, the BEA renamed the gross state product (GSP) series to gross domestic product (GDP) by state.

Source: U.S. Bureau of Economic Analysis