Vital Signs 2003

Economic and Social Indicators for New Hampshire

1998-2001

a Labor Market Information Report

Prepared by

Economic and Labor Market Information Bureau
New Hampshire Employment Security
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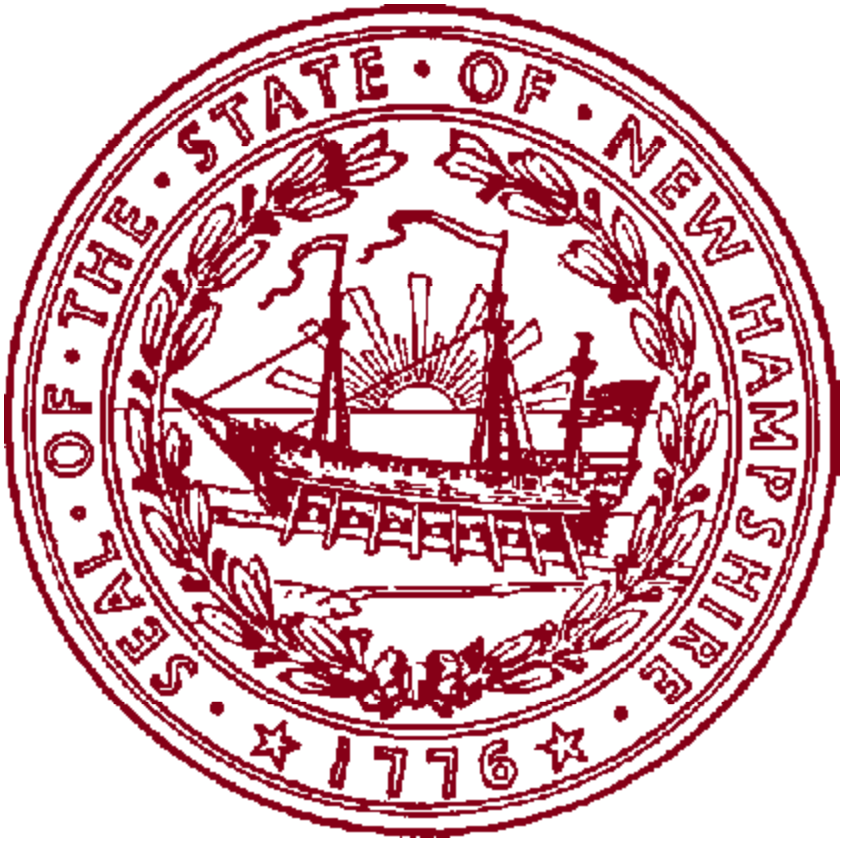

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Introduction

This annual review of New Hampshire's economic and social indicators is designed to present, in a concise manner, many significant aspects of the state's economic, social, and environmental structure. Four years of data are reported, when available, in order to depict recent trends. Comparisons are made with other states, the region, or the nation when appropriate.

Some data items have been drawn from published reports or unpublished records of many state and federal government agencies and private organizations. Other data was retrieved from the Internet. We are indebted to the numerous individuals who contributed special information or provided advice on evaluating reported data. Sources are identified by abbreviations in the right hand column in the tables of indicators. Attention should be paid to notations included with the line titles about data size and time intervals used. Fiscal year numbers are displayed under the second calendar year involved and run from July of the previous year to June of following year, unless otherwise noted. For example, enrollments for the 2000-2001 school year are shown under 2001. Whenever possible, 2002 updates are reported along with other information in the summary analysis. While the data contained in this publication had been compiled from sources believed to be reliable, no guarantee is made as to the correctness, sufficiency, or completeness of such information.

Some of the data items in the tables are available for substate areas. If you need additional data please contact the Economic and Labor Market Information Bureau at (603) 228-4124.

The observations expressed in this report do not necessarily reflect those of New Hampshire Employment Security, and no official endorsement should be inferred.

1. Population

New Hampshire's 2001 population reached 1,259,181, up 1.6 percent from 2000 ❖ In 1997 the New Hampshire Office of State Planning projected the state's population would reach 1,527,878 by 2020 ❖ Over 95 percent of Granite Staters were born in the United States ❖ In 2000 the number of people divorced hit over 100,000 ❖ The state's population by gender was split almost in half in 2000 ❖

2. Income & Wages

After posting an 11.7 percent gain in 2000, total personal income in New Hampshire grew by only 3.3 percent in 2001 to just under $43 billion ❖ The median household income in New Hampshire rose by 5.0 percent from $48,904 in 2000 to $51,331 in 2001 ❖ In 2000 the Granite State ranked 40th in the country in income inequality (a rank of 1 being most unequal) ❖

3. Labor Force & Unemployment

New Hampshire's 2001 average annual unemployment rate was 3.5 percent, tied with Delaware and Virginia for sixth lowest in the nation ❖ New Hampshire's labor force surpassed 700,000 for the first time in July of 2001 ❖ Preliminary estimates for October 2002 showed 19,160 more residents employed and 7,410 more unemployed over October 2001 ❖ Individuals received benefit payments for an average of nine and one-half weeks, up from nine weeks in 2000 ❖

4. Employment by Industry

The year 2001 was part of a run of increasing employment over the 1998-2001 period, even though the rate of growth (0.8%) was smaller than any time over the last nine years. ❖ The highlight of the employment growth was in Services, which added the most new jobs over-the-year, 3,700 ❖ On the flip side, Manufacturing lost about 2,800 jobs over-the-year, a decrease of 2.6 percent ❖ New Hampshire's total nonfarm employment showed declines eight of the first ten months of 2002 when compared to the prior year ❖

5. Occupational Trends

According to *New Hampshire Employment Projections* 1998-2008 (published in October 2000), the top four fastest growing occupations are all expected to be computer-related ❖ The top four fastest declining jobs in New Hampshire are all expected to be in Manufacturing ❖ Occupations in the Retail Trade and Services industries should have the highest average annual openings ❖ Many more Registered Nurses will be needed to satisfy growth in health care ❖

6. Private Enterprise

In 2001 high-tech industries employed 65,865 employees, a two percent drop from 2000 ❖ For every 1,000 private industry workers there were 124 high-tech workers, of whom 81 were high-tech intensive workers ❖ Preliminary 2002 numbers show there were 32,933 private firms in New Hampshire, a drop of less than one percent over-the-year ❖ Average private establishment size in New Hampshire was 15 employees in 2000 ❖ In 2001, there were 1,727 new incorporated companies registered in New Hampshire, a decrease of 137 from 2000 ❖

Highlights

7. Transportation & Traffic

Using 2000 data, the New Hampshire Department of Transportation calculated that 42.1 percent of the state's major highways were moderately congested, while 10.6 percent were congested ❖ In 2001, 34.1 percent of New Hampshire's highway bridges were rated structurally deficient or functionally obsolete ❖ As of 2001, the New Hampshire rail system included one regional railroad, nine local railroads, one terminal railroad, and five passenger/tourist railroads ❖ In 2000, approximately 4.5 million short-tons of cargo either entered or exited the Port of New Hampshire ❖

8. Energy

Deregulation has resulted in immediate electricity rate decreases ❖ Competition in the electric industry is on schedule ❖ Seabrook is sold to out-of state interests ❖ New Hampshire residents benefited from lower gasoline and home heating oil prices than in past years, but future prices largely depend on the availability of crude oil ❖ A comprehensive study of the state's energy situation was completed in November 2002 ❖

9. Production

New Hampshire's GSP in current dollars grew steadily from $37.5 billion in 1997 to $47.7 billion in 2000 ❖ Finance, insurance, and real estate contributed 24 percent of the state's total GSP in 2000 ❖ New Hampshire maintained its 39th place nationally and 3rd place amid the New England states in 2000 compensation ❖

10. Trade, Recreation, & Hospitality

An estimated 27.5 million people visited the state in 2001 ❖ The state's tourism ad budget received a $2 million biannual hike during the spring of 2002 ❖ Hunting and fishing licenses can now be purchased online ❖ New Hampshire's estimated retail sales for 2002 were $24.7 billion up 1.4 percent over-the-year ❖ The Verizon Wireless Arena is the first and only civic center of its kind in New Hampshire ❖

11. Construction & Housing

The construction industry in New Hampshire continued to be robust from 2000 into 2001 ❖ The number of housing permits (not seasonally adjusted) authorized in the state actually decreased for the first time in ten years, down only about one percent from 2000 to 2001 ❖ Total existing home sales in New Hampshire stayed about the same, decreasing by approximately 800 in 2001 ❖

12. Finance - Private

The equity capital-assets ratio for all FDIC insured banks in New Hampshire rose from 10.33 percent in 2000 to 10.76 percent in 2001 ❖ After declining for the last two years, bankruptcy filings in New Hampshire increased by 9.2 percent from 3,561 in 2000 to 3,887 in 2001. ❖ After rising for three years, the Granite State's consumer loan delinquency rate decreased from 8.88 percent in 2000 to 7.46 percent in 2001 ❖

13. Finance - Government

New Hampshire's Fiscal Year 2002 revenue fell short of the projected amount ❖ An executive order in June 2002 required state agencies to reduce their budgets for 2003 in an effort to bring the numbers back in line ❖ As of October 1, 2002, New Hampshire's bond rating was rated Aa2 with a stable outlook according to Moody's rating desk. That translates to be high quality by all standards, and is generally known as a high grade bond ❖

14. Education

New Hampshire ranked 27th of the fifty states and the District of Columbia in average teacher salaries ❖ The Granite State seniors scored an average of 1,036 on the Scholastic Aptitude Tests (SAT), surpassing the national average of 1,020 ❖ Fall 2001 New Hampshire enrollment numbers of 232,906 pupils in grades one through twelve were higher than in 2000 ❖ New Hampshire ranked seventh in the nation in overall educational attainment ❖ New Hampshire had over 14,700 postsecondary completers in 2001 ❖

15. Health

New Hampshire had approximately 84,000 residents without medical insurance coverage ❖ NH Medication Bridge Program was started in New Hampshire in September 2000 ❖ In New Hampshire there were 119 birds confirmed with the virus as of October 18, 2002 ❖ The Foundation for Healthy Communities conducted a survey to access the increasing difficulty in recruiting and retaining nurses, specifically registered nurses (RNs) and licensed practical nurses (LPNs) ❖ New Hampshire regained top ranking for the healthiest state in 2002 ❖

16. Social Assistance

More than 81,000 people in New Hampshire were considered poor in 2001, an increase of 27.4 percent over-the-year ❖ 8,118 families were receiving financial assistance when the TANF program was initiated (October 1996) ❖ By the end of Fiscal Year 2001 there were 36,781 child support cases open in New Hampshire, representing 44,962 children ❖ Monthly Social Security and Supplemental Security Income (SSI) payments increased 2.6 percent in January 2002 ❖

17. Crime & Crashes

New Hampshire was ranked the eighth safest state in the nation, third in New England ❖ Total reported crashes decreased over-the-year for the first time since 1994 ❖ New Hampshire's goal is to have the AMBER Alert Plan in place by the end of the 2002 ❖ Project HomeSafe® delivered 20,000 free gun locks all over New Hampshire during August 2002 ❖

18. Environment

Since 1999, New Hampshire has experienced varying degrees of drought three out of the four years ❖ The current drought of 2001-2002 is regarded as the second or third worst drought on record ❖ In 2002 New Hampshire experienced 13 unhealthy days due to smog, up from 10 in 2001 ❖ On May 9, 2002, the Clean Power Act became part of New Hampshire law ❖ Total on-site and off-site releases of toxic chemicals increased from 1999 to 2000 by 4.3 percent in New Hampshire and 5.7 percent in New England ❖

Indicators

Change in Key Economic Indicators

Indicator	1999 to 2000 Change	1999 to 2000 Percent Change	2000 to 2001 Change	2000 to 2001 Percent Change	Section
Population	17,867	1.5%	19,300	1.6%	1
Income, per capita personal	$3,091	10.1%	$562	1.7%	2
Wages, average weekly	$49.96	8.1%	$14.50	2.2%	2
Labor Force:					
Employment	16,350	2.5%	-2,030	-0.3%	3
Unemployment	1,060	5.8%	5,170	26.9%	3
Nonfarm jobs - total all industries	16,300	2.7%	4,900	0.8%	4
Vehicle registrations	46,256	4.5%	68,276	6.4%	7
Electricity purchased (million KWH)	61	0.6%	361	3.6%	8
Gross state product (1996 dollars-millions)	$4,092	9.4%	$1,861	3.9%	9
Meals and rooms receipts (millions)	$134.9	7.3%	$27.9	1.4%	10
Existing home sales (total units per year)	2,900	7.1%	-800	-1.8%	11
Bank assets ($ millions)	$1,022	3.3%	$3,804	12.0%	12
Non-current loans ($ millions)	$213.7	52.0%	-$137.5	-22.0%	12
Bankruptcy filings	-483	-11.9%	326	9.2%	12
School enrollment (K-12)	2,626	1.2%	645	0.3%	14
Poverty rate	-2.5		1.3		16
Crime offenses	n/a	n/a	-835	-2.8%	17
Traffic crashes	2,598	7.3%	-3,799	-10.0%	17

In 2001 the Granite State had the eighth fastest population growth in the nation and the fastest growth rate in New England, 1.6 percent. Over-the-year, New Hampshire's population increased by 19,300, reaching 1,259,181. This was the second largest gain in New England. Only Massachusetts had a larger population jump, adding 22,232 residents.

Massachusetts and Connecticut combined to claim 70 out of 100 New Englanders. Nine out of 100 regional residents each lived in New Hampshire and Maine, while eight lived in Rhode Island and four lived in Vermont.

Population Projections

The New Hampshire Office of State Planning (OSP) in 1997 predicted New Hampshire's population will reach 1,306,637 by 2005. OSP's projections were based on the state's population trends between 1960 and 1995. During the 35 years, population grew on average 14,000 per year. In 1997 OSP projected population in the Granite State would reach 1,228,797 in 2000. This projection was only 7,000 shy of the state's actual Census 2000 population figure.

Based on the projections released in 1997, the state's population is expected to increase nearly ten percent from 2000 to 2010. Over the subsequent ten years the number of Granite Staters is expected to expand over 12 percent. OSP predicts New Hampshire's population will grow nearly 24 percent from 2000 to 2020, reaching over 1,500,000.

Among the counties, Rockingham County is expected to have the fastest growth, nearly 45 percent, totaling 400,848 by 2020. Carroll County and Hillsborough County both followed with anticipated increases of 28.4 percent and 22.6 percent respectively.

Population by County

Population among New Hampshire's counties was diverse in 2001, ranging from 32,964 in Coos County to 387,674 in Rockingham County, according to county data from the U.S. Census Bureau. Belknap County had the fastest expanding population in the state,

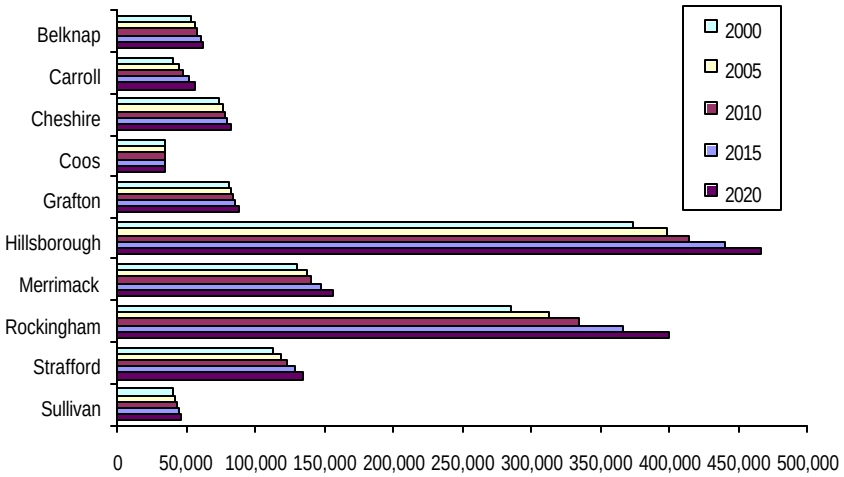
For every 100 Granite Staters, 31 lived in Hillsborough County and 23 lived in Rockingham County, while three each lived in Sullivan County and Coos County.

3.2 percent over 2000. Coos County continued its trend of declining population, decreasing 0.5 percent over-the-year. All other counties saw growth, ranging from 0.4 percent in Cheshire County to 2.0 percent in Rockingham County. For every 100 Granite Staters, 31 lived in Hillsborough County and 23 lived in Rockingham County, while three each lived in Sullivan County and Coos County.

Center of Population

The mean population point is defined by the U.S. Census Bureau as the point at which an

Based on 1997 estimates, Rockingham County is expected to grow the fastest between 2000 and 2020, increasing nearly 41 percent



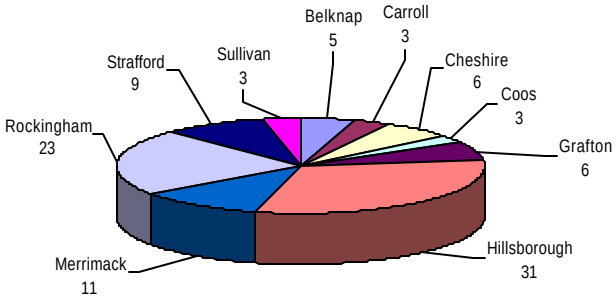
Source: New Hampshire Population Projections 2000 to 2020. April 16, 1997. New Hampshire Office of State Planning. Accessed October 17, 2002 <www.state.nh.us/osp/sdc/CountyProj.pdf>

imaginary, flat, weightless, and rigid map of the United States (or an individual state) would balance perfectly if all residents were of identical weight. This method is the population center of gravity. The mean population point is responsive to the slightest change in population.[1]

Historically the state's mean population point has been moving southeast. Over the last few decades the center has slowed its move. Since 1960 Coos County has lost 11 percent of its population, while the bulk of the state's population growth has occurred in Hillsborough, Rockingham, Merrimack, and Strafford counties. This can explain the southeastern direction the population center has been moving.

While New Hampshire's center of population has been moving southeast, the national center of population has been moving southwest. This move can be attributed to large population increases in California and Texas, while states in the northeast region saw minimal gains in comparison.

Hillsborough County accounted for nearly one-third of New Hampshire's residents



Nativity

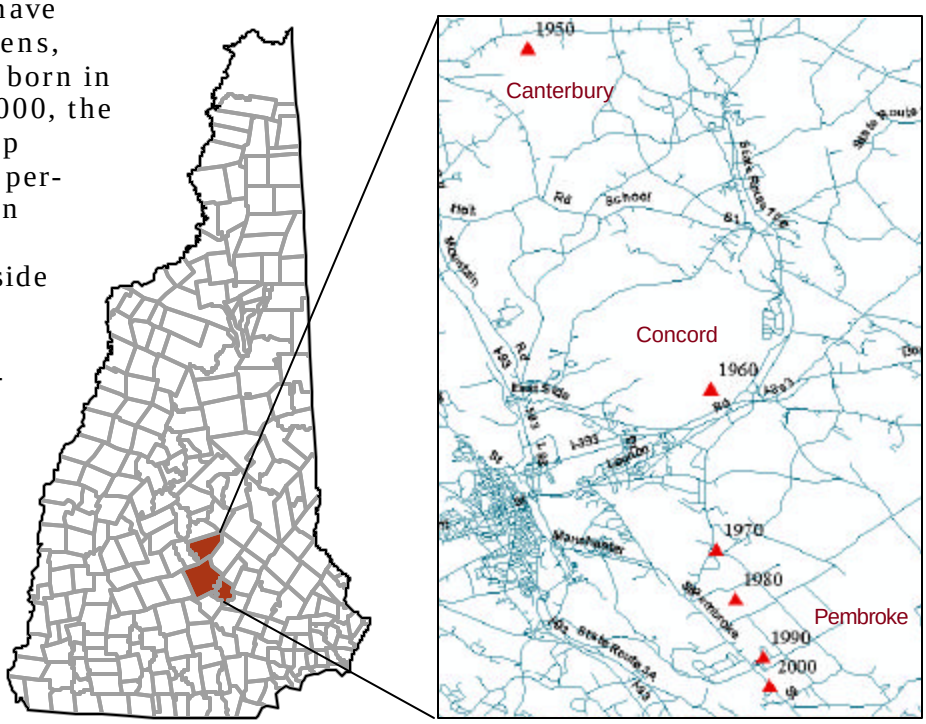
The Granite State continues to have a large share of native born citizens, even though less than half were born in New Hampshire. As of Census 2000, the state had 1,235,786 residents, up 11.4 percent from 1990. Over 95 percent of Granite Staters were born American citizens. Of those less than one percent were born outside the United States.

The number of foreign born residents rose 31.5 percent over-the-decade, reaching 54,154. Almost half of these residents were naturalized citizens, a 12.6 percent increase over 1990. The number of residents who were not a citizen increased 55 percent over-the-decade.

The largest share of foreign born Granite Staters, over one-third, were from Europe. Nearly one-quarter of foreign born residents were from Asia, almost another quarter were from other North American countries, and one-seventh were from Latin America. The shares of foreign born residents from Latin America and Asia both grew significantly.

Over 92 percent of Granite Staters spoke English-only at home, ten percentage points higher than the nation. With our state bor-

New Hampshire's Center of Population, 1950 - 2000



Source: Liptrap, Linda. Senior Analyst. U.S. Census Bureau. "New Hampshire COP Request Response.doc." E-mail to the author. August 23, 2002.

dering the French-speaking Canadian Province of Quebec, it comes as no surprise that French-only was the second most common language spoken at home, by 35,157 residents. The number of residents who spoke French-only at home dropped nearly one-third in New Hampshire, while the nation saw a dip of over one quarter of these residents from 1990.

In New Hampshire, Spanish continues to be the third most frequently spoken language at home, with 15,737 residents. The state experienced a growth of nearly 64 percent of its residents speaking Spanish-only at home, while the number of these residents grew over 54 percent in the nation.

Residents who filled out the long Census form were able to choose single or multiple ancestries. In 2000 there were 1,459,622 total ancestries reported in the Granite State, over ten thousand more than what was reported in 1990. The top three ancestries, Irish, English, and French (except Basque), combined, had 52.1 percent of the state's total reported ancestries. In 1990 these same three combined for a larger share, 63.5 percent, of New Hampshire's ancestry.

Marital Status

According to the Census Bureau, New Hampshire had a total of 978,614 residents age 15 years and over, a 12.2 percent increase from 1990. The Census Bureau uses a population base age 15 years and over to allow for comparisons of marital statuses among the states. The age of consent for marriage varies from state to state. In New Hampshire the age of consent for marriage is 18 years old for both males and females.

In 2000 nearly a quarter of Granite Staters age 15 and over had never been married. Almost 561,000 residents were married, excluding those that were separated. In 2000 the number of people divorced hit over 100,000, while over 13,000 New Hampshire residents reported they were separated in 2000. Nearly 57,000 were widowed.

Population by Gender

New Hampshire's population by gender was split nearly in half, 628,099 females and 607,687 males in 2000. Females had a slightly higher share, by approximately two percentage points. According to age breakouts from the 2000 Census, there were nearly 7,500 more males than females under

Resident Population

	1998	1999	2000	2001	Source
Population, July 1st (thousands)	1,206	1,222	1,240	1,259	CB
Annual percent change	1.4%	1.3%	1.5%	1.6%	CB/NHES
United States rank of annual percent change	15	14	12	8	CB/NHES
Percent change since last census	8.7%	10.2%	11.7%	1.9%	CB/NHES
Population, Males	583,000	590,900	607,687	n/a	CB
Population, Females	602,100	610,200	628,099	n/a	CB

Median Age

	1998	1999	2000	2001	Source
United States	35.2	35.5	35.3	n/a	CB
New England	36.5	36.7	37.1	n/a	CB
New Hampshire	35.7	35.9	37.1	n/a	CB
Connecticut	37.0	37.0	37.4	n/a	CB
Maine	37.4	37.8	38.6	n/a	CB
Massachusetts	36.2	36.5	36.5	n/a	CB
Rhode Island	36.4	36.6	36.7	n/a	CB
Vermont	36.7	37.2	37.7	n/a	CB

the age of 18 in 2000. Females dominated all but two other age groups (22 to 24 year olds and 55 to 59 year olds). There were over 23,000 more females than males over the age of 67 in 2000.

Older Residents

As of Census 2000, there were 224 centenarians in the Granite State. Almost 80 percent were female. In New Hampshire residents aged 85 and over increased 37.7 percent from 1990, adding nearly 5,000. The number of females gained 3,281, a 33 percent over-the-decade change, however, males grew at a faster rate, 51.3 percent. Prior to Census 2000, the Census Bureau did not report the age breakout beyond age 85.

Gail Houston

[1] "Centers of Population Computation for 1950, 1960, 1970, 1980, 1990, and 2000." Centers of Population for Census 2000. April 2001. Geography Division, U.S. Census Bureau. Accessed September 16, 2002 <www.census.gov/geo/www/cenpop/calculate2k.pdf>

Distribution by Age

	1998	1999	2000	2001	Source
Under 5 years	6.2%	6.2%	6.1%	n/a	CB
5 to 17 years	19.0%	19.2%	18.9%	n/a	CB
18 to 24 years	8.1%	8.2%	8.4%	n/a	CB
25 to 44 years	34.1%	33.4%	30.9%	n/a	CB
45 to 64 years	20.6%	21.1%	23.8%	n/a	CB
65 years and over	12.0%	12.3%	12.0%	n/a	CB

Vital Records

	1998	1999	2000	2001	Source
Marriages	9,921	10,301	10,540	n/a	BVR
Marriage rate (per 1,000 population)	8.4	8.6	8.5	n/a	BVR
Divorces	6,078	6,188	5,968	n/a	BVR
Divorce rate (per 1,000 population)	5.1	5.2	4.8	n/a	BVR
Components of Population Change:					
Live births	14,433	14,026	14,561	14,647	BVR
Birth rate (per 1,000 population)	12.0	11.5	11.7	11.6	BVR/NHES
Births to teenage mothers (less than 20 years old)	1,097	996	994	n/a	BVR
Percent of live births	7.6%	7.1%	6.8%	n/a	BVR
Non-marital births (percent of live births)	24.2%	24.2%	24.6%	n/a	BVR
Late or no prenatal care (percent of live births)	1.8%	1.4%	1.3%	n/a	BVR
Resident deaths	9,489	9,457	9,689	n/a	BVR
Crude death rate (per 1,000 population)	8.0	7.9	7.8	n/a	BVR
Infant death rate (per 1,000 live births)	4.3	n/a	n/a	n/a	BVR
Natural increase rate (per 1,000 population)	4.2	3.8	4.0	n/a	BVR
Net in-migration rate (per 1,000 population)	6.6	8.6	n/a	n/a	BVR/NHES

After posting an 11.7 percent gain in 2000, total personal income in New Hampshire grew by only 3.3 percent in 2001 to just under $43 billion. This was the slowest rate of growth for New Hampshire since 1993, when it grew by 2.5 percent. Nationally, the growth rate for total personal income was also 3.3 percent, the slowest rate of growth since 1958.[1] There are three components of personal income: net earnings; dividends, interest and rent; and transfer payments. Net earnings in New Hampshire, the largest component of personal income, grew by 2.5 percent in 2001 after growing by 11.7 percent in 2000. Dividends, interest, and rent also registered a significant slowdown from 15.2 percent growth in 2000 to 3.1 percent in 2001. In contrast, growth rates in transfer payments increased from 6.2 percent to 8.7 percent from 2000 to 2001. Medicare/ Medicaid and Social Security payments were primarily responsible, accounting for 43.5 percent and 33.7 percent of the increase in transfer payments respectively.

The impact of the recession was evident in New Hampshire's per capita personal income data as well. Per capita personal income is derived by dividing total personal income by the State's population. In 2001 per capita personal income stood at $34,138, up 1.7 percent from 2000, maintaining New Hampshire's rank of 6th highest in the nation. However, the 1.7 percent rate of growth ranked 43rd in the country. After adjusting for inflation, the real rate of growth in the Granite State's per capita personal income from 2000 to 2001 was a scant 0.1 percent. This stands in stark contrast to the 3.3 percent average annual real rates of growth recorded from 1994* to 2000.

New Hampshire's per capita disposable income exhibited weaker growth rates as well in 2001, up 2.6 percent from 2000 (1.0 percent in real growth). Per capita disposable income is calculated by taking personal income, subtracting out personal taxes, and then dividing by the State's population.

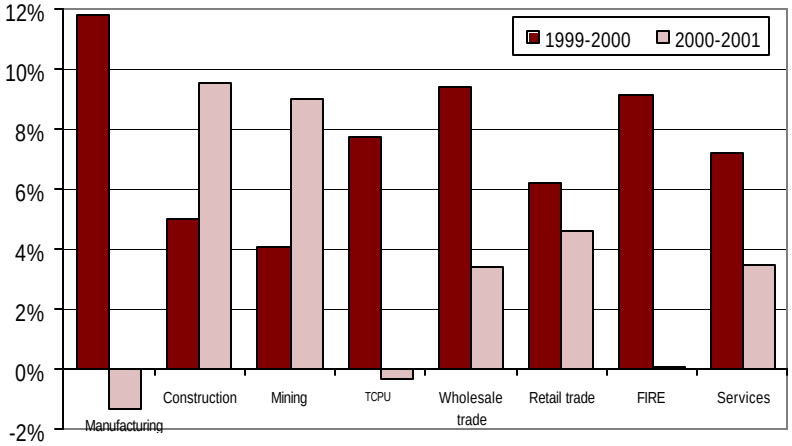
Household Income

The median household income in New Hampshire rose by 5.0 percent from $48,904 in 2000 to $51,331 in 2001 (3.4 percent when adjusted for inflation). The U.S. figures over the same time period were $42,151 and $42,228 respectively, for a growth rate of 0.2 percent (-1.3 percent when adjusted for inflation). The Census Bureau defines a household as consisting of all the people who occupy a housing unit (single occupants, two or more unrelated occupants, and families). The median is defined as the value exactly in the middle of a set of data that are ranked in order of ascending size. Half of all households will make less than the median household income, while half will make more.

In 2001 per capita personal income stood at $34,138, up 1.7 percent from 2000, maintaining New Hampshire's rank of 6th highest in the nation.

Median household income data is important because per capita income is not necessarily a true measure of how "typical" Granite Staters are faring. Averages are skewed

Nearly every division in the Granite State's economy saw slowdowns in average weekly wage growth from 2000 to 2001

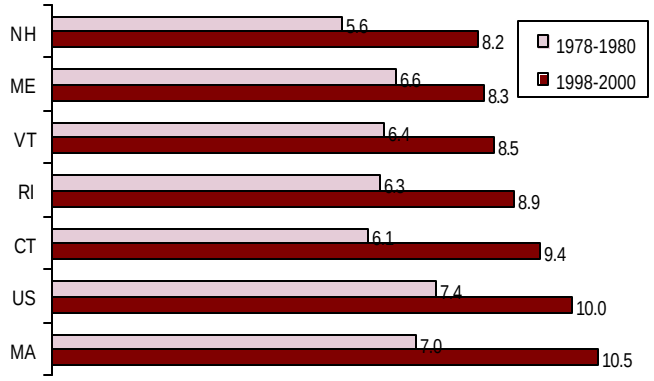


Over-the-year Change in Average Weekly Wage by Division

upward by the relatively small portion of the population with exceedingly high incomes. Furthermore, because each member of the population is assigned an equal share of income, some very unlikely aggregations can occur. For example, a literal interpretation of per capita personal income would imply that every married couple with two children in New Hampshire makes, on average, $136,552 per year ($34,138 x 4).

