

# News Release

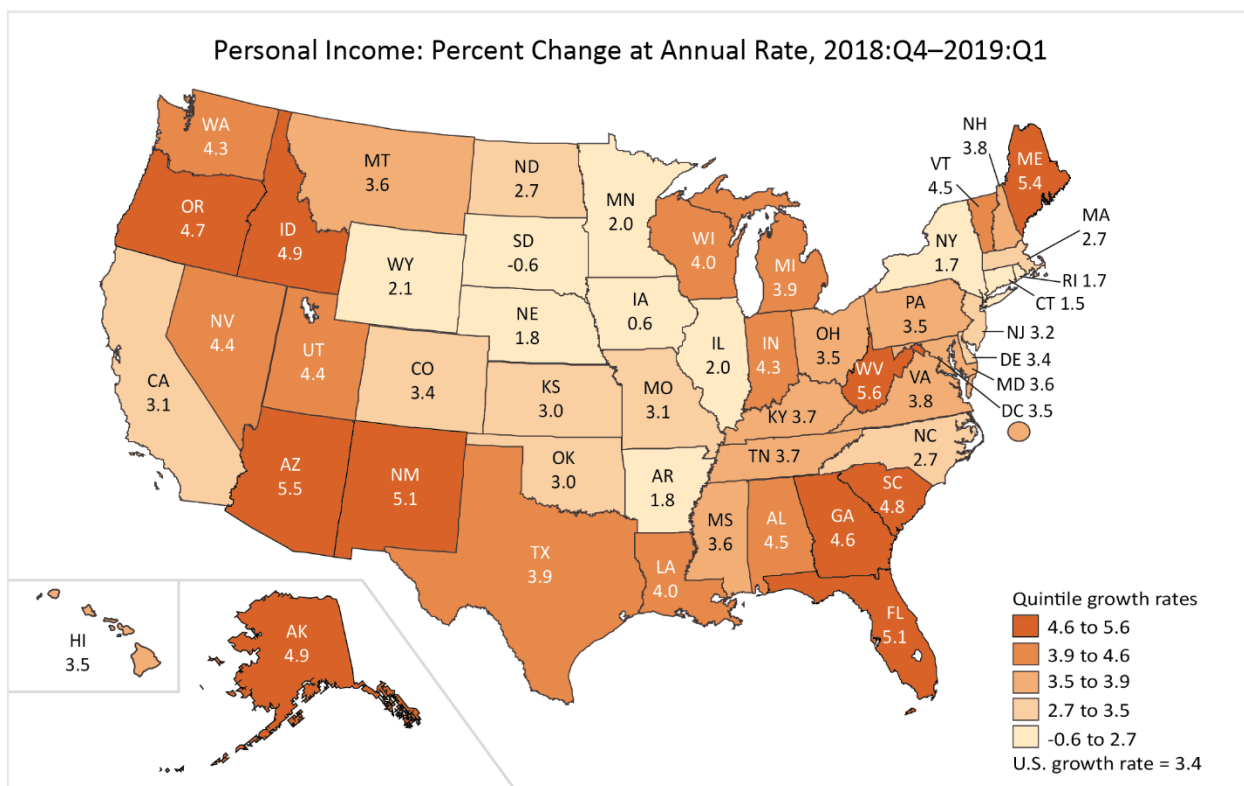
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BEA 19-27

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## State Personal Income, First Quarter 2019

State personal income increased 3.4 percent at an annual rate in the first quarter of 2019, a deceleration from the 4.1 percent increase in the fourth quarter of 2018, according to estimates released today by the Bureau of Economic Analysis (table 1). Personal income increased in all states except South Dakota. The percent change in personal income across all states ranged from 5.6 percent in West Virginia to -0.6 percent in South Dakota.



