(What's Left of) Our Economy: Which States are the Biggest Economic Growth Winners and Losers?

Last Friday, I reported that the government's new figures on state-by-state economic growth came out, and focused on what they told us about how manufacturing's been faring. (Reminder: Not well.) If you're curious about how your state's been doing lately in terms of economic output and growth, this *Wall Street Journal* post on the Commerce Department numbers makes it easy.

Today, I'd like to focus on what's arguably a more important measure of economic health – gross domestic product (GDP) per capita. These figures divide a state's total production of goods and services by its population, and they give us a better idea both of (a) whether the economy of a state looks big because its residents are adept at creating wealth, or simply because there are lots of them; and (b) whether they're creating wealth fast enough to keep up with (and in principle share among) their headcounts.

That last sentence hints at something that the GDP per capita statistics can't tell us – whether state-level of national wealth is actually being shared relatively evenly. But there's no doubt that states whose pies of output are growing faster than their populations will have more overall wealth to share and easier political choices regarding various sharing ideas.

These new data reveal a GDP per capita (PCGDP) champ that may surprise many: the government-dominated District of Columbia. With inflation-adjusted output per head of more than $160,000 in 2015, D.C. was also Number One (by far) the year

the last recession started (2007) and the year it ended (2009).
The two runners-up for 2015 are probably less surprising: Alaska ($66,835) and North Dakota ($66,507). Of course, they're small-population states with huge deposits of fossil fuels – which means their 2016 performance will be weaker.
Rounding out the Top Ten: Connecticut ($64,115), New York ($63,929), Delaware ($63,463), Massachusetts ($62,918), Wyoming, ($60,231), New Jersey ($56,721), California ($56,365), and Washington ($55,403). Aside from energy-rich Wyoming, these PCGDP leaders are in the Northeast and on the West Coast.
The U.S. national figure in 2015? $49,844 in real terms. So that reveals that some states at least are major PCGDP laggards. America's poorest state, by this yardstick, is Mississippi, with a 2015 PCGDP of only $31,894. Next, in ascending order, are Idaho ($35,505), South Carolina ($36,174), West Virginia ($36,486), Alabama ($37,597), Arkansas ($37,644), Maine ($37,958), Arizona ($38,244), and Florida ($38,950). The common theme here, of course? Deep South and Sunbelt.
But maybe the trends over time are markedly different from the picture portrayed in this snapshot? Let's examine the start of the recession (2007) through 2015. Interestingly, high-PCGDP state North Dakota was by far the fastest grower – with its real output per head surging by nearly 51 percent. Way behind in the second slot was another energy producer, Oklahoma (11.45 percent), followed by agricultural power Nebraska (10.19 percent).
Rounding out the fast-growing Top Ten are West Virginia (one of the poorest states, but a 9.82 percent grower), high PCGDP Texas ($53,707 in 2015, with 9.45 percent 2007-15 growth), South Dakota (8.50 percent), Pennsylvania (whose problems I highlighted last week but that nonetheless clocked in at 6.79 percent), Oregon (6.68 percent), New York (6.03 percent), and Minnesota (5.75 percent).
As with stand-still PCGDP, however, overall U.S. PCGDP growth of only 1.46 percent during this 2007-2015 period signals that output per head fell during this period in many states.

Nowhere was the plunge bigger than in Nevada (16.71 percent), Arizona (13.47 percent), and Florida (10.92 percent) – all hammered by the housing crisis. Revealingly, all are also fairly low PCGDP states.

Next came even lower PCGDP state Mississippi (-10.18 percent), high PCGDP states Wyoming (a big coal producer, at -9.31 percent) and Connecticut (8.09 percent), PCGDP laggard Idaho (5.66 percent), Georgia (another PCGDP laggard that was a prime housing bubble victim as well, at -5.38 percent), low-PCGDP state South Carolina (-4.60 percent), and much wealthier Delaware (-3.89 percent).

These fast-grower and fast-decliner PCGDP lists in particular strongly indicate that the U.S. economic recovery is getting more uneven geographically. The biggest question they raise, however, could well be political: Are these economic conditions providing many clues as to how these prospering and struggling states' Electoral College votes will turn out in November? As soon as we have the data, you'll be able to see them on *RealityChek*!