# County Income Patterns

Independent Fiscal Office | Research Brief | August 2021

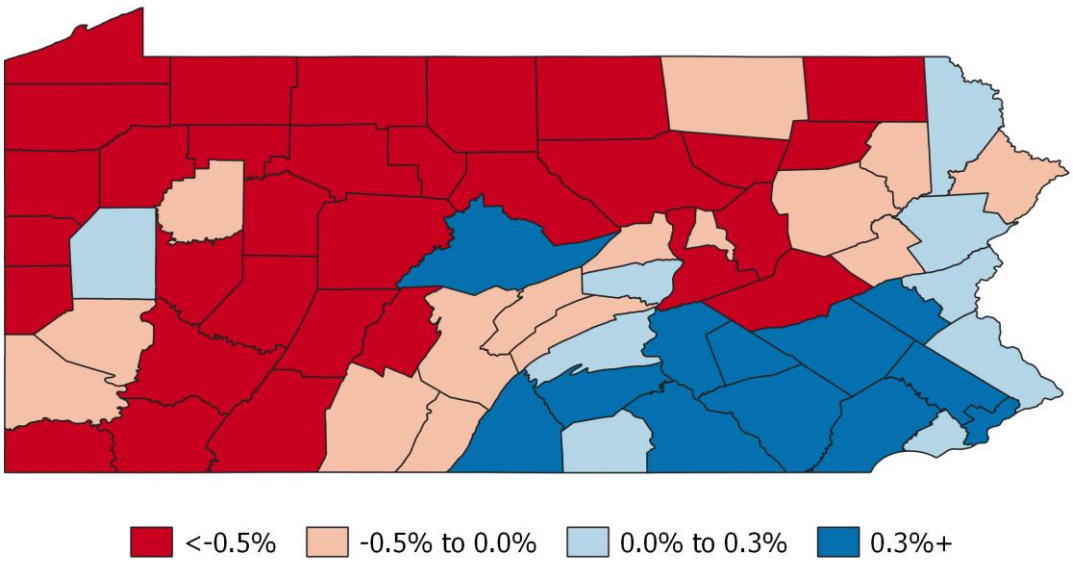
## Introduction

This research brief presents five maps that illustrate recent demographic and income trends at the county level. The brief starts with demographic trends, then presents income trends and finally combines the two metrics to analyze per capita income trends and levels from 2016 to 2019 (latest data available). (See page 6 for the raw data and page 7 for a reference map of county names.) Per capita income growth and levels provide policymakers with two informative and current measures of economic well-being at the county level. Although two metrics control for population, it should be noted that they do not control for cost of living, which varies widely across the state.

## Population Growth

From 2016 to 2019, Pennsylvania's population expanded at an average rate of 0.02% per annum. **Figure 1** displays outcomes for all counties. At the county level, average population growth ranged from a high of 0.7% (Cumberland County) per annum to a low of -1.4% (Cameron County). The geographic data reveal divergent trends for the northern and northwestern regions of the state compared to the southeast and central.

