

News Release

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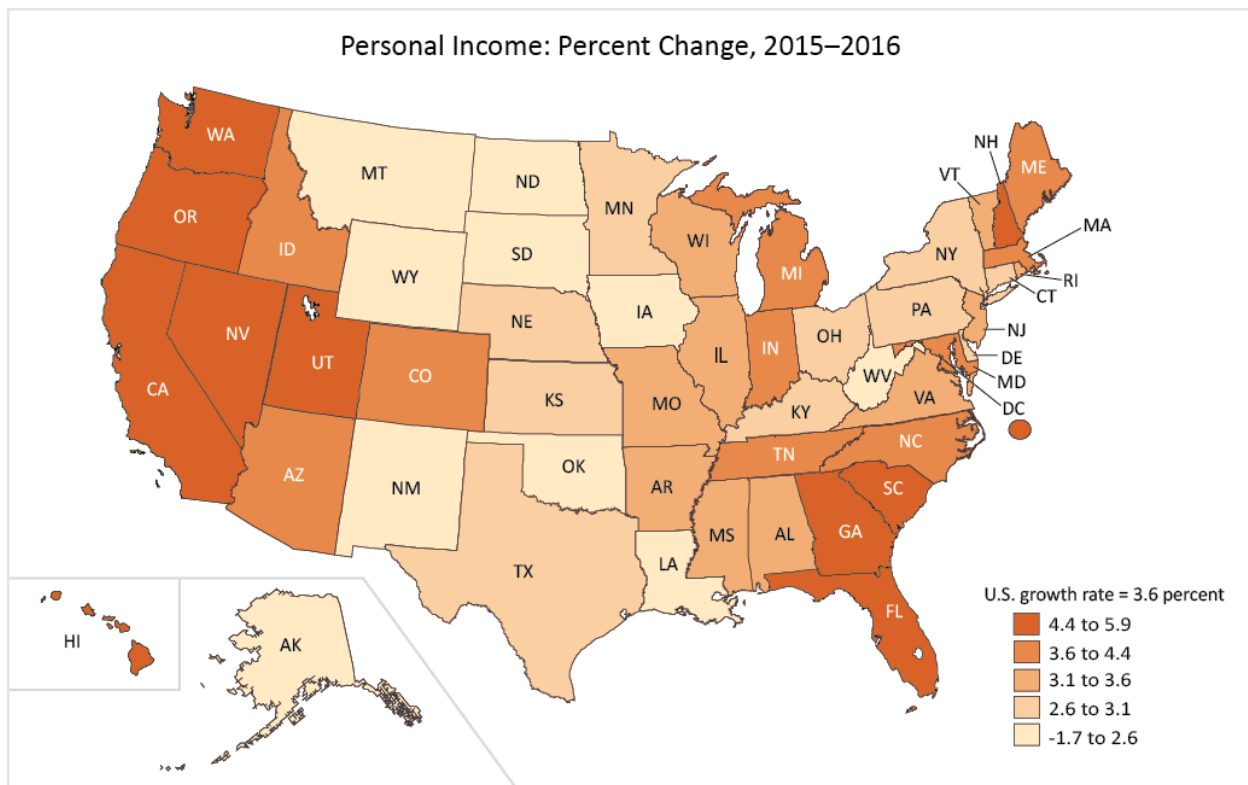
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State Personal Income, 2016

