

Where Does California Rank—2007 Update

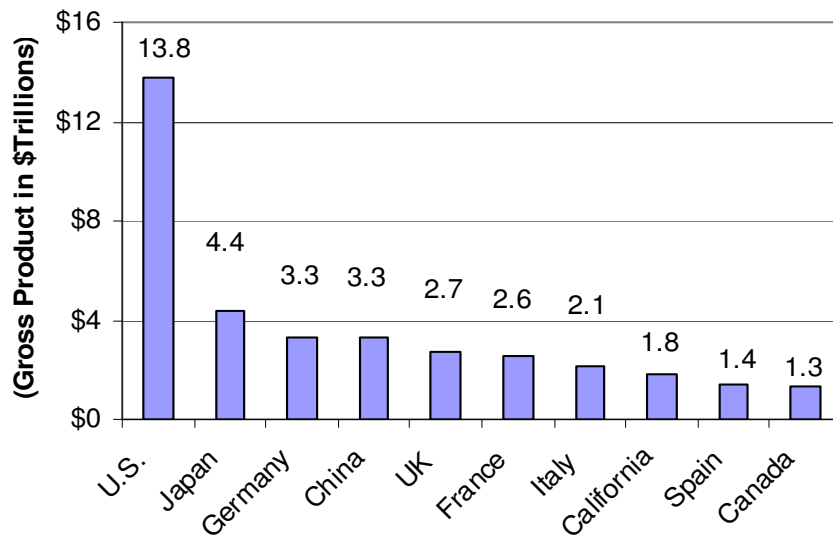
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California was the world's eighth-largest economy again in 2007. According to U.S. Department of Commerce estimates, California's GDP (gross domestic product) was slightly more than \$1.8 trillion. GDP is the value of all goods and services produced in California. It is equivalent to the gross domestic product estimates prepared for the nation and other countries.

China is the fastest growing of the world's large economies. According to World Bank estimates, China is now the world's fourth-largest economy having reached that ranking for the first time in 2005. China is on pace to pass Germany and move into third place in 2008.

In terms of size, the California economy currently ranks just behind Italy and ahead of Spain and Canada. The next five largest economies are Brazil (\$1.3 trillion), Russia (\$1.3 trillion), India (\$1.2 trillion), South Korea (\$970 billion), and Mexico (\$893 billion).

World's Top 10 Economies in 2007



The world GDP data can be found on the World Bank website at <http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20399244~menuPK:1192714~pagePK:64133150~piPK:64133175~theSitePK:>

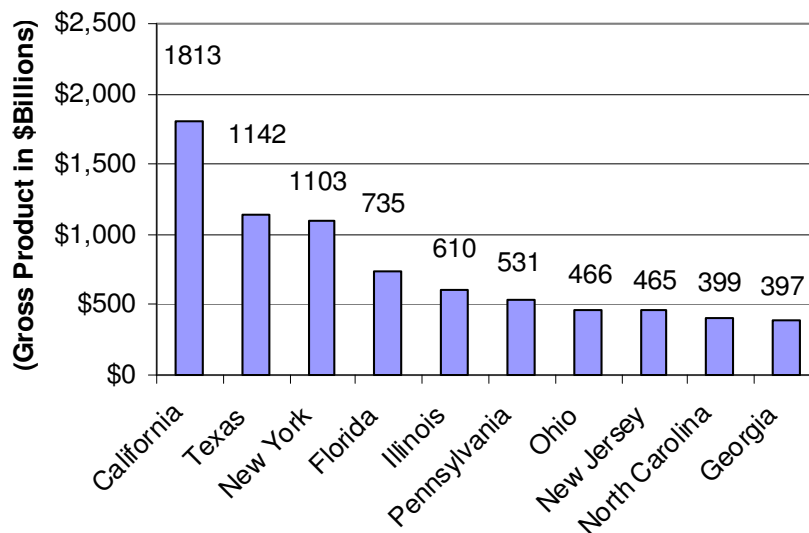
[239419.00.html](#). The chart above uses the World Bank Atlas method that uses a three-year average of exchange rates to compare country GDP estimates.

The World Bank also publishes estimates based on comparing purchasing power across countries. This method, explained in the above World Bank website, ranks California as the 10th largest economy. India, Russia and Brazil move ahead of California while Italy falls just behind the state in these rankings.

Largest State Economies

California has the largest GDP among states, which is to be expected since the state is 60% larger in terms of population than Texas, the next largest state. California's GDP in 2007 was \$1,813 billion followed by Texas with \$1,142 billion and New York with \$1,043 billion. The next largest state GDPs were in Florida, Illinois, Pennsylvania, Ohio, New Jersey, North Carolina and Georgia. Virginia (\$383 billion) and Michigan (\$383 billion) are the next largest state economies.

Top State Economies in 2007



The state GDP data can be found on the Bureau of Economic Analysis (BEA) website at <http://www.bea.gov/regional/index.htm#gsp>.

How Does California Rank on GDP Growth Rates?

Nevada led all states with a 4.9% annual increase in real (inflation adjusted) GDP between 2000 and 2007 compared to the U.S. annual growth rate of 2.3%. Nevada was followed by Arizona and Florida.

California posted GDP growth of slightly above the national average with real GDP increasing by 2.7% annually between 2000 and 2007. Texas (3.1% per year) grew slightly faster than California.

Colorado had GDP growth of 2.1% per year while Massachusetts had GDP growth of 1.5% per year. Ohio (0.7% per year) and Michigan with negative GDP growth showed the impact of the post-2000 years on some Midwest states.

Real State GDP Growth 2000-2007

