



# REGIONAL QUARTERLY REPORT

## State Personal Income and More . . .

- In this report...**
- Third-quarter 2016 state personal income statistics, page 1
  - Earnings by state and industry, page 2
  - Property income, page 3
  - Personal current transfer receipts, page 3
- For information about [BEA regional statistics](#), go to BEA's Web site.

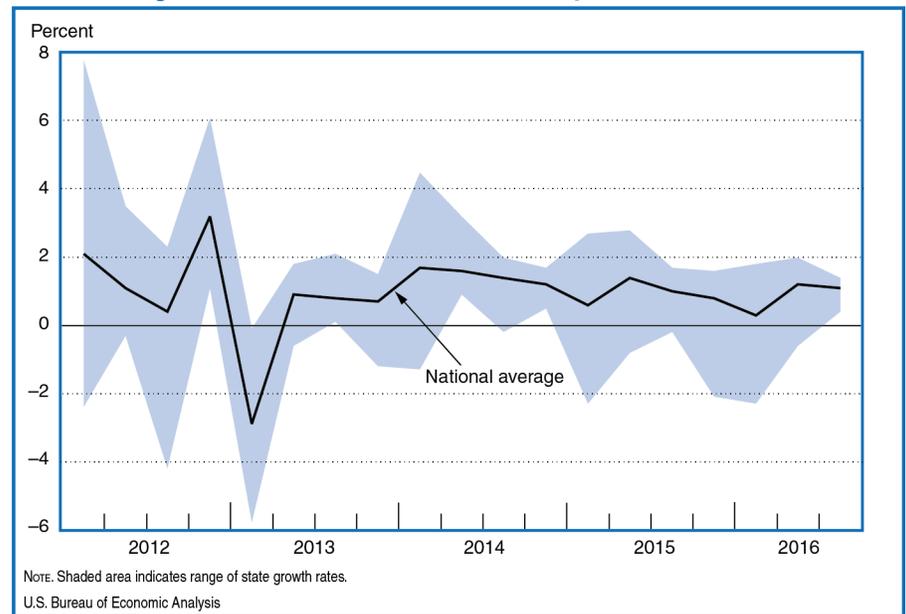
### Third quarter of 2016

State personal income growth slowed in 24 states, including California and Florida, but accelerated in 19 states, including New York and Texas, in the third quarter of 2016.<sup>1</sup> On average, state personal income growth slowed slightly in the third quarter to 1.1 percent from 1.2 in the second quarter (chart 1). Inflation, as measured by the national price index for personal consumption expenditures, slowed to 0.4 percent in the third quarter from 0.5 percent in the second quarter.

Personal income growth rates in the third quarter ranged from 0.4 percent in Oklahoma to 1.4 percent in South Dakota (table A). The growth rates of most states were tightly clustered around the national average; only the growth rates of Oklahoma, West Virginia, and Wyoming were more than two standard deviations away from the average. Net earnings contributed relatively little to personal income growth in

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. Quarterly estimates in dollars are expressed at seasonally adjusted annual rates; quarter-to-quarter percent changes are not annualized.

**Chart 1. Range of State Personal Income Quarterly Growth Rates**



*David G. Lenze prepared this report.*

## Quarterly State Personal Income

these three states.<sup>2</sup> In Oklahoma and Wyoming, net earnings contributed only 0.2 percentage point to personal income growth, and in West Virginia, it contributed 0.4 percentage point (table A). Nationally, however, net earnings contributed 0.8 percentage point to personal income growth.

Net earnings was primarily responsible for the slowdown in personal income growth in California and Flor-

2. Net earnings by place of residence is earnings by place of work (the sum of wages and salaries, supplements to wages and salaries, and proprietors' income) less contributions for government social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis.

