
FISCAL TOPICS

Fiscal Services Division

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Iowa's Gross State Product

The Gross State Product (GSP) is the value added to goods and services by economic activity. It is equivalent to the gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus inputs (consumption of goods and services purchased from other U.S. industries or imported). It is often considered the State's equivalent of the nation's Gross Domestic Product (GDP).

The GSP estimates, as a whole and by industry, were examined from 2010 through 2020 to identify changes in the Iowa economy. Comparisons were made with the GSP for the nation as a whole and with the Plains States (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota). The GSP estimates were obtained from the Bureau of Economic Analysis, U.S. Department of Commerce.

To eliminate growth due to inflation, all dollar amounts are reflected in chained calendar year (CY) 2012 dollars unless otherwise noted. Comparisons were made using the converted 2010 GSP as the base. Economic growth is shown as a percentage of the 2010 GSP to provide a standard comparison across years and regions.

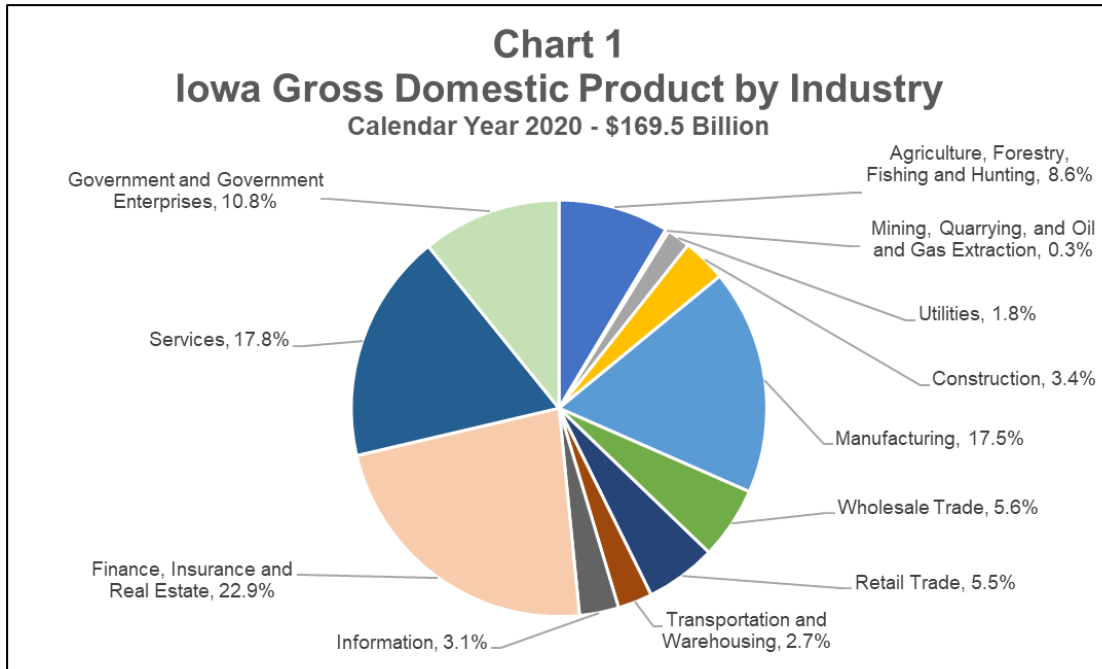
Current Industry Distribution

Chart 1 shows the distribution of the GSP by major industry category. In CY 2020, Iowa had a GSP of \$192.7 billion in current dollars. From 2010 through 2020 (in terms of CY 2012 dollars), the percentage contribution to the State's GSP by several industries changed. The industries with the biggest declines include:

- Government and Government Enterprises decreased 1.2%, from 12.1% to 10.9%. The 2000 share was 13.6%.
- Nondurable Goods Manufacturing decreased 1.0%, from 9.4% to 8.4%. The 2000 share was 10.5%.
- Transportation and Warehousing decreased 0.7%, from 3.4% to 2.7%. The 2000 share was 3.4%.

The industries with the largest increases include:

