

Alaska's Personal Income in Top 10

Growth recovers somewhat in 2010



All men, women, and children in Alaska combined earned \$1.2 billion more in 2010 than they did the year before, for a total of \$31.4 billion. The 2010 personal income figures recently released by the U.S. Bureau of Economic Analysis include Alaska, the other 49 states, and the nation as a whole.

“Personal income” includes net earnings (most from wages and salaries), investment income (includes corporate dividends, income from rent, and interest earned from savings), transfer payments (income from government or private social insurance programs and in our case, Alaska Permanent Fund dividends), and interest income.

Personal income data are negatively adjusted for residency, which in Alaska means that a sizeable portion is earned in the state but spent elsewhere. In other words, nonresidents working in Alaska earn that money, and it benefits the states where they live.

This means nearly \$1.6 billion earned in Alaska were subtracted from our total personal income in 2010 — nearly 5 percent of the total. This comes as no surprise, because 19.1 percent of all workers in the state do not live here. Only New York, North Dakota, and Kentucky had bigger negative residency adjustments in 2010.

Once all of these sources are added up minus nonresident income, we get total personal income — the most comprehensive measure of income in Alaska.

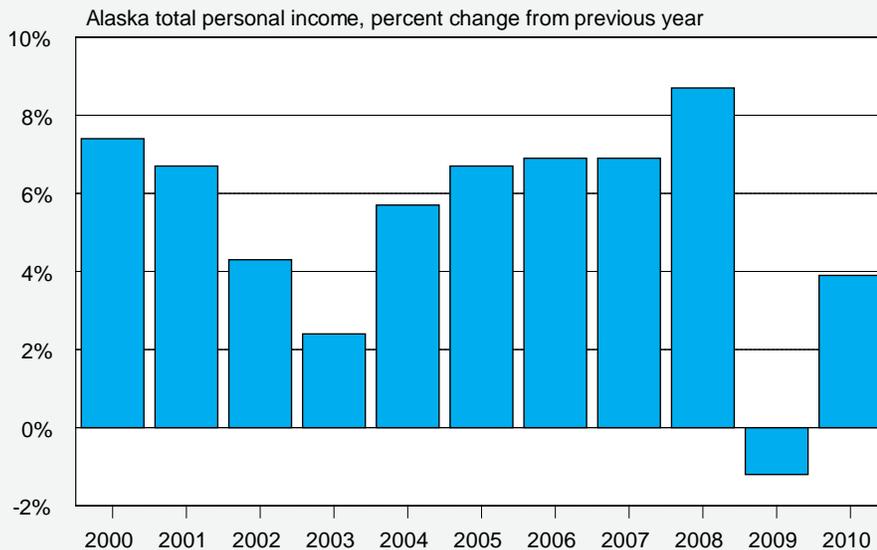
One of the most popular uses of this information is comparing per capita income among states. (See Exhibit 1.) Per capita income is how much money the average person in an area brings in each year, determined by dividing total personal income by area population. This is a good measurement of an area's general economic well-being.

1 Per Capita Income 2010

| Rank | State | 2010 | % of U.S. |
|------|----------------|----------|-----------|
| 1 | Connecticut | \$56,001 | 138% |
| 2 | Massachusetts | \$51,552 | 127% |
| 3 | New Jersey | \$50,781 | 125% |
| 4 | Maryland | \$49,025 | 121% |
| 5 | New York | \$48,821 | 120% |
| 6 | Wyoming | \$47,851 | 118% |
| 7 | Virginia | \$44,762 | 110% |
| 8 | ALASKA | \$44,174 | 109% |
| 9 | New Hampshire | \$44,084 | 109% |
| 10 | Washington | \$43,564 | 107% |
| 11 | Illinois | \$43,159 | 106% |
| 12 | California | \$43,104 | 106% |
| 13 | Minnesota | \$42,843 | 106% |
| 14 | Colorado | \$42,802 | 105% |
| 15 | Rhode Island | \$42,579 | 105% |
| 16 | Pennsylvania | \$41,152 | 101% |
| 17 | Hawaii | \$41,021 | 101% |
| 18 | North Dakota | \$40,596 | 100% |
| | U.S. AVERAGE | \$40,584 | 100% |
| 19 | Vermont | \$40,283 | 99% |
| 20 | Delaware | \$39,962 | 98% |
| 21 | Kansas | \$39,737 | 98% |
| 22 | Nebraska | \$39,557 | 97% |
| 23 | Texas | \$39,493 | 97% |
| 24 | Florida | \$39,272 | 97% |
| 25 | South Dakota | \$38,865 | 96% |
| 26 | Louisiana | \$38,446 | 95% |
| 27 | Wisconsin | \$38,432 | 95% |
| 28 | Iowa | \$38,281 | 94% |
| 29 | Maine | \$37,300 | 92% |
| 30 | Oregon | \$37,095 | 91% |
| 31 | Nevada | \$36,997 | 91% |
| 32 | Missouri | \$36,979 | 91% |
| 33 | Oklahoma | \$36,421 | 90% |
| 34 | Ohio | \$36,395 | 90% |
| 35 | North Carolina | \$35,638 | 88% |
| 36 | Michigan | \$35,597 | 88% |
| 37 | Georgia | \$35,490 | 87% |
| 38 | Montana | \$35,317 | 87% |
| 39 | Tennessee | \$35,307 | 87% |
| 40 | Arizona | \$34,999 | 86% |
| 41 | Indiana | \$34,943 | 86% |
| 42 | Alabama | \$33,945 | 84% |
| 43 | New Mexico | \$33,837 | 83% |
| 44 | Kentucky | \$33,348 | 82% |
| 45 | South Carolina | \$33,163 | 82% |
| 46 | Arkansas | \$33,150 | 82% |
| 47 | West Virginia | \$32,641 | 80% |
| 48 | Utah | \$32,595 | 80% |
| 49 | Idaho | \$32,257 | 79% |
| 50 | Mississippi | \$31,186 | 77% |

Source: U.S. Department of Commerce, Bureau of Economic Analysis

2 Personal Income Rebounds After 2009 Drop Alaska, 2000 to 2010



Source: U.S. Department of Commerce, Bureau of Economic Analysis

Alaska's income growth recovers in 2010

Total personal income grew by 4.0 percent in Alaska in 2010, coming in below the decade's average annual growth rate of 4.8 percent. (See Exhibit 2.)

Although weaker than the ten-year average, state income growth in 2010 was stronger than the national average of 3 percent. This was a big improvement over 2009, when total personal income in Alaska declined for the first time in 23 years.

The recovery in Alaska's economy helps explain most of the improvement. In addition, the low inflation rate in Anchorage¹ (1.8 percent) meant real gains in Alaskans' income.

Per capita income ranks eighth among states

Alaska's per capita income of \$44,174 in 2010 put Alaska in eighth place among all 50 states, and nearly 9 percent higher than the national average. As recently as 2007, Alaska only ranked 15th.

¹Anchorage's inflation rate is used as a default for the entire state.