Per Capita Personal Income in Mississippi

Mississippi has been last among states in the U.S. across an array of physical, social, and economic measures for decades. The latest statistics mark Mississippi as the poorest and least healthy state in the nation, with the lowest per capita income and life expectancy and the highest poverty rate, infant mortality rate, and percentage of Mississippians who are overweight or obese.[1] While Mississippi is not consistently ranked last in education measures, it seems that Mississippi is in a race for last.[2] In 2014, Mississippi ranked 49th in the percentage of adults 25 and older with a high school degree or equivalent, barely beating Texas on this front.[3]

This report takes a close look at one commonly used measure of Mississippi's well-being – per capita income – for the purpose of understanding what it would take to move Mississippi out of last place. In general, per capita income is total income in Mississippi divided by the population of Mississippi. The specific measure of per capita income examined in this report is per capita *personal* income, which is published by the U.S. Department of Commerce Bureau of Economic Analysis (BEA).[4]

Per capita income is an appropriate statistic to use when examining Mississippi's status relative to the nation. While per capita income is clearly a statistic which reflects economic well-being, states with higher per capita income generally also fare better in comparisons based on social and physical statistics. Thus, per capita income can serve as a proxy for other measures of well-being. Among economic measures, per capita income is a straightforward statistic. There are other important economic measures, such as the poverty rate or median household income, and these statistics are also correlated with per capita income. Thus, improvements in per capita income should improve Mississippi's poverty rate or median household income, as long as improvements are made for all Mississippians and are not concentrated among top income earners. Finally, a wealth of reliable and detailed data exists for per capita income dating back to 1929 on a yearly basis. Such detailed statistics over a long timeframe are not readily available for other economic measures.

After an examination of how Mississippi's per capita income has fared relative to other states and over time, this report provides information on which components of per capita income must change and by how much for Mississippi to rise in the state rankings. The report is intended to be informative and descriptive. The report does not advocate any particular policies for moving Mississippi out of last place.

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[1] Per capita income rankings are from www.bea.gov. Life expectancy rankings are from The Kaiser Foundation using Centers for Disease Control (CDC) data at www.kff.org. Poverty rates and infant mortality rates are from the Census Bureau using American Community Survey (ACS) data at www.census.gov. Overweight/obesity rates are from The Kaiser Foundation using data from the Behavioral Risk Factor Surveillance System (BRFSS) at www.kff.org.

[2] "Thank God for Mississippi" is a Wikipedia entry noting that other states are thankful for Mississippi's frequent ranking of last place in the nation. See https://en.wikipedia.org/wiki/Thank_God_for_Mississippi.

[3] Percentage of people 25 and older with a high school diploma or equivalent was obtained from The Census Bureau using American Community Survey data (5 year estimates) at www.census.gov.

[4] See Appendix A for a comparison and discussion of two measures of per capita income – per capita personal income and per capita money income.

More specifically, the following sections of this report:

(1) provide an examination of the components of per capita personal income for Mississippi and the U.S. in 2014,

(2) examine Mississippi's per capita personal income over time and relative to other states,

(3) consider the impact of cost of living and taxes on per capita personal income, and

(4) provide a number of what-if scenarios to determine what and how various components of per capita personal income must change for Mississippi's economic status to improve.

1. The Components of BEA Per Capita Personal Income for Mississippi and the U.S. in 2014

Table 1 provides personal income and its major components for Mississippi and the United States in 2014. Mississippi generated roughly $103 billion in personal income in 2014 and had a population of nearly three million. Mississippi's per capita personal income (PCPI) was $34,431, well below the national average of $46,049.

The three major components of personal income are net earnings ("compensation"); personal transfer receipts ("transfer receipts"); and dividends, interest, and rent ("asset income"). In both Mississippi and the nation, the greatest share of personal income arises from compensation. However, the typical Mississippian in 2014 was more dependent on transfer receipts and received less compensation and asset income than the typical U.S. citizen. Net earnings per capita were $20,544 in Mississippi and $29,577 in the nation. Dividends, interest, and rent per capita were $5,081 in Mississippi and $8,541 in the nation. Personal transfer receipts per capita were $8,806 in Mississippi and $7,932 in the nation.[5]

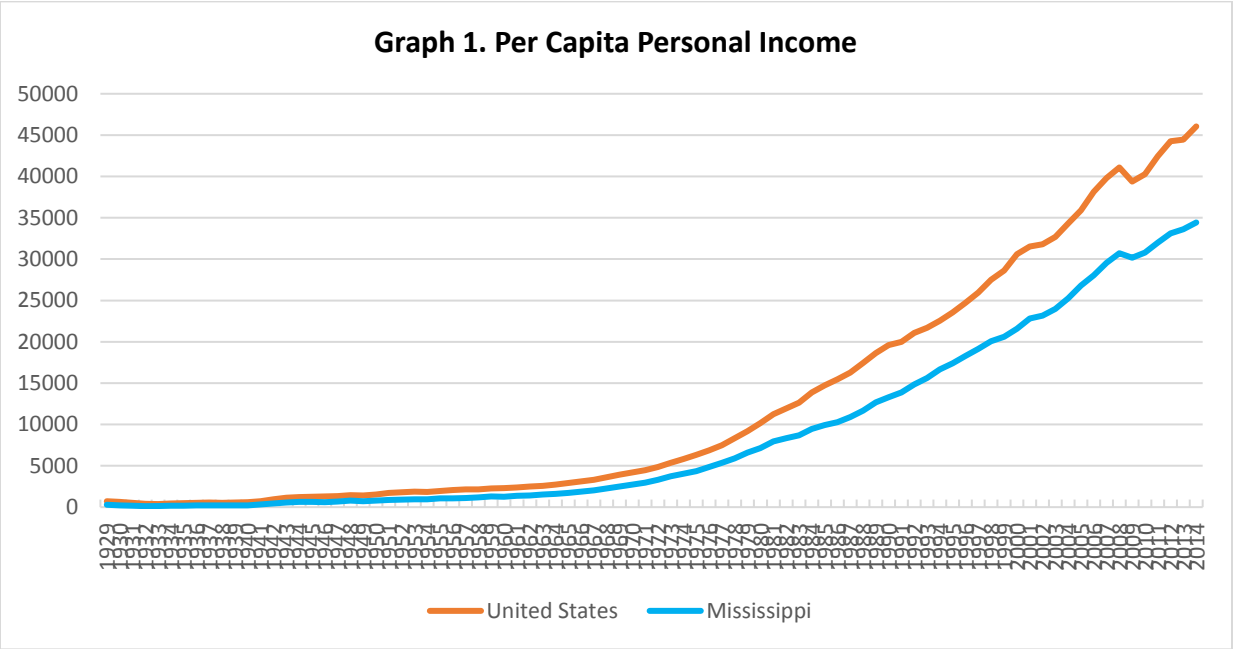
Table 1 also decomposes the category marked personal transfer receipts into its subcategories. Mississippi is more dependent on each category of personal transfer receipts than the nation with only two relatively minor exceptions – unemployment insurance compensation and other income maintenance benefits.

[5] Note that the BEA defines transfer receipts as *personal* transfer receipts and thus includes payments for Social Security in this category.

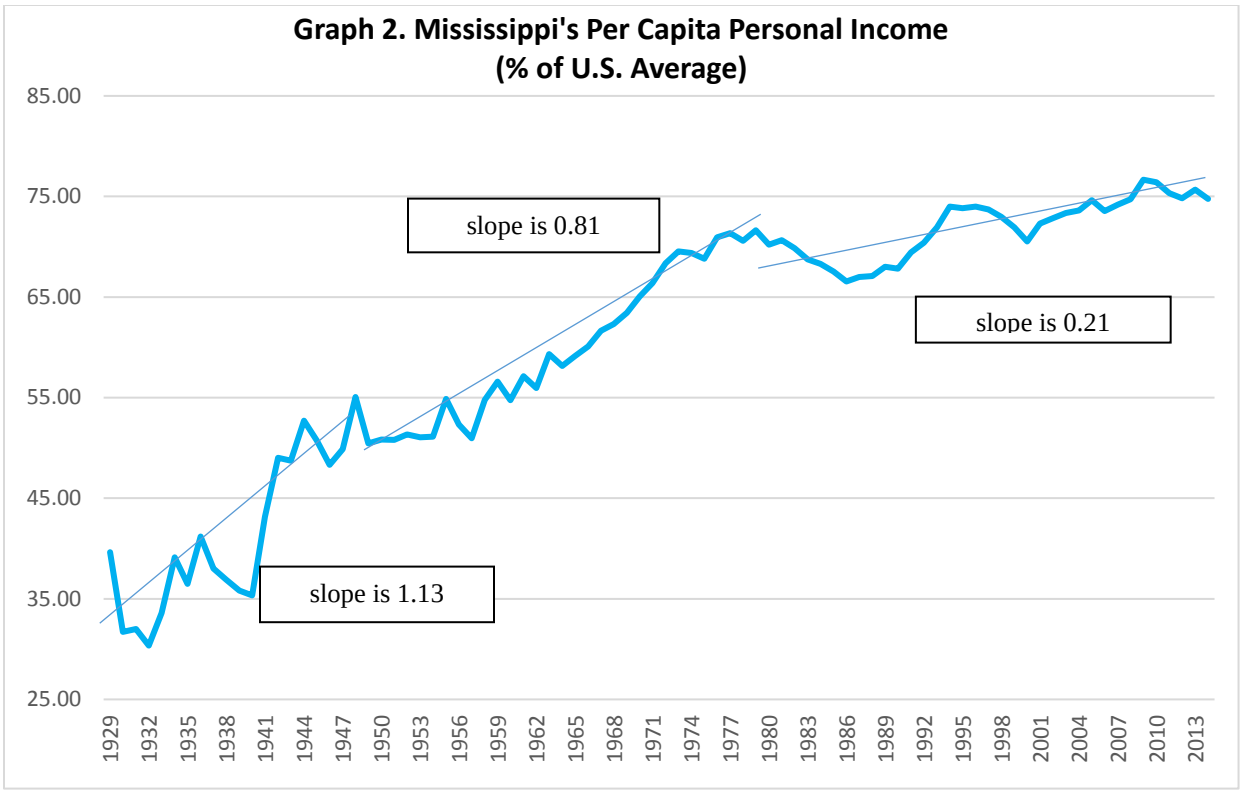
Table 1. Personal Income in 2014						
	Mississippi			United States		
	Total (thousands)	Percent of Personal Income	Per Capita (3)	Total (thousands)	Percent of Personal Income	Per Capita (3)
Personal income	$ 103,090,592		$ 34,431	$ 14,683,147,000		$ 46,049
Net earnings (1)	61,509,400	59.67	20,544	9,430,720,000	64.23	29,577
Dividends, interest, and rent	15,213,865	14.76	5,081	2,723,288,000	18.55	8,541
Personal transfer receipts	26,367,327	25.58	8,806	2,529,139,000	17.22	7,932
Income maintenance	3,310,078	3.21	1,106	267,763,000	1.82	840
Supplemental security income (SSI) benefits	770,805	0.75	257	55,734,000	0.38	175
Earned Income Tax Credit (EITC)	1,160,730	1.13	388	67,911,000	0.46	213
Supplemental Nutrition Assistance Program (SNAP)	912,003	0.88	305	69,425,000	0.47	218
Other income maintenance benefits	466,540	0.45	156	74,693,000	0.51	234
Unemployment insurance compensation	168,526	0.16	56	36,067,000	0.25	113
Retirement and other	22,888,723	22.20	7,645	2,225,309,000	15.16	6,979
Retirement and disability insurance benefits (2)	8,779,259	8.52	2,932	870,138,000	5.93	2,729
Medicare	6,353,824	6.16	2,122	597,791,000	4.07	1,875
Medicaid and other public assistance medical benefits	5,160,207	5.01	1,723	499,564,000	3.40	1,567
Other	2,595,433	2.52	867	257,816,000	1.76	809
(1) Total earnings less contributions for government social insurance adjusted to place of residence.						
(2) Includes Social Security and railroad retirement.						
(3) Total column divided by population. In 2014, Mississippi's population was 2,994,079 and the U.S. population was 318,857,056 according to the Census Bureau midyear population estimate.						

