

Current Employment Statistics Nonfarm Employment and Earnings Estimates *Preliminary 2008 and Final 2007 Benchmark*

The Current Employment Statistics (CES) program produces monthly estimates of nonfarm employment based on a survey of business establishments in New Hampshire. In March of every year, estimates for the previous two years are adjusted based on a reported employment count from the Quarterly Census of Employment and Wages (QCEW) in a process known as benchmarking. These benchmark revisions are produced using methods established by the U.S. Bureau of Labor Statistics.

Original estimates are based on the Current Employment Statistics (CES) monthly survey of roughly 2,000 New Hampshire employers. While a statistically representative sample, not all employers in the state are surveyed. Surveyed employers are those establishments whose workers are covered by unemployment insurance. CES nonfarm estimates also include workers in industries not covered by unemployment insurance, such as some finance and insurance establishments, and some membership organizations.

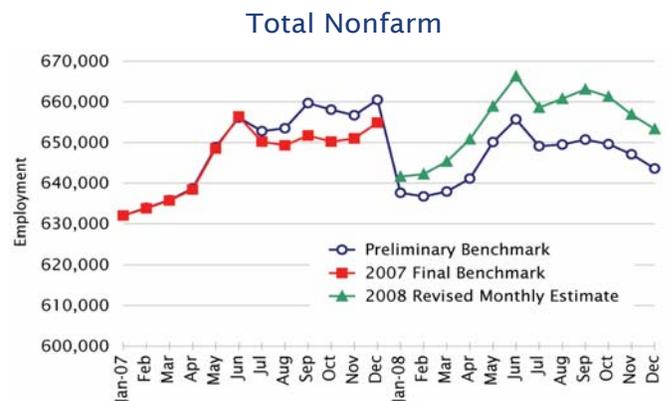
Benchmarked employment numbers are based on actual data collected by the Quarterly Census of Employment and Wages (QCEW) program each quarter for more than 40,000 New Hampshire employers whose workers are covered by unemployment compensation law. The 2009 benchmarking process updated the 2007 preliminary benchmark to a final benchmark, and updated the 2008 monthly estimates to a preliminary benchmark.

According to the National Bureau of Economic Research, the U.S. economy peaked in December 2007, marking the end of 73 consecutive months of expansion and the beginning of a recession. Economic activity has declined every month since. This significant decline in economic activity spread across all aspects of the economy.¹ In a slowing economy, the benchmark process often results in a downward adjustment of nonfarm employment numbers. This was the case for many industries, where preliminary 2008 benchmarking revised employment estimates downwards. Some industries were more significantly affected than others.

Total Nonfarm

The final 2007 benchmark adjusted *total nonfarm* employment downward by 2,900 jobs to reach an annual average of 646,000 in New Hampshire. This represented an adjustment of more than 0.4 percent lower.

As is typically the case in a slowing economy, the preliminary 2008 benchmark adjusted monthly revised estimates downward in each month of the year. The adjustment to annual average employment was 9,200 jobs lower than the original monthly estimates and resulted in a 2008 annual average total nonfarm employment estimate of 645,700 jobs. This was a decrease of 300 jobs from the final 2007 benchmark.

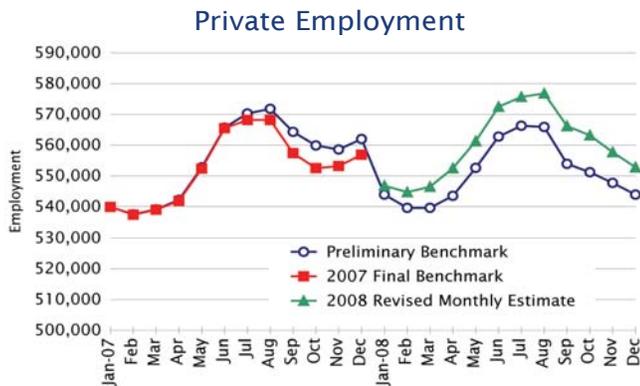


¹ "Determination of the December 2007 Peak in Economic Activity," Business Cycle Dating Committee, National Bureau of Economic Research, <www.nber.cycles.dec2008.html>. Accessed March 11, 2009.

Private Employment

Private employment was adjusted downward by 2,600 jobs, or 0.5 percent, with the final 2007 benchmark. The revision brought the final 2007 benchmark total to 552,700 jobs.

Preliminary 2008 benchmark adjusted monthly estimates downward by 8,800 jobs, or 1.6 percent. Over-the-year change from final 2007 benchmark to preliminary 2008 benchmark showed more evidence of the economic slowdown, declining by 1,800 jobs, down 0.3 percent.



Industry Details

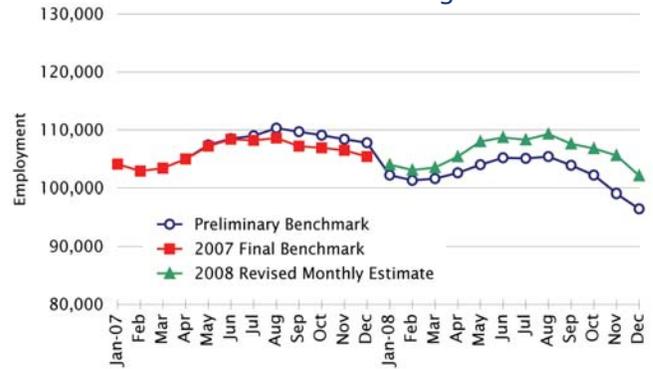
Negative over-the-year changes in many individual industries show the extent of the economic slowdown. During a recession, significant declines are wide-spread across industry sectors, however, the effects are not uniform.

