

INDEX OF STATE ECONOMIC MOMENTUM

The Index of State Economic Momentum, developed by *Reports* founding editor Hal Hovey, ranks states based on their most recent performance in three key measures of economic vitality: personal income growth, employment growth, and population growth. *Reports* updates the index each quarter.

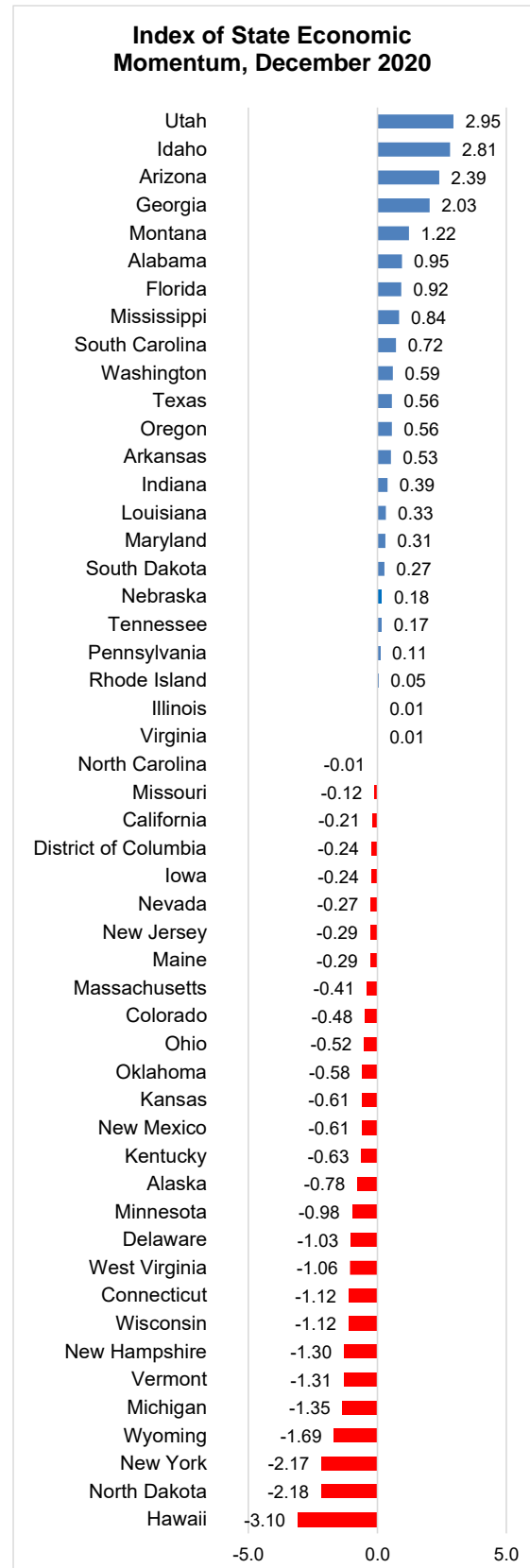
Measures of the three components are averaged, and the national average is set at zero. Each state's score is then expressed as a percentage above or below the national average. The chart on the right shows the results based on the most recent data. In this final update of 2020, **Illinois, Virginia, and North Carolina** are closest to the national average economic performance, with the first two exceeding it by 0.01% and the third lagging by the same margin. **Utah** moved to the top of the list, replacing **Idaho**, and **Hawaii** moved into in the bottom spot, replacing **New York**.

Twenty-three states exceeded the national average economic performance, while 27 and the District of Columbia lagged it. Among the 10 most populous states, five exceeded the average: #4 **Georgia**, #7 **Florida**, #11 **Texas**, #20 **Pennsylvania**, and #22 **Illinois**.

The uneven impact of the COVID-19 recession is in evidence with these results; an unusually high number of states (11) lagged the national economy by more than 1%. Among them, **Hawaii, North Dakota**, and **New York** lagged by more than 2%, a rarity.

Five states exceeded the national average economic performance by more than 1%: **Utah, Idaho, Arizona, Georgia, and Montana**. As was true before COVID-19, states exceeding the average tend to be southern and western.

The results need to be considered in the context of the index's three components. Personal income data still reflect a large influx of federal



assistance. Population data are estimates that have been built off the last decennial census in 2010. Accordingly, the employment data take on extra importance as the most timely and accurate barometer of what is happening in state economies.