

## *Personal Income Resumes Upward Trend After Falling For Two Years*

On April 25, 2011, the Bureau of Economic Analysis (BEA), U.S. Department of Commerce released new estimates of personal income at the county level for 2010 and revised estimates going back a decade. Personal income is a measure of the income of all persons from all sources. The measure reflects the size of the economic activity of a region, and when expressed in per capita terms, provides one of the best indicators of general economic well being. This issue of At-a-Glance presents a picture of Miami-Dade's Personal Income derived from the newly available data.

With the current release, significant revisions were made on the basis of updated income figures and revised population totals derived from the 2010 Decennial Census. This provides us with a more accurate understanding of how Miami-Dade County fared since the recession.

One noteworthy instance is a downward revision of Miami-Dade's 2009 personal income by 3.5 percent that brings a previously

thought contraction in personal income of 0.4 percent to a more sizeable contraction of 3.2 percent between 2008 and 2009.

Per capita personal income (PCPI, personal income divided by population) in the County reached an inflation adjusted (constant 2010 dollars) maximum of \$38,378 in 2007 to later lose ground in 2008 and 2009 when it returned to its 2005 level. Similar pullbacks have taken place in the periods 1973-75, 1978-82 and 1989-91. Chart 1 depicts the path of PCPI in the County since 1969.

**Chart 1.**  
**Per Capita Personal Income**  
**Miami-Dade County 1969-2010**



In 2010, PCPI regained some ground to reach \$36,520, a figure that was below both the national and state averages of \$39,937 and \$38,210 respectively. Among counties, Miami-Dade ranked 19<sup>th</sup> in the state and 880<sup>th</sup> of 3,113 counties in the nation.

Total Personal Income for Miami-Dade County surpassed \$91 billion in 2010, the highest in the state, followed by Broward (\$72 billion) and Palm Beach County (\$69 billion). At the national level, Miami-Dade took the 13<sup>th</sup> spot based on this measure.

**Table 2.**  
**Total Personal Income**  
**Selected Counties 2010**

Rank	County	TPI
1	Los Angeles, CA	\$410,674,615
2	Cook, IL	\$235,618,084
3	Harris, TX	\$183,924,314
4	New York, NY	\$176,823,612
10	Dallas, TX	\$102,557,793
11	Kings, NY	\$94,137,845
12	Middlesex, MA	\$91,495,506
<b>13</b>	<b>Miami-Dade, FL</b>	<b>\$91,410,768</b>
14	Queens, NY	\$89,991,968
19	Broward, FL	\$72,092,767
23	Palm Beach, FL	\$69,488,201

Source: Bureau of Economic Analysis, Regional Economic Accounts, Local Area Personal Income 2010 (Release 05-25-2012). Prepared by Miami-Dade County, Sustainability, Planning and Economic Enhancement Department, Research Section 2012.

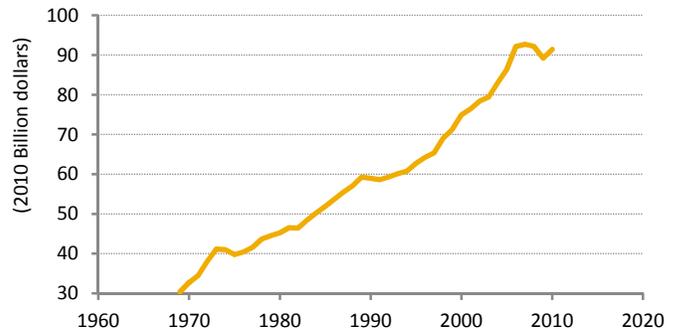
**Table 1.**  
**Per Capita Personal Income**  
**Selected Counties 2010**

Rank	County	PCPI
1	New York, NY	\$111,386
2	Teton, WY	\$94,672
3	Marin, CA	\$82,936
11	District of Columbia, DC	\$70,710
12	San Francisco, CA	\$70,190
36	Monroe, FL	\$58,799
42	Collier, FL	\$57,788
79	Palm Beach, FL	\$52,526
377	Los Angeles, CA	\$41,791
419	Broward, FL	\$41,146
<b>880</b>	<b>Miami-Dade, FL</b>	<b>\$36,520</b>
915	Bay, FL	\$36,305
3107	Lafayette, FL	\$18,620
3108	Union, FL	\$18,421
3113	Crowley, CO	\$16,299

Source: Bureau of Economic Analysis, Regional Economic Accounts, Local Area Personal Income 2010 (Release 05-25-2012). Prepared by Miami-Dade County, Sustainability, Planning and Economic Enhancement Department, Research Section 2012.

Between 2007 and 2010 Total Personal Income declined by 1.4 percent. Looking at the dataset that dates back to 1969, Total Personal Income had never fallen in nominal terms until 2009. In real terms it had not declined year over year since 1991.

**Chart2.**  
**Total Personal Income, Miami-Dade County**  
**1969-2010**



Total Personal Income can be broken down into three broad components: one that represents the fruits of labor 'Net Earnings', another that represents return to accumulated capital 'Dividends, Interest, and Rent' and a third that represents net transfers 'Personal Current Transfer Receipts' (PCTR).

