



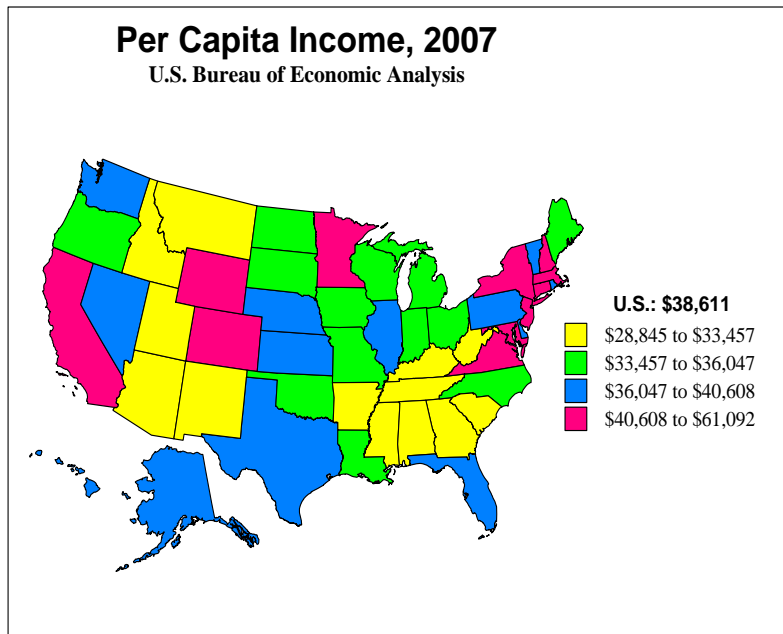
Minnesota Per Capita Income Grows Modestly between 2006 and 2007

Martha McMurry

- Between 2006 and 2007, Minnesota's per capita income grew 5.6%, slightly higher than the national average of 5.2%.
- Since 2000, per capita income growth in Minnesota has been slightly lower than the U.S. average.
- County per capita income figures show Twin Cities area counties had the highest per capita incomes in 2006.

Bureau of Economic Analysis data show Minnesota's 2007 per capita personal income was \$41,034.

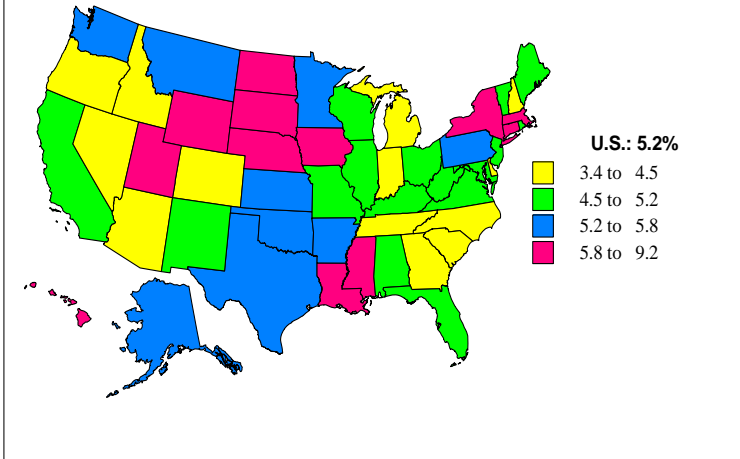
Minnesota ranked twelfth among states and had the highest per capita income of any state in the Midwest. The District of Columbia, Connecticut and New Jersey had the highest incomes, while Mississippi, West Virginia and Arkansas had the lowest.



After many years of strong income gains in the late 1990s and early 2000s, Minnesota experienced a slump between 2003 and 2006. The 2007 figures mark a return to a more positive trend. Between 2006 and 2007, per capita income in Minnesota increased 5.6 percent, the 18th-highest rate of gain. Minnesota gained per capita income more slowly than its neighbors in the Dakotas and Iowa, but saw larger growth than states to the east.

