Monitoring the State's Economy

MISSISSIPPI'S BUSINESS

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ECONOMY AT A GLANCE

The value of the Mississippi Leading Index (MLI) tumbled 2.1 percent in February as seen in Figure 1, its largest monthly decrease since April 2020. Compared to one year earlier the value of the MLI for the month was 2.3 percent lower.

In February the value of the Mississippi Coincident Index (MCI) increased 0.1 percent as seen in Figure 2. The value for the month was up 1.3 percent compared to one year ago.

The U.S. Bureau of Economic Analysis (BEA) reported in its third estimate U.S. gross domestic product (GDP) increased at a seasonally-adjusted, annualized rate of 2.4 percent in the fourth quarter of 2024. This estimate represents an increase of 0.1 percentage point from the agency's second estimate. The increase in the third estimate primarily resulted from a downward revision to imports. The change in U.S. real GDP for all of 2024 remained an increase of 2.8 percent.

The MLI experienced its worst month in almost five years in February, primarily the result of consumers' worries about the impact of tariffs and related uncertainty on the state and national economies. The University of Michigan Index of Consumer Expectations had its worst month in almost five years as well, as respondents were concerned about a number of issues, including resurgent inflation. On a positive note, employment in Mississippi increased for the second consecutive month, as did the value of the Mississippi Manufacturing Employment Intensity Index. Building permits also rose in February. Nevertheless, fears about higher tariffs are rising along with the probability of a recession in the U.S. economy. While still not the base case, the odds of a downturn have risen materially over the last six to eight weeks.

Inside this issue:

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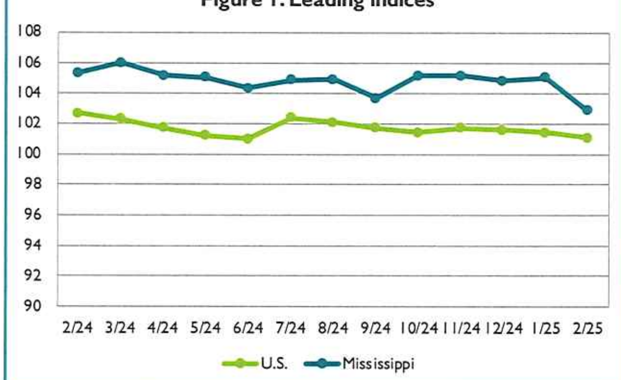
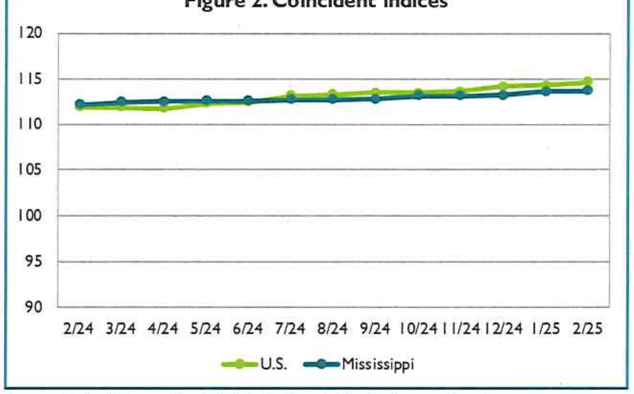
Figure 1. Leading indices



Sources: University Research Center and The Conference Board

Figure 2. Coincident indices



Sources: Federal Reserve Bank of Philadelphia and The Conference Board

Notes: The Mississippi Coincident Index is constructed by the Federal Reserve Bank of Philadelphia and re-indexed to 2017. The Index is based on changes in nonfarm employment, the unemployment rate, average manufacturing workweek length, and wage and salary disbursements. The Mississippi Leading Index is constructed by the Mississippi University Research Center. The U.S. Indices are from The Conference Board. All series are indexed to a base year of 2017.

Mississippi Leading Index, February 2025

As seen in Figure 3, the value of the **Mississippi Leading Index of Economic Indicators** (MLI) sank 2.1 percent in February, its largest monthly decrease since April 2020. Compared to one year earlier the value of the MLI for February was down 2.3 percent, the first year-over-year decrease in the MLI since November 2023. Over the last six months the value of the MLI fell 2.0 percent.

Four of the seven components of the MLI decreased in value in February. The largest negative contribution came from consumer expectations while the Mississippi Manufacturing Employment Intensity Index made the largest negative contribution. Each component is discussed below in order of smallest to largest contribution.

The value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) plunged 10.0 percent in February as seen Figure 4, its largest monthly decline since April 2020. Compared to one year earlier the value in March was 19.0 percent lower. Consumers were likely concerned about potential higher prices from tariffs and the overall future of the U.S. economy. Both short-term (one-year) inflation expectations and long-term (five-year) inflation expectations surged in the most recent survey; short-term inflation expectations reached its highest level since November 2022.

Figure 5 indicates the value of **Mississippi income tax withholdings** (three-month moving average) fell 2.4 percent in February. Compared to one year earlier the value of withholdings for the month was down 1.7 percent. The value of income tax withholdings in Mississippi decreased 2.8 percent over the last six months.

After two months in expansion territory–that is, above a value of 50.0–the value of the **ISM Index of U.S. Manufacturing Activity** returned to contraction territory in March as seen in Figure 6. The value sank 2.6 percent for the month. Compared to one year earlier the value in March was 1.4 percent higher. The only component that increased for the month was Inventories. The largest decrease among all components occurred in New Orders, which fell to its lowest level since May 2023. The prices paid index climbed 7.0 percentage points for the month. Many commodities reported higher prices in March, including aluminum, brass, copper, and steel, while the only commodities reported down in price for the month were industrial alcohols and natural gas.

The number of seasonally-adjusted **initial unemployment claims** in Mississippi edged up 3.5 percent in February as seen in Figure 7. Nevertheless, compared to one year earlier, the value for the month was down 8.9 percent. Similarly, the number of seasonally-adjusted continued unemployment claims in Mississippi rose 4.0 percent in February as seen in Figure 16 on page 6. The number of continued unemployment claims in the state for the month was 2.0 percent higher compared to one year earlier. In February the unemployment rate in Mississippi was 3.8 percent, its highest level since April 2022 and an increase of 0.2 percentage point from January. As seen in Figure 17 on page 6, the rate in February was 1.0 percentage point higher compared to one year earlier.

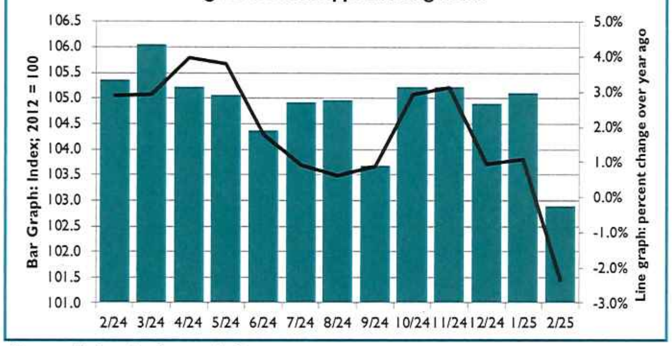
The value of **U.S. retail sales** rose 0.2 percent in February as seen in Figure 8. The February value was 3.1 percent higher compared to one year earlier. Sales excluding automobiles and gasoline increased 0.5 percent for the month. The largest increase in sales among all segments occurred at Nonstore Retailers, while the largest decrease in sales for the month occurred in Food Service and Drinking Places. Sales of Furniture and Home Furnishings were unchanged. Sales at Gasoline Stations fell in February for the first time since September.

