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Second quarter of 2010

State personal income growth averaged 1.0 percent in the second quarter of 2010, up slightly from 0.9 percent in the first quarter.¹ Growth rates ranged from 2.0 percent in North Dakota to 0.3 percent in Nevada (see table A on page 98). There was no change in inflation, as measured by the price index for personal consumption expenditures, in the second quarter; inflation was 0.5 percent in the first quarter.²

Personal income in 27 states has now climbed above the current-dollar level reached before the recession-induced decline. However, excluding transfer receipts (such as unemployment compensation and social security retirement benefits), personal income in only two states—Alaska and Maryland—has returned to pre-recession levels.

Earnings

Nationally, earnings in all nonfarm industries grew in the second quarter (table B). The largest increases were in health care (\$12.1 billion), professional services (\$8.7 billion), and the civilian federal government (\$7.4 billion).³ However, almost all of the earnings growth in the federal government was due to the hiring of temporary census workers.

In 26 states, health care made the largest contribution of any other industry to nonfarm earnings growth in the second quarter. In eight states—Texas, Oklahoma, Louisiana, Wyoming, Alaska, North Dakota, Montana, and West Virginia—the mining industry (including oil and gas extraction) made the largest contribution to nonfarm earnings growth. In six states—Michigan, Ohio, Indiana, Wisconsin, Kentucky, and Iowa—the durable-goods industry made the largest contribution. Earnings growth in the civilian federal government

1. Personal income is the sum of net earnings by place of residence, property income, and personal current transfer receipts.

2. No inflation measures are available for states. The inflation rate in the text is calculated using the national price index for personal consumption expenditures.

3. Net earnings is 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 put place-of-work data on a place-of-residence basis.

David G. Lenze prepared the main report. Tina C. Highfill prepared the item comparing state personal income with personal income in the national income and product accounts.

Quarterly State Personal Income

exceeded all other nonfarm industries in Alabama, Mississippi, Nevada, and South Carolina. In Maryland, Virginia, New Jersey, and Oregon, professional services made the largest contribution to nonfarm earnings

growth. In Nebraska, transportation grew the most. In Washington state, the information industry grew the most, accounting for about a fourth of nonfarm earnings growth.

Table A. Personal Income Change by Component, 2010:II

	Percent change (quarterly rate)	Dollar change (millions of dollars)			
		Personal income	Net earnings	Dividends, interest, and rent	Transfer receipts
United States	1.0	121,425	71,115	6,144	44,166
Alabama.....	1.1	1,685	796	65	824
Alaska.....	0.9	289	152	18	119
Arizona.....	1.3	2,783	1,262	136	1,384
Arkansas.....	0.9	901	498	45	358
California.....	0.8	13,343	6,532	1,275	5,536
Colorado.....	0.8	1,639	809	143	688
Connecticut.....	0.9	1,803	972	108	723
Delaware.....	1.2	417	190	19	208
District of Columbia.....	0.6	251	154	16	81
Florida.....	0.9	6,657	3,521	262	2,873
Georgia.....	0.9	3,027	1,827	171	1,029
Hawaii.....	0.8	439	233	49	156
Idaho.....	0.9	444	172	32	241
Illinois.....	1.1	5,791	3,645	296	1,850
Indiana.....	0.7	1,556	1,040	93	423
Iowa.....	1.1	1,235	751	63	421
Kansas.....	1.0	1,103	784	51	267
Kentucky.....	1.3	1,811	1,106	56	649
Louisiana.....	1.1	1,910	1,319	-128	719
Maine.....	1.0	470	202	29	239
Maryland.....	0.9	2,487	1,601	171	714
Massachusetts.....	0.9	3,143	2,062	160	922
Michigan.....	1.0	3,485	2,238	156	1,091
Minnesota.....	0.9	2,054	1,121	127	807
Mississippi.....	0.8	700	211	31	459
Missouri.....	1.0	2,101	1,134	87	880
Montana.....	1.6	553	346	25	182
Nebraska.....	1.2	887	645	37	205
Nevada.....	0.3	342	18	49	275
New Hampshire.....	1.0	579	387	25	166
New Jersey.....	0.8	3,373	1,943	205	1,225
New Mexico.....	1.3	871	343	53	475
New York.....	0.8	7,500	4,304	450	2,747
North Carolina.....	1.2	4,000	2,067	183	1,750
North Dakota.....	2.0	503	397	16	90
Ohio.....	1.0	4,076	2,463	193	1,420
Oklahoma.....	1.2	1,612	1,018	66	528
Oregon.....	0.6	882	221	99	563
Pennsylvania.....	1.0	5,197	3,129	248	1,820
Rhode Island.....	1.0	443	196	21	226
South Carolina.....	1.0	1,484	721	73	690
South Dakota.....	1.4	429	294	17	117
Tennessee.....	1.0	2,259	1,319	69	871
Texas.....	1.4	13,829	10,161	217	3,452
Utah.....	1.2	1,042	714	51	277
Vermont.....	1.1	265	142	13	110
Virginia.....	0.9	3,273	2,078	170	1,025
Washington.....	1.2	3,367	2,099	177	1,091
West Virginia.....	1.1	654	398	23	232
Wisconsin.....	1.0	2,245	1,230	116	900
Wyoming.....	0.9	234	150	21	64

