



Research Brief

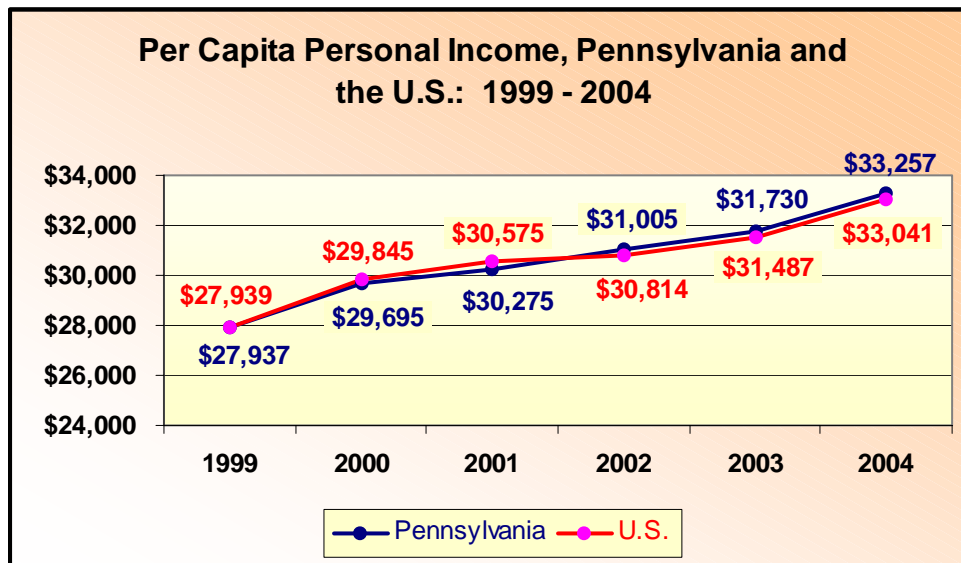
The Commonwealth's Official Source for Population and Economic Statistics

January 25, 2006

Per Capita Income in Pennsylvania Reaches \$33,000

MIDDLETOWN, Pa –Per capita personal income in Pennsylvania reached \$33,257 in 2004 and ranked 18th nationally, according to the January issue of the *Survey of Business*, recently released by the U.S. Bureau of Economic Analysis (BEA). Per capita personal income in the commonwealth increased \$1,527 between 2003 and 2004, and has increased by more than \$5,000 since 1999.

Personal income in Pennsylvania totaled \$435.4 billion in the 3rd quarter of 2005, 1.0 percent higher than the previous quarter (\$431.2 billion) and 5.2 percent higher than the 3rd quarter of 2004 (\$414 billion). However, the average annual growth rate of personal income in Pennsylvania between 1994 and 2004 is better than just 5 other states.



Disposable Income and Earnings

Defined as total after-tax income received by persons, per capita disposable personal income in Pennsylvania reached \$29,656 in 2004 and ranked 18th nationally. Per capita disposable income increased \$1,371 over 2003, and by \$5,555 since 1999. Disposable income in the commonwealth totaled \$367.9 billion in 2004.

Earnings in the 3rd quarter of 2005 totaled \$328 billion, an increase of 1.3 percent over the previous quarter. Wages and salaries accounted for 71.7 percent (\$235.3 billion) of earnings, while employer contributions toward pensions and insurance made up 17.2 percent (\$56.4 billion) of the total.

Private industry earnings (\$284.3 billion) made up 86.9 percent of total nonfarm earnings in the 3rd quarter of 2005, while government earnings (\$43 billion) accounted for 13.1 percent –three-quarters of which was state and local. The top 3 earnings totals by private industry in the 3rd quarter were: manufacturing (\$48 billion), health care and social assistance (\$41.4 billion), and professional and technical services (\$30.4 billion). The health care and social assistance industry (+0.24 percent) lead all Pennsylvania businesses in terms of contributions to percent change in earnings between the 2nd and 3rd quarters of 2005, followed by real estate (+0.15 percent), and wholesale trade (+0.9 percent).

