

Three-Part Series on Income Distribution in Maine

Money flowing into people’s pockets comes from various sources – wages, investments, government programs, and more – and the mix of these income sources differs across households. Using [new data](#) released from the U.S. Bureau of Economic Analysis, this three-part series breaks down how personal income is composed and distributed across income groups in Maine. *Part one* examines income composition by source, *part two* compares Maine’s income patterns to those in New England and the nation, and *part three* reviews trends over time. Looking beyond overall income levels, the series explores how income is spread across Maine households, providing a comprehensive view of personal income patterns in the state.

Part 1: How Personal Income Flows Through Maine

By [Maine State Economist Office](#) | Winter 2025/2026

Introduction

People’s income encompasses more than just paychecks. It can include wages and salaries, investment returns, business profits, and government benefits like Social Security and unemployment insurance. But how do these different income sources vary across different income levels in Maine?

[New data](#) released July 10, 2025, by the U.S. Bureau of Economic Analysis (BEA) provides greater detail about this question. The data comes from BEA’s prototype statistics, first published in 2023, that break down income by component at the state level, making this analysis possible.

While the data shows Maine’s median personal income reached \$106,600 in 2023, placing the state 27th nationally, the full picture emerges when examining how that income flows to different segments of the population. This first installment of our three-part series on income distribution in Maine examines how households in different income brackets rely on distinctly different mixes of income sources, or components.

Key Findings:

Personal income distribution varies significantly across Maine households. Overall, the top 20% of Maine’s highest-earning households received nearly half (48%) of all personal income, while the bottom 20% with the lowest income received 6% in 2023. Looking at income components, the vast majority of [dividends and interest](#)¹ (74% in 2022) flows to the highest-earning households, while [personal transfer receipts](#)² are more evenly distributed across income levels.

Understanding the Data and Household Income Groups

Unlike other common income measures like median household income, which includes only [money income](#)³, these BEA figures capture a broader financial reality. [Personal income](#)⁴ encompasses everything from paychecks and Social Security benefits to investment dividends and business profits – essentially, all available resources flowing into households from various sources.

The BEA uses a straightforward approach to reveal income patterns by dividing all households into five equal-sized groups, or quintiles, each representing exactly 20% of the population. Ranked from lowest to highest income, the first quintile includes households with the lowest incomes, while the fifth quintile comprises those with the highest income. The following boxes show household income percentile ranges and descriptions for each quintile, the first quintile includes households with the lowest incomes (less than \$49,624 in 2023), while the fifth quintile comprises those with the highest incomes (\$120,523 or more in 2023):

1st Quintile
0-20%
<\$49,624
Lowest income

2nd Quintile
20-40%
\$49,624-\$64,543
Lower-middle income

3rd Quintile
40-60%
\$64,543-\$84,043
Middle income

4th Quintile
60-80%
\$84,043-\$120,523
Upper-middle income

5th Quintile
80-100%
≥\$120,523
Highest income

Total Personal Income Distribution

The data shows notable income concentration. In 2023, Maine’s highest-earning households – the top 20% – captured nearly half of all personal income at 48.0% (Figure 1). Meanwhile, the bottom 20% of households, with the lowest income, received 6.1% of the total. These patterns create an eight-to-one ratio between what the top and bottom quintiles receive in total personal income.

Figure 1. Share of Total Personal Income by Household Income Quintile, 2023

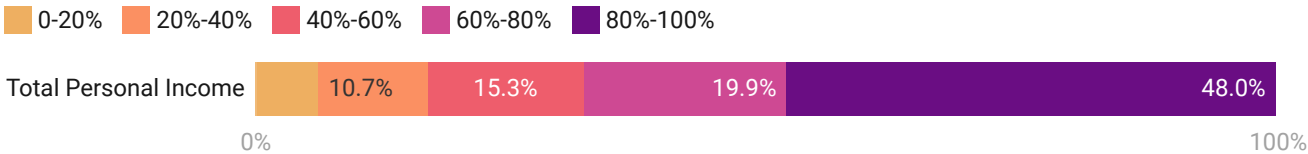


Chart: Maine Office of the State Economist • Source: U.S. Bureau of Economic Analysis (BEA) • [Get the data](#) • Created with [Datawrapper](#)

Breaking Down Income Sources

Understanding how total income is distributed tells only part of the story. Equally important is examining what makes up that income. The BEA defines personal income as “income that people get from wages and salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources.”

