



Recent Trends in Personal Income, Earnings and Wages in Pennsylvania

Joel D. Platt

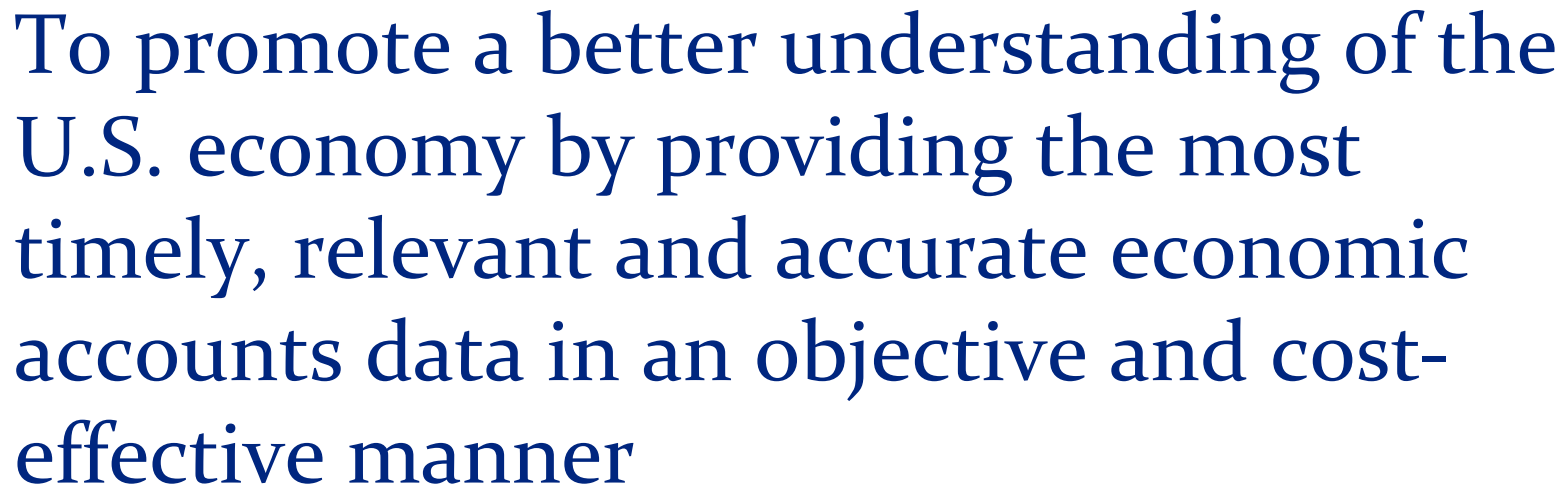
Associate Director for Regional Economics

Revenue Forecasting Conference
Independent Fiscal Office for Pennsylvania

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BEA's Mission



To promote a better understanding of the U.S. economy by providing the most timely, relevant and accurate economic accounts data in an objective and cost-effective manner

BEA

BEA is the Nation's economic scorekeeper

- Measures how much is produced
- Measures income and how it is allocated to factors of production
- Measures output by industry
- Accounts for international transactions

BEA's Accounts

Statistics are compiled from many independent sources, however:

- BEA's accounts are comprehensive
- BEA's accounts are fully integrated and consistent
 - Expenditure, output and income measures are consistent
 - National, industry and regional accounts are integrated and consistent
 - Statistics are consistent over time

Regional Accounts

Gross Domestic Product

- Regional counterpart to U.S. GDP
 - GDP by state
 - GDP by metropolitan area

Personal Income

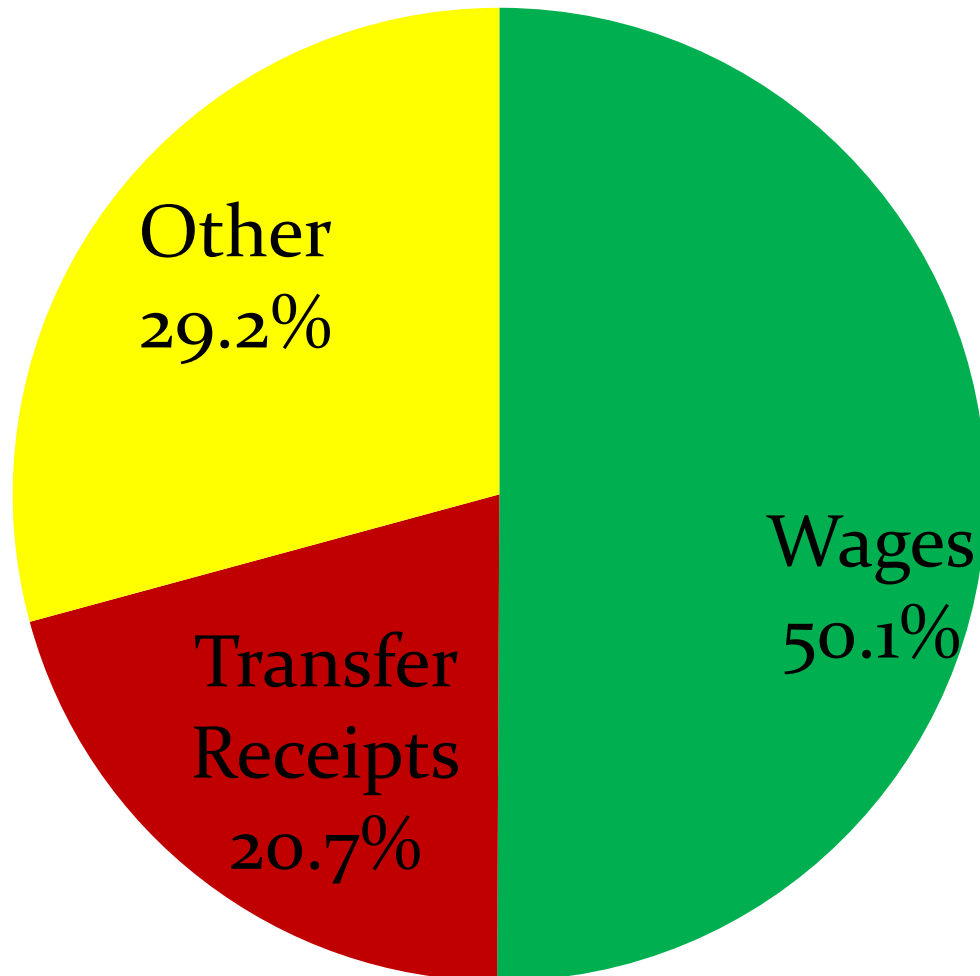
- Income received by persons from:
 - Current production (factor payments to labor and capital)
 - Business and government transfers

Components of Personal Income

- Earnings (Place of Work)
 - Compensation (Place of Work)
 - Wages and salaries
 - Supplements
 - Employer payments for pensions and health insurance
 - Employer contributions for social insurance
 - Proprietors' income (sole and partnerships)
 - Less: Contributions for social insurance
 - Plus: Adjustment for residence
 - Equals: Net Earnings (Place of Residence)
- Dividends, interest and rent (property income)
- Government and business transfers
 - Including Social Security, UI, Medicare/Medicaid, workers' compensation benefits

