

# Vital Signs 2008

Economic and Social Indicators for New Hampshire: 2003-2006



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This annual review of the economic and social condition of New Hampshire highlights eighteen different indicators that describe the state's economic, social, environmental, and cultural character. Each chapter of *Vital Signs* compiles four years of available data, analyzing emerging trends at the local, regional, and national levels where appropriate. Whenever possible, 2007 updates have been included in the summary analysis.

Attention should be paid to notations within the tables that describe data details such as sample size, time intervals, or rank order. Additionally, readers should note that throughout the text, proper titles of specific data elements (i.e. income, occupation, or industry sectors such as *Retail trade*) are italicized to distinguish them from recurring ordinary usage. Readers are also encouraged to review the glossary and index on page 89 to become familiar with the different terminology used throughout the report.

The information presented in *Vital Signs* has been drawn from print and Internet-based media reports, trade publications, academic journals, and the records of a wide variety of state and federal agencies and private organizations. Sources used in the text are identified with footnotes, and sources used in the tables are noted with abbreviations in the right hand column of each table. All abbreviations are "spelled out" in the source appendix beginning on page 87. While all sources are believed to be reliable, no guarantee is made as to the correctness, sufficiency, or completeness of their information.

Some of the data tables are available by substate areas. If you seek additional information, please contact the Economic and Labor Market Information Bureau at [elmi@nhes.nh.gov](mailto:elmi@nhes.nh.gov) or (603) 228-4124.

We are indebted to the numerous individuals who contributed special information or provided advice on evaluating reported data. The observations expressed in this report do not necessarily reflect those of New Hampshire Employment Security, and no official endorsement should be inferred.





Change in Key Economic Indicators	2004-2005		2005-2006		Chapter
	Net Change	Percent Change	Net Change	Percent Change	
Population	+ 9,000	0.7%	+8,000	0.6%	1
Income, per capita personal	+ \$1,138	3.1%	+ 2,175	5.8%	2
Wages, average weekly (private)	+ \$28.27	3.7%	+ \$38.55	4.9%	2
Labor force	+14,000	1.9%	+ 5,000	0.7%	3
Employment	+ 13,000	1.9%	+ 7,000	1.0%	3
Unemployment	- 1,462	-5.2%	- 1,206	-4.6%	3
Nonfarm jobs - total all industries	+ 7,500	1.2%	+ 4,500	0.7%	4
Retail sales of electricity (million kWh)	+ 272	2.5%	- 155	-1.4%	8
Gross state product (current dollars-millions)	+ \$2,463	4.8%	+ \$2,157	4.0%	9
Gross state product (chained 2000 dollars-millions)	+ \$969	2.0%	+ \$621	1.3%	9
Export sales to the world (\$ millions)	+ \$262	11.5%	+ \$263	10.3%	9
Meals and rooms receipts (millions)	+ \$38.8	1.8%	- 112.3	-5.0%	10
Bank assets (\$ millions)	- \$11,766	-37.8%	+ \$265	1.4%	12
Non-current loans (\$ millions)	- \$186	-88.5%	+ \$16	66.7%	12
Bankruptcy filings	+ 1,453	31.6%	- 4,184	-69.1%	12
School enrollment (K-12)	- 1,299	-0.6%	- 1,584	-0.7%	14
Temporary Assistance to Needy Families (TANF)	+ 61	1.0%	- 643	-10.6%	16
Violent crime offenses	- 473	-21.5%	+ 95	5.5%	17
Property crime offenses	- 3,126	-11.7%	+ 1,110	4.7%	17
Traffic crashes	+ 745	1.9%	- 4,388	-11.2%	17





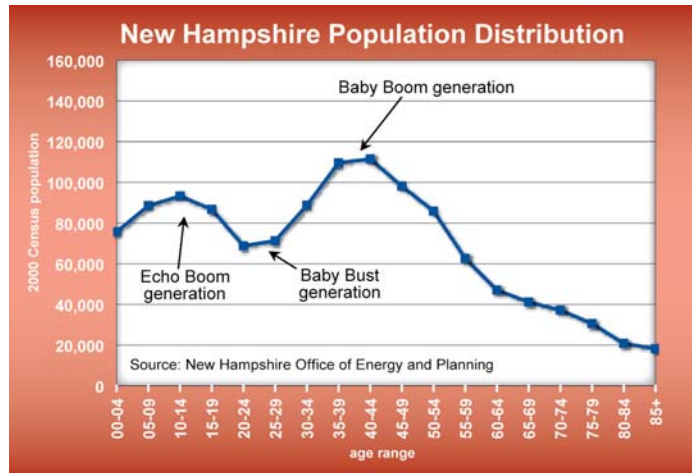
## Population

### Baby Boom to Baby Bust

A concept that has been getting a lot of attention recently is that “young people are leaving.” Or could it just be there are fewer people in the next immediate younger age cohort?

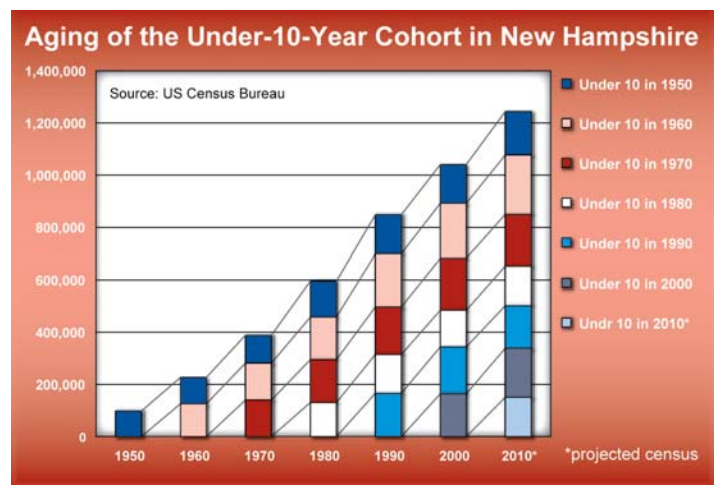
The recent interest in this specific age group extends back to the beginning of the baby boomer generation. People in that population cohort encompassed nearly a 20-year period, born between 1946 and 1964. As that population cohort aged, they drew much attention because of their sheer volume and the impact they had on society – from the demand for additional school facilities when they were younger to the rising concern about the financial drain they will cause on the retirement Social Security system as they enter retirement age.

