

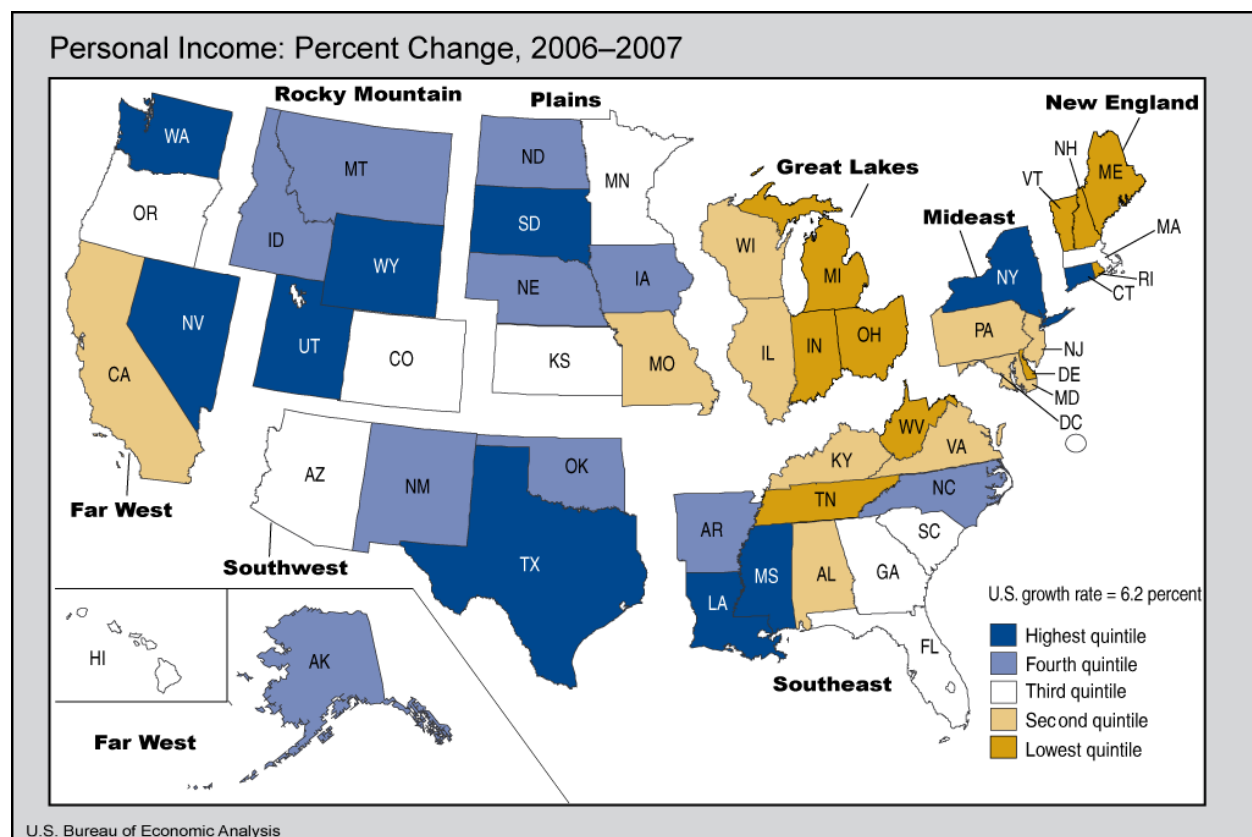
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David G. Lenze (202) 606-9292
Kathy Albetski (202) 606-9240
E-mail inquiries: reis.remd@bea.gov

BEA 08-11

STATE PERSONAL INCOME 2007

U.S. personal income grew 6.2 percent in 2007, down from 6.7 percent in 2006, according to preliminary estimates released today by the U.S. Bureau of Economic Analysis. On average, personal income has grown 6.2 percent for the last four years. Inflation, as measured by the national price index for personal consumption expenditures, slowed to 2.6 percent in 2007 down from 2.8 percent in 2006.



Regional growth rates converged in 2007 with slowdowns in the regions that had grown fastest in 2006 and accelerations in the New England and Plains regions which had below average growth in 2006. For the fourth consecutive year, the Southwest region enjoyed the fastest growth of the eight BEA regions (7.5 percent, down from 8.5 percent)

and the Great Lakes region saw the slowest growth (4.8 percent in both years). The contrast between the two regions reflects a mining boom in the Southwest with ripple effects on other industries versus general sluggishness across most industries in the Great Lakes.