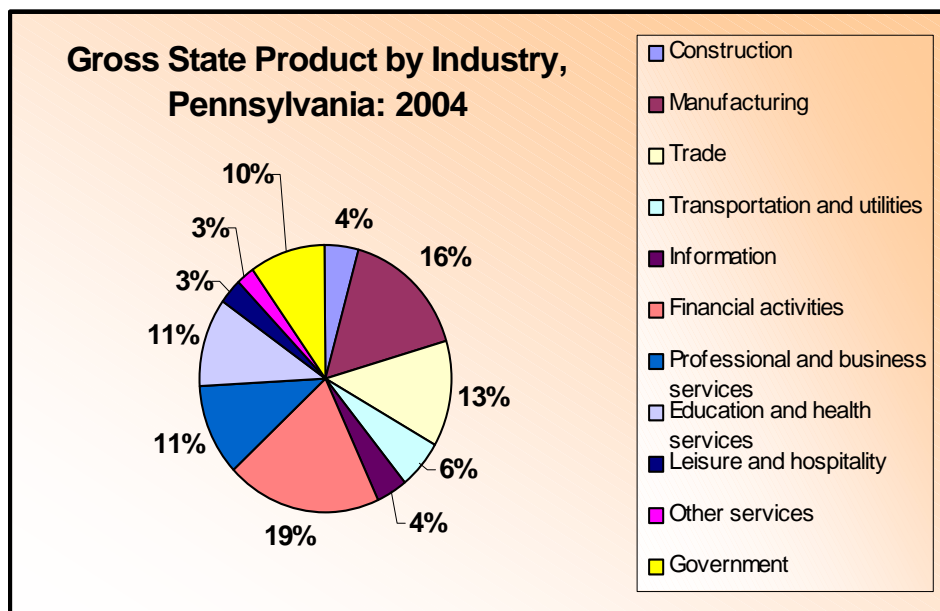
Personal Income in Pennsylvania Metropolitan Areas and Counties

The New York-Northern New Jersey-Long Island, NY-NJ-PA (\$40,899) and Philadelphia-Camden-Wilmington, PA-NJ-DE-MD (\$37,059) metropolitan statistical areas (MSA) led all Pennsylvania MSAs in per capita personal income in 2003. These two areas also ranked 9th and 21st nationally in per capita income. The Philadelphia-Camden-Wilmington, PA-NJ-DE-MD (+\$1,150) and Lancaster (+\$1,004) MSAs experienced the highest per capita income growth between 2002 and 2003. Five of the 16 MSAs located in Pennsylvania were ranked among the top 100 nationally in per capita income. (Table 1)

Montgomery (\$49,429), Chester (\$47,480), and Bucks (\$40,450) led all Pennsylvania counties with the highest per capita personal income in 2003, while Greene (\$21,539), Tioga (\$21,277), and Huntingdon (\$20,539) counties had lowest per capita income. Montour County showed the highest increase in per capita income (+\$1,317) between 2002 and 2003, while Potter was the only county to experience a decline (-\$102). (Table 2)

Gross State Product

The commonwealth’s gross state product in 2004 was \$468 billion, 6th among the states, and per capita gross state product rose to \$37,730. Financial activities accounted for the largest share of Pennsylvania’s gross state product (19 percent) at \$91.7 billion. Manufacturing, long considered an important if declining part of Pennsylvania’s economy, generated \$75.3 billion, or about 16 percent of the gross state product. The commonwealth also ranked 4th nationally in economic output from non-durable goods manufacturing (\$40.9



billion) in 2004. Trade (\$58.4 billion) and professional and business services (\$51.5 billion) were significant components of Pennsylvania's gross state product, and the education and health services sector, which has become increasingly important to the state's economy in recent years, generated \$50.3 billion, the fourth highest output nationally from this industry. Government contributed \$44.9 billion toward the commonwealth's gross state product in 2004.

Regional Growth

The BEA classifies Pennsylvania as a component state of the Mideast Region, which includes Delaware, Maryland, New Jersey, New York, and Washington, D.C. Personal income and gross state product in Mideast states as shares of total U.S. income and gross domestic product have declined in recent decades. In 1969, personal income in the Mideast accounted for 23.5 percent of all personal income in the U.S, the most of any region. As of 2004, that figure had fallen to 18.5 percent, and was overtaken by the Southeast (22.5 percent). In 1977, gross state product in the Mideast comprised 20.3 percent of the U.S. gross domestic product, again the largest share of any region. In 2004, the Mideast's share had declined to 18.4 percent, and was surpassed by the Southeast (22.3 percent).

For additional information on the personal income in Pennsylvania, contact the Pennsylvania State Data Center at 717.772.2710. A copy of the article "State Personal Income: Third Quarter of 2005" in the January 2006 issue of *Survey of Current Business* can be viewed online at:

http://www.bea.gov/bea/ARTICLES/2006/01January/0106_SPI.pdf

Area Name	Per Capita Personal Income			Numeric Change	Rank in U.S.
	2001	2002	2003	2002 - 2003	2003
Allentown-Bethlehem-Easton, PA-NJ (MSA)	30,280	31,124	31,707	583	78
Altoona, PA (MSA)	23,711	24,674	25,478	804	266
Erie, PA (MSA)	24,504	25,068	25,505	437	263
Harrisburg-Carlisle, PA (MSA)	30,669	31,698	32,541	843	63
Johnstown, PA (MSA)	23,070	23,573	24,368	795	305
Lancaster, PA (MSA)	28,500	28,650	29,654	1,004	129
Lebanon, PA (MSA)	26,924	27,581	28,315	734	159
New York-Northern New Jersey-Long Island, NY-NJ-PA (MSA)	40,649	40,186	40,899	713	9
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD (MSA)	34,976	35,909	37,059	1,150	21
Pittsburgh, PA (MSA)	31,537	32,190	33,015	825	56
Reading, PA (MSA)	28,858	29,484	29,790	306	127
Scranton-Wilkes-Barre, PA (MSA)	26,785	27,521	28,189	668	163
State College, PA (MSA)	24,805	25,353	25,776	423	253
Williamsport, PA (MSA)	24,335	25,211	26,039	828	238
York-Hanover, PA (MSA)	28,195	28,546	29,181	635	140
Youngstown-Warren-Boardman, OH-PA (MSA)	24,621	25,371	26,361	990	222

