



REGIONAL QUARTERLY REPORT

State Personal Income and More . . .

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For information about BEA regional statistics, go to www.bea.gov.

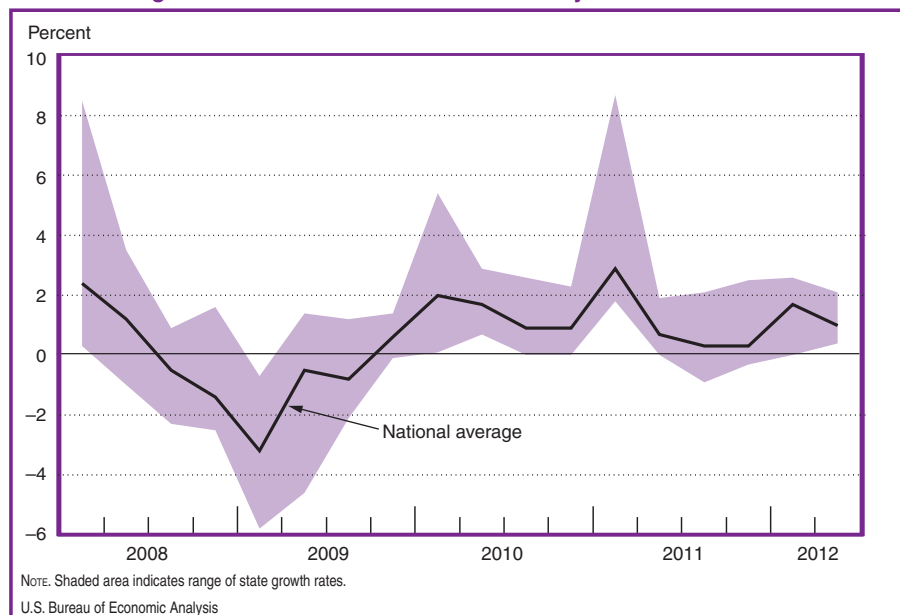
Second quarter of 2012

State personal income growth slowed to 1.0 percent in the second quarter of 2012 from 1.7 percent in the first quarter (chart 1).¹ Growth slowed in 39 states and the District of Columbia, accelerated in 10 states, and was unchanged in Nevada. Personal income growth ranged from 2.1 percent in North Dakota to 0.4 percent in New Mexico. Inflation, as measured by the national price index for personal consumption expenditures, slowed to 0.2 percent in the second quarter from 0.6 percent in the first quarter.

The 1.0 percent second-quarter growth rate equals the average personal income growth rate since the recovery began 3 years ago in the second quarter of 2009. The inflation rate averaged 0.5 percent over the same period.

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

Chart 1. Range of State Personal Income Quarterly Growth Rates



David G. Lenze prepared the report on state personal income.

Quarterly State Personal Income

Earnings by industry and state

Overall, earnings grew 0.8 percent in the second quarter of 2012 after growing 1.9 percent in the first quarter. Earnings increased in 21 of the 24 industries for which the Bureau of Economic Analysis (BEA) prepares quarterly estimates, with the largest percentage increase in the forestry, fishing, and related activities industry (table A).

Table A. Growth of U.S. Earnings by Industry

	Percent Change		Dollar change (millions of dollars)	
	2012		2012	
	I	II	I	II
All industries.....	1.9	0.8	182,916	78,799
Private industries.....	2.3	1.0	177,029	77,295
Farm.....	10.4	-1.8	10,494	-2,040
Forestry, fishing, and related activities.....	4.0	4.6	1,189	1,437
Mining.....	1.1	1.2	1,319	1,386
Utilities.....	6.5	2.2	5,083	1,877
Construction.....	3.3	0.5	16,665	2,753
Durable-goods manufacturing.....	3.8	0.4	22,741	2,577
Nondurable-goods manufacturing.....	1.1	0.3	3,603	1,136
Wholesale trade.....	2.0	1.5	9,733	7,205
Retail trade.....	2.2	0.6	12,692	3,589
Transportation and warehousing.....	2.8	1.3	8,887	4,083
Information.....	2.0	1.2	6,079	3,801
Finance and insurance.....	0.8	0.6	5,917	4,440
Real estate and rental and leasing.....	-4.7	2.4	-7,960	3,886
Professional, scientific, and technical services.....	2.9	1.6	27,534	15,125
Management of companies and enterprises.....	2.3	1.5	5,283	3,507
Administrative and waste management services.....	2.8	1.2	10,649	4,762
Educational services.....	1.5	0.3	2,352	523
Health care and social assistance.....	1.7	0.9	17,917	9,373
Arts, entertainment, and recreation.....	2.9	0.2	3,096	259
Accommodation and food services.....	3.0	1.5	8,754	4,446
Other services, except public administration.....	1.4	0.9	5,003	3,170
Government.....	0.4	0.1	5,887	1,504
Federal, civilian.....	-0.2	-0.1	-819	-245
Military.....	0.4	-0.3	707	-535
State and local.....	0.5	0.2	5,999	2,283

Earnings grew 4.6 percent or \$1.44 billion in this industry, which consists mostly of agriculture and forestry support activities.² However, professional services pro-

2. Actually, the dominant component of this industry varies by state. For example, annual data for 2011 indicate that in Alaska and Massachusetts, fishing accounted for more than 75 percent of the earnings of forestry, fishing, and related industries. In Alabama, Georgia, and Oregon, the forestry share was more than 50 percent. In California and Florida, agriculture and forestry support activities earnings were more than 75 percent.

vided the largest contribution to earnings growth in the second quarter, \$15.1 billion, and increased at a 1.6 percent pace. Growth in professional services was widespread across the country, with earnings growing at least 1.5 percent in 36 states.

Second-quarter earnings declined in three industries with the largest percentage decline, 1.8 percent, and largest dollar decline, \$2.0 billion, in farming (farm earnings grew 10.4 percent or \$10.5 billion in the first quarter). Civilian federal government and military earnings also fell in the second quarter.

Construction, nondurable-goods manufacturing, state and local government, and the military—the four industries with the weakest earnings growth during the current recovery—continued to lag other industries in the second quarter. Earnings in the construction industry grew 0.5 percent, nondurable goods manufacturing earnings grew 0.3 percent, state and local government earnings grew 0.2 percent, and military earnings fell 0.3 percent.