Goods-Producing

The final 2007 benchmark indicated continued weakness in *Goods-producing industries*, which includes the *Manufacturing*, *Construction*, and *Mining and logging* industry sectors. Employment estimates were adjusted downward by 900 jobs, or 0.8 percent, in the final 2007 benchmark. The final 2007 benchmarking resulted in an annual average employment estimate of 106,200 jobs.

Monthly revised estimates in 2008 for *Goods-producing industries* were scaled back from 106,000 to 102,400 on an annual average basis. Preliminary 2008 benchmark resulted in lower monthly revised estimates in each month of 2008, an annual average difference of 3.4 percent. Compared to final 2007, the preliminary 2008 benchmark was 3.6 percent lower.

Goods-Producing

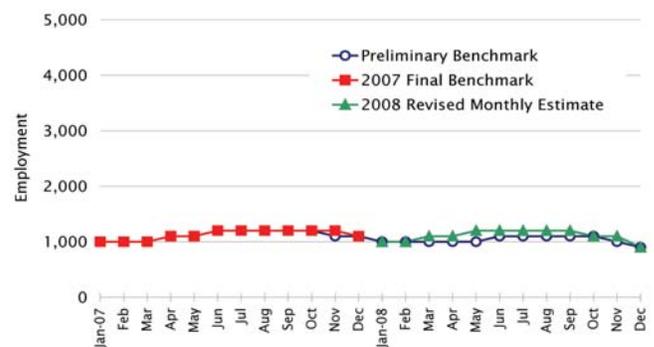


Mining and Logging Supersector

Employment has historically been very steady in this supersector. Final 2007 benchmark employment was unrevised from the preliminary benchmark of 1,100 jobs.

Preliminary 2008 benchmarking bumped annual average monthly revised estimates down by 100 jobs, down 9.1 percent from 1,100 to 1,000.

Mining and Logging

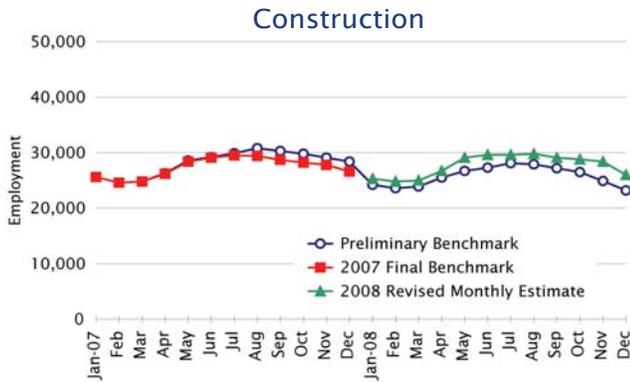


Construction Supersector

Continued weakness in the housing market had a negative impact on employment in this sector. Final 2007 benchmark was adjusted downward by 700 jobs to average 27,400 jobs for the year, or 2.5 percent lower.

The annual average of monthly revised estimates was reduced from 27,700 jobs to 25,800 jobs in the preliminary 2008 benchmark. That was 6.9 percent lower than the original estimates.

Construction's annual average employment for 2008 fell by 5.8 percent from final 2007 benchmark estimates, decreasing by 1,600 jobs.



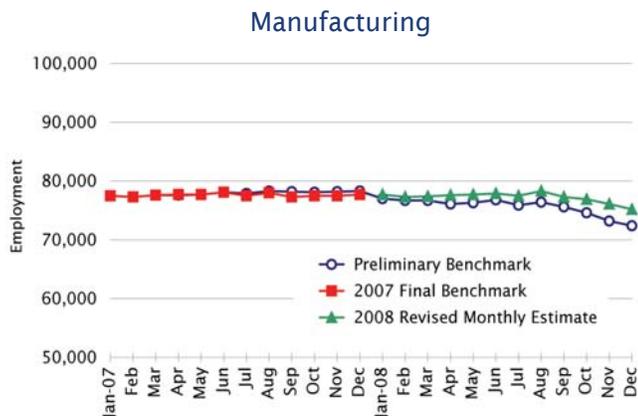
Manufacturing Supersector

Final 2007 benchmark in *Manufacturing* adjusted annual average employment downward 300 jobs, from 77,900 to 77,600, a change of 0.4 percent.