There are three sources of growth for household income: increases in compensation (e.g. wage rate and salary increases, greater pay outs of dividends); increases in the hours spent at work; and increases in the number of income earning individuals comprising the household. Household income can be confused with family income. Households include families, but also unrelated groups of people and those living alone. Because many families have two full-time income earners and, according to the U.S. Census Bureau, 25.5 percent of all households consist of one person, the difference between family and household incomes can be quite significant. For example, the median 4-person family income in New Hampshire for the year 2000 was $71,661; the median household income was $48,904.

New Hampshire's ratio of income inequality continues to be lower than the nation's and the other New England states'



Income inequality: The ratio of the average income of the wealthiest fifth of households to average income of the poorest fifth

Source: The Economic Policy Institute, The State of Working America, 2002-2003

Covered Employment

After increasing at an average annual rate of 5.2 percent from 1994* to 2000, average weekly wages for all industries covered by unemployment insurance grew by only 2.2 percent in 2001. Manufacturing was hit particularly hard as average weekly wages actually fell by 1.3 percent. This was caused by lower Manufacturing employment and a change in the industry mix. All other divisions in the economy registered significant slowing of average weekly wage growth rates during 2001 except for Mining and Construction. Wages in mining, which accounts for less than 0.1 percent of covered employment in New Hampshire, increased from 4.1 percent in 2000 to 9.0 percent in 2001. Growth in Construction average weekly wage rates jumped from 5.0 percent in 2000 to 9.5 per-

Total Personal Income

	1998	1999	2000	2001	Source
New Hampshire (millions)	$35,198	$37,253	$41,630	$42,986	BEA
Components:					
Net Earnings[a]	69.7%	71.2%	71.2%	70.7%	BEA
Dividends, interest, rent	19.4%	18.3%	18.9%	18.8%	BEA
Transfer payments	10.9%	10.5%	10.0%	10.5%	BEA

[a] Earnings (wages and salaries, other income, and proprietors' income) by place of work, less personal social insurance by place of work, adjusted for place of residence.

Per Capita Personal Income

	1998	1999	2000	2001	Source
Per Capita Personal Income	$29,187	$30,485	$33,576	$34,138	BEA
United States rank (excluding D.C.)	7	6	6	6	BEA
Annual percent change	7.2%	4.4%	10.1%	1.7%	NHES/BEA
Percent change after adjusting for inflation using CPI	5.5%	1.7%	6.5%	0.1%	NHES/BEA

cent in 2001, fueled by continued strong demand for office and industrial space and infrastructure.

Income Distribution

Using Census Bureau data, the Economic Policy Institute (EPI) calculated that the average income of New Hampshire's wealthiest fifth of households was 8.2 times greater than the poorest fifth in 2000#. Using this ratio as an indicator of income inequality, the Granite State ranked 40th in the country in income inequality (a rank of 1 being most unequal). In 1980#, New Hampshire ranked 50th in income inequality at a ratio of 5.6. In 1990#, New Hampshire ranked 43rd with a ratio of 6.9.[2]

Nationally, income inequality began increasing in the late 1970's to early 1980's and then decelerated in the early to mid 1990's. Some explanations for increased income inequality (all not necessarily pertinent to New Hampshire) include:

- the shift from Manufacturing (where low-skilled workers can receive high wages) to Services (where low-skilled workers have less opportunity for high wage work)
- the decline in the number of workers belonging to unions
- the decrease in the real value of the minimum wage (i.e. the minimum wage is not automatically raised each year to match the rate of inflation)
- the increased use of temporary workers (temporary workers generally make less than their counterparts in traditional work arrangements; they also do not receive the longevity raises associated with traditional work arrangements)
- the increase in the number of single and non-family households resulting from higher divorce and separation rates, greater out of wedlock births, and the increasing age at first marriage.[3]

The tight labor markets associated with the record expansion of the 1990's explains the deceleration of income inequality growth as rising wage rates for low income households have allowed them to keep pace with the income growth of the wealthiest households.

Income inequality is of interest for economic reasons. Consumer expenditure accounts for roughly two thirds of all economic activity. While lower and middle income households typically spend nearly all their income, wealthier households save disproportionately more of their income. If income is increasingly directed toward wealthy households, then total income-based consumer expenditure may be insufficient to maintain robust economic growth. Two other sources can be tapped to maintain consumer expenditure: savings and borrowing. However, national level data indicate that savings rates are at all-time lows and household debt burdens are

Per Capita Disposable Income

	1998	1999	2000	2001	Source
Per Capita Disposable Income	$25,356	$26,282	$28,645	$29,387	BEA
United States rank (excluding D.C.)	6	6	5	6	BEA
Annual percent change	6.9%	3.7%	9.0%	2.6%	NHES/BEA
Percent change after adjusting for inflation using CPI	5.2%	0.9%	5.4%	1.0%	NHES/BEA

Median Household Income

	1998	1999	2000	2001	Source
New Hampshire	$44,958	$46,167	$48,904	$51,331	CB
Connecticut	$46,508	$50,798	$50,374	$53,347	CB
Maine	$35,640	$38,932	$41,659	$36,612	CB
Massachusetts	$42,345	$44,192	$46,982	$52,253	CB
Rhode Island	$40,686	$42,936	$43,165	$45,723	CB
Vermont	$39,591	$41,630	$38,175	$40,794	CB

at historic highs. Business investment expenditure (e.g. machines, facilities, etc.) financed via the borrowing of funds saved by households, could offset declines in consumer expenditure. However, expectations of profitability, rather than the availability of credit, is considered the primary motivation for business investment expenditure.

Kevin Coyne

* The year 1994 is generally regarded as the starting point of the most recent economic expansion.
# Years actually refer to the intervals 1978-1980, 1988-1990, and 1998-2000.

[1] Tran, Duke and Kathy Albetski. Revised Estimates of State Personal Income & Per Capita Personal Income, 1999-2001. September 23, 2002. United States Department of Commerce, Bureau of Economic Analysis. P. 3. Accessed September 26, 2002 <www.bea.gov/bea/rels.htm>

[2] Mishel, Lawrence, Jared Bernstein, and Heather Boushey. The State of Working America 2002-03. (Advance Proof) New York: Cornell University Press, 2002. Pp 366-368.

[3] Jones, Arthur F. Jr., and Daniel H. Weinberg. "The Changing Shape of the Nation's Income Distribution." Current Population Reports P60-204. June 2000. P. 10.

Wages

	1998	1999	2000	2001	Source
TOTAL WAGES in employment covered by unemployment compensation (millions)					
Private and public employers	$17,822	$18,997	$21,061	$21,657	NHES
Annual percent change	9.0%	6.6%	10.9%	2.8%	NHES
AVERAGE WEEKLY WAGES IN PRIVATE EMPLOYMENT covered by unemployment compensation					
All industries (annual average)	$595.12	$618.00	$667.96	$682.46	NHES
Annual percent change	5.7%	3.8%	8.1%	2.2%	NHES
Manufacturing	$778.35	$799.23	$893.42	$882.02	NHES
Construction	$667.65	$693.73	$728.62	$797.92	NHES
Mining	$696.78	$744.75	$775.33	$845.06	NHES
Transportation, communications, and public utilities	$702.87	$720.12	$775.87	$773.83	NHES
Wholesale trade	$905.67	$954.62	$1,044.46	$1,079.77	NHES
Retail trade	$337.21	$348.48	$370.21	$387.29	NHES
Finance, insurance, and real estate	$811.62	$877.62	$957.67	$958.50	NHES
Services	$555.92	$587.19	$629.63	$651.65	NHES
AVERAGE WEEKLY EARNINGS					
Production Workers in Manufacturing Employment	$528.23	$534.70	$550.33	$565.95	BLS
United States rank (including D.C.) (1 = highest)	31	33	32	31	BLS

U.S. Price Indices

	1998	1999	2000	2001	Source
CONSUMER PRICE INDEX, All Urban Consumers, Year End					
December each year (U.S., 1982-1984 = 100)	163.9	168.3	174.0	176.7	BLS
December to December percent change	1.6%	2.7%	3.4%	1.6%	BLS
IMPLICIT PRICE DEFLATOR (U.S., 1996 = 100)	103.2	104.7	106.9	109.4	BEA
Annual percent change	1.2%	1.5%	2.1%	2.3%	BEA

New Hampshire's 2001 average annual unemployment rate was 3.5 percent, tied with Delaware and Virginia for sixth lowest in the nation. The lowest rate was North Dakota's 2.8 percent, replacing Virginia which had been lowest in 2000 with a rate of 2.2 percent.

Local Area Unemployment Statistics (LAUS) showed an estimated 2,030 fewer people employed and 5,170 more unemployed in 2001 than in 2000. The civilian labor force expanded by 3,140 to 688,650, an increase of 0.5 percent over 2000's 685,510. The labor force includes those persons who are working and those persons who are unemployed (but willing and able to work and actively searching for a job). The unemployment rate is the percentage share of the labor force that is unemployed.

New Hampshire's labor force surpassed 700,000 for the first time in July of 2001. With employment at 677,530 and unemployment at 24,570, the unemployment rate for the month was 3.5 percent.

The unemployment rate for New Hampshire has been lower than the national rate since May 1993. New Hampshire's 2001 rate was lower than New England's 3.7 percent and 1.3 percentage points lower than the 4.8 percent national rate.

For the second year in a row, Connecticut had the lowest unemployment rate of the New England States, 3.3 percent. New Hampshire was second with a rate of 3.5 percent, followed by Vermont, at 3.6 percent and Massachusetts with 3.7 percent. The remaining New England states, Maine and Rhode Island, had rates of 4.0 and 4.7 percent, respectively.

Preliminary data for October 2002 showed 19,160 more residents employed and 7,410 more unemployed over October 2001. The estimated unemployment rate for October 2002 was 4.4 percent, an increase of 0.9 percentage points over October 2001.

Labor Force Characteristics

New Hampshire residents historically have demonstrated a very strong attachment to the labor force. Those in the labor force are either working or want to work. In 2001, 72.2 percent of New Hampshire's total noninstitutional population was part of the civilian labor force. This was tied for seventh highest in the nation. New Hampshire's male participation rate (78.4) was ranked seventh nationally and women (66.3) ranked in ninth place. The civilian labor force in New Hampshire contained a slightly higher percentage of men (52.7) than women (47.3). About eighty-two percent of men in the labor force were between the ages of 25 and 64 years old, compared to almost eighty-one percent of women. Trends of age distribution in the labor force were similar between men and women. The highest share of both sexes was in the 35 to 44 year old age group, supporting the conjecture of this age range as the prime working years.

New Hampshire's labor force surpassed 700,000 for the first time in July of 2001.

Unemployment Insurance

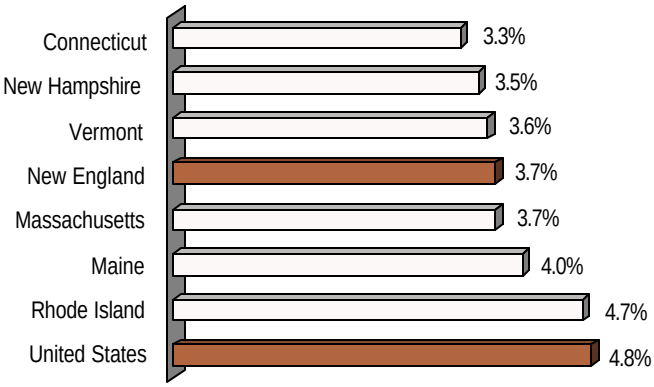
The recession in the country touched New Hampshire residents. Total weeks for unemployment insurance compensation increased in 2001 by 108.7 percent to 254,856 weeks. Correspondingly, unemployment insurance benefits paid increased by

Percent of 2001 Labor Force Participation by Sex and Selected Age Groups

	Men		Women	
Age group	Number (in thousands)	Share in Labor Force	Number (in thousands)	Share in Labor Force
25 to 34 years	76	20.9%	63	19.3%
35 to 44 years	101	27.8%	92	28.2%
45 to 54 years	82	22.6%	77	23.6%
55 to 64 years	37	10.2%	32	9.8%

Labor Force & Unemployment

New Hampshire's unemployment rate was second lowest in the region in 2001



132.5 percent to $60.6 million. Individuals received benefit payments for an average of nine and one-half weeks, up from nine weeks in 2000. This ranked the state lowest in the nation. The U.S. average was 13.8 weeks. New Hampshire's average weekly benefit amount was $241, an increase of 10.8 percent from $217 the previous year. The national average weekly benefit amount was $238.

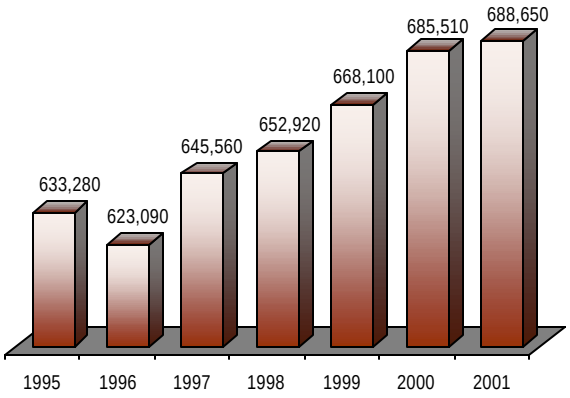
For 2001, the average benefits paid per covered worker in New Hampshire were $100. This was 128 percent higher than the year before and ranked second lowest in the nation, behind South Dakota's $59 average benefits paid. Nationally the average was $246, almost two and one-half times the state's amount per covered worker.

Labor Disputes

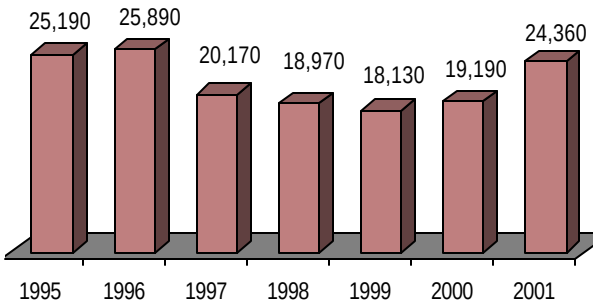
During 2001, New Hampshire experienced one minor labor dispute, which lasted three months and affected only a handful of workers.

Don Sheffield

New Hampshire's civilian labor force has increased more than 65,500 since 1996



The number of unemployed persons in the state in 2001 exceeded 20,000 for the first time since 1997



Civilian Labor Force

	1998	1999	2000	2001	Source
Civilian Labor Force (annual average)	652,920	668,100	685,510	688,650	BLS
Annual percent change	1.1%	2.3%	2.6%	0.5%	BLS/NHES
Labor force participation rate	71.6%	72.3%	73.0%	72.2%	BLS
United States rank	Tie 11	Tie 6	4	Tie 7	BLS
Male participation rate	77.5%	78.7%	79.8%	78.4%	BLS
United States rank	Tie 12	6	3	7	BLS
Female participation rate	66.1%	66.2%	66.7%	66.3%	BLS
United States rank	Tie 8	9	7	9	BLS

Employment

	1998	1999	2000	2001	Source
Employed (annual average)	633,950	649,970	666,320	664,290	BLS
Annual percent change	1.4%	2.5%	2.5%	-0.3%	BLS/NHES
Work full-time - 35 hours or more per week	80.1%	78.5%	79.0%	n/a	BLS

Unemployment

	1998	1999	2000	2001	Source
Unemployed (annual average)	18,970	18,130	19,190	24,360	BLS
Unemployment rate (annual average)					
New Hampshire	2.9%	2.7%	2.8%	3.5%	BLS
United States rank (1=lowest)	Tie 4	2	7	Tie 6	BLS
New England	3.5%	3.3%	2.8%	3.7%	BLS
United States	4.2%	4.2%	4.0%	4.8%	BLS
Men					
New Hampshire	2.8%	2.9%	2.8%	3.7%	BLS
New England	3.8%	3.4%	2.7%	n/a	BLS
United States	4.4%	4.1%	3.9%	4.8%	BLS
Women					
New Hampshire	3.0%	2.5%	2.8%	3.4%	BLS
New England	3.1%	3.2%	2.8%	n/a	BLS
United States	4.6%	4.3%	4.1%	4.7%	BLS
Teenagers (16-19)					
New Hampshire	9.7%	11.1%	9.6%	11.9%	BLS
New England	11.0%	9.4%	9.7%	n/a	BLS
United States	14.6%	13.9%	13.1%	14.7%	BLS

Unemployment Insurance

	1998	1999	2000	2001	Source
Weeks compensated for unemployment (UI)	147,742	147,597	122,099	254,856	NHES
Benefits paid, unemployment insurance (thousands)	$26,399	$30,173	$26,073	$60,628	NHES
Percent Change	-13.7%	14.3%	-13.6%	132.5%	NHES
Average duration, benefit payments (weeks)	9.5	9.6	9.0	9.5	UIS
United States average	13.9	14.5	13.7	13.8	UIS
United States rank (including D.C.) (1=lowest)	3	2	2	1	UIS/NHES
Average benefits paid per covered worker	$47.23	$52.38	$44.12	$100.38	UIS
United States rank (including D.C.) (1=lowest)	2	2	2	2	UIS/NHES
National average	$161.93	$166.14	$161.92	$246.10	UIS
Average weekly benefit amount					
New Hampshire	$195.00	$208.27	$217.21	$240.59	UIS
Percent Change	18.0%	6.8%	4.3%	10.8%	UIS
United States	$199.98	$211.75	$220.67	$238.07	UIS

Labor Disputes

	1998	1999	2000	2001	Source
Number of companies	2	1	2	1	NHES
Employees involved	178	65	1,765	3	NHES

4. Employment by Industry

Even though New Hampshire's 2001 total nonfarm employment continued to grow over the 2000-2001 period, the growth needs to be put in perspective. While the 2001 annual average employment was indeed greater than 2000 employment, the increase was not that large, and the latter part of 2001 did not repeat the steady growth shown for the 1998 to 2001 period. The seasonally adjusted data had a "flat" performance. The year 2001 was part of a run of increasing annual employment over the 1998-2001 period, even though the rate of growth (0.8 percent) was smaller than any time over the previous nine years. It was the first time in 10 years that job growth was measured in thousands instead of tens of thousands. Nevertheless, the fact that there was year-to-year growth is noteworthy considering the events that occurred over the course of the year. The nation was in a recession for much of the year, starting in March 2001, coinciding with a falling stock market. Numerous layoffs or outright closings occurred in the state. The terrorist attacks of September 11th reverberated throughout the economy and affected everyone in a personal way.

…the fact that there was growth is noteworthy considering the events that occurred over the course of the year. The nation was in a recession for much of the year, coinciding with a falling stock market. Numerous layoffs or outright closings occurred in the state. The terrorist attacks of September 11th reverberated throughout the economy…

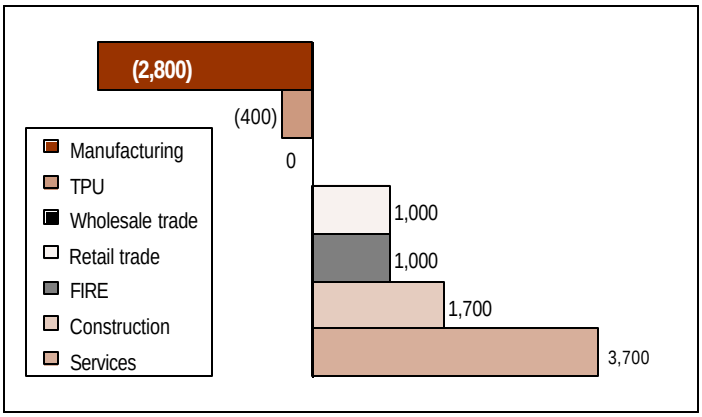
The highlight of the employment growth was in Services, which added the most new jobs over-the-year, 3,700. This brought the division's 1998-2001 total job increase to 18,500. Services made up 31 percent of total nonfarm employment in New Hampshire for 2001, the largest percentage of any division.

Construction employment remained vigorous in 2001, adding 1,700 jobs, an increase of almost seven percent over-the-year. New Hampshire's increase was 4.4 percentage points higher than the national rate. This increase may have been driven by the high demand for housing as mortgage rates for a 30-year fixed mortgage declined to the lowest figure in thirty years and population increased. In addition, there were construction projects at Manchester Airport (i.e., terminal expansion, runway construction), at some schools (both construction and renovations), and on bridges and road sites.

Trade, which made up about 26 percent of the state's 2001 employment, added about 1,000 jobs over-the-year. Most of the increase was in Retail trade as Wholesale trade employment held constant from 2000 to 2001. Finance, insurance and real estate also saw an increase of about 1,000 jobs over-the-year while Government recorded 700 new jobs.

On the flip side, Manufacturing lost about 2,800 jobs over-the-year, a decrease of 2.6 percent. The decrease reflected layoffs and some closings during the year. This division lost about 4,700 jobs from 1998-2001. Manufacturing's share of total nonfarm employment in the state has decreased from 18.4 percent to 16.6 percent during the same time period. Growth in other industries has

The over-the-year employment increase in Services more than offset the losses in both Manufacturing and TPU

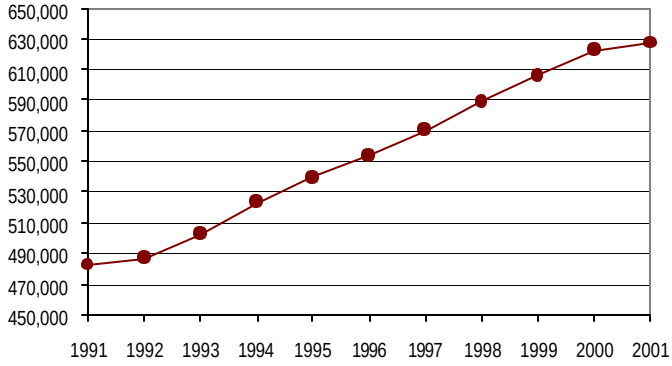


caused Manufacturing's share of total employment to drop in New Hampshire. This reflects the national trend.

Transportation and Public Utilities (TPU) was the only other division that lost employment over-the-year. Even with a loss of 400 jobs from 2000 to 2001, this division still employed more people in 2001 than it did in 1998.

Effects of the recession were still felt into 2002. New Hampshire's total nonfarm employment showed declines eight of the first ten months of 2002 when compared to the prior year. These declines were primarily driven by Manufacturing, which had over-the-year losses each of those ten months. These trends may be changing. Fraser Papers of Stamford, Connecticut, became the new owners of and reopened northern New Hampshire's idle paper mills.[1] While employment at the mills may not reach previous levels, there should be a degree of employment that would not exist otherwise.

Total nonfarm employment increased nearly 145,000 in the past 10 years



Annual Employment Averages

	1998	1999	2000	2001[a]	Source
All industries	589,000	605,800	622,100	627,000	NHES
Private	509,300	524,300	538,600	542,900	NHES
Goods producing	132,100	131,400	132,100	131,100	NHES
Construction	23,000	24,300	25,000	26,700	NHES
Manufacturing	108,600	106,700	106,700	103,900	NHES
Durable goods manufacturing	76,200	76,100	76,900	75,700	NHES
Industrial machinery and equipment	18,200	17,300	17,000	16,900	NHES
Electronic and other electric equipment	19,800	20,000	21,300	21,000	NHES
Instruments and related products	11,500	10,700	10,300	10,800	NHES
Nondurable goods manufacturing	32,400	30,600	29,900	28,200	NHES
Paper and allied products	4,300	4,400	4,300	4,200	NHES
Printing and publishing	7,700	7,500	7,300	7,100	NHES
Rubber and misc. plastics products	9,200	8,600	8,500	7,700	NHES
Service producing	457,000	474,100	490,000	495,900	NHES
Transportation and public utilities	20,500	21,500	21,900	21,500	NHES
Total Trade	152,600	160,100	164,200	165,200	NHES
Wholesale trade	30,300	31,700	32,600	32,600	NHES
Retail trade	122,300	128,400	131,600	132,600	NHES
Eating and drinking places	37,000	38,000	38,700	39,500	NHES
Finance, insurance, and real estate	31,400	32,600	32,700	33,700	NHES
Services	172,800	178,700	187,600	191,300	NHES
Business services	31,000	31,800	35,900	34,700	NHES
Health services	49,100	50,600	51,300	53,400	NHES
Hospitals	19,500	19,700	20,300	21,400	NHES
Government	79,800	81,500	83,500	84,200	NHES

[a] 2001 figures are preliminary

Employment by Industry

The drop in Manufacturing employment is a concern as the industry contributes 25 percent of the Gross State Product (GSP).[2]

The overall economy in general and the employment picture specifically seem mixed as we look toward 2003. The Bureau of Labor Statistics (BLS) reported mixed indications with stronger-than-expected trade data, and robust retail sales, but slower industrial production, and higher oil prices.[3]

Scott Gessis

[1] Associated Press. "Fraser wins bid for N.H. mills." Foster's Daily Democrat May 3 & 4, 2002.

[2] Lathrop, Janet. "Report details N.H.'s manufacturing strength." NH Business Review. May 3-16, 2002: pg. 13A.

[3] BLS Daily Report. September 19, 2002. Bureau of Labor Statistics, U.S. Department of Labor.

Annual Employment Percent Changes

	1998	1999	2000	2001[a]	Source
All Industries					
New Hampshire	3.3%	2.9%	2.7%	0.8%	NHES
New England	2.3%	2.0%	2.4%	0.2%	NHES/BLS
United States	2.6%	2.4%	2.2%	0.3%	NHES/BLS
Private					
New Hampshire	3.6%	2.9%	2.7%	0.8%	NHES
New England	2.5%	1.9%	2.4%	0.1%	NHES/BLS
United States	2.8%	2.5%	2.2%	0.2%	NHES/BLS
Manufacturing					
New Hampshire	1.3%	-1.7%	0.0%	-2.6%	NHES
New England	0.5%	-2.8%	-0.3%	-3.4%	NHES/BLS
United States	0.7%	-1.3%	-0.4%	-4.2%	NHES/BLS
Durable Goods					
New Hampshire	3.1%	-0.1%	1.1%	-1.6%	NHES
United States	1.5%	-0.6%	0.2%	-4.5%	NHES/BLS
Nondurable Goods					
New Hampshire	-2.7%	-5.6%	-2.3%	-5.7%	NHES
United States	-0.8%	-2.1%	-1.5%	-3.7%	NHES/BLS
Construction					
New Hampshire	10.0%	5.7%	2.9%	6.8%	NHES
United States	5.8%	6.6%	4.4%	2.4%	NHES/BLS
Transportation and public utilities					
New Hampshire	5.7%	4.9%	1.9%	-1.8%	NHES
United States	3.2%	3.4%	2.7%	0.7%	NHES/BLS
Wholesale trade					
New Hampshire	3.8%	4.6%	2.8%	0.0%	NHES
United States	2.3%	1.6%	1.6%	-0.1%	NHES/BLS
Retail trade					
New Hampshire	2.3%	5.0%	2.5%	0.8%	NHES
United States	1.5%	2.5%	2.0%	0.8%	NHES/BLS
Finance, insurance, and real estate					
New Hampshire	5.4%	3.8%	0.3%	3.1%	NHES
United States	3.9%	2.2%	0.1%	0.8%	NHES/BLS
Services					
New Hampshire	4.7%	3.4%	5.0%	2.0%	NHES
United States	4.1%	4.1%	3.6%	1.4%	NHES/BLS
Government					
New Hampshire	1.3%	2.1%	2.5%	0.8%	NHES
United States	1.4%	1.9%	2.4%	0.9%	NHES/BLS

[a] 2001 figures are preliminary

5. Occupational Trends

The year 2008 is five years away. What will New Hampshire's occupation picture be then? Which jobs will be in most demand by employers and the economy?

According to *New Hampshire Employment Projections 1998-2008* (published in October 2000), the top four fastest growing occupations are all expected to be computer-related:

Many more Registered Nurses will be needed to satisfy growth in health care. With too few nurses now, demand in the future could evolve into a crisis.

Computer Systems Specialists, Systems Analysts, Desktop Publishers, and Database Administrators.

Given the dot-com bust, this might seem startling. But high tech is likely to remain a key factor of future jobs, and the economy will require a steady demand for people who can integrate new technologies into businesses and other workplaces.

Health care occupations should also see high growth: Home Health Aides, Physician Assistants, Medical Assistants and Medical Records Technicians are all in the top ten, due partly to medical advances that increase demand for services. Other reasons for the high growth? An aging population will continually need more care. In just three years (1997 to 2000), the median age in New Hampshire rose from 35.5 to 37.1. Also, these occupations provide care for a lower cost than physicians, in some cases working right in patients' homes.

What about the occupations expected to decline? The top four fastest declining jobs in New Hampshire are all expected to be in Manufacturing: Textile Machine Operators, Sewing Machine Operators, Shoe and Leather Workers, and Woodworking Machine Opera-

Occupational Staffing Patterns in Selected Industries

SOC Code	Job Title	Employment	% of Industry
Special Trade Contractors - SIC Major Group 17			
47-2061	Construction Laborers	1,676	10.0%
47-2111	Electricians	1,591	9.5%
47-2152	Plumbers, Pipefitters, and Steamfitters	1,234	7.3%
49-9021	Heating, Air Conditioning, and Refrigeration Mechanics and Installers	872	5.2%
47-2141	Painters, Construction and Maintenance	844	5.0%
47-2031	Carpenters	694	4.1%
Paper and Allied Products - SIC Major Group 26			
51-2092	Team Assemblers	520	12.3%
51-9196	Paper Goods Machine Setters, Operators, and Tenders	272	6.4%
51-9199	Production Workers, All Other	187	4.4%
53-7063	Machine Feeders and Offbearers	141	3.3%
51-5099	All Other Printing Workers	136	3.2%
51-9032	Cutting and Slicing Machine Setters, Operators, and Tenders	135	3.2%
51-1011	First-Line Supervisors/Managers of Production and Operating Workers	132	3.1%
Fabricated Metal Products - SIC Major Group 34			
51-4041	Machinists	507	5.9%
51-4121	Welders, Cutters, Solderers, and Brazers	499	5.8%
51-4199	Metal Workers and Plastic Workers, All Other	422	4.9%
51-1011	First-Line Supervisors/Managers of Production and Operating Workers	406	4.7%
51-9061	Inspectors, Testers, Sorters, Samplers, and Weighers	386	4.5%
51-4031	Cutting, Punching, and Press Machine Setters, Operators, and Tenders, Metal and Plastic	319	3.7%
51-2092	Team Assemblers	271	3.1%

tors. This is mostly due to declining industry/ demand, jobs that moved overseas, or changes in technology.

Other declining jobs are worth mentioning. Word Processors? Everyone does their own now. Computer Operators? Mainframes are fading away. Photographic Process Machine Operators? Hello, digital camera. Proofreaders and Copy Markers? Spell check and grammar check.

Average Annual Openings

New Hampshire should gain over 100,000 jobs by 2008 (using the base year 1998). What kind of jobs will most of them be? Will they be hard to fill?

Occupations in the Retail Trade and Services industries should have the highest average annual openings. There will be a need for large numbers of Retail Salespersons and Cashiers, as well as Waiters/Waitresses and other food service workers. High turnover will provide many opportunities for these jobs. These occupations have traditionally provided an entry into the workforce for many young people.

Many more Registered Nurses will be needed to satisfy growth in health care. With too few nurses now, demand in the future could evolve into a crisis. Nationally, the average age of nurses has risen seven percent since 1995, to 45 years old. Nursing school graduation rates have dropped 23 percent in the same period. With those factors, there could be a shortage of over a half-million nurses by 2020 in the United States.[1] New Hampshire will not be immune.

