

2. Income & Wages

There are several measures of income available that help provide a snapshot of the state's economy. New Hampshire is ranked within the top ten states in the nation in all of these measures but one. The sole exception, the average weekly wage, is nearly identical to the national average weekly wage, and is ranked in 14th place among all states.¹

Average Weekly Wage

The 2007 average weekly wage for New Hampshire was \$852, an increase of 3.0 percent over 2006. The average weekly wage is based on private employment wages paid to workers covered by unemployment compensation insurance. These wages include regular and overtime pay, holiday and sick pay, salaries, bonuses and severance pay.

¹ Quarterly Census of Employment and Wages. U.S. Bureau of Labor Statistics. Accessed October 24, 2008. <www.bls.gov/cew/>.

The highest industry specific average weekly wage in New Hampshire for 2007 was \$2,024 in the *Management of companies and enterprises* sector. Other top paying sectors included *Utilities* with an average weekly wage of \$1,548, *Wholesale trade* had an average weekly wage of \$1,373, and *Finance and insurance* with an average weekly wage of \$1,371 for the year 2007. The greatest dollar increase from 2006 to 2007 was *Administrative and waste services*, growing by \$78, as well as the greatest percentage increase of 11.7 percent over 2006.

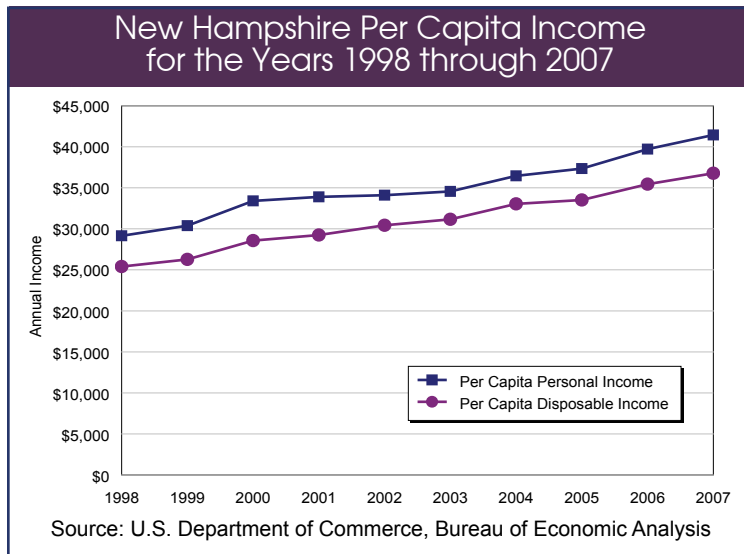
The *Manufacturing* sector's 2007 average weekly wage of \$1,109, was above the New Hampshire average. This represents a 4.0 percent increase over the year. *Computer and electronic product manufacturing*, New Hampshire's largest *Manufacturing* sub-sector, experienced a 4.0 percent increase



2007 Selected Manufacturing Sub-Sectors with Employment of 1,000 or More	Average Annual Employment	Average Weekly Wage	% Change OTY in AWW
Manufacturing	77,762	\$1,109	4.0%
Food Manufacturing	2,371	\$775	2.3%
Textile Mills	1,558	\$865	0.4%
Wood Product Manufacturing	2,472	\$781	0.6%
Paper Manufacturing	1,943	\$992	0.0%
Printing and Related Support Activities	3,329	\$806	5.4%
Chemical Manufacturing	1,808	\$1,194	8.4%
Plastics and Rubber Products Manufacturing	5,441	\$883	3.9%
Nonmetallic Mineral Product Manufacturing	2,545	\$975	4.0%
Primary Metal Manufacturing	3,066	\$887	5.7%
Fabricated Metal Product Manufacturing	11,525	\$914	4.7%
Machinery Manufacturing	8,133	\$1,222	0.3%
Computer and Electronic Product Manufacturing	18,340	\$1,572	4.0%
Electrical Equipment/Appliances Manufacturing	4,999	\$1,061	7.7%
Transportation Equipment Manufacturing	1,814	\$1,164	2.2%
Furniture and Related Product Manufacturing	1,214	\$785	2.7%
Miscellaneous Manufacturing	5,475	\$932	3.1%

Source: Economic and Labor Market Information Bureau, 2007 Annual Averages, Quarterly Census of Employment and Wages

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Conversely, the slowest wage growth was in *Paper manufacturing* where the average weekly wage was unchanged over-the-year. This comes as no surprise since the industry has been shrinking in New Hampshire, and is further at risk due to rising energy costs.