Component Shares of Personal Income

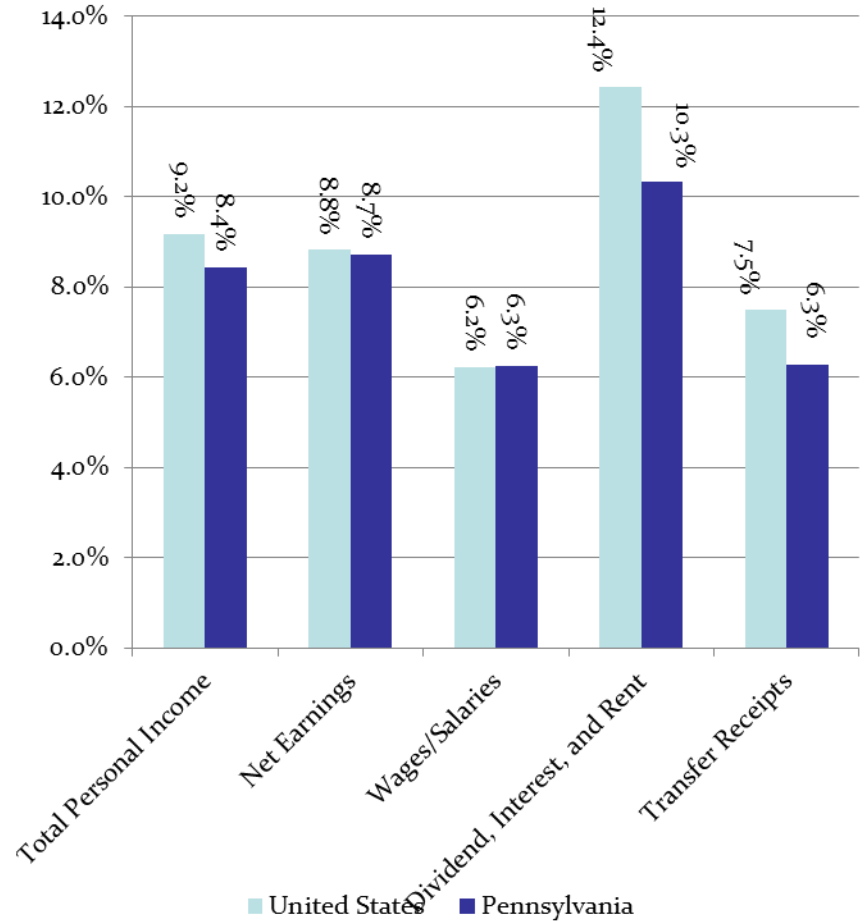
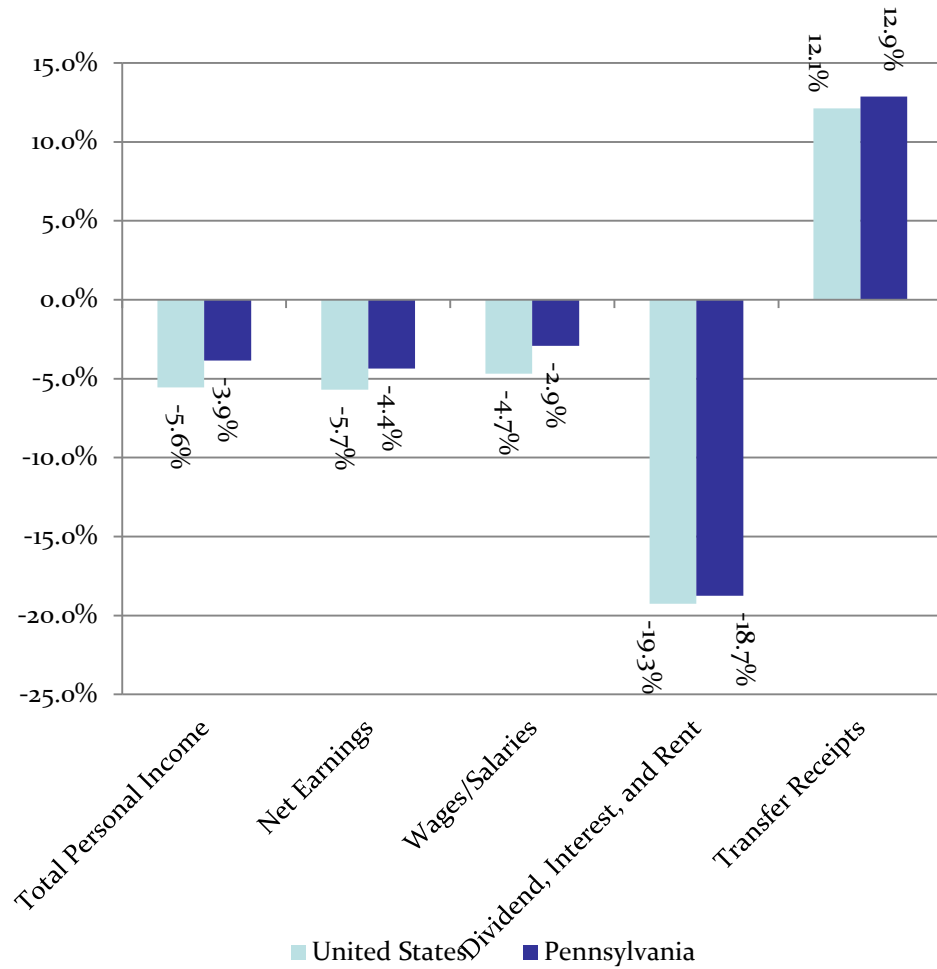
Component Share of Pennsylvania Personal Income 2011Q3



Changes in Personal Income Components

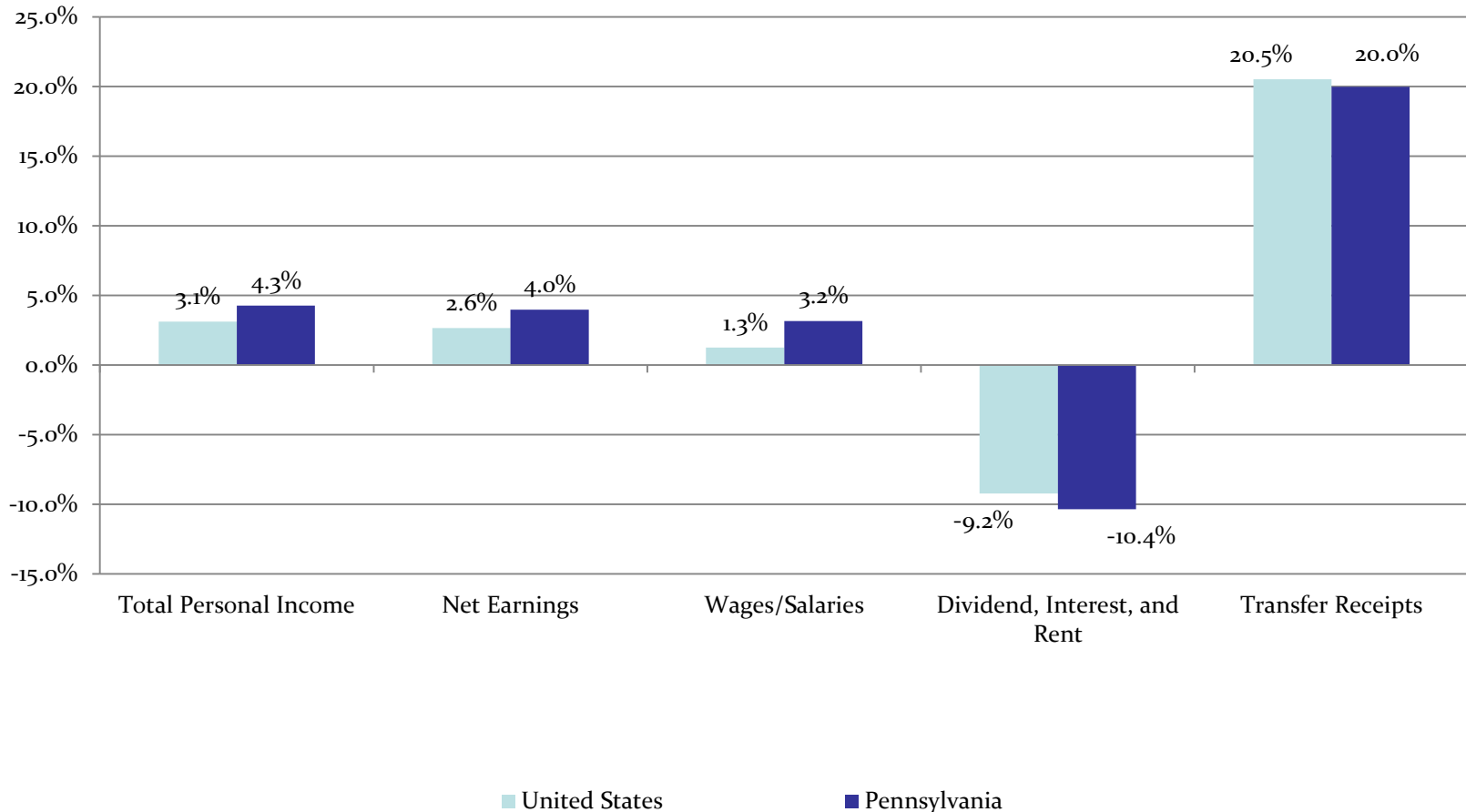
Pre-recession Peak to Trough Percent Changes
(Peak-2008Q2, Trough-2009Q3)

Trough to Current Percent Changes
(Trough-2009Q3, Current-2011Q3)



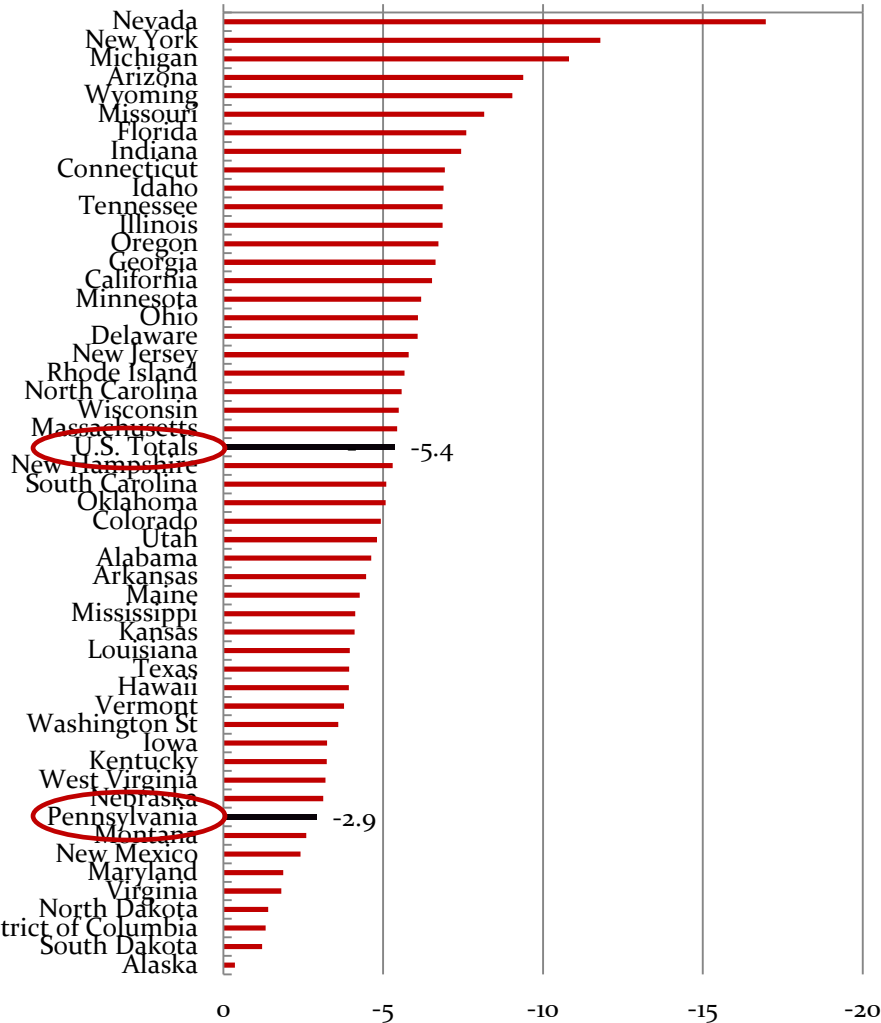
Changes in Personal Income Components

Pre-recession Peak to Current Percent Changes
(Pre-recession Peak-2008Q2, Current-2011Q3)

