

New Hampshire

Economic Conditions



October 2007

Volume 107, Number 10

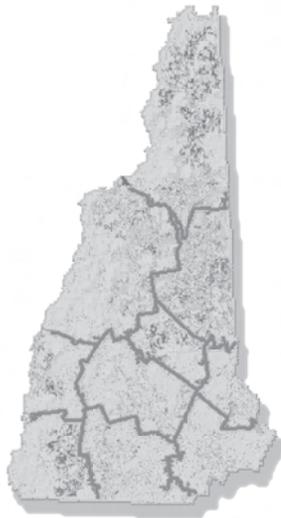
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Published by the Economic and
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Personal Income: A Closer Look at the Numbers

*P*er capita personal income growth in New Hampshire in 2006 turned out to be better than preliminary estimates growing by 5.8 percent over 2005. This ranked the state's growth rate in 15th place overall. The latest estimates, released by the Bureau of Economic Analysis (BEA) in late September, have been revised beginning with the first quarter of 2004. Income statistics are revised periodically to use the latest and best data available.

Preliminary BEA estimates released in March 2007 had ranked New Hampshire's increase 43rd among the 50 states and the District of Columbia. The U.S. average growth rate was 5.6 percent.

Per capita personal income is the personal income of residents of a given area divided by the resident population of that area. It is a common measure of the wealth of the

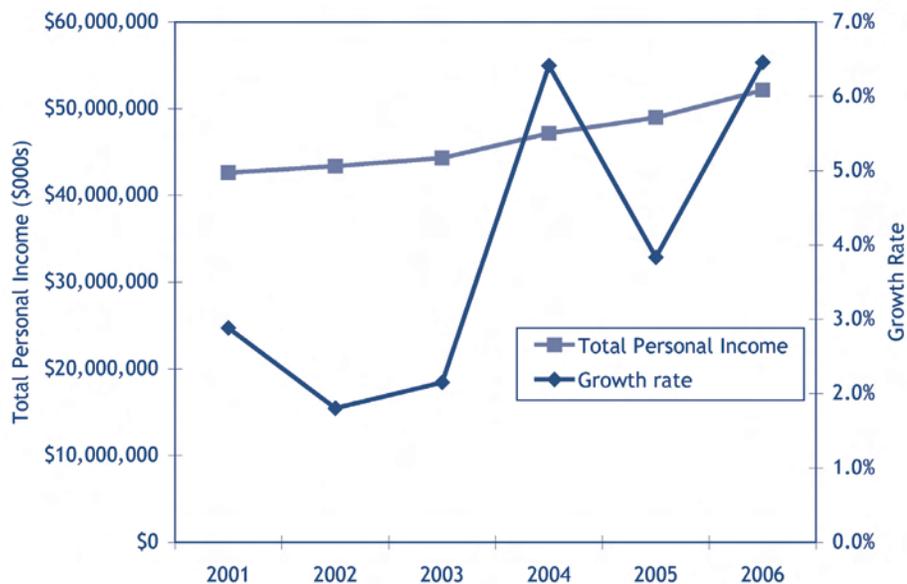
nation or a state, and is often used in comparative rankings. For New Hampshire, *per capita personal income* in 2006 was \$39,655, ranking the state 7th highest nationally. *Per capita personal income* was \$36,629 for the nation.

Among the states that ranked higher, were two New England states, Connecticut and Massachusetts, along with New Jersey, New York, Maryland, and Wyoming. New England ranked highest among the eight U.S. Census Bureau regions with a *per capita personal income* of \$44,252.

Trends

Personal income trends in New Hampshire in recent years show slow but steady growth from 2001 to 2003, then as the economy picked up steam, showed faster growth rates from 2004 to 2006. (Income levels are in constant dollars, not adjusted for inflation.)

