

Personal Income

Overview

Utah's 2002 forecasted total personal income of \$56.4 billion is up 2.7% from the 2001 total. This is below the U.S. growth forecast of 3.0%. Utah's 2002 per capita personal income is forecasted at \$24,750, an increase of 2.4% over the 2001 estimate. Utah's 2001 per capita income ranks 45th among the 50 states (excluding Washington, D.C.).

2002 Summary and 2003 Outlook

Utah's 2002 total personal income (TPI) is forecasted at \$56.4 billion, up 2.7% from the 2001 total. If the forecast holds, this will be the lowest total personal income growth in at least the last 40 years. The primary cause of this anomaly is the economic recession that has characterized most of 2002. Utah's 2002 TPI growth is lower than the forecasted national TPI growth of 3.0%. The declining national TPI growth will also be the lowest growth rate in over 40 years. The Utah and U.S. economic slowdown of 2001-2002 is evident in these TPI low-growth rates.

Per capita personal income (PCI) is an area's annual total personal income divided by the total population as of July 1 of that year. Utah's 2002 PCI is approximately \$24,750, an increase of 2.4% over the 2001 estimate. Utah's 2002 PCI is around 80% of the national PCI. Utah's PCI, as a percent of the national PCI, rose in the early 1990s from 77%, leveling off around 81% in 1997, and has fallen slightly since.

Significant Issues

Composition of Total Personal Income. The largest single component of total personal income is "earnings by place of work." This portion consists of the total earnings from farm and nonfarm industries, including contributions for social insurance. In 2001, Utahns' earnings by place of work reached \$42.2 billion, representing 77% of TPI. About 10% of this figure was proprietors' income, while 90% was wages, salaries, and other labor income. Nonfarm earnings (\$41.9 billion) were over 99% of total earnings while farm income comprised less than 1%. Private sector nonfarm earnings accounted for 81% of nonfarm earnings, while earnings from public (government) industries made up 19%. Although earnings from government employment have been declining as a share of Utah's total earnings, it is still relatively more important than the U.S. share (19% to 16%, respectively).

The other two major components of TPI are dividends, interest, and rent (DIR), and transfer payments. In 2001, DIR amounted to \$9.2 billion, and transfer payments were \$5.8 billion. Some of the major differences between the economic compositions of Utah and the United States lie in these two parameters. Perhaps the most significant is that Utah transfer payments comprise a much smaller share of TPI than the national figure (11% versus 14%). DIR is also relatively smaller. Thus, Utahns must rely to a greater extent on wage earnings. The problem with this is that Utah's average wage is only 83% (in 2001) of the U.S. average.

The evolution of the industrial composition of Utah's TPI has changed in recent years. In 1980, prior to the last two recessions, goods-producing industries (mining, construction, manufacturing) generated over 30% of Utah's total earnings. By 2001, that share had dropped to 21%. Similarly, 22% of U.S. earnings are from goods-producing jobs.

Four major industry sectors generate over three-fourths of Utah's total earnings. The service sector is the leader providing 28% of earnings;

government (including military) pays 19%. Trade (wholesale plus retail) accounts for roughly 15% of Utah's total earnings, while manufacturing constitutes 13%. Construction, transportation/utilities, and finance/insurance/real estate are all between 7% and 8%, while mining and agriculture/agricultural services each generated about 1% of earnings.

Per Capita Personal Income. Utah's 2001 per capita personal income of \$24,180 ranked 45th among the 50 states (excluding Washington D.C.). During the 1970s, Utah's PCI ranged between 83% and 85% of the United States PCI. However, from 1977 to 1989, this parameter dropped 10 percentage points (from 85% to 75%). From 1989 to 1997, gradual improvements in this comparison occurred: it peaked at 81% in 1997, then slipped back to 79% in 2000 and 2001.