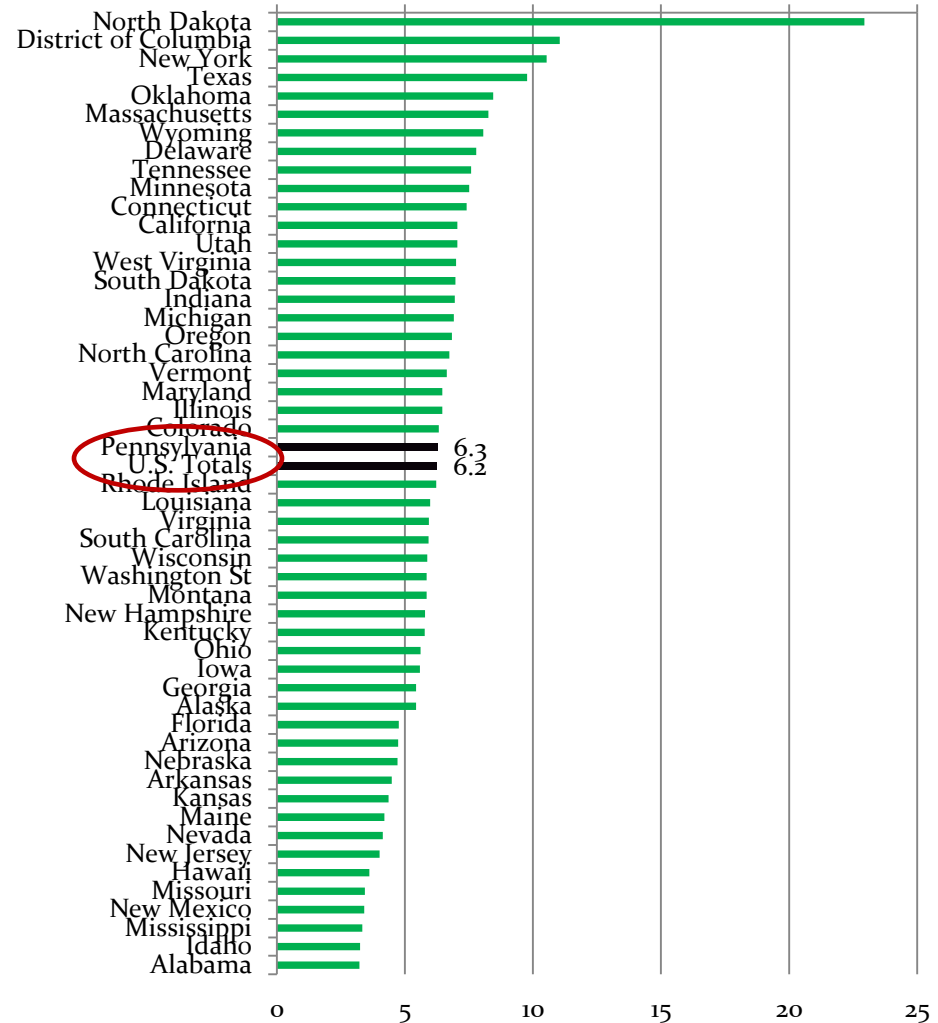


Impact of Recession & Recovery on Wages by State

Pre-recession Peak to Recession Trough

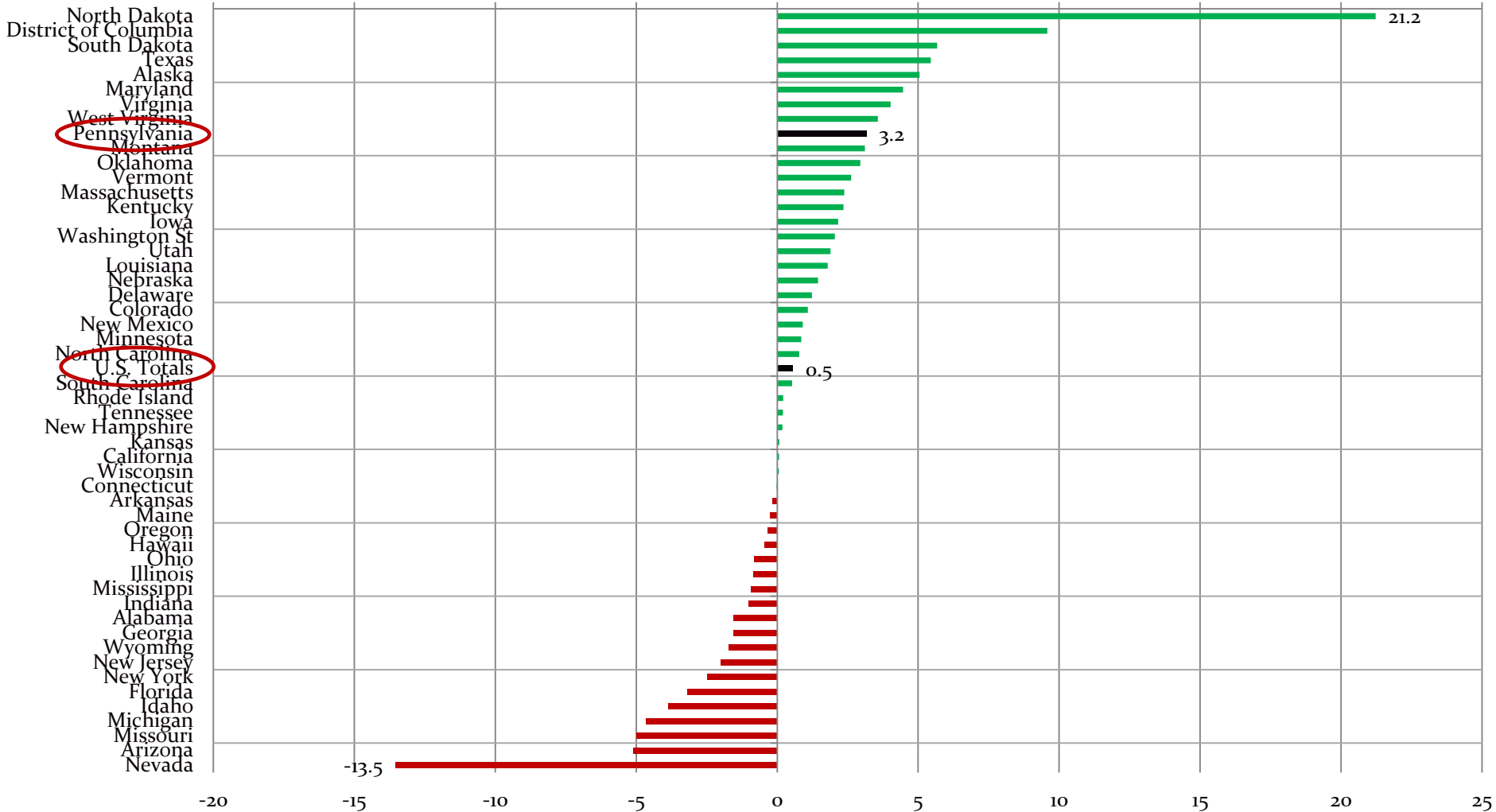


Trough to Current (2011q3)



Cumulative Percent Change in Wages from Pre-recession peak (by State)