Nationally, professional services, health care, state and local government, and finance contributed the most to personal income growth in both 2006 and 2007. The construction industry contributed almost nothing in 2007 after contributing nearly a half percentage point to growth in each year from 2004 to 2006. Real estate earnings declined 2.0 percent in 2007, the only industry to register a decline nationally. But because real estate is relatively small, it reduced personal income growth by less than one-tenth of a percentage point.

Louisiana grew 10.5 percent in 2007, down from 20.6 percent in 2006. These growth rates are substantially higher than any other state's. The rental income component of Louisiana's personal income was boosted in 2007 by \$5.4 billion of Road Home subsidies from the U.S. Department of Housing and Urban Development (HUD). The subsidies are to persons whose homes had been destroyed or damaged by Hurricane Katrina. Mississippi, whose Homeowners' Assistance Program was funded \$1.5 billion by HUD, grew 7.4 percent in 2007 up from 6.0 percent in 2006.

Per capita income. U.S. per capita income grew 5.2 percent in 2007, down from 5.6 percent in 2006, but equal to the average of the last four years (2004-07). Louisiana's per capita income was up 9.2 percent or \$2,935. Much of the gain in Louisiana is accounted for by the Road Home subsidies which averaged nearly \$1,250 per Louisiana resident. In Mississippi, housing subsidies added \$530 to per capita income.

States with the highest and lowest per capita income growth rates 2006-2007

Rank	State	Growth rate	Rank	State	Growth rate
1	Louisiana	9.2	41	Idaho	4.3
2	New York	7.6	42	Georgia	4.2
3	Mississippi	6.7	43	South Carolina	4.2
4	Connecticut	6.6	44	Indiana	4.1
5	North Dakota	6.4	45	Colorado	3.9
6	Wyoming	6.3	46	Michigan	3.8
7	Utah	6.1	47	Nevada	3.8
8	Massachusetts	6.0	48	Delaware	3.8
9	Iowa	6.0	49	Tennessee	3.4
10	Hawaii	6.0	50	Arizona	3.4

Source: U.S. Bureau of Economic Analysis

The effect of the residential construction slowdown in Arizona and Nevada is readily apparent in their per capita income growth rates. Although total personal income grew faster than the national average in these two states, their per capita income growth ranked 50th and 47th, respectively. Construction had contributed a full percentage point to

personal income growth in these states in 2006, but contributed only a tenth of a percentage point in Nevada in 2007 and subtracted almost a half percentage point in Arizona. Migration into these states slowed in 2007, but not enough to offset the construction decline.

Connecticut led the nation with a per capita income of \$54,117, a level 40 percent above the national average. Mississippi had the lowest per capita income of all states, \$28,845, an amount 25 percent below the national average. The top ten and bottom ten states are the same in both 2006 and 2007.

States with the highest per capita income, 2007

	Per capita personal income (dollars)		Rank in the U.S.		Percent of the U.S. average		Percent change 2006-2007	Rank of percent change
	2006r	2007p	2006r	2007p	2006r	2007p		
United States	36,714	38,611	--	--	100	100	5.2	--
Connecticut	50,762	54,117	1	1	138	140	6.6	4
New Jersey	46,763	49,194	2	2	127	127	5.2	22
Massachusetts	46,299	49,082	3	3	126	127	6.0	8
New York	44,027	47,385	4	4	120	123	7.6	2
Maryland	43,788	46,021	5	5	119	119	5.1	26
Wyoming	40,655	43,226	6	6	111	112	6.3	6
California	39,626	41,571	8	7	108	108	4.9	29
New Hampshire	39,753	41,512	7	8	108	108	4.4	39
Virginia	39,540	41,347	9	9	108	107	4.6	37
Colorado	39,491	41,042	10	10	108	106	3.9	45