In addition, most of the growth in construction and nondurable-goods manufacturing industries was concentrated in just two or three states. Construction earnings grew \$1.54 billion (2.6 percent) in Texas and \$0.23 billion (2.5 percent) in Arizona in the second quarter, accounting for nearly two-thirds of the national \$2.75 billion gain. Most of the \$1.14 billion national gain in nondurable-goods manufacturing earnings was concentrated in Texas (\$0.28 billion), Illinois (\$0.20 billion), and Ohio (\$0.12 billion).

Property income

Property income (dividends, interest, and rent) grew 2.2 percent in the second quarter, up from 1.3 percent in the first quarter, and faster than earnings and personal current transfer receipts, the other major components of personal income.

Quarterly State Personal Income

Transfer receipts

Personal current transfer receipts increased 0.6 percent in the second quarter, down from 1.2 percent growth in the first quarter. Transfers grew more slowly than the rest of personal income in eight of the last nine quarters, even in the states with the slowest recoveries. In Nevada, transfers have grown 3.0 percent since the first quarter of 2010, compared with 9.0 percent growth in other components of income. In Arizona, transfers grew 5.1 percent, compared with 11.6 percent growth in other components. The only exceptions among states are Maine and Delaware. Transfers have grown 8.9 percent in Maine, 0.1 percentage point more than other components, and transfers have grown 11.2 percent in Delaware, compared with 10.5 percent for other components of personal income.

State unemployment insurance (UI) benefits fell 11 percent in the second quarter of 2012, the largest decline since they began falling 2 years ago. State UI benefits fell in every state except New York and West Virginia in the second quarter.

The net effect of the American Recovery and Reinvestment Act of 2009 (ARRA) on transfer receipts was \$9.5 billion in the second quarter, unchanged from the first quarter, but down 78 percent from a year ago (table B).

Table B. Special Factors in State Personal Income

[Millions of dollars, annual rate]

	2010	2011	2011			2012	
			II	III	IV	I	II
Homeowner assistance payments in dividends, interest, and rent							
Louisiana.....	500	200	200	200	200	0	0
Mississippi.....	350	200	200	200	200	0	0
United States.....	850	400	400	400	400	0	0
Current transfer receipts of individuals from the BP oil spill							
Alabama.....	99	84	93	65	49	16	20
Florida.....	215	253	262	244	189	44	60
Louisiana.....	197	138	122	104	126	32	44
Mississippi.....	50	65	91	59	45	12	16
Texas.....	17	31	23	19	23	12	16
United States.....	578	571	591	492	432	116	156
Net effect of ARRA on personal current transfer receipts¹							
Alabama.....	1,259	986	998	1,023	931	198	198
Alaska.....	112	78	80	82	72	22	22
Arizona.....	1,692	973	976	1,039	904	216	216
Arkansas.....	703	515	520	534	488	96	96
California.....	7,476	4,690	4,604	5,223	4,317	917	917
Colorado.....	829	506	508	536	474	102	102
Connecticut.....	626	327	327	357	298	85	85
Delaware.....	161	117	118	123	109	27	27
District of Columbia.....	162	95	98	98	88	29	29
Florida.....	4,557	3,316	3,289	3,624	3,061	700	700
Georgia.....	2,516	1,929	1,948	2,013	1,819	385	385
Hawaii.....	247	189	192	200	173	53	53
Idaho.....	311	215	218	223	202	47	47
Illinois.....	2,792	1,725	1,717	1,885	1,584	398	398
Indiana.....	1,388	860	871	893	809	180	180
Iowa.....	625	326	327	350	301	75	75
Kansas.....	496	325	327	340	307	60	60
Kentucky.....	967	676	690	698	634	160	160
Louisiana.....	1,152	959	970	994	909	183	183
Maine.....	229	162	164	172	148	47	47
Maryland.....	868	613	621	638	575	134	134
Massachusetts.....	1,184	620	617	687	558	170	170
Michigan.....	2,552	1,502	1,487	1,684	1,349	405	405
Minnesota.....	839	469	473	491	442	93	93
Mississippi.....	913	732	739	756	698	124	124
Missouri.....	1,223	855	864	895	800	187	187
Montana.....	172	119	121	123	112	25	25
Nebraska.....	263	194	195	201	184	34	34
Nevada.....	588	361	362	381	340	68	68
New Hampshire.....	156	100	102	102	95	21	21
New Jersey.....	1,736	847	841	920	786	168	168
New Mexico.....	488	371	376	390	347	83	83
New York.....	4,196	2,780	2,790	3,000	2,555	691	691
North Carolina.....	2,280	1,528	1,525	1,643	1,422	314	314
North Dakota.....	84	61	62	62	58	12	12
Ohio.....	2,470	1,612	1,629	1,703	1,497	383	383
Oklahoma.....	774	581	588	604	546	122	122
Oregon.....	849	495	499	539	446	151	151
Pennsylvania.....	2,529	1,468	1,462	1,610	1,346	352	352
Rhode Island.....	227	135	136	144	124	35	35
South Carolina.....	1,190	854	857	907	799	177	177
South Dakota.....	126	98	99	101	92	21	21
Tennessee.....	1,522	1,135	1,152	1,184	1,062	261	261
Texas.....	5,617	4,487	4,481	4,781	4,224	815	815
Utah.....	451	297	301	307	283	54	54
Vermont.....	98	63	64	66	58	17	17
Virginia.....	1,206	897	910	924	850	175	175
Washington.....	1,340	788	781	862	679	212	212
West Virginia.....	371	261	266	271	244	63	63
Wisconsin.....	1,035	610	609	665	559	147	147
Wyoming.....	78	49	49	51	47	7	7
United States.....	65,725	43,950	44,000	47,100	40,800	9,500	9,500
Price index for personal consumption expenditures (2005=100)							
United States.....	111.1	113.8	113.6	114.3	114.6	115.3	115.5

ARRA American Recovery and Reinvestment Act of 2009
 1. Some ARRA funding, such as Medicaid, replaced state funding and had no effect on personal current transfer receipts.

Annual State Personal Income

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 North American Industry Classification System (NAICS) industries. The new estimates are based on surveys and tabulations of administrative data; they replace previously reported estimates of total taxes, total transfers, and total farm proprietors' income that relied on extrapolations of past trends.

Tax payments by level of government

Personal current taxes (which consist of federal, state, and local income taxes; personal property taxes; and motor vehicle licenses) rose \$203 billion (17 percent) in 2011 after rising \$50 billion (4.4 percent) in 2010. Even so, personal current taxes in 2011 were \$91 billion lower than in 2007. Tax payments rose in every state; the largest increase—34 percent—was in North Dakota, while the smallest increase—14.0 percent—was in Maryland.

