



REGIONAL QUARTERLY REPORT

State Personal Income and More . . .

In this report...

- Second-quarter 2013 state personal income, page 48
- Annual state personal income for 2012, page 51
- Comprehensive revision of state personal income, page 52
- Personal income in the NIPAs and state personal income, page 57
- Data availability, page 58

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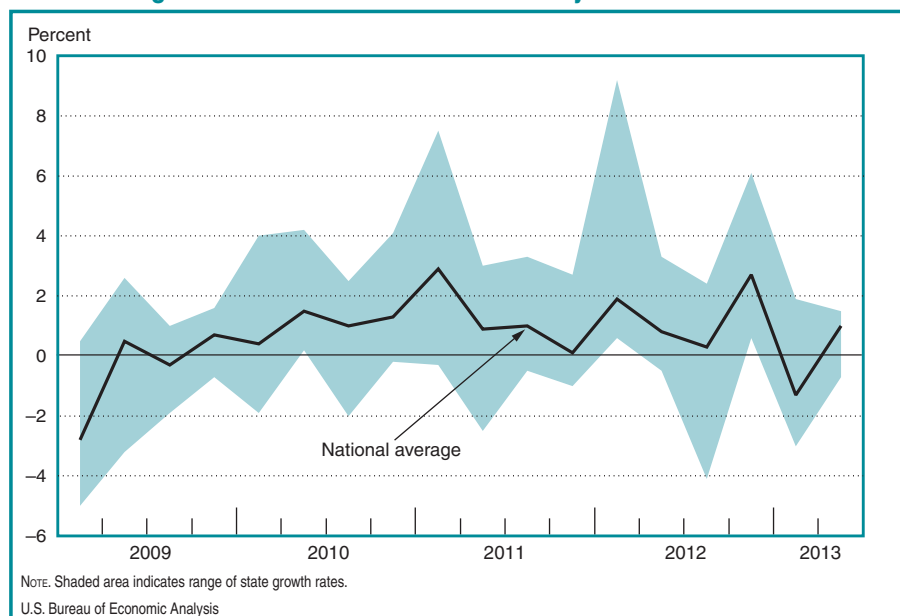
Second quarter of 2013

Personal income grew in all but three states in the second quarter of 2013 after falling in all but five states in the first quarter.¹ Second-quarter growth rates ranged from 1.5 percent in Arizona and Florida to -0.7 percent in Nebraska, or 1.0 percent on average (chart 1). Personal income also declined in South Dakota and Iowa. The national price index for personal consumption expenditures was unchanged in the second quarter after rising 0.3 percent in the first quarter.

The second-quarter personal income growth completely offset the first-quarter decline in 20 states and the District of Columbia. The first-quarter declines in personal income mainly reflected the effects of special factors, such as the expiration of the “payroll tax holiday” and the acceleration of bonuses and personal dividend income to the fourth quarter of 2012 in anticipation of changes in individual tax rates.

1. State personal income, which is measured in current dollars, is the sum of net earnings by place of residence, property income, and personal current transfer receipts.

Chart 1. Range of State Personal Income Quarterly Growth Rates



David G. Lenze prepared the report on state personal income.

Quarterly State Personal Income

The special factors were most prominent in three components of personal income: wages and salaries, employee and self-employed contributions for government social insurance, and dividends.

- Wage growth for most states accelerated in the second quarter; only in nine states and the District of Columbia did wage growth slow (table A). The slowdown in eight of these states continued a slowdown that began with the first quarter; the second-quarter slowdown in North Carolina was the third in a row.
- Employee and self-employed contributions for government social insurance grew \$3.7 billion or 0.7 percent in the second quarter, close to the 0.8 percent growth in wages at the national level (table A). Because these contributions (which include social security and Medicare contributions) are to a large

extent based on wages, contributions and wages tend to grow at similar rates, unlike the first quarter when contributions grew 27.9 percent while wages fell 0.7 percent.

- Personal dividend income resumed growing in the second quarter, rising 6.8 percent after falling 14.7 percent in the first quarter. The second-quarter dividend increase accompanied a 4.3 percent increase in after-tax profits (chart 2).² Personal dividend income, which includes the imputed receipt of dividend income from pension plans, grew \$5.1 billion in Florida. This exceeded the \$3.1 billion gain in substantially more populous Texas. Similarly, the \$227

2. Chart 2 displays domestic after tax profits only. Some personal dividend income is received from the rest of the world (see table 7.10 in the national income and product accounts).

Table A. Personal Income and Select Components, Dollar Change

[Millions of dollars]