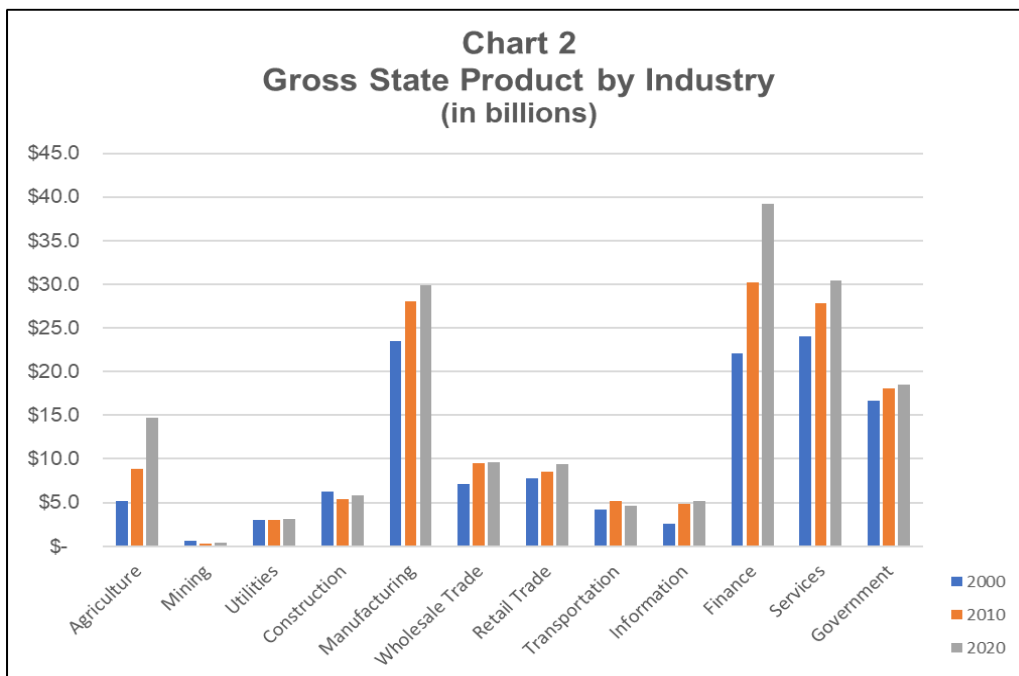
- Finance and Insurance increased 3.2%, from 10.2% to 13.3%. The 2000 share was 8.9%.
- Agriculture, Forestry, Fishing and Hunting increased 2.7%, from 5.9% to 8.7%. The 2000 share was 4.3%.
- Professional and Business Services increased 1.0%, from 5.9% to 7.0%. The 2000 share was 5.2%.



Gross State Product by Industry

Chart 2 shows the 2000, 2010, and 2020 GSP categories in terms of constant CY 2012 dollars. Iowa's total GSP increased \$19.4 billion (12.9%) from 2010 to 2020. The only significant decrease was in Transportation and Warehousing with a decrease of \$0.6 billion (11.2%). The following three categories contributed the most to the increase in the State's GSP:

- Agriculture, Forestry, Fishing and Hunting increased \$5.8 billion (65.2%).
- Mining, Quarrying, and Oil and Gas Extraction increased \$0.1 billion (30.9%).
- Finance, Insurance and Real Estate increased \$8.9 billion (29.5%).



Overall Growth

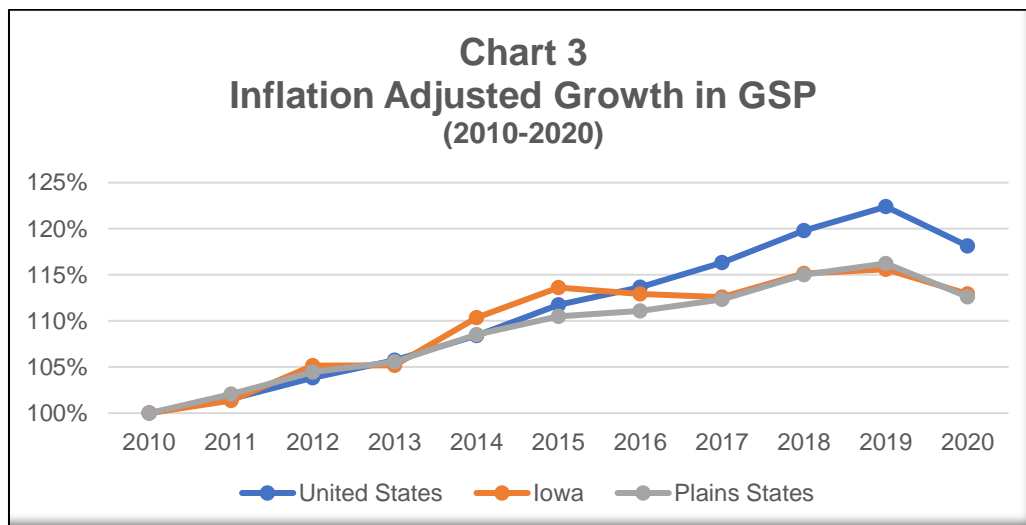
Chart 3 shows the relative inflation-adjusted growth in the total GSP for Iowa, the Plains States, and the U.S. From 2010 to 2020, Iowa grew slower than the U.S. and compares to the Plains States with a growth rate of 12.9%. The national and Plains States rates were 18.1% and 12.6% respectively.

The Agriculture, Forestry, Fishing and Hunting industries had the largest percentage gain (65.2%), for a total increase to the State's GSP of \$5.8 billion when 2020 is compared to 2010. This exceeds the growth in the U.S. of 32.7% and exceeds the growth in the Plains States of 36.4% for the same time period.

The Mining, Quarrying, and Oil and Gas Extraction industries increased 30.9%, for a total increase to the State's GSP of \$0.1 billion when 2020 is compared to 2010. This compares to the national and Plains States increases of 44.6% and 58.3%, respectively.

The Finance, Insurance and Real Estate industries increased 29.5%, for a total increase to the State's GSP of \$8.9 billion when 2020 is compared to 2010. This exceeds the national and Plains States increases of 19.1% and 16.1%, respectively.

A table showing the growth in GSP for all of the industry categories, from 2010 through 2020, for Iowa, the Plains States, and the national growth rate is available from the Legislative Services Agency on request. Iowa's GSP, overall and by industry category, generally follows the same pattern as the national GSP and the Plains States; however, Iowa economic growth declined versus the national growth rate over the last 10 years.



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More Information

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