

In the first quarter of 2014, a 2.9 percent contraction in real gross domestic product (GDP) threw some shade on an already dim economic recovery. This was the worst quarter for economic growth since the first quarter of 2009. The weak first quarter, in part, reflects a worse than expected winter, but it has dampened expectations for the economy going forward. The Federal Reserve reduced its forecast of 2014 GDP: it now expects the economy to grow 2.1 to 2.3 percent, down from 2.8 to 3.0 percent.<sup>1</sup> Similarly, the Philadelphia Federal Reserve Survey of Professional Forecasters recently dropped its projected annual-average growth rate for 2014 to 2.4 percent, down from a 2.8 percent annual-average projection in February (Federal Reserve Bank of Philadelphia 2014). On the bright side, total employment is 0.1 percent above the January 2008 peak, but still behind as a share of the labor force. And equity markets do not appear to be reacting to the disappointing economic news from the first quarter.

State economies are still expanding slowly. While GDP grew, during 2013, in every state but Alaska, several states have not fully recovered from the recession. And unemployment remains stubbornly high across the country; unemployment rates are higher than 2007 levels (when the recession began) in most states.

Revenue growth also remains weak because of the anemic recovery. Despite the strong equities market in 2013, many states saw a reversal of fortune in income tax revenue. Last year, individual income tax revenue was up, buoyed by investors realizing capital gains in 2012 to avoid possibly higher tax rates in 2013. Accurately forecasting the magnitude of this federally induced volatility proved challenging for state revenue forecasters.

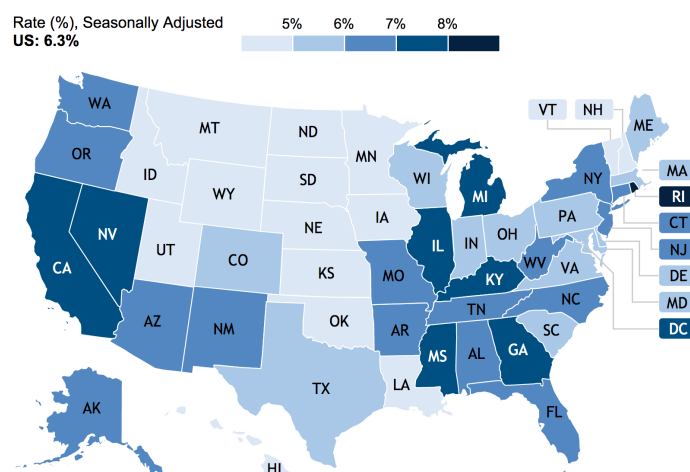
This issue of the State Economic Monitor describes trends in economic and fiscal conditions at the state level, noting particular differences in employment, state government finances, housing, and economic conditions among the states. We include a special supplement on public pension plans on page 6. The next issue of the State Economic Monitor will come out in October 2014.

## EMPLOYMENT AND EARNINGS

The national unemployment rate continued its gradual decline this spring, falling from 6.7 percent in February to 6.3 percent in May, the lowest it has been since September 2008 (figure 1). The May unemployment rate was below 5 percent in 15 states and below 4 percent in 6 of those states (Nebraska, North Dakota, South Dakota, Utah, Vermont, and Wyoming). For North Dakota and Vermont, the unemployment rate is the lowest since before the 2001 recession. Only Rhode Island still has an unemployment rate above 8 percent, and even there the rate has declined from 9 percent in February to 8.2 percent in May. In contrast, in May 2013, 14 states and the District of Columbia (DC) had rates of 8 percent or more.

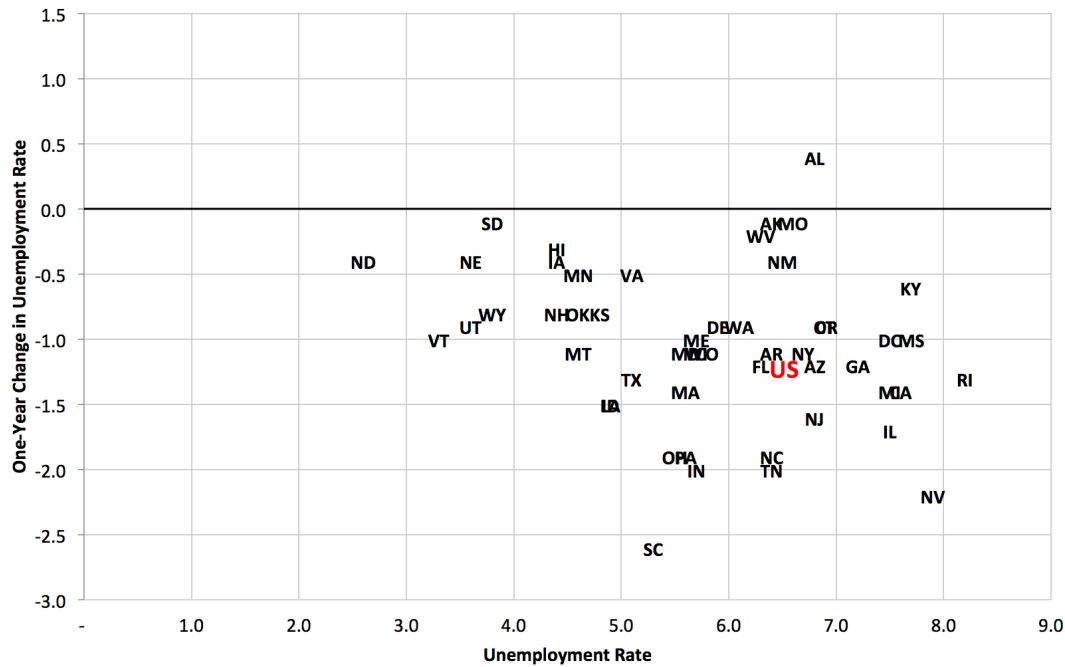
Over the past year, the decrease in the unemployment rate equaled or exceeded 1 percentage point in 27 states and DC (figure 2). The rate dropped 2 percentage points or more in four states (Indiana, Nevada, South Carolina, and Tennessee). Yet only five states (Minnesota, North Dakota, Ohio, South Carolina, and Vermont) have lower unemployment rates now than in December 2007, when the Great Recession began. Only in Alabama did the unemployment rate increase between May 2013 and May 2014.

**Figure 1. Unemployment Rates, May 2014**



Source: Bureau of Labor Statistics.

**Figure 2. Level vs. One-Year Change in Unemployment Rate, May 2014**



Despite improving employment, growth in real earnings (i.e., earnings adjusted for inflation) has stalled. In May 2014, average weekly earnings for all US private employees averaged \$835 (figure 3), down from \$843 in February.

Average weekly earnings ranged from \$679 in Arkansas to \$1,386 in DC. Six states (Arkansas, Idaho, Mississippi, Montana, Nevada, and South Dakota) had average weekly earnings below \$700. In addition to DC, seven states had average weekly wages above \$900: Alaska, California, Connecticut, Maryland, Massachusetts, New York, and Washington.

