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STATE AND REGIONAL PERSONAL INCOME: THIRD QUARTER 1974

Changes in total personal income from the fourth quarter of 1973 to the third quarter of 1974 ranged from a 20 percent increase in Idaho to a 16 percent decrease in South Dakota, the Bureau of Economic Analysis will report in the January 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.

During the three-quarter period, total personal income increased 6-1/4 percent nationally, and consumer prices rose more than 9 percent. In 43 States, real purchasing power decreased from the fourth quarter of 1973 -- the peak quarter in real GNP -- to the third quarter of 1974 -- the latest period for which State data are available.

In seven States and the District of Columbia, the gain in total personal income equaled or exceeded the national consumer price rise. In five of these, personal income increased from 10 to 20 percent, and thus real purchasing power increased, at least moderately, in: Idaho, Alaska,

Note: Total personal income consists of private and government wage and salary payments in cash and in kind, other labor income, farm and non-farm proprietors' income, interest, net rents, dividends, and transfer payments, less personal contributions for social insurance. It is measured before the deduction of taxes on personal income and of other personal taxes and is reported in current dollars (not adjusted for price changes).



Table B.--Percent Change in Nonfarm Income and Total Personal Income
IV 1973 - III 1974

Rank		Nonfarm	Total	U.S. change = 100	
				Nonfarm	Total
	United States	7.9	6.2	100	100
	States				
1	Alaska	14.5	14.5	184	234
2	Montana	10.6	7.4	134	119
3	South Carolina	10.5	6.9	133	111
4	Idaho	10.2	20.0	129	323
5	Wyoming	9.8	5.6	124	90
6	Oregon	9.7	9.4	123	152
7	Minnesota	9.4	2.8	119	45
8	Arizona	9.4	10.0	119	161
9	Virginia	9.3	8.8	118	142
10	New Mexico	9.2	11.9	116	192
11	Washington	9.1	9.2	115	148
12	Iowa	9.1	1.3	115	21
13	Texas	9.0	4.1	114	66
--	District of Columbia ..	9.0	9.0	114	145
14	Connecticut	8.8	8.5	111	137
15	West Virginia	8.7	8.2	110	132
16	North Dakota	8.7	- 4.5	110	---
17	Massachusetts	8.7	8.6	110	139
18	North Carolina	8.6	4.7	109	76
19	Arkansas	8.6	4.4	109	71
20	New Hampshire	8.5	8.1	108	131
21	Oklahoma	8.4	6.0	106	97
22	Tennessee	8.3	6.6	105	106
23	California	8.2	7.5	104	121
24	Utah	8.2	6.4	104	103
25	Pennsylvania	8.2	7.6	104	123
26	Maryland	8.2	7.4	104	119
27	Nebraska	8.1	- 3.6	103	---
28	Colorado	8.0	5.5	101	89
29	Ohio	8.0	7.9	101	127
30	Kentucky	7.9	12.6	100	203
31	Alabama	7.8	3.3	99	53
32	New Jersey	7.8	7.6	99	123
33	Rhode Island	7.8	7.7	99	124
34	Wisconsin	7.7	4.7	97	76
35	Illinois	7.7	6.1	97	98
36	Mississippi	7.6	2.3	96	37
37	Florida	7.3	5.7	92	92
38	New York	7.2	6.9	91	111
39	Maine	7.1	4.3	90	69
40	Delaware	7.0	4.3	89	69
41	Louisiana	7.0	6.4	89	103
42	Kansas	6.9	- 1.9	87	---
43	Nevada	6.7	6.4	85	103
44	Hawaii	6.7	6.9	85	111
45	Vermont	6.5	4.6	82	74
46	Indiana	6.5	4.9	82	79
47	South Dakota	6.5	- 16.2	82	---
48	Michigan	6.2	5.8	78	94
49	Missouri	6.1	2.5	77	40
50	Georgia	5.8	2.4	73	39
	Regions				
1	Southwest	9.0	5.5	114	89
2	Rocky Mountain	8.7	7.8	110	126
3	New England	8.5	8.1	108	131
4	Far West	8.4	7.8	106	126
5	Southeast	7.9	6.0	100	97
6	Plains	7.8	.1	99	2
7	Midwest	7.7	7.3	97	118
8	Great Lakes	7.2	6.2	91	100

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table A.--Total Personal Income, Regions and States
(Millions of Dollars, Seasonally Adjusted at Annual Rates)

