



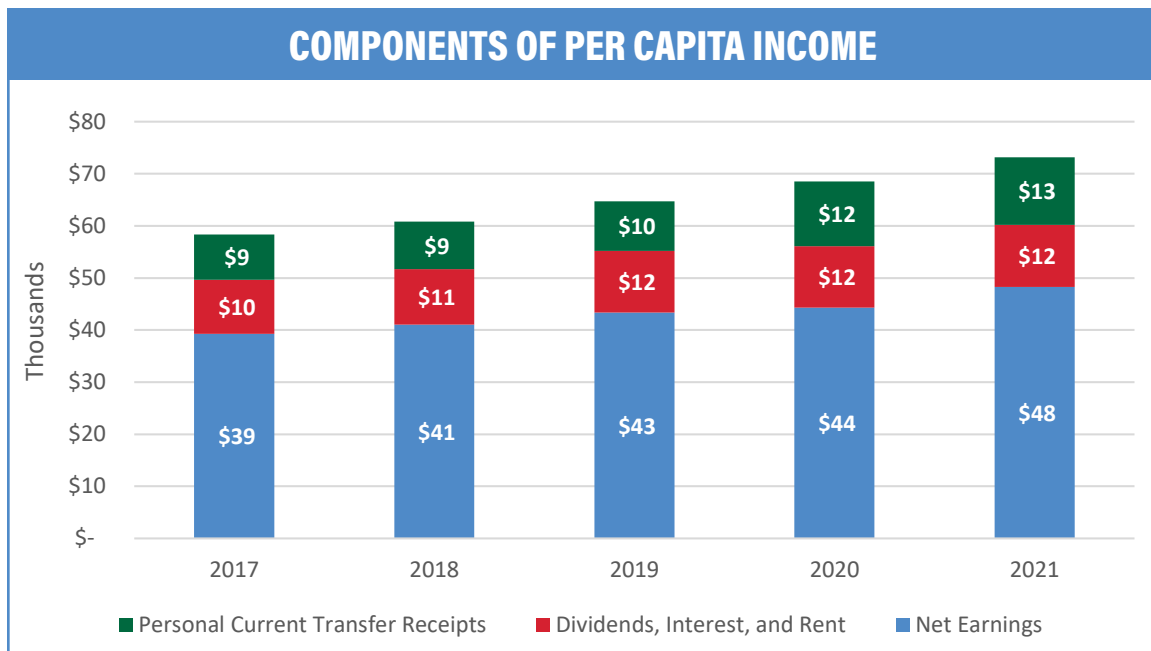
INCOME & WAGES

Prior to the pandemic, per capita personal income in New Hampshire increased steadily, from \$58,362 in 2017 to \$64,747 in 2019.¹ Personal income includes three components: earnings (wages, salaries, and benefits from an employer), income from dividends, rent and interest, and transfer payments (payments for which there are no goods or services exchanged, such as government social benefits, including Social Security payments). Earnings are the largest component, accounting for approximately two-thirds of personal income.

The coronavirus pandemic had a large effect on income for New Hampshire residents. Per capita dividends, interest and rent declined 1.4 percent in 2020, but despite the widespread unemployment experienced during the early months of the pandemic, per capita earnings increased 2.3 percent in 2020.² While this was the smallest increase since 2014, it suggests that many workers' earnings increased substantially during 2020, either through longer hours or higher hourly

wages. Transfer payments, specifically federal stimulus spending during the pandemic, were the largest factor driving income gains in 2020. Per capita transfer payments increased 31 percent (approximately \$3,000) in 2020.

Per capita personal income increased 6.8 percent in 2021, with all three components of income increasing. Per capita dividends, interest and rent increased 1.5 percent, and per capita transfer payments increased 4.4 percent, as the federal government continued pandemic-related spending. Per capita earnings were responsible for the majority of income gains, increasing 8.9 percent (almost \$4,000). New Hampshire experienced a tight labor market in 2021, with relatively few workers available to fill a relatively large number of open positions. An increase in employment in several high-paying industries, particularly professional, scientific and technical services, likely contributed to per capita income increases as well.



