

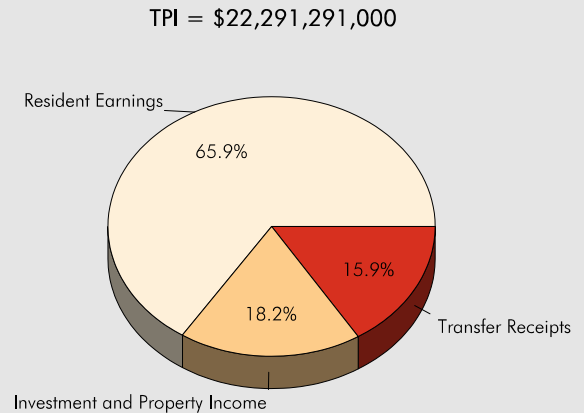
Personal Income in North Dakota: 2007 Preliminary Estimates

According to the U.S. Bureau of Economic Analysis, total personal income in North Dakota rose from \$20.9 billion in 2006 to \$22.3 billion in 2007, an increase of 6.7 percent (Table 1). This growth was larger than inflation which was 2.8 percent between 2006 and 2007. Total personal income consists 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 2006 and 2007, North Dakota personal earnings rose 6.5 percent, investment and property income rose 7.9 percent and transfer receipts rose 6.2 percent (Table 1).

Half of all North Dakota earnings in 2007 were generated by government, health care, manufacturing and retail trade industries (49.9 percent). In terms of growth between 2006 and 2007, earnings from company management grew the fastest (24.1 percent) followed by mining and educational services (14.2 percent and 12.9 percent growth, respectively) (Table 1).

North Dakota per capita income grew 6.4 percent in 2007 to \$34,846, the 5th largest growth rate in the nation (Table 1 and Figure 2). Nationally, North Dakota ranked 30th in per capita income, 9.8 percent below the national average of \$38,611 in 2007. The District of Columbia ranked 1st at \$54,117, followed by New Jersey (\$49,194), Massachusetts (\$49,082) and New York (\$47,385).

Figure 1. Components of Total Personal Income (TPI) in North Dakota: 2007 Preliminary Estimates



Source: U.S. Bureau of Economic Analysis, Regional Economic Information System, Table SA05N, March 2008, www.bea.gov

Figure 2. Percent Change in Per Capita Personal Income by State: 2006 to 2007

Note: 2007 data are preliminary estimates.

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System, Table SA05N, March 2008, www.bea.gov

