

State Personal Income

Second Quarter of 2008 and Revised Statistics for 2005–2007

By David G. Lenze

PERSONAL income in the United States grew 1.8 percent in the second quarter of 2008, the highest growth rate since the first quarter of 2007 and more than double the 0.8 percent pace of the first quarter of 2008. Growth accelerated in all but five states. Almost all (0.9 percentage point) of the second-quarter acceleration was accounted for by cash rebates that taxpayers received from the federal government in the spring under the Economic Stimulus Act of 2008 (see the box).

Second-quarter inflation, as measured by the national price index for personal consumption expenditures, was 1.0 percent, slightly higher than the 0.9 percent inflation in the first quarter.

These preliminary second-quarter state personal income statistics were released by the Bureau of Eco-

nomics Analysis (BEA) in September along with preliminary annual state transfer receipts by major program; tax payments by level of government; detailed farm income and expenses; and wages, compensation, and earnings for 114 industry classifications as defined by the North American Industry Classification System (NAICS). At that time, BEA also released revised quarterly and annual state personal income statistics for 2005 through the first quarter of 2008. This article presents highlights from these new and revised statistics.

Second quarter of 2008

Net earnings grew 0.8 percent nationally in the second quarter, up from 0.7 percent growth in the first quarter; property income (dividends, interest, and rent) grew 0.2 percent after falling 0.1 percent, and transfer

Economic Stimulus Act of 2008

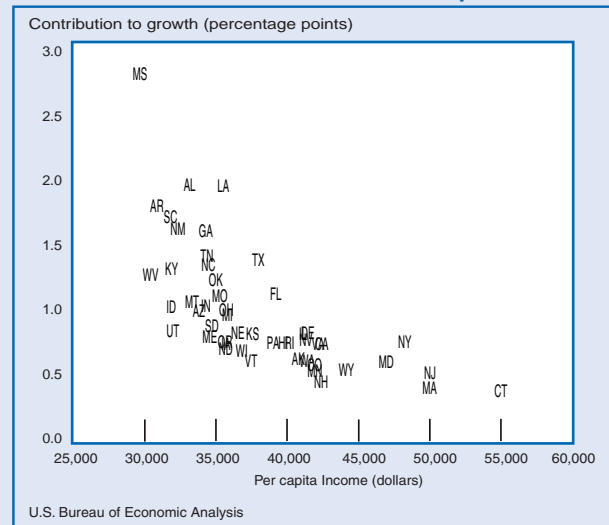
The Economic Stimulus Act of 2008 provided rebate payments to eligible taxpayers. The amount of the rebate was determined by information reported on federal income tax filings for 2007 and was based on filing status, level of adjusted gross income, and number of qualifying children. Rebates to taxpayers were \$312 billion in the second quarter of 2008, the majority of which were sent during the initial round of payments that began April 28. Additional rounds continued on a weekly basis through August.

In quarterly state personal income, rebates for individuals who pay no income taxes (or for whom the rebate would exceed the amount of the income taxes they do pay) are treated as personal current transfer receipts. These rebates amounted to \$113 billion in the second quarter of 2008. Rebates for individuals with tax liabilities that exceed the rebate amount, \$199 billion, are treated as offsets to personal current taxes and raise disposable personal income.

The national estimate of the portion of the rebate treated as a transfer was allocated to states in proportion to BEA's earned income tax credit statistics for 2007. Because the rebate was targeted toward lower income

families, there is a strong correlation between the size of the economic stimulus payment (as a percentage of personal income) and per capita personal income.

Contribution of Economic Stimulus Payments to Personal Income Growth Versus Per Capita Income



receipts (in which the economic stimulus payments are recorded) grew 8.3 percent after rising 2.3 percent.¹ Together, net earnings, property income, and transfer receipts equal personal income.

Earnings in the professional services, state and local government, and health care industries were the largest

1. Rental income growth accelerated in the second quarter in most states because of fewer mortgage originations. Closing costs are treated as an expense, so when originations decline and all else is equal, rental income net of expenses rises. Nevertheless, rental income declined in Louisiana in the second quarter because Road Home payments (federal assistance to rebuild residences destroyed or damaged by Hurricane Katrina) are tapering off. These payments are treated as a housing subsidy in rental income.

Net earnings is earnings by place of work (the sum of wage and salary disbursements, 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.

contributors to personal income growth in the second quarter, together contributing 0.4 percentage point. Earnings in construction and retail trade reduced personal income growth a combined 0.1 percentage point (table A). Although the declines in construction and retail trade were small, they were widespread across most states. BEA publishes quarterly statistics for 24 industries.

Southeast region

The 12-state Southeast region grew significantly faster than the national average in the second quarter. Most of the above-average growth was accounted for by economic stimulus payments. Including the stimulus payments, personal income in the Southeast grew 2.2

Relation of Personal Income in the NIPAs and State Personal Income

The level of the personal income in the national income and product accounts (NIPAs) differs from the national totals in the state personal income accounts because of differences in coverage and in the timing of the availability of source data.

The differences in coverage stem from different concepts of residence. For NIPA personal income, a U.S. resident has a center of economic interest in the country and resides, or expects to reside, in the country for a year or more. For state personal income, a resident is a participant in a U.S. regional economy, regardless of the individual's national allegiance or duration of residence.¹

In general, the NIPA measure of personal income is broader than state personal income. Some key coverage differences are:

- NIPA personal income includes the earnings of federal civilian and military personnel stationed abroad and the investment income received by the federal retirement plans of these workers. The regional measure of personal income does not include this income.²
- NIPA personal income includes all income earned by U.S. citizens living abroad for less than a year. State personal income excludes the portion earned while an individual lives abroad.
- NIPA personal income includes the income of foreign nationals only if they live and work in the United States for a year or more. State personal income includes the income of resident foreign nationals working in the United States—including migrant workers—regardless of length of residency.

The annual estimates of personal income in the NIPAs

1. See *State Personal Income and Employment Methodology* at <www.bea.gov/regional/docs/spi2007>.

2. For a description of military coverage in state personal income, see "New Treatment of State Estimates of Military Compensation," SURVEY 85 (October 2005): 116.

also diverge from the national totals of state personal income because of differences in the timing of the availability of source data. For example, farm proprietors' income in the NIPAs for 2007 is \$14.6 billion higher than in state personal income, because the state estimates of farm proprietors' income incorporate revised U.S. Department of Agriculture data that were not available until after the national estimate was released.

Both NIPA and state personal income include the income of U.S. residents employed by international organizations or by other countries while living in the United States and exclude the income of foreign nationals employed by their home governments or by international organizations in the United States. In addition, both measures exclude the income of private U.S. citizens living outside the country for a year or more.

State and National Estimates of Personal Income

[Billions of dollars]

	2005	2006	2007
Personal income in the NIPAs	10,269.8	10,993.9	11,663.2
Plus adjustments for:			
Coverage differences	-15.6	-15.9	-15.9
Federal workers abroad.....	-22.0	-22.4	-22.8
Wage and salary disbursements.....	-14.2	-14.4	-14.4
Supplements to wages and salaries ¹	-8.2	-8.5	-8.9
Dividends, interest, and rent ²	-1.0	-0.9	-0.9
Less: Contributions for government social insurance.....	-1.4	-1.4	-1.4
Rest-of-the-world difference.....	6.4	6.5	6.9
Wages of private foreign nationals in the United States.....	7.9	8.1	8.4
Wages of private U.S. nationals abroad.....	-1.6	-1.6	-1.6
Use of more current source data	-1.3	-0.7	-15.7
Wage and salary disbursements.....	-0.1	0.1	-0.6
Proprietors' income.....	-1.0	-0.2	-14.6
Personal current transfer receipts.....	-0.2	-0.6	-0.5
Equals: State personal income	10,252.8	10,977.3	11,631.6

1. Consists of employer contributions for government social insurance and for employee pension and insurance funds for Federal workers stationed abroad.

2. Consists of the investment income received by Federal retirement plans that is attributed to Federal workers stationed abroad.