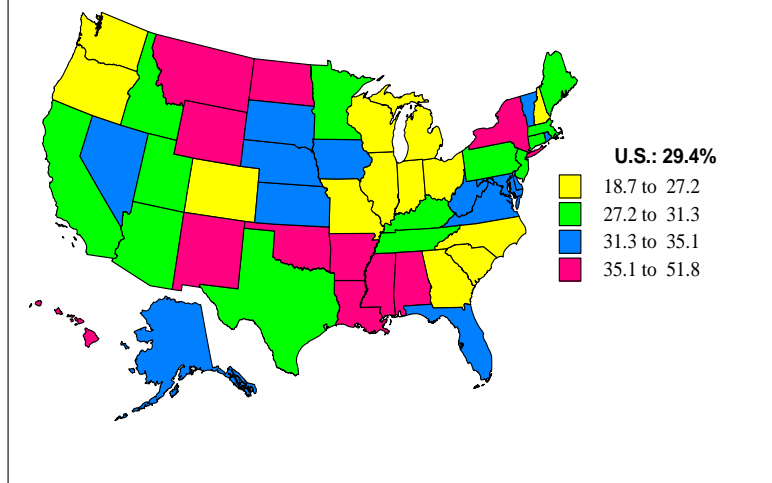
% Change in Per Capita Income

2006 to 2007, U.S. Bureau of Economic Analysis



% Change in Per Capita Income

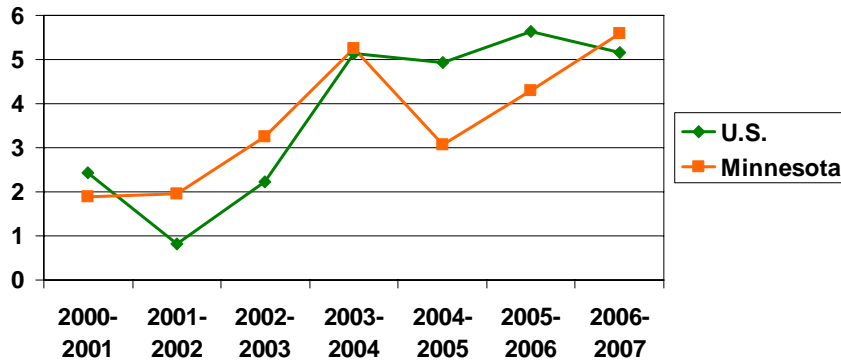
2000 to 2007, U.S. Bureau of Economic Analysis



Despite the relatively strong growth between 2006 and 2007, disappointing income trends between 2004 and 2006 have left Minnesota slightly behind the national rate of growth for the decade to date, 28.2 percent compared to 29.4 percent. Between 2000 and 2007, Minnesota lagged 37 other states in income growth.

Annual Change in Per Capita Income, 2000 to 2007

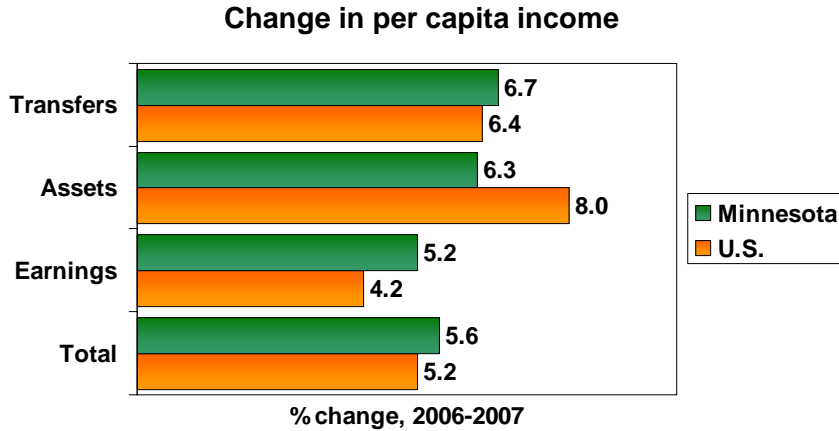
U.S. Bureau of Economic Analysis



The Bureau of Economic Analysis divides income into three major components: earnings; dividends, interest and rent; and transfer payments. Earnings include wages, salaries, and self-employment income. Transfer payments are income for which no current service is performed. Social Security, Medicare and Medicaid are major sources of transfer income. In Minnesota, earnings account for 68.7 percent of the total, assets for 18.2 percent and transfers for 13.1 percent.