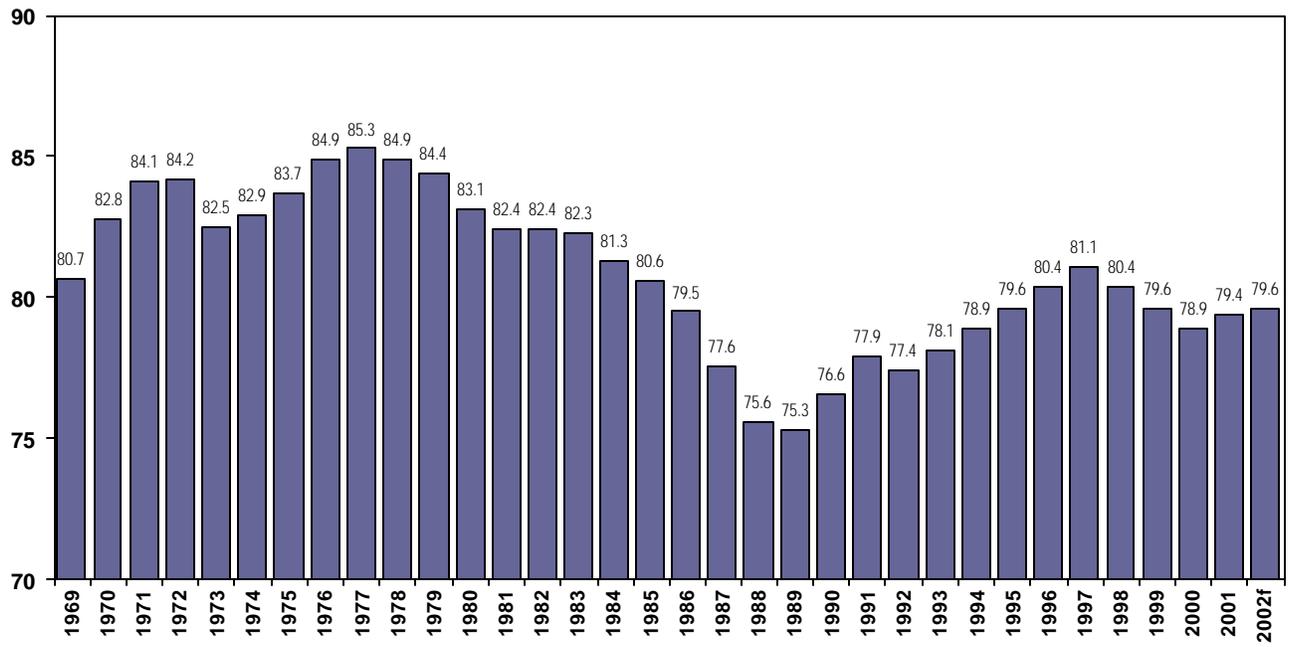
County Personal and Per Capita Income. Unlike the past two years, none of Utah's 29 counties posted double-digit 2000 to 2001 growth rates in total personal income. In fact, only Tooele County registered growth of over 8%. Most counties were in the 3% to 4% growth range. These slower growth rates are a direct reflection of the sharp economic contraction that began in 2001.

Four counties, Summit, Salt Lake, Kane, and Davis, have 2001 PCI estimates higher than the state average. Summit County's \$41,400 is the highest in Utah; it exceeds the state average by 71%. San Juan County's \$12,800 is the lowest; it is only 53% of the Utah average. The 2001 per capita income of the United States, at \$30,177, is higher than that of all of Utah's counties except Summit County.

Conclusion

The slowing year-over gains in Utah's total and per capita personal income estimates are a direct reflection of the current contraction in Utah's economy. Utah's average, to a greater degree than the national average, relies heavily upon wage earnings for its income generation. Lost jobs have a strong negative impact on total personal income. Moreover, the average annual pay of Utah's workers is somewhat lower than the U.S. average, which contributes to the state's lower ranking in per capita personal income.

Figure 30
Utah Per Capita Personal Income as a Percent of U.S.