2. Trends in Per Capita Personal Income Over Time

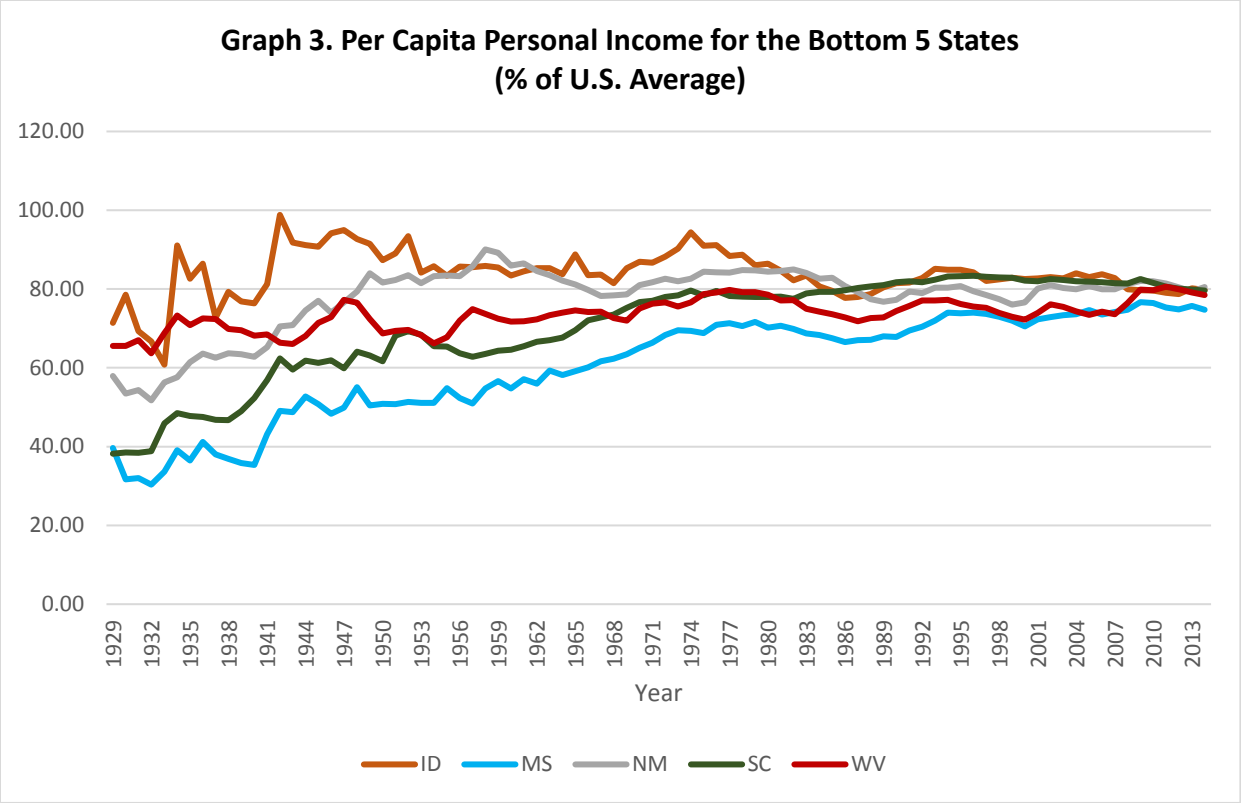
While Mississippi's per capita income has generally trended upward since 1929, it has also been below the national average in every single year. Graph 1 provides per capita income for Mississippi and the nation in levels, while graph 2 shows Mississippi's per capita income as a percent of the national average.



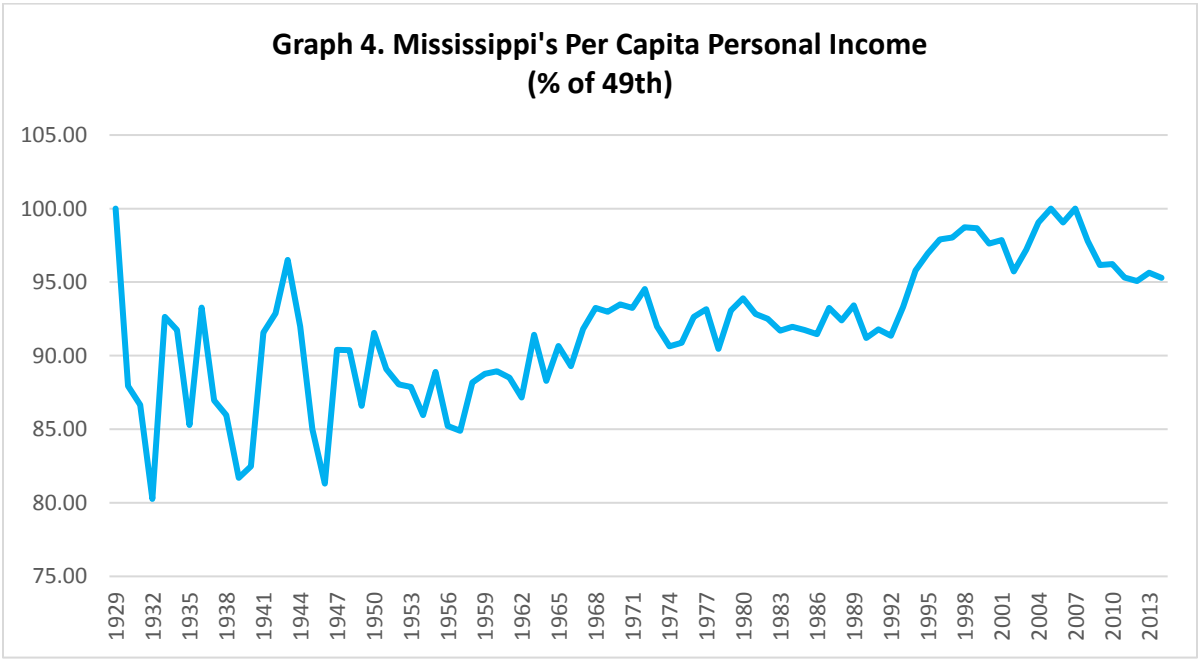
Graph 2 below shows Mississippi's growth in PCPI relative to the national average. Mississippi has generally been converging on the national average since 1929 but its growth relative to the average has slowed. The first trend line shows that Mississippi's growth (relative to the U.S.) was 1.13 percent per year from 1929 to 1948. These were years of great variability but they also capture recovery from the Great Depression and the expansion during World War II. Between 1949 and 1977, Mississippi's growth slowed but continued to catch up to the nation at a pace of 0.81 percent per year. Mississippi's growth relative to the nation in more recent history, from 1978 to 2014, has been only 0.21 percent per year on average.



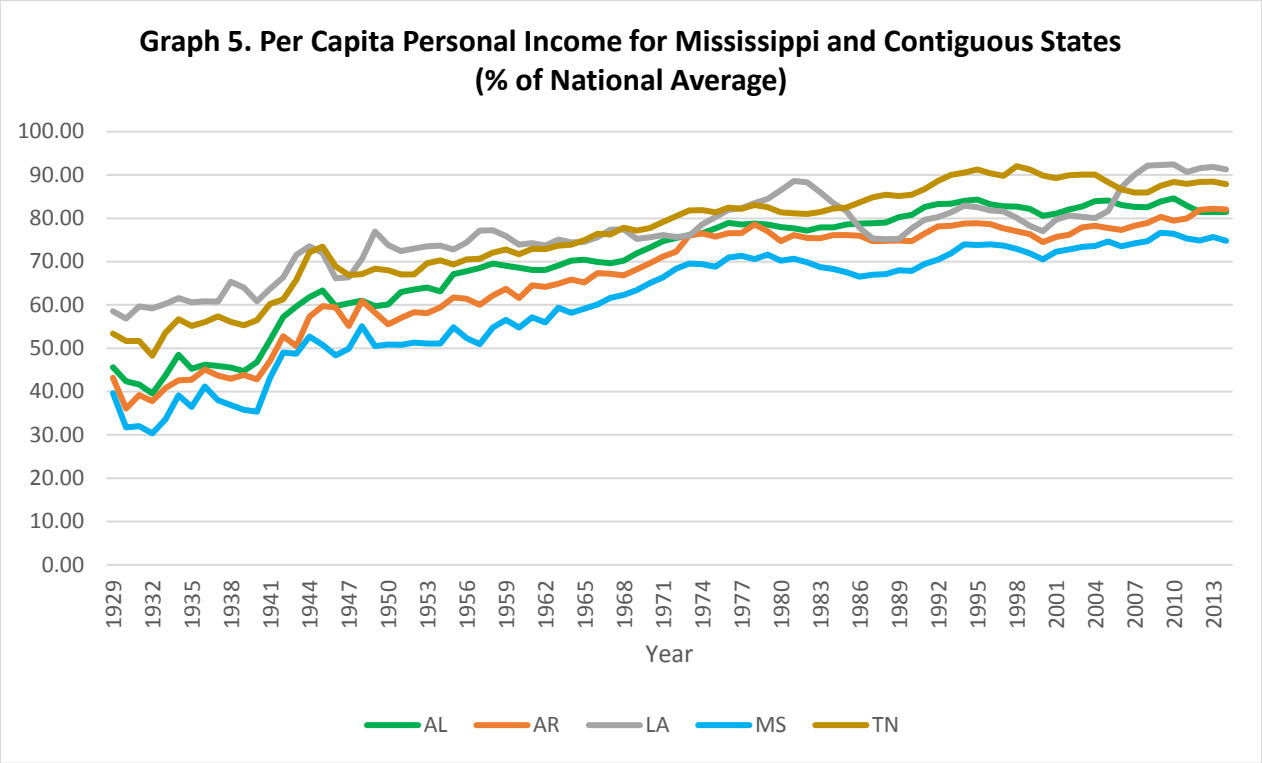
While graphs 1 and 2 reveal that Mississippi has lagged the national average since 1929, graph 3 below shows that Mississippi has been 50th in per capita income in every year but three since 1929. South Carolina was number 50 in 1929 and West Virginia claimed last place in 2005 and 2007. Note that graph 10 is titled the bottom 5 states. These were the bottom 5 states in 2014. These states have contended for the bottom in most years since 1929. Like Mississippi, these states have been converging on the national average, but growth for all has slowed since the late 1970s or early 1980s.



In graph 4, Mississippi's per capital income is illustrated as a percentage of the per capita income of the state with the next lowest figure. Mississippi's percentage is noted as 100 in 1929, 2005 and 2007 since it was 49th in those years. Again, in every other year, Mississippi was the poorest in terms of per capita income. What is interesting to note is that since roughly 1993, Mississippi had seen some gains, on average, but has again lost ground since 2007.



Graph 5 shows Mississippi relative to contiguous states as a percentage of the national average since 1929. In recent history, Louisiana's per capita income has varied more than the other states illustrated in the graph. While Louisiana lost a great deal of wealth during Hurricane Katrina, it experienced a tremendous amount of economic growth related to recovery activities for the population that remained in the state.



3. How Does Mississippi Rank When Adjusting for Cost of Living and Taxes?

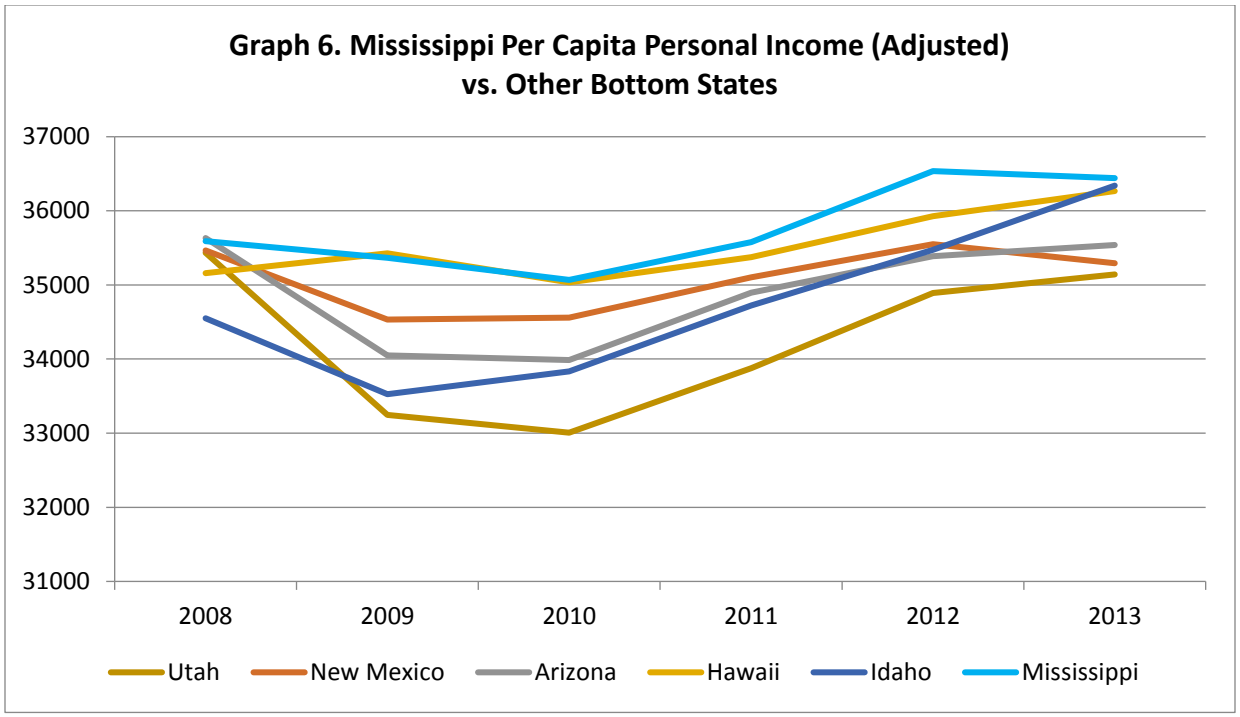
Adjusting for Cost of Living

While Mississippi has a near perfect record for ranking lowest in PCPI since 1929, a different picture emerges when one considers the cost of living (COL). In 2013, Mississippi ranked 45th after adjusting PCPI for relative prices.[6]

