

Research Note

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MA Gross Domestic Product State for 1st Quarter 2018: +1.5%; GDP-S: \$542.2b

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OVERVIEW

- Real gross domestic product (GDP) state increased in 48 states and the District of Columbia in the first quarter of 2018, [according to statistics on the geographic breakout of GDP released by the U.S. Bureau of Economic Analysis](#).
- Real GDP by state growth in the first quarter ranged from 3.6 percent in Washington to -0.6 in North Dakota. See [Chart 1 from the BEA](#).
- The Massachusetts economy grew by 1.5 percent in the first quarter of 2018. This was below the 1.8 national average of all states and the District of Columbia. It ranked 29th in first quarter growth, nationally.
- As a region, the six states of New England grew by 1.5 percent, less than the average of all states (1.8 percent). The Southwest — Texas, New Mexico, Arizona and Oklahoma — grew the largest for Qtr1-2018 at 2.7 as did the Rocky Mountain region --Colorado, Idaho, Montana, Utah and Wyoming.
- The current dollar size of the Massachusetts GDP by State is \$542.2 billion and contributes 2.7 percent of the nation's GDP.
- **Durable Goods Manufacturing** increased 3.2 percent nationally. This is the eighth consecutive quarter of growth for the sector. In Massachusetts, **Durable and Nondurable Goods** manufacturing contributed 0.17 and 0.13 percentage points to the change in GDP-S, respectively.

ANALYSIS

Gross Domestic Product State (GDP-S) is the market value of goods and services produced by labor and property (or capital) in a state. The sum of GDP for all states released this week (1.8 percent for Qtr1-2018) differs from the [headline number for national GDP \(Qtr1-2018: 2.0 percent\)](#) since outputs like military and overseas activity can't be attributed to any one state. **Real Estate and Rental and Leasing** along with **Information** sectors were the leading contributors to the increase in real GDP nationally. In Massachusetts, **Real Estate and Rental and Leasing; Information and Professional, Scientific, & Technical Services** were the major contributors to the 1.5 percent growth in Qtr1-2018. (See Table 1 p. 2.) Of these sectors, only the **Information** sector lost jobs (down 1,100) over a year ago. Meanwhile, **Real Estate, Rental and Leasing and Professional Services** added, 2,200 and 26,700 new jobs, respectively. Thus far, the state's economy has lagged the 2.6 percent change in growth it saw for 2017. Last year, the state experienced two stellar quarters of growth Qtr1-2017 at 5.1 and Qtr3-2017 at 5.2. In the most recent survey, Massachusetts growth lags expansions in other high technology states. How do other high-tech states compare with Massachusetts? The state of Washington grew by 3.6 percent the fastest in the nation, Virginia by 2.4 percent while the Utah economy grew by 3.2 percent. Meanwhile, California slowed to 1.5 percent, Colorado by 3.0 percent; North Carolina grew by 2.1 percent as Minnesota expanded by 1.6 percent.

Chart 1

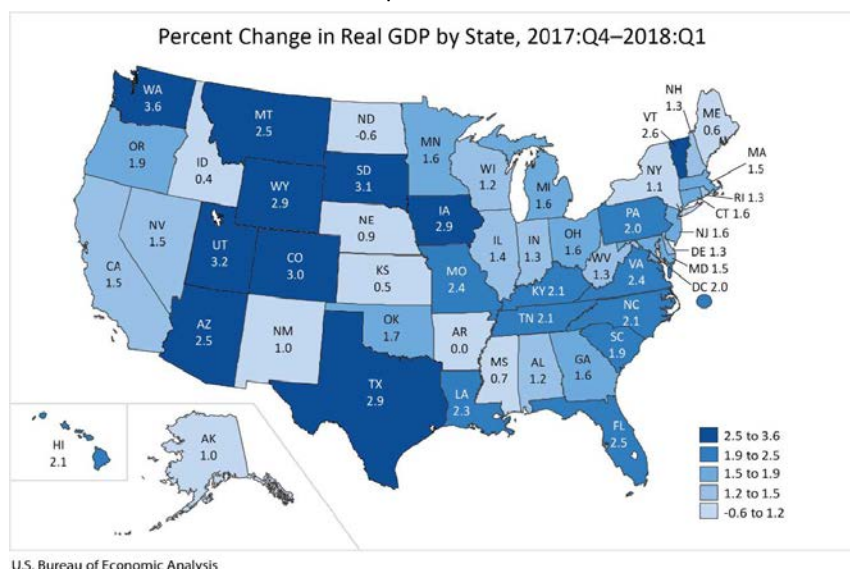


Table 1: MA Gross Domestic Product by State: First Quarter of 2018

Sector Contribution to Percent Change in Real GDP from Fourth Quarter of 2017.

Contributions to Percent Change in Real GDP	U.S.	NE	CT	ME	MA	NH	RI	VT
Percent change in real GDP by state	1.8	1.5	1.6	0.6	1.5	1.3	1.3	2.6
Real estate and rental and leasing	0.44	0.37	0.43	0.19	0.43	-0.08	0.33	0.50
Information	0.32	0.29	0.27	0.15	0.35	0.17	0.12	0.15
Professional, scientific, & technical services	0.13	0.20	0.11	0.01	0.30	0.07	0.04	0.10
Durable goods manufacturing	0.20	0.17	0.18	0.11	0.17	0.15	0.17	0.16
Health care and social assistance	0.16	0.19	0.23	0.23	0.16	0.16	0.21	0.20
Construction	0.17	0.12	0.05	0.05	0.15	0.20	0.09	0.14
Finance and insurance	0.17	0.22	0.42	0.11	0.14	0.21	0.24	0.15
Nondurable goods manufacturing	0.20	0.12	0.10	0.13	0.13	0.08	0.15	0.09
Retail trade	0.17	0.13	0.15	0.25	0.08	0.21	0.15	0.18
Educational services	0.03	0.06	0.03	0.05	0.07	0.10	0.03	0.05
Transportation and warehousing	0.19	0.06	0.06	0.06	0.06	0.06	0.03	0.09
Management of companies and enterprises	0.01	0.02	0.03	-0.02	0.03	-0.03	0.09	0.01
Wholesale trade	0.01	0.03	0.02	0.05	0.01	0.16	0.04	-0.02
Mining, quarrying, and oil and gas extraction	0.10	(D)	0.00	0.00	0.00	0.00	(D)	0.03
Agriculture, forestry, fishing, and hunting	-0.04	(D)	0.01	-0.06	-0.04	0.27	(D)	1.25
Accommodation and food services	-0.04	-0.04	0.02	-0.16	-0.04	-0.11	-0.09	-0.04
Admin support & waste management & remediation	-0.03	-0.05	0.00	-0.02	-0.07	-0.15	-0.05	-0.06
Utilities	-0.10	-0.11	-0.16	-0.16	-0.08	-0.11	-0.07	-0.12
Arts, entertainment, recreation	-0.07	-0.09	-0.08	-0.11	-0.08	-0.08	-0.09	-0.08
Other services (except govt & govt enterprises)	-0.10	-0.09	-0.08	-0.13	-0.10	-0.08	-0.07	-0.10
Government and government enterprises	-0.06	-0.11	-0.16	-0.09	-0.14	0.11	-0.01	-0.05
GDP-S Size Current Dollars (Millions of dollars)	19,828,567	1,050,844	268,528	63,015	542,247	82,770	61,268	33,016
*(D) Data suppressed for privacy purposes								