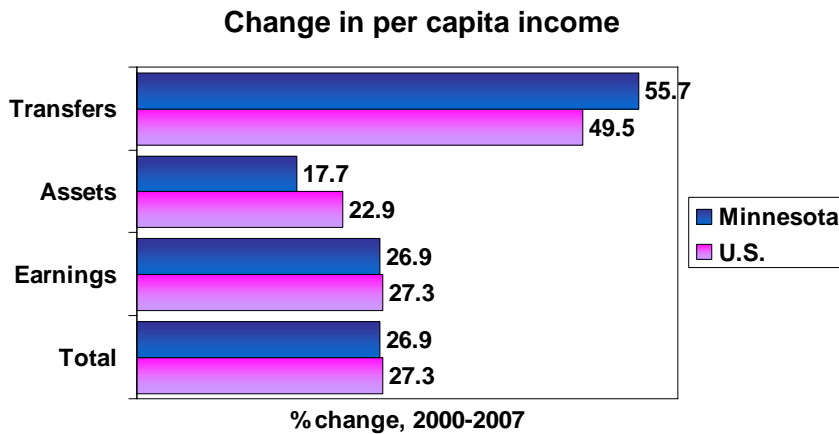
From 2006 to 2007, per capita earnings and transfer payments grew faster in Minnesota than in the U.S. Per capita asset income – interest, dividends and rent – grew more slowly than the national average. The 2000 to 2007 trends also show divergent trends for transfers and assets. Interest, dividend and rent income grew substantially slower than the national average, while per capita transfer payments grew faster.

Minnesota earnings growth exceeds U.S. average between 2006 and 2007



U.S. Bureau of Economic Analysis

Transfer payments grow faster than U.S. average in Minnesota; assets gain less

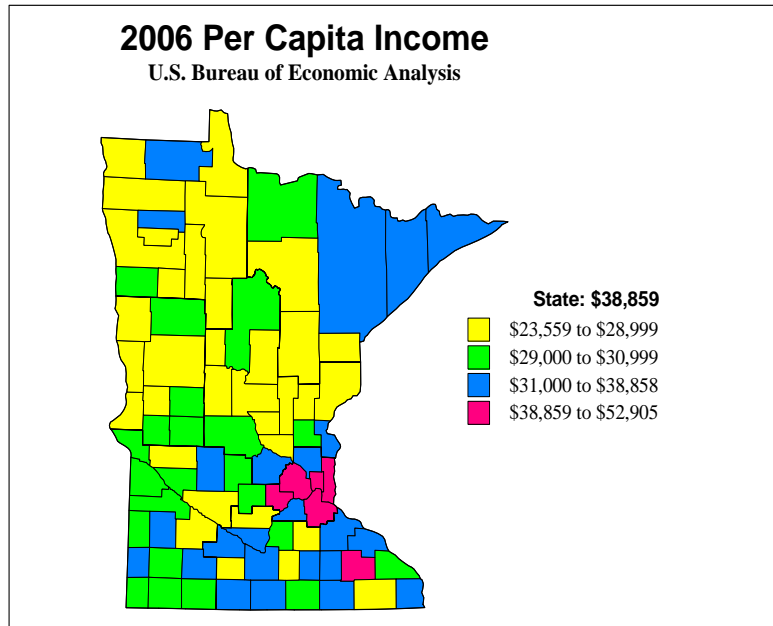


U.S. Bureau of Economic Analysis

County Trends through 2006

The Bureau of Economic Analysis data for counties goes only through 2006, lagging state data by one year. In 2006, per capita income was highest in the Minneapolis-St. Paul and Rochester areas. Hennepin County posted

