



ECONOMY AT A GLANCE

Inside this issue:

Mississippi Leading Index, February 2022	2
Mississippi Coincident Index, February 2022	4
National Trends	5
Mississippi Employment Trends	8
Change in Mississippi Real GDP in 2021	11

A Publication of the University Research Center, Mississippi Institutions of Higher Learning

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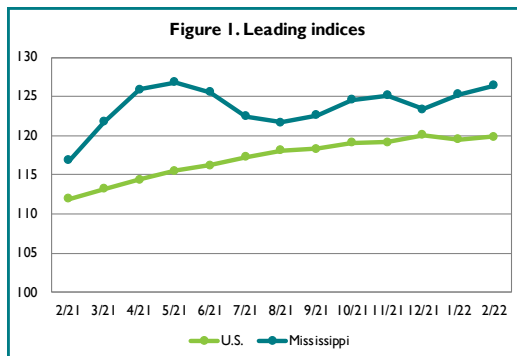
Figure 1 indicates the value of the Mississippi Leading Index (MLI) increased 0.9 percent in February. The value of the MLI for the month was 8.1 percent higher compared to one year earlier.

The value of the Mississippi Coincident Index (MCI) increased 0.4 percent in February as seen in Figure 2. Compared to one year ago the value for the month was 4.5 percent higher.

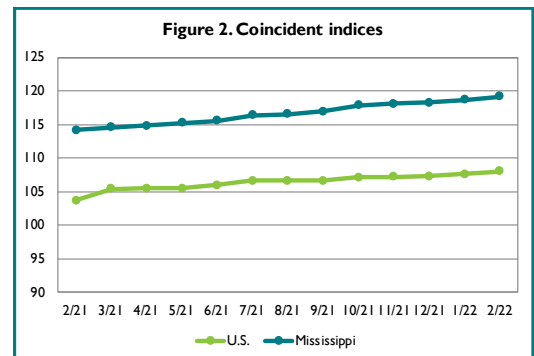
The U.S. Bureau of Economic Analysis (BEA) reported U.S. real GDP increased 6.9 percent in the fourth quarter of 2021 at a seasonally-adjusted, annualized rate. It was the agency's third estimate of the change and a decrease of 0.1 percentage point from its second estimate. The decrease in the third estimate was due to downward revisions to consumer spending, nonresidential fixed investment, state and local government spending, and ex-

ports that were partially offset by upward revisions to private inventory investment, residential fixed investment, imports, and federal government spending.

The value of the MLI posted another gain in February, due in large part to a strong month from initial unemployment claims. Both initial and continued claims as well as total employment are all essentially at or below their pre-recession levels, an indication of how far the state's labor market has come in the last two years. The Mississippi Manufacturing Employment Intensity Index and income tax withholdings had solid gains in February as well. Inflation and overall economic uncertainty continue to weigh on consumers' outlooks, as seen in the index of consumer expectations. Despite these headwinds, to date consumers have demonstrated the ability and willingness to continue spending.



Sources: University Research Center and The Conference Board



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 2012. The index is based on changes in nonfarm employment, the unemployment rate, average manufacturing work-week 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 2012.

MISSISSIPPI'S BUSINESS**MISSISSIPPI LEADING INDEX, FEBRUARY 2022**

As seen in Figure 3 the value of the **Mississippi Leading Index of Economic Indicators** (MLI) increased 0.9 percent in February. The value of the MLI was 8.2 percent higher for the month compared to one year earlier. The January value of the MLI was adjusted up to an increase of 1.5 percent following data revisions. Over the last six months the value of the MLI increased 3.9 percent.

In February five of the seven components of the MLI decreased in value. The largest contribution for the month came from initial unemployment claims. Each component is discussed below in order of largest to smallest contribution.

In February the number of seasonally-adjusted **initial unemployment claims** in Mississippi fell 37.3 percent in as seen in Figure 4. Compared to one year earlier the value for the month was 91.4 percent lower. The number of seasonally-adjusted continued unemployment claims in Mississippi decreased 30.3 percent in February as seen in Figure 16 on page 6. The number of continued unemployment claims in the state for the month was 84.5 percent lower compared to one year earlier. Notably, both initial and continued claims in the state were below their pre-pandemic levels of February 2020 for the first time as of February. The seasonally-adjusted unemployment rate in Mississippi in February was 4.5 percent as seen in Figure 17 on page 6, a decrease of 0.1 percentage point from January. The rate was 2.0 percentage points lower compared to one year earlier. The 4.5 percent rate in February marked a new series low for Mississippi in the BLS data that go back to 1976.

The **Mississippi Manufacturing Employment Intensity Index** climbed in value by 3.5 percent in February as seen in Figure 5. The increase for the month was the largest since June 2020. The value in February was 9.9 percent higher compared to one year earlier. The 3.5 percent increase in the average weekly hours of production employees in February was entirely responsible for the increase in the Index, as Manufacturing employment in the state was unchanged.

The value of **Mississippi income tax withholdings** (three-month moving average) rose 1.0 percent in February as seen in Figure 6. The value reached its highest level since September 2021. The value of withholdings in February was 3.0 percent higher compared to one year earlier. Over the last six months the value of income tax withholdings in Mississippi increased 1.2 percent.

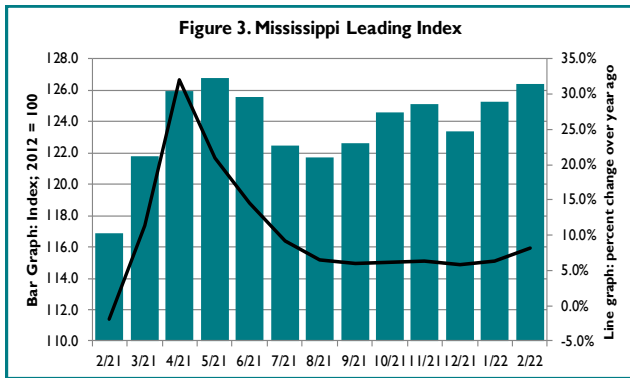
The value of **U.S. retail sales** edged up 0.3 percent in February as Figure 7 indicates. However, January sales were revised up from an increase of 3.8 percent to a gain of 4.9 percent. The value of sales in February was 17.6 percent higher compared to one year earlier. Sales of gasoline were up 5.3 percent in February and were responsible for most of the increase for the month; sales excluding gasoline were down 0.2 percent. Sales at Food and Drinking Places were up 2.5 percent. The largest decrease in sales among all segments occurred in Nonstore Retailers, which fell 3.7 percent.

Mississippi residential building permits (three-month moving average) increased in value by 0.4 percent in February as seen in Figure 8. The value was 2.4 percent higher for the month compared to one year earlier, the first year-over-year increase since June 2021. In February the number of units in the state rose 4.8 percent. The number of units in the state for the month was up 3.6 percent compared to one year earlier, the first year-over-year increase in units since May 2021. The number of privately-owned housing units authorized by building permits in the U.S. in February fell 1.9 percent from the revised January rate. Compared to one year earlier the number of units in the U.S. in February was up 7.7 percent.