Figure 1
Average Annual Population Growth: 2016 to 2019

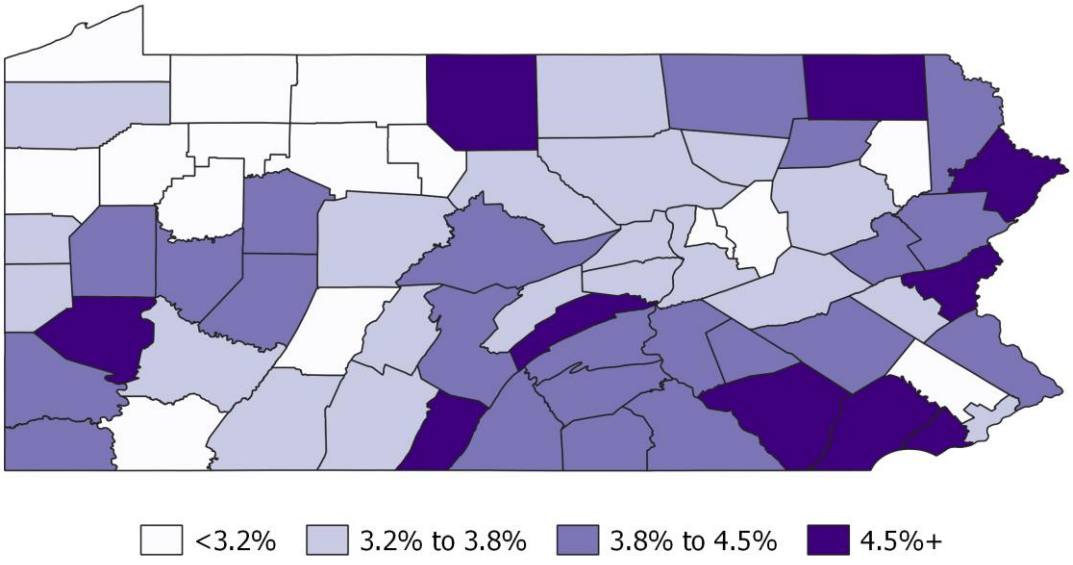


## Personal Income Growth

From 2016 to 2019, nearly all Pennsylvania counties (except Cameron County) recorded personal income gains that exceeded inflation (1.5% per annum), which implies real income gains. Personal income includes all wages and salaries, interest, dividends, business income, rents, royalties, transfer receipts (e.g., SNAP and veteran's benefits) and retirement income (e.g., Social Security and pension contributions). The measure is published by the U.S. Bureau of Economic Analysis and is the most comprehensive measure of income available. For example, the income measure is much broader than state taxable income because it includes Social Security income and employer contributions to pension accounts. However, it does not include capital gains income.

County personal income growth ranged from 0.3% (Cameron County) per annum to 6.1% (Potter County). (See **Figure 2**. A technical note at the end of this brief describes an adjustment made by the IFO.) As expected, most counties with relatively weak population growth also recorded only modest or moderate personal income growth. Notable exceptions are certain western counties (e.g., Allegheny, Washington and Armstrong) and northern counties (e.g., Potter, Bradford and Susquehanna) due to strong gains recorded for net earnings (earnings from labor) and dividends, interest and rent. Moreover, some of those counties (Armstrong, Bradford, Potter and Susquehanna) recorded strong income growth despite a reduction in overall employment levels.