^r revised

^p preliminary

Source: U.S. Bureau of Economic Analysis

States with the lowest per capita income, 2007

	Per capita personal income (dollars)		Rank in the U.S.		Percent of the U.S. average		Percent change 2006-2007	Rank of percent change
	2006r	2007p	2006r	2007p	2006r	2007p		
United States	36,714	38,611	--	--	100	100	5.2	--
Montana	30,790	32,458	42	41	84	84	5.4	20
Alabama	30,894	32,404	41	42	84	84	4.9	30
New Mexico	29,929	31,474	43	43	82	82	5.2	24
Idaho	29,920	31,197	44	44	81	81	4.3	41
Utah	29,406	31,189	47	45	80	81	6.1	7
Kentucky	29,729	31,111	46	46	81	81	4.6	36
South Carolina	29,767	31,013	45	47	81	80	4.2	43
Arkansas	28,473	30,060	48	48	78	78	5.6	18
West Virginia	28,206	29,537	49	49	77	76	4.7	33
Mississippi	27,028	28,845	50	50	74	75	6.7	3

^r revised

^p preliminary

Source: U.S. Bureau of Economic Analysis

Fourth quarter personal income.¹ U.S. personal income grew 1.0 percent in the fourth quarter of 2007 keeping pace with the quarter's 1.0 percent rise in the price index for personal consumption expenditures. The absence of real personal income growth in the fourth quarter contrasts with the third quarter when personal income growth outpaced price increases by 0.9 percentage point and matches the lack of real growth in the second quarter.

State personal income growth rates in 2007Q4 ranged from 1.4 percent in South Dakota to 0.6 percent in Tennessee, an unusually tight spread of less than one percentage point. Personal income growth was less than the 1.0 percent national inflation rate in 17 states and greater than 1.0 percent in 19 states in the fourth quarter.

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

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).

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Next state personal income release – June 19, 2008, at 8:30 A.M. ET for state personal income, first quarter 2008.

Table 3. Contributions to Percent Change in Personal Income, 2006-2007/1

[Percentage points, seasonally adjusted]

