

INCOME UP SLIGHTLY IN 2017

Alaska's personal income growth remains historically low

By NEAL FRIED

Alaska's total personal income increased by 0.4 percent in 2017 after declining slightly in 2016. (See Exhibit 1.)

Personal income is money people receive from all sources, not just what they earn by working. (See the sidebar on page 18 for what personal income includes.)

The decline in 2016 was due to the recession, a drop in earnings, and a smaller Alaska Permanent Fund Dividend. Alaska was one of just three states whose personal income declined that year.

Earnings share is down

Although total personal income resumed growth in 2017, earnings fell again as Alaska's economy continued to shed jobs. However, the increases in dividends, interest, and rent and in transfer payments more than offset that loss. Earnings fell by \$316 million while the other two categories grew by \$191 million and \$300 million, respectively. The boost came from the burgeoning stock market and in-

1 Slight Increase After 2016 Drop

ALASKA TOTAL PERSONAL INCOME, 2006 TO 2017



Source: U.S. Bureau of Economic Analysis

creases in Social Security checks and other transfer payments.

Growth lags historical averages

The state's 25-year average for personal income growth is 4.9 percent per year, but over the past decade, total personal income grew by an average of

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PERSONAL INCOME

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3.4 percent per year.

Among states, Alaska ranked 48th for personal income growth in 2017. Only Iowa and North Dakota ranked lower, due to weak agricultural prices. It's no surprise Alaska is trailing most states in income growth, as much of the nation is in its eighth year of economic expansion: one of the longest stretches in U.S. history.

Although inflation increased by a mere 0.5 percent in 2017, that effectively eliminated the buying power of the 0.4 percent gain in personal income. This trend of slower income growth is not likely to change until Alaska's job growth resumes.

\$56,042 for every woman, man, and child in the state

One of the most popular byproducts of these data is per capita income, which is total personal income divided by the resident population. (See Exhibit 2.) Per capita income is considered a good measurement of economic well-being.

Alaska's per capita income of \$56,042 put us in 10th place among states in 2017, 11 percent higher than the nation overall and just shy of 1 percent higher than the previous year. Alaska ranked eighth in 2016 and fifth in 2015, which was the state's highest ranking in the past decade.

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About the data

Personal income is total income received by all residents in the state from all sources. It includes three main categories:

1. Net earnings (mostly wages and salaries)
2. Dividends, interest, and rents (corporate dividends, income from rent, and interest earned from savings)
3. Transfer payments (income from government or private social insurance programs and in Alaska's case, Alaska Permanent Fund dividends)

2 Alaska's Income is 10th Per Capita

BY STATE, 2017

1	Connecticut	\$70,121
2	Massachusetts	\$65,890
3	New Jersey	\$62,554
4	New York	\$60,991
5	Maryland	\$59,524
6	California	\$58,272
7	New Hampshire	\$57,574
8	Wyoming	\$56,724
9	Washington	\$56,283
10	Alaska	\$56,042
11	North Dakota	\$54,643
12	Virginia	\$54,244
13	Colorado	\$53,504
14	Minnesota	\$53,042
15	Illinois	\$52,808
16	Pennsylvania	\$52,096
17	Hawaii	\$51,939
18	Rhode Island	\$51,503
19	Vermont	\$51,114
	United States	\$50,392
20	Nebraska	\$50,395
21	Delaware	\$49,125
22	South Dakota	\$48,281
23	Wisconsin	\$47,850
24	Kansas	\$47,603
25	Texas	\$46,942
26	Florida	\$46,858
27	Oregon	\$46,361
28	Iowa	\$45,996
29	Ohio	\$45,615
30	Michigan	\$45,255
31	Maine	\$45,072
32	Nevada	\$44,626
33	Tennessee	\$44,266
34	Montana	\$43,907
35	Missouri	\$43,661
36	Louisiana	\$43,491
37	Oklahoma	\$43,449
38	North Carolina	\$43,303
39	Georgia	\$43,270
40	Utah	\$42,043
41	Arizona	\$41,633
42	Indiana	\$41,165
43	Arkansas	\$40,791
44	Idaho	\$40,507
45	South Carolina	\$40,421
46	Alabama	\$39,976
47	Kentucky	\$39,393
48	New Mexico	\$39,023
49	West Virginia	\$37,924
50	Mississippi	\$36,346

Source: U.S. Bureau of Economic Analysis