

News Release

EMBARGOED UNTIL RELEASE AT 8:30 A.M. EDT, Tuesday, September 26, 2017

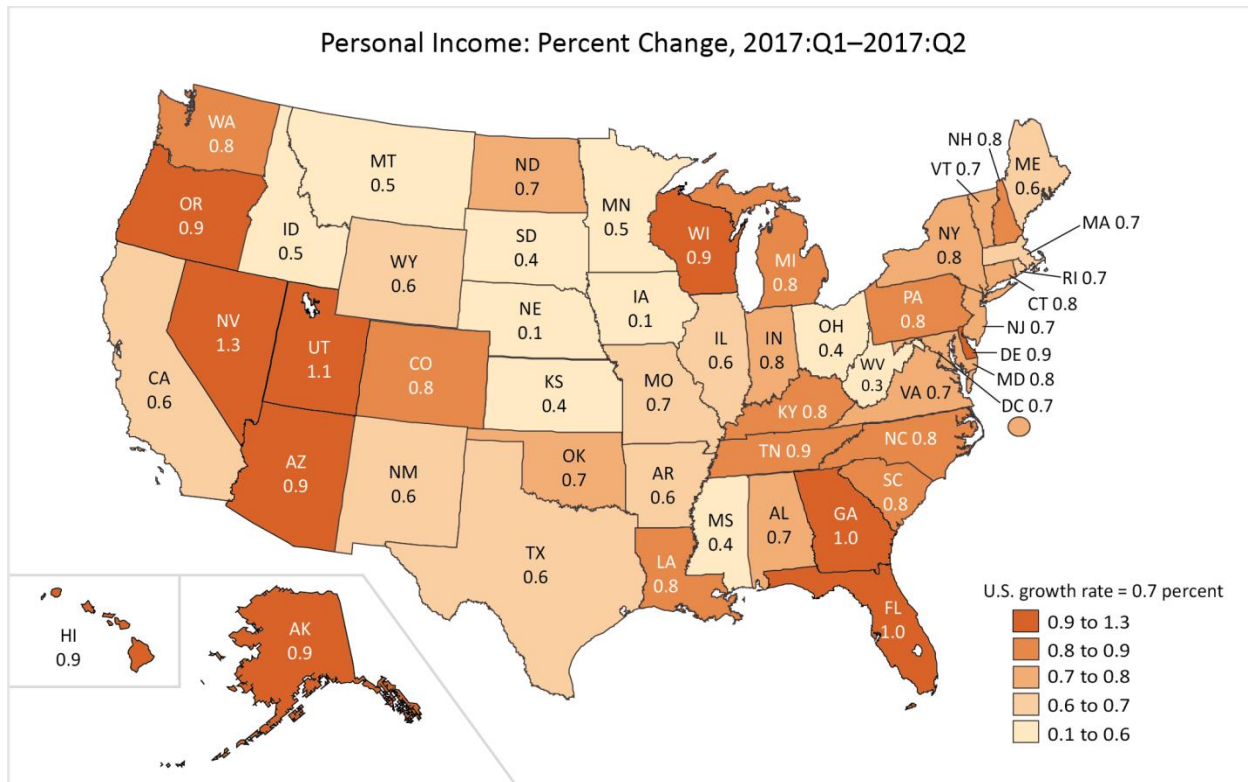
BEA 17-49

Technical: Matthew von Kerczek (301) 278-9250 reis@bea.gov
David Lenze (301) 278-9292
Media: Jeannine Aversa (301) 278-9003 Jeannine.Aversa@bea.gov