The question about who will support the boomers is essentially how the focus got redirected toward younger age groups, generation X or alternatively called the baby bust generation. Current workers contribute to the retirement benefits system for retired workers. As the current boomer generation workforce ages and gets ready to retire, the measurements of the upcoming workforce indicate that the younger age group, the bust generation, is not large enough to have its financial contributions support the retirement system for the substantially larger population cohort.



### Measuring Age Cohorts

The difficulty arises in determining how to measure the age cohorts. Decennial census data from the US Census Bureau were used to provide a measurement for comparison, by organizing New Hampshire’s population into ten-year age cohorts, then following their progression through the census periods. The age brackets start with those under ten years old at the point of each decennial census. The 1950 and 1960 census periods included



# 1. Population



the bulk of the baby boomers entering New Hampshire's population. The combined under-10-years-of-age cohorts of 1950 and 1960 made up 37.4 percent of the population in the state. By the projected 2010 census period, the oldest portion of the boomers will be in their sixties, with the larger portion of boomers following closely on their heels in their fifties. They will represent 28.9 percent of 2010's projected larger population.

Migration destinations may also have an impact on the increasing number of New Hampshire's retirement aged population. New Hampshire's rural atmosphere attracts many seeking the quieter pace for their later years. This is evident in the increasing numbers of the boomer age groups when tracking them through the 2000 and projected 2010 census periods.

Distribution by Age	2003	2004	2005	2006	Source
Under 5 years	5.7%	5.6%	5.7%	5.6%	CB/NHES
5 to 17 years	17.8%	17.6%	17.3%	17.0%	CB/NHES
18 to 24 years	8.8%	9.1%	9.2%	9.1%	CB/NHES
25 to 44 years	28.4%	28.1%	27.7%	27.6%	CB/NHES
45 to 64 years	25.4%	26.3%	27.3%	28.3%	CB/NHES
65 years and over	11.7%	12.0%	12.2%	12.4%	CB/NHES

Median Age	2003	2004	2005	2006	Source
United States	35.9	36.0	36.2	36.4	CB
New England	n/a	n/a	39.0	38.9	CB
New Hampshire	38.2	38.7	39.0	39.4	CB
Connecticut	38.2	38.5	38.8	39.0	CB
Maine	39.9	40.3	40.7	41.1	CB
Massachusetts	37.5	37.8	38.0	38.2	CB
Rhode Island	37.4	37.6	37.9	38.2	CB
Vermont	39.1	39.6	40.0	40.4	CB

Resident Population	2003	2004	2005	2006	Source
Population, July 1st (thousands)	1,286	1,298	1,307	1,315	CB
Annual percent change	0.9%	0.9%	0.7%	0.6%	CB/NHES
United States rank of annual percent change	13	14	17	18	CB/NHES
Percent change since last census	4.2%	5.2%	6.0%	6.4%	CB/NHES
Population, Males	633,554	639,529	644,128	648,568	CB
Population, Females	652,364	658,432	662,691	666,327	CB

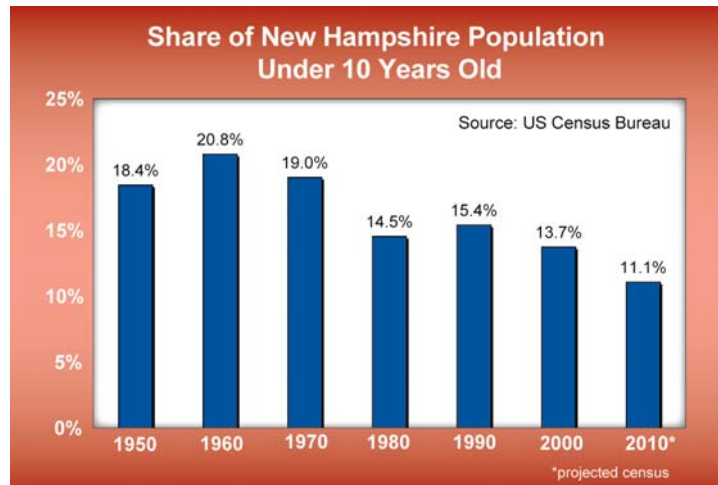






# 1. Population

Reviewing the census periods, it shows that by 1980 the number of those under ten years of age shrank to 130 thousand. This is the census period that includes individuals currently in their twenties. When this group entered their teens, counted in the 1990 census, their number increased by almost 14 percent. This cohort represents the smaller sized generation, or the baby bust generation, that precedes the more numerous echo generation. The next census period in 2000 indicated that the population of this group, now in their twenties, had declined by 5.7 percent.



