

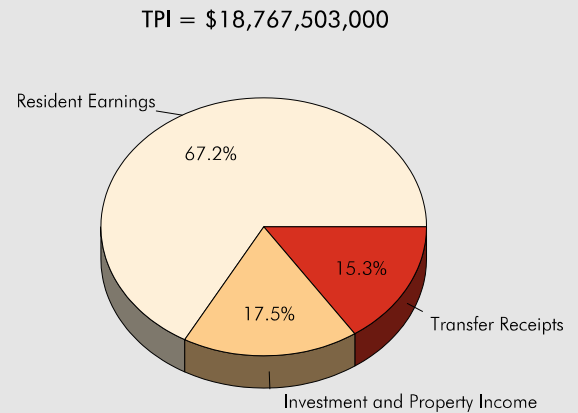
## Personal Income in North Dakota: 2004

According to the U.S. Bureau of Economic Analysis, total personal income in North Dakota rose from \$18.2 billion in 2003 to \$18.8 billion in 2004, an increase of 2.8 percent (Table 1). This growth was slightly larger than inflation which was 2.7 percent between 2003 and 2004. Total personal income is comprised of earnings (of North Dakota residents), investment and property income (dividends, interest, and rent), and transfer receipts (such as retirement, disability, medical, and income maintenance payments) (Figure 1). Between 2003 and 2004, North Dakota earnings rose 2.5 percent, investment and property income rose 2.6 percent, and transfer receipts rose 4.6 percent (Table 1).

North Dakota earnings were largely generated by government, health care, manufacturing, and retail trade industries in 2004. Together, earnings from these four industries comprised 40.9 percent of total personal income. In terms of growth between 2003 and 2004, earnings from construction, real estate, and company management grew the fastest (15.0 percent, 12.9 percent, and 12.8 percent growth, respectively) (Table 1).

North Dakota per capita income grew 2.3 percent in 2004 to \$29,494, up from \$28,828 in 2003 (Table 1). Nationally, North Dakota ranked 37<sup>th</sup> in per capita income, 10.8 percent below the national average of \$33,050 in 2004. The District of Columbia ranked 1<sup>st</sup> at \$51,155, followed by Connecticut (\$45,318), Massachusetts (\$42,176) and New Jersey (\$41,626) (Figure 2).

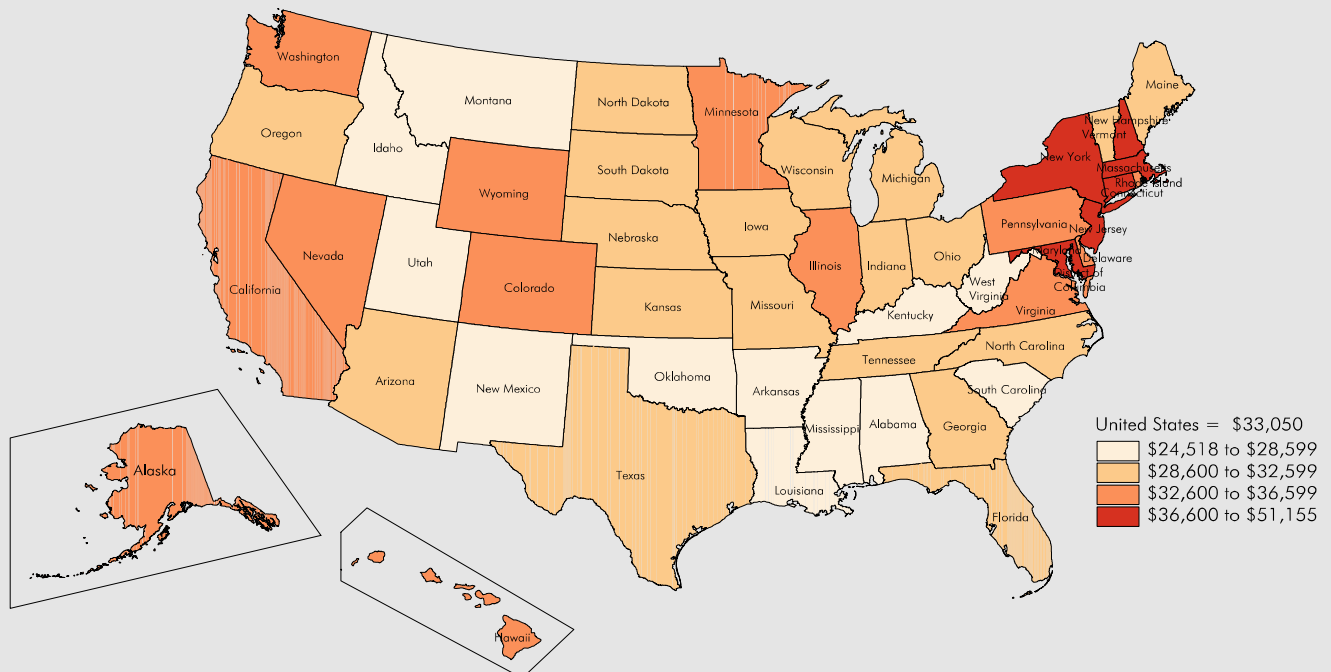
Figure 1. Components of Total Personal Income (TPI) in North Dakota: 2004