Payments of federal income taxes accounted for 77 percent of personal current taxes in 2011 and rose in every state. In contrast, payments of federal income taxes fell in 2010 in Delaware (0.3 percent), Hawaii (7.2 percent), Nevada (1.8 percent), and New Mexico (8.6 percent), and were unchanged in Utah.

State income taxes also rose in 2011 in the 43 states that levy such taxes; the average increase was 9.1 percent (table C).¹ In 2010, state income taxes rose an average 7.3 percent in 17 states and fell an average 2.9 percent in 26 states. State income taxes remained below the levels reached in 2007 or 2008 in 36 states.

After deducting personal current taxes from personal income, the remainder is disposable personal income. Disposable personal income grew 3.9 percent in 2011, up slightly from the 3.8 percent growth in 2010. From their disposable personal income, persons pay nonmortgage interest and make transfers (such as the remittances im-

migrants make to their families in their countries of origin); the rest is available for consuming or saving.²

Some insight into the nature of disposable personal income growth can be gained by separating the contributions of inflation and population growth from the growth of real per capita disposable personal income

2. Mortgage interest and property taxes are deducted in the calculation of rental income of persons, a component of personal income. Sales taxes are included in personal consumption expenditures.

Table C. Growth of State Government Income Taxes by State

	Percent change		Dollar change (millions of dollars)	
	2010	2011	2010	2011
All states	3.4	9.1	8,069	22,238
Alabama	-5.7	10.4	-155	268
Alaska *				
Arizona	6.2	17.5	148	448
Arkansas	-3.3	9.4	-73	201
California	14.0	3.6	6,003	1,736
Colorado	0.4	10.4	18	439
Connecticut	0.7	11.7	40	712
Delaware	3.3	14.1	29	128
Florida *				
Georgia	-1.5	9.2	-111	675
Hawaii	6.4	7.1	83	97
Idaho	-5.7	12.2	-66	132
Illinois	5.8	14.9	543	1,460
Indiana	0.8	17.5	32	723
Iowa	-0.6	9.4	-16	255
Kansas	3.8	2.0	101	55
Kentucky	-0.4	9.0	-14	290
Louisiana	-24.5	10.7	-713	236
Maine	-6.1	8.3	-86	112
Maryland	-1.7	6.0	-108	381
Massachusetts	3.9	11.5	403	1,229
Michigan	0.5	21.0	29	1,153
Minnesota	-1.2	18.4	-79	1,225
Mississippi	-6.3	4.4	-91	60
Missouri	-2.7	6.5	-123	288
Montana	-4.0	11.7	-31	87
Nebraska	-2.2	17.3	-35	267
Nevada *				
New Hampshire	-12.5	10.8	-11	9
New Jersey	-1.4	5.4	-142	555
New Mexico	6.2	5.9	56	57
New York	7.9	9.8	2,634	3,514
North Carolina	-2.3	5.7	-218	525
North Dakota	-13.3	48.3	-48	152
Ohio	2.3	12.6	181	1,022
Oklahoma	-1.9	14.7	-44	335
Oregon	5.6	10.3	279	544
Pennsylvania	1.0	5.7	96	541
Rhode Island	0.7	11.2	7	107
South Carolina	-2.4	9.7	-66	265
South Dakota *				
Tennessee	-20.8	7.1	-46	12
Texas *				
Utah	-5.1	12.4	-116	268
Vermont	-1.7	16.1	-9	81
Virginia	-0.3	10.4	-30	926
Washington *				
West Virginia	-3.0	10.9	-46	163
Wisconsin	-2.1	8.2	-133	505
Wyoming *				

* Does not levy a state income tax.

1. The seven states that do not levy personal income taxes are Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming.

Annual State Personal Income

(chart 2). Inflation accelerated to 2.4 percent in 2011, up from 1.9 percent in 2010. Population growth slowed to 0.7 percent in 2011 from 0.8 percent in 2010, the slowest pace since the end of World War II. Real per capita disposable income grew 0.7 percent in 2011, down from 1.0 percent in 2010.

Population growth rates varied markedly across states. Michigan and Rhode Island lost population in 2011, while population grew 1.7 percent in Texas, more than double the national pace. In 2011, per capita disposable personal income growth ranged from 11.3 percent in South Dakota to 2.1 percent in Nevada.

Transfer receipts by major program

Personal current transfer receipts grew in 2011, but at a slower pace than in 2010 in all states except Maine, where transfer receipt growth accelerated, and in Illinois, Montana, and Wisconsin, where transfer receipts fell. Nationally, transfers grew \$35 billion in 2011, after increasing \$144 billion in 2010.

A decline in medical benefits accounted for most of the decline in total transfers in Illinois, Montana, and Wisconsin. Much of the slowdown in total transfers in the others states can be attributed to a decline in unem-

ployment insurance compensation and a decline in transfers funded by the ARRA (table D).³

Detailed farm income and expenses

Net farm income increased \$38 billion (57 percent) in 2011 to a record-high level. The \$17 billion (35 percent) increase in 2010 also brought net farm income to a record-high level (table E). Farm production increased \$61 billion, of which \$28 billion was livestock production and \$33 billion was crop production. At the same time, government payments to farmers fell nearly \$2 billion to \$10 billion, the lowest level since 1997. The corporate share of net farm income rose to 26 percent, the highest level in the series, which begins in 1969.⁴

More than half of the gain in net farm income was generated in just five states, Iowa (\$6.0 billion), California (\$5.2 billion), Nebraska (\$3.5 billion), South Dakota (\$2.9 billion), and Illinois (\$2.7 billion). Among these

3. Thirteen billion dollars of the decline in "other benefits" reflects the ending of the program that provided \$250 lump-sum payment to retirees.

