

ECONOMIC CONDITIONS in New Hampshire



September 2004

Volume 104, Number 09

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Published by the Economic and Labor Market Information Bureau

New Hampshire
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A tale of two employment surveys – The gap between payroll and household surveys grows

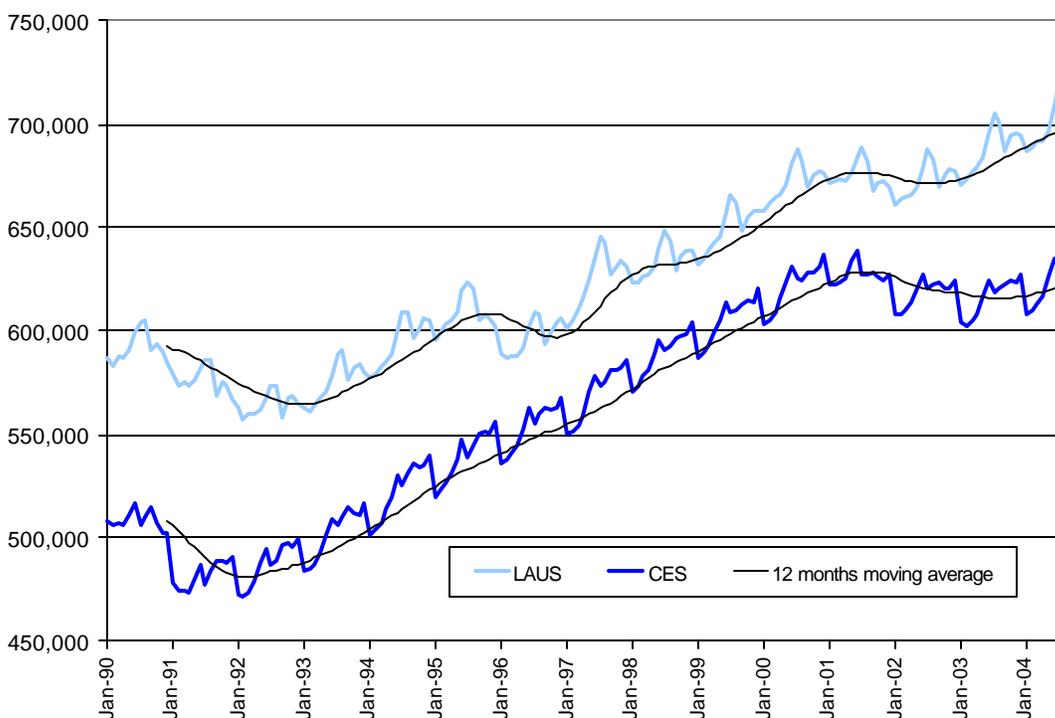
The June 2004 edition of *Economic Conditions in New Hampshire* included an article explaining the difference between Local Areas Unemployment Statistics (LAUS) employment numbers and Current Employment Statistics (CES) employment numbers.

Since the 2001 recession there seems to be a growing gap between the CES and LAUS employment data. This trend is true for both New Hampshire and the nation. Nationwide, employment has fallen by 1.2 million since the start of the recession according to the payroll

survey (CES) and, in contrast, the household survey (Current Population Survey-CPS) indicates that employment has risen by 1.9 million since the start of the recession. In New Hampshire, from March 2001 to July 2004, CES employment shows a decline of 2,400 and LAUS (the different states equivalent to the nationwide CPS) employment shows an increase of more than 26,000. What characteristics of the labor market have changed that could explain this difference? Is it a characteristic of the 2001 recession or does the 1991 recession show a similar pattern?

Continued on page 8

The gap between the payroll and household surveys widened during the 1991 and 2001 recessions.



New Hampshire among top states for highest median household income in 2003

The US Census Bureau reported that New Hampshire's median household income of \$55,166 (based on a 2001-2003 moving average) put it at the top of the list with five other states for highest income in 2003. New Jersey, Maryland, Alaska, Connecticut, and Minnesota also shared the spotlight. Nationally, median household income was \$43,527 in 2003. How can six states be ranked top? Because there is no statistical difference in the median income levels of these states.*

Although the 2001 recession certainly affected New Hampshire's economy, its median household income continued to increase. With its low tax burden, the Granite State may be a desirable destination for not only wealthy retirees but also highly educated professionals. Thus, the Granite State's household income has been influenced by the change in the state's demographic make-up.