	Personal income				Wages and salaries				Employee and self-employed contributions for social insurance			
	2012		2013		2012		2013		2012		2013	
	III	IV	I	II	III	IV	I	II	III	IV	I	II
Alabama.....	-1,488	4,429	-1,552	1,087	-920	1,931	-158	581	-62	107	1,657	43
Alaska.....	146	526	-208	201	87	102	42	77	6	0	338	4
Arizona.....	-1,320	7,832	-4,118	3,681	-115	3,016	-614	1,176	-15	151	2,224	85
Arkansas.....	-80	2,689	-998	586	-288	1,179	-68	333	-30	61	992	25
California.....	22,812	68,615	-55,454	16,291	12,269	43,394	-30,249	7,021	406	2,230	14,493	470
Colorado.....	732	8,393	-4,152	2,397	750	4,500	-1,822	1,129	34	218	2,026	72
Connecticut.....	-1,014	6,502	-3,511	1,847	-668	2,637	-954	625	-35	123	1,712	37
Delaware.....	-349	1,498	-652	408	-317	1,001	-530	169	-15	57	358	11
District of Columbia.....	38	1,018	-414	446	-194	1,055	173	71	7	45	905	-1
Florida.....	4,640	26,796	-16,196	11,686	3,075	8,499	202	2,998	179	426	6,810	217
Georgia.....	2,539	8,166	-2,876	2,257	-63	4,668	1,128	1,638	0	222	3,586	108
Hawaii.....	-269	1,861	-579	714	-19	628	143	198	-1	29	583	13
Idaho.....	-22	1,506	-80	215	136	369	287	210	11	17	527	16
Illinois.....	-1,499	15,179	-6,603	7,078	-39	6,973	-2,229	2,489	-13	296	5,118	153
Indiana.....	1,841	2,852	338	1,638	300	1,999	963	1,068	21	89	2,525	78
Iowa.....	-699	2,940	2,358	-525	319	1,012	-258	555	18	45	1,293	42
Kansas.....	-650	3,727	-496	663	75	1,511	-370	446	1	78	1,165	32
Kentucky.....	-130	2,411	94	761	-196	939	688	377	-16	34	1,578	24
Louisiana.....	1,684	1,190	-1,546	2,438	-849	2,495	-506	1,096	-61	120	1,557	77
Maine.....	219	777	-188	354	-231	321	189	176	-17	13	524	13
Maryland.....	1,302	5,103	-2,729	3,212	872	1,396	390	1,214	53	35	2,676	80
Massachusetts.....	574	11,881	-6,283	3,583	493	5,930	-1,644	1,694	35	276	3,268	104
Michigan.....	792	8,341	-1,355	3,393	-345	3,889	1,698	1,869	-14	195	3,835	139
Minnesota.....	1,631	4,675	-858	250	1,679	2,376	1,445	631	94	96	2,612	36
Mississippi.....	-437	2,546	-595	468	-349	674	223	308	-33	29	955	24
Missouri.....	-218	6,491	-2,308	2,516	215	3,115	-806	1,084	-3	150	2,234	76
Montana.....	50	1,008	-280	327	18	346	79	101	-2	18	379	8
Nebraska.....	-300	2,564	375	-577	458	904	269	202	27	44	825	13
Nevada.....	-185	3,326	-1,584	1,303	-154	1,103	252	385	-5	51	948	24
New Hampshire.....	91	2,020	-1,061	881	-21	1,363	-496	248	-3	79	560	18
New Jersey.....	1,958	12,610	-6,689	6,274	1,515	3,372	1,458	2,033	87	131	4,425	144
New Mexico.....	-699	1,452	-304	719	-595	349	152	227	-39	12	707	16
New York.....	4,899	31,458	-26,613	10,794	4,047	20,185	-17,732	3,868	264	995	8,057	230
North Carolina.....	708	6,341	-2,395	2,779	2,447	2,325	1,166	1,138	158	83	3,634	73
North Dakota.....	900	1,224	-502	120	278	390	230	308	5	11	389	22
Ohio.....	-3,171	9,576	-1,651	5,115	-139	4,432	211	1,841	-18	187	4,301	120
Oklahoma.....	-257	5,151	-943	1,461	42	2,698	-443	626	-7	152	1,359	46
Oregon.....	548	2,773	-1,237	1,675	10	559	475	692	4	10	1,547	51
Pennsylvania.....	3,838	9,436	-5,906	5,447	1,010	3,405	-129	1,955	43	110	5,353	134
Rhode Island.....	408	1,101	-400	386	-67	431	296	162	-8	22	527	13
South Carolina.....	401	3,280	-1,939	1,797	225	1,271	-157	640	12	55	1,549	47
South Dakota.....	-1,563	2,231	738	-66	-162	379	40	153	-12	21	329	12
Tennessee.....	244	6,007	-2,199	2,814	-391	3,432	-381	988	-61	172	2,407	72
Texas.....	3,231	31,635	-7,749	13,696	5,277	15,756	91	6,311	227	697	9,809	417
Utah.....	190	3,441	-770	1,045	19	1,894	261	532	5	101	1,027	36
Vermont.....	-204	685	-76	345	-128	217	125	93	-9	11	281	7
Virginia.....	1,963	8,820	-4,802	4,003	1,336	4,065	-671	1,493	98	186	3,671	95
Washington.....	1,587	8,506	-2,847	2,781	1,890	2,899	848	573	116	123	3,049	28
West Virginia.....	-277	995	-422	509	-562	195	47	252	-44	2	638	21
Wisconsin.....	-286	6,515	-2,190	1,964	-634	3,697	-422	945	-39	201	2,292	66
Wyoming.....	-279	988	-555	373	-256	265	-21	114	-17	12	250	8
United States.....	44,570	371,696	-182,963	133,609	31,140	181,540	-46,572	55,111	1,332	8,628	123,867	3,699

Quarterly State Personal Income

million gain in Wyoming (which has more million-dollar income tax filers per capita than all but five states) was more than double the \$111 million gain in Alaska and the \$105 million gain in Vermont, even though those states have more residents.³

Earnings by state and industry

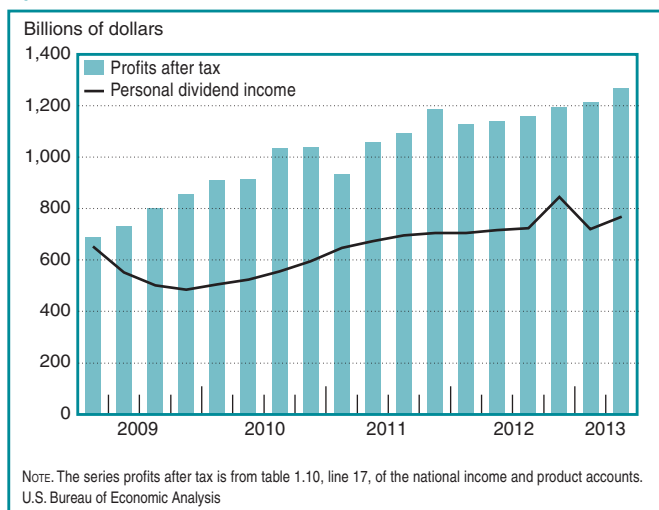
U.S. farm earnings fell 14.6 percent in the second quarter (table B). In South Dakota, Iowa, and Nebraska, the declines in farm earnings were so large that they offset growth in all other components of income, resulting in a decline in total personal income in those three states.