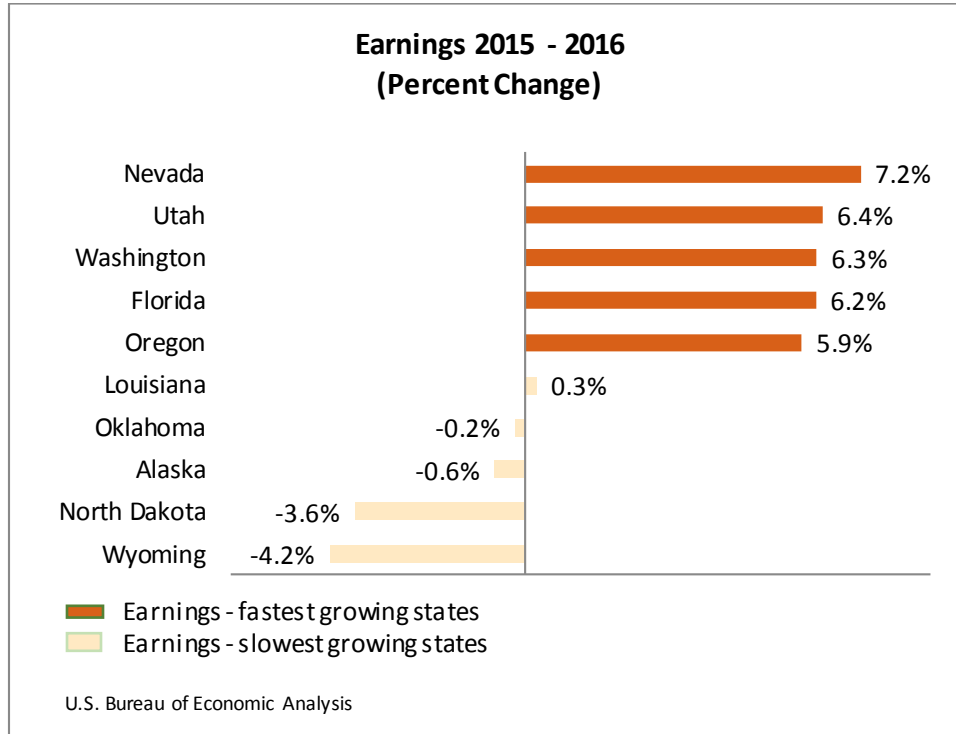
State personal income grew on average 3.6 percent in 2016, after increasing 4.5 percent in 2015, according to estimates released today by the Bureau of Economic Analysis. Growth of state personal income—the sum of net earnings by place of residence, property income, and personal current transfer receipts—ranged from –1.7 percent in Wyoming to 5.9 percent in Nevada (table 1).



U.S. Bureau of Economic Analysis

Earnings

Earnings increased 4.1 percent in 2016 and was the leading contributor to growth in personal income in most states (table 2).



Both personal income and earnings grew faster in Nevada than in any other state. Earnings growth in management; arts, entertainment, and recreation; and construction were the leading contributors to its 7.2 percent growth in total earnings (table 3).

Utah, Washington, Florida, and Oregon had the next fastest growth in total earnings.

- In Utah, earnings growth in construction, and in health care and social assistance, were the leading contributors to the 6.4 percent growth in total earnings.
- In Washington, earnings growth in information, and in retail trade, were the leading contributors to the 6.3 percent growth in total earnings.
- In Florida, earnings growth in professional, scientific, and technical services, and in health care and social assistance, were the leading contributors to the 6.2 percent growth in total earnings.
- In Oregon, earnings growth in health care and social assistance, and in construction, were the leading contributors to the 5.9 percent growth in total earnings.

For the nation, earnings grew in 22 of the 24 industries for which BEA prepares estimates (table 5). Earnings growth in health care and social assistance; professional, scientific, and technical services; and construction were the leading contributors to overall growth in total earnings.

Mining earnings fell 13.6 percent nationally in 2016, after falling 13.3 percent in 2015. Lower mining earnings was the leading contributor to declines in total earnings in Oklahoma, Alaska, North Dakota, and Wyoming, and to very slow earnings growth in Louisiana.