Vital Statistics	2003	2004	2005	2006	Source
Marriages	10,334	10,409	9,496	9,370	DVRA
Marriage rate (per 1,000 population)	8.0	8.0	7.3	7.1	DVRA/NHES
Divorces	5,291	5,174	5,105	5,349	DVRA
Divorce rate (per 1,000 population)	4.1	4.0	3.9	4.1	DVRA/NHES
Components of Population Change:					
Live births	14,382	14,565	12,803	12,789	DVRA
Birth rate (per 1,000 population)	11.1	11.1	9.7	9.5	DVRA
Births to teenage mothers (less than 20 years old)	826	847	822	828	DVRA
Percent of live births	5.7%	5.8%	6.4%	6.5%	DVRA/NHES
Non-marital births (percent of live births)	24.7%	26.2%	28.7%	30.9%	DVRA/NHES
Resident deaths	9,671	10,101	10,183	9,144	DVRA
Crude death rate (per 1,000 population)	7.5	7.7	7.7	6.8	DVRA
Infant death rate (per 1,000 live births)	3.9	5.6	5.9	5.1	DVRA
Natural increase rate (per 1,000 population)	3.6	4.2	3.3	2.7	CB
Net in-migration rate (per 1,000 population)	6.8	4.1	4.9	3.3	CB



# 1. Population

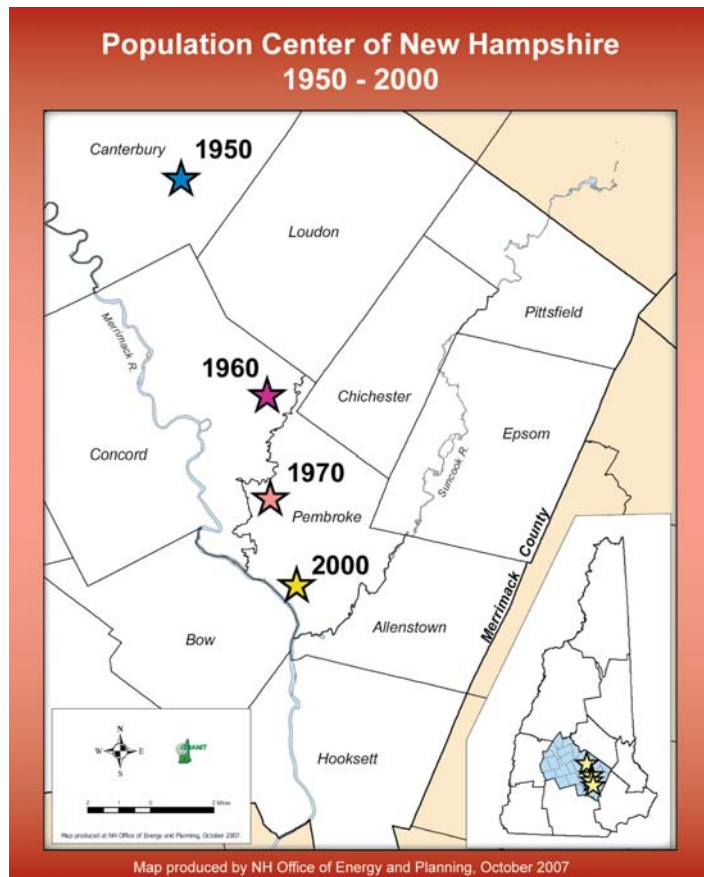


By the 1990 and 2000 census periods, the numbers of those in the under ten years old age group increased more than 30 thousand from the 1980 census count. Similarly, those under ten years old in 1990 increased in number during their teen years and are likewise projected to decline some in the next projected census period when they will be in their twenties. The reason for this could be simply that this group is going out of state for their education and returning shortly after they enter the workforce, because their numbers increase again with the next census period (projected 2010).

On the surface it doesn't appear to be a permanent move, as the numbers in these age cohorts increase again in subsequent census periods. Many factors come into play when trying to understand this phenomenon. One is that today's environment is much more mobile. Younger people tend to be more comfortable moving to where career opportunities lead them. Older generations were less likely to change jobs and companies multiple times during their careers.

## How New Hampshire is Moving

Even the state's population balance has shifted during this time period. With the 1950 census, the state's population center was located in Canterbury, slightly northwest of Concord. With each subsequent decennial census the population center shifted south through Concord and as of the 2000 decennial census was in the southern portion of Pembroke.

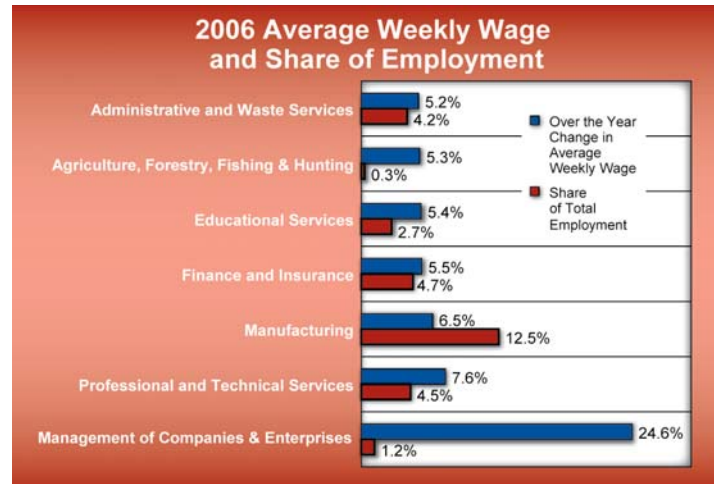






### Income & Wages

The average weekly wage for all employment covered by unemployment compensation insurance in New Hampshire increased from \$780 in 2005 to \$816 in 2006. This represented a 4.6 percent increase over the year. The 2006 gain in average weekly wages exceeded the 3.4 percent growth rate from 2004 to 2005. The \$36 net gain in average wages over the year tied the increase from 2003 to 2004 and is a strong improvement from the \$14 over the year gain from 2001 to 2002.



While total employment covered by unemployment compensation insurance includes both privately owned companies as well as government owned facilities, the average weekly wages for specific industries are based on only privately owned companies in the following discussion.

Just over a third of the total covered employment in the state had an increase larger than the state mean average weekly wage. Two private industry sectors with the largest increases were *Management of companies and enterprises* (Sector 55) with an over-the-year spike of 24.6 percent, and *Professional and technical services* (Sector 54) with average weekly wages rising by 7.6 percent over the year. These two sectors comprise only 5.6 percent of the state's total employment.