Figure 2
Average Annual Personal Income Growth: 2016 to 2019

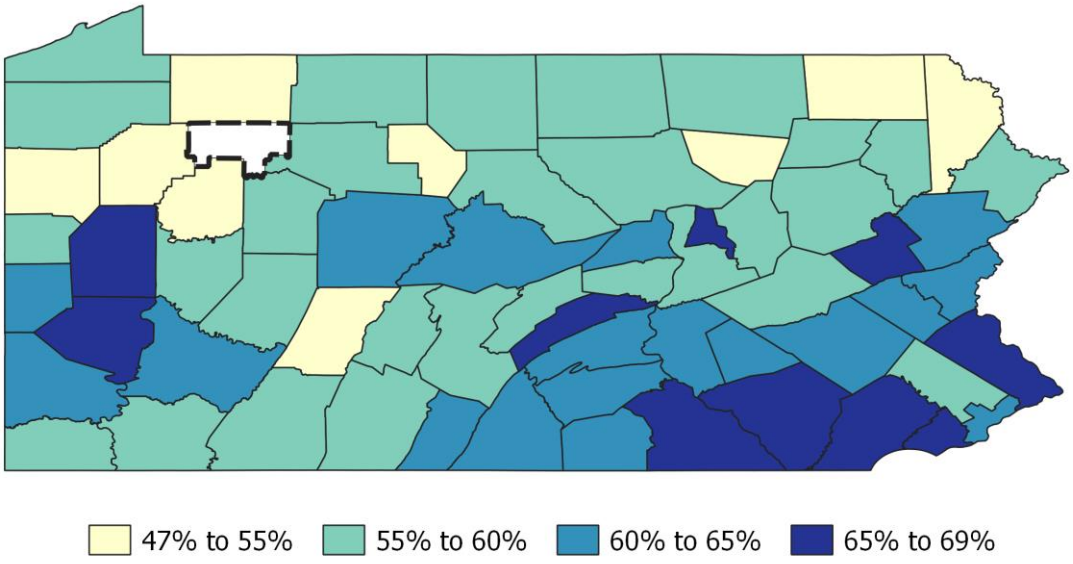


## Resident Earnings

County personal income can be decomposed into three categories: (1) resident earnings (wages, salaries and proprietor income), (2) dividends, interest and rent (includes imputed rent to homeowners) and (3) transfer receipts (e.g., Social Security, Medicare, Medicaid, various income maintenance benefits). For the entire state, the shares of these income sources were as follows: resident earnings (63.0%), dividends, interest and rent (17.6%) and transfer receipts (19.4%).

**Figure 3** displays the share of county personal income comprised of resident earnings, or active income attributable to the provision of labor services (wages, salaries and proprietor income). The top three counties were Chester (68.9%), Butler (68.1%) and Bucks (66.5%). The three lowest counties were Venango (50.1%), Cameron (48.0%) and Sullivan (47.2%). It should be noted that Forest County (white) was excluded from the dataset because a significant proportion (approximately 45%) of the population is institutionalized, which produced artificially low personal income and net earnings data. (Note: This analysis does not control for student, nursing home or institutionalized populations in other counties.) Counties with lower shares of net earnings are more likely to be older counties that receive relatively more income from federal programs such as Social Security and Medicaid.

Figure 3
Percent of Personal Income from Net Earnings for 2019

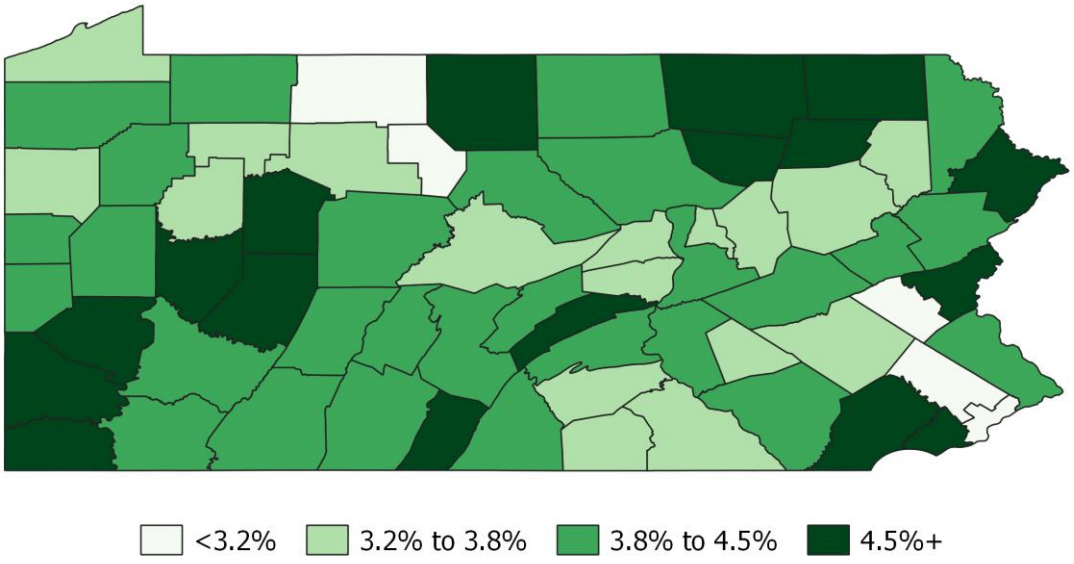


## Per Capita Personal Income Growth

Figures 2 and 3 do not control for county population gains or losses. **Figure 4** controls for population growth and displays per capita average income growth. Average per capita income growth for the state was 4.1% per annum. The top three counties were Potter (7.0%), Juniata (5.8%) and Allegheny (5.6%). The bottom three counties were Montgomery (2.8%), McKean (2.6%) and Cameron (1.7%).