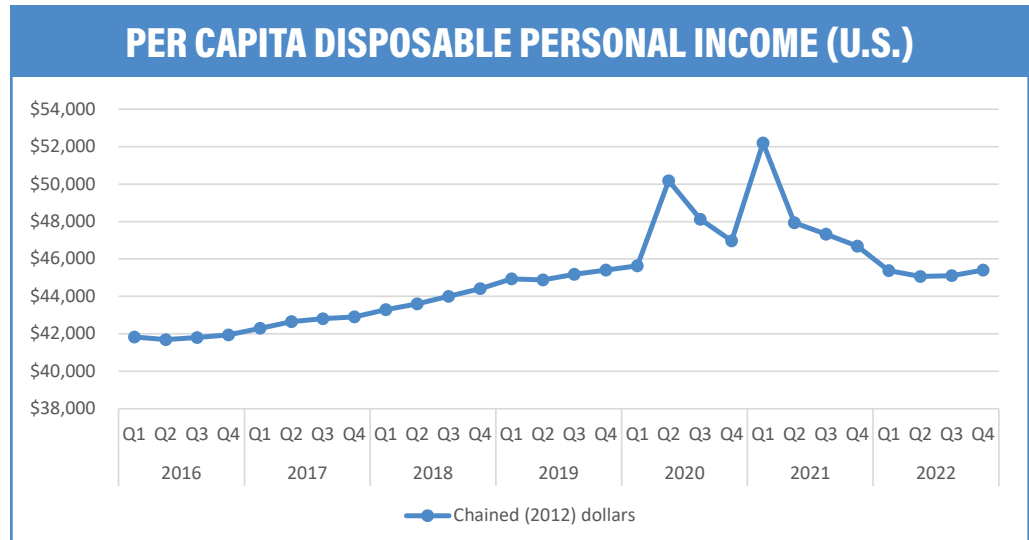
Source: U.S. Bureau of Economic Analysis, Personal Income

¹ Current dollars, not adjusted for inflation.

² Per capita earnings are an average for all New Hampshire residents, including those who earned more and those who earned less in 2020, compared to the previous year.

Inflation

High inflation in 2021 and 2022 reduced the effectiveness of income gains. As measured by the consumer price index, inflation increased 4.7 percent in 2021, followed by 8.0 percent in 2022, the highest inflation in the U.S. since the early 1980s. Real disposable income per capita, which adjusts personal income to account for inflation and taxes, indicated that U.S. incomes declined in every quarter between the second quarter of 2021 and the second quarter of 2022. Real disposable income increased over the second half of 2022, but remained below 2021 levels.



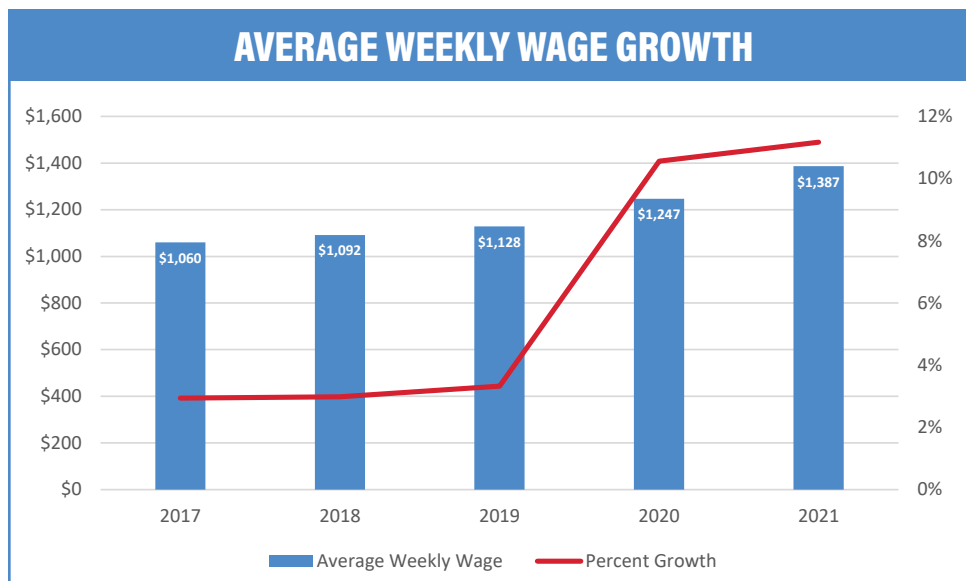
Source: U.S. Bureau of Economic Analysis, Personal Income