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percent. Excluding the stimulus payments, personal income grew 0.8 percent. Since the income tax rebates were targeted toward lower income families, they had their greatest impact in Mississippi, where they contributed 2.8 percentage points to the 3.5 percent personal income growth. The rebates also contributed significantly to growth in other low-income states—such as Alabama, Louisiana, and Arkansas—that are

clustered in the Southeast (table B). In fact, the contribution of the income tax rebate to personal income growth was above the national average in every state in the Southeast region except Virginia, reflecting the fact that all Southeast states except Virginia have per capita incomes below the national average. The impact of the income tax rebate had less of an impact in high-income states, such as Connecticut and Massachusetts; in

Table A. Contributions of Earnings to Percent Change in Personal Income by Industry, State, and Region, 2008:I–2008:II¹—Continues

[Percentage points, seasonally adjusted]

	Total earnings ²	Farm	Forestry, fishing, related activities, and other ³	Mining	Utilities	Construction	Manufacturing		Wholesale trade	Retail trade	Transportation and warehousing	Information	Finance and insurance
							Durable goods	Nondurable goods					
United States	0.56	-0.02	0.00	0.03	0.00	-0.06	0.00	0.03	0.01	-0.02	0.02	0.02	0.05
New England													
Connecticut	0.67	0.01	0.00	0.01	0.00	-0.06	0.03	0.05	0.01	-0.02	0.01	0.01	0.14
Maine	0.22	0.02	0.00	0.00	0.00	-0.08	0.03	0.06	0.00	-0.03	0.00	0.01	0.03
Massachusetts	0.66	0.01	0.00	0.01	0.00	-0.07	0.02	0.02	0.01	-0.02	0.01	0.02	0.08
New Hampshire	0.51	0.01	0.00	0.00	0.00	-0.07	0.05	0.06	0.03	-0.01	0.01	0.02	-0.05
Rhode Island	0.19	0.01	0.00	0.00	0.00	-0.06	-0.02	0.02	0.01	-0.04	0.00	0.02	0.04
Vermont	0.31	-0.18	0.00	0.00	0.00	-0.08	0.01	0.03	0.01	-0.03	0.01	0.01	0.04
Mideast													
Delaware	0.51	-0.15	0.00	0.01	0.00	-0.07	0.00	0.06	0.01	-0.03	0.00	0.01	0.14
District of Columbia	1.45	0.00	0.01	0.00	0.00	0.01	0.00	0.01	0.01	0.01	-0.02	-0.33	0.03
Maryland	0.58	-0.02	0.00	0.00	0.00	-0.07	0.00	0.01	0.01	-0.02	0.01	0.02	0.05
New Jersey	0.43	0.01	0.00	0.00	0.00	-0.07	-0.02	0.05	0.02	-0.02	0.02	0.03	0.05
New York	0.68	-0.01	0.00	0.01	0.00	-0.02	0.04	0.02	0.00	-0.03	0.02	0.03	0.12
Pennsylvania	0.54	-0.03	0.00	0.02	0.00	-0.07	0.02	0.05	0.01	-0.02	0.01	0.02	0.06
Great Lakes													
Illinois	0.50	-0.06	0.00	0.03	0.00	-0.09	-0.01	0.05	0.01	-0.02	0.03	0.02	0.06
Indiana	0.12	-0.05	0.00	0.01	-0.03	-0.06	-0.03	-0.16	-0.01	-0.03	0.01	0.01	0.04
Michigan	0.26	-0.06	0.00	0.01	0.01	-0.10	-0.13	0.04	0.00	-0.03	0.02	0.01	0.01
Ohio	0.45	-0.09	0.00	0.01	-0.02	-0.07	0.04	0.05	0.01	-0.02	0.02	0.01	0.05
Wisconsin	0.34	-0.18	0.00	0.00	0.00	-0.04	-0.01	0.07	0.00	-0.03	0.02	0.01	0.06
Plains													
Iowa	0.49	0.11	0.00	0.00	0.00	-0.06	0.00	-0.03	0.02	-0.03	0.03	0.03	0.07
Kansas	0.24	-0.40	0.00	0.06	0.00	-0.06	0.03	0.10	0.01	-0.01	0.02	0.02	0.04
Minnesota	0.06	0.01	0.00	0.00	-0.02	-0.09	0.00	0.04	-0.03	-0.03	0.02	0.00	0.09
Missouri	0.60	-0.02	0.00	0.00	0.00	-0.08	0.00	0.03	0.01	-0.02	0.03	0.02	0.04
Nebraska	0.00	-0.58	0.00	0.01	0.00	-0.08	-0.01	0.05	0.04	-0.04	0.08	0.01	0.08
North Dakota	2.51	2.07	0.00	-0.01	-0.01	0.02	0.00	0.02	-0.01	-0.08	0.07	0.03	0.04
South Dakota	0.55	0.04	0.00	0.00	-0.06	-0.02	0.10	0.08	0.02	-0.03	0.03	0.00	0.07
Southeast													
Alabama	0.24	-0.19	0.00	0.02	0.00	-0.06	0.02	0.05	0.01	-0.02	0.01	0.01	-0.03
Arkansas	0.37	-0.06	0.00	0.02	0.00	-0.05	0.00	0.03	0.01	-0.01	0.03	0.02	0.04
Florida	0.30	0.03	0.00	0.00	0.00	-0.10	-0.02	0.01	0.01	-0.04	0.00	0.01	0.04
Georgia	0.43	-0.08	0.00	0.00	0.00	-0.07	-0.02	0.03	0.00	-0.02	0.01	0.04	0.04
Kentucky	0.61	0.00	0.00	0.04	0.00	-0.06	-0.01	0.05	0.02	0.00	0.00	0.01	0.05
Louisiana	0.77	-0.13	0.00	0.07	-0.03	0.10	0.77	0.02	-0.01	-0.01	0.05	0.01	0.01
Mississippi	0.27	-0.22	0.00	0.03	0.00	-0.06	-0.02	0.02	0.02	-0.03	0.04	0.01	0.03
North Carolina	0.57	-0.05	0.00	0.00	0.00	-0.05	0.01	0.04	0.01	-0.03	0.01	0.01	0.06
South Carolina	0.37	-0.02	0.00	0.00	0.00	-0.10	0.01	0.06	0.01	-0.03	0.01	0.01	0.04
Tennessee	0.22	0.04	0.00	0.01	0.00	-0.08	0.01	-0.15	0.01	-0.02	0.03	0.01	0.03
Virginia	0.80	-0.02	0.00	0.01	0.00	-0.06	0.05	0.02	0.01	-0.02	0.00	0.03	0.04
West Virginia	0.72	-0.05	0.00	0.16	0.01	-0.01	-0.02	0.06	0.01	-0.03	0.01	0.01	0.03
Southwest													
Arizona	0.16	0.07	0.00	-0.04	0.00	-0.26	-0.01	0.02	0.00	-0.04	0.01	-0.02	0.02
New Mexico	0.54	-0.32	0.00	0.03	0.00	0.01	0.03	0.02	0.01	0.01	0.03	0.01	0.01
Oklahoma	0.87	-0.20	0.00	0.27	0.00	-0.01	0.05	0.31	-0.03	-0.02	0.02	0.01	0.04
Texas	1.36	-0.06	0.00	0.22	0.00	0.11	0.06	0.08	0.09	0.01	0.07	0.00	0.09
Rocky Mountain													
Colorado	0.50	-0.08	0.00	0.01	-0.07	-0.05	-0.01	0.02	-0.10	-0.01	0.03	0.07	0.05
Idaho	0.01	-0.35	0.00	0.01	0.00	-0.15	-0.03	0.03	0.03	-0.02	0.02	0.01	0.03
Montana	0.69	0.15	0.00	0.04	0.00	-0.16	0.01	0.04	0.00	-0.01	0.05	0.00	0.04
Utah	0.55	-0.03	0.00	0.01	0.00	-0.29	0.00	0.08	0.00	-0.01	0.02	0.01	0.05
Wyoming	0.62	-0.09	0.00	0.14	0.00	0.03	0.01	0.02	-0.01	-0.01	0.03	0.01	0.02
Far West													
Alaska	0.93	0.02	0.01	0.09	0.00	0.00	0.00	0.04	0.01	-0.03	-0.07	0.01	0.03
California	0.63	0.07	0.00	0.01	0.00	-0.09	0.01	0.03	0.01	-0.02	0.02	0.05	0.03
Hawaii	0.67	0.07	0.00	0.00	0.01	-0.10	0.01	0.03	0.00	0.03	0.03	0.05	0.04
Nevada	0.25	0.00	0.00	-0.02	0.01	-0.26	0.00	0.01	0.00	-0.01	0.01	0.02	-0.04
Oregon	0.53	0.12	0.00	0.00	0.00	-0.09	-0.11	0.04	0.02	-0.05	0.03	0.00	0.05
Washington	0.28	0.00	0.00	0.00	0.00	-0.06	-0.11	0.03	-0.01	-0.02	0.02	-0.01	0.02
BEA regions													
New England	0.58	0.01	0.00	0.00	0.00	-0.07	0.02	0.03	0.01	-0.02	0.01	0.02	0.08
Mideast	0.60	-0.01	0.00	0.01	0.00	-0.05	0.02	0.03	0.01	-0.02	0.01	0.02	0.08
Great Lakes	0.37	-0.08	0.00	0.02	-0.01	-0.08	-0.02	0.02	0.00	-0.03	0.02	0.01	0.05
Plains	0.39	-0.03	0.00	0.01	-0.01	-0.07	0.01	0.04	0.01	-0.03	0.03	0.02	0.06
Southeast	0.45	-0.02	0.00	0.02	0.00	-0.07	0.00	0.01	0.01	-0.03	0.01	0.02	0.03
Southwest	1.08	-0.06	0.00	0.17	0.00	0.04	0.05	0.09	0.06	0.00	0.05	0.00	0.07
Rocky Mountain	0.47	-0.08	0.00	0.02	-0.03	-0.12	-0.01	0.03	-0.05	-0.01	0.03	0.04	0.04
Far West	0.57	0.06	0.00	0.01	0.00	-0.09	-0.01	0.03	0.01	-0.02	0.02	0.04	0.03