The far northeastern and southwestern regions of the state generally recorded strong per capita personal income growth, and some of the strongest growth occurred along the New York state border. Much of the growth in those counties was driven by net earnings. For instance, Potter County had the highest average growth per annum for total income and net earnings per capita (8.8%). Conversely, Cameron County had negative average annual growth in net earnings (-1.1%), which drove its low total income per capita growth rate. Counties with weaker per capita income growth tend to receive more income in the form of transfer receipts. For example, McKean County's average annual growth rate for transfer receipts per capita was roughly twice its net earnings per capita growth rate.

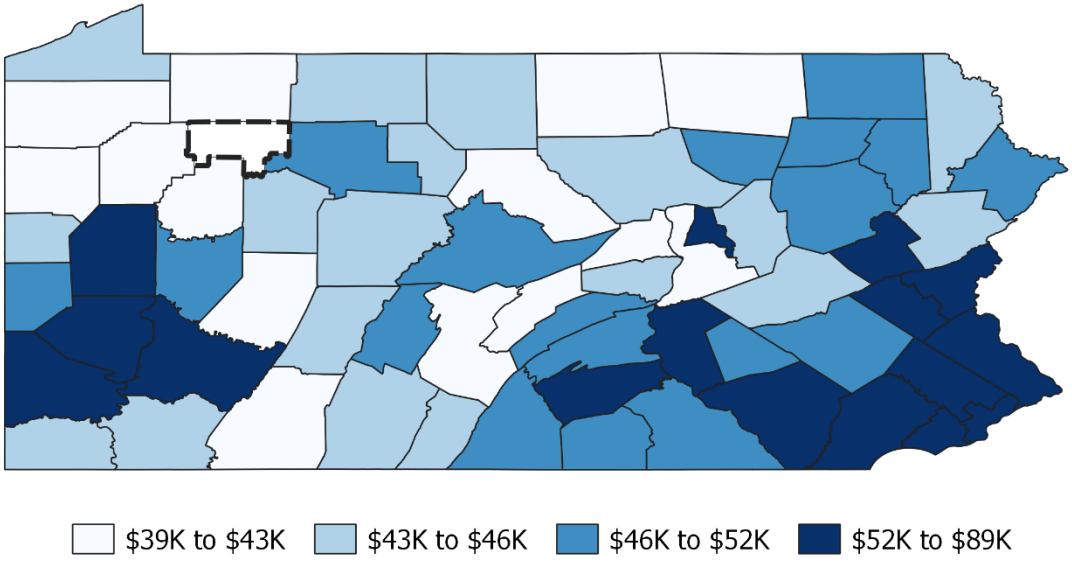
Figure 4
Per Capita Personal Income Growth: 2016 to 2019



## Per Capita Personal Income Levels for 2019

For 2019, statewide (i.e., weighted average) per capita personal income was $58,100 and ranged from $39,200 (Huntingdon County) to $88,500 (Chester County). (See **Figure 5**.) The Philadelphia and Pittsburgh metro regions generally recorded the highest levels of per capita personal income, in excess of $60,000. Forest County (per capita personal income of $23,900) is an outlier in the dataset and was excluded due to the reason mentioned for Figure 3. Notably, Montour County is a relatively small county, and the median income level is similar to statewide averages. However, the Census data reveal that the county has a relatively high proportion of families with incomes above $200,000 (highest Census family income group). For a county with a small population, that characteristic is sufficient to move Montour County to the highest income category in Figure 5.