	Percent change in personal income	Net earnings							Personal current transfer receipts		
		Earnings by place of work					Contributions for government social insurance	Residence adjustment	Dividends, interest, and rent	Excluding state unemployment insurance	State unemployment insurance
		Wage and salary disbursements	Employer contributions for pension and insurance funds	Government social insurance	Proprietors' income						
United States	6.18	3.13	0.42	0.21	0.27	-0.47	0.00	1.53	1.07	0.02	
New England											
Connecticut	6.81	3.86	0.49	0.23	0.19	-0.52	0.31	1.57	0.69	0.00	
Maine	5.25	2.46	0.36	0.17	0.05	-0.39	0.10	0.97	1.52	0.01	
Massachusetts	6.26	3.66	0.41	0.24	0.11	-0.52	-0.14	1.45	1.00	0.03	
New Hampshire	4.74	2.42	0.27	0.14	-0.13	-0.34	0.58	0.96	0.83	0.02	
Rhode Island	4.79	1.64	0.24	0.12	0.10	-0.25	0.42	1.31	1.14	0.08	
Vermont	5.24	2.12	0.29	0.15	0.52	-0.35	0.12	1.03	1.34	0.03	
Mideast											
Delaware	5.24	1.96	0.27	0.14	0.38	-0.31	0.01	1.55	1.21	0.02	
District of Columbia	6.31	9.06	1.73	0.55	0.68	-1.16	-6.56	1.27	0.72	0.01	
Maryland	5.40	2.54	0.39	0.18	0.09	-0.39	0.63	1.09	0.84	0.03	
New Jersey	5.44	2.38	0.30	0.15	0.13	-0.35	0.86	1.15	0.79	0.03	
New York	7.71	4.76	0.49	0.30	0.39	-0.64	-0.52	1.85	1.10	-0.01	
Pennsylvania	5.59	2.91	0.36	0.21	0.30	-0.47	0.03	0.99	1.22	0.04	
Great Lakes											
Illinois	5.60	2.84	0.45	0.17	0.34	-0.40	-0.02	1.35	0.84	0.03	
Indiana	4.82	1.87	0.23	0.11	0.54	-0.29	0.14	1.07	1.16	-0.02	
Michigan	3.53	1.13	0.11	0.08	0.13	-0.20	0.03	1.23	1.05	-0.04	
Ohio	4.70	2.07	0.30	0.17	0.26	-0.34	0.00	1.08	1.16	0.01	
Wisconsin	5.32	2.36	0.32	0.16	0.50	-0.37	0.11	1.29	0.91	0.04	
Plains											
Iowa	6.56	2.67	0.40	0.20	1.67	-0.44	0.06	0.98	1.03	0.01	
Kansas	6.43	3.22	0.60	0.22	0.46	-0.50	-0.06	1.53	0.93	0.01	
Minnesota	6.48	3.42	0.42	0.25	0.69	-0.54	-0.04	1.30	0.95	0.03	
Missouri	5.61	2.71	0.37	0.19	0.30	-0.43	-0.06	1.26	1.25	0.01	
Nebraska	6.55	2.93	0.39	0.23	1.11	-0.49	-0.12	1.56	0.93	0.00	
North Dakota	6.73	3.33	0.45	0.27	1.12	-0.57	-0.28	1.43	0.99	0.00	
South Dakota	6.90	3.14	0.46	0.21	1.16	-0.50	-0.08	1.46	1.06	0.01	
Southeast											
Alabama	5.75	2.57	0.40	0.15	0.34	-0.39	0.08	1.20	1.40	0.01	
Arkansas	6.54	2.32	0.32	0.17	0.75	-0.40	0.00	1.65	1.68	0.05	
Florida	5.82	1.87	0.23	0.12	-0.05	-0.29	0.02	2.61	1.26	0.05	
Georgia	6.51	3.77	0.58	0.25	0.13	-0.55	-0.04	1.26	1.09	0.02	
Kentucky	5.57	2.72	0.43	0.19	0.19	-0.43	-0.14	1.17	1.42	0.01	
Louisiana	10.51	4.25	0.70	0.26	0.25	-0.70	-0.02	5.11	0.77	-0.13	
Mississippi	7.45	2.34	0.41	0.17	0.36	-0.42	0.17	3.16	1.29	-0.03	
North Carolina	6.56	3.67	0.53	0.26	-0.05	-0.57	-0.03	1.33	1.33	0.09	
South Carolina	6.05	2.86	0.44	0.21	-0.02	-0.45	0.11	1.32	1.58	0.02	
Tennessee	4.84	2.48	0.29	0.16	0.17	-0.37	-0.02	0.86	1.25	0.02	
Virginia	5.55	3.14	0.48	0.21	0.02	-0.47	0.16	1.11	0.90	0.01	
West Virginia	4.91	2.19	0.36	0.21	0.17	-0.43	0.11	0.84	1.43	0.03	
Southwest											
Arizona	6.32	3.17	0.38	0.22	-0.08	-0.48	0.02	1.53	1.54	0.04	
New Mexico	6.66	2.78	0.34	0.20	0.35	-0.45	0.05	1.83	1.52	0.04	
Oklahoma	6.61	2.94	0.46	0.18	0.79	-0.42	0.06	1.23	1.36	0.01	
Texas	7.99	4.63	0.63	0.31	0.72	-0.67	-0.03	1.37	1.02	0.00	
Rocky Mountain											
Colorado	6.01	3.36	0.39	0.22	0.23	-0.48	0.02	1.49	0.78	0.00	
Idaho	6.80	2.83	0.39	0.24	0.82	-0.48	0.14	1.52	1.27	0.06	
Montana	6.65	3.69	0.50	0.32	0.20	-0.66	0.00	1.45	1.15	0.01	
Utah	8.77	5.60	0.77	0.43	0.20	-0.87	-0.02	1.75	0.90	0.01	
Wyoming	8.41	5.20	0.70	0.41	0.42	-0.85	-0.03	1.62	0.91	0.03	
Far West											
Alaska	6.75	2.93	0.48	0.23	0.11	-0.44	-0.31	1.42	2.34	-0.02	
California	5.79	2.85	0.36	0.21	0.11	-0.43	0.00	1.69	0.94	0.04	
Hawaii	6.38	3.31	0.68	0.24	0.12	-0.49	0.00	1.56	0.93	0.03	
Nevada	6.85	3.15	0.42	0.21	0.05	-0.44	-0.03	2.47	0.93	0.10	
Oregon	6.06	3.13	0.55	0.24	0.15	-0.51	-0.12	1.54	1.04	0.04	
Washington	7.31	4.37	0.58	0.33	0.18	-0.68	0.06	1.57	0.90	-0.01	
BEA regions											
New England.....	6.10	3.35	0.40	0.21	0.12	-0.47	0.11	1.39	0.96	0.03	
Mideast.....	6.43	3.62	0.43	0.24	0.29	-0.52	-0.07	1.41	1.03	0.01	
Great Lakes.....	4.81	2.11	0.30	0.14	0.32	-0.32	0.03	1.22	1.01	0.01	
Plains.....	6.27	3.04	0.43	0.22	0.75	-0.49	-0.05	1.31	1.05	0.01	
Southeast.....	6.18	2.81	0.41	0.19	0.09	-0.43	0.02	1.85	1.23	0.02	
Southwest.....	7.52	4.14	0.55	0.28	0.58	-0.60	-0.01	1.40	1.17	0.01	
Rocky Mountain.....	6.88	3.90	0.50	0.28	0.30	-0.60	0.02	1.55	0.90	0.01	
Far West.....	6.07	3.09	0.41	0.23	0.12	-0.47	0.00	1.70	0.96	0.03	

