

Construction and agriculture were the two largest industry contributors to Oklahoma personal income in the third quarter, according to a report Wednesday by the U.S. Bureau of Economic Analysis. Overall, the state's personal income growth rate held steady at 0.7 percent for the quarter and ranked 13th in the nation. Personal income, a measure of the income received by all residents from all sources, grew to \$148.7 billion in Oklahoma, up from \$147.7 billion in the second quarter. Oklahoma's personal income was \$143.8 billion in last year's third quarter. Growth across the states ranged from 1.4 percent in North Dakota to minus 1.6 percent in South Dakota, according to the BEA. Oklahoma was one of five states in which the growth rate was unchanged for the quarter. Growth slowed in 34 states and increased in 11 others. "One thing that was notable was that construction earnings rose 3.3 percent for Oklahoma in the third quarter, and that compares with the U.S. construction, which grew 1.3 percent. So, that was one source of strength," said David Lenze, an economist with the U.S. Department of Commerce. Construction earnings of \$187 million contributed the most to the state's personal income total, followed by farm earnings at \$122 million, retail trade at \$114 million and wholesale trade at \$113 million. Combined construction earnings growth of \$2.3 billion in Texas and Oklahoma accounted for more than half the \$4.4 billion of construction earnings growth in the other 48 states, according to the BEA. In Oklahoma, farm earnings logged the highest percentage increase, with growth of 13.7 percent during the quarter. Nationwide, strong farm earnings reflect net insurance settlements associated with summer drought experienced in some states. The adverse effect of the drought on farm earnings was concentrated in a few states, mostly in the Great Plains, and was largely responsible for the third-quarter decline in South Dakota's personal income, where farming is a relatively large part of the economy, the BEA reported. "The drought had an effect in Oklahoma as well, and the dollar amounts of those insurance settlements were not as large in Oklahoma as they were in other states," Lenze said. "The numbers can jump around substantially

in the farming industry, and at the national level they are much smoother than for individual states." Farm proprietor income, which makes up a component of farm earnings, was up 20 percent in the quarter and a contributing factor in the state's farm earnings growth, said Carrie Litkowski, a BEA economist. Roughly \$42 million of the \$119 million attributed to Oklahoma farm proprietor income for the quarter came from net insurance settlements, or indemnity payments from crop insurance policies. Crop output also contributed to higher third-quarter farm earnings for Oklahoma. Data from the U.S. Department of Agriculture shows a sizable increase in cash receipts for crops during the quarter in which wheat prices rose 30 percent for Oklahoma compared to 18 percent for the United States, Litkowski said. States such as Colorado, Illinois, Indiana, Kansas, Michigan and Nebraska also had high wheat prices, but not as high as Oklahoma's, she added. Among other industries, Oklahoma saw earnings declines in mining, which includes oil and gas, as well as administrative and waste management services, which includes temporary help services. Earnings in the state's administrative and waste management services was down 3.7 percent in the third quarter, which was the lowest since the first quarter of 2011, Lenze said. Laurie Winslow 918-581-8466

SUBHEAD: Overall, incomes held steady to rank 13th in the nation. Original Print Headline:

State's personal income on rise