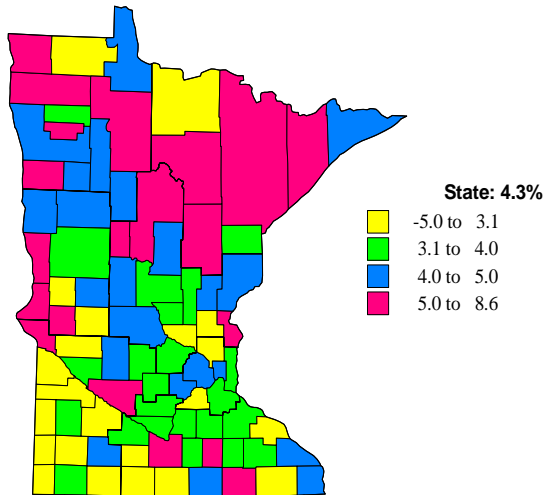
the highest per capita income, \$52,905, substantially higher than second-place Carver County with \$47,443. Incomes lagged in northern Minnesota, with Clearwater (\$23,834) and Todd (\$23,559) posting the lowest values.



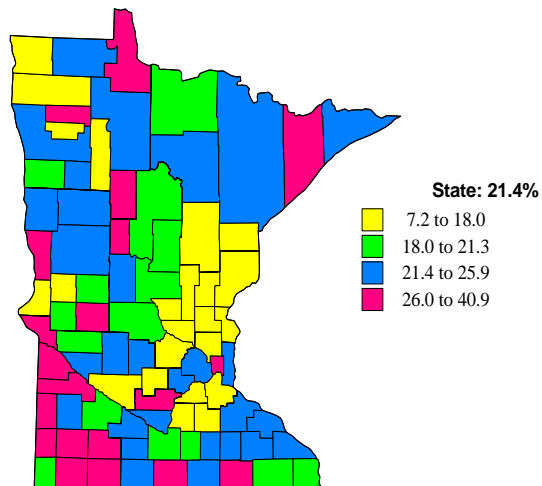
In the most recent time period, 2005 to 2006, income gains were greatest in northern Minnesota and lowest in the southwest region. Chisago, Norman and Wilkin counties recorded the fastest growth, while incomes declined in Swift, Rock, Jackson and Watonwan counties. Fluctuating farm prices are a likely factor in the trends for southwestern Minnesota.

Over the longer 2000 to 2006 time span, income growth has been strongest in southwestern Minnesota, while suburbs of the Twin Cities and counties directly north of the Metro area have not fared well. Incomes in Scott, Sherburne, Isanti and Wright counties all grew substantially lower than the state average of 21.4 percent.

