

Personal Income by State and Region, Third Quarter 1996

This article was written by Duke Tran. The quarterly estimates of State personal income were prepared by the Regional Economic Measurement Division.

PERSONAL INCOME in the Nation increased 1.4 percent in the third quarter of 1996 after increasing 1.7 percent in the second quarter.¹ The third-quarter increase exceeded the 0.4-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 50 States.

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

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

Table 1 at the end of this article presents the quarterly estimates of total personal income for each State and region, beginning with the first quarter of 1994; **table 2** presents the quarterly estimates of personal income by major source and of earnings by Standard Industrial Classification division, beginning with the first quarter of 1995.

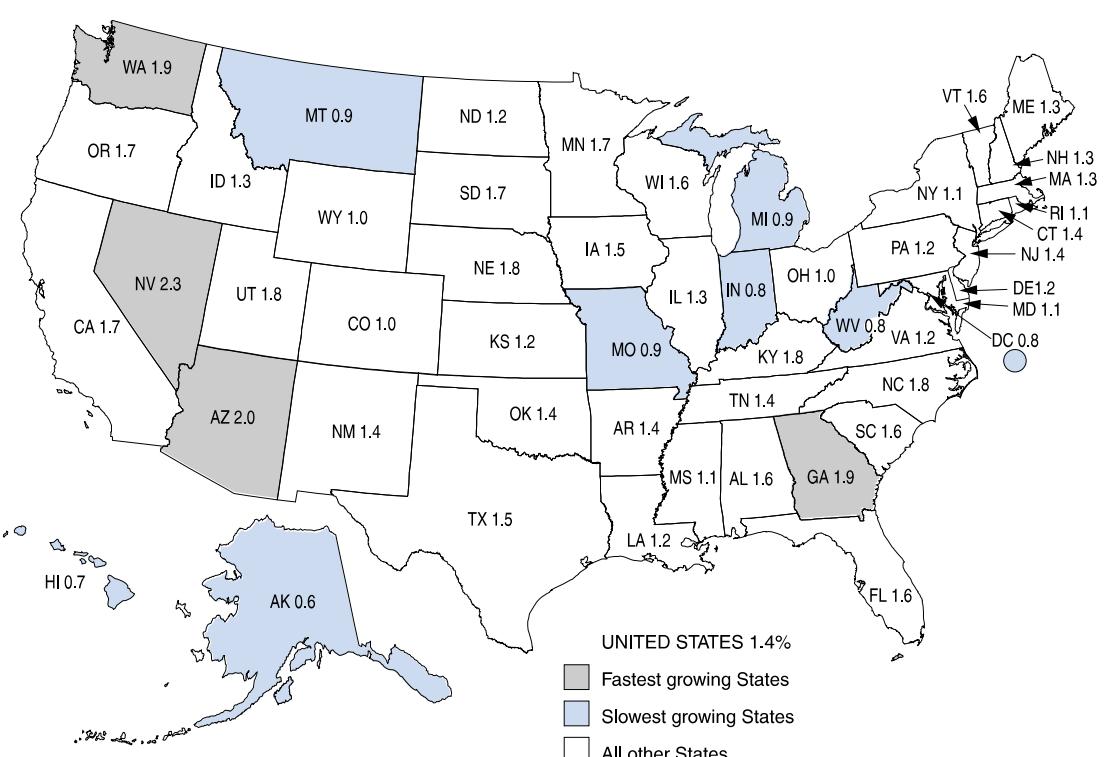
Fastest growing States

In four States—Nevada, Arizona, Georgia, and Washington—personal income in the third quarter increased at least 0.5 percentage point more than the U.S. average (**table A** and **chart 1**).

In Nevada, personal income growth was boosted by above-average increases in earnings in

CHART 1

Personal Income: Percent Change, 1996:II – 1996:III



construction, in government, and in durable goods manufacturing ([table B](#)).²

In Arizona, Georgia, and Washington, personal income growth was boosted by above-average increases in earnings in services and in farming. In Washington, personal income growth was also boosted by an above-average increase in earnings in durable goods manufacturing.

Slowest growing States

In seven States—Montana, Missouri, Michigan, Indiana, West Virginia, Hawaii, and Alaska—personal income increased at least 0.5 percentage point less than the U.S. average.

2. In this article, an increase in a component of personal income or an increase in an industry's earnings in a State is "above average" (or "below average") if it is more than (or less than) the increase in personal income in the State.

Table A.—Personal Income for Selected States and the United States, 1996:II-1996:III

[Percent change]

Rank		Personal income	Net earnings by place of residence ¹	Dividends, interest, and rent	Transfer payments
1	Fastest growing States:				
2	Nevada	2.3	2.8	1.2	1.3
2	Arizona	2.0	2.5	1.3	.9
3	Georgia	1.9	2.2	1.3	1.0
4	Washington	1.9	2.4	1.1	.5
	United States	1.4	1.5	1.3	.9
44	Slowest growing States:				
44	Montana .....	.9	.9	1.0	.9
45	Missouri .....	.9	.8	1.3	.9
46	Michigan .....	.9	.9	1.3	.2
47	Indiana .....	.8	.7	1.3	1.0
48	West Virginia .....	.8	.7	1.4	.7
49	Hawaii .....	.7	.4	1.3	1.0
50	Alaska .....	.6	.7	.8	.1

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

Table B.—Earnings by Place of Work for Selected States and the United States, 1996:II-1996:III

[Percent change]

Rank		Total	Farming	Mining	Construction	Durable goods manufacturing	Non-durable goods manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
1	Fastest growing States:												
1	Nevada	2.8	1.8	2.7	5.4	6.2	-7.3	1.5	2.6	2.8	1.4	2.5	3.4
2	Arizona	2.5	26.7	-.3	2.0	2.8	.2	1.7	1.9	1.5	1.3	2.7	2.4
3	Georgia	2.2	23.3	-.9	-1.7	1.5	1.2	1.6	1.6	2.2	1.3	3.2	.6
4	Washington	2.4	11.0	2.4	1.7	4.3	3.0	.8	3.0	.8	1.3	3.1	1.1
	United States	1.5	12.6	-.6	1.7	1.1	.6	1.1	1.6	.8	1.2	2.2	.9
44	Slowest growing States:												
44	Montana .....	.9	-3.7	-.5	-.9	-.3	-.1	-.3	-.6	.2	1.5	2.9	1.1
45	Missouri .....	.7	21.9	1.4	-.2	-2.3	.1	1.2	.9	.7	1.3	1.9	.3
46	Michigan .....	.9	4.7	1.1	2.4	-5	1.1	.9	2.2	1.0	1.3	1.7	.9
47	Indiana .....	.6	15.6	-1.3	1.7	-.3	.3	.2	1.4	.9	1.0	1.8	-.9
48	West Virginia .....	.6	16.0	-.7	3.8	2.3	1.5	-.6	.9	.2	-1.0	1.8	-1.6
49	Hawaii .....	.4	1.6	-.5	-1.3	1.2	-1.3	1.1	2.2	-.3	-.7	1.6	0
50	Alaska .....	.7	20.1	-5.8	1.5	2.4	7.6	.6	3.4	.5	0	2.4	-.1

Tables 1 and 2 follow. 

Tables 1 and 2 follow.

