Economies in region's states growing, but GDP gains in most Midwest states fall below U.S. average

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Economies in all 11 Midwestern states grew between 2011 and 2012, but mostly at rates lower than the national average. The federal data, released in June by the U.S. Bureau of Economic Analysis [3], show an erosion in the region’s recent gains in gross domestic product as compared to the rest of the nation.

For the third straight year, North Dakota again topped U.S. rankings; its GDP growth of 13.4 percent was nearly triple that of any other state. Indiana and Minnesota also ranked among the 10 fastest-growing U.S. states. South Dakota had the slowest growth in this region, 0.2 percent (ranked 46th in the nation).

In 2011, every Midwestern state except Wisconsin either met or exceeded U.S. GDP growth. In contrast, only three of the region’s states — Indiana, Minnesota and North Dakota — outpaced last year’s nationwide growth.

Over the past three years, not a single Midwestern state has experienced negative GDP growth, with a rebound in the manufacturing sector helping lead the way. The new federal data show that the manufacturing of durable goods was the largest contributor to GDP growth last year in nine of the 11 Midwestern states. In Indiana, for example, gains in this sector accounted for more than half of the state’s total economic growth. (Nationwide, Indiana had the second-largest growth in durable-goods manufacturing.)

Mining was the largest contributor to GDP increases in North Dakota (about one-quarter of the total). In South Dakota, the finance and insurance sector was the top driver of economic growth.

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