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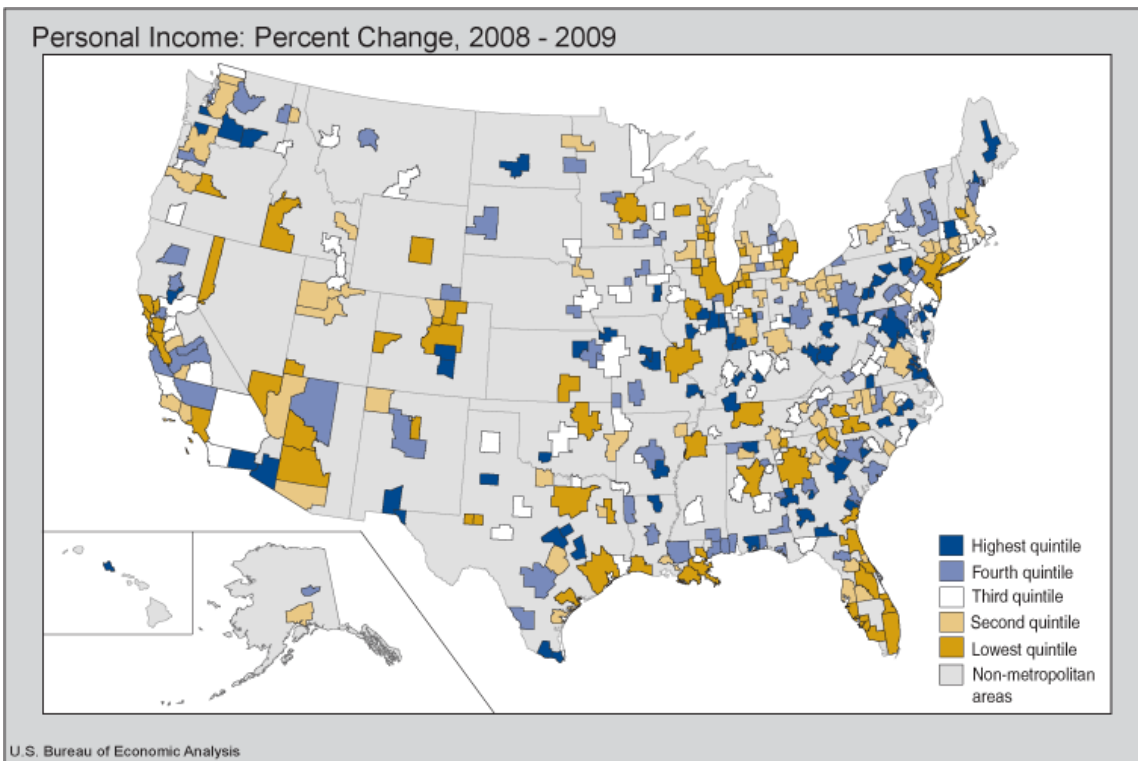
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EMBARGOED FOR RELEASE: 8:30 A.M. ET, Monday, August 9, 2010

BEA 10-39

Personal Income for Metropolitan Areas, 2009

WASHINGTON DC, August 9, 2010 – Personal income declined in 2009 in most of the nation's metropolitan statistical areas (MSAs), according to estimates released today by the U.S. Bureau of Economic Analysis. Personal income declined in 223 MSAs, increased in 134, and remained unchanged in 9 MSAs. On average, MSA personal income fell 1.8 percent in 2009, after rising 2.7 percent in 2008. Personal income growth ranged from 14 percent in Jacksonville, North Carolina to -7.1 percent in Naples, Florida. Inflation, as measured by the national price index for personal consumption expenditures, declined to 0.2 percent in 2009 from 3.3 percent in 2008.



Although personal income grew in 134 MSAs, in most cases this growth represented an increase in transfer receipts (unemployment insurance benefits, for example). Only in 57 MSAs did the net earnings of workers increase in 2009.

In most of the 57 MSAs where net earnings increased, the gains were concentrated in the government sector. Military earnings growth was particularly strong in seven of the ten MSAs with the fastest personal income growth in 2009: Jacksonville and Fayetteville, North Carolina; Manhattan, Kansas; Elizabethtown, Kentucky; Lawton, Oklahoma; Clarksville, Tennessee; and Killeen, Texas.

Only in five MSAs (Kennewick, Washington; Cumberland, Maryland; Morgantown, West Virginia; Cape Girardeau, Missouri; and Ithaca, New York;) did the private sector account for most of earnings growth in 2009.

Large MSAs. Among the 52 MSAs with a population of one million or more, only three had an increase in both net earnings and personal income in 2009 (Washington, D.C.; San Antonio, Texas; and Virginia Beach, Virginia). The biggest gains in compensation in these three MSAs were in the federal government (civilian and military combined). Private sector compensation declined in these three MSAs.

Two additional large MSAs had an increase in personal income, despite a decline in net earnings, because of relatively large gains in transfer receipts (Baltimore, Maryland and Pittsburgh, Pennsylvania).

On average, personal income declined 2.3 percent for these 52 MSAs, with growth rates ranging from 1.2 percent in Virginia Beach to -5.0 percent in Las Vegas.

Per capita personal income. Per capita personal income growth rates ranged from 12

percent in Jacksonville, North Carolina to -8.4 percent in Midland, Texas. Per capita personal income growth is a measure which highlights differences in economic conditions across MSAs by removing the effect of differential population growth rates. In addition to the industrial differences already mentioned, MSA per capita personal income growth rates in 2009 reflect the distribution of countercyclical income transfers (under the American Recovery and Reinvestment Act of 2009 and the Economic Stimulus Act of 2008). Since these transfers were received primarily by unemployed workers in 2009, their contribution to per capita personal income growth tended to vary with MSA unemployment rates. For example, they contributed 1.9 percentage points to personal income growth in El Centro, California in 2009 (the MSA with the highest unemployment rate in the nation) but only 0.2 percentage point to growth in Bismarck, North Dakota (with the nation's lowest unemployment rate).

Quick links to all of the regional statistics underlying this news release along with mapping and charting software and a detailed methodology are available at </regional/quick.cfm>.

NOTE.—MSA names in the text are abbreviated; full names are provided in Table 1.

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, property income, and personal current transfer receipts. **Net earnings** is earnings by place of work (the sum of wage and salary disbursements, 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. **Property income** is rental income of persons, personal dividend income, and personal interest income. 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).

Per capita personal income is calculated as the personal income of the residents of a given area divided by the resident population of the area. In computing per capita personal income, BEA uses the Census Bureau's annual midyear population estimates.

The **metropolitan area definitions** used by BEA for its entire series of personal income estimates are the county-based definitions developed by the Office of Management and Budget (OMB) for federal statistical purposes and last updated in December 2009. OMB's general concept of a metropolitan area is that of a geographic area consisting of a large population nucleus together with adjacent communities having a high degree of economic and social integration with the nucleus. Personal income and per capita personal income estimates for the 366 metropolitan areas are shown in Table 1.

An interpretive article describing data sources and presenting summary personal income and per capita personal income statistics for metropolitan areas will be published in the September issue of the *Survey of Current Business*, the monthly journal of the Bureau of Economic Analysis.

BEA's national, international, regional, and industry estimates; the *Survey of Current Business*; and BEA news releases are available without charge on BEA's Web site at www.bea.gov. By visiting the site, you can also subscribe to receive free e-mail alerts of BEA releases and announcements.

The next regional economic accounts data release, scheduled for September 20, 2010 at 8:30 A.M. ET, will be state personal income, second quarter 2010 and revisions for 2007-2009.

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