The BEA adjusts personal income and PCPI using regional price parities (RPPs) and the national personal consumption expenditure price index.[7] The result is a measure of per capita income that is both adjusted for inflation over time and adjusted for price differences across states. The

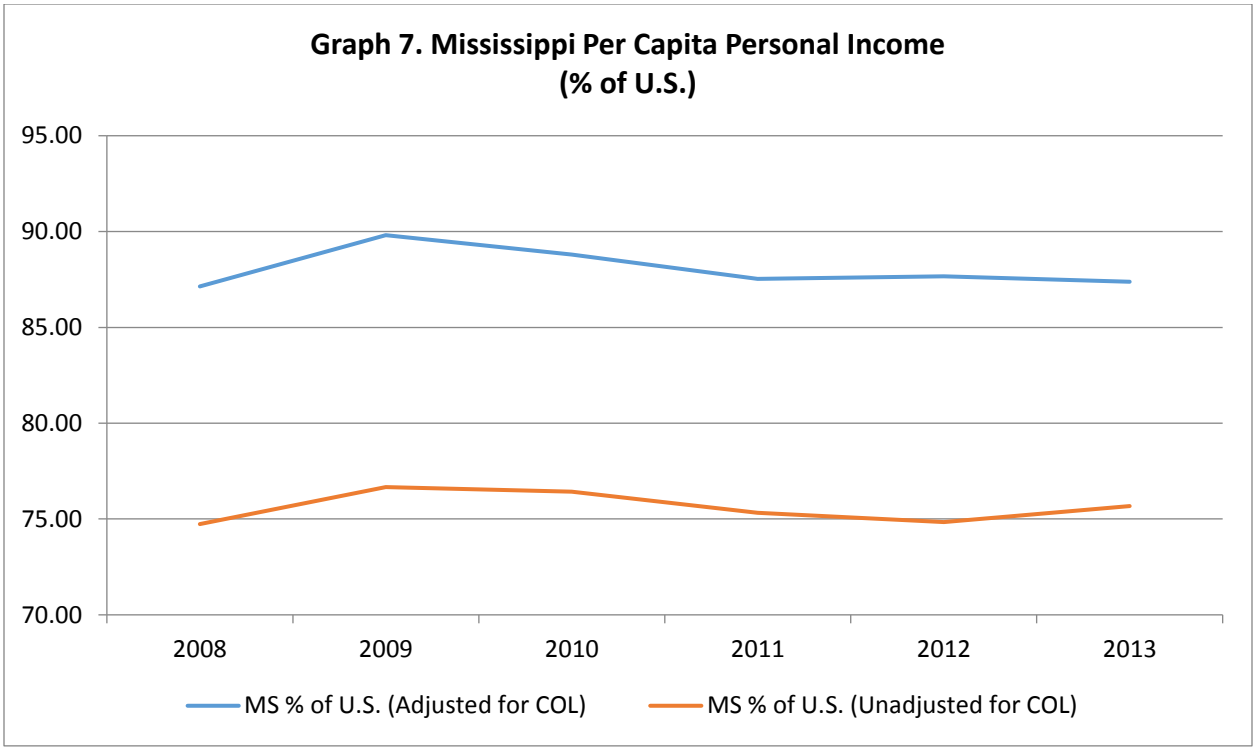
[6] 2014 data was not available in summary format on the BEA website at the writing of this report.
[7] RPPs are regional price levels expressed as a percent of the overall national price for a given year. The price level is determined by the average prices paid by consumers for a mix of goods and services consumed in each region. RPPs are calculated using data from the BLS Consumer Price Index program and the Census Bureau's ACS.

following graph illustrates this adjusted measure of PCPI for Mississippi and other "bottom" states.[8] Note that per capita income is measured in 2009 dollars. Mississippi ranked 46th in adjusted PCPI in 2008 and 2009 and 45th from 2010 through 2013.



Graph 7 compares Mississippi and the nation using both the adjusted and the unadjusted PCPI measures. Mississippi is closer to the national average when using the adjusted figures, ranging between 85 and 90 percent since 2008.

[8] These "bottom states" were determined by the ranking of PCPI adjusted for inflation and regional price differences in 2013.



Adjusting for Cost of Living and Taxes

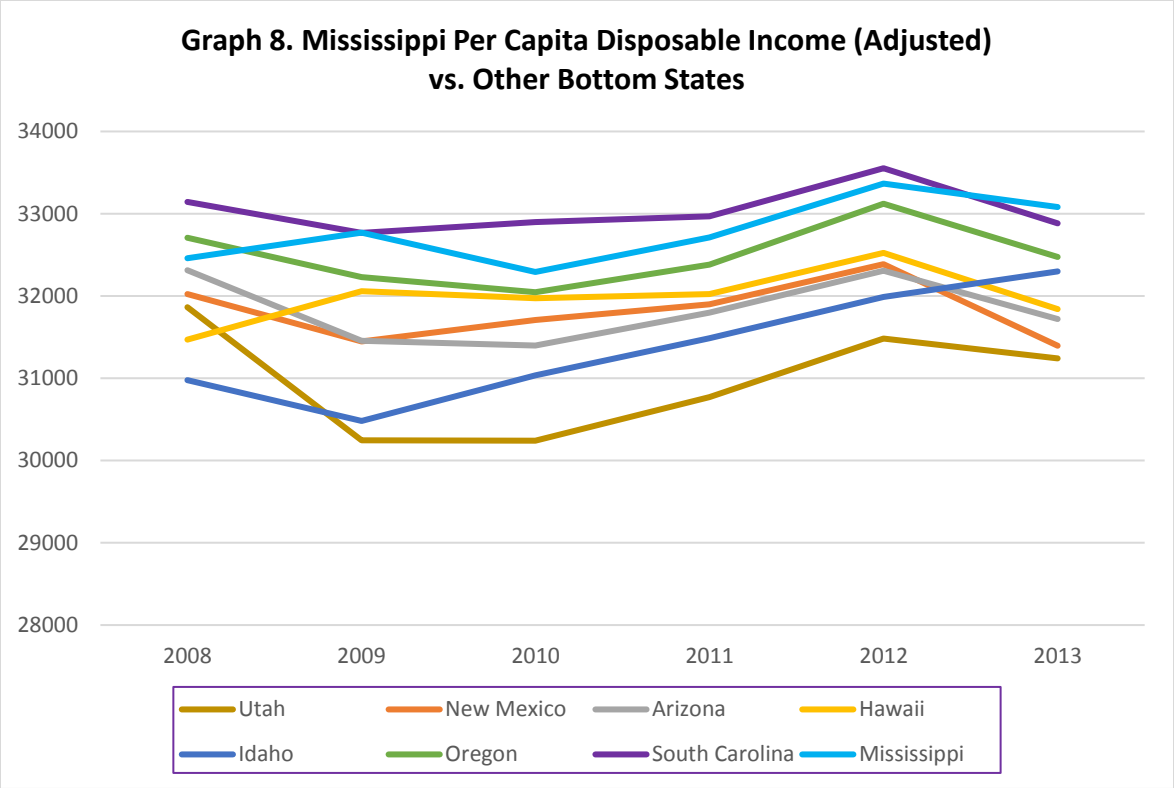
After adjusting PCPI for Mississippi's lower cost of living *and* lower tax burden, Mississippi fares even better among the states.

Mississippi was ranked 40th among states in state and local taxes in 2014.[9] In that year, Mississippi paid 8.4 percent of its combined income in state and local taxes. Wyoming had the lowest percentage at 6.9 percent and New York had the highest percentage at 12.6 percent.[10]

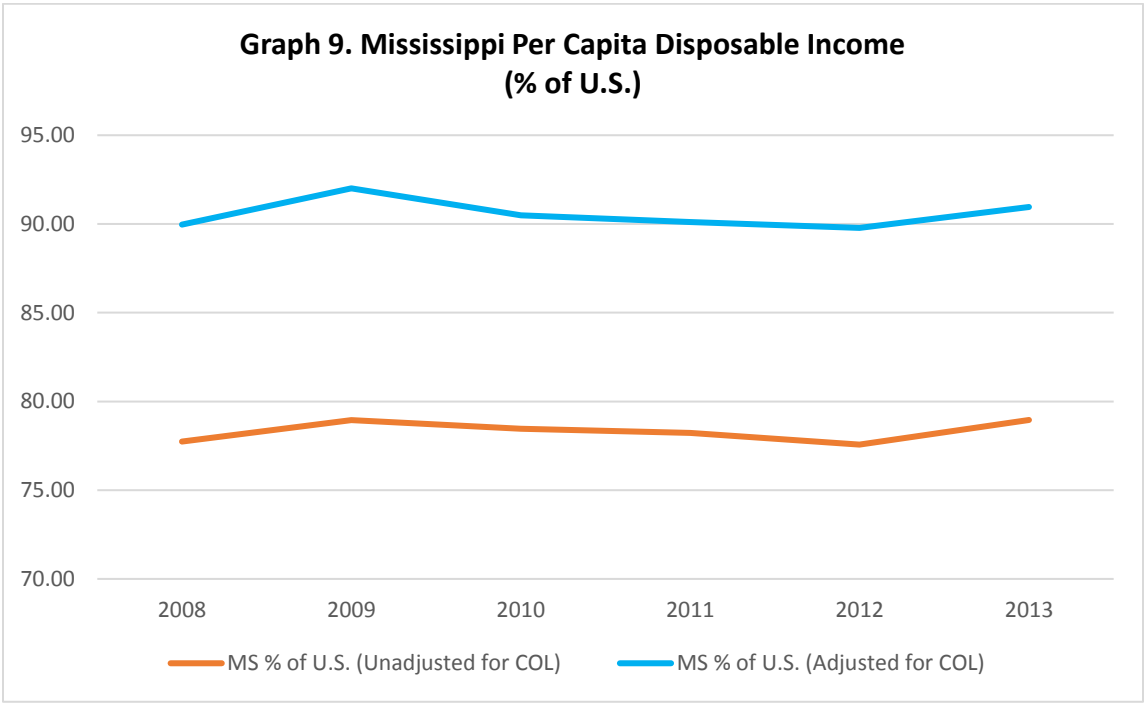
Disposable income, also published by the BEA, is personal income less personal current taxes. Generally, disposable income is the portion of personal income that can be spent or saved. The BEA also publishes per capita disposable income.

In the following graph, per capita disposable income has been adjusted for regional price differences and inflation. The figures in the graph are measured in 2009 dollars. Using this measure of per capita income which accounts for taxes and cost of living, Mississippi was ranked 44th among the states in 2008, 2010, 2011 and 2012. Mississippi was ranked 43rd in 2013 and 42nd in 2009.

[9] Note that the ranking is #1 for the state with the highest burden.
[10] *Release of Annual State-Local Tax Burden Rankings*, April 1, 2014, http://taxfoundation.org/blog/release-annual-state-local-tax-burdens-rankings.



Graph 9 compares Mississippi and the nation using both the adjusted and the unadjusted per capita disposable income measures. The top line in the graph illustrates that Mississippi gains on the national average after adjusting for both taxes and cost of living.



4. How Can Mississippi Improve Its Status?

This section provides a number of "what-if" scenarios that explain what could change to move Mississippi out of the economic doldrums and onto a path of economic prosperity, thus improving its rankings on the national scene. These what-if scenarios are quite simple in nature and somewhat unrealistic – for example, assuming that Mississippi could add a very large number of jobs of one type – but the following analyses are useful in that they provide the reader with a sense of the magnitude of the changes Mississippi needs in order to improve its economic status.

Increases in Employment and Income

Table 2 illustrates increases in employment and income necessary to move Mississippi out of last place standing in PCPI. The analysis assumes that new jobs are created at the "typical" Mississippi wage of $13.76 and that individuals will work full-time. A multiplier of 1.5 was applied to the income generated by these jobs for the total increase in income listed in the third column of the table.[11] Note that this analysis does not assume any offsets – such as decreases in food stamps if earnings increase – nor does it consider any changes to EITC payments.