See the footnotes at the end of the table.

both of these states, the rebates contributed only 0.4 percentage point to personal income growth.

Texas

In this state, net earnings—the component of personal income indicative of labor market conditions—has been notably resilient to the national slowdown of the last two quarters. Net earnings in Texas grew 1.7 per-

cent in the second quarter, compared with 1.5 percent growth in the first quarter. Net earnings in Texas grew at more than twice the national pace in the first two quarters of 2008. It remains at its average pace for the current economic expansion, which began in the first quarter of 2001.

The oil and gas industry has been the primary propellant of personal income growth in Texas. In fact,

Table A. Contributions of Earnings to Percent Change in Personal Income by Industry, State, and Region, 2008:I–2008:II¹—Table Ends

[Percentage points, seasonally adjusted]

	Real estate and rental and leasing	Professional and technical services	Management of companies and enterprises	Administrative and waste services	Educational services	Health care and social assistance	Arts, entertainment, and recreation	Accommodation and food services	Other services, except public administration	Government		
										Federal, civilian	Military	State and local
United States	0.00	0.15	0.04	0.00	0.00	0.10	0.01	0.02	0.01	0.03	0.02	0.11
New England												
Connecticut.....	0.00	0.13	0.09	0.00	0.00	0.11	0.01	0.01	0.01	0.00	0.01	0.11
Maine.....	0.00	0.07	-0.22	0.01	0.00	0.14	0.01	0.01	0.01	0.06	-0.03	0.10
Massachusetts.....	0.00	0.22	0.07	0.00	0.01	0.13	0.01	0.02	0.01	0.03	0.01	0.09
New Hampshire.....	0.00	0.10	0.05	0.01	0.01	0.14	0.01	0.02	0.01	0.01	0.01	0.10
Rhode Island.....	0.00	-0.13	0.09	-0.02	0.00	0.11	0.01	0.01	0.01	0.00	0.03	0.10
Vermont.....	0.00	0.10	0.00	0.00	0.01	0.12	0.01	0.04	0.01	0.02	0.03	0.14
Mideast												
Delaware.....	0.00	0.08	0.10	-0.01	0.00	0.12	0.01	0.02	0.02	0.01	0.04	0.12
District of Columbia.....	0.01	0.68	-0.20	-0.09	0.00	0.19	0.03	0.12	0.12	0.83	0.00	0.03
Maryland.....	0.00	0.18	0.03	0.00	0.01	0.10	0.01	0.02	0.02	0.11	0.01	0.11
New Jersey.....	0.00	0.17	-0.07	0.00	0.00	0.11	0.00	0.01	0.01	0.02	0.00	0.10
New York.....	0.00	0.19	0.06	-0.01	0.00	0.07	0.01	0.02	0.01	0.01	0.01	0.12
Pennsylvania.....	0.00	0.13	0.09	-0.01	0.01	0.13	0.01	0.02	0.02	0.01	0.00	0.09
Great Lakes												
Illinois.....	-0.01	0.16	0.08	0.01	0.00	0.09	0.02	0.02	0.01	0.01	0.02	0.08
Indiana.....	0.00	0.08	0.04	-0.01	0.00	0.09	0.02	0.01	0.01	0.02	0.02	0.15
Michigan.....	-0.01	0.12	0.06	0.02	0.00	0.11	0.01	0.02	0.01	0.01	0.00	0.12
Ohio.....	0.00	0.11	0.09	0.00	0.00	0.11	0.01	0.02	0.01	0.02	0.00	0.10
Wisconsin.....	0.00	0.08	0.07	-0.01	0.00	0.12	0.01	0.02	0.02	0.01	0.01	0.10
Plains												
Iowa.....	0.00	0.07	0.05	-0.02	0.01	0.09	0.01	0.02	0.01	0.00	-0.04	0.13
Kansas.....	0.00	0.12	0.05	0.01	0.00	0.08	0.00	0.01	0.02	0.03	0.05	0.06
Minnesota.....	0.00	0.11	-0.36	0.00	0.00	0.12	0.01	0.02	0.01	0.02	0.02	0.12
Missouri.....	0.00	0.12	0.11	-0.01	0.01	0.11	0.02	0.02	0.02	0.05	0.02	0.11
Nebraska.....	0.00	0.11	0.06	-0.01	0.01	0.11	0.00	0.02	0.02	0.01	0.01	0.09
North Dakota.....	0.00	0.05	0.05	0.00	0.00	0.10	0.01	0.02	0.02	0.05	0.01	0.07
South Dakota.....	0.00	0.04	-0.04	0.00	0.00	0.10	0.01	0.02	0.00	0.05	0.03	0.09
Southeast												
Alabama.....	0.00	0.11	0.03	0.00	0.00	0.07	0.01	0.02	0.02	0.03	0.03	0.12
Arkansas.....	0.00	0.07	-0.05	0.00	0.00	0.10	0.01	0.02	0.02	0.02	0.02	0.12
Florida.....	0.00	0.06	0.04	-0.05	0.01	0.09	0.03	0.04	0.01	0.02	0.02	0.08
Georgia.....	0.00	0.11	0.06	-0.01	0.01	0.09	0.01	0.02	0.02	0.01	0.07	0.12
Kentucky.....	0.00	0.08	0.05	-0.02	0.00	0.09	0.01	0.01	0.01	0.03	0.14	0.15
Louisiana.....	0.03	0.12	0.04	0.00	0.00	0.14	0.02	-0.02	-0.01	0.01	0.00	0.08
Mississippi.....	0.00	0.07	0.04	0.01	0.00	0.10	0.01	0.01	0.01	0.02	0.05	0.13
North Carolina.....	0.00	0.11	0.08	-0.02	0.00	0.11	0.01	0.02	0.02	0.02	0.09	0.11
South Carolina.....	0.00	0.11	0.03	0.00	0.00	0.08	0.01	0.04	0.02	0.04	-0.09	0.16
Tennessee.....	0.00	0.10	-0.07	-0.01	0.01	0.12	0.01	0.02	0.02	0.02	0.00	0.11
Virginia.....	0.01	0.30	0.09	-0.02	0.01	0.07	0.01	0.01	0.04	0.09	0.04	0.10
West Virginia.....	0.01	0.09	0.04	0.01	0.01	0.10	0.01	0.02	0.01	0.06	0.02	0.20
Southwest												
Arizona.....	-0.01	0.13	0.04	-0.06	0.00	0.11	0.02	0.03	0.03	0.05	0.00	0.07
New Mexico.....	0.00	0.18	0.02	0.03	0.01	0.16	0.00	0.03	0.02	0.05	-0.03	0.22
Oklahoma.....	0.01	0.11	0.02	0.02	0.00	0.03	0.01	0.02	0.03	0.05	0.02	0.09
Texas.....	0.02	0.25	0.03	0.05	0.00	0.10	0.00	0.04	0.01	0.03	0.01	0.14
Rocky Mountain												
Colorado.....	0.00	0.24	0.08	-0.01	0.01	0.11	0.01	0.02	0.02	0.04	0.02	0.11
Idaho.....	0.00	0.10	0.04	0.01	0.00	0.09	0.01	0.02	0.02	0.02	0.00	0.11
Montana.....	0.00	0.11	0.01	0.00	0.00	0.13	0.01	0.04	0.02	0.07	0.02	0.12
Utah.....	-0.01	0.20	0.06	0.00	0.01	0.12	0.02	0.02	0.02	0.05	0.00	0.20
Wyoming.....	0.00	0.07	0.01	0.01	0.00	0.06	0.01	0.03	0.00	0.06	0.01	0.21
Far West												
Alaska.....	0.00	0.08	0.01	0.00	0.00	0.05	0.01	0.02	0.02	0.10	0.29	0.23
California.....	0.00	0.16	0.05	-0.01	0.01	0.09	0.02	0.02	0.01	0.02	0.02	0.13
Hawaii.....	-0.01	0.07	0.04	0.00	0.00	0.09	0.01	0.03	0.02	0.12	0.09	0.04
Nevada.....	-0.01	0.09	0.11	-0.02	0.00	0.08	0.02	0.03	0.01	0.03	0.02	0.18
Oregon.....	0.00	0.10	0.10	-0.01	0.01	0.13	0.01	0.01	0.01	0.01	0.00	0.14
Washington.....	-0.01	0.12	0.05	-0.02	-0.01	0.05	0.02	0.03	0.02	0.02	0.02	0.13
BEA regions												
New England.....	0.00	0.15	0.05	0.00	0.01	0.12	0.01	0.02	0.01	0.02	0.01	0.10
Mideast.....	0.00	0.18	0.03	-0.01	0.00	0.10	0.01	0.02	0.02	0.04	0.01	0.10
Great Lakes.....	0.00	0.12	0.07	0.00	0.00	0.10	0.01	0.02	0.01	0.01	0.01	0.11
Plains.....	0.00	0.10	-0.06	0.00	0.00	0.10	0.01	0.02	0.02	0.03	0.01	0.11
Southeast.....	0.00	0.12	0.04	-0.02	0.01	0.10	0.02	0.02	0.02	0.03	0.03	0.11
Southwest.....	0.01	0.21	0.03	0.03	0.00	0.10	0.00	0.04	0.02	0.04	0.01	0.13
Rocky Mountain.....	0.00	0.19	0.06	0.00	0.01	0.11	0.01	0.03	0.02	0.04	0.01	0.14
Far West.....	0.00	0.14	0.05	-0.01	0.01	0.09	0.02	0.02	0.01	0.02	0.02	0.13