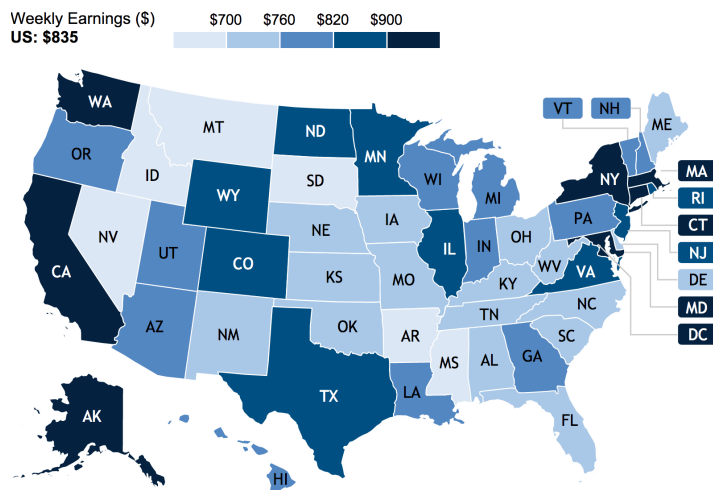
Examining year-over-year changes in earnings paints an even bleaker economic picture (figure 4). From May 2013 to May 2014, average weekly wages declined in 30 states, declining by more than 1.5 percent in 14 of those states. This trend is significantly

different from just three months ago, when year-over-year earnings declined in only 16 states. Delaware (-3.5 percent) and Rhode Island (-3.5 percent) saw the largest drops in the past year. On the positive side, seven states had increases in average wages equal to or greater than 1.5 percent. The largest increase was in North Dakota (3.1 percent), where demand for oil-field workers has driven up wages.

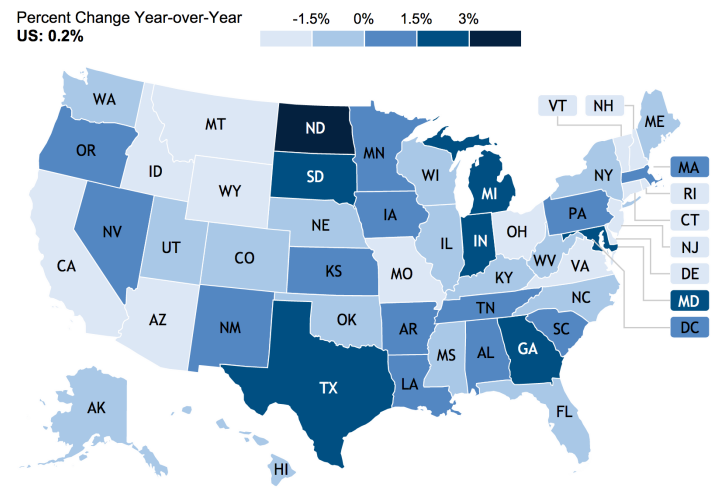
## GOVERNMENT EMPLOYMENT AND FINANCES

Growth of total nonfarm payroll employment was positive in nearly all states over the past year. However, public-sector employment growth did not keep pace and was negative in several states. Nationally, public employment between

**Figure 3. Average Weekly Earnings, Private Employment, May 2014**



**Figure 4. Real Average Weekly Earnings, Private Employment, May 2014**



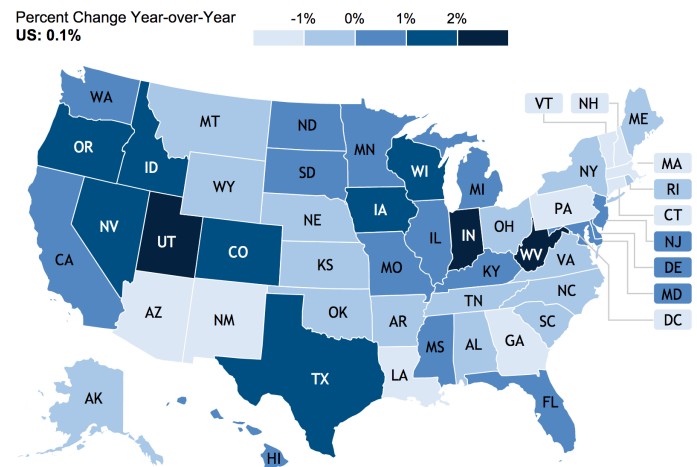
May 2013 and May 2014 barely budged (0.1 percent growth). Government employment has been declining nationally since July 2009 and is about 5 percent below its peak. Over the past year, public-sector job losses resulted from significant federal government job cuts; state and local governments added jobs during this period.

In May, 23 states had year-over-year public employment growth, 25 states and DC lost government jobs, and Hawaii and Michigan had no change (figure 5). West Virginia's employment spike (6.9 percent) is the result of temporary local election workers. In nine states and DC, the loss in public employment was greater than 1 percentage point. But seven of these nine states managed positive total employment growth despite the loss of government jobs: DC, New Mexico, and Vermont were the exceptions. DC and New Mexico, which have concentrations of federal employees, have been affected more than most states. Vermont's decline was the result of a drop in education employment.

Over the past year, 47 states experienced growth in total employment (figure 6). Three states had total job growth greater than 3 percent: Nevada (3.7 percent), North Dakota (4.5 percent), and Texas (3.4 percent). Alaska had no change. DC, New Mexico, and Vermont—all with a decline in government jobs—were the only states with a decline in total employment between May 2013 and May 2014.

State tax revenue, nationally, declined 0.3 percent in the first quarter of 2014, relative to the first quarter of the previous year, driven down by individual income taxes, which were 1.4 percent lower than last year (figure 7). Total state tax revenue in the first quarter of 2014 increased in 38 states and declined in 12 states and DC. Seven states saw increases of more than 7.5 percent. Nebraska's total quarterly state tax revenue grew by over 20 percent, but the cumulative fiscal year through March 2014 shows about 10 percent growth versus the same period last year. Alaska had the worst performance, declining almost

**Figure 5. Public-Sector Employment, May 2014**

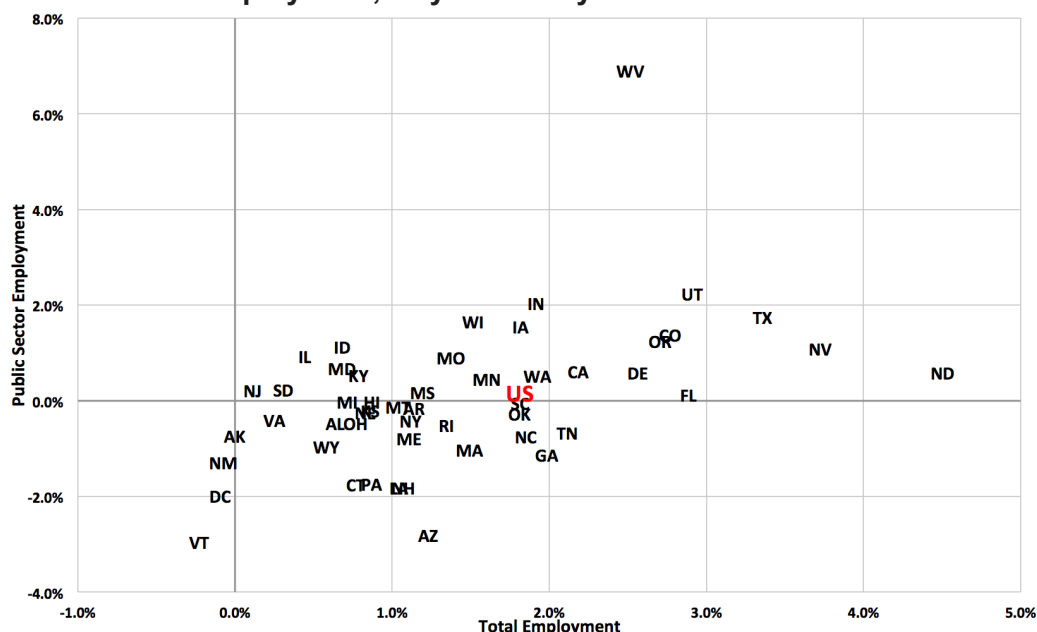


Source: Bureau of Labor Statistics.

70 percent between the first quarter of 2013 and the first quarter of 2014. Changes in the energy production taxes, combined with a decline in production, caused Alaska's revenue fall.

