

Personal Income

Overview

Utah's estimated 2006 total personal income was \$74.4 billion, 9.5% above the 2005 preliminary estimate of \$67.9 billion. Personal income growth in Utah was significantly higher than the U.S. personal income growth of 7.2%. Utah's 2006 per capita personal income was estimated to be \$29,329, an increase of 6.7% over the 2005 estimate. According to the most recent available income estimates available from the U.S. Bureau of Economic Analysis, Utah's 2005 per capita income of \$27,497 ranked 47th in the nation, including the District of Columbia.

2006 Summary

In 2006, total personal income (TPI) in Utah was an estimated \$74.4 billion, a 9.5% increase over 2005. This increase reflects the strong growth which began in 2004, after historically low gains in the early 2000s. Utah also experienced above average employment growth of 5.2% for 2006, the largest employment gain since 1996. Payroll totals also rose sharply in Utah in 2006. These factors contributed to the strong growth in total personal income in 2006.

Per capita personal income (PCI) is the total personal income divided by the total population. Utah's estimated 2006 PCI was approximately \$29,329, an increase of 6.7% from 2005. Utah's PCI was approximately 80.0% of the national PCI, equal to the 80.0% share in 2000, but up from the 76.6% share in 1990. Utah's PCI weakness against the national average may be a combination of two factors: First the state's average wages are generally below the national average. Second, Utah's population is the nation's youngest and its household size is the highest. This means that in the PCI calculation--TPI divided by population--Utah has a higher percentage of non-wage-earners in its denominator than does any other state.

2005 Summary

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 agricultural and nonagricultural industries, including contributions for social insurance. In 2005, the most recent year for which data are available, Utahns' earnings by place of work reached \$57.1 billion, 84.0% of TPI. An estimated 11.7% of this was proprietors' income, 70.4% came from wages, and the remaining 17.9% came from supplements to wages and salaries. Private sector, nonagricultural earnings accounted for 80.7% of earnings by industry, while earnings from public--primarily government--industries made up 18.9%. Although earnings from government employment have been declining as a share of Utah's total earnings, it is still larger than the U.S. share, 16.5% of national TPI.

The other two major components of TPI are dividends, interest, and rent (DIR) and transfer payments, such as social security, welfare, or retirement. In 2005, Utah's DIR reached \$9.6 billion, and transfer payments were \$7.8 billion. Some of the major differences between the economic compositions of Utah and the United States lie between these two components. Perhaps most significant is that Utah transfer payments comprise a much smaller share of TPI than the national figure, 11.4% in Utah versus 14.9% nationally. In contrast, DIR is only slightly smaller, 14.1% in Utah vs. 15.6% nationally. Thus, Utahns rely to a greater extent on wage earnings as their income source.

The industrial composition of Utah's TPI has changed in recent years. In 1980, goods-producing industries, including natural resources and mining, construction, and manufacturing, generated over 30% of Utah's total earnings. By 2005, that share had dropped to 22%. Similarly, 20% of U.S. earnings are currently within goods-producing jobs.

In 2005, government was the largest wage income industry in Utah, generating 18.9% of all the wage income earned in 2005. It was also the largest wage income industry in the nation, at nearly 16.5%. It was followed by trade, transportation and utilities, which produced 16.9% of Utah's wage earnings in 2005. This sector employed more workers than the government sector, but the wage levels were considerably below those paid in the government sector. Professional and business services provided 14.3% of Utah's wages. Having a high wage-income percentage in this sector is beneficial because many positions in this sector are high paying, knowledge-based jobs. Manufacturing continued to slowly rebound from its recent hardships and accounted for 11.9% of Utah's wage earnings and 12.7% nationally.

Per Capita Personal Income. The Bureau of Economic Analysis reported Utah's 2005 per capita personal income as \$27,497, ranking Utah 47th in the nation. During the 1970s, Utah's PCI ranged between 83.0% and 85.7% of the nation's PCI. However, from 1977 to 1989, PCI dropped ten percentage points to 75.6%. Since then, it has slowly increased, reaching 80.0% in 2006.

