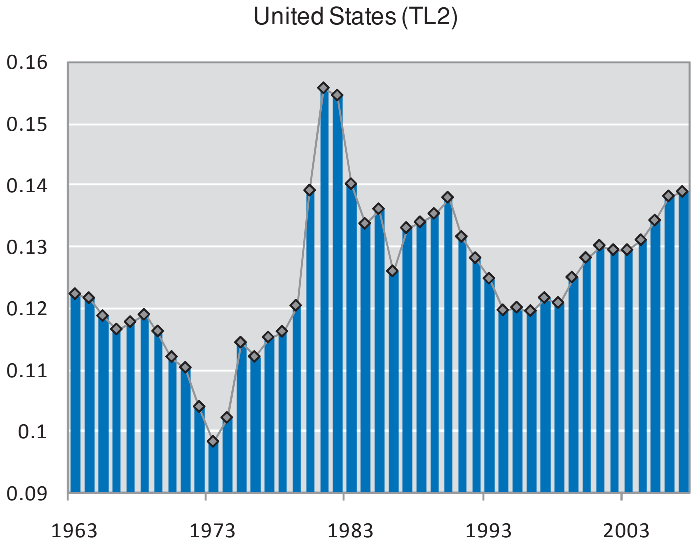
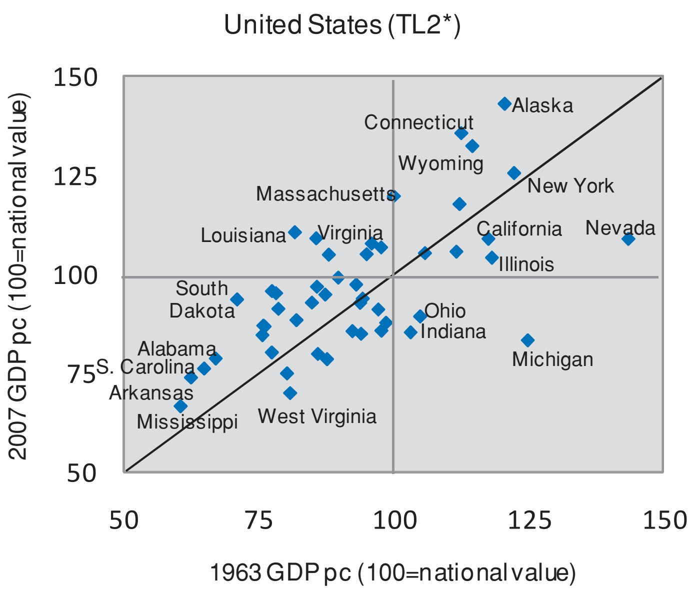
United States

Gini index of inequality of GDP per capita across TL2 regions, 1963-2007



Regional performance in GDP per capita over time, 1963 and 2007



Economic activity in the United States (among TL2 regions) is more concentrated than in OECD countries where 39% of national GDP is produced by 10% of regions as opposed to 35% in OECD countries. In fact almost 30% of national GDP is produced by California (12.6%), New York (8.2%) and Texas (7%).

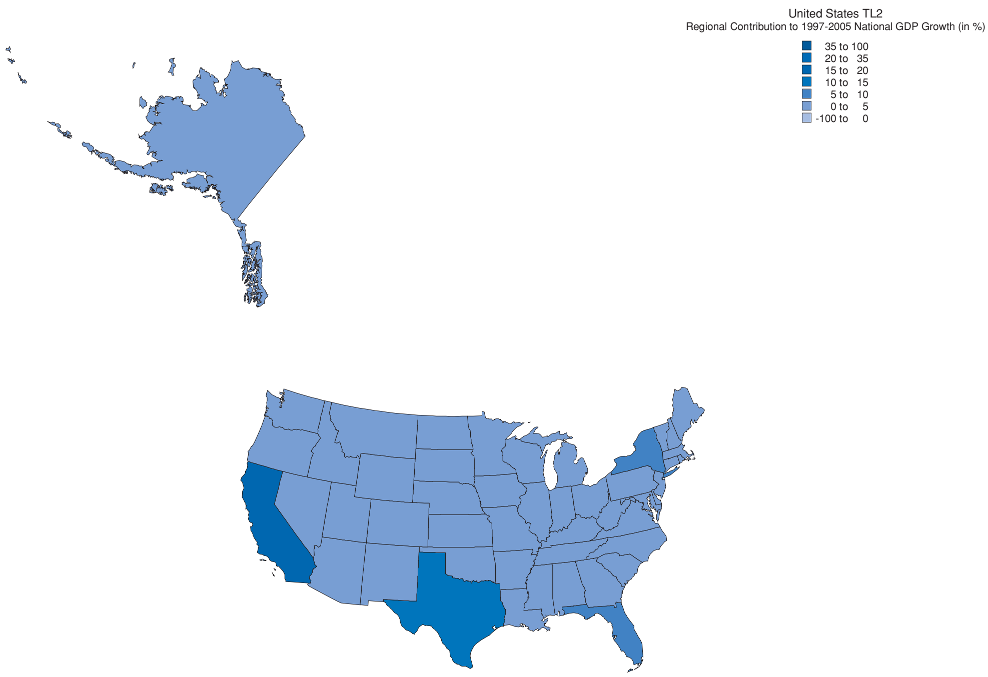
Inequality in GDP per capita among TL2 regions in the United States has fluctuated during the past 50 years. From 1963-73 inequality declined to its lowest level in 1973; thereafter inequality increased to its highest level in 1981. During these past 25 years inequality first declined from 1981 to 1997 and since 1997 it has been gradually increasing.

Alaska, Connecticut, Wyoming and Massachusetts improved their above average levels of GDP per capita from 1963 over the past 50 years contributing to an increase in inequality. Likewise the lagging region, West Virginia, also contributed to inequality by falling further behind.

In contrast the catching-up of the lagging regions Mississippi, Arkansas, South Carolina, Alabama, South Dakota Louisiana and Virginia have contributed to a decline in inequality as well as the falling behind of regions with above average GDP per capita levels in 1963 such as Nevada, Michigan, Indiana, Ohio and Illinois.

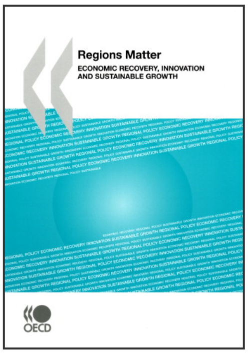
Over the past ten years the main drivers of national growth have been lead by California, Texas, Florida, New York and Virginia contributing to 14.9%, 10.3%, 7.3% and 6.5% of the overall GDP growth. The combined contribution to national growth by lagging TL2 regions (*e.g.* with below average GDP per capita levels in 2007) in the United States was quite significant (50%) over the past decade.

Regional contribution (%) to national GDP growth, 1995-2005



* The outlier region District of Columbia is not included in the graph

Source: OECD calculations based on OECD Regional Database (2009) and US Bureau of Economic Analysis.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