

A Brief Discussion of Per Capita Personal Income

The U.S. Bureau of Economic Analysis estimates and releases per capita income (PCI) figures for the states and counties twice a year. Nebraska's average per capita income in 2016 was \$50,029. That was 101.6 percent of the national average of \$49,246. The average PCI in the state's metropolitan counties in 2016 was \$51,472; the non-metropolitan county average was \$47,349.

Historically, Loup County and several other non-metro counties have had among the lowest PCI's in the state, even in the nation. In 2016, the Nebraska county with the lowest PCI was Dawes at \$33,976. No doubt, there are individuals in these counties with low incomes, but PCI numbers are not estimates of individual income. PCI is simply the total personal income for an area divided by the total population. Thus, a per capita income value assumes the same income for every child or adult, man or woman, in an area. PCI numbers are not "necessarily a good indicator of typical [individual] living standards," rather they shed some light on the overall economic well-being of an area.

A multi-year comparison shows that better than a one-year snapshot. Between 2012 and 2016, Loup County per capita income increased 29.5 percent and non-metro per capita income overall increased 8.7 percent, whereas Douglas county PCI increased 7.8 percent and metro county PCI increased 8.4 percent overall for those 5 years. It would be better if Loup County's PCI was closer to Douglas County's, but the positive PCI growth rates in Loup and the other non-metro counties between 2012 and 2016 indicate a comparative improvement in income in rural Nebraska. In recent years, farm income has grown significantly in non-metro Nebraska (note: rural Wheeler county had the largest growth rate between 2012 and 2016 at 63.9 percent). However, the graph below suggests that per capita income growth is lower and maybe more variable in the non-metro counties than in the metro counties.