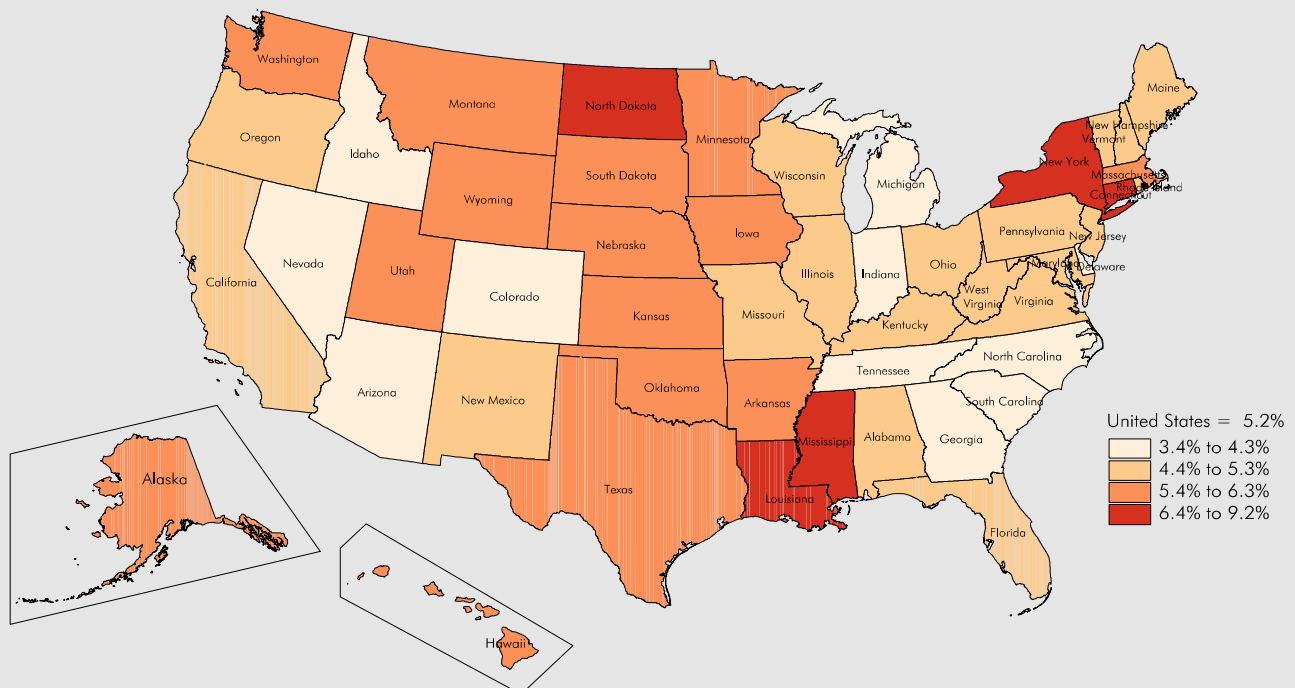


Table 1. Total Personal Income by Major Source and Earnings by Industry in North Dakota: 2002 to 2007^P

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System, Table SA05N, March 2008, www.bea.gov

Components of Total Personal Income	2002	2003	2004	2005	2006	2007 ^P
Population (persons) 1/	633,861	633,159	636,814	635,938	637,460	639,715
Per capita personal income (dollars) 2/	26,415	28,712	29,279	31,871	32,763	34,846
-----in thousands of dollars (\$1,000)-----						
Total Personal Income (in thousands of dollars)	16,743,211	18,179,042	18,645,054	20,267,761	20,885,393	22,291,291
Major Source and Derivation of Personal Income						
1. Net earnings of North Dakota residents	10,811,929	12,273,689	12,535,574	13,629,602	13,791,722	14,691,476
Includes: Earnings generated in North Dakota	12,897,821	14,475,548	14,897,489	16,133,332	16,457,562	17,535,108
Plus: Residence adjustment for commuters 3/	-486,162	-515,202	-569,420	-621,805	-664,104	-722,593
Less: Contributions for government social insurance 4/	1,599,730	1,686,657	1,792,495	1,881,925	2,001,736	2,121,039
2. Dividends, interest, rent (investment and property income) 5/	3,256,084	3,139,128	3,177,282	3,516,264	3,755,476	4,053,671
3. Personal current transfer receipts	2,675,198	2,766,225	2,932,198	3,121,895	3,338,195	3,546,144
Earnings Generated in North Dakota						
--Components of Earnings--						
Wage and salary disbursements	9,169,320	9,621,531	10,336,240	10,864,962	11,570,911	12,266,592
Supplements to wages and salaries (employer contributions)	2,243,658	2,431,812	2,668,685	2,826,773	2,992,798	3,141,452
Proprietors' income 6/	1,484,843	2,422,205	1,892,564	2,441,597	1,893,853	2,127,064
Farm proprietors' income	164,515	1,104,418	447,271	855,785	267,820	463,049
Non-farm proprietors' income	1,320,328	1,317,787	1,445,293	1,585,812	1,626,033	1,664,015
--Earnings by Industry-- 7/						
Farm earnings	313,872	1,214,553	608,238	1,018,751	429,965	628,897
Nonfarm earnings	12,583,949	13,260,995	14,289,251	15,114,581	16,027,597	16,906,211
Private earnings	9,586,529	10,039,204	10,860,120	11,534,049	12,299,186	13,083,339
Forestry, fishing, and related activities, and other 8/	77,270	79,694	87,212	100,827	103,065	113,528
Mining	244,557	266,405	288,361	346,772	434,735	496,409
Utilities	303,790	319,686	350,338	363,484	377,801	401,376
Construction	767,888	827,332	934,052	987,649	1,077,312	1,116,389
Manufacturing	1,119,052	1,168,223	1,311,248	1,424,250	1,489,776	1,567,610
Durable goods manufacturing	717,549	756,901	826,169	898,434	947,405	989,650
Nondurable goods manufacturing	401,503	411,322	485,079	525,816	542,371	577,960
Wholesale Trade	790,598	858,347	929,795	1,010,792	1,070,207	1,140,933
Retail Trade	1,027,908	1,061,436	1,095,149	1,146,881	1,203,622	1,247,901
Transportation and warehousing	519,953	537,898	599,529	643,301	692,067	732,044
Information	356,248	375,830	387,368	397,995	437,322	471,216
Finance and insurance	693,406	732,219	776,553	792,639	839,516	898,783
Real estate and rental and leasing	163,353	180,555	189,785	205,125	201,288	199,456
Professional and technical services	590,525	565,098	618,419	666,524	732,592	787,437
Management of companies and enterprises	155,623	164,630	206,975	219,285	242,290	300,784
Administrative and waste services	278,569	270,490	291,069	325,120	352,906	371,664
Educational services	79,373	80,678	85,287	79,243	85,231	96,263
Health care and social assistance	1,617,535	1,699,871	1,822,056	1,901,416	1,999,905	2,114,916
Arts, entertainment, and recreation	64,189	67,140	69,479	71,071	73,081	77,025
Accommodation and food services	332,616	348,124	367,411	384,461	406,202	440,096
Other services, except public administration	404,076	435,548	450,034	467,214	480,268	509,509
Government and government enterprises	2,997,420	3,221,791	3,429,131	3,580,532	3,728,411	3,822,872
Federal, civilian	579,529	613,119	674,364	705,468	733,301	753,594
Military	594,709	669,864	713,141	726,831	731,535	718,404
State and local	1,823,182	1,938,808	2,041,626	2,148,233	2,263,575	2,350,874

