

New Hampshire

Economic Conditions



April 2007

Volume 107, Number 04

Visit our Web site at:
www.nhes.state.nh.us/elmi/

Local Area
 Unemployment
 Statistics5

Current
 Employment
 Statistics6

For Additional
 Information8



Published by the Economic and
 Labor Market Information Bureau

New Hampshire
ELMB
 Economic & Labor Market Information Bureau

2006 Personal Income

New Hampshire continues to maintain a high per capita personal income (PCPI). Its \$39,311 ranked seventh highest nationally in 2006, and third highest among the New England states, based on preliminary 2006 personal income measurements recently released by the Bureau of Economic Analysis.

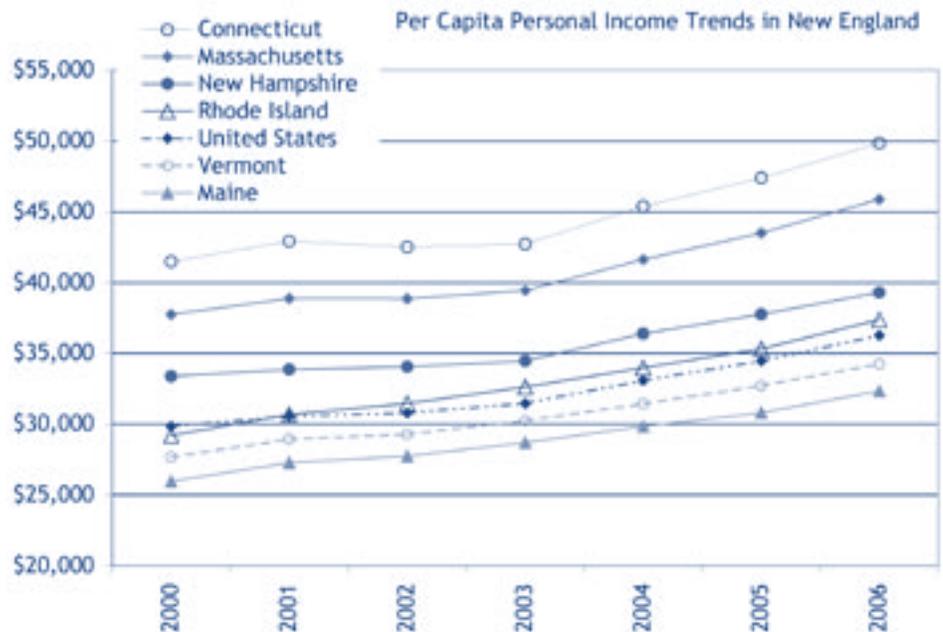
The over-the-year increase in New Hampshire's per capita personal income slipped from 5.6 percent in 2005 to 4.1 percent in 2006.

In 2001 and 2006, New Hampshire had the slowest over-the-year growth in per capita personal income compared to the other New England states. With the exception of 2004, New Hampshire's over-the-year rates of increase have been relatively slow. The U.S. per capita

income increase was a 5.2 percent increase from 2005 to 2006.

New Hampshire was more than one percentage point slower than that at 4.1 percent. That rate ranked 43rd among the rates of the 50 states. Louisiana's first place with a 25.5 percent increase may be skewed by the recovery from the devastating 2005 hurricanes. Comparison of trend lines from 2000 through 2006 reveals a steady increase in the state's per capita personal income.

Over the year change in PCPI		
National Rank	Percent Change	Area
	5.2%	United States
22	5.2%	Connecticut
25	5.0%	Maine
17	5.5%	Massachusetts
43	4.1%	New Hampshire
8	5.8%	Rhode Island
30	4.7%	Vermont



Per Capita Personal Income Compared to the Share of Nonfarm Earnings to Total Personal Income



component of income, as the share may be reduced or show minimal increases during recessionary periods.

Nonfarm earnings are the combination of *wage and salary disbursements, supplements to wages and salaries, and proprietors' income*. Nonfarm earnings added to farm earnings equals earnings by industry. This allows for analysis of contributions by industry to personal income measurements

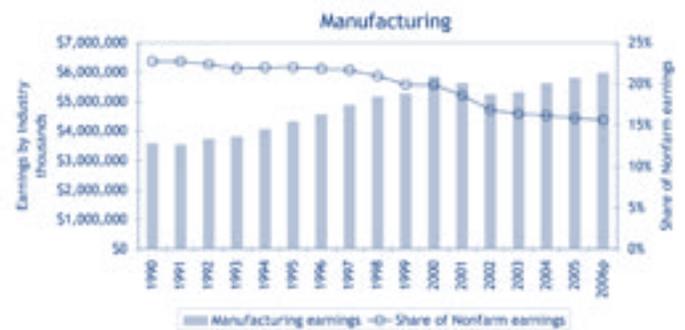
Earnings by industry

Frequently the importance of an industry is based on how many people that industry employs and what that industry contributes to the state's economy. One measure is the share of nonfarm earnings by industry.