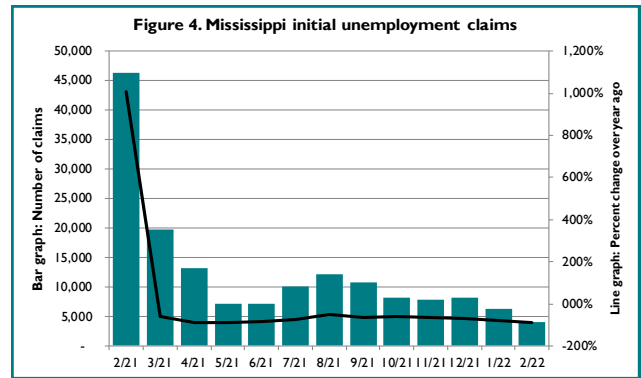
As seen in Figure 9 the value of the **ISM Index of U.S. Manufacturing Activity** fell 2.6 percent in March. Compared to one year earlier the value for the month was 11.7 percent lower, the largest year-over-year decrease in the Index since May 2020. The largest decrease among the components occurred in New Orders, although the only industry that reported a decline in new orders was petroleum and coal products. The Supplier Deliveries component decreased, an indication delivery times were faster in March, but was still above its January value. The prices paid index surged in March to its highest level since June 2021. Steel was the only commodity that reported a lower price in March.

For the eighth time in the last nine months the value of the **University of Michigan Index of Consumer Expectations** (three-month moving average) decreased in February as seen in Figure 10. The value sank 7.3 percent for the month. The value in February was down 20.8 percent compared to one year earlier. Inflation likely weighed on expectations once again, the price of gasoline in particular. Short-term (one-year) inflation expectations surged in the most recent survey while long-term (five-year) inflation expectations were unchanged.

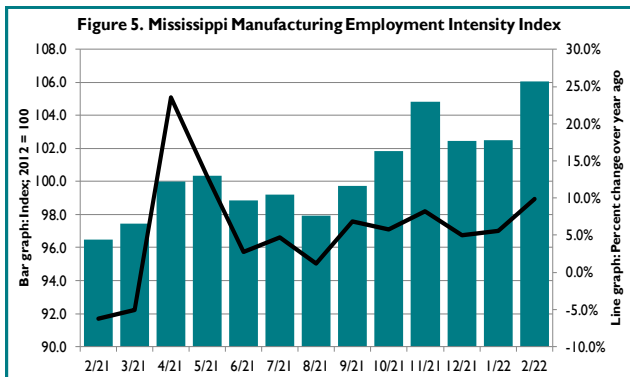
MISSISSIPPI LEADING INDEX AND COMPONENTS, IN FIGURES



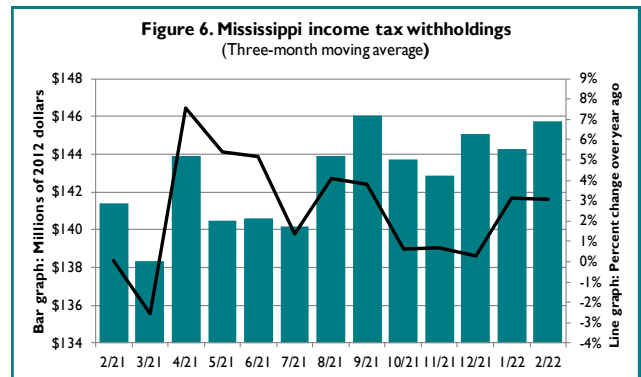
Source: University Research Center



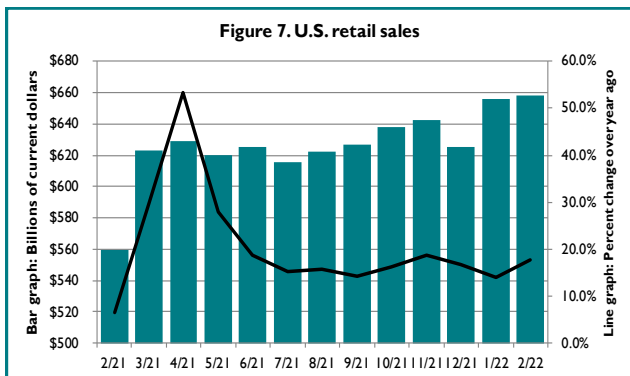
Source: U.S. Department of Labor; seasonally adjusted



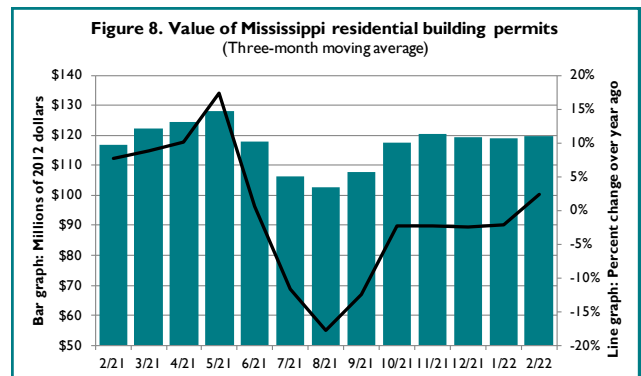
Source: URC using data from U.S. Bureau of Labor Statistics



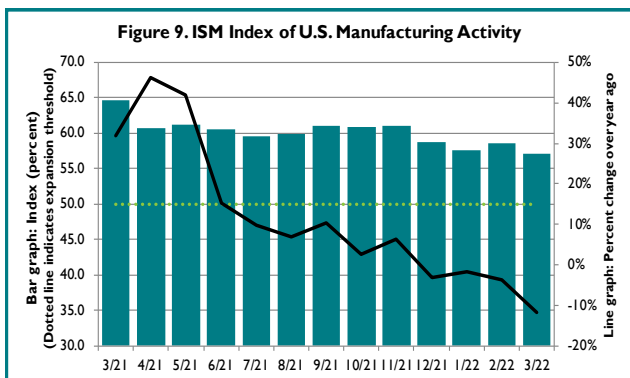
Source: Mississippi Department of Revenue; seasonally adjusted



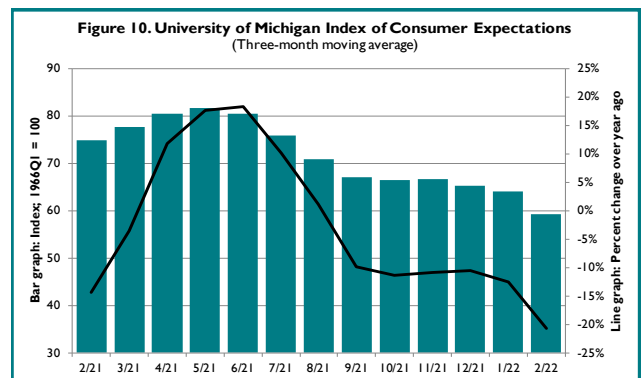
Source: U.S. Bureau of the Census



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



Source: Institute for Supply Management



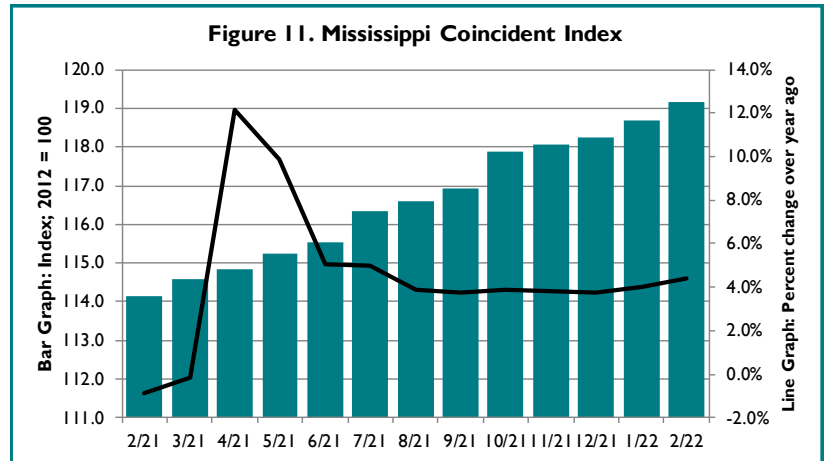
Source: Thomson Reuters/University of Michigan Surveys of Consumers

