

New Hampshire

Economic Conditions



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New Hampshire
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2006 Personal Income

New Hampshire continues to maintain a high per capita personal income (PCPI). Its \$39,311 ranked seventh highest nationally in 2006, and third highest among the New England states, based on preliminary 2006 personal income measurements recently released by the Bureau of Economic Analysis.

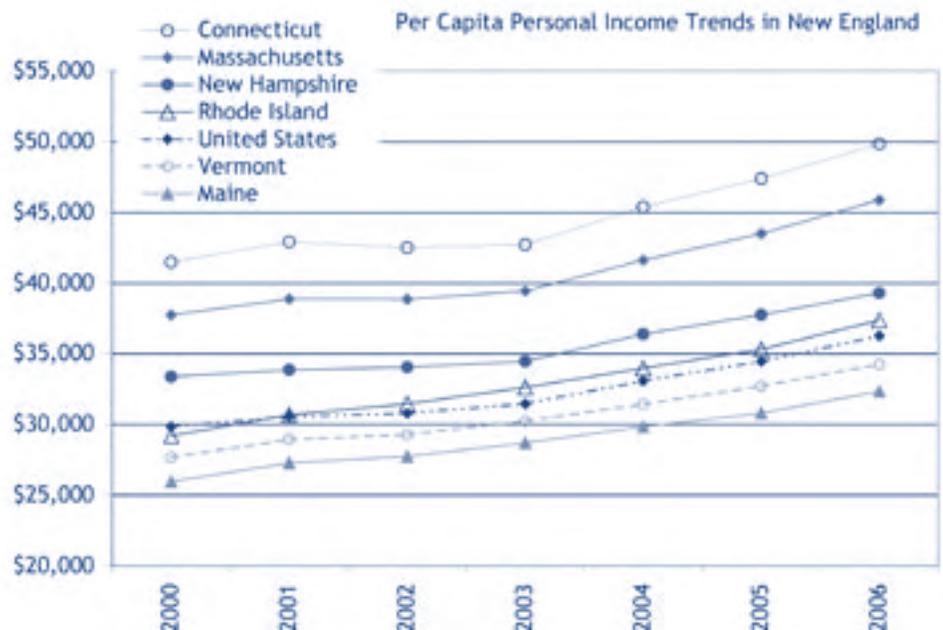
The over-the-year increase in New Hampshire's per capita personal income slipped from 5.6 percent in 2005 to 4.1 percent in 2006.

In 2001 and 2006, New Hampshire had the slowest over-the-year growth in per capita personal income compared to the other New England states. With the exception of 2004, New Hampshire's over-the-year rates of increase have been relatively slow. The U.S. per capita

income increase was a 5.2 percent increase from 2005 to 2006.

New Hampshire was more than one percentage point slower than that at 4.1 percent. That rate ranked 43rd among the rates of the 50 states. Louisiana's first place with a 25.5 percent increase may be skewed by the recovery from the devastating 2005 hurricanes. Comparison of trend lines from 2000 through 2006 reveals a steady increase in the state's per capita personal income.

Over the year change in PCPI		
National Rank	Percent Change	Area
	5.2%	United States
22	5.2%	Connecticut
25	5.0%	Maine
17	5.5%	Massachusetts
43	4.1%	New Hampshire
8	5.8%	Rhode Island
30	4.7%	Vermont



Per Capita Personal Income Compared to the Share of Nonfarm Earnings to Total Personal Income



component of income, as the share may be reduced or show minimal increases during recessionary periods.