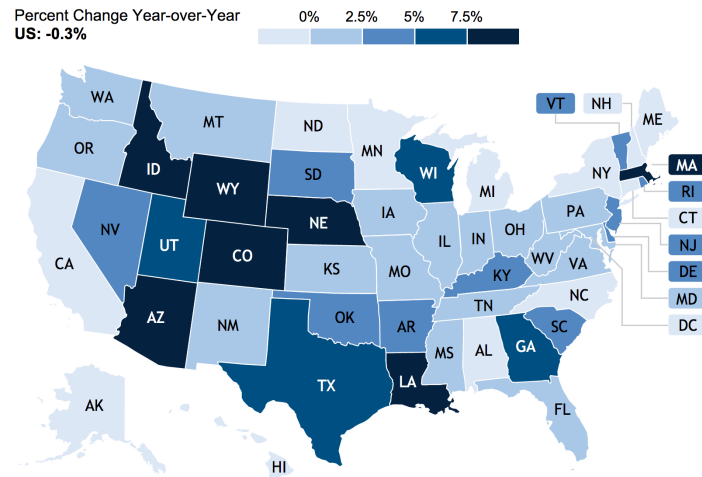
The results shown here are only through March 2014 (US Census 2014). Thus, they do not account for the "April Surprise," when state income tax revenues fell even further. Dadayan and Boyd (2014) estimate income tax revenue declined by 7.1 percent for the January to April 2014 period relative to the same period last year. Notably, the authors report that income tax receipts fell by 15.8 percent in April 2014 alone. The significant decline in April occurred because that is the month when states typically receive most of their final income tax payments. The acute decline in income tax revenue is primarily the result of a one-time increase in revenues last year as taxpayers accelerated income into 2012 in anticipation of the federal fiscal cliff at the end of 2012.<sup>2</sup> Many states forecast a decline in income tax

**Figure 6. Year-over-Year Change in Total Employment vs. Year-over-Year Change in Public-Sector Employment, May 2013–May 2014**



Source: Bureau of Labor Statistics.

**Figure 7. Total Tax Revenue, First Quarter 2014**



Source: Census.

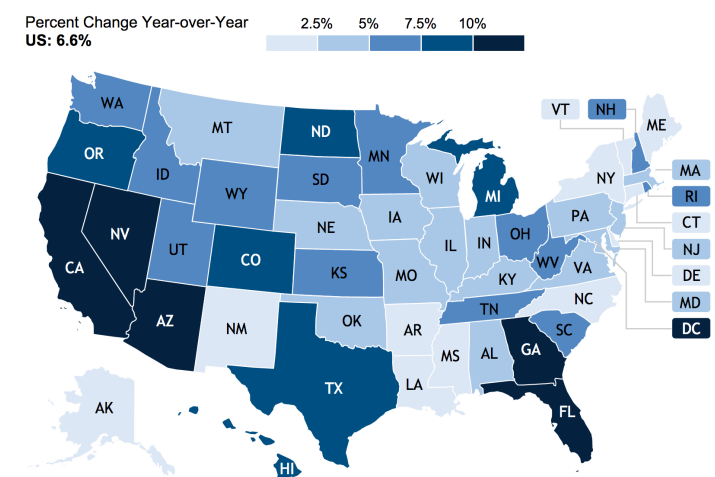
revenue this year, but the drop appears to have been larger than expected.

## HOUSING

Home prices continued to increase across the nation in the first quarter, but that growth has slowed. National home prices were up 6.6 percent compared with a year before (figure 8). The increase in house prices was influenced by a few states, particularly California where prices grew by almost 16 percent. Housing price growth was also high compared with a year earlier in Nevada (21 percent), DC (19.8 percent), and Arizona (14.7 percent). Meanwhile, home prices grew 5 percent or less in just over half of the states (26). Vermont was the only state where home prices declined over the past year (-1.2 percent).

Western states continued to enjoy substantial growth in home prices, but slow growth persisted in the New England and Mid-Atlantic regions. In the past year, the 15 states with growth in

**Figure 8. House Prices, First Quarter 2014**



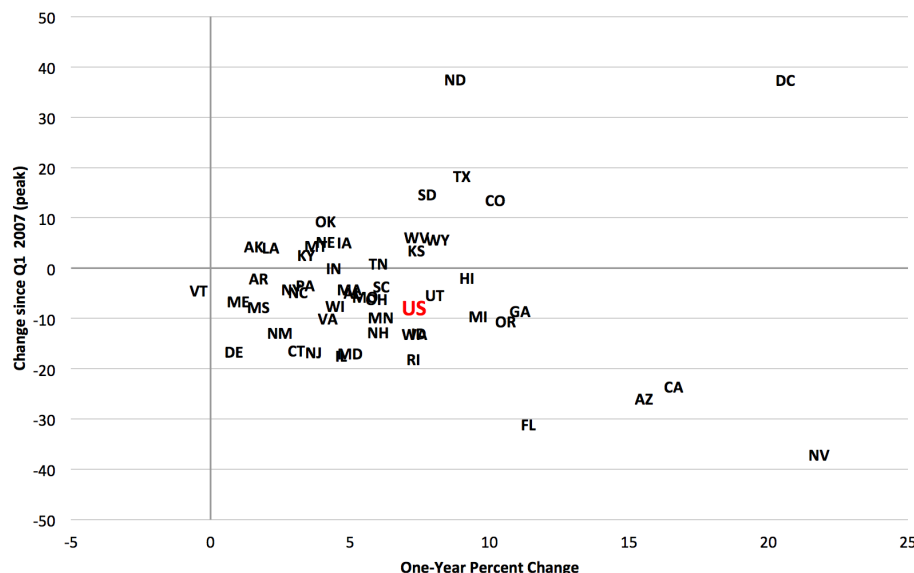
Source: Federal Housing Agency.

home prices of 3 percent or less include Connecticut, Maine, New Jersey, New York, and Vermont. No state in the Northeast had price growth above the national average during the past year. The Mid-Atlantic region was similarly lackluster with the notable exception of DC.

Despite their recent growth, home prices in 34 states are still below pre-recession levels (figure 9). National home prices are 8 percent below the first quarter 2007 peak.<sup>3</sup> DC and North Dakota continue to be the hottest markets, with home prices nearly 40 percent higher than the first quarter of 2007. Arizona, California, Florida, and Nevada were all hit hard by the housing crisis and are still well below their peak, despite recent strong annual growth.

The state variation for residential building permits is different than for home prices. Building permits are a gauge of future housing construction and, thus, the future strength of housing markets, but they are also volatile from month to month.

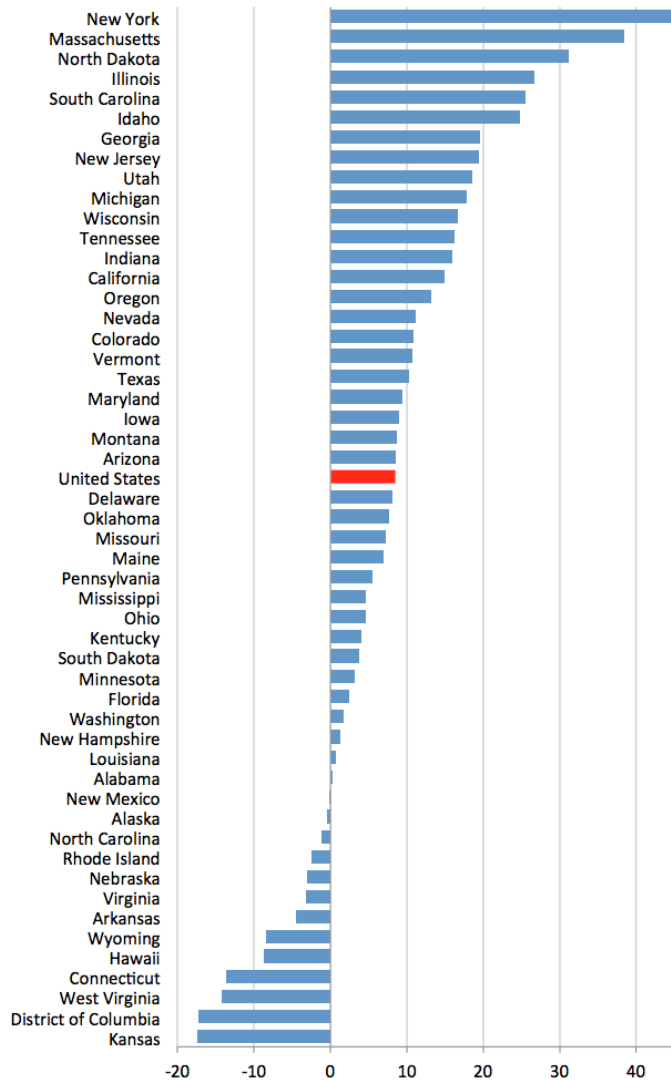
**Figure 9. One-Year Change vs. Change since Peak in House Prices, First Quarter 2014**



Source: Federal Housing Finance Administration, State House Price Indexes.



