



*The Beacon Hill Institute for  
Public Policy Research*

# News Release

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## ***BHI on personal income growth in Massachusetts: Boston & Worcester shine in 2010 while rest of state lags***

(BOSTON- August 10, 2010) The metropolitan Boston and Worcester areas continued to move ahead of the rest of the state in terms of personal income, according to an analysis of 2010 federal data by the Beacon Hill Institute at Suffolk University. However, poorer personal income growth in other regions in Massachusetts dragged the state below the national average for 2010.

According to the Bureau of Economic Analysis, personal income rose in almost every metropolitan area in the U.S. After falling 1.9% on the heels of the last months of the recession in 2009, personal income in 366 metropolitan areas of the U.S. rose 2.9 percent as the economy moved toward recovery in 2010.

Personal income grew 3.4 % in the Worcester metropolitan area followed by the Boston metro area with 3.1%. The growth in personal income is uneven across the major metropolitan areas in the Bay State. New Bedford (2.7%) and Springfield (2.2%) regions lagged the state's two largest metro areas. Barnstable trailed with 2.0% while Pittsfield saw the smallest percentage increase with 1.4%.

As defined by the BEA, personal income includes wages and salaries, interests and dividends and transfer payments such as Social Security and Medicaid.

"Our increase in personal income is less dependent on transfer payments from governments than other parts of the country," says Paul Bachman, director of research for BHI. "While other elements are in play, such as capital gains income, the personal income number partly reflects the slightly better job market in Boston and Worcester. "

Growth in the health care and educational services sector may be one reason for growth in personal income. Both sectors are particularly strong in Massachusetts. U.S. earnings in those sectors grew by 3.3% and 6.2% respectively.

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<b>Metropolitan (MA) area</b>	<b>2010 Personal Income (\$m)</b>	<b>% Change 2009-2010</b>
Worcester, MA	34,921	3.4
Boston-Cambridge-Quincy, MA-NH	253,463	3.1
Average of all U.S. metro areas	29,822	3.0*
Providence-New Bedford-Fall River, RI-MA	67,143	2.7
Springfield, MA	27,055	2.2
Barnstable Town, MA	11,309	2.0
Pittsfield, MA	5,616	1.4

\*due to rounding

