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STATE AND REGIONAL PERSONAL INCOME: First Half 1974

Changes in total personal income from the fourth quarter of 1973 to the second quarter of 1974 ranged from plus 35 percent in Idaho to minus 10 percent in Nebraska, the Bureau of Economic Analysis will report in the October issue of the Survey of Current Business, its monthly magazine. The Bureau of Economic Analysis is an agency of the Social and Economic Statistics Administration of the U.S. Department of Commerce.

Note:

Total personal income consists of private and government wage and salary payments in cash and in kind, other labor income, farm and nonfarm proprietors' income, interest, net rents, dividends, and transfer payments, less personal contributions for social insurance. It is measured before deduction of taxes on personal income and other personal taxes. It is measured in current dollars (that is, no correction is made for price changes).

States comprising the regions are shown in the attached Table A.

Estimates of total personal income for each region and State, along with rates of change, are shown in attached Table A. A ranking of percent changes in total income for the period, fourth quarter 1973 to second quarter 1974, is shown in Table B.

This range of changes among the States compares with a nationwide increase in personal income of 3-1/4 percent during the same period. Consumer prices increased about 6 percent.

The rise in income exceeded that in national consumer prices in only seven States (Idaho, North Dakota, Kentucky, Maine, Alaska, New Mexico, and Vermont). Gains in income did not exceed the rise in prices in any region. In two regions (New England and Rocky Mountain) and four States (Massachusetts, New Hampshire, Nevada, and Hawaii), the rises in income and prices were nearly equal. In five regions (Far West, Mideast, Southeast, Great Lakes, and Southwest), 29 States, and the District of Columbia, income rose at a slower rate than prices. In the Plains region and 10 States (Michigan, Texas, Delaware, Montana, Arkansas, Kansas, Mississippi, South Dakota, Iowa, and Nebraska), decreases in current-dollar income varied from 0.1 percent to 10.4 percent.

Farming and manufacturing

Much of the geographic variation in total personal income change over the past 6 months is traceable to farming. The Nation's farm income peaked at nearly $50 billion in the fourth quarter of 1973, but fell more than 30 percent, to less than $35 billion, by the second quarter of 1974. Among the agricultural States, changes in farm income ranged from gains of 200 percent to losses of more than 80 percent. The national volume of crop marketings fell drastically over this 6-month period, but livestock marketings were well maintained. Through the second quarter, prices of crops rose moderately, while prices for livestock decreased.

Manufacturing also contributed to differential State income changes. While national manufacturing payrolls were up 2-3/4 percent, payroll changes among the industrial States amounted to gains or losses of up to 10 percent. Weakness was concentrated in States producing autos and in States supplying that industry. The decline in manufacturing payrolls was offset, in part, by unusually large increases in unemployment compensation payments.

Areas With Large Gains

In Idaho, North Dakota, Kentucky, Maine, and New Mexico, gains in farm income ranged from 40 percent to 200 percent, and advances in nonfarm income varied from somewhat above to somewhat below the national average. Kentucky and New Mexico also had large and important gains in coal mining payrolls, due to the greater demands brought on by the energy situation. (Other important gains in mining occurred in Wyoming, Pennsylvania, Virginia, and Tennessee; however, gains in other income sources were not vigorous enough to make the advance in total income substantially exceed the national average.)

In Alaska, large gains in construction and in all major service industries resulted from the initiation of major operations on the new oil pipeline. Nonfarm income in Alaska rose 8-1/2 percent (by far the largest gain in the Nation), compared with a gain of 4-3/4 percent, nationwide. In Vermont, where the gain in total income was 7 percent, important gains occurred in construction, some of the major service industries, manufacturing, and farming.

Areas With Income Losses

The 10 States and one region registering income declines experienced sharp losses in farm income. In 8 of these States (Nebraska, Iowa, South Dakota, Mississippi, Kansas, Arkansas, Montana, and Texas) and the Plains region, the decline in farm income, mainly due to the drastic drop in crop marketings, was large enough to account directly for the loss in total income. Nonfarm income in each of these areas rose at or close to the national rate.

In Michigan and Delaware, income declines were caused by the drop in auto output. Durables manufacturing payrolls fell more than 10 percent, compared with a nationwide gain of 2-1/2 percent. Partially offsetting these declines were spurts in unemployment compensation payments, rising more than 110 percent in both States, compared with a national average gain of only 42 percent. Michigan and Delaware also experienced a weakening in a variety of service-type industries. (Durables manufacturing payrolls were also off in Indiana and Ohio, but other income sources, including unemployment compensation payments, rose sufficiently to more than offset this decline, thereby resulting in a moderate rise in total income.)