Nonfarm earnings are the combination of *wage and salary disbursements, supplements to wages and salaries, and proprietors' income*. Nonfarm earnings added to farm earnings equals earnings by industry. This allows for analysis of contributions by industry to personal income measurements

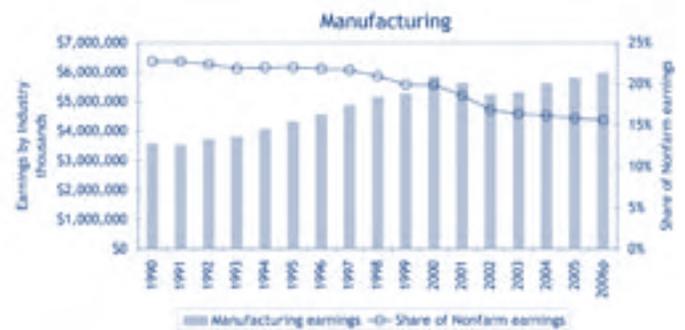
Earnings by industry

Frequently the importance of an industry is based on how many people that industry employs and what that industry contributes to the state's economy. One measure is the share of nonfarm earnings by industry.

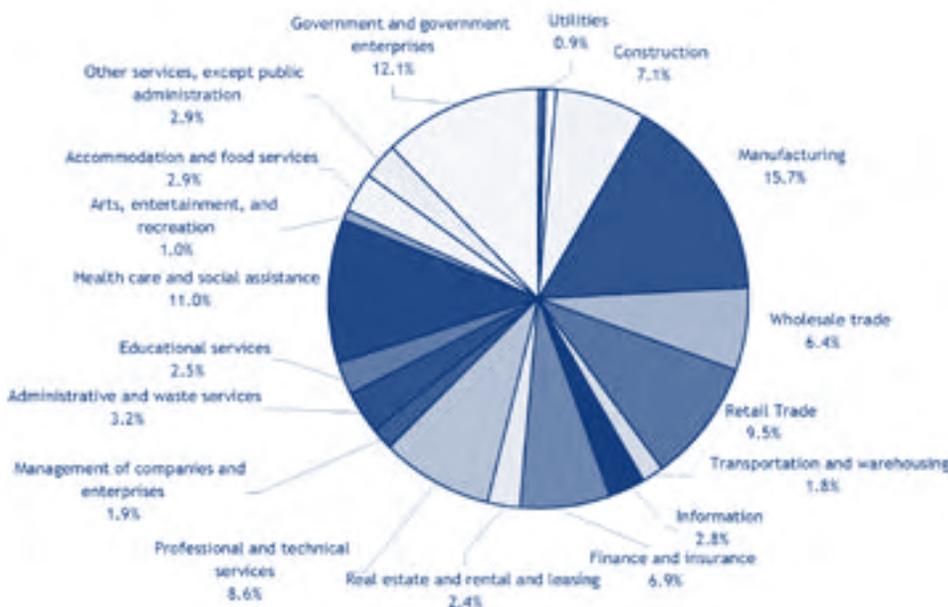
Nonfarm earnings

Per capita personal income allows an income comparison between states.

The leading component of personal income comes from *earnings by place of work*. Almost all of that is *nonfarm earnings*. Each year since 1990 in New Hampshire, anywhere from two-thirds to almost three-quarters of personal income has come from this source. Economic cycles have a visible impact on this

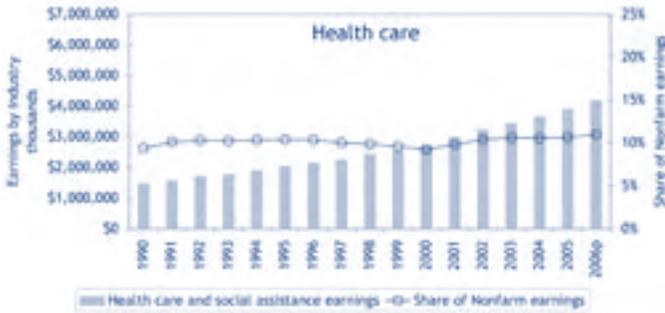


Share of Nonfarm Earnings by Industry



Manufacturing had six billion dollars of earnings, capturing the lead spot for contributions to total nonfarm earnings in New Hampshire during 2006. That was 15.7 percent of the state's nonfarm earnings. In spite of the struggles this industry sector has endured in recent years in the state, and nationally for that matter, it remains one of the principal components of New Hampshire's economic well being.