Pre-Recession Peak to 2011q3

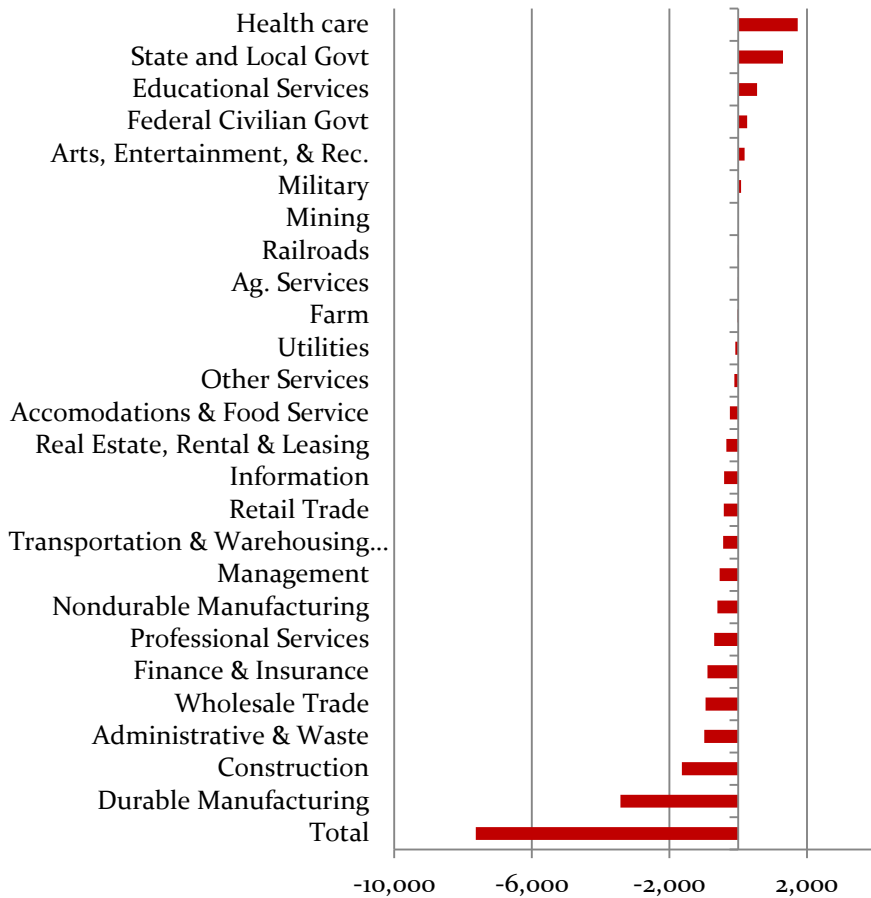


Pennsylvania Wages

Pre-recession peak (2008Q2) to trough (2009Q3), and
Trough (2009Q3) to Current (2011Q3)

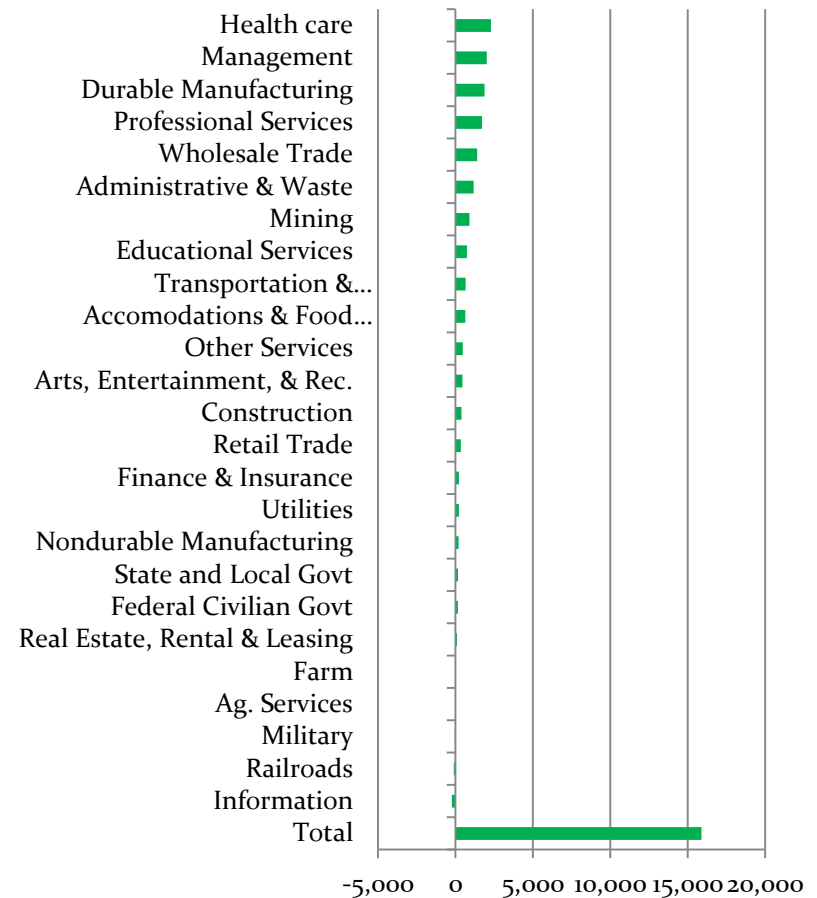
Dollar Changes in PA Wages

2008Q2-2009Q3
(in millions of \$)



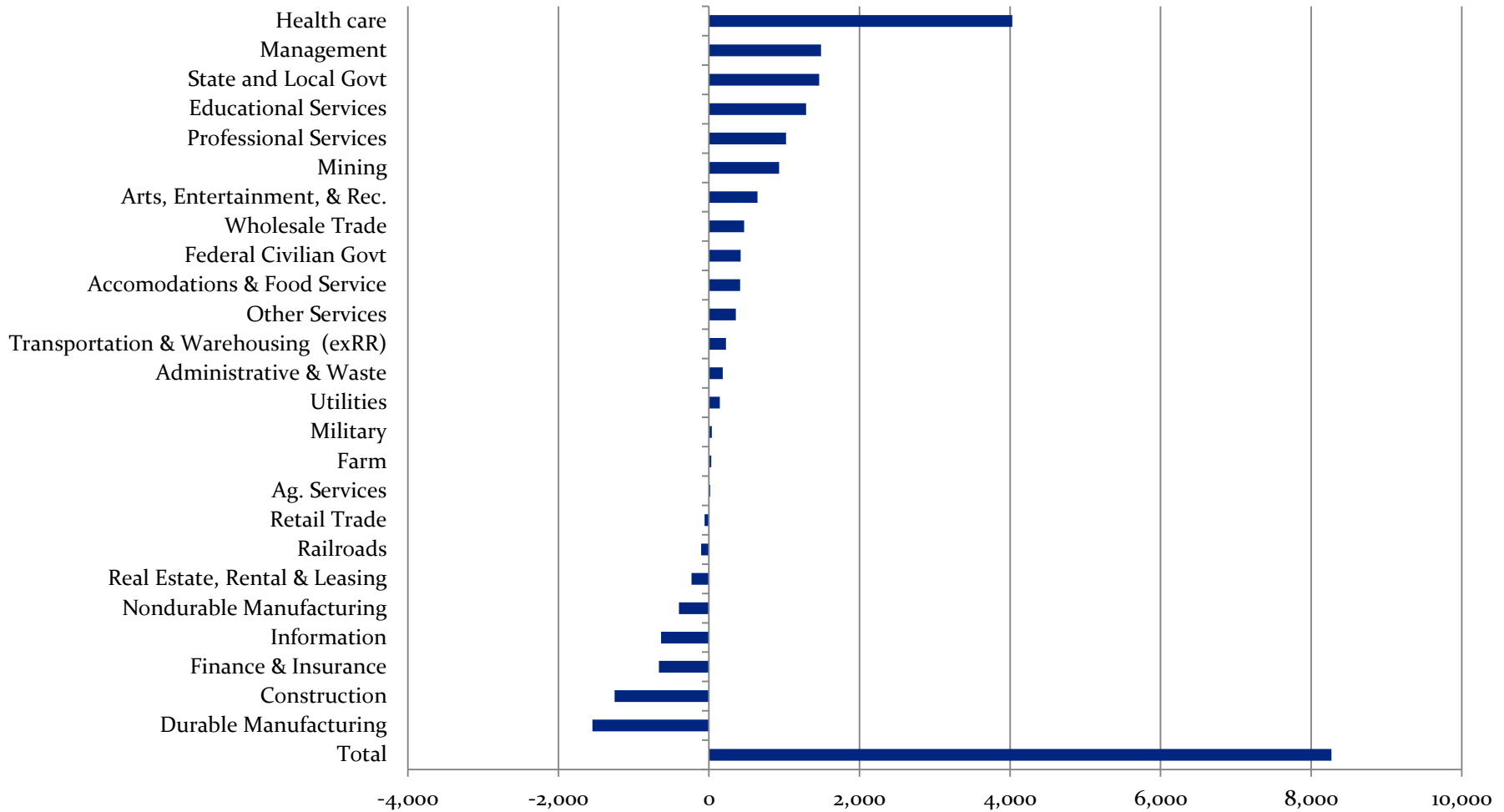
Dollar Changes in PA Wages

2009Q3-2011Q3
(in millions of \$)



