

# Personal Income

## Overview

Utah's forecasted 2004 total personal income is \$62.2 billion, 4.9% above the 2003 preliminary estimate of \$59.3 billion. This is slightly below the U.S. growth forecast of 5.2%. Utah's 2004 per capita personal income is estimated to be \$25,870, an increase of 2.5% over the 2003 estimate. The most recent available income estimates for Utah from the U.S. Bureau of Economic Analysis (BEA) are for 2003. According to the BEA, Utah's 2003 per capita income of \$25,230 ranks Utah 47th among the 50 states (excluding Washington, D.C.).

## 2003 Summary and 2004 Outlook

The Utah 2004 total personal income (TPI) is forecasted to be \$62.2 billion, up 4.9% from the 2003 total. This is a strong rebound from the historically low gains of the past three years. Utah's economy bounced back in 2004 after having endured a three-year recession; Utah had not experienced such a downturn since World War II. Wage gains are still not particularly strong, as the economy is still recovering and also due to unemployment rates high enough to not generate wage "bidding" by the business community.

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 2004 PCI is approximately \$25,870, an increase of 2.5% over the 2003 estimate. Utah's 2004 PCI is just under 80% of the national PCI. Utah's PCI, as a percent of the national PCI, rose in the early 1990s from 77% in 1990, to about 81% in 1997. It has since settled around 80%. Utah's PCI weakness against the national average is a combination of two factors: 1) the state's average wages are moderately below the national average, and 2) Utah's population is the nation's youngest and its family size is the highest. This means that in the PCI calculation (TPI divided by population), Utah has a higher percentage of nonwage earners in its denominator than does any other state.

**Composition of Total Personal Income.** The largest single component of total personal income is "earnings by place of work." This consists of the total earnings from farm and nonfarm industries, including contributions for social insurance. In 2003, Utahns' earnings by place of work reached \$49.1 billion, representing 83% of TPI. About 12% of this was proprietors' income, while 71% was wages; the remaining 17% was supplements to wages and salaries. 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 larger than the U.S. share (17%).

The other two major components of TPI are: dividends, interest, and rent (DIR), and transfer payments (such as social security, welfare, or retirement). In 2003, DIR amounted to \$8.7 billion, and transfer payments to \$6.8 billion. Some of the major differences between the economic compositions of Utah and the United States lie between these two parameters. Perhaps the most significant is that Utah transfer payments comprise a much smaller share of TPI than the national figure (11% in Utah versus 15% nationally). DIR is only slightly smaller (15% in Utah vs. 16% nationally). Thus, Utahns rely to a greater extent on wage earnings.

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 (natural resources and mining, construction, manufacturing)

generated over 30% of Utah's total earnings. By 2003, that share had dropped to 19%. Similarly, 18% of U.S. earnings are currently within goods-producing jobs.

Government is the largest wage income industry in Utah. It generates 19% of all the wage income earned in Utah. It is also the largest wage income industry in the nation, at 17%. Trade, transportation, utilities is not far behind by producing 17% of Utah's wage earnings. That sector employs more workers than does the government sector, but the wage levels paid are considerably below that paid within the government sector. Professional and business services provide 14% of Utah's wages. Having a high wage-income percentage in this sector is desired because many businesses in Utah are high paying, knowledge-based jobs. Manufacturing, for all its recent hardships, still accounts for 12% of Utah's wage earnings and 12% nationally.

**Per Capita Personal Income.** Utah's 2003 per capita personal income was \$25,230, ranking Utah 47th among the 50 states. During the 1970s, Utah's PCI ranged between 83% and 86% of the nation's PCI. However, from 1977 to 1989, this parameter dropped 10 percentage points to 76%. From 1989 to 1997, gradual improvements in this comparison occurred: it recently peaked at 81% in 1997. It has since settled around 80%.