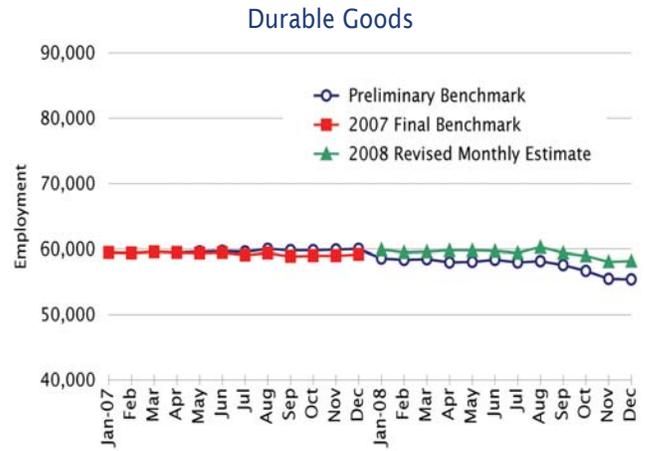
Preliminary 2008 benchmark further demonstrated the extent of the weakness in labor markets as annual average employment was adjusted downward 1,600 jobs from the monthly revised estimate to 75,600 jobs. Benchmark estimates were lower than original estimates in each of the twelve months of 2008.

From final 2007 benchmark to preliminary 2008 benchmark, annual average *Manufacturing* employment declined by 2,000 jobs, a drop of 2.6 percent over-the-year.

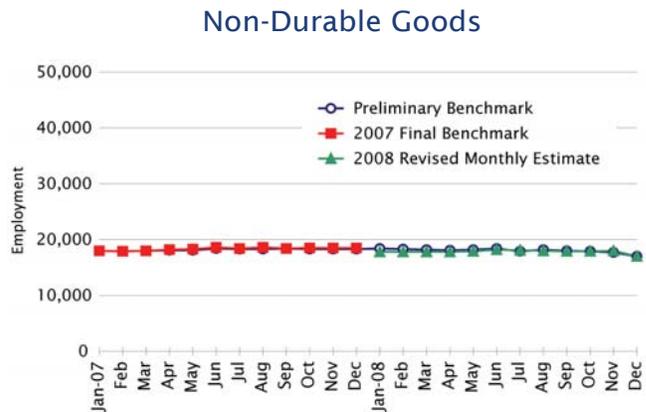
Nearly three out of every four *Manufacturing* workers are employed in *Durable goods manufacturing*. Final 2007 benchmark was adjusted down 400 workers, or 0.7 percent, to 59,300.



The 2008 monthly revised estimates for *Durable goods manufacturing* were adjusted downward by 3.0 percent to 57,600 jobs in the preliminary 2008 benchmark.



Nondurable goods manufacturing was one of the few industries to be adjusted upwards in the final 2007 benchmark. The change was 100 workers, or 0.5 percent. Preliminary 2008 benchmark was also revised upward by 100 jobs to 18,000. Over the year, employment decreased by 300 jobs, a decline of 1.6 percent.



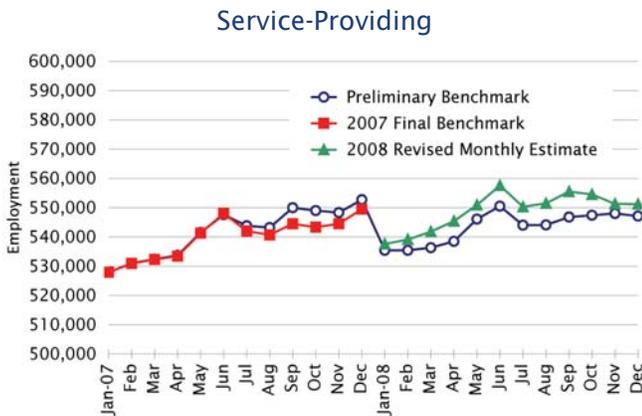
Total Service-Providing

Service-providing industries cover a wide range of activities from *Education* and *health services* to *Financial activities* to *Trade, transportation and utilities*. *Government* employment is classified as a service-providing industry.

Final 2007 benchmark revised the annual average estimate of *service-providing* jobs downward by 0.4 percent. The number of jobs was adjusted from 541,800 to 539,900.

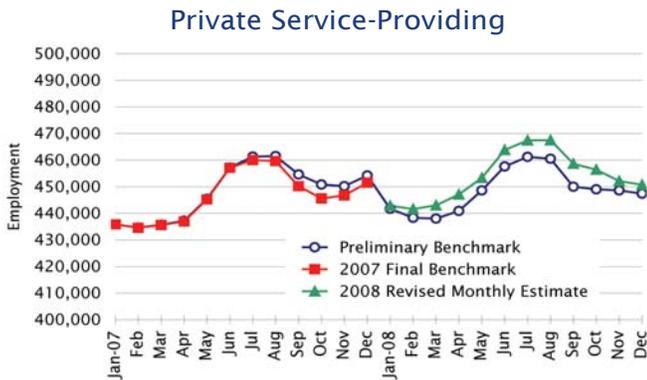
Preliminary 2008 benchmark reduced the monthly revised estimate by 5,600 jobs, or 1.0 percent.

Over-the-year, the final 2007 annual average of 539,900 grew by 3,400 jobs to 543,300, the preliminary 2008 annual average. The less than one percent increase was relatively weak when compared to over-the-year changes for previous years in *total service-providing industries*.