Wage Gains by Industry

Average weekly wage growth increased during the pandemic. After growing around three percent in 2018 and 2019, average weekly wages increased 10.6 percent in 2020, followed by an 11.2 percent

increase in 2021.³ In 2020, the pandemic-related decline in employment likely contributed to the increase in average wages. Less experienced and lower-earning workers were more likely to be laid off than more experienced workers. In addition, several industries with low average wages, including accommodation and food services and retail trade, were disproportionately affected by pandemic-related layoffs. Fewer lower-wage workers in the workforce raised the overall average wage.

The increased average wage in 2021 was more reflective of total wage growth, as high demand



Source: New Hampshire Employment Security, Quarterly Census of Employment and Wages

for workers led to higher wages. However, unusually high earnings in the management of companies and enterprises industry overstated total wage growth. Average wages in this industry tripled, from \$2,140 per week in 2020 (\$111,280 annually) to \$6,935 per week in 2021 (\$360,620 annually). Excluding management of companies and enterprises, wages increased 6.1 percent in 2021.

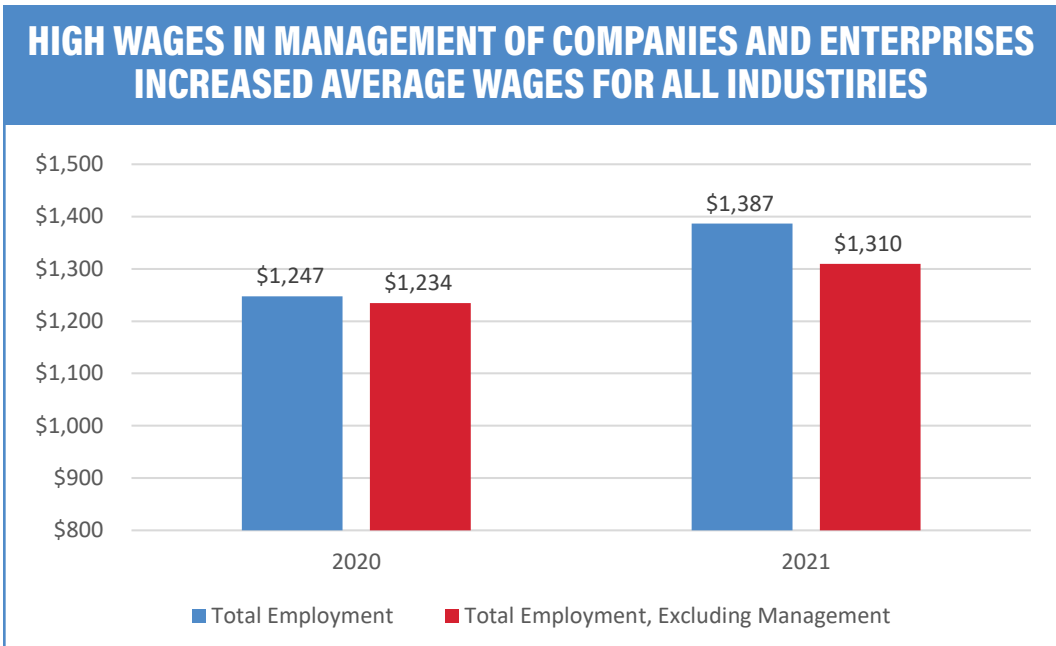
³ Average wages measure wages of employed individuals only, which is why the 2020 trend differs from per capita earnings (2.3 percent growth). Per capita earnings divide total earnings by all residents, regardless of employment status, while wages are only for employed individuals.

The average weekly wage wholesale trade increased 8.7 percent in 2020, followed by an 11.3 percent increase in 2021. Retail trade, finance and insurance, and accommodation and food services all experienced high wage growth in both 2020 and 2021 as well.