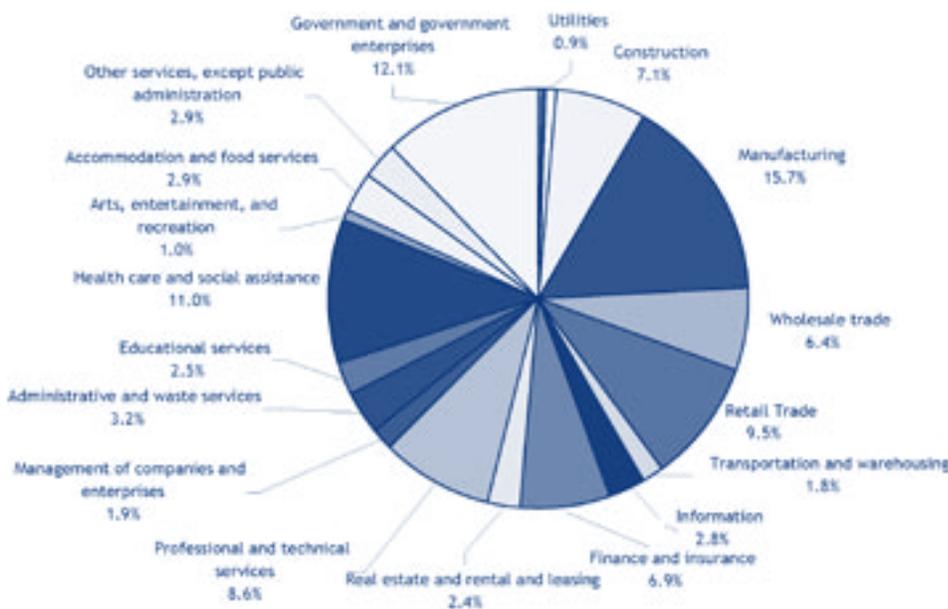
Nonfarm earnings

Per capita personal income allows an income comparison between states.

The leading component of personal income comes from *earnings by place of work*. Almost all of that is *nonfarm earnings*. Each year since 1990 in New Hampshire, anywhere from two-thirds to almost three-quarters of personal income has come from this source. Economic cycles have a visible impact on this

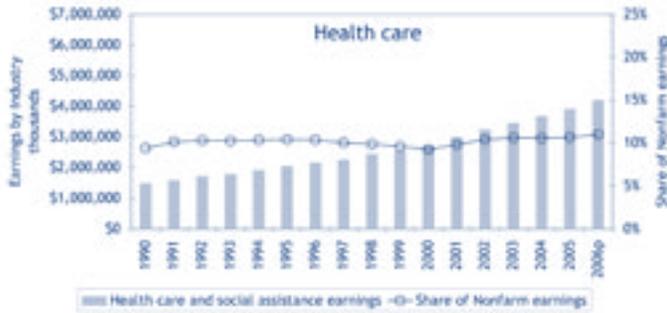


Share of Nonfarm Earnings by Industry



Manufacturing had six billion dollars of earnings, capturing the lead spot for contributions to total nonfarm earnings in New Hampshire during 2006. That was 15.7 percent of the state's nonfarm earnings. In spite of the struggles this industry sector has endured in recent years in the state, and nationally for that matter, it remains one of the principal components of New Hampshire's economic well being.

On a more even keel is the contribution from the Health care and social assistance industry. The aging population has been drawing more and more attention to the growing demand for this industry and its services. The contributions of this industry toward



spending levels were high after the “jobless recovery” period. In New Hampshire that extended well past the declared end of the November 2001 recession. In the years 2002 and 2003, Retail trade hit its highest contribution to nonfarm earnings at 10.2 percent each year. The \$3.6 billion earnings in 2006 from this industry ranked third highest in the state with 9.5 percent of nonfarm earnings.

Continued on page 8

total nonfarm earnings has wavered between 9.4 and 10.7 percent from 1990 to 2005. In 2006, the \$4.2 billion earnings pushed this sector to 11.0 percent for the first time. That was the second largest portion of nonfarm earnings in 2006.



