

## State Personal Income

### Second Quarter of 2006 and Revised Estimates for 2003–2006:I

By David G. Lenze

PERSONAL income growth in the United States slowed to 1.7 percent in the second quarter, following two quarters of 2.2-percent growth, according to recent estimates from the Bureau of Economic Analysis (BEA). At the same time, inflation, as measured by the national price index for personal consumption expenditures, accelerated to 1.0 percent from an average 0.6 percent in the previous two quarters. Personal income growth slowed in all eight regions of the country except the Great Lakes region, which maintained its 1.8-percent growth rate.

This article discusses second-quarter personal income estimates and presents revised estimates for 2003 through the first quarter of 2006. This article also

introduces BEA's new methodology for estimating quarterly wages and salaries. See the box "Improved Preliminary State Estimates of Quarterly Wage and Salary Disbursements."

#### Second quarter of 2006

Personal income is the income received by all persons from all sources; it is defined as the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and personal current transfer receipts. Personal income for the Nation is the sum of personal income estimates for all states and the District of Columbia.

**Earnings by industry.** Nationally, total earnings,

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The quarterly estimates of state personal income and the annual estimates of farm wages and salaries, farm supplements to wages and salaries, farm proprietors' income, property income, personal current transfer

receipts, contributions for government social insurance, and the adjustment for residence were prepared by the Regional Income Branch under the supervision of James M. Zavrel, Chief. Major responsibilities were assigned to Carrie L. Litkowski, Toan A. Ly, Jeffrey L. Newman, James P. Stehle, and Matthew A. von Kerczek. Contributing staff members were Suet M. Boudhraa, Daniel R. Corrin, Eli F. Dourado, Michelle A. Harder, Carla R. Jenkins, Brian J. Maisano, W. Tim McKeel, Loren C. Morales, Gregory D. Parnell, and Troy P. Watson.

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the largest component of personal income historically, grew 1.7 percent in the second quarter, down substantially from 2.7-percent growth in the first quarter.<sup>1</sup> The

1. Total earnings, or earnings by place of work, is the sum of proprietors' income, wages and salaries, and supplements to wages and salaries.

slowdown was widespread across most industries; it was particularly noticeable in construction, which was a major contributor to first-quarter growth. Construction earnings grew only 1.3 percent, down from 5.0 percent.

Professional services, finance, health care, and

## Data Availability

This article presents summary estimates of annual personal income and disposable personal income for 2000–2005, estimates of annual personal income by major source and earnings by industry for 2003–2005, estimates of quarterly personal income for the third quarter of 2002 to the second quarter of 2006, and quarterly personal income by major source and earnings by major industry for the fourth quarter of 2004 to the second quarter of 2006. These estimates and more detailed estimates of personal income and employment for states are available interactively on BEA's Web site.

The following annual state estimates are available at <[www.bea.gov/bea/regional/spi](http://www.bea.gov/bea/regional/spi)>:

- Personal income, per capita personal income, and population for 1929–2005
- Disposable personal income and per capita disposable personal income for 1948–2005
- State income and employment summary for 1948–2005
- Personal income by major source and earnings by industry (North American Industry Classification System (NAICS) three digit) for 1990–2005, (Standard Industrial Classification System (SIC) two digit) for 1958–2000, and (SIC division level) for 1929–57
- Personal income by major source and earnings by major industry (SIC division level) for 2001
- Compensation of employees by industry (NAICS three digit) for 2001–2005 and (SIC two digit) for 1998–2000
- Compensation of employees by industry (SIC division level) for 2001
- Wage and salary disbursements by industry (NAICS three digit) for 2001–2005, (SIC two digit) for 1958–2000, and (SIC division level) for 1929–57
- Wage and salary disbursements by major industry (SIC division level) for 2001
- Full-time and part-time employment by industry (NAICS three digit) for 2001–2005, (SIC two digit) for 1969–2000, and (SIC division level) for 2001
- Full-time and part-time wage and salary employment by industry (NAICS three digit) for 2001–2005, (SIC two digit) for 1969–2000, and (SIC division level) for 2001
- State economic profiles (a selection of personal income and employment data for each state) for 1958–2005
- Personal current transfer receipts by major program