4. The net income of corporate farms is deducted in the derivation of farm proprietors' income,

Chart 2. Composition of Disposable Personal Income Growth in the United States

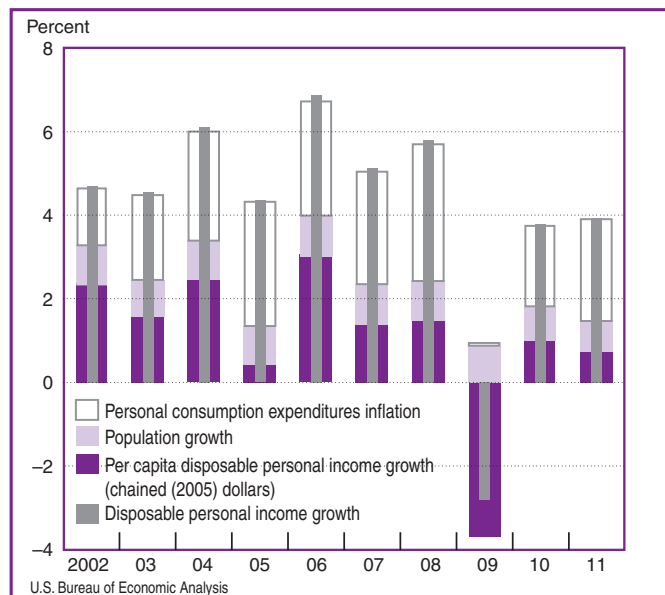


Table D. Personal Current Transfer Receipts by Major Category

	Percent change		Dollar change (millions of dollars)	
	2010	2011	2010	2011
Total	6.7	1.5	144,177	34,957
Retirement and disability insurance benefits	3.9	3.2	26,975	23,373
Medical benefits	5.5	4.2	48,954	39,082
Income maintenance benefits	19.0	4.3	42,565	11,395
Unemployment insurance compensation	5.9	-22.3	7,725	-31,158
Veterans benefits	12.5	9.2	6,456	5,337
Education and training assistance	20.2	4.7	11,457	3,230
Other benefits*	0.1	-18.2	45	-16,302

* Includes Federal Additional Compensation for unemployment, COBRA premium reduction, and economic recovery lump sum payments funded by the American Recovery and Reinvestment Act of 2009.

Table E. Components of Net Farm Income, United States

	Percent change		Dollar change (millions of dollars)	
	2010	2011	2010	2011
Farm production*	9.6	18.1	29,439	60,753
Livestock	17.5	17.4	24,076	28,186
Crops	3.2	18.7	5,363	32,566
Other income**	-19.6	49.3	-4,318	8,739
Government payments	1.8	-15.9	215	-1,970
Production expenses	2.7	9.9	7,874	29,464
Net farm income	35.1	56.6	17,461	38,058

* Cash receipts from marketings plus value of inventory change.

** Imputed and miscellaneous income plus value of inventory change of materials and supplies.

Annual State Personal Income

states, shares of income accruing to corporate farms ranged from 16 percent in South Dakota and Illinois to 35 percent in California (table F).

Table F. Net Farm Income, United States and Select States, by Legal Form of Organization

	Change from 2010 (millions of dollars)			Corporate share 2011 (percent)
	Total	Corporate farms	Farm proprietors	
United States.....	38,058	10,960	27,097	26
Iowa.....	5,999	1,383	4,616	22
California.....	5,246	2,024	3,221	35
Nebraska.....	3,451	1,057	2,394	29
South Dakota.....	2,881	473	2,408	16
Illinois.....	2,676	463	2,212	16

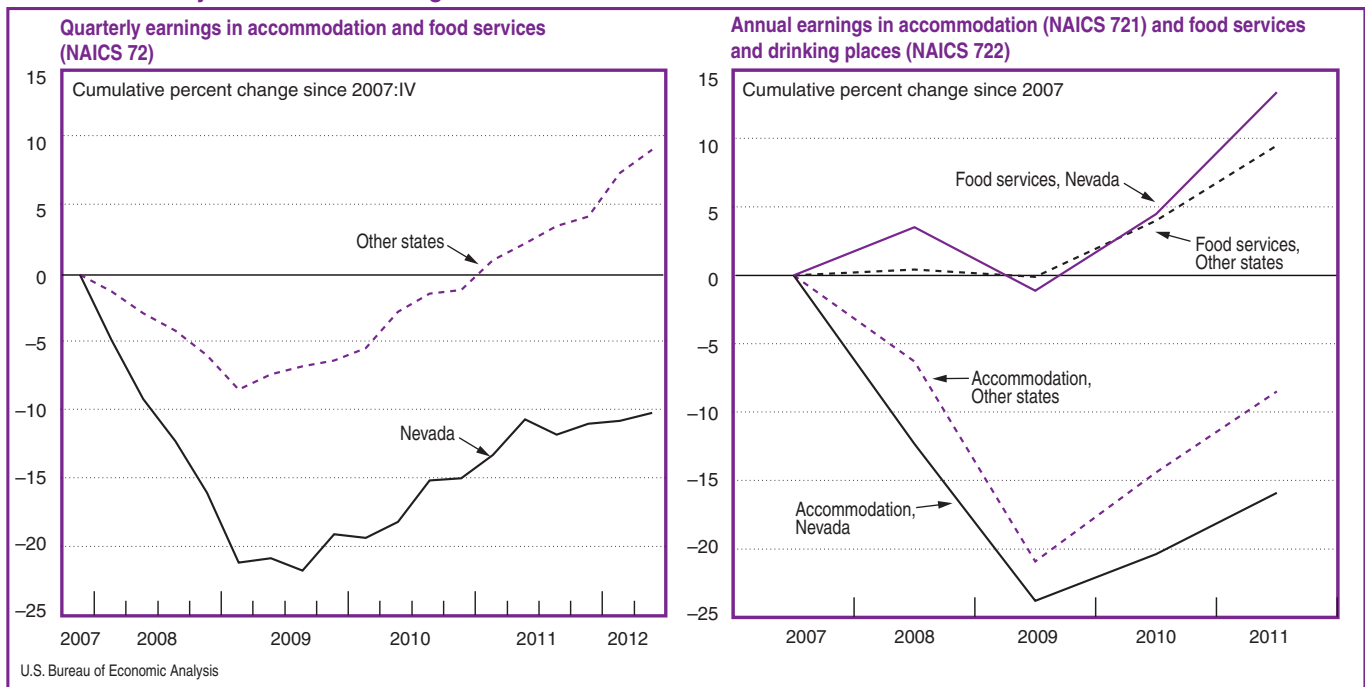
Earnings for three-digit NAICS industries

BEA publishes statistics for two-digit NAICS sectors at a quarterly frequency and for three-digit subsectors annually (tables A and G (see page 101)). The high level of aggregation in the quarterly statistics obscures important aspects of industry composition that distinguish states from each other. This is illustrated by the recent trajectory of quarterly earnings in the accommodation and food services sector (chart 3, left panel).

