Personal Current Transfer Receipts in the United States and New Mexico

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The U.S. Department of Commerce's Bureau of Economic Analysis gathers and publishes data on personal current transfer receipts for the U.S., states, and multiple types of substate areas. Personal current transfer receipts are defined as payments to persons for which no current services are performed. It is considered a component of personal income and consists of payments to individuals and to nonprofit institutions by federal, state, and local governments and by businesses (source: Bureau of Economic Analysis). Most often, people think of benefits and government assistance when thinking of personal current transfer receipts. Government payments to individuals includes retirement and disability insurance benefits, medical benefits (mainly Medicare and Medicaid), income maintenance benefits, unemployment insurance (UI) compensation, veteran's benefits, and federal education and training assistance. Government payments to nonprofit institutions excludes payments by the federal Government for work under research and development contracts. Current transfer receipts of individuals from businesses consist of personal injury payments to individuals other than employees and other business transfer payments. The following define the subcategories of government payments to individuals:

Retirement and disability insurance benefits: Social security, railroad retirement, workers compensation, and other government retirement and disability insurance benefits

Medical benefits: Medicare, Medicaid, and other medical care benefits

Income maintenance benefits: Supplemental social security income, earned income tax credits, supplemental nutrition assistance program (SNAP), and other income maintenance benefits

Unemployment insurance (UI) compensation: State UI compensation a well as unemployment compensation for federal civilian employees (UCFE), railroad employees, veterans (UCX), and other compensation

Veteran's benefits: Veterans pension and disability, readjustment, and life insurance benefits, and other assistance to veterans

Education and training assistance: Federal fellowship payments, interest subsidies on higher education loans, Pell Grants, Job Corps payments, education exchange payments, and state education assistance payments

Other transfer receipts of individuals from governments: Bureau of Indian Affairs payments; Alaska Permanent Fund dividend payments; compensation of survivors of public safety officers; compensation of victims of crime; disaster relief payments; compensation for Japanese internment; the American Recovery and Reinvestment Act of 2009 funded Federal Additional Compensation for unemployment, COBRA premium reduction, and the Economic Recovery lump sum payment; and other special payments to individuals

This article presents statewide personal current transfer receipts for New Mexico and other states. Changes to personal current transfer receipts are also evaluated, although receipts are not adjusted for inflation. All data is from the U.S. Department of Commerce's Bureau of Economic Analysis, Table SA35. For more information on personal current transfer receipts, visit www.bea.gov.

Per Capital Personal Current Transfer Receipts

Exhibit 1 provides per capital personal current transfer receipts by state (and the District of Columbia (D.C.)) in 2012. As the exhibit shows, government and businesses paid about $7,661 per person in 2012 in current transfer receipts to individuals and nonprofits in New Mexico. This is just above the per capita amount for the U.S. as a whole ($7,512). New Mexico was ranked twenty-third in the nation for per capita transfer receipt. West Virginia had the
highest per capita transfer receipt ($9,404 per person), while Utah had the lowest per capita transfer receipt ($4,890).

While New Mexico was ranked twenty-third in the nation, it experienced the sixth largest growth in its per capita transfer receipt between 2002 and 2012; per capita transfer receipts grew by 81.4 percent. (See Exhibit 2.) New Mexico’s rate of growth was much faster than that of the nation as a whole (68.8 percent), and trailed Vermont, Delaware, Michigan, Arizona, and Indiana. Alaska, West Virginia, and New York experienced the slowest growth in their per capita transfer receipts over the 10-year period.

Exhibit 3 focuses on per capita transfer receipts for states in the southwestern region of the U.S. As of 2012, New Mexico claimed the highest per capita transfer receipt, followed by Oklahoma, Arizona, and then California. New Mexico was the only state of the eight to have a higher per capita transfer receipt than the U.S. Arizona’s per capita transfer receipts grew 83.8 percent over the 10-year period, surpassing New Mexico’s growth of 81.4 percent. California’s per capita transfer receipt grew the slowest over the period (70.2 percent).

As of 2012, government transfer receipts to individuals comprised 97 percent of all current transfer receipts in all of the southwestern states except Utah, where receipts to individuals comprised 96 percent of total receipts. There are seven subcategories of current transfer receipts of individuals from governments (defined in the introduction of this article), and 22 detailed subcategories within those seven. Exhibit 4 shows the distribution of such payments for all the southwestern states. Retirement and disability insurance and medical benefits comprised anywhere from 74.2 percent (Utah) to 79.0 percent (Oklahoma) of all payments to individuals from governments. The share of retirement and disability insurance benefits was smallest in Texas and New Mexico. Medical benefits, however, comprised the largest portion of total receipts in these two states. New Mexico had the third highest concentration of income maintenance benefits of the southwestern states, following Texas and Utah. New Mexico also led all other southwestern states in other transfer receipts. Oklahoma
had the largest portion of receipts that were veteran’s benefits, while Nevada had the largest portion going towards unemployment insurance.

Exhibit 5 provides the growth rates of government current transfer receipts to individuals between 2002 and 2012. Growth varied across the subcategories and the states. The largest growth rates generally were seen in income maintenance, veteran’s benefits, and education and training assistance. Within income maintenance, Nevada and Utah experienced the fastest growth in current transfer receipts. California was the only state that did not see transfer payments in income maintenance double over the 10-year period. Several states saw veteran’s benefits transfer receipts increase between 165.0 and 177.1 percent. New Mexico actually saw the slowest growth in veteran’s benefits transfer receipts over the period (120.0 percent). New Mexico also saw the slowest growth in education and training assistance transfer receipts (74.0 percent) and was the only state to not see transfer receipts in this subcategory double. Growth was extremely quick in this subcategory in Arizona and Nevada. New Mexico led all the southwestern states in growth of unemployment insurance current transfer receipts (156.9 percent), closely followed by Nevada. New Mexico’s growth generally fell in the middle of the pack in the remaining subcategories of current transfer receipts to individuals from governments—retirement and disability, medical benefits, and other transfer receipts.

Within the detailed subcategories (see www.bea.gov), New Mexico’s growth of current transfer receipts to individuals from government was the lowest of the southwestern states in the following six detailed subcategories: other government retirement and disability insurance benefits, Medicaid, military medical insurance benefits, earned income tax credit, UI for railroad employees, and veterans pension and disability benefits. Growth in current transfer receipts to individuals from governments was the highest in New Mexico in the following four detailed subcategories: other medical care benefits (growth was somewhat related to the implementation of the Children’s Health Insurance Program, or CHIP, within the state); family assistance (including Temporary Assistance for Needy Families, or TANF); state UI compensation; and other unemployment compensation (including Trade Adjustment Assistance, Redwood Park benefit payments, public service employment benefit payments, and transitional benefit payments).