

News Release

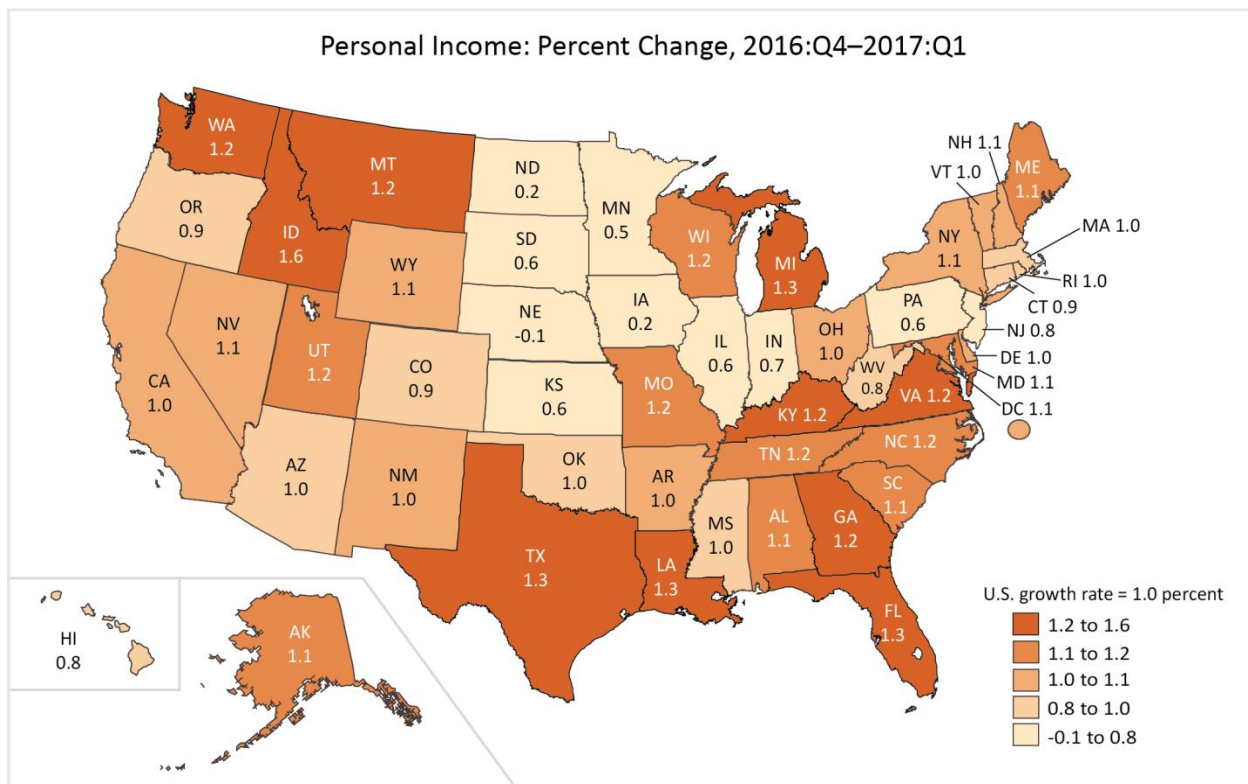
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BEA 17-30

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State Personal Income: First Quarter 2017

State personal income growth accelerated to 1.0 percent on average in the first quarter of 2017 from 0.3 percent in the fourth quarter of 2016, according to estimates released today by the Bureau of Economic Analysis (table 1). Earnings and personal current transfer receipts were the leading contributors to growth for the nation and in most states (table 2).



U.S. Bureau of Economic Analysis

Personal Income grew 1.6 percent in Idaho, faster than in any other state. Four other states—Louisiana, Michigan, Florida, and Texas—had the next fastest growth in personal income at 1.3 percent.

Kansas, Minnesota, North Dakota, and Iowa had the slowest growth, and Nebraska at -0.1 percent was the only state where personal income declined.

Earnings

Earnings increased 0.9 percent in the first quarter of 2017. Earnings growth ranged from 1.5 percent in Michigan to -0.7 percent in Nebraska.

- Growth in farm earnings was a leading contributor to growth in total earnings in Idaho, but was also a leading contributor to slow-growing or declining earnings in Minnesota, Kansas, Iowa, North Dakota, and Nebraska (table 3). The divergence in farm earnings reflects different types of farm output among states.
- Earnings growth in durable goods manufacturing was a leading contributor to growth in total earnings in Michigan. Auto workers in Michigan and in eight other states—Illinois, Indiana, Kansas, Kentucky, Missouri, Ohio, Tennessee and Texas—received profit-sharing payments totaling \$5.3 billion (annual rates) in the first quarter of 2017, under terms of agreements between manufacturers and the United Auto Workers signed in 2015.
- Mining earnings, which grew 2.8 percent nationally after nine consecutive quarterly declines, was the leading contributor to growth in total earnings in Texas.
- Growth in construction earnings continued in the first quarter of 2017 and was the leading contributor to growth in total earnings in Florida and in Louisiana.

For the nation, earnings grew in 21 of the 24 industries for which BEA prepares quarterly estimates (table 5). Professional, scientific, and technical services; construction; and health care and social assistance were the leading contributors to overall growth in personal income.

Transfer Receipts

Transfer receipts grew 1.5 percent for the nation in the first quarter of 2017. Growth rates ranged from 2.9 percent in Florida to -0.7 percent in Illinois. The first quarter growth reflects an increase in refundable tax credits, and a 0.3 percent increase in the Social Security cost of living adjustment. The growth in transfer receipts had the largest impact in Florida and in Louisiana where it accounted for almost half of each state's personal income growth.

Updates to Personal Income

Today, BEA also released revised quarterly personal income estimates for 2016:Q1 to 2016:Q4. 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.

Upcoming Annual Update of the State Personal Income Accounts. Revised annual and quarterly state personal income estimates for 2014 to 2016 will be released on September 26, 2017. In addition, revised estimates for 2017:Q1 and preliminary estimates for 2017:Q2 will also be released. The October *Survey of Current Business* will contain an article that describes the results.

Next release: September 26, 2017, at 8:30 A.M. EDT
State Personal Income: Second 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 per capita personal income, BEA uses midquarter 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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