Table 2: Per Capita Personal Income, Pennsylvania Counties: 2001-2003

Area Name	Per Capita Personal Income			Numeric Change
	2001	2002	2003	2002 - 2003
Pennsylvania	30,275	31,034	31,911	877
Adams	26,107	26,478	27,110	632
Allegheny	35,634	36,480	37,475	995
Armstrong	24,775	25,062	25,903	841
Beaver	25,694	25,998	26,472	474
Bedford	21,428	21,822	22,319	497
Berks	28,858	29,484	29,790	306
Blair	23,711	24,674	25,478	804
Bradford	22,436	23,092	23,995	903
Bucks	38,946	39,394	40,450	1,056
Butler	29,262	29,373	30,055	682
Cambria	23,070	23,573	24,368	795
Cameron	22,685	23,374	24,229	855
Carbon	24,786	25,695	26,372	677
Centre	24,805	25,353	25,776	423
Chester	46,283	46,488	47,480	992
Clarion	23,204	23,729	24,319	590
Clearfield	21,970	23,008	23,476	468
Clinton	21,169	22,068	22,790	722
Columbia	23,831	24,693	25,264	571
Crawford	21,732	22,219	22,753	534
Cumberland	31,797	32,722	33,370	648
Dauphin	30,717	31,921	32,953	1,032
Delaware	37,059	37,558	38,813	1,255
Elk	25,840	26,616	27,492	876
Erie	24,504	25,068	25,505	437
Fayette	22,796	23,818	24,540	722
Forest	21,313	22,454	23,374	920
Franklin	25,283	25,796	26,565	769
Fulton	24,136	24,321	24,939	618
Greene	20,415	20,836	21,539	703
Huntingdon	20,089	20,049	20,539	490
Indiana	22,877	23,679	24,267	588
Jefferson	22,284	23,035	23,628	593
Juniata	23,361	23,309	24,426	1,117
Lackawanna	27,952	28,277	28,986	709
Lancaster	28,500	28,650	29,654	1,004
Lawrence	22,620	23,308	24,188	880
Lebanon	26,924	27,581	28,315	734
Lehigh	31,458	32,467	33,040	573

Area Name	Per Capita Personal Income			Numeric Change
	2001	2002	2003	2002 - 2003
Luzerne	26,377	27,372	28,026	654
Lycoming	24,335	25,211	26,039	828
McKean	24,311	24,463	25,516	1,053
Mercer	23,544	24,341	25,292	951
Mifflin	21,292	21,387	22,158	771
Monroe	24,842	25,221	25,536	315
Montgomery	46,698	48,307	49,429	1,122
Montour	27,078	28,554	29,871	1,317
Northampton	29,297	30,059	30,589	530
Northumberland	23,641	24,206	25,002	796
Perry	24,856	25,351	26,070	719
Philadelphia	25,551	26,897	28,194	1,297
Pike	25,022	24,928	25,056	128
Potter	24,508	24,514	24,412	-102
Schuylkill	23,208	24,035	24,756	721
Snyder	25,248	25,093	25,863	770
Somerset	21,533	21,567	22,125	558
Sullivan	22,422	23,151	23,647	496
Susquehanna	23,223	23,318	23,650	332
Tioga	20,477	20,411	21,277	866
Union	22,244	22,193	23,056	863
Venango	23,376	23,782	24,548	766
Warren	23,496	23,659	24,584	925
Washington	28,834	29,232	30,035	803
Wayne	23,612	24,553	25,084	531
Westmoreland	27,643	28,182	28,803	621
Wyoming	22,567	23,490	24,055	565
York	28,195	28,546	29,181	635

Source: U.S. Bureau of Economic Analysis, "State Personal Income: Third Quarter of 2005," *Survey of Business*, January 2006, Volume 86, Number 1

The Pennsylvania State Data Center is the commonwealth's official source for population and economic statistics. It is based at Penn State Harrisburg's Institute of State and Regional Affairs. The Pennsylvania State Data Center is part of the U.S. Census Bureau's National State Data Center Program.

Editors: For additional data, contact the Pennsylvania State Data Center's State Capital Office at 717.772.2710 or for faculty comment on this topic, contact Penn State Harrisburg's Public Information Office at 717.948.6029.