

ECONOMIC CONDITIONS in New Hampshire



August 2002

Volume 102, Number 8

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Over-the-Year Personal Income Growth for First Quarter 2002 Slowed to 1.2 Percent

New Hampshire's personal income for first quarter 2002, seasonally adjusted at annual rates, increased 1.2 percent over first quarter 2001. This was considerably slower than gains for the same period during the prior three years. The Granite State had the fourth fastest growing personal income in New England for first quarter 2002. Nationally personal income grew at a slightly faster rate than New Hampshire, 1.7 percent over first quarter 2001. Personal income is current income received by all residents from all sources including earnings by place of work, rental income, interest, dividends and transfer payments less personal contributions for social insurance.

of work has to be adjusted for residents commuting in and out of the state. Personal income is effected by changes in this area.

The state's minimal personal income growth can be attributed to the large drop in Manufacturing earnings, -13.8 percent. This was the largest Manufacturing decrease in New England. All the New England states and the nation reported declines in earnings from Manufacturing. The economic slowdown over the past year hit the Manufacturing industry hard — from companies closing to large layoffs. It comes as no surprise that earnings in this industry might be down as well.

A component of personal income is earnings by place of work. Earnings by place of work comprises wage and salary disbursements, other labor income, and proprietors income, which includes farm income. Personal income is reported by place of residence, so earnings by place

The trickle-down effect from Manufacturing reductions, as well as the September 11 impact, were visible in Wholesale trade and Transportation and public utilities as they also experienced reductions in earnings from first quarter

Continued on page 3



Published by the Economic and
Labor Market Information Bureau

Employment
SECURITY

First Quarter 2002 Earnings by Industry
(\$ millions, seasonally adjusted at annual rates by place of work)

	US	CT	ME	MA	NH	RI	VT
Nonfarm earnings	\$6,253,114	\$100,069	\$23,395	\$188,619	\$28,724	\$20,649	\$11,890
Private earnings	5,202,233	86,788	18,928	165,632	25,369	16,931	9,855
Ag. serv., forestry, fishing, & other ¹	45,910	560	352	1,072	213	150	114
Mining	57,781	213	6	137	27	15	33
Construction	384,511	5,399	1,728	11,383	2,373	1,187	890
Manufacturing	872,749	16,585	3,217	24,853	4,991	2,830	2,101
Durable goods	536,559	11,197	1,654	16,778	3,809	1,896	1,574
Nondurable goods	336,190	5,388	1,564	8,075	1,182	934	527
Transportation and public utilities	419,694	4,786	1,192	8,787	1,231	1,128	617
Wholesale trade	365,759	5,239	1,154	10,753	2,061	988	583
Retail trade	556,688	7,822	2,754	15,557	3,448	2,065	1,251
Finance, insurance, and real estate	609,430	16,686	1,637	23,764	2,260	1,822	705
Services	1,889,711	29,499	6,889	69,325	8,765	6,746	3,562
Government and government enterprises	1,050,881	13,281	4,466	22,987	3,354	3,718	2,035
Federal, civilian	204,325	1,507	966	4,102	599	780	348
Military	88,773	654	370	718	108	406	96
State and local	757,783	11,120	3,131	18,166	2,647	2,532	1,591

¹Other* consists of the wage and salary disbursements to U.S. residents employed by international organizations and foreign embassies and consulates in the U.S.

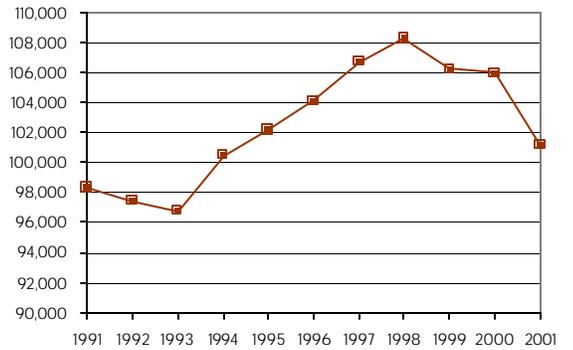
Source: Bureau of Economic Analysis

Manufacturing Employment in New Hampshire

After three consecutive years of declining employment during the recession in the early 1990s, Manufacturing employment in New Hampshire increased every year until it reached a peak of 108,269 workers in 1998. Since then, employment has declined every year. In just one year, between 2000 and 2001, nearly 5,000 jobs were lost as another economic slowdown hit the state.