What is being done about the nursing shortage? On August 1, 2002, President Bush signed The Nurse Reinvestment Act into law, considered by nursing associations to be a strong step forward. The act provides grants to medical facilities, scholarships for student nurses, and other programs designed to

Occupational Staffing Patterns in Selected Industries

SOC Code	Job Title	Employment	% of Industry
Industrial Machinery and Equipment - SIC Major Group 35			
51-4011	Computer-Controlled Machine Tool Operators, Metal and Plastic	1,120	6.5%
51-4041	Machinists	963	5.6%
51-2022	Electrical and Electronic Equipment Assemblers	804	4.7%
51-2092	Team Assemblers	636	3.7%
51-4111	Tool and Die Makers	519	3.0%
51-1011	First-Line Supervisors/Managers of Production and Operating Workers	513	3.0%
Electronics and Other Electric Equipment - SIC Major Group 36			
51-2022	Electrical and Electronic Equipment Assemblers	3,435	15.2%
51-9141	Semiconductor Processors	1,454	6.4%
51-2092	Team Assemblers	1,349	6.0%
51-1011	First-Line Supervisors/Managers of Production and Operating Workers	1,080	4.8%
49-9041	Industrial Machinery Mechanics	1,015	4.5%
51-9061	Inspectors, Testers, Sorters, Samplers, and Weighers	896	4.0%
51-2099	Assemblers and Fabricators, All Other	652	2.9%
17-3023	Electrical and Electronic Engineering Technicians	617	2.7%
Transportation Equipment - SIC Major Group 37			
51-4199	Metal Workers and Plastic Workers, All Other	658	20.3%
53-7063	Machine Feeders and Offbearers	356	11.0%
51-2023	Electromechanical Equipment Assemblers	261	8.1%
51-9121	Coating, Painting, and Spraying Machine Setters, Operators, and Tenders	167	5.2%
51-4072	Molding, Coremaking, and Casting Machine Setters, Operators, and Tenders, Metal and Plas.	144	4.4%
51-9061	Inspectors, Testers, Sorters, Samplers, and Weighers	126	3.9%
51-1011	First-Line Supervisors/Managers of Production and Operating Workers	109	3.4%

attract and retain nurses where they are most needed. Closer to home, a retired nurse named Jean Marie Thielen Wheeler bequeathed $1 million to establish a fund to support students and programs at the nursing department of Colby-Sawyer College in New London.[2]

In July of 2002, the Foundation for Healthy Communities (founded by the New Hampshire Hospital Association) issued its New Hampshire Nursing Workforce Initiative Final Report. The report provides a framework for health care leaders to address nursing workforce needs.

General Office Clerks will also be in high demand, but specific clerical occupations such as Secretaries or Bookkeeping Clerks won't be.

The top ten occupations with the most annual openings, with the exception of Registered Nurses and General Managers and Top Executives, are mainly entry level and require a minimum of training.

Caveat: Employment projections are not an exact science and measure occupational demand only. Unforeseen changes in consumer, business, or government spending patterns and in the way goods and services are produced could alter the growth and quantity of individual occupations. Expectations should be adjusted accordingly.

"Best" and "Worst" Jobs

Biologist, Actuary and Financial Planner are the "best" jobs overall, according to the *2002 Jobs Rated Almanac*.[3] Jobs are evaluated in terms of low stress, high compensation, lots of autonomy, and tremendous hiring demand.

Occupational Staffing Patterns in Selected Industries

SOC Code	Job Title	Employment	% of Industry
Instruments and Related Products - SIC Major Group 38			
51-2022	Electrical and Electronic Equipment Assemblers	865	8.4%
51-2023	Electromechanical Equipment Assemblers	678	6.6%
51-1011	First-Line Supervisors/Managers of Production and Operating Workers	569	5.5%
51-2092	Team Assemblers	464	4.5%
41-4011	Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	437	4.2%
51-2093	Timing Device Assemblers, Adjusters, and Calibrators	336	3.3%
51-9061	Inspectors, Testers, Sorters, Samplers, and Weighers	294	2.8%
Depository Institutions - SIC Major Group 61			
43-3071	Tellers	1590	23.5%
13-2072	Loan Officers	570	8.4%
43-4131	Loan Interviewers and Clerks	500	7.4%
43-1011	First-Line Supervisors/Managers of Office and Administrative Support Workers	410	6.1%
43-4051	Customer Service Representatives	330	4.9%
43-4141	New Accounts Clerks	330	4.9%
43-4999	All Other Financial, Information, and Record Clerks	320	4.8%
11-3031	Financial Managers	260	3.8%
Business Services - SIC Major Group 73			
15-1031	Computer Software Engineers, Applications	2,922	7.7%
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	2,576	6.8%
13-1111	Management Analysts	1,581	4.2%
33-9032	Security Guards	1,465	3.9%
51-2022	Electrical and Electronic Equipment Assemblers	982	2.6%
15-1099	Computer Specialists, All Other	953	2.5%
41-4011	Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	908	2.4%
51-2099	Assemblers and Fabricators, All Other	822	2.2%

How many does New Hampshire have? Estimates from the 4th quarter of 2000 show roughly 130 Biologists (including Microbiologists, Zoologists and Wildlife Biologists), 30 Actuaries, and 350 Personal Financial Advisors.

Lumberjack, Fisherman, and Cowboy are the "worst," according to the author. Employment estimates for these jobs are not published for New Hampshire, but the numbers are presumably low.

The criteria used for determining best and worst are environment, income, employment outlook, physical demands, security, and stress.

Job Titles

Another employment trend is the return to traditional job titles. The late 1990's saw the creation of unusual new names in the burgeoning high tech and related industries. Whatever happened to those funky titles?

Well, they mostly went out with the failed dot-coms. "Gladiators" and "Crusaders" are now the more recognizable Customer Service Managers and Production Supervisors. Upper management, too, has changed. The irreverent "VP of Buzz" went back to plain old Marketing Manager.[4]

There were quite a few Chiefs as well: Chief People Officer (human resources), Chief Revenue Officer (sales), Chief Evangelist (marketing) to name a few. Apparently, "Chief" is chiefly on the wane.

Not all of those titles went away. Two that might stick around are Webmaster and VP of Business Development. New Hampshire has an estimated 660 Webmasters (also called Network Systems and Data Communications Analysts) and the title seems to have acquired a lasting respectability. Most companies still need people to run their Web sites.

Likewise, VP of Business Development, though not as common, is a real job – a combination of sales and marketing functions that deals with finding partnerships and alliances. There are no estimates for this title per se, but New Hampshire employs approximately 1,610 Sales Managers and 1,180 Marketing Managers.

Don Kelley

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[1] Weintraub, Arlene. "Nursing: On the Critical List." Employment Trends. May 28, 2002. Business Week Online. Accessed August 27, 2002. <www.businessweek.com/careers/content/may2002/ca20020528_7551.htm>

[2] "Former Nurse Establishes Endowment for Colby-Sawyer Nursing Program." News and Events. May 31, 2002. Colby-Sawyer College. Accessed November 7, 2002. <www.colby-sawyer.edu/news/pr138.html>

[3] Krantz, Les. 2002 Jobs Rated Almanac. Fort Lee NJ, Barricade Books, 2002

[4] Wahlgren, Eric. "Goodbye, Guru of Fun." America's Future - The Human Factor. August 2001. Business Week Online. Accessed August 16, 2002. <www.businessweek.com/magazine/content/01_35/b3746647.htm>

6. Private Enterprise

High-technology (high-tech) industries are an important component of New Hampshire's economy. These industries as a whole had a tough year in 2001. Almost weekly there seemed to be reports in the news about the struggles high-tech businesses were facing, from additional temporary shutdowns to layoffs. Some of these companies ended up closing. In 2001, there were 65,865 employees in high tech industries in the state, a two percent drop from 2000. In contrast, the prior two years each saw employment gains of over four percent. In 2001 for every 1,000 private industry workers there were 124 high-tech workers, of whom 81 were high-tech intensive workers.

In March 2002 the average private firm size in New Hampshire was 16 employees for the third consecutive year.

There are different definitions for classifying high-tech industries. The Bureau of Labor Statistics (BLS) classifies an industry as high-tech if research and development and all technology-oriented employment accounted for a proportion of employment that was at least twice the average for all industries in the Occupational Employment Statistics survey[1]. According to this classification, at the three digit SIC code level there are 31 high-tech industries, 27 in Manufacturing and four in Services. The four high-tech industries in Services, however, accounted for over 85 percent of high-tech establishments in New Hampshire.

High-tech Manufacturing lost the most jobs, nearly 1,100 over-the-year. Electronic and other electric equipment had the largest drop, 1,311 jobs, which more than accounted for the total decrease high-tech Manufacturing faced in 2001. High-tech employment in Services increased 0.4 percent, up 80 jobs from 2000. This gain can be attributed to the additional jobs Engineering and management services saw in 2001, up 154.

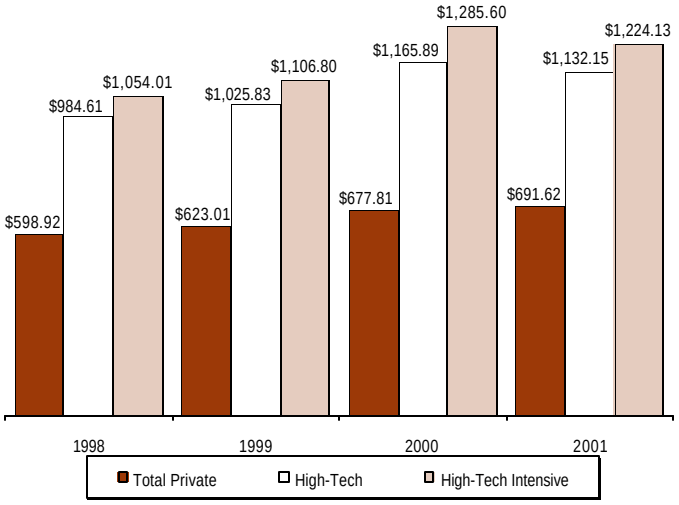
Wages in high-tech posted a record high decline, an over-the-year loss of more than four percent. Wages in both Manufacturing and Services high-tech industries recorded decreases in 2001, $162.8 million and $16.8 million respectively. Over 20 percent of total private wages in New Hampshire were in high-tech industries. Typically high-tech workers receive a larger average weekly wage compared to all private industry workers. In 2001 Granite State high-tech workers on average received $1,132.15 in weekly wages. This is about $440 more than the private industry workers earned overall.

High-Tech Intensive

According to BLS, high-tech intensive industries have five times the average concentration in research and development and technology-oriented jobs. There are 12 high-tech intensive industries classified by BLS. Of those, ten are in Manufacturing and two are in Services.

Over 54 percent of establishments in high-tech industries in New Hampshire are classified as high-tech intensive. Employment

Average weekly wage for high-tech and high-tech intensive industries decreased, while total private average weekly wage grew in 2001



in high-tech intensive industries in the state lost over 1,450 jobs, a 3.3 percent drop from 2000. High-tech intensive wages took the hardest hit in 2001, with a drop of $235.2 million, a loss of nearly eight percent. Workers in these industries tend to earn more than the average high-tech workers. In the Granite State, over 70 percent of total high-tech wages come from high-tech intensive industries. The average weekly wage in high-tech intensive industries decreased over $60.00, dropping nearly five percent from 2001. On average, high-tech intensive workers earned $1,224.13, in 2001. This was about $530 more than the average private industry worker earned.

American Electronics Association's (AeA) High-Tech Definition

For six years the AeA has used a different definition to report the status of high-tech in the nation and each state. According to AeA, New Hampshire had 2,268 high-tech establishments in 2000. Between 1995 and 2000 employment grew 75 percent. In 2000 the state had the 14th highest annual wage, $66,399. The Granite State had 46,106 high-tech workers in 2001, ranking the state 28th in the nation. According to the AeA's classification, New Hampshire had 86 high-tech workers per 1,000 private industry workers, ranking it third in the nation for 2001. Employment grew 1.52 percent in New Hampshire from 2000. Only 16 states had a faster rate of growth.[2]

SIC Code	High-Tech Industries*
281	**Industrial inorganic chemicals**
282	Plastic materials and synthetics
283	**Drugs**
284	Soaps, cleaners, and toilet goods
285	Paint and allied products
286	**Industrial organic chemicals****
287	Agricultural chemicals
289	Miscellaneous chemical products
291	Petroleum refining**
348	Ordinance and accessories n.e.c.
351	Engines and turbines**
353	Construction and related machinery
355	Special industry machinery
356	General industry machinery
357	**Computer and office equipment**
361	Electric distribution equipment
362	Electrical industrial apparatus
365	Household audio and video equipment
366	**Communication Equipment**
367	**Electronic components and accessories**
371	Motor vehicles and equipment
372	**Aircraft and parts**
376	**Guided missiles, space vehicles****
381	**Search and navigation equipment**
382	**Measuring and controlling devices**
384	Medical instruments and supplies
386	Photographic equipment and supplies
737	**Computer and data processing services**
871	Engineering and architectural services
873	**Research and testing services**
874	Management and public relations services

Bold Industries are High-Tech Intensive
*BLS's Definition **No New Hampshire employment

The AeA uses 45 four-digit SIC codes in three categories: high-tech manufacturing, communications services, and software and computer-related services. Industries in these categories are included if the high-tech portion includes a clear majority.

In New Hampshire, there are nine high-tech industries at the three digit level that are used in both BLS and the AeA's definitions. These nine high-tech industries account for 63.4 percent of the state's high-tech employment, as defined by BLS and 81.1 percent, as defined by AeA. The AeA does not have a high-tech intensive category, although six of the nine industries in common between AeA and BLS are considered high-tech intensive by BLS standards. These six industries accounted for over 91 percent of total high-tech intensive (BLS) employment and wages for 2001 in the state.

Firms By Size

Preliminary numbers showed there were 32,933 private firms in New Hampshire as of March 2002, a decrease of just under one percent from revised 2001 numbers. Each year firm size data is gathered from firms covered by unemployment insurance that reported having employment in March of that year.

In March 2002 the average private firm size in New Hampshire was 16 employees for the third consecutive year. Firms with 20 employees or fewer claimed 25 percent of all private employment in the state. This same size group however, had 87 percent of the state's share of private firms. Firms with one to four employees had the largest share of private

firms, 56.7 percent. Firms with fewer than 50 employees accounted for over 95 percent of the state's total private employment.

Preliminary March 2002 covered employment numbers showed New Hampshire's private firms had 510,576 total employees. Firms with 10-249 employees had more than half of the state's total private employment.

Average Private Establishment Size

New Hampshire had 37,414 private establishments in 2000. These establishments had an average of 15 employees. An establishment is a single business location, while a firm is one company which may have more than one location. In 2000, the average establishment size was 16 employees nationally. Massachusetts and Connecticut had the largest average establishment size in New England, 18 and 17 employees respectively, while Vermont and Maine had the smallest, 12 and 13 employees respectively. Rhode Island had the same average number of employees as New Hampshire.

Small Businesses According to the SBA Definition

In New Hampshire, 99.78 percent of the state's private firms were small businesses, while the nation had 99.73 percent in March 2002. The U.S. Small Business Administration (SBA) defines a small business as any firm with fewer than 500 employees. The state's 32,834 private small businesses employed 76.55 percent of New Hampshire's private industry workers. Preliminary March 2002 numbers showed private small businesses decreased less than one percent from March 2001.

In March 2002, over 75 percent of total private wages in the Granite State were earned in private small businesses, $3,425.0 million. Workers in private small business on average earned $674.06 per week, $9.61 less than the total private average weekly wage.

According to data from the U.S. Census Bureau's *County Business Patterns,* New Hampshire had the thirteenth largest concentration of small businesses in the nation during 2000. This was a jump from 1999's 16th ranking and 1998's 18th ranking. All New England states, except for Massachusetts and Connecticut, ranked in the top fourteen nationally in 2000.

New Incorporations

In 2001, there were 1,727 new incorporated companies registered in New Hampshire, an over-the-year decrease of 137. Over the past six years the number of new companies incorporating has been dropping. In 1995 there were nearly 3,100 new incorporated companies. Since then the number has decreased over 44 percent. New Hampshire had 1,244 out-of-state incorporations new to the state in 2001. In the past three years the number of out-of-state incorporations has been on the decline.

While new incorporations are decreasing, new limited liability companies (LLC) are on the increase. A limited liability company receives more of a tax break than a corporation, but their assets may not be as secure as they would be in a corporation. Many companies are finding it more beneficial to form a LLC rather than incorporate. In 2001, the number of LLCs added 277 from 2000. During the past six years, the number of LLCs grew over 450 percent, from 617 in 1995 to 3,443 in 2001. The number of out-of-state LLCs new to the state has also been seeing growth. In 2001, out-of-state LLCs rose from 318 to 367. In 1995, there were only 43 out-of-state LLCs. By 2001 the number had increased nearly 754 percent.

North American Industrial Classification System

The North American Industrial Classification System (NAICS) was developed to capture changes in the economy and industry activity. NAICS uses a unified concept to categorize economic activities. Industries will be classified based on their activity or function. Establishments using the same types of raw material and process will be classified under the same industry.

The economy has been moving away from industries that are goods producing to ones that are more service oriented. Under the prior classification system called Standard Industrial Classification (SIC), new emerging industries such as cellular and other wireless telecommunications; internet and communication; and satellite communications could not be adequately studied.

The development of NAICS was a joint effort among the United States, Canada, and Mexico. NAICS will allow the North American Free Trade Agreement (NAFTA) partners the ability to measure and compare economies.

Agencies have been dual coding their industries with both SIC and NAICS codes for three years. As of January 2003, data will be reported in NAICS and will no longer be coded in SIC. This will create a break in the time series. NAICS is a whole new way to classify industries. Only two-thirds of current SIC industries are compatible with NAICS, therefore historical comparisons are not available.

There are some structural differences between the two classification systems. SIC uses a four-digit code, while NAICS uses a six-digit code. Another difference is the terminology of the hierarchical structure. SIC

Firms by Size[a]

	1998	1999	2000	2001	Source
Total Number of Firms with employment	31,950	32,435	32,788	33,242	NHES
1 - 4 employees	18,341	18,492	18,655	18,897	NHES
5 - 9 employees	6,080	6,199	6,212	6,299	NHES
10 - 19 employees	3,617	3,712	3,729	3,796	NHES
20 - 49 employees	2,393	2,486	2,566	2,594	NHES
50 - 99 employees	845	833	882	882	NHES
100 - 249 employees	440	467	482	517	NHES
250 - 499 employees	135	148	159	152	NHES
500 - 999 employees	59	59	63	63	NHES
1,000 & over employees	40	39	40	42	NHES
Net Annual Change in Number of Firms	1,092	485	353	454	NHES
Net Annual Change in Number of Employees	20,137	12,347	13,828	9,507	NHES
1 - 4 employees	898	386	269	151	NHES
5 - 9 employees	742	664	224	601	NHES
10 - 19 employees	985	1,344	325	1,175	NHES
20 - 49 employees	4,863	2,855	2,078	1,041	NHES
50 - 99 employees	2,097	-1,384	3,043	37	NHES
100 - 249 employees	3,107	3,152	2,210	5,368	NHES
250 - 499 employees	992	3,996	4,101	-1,925	NHES
500 - 999 employees	4	1,601	1,383	-119	NHES
1,000 & over employees	6,449	-267	195	3,178	NHES
Percent of Total Employment (by size of firm)					
1 - 4 employees	7.4%	7.3%	7.2%	7.1%	NHES
5 - 9 employees	8.2%	8.1%	7.9%	7.9%	NHES
10 - 19 employees	9.9%	10.0%	9.7%	9.8%	NHES
20 - 49 employees	14.9%	15.1%	15.1%	15.0%	NHES
50 - 99 employees	12.0%	11.4%	11.7%	11.5%	NHES
100 - 249 employees	13.6%	13.9%	13.9%	14.7%	NHES
250 - 499 employees	9.5%	10.1%	10.6%	10.0%	NHES
500 - 999 employees	8.2%	8.3%	8.3%	8.2%	NHES
1,000 & over employees	16.4%	15.9%	15.5%	15.8%	NHES

[a] Firms by size numbers are based on March covered employment data, in each calendar year.

has divisions, major groups, industry groups, and industries. NAICS has domain, supersector, sectors, subsectors, industry groups, NAICS international industries, and national industries.[3]

Gail Houston

[1] Hecker, Daniel. "High-technology employment a broader view." Monthly Labor Review June 1999: pgs. 18-28.
[2] Cyberstates 2002. Washington D.C.: American Electronics Association, 2002.
[3] Walker, James A., and John B. Murphy. "Implementing the North American Industrial Classification System at BLS." Monthly Labor Review December 2001: pgs: 15-21.

Total Employment & Wages, High Technology Industries

	1998	1999	2000	2001	Source
Average annual number of employing units	3,257	3,425	3,620	n/a	NHES
Average annual employment	61,675	64,185	67,197	65,865	NHES
Total wages (millions)	$3,157.7	$3,423.8	$4,073.9	$3,877.6	NHES
Average weekly wages	$984.61	$1,025.83	$1,165.89	$1,132.15	NHES
High Tech Intensive					
Average annual number of employing units	1,697	1,818	1,963	n/a	NHES
Average annual employment	41,428	41,840	44,626	43,155	NHES
Total wages (millions)	$2,270.6	$2,408.0	$2,983.3	$2,747.0	NHES
Average weekly wages	$1,054.01	$1,106.80	$1,285.60	$1,224.13	NHES

New & Terminated Firms Covered by Unemployment Compensation

	1998	1999	2000	2001	Source
New firms	5,976	5,064	5,727	5,543	NHES
Terminated firms	5,261	6,165	7,341	5,264	NHES

Percent of Establishments with 100 or More Workers (Ranked from highest among 50 states)

	1998	1999	2000	2001	Source
New Hampshire	2.1%	2.1%	2.2%	n/a	CB/NHES
United States rank	33	35	32	n/a	CB/NHES
Connecticut	2.5%	2.6%	2.6%	n/a	CB/NHES
United States rank	13	13	13	n/a	CB/NHES
Maine	1.7%	1.8%	1.8%	n/a	CB/NHES
United States rank	43	43	43	n/a	CB/NHES
Massachusetts	2.8%	2.8%	2.8%	n/a	CB/NHES
United States rank	3	4	8	n/a	CB/NHES
Rhode Island	2.2%	2.2%	2.2%	n/a	CB/NHES
United States rank	30	31	31	n/a	CB/NHES
Vermont	1.5%	1.5%	1.6%	n/a	CB/NHES
United States rank	46	46	46	n/a	CB/NHES

New Firms

	1998	1999	2000	2001	Source
New incorporations in New Hampshire	2,346	2,040	1,864	1,727	SOS
Out-of-state incorporations new to New Hampshire	1,461	1,433	1,348	1,244	SOS
New Limited Liability companies (LLC) in the state	2,272	2,642	3,166	3,443	SOS
Out-of-State LLCs new to the state	253	245	318	367	SOS

Traffic congestion is a complex transportation issue currently confronting the state of New Hampshire. A well functioning transportation system, capable of facilitating the flow of goods, services, and labor, is essential for continued economic growth. This is particularly true for the Granite State since tourism is also an important component of the state's economy. Using 2000 data, the New Hampshire Department of Transportation calculated that 42.1 percent of the state's major highways were moderately congested, while 10.6 percent were congested. The highways determined to be congested were located primarily in the southeastern and south-central regions of the state.[1]

There are two ways to resolve the problem of traffic congestion. Supply side strategies focus on increasing carrying capacity. Examples of this strategy include construction of new roads and bridges, expansion of existing roadways, routine maintenance, and improvements such as computerized traffic signals. Recent high-profile examples of this strategy in New Hampshire include:

- The completion of the Everett Turnpike expansion in Nashua in 2001
- The completion of the Route 101 expansion between Interstate 93 and Interstate 95 in 2001
- The opening of the Hillsborough Bypass in August 2002
- The opening of the North-South Bypass in Conway in August 2002
- The continuing bridge and roadwork on Interstate 93 in Manchester near Bodwell Road
- The replacement of the Chesterfield, NH-Brattleboro, VT bridge over the Connecticut River (currently in progress).

Even after capacity expansion, congestion often reoccurs, especially peak hour congestion (i.e. morning and evening weekday commutes). Areas experiencing strong economic growth, such as southern New Hampshire, attract more businesses, commuters, residents and, consequently, more vehicles. The principle of triple convergence also explains why peak hour congestion often returns fairly quickly after capacity is expanded. People will generally seek the shortest route to their destination. New sources of traffic will "converge" on newly expanded roads from three other sources:

- drivers who formerly used alternative routes (spatial convergence)
- drivers who formerly traveled during non-peak hours (time convergence)
- and commuters who formerly used public transportation (modal convergence).[2]

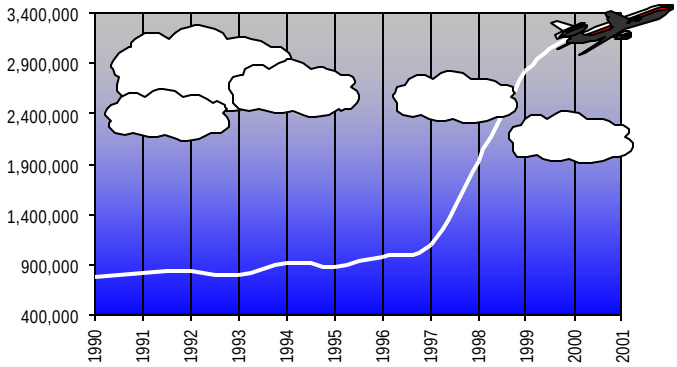
Since capacity expansion may be insufficient in the face of economic growth and triple convergence, demand side strategies may be employed to reduce the number of peak-hour drivers. Examples of demand side strategies include peak-hour road pricing (i.e. establishing or increasing tolls during peak-hour traffic), public transportation, and policies to promote car-pooling. In addition to bus and rail transit options, the Granite State offers an innovative program to facilitate car-pooling. The New Hampshire Rideshare Program employs Geographical Computer Matching to bring together commuters who are interested in car-pooling. The Rideshare program is one of the many programs that can be accessed through Webster, the official Web site of the State of New Hampshire. In addition, the New Hampshire Department of Transportation maintains 25 centrally located park and ride lots where individual vehicles can be parked while commuters participate in car pools or use public transportation.

Nearly half of all imports (47.4 percent of tonnage) entering the Port of New Hampshire originated in Canada.

Bridges

In 2001, 34.1 percent of New Hampshire's highway bridges were rated *structurally deficient* or *functionally obsolete*. Of all New England states, only Connecticut had a lower percentage (31.3 percent) than the Granite

Manchester Airport passenger counts have leveled off in 2001



State. For the New England region as a whole, 39.2 percent of highway bridges were *structurally deficient* or *functionally obsolete* in 2001. For the United States the number was 28.0 percent. The Federal Highway Administration (FHWA) performs yearly assessments of all highway bridges in the nation. The FHWA defines as *structurally deficient* a bridge which, due to its aging and deterioration, no longer meets the highway standards. A bridge is deemed *functionally obsolete* when, due to the changing need of the highway system, it no longer meets current standards for deck geometry, load carrying capacity, clearances, or approach roadway alignment.[3] New Hampshire, New England, and the nation have made significant strides in improving highway bridges. Since 1992 the number of *structurally deficient* or *functionally obsolete* highway bridges fell for each area by 14.1 percent, 21.0 percent and 17.1 percent respectively.

The FWHA assesses only highway bridges regardless of ownership. The New Hampshire Department of Transportation (NHDOT) rates bridges on all road types, owned either by the state or municipalities (i.e. any bridges federally or privately owned are not examined by the NHDOT). In addition to the categories of *structurally deficient* and *functionally obsolete*, the NHDOT employs a *red list* designation to rate bridges. Bridges that require interim inspections due to known deficiencies, poor conditions, weight restriction or type of construction (e.g. covered bridges) are placed on the *red list*. As of March 2002, 8.5 percent of state owned bridges were *structurally deficient* or *functionally obsolete*, with an additional 8.2 percent on the *red list*. *Structurally deficient* or *functionally obsolete* bridges amounted to 14.9 percent of municipally owned bridges, while 25.3 percent were on the *red list*.[4]

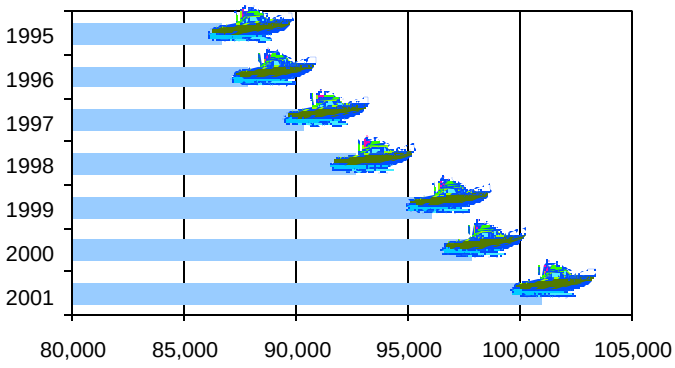
Rail Transit

As of 2001, the New Hampshire rail system included one regional railroad, nine local railroads, one terminal railroad, and five passenger/tourist railroads. Total active rails spanned 459 miles with the State of New Hampshire owning 193 active miles. The Granite State was the largest owner of active rail miles within the system, comprising 42.0 percent of the total.

On December 15, 2001, Amtrak's Downeaster opened for business providing round trip passenger rail service between Boston, MA and Portland, ME four times daily. Regular New Hampshire stops on the route include the towns of Dover, Durham and Exeter. The Downeaster has been an unqualified success. It exceeded its first year revenue projections after only nine and one half months of operation. Ridership numbers for the year should be at or slightly above projected levels.[5]

In November 2002, the Federal Railroad Administration and the states of Massachusetts, New Hampshire and Vermont completed a feasibility study for a High Speed Rail Service from Boston to Montreal. The study estimated a ridership of 683,667 in 2025, bringing in $34.6 million in revenue. Potential stops in New Hampshire include the

New Hampshire boat registrations continue to increase



cities of Nashua, Manchester, Concord and Lebanon.

Bus Transportation

Both Manchester and Nashua, New Hampshire's two largest cities, have municipal bus systems. Both systems have experienced growth in recent years. From 1998 to 2001, total ridership numbers for the Manchester and Nashua systems increased by 2.2 percent and 5.9 percent respectively.

Boats

The number of boat registrations topped six figures for the first time in 2001 at 101,000. Since 1991 boat registrations in New Hampshire have risen every year and have increased by 30.4 percent from 1991 to 2001.

The Port of New Hampshire

In 2000, approximately 4.5 million short-tons of cargo either entered or exited the Port of New Hampshire. Imports from other countries accounted for 80.1 percent of the total cargo tonnage. Shipments of cargo to or from other ports in the United States and exports to foreign countries accounted for 18.5 percent and 1.4 percent respectively. Nearly half of all imports (47.4 percent of tonnage) entering the Port of New Hampshire originated in Canada.

Kevin Coyne

[1] New Hampshire Department of Transportation. Ten Year Transportation Improvement Program 2003-2012. Concord: New Hampshire Department of Transportation, 5/17/2002.

[2] Downs, Anthony. Stuck in Traffic: Coping with Peak-Hour Traffic Congestion. Washington D.C.: The Brookings Institution, 1992. P. 27-28.

[3] Deficient Bridges by State and Highway System December 2001. United States Department of Transportation, Federal Highway Administration. Accessed September 5, 2002 <www.fhwa.dot.gov/bridge/defbr01.htm>

[4] Powelson, David E., Phone/e-mail interview, September 13, 2002.

[5] "Downeaster meets revenue projections ahead of schedule" Foster's Online. September 10, 2002. Accessed October 2, 2002.