Property Income

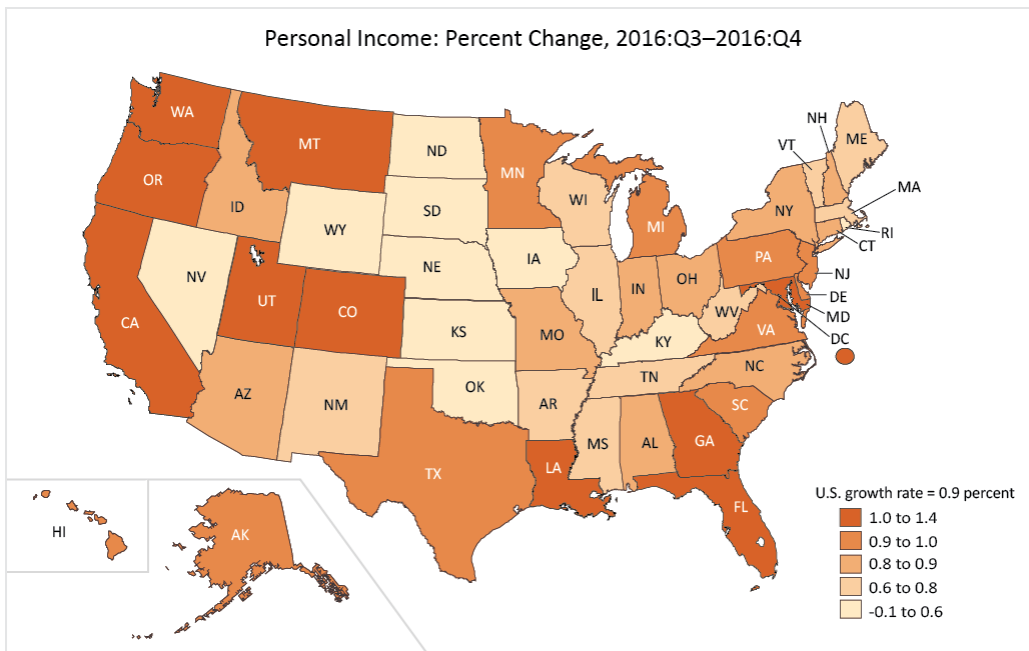
Property income (dividends, interest, and rent) grew 1.9 percent on average in 2016, slower than the 2.8 percent increase in 2015. Dividend income decreased 0.3 percent in 2016, after increasing 2.7 percent in 2015. Growth in rental income slowed to 6.9 percent in 2016, after increasing 8.8 percent in 2015. Growth in interest income, in contrast, accelerated slightly to 0.9 percent in 2016, up from 0.1 percent 2015. The growth in property income ranged from 0.9 percent in Wyoming to 2.8 percent in North Dakota.

Personal Current Transfer Receipts

Personal current transfer receipts grew 3.6 percent on average in 2016, down from 5.4 percent in 2015. Medicare and Medicaid benefits grew 5.3 percent and 5.0 percent respectively, while Social Security benefits grew only 2.8 percent. The slow growth in Social Security benefits reflects no cost of living adjustment for beneficiaries in 2016. The growth in personal current transfer receipts ranged from -5.9 percent in Alaska to 7.1 percent in Nevada. Medicaid benefits in Nevada increased 14.1 percent, the third consecutive above average annual increase. The sharp decline in Alaska reflects smaller payments from the Alaska Permanent Fund.

Fourth Quarter Personal Income

State personal income grew 0.9 percent on average in the fourth quarter of 2016, down from 1.1 percent growth in the third quarter. Growth rates ranged from -0.1 percent in Nevada to 1.4 percent in Utah and California (table 6). Earnings grew 1.0 percent nationally, and was the leading contributor to growth in personal income in most states (table 7).



U.S. Bureau of Economic Analysis

Growth in construction earnings was a leading contributor to overall earnings growth for the nation and in most of the fastest growing states (table 8). In Utah, and California, only professional, scientific, and technical services earnings made a larger contribution to overall earnings growth, and in Florida, only health care and social assistance earnings made a larger contribution. In four of the fast growing states—Washington, Louisiana, Oregon, and Montana—growth in construction earnings made the largest contribution to the growth in total earnings, while in Colorado, construction earnings and healthcare and social assistance earnings made equal contributions to its growth in total earnings.

Declining farm earnings was the leading contributor to the slow growth in total earnings in many of the slowest growing states, including South Dakota, Kansas, North Dakota, Nebraska, and Iowa. In Nevada, the only state with declining personal income in the fourth quarter, earnings were lower in arts, entertainment, and recreation; management; and professional, scientific, and technical services after large lump-sum payments were made in all three industries in the third quarter.