On a more even keel is the contribution from the Health care and social assistance industry. The aging population has been drawing more and more attention to the growing demand for this industry and its services. The contributions of this industry toward



spending levels were high after the “jobless recovery” period. In New Hampshire that extended well past the declared end of the November 2001 recession. In the years 2002 and 2003, Retail trade hit its highest contribution to nonfarm earnings at 10.2 percent each year. The \$3.6 billion earnings in 2006 from this industry ranked third highest in the state with 9.5 percent of nonfarm earnings.

Continued on page 8

total nonfarm earnings has wavered between 9.4 and 10.7 percent from 1990 to 2005. In 2006, the \$4.2 billion earnings pushed this sector to 11.0 percent for the first time. That was the second largest portion of nonfarm earnings in 2006.

Another stable contributor to nonfarm earnings is Retail trade. Retail trade has benefited from low interest rates which promoted available cash from loans so



Unemployment Compensation Claims Activities

Total Regular Unemployment Compensation Programs:	Change from Previous								
	Feb-07		Jan-07		Feb-06		Change from Previous		
	Net	Percent	Net	Percent	Net	Percent	Net	Percent	
Initial Claims	4,514	6,600	3,967	-2,086	-31.6%	547	13.8%		
Continued Weeks	39,725	46,112	35,388	-6,387	-13.9%	4,337	12.3%		

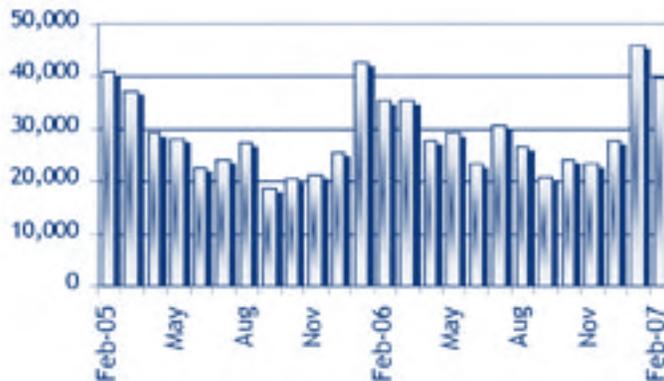
Claims Activity

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of February	\$249,823,125.12
Average payment for a week of total unemployment:	\$260.95
Net benefits paid:	\$8,988,094.86
Net contributions received during the month:	\$3,172,810.32
Interest Received:	\$0.00
Reed Act Distribution:	\$0.00
Reed Act Withdrawn for Benefits:	\$0.00

Trust Fund

Continued Weeks Claimed



Feb 2005 - Feb 2007
Following the seasonal cycle, continued weeks claimed dropped almost 14 percent over-the-month.

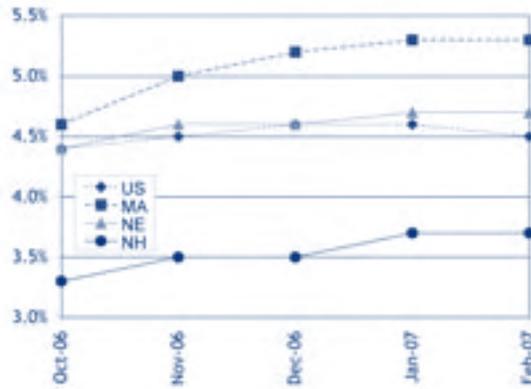
			Change from Previous	
Feb-07	Jan-07	Feb-06	Month	Year
203.5	202.4	198.7	0.5%	2.4%

United States
All Urban Areas (CPI-U)
(1982-1984=100)

Consumer Price Index

N.H and U.S. Seasonally Adjusted Unemployment Rates

New Hampshire's February unemployment rate, like Massachusetts, Maine, and New England region, was unchanged over-the-month.



