

Personal Income by State and Region, First Quarter 1997

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The quarterly estimates of State personal income were prepared by the Regional Economic Measurement Division.

PERSONAL INCOME in the Nation increased 1.7 percent in the first quarter of 1997, the largest quarterly increase since the first quarter of 1995, after increasing 1.4 percent in the fourth quarter of 1996.¹

The first-quarter increase was mainly accounted for by an increase in earnings and an increase in transfer payments, which reflected cost-of-living

adjustments to benefits under social security and several other Federal retirement and income support programs.

The increase in personal income was substantially larger than the 0.6-percent increase in the prices paid by U.S. consumers (as measured by the chain-type price index for personal consumption expenditures). By State, the increase in personal income exceeded the increase in U.S. prices in all States except Delaware.

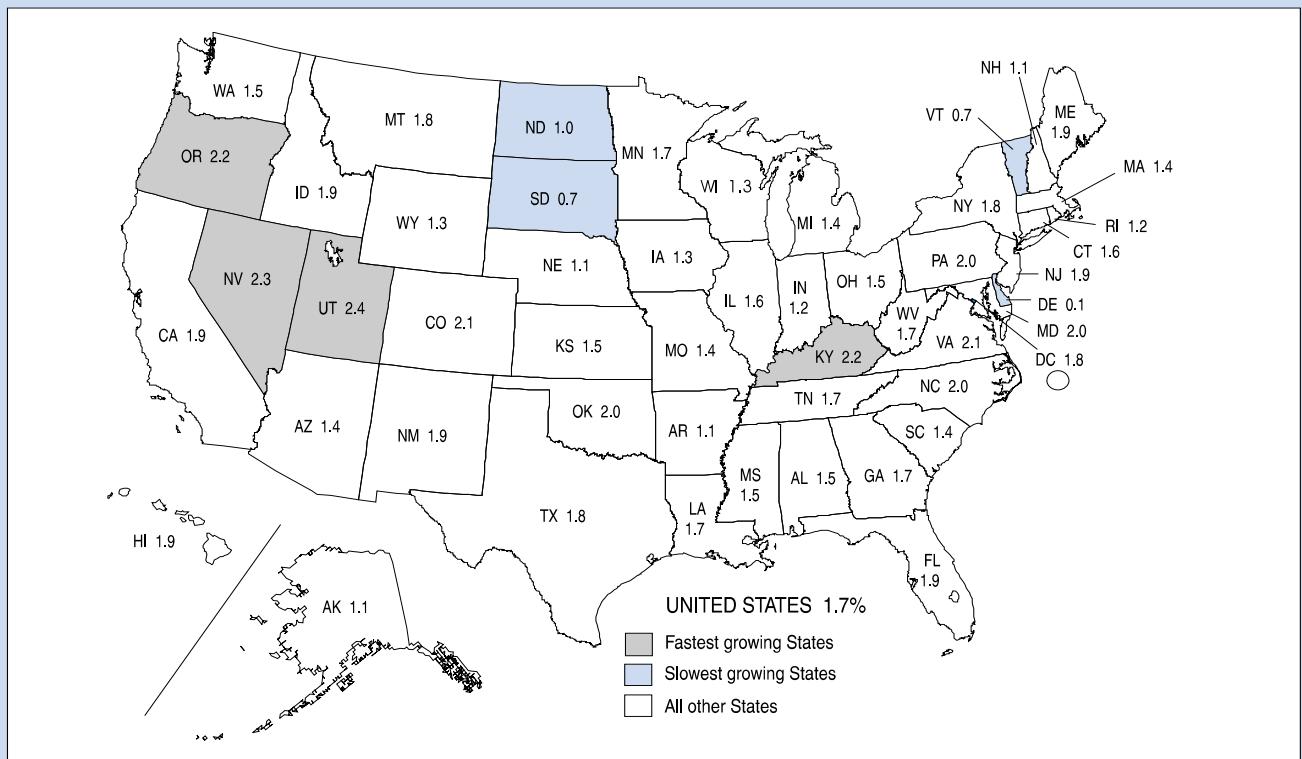
Table 1 at the end of this article presents the quarterly estimates of personal income for each State and region, beginning with the first quarter of 1994.