Over the ten-year period from 1991 to 2001, employment in Manufacturing increased by over 2,800 jobs, a total change of 2.9 percent. Gains were not evenly distributed among New Hampshire's ten counties. Rockingham Coun-

Manufacturing Employment in New Hampshire



ty led the way with gains in Chemicals and allied products and Industrial machinery. Hillsborough County, New Hampshire's most populous, lost 643 Manufacturing jobs from 1991 to 2001.

The changes over the ten years illustrate the *cyclical* component of Manufacturing employment as demand for workers decreases because demand for the final product is less. Electronics and other electric equipment is an example of a cyclical industry. Firms purchase computers and related components when business conditions are good, but cut back on orders when times are tough. There is also a *structural* component where job losses are a result of technological changes and foreign competition. In general, structural job losses are harder to recover from, while cyclical jobs can return with an economic upswing.

Michael Argiropolis

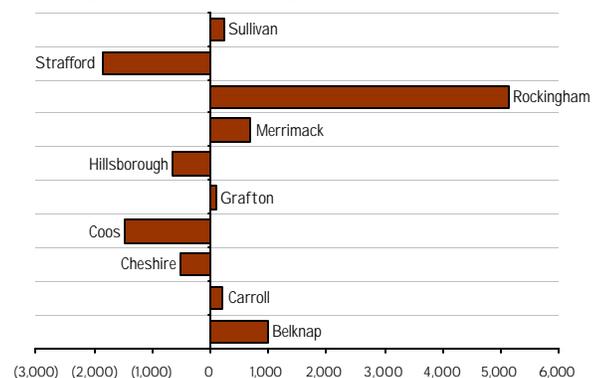
Change in Manufacturing Employment 1991 & 2001

	1991	2001	Change in jobs	Percent Change
Belknap	3,715	4,704	989	26.6%
Carroll	1,206	1,409	203	16.8%
Cheshire	7,018	6,508	-510	-7.3%
Coos	3,683	2,218	-1,465	-39.8%
Grafton	6,551	6,651	100	1.5%
Hillsborough	40,795	40,152	-643	-1.6%
Merrimack	8,261	8,961	700	8.5%
Rockingham	13,806	18,922	5,116	37.1%
Strafford	9,433	7,564	-1,869	-19.8%
Sullivan	3,864	4,091	227	5.9%
New Hampshire	98,332	101,180	2,848	2.9%

ty led the way with 5,116 jobs, with more than half of the gains coming from Electronics and other electrical equipment and Instruments and related products. Belknap County was also strong, with 989 manufacturing jobs added in a number of varied industries.

Four counties suffered declines in employment. Most of the losses were in Coos and Strafford counties. Nearly 3,400 jobs were lost over the ten-year period as the lumber and paper industries were especially hard hit in these counties. Some of

Change in Manufacturing Employment 1991-2001



2001, -3.7 percent and -1.5 percent respectively.

These losses in the Granite State were offset by the over-the-year growth in Services, Construction, Finance, insurance, and real estate, and Retail trade. Services added the largest dollar amount, while Construction grew the fastest. New Hampshire had the fastest Construction increase in New England.

Government earnings in New Hampshire grew 7.6 percent. Only Connecticut and Vermont had a faster growth 9.9 percent and 8.0 percent respectively.

As an aside, Military earnings in the New England states and the nation had the fastest Government earnings in-

crease over first quarter 2001. The Granite State's Military earnings increased 42.1 percent over first quarter 2001. This was primarily the result of some military personnel being activated to increase security in the state after September 11.

Gail Houston

Continued from page 1

Personal Income by quarter for the US and the New England States (\$ millions, seasonally adjusted at annual rates by place of residence)

	1st 2001	2nd 2001	3rd 2001	4th 2001	1st 2002	Over-the-Year (1Q2001 to 1Q2002)	
						Net	Percent
US	\$8,559,568	\$8,589,832	\$8,608,704	\$8,587,003	\$8,705,154	\$145,586	1.7%
CT	143,636	143,448	142,802	141,435	143,251	-385	-0.3%
ME	33,750	33,813	33,938	34,136	34,744	994	2.9%
MA	247,883	248,298	245,942	244,976	247,960	77	0.0%
NH	42,621	42,703	42,500	42,541	43,146	525	1.2%
RI	31,539	31,504	31,836	31,511	31,998	459	1.5%
VT	16,998	17,144	17,193	17,210	17,425	427	2.5%