Unemployment Rates by Region

Seasonally Adjusted	Feb-07	Jan-07	Feb-06
United States	4.5%	4.6%	4.8%
Northeast	4.3%	4.5%	4.6%
New England	4.7%	4.7%	4.5%
Connecticut	4.2%	4.4%	4.4%
Maine	4.4%	4.4%	4.4%
Massachusetts	5.3%	5.3%	4.8%
New Hampshire	3.7%	3.7%	3.4%
Rhode Island	4.4%	4.7%	5.2%
Vermont	3.9%	4.0%	3.6%
Mid Atlantic	4.2%	4.4%	4.7%
New Jersey	4.1%	4.2%	4.7%
New York	4.4%	4.3%	4.7%
Pennsylvania	4.0%	4.7%	4.6%

Oct-06 Nov-06 Dec-06 Jan-07 Feb-07

Seasonally Adjusted Labor Force Estimates

By Place of Residence

New Hampshire

Unemployment Rate	3.3%	3.5%	3.5%	3.7%	3.7%
Civilian Labor Force	745,516	747,079	745,498	743,245	743,880
Number Employed	721,257	720,818	719,094	715,466	716,210
Number Unemployed	24,259	26,261	26,404	27,779	27,670
United States (in thousands)					
Unemployment Rate	4.4%	4.5%	4.5%	4.6%	4.5%
Civilian Labor Force	152,052	152,449	152,775	152,974	152,784
Number Employed	145,337	145,623	145,926	145,957	145,919
Number Unemployed	6,715	6,826	6,849	7,017	6,865

Supersector

Oct-06 Nov-06 Dec-06 Jan-07 Feb-07

Seasonally Adjusted Nonfarm Employment Estimates

By Place of Establishment

Supersector	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07
Total Nonfarm	642,800	643,500	642,300	641,000	642,000
Construction	31,400	31,400	29,200	28,700	28,600
Manufacturing	76,500	76,100	75,600	75,000	75,000
Durable Goods			57,800	57,200	57,300
Non-Durable Goods			17,800	17,800	17,700
Trade, Transportation, and Utilities	143,000	143,600	143,200	142,900	142,500
Wholesale Trade			28,200	28,100	28,000
Retail Trade			99,000	99,000	98,700
Transportation and Utilities			16,000	15,800	15,800
Information	12,900	13,100	12,700	12,700	12,900
Financial Activities	40,800	41,100	40,100	39,700	39,600
Professional and Business Services	60,800	60,500	61,900	62,400	62,800
Administrative and Support			26,500	26,700	26,700
Education and health services	101,600	101,800	101,200	101,600	102,000
Educational Services			23,000	23,200	23,400
Health Care and Social Assistance			78,200	78,400	78,600
Leisure and Hospitality	64,900	65,300	64,100	63,900	63,800
Arts, Entertainment, and Recreation			11,100	11,200	11,000
Accommodation and Food Services			53,000	52,700	52,800
Other Services	21,000	20,900	21,500	21,600	21,800
Government	88,700	88,500	91,800	91,600	92,100
Federal Government			7,900	7,900	7,900
State Government			23,700	23,700	23,900
Local Government			60,200	60,000	60,300

Data not available

Please note that not all supersectors meet the statistical criteria for publication in this category. We seasonally adjust the total nonfarm data series and all the published supersectors independently. Therefore, the sum of the published parts will not equal the total.