Table B. Contribution of Earnings by Industry to Percent Change in U.S. Personal Income

	[Percentage points]				
	2009			2010	
	II	III	IV	I	II
Farm.....	-0.05	0.05	0.03	0.05	0.00
Forestry, fishing, and related activities.....	0.00	0.00	0.00	0.00	0.00
Mining.....	-0.11	-0.02	0.01	0.02	0.05
Utilities.....	-0.01	0.00	0.00	-0.01	0.01
Construction.....	-0.19	-0.02	-0.09	-0.08	0.02
Durable goods manufacturing.....	-0.12	-0.06	0.08	-0.02	0.05
Nondurable goods manufacturing.....	-0.06	0.00	0.04	-0.01	0.02
Wholesale trade.....	-0.03	-0.02	0.02	0.03	0.03
Retail trade.....	0.00	0.03	0.02	0.02	0.03
Transportation and warehousing.....	-0.01	-0.02	0.01	0.01	0.04
Information.....	0.00	-0.01	0.03	-0.01	0.00
Finance and insurance.....	0.46	-0.09	0.06	-0.12	0.02
Real estate and rental and leasing.....	0.03	0.00	0.00	-0.07	0.03
Professional, scientific, and technical services.....	-0.07	-0.03	-0.02	0.14	0.07
Management of companies and enterprises.....	0.01	0.01	0.03	0.05	0.02
Administrative and waste services.....	-0.02	-0.01	0.05	0.07	0.04
Educational services.....	0.02	0.01	0.01	0.02	0.01
Health care and social assistance.....	0.12	0.09	0.09	0.04	0.10
Arts, entertainment, and recreation.....	0.01	0.00	0.00	0.00	0.00
Accommodation and food services.....	0.04	0.01	0.01	0.02	0.01
Other services, except public administration.....	0.03	-0.01	0.00	0.02	0.01
Federal government, civilian.....	0.01	-0.01	0.00	0.05	0.06
Military.....	0.00	0.00	0.00	0.06	0.00
State and local government.....	0.07	0.00	0.00	0.05	0.02
Total	0.14	-0.08	0.35	0.32	0.64

NOTE: 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.

Quarterly State Personal Income

Property income

Rental income was the fastest growing component of property income (dividends, interest, and rent) in every state except Louisiana in the second quarter. Rental income grew 2.7 percent, on average, in the second quarter after growing 3.5 percent in the first quarter. Louisiana's rental income has declined as the program providing homeowner assistance payments associated with rebuilding after Hurricane Katrina has been phased out. Dividend income also grew in every state in the second quarter. On average, it grew 0.4 percent, down from 2.8 percent growth in the first quarter. In contrast, interest income declined in every state; the 0.4 percent average decline in the second quarter followed a 0.2 percent gain in the first quarter.

Transfer receipts

Personal current transfer receipts for all states and the District of Columbia increased 2.0 percent in the second quarter after growing 2.6 percent in the first quarter. However, one component of transfers fell: state unemployment insurance (UI) compensation fell 3.8 percent (\$5.5 billion) in the second quarter after rising 1.9 percent in the first. State UI compensation fell in 36 states, rose in 13 states, and was unchanged in 1 state. Notably, this compensation fell 15 percent in Indiana and 11 percent in Michigan.

Payments from the American Recovery and Reinvestment Act (ARRA) of 2009 fell in every state in the second quarter (table C).¹ Aggregate ARRA payments were only \$61.5 billion, down from a peak of \$102.6 billion in the first quarter.

1. National estimates of ARRA receipts were allocated to states using the following indicator series: Supplemental Security Income (SSI), number of SSI recipients by state in 2008; Old Age, Survivors, and Disability Insurance (OASDI), number of OASDI recipients in 2008; Railroad Retirement Board (RRB), number of RRB retirees and survivors by state as of September 30, 2008; veterans' pensions, number of disability pension and disability compensation recipients age 55 or more by state in 2008; Supplemental Nutrition Assistance Program (SNAP), unemployment insurance (UI), and Pell Grants, agency reported amounts by state published on recovery.gov; COBRA health insurance subsidy, number of unemployed persons covered by state UI insurance in 2009; and TV Converter Box coupons, coupon redemptions by state as of November 17, 2009, from the National Telecommunications and Information Administration.