Registrations, Licenses, and Fuel Consumption

	1998	1999	2000	2001	Source
Vehicle Registrations					
Passenger Vehicles	1,018,057	1,022,000	1,068,256	1,136,532	ISDS/NHES
Annual percent change	n/a	0.4%	4.5%	6.4%	ISDS/NHES
Commercial Vehicles	151,087	148,613	164,967	171,180	ISDS/NHES
Annual percent change	n/a	-1.6%	11.0%	3.8%	ISDS/NHES
Persons per passenger car (population/#vehicles)	1.2	1.2	1.2	1.1	ISDS
Total driver licenses on issue	909,598	923,648	947,002	948,863	ISDS
Annual percent change	1.2%	1.5%	2.5%	0.2%	ISDS/NHES
Boat Registrations	92,646	96,062	97,882	101,000	ISDS
Annual percent change	2.5%	3.7%	1.9%	3.2%	ISDS/NHES
Motor Fuel Consumption (fiscal year)					
Millions of gallons of gasoline and diesel fuel	754.6	782.4	782.8	798.9	RTDS
Annual percent change	2.9%	3.7%	0.1%	2.1%	RTDS/NHES

Postal Service

	1998	1999	2000	2001	Source
First handling pieces - Manchester and Portsmouth Post Offices					
(millions) (FY ending 9/30)	1,084.9	1,090.0	1,090.1	1,043.2	PS

Transportation & Traffic

Highway Traffic - Annual totals

	1998	1999	2000	2001	Source
Interstates, NH - Mass. State line					
(thousands, from traffic counters, Salem & Seabrook)	68,328	67,943	70,082	70,103	DT
Annual percent change	6.6%	-0.6%	3.1%	0.0%	DT/NHES
Rural traffic, annual percent change	3.9%	3.2%	2.1%	1.9%	DT
Annual vehicle miles (millions of miles)	12,673	12,978	13,264	13,433	RTDS
Annual percent change	1.9%	2.4%	2.2%	1.3%	RTDS/NHES

Aircraft Travel

	1998	1999	2000	2001	Source
Manchester Airport					
Total Passengers	1,938,177	2,809,200	3,169,301	3,233,555	MA
Annual Percent Change	74.9%	44.9%	12.8%	2.0%	MA/NHES
Enplanements	971,821	1,412,880	1,588,320	1,631,331	MA
Annual Percent Change	73.6%	45.4%	12.4%	2.7%	MA/NHES
Deplanements	966,356	1,396,320	1,580,981	1,602,224	MA
Annual Percent Change	76.2%	44.5%	13.2%	1.3%	MA/NHES
Air Cargo (Tons)[a]	70,000	80,000	87,500	83,260	MA
Annual Percent Change	9.4%	14.3%	9.4%	-4.8%	MA/NHES

[a]Does not include air mail

Portsmouth Harbor Freight Traffic (thousand short tons)

	1998	1999	2000	2001	Source
Total	4,194	4,556	4,462	n/a	USACE
Annual percent change	6.1%	8.6%	-2.1%	n/a	NHES
Domestic	781	1,019	824	n/a	USACE
Annual percent change	-24.4%	30.5%	-19.1%	n/a	NHES
Foreign Imports	3,370	3,507	3,572	n/a	USACE
Annual percent change	17.7%	4.1%	1.9%	n/a	NHES
Foreign Exports	42	30	66	n/a	USACE
Annual percent change	-28.8%	-28.6%	120.0%	n/a	NHES
Canadian percent of Foreign Imports	45.0%	43.3%	47.4%	n/a	NHES

Percent of Highway Bridges Structurally Deficient or Functionally Obsolete

	1998	1999	2000	2001	Source
New Hampshire	35.1%	33.8%	34.0%	34.1%	FHWA
Connecticut	29.1%	29.9%	30.6%	31.3%	FHWA
Maine	36.9%	37.2%	37.0%	36.6%	FHWA
Massachusetts	50.8%	51.0%	50.1%	49.9%	FHWA
Rhode Island	49.4%	50.3%	50.2%	50.6%	FHWA
Vermont	38.1%	37.3%	37.4%	35.2%	FHWA
New England	39.8%	39.8%	39.4%	39.2%	FHWA
United States	29.6%	29.0%	28.5%	28.0%	FHWA

Municipal Bus Service-Ridership Rates, Fixed Routes

	1998	1999	2000	2001	Source
Manchester (FY ending 6/30)	423,667	438,321	379,273	386,833	MTA
Annual percent change	n/a	3.5%	-13.5%	2.0%	MTA/NHES
Nashua (FY ending 6/30)	240,807	258,152	256,582	254,925	NTS
Annual percent change	n/a	7.2%	-0.6%	-0.6%	NTS/NHES

As far as energy prices and availability were concerned, New Hampshire residents got a break in 2002 as the prices of electricity, gasoline, and home heating oil were all lower than in previous years. Deregulation of the electric industry received a black eye in California and other western states, but was implemented relatively seamlessly in New Hampshire with lower rates for most electrical customers.

Electricity

Deregulation has resulted in immediate rate decreases. According to the New Hampshire Public Utilities Commission (NHPUC), a typical residential bill for usage of 500 kilowatt-hours from New Hampshire's largest utility declined from $74.00 in June 1999 to $61.14 in May 2001. A subsequent rate adjustment in October 2002 raised the bill to $61.64, but was still nearly 17 percent cheaper than earlier rates. Such a reduction is consistent with rate reductions offered by other utilities in the state. Rates in New Hampshire are still higher than the national average but lower than in 1999, where in a survey of electricity prices, New Hampshire was ranked as the second most expensive state (after Hawaii).[1]

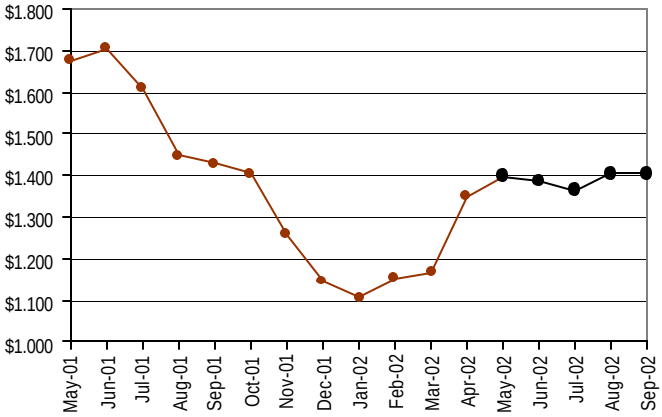
Full competition in the retail market for electricity was supposed to begin in 1998, but litigation over stranded costs and other issues delayed implementation. Implementation was phased in so that by Fall 2002, four of New Hampshire's major utilities had separate rate restructuring agreements in place or pending approval. Under the agreements, rates have been reduced, substantially in some cases. Consumers now have the right to select a competitive supplier based on price, environmental concerns, or other factors. This supplier may not necessarily be the same utility that ultimately delivers the electricity to the customer's home or business. Utilities are required to offer transition service until a customer chooses a competitive supplier (if there is one). The transition period varies with the utility and class of customer. For Public Service of New Hampshire (PSNH), transition service will be available until at least February 1, 2005, for large businesses and at least February 1, 2006, for small businesses and residential customers. The customer's local utility will retain the responsibility of delivering the power to their home or business, and their rates and quality of service will continue to be regulated by the NHPUC.

On November 1, 2002, controlling interest in the Seabrook Nuclear Station was acquired by a subsidiary of FPL Group, a Florida-based public utility holding company for $798 million.[2] The price was determined in a public auction overseen by the NHPUC and regulators in Connecticut. Proceeds from the sale will directly benefit New Hampshire consumers by reducing stranded costs unrelated to Seabrook construction (mostly costs associated with independent power producers). Consumers are spared the risk of a prolonged outage at Seabrook Station and the nuclear decommissioning liability has been transferred to the new owners. FPL operates nuclear plants in Florida and is noted for its safety record. The new owner will continue to operate the station and sell power on the open market where it will be available for wholesale purchase.

New Hampshire residents got a break in 2002 as the prices of electricity, gasoline, and home heating oil were all lower than in previous years.

New Hampshire utilities do not expect that there will be a problem replacing Seabrook power, as there are about 2,300 megawatts of generating capacity in the state. Approximately 30,000 megawatts of generation are currently available in New England, and new generation capacity is being added throughout the region. In fact, an excess capacity situation will exist over the next several years. New Hampshire is a net exporter of electric power, and will be more so in the future.

Gasoline prices at the pump held steady during the peak driving season of 2002



Source: New Hampshire Governor's Office of Energy and Community Services

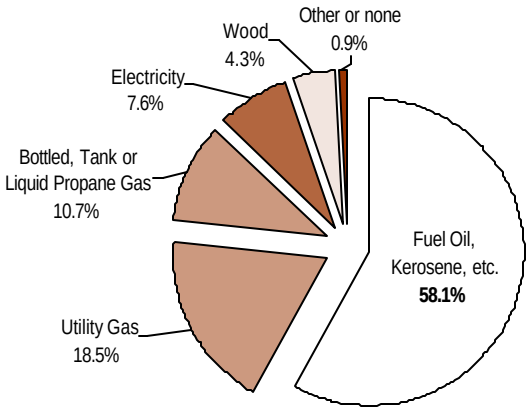
Another recent development is New Hampshire's shift from a winter-peaking to a summer-peaking electrical system. Years ago, peak demand would occur early on a winter's evening during a cold spell as people would get home from work to turn on the heat and begin cooking dinner. Residential space heating was more likely to be electric. Since 1997, peak demand for electricity has been more likely to occur during a hot summer afternoon. In recent years, electricity sales to commercial customers have been growing faster than any other major class. These customers tend to be in buildings with heating, ventilation and air conditioning loads. Record-breaking demand for electricity usage was recorded by PSNH on three separate occasions during the summer of 2002, topping out on August 14th with a demand of 1,935.1 megawatts.[3]

Petroleum

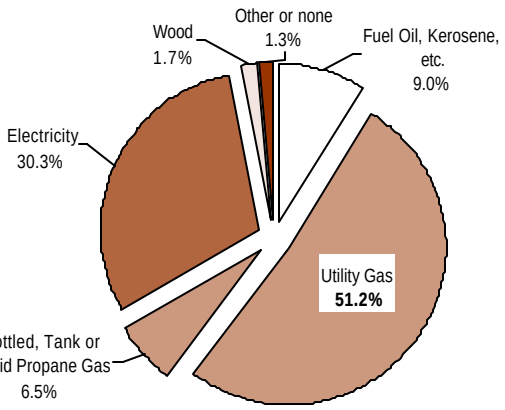
American drivers set a new record for gasoline consumption in Summer 2002. Consumers preferred to drive to destinations instead of flying, especially for trips under 200 miles. Increased demand did not translate to higher prices at the pump because of record imports and more than adequate supplies of gasoline. Between the end of May and early September, the national average price of retail gasoline fluctuated by only 3.2 cents per gallon. During the same period in 2001, prices varied by 33 cents per gallon. For the last five years, the average fluctuation has been nearly 17 cents per gallon. New Hampshire bettered national trends as the price at the pump held to a close range of $1.399 to $1.405 from May to September.[4]

Gasoline prices are highest in summer because the demand is greater, but other factors contribute to the final price at the pump. New England is located far from most domestic sources of gasoline and thus will tend to have higher prices, before taxes are applied, than most other regions. Taxes can account for as much as a third of the total price paid at the pump, starting with a federal tax of 18.4 cents per gallon, plus any state or local taxes. New Hampshire's tax of 19.5 cents per gallon ranks as the 29th highest in the United States.[5]

Over 58 percent of New Hampshire households use a fuel oil to heat their home



But, in the U.S., gas is the most popular option for home heating



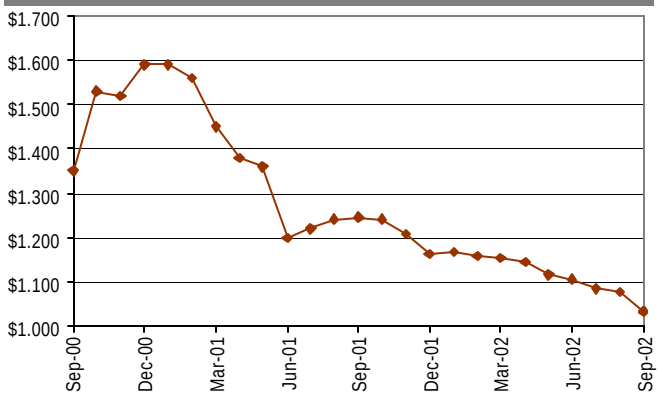
Source: U.S. Census Bureau

The price New Hampshire consumers pay for energy - gasoline, home heating oil, natural gas, and to a lesser extent, electricity - ultimately depends on the price of crude oil, which is determined by worldwide supply and demand. Half of the oil we use is imported, and 38 percent of U.S. oil imports currently come from the Organization of Petroleum Exporting Countries (OPEC). Last year, 48 percent of imported oil came from OPEC. Crude oil inventories in the U.S. are currently at low levels, after OPEC recently decided to keep production quotas at an 11-year low. Prices of domestic oil responded accordingly, as benchmark West Texas Intermediate Prices climbed to nearly $30 per barrel. Shortages could extend into the winter months because it takes two to three months for oil to flow from the Middle East to the U.S.

Home Heating Oil

Over 58 percent of New Hampshire's homes are heated by fuel oil, and homeowners are aware that prices can change for many reasons. When crude oil prices are stable, home heating oil prices tend to rise in the winter months when demand is highest. New Hampshire experienced a contrary effect in early 2002. After the tragic events of September 11, there was a worldwide decline in demand for oil used to produce aviation fuel. Weakness in some sectors of the national economy also contributed to lower demand for gasoline and other petroleum-based products. As a result, crude oil prices declined to under $20.00 a barrel. On a positive note, the winter of 2002 was milder than normal. Heating oil prices, which had hovered in the $1.45 to $1.59 range during the winter of 2001, dropped to around $1.16 for the entire winter of 2002. Prices fell further during the summer. By September 2002, prices had dropped to $1.033/gallon.[6] It is uncertain if last year's prices will be repeated this winter. It all depends on the crude oil situation described above.

Home heating oil prices dropped to $1.03 a gallon in September 2002



Source: New Hampshire Governor's Office of Energy and Community Services

Consumers may fill their storage tanks to take advantage of current prices, but most homes do not have tanks large enough to store a winter's supply. A homeowner may have to refill the tank four or five times during the heating season, at a price that may be higher than anticipated. To stabilize bills, heating oil dealers often allow customers to participate in budget plans or fixed price protection programs that can lessen the impact of rising or spiking prices.

Natural Gas

Natural gas is used by only 18.5 percent of homes in New Hampshire as the primary heating fuel compared to 51.2 percent of all homes in the U.S. Other New England states also have a considerable share of oil-heated homes. Texas, by comparison, has less than one percent of its homes heated by oil, relying instead on natural gas.

Most natural gas comes from domestic production, primarily from the Gulf Coast. In recent years, Canada has emerged as a growing source of natural gas. This is significant, because gas from Canada is less expensive. New Hampshire is increasing its access to gas pipelines, but some areas are still without natural gas service. A number of gas-fired electrical plants are planned for New England, putting a strain on pipeline networks.

Natural gas prices consist of three parts: distribution and transmission costs, plus the actual cost of the gas. Distribution costs tend to be the largest portion, accounting for nearly half of the final price. Transmission costs make up twenty percent, and the actual cost of the gas accounts for just over thirty

percent of the final price. Residential and commercial customers enjoy some protection from sudden price changes in the cost of gas because bills reflect monthly average prices rather than daily market prices. Adverse winter weather conditions, pipeline disruptions, and outages at power plants that do not use gas are some of the factors that can cause a short-term upswing in the market price of gas.

Natural gas prices for residential customers in New Hampshire tend to be among the highest in the nation. In the latest data available, for the year 2000, New Hampshire was the fifth-most expensive state for residential customers, with an average price of $10.07 per thousand cubic feet. The national average is $7.76 per thousand cubic feet.[7]

New Hampshire Energy Plan

Work on the New Hampshire Energy Plan (NHEP) was completed in November 2002. During the past year, businesses, non-profits, environmental organizations, and other stakeholders joined with New Hampshire residents to prepare a comprehensive study of the state's current energy situation and to plan for future energy goals.

The plan was intended to create a one-stop resource for policy makers and to analyze and focus discussion of options on energy issues. Targeted topics include fuel diversity, New Hampshire's role in regional markets, environmental impacts, and energy security.

Michael Argiropolis

Energy Purchased and Generated

	1998	1999	2000	2001	Source
Electric Energy Purchased					
Sales to Ultimate Customers (million KWH)					
New Hampshire:					
Total	9,254	9,888	9,949	10,310	PSNH
Percent change	1.9%	6.9%	0.6%	3.6%	PSNH/NHES
Residential	3,384	3,640	3,621	3,784	PSNH
Percent change	0.5%	7.6%	-0.5%	4.5%	PSNH/NHES
Commercial	3,328	3,604	3,625	3,913	PSNH
Percent change	2.5%	8.3%	0.6%	7.9%	PSNH/NHES
Industrial	2,415	2,516	2,570	2,481	PSNH
Percent change	3.2%	4.2%	2.1%	-3.5%	PSNH/NHES
New England:					
Total	110,647	113,720	123,013	118,582	PSNH
Percent change	1.4%	2.8%	8.2%	-3.6%	PSNH/NHES
Residential	38,769	41,022	43,863	43,362	PSNH
Percent change	0.3%	5.8%	6.9%	-1.1%	PSNH/NHES
Commercial	44,276	45,484	47,883	49,179	PSNH
Percent change	3.0%	2.7%	5.3%	2.7%	PSNH/NHES
Industrial	26,059	25,750	29,456	24,534	PSNH
Percent change	-0.1%	-1.2%	14.4%	-16.7%	PSNH/NHES
Net Energy Generated (million KWH)	14,238	13,876	12,702	13,127	PSNH
As percentage of energy purchased	153.9%	140.3%	127.7%	127.3%	PSNH
As percentage of total generated by type[a]					
Hydroelectric	6.8%	2.4%	2.6%	1.7%	PSNH
Fossil fuel	34.2%	35.0%	35.1%	32.1%	PSNH
Nuclear	58.9%	62.5%	62.4%	66.2%	PSNH

[a] Rounding may cause percentages to not equal 100 percent

[1] "Coal and Electricity Prices and Expenditures Ranked by State, 1999." Energy Information Administration. United States Department of Energy. Accessed September 17, 2002. <eia.doe.gov/pub/state.prices/html/rank4.htm>

[2] "FPL Group Completes Acquisition of Controlling Interest in Seabrook Nuclear Plant." November 1, 2002. FPL Group. Accessed November 12, 2002. <www.fplgroup.com/news/contents/02119.shtml>

[3] "Facts at a Glance." October 23, 2002. Public Service Company of New Hampshire. Accessed October 23, 2002. <www.psnh.com/aboutPSNH/MediaCenter/Facts.asp>

[4] "Fuel Price Data." September 10, 2002. Governors Office of Energy and Community Services. Accessed September 25, 2002. <www.state.nh.us/governor/energycomm/prices/pricesept1002.html>

[5] "Gas Taxes." October 23, 2002. Gaspricewatch.com. Accessed October 23, 2002. <www.gaspricewatch.com>

[6] Op.cit "Fuel Price Data." October 11, 2002.

[7] "Average Price of Natural Gas Delivered to Residential Customers, by State, 2000." Energy Information Administration. United States Department of Energy. Accessed September 17, 2002. <www.eia.doe.gov/neic/rankings/gasresprice.htm>

Energy Expenditures and Prices

	1998	1999	2000	2001	Source
ENERGY EXPENDITURES PER CAPITA	n/a	$2,190	n/a	n/a	EIA
United States rank	n/a	19	n/a	n/a	EIA
ENERGY PRICES (dollars per million Btu)	n/a	$11	n/a	n/a	EIA
United States rank	n/a	6	n/a	n/a	EIA
Petroleum prices (dollars per million Btu)	n/a	$7	n/a	n/a	EIA
United States rank	n/a	36	n/a	n/a	EIA
Electric prices (dollars per million Btu)	n/a	$34	n/a	n/a	EIA
United States rank	n/a	2	n/a	n/a	EIA

Energy and Fuel Consumption

	1998	1999	2000	2001	Source
Energy Consumption					
Total consumption (trillion Btu)	318.8	335.4	n/a	n/a	EIA
Annual percent change	0.4%	5.2%	n/a	n/a	EIA/NHES
United States rank	45	45	n/a	n/a	EIA/NHES
Types of energy consumption (percent of total)					
Residential	25.2%	24.4%	n/a	n/a	EIA/NHES
Commercial	17.0%	16.8%	n/a	n/a	EIA/NHES
Industrial	27.5%	28.9%	n/a	n/a	EIA/NHES
Transportation	30.3%	29.9%	n/a	n/a	EIA/NHES
Energy consumption per capita (million Btu)	268.8	279.2	n/a	n/a	EIA
United States rank (including D.C.)	43	43	n/a	n/a	EIA
Net Interstate flow of electricity and assoc. losses	-20,635	-18,778	n/a	n/a	EIA
Fuel Consumed to Generate Electricity (In equivalent barrels of oil)					
New Hampshire total (thousand barrels)	21,223	21,602	19,745	20,487	PSNH
Oil	2,372	2,663	783	833	PSNH
Coal	5,308	4,859	6,062	5,554	PSNH
Gas	25	96	131	88	PSNH
Nuclear	13,518	13,984	12,769	14,011	PSNH

9. Production

One of the more commonly used measures of production is the market value of all final goods and services that were produced during a given year. The United States Department of Commerce's Bureau of Economic Analysis (BEA) produces this measure each year, and it is called gross domestic product (GDP) on the national level. As produced by the Bureau of Economic Analysis, GDP is calculated by adding together the market values of all of the final goods and services produced by labor and property in the United States in a year. When this measure is developed for individual states, it becomes gross state product (GSP).

New Hampshire's GSP in current dollars has grown steadily from $37.5 billion in 1997 to $47.7 billion in 2000

GSP for a state is defined as the value added in production by the labor and property located in the state. Although there are many similarities between GDP and GSP, there are differences. One of those differences is that GSP is considered a measure of value added within the state. Value addition is determined by subtracting intermediate inputs from gross outputs. Intermediate inputs include the consumption of goods and services purchased from other U.S. industries or imported. Gross output is measured by counting sales or receipts and other operating income, commodity taxes, and inventory change.

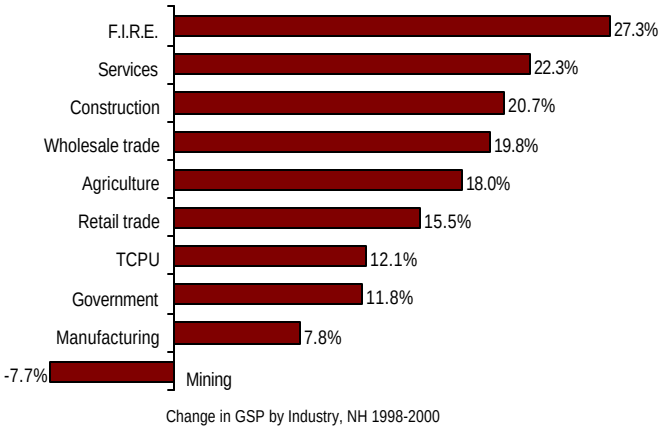
New Hampshire's GSP in current dollars has grown steadily from $37.5 billion in 1997 to $47.7 billion in 2000, according to the most recent data available through the BEA. During that same period, the private sector portion of New Hampshire's GSP increased from $34.3 billion to $44.0 billion.

A closer look at New Hampshire's GSP data in 2000 showed that the Finance, insurance, and real estate industrial division contributed 24 percent of the state's total. The Manufacturing and Services industrial divisions each accounted for 20 percent. Trade, the only other division to be a double-digit contributor, covered 16 percent of the state's total GSP. The three remaining industrial divisions' part of GSP was less than 10 percent each.

New Hampshire ranked 39th in the nation in total GSP in 2000. The state moved into this position in 1998 from the 41st position it held in 1997. It is interesting to note that in the 2000 census, New Hampshire ranked 41st in population. It is a noteworthy achievement on the part of the state to increase its standing in national GSP rankings. The case could be made that although New Hampshire is small in population terms, the state is vigorous. In the 1997 to 2000 period, all major industrial divisions showed an increase in GSP. To put the state ranking in perspective, consider that the 2000 decennial census showed California, New York, and Texas ranking 1st, 2nd, and 3rd among the states for population. It comes as little surprise that these states occupy similar positions in most categories within GSP.

Among New England states, New Hampshire ranks third in total GSP. New Hampshire has held onto this position solidly since 1997. The remaining New England states, except Maine and Rhode Island, have maintained their

Finance, insurance, and real estate recorded the largest growth in GSP in the Granite State from 1998 to 2000



Change in GSP by Industry, NH 1998-2000

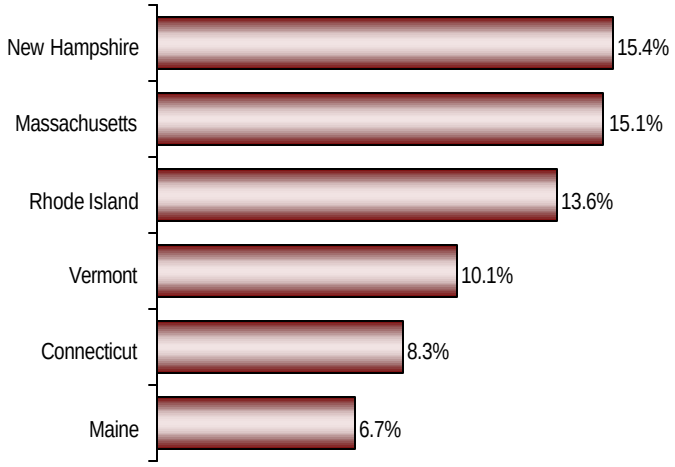
1997 ranking through 2000. Those two states switched positions in 2000 – Maine went from 4th position to 5th position and Rhode Island moved up to 4th.

Real Gross State Product

There are other measures of production, but the final aspect of GSP to be examined is real GSP. The BEA points out that "real GSP" is an analytical concept; it can not be measured directly. Gross State Product is adjusted for price change, to allow a comparison of real underlying output in one year with output in a given base year. The base year currently being used for this is 1996. Development of a real measure of output allows analysis of the state's overall productivity.

From 1997 to 2000, New Hampshire has experienced an average annual growth rate of slightly more than 7.5 percent in real GSP. Overall, real GSP grew by 24.2 percent for the period. The year 2000 saw an annual growth of 7.8 percent, which was the largest for the period.

New Hampshire's GSP saw the fastest growth in the region from 1998 to 2000, followed closely by Massachusetts



Change in GSP for New England states, 1998-2000

Gross State Product

	1998	1999	2000	2001	Source
Current Dollars (millions)	$40,529	$43,616	$47,708	$49,569[a]	BEA/PSNH
Annual percent change	8.2%	7.6%	9.4%	3.9%	NHES
Real 1996 Dollars (base year) (millions)	$39,965	$42,801	$46,134	$46,912[a]	BEA/PSNH
Annual percent change	7.6%	7.1%	7.8%	1.7%	NHES

[a] Estimated by PSNH

U.S. Gross Domestic Product

	1998	1999	2000	2001	Source
Current Dollars (billions)	$8,782	$9,274	$9,825	$10,082	BEA
Annual percent change	5.6%	5.6%	5.9%	2.6%	BEA/NHES
Real 1996 Dollars (base year) (billions)	$8,509	$8,859	$9,191	$9,215	BEA
Annual percent change	4.3%	4.1%	3.8%	0.3%	BEA/NHES

New Capital Expenditures

	1998	1999	2000	2001	Source
Total (millions)	$698	$676	$857	n/a	CB
As a Percent of Payroll					
United States	26.0%	25.0%	25.1%	n/a	CB/NHES
New Hampshire	20.1%	19.4%	22.0%	n/a	CB/NHES
Connecticut	18.2%	16.0%	17.4%	n/a	CB/NHES
Maine	34.7%	28.3%	34.3%	n/a	CB/NHES
Massachusetts	22.1%	20.7%	20.3%	n/a	CB/NHES
Rhode Island	16.5%	15.9%	15.3%	n/a	CB/NHES
Vermont	39.3%	48.7%	55.1%	n/a	CB/NHES

Production

In the latest data available, New Hampshire's real GSP ranking in the nation and New England remained unchanged since 1997.

Compensation

New Hampshire maintained its 39th place nationally and 3rd place amid the New England states in 2000 compensation. Compensation in New Hampshire has risen from $20.1 billion in 1997 to $25.6 billion in 2000. For many, the term "compensation" means income and purchasing power, but the Bureau of Labor Statistics says that compensation is also a measure of the cost an employer incurs for securing the services of labor. This cost includes wages, salaries, supplements, and contributions to employee benefit plans. The term "supplements" refers to such items as paid leave, bonuses, incentive payments, and employee discounts. Employee benefit plans are payments made for such things as insurance policies for health, life, workmen's compensation, and unemployment compensation.

Bernie McKay

Value Added

	1998	1999	2000	2001	Source
VALUE ADDED BY MANUFACTURE					
Total (millions)	$11,453	$9,936	$10,350	n/a	CB
VALUE ADDED PER PAYROLL DOLLAR					
United States	$3.22	$3.25	$3.24	n/a	CB
New Hampshire	$3.30	$2.85	$2.65	n/a	CB
United States rank [a]	19	42	45	n/a	CB
Connecticut	$2.66	$2.55	$2.58	n/a	CB
United States rank [a]	48	49	49	n/a	CB
Maine	$2.66	$2.69	$2.97	n/a	CB
United States rank [a]	49	48	38	n/a	CB
Massachusetts	$2.81	$2.82	$2.89	n/a	CB
United States rank [a]	43	43	41	n/a	CB
Rhode Island	$2.38	$2.45	$2.52	n/a	CB
United States rank [a]	50	50	50	n/a	CB
Vermont	$2.92	$3.10	$3.12	n/a	CB
United States rank [a]	40	27	30	n/a	CB
INDUSTRY SHARE OF TOTAL VALUE ADDED (NAICS codes)					
Fabricated Metal Product Manufacturing	41.9%	32.4%	30.9%	n/a	CB
Machinery Manufacturing	8.8%	9.7%	10.5%	n/a	CB
Computer and Electronic Product Manufacturing	8.6%	8.8%	10.1%	n/a	CB
Electrical Equipment, Appliance, & Component Manufacturing	7.2%	7.7%	8.3%	n/a	CB
Plastics and Rubber Products Manufacturing	4.1%	5.3%	5.8%	n/a	CB
Paper Manufacturing	3.8%	5.1%	5.3%	n/a	CB
Miscellaneous Manufacturing	4.3%	4.7%	4.9%	n/a	CB
Printing and Related Support Activities	3.3%	4.3%	3.4%	n/a	CB
Nonmetallic Mineral Product Manufacturing	2.7%	2.7%	2.7%	n/a	CB
Primary Metal Manufacturing	1.6%	2.3%	2.7%	n/a	CB
Total Manufacturer's Shipments (millions)	$20,866	$18,438	$19,641	n/a	CB
Annual percent change	6.1%	-11.6%	6.5%	n/a	CB

[a] Including D.C.