Private nonfarm earnings for the nation grew 1.0 percent in the second quarter, matching the average for the last 4 years. Growth was above the national average in North Dakota (1.6 percent), Louisiana (1.5 percent), Texas (1.3 percent), and Wyoming (1.2 percent), with mining and construction making the largest contributions to private nonfarm earnings growth in each state. Nebraska's private nonfarm earnings grew 0.5 percent, the smallest increase of all states in the second quarter of 2013. Nebraska was the only state with a decline in finance earnings (0.9 percent) and one of only two states where construction earnings fell. Construction earnings fell 0.5 percent in Nebraska and 0.9 percent in Nevada.

The compensation of civilian federal employees fell in the District of Columbia and in most states in the second quarter. The \$2.3 billion decline nationwide was the largest of six consecutive quarterly declines. Overall, civilian federal government earnings fell 0.8 percent, military

3. Based on adjusted gross income in the 2011 Statistics of Income data from the Internal Revenue Service.

Chart 2. U.S. Personal Dividend Income and Profits After Tax



earnings rose 0.2 percent, and state and local government earnings were essentially unchanged in the second quarter.

Personal current transfer receipts

Personal current transfer receipts (which, among other things, include payments made directly, or through intermediaries, to vendors for care provided to individuals under the Medicare and Medicaid programs) increased 0.1 percent in the second quarter, the slowest pace since the third quarter of 2011 when transfer receipts fell 0.4 percent (table C). The biggest decline was in Connecticut, where total transfers fell 2.0 percent, mostly because of declines in Medicaid benefits and state unemployment insurance (UI) compensation. In North Dakota, state UI compensation rose for the third consecutive quarter and reached the highest level in 3 years.

Table B. Growth of U.S. Earnings by Industry

	Percent change		Dollar change (millions of dollars)	
	2013		2013	
	I	II	I	II
All industries	0.1	0.6	11,994	61,235
Private sector	0.2	0.8	13,055	63,759
Farm	28.3	-14.6	27,179	-17,994
Nonfarm	-0.2	1.0	-14,124	81,753
Forestry, fishing, and related activities....	5.0	2.5	1,425	756
Mining	-0.3	2.1	-591	3,582
Utilities	1.8	0.4	1,463	298
Construction	3.0	1.5	16,013	8,180
Durable-goods manufacturing	0.5	0.9	2,918	5,608
Nondurable-goods manufacturing	0.2	0.5	685	1,717
Wholesale trade	-0.6	1.2	-2,990	6,177
Retail trade	0.2	0.6	988	3,339
Transportation and warehousing	1.6	0.4	5,246	1,464
Information	-0.6	1.1	-1,812	3,480
Finance and insurance	-4.2	1.2	-30,662	8,319
Real estate and rental and leasing	-0.6	1.6	-1,079	3,030
Professional, scientific, and technical services	-2.3	1.4	-23,399	13,472
Management of companies and enterprises	-2.8	1.0	-7,584	2,680
Administrative and waste management services	0.5	1.6	2,043	6,435
Educational services	0.3	-0.5	457	-826
Health care and social assistance	1.7	0.6	18,248	6,797
Arts, entertainment, and recreation	-1.1	1.5	-1,130	1,640
Accommodation and food services	1.0	1.1	3,202	3,357
Other services, except public administration	0.7	0.6	2,436	2,246
Government sector	-0.1	-0.1	-1,060	-2,524
Federal government, civilian	-0.2	-0.8	-619	-2,341
Military	1.4	0.2	1,967	343
State and local government	-0.2	0.0	-2,408	-526

Table C. Growth of U.S. Personal Current Transfer Receipts

	Percent change		Dollar change (millions of dollars)	
	2013		2013	
	I	II	I	II
Personal current transfer receipts	1.6	0.1	38,045	3,390
Medicaid	-0.3	0.0	-1,392	-20
State unemployment insurance benefits	-1.8	-7.6	-1,319	-5,510
Other transfer receipts	2.2	0.5	40,756	8,920

Annual State Personal Income

As is customary in September, BEA released several sets of detailed statistics for the previous year: tax payments by level of government; transfer receipts by major program; detailed farm income and expenses; and wages, compensation, and earnings for three-digit North American Industry Classification System (NAICS) industries.

The employment statistics in particular provide additional perspective on the compensation growth of the last several years. Forty-nine states and the District of Columbia have recorded compensation growth over the period 2008–2012, ranging from 0.8 percent in Idaho to 48.0 percent in North Dakota (table D). Only Nevada recorded a decline (5.5 percent). In contrast, wage and salary jobs increased in only four states—Alaska, North and

South Dakota, and Texas—and the District of Columbia over that period. Employment levels for 2012 in the other states are below the levels for 2008—by as much as 9.6 percent in the case of Nevada.