for 1948–2005

- Farm income and expenses (including the major categories of gross receipts and expenses for all farms and for measures of farm income) for 1969–2005
  - Personal current tax receipts by level of government and by type for 1948–2005
- The following quarterly state estimates are available at <[www.bea.gov/bea/regional/spi](http://www.bea.gov/bea/regional/spi)>:
- Personal income for the first quarter of 1948 to the second quarter of 2006
  - Quarterly income summary for the first quarter of 1948 to the second quarter of 2006
  - Personal income by major source and earnings by major industry (NAICS two digit) for the first quarter of 2001 to the second quarter of 2006
  - Personal income by major source and earnings by major industry (SIC division level) for the first quarter of 1948 to the fourth quarter of 2001
  - Compensation of employees by industry (NAICS two digit) for the first quarter of 2001 to the second quarter of 2006
  - Compensation of employees by industry (SIC division level) for the first quarter of 1998 to the fourth quarter of 2001
  - Wage and salary disbursements by major industry (NAICS two digit) for the first quarter of 2001 to the second quarter of 2006
  - Wage and salary disbursements by major industry (SIC division level) for the first quarter of 1948 to the fourth quarter of 2001

In addition, the entire set of estimates for all states will be available in October 2006 on CD-ROM; it will include an updated description of the sources and methods used to estimate state personal income. To order the free CD-ROM *State Personal Income, 1929–2005* (product number RCN-0752), call the Order Desk at 1–800–704–0415 (outside the United States, call 202–606–9666).

The state personal income estimates are also available through the members of the BEA User Group, which consists of state agencies and universities that help BEA disseminate the estimates in their states. For a list of the BEA User Group on BEA's Web site, go to <[www.bea.gov/bea/regional/docs/usergrp.cfm](http://www.bea.gov/bea/regional/docs/usergrp.cfm)>.

For more information about these estimates, call the Regional Economic Information System at 202–606–5360, fax 202–606–5322, or e-mail [reis.remd@bea.gov](mailto:reis.remd@bea.gov).



