

# Recent Trends in Personal Income, Earnings and Wages in 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



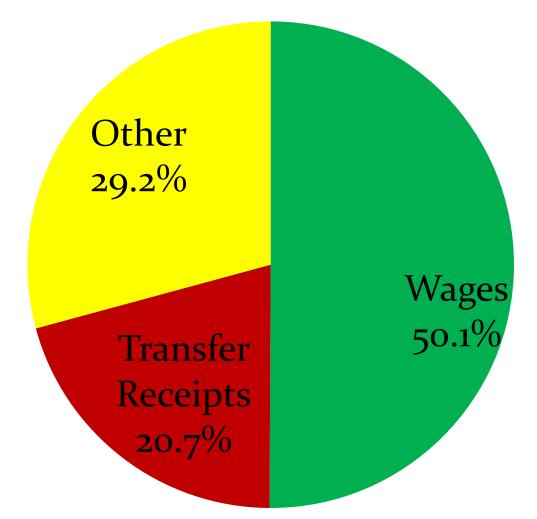
## **Components of Personal Income**

- 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

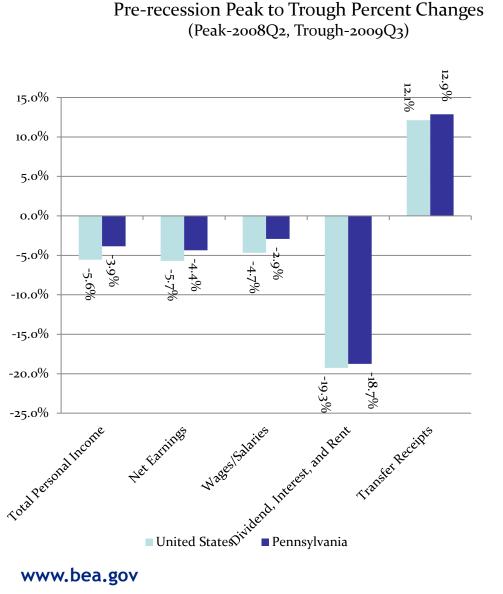


### **Component Shares of Personal Income**

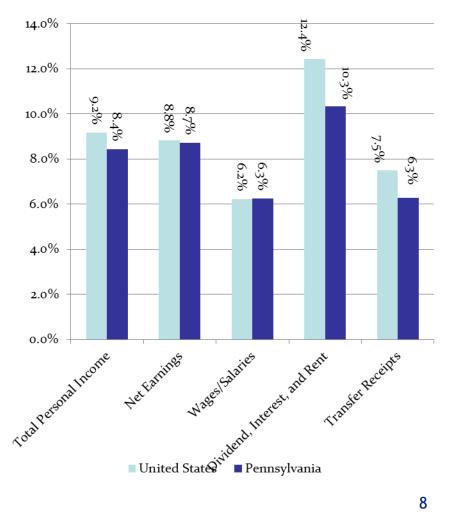
#### Component Share of Pennsylvania Personal Income 2011Q3



