

ECONOMIC CONDITIONS in New Hampshire



November 2004

Volume 104, Number 11

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Published by the Economic and Labor Market Information Bureau

New Hampshire
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New Hampshire employment approaching pre-recession peak

Since the 2001 recession, the number of jobs lost in New Hampshire has been a major concern. The most recent data available – first quarter 2004 – showed that total employment in the state is on the recovery and is approaching the levels of first quarter 2001. The March 2004 total employment level was about 5,000 jobs behind that of March 2001. Private employment (government employees excluded) for March 2004 lagged behind the March 2001 level by 10,500 jobs.

This overall picture did not show that some industries actually gained jobs, despite the recession. Vice versa, employment in other industries lost more jobs than the overall picture suggests.

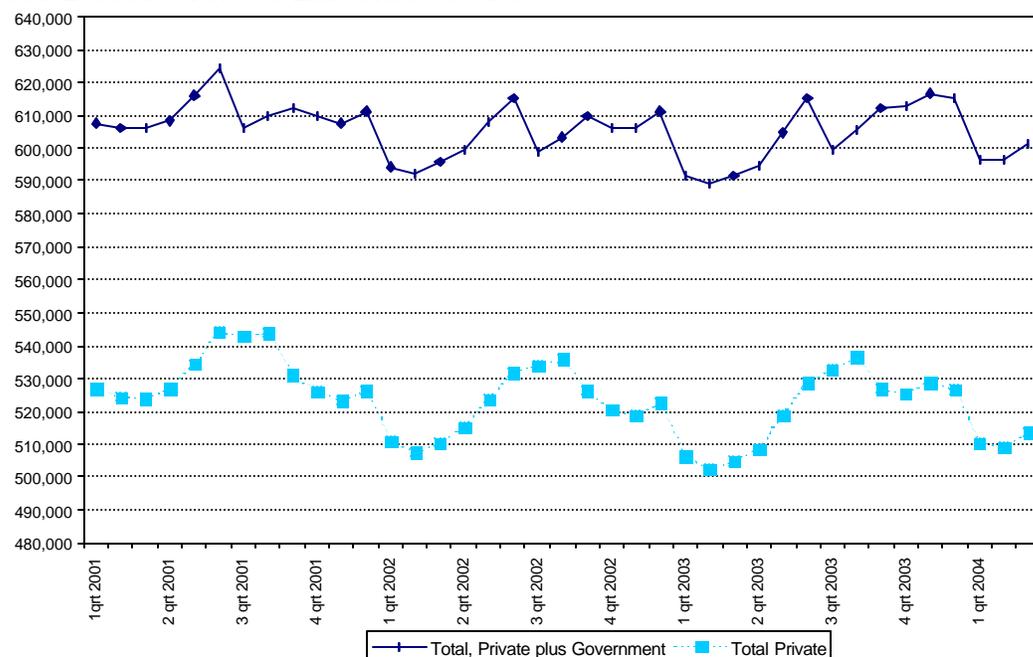
Employment

The last three years of data showed that employment was at its lowest point in February 2003 for both Private employment and total employment (private plus government).

Health care and social assistance gained the most jobs with 5,622. Total government followed with more than 5,300 additional jobs. Construction and Accommodation and food services followed with gains of about 2,300 jobs each. Despite the net job increases at the sector level, Social assistance and Accommodations were both subsectors that lost employment from first quarter 2001 to first quarter 2004. Social assistance only lost 31 jobs whereas Accommodation showed

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Increases in Government Employment Softened the Effects of the Total Job Losses Over the Last Three Years



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net losses of 137 jobs. On the other hand Local government gained 4,506 jobs and subsectors such as Food services and drinking places, Hospitals, and Ambulatory health care services gained in between 2,100 and 2,400 jobs.

On the downside were Manufacturing, Information, Professional and technical services, and Transportation and warehousing. All but one subsector in Manufacturing saw a net decrease in employment from first quarter 2001 to first quarter 2004. Nonmetallic mineral product manufacturing was the exception with a net gain of 20 jobs. Overall, Computer and electronic product manufacturing was the subsector which had the largest loss of jobs (9,500). Despite negative net growth in employment, new jobs were created; it is just that more jobs were lost than were created. Even though the largest job losses by far were in Manufacturing, some industry leaders see signs of optimism.

In the Information sector, Publishing industries (except Internet) lost more

than 1,400 jobs from first quarter 2001 to first quarter 2004. This sector includes Newspapers, periodical, book and directory publishers and Software publishers. Computer systems design and related services drove the job losses within Professional and technical services, shedding more than 1,800 jobs. Other industry groups within Professional and technical services, like Legal services, Accounting and bookkeeping services, and Architectural and engineering services gained between 100 to 400 jobs each. Other professional and technical services, which includes Marketing research, Photographic services, Translation and interpretation services, and Veterinary services, also gained close to 350 jobs.

Wages

When comparing quarterly average weekly wages by sector over the last three years it does not seem that employment losses necessarily meant a drop in average weekly wage. In other words a job in Information, Professional and technical services or Manufacturing still pays at least \$200 to \$400 more on average than a job in Government or Health care and social assistance. The average weekly wage for jobs in the gaining industries is lower than the average weekly wage in the declining industries.

However, if we look at the impact of total wages on New Hampshire's economy, the loss in total wages from jobs in Manufacturing and losses in payroll from jobs in Information and Professional and technical services were made up by the increase in total wages from jobs in Government, Health care and social assistance, and by payroll increases in Construction. Overall, total wages increased by 5.8 percent over the three-year period.

Annette Nielsen

Manufacturing Lost Close to a Quarter of its Workforce from First Quarter 2001 to First Quarter 2004