Private Service-Providing

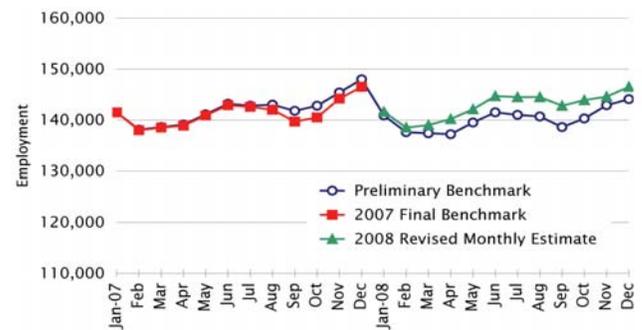
More than four out of five jobs in *Service-providing industries* are in the private sector. The final 2007 benchmark of 446,600 jobs increased over-the-year by 1,900 jobs to a preliminary 2008 benchmark of 448,500 jobs, up 0.4 percent.



Trade, Transportation, and Utilities Supersector
Industries in this supersector include *Wholesale trade, Retail trade, and Transportation, warehousing, and utilities*. This group employed nearly a third of all *private service-providing* workers and one quarter of *total private* employment in New Hampshire in 2008.

Preliminary 2008 benchmark scaled back the annual average monthly revised estimate by 1.8 percent, or 2,600 jobs. Over-the-year, preliminary 2008 benchmarked annual employment decreased by 1,300 jobs from the final 2007 benchmark to 140,100 workers.

Trade, Transportation, and Utilities Supersector

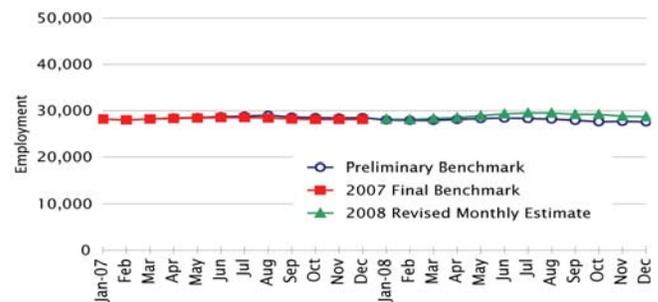


Wholesale Trade

Final 2007 benchmark adjusted annual average employment down 200 jobs to 28,300 workers.

Like many other industries, monthly revised estimates for *Wholesale trade* employment were adjusted downward with preliminary 2008 benchmarking. The benchmark revision decreased the employment estimate by 900 jobs, from 28,900 to 28,000.

Wholesale Trade



Over-the-year annual averages also decreased by 1.1 percent as annual average employment declined from the final 2007 benchmark to the preliminary 2008 benchmark by 300 workers to 28,000.

Retail Trade

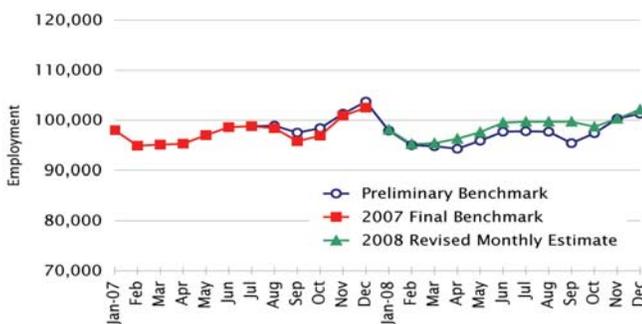
Final 2007 benchmark employment showed no upward revisions in any month in *Retail Trade*. Annual average employment was adjusted down to 97,700 jobs in final 2007 benchmark, a revision of 0.4 percent.

Reflecting the weakness in the general economy, preliminary 2008 benchmark adjusted monthly estimates from 98,500 to 97,100, a change of 1.4 percent. Over the year, employment in *Retail Trade* declined by 600 jobs from the final 2007 benchmark.

Major industries in the *Retail trade* sector showed slight changes with final 2007 benchmarking. *Food and beverage stores* employment was revised upward by 100 additional jobs, 0.5 percent more than previously estimated. The preliminary 2008 benchmark adjusted employment downward by 700 jobs from the monthly revised estimate. Over the year, this industry group was one of the few to show a positive trend, with employment increasing from 20,400 to 21,200, a gain of 800 jobs or 3.9 percent.

Another large retail industry is *Department stores*, where employment levels were unchanged at 9,300 in the final 2007 benchmark. In 2008, however, the annual average of monthly estimates of 9,000 was revised upward to 9,200 jobs, up 2.2 percent. Over the year, employment fell by 1.1 percent.

Retail Trade

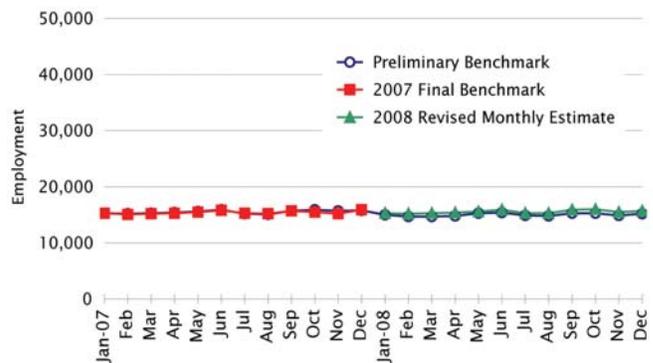


Transportation, Warehousing, and Utilities

Employment levels were adjusted slightly in this sector as the final 2007 benchmark was 100 jobs lower, a change of 0.6 percent. More substantial adjustments were made in the preliminary 2008 benchmark, with 500 fewer jobs than in the monthly revised estimates.