### **Changes in Personal Income Components**



**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)

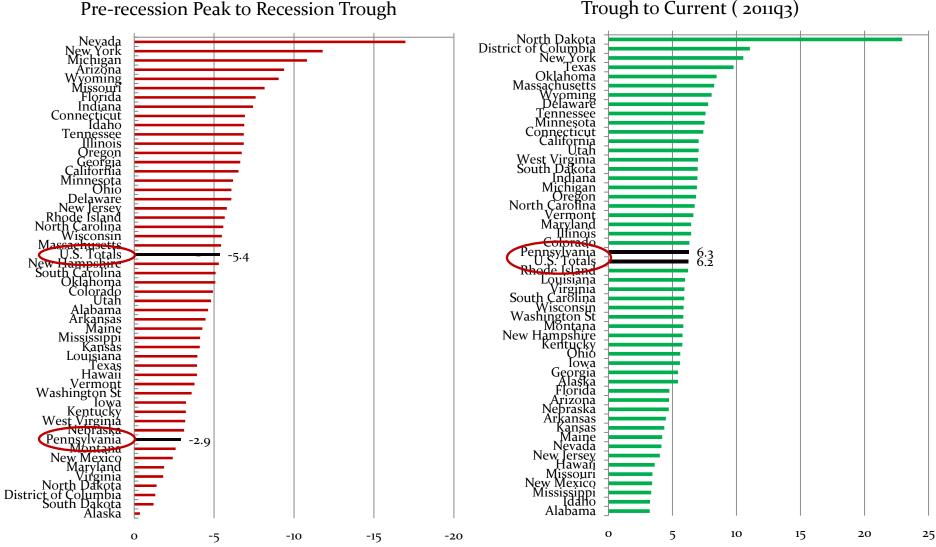


United States

Pennsylvania



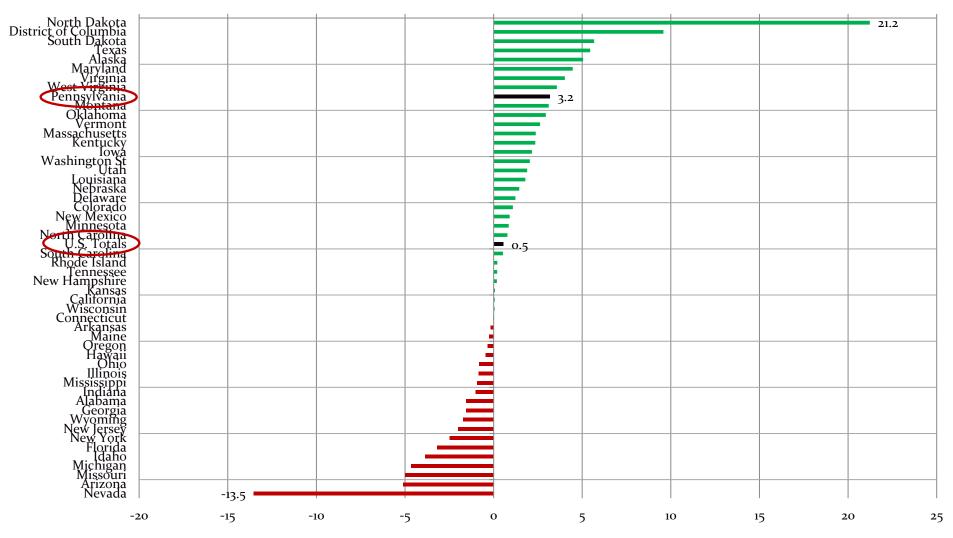
#### Impact of Recession & Recovery on Wages by State



Trough to Current (2011q3)