Table D. Employment and Compensation, Percent Change 2008–2012, Select States

	Employment	Compensation
North Dakota.....	16.5	48.0
Alaska.....	3.7	17.0
District of Columbia.....	3.2	13.5
Texas.....	2.3	13.5
South Dakota.....	1.1	13.0
Idaho.....	-5.6	0.8
Arizona.....	-5.8	1.1
Nevada.....	-9.6	-5.5
United States.....	-2.5	6.5

Acknowledgments

The annual revision of state personal income was prepared by the Regional Income Division under the direction of Mauricio Ortiz, Chief. Joel D. Platt, Associate Director for Regional Economics, provided general guidance. The preparation of the revised estimates was a division-wide effort.

The estimates of nonfarm wages and salaries, supplements to wages and salaries, and personal current tax receipts were prepared by the Compensation Branch under the supervision of John A. Rusinko, Chief. Major responsibilities were assigned to Peter Battikha, Michael L. Berry, Elizabeth P. Cologer, John D. Laffman, David G. Lenze, Paul K. Medzerian, and Joseph L. Stauffer. Contributing staff members were Susan P. Den Herder, Terence J. Fallon, Michael W. Jadoo, Russell C. Lusher, Nathaniel R. Milhous, Michael A. Reid, and Ross A. Stepp.

The quarterly estimates of state personal income and the annual estimates of nonfarm 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. Major

responsibilities were assigned to Brian J. Maisano, Lisa C. Ninomiya, James P. Stehle, and Matthew A. von Kerczek. Contributing staff members were Nacola A. Alexander, Suet M. Boudhraa, Andy K. Kim, B. Enrique Lopez, Toan A. Ly, W. Timothy McKeel, Linda M. Morey, Anand N. Seeram, and Troy P. Watson.

The estimates of farm wages and salaries, farm supplements to wages and salaries, and farm proprietors' income were prepared by the Farm Income and Employment Section under the supervision of James M. Zavrel, Assistant to the Division Chief. Major responsibilities were assigned to Carrie L. Litkowski. Contributing staff members were Daniel R. Corrin and Michelle A. Harder.

The public use tabulations and data files were assembled and the tables were prepared by the Data and Administrative Systems Group. Major responsibilities were assigned to Jeffrey L. Newman, Michael J. Paris, and Callan S. Swenson. Contributing staff members were Brooke N. Huotari, Monique B. Tyes, Melanie N. Vejdani, and Jonas D. Wilson.

Comprehensive Revision of State Personal Income

On September 30, 2013, the Bureau of Economic Analysis (BEA) released the initial results of its latest comprehensive, or benchmark, revision of the quarterly and annual state personal income statistics; the results of the previous comprehensive revision were released in October 2009.

The first installment of the 2013 revision consists of new and revised statistics for the years and quarters covered by NAICS, that is, from the first quarter of 2001 through the second quarter of 2013. Additional revisions, covering 1929–2000 for the annual estimates and covering the first quarter of 1948 through the fourth quarter of 2000 for the quarterly statistics, are scheduled to be released in the spring of 2014.

Comprehensive revisions, which are conducted every 4 or 5 years, adopt various changes in definitions, classifications, statistical methods, and concepts that make the BEA economic accounts more informative and more accurately portray the evolution of the national and state economies.

Comprehensive revisions also incorporate newly available and revised state source data that are more complete and more detailed than those previously available (see table E). Especially noteworthy is the introduction of state-level data from the Medical Expenditure Panel Survey and from the actuarial and financial reports of state and local government retirement systems in the estimation of employer contributions for employee pension and insurance funds.

The 2013 state personal income comprehensive revision incorporated the changes that were adopted as part of the comprehensive revision of the national income and product accounts (NIPAs), which was released in July 2013.⁴ A preview of the major changes to the state accounts was published in the July 2013 *SURVEY OF CURRENT BUSINESS* and a summary of the changes to both the state and national accounts (as they affect state personal income) are listed in tables F and G.

The picture of state personal income that is shown by the revised estimates is similar to the picture shown by the previous estimates:

- The revisions to state personal income were generally small and fell within a relatively narrow range (table H). The largest downward revision was 2.1 percent for Montana in 2001, and the largest upward revision was 5.7 percent for Alaska and North Dakota in 2012.
- The revisions to U.S. personal income were upward in all years except 2008.

- Similarly, the revisions to personal income for most states were generally upward with downward revisions being most frequent in 2008.
- Downward revisions were more common for a few states and the District of Columbia, especially in the earlier years. For example, Montana was revised downward by 0.9 percent or more in each year in 2001–2008.
- The revisions tended to be larger in 2012 for the United States and most states because the preliminary estimates for that year (released in March) were based on extrapolations of many components. Those extrapolations have now been replaced with source data released in the interim.
- The effect of the comprehensive revision on the growth rates of state personal income was generally small (table I). For 2001–2012, the average annual growth rate of U.S. personal income was 3.9 percent, 0.1 percentage point higher than in the previously published estimates. The revision to growth in all but four states ranged from –0.1 percentage point to 0.3 percentage point.
- Average personal income growth was revised up 0.5 percentage point in North Dakota and Wyoming, giving the two states with the fastest personal income growth rates in the previously published estimates an even wider lead over the other states in the revised estimates.
- Michigan’s long-term personal income growth, 2.1 percent, remains the lowest of all states, even after being revised up 0.2 percentage point.
- The effect on the rankings of state per capita personal income in 2012 was generally small (table J). Most states changed no more than two positions in rank.
- Oklahoma moved up to 28th from 32nd in the per capita personal income rankings, the largest change of all states.
- The 10 states with the highest and the 10 states with the lowest per capita personal incomes were the same in the revised estimates and in the previously published estimates.
- Seven states had personal income revisions of 4.0 percent or more in 2012 (table K). In all cases, property income (dividends, interest, and rent) accounted for more than half of the revision.⁵ Property income is one of the more volatile components of personal income and the source data become available only after a lag of several years.