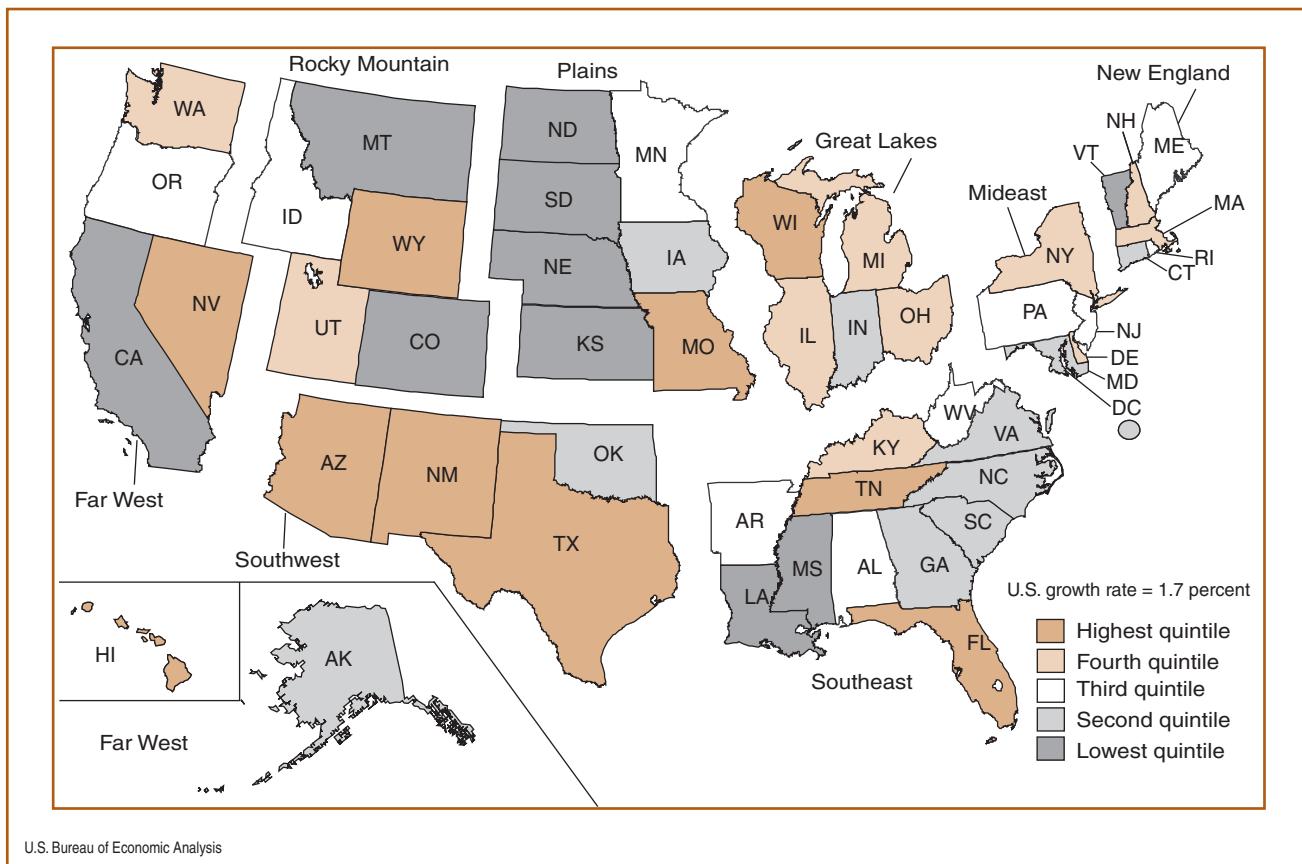


third quarter of 2005, an abnormal quarter because of Hurricane Katrina, rental income has fallen to the lowest level since the fourth quarter of 1991. Transfers grew only 1.2 percent, down from 2.0-percent growth. The first-quarter increase reflected cost-of-living increases, which historically have been distributed in the first quarter.

**State growth.** Two states grew at rates that differed substantially from the national average: Nevada, whose population is growing four times faster than the Nation's, grew 2.3 percent, while Louisiana, which is still experiencing repercussions from last year's natural disasters, grew only 0.8 percent (chart 1).

The accommodations and construction industries

### Chart 1. Personal Income: Percent Change, 2006:I–2006:II



### Earnings for 1990–2000 by State and NAICS-Based Industries

The Bureau of Economic Analysis has released state estimates of earnings for 1990–2000 based on the 2002 North American Industry Classification System (NAICS). The release of the estimates meets an important BEA strategic plan goal to extend the NAICS-based state income estimates back to 1990. Previously, these estimates were only available by Standard Industrial Classification (SIC) industries. The NAICS-based estimates for 1990–2000 are now consistent with the industry detail for 2001–2005.

The portion of earnings accounted for by wages and salaries and supplements to wages incorporates the 1990–2000 Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW), a tabulation of wages and employment that are covered by the unem-

ployment insurance program. The QCEW data was recoded by BLS to a NAICS basis from an SIC basis and reported on the BLS Web site.

The national estimates of wages and employment by industry that are included in these earnings estimates for 1998–2000 differ from those previously released as part of the national income and product accounts (NIPAs) and the estimates of gross domestic product (GDP) by industry, because these estimates do not yet include the recoded QCEW data, which were not available when the NIPA and GDP-by-industry estimates were released in 2003 and 2004, respectively. The estimates will incorporate the 1998–2000 NAICS-based QCEW data as part of the next comprehensive NIPA revision.

were the primary contributors to Nevada's growth in the second quarter.