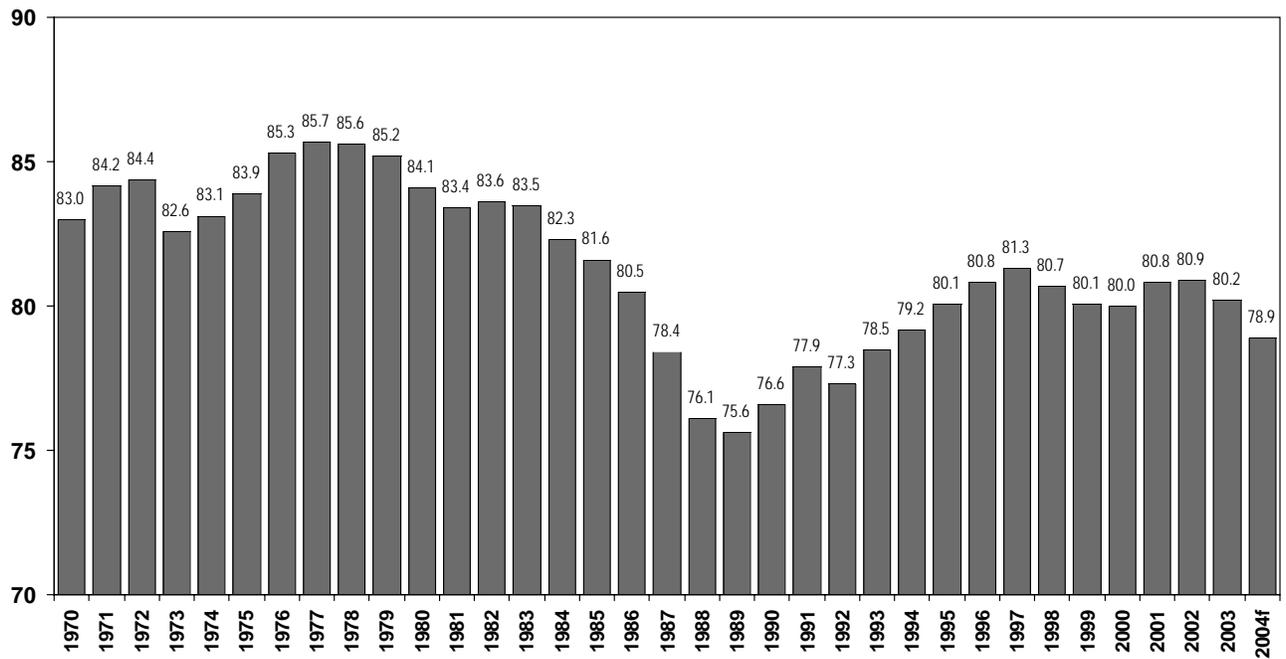
**County Personal and Per Capita Income.** None of Utah's 29 counties posted double digit personal income growth between 2002 and 2003. Washington County registered growth of over 7%, as did Wasatch County. Washington County has enjoyed employment growth through the recent economic downturn, and in 2003 experienced employment growth of 4.4%. Most counties experienced personal income growth in 2003 in the 3% to 6% range.

Three counties, Summit, Salt Lake, and Davis, had 2003 per capita income estimates higher than the state average. Summit County was the highest in Utah (\$45,427), exceeding the state average by 80%. At only 56% of the Utah average, San Juan County (\$14,190) was the lowest. The 2003 per capita income for the United States (\$31,459) was higher than that of all of Utah's counties except Summit County.

## Conclusion

Utah's total personal income increased 4.9% in 2004 and is the direct result of the significant economic rebound the state is experiencing. Yet, wage gains may not have added much to this increase. Instead it is simply the fact that more people found jobs in 2004. Wages are the highest source of income in Utah and nationally, but wages make up 83% of Utahns' personal income while it makes up 78% of the nation's income. Generating income from transfer payments is a larger form of income generation on the national level than it is in Utah, probably due to the fact that Utah has a smaller retirement aged population than the nation.

Figure 32  
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



Table 31  
Personal and Per Capita Income Utah and U.S.