Massachusetts, with a median household income of \$52,084 in 2003, followed close behind both New Hampshire and Connecticut. Using a 3-year moving average on a national level, median household income was \$43,527 in 2003.

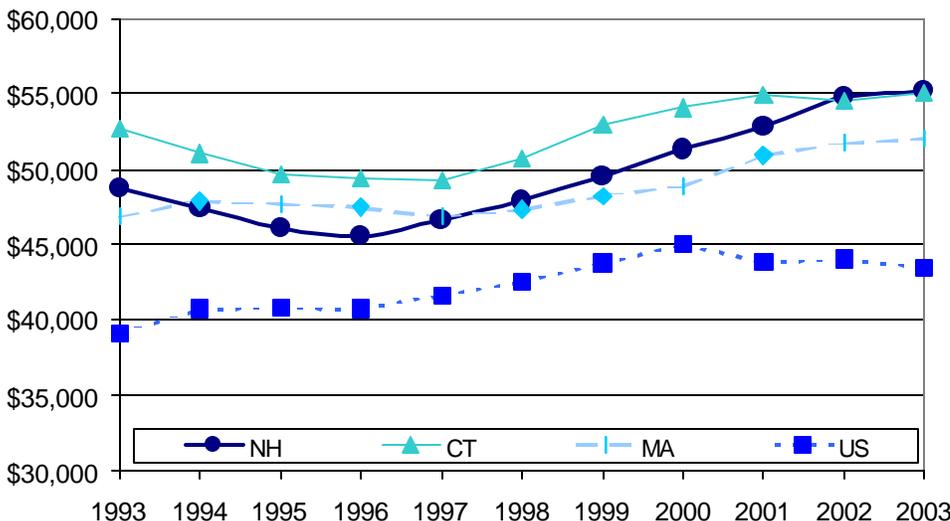
The Census Bureau also estimates median household income using a 2-year moving average so each state can compare how it has done from one two-year period to another. Using the latest numbers available, 2001-2002 and 2002-2003, New Hampshire's median household income increased two percent. Nationally, income increased less than one percent. According to the US Census Bureau, comparisons between states should not be made using the 2-year averages; the 3-year averages are more accurate.

*As with all samples, both the 2-year and the 3-year moving averages are subject to sampling errors. Typically, the larger the sample, the smaller the error. The Census Bureau uses a 90% confidence interval with a margin of error for these surveys. Simply put, this means that they are 90% confident that the median household income is somewhere between the upper and lower bounds of the published number. For example, New Hampshire's income for 2003 was \$55,166 with a margin of error of +/- \$1,331. That means the Census Bureau is 90% confident that the number was somewhere between \$53,835 (\$55,166-\$1,331) and \$56,497 (\$55,166+\$1,331).

Household income is the sum of all money income (taxable and non-taxable) received by all household members, related or not, age 15 and above. Over the last few years, New Hampshire's median household income has increased while Connecticut's stabilized, causing the income gap between the two states to close at just above \$55,000.

Connecticut's economy was affected by not only the terrorist attacks of 2001, but also by the 2001 recession. Many Connecticut residents who worked in the financial services district in New York lost their jobs.

The gap between New Hampshire's and Connecticut's median household income closed in recent years



Source: US Census Bureau, Current Population Survey
 Note: The year represents the last year of a three year moving average (i.e. 2003 = 2001-2003).
 All historical income figures were adjusted for inflation using the Bureau of Labor Statistics' CPI-U-RS.

Elisabeth Picard

Attention Career/Life skills teachers, Career counselors/ advisors, and teachers

Ever considered what career development and exploration information looks like from the student or the job seeker perspective?

An excerpt from The Journey of Life...After High School by Kimberly Walleston states "Regardless of whether you go to college or not, you should still concentrate on your curiosity and decide what field you are interested in. Knowing your talents and interests before you graduate will enable you to become more focused in choosing additional education or activities. ... A word of advice: whatever you decide to study or pursue as a

career, make sure it's something you enjoy. ... Do what you love and the money will follow."