Defense Contracts

	1998	1999	2000	2001	Source
Total (millions)	$423	$360	$400	$479	CB

Export Sales to the World

	1998	1999	2000	2001	Source
Total (millions)	$1,728	$1,930	$2,373	$2,401	MISER
Annual percent change	8.2%	11.7%	23.0%	1.2%	MISER/NHES
INDUSTRY SHARE OF TOTAL EXPORTS (SIC code)					
Industrial Machinery and Equipment	n/a	36.8%	42.1%	n/a	MISER/NHES
Electronic and Other Electrical Equipment	n/a	14.7%	17.2%	n/a	MISER/NHES
Instruments and Related Products	n/a	8.3%	4.6%	n/a	MISER/NHES
Fabricated Metal Products	n/a	6.1%	5.0%	n/a	MISER/NHES
Rubber and Misc. Plastics Products	n/a	8.3%	4.6%	n/a	MISER/NHES
Chemicals and Allied Products	n/a	6.1%	5.0%	n/a	MISER/NHES
Lumber and Wood Products	n/a	4.7%	4.3%	n/a	MISER/NHES
Leather and Leather Products	n/a	8.3%	4.6%	n/a	MISER/NHES
Transportation Equipment	n/a	2.5%	2.5%	n/a	MISER/NHES
Paper and Allied Products	n/a	2.2%	2.1%	n/a	MISER/NHES

10. Trade, Recreation, & Hospitality

Tourism is an important part of New Hampshire's economy. According to the Institute for New Hampshire Studies (INHS) at Plymouth State College, an estimated 27.5 million people visited the state in 2001. INHS estimated that these visitors spent $3.70 billion, a 0.8 percent drop from 2000.[1]

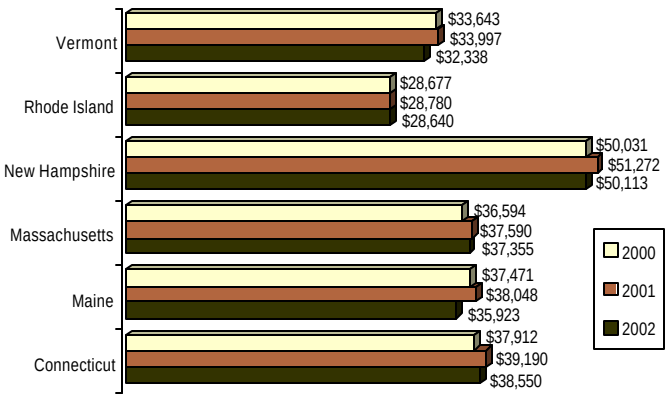
Retail Sales Figures

New Hampshire's estimated retail sales for 2002 were $24.7 billion, up 1.4 percent from 2001, according to Sales and Marketing Management's *2002 Survey of Buying Power.* Nationally retail sales decreased 0.9 percent over 2001. The Granite State had the second fastest total retail sales growth in New England, only Rhode Island was faster with a 3.5 percent increase. Within New England, Maine and Vermont were the only two states to record declines in total retail sales from 2001, 0.2 percent and 2.0 percent respectively.

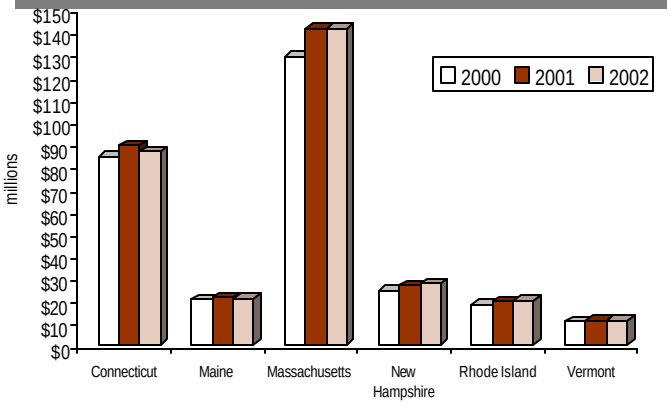
According to Division of Travel and Tourism Development (DTTD), tourism generates 72 percent of Meals and Rooms revenue.

Retail sales in Grafton County and Hillsborough County each rose over five percent in 2002. Three counties recorded decreases in retail sales. Carroll County and Coos County each dropped over six percent, while Sullivan County dipped 2.5 percent.

New Hampshire continued to have by far the largest retail sales per household in New England



New Hampshire and Rhode Island were the only two New England states to have an over-the-year increase in Effective Buying Income



New Hampshire's estimated Effective Buying Income (EBI) for 2002 grew 3.2 percent to $27.0 billion. EBI is the economic factor in figuring a market's "ability to buy", developed by Sales and Marketing Management. It is estimated by personal income less personal tax and non-tax payments and resembles disposable income. The Granite State had a faster increase than the nation's 1.4 percent. All other New England states, except Rhode Island, saw their total EBI drop from 2001. The decreases ranged from 0.1 percent in Massachusetts to 4.6 percent in Maine.

Median Household EBI declined in New Hampshire and each county. The state dropped 6.9 percent while the counties ranged from a drop of 2.5 percent in Hillsborough County to 15.1 percent in Strafford County.

The Buying Power Index (BPI) is an indicator of the "ability to buy". It uses a weighted formula that includes population, Effective Buying Income, and retail sales to measure a market's "ability to buy". In 2002 New Hampshire's BPI was 0.5473 percent, which is the state's share of the national total. During the past three years the Granite State's share has been increasing.[2]

Verizon Wireless Arena

The Verizon Wireless Arena is a new source of economic revenue for Manchester and the state. The Sports Management Department of Southern New Hampshire University conducted a study of the Verizon Wireless Arena. In their *Economic Impact Report* they estimated $44 million was generated from direct, indirect, and induced spending over the course of the Arena's first year. Of this, they estimated that $28 million was generated from direct spending (i.e. tickets, merchandise, food, etc). The Sports Management Department states that nearly two-thirds of attendees were from areas other than Manchester.[3]

By the end of their first year, October 31, 2002, the 10,000 seat arena had 115 events, attended by approximately 690,000 patrons throughout the year. During their first year the arena had 47 professional hockey games, 20 concerts, six graduations, 20 ice shows, and various other events. The Verizon Wireless Arena is home to the Manchester Monarchs, an American Hockey League (AHL) team who are a farm team for the Los Angeles Kings.

The total cost of the arena was approximately $65 million. Approximately 80 percent of this was publicly funded and is owned by the city of Manchester. The idea behind the civic center was to revitalize downtown Manchester. The Verizon Wireless Arena is the first and only arena of its kind in New Hampshire.

Online Hunting and Fishing Licenses

During the third week in February 2002, the New Hampshire Fish and Game Department launched their online system. People who enjoy hunting and fishing can now purchase their licenses online.

As of November 8, 2002, 7,877 licenses had been sold online with sales totaling $264,727. Less than half of the licenses were being purchased by out-of-staters. So far the online sales have not affected the sale of licenses by agents.

Conservation Plates

In an effort to improve and protect the state and its wildlife, a conservation license plate, also known as "the moose plate", was developed for residents to purchase. The CH designation on the moose plate stands for "conservation and heritage".

The moose plate costs an additional $30 a year. The majority of this money goes directly to protecting New Hampshire's natural resources, heritage, and its wildlife. A small portion is used for the initial plate production. As of October 2002, over $1.6 million had been raised for conservation, heritage, and wildlife programs. There have been 53,716 moose plates registered since the plate was made available in December 2000. The number of registrations is not the number of moose plates on the road, since the total includes renewals of the moose plate.

Winter Recreation

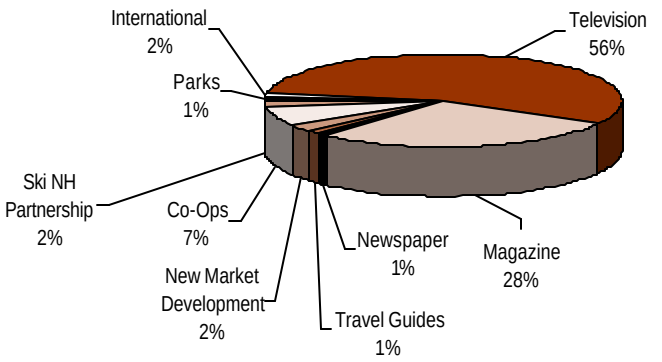
According to Ski NH, the 2001-2002 ski season started mid-November. Unseasonably warm weather closed all but one ski resort the weekend after Thanksgiving. All ski resorts were opened by the third week in December. A warm but wet Spring closed smaller resorts by the end of March, while the larger areas stayed open through mid-April.

Despite the strong December holiday period, Martin Luther King weekend, and February school vacation, overall visits to the ski resorts were down from the 2000-2001 ski season. Alpine skiers had a decrease of 405,291 skiers, while cross country skiers recorded a drop of 46,139 skiers. Snowtubing visits declined 24 percent from the prior ski season. According to Ski NH, pre-season ticket sales for the 2002-2003 ski season are at an all-time high, so if the weather cooperates, this coming ski season should be a strong one.

Destination State Travel Promotions

In Spring 2002, New Hampshire unveiled a new ad campaign for the state with a biennial ad budget hike of $2 million. INHS researched

Nearly $1.2 million will be spent on marketing New Hampshire through television commercials



Source: Joyce, Margaret. Division of Travel and Tourism. "Media Breakdown for 2003." E-mail to the author. October 14, 2002

the ratio of ad dollars in relation to direct revenue received. They estimated that for every $1 spent on advertising over $9 will be generated in state and local tax revenue. According to Division of Travel and Tourism Development (DTTD), tourism generates 72 percent of Meals and Rooms tax revenue.

Before the $2 million biennial increase, New Hampshire had the fourth smallest ad budget in the nation. Since then the state moved from 47th to 35th, providing the state with additional financial resources to promote itself.

Over $1.6 million will be used to promote spring and summer travel for the next two years. A new campaign, *Let Me Show You New Hampshire,* will remind people of their childhood family vacations. The hope is that many will want to come to New Hampshire and share the experience with their families or vacation in the state for the first time.

This campaign will focus on promoting New Hampshire to the New York metropolitan area and the Eastern Canadian Provinces areas. Since the ads began in Spring 2002, inquiries (guidebook requests and web site visits) from these two areas have increased. The *Let Me Show You New Hampshire* campaign includes full-page ads in newspapers and travel magazines, magazine inserts, and transit stations ads in New York. According to DTTD, this campaign portrays the mood New Hampshire visitors truly experience in our state.[4]

Beginning in March 2003, the state will run television commercial ads for the first time in ten years. The ads will run for three months. These commercials will focus on New Hampshire's scenic beauty and diversity. The commercials will feature a family enjoying a vacation at one of the many lakes and a couple taking a romantic getaway to a beautiful area in the state.

Recreation/Tourism

	1998	1999	2000	2001	Source
Division of Travel & Tourism Development Inquiries	177,911	225,558	177,492	175,176	DTTD
Fish and Game licenses (non-resident)	77,216	77,031	77,352	73,897	F&G
Out-of-State Snowmobile Registrations	14,101	13,056	15,320	18,835	F&G
Skiing (state owned Cannon Mountain) (fiscal year)					
Number of skiers	115,009	105,817	100,601	130,656	P&R
Lift sales, including season passes	$1,873,725	$1,699,433	$1,589,497	$2,231,416	P&R
Racing (pari-mutuel pool) (millions)					
Thoroughbred track:					
Simulcast	$125.3	$129.3	$138.1	$149.8	PM
Live	$18.2	$16.8	$15.2	$13.7	PM
Greyhound tracks:					
Simulcast	$36.7	$42.7	$48.5	$65.0	PM
Live	$32.5	$27.2	$25.8	$26.4	PM

Instate Travel Promotions

In an attempt to promote New Hampshire attractions, events, and locally made products to Granite Staters, the New Hampshire Radio Network (NHRN) developed a campaign called "Discover New Hampshire, Vacation in Your Own Backyard". NHRN kicked off its Discover New Hampshire promotion on Memorial Day 2001. NHRN works with New Hampshire companies and radio stations to build prize packages for the radio station listeners. There are two promotional periods. The summer promotion runs from Memorial Day to Columbus Day. The winter promotion runs from the end of December/beginning of January through the middle of March.

Prize packages include gift certificates for New Hampshire attractions, restaurant, events, and locally made products. Additionally, NHRN will be doing live broadcasts at local events throughout the state with the opportunity for listeners to enter for a prize.

The first year went so well that more New Hampshire companies and additional

Retail Sales[a]

	1998	1999	2000	2001	Source
New Hampshire, total (millions)	n/a	n/a	$22,974	$24,308	SMM
Annual percent change	n/a	n/a	n/a	5.8%	SMM/NHES
Food & beverage stores	n/a	n/a	$3,189	$3,338	SMM
Annual percent change	n/a	n/a	n/a	4.7%	SMM/NHES
Food service & drinking establishments	n/a	n/a	$1,498	$1,588	SMM
Annual percent change	n/a	n/a	n/a	6.0%	SMM/NHES
General merchandise stores	n/a	n/a	$2,881	$2,856	SMM
Annual percent change	n/a	n/a	n/a	-0.9%	SMM/NHES
Furniture & home furnishings and electronic & appliance stores	n/a	n/a	$1,329	$1,367	SMM
Annual percent change	n/a	n/a	n/a	2.9%	SMM/NHES
Motor vehicle & parts dealers	n/a	n/a	$6,840	$7,137	SMM
Annual percent change	n/a	n/a	n/a	4.3%	SMM/NHES
New England, total (millions)	n/a	n/a	$193,430	$205,177	SMM
Annual percent change	n/a	n/a	n/a	6.1%	SMM/NHES
United States, total (millions)	n/a	n/a	$3,409,490	$3,658,749	SMM
Annual percent change	n/a	n/a	n/a	7.3%	SMM/NHES
Per Household Retail Sales					
New Hampshire	n/a	n/a	$50,031	$51,272	SMM
Connecticut	n/a	n/a	$37,912	$39,190	SMM
Maine	n/a	n/a	$37,471	$38,048	SMM
Massachusetts	n/a	n/a	$36,594	$37,590	SMM
Rhode Island	n/a	n/a	$28,677	$28,780	SMM
Vermont	n/a	n/a	$33,643	$33,997	SMM
New England	n/a	n/a	$37,480	$38,413	SMM
United States	n/a	n/a	$33,113	$34,450	SMM
Liquor Sales (fiscal year)					
Retail and Wholesale	$253.0	$265.2	$288.5	$305.0	LC
Fiscal percent change	4.9%	4.8%	8.8%	5.7%	LC/NHES
Percent retail	71.6%	71.6%	71.3%	71.4%	LC/NHES

[a] Reprinted by permission of Sales & Marketing Management, a publication of Bill Communications. Data for 2000 and 2001 was by NAICS code, while prior years were by SIC code.

radio stations want to get involved with the program. NHRN will continue to run this promotion in the future.

New Hampshire Made

New Hampshire Stories, Inc. is a non-profit organization that promotes New Hampshire made products and services. They have a new marketing campaign entitled "New Hampshire's Own, A Product of Yankee Pride." The purpose of this campaign is to create more awareness for New Hampshire made products and services, to increase sales, and to expand access to new markets for New Hampshire products and service providers.

Gail Houston

[1] Goss Jr., Dr. Laurence E. Plymouth State College, Institute for New Hampshire Studies. "2001 Annual." New Hampshire Travel Barometer. April 2002: pg. 1.
[2] "2002 Survey of Buying Power." Sales and Marketing Management September 2002
[3] Blais Ph.D., Douglas. "Economic Impact Report Verizon Wireless Arena 2001-2002 Inaugural Year" Sports Management Department, School of Business, Southern New Hampshire University. August 2002
[4] Joyce, Margaret. Director of Communications. New Hampshire Division of Travel and Tourism. "Tourism Budget." Press release sent to the author. August 21, 2002.

Hospitality: Hotel, Restaurant Activity

	1998	1999	2000	2001	Source
Total Meals and Rooms Receipts (sales)(millions)	$1,760.8	$1,841.3	$1,976.2	$2,004.1	RA
Annual percent change	12.0%	4.6%	7.3%	1.4%	RA/NHES
Restaurants	$1,138.9	$1,183.7	$1,258.0	$1,293.7	RA
Other food service	$216.0	$222.3	$245.6	$269.3	RA
Rooms	$294.4	$255.6	$282.6	$281.7	RA
Combination (hotel, restaurant, and lounge)	$111.6	$179.7	$190.0	$159.5	RA
Motor Vehicle Rentals (millions)	n/a	n/a	$7.6	$6.8	RA

The construction industry in New Hampshire continued to be robust from 2000 into 2001. Construction employment increased by 1,700 over-the-year. Authorized housing permits remained relatively stable, at about the same level as the prior year. Demand for housing, including affordable rental units, is high as evidenced by increasing housing prices and rent amounts. Strength has continued into 2002.

Construction Contracts

The construction contracts index reports the dollar value of contracts indexed to 1980 (base year 1980 equal to 100). It is a measure of growth over time. A review of contract value indices for the state, the region, and the nation revealed some interesting things. While the average total construction index for New Hampshire decreased by almost 93 "points" over the year, it remained far above the New England and U.S. indices for 2001 by 94.7 and 113.2 points respectively.

The New Hampshire non-building construction index (e.g., highways, bridges, dams, and airports) dropped off significantly due to the completion of the natural gas pipeline project and energy plants in 2000. The index did, however, remain in the vicinity of the New England value. In 2002, Manchester Airport started a runway construction project, and a terminal expansion is planned. Nonresidential building construction (e.g., commercial buildings, manufacturing plants, and schools) increased over the year reflecting school building and commercial building construction alike. There have been about 15-20 school projects ongoing in 2002.[1]

The average selling price for existing homes has increased more than $62,000 in the last four years

The residential construction index for 2001 likely increased because of the demand for housing in concurrence with relatively low mortgage rates. The index is based on dollar value of contracts, and much of the housing consists of fairly expensive units. The average rate for a 30-year fixed rate mortgage was 6.97% in 2001, the second lowest rate in thirty years. As we entered Fall 2002, the rate hovered around six percent.

The average rate for a 30-year fixed rate mortgage was 6.97% in 2001, the second lowest rate in thirty years.

Housing Permits

The number of housing permits (not seasonally adjusted) authorized in the state actually decreased for the first time in ten years, down only about one percent from 2000 to 2001.[2] This may have prompted the concern by some analysts that the real estate market will cool soon.[3] However, the total number of permits over the 2000-01 period was over 1,200 above the number of permits for the 1998-99 period, demonstrating strength in the housing market.

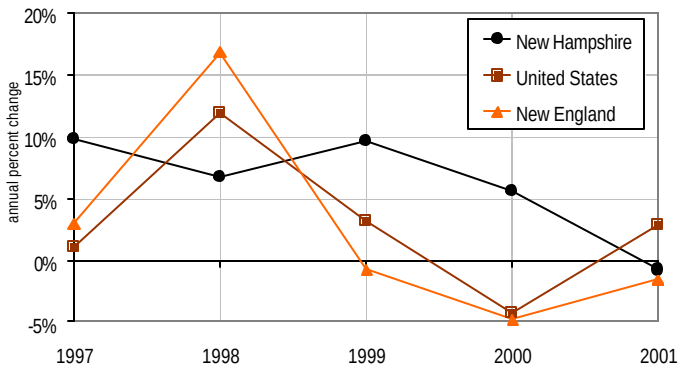
Home Price Index and Affordability

Housing affordability is a concern in the state, as evidenced by increases in house prices as well as apartment rents. The U.S. Census Bureau reported that over the last ten years, New Hampshire's population rose by 11 percent while the number of housing units went up only by eight percent. Tight supplies generally lead to higher prices. The not seasonally adjusted repeat sales home price index for New Hampshire in 2001 was 145.4, an increase of 13 percent from 2000 (1987 equals 100). This is based on quarterly price measures derived from mortgage loans

purchased by Fannie Mae and Freddie Mac between January 1975 and the present. The median monthly rent for all apartments was $738 and $818 for two-bedroom units.[4] The rental increase from 2000 to 2001 was 5.9 percent.

According to the Housing Opportunity Index (HOI), in first Quarter 2002 the Portsmouth-Rochester, NH-ME PMSA ranked 184th out of 191 MSAs for affordability.[5] The Portsmouth-Rochester PMSA, which covers 26 southeastern New Hampshire cities and towns along with five Maine towns, had a median home sales price of $240,000. The number one ranked area for affordability was the Elkhart-Goshen, Indiana MSA, with a median home sales price of $111,000 and a 94.9 percent share of homes affordable for the median income. (The Portsmouth-Rochester PMSA share was only 21.5 percent.)

New Hampshire's total housing permits authorized in 2001 dropped for the first time in 10 years



Existing Home Sales

Total existing home sales in New Hampshire stayed about the same, decreasing by approximately 800 in 2001. The National Association of Realtors (NAR) maintains the database for

Contract Value Indices (base = 1980)

	1998	1999	2000	2001	Source
Total construction:					
New Hampshire	373.0	359.4	523.8	444.8	FR
New England	316.3	326.5	394.0	356.1	FR
United States	273.4	302.4	310.7	333.9	FR
Non-building construction					
New Hampshire	368.0	231.5	759.4	274.5	FR
New England	289.9	272.1	414.8	287.4	FR
United States	221.5	260.0	273.6	333.1	FR
Nonresidential construction					
New Hampshire	494.3	519.8	572.6	633.7	FR
New England	361.0	430.1	510.0	451.9	FR
United States	293.4	322.5	318.8	321.6	FR
Residential construction					
New Hampshire	306.6	324.2	393.9	411.7	FR
New England	292.6	267.7	285.0	311.5	FR
United States	283.0	307.1	322.6	344.5	FR
Residential construction (seasonally adjusted)					
New Hampshire	311.1	329.6	392.1	413.2	FR
New England	294.3	268.4	284.5	315.0	FR
United States	283.7	307.2	322.6	344.9	FR

Changes to the New Hampshire Housing Stock

	1998	1999	2000	2001	Source
From residential building permit data					
Net change in units (permitted units less demolitions)	6,653	7,286	7,593	n/a	OSP
Total Hillsborough and Rockingham Counties	3,748	3,856	3,937	n/a	OSP
Total multifamily	741	948	961	n/a	OSP

these numbers. Sales volumes for 2001 were about $183 million above 2000. For the first time in six years volume grew by less than a double-digit increase. The average sale price rose 11.4 percent to about $188 thousand.

All the numbers point to a somewhat mixed message. Consumers are still jittery over the economy. Mortgage rates are at the lowest point in thirty years. Zoning tends to limit lot sizes and thus limit builders. Builders are busy. The net effect is for sales to stay steady and prices to rise.

Scott Gessis

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[2] Building Permits. April 18, 2002. U.S. Census Bureau. Accessed August 29, 2002 <www.census.gov/ftp/pub/const/www/permitsindex.html>

[3] Brelis, Matthew. "Will the housing boom go bust?" Boston Sunday Globe August 18, 2002: pg. E1

[4] NH Housing Finance Authority (NHHFA) "2001 Residential Rental Cost Survey" Accessed August 29, 2002 <www.nhhfa.org/rentsurvey.htm>

[5] "Housing Opportunity Index: First Quarter 2002 by Affordability Rank." National Association of Home Builders. Accessed September 13, 2002 <www.nahb.org/assets/docs/files/>

Housing Permits Authorized (not seasonally adjusted)

	1998	1999	2000	2001	Source
Total New Hampshire	5,771	6,326	6,680	6,624	CB
Annual percent change:					
New Hampshire	6.8%	9.6%	5.6%	-0.8%	CB
New England	16.8%	-0.8%	-4.8%	-1.6%	CB
United States	11.9%	3.2%	-4.3%	2.8%	CB
Single units	5,310	5,696	6,097	5,910	CB
Annual percent change:					
New Hampshire	15.5%	7.3%	7.0%	-3.1%	CB
New England	13.8%	-0.3%	-4.9%	-3.7%	CB
United States	11.8%	5.0%	-3.9%	3.1%	CB

Homes Financed by NH Housing Finance Authority

	1998	1999	2000	2001	Source
Total	1,049	1,219	1,512	1,141	HFA
Percent new	3.5%	3.6%	4.2%	3.5%	HFA
Percent condo	11.5%	16.6%	20.7%	26.0%	HFA
NHHFA BOND ISSUES ($ millions)	$75	$105	$109	$80	HFA

Assisted Rental Housing Construction

	1998	1999	2000	2001	Source
Total units (NHHFA only)	425	439	328	385	HFA
For elderly tenants	282	169	180	199	HFA

Mortgage Rates and Housing Rentals

	1998	1999	2000	2001	Source
CONTRACT MORTGAGE RATES (Annual Averages)	6.9%	7.4%	8.1%	7.0%	MBA/FHLMC
HOUSING UNIT RENTALS					
Median monthly rent (including utilities)	$636	$665	$697	$738	HFA
Annual percent change	5.0%	4.6%	4.8%	5.9%	HFA/NHES

Home Sales

	1998	1999	2000	2001	Source
Total existing home sales seasonally adjusted - single family, apartment condos, and coops (thousands)	40.5	40.6	43.5	42.7	AR
Percent change:					
Connecticut	14.4%	2.5%	4.3%	0.4%	FR/NAR
New Hampshire	13.8%	0.3%	7.1%	-1.8%	FR/NAR
Maine	16.6%	8.8%	9.2%	2.1%	FR/NAR
Massachusetts	10.8%	-1.3%	-3.7%	-0.3%	FR/NAR
Rhode Island	19.8%	8.9%	1.5%	1.9%	FR/NAR
Vermont	3.9%	0.0%	4.3%	-4.2%	FR/NAR
New England	13.2%	2.0%	3.2%	0.5%	FR/NAR
United States	13.8%	6.0%	-1.5%	4.1%	FR/NAR
Repeat-Sales Home Price Index (not seasonally adjusted)					
New Hampshire	102.0	111.5	128.3	145.2	FR/FM
New England	117.7	128.3	146.0	163.5	FR/FM
United States	153.5	162.1	175.2	190.0	FR/FM
New Hampshire Multiple Listing Service data on Sales of Existing Homes					
Total Sales Volume (millions)	$2,486.8	$2,830.6	$3,420.1	$3,602.9	AR
Annual percent change	20.9%	13.8%	20.8%	5.3%	AR/NHES
Average sale price	$134,146	$145,263	$168,717	$187,991	AR
Annual percent change	6.5%	8.3%	16.1%	11.4%	AR/NHES

Despite the onset of an economic recession in 2001, New Hampshire's banking institutions remain in good financial health. For the most part, asset and deposit growth rates were strong. This was particularly evident in commercial banking where growth rates in 2000 had been fairly weak. The equity capital-assets ratio for all FDIC insured banks in New Hampshire rose from 10.33 percent in 2000 to 10.76 percent in 2001. Normally equity capital-asset ratios fall during recessions because increases in loan defaults must be written off against a bank's capital. It appears that the economic downturn has not translated into any significant erosion of bank capital at the national level either as the equity capital-asset ratio for the United States increased from 8.49 percent to 8.99 percent from 2000 to 2001.

Commercial Banks

Commercial banks are financial institutions that offer a full range of banking services such as savings accounts, checking accounts and loans for all purposes. After exhibiting weak growth in 2000, the Granite State's commercial banks recorded stronger rates of growth in both assets and deposits in 2001. Assets grew by 12.1 percent and deposits by 16.6 percent. The growth rates in 2000 were 1.4 percent and 6.3 percent respectively. The equity capital-asset ratio for New Hampshire's commercial banks rose from 10.44 percent in 2000 to 11.17 percent in 2001. As of November 2002, Chittenden Corp., a Vermont-based bank holding company, was in the process of acquiring Granite State Bankshares, operators of Granite Bank. Approval of the acquisition by state and federal authorities is expected to be completed sometime in second quarter 2003. Currently, there are 19 Granite Bank offices across the state. As of September 30, 2002, total assets for Granite State Bankshares were 1.1 billion.[1]

Savings Institutions

Savings institutions focus primarily on pooling savings for the purpose of loaning funds for home purchases. Assets and deposits in New Hampshire's savings institutions increased by 11.7 percent and 9.2 percent respectively from 2000 to 2001. Over the same time period, the equity capital-assets ratio fell from 10.09 percent to 9.75 percent. The number of savings institutions in New Hampshire has not changed since 1999 and stands at 19.

Credit Unions

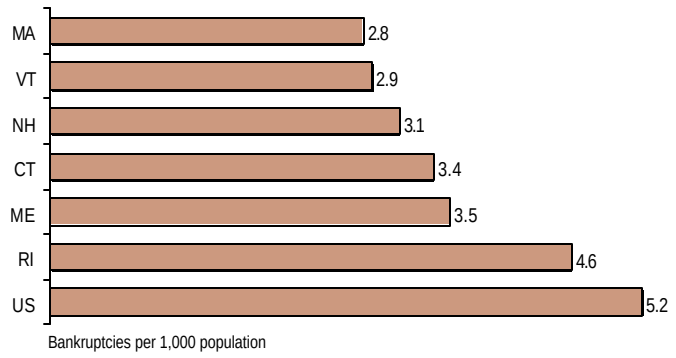
Total assets in New Hampshire's federally insured credit unions reached $2.591 billion in 2001, up 13.9 percent from the previous year. Total shares and deposits expanded by 14.3 percent over the same period, from $1.981 billion to $2.193 billion. The number of federally insured credit unions in New Hampshire remained unchanged at 32.

After declining for the last two years, bankruptcy filings in New Hampshire increased by 9.2 percent from 3,561 in 2000 to 3,887 in 2001.

Industrial Financing

The New Hampshire Business Finance Authority (BFA) was created in 1992 to facilitate economic growth and development in the Granite State. The BFA issues both tax-exempt and taxable bonds for fixed asset expansion projects (e.g. land, buildings, and equipment). It also works in tandem with the U.S. Small Business Administration (SBA) to provide loan guarantees for businesses with limited access to bank financing. In addition, the BFA has programs to assist local develop-

New Hampshire recorded the third lowest bankruptcy rate per 1,000 population in New England



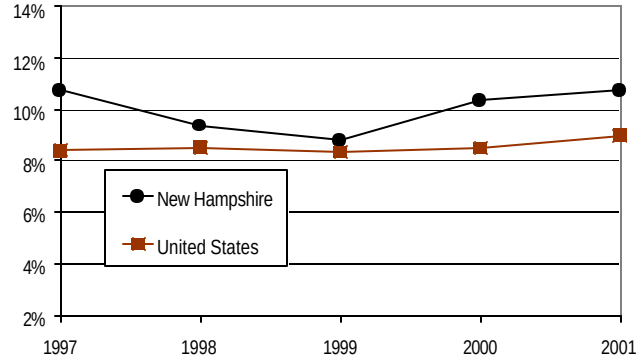
ment organizations (LDOs) in expanding their lending capacities. As of August 2001, loans from the BFA to LDOs totaled $17,120,477. The Business Finance Authority estimates that 1,548 jobs were maintained and 996 jobs created via these loans to local development organizations.[2]

Bankruptcy

After declining for the last two years, bankruptcy filings in New Hampshire increased by 9.2 percent from 3,561 in 2000 to 3,887 in 2001. Nationally, bankruptcy filings increased over the same time period by 19.0 percent. Furthermore, all New England states registered over the year increases in bankruptcy filings - ranging from a low of 9.1 percent in Connecticut to a high of 17.2 percent in Vermont. According to the American Bankruptcy Institute, despite the increase in bankruptcy filings, New Hampshire ranked 48th in the country in the number of households per filing for the twelve month period ending June 30, 2002. The Granite State ranked 45th in calendar year 2000 (the higher the ranking, the greater the ratio of non-filing households to filing households).[3]

The Administrative Office of the U.S. Courts released data on August 14, 2002 indicating that bankruptcy filings in the U.S. reached record highs for the second quarter of 2002 (400,686) and for the 12 month period ending June 30, 2002 (1,505,306).[4] As of October 2002, New Hampshire had recorded slightly more bankruptcies than were recorded at the same time last year.

The equity capital-asset ratio for New Hampshire's FDIC-insured commercial and savings banks has outpaced the national rate from 1997 to 2001



Loan Delinquencies

New Hampshire's 1-4 family residential mortgage delinquency rate fell from 1.31 percent in 2000 to 1.10 percent in 2001. After rising for three years, the Granite State's consumer loan delinquency rate decreased from 8.88 percent in 2000 to 7.46 percent in 2001 (the presence of large credit card operations in New Hampshire inflates the consumer loan delinquency rates).

The Mortgage Bankers Association of America (MBAA) has been surveying lending institutions since 1990 to gather information on mortgage rates and mortgage applications. Nationally, as of September 27, 2002, the MBAA reported that the average interest rate on 30-year home loans hit a modern record low of 5.84 percent. Not surprisingly, over the same week, indexes of seasonally adjusted mortgage requests and mortgage refinancing reached record highs of 1,285.4 and 6,671.4, respectively.