Source: Bureau of Economic Analysis

Unemployment Compensation Claims Activity

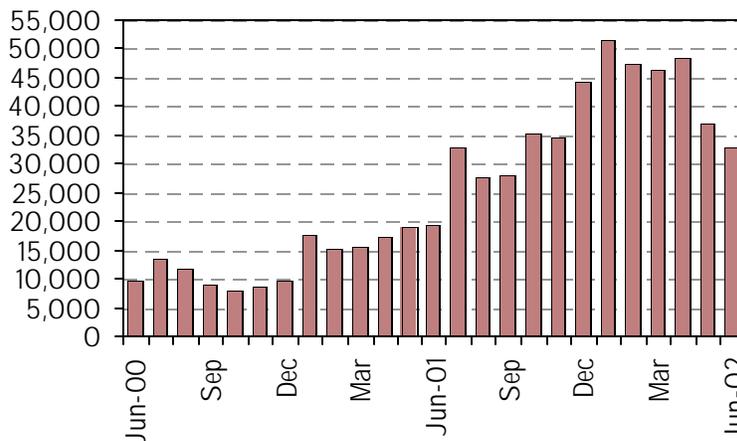
Total Regular Unemployment Compensation Programs:				Change from Previous			
				Month		Year	
	Jun-02	May-02	Jun-01	Net	Percent	Net	Percent
Initial Claims	4,738	4,239	4,677	499	11.8%	61	1.3%
Continued Weeks	32,916	36,912	19,292	-3,996	-10.8%	13,624	70.6%

Claims Activity

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of June:	\$323,778,387.45
Average payment for a week of total unemployment:	\$260.17
Net benefits paid:	\$6,838,242.53
Net contributions received during the month:	\$130,333.22
Interest Received:	\$5,120,654.61
Reed Act Distribution:	\$0.00

Trust Fund



Continued Weeks Claimed

June 2000 - June 2002

Since January 2002, continued weeks claimed have fallen four out of five months, including June.

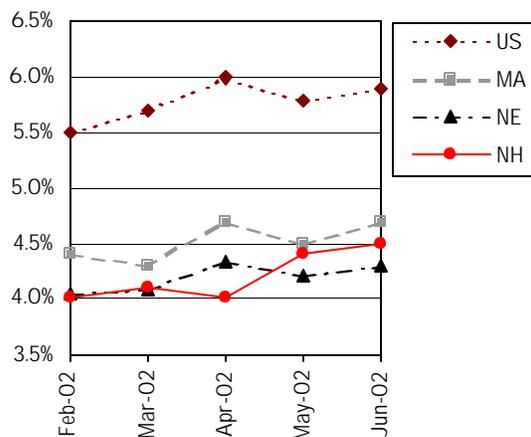
Jun-02	May-02	Jun-01	Month	Year
179.9	179.8	178.0	0.1%	1.1%

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

Consumer Price Index

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

The over-the-month increase in New Hampshire's unemployment rate matched that of New England, increasing 0.1 percentage points. New Hampshire and Massachusetts had the largest increase over-the-year of 1.1 points.



Unemployment Rates by Region

	preliminary Jun-02	revised May-02	preliminary Jun-01
United States	5.9%	5.8%	4.5%
Northeast	5.3%	5.4%	4.3%
New England	4.3%	4.2%	3.6%
Connecticut	3.6%	3.7%	3.3%
Maine	4.0%	3.7%	4.0%
Massachusetts	4.7%	4.5%	3.6%
New Hampshire	4.5%	4.4%	3.4%
Rhode Island	4.1%	4.7%	4.9%
Vermont	3.9%	3.9%	3.5%
Mid Atlantic	5.7%	5.8%	4.6%
New Jersey	5.6%	5.5%	4.2%
New York	6.1%	6.2%	4.7%
Pennsylvania	5.3%	5.7%	4.7%