This viewpoint and others, as well as information about career planning, interest profiles, resume writing, interviewing skills and school financial aid information are available in the e-version of New Hampshire Career Resource Network's (NHCRN) 2004-2005 Job Notes. This information is available to everyone by accessing the Economic and Labor Market Bureau main page at < www.nhes.state.nh.us/elmi >. The publication can be found by selecting the NHCRN icon - Job Notes.

e-release
2004-2005
Job Notes



Unemployment Compensation Claims Activity

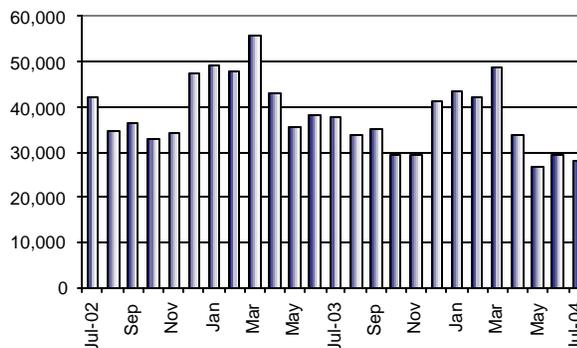
Total Regular Unemployment Compensation Programs:	Change from Previous							
				Month		Year		
	July-04	June-04	July-03	Net	Percent	Net	Percent	
Initial Claims	4,254	4,338	5,283	-84	-1.9%	-1,029	-19.5%	
Continued Weeks	27,866	29,435	37,505	-1,569	-5.3%	-9,639	-25.7%	

Claims Activity

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of July	\$239,861,199.83
Average payment for a week of total unemployment:	\$244.73
Net benefits paid:	\$5,522,115.20
Net contributions received during the month:	\$5,980,198.46
Interest Received:	\$0.00
Reed Act Distribution:	\$0.00
Reed Act Withdrawal for Administrative Costs:	\$1,070.99

Trust Fund



Continued Weeks Claimed

Jul. 2002 - Jul. 2004

Continued weeks claimed dropped by more than 14,000 from July 2002 to July 2004.

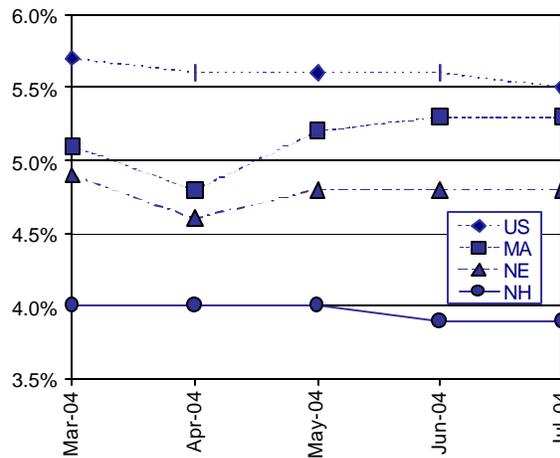
Jul-04	Jun-04	Jul-03	Change from Previous	
			Month	Year
189.4	189.7	183.9	-0.2%	3.0%

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 seasonally adjusted rate for July 2004 was tenth lowest in the nation and second behind Vermont in New England.



Unemployment Rates by Region

	preliminary Jul-04	revised Jun-04	preliminary Jul-03
United States	5.5%	5.6%	6.2%
Northeast	5.3%	5.4%	5.9%
New England	4.8%	4.8%	5.5%
Connecticut	4.6%	4.6%	5.7%
Maine	4.2%	4.1%	5.1%
Massachusetts	5.3%	5.3%	5.8%
New Hampshire	3.9%	3.9%	4.3%
Rhode Island	5.7%	5.8%	5.3%
Vermont	3.4%	3.4%	4.6%
Mid Atlantic	5.5%	5.7%	6.1%
New Jersey	5.0%	4.7%	6.1%
New York	5.9%	6.2%	6.4%
Pennsylvania	5.3%	5.6%	5.6%

Seasonally Adjusted Labor Force Estimates

By Place of Residence

	Mar-04	Apr-04	May-04	revised Jun-04	preliminary Jul-04
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New Hampshire