Labor Force Estimates

New Hampshire	Feb-07	Jan-07	Feb-06
Number of workers			
Total Civilian Labor Force	739,520	740,010	731,430
Employed	708,270	708,690	702,460
Unemployed	31,250	31,320	28,970
Unemployment Rate (percent of labor force)	4.2%	4.2%	4.0%

Unemployment Rates by Area

Not Seasonally Adjusted	Feb-07	Jan-07	Feb-06
U.S and Regional States			
United States	4.9%	5.0%	4.8%
Northeast	4.9%	5.1%	5.3%
New England	5.2%	5.4%	5.1%
Connecticut	4.7%	5.0%	4.9%
Maine	5.4%	5.2%	5.4%
Massachusetts	5.8%	6.0%	5.4%
New Hampshire	4.2%	4.2%	3.9%
Rhode Island	5.1%	5.5%	6.0%
Vermont	4.6%	4.7%	4.3%
Mid Atlantic	4.7%	5.0%	5.3%
New Jersey	4.6%	4.8%	5.2%
New York	4.9%	4.9%	5.3%
Pennsylvania	4.6%	5.3%	5.4%

Map	Feb-07	Jan-07	Feb-06
Key Labor Market Areas			
1 Colebrook NH-VT LMA, NH Portion	5.4%	6.0%	4.7%
2 Berlin NH MicroNECTA	6.4%	6.4%	4.4%
3 Littleton NH-VT LMA, NH Portion	4.1%	4.3%	3.7%
4 Haverhill NH LMA	5.4%	6.1%	5.4%
5 Conway NH-ME LMA, NH Portion	4.6%	4.6%	3.6%
6 Plymouth NH LMA	3.9%	4.2%	3.5%
7 Moultonborough NH LMA	3.9%	3.5%	3.2%
8 Lebanon NH-VT MicroNECTA, NH Portion	2.8%	2.9%	2.7%
9 Laconia NH MicroNECTA	4.5%	4.6%	3.9%
10 Wolfeboro NH LMA	3.9%	4.0%	3.4%
11 Franklin NH MicroNECTA	5.3%	5.0%	4.6%
12 Claremont NH MicroNECTA	3.6%	3.9%	3.3%
13 Newport NH LMA	3.5%	3.6%	3.2%
14 New London NH LMA	3.5%	3.5%	2.7%
15 Concord NH MicroNECTA	4.2%	4.1%	3.7%
16 Rochester-Dover NH-ME MetroNECTA, NH Portion	3.9%	3.9%	3.7%
17 Charlestown NH LMA	4.3%	5.0%	4.3%
18 Hillsborough NH LMA	4.3%	4.5%	3.7%
19 Manchester NH MetroNECTA	4.1%	4.2%	3.9%
20 Keene NH MicroNECTA	4.0%	4.0%	3.4%
21 Peterborough NH LMA	4.5%	4.5%	4.1%
22 Nashua NH-MA NECTA Division, NH Portion	4.3%	4.3%	4.2%
23 Exeter Area, NH Portion, Haverhill-N. Andover-Amesbury MA-NH NECTA Division	5.2%	4.7%	5.1%
24 Portsmouth NH-ME MetroNECTA, NH Portion	3.7%	3.7%	3.7%
25 Hinsdale Town, NH Portion, Brattleboro VT-NH LMA	3.3%	4.1%	3.1%
26 Pelham Town, NH Portion, Lowell-Billerica-Chelmsford MA-NH NECTA Division	5.9%	5.5%	5.3%
27 Salem Town, NH Portion, Lawrence-Methuen-Salem MA-NH NECTA Division	5.5%	5.1%	5.7%