Privately owned *Manufacturing*, which employs 12.5 percent of the state's total workforce, had the third largest increase, 6.5 percent, in average weekly wage over the year. Although the sector has been struggling

in recent years, this increase symbolizes roughly \$65 per week on average for the 78,300 workers in the industry. *Manufacturing* is still among the top ten industry sectors having a high wage, with an average wage of \$1,067.

On the other end of the scale, *Retail trade*, New Hampshire's largest industry by number of jobs with 15.7 percent of total employment, showed the smallest positive wage growth over the year. The increase in average weekly wages was a mere 0.6 percent. Considering that wages in *Retail trade* are typically low to start with (\$504 in 2006), the increase of \$3 per week is barely enough to purchase one gallon of gasoline today.

Two other large private industry sectors, *Health care and social assistance* (12.3 percent of the workforce) and *Accommodation and food services* (8.4 percent of the employment picture) each experienced an over the year increase of at least three percent in average weekly wages. These two industries



## 2. Income & Wages



2006	Average Weekly Wage	% Change OTY in AWW	% of Total Employment
Total, Private Plus Government	\$816	4.6%	
Total Private, All Industries	\$827	4.8%	86.3%
Agriculture, Forestry, Fishing & Hunting	\$535	5.3%	0.3%
Mining	\$957	0.7%	0.1%
Utilities	\$1,503	4.2%	0.4%
Construction	\$902	3.7%	4.7%
Manufacturing	\$1,067	6.5%	12.5%
Wholesale Trade	\$1,319	3.2%	4.5%
Retail Trade	\$504	0.6%	15.7%
Transportation and Warehousing	\$668	4.0%	2.0%
Information	\$1,237	4.2%	2.0%
Finance and Insurance	\$1,347	5.5%	4.7%
Real Estate and Rental and Leasing	\$763	-2.6%	1.3%
Professional and Technical Services	\$1,296	7.6%	4.5%
Management of Companies and Enterprises	\$2,238	24.6%	1.2%
Administrative and Waste Services	\$668	5.2%	4.2%
Educational Services	\$777	5.4%	2.7%
Health Care and Social Assistance	\$785	3.6%	12.3%
Arts, Entertainment, and Recreation	\$380	3.8%	1.8%
Accommodation and Food Services	\$304	3.1%	8.4%
Other Services, except Public Administration	\$562	3.5%	3.1%

Source: Economic and Labor Market Information Bureau, 2006 Annual Averages, Quarterly Census of Employment and Wages

represent very different demands in the state's economy, one responding to the aging and growth of the population and the other highly influenced by the health of the economy. Health care workers saw an extra \$27 per week on average to reach an average weekly wage of \$785. The average weekly wage for *Accommodation and food service* workers was \$304, increasing by three percent, a numeric difference of just \$9 per week.

### Components of Personal Income

Among the New England states, New Hampshire has the largest share of its *personal income* from *net earnings*. *Net earnings* is total earnings by place of work less contributions made for government social insurance (i.e. Social Security and Medicare) adjusted to the place of residence.<sup>1</sup> Only Maine had an increase in its share of *net earnings* to *total personal*

<sup>1</sup> [State Annual Personal Income](http://www.bea.gov/regional/spi). Bureau of Economic Analysis, US Department of Commerce. Accessed December 30, 2007. <[www.bea.gov/regional/spi](http://www.bea.gov/regional/spi)>.





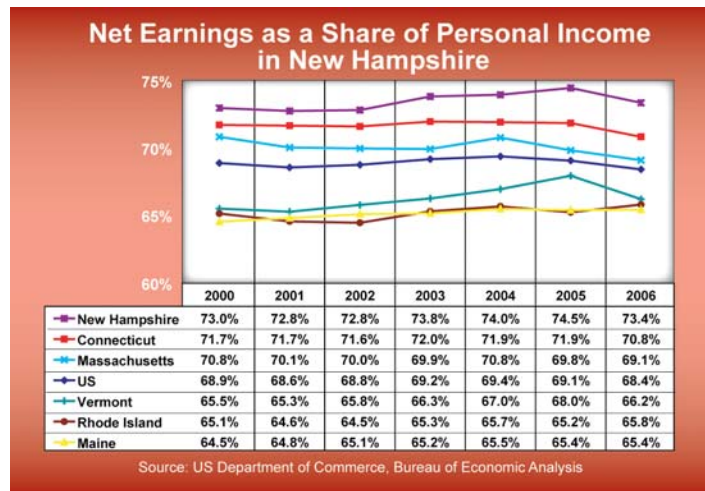
## 2. Income & Wages

*income* in the recession year of 2001. New Hampshire's share of income from *net earnings* dropped that year and remained at the same level the next year, then increased slightly, until slipping in 2006.

New Hampshire has seen a decline in the share of income from *dividends, interest, and rent*. This is not unique to the state, as the share for the nation and each of the other New England states display the same trend. Comparing 2000 to 2006, New Hampshire's share of *dividends interest and rent* to *total personal income* dropped 2.1 percentage points, while nationally the decline was 1.4 points.