4. See Robert Kornfeld, “Initial Results of the 2013 Comprehensive Revision of the National Income and Product Accounts,” *SURVEY OF CURRENT BUSINESS* 93 (August 2013): 6–17.

5. In the case of Oklahoma, nonfarm proprietors’ income also accounted for more than half of the upward revision to total personal income; other components, such as supplements to wages and salaries, were revised downward.

Comprehensive Revision of State Personal Income

Table E. Regional Source Data Used to Estimate State Personal Income and Personal Current Taxes

Annual estimates	
Wages and salaries by industry	
In general	QCEW wage data; MEPS employee contributions for health insurance data (certain states only).
Farm	USDA farm labor expense data.
Agriculture and forestry support activities	USDA farm labor expense data.
Rail transportation	RRB state payroll and employment data; Journey to work data from the Census of Population.
Educational services	CBP payroll data; Official Catholic Directory data.
Membership associations and organizations	CBP payroll data; RRB payroll data.
Private households	Census Bureau American Community Survey data; Census Bureau population data.
Military	DOD personnel data; Coast Guard personnel and payroll data.
State and local government	Census Bureau Annual Survey of Public Employment and Payroll data; CES employment data.
Employer contributions for employee pension and insurance funds by industry	
Rail transportation	FRA casualties data.
State and local government	Census Bureau Annual Survey of Public Pensions contributions and membership data; data from the CAFRs for a sample of state and local government retirement systems; MEPS employee contributions for health insurance data.
All other industries	NAIC earned premium data and NASI employers' cost of self insurance data; MEPS employee contributions for health insurance data.
Employer contributions for government social insurance by industry	
All industries	Census Bureau State Government Finances data; QCEW data on contributions to unemployment insurance funds; OES data on employee wage distributions; CPS industry data on hours worked.
State and local government	Social Security 1 Percent Continuous Work History Sample taxable wage data.
Proprietors' income	
Farm	USDA gross income and expense data; USDA ARMS corporate farm income data.
All nonfarm industries	IRS data on net receipts and profits of proprietorships and partnerships.
Residence adjustment	Journey to work data from the Census of Population; Census Bureau population data; IRS wage data.
Dividends, interest, and rent	USDA gross rental value of farm dwellings data; IRS income tax data on dividends, taxable interest, S Corporation distributions, and gross rents and royalties; ACS data on the aggregate value of dwellings and mobile homes; OPM federal civilian retirement payments data and DOD military retirement payments data; SSA Social Security benefits data.
Personal current transfer receipts	SSA data on Social Security benefits and Supplemental Security Income benefits; Census Bureau state and local government finance data on disability benefits, income maintenance benefits, and education benefits; CMS and DOD medical benefits data; DVA veterans benefits data; USDA SNAP data; USDA WIC data; IRS Refundable Earned Income Tax Credits and Child Tax Credit data; PBGC benefits data; DOL unemployment benefits data; DOE Pell Grants data; ACF TANF foster care and adoption assistance data.
Employee and self-employed contributions for government social insurance	California state temporary disability insurance data; SSA self-employed worker contributions to OASDHI data; Census Bureau state temporary disability insurance data; CMS supplemental medical insurance enrollment data; personal contributions for state unemployment insurance data from the states; DVA veterans' insurance premiums data.
Personal current taxes	IRS income tax data; Census Bureau quarterly tax collections and state tax collections data; Census Bureau state and local government finance data.
Quarterly estimates	
Wages and salaries by industry	
In general	QCEW wage data; CES employment data.
Transportation and warehousing	DOT payroll data.
Military	DOD personnel data; Coast Guard payroll data.
Proprietors' income	
Farm	USDA farm cash receipts data.
Personal current transfer receipts	DOL unemployment benefits data; CMS medical benefits data.
<p>ACF TANF Administration for Children and Families, Temporary Assistance to Needy Families</p> <p>ACS American Community Survey, Census Bureau</p> <p>ARMS Agricultural Resource Management Survey, U.S. Department of Agriculture</p> <p>CAFR Comprehensive Annual Financial Report</p> <p>CBP County Business Patterns, Census Bureau</p> <p>CES Current Employment Statistics survey, Bureau of Labor Statistics</p> <p>CFRR Consolidated Federal Funds Report, Census Bureau</p> <p>CMS Centers for Medicare and Medicaid Services</p> <p>CPS Current Population Survey, Census Bureau</p> <p>DOD Department of Defense</p> <p>DOE Department of Education</p> <p>DOL Department of Labor</p> <p>DOT Department of Transportation</p> <p>DVA Department of Veterans Affairs</p>	<p>FRA Federal Railroad Administration</p> <p>IRS Internal Revenue Service</p> <p>MEPS Medical Expenditure Panel Survey, Agency for Healthcare Research and Quality</p> <p>NAIC National Association of Insurance Commissioners</p> <p>NASI National Academy of Social Insurance</p> <p>OASDHI Old-Age, Survivors, Disability, and Hospital Insurance, Social Security Administration</p> <p>OES Occupational Employment Statistics, Bureau of Labor Statistics</p> <p>PBGC Pension Benefit Guaranty Corporation</p> <p>QCEW Quarterly Census of Employment and Wages, Bureau of Labor Statistics</p> <p>RRB Railroad Retirement Board</p> <p>SNAP Supplemental Nutritional Assistance Program, U.S. Department of Agriculture</p> <p>SSA Social Security Administration</p> <p>USDA U.S. Department of Agriculture</p> <p>WIC Special Supplemental Nutrition for Women, Infants, and Children, U.S. Department of Agriculture</p>