Percent change in Per Capita Income 2005-2006, U.S. Bureau of Economic Analysis



Percent change in Per Capita Income 2000-2006, U.S. Bureau of Economic Analysis



Per Capita Personal Income for Minnesota Counties 2000 to 2006

U.S. Bureau of Economic Analysis data

	2000	2004	2005	2006	Percent Change	
					2000-2006	2005-2006
Minnesota	\$32,014	\$36,145	\$37,256	\$38,859	21.4	4.3
Aitkin	\$21,327	\$23,932	\$23,814	\$25,176	18.0	5.7
Anoka	\$30,777	\$33,951	\$34,613	\$35,640	15.8	3.0
Becker	\$24,173	\$27,377	\$28,158	\$29,556	22.3	5.0
Beltrami	\$21,516	\$25,002	\$24,849	\$26,244	22.0	5.6
Benton	\$24,985	\$27,694	\$27,471	\$28,364	13.5	3.3
Big Stone	\$22,367	\$28,365	\$28,614	\$30,091	34.5	5.2
Blue Earth	\$25,893	\$29,257	\$29,748	\$31,380	21.2	5.5
Brown	\$25,591	\$29,332	\$30,136	\$31,315	22.4	3.9
Carlton	\$23,911	\$25,678	\$25,655	\$26,541	11.0	3.5
Carver	\$38,921	\$42,779	\$45,248	\$47,443	21.9	4.9
Cass	\$24,474	\$28,321	\$28,035	\$29,507	20.6	5.3
Chippewa	\$24,712	\$28,467	\$29,223	\$30,168	22.1	3.2
Chisago	\$27,842	\$29,043	\$29,626	\$32,177	15.6	8.6
Clay	\$22,882	\$26,614	\$27,098	\$28,312	23.7	4.5
Clearwater	\$20,852	\$22,416	\$22,467	\$23,559	13.0	4.9
Cook	\$26,677	\$30,180	\$31,331	\$32,732	22.7	4.5
Cottonwood	\$23,250	\$29,117	\$30,131	\$31,629	36.0	5.0
Crow Wing	\$23,535	\$26,415	\$26,989	\$28,262	20.1	4.7
Dakota	\$36,577	\$40,548	\$41,706	\$43,095	17.8	3.3
Dodge	\$26,423	\$30,963	\$31,408	\$32,575	23.3	3.7
Douglas	\$25,214	\$29,181	\$29,205	\$30,443	20.7	4.2
Faribault	\$23,571	\$28,597	\$31,811	\$32,328	37.2	1.6
Fillmore	\$23,564	\$27,713	\$27,742	\$28,441	20.7	2.5
Freeborn	\$23,974	\$27,517	\$27,782	\$29,181	21.7	5.0
Goodhue	\$27,651	\$33,079	\$32,557	\$33,827	22.3	3.9
Grant	\$24,505	\$26,001	\$25,529	\$26,277	7.2	2.9
Hennepin	\$43,047	\$48,041	\$50,412	\$52,905	22.9	4.9
Houston	\$25,962	\$29,504	\$29,936	\$31,338	20.7	4.7
Hubbard	\$21,200	\$25,389	\$26,108	\$27,417	29.3	5.0
Isanti	\$26,329	\$28,552	\$29,027	\$29,935	13.7	3.1
Itasca	\$22,210	\$25,377	\$25,572	\$26,984	21.5	5.5

	2000	2004	2005	2006	Percent Change	
					2000-2006	2005-2006
Jackson	\$22,775	\$28,629	\$29,990	\$29,911	31.3	-0.3
Kanabec	\$21,707	\$24,556	\$24,531	\$25,559	17.7	4.2
Kandiyohi	\$26,787	\$30,479	\$31,411	\$32,856	22.7	4.6
Kittson	\$25,362	\$26,941	\$27,002	\$28,798	13.5	6.7
Koochiching	\$24,506	\$29,304	\$28,972	\$29,351	19.8	1.3
Lac qui Parle	\$23,599	\$27,565	\$29,479	\$30,050	27.3	1.9
Lake	\$24,294	\$31,048	\$32,241	\$34,221	40.9	6.1
Lake of the Woods	\$19,926	\$23,923	\$24,295	\$25,304	27.0	4.2
Le Sueur	\$27,546	\$29,177	\$29,135	\$30,118	9.3	3.4
Lincoln	\$22,465	\$27,202	\$29,046	\$29,190	29.9	0.5
Lyon	\$25,954	\$29,700	\$30,988	\$32,162	23.9	3.8
McLeod	\$26,682	\$29,067	\$29,193	\$30,277	13.5	3.7
Mahnomen	\$19,949	\$22,458	\$23,300	\$24,474	22.7	5.0
Marshall	\$24,920	\$26,015	\$26,965	\$28,447	14.2	5.5
Martin	\$26,122	\$31,805	\$32,061	\$32,716	25.2	2.0
Meeker	\$23,273	\$27,096	\$27,918	\$29,045	24.8	4.0
Mille Lacs	\$21,931	\$23,691	\$23,244	\$24,132	10.0	3.8
Morrison	\$21,245	\$24,722	\$24,727	\$25,532	20.2	3.3
Mower	\$25,312	\$29,742	\$30,306	\$31,898	26.0	5.3
Murray	\$23,722	\$28,490	\$29,747	\$30,015	26.5	0.9
Nicollet	\$26,542	\$30,248	\$31,405	\$32,601	22.8	3.8
Nobles	\$23,219	\$28,529	\$29,253	\$30,347	30.7	3.7
Norman	\$24,048	\$25,996	\$26,949	\$29,149	21.2	8.2
Olmsted	\$32,542	\$37,880	\$38,635	\$40,195	23.5	4.0
Otter Tail	\$22,928	\$26,788	\$26,954	\$27,984	22.1	3.8
Pennington	\$26,328	\$31,091	\$32,047	\$33,250	26.3	3.8
Pine	\$20,755	\$23,540	\$23,545	\$24,501	18.0	4.1
Pipestone	\$23,853	\$29,397	\$31,250	\$31,478	32.0	0.7
Polk	\$23,005	\$26,667	\$27,030	\$28,277	22.9	4.6
Pope	\$23,375	\$28,907	\$29,465	\$30,176	29.1	2.4
Ramsey	\$33,376	\$39,460	\$40,803	\$42,798	28.2	4.9
Red Lake	\$21,936	\$21,698	\$22,802	\$24,243	10.5	6.3
Redwood	\$23,839	\$27,177	\$27,815	\$28,368	19.0	2.0
Renville	\$23,489	\$25,807	\$25,481	\$26,972	14.8	5.9
Rice	\$23,992	\$26,478	\$26,869	\$27,833	16.0	3.6
Rock	\$24,592	\$27,671	\$29,914	\$29,755	21.0	-0.5
Roseau	\$26,188	\$29,577	\$32,354	\$32,742	25.0	1.2
St. Louis	\$26,239	\$30,568	\$31,122	\$33,004	25.8	6.0
Scott	\$33,724	\$34,188	\$35,858	\$36,874	9.3	2.8
Sherburne	\$25,604	\$27,216	\$27,562	\$28,067	9.6	1.8