Mississippi residential building permits (three-month moving average) increased in value for the second time in the last three months in February. The value rose 1.1 percent for the month as seen in Figure 9. Compared to one year ago the value in February was down 4.5 percent. The number of units in the state fell 0.4 percent for the month. Compared to one year earlier the number of units in the state for the month was 1.3 percent lower, the first year-over-year decrease in units since March 2024. The number of privately-owned housing units authorized by building permits in the U.S. slipped 1.2 percent in February from the revised January rate. The number of units in the U.S. in February was down 6.8 percent compared to one year earlier.

In February the value of the **Mississippi Manufacturing Employment Intensity Index** rose 0.4 percent to its highest level since August 2024. As seen in Figure 10, compared to one year earlier the value for the month was 1.4 percent higher. Manufacturing employment in Mississippi decreased slightly in February, but this decline was more than offset by the increase in the average weekly hours of production employees in the state for the month.

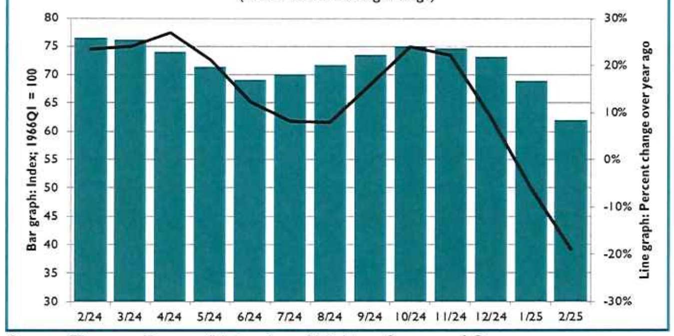
Mississippi Leading Index and Components, in Figures

Figure 3. Mississippi Leading Index



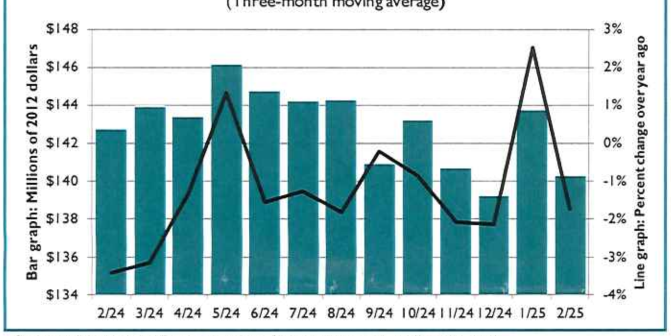
Source: University Research Center

Figure 4. University of Michigan Index of Consumer Expectations
(Three-month moving average)



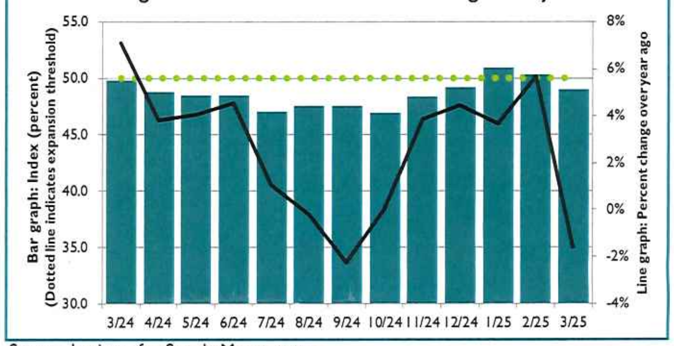
Source: Thomson Reuters/University of Michigan Surveys of Consumers

Figure 5. Mississippi income tax withholdings
(Three-month moving average)



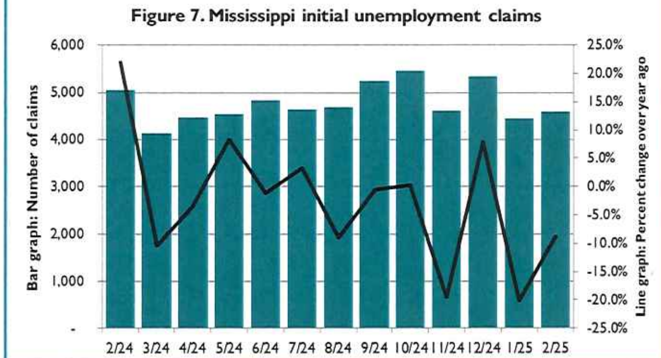
Source: Mississippi Department of Revenue; seasonally adjusted

Figure 6. ISM Index of U.S. Manufacturing Activity



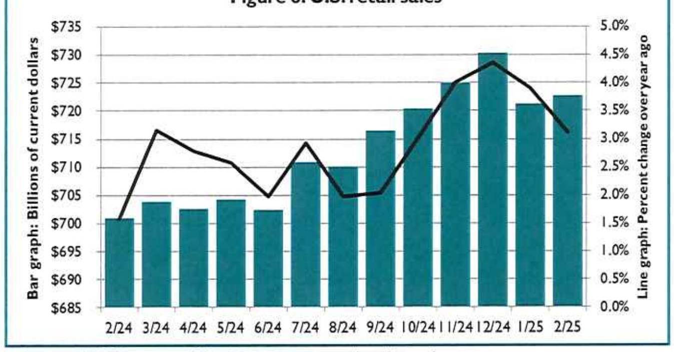
Source: Institute for Supply Management

Figure 7. Mississippi initial unemployment claims



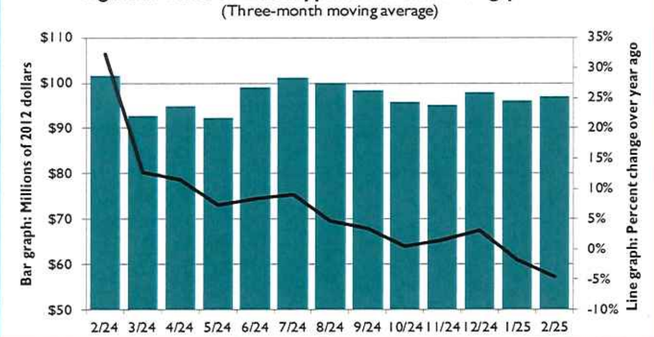
Source: U.S. Department of Labor; seasonally adjusted

Figure 8. U.S. retail sales



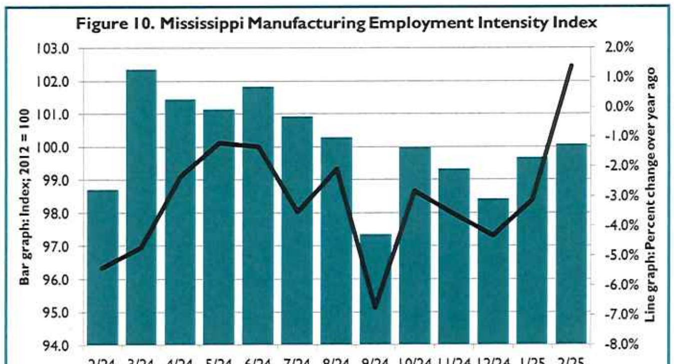
Source: U.S. Bureau of the Census; seasonally adjusted

Figure 9. Value of Mississippi residential building permits
(Three-month moving average)