Comprehensive Revision of State Personal Income

Table F. Changes in State Source Data, Definitions, and Statistical Methods

Changes	Major components affected
New employers' normal cost data from the financial and actuarial reports of a sample of state and local government defined benefit (DB) plans and membership data from the Census Bureau's Annual Survey of Public Pension Plans.	Employer contributions for employee pension and insurance funds.
New data by state for employer contributions to defined contribution (DC) pension plans from state and local government financial reports.	Employer contributions for employee pension and insurance funds.
New data by state for employer contributions to employee health insurance funds from the Medical Expenditure Panel Survey of the Agency for Healthcare Research and Quality.	Employer contributions for employee pension and insurance funds.
New Social Security taxable wage data and Medicare taxable wage data by state from the Social Security Administration.	Contributions for government social insurance and supplements to wages and salaries.
New quarterly data by state for Medicaid transfers from the Centers for Medicare and Medicaid Services.	Personal current transfer receipts.
New child tax credits data by state from the Statistics of Income Division of the Internal Revenue Service.	Personal current transfer receipts.
New employee contributions data from the Census Bureau Survey of Public Pension Plans, financial reports of pension plans, and other surveys and reports to estimate a portion of wages excluded from Alaska's Quarterly Census of Employment and Wages.	Wages and salaries.
New private household wages and salaries and employment from American Community Survey of the Census Bureau.	Wages and salaries.
New national controls for the wages of border workers.	Residence adjustment.
New payments to annuitants data by state from the U.S. Office of Personnel Management and the Department of Defense.	Dividends, interest, and rent.

Table G. Major Changes in Definitions and Statistics in the National Income and Product Accounts Affecting State Personal Income

Changes	Major components affected
Definition changes	
Recognize expenditures by business, on research and development as fixed investment.	Proprietors' income.
Recognize expenditures by business on entertainment, literary, and other artistic originals as fixed investment.	Proprietors' income.
Expand the ownership transfer costs of residential fixed assets that are recognized as fixed investment and improve the accuracy of the associated asset values and services lives.	Proprietors' income and rental income of persons.
Measure transactions of defined benefit (DB) pension plans on an accrual-accounting basis by recognizing the costs of unfunded liabilities.	Supplements to wages and salaries and personal interest income.
Harmonize the treatment of wages and salaries by using accrual-based estimates consistently throughout the accounts.	Wages and salaries.
Statistical changes	
Improve estimates of implicit services of commercial banks	Personal interest income
Improve estimates of employers' contributions to state and local government-sponsored defined contribution (DC) pension plans	Compensation of state and local government employees
Improve methodology for estimating the corporate partners' adjustment made to nonfarm proprietors' income	Proprietors' income.
Update measures of misreporting	Wages and salaries and proprietors' income.
Improve methodology for distributing the income of regulated investment companies by type	Personal dividend income and personal interest income.
Improve measures of wages paid by Indian tribal governments	Compensation of state and local government employees
Incorporate new data on supplemental unemployment insurance.	Compensation of employees

Comprehensive Revision of State Personal Income

Table I. Revisions to Average Annual Growth Rates in Personal Income, 2001–2012

	[Percent]		
	Previously published	Revised	Revision
New England.....	3.3	3.5	0.2
Connecticut.....	3.2	3.3	0.1
Maine.....	3.4	3.5	0.1
Massachusetts.....	3.3	3.5	0.2
New Hampshire.....	3.3	3.6	0.3
Rhode Island.....	3.3	3.4	0.1
Vermont.....	3.7	3.9	0.2
Midwest.....	3.7	3.8	0.1
Delaware.....	3.7	3.7	0.0
District of Columbia.....	5.5	5.6	0.1
Maryland.....	4.2	4.4	0.2
New Jersey.....	3.2	3.3	0.1
New York.....	3.8	3.8	0.0
Pennsylvania.....	3.6	3.7	0.1
Great Lakes.....	2.8	2.9	0.1
Illinois.....	3.0	3.1	0.1
Indiana.....	3.1	3.2	0.1
Michigan.....	1.9	2.1	0.2
Ohio.....	2.8	3.0	0.2
Wisconsin.....	3.3	3.5	0.2
Plains.....	3.9	4.1	0.2
Iowa.....	4.3	4.5	0.2
Kansas.....	3.8	4.0	0.2
Minnesota.....	3.7	3.9	0.2
Missouri.....	3.5	3.4	-0.1
Nebraska.....	4.1	4.4	0.3
North Dakota.....	7.2	7.7	0.5
South Dakota.....	5.1	5.2	0.1
Southeast.....	4.1	4.2	0.1
Alabama.....	4.0	3.9	-0.1
Arkansas.....	4.3	4.5	0.2
Florida.....	4.4	4.3	-0.1
Georgia.....	3.7	3.8	0.1
Kentucky.....	3.7	3.7	0.0
Louisiana.....	4.4	4.6	0.2
Mississippi.....	3.9	4.0	0.1
North Carolina.....	4.1	4.3	0.2
South Carolina.....	4.1	4.2	0.1
Tennessee.....	4.0	4.0	0.0
Virginia.....	4.4	4.6	0.2
West Virginia.....	3.8	4.1	0.3
Southwest.....	5.0	5.1	0.1
Arizona.....	4.7	4.7	0.0
New Mexico.....	4.4	4.4	0.0
Oklahoma.....	4.6	4.8	0.2
Texas.....	5.1	5.3	0.2
Rocky Mountain.....	4.2	4.4	0.2
Colorado.....	3.7	3.9	0.2
Idaho.....	4.3	4.4	0.1
Montana.....	4.6	5.1	0.5
Utah.....	4.9	5.1	0.2
Wyoming.....	5.6	6.1	0.5
Far West.....	3.7	3.9	0.2
Alaska.....	4.8	5.2	0.4
California.....	3.5	3.8	0.3
Hawaii.....	5.0	5.0	0.0
Nevada.....	4.2	4.3	0.1
Oregon.....	3.7	3.8	0.1
Washington.....	4.3	4.3	0.0
United States.....	3.8	3.9	0.1

