



REGIONAL QUARTERLY REPORT

State Personal Income and More...

In this report...

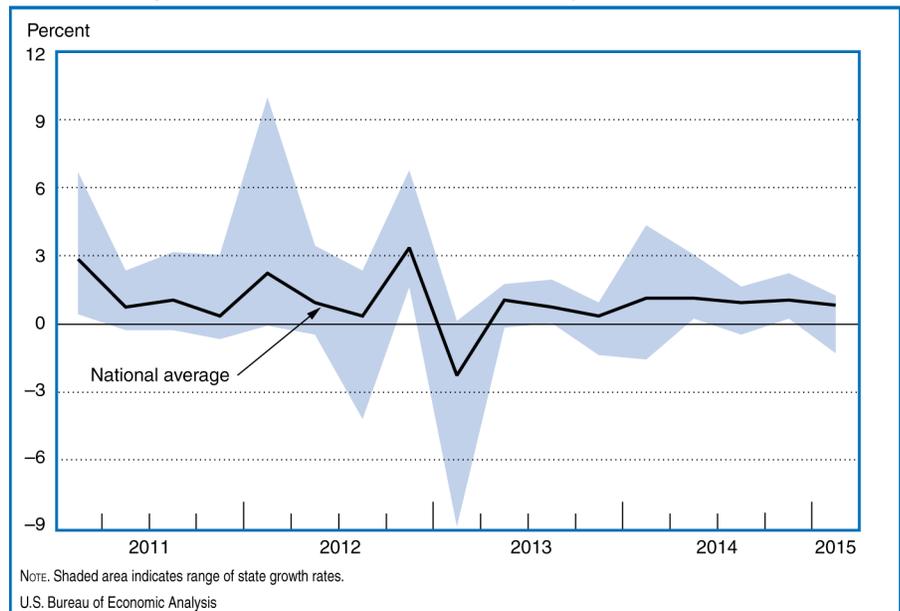
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For information about [BEA regional statistics](#), go to the Web site.

First quarter of 2015
 Personal income growth slowed in 25 states, including Florida, New York, and Texas in the first quarter of 2015 (table A). Growth accelerated in 15 states, the largest of which was California. And personal income fell in four states, with the largest decline in Iowa (1.2 percent). On average, personal income grew 0.9 percent in the first quarter, down from 1.1 percent growth in the fourth quarter of 2014 (chart 1).¹ The national price index for personal consumption expenditures fell 0.5 percent in the first quarter after falling 0.1 percent in the fourth quarter.

1. State personal income, which is measured in current dollars, is the sum of net earnings by place of residence, property income, and personal current transfer receipts. Quarterly estimates in dollars are expressed at seasonally adjusted annual rates; quarter-to-quarter percent changes are not annualized.

Chart 1. Range of State Personal Income Quarterly Growth Rates



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

Quarterly State Personal Income

Net earnings

In the states where first-quarter personal income growth slowed, net earnings accounted for most of the slowdown.² In New Mexico, for example, net earnings fell 0.3 percent in the first quarter after growing 2.3 percent in

the fourth quarter; personal income rose 0.4 percent after rising 1.7 percent. In New Hampshire, net earnings grew 0.7 percent after growing 3.1 percent; personal income rose 0.8 percent after rising 2.3 percent. And in Vermont, net earnings grew 0.1 percent after growing 2.1 percent; personal income rose 0.6 percent after rising 1.4 percent (table A).