Labor Force Estimates

By Place of Residence

	Feb-02	Mar-02	Apr-02	revised May-02	preliminary Jun-02
New Hampshire					
Unemployment Rate	4.0%	4.1%	4.0%	4.4%	4.5%
Civilian Labor Force	708,070	707,360	707,180	709,160	712,080
Number Employed	679,970	678,400	678,740	678,200	679,970
Number Unemployed	28,100	28,960	28,440	30,960	32,110
United States (in thousands)					
Unemployment Rate	5.5%	5.7%	6.0%	5.8%	5.9%
Civilian Labor Force	142,211	142,005	142,570	142,769	142,476
Number Employed	134,319	133,894	133,976	134,417	134,053
Number Unemployed	7,891	8,111	8,594	8,351	8,424

Seasonally Adjusted Nonfarm Employment

By Place of Establishment

Industry	Feb-02	Mar-02	Apr-02	revised May-02	preliminary Jun-02
TOTAL ALL INDUSTRIES	627,900	626,500	627,400	624,700	626,800
Mining*	500	500	500	500	500
Construction	27,100	27,300	26,900	27,300	27,400
Manufacturing	100,100	99,400	99,600	99,600	99,400
Durable Goods	72,900	72,300	72,600	72,600	72,600
Nondurable Goods	27,200	27,100	27,000	27,000	26,800
Transportation and Public Utilities	21,200	21,100	21,000	21,000	20,700
Trade	166,300	165,900	166,700	166,000	166,300
Wholesale Trade	32,800	32,900	32,900	32,900	32,700
Retail Trade	133,500	133,000	133,800	133,100	133,600
Finance, Insurance, and Real Estate	34,000	34,100	33,900	34,100	34,100
Services	193,900	193,100	194,400	192,500	192,400
Government	84,800	85,100	84,400	83,700	86,000

* Since N.H. mining employment exhibits no clear seasonal pattern, these estimates are not adjusted.

Labor Force Estimates

New Hampshire	Jun-02 preliminary	May-02 revised	Jun-02
Number of Workers			
Total Civilian Labor Force	720,760	706,750	695,930
Employed	688,190	676,960	671,970
Unemployed	32,570	29,790	23,960
Unemployment Rate (% of labor force)	4.5%	4.2%	3.4%

Unemployment Rates by Area

	Jun-02 preliminary	May-02 revised	Jun-01
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U.S. and Regional States

United States	6.0%	5.5%	4.7%
Northeast	5.3%	5.2%	4.3%
New England	4.4%	4.1%	3.7%
Connecticut	4.0%	3.9%	3.7%
Maine	3.9%	3.7%	4.0%
Massachusetts	4.8%	4.2%	3.7%
New Hampshire	4.5%	4.2%	3.4%
Rhode Island	4.0%	4.4%	4.8%
Vermont	3.6%	3.6%	3.2%
Mid Atlantic	5.7%	5.6%	4.5%
New Jersey	5.6%	5.2%	4.2%
New York	5.8%	5.8%	4.4%
Pennsylvania	5.5%	5.6%	4.9%

Labor Market Areas

Berlin LMA	9.1%	10.9%	4.1%
Seabrook-South Hampton, NH Portion Boston, MA-NH PMSA	7.8%	7.5%	6.1%
Claremont LMA	2.4%	2.2%	2.1%
Colebrook LMA	2.2%	2.8%	2.4%
Concord LMA	3.3%	2.8%	2.6%
Conway LMA	3.9%	3.7%	2.8%
NH Portion Hartford-Lebanon, VT-NH LMA	1.6%	1.4%	1.7%
NH Portion Keene-Brattleboro, NH-VT LMA	3.1%	2.9%	2.6%
Laconia LMA	4.1%	3.0%	2.6%
Lancaster LMA	4.3%	4.8%	3.9%
Salem-Derry, NH Portion Lawrence, MA-NH PMSA	6.5%	6.0%	5.2%
Littleton LMA	2.7%	4.4%	3.2%
Pelham, NH Portion Lowell, MA-NH PMSA	6.9%	6.9%	4.9%
Manchester PMSA	4.5%	4.1%	3.4%
Nashua PMSA	5.7%	5.4%	4.4%
Peterborough LMA	3.8%	3.4%	3.1%
Plymouth LMA	2.9%	3.3%	2.1%
NH Portion Portsmouth- Rochester, NH-ME PMSA	4.3%	3.8%	3.0%