To achieve the status of 49th, Mississippi would need nearly 119,000 new jobs and total personal income would need to increase by $5.091 billion. To put this in perspective, consider that 96,300 people in Mississippi were counted as unemployed in 2014.[12] Thus, Mississippi would need to employ all the unemployed and attract other individuals that are currently out of the labor force to work. To achieve a rank of 40th, Mississippi would need to add nearly 320,000 new jobs and generate total additional income of more than $13 billion, roughly 13 percent of Mississippi's total personal income in 2014.

[11] Multipliers will vary according to the sector in which jobs are added. For example, Regional Economic Modelling, Inc. (REMI) software indicates that the addition of jobs in the construction industry would yield a multiplier as low as 1.36 and the addition of jobs in the auto manufacturing industry would yield a multiplier as high as 2.24. A multiplier of 1.5 was chosen as a conservative estimate in this paper.

[12] Mississippi Department of Employment Security, *Mississippi Labor Market Data*, October 2015.

Table 2. Employment and Income Increases Associated with Improved Rankings*				
To rank:	"Typical" jobs must increase by:**	Total income must increase by:	And PCPI would be:	Mississippi would overtake:
49	118,596	$ 5,091,470,428	$ 36,132	West Virginia
48	156,605	6,723,243,483	36,677	South Carolina
47	160,580	6,893,905,986	36,734	Idaho
46	185,478	7,962,792,189	37,091	New Mexico
45	206,749	8,875,986,284	37,396	Kentucky
44	214,839	9,223,299,448	37,512	Alabama
43	225,440	9,678,399,456	37,664	Utah
42	233,669	10,031,700,778	37,782	Arkansas
41	241,550	10,370,031,705	37,895	Arizona
40	317,219	13,618,607,420	38,980	Georgia
39	330,540	14,190,476,509	39,171	North Carolina
38	358,925	15,409,066,662	39,578	Indiana
37	381,591	16,382,142,337	39,903	Montana
36	420,227	18,040,862,103	40,457	Tennessee
35	439,964	18,888,186,460	40,740	Michigan
34	440,104	18,894,174,618	40,742	Nevada
33	440,313	18,903,156,855	40,745	Maine
32	473,440	20,325,344,380	41,220	Oregon
31	502,662	21,579,863,481	41,639	Missouri
30	529,930	22,750,548,370	42,030	Louisiana
29	544,297	23,367,328,644	42,236	Ohio
28	579,238	24,867,362,223	42,737	Florida
27	642,005	27,562,033,323	43,637	Oklahoma
26	680,293	29,205,782,694	44,186	Wisconsin
25	729,460	31,316,608,389	44,891	Kansas
24	732,668	31,454,336,023	44,937	Iowa
23	756,520	32,478,311,041	45,279	South Dakota
22	783,719	33,646,001,851	45,669	Texas
21	809,175	34,738,840,686	46,034	Hawaii
20	833,166	35,768,803,862	46,378	Delaware
19	836,653	35,918,507,812	46,428	Vermont
18	915,391	39,298,823,003	47,557	Nebraska
17	921,388	39,556,313,797	47,643	Illinois
16	923,899	39,664,100,641	47,679	Pennsylvania
15	971,323	41,700,074,361	48,359	Rhode Island
14	1,006,891	43,227,054,651	48,869	Colorado
13	1,015,888	43,613,290,842	48,998	Minnesota
12	1,058,570	45,445,667,190	49,610	Washington
11	1,084,723	46,568,446,815	49,985	California
10	1,109,830	47,646,315,255	50,345	Virginia
9	1,279,162	54,915,939,067	52,773	New Hampshire
8	1,365,571	58,625,602,948	54,012	Alaska
7	1,377,009	59,116,631,904	54,176	Maryland
6	1,405,463	60,338,216,136	54,584	Wyoming
5	1,477,087	63,413,135,269	55,611	New York
4	1,490,408	63,985,004,358	55,802	North Dakota
3	1,617,198	69,428,239,980	57,620	New Jersey
2	1,695,099	72,772,626,223	58,737	Massachusetts
1	2,122,404	91,117,348,256	64,864	Connecticut

* Assumes a multiplier of 1.5 and no change in tranfer payments.

** A "typical job" is at the median wage earned by a Mississippi worker according to the Bureau of Labor Statistics, May 2014 State Occupational Employment and Wage Estimates, Mississippi, Median Wages.

The Impact of Job Creation by Industry

The following table shows personal income and PCPI if 100,000 new jobs were created in various Mississippi industries. Again, the analysis assumes that each new job is a full-time job and that the multiplied impact is 1.5. This analysis assumes no offset in transfer payments.

The first row in the table illustrates that minimum wage jobs won't move Mississippi out of last place. If each unemployed individual went to work earning minimum wage, the total (multiplied) contribution to PI would be $2.62 billion – far short of the $5.1 billion needed to pull Mississippi out of last place. Adding 100,000 "typical" Mississippi jobs won't budge Mississippi's last place standing in the ranking either.

The Mississippi Development Authority (MDA) website indicates they are targeting the following industries for recruitment to Mississippi: advanced manufacturing, aerospace, agribusiness, automotive, energy, healthcare, and shipbuilding. The MDA website also features a number of wage estimates by occupation from the Bureau of Labor Statistics. Presumably, these are occupations which are typical Mississippi occupations and/or occupations in industries under recruitment. The remaining rows in Table 3 highlight the impact of those types of jobs on the Mississippi economy as indicated in the second row of the table.

Typical jobs in production operations and farming, fishing and forestry also do not have enough impact to move Mississippi out of last place standing. Jobs associated with higher levels of schooling, such as those in architecture and engineering or in healthcare related occupations, carry wages high enough to have an impact. One hundred thousand jobs in the healthcare area could move Mississippi to 47th place.

Table 3. The Impact of Jobs on Personal Income and Per Capita Personal Income			
What if MS added 100,000 jobs?	Personal income (thousands) would increase by:*	PCPI would be:	Mississippi's rank would be:
minimum wage at $7.25 per hour	$ 2,262,000	$ 35,187	50
farming, fishing and forrestry occupations at $13.48 per hour**	$ 4,205,760	$ 35,836	50
typical Mississippi job at $13.76 per hour**	$ 4,293,120	$ 35,865	50
production operations at $14.01 per hour**	$ 4,371,120	$ 35,891	50
healthcare practitioners and technical occupations at $23.58 per hour**	$ 7,356,960	$ 36,889	47
computer and mathematical occupations at $28.63 per hour**	$ 8,932,560	$ 37,415	45
architecture and engineering occupations at $30.51 per hour**	$ 9,519,120	$ 37,611	44
* Assumes a multiplied impact of 1.5.			
** Bureau of Labor Statistics, May 2014 State Occupational Employment and Wage Estimates, Mississippi, Median Wages.			

Accounting for Other Interactions

The analyses in tables 2 and 3 do not account for important offsets to personal income when additional jobs, and thus income, are added to Mississippi's economy. For example, an individual who is currently *unemployed* in Mississippi and below the poverty line may be eligible to receive a variety of transfer payments, including unemployment insurance compensation, Supplemental Nutrition Assistance Program (SNAP) benefits, Temporary Assistance to Needy Families (TANF), and Women, Infants and Children (WIC) Program benefits. All of these benefits are included in personal income. If that individual becomes employed, he or she is likely to lose some or all of these "welfare" benefits and will certainly lose unemployment insurance compensation while obviously gaining income through earnings.

For a typical Mississippian, would the loss in "welfare" income completely offset the gain in employment income? In addition, what would be the impact of the Earned Income Tax Credit, a benefit for which more individuals would now be eligible?

A recent study indicates that a single mother of two in Mississippi received $16,984 in welfare benefits on average in 2013.[13] If that mother were to work full-time at median wages in Mississippi ($13.76), her earned income would total $28,621. In addition, the typical Mississippian was eligible for an earned income tax credit of $2,875.[14] Thus, the net addition of this new job to personal income is $8,762.

Assuming that one-fourth of newly created jobs in Mississippi would be filled by single moms receiving welfare benefits as described above, the analysis in table 3 was recalculated below in table 4. Thus, one-fourth of jobs would experience a net gain to personal income of only $8,762 because of losses in transfer payments. Obviously, including such offsets requires that more jobs be created to generate the personal income necessary to move Mississippi out of last place.

[13] *The Work versus Welfare Tradeoff: 2013: An Analysis of Total Welfare Benefits by State*, Michael Tanner and Charles Hughes, The Cato Institute, 2013.
[14] *Statistics for Tax Returns with EITC*, Internal Revenue Service, last updated in December 2015 at https://www.eitc.irs.gov/EITC-Central/eitcstats.

Table 4. Income Increases (with Offsets) Associated with Improved Rankings*				
To rank:	"Typical" jobs must increase by:**	Total income must increase by:	And PCPI would be:	Mississippi would overtake:
49	143,486	$ 5,091,470,428	$ 36,132	West Virginia
48	189,472	6,723,243,483	36,677	South Carolina
47	194,281	6,893,905,986	36,734	Idaho
46	224,404	7,962,792,189	37,091	New Mexico
45	250,139	8,875,986,284	37,396	Kentucky
44	259,927	9,223,299,448	37,512	Alabama
43	272,753	9,678,399,456	37,664	Utah
42	282,709	10,031,700,778	37,782	Arkansas
41	292,244	10,370,031,705	37,895	Arizona
40	383,794	13,618,607,420	38,980	Georgia
39	399,910	14,190,476,509	39,171	North Carolina
38	434,252	15,409,066,662	39,578	Indiana
37	461,675	16,382,142,337	39,903	Montana
36	508,420	18,040,862,103	40,457	Tennessee
35	532,299	18,888,186,460	40,740	Michigan
34	532,468	18,894,174,618	40,742	Nevada
33	532,721	18,903,156,855	40,745	Maine
32	572,801	20,325,344,380	41,220	Oregon
31	608,155	21,579,863,481	41,639	Missouri
30	641,147	22,750,548,370	42,030	Louisiana
29	658,529	23,367,328,644	42,236	Ohio
28	700,802	24,867,362,223	42,737	Florida
27	776,742	27,562,033,323	43,637	Oklahoma
26	823,066	29,205,782,694	44,186	Wisconsin
25	882,552	31,316,608,389	44,891	Kansas
24	886,433	31,454,336,023	44,937	Iowa
23	915,291	32,478,311,041	45,279	South Dakota
22	948,198	33,646,001,851	45,669	Texas
21	978,996	34,738,840,686	46,034	Hawaii
20	1,008,022	35,768,803,862	46,378	Delaware
19	1,012,241	35,918,507,812	46,428	Vermont
18	1,107,504	39,298,823,003	47,557	Nebraska
17	1,114,760	39,556,313,797	47,643	Illinois
16	1,117,798	39,664,100,641	47,679	Pennsylvania
15	1,175,175	41,700,074,361	48,359	Rhode Island
14	1,218,207	43,227,054,651	48,869	Colorado
13	1,229,092	43,613,290,842	48,998	Minnesota
12	1,280,731	45,445,667,190	49,610	Washington
11	1,312,373	46,568,446,815	49,985	California
10	1,342,749	47,646,315,255	50,345	Virginia
9	1,547,619	54,915,939,067	52,773	New Hampshire
8	1,652,163	58,625,602,948	54,012	Alaska
7	1,666,001	59,116,631,904	54,176	Maryland
6	1,700,427	60,338,216,136	54,584	Wyoming
5	1,787,083	63,413,135,269	55,611	New York
4	1,803,200	63,985,004,358	55,802	North Dakota
3	1,956,599	69,428,239,980	57,620	New Jersey
2	2,050,849	72,772,626,223	58,737	Massachusetts
1	2,567,832	91,117,348,256	64,864	Connecticut

* Assumes a multiplier of 1.5 and offsets in transfers to 1/4 of workers.

** A "typical job" is at the median wage earned by a Mississippi worker according to the Bureau of Labor Statistics, May 2014 State Occupational Employment and Wage Estimates, Mississippi, Median Wages.

The interaction of new job creation, gains in earned income, and losses in transfer payments is quite complicated and highly dependent on the composition of the labor force and the types of jobs created. The above analyses are rough estimates designed to allow one to begin to understand the level of magnitude of changes to employment and personal income necessary to move Mississippi out of last place.

Appendix A
Comparing Measures of Per Capita Income

Per capita income is one of the most commonly cited measures of economic well-being when making comparisons across states and cities in the United States. However, individuals often quote per capita income statistics without disclosing or perhaps understanding which measure of per capita income is being used. Two statistics that are frequently cited are per capita *personal* income (PCPI) as measured by the U.S. Department of Commerce Bureau of Economic Analysis (BEA)[15] and per capita *money* income (PCMI) as measured by the U.S. Census Bureau.[16] To confuse matters even more, the cited figure, regardless of source, is often referred to simply as per capita income.