2. Net earnings includes an adjustment for residence and excludes contributions for government social insurance.

Table A. Percent Change in Personal Income by Component by State

	Personal income	Net earnings	Dividends, interest, and rent	Personal current transfer receipts	Personal income	Net earnings	Dividends, interest, and rent	Personal current transfer receipts
	2014:IV				2015:I			
United States	1.1	1.4	0.6	0.7	0.9	0.8	0.5	2.1
Alabama.....	1.0	1.2	0.6	0.6	1.0	1.0	0.6	1.4
Alaska.....	1.4	1.6	0.6	1.2	1.0	1.0	0.6	1.8
Arizona.....	0.9	1.0	0.4	1.3	1.0	1.1	0.1	1.8
Arkansas.....	1.9	2.5	0.8	1.3	1.0	0.7	0.9	1.9
California.....	0.9	0.9	0.6	0.8	1.1	1.0	0.4	2.6
Colorado.....	1.8	2.3	0.7	1.3	0.9	0.7	0.7	2.5
Connecticut.....	1.0	1.3	0.5	0.2	1.0	1.0	0.3	1.9
Delaware.....	0.4	0.5	0.5	-0.1	1.1	1.0	0.3	2.2
District of Columbia.....	0.7	1.2	0.5	-1.7	1.0	1.0	0.3	2.1
Florida.....	1.4	1.9	0.6	0.8	1.3	1.2	0.6	2.1
Georgia.....	1.2	1.5	0.7	0.7	1.1	1.1	0.7	1.8
Hawaii.....	0.7	0.9	0.6	0.3	1.1	1.3	0.4	1.3
Idaho.....	1.9	2.8	0.7	0.4	-0.1	-1.3	0.7	2.8
Illinois.....	0.8	1.0	0.5	(L)	0.7	0.7	0.3	1.2
Indiana.....	1.6	1.8	0.6	1.5	1.0	0.5	0.5	2.9
Iowa.....	0.9	0.9	0.7	0.9	-1.2	-2.4	0.7	1.4
Kansas.....	0.6	0.7	0.6	0.3	0.3	-0.2	0.6	2.0
Kentucky.....	1.4	1.5	0.6	1.7	1.2	0.8	0.6	2.5
Louisiana.....	0.5	0.6	0.6	0.1	0.8	0.4	0.5	2.2
Maine.....	1.7	2.6	0.6	0.3	1.1	0.9	0.5	2.2
Maryland.....	0.8	1.0	0.6	0.2	1.0	0.9	0.4	2.4
Massachusetts.....	1.7	2.4	0.6	-0.4	0.8	0.8	0.4	1.3
Michigan.....	1.0	1.3	0.6	0.6	1.1	1.0	0.5	2.1
Minnesota.....	0.6	0.4	0.8	1.2	0.7	0.4	0.8	1.4
Mississippi.....	0.9	1.1	0.5	0.5	0.9	0.7	0.5	1.6
Missouri.....	0.9	1.2	0.6	0.2	1.0	0.8	0.6	2.3
Montana.....	0.7	0.7	0.7	0.5	1.2	0.9	0.8	2.6
Nebraska.....	1.6	2.1	0.7	0.4	-0.8	-1.7	0.6	1.7
Nevada.....	1.6	2.0	0.5	1.2	1.0	0.9	0.4	2.3
New Hampshire.....	2.3	3.1	0.5	1.0	0.8	0.7	0.4	2.1
New Jersey.....	1.1	1.4	0.5	0.4	1.1	1.1	0.3	2.0
New Mexico.....	1.7	2.3	0.7	1.2	0.4	-0.3	0.7	1.8
New York.....	1.4	1.9	0.6	0.6	1.1	1.0	0.5	2.0
North Carolina.....	1.1	1.3	0.6	0.7	1.0	0.7	0.5	2.2
North Dakota.....	1.5	1.8	0.9	0.6	0.4	(L)	0.8	2.0
Ohio.....	1.1	1.4	0.6	0.4	1.1	1.0	0.4	1.9
Oklahoma.....	0.3	0.2	0.7	0.6	0.4	(L)	0.7	1.7
Oregon.....	1.2	1.5	0.6	0.9	1.2	1.3	0.5	1.5
Pennsylvania.....	0.9	1.2	0.6	0.3	1.1	0.7	0.5	3.0
Rhode Island.....	1.7	2.5	0.5	0.5	0.7	0.6	0.3	1.2
South Carolina.....	1.1	1.4	0.7	0.7	1.2	1.1	0.6	1.7
South Dakota.....	0.5	0.5	0.7	0.5	-0.8	-1.9	0.8	1.4
Tennessee.....	1.2	1.5	0.6	0.5	0.9	0.7	0.6	1.6
Texas.....	1.2	1.3	0.5	1.2	0.7	0.6	0.5	1.8
Utah.....	1.8	2.4	0.7	0.5	1.2	1.2	0.5	2.3
Vermont.....	1.4	2.1	0.6	0.3	0.6	0.1	0.5	2.3
Virginia.....	0.9	1.1	0.6	0.2	1.0	0.8	0.5	2.3
Washington.....	2.0	2.5	0.6	2.0	0.8	0.6	0.4	1.9
West Virginia.....	0.7	0.5	0.7	1.0	0.8	0.3	0.6	2.1
Wisconsin.....	1.3	1.7	0.6	0.6	0.6	0.1	0.6	2.1
Wyoming.....	0.7	0.7	0.8	0.4	0.4	-0.3	0.9	2.1

(L) Less than 0.05 percent

Quarterly State Personal Income

In the four states where first-quarter personal income fell—Idaho, Iowa, Nebraska, and South Dakota—all of the decline was in net earnings (table B).