Source: U.S. Bureau of Economic Analysis, Regional Economic Information System, Table SA05, March 2006, www.bea.gov

Figure 2. Per Capita Personal Income by State: 2004

Note: Per capita personal income is total personal income divided by midyear (July 1) total population estimates from the U.S. Census Bureau, Population Division.  
Source: U.S. Bureau of Economic Analysis, Regional Economic Information System, Table SA05, March 2006, www.bea.gov



**Table 1. Total Personal Income by Major Source and Earnings by Industry in North Dakota: 2001 to 2004**

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System, Table SA05, March 2006, www.bea.gov

Components of Total Personal Income	2001	2002	2003	2004	Change: 2003 to 2004	
					Numeric	Percent
Population (persons) 1/	636,239	633,571	633,051	636,308	3,257	0.5
Per capita personal income (dollars) 2/	25,879	26,427	28,828	29,494	666	2.3
-----in thousands of dollars (\$1,000)-----						
Total Personal Income (in thousands of dollars)	16,465,318	16,743,211	18,249,858	18,767,503	517,645	2.8
<b>Major Source and Derivation of Personal Income</b>						
1. Net earnings of North Dakota residents	10,581,404	10,811,929	12,301,935	12,608,336	306,401	2.5
Includes: Earnings generated in North Dakota	12,601,176	12,897,821	14,513,974	14,966,009	452,035	3.1
Plus: Residence adjustment for commuters 3/	-460,983	-486,162	-516,533	-554,404	-37,871	7.3
Less: Contributions for government social insurance 4/	1,558,789	1,599,730	1,695,506	1,803,269	107,763	6.4
2. Dividends, interest, and rent (investment and property income) 5/	3,352,456	3,256,084	3,204,077	3,288,918	84,841	2.6
3. Personal current transfer receipts	2,531,458	2,675,198	2,743,846	2,870,249	126,403	4.6
<b>Earnings Generated in North Dakota</b>						
--Components of Earnings--						
Wage and salary disbursements	8,833,174	9,169,320	9,620,841	10,298,066	677,225	7.0
Supplements to wages and salaries (employer contributions)	2,008,047	2,243,658	2,475,152	2,727,962	252,810	10.2
Proprietors' income 6/	1,759,955	1,484,843	2,417,981	1,939,981	-478,000	-19.8
Farm proprietors' income	377,093	164,515	1,066,015	458,637	-607,378	-57.0
Non-farm proprietors' income	1,382,862	1,320,328	1,351,966	1,481,344	129,378	9.6
--Earnings by Industry-- 7/						
Farm earnings	542,326	313,872	1,177,070	596,836	-580,234	-49.3
Nonfarm earnings	12,058,850	12,583,949	13,336,904	14,369,173	1,032,269	7.7
Private earnings	9,312,118	9,586,529	10,110,379	10,933,035	822,656	8.1
Forestry, fishing, and related activities, and other 8/	86,374	77,270	84,280	91,352	7,072	8.4
Mining	253,540	244,557	261,934	293,717	31,783	12.1
Utilities	285,255	303,790	341,022	361,616	20,594	6.0
Construction	774,072	767,888	838,436	964,385	125,949	15.0
Manufacturing	1,106,108	1,119,052	1,171,019	1,288,102	117,083	10.0
Durable goods manufacturing	681,755	717,549	763,781	848,780	84,999	11.1
Nondurable goods manufacturing	424,353	401,503	407,238	439,322	32,084	7.9
Wholesale Trade	781,982	790,598	853,174	930,941	77,767	9.1
Retail Trade	996,674	1,027,908	1,075,812	1,122,608	46,796	4.4
Transportation and warehousing	532,829	519,953	542,051	579,628	37,577	6.9
Information	349,037	356,248	394,741	432,788	38,047	9.6
Finance and insurance	647,695	693,406	736,415	786,933	50,518	6.9
Real estate and rental and leasing	148,665	163,353	176,905	199,649	22,744	12.9
Professional and technical services	549,122	590,525	565,403	609,068	43,665	7.7
Management of companies and enterprises	151,868	155,623	165,152	186,236	21,084	12.8
Administrative and waste services	268,657	278,569	265,891	288,906	23,015	8.7
Educational services	72,382	79,373	86,111	92,984	6,873	8.0
Health care and social assistance	1,541,706	1,617,535	1,701,739	1,822,222	120,483	7.1
Arts, entertainment, and recreation	58,916	64,189	62,241	64,468	2,227	3.6
Accommodation and food services	325,411	332,616	346,826	361,320	14,494	4.2
Other services, except public administration	381,825	404,076	441,227	456,112	14,885	3.4
Government and government enterprises	2,746,732	2,997,420	3,226,525	3,436,138	209,613	6.5
Federal, civilian	554,270	579,529	609,464	670,410	60,946	10.0
Military	483,828	594,709	668,827	704,351	35,524	5.3
State and local	1,708,634	1,823,182	1,948,234	2,061,377	113,143	5.8