Unemployment Rate	4.0%	4.0%	4.0%	3.9%	3.9%
Civilian Labor Force	725,390	726,030	726,890	728,990	733,570
Number Employed	696,370	697,110	697,740	700,600	704,620
Number Unemployed	29,020	28,920	29,150	28,390	28,950

United States (in thousands)

Unemployment Rate	5.7%	5.6%	5.6%	5.6%	5.5%
Civilian Labor Force	146,650	146,741	146,974	147,279	147,856
Number Employed	138,298	138,576	138,772	139,031	139,660
Number Unemployed	8,352	8,164	8,203	8,248	8,196

Seasonally Adjusted Nonfarm Employment

By Place of Establishment

Supersector	Mar-04	Apr-04	May-04	revised Jun-04	preliminary Jul-04
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Total Nonfarm	620,400	620,800	626,600	626,600	629,500
Construction	28,700	29,300	29,900	30,400	30,500
Manufacturing	77,400	77,200	77,500	78,300	79,000
Trade, Transportation, and Utilities	141,200	141,400	142,300	142,300	142,200
Leisure and Hospitality	64,000	63,400	65,100	65,900	65,600
Government	90,200	90,700	91,600	90,000	91,300

Labor Force Estimates

New Hampshire	Jul-04	Jun-04	Jul-03
Number of workers	preliminary	revised	
Total Civilian Labor Force	747,210	737,260	735,350
Employed	719,160	708,400	704,990
Unemployed	28,050	28,860	30,360
Unemployment Rate (percent of labor force)	3.8%	3.9%	4.5%

Unemployment Rates by Area

	preliminary Jul-04	revised Jun-04	Jul-03
U.S and Regional States			
United States	5.7%	5.8%	6.3%
Northeast	5.4%	5.4%	6.0%
New England	4.9%	4.9%	5.5%
Connecticut	4.9%	4.8%	5.9%
Maine	3.5%	4.0%	4.4%
Massachusetts	5.4%	5.3%	6.0%
New Hampshire	3.8%	3.9%	4.1%
Rhode Island	5.8%	5.7%	5.3%
Vermont	3.1%	3.1%	4.3%
Mid Atlantic	5.7%	5.6%	6.2%
New Jersey	5.5%	4.8%	6.6%
New York	5.9%	5.9%	6.3%
Pennsylvania	5.4%	5.7%	5.7%
Labor Market Areas			
Berlin LMA	3.2%	3.7%	3.9%
Seabrook-South Hampton NH Portion Boston MA-NH PMSA	6.5%	7.0%	6.5%
Claremont LMA	2.5%	2.6%	2.6%
Colebrook LMA	4.1%	3.7%	1.8%
Concord LMA	2.7%	3.0%	3.0%
Conway LMA	2.2%	2.6%	3.0%
NH Portion Hartford-Lebanon, VT-NH LMA	1.4%	1.4%	1.4%
NH Portion Keene-Brattleboro, NH-VT LMA	2.7%	2.9%	2.9%
Laconia LMA	2.5%	2.9%	3.4%
Lancaster LMA	3.2%	3.0%	4.5%
Salem-Derry, NH Portion Lawrence, MA-NH PMSA	6.6%	6.9%	6.5%
Littleton LMA	2.3%	2.3%	2.9%
Pelham, NH Portion Lowell, MA-NH PMSA	6.7%	6.2%	6.4%
Manchester PMSA	3.8%	4.0%	4.2%
Nashua PMSA	4.6%	4.8%	5.3%
Peterborough LMA	4.0%	3.8%	4.2%
Plymouth LMA	1.9%	2.3%	2.6%
NH Portion Portsmouth- Rochester, NH-ME PMSA	3.6%	3.6%	3.9%
Counties			
Belknap	2.6%	3.0%	3.5%
Carroll	2.1%	2.5%	2.7%
Cheshire	3.1%	3.2%	3.2%
Coos	3.3%	3.4%	3.9%
Grafton	1.7%	1.8%	2.0%
Hillsborough	4.2%	4.4%	4.7%
Merrimack	2.6%	2.8%	2.9%
Rockingham	5.3%	5.4%	5.4%
Strafford	3.4%	3.3%	3.9%
Sullivan	2.6%	2.7%	2.7%

Note: 2003 preliminary benchmark figures are pending final review by the Bureau of Labor Statistics, Washington, D.C. and are subject to change.