The most current data from the Federal Reserve Bank (Fed) indicates that default rates on consumer loans and credit cards are at record highs nationally. The four most recent quarters (quarter 3, 2001 to quarter 2, 2002) registered the highest rates since the Fed began tracking consumer loan and credit card default rates in 1985. First quarter 2002 default rates for consumer loans and credit cards were the highest ever recorded at 4.16 percent and 8.96 percent respectively.[5] In addition, the national ratio of household debt payments to disposable income, a measure of debt-service burden, remains at historically high levels.[6] This measure indicates that households are devoting larger shares of their disposable income to debt repayment. High debt burden and increasing bankruptcies, coupled with a lackluster economic recovery, are potential problems for the continued health of financial institutions at both the national and state level.

Kevin Coyne

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[2] BFA Assistance to Local Development Agencies.

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[3] Households per Filing, Rank. August 15, 2002. American Bankruptcy Institute. Accessed August 15, 2002 <www.abiworld.org/stats/html>

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[5] Federal Reserve Statistical Release. September 10, 2002. Federal Reserve Bank. Accessed October 24, 2002. <www.federalreserve.gov/releases/chargeoff/chg_all_sa.txt>

[6] Household Debt-Service Burden. July 16, 2002. The Federal Reserve Board. Accessed August 13, 2002 <www.federalreserve.gov/releases/housedebt/default.htm

Banking Data - FDIC Insured Banks

	1998	1999	2000	2001	Source
BANK ASSETS - Total All Banks (millions)	$24,261	$30,624	$31,646	$35,450	FDIC
Commercial Banks and Trust Companies	$16,191	$22,046	$22,352	$25,064	FDIC
Savings Institutions	$8,070	$8,578	$9,294	$10,386	FDIC
Annual percent change:					
Total	12.3%	26.2%	3.3%	12.0%	FDIC/NHES
Commercial Banks and Trust Companies	38.5%	36.2%	1.4%	12.1%	FDIC/NHES
Savings Institutions	-18.6%	6.3%	8.3%	11.7%	FDIC/NHES
BANK DEPOSITS - Total All Banks (millions)	$17,086	$21,603	$23,395	$26,757	FDIC
Commercial Banks and Trust Companies	$11,137	$15,462	$16,431	$19,153	FDIC
Savings Institutions	$5,949	$6,141	$6,964	$7,604	FDIC
Annual percent change:					
Total	8.8%	26.4%	8.3%	14.4%	FDIC/NHES
Commercial Banks and Trust Companies	30.5%	38.8%	6.3%	16.6%	FDIC/NHES
Savings Institutions	-16.9%	3.2%	13.4%	9.2%	FDIC/NHES
EQUITY CAPITAL (millions)					
Total	$2,276	$2,695	$3,270	$3,813	FDIC
Commercial Banks and Trust Companies	$1,406	$1,849	$2,333	$2,800	FDIC
Savings Institutions	$870	$847	$937	$1,013	FDIC
EQUITY CAPITAL TO ASSET RATIO					
Total	9.38%	8.80%	10.33%	10.76%	FDIC
Commercial Banks and Trusts	8.68%	8.39%	10.44%	11.17%	FDIC
Savings Institutions	10.78%	9.88%	10.09%	9.75%	FDIC
NUMBER OF BANKING INSTITUTIONS	39	38	35	34	FDIC
NUMBER OF BANKING OFFICES (Incl. branches)	409	407	404	411	FDIC

Credit Unions

	1998	1999	2000	2001	Source
ASSETS (millions)	$1,935	$2,115	$2,275	$2,591	NCUA
Annual percent change	16.4%	9.3%	7.6%	13.9%	NCUA/NHES
SHARES AND DEPOSITS (millions)	$1,670	$1,781	$1,918	$2,193	NCUA
Annual percent change	15.9%	6.6%	7.7%	14.3%	NCUA/NHES
NUMBER OF CREDIT UNIONS	34	34	32	32	NCUA

Finance - Private

Industrial Financing

	1998	1999	2000	2001	Source
Total bond issues[a] (millions)	$111.6	$106.6	$29.5	$325.2	BFA
Industrial revenue bonds, initial issues (millions)	$48.1	$35.9	$28.7	$19.2	BFA

[a]Data from previous Vital Signs was reported on the basis of fiscal years ending 6/30. Data is now reported for calender years beginning with 1998.

Non-Current Loans And Leases

	1998	1999	2000	2001	Source
FDIC commercial banks (Dec. 31st totals) (millions)	$194.9	$410.6	$624.3	$486.8	FDIC
Percent change from previous year	56.3%	110.7%	52.0%	-22.0%	FDIC
Rank by non-current/total (from smallest)[a]	46	51	51	51	FDIC

[a] Includes the fifty states and the District of Columbia. Rates for SD, NV, DE and NH are inflated by the presence of large credit card operations.

Bankruptcy Filings

	1998	1999	2000	2001	Source
Total New Hampshire Filings	4,945	4,044	3,561	3,887	BKRNH
Percent change from previous year					
New Hampshire	1.7%	-18.2%	-11.9%	9.2%	BKRNH
Connecticut	3.3%	-15.0%	-10.3%	9.1%	ABI
Maine	7.0%	-7.5%	-3.2%	12.5%	ABI
Massachusetts	-6.6%	-16.7%	-16.1%	13.2%	ABI
Rhode Island	0.1%	-7.7%	-11.9%	9.6%	ABI
Vermont	2.8%	-10.6%	-15.1%	17.2%	ABI
New England	-1.2%	-14.4%	-12.5%	11.4%	ABI
United States	2.7%	-8.5%	-5.0%	19.0%	ABI

Delinquency Rates (FDIC Insured Institutions)

	1998	1999	2000	2001	Source
Mortgage delinquency rate	2.93%	2.05%	1.31%	1.10%	FDIC
Consumer loan delinquency rate[a]	4.84%	6.37%	8.88%	7.46%	FDIC
Credit card delinquincy rate[a]	5.68%	7.77%	9.80%	8.31%	FDIC

[a] Rates for NH are inflated by the presence of large credit card operations.

Halfway through the two-year budget cycle, New Hampshire's Fiscal Year 2002 revenue fell short of the projected amount. Over 20 percent of the overall revenue was dependent on the income from the Business Profits Tax and the Business Enterprise Tax. The slowing economy hit New Hampshire businesses hard and the Business Profits Tax revenue was responsible for a majority of the statewide shortage, ending up $116.8 million shy of the budget plan expectations for the year. The Business Enterprise Tax netted $55.3 million above the plan, but this was not enough to put the combined revenue source at expected levels. Although the combined business taxes revenues were $61.5 million below the expected 2002 plan, it was still a $28.1 million increase over Fiscal Year 2001.

Signs of the lagging economy were evident in other revenue areas. Meals and Rooms Tax (also known as Meals and Rental Tax) was $6.1 million behind budget expectations, as were Interest and Dividends Tax and Communications Tax, shy by $5.6 million and $5.2 million respectively. Increased premiums for Insurance Tax helped bolster revenues as it came in over $13 million ahead of 2002 plan estimates. This was primarily the result of hard market increases in the commercial insurance and the effects of inflation on personal and health insurances. Hard markets occur when more money is paid out in claims than is collected through premiums and/or investments, resulting in increased pricing and reduced insurance underwriting. Property Tax Not Retained Locally and Retained Locally combined to equal Fiscal Year 2002 plan estimates. The combination of the General and Education Funds finished Fiscal Year 2002 with a preliminary total about $48 million below what was counted on.

As of October 1, 2002, [New Hampshire's Bond Rating] was rated Aa2 with a stable outlook according to Moody's rating desk.

An executive order in June 2002 required state agencies to reduce their budgets for 2003 in an effort to bring the numbers back in line. Going into the first quarter of Fiscal Year 2003, preliminary unaudited cash figures were still shy of budget plan estimates. The general fund revenue, at that point, from Business Profits Tax was less than half of the

General and Education Funds, FY 2001-2002 (millions)

	FY 01			FY 02		
	General	Education	Total	General	Education	Total
Business Taxes	$301.8	$52.5	$354.3	$248.6	$133.8	$382.4
Meals & Rooms Tax	157.2	6.8	164.0	163.4	6.5	169.9
Tobacco Tax	61.0	25.4	86.4	59.8	24.6	84.4
Liquor Sales & Distribution	89.3	--	89.3	95.3	--	95.3
Interest & Dividends Tax	76.7	--	76.7	71.4	--	71.4
Insurance Tax	66.5	--	66.5	75.3	--	75.3
Communications Tax	49.0	--	49.0	62.5	--	62.5
Real Estate Transfer Tax	59.5	29.7	89.2	65.0	32.4	97.4
Estate & Legacy Tax	59.3	--	59.3	57.0	--	57.0
Sweepstakes Transfers	--	59.4	59.4	--	66.7	66.7
Tobacco Settlement	--	38.7	38.7	5.7	40.0	45.7
Utility Property Tax	--	15.6	15.6	--	18.2	18.2
Property Tax not retained locally	--	24.2	24.2	--	29.0	29.0
Property Tax retained locally	--	418.0	418.0	--	454.1	454.1
Other	137.4	0.2	137.6	130.0	--	130.0
Subtotal	**$1,057.7**	**$670.5**	**$1,728.2**	**$1,034.0**	**$805.3**	**$1,839.3**
Net Medicaid Enhancement Revenues	85.2	--	85.2	106.8	--	106.8
Subtotal	**$1,142.9**	**$670.5**	**$1,813.4**	**$1,140.80**	**$805.30**	**$1,946.10**
Revenues to Fund Net Appropriations	13.0	--	13.0	16.3	--	16.3
Total	**$1,155.9**	**$670.5**	**$1,826.4**	**$1,157.1**	**$805.3**	**$1,962.4**

Source: State of New Hampshire Monthly Revenue Focus. June FY 2002. Department of Administrative Services. Accessed September 10, 2002 <http://admin.state.nh.us/accounting/monthly%20revenue%20focus-June-02.pdf>

budget plan, only $24.1 million instead of $46.0 million. Business Enterprise Tax was twice the plan estimation but is a smaller contributor so it was not enough to balance out the receipts. The combined business taxes preliminary totals were over $12 million less than anticipated. Extra revenues beyond the plan calculations from Insurance Tax and Real Estate Transfer Tax, as well as a few others, contributed to reducing the deficit for the general fund to $8.4 million. Portions allocated to the education fund were closer to original plan numbers, totaling a scant $0.2 million behind for the quarter.

Regardless of all these tribulations, New Hampshire's bond rating was still strong. As of October 1, 2002, it was rated Aa2 with a stable outlook according to Moody's rating desk. That translates to be high quality by all standards, and is generally known as a high grade bond.

Expenses

The primary focus of New Hampshire's financial picture the last few years has been through the eyes of education. The emphasis of providing an adequate education to all students in the state and the question of who was going to pay for it and how has been on the state budget agenda since the Claremont decisions of the 1990's.

At the beginning of Fiscal Year 2002, the Education Trust Fund started the budget year almost seven million dollars below expectations. Allocated revenues from the education portion of the general fund combined with transfers from general fund appropriations provided $871.0 million for educational expenses. However the expenditures from education grants and administrative costs exceeded that total by just under $12 million. That, combined with the previous shortfall,

State Government General and Special Expenditures

	1998	1999	2000	2001	Source
As reported by Administrative Services (millions)	$2,249.4	$2,373.9	$3,228.2	n/a	AS
As reported by Census Bureau (millions)	$3,039.5	$3,100.7	$3,884.5	n/a	CB
General Expenditures per $1,000 Personal Income:					
New Hampshire	$93.84	$88.10	$104.27	n/a	CB/BEA
United States	$119.45	$120.79	$124.07	n/a	CB/BEA
United States rank	49	50	43	n/a	CB/BEA
For Education	50	50	43	n/a	CB/BEA
For Public welfare	24	27	28	n/a	CB/BEA
For Highways	30	31	38	n/a	CB/BEA
General Expenditures per Capita					
New Hampshire	$2,565	$2,582	$3,143	n/a	CB
United States	$3,068	$3,268	$3,437	n/a	CB
United States rank	46	49	37	n/a	CB/NHES

State & Local Government General Revenue Per $1,000 Personal Income

	1998	1999	2000	2001	Source
Total general revenue	$156.44	$155.47	n/a	n/a	CB/BEA
United States rank	50	50	n/a	n/a	CB/BEA
Total taxes	$88.39	$88.37	n/a	n/a	CB/BEA
United States rank	50	49	n/a	n/a	CB/BEA
Property tax	$56.53	$57.24	n/a	n/a	CB/BEA
United States rank	1	1	n/a	n/a	CB/BEA
Percent of total taxes	64.0%	64.8%	n/a	n/a	CB/BEA
Percent of general revenue	36.1%	36.8%	n/a	n/a	CB/BEA
United States rank	1	1	n/a	n/a	CB/BEA

resulted in the education trust fund finishing Fiscal Year 2002 $18.6 millions below plan levels.

Because of restructuring in the tax system for school funding, there has been a significant increase in the general revenues for the state, rising from $3,108.3 million in 1999 to $3,875.9 million in 2000. This addition can explain the notable increase in the general revenue amount per $1,000 personal income, also exhibiting an increase from $88.32 to $104.04 during the same time frame. This changed New Hampshire's rank among the other states from the 50th position to the 46th position. New Hampshire also remained well below the amounts paid by neighboring New England states, ranging from $124.14 in Connecticut to $189.37 in Vermont.

Anita Josten

Unrestricted Revenue to State General Fund

	1998	1999	2000	2001	Source
Total unrestricted revenue (millions)	$973.0	$1,039.3	$1,775.6	$1,826.4	AS
Selected unrestricted general fund revenues					
Business profits tax	$167.5	$164.8	$168.8	$195.4	AS
Education Fund Portion	-	-	$22.4	$15.8	AS
Business enterprise tax	$71.0	$93.0	$148.5	$158.9	AS
Education Fund Portion	-	-	$54.1	$36.7	AS
Meals/rooms & rental tax	$128.7	$137.3	$156.2	$164.0	AS
Education Fund Portion	-	-	$6.4	$6.8	AS
Liquor sales and distribution tax	$75.4	$77.4	$86.0	$89.3	AS
Sweepstakes transfers	$0.0	$0.0	$61.5	$59.4	AS
Education Fund Portion	-	-	$61.5	$59.4	AS
Insurance tax & securities revenue	$54.7	$62.9	$59.3	$66.5	AS
Tobacco tax	$76.1	$73.8	$95.0	$86.4	AS
Education Fund Portion	-	-	$26.6	$25.4	AS
Tobacco settlement	$0.0	$0.0	$54.2	$38.7	AS
Education Fund Portion	-	-	$53.8	$38.7	AS
Interest and dividends tax	$61.8	$63.1	$65.5	$76.7	AS
Board and care revenue	$13.0	$11.2	$12.0	$13.3	AS
Estate and legacy tax	$43.3	$54.7	$56.4	$59.3	AS
Telephone/communication tax	$40.1	$46.2	$47.8	$49.0	AS
Real estate transfer tax	$44.2	$52.9	$85.0	$89.2	AS
Education Fund Portion	-	-	$28.2	$29.7	AS
Utilities tax	$17.7	$10.4	$10.0	$9.7	AS
Utilities property tax	$0.0	$0.0	$31.2	$15.6	AS
Education Fund Portion	-	-	$31.2	$15.6	AS
Statewide property tax (not retained locally)	$0.0	$0.0	$24.2	$24.2	AS
Education Fund Portion	-	-	$24.2	$24.2	AS
Statewide property tax (retained locally)	$0.0	$0.0	$418.0	$418.0	AS
Education Fund Portion	-	-	$418.0	$418.0	AS
Uncompensated care pool	$9.2	$15.9	$12.9	$13.0	AS

Property Valuations, Equalized

	1998	1999	2000	2001	Source
State total equalized valuation (millions)	$70,240	$76,154	$86,704	$99,074	RA
Annual percent change	7.5%	8.4%	13.9%	14.3%	RA/NHES
Percent in Hillsborough & Rockingham Counties	53.8%	54.2%	54.9%	56.0%	RA
Property tax assessment ratio	0.97	0.92	0.88	0.83	RA
Full value tax rate per $1,000	$24.87	$20.97	$25.45	$19.21	RA

Unemployment Insurance Tax

	1998	1999	2000	2001	Source
Average tax per worker (federal & state) in covered employment	$106	$110	$107	$109	NHES

State Government General and Special Revenue Funds

	1998	1999	2000	2001	Source
As reported by Administrative Services (millions)	$2,251.9	$2,402.2	$3,129.6	n/a	AS
From Federal Government (millions)	$863.7	$947.6	$957.7	n/a	AS
As reported by Census Bureau	$2,968.1	$3,108.3	$3,875.9	n/a	CB
From Taxes	$1,008.5	$1,070.8	$1,696.1	$1,775.8	CB
General Revenue per $1,000 Personal Income:					
New Hampshire	$91.62	$88.32	$104.04	n/a	CB/BEA
United States	$124.83	$123.04	$126.69	n/a	CB/BEA
United States rank	50	50	46	n/a	CB/BEA
Rank in General revenue from taxes	50	50	50	n/a	CB/BEA
Rank in General revenue from Federal Gov't	42	41	n/a	n/a	CB/BEA
General Revenue per Capita					
New Hampshire	$2,505	$2,588	$3,136	n/a	CB
United States	$3,206	$3,329	$3,509	n/a	CB
United States rank	48	50	38	n/a	CB/NHES

The road to financial security is paved by education. As reported in the U.S. Department of Labor's Occupational Outlook Quarterly, Spring 2002, income increases substantially with educational attainment. Nationally the average annual wage in 2000 for a high school drop out was $21,400, while a professional degree recipient expected to earn an average of $80,200.

The payoff in education begins as early as a high school diploma. Workers with a high school degree earn $7,400 more than those not completing high school. Nationally, the median earnings for year-round, full-time workers age 25 and older in 2000 with a professional degree were more than three and a half times those of high school dropouts.[1]

Educational Outcomes

The No Child Left Behind Act (NCLBA), signed into law in January 2002, greatly expanded the requirements for setting standards, testing students, and assigning accountability based on those test results. The NCLBA is legislation targeted at elementary and secondary schools, and has the potential to impact the nation's as well as New Hampshire's education system far into the foreseeable future.

The New Hampshire Educational Improvement and Assessment Program (NHEIAP) provides insights into the educational progress of Granite State elementary and secondary school students. Granite State pupils' level of proficiency are tested at the conclusion of third, sixth, and tenth grades. Students in all three grades are assessed in English language arts and mathematics. Sixth and tenth grades are also assessed in science and social studies.

Test results place the students' proficiency levels at novice, basic, proficient, or advanced. Those students who score at the basic, proficient, and advanced levels are, according to the New Hampshire Department of Education, making progress toward obtaining an adequate education.

In May 2002, third grade test results in English language arts demonstrated slight increases, with 75 percent of students performing at the *basic level and above*, compared to 72 percent in 2001. Likewise, scores in mathematics showed 80 percent of students performed at the *basic level and above*, compared to 78 percent in 2001.

As of 2000, 87.4 percent of the Granite State's population age 25 and over possessed at least a high school diploma, compared to 80.4 percent nationally.

Sixth grade *basic level and above* scores remained relatively stable or slightly increased in all areas with the exception of science. The percent of students scoring at *basic level and*

2002 New Hampshire Educational Improvement and Assessment Program Test Results

Grade Three - 15,859 Students				
Subject	Advanced	Proficient	Basic	Novice
Language Arts	8%	33%	34%	24%
Mathematics	10%	29%	41%	20%
Grade Six - 17,529 Students				
Subject	Advanced	Proficient	Basic	Novice
English Language Arts	5%	23%	41%	31%
Mathematics	6%	22%	44%	28%
Science	2%	17%	34%	47%
Social Studies	2%	16%	44%	37%
Grade Ten - 15,486 Students				
Subject	Advanced	Proficient	Basic	Novice
English Language Arts	6%	31%	38%	24%
Mathematics	7%	19%	34%	40%
Science	2%	19%	31%	48%
Social Studies	2%	14%	36%	48%

above increased slightly for mathematics to 72 percent in 2002, compared to 68 percent in 2001. Science scores at all *basic level and above* declined over the year.

Tenth grade results had slight increases in English language arts and social studies, while scores in mathematics and science were marginally lower than 2001.

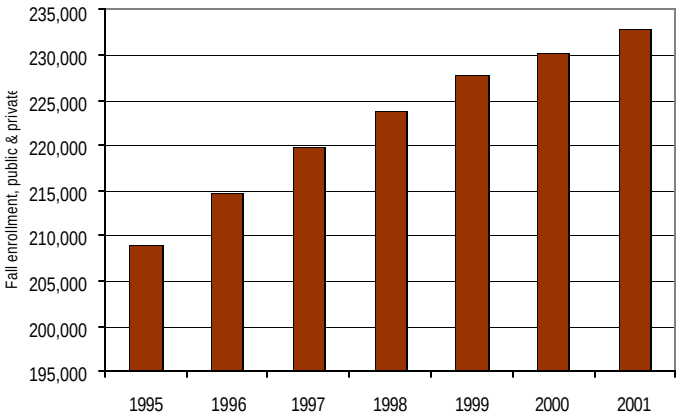
Another measure of student progress is the Scholastic Aptitude Testing (SAT). New Hampshire witnessed 72 percent of its high school seniors participating in the 2000-2001 testing, compared to the national average of 45 percent participation. The Granite State seniors scored an average of 1,036, surpassing the national average of 1,020. On a less positive note, while the national average scoring trend has been upwards for the past three years, New Hampshire's trend has been leveling with a slight downward trend since 1998's average of 1,043.

Classroom profile

The challenges of post Claremont education reform are many and complex. Fall 2001 New Hampshire enrollment numbers of 232,906 pupils in grades one through twelve were higher than the 2000 school year number of 230,316, a growth rate of 1.1 percent.

In 2001, New Hampshire's first and second graders shared the classroom with an average of 18 students, while third and fourth grades had an average of 20 classmates. Class size in grades five through eight increased to 21 students. Student teacher ratios in the Granite State for the 2001 school year range from 19.6:1 in Chester, to 5.2:1 in Waterville Valley, with a state average of 14.2:1.

School enrollment numbers have increased by about 23,000 since 1995



Attendance trends pointed to a decreasing participation record as Granite State students progress through the grades. In 2001, elementary students attended school 95.7 percent of the time. Middle and junior high school student attendance began to drop off to a 94.6 percent attendance rate, while the high school attendance rate was 92.6 percent. The overall attendance average for the state was 94.5 percent for the year.

New Hampshire's annual high school dropout rate for the 2000-2001 academic year was 5.3 percent. Beginning with the 2000-2001 school year, the dropout counts and rates are not comparable with counts and rates published for previous school years. The definition of a dropout has changed significantly and the formula for calculating the rate is different.[2]

Career Technology Education (CTE) programs in the secondary schools of the Granite State are growing, with 334 programs in 2001 compared to 320 in 2000. The number of students enrolled in these programs also increased from 11,034 in 2000 to 11,835 in 2001. These programs offer students education in trades related subjects, with the goal of preparing them for entry level positions.

A vast majority of New Hampshire teachers (70 percent, or 11,248 teachers in 1998) were in their forties or older, and many will soon be retiring from the profession, leaving school districts with inevitable vacancies to fill.

In 2001, based upon an analysis of teacher supply and demand, the New Hampshire Department of Education identified critical shortages in seventeen professional certification areas. These shortage areas included nine special education certificates, foreign languages, English as a second language,

guidance counselors, media generalists, music education, middle/junior high and secondary mathematics, and technology education.

Costs

The cost of educating New Hampshire's youth is of consequence to taxpayers, educators, and legislators alike. The New Hampshire state average cost of education per pupil rose six percent, from $6,357 in 2000, to $6,738 in 2001. This increase comes on the heels of an almost six percent increase in 1999, and nearly a four percent increase in 1998.

According to the American Federation of Teachers (AFL-CIO) 2000-2001 salary survey, New Hampshire ranked 27th of the fifty states and the District of Columbia in average teacher salaries.

The New Hampshire School Board Association reports that the average salary of a school superintendent in the 2001-2002 school year was $84,886, compared to $81,541 in 2000-2001 reflecting a 3.9 percent increase. According to the New Hampshire Department of Education, the average classroom teacher salary experienced a 4.2 percent gain from $38,301 to $39,915. Teacher salaries in New Hampshire for the 2001-2002 school year ranged from a high of $56,183 in Hanover to the low of $24,000 in Croydon.

Post high school choices and educational attainment

According to the Census 2000, New Hampshire ranked seventh in the nation in overall educational attainment. As of 2000, 87.4 percent of the Granite State's population age 25 and over possessed at least a high school diploma, compared to 80.4 percent nationally. New Hampshire's educational strength

Elementary and Secondary Education

	1998	1999	2000	2001	Source
Enrollment, fall, public & private (includes preschool)	223,723	227,690	230,316	232,906	DE
Growth Rates: Total	1.8%	1.8%	1.2%	1.1%	DE/NHES
First grade	-3.8%	0.5%	-3.5%	-1.1%	DE/NHES
Twelfth grade	4.3%	4.8%	3.9%	1.9%	DE/NHES
Career Technology Education Enrollment	10,145	10,246	10,515	10,516	DE
Percent of 9th & 10th grade	7.8%	7.9%	6.2%	6.2%	DE/NHES
Percent of 11th & 12th grade	25.7%	24.6%	25.9%	25.9%	DE/NHES
High School Career Tech. Education Completers	2,617	2,611	2,676	2,676	DE
Average Salary of Instructional Staff (public schools)	$44,234	$45,187	$46,161	$47,184	UED
United States rank	12	12	$14	$14	UED/NHES
High School Graduates (Public schools)					
Graduation rate (not adjusted for migration)	74.5%	73.0%	n/a	n/a	UED
United States rank (including D.C.)	n/a	n/a	n/a	n/a	UED
Total number of graduates (public)	10,669	11,087	11,711	11,942	DE
Enrolled in four-year college	52.0%	54.1%	54.0%	53.7%	DE
Enrolled in less-than four year college	17.6%	15.2%	15.7%	17.5%	DE
Total Non-College	28.3%	30.7%	30.3%	28.8%	DE
Scholastic Assessment Test (SAT)	1,043	1,038	1,039	1,036	UED
National average	1,017	1,016	1,019	1,020	UED
Rank (among the 23 states and D.C. who administer test)	3	3	3	n/a	UED
Percent of high school graduates taking test	74.0%	n/a	72.0%	72.0%	UED

showed with 28.7 percent of persons age 25 or older having at least a bachelor's degree or higher. This was over four percentage points higher than the national average, 24.4 percent.

Of the 11,942 New Hampshire Public School graduates in 2001, over half, 53.7 percent, enrolled in a four year college, while 17.5 percent enrolled in a less than four year college. A decreasing percentage of the class of 2001, 28.8 percent compared to 30.3 percent of the class of 2000, did not continue their educational careers.

Of New Hampshire's class of 2001 graduates not continuing their education, 77 percent began working, almost 12 percent enlisted in the military, 5.5 percent were unemployed, and 5.5 percent were unaccounted for.

Among the 412 New Hampshire high school graduates of 2001 entering the military, Granite State recruits were 81 percent male, and 19 percent female.

Of the 2001 graduates, more women (54.4 percent) than men (45.6 percent) chose to continue their education past high school. There was a similar proportion of women over men choosing a four year degree program.

According to the National Center for Education Statistics, New Hampshire had over 14,700 postsecondary completers in 2001. Of those, bachelor's degrees were received by more than 7,500, and associate's degrees received by over 3,000. The overall split was about two women to every three men.

Among those receiving bachelor's degrees, the most common concentration of study was in business administration and management, with just over 11 percent of completers. Of the business and management completers, the gender split was almost 50/50. The next two most frequently completed programs of study were psychology and English language and literature, with almost six percent each.

Expenditures Per Pupil (average)

	1998	1999	2000	2001	Source
Total, Net, all purposes (school year)	$5,781	$6,009	$6,357	$6,738	DE
Annual percent change	n/a	3.9%	5.8%	6.0%	DE/NHES
Instruction expenditures	$4,599	$4,772	n/a	n/a	DE
Current expenditures per pupil in ave. daily attn.	6,487	6,780	n/a	n/a	UED
Expenditures as % per capita income:					
New Hampshire	22.0%	21.9%	n/a	n/a	UED/NHES
United States	24.5%	24.6%	n/a	n/a	UED/NHES
United States rank (1=highest)	45	n/a	n/a	n/a	UED/NHES
Revenue sources, percent of total school revenues:					
State funds	9.3%	8.9%	n/a	n/a	UED
National average	48.4%	48.7%	n/a	n/a	UED
United States rank (District of Columbia not included)	50	50	n/a	n/a	UED
Local and other[a] funds	84.5%	84.7%	n/a	n/a	UED
National average	42.3%	41.7%	n/a	n/a	UED
United States rank (District of Columbia not included)	1	0	n/a	n/a	UED
Federal funds	3.8%	4.0%	n/a	n/a	UED
National average	6.8%	7.1%	n/a	n/a	UED
United States rank (District of Columbia not included)	49	tie 50	n/a	n/a	UED

[a] Includes gifts, tuition, and fees from patrons.

Associate's degrees had three different programs vying for the most common selection of study, two of those in business and the third in nursing (registered nurse training). Each of these programs had slightly over seven percent of the associate's degree completers in 2001. Among those receiving associate's degrees, women outnumbered men two to one.[3]

Eighty-six percent of Community Technical College system graduates that responded to a recent alumni survey were working in New Hampshire, and earned over $35,000 per year. Many reported working in jobs related to their field of study. Ninety-five percent in career and technical programs were employed or continuing their education. Seventy-two percent were employed in their desired field. Twenty percent earned more than $40,000 per year.

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Anita Josten

[1] "Education Pays" Occupational Outlook Quarterly. Spring 2002. Page 52.
[2] Elementary and Secondary School Statistics. New Hampshire Department of Education, Accessed November 4, 2002. <www.ed.state.nh.us/ReportandStatistics/AttendanceAndEnrollment.html>
[3] National Center for Education Statistics Integrated Postsecondary Education Data System (IPEDS) Peer Analysis System http://www.nces.ed.gov./ipedspas/index.asp Accessed on February 14, 2002

Postsecondary Education

	1998	1999	2000	2001	Source
Community Technical College Graduates	1,364	1,194	1,612	1,401	CTC
Number employed full-time after six months	834	931	1,402	981	CTC
Percent working full-time	61.1%	77.0%	87.0%	70.1%	CTC
Percent of those working in New Hampshire	86.0%	n/a	70.0%	83.2%	CTC
Number continuing education	160	262	435	399	CTC
Percent continuing education	11.7%	22.0%	27.0%	29.0%	CTC
Enrollment, fall total, 2 & 4 year institutions	61,228	63,953	61,741	64,032	PEC
Degrees Granted by NH Colleges	13,266	13,193	13,287	14,246	PEC
Associate degrees	2,904	2,926	2,941	2,841	PEC
Bachelor degrees	7,602	7,473	7,653	7,903	PEC
Postgraduate degrees inc. first professional degrees	2,760	2,794	2,693	3,502	PEC
By Selected Concentration:					
Business management and administration	3,495	3,095	3,391	n/a	PEC
Health sciences including M.D.	1,248	1,264	1,263	917	PEC
Engineering	532	574	472	362	PEC
Computer and information sciences	456	447	564	528	PEC
Education	n/a	n/a	n/a	525	PEC
Social Science and History	n/a	n/a	n/a	1,035	PEC

15. Health

According to Census 2000, New Hampshire had approximately 84,000 residents without medical insurance coverage. That's just under seven percent of the state's total population. Breaking those numbers down by age groups, about the same proportion of all the children in the state are without health insurance.[1] The state is taking steps to alleviate this problem.