**Figure 10. Percent Change in Average Monthly New Housing Permits, 12-Month Average, May 2013–May 2014**



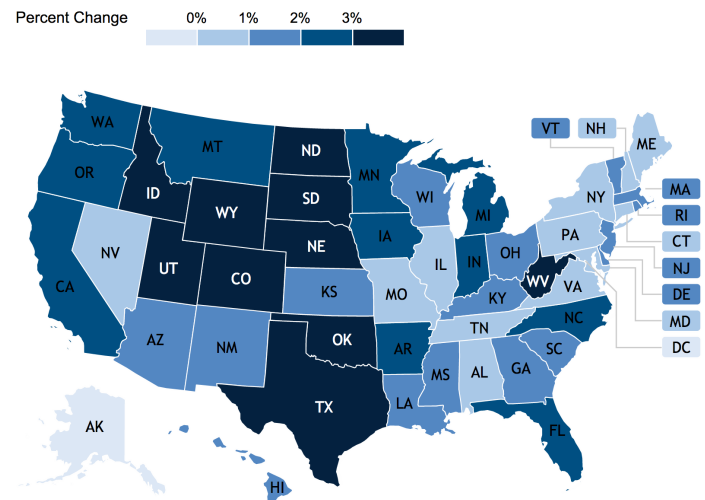
Source: Census.

Nationally, the 12-month average was up 8.5 percent from the previous May (figure 10). However, that's down from the 12.9 percent year-over-year increase reported in February. Despite flat home prices, Northeastern states such as New York (46.1 percent) and Massachusetts (38.4 percent) were among the top five states in permit growth, between May 2013 and May 2014. And while Vermont had a decline in home prices over the past year, building permits grew 10.7 percent, higher than the national average. At the other end of the spectrum, housing permits in 12 states and DC declined over the past year. Kansas (-17.5 percent), DC (-17.3 percent), West Virginia (-14.2 percent), and Connecticut (-13.6 percent) all had declines of more than 10 percent.

## ECONOMIC GROWTH

According to the US Bureau of Economic Analysis, national GDP grew by 1.8 percent in 2013, lower than the average 2.1 percent annual growth rate over the past 15 years (which includes both the 2001 and 2007–09 recessions). The 2013 growth rate is also lower than the 2.5 percent GDP growth

**Figure 11. Gross Domestic Product by State, 2013**



Source: Bureau of Economic Analysis.

in 2012, and GDP growth in 2014 is projected to be as soft. Almost all states experienced real GDP growth, but the rate was less than the 15-year historic average in 27 of the 49 states with economic growth (table 5). GDP fell only in Alaska and DC in 2013 (figure 11).

Growth was strongest in the Rocky Mountains and Plains. Specifically, GDP growth in North Dakota (9.7 percent), Wyoming (7.6 percent), Oklahoma (4.2 percent), Idaho (4.1 percent), Utah (3.8 percent), and Colorado (3.8 percent) were all at least twice the national rate (1.8 percent). Only 1 state east of the Mississippi River was among the top 10 states in GDP growth: West Virginia, at 5.1 percent.

Nondurable-goods manufacturing (such as food, clothing, and gasoline) was the biggest driver of US economic growth in 2013. The sector increased by 5.3 percent during the past year, after declining 0.5 percent in 2012. Mining, particularly oil and gas activities, while not a significant contributor to US economic growth, was an important factor in GDP growth for 5 of the 10 fastest growing states: Colorado, North Dakota, Oklahoma, West Virginia (coal mining), and Wyoming. The single state outlier was Alaska, where a decline in energy production caused the economy to contract.

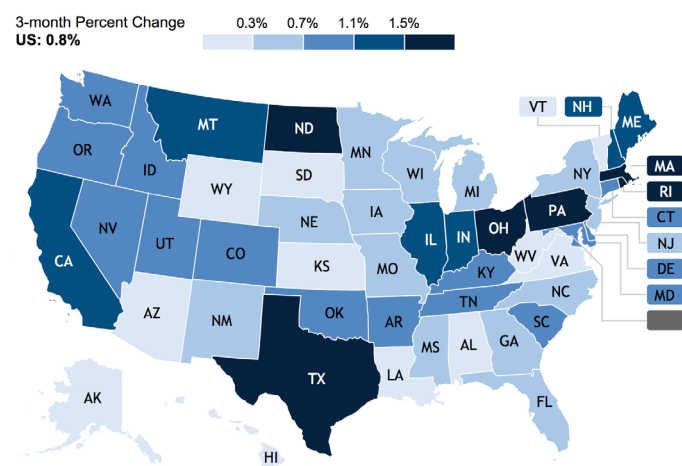
The government sector was a drag on economic growth throughout much of the country. It fell in 39 states and DC. The decline was especially severe in DC, where the government sector accounts for about one-third of the economy. In 2013, the government sector reduced DC's GDP by 1.0 percent.

## STATE COINCIDENT INDEX

The state coincident indexes, produced by the Federal Reserve Bank of Philadelphia, combine four components of economic growth—nonfarm employment, average manufacturing hours worked, unemployment rate, and real wages—into a single measure of broad economic activity. A decline in a state's coincident index can indicate recession and often does not match national patterns.

The national coincident index grew 0.8 percent over the three months ending in May (figure 12). Rhode Island, a state with a declining but persistently high unemployment rate, enjoyed 2 percent growth in this measure over the past three months,

**Figure 12. State Coincident Indexes, May 2014**



Source: Philadelphia Federal Reserve.

the second-highest rate among the states. Massachusetts led all states with 2.2 percent growth. The three other states in the top five were North Dakota, Pennsylvania, and Texas. In contrast, Alabama, Alaska, Louisiana, and Vermont had negative growth in this index.

A look back at the index over a year-long period ending in May, reveals a similar economic picture (figure 13). The national coincident index grew 3.1 percent over the year ending in May. States, such as North Dakota, Massachusetts, and Rhode Island, that performed well in the three-month period also performed well over the past year. Alaska was the only state with a negative change over both the past year (-1.3 percent) and the past three months (-0.5 percent).