Source: URC using data from U.S. Bureau of Labor Statistics

Figure 10. Mississippi Manufacturing Employment Intensity Index

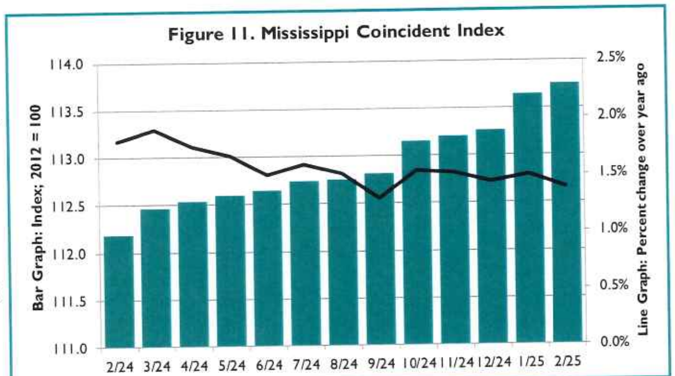


Source: URC using data from U.S. Bureau of Labor Statistics

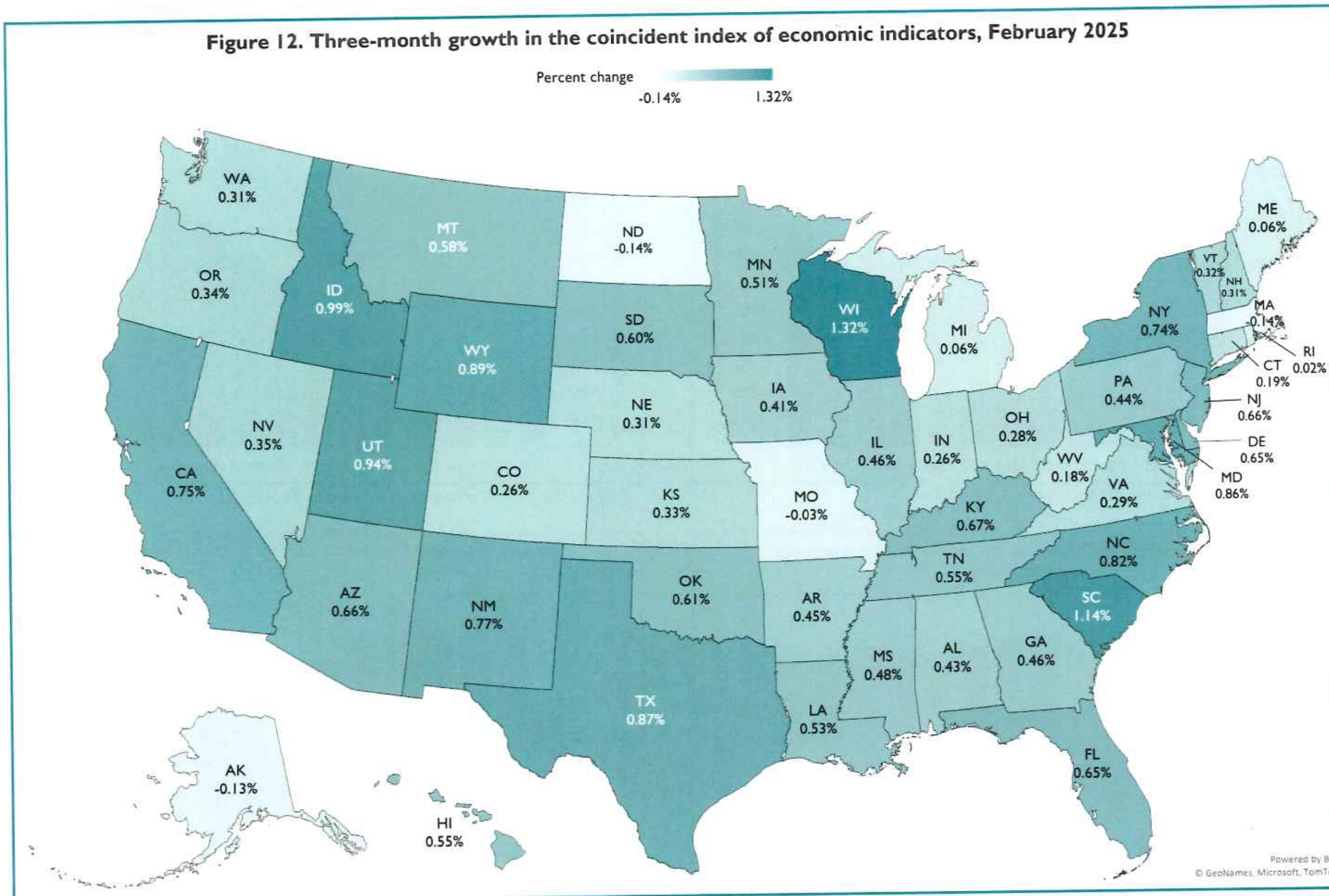
Mississippi Coincident Index, February 2025

The Federal Reserve Bank of Philadelphia reported the value of the **Mississippi Coincident Index of Economic Indicators (MCI)** increased 0.1 percent in February as seen in Figure 11. Compared to one year earlier the value of the MCI for the month was 1.3 percent higher.

The values of the coincident indices increased in forty-six states in February compared to November as seen in Figure 12 according to the Federal Reserve Bank of Philadelphia. The value of the coincident index for Wisconsin rose more than 1.3 percent over the last three months, the largest increase among all states. The values of the coincident indices in South Carolina and Idaho rose approximately 1.1 percent and 1.0 percent, respectively, in February compared to November. In twenty-one states the values of coincident indices increased from 0.5 percent to less than 1.0 percent over the last three months. The values of coincident indices increased less than 0.5 percent in February compared to November in twenty-three states including Mississippi. The values of coincident indices decreased in February compared to November in Missouri, Alaska, Massachusetts, and North Dakota. The latter two states had the largest decreases in the value of their coincident indices over the last three months among all states.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

National Trends

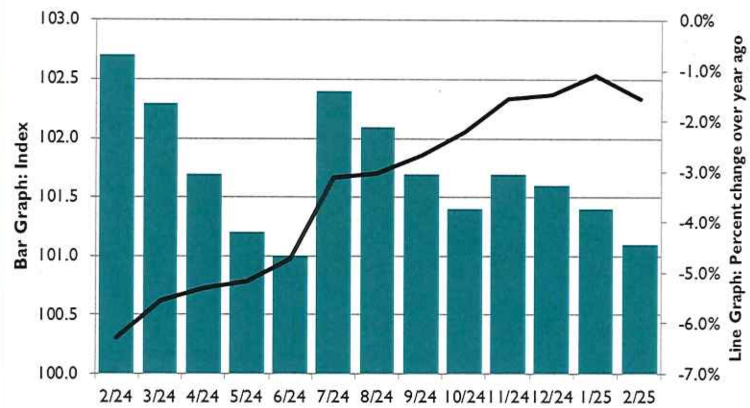
The Conference Board reported the value of the U.S. Leading Economic Index (LEI) fell 0.3 percent in February as seen in Figure 13. The value for the month was down 1.6 percent compared to one year ago. Four of the ten components of the LEI made positive contributions and one was unchanged. Average weekly manufacturing hours made the largest positive contribution while the largest negative contribution was made by average consumer expectations for future business conditions. Over the last six months the value of the LEI fell 1.0 percent.

According to The Conference Board the value of the U.S. Coincident Economic Index (CEI) rose 0.3 percent in February. The value of the CEI was up 2.5 percent compared to one year earlier. In February all four components of the CEI made positive contributions. Industrial production made the largest positive contribution. The value of the CEI rose 1.2 percent over the last six months.

In February the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index decreased for the second consecutive month. As seen in Figure 15 the value fell 2.0 percent. Compared to one year earlier the value of the Index was up 12.6 percent. Only three of the ten components of the Index increased for the month. Once again the largest decrease among all components occurred in the "expect economy to improve" component. Notably, the uncertainty index reached its highest level in the history of the NFIB Index in February.