State and region	1973		1974			Percent change	
	III	IV	I	II	III	IV 1973- III 1974	II 1974- III 1974
United States	1,070,984	1,102,228	1,115,437	1,137,537	1,170,937	6.2	2.9
New England	64,024	65,296	66,758	69,135	70,566	8.1	2.1
Connecticut	18,457	18,931	19,395	19,920	20,544	8.5	3.1
Maine	4,229	4,373	4,452	4,751	4,559	4.3	- 4.0
Massachusetts	30,897	31,388	32,123	33,261	34,087	8.6	2.5
New Hampshire	3,745	3,884	3,966	4,104	4,197	8.1	2.3
Rhode Island	4,788	4,756	4,832	4,997	5,123	7.7	2.5
Vermont	1,908	1,965	1,990	2,102	2,056	4.6	- 2.2
Mideast	238,734	244,948	250,132	256,190	262,714	7.3	2.5
New York	104,852	107,526	109,642	112,361	114,970	6.9	2.3
New Jersey	43,250	44,297	45,696	46,698	47,651	7.6	2.0
Pennsylvania	59,921	61,566	62,782	64,568	66,219	7.6	2.6
Delaware	3,408	3,499	3,325	3,447	3,651	4.3	5.9
Maryland	22,682	23,116	23,588	23,976	24,832	7.4	3.6
District of Columbia	4,622	4,944	5,099	5,140	5,391	9.0	4.9
Great Lakes	219,346	227,374	227,171	232,964	241,496	6.2	3.7
Michigan	50,592	52,427	51,112	52,356	55,468	5.8	5.9
Ohio	55,004	56,670	57,042	58,163	61,164	7.9	5.2
Indiana	26,552	27,904	27,490	28,134	29,281	4.9	4.1
Illinois	65,284	67,488	68,424	70,163	71,626	6.1	2.1
Wisconsin	21,914	22,886	23,103	24,148	23,958	4.7	- 0.8
Plains	88,582	89,664	89,202	87,458	89,772	0.1	2.6
Minnesota	20,665	21,064	21,136	21,440	21,659	2.8	1.0
Iowa	17,190	16,163	15,785	14,746	16,373	1.3	11.0
Missouri	23,063	23,665	23,904	23,720	24,252	- 2.5	2.2
North Dakota	3,387	3,592	4,000	4,262	3,430	- 4.5	- 19.5
South Dakota	3,190	3,490	3,299	3,247	2,924	- 16.2	- 9.9
Nebraska	8,424	8,705	8,258	7,799	8,393	- 3.6	7.6
Kansas	12,662	12,985	12,820	12,244	12,742	- 1.9	4.1
Southeast	200,141	206,888	209,055	213,293	219,285	6.0	2.8
Virginia	24,094	24,370	24,581	25,418	26,506	8.8	4.3
West Virginia	7,172	7,308	7,599	7,675	7,908	8.2	3.0
Kentucky	13,649	13,840	14,750	15,690	15,589	12.6	- 0.6
Tennessee	17,075	17,554	17,935	18,456	18,720	6.6	1.4
North Carolina	22,518	23,975	24,231	24,726	25,101	4.7	1.5
South Carolina	10,631	11,227	11,626	11,698	12,006	6.9	2.6
Georgia	21,446	21,967	21,968	22,007	22,505	2.4	2.3
Florida	38,414	39,747	39,706	41,130	42,012	5.7	2.1
Alabama	13,958	14,384	14,524	14,455	14,863	3.3	2.8
Mississippi	8,227	8,694	8,784	8,177	8,898	2.3	8.8
Louisiana	15,148	15,488	15,383	15,875	16,476	6.4	3.8
Arkansas	7,810	8,333	7,968	7,986	8,701	4.4	9.0
Southwest	81,051	83,054	84,723	84,170	87,593	5.5	4.1
Oklahoma	12,086	11,899	12,107	12,510	12,608	6.0	0.8
Texas	54,700	56,667	57,836	56,262	58,971	4.1	4.8
New Mexico	4,378	4,398	4,591	4,776	4,920	11.9	3.0
Arizona	9,887	10,089	10,188	10,622	11,093	10.0	4.4
Rocky Mountain	25,817	26,572	27,760	28,124	28,642	7.8	1.8
Montana	3,489	3,536	3,545	3,409	3,798	7.4	11.4
Idaho	3,628	3,418	4,000	4,605	4,100	20.0	- 11.0
Wyoming	1,629	1,741	1,880	1,807	1,839	5.6	1.8
Colorado	12,276	12,924	13,350	13,206	13,638	5.5	3.3
Utah	4,795	4,952	4,985	5,097	5,267	6.4	3.3
Far West	146,727	151,610	153,759	158,930	163,424	7.8	2.8
Washington	17,980	18,527	18,581	19,102	20,227	9.2	5.9
Oregon	10,912	11,228	11,597	11,827	12,280	9.4	3.8
Nevada	3,156	3,325	3,354	3,515	3,538	6.4	0.7
California	114,679	118,530	120,227	124,486	127,380	7.5	2.3
Alaska	1,965	2,032	2,101	2,207	2,326	14.5	5.4
Hawaii	4,598	4,791	4,777	5,066	5,120	6.9	1.1

Note:--Detail may not add to totals because of rounding; percentages are based on the seasonally adjusted data. Quarterly totals for the State personal income series will not agree with the personal income measure carried in the national income and product accounts.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Kentucky, New Mexico, and Arizona. In Oregon and Washington, and in the District of Columbia, the increase in total personal income approximated the rise in prices. Five of these seven fast-growing States (the exceptions are Alaska and Oregon) showed marked increases in farm income (10 percent or more), although nationwide it was down 30 percent.