The difference in PCPI and PCMI is driven by differences in the measurement of income, the numerator of the per capita income measure. The denominator - a mid-year population estimate derived by the Census Bureau - is the same for both PCPI and PCMI in state level calculations.

Personal Income

Personal income and PCPI are produced annually and quarterly for the states by the BEA, and statistics are available from 1929 to the present. The BEA has also provided these statistics for counties and some Metropolitan Statistical Areas on an annual basis since 1969.

The BEA defines personal income "as the income that persons receive in return for their provision of labor, land, and capital used in current production, plus transfer receipts less contributions for government social insurance."[17] One may think of this more generally as compensation (e.g., wages and salaries), asset income (e.g., dividends, interest, and rent), and transfer receipts. It is important to realize that compensation includes employer and employee contributions to retirement and pension plans and that transfer receipts include Social Security and Medicaid payments as well as transfer payments from income maintenance programs.[18]

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[15] The BEA is the nation's source for information on Gross Domestic Product and Income and these statistics are obtained from the National Income and Product Accounts. These statistics arose from a need to understand the national economy during and after the Great Depression. For a brief history of the BEA, see http://www.bea.gov/scb/pdf/2007/02%20February/0207_history_article.pdf.

[16] The first U.S. Census was taken in 1790 for the purpose of allocating congressional seats and because payments by each state were based on the state's population. Through the years, needs arose for more and better statistics for a variety of reasons and the census expanded. Eventually, the Census Bureau began using surveys as well as the decennial census to collect information. For a brief history of the census, see www.census.gov/history/pdf/cff4.pdf.

[17] The Bureau of Economic Analysis, *Measuring the Economy: A Primer on GDP and the National Income and Product Accounts*, October 2014, p. 11.

[18] The United States has a variety of income maintenance programs. These are government programs designed to "provide some minimum level of income to all families and individuals" (Campbell R. McConnell, Stanley L. Brue, and David A. Macpherson, *Contemporary Labor Economics*, Tenth Edition, 2013, p. 40). "Income maintenance programs are not to be confused with various social insurance programs. Income maintenance programs are designed to assist families and individuals who have more or less permanent disabilities or dependent children. These programs are financed out of general tax revenues and are regarded as public charity. To qualify for aid, one must demonstrate economic need. In contrast, social insurance programs (such as Old Age and Survivors Insurance and unemployment compensation) are tailored to replace a portion of the earnings lost due to retirement or temporary unemployment. They are financed by earmarked payroll taxes, and benefits are viewed as earned rights as a consequence of prior financial contributions." (Ibid, fn, p. 40).

The state-level personal income statistics are based primarily on administrative-records data[19] from:

- State unemployment insurance programs,
- State Medicaid programs and the federal Medicare program,
- Social Security,
- Veterans' programs, and
- State and federal income tax codes.

In addition to these administrative-records data, some surveys are used in the personal income calculations. The annual American Community Survey (ACS) and the monthly Current Employment Statistics (CES) are among the most important surveys used.[20]

Government and businesses rely on the BEA's state personal income statistics for many reasons:

> State personal income estimates are used widely in the public and private sectors to study economic trends for States and regions to measure and track the levels and types of income that are received by the people who live and work in a State. Federal Government agencies use the estimates as a basis for allocating [billions of dollars] and for determining matching grants. Federal agencies also use the estimates in econometric models, such as those used to project energy and water use. State governments use the estimates in econometric models to project tax revenues and the need for public services. Many states have set constitutional or statutory limits on State government revenues and spending that are tied to State personal income or one of its components. The estimates are also used in market and economic research.[21]

The Mississippi State Economist's Office uses the BEA's personal income measures in their quarterly and annual forecasts of economic activity.

Money Income

Money income and PCMI are released annually for the states by the Census Bureau through the ACS. These statistics are also released for counties and MSAs on an annual basis.

The Census Bureau measures money income as the money received over the last 12 months for every person 15 years or older. It includes wages, salaries, and self-employment income; dividends, interest, and rent, or income from estates and trusts; Social Security or Railroad

[19] Administrative records are maintained by many government agencies and businesses to manage services and comply with government reporting regulations. Data collected from such records have been a valuable source of information for research purposes for social scientists. For example, birth and death certificates are required by law. Demographers have used data gleaned from these administrative records to analyze various public health trends.
[20] The Bureau of Economic Analysis, *State Personal Income and Employment: Concepts, Data Sources, and Statistical Methods*, September 2014.
[21] John Ruser, Adrienne Pilot, and Charles Nelson, *Alternative Measures of Household Income: BEA Personal Income, CPS Money Income, and Beyond,* November 2004.

Retirement income; Supplemental Security Income (SSI); public assistance or welfare payments; retirement, survivor, or disability pensions; and other income.[22]

Data for money income are collected through the nationwide ACS. The ACS is a part of the Census Bureau's reengineered decennial census program. During previous censuses, most households received a short-form questionnaire, while one household in six received a long form questionnaire containing more detailed socio-economic questions. Beginning in 2010, however, the census became a short-form only census. The more detailed socioeconomic information is now collected through the ACS. This survey provides information annually for states and the nation. The ACS 3-year estimates are available for geographic areas with a population of 20,000 or more. The ACS 5-year estimates are available for geographic areas with populations less than 20,000. The first five year estimates were released in 2010.[23]

Many state level government programs, such as SCHIP and Medicaid, receive funding allocations based on poverty measures developed by the Census Bureau. However, the measures relied upon are those produced by the Annual Social and Economic Supplement of the Current Population Survey (CPS) rather than the ACS even though the Census Bureau recognizes that the CPS state-level estimates have relatively large sampling errors, "somewhat limiting their usefulness for smaller states."[24]

Comparing Personal Income and Money Income

Personal income and money income differ in the time period for which data are measured, income items included, the sources of data, and the individuals covered. These methodological differences result is large quantitative differences in overall income comparisons as well as the share of income due to various components. Table A1 summarizes these differences and the differences are discussed below.

Table A1. Methodological Differences in Personal Income and Money Income

	BEA Personal Income	Census Money Income
Time period	Annually and quarterly for states since 1929	Annually for states since 2008; every 10 years prior to 2008 (with the decennial census)
Items included	Includes more income categories, such as lump-sum payments and employer contributions to health plans, as well as Medicare and Medicaid transfers	Includes child support and other intrapersonal transfers
Data sources	Primarily from administrative data	Survey
Individuals covered	All people	Income for people age 15+

[22] Appendix B includes the survey questions used by the Census to collect the money income information. These questions are located in section 47 of the survey.
[23] http://www.census.gov/history/www/programs/demographic/american_community_survey.html.
[24] https://www.census.gov/hhes/www/income/about/.

Time Period

The BEA produces personal income at the state level annually and quarterly since 1929. The Census Bureau produces money income at the state level annually since 2008 through the ACS. Prior to 2008, money income was produced with the decennial census.

Income Items

According to the BEA,

> Personal income differs from money income mainly because money income consists only of the income received by individuals in cash and cash equivalents. Personal income, unlike money income, includes imputed income, lump-sum payments not received as part of earnings, certain in-kind personal current transfer receipts—such as Medicaid, Medicare—and employer contributions to health and pension plans. Personal income excludes personal contributions for government social insurance, pension and annuity benefits from private and government employee pension plans, and income from interpersonal transfers, such as child support, but money income does not.[25]

Data Sources

As mentioned above, personal income is largely derived from administrative sources such as the Internal Revenue Service and the Social Security Administration while money income is gathered from a survey. The Census Bureau provides the following comments about underreporting in the money income measures:

> Since answers to income questions are frequently based on memory and not on records, many people tended to forget minor or sporadic sources of income and, therefore, underreport their income. Underreporting tends to be more pronounced for income sources that are not derived from earnings, such as public assistance, interest, dividends, and net rental income.[26]

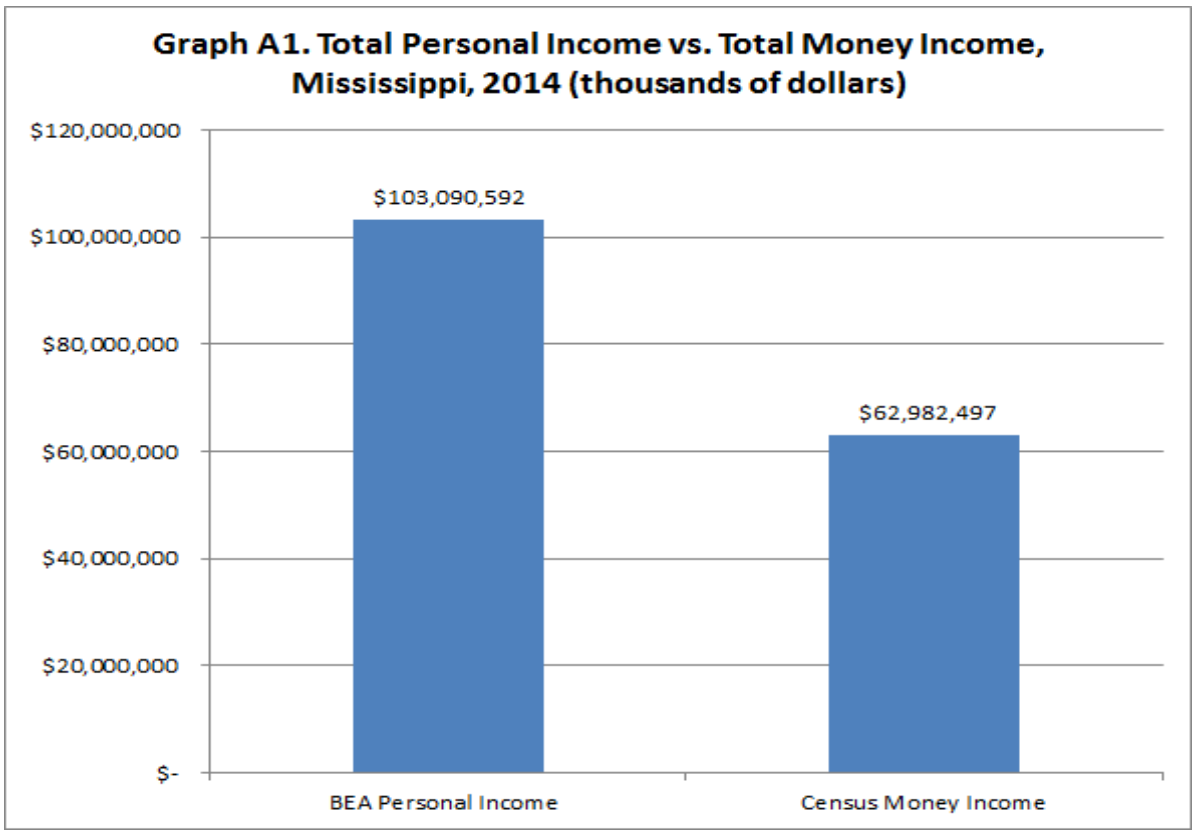
Individuals Covered

Personal income includes income for all individuals in the state of Mississippi, while money income is gathered for individuals 15 years and older.

Personal Income and Money Income in 2014[27]

The following graph illustrates the striking difference in the level of personal and money income in Mississippi in 2014. Personal income was $103 billion while money income was only $63 billion, a difference of $40 billion.

[25] The Bureau of Economic Analysis, *State Personal Income and Employment: Concepts, Data Sources, and Statistical Methods*, September 2014, p. I-7.
[26] http://quickfacts.census.gov/qfd/meta/long_INC910213.htm.
[27] 2014 data on personal income are collected from the BEA website at www.bea.gov. 2014 data on money income are collected from The Census Bureau's American Fact Finder data tool at www.census.gov.



This difference in income measures has an equally striking difference on the per capita income measures derived from personal and money income. As indicated below, PCPI is $34,431 and PCMI is $21,036.