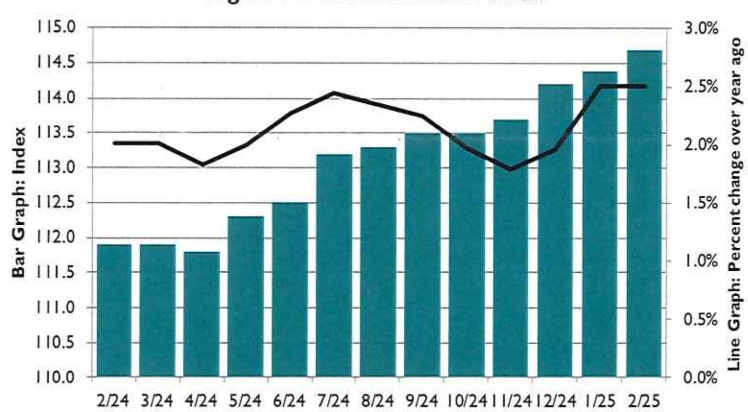
The Federal Open Market Committee (FOMC) did not change the benchmark federal funds rate target at its March meeting, which was widely expected. The imposition of wide-ranging tariffs has complicated the plans of the FOMC. In public remarks earlier this month, Federal Reserve Chairman Jerome Powell stated, "I'd say we're waiting for greater clarity before we consider adjustments." In its latest forecast, the firm S&P Global Market Intelligence maintains its stance the FOMC will not reduce the federal funds rate target until December. However, the firm believes the FOMC will move more aggressively to reduce rates in 2026 than previously expected.

Figure 13. U.S. Leading Index



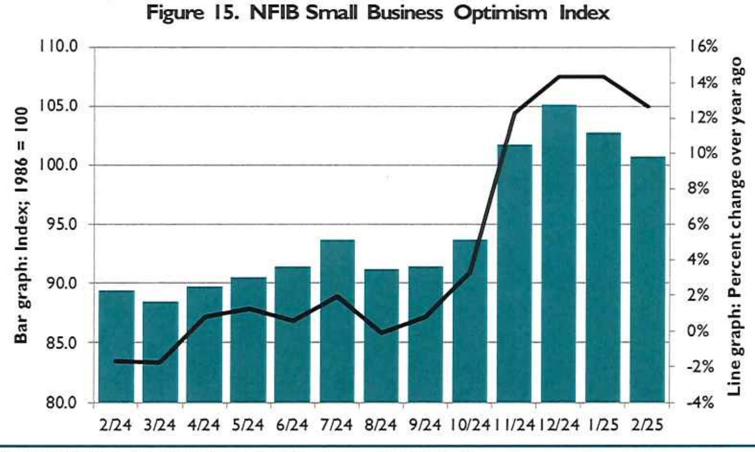
Source: The Conference Board

Figure 14. U.S. Coincident Index



Source: The Conference Board

Figure 15. NFIB Small Business Optimism Index



Source: National Federation of Independent Businesses

Miscellaneous Economic Indicators, in Figures

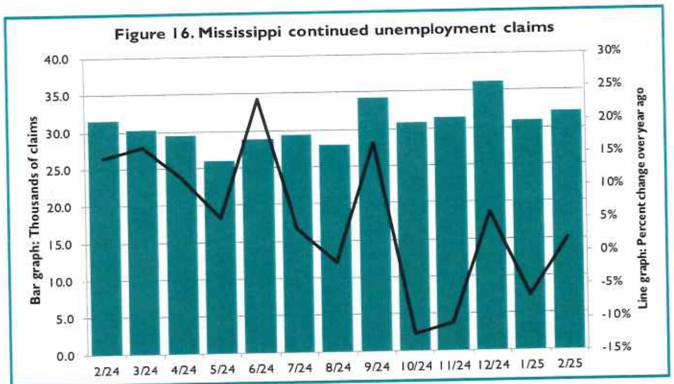


Figure 16. Mississippi continued unemployment claims

Sources: U.S. Department of Labor, URC (seasonal adjustment)

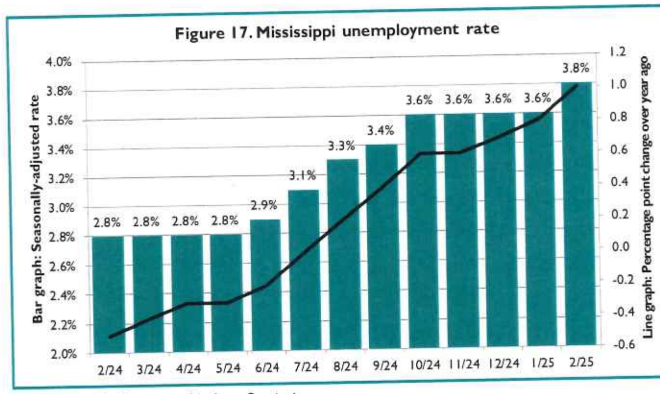


Figure 17. Mississippi unemployment rate

Source: U.S. Bureau of Labor Statistics

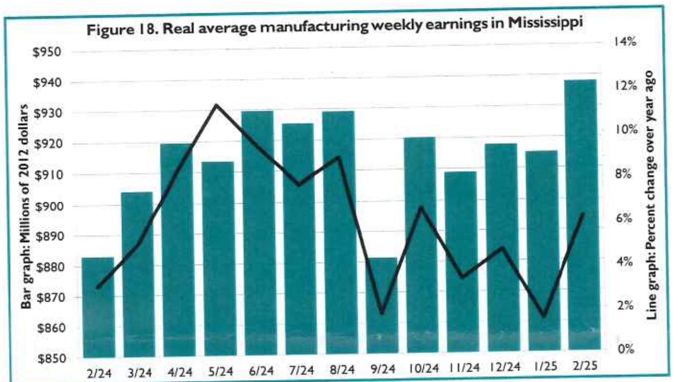


Figure 18. Real average manufacturing weekly earnings in Mississippi

Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)

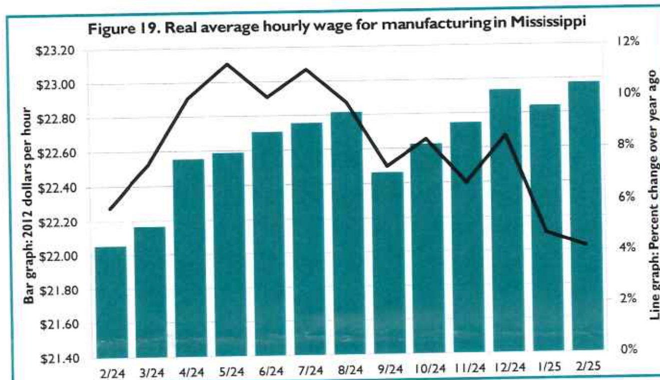


Figure 19. Real average hourly wage for manufacturing in Mississippi

Sources: U.S. Bureau of Labor Statistics, URC (seasonal adjustment)

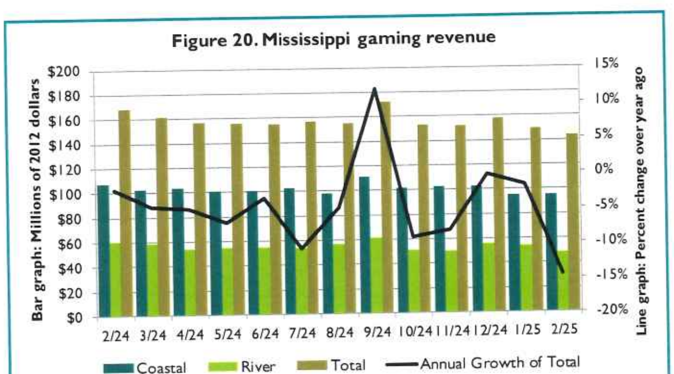


Figure 20. Mississippi gaming revenue

Source: Mississippi Department of Revenue, URC (seasonal adjustment)