Figure 5
Per Capita Personal Income for 2019




## Technical Note

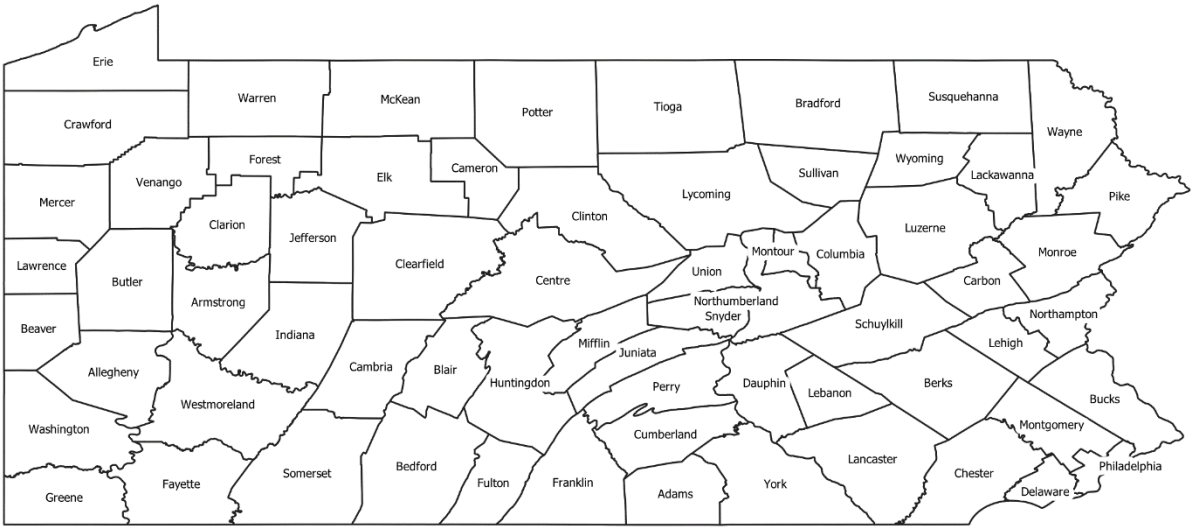
An adjustment was made to Philadelphia County's total personal income for 2016 due to an unusually high, one-time value for proprietors' income in that year. For 2016, the reported value was replaced with an interpolation using the 2015 and 2017 data points. The adjusted data point is consistent with federal and state income tax return data trends for the county. This adjustment is also reflected in the statewide growth rate and increases the average annual growth rate for personal income from 3.9% to 4.1% per annum. This adjustment impacts Figure 2 and the 2016 raw data for Philadelphia County.

## Data Sources

U.S. Census Bureau, American Community Survey 5-Year Estimates, 2016-19. (Web)
U.S. Bureau of Economic Analysis, Personal Income Summary, 2016-19. (Web)