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Governor's Office of Planning and Budget
f = forecast

Table 32
Components of Utah's Total Personal Income

Components	Millions of Dollars			Percent Change		2001 Percent Distribution	
	1999r	2000r	2001p	99-00	00-01	Utah	U.S.
Personal income	\$48,923	\$52,622	\$54,884	7.6	4.3	100.0	100.0
Earnings by place of work	38,071	40,706	42,229	6.9	3.7	76.9	71.9
less: Personal contrib. for social insurance	2,170	2,293	2,406	5.7	4.9	4.4	4.3
plus: Adjustment for residence	24	22	26	-8.3	18.2	0.0	0.0
equals: Net earnings by place of residence	35,925	38,435	39,850	7.0	3.7	72.6	67.6
plus: Dividends, interest, and rent	7,940	8,854	9,189	11.5	3.8	16.7	18.9
plus: Transfer payments	5,068	5,334	5,845	5.5	9.6	10.6	13.5
Components of earnings	38,071	40,706	42,229	6.9	3.7	76.9	71.9
Wage and salary disbursements	30,410	32,660	33,792	7.4	3.5	81.6	57.0
Other labor income	3,710	3,959	4,201	6.7	6.1	7.7	6.5
Proprietors' income &	3,951	4,087	4,236	3.4	3.6	7.7	8.4
Farm proprietors' income	154	84	188	-45.5	123.8	0.3	0.2
Nonfarm proprietors' income	3,797	4,003	4,048	5.4	1.1	7.4	8.2
Earnings by industry	38,071	40,706	42,229	6.9	3.7	76.9	71.9
Farm earnings	251	190	297	-24.3	56.3	0.5	0.5
Nonfarm earnings	37,820	40,516	41,932	7.1	3.5	76.4	71.4
Private earnings	28,982	33,057	34,006	14.0	2.9	62.0	60.0
Ag. services, forestry, fishing & other	157	184	203	17.2	10.3	0.4	0.5
Mining	427	468	479	9.6	2.4	0.9	0.6
Construction	3,036	3,162	3,227	4.2	2.1	5.9	4.4
Manufacturing	5,028	5,260	5,263	4.6	0.1	9.6	10.6
Durable goods	3,528	3,714	3,645	5.3	-1.9	6.6	8.6
Nondurable goods	1,500	1,547	1,618	3.1	4.6	2.9	4.0
Transportation and public utilities	2,789	2,985	3,064	7.0	2.6	5.6	4.9
Wholesale trade	2,172	2,345	2,324	8.0	-0.9	4.2	4.3
Retail trade	3,908	3,975	4,087	1.7	2.8	7.4	6.3
Finance, insurance, and real estate	2,981	3,148	3,355	5.6	6.6	6.1	6.9
Services	10,393	11,531	12,006	10.9	4.1	21.9	21.3
Government and government enterprises	6,928	7,459	7,926	7.7	6.3	14.4	11.5
Federal, civilian	1,776	1,982	2,068	11.6	4.3	3.8	2.2
Military	393	424	454	7.9	7.1	0.8	0.9
State	1,906	2,053	2,199	7.7	7.1	4.0	2.4
Local	2,852	3,000	3,205	5.2	6.8	5.8	6.0
Population (thous and)	2,193	2,247	2,296				
Per capita personal income (dollars)	22,202	23,476	24,180				
r = revised							
p = preliminary							

Note: The above population estimates, prepared by the U.S. Department of Commerce, differ somewhat from Utah Population Estimates Committee numbers.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, September 2002.

Industry Distribution
Utah U.S.

Table 33
 Personal and Per Capita Income -- Utah and U.S.