In Nevada, this sector (which includes casino hotels) was especially vulnerable to the recent recession; earnings fell almost 22 percent from the third quarter of 2007 (one quarter before the business cycle peak) to the third quarter of 2009 (one quarter after the trough of the business cycle). In the other states, the decline was milder and briefer; earnings fell only 8.4 percent from the fourth quarter of 2007 to the first quarter of 2009. Once the sector began recovering, however, the pace of recovery was quicker in Nevada than in the other states. From the third quarter of 2009 to the second quarter of 2011, earnings grew 14 percent in Nevada and 10 percent in the other states. For the last four quarters, however, there has been little growth (0.6 percent) in this sector in Nevada, but in the others states, earnings have grown nearly 7 percent.

The annual data reveal several things. First, the food services and drinking places subsector was much less affected by the recession than the accommodation subsector (chart 3, right panel). Earnings fell a relatively small amount in 2009 and subsequently rebounded. The rebound was much stronger in Nevada (up 13 percent since 2007) than elsewhere (up 9 percent). Second, the recession reduced earnings in the accommodation subsector in the rest of the country almost as much as in

Chart 3. Quarterly and Annual Earnings in Accommodations and Food Service in Nevada and All Other States



Annual State Personal Income

Nevada. Furthermore, 2011 earnings in the accommodation subsector remain below the 2007 level in both Nevada and the other states as a group.⁵

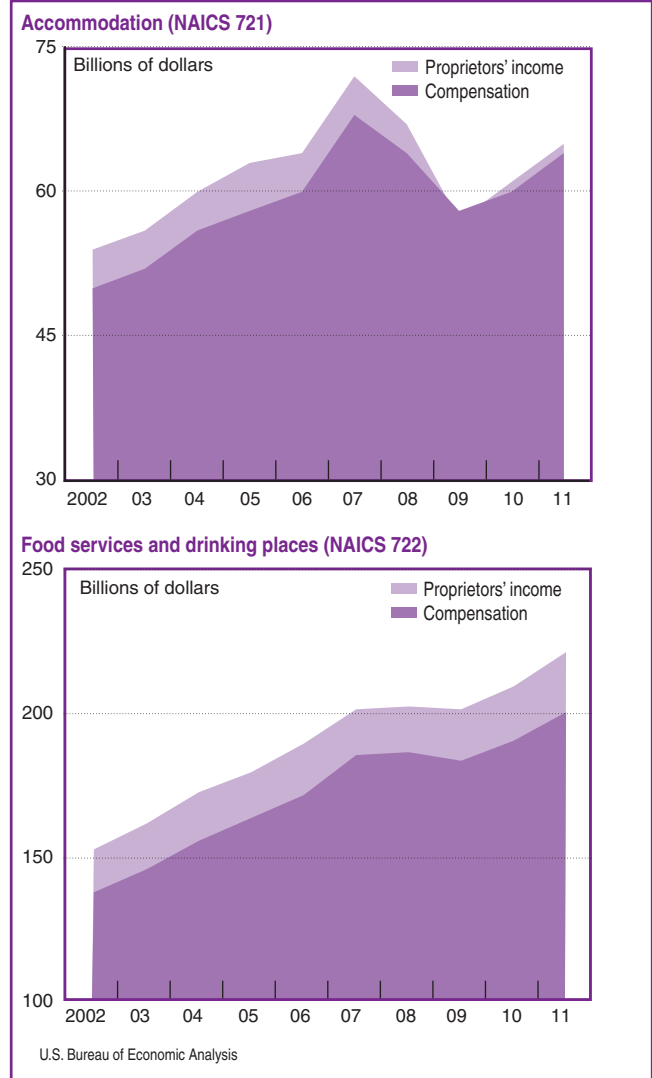
In states other than Nevada, the food services subsector is substantially larger than the accommodation subsector. Excluding Nevada, earnings in food services in 2011 were \$218 billion, nearly four times larger than earnings in accommodations (\$55 billion). In contrast, in Nevada, the accommodation subsector was more than three times larger than the food services subsector.

The recession markedly changed the composition of earnings in the accommodation industry, but it had little effect on the composition of earnings in food services. For 2001–2006, proprietors’ income averaged 7.2 percent of earnings in accommodations nationally and 9.6 percent of earnings in food services.⁶ In 2011, the share of proprietors’ income fell to 1.3 percent of earnings in accommodations, but was little changed in food services (chart 4).

5. Unlike most other states, New York’s accommodation subsector—the largest in the nation after Nevada, California, and Florida—has grown rapidly in 2010 and 2011 and is now 8 percent above its 2007 level.

6. Proprietors’ income includes the profits of unincorporated businesses (sole proprietorships and partnerships owned by persons).

Chart 4. Composition of Earnings in Accommodation and in Food Services and Drinking Places Industries