The slow growth in Louisiana principally reflected declining emergency assistance and unemployment benefits: Transfer receipts in Louisiana fell 2.6 percent in the second quarter, compared with 1.2-percent growth nationally. However, net earnings grew 1.6 percent, the same as the national growth rate.

## Revisions

Quarterly and annual estimates of state personal income have been revised, beginning with the first quarter of 2003. Estimates are usually revised each September in order to incorporate source data that are more complete, more detailed, and otherwise more appropriate than those previously available (table B). The revisions also incorporate the results of the recent

**Table B. Major New or Revised Source Data in State Personal Income and Personal Current Taxes Since the March 2006 Release**

Component of personal income	Annual estimates			Quarterly estimates	
	2003	2004	2005	2006:I	2006:II
Wage and salary disbursements by industry	New CBP estimates; revised USDA farm labor expenses.	Revised QCEW wage data; new RRB state payroll data; revised <i>Official Catholic Directory</i> data; new Census of Governments data; revised USDA farm labor expenses.	New QCEW wage data; revised DOD personnel and average pay data; revised Coast Guard payroll data; new <i>Official Catholic Directory</i> data; new USDA farm labor expenses.	New QCEW wage data; revised DOD personnel and average pay data; revised Coast Guard payroll data; revised CES data for March; revised Department of Transportation payroll data.	New CES employment data for April, May, and June; new DOD personnel and average pay data; new Coast Guard payroll data; new Department of Transportation payroll data.
Supplements to wages and salaries by industry	Revised NASI self-insured benefits data; revised Census Bureau data on contributions to state and local government retirement systems; revised USDA farm labor expenses.	Revised QCEW data on contributions to unemployment insurance funds; new NAIC earned premium data; new Census Bureau data on contributions to state and local government retirement systems; new Census Bureau data on state-administered workers' compensation programs; new NASI self-insured benefits data; revised USDA farm labor expenses.	New QCEW data on contributions to unemployment insurance funds; new FRA data on casualties; new USDA farm labor expenses and number of hired farm workers.		
Farm proprietors' income	Revised USDA estimates of gross income and expenses.	Revised USDA estimates of gross income and expenses.	New USDA estimates of gross income and expenses.	Revised USDA estimates of farm cash receipts for January and February; new estimates for March; revised USDA U.S. level farm income forecast.	New USDA estimates of farm cash receipts for April and May; revised USDA U.S. level farm income forecast.
Nonfarm proprietors' income by industry	New IRS data on net receipts and profits of proprietorships and partnerships.				
Dividends, interest, and rent		New ACS data on the aggregate value of dwellings and mobile homes; new IRS income tax data on dividends, taxable interest, S Corporation distributions, and gross rents and royalties; revised Census Bureau population data; revised data on gross rental value of farm dwellings.			
Personal current transfer receipts		New Census Bureau state and local government finance data on disability and income maintenance payments and federal finance data on Pell Grants, Refundable Earned Income Tax Credits and railroad retirement benefits; new SSA data on social security benefits.	New CMS and DOD medical payments data; new DVA payments to veterans data; new HHS family assistance data; new USDA food stamps data; revised Department of Labor unemployment benefits data.	Revised Department of Labor unemployment benefits data.	New Department of Labor unemployment benefits data.
Employee and self-employed contributions for government social insurance			New DVA data on premiums paid for veterans' life insurance; new data on personal contributions for state unemployment insurance; revised RRB contributions data.		
Personal current taxes	Revised Census Bureau quarterly tax collections data.	New IRS income tax data; revised Census Bureau quarterly tax collections and state tax collections data; new Census Bureau local tax collections data; new tax collection data from the states.	New Census Bureau quarterly tax collections and state tax collections data; new tax collection data from the states.		

annual revision of the national income and product accounts (NIPAs).<sup>2</sup>

**Annual revisions.** In general, the revisions to the personal income estimates that were released in March were relatively small. On average, state personal income was revised down 0.4 percentage point, with a

2. See Eugene P. Seskin and Shelly Smith, "Annual Revision of the National Income and Product Accounts," SURVEY OF CURRENT BUSINESS 86 (August 2006): 7–31.