Earnings

Overall, earnings increased 0.8 percent in the first quarter of 2015, compared with 1.4 percent growth in the fourth quarter of 2014 (table C). The slower pace was entirely in the private sector. In contrast, government earnings growth accelerated to 0.5 percent from 0.3 percent in the fourth quarter.

In the private sector, earnings declined in two industries, farm and mining.

Farm earnings fell 22.4 percent in the first quarter, with declines in all but nine states. Most of the earnings decline was due to lower livestock output. In four farm belt states, Iowa, Kansas, Nebraska, and South Dakota the fall in farm earnings entirely offset the earnings growth in their nonfarm sectors.

Earnings in mining (which includes oil and gas extraction) fell 3.5 percent in the first quarter, the first decline since the third quarter of 2009. Mining earnings fell

Table B. Change in Personal Income by Component by State

	Percent change		Millions of dollars							
			Personal income	Net earnings	Dividends, interest, and rent	Personal current transfer receipts	Personal income	Net earnings	Dividends, interest, and rent	Personal current transfer receipts
	2014:IV	2015:I	2014:IV				2015:I			
United States.....	1.1	0.9	167,728	133,850	16,562	17,316	139,507	72,875	13,832	52,800
Alabama.....	1.0	1.0	1,762	1,327	191	244	1,844	1,086	174	584
Alaska.....	1.4	1.0	529	410	44	75	411	250	44	117
Arizona.....	0.9	1.0	2,390	1,514	194	683	2,700	1,688	64	948
Arkansas.....	1.9	1.0	2,090	1,572	181	338	1,117	417	202	499
California.....	0.9	1.1	16,709	12,051	2,333	2,324	21,853	12,659	1,509	7,685
Colorado.....	1.8	0.9	4,787	3,983	378	426	2,479	1,251	377	851
Connecticut.....	1.0	1.0	2,245	1,934	253	58	2,242	1,500	164	578
Delaware.....	0.4	1.1	163	131	41	-8	472	263	23	186
District of Columbia.....	0.7	1.0	363	424	46	-106	502	345	28	129
Florida.....	1.4	1.3	11,596	8,835	1,370	1,390	10,817	5,747	1,455	3,615
Georgia.....	1.2	1.1	4,949	4,003	453	493	4,571	2,819	457	1,294
Hawaii.....	0.7	1.1	474	359	81	34	727	537	56	134
Idaho.....	1.9	-0.1	1,186	1,045	92	48	-83	-501	94	323
Illinois.....	0.8	0.7	4,843	4,230	583	30	4,346	2,817	371	1,159
Indiana.....	1.6	1.0	4,101	3,094	236	771	2,639	914	187	1,538
Iowa.....	0.9	-1.2	1,224	822	188	213	-1,700	-2,114	188	327
Kansas.....	0.6	0.3	853	625	163	65	383	-193	157	420
Kentucky.....	1.4	1.2	2,343	1,497	168	677	2,035	847	157	1,032
Louisiana.....	0.5	0.8	1,025	794	197	34	1,546	543	181	822
Maine.....	1.7	1.1	978	885	59	34	635	305	47	283
Maryland.....	0.8	1.0	2,673	2,240	354	80	3,397	2,037	267	1,093
Massachusetts.....	1.7	0.8	6,631	6,462	435	-266	3,213	2,146	319	748
Michigan.....	1.0	1.1	4,216	3,298	384	534	4,638	2,491	309	1,837
Minnesota.....	0.6	0.7	1,677	775	372	531	1,785	751	408	626
Mississippi.....	0.9	0.9	914	693	82	139	914	423	72	420
Missouri.....	0.9	1.0	2,299	1,897	298	104	2,645	1,212	297	1,136
Montana.....	0.7	1.2	288	174	72	42	491	216	74	201
Nebraska.....	1.6	-0.8	1,388	1,227	115	46	-689	-1,025	111	225
Nevada.....	1.6	1.0	1,795	1,442	128	225	1,205	671	107	427
New Hampshire.....	2.3	0.8	1,635	1,458	73	104	599	324	55	220
New Jersey.....	1.1	1.1	5,441	4,619	505	316	5,569	3,750	301	1,518
New Mexico.....	1.7	0.4	1,371	1,053	102	216	285	-153	102	336
New York.....	1.4	1.1	16,050	13,710	1,256	1,084	12,543	7,513	1,102	3,928
North Carolina.....	1.1	1.0	4,235	3,308	409	518	3,837	1,795	332	1,710
North Dakota.....	1.5	0.4	614	515	68	31	165	-1	65	101
Ohio.....	1.1	1.1	5,290	4,457	455	379	5,485	3,285	318	1,882
Oklahoma.....	0.3	0.4	573	188	199	185	693	-53	214	533
Oregon.....	1.2	1.2	2,018	1,506	198	313	2,021	1,359	166	496
Pennsylvania.....	0.9	1.1	5,787	4,816	647	323	6,980	2,942	503	3,535
Rhode Island.....	1.7	0.7	884	785	45	54	347	194	26	127
South Carolina.....	1.1	1.2	1,999	1,525	198	277	2,091	1,216	185	690
South Dakota.....	0.5	-0.8	206	113	61	31	-336	-491	70	85
Tennessee.....	1.2	0.9	3,150	2,619	243	288	2,354	1,222	212	919
Texas.....	1.2	0.7	14,610	11,418	1,080	2,112	9,177	4,970	1,006	3,200
Utah.....	1.8	1.2	2,037	1,824	131	81	1,398	941	108	349
Vermont.....	1.4	0.6	433	380	34	19	181	10	27	144
Virginia.....	0.9	1.0	3,649	3,023	511	115	4,005	2,283	435	1,286
Washington.....	2.0	0.8	7,101	5,551	415	1,135	2,823	1,437	305	1,080
West Virginia.....	0.7	0.8	453	203	65	185	574	129	56	389
Wisconsin.....	1.3	0.6	3,475	2,894	302	278	1,463	251	263	949
Wyoming.....	0.7	0.4	230	143	71	16	115	-51	82	84