Counties

Belknap	4.3%	3.2%	2.7%
Carroll	3.6%	3.4%	2.6%
Cheshire	3.3%	3.1%	2.7%
Coos	6.3%	7.9%	3.8%
Grafton	2.2%	2.6%	2.1%
Hillsborough	5.1%	4.8%	3.9%
Merrimack	3.2%	2.7%	2.6%
Rockingham	5.5%	5.1%	4.3%
Strafford	4.6%	4.1%	3.1%
Sullivan	2.3%	2.1%	2.1%

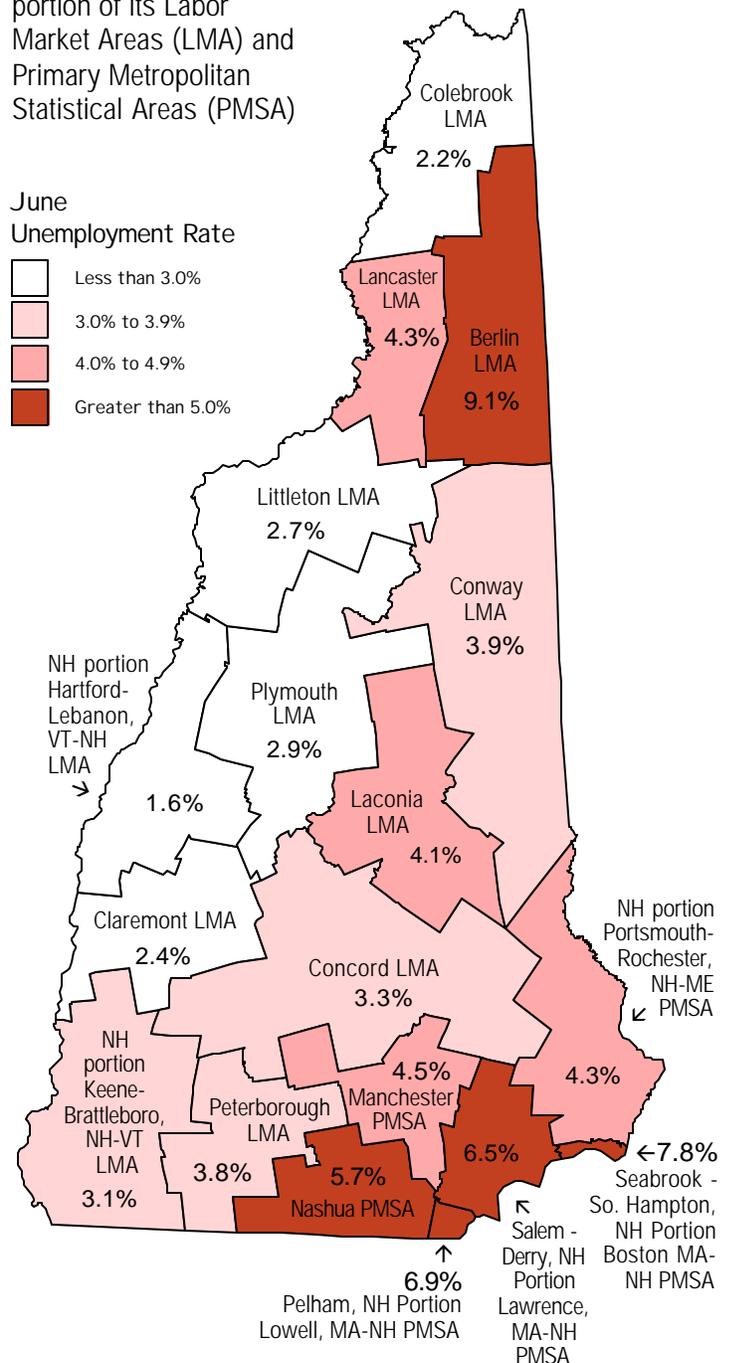
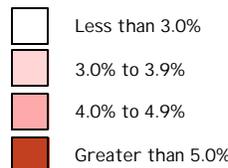
**Local Area
Unemployment
Statistics
(LAUS)**

**Not Seasonally
Adjusted**

By Place of Residence

Unemployment rates in the New Hampshire portion of its Labor Market Areas (LMA) and Primary Metropolitan Statistical Areas (PMSA)

June
Unemployment Rate



Over 90 percent of the over-the-month increase in statewide employment was from expansions in Retail trade and Services.