MISSISSIPPI'S BUSINESS

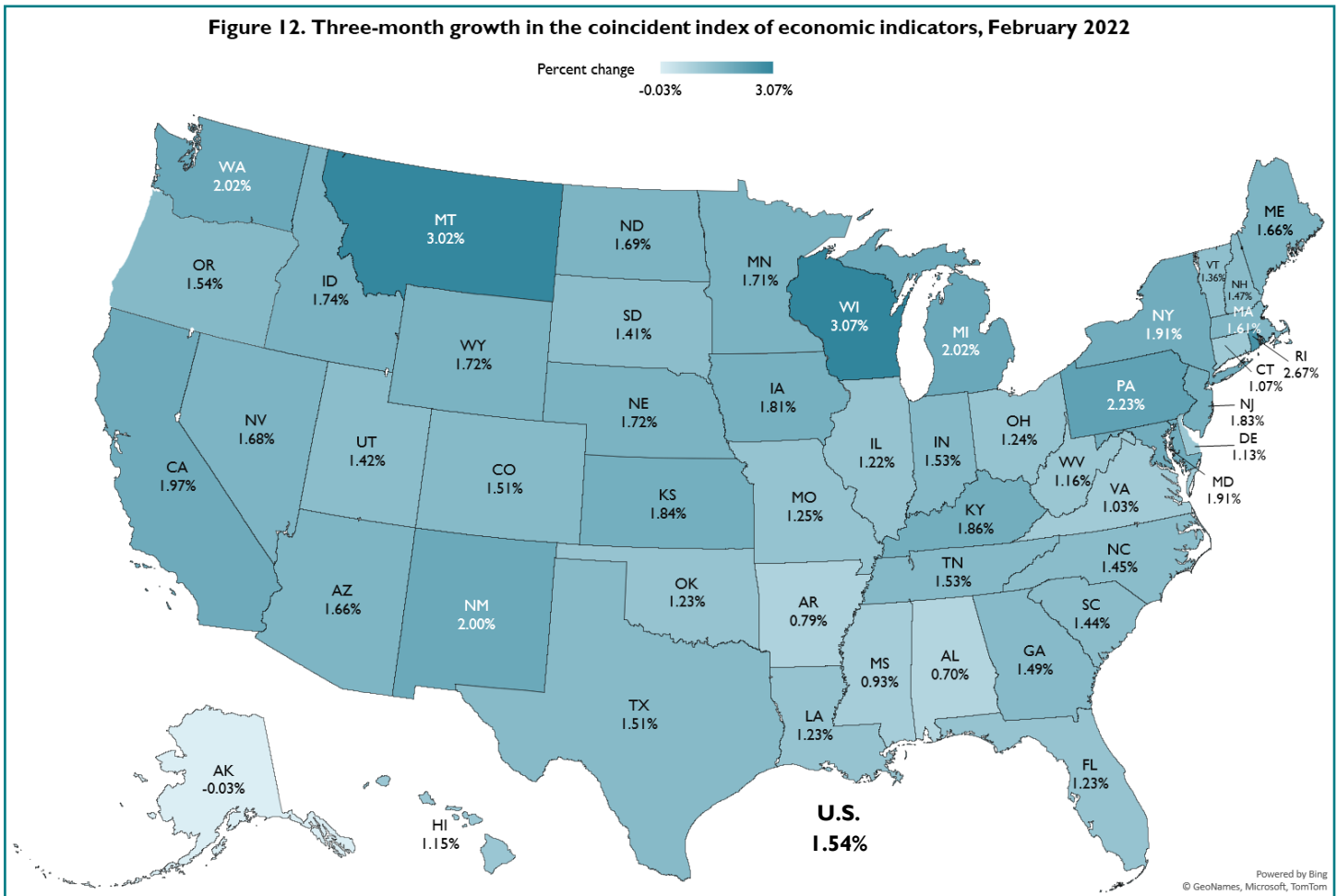
MISSISSIPPI COINCIDENT INDEX, FEBRUARY 2022

The value of the **Mississippi Coincident Index of Economic Indicators (MCI)** rose 0.4 percent in February according to the Federal Reserve Bank of Philadelphia as seen in Figure 11. The value of the MCI in December was 4.5 percent higher compared to one year earlier.

As seen in Figure 12 the values of the coincident indices increased in forty-nine states in February compared to November. The largest increases occurred in Montana and Wisconsin, where the values of the coincident indices increased more than 3.0 percent over the last three months. The values of coincident indices increased by 2.0 percent up to 3.0 percent in February compared to November in five states. In forty states the values of the coincident index increased between 1.0 percent and 2.0 percent over the last three months. In Alabama, Arkansas, and Mississippi the values of the coincident index increased less than 1.0 percent in February compared to November. Alaska was the only state where the value of the coincident index decreased over the past three months.



Source: Federal Reserve Bank of Philadelphia



Source: Federal Reserve Bank of Philadelphia

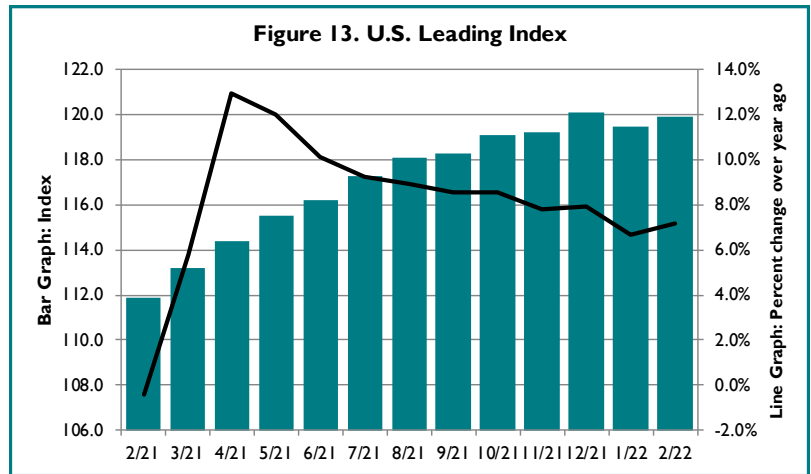
NATIONAL TRENDS

In February The Conference Board reported the value of the U.S. Leading Economic Index (LEI) rose 0.3 percent as seen in Figure 13. Compared to one year earlier the value of the LEI was 6.3 percent higher for the month. Seven of the ten components of the LEI made positive contributions in February. The largest positive contribution came from the interest rate spread, which has quickly grown as the Fed begins to increase interest rates. The value of the LEI rose 2.1 percent over the last six months.