Total Personal Income in New Hampshire, 2001- 2006

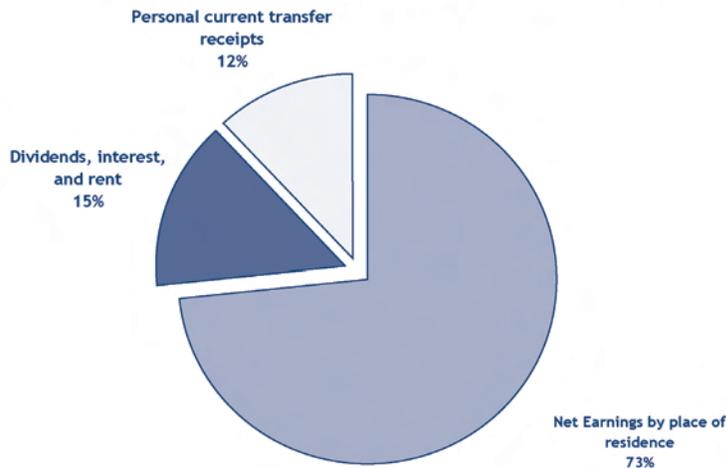


Components of Personal Income

Net earnings is the largest component of *personal income*. It includes *wages and salaries* plus *supplements to wages* (employer contributions to employee pension funds, for example) but excludes *contributions to government social insurance*.

73 percent of total *personal income* was from *net earnings*. Nearly 15 percent came from *dividends, interest, and rent* while the remaining 12 percent was from *personal current transfer receipts*. New Hampshire tends to have a higher percentage of *personal income* from *net earnings* than most New England states.

New Hampshire has a higher percentage of income from earnings than most New England states (2006 data)



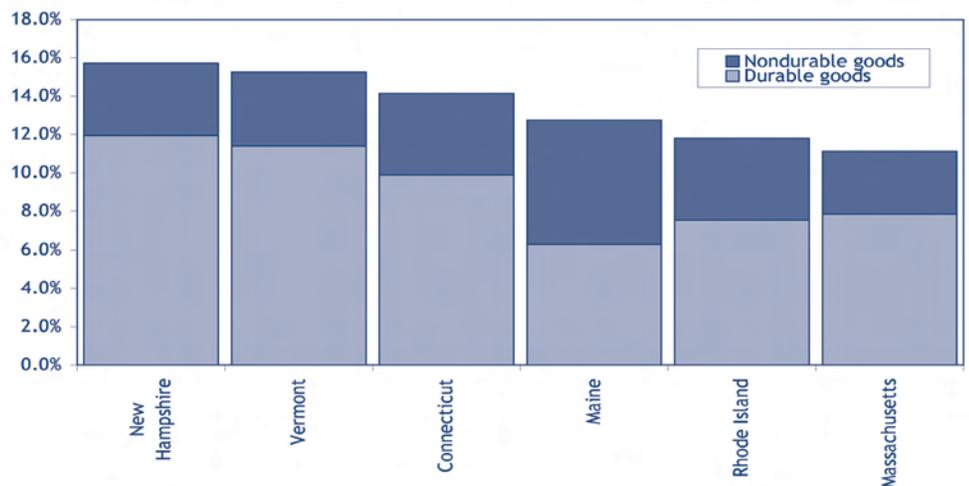
Earnings by Industry Group

Earnings by place of work is comprised of *farm* and *nonfarm earnings*, of which the largest component is *nonfarm earnings*. Manufacturing holds the largest share of earnings by industry, accounting for 15.7 percent of all *nonfarm earnings*. New Hampshire's share of earnings in Manufacturing was higher than any other New England state. More than two-thirds of Manufacturing income is from durable goods, with Computer and electronic product manufacturing, Machinery manufacturing, and Fabricated metal manufacturing combining for the largest share.

In addition to *net earnings*, total *personal income* includes *dividend and interest income*, and *personal current transfer receipts* (retirement and disability benefits, Medicaid, Medicare, and unemployment insurance benefits, for example). In New Hampshire,

Michael Argiopolis

Share of nonfarm earnings from manufacturing - New Hampshire leads New England states



Once again, New Hampshire has no designated Labor Surplus Areas. It is one of only four states with no areas listed. The other three states are Delaware, Hawaii, and Wyoming.