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

1. Vintage 2007 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 2001-2007^P 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.

P Preliminary estimate.

Date of Release: May 22, 2008

Growth in North Dakota Personal Income Outpacing Inflation

Total personal income in North Dakota rose to \$22.3 billion in 2007, up 6.7 percent from \$20.9 billion in 2006. Prices paid by consumers (as measured by the Consumer Price Index, www.bls.gov/cpi) increased 2.8 percent between 2006 and 2007. Thus, even after adjusting for inflation, North Dakota's personal income increased by 3.8 percent between 2006 and 2007. In addition, over the past 10 years, North Dakota's national ranking in per capita income improved from 42nd in 1997 to 30th in 2007. "These impressive gains demonstrate how robust our state's economy is, especially given the strong showing in both the agricultural and energy sectors," said Richard Rathge, Director of the State Data Center.

This month's "Economic Brief," 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). Personal income consists 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 2006 and 2007, net earnings rose 6.5 percent, investment and property income rose 7.9 percent, and transfer receipts rose 6.2 percent. This increase in transfers is significant because approximately \$1 out of every \$6 of North Dakotans' income was derived from government transfer payments in 2007.

Half of all North Dakota earnings were generated by government, health care, manufacturing and retail trade industries in 2007 (49.9 percent). In terms of growth between 2006 and 2007, earnings from company management grew the fastest (24.1 percent) followed by mining and educational services (14.2 percent and 12.9 percent growth, respectively).

North Dakota per capita income (total personal income divided by total resident population) grew 6.4 percent in 2007 to \$34,846, the 5th largest growth rate in the nation. Nationally, North Dakota ranked 30th in per capita income, 9.8 percent below the national average of \$38,611 in 2007. The District of Columbia ranked 1st at \$54,117, followed by New Jersey (\$49,194), Massachusetts (\$49,082) and New York (\$47,385).

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