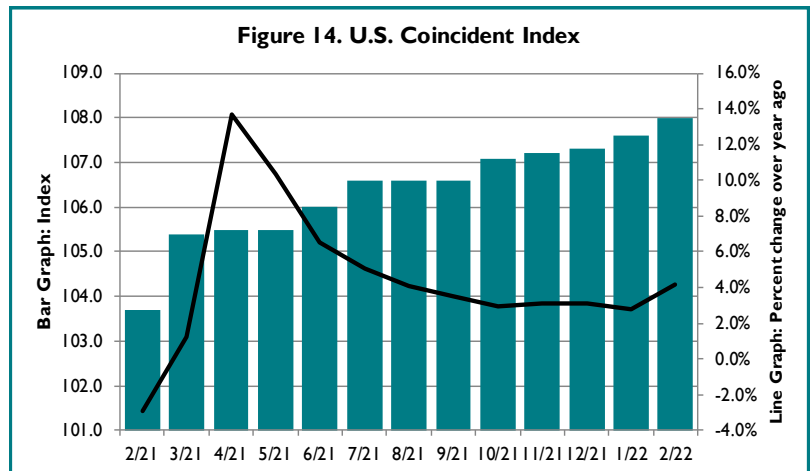
The value of the U.S. Coincident Economic Index (CEI) increased 0.4 percent in February according to The Conference Board as seen in Figure 14. Compared to one year earlier the value of the CEI for the month was 4.1 percent higher. As in January all four components of the CEI made positive contributions in February. Employees on nonagricultural payrolls made the largest contribution. Over the last six months the value of the CEI increased 1.5 percent.

In February the value of the National Federation of Independent Businesses (NFIB) Small Business Optimism Index decreased 1.4 percent as seen in Figure 15. Compared to one year earlier the value of the Index for the month was down 0.1 percent, the first year-over-year decrease since November. Six of the ten components of the Index decreased in February and the largest decline was in the “plans to increase employment” component. The “current job openings” component increased slightly for the month, near its highest level in the history of the Index. The “plans to raise prices” component decreased for the third consecutive month.

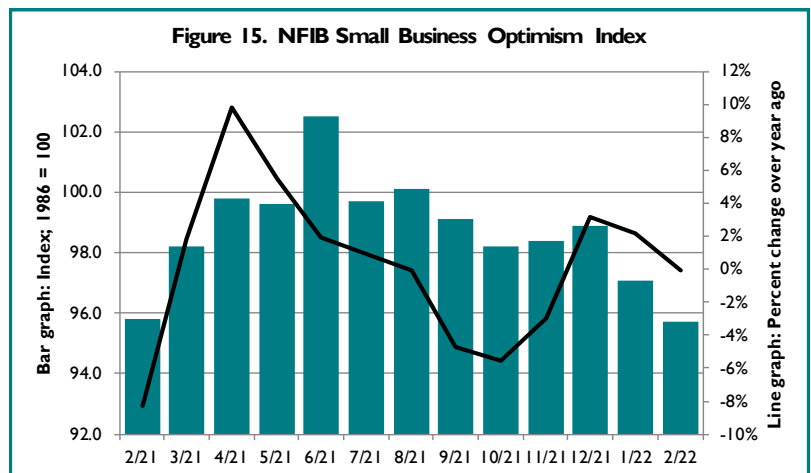
In the days following last month’s increase in the federal funds rate target by the Federal Open Market Committee (FOMC), the first in over three years, some regional Federal Reserve bank presidents have called for increases larger than 0.25 basis points. In public comments last month Fed Chair Jerome Powell stated the FOMC could raise the rate target by more than 0.25 basis points if “it is appropriate to move more aggressively.” As a result of such comments, futures markets now anticipate a federal funds rate in the 2.0 to 2.25 percent range by the end of the year.



Source: The Conference Board



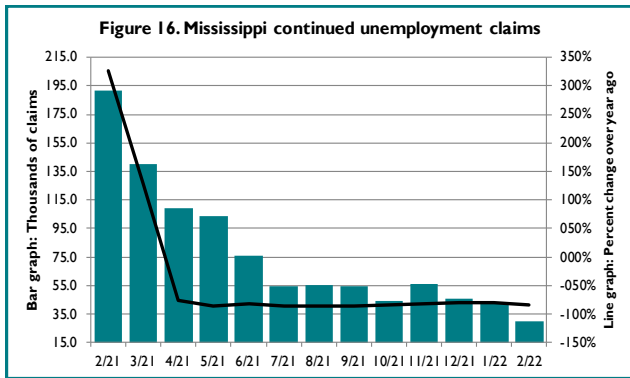
Source: The Conference Board



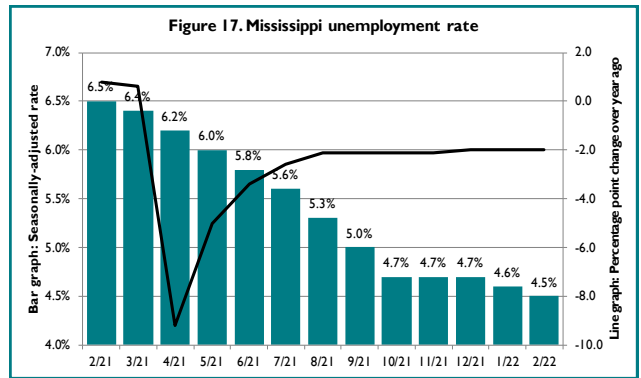
Source: National Federation of Independent Businesses

MISSISSIPPI'S BUSINESS

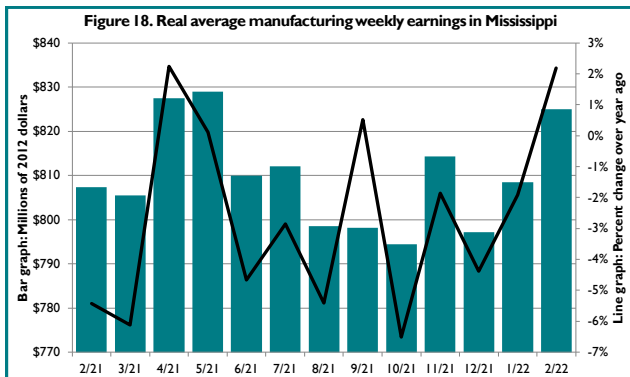
MISCELLANEOUS ECONOMIC INDICATORS, IN FIGURES



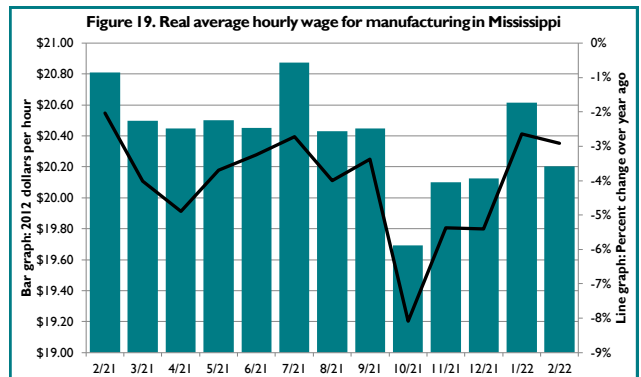
Source: U.S. Department of Labor; seasonally adjusted