1. A component's contribution to percent change in personal income equals the dollar change in that component divided by personal income in the previous year times 100.

Source: U.S. Bureau of Economic Analysis

Table 7. Contributions to Percent Change in Personal Income, 2007:III-2007:IV/1

	Percent change in personal income	Net earnings							Personal current transfer receipts	
		Earnings by place of work				Contributions for government social insurance	Residence adjustment	Dividends, interest, and rent	Excluding state unemployment insurance	State unemployment insurance
		Wage and salary disbursements	Employee pension and insurance funds	Employer contributions for Government social insurance	Proprietors' income					
United States	1.00	0.53	0.10	0.03	0.05	-0.06	0.00	0.25	0.11	0.01
New England										
Connecticut	0.83	0.45	0.08	0.02	-0.01	-0.05	0.01	0.26	0.07	0.00
Maine	0.93	0.49	0.07	0.02	0.02	-0.06	0.03	0.19	0.16	0.02
Massachusetts	0.99	0.62	0.09	0.03	-0.02	-0.07	-0.02	0.25	0.10	0.01
New Hampshire	0.90	0.53	0.08	0.03	-0.01	-0.07	0.08	0.17	0.09	0.00
Rhode Island	1.07	0.53	0.10	0.03	0.02	-0.07	0.04	0.25	0.12	0.05
Vermont	0.95	0.46	0.10	0.02	0.09	-0.06	0.02	0.18	0.14	0.00
Mideast										
Delaware	1.24	0.65	0.10	0.03	0.16	-0.08	-0.07	0.30	0.13	0.01
District of Columbia	0.82	0.91	0.18	0.03	0.12	-0.08	-0.62	0.20	0.07	0.00
Maryland	0.96	0.54	0.10	0.03	0.01	-0.07	0.06	0.19	0.09	0.02
New Jersey	0.97	0.61	0.09	0.03	0.00	-0.08	0.03	0.20	0.08	0.00
New York	0.80	0.36	0.07	0.02	0.04	-0.04	-0.02	0.26	0.11	0.00
Pennsylvania	0.93	0.53	0.09	0.03	0.04	-0.07	0.01	0.18	0.13	-0.01
Great Lakes										
Illinois	0.98	0.59	0.10	0.03	0.02	-0.07	-0.01	0.23	0.09	0.00
Indiana	0.88	0.37	0.07	0.02	0.08	-0.04	0.02	0.20	0.12	0.03
Michigan	0.69	0.29	0.04	0.01	0.01	-0.03	0.01	0.23	0.11	0.02
Ohio	0.90	0.47	0.09	0.02	0.03	-0.05	0.00	0.19	0.12	0.02
Wisconsin	0.98	0.49	0.10	0.03	0.09	-0.06	0.02	0.23	0.10	0.00
Plains										
Iowa	1.16	0.52	0.12	0.03	0.30	-0.07	0.01	0.16	0.11	-0.01
Kansas	1.31	0.49	0.12	0.03	0.34	-0.06	0.01	0.28	0.10	0.00
Minnesota	1.05	0.57	0.09	0.03	0.09	-0.07	-0.01	0.24	0.10	0.02
Missouri	1.03	0.56	0.10	0.03	0.09	-0.07	-0.02	0.22	0.13	-0.01
Nebraska	1.26	0.52	0.08	0.03	0.33	-0.06	-0.02	0.27	0.10	0.00
North Dakota	0.92	0.40	0.09	0.02	0.13	-0.05	-0.02	0.25	0.10	-0.01
South Dakota	1.37	0.35	0.08	0.02	0.58	-0.04	0.00	0.27	0.11	0.00
Southeast										
Alabama	1.02	0.47	0.10	0.03	0.12	-0.06	0.01	0.21	0.15	-0.01