The Federal Reserve Bank of Philadelphia also produces a leading index for each state that measures expected future economic activity. The index aims to predict the six-month change in the coincident index using forward-looking economic variables: initial claims for unemployment, housing permits,

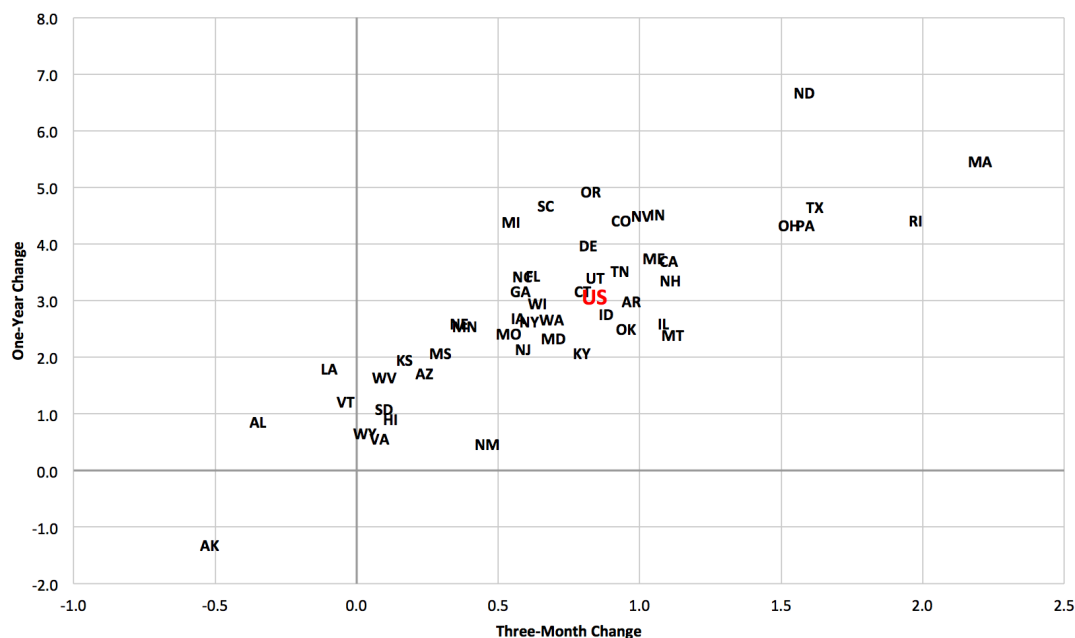
manufacturing delivery times, and interest rates. The leading index for the United States was 1.7 in May 2014 (figure 14). Over the next six months, 44 states are projected to grow, with Massachusetts projected to grow the most. Some states that are struggling to recover, like New Mexico and Rhode Island, are projected to get better in six months. Others, particularly energy states Alaska, Louisiana, and Wyoming, are projected to be weaker in six months.

## SPECIAL SUPPLEMENT: GRADING AMERICA'S PUBLIC PENSION PLANS

Most state and local pension plans still provide generous retirement benefits to long-tenured government employees. However, most young government employees who spend less than a full career in public service accumulate minimal retirement benefits. Additionally, most state and local pension plans penalize work at older ages, because employees forgo monthly pension checks when they work beyond the benefit eligibility age, resulting in lower lifetime benefits. In combination, these factors impede employee recruitment and retention, a growing problem as the workforce ages and younger workers change jobs more frequently.

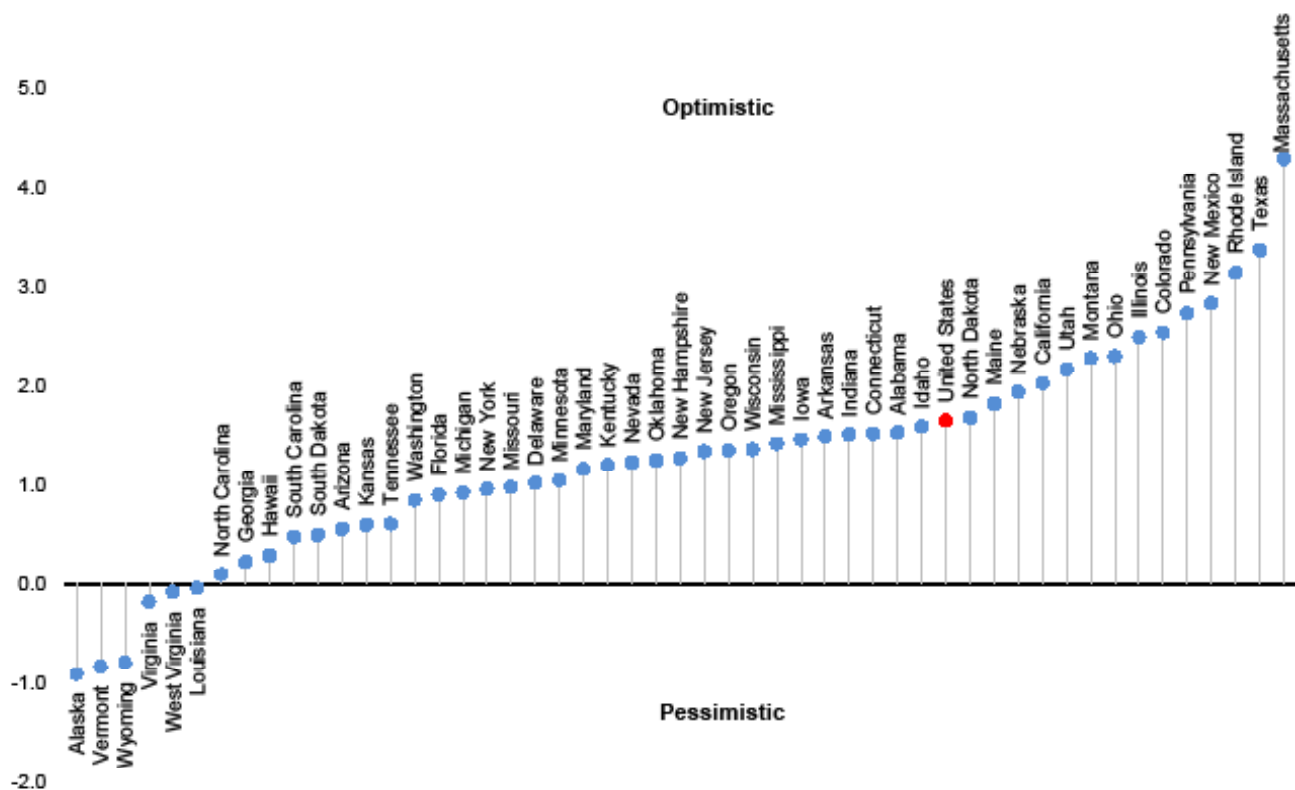
These are among the findings of Johnson and colleagues,<sup>4</sup> who compiled a comprehensive assessment of state and local plans recently conducted by the Urban Institute's Program on Retirement Policy. Plans were graded on their financing, how much retirement security they provide to short- and long-term employees, and the workforce incentives they create for younger, older, and mid-career employees (figure 15). Results are based on the Urban Institute's State and Local Employee Pension Plan database, which includes detailed state-by-state information on plan rules for public school teachers, police officers and firefighters, and general state and local government employees in all 50 states and DC.

**Figure 13. Three-Month Change vs. One-Year Change in Coincident Indexes, May 2014**



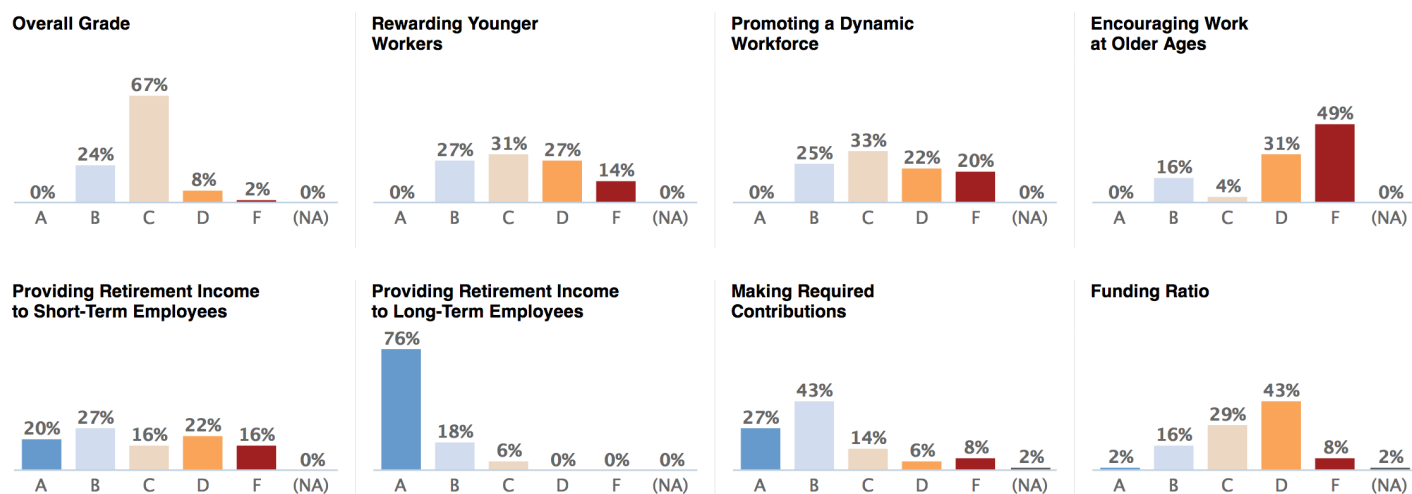
Source: Philadelphia Federal Reserve.