Table J. Revisions to Per Capita Personal Income for 2012

	Dollars		Rank	
	Previously published	Revised	Previously published	Revised
Alabama.....	35,625	35,926	42	42
Alaska.....	46,778	49,436	10	8
Arizona.....	35,979	36,243	41	41
Arkansas.....	34,723	35,437	45	45
California.....	44,980	46,477	15	12
Colorado.....	45,135	45,775	13	16
Connecticut.....	58,908	59,687	1	1
Delaware.....	41,940	44,224	23	22
District of Columbia.....	74,710	74,773
Florida.....	40,344	41,012	27	27
Georgia.....	36,869	37,449	40	40
Hawaii.....	44,024	44,767	17	20
Idaho.....	33,749	34,481	49	49
Illinois.....	44,815	45,832	16	15
Indiana.....	36,902	38,119	39	38
Iowa.....	42,126	43,935	22	23
Kansas.....	41,835	43,015	24	24
Kentucky.....	35,041	35,643	44	44
Louisiana.....	39,413	40,057	29	30
Maine.....	39,481	40,087	28	29
Maryland.....	51,971	53,816	5	5
Massachusetts.....	54,687	55,976	2	2
Michigan.....	37,497	38,291	35	36
Minnesota.....	46,227	46,925	11	11
Mississippi.....	33,073	33,657	50	50
Missouri.....	39,049	39,133	31	33
Montana.....	37,370	38,555	36	35
Nebraska.....	43,143	45,012	20	19
Nevada.....	37,361	38,221	37	37
New Hampshire.....	49,129	49,129	9	9
New Jersey.....	53,628	54,987	3	3
New Mexico.....	35,079	35,682	43	43
New York.....	52,095	53,241	4	6
North Carolina.....	37,049	37,910	38	39
North Dakota.....	51,893	54,871	6	4
Ohio.....	39,289	40,057	30	30
Oklahoma.....	39,006	40,620	32	28
Oregon.....	38,786	39,166	33	32
Pennsylvania.....	43,616	45,083	19	18
Rhode Island.....	44,990	45,877	14	14
South Carolina.....	34,266	35,056	48	48
South Dakota.....	43,659	45,381	18	17
Tennessee.....	37,678	38,752	34	34
Texas.....	41,471	42,638	25	25
Utah.....	34,601	35,430	46	46
Vermont.....	42,994	44,545	21	21
Virginia.....	47,082	48,377	8	10
Washington.....	45,413	46,045	12	13
West Virginia.....	34,477	35,082	47	47
Wisconsin.....	40,537	42,121	26	26
Wyoming.....	48,670	50,567	7	7
New England.....	52,446	53,600	1	1
Midwest.....	50,237	51,598	2	2
Great Lakes.....	40,255	41,260	6	5
Plains.....	42,738	43,712	4	4
Southeast.....	38,382	39,137	8	8
Southwest.....	39,946	40,973	7	7
Rocky Mountain.....	40,321	41,135	5	6
Far West.....	44,195	45,463	3	3
United States.....	42,693	43,735

Table K. Contributions of Revisions to Personal Income by Component for Select States for 2012

	Percent revision	Contributions to the revision (Percentage points)							
	Personal Income	Wages and salaries	Supplements to wages and salaries	Nonfarm proprietors' income	Farm proprietors' income	Dividends, interest, and rent	Personal current transfer receipts	Contributions for government social insurance	Adjustment for residence
North Dakota.....	5.7	0.26	-1.16	0.77	1.53	3.75	-0.07	-0.09	0.58
Alaska.....	5.7	1.84	0.36	-0.23	0.00	3.83	0.44	0.44	-0.12
Delaware.....	5.4	1.30	1.06	1.34	0.19	2.40	0.29	0.30	-0.82
New Hampshire.....	4.4	0.66	0.35	-0.51	-0.01	3.28	-0.14	0.01	0.79
Nebraska.....	4.3	0.16	0.48	1.04	0.57	2.05	-0.05	-0.06	0.03
Iowa.....	4.3	0.01	0.24	1.98	0.05	2.23	-0.44	-0.23	0.00
Oklahoma.....	4.1	0.55	-1.31	2.91	-0.24	2.33	-0.04	0.05	-0.01
United States.....	2.4	0.35	0.04	0.02	0.03	2.14	-0.13	0.02	0.02

Personal Income in the NIPAs and State Personal Income

The level of personal income in the national income and product accounts (NIPAs) differs from the national total in the state personal income statistics because of differences in coverage and timing of the availability of source data.

The differences in coverage 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 citizenship or duration of residence.¹

In general, the NIPA measure of personal income is broader than state personal income. The following are some key coverage differences:

- NIPA personal income includes the earnings of federal civilian and military personnel stationed abroad and the property income received by the federal retirement plans of these workers. The regional measure of personal income does not include this income.²
- 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.
- 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.