Table C. Net Effect of ARRA on Personal Current Transfer Receipts¹

[Millions of dollars, annual rate]

	2009				2010	
	I	II	III	IV	I	II
United States.....	9,500	101,200	93,000	100,000	102,600	61,500
Alabama.....	174	1,648	1,052	1,033	1,674	1,315
Alaska.....	9	149	106	123	146	107
Arizona.....	962	2,576	1,689	2,071	2,151	1,853
Arkansas.....	45	1,032	770	768	1,027	661
California.....	1,372	12,166	13,130	13,552	12,392	6,946
Colorado.....	174	1,313	1,266	1,400	1,336	739
Connecticut.....	62	1,218	1,326	1,504	1,258	499
Delaware.....	9	272	223	234	245	157
District of Columbia.....	10	202	232	257	231	112
Florida.....	690	6,538	5,322	5,618	6,567	4,374
Georgia.....	452	3,105	2,872	3,083	3,650	2,482
Hawaii.....	9	374	358	385	376	206
Idaho.....	61	502	438	407	456	269
Illinois.....	254	4,220	4,420	4,974	4,700	2,545
Indiana.....	282	2,470	2,685	2,497	2,425	1,210
Iowa.....	352	1,220	819	910	890	603
Kansas.....	45	819	650	725	773	432
Kentucky.....	114	1,662	1,418	1,227	1,481	896
Louisiana.....	114	1,262	638	734	1,420	1,242
Maine.....	18	443	289	299	333	213
Maryland.....	107	1,448	1,201	1,331	1,355	794
Massachusetts.....	91	2,372	2,735	3,148	2,340	934
Michigan.....	271	4,089	4,573	4,845	4,396	2,271
Minnesota.....	118	1,592	1,482	1,630	1,502	667
Mississippi.....	37	946	627	692	1,187	963
Missouri.....	145	1,974	1,530	1,458	1,758	1,194
Montana.....	11	295	198	205	252	156
Nebraska.....	47	477	245	268	363	255
Nevada.....	24	948	1,366	1,341	1,127	454
New Hampshire.....	17	345	205	230	256	138
New Jersey.....	204	3,320	4,312	4,796	3,649	1,432
New Mexico.....	43	596	429	507	650	488
New York.....	580	6,679	6,168	7,189	6,724	4,042
North Carolina.....	170	3,260	3,335	3,400	3,609	2,157
North Dakota.....	10	163	71	78	110	81
Ohio.....	312	3,879	3,269	3,693	3,901	2,325
Oklahoma.....	67	1,048	682	762	1,052	725
Oregon.....	232	1,588	1,506	1,850	1,453	830
Pennsylvania.....	300	5,002	4,942	5,342	4,645	2,197
Rhode Island.....	63	453	438	525	390	223
South Carolina.....	93	1,603	1,442	1,525	1,767	1,185
South Dakota.....	17	194	67	79	139	124
Tennessee.....	141	2,121	1,693	1,698	2,127	1,486
Texas.....	567	6,073	4,801	5,021	7,394	5,452
Utah.....	104	587	466	485	623	393
Vermont.....	4	200	157	173	161	85
Virginia.....	230	2,018	1,274	1,363	1,688	1,175
Washington.....	182	2,053	1,899	2,282	2,073	1,103
West Virginia.....	54	698	362	363	509	352
Wisconsin.....	43	1,854	1,735	1,820	1,745	889
Wyoming.....	8	137	84	103	124	68

1. Some ARRA funding, such as for Medicaid, replaced state funding and did not affect personal current transfer receipts.
ARRA American Recovery and Reinvestment Act of 2009

Annual Statistics

As is customary in September, the Bureau of Economic Analysis (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 North American Industry Classification System (NAICS) industries. The new estimates are based on surveys and tabulations of administrative data and replace estimates of total taxes, total transfers, and total farm proprietors' income that relied on extrapolations of past trends.

Taxes

Personal current taxes fell nearly 21 percent in 2009 after falling 3.4 percent in 2008. The declines in 2009 are the largest since 1948 for all levels of government—federal, state, and local (comparable data for earlier years are not available). Personal current taxes primarily consist of income taxes, but they also include motor vehicle licenses and personal property taxes. In 2009, motor vehicle licenses increased 1.6 percent, and personal property taxes increased 4.9 percent.