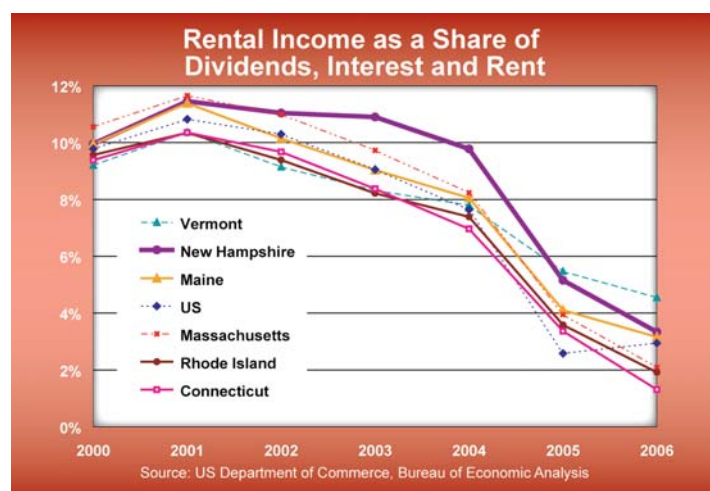
On the surface it appears that the decline has been driven by the reductions in the subcomponent *rental income of persons*. In 2000, this component made up roughly ten percent of the *dividends, interest, and rent* element of *net earnings*. *Rental income* is the *net income of persons* from the rental of real property except for those individuals primarily involved in real estate business, imputed rental income (rent paid by owner occupants to themselves), and royalties from patents, copyrights, and rights to natural resources.<sup>2</sup>

The *rental income* share held fairly steady at around ten percent from 2000 through 2003 when the share started to wither. By 2006 the contribution from *rental income of persons* had tumbled to lower single digits. New Hampshire's share was a



mere 3.3 percent, a strong amount compared to the remaining New England states, of which only Vermont exceeded that level. This may be a reflection of the struggling housing market.

It is interesting to note that as the population continues to age, the portion of *retirement and other* as a share of *personal income* has been growing in recent years. Since 2000, the share of this component in New Hampshire has grown by 1.5 percent.



<sup>2</sup> *ibid.*

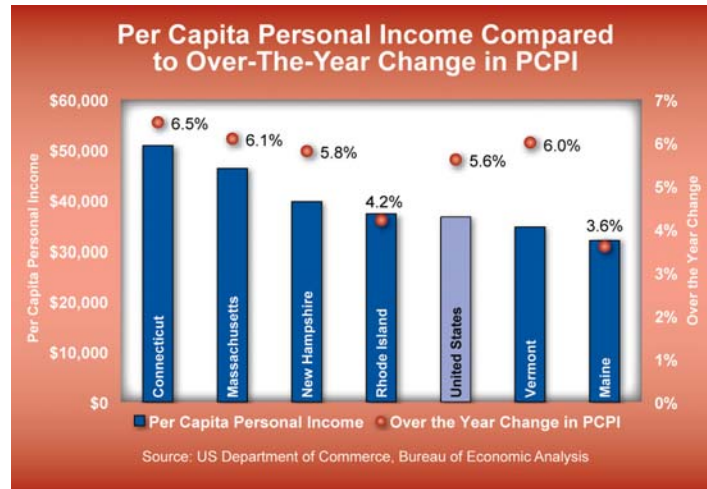


## 2. Income & Wages



### Per Capita Personal Income

New Hampshire, along with two other New England states, continued to be ranked in the top ten states for *per capita personal income*. Since New Hampshire has such a small population its *total personal income* amount is much smaller than that of more populous states. For that reason, the *per capita personal income* is the measurement that is the most commonly used method for comparison between the states.



2006 Per Capita Personal Income	Rank in US*
\$50,787	1
\$46,255	3
\$39,655	7
\$37,261	17
\$34,623	23
\$31,931	39

\*not including District of Columbia

The 5.8 percent increase over the year raised New Hampshire's *per capita personal income* in 2006 to \$39,655. The state's percent change in its *per capita personal income* exceeded that of the nation for the second time in the last three years.





## 2. Income & Wages

Total Personal Income	2003	2004	2005	2006	Source
New Hampshire (\$ millions)	44,327	47,170	48,979	52,142	BEA
Components:					
Net earnings <sup>a</sup>	73.8%	74.0%	74.5%	73.4%	BEA
Dividends, interest, rent	14.7%	14.2%	13.7%	14.7%	BEA
Transfer payments	11.3%	11.8%	11.8%	11.9%	BEA

<sup>a</sup> 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	2003	2004	2005	2006	Source
Per Capita Personal Income	\$34,471	\$36,342	\$37,480	\$39,655	BEA
United States rank (excluding D.C.)	6	6	8	7	BEA
Annual percent change	1.2%	5.4%	3.1%	5.8%	NHES/BEA
Percent change after adjusting for inflation using CPI	-0.7%	2.1%	-0.3%	3.2%	NHES/BEA

Per Capita Disposable Income	2003	2004	2005	2006	Source
Per Capita Disposable Income	\$31,090	\$32,932	\$33,640	\$35,377	BEA
United States rank (excluding D.C.)	5	6	6	7	BEA
Annual percent change	2.3%	5.9%	2.1%	5.2%	NHES/BEA
Percent change after adjusting for inflation using CPI	0.4%	2.6%	-1.2%	2.6%	NHES/BEA

Median Household Income (in current dollars)	2003	2004	2005	2006	Source
New Hampshire	\$55,567	\$56,815	\$56,984	\$61,970	CB
Connecticut	\$54,965	\$55,100	\$56,835	\$62,404	CB
Maine	\$37,113	\$41,329	\$43,923	\$45,642	CB
Massachusetts	\$50,955	\$52,019	\$56,017	\$55,330	CB
Rhode Island	\$44,711	\$47,935	\$49,484	\$53,736	CB
Vermont	\$43,261	\$47,329	\$50,704	\$51,981	CB

US Price Indices	2003	2004	2005	2006	Source
CONSUMER PRICE INDEX, All Urban Consumers, Year End (Non-seasonally Adjusted)					
December each year (US, 1982-1984 = 100)	184.3	190.3	196.8	201.8	BLS
December to December percent change	1.9%	3.3%	3.4%	2.5%	BLS





