

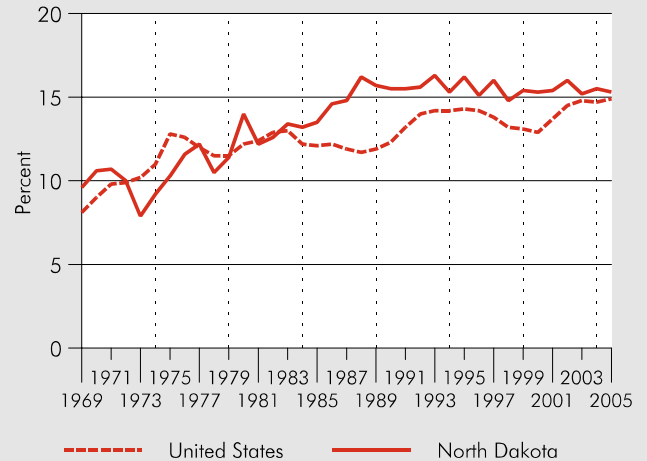
Personal Transfer Receipts in North Dakota: 2005

Transfer receipts accounted for 15.3 percent of all personal income received by North Dakota residents in 2005, a proportion relatively unchanged over the past several years (Figure 1). Transfer receipts consist of income received by individuals for which they did not render services. They are payments by government and businesses to individuals and nonprofit institutions serving individuals. North Dakota residents received \$3.041 billion in personal transfer receipts in 2005, a 6.1 percent increase from \$2.867 billion in 2004.

The largest category of transfer receipts for North Dakota residents in 2005 consisted of retirement and disability insurance payments (\$1.282 billion), followed by medical benefits (\$1.191 billion) and income maintenance benefits (\$223 million). The remaining \$345 million of transfer payments to North Dakotans included such payments as unemployment insurance benefits, veterans' benefits, federal education and training assistance payments, Bureau of Indian Affairs payments, disaster relief, personal injury payments, and educational assistance payments (Table 1).

Personal transfer receipts as a proportion of total personal income vary from state to state within the nation. Nationally, personal transfer receipts comprised 14.9 percent of total personal income in 2005 (Figure 2). Eleven states showed personal transfer receipts accounting for at least 18.0 percent of all personal income received by residents. Louisiana, Mississippi, and West Virginia showed the largest proportions (32.9 percent, 26.9 percent, and 26.0 respectively) while Colorado had the smallest proportion (10.0 percent).

Figure 1. Personal Transfer Receipts as a Percent of Total Personal Income in North Dakota and the U.S.: 1969 to 2005



Source: U.S. Bureau of Economic Analysis, Regional Economic Information System, www.bea.gov/beat/regional

Figure 2. Personal Transfer Receipts as a Percent of Total Personal Income by State: 2005

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System, www.bea.gov/beat/regional

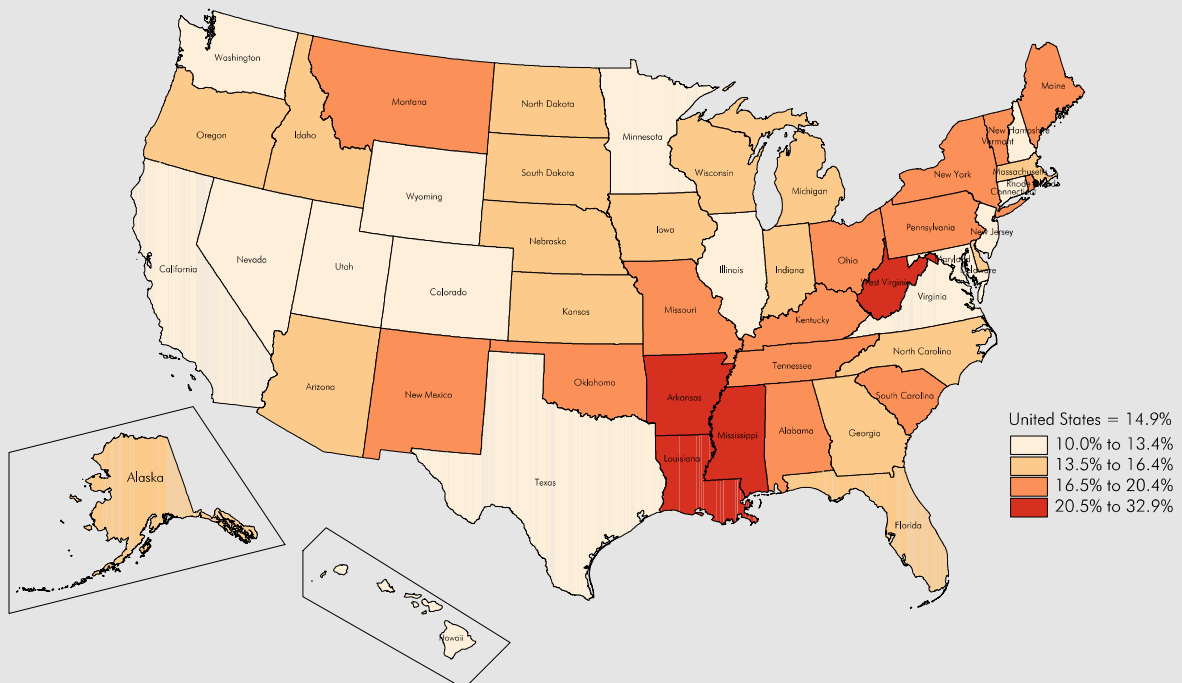


Table 1. Personal Transfer Receipts in North Dakota by Type, 1998-2005 (Thousands of Current Dollars, \$000)