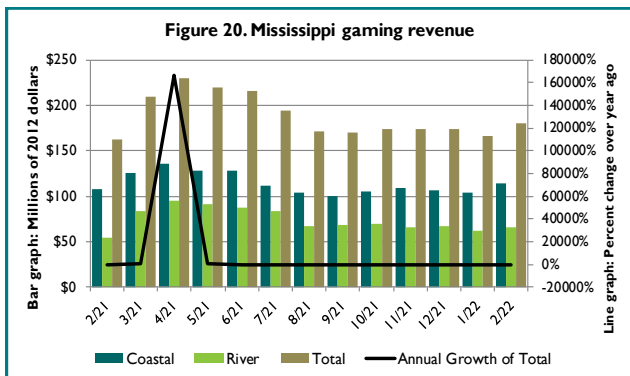
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



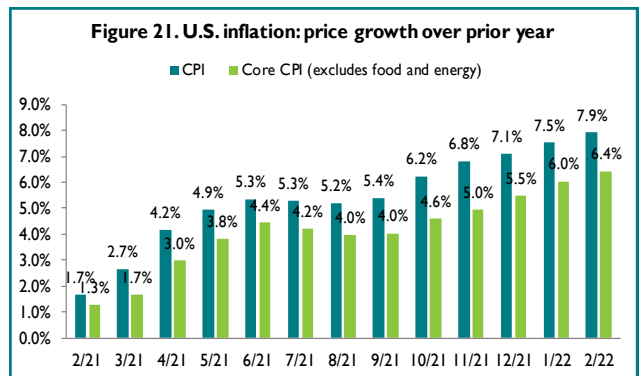
Source: U.S. Bureau of Labor Statistics; non-seasonally adjusted



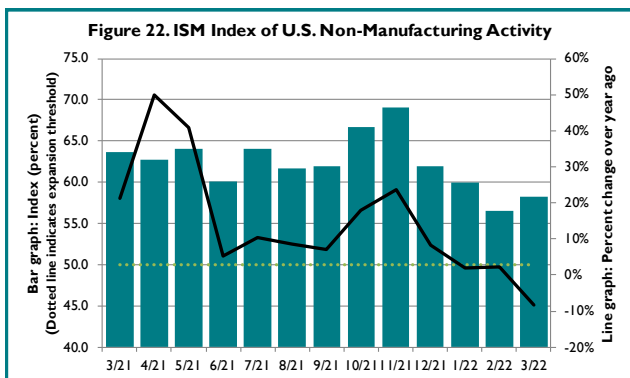
Source: U.S. Bureau of Labor Statistics; seasonally adjusted



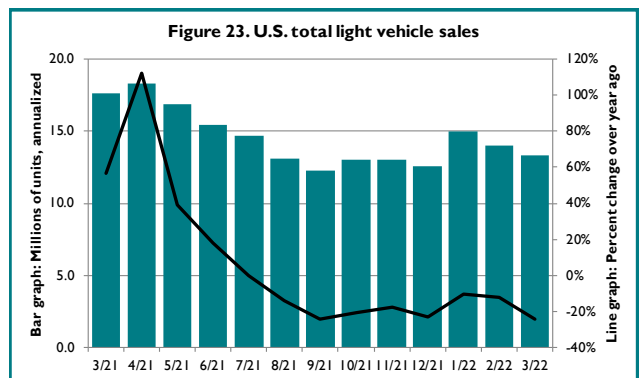
Source: Mississippi Department of Revenue; seasonally adjusted



Source: U.S. Bureau of Labor Statistics



Source: Institute for Supply Management



Source: Bureau of Economic Analysis; seasonally adjusted at annual rates

TABLE I. SELECTED ECONOMIC INDICATORS

Indicator	February	January	February	Percent change from	
	2022	2022	2021	January 2022	February 2021
U.S. Leading Economic Index 2012 = 100. Source: The Conference Board	119.9	119.5	111.9	▲0.3%	▲7.1%
U.S. Coincident Economic Index 2012 = 100. Source: The Conference Board	108.0	107.6	103.7	▲0.4%	▲4.1%
Mississippi Leading Index 2012 = 100. Source: University Research Center	126.4	125.3	116.9	▲0.9%	▲8.1%
Mississippi Coincident Index 2012 = 100. Source: Federal Reserve Bank of Philadelphia	119.2	118.7	114.1	▲0.4%	▲4.5%
Mississippi initial unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	3,962	6,323	46,332	▼37.3%	▼91.4%
Value of Mississippi residential building permits Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Bureau of the Census	119.6	119.1	116.8	▲0.4%	▲2.4%
Mississippi income tax withholdings Three-month moving average; seasonally adjusted; millions of 2007 dollars. Source: Mississippi Department of Revenue	145.7	144.3	141.4	▲1.0%	▲3.0%
Mississippi Manufacturing Employment Intensity Index 2012 = 100. Source: URC using data from U.S. Bureau of Labor Statistics	106.1	102.5	96.5	▲3.5%	▲9.9%
University of Michigan Index of Consumer Expectations Three-month moving average; index 1966Q1 = 100. Source: Thomson Reuters/University of Michigan Surveys of Consumers	59.3	63.9	74.8	▼7.3%	▼20.8%
ISM Index of U.S. Manufacturing Activity Advanced one month. Source: Institute for Supply Management	57.1	58.6	64.7	▼2.6%	▼11.7%
U.S. retail sales Current dollars, in billions. Source: Bureau of the Census	658.1	656.1	559.6	▲0.3%	▲17.6%
U.S. Consumer Price Index (CPI)	123.8	122.8	114.7	▲0.8%	▲7.9%
U.S. Core CPI (excludes food and energy) 2012 = 100. Source: URC using data from Bureau of Labor Statistics	125.3	124.7	117.7	▲0.5%	▲6.4%
Mississippi unemployment rate Percentage point change. Seasonally-adjusted. Source: U.S. Bureau of Labor Statistics	4.5%	4.6%	6.5%	▼0.1	▼2.0
Mississippi continued unemployment claims Seasonally adjusted. Source: U.S. Department of Labor	29,747	42,708	191,370	▼30.3%	▼84.5%
ISM Index of U.S. Non-Manufacturing Activity Advanced one month. Source: Institute for Supply Management	58.3	56.5	63.7	▲3.2%	▼8.5%
U.S. mortgage rates Percentage point change. Seasonally adjusted; 30-year conventional. Source: Federal Home Loan Mortgage Corporation	3.75%	3.42%	2.80%	▲0.33	▲0.95
Mississippi average hourly wage for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	20.20	20.62	20.81	▼2.0%	▼2.9%
Mississippi average weekly earnings for manufacturing Seasonally adjusted; 2012 dollars. Source: U.S. Bureau of Labor Statistics	825.02	808.52	807.37	▲2.0%	▲2.2%
NFIB Small Business Optimism Index 1986 = 100. Source: National Federation of Independent Businesses	95.7	97.1	95.8	▼1.4%	▼0.1%
U.S. total light vehicle sales Millions of units seasonally adjusted at annual rates. Source: U.S. Bureau of Economic Analysis	13.33	13.97	17.64	▼4.6%	▼24.4%
Gaming revenue	180.09	166.03	162.2	▲8.5%	▲11.0%
Coastal counties	114.05	103.80	107.8	▲9.9%	▲5.8%
River counties Seasonally adjusted; millions of 2012 dollars. Source: Mississippi Department of Revenue	66.04	62.23	54.4	▲6.1%	▲21.4%

Economic Indices

Components of the Mississippi Leading Index

Miscellaneous Indicators

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS

February employment in Mississippi increased by 3,600 jobs according to the U.S. Bureau of Labor Statistics (BLS), an increase of 0.3 percent. BLS revised January employment up by 1,300 jobs. Total nonfarm employment in Mississippi in February was higher by 38,300 jobs compared to one year earlier, a 3.5 percent increase.