More detailed industry information is available at our Web site

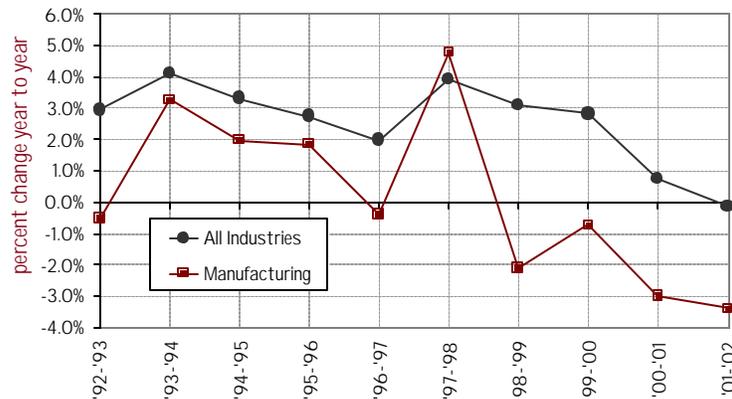
Nonfarm employment in selected industries

Percent change June to June, 1992 - 2002

Monthly Not Seasonally Adjusted New Hampshire Nonfarm Wage and Salary Employment

Current Employment Statistics Employment by Industry by place of establishment	Number of Jobs			Change From Previous:	
	Jun-02 (preliminary)	May-02 (revised)	Jun-01	Month	Year
	Total All Industries	635,300	626,600	636,200	8,700
Private Employment Total	550,100	540,500	553,000	9,600	-2,900
Mining	500	500	500	0	0
Construction	28,500	27,700	28,500	800	0
Manufacturing	99,800	99,800	103,300	0	-3,500
Durable Goods Total	72,800	72,700	75,200	100	-2,400
Nondurable Goods Total	27,000	27,100	28,100	-100	-1,100
Transportation & Public Utilities	21,000	21,000	22,200	0	-1,200
Trade Total	168,700	165,200	168,900	3,500	-200
Wholesale Trade	33,300	33,000	33,100	300	200
Retail Trade	135,400	132,200	135,800	3,200	-400
Finance, Insurance, & Real Estate	34,400	34,000	34,200	400	200
Services	197,200	192,300	195,400	4,900	1,800
Government Total	85,200	86,100	83,200	-900	2,000

Note: Totals are rounded to hundreds



Current Employment Statistics (CES) Manchester PMSA

Employment by Industry Number of jobs by place of establishment	Number of Jobs			Change from previous:	
	Jun-02 (prelim.)	May-02 (revised)	Jun-01	Month	Year
	Total All Industries	107,100	106,300	109,300	800
Private Employment Total	95,000	94,500	97,300	500	-2,300
Construction & Mining	5,600	5,500	5,500	100	100
Manufacturing	12,400	12,400	14,200	0	-1,800
Durable Goods	8,300	8,300	9,900	0	-1,600
Transportation & Public Utilities	6,700	6,600	6,500	100	200
Trade Total	26,500	26,600	26,700	-100	-200
Wholesale Trade	7,200	7,200	7,200	0	0
Retail Trade	19,300	19,400	19,500	-100	-200
Finance, Insurance, & Real Estate	8,600	8,500	8,200	100	400
Services	35,200	34,900	36,200	300	-1,000
Government Total	12,100	11,800	12,000	300	100

Services was the primary private sector contributor to over-the-month employment growth in the Manchester PMSA.

Current Employment Statistics Nashua PMSA

Employment by Industry Number of jobs by place of establishment	Number of Jobs			Change from previous:	
	Jun-02 (prelim.)	May-02 (revised)	Jun-01	Month	Year
	Total All Industries	100,300	99,200	100,600	1,100
Private Employment Total	90,300	89,300	90,800	1,000	-500
Construction & Mining	3,800	3,600	3,600	200	200
Manufacturing	27,300	27,200	27,400	100	-100
Durable Goods	22,100	21,900	22,100	200	0
Nondurable Goods	5,200	5,300	5,300	-100	-100
Transportation & Public Utilities	2,200	2,200	2,400	0	-200
Trade Total	25,500	25,100	25,400	400	100
Wholesale Trade	4,000	4,000	4,500	0	-500
Retail Trade	21,500	21,100	20,900	400	600
Finance, Insurance, & Real Estate	6,300	6,300	6,400	0	-100
Services	25,200	24,900	25,600	300	-400
Government Total	10,000	9,900	9,800	100	200

Wholesale trade, Transportation and public utilities, and FIRE were the only divisions to not contribute to the over-the-month increase of 1,100 jobs in the Nashua PMSA.