**Figure 14. May Forecast of Percent Change in Coincident Index:  
Almost All States Trending Positive**



Source: Philadelphia Federal Reserve, State Leading Index.

**Figure 15. Plan-Level Grade Distributions: All Employees, All Hires**



Source: Richard W. Johnson, Barbara A. Butrica, Owen Haaga, Benjamin G. Southgate, and C. Eugene Steuerle, "The State of Retirement: Grading America's State and Local Pension Plans," Washington DC: Urban Institute.

## NOTES

1. Board of Governors of the Federal Reserve System, "Economic Projections of Federal Reserve Board Members and Federal Reserve Bank Presidents, June 2014," June 18, 2014, accessed July 2, 2014. <http://www.federalreserve.gov/monetarypolicy/files/fomcprojections20140618.pdf>.
2. See TPC, "Tax Policy Center Analysis of the American Taxpayer Relief Act (ATRA)," Urban Institute and Brookings Institution, accessed July 3, 2014, <http://www.taxpolicycenter.org/taxtopics/American-Taxpayer-Relief-Act.cfm>.
3. The Federal Housing Agency purchase-only index for home prices now shows the first quarter 2007, as the peak. In the April 2014 State Economic Monitor, the peak was reported as fourth quarter 2006.
4. Richard W. Johnson, Barbara A. Butrica, Owen Haaga, Benjamin G. Southgate, and C. Eugene Steuerle, "The State of Retirement: Grading America's State and Local Pension Plans," Washington DC: Urban Institute, accessed July 7, 2014, <http://datatools.urban.org/features/SLEPP/index.html>.

## REFERENCES

- Dadayan, Lucy, and Donald Boyd. 2014. *April "Surprises" More Surprising than Expected*. New York: Rockefeller Institute. [http://www.rockinst.org/pdf/government\\_finance/state\\_revenue\\_report/2014-06-12-Special\\_ReportV5.pdf](http://www.rockinst.org/pdf/government_finance/state_revenue_report/2014-06-12-Special_ReportV5.pdf).
- Federal Reserve Bank of Philadelphia. 2014. "Survey of Professional Forecasters: Second Quarter 2014." Philadelphia, PA: Federal Reserve Bank of Philadelphia. <http://www.philadelphiafed.org/research-and-data/real-time-center/survey-of-professional-forecasters/2014/spfq214.pdf>.
- US Census Bureau. 2014. "Quarterly Summary of State and Local Government Tax Revenue for 2013: Q4." G13-QTAX4. Washington, DC: US Census Bureau. <http://www2.census.gov/govs/ntax/2013/q4infosheet.pdf>.

The State Economic Monitor was written by Norton Francis and Richard Auxier using the most recent available data. For the latest updates on state economic conditions, visit [www.stateandlocalfinance.org](http://www.stateandlocalfinance.org).

Copyright © July 2014. Urban Institute. Permission is granted for reproduction of this file, with attribution to the Urban Institute.

## ABOUT THE STATE AND LOCAL FINANCE INITIATIVE

State and local governments provide important services, but finding information about them—and the way they are paid for—is often difficult. The State and Local Finance Initiative provides state and local officials, journalists, and citizens with reliable, unbiased data and analysis about the challenges state and local governments face, potential solutions, and the consequences of competing options. We will gather and analyze relevant data and research, and also make it easier for others to find the data they need to think about state and local finances. A core aim is to integrate knowledge and action across different levels of government and across policy domains that too often operate in isolation from one another.

The State and Local Finance Initiative is supported by a generous grant from the John D. and Catherine T. MacArthur Foundation and an anonymous funder.



TABLE 1. EMPLOYMENT AND WAGES, MAY 2014

STATE	UNEMPLOYMENT RATE (%)	YEAR-OVER-YEAR CHANGE IN UNEMPLOYMENT RATE (PERCENTAGE POINTS)	AVERAGE WEEKLY EARNINGS, ALL PRIVATE EMPLOYEES (\$)	YEAR-OVER-YEAR CHANGE IN AVERAGE WEEKLY EARNINGS, ALL PRIVATE EMPLOYEES (%)	YEAR-OVER-YEAR CHANGE IN TOTAL EMPLOYMENT (%)	YEAR-OVER-YEAR CHANGE IN PUBLIC EMPLOYMENT (%)
Alabama	6.8	0.4	732	0.3	0.6	-0.4
Alaska	6.4	-0.1	928	-0.4	0.0	-0.7
Arizona	6.8	-1.2	782	-3.2	1.2	-2.8
Arkansas	6.4	-1.1	679	0.7	1.1	-0.1
California	7.6	-1.4	935	-1.7	2.2	0.6
Colorado	5.8	-1.1	896	-0.4	2.8	1.4
Connecticut	6.9	-0.9	932	-2.6	0.8	-1.7
Delaware	5.9	-0.9	710	-3.5	2.6	0.6
District of Columbia	7.5	-1.0	1,386	0.3	-0.1	-2.0
Florida	6.3	-1.2	756	-1.1	2.9	0.1
Georgia	7.2	-1.2	806	1.9	2.0	-1.1
Hawaii	4.4	-0.3	801	-0.3	0.9	0.0
Idaho	4.9	-1.5	699	-2.9	0.7	1.1
Illinois	7.5	-1.7	863	-0.3	0.4	1.0
Indiana	5.7	-2.0	785	2.3	1.9	2.1
Iowa	4.4	-0.4	757	0.8	1.8	1.6
Kansas	4.8	-0.8	751	0.3	0.9	-0.2
Kentucky	7.7	-0.6	704	-0.1	0.8	0.6
Louisiana	4.9	-1.5	798	0.2	1.0	-1.8
Maine	5.7	-1.0	719	-1.5	1.1	-0.8
Maryland	5.6	-1.1	925	1.7	0.7	0.7
Massachusetts	5.6	-1.4	972	0.6	1.5	-1.0
Michigan	7.5	-1.4	802	1.5	0.7	0.0
Minnesota	4.6	-0.5	879	1.0	1.6	0.5
Mississippi	7.7	-1.0	682	0.0	1.2	0.2
Missouri	6.6	-0.1	749	-1.5	1.4	0.9
Montana	4.6	-1.1	694	-1.8	1.0	-0.1
Nebraska	3.6	-0.4	720	-0.3	0.8	-0.2
Nevada	7.9	-2.2	689	1.0	3.7	1.1
New Hampshire	4.4	-0.8	814	-1.6	1.1	-1.8
New Jersey	6.8	-1.6	895	-2.3	0.1	0.2
New Mexico	6.5	-0.4	714	0.2	-0.1	-1.3
New York	6.7	-1.1	941	-0.8	1.1	-0.4
North Carolina	6.4	-1.9	751	-0.5	1.9	-0.7
North Dakota	2.6	-0.4	879	3.1	4.5	0.6
Ohio	5.5	-1.9	749	-2.3	0.8	-0.5
Oklahoma	4.6	-0.8	746	-0.6	1.8	-0.3
Oregon	6.9	-0.9	769	0.9	2.7	1.3
Pennsylvania	5.6	-1.9	794	0.8	0.9	-1.7
Rhode Island	8.2	-1.3	825	-3.5	1.3	-0.5
South Carolina	5.3	-2.6	717	0.1	1.8	0.0
South Dakota	3.8	-0.1	697	1.8	0.3	0.3
Tennessee	6.4	-2.0	724	0.6	2.1	-0.7
Texas	5.1	-1.3	860	2.6	3.4	1.8
Utah	3.6	-0.9	816	-0.3	2.9	2.3
Vermont	3.3	-1.0	772	-2.2	-0.2	-2.9
Virginia	5.1	-0.5	870	-1.6	0.3	-0.4
Washington	6.1	-0.9	951	-0.4	1.9	0.5
West Virginia	6.3	-0.2	708	-1.3	2.5	6.9
Wisconsin	5.7	-1.1	783	0.0	1.5	1.7
Wyoming	3.8	-0.8	821	-2.8	0.6	-0.9
United States	6.3	-1.2	835	0.2	1.8	0.1