Preliminary 2008 benchmarked employment dropped over-the-year by 2.6 percent, 400 jobs lower than final 2007 benchmark. Much of the difference can be attributed to *Utilities*, where employment fell by 200 jobs.

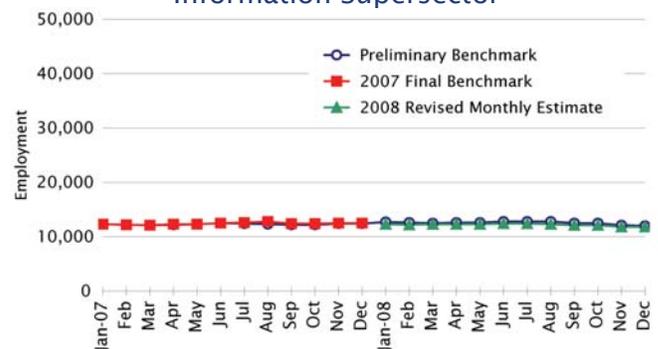
Transportation, Warehousing and Utilities



Information Supersector

Final 2007 benchmarking adjusted employment in the *Information* supersector upward by 100 jobs, from 12,300 to 12,400. This increase was the net result of an upward revision in *Publishing industries* offset by downward revisions in other industries in the sector. Preliminary 2008 benchmark for *Information* was adjusted upwards by 300 jobs over the monthly revised estimate. Over-the-year employment decreased by 100 jobs from the final 2007 benchmark to the preliminary 2008 benchmark.

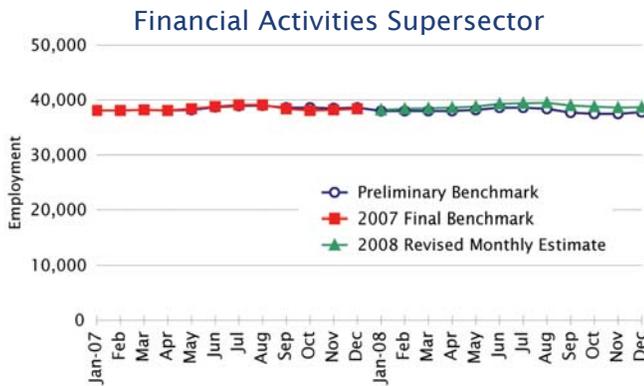
Information Supersector



Financial Activities Supersector

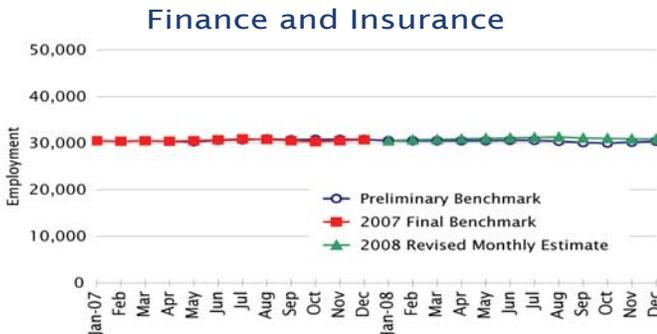
This supersector includes *Finance and insurance* and *Real estate and rental and leasing* industries. In the last few months of 2008, as markets plunged and real estate values collapsed, employment in this supersector was being closely watched.

Final 2007 benchmark revised employment by 100 fewer jobs, a difference of 0.3 percent. Preliminary 2008 benchmark illustrated the severe state of the economy with the original estimates in every month being revised downwards. The largest revisions were between August and November when adjustments added up to more than 1,000 jobs.



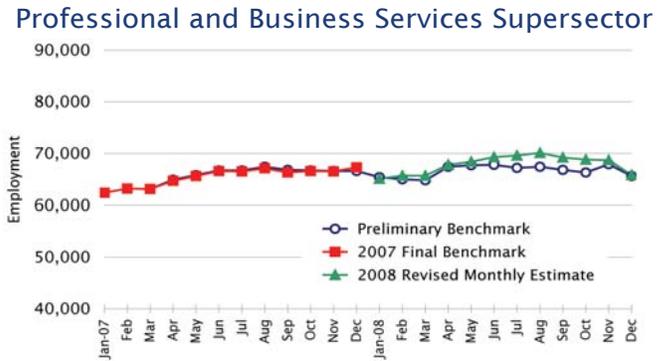
The primary source of the supersector revisions came from *Finance and insurance*, with annual average employment revised down 600 jobs in the preliminary 2008 benchmark. *Real estate and rental and leasing* was adjusted downward from monthly revised estimates by 300 jobs in the preliminary 2008 benchmark.

Over the year, employment in the *Financial activities* supersector dropped 400 jobs, from 38,400 in the final 2007 benchmark to 38,000 in the preliminary 2008 benchmark.