The last time a Labor Surplus Area was designated in New Hampshire was in May 2004. Though the Labor Surplus Areas are normally published in October, the process was delayed until May that year. At that time Coös County was established as a Labor Surplus Area for Federal Fiscal Year 2004 (October 1, 2003 through September 30, 2004) – see article from the May issue of *Economic Conditions in New Hampshire* at <http://www.nhes.state.nh.us/elmi/pdfzip/econanalys/articles/cooslsa.pdf>.

The list of Labor Surplus Areas for the fifty states, the District of Columbia, and Puerto Rico, for Federal Fiscal Year 2008 (October 1, 2007 through September 30, 2008) was released by the U.S. Department of Labor, Employment and Training Administration in late September. It is available at <http://www.doleta.gov/programs/lisa.cfm>

Labor Surplus Areas

Unemployment Compensation Claims Activities

Total Regular Unemployment Compensation Programs:				Change from Previous			
				Month		Year	
	Aug-07	Jul-07	Aug-06	Net	Percent	Net	Percent
Initial Claims	3,314	4,582	3,016	-1,268	-27.7%	298	9.9%
Continued Weeks	26,672	32,633	26,469	-5,961	-18.3%	203	0.8%

Claims Activity

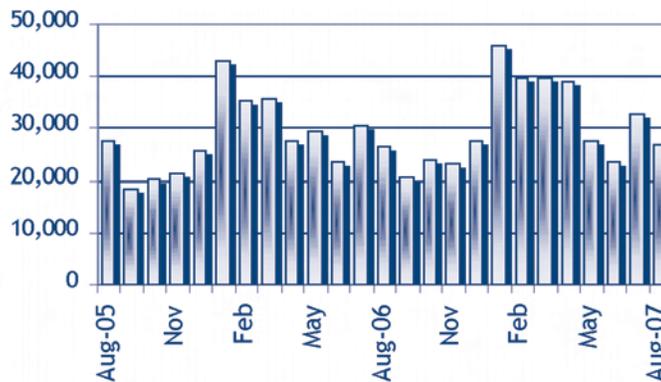
Unemployment Compensation Fund

Unemployment compensation fund balance at the end of August	\$253,253,117.97
Average payment for a week of total unemployment:	\$256.01
Net benefits paid:	\$5,347,855.74
Net contributions received during the month:	\$3,487,465.17
Interest Received:	\$0.00
Reed Act Distribution:	\$0.00
Reed Act Withdrawn for Administrative Costs:	\$0.00

Trust Fund

Continued Weeks Claimed

Aug 2005 - Aug 2007
Initial claims had the typical July to August drop in numbers, landing at 3,314 claims.



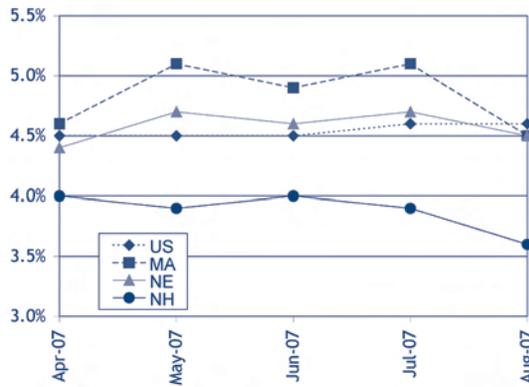
			Change from Previous	
Aug-07	Jul-07	Aug-06	Month	Year
207.9	208.3	203.9	-0.2%	2.0%

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 unemployment rate dropped over the month to 3.6 percent.



Unemployment Rates by Region

Seasonally Adjusted	Aug-07	Jul-07	Aug-06
United States	4.6%	4.6%	4.7%
Northeast	4.6%	4.7%	4.6%
New England	4.5%	4.7%	4.7%
Connecticut	4.6%	4.5%	4.5%
Maine	4.8%	4.8%	4.7%
Massachusetts	4.5%	5.1%	5.0%
New Hampshire	3.6%	3.9%	3.4%
Rhode Island	5.1%	5.0%	5.2%
Vermont	4.0%	4.1%	3.7%
Mid Atlantic	4.6%	4.6%	4.6%
New Jersey	4.3%	4.6%	4.7%
New York	4.9%	4.9%	4.4%
Pennsylvania	4.5%	4.3%	4.8%