Year	Total Personal Income (millions of dollars)		Annual Growth Rates		Per Capita Personal Income (dollars)		Utah as % of U.S.
	Utah	U.S.	Utah	U.S.	Utah	U.S.	
1960	\$1,832	\$409,617	6.9	4.4	\$2,035	\$2,276	89.4
1961	1,958	427,094	6.9	4.3	2,091	2,334	89.6
1962	2,137	454,486	9.1	6.4	2,230	2,447	91.1
1963	2,221	477,521	4.0	5.1	2,281	2,534	90.0
1964	2,334	511,831	5.1	7.2	2,386	2,679	89.1
1965	2,472	553,074	5.9	8.1	2,494	2,859	87.2
1966	2,629	601,119	6.3	8.7	2,605	3,075	84.7
1967	2,773	644,282	5.5	7.2	2,721	3,264	83.4
1968	2,984	707,542	7.6	9.8	2,900	3,550	81.7
1969	3,249	774,262	8.9	9.4	3,103	3,846	80.7
1970	3,614	834,455	11.2	7.8	3,391	4,095	82.8
1971	4,026	899,249	11.4	7.8	3,658	4,348	84.1
1972	4,514	988,362	12.1	9.9	3,979	4,723	84.2
1973	5,057	1,107,992	12.0	12.1	4,326	5,242	82.5
1974	5,686	1,220,181	12.4	10.1	4,743	5,720	82.9
1975	6,355	1,326,214	11.8	8.7	5,150	6,155	83.7
1976	7,302	1,469,752	14.9	10.8	5,739	6,756	84.9
1977	8,331	1,630,901	14.1	11.0	6,328	7,421	85.3
1978	9,606	1,841,340	15.3	12.9	7,041	8,291	84.9
1979	11,026	2,072,839	14.8	12.6	7,786	9,230	84.4
1980	12,464	2,313,921	13.0	11.6	8,464	10,183	83.1
1981	14,078	2,588,335	13.0	11.9	9,290	11,280	82.4
1982	15,282	2,756,954	8.5	6.5	9,807	11,901	82.4
1983	16,481	2,935,040	7.8	6.5	10,333	12,554	82.3
1984	18,223	3,260,064	10.6	11.1	11,233	13,824	81.3
1985	19,462	3,498,662	6.8	7.3	11,846	14,705	80.6
1986	20,367	3,697,359	4.6	5.7	12,248	15,397	79.5
1987	21,208	3,945,515	4.1	6.7	12,638	16,284	77.6
1988	22,225	4,255,000	4.8	7.8	13,156	17,403	75.6
1989	23,843	4,582,429	7.3	7.7	13,977	18,566	75.3
1990	25,939	4,885,525	8.8	6.6	14,996	19,584	76.6
1991	27,750	5,065,416	7.0	3.7	15,603	20,039	77.9
1992	29,788	5,376,622	7.3	6.1	16,234	20,979	77.4
1993	31,950	5,598,446	7.3	4.1	16,844	21,557	78.1
1994	34,579	5,878,362	8.2	5.0	17,651	22,358	78.9
1995	37,278	6,192,235	7.8	5.3	18,514	23,272	79.6
1996	40,354	6,538,103	8.3	5.6	19,519	24,286	80.4
1997	43,696	6,928,545	8.3	6.0	20,618	25,427	81.1
1998	46,781	7,418,497	7.1	7.1	21,624	26,909	80.4
1999	48,923	7,779,511	4.6	4.9	22,202	27,880	79.6
2000	52,623	8,398,796	7.6	8.0	23,476	29,770	78.9
2001(p)	54,884	8,678,255	4.3	3.3	24,180	30,472	79.4
2002(f)	56,366	8,939,000	2.7	3.0	24,750	31,100	79.6

p = preliminary
 f = forecast

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, Governor's Office of Planning and Budget

