

New Hampshire's Total Personal Income Hit \$50 Billion First Quarter 2005

New Hampshire's total personal income increased to an annualized \$50 billion for first quarter 2005. This represented a 1.0 percent increase from fourth quarter 2004, according to the report released by the Bureau of Economic Analysis released. This still surpassed the national increase of 0.7 percent. This was a significant change from the 2.3 percent increase for New Hampshire and the 3.3 percent national increase from third to fourth quarter 2004.

It is not unusual for personal income to grow at a slower rate from fourth quarter to first quarter because of the end of year bonuses typically received during the fourth quarter. However, the slowdown was significantly greater over this period nationwide because of the big boost received fourth quarter 2004

from the Microsoft special dividend payouts. The dividends, interest and rent component, the only component in New Hampshire that lost over-the-quarter, declined by 4.4 percent. Transfer receipts got a first quarter hike from cost of living increases.

The earnings by place of work component breaks out the contributions to income from the different industries. There were three industries in New Hampshire that were the leading contributors to growth in personal income, Healthcare and social assistance; Construction; and Retail trade. These three sectors provided a third of all income growth from earnings by place of work. In comparison, these three sectors also made up 31.7 percent of the Granite State's employment during the first quarter of 2005.

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Components of Personal Income - New Hampshire

LineTitle	2004.1	2004.2	2004.3	2004.4	2005.1
Personal income	46,774	47,637	48,493	49,585	50,063
Nonfarm personal income 1/	46,743	47,604	48,462	49,548	50,028
Farm income 2/	31	33	31	38	35
Earnings by place of work	33,746	34,407	35,401	35,901	36,607
Less: Contributions for government social insurance 3/	3,689	3,747	3,858	3,905	4,012
Employee and self-employed contributions for government social insurance	1,982	2,015	2,076	2,100	2,159
Employer contributions for government social insurance	1,707	1,732	1,782	1,804	1,853
Plus: Adjustment for residence 4/	3,888	4,000	3,949	3,974	4,062
Equals: Net earnings by place of residence	33,945	34,660	35,492	35,971	36,656
Plus: Dividends, interest, and rent 5/	7,613	7,670	7,701	8,216	7,852
Plus: Personal current transfer receipts	5,216	5,307	5,300	5,398	5,555
Wage and salary disbursements	24,173	24,596	25,353	25,722	26,175
Supplements to wages and salaries	5,385	5,475	5,632	5,694	5,809
Employer contributions for employee pension and insurance funds	3,678	3,743	3,850	3,890	3,955
Employer contributions for government social insurance	1,707	1,732	1,782	1,804	1,853
Proprietors' income 6/	4,189	4,337	4,416	4,485	4,623
Farm proprietors' income	-17	-16	-18	-12	-16
Nonfarm proprietors' income	4,206	4,353	4,434	4,497	4,638

1. Nonfarm personal income is total personal income less farm income.
2. Farm income is farm earnings less farm employer contributions for government social insurance.
3. Contributions for government social insurance are included in earnings by type and industry, but they are excluded from personal income.
4. The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers: wage and salary disbursements to U.S. residents commuting to Canada less wage and salary disbursements to Canadian and Mexican residents commuting into the United States.
5. Rental income of persons includes the capital consumption adjustment.
6. Proprietors' income includes the inventory valuation adjustment and the capital consumption adjustment.

All state and local area dollar estimates are in current dollars (not adjusted for inflation).

(N) Data not available for this year.

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