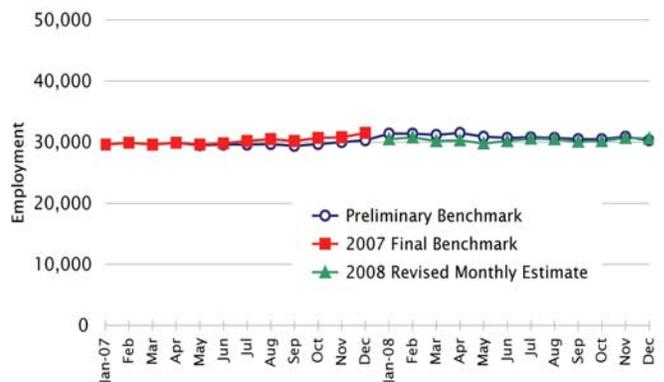
Professional and Business Services Supersector

In 2008, more than 66,000 workers were employed in this supersector, which includes three industry sectors: *Professional, scientific, and technical services*; *Management of companies and enterprises*; and *Administrative and support and waste management and remediation services*. Final 2007 benchmark adjusted estimates down 100 jobs to an annual average of 65,500. Monthly revised estimates were also adjusted downward with preliminary 2008 benchmarking from 67,900 to an annual average of 66,600. Monthly estimates were scaled back over-the-year, from the final 2007 benchmark to preliminary 2008 benchmark, employment annual averages increased by 1,100 jobs, or 1.7 percent.



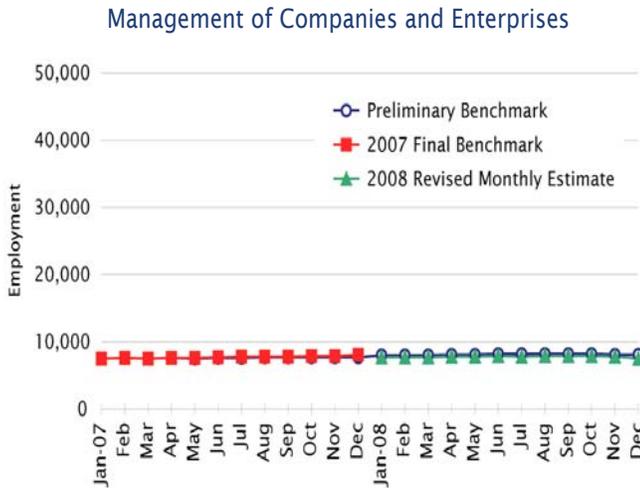
Nearly half of the workers in the supersector are employed in the *Professional, scientific, and technical services* sector. Final 2007 benchmark annual average employment was adjusted upward 1.7 percent, from 29,700 to 30,200. Similarly, monthly revised estimates were adjusted 1.6 percent higher with preliminary 2008 benchmarking. Over the year, employment in the sector increased by 700 jobs, from 30,200 to 30,900.

Professional, Scientific, and Technical Services



Management of Companies and Enterprises

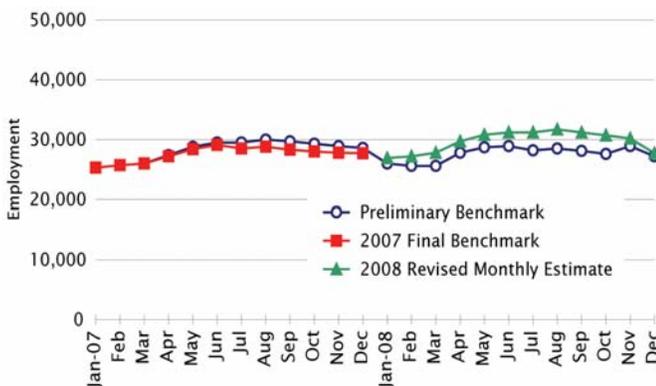
Establishments in this sector administer, oversee, and manage other companies, or may hold the securities of a company or enterprise. Annual average employment was revised downward 100 jobs with the final 2007 benchmark, to 7,700 jobs. With preliminary 2008 benchmarking, monthly revised estimates were adjusted upward by 300 jobs, to an annual average of 8,100. Over-the-year employment increased by 400 jobs.



Administrative and Support and Waste Management and Remediation Services

Seasonal employment shifts are evident in this group because it includes companies that provide landscaping, travel services, and employment services. Final 2007 benchmark resulted in a downward revision of 600 jobs, with employment estimates changing from 28,200 to 27,600 jobs.

Administrative and Support and Waste Management and Remediation Services

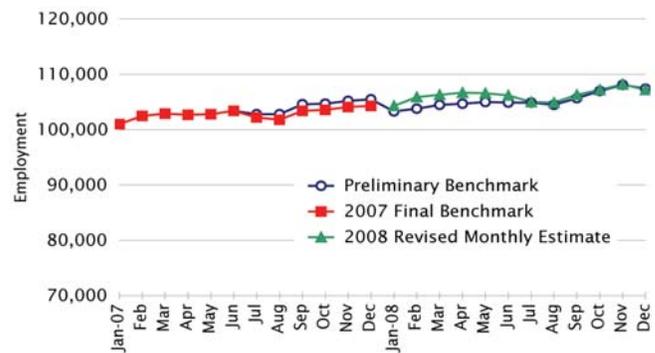


In the preliminary 2008 benchmark, revised estimates for every month of the year were moved downward, resulting in an annual average employment of 27,600, 7.1 percent lower than original estimates. Over-the-year employment was unchanged from final 2007 benchmark.