**Table A. Contribution to Percent Change in Personal Income by Component, by State**

	2016:II				2016:III			
	Personal income, percent change	Contribution percentage points			Personal income, percent change	Contribution percentage points		
		Net earnings	Dividends, interest, and rent	Personal current transfer receipts		Net earnings	Dividends, interest, and rent	Personal current transfer receipts
United States.....	1.2	0.9	0.2	0.1	1.1	0.8	0.1	0.1
Alabama.....	1.0	0.6	0.1	0.2	0.9	0.7	0.1	0.1
Alaska.....	0.0	-0.3	0.2	0.2	0.9	0.3	0.1	0.4
Arizona.....	1.5	1.1	0.2	0.2	1.0	0.7	0.1	0.1
Arkansas.....	1.2	0.8	0.2	0.2	0.9	0.6	0.2	0.1
California.....	1.5	1.4	0.2	-0.1	1.1	0.7	0.2	0.2
Colorado.....	1.4	0.9	0.2	0.2	1.3	1.0	0.2	0.0
Connecticut.....	1.7	1.4	0.2	0.1	1.2	0.9	0.2	0.1
Delaware.....	1.1	0.8	0.1	0.1	1.2	0.9	0.1	0.2
District of Columbia.....	1.4	0.7	0.3	0.4	1.4	1.1	0.2	0.1
Florida.....	1.5	1.1	0.2	0.2	1.1	0.8	0.2	0.1
Georgia.....	0.6	0.3	0.1	0.1	1.0	0.8	0.1	0.1
Hawaii.....	0.9	0.6	0.2	0.2	1.0	0.7	0.1	0.2
Idaho.....	2.0	1.6	0.2	0.2	0.9	0.7	0.2	0.1
Illinois.....	1.2	0.9	0.2	0.2	1.0	0.8	0.1	0.1
Indiana.....	1.5	1.1	0.1	0.3	1.1	0.8	0.1	0.2
Iowa.....	1.0	0.6	0.1	0.3	1.1	1.0	0.1	0.0
Kansas.....	1.3	0.9	0.2	0.2	1.0	0.8	0.1	0.1
Kentucky.....	1.1	0.9	0.1	0.1	0.9	0.7	0.1	0.2
Louisiana.....	0.7	0.2	0.1	0.5	0.9	0.5	0.1	0.3
Maine.....	1.2	0.9	0.1	0.2	1.1	0.9	0.1	0.1
Maryland.....	1.5	1.2	0.1	0.2	1.2	0.9	0.1	0.2
Massachusetts.....	1.5	1.0	0.2	0.2	1.3	1.0	0.2	0.1
Michigan.....	1.2	0.8	0.1	0.2	1.2	0.9	0.1	0.2
Minnesota.....	1.0	0.6	0.2	0.3	1.3	1.0	0.1	0.2
Mississippi.....	0.3	0.0	0.1	0.2	0.9	0.7	0.1	0.2
Missouri.....	1.3	1.0	0.1	0.1	1.1	0.9	0.1	0.1
Montana.....	0.6	0.1	0.2	0.3	0.7	0.3	0.2	0.2
Nebraska.....	0.8	0.5	0.1	0.1	1.0	0.8	0.1	0.1
Nevada.....	1.6	1.2	0.3	0.1	1.0	0.6	0.2	0.2
New Hampshire.....	1.6	1.1	0.2	0.2	1.3	0.9	0.1	0.2
New Jersey.....	1.4	1.2	0.1	0.1	1.2	1.0	0.1	0.1
New Mexico.....	0.9	0.4	0.2	0.3	0.6	0.4	0.1	0.1
New York.....	1.0	0.8	0.2	0.0	1.3	0.9	0.2	0.2
North Carolina.....	1.2	0.9	0.1	0.2	1.1	1.0	0.1	-0.1
North Dakota.....	1.4	1.1	0.2	0.1	1.2	0.9	0.2	0.1
Ohio.....	1.2	0.8	0.1	0.3	1.2	0.9	0.1	0.1
Oklahoma.....	0.3	0.1	0.2	0.0	0.4	0.2	0.1	0.1
Oregon.....	1.1	0.7	0.2	0.2	1.3	1.1	0.1	0.1
Pennsylvania.....	1.1	0.9	0.1	0.1	1.3	0.9	0.1	0.3
Rhode Island.....	1.3	1.3	0.2	-0.1	0.7	0.7	0.1	-0.1
South Carolina.....	1.2	1.0	0.1	0.2	1.2	0.9	0.1	0.2
South Dakota.....	1.2	0.9	0.2	0.1	1.4	1.2	0.1	0.1
Tennessee.....	0.7	0.5	0.1	0.1	1.0	0.8	0.1	0.1
Texas.....	1.0	0.7	0.2	0.2	1.2	0.9	0.1	0.1
Utah.....	1.3	0.9	0.2	0.1	1.3	1.1	0.2	0.0
Vermont.....	0.1	-0.1	0.2	0.1	1.1	0.8	0.1	0.1
Virginia.....	1.1	0.8	0.2	0.1	1.1	0.9	0.1	0.1
Washington.....	1.4	1.0	0.3	0.2	0.8	0.5	0.2	0.1
West Virginia.....	0.4	-0.1	0.1	0.4	0.5	0.4	0.1	0.0
Wisconsin.....	0.9	0.7	0.1	0.1	1.2	0.9	0.1	0.1
Wyoming.....	-0.6	-1.0	0.3	0.2	0.5	0.2	0.2	0.0