NOTE. Net earnings is earnings by place of work less contributions for government social insurance plus the adjustment for residence.

Quarterly State Personal Income

4.5 percent in Wyoming, 4.4 percent in Louisiana, 4.1 percent in North Dakota, 3.9 percent in Oklahoma, and 3.1 percent in Texas.

Earnings grew in all other private sector industries in the first quarter of 2015. Earnings growth accelerated in five industries, including professional services and health care, and slowed in 13 industries, including durable-goods manufacturing, transportation, finance, and administrative services.

- Earnings growth in durable-goods manufacturing slowed to 0.7 percent in the first quarter from 1.9 percent in the fourth quarter. Among the larger manufacturing states, durable-goods manufacturing earnings declined 2.9 percent in Washington and 0.2 percent in Texas.
- Earnings growth in transportation slowed to 0.6 percent in the first quarter from 2.2 percent in the fourth quarter. In Georgia, where the industry consists primarily of air and truck transportation, transportation earnings declined 2.1 percent.
- Earnings growth in finance slowed to 0.9 percent in the first quarter from 2.2 percent in the fourth quarter. Finance earnings declined 2.3 percent in Massachusetts and 0.1 percent in North Carolina.
- Earnings growth in administrative services slowed to 0.1 percent in the first quarter from 2.0 percent in the fourth quarter. Administrative services earnings declined 0.8 percent in Georgia, 0.7 percent in New Jersey, 0.3 percent in Ohio, and 0.2 percent in Texas.

In California, Delaware, Minnesota, and six other states, nonfarm earnings growth accelerated in the first quarter.

- California's nonfarm earnings increased 1.2 percent in the first quarter up from 1.0 percent in the fourth quarter. Most of the acceleration was in the information industry, which grew 1.7 percent.
- Delaware's nonfarm earnings increased 1.1 percent in the first quarter, up from 0.3 percent in the fourth quarter. Most of the acceleration was in the finance and management of companies industries, which grew 1.5 percent and 1.8 percent, respectively.
- Minnesota's nonfarm earnings increased 1.2 percent in the first quarter, up from 0.5 percent in the fourth quarter. Most of the acceleration was in health care, which grew 1.6 percent.

Dividends, interest, and rent

Property income, which consists of income receipts on assets (interest and dividends) and the rental income of persons, grew 0.5 percent in the first quarter, compared

with 0.6 percent growth in the fourth quarter (table A). Income receipts on assets—highly concentrated in wealthy households and to a lesser extent disproportionately concentrated in certain states such as Wyoming and Florida—consists of income that arises from current production and from the borrowings of the household and government sectors unrelated to current production. Dividends, interest, and rent grew in every state, with the largest increases in Wyoming and Arkansas (both of which grew 0.9 percent) and the smallest increase in Arizona (0.1 percent).