## 2. Income & Wages



Wages	2003	2004	2005	2006	Source
TOTAL WAGES in employment covered by unemployment compensation (\$ millions)					
Private and public employers	\$22,556	\$24,038	\$25,179	\$26,627	NHES
Annual percent change	3.4%	6.6%	4.7%	5.8%	NHES
AVERAGE WEEKLY WAGE covered by unemployment compensation					
All industries (annual average)	\$725	\$761	\$789	\$827	NHES
Annual percent change	3.0%	5.0%	3.7%	4.8%	NHES
Agriculture, Forestry, Fishing, and Hunting	\$469	\$504	\$508	\$535	NHES
Mining	\$837	\$907	\$950	\$957	NHES
Utilities	\$1,326	\$1,522	\$1,442	\$1,503	NHES
Construction	\$809	\$834	\$870	\$902	NHES
Manufacturing	\$928	\$974	\$1,002	\$1,067	NHES
Wholesale Trade	\$1,162	\$1,211	\$1,278	\$1,319	NHES
Retail Trade	\$482	\$492	\$501	\$504	NHES
Transportation and Warehousing	\$601	\$639	\$642	\$668	NHES
Information	\$1,081	\$1,142	\$1,187	\$1,237	NHES
Finance and Insurance	\$1,163	\$1,224	\$1,277	\$1,347	NHES
Real Estate and Rental and Leasing	\$702	\$736	\$783	\$763	NHES
Professional and Technical Services	\$1,110	\$1,152	\$1,204	\$1,296	NHES
Management of Companies and Enterprises	\$1,382	\$1,762	\$1,796	\$2,238	NHES
Administrative and Waste Services	\$567	\$603	\$635	\$668	NHES
Educational Services	\$696	\$721	\$737	\$777	NHES
Health Care and Social Assistance	\$699	\$729	\$758	\$785	NHES
Arts, Entertainment, and Recreation	\$331	\$350	\$366	\$380	NHES
Accommodation and Food Services	\$284	\$291	\$295	\$304	NHES
Other Services, except Public Administration	\$511	\$529	\$543	\$562	NHES
Total Government	\$675	\$710	\$722	\$746	NHES
AVERAGE WEEKLY EARNINGS					
Production Workers in Manufacturing Employment	\$594.00	\$619.20	\$653.84	\$682.27	BLS







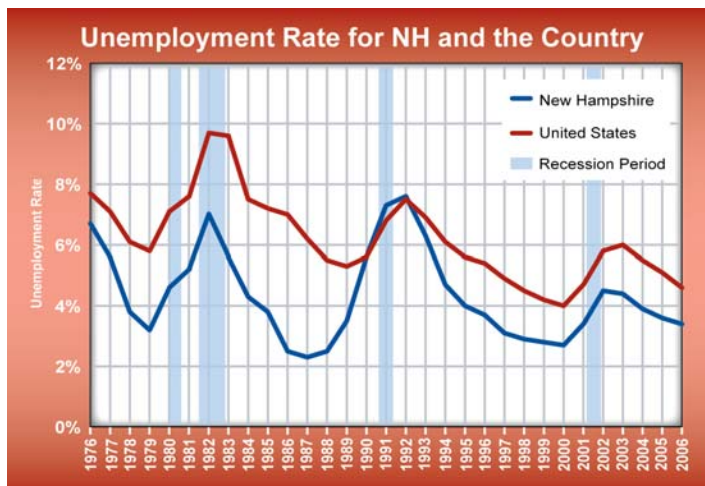
## 3. Labor Force & Unemployment

### Labor Force & Unemployment

New Hampshire's 2006 average unemployment rate was 3.5 percent. The national average was 4.6 percent. Typically the state's unemployment rate has been lower than that of the nation. Since 1976, the only time period that was an exception was from 1990 through 1992 when New Hampshire's annual average unemployment rate peaked at 7.6 percent and the state was slower recovering from the recession than the nation. That was the highest annual unemployment rate that the state has had in 30 years, surpassing the previous peak of 7.0 percent in 1982.

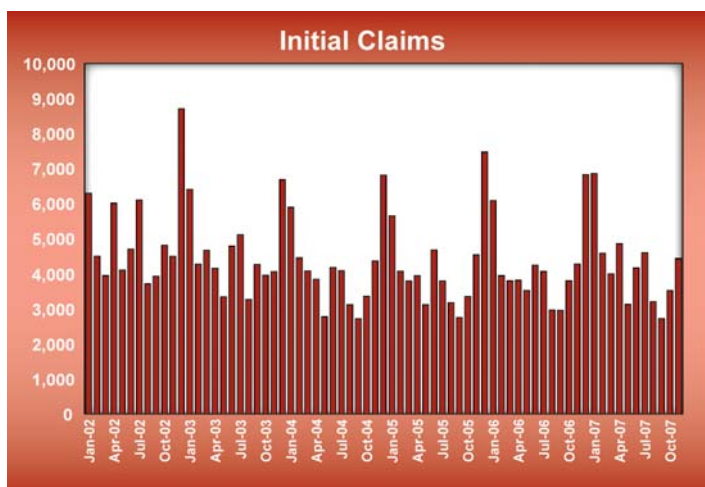
One of the elements used in generating the unemployment rate is the number of claims for unemployment compensation. An initial claim is the first step in filing a claim for benefits. Economists often use this figure as a measurement of the current health of an economy. They feel if initial claims are increasing, then more people are in the early stages of unemployment. Tracking the number of monthly initial claims in the state shows seasonal peaks and valleys:

- The annual increase in initial claims each December is typically from manufacturing company shutdowns for the holidays.
- January follows as having the next highest number of initial claims – that may be attributable in part to the reduction in retail staff after the holiday employment buildups.



- Individuals on summer hiatus from the academic year and factory vacation shutdowns typically inflate July initial claims.
- September is a mixed bag for initial claims counts depending on when the summer tourist season wraps up and the academic year begins.