Another stable contributor to nonfarm earnings is Retail trade. Retail trade has benefited from low interest rates which promoted available cash from loans so

Unemployment Compensation Claims Activities

Claims Activity

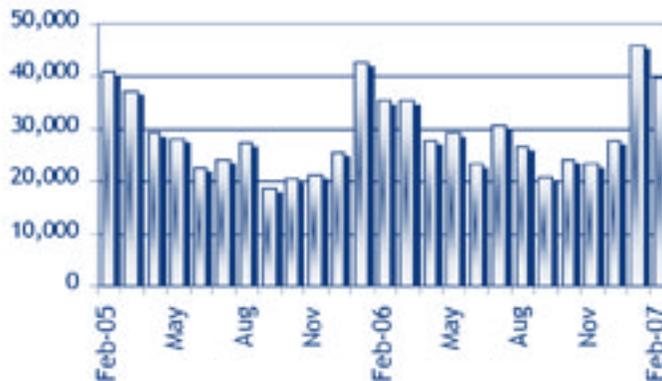
Total Regular Unemployment Compensation Programs:	Change from Previous								
	Feb-07		Jan-07		Feb-06		Change from Previous		
	Net	Percent	Net	Percent	Net	Percent	Net	Percent	
Initial Claims	4,514	6,600	3,967	-2,086	-31.6%	547	13.8%		
Continued Weeks	39,725	46,112	35,388	-6,387	-13.9%	4,337	12.3%		

Unemployment Compensation Fund

Trust Fund

Unemployment compensation fund balance at the end of February	\$249,823,125.12
Average payment for a week of total unemployment:	\$260.95
Net benefits paid:	\$8,988,094.86
Net contributions received during the month:	\$3,172,810.32
Interest Received:	\$0.00
Reed Act Distribution:	\$0.00
Reed Act Withdrawn for Benefits:	\$0.00

Continued Weeks Claimed

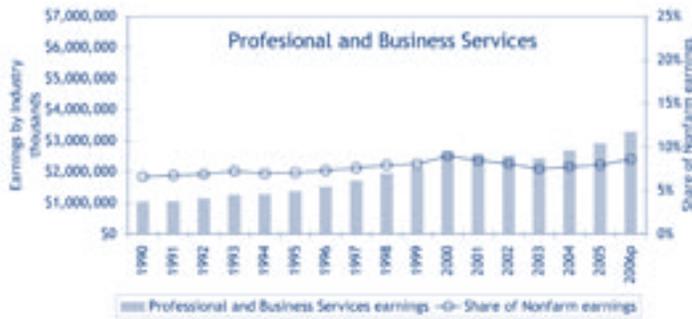


Feb 2005 - Feb 2007
Following the seasonal cycle, continued weeks claimed dropped almost 14 percent over-the-month.

Change from Previous		
Feb-07	Jan-07	Feb-06
203.5	202.4	198.7
0.5%		2.4%

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

Consumer Price Index



The recession of the early 1990s struck a devastating blow to the Construction industry in the state. The industry’s contribution to total nonfarm earnings was 6.7 percent in 1990, and then dropped to 5.1 percent with the recession. The earnings crawled higher through the decade to 6.0 percent by 2000, when the industry became the strength of the goods-producing industries – benefiting from low interest rates and home improvement projects. During the next years, earnings in Construction blossomed to reach almost \$2.7 billion in 2006, 7.1 percent of the state’s nonfarm earnings.

Anita Josten

Continued from page 3

Employment SECURITY

NH Employment Security
Economic and Labor Market
Information Bureau:

General Information
(603) 228-4124
elmi@nhes.state.nh.gov
<www.nhes.state.nh.us/elmi/>

Research Unit
228-4173
Economist
228-4122
Covered Employment & Wages
228-4177
Current Employment Statistics
228-4127
Local Area Unemployment Statistics
228-4175
Occupational Employment Statistics
229-4315

The Professional and business services sector employs a high concentration of specialized service professionals. In New Hampshire its contribution to personal income peaked at 9.0 percent in 2000 with the “.com” companies, and slipped to 7.5 percent by 2003 as those jobs and companies were eliminated. This sector contributed over \$3.2 billion to total nonfarm earnings in 2006, 8.6 percent.



New Hampshire Economic Conditions is published monthly in coordination with the Bureau of Labor Statistics and the Employment and Training Administration of the U.S. Department of Labor.

To Order Publications: Visit our Web site at <www.nhes.state.nh.us/elmi/>; call (603) 228-4124; or send a written request to the following address:

ELMI Publications, NH Employment Security
32 South Main Street
Concord, NH 03301-4857

NH Employment Security is a proud member of America’s Workforce Network and NH WORKS. NHES is an Equal Opportunity Employer and complies with the Americans with Disabilities Act. Auxiliary aids and services are available upon request to individuals with disabilities. TDD ACCESS: RELAY NH 1-800-735-2964.

NH EMPLOYMENT SECURITY
32 SOUTH MAIN STREET
CONCORD NH 03301-4857

OFFICIAL BUSINESS

ADDRESS SERVICE REQUESTED