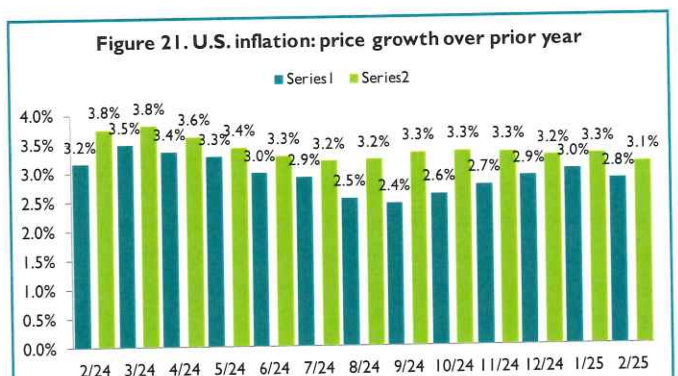


Figure 21. U.S. inflation: price growth over prior year

Source: U.S. Bureau of Labor Statistics

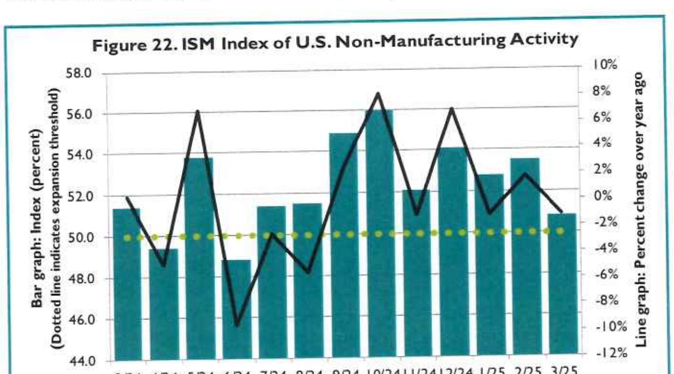


Figure 22. ISM Index of U.S. Non-Manufacturing Activity

Source: Institute for Supply Management

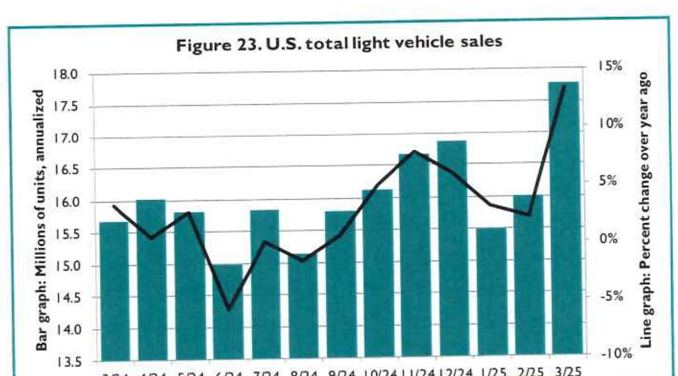


Figure 23. U.S. total light vehicle sales

Source: U.S. Bureau of Economic Analysis

Table 1. Selected Economic Indicators

Indicator	February 2025	January 2025	February 2024	Percent change from February 2025	Percent change from January 2025	
U.S. Leading Economic Index 2017 = 100. Source: The Conference Board	101.1	101.4	102.7	▼0.3%	▼1.6%	Economic Indices
U.S. Coincident Economic Index 2017 = 100. Source: The Conference Board	114.7	114.4	111.9	▲0.3%	▲2.5%	Economic Indices
Mississippi Leading Index 2017 = 100. Source: University Research Center	102.9	105.1	105.4	▼2.1%	▼2.4%	Economic Indices
Mississippi Coincident Index 2017 =100. Source: Federal Reserve Bank of Philadelphia	113.7	113.6	112.2	▲0.1%	▲1.3%	Economic Indices
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	4,604	4,448	5,052	▲3.5%	▼8.9%	Components of the Mississippi Leading Index
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2017 dollars. Source: Bureau of the Census	97.0	96.0	101.6	▲1.1%	▼4.5%	Components of the Mississippi Leading Index
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2017 dollars. Source: Mississippi Department of Revenue	140.2	143.7	142.7	▼2.4%	▼1.7%	Components of the Mississippi Leading Index
Mississippi Manufacturing Employment Intensity Index 2017 =100. Source: URC using data from U.S. Bureau of Labor Statistics	100.1	99.7	98.7	▲0.4%	▲1.4%	Components of the Mississippi Leading Index
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	62.0	68.9	76.6	▼10.0%	▼19.0%	Components of the Mississippi Leading Index
ISM Index of U.S. Manufacturing Activity *Advanced one month.* Source: Institute for Supply Management	49.0	50.3	49.8	▼2.6%	▼1.6%	Components of the Mississippi Leading Index
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	722.7	721.3	700.9	▲0.2%	▲3.1%	Components of the Mississippi Leading Index
U.S. Consumer Price Index (CPI)	319.1	317.7	310.3	▲0.4%	▲2.8%	Miscellaneous Indicators
U.S. Core CPI (excludes food and energy) 1982-84 = 100. Source: URC using data from Bureau of Labor Statistics	325.3	323.8	315.4	▲0.4%	▲3.1%	Miscellaneous Indicators
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	3.8%	3.6%	2.8%	▲0.2	▲1.0	Miscellaneous Indicators
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	32,165	30,920	31,542	▲4.0%	▲2.0%	Miscellaneous Indicators
ISM Index of U.S. Non-Manufacturing Activity *Advanced one month.* Source: Institute for Supply Management	50.8	53.5	51.4	▼5.0%	▼1.2%	Miscellaneous Indicators
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	7.17%	7.26%	7.08%	▼0.09	▲0.09	Miscellaneous Indicators
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2017 dollars. Source: U.S. Bureau of Labor Statistics	22.97	22.84	22.05	▲0.6%	▲4.2%	Miscellaneous Indicators
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2017 dollars. Source: U.S. Bureau of Labor Statistics	937.95	915.15	883.01	▲2.5%	▲6.2%	Miscellaneous Indicators
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	100.7	102.8	89.4	▼2.0%	▲12.6%	Miscellaneous Indicators
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	17.77	16.01	15.68	▲11.0%	▲13.3%	Miscellaneous Indicators
Gaming revenue	143.71	149.29	168.3	▼3.7%	▼14.6%	Miscellaneous Indicators
Coastal counties	95.26	95.50	107.4	▼0.3%	▼11.3%	Miscellaneous Indicators
River counties Seasonally adjusted; millions of 2017 dollars. Source: Mississippi Department of Revenue	48.45	53.79	60.9	▼9.9%	▼20.4%	Miscellaneous Indicators

Mississippi Employment Trends

In February total nonfarm employment in Mississippi increased by 1,500 jobs according to the U.S. Bureau of Labor Statistics (BLS), a gain of 0.1 percent. Table 2 indicates compared to one year ago, total employment in the state in February was higher by 16,400 jobs, an increase of 1.4 percent.

BLS reported nonfarm employment increased in three states in February and was essentially unchanged in forty-seven states and the District of Columbia. Ohio added 23,100 jobs, the most among all states, followed by New Jersey, which added 19,200 jobs, and Missouri, which added 12,500 jobs. These three states also had the largest percentage increases of 0.4 percent each.

Seventeen states added jobs over the last twelve months as of February according to BLS, while employment was essentially unchanged in thirty-three states and the District of Columbia. Texas added 182,300 jobs, the most among all states, followed by New York, which added 152,600 jobs, and Florida, which added 128,300 jobs. The largest percentage increase in employment among all states over the last twelve months as of February occurred in Idaho, where the gain was 2.7 percent.

