

## New Hampshire among top states for highest median household income in 2003

The US Census Bureau reported that New Hampshire's median household income of \$55,166 (based on a 2001-2003 moving average) put it at the top of the list with five other states for highest income in 2003. New Jersey, Maryland, Alaska, Connecticut, and Minnesota also shared the spotlight. Nationally, median household income was \$43,527 in 2003. How can six states be ranked top? Because there is no statistical difference in the median income levels of these states.\*

Although the 2001 recession certainly affected New Hampshire's economy, its median household income continued to increase. With its low tax burden, the Granite State may be a desirable destination for not only wealthy retirees but also highly educated professionals. Thus, the Granite State's household income has been influenced by the change in the state's demographic make-up.

Massachusetts, with a median household income of \$52,084 in 2003, followed close behind both New Hampshire and Connecticut. Using a 3-year moving average on a national level, median household income was \$43,527 in 2003.

The Census Bureau also estimates median household income using a 2-year moving average so each state can compare how it has done from one two-year period to another. Using the latest numbers available, 2001-2002 and 2002-2003, New Hampshire's median household income increased two percent. Nationally, income increased less than one percent. According to the US Census Bureau, comparisons between states should not be made using the 2-year averages; the 3-year averages are more accurate.

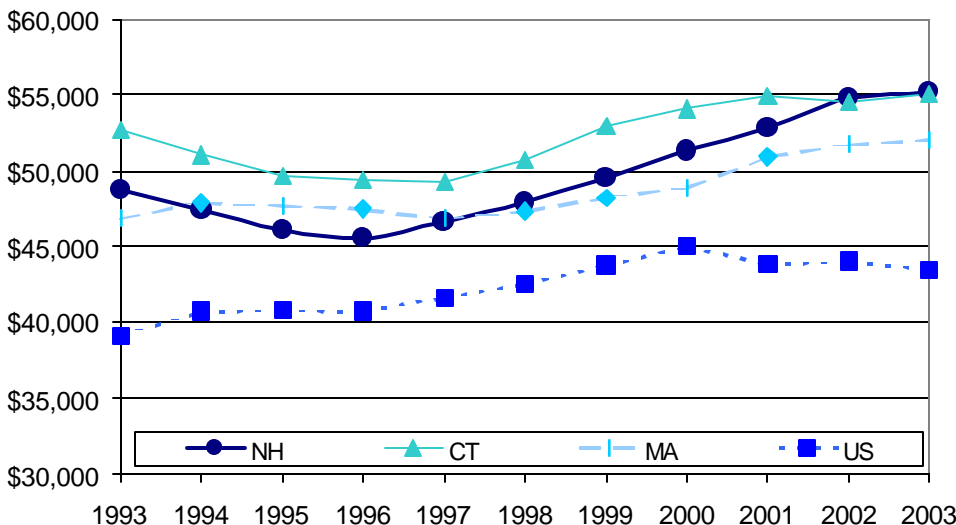
\*As with all samples, both the 2-year and the 3-year moving averages are subject to sampling errors. Typically, the larger the sample, the smaller the error. The Census Bureau uses a 90% confidence interval with a margin of error for these surveys. Simply put, this means that they are 90% confident that the median household income is somewhere between the upper and lower bounds of the published number. For example, New Hampshire's income for 2003 was \$55,166 with a margin of error of +/- \$1,331. That means the Census Bureau is 90% confident that the number was somewhere between \$53,835 (\$55,166-\$1,331) and \$56,497 (\$55,166+\$1,331).

Household income is the sum of all money income (taxable and non-taxable) received by all household members, related or not, age 15 and above. Over the last few years, New Hampshire's median household income has increased while Connecticut's stabilized, causing the income gap between the two states to close at just above \$55,000.

Connecticut's economy was affected by not only the terrorist attacks of 2001, but also by the 2001 recession. Many Connecticut residents who worked in the financial services district in New York lost their jobs.

The gap between New Hampshire's and Connecticut's median household income closed in recent years

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Source: US Census Bureau, Current Population Survey  
 Note: The year represents the last year of a three year moving average (i.e. 2003 = 2001-2003).  
 All historical income figures were adjusted for inflation using the Bureau of Labor Statistics' CPI-U-RS.