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PERSONAL INCOME BY STATES AND REGIONS:  
EARLY 1967 AND FULL YEAR 1966

Personal income continued to advance in every region and in nearly every State in the opening quarter of 1967, the U.S. Department of Commerce announced today. However, the slowdown in the overall pace of the economic expansion in early 1967 was reflected in most areas. The first quarter gain in personal income in the 50 States came to 1-1/2 percent, as compared with 2 percent in the closing quarter of 1966.

According to the Office of Business Economics, the largest relative increases from the fourth quarter of 1966 to the first quarter of 1967 occurred in the Rocky Mountain and Mideast regions, where income rose 2 percent (seasonally adjusted). Next largest was the rise of 1-3/4 percent in the Far West. The advances in the Southeast and Great Lakes regions matched that of the Nation, while the increases in the Southwest (1-1/3) and New England and the Plains (1 percent) fell short. (See attached table.) Except for the Southeast, the most recent income gains were smaller than those registered in the previous quarter.

First Quarter 1967 Highlights

On an industry basis, the business slowdown in the opening quarter of 1967 centered in manufacturing. Total factory payrolls were up only \$0.5 billion, or less than one-half of 1 percent in the winter quarter, as compared with a gain of about \$3 billion, or 2-1/2 percent in the fourth quarter of 1966. Within manufacturing, the slowdown was concentrated in the durable goods sector, where payrolls were little changed from the closing quarter of 1966. The leveling in durable goods payrolls on a national basis reflected sharply divergent movements among the regions: factory wages and salaries in the hard goods industries fell in the heavily industrialized Great Lakes and the more diversified Mideast. These drops were offset by increases in the other six regions, ranging up to 3 percent in the Far West and 6 percent in the Rocky Mountain States.

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#### Farm income off

A first quarter decline in agricultural income of 2-1/2 percent, or \$0.5 billion, was spread unevenly among the regions: farm income increased in two areas and declined at varying rates in the remaining six. In the Plains, a decline in farm income (5-3/4 percent) in the first quarter explains the sluggish rise of total income (1 percent), since nonfarm income in the region rose as much as the U.S. average of 1-3/4 percent. Similarly, the relatively small increase in total income in the Southwest (1-1/3 percent) is traceable mainly to a drop of nearly 6 percent in farm income; nonfarm income in the Southwest rose by a little more than 1-1/2 percent. On the other hand, a spurt of nearly one-tenth in farm income in the Rocky Mountain region, where the rise of nonfarm income no more than matched the national rate of gain, was mainly responsible for that region's top ranking gain in total income. In the other areas of the country, farm income comprises a smaller proportion of total income, and even though there were some large declines in this income component, they had little effect on changes in total income.

#### Trade, construction, nondurables up in most regions

In contrast to developments in farming and in hard goods manufacturing, wage and salary payments in trade, construction and nondurable goods manufacturing rose in most regions in the first quarter. Trade payrolls were up by \$1-3/4 billion, or 2-3/4 percent. Payrolls in the construction industry were up 4 percent, or nearly \$1 billion, as total outlays on structures increased for the first time in a year. Production of soft goods continued to increase in the opening quarter of 1967, and the payrolls of firms producing nondurable goods rose \$0.5 billion, or more than 1 percent.

Geographically, the payroll gains in each of these three industries were widespread. Wages and salaries in soft goods manufacturing were higher than in the fourth quarter in all regions except the Southwest. Trade payrolls expanded in all regions except New England, where they leveled off; the gains in the other regions were unusually uniform, ranging from a low of 2-1/2 percent in the Mideast to a high of 3-1/2 percent in the Great Lakes. Construction payrolls were up 1-1/2 percent or more in all regions, with especially large advances in New England (4-1/4 percent) and the Great Lakes (nearly 10 percent).

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### Transfers higher in all regions

In percentage terms, transfers rose more than any other major income component in the opening quarter of 1967, and the dollar increase was exceeded only by the rise in total wage and salary payments. Gains were widely distributed and in all of the regions helped to cushion personal income from the slowdown in the pace of the GNP advance. The gain of 7 percent, or \$3-1/2 billion, in transfer payments in the first quarter of 1967, reflected three factors: a spurt in unemployment compensation payments, continued large gains in social security payments, and an advance payment of GI life insurance dividends. In seven of the eight regions the increases in transfer payments were very close to the national average of 7 percent. In the Great Lakes, however, transfer payments rose by more than 7-1/2 percent under the impetus of a particularly large increase in unemployment compensation payments.

### Highlights, Full Year 1966

Nationally, the increase in personal income from 1965 to 1966 was 8-1/2 percent. Increases among States ranged from 2 to 13-1/2 percent. (See attached table.) Among the regions, the Southeast - with a 10 percent increase - showed the greatest growth and the Rocky Mountain region - at 6-1/2 percent - showed the least. The only other region with an average gain well above average was the Southwest, where income was up somewhat more than 9 percent. Increases in the Far West, Great Lakes, Plains and New England, all were close to the U.S. average of 8-1/2 percent. The 1966 personal income advance in the Mideast came to a below average 7-1/2 percent.

The rapid expansion in defense requirements was a major influence affecting regional changes in income last year. A \$10 billion increase in defense spending directly affected the 1966 income distribution through three major income components: military payrolls, Federal civilian payrolls, and factory payrolls in defense-oriented industries.