Per Capita Personal Income

Per capita personal income in New Hampshire was \$41,444 in 2007, an increase of 4.3 percent over 2006. New Hampshire's per capita personal income is ranked ninth highest among all states, and ranked third highest among New England states. Personal income includes total wages, salary and bonuses, as well as rental income, dividends, interest, other business transfer payments and government transfer payments. Per capita personal income is determined by dividing total personal income by the total population. Using the Consumer Price Index (CPI), New Hampshire's per capita personal income increase for 2007 outpaced the inflation rate by 0.3 percent. Annual changes to the CPI are used to measure

in average weekly wage in 2007, up to \$1,572. *Fabricated metal product manufacturing*, the second largest *Manufacturing* sub-sector in New Hampshire, experienced a 4.7 percent increase, up to an average weekly wage of \$914 in 2007. The greatest percent wage increases were in the *Chemical manufacturing* and the *Electrical equipment/appliances manufacturing* sub-sectors, with increases of 8.4 percent and 7.7 percent respectively.

Total Personal Income	2004	2005	2006	2007	Source
New Hampshire (millions)	\$47,190	\$48,674	\$52,103	\$54,533	BEA
Components:					
Net Earnings ^a	74.0%	74.5%	73.4%	72.9%	BEA
Dividends, interest, rent	14.2%	13.7%	14.7%	15.0%	BEA
Transfer payments	11.8%	11.8%	11.9%	12.1%	BEA

^aEarnings (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	2004	2005	2006	2007	Source
Per Capita Personal Income	\$36,460	\$37,352	\$39,718	\$41,444	BEA
United States rank (excluding D.C.)	6	10	9	9	BEA
Annual percent change	5.5%	2.4%	6.3%	4.3%	NHES/BEA
Percent change after adjusting for inflation using CPI	2.2%	-0.9%	3.7%	0.3%	NHES/BEA

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changes in the cost of living over time. It is important to note that the inflation adjusted income increase for 2007 over 2006 is not determined by simply subtracting the rate of inflation from the annual percentage increase in income. The purpose of using an inflation adjusted income is to make sure comparisons are done with incomes of equal dollar value.

Per Capita Disposable Income

Per capita disposable income in New Hampshire was \$36,775 in 2007, an increase of 3.7 percent over 2006. New Hampshire's per capita disposable income is seventh highest among all states, and ranked third in New England. Per capita disposable income represents all after-tax personal income available for spending and saving. The increase in New Hampshire's per capita disposable income for 2007 fell slightly behind the rate of inflation, resulting in an inflation adjusted decrease of 0.3 percent compared to the year 2006.

Median Household Income

In 2007, New Hampshire had the highest median household

income, \$67,576, among all states. This represents an increase of 9.0 percent over the year 2006. Household income includes the income of all related family and unrelated persons who share a housing unit. Although having the highest median income in the country would seem to be a positive accomplishment, median household income can be a very misleading statistic.

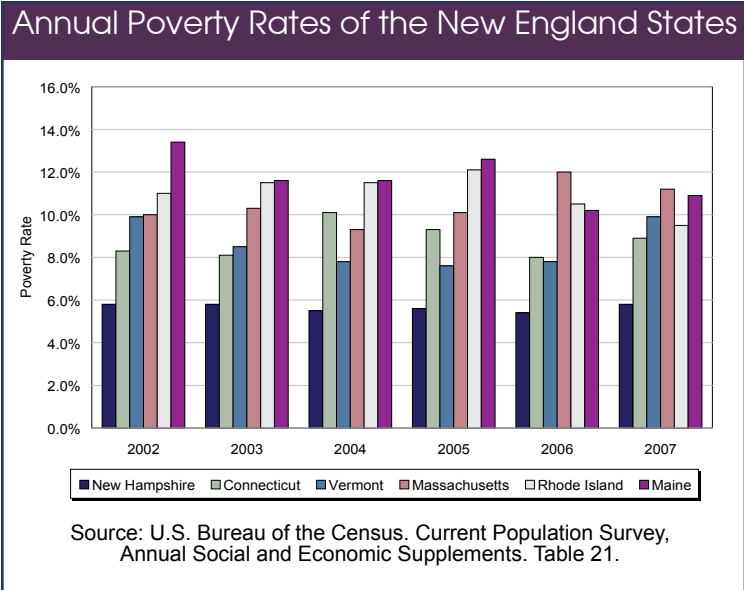
Households vary widely in terms of both size and demographics, and each impact median household income. State and regional household characteristics are not the same throughout the nation and they can be expected to change over time as local populations age, migrate, or experience cultural changes and economic challenges.

Household income can be expected to rise as children grow older and enter the workforce on either a full- or part-time basis prior to leaving home, and fall when they leave the nest. Ironically, tough economic times can also lead to increased household income as individuals take on supplemental employment to make ends meet, or groups of people share housing to reduce per person living expenses.

