

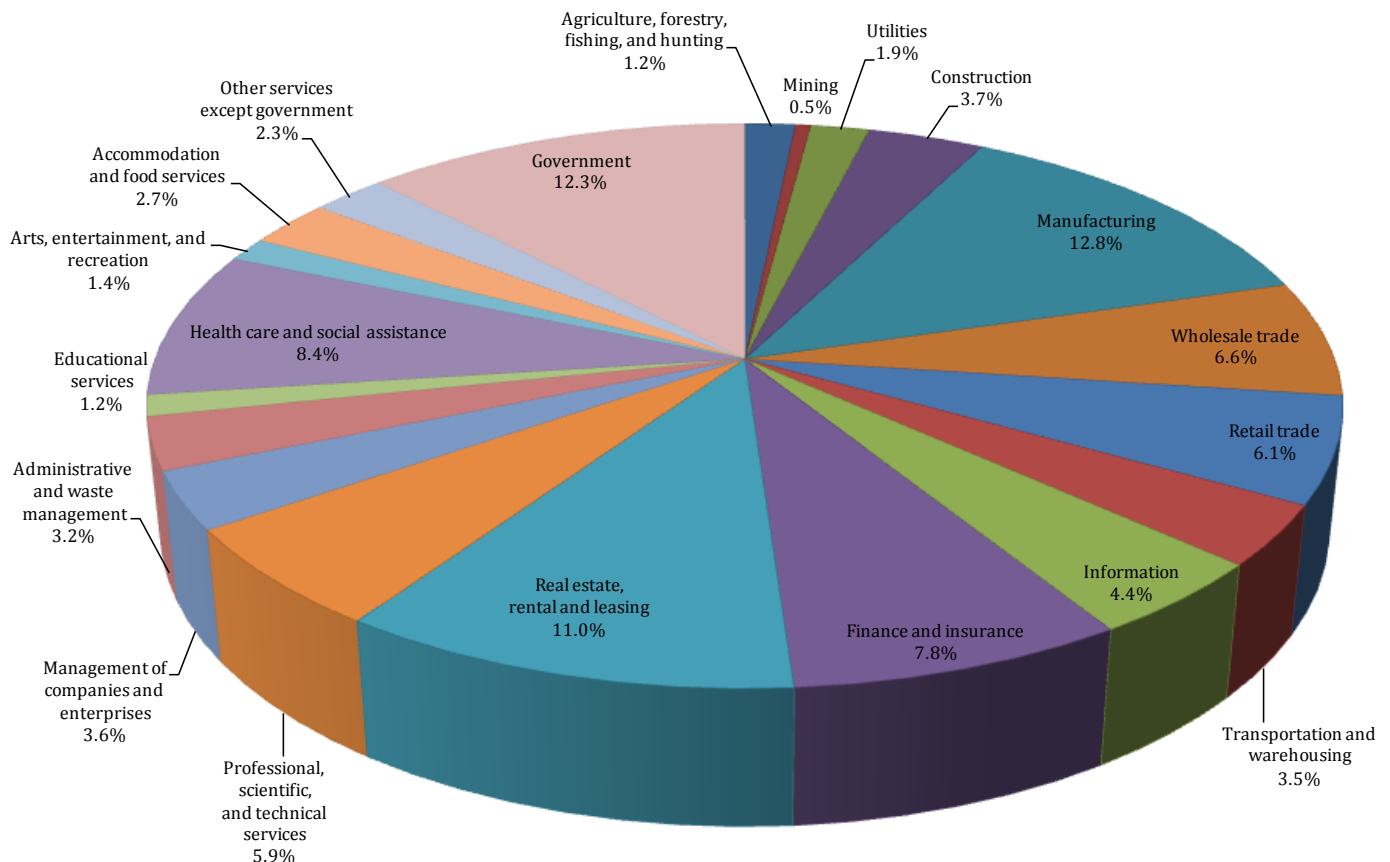
According to Economic Diversity Index (EDI) analysis, in 2014, Missouri ranked as the 3rd most diverse economy in the United States, moving up one position in the rankings from 2013. The EDI measures economic diversity by calculating the percentage of an industry's GDP in comparison to the total GDP of the state. Gross Domestic Product (GDP) information is available from the U.S. Bureau of Economic Analysis.