Annual State Personal Income

Table G. Growth of U.S. Earnings by Industry

	Percent change		Dollar change (millions of dollars)			Percent change		Dollar change (millions of dollars)	
	2010	2011	2010	2011		2010	2011	2010	2011
All industries	3.4	4.4	300,580	395,826	Transportation and warehousing	3.9	5.3	11,303	15,759
Farm	9.4	35.5	6,533	26,917	Air transportation	5.2	7.0	1,835	2,622
Nonfarm	3.4	4.1	294,047	368,909	Rail transportation	-0.6	10.0	-112	1,916
Private nonfarm	3.6	4.8	253,847	350,324	Water transportation	6.2	9.7	410	677
Forestry, fishing, and related activities	15.5	5.4	3,664	1,483	Truck transportation	2.6	3.8	2,388	3,628
Forestry and logging	23.7	3.3	1,224	210	Transit and ground passenger transportation	3.5	1.1	742	241
Fishing, hunting, and trapping	31.8	5.9	605	147	Pipeline transportation	25.1	19.7	3,131	3,072
Agriculture and forestry support activities	11.0	6.1	1,835	1,126	Scenic and sightseeing transportation	3.5	5.6	39	65
Mining	13.5	17.7	11,587	17,322	Support activities for transportation	4.0	4.7	1,465	1,770
Oil and gas extraction	16.7	16.0	7,588	8,495	Couriers and messengers	3.6	1.8	1,072	551
Mining (except oil and gas)	7.3	9.6	1,298	1,823	Warehousing and storage	1.0	3.7	333	1,217
Support activities for mining	11.8	27.3	2,701	7,004	Information	-0.1	4.6	-169	13,659
Utilities	3.3	4.2	2,413	3,168	Publishing industries, except Internet	-1.1	4.6	-856	3,433
Construction	-1.8	1.8	-8,933	8,720	Motion picture and sound recording industries	-3.5	4.3	-1,060	1,231
Construction of buildings	-1.7	0.4	-2,309	474	Broadcasting, except Internet	6.3	4.8	3,938	3,203
Heavy and civil engineering construction	-1.3	4.7	-899	3,131	Telecommunications	-4.0	2.7	-3,503	2,224
Specialty trade contractors	-1.9	1.8	-5,725	5,115	ISPs, search portals, and data processing	-0.3	3.3	-72	837
Manufacturing	2.4	5.3	20,603	47,892	Other information services	9.0	16.3	1,384	2,731
Durable goods manufacturing	1.9	7.2	10,695	40,447	Finance and insurance	7.8	4.4	49,411	30,210
Wood product manufacturing	-1.5	2.5	-256	430	Monetary authorities—central bank	3.0	-4.7	63	-101
Nonmetallic mineral product manufacturing	-0.9	2.6	-201	588	Credit intermediation and related activities	1.8	5.2	3,822	11,095
Primary metal manufacturing	11.5	10.9	2,897	3,063	Securities, commodity contracts, investments	20.2	3.7	39,864	8,787
Fabricated metal product manufacturing	2.6	8.0	2,060	6,537	Insurance carriers and related activities	0.3	4.2	710	8,662
Machinery manufacturing	-0.7	10.7	-563	8,433	Funds, trusts, and other financial vehicles	28.3	7.9	4,952	1,767
Computer and electronic product manufacturing	4.8	5.5	5,600	6,784	Real estate and rental and leasing	10.4	2.8	15,264	4,497
Electrical equipment and appliance manufacturing	1.8	7.1	502	2,045	Real estate	15.1	1.8	15,507	2,179
Motor vehicles, bodies and trailers, and parts manufacturing	5.2	11.0	2,434	5,486	Rental and leasing services	-0.4	5.6	-174	2,363
Other transportation equipment manufacturing	-0.5	7.6	-325	4,862	Lessors of nonfinancial intangible assets	-2.7	-1.8	-69	-45
Furniture and related product manufacturing	-4.5	2.4	-834	426	Professional, scientific, and technical services	3.2	5.7	27,620	50,108
Miscellaneous manufacturing	-1.3	3.7	-619	1,793	Management of companies and enterprises	3.7	7.7	7,784	16,655
Nonurable goods manufacturing	3.0	2.2	9,908	7,445	Administrative and waste management services	4.9	6.7	16,299	23,199
Food manufacturing	1.8	1.6	1,384	1,215	Administrative and support services	5.0	7.0	15,360	22,467
Beverage and tobacco product manufacturing	2.4	2.2	391	361	Waste management and remediation services	3.9	2.9	939	732
Textile mills	3.2	1.5	183	91	Educational services	2.0	5.5	2,852	8,173
Textile product mills	0.6	1.3	30	73	Health care and social assistance	4.5	3.0	43,251	30,204
Apparel manufacturing	1.4	-1.9	105	-147	Ambulatory health care services	6.4	3.3	29,861	16,384
Leather and allied product manufacturing	-0.6	4.2	-8	60	Hospitals	2.0	3.2	6,231	10,313
Paper manufacturing	-6.6	1.4	-2,230	435	Nursing and residential care facilities	3.1	3.2	3,308	3,595
Printing and related support activities	-2.2	0.1	-621	20	Social assistance	4.5	-0.1	3,851	-88
Petroleum and coal products manufacturing	28.2	6.4	5,756	1,671	Arts, entertainment, and recreation	4.0	3.8	3,851	3,775
Chemical manufacturing	3.1	2.3	2,915	2,270	Performing arts and spectator sports	4.8	2.2	2,702	1,265
Plastics and rubber products manufacturing	5.6	3.7	2,003	1,396	Museums, historical sites, zoos, and parks	-0.2	4.8	-11	233
Wholesale trade	2.3	5.7	10,392	26,005	Amusement, gambling, and recreation	3.2	6.1	1,160	2,277
Retail trade	2.3	4.1	12,579	22,457	Accommodation and food services	4.9	5.6	12,680	15,225
Motor vehicle and parts dealers	7.6	6.3	6,812	6,088	Accommodation	7.8	6.6	4,411	4,051
Furniture and home furnishings stores	0.5	3.3	94	614	Food services and drinking places	4.1	5.3	8,269	11,174
Electronics and appliance stores	6.8	7.2	1,634	1,856	Other services, except public administration	3.5	3.5	11,396	11,813
Building material and garden supply stores	-0.1	1.5	-45	680	Repair and maintenance	4.9	4.3	4,318	3,918
Food and beverage stores	1.9	1.8	1,631	1,604	Personal and laundry services	6.4	4.4	5,789	4,195
Health and personal care stores	2.9	2.1	1,250	956	Membership associations and organizations	2.7	2.0	3,390	2,567
Gasoline stations	4.1	3.8	1,164	1,132	Private households	-12.0	7.4	-2,101	1,133
Clothing and clothing accessories stores	3.3	2.4	1,173	879	Government and government enterprises	2.5	1.1	40,200	18,585
Sporting goods, hobby, book and music stores	-1.1	1.1	-191	186	Federal, civilian	7.1	1.9	21,336	6,049
General merchandise stores	-2.6	5.1	-2,212	4,177	Military	3.7	2.3	6,407	4,065
Miscellaneous store retailers	1.0	4.9	320	1,595	State and local	1.1	0.7	12,457	8,471
Nonstore retailers	3.0	8.2	949	2,690	State	1.2	1.8	3,669	5,709
					Local	1.1	0.3	8,788	2,762

Revisions to Annual State Personal Income

BEA has revised its quarterly and annual state personal income statistics, beginning with the first quarter of 2009. Each September, BEA typically revises the preliminary estimates released in March in order to incorporate the results of the annual revision of the national income and product accounts (NIPAs) and to incorporate state source data that are more complete and more detailed than those previously available (see table H on page 103).¹

The NIPA estimate of U.S. personal income for 2011, which controls the state estimates, was revised down 0.3 percent (\$44 billion). Personal dividend income was revised the most (it was revised down \$116 billion) and more than accounted for the total revision to personal income. Proprietors' income was revised up \$48 billion.

The unweighted average revision to 2011 personal income in the 50 states and the District of Columbia was less than one-tenth percent (table I). Upward revisions in some states were exactly offset by downward revisions to other states and the District of Columbia. The average absolute revision was 1.0 percent, and the dispersion of the revisions (or standard deviation) was 1.5 percent.