| Year    | Total Personal Income<br>(Millions of Dollars) |           | Annual Growth Rates |      | Per Capita Personal Income<br>(dollars) |         | Utah as %<br>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    | 3,238  | 772,235   | 8.5                 | 9.1  | 3,093                                   | 3,836   | 80.6                 |
| 1970    | 3,611  | 832,429   | 11.5                | 7.8  | 3,389                                   | 4,085   | 83.0                 |
| 1971    | 4,023  | 897,952   | 11.4                | 7.9  | 3,655                                   | 4,342   | 84.2                 |
| 1972    | 4,516  | 987,137   | 12.2                | 9.9  | 3,980                                   | 4,717   | 84.4                 |
| 1973    | 5,052  | 1,105,605 | 11.9                | 12.0 | 4,323                                   | 5,231   | 82.6                 |
| 1974    | 5,688  | 1,217,556 | 12.6                | 10.1 | 4,745                                   | 5,707   | 83.1                 |
| 1975    | 6,392  | 1,329,892 | 12.4                | 9.2  | 5,180                                   | 6,172   | 83.9                 |
| 1976    | 7,328  | 1,469,467 | 14.7                | 10.5 | 5,760                                   | 6,754   | 85.3                 |
| 1977    | 8,356  | 1,627,310 | 14.0                | 10.7 | 6,348                                   | 7,405   | 85.7                 |
| 1978    | 9,623  | 1,831,117 | 15.2                | 12.5 | 7,054                                   | 8,245   | 85.6                 |
| 1979    | 11,035   | 2,053,827 | 14.7                | 12.2 | 7,792                                   | 9,146   | 85.2                 |
| 1980    | 12,519   | 2,298,255 | 13.5                | 11.9 | 8,501                                   | 10,114  | 84.1                 |
| 1981    | 14,206   | 2,580,600 | 13.5                | 12.3 | 9,374                                   | 11,246  | 83.4                 |
| 1982    | 15,541   | 2,764,886 | 9.4                 | 7.1  | 9,973                                   | 11,935  | 83.6                 |
| 1983    | 16,803   | 2,949,883 | 8.1                 | 6.7  | 10,535                                  | 12,618  | 83.5                 |
| 1984    | 18,546   | 3,275,805 | 10.4                | 11.0 | 11,431                                  | 13,891  | 82.3                 |
| 1985    | 19,794   | 3,511,344 | 6.7                 | 7.2  | 12,048                                  | 14,758  | 81.6                 |
| 1986    | 20,663   | 3,708,199 | 4.4                 | 5.6  | 12,426                                  | 15,442  | 80.5                 |
| 1987    | 21,361   | 3,934,655 | 3.4                 | 6.1  | 12,729                                  | 16,240  | 78.4                 |
| 1988    | 22,287   | 4,237,460 | 4.3                 | 7.7  | 13,192                                  | 17,331  | 76.1                 |
| 1989    | 23,891   | 4,571,133 | 7.2                 | 7.9  | 14,005                                  | 18,520  | 75.6                 |
| 1990    | 25,817   | 4,861,936 | 8.1                 | 6.4  | 14,913                                  | 19,477  | 76.6                 |
| 1991    | 27,573   | 5,032,196 | 6.8                 | 3.5  | 15,492                                  | 19,892  | 77.9                 |
| 1992    | 29,601   | 5,349,384 | 7.4                 | 6.3  | 16,115                                  | 20,854  | 77.3                 |
| 1993    | 31,810   | 5,548,121 | 7.5                 | 3.7  | 16,756                                  | 21,346  | 78.5                 |
| 1994    | 34,437   | 5,833,906 | 8.3                 | 5.2  | 17,566                                  | 22,172  | 79.2                 |
| 1995    | 37,218   | 6,144,741 | 8.1                 | 5.3  | 18,478                                  | 23,076  | 80.1                 |
| 1996    | 40,386   | 6,512,485 | 8.5                 | 6.0  | 19,529                                  | 24,175  | 80.8                 |
| 1997    | 43,667   | 6,907,332 | 8.1                 | 6.1  | 20,600                                  | 25,334  | 81.3                 |
| 1998    | 47,019   | 7,415,709 | 7.7                 | 7.4  | 21,708                                  | 26,883  | 80.7                 |
| 1999    | 49,343   | 7,796,137 | 4.9                 | 5.1  | 22,393                                  | 27,939  | 80.1                 |
| 2000    | 53,561   | 8,422,074 | 8.5                 | 8.0  | 23,878                                  | 29,847  | 80.0                 |
| 2001    | 56,332   | 8,718,165 | 5.2                 | 3.5  | 24,711                                  | 30,580  | 80.8                 |
| 2002    | 57,732   | 8,868,261 | 2.5                 | 1.7  | 24,898                                  | 30,795  | 80.9                 |
| 2003(p) | 59,327   | 9,148,680 | 2.8                 | 3.2  | 25,230                                  | 31,459  | 80.2                 |
| 2004(f) | 62,234   | 9,624,000 | 4.9                 | 5.2  | 25,870                                  | 32,790  | 78.9                 |

p = preliminary  
f = forecast

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, Utah Department of Workforce Services