Additional data will be published in the October Survey of Current Business. The magazine is available from District 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 $34.45, including weekly supplements; single copy, $2.25.

Attachments: Statistical tables

Table A.--Total Personal Income, by Region and State

State and region	1973				1974		Percent change		
	I	II	III	IV	I	II	II 1973-II 1974	IV 1973-II 1974	I 1974 II 1974
	(Millions of dollars, seasonally adjusted at annual rates)								
United States	1,016,097	1,041,989	1,070,984	1,102,228	1,115,437	1,137,537	9.2	3.2	2.0
New England	61,189	62,801	64,024	65,296	66,758	69,135	10.1	5.9	3.6
Maine	4,010	4,174	4,229	4,373	4,452	4,751	13.8	8.6	6.7
New Hampshire	3,562	3,663	3,745	3,884	3,966	4,104	12.0	5.7	3.5
Vermont	1,796	1,854	1,908	1,965	1,990	2,102	13.4	7.0	5.6
Massachusetts	29,598	30,361	30,897	31,388	32,123	33,261	9.6	6.0	3.5
Rhode Island	4,584	4,714	4,788	4,756	4,832	4,997	6.0	5.1	3.4
Connecticut	17,640	18,034	18,457	18,931	19,395	19,920	10.5	5.2	2.7
Mideast	230,493	234,003	238,734	244,948	250,132	256,190	9.5	4.6	2.4
New York	101,302	103,111	104,852	107,526	109,642	112,361	9.0	4.5	2.5
New Jersey	42,046	42,509	43,250	44,297	45,696	46,698	9.9	5.4	2.2
Pennsylvania	57,601	58,618	59,921	61,566	62,782	64,568	10.2	4.9	2.8
Delaware	3,163	3,243	3,408	3,499	3,325	3,447	6.3	- 1.5	3.7
Maryland	21,712	21,848	22,682	23,116	23,588	23,976	9.7	3.7	1.6
District of Columbia	4,669	4,674	4,622	4,944	5,099	5,140	10.0	4.0	.8
Great Lakes	210,054	214,112	219,346	227,374	227,171	232,964	8.8	2.5	2.6
Michigan	48,251	49,536	50,592	52,427	51,112	52,356	5.7	- .1	2.4
Ohio	52,645	53,578	55,004	56,670	57,042	58,163	8.6	2.6	2.0
Indiana	25,683	25,903	26,552	27,904	27,490	28,134	8.6	.8	2.3
Illinois	62,750	63,811	65,284	67,488	68,424	70,163	10.0	4.0	2.5
Wisconsin	20,725	21,285	21,914	22,886	23,103	24,148	13.5	5.5	4.5
Plains	79,738	83,824	88,582	89,664	89,202	87,458	4.3	- 2.5	- 2.0
Minnesota	18,714	19,632	20,665	21,064	21,136	21,440	9.2	1.8	1.4
Iowa	13,442	14,460	17,190	16,163	15,785	14,746	2.0	- 8.8	- 6.6
Missouri	22,897	22,497	23,063	23,665	23,904	23,720	5.4	.2	- .8
North Dakota	3,054	4,544	3,387	3,592	4,000	4,262	- 6.2	18.7	6.6
South Dakota	2,996	3,238	3,190	3,490	3,299	3,247	.3	- 7.0	- 1.6
Nebraska	7,550	7,832	8,424	8,705	8,258	7,799	- .4	- 10.4	- 5.6
Kansas	11,084	11,622	12,662	12,985	12,820	12,244	5.4	- 5.7	- 4.5
Southeast	189,710	193,800	200,141	206,888	209,055	213,293	10.1	3.1	2.0
Virginia	22,508	23,049	24,094	24,370	24,581	25,418	10.3	4.3	3.4
West Virginia	6,959	6,987	7,172	7,308	7,599	7,675	9.8	5.0	1.0
Kentucky	13,071	13,349	13,649	13,840	14,750	15,690	17.5	13.4	6.4
Tennessee	16,390	16,570	17,075	17,554	17,935	18,456	11.4	5.1	2.9
North Carolina	21,668	22,147	22,518	23,975	24,231	24,726	11.6	3.1	2.0
South Carolina	10,131	10,340	10,631	11,227	11,626	11,698	13.1	4.2	.6
Georgia	19,909	20,392	21,446	21,967	21,968	22,007	7.9	.2	.2
Florida	35,929	37,108	38,414	39,747	39,706	41,130	10.8	3.5	3.6
Alabama	13,077	13,381	13,958	14,384	14,524	14,455	8.0	.5	- .5
Mississippi	8,086	7,857	8,227	8,694	8,784	8,177	4.1	- 5.9	- 6.9
Louisiana	14,298	14,249	15,148	15,488	15,383	15,875	11.4	2.5	3.2
Arkansas	7,685	8,371	7,810	8,333	7,968	7,986	- 4.6	- 4.2	.2
Southwest	75,372	78,072	81,051	83,054	84,723	84,170	7.8	1.3	- .7
Oklahoma	10,905	11,344	12,086	11,899	12,107	12,510	10.3	5.1	3.3
Texas	51,324	52,956	54,700	56,667	57,836	56,262	6.2	- .7	- 2.7
New Mexico	4,042	4,231	4,378	4,398	4,591	4,776	12.9	8.6	4.0
Arizona	9,102	9,542	9,887	10,089	10,188	10,622	11.3	5.3	4.3
Rocky Mountain	23,970	25,228	25,817	26,572	27,760	28,124	11.5	5.8	1.3
Montana	3,089	3,388	3,489	3,536	3,545	3,409	.6	- 3.6	- 3.8
Idaho	3,105	3,439	3,628	3,418	4,000	4,605	33.9	34.7	15.1
Wyoming	1,600	1,659	1,629	1,741	1,880	1,807	8.9	3.8	- 3.9
Colorado	11,684	12,137	12,276	12,924	13,350	13,206	8.8	2.2	- 1.1
Utah	4,491	4,604	4,795	4,952	4,985	5,097	10.7	2.9	2.2
Far West	139,250	143,694	146,727	151,610	153,759	158,930	10.6	4.8	3.4
Washington	16,863	17,326	17,980	18,527	18,581	19,102	10.3	3.1	2.8
Oregon	10,337	10,536	10,912	11,228	11,597	11,827	12.3	5.3	2.0
Nevada	2,996	3,115	3,156	3,325	3,354	3,515	12.8	5.7	4.8
California	109,054	112,717	114,679	118,530	120,227	124,486	10.4	5.0	3.5
Alaska	1,904	1,929	1,965	2,032	2,101	2,207	14.4	8.6	5.0
Hawaii	4,414	4,526	4,598	4,791	4,777	5,066	11.9	5.7	6.0