Current Employment Statistics Portsmouth-Rochester, NH-ME PMSA

Employment by Industry Number of jobs by place of establishment	Number of Jobs			Change from previous:	
	Jun-02 (prelim.)	May-02 (revised)	Jun-01	Month	Year
	Total All Industries	126,900	126,400	128,000	500
Private Employment Total	103,700	101,700	105,800	2,000	-2,100
Construction & Mining	4,300	4,300	4,300	0	0
Manufacturing	16,600	16,800	18,300	-200	-1,700
Durable Goods	10,700	10,800	11,700	-100	-1,000
Nondurable Goods	5,900	6,000	6,600	-100	-700
Transportation & Public Utilities	4,300	4,400	4,400	-100	-100
Trade Total	34,800	33,400	34,400	1,400	400
Wholesale Trade	6,100	6,100	6,300	0	-200
Retail Trade	28,700	27,300	28,100	1,400	600
Finance, Insurance, & Real Estate	6,500	6,400	6,700	100	-200
Services	37,200	36,400	37,700	800	-500
Government Total	23,200	24,700	22,200	-1,500	1,000

Private employment growth over-the-month in the Portsmouth-Rochester area was almost totally offset by reductions in Government employment.

Average Earnings and Hours of Production Workers in Manufacturing

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Jun-02 prelim.	May-02 revised	Jun-01	Jun-02 prelim.	May-02 revised	Jun-01	Jun-02 prelim.	May-02 revised	Jun-01
New Hampshire									
All Manufacturing	\$587.30	\$584.65	\$565.21	42.9	42.8	40.2	\$13.69	\$13.66	\$14.06
Durable Goods	614.21	610.06	569.57	45.7	45.8	40.8	13.44	13.32	13.96
Nondurable Goods	521.28	524.74	557.05	36.0	35.6	38.9	14.48	14.74	14.32
Manchester PMSA									
All Manufacturing	\$643.01	\$623.27	\$626.43	40.8	39.8	39.9	\$15.76	\$15.66	\$15.70
Durable Goods	703.19	675.01	677.73	43.3	41.9	42.2	16.24	16.11	16.06
Nashua PMSA									
All Manufacturing	\$503.20	\$508.03	\$551.60	37.0	37.8	40.0	\$13.60	\$13.44	\$13.79
Durable Goods	450.69	453.84	519.28	36.2	36.6	39.7	12.45	12.40	13.08
Nondurable Goods	711.54	733.15	684.75	40.2	43.0	41.5	17.70	17.05	16.50
Portsmouth-Rochester, NH-MA PMSA									
All Manufacturing	\$556.95	\$559.20	\$540.55	39.5	40.0	40.1	\$14.10	\$13.98	\$13.48
Durable Goods	630.05	619.27	562.77	42.6	42.3	39.0	14.79	14.64	14.43
Nondurable Goods	428.30	454.32	500.22	34.1	36.0	42.0	12.56	12.62	11.91

The Nashua area was joined by the Portsmouth-Rochester area in experiencing reductions in average weekly earnings because of declines in average weekly hours.

For Additional Information



<p>NewHampshire Employment Security Economic and Labor Market Information Bureau:</p> <p>General Information 228-4124 Research Unit 228-4173 Economist 228-4122 Covered Employment and Wages (ES-202) 228-4177 Current Employment Statistics (790) 228-4127 Local Area Unemployment Statistics 228-4175 Mass Layoff Statistics (MLS) 228-4175 Occupational Employment Statistics 229-4315</p> <p>Internet address: ... www.nhes.state.nh.us/elmi/ E-mail: elmi@nhes.state.nh.us</p>		<p>NewHampshire Employment Security Local Offices:</p> <p>Berlin 752-5500 Claremont 543-3111 Concord 228-4100 Conway 447-5924 Keene 352-1904 Laconia 524-3960 Lebanon 448-6340 Littleton 444-2971 Manchester ... 627-7841 Nashua 882-5177 Portsmouth ... 436-3702 Salem 893-9185 Somersworth .. 742-3600</p>
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