The largest upward revisions in 2011 were for South Dakota (6.3 percent) and North Dakota (3.3 percent). Most of the revisions (5.4 percentage points in the case of South Dakota and 3.1 percentage points in the case of North Dakota) were accounted for by a revision to farm proprietors' income due to the incorporation of new gross income and expense data from the U.S. Department of Agriculture. The largest downward revision in 2011 was for Nevada (3.2 percent). Most of this revision (2.6 percentage points) arose from the introduction of new source data from the Internal Revenue Service for dividends, interest, and rent reported on 2010 income tax returns.

Table I. Revisions to Personal Income by State and District of Columbia, 2009–2011

[Percent]

	2009	2010	2011
United States	-0.5	-0.4	-0.2
Alabama	-0.8	0.6	0.7
Alaska	-1.3	-1.1	0.3
Arizona	-1.2	-2.2	-2.3
Arkansas	-1.2	-1.3	-0.8
California	-0.6	-1.5	-1.9
Colorado	-0.6	-0.4	-0.1
Connecticut	-0.2	2.2	1.8
Delaware	-0.7	-1.7	-0.4
District of Columbia	-0.4	0.7	0.9
Florida	-1.4	0.4	0.2
Georgia	-0.5	-0.6	-0.3
Hawaii	-0.8	-1.4	-0.3
Idaho	-0.6	-1.1	-1.3
Illinois	-0.4	(L)	-0.9
Indiana	-0.5	0.1	0.4
Iowa	-0.3	0.4	1.7
Kansas	-0.8	-1.1	1.0
Kentucky	-0.5	0.6	1.0
Louisiana	-0.3	0.2	-0.1
Maine	-0.3	-0.4	0.9
Maryland	-0.4	-0.8	-0.7
Massachusetts	-0.4	-0.3	-0.3
Michigan	-0.9	-1.1	-0.7
Minnesota	-0.6	-0.6	-0.3
Mississippi	-0.1	-0.7	-0.5
Missouri	-0.7	-1.1	-0.7
Montana	-1.1	-1.9	-1.5
Nebraska	-0.6	-0.2	2.1
Nevada	-1.7	-3.1	-3.2
New Hampshire	-0.3	0.6	0.2
New Jersey	-0.7	-1.4	-1.4
New Mexico	-0.6	-1.2	-1.3
New York	-0.2	1.1	1.2
North Carolina	-0.4	-1.2	-0.4
North Dakota	-1.0	-1.0	3.3
Ohio	-0.4	-0.6	0.1
Oklahoma	0.2	0.4	1.1
Oregon	-0.9	-1.1	-1.0
Pennsylvania	-0.6	-0.4	-0.4
Rhode Island	-0.3	(L)	-0.3
South Carolina	-0.6	-0.8	-0.8
South Dakota	-0.4	0.1	6.3
Tennessee	-0.2	0.5	0.1
Texas	0.3	1.3	1.4
Utah	-0.4	-1.2	-0.8
Vermont	-0.9	-1.0	-0.6
Virginia	-0.6	-0.3	0.4
Washington	-0.8	-1.3	-0.9
West Virginia	-0.5	-0.7	-0.3
Wisconsin	-0.3	-0.6	-1.2
Wyoming	-1.7	0.9	1.3
Average revision	-0.6	-0.5	(L)
Average absolute revision	0.6	0.9	1.0
Standard deviation of revision	0.4	1.0	1.5

NOTE: The annual revisions are computed from the March 2012 release.
(L) Less than 0.05 percent

1. See Eugene P. Seskin and Alyssa E. Holden, "Annual Revision of the National Income and Product Accounts," SURVEY OF CURRENT BUSINESS 92 (August 2012): 6–31.

Revisions to Annual State Personal Income

Table H. Regional Source Data Used to Estimate State Personal Income and Personal Current Taxes

Annual estimates	
Wage and salary disbursements by industry	
In general	QCEW wage data; MEPS employee contributions for health insurance data (certain states only).
Farm	USDA farm labor expense data.
Agriculture and forestry support activities	USDA farm labor expense data.
Rail transportation	RRB state payroll and employment data; Journey to work data from the Census of Population.
Educational services	CBP payroll data; Official Catholic Directory data.
Membership associations and organizations	CBP payroll data.
Private households	Journey to work data from the Census of Population; Census Bureau population data.
Military	DOD personnel data; Coast Guard personnel and payroll data.
State and local government	Census Bureau Annual Survey of Public Employment and Payroll data; CES employment data.
Employer contributions for employee pension and insurance funds by industry	
Rail transportation	FRA casualties data.
State and local government	Census Bureau Annual Survey of Public–Employee Retirement Systems data.
All other industries	NAIC earned premium data and NASI employers' cost of self insurance data
Employer contributions for government social insurance by industry	
All industries	Census Bureau State Government Finances data; QCEW data on contributions to unemployment insurance funds; OES data on employee wage distributions; CPS industry data on hours worked.
Proprietors' income	
Farm	USDA gross income and expense data.
All nonfarm industries	IRS data on net receipts and profits of proprietorships and partnerships.
Residence adjustment	Journey to work data from the Census of Population; Census Bureau population data; IRS wage data.
Dividends, interest, and rent	USDA gross rental value of farm dwellings data; IRS income tax data on dividends, taxable interest, S Corporation distributions, and gross rents and royalties; ACS data on the aggregate value of dwellings and mobile homes; CFFR pension benefits data; SSA Social Security benefits data, Census Bureau civilian population data.
Personal current transfer receipts	SSA data on Social Security benefits and Supplemental Security Income benefits; Census Bureau state and local government finance data on disability benefits, income maintenance benefits, and education benefits; CMS and DOD medical benefits data; DVA veterans benefits data; USDA SNAP data; USDA WIC data; IRS Refundable Earned Income Tax Credits data; PBGC benefits data; DOL unemployment benefits data; DOE Pell Grants data; ACF TANF foster care and adoption assistance data.
Employee and self-employed contributions for government social insurance	Data for California state temporary disability insurance; SSA data on OASDHI contributions from self–employed workers; Census Bureau data on state temporary disability insurance; CMS supplemental medical insurance enrollment data; data on personal contributions for state unemployment insurance; DVA data on veterans' insurance premiums.
Personal current taxes	IRS income tax data; Census Bureau data on quarterly tax collections and state tax collections; Census Bureau state and local government finance data.
Quarterly estimates	
Wage and salary disbursements by industry	
In general	QCEW wage data; CES employment data.
Transportation and warehousing	DOT payroll data.
Military	DOD personnel data; Coast Guard payroll data.
Proprietors' income	
Farm	USDA farm cash receipts data.
State unemployment insurance benefits	DOL unemployment benefits data.
<p>ACF TANF Administration for Children and Families, Temporary Assistance to Needy Families ACS American Community Survey, Census Bureau 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 DOT Department of Transportation DVA Department of Veterans Affairs FRA Federal Railroad Administration</p>	<p>IRS Internal Revenue Service MEPS Medical Expenditure Panel Survey, Agency for Healthcare Research and Quality 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 SNAP Supplemental Nutritional Assistance Program, U.S. Department of Agriculture SSA Social Security Administration USDA U.S. Department of Agriculture WIC Special Supplemental Nutrition for Women, Infants, and Children, U.S. Department of Agriculture</p>