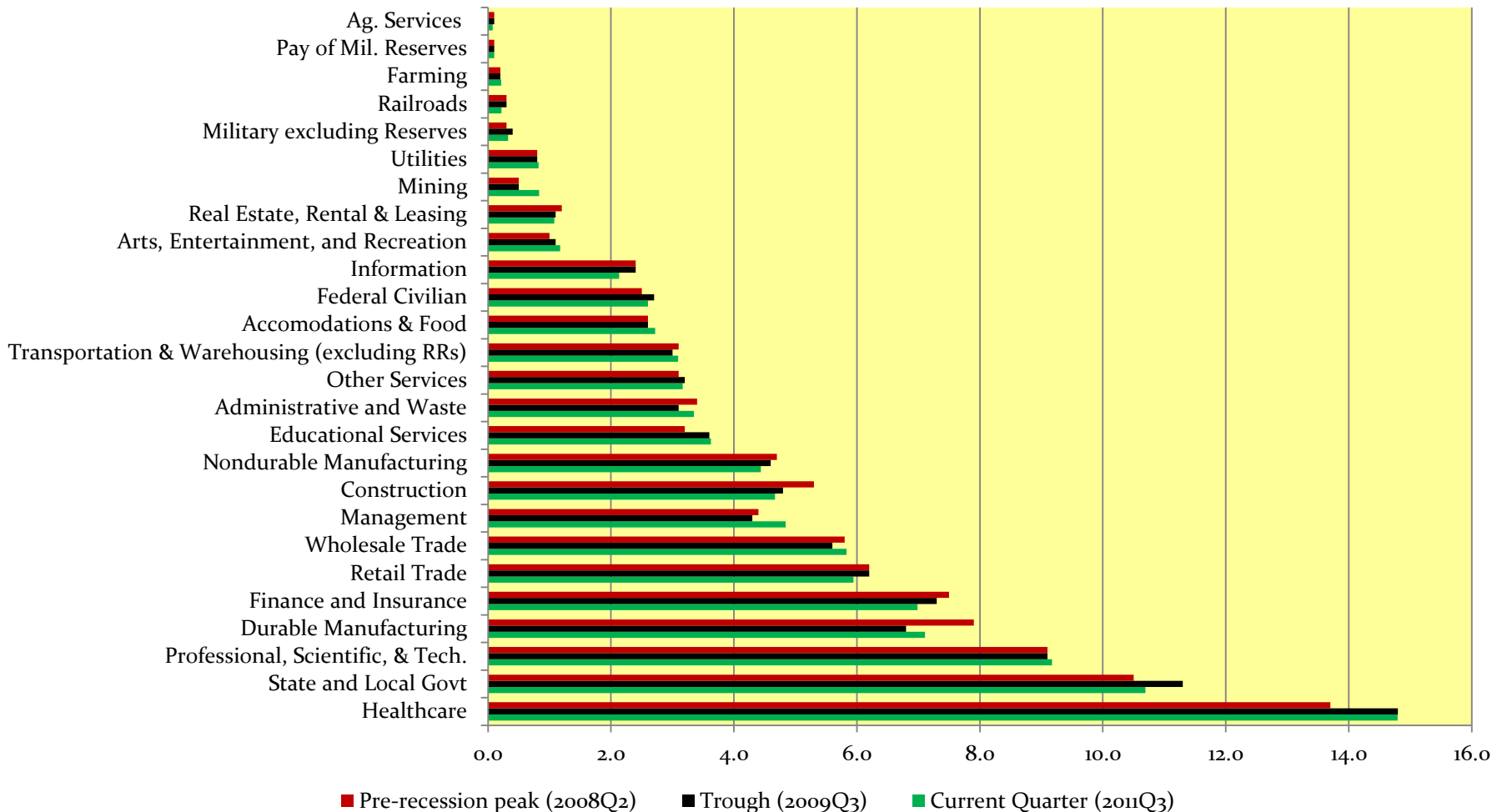
Pennsylvania Wages

Dollar Changes in PA Wages 2008Q2-2011Q3
(in millions of \$)



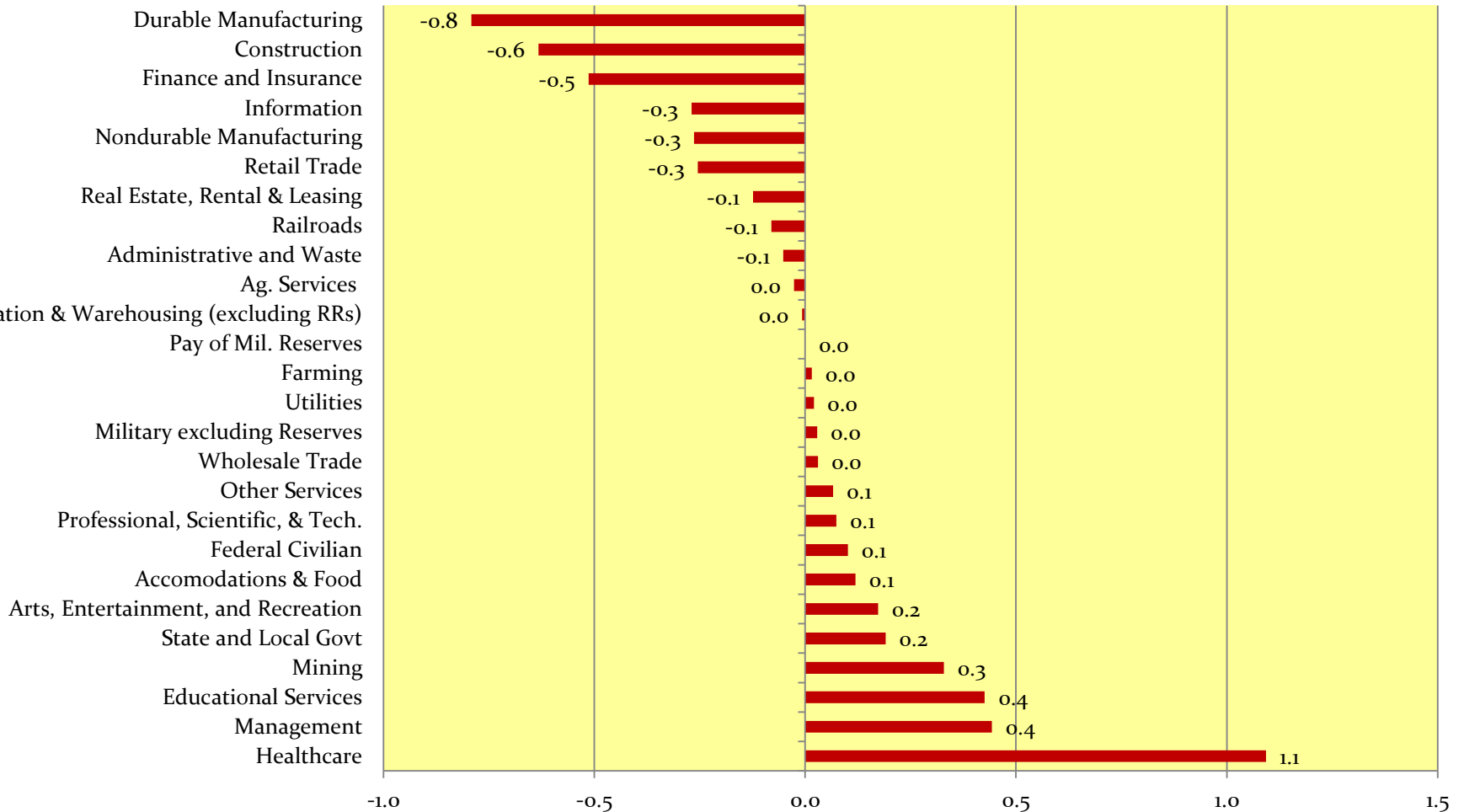
Wage Shares by Industry

Pennsylvania Wages by Industry: shares of Total Wages



Changes in Wage Shares by Industry

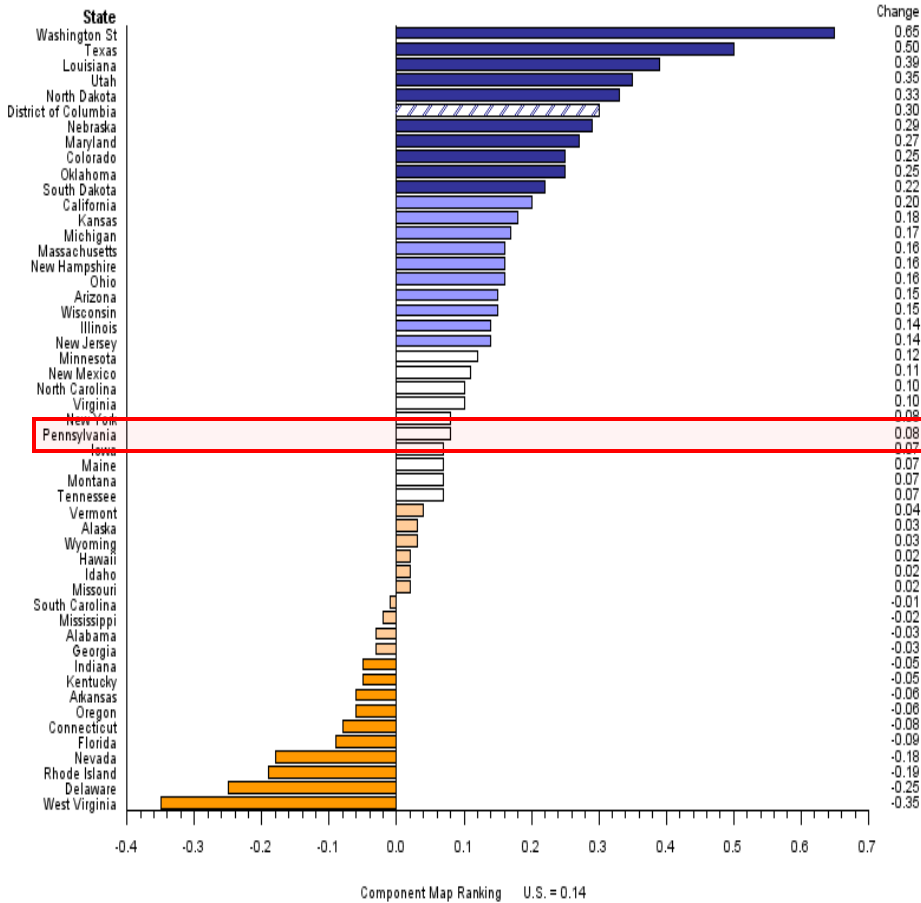
Pennsylvania Wages by Industry: Changes in shares of Total Wages , Pre-recession peak (2008Q2) to Current Quarter (2011Q3)