Table 32  
Total Personal Income by County

|                        | Millions of Dollars |            |            |            | Percent Change |       |       |
|------------------------|---------------------|------------|------------|------------|----------------|-------|-------|
|                        | 2000                | 2001       | 2002(p)    | 2003(f)    | 00-01          | 01-02 | 02-03 |
| State Total            | \$53,561.2          | \$56,331.7 | \$57,732.1 | \$59,326.7 | 5.2            | 2.5   | 2.8   |
| Beaver                 | 127.8               | 148.0      | 147.3      | 153.8      | 15.8           | -0.5  | 4.4   |
| Box Elder              | 872.7               | 931.7      | 948.1      | 967.1      | 6.8            | 1.8   | 2.0   |
| Cache                  | 1,720.1             | 1,800.8    | 1,867.8    | 1,976.1    | 4.7            | 3.7   | 5.8   |
| Carbon                 | 435.1               | 447.9      | 462.9      | 459.8      | 2.9            | 3.3   | -0.7  |
| Daggett                | 14.1                | 15.2       | 15.5       | 16.3       | 7.8            | 2.0   | 5.2   |
| Davis                  | 6,023.5             | 6,216.5    | 6,471.3    | 6,801.3    | 3.2            | 4.1   | 5.1   |
| Duchesne               | 272.9               | 304.4      | 309.9      | 309.2      | 11.5           | 1.8   | -0.2  |
| Emery                  | 197.1               | 197.3      | 199.2      | 199.8      | 0.1            | 1.0   | 0.3   |
| Garfield               | 87.0                | 89.6       | 90.6       | 92.0       | 3.0            | 1.1   | 1.6   |
| Grand                  | 169.7               | 173.0      | 180.1      | 182.4      | 1.9            | 4.1   | 1.3   |
| Iron                   | 556.7               | 602.4      | 634.6      | 671.5      | 8.2            | 5.3   | 5.8   |
| Juab                   | 149.3               | 154.7      | 165.6      | 168.7      | 3.6            | 7.0   | 1.9   |
| Kane                   | 131.6               | 136.0      | 141.5      | 146.8      | 3.3            | 4.0   | 3.7   |
| Millard                | 215.7               | 241.6      | 255.2      | 260.6      | 12.0           | 5.6   | 2.1   |
| Morgan                 | 155.8               | 166.7      | 166.9      | 173.2      | 7.0            | 0.1   | 3.8   |
| Piute                  | 22.3                | 24.2       | 25.0       | 25.8       | 8.5            | 3.3   | 3.2   |
| Rich                   | 40.9                | 43.2       | 44.8       | 47.6       | 5.6            | 3.7   | 6.3   |
| Salt Lake              | 24,924.2            | 25,658.1   | 26,184.0   | 27,048.1   | 2.9            | 2.0   | 3.3   |
| San Juan               | 185.1               | 188.7      | 198.1      | 202.1      | 1.9            | 5.0   | 2.0   |
| Sanpete                | 345.4               | 363.6      | 385.5      | 405.2      | 5.3            | 6.0   | 5.1   |
| Sevier                 | 333.9               | 349.7      | 360.0      | 366.2      | 4.7            | 2.9   | 1.7   |
| Summit                 | 1,336.0             | 1,401.6    | 1,439.1    | 1,502.4    | 4.9            | 2.7   | 4.4   |
| Tooele                 | 820.3               | 877.0      | 916.9      | 964.6      | 6.9            | 4.5   | 5.2   |
| Uintah                 | 427.7               | 476.8      | 480.6      | 502.7      | 11.5           | 0.8   | 4.6   |
| Utah                   | 7,283.9             | 7,549.1    | 7,684.0    | 8,052.8    | 3.6            | 1.8   | 4.8   |
| Wasatch                | 321.3               | 348.7      | 366.0      | 392.4      | 8.5            | 5.0   | 7.2   |
| Washington             | 1,751.9             | 1,877.4    | 1,994.4    | 2,140.0    | 7.2            | 6.2   | 7.3   |
| Wayne                  | 46.4                | 50.1       | 49.9       | 49.8       | 8.0            | -0.4  | -0.2  |
| Weber                  | 4,592.8             | 4,760.4    | 4,948.9    | 5,112.2    | 3.6            | 4.0   | 3.3   |
| Salt Lake - Ogden MSA  | 35,540.5            | 36,635.0   | 37,604.2   | 38,961.6   | 3.1            | 2.6   | 3.6   |
| U.S. percentage change | --                  | --         | --         | --         | 3.3            | 2.3   | 3.3   |

Sources: 2000-2002: U.S. Dept. of Commerce, BEA, May 2004. f=forecast p=preliminary  
2003: Utah Department of Workforce Services, Workforce Information, June 2004.