BLS reported total nonfarm employment increased in twenty-seven states in February and was essentially unchanged in twenty-three states and the District of Columbia. The largest increase in employment occurred in California, which added 138,100 jobs, followed by Texas, which added 77,800 jobs, and Florida, which added 51,000 jobs. The largest percentage gain in employment among all states in February occurred in Nebraska, where employment rose by 1.2 percent.

Employment was higher in forty-eight states and the District of Columbia in February compared to one year earlier and was essentially unchanged in Delaware and South Dakota. California added 1,106,300 jobs over the last twelve months, the most among all states, followed by Texas, which added 832,200 jobs, and Florida, which added 530,200 jobs. Employment rose 9.7 percent in Nevada over the last twelve months, the largest percentage increase in employment among all states.

The Professional and Business Services sector in Mississippi added 1,600 jobs in February, the largest increase in employment among all sectors. The largest percentage increase in employment for the month among all sectors in the state was the 2.2 percent increase in Arts and Entertainment, an addition of 200 jobs. The largest decrease in employment among all sectors in the state in February was the 400 jobs lost in Government. These job losses were spread across federal, state, and local government. Employment in the Information sector fell 1.0 percent for the month, the largest percentage decrease in employment among all sectors and a loss of 100 jobs. Government and Information were the only two sectors to lose jobs in February; employment in Manufacturing and Educational Services was unchanged.

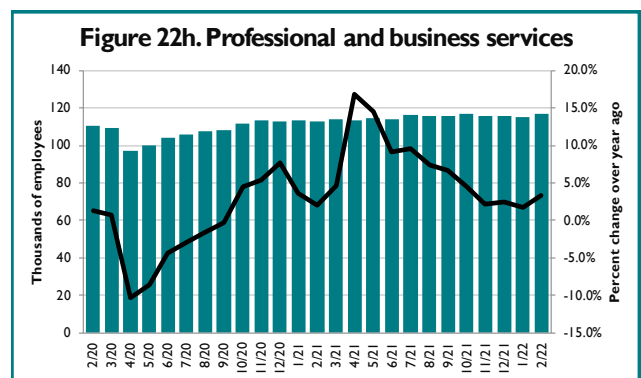
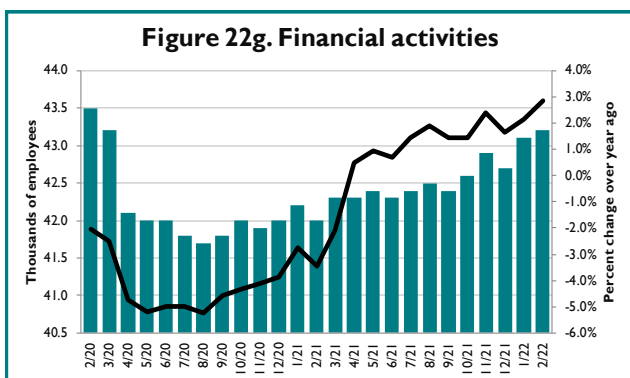
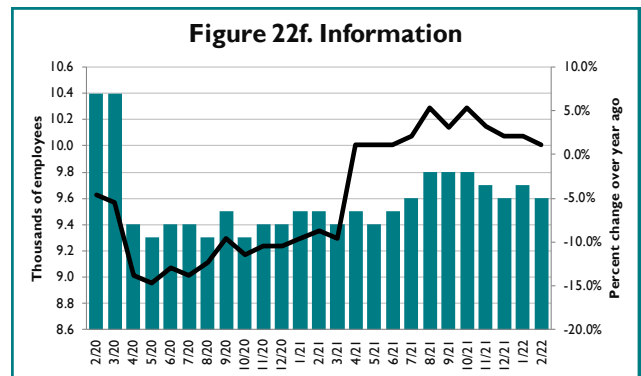
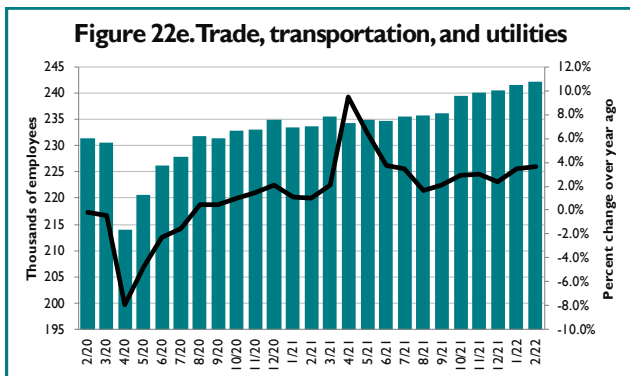
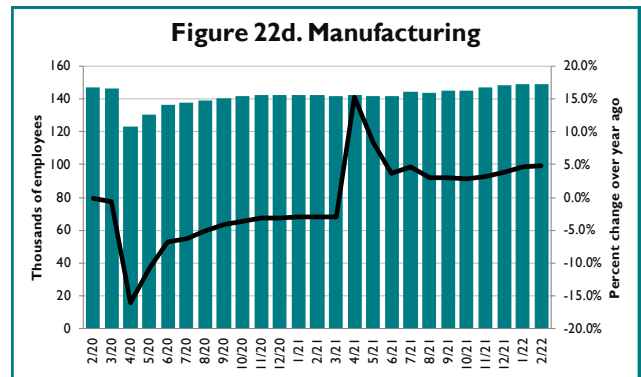
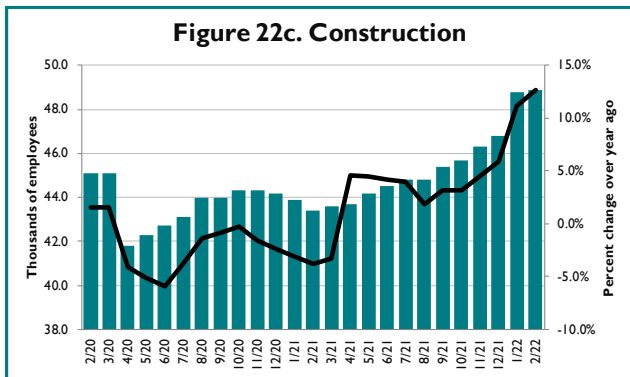
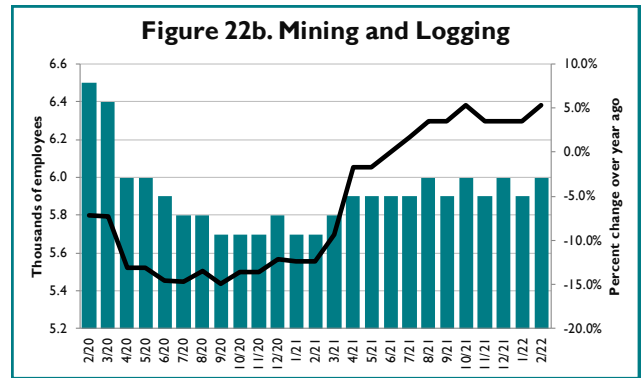
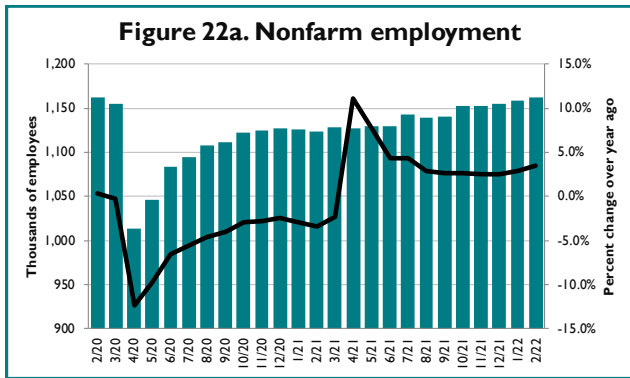
The Accommodation and Food Services sector added 9,700 jobs over the last twelve months as of February, the most among all sectors in Mississippi. The largest percentage increase in employment in February compared to one year earlier was the 12.7 percent increase in Construction. No sector in the state lost jobs over the last twelve months as of February; employment in the Other Services sector was unchanged.

