

The State of Madison

Week 1: Most income in Madison comes from jobs

Jobs generate 70 percent of the region's personal income

The new "State of the Madison Region" report updates the 30 indicators used by Thrive, the economic development enterprise for the eight-county region, to track the economy and quality of life. This month, Economic Snapshots will focus on some of the economic indicators included in the report.

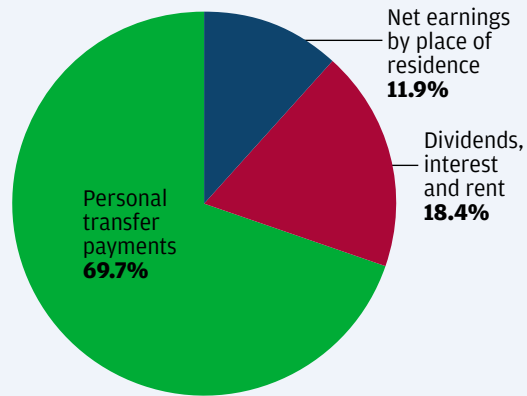
According to the Bureau of Economic Analysis, personal income in the region in 2007 totaled \$34.4 billion. Thrive reports that 57 percent was attributable to wages and salaries, slightly above the U.S. average of 55 percent and slightly below the average of 59 percent for the six peer regions included in the report. This metric provides a measure of the relative economic role of wage and salary jobs in the regional economy. It also provides a means for benchmarking the regional

economy against other similar regions.

The BEA also reports net earnings by place of residence. This provides a broader measure of the proportion of personal income generated by employment because it includes employee benefits paid by employers and net income earned by sole proprietors and partnerships. It also adjusts for the net flow of wages and salaries into or out of the region. In 2007, net earnings by place of residence in the Madison region totaled \$24 billion or 69.7 percent of total personal income.

What about the remaining 30 percent? Investment income – comprised of dividends, interest and net rental income to individuals – accounted for 18.4 percent of personal income. Personal transfer payments accounted for 11.9 percent of the total.

Components of personal income in the Madison region



Source: Table CA35, <http://www.bea.gov>

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Compiled by
Bill Pinkovitz, Professor,
UW-Extension.

QUESTIONS? Contact
Bill Pinkovitz at
bill.pinkovitz@ces.uwex.edu.

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