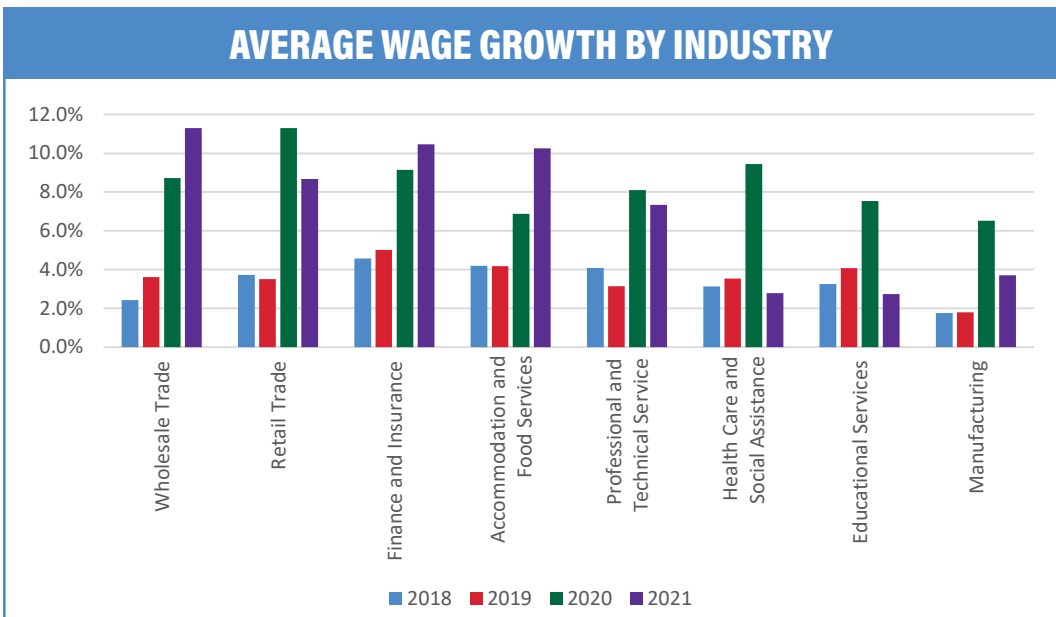
For several other industries, wage gains in 2020 were followed by smaller gains in 2021. In health

care and social assistance, average wages increased 9.4 percent in 2020, followed by a 2.8 percent increase in 2021. Educational services experienced a similar pattern, with wages increasing 7.5 percent in 2020, then increasing 2.7 percent in 2021.

– Greg David



Source: New Hampshire Employment Security, Quarterly Census of Employment and Wages



Source: New Hampshire Employment Security, Quarterly Census of Employment and Wages

TOTAL PERSONAL INCOME	2017	2018	2019	2020	2021
New Hampshire (\$ millions)	\$79,312.5	\$83,026.0	\$88,822.8	\$94,440.8	\$101,674.5
Components:					
Net Earnings ^a	67.3%	67.4%	67.0%	64.7%	65.9%
Dividends, interest, rent	17.8%	17.5%	18.3%	17.1%	16.3%
Transfer payments	14.9%	15.1%	14.7%	18.2%	17.8%
^a Earnings (wages and salaries, other income, and proprietors' income) by place of work, less personal social insurance by place of work, adjusted for place of residence.					
Per Capita Personal Income					
New Hampshire	\$58,362	\$60,831	\$64,747	\$68,542	\$73,200
United States rank (excluding D.C.)	7	6	6	6	7
Annual percent change	3.4%	4.2%	6.4%	5.9%	6.8%
Percent change after adjusting for inflation using CPI	3.7%	3.6%	5.8%	9.5%	2.0%

Per Capita Disposable Income					
New Hampshire	\$52,255	\$54,821	\$58,226	\$61,934	\$64,843
United States rank (excluding D.C.)	6	6	4	4	5
Annual percent change	3.9%	4.9%	6.2%	6.4%	4.7%
Percent change after adjusting for inflation using CPI	4.2%	4.3%	5.6%	10.0%	0.0%

Source: Bureau of Economic Analysis; ELMI Analysis. Last Update 11/16/2022

MEDIAN HOUSEHOLD INCOME (in current dollars)	2017	2018	2019	2020	2021
New Hampshire	\$75,630	\$81,346	\$86,900	\$88,894	\$88,841
Connecticut	\$74,304	\$72,812	\$87,291	\$79,432	\$80,958
Maine	\$53,316	\$58,663	\$66,546	\$63,693	\$71,139
Massachusetts	\$76,243	\$86,345	\$87,707	\$87,812	\$86,566
Rhode Island	\$65,401	\$62,266	\$70,151	\$80,175	\$74,982
Vermont	\$63,682	\$70,066	\$74,305	\$67,257	\$76,079

