Gross Domestic Product of New Mexico

Rachel Moskowitz, Bureau Chief

The U.S. Department of Commerce, Bureau of Economic Analysis (BEA) recently released advance statistics of the real gross domestic product (GDP) 2017 annual averages for all states. GDP measures the value of the goods and services produced within a state, less the value of the goods and services used up in production. It is an important economic indicator and used as a measurement of an economy’s health.

To access the data presented in this article, please visit www.bea.gov.

GDP by state (also known as gross state product) is estimated by summing the total value of employee compensation (including wages and salaries), taxes on production and imports, and corporate and proprietors’ income. Government subsidies are deducted from the GDP-by-state computation. The U.S. figure presented in this article was derived by summing the GDP by state for all states. U.S. GDP from the National Income and Product Accounts (NIPA) differs slightly because it includes the value of federal and civilian activity located overseas. GDP by state excludes this value because federal military and civilian activity located overseas cannot be attributed to a specific state.

Real GDP amounts, unless otherwise noted, are presented in chained 2009 dollars to adjust for inflation and to enable comparisons across historical time periods. The 2017 annual averages are advance statistics, which means they are preliminary and will be revised at a later time.

Real GDP by State

The real annual GDP in New Mexico in 2017, in chained 2009 dollars, was $86.9 billion. California had the largest GDP of all states, worth $2.4 trillion, constituting 14.3 percent of the U.S.’s total GDP. In fact, California’s GDP in 2016, when measured in current dollars and compared to that of other countries, was the sixth highest in the world and higher than the GDP of France, India, and Italy.

From 2016 to 2017, real GDP increased in 47 states and the District of Columbia and decreased in three states. Washington (Exhibit 1) had the fastest-growing real annual GDP in 2017, increasing 4.4 percent over the year. This was followed by Colorado (3.6 percent), Nevada (3.5 percent), and Arizona (3.2 percent). For the U.S. as a whole, real GDP increased 2.1 percent.

As seen in Exhibit 2, year-over-year growth of real annual GDP in New Mexico was 0.8 percent in 2017, after falling 0.1 percent in 2016. The drop in 2016 was largely due to the decline in the mining, quarrying, and oil and gas extraction industry.

The industry with the largest GDP in New Mexico was government, with GDP constituting 21.6 percent of total
state GDP in 2017 (Exhibit 3). Out of all U.S. states, New Mexico had the second-highest share of its GDP attributed to government; the District of Columbia, with a share of 33.4 percent, had the highest. The real estate and rental and leasing industry had the second-largest GDP in New Mexico, with a 13.0 percent share. The industry with the largest GDP in the U.S. was real estate and rental and leasing, with a 13.5 percent share of total GDP, followed by government, with an 11.8 percent share. Manufacturing, the industry with the third-largest GDP in the country, had an 11.7 percent share nationwide but only a 4.0 percent share of New Mexico’s real GDP in 2017.

Mining, quarrying, and oil and gas extraction reported the third-largest GDP in New Mexico. Its GDP made up 12.2 percent of New Mexico’s total real GDP, a share that was much higher than the U.S. average of 2.2 percent. New Mexico was ranked sixth in the country with respect to total real GDP attributed to mining. Wyoming had the largest proportion of its state real GDP attributed to mining (27.7 percent), while Alaska was second (23.5 percent). Other states that had large shares of their total real GDPs attributed to the mining industry included West Virginia (16.0 percent), Oklahoma (15.9 percent), and North Dakota (13.5 percent). All of these states experienced growth of real GDP in the mining industry from 2016 to 2017, with the biggest percentage increase in North Dakota (21.8 percent).

In New Mexico, the largest year-over-year percentage change in real GDP also occurred in the mining, quarrying, and oil and gas extraction industry, which
increased 11.0 percent from 2016 to 2017. Arts, entertainment, and recreation had the second-largest rate gain in real GDP, increasing 7.0 percent, followed by administrative and support and waste management, which grew 6.5 percent from 2016 to 2017. The industry with the fastest decline in real GDP in New Mexico was manufacturing, falling 8.1 percent from 2016 to 2017. The agriculture, forestry, fishing, and hunting industry was the only declining industry in the U.S. in terms of real GDP, falling 9.4 percent.

Per capita real annual GDP measures the amount of real GDP for each person working in that state. As seen in Exhibit 4, per capita real GDP in New Mexico for 2017 was $41,619, 18.9 percent lower than the national rate of $51,337 but higher than the state's 2016 per capita real annual GDP of $41,334. The District of Columbia (Exhibit 5) had the highest per capita real GDP in the country; at $159,607, which was over three times the national rate. Mississippi's per capita real GDP, at $32,447, was the lowest.