State income taxes fell in 2009 in most of the states that levy such taxes, by as much as 28 percent in Arizona.¹ However, they grew 7.3 percent in North Dakota, which is one of only two states with wage growth in 2009. (The other state is Alaska, which does not have an income tax.) In addition to wage growth, royalty payments to mineral owners contributed to the rise in North Dakota's individual income taxes.

Transfers

The sources of personal income changed substantially in 2009. Widespread job losses reduced net earnings \$329 billion, and low returns on investments reduced property income \$137 billion. At the same time, federal stimulus spending contributed to a \$252 billion expansion of personal current transfer receipts. As a consequence, transfer receipts accounted for nearly 18 percent of personal income in 2009, its highest share ever. In 2001, it was 13 percent (chart 1).

For 22 states—including California, Nevada, and Michigan—unemployment compensation increased more than any other transfer program in 2009 (table D). For 19 states—including Texas, New York, Florida, and Ohio—medical benefits (mainly Medicare and Medicaid benefits) increased more than any other transfer program. For nine states—including Virginia, Tennessee, and South Carolina—retirement and disability benefits

1. Seven states do not levy income taxes: Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming.

Table D. Change in Personal Current Transfer Receipts by Major Category From 2009

(Millions of dollars)

	Total	Retirement and disability insurance benefits	Medical benefits	Income maintenance benefits	Unemployment insurance compensation	Veterans benefits	Education and training assistance	Other benefits
United States	252,403	59,900	70,299	32,012	78,119	6,304	11,170	-5,401
Alabama.....	3,326	1,122	874	632	654	161	225	-341
Alaska.....	-639	89	267	53	102	18	9	-1,177
Arizona.....	5,795	1,312	1,882	878	1,036	101	677	-92
Arkansas.....	2,281	679	601	353	567	90	116	-125
California.....	28,840	5,876	7,581	2,744	10,919	446	1,299	-23
Colorado.....	3,679	844	902	442	1,212	117	163	-1
Connecticut.....	3,571	701	1,206	176	1,226	51	93	117
Delaware.....	720	214	224	82	156	21	25	-3
District of Columbia	516	71	254	83	104	-34	41	-3
Florida.....	15,410	4,227	4,336	2,439	3,647	480	776	-494
Georgia.....	6,361	1,848	1,052	1,320	2,123	312	336	-632
Hawaii.....	888	256	126	153	310	28	22	-7
Idaho.....	1,185	318	258	161	366	31	53	-3
Illinois.....	12,193	2,218	3,974	1,250	4,156	163	496	-65
Indiana.....	5,290	1,402	1,033	547	1,953	122	252	-19
Iowa.....	2,263	604	493	234	631	38	234	30
Kansas.....	2,160	557	552	224	711	47	76	-8
Kentucky.....	4,182	962	1,378	561	1,031	118	191	-59
Louisiana.....	2,537	815	1,239	221	435	104	156	-433
Maine.....	1,209	303	435	153	219	46	35	17
Maryland.....	4,113	985	1,349	552	966	122	164	-55
Massachusetts.....	6,197	1,201	1,200	688	2,607	105	161	235
Michigan.....	10,030	2,395	2,007	1,169	3,765	160	399	134
Minnesota.....	4,558	1,020	1,300	331	1,520	98	187	101
Mississippi.....	1,760	625	442	470	362	69	135	-343
Missouri.....	4,742	1,276	1,548	619	1,095	100	197	-92
Montana.....	761	217	218	93	184	25	28	-4
Nebraska.....	935	326	249	110	153	68	50	-20
Nevada.....	2,377	478	389	281	1,099	54	48	28
New Hampshire.....	927	256	266	86	238	31	28	23
New Jersey.....	8,107	1,735	1,302	601	3,920	104	249	196
New Mexico.....	1,609	393	531	300	333	78	75	-102
New York.....	18,667	3,646	6,368	2,951	4,970	211	716	-197
North Carolina.....	8,589	2,080	2,274	1,131	2,732	309	287	-224
North Dakota.....	382	115	138	32	66	14	19	-2
Ohio.....	10,151	2,337	3,093	1,150	2,966	192	496	-83
Oklahoma.....	2,691	765	751	429	614	142	119	-128
Oregon.....	4,173	861	966	457	1,600	63	125	102
Pennsylvania.....	11,657	2,745	2,708	773	4,526	199	409	296
Rhode Island.....	989	213	222	129	349	18	43	15
South Carolina.....	3,874	1,150	936	600	1,032	153	195	-192
South Dakota.....	439	158	137	66	53	17	26	-17
Tennessee.....	4,472	1,452	668	975	1,157	209	227	-217
Texas.....	15,744	3,903	5,800	2,276	4,049	634	732	-1,650
Utah.....	1,664	395	441	264	455	35	107	-32
Vermont.....	577	143	184	56	141	18	19	16
Virginia.....	4,858	1,476	1,329	667	1,014	281	228	-137
Washington.....	6,642	1,368	1,194	1,164	2,466	137	205	106
West Virginia.....	1,634	446	499	268	285	71	72	-6
Wisconsin.....	6,939	1,213	3,042	594	1,678	113	133	166
Wyoming.....	381	110	82	22	136	12	14	4

increased the most.