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System, www.bea.gov/bea/regional

| Type of Personal Transfer Receipt | Thousands of Current Dollars (\$000) | | | | | | | |
|---|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| Personal transfer receipts (\$000) | 2,189,526 | 2,293,008 | 2,461,983 | 2,531,458 | 2,675,189 | 2,766,225 | 2,867,434 | 3,041,014 |
| Transfer receipts for individuals from governments | 2,089,141 | 2,174,044 | 2,322,194 | 2,377,895 | 2,540,025 | 2,630,778 | 2,749,759 | 2,902,000 |
| Retirement and disability insurance benefits | 1,069,047 | 1,112,218 | 1,142,192 | 1,141,833 | 1,164,792 | 1,188,373 | 1,229,979 | 1,281,690 |
| Old-age, survivors, and disability insurance (OASDI) benefits | 922,898 | 937,820 | 972,559 | 1,021,606 | 1,055,965 | 1,082,062 | 1,125,399 | 1,174,424 |
| Railroad retirement and disability benefits | 49,773 | 49,701 | 50,177 | 50,926 | 52,340 | 52,665 | 53,627 | 54,711 |
| Workers' compensation | 96,089 | 124,380 | 119,191 | 69,027 | 56,167 | 53,274 | 50,611 | 52,131 |
| Other government retirement and disability insurance benefits 1/ | 287 | 317 | 265 | 274 | 320 | 372 | 342 | 424 |
| Medical benefits | 738,393 | 762,671 | 879,923 | 912,704 | 1,004,838 | 1,039,549 | 1,122,567 | 1,191,128 |
| Medicare benefits | 394,494 | 412,193 | 429,028 | 472,131 | 501,490 | 547,853 | 598,131 | 643,259 |
| Public assistance medical care benefits 2/ | 334,222 | 339,386 | 437,315 | 421,604 | 478,201 | 471,105 | 500,524 | 523,419 |
| Military medical insurance benefits 3/ | 9,677 | 11,092 | 13,580 | 18,969 | 25,147 | 20,591 | 23,912 | 24,450 |
| Income maintenance benefits | 138,747 | 150,467 | 152,840 | 155,692 | 171,503 | 198,758 | 204,064 | 222,711 |
| Supplemental security income (SSI) benefits | 32,073 | 31,772 | 32,081 | 33,080 | 33,756 | 33,813 | 35,345 | 36,237 |
| Family assistance 4/ | 20,547 | 24,962 | 23,971 | 19,574 | 22,587 | 30,004 | 24,072 | 23,961 |
| Food stamps | 25,079 | 25,642 | 25,652 | 27,853 | 32,173 | 37,750 | 41,159 | 45,373 |
| Other income maintenance benefits 5/ | 61,048 | 68,091 | 71,136 | 75,185 | 82,987 | 97,191 | 103,488 | 117,140 |
| Unemployment insurance compensation | 29,262 | 34,394 | 33,015 | 36,342 | 59,539 | 59,166 | 44,891 | 44,561 |
| State unemployment insurance compensation | 27,230 | 32,182 | 29,701 | 34,066 | 57,038 | 56,362 | 41,530 | 41,972 |
| Unemployment compensation for federal civilian employees (UCFE) | 740 | 661 | 790 | 813 | 1,160 | 1,102 | 1,276 | 762 |
| Unemployment compensation for railroad employees | 808 | 886 | 1,827 | 950 | 941 | 952 | 800 | 729 |
| Unemployment compensation for veterans (UCX) | 392 | 383 | 261 | 241 | 381 | 615 | 639 | 567 |
| Other unemployment compensation 6/ | 92 | 282 | 436 | 272 | (L) | 135 | 646 | 531 |
| Veterans' benefits | 56,929 | 58,809 | 60,871 | 64,845 | 72,401 | 79,554 | 86,939 | 92,975 |
| Veterans' pension and disability benefits | 46,209 | 47,769 | 50,590 | 55,216 | 63,256 | 69,602 | 76,379 | 82,179 |
| Veterans' readjustment benefits 7/ | 5,806 | 6,328 | 5,845 | 5,255 | 4,662 | 5,529 | 6,239 | 6,698 |
| Veterans' life insurance benefits | 4,899 | 4,695 | 4,419 | 4,358 | 4,463 | 4,404 | 4,306 | 4,080 |
| Other assistance to veterans 8/ | (L) | (L) | (L) | (L) | (L) | (L) | (L) | (L) |
| Federal education and training assistance 9/ | 38,328 | 37,355 | 32,131 | 44,268 | 48,572 | 42,060 | 44,271 | 46,159 |
| Other transfer receipts of individuals from governments 10/ | 18,435 | 18,130 | 21,222 | 22,211 | 18,380 | 23,318 | 17,048 | 22,776 |
| Transfer receipts for individuals from businesses 11/ | 40,289 | 53,189 | 71,636 | 78,841 | 58,988 | 50,776 | 27,419 | 43,038 |
| Transfer receipts for nonprofit institutions serving individuals | 60,096 | 65,775 | 68,153 | 74,722 | 76,176 | 84,671 | 90,256 | 95,976 |
| Receipts from the federal government | 14,517 | 15,463 | 16,381 | 18,415 | 20,097 | 22,373 | 23,613 | 23,583 |
| Receipts from state and local governments 12/ | 25,392 | 25,716 | 27,717 | 31,016 | 33,468 | 38,884 | 41,648 | 44,059 |
| Receipts from businesses | 20,187 | 24,596 | 24,055 | 25,291 | 22,611 | 23,414 | 24,995 | 28,334 |