**Table C. Revisions to Personal Income by State, 2003–2005 and 2006:1**

	Percent Revision			
	Annual		Quarterly	
	2003	2004	2005	2006:1
<b>United States</b>	<b>-0.1</b>	<b>0.1</b>	<b>-0.3</b>	<b>1.1</b>
<b>New England</b>				
Connecticut	0.1	0.2	-0.6	1.6
Maine	0.8	-0.5	-1.4	0.1
Massachusetts	-0.5	-0.9	-1.3	0.0
New Hampshire	0.3	-0.2	-1.5	0.1
Rhode Island	0.4	-0.8	-2.6	-2.1
Vermont	0.5	-0.9	-1.8	0.1
<b>Mideast</b>				
Delaware	-0.4	-0.7	0.1	3.1
District of Columbia	2.1	3.3	2.4	3.5
Maryland	0.0	0.4	0.6	1.2
New Jersey	0.3	0.6	0.1	1.9
New York	0.1	0.5	-1.1	0.0
Pennsylvania	0.2	0.2	-0.1	0.7
<b>Great Lakes</b>				
Illinois	0.1	0.3	0.4	2.6
Indiana	0.0	-0.2	-0.4	1.1
Michigan	-1.4	-1.1	-1.2	0.1
Ohio	-0.5	-1.3	-1.9	-0.8
Wisconsin	0.3	-0.2	-0.9	0.5
<b>Plains</b>				
Iowa	0.0	-0.3	-1.6	1.3
Kansas	0.3	0.8	0.3	1.2
Minnesota	0.2	0.1	-0.1	0.4
Missouri	-0.4	-1.2	-1.9	-0.5
Nebraska	-0.1	-1.2	-1.9	-1.4
North Dakota	-0.6	-1.6	-0.5	-1.7
South Dakota	0.9	3.7	3.3	4.4
<b>Southeast</b>				
Alabama	0.1	1.3	1.7	2.1
Arkansas	0.2	-0.1	-0.9	0.6
Florida	0.7	3.5	2.6	3.8
Georgia	0.3	-0.2	0.2	1.8
Kentucky	-0.5	-0.8	-0.7	-0.1
Louisiana	-0.3	-0.8	-1.0	-0.5
Mississippi	-1.0	-2.3	-1.5	-2.6
North Carolina	0.2	0.9	1.6	3.1
South Carolina	-0.4	-0.4	-0.5	0.8
Tennessee	-0.3	-0.7	-0.5	-0.1
Virginia	-0.1	-1.3	-2.2	-1.3
West Virginia	-2.3	-3.2	-4.4	-3.5
<b>Southwest</b>				
Arizona	-0.6	0.0	-0.4	2.0
New Mexico	-0.2	1.9	1.0	3.1
Oklahoma	-0.5	1.9	2.0	3.1
Texas	-0.2	0.1	0.4	1.7
<b>Rocky Mountain</b>				
Colorado	-1.4	-1.0	-1.3	0.6
Idaho	0.1	1.6	0.9	3.6
Montana	0.2	0.1	-1.6	1.0
Utah	-1.5	-1.6	-2.0	-0.5
Wyoming	1.3	2.2	1.3	3.5
<b>Far West</b>				
Alaska	-1.3	-0.7	-0.5	-0.2
California	0.0	0.2	-0.4	1.6
Hawaii	-0.8	0.0	-0.2	0.3
Nevada	-0.5	0.8	-0.3	0.7
Oregon	0.7	0.9	0.2	1.5
Washington	0.0	-1.0	-0.5	0.3
Average revision	-0.1	0.0	-0.4	0.9
Average absolute revision	0.5	1.0	1.2	1.5
Standard deviation of revision	0.7	1.4	1.4	1.7

NOTE. The annual revisions are computed from the March 2006 release, and the quarterly revisions are computed from the June 2006 release.

standard deviation of 1.4 in 2005 (table C and chart 2). The average revisions were even smaller in 2003 (0.1 percent down) and 2004 (less than 0.05 percent up). Averages and dispersions of the revisions are similar to those in previous years.