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

Pre-Recession Peak to 2011q3

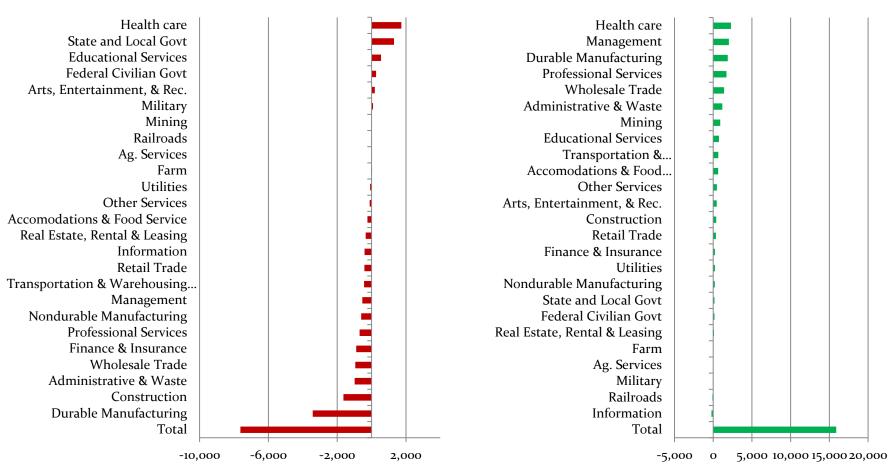




#### Pennsylvania Wages Pre-recession peak (2008Q2) to trough (2009Q3), and Trough (2009Q3) to Current (2011Q3)

#### Dollar Changes in PA Wages 2008Q2-2009Q3 (in millions of \$)

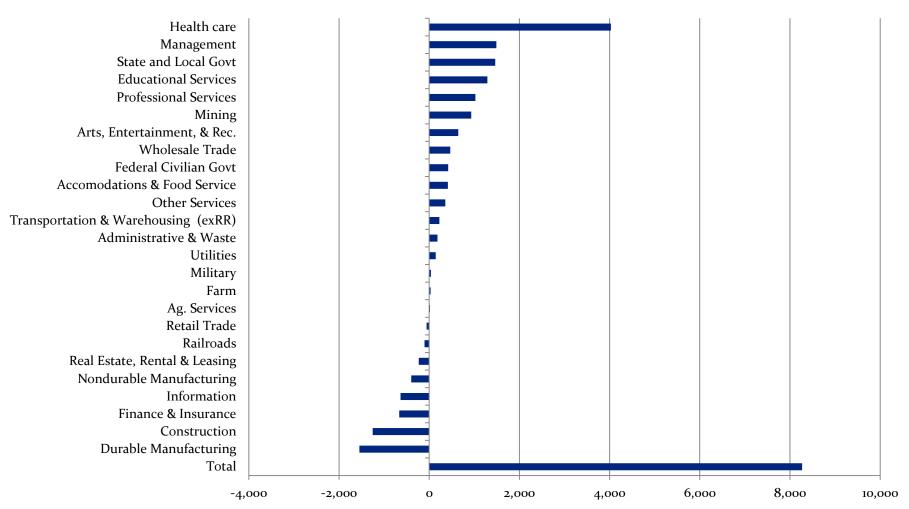
#### Dollar Changes in PA Wages 2009Q3-2011Q3 (in millions of \$)





## Pennsylvania Wages

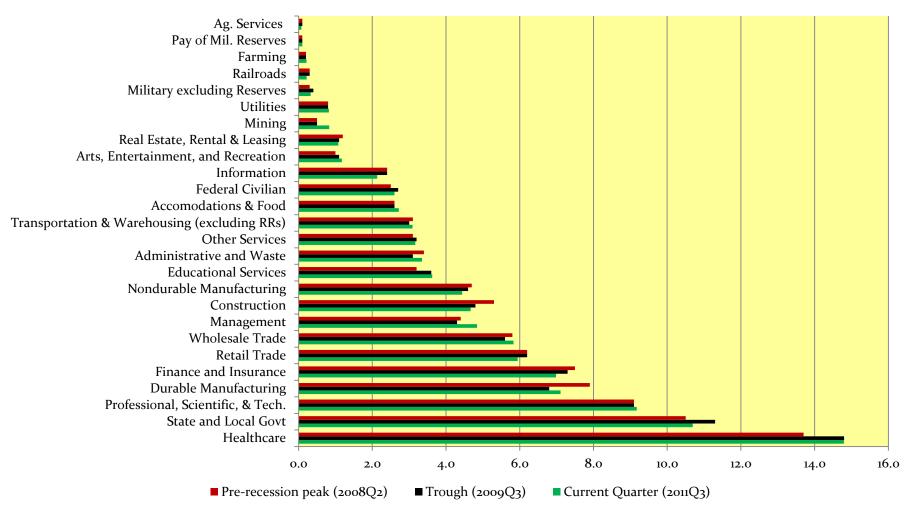
#### Dollar Changes in PA Wages 2008Q2-2011Q3 (in millions of \$)