1. An industry's contribution to percent change in personal income equals the dollar change in that industry's earnings divided by personal income in the previous quarter times 100.

2. Earnings by place of work is the sum of wage and salary disbursements (payrolls), supplements to wages

and salaries, and proprietors' income.

3. "Other" consists of the wage and salary disbursements to U.S. residents employed by international organizations and foreign embassies and consulates in the U.S.

second-quarter earnings growth in just the mining (\$2 billion) and construction (\$1 billion) industries in Texas exceeded the earnings growth of *all* industries combined in all other states except California and New York (table C). Both construction and mining have grown every quarter in Texas for the past 2 years. In contrast, construction has declined nationally in each of the last five quarters, and mining has contributed almost nothing to U.S. personal income growth.²

2. Oil and gas extraction is important in several states besides Texas, but timely data on the industry are not available in all of them. The preliminary estimate of mining earnings is based on the Current Employment Statistics survey from the Bureau of Labor Statistics, but only nine states (Alaska, California, Minnesota, Montana, North Carolina, Pennsylvania, Texas, West Virginia, and Wyoming) report employment for mining in that survey. Therefore, the revised estimate of mining earnings based on the Quarterly Census of Employment and Wages (also from the Bureau of Labor Statistics) is sometimes quite different from the preliminary estimate in states such as Louisiana, North Dakota, and Oklahoma. The Quarterly Census of Employment and Wages has mining wages for all states.

Table B. Economic Stimulus Payments by State, 2008:II

	Economic stimulus payments (thousands of dollars)	Contribution to personal income growth (percent)
Alabama.....	2,976,682	1.9
Alaska.....	176,664	0.6
Arizona.....	2,114,918	1.0
Arkansas.....	1,545,101	1.8
California.....	11,536,273	0.7
Colorado.....	1,212,426	0.6
Connecticut.....	770,723	0.4
Delaware.....	293,665	0.8
District of Columbia.....	234,847	0.6
Florida.....	7,969,793	1.1
Georgia.....	5,176,965	1.6
Hawaii.....	389,003	0.8
Idaho.....	492,640	1.0
Illinois.....	4,403,639	0.8
Indiana.....	2,216,898	1.0
Iowa.....	798,436	0.7
Kansas.....	854,519	0.8
Kentucky.....	1,738,026	1.3
Louisiana.....	3,019,147	1.9
Maine.....	366,192	0.8
Maryland.....	1,627,343	0.6
Massachusetts.....	1,359,276	0.4
Michigan.....	3,369,885	1.0
Minnesota.....	1,192,961	0.5
Mississippi.....	2,344,862	2.8
Missouri.....	2,250,822	1.1
Montana.....	323,731	1.0
Nebraska.....	534,341	0.8
Nevada.....	811,132	0.8
New Hampshire.....	255,746	0.5
New Jersey.....	2,318,826	0.5
New Mexico.....	1,004,139	1.6
New York.....	7,029,313	0.8
North Carolina.....	4,158,096	1.3
North Dakota.....	174,294	0.7
Ohio.....	4,018,905	1.0
Oklahoma.....	1,595,516	1.2
Oregon.....	1,020,772	0.8
Pennsylvania.....	3,720,231	0.8
Rhode Island.....	321,719	0.8
South Carolina.....	2,376,762	1.7
South Dakota.....	260,234	0.9
Tennessee.....	2,895,858	1.4
Texas.....	12,602,927	1.4
Utah.....	683,631	0.8
Vermont.....	146,978	0.6
Virginia.....	2,438,013	0.7
Washington.....	1,620,568	0.6
West Virginia.....	688,287	1.3
Wisconsin.....	1,426,633	0.7
Wyoming.....	141,642	0.5
United States.....	113,000,000	0.9

Taxes, transfers, and the farm sector

As is customary in September, BEA released several sets of detailed statistics for the previous year: tax payments by level of government, transfer receipts by major program, detailed farm income and expenses, and wages, compensation, and earnings for three-digit NAICS industries. The new estimates, based on sur-