Notes: For detailed definitions, visit the Methodologies link at www.bea.gov.

1. Vintage 2005 midyear (July 1) population estimates from the U.S. Census Bureau, Population Division.
2. Per capita personal income is total personal income divided by total midyear population estimates.
3. The adjustment for residence is the net inflow of the earnings of interarea commuters. For example, earnings received by Minnesota residents working in North Dakota are included in earnings by industry for North Dakota, but they are excluded from North Dakota's personal income.
4. Contributions for government social insurance are included in earnings by type and industry, but they are excluded from personal income.
5. Rental income of persons includes the capital consumption adjustment.
6. Proprietors' income is the current-production income (including income in kind) of sole proprietorships and partnerships and of tax-exempt cooperatives. Proprietors' income includes the inventory valuation adjustment and the capital consumption adjustment.
7. The estimates of earnings by industry for 2001-2004 are based on the 2002 North American Industry Classification System (NAICS).
8. "Other" consists of the wage and salary disbursements of U.S. residents employed by international organizations and foreign embassies and consulates in the United States.

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## Personal Income Keeping Pace with Inflation in North Dakota

Total personal income in North Dakota rose to \$18.8 billion in 2004, up 2.8 percent from \$18.2 billion in 2003. Prices paid by consumers (as measured by the Consumer Price Index, [www.bls.gov/cpi](http://www.bls.gov/cpi)) increased 2.7 percent between 2003 and 2004. Thus, after adjusting for inflation, North Dakota's personal income increased by two-tenths of one percent between 2003 and 2004 (0.2%). "Although this may sound small, it means we continued to gain purchasing power because our income is growing faster than inflation. In addition, over the past 10 years, our national ranking in per capita income has improved from 44<sup>th</sup> in 1995 to 37<sup>th</sup> in 2004," said Richard Rathge, Director of the State Data Center.

This month's "Economic Briefs," a monthly publication from the North Dakota State Data Center at North Dakota State University focuses on personal income figures as reported by the U.S. Bureau of Economic Analysis, [www.bea.gov](http://www.bea.gov). Personal income is comprised of resident earnings, investment and property income (dividends, interest, and rent), and transfer receipts (such as retirement, disability, medical, and income maintenance payments - payments for which no services are performed). Between 2003 and 2004, net earnings rose 2.5 percent, investment and property income rose 2.6 percent, and transfer receipts rose 4.6 percent. This increase in transfers is significant in that approximately \$1 out of every \$7 of North Dakotans' income was derived from government transfer payments in 2004.

North Dakota earnings were largely generated by government, health care, manufacturing, and retail trade industries in 2004. Together, earnings from these four industries comprised 40.9 percent of total personal income. In terms of growth between 2003 and 2004, earnings from construction, real estate, and company management grew the fastest (15.0 percent, 12.9 percent, and 12.8 percent growth, respectively).

North Dakota per capita personal income (total personal income divided by total resident population) grew 2.3 percent in 2004 to \$29,494, up from \$28,828 in 2003. Nationally, North Dakota ranked 37<sup>th</sup> in per capita income, 10.8 percent below the national average of \$33,050 in 2004. The District of Columbia ranked 1<sup>st</sup> at \$51,155, followed by Connecticut (\$45,318), Massachusetts (\$42,176) and New Jersey (\$41,626).

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