In general, most of the revisions to state personal income are attributable to the incorporation of new state-level Internal Revenue Service data (for dividends, interest, and nonfarm proprietors' income) and to new wage data from the Bureau of Labor Statistics (BLS) for the fourth quarter of 2005. Notable revisions include the following:

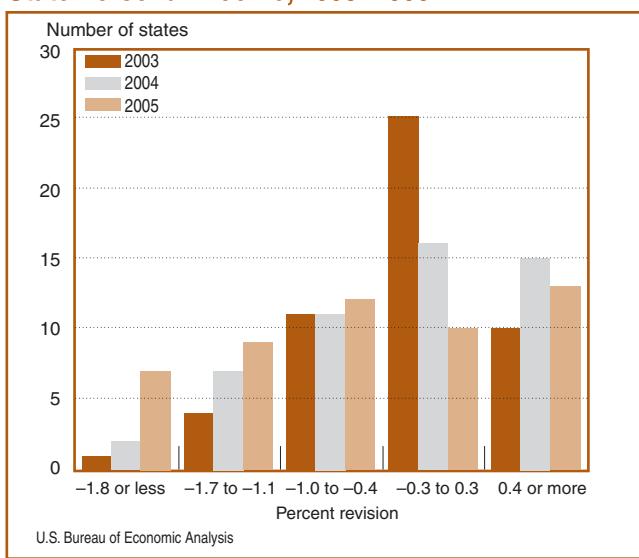
• **District of Columbia.** Personal income was revised up 2.4 percent for 2005. The revision can be accounted for by a reduction in the District's large residence adjustment—more than half the compensation paid to workers in the District is to nonresidents.

• **Florida.** Personal income was revised up 2.7 percent for 2005. The revision reflects new source data for property income in 2004 that were extrapolated to 2005.

• **South Dakota.** Most of the 3.3-percent upward revision was due to higher property income, but new source data for farm proprietors' income also contributed.

• **West Virginia.** The 4.4-percent downward revision was the largest among states in 2005. The revision reflected a large downward revision to workers' compensation (a component of personal current transfer receipts) due to the incorporation of new data from the Census Bureau and a downward revision to contributions for social insurance by employees and the self-employed.

**Chart 2. Frequency Distribution of Revisions to State Personal Income, 2003–2005**



### Improved Preliminary State Estimates of Quarterly Wage and Salary Disbursements

BEA's preliminary estimates of quarterly state wage and salary disbursements, released 3 months after the end of the reference quarter, are generally extrapolations of the prior quarter's wages and salaries. The extrapolations are based on employment growth as measured by the Current Employment Statistics (CES) program of the Bureau of Labor Statistics (BLS). These estimates are replaced the next quarter with actual measurements of wages from the BLS Quarterly Census of Employment and Wages (QCEW).

BEA research has shown that the accuracy of the preliminary estimates can be improved by modifying this extrapolation procedure. In essence, the extrapolations are adjusted by state-specific "scaling factors" that reduce or increase the extrapolations, compared with what they would be based on employment growth alone. For more information, see "Using Efficiency Tests to Reduce Revisions in Panel Data: The Case of Wage and Salary Estimates for U.S. States," by former BEA economist Jeremy J. Nalewaik. This paper is available at <[www.bea.gov/bea/regional/articles.cfm?section=papers](http://www.bea.gov/bea/regional/articles.cfm?section=papers)>.