Apr-07 May-07 Jun-07 Jul-07 Aug-07

Seasonally Adjusted Labor Force Estimates

By Place of Residence

	Apr-07	May-07	Jun-07	Jul-07	Aug-07
New Hampshire					
Unemployment Rate	4.0%	3.9%	4.0%	3.9%	3.6%
Civilian Labor Force	741,328	744,315	746,788	748,495	744,677
Number Employed	711,697	715,251	717,012	719,351	717,579
Number Unemployed	29,631	29,064	29,776	29,144	27,098
United States (in thousands)					
Unemployment Rate	4.5%	4.5%	4.5%	4.6%	4.6%
Civilian Labor Force	152,587	152,762	153,072	153,231	152,891
Number Employed	145,786	145,943	146,140	146,110	145,794
Number Unemployed	6,801	6,819	6,933	7,121	7,097

Supersector

Apr-07 May-07 Jun-07 Jul-07 Aug-07

Seasonally Adjusted Nonfarm Employment Estimates

By Place of Establishment

	Apr-07	May-07	Jun-07	Jul-07	Aug-07
Total Nonfarm	644,900	644,000	649,100	653,300	652,000
Construction	28,800	28,900	29,000	29,200	29,400
Manufacturing	75,600	75,700	75,600	76,500	75,300
Durable Goods	57,800	57,900	58,100	58,900	57,900
Non-Durable Goods	17,800	17,800	17,500	17,600	17,400
Trade, Transportation, and Utilities	144,000	144,000	144,300	145,200	145,100
Wholesale Trade	28,600	28,700	28,700	29,000	28,800
Retail Trade	99,400	99,300	99,600	100,200	100,100
Transportation and Utilities	16,000	16,000	16,000	16,000	16,200
Information	12,800	12,800	12,900	12,800	12,800
Financial Activities	39,600	39,600	39,500	40,000	40,200
Professional and Business Services	63,100	63,000	63,300	63,100	63,400
Administrative and Support	27,000	26,700	27,100	26,500	26,500
Education and health services	102,300	102,600	103,200	103,800	103,700
Educational Services	23,400	23,500	23,700	23,600	23,500
Health Care and Social Assistance	78,900	79,100	79,500	80,200	80,200
Leisure and Hospitality	63,800	63,200	64,800	65,200	64,400
Arts, Entertainment, and Recreation	10,600	10,500	11,300	11,400	11,100
Accommodation and Food Services	53,200	52,700	53,500	53,800	53,300
Other Services	21,900	21,900	21,700	21,700	21,900
Government	92,000	91,300	93,700	94,700	94,700
Federal Government	7,900	7,700	7,600	7,700	7,700
State Government	23,200	22,400	23,100	23,400	23,900
Local Government	60,900	61,200	63,000	63,600	63,100

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	Aug-07	Jul-07	Aug-06
Number of workers			
Total Civilian Labor Force	755,340	762,660	746,500
Employed	728,650	734,060	721,320
Unemployed	26,690	28,600	25,180
Unemployment Rate (percent of labor force)	3.5%	3.8%	3.4%

Unemployment Rates by Area

Not Seasonally Adjusted	Aug-07	Jul-07	Aug-06
U.S and Regional States			
United States	4.6%	4.9%	4.6%
Northeast	4.5%	4.8%	4.5%
New England	4.3%	4.8%	4.5%
Connecticut	4.6%	4.8%	4.4%
Maine	4.0%	4.5%	3.9%
Massachusetts	4.3%	5.2%	4.9%
New Hampshire	3.5%	3.8%	3.4%
Rhode Island	5.1%	5.5%	5.3%
Vermont	3.4%	3.8%	3.2%
Mid Atlantic	4.5%	4.8%	4.5%
New Jersey	4.2%	5.0%	4.7%
New York	4.7%	5.0%	4.3%
Pennsylvania	4.5%	4.5%	4.7%