Missouri's top three industries (excluding government) by percentage of GDP in 2014 were *Manufacturing*, *Real Estate/Rental/Leasing*, and *Health Care/Social Assistance*. The same industries were the top three industries in 2013. Industries that had significant increases in percentage of GDP were *Finance and Insurance* (7.8% in 2014 from 7.2% in 2013), *Wholesale Trade* (6.6% in 2014 and 6.4% in 2013), and *Management of Companies and Enterprises* (3.3% in 2014 from 3.1% in 2013). Industries that had significant decreases in percentage of GDP were *Information* (4.4% in 2014 from 4.7% in 2013), *Manufacturing* (12.8% in 2014 from 13.1% in 2013), and *Utilities* (1.9% in 2014 from 2.0% in 2013). *Government* percentage of GDP was 12.3% in 2014 up from 12.2% in 2013.

Missouri's economic diversity shields it from the level of recessionary impact felt by those states lacking diverse economies. States like Wyoming and Indiana, with respective economies more concentrated in mining and manufacturing, are more vulnerable to disruptions to their economies if either industry is negatively impacted. Missouri's diverse industries serve to buffer negative impacts on the economy as a whole in the event one or two industries experience an economic slowdown.

The pie graph below displays the size of each industry by percentage of GDP:

Missouri Industry by GDP Percentage



Economic Diversity Index (EDI)

February 2016

The closer to zero a state's EDI value is the more economically diverse. Diverse state economies are less likely to be impacted by the performance of a single industry or firm. In 2014, the state of Missouri ranked 3rd on the economic diversity index. In other words, Missouri's economy was less dependent on the performance of any one industry or group of industries. The states of Colorado and Pennsylvania had the most diverse economies in 2014, ranking 1st and 2nd respectively. Among the ten most economically diverse states were neighboring Arkansas which ranked 5th and Kansas which ranked 7th. The states of Illinois and Iowa, which are also adjacent to Missouri, ranked 11th and 31st, respectively. The five least diverse states were Wyoming, Minnesota, Alaska, Delaware, and Indiana.

2014 STATE RANKING by ECONOMIC DIVERSITY

<u>Rank</u>	<u>State</u>	<u>EDI</u>	<u>Rank</u>	<u>State</u>	<u>EDI</u>
1	Colorado	0.0251	26	Connecticut	0.0390
2	Pennsylvania	0.0276	27	South Dakota	0.0396
3	Missouri	0.0277	28	Maine	0.0397
4	Nebraska	0.0285	29	Washington	0.0411
5	Arkansas	0.0287	30	Mississippi	0.0412
6	Georgia	0.0293	31	Iowa	0.0443
7	Kansas	0.0294	32	Wisconsin	0.0448
8	Montana	0.0298	33	South Carolina	0.0464
9	Utah	0.0317	34	Michigan	0.0464
10	North Dakota	0.0318	35	Kentucky	0.0466
11	Illinois	0.0323	36	Alabama	0.0469
12	Arizona	0.0326	37	New York	0.0473
13	Nevada	0.0328	38	Louisiana	0.0477
14	Texas	0.0330	39	West Virginia	0.0490
15	Florida	0.0338	40	Virginia	0.0503
16	New Hampshire	0.0351	41	North Carolina	0.0505
17	Idaho	0.0356	42	Maryland	0.0579
18	Oklahoma	0.0361	43	New Mexico	0.0595
19	Rhode Island	0.0363	44	Hawaii	0.0684
20	California	0.0369	45	Oregon	0.0722
21	New Jersey	0.0372	46	Indiana	0.0813
22	Massachusetts	0.0375	47	Delaware	0.0816
23	Vermont	0.0375	48	Alaska	0.0879
24	Ohio	0.0379	49	Minnesota	0.0917
25	Tennessee	0.0380	50	Wyoming	0.1149

The 2014 index value for the U.S. was 0.0295. In 2014 seven states were more diverse than the nation. While the nation weather's the economic ups and downs of any one industry or firm, there are some firms which may have an outsized impact on the nation: Google, Wal-Mart, or Burlington Northern, for example.