

News Release

Updated March 25, 2021, to replace Chart 1 to correct total for personal income and Chart 2 to correct total for transfer receipts and total state unemployment insurance compensation. Data in Table 2 are correct and not affected.

EMBARGOED UNTIL RELEASE AT 8:30 A.M. EDT, Wednesday, March 24, 2021

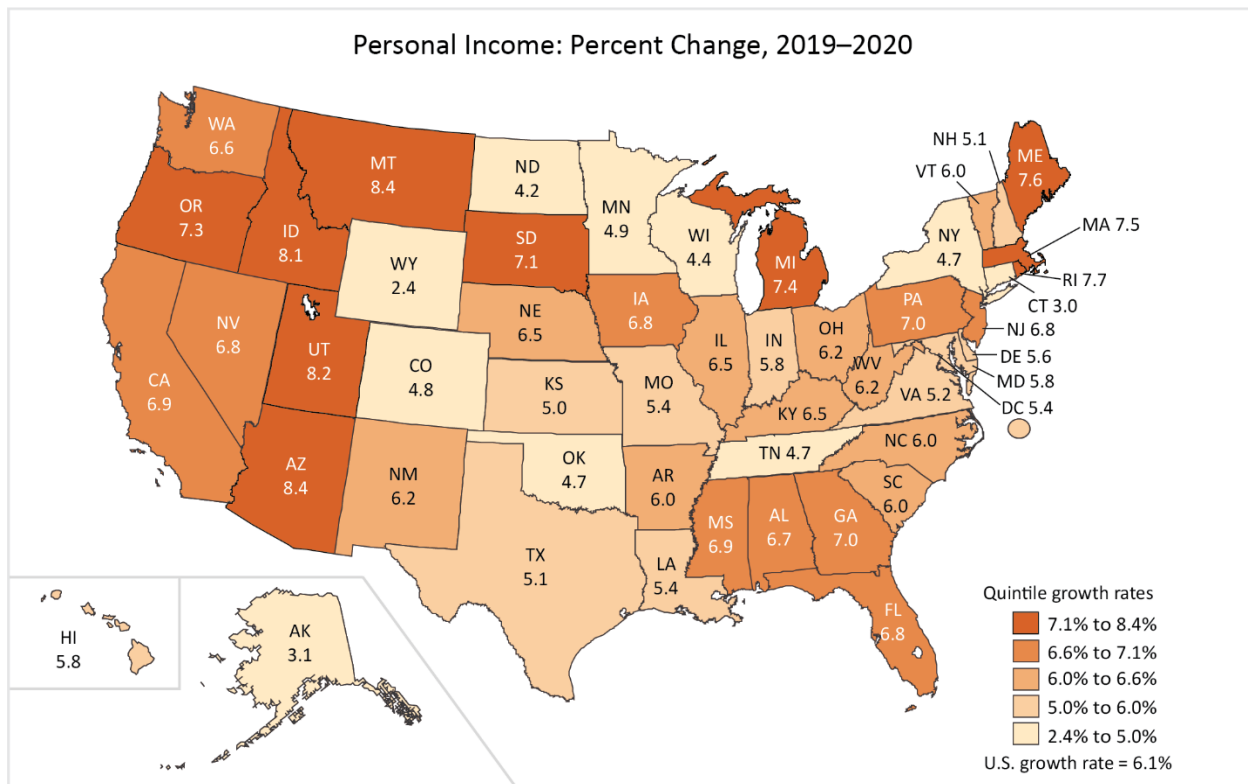
BEA 21-10

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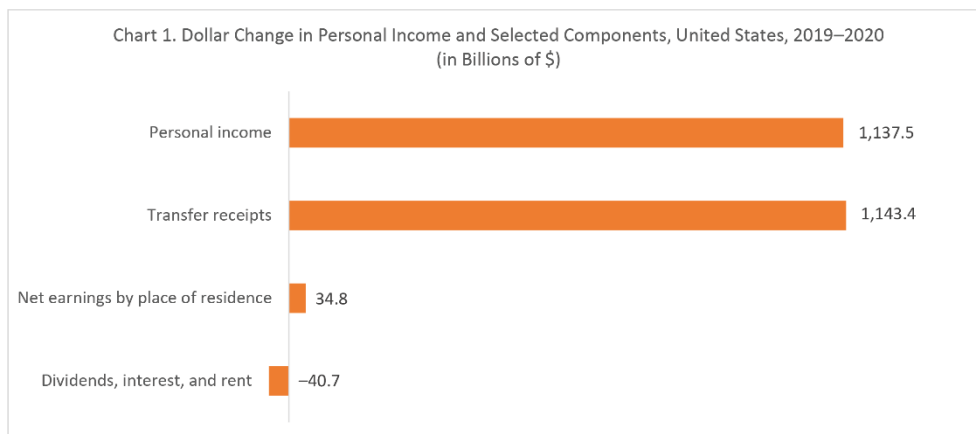
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State Annual Personal Income, 2020 (Preliminary) and State Quarterly Personal Income, 4th Quarter 2020