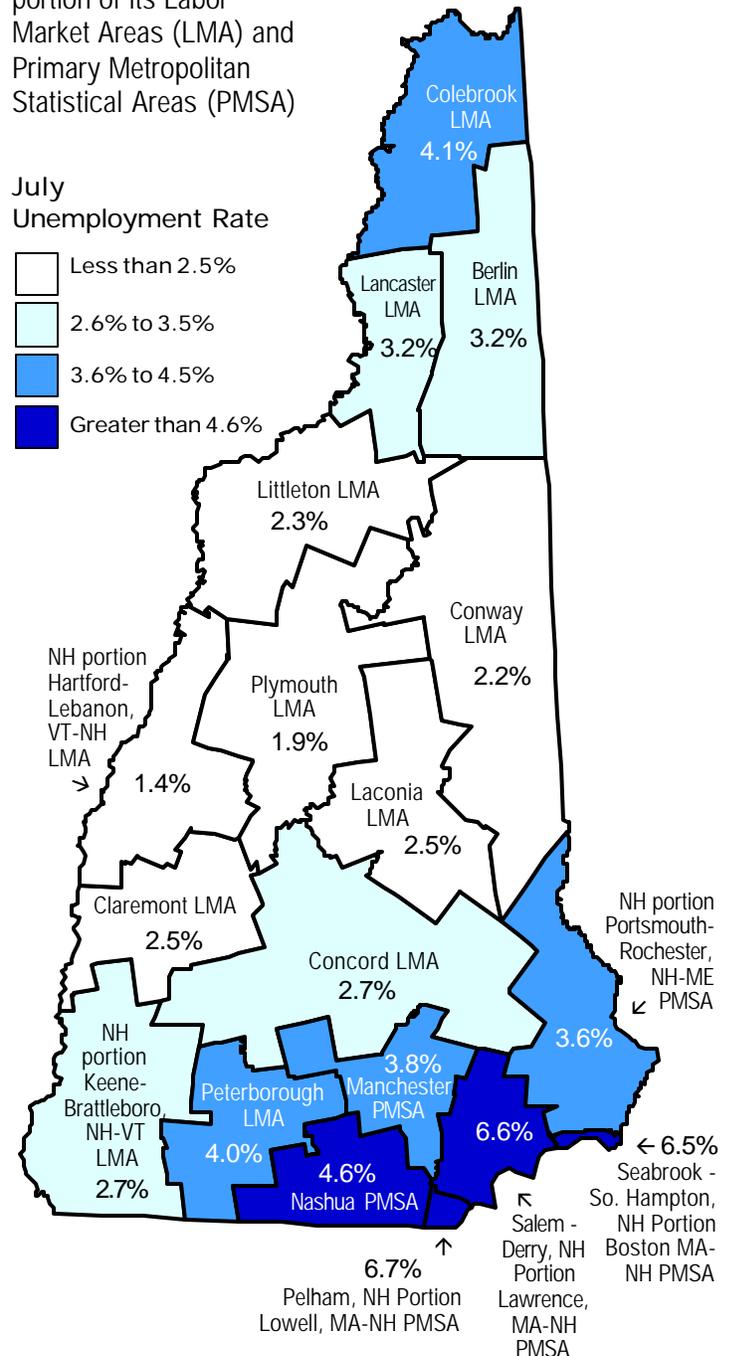
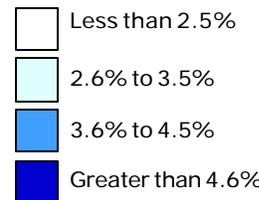
Local Area
Unemployment
Statistics
(LAUS)

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)