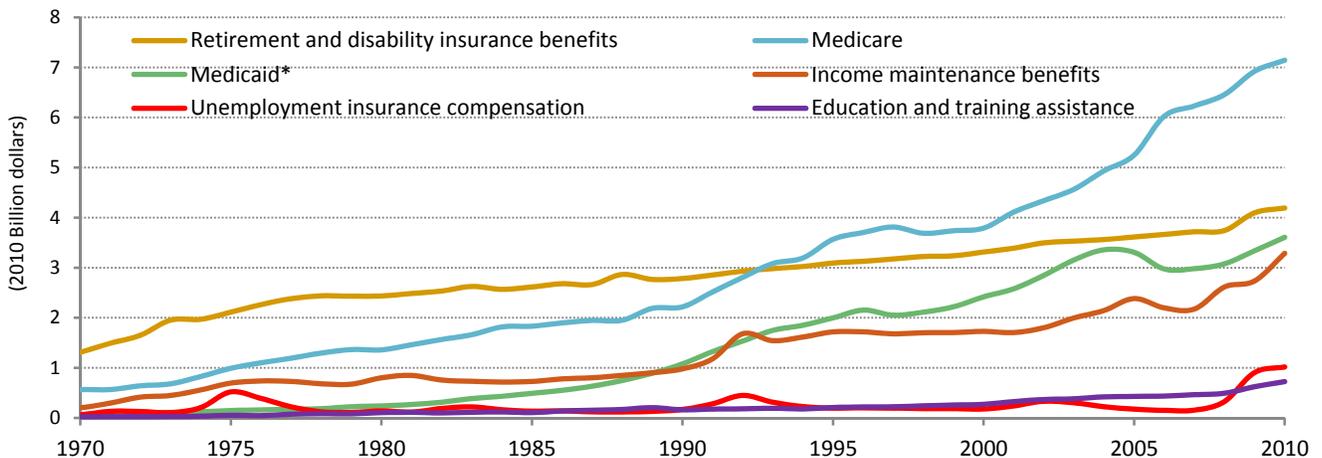
The 1.4 percent decline in personal income between 2007 and 2010 came as a result of a decline in 'Net earnings' of 5.4 percent and a decline in 'Dividends, Interest, and Rent' of 14.8 percent partially offset by a jump in transfers of 27.7 percent.

The decline in earnings and returns are a reflection of the nationwide recession that began at the end of 2007. The magnitude of the increase in transfers merits a closer look at its components.

'Personal Current Transfer Receipts' (PCTR) consist of payments to persons for which no current services are performed and are provided mostly by Federal, state and local governments.

All components of PCTR increased in the 2007-2010 period, and judging by their trajectory prior to 2007, all but Medicare accelerated with the recession.

**Chart 3.**  
**Components of Personal Current Transfer Receipts**  
**Miami-Dade County**  
**1969-2010**



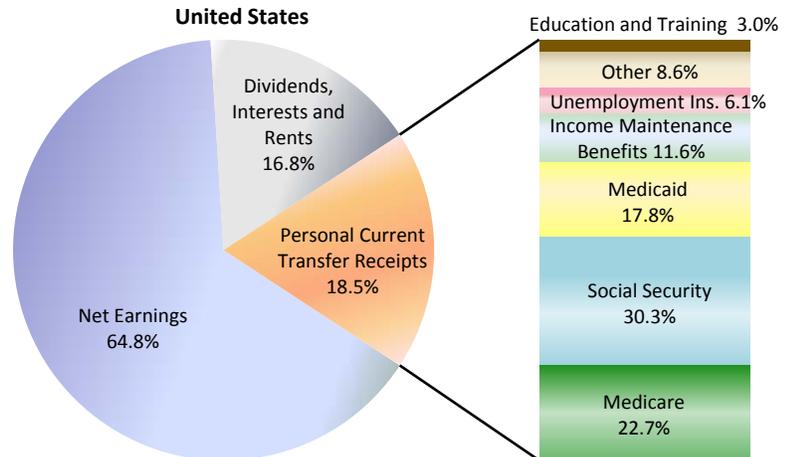
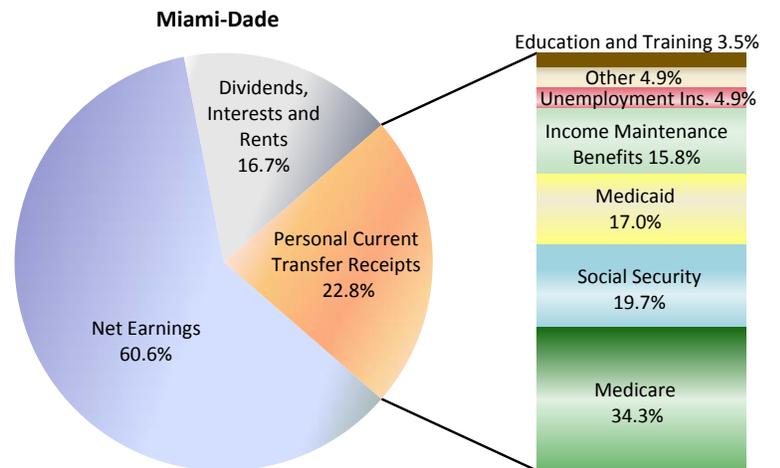
This includes retirement income and medical benefits (Medicare) for the elderly, income maintenance and medical benefits (Medicaid) for the poor, unemployment insurance compensation and federal education and training assistance.

Both Education assistance and Income maintenance increased by over 50 percent while Unemployment Benefits jumped by 560 percent.

By 2010 outlays from Social Security (19.7 percent) and Medicare (34.3 percent) made up 54.0 percent of all transfers, Medicaid 17.0 percent, Income maintenance benefits 15.8 percent, Unemployment Insurance Compensation 4.9 percent and Education and Training assistance 3.5 percent.

In 2010 Miami-Dade relied more heavily on current transfers than the nation as a whole. Medicare and Income Maintenance Benefits are components of PCTR that are disproportionately large in Miami-Dade compared to the nation.

**Chart 4.**  
**Total Personal Income**  
**2010**



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