Per Capita Disposable Income	2004	2005	2006	2007	Source
Per Capita Disposable Income	\$33,041	\$33,512	\$35,448	\$36,775	BEA
United States rank (excluding D.C.)	5	7	7	7	BEA
Annual percent change	6.0%	1.4%	5.8%	3.7%	NHES/BEA
Percent change after adjusting for inflation using CPI	2.7%	-1.9%	3.2%	-0.3%	NHES/BEA

U.S. Price Indices	2004	2005	2006	2007	Source
CONSUMER PRICE INDEX, All Urban Consumers, Year End (Non-seasonally Adjusted)					
December each year (U.S., 1982-1984 = 100)	190.3	196.8	201.8	210.0	BLS
December to December percent change	3.3%	3.4%	2.5%	4.1%	BLS

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second lowest three-year average rate in New England.

The poverty rate is based on a comparison of individual or family money income compared to the appropriate poverty threshold for that individual or family. Money income considered for the comparison includes pre-tax earnings, interest and dividends, rent and royalty income, unemployment and workers' compensation, retirement income, income from trusts and estates, Social Security income and veterans' payments, as well as alimony and child support.³ Also included are public assistance, educational assistance, and assistance from outside the household. But non-cash benefits such as food stamps and housing subsidies are not included. This total income is then compared to a threshold based on family size and the ages of the family members. If the total family income is equal to or greater than the threshold, all of the family members are classified as not in poverty. The poverty thresholds were derived from data collected by the U.S. Department of Agriculture regarding family food budgets, and they are updated annually to adjust for increases in the cost of living.

Poverty

According to the U.S. Census Bureau, the three-year average poverty rate from 2005 to 2007 for New Hampshire was 5.6 percent, the nation's lowest poverty rate.² The three-year average poverty rate for New Hampshire is less than half the national rate of 12.5 percent. New Hampshire's rate was also two and a half percentage points lower than New Jersey, which had the next lowest rate in the nation; and nearly three percentage points lower than Vermont, which had the

² Poverty. U.S. Census Bureau. Accessed October 23, 2008. <www.census.gov/hhes/www/poverty/>.

³ "How the Census Bureau Measures Poverty." Poverty. U.S. Census Bureau. Accessed October 24, 2008. <www.census.gov/hhes/www/poverty/povdef.html>.

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Wages	2004	2005	2006	2007	Source
TOTAL WAGES in employment covered by unemployment compensation (millions)					
Private and public employers	\$24,038	\$25,179	\$26,627	\$27,639	NHES
Annual percent change	6.6%	4.7%	5.8%	3.8%	NHES
AVERAGE WEEKLY WAGE covered by unemployment compensation					
All industries (annual average)	\$761	\$789	\$827	\$852	NHES
Annual percent change	5.0%	3.7%	4.8%	3.0%	NHES
Agriculture, Forestry, Fishing, and Hunting	\$504	\$508	\$535	\$576	NHES
Mining	\$907	\$950	\$957	\$972	NHES
Utilities	\$1,522	\$1,442	\$1,503	\$1,548	NHES
Construction	\$834	\$870	\$902	\$930	NHES
Manufacturing	\$974	\$1,002	\$1,067	\$1,109	NHES
Wholesale Trade	\$1,211	\$1,278	\$1,319	\$1,373	NHES
Retail Trade	\$492	\$501	\$504	\$508	NHES
Transportation and Warehousing	\$639	\$642	\$668	\$681	NHES
Information	\$1,142	\$1,187	\$1,237	\$1,278	NHES
Finance and Insurance	\$1,224	\$1,277	\$1,347	\$1,371	NHES
Real Estate and Rental and Leasing	\$736	\$783	\$763	\$733	NHES
Professional and Technical Services	\$1,152	\$1,204	\$1,296	\$1,330	NHES
Management of Companies and Enterprises	\$1,762	\$1,796	\$2,238	\$2,024	NHES
Administrative and Waste Services	\$603	\$635	\$668	\$746	NHES
Educational Services	\$721	\$737	\$777	\$814	NHES
Health Care and Social Assistance	\$729	\$758	\$785	\$820	NHES
Arts, Entertainment, and Recreation	\$350	\$366	\$380	\$414	NHES
Accommodation and Food Services	\$291	\$295	\$304	\$313	NHES
Other Services, except Public Admin	\$529	\$543	\$562	\$578	NHES
Total Government	\$710	\$722	\$746	\$787	NHES
AVERAGE WEEKLY EARNINGS					
Production Workers in Manufacturing Employment	\$619.20	\$653.84	\$682.68	\$689.13	BLS

Median Household Income (in current dollars)	2004	2005	2006	2007	Source
New Hampshire	\$56,815	\$56,984	\$61,970	\$67,576	CB
Connecticut	\$55,100	\$56,835	\$62,404	\$64,141	CB
Maine	\$41,329	\$43,923	\$45,642	\$47,894	CB
Massachusetts	\$52,019	\$56,017	\$55,330	\$58,463	CB
Rhode Island	\$47,935	\$49,484	\$53,736	\$54,210	CB
Vermont	\$47,329	\$50,704	\$51,981	\$47,390	CB