State Personal Income

Total Personal Income

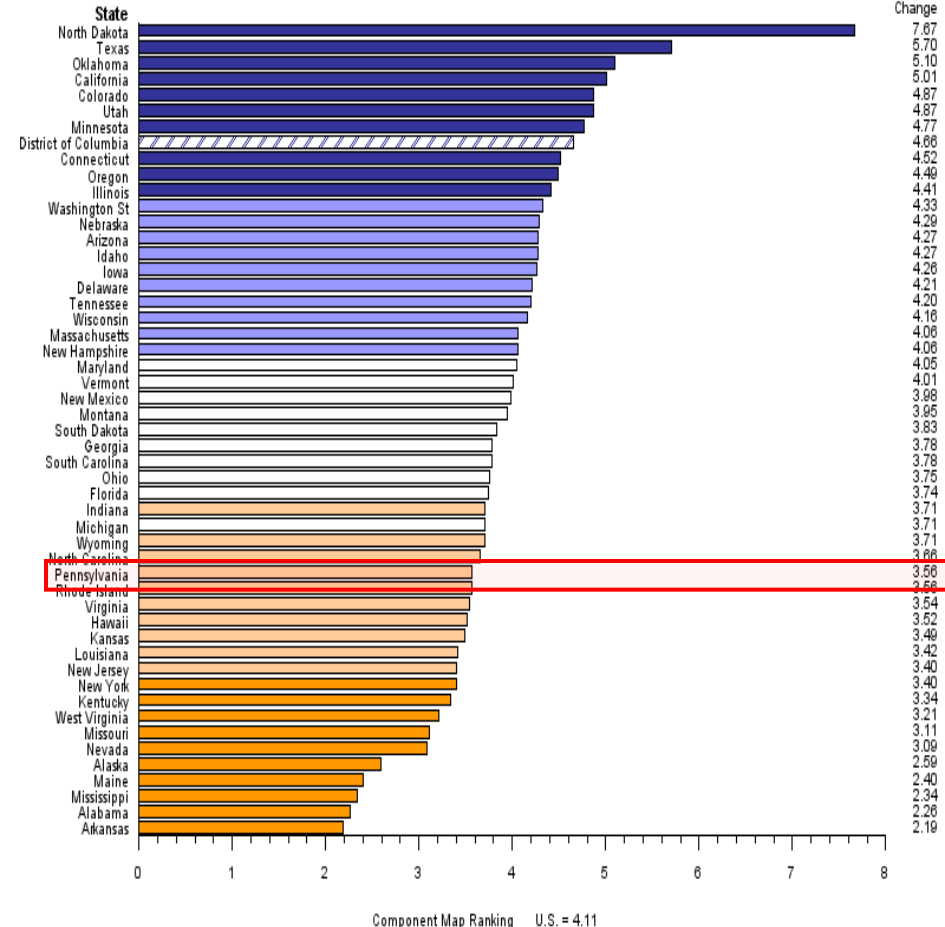
2011Q2 to 2011Q3 Percent Change



Not Ranked
 Highest Quintile
 Fourth Quintile
 Third Quintile
 Second Quintile
 Lowest Quintile

Total Personal Income

2010Q3 to 2011Q3 Percent Change



Not Ranked
 Highest Quintile
 Fourth Quintile
 Third Quintile
 Second Quintile
 Lowest Quintile

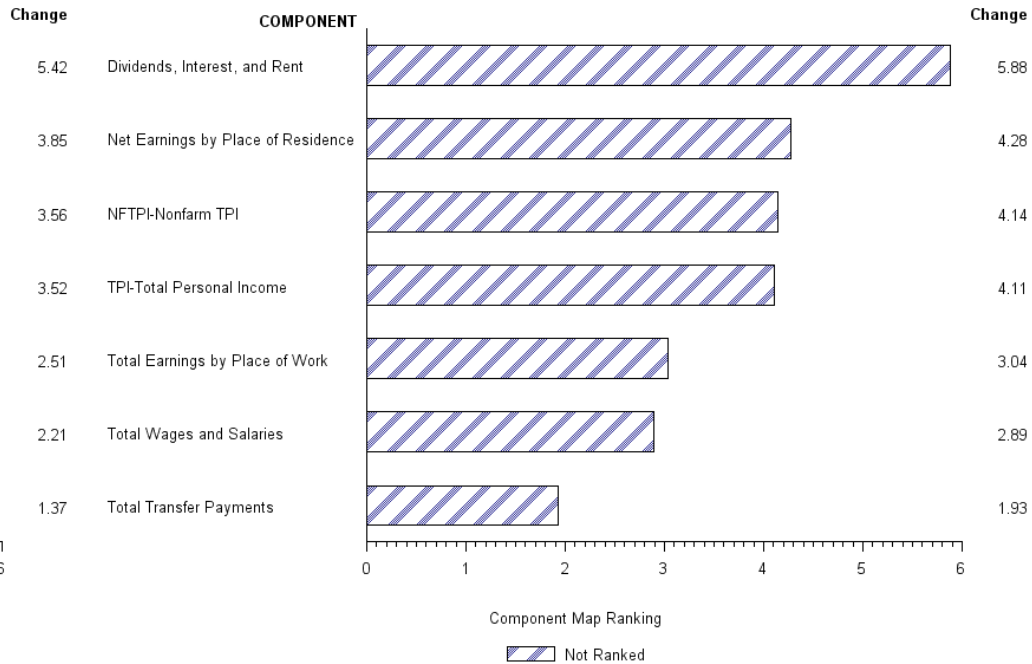
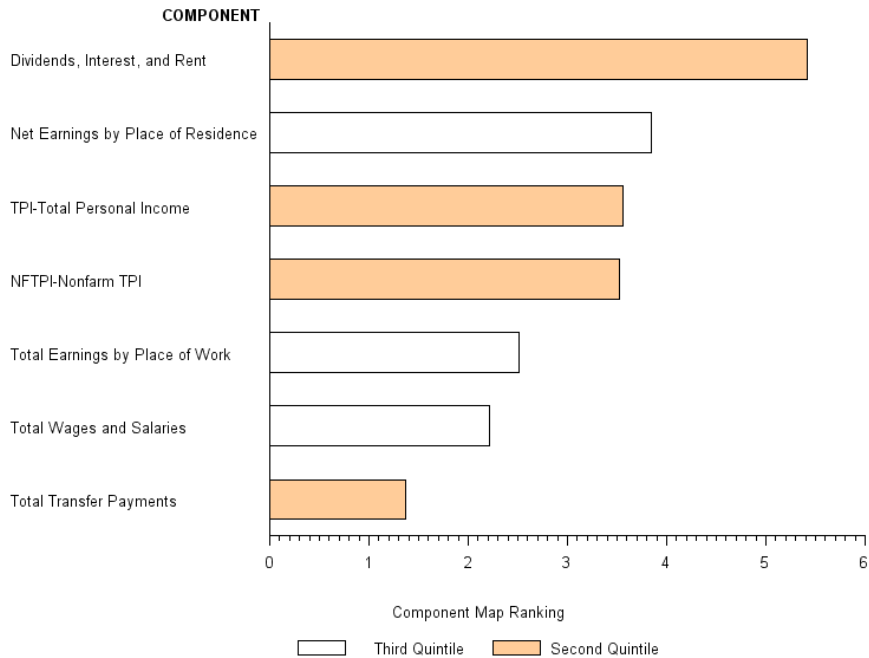
Components of PI