The annual estimates of personal income in the NIPAs also diverge from the national totals of state personal income because of differences in the timing of the avail-

ability of source data. For example, farm proprietors' income in the NIPAs differs from state personal income, because the state estimates of farm proprietors' income incorporated revised U.S. Department of Agriculture data that were not available until after the national estimate was released.

Both NIPA and state personal income 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. NIPA personal income also includes the income of foreign nationals working at international organizations in the United States.³ In addition, both measures exclude the income of private U.S. citizens living outside the country for a year or more.

3. For more information on the treatment of border workers in the residence adjustment, see *State Personal Income and Employment*.

State and National Estimates of Personal Income

[Billions of dollars]

	2010	2011	2012
Personal income in the NIPAs	12,435.2	13,191.3	13,743.8
Plus adjustments for:			
Coverage differences	-13.6	-16.2	-15.0
Federal workers abroad	-24.7	-27.5	-26.8
Wages and salaries	-17.0	-18.6	-18.0
Supplements to wages and salaries ¹	-5.5	-6.1	-5.9
Dividends, interest, and rent ²	-3.9	-4.4	-4.5
Less: Contributions for government social insurance	-1.7	-1.6	-1.6
Rest-of-the-world difference	11.1	11.3	11.8
Wages of private foreign nationals in U.S.	12.2	12.4	12.9
Wages of private U.S. residents abroad	-1.1	-1.1	-1.1
Use of more current source data	2.7	5.4	1.4
Wages and salaries	0.1	0.1	0.1
Proprietors' income	2.6	5.3	1.3
Personal current transfer receipts	<0.1	<0.1	<0.1
Statistical discrepancy ³	-1.0	-0.9	-1.1
Equals: State personal income	12,423.3	13,179.6	13,729.1

1. Employer contributions for government social insurance and for employee pension and insurance funds for Federal workers stationed abroad.

2. Investment income received by Federal retirement plans that is attributed to Federal workers stationed abroad.

3. Includes revisions made in the NIPAs that are not yet reflected in state personal income concerning wages of border workers and foreign nationals working for international organizations.

1. See *State Personal Income and Employment* at www.bea.gov/regional/methods.cfm.

2. For a description of military coverage in state personal income, see "New Treatment of State Estimates of Military Compensation," SURVEY 85 (October 2005): 116.

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Data Availability

The complete set of quarterly and annual state personal income and employment statistics for all states and the District of Columbia and for all years are available interactively on BEA's Web site.

Estimates for 2001 forward reflect the results of the comprehensive revision to the national income and product accounts (NIPAs) released in July 2013. As a result, there is a temporary break in the state personal income time series for earlier years. Revised annual estimates back to 1929 and revised quarterly estimates back to the first quarter of 1948 will be released in the spring of 2014.

The following annual estimates are available interactively at www.bea.gov:

- Personal income, per capita personal income, and population for 1929–2012
- Disposable personal income and per capita disposable personal income for 1948–2012
- State income and employment summary, 1929–2012
- Personal income by major source and earnings by industry (North American Industry Classification System (NAICS) three digit) for 1990–2012, (Standard Industrial Classification System (SIC) two digit) for 1958–2000, and (SIC division level) for 1929–57
- Compensation of employees by industry (NAICS three digit) for 1990–2012 and (SIC two digit) for 1958–2000
- Wages and salaries by industry (NAICS three digit) for 1990–2012, (SIC two digit) for 1958–2000, and (SIC division level) for 1929–57
- Full-time and part-time employment by industry (NAICS three digit) for 1990–2012 and (SIC two digit) for 1969–2000
- Full-time and part-time wage and salary employment by industry (NAICS three digit) for 1990–2012 and (SIC two digit) for 1969–2000
- State economic profiles (a selection of personal income and employment data for each state) for 1958–2012
- Personal current transfer receipts by major program for 1948–2012
- State property income for 1958–2012
- Farm income and expenses (including the major categories of gross receipts and expenses for all farms and for measures of farm income) for 1969–2012
- Personal current tax receipts by level of government and by type for 1948–2012
- BEARFACTS, a computer generated narrative with analytical charts and graphs, that describes a state's personal income using current estimates, growth rates, and a breakdown of the sources of personal income

The following quarterly estimates are also available interactively at www.bea.gov:

- Personal income for the first quarter of 1948 to the second quarter of 2013
- Quarterly income summary for the first quarter of 1948 to the second quarter of 2013
- Personal income by major source and earnings by major industry (NAICS two digit) for the first quarter of 1990 to the second quarter of 2013
- Personal income by major source and earnings by major industry (SIC division level) for the first quarter of 1948 to the fourth quarter of 2000
- Compensation of employees by industry (NAICS two digit) for the first quarter of 1990 to the second quarter of 2013
- Compensation of employees by industry (SIC division level) for the first quarter of 1958 to the fourth quarter of 2000
- Wages and salaries by major industry (NAICS two digit) for the first quarter of 1990 to the second quarter of 2013
- Wages and salaries by major industry (SIC division level) for the first quarter of 1948 to the fourth quarter of 2000
- Personal current transfer receipts for the first quarter of 2001 to the second quarter of 2013

The state personal income statistics are also available through the members of the BEA User Group, which consists of state agencies and universities that help BEA disseminate the statistics in their states. A list of the BEA user groups is available on BEA's Web site.

For more information about the statistics, contact the Regional Income Division at 202–606–5360, fax 202–606–5322, or e-mail reis@bea.gov.

Tables 1 through 5 follow.