State Personal Income: Second Quarter 2017

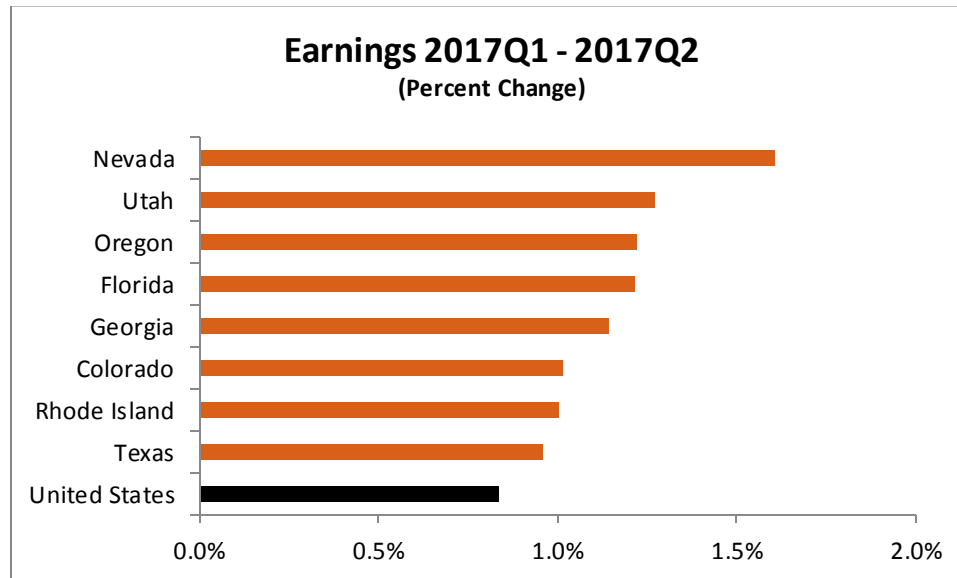
State personal income grew 0.7 percent on average in the second quarter of 2017, after increasing 1.4 percent in the first quarter, according to estimates released today by the Bureau of Economic Analysis (table 1). Each of the major aggregates of personal income—net earnings, property income, and personal current transfer receipts—grew more slowly than in the first quarter.

Personal income grew 1.3 percent in Nevada, faster than in any other state. Utah had the next fastest growth at 1.1 percent. Iowa, Nebraska, and West Virginia had the slowest growth in personal income, with each state growing less than half the rate of the nation.



Earnings

On average, earnings increased 0.8 percent in the second quarter of 2017, after increasing 1.5 percent in the first quarter. Earnings growth ranged from 1.6 percent in Nevada to -0.1 percent in Nebraska, and was the leading contributor to growth in personal income in most states (table 2).



- Growth in construction earnings was the leading contributor to above average earnings growth in Nevada and Oregon (table 3).
- Growth in retail trade earnings was the leading contributor to above average earnings growth in Utah.
- Growth in professional, scientific, and technical services earnings was the leading contributor to above average earnings growth in Florida.
- Growth in information earnings was the leading contributor to above average earnings growth in Georgia and Colorado.
- Growth in construction earnings and in finance and insurance earnings were both contributors to above average earnings growth in Rhode Island.
- Growth in finance and insurance earnings was the leading contributor to above average earnings growth in Texas.

Farm earnings declined for the nation and in every state in the second quarter (table 4) and was the leading contributor to slow earnings growth in many states. In Nebraska, Iowa and North Dakota, the decline in farm earnings reduced earnings growth by half a percentage point or more. The slow growth in farm earnings reflects lower prices for grains and other crops.

For the nation, earnings grew in 20 of the 24 industries for which BEA prepares quarterly estimates. Earnings growth in three industries—health care and social assistance; professional, scientific, and technical services; and finance and insurance—was the leading contributor to overall growth in personal income.

Property Income

Property income increased 0.8 percent in the second quarter of 2017, down from 1.3 percent in the first quarter. Property income growth ranged from 1.2 percent in Michigan to 0.4 percent in Rhode Island.

Transfer Receipts

Transfer receipts grew 0.2 percent for the nation in the second quarter of 2017, down from the 1.3 percent growth in the first quarter. Growth rates ranged from 2.0 percent in Alaska to -1.1 percent in Iowa.

Updates to Personal Income

Today, BEA also released revised annual estimates of state personal income for 2014 to 2016 and revised quarterly estimates for 2014:Q1 to 2017:Q1. Updates were made to incorporate source data that are more complete and more detailed than previously available, to incorporate updated seasonal factors, and to align the states with revised national estimates that were released with the July 2017 annual update to the National Income and Product Accounts.

Next release: December 20, 2017, at 8:30 A.M. EST
State Personal Income: Third 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.

List of News Release Tables

Table 1. Personal Income, by State and Region
Table 2. Personal Income Change by Component, by State and Region
Table 3. Contributions of Earnings to Percent Change in Personal Income by Industry, State and Region
Table 4. Earnings Growth by Industry, State and Region
Table 5. Earnings Growth Rates by Industry, State and Region
Table 6. Revisions to Personal Income, by State and Region