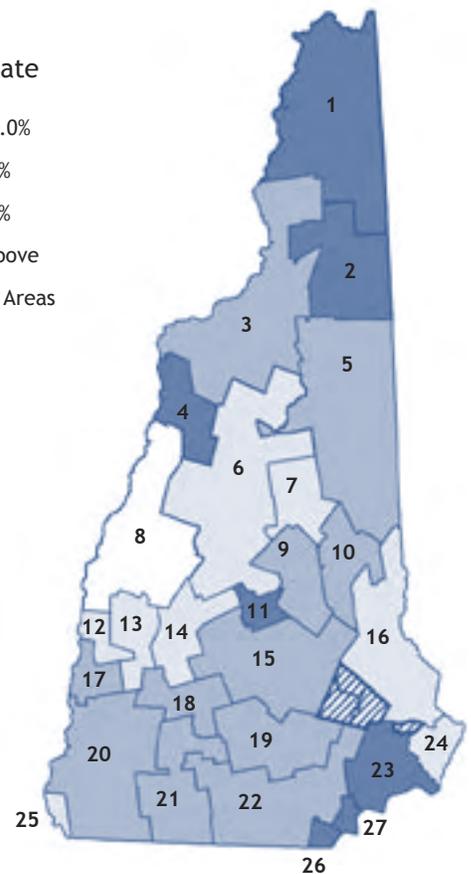
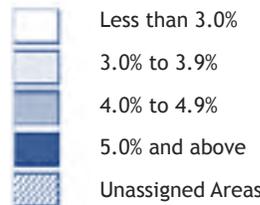
Local Area Unemployment Statistics (LAUS)

Not Seasonally Adjusted

By Place of Residence

Counties	Feb-07	Jan-07	Feb-06
Belknap	4.6%	4.6%	4.0%
Carroll	4.3%	4.3%	3.5%
Cheshire	4.2%	4.3%	3.6%
Coos	5.6%	5.8%	4.3%
Grafton	3.4%	3.7%	3.3%
Hillsborough	4.2%	4.3%	4.1%
Merrimack	4.1%	4.1%	3.6%
Rockingham	4.5%	4.4%	4.4%
Strafford	3.8%	3.9%	3.7%
Sullivan	3.5%	3.7%	3.3%

February Unemployment Rate



New Hampshire unemployment and labor force estimates are calculated using a regression model which depends on Current Population Survey (CPS) estimates. Labor Market Area estimates are calculated using the Bureau of Labor Statistics "Handbook Method" and then adjusted to the State levels.

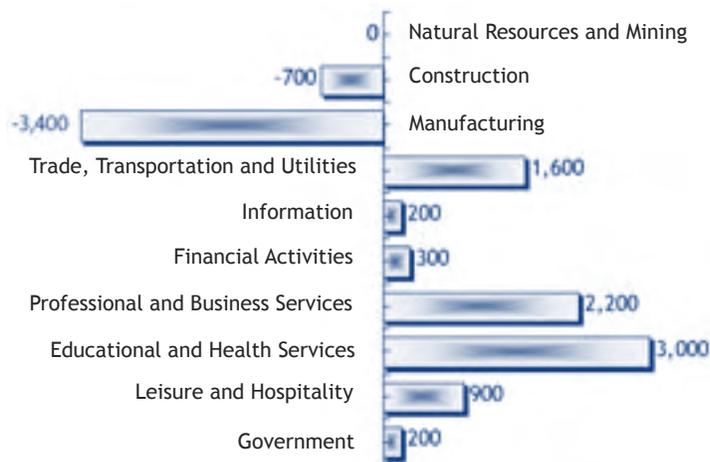
Retail trade's cutback was the primary catalyst for the 2,600 private job reduction in February.

Monthly Not Seasonally Adjusted New Hampshire Nonfarm Wage and Salary Employment

Current Employment Statistics Employment by Supersector by place of establishment	Number of Jobs			Change from previous:	
	Feb-07 preliminary	Jan-07 revised	Feb-06	Month	Year
	Total All Supersectors	631,700	629,700	626,900	2,000
Private Employment Total	536,700	539,300	532,100	-2,600	4,600
Natural Resources and Mining	900	900	900	0	0
Construction	25,800	26,400	26,500	-600	-700
Manufacturing	74,600	75,000	78,000	-400	-3,400
Durable Goods	57,100	57,300	58,900	-200	-1,800
Non-Durable Goods	17,500	17,700	19,100	-200	-1,600
Trade, Transportation and Utilities	139,100	141,800	137,500	-2,700	1,600
Wholesale Trade	27,800	27,900	27,400	-100	400
Retail Trade	95,700	98,200	94,900	-2,500	800
Transportation and Utilities	15,600	15,700	15,200	-100	400
Information	12,800	12,700	12,600	100	200
Financial Activities	39,500	39,600	39,200	-100	300
Professional and Business	61,000	60,700	58,800	300	2,200
Educational and Health	102,400	101,500	99,400	900	3,000
Leisure and Hospitality	59,200	59,500	58,300	-300	900
Other Services	21,400	21,200	20,900	200	500
Government Total	95,000	90,400	94,800	4,600	200