The Alaska Permanent Fund paid \$1,305 per eligible resident in 2009, down from \$3,269 in 2008. This reduction offset increases in all other transfer programs including unemployment compensation, retirement, and medical benefits, making Alaska the only state with a decline in personal current transfer receipts in 2009.

Earnings

Detailed earnings by three-digit NAICS industry, published annually, provide insight into sources of regional comparative advantages. These data are compiled by the state in which the industry is located, in contrast to per-

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sonal income, which is presented for state residents. This distinction is important for the District of Columbia and a few northeastern states—such as New Jersey, New York, and Connecticut—which have substantial interstate commuting flows.

Regional patterns are particularly varied and noteworthy in the transportation industry. In 2009, Texas had the largest air, rail, and pipeline transportation industries in the nation, California had the largest trucking industry, Florida had the largest water transportation sector, and New York the largest transit and ground transportation industry (table E).

U.S. earnings in trucking, the largest component of the transportation industry, were \$95 billion in 2009, down 7.3 percent from 2008. Not surprisingly, California and Texas had the largest shares of U.S. trucking earnings, reflecting the overall size of their economies (table E, last column). But in Ohio and Tennessee, among other states, trucking earnings were much greater than in New York and Florida, though the overall size of the latter two states is larger.

Air transportation earnings for the United States fell 5.7 percent in 2009 to \$36.3 billion from \$38.5 billion in 2008. Although most states shared in the decline, some

states, such as Minnesota, had much larger-than-average earnings declines. Earnings fell 22 percent in Minnesota, coinciding with the merger of Northwest Airlines, based in that state, with Delta Air Lines, based in Georgia (earnings fell 5.7 percent in Georgia). The earnings decline in Minnesota reflected a combination of fewer jobs in 2009 as well as lump-sum severance payments at the end of 2008. In contrast, six states, of which Florida was the largest, saw air transportation earnings rise in 2009.

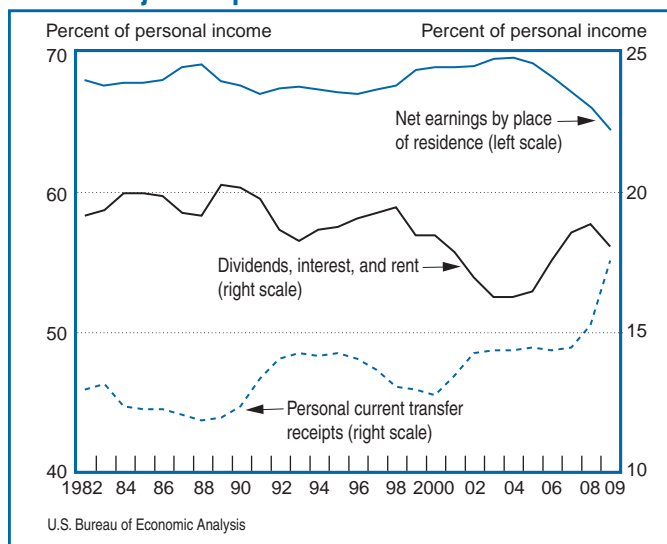
U.S. rail transportation earnings fell 8.3 percent in 2009 to \$18.9 billion. In the past several years, Nebraska's rail industry has grown larger than California's. Nebraska now has a 6.9 percent share of U.S. earnings, while California has only a 6.2 percent share. Only Illinois and Texas have larger rail transportation sectors than Nebraska.

Water transportation is one of the most highly concentrated of the transportation industries: Florida and Louisiana accounted for a third of all earnings in this industry in 2009.² Although U.S. water transportation earnings fell 3.6 percent in 2009 to \$6.8 billion, in the previous 6 years (2002–2008), it expanded rapidly, growing 84 percent (versus 31 percent growth for all industries). The expansion was particularly rapid in Louisiana where earnings more than tripled over that period.

While transit earnings were essentially the same in 2008 and 2009 nationally (\$18.6 billion), they grew 3 percent in New York. New York has expanded its share of national earnings from 15 percent in 2002 to 17 percent in 2009. Nevada's growth over that period was even more rapid; it now has a larger transit industry than Massachusetts and Pennsylvania.³

The only transportation industry to expand nationally in 2009 was pipelines, which grew 3.7 percent to \$12.0 billion from \$11.6 billion in 2008). Texas accounts for almost half of the industry's earnings.

