

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 3: How Maine's Income Distribution Has Changed Over Time

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

Introduction

Maine’s personal income composition hasn’t remained static over the past decade. Income distribution patterns can shift in response to economic changes, policy interventions, and demographic trends. So how has Maine’s income distribution evolved over the past decade?

To find out, we turn to the data. The same BEA estimates used in [part one](#) and [part two](#) extend back to 2012, providing over a decade of information. This final part of the series uses that data to see how personal income patterns have changed across Maine households.

Key Findings:

After years of relative stability, Maine’s income distribution shifted during the COVID-19 pandemic. In 2020 and 2021, federal and state stimulus payments and expanded assistance programs directed a larger share of transfer receipts toward lower- and middle-income households. By 2022, the distribution among higher-income groups had started to revert to pre-pandemic trends, but lower-income groups continued to receive a slightly elevated share of transfer receipts. Economic forecasts anticipate continued growth in this income component due to Maine’s aging demographics, which could further influence the state’s income distribution in coming years.

Income Distribution Trends: 2012-2023

Looking at the full time period, Maine’s overall distribution of personal income remained relatively stable from 2012 through 2019, with some year-to-year variation (Figure 1). The pandemic years, however, brought visible changes to these patterns.

Figure 1. Share of Total Personal Income by Quintile

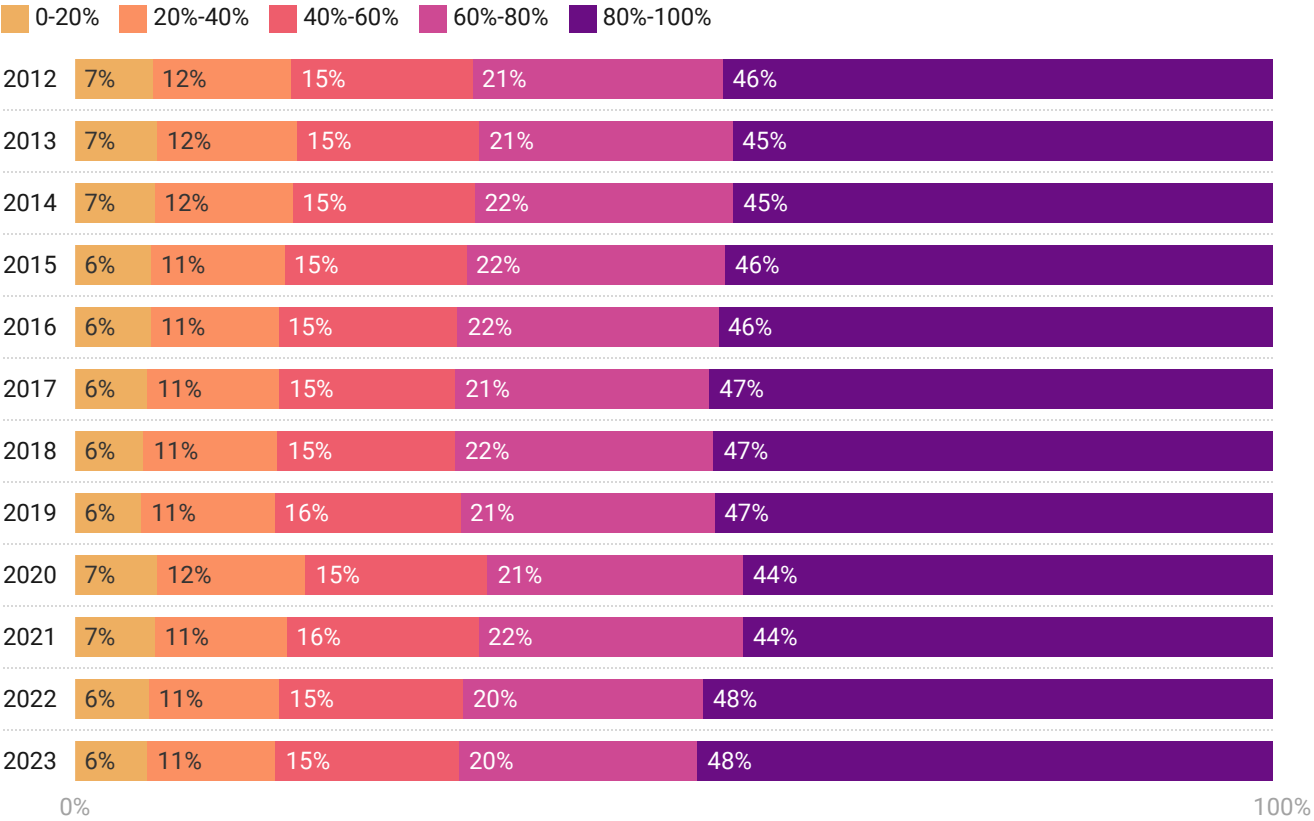


Chart: Maine Office of the State Economist • Source: U.S. Bureau of Economic Analysis (BEA) • [Get the data](#) • Created with [Datawrapper](#)

The Pandemic Effect on Transfer Receipts

The most pronounced shifts occurred in the transfer receipts component of personal income. Federal and state stimulus payments, along with expanded social assistance programs and refundable tax credits, directed a larger share of transfer receipts toward lower- and middle-income households in 2020 and 2021.

By 2022, the distribution among higher-income groups had started to revert to pre-pandemic trends, but lower-income groups continued to receive a slightly elevated share of transfer receipts.

Figure 2 shows how the distribution of transfer receipts shifted over time, with clear departures from historical patterns during the pandemic years.