Table C. Personal Income Change by Component, State, and Region, 2008:I-2008:II

	Dollar change (millions)			
	Personal income	Net earnings ¹	Dividends, interest, and rent	Transfer receipts
United States.....	213,862	62,379	3,396	148,087
New England				
Connecticut.....	1,964	1,247	-414	1,131
Maine.....	725	111	73	541
Massachusetts.....	4,148	1,912	-42	2,278
New Hampshire.....	715	313	8	395
Rhode Island.....	557	117	-117	455
Vermont.....	333	69	24	240
Mideast				
Delaware.....	588	148	23	417
District of Columbia.....	535	239	-19	315
Maryland.....	3,976	1,657	80	2,239
New Jersey.....	5,039	2,174	-428	3,293
New York.....	13,710	5,359	-1,042	9,394
Pennsylvania.....	8,147	2,491	203	5,453
Great Lakes				
Illinois.....	8,819	2,484	316	6,019
Indiana.....	3,432	348	188	2,896
Michigan.....	5,870	875	321	4,675
Ohio.....	7,167	1,650	202	5,315
Wisconsin.....	2,848	626	220	2,003
Plains				
Iowa.....	1,678	509	44	1,125
Kansas.....	1,453	230	116	1,107
Minnesota.....	2,255	205	316	1,735
Missouri.....	4,174	1,071	150	2,954
Nebraska.....	700	-42	47	696
North Dakota.....	862	611	15	236
South Dakota.....	552	151	60	341
Southeast				
Alabama.....	4,120	351	185	3,584
Arkansas.....	2,384	301	137	1,946
Florida.....	12,678	2,071	258	10,348
Georgia.....	7,677	1,271	257	6,148
Kentucky.....	3,106	700	144	2,263
Louisiana.....	3,768	1,145	-825	3,448
Mississippi.....	2,962	202	81	2,678
North Carolina.....	7,302	1,626	310	5,366
South Carolina.....	3,629	506	191	2,932
Tennessee.....	4,311	549	116	3,647
Virginia.....	5,468	2,387	-174	3,255
West Virginia.....	1,305	365	44	895
Southwest				
Arizona.....	3,461	386	85	2,991
New Mexico.....	1,660	295	111	1,254
Oklahoma.....	3,335	1,084	185	2,065
Texas.....	26,965	11,442	246	15,277
Rocky Mountain				
Colorado.....	2,729	957	139	1,633
Idaho.....	775	-3	91	687
Montana.....	710	212	81	417
Utah.....	1,298	421	-12	889
Wyoming.....	392	148	44	199
Far West				
Alaska.....	544	238	41	265
California.....	25,021	9,164	597	15,260
Hawaii.....	886	326	-5	565
Nevada.....	1,410	263	88	1,059
Oregon.....	2,393	663	294	1,436
Washington.....	3,325	757	242	2,326
BEA regions				
New England.....	8,442	3,768	-366	5,040
Mideast.....	31,996	12,069	-1,183	21,110
Great Lakes.....	28,137	5,983	1,246	20,908
Plains.....	11,675	2,733	748	8,194
Southeast.....	58,709	11,474	724	46,510
Southwest.....	35,421	13,206	627	21,587
Rocky Mountain.....	5,903	1,735	343	3,825
Far West.....	33,580	11,410	1,257	20,912

1. Net earnings is earnings by place of work—the sum of wage and salary disbursements, 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.

veys and tabulations of administrative data, replace estimates of total taxes, total transfers, and total farm proprietors' income that relied on extrapolations of past trends.³

Taxes. Personal current tax payments, primarily income taxes, increased at a faster pace than personal income in 2007, continuing the pattern of 2006. Total tax payments increased 10 percent, compared with personal income growth of only 6.0 percent. Payments at all levels of government exceeded the personal income growth rate, increasing 11 percent at the federal level, 7.4 percent at the state level, and 7.2 percent at the local level.⁴

Personal current taxes paid to state governments increased in all states except Arizona, Oklahoma, and Delaware. Arizona reduced individual income tax rates 5 percent in fiscal years 2006 and 2007; Oklahoma reduced its top personal income tax rate and expanded the standard exemption in fiscal year 2007. Delaware's decline in tax payments in 2007 follows a year in which personal income taxes were boosted by one-time payments related to a major corporate acquisition in the finance industry (Bank of America's acquisition of MBNA). This acquisition also had a substantial impact on Delaware's earnings growth rate in the fourth quar-

3. The only source data available for the state quarterly estimates of transfer receipts and farm proprietors' income had been unemployment benefits data from the Department of Labor and farm cash receipts from the Department of Agriculture (see table D).

4. About three-quarters of the national total of personal current taxes paid to local governments and 83 percent of the national total of local income taxes are paid in Maryland, New York, Ohio, and Pennsylvania.

ter of 2005 and the first quarter of 2006.

Transfers. Personal current transfer receipts increased 6.9 percent in 2007, following a 5.4 percent increase in 2006. Although the growth of retirement and medical transfers slowed in 2007, the growth of other transfers, such as unemployment compensation and income maintenance transfers, accelerated as the economy weakened.

After 4 years of decline, unemployment insurance compensation increased 7.7 percent in 2007. The biggest increases were in Florida (38 percent), Nevada (33 percent), and Arizona (24 percent). Although unemployment compensation increased in most states there were some notable exceptions. Unemployment compensation declined 40 percent in Louisiana and 13 percent in Mississippi as continued rebuilding after Hurricane Katrina buoyed labor markets there. Unemployment compensation in Alaska and New York also fell in 2007 to the lowest levels of the current economic expansion.

Income maintenance transfer receipts (food stamps, supplemental security income, and other family assistance) increased 5.3 percent in 2007 after increasing 1.8 percent in 2006. Increases ranged from 1.5 percent in Wyoming to 7.4 percent in Massachusetts.

Farm income and expenses. Nationally, farm proprietors' income surged 85 percent in 2007. However, not all regions shared in the surge. Farm proprietors' income rebounded \$5.1 billion in the Plains region, bringing it above the level reached in 2005 and contributing to the region's strong personal income

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Nonfarm wages and salaries and supplements to wages and salaries were prepared by the Compensation Branch under the supervision of Sharon C. Carnevale, Chief. Major responsibilities were assigned to Elizabeth P. Cologer, John D. Laffman, Michael G. Pilot, Mauricio Ortiz, John A. Rusinko, and James M. Scott. Contributing staff members were Peter Battikha, Michael L. Berry, Ji S. Byun, Susan P. Den Herder, Terence J. Fallon, Craig Gagel, Tina C. Highfill, Russell C. Lusher, Paul K. Medzerian, Nathan D. Patterson, Ross A. Stepp, Melanie N. Vejdani, and Jaime Zenzano.

Quarterly state personal income and annual farm wages and salaries, farm supplements to wages and salaries, farm proprietors' income, property income, personal current transfer receipts, contributions for

government social insurance, and the adjustment for residence were prepared by the Regional Income Branch under the supervision of James M. Zavrel, Chief. Major responsibilities were assigned to Carrie L. Litkowski, Toan A. Ly, Brian J. Maisano, James P. Stehle, and Matthew A. von Kerczek. Contributing staff members were Suet M. Boudhraa, Daniel R. Corrin, Michelle A. Harder, Nacola A. Hutton, Carla R. Jenkins, Andy K. Kim, W. Tim McKeel, Linda M. Morey, Julia T. Nguyen, and Troy P. Watson.

Personal current tax receipts were prepared by Ann E. Dunbar under the supervision of Robert L. Brown.

The public use tabulations and data files were assembled and the tables were prepared by the Regional Economic Information System Branch under the supervision of Kathy A. Albetski, Chief. Major responsibilities were assigned to Gary V. Kennedy. Contributing staff members were Alison M. Adam, Giselle Cubillos-Moraga, H Steven Dolan, Michael J. Paris, Callan S. Swenson, Monique B. Tyes, and Jonas Wilson.

growth. Personal income growth in the Plains region, 6.6 percent in 2007, was exceeded only by growth in the Southwest region, where the oil and gas extraction industry has been expanding rapidly. By contrast, farm proprietors' income in 2007 in the Southeast region, which suffered from a severe drought, was only about half the level of 2005.

In the Plains region, the surge in farm proprietors' income contributed 5.9 percentage points to personal

income growth in North Dakota, 4.3 percentage points in South Dakota, 1.4 percentage points in Iowa, and 0.9 percentage point in Nebraska.

High grain prices boosted crop cash receipts, reduced government farm support payments, and raised livestock feed expenses.

Crop cash receipts increased 19 percent to reach a record level in 2007. The increase was due to strong demand from the domestic biofuels industry (such as

Data Availability

The tables which follow this article present, by state, annual personal income and disposable personal income for 2002–2007, annual personal income by major source and earnings by industry for 2005–2007, and quarterly personal income for the third quarter of 2004 to the second quarter of 2008. These and other more detailed personal income and employment statistics are available interactively on BEA's Web site.