1. The estimate of personal income for the Nation is derived as the sum of the State estimates; it differs from the estimate of personal income in the national income and product accounts (NIPAs) because, by definition, State personal income omits the earnings of Federal civilian and military personnel stationed abroad and of U.S. residents employed abroad temporarily by private U.S. firms. This estimate can also differ from the NIPA estimate because of different data sources and revision schedules.

In this article, the percent changes are at quarterly—not at annual—rates.

CHART 1

Personal Income: Percent Change, 1996:IV-1997:I



Fastest growing States

Utah, Nevada, Oregon, and Kentucky had the fastest growth in personal income in the first quarter of 1997 (table A and chart 1).

In all four States, the fastest growth in earnings was in mining, in durable goods manufacturing, in wholesale trade, and in finance, insurance, and real estate (table B). In most of these States, earnings grew rapidly in retail trade and in services.

In Nevada, earnings increases were also strong in nondurable goods manufacturing and in transportation and public utilities. In Kentucky, earnings grew rapidly in farming, in construction, in nondurable goods manufacturing, and in transportation and public utilities.

In Nevada, transfer payments grew rapidly.

Table A.—Personal Income for Selected States and the United States, 1996:IV-1997:I

[Percent change]

Rank		Personal income	Net earnings by place of residence ¹	Dividends, interest, and rent	Transfer payments
Fastest growing States:					
1	Utah	2.4	2.7	0.7	2.3
2	Nevada	2.3	2.5	.8	2.9
3	Oregon	2.2	2.6	.7	2.2
4	Kentucky	2.2	2.5	.8	2.2
	United States	1.7	1.8	.8	2.3
Slowest growing States:					
47	North Dakota	1.0	.8	.9	1.8
48	Vermont .....	.7	.3	.8	2.4
49	South Dakota .....	.7	.3	.8	2.3
50	Delaware .....	.1	-.1	.9	0

1. Net earnings by place of residence is earnings by place of work less personal contributions for social insurance plus an adjustment for residence. Earnings by place of work is the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income.

Slowest growing States

North Dakota, Vermont, South Dakota, and Delaware had the slowest growth in personal income in the first quarter of 1997. In all four States, earnings in farming declined.

In North Dakota and South Dakota, the growth in personal income was substantially dampened by the declines in farm earnings. In addition, earnings were unchanged or grew slowly in durable goods manufacturing and in government in North Dakota and in construction, in nondurable goods manufacturing, and in government in South Dakota. In North Dakota, dividends, interest, and rent grew slowly.

In Vermont and Delaware, earnings in construction declined. In addition, earnings either declined or grew slowly in manufacturing, in wholesale trade, and in government in Vermont and in finance, insurance, and real estate in Delaware.

In Delaware, the declines in earnings in construction and in finance, insurance, and real estate were substantial; in the fourth quarter, earnings in these industries had been boosted by unusually large lump-sum payments. Transfer payments were unchanged, mainly reflecting a large decline in State unemployment insurance benefits paid to individuals.

Table 1 follows. 

Table B.—Earnings by Place of Work for Selected States and the United States, 1996:IV-1997:I

[Percent change]

Rank		Total earnings by place of work	Farm	Mining	Construction	Durable goods manufacturing	Nondurable goods manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
Fastest growing States:													
1	Utah	2.7	-4.6	2.5	1.8	4.5	1.0	2.2	3.4	2.6	2.6	3.5	1.5
2	Nevada	2.5	-5.0	3.2	-4.0	7.4	2.8	2.5	3.5	3.1	3.2	4.0	1.8
3	Oregon	2.7	1.5	5.8	.9	6.2	-2.1	2.1	3.8	2.2	3.7	2.5	1.4
4	Kentucky	2.6	10.2	2.6	2.7	5.0	2.4	2.3	3.0	2.6	2.5	2.2	.6
	United States	1.8	-4.1	2.3	2.3	1.5	.5	1.8	2.3	1.9	2.3	2.6	1.2
Slowest growing States:													
47	North Dakota	1.0	-7.7	3.2	5.1	.1	1.2	2.6	2.7	2.1	1.5	2.4	0
48	Vermont .....	.3	-8.4	2.4	-2.0	-3.4	-2.8	1.2	-3.2	3.0	3.8	2.6	.5
49	South Dakota .....	.4	-8.7	3.9	.4	5.3	.6	.8	1.2	1.4	3.5	1.4	.6
50	Delaware	-.1	-17.7	1.8	-11.5	14.0	2.7	2.2	2.8	1.8	-7.4	2.6	.6