July
Unemployment Rate



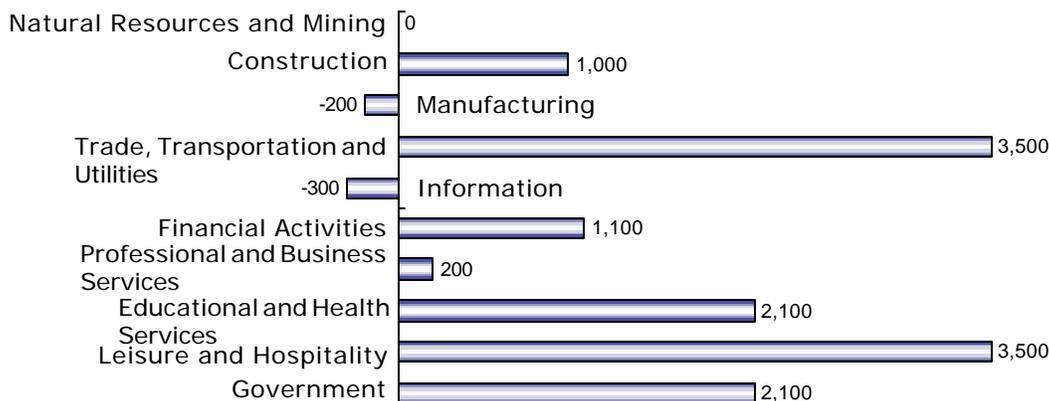
Monthly Not Seasonally Adjusted New Hampshire Nonfarm Wage and Salary Employment

Manufacturing's 500-job decline from June to July 2004 was much smaller than the usual vacation/shutdown declines this Supersector usually experiences.

Current Employment Statistics Employment by Super Sector by place of establishment	Number of Jobs			Change from previous:	
	Jul-04 (preliminary)	Jun-04 (revised)	Jul-03	Month	Year
Total All Super Sectors	631,200	634,900	618,700	-3,700	12,500
Private Employment Total	548,700	544,900	538,300	3,800	10,400
Natural Resources & Mining	1,000	1,000	1,000	0	0
Construction	32,200	31,400	31,200	800	1,000
Manufacturing	78,200	78,700	78,400	-500	-200
Durable Goods	58,700	59,000	58,000	-300	700
Non-Durable Goods	19,500	19,700	20,400	-200	-900
Trade, Transportation and Utilities	142,400	142,900	138,900	-500	3,500
Wholesale Trade	27,800	27,800	27,100	0	700
Retail Trade	98,700	98,700	96,600	0	2,100
Transportation and Utilities	15,900	16,400	15,200	-500	700
Information	11,500	11,500	11,800	0	-300
Financial Activities	38,700	38,500	37,600	200	1,100
Professional and Business Services	55,000	54,300	54,800	700	200
Educational and Health Services	94,800	95,400	92,700	-600	2,100
Leisure and Hospitality	74,900	71,000	71,400	3,900	3,500
Other Services	20,000	20,200	20,500	-200	-500
Government Total	82,500	90,000	80,400	-7,500	2,100

Change in Nonfarm Employment

Jul. 2003 to Jul. 2004



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 saw its total nonfarm employment grow by 2,900 jobs according to July's preliminary seasonally adjusted estimates. A 1,300-job increase in government (supersector 90) accounted for a significant portion of that growth. Manufacturing (supersector 30) employment expanded by 700 jobs in those estimates, and construction (supersector 20) added 100 jobs to the mix.

The two remaining published supersectors incurred a job reduction in July's

preliminary estimates. Leisure and hospitality (supersector 70) cut back its force by 300 jobs. To round out the seasonally adjusted picture, trade, transportation, and utilities (supersector 40) dropped 100 jobs.

Unadjusted: Driven by seasonal events, July's unadjusted estimates showed that total nonfarm employment in New Hampshire fell by 3,700 jobs overall. The completion of another school year caused government (supersector 90) to lessen its

Continued on page 7

Monthly Unadjusted Nonfarm Wage and Salary Employment by Primary Metropolitan Statistical Areas