State personal income increased 6.1 percent in 2020 after increasing 3.9 percent in 2019, according to estimates released today by the Bureau of Economic Analysis (BEA) (table 1). In 2020, the increase in transfer receipts was the leading contributor to personal income growth in all states and the District of Columbia (table 2). The percent change in personal income across all states ranged from 8.4 percent in Arizona and Montana to 2.4 percent in Wyoming.

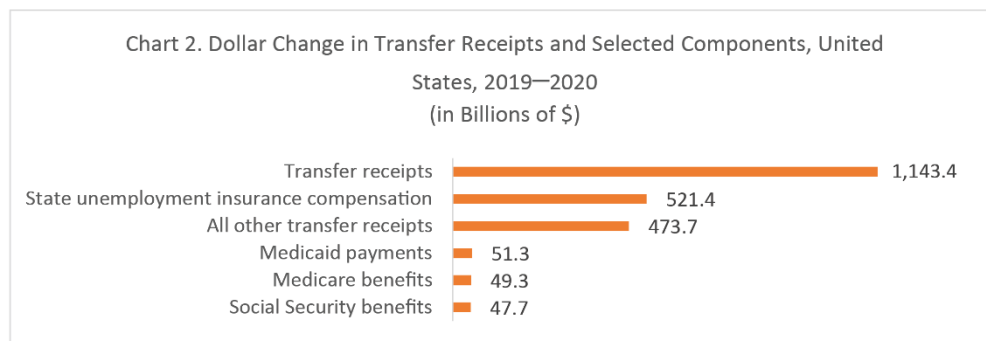


Transfer receipts increased 36.6 percent, accounting for the entire \$1.1 trillion dollar increase in personal income for the nation in 2020 (chart 1). The increase in transfer receipts reflected new government relief payments provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. Increases in earnings were more than offset by decreases in property income (dividends, interest, and rent).



U.S. Bureau of Economic Analysis

Transfer receipts. The increase in transfer receipts primarily reflected increases in state unemployment insurance compensation and in all other transfer receipts (chart 2). Transfer receipts increased in all states and the District of Columbia, ranging from 64.2 percent in Hawaii to 23.9 percent in Arkansas (table 2).



U.S. Bureau of Economic Analysis

State unemployment insurance compensation was boosted by a temporary \$600 increase in weekly benefits provided by the CARES Act as well as an expansion of eligibility of workers not previously covered by state unemployment compensation programs. The increase in all other transfers primarily reflected the \$1,200 economic impact payments to individuals.

Earnings. For the nation, earnings increased 0.3 percent in 2020 (table 2), the smallest increase since 2009. Earnings decreased in 10 of the 24 industries for which BEA prepares estimates (table 4). The largest decreases were in accommodation and food services and in arts, entertainment, and recreation. Earnings in 14 industries increased, with the largest increases in professional, scientific, and technical services and in finance and insurance. The percent change in earnings across all states ranged from 5.2 percent in Utah to -6.6 percent in Hawaii.