A majority of sectors in Mississippi added jobs in February. The largest increase occurred in the Government sector, which added 500 jobs for the month, an increase of 0.2 percent. Employment in the Mining and Logging sector rose 3.5 percent in February, the largest percentage increase in employment among all sectors in the state and a gain of 200 jobs. The Trade, Transportation, and Utilities sector lost 400 jobs in February, the most among all sectors in the state. The largest percentage decrease in employment among all sectors in Mississippi in February was 0.2 percent, which occurred in the Manufacturing, Trade, Transportation, and Utilities, and Accommodation and Food Services sectors.

The largest increase in employment among all sectors in the state over the past twelve months as of February occurred in Health Care and Social Assistance, which added 4,000 jobs. The Educational Services sector had the largest percentage increase in employment among all sectors over the last twelve months of 11.1 percent, a gain of 1,500 jobs. The largest decrease in employment among all sectors in the state over the last twelve months as of December occurred in the Manufacturing sector, which lost 700 jobs. The largest percentage decrease in employment among all sectors in the state over the last twelve months as of February was the 1.7 percent decline in Mining and Logging employment, a loss of 100 jobs.

Table 2. Change in Mississippi employment by industry, February 2025

	Relative share of total[a]	February 2025	January 2025	February 2024	Change from February 2025		Change from January 2024	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,200,800	1,199,300	1,184,400	▲1,500	▲0.1%	▲16,400	▲1.4%
Mining and Logging	0.5%	5,900	5,700	6,000	▲200	▲3.5%	▼100	▼1.7%
Construction	4.3%	52,900	52,500	49,600	▲400	▲0.8%	▲3,300	▲6.7%
Manufacturing	11.9%	141,400	141,700	142,100	▼300	▼0.2%	▼700	▼0.5%
Trade, Transportation & Utilities	20.8%	247,600	248,000	247,700	▼400	▼0.2%	▼100	◄►0.0%
Retail Trade	11.6%	138,500	138,900	139,200	▼400	▼0.3%	▼700	▼0.5%
Information	0.8%	9,600	9,400	9,600	▲200	▲2.1%	◄►0	◄►0.0%
Financial Activities	3.8%	45,300	45,000	45,100	▲300	▲0.7%	▲200	▲0.4%
Services	37.8%	456,200	455,600	445,500	▲600	▲0.1%	▲10,700	▲2.4%
Professional & Business Services	9.9%	119,500	119,300	116,800	▲200	▲0.2%	▲2,700	▲2.3%
Educational Services	1.2%	15,000	14,800	13,500	▲200	▲1.4%	▲1,500	▲11.1%
Health Care and Social Assistance	11.9%	144,100	143,800	140,100	▲300	▲0.2%	▲4,000	▲2.9%
Arts and Entertainment	0.9%	10,900	10,900	10,200	◄►0	◄►0.0%	▲700	▲6.9%
Accommodation and Food Services	10.5%	127,100	127,300	125,200	▼200	▼0.2%	▲1,900	▲1.5%
Other Services	3.3%	39,600	39,500	39,700	▲100	▲0.3%	▼100	▼0.3%
Government	20.1%	241,900	241,400	238,800	▲500	▲0.2%	▲3,100	▲1.3%

[a]Relative shares are for the most recent twelve-month average. Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

