Personal Income, Adjusted Gross Income, and Money Income

Personal income as defined by BEA differs substantially from adjusted gross income (AGI), the principal income measure used by the Internal Revenue Service. Personal income also differs from money income, a concept developed by the Census Bureau.

Personal income consists of the income of individuals, nonprofit institutions serving individuals, private noninsured welfare funds, and private trust funds, whereas AGI consists only of the income of individuals who file individual income tax returns. Personal income also includes transfer receipts, several types of imputed incomes, employer contributions to health and pension plans, and all the interest received by individuals, whereas AGI excludes all employer contributions, imputed incomes, most transfer receipts, and the nontaxable interest received by individuals. Personal income, unlike AGI, excludes personal contributions for government social insurance, realized capital gains and losses, and pension and annuity benefits from private and government employee pension plans.

Personal income differs from money income mainly because money income consists only of the income received by individuals in cash and cash equivalents. Personal income, unlike money income, includes imputed income, lump-sum payments not received as part of earnings, certain in-kind personal current transfer receipts—such as Medicaid, Medicare—and employer contributions to health and pension plans. Personal income excludes personal contributions for government social insurance, pension and annuity benefits from private and government employee pension plans, and income from interpersonal transfers, such as child support, but money income does not,

Personal income for a given area and year consists of the income received by individuals living in that area during that year. In contrast, money income for a given area and year counts only the income received during the year by individuals living in the area on April 1 of the following year, regardless of where they were living when they received the income. The income received by individuals who died or moved abroad before April 1 of the following year is not included in the money income of any area.

Personal income is prepared quarterly and annually for states and annually for counties, whereas money income is prepared in greatest detail annually for the nation based on responses to the Current Population Survey and for states based on responses to the American Community Survey.