Note.--Detail may not add to totals because of rounding; percentages are based on the seasonally adjusted data.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table B.--Percent Change in Total Personal Income And in Income Excluding Agriculture, IV 1973-II 1974

Rank		Total personal income	Nonfarm personal income
	United States	3.2	4.8
	States		
1	Idaho	34.7	6.8
2	North Dakota	18.7	6.1
3	Kentucky	13.4	5.3
4	Maine	8.6	3.7
5	Alaska	8.6	8.4
6	New Mexico	8.6	5.8
7	Vermont	7.0	6.5
8	Massachusetts	6.0	6.1
9	New Hampshire	5.7	5.9
10	Nevada	5.7	6.0
11	Hawaii	5.7	4.7
12	Wisconsin	5.5	6.3
13	New Jersey	5.4	5.6
14	Arizona	5.3	4.9
15	Oregon	5.3	5.8
16	Connecticut	5.2	5.4
17	Rhode Island	5.1	5.0
18	Oklahoma	5.1	5.3
19	Tennessee	5.1	5.4
20	California	5.0	5.8
21	West Virginia	5.0	5.5
22	Pennsylvania	4.9	5.1
23	New York	4.5	4.6
24	Virginia	4.3	4.9
25	South Carolina	4.2	7.3
26	Illinois	4.0	5.9
--	District of Columbia ...	4.0	4.0
27	Wyoming	3.8	6.2
28	Maryland	3.7	4.9
29	Florida	3.5	4.1
30	North Carolina	3.1	5.1
31	Washington	3.1	6.7
32	Utah	2.9	5.0
33	Ohio	2.6	4.0
34	Louisiana	2.5	3.6
35	Colorado	2.2	3.4
36	Minnesota	1.8	5.9
37	Indiana	.8	2.7
38	Alabama	.5	4.4
39	Georgia	.2	3.5
40	Missouri	.2	4.1
41	Michigan	- .1	- .0
42	Texas	- .7	5.5
43	Delaware	- 1.5	1.6
44	Montana	- 3.6	5.9
45	Arkansas	- 4.2	5.3
46	Kansas	- 5.7	4.2
47	Mississippi	- 5.9	3.5
48	South Dakota	- 7.0	4.1
49	Iowa	- 8.8	5.4
50	Nebraska	- 10.4	4.9
	Regions		
1	New England	5.9	5.7
2	Rocky Mountain	5.8	4.6
3	Far West	4.8	5.9
4	Mideast	4.6	4.9
5	Southeast	3.1	4.7
6	Great Lakes	2.5	3.7
7	Southwest	1.3	5.4
8	Plains	- 2.5	4.9

Note.--Percentages are based on seasonally adjusted data.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.