NOTE: Net earnings is earnings by place of work less contributions for government social insurance plus the adjustment for residence.

ida. Net earnings grew 1.1 percent and contributed 0.7 percentage point to California's personal income growth in the third quarter, down from 2.2 percent growth and a 1.4 percentage point contribution in the second quarter. For Florida, net earnings grew 1.5 percent and contributed 0.8 percentage point to personal income growth in the third quarter, down from 2.0 percent growth and a 1.1 percentage point contribution in the second quarter.

### Earnings by state and industry

Overall, earnings increased 1.3 percent in the third quarter of 2016 after increasing 1.4 percent in the second quarter (table B). Earnings grew in every state in the third quarter of 2016, including the five states (Alaska, Mississippi, Vermont, West Virginia, and Wyoming) where earnings fell in the second quarter. Farm earnings grew in all seven of the Plains states in the third quarter and by as much as 12.4 percent in North Dakota.<sup>3</sup>

Although nonfarm earnings grew at similar rates in the second and third quarters nationally, its growth slowed or accelerated substantially in several states.

3. The Plains states are Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

**Table B. Earnings by Industry, United States**

	Earnings (millions of dollars)		Dollar change (millions of dollars)		Percent change	
	2016		2016		2016	
	II	III	II	III	II	III
All industries.....	11,455,927	11,602,604	157,882	146,678	1.4	1.3
Private.....	9,575,138	9,702,523	147,306	127,385	1.6	1.3
Farm.....	73,440	74,577	-2,473	1,138	-3.3	1.5
Nonfarm.....	9,501,699	9,627,946	149,778	126,247	1.6	1.3
Forestry, fishing, and related activities.....	36,204	36,024	903	-180	2.6	-0.5
Mining, quarrying, and oil and gas extraction.....	143,928	141,931	-4,384	-1,997	-3.0	-1.4
Utilities.....	89,332	90,413	721	1,081	0.8	1.2
Construction.....	678,948	682,663	98	3,716	0.0	0.5
Durable goods manufacturing.....	692,352	699,633	13,058	7,281	1.9	1.1
Nondurable goods manufacturing.....	388,420	391,295	4,060	2,875	1.1	0.7
Wholesale trade.....	568,867	577,418	10,814	8,551	1.9	1.5
Retail trade.....	681,035	684,655	11,835	3,620	1.8	0.5
Transportation and warehousing.....	411,160	414,948	1,437	3,788	0.4	0.9
Information.....	395,042	401,239	6,942	6,197	1.8	1.6
Finance and insurance.....	781,383	800,965	21,834	19,582	2.9	2.5
Real estate and rental and leasing.....	267,898	268,485	3,998	587	1.5	0.2
Professional, scientific, and technical services.....	1,171,860	1,194,184	18,216	22,324	1.6	1.9
Management of companies and enterprises.....	308,915	313,330	11,516	4,415	3.9	1.4
Administrative and support and waste management and remediation services.....	468,180	474,514	5,760	6,333	1.2	1.4
Educational services.....	193,147	195,709	3,295	2,561	1.7	1.3
Health care and social assistance.....	1,280,701	1,301,098	29,496	20,397	2.4	1.6
Arts, entertainment, and recreation.....	134,013	136,571	813	2,558	0.6	1.9
Accommodation and food services.....	389,750	396,293	5,450	6,543	1.4	1.7
Other services (except public administration).....	420,565	426,580	3,915	6,015	0.9	1.4
Government.....	1,880,788	1,900,081	10,577	19,292	0.6	1.0
Federal, civilian.....	327,543	331,524	3,698	3,981	1.1	1.2
Military.....	133,314	133,942	91	628	0.1	0.5
State and local.....	1,419,932	1,434,615	6,788	14,683	0.5	1.0

## Quarterly State Personal Income

Nonfarm earnings growth in Idaho slowed from 3.2 percent to 1.0 percent. The slowdown was primarily in manufacturing, retail trade, health care, and management of companies. In contrast, nonfarm earnings in Wyoming grew 0.2 percent in the third quarter after falling 1.7 percent in the second quarter. Earnings in Wyoming in the second quarter declined in 17 of the 24 industries for which BEA provides estimates. In the third quarter, earnings declined in only six industries.