Personal Income in the NIPAs and State Personal Income

The level of personal income in the NIPAs differs from the national total in the state personal income statistics because of differences in coverage and 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:

- 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 or 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 avail-

ability of source data. For example, farm proprietors' income in the NIPAs for 2011 was \$23.3 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. NIPA personal income also includes the income of foreign nationals working at international organizations in the United States.³ In addition, both measures exclude the income of private U.S. citizens living outside the country for a year or more.

3. For more information on the treatment of border workers in the residence adjustment, see [State Personal Income and Employment](#).

Table J. State and National Estimates of Personal Income

[Billions of dollars]

	2009	2010	2011
Personal income in the NIPAs	11,867.0	12,321.9	12,947.3
Plus adjustments for:			
Coverage differences	-20.0	-21.9	-23.3
Federal workers abroad.....	-24.9	-26.8	-28.5
Wage and salary disbursements.....	-16.1	-17.0	-17.4
Supplements to wages and salaries ¹	-9.7	-10.6	-11.3
Dividends, interest, and rent ²	-0.7	-0.9	-1.3
Less: Contributions for government social insurance.....	-1.6	-1.7	-1.5
Rest-of-the-world difference.....	4.9	4.9	5.2
Wages of private foreign nationals in U.S.	5.9	6.0	6.3
Wages of private U.S. residents abroad.....	-1.0	-1.1	-1.1
Use of more current source data	2.8	6.3	23.2
Wage and salary disbursements.....	-0.1	-0.1	-0.1
Proprietors' income.....	2.9	6.4	23.3
Personal current transfer receipts.....	<0.1	<0.1	<0.1
Statistical discrepancy ³	2.9	2.2	2.7
Equals: State personal income	11,852.7	12,308.5	12,949.9

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.

3. Includes revisions made in the NIPAs that are not yet reflected in state personal income concerning wages of border workers and foreign nationals working for international organizations.

1. See *State Personal Income and Employment* at www.bea.gov/regional/methods.cfm.

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.

Jeffrey L. Newman

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/iTable/index_regional.cfm:

- Personal income, per capita personal income, and population for 1929–2011
- Disposable personal income and per capita disposable personal income for 1948–2011
- State income and employment summary, 1929–2011
- Personal income by major source and earnings by industry (North American Industry Classification System (NAICS) three digit) for 1990–2011, (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 1990–2011 and (SIC two digit) for 1958–2000, and (SIC division level) for 2001
- Wage and salary disbursements by industry (NAICS three digit) for 1990–2011, (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 1990–2011, (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 1990–2011, (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 1958–2011
- Personal current transfer receipts by major program for 1948–2011
- State property income for 1958–2011
- Farm income and expenses (including the major categories of gross receipts and expenses for all farms and for measures of farm income) for 1969–2011
- Personal current tax receipts by level of government and by type for 1948–2011

● 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/iTable/index_regional.cfm:

- Personal income for the first quarter of 1948 to the second quarter of 2012
- Quarterly income summary for the first quarter of 1948 to the second quarter of 2012
- Personal income by major source and earnings by major industry (NAICS two digit) for the first quarter of 1990 to the second quarter of 2012
- Personal income by major source and earnings by major industry (SIC division level) for the first quarter of 1948 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 2012
- Compensation of employees by industry (SIC division level) for the first quarter of 1958 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 2012
- Wage and salary disbursements by major industry (SIC division level) for the first quarter of 1948 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.

For more information about the statistics, contact the Regional Income Division at 202–606–5360, fax 202–606–5322, or e-mail reis@bea.gov.

Acknowledgments

The annual revision of state personal income was prepared by the Regional Income Division under the direction of Sharon C. Carnevale, Mauricio Ortiz, John A. Rusinko, and James M. Zavrel. Joel D. Platt, Associate Director for Regional Economics, provided general guidance. The preparation of the revised estimates was a division-wide effort.

The estimates of nonfarm wages and salaries and supplements to wages and salaries were prepared by the Compensation Branch under the supervision of John A. Rusinko, Chief. Major responsibilities were assigned to Peter Battikha, Michael L. Berry, Elizabeth P. Cologer, John D. Laffman, and Nathan D. Patterson. Contributing staff members were Susan P. Den Herder, Terence J. Fallon, Michael W. Jadoo, Russell C. Lusher, Paul K. Medzerian, Nathaniel R. Milhous, Michael A. Reid, and Ross A. Stepp.

The quarterly estimates of state personal income and the annual estimates of nonfarm proprietors' income, property income, personal current transfer receipts, contributions for government social insurance, the adjustment for residence, and personal current tax receipts were prepared by the Regional Income Branch under the

supervision of Mauricio Ortiz, Chief. Major responsibilities were assigned to Brian J. Maisano, Lisa C. Ninomiya, James P. Stehle, and Matthew A. von Kerczek. Contributing staff members were Nacola A. Alexander, Suet M. Boudhraa, Andy K. Kim, Enrique B. Lopez, Toan A. Ly, W. Timothy McKeel, Linda M. Morey, Anand N. Seeram, Joseph L. Stauffer, and Troy P. Watson.

The estimates of farm wages and salaries, farm supplements to wages and salaries, and farm proprietors' income were prepared by the Farm Income and Employment Section under the supervision of James M. Zavrel, Assistant to the Division Chief. Major responsibilities were assigned to Carrie L. Litkowski. Contributing staff members were Daniel R. Corrin and Michelle A. Harder.

The public use tabulations and data files were assembled and the tables were prepared by the Data and Administrative Systems Group. Major responsibilities were assigned to Jeffrey L. Newman, Michael J. Paris, and Callan S. Swenson. Contributing staff members were Brooke N. Huotari, Monique B. Tyes, Melanie N. Vejdani, and Jonas D. Wilson.

Tables 1 through 5 follow.