For the country as a whole, per capita personal income was at a record high of \$2,963 last year. This represented an increase of 203 dollars, or nearly 7-1/2 percent, over the 1965 average of \$2,760. With consumer prices up 3 percent, the increase in real income was significantly less than the current-dollar rise. State-by-State, per capita incomes (in current dollars) varied from \$3,690 in Connecticut to \$1,777 in Mississippi. After Connecticut, the States with the highest per capita incomes included Illinois (\$3,532), Delaware (\$3,529), New York and Nevada (\$3,497), California (\$3,457), and New Jersey (\$3,445). In the District of Columbia, the average income was \$3,948 last year.

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For each State and region, first quarter 1967 estimates of total personal income (seasonally adjusted), along with revised annual estimates of both total and per capita personal income for the period 1964-66, appear in the August issue of the Department's monthly Survey of Current Business. Further detail also appears in the August Survey. The magazine is available from field offices of the Department of Commerce, or from the Superintendent of Documents, U. S. Government Printing Office, Washington, D.C. 20402, at an annual subscription price of \$6.00, including weekly supplements; single copy 45 cents.

TOTAL AND PER CAPITA INCOME, BY STATES AND REGIONS  
1966, IV 1966 and I 1967 <sup>1/</sup>

State and Region	Total Personal Income			Percent Change IV Qtr. 1966 - I Qtr. 1967	Per Capita Personal Income	
	1966	Amount Seasonally Adjusted (Millions of Dollars)			Amount (Dollars) 1966	Percent of National Average in 1966
		1966 IV Qtr.	1967 I Qtr.			
UNITED STATES .....	580,483	597,808	607,247	2	2,963	100
New England .....	36,415	37,732	38,110	1	3,239	109
Maine .....	2,422	2,499	2,529	1	2,477	84
New Hampshire .....	1,901	1,978	2,016	2	2,808	95
Vermont .....	1,066	1,110	1,138	2	2,595	88
Massachusetts .....	17,675	18,192	18,516	2	3,271	110
Rhode Island .....	2,730	2,796	2,869	3	3,047	103
Connecticut .....	10,621	11,157	11,042	-1	3,690	124
Mideast .....	138,436	142,512	145,383	2	3,325	112
New York .....	63,669	65,377	66,919	2	3,497	118
New Jersey .....	23,767	24,464	24,966	2	3,445	116
Pennsylvania .....	34,434	35,515	35,961	1	2,968	100
Delaware .....	1,811	1,853	1,893	2	3,529	119
Maryland .....	11,573	11,975	12,316	3	3,204	108
District of Columbia .....	3,182	3,328	3,328	2/	3,948	133
Great Lakes .....	125,063	128,699	130,568	2	3,229	109
Michigan .....	27,685	27,812	28,222	2	3,269	110
Ohio .....	31,670	32,794	33,123	1	3,056	103
Indiana .....	15,230	15,746	15,994	2	3,076	104
Illinois .....	38,089	39,466	40,204	2	3,532	119
Wisconsin .....	12,390	12,881	13,025	1	2,973	100
Plains .....	45,355	46,805	47,254	1	2,847	96
Minnesota .....	10,373	10,739	10,897	2	2,904	98
Iowa .....	8,258	8,610	8,595	2/	2,992	101
Missouri .....	12,856	13,208	13,562	3	2,817	95
North Dakota .....	1,533	1,552	1,620	4	2,384	80
South Dakota .....	1,643	1,649	1,664	1	2,420	82
Nebraska .....	4,181	4,328	4,292	-1	2,905	98
Kansas .....	6,511	6,719	6,624	-1	2,862	97
Southeast .....	97,524	100,121	101,727	2	2,287	77
Virginia .....	11,641	12,104	12,340	2	2,605	88
West Virginia .....	3,937	4,068	4,119	1	2,176	73
Kentucky .....	7,143	7,313	7,490	2	2,246	76
Tennessee .....	8,611	8,856	9,132	3	2,227	75
North Carolina .....	11,321	11,538	11,579	2/	2,277	77
South Carolina .....	5,310	5,422	5,492	1	2,052	69
Georgia .....	10,579	10,786	10,899	1	2,379	80
Florida .....	15,410	15,902	16,061	1	2,614	88
Alabama .....	7,254	7,358	7,565	3	2,066	70
Mississippi .....	4,153	4,252	4,244	2/	1,777	60
Louisiana .....	8,235	8,508	8,713	2	2,277	77
Arkansas .....	3,931	4,014	4,093	2	2,010	68
Southwest .....	39,886	40,964	41,500	1	2,520	85
Oklahoma .....	6,099	6,290	6,384	2	2,462	83
Texas .....	27,319	27,987	28,434	2	2,542	86
New Mexico .....	2,390	2,503	2,460	-2	2,385	80
Arizona .....	4,078	4,184	4,222	1	2,544	86
Rocky Mountain .....	12,622	13,029	13,297	2	2,697	91
Montana .....	1,842	1,894	1,882	-1	2,623	88
Idaho .....	1,704	1,734	1,802	4	2,445	82
Wyoming .....	874	896	904	1	2,739	92
Colorado .....	5,700	5,886	6,036	2	2,916	98
Utah .....	2,502	2,619	2,673	2	2,485	84
Far West .....	82,045	84,736	86,142	2	3,384	114
Washington .....	9,797	10,231	10,398	2	3,222	109
Oregon .....	5,738	5,874	5,928	1	2,908	98
Nevada .....	1,507	1,525	1,592	4	3,497	118
California .....	65,002	67,106	68,224	2	3,457	117
Alaska .....	907	937	940	2/	3,421	116
Hawaii .....	2,230	2,273	2,326	2/	3,124	105

<sup>1/</sup> Detail will not add due to rounding.

<sup>2/</sup> Less than one half of one percent.

Source: Regional Economics Division, Office of Business Economics, U.S. Department of Commerce.