The following annual state statistics are available at <www.bea.gov/regional/spi>:

- Personal income, per capita personal income, and population for 1929–2007
- Disposable personal income and per capita disposable personal income for 1948–2007
- State income and employment summary, 1948–2007
- Personal income by major source and earnings by industry (North American Industry Classification System (NAICS) three digit) for 1990–2007, (Standard Industrial Classification (SIC) system two digit) for 1958–2000, and (SIC division level) for 1929–57
- Personal income by major source and earnings by major industry (SIC division level) for 2001
- Compensation of employees by industry (NAICS three digit) for 2001–2007 and (SIC two digit) for 1998–2000
- Compensation of employees by industry (SIC division level) for 2001
- Wage and salary disbursements by industry (NAICS three digit) for 2001–2007, (SIC two digit) for 1958–2000, and (SIC division level) for 1929–57
- Wage and salary disbursements by major industry (SIC division level) for 2001
- Full-time and part-time employment by industry (NAICS three digit) for 1990–2007, (SIC two digit) for 1969–2000, and (SIC division level) for 2001
- Full-time and part-time wage and salary employment by industry (NAICS three digit) for 2001–2007, (SIC two digit) for 1969–2000, and (SIC division level) for 2001
- State economic profiles (a selection of personal income and employment data for each state) for 1958–2007
- Personal current transfer receipts by major program for 1948–2007
- Farm income and expenses (including the major cate-

gories of gross receipts and expenses for all farms and for measures of farm income) for 1969–2007

- Personal current tax receipts by level of government and by type for 1948–2007

The following quarterly state statistics are available at <www.bea.gov/regional/sqpi/>:

- Personal income for the first quarter of 1948 to the second quarter of 2008
- Quarterly income summary for the first quarter of 1948 to the second quarter of 2008
- Personal income by major source and earnings by major industry (NAICS two digit) for the first quarter of 2001 to the second quarter of 2008
- Personal income by major source and earnings by major industry (SIC division level) for the first quarter of 1948 to the fourth quarter of 2008
- Compensation of employees by industry (NAICS two digit) for the first quarter of 2001 to the second quarter of 2008
- Compensation of employees by industry (SIC division level) for the first quarter of 1998 to the fourth quarter of 2001
- Wage and salary disbursements by major industry (NAICS two digit) for the first quarter of 1990 to the second quarter of 2008
- Wage and salary disbursements by major industry (SIC division level) for the first quarter of 1948 to the fourth quarter of 2001

In addition, the entire set of statistics for all states will be available in October 2008 on CD-ROM including an updated description of the sources and methods used to estimate state personal income. To order the CD-ROM State Personal Income, 1929–2007 (no charge, product number RCN–0953), call the BEA Regional Economic Information System at 202–606–5360, fax 202–606–5322, or e-mail reis@bea.gov.

The state personal income statistics are also available through the members of the BEA User Group, which consists of state agencies and universities that help BEA disseminate the statistics in their states. For a list of the BEA User Group on BEA's Web site, go to <www.bea.gov/regional/docs/usergrp.cfm>.

For more information about these statistics, contact the Regional Economic Information System.

ethanol producers) and from foreign buyers—which boosted prices. Corn receipts increased 45 percent (to \$35 billion), soybean receipts grew 21 percent (to \$22 billion), and wheat receipts increased 48 percent (to \$11 billion).

Cash receipts from livestock and products increased 15 percent in 2007 after falling 5 percent in 2006. The weak U.S. dollar boosted exports, as did growing global demand. A drought in Australia shifted global milk demand to U.S. producers, contributing to a 51 percent increase in cash receipts for dairy products.

High grain and milk prices led to a 27 percent decline in federal farm subsidies, which fell to their lowest level since 1997.

Earnings by industry

Detailed earnings by three-digit NAICS industry, published annually, provide insight into regional sources of strength and weakness. These data are compiled by the state in which industry is located in contrast to personal income, which is estimated for state residents. This distinction is important for Washington, DC, and a few northeastern states—such as New Jersey, New York, and Connecticut—which have substantial interstate commuting flows. Regional patterns of growth were particularly varied and noteworthy in the securities, real estate, accommodation, oil and gas extraction, and motor vehicles industries.

Nationally, the securities industry has been expanding since 2003 (chart 1). Earnings in New York’s securities industry grew \$45 billion from 2003 to 2007, more than all other states combined. The securities in-

dustry in California is small by comparison and grew at a much slower pace. Earnings grew 83 percent in New York but only 37 percent in California. Massachusetts has the nation’s third largest securities industry; it grew 39 percent.

The real estate industry contracted 3.9 percent in 2007 after contracting 0.6 percent in 2006 (chart 2). Arizona’s real estate earnings sustained the largest decline, falling 11 percent in 2007. Florida and Nevada also had larger than average declines in 2007, falling 7.5 percent and 4.6 percent, respectively. In sharp contrast, New York’s real estate industry expanded 3.7 percent in 2007, an even faster pace than its 2.3 percent expansion in 2006.

The accommodation industry has also been growing since 2002 (chart 3). Nearly 15 percent of the industry, as measured by earnings, was in Nevada (19 of the world’s 25 largest hotels by number of rooms are in Las Vegas). However, while earnings growth in the accommodation industry accelerated nationally in 2007 (from 4.6 percent to 6.1 percent), it slowed somewhat in Nevada (from 5.5 percent to 4.3 percent).

The importance of the oil and gas extraction industry to Texas’ growth has already been mentioned. More than half of the nation’s oil and gas earnings were generated in Texas in 2007. Although Oklahoma and Louisiana are also important energy producers, their oil and gas earnings have been small compared with earnings in Texas (chart 4). After declining in 2002, oil and gas earnings have increased continuously in all three states.

Motor vehicle earnings declined 1.3 percent nationally in 2007, a much milder decline than the 18 percent

Chart 1. Earnings in the Securities, Commodity Contracts, Investments Industry

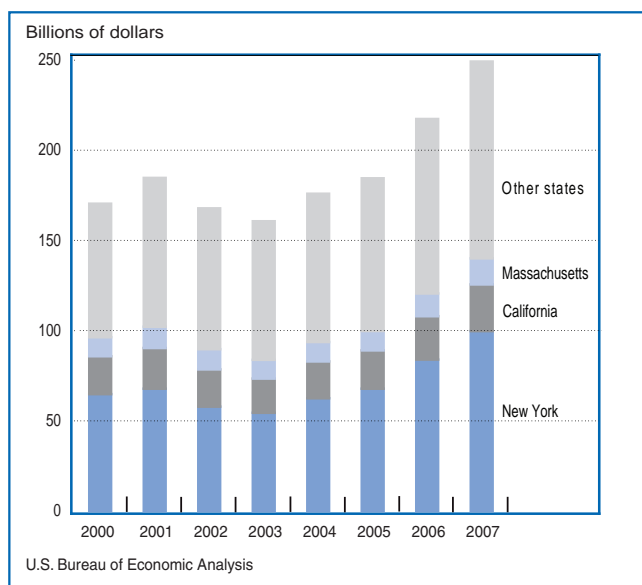
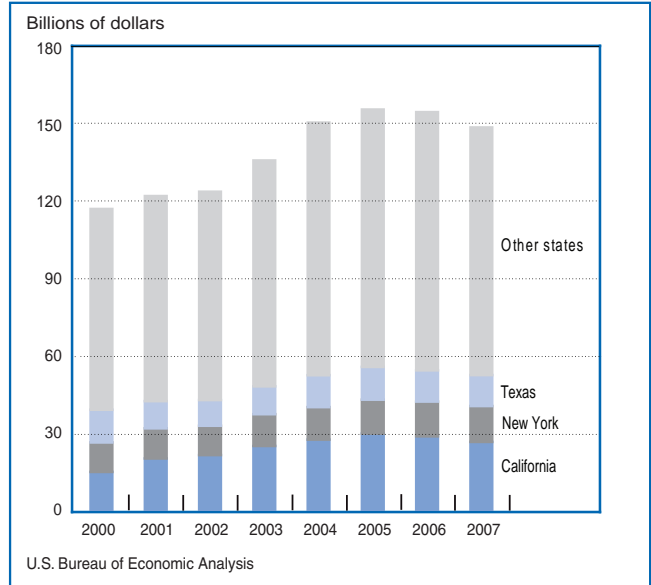


Chart 2. Earnings in the Real Estate Industry



decline in 2004 and the 9.0 percent decline in 2005 (chart 5). Although Michigan grew slightly in 2006, over the past several years it has seen its share of national motor vehicle earnings drop—from 36 percent in 2000 to 32 percent in 2007. Ohio’s share has also fallen 1.1 percentage points over this same period and is now only 12 percent. Not only has the relative size of the motor vehicle industry in these two states declined since 2000, but the absolute size has also fallen. In contrast, earnings in the motor vehicle industry in the rest of the country expanded from \$47 billion in 2000 to \$51 billion in 2007.