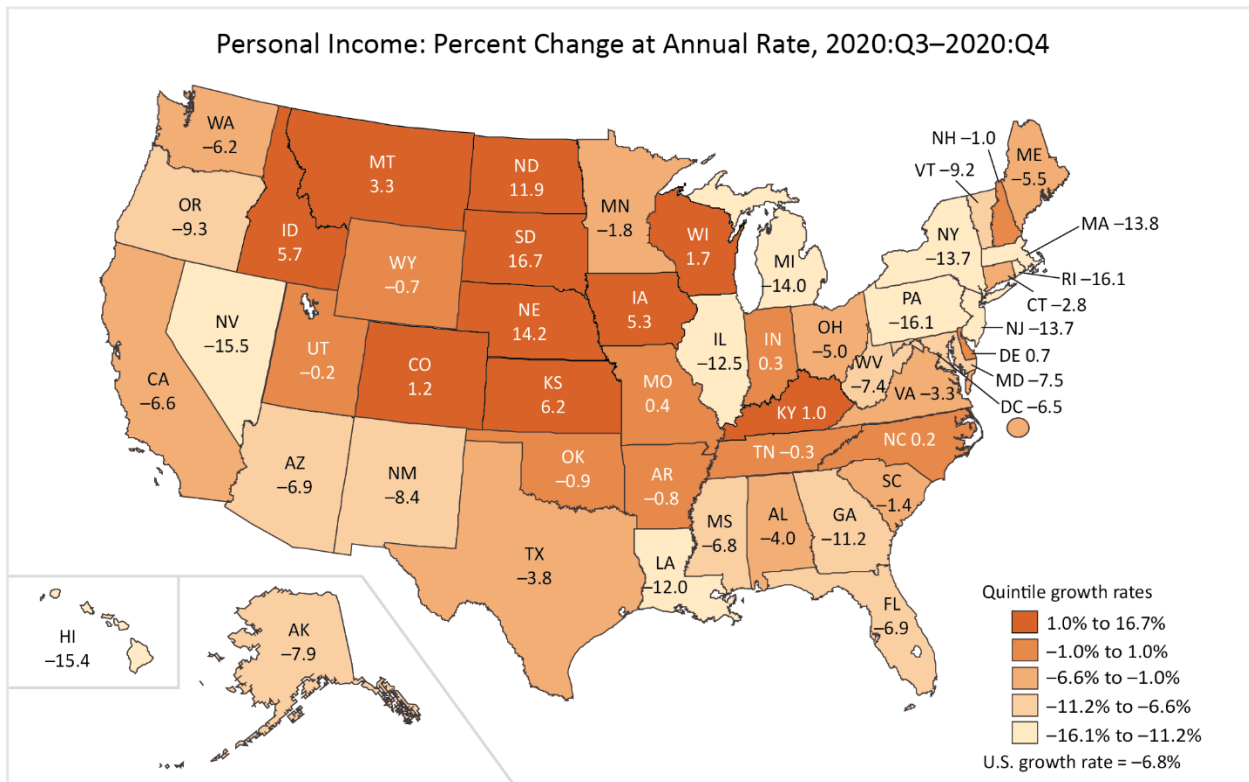
Property income. Property income decreased 1.1 percent for the nation in 2020 after increasing 1.3 percent in 2019. Property income decreased in all states and the District of Columbia, ranging from -0.4 percent in Hawaii, New Mexico, and West Virginia to -1.9 percent in South Dakota.

Coronavirus (COVID-19) Impact on 2020 and Fourth-Quarter 2020 State Personal Income

The 2020 estimates of state personal income were impacted by the response to the spread of COVID-19, as governments issued and lifted “stay-at-home” orders, and government pandemic assistance payments were distributed to households and businesses. The 2020 Q4 estimates of state personal income continue to be impacted by the response to the spread of COVID-19. Federal economic recovery payments slowed as pandemic-related assistance programs continued to wind down. The full economic effects of the COVID-19 pandemic cannot be quantified in the state personal income estimates because the impacts are generally embedded in source data and cannot be separately identified.

State Personal Income, Fourth Quarter 2020

State personal income decreased 6.8 percent at an annual rate in the fourth quarter of 2020 after decreasing 11.3 percent in the third quarter (table 5). Increases in earnings and property income were more than offset by decreases in transfer receipts. The percent change in personal income across all states ranged from 16.7 percent in South Dakota to -16.1 percent in Rhode Island and Pennsylvania (table 6).



Farm earnings were the leading contributor to increases in personal income in South Dakota and seven other fast-growing states including Nebraska, North Dakota, Kansas, Idaho, Iowa, Montana, and Wisconsin. The increase in farm earnings followed increases in payments to farmers from the Coronavirus Food Assistance Program provided by the CARES Act.

The decrease in transfer receipts in the fourth quarter of 2020 reflected a decrease in benefits from several other CARES Act programs including the expiration of the temporary \$600 per week increase in state unemployment insurance compensation.

Updates to Personal Income

Today, BEA also released revised quarterly estimates of state personal income for the first quarter of 2020 through the third quarter of 2020. Updates were made to incorporate source data that are more complete and more detailed than previously available and to align the state estimates with revised national estimates. BEA also released revised quarterly estimates of population and per capita personal income for the first quarter of 2010 through the third quarter of 2020 and revised annual estimates of population and per capita personal income for 2010 through 2019.

Next release: June 22, 2021, at 8:30 A.M. EDT
Personal Income by State, 1st Quarter 2021

Additional Information

Resources

- Information on COVID-19 and recovery impacts is available on our [website](#).
- Stay informed about BEA developments by reading [The BEA Wire](#), 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](#).
- 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, components of income, and gross domestic product for counties, metropolitan statistical areas, and states.
- 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 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 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 annualized. Annualized growth rates show the rate of change that would have occurred had the pattern been repeated over four quarters (1 year). Annualized rates of change can be calculated as follows: $((\text{level of later quarter} / \text{level of earlier quarter})^4 - 1) * 100$. 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 8 distinct regions for purposes of presentation and analysis, as follows:

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 decisionmaking. 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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