Chart 1. Major Components of State Personal Income



2. In Louisiana, wages in this industry are primarily in inland and coastal freight transportation; in Florida, the wages are primarily in coastal and deep sea passenger transportation.

3. Wages in taxi and limousine services account for almost 63 percent of Nevada's transit industry but only 15 percent of transit industry wages nationwide. Almost half of New York's transit industry wages are in school and bus transportation.

Table E. Percent of U.S. Earnings in Select Transportation Industries for Six Largest States, 2009

Select transportation industries												Earnings in all industries	
Air	Rail		Water		Truck	Transit and ground passenger		Pipeline					
Texas	14.5	Texas	9.4	Florida	17.2	California	10.2	New York	17.2	Texas	48.7	California	13.1
California	9.4	Illinois	7.4	Louisiana	15.8	Texas	9.1	California	10.0	California	10.9	Texas	8.2
Georgia	9.0	Nebraska	6.9	California	8.3	Illinois	5.2	New Jersey	6.1	Oklahoma	6.0	New York	7.9
Illinois	7.9	California	6.2	Texas	8.3	Pennsylvania	4.9	Illinois	5.9	Pennsylvania	5.1	Florida	5.0
New York	6.9	Pennsylvania	4.5	New York	6.8	Ohio	4.7	Texas	5.3	Michigan	3.7	Illinois	4.5
Florida	6.5	Missouri	3.8	Washington	4.8	Tennessee	3.7	Nevada	5.1	Louisiana	3.0	Pennsylvania	4.1
Total	54.2	Total	38.2	Total	61.3	Total	37.8	Total	49.6	Total	77.4	Total	42.7

Revisions

The Bureau of Economic Analysis (BEA) revised quarterly and annual state personal income beginning with the first quarter of 2001. Typically, BEA revises only 3 years of data each September in order to incorporate the results of the annual revision of the national income and product accounts and to incorporate source data that are more complete and more detailed than those previously available (table F).¹ However, this year, the estimates also include revisions to the residence adjustment from 2001 forward.

The NIPA estimate of U.S. personal income in 2009, which controls the state estimates, was revised up 1.2 percent (\$145 billion). An upward revision to personal dividend income (\$143 billion) accounts for almost all of the revision.²

The unweighted average revision to the 2009 personal incomes of the 50 states and the District of Columbia was 1.3 percent (table G), the average absolute revision was 1.6 percent, and the dispersion of the revisions (or standard deviation) was 1.6 percent.

The largest upward revisions in 2009 were for Louisiana (5.7 percent), Texas (5.7 percent), and Wyoming (5.4 percent); the largest downward revisions were for Nevada (2.3 percent) and New York (1.1 percent). Most of these revisions arose from the introduction of new source data from the Internal Revenue Service (IRS) for dividends, interest, and rent and for proprietors' income reported on 2008 income tax returns. The new IRS data for 2008 also affect the estimates for 2007 because a centered 3-year moving average is used to allocate some components of income such as S Corporation income.³

About half of the large downward revision for New York was related to wage and salary disbursements for the finance and insurance industry.

The revisions to the residence adjustment were typically small. However, for the District of Columbia where the residence adjustment is more than half of earnings by place-of-work, the revisions reduced 2006 personal income 1.1 percent and raised 2009 personal income 1.5 percent.

1. See Eugene P. Seskin and Shelly Smith, "Annual Revision of the National Income and Product Accounts," SURVEY OF CURRENT BUSINESS 90 (August 2010): 6–27.

2. The comparison is between the annual NIPA estimates for 2009 published in the March and September 2010 issues of the SURVEY.