Revisions

Quarterly and annual state personal income was revised, beginning with the first quarter of 2005. The preliminary estimates released in March are usually revised each September in order to incorporate source data that are more complete and detailed than those previously available (table D). The revisions also incorporate the results of the recent annual revision of the national income and product accounts (NIPAs).⁵

Annual revisions. The NIPA estimate of U.S. personal income in 2007, which controls the state estimates, was revised down less than 0.1 percent, one of the smallest revisions in the past several estimation cycles.⁶ A relatively large upward revision to personal interest income (\$60 billion) and a smaller upward revision to proprietors’ income (\$13.9 billion) were offset by downward revisions to other components of personal income.⁷

The unweighted average revision to the 2007 personal incomes of the 50 states and the District of Columbia was 0.3 percent (table E). This was also one of the smallest revisions in recent years and less than half the 0.7 percent average revision reported last year. The average absolute revision was 1.3 percent, about the same as reported last year. However, the dispersion of revisions was greater; the standard deviation of the

Chart 3. Earnings in the Accommodation Industry

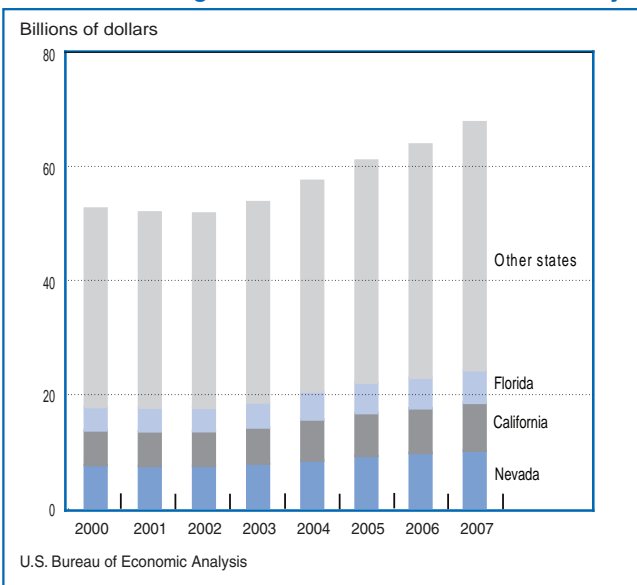


Chart 4. Earnings in the Oil and Gas Extraction Industry

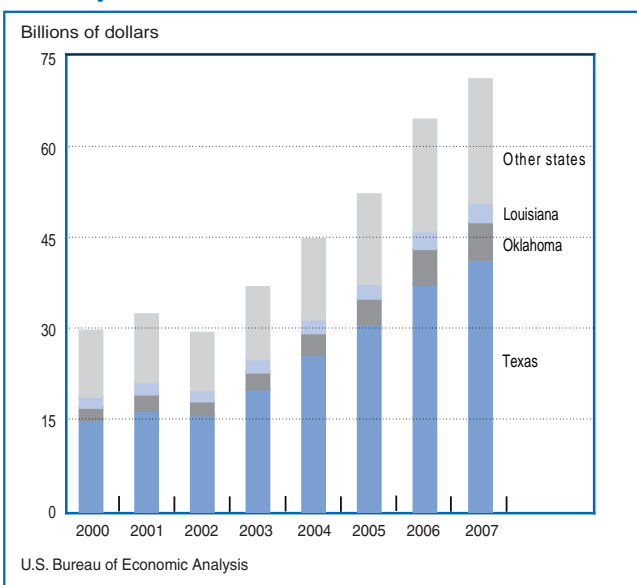
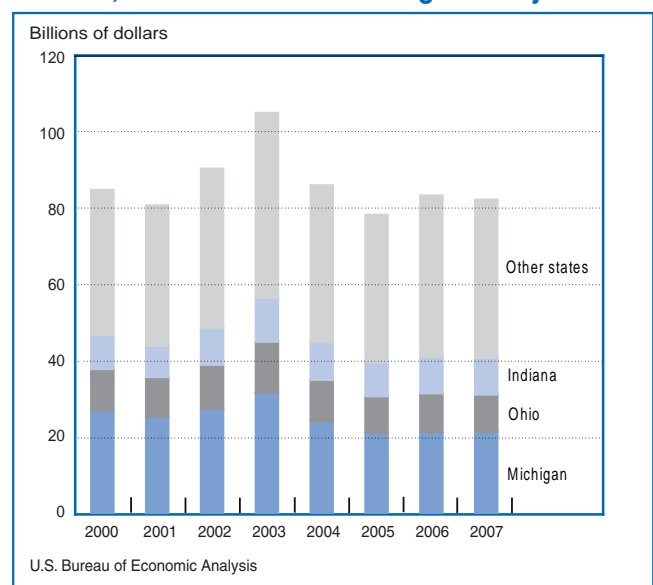


Chart 5. Earnings in the Motor Vehicles, Bodies and Trailers, and Parts Manufacturing Industry



5. See Eugene P. Seskin and Shelly Smith, “Annual Revision of the National Income and Product Accounts,” SURVEY OF CURRENT BUSINESS 88 (August 2008): 6–22.

6. The state personal income estimates are adjusted so that their sum equals the NIPA estimate. In other words, the NIPA estimate “controls” the outcome of the state estimation process.

7. The comparison is between the annual estimates for 2007 published in the March and September 2008 issues of the SURVEY.

Table D. Major New or Revised Source Data in State Personal Income and Personal Current Taxes Since the March 2008 Release

Component of personal income	Annual estimates			Quarterly estimates	
	2005	2006	2007	2008:I	2008:II
Wage and salary disbursements by industry	Revised QCEW wage data; new CBP estimates; revised USDA farm labor expenses; and revised Census Bureau population data.	Revised QCEW wage data; new RRB state payroll data; new CBP estimates; new Census of Governments data; revised USDA farm labor expenses; and revised Census Bureau population data.	New QCEW wage data; new DOD personnel and average pay data; new Coast Guard payroll data; new Official Catholic Directory data; new Census Bureau population data; new BLS presumed-noncovered data; and new USDA farm labor expenses.	New QCEW wage data; revised DOD personnel and average pay data; revised Coast Guard payroll data; revised CES data for March; revised Department of Transportation payroll data.	New CES employment data for April, May, and June; new DOD personnel and average pay data; new Coast Guard payroll data; new Department of Transportation payroll data.
Employer contributions for employee pension and insurance funds by industry	Revised Census Bureau data on contributions to state and local government retirement systems.	New Census Bureau data on contributions to state and local government retirement systems; new NAIC earned premium data. (NASI data on employer costs of self-insured workers' compensation plans were unavailable.)	New FRA data on casualties.		
Employer contributions for government social insurance by industry	Revised QCEW data on contributions to unemployment insurance funds.	Revised QCEW data on contributions to unemployment insurance funds; new Census Bureau data on state-administered workers' compensation programs.	New QCEW data on contributions to unemployment insurance funds.		
Farm proprietors' income	Revised USDA estimates of gross income and expenses.	Revised USDA estimates of gross income and expenses.	New USDA estimates of gross income and expenses.	Revised USDA estimates of farm cash receipts for January and February and new estimates for March; revised USDA U.S. level farm income forecast.	New USDA estimates of farm cash receipts for April and May; revised USDA U.S. level farm income forecast.
Nonfarm proprietors' income by industry	New IRS data on net receipts and profits of proprietorships and partnerships.	New IRS data on net receipts and profits of proprietorships and partnerships.			
Dividends, interest, and rent	Revised USDA gross rental value of farm dwellings data and revised Census Bureau population data.	New IRS income tax data on dividends, taxable interest, S Corporation distributions, and gross rents and royalties; new ACS data on the aggregate value of dwellings and mobile homes; revised Census Bureau population data; revised USDA gross rental value of farm dwellings data; and new CFFR pension benefits data.	New Census Bureau population data; new USDA gross rental value of farm dwellings data.		
Personal current transfer receipts		New SSA data on Social Security benefits and Supplemental Security Income benefits; new Census Bureau state and local government finance data on disability benefits, income maintenance benefits and education benefits and federal finance data on railroad retirement benefits; and new PBGC benefits data.	New SSA data on Social Security benefits and Supplemental Security Income benefits; new CMS and DOD medical benefits data; new DVA veterans benefits data; new USDA food stamps data; new IRS Refundable Earned Income Tax Credits data; new PBGC benefits data; revised DOL unemployment benefits data; and new DOE Pell Grants data (ACF TANF family assistance data were unavailable and foster home care and adoption assistance data were not used).	Revised DOL unemployment benefits data.	New DOL unemployment benefits data.
Employee and self-employed contributions for government social insurance	New SSA data on OASDI contributions from self-employed workers.	New CMS supplemental medical insurance enrollment data; new Census Bureau data on state temporary disability insurance; and new RRB contributions data.	New data on personal contributions for state unemployment insurance.		
Personal current taxes	Revised Census Bureau data on quarterly tax collections and state tax collections; new Census Bureau data on local tax collections.	New IRS income tax data; revised Census Bureau data on quarterly tax collections and state tax collections; new Census Bureau data on local tax collections.	New Census Bureau data on quarterly tax collections and state tax collections.		