Figure 2. Share of Transfer Receipts by Income Quintiles

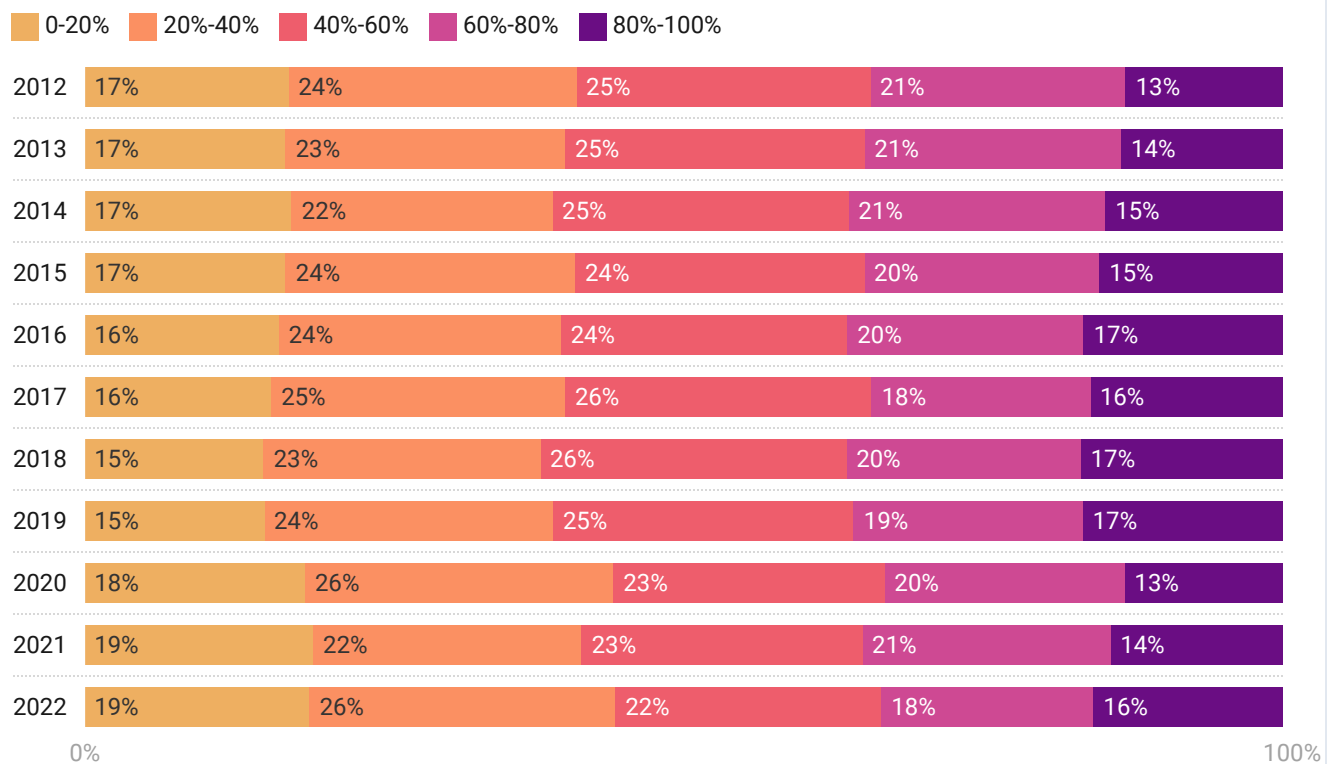


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A shift in the distribution of transfer receipts is particularly evident when comparing 2019 to subsequent years (Figure 3). Compared to 2019, the share of transfer receipts to the lowest income quintile *increased* in 2020 and 2021, remaining above their 2019 share through 2022. The share of transfer receipts to the highest income quintile *decreased* in 2020, before returning closer to its 2019 share by 2022. There were also changes to the share of transfer receipts for the middle three income quintiles, though these were less dramatic than for the highest and lowest income groups.

Figure 3. Share of transfer receipts received by income quintile

Indexed to 2019

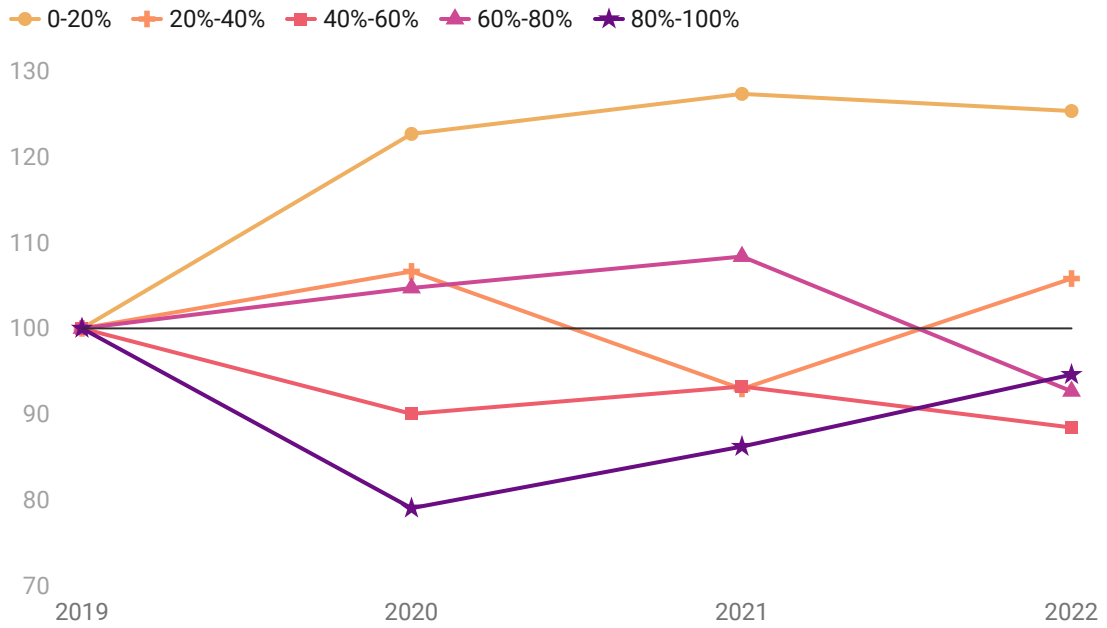


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Series Conclusion: What We've Learned About Income in Maine

This three-part series has revealed several important patterns about how personal income flows through Maine:

First, the distribution of personal income varies significantly by component in Maine. The vast majority of dividends and interest income flow to the highest income households, but transfer receipts are more evenly distributed across income levels.

Second, Maine's distribution of personal income appears more balanced than in many other states. While high-income households still receive the largest share of total income, middle-income households in Maine account for a comparatively greater share than their regional and national counterparts.

Third, income distribution patterns can shift in response to policy interventions. The pandemic years demonstrated how targeted programs can direct resources to lower- and middle-income households, though the durability of such shifts depends on program design and duration.

Looking ahead, economic forecasts (including from Maine's Consensus Economic Forecasting Commission and Moody's) anticipate that Maine will see **high levels of growth in the transfer receipt component of personal income** in the coming years, due largely to Maine's demographic trends. Faster growth in this component relative to other components could have implications for the overall distribution of total personal income in Maine.

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.