Table 2. Change in Mississippi employment by industry, February 2022

	Relative share of total ^a	February 2022	January 2022	February 2021	Change from January 2022		Change from February 2021	
					Level	Percent	Level	Percent
Total Nonfarm	100.0%	1,162,200	1,158,600	1,123,400	▲3,600	▲0.3%	▲38,800	▲3.5%
Mining and Logging	0.5%	6,000	5,900	5,700	▲100	▲1.7%	▲300	▲5.3%
Construction	4.0%	48,900	48,800	43,400	▲100	▲0.2%	▲5,500	▲12.7%
Manufacturing	12.7%	149,200	149,200	142,400	◀▶0	◀▶0.0%	▲6,800	▲4.8%
Trade, Transportation & Utilities	20.8%	242,200	241,500	233,700	▲700	▲0.3%	▲8,500	▲3.6%
Retail Trade	12.0%	138,300	138,100	135,800	▲200	▲0.1%	▲2,500	▲1.8%
Information	0.8%	9,600	9,700	9,500	▼100	▼1.0%	▲100	▲1.1%
Financial Activities	3.7%	43,200	43,100	42,000	▲100	▲0.2%	▲1,200	▲2.9%
Services	36.9%	428,600	425,500	413,100	▲3,100	▲0.7%	▲15,500	▲3.8%
Professional & Business Services	10.1%	116,700	115,100	113,000	▲1,600	▲1.4%	▲3,700	▲3.3%
Educational Services	1.1%	12,400	12,400	11,600	◀▶0	◀▶0.0%	▲800	▲6.9%
Health Care and Social Assistance	11.2%	127,700	127,300	127,400	▲400	▲0.3%	▲300	▲0.2%
Arts and Entertainment	0.8%	9,500	9,300	8,500	▲200	▲2.2%	▲1,000	▲11.8%
Accommodation and Food Services	10.4%	123,800	123,300	114,100	▲500	▲0.4%	▲9,700	▲8.5%
Other Services	3.4%	38,500	38,100	38,500	▲400	▲1.0%	◀▶0	◀▶0.0%
Government	20.5%	234,500	234,900	233,600	▼400	▼0.2%	▲900	▲0.4%

^aRelative shares are for the most recent twelve-month average. Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

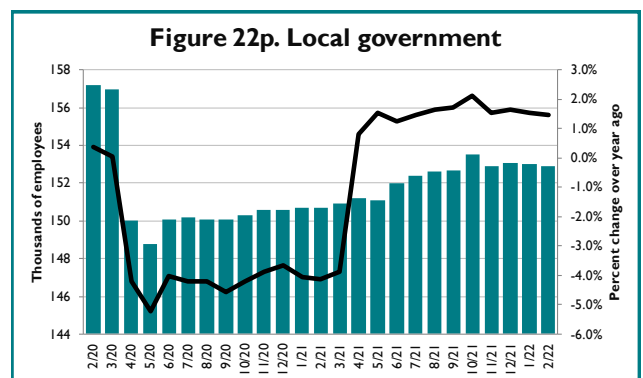
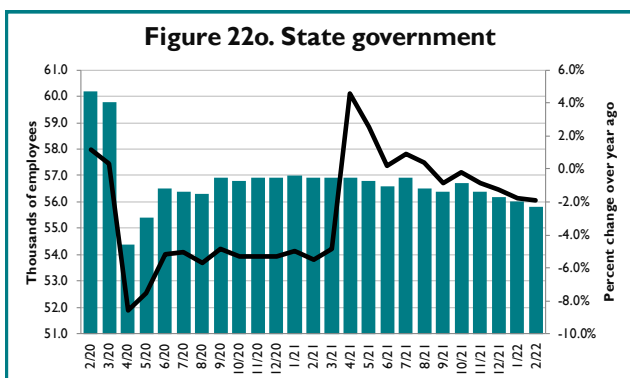
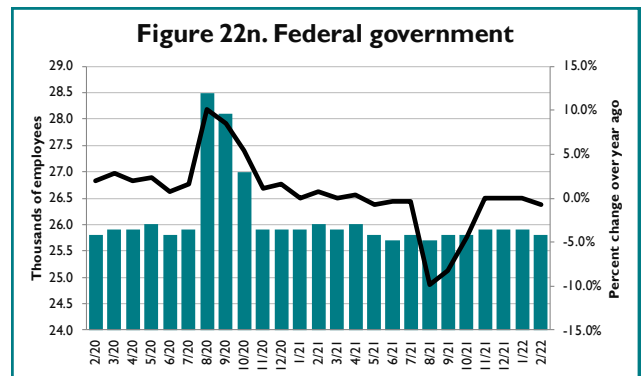
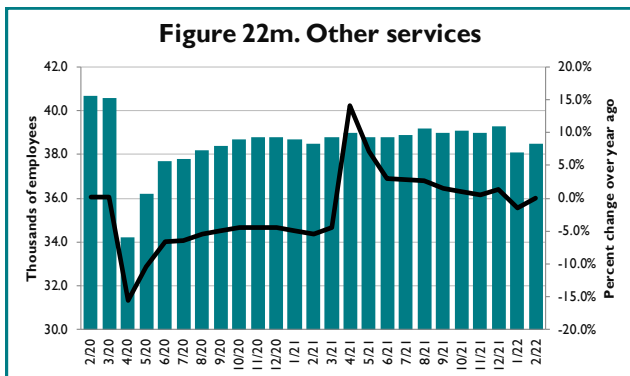
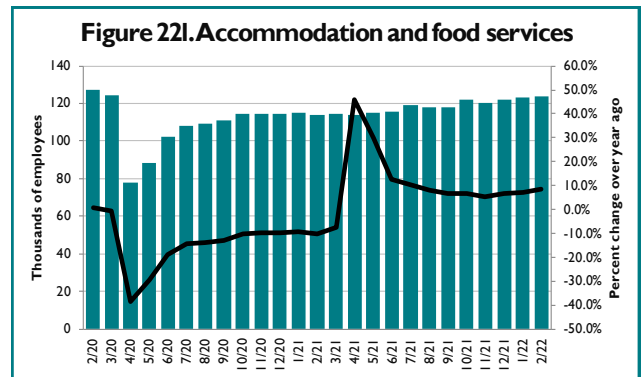
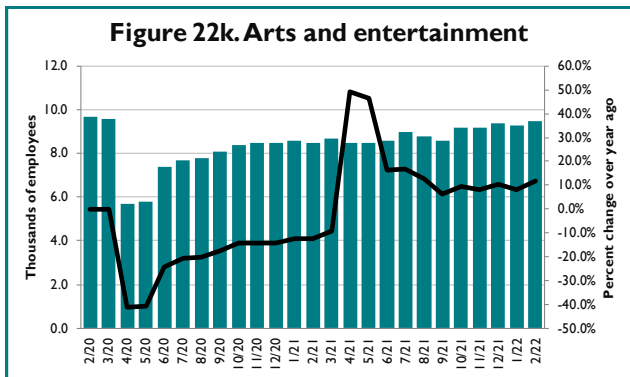
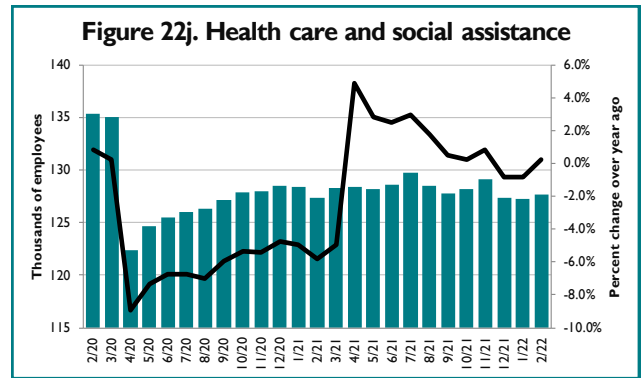
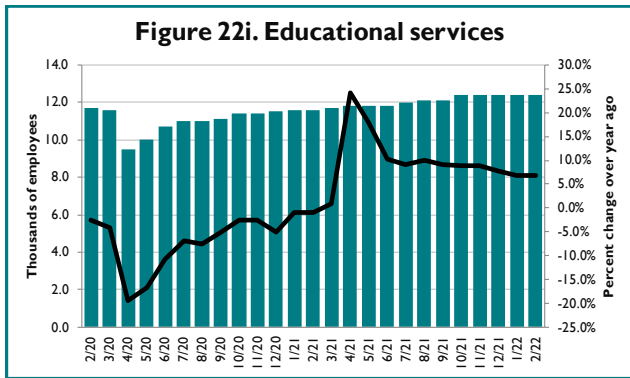
MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES



