

A Brief Explanation of Per Capita Personal Income

The U.S. Bureau of Economic Analysis estimates and releases per capita income (PCI) numbers for the states and counties twice a year. Nebraska's average per capita income in 2008 was \$39,182. That was 97.6 percent of the national average of \$40,166. The average PCI in the state's metropolitan counties was \$41,824; the non-metropolitan county average was \$35,478.

Historically, Loup County has had the lowest or among the lowest PCI's in the state. That suggests real economic distress in that area. No doubt there are individuals in the county 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, the calculation of per capita income assumes every child or adult, man or woman, etc. has the same income. That is manifestly not the case, so PCI numbers are not "necessarily a good indicator of typical living standards." Rather, they shed a light on the overall economic well-being of an area.

A time series comparison shows that better than a one-year snapshot. Between 2000 and 2008, Loup County per capita income increased 185 percent and non-metro per capita income increased 146 percent, faster than either the Douglas (131%) or the metro county (130%) growth rates. It would be better if Loup County PCI was closer to Douglas County's, but the positive PCI growth rates in Loup and the other non-metro counties between 2000 and 2008 indicate a comparative improvement in rural Nebraska. However, the graph also shows that per capita income growth is more variable in Loup County.