Source: Bureau of Labor Statistics, Current Employment Statistics.

TABLE 2. YEAR-OVER-YEAR CHANGE IN STATE TAX REVENUES, Q1 2013–Q1 2014

STATE	PERSONAL INCOME TAX (%)	CORPORATE INCOME TAX (%)	SALES TAX (%)	TOTAL TAX REVENUES (%)
Alabama	4.5	-30.8	0.9	-3.8
Alaska	NA	-196.6	NA	-67.7
Arizona	13.0	0.9	17.7	11.9
Arkansas	3.7	-3.9	9.6	4.8
California	-11.1	11.8	2.0	-4.4
Colorado	5.2	32.6	9.0	8.7
Connecticut	2.7	-32.2	8.5	-0.7
Delaware	11.3	-19.2	NA	3.5
District of Columbia	-3.2	-18.1	-4.6	-6.4
Florida	NA	-6.6	7.7	1.9
Georgia	7.3	21.2	-6.3	6.8
Hawaii	-1.1	-42.1	-1.5	-0.4
Idaho	35.9	58.1	15.4	17.3
Illinois	3.7	7.5	0.4	2.2
Indiana	2.6	-1,416.7	0.6	2.0
Iowa	-4.2	43.9	6.3	1.2
Kansas	1.0	2.6	3.0	1.8
Kentucky	2.4	-4.9	3.3	3.1
Louisiana	5.0	-452.0	0.3	11.9
Maine	-15.1	3.0	12.5	-0.5
Maryland	1.5	4.7	-0.5	0.0
Massachusetts	8.8	31.5	5.9	8.1
Michigan	-17.3	29.1	-6.7	-14.2
Minnesota	-2.1	15.2	-43.1	-16.3
Mississippi	-3.6	21.4	4.1	0.5
Missouri	5.7	-16.3	-0.4	1.0
Montana	12.6	-30.4	NA	1.5
Nebraska	33.5	20.3	11.4	22.4
Nevada	NA	NA	4.9	3.0
New Hampshire	6.3	1.7	NA	-1.5
New Jersey	1.0	55.7	-0.9	3.2
New Mexico	1.4	2.7	3.2	0.1
New York	3.5	-32.3	5.0	-3.3
North Carolina	-10.7	2.3	7.7	-2.9
North Dakota	-16.3	5.0	6.4	-8.8
Ohio	-18.4	-91.4	9.2	2.0
Oklahoma	11.6	-24.3	3.1	3.2
Oregon	1.0	2.9	NA	1.0
Pennsylvania	1.9	15.3	0.0	0.3
Rhode Island	2.6	12.8	1.0	4.5
South Carolina	1.2	2.9	0.8	3.4
South Dakota	NA	20.0	3.7	4.8
Tennessee	-9.5	-19.0	4.0	0.5
Texas	NA	NA	7.0	7.4
Utah	12.5	-7.9	-1.3	5.5
Vermont	13.9	16.0	1.1	3.0
Virginia	-1.1	92.1	-1.9	1.8
Washington	NA	NA	3.1	1.3
West Virginia	2.7	-5.9	-4.4	1.7
Wisconsin	16.5	-14.7	2.7	5.1
Wyoming	NA	NA	13.9	12.2
United States	-1.4	1.8	2.0	-0.3

Source: Census Quarterly Summary of State and Local Revenue.  
NA = not applicable

**TABLE 3. CHANGES IN HOUSING PERMITS AND HOUSE PRICES**

STATE	CHANGE IN AVERAGE MONTHLY NEW HOUSING PERMITS, 12-MONTH AVERAGE, MAY 2013–MAY 2014 (%)	ONE-YEAR CHANGE IN HOUSE PRICES, Q1 2013–Q1 2014 (%)	CHANGE IN HOUSE PRICES SINCE PEAK, Q1 2007–Q1 2014 (%)
Alabama	0.3	4.3	-4.7
Alaska	-0.5	0.7	4.5
Arizona	9.6	14.7	-25.7
Arkansas	-4.6	0.9	-1.9
California	15.0	15.8	-23.3
Colorado	10.8	9.3	13.8
Connecticut	-13.6	2.3	-16.1
Delaware	8.2	0.0	-16.4
District of Columbia	-17.3	19.8	37.6
Florida	2.5	10.6	-30.8
Georgia	19.6	10.2	-8.3
Hawaii	-8.7	8.4	-1.7
Idaho	24.9	6.7	-12.7
Illinois	26.8	4.0	-17.2
Indiana	16.0	3.7	0.2
Iowa	9.0	4.1	5.3
Kansas	-17.5	6.6	3.7
Kentucky	4.0	2.6	2.8
Louisiana	0.7	1.4	4.3
Maine	7.0	0.1	-6.4
Maryland	9.4	4.1	-16.8
Massachusetts	38.4	4.1	-4.0
Michigan	17.8	8.8	-9.4
Minnesota	3.2	5.2	-9.6
Mississippi	4.7	0.8	-7.5
Missouri	7.3	4.6	-5.5
Montana	8.7	2.9	4.6
Nebraska	-3.1	3.3	5.4
Nevada	11.1	21.0	-36.9
New Hampshire	1.3	5.1	-12.5
New Jersey	19.5	2.9	-16.5
New Mexico	-0.1	1.6	-12.7
New York	46.1	2.1	-4.0
North Carolina	-1.1	2.3	-4.6
North Dakota	31.2	7.9	37.7
Ohio	4.7	5.1	-6.0
Oklahoma	7.7	3.3	9.5
Oregon	13.1	9.7	-10.4
Pennsylvania	5.5	2.6	-3.2
Rhode Island	-2.5	6.5	-17.9
South Carolina	25.5	5.3	-3.5
South Dakota	3.7	7.0	14.9
Tennessee	16.3	5.2	1.1
Texas	10.3	8.2	18.5
Utah	18.5	7.2	-5.1
Vermont	10.7	-1.2	-4.2
Virginia	-3.2	3.4	-9.9
Washington	1.7	6.4	-12.9
West Virginia	-14.2	6.5	6.4
Wisconsin	16.6	3.6	-7.4
Wyoming	-8.4	7.2	5.9
United States	8.5	6.6	-7.9

Sources: Federal Housing Finance Administration State House Price Indices (seasonally adjusted, purchase only) and Census Bureau Building Permits Survey.