3. In the state personal income accounts, S corporation income is classified as a component of personal dividend income.

Table G. Revisions to Personal Income by State, 2007–2009

	[Percent]		
	2007	2008	2009
United States	0.2	1.3	1.2
Alabama	-0.2	0.7	0.8
Alaska	0.4	1.1	1.4
Arizona	-0.1	0.5	0.9
Arkansas	-0.1	1.4	1.5
California	-0.3	0.4	0.5
Colorado	-0.2	1.1	1.2
Connecticut	1.6	1.8	1.2
Delaware	0.4	1.1	0.3
District of Columbia	-0.1	3.1	3.1
Florida	1.0	2.5	2.9
Georgia	0.1	1.1	0.6
Hawaii	0.5	0.8	0.2
Idaho	-0.2	0.0	0.1
Illinois	0.0	1.4	1.2
Indiana	0.2	1.1	0.6
Iowa	0.9	1.9	2.4
Kansas	1.0	3.2	3.6
Kentucky	0.3	1.4	1.3
Louisiana	1.2	5.5	5.7
Maine	0.5	0.4	-0.7
Maryland	0.0	0.5	0.0
Massachusetts	0.2	0.3	-0.5
Michigan	0.1	1.1	0.9
Minnesota	0.1	0.7	0.7
Mississippi	0.1	1.1	1.1
Missouri	0.3	1.1	0.7
Montana	-0.1	1.8	2.3
Nebraska	0.7	2.4	3.1
Nevada	-1.3	-2.1	-2.3
New Hampshire	0.3	0.4	-0.6
New Jersey	0.3	0.2	-0.6
New Mexico	-0.2	0.6	0.7
New York	-0.9	-1.4	-1.1
North Carolina	0.2	0.8	0.8
North Dakota	0.9	4.1	3.0
Ohio	0.0	0.6	0.6
Oklahoma	0.7	2.6	1.6
Oregon	0.2	1.2	1.3
Pennsylvania	0.9	1.6	1.5
Rhode Island	0.8	1.2	0.8
South Carolina	0.6	1.4	1.7
South Dakota	0.7	1.6	3.4
Tennessee	0.1	0.8	0.5
Texas	0.5	5.3	5.7
Utah	0.5	1.7	2.4
Vermont	0.7	1.4	1.3
Virginia	0.7	1.5	0.6
Washington	0.6	2.3	2.8
West Virginia	-0.9	-0.4	-0.5
Wisconsin	-0.4	0.4	1.6
Wyoming	-1.1	4.1	5.4
Average revision	0.2	1.4	1.3
Average absolute revision	0.5	1.5	1.6
Standard deviation of revision	0.6	1.4	1.6

NOTE: The annual revisions are computed from the March 2010 release.

Table F. Major New or Revised Source Data in State Personal Income and Personal Current Taxes Since the March 2010 Release ¹

Component of personal income	Annual estimates			Quarterly estimates	
	2007	2008	2009	2010:I	2010:II
Wage and salary disbursements by industry	New CBP data; revised USDA farm labor expenses; revised Census Bureau population data.	Revised QCEW wage data; new RRB state payroll data; new Census of Governments data; revised USDA farm labor expenses; 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; new USDA farm labor expenses.	New QCEW wage 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	New NASI data on employer costs of self insured workers' compensation programs.	New Census Bureau data on contributions to state and local government retirement systems; new NAIC earned premium data.	New FRA data on casualties.		
Employer contributions for government social insurance by industry		New Census Bureau data on state-administered workers' compensation programs.	New QCEW data on contributions to unemployment insurance funds; new OES data on employee wage distributions; new CPS industry data on hours worked.		
Farm proprietors' income	Revised USDA gross income and expense data.	Revised USDA gross income and expense data.	New USDA gross income and expense data.	Revised USDA farm cash receipts data for January and February and new data for March; revised USDA U.S. level farm income forecast.	New USDA farm cash receipts data 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.			
Residence adjustment	New IRS income tax data; new Census Bureau population data.	New Census Bureau population data.			
Dividends, interest, and rent	Revised USDA gross rental value of farm dwellings data; 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; 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 Supplemental Security Income benefits; new Census Bureau state and local government finance data on disability benefits, income maintenance benefits, and education benefits; new CFFR railroad retirement benefits data; new ACF TANF family assistance data.	New SSA data on Social Security benefits; new CMS and DOD medical benefits data; new DVA veterans benefits data; new USDA Supplemental Nutritional Assistance Program data; new IRS Refundable Earned Income Tax Credits data; new PBGC benefits data; revised DOL unemployment benefits data; new DOE Pell Grants data; new ACF TANF family assistance data; new ACF TANF foster home care and adoption assistance data.	Revised DOL unemployment benefits data.	New DOL unemployment benefits data.
Employee and self-employed contributions for government social insurance	New SSA data on OASDHI contributions from self-employed workers.	New Census Bureau data on state temporary disability insurance; new RRB contributions data.	New CMS supplemental medical insurance enrollment 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 of Governments data.	New IRS income tax data; revised Census Bureau data on quarterly tax collections and state tax collections; new Census Bureau state and local government finance data.	New Census Bureau data on quarterly tax collections and state tax collections.		

¹ "New" means this is the first time that data from the source agency are being used in the BEA estimate for the given year or quarter. "Revised" means data from the source agency were used previously and now revised data from that source agency are being used in the BEA estimate for the given period.