PENNSYLVANIA

2010Q3 to 2011Q3 Percent Change

UNITED STATES

2010Q3 to 2011Q3 Percent Change



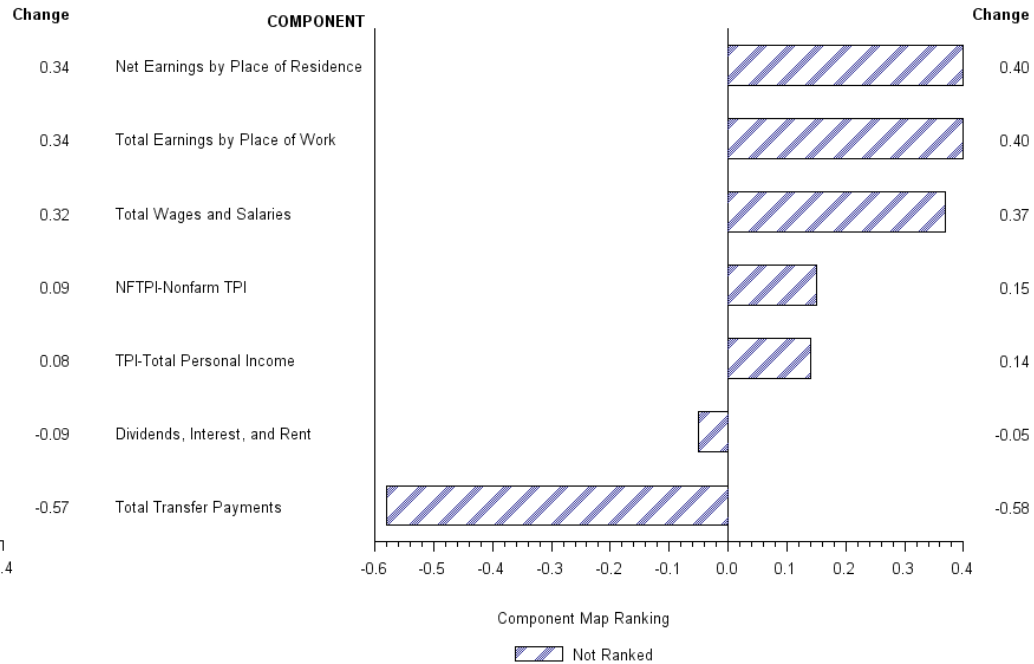
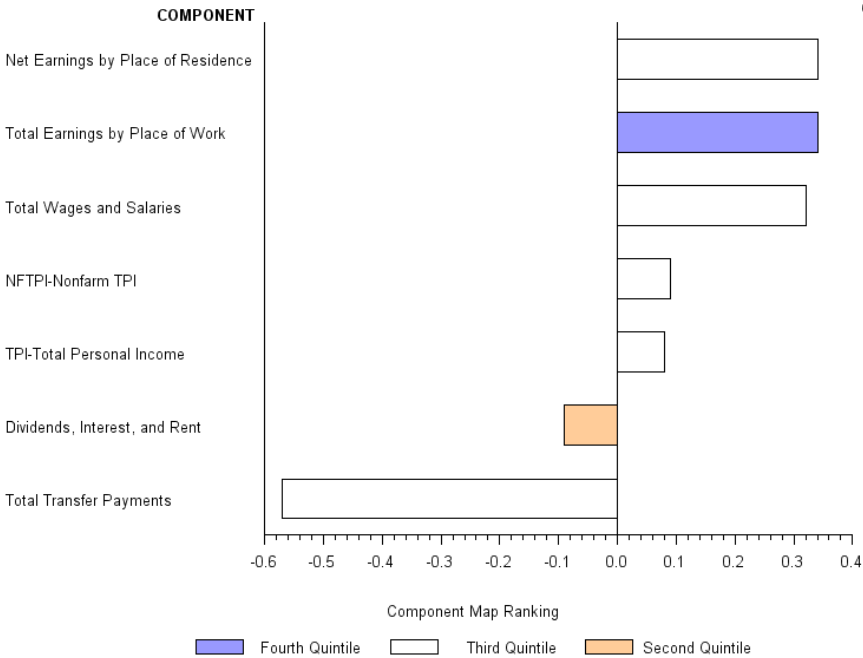
Components of PI