County Personal and Per Capita Income. Several counties experienced double-digit percentage growth in personal income in 2005. Most of these were small counties where smaller populations make large percentage growth rates easier to achieve, but these increases are not exclusive to small-population counties. Both Washington and Summit counties grew extensively, with rates of 14.4% and 13.4% respectively. Most of Utah's highly populated counties along the Wasatch Front saw vigorous percentage gains, including Tooele (8.7%), Cache

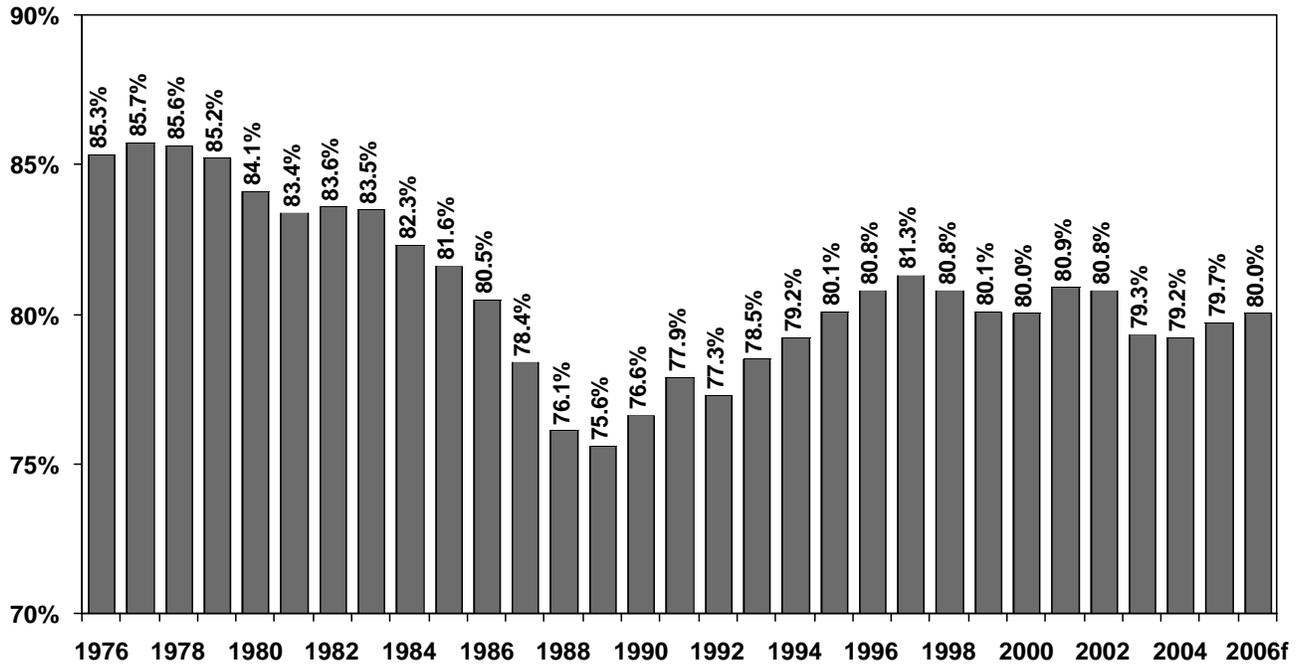
(8.2%), Utah (7.3%), Davis (7.3%), Morgan (6.5%), and Salt Lake (6.1%) counties.

Summit County estimated per capita income in 2005 was \$51,864, the highest in the state. It was followed by Salt Lake (\$32,287) and Beaver (\$29,254) counties. At \$15,519 San Juan County had the lowest per capita income in the state, measuring at only 56.4% of the Utah average. The 2005 national per capita income of \$34,495 was higher than all of Utah's counties except Summit County.

Conclusion

Utah's total personal income increased 9.5% in 2006, a direct result of the significant economic rebound the state continued to experience. This strong growth can be attributed to job growth, wage growth, and ongoing population gains. Wages were the highest source of income in Utah and for the nation. Generating income from transfer payments is a larger form of income generation on the national level than it is in Utah, due to the fact that Utah has a smaller retirement-aged population than the national average.