## Wage Shares by Industry

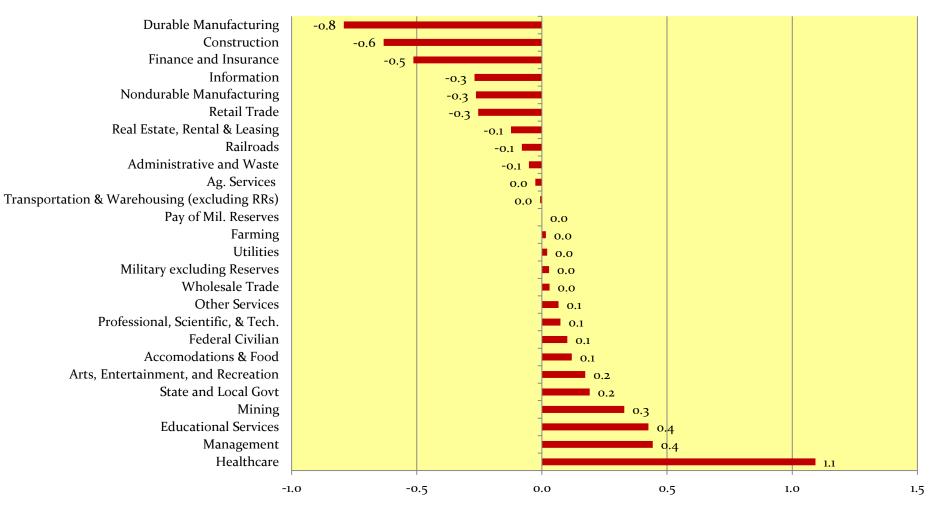
#### Pennsylvania Wages by Industry: shares of Total Wages