Source: CPS Annual Social and Economic Supplement. Last Update 11/16/2022

AVERAGE WEEKLY EARNINGS OF ALL EMPLOYEES, IN DOLLARS	2017	2018	2019	2020	2021
Earnings of Production Workers in Manufacturing	\$914.57	\$937.01	\$955.40	\$951.37	\$955.55
Average Weekly Earnings of All Employees	\$891.57	\$888.11	\$901.80	\$1,000.05	\$1,057.68

Source: US DOL, Bureau of Labor Statistics - Current Employment Statistics. Last update 11/16/2022

U.S. PRICE INDICES	2017	2018	2019	2020	2021
CONSUMER PRICE INDEX, All Urban Consumers, Year End (Not-seasonally Adjusted)					
Annual Average (U.S., 1982-1984 = 100)	245.120	251.107	255.657	258.811	270.970
Over-the-Year Change in Annual Average	2.1%	2.4%	1.8%	1.2%	4.7%
Northeast Urban Region CPI-U, Year End (Not-seasonally Adjusted)					
Annual Average (U.S., 1982-1984 = 100)	259.538	265.139	269.392	272.908	283.557
Over-the-Year Change in Annual Average	1.8%	2.2%	1.6%	1.3%	3.9%

Source: US DOL, Bureau of Labor Statistics - Consumer Price Index; ELMI Analysis. Last update 11/16/2022

WAGES	2017	2018	2019	2020	2021
TOTAL WAGES, workers covered by unemployment compensation (millions)					
Private and public employers	\$36,032	\$37,409	\$39,038	\$40,506	\$46,729
Annual percent change	3.9%	3.8%	4.4%	3.8%	15.4%
AVERAGE WEEKLY WAGE in employment covered by unemployment compensation					
All Private industries (annual average)	\$1,074	\$1,106	\$1,145	\$1,270	\$1,425
Annual percent change	3.0%	3.0%	3.5%	10.9%	12.2%
Agriculture, Forestry, Fishing, and Hunting	\$697	\$698	\$733	\$794	\$952
Mining	\$1,214	\$1,215	\$1,278	\$1,391	\$1,368
Utilities	\$2,140	\$2,245	\$2,126	\$2,360	\$2,333
Construction	\$1,183	\$1,205	\$1,248	\$1,324	\$1,368
Manufacturing	\$1,355	\$1,379	\$1,404	\$1,496	\$1,551
Wholesale Trade	\$1,762	\$1,805	\$1,870	\$2,033	\$2,263
Retail Trade	\$608	\$631	\$653	\$727	\$790
Transportation and Warehousing	\$846	\$889	\$926	\$955	\$1,008
Information	\$1,695	\$1,800	\$1,870	\$2,061	\$2,245
Finance and Insurance	\$1,943	\$2,032	\$2,134	\$2,329	\$2,573
Real Estate and Rental and Leasing	\$1,023	\$1,059	\$1,143	\$1,231	\$1,391
Professional and Technical Services	\$1,807	\$1,881	\$1,940	\$2,097	\$2,251
Management of Companies and Enterprises	\$2,103	\$1,966	\$2,046	\$2,140	\$6,935
Administrative and Waste Services	\$914	\$955	\$995	\$1,104	\$1,200
Educational Services	\$1,041	\$1,075	\$1,119	\$1,203	\$1,236
Health Care and Social Assistance	\$1,052	\$1,085	\$1,123	\$1,229	\$1,263
Arts, Entertainment, and Recreation	\$426	\$443	\$453	\$530	\$531
Accommodation and Food Services	\$401	\$418	\$435	\$465	\$513
Other Services, except Public Admin	\$705	\$729	\$755	\$829	\$875
Total Government	\$968	\$994	\$1,014	\$1,101	\$1,117
<i>Data are not adjusted for inflation.</i>					
<i>Source: New Hampshire Employment Security; Quarterly Census of Employment and Wages, ELMi Analysis. Last Update 11/16/2022</i>					
Prepared by: New Hampshire Employment Security, Economic and Labor Market Information Bureau					
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