Table 34
Total Personal Income by District and County

	Millions of Dollars				Percent Change		
	1998	1999	2000(p)	2001(f)	98-99	99-00	00-01
State Total	\$46,771.9	\$48,922.7	\$52,622.3	\$54,883.7	4.6	7.6	4.3
Bear River	2,468.1	2,583.8	2,706.0	2,806.9	4.7	4.7	3.7
Box Elder	856.0	894.3	957.0	1,004.9	4.5	7.0	5.0
Cache	1,582.7	1,656.9	1,714.7	1,766.1	4.7	3.5	3.0
Rich	29.4	32.6	34.3	35.9	10.9	5.2	4.7
Wasatch Front	31,970.9	33,490.9	35,797.8	37,130.7	4.8	6.9	3.7
North	9,272.3	9,745.6	10,437.0	10,890.6	5.1	7.1	4.3
Davis	5,056.5	5,381.5	5,790.3	6,114.6	6.4	7.6	5.6
Morgan	137.5	145.3	157.6	165.7	5.7	8.5	5.1
Weber	4,078.3	4,218.8	4,489.1	4,610.3	3.4	6.4	2.7
South	22,698.6	23,745.3	25,360.8	26,240.1	4.6	6.8	3.5
Salt Lake	22,091.0	23,071.5	24,588.7	25,400.1	4.4	6.6	3.3
Tooele	607.6	673.8	772.1	840.0	10.9	14.6	8.8
Mountainland	7,462.8	7,981.0	8,635.7	9,046.3	6.9	8.2	4.8
Summit	1,040.2	1,124.4	1,214.9	1,295.1	8.1	8.0	6.6
Utah	6,141.5	6,550.6	7,088.8	7,393.6	6.7	8.2	4.3
Wasatch	281.1	306.0	332.0	357.6	8.9	8.5	7.7
Central	992.4	1,037.6	1,078.5	1,112.0	4.6	3.9	3.1
Juab	118.4	121.6	126.0	129.9	2.7	3.6	3.1
Millard	203.3	206.5	209.6	211.5	1.6	1.5	0.9
Piute	21.5	22.1	21.4	21.6	2.7	-3.2	0.9
Sanpete	303.3	324.4	339.0	350.5	7.0	4.5	3.4
Sevier	303.2	317.7	335.0	349.4	4.8	5.4	4.3
Wayne	42.7	45.3	47.5	49.1	6.1	4.9	3.4
Southwestern	2,316.7	2,444.8	2,628.0	2,760.9	5.5	7.5	5.1
Beaver	100.8	110.2	128.5	138.4	9.3	16.6	7.7
Garfield	75.7	79.4	82.8	86.1	4.9	4.3	4.0
Iron	501.3	518.2	546.9	560.8	3.4	5.5	2.5
Kane	128.1	131.0	143.0	148.6	2.3	9.2	3.9
Washington	1,510.8	1,606.0	1,726.8	1,827.0	6.3	7.5	5.8
Uintah Basin	630.1	646.1	702.9	749.8	2.5	8.8	6.7
Daggett	12.9	13.2	13.2	13.3	2.3	0.0	0.8
Duchesne	235.4	236.8	255.7	272.1	0.6	8.0	6.4
Uintah	381.8	396.1	434.0	464.4	3.7	9.6	7.0
Southeastern	931.0	964.4	983.4	1,000.6	3.6	2.0	1.7
Carbon	417.9	430.0	443.2	454.3	2.9	3.1	2.5
Emery	177.7	182.7	189.5	193.1	2.8	3.7	1.9
Grand	157.4	169.2	169.2	172.9	7.5	0.0	2.2
San Juan	178.0	182.5	181.5	180.3	2.5	-0.5	-0.7
Salt Lake - Ogden MSA	31,225.8	32,671.8	34,868.1	36,125.0	4.6	6.7	3.6
U.S. percent change	-	-	-	-	4.9	8.0	3.3

p = preliminary
f = forecast

Note: The 1999 and 2000 state total estimates are comparable with the county estimates but not with the estimates shown elsewhere in this chapter.

Sources: 1998-2000, State Total 2001: U.S. Dept. of Commerce, BEA, May, September 2001; 2001: Utah Department of Workforce Services, Workforce Information, November 2002.