With this release of quarterly state personal income, BEA has incorporated this methodological adjustment for the District of Columbia and all states except Washington.<sup>1</sup>

#### The old methodology

The old method assumed, in effect, that there was a one-to-one relationship between state-specific employment growth and state-specific wage growth—if one grew 2 percent, so would the other. This assumption formed the basis for estimating wages by extrapolating based on employment growth. Specifically, for most industries, BEA received monthly, not seasonally adjusted CES data on employment, averaged the monthly data to convert it to quarterly data, seasonally adjusted the data, and then used the percent change from the previous quarter to extrapolate a value for wages and salaries. The base for the extrapolation was the level of wages from the prior quarter based on QCEW data. These estimates were then adjusted so that they summed to national wage and salary estimate independently derived from the BLS establishment survey.

#### The improved methodology

Revisions to BEA's quarterly state wage and salary estimates occur when the values based on extrapolation are

replaced with estimates from QCEW. Analysis has shown that these revisions can be reduced through a modification of the old methodology's extrapolation procedure. BEA's new methodology first estimates a statistical relationship between CES job growth and wage and salary disbursement growth for each state. The analysis indicates whether for each state, wage and salary growth tends to be faster or slower than employment growth. This analysis yields a scaling factor for each state, which indicates wage growth relative to employment growth. The new methodology accordingly scales (multiplies) the CES job growth rates by the estimated scaling factors, and the extrapolation of wages is then based on scaled employment growth. The resulting wage estimates are then controlled to (made equal to) the national total.

As a scaling factor approaches zero (as in the case of Delaware), it implies that the CES job growth has very little information relevant for estimating state-specific wage growth, while a scaling factor close to one (as in the case of Texas) implies that CES job growth is an excellent indicator of state-specific growth.

BEA has been preparing two sets of wage estimates each quarter for the past year. The published set of estimates used the old methodology; an unpublished set used the new scaling factors. A comparison confirmed the improvement anticipated in Nalewaik's working paper.

**Scaling Factors, 2006:II**

	Scaling Factor		Scaling Factor
Alabama .....	0.39	Missouri.....	0.04
Alaska.....	0.85	Montana.....	0.34
Arizona.....	0.78	Nebraska.....	0.47
Arkansas.....	0.34	Nevada.....	0.71
California.....	0.53	New Hampshire.....	0.47
Colorado.....	0.81	New Jersey.....	0.58
Connecticut.....	0.39	New Mexico.....	0.82
Delaware.....	0.05	New York.....	1.24
District of Columbia.....	0.70	North Carolina.....	0.30
Florida.....	0.46	North Dakota.....	0.97
Georgia.....	0.39	Ohio.....	0.47
Hawaii.....	1.01	Oklahoma.....	0.99
Idaho.....	0.41	Oregon.....	0.68
Illinois.....	0.46	Pennsylvania.....	0.32
Indiana.....	0.51	Rhode Island.....	0.34
Iowa.....	0.64	South Carolina.....	0.18
Kansas.....	0.43	South Dakota.....	0.68
Kentucky.....	0.31	Tennessee.....	0.03
Louisiana.....	0.99	Texas.....	1.18
Maine.....	0.45	Utah.....	0.82
Maryland.....	0.29	Vermont.....	0.13
Massachusetts.....	0.22	Virginia.....	0.50
Michigan.....	0.51	Washington.....	*
Minnesota.....	0.27	West Virginia.....	1.01
Mississippi.....	0.53	Wisconsin.....	0.47
		Wyoming.....	0.70

\* The scaling factor for Washington has been set equal to 1.00, in effect retaining the old methodology (see the text).

1. Washington was excepted because BEA receives advance QCEW wage data for two major industries in that state—software publishers and aerospace product and parts manufacturing—which markedly improves the quality of the states' preliminary estimate.

**First-quarter revisions.** The estimates for the first quarter of 2006 that were released in June were also revised to incorporate newly available tabulations of wages covered by state unemployment insurance from BLS. Previously, the first-quarter estimates were extrapolated from the fourth-quarter estimates using employment data from BLS. The average revision to personal income for all states was 0.9 percent (table B). The 3.2-percent revised first-quarter growth estimate

for U.S. wages and salaries was the strongest in 6 years. Wage growth surged in almost all industries and almost all states.