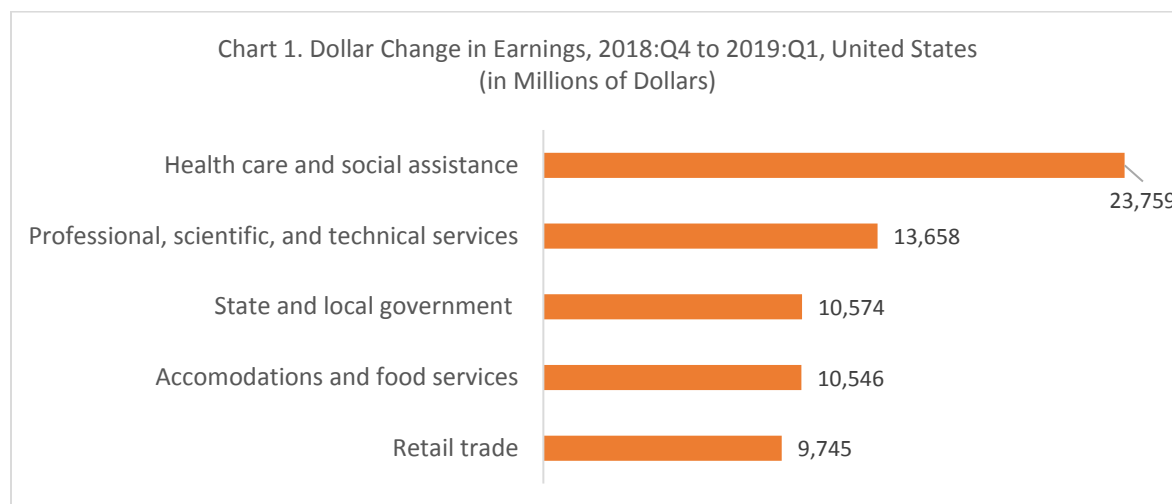
U.S. Bureau of Economic Analysis

Increases in earnings and transfer receipts contributed to personal income growth nationally and in most states, while property income (dividends, interest, and rent) decreased in every state (table 2).

**Earnings.** Earnings increased 2.8 percent in the first quarter of 2019, after increasing 3.2 percent in the fourth quarter of 2018. Earnings increased in 20 of the 24 industries for which BEA prepares quarterly estimates (table 4).

- Construction was the leading contributor to the earnings increase in West Virginia, the fastest growing state (table 3).
- Healthcare and social assistance was the leading contributor to the earnings increase in the next three fastest growing states-Arizona, Maine, and Florida.
- Farming was the leading contributor to the earnings increase in New Mexico-the fifth fastest growing state.

For the nation, healthcare and social assistance; professional, scientific, and technical services; and state and local government were the leading contributors to overall growth in earnings (chart 1).



**Transfer receipts.** Transfer receipts increased 15.5 percent for the nation in the first quarter of 2019, after increasing 3.9 percent in the fourth quarter of 2018. The increase in transfer receipts was due to an increase in refundable tax credits (the child tax credit and the Affordable Care Act premium tax credit), and a 2.8 percent cost of living increase in Social Security benefits. Growth in transfer receipts ranged from 24.2 percent in Utah to 4.7 percent in New York.

**Property income.** Property income decreased 4.3 percent for the nation in the first quarter of 2019, after increasing 7.3 percent in the fourth quarter of 2018. Property income declined in every state, ranging from -0.4 percent in Hawaii to -6.9 percent in California.

Today, BEA also released revised quarterly estimates for 2018:Q1 through 2018: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 that were released on May 30, 2019.

Revised annual state personal income estimates for 1998 to 2018 will be released on September 24, 2019. In addition, revised estimates for 1998:Q1 through 2019:Q1, and preliminary estimates for 2019:Q2 will also be released. The October *Survey of Current Business* will contain an article that describes the results.

Next release: September 24, 2019 at 8:30 A.M. EDT  
State Personal Income, Second Quarter 2019

## 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.

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.

**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.

### 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 (one 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 eight distinct regions for purposes of presentation and analysis:

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

**Midwest** (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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Table 4. Earnings Growth by Industry, State and Region, 2018:Q4-2019:Q1