Personal income data is broken down into the following components:

Net Earnings

Wages and salaries, employer-paid benefits (such as health insurance and retirement contributions), and income from self-employment

Dividends and Interest

Income from owning financial assets, such as stocks, bonds, and savings accounts

Rental Income

Net income earned from rental properties, as well as royalties from intellectual properties or natural resources (e.g., patents or oil rights)

Personal Current Transfer Receipts

Income payments to persons for which no services are performed, including government social benefits like Social Security income and Medicare

How Income Sources Differ Across Household Groups

The distribution of personal income components varies across income groups. In other words, each source of income flows to household groups differently. While total personal income is available for 2023, component breakdowns are only available through 2022 in this release. (The BEA notes that 2020-2022 estimates were based on smaller survey samples and should be used with caution.)

Figure 2. Share of Personal Income by Income Quintile and Component, 2022

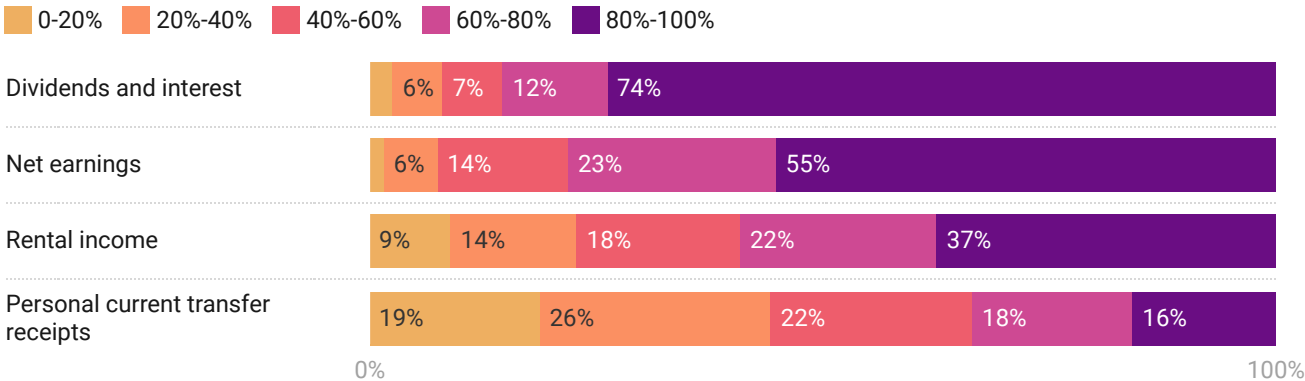


Chart: Maine Office of the State Economist • Source: U.S. Bureau of Economic Analysis (BEA) • [Get the data](#) • Created with [Datawrapper](#)

As Figure 2 shows, each income component is distributed differently across all income groups. In 2022, the BEA estimates the top 20% of households received 74% of all dividends and interest income. In contrast, transfer receipts were more evenly distributed, with the largest share (26%) going to households in the lower-middle income range (20th-40th percentiles). These estimates show that households at different income levels rely on different mixes of income sources, showing the assorted financial landscapes across Maine.

Why This Matters

These different income patterns mean that economic and policy changes such as market fluctuations, regulatory shifts, or employment trends don't affect all households equally – they impact groups differently based on their income composition. Understanding these patterns provides insight into economic resilience and vulnerability across different income levels. In the following series, we'll compare Maine's trends to New England and the nation and then examine how Maine's income distributions have changed over time.

Coming Next

Part 2 places Maine's trends in regional and national context comparing state patterns to New England and the nation, and **Part 3** explores how Maine's income distributions have changed over the past decade.

About the BEA's Distribution of Personal Income Data

The data and methodology used to produce these state-level estimates are similar to those used to produce national-level income inequality statistics. Most of the data comes from the Current Population Survey, which collects income information from households. To improve accuracy, BEA also incorporates data from other federal agencies (such as the Internal Revenue Service), and the Board of Governors of the Federal Reserve System. Finally, all income figures are aligned with BEA official state-level income totals.

Full technical documentation and data files are available on the BEA website.

1. **Dividends and interest**, as defined by the BEA, includes income from owning financial assets, such as stocks, bonds, and savings accounts [↪](#)
2. **Personal transfer receipts** (or **personal current transfer receipts**), as defined by the BEA, includes income payments to persons for which no services are performed such as insurance proceeds, settlement funds, and government social benefits like Social Security income and Medicare. [↪](#)
3. **Money income**, as defined by the Census Bureau, covers wages, salary, self-employment income, interest, dividends, rental income, social security, public assistance, retirement income, and disability income. It excludes certain components of personal income used by the BEA - for instance, employer-funded pensions and health benefits are counted in personal income but not in money income. [↪](#)
4. The BEA defines **personal income** as "income that people get from wages and salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources." [↪](#)