| | Population (000s) | | | | Personal Income ($B) | | | | Income Per Capita ($000s) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | 2019 | AAGR | Rank | 2016 | 2019 | AAGR | Rank | 2016 | 2019 | AAGR | Rank |
| Adams | 101.8 | 102.5 | 0.23% | 15 | $4.6 | $5.2 | 3.80% | 32 | $45.4 | $50.4 | 3.56% | 53 |
| Allegheny | 1,230.4 | 1,221.7 | -0.23 | 28 | 68.3 | 80.0 | 5.39 | 4 | 55.5 | 65.5 | 5.64 | 3 |
| Armstrong | 67.5 | 65.9 | -0.82 | 57 | 2.7 | 3.0 | 4.46 | 11 | 39.5 | 46.1 | 5.32 | 5 |
| Beaver | 169.2 | 165.8 | -0.67 | 47 | 7.4 | 8.3 | 3.80 | 33 | 43.8 | 50.0 | 4.50 | 18 |
| Bedford | 48.9 | 48.3 | -0.35 | 33 | 1.9 | 2.1 | 3.70 | 34 | 38.2 | 43.0 | 4.06 | 33 |
| Berks | 414.1 | 418.0 | 0.32 | 11 | 19.2 | 21.6 | 4.04 | 27 | 46.3 | 51.7 | 3.71 | 48 |
| Blair | 125.9 | 123.2 | -0.74 | 52 | 5.3 | 5.9 | 3.45 | 48 | 42.2 | 47.8 | 4.22 | 27 |
| Bradford | 61.8 | 61.0 | -0.46 | 36 | 2.3 | 2.6 | 4.46 | 12 | 37.0 | 42.7 | 4.94 | 11 |
| Bucks | 626.2 | 626.8 | 0.03 | 21 | 42.3 | 47.7 | 4.04 | 28 | 67.6 | 76.0 | 4.01 | 38 |
| Butler | 186.0 | 186.9 | 0.17 | 18 | 10.0 | 11.4 | 4.23 | 22 | 54.0 | 60.8 | 4.06 | 34 |
| Cambria | 137.8 | 133.0 | -1.16 | 66 | 5.4 | 5.9 | 3.15 | 53 | 38.8 | 44.2 | 4.36 | 21 |
| Cameron | 4.8 | 4.6 | -1.38 | 67 | 0.2 | 0.2 | 0.27 | 67 | 43.6 | 45.8 | 1.67 | 67 |
| Carbon | 64.3 | 63.9 | -0.23 | 27 | 3.0 | 3.4 | 4.15 | 25 | 46.9 | 53.3 | 4.39 | 20 |
| Centre | 159.2 | 162.0 | 0.58 | 3 | 6.9 | 7.7 | 3.82 | 31 | 43.4 | 47.7 | 3.22 | 62 |
| Chester | 512.0 | 519.6 | 0.49 | 6 | 39.0 | 46.0 | 5.65 | 2 | 76.1 | 88.5 | 5.13 | 8 |
| Clarion | 38.9 | 38.7 | -0.19 | 25 | 1.5 | 1.6 | 3.05 | 59 | 38.1 | 42.0 | 3.25 | 61 |
| Clearfield | 81.2 | 79.9 | -0.52 | 37 | 3.3 | 3.7 | 3.62 | 39 | 40.6 | 45.9 | 4.17 | 30 |
| Clinton | 39.5 | 38.9 | -0.53 | 39 | 1.4 | 1.6 | 3.38 | 49 | 36.0 | 40.4 | 3.92 | 40 |
| Columbia | 66.8 | 65.7 | -0.53 | 40 | 2.6 | 2.8 | 3.13 | 56 | 38.8 | 43.3 | 3.68 | 50 |
| Crawford | 87.0 | 85.7 | -0.52 | 38 | 3.2 | 3.6 | 3.48 | 44 | 37.1 | 41.7 | 4.03 | 36 |
| Cumberland | 243.8 | 249.3 | 0.74 | 1 | 12.6 | 14.3 | 4.31 | 17 | 51.8 | 57.5 | 3.54 | 55 |