Updates to Personal Income

Today, BEA also released revised quarterly personal income estimates for 2016:Q1 to 2016:Q3. Updates were made to incorporate source data that are more complete and more detailed than previously available, and to align the states with revised national estimates. BEA also released revised quarterly estimates of population and per capita personal income for 2010:Q1-2016:Q3, and revised annual estimates of population and per capita personal income for 2010-2015.

Next release: June 27, 2017 at 8:30 A.M. EDT
State Personal Income: First Quarter 2017

Additional Information

Resources

- Stay informed about BEA developments by reading the BEA [blog](#), signing up for BEA's [email subscription service](#), or following BEA on Twitter [@BEA_News](#).
- Historical time series for these estimates can be accessed in BEA's [Interactive Data Application](#).
- Access BEA data by registering for BEA's Data [Application Programming Interface](#) (API).
- For more on BEA's statistics, see our monthly online journal, the [Survey of Current Business](#).
- BEA's [news release schedule](#).
- BEA Regional Facts ([BEARFACTS](#)), a narrative summary of personal income, per capita personal income, and components of income for each state.
- Complete information on the sources and methods for the estimation of [BEA's State Personal Income and Employment](#).

Definitions

Personal income is the income received by, or on behalf of, all persons from all sources: from participation as laborers in production, from owning a home or business, from the ownership of financial assets, and from government and business in the form of transfers. It includes income from domestic sources as well as the rest of world. It does not include realized or unrealized capital gains or losses.

Per capita personal income is calculated as the total personal income of the residents of a state divided by the population of the state. In computing annual per capita personal income, BEA uses the Census Bureau's annual midyear population estimates. In computing quarterly per capita personal income, BEA uses mid-quarter population estimates based on unpublished Census Bureau data.

Earnings:

Earnings by place of work is the sum of wages and salaries, supplements to wages and salaries, and proprietors' income. BEA's industry estimates are presented on an earnings by place of work basis.

Net earnings by place of residence is earnings by place of work less contributions for government social insurance, plus an adjustment to convert earnings by place of work to

a place-of-residence basis. BEA presents net earnings on an all industry level.

Property income is rental income of persons, personal dividend income, and personal interest income.

Personal current transfer receipts are benefits received by persons from federal, state, and local governments and from businesses for which no current services are performed. They include retirement and disability insurance benefits (mainly Social Security), medical benefits (mainly Medicare and Medicaid), income maintenance benefits, unemployment insurance compensation, veterans' benefits, and federal education and training assistance.

Personal income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

The estimate of personal income for the United States is the sum of the state estimates and the estimate for the District of Columbia; it differs slightly from the estimate of personal income in the national income and product accounts (NIPAs) because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data.

Statistical conventions

Quarter-to-quarter percent changes are calculated from unrounded data and are not annualized. Quarterly estimates are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter dollar changes are differences between published estimates.

BEA Regions

BEA groups all 50 states and the District of Columbia into eight distinct regions for purposes of presentation and analysis:

New England (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont)

Mideast (Delaware, District of Columbia, Maryland, New Jersey, New York, and Pennsylvania)

Great Lakes (Illinois, Indiana, Michigan, Ohio, and Wisconsin)

Plains (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota)

Southeast (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia)

Southwest (Arizona, New Mexico, Oklahoma, and Texas);

Rocky Mountain (Colorado, Idaho, Montana, Utah, and Wyoming)

Far West (Alaska, California, Hawaii, Nevada, Oregon, and Washington)

Uses of State Personal Income Statistics

State personal income statistics provide a framework for analyzing current economic conditions in each state and can serve as a basis for decision making. For example:

- Federal government agencies use the statistics as a basis for allocating funds and determining matching grants to states. The statistics are also used in forecasting models to project energy and water use.
- State governments use the statistics to project tax revenues and the need for public services.
- Academic regional economists use the statistics for applied research.
- Businesses, trade associations, and labor organizations use the statistics for market research.

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