Change in Nonfarm Employment

Feb 2006 to Feb 2007



Monthly Analysis of Current Employment Statistics (CES) Data

For further analysis please read the *Detailed Monthly Analysis of Industry Employment Data* on our Web site at <www.nhes.state.nh.us/elmi/nonfarm.htm>

Seasonally Adjusted:

New Hampshire's economy expanded by 1,000 jobs according to preliminary seasonally adjusted estimates for February.

Government (supersector 90) posted a 500-job increase in those estimates. Professional and business services (supersector 60) and education and health services (supersector 65) each added 400 jobs to the mix. Information (supersector 50) and other services (supersector 80) followed with a 200-job expansion.

Manufacturing (supersector 30) occupied the middle ground by the man-

taining level established in January seasonally adjusted employment totals through February.

Thwarting those aforementioned gains, trade, transportation, and utilities (supersector 40) trimmed 400 spaces from its roster, as the employment trend line for each construction (supersector 20), financial activities (supersector 55), and leisure and hospitality (supersector 70) tumbled 100 notches in February's seasonally adjusted estimates.

Unadjusted:

February's preliminary unadjusted estimates showed the New Hampshire's employers rebounded slightly from

Monthly Unadjusted Nonfarm Wage and Salary Employment by Metropolitan Statistical Areas

Employment by Sector number of jobs by place of establishment	Manchester NH MetroNECTA			Nashua NH-MA NECTA Division, NH Portion			Portsmouth NH-ME MetroNECTA, NH Portion			Rochester-Dover NH-ME MetroNECTA, NH Portion		
	preliminary Feb-07	Change from previous:		preliminary Feb-07	Change from previous:		preliminary Feb-07	Change from previous:		preliminary Feb-07	Change from previous:	
		Month	Year		Month	Year		Month	Year		Month	Year
Total All Sectors	98,500	-100	300	132,900	100	2,500	55,600	300	2,500	56,600	2,000	1,400
Private Employment Total	87,000	-300	400	118,100	-100	2,700	45,900	200	2,300	42,700	-200	1,200
Natural Resources and Construction	5,100	-100	200	5,300	-100	200	1,500	0	-100	1,800	-100	-100
Manufacturing	9,500	0	200	25,000	100	-500	3,800	0	0	6,700	0	200
Trade, Transportation and Utilities	20,000	-200	-200	31,300	-400	900	11,100	0	400	11,000	-300	100
Wholesale Trade	4,800	0	200	6,000	0	200	2,000	0	0	1,300	0	0
Retail Trade	12,600	-200	100	21,000	-400	500	7,800	-100	300	8,600	-300	0
Transportation, Warehousing and Utilities	Data not available			4,300	0	200	1,300	100	100	1,100	0	100
Information	3,100	0	-100	2,100	-100	-100	1,700	0	0	1,400	0	100
Financial Activities	8,300	0	-400	9,800	100	500	5,100	200	300	2,900	0	0
Professional and Business	12,300	-100	700	13,400	0	500	9,400	0	700	4,200	0	300
Educational and Health	16,500	0	100	16,700	100	600	5,900	0	300	7,800	100	300
Leisure and Hospitality	8,200	100	0	10,300	200	700	5,800	-100	600	5,100	100	200
Services	4,000	0	-100	4,200	0	-100	1,600	100	100	1,800	0	100
Government Total	11,500	200	-100	14,800	200	-200	9,700	100	200	13,900	2,200	200

