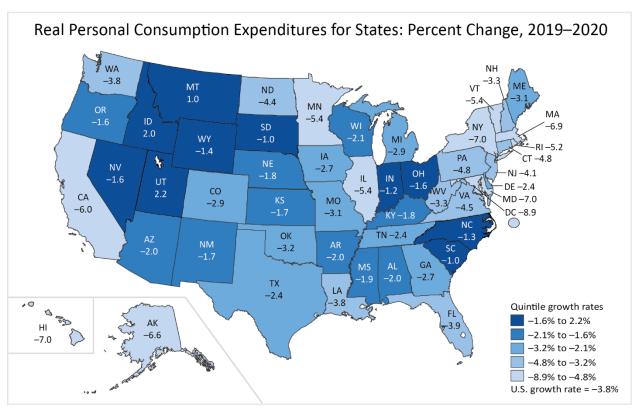


# Real Personal Consumption Expenditures and Personal Income by State, 2020

Today, the U.S Bureau of Economic Analysis (BEA) released official statistics of real state personal consumption expenditures (PCE) for the first time. Real PCE decreased 3.8 percent in 2020 for the nation. Across states, the percent change ranged from 2.2 percent in Utah to –7.0 percent in Hawaii, Maryland, and New York; the percent change was –8.9 percent in the District of Columbia. Real state PCE is a state's current-dollar PCE adjusted by the state's regional price parity and the national PCE price index.



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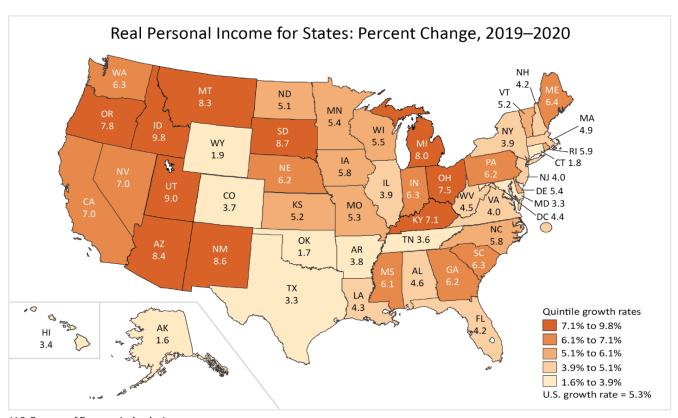


## Coronavirus (COVID-19) Impact on 2020 Real PCE and Personal Income by State Estimates

The 2020 estimates of real PCE and personal income by state were impacted by the response to the spread of COVID-19, as governments issued and lifted "stay-at-home" orders and government pandemic assistance payments were distributed to households and businesses. The full economic effects of the COVID-19 pandemic cannot be quantified in the real PCE and personal income by state estimates because the impacts are generally embedded in source data and cannot be separately identified. For more information, see <u>Federal Recovery Programs and BEA Statistics</u>.

#### **Real Personal Income**

Real state personal income increased 5.3 percent in 2020 for the nation. Across states, the percent change in real personal income ranged from 9.8 percent in Idaho to 1.6 percent in Alaska.



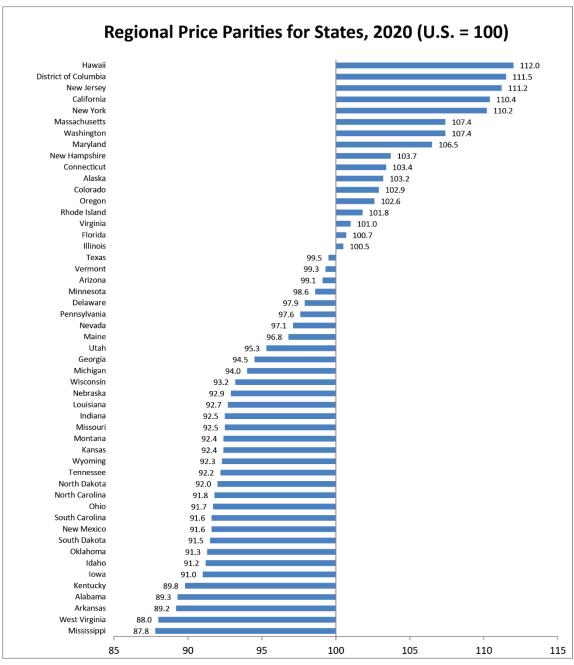
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## **Regional Price Parities**

Regional price parities (RPPs) measure the differences in price levels across states for a given year and are expressed as a percentage of the overall national price level.

- States with the highest RPPs were Hawaii (112.0) and New Jersey (111.2).
- States with the lowest RPPs were Mississippi (87.8) and West Virginia (88.0).



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### Updates to Real Personal Income by State and Metropolitan Area

The estimates for 2020 incorporate the results of BEA's annual update of real personal income for states and metropolitan areas that was also released today. The annual estimates of state and metropolitan area real personal income for 2008 to 2019 were revised. The update incorporates revised source data that are more complete and more detailed than previously available. The update includes the results of the July 2021 annual update of the National Income and Product Accounts, the September 2021 annual update of the state personal income statistics, and the November 2021 annual update of local area personal income statistics. The update also includes changes to RPP estimation methods. For a summary, see Regional Price Parity Methodology Revisions. A complete description of the source data and the methodology will be published in an upcoming Survey of Current Business article.

BEA state real per capita PCE statistics and real per capita personal income statistics for states and metropolitan areas are calculated using U.S. Census Bureau midyear population estimates. These annual midyear estimates are based on the 2010 census. BEA will incorporate the Census Bureau midyear population estimates based on the 2020 census results when they become available.