Table 33  
Total Per Capita Personal Income by County

|                       |          |          |          |          | Percent Change |       |       |
|-----------------------|----------|----------|----------|----------|----------------|-------|-------|
|                       | 2000     | 2001     | 2002(p)  | 2003(f)  | 00-01          | 01-02 | 02-03 |
| State Total           | \$23,878 | \$24,711 | \$24,898 | \$25,230 | 3.5            | 0.8   | 1.3   |
| Beaver                | 21,224   | 24,533   | 24,111   | 24,468   | 15.6           | -1.7  | 1.5   |
| Box Elder             | 20,352   | 21,502   | 21,563   | 21,968   | 5.7            | 0.3   | 1.9   |
| Cache                 | 18,757   | 19,537   | 19,792   | 20,128   | 4.2            | 1.3   | 1.7   |
| Carbon                | 21,356   | 22,667   | 23,365   | 23,510   | 6.1            | 3.1   | 0.6   |
| Daggett               | 15,201   | 16,507   | 17,330   | 17,698   | 8.6            | 5.0   | 2.1   |
| Davis                 | 25,064   | 25,430   | 25,947   | 26,510   | 1.5            | 2.0   | 2.2   |
| Duchesne              | 18,987   | 20,893   | 20,854   | 21,037   | 10.0           | -0.2  | 0.9   |
| Emery                 | 18,160   | 18,538   | 18,776   | 19,070   | 2.1            | 1.3   | 1.6   |
| Garfield              | 18,327   | 19,118   | 19,688   | 20,311   | 4.3            | 3.0   | 3.2   |
| Grand                 | 19,930   | 20,137   | 20,678   | 21,550   | 1.0            | 2.7   | 4.2   |
| Iron                  | 16,389   | 17,432   | 17,939   | 18,494   | 6.4            | 2.9   | 3.1   |
| Juab                  | 18,031   | 18,253   | 19,224   | 19,367   | 1.2            | 5.3   | 0.7   |
| Kane                  | 21,644   | 22,851   | 23,513   | 24,726   | 5.6            | 2.9   | 5.2   |
| Millard               | 17,372   | 19,472   | 20,620   | 21,357   | 12.1           | 5.9   | 3.6   |
| Morgan                | 21,749   | 22,820   | 22,397   | 22,995   | 4.9            | -1.9  | 2.7   |
| Piute                 | 15,522   | 17,306   | 18,043   | 18,999   | 11.5           | 4.3   | 5.3   |
| Rich                  | 20,799   | 22,148   | 22,963   | 22,896   | 6.5            | 3.7   | -0.3  |
| Salt Lake             | 27,674   | 28,204   | 28,539   | 28,760   | 1.9            | 1.2   | 0.8   |
| San Juan              | 12,877   | 13,861   | 14,297   | 14,190   | 7.6            | 3.1   | -0.8  |
| Sanpete               | 15,139   | 15,674   | 16,501   | 17,321   | 3.5            | 5.3   | 5.0   |
| Sevier                | 17,685   | 18,362   | 18,828   | 18,956   | 3.8            | 2.5   | 0.7   |
| Summit                | 44,546   | 45,247   | 45,121   | 45,427   | 1.6            | -0.3  | 0.7   |
| Tooele                | 19,683   | 19,956   | 19,947   | 20,166   | 1.4            | 0.0   | 1.1   |
| Uintah                | 16,928   | 18,516   | 18,341   | 19,320   | 9.4            | -0.9  | 5.3   |
| Utah                  | 19,641   | 19,729   | 19,603   | 19,604   | 0.4            | -0.6  | 0.0   |
| Wasatch               | 20,819   | 21,565   | 21,627   | 22,591   | 3.6            | 0.3   | 4.5   |
| Washington            | 19,206   | 19,856   | 20,059   | 20,246   | 3.4            | 1.0   | 0.9   |
| Wayne                 | 18,292   | 19,825   | 19,788   | 20,024   | 8.4            | -0.2  | 1.2   |
| Weber                 | 23,263   | 23,775   | 24,315   | 24,831   | 2.2            | 2.3   | 2.1   |
| Salt Lake - Ogden MSA | 24,748   | 26,176   | 26,780   | 27,772   | 5.8            | 2.3   | 3.7   |
| United States         | 29,847   | 30,580   | 30,795   | 31,459   | 2.3            | 1.2   | 1.3   |

Sources: 2000-2002: U.S. Dept. of Commerce, BEA, May 2004. f=forecast p=preliminary  
2003: Utah Department of Workforce Services, Workforce Information, November 2004.