## Changes in Wage Shares by Industry

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



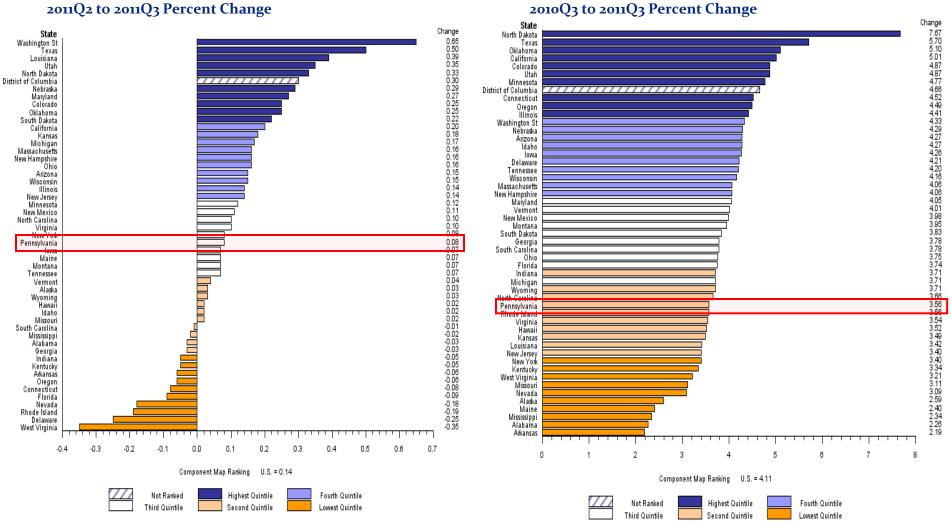


## State Personal Income

### **Total Personal Income**

#### 2011Q2 to 2011Q3 Percent Change

### **Total Personal Income**





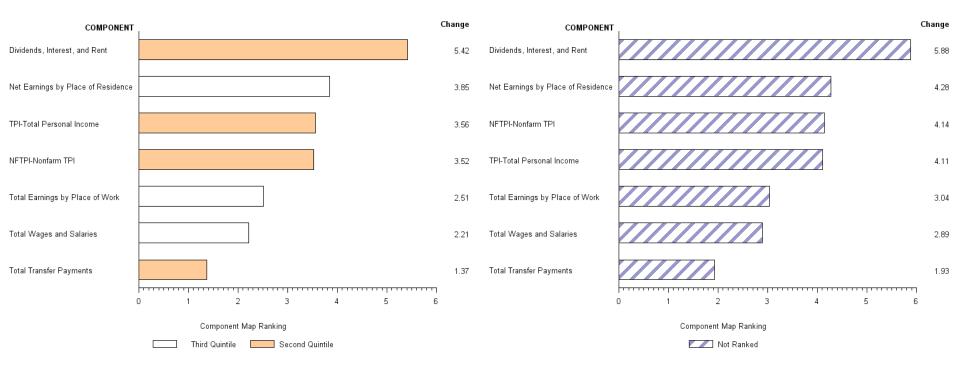
## Components of PI

#### PENNSYLVANIA

2010Q3 to 2011Q3 Percent Change

### **UNITED STATES**

2010Q3 to 2011Q3 Percent Change





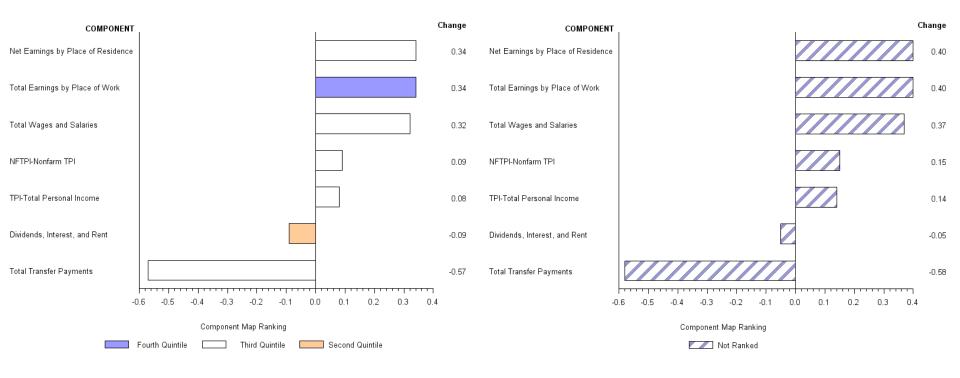
## Components of PI

#### PENNSYLVANIA

2011Q2 to 2011Q3 Percent Change

### **UNITED STATES**

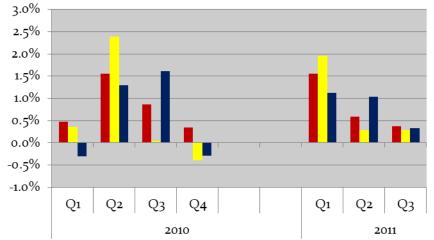
2011Q2 to 2011Q3 Percent Change



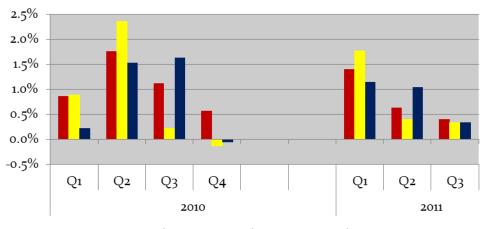
## Personal Income and Components

2.5% 2.0% 1.5% 1.0% 0.5%  $Q_1$   $Q_2$   $Q_3$   $Q_4$   $Q_1$   $Q_2$   $Q_3$ 2010

#### **Personal Income**

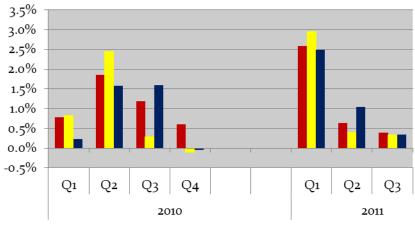


United States
Mideast
Pennsylvania
Earnings by Place of Work



■ United States ■ Mideast ■ Pennsylvania www.bea.gov

### United States Mideast Pennsylvania Net Earnings by Residence



#### **Total Wages and Salaries**



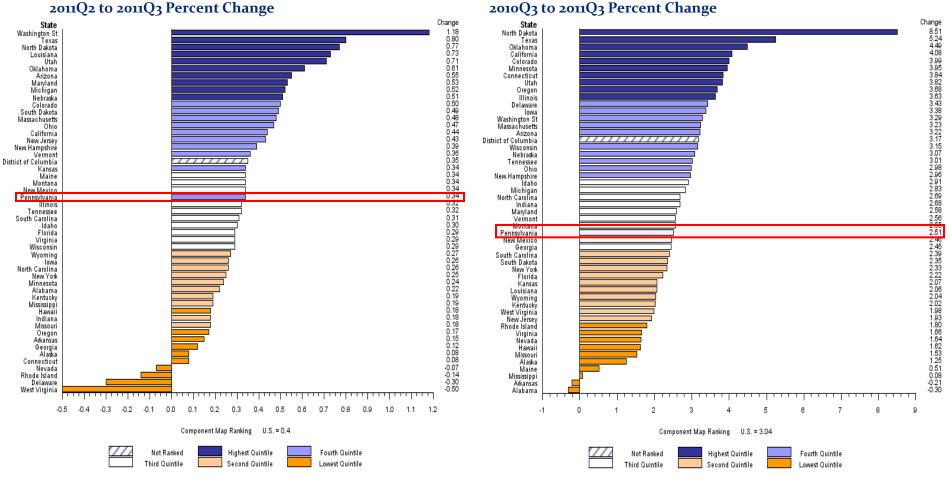


**Total Earnings** 

### **Total Earnings by Place of** Work

### **Total Earnings by Place of** Work

#### 2010Q3 to 2011Q3 Percent Change



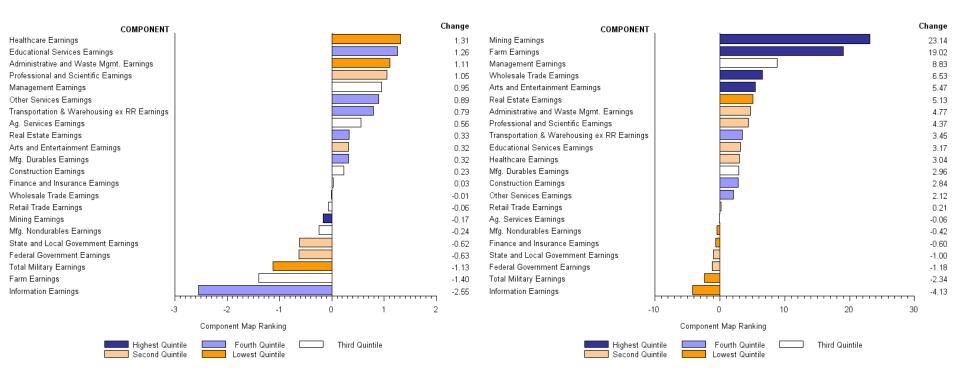