At the other end of the scale, total personal income in current dollars declined from 2 percent to 16 percent in four States (Kansas, Nebraska, North Dakota, and South Dakota). Farm income dropped 30 percent or more in these States, and outweighed gains in nonfarm income of at least 6-1/4 percent.

Nonfarm Income

A sharp picture of the geographic impact of the onset of the recession can be seen from the State and regional data on nonfarm income. (Rapid and somewhat erratic changes in farm income tend to blur underlying economic developments.) The first column of table B shows the State and regional percentage changes in nonfarm income from the fourth quarter of 1973 to the third quarter of 1974, and the second column shows changes in total income for each State. To facilitate comparisons, indexes of these changes (U.S. change equals 100) are shown in the last two columns.

The State statistics do not yet reflect (as of the third quarter 1974) the sharp deterioration in the national economy of the past few months. From the end of 1973 to the third quarter of 1974, real GNP dropped 2-3/4 percent and current dollar personal income rose 6-1/4 percent; in the closing quarter of 1974, real GNP dropped another 2-1/2 percent and personal income was up only 1-1/2 percent.

States with large gains

Nonfarm income has expanded fairly rapidly in only 13 States and the District of Columbia since the end of 1973; they are: Alaska, Montana, South Carolina, Idaho, Wyoming, Oregon, Minnesota, Arizona, Virginia, New Mexico, Washington, Iowa, Texas, and the District of Columbia.

The relatively good income performance in nearly all of these areas was mainly due to unusual strength in basic industries: manufacturing and mining, as well as construction. The gain in manufacturing payrolls in 12 of these 13 States exceeded the nationwide advance (the exception was Alaska), while the gain in construction payrolls in 10 States was above the U.S. average (the exceptions were Arizona, Iowa, and Washington). The gain in mining payrolls in eight of these States was also above the U.S. average (the exceptions were South Carolina, Minnesota, Iowa, Texas, and Washington). In the District of Columbia, the rise in nonfarm income was due to an unusually sharp rise in government payrolls (Federal and State and local). Reflecting the strength in basic industries in these States, service industries payrolls were very strong in all but Wyoming and New Mexico.

States with small gains

While nonfarm income advanced in all States, they were especially small, less than 7-1/2 percent, in 14 States: Georgia, Missouri, Michigan, South Dakota, Indiana, Vermont, Hawaii, Nevada, Kansas, Louisiana, Delaware, Maine, New York, and Florida.

Construction payrolls were off sharply in Nevada, Vermont, South Dakota, Florida, Louisiana, Michigan, Georgia, and New York. Manufacturing wages were off in Hawaii and Nevada, and the advances in factory wages were well below the national average in Kansas, Delaware, Missouri, Michigan, Georgia, and Indiana. Federal civilian Government payrolls were off in Florida, New York, Missouri, and Hawaii. Primarily reflecting developments in these basic industries, the advances in most service industries in 11 of these 14 States were well below the national average. In Indiana, the advance equaled the national average; however, in Florida and Nevada, where hotel and amusement activities are important sources of basic income, the advances in income from all service industries were somewhat above average.

Additional data will be published in the January Survey of Current Business. The magazine is available from District Offices of the Department of Commerce and from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402, at an annual subscription price of \$48.30, including weekly supplements; single copy, \$3.00.

Attachments: Tables

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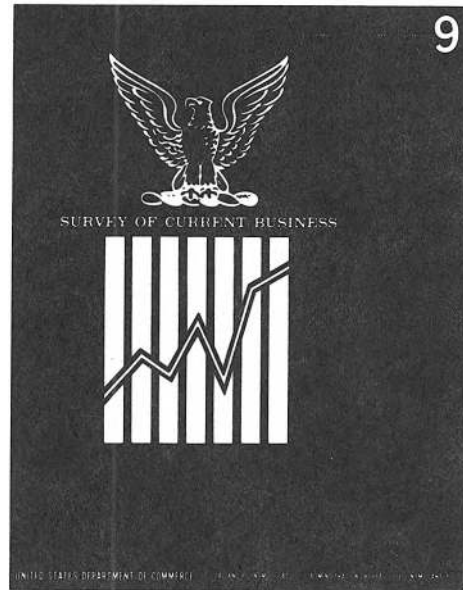
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