In July 2002 New Hampshire joined 29 other states in making a health high risk pool available to residents. A high risk pool is a government-run health insurance program that includes individuals who are "uninsurable" by private individual insurers. This program is intended to keep medical insurance affordable for the private market insurance while guaranteeing coverage to those who have or are expected to have very high health care costs.

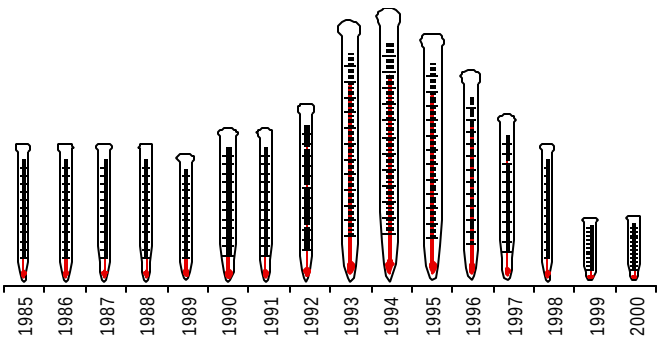
According to Census 2000, New Hampshire had approximately 84,000 residents without medical insurance coverage.

The program is called New Hampshire Health Plan (NHHP). There are four ways for a New Hampshire resident to become eligible for this "last resort" insurance:

- Have a medical condition that is on the list of pre-qualifying conditions set by NHHP
- Have been declined coverage by a private insurer because of their medical condition
- Have been accepted for coverage by a private insurer but at a higher rate than available through NHHP
- Have lost coverage from an expired COBRA plan

How does it work? A fund was set up from a fee assessed to companies offering health insurance plans in the state per "covered life". Employee Benefit Plan Administrator (EBPA) administers this plan and the coverage is guaranteed renewable.

After five years of declines, the average number of days a patient is hospitalized remained steady in 2000



Healthiest State

New Hampshire regained top ranking for the healthiest state in 2002 from UnitedHealth Foundation's report. New Hampshire's strengths included the highest adequacy of prenatal care in the country, the highest support for public health care, the fewest limited activity days, and the lowest infant mortality rates. The state also measured well with the combined performance in risk factors (spurred by improved ratings in prevalence of smoking and risk for heart disease) and outcomes (such as occupational fatalities and cancer deaths). The Granite State has been ranked in the top spot six of the previous 13 years.[2]

Pilot programs

NH Medication Bridge Program was started in New Hampshire in September 2000. The program helps people with no insurance obtain the prescription medication they need. This is part of patient assistance programs available through pharmaceutical companies. After the first full year of the program, December 2001, there were 7,491 people in New Hampshire enrolled, half of them under age 65. At that point 60,944 prescriptions had been processed and $10.9 million worth of drugs had been dispensed. By the end of June 2002, the number of people had grown to 10,067 exhibiting the tremendous need for financial assistance for prescription drugs. New Hampshire Hospital Association helps administer this program and visits the 44

sites throughout the state to assist eligible patients with the tedious volumes of paperwork that are required for renewal every three months.

New Hampshire's Department of Health and Human Services is also in the second year of a prescription program that focuses on the pharmaceutical needs of elderly residents in the state. What originally started as the program Senior Prescription Drug Discount Program is continuing as a program through ExpressScripts, a division of National Prescription Administration (NPA). It was originally estimated to provide anywhere from a 13 to 45 percent discount on prescriptions for qualifying senior citizens. By the end of June 2001, (fiscal year of the state) over 250,000 prescriptions had been processed with a savings of approximately $1.6 million to seniors.[3] As of the beginning of September 2002, the total savings to date were about $3.4 million, averaging a solid 17 percent until July and August when savings for seniors averaged over 18 percent. The number of prescription claims processed had grown to 474,730 with a total of 76,798 enrolled in the program.

West Nile Virus

West Nile encephalitis is a mosquito transmitted disease. In New Hampshire there were 119 birds confirmed with the virus as of October 18, 2002. Although people cannot get the virus from birds, the birds confirmed with the virus mean that the West Nile Virus is migrating into and is active in the area. People should take care to not be bitten by possibly infected mosquitoes. The virus generally causes prolonged flu-type symptoms in most healthy people. Exceptions to that are children and the elderly who are more susceptible to central nervous system infections such as encephalitis and/or meningitis that the virus can cause.

Horses are also sensitive to the virus. Though horses don't usually show symptoms until late fall/early winter, last year, during November and December 2001, two horses in Rockingham County tested positive for the virus. While there is no treatment for the virus, there is an equine vaccine available through licensed veterinarians.

West Nile Virus was first found in North America when an outbreak occurred in New York City in the summer of 1999, killing seven people and hospitalizing 55 others. Since then it has been transported by infected birds migrating to various areas of the country, and by people who have been infected by mosquito bites while traveling. As of mid August 2002, Louisiana had the worst outbreak in American history, matching the 1999 death toll and experiencing 59 confirmed cases. New Hampshire is among the states that are eligible to apply for grant money made available by the Centers for Disease Control and Prevention to help states strengthen their efforts against the virus.[4]

Health Professionals

In mid-June 2002, New Hampshire requested an exemption from the federal government to allow local hospitals to make decisions about the supervision of certified registered nurse anesthetists (CRNA) for Medicare reimburse-

New Hampshire Year 2002
Testing for West Nile Virus

City	Positive Birds		City	Positive Birds
Amherst	1		Merrimack	1
Antrim	1		Milford	2
Bedford	3		Nashua	21
Bow	3		Newfields	1
Concord	10		Northfield	1
Derry	1		Northwood	1
Exeter	2		Nottingham	1
Gilford	1		Portsmouth	1
Goffstown	5		Raymond	2
Hollis	1		Salem	1
Hooksett	1		Stratham	1
Hopkinton	2		Surry	1
Hudson	3		Swanzey	1
Keene	6		Warner	2
Kingston	2		Winchester	2
Laconia	1		Windham	1
Lee	1		Wolfeboro	1
Loudon	1			
Manchester	33		**Total**	**119**

Data provided by DHHS/OCPH/BHSDM/jh, 10/18/02

ment purposes. The decision does fall in line with the state law which has among the highest standards in the country for licensure of Advanced Registered Nurse Practitioners, including certified registered nurse anesthetists. CRNAs are the primary or sole providers of anesthesia in about two-thirds of New Hampshire hospitals.[5] Hospitals expressed their approval with the decision because of the difficult task to recruit and retain physicians to rural communities throughout the state.

In an effort to counter the shortage of nurses and other health professionals, a new program was established in Plymouth to help introduce healthcare professions to students. Forerunners of the program were Speare Memorial Hospital and Plymouth Regional High School. The four-year program will prepare students to immediately enter the health care job market as Certified Nursing Assistants and/or Emergency Medical Technicians or they can continue their education in area of health care. There is even a tuition assistance program available for continuing education through the hospital. The program was made possible with a grant from the NH Department of Health and Human Services Office of Health Planning and Medicaid Community Grant Program.

The Foundation for Healthy Communities conducted a survey to access the increasing difficulty in recruiting and retaining nurses, specifically registered nurses (RNs) and licensed practical nurses (LPNs). This survey was sent to about ten percent of all practicing nurses in the state in 2001. Using the survey results, the Foundation concluded that:

1- Recruitment of new nurses is critical to meet the demands for patient care in diverse health care delivery organizations. Targeted recruitment policies and programs need to be developed to appeal to young people who have a wide range of career choices.
2- New strategies to retain nurses are needed. Salary is an important issue but not the only issue. Work conditions, professional relationships, and recognition by administrators and employer organizations are also important.[6]

Hospital Insurance

	1998	1999	2000	2001	Source
Medicare: (thousands)					
Aged	143	145	147	n/a	SSA
Disabled	21	22	23	n/a	SSA
Average covered charge per day of care					
Short-stay hospitals					
New Hampshire	$2,061	$2,269	$2,477	n/a	SSA
New England	$2,149	$2,284	$2,427	n/a	SSA
United States	$2,388	$2,554	$2,777	n/a	SSA
Skilled nursing facilities					
New Hampshire	$458	$387	$393	n/a	SSA
New England	$448	$395	$397	n/a	SSA
United States	$498	$425	$421	n/a	SSA
Medicaid:					
Average payments per recipient					
New Hampshire	$6,449	n/a	n/a	n/a	SSA
New England	$5,272	n/a	n/a	n/a	SSA
United States	$3,501	n/a	n/a	n/a	SSA

In New Hampshire the demands in the nursing field are expected to grow. From the base year 1998, registered nurses employment was projected to have an estimated 29.1 percent growth rate by 2008, with almost 500 annual openings. Likewise licensed practical nurses anticipated over a 25 percent increase by 2008, expecting over 100 annual openings.

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[1] U.S.Census Bureau, Historic Health Insurance Tables <www.census.gov/hhes/hlthins/historic/hihistt5.html> accessed September 16, 2002

[2] UnitedHealth Foundation, America's Health: UnitedHealth Foundation State Health Ranking. pg. 51

[3] "Improving Health Care.". State of New Hampshire Annual Citizens Report, Fiscal Year 2001, December 2001, pg. 8

[4] "HHS Providing Additional $4 Million to Help States Fight West Nile Virus." U.S. Department of Health and Human Services News Release. August 21, 2002. Accessed 8/23/02 <www.hhs.gov/news/press/2002pres/20020821a.html>

[5] Media Release – New Hampshire Office of the Governor, accessed September 12, 2002 <www.state.nh.us/govenor/media/061102hospitals.html>

[6] Foundation for Healthy Communities, funded by New Hampshire Hospital Association, New Hampshire Nursing Workforce Initiative Final Report, July 16, 2002

Health Services

	1998	1999	2000	2001	Source
General hospitals, acute care only (excludes nursing home beds)					
Total admissions	108,942	109,110	111,227	n/a	HA
Percent change	-1.1%	0.2%	1.9%	n/a	HA
Gross revenue (millions)	$1,979	$2,115	$2,405	n/a	HA
Uncompensated Care (Bad Debt plus Charity Care)(millions)	$101	$112	$118	n/a	HA
Admissions per 1,000 population					
New Hampshire	92	91	90	n/a	HA
New England	111	111	109	n/a	HA
United States	118	119	118	n/a	HA
Total number of inpatient days	658,884	599,777	611,919	n/a	HA
Percent change	-3.5%	-9.0%	2.0%	n/a	HA
Inpatient days per 1,000 population:					
New Hampshire	556	499	495	n/a	HA
New England	633	650	641	n/a	HA
United States	708	703	684	n/a	HA
Average length of stay (in days):					
New Hampshire	6.0	5.5	5.5	n/a	HA
New England	5.7	5.8	5.9	n/a	HA
United States	6.0	5.9	5.8	n/a	HA
Emergency Room Visits	476,050	491,840	526,103	n/a	HA
Inpatient Surgeries	31,291	32,864	33,595	n/a	HA
Outpatient Surgeries	61,163	60,607	68,807	n/a	HA

Total Expense Per Capita

	1998	1999	2000	2001	Source
New Hampshire	$1,055	$1,073	1,186	n/a	HA
Annual percent change	4.6%	1.7%	10.6%	n/a	HA/NHES
New England	$1,415	$1,463	1,503	n/a	HA
Annual percent change	6.1%	3.4%	2.7%	n/a	HA/NHES
United States	$1,180	$1,229	1,267	n/a	HA
Annual percent change	3.3%	4.2%	3.1%	n/a	HA/NHES

Workers' Compensation Payments

	1998	1999	2000	2001	Source
Reported injuries & compensable disabilities (fiscal year)					
Injuries per 100 in employment	9.7	9.4	9.3	9.1	LD
Compensable injuries per 100 in employment	2.1	2.0	2.0	1.7	LD
Benefits paid by insurance companies and self insurers (Calendar year, millions)	$146.4	$155.7	$157.8	$171.9	LD
Annual percent change	-1.9%	6.4%	1.3%	8.9%	LD/NHES

More than 81,000 people in New Hampshire were considered poor in 2001, an increase of 27.4 percent over-the-year. This 6.5 percent share of the total population (also known as the poverty rate) was the lowest in the nation. Nationally, roughly 31.1 million people (poverty rate of 11.7 percent) were considered poor in 2001, an over-the-year increase of about 16 percent.

What is the difference between poverty thresholds and poverty guidelines?

The Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is poor. If a family's total income is less than the relevant threshold, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but they are updated annually for inflation with the Consumer Price Index (CPI-U). The official poverty definition counts money income before taxes and excludes capital gains and noncash benefits (such as public housing, medicaid, and food stamps).[1]

Poverty guidelines are the administrative version of the poverty measure and are issued each by the Department of Health and Human Services. They are a simplification of the poverty thresholds and are used in determining financial eligibility for certain federal programs such as Food Stamps, Head Start, and Job Corps.[2]

Temporary Assistance for Needy Families (TANF)

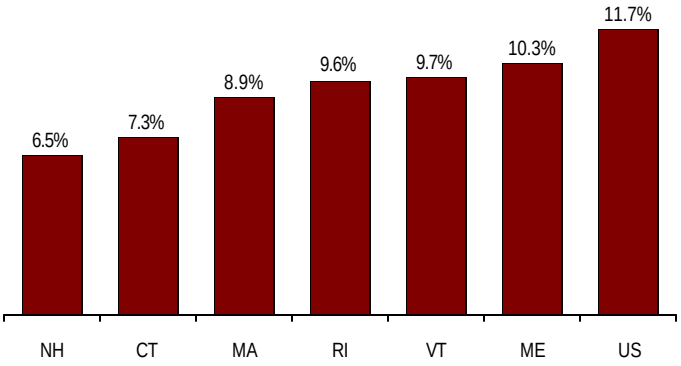
The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), passed in 1996, ushered in welfare reform by replacing the Aid to Families with Dependent Children (AFDC) financial assistance program with a new five-year block grant called Temporary Assistance for Needy Families (TANF). This created a new Federal-State partnership. Policy was no longer set completely by the Federal Government. Instead, states were given "broad flexibility to spend funds in any reasonably calculated manner to achieve the goals of TANF." The purpose of this flexibility was to allow states to craft programs to best meet the needs of their own citizens.[3]

According to the New Hampshire Department of Health and Human Services (NHDHHS), 8,118 families were receiving financial assistance when the TANF program was initiated (October 1996). At the end of the grant period, September 30, 2001, that number had declined to 5,476 families, a decrease of 33 percent. However, between September 30, 2001 and September 30, 2002, the number of families receiving financial assistance increased by 373 to 5,849 families. This is not surprising in a time of economic uncertainty and slightly increased unemployment rates.

As a result of September 11, Social Security received 5,375 individual benefit claims from 2,060 families across the country… these benefits totaled nearly $31 million

Another major change as a result of PRWORA is the 60-month lifetime limit on receipt of TANF. A recipient is limited to 60 months of financial assistance during his or her lifetime. According to NHDHHS, as of September 2002, only 329 people had reached this limit.

New Hampshire had the lowest poverty rate in the nation in 2001



Under certain specific circumstances, a participant may be allowed to exceed the 60 months through a process developed by the NHDHHS for families that may experience a hardship. If the participant has a particular hardship circumstance that indicates a need beyond the 60-months of assistance, a request may be made for an additional 6-month hardship extension. Hardship requests are decided on a case-by-case basis. As of September 2002, 142 participants of the 329 people who had reached this limit remained open due to a hardship.

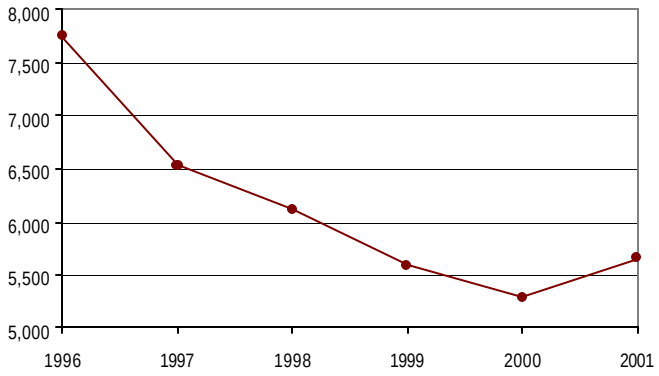
Child Support

NHDHHS Division of Child Support Services (DCSS) helps families establish and enforce child support orders because, "Every child living in NH has a legal right to financial support from both parents, even if the parents are divorced, separated or never married."[4]

Recipients of TANF benefits automatically receive child support services. All other persons are eligible by applying at a NHDHHS District Office. There is no fee for child support services in New Hampshire.

By the end of Fiscal Year 2001, NHDHHS had 36,781 child support cases open in New Hampshire, representing 44,962 children. More than $77.6 million in child support was collected, mostly through wage garnishing.

TANF caseloads increased in 2001 following four consecutive years of declines



What about those parents who refuse to pay child support?

NHDHHS's DCSS-Legal-Criminal Enforcement Unit deals with parents who not only haven't paid child support as ordered but also can't be located to have the order enforced. Ten of these "non-supporting" parents who meet certain criteria set by the Criminal Enforcement Unit are featured on posters each year. The first poster was published in 1992 and since then 83 non-supporting parents (81 dads and 2 moms) have been located. As of February 2002, DCSS's Criminal Enforcement Unit had collected $1.3 million from them.[5]

The Ten Most Wanted Poster has been found to have a high deterrent effect on would-be non-supporting parents. It also provides an increased public awareness of the serious problem concerning those parents who fail to take financial responsibility for their children.[6]

Social Security

The Old-Age, Survivors, and Disability Insurance (OASDI) program provides monthly benefits to qualified retired and disabled workers. Nearly 200,500 people in New Hampshire received benefits in December 2000, an increase of 2.9 percent over 1999. These benefits totaled nearly $123 million.

Monthly Social Security and Supplemental Security Income (SSI) payments increased 2.6 percent in January 2002. For Social Security beneficiaries, the average monthly benefit amount for all retired workers rose from $852 to $874. The maximum federal SSI monthly payment to an individual rose from $531 to $545. For a couple, the maximum federal SSI payment rose from $796 to $817.[7]

Social Security and September 11

As a result of September 11, Social Security received 5,375 individual benefit claims from 2,060 families across the country. Most of the assistance went to family members of those killed in the terrorist attacks. However, Social Security also helped workers get disability and retirement benefits. As of September 11, 2002, these benefits totaled

nearly $31 million nationwide. According to the Social Security Administration, no claims information is available for individual states.[8]

Most Popular Baby names in 2000

What's in a name? If the name is either Jacob or Emily then it was the most popular name given to babies in New Hampshire in 2001. The Social Security Administration publishes the most popular names each year based on social security card applications. Jacob and Emily have been the most popular names in the state since 1998, the first year names were broken out by state for this report.

Elisabeth Picard

[1] Proctor, Bernadette D., and Joseph Dalaker. "Poverty in the United States: 2001." US Census Bureau September 2002: pg. 5

[2] "What is the difference between poverty thresholds and poverty guidelines?" Institute for Research on Poverty. Accessed October 28, 2002 <www.ssc.wisc.edu/irp/faqs/faq7.htm>

[3] "Achievements of the Welfare Reform Law of 1996." Working Toward Independence. The White House. Accessed September 26, 2002 <www.whitehouse.gov/>

[4] Welcome to the Division of Child Support Services. New Hampshire Department of Health and Human Services. Accessed September 6, 2002 < www.dhhs.state.nh.us/DHHS/DCSS/default.htm>

[5] Jeffrey, Wayne R. Program Specialist IV / Criminal Investigator, New Hampshire Department of Health and Human Services. Phone Interview. September 5, 2002.

[6] Ibid.

[7] Tobin, Tom. "Acting Social Security Commissioner Larry G. Massanari Announces 2.6 Percent Social Security Increase." Social Security News Release. October 19, 2001. Social Security Administration. Accessed September 26, 2002 <www.ssa.gov/pressoffice/colapress2001.htm>

[8] "Social Security and September 11th: One Year Later." Social Security Fact Sheet. September 2002. Social Security Administration. Accessed September 26, 2002 <www.ssa.gov/pressoffice/Sept11Anniv.htm>

Poverty

	1998	1999	2000	2001	Source
Persons below poverty (percent of population) - Caution: relatively large standard errors					
New Hampshire	9.8%	7.7%	5.2%	6.5%	CB
Connecticut	9.5%	7.1%	6.6%	7.3%	CB
Maine	10.4%	10.6%	8.4%	10.3%	CB
Massachusetts	8.7%	11.7%	10.1%	8.9%	CB
Rhode Island	11.6%	9.9%	9.1%	9.6%	CB
Vermont	9.9%	9.7%	11.3%	9.7%	CB
United States	12.7%	11.8%	11.3%	11.7%	CB

Temporary Assistance for Needy Families (TANF) - annual averages

	1998	1999	2000	2001	Source
Total cases (average open on last day of December)	6,114	5,581	5,285	5,653	DHS
Percent annual change	-6.4%	-8.7%	-5.3%	7.0%	DHS
Average case size	2.4	2.4	2.4	2.4	DHS
Percent with earned income	12.2%	14.1%	17.6%	15.2%	DHS
Number with non-parent relative in case	1,576	1,609	1,638	1,696	DHS
Annual percent change	6.3%	2.1%	1.8%	3.5%	DHS
Individuals meeting 60 month benefit limit (as of Sept. 30)	n/a	n/a	101	228	DHS

Social Security Recipients (December data)

	1998	1999	2000	2001	Source
Total OASDI including spouses and children	192,320	194,930	200,490	n/a	SSA
Annual percent change	1.1%	1.4%	2.9%	n/a	SSA
Retirement (Retired workers) [a]	128,380	130,320	134,170	n/a	SSA
Survivor [b]	18,230	18,130	18,730	n/a	SSA
Disability (Disabled workers) [a]	20,270	21,080	22,210	n/a	SSA
Age 65 and over	141,460	142,680	146,190	n/a	SSA
Percent of total OASDI recipients	73.6%	73.2%	72.9%	n/a	SSA/NHES
Age 65-69 years	38,360	38,030	39,740	n/a	SSA
Age 70-74 years	37,770	37,500	38,090	n/a	SSA
Age 75 years and older	64,330	67,150	68,360	n/a	SSA
Percent women	58.4%	52.8%	57.8%	n/a	SSA/NHES
Children aged 17 and under	11,940	11,880	11,950	n/a	SSA
Monthly OASDI benefit amount total (thousands)	$109,741	$114,340	$122,990	n/a	SSA
Retired workers (median)	$795.50	$821.50	$863.00	n/a	SSA
Non-disabled widows and widowers (median)	$789.50	$813.50	$857.00	n/a	SSA
Disabled workers (median)	$693.00	$716.40	$743.00	n/a	SSA

[a] Excludes spouses and children

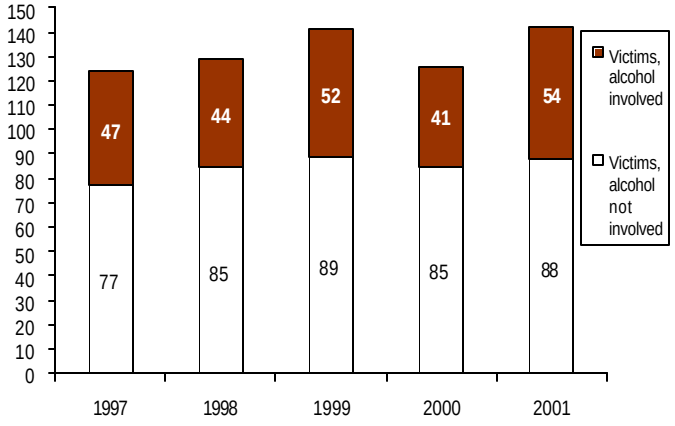
[b] Excludes children

According to the Federal Bureau of Investigation's (FBI) Uniform Crime Reporting (UCR) Program, New Hampshire had the lowest total crime index in the nation for 2001. The state's total crime index decreased nearly five percent from 2000, dropping to 2,321.6 offenses per 100,000 residents. Nationally the total crime index increased 0.9 percent in 2001. During this time, New England also reported a gain, 0.2 percent.

The UCR program compiles crime data supplied by law enforcement agencies. The more severe crimes get reported in their annual *Crime in the United States* publication. They use an index of crime offenses per 100,000 residents to measure crime fluctuations and changes, allowing for comparability among the states.

There are two types of severe crimes: violent and property. Violent crimes are crimes where force is used or the threat of force is present. These include murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault. In New Hampshire violent crimes decreased to 170.3 per 100,000 residents, a drop of nearly three percent. The nation saw a decline of 0.4 percent, while the violent crime index in New England rose 1.2 percent over-the-year.

Alcohol is involved in over one-third of all fatal crashes each year



Property crimes involve the taking of money or property. These crimes include burglary, larceny-theft, motor vehicle theft, and arson. Arson is not included in the property crime index. A clear picture of arson cannot be painted because only a limited number of agencies report arson. The state's property crime index decreased nearly five percent

...New Hampshire had the lowest total crime index in the nation for 2001.

from 2000, down to 2,151.3 per 100,000. Both the nation and New England reported an increase in the property crime index in 2001, one percent and 0.1 percent respectively.

The number of reported crime offenses in the Granite State dropped nearly three percent in 2001, to 29,233. The nation and New England both reported gains in the number of serious crime offenses reported. The three northern New England states were in the top seven for the lowest reported crime offenses in the nation.[1]

Traffic Crashes

For the first time since 1994, total reported crashes on a designated roadway posted an over-the-year decrease, ten percent from 2000. Total reported crashes totaled 34,357, lower than the prior two years. The total reported injuries declined over 25 percent from 2000. This was the largest dip since 1991.

The number of fatal crashes increased in 2001, up six percent. This was the second time in at least five years that fatal crashes reported a rise. The last time was in 1999, with a 13.9 percent growth.

Causes of crashes change from crash to crash and from year to year. One cause that continues to have the largest share is alcohol/drugs. In 2001, nearly two out of five fatal crashes involved alcohol/drugs, with a blood alcohol content of 0.04 percent or higher. This

does not mean that the driver or victim was impaired by alcohol/drugs, but that one person involved in the crash was impaired by alcohol/drugs. One out of six fatal crashes was caused by speed or fatigue/illness.

The total *auto insurance claims loss* for 2001 was $437.0 million, 7.1 percent higher than 2000. Typically, personal insurance claims account for approximately 85 percent of total insurance claims. Claims from personal insurance increased 7.2 percent over-the-year, while commercial claims gained 6.6 percent over-the-year.

AMBER Alert Plan

The AMBER plan is a partnership between law enforcement agencies and the media to send out an emergency alert to the public when an abducted child is in danger of bodily harm or death. The AMBER Plan was named for Amber Hagerman, a nine-year old girl from Arlington, Texas, who was abducted and murdered in 1996. Her murderer was never caught. AMBER stands for American Missing: Broadcast Emergency Response. The plan was developed in 1996 and launched in the Fall of 2001 by the National Center for Missing and Exploited Children.

The New Hampshire Office of Emergency Management, the New Hampshire Association of Broadcasters, the New Hampshire State Police, the Portsmouth Police, and New Hampshire Association of Chiefs of Police are working together to establish an AMBER Plan in the state. Their goal is to have the plan in place by the end of 2002. As of November 14, 2002, there were 74 total AMBER Alert Plans in the nation, 27 statewide plans, 35 local plans and 12 regional plans. All New England states feel the AMBER Alert System is an important plan for the safety of abducted children. Connecticut was the first New England state to implement the AMBER Alert Plan. Both Massachusetts and Rhode Island now have a statewide AMBER Alert Plan in place. New Hampshire and Maine hope to have their plans in effect by the end of 2002, while Vermont is in the beginning stages of developing their AMBER Alert Plan. As of November 14, 2002, 36 children have been recovered throughout the nation with the help of the AMBER Alert Plan.

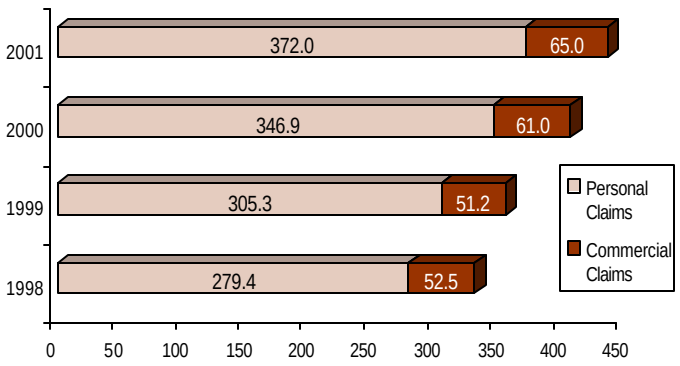
When a child has been abducted and is believed to be in serious danger, law enforcement personnel will notify broadcasters with information on the child and the abductor. Broadcasters report as much information as they have available to the public. The public is then informed to keep an eye out for the child and the abductor, and to call the law enforcement agency if they know anything that might help in the safe return of the child.

An average compilation of 60 to 70 children are missing each month in New Hampshire. This number includes runaways and children that have been missing since the 1980's. Currently the criteria for the activation of New Hampshire's AMBER Alert Plan are any child under 17 who was abducted by someone other than a family member and who is believed to be in serious danger. If the AMBER Alert Plan had been in place since the 1980's, it would have been activated less than six times.

Economic Crimes

Over the past few years, accounting and securities fraud offenses have been prominent in the news. Scandals involving pension plans and stock options have the nation on edge. Nationally more action is being taken to put a stop to these economic crimes and make company executives more accountable.

Personal insurance claims account for approximately 85 percent of all auto insurance claims



In spite of the recently headlined case involving Tyco and its officers, New Hampshire, for the most part, has not been affected by the national accounting and securities fraud. The Granite State does not have many large companies headquartered in the state. New Hampshire sees more embezzling crimes than accounting and securities fraud.[2]

Project HomeSafe®

Project HomeSafe® is a nationwide firearm safety education program developed by the National Shooting Sports Foundation (NSSF). A $4.9 million grant from the U.S. Department of Justice in conjunction with the firearm industry helped finance this program.

Project HomeSafe® delivered its safety message with 20,000 free gun locks to 17 New Hampshire communities during the month of August 2002. According to an August 15, 2002, news release from the NSSF, the firearm safety tour featured a 24-foot mobile safety classroom. Children visiting the mobile classroom were asked to sign the Project HomeSafe® pledge where they stated 'I pledge to be safe' around firearms.

RSA 650-C, which makes it a class A misdemeanor to negligently store a firearm in New Hampshire, went into effect January 1, 2001. This law was enacted to keep children safe from firearms and to keep them out of the hands of children. According to the law, adults would be found guilty if:

- they knowingly store a firearm where a child can gain access to it
- the firearm is used by a child in a threatening or reckless manner
- the firearm is used during the commission of a misdemeanor or felony
- the firearm is negligently or recklessly discharged.

Gail Houston

[1] "Crime in the United States 2001." Uniform Crime Reports. October 28, 2002. U.S. Department of Justice, Federal Bureau of Investigation. Accessed October 29, 2002. <www.fbi.gov/ucr/01cius.htm>

[2] Ducker, William. Unit Chief. Economic Crimes and Frauds Unit. New Hampshire Department of Justice. "Economic crimes." Phone call to the author. August 21, 2002.