Nationally, mining earnings fell 1.4 percent in the third quarter following a 3.0 percent decline in the second quarter. This was the industry's eighth consecutive decline, but it was the smallest (table C). Among the major mining states, the largest declines in the third quarter were in Wyoming (2.1 percent) and West Virginia (1.2 percent).

**Table C. Mining Earnings, Select States**  
[Percent change from previous quarter]

	2014		2015				2016		
	IV	I	II	III	IV	I	II	III	
United States .....	-1.6	-4.0	-8.3	-5.4	-4.5	-2.8	-3.0	-1.4	
North Dakota .....	0.7	-9.0	-15.7	-10.3	-11.5	-12.3	-8.6	-0.9	
Oklahoma .....	-2.1	-1.6	-12.0	-3.5	-5.4	-2.4	-3.7	-1.1	
Texas.....	-2.5	-4.2	-8.4	-5.8	-4.1	0.4	-3.8	-1.0	
West Virginia.....	-1.7	-1.0	-7.3	-6.4	-5.4	-13.2	-4.3	-1.2	
Wyoming.....	-0.2	-0.1	-8.0	-6.2	-4.3	-9.9	-2.5	-2.1	

### Property income

Property income (dividends, interest, and rent) grew 0.7 percent in the third quarter of 2016, the net effect of a 0.8 percent gain in dividends, a 0.6 percent increase in interest, and a 0.9 percent increase in rent (table D). In the second quarter, property income grew 0.9 percent. Property income contributed 0.1 percentage point or 0.2 percentage point to personal income growth in all states in the third quarter (table A).

**Table D. Growth of Dividends, Interest, and Rent, United States**

	Percent change		Dollar change (millions of dollars)	
	2016		2016	
	II	III	II	III
Dividends, interest, and rent .....	0.9	0.7	27,611	21,510
Dividends.....	0.6	0.8	5,733	7,166
Interest .....	1.1	0.6	14,083	8,123
Rent.....	1.1	0.9	7,795	6,221

### Personal current transfer receipts

Personal current transfer receipts grew 0.8 percent in the third quarter after growing 0.7 percent in the second quarter of 2016. This was the net result of an acceleration in the growth of Medicaid benefits to 2.0 percent from 0.6 percent, a continued decline in state unemploy-

ment insurance benefits (1.4 percent in the third quarter, compared with 3.7 percent in the second quarter), and a slowdown in the growth of other transfer receipts to 0.5 percent from 0.8 percent (table E).

**Table E. Growth of Personal Current Transfer Receipts, United States**

	Percent change		Dollar change (millions of dollars)	
	2016		2016	
	II	III	II	III
Personal current transfer receipts.....	0.7	0.8	19,600	22,432
Medicaid.....	0.6	2.0	3,138	11,399
State unemployment insurance.....	-3.7	-1.4	-1,137	-416
Social Security, Medicare, and other.....	0.8	0.5	17,599	11,449

Personal current transfer receipts declined in two states in the third quarter: North Carolina and Rhode Island (table A). A 3.9 percent decline in Medicaid transfers in North Carolina and a 3.4 percent decline in Rhode Island offset a net increase in other transfer receipts in both cases. In contrast, Medicaid transfers rose 9.9 percent in Alaska. As a result, transfer receipts contributed about as much to personal income growth (0.4 percentage point) as net earnings and dividends, interest, and rent combined.

State unemployment insurance (UI) benefits declined in major mining states (North Dakota, Oklahoma, Texas, West Virginia, and Wyoming) in the third quarter of 2016, as they did in other states. However, these benefits remain elevated compared to the third quarter of 2014 before the collapse in oil prices (chart 2). State UI benefits in Wyoming in particular were more than twice as high in the third quarter of 2016 than in the third quarter 2 years earlier.

**Chart 2. State Unemployment Insurance Benefits, North Dakota, Oklahoma, Texas, West Virginia, Wyoming, and Other States**