| Dauphin | 272.0 | 275.6 | 0.45 | 7 | 12.9 | 14.7 | 4.28 | 19 | 47.6 | 53.2 | 3.81 | 45 |
| Delaware | 562.3 | 564.6 | 0.13 | 19 | 34.2 | 39.5 | 4.92 | 6 | 60.9 | 70.0 | 4.78 | 13 |
| Elk | 31.1 | 30.3 | -0.83 | 58 | 1.4 | 1.5 | 2.74 | 65 | 43.6 | 48.4 | 3.61 | 52 |
| Erie | 279.1 | 273.8 | -0.64 | 44 | 11.4 | 12.5 | 3.05 | 60 | 41.0 | 45.7 | 3.71 | 49 |
| Fayette | 134.2 | 131.3 | -0.73 | 51 | 5.2 | 5.7 | 3.13 | 55 | 38.5 | 43.2 | 3.89 | 42 |
| Forest | 7.5 | 7.3 | -0.81 | 55 | 0.2 | 0.2 | 2.83 | 64 | 21.4 | 23.9 | 3.67 | 51 |
| Franklin | 152.7 | 154.1 | 0.31 | 12 | 6.5 | 7.4 | 4.33 | 16 | 42.9 | 48.2 | 4.00 | 39 |
| Fulton | 14.7 | 14.5 | -0.34 | 31 | 0.6 | 0.7 | 5.25 | 5 | 38.9 | 45.8 | 5.60 | 4 |
| Greene | 37.7 | 36.9 | -0.71 | 50 | 1.4 | 1.6 | 4.30 | 18 | 38.3 | 44.4 | 5.05 | 9 |
| Huntingdon | 45.8 | 45.4 | -0.35 | 32 | 1.6 | 1.8 | 3.98 | 29 | 34.5 | 39.2 | 4.34 | 23 |
| Indiana | 87.5 | 85.0 | -0.95 | 63 | 3.1 | 3.5 | 4.14 | 26 | 35.3 | 41.0 | 5.14 | 7 |
| Jefferson | 44.6 | 43.8 | -0.55 | 41 | 1.8 | 2.0 | 4.21 | 23 | 39.5 | 45.4 | 4.79 | 12 |
| Juniata | 24.8 | 24.6 | -0.25 | 29 | 1.0 | 1.1 | 5.50 | 3 | 39.3 | 46.5 | 5.77 | 2 |
| Lackawanna | 213.0 | 210.7 | -0.37 | 34 | 9.4 | 10.3 | 3.14 | 54 | 43.9 | 48.7 | 3.52 | 56 |
| Lancaster | 533.1 | 541.0 | 0.49 | 5 | 25.8 | 29.6 | 4.78 | 8 | 48.3 | 54.8 | 4.27 | 25 |
| Lawrence | 88.5 | 86.7 | -0.68 | 48 | 3.5 | 3.9 | 3.46 | 47 | 39.5 | 44.6 | 4.17 | 29 |
| Lebanon | 137.0 | 139.7 | 0.67 | 2 | 6.1 | 6.9 | 4.25 | 20 | 44.7 | 49.6 | 3.56 | 54 |
| Lehigh | 358.8 | 365.1 | 0.58 | 4 | 18.1 | 20.1 | 3.64 | 37 | 50.4 | 55.1 | 3.04 | 64 |
| Luzerne | 318.9 | 317.7 | -0.13 | 23 | 13.3 | 14.7 | 3.31 | 51 | 41.8 | 46.3 | 3.45 | 58 |
| Lycoming | 116.3 | 114.3 | -0.57 | 42 | 4.6 | 5.1 | 3.24 | 52 | 39.8 | 44.5 | 3.84 | 43 |
| McKean | 42.6 | 41.4 | -0.95 | 64 | 1.7 | 1.8 | 1.58 | 66 | 40.7 | 43.9 | 2.56 | 66 |
| Mercer | 114.6 | 111.5 | -0.90 | 62 | 4.4 | 4.8 | 2.85 | 63 | 38.3 | 42.9 | 3.79 | 46 |
| Mifflin | 46.6 | 46.3 | -0.22 | 26 | 1.7 | 1.9 | 3.69 | 35 | 36.1 | 40.5 | 3.92 | 41 |
| Monroe | 167.1 | 168.0 | 0.18 | 17 | 6.6 | 7.5 | 4.23 | 21 | 39.4 | 44.4 | 4.05 | 35 |