Figure 31
Utah Per Capita Personal Income as a Percent of the United States



Source: Bureau of Economic Analysis; Governor's Office of Planning and Budget

Table 33
Components of Utah's Total Personal Income

Components	Millions of Dollars		Percent Change 2004-2005	2005 Percent Distribution		Industry Distribution	
	2004r	2005e		Utah	U.S.	Utah	U.S.
Personal income	63,401	67,906	7.1	100.0	100.0		
Earnings by place of work	52,688	57,053	8.3	84.0	77.7		
less: Personal contrib. for social insurance	5,927	6,522	10.0				
plus: Adjustment for residence	32	40	25.0				
equals: Net earnings by place of residence	46,793	50,571	8.1				
plus: Dividends, interest, and rent	9,422	9,582	1.7	14.1	15.6		
plus: Transfer payments	7,185	7,753	7.9	11.4	14.9		
Components of earnings	52,688	57,053	8.3	84.0	78.1		
Wage and salary disbursements	37,330	40,152	7.6	59.1	55.3		
Supplements to wages and salaries	9,287	10,224	10.1	15.1	13.3		
Proprietors' income	6,071	6,677	10.0	9.8	9.5		
Agricultural proprietors' income	162	86	-46.9	0.1	0.3		
Nonagricultural proprietors' income	5,909	6,591	11.5	9.7	9.2		
Earnings by industry	52,688	57,053	8.3	84.0	71.2	100.0	100.0
Agricultural earnings	296	256	-13.5	0.4	0.6	0.4	0.7
Nonagricultural earnings	52,392	56,798	8.4	83.6	77.4	99.6	99.3
Private earnings	42,204	46,014	9.0	67.8	64.5	80.7	82.8
Natural Resources and Mining	708	910	28.5	1.3	1.0	1.6	1.5
Construction	3,982	4,634	16.4	6.8	4.8	8.1	6.4
Manufacturing	6,380	6,790	6.4	10.0	10.1	11.9	12.7
Durable goods	4,219	4,508	6.8	6.6	6.5	7.9	8.1
Nondurable goods	2,161	2,282	5.6	3.4	3.6	4.0	4.6
Trade, Transportation, Utilities	9,011	9,621	6.8	14.2	12.6	16.9	15.9
Wholesale trade	2,344	2,564	9.4	3.8	4.0	4.5	5.2
Retail trade	4,027	4,266	5.9	6.3	5.2	7.5	6.5
Information	1,643	1,859	13.1	2.7	2.9	3.3	3.6
Financial Activities	4,177	4,534	8.5	6.7	7.9	7.9	10.0
Professional & Business Services	7,389	8,146	10.2	12.0	11.6	14.3	15.3
Educational & Health Services	4,815	5,229	8.6	7.7	8.3	9.2	10.7
Leisure & Hospitality	1,826	1,944	6.5	2.9	3.0	3.4	3.8
Other Services	2,273	2,337	2.8	3.4	2.3	4.1	2.9
Government and government enterprises	10,188	10,783	5.8	15.9	12.9	18.9	16.5
Federal, civilian	2,658	2,825	6.3	4.2	2.5	5.0	3.1
Military	833	932	11.9	1.4	1.2	1.6	1.7
State	2,809	2,935	4.5	4.3	2.5	5.1	3.3
Local	3,887	4,091	5.2	6.0	6.6	7.2	8.5

r = revised
e = estimate

Source: Bureau of Economic Analysis

Table 34
Personal and Per Capita Income

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	3,238	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	80.8
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	29,845	80.0
2001	56,594	8,716,992	5.7	3.5	24,738	30,574	80.9
2002	58,172	8,872,871	2.8	1.8	24,895	30,810	80.8
2003r	59,367	9,150,908	2.1	3.1	24,958	31,463	79.3
2004r	63,401	9,717,173	6.8	6.2	26,191	33,090	79.2
2005p	67,906	10,224,761	7.1	5.2	27,497	34,495	79.7
2006e	74,357	10,958,000	9.5	7.2	29,329	36,639	80.0