# Percent Change: Earnings by Industry

### PENNSYLVANIA

2011Q2 to 2011Q3 Percent Change

### PENNSYLVANIA

2010Q3 to 2011Q3 Percent Change



# Dollar Change: Earnings by Industry

709

388

148

148

137

121

98

78

48

17

14

-3

-6

-12

-23

-24

-40

-67

-240

-260

### PENNSYLVANIA

#### 2011Q2 to 2011Q3 Dollar Change

#### Change (mil. of Dollars) COMPONENT Healthcare Earnings Professional and Scientific Earnings Educational Services Earnings Management Earnings Administrative and Waste Mgmt. Earnings Other Services Earnings Transportation & Warehousing ex RR Earnings Mfg. Durables Earnings Construction Earnings Real Estate Earnings Arts and Entertainment Earnings Finance and Insurance Earnings Aq. Services Earnings Wholesale Trade Earnings Mining Earnings Retail Trade Earnings Total Military Earnings Farm Earnings Mfg. Nondurables Earnings Federal Government Earnings State and Local Government Earnings Information Earnings -300 -200 -100 0 100 200 300 400 500 600 700 800 Component Map Ranking Fourth Quintile Third Quintile Highest Quintile Second Quintile Lowest Quintile

### PENNSYLVANIA

#### 2010Q3 to 2011Q3 Dollar Change