Arkansas	1.12	0.36	0.08	0.02	0.27	-0.04	0.00	0.29	0.17	-0.02
Florida	1.13	0.50	0.08	0.03	-0.02	-0.06	0.00	0.47	0.13	0.00
Georgia	1.07	0.59	0.12	0.03	0.03	-0.07	-0.01	0.23	0.11	0.03
Kentucky	1.03	0.49	0.11	0.03	0.10	-0.06	-0.02	0.21	0.15	0.02
Louisiana	0.88	0.75	0.15	0.03	0.07	-0.09	0.00	-0.16	0.13	-0.01
Mississippi	0.67	0.45	0.09	0.02	0.22	-0.06	0.01	-0.22	0.17	-0.02
North Carolina	1.14	0.63	0.13	0.04	0.07	-0.08	-0.01	0.23	0.14	-0.01
South Carolina	1.00	0.46	0.08	0.02	0.04	-0.05	0.02	0.25	0.16	0.02
Tennessee	0.56	0.19	0.06	0.00	0.05	-0.01	0.02	0.15	0.13	-0.02
Virginia	0.87	0.50	0.10	0.03	0.00	-0.06	0.01	0.20	0.09	0.00
West Virginia	0.97	0.50	0.14	0.04	0.07	-0.08	0.01	0.14	0.15	-0.01
Southwest										
Arizona	0.79	0.32	0.07	0.01	-0.04	-0.03	0.01	0.28	0.16	0.02
New Mexico	0.95	0.32	0.04	0.01	0.15	-0.03	0.01	0.29	0.16	0.01
Oklahoma	1.02	0.27	0.05	0.01	0.36	-0.03	0.01	0.22	0.14	-0.01
Texas	1.30	0.78	0.13	0.05	0.13	-0.10	-0.01	0.21	0.11	0.00
Rocky Mountain										
Colorado	1.16	0.72	0.12	0.04	0.04	-0.09	0.00	0.26	0.08	-0.01
Idaho	1.28	0.59	0.11	0.04	0.17	-0.08	0.02	0.27	0.13	0.03
Montana	1.00	0.43	0.06	0.03	0.15	-0.06	0.00	0.26	0.12	0.01
Utah	1.20	0.67	0.13	0.04	0.04	-0.09	0.00	0.31	0.09	0.02
Wyoming	1.21	0.65	0.09	0.04	0.17	-0.09	0.00	0.27	0.09	-0.02
Far West										
Alaska	0.60	0.21	0.08	0.00	0.01	-0.01	-0.01	0.25	0.11	-0.04
California	1.00	0.53	0.10	0.03	-0.01	-0.07	0.00	0.31	0.10	0.02
Hawaii	1.27	0.71	0.21	0.04	0.01	-0.09	0.00	0.28	0.10	0.01
Nevada	1.00	0.45	0.09	0.02	-0.04	-0.04	0.00	0.39	0.10	0.04
Oregon	1.22	0.73	0.13	0.05	0.03	-0.10	-0.03	0.29	0.11	0.01
Washington	1.17	0.63	0.14	0.04	0.03	-0.08	0.01	0.30	0.09	0.01
BEA regions										
New England.....	0.94	0.55	0.09	0.03	-0.01	-0.06	0.00	0.24	0.10	0.01
Mideast.....	0.89	0.48	0.08	0.03	0.03	-0.06	0.00	0.22	0.11	0.00
Great Lakes.....	0.89	0.46	0.08	0.02	0.04	-0.05	0.00	0.22	0.11	0.01
Plains.....	1.13	0.53	0.10	0.03	0.20	-0.07	-0.01	0.23	0.11	0.00
Southeast.....	1.00	0.51	0.10	0.03	0.04	-0.06	0.00	0.25	0.13	0.00
Southwest.....	1.17	0.63	0.11	0.03	0.13	-0.08	0.00	0.23	0.12	0.00
Rocky Mountain.....	1.17	0.67	0.11	0.04	0.07	-0.09	0.00	0.27	0.09	0.00
Far West.....	1.04	0.55	0.11	0.03	0.00	-0.07	0.00	0.31	0.10	0.02

1. A component's contribution to percent change in personal income equals the dollar change in that component divided by personal income in the previous quarter times 100.
Source: U.S. Bureau of Economic Analysis