Map	Aug-07	Jul-07	Aug-06
Key Labor Market Areas			
1 Colebrook NH-VT LMA, NH Portion	3.6%	3.9%	3.4%
2 Berlin NH MicroNECTA	4.4%	5.3%	4.8%
3 Littleton NH-VT LMA, NH Portion	3.3%	3.4%	3.1%
4 Haverhill NH LMA	4.0%	4.2%	3.8%
5 Conway NH-ME LMA, NH Portion	2.9%	3.2%	2.8%
6 Plymouth NH LMA	3.1%	3.3%	3.0%
7 Moultonborough NH LMA	2.5%	2.6%	2.5%
8 Lebanon NH-VT MicroNECTA, NH Portion	2.6%	2.8%	2.4%
9 Laconia NH MicroNECTA	3.3%	3.5%	3.1%
10 Wolfeboro NH LMA	2.8%	3.0%	2.7%
11 Franklin NH MicroNECTA	3.4%	3.7%	3.2%
12 Claremont NH MicroNECTA	3.0%	3.1%	3.4%
13 Newport NH LMA	3.1%	3.1%	3.2%
14 New London NH LMA	3.1%	3.4%	3.3%
15 Concord NH MicroNECTA	3.3%	3.5%	3.0%
16 Rochester-Dover NH-ME MetroNECTA, NH Portion	3.4%	3.7%	3.1%
17 Charlestown NH LMA	3.3%	3.5%	3.0%
18 Hillsborough NH LMA	4.0%	4.6%	3.8%
19 Manchester NH MetroNECTA	3.6%	3.9%	3.4%
20 Keene NH MicroNECTA	3.6%	3.7%	3.3%
21 Peterborough NH LMA	3.8%	4.0%	4.0%
22 Nashua NH-MA NECTA Division, NH Portion	3.7%	3.9%	3.7%
23 Exeter Area, NH Portion, Haverhill-N. Andover-Amesbury MA-NH NECTA Division	4.1%	4.3%	3.9%
24 Portsmouth NH-ME MetroNECTA, NH Portion	3.0%	3.2%	3.0%
25 Hinsdale Town, NH Portion, Brattleboro VT-NH LMA	3.8%	4.1%	2.6%
26 Pelham Town, NH Portion, Lowell-Billerica-Chelmsford MA-NH NECTA Division	4.5%	5.3%	4.7%
27 Salem Town, NH Portion, Lawrence-Methuen-Salem MA-NH NECTA Division	5.3%	5.4%	4.5%

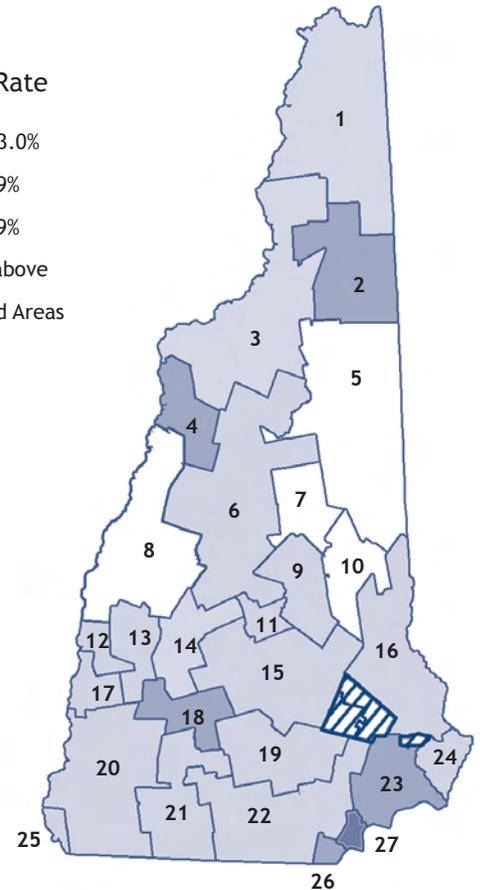
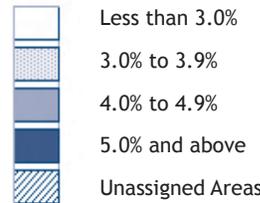
Local Area Unemployment Statistics (LAUS)