Personal current transfer receipts

Personal current transfer receipts increased 2.1 percent in the first quarter of 2015, the fastest pace in 5 years (table A). Social security benefits, which also increased 2.1 percent, were boosted by a 1.7 percent cost-of-living adjustment.

Only in the state of Washington did the growth of transfer receipts slow in the first quarter—to 1.9 percent from 2.0 percent in the fourth quarter. The fastest transfer receipt growth was in Pennsylvania (3.0 percent) and Indiana (2.9 percent). Both states expanded Medicaid coverage under the Affordable Care Act. Medicaid benefits increased 8.2 percent in Pennsylvania and 7.8 percent in Indiana.

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

	Percent change		Dollar change (millions of dollars)		Size (millions of dollars)	
	2014:IV	2015:I	2014:IV	2015:I	2014:IV	2015:I
All industries	1.4	0.8	149,231	86,969	10,777,344	10,864,313
Private sector	1.6	0.9	144,832	78,174	9,018,730	9,096,905
Farm	-1.8	-22.4	-1,772	-21,818	97,327	75,510
Nonfarm	1.7	1.1	146,604	99,992	8,921,403	9,021,395
Forestry, fishing, and related activities	2.0	1.4	731	527	37,340	37,867
Mining	0.6	-3.5	1,057	-6,342	182,517	176,176
Utilities	2.1	2.6	1,756	2,262	85,449	87,711
Construction	2.9	2.5	17,507	15,708	627,122	642,830
Durable-goods manufacturing	1.9	0.7	12,709	4,362	665,384	669,746
Nondurable-goods manufacturing	1.1	0.5	4,087	1,915	370,743	372,659
Wholesale trade	1.1	1.1	6,213	5,840	546,716	552,556
Retail trade	2.0	1.4	12,995	8,986	651,576	660,563
Transportation and warehousing	2.2	0.6	8,030	2,265	367,037	369,302
Information	0.4	1.1	1,240	4,059	355,219	359,279
Finance and insurance	2.2	0.9	16,559	6,944	769,303	776,246
Real estate and rental and leasing	1.5	0.7	3,363	1,587	229,353	230,940
Professional, scientific, and technical services	1.5	1.7	15,704	17,895	1,083,137	1,101,031
Management of companies and enterprises	1.7	1.9	4,934	5,503	287,408	292,911
Administrative and waste management services	2.0	0.1	8,648	416	442,837	443,253
Educational services	0.9	0.7	1,555	1,316	181,196	182,512
Health care and social assistance	1.3	1.5	14,785	17,395	1,174,820	1,192,215
Arts, entertainment, and recreation	1.4	(L)	1,714	18	120,064	120,082
Accommodation and food services	2.3	1.6	7,611	5,684	344,508	350,192
Other services, except public administration	1.4	0.9	5,408	3,652	399,675	403,327
Government sector	0.3	0.5	4,399	8,795	1,758,613	1,767,408
Federal government, civilian	0.3	1.1	759	3,341	299,380	302,722
Military	-1.5	0.1	-1,997	145	131,677	131,822
State and local government	0.4	0.4	5,637	5,308	1,327,556	1,332,864

(L) Less than 0.05 percent

Preview of the 2015 Annual Revision of State Personal Income Accounts

In September 2015, the Bureau of Economic Analysis (BEA) will release its annual update of the state personal income accounts with the release of new estimates for the second quarter of 2015. As is usual for annual revisions, BEA typically revises the preliminary annual estimates released in March in order to incorporate the results of the annual revision of the national income and product accounts (NIPAs), to incorporate state source data that are more complete and more detailed than those previously available, and to update the seasonal factors used for the quarterly estimates.¹ In addition, this year's annual revision of the state personal income accounts will introduce the following:

- **The new treatment of federal refundable tax credits introduced in the annual revision of the NIPAs.**²

Currently, the portion of refundable income tax credits that is not directly paid to taxpayers as refunds (that is, the amount up to, but not exceeding, the total income tax liability) is recorded as a reduction in the income taxes paid by persons to the federal government, and the portion that is paid to taxpayers as refunds (that is, any excess of the credit over the liability) is recorded as a personal current transfer receipt. As part of the annual revision, the total amount of the federal refundable tax credits will be recognized as a transfer from the government sector to the household sector. As a result, estimates of personal current transfer receipts will be revised up to reflect the total amount of the refundable tax credits, and the estimates of personal current taxes paid to the federal government will be revised up to reflect the total tax liability of taxpayers (which does not include the refunds).³ This will affect estimates of federal income taxes, personal current taxes, personal current transfer receipts, and personal income, starting with 1976 when the earned income tax credit was introduced.⁴

1. For instance, the estimates of farm proprietors' income and the detailed statistics in the farm income and expenses table SA45 will be revised to incorporate data from the 2012 Census of Agriculture.