TABLE 4. STATE ECONOMIC ACTIVITY

STATE	COINCIDENT INDEXES	COINCIDENT INDEXES, 3-MONTH CHANGE (%)	COINCIDENT INDEXES, 1-YEAR CHANGE (%)	LEADING INDEXES	LEADING INDEXES, 3-MONTH CHANGE (%)	LEADING INDEXES, 1-YEAR CHANGE (%)
Alabama	133.8	-0.4	0.9	1.5	2.1	-0.2
Alaska	108.9	-0.5	-1.3	-0.9	0.2	0.1
Arizona	187.1	0.2	1.7	0.6	-0.5	-0.7
Arkansas	147.1	1.0	3.0	1.5	0.0	0.8
California	163.2	1.1	3.7	2.0	1.0	0.3
Colorado	183.5	0.9	4.4	2.5	-0.2	0.6
Connecticut	156.3	0.8	3.2	1.5	-0.2	0.0
Delaware	146.7	0.8	4.0	1.0	-1.0	-0.2
Florida	153.3	0.6	3.5	0.9	-0.6	-1.0
Georgia	170.0	0.6	3.2	0.2	-1.3	-0.9
Hawaii	108.5	0.1	0.9	0.3	0.2	-0.7
Idaho	198.0	0.9	2.8	1.6	0.1	0.8
Illinois	147.3	1.1	2.6	2.5	1.7	1.4
Indiana	155.0	1.1	4.5	1.5	-0.4	-0.4
Iowa	149.8	0.6	2.7	1.5	0.2	0.0
Kansas	142.0	0.2	2.0	0.6	0.5	0.0
Kentucky	146.5	0.8	2.1	1.2	0.6	0.8
Louisiana	134.7	-0.1	1.8	0.0	-0.1	0.2
Maine	140.4	1.1	3.8	1.8	-0.2	-0.8
Maryland	147.7	0.7	2.4	1.2	-0.1	0.7
Massachusetts	185.1	2.2	5.5	4.3	0.9	3.1
Michigan	147.5	0.5	4.4	0.9	-1.5	0.0
Minnesota	162.9	0.4	2.6	1.1	0.4	-0.4
Mississippi	142.2	0.3	2.1	1.4	1.3	0.6
Missouri	138.5	0.5	2.4	1.0	0.5	0.3
Montana	168.2	1.1	2.4	2.3	0.5	2.2
Nebraska	163.4	0.4	2.6	1.9	0.6	1.1
Nevada	192.1	1.0	4.5	1.2	0.0	-0.3
New Hampshire	194.2	1.1	3.4	1.3	-0.9	0.1
New Jersey	153.8	0.6	2.2	1.3	0.9	0.4
New Mexico	158.8	0.5	0.5	2.8	2.8	2.9
New York	149.8	0.6	2.7	1.0	0.1	-0.1
North Carolina	159.8	0.6	3.4	0.1	-1.8	-1.2
North Dakota	204.2	1.6	6.7	1.7	-1.2	-1.4
Ohio	156.9	1.5	4.4	2.3	-0.3	0.4
Oklahoma	152.6	1.0	2.5	1.3	-0.5	1.4
Oregon	197.4	0.8	4.9	1.4	-0.5	-0.7
Pennsylvania	146.7	1.6	4.4	2.7	0.3	1.5
Rhode Island	160.5	2.0	4.4	3.1	0.4	1.4
South Carolina	159.6	0.7	4.7	0.5	-3.8	-0.9
South Dakota	155.7	0.1	1.1	0.5	-0.2	-0.2
Tennessee	157.2	0.9	3.5	0.6	-0.7	-0.5
Texas	187.8	1.6	4.7	3.4	0.5	1.9
Utah	191.0	0.8	3.4	2.2	0.4	0.6
Vermont	153.0	0.0	1.2	-0.8	-2.4	-1.3
Virginia	147.5	0.1	0.6	-0.2	-0.3	-0.3
Washington	150.6	0.7	2.7	0.9	-0.1	-0.6
West Virginia	150.9	0.1	1.7	-0.1	-1.5	0.4
Wisconsin	146.5	0.6	3.0	1.4	0.6	-0.5
Wyoming	153.3	0.0	0.7	-0.8	-1.5	-1.0
United States	157.8	0.8	3.1	1.7	0.0	0.2

Source: Federal Reserve Bank of Philadelphia.

TABLE 5. REAL GROSS DOMESTIC PRODUCT BY STATE, 2013

STATE	2013 (\$ MILLIONS)	YEAR-OVER-YEAR CHANGE (%)	CHANGE SINCE 2007 (%)	AVERAGE ANNUAL GROWTH RATE SINCE 2007 (%)	AVERAGE OF GROWTH RATES 1998–2013 (%)
Alabama	180,727	0.8	3.1	0.5	1.8
Alaska	51,542	-2.5	11.8	1.9	1.8
Arizona	261,924	1.1	-4.0	-0.7	3.1
Arkansas	115,745	2.4	8.4	1.4	2.4
California	2,050,693	2.0	2.9	0.5	2.7
Colorado	273,721	3.8	10.0	1.6	2.8
Connecticut	233,996	0.9	-5.2	-0.9	1.5
Delaware	58,028	1.6	1.5	0.3	1.8
District of Columbia	105,465	-0.5	5.4	0.9	2.2
Florida	750,511	2.2	-6.6	-1.1	2.0
Georgia	424,606	1.8	-0.6	-0.1	2.0
Hawaii	70,110	1.9	4.7	0.8	1.7
Idaho	57,029	4.1	1.1	0.2	3.0
Illinois	671,407	0.9	0.0	0.0	1.2
Indiana	294,212	2.1	4.0	0.6	1.8
Iowa	150,512	2.9	5.9	1.0	2.1
Kansas	132,153	1.9	6.0	1.0	1.7
Kentucky	170,667	1.6	4.8	0.8	1.2
Louisiana	222,008	1.3	8.8	1.4	1.3
Maine	51,163	0.9	-0.9	-0.2	1.3
Maryland	322,234	0.0	6.4	1.0	2.5
Massachusetts	420,748	1.6	7.2	1.2	2.3
Michigan	408,218	2.0	-2.8	-0.5	0.2
Minnesota	289,125	2.8	7.7	1.2	2.3
Mississippi	96,979	1.6	2.4	0.4	1.3
Missouri	258,135	0.8	2.2	0.4	1.1
Montana	39,846	3.0	8.5	1.4	2.5
Nebraska	98,250	3.0	14.9	2.3	2.5
Nevada	123,903	1.0	-9.7	-1.7	2.6
New Hampshire	64,118	0.9	3.0	0.5	2.0
New Jersey	509,067	1.1	-0.3	-0.1	1.3
New Mexico	84,310	1.5	3.9	0.6	1.7
New York	1,226,619	0.7	5.9	1.0	2.0
North Carolina	439,672	2.3	5.4	0.9	2.4
North Dakota	49,772	9.7	70.7	9.3	5.6
Ohio	526,196	1.8	3.4	0.6	1.1
Oklahoma	164,303	4.2	12.7	2.0	2.6
Oregon	211,241	2.7	22.1	3.4	4.0
Pennsylvania	603,872	0.7	3.9	0.6	1.5
Rhode Island	49,962	1.4	1.4	0.2	1.6
South Carolina	172,176	1.2	2.6	0.4	1.6
South Dakota	41,142	3.1	17.5	2.7	3.7
Tennessee	269,602	0.8	5.5	0.9	1.8
Texas	1,387,598	3.7	19.1	3.0	3.4
Utah	131,017	3.8	10.5	1.7	3.6
Vermont	27,723	1.9	7.3	1.2	2.1
Virginia	426,423	0.1	5.0	0.8	2.4
Washington	381,017	2.7	7.4	1.2	2.4
West Virginia	68,541	5.1	10.9	1.7	1.3
Wisconsin	264,126	1.7	3.0	0.5	1.6
Wyoming	39,538	7.6	12.6	2.0	3.6
United States	15,526,715	1.8	4.7	0.8	2.1

Sources: Bureau of Economic Analysis.