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Personal Income Growth Between 2001 and 2003 How Did Maine Outperform the Nation?

Maine Department of Labor

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Total personal income increased 7.6 percent in Maine between 2001 and 2003, eclipsing the national gain of 4.9 percent. During the same period, Maine’s manufacturing sector shed jobs at a faster rate than the nation (14.1 vs. 11.8 percent). Manufacturing wages averaged $40,235 in Maine in 2003, compared to the $29,599 average in all other industries (including government). In light of the more rapid manufacturing job loss, how did Maine post faster than average growth in personal income? A number of factors contributed. Earnings from work are the largest source of personal income, but dividends, interest, and rents; and transfer payments account for more than a third of income. Maine receives a higher than average share of income in the form of transfers partly as a result of it’s lower than average earnings (graph 1).

Between 2001 and 2003:

• Maine outperformed the nation in each of the major sources of personal income (graph 2).

• Maine posted faster growth in both private and government nonfarm earnings than the nation (graph 3).

• Despite the faster rate of manufacturing job loss, Maine outperformed the nation in non-manufacturing job growth (1.7 vs. 0.1 percent) and total employment declined more slowly (-0.3 vs. -1.4 percent).

• Maine outperformed the nation in job gains and losses in all but three industry sectors, including seven of the ten with earnings above the 2003 all-industries average of $30,750 (graphs 4 and 5).

• Total wages paid increased faster in Maine (6.4 vs. 2.8 percent) and the average wage also increased faster (6.7 vs. 4.3 percent).

NOTE: Personal income estimates produced by the U.S. Bureau of Economic Analysis are revised a number of times over the course of several years.