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

MISSISSIPPI'S BUSINESS

MISSISSIPPI EMPLOYMENT TRENDS BY SECTOR, IN FIGURES (CONTINUED)



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

CHANGE IN MISSISSIPPI REAL GDP IN 2021

Real GDP for all states and the District of Columbia expanded in 2021 according to the recently released preliminary estimates by the U.S. Bureau of Economic Analysis (BEA). Real GDP for Mississippi increased 4.4 percent in 2021, which ranked thirty-fourth among all states. The increase in real GDP for the state was the largest annual growth in the state's economy since 1995 and the first annual increase of 1.0 percent or more since 2012.

Table 3 below lists the contributions by sector to the 4.4 percent increase in the state's real GDP in 2021 from largest to smallest. (BEA's preliminary estimates only include the changes in major industries.) The sector with the largest positive contribution to real GDP growth in 2021 was Manufacturing, which increased real GDP by 1.10 percentage point. The next largest contribution came from the Finance, Insurance, Real Estate, and Rental and Leasing sector, which added 0.87 percentage point to real GDP growth in 2021. The next largest contribution came from the Agriculture, Forestry, Fishing, and Hunting sector and the Accommodation and Food Services sector, which added 0.56 and 0.55 percentage point to real GDP growth, respectively. The Accommodation and Food Services sector likely was the hardest hit by the recession and associated pandemic in 2020 and was among those that rebounded strongly in 2021. Most service sectors bore the brunt of the impacts of the 2020 recession. Only three sectors made negative contributions to Mississippi real GDP in 2021. The largest negative contribution came from the Utilities sector, which reduced growth by 0.28 percentage point. The other two sectors that negatively impacted real GDP growth were Construction and Mining, both of which slightly reduced real GDP by 0.04 percentage point. In addition, output in the Educational Services sector was unchanged.

Figure 25 on page 12 depicts the percentage change in real GDP for all states and the District of Columbia in 2021. The largest increase in real GDP among all states and the District of Columbia occurred in neighboring Tennessee, as the state's economy expanded by 8.6 percent. This increase was closely followed by New Hampshire, where real GDP increased by 8.5 percent. The third-largest increase in output in 2021 occurred in California, where real GDP grew 7.8 percent. While no state's economy experienced a contraction in 2021, the smallest increase in real GDP was the 0.3 percent growth in Alaska. No other state had real GDP growth of less than 1.0 percent in 2021. The next smallest increase occurred in Wyoming, where the economy expanded by 1.1 percent. All other states experienced real GDP growth of more than 2.0 percent in 2021.

Table 3. Contributions to percent change in Mississippi real GDP by sector, 2020-2021

Sector	Percentage point
Manufacturing	1.10
Finance, insurance, real estate, and rental and leasing	0.87
Agriculture, forestry, fishing, and hunting	0.56
Accommodation and food services	0.55
Health care and social assistance	0.44
Administrative and support and waste management	0.42
Professional, scientific, and technical services	0.22
Transportation and warehousing	0.17
Wholesale trade	0.13
Government and government enterprises	0.09
Arts, entertainment, and recreation	0.05
Other services	0.04
Information	0.03
Retail trade	0.03
Management of companies and enterprises	0.01
Educational services	0.00
Construction	-0.04
Mining	-0.04
Utilities	-0.28
Total	4.4%

Source: U.S. Bureau of Economic Analysis

MISSISSIPPI'S BUSINESS

CHANGE IN MISSISSIPPI REAL GDP IN 2021, CONTINUED

In recent years, the states with the fastest growing economies typically are those in the western half of the country. While this pattern still held true to some extent in 2021, as five of the ten states with the largest increases in real GDP were located west of the Mississippi River, growth was more varied across states. Tennessee and New Hampshire had the largest increases in real GDP among all states and Florida and Indiana were tied for the fifth-highest growth in real GDP in 2021. The impacts of COVID-19 may have played a role in how state economies recovered in 2021. In addition, states with economies that have a relatively large energy sector likely underperformed in 2021, as energy prices largely did not recover until late in the year. States with energy sectors that also had relatively small increases in real GDP in 2021 include Alaska, Louisiana, Oklahoma, and Wyoming. Although Texas has a large and diverse economy, the energy sector remains integral to economic growth and likely limited how much the state's real GDP increased in 2021.

The GDP data by state reported by BEA should be viewed with a couple of caveats as is usually the case. As noted earlier the 2021 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. Much like in 2020, BEA's activities were limited by the pandemic in 2021 and substantial revisions to the 2021 data could occur. BEA also uses a different methodology to compute state-level GDP than it employs in its calculations of U.S. GDP. In its estimates of national GDP, BEA uses spending on final goods and services, investment, and net foreign trade as a basis, the typical textbook calculation of GDP. However, the agency derives state GDP from incomes earned and costs of production.

