

# News Release

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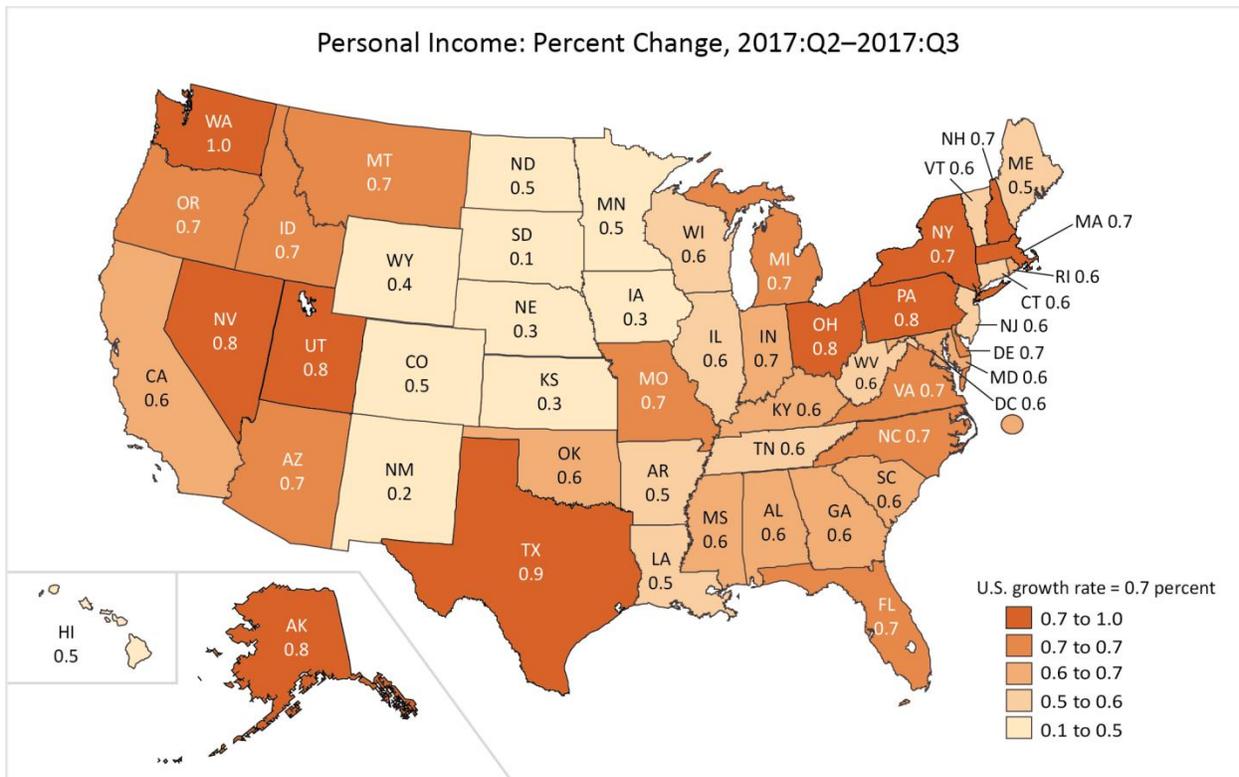
BEA 17-68