PENNSYLVANIA

2011Q2 to 2011Q3 Percent Change

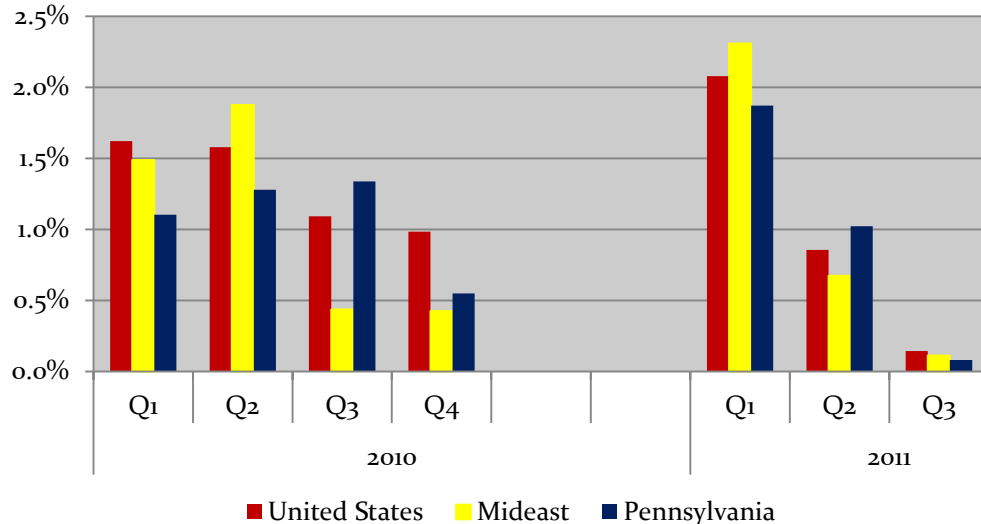
UNITED STATES

2011Q2 to 2011Q3 Percent Change

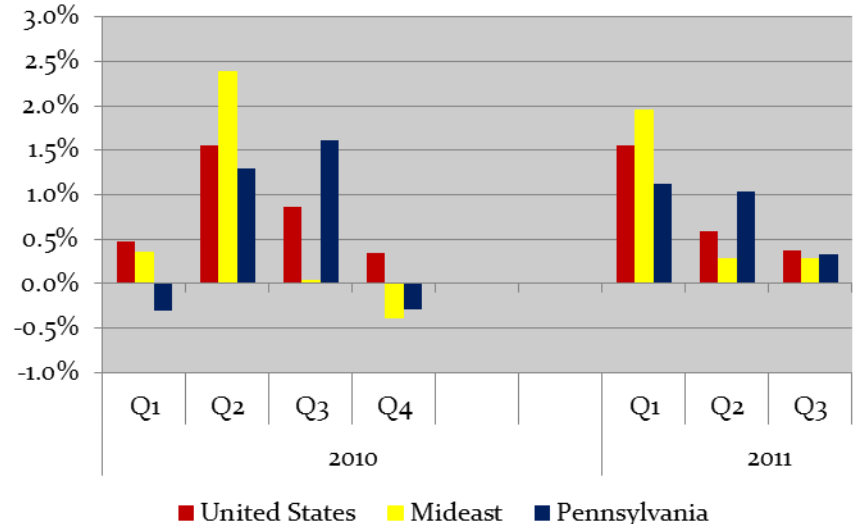


Personal Income and Components

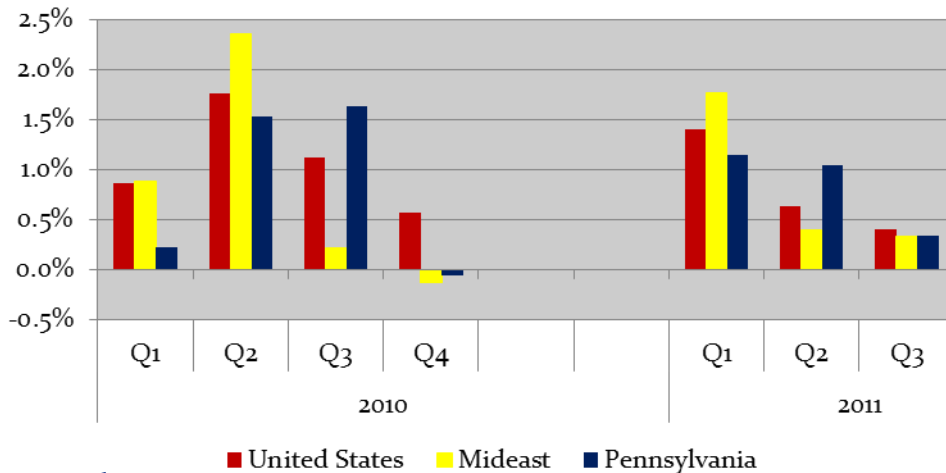
Personal Income



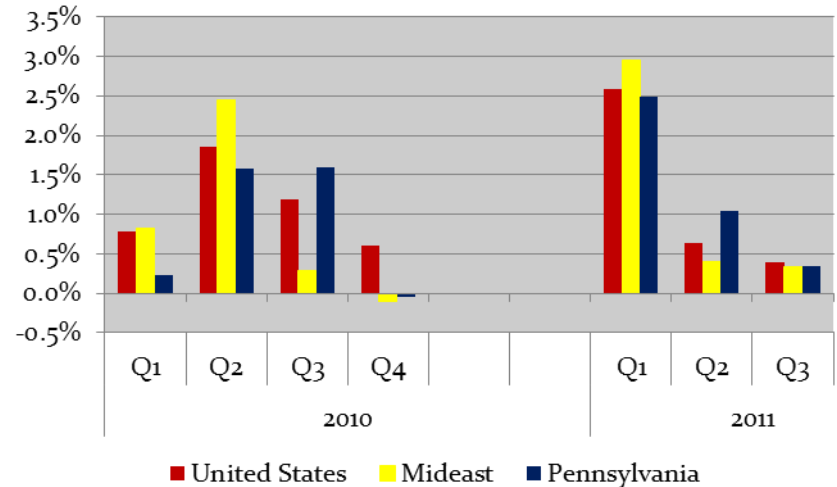
Total Wages and Salaries



Earnings by Place of Work



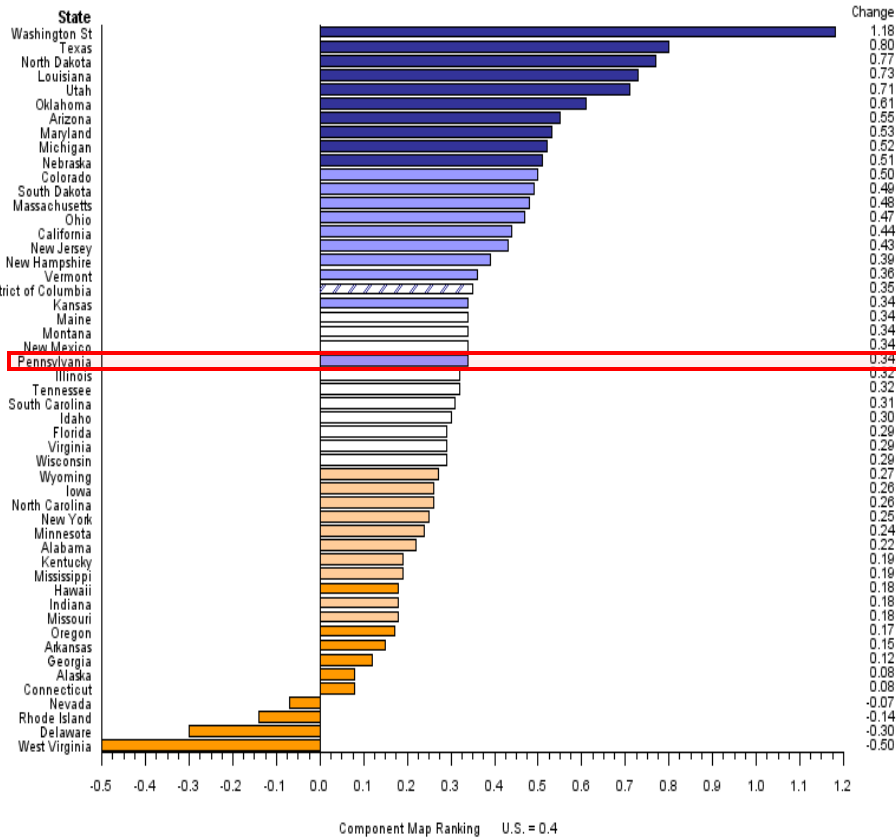
Net Earnings by Residence



Total Earnings

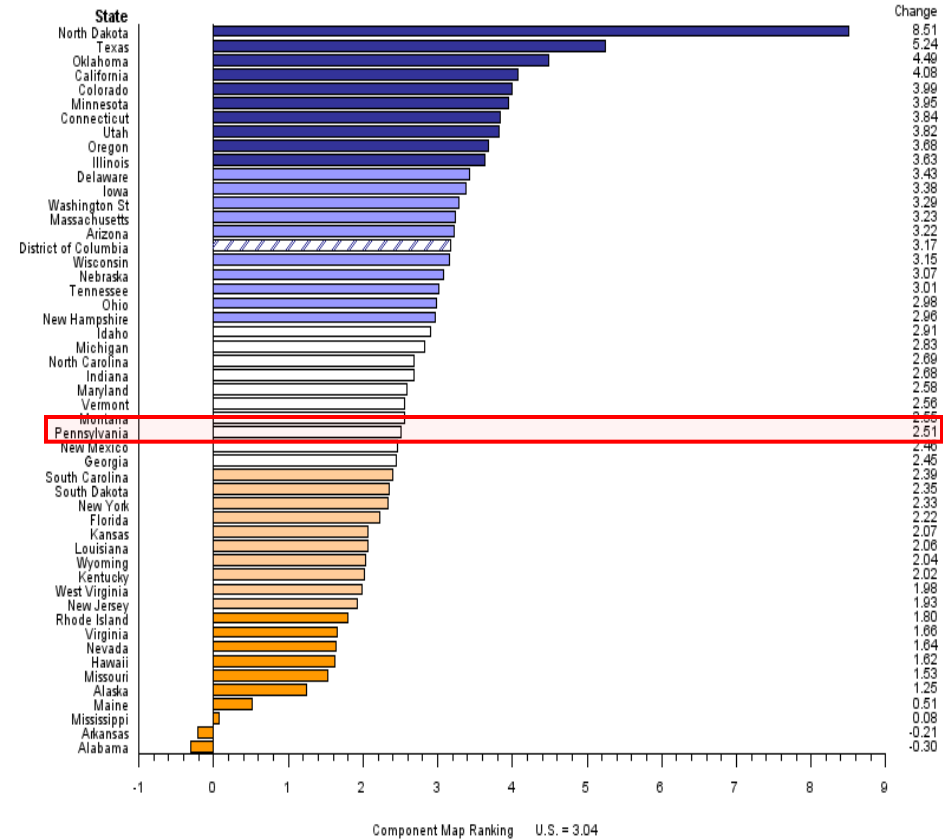
Total Earnings by Place of Work

2011Q2 to 2011Q3 Percent Change



Total Earnings by Place of Work

2010Q3 to 2011Q3 Percent Change



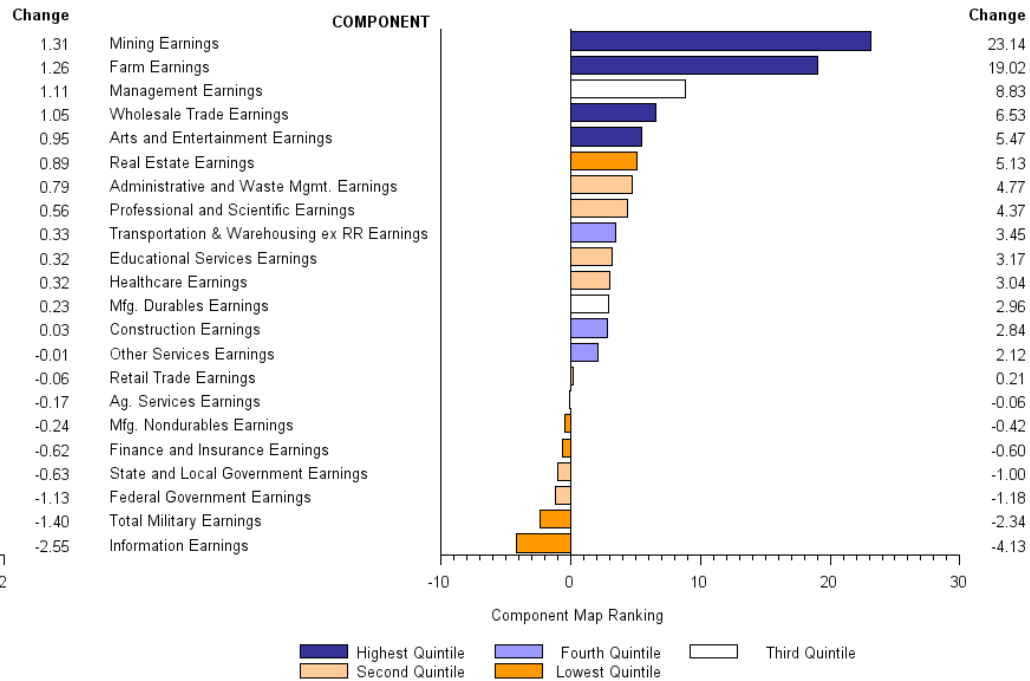
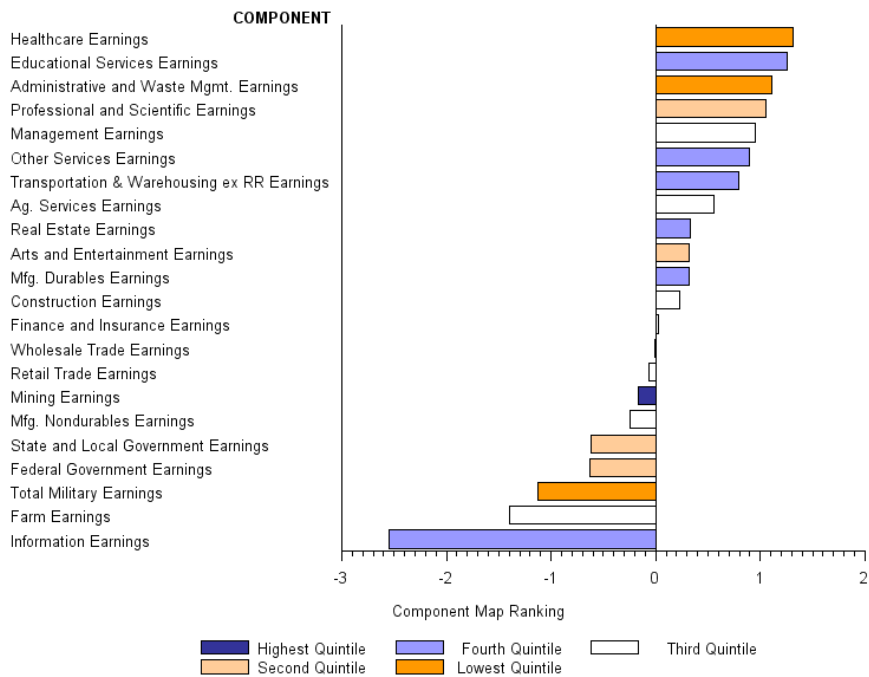
Percent Change: Earnings by Industry

PENNSYLVANIA

2011Q2 to 2011Q3 Percent Change

PENNSYLVANIA

2010Q3 to 2011Q3 Percent Change



Dollar Change: Earnings by Industry

PENNSYLVANIA

2011Q2 to 2011Q3 Dollar Change

PENNSYLVANIA

2010Q3 to 2011Q3 Dollar Change