Average Earnings and Hours of Production Workers in Manufacturing

Sector	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Feb-07 preliminary	Jan-07 revised	Feb-06	Feb-07 preliminary	Jan-07 revised	Feb-06	Feb-07 preliminary	Jan-07 revised	Feb-06
New Hampshire									
All Manufacturing	\$688.63	\$696.28	\$672.14	40.2	41.2	41.8	\$17.13	\$16.90	\$16.08
Durable Goods	\$717.88	\$719.49	\$691.40	41.4	42.1	42.6	\$17.34	\$17.09	\$16.23
Nondurable Goods	\$597.51	\$624.38	\$617.39	36.5	36.5	39.5	\$16.37	\$16.26	\$15.63
Manchester NH MetroNECTA									
All Manufacturing	\$781.55	\$787.18	\$752.69	40.6	41.3	41.7	\$19.25	\$19.06	\$18.05
Nashua NH-MA NECTA Division, NH Portion									
All Manufacturing	\$749.89	\$776.52	\$732.74	42.2	43.6	42.8	\$17.77	\$17.81	\$17.12

Note: Production workers and information for Portsmouth and Rochester are not currently available.

January's downturn with a 2,000-job increase.

The return to the classroom from the holiday break influenced the 4,600-job increase for government (supersector 90) and the 900-job gain in education and health services (supersector 65).

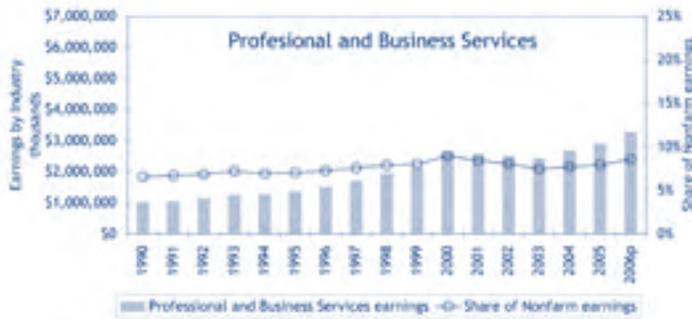
Preliminary estimates further recorded a 300-job gain by professional and business services (supersector 60) and a 200-job increase for other services (supersector 80). Information (supersector 50) concluded the list of additions by augmenting its staff with 100 spaces.

Natural resources and mining (supersector 10) returned to its usual form, as

this supersector held its employment totals at the previous month's level.

On the reducing side of the ledger, trade, transportation, and utilities (supersector 40) continued to wind down from its seasonal peak with a 2,700-job reduction. Construction (supersector 20) pared back its crew size by 600, and manufacturing (supersector 30) had 400 fewer workers on the job in February. Leisure and hospitality (supersector 70) marked February with a 300-job setback. To conclude the month's employment comings and goings, financial activities (supersector 55) adjusted its total number of jobs downward by 100.

B. G. McKay



The recession of the early 1990s struck a devastating blow to the Construction industry in the state. The industry’s contribution to total nonfarm earnings was 6.7 percent in 1990, and then dropped to 5.1 percent with the recession. The earnings crawled higher through the decade to 6.0 percent by 2000, when the industry became the strength of the goods-producing industries – benefiting from low interest rates and home improvement projects. During the next years, earnings in Construction blossomed to reach almost \$2.7 billion in 2006, 7.1 percent of the state’s nonfarm earnings.

Anita Josten

Continued from page 3

Employment SECURITY

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229-4315

The Professional and business services sector employs a high concentration of specialized service professionals. In New Hampshire its contribution to personal income peaked at 9.0 percent in 2000 with the “.com” companies, and slipped to 7.5 percent by 2003 as those jobs and companies were eliminated. This sector contributed over \$3.2 billion to total nonfarm earnings in 2006, 8.6 percent.



New Hampshire Economic Conditions is published monthly in coordination with the Bureau of Labor Statistics and the Employment and Training Administration of the U.S. Department of Labor.

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