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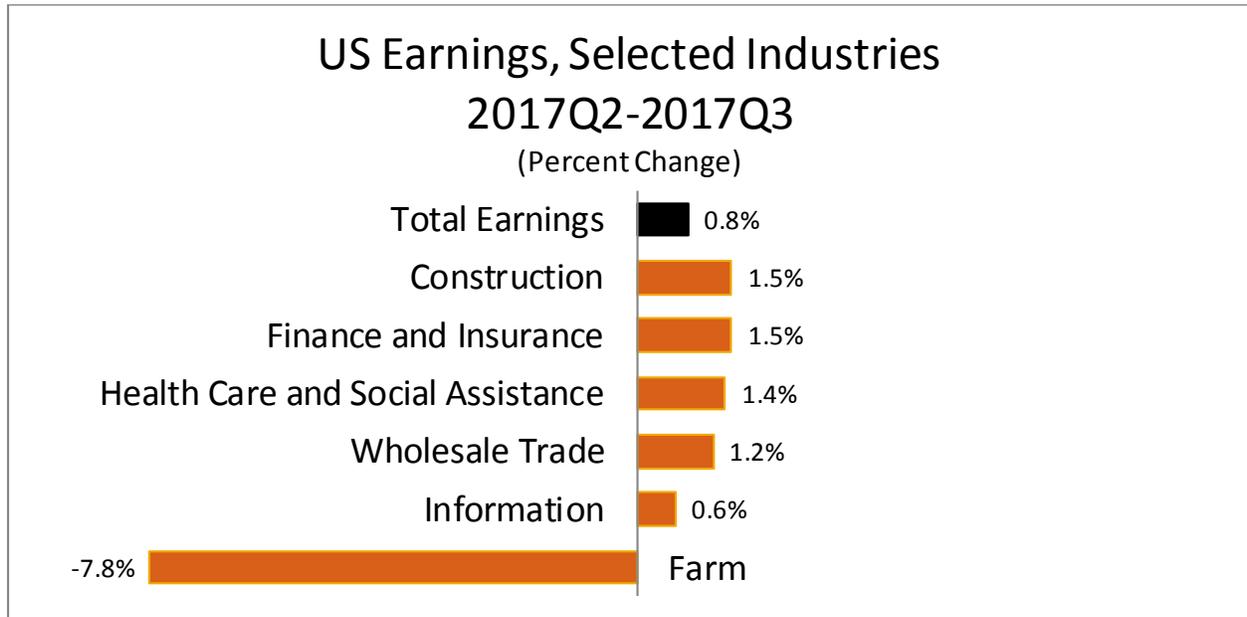
## State Personal Income: Third Quarter 2017

State personal income increased 0.7 percent on average in the third quarter of 2017, according to estimates released today by the Bureau of Economic Analysis (table 1). In the second quarter, state personal income increased 0.6 percent. Increases in earnings and personal current transfer receipts were the leading contributors to the acceleration in personal income in the third quarter.

Personal income increased 1.0 percent in Washington, faster than in any other state. Texas had the next largest increase at 0.9 percent. South Dakota, New Mexico, Nebraska, Kansas, and Iowa had the slowest increases in personal income.



U.S. Bureau of Economic Analysis



#### Earnings

For the nation, earnings increased 0.8 percent in the third quarter of 2017, after increasing 0.6 percent in the second quarter. Earnings increased in 22 of the 24 industries for which BEA prepares quarterly estimates (table 5). Earnings increases in three industries—health care and social assistance; finance and insurance; and construction—were the leading contributors to the overall increase in personal income.

Earnings was the leading contributor to the increase in personal income in most states (table 2). The percentage change in earnings ranged from an increase of 1.2 percent in Washington to a decrease of less than 0.1 percent in South Dakota.

- Information earnings, which increased 0.6 for the nation, increased 5.7 percent in Washington, contributing to more than one-third of the increase in the state’s total earnings (table 3). The increase in Washington’s third quarter earnings reflected the vesting of employee stock grants.
- Construction earnings, which increased 1.5 percent for the nation, was the leading contributor to the increases in total earnings in Nevada, Alaska, and Utah.
- Finance and insurance earnings, which increased 1.5 percent for the nation, was the leading contributor to the increase in total earnings in New York.
- Health care earnings, which increased 1.4 percent for the nation, was the leading contributor to the increases in total earnings in Pennsylvania, Ohio, Massachusetts, and New Hampshire.
- Wholesale trade earnings, which increased 1.2 percent for the nation, was the leading contributor to the increase in total earnings in Texas.