ACF TANF Administration for Children and Families, Temporary Assistance to Needy 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, Census Bureau
 CMS Centers for Medicare and Medicaid Services
 CPS Current Population Survey, Census Bureau
 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
 OASDHI Old-Age, Survivors, Disability, and Hospital Insurance, Social Security Administration
 OES Occupational Employment Statistics, Bureau of Labor Statistics
 PBGC Pension Benefit Guaranty Corporation
 QCEW Quarterly Census of Employment and Wages, Bureau of Labor Statistics
 RRB Railroad Retirement Board
 SSA Social Security Administration
 USDA U.S. Department of Agriculture

Personal Income in the NIPAs and State Personal Income

The level of personal income in the national income and product accounts (NIPAs) differs from the national total in the state personal income statistics because of differences in coverage and 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 citizenship or duration of residence.¹

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

- NIPA personal income includes the earnings of federal civilian and military personnel stationed abroad and the property 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 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 2009 was \$9.1 billion lower than in state personal income because the state estimates of farm proprietors' income incorporated 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]

	2007	2008	2009
Personal income in the NIPAs	11,912.3	12,391.1	12,174.9
Plus adjustments for:			
Coverage differences	-15.3	-16.1	-17.1
Federal workers abroad.....	-23.0	-23.9	-25.8
Wage and salary disbursements.....	-14.4	-15.0	-16.1
Supplements to wages and salaries ¹	-8.9	-9.3	-10.5
Dividends, interest, and rent ²	-1.1	-1.0	-0.8
Less: Contributions for government social insurance.....	-1.4	-1.4	-1.6
Rest-of-the-world difference.....	7.7	7.8	8.7
Wages of private foreign nationals in U.S.....	8.5	8.8	9.1
Wages of private U.S. nationals abroad.....	-0.8	-1.0	-0.4
Use of more current source data	2.9	4.7	7.7
Wage and salary disbursements.....	-0.5	-0.3	-0.4
Proprietors' income.....	4.0	4.7	9.1
Personal current transfer receipts.....	-0.6	0.3	-1.0
Equals: State personal income	11,899.9	12,379.7	12,165.5

¹ Employer contributions for government social insurance and for employee pension and insurance funds for federal workers stationed abroad.

² Investment income received by federal retirement plans that is attributed to federal workers stationed abroad.

1. See "State Personal Income and Employment Methodology" at www.bea.gov/regional/docs/spi2009.

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.

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Data Availability

The complete set of quarterly and annual state personal income and employment statistics for all states and the District of Columbia and for all years are available interactively on BEA's Web site.

The following annual estimates are available at www.bea.gov/regional/spi:

- Personal income, per capita personal income, and population for 1929–2009
- Disposable personal income and per capita disposable personal income for 1948–2009
- State income and employment summary, 1929–2009
- Personal income by major source and earnings by industry (North American Industry Classification System (NAICS) three digit) for 1990–2009, (Standard Industrial Classification System (SIC) two digit) for 1958–2000, and (SIC division level) for 1929–57 and 2001
- Compensation of employees by industry (NAICS three digit) for 1990–2009 and (SIC two digit) for 1958–2000, and (SIC division level) for 2001
- Wage and salary disbursements by industry (NAICS three digit) for 1990–2009, (SIC two digit) for 1958–2000, and (SIC division level) for 1929–57, and 2001
- Full-time and part-time employment by industry (NAICS three digit) for 1990–2009, (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 1990–2009, (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 1958–2009
- Personal current transfer receipts by major program for 1948–2009
- State property income for 1958–2009
- Farm income and expenses (including the major categories of gross receipts and expenses for all farms and for measures of farm income) for 1969–2009
- Personal current tax receipts by level of government and by type for 1948–2009
- BEARFACTS, a computer generated narrative with analytical charts and graphs, that describes a state's personal income using current estimates, growth rates, and a breakdown of the sources of personal income

The following quarterly estimates are available at www.bea.gov/regional/sqpi:

- Personal income for the first quarter of 1969 to the second quarter of 2010
- Quarterly income summary for the first quarter of 1969 to the second quarter of 2010
- Personal income by major source and earnings by major industry (NAICS two digit) for the first quarter of 1990 to the second quarter of 2010
- Personal income by major source and earnings by major industry (SIC division level) for the first quarter of 1969 to the fourth quarter of 2001
- Compensation of employees by industry (NAICS two digit) for the first quarter of 1990 to the second quarter of 2010
- Compensation of employees by industry (SIC division level) for the first quarter of 1969 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 2010
- Wage and salary disbursements by major industry (SIC division level) for the first quarter of 1969 to the fourth quarter of 2001

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.

Contact the Regional Economic Information System at 202–606–5360, fax 202–606–5322, or e-mail reis@bea.gov for more information about these statistics.

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Tables 1–5 follow.