Mississippi Employment Trends by Sector, in Figures

Figure 24a. Nonfarm employment

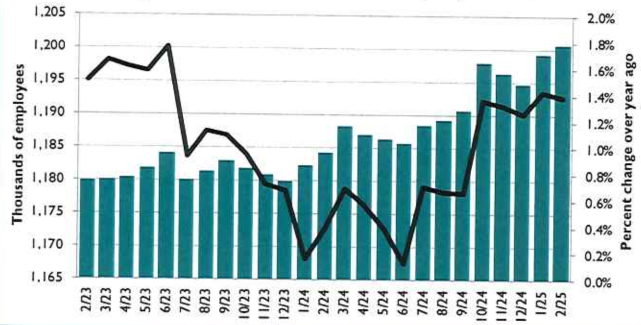


Figure 24b. Mining and Logging

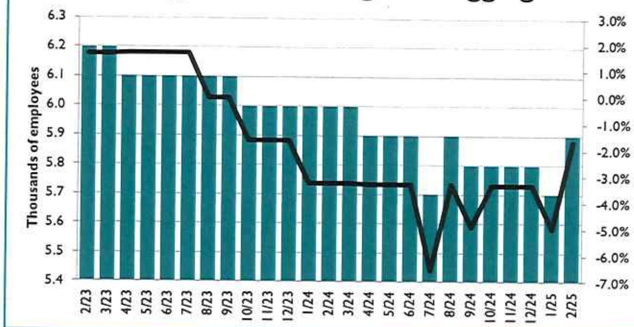


Figure 24c. Construction

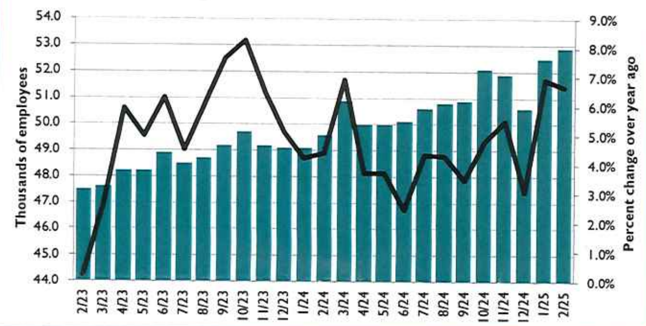


Figure 24d. Manufacturing

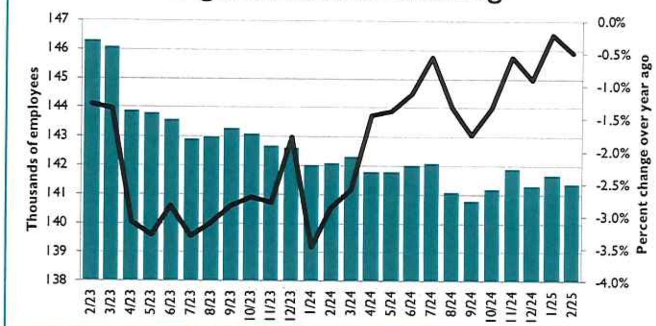


Figure 24e. Trade, transportation, and utilities

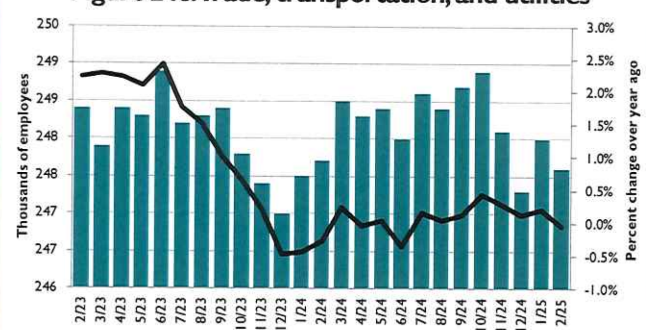


Figure 24f. Information

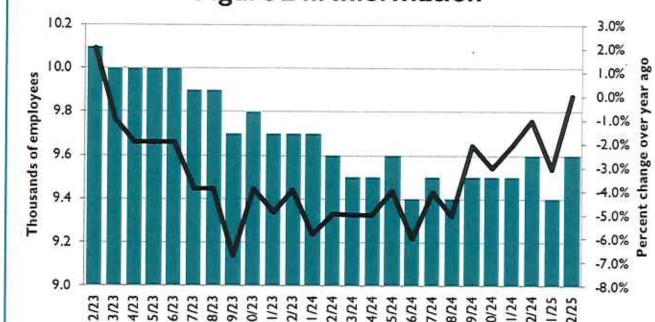


Figure 24g. Financial activities

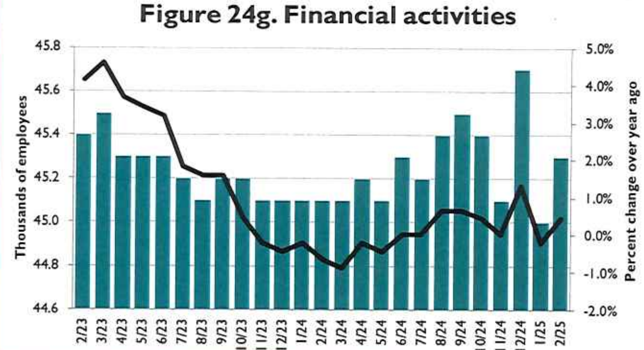
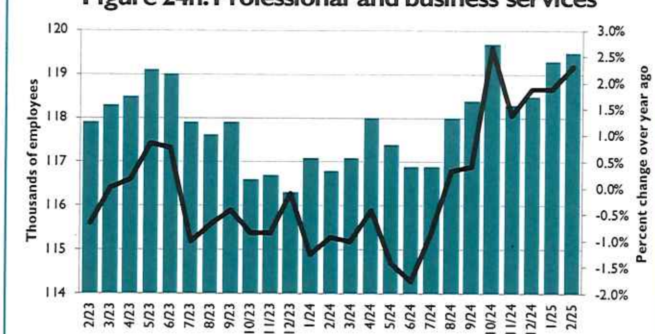


Figure 24h. Professional and business services



Mississippi Employment Trends by Sector, in Figures (Continued)

Figure 24i. Educational services

Figure 24j. Health care and social assistance

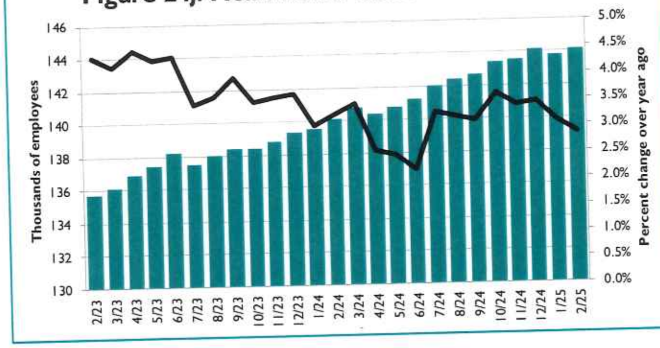


Figure 24k. Arts and entertainment

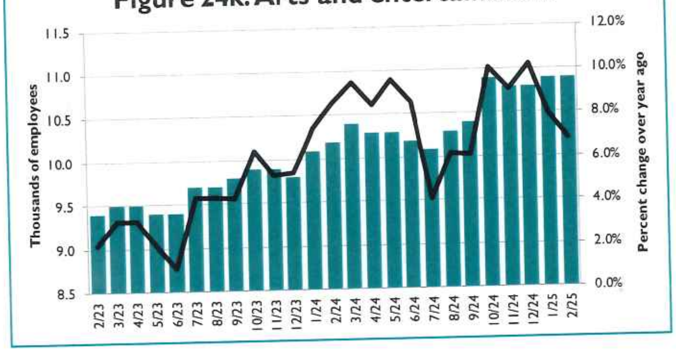


Figure 24l. Accommodation and food services

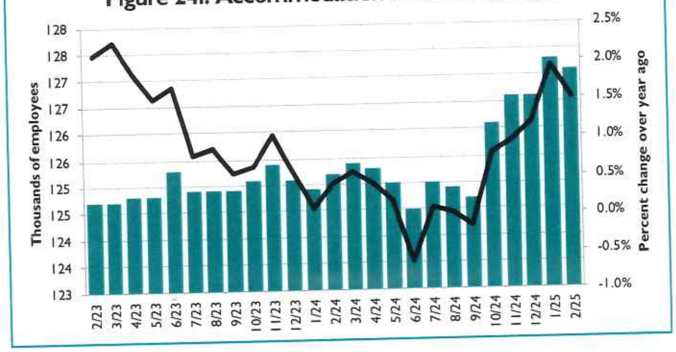


Figure 24m. Other services

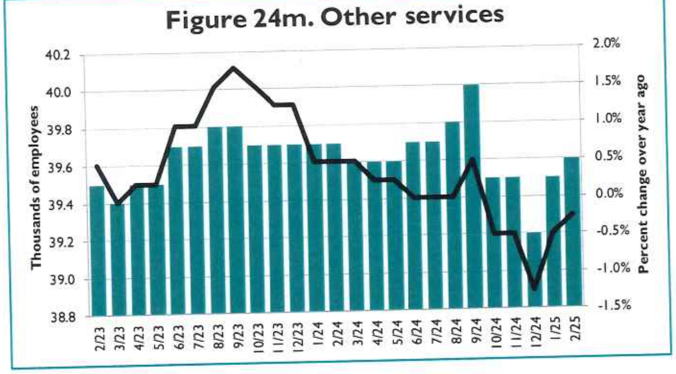


Figure 24n. Federal government

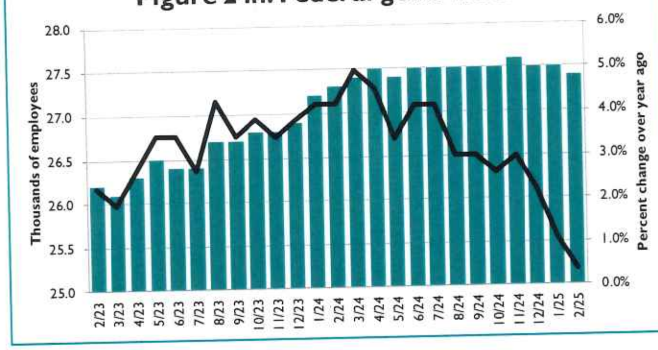


Figure 24o. State government

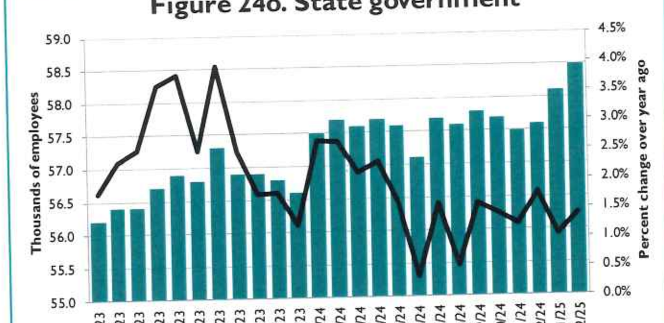
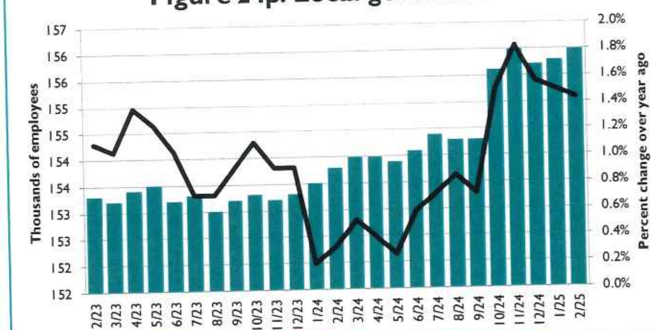


Figure 24p. Local government



Source: U.S. Bureau of Labor Statistics (all figures); seasonally adjusted

Change in Real GDP by State in 2024

Real gross domestic product (GDP) increased in forty-eight states and the District of Columbia in 2024 according to the latest estimate of the U.S. Bureau of Economic Analysis (BEA). In 2024 real GDP for Mississippi increased 2.4 percent, which ranked twenty-seventh among all states. The 2024 estimate for the state marked a slight decrease from the 2023 estimate of an increase in real GDP of 2.6 percent.