- Farm earnings decreased for the nation and in most states in the third quarter, and was the leading contributor to the decrease in total earnings in South Dakota, and to the relatively small increases in total earnings in Nebraska, Kansas, Iowa, and North Dakota.

### **Transfer Receipts**

Transfer receipts increased 0.7 percent for the nation in the third quarter of 2017, up from 0.2 percent in the second quarter. The percentage change in transfer receipts ranged from 1.5 percent in Washington to -0.1 percent in New Mexico. Transfer receipts increased 1.3 percent in Texas and 1.1 percent in Florida, reflecting disaster related assistance following hurricanes Harvey and Irma.

### **Property Income**

Property income increased 0.2 percent in the third quarter of 2017, down from 0.8 percent in the second quarter. The percentage change in property income ranged from 0.5 percent in Michigan to -0.2 percent in Rhode Island.

#### **Updates to Personal Income**

Today, BEA also released revised quarterly estimates for 2017:Q1 and 2017:Q2. Updates were made to incorporate source data that are more complete and more detailed than previously available and to align the states with revised national estimates that were released in November.

Next release: March 22, 2018 at 8:30 A.M. EDT  
State Personal Income: Fourth Quarter 2017 and Preliminary Annual 2017

## Additional Information

### Resources

- Stay informed about BEA developments by reading the BEA [blog](#), signing up for BEA's [email subscription service](#), or following BEA on Twitter [@BEA\\_News](#).
- Historical time series for these estimates can be accessed in BEA's [Interactive Data Application](#).
- Access BEA data by registering for BEA's Data [Application Programming Interface](#) (API).
- For more on BEA's statistics, see our monthly online journal, the [Survey of Current Business](#).
- BEA's [2017 news release schedule](#).
- BEA's [2018 news release schedule](#).
- BEA Regional Facts ([BEARFACTS](#)), a narrative summary of personal income, per capita personal income, and components of income for each state.
- Complete information on the sources and methods for the estimation of [BEA's State Personal Income and Employment](#).

### Definitions

**Personal income** is the income received by, or on behalf of, all persons from all sources: from participation as laborers in production, from owning a home or business, from the ownership of financial assets, and from government and business in the form of transfers. It includes income from domestic sources as well as the rest of world. It does not include realized or unrealized capital gains or losses.

**Per capita personal income** is calculated as the total personal income of the residents of a state divided by the population of the state. In computing per capita personal income, BEA uses midquarter population estimates based on unpublished Census Bureau data.

#### **Earnings:**

**Earnings by place of work** is the sum of wages and salaries, supplements to wages and salaries, and proprietors' income. BEA's industry estimates are presented on an earnings by place of work basis.

**Net earnings by place of residence** is earnings by place of work less contributions for government social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. BEA presents net earnings on an all industry level.

**Property income** is rental income of persons, personal dividend income, and personal interest income.

**Personal current transfer receipts** are benefits received by persons from federal, state, and local governments and from businesses for which no current services are performed. They include retirement and disability insurance benefits (mainly Social Security), medical benefits (mainly Medicare and Medicaid), income maintenance benefits, unemployment insurance compensation, veterans' benefits, and federal education and training assistance.

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 for the United States is the sum of the state estimates and the estimate for the District of Columbia; it differs slightly 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.

### Statistical conventions

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.

### BEA Regions

BEA groups all 50 states and the District of Columbia into eight distinct regions for purposes of presentation and analysis:

**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)

**Far West** (Alaska, California, Hawaii, Nevada, Oregon, and Washington)

### Uses of State Personal Income Statistics

State personal income statistics provide a framework for analyzing current economic conditions in each state and can serve as a basis for decision making. For example:

- Federal government agencies use the statistics as a basis for allocating funds and determining

matching grants to states. The statistics are also used in forecasting models to project energy and water use.

- State governments use the statistics to project tax revenues and the need for public services.
- Academic regional economists use the statistics for applied research.
- Businesses, trade associations, and labor organizations use the statistics for market research.

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