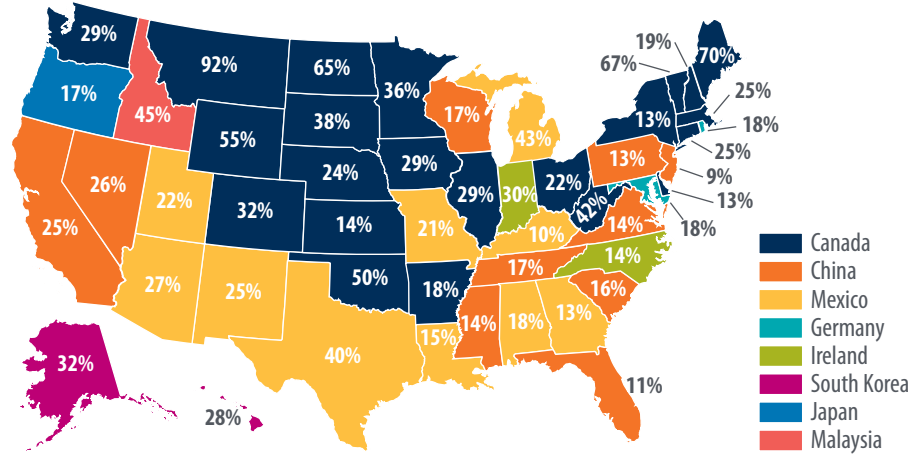


Mapping State Trade Trends

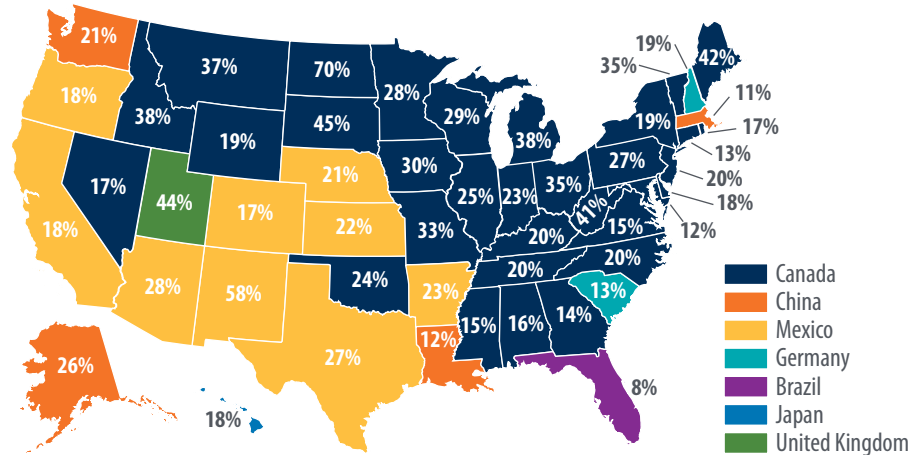
With a renewed focus on protecting American industries and generating additional revenue, President Trump's administration has intensified its tariff policies. A 25% tariff has been imposed on nearly all goods imported from Canada and Mexico, with the exception of Canadian energy products, which face a 10% tariff. Additionally, imports from China now carry an extra 10% tariff, bringing the total to 20%, while a global tariff of 25% has been applied to steel and aluminum. These measures could have a significant impact on overall U.S. growth and revenue, but their impact varies widely across different states. In this edition of "Three on Thursday," we examine the largest import partners for each U.S. state, identify their top export markets, and analyze the role of trade as a share of state GDP. The three maps below offer deeper insight into these economic dynamics.

Largest Import Partner as a Share of Overall Imports



In 2024, Mexico was the largest overall exporter to the United States, but a closer look at individual states reveals a different picture. Canada emerged as the top exporter to 22 states, followed by China and Mexico, which each led in 10 states. Montana had the highest concentration of imports from a single country, with 91.8% coming from Canada. In contrast, New Jersey had the most diversified import sources, with its top trade partner China accounting for just 9.3% of total imports.

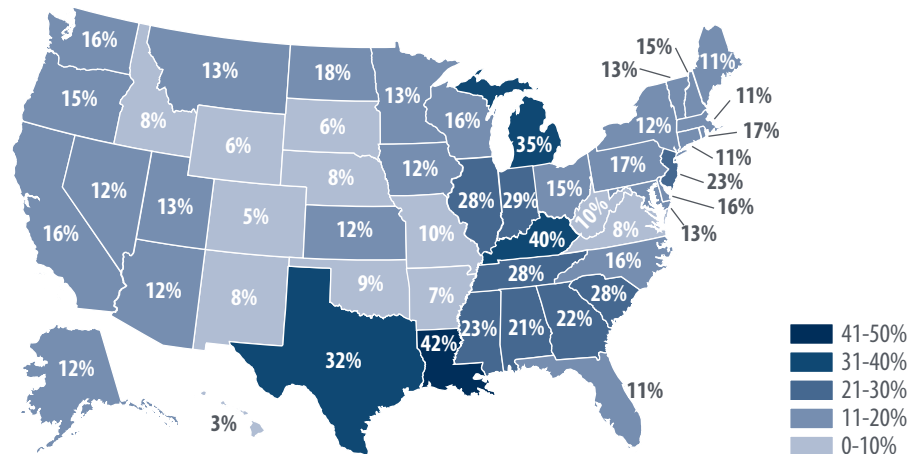
Largest Export Partner as a Share of Overall Exports



In 2024, Canada remained the top destination for U.S. exports, serving as the largest market for 32 states. Mexico followed at a distant second, serving as the top export destination for nine states. North Dakota had the highest export concentration to a single country, with 69.6% of its goods going to Canada. On the other end of the spectrum, Florida had the most diversified export market, with its top trade partner, Brazil, accounting for just 8.4% of total exports.

Source for above charts: U.S. Census Bureau, First Trust Advisors. Data from calendar year 2024.

Overall Trade as a Share of State GDP



International trade plays a vital role in most U.S. state economies. In 2023, the average trade volume (exports + imports) accounted for 16.0% of each state's GDP. Trade dependence varied widely, from a low of 2.9% in Hawaii to a high of 41.6% in Louisiana—the most globally integrated state. Louisiana also boasted the largest trade surplus, driven primarily by petroleum exports.

Source: U.S. Census Bureau, Bureau of Economic Analysis, First Trust Advisors. Data from calendar year 2023.

There is no guarantee that past trends will continue, or projections will be realized. This report was prepared by First Trust Advisors L.P., and reflects the current opinion of the authors. It is based upon sources and data believed to be accurate and reliable. Opinions and forward looking statements expressed are subject to change without notice. This information does not constitute a solicitation or an offer to buy or sell any security.