Education and Health Services Supersector

Employment in this supersector, which excludes employment in public education and health care, tends to follow population trends and accounts for nearly one out of every six jobs in New Hampshire. Final 2007 benchmark scaled back employment by 500 jobs to 102,900 workers. Preliminary 2008 benchmark reduced monthly estimates downward by 900 to 105,300 jobs. From final 2007 benchmark to preliminary 2008 benchmark over-the-year annual average employment estimates increased by 2.3 percent, up 2,400 jobs, one of the few bright spots in the economy for the year.

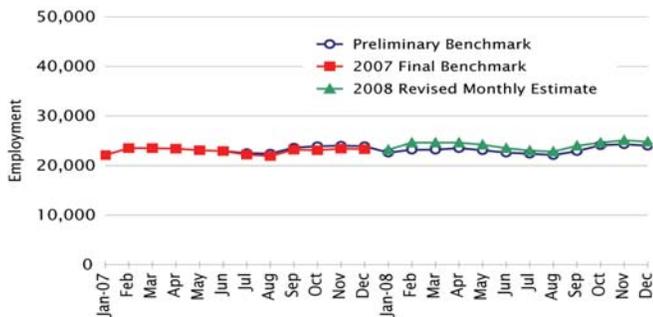
Education and Health Services Supersector



Educational Services

Final 2007 benchmark resulted in a downward adjustment of 200 jobs to an the annual average of 23,000 in private *Educational services*. With the preliminary 2008 benchmark, monthly revised estimates were adjusted lower each month of the year, resulting in a reduction of 900 jobs in annual average employment, from 24,100 to 23,200.

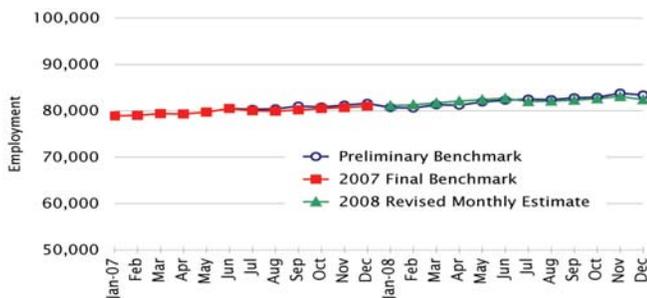
Educational Services



Health Care and Social Assistance

Healthcare and social assistance is comprised of nearly 80 percent of employment in the *Education and health services* supersector. Final 2007 benchmark revised estimates down 300 jobs to 79,900 jobs for the year. Preliminary 2008 benchmark was unchanged from monthly revised estimates of 82,200. Over the year, employment in the sector increased by 2.9 percent from 79,900 to 82,200.

Health Care and Social Assistance



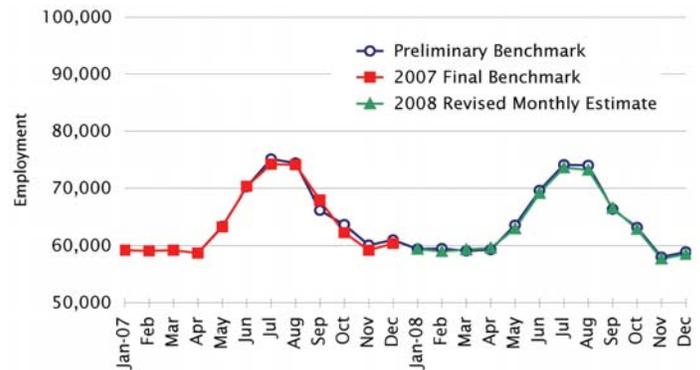
Hospitals and Ambulatory health care services (clinics, physician's offices, and similar services) are subsectors within the *Health care and social assistance* sector. Each subsector accounts for about one-third of workers in the *Healthcare and social assistance* sector. Both subsectors were adjusted down by 100 jobs with the final 2007 benchmark. Monthly revised estimates were pushed upward with preliminary 2008 benchmark. Preliminary 2008 benchmark estimated annual average employment at 27,700 jobs in *Hospitals* and 27,800 jobs in *Ambulatory health care services*.

Leisure and Hospitality Supersector

Tourism has long been an important part of the New Hampshire economy. This supersector, including industry sectors *Arts, entertainment, and recreation* and *Accommodation and food services*, is a large part of tourism-related employment. Despite the

recession, employment in these sectors has remained relatively stable. Final 2007 benchmark was revised down by 200 positions to 64,000. The preliminary 2008 benchmark had an upward adjustment of 300 jobs, bringing the total employment estimate to 63,800. Over-the-year employment decreased by 200 jobs.

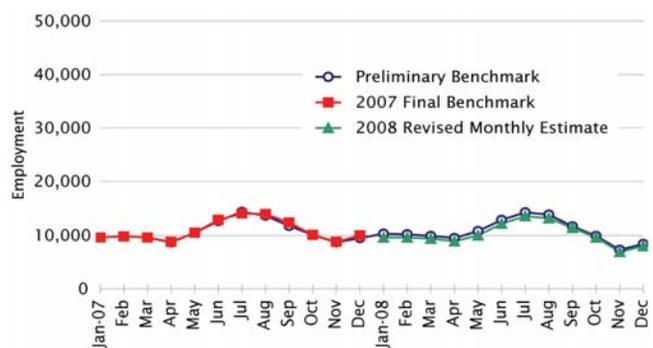
Leisure and Hospitality Supersector



Art, Entertainment, and Recreation

At peak employment in the summer months, about one of every five workers in the *Leisure and hospitality* supersector worked in this industry sector. Final 2007 benchmark adjusted annual average employment up by 100 jobs to 10,900 positions. Preliminary 2008 benchmarking pushed monthly revised estimates up an average of 600 jobs, to 10,800. Over-the-year employment decreased by 100 jobs.