Crime Offenses

	1998[a]	1999[a]	2000[a]	2001	Source
Total crime offenses	28,675	27,406	30,068	29,233	FBI
Annual percent change	-7.4%	-4.4%	n/a	-2.8%	FBI
Violent crime offenses	1,270	1,159	2,167	2,144	FBI
Annual percent change	-4.4%	-8.7%	n/a	-1.1%	FBI
Property crime offenses	27,405	26,247	27,901	27,089	FBI
Annual percent change	-7.5%	-4.2%	n/a	-2.9%	FBI

[a] Crime counts for 1997-1999 were estimated. Comparisons between 2000 and 1999 would not be accurate

Total Crime Index (Rate per 100,000 population)

	1998[ab]	1999[ab]	2000[ab]	2001	Source
United States	4,619.3	4,266.8	4,124.0	4,160.5	FBI
New Hampshire	2,419.8	2,281.9	2,433.1	2,321.6	FBI
Connecticut	3,786.5	3,389.3	3,232.7	3,117.9	FBI
Maine	3,040.8	2,875.9	2,619.8	2,688.2	FBI
Massachusetts	3,435.9	3,262.5	3,026.1	3,098.6	FBI
Rhode Island	3,517.8	3,581.9	3,476.4	3,684.9	FBI
Vermont	3,139.1	2,817.3	2,986.9	2,769.3	FBI

[a] Crime counts for 1997-1999 were estimated. Comparisons between 2000 and 1999 would not be accurate

[b] Crime Index figures may change when population data gets revised in 2002.

Crime & Crashes

Violent Crime Index (Rate per 100,000 population)

	1998[a]	1999[a]	2000[a]	2001	Source
United States	567.5	523.0	506.1	504.4	FBI
New Hampshire	107.2	96.5	175.4	170.3	FBI
Connecticut	366.3	345.6	324.7	335.5	FBI
Maine	125.9	112.1	109.6	111.5	FBI
Massachusetts	621.3	551.0	476.1	479.5	FBI
Rhode Island	312.1	286.6	297.7	309.6	FBI
Vermont	106.3	113.8	113.5	105.0	FBI

[a] Crime counts for 1997-1999 were estimated. Comparisons between 2000 and 1999 would not be accurate

Property Crime Index (Rate per 100,000 population)

	1998[a]	1999[a]	2000[a]	2001	Source
United States	4,051.8	3,743.5	3,617.9	3,656.1	FBI
New Hampshire	2,312.7	2,185.4	2,257.8	2,151.3	FBI
Connecticut	3,420.2	3,043.7	2,908.0	2,782.4	FBI
Maine	2,914.9	2,762.8	2,510.2	2,576.7	FBI
Massachusetts	2,814.6	2,711.5	2,550.0	2,619.1	FBI
Rhode Island	3,205.7	3,295.4	3,178.7	3,375.3	FBI
Vermont	3,032.8	2,703.5	2,873.4	2,664.2	FBI

[a] Crime counts for 1997-1999 were estimated. Comparisons between 2000 and 1999 would not be accurate

State Prison Population (Fiscal Year)

	1998	1999	2000	2001	Source
Number of prisoners in State prison facilities	2,154	2,487	2,356	2,332	DC
Incarceration rate (prisoners per 100,000 population)	182	186	183	185	DC/NHES
Probation and parole caseload	6,151	4,606	4,920	4,547	DC
U.S. incarceration rate (federal and state jurisdiction)	461	476	478	470	DJ

Traffic Crashes

	1998	1999	2000	2001	Source
Total crashes reported	33,686	35,558	38,156	34,357	DMV
Annual percent change	8.9%	5.6%	7.3%	-10.0%	DMV/NHES
Total injuries reported	13,272	14,010	15,033	11,221	DMV
Annual percent change	13.9%	5.6%	7.3%	-25.4%	DMV/NHES
Fatal motor vehicle crashes	115	131	117	124	DMV
Number of fatalities	129	141	126	142	DMV
Percent alcohol involved [a]	32%	37%	35%	37%	DMV
Fatalities per 100 million vehicle miles	1.02	1.07	0.95	1.05	RTDS

[a]Based on a Blood Alcohol Content of 0.04 percent or above.

Auto Insurance Claims Loss - Personal and Commercial

	1998	1999	2000	2001	Source
Total Claims (millions)	$331.9	$356.5	$407.9	$437.0	ID
Annual percent change	-9.6%	7.4%	14.4%	7.1%	ID/NHES

Of the many environmental issues affecting New Hampshire, drought has been most prominent in recent years. Since 1999, New Hampshire has experienced varying degrees of drought three out of the four years. The New Hampshire Drought Management Team uses a four-tiered scale to designate the severity of drought. In ascending order of severity, the steps are: Drought Alert, Drought Warning, Drought Emergency, and Drought Disaster. On March 13, 2002, the Drought Management Team declared a Drought Emergency for all counties in New Hampshire except Coos County, which was designated as being in a Drought Warning. This was the first and only time New Hampshire has reached Drought Emergency status since the four-tiered scale was instituted in May 1990. By July 12, 2002, above normal spring rainfall allowed all counties to be removed from drought status for the first time since late spring of 2001. However, on September 6, 2002 dry summer conditions led the Drought Management Team to designate Coos County in Drought Alert and all other counties in New Hampshire in Drought Warning. As of November 19, 2002, these designations remained in effect.

The current drought of 2001-2002 is regarded as the second or third worst drought on record. The worst occurred in the 1960's, while the other major drought occurred in the 1940's.[1] The severity of the current drought was underscored when on October 22, 2002 the federal government declared all 10 counties in New Hampshire agriculture disaster areas. The designation allows Granite State farm operators to apply for low interest emergency loans from the United States Farm Service Agency.

SMOG

Drought can contribute to increases in the levels of smog (ground-level ozone) because both heat and sunlight are necessary for its formation. In 2002 New Hampshire experienced 13 unhealthy days due to smog, up from 10 in 2001. The Granite State has averaged 10 unhealthy days per year since the New Hampshire Department of Environmental Services (DES) began reporting them in 1983. The New Hampshire Department of Environmental Services' Air Resources Division employs a 4-tiered air quality index to inform the public about smog levels:

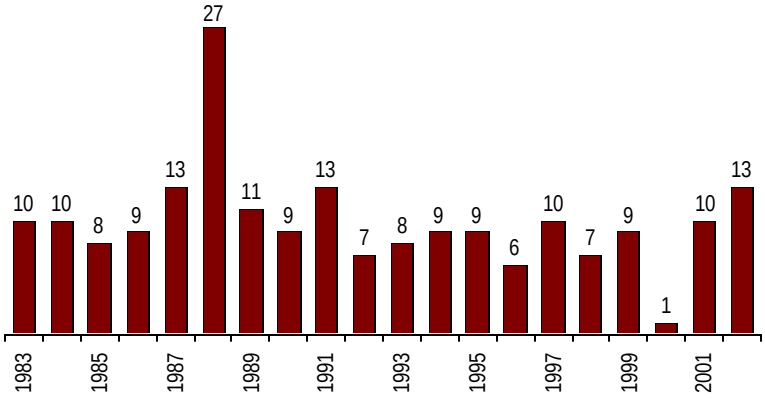
- Good
- Moderate
- Unhealthy for sensitive people (people with respiratory conditions and active children and adults)
- Unhealthy

The current drought of 2001-2002 is regarded as the second or third worst drought on record.

A day is designated "unhealthy" when the 8-hour average concentration of ozone exceeds 80 parts per billion.

The main chemical components of smog are nitrogen oxides (NOx). Nitrogen oxides are created by high temperature fuel combustion. The primary emission sources for NOx are motor vehicles and electric utilities (power generating plants). The adverse effects of smog include lung tissue damage, decreased lung function, and damage to vegetation and crops.

For the past 20 years, New Hampshire has averaged 10 unhealthy days per year due to ozone pollution



Source: New Hampshire Department of Environmental Services

Clean Power Act

On May 9, 2002, the Clean Power Act became part of New Hampshire law. The act mandates that three of New Hampshire's older fossil-fuel burning power plants, not subject to all requirements of the federal Clean Air Act, reduce emissions of four major pollutants. Nitrogen oxides (NOx) must be reduced by 70 percent and sulfur dioxides (SO_2), the primary cause of acid rain, by 75 percent by December 31, 2006. Emissions of carbon dioxide (CO_2), the principal cause of global warming, must be reduced to 1990 levels by 2010. Mercury (Hg) emissions by coal-burning power plants must be tested and assessed. New Hamp-shire's reductions in mercury emissions will be implemented pending a decision by the U.S. Environmental Protection Agency (EPA) regarding mercury emission caps in late 2003.

Reductions in pollutants will be accomplished by placing an annual "cap" on emissions. The three power plants will be issued pollution allowances, based on their share of pollution output, which will allow emissions up to the cap. In order to comply with the cap, power plants will have to install new pollution reduction technology or purchase the "banked" allowances of facilities who have reduced emissions to lower levels than their allowances. Many economists prefer this market based approach (also known as a cap and trade strategy) to pollution control because it achieves emissions reductions at a lower overall cost.

A simple example can illustrate how a market based approach can lead to cost reductions. In a case with two polluting firms, each firm would be allowed to release a certain level of emissions. Both firms would need to reduce their maximum emissions to these levels. If one firm was able to reduce its emissions at lower cost than the other firm, and reach levels of emissions below its allotted amounts, that firm would be able to sell these "surplus (or banked)" amounts to the other firm with higher reduction costs. The overall goal (reduction in total emissions to a certain amount) would be met at a lower cost through this exchange. This market mechanism would use fewer real resources to reach the target level of emission.

The drawback to the market based approach is that communities in the area of the firm who buys pollution allowances do not experience any reduction in pollution (even though overall pollution has been reduced). To address this problem the "Clean Power Act includes incentives for the power plants to

Ozone Levels

	1998	1999	2000	2001	Source
Ozone levels (ozone season April 1 to October 31): Highest 1-hour maximum hourly values in parts per million, selected monitoring sites [National Ambient Air Quality Standard (NAAQS) 0.12 parts per million (ppm)]					
Manchester	0.089	0.093	0.094	0.119	EPA
Nashua	0.111	0.103	0.099	0.125	EPA
Portsmouth	0.112	0.127	0.097	0.082	EPA
Rye	0.121	0.124	0.102	0.149	EPA
Estimated Days above NAAQS standard (0.125 ppm)	0	1	0	3	EPA
Unhealthy Days (days above 0.08 ppm/8 hours, state)	7	9	1	10	DES-ARD

Carbon Monoxide

	1998	1999	2000	2001	Source
Highest maximum eight-hour concentration					
Manchester	4.8	5.6	4.2	3.1	EPA
Nashua	5.5	6.0	4.6	4.0	EPA

make their pollution reductions here in New Hampshire...by making it more expensive to buy allowances from power plants outside the region."[2]

Toxics Release Inventory

Under the Emergency Planning and Community Right-to-Know Act (EPCRA) of 1986, the Environmental Protection Agency (EPA) and the States are required to collect yearly data on the release of approximately 650 toxic chemicals from various industrial facilities. This data is made available to the public through the Toxics Release Inventory (TRI). Air emissions, water discharges, underground injections, and land releases of toxic chemicals are all reported in the TRI.

Total on-site and off-site releases of toxic chemicals increased from 1999 to 2000 by 4.3 percent in New Hampshire and 5.7 percent in New England. Over the same period, national releases decreased by 7.1 percent. Including the District of Columbia, Puerto Rico and four other territories, New Hampshire ranked 48th in the country in pounds of toxics released (a rank of one meaning most pounds of toxics released). Massachusetts was the highest ranking New England State at 44th, while Vermont was lowest at 52nd.

Kevin Coyne

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[1] Gallagher, Jim. Engineer. New Hampshire Department of Environmental Services. "Re: Drought" E-mail to the author. October 21, 2002.

[2] "Governor Shaheen Signs Clean Power Act". Media Release. May 9, 2002. New Hampshire Office of the Governor. Accessed September 26, 2002.

Toxics Release Inventory

	1998	1999	2000	2001	Source
On-site and Off-site Releases in Pounds					
New Hampshire	7,061,002	5,907,361	6,160,861	n/a	EPA
Percent Change	n/a	-16.1%	4.3%	n/a	NHES/EPA
New England	44,405,929	38,006,876	40,178,999	n/a	EPA
Percent Change	n/a	-12.7%	5.7%	n/a	NHES/EPA
U.S. (millions)	7,410,401	7,645,537	7,100,816	n/a	EPA
Percent Change	n/a	3.2%	-7.1%	n/a	NHES/EPA

Solid Waste

	1998	1999	2000	2001	Source
SOLID WASTE Residential and Commercial (tons per year-thousands)					
Generated	1,284.0	1,326.0	1,383.0	1,368.0	DES-WMD
Diversion (recycling + composting)	306.0	300.0	278.0	304.0	DES-WMD
Disposed of	885.0	959.0	1,068.0	991.0	DES-WMD
Pounds per person per day	5.4	6.0	6.4	6.0	DES-WMD
Exported	93.7	67.0	57.0	73.0	DES-WMD
Imported (for incineration and landfill)	739.7	538.7	254.7	346.0	DES-WMD

Water Quality - Lakes and ponds[a]

	1998	1999	2000	2001	Source
Aquatic Life:[b]					
Total acres assessed	n/a	160,570	n/a	79,182	WSP
Acres Fully Supporting	n/a	155,560	n/a	0[b]	WSP
Acres Partially Supporting	n/a	3,231	n/a	n/a	WSP
Acres Not Supporting	n/a	1,779	n/a	79,182[b]	WSP
Acres Not Assessed	n/a	7,432	n/a	86,622	DES-WD
Fish Consumption:[c]					
Acres Fully Supporting	n/a	168,002	n/a	165,804	DES-WD
Swimming:					
Total acres assessed	n/a	160,406	n/a	95,608	DES-WD
Acres Fully Supporting	n/a	159,119	n/a	95,523	DES-WD
Acres Partially Supporting	n/a	1,287	n/a	n/a	DES-WD
Acres Not Supporting	n/a	0	n/a	85	DES-WD
Acres Not Assessed	n/a	7,596	n/a	70,196	DES-WD

Water Quality - Rivers and streams[a]

	1998	1999	2000	2001	Source
Aquatic Life:[b]					
Total miles assessed	n/a	2,714	n/a	729	DES-WD
Miles Fully Supporting	n/a	2,558	n/a	0[b]	DES-WD
Miles Partially Supporting	n/a	134	n/a	n/a	DES-WD
Miles Not Supporting	n/a	22	n/a	729[b]	DES-WD
Miles Not Assessed	n/a	8,167	n/a	8,896	DES-WD
Fish Consumption:[c]					
Total miles assessed	n/a	279	n/a	9,625	DES-WD
Miles Fully Supporting	n/a	0	n/a	9,431	DES-WD
Miles Partially Supporting	n/a	265	n/a	n/a	DES-WD
Miles Not Supporting	n/a	13	n/a	194	DES-WD
Miles Not Assessed	n/a	10,602	n/a	0	DES-WD
Swimming:					
Total miles assessed	n/a	2,769	n/a	1,225	DES-WD
Miles Fully Supporting	n/a	2,657	n/a	810	DES-WD
Miles Partially Supporting	n/a	43	n/a	n/a	DES-WD
Miles Not Supporting	n/a	69	n/a	415	DES-WD
Miles Not Assessed	n/a	8,112	n/a	8,400	DES-WD

[a] Results for 2001 are draft. Final assessment will be available in the winter of 2003.

[b] Significant improvements were made to the assessment methodology used to assess waters in 2001 which is a major reason why 2001 assessment results are significantly different than previous years. Based on the new criteria, there is insufficient data to assess lakes, ponds, rivers and streams as fully supportive of aquatic life. Efforts are underway to fill data gaps for future reports.

[c] This data does not include the statewide freshwater fish consumption mercury advisory in 1994 issued by the N.H. Department of Health and Human Services. The primary source of mercury is believed to be atmospheric deposition from upwind states. Other New England states have similar fish consumption advisories in effect. When mercury is included, all surface waters in New Hampshire do not support fish consumption.

Abbreviation	Provider
ABI	American Bankruptcy Institute
AR	New Hampshire Association of Realtors
AS	New Hampshire Department of Administrative Services
BEA	Bureau of Economic Analysis, United States Department of Commerce
BFA	New Hampshire Business Finance Authority
BKR	United States Bankruptcy Courts, Administrative Office of United States Courts
BLS	Bureau of Labor Statistics, United States Department of Labor
BVR	Bureau of Vital Records, Office of Community and Public Health, New Hampshire Department of Health and Human Services
CB	Bureau of the Census, United States Department of Commerce
CTC	New Hampshire Department of Community Technical Colleges
DC	New Hampshire Department of Corrections
DE	New Hampshire Department of Education
DES-ARD	Department of Environmental Resources, Air Resources Division
DES-WD	Department of Environmental Resources, Water Division
DES-WMD	Department of Environmental Resources, Waste Management Division
DHS	Division of Human Services, New Hampshire Department of Health and Human Services
DJ	United States Department of Justice
DMV	Division of Motor Vehicle, New Hampshire Department of Safety
DT	New Hampshire Department of Transportation
DTTD	Division of Travel and Tourism Development, New Hampshire Department of Resource and Economic Development
EIA	Energy Information Administration, United States Department of Energy
EPA	United States Environmental Protection Agency
F&G	New Hampshire Department of Fish and Game
FBI	Federal Bureau of Investigation
FDIC	Federal Deposit Insurance Corporation
FHLMC	Federal Home Loan Mortgage Corporation
FHWA	Federal Highway Administration
FM	Fannie Mae and Fannie Mac
FR	Federal Reserve Bank of Boston
HA	New Hampshire Hospital Association
HFA	New Hampshire Housing Finance Authority (NHHFA)
ID	New Hampshire Insurance Department
ISDS	Information Services, New Hampshire Department of Safety
LC	New Hampshire Liquor Commission
LD	New Hampshire Department of Labor

Directory of Sources

Abbreviation	Provider
MA	Manchester Airport
MBA	Mortgage Bankers Association of America
MISER	Massachusetts Institute for Social and Economic Research
MTA	Manchester Transit Authority
NAR	National Association of Realtors
NCUA	National Credit Union Administration
NHES	New Hampshire Employment Security
NTS	Nashua Transit Authority
OFA	Office of Family Assistance, Administration of Children and Families, United States Department of Health and Human Services
OSP	New Hampshire Office of State Planning
P&R	Division of Parks and Recreation, New Hampshire Department of Resources and Economic Development
PEC	New Hampshire Postsecondary Education Commission
PM	New Hampshire Pari-mutuel Commission
PS	United States Postal Service, Manchester Field Division
PSNH	Public Service Company of New Hampshire
RA	New Hampshire Department of Revenue Administration
RTDS	Road Toll Administration, New Hampshire Department of Safety
SMM	Sales and Marketing Management, a publication of Bill Communications
SSA	United States Social Security Administration
SOS	Corporate Division, Department of State
UED	United States Department of Education
UIS	United States Department of Labor, Unemployment Insurance Service
USACE	United States Army Corps of Engineers

Aid to Families with Dependent Children (AFDC): A federal/state program replaced by TANF. (Section 16)

Air Quality Standards: The quality of air, as monitored at various sites throughout the state for the following pollutants: lead, ozone, nitrogen oxide, carbon monoxide, sulfur dioxide, and suspended particulate matter. (Section 18)

Alcohol-Involved Traffic Crash: Either driver, biker, or pedestrian reported consuming alcohol prior to the crash (blood alcohol level of .04 or above). (Section 17)

Assisted-Rental Housing: Several programs provide both project-based and tenant-based financial assistance for low income housing renters including NHHFA (New Hampshire Housing Finance Authority), HUD (U.S. Dept. of Housing and Urban Development), FmHA (Farmers' Home Administration), and local housing agencies. (Section 11)

Average Weekly Earnings, Production Workers: Average earnings of production workers in Manufacturing during the survey week, including overtime, paid vacation, and sick leave. (Section 2)

Average Weekly Wage: Total wages paid by employers divided by average employment and further divided by the number of weeks in the reference period. (Section 2)

Benefits Paid, Unemployment Insurance: Money payable to an unemployed individual as compensation for lost wages. Includes benefits paid on wages earned in covered employment; plus interstate benefits; adjusted for benefit recoveries, and for transfers under the interstate combined wage plan. (Section 3)

Birth Rate: Number of resident live births per 1,000 resident population. (Section 1)

British Thermal Units (BTUs): The quantity of heat needed to raise the temperature of one pound of water one degree Fahrenheit at a specified temperature. (Section 8)

Cap and Trade Strategy: A pollution abatement strategy that allows firms with cost advantages to increase their pollution reduction in exchange for payments from firms that face high costs when attempting to reduce pollution. (Section 18)

Chained Dollars: A methodology for adjusting for inflation, which includes both quantities produced and relative prices of goods and services. (Section 9)

Civilian Labor Force: That portion of the population age sixteen and older which is employed or unemployed and actively seeking employment. Members of the armed forces and the institutionalized population are excluded. (Section 3)

Consumer Price Index for Urban Consumers (CPI-U): An index used to measure changes in the cost of a market basket of selected goods and services. Often the reference for cost of living adjustments in wages and entitlements. See Constant Dollars. (Section 2)

Constant Dollars: Figures that are estimates representing an effort to remove the effects of price changes (inflation) as if the dollar had constant purchasing power. See Current Dollars. (Section 9)

Contract Value Indices: An indexed dollar value of construction contracts. (Section 11)

Total Construction: The value of contracts for new construction, additions, and major alterations, but not for maintenance.

Nonbuilding Construction: The value of contracts for highways, bridges, dams, utility systems, and airports.

Nonresidential Building Construction: The value of contracts for commercial buildings, manufacturing plants, hospitals, schools and colleges, and other public and private buildings.

Residential Construction: single and multiple unit houses, hotels, motels, and dormitories.

Current Dollars: Figures reflecting actual prices or costs prevailing during the specified year(s). See Constant Dollars and Chained Dollars. (Section 9)

Death Rate, Crude: Number of resident deaths per 1,000 resident population. (Section 1)

Debt-Service Burden: The ratio of household debt payments to disposable income, which measures how much of a household's disposable income goes to debt repayment. (Section 2)

Defense Contracts: Military awards for supplies, services, and construction made during a specified fiscal year. (Section 9)

Delinquent Loans: Loans and leases that are 30 days or more past due or in non-accrual status. (Section 2)

Disability Benefits under Social Security: For purposes of entitlement to benefits, disability is defined as the inability to engage in any substantial gainful activity, by reason of medically determinable physical or mental impairment severe enough to render the person unable to engage in any kind of substantial gainful work, regardless of availability of such work. (Section 16)

Disposable Income: Personal income less personal taxes and non-tax payments. (Section 2)

Divorce Rate: Number of divorces, annulments, and legal separations per 1,000 resident population. (Section 1)

Durable Goods: Items with a normal life expectancy of three or more years. Expenditures for durable goods are generally postponable. Consequently, durable goods sales are the most volatile component of consumer expenditures. Common examples of durable goods items are automobiles, furniture, household appliances, mobile homes, etc. (Section 4)

Duration of Benefit Payments, Average: Number of weeks compensated for unemployment during the year, divided by the number of first payments. May include more than one period of unemployment. (Section 3)

Earnings: see Average Weekly Earnings (Section 2)

Effective Buying Income (EBI): An economic factor in figuring a market's "ability to buy." It is estimated by personal income less personal tax and nontax payments similar to disposable income. Developed by Sales and Marketing Management. (Section 10)

Electric Utility: A corporation, person, agency, authority, or other legal entity or instrumentality that owns and/or operates facilities for the generation, transmission, distribution, or sale of electrical energy, primarily for use by the public, and that files forms listed in the Code of Federal Regulations, Title 18, Part 141. Facilities that qualify as co-generators or small power producers under the Public Utility Regulatory Policies Act are not considered utilities. (Section 8)

Energy Consumption: The use of energy as a source of heat or power or as a raw material input to a manufacturing process. (Section 8)

Energy Generated, Net: The total amount of electric energy produced by a generating station less the electric energy consumed for station use. (Section 8)

Equity Capital Asset Ratio: A measure to assess the financial health of lending institutions. (Section 12)

FmHA: Farmers' Home Administration. See Assisted-Rental Housing (Section 11)

Fuel Consumed to Generate Electricity: Fuel required by all types of electricity generating plants. Coal, gas, and nuclear fuels are shown in equivalent barrels of oil. (Section 8)

Food Stamp Program: A federal government-sponsored program to increase the buying power and the nutritional level of low income families. (Section 16)

Functionally Obsolete: A bridge which, due to the changing need of the roadway system, no longer meets federal standards for deck geometry, load carrying capacity, clearances, or approach roadway alignment. (Section 7)

Gross Domestic Product (GDP): The market value of all final goods and services produced by resources located in the United States, regardless of ownership. (Section 9)

Gross State Product (GSP): The market value of all final goods and services produced by resources located in a state, regardless of ownership. (Section 9)

High Tech Industries: Industries are considered high tech if employment in both research and development (R&D) occupations and in all technology-oriented occupations account for a proportion of employment that was at least twice the average for all industries in the Occupational Employment Statistics survey. High tech intensive industries are a subset of total high tech industries. Their R&D and technology-oriented occupations total more than five times the all industry average. (Section 6)

Home Sales of Existing Homes: Estimates based on multiple listing data. Projections are made with the cooperation of the National Association of Realtors. Data primarily consists of existing units of single family homes, town houses, condominiums, and cooperatives. Multiple units are excluded. (Section 11)

Households: All the people who occupy a housing unit (single occupants, two or more unrelated occupants, and families). (Section 2)

HUD: Department of Housing and Urban Development. See Assisted-Rental Housing (Section 11)

Incarceration Rate: The number of persons confined in prison, with sentences over one year, per 100,000 people in the state's resident population. (Section 17)

Indexed Crime: Selected offenses used to gauge fluctuations in the overall volume and rate of crime reported to law enforcement. The offenses included are the violent crimes of murder and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault; and the property crimes of burglary, larceny/theft, and motor vehicle theft. (Section 17)

In-migration: That part of the increase in the population not attributable to the natural increase rate. Generally, this is the populace moving to New Hampshire from an out-of-state residence. (Section 1)

Inpatient Days: The number of days that patients (excluding newborns) spend in a hospital, including the day of admission, but not the day of discharge. (Section 15)

Labor Force Participation Rate: The percentage of the civilian noninstitutional population age sixteen or older that is working or looking for work. (Section 3)

Late Prenatal Care: Prenatal care that does not begin until the third trimester of pregnancy. (Section 1)

Loan defaults: Also known as charge-offs, which are the value of loans removed from the books and charged against loss reserves. (Section 13)

Manufacturers' Shipments: The received or receivable net selling of all products shipped, both primary (raw material) and secondary (manufactured), as well as miscellaneous receipts, such as receipts for contract work for others, installation and repair, sales of scrap, and sales of products bought and resold without further processing. (Section 9)

Marriage Rate: Number of marriages per 1,000 resident population. (Section 1)

Meals and Rooms Receipts: Estimate of sales by hotels, motels, and eating and drinking establishments based on taxes received under the Meals and Rooms authority. (Section 10)

Median: The value exactly in the middle of a set of data that are ranked in order of ascending size. Half of all data values will be less than the median, while half will be more. (Section 2)

Medicaid: A joint governmental program providing medical assistance to low income and needy people. (Section 15)

Medicare: A federal program providing hospital insurance and supplementary medical insurance for persons who are eligible for retirement benefits and have attained the age of 65, disabled persons entitled to social security disability benefits, and workers or their dependents with permanent kidney failure. (Section 15)

Natural Increase Rate: The number of resident births minus deaths per 1,000 total resident population. (Section 1)

NHHFA: New Hampshire Housing Finance Authority. See Assisted-Rental Housing (Section 11)

Nonfarm Wage and Salary Employment: Place of work employment that does not include private household workers, self-employed, unpaid family workers, and domestics or agricultural workers. (Section 4)

Nondurable Goods: Items that generally last for less than three years. Nondurable goods items are generally purchased when needed. Common examples of nondurable goods items are food, beverages, apparel, gasoline, etc. (Section 4)

Noncurrent Loans: Loans and leases 90 days or more past due or in nonaccrual status. (Section 12)

Nuclear Decommissioning: Retirement of a nuclear facility, including the safe dismantling of the plant and disposal of hazardous materials. Costs are funded through electric rates over the life of the plant. (Section 8)

OASDI: Old Age, Survivors, and Disability Insurance. See Social Security. (Section 16)

Pari-mutuel: A system of wagering where the bettors who wager on competitors placing in the first three positions share the total pool minus a percentage for the management. (Section 10)

Per Capita Personal Income: Total personal income divided by total population. (Section 2)

Personal Income: The current income received by all the residents of the state from all sources, including wages and salary disbursements, other labor income, proprietors' income, rental income, interest, dividends, and transfer payments; less personal contributions for social insurance. (Section 2)

Poverty Level: A set of income thresholds varying by size of family used to detect who is poor. (Section 16)

Private Firms: A nongovernment economic unit that produces goods or services. It can have multiple locations, but will still be considered one firm. (Section 6)

Property Tax Rates, Equalized: A uniform standard for comparing tax rates between towns and counties. (Section 13)

Property Tax Rates, Full Value: The tax rate if property were assessed at its full market value. Rates represent tax on each $1,000 of a property's market value. (Section 13)

Property Tax Assessment Ratio: The full value assessment ratio is a comparison between current assessments (local tax rate) and full market value (full value tax rate). (Section 13)

Real Gross Domestic Product: The market value of all final goods and services by resources located in the United States, regardless of ownership, adjusted for inflation. (Section 9)

Real Gross State Product: The market value of all final goods and services produced by resources located in a state, regardless of ownership, adjusted for inflation. (Section 9)

Scholastic Assessment Test Score: Mean test score for all students in the state who took the SAT exam during the designated academic year. (Section 14)

Social Security: National Old Age, Survivors, and Disability Insurance (OASDI). The largest income maintenance program in the United States. Provides monthly cash benefits to individuals or their families to replace, in part, the income lost when a worker retires in old age, becomes severely disabled, or dies. Coverage is nearly universal, including about 95 percent of the jobs in this country. Funds come primarily from taxes on earnings in covered jobs and matching funds paid by employers and the self-employed. (Section 16)

Structurally Deficient: A bridge, which, due to its aging and deterioration, no longer meets federal highway standards. (Section 7)

Stranded Costs: Value of a utility's investment in electricity assets that could not be recovered in a competitive marketplace. (Section 8)

Temporary Assistance to Needy Families (TANF): A system of federal block grants to states for the provision of welfare benefits. Replaces AFDC, JOBS, and Emergency Assistance Programs. (Section 16)

Total Equalized Valuation: The true market value of all taxable property in the state as determined by the Department of Revenue Administration. (Section 13)

Transfer Payments: Payments to individuals for which no current goods or services are exchanged, like Social Security, welfare and unemployment benefits. (Section 2)

Unemployed: Persons who were not employed during the monthly survey week but were available for work and were overtly engaged in a job-seeking activity within the previous four week period, waiting to be recalled from a layoff, or waiting to report to a new job within thirty days. (Section 3)

Unrestricted Revenue: Moneys received by the state, which may be appropriated by the Legislature for any purpose without constitutional limitations. (Section 13)

Value Added by Manufacture: A measure of manufacturing activity used for comparing the relative economic importance of manufacturing among industries and geographic areas. The cost of materials, supplies, fuels, etc. are subtracted from the value of shipments plus receipts for services rendered, and adjusted by adding value added by merchandising plus net change in finished goods and work-in-process between the beginning and the end of the year. (Section 9)

Vehicle Registration: A count of the registration certificates on file at the Department of Safety at the end of each calendar year. (Section 7)

Water Quality Classification: Water quality status of the state's surface and ground waters, as reported to Congress per the requirements of Section 305(b) of the Water Quality Act of 1987. (Section 18)

Weekly Benefit Amount, Average: Benefits paid for total unemployment during the year divided by the number of weeks compensated. (Section 3)

Weeks Compensated for Unemployment: Number of weeks of unemployment for which benefits were paid including both total and partial unemployment. Interstate claims are counted in the paying state. (Section 3)

West Texas Intermediate Crude Oil Price: A widely used benchmark for the price of domestically produced oil. (Section 8)

Workers' Compensation: Specifies the level of medical and disability income benefits to be paid to injured workers. (Section 15)