r = revised
p = preliminary
e = estimate

Sources:
1. U.S. Bureau of Economic Analysis
2. Department of Workforce Services

Table 35
Total Personal Income by County

	Millions of Dollars				Percent Change		
	2002	2003r	2004p	2005e	2002-03	2003-04	2004-05
State Total	\$58,171.5	\$59,367.1	\$63,400.6	\$67,906.2	2.1	6.8	7.1
Beaver	133.4	136.6	163.2	181.5	2.4	19.5	11.2
Box Elder	937.4	966.5	1,008.0	1,084.5	3.1	4.3	7.6
Cache	1,878.4	1,943.5	2,087.3	2,258.1	3.5	7.4	8.2
Carbon	451.2	445.7	475.1	512.1	-1.2	6.6	7.8
Daggett	15.6	16.2	16.9	17.6	4.1	4.2	4.1
Davis	6,529.5	6,733.0	7,183.5	7,707.0	3.1	6.7	7.3
Duchesne	303.6	313.1	347.7	393.3	3.1	11.1	13.1
Emery	200.3	202.7	216.4	231.5	1.2	6.7	7.0
Garfield	88.2	89.7	97.8	103.6	1.7	9.0	5.9
Grand	174.5	183.1	196.3	209.1	4.9	7.2	6.5
Iron	649.6	663.4	722.1	805.5	2.1	8.9	11.6
Juab	162.4	159.2	173.2	189.8	-2.0	8.8	9.6
Kane	139.4	146.4	154.7	173.9	5.0	5.6	12.4
Millard	245.7	249.9	269.7	280.0	1.7	7.9	3.8
Morgan	163.3	168.4	179.6	191.3	3.1	6.7	6.5
Piute	24.6	25.9	28.6	32.3	5.3	10.6	12.8
Rich	45.1	47.1	50.5	54.9	4.4	7.3	8.7
Salt Lake	26,929.7	27,171.0	28,866.2	30,613.7	0.9	6.2	6.1
San Juan	189.0	194.2	209.9	218.9	2.7	8.1	4.3
Sanpete	376.5	376.5	396.4	420.1	0.0	5.3	6.0
Sevier	354.2	353.1	376.3	399.6	-0.3	6.6	6.2
Summit	1,421.7	1,478.1	1,601.5	1,815.3	4.0	8.3	13.4
Tooele	926.7	957.5	1,037.2	1,127.2	3.3	8.3	8.7
Uintah	473.0	502.5	564.0	640.4	6.2	12.2	13.5
Utah	7,910.4	8,131.0	8,735.3	9,372.0	2.8	7.4	7.3
Wasatch	361.1	377.0	406.5	438.9	4.4	7.8	8.0
Washington	1,985.4	2,103.7	2,340.5	2,678.7	6.0	11.3	14.4
Wayne	48.3	48.2	51.0	54.0	-0.1	5.7	6.0
Weber	5,053.3	5,183.9	5,445.2	5,701.3	2.6	5.0	4.7
U.S. percentage change	--	--	--	--	3.1	6.2	5.2

r = revised

p = preliminary

e = estimate

Sources:

1. 2002-2004: Bureau of Economic Analysis.
2. 2005: Department of Workforce Services

Table 36
Total Per Capita Personal Income by County

	2002	2003	2004p	2005e	Percent Change		
					2002-03	2003-04	2004-05
State Total	\$24,895	\$24,958	\$26,191	27,497	1.8	4.9	5.0
Beaver	21,876	22,846	27,223	29,254	4.4	19.2	7.5
Box Elder	21,007	21,562	22,275	23,353	2.6	3.3	4.8
Cache	19,622	20,386	21,827	23,029	3.9	7.1	5.5
Carbon	22,755	22,808	24,605	26,345	0.2	7.9	7.1
Daggett	17,328	18,234	18,405	18,685	5.2	0.9	1.5
Davis	26,207	26,782	27,914	28,738	2.2	4.2	3.0
Duchesne	20,444	21,336	23,529	25,617	4.4	10.3	8.9
Emery	18,714	19,157	20,500	21,614	2.4	7.0	5.4
Garfield	19,166	20,066	22,270	23,170	4.7	11.0	4.0
Grand	20,223	21,500	22,949	23,916	6.3	6.7	4.2
Iron	18,385	18,883	20,139	21,026	2.7	6.7	4.4
Juab	18,802	18,437	19,550	20,829	-1.9	6.0	6.5
Kane	23,093	24,462	25,643	28,141	5.9	4.8	9.7
Millard	19,844	20,470	22,153	22,791	3.2	8.2	2.9
Morgan	22,008	22,812	23,891	24,194	3.7	4.7	1.3
Piute	17,827	19,041	20,976	23,666	6.8	10.2	12.8
Rich	23,112	23,416	24,815	26,776	1.3	6.0	7.9
Salt Lake	29,349	29,838	31,365	32,287	1.7	5.1	2.9
San Juan	13,674	14,257	15,180	15,519	4.3	6.5	2.2
Sanpete	16,118	16,240	16,978	17,474	0.8	4.5	2.9
Sevier	18,534	18,733	19,695	20,612	1.1	5.1	4.7
Summit	44,629	45,750	47,933	51,864	2.5	4.8	8.2
Tooele	20,148	20,216	21,180	21,968	0.3	4.8	3.7
Uintah	18,031	19,393	21,564	23,723	7.6	11.2	10.0
Utah	19,382	19,551	20,439	21,120	0.9	4.5	3.3
Wasatch	21,349	21,754	22,767	23,134	1.9	4.7	1.6
Washington	19,939	20,442	21,530	22,532	2.5	5.3	4.7
Wayne	19,003	19,817	20,985	22,055	4.3	5.9	5.1
Weber	24,856	25,584	26,551	27,052	2.9	3.8	1.9
United States	30,810	31,463	33,090	34,495	2.1	5.2	4.2

p = preliminary
e = estimate

Sources:

1. 2002-2004: Bureau of Economic Analysis.
2. 2005: Department of Workforce Services, November 2005.