Table 3 lists the contributions by sector to the 2.4 percent increase in the state's real GDP in 2024 in order from largest to smallest. (BEA's preliminary estimates only include the changes in major industries.) As in 2023, the Retail Trade sector made the largest contribution to the state's real GDP growth in 2024. The sector added 0.78 percentage point to growth. The next largest increase came from the Agriculture, Forestry, Fishing, and Hunting sector, which added 0.31 percentage point to real GDP growth. The third largest contribution was made by the Finance, Insurance, Real Estate, and Rental and Leasing sector, the Construction sector, and the Manufacturing sector, each of which added 0.27 percentage point to growth. These five sectors together increased Mississippi's real GDP by 1.9 percentage points, more than the positive contributions of all other sectors combined. These contributions were followed by the 0.18 percentage point added by both the Health Care and Social Assistance sector and the Utilities sector. The Professional, Scientific, and Technical Services sector closely followed with a positive contribution of 0.17 percentage point. Four other sectors each made positive contributions of less than 0.15 percentage point. The Other Services sector made the largest negative contribution to Mississippi real GDP in 2024 of -0.12 percentage point. The Accommodation and Food Services sector made the next largest negative contribution of -0.10 percentage point. Five other sectors reduced real GDP for the state by less than 0.05 percentage point.

Figure 25 on page 12 depicts the percentage change in real GDP for all states in 2024. The largest increase in real GDP among all states and the District of Columbia occurred in Utah, where real GDP expanded by 4.5 percent in 2024. South Carolina closely followed with the next largest increase in real GDP of 4.2 percent. The third largest increase in real GDP in 2024 was the 3.9 percent growth in Idaho, closely followed by Indiana

Table 3. Contributions to percent change in Mississippi real GDP by sector, 2024

Sector	Percentage points
Retail trade	0.78
Agriculture, forestry, fishing, and hunting	0.31
Finance, insurance, real estate, and rental and leasing	0.27
Construction	0.27
Manufacturing	0.27
Health care and social assistance	0.18
Utilities	0.18
Professional, scientific, and technical services	0.17
Wholesale trade	0.14
Government and government enterprises	0.08
Administrative and support and waste management	0.05
Arts, entertainment, and recreation	0.04
Transportation and warehousing	-0.01
Management of companies and enterprises	-0.01
Information	-0.02
Educational services	-0.02
Mining, quarrying, and oil and gas extraction	-0.03
Accommodation and food services	-0.10
Other services	-0.12
Total	**2.4%**

Total may not add due to rounding. Source: U.S. Bureau of Economic Analysis.

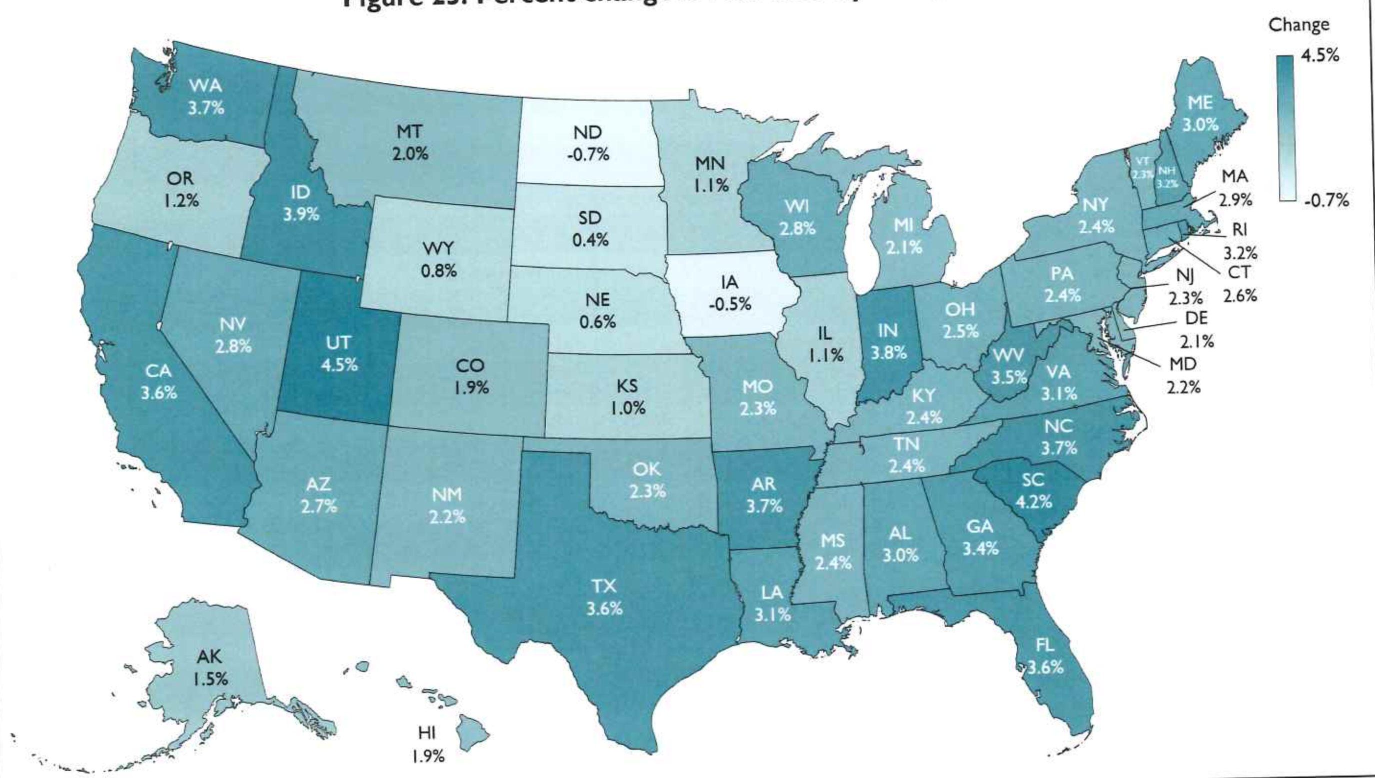
Change in Real GDP by State in 2024 (Continued)

where real GDP expanded 3.8 percent for the year. Real GDP for North Dakota and Iowa contracted 0.7 percent and 0.5 percent, respectively, the only states where real GDP decreased in 2024.

The Retail Trade sector made positive contributions to real GDP in all fifty states and the District of Columbia in 2024 and the sector was the leading contributor in thirty states. Non-durable Goods Manufacturing made a positive contribution to real GDP growth in forty-nine states and the sector was the leading contributor to the increase in four states including South Carolina, the state with the second largest increase in real GDP. In thirty-six states the Agriculture, Forestry, Fishing, and Hunting sector made positive contributions to real GDP growth in 2024. The sector was the leading contributor to real GDP growth in two states, including Idaho, the state with the third largest increase in real GDP in 2024. At the same time, Agriculture, Forestry, Fishing, and Hunting was also the largest negative contributor in North Dakota and Iowa, the two states where real GDP contracted in 2024. In addition, the Other Services sector made negative contributions in forty-four states and the District of Columbia.

The GDP data by state reported by BEA should be viewed with a couple of caveats, as is usually the case. The 2024 data represent preliminary estimates and are calculated from a more limited set of data than the final estimate that will appear one year from now. BEA also uses a different methodology to compute state-level GDP than it employs in its calculations of U.S. GDP. BEA uses spending on final goods and services, investment, and net foreign trade as a basis in its estimates of national GDP, which is the typical textbook calculation of GDP. However, the agency derives state GDP from incomes earned and costs of production.

Figure 25. Percent change in real GDP by state, 2024



Source: U.S. Bureau of Economics Analysis.