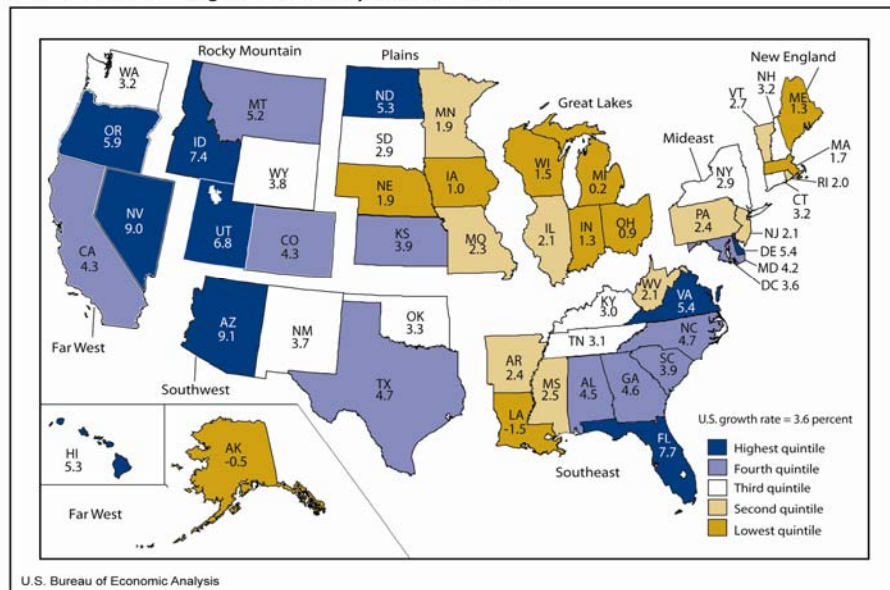


SERVICES AND GOODS SECTORS CONTRIBUTE TO STRONG GROWTH IN GDP BY STATE IN 2005

Advance Estimates of GDP by State for 2005 by NAICS Sector

Newly available data on the 2005 state distribution of GDP, released today by the U.S. Bureau of Economic Analysis, showed that private services-providing industries accounted for more than 80 percent of real growth in the Great Lakes, Mideast, Plains, and New England regions.¹ In 2005, real U.S. growth in the services and goods sectors remained strong. Private services-providing industries grew 4.1 percent, and private goods-producing industries grew 2.6 percent.

Chart 1. Percent Change in Real GDP by State, 2004-2005



As of this release, the BEA is renaming gross state product (GSP) to gross domestic product (GDP) by state. Prior to 2004, GDP by state equaled gross domestic income (GDI) in the national accounts. Starting with the 2004 comprehensive revision, BEA's industry accounts and its GDP-by-state accounts allocate the statistical discrepancy—the difference between GDI and GDP—across all private-sector industries. Therefore, GDP-by-state estimates are now conceptually more similar to GDP estimates in the national accounts than they had been in the past.

- The Southwest and Rocky Mountain regions grew the fastest in 2005 (5.2 percent). Growth in private services-providing industries slightly outpaced growth in private goods-producing industries (5.7 percent to 5.0 percent in the Southwest region, 5.7 percent to 5.3 percent in the Rocky Mountain region). Within the Southwest, Arizona posted the strongest growth (9.1 percent)—the fastest in the Nation (chart 1).
- Finance and insurance, and professional and technical services were the NAICS sectors with the largest contributions to growth, ranging from a high of 47 percent in the Great Lakes to a low of 21 percent in the Southwest.²

¹ The 2005 estimates draw heavily on the 2005 revised state earnings-by-industry estimates released on September 26, 2006.

² NAICS North American Industry Classification System

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. [E-mail](#) alerts are also available.

NOTE: The next release of GDP by state, to include 2006 advance estimates and 2003-2005 revised estimates, will be on June 7, 2007.