Table 35
Per Capita Income by District and County

	Millions of Dollars				Percent Change		
	1998	1999	2000(p)	2001(f)	98-99	99-00	00-01
State Total	\$21,594	\$22,202	\$23,476	\$24,180	2.8	5.7	3.0
Bear River	18,737	19,246	19,793	20,252	2.7	2.8	2.3
Box Elder	20,591	21,104	22,321	23,237	2.5	5.8	4.1
Cache	17,612	18,350	18,714	18,915	4.2	2.0	1.1
Rich	15,729	16,935	17,447	18,104	7.7	3.0	3.8
Wasatch Front	22,802	25,193	25,768	26,233	10.5	2.3	1.8
North	21,771	22,360	23,458	24,057	2.7	4.9	2.6
Davis	21,896	22,812	24,100	24,973	4.2	5.6	3.6
Morgan	20,074	20,779	21,995	22,708	3.5	5.9	3.2
Weber	21,369	21,780	22,757	22,986	1.9	4.5	1.0
South	25,048	25,712	26,856	27,256	2.7	4.4	1.5
Salt Lake	25,051	25,891	27,330	27,661	3.4	5.6	1.2
Tooele	17,188	17,695	18,542	18,906	2.9	4.8	2.0
Mountainland	19,302	19,862	20,691	20,896	2.9	4.2	1.0
Summit	37,189	38,767	40,528	41,405	4.2	4.5	2.2
Utah	17,380	18,114	19,128	19,170	4.2	5.6	0.2
Wasatch	20,144	20,991	21,547	22,424	4.2	2.6	4.1
Central	15,344	15,902	16,217	16,899	3.6	2.0	4.2
Juab	15,122	15,053	15,206	15,158	-0.5	1.0	-0.3
Millard	16,539	16,629	16,880	17,159	0.5	1.5	1.7
Piute	15,743	15,529	14,833	15,385	-1.4	-4.5	3.7
Sanpete	13,877	14,385	14,858	15,095	3.7	3.3	1.6
Sevier	16,389	16,995	17,745	18,217	3.7	4.4	2.7
Wayne	17,703	18,560	18,756	19,570	4.8	1.1	4.3
Southwestern	17,478	17,760	18,506	18,735	1.6	4.2	1.2
Beaver	17,139	18,433	21,339	22,330	7.6	15.8	4.6
Garfield	16,334	17,081	17,426	18,596	4.6	2.0	6.7
Iron	15,836	15,758	16,104	16,060	-0.5	2.2	-0.3
Kane	21,130	21,882	23,578	24,615	3.6	7.8	4.4
Washington	17,808	18,239	18,928	19,114	2.4	3.8	1.0
Uintah Basin	16,065	16,080	17,301	18,007	0.1	7.6	4.1
Daggett	15,201	14,995	14,139	14,089	-1.4	-5.7	-0.4
Duchesne	16,559	16,447	17,782	18,578	-0.7	8.1	4.5
Uintah	15,290	15,717	17,184	17,828	2.8	9.3	3.7
Southeastern	17,011	17,696	18,186	18,945	4.0	2.8	4.2
Carbon	20,158	20,903	21,763	22,877	3.7	4.1	5.1
Emery	16,280	16,737	17,472	18,438	2.8	4.4	5.5
Grand	19,197	20,241	19,868	20,527	5.4	-1.8	3.3
San Juan	12,416	12,673	12,606	12,821	2.1	-0.5	1.7
Salt Lake - Ogden MSA	23,953	24,738	26,075	26,491	3.3	5.4	1.6
U.S.	26,893	27,843	29,469	30,177	4.9	8.0	3.3

p = preliminary
f = forecast

Note: The 1999 and 2000 state total estimates are comparable with the county estimates but not with the estimates shown elsewhere in this chapter.

Sources: 1998-2000, State Total 2001: U.S. Dept. of Commerce, BEA, May, September 2001;
2001: Utah Department of Workforce Services, Workforce Information, November 2002.