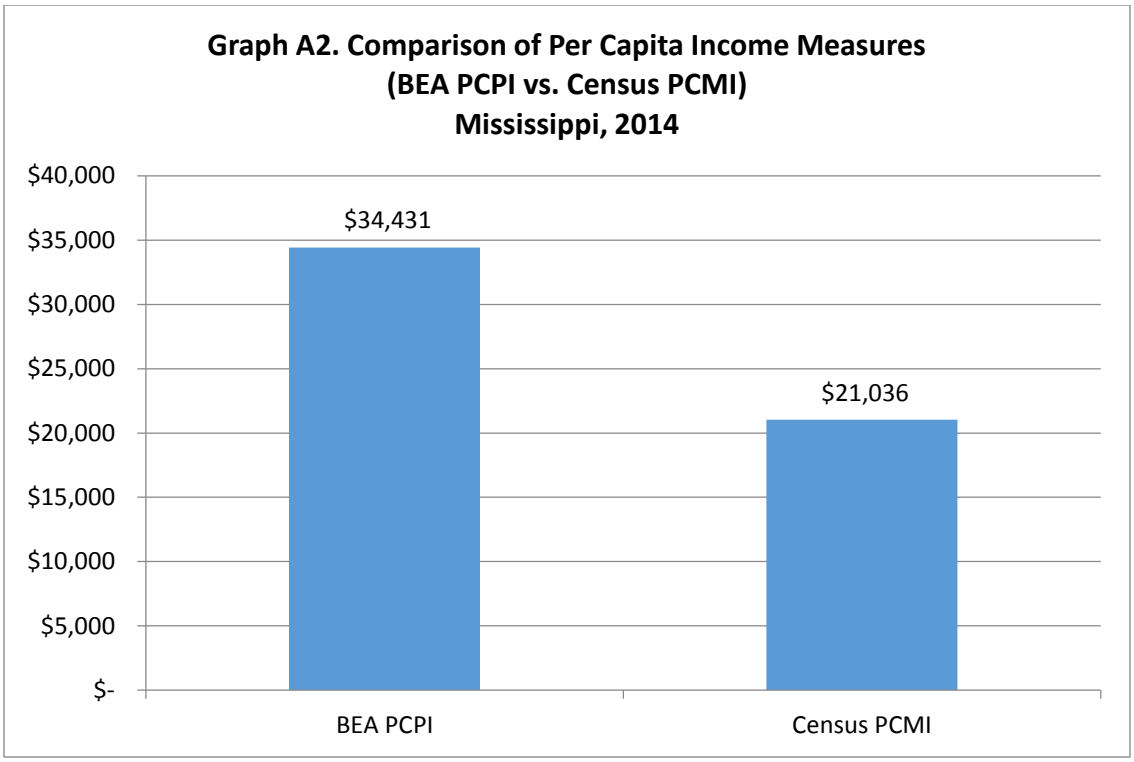


Table A2 provides more detailed information about the components of personal and money income. It is not easy to directly compare the components of these income measures for two reasons. First, some categories of income are not systematically defined across the two measures of income. Additionally, the components of total money income are not reported on the Census Bureau's American Fact Finder website. The components are only reported for *household* money income. Household money income is roughly $2.8 billion less than total money income in 2014 due to the income not captured by Mississippians living in group quarters, such as dormitories or institutional homes.

Despite these important differences in the measures of personal and money income, the following table compares the components of personal income and the components of *household* money income. Notes 2 and 3 in the tables provide some important information when making comparisons across categories for personal income and money income.

Table A2 clearly highlights that personal income provides a more comprehensive measure of income. The difference in income measures is most striking for asset income. According to the Census Bureau's money income, asset income (interest, dividends, and rent) was less than $2 billion in 2014. The BEA's personal income reported asset income of more than $15 billion. Thus, money income captured only 13 percent of asset income for Mississippi in 2014. For only one component – Supplemental Security Income – is money income higher than personal income.

Also, note that total income maintenance is much lower for household money income than personal income. This difference may be driven in part by the omission of individuals living in group quarters in the household money income measure used in table A2. Those omitted individuals living in group quarters may be somewhat more dependent on transfer income.

Table A2. Comparison of BEA Personal Income and Census Money Income

Mississippi, 2014

	BEA Personal Income			Census Money Income (1)		
	Total (thousands)	**Percent of Total**	**Per Capita (2)**	**Total (thousands)**	**Percent of Total**	**Per Capita (2)**
Compensation:						
Wages and salaries	$ 45,442,926	44.08	$ 15,178	$ 43,196,717	71.82	$ 14,427
Supplements to wages and salaries	10,938,968	10.61	3,654			
Proprietors' income	10,083,859	9.78	3,368	3,098,505	5.15	1,035
Contributions for gov. social insurance	(7,750,529)	-7.52	(2,589)			
Adjustment for place of residence	2,794,176	2.71	933			
Net Earnings	61,509,400	59.67	20,544	46,295,221		15,462
Dividends, interest, and rent:						
Personal dividend income	4,971,218	4.82	1,660			
Personal interest income	6,992,586	6.78	2,335			
Rental income of persons	3,250,061	3.15	1,085			
Total dividends, interest, and rent	15,213,865	14.76	5,081	1,937,686	3.22	647
Personal current transfer receipts:						
Income maintenance:						
Supplemental security income	770,805	0.75	257	785,200	1.31	262
Earned Income Tax Credit	1,160,730	1.13	388			
Supplemental Nutrition Assist. Program	912,003	0.88	305			
Other income maintenance benefits	466,540	0.45	156	83,615 (3)	0.14	28
Total income maintenance	3,310,078	3.21	1,106	868,816		290
Unemployment insurance compensation	168,526	0.16	56			
Retirement and other:						
Retirement and disability insurance	8,779,259 (4)	8.52	2,932			
Medicare	6,353,824	6.16	2,122			
Medicaid and other pub. assist. medical	5,160,207	5.01	1,723			
Other	2,595,433	2.52	867			
Total retirement and other	22,888,723	22.20	7,645	9,916,603 (5)	16.49	3,312
Other (such as VA payments, child support payments, alimony, or unemployment)				1,128,088	1.88	377
Total personal current transfer receipts	26,367,327	25.58	8,806	11,913,506		3,979
Total personal income	$ 103,090,592	100.00	$ 34,431	$ 60,146,414	100.00	$ 20,088

(1) The analysis above for money income is based on *household* money income. Household money income is approxmately $2.8 billion lower than total money income. Data are from 2014 ACS 1 year estimates.

(2) Total column divided by population. In 2014, Mississippi's population was 2,994,079 and the U.S. population was 318,857,056 according to the Census Bureau midyear population estimate.

(3) Consists of "public assistance or welfare payments" for the Census Money Income category. See section 47, question f of the survey instrument in Appendix B.

(4) Includes Social Security Income.

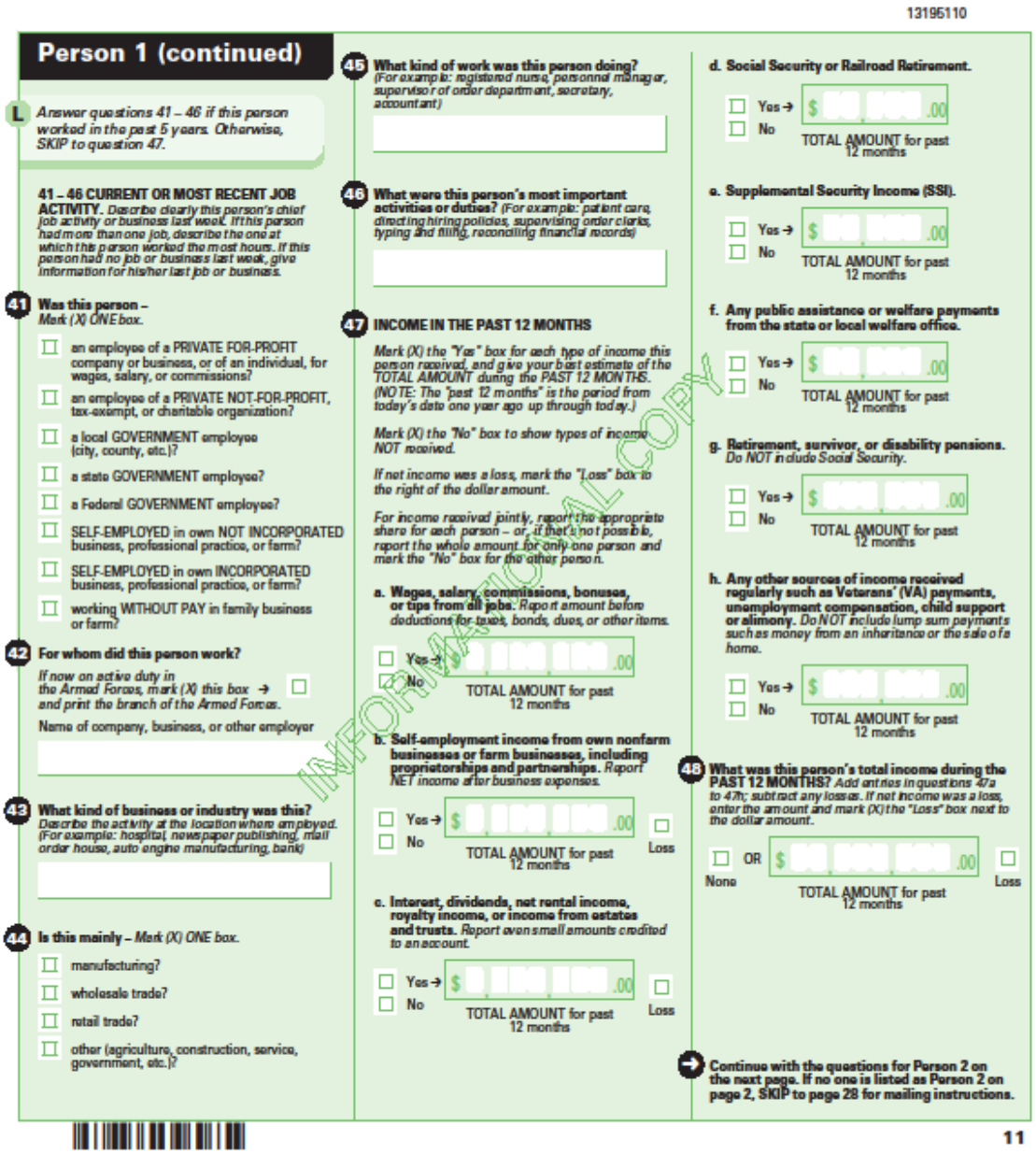
(5) Consists of social security income; railroad retirement income; and retirement, survivor, or disability pensions for the Census Money Income measure. Does not include Medicare or Medicaid benefits.

A Focus on Personal Income

This paper focuses on per capita personal income as a key measure of overall economic well-being in the state of Mississippi. At the state level, the BEA's measure of per capita income is more accurate and more complete, given that it relies on administrative records rather than survey data and that it is comprehensive in its measurement of income. The BEA's measure also has the advantage of complete records at the state level since 1929, while Census money income arising from the ACS has only been recorded annually since 2008. Income measures from the CPS are available annually for a longer period of time but suffer large sampling errors for smaller states, such as Mississippi.

While this paper focuses on the BEA's personal income measures, it is recognized that Census money income measures are useful, particularly when examining statistics for smaller geographic units and when examining statistics across a variety of socio-economic metrics – such as race, gender or education level. BEA personal income is not stratified across these characteristics. Studies with a focus on equality, diversity and human capital, for example, must rely on Census Bureau and/or Bureau of Labor Statistics information.

Appendix B



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Person 1 (continued)

L *Answer questions 41 – 46 if this person worked in the past 5 years. Otherwise, SKIP to question 47.*

41 – 46 CURRENT OR MOST RECENT JOB ACTIVITY. *Describe clearly this person's chief job activity or business last week. If this person had more than one job, describe the one at which this person worked the most hours. If this person had no job or business last week, give information for his/her last job or business.*

41 Was this person – *Mark (X) ONE box.*

- ☐ an employee of a PRIVATE FOR-PROFIT company or business, or of an individual, for wages, salary, or commissions?
- ☐ an employee of a PRIVATE NOT-FOR-PROFIT, tax-exempt, or charitable organization?
- ☐ a local GOVERNMENT employee (city, county, etc.)?
- ☐ a state GOVERNMENT employee?
- ☐ a Federal GOVERNMENT employee?
- ☐ SELF-EMPLOYED in own NOT INCORPORATED business, professional practice, or farm?
- ☐ SELF-EMPLOYED in own INCORPORATED business, professional practice, or farm?
- ☐ working WITHOUT PAY in family business or farm?

42 For whom did this person work?

If now on active duty in the Armed Forces, mark (X) this box → ☐ *and print the branch of the Armed Forces.*

Name of company, business, or other employer

43 What kind of business or industry was this? *Describe the activity at the location where employed. (For example: hospital, newspaper publishing, mail order house, auto engine manufacturing, bank)*

44 Is this mainly – *Mark (X) ONE box.*

- ☐ manufacturing?
- ☐ wholesale trade?
- ☐ retail trade?
- ☐ other (agriculture, construction, service, government, etc.)?

