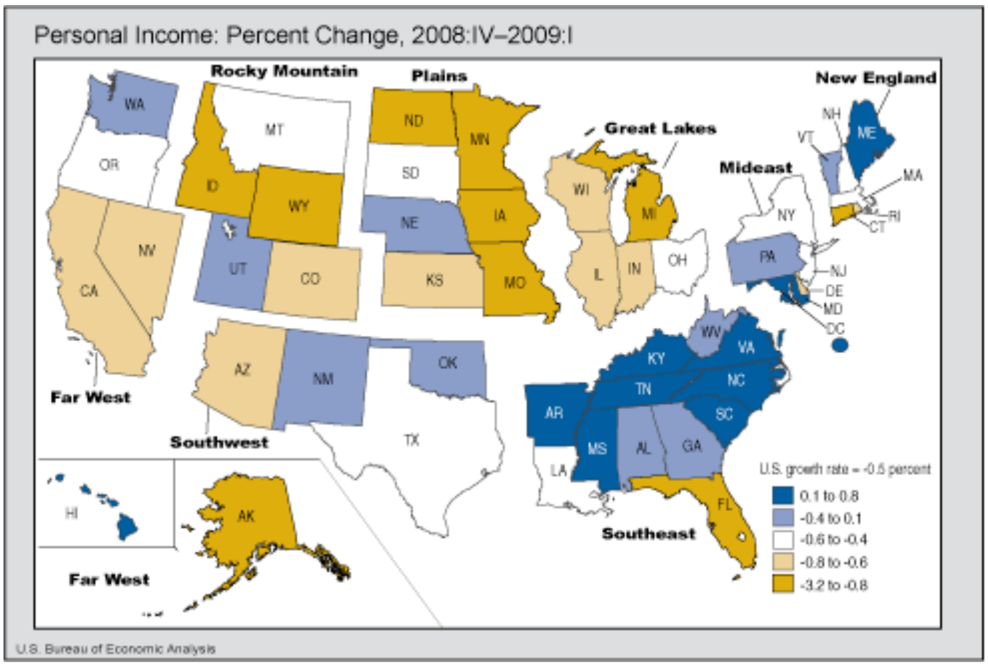
EMBARGOED FOR RELEASE: 8:30 A.M. ET, Thursday, June 18, 2009 BEA 09-28

State Personal Income: First Quarter 2009

U.S. personal income continued to decline in the first quarter of 2009, falling 0.5 percent and encompassing 37 states, according to estimates released today by the U.S. Bureau of Economic Analysis. In the fourth quarter of 2008, U.S. personal income fell 0.4 percent.



The declines in U.S. personal income were offset by inflation, as measured by the national price index for personal consumption expenditures, which fell 0.3 percent in 2009Q1 after falling 1.2 percent in 2008Q4.

Job losses, lower interest rates, and smaller corporate dividend payments all helped to push personal income down in the first quarter. The decline in personal income was moderated by rising unemployment insurance benefits for displaced workers, cost of living adjustments for retirees, and pay raises for government employees.

Personal income in the fastest growing state, Hawaii, was up 0.8% while personal income in the next fastest growing state, Virginia, grew 0.3%. Earnings growth in these states was concentrated in the federal civilian and military sectors and was accounted for by first-quarter pay raises as well as some initial hiring for the 2010 Census. The federal sector also made substantial contributions to personal income growth in Alaska, Maryland, and the District of Columbia.

The largest percentage decrease in personal income, 3.2%, was in Alaska, reflecting a return to normal levels of payments to residents from the Alaska Permanent Fund after a special $2,000 per person payment to residents in 2008. Personal income fell by more than 1.0 percent in five other states, including North Dakota, Missouri, and Iowa in the Plains region as sharply lower farm commodity prices reduced farm income.

Earnings by industry Private sector earnings fell in all states. Nationally, the decline was 1.4 percent. Finance, manufacturing, and construction were the major contributors to the national decline and in fact can more than account for the entire loss. Declines in

Search:
Go
Advanced | FAQ | A-Z Index

Related Files:
Full Release & Tables (PDF • 339KB)
Tables Only (Excel • 211KB)
Highlights (PDF • 121KB)

Related Links:
Interactive Tables
Interactive Charts

Contacts:

Contacts:
David G. Lenze
(202) 606-9292
Matthew von Kerczek
(202) 606-9250
Email:
reis@bea.gov
News Media:
Ralph Stewart, BEA
(202) 606-9690
Thomas Dail, BEA
(202) 606-9209

these industries were offset somewhat by gains in the health care and government industries. First-quarter estimates of earnings in the government industry reflect pay raises which averaged 3.9% for federal civilian and military employees in 2009.

In many states, one or two industries accounted for the bulk of the decline in earnings: finance in New York, Connecticut, and Rhode Island; durable goods manufacturing in Michigan and Indiana; construction in Arizona and Nevada; mining in Wyoming and Oklahoma; and accommodation and food services in Nevada.

Transfer receipts Transfer receipts rose 4.7% nationally. The surge is largely the result of cost of living adjustments to social insurance benefits and the payment of unemployment compensation to laid off workers. For example, Social Security benefits were boosted 5.8% in the first quarter (based on the gain in consumer prices from the third quarter of 2007 to the third quarter of 2008). Increases in state unemployment insurance benefits varied widely across states reflecting relative job losses. Benefits rose more than 50% in several states, including Florida and Arizona, but less than 15% in Hawaii which had the highest personal income growth in the first quarter.

NOTE.–Quarter-to-quarter percent changes are calculated from unrounded data and are not annualized. Quarterly estimates are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter dollar changes are differences between published estimates.

Definitions

Personal income is the income received by all persons from all sources. Personal income is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and personal current transfer receipts. **Net earnings** is earnings by place of work (the sum of wage and salary disbursements (payrolls), supplements to wages and salaries, and proprietors' income) less contributions for government social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. Personal income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

The estimate of personal income in the United States is derived as the sum of the state estimates; it differs from the estimate of personal income in the national income and product accounts (NIPAs) because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data.

BEA groups all 50 states and the District of Columbia into eight distinct regions for purposes of data collecting and analyses: **New England** (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont); **Mideast** (Delaware, District of Columbia, Maryland, New Jersey, New York, and Pennsylvania); **Great Lakes** (Illinois, Indiana, Michigan, Ohio, and Wisconsin); **Plains** (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota); **Southeast** (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia); **Southwest** (Arizona, New Mexico, Oklahoma, and Texas); **Rocky Mountain** (Colorado, Idaho, Montana, Utah, and Wyoming); and **Far West** (Alaska, California, Hawaii, Nevada, Oregon, and Washington).

BEA's national, international, regional, and industry estimates; the *Survey of Current Business*; and BEA news releases are available without charge on BEA's Web site at www.bea.gov. By visiting the site, you can also subscribe to receive free e-mail summaries of BEA releases and announcements.

****

Next state personal income release – September 18, 2009, at 8:30 A.M. ET for state personal income, second quarter 2009, and revised state personal income, 2006-08.

Last updated: Thursday, June 18, 2009