Not Seasonally Adjusted

By Place of Residence

Counties	Aug-07	Jul-07	Jun-06
Belknap	3.2%	3.4%	3.0%
Carroll	2.9%	3.2%	3.1%
Cheshire	3.7%	3.9%	3.2%
Coos	4.1%	4.6%	3.7%
Grafton	2.9%	3.1%	2.9%
Hillsborough	3.7%	3.9%	3.5%
Merrimack	3.3%	3.5%	3.0%
Rockingham	3.8%	4.0%	3.9%
Strafford	3.4%	3.7%	3.2%
Sullivan	2.9%	3.1%	3.0%

August 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.

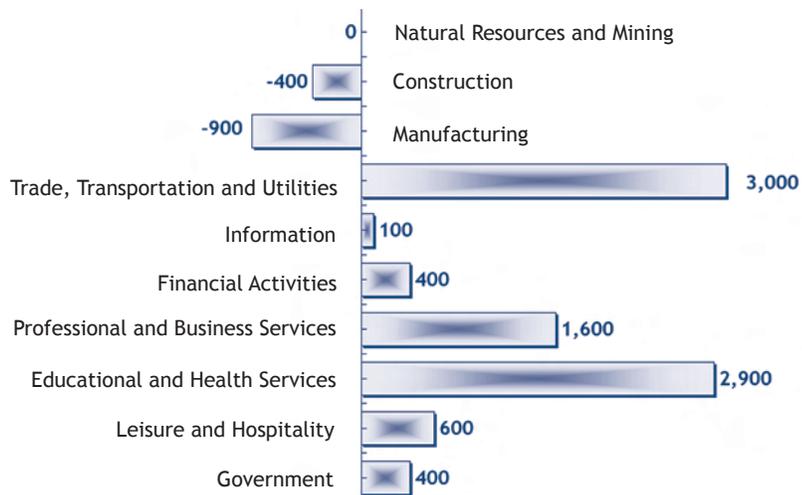
Nonfarm employment in New Hampshire dropped 800 places over the month, while still surpassing last year's level by 10,500 jobs.

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:	
	Aug-07 preliminary	Jul-07 revised	Aug-06	Month	Year
	Total All Supersectors	653,500	654,300	643,000	-800
Private Employment Total	570,700	570,400	563,000	300	7,700
Natural Resources and Mining	1,100	1,100	1,100	0	0
Construction	31,300	31,100	31,700	200	-400
Manufacturing	75,900	75,900	76,800	0	-900
Durable Goods	58,300	58,300	58,400	0	-100
Non-Durable Goods	17,600	17,600	18,400	0	-800
Trade, Transportation and Utilities	145,700	145,200	142,700	500	3,000
Wholesale Trade	29,100	29,100	28,400	0	700
Retail Trade	100,900	100,400	99,100	500	1,800
Transportation and Utilities	15,700	15,700	15,200	0	500
Information	12,800	12,700	12,700	100	100
Financial Activities	40,500	40,300	40,100	200	400
Professional and Business	64,800	64,000	63,200	800	1,600
Educational and Health	102,700	102,900	99,800	-200	2,900
Leisure and Hospitality	73,500	74,800	72,900	-1,300	600
Other Services	22,400	22,400	22,000	0	400
Government Total	82,800	83,900	80,000	-1,100	400

Change in Nonfarm Employment

Aug 2006 to Aug 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:

As New Hampshire entered into the final month of summer vacation 2007, preliminary seasonal adjusted estimates for August showed that the adjusted employment trend line dipped by 1,300 notches.

Manufacturing (supersector 30) accounted for 1,200 of those lost jobs, while employers in leisure and hospitality (supersector 70) started their seasonal wrap up with an 800-job reduction. Trade, transportation, and utilities (supersector 40) and education and health services (supersector 65) each pare back their personnel registers by 100 jobs.

In the middle ground, information (supersector 50) and government (supersector 90) sustained their employment totals at the July level.