45 What kind of work was this person doing? *(For example: registered nurse, personnel manager, supervisor of order department, secretary, accountant)*

46 What were this person's most important activities or duties? *(For example: patient care, directing hiring policies, supervising order clerks, typing and filing, reconciling financial records)*

47 INCOME IN THE PAST 12 MONTHS

Mark (X) the "Yes" box for each type of income this person received, and give your best estimate of the TOTAL AMOUNT during the PAST 12 MONTHS. (NOTE: The "past 12 months" is the period from today's date one year ago up through today.)

Mark (X) the "No" box to show types of income NOT received.

If net income was a loss, mark the "Loss" box to the right of the dollar amount.

For income received jointly, report the appropriate share for each person – or, if that's not possible, report the whole amount for only one person and mark the "No" box for the other person.

a. Wages, salary, commissions, bonuses, or tips from all jobs. *Report amount before deductions for taxes, bonds, dues, or other items.*

☐ Yes → $ .00
☐ No
TOTAL AMOUNT for past 12 months

b. Self-employment income from own nonfarm businesses or farm businesses, including proprietorships and partnerships. *Report NET income after business expenses.*

☐ Yes → $ .00 ☐ Loss
☐ No
TOTAL AMOUNT for past 12 months

c. Interest, dividends, net rental income, royalty income, or income from estates and trusts. *Report even small amounts credited to an account.*

☐ Yes → $ .00 ☐ Loss
☐ No
TOTAL AMOUNT for past 12 months

d. Social Security or Railroad Retirement.

☐ Yes → $ .00
☐ No
TOTAL AMOUNT for past 12 months

e. Supplemental Security Income (SSI).

☐ Yes → $ .00
☐ No
TOTAL AMOUNT for past 12 months

f. Any public assistance or welfare payments from the state or local welfare office.

☐ Yes → $ .00
☐ No
TOTAL AMOUNT for past 12 months

g. Retirement, survivor, or disability pensions. *Do NOT include Social Security.*

☐ Yes → $ .00
☐ No
TOTAL AMOUNT for past 12 months

h. Any other sources of income received regularly such as Veterans' (VA) payments, unemployment compensation, child support or alimony. *Do NOT include lump sum payments such as money from an inheritance or the sale of a home.*

☐ Yes → $ .00
☐ No
TOTAL AMOUNT for past 12 months

48 What was this person's total income during the PAST 12 MONTHS? *Add entries in questions 47a to 47h; subtract any losses. If net income was a loss, enter the amount and mark (X) the "Loss" box next to the dollar amount.*

☐ None OR $ .00 ☐ Loss
TOTAL AMOUNT for past 12 months

Continue with the questions for Person 2 on the next page. If no one is listed as Person 2 on page 2, SKIP to page 28 for mailing instructions.

11

Appendix C
Per Capita Personal Income and the Mississippi Delta

Do the Low per Capital Income Levels of the Mississippi Delta Counties Cause Mississippi to be Ranked Last among the states in Per Capita Income?

Short Answer: NO. Even if the Delta counties are not included in the calculation of Per Capita Income for Mississippi, the state would still be #50 behind West Virginia by a large margin.

Table C1: Per Capita Income (PCI) by State

Observations: Mississippi is #50 in Per Capita Income at $34,431
West Virginia is #49 in Per Capita Income with $36,132.

Table C2: Per Capita Income by Mississippi County

Observations: Madison County is the richest county in Mississippi with a PCI at $58,604. If Madison County were a state, it would rank #3 in the nation between Massachusetts and New Jersey.

If the 3-county Jackson metro area were a state, it would have a PCI level of $43,014. It would rank #28 among all the states between Oklahoma and Florida.

If the 3-county Gulf Coast area were a state, it would have a PCI level of $34,664. It would rank #50 among all the states, but slightly ahead of Mississippi.

Only 9 counties in Mississippi have a PCI greater than West Virginia.

The Delta Counties are marked with an "X" in Table C2. As illustrated, the Delta Counties are distributed somewhat evenly throughout the list of counties in Mississippi when ranked by PCI. The counties defined as "Delta" counties are: Warren, Bolivar, Washington, Leflore, Humphreys, Tunica, Sharkey, Carroll, Coahoma, Tallahatchie, Quitman, Yazoo, Sunflower, Holmes, and Issaquena.

Table C3: Per Capita Income by Mississippi Counties Categorized as Delta or Not Delta County.

Observations: If you take out the 15 Delta Counties, the remaining 67 counties have a PCI of $34,811. That is $380 more than the PCI of $34,431 for all 82 counties. If the 67 Non-Delta Counties were a state, it would still rank #50, well behind West Virginia.

The 15 Delta Counties have a PCI of $31,246.

Table C1 Per Capita Personal Income by State Ranked fron Largest to Smallest		
		2014
	United States	46,049
	District of Columbia	69,838
1	Connecticut	64,864
2	Massachusetts	58,737
3	New Jersey	57,620
4	North Dakota	55,802
5	New York	55,611
6	Wyoming	54,584
7	Maryland	54,176
8	Alaska	54,012
9	New Hampshire	52,773
10	Virginia	50,345
11	California	49,985
12	Washington	49,610
13	Minnesota	48,998
14	Colorado	48,869
15	Rhode Island	48,359
16	Pennsylvania	47,679
17	Illinois	47,643
18	Nebraska	47,557
19	Vermont	46,428
20	Delaware	46,378
21	Hawaii	46,034
22	Texas	45,669
23	South Dakota	45,279
24	Iowa	44,937
25	Kansas	44,891
26	Wisconsin	44,186
27	Oklahoma	43,637
28	Florida	42,737
29	Ohio	42,236
30	Louisiana	42,030
31	Missouri	41,639
32	Oregon	41,220
33	Maine	40,745
34	Nevada	40,742
35	Michigan	40,740
36	Tennessee	40,457
37	Montana	39,903
38	Indiana	39,578
39	North Carolina	39,171
40	Georgia	38,980
41	Arizona	37,895
42	Arkansas	37,782
43	Utah	37,664
44	Alabama	37,512
45	Kentucky	37,396
46	New Mexico	37,091
47	Idaho	36,734
48	South Carolina	36,677
49	West Virginia	36,132
50	Mississippi	34,431

Table C2
Per Capita Personal Income by Mississippi County, 2014
Ranked from Largest to Smallest with Delta Counties Marked with a "X"

		Per Capita Personal Income	Population	Personal Income	Delta County
	United States	**46,049**			
	West Virginia (#49)	**36,132**	**1,850,000**	**67,804,000,000**	
	Mississippi	**34,431**	**2,994,079**	**103,090,811,538**	
1	Madison	58,604	101,688	5,959,323,552	
2	Rankin	39,994	148,070	5,921,911,580	
3	Neshoba	38,565	29,465	1,136,317,725	
4	Hinds	38,344	243,729	9,345,544,776	
5	Jones	36,832	68,290	2,515,257,280	
6	Lowndes	36,669	59,730	2,190,239,370	
7	Warren	36,623	47,983	1,757,281,409	X
8	DeSoto	36,242	170,913	6,194,228,946	
9	Clarke	36,172	16,299	589,567,428	
10	Lee	35,429	85,246	3,020,180,534	
11	Jasper	35,207	16,601	584,471,407	
12	Forrest	35,024	76,330	2,673,381,920	
13	Lincoln	34,964	34,775	1,215,873,100	
14	Clay	34,930	20,225	706,459,250	
15	Adams	34,908	31,737	1,107,875,196	
16	Harrison	34,785	199,058	6,924,232,530	
17	Simpson	34,710	27,463	953,240,730	
18	Lafayette	34,703	52,930	1,836,829,790	
19	Lauderdale	34,566	79,739	2,756,258,274	
20	Hancock	34,555	45,949	1,587,767,695	
21	Jackson	34,530	141,137	4,873,460,610	
22	Grenada	33,574	21,666	727,414,284	
23	Bolivar	33,377	33,768	1,127,074,536	X
24	Covington	33,275	19,442	646,932,550	
25	Pearl River	32,943	55,224	1,819,244,232	
26	Wayne	32,880	20,490	673,711,200	
27	Smith	32,824	16,188	531,354,912	
28	Lawrence	32,780	12,502	409,815,560	
29	Amite	32,765	12,629	413,789,185	
30	Washington	32,475	48,958	1,589,911,050	X
31	Marion	32,338	25,868	836,519,384	
32	Newton	32,252	21,832	704,125,664	
33	Leflore	31,917	31,422	1,002,895,974	X
34	Humphreys	31,808	8,741	278,033,728	X
35	Montgomery	31,665	10,400	329,316,000	
36	Winston	31,639	18,478	584,625,442	
37	Chickasaw	31,621	17,313	547,454,373	
38	Tate	31,570	28,204	890,400,280	
39	Tunica	31,570	10,598	334,578,860	X
40	Noxubee	31,395	11,115	348,955,425	
41	Lamar	31,192	60,099	1,874,608,008	
42	Copiah	31,151	28,797	897,055,347	
43	Monroe	31,132	36,003	1,120,845,396	
44	Itawamba	30,734	23,527	723,078,818	
45	Sharkey	30,511	4,647	141,784,617	X
46	George	30,372	23,303	707,758,716	
47	Carroll	30,262	10,254	310,306,548	X
48	Jefferson Davis	30,213	11,822	357,178,086	
49	Jefferson	30,198	7,599	229,474,602	
50	Union	30,096	28,097	845,607,312	
51	Coahoma	30,037	24,807	745,127,859	X
52	Webster	29,984	9,972	299,000,448	
53	Franklin	29,962	7,833	234,692,346	
54	Yalobusha	29,883	12,276	366,843,708	
55	Pike	29,761	40,058	1,192,166,138	
56	Oktibbeha	29,636	49,414	1,464,433,304	
57	Panola	29,585	34,444	1,019,025,740	
58	Scott	29,556	28,461	841,193,316	
59	Attala	29,516	19,163	565,615,108	
60	Tallahatchie	29,269	14,761	432,039,709	X
61	Pontotoc	29,212	30,950	904,111,400	
62	Alcorn	29,182	37,380	1,090,823,160	
63	Tippah	29,137	22,039	642,150,343	
64	Claiborne	29,086	9,080	264,100,880	
65	Stone	28,893	17,875	516,462,375	
66	Choctaw	28,882	8,294	239,547,308	
67	Kemper	28,753	10,163	292,216,739	
68	Leake	28,705	23,193	665,755,065	
69	Walthall	28,678	14,859	426,126,402	
70	Calhoun	28,526	14,745	420,615,870	
71	Marshall	28,009	36,234	1,014,878,106	
72	Quitman	27,921	7,678	214,377,438	X
73	Tishomingo	27,655	19,420	537,060,100	
74	Yazoo	27,588	27,817	767,415,396	X
75	Prentiss	27,218	25,428	692,099,304	
76	Sunflower	26,863	27,496	738,625,048	X
77	Perry	26,655	12,227	325,910,685	
78	Holmes	26,308	18,459	485,619,372	X
79	Wilkinson	26,304	9,191	241,760,064	
80	Benton	26,032	8,296	215,961,472	
81	Issaquena	25,516	1,397	35,645,852	X
82	Greene	24,142	14,326	345,858,292	

Table C3
Per Capita Personal Income by Mississippi County, 2014
Categorized by Delta and Not Delta and Ranked from Largest to Smallest

