

A Brief Explanation of Per Capita Personal Income

The U.S. Bureau of Economic Analysis estimates and releases per capita income (PCI) estimates for the states and counties twice a year. Nebraska's average per capita income in 2011 was \$42,450. That was 102.1 percent of the national average of \$41,560. The average PCI in the state's metropolitan counties was \$43,301; the non-metropolitan county average was \$41,225.

Historically, Loup County and several other non-metro counties have had among the lowest PCI's in the state, even in the nation. No doubt there are individuals in those counties with very 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. So, 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 2009 and 2011, Loup County per capita income increased 47.1 percent and non-metro per capita income increased 15.3 percent, faster than either the Douglas (7.6%) or the metro county (7.3%) growth rates for those 3 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 2009 and 2011 indicate a comparative improvement in income in rural Nebraska (in recent years, farm income has grown significantly in non-metro Nebraska). However, the graph below shows that per capita income growth is more variable in Loup County and the other non-metro counties than in the metro counties and the state.

