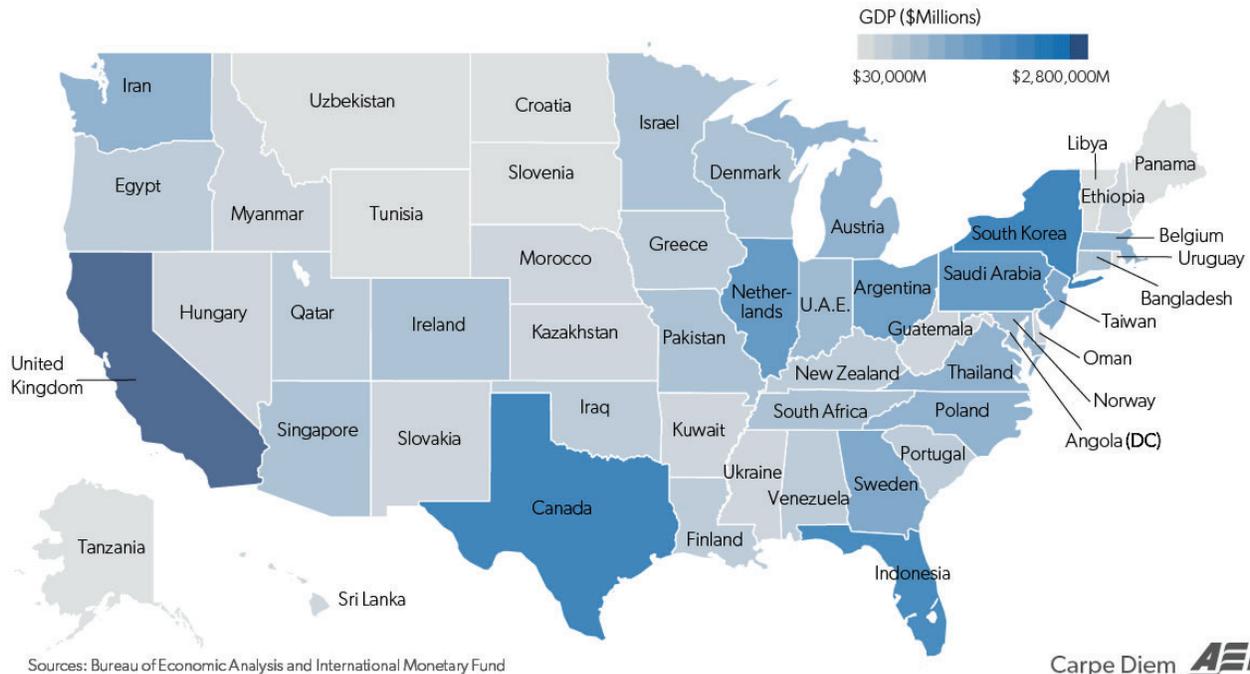


# THE UNITED STATES OF AMERICA: A WORLD IN ONE COUNTRY

The map below was created by the American Enterprise Institute (AEI) by matching the economic output (Gross Domestic Product) for each US state (and the District of Columbia) to a foreign country with a comparable nominal GDP, using data from the Bureau of Economic Analysis (BEA) and the International Monetary Fund (IMF). Admittedly, the data is from 2017, but the data has not materially changed in the last four years. More importantly, the data illustrates a key statistic about the American worker, detailed below the graph.

## US States Renamed for Countries with Similar GDPs (2017)



1. America's largest state economy is California, which produced \$2.75 trillion of economic output in 2017, more than the United Kingdom's GDP of \$2.62 trillion for the comparable year. The important point to note however, is that California has a labor force of 19.3 million compared to the labor force in the UK of 33.8 million. That suggests that it required a labor force 75% larger (and 14.5 million more people) in the UK to produce the same economic output as California! That's a testament to the world-class productivity of the American worker. Furthermore, California as a separate country would have been the fifth largest economy in the world - ahead of the UK (\$2.62 trillion), India (\$2.61 trillion) and France (\$2.58 trillion).
2. America's second largest state economy – Texas – produced nearly \$1.7 trillion of economic output in 2017, which would rank the Lone Star State as the world's 10th largest economy. Texas' GDP was slightly higher than Canada's GDP of \$1.65 trillion. However, for Canada to produce about the same amount of economic output as Texas required a Canadian labor force of 20 million - nearly 50% larger than the labor force in the state of Texas (13.5 million). Put

continued on page 2

# INSIGHTS

another way, it required a labor force of 6.5 million more workers in Canada to produce roughly the same output as Texas last year.

3. Even with all its oil wealth, Saudi Arabia's GDP in 2017 at \$683 billion was below the GDP of US states like Pennsylvania (\$752 billion) and Illinois (\$820 billion).
4. America's third largest state economy – New York with a GDP in 2017 of \$1.55 trillion – produced slightly more economic output than South Korea (\$1.54 trillion). As a separate country, New York would have ranked as the world's 11th largest economy, ahead of No. 12 South Korea, No. 13 Russia (\$1.53 trillion) and No. 14 Australia (\$1.38 trillion). Again, it required a labor force in South Korea of 27.9 million (nearly three times larger than New York's 9.7 million) to produce roughly the same amount of economic output.
5. Other comparisons:
  - Florida (\$967 billion) produced almost the same level of GDP in 2017 as Indonesia (\$1 trillion), even though Florida's labor force of 10.1 million is less than 8% of the size of Indonesia's workforce of 127.1 million.
  - GDP in Illinois last year of \$820 billion was just slightly higher than economic output in the Netherlands (\$825 billion), even though the labor force in Illinois (6.5 million workers) is 28% smaller than the labor force in the Netherlands (9 million workers).

Amazingly, the ***US produced 24.3% of world GDP*** in 2017, ***with only about 4.3%*** of the world's population. Adjusted for the size of the workforce, there might not be any country in the world that produces as much output per worker as the US, thanks to the world-class productivity of the American workforce.

These statistics remind us of the enormity of the economic powerhouse Americans live and work in. For anyone who is concerned that the US is losing its status as global economic leader, until any other country can come close to matching the innovation and productivity of largest economic engine in human history, those concerns are misplaced.



***Matt Jones, JD, CFP***  
*President*



***David Trent***  
*Managing Principal*