	2000	2004	2005	2006	Percent Change	
					2000-2006	2005-2006
Sibley	\$21,988	\$26,200	\$27,453	\$28,448	29.4	3.6
Stearns	\$25,142	\$28,442	\$29,085	\$30,269	20.4	4.1
Steele	\$27,181	\$30,547	\$30,991	\$33,415	22.9	7.8
Stevens	\$24,700	\$27,883	\$28,140	\$29,831	20.8	6.0
Swift	\$20,161	\$22,299	\$25,290	\$24,017	19.1	-5.0
Todd	\$19,628	\$22,349	\$22,812	\$23,834	21.4	4.5
Traverse	\$22,476	\$25,030	\$25,041	\$26,360	17.3	5.3
Wabasha	\$26,162	\$31,208	\$30,875	\$31,822	21.6	3.1
Wadena	\$19,374	\$23,643	\$23,528	\$25,023	29.2	6.4
Waseca	\$23,414	\$26,443	\$27,427	\$28,399	21.3	3.5
Washington	\$36,453	\$42,363	\$42,990	\$44,618	22.4	3.8
Watonwan	\$22,854	\$28,521	\$28,717	\$28,695	25.6	-0.1
Wilkin	\$22,605	\$26,986	\$26,626	\$28,738	27.1	7.9
Winona	\$24,265	\$27,939	\$28,992	\$30,376	25.2	4.8
Wright	\$27,643	\$29,771	\$30,369	\$31,488	13.9	3.7
Yellow Medicine	\$22,873	\$27,650	\$29,383	\$30,059	31.4	2.3

Source: U.S. Bureau of Economic Analysis
<http://www.bea.gov/regional/index.htm#state>

Sources

Estimates of personal income used in this report come from the U.S. Bureau of Economic Analysis, U.S.

Department of Commerce at

<http://www.bea.gov/>

These income estimates are part of the National Income and Product Accounts and are derived using a wide variety of administrative records. Personal income estimates are revised each year and data from previous years may be revised slightly in the current release.

Local area personal income methodology can be found at

<http://www.bea.gov/regional/docs/lapi2006/>

State personal income for 2007 can be found at

<http://www.bea.gov/newsreleases/regional/spi/2008/spi0308.htm>

Downloadable tables of Minnesota county per capita income and sources of income can be found at

<http://www.demography.state.mn.us/resource.html?Id=19556>

Changes in the Consumer Price Index can be found at

http://www.minneapolisfed.org/community_education/teacher/calc/

Martha McMurry, "Minnesota personal income trends, 2000 to 2005," *Population Notes*, September 2006

<http://www.demography.state.mn.us/resource.html?Id=18844>

Population Notes is published periodically by the State Demographic Center at the Minnesota Department of Administration.

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