Beginning with the second-quarter, BEA has introduced an improvement in its wage estimation methodology (see the box "Improved Preliminary State Estimates of Quarterly Wage and Salary Disbursements").

### Personal Income in the NIPAs and State Personal Income

The personal income estimates in the national income and product accounts (NIPAs) mainly differ from the state personal income estimates because of differing treatments of the income of U.S. citizens living and working abroad and of foreign nationals living and working in the United States.

The differences mainly stem from different concepts of residence. For NIPA personal income, a U.S. resident has a center of economic interest in the country and resides, or expects to reside, in the country for a year or more. For state personal income, a resident is a participant in a U.S. regional economy, regardless of the individual's national allegiance or duration of residence.<sup>1</sup>

In general, the NIPA measure of personal income is broader than state personal income. Here are some key differences and similarities:

- NIPA personal income includes the earnings of Federal civilian and military personnel stationed abroad and the investment income received by the Federal retirement plans of these workers. The regional measure of personal income does not include this income.<sup>2</sup>
- NIPA personal income includes all income earned by U.S. citizens living abroad for less than a year. State personal income excludes the portion earned while an individual lives abroad. Both NIPA and state personal income exclude the income of private U.S. citizens living outside the country for a year or more.
- NIPA personal income includes the income of foreign nationals only if they live and work in the United States for a year or more. State personal income includes the income of resident foreign nationals working in the United States—including migrant workers—regardless of length of residency.

- Both measures include the income of U.S. residents employed by international organizations or by other countries while living in the United States and exclude the income of foreign nationals employed by their home governments or by international organizations in the United States.

The annual estimates of personal income in the NIPAs also differ from the national totals of state personal income because of differences in the timing of the availability of source data. For example, farm proprietors' income in the NIPAs for 2005 was \$0.2 billion lower than in state personal income, because the state estimates of farm proprietors' income incorporated revised USDA data that were not available until after the NIPA estimate was released.

### State and National Estimates of Personal Income

[Billions of dollars]

	2003	2004	2005
<b>Personal income in the NIPAs .....</b>	<b>9,163.6</b>	<b>9,731.4</b>	<b>10,239.2</b>
<b>Plus adjustments for:</b>			
<b>Coverage differences .....</b>	<b>-13.3</b>	<b>-14.3</b>	<b>-14.8</b>
Federal workers abroad .....	-19.8	-21.2	-22.0
Wage and salary disbursements .....	-13.2	-13.8	-14.1
Supplements to wages and salaries <sup>1</sup> .....	-6.7	-7.8	-8.2
Dividends, interest, and rent <sup>2</sup> .....	-1.0	-1.0	-1.1
Less: Contributions for government social insurance .....	-1.1	-1.4	-1.4
<b>Rest-of-the-world difference .....</b>	<b>6.5</b>	<b>6.9</b>	<b>7.2</b>
Wages of private foreign nationals in U.S. ....	7.2	7.6	7.9
Wages of private U.S. nationals abroad .....	-0.7	-0.7	-0.7
<b>Use of more current source data .....</b>	<b>0.6</b>	<b>0.1</b>	<b>0.4</b>
Wage and salary disbursements .....	0.0	-0.2	0.2
Proprietors' income .....	0.1	0.0	0.2
Personal current transfer receipts .....	0.5	0.3	0.0
<b>Equals: State personal income .....</b>	<b>9,150.9</b>	<b>9,717.2</b>	<b>10,224.8</b>

1. Consists of employer contributions for government social insurance and for employee pension and insurance funds for Federal workers stationed abroad.

2. Consists of the investment income received by Federal retirement plans that is attributed to Federal workers stationed abroad.

1. See "State Personal Income Methodology, 2005" at <[www.bea.gov/bea/regional/articles/spi2005](http://www.bea.gov/bea/regional/articles/spi2005)>.

2. For more information, see the box "New Treatment of State Estimates of Military Compensation," SURVEY OF CURRENT BUSINESS 85 (October 2005): 116.

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