

New Hampshire

Economic Conditions



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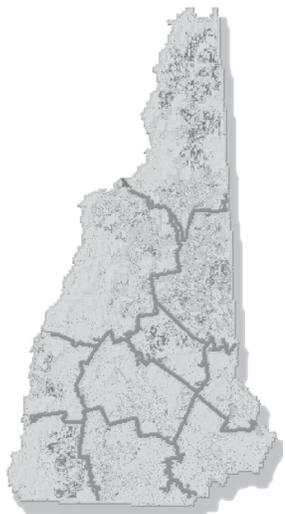
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Personal Income: A Closer Look at the Numbers

*P*er capita personal income growth in New Hampshire in 2006 turned out to be better than preliminary estimates growing by 5.8 percent over 2005. This ranked the state's growth rate in 15th place overall. The latest estimates, released by the Bureau of Economic Analysis (BEA) in late September, have been revised beginning with the first quarter of 2004. Income statistics are revised periodically to use the latest and best data available.

Preliminary BEA estimates released in March 2007 had ranked New Hampshire's increase 43rd among the 50 states and the District of Columbia. The U.S. average growth rate was 5.6 percent.

Per capita personal income is the personal income of residents of a given area divided by the resident population of that area. It is a common measure of the wealth of the

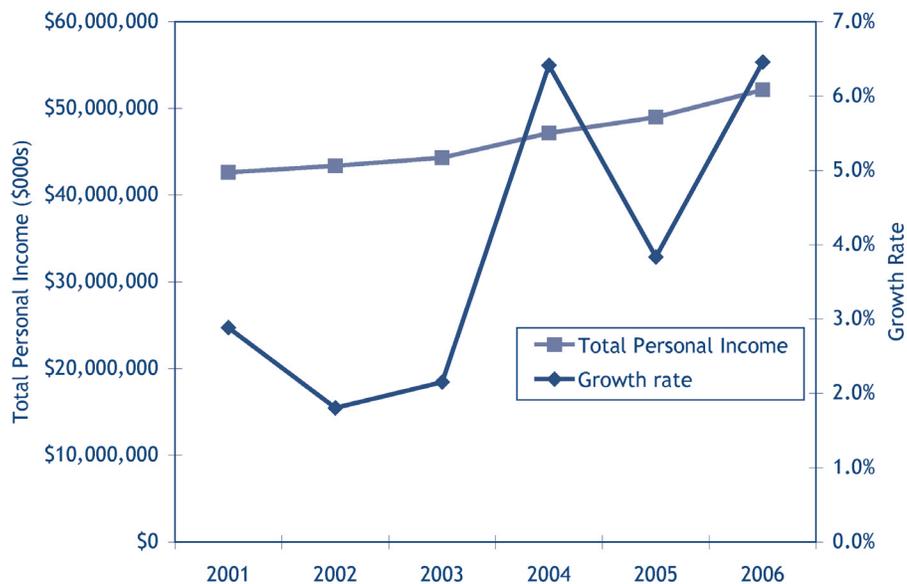
nation or a state, and is often used in comparative rankings. For New Hampshire, *per capita personal income* in 2006 was \$39,655, ranking the state 7th highest nationally. *Per capita personal income* was \$36,629 for the nation.

Among the states that ranked higher, were two New England states, Connecticut and Massachusetts, along with New Jersey, New York, Maryland, and Wyoming. New England ranked highest among the eight U.S. Census Bureau regions with a *per capita personal income* of \$44,252.

Trends

Personal income trends in New Hampshire in recent years show slow but steady growth from 2001 to 2003, then as the economy picked up steam, showed faster growth rates from 2004 to 2006. (Income levels are in constant dollars, not adjusted for inflation.)

Total Personal Income in New Hampshire, 2001- 2006

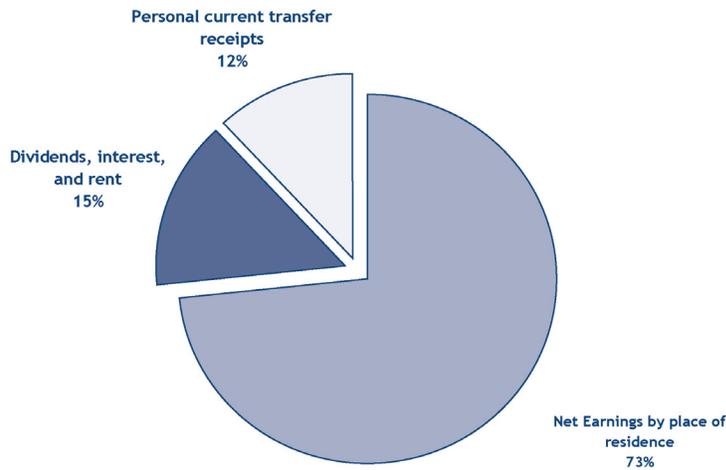


Components of Personal Income

Net earnings is the largest component of *personal income*. It includes *wages and salaries* plus *supplements to wages* (employer contributions to employee pension funds, for example) but excludes *contributions to government social insurance*.

73 percent of total *personal income* was from *net earnings*. Nearly 15 percent came from *dividends, interest, and rent* while the remaining 12 percent was from *personal current transfer receipts*. New Hampshire tends to have a higher percentage of *personal income* from *net earnings* than most New England states.

New Hampshire has a higher percentage of income from earnings than most New England states (2006 data)



Earnings by Industry Group

Earnings by place of work is comprised of *farm* and *nonfarm earnings*, of which the largest component is *nonfarm earnings*. Manufacturing holds the largest share of earnings by industry, accounting for 15.7 percent of all *nonfarm earnings*. New Hampshire's share of earnings in Manufacturing was higher than any other New England state. More than two-thirds of Manufacturing income is from durable goods, with Computer and electronic product manufacturing, Machinery manufacturing, and Fabricated metal manufacturing combining for the largest share.

Michael Argiropolis

In addition to *net earnings*, total *personal income* includes *dividend and interest income*, and *personal current transfer receipts* (retirement and disability benefits, Medicaid, Medicare, and unemployment insurance benefits, for example). In New Hampshire,

Share of nonfarm earnings from manufacturing - New Hampshire leads New England states