Employment by Sector number of jobs by place of establishment	Manchester PMSA			Nashua PMSA			Portsmouth-Rochester NH-ME PMSA		
	Preliminary	Change from previous:		Preliminary	Change from previous:		Preliminary	Change from previous:	
		Jul-04	Month		Year	Jul-04		Month	Year
Total All Sectors	108,700	-2,500	-500	94,400	-2,000	-400	126,200	200	1,100
Private Employment Total	98,200	-500	100	85,500	-500	-100	104,600	1,300	700
Natural Resources and Construction	6,700	100	200	4,500	100	200	4,900	100	100
Manufacturing	11,100	-100	-400	20,800	-500	-700	12,000	0	-200
Trade, Transportation, and Utilities	24,600	-400	200	20,900	-100	-600	26,500	200	1,000
Wholesale Trade	6,300	0	0	3,700	100	100	4,400	0	100
Retail Trade	14,600	-200	300	15,300	-200	-800	19,800	300	1,100
Transportation and Utilities	3,700	-200	-100	1,900	0	100	2,300	-100	-200
Information	3,100	0	100	1,900	0	0	2,800	0	-100
Financial Activities	8,700	0	-100	6,500	0	0	7,400	-100	-300
Professional and Business	14,500	100	100	8,600	100	500	12,500	0	-300
Educational and Health	16,100	-400	-200	11,100	-300	200	18,900	0	900
Leisure and Hospitality	9,100	200	200	8,100	200	300	15,500	1,100	-600
Services	4,300	0	0	3,100	0	0	11,300	1,100	200
Government Total	10,500	-2,000	-600	8,900	-1,500	-300	21,600	-1,100	400

Average Earnings and Hours of Production Workers in Manufacturing

Sector	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Jul-04 prelim.	Jun-04 revised	Jul-03	Jul-04 prelim.	Jun-04 revised	Jul-03	Jul-04 prelim.	Jun-04 revised	Jul-03
New Hampshire									
All Manufacturing	\$610.74	\$609.09	\$589.42	39.1	39.5	39.4	\$15.62	\$15.42	\$14.96
Durable Goods	620.80	621.43	616.91	40.0	40.3	40.4	15.52	15.42	15.27
Nondurable Goods	581.45	573.62	515.27	36.5	37.2	36.7	15.93	15.42	14.04
Manchester PMSA									
All Manufacturing	\$660.52	\$642.81	\$618.16	39.2	38.7	39.6	\$16.85	\$16.61	\$15.61
Nashua PMSA									
All Manufacturing	\$657.67	\$650.89	\$586.74	40.9	41.3	38.5	\$16.08	\$15.76	\$15.24
Portsmouth-Rochester, NH-MA PMSA									
All Manufacturing	\$588.67	\$577.15	\$605.62	38.3	38.4	40.7	\$15.37	\$15.03	\$14.88

manning levels by 7,500 jobs, and exerted major influence on the education and health services (supersector 65) 600-job reduction. Trade, transportation, and utilities (supersector 40), also with a connection to the school year, cropped its work force by 500 jobs.

Manufacturing (supersector 30) took its traditional summer hiatus, and pared its employment level by 500 jobs.

With a 200-job contraction, other services (supersector 80) was the final supersector

to experience a job reduction in July's estimates.

Natural resource and mining (supersector 10) and information (supersector 50) maintained a status quo in terms of employment levels in the unadjusted estimates for July.

July represents the peak of the travel and tourism season for the state. To support that, leisure and hospitality (supersector 70) brought 3,900 additional workers on board during the month. *B. G. McKay*

Continued from page 1

Employment SECURITY

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A similar widening of the gap was true with the 1991 recession so they have that in common. However, in the recovery period in 1992-1993 the two surveys' estimates grew closer and continued to do so throughout the 1990's. This has not happened yet following the most recent recession, although the CES employment has started to increase slightly. Right now CES and LAUS are at least not "trending" in different directions.

Another difference between the two recessions is that the widening gap during the 1991 recession was caused by a huge decline in the CES employment relative to the decline in LAUS employment.

Even though many nonpartisan experts agree that the payroll survey (CES) is

the more accurate of the two surveys, the growing gap is an interesting phenomenon to evaluate. The payroll survey (CES) is based on a much larger sample and it is benchmarked to the universe of covered employment yearly. However, the household survey (CPS) includes estimates for the self-employed. These numbers may increase during or even after a recession as many that lost their jobs couldn't find new ones and went into business for themselves. Some of these entrepreneurial self-employed may be the potential building blocks for future businesses. Also in the current recovery period, businesses have been more hesitant about hiring new employees on a permanent basis and hired contract workers instead. These contract workers would be picked up in the household survey (CPS), but not in the payroll survey (CES).

Annette Nielsen

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