Notes:

- 1/ Consists largely of temporary disability payments, pension benefit guaranty payments, and black lung payments.
- 2/ Consists of medicaid and other medical vendor payments.
- 3/ Consists of payments made under the TriCare Management Program (formerly called CHAMPUS) for the medical care of dependents of active duty military personnel and of retired military personnel and their dependents at nonmilitary medical facilities.
- 4/ Through 1995, consists of emergency assistance and aid to families with dependent children. Beginning with 1998, consists of benefits-- generally known as temporary assistance for needy families-- provided under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. For 1996-97, consists of payments under all three of these programs.
- 5/ Consists largely of general assistance, refugee assistance, foster home care and adoption assistance, earned income tax credits, and energy assistance.
- 6/ Consists of trade readjustment allowance payments, Redwood Park benefit payments, public service employment benefit payments, and transitional benefit payments.
- 7/ Consists largely of veterans' readjustment benefit payments, educational assistance to spouses and children of disabled or deceased veterans, payments to paraplegic veterans, and payments for autos and conveyances for disabled veterans.
- 8/ Consists largely of state and local government payments to veterans.
- 9/ Consists largely of federal fellowship payments (National Science Foundation, fellowships and traineeships, subsistence payments to state maritime academy cadets, and other federal fellowships), interest subsidy on higher education loans, basic educational opportunity grants, and Job Corps payments.
- 10/ Consists largely of Bureau of Indian Affairs payments, education exchange payments, Alaska Permanent Fund dividend payments, compensation of survivors of public safety officers, compensation of victims of crime, disaster relief payments, compensation for Japanese internment, and other special payments to individuals.
- 11/ Consists of personal injury payments to individuals other than employees and other business transfer payments.
- 12/ Consists of state and local government educational assistance payments to nonprofit institutions and other state and local government payments to nonprofit institutions.
- (L) Less than \$50,000. The estimates for this item are included in the total.

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Personal Transfer Receipts Continue to Represent Significant Segment of North Dakota's Economy

Personal transfer receipts accounted for 15.3 percent of all personal income received by North Dakota residents in 2005, a proportion relatively unchanged since the late 1980s.

This month's "Economic Brief," a monthly publication from the North Dakota State Data Center at North Dakota State University, focuses on current personal transfer receipts, which represent income received by individuals for which they did not render services. They are payments by government and businesses to individuals and nonprofit institutions serving individuals. North Dakota residents received \$3.041 billion in personal transfer receipts in 2005, a 6.1 percent increase from \$2.867 billion in 2004.

The largest category of transfer receipts for North Dakota residents in 2005 consisted of retirement and disability insurance payments (\$1.282 billion), followed by medical benefits (\$1.191 billion) and income maintenance benefits (\$223 million). "These payments will increase dramatically now that the leading edge of the baby boom generation has reached the age at which they will start receiving social security and medical benefits," said Richard Rathge, Director of the State Data Center.

The remaining \$345 million of transfer payments to North Dakotans included such payments as unemployment insurance benefits, veterans' benefits, federal education and training assistance payments, Bureau of Indian Affairs payments, disaster relief, personal injury payments, and educational assistance payments.

Personal transfer receipts as a proportion of total personal income vary from state to state within the nation. Nationally, personal transfer receipts comprised 14.9 percent of total personal income in 2005. Eleven states showed personal transfer receipts accounting for at least 18.0 percent of all personal income received by residents. Louisiana, Mississippi, and West Virginia showed the largest proportions (32.9 percent, 26.9 percent, and 26.0 respectively) while Colorado had the smallest proportion (10.0 percent).

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