2. See Stephanie H. McCulla and Shelly Smith, "Preview of the 2015 Annual Revision of the National Income and Product Accounts," *SURVEY OF CURRENT BUSINESS* (June 2015).

3. At the national level, the upward revisions to personal current transfer receipts and to personal income are equal to the upward revision to personal current taxes. As a result, disposable personal income is unaffected by the new treatment of refundable tax credits. At the state level, the revisions to personal current transfer receipts and to personal current taxes were made independently and are not equal. As a result, the state disposable personal income estimates will be revised.

4. Consistent with other estimates of taxes and refunds, revisions will be made to estimates for the year following the year of tax liability (for example, a tax credit earned for 1996 will be recognized in the state personal income accounts for 1997, the year in which the taxes are filed).

- **Residence adjustment.** Currently the residence adjustment is based on extrapolations of the journey-to-work data from the 2000 Census of Population. BEA will revise the residence adjustment from 2001 to 2014 using data from the American Community Survey.

- **Monetary rental income of persons.** Currently BEA allocates the national estimate of monetary rental income of persons (excepting farms owned by nonoperator landlords) to states primarily in proportion to the Individual Master File (IMF) tabulations of the gross rent and royalties reported on Schedule E of Form 1040. These are tabulations of the returns processed in the first 39 weeks of the year. Beginning with data for 2009, the IRS is providing BEA with tabulations of gross rent and royalties reported on all returns filed during the calendar year. The automatic 4-month extension of the due date for filing income tax returns was increased to 6 months for tax year 2005. This led to a substantial increase in the amount of income reported on returns processed in the last 13 weeks of the year. The returns processed at the end of the year tend to be the returns of high-income taxpayers and tend to be more geographically concentrated than the returns processed in the first 39 weeks. In order to avoid a break in the time series of estimates of monetary rental income due to the switch from the 39-week tabulations to the 52-week tabulations, BEA carried back, at a decreasing rate, the income reported on end-of-year returns from 2009 to 1998, a year when such income was relatively minor.

- **Black lung disability benefits.** Currently, BEA allocates a national estimate of black lung disability benefits, a component of personal current transfer receipts, using state-level benefits data from USAspending.gov. However, that source recently ceased publishing state-level black lung benefits data. Starting with the estimates for 2009, BEA will begin using black lung disability payments data from the Division of Coal Mine Workers' Compensation of the Department of Labor to allocate the national estimate of these benefits received by persons whose eligibility was established after June 1973 (the source data for the benefits received by persons whose eligibility was established before July 1973 will not change).

- **Unemployment compensation for railroad employees.** Currently, BEA allocates a national estimate of unemployment compensation for railroad employees, a component of personal current transfer receipts, using state-level data from the Census Bureau's

Preview of the 2015 Annual Revision of State Personal Income Accounts

Federal Assistance Award Data Systems. Federal financial assistance award transaction data by county are now published by the Treasury Department on USAspending.gov. States estimates will be revised beginning with 2009.

- **Railroad retirement and disability benefits.** Currently, BEA allocates a national estimate of railroad retirement and disability benefits, a component of personal current transfer receipts, using state-level data from the Census Bureau's Consolidated Federal Funds Report. Because the federal financial statistics program was terminated, BEA will now use similar data published by the Treasury Department on USAspending.gov. State estimates will be revised beginning with 2009.

In addition, BEA adopted a change to its quarterly estimates. It will begin presenting estimates of midquarter population by state and quarterly per capita personal income by state starting with estimates for the first quarter of 2010. Midquarter population by state will be estimated from unpublished Census Bureau estimates of beginning-of-month population. The state estimates will sum to a total, which when combined with armed forces personnel stationed overseas, will equal the midperiod U.S. population estimates currently published in table 2.1 in the national income and product accounts. Quarterly per capita personal income, personal income divided by the midquarter population will also be published.