On the plus side of the ledger, professional and business services (supersector 60) added 300 jobs, as construction (supersector 20), financial activities (supersector 55), and other services (supersector 80) each expanded their ranks by 200 spaces.

Unadjusted:

August's unadjusted employment trend line dropped 800 places. With that reduction, the state still has 10,500 more jobs on the books than one year ago.

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 Aug-07	Change from previous:		preliminary Aug-07	Change from previous:		preliminary Aug-07	Change from previous:		preliminary Aug-07	Change from previous:	
		Month	Year		Month	Year		Month	Year		Month	Year
Total All Sectors	98,500	-200	-200	132,500	0	3,200	59,600	300	1,800	55,200	600	1,200
Private Employment Total	88,700	0	-300	121,900	200	2,500	50,700	400	1,600	44,100	300	600
Natural Resources and Construction	5,600	-100	100	6,200	0	300	1,600	0	0	2,100	0	0
Manufacturing	9,700	100	200	25,700	200	400	3,900	0	100	6,700	200	0
Trade, Transportation and Utilities	19,900	-100	-500	31,700	-100	700	11,500	0	-100	11,500	100	400
Wholesale Trade	5,000	100	200	6,200	0	200	2,000	0	0	1,300	0	0
Retail Trade	12,600	-100	-300	21,300	-100	500	8,200	0	-100	9,100	100	300
Transportation, Warehousing and Utilities	Data not available			4,200	0	0	1,300	0	0	1,100	0	100
Information	3,100	0	-200	2,100	0	-100	1,800	100	100	1,400	0	0
Financial Activities	8,100	-100	-400	10,100	200	400	5,000	0	100	2,900	0	-100
Professional and Business	13,000	200	400	14,000	100	600	9,600	100	300	4,400	0	200
Educational and Health	16,600	0	400	16,500	0	300	6,000	100	300	7,800	0	300
Leisure and Hospitality	8,700	0	-200	11,200	-200	0	9,600	0	600	5,500	0	-200
Other Services	4,000	0	-100	4,400	0	-100	1,700	100	200	1,800	0	0
Government Total	9,800	-200	100	10,600	-200	700	8,900	-100	200	11,100	300	600

Average Earnings and Hours of Production Workers in Manufacturing

Sector	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Aug-07 preliminary	Jul-07 revised	Aug-06	Aug-07 preliminary	Jul-07 revised	Aug-06	Aug-07 preliminary	Jul-07 revised	Aug-06
New Hampshire									
All Manufacturing	\$713.17	\$676.09	\$666.56	41.2	39.7	39.7	\$17.31	\$17.03	\$16.79
Durable Goods	\$739.93	\$707.88	\$680.18	42.5	41.3	40.2	\$17.41	\$17.14	\$16.92
Nondurable Goods	\$630.17	\$575.67	\$627.74	37.2	37.2	38.3	\$16.94	\$16.59	\$16.39
Manchester NH MetroNECTA									
All Manufacturing	\$867.01	\$896.72	\$799.22	42.9	43.7	41.8	\$20.21	\$20.52	\$19.12
Nashua NH-MA NECTA Division, NH Portion									
All Manufacturing	\$833.10	\$809.98	\$754.94	45.8	45.2	42.7	\$18.19	\$17.92	\$17.68

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

Leisure and hospitality (supersector 70) started to wind down its high season with a 1,300-job decline. Government (supersector 90) followed by cutting back staff by 1,100 jobs. To close the books on August job losses, education and health services (supersector 65) trimmed 200 jobs from its roster.

Natural resources and mining (supersector 10), manufacturing (supersector 30), and other services (supersector 80) kept their respective job totals at the July level.

Swimming against the prevailing tide, professional and business services (supersector 60) added 800 jobs, as trade, transportation, and utilities (supersector 40) increased its force by 500 jobs. Construction (supersector 20) and financial activities (supersector 55) each entered the foray for employees with a 200-job expansion. To conclude August employment activity for New Hampshire, information (supersector 50) bumped up its total number of jobs by 100.

B. G. McKay

Announcement

Future editions of New Hampshire Economic Conditions will be published exclusively on our web site www.nhes.state.nh.us/elmi/.



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