It is key to recognize the difference between seasonal patterns and economic change or



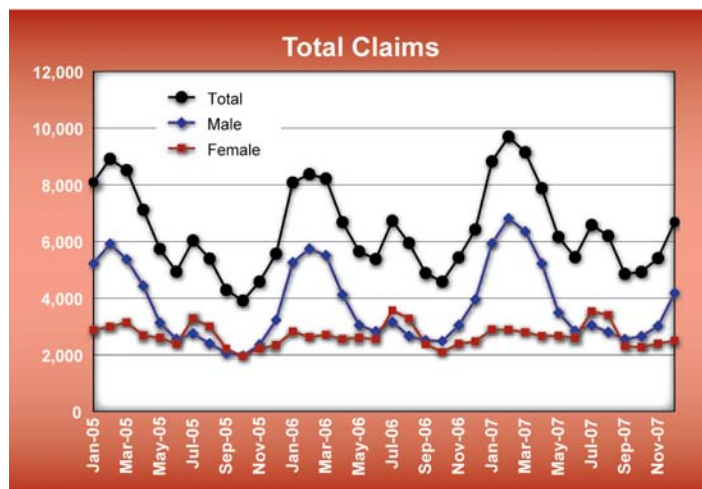
### 3. Labor Force & Unemployment



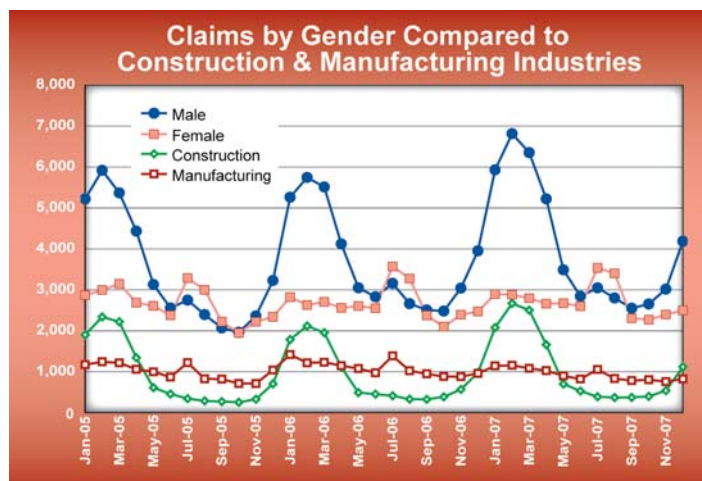
cyclical patterns in the number of claims. Seasonal changes are easily distinguished and predictable. Cyclical changes are the result of changes from the “business cycle” which are unrelated to the calendar but instead define recession and recovery periods. Structural economic changes are those of a more permanent nature, reflecting complex shifts in technology and population changes.

Not all unemployed individuals file for unemployment compensation. There are many reasons for this. People who have been out of the workforce and returned, and those entering the workforce for the first time, may not be eligible for compensation because they do not have “qualifying wages” from recent employment. In addition, those who voluntarily leave their jobs typically are not eligible. Some workers who are eligible may simply choose not to file. Most who lose their job through no fault of their own and those on temporary layoff do qualify for unemployment compensation.

Another indicator of the strength of the economy is the “average duration.” For the 12 months prior to September 2007, the average duration in New Hampshire was 12.5 weeks compared to 15.2 weeks for the nation. That represents the average length of time that claimants received unemployment benefit payments. For example, shorter duration periods could indicate a strong economy in which displaced workers become reemployed in a short time frame.



Reviewing the gender breakout within the industries adds another dimension, and provides an indication of gender-by-industry staffing patterns. Overall, of the claims filed in New Hampshire during 2007, *Construction* and *Manufacturing* had the largest share of total claims. For example, the *Construction* industry includes more jobs that are male dominated, like those in the *Construction and extraction* occupations. However the industry also includes jobs in *Office and administrative*



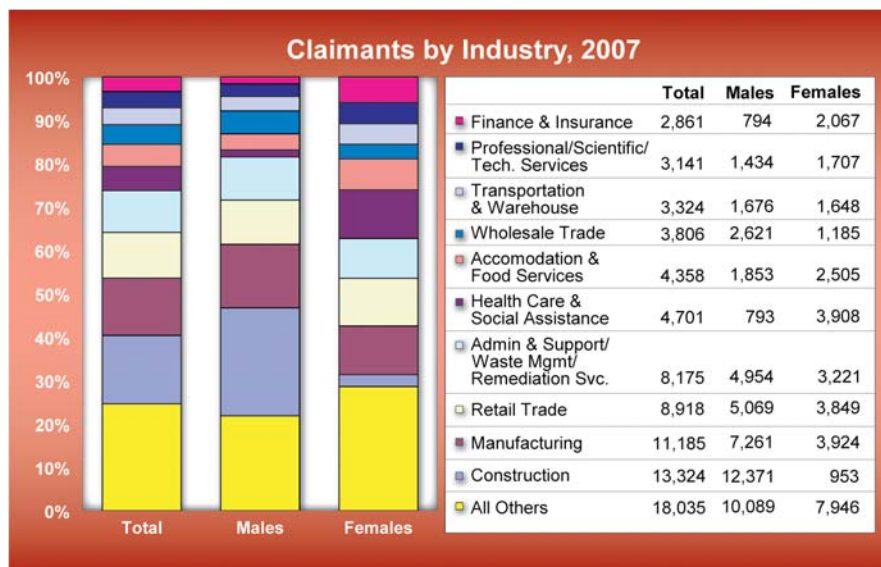


### 3. Labor Force & Unemployment

support, Management, and Sales and related occupations.

Construction, with 16.3 percent of total claims, included over a quarter of all male claimants and just shy of three percent of female claimants. Claimants in Manufacturing and Retail followed with the next largest shares of all claims, and the breakout of males to females was a little closer, 14.8 percent of males vs. 11.9 percent of female claimants in Manufacturing and 10.4 percent of males vs. 11.7 percent of females in Retail trade.