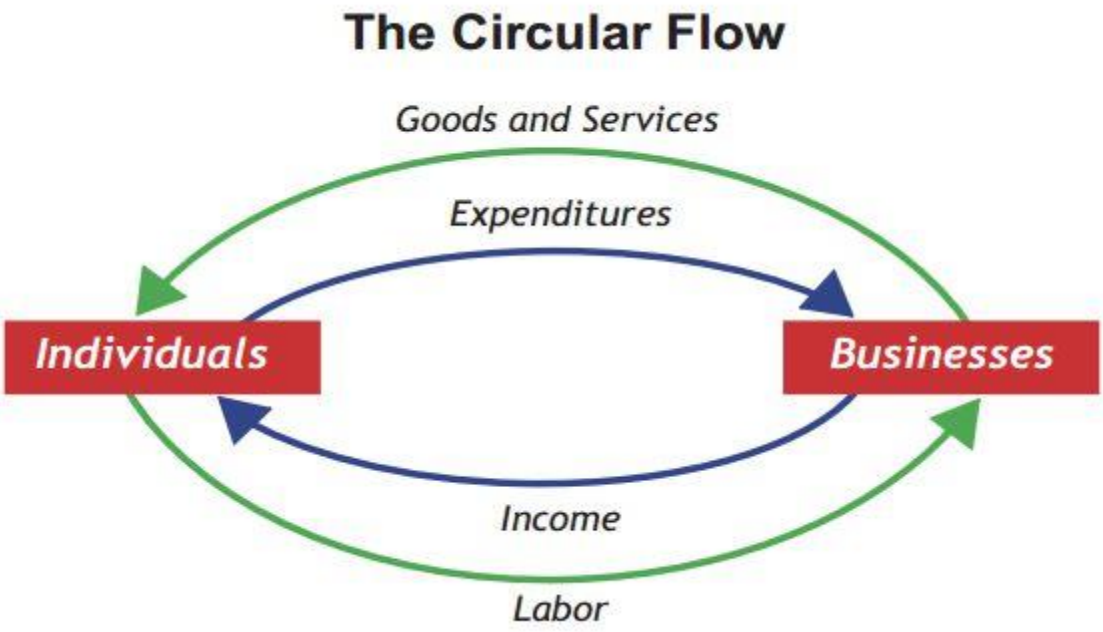
		Per Capita Personal Income	Population	Personal Income
	United States	**46,049**		
	West Virginia (#49)	**36,132**	**1,850,000**	**67,804,000,000**
	Mississippi (All Counties)	**34,431**	**2,994,079**	**103,090,811,538**
	Mississippi w/o Delta Counties	**34,811**	**2,675,293**	**93,130,094,142**
	Delta Counties	**31,246**	**318,786**	**9,960,717,396**
	Not Delta Counties			
1	Madison	58,604	101,688	5,959,323,552
2	Rankin	39,994	148,070	5,921,911,580
3	Neshoba	38,565	29,465	1,136,317,725
4	Hinds	38,344	243,729	9,345,544,776
5	Jones	36,832	68,290	2,515,257,280
6	Lowndes	36,669	59,730	2,190,239,370
8	DeSoto	36,242	170,913	6,194,228,946
9	Clarke	36,172	16,299	589,567,428
10	Lee	35,429	85,246	3,020,180,534
11	Jasper	35,207	16,601	584,471,407
12	Forrest	35,024	76,330	2,673,381,920
13	Lincoln	34,964	34,775	1,215,873,100
14	Clay	34,930	20,225	706,459,250
15	Adams	34,908	31,737	1,107,875,196
16	Harrison	34,785	199,058	6,924,232,530
17	Simpson	34,710	27,463	953,240,730
18	Lafayette	34,703	52,930	1,836,829,790
19	Lauderdale	34,566	79,739	2,756,258,274
20	Hancock	34,555	45,949	1,587,767,695
21	Jackson	34,530	141,137	4,873,460,610
22	Grenada	33,574	21,666	727,414,284
24	Covington	33,275	19,442	646,932,550
25	Pearl River	32,943	55,224	1,819,244,232
26	Wayne	32,880	20,490	673,711,200
27	Smith	32,824	16,188	531,354,912
28	Lawrence	32,780	12,502	409,815,560
29	Amite	32,765	12,629	413,789,185
31	Marion	32,338	25,868	836,519,384
32	Newton	32,252	21,832	704,125,664
35	Montgomery	31,665	10,400	329,316,000
36	Winston	31,639	18,478	584,625,442
37	Chickasaw	31,621	17,313	547,454,373
38	Tate	31,570	28,204	890,400,280
40	Noxubee	31,395	11,115	348,955,425
41	Lamar	31,192	60,099	1,874,608,008
42	Copiah	31,151	28,797	897,055,347
43	Monroe	31,132	36,003	1,120,845,396
44	Itawamba	30,734	23,527	723,078,818
46	George	30,372	23,303	707,758,716
48	Jefferson Davis	30,213	11,822	357,178,086
49	Jefferson	30,198	7,599	229,474,602
50	Union	30,096	28,097	845,607,312
52	Webster	29,984	9,972	299,000,448
53	Franklin	29,962	7,833	234,692,346
54	Yalobusha	29,883	12,276	366,843,708
55	Pike	29,761	40,058	1,192,166,138
56	Oktibbeha	29,636	49,414	1,464,433,304
57	Panola	29,585	34,444	1,019,025,740
58	Scott	29,556	28,461	841,193,316
59	Attala	29,516	19,163	565,615,108
61	Pontotoc	29,212	30,950	904,111,400
62	Alcorn	29,182	37,380	1,090,823,160
63	Tippah	29,137	22,039	642,150,343
64	Claiborne	29,086	9,080	264,100,880
65	Stone	28,893	17,875	516,462,375
66	Choctaw	28,882	8,294	239,547,308
67	Kemper	28,753	10,163	292,216,739
68	Leake	28,705	23,193	665,755,065
69	Walthall	28,678	14,859	426,126,402
70	Calhoun	28,526	14,745	420,615,870
71	Marshall	28,009	36,234	1,014,878,106
73	Tishomingo	27,655	19,420	537,060,100
75	Prentiss	27,218	25,428	692,099,304
77	Perry	26,655	12,227	325,910,685
79	Wilkinson	26,304	9,191	241,760,064
80	Benton	26,032	8,296	215,961,472
82	Greene	24,142	14,326	345,858,292
		34,811	**2,675,293**	**93,130,094,142**
	Delta Counties			
7	Warren	36,623	47,983	1,757,281,409
23	Bolivar	33,377	33,768	1,127,074,536
30	Washington	32,475	48,958	1,589,911,050
33	Leflore	31,917	31,422	1,002,895,974
34	Humphreys	31,808	8,741	278,033,728
39	Tunica	31,570	10,598	334,578,860
45	Sharkey	30,511	4,647	141,784,617
47	Carroll	30,262	10,254	310,306,548
51	Coahoma	30,037	24,807	745,127,859
60	Tallahatchie	29,269	14,761	432,039,709
72	Quitman	27,921	7,678	214,377,438
74	Yazoo	27,588	27,817	767,415,396
76	Sunflower	26,863	27,496	738,625,048
78	Holmes	26,308	18,459	485,619,372
81	Issaquena	25,516	1,397	35,645,852
		31,246	**318,786**	**9,960,717,396**

Appendix D
The Relationship between Gross Domestic Product and Income

Gross domestic product (GDP) is "the market value of goods and services produced by labor and property in the United States, regardless of nationality."[28] In 1991, GDP replaced gross national product (GNP) as the primary measure of production in the United States. This appendix is designed to show the relationship of GDP with income in the United States and to illustrate how Mississippi ranks relative to other states when examining GDP per capita.

Gross Domestic Product (GDP) and Income in a Simple Economy

Consider the following circular flow diagram which shows a simple economy consisting only of firms (or businesses) and individuals. In this simple economy, individuals provide labor to firms, and firms use that labor to produce goods and services. These activities are represented by the green arrows in the diagram.



One could also represent these transactions in terms of the dollars that flow through the economy. The blue lines in the diagram illustrate that firms pay individuals income or compensation for labor services. In turn, individuals use that income to purchase goods and services from businesses.

In this simple economy, the income earned from production is equal to the value of goods and services produced. Thus, in this case, income is equal to the value of output (or GDP).

[28] Bureau of Economic Analysis at https://bea.gov/glossary/glossary.cfm?key_word=GDP&letter=G#GDP.

U.S.GDP and Personal Income in 2014:

In reality, the relationship between income and GDP is much more complicated than the simple economy illustrated above. An economy involves interactions between individuals and businesses, as well as interactions between local, state, and Federal governments and residents and businesses from other countries. The simple diagram above also omits investments in capital (such as structures, research and development, or equipment) and flows of financial capital (such as stocks and bonds).

The table below shows the relationship between U.S. GDP and several other important measures of the U.S. economy, including personal income, for 2014 as reported by the BEA. Important definitions from the BEA are included below the table.

Table D1. Relation of United States Gross Domestic Product, Gross National Product, Net National Product, and Personal Income in 2014 (Billions of Dollars)

Gross domestic product (GDP)	$ 17,348
Plus: Income receipts from the rest of the world	854
Less: Income payments to the rest of the world	591
Equals: Gross national product	17,611
Less: Consumption of fixed capital	2,747
Private	2,230
Domestic business	1,775
Capital consumption allowances	1,816
Less: Capital consumption adjustment	40
Households and institutions	455
Government	517
General government	453
Government enterprises	64
Equals: Net national product	14,865
Less: Statistical discrepancy	(212)
Equals: National income	15,077
Less:	
Corporate profits with inventory valuation and capital consumption adjustments	2,073
Taxes on production and imports less subsidies	1,156
Contributions for government social insurance, domestic	1,159
Net interest and miscellaneous payments on assets	532
Business current transfer payments (net)	127
Current surplus of government enterprises	(18)
Plus: Personal income receipts on assets	2,118
Plus: Personal current transfer receipts	2,529
Equals: Personal income	14,694

- GDP - The market value of goods and services produced by labor and property in the United States, regardless of nationality; GDP replaced gross national product (GNP) as the primary measure of U.S. production in 1991.

- GNP - The market value of goods and services produced by labor and property supplied by U.S. residents, regardless of where they are located. It was used as the primary measure of U.S. production prior to 1991, when it was replaced by gross domestic product (GDP).
- Consumption of Fixed Capital - The charge for the using up of private and government fixed capital located in the United States. It is the decline in the value of the stock of fixed assets due to wear and tear, obsolescence, accidental damage, and aging. For general government and for nonprofit institutions that primarily serve individuals, CFC serves as a measure of the value of the current services of the fixed assets owned and used by these entities.

- Net National Product - The market value of goods and services produced by labor and property supplied by U.S. residents, less the value of the fixed capital used up in production; equal to gross national product (GNP) less consumption of fixed capital (CFC).
- National Income - The sum of all incomes, net of consumption of fixed capital (CFC), earned in production.

- Personal Income - Income received by persons from all sources. It includes income received from participation in production as well as from government and business transfer payments. It is the sum ofcompensation of employees (received), supplements to wages and salaries, proprietors' income with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance.

How Does Mississippi Rank in Terms of Gross State Product (GSP) Per Capita?

The table below illustrates GSP per capita for all states. Mississippi ranks last in this important measure of well-being – not surprising given that Mississippi also ranks last in personal income per capita and that GSP per capita and personal income per capita are closely related.

Table D2. Gross State Product Per Capita and Personal Income Per Capita by State Rank						
		GSP Per Capita				Personal Income Per Capita
1	Alaska	$ 78,817		1	Connecticut	$ 64,864
2	North Dakota	78,744		2	Massachusetts	58,737
3	New York	70,179		3	New Jersey	57,620
4	Delaware	69,991		4	North Dakota	55,802
5	Wyoming	69,975		5	New York	55,611
6	Connecticut	69,721		6	Wyoming	54,584
7	Massachusetts	67,642		7	Maryland	54,176
8	New Jersey	61,016		8	Alaska*	54,012
9	California	59,919		9	New Hampshire	52,773
10	Washington	59,869		10	Virginia	50,345
11	Texas	59,427		11	California	49,985
12	Nebraska	58,816		12	Washington	49,610
13	Minnesota	58,708		13	Minnesota	48,998
14	Maryland	58,607		14	Colorado	48,869
15	Illinois	57,608		15	Rhode Island	48,359
16	Colorado	57,015		16	Pennsylvania	47,679
17	Virginia	55,516		17	Illinois	47,643
18	Iowa	54,943		18	Nebraska	47,557
19	Hawaii	53,837		19	Vermont	46,428
20	South Dakota	53,447		20	Delaware	46,378
21	New Hampshire	53,018		21	Hawaii	46,034
22	Louisiana	52,862		22	Texas	45,669
23	Pennsylvania	52,585		23	South Dakota	45,279
24	Rhode Island	52,217		24	Iowa	44,937
25	Oregon	51,213		25	Kansas	44,891
26	Wisconsin	50,949		26	Wisconsin	44,186
27	Ohio	50,787		27	Oklahoma	43,637
28	Kansas	50,469		28	Florida	42,737
29	Indiana	49,158		29	Ohio	42,236
30	Oklahoma	49,038		30	Louisiana	42,030
31	Utah	47,764		31	Missouri	41,639
32	North Carolina	47,703		32	Oregon	41,220
33	Vermont	47,341		33	Maine	40,745
34	Nevada	47,216		34	Nevada	40,742
35	Georgia	46,733		35	Michigan	40,740
36	Missouri	46,718		36	Tennessee	40,457
37	Tennessee	45,809		37	Montana	39,903
38	New Mexico	45,451		38	Indiana	39,578
39	Michigan	45,129		39	North Carolina	39,171
40	Montana	43,643		40	Georgia	38,980
41	Kentucky	42,714		41	Arizona	37,895
42	Florida	42,003		42	Arkansas	37,782
43	Arizona	41,827		43	Utah	37,664
44	Maine	41,372		44	Alabama	37,512
45	Arkansas	40,813		45	Kentucky	37,396
46	Alabama	40,734		46	New Mexico	37,091
47	West Virginia	40,227		47	Idaho	36,734
48	South Carolina	39,246		48	South Carolina	36,677
49	Idaho	38,767		49	West Virginia	36,132
50	Mississippi	35,049		50	Mississippi	34,431