ACF Administration for Children and Families
 ACS American Community Survey, Census Bureau
 BLS Bureau of Labor Statistics
 CBP County Business Patterns, Census Bureau
 CES Current Employment Statistics survey, Bureau of Labor Statistics
 CFFR Consolidated Federal Funds Report
 CMS Centers for Medicare and Medicaid Services
 DOD Department of Defense
 DOE Department of Education
 DOL Department of Labor

DVA Department of Veterans Affairs
 FRA Federal Railroad Administration
 IRS Internal Revenue Service
 NAIC National Association of Insurance Commissioners
 NASI National Academy of Social Insurance
 PBGC Pension Benefit Guaranty Corporation
 QCEW Quarterly Census of Employment and Wages, Bureau of Labor Statistics
 RRB Railroad Retirement Board
 SSA Social Security Administration
 TANF Temporary Assistance to Needy Families
 USDA U.S. Department of Agriculture

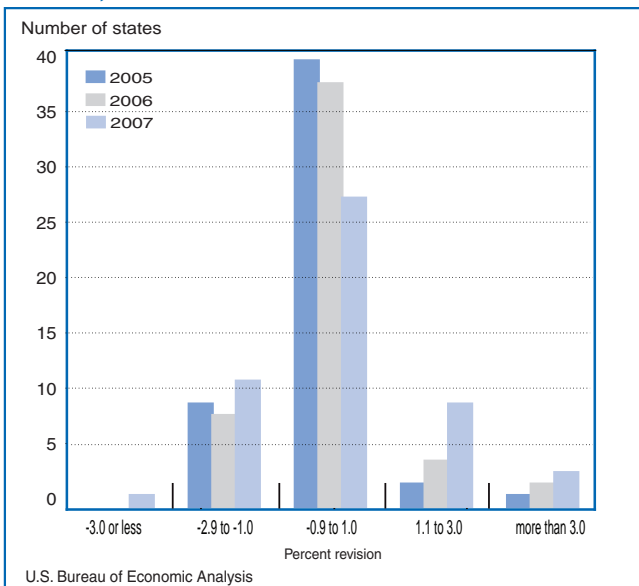
2007 revisions was 2.0 percent, while the standard deviation reported last year was 1.5 percent. The large upward revision to Wyoming's personal income is largely responsible for the increased dispersion.

Most revisions for 2005, 2006, and 2007 were up or down 1.0 percent or less (chart 6). The largest upward revisions in 2007 were in Wyoming (8.8 percent), South Dakota (5.2 percent), North Dakota (3.2 percent), and Louisiana (2.9 percent). The largest downward revision in 2007 was in Utah (3.5 percent). Most of these revisions arose from the introduction of new source data from the Internal Revenue Service (IRS) for dividends, interest, and rent reported on 2006 income tax returns. In the case of Wyoming in particular, the revision arises mostly because of unexpectedly rapid growth of S Corporation income.⁸ New source data for farm proprietors' income for 2007 was also a major contributor to the revisions in North and South Dakota. (The revisions to farm proprietors' income in Iowa and Nebraska were small; they have a different crop and livestock mix, and hence their incomes and expenses are quite different.)

The new IRS data for 2006 affect the estimates for 2005 as well as for 2006 and 2007 because a centered 3-year moving average is used to allocate to states a na-

8. In the NIPAs, S corporation income is included in personal dividend income. Growth in 2005 had been so unexpectedly large in Wyoming that it was deemed to be due to special circumstances that would be reversed the following year. When the source data for 2006 continued to show rapid growth, it was concluded that S corporation dividends in Wyoming had shifted to a higher growth trajectory.

Chart 6. Distribution of Revisions to State Personal Income, 2005–2007



tional estimate of S Corporation income.

First-quarter revisions. Estimates for the first quarter of 2008 released in June were also revised to incorporate newly available tabulations of wages covered by state unemployment insurance from the Bureau of Labor Statistics (BLS). Previously, the first-quarter estimates were extrapolated from fourth-quarter estimates using BLS employment data. The average revision to personal income for all states and the District of Columbia was -0.1 percent (table E).

Table E. Revisions to Personal Income, by State and Region, 2005–2007 and 2008:1

	Percent Revision			
	Annual			Quarterly
	2005	2006	2007	2008:1
United States	-0.3	0.1	-0.1	-0.6
New England				
Connecticut	0.0	1.4	1.6	1.0
Maine	-0.6	0.5	0.7	1.1
Massachusetts	-0.6	0.1	0.1	-0.2
New Hampshire	-0.5	-0.1	-0.2	0.3
Rhode Island	-1.3	0.2	0.6	0.7
Vermont	-0.4	0.8	2.1	2.6
Mideast				
Delaware	-1.1	-0.5	-1.4	0.2
District of Columbia	0.7	0.3	0.5	0.8
Maryland	0.3	0.5	1.4	0.9
New Jersey	-0.2	-0.1	0.1	0.3
New York	-0.2	-0.3	-1.5	-2.3
Pennsylvania	-0.6	-0.3	-0.1	-0.5
Great Lakes				
Illinois	-0.2	-0.1	1.5	0.8
Indiana	-1.1	-0.9	-1.4	-1.8
Michigan	-1.6	-2.5	-2.1	-2.1
Ohio	-0.9	-1.0	-1.0	-1.3
Wisconsin	-0.4	0.2	0.5	0.1
Plains				
Iowa	0.0	-1.1	-0.6	-1.1
Kansas	-1.7	-0.7	-0.8	-1.2
Minnesota	-0.1	0.0	-0.2	0.1
Missouri	-0.8	-1.0	-1.2	-2.1
Nebraska	-0.2	-1.4	-0.8	-1.7
North Dakota	-1.1	-1.7	3.2	0.0
South Dakota	2.0	0.7	5.2	3.0
Southeast				
Alabama	0.5	-0.1	0.0	-0.2
Arkansas	0.1	-0.2	0.1	-0.6
Florida	-0.4	0.8	-0.3	-0.7
Georgia	0.0	0.4	-0.1	0.4
Kentucky	-1.3	-0.7	-1.0	-1.4
Louisiana	-1.0	3.3	2.9	3.1
Mississippi	-0.9	0.1	-1.1	-0.5
North Carolina	0.7	-0.2	0.1	-0.5
South Carolina	-0.7	0.8	0.1	-0.4
Tennessee	-0.5	-0.1	0.3	-0.3
Virginia	-0.2	1.5	0.5	0.5
West Virginia	-0.7	-1.1	-0.8	-0.6
Southwest				
Arizona	0.9	1.3	-0.4	-0.4
New Mexico	-1.1	-2.2	-2.8	-2.6
Oklahoma	0.3	0.8	2.2	1.8
Texas	-0.2	-0.2	-0.5	-0.5
Rocky Mountain				
Colorado	-0.2	0.0	-0.1	-1.0
Idaho	1.2	1.3	1.6	0.8
Montana	0.8	0.7	2.1	2.5
Utah	-0.5	-0.4	-3.5	-4.7
Wyoming	3.7	6.7	8.8	9.6
Far West				
Alaska	-0.6	0.3	-1.0	-1.7
California	-0.4	0.6	0.0	-1.1
Hawaii	-0.4	0.0	-0.5	-0.7
Nevada	-0.2	-0.7	-2.1	-3.4
Oregon	-0.3	0.6	0.7	-0.2
Washington	0.8	1.0	1.6	0.8
Average revision	-0.2	0.1	0.3	-0.1
Average absolute revision	0.7	0.8	1.3	1.3
Standard deviation of revision	0.9	1.4	2.0	2.0

NOTE: The annual revisions are computed from the March 2008 release and the quarterly revisions are computed from the June 2008 release.

Tables 1 through 4 follow.