Claimants in the Administrative, support/waste management sector held 10.0 percent of all claimant activity in 2007. It was also the most balanced, with a 10.1 percent share of male claimants and 9.8 percent share of female claimants. The gender-by-industry patterns show more clearly in the claimant information from the Health care and social assistance industry. While the industry sector as a whole held 5.7 percent of claimant activity during the year, only 1.6 percent of males filed in this industry compared to 11.9 percent of females.



Unemployment Insurance	2003	2004	2005	2006	Source
Weeks compensated for unemployment (UI)	408,977	321,358	284,832	292,507	USDOL
Benefits paid, unemployment insurance (thousands)	\$103,364	\$78,560	\$69,997	\$72,701	USDOL
Average duration, benefit payments (weeks)	17.8 <sup>a</sup>	15.4	11.8	11.7	USDOL
United States average	16.4	16.2	15.3	15.3	USDOL
United States rank <sup>b</sup> (1=highest)	14	28	49	48	USDOL
Average weekly benefit amount					
New Hampshire	\$258.60	\$250.69	\$252.12	\$255.58	USDOL
United States	\$261.62	\$262.50	\$266.69	\$277.19	USDOL

<sup>a</sup> New Hampshire Additional Benefits program was available

<sup>b</sup> Ranks include D.C., Virgin Islands, and Puerto Rico



### 3. Labor Force & Unemployment



Civilian Labor Force	2003	2004	2005	2006	Source
Civilian Labor Force (annual average)	711,000	716,000	723,000	732,000	BLS
Annual percent change	-0.1%	0.7%	1.0%	1.2%	NHES
Labor force participation rate	71.5%	71.1%	71.4%	70.9%	BLS
United States rank	8	7	9	9	BLS
Male participation rate	78.5%	77.9%	78.0%	76.9%	BLS
United States rank	6	9	tie 7	10	BLS
Female participation rate	64.9%	64.7%	65.1%	65.3%	BLS
United States rank	tie 9	11	8	9	BLS

Employment	2003	2004	2005	2006	Source
Employed (annual average)	679,000	688,000	697,000	706,000	BLS
Annual percent change	-0.1%	1.3%	1.3%	1.3%	BLS/NHES
Work full-time - 35 hours or more per week	n/a	n/a	n/a	n/a	BLS

Unemployment	2003	2004	2005	2006	Source
Unemployed (annual average)	31,645	27,703	26,280	25,787	BLS
Unemployment rate (annual average)					
New Hampshire	4.4%	3.9%	3.6%	3.5%	BLS
United States rank (1=lowest)	9	6	5	11	BLS
New England	5.4%	4.9%	4.7%	4.5%	BLS
United States	6.0%	5.5%	5.1%	4.6%	BLS
Men					
New Hampshire	4.5%	4.0%	3.8%	3.5%	BLS
United States	6.3%	5.6%	5.1%	4.6%	BLS
Women					
New Hampshire	4.1%	3.3%	3.5%	3.1%	BLS
United States	5.7%	5.4%	5.1%	4.6%	BLS
Teenagers (16-19)					
New Hampshire	12.9%	12.3%	13.1%	11.8%	BLS
United States	17.5%	17.0%	16.6%	15.4%	BLS

Work Stoppages	2003	2004	2005	2006	Source
Number of companies	0	6	0	0	USDOL
Employees involved	0	205	0	0	USDOL







## 4. Employment by Industry

### Employment by Industry

With the cloudy outlook and so much doubt about the direction of the economy, it is difficult to find the proverbial silver lining. New Hampshire's nonfarm jobs growth slowed in 2006 to 0.9 percent over the year, reaching an annual average of 641,900 jobs. The bright spot is that preliminary estimates for 2007 indicate that the employment growth rate should increase slightly to 1.1 percent.

Again, *Goods producing* industries took the brunt of the employment contractions, slipping 1.7 percent. *Manufacturing* dropped 2.4 percent in 2006 and estimates show an additional 0.5 percent decline for 2007. *Construction*, which in recent years had been buoyed by the lower interest rates promoting renovation projects, has also fallen victim to the uneasiness in the overall housing market. The industry managed to balance 2006 annual employment at no change from 2005, however the estimates for 2007 lean strongly toward the industry dropping 4.4 percent of its employment.

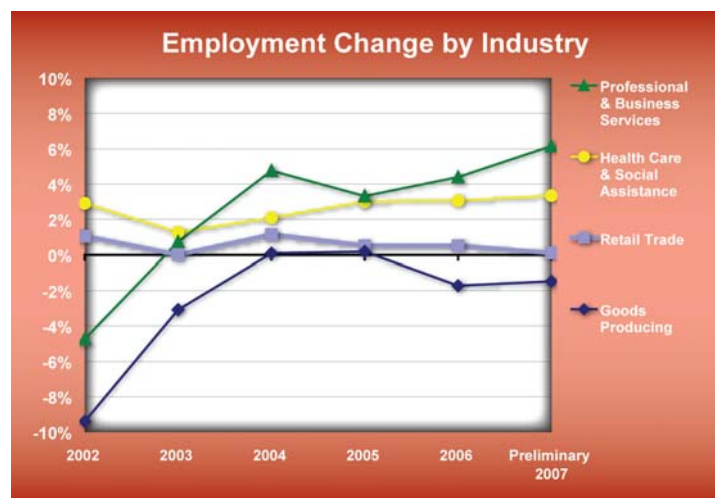
Employment growth in the state comes from gains in the *Service providing* industries, which grew by 7,500 jobs or 1.4 percent in 2006, while preliminary 2007 figures show an increase of 1.6 percent, an additional 8,600 jobs. So which industries provided the supporting cast for the employment increases?

Leading the way were job increases of 2,600 in *Professional and business services* (4.4 percent increase) and an increase of 2,300 in *Health care and social assistance* (3.1 percent increase). By the end of 2007, the employment

increases continued to grow, adding 3,800 jobs in *Professional and business services* (6.1 percent gain) while rising by 2,600 jobs in *Health care and social assistance* (3