Arts, Entertainment, and Recreation

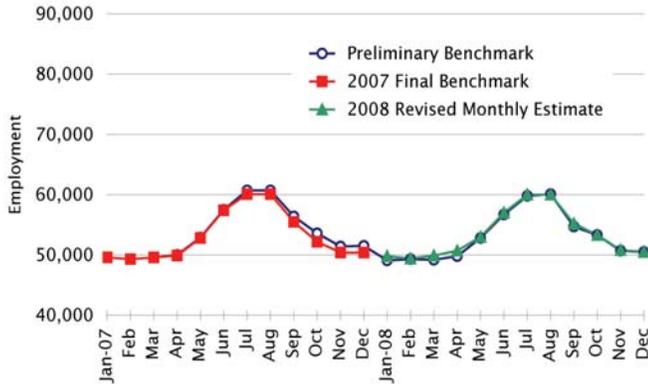


Accommodation and Food Services

The remaining 80 percent of workers in the *Leisure and Hospitality* supersector are employed in *Accommodation and food services*. Final 2007 benchmark was revised downward 500 jobs to 53,100. Preliminary 2008 benchmark adjusted the monthly

revised estimates downward 300 jobs to an annual average of 53,000. Over the year, annual average employment fell by 100 jobs. The downward revisions were highly influenced by employment in *Food services and drinking places*, which accounts for four out of every five jobs in the sector.

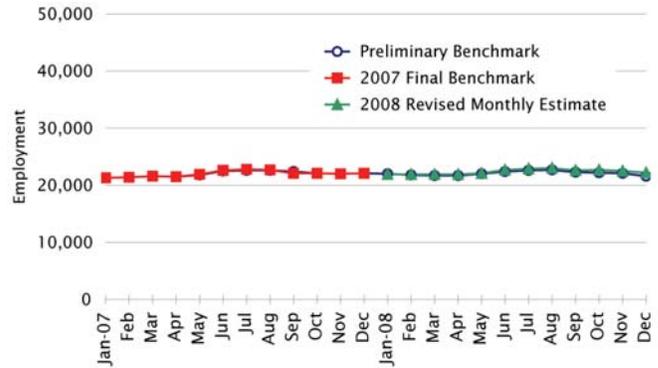
Accommodation and Food Services



Other Services Supersector

Personal care services, repair shops, and laundry services are among the business establishments included in this supersector. Final 2007 benchmark was unchanged at 22,000 jobs. Monthly revised estimates were revised lower with preliminary 2008 benchmark by 300 jobs to an annual average of 22,100. Employment grew slightly over the year, increasing by 100 jobs or 0.5 percent.

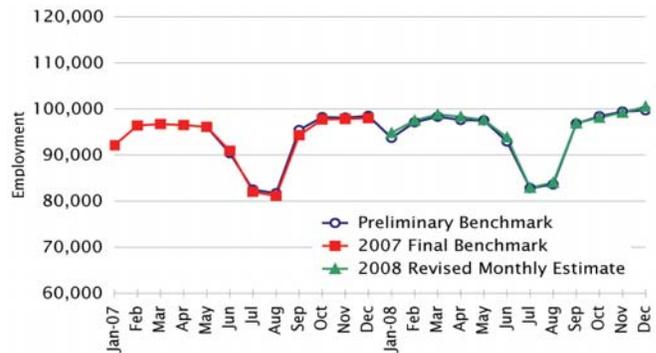
Other Services Supersector



Government

Employment in *Government* displays a seasonal component largely triggered by employment in public education – the university system, community colleges, and local school districts. *Government* employment estimates include workers in federal, state, and local government entities. Final 2007 benchmark revised annual average employment downward by 300 jobs to 93,300. Preliminary 2008 benchmark adjusted the monthly revised estimates upward 400 jobs to an annual average of 94,800. Over-the-year, government employment increased by 1,500 jobs, or 1.6 percent.

Total Government Supersector



Detail Employment and Earnings data

The employment data used in this analysis can be downloaded in spreadsheet format from our web site at: www.nh.gov/nhes/elmi/nonfarm.htm or call (603) 228-4124.

For more information about this analysis, contact Anita Josten (603) 228-4173

About CES

In order to gauge the state's economy in a timely manner, the Current Employment Statistics (CES) program estimates employment each month from a sample of New Hampshire employers. CES estimates are initially released in the month immediately following. Revised monthly estimates are published in the month after, as a larger share of sample data becomes available.

At the end of each calendar year, CES employment estimates are replaced with the most recent employment data available from the Quarterly Census of Employment and Wages (QCEW). This preliminary benchmark process provides an opportunity to validate sample-based estimates to actual counts of jobs with New Hampshire employers. At the same time, estimates for the preceding year are also revised with most-recent QCEW data in a final benchmark. The resulting product offers a more accurate picture of the New Hampshire economy than could be achieved with sample-based estimates alone.

If you have any questions about CES, please contact Gail Clay at (603) 228-4179.