| Montgomery | 815.9 | 823.8 | 0.32 | 10 | 62.2 | 68.2 | 3.12 | 57 | 76.2 | 82.7 | 2.79 | 65 |
| Montour | 18.4 | 18.3 | -0.26 | 30 | 1.0 | 1.1 | 3.02 | 62 | 53.3 | 58.8 | 3.29 | 60 |
| Northampton | 300.5 | 302.8 | 0.25 | 14 | 15.1 | 17.4 | 4.82 | 7 | 50.2 | 57.4 | 4.56 | 17 |
| Northumberland | 93.6 | 91.8 | -0.66 | 46 | 3.5 | 3.9 | 3.51 | 42 | 37.9 | 42.9 | 4.20 | 28 |
| Perry | 45.6 | 46.1 | 0.30 | 13 | 1.9 | 2.1 | 4.44 | 13 | 41.1 | 46.4 | 4.13 | 32 |
| Philadelphia | 1,559.9 | 1,579.1 | 0.41 | 8 | 81.9 | 90.7 | 3.48 | 45 | 52.5 | 57.4 | 3.06 | 63 |
| Pike | 56.2 | 55.5 | -0.45 | 35 | 2.4 | 2.8 | 4.57 | 10 | 43.3 | 50.2 | 5.04 | 10 |
| Potter | 17.2 | 16.8 | -0.84 | 59 | 0.6 | 0.8 | 6.07 | 1 | 36.9 | 45.1 | 6.97 | 1 |
| Schuylkill | 145.5 | 142.7 | -0.65 | 45 | 5.6 | 6.2 | 3.33 | 50 | 38.8 | 43.6 | 4.01 | 37 |
| Snyder | 40.2 | 40.5 | 0.20 | 16 | 1.6 | 1.7 | 3.63 | 38 | 39.0 | 43.2 | 3.43 | 59 |
| Somerset | 76.2 | 74.4 | -0.81 | 56 | 2.9 | 3.2 | 3.51 | 43 | 37.5 | 42.6 | 4.35 | 22 |
| Sullivan | 6.3 | 6.1 | -0.89 | 61 | 0.3 | 0.3 | 3.68 | 36 | 41.0 | 46.9 | 4.61 | 15 |
| Susquehanna | 41.8 | 41.0 | -0.69 | 49 | 1.6 | 1.9 | 4.59 | 9 | 39.4 | 46.0 | 5.32 | 6 |
| Tioga | 42.0 | 40.9 | -0.87 | 60 | 1.5 | 1.7 | 3.58 | 40 | 36.5 | 41.6 | 4.49 | 19 |
| Union | 45.2 | 45.1 | -0.05 | 22 | 1.7 | 1.9 | 3.46 | 46 | 37.2 | 41.2 | 3.51 | 57 |
| Venango | 53.5 | 51.8 | -1.03 | 65 | 2.0 | 2.2 | 3.06 | 58 | 37.9 | 42.8 | 4.14 | 31 |
| Warren | 40.6 | 39.8 | -0.74 | 53 | 1.6 | 1.7 | 3.05 | 61 | 38.2 | 42.8 | 3.81 | 44 |
| Washington | 208.3 | 207.2 | -0.17 | 24 | 11.0 | 12.5 | 4.40 | 14 | 52.6 | 60.2 | 4.58 | 16 |
| Wayne | 51.3 | 51.4 | 0.07 | 20 | 2.0 | 2.3 | 4.36 | 15 | 39.8 | 45.2 | 4.28 | 24 |
| Westmoreland | 359.4 | 352.6 | -0.63 | 43 | 16.9 | 18.7 | 3.57 | 41 | 47.0 | 53.2 | 4.23 | 26 |
| Wyoming | 28.0 | 27.3 | -0.78 | 54 | 1.1 | 1.3 | 3.88 | 30 | 40.2 | 46.2 | 4.70 | 14 |
| York | 440.6 | 445.6 | 0.37 | 9 | 20.5 | 23.2 | 4.17 | 24 | 46.5 | 52.0 | 3.79 | 47 |

## Reference Map




## Staff Acknowledgements

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