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

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

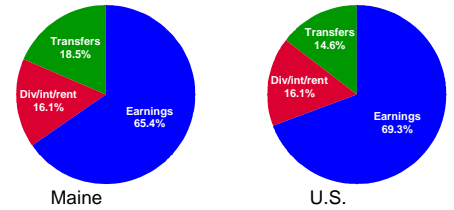
Total personal income increased 7.6 percent in Maine between 2001 and 2003, eclipsing the national gain of 4.9 percent. During the same period, Maine's manufacturing sector shed jobs at a faster rate than the nation (14.1 vs. 11.8 percent). Manufacturing wages averaged \$40,235 in Maine in 2003, compared 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 its lower than average earnings (graph 1).

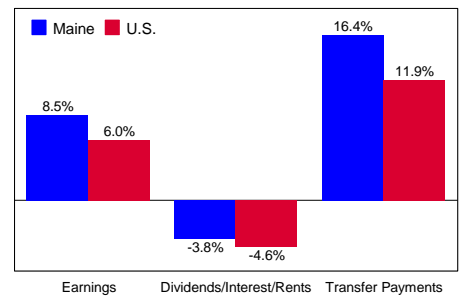
Between 2001 and 2003:

- 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).

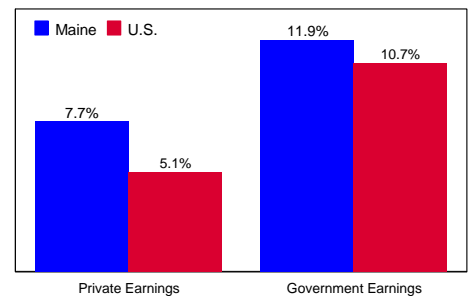
Share of personal income by major source in 2003



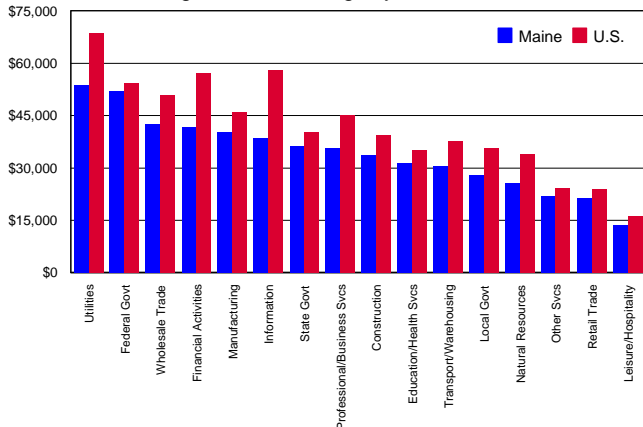
Change in personal income by major source between 2001 and 2003



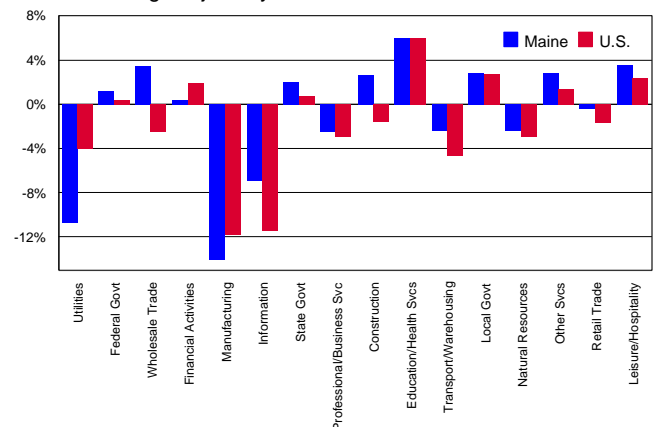
Change in nonfarm earnings by ownership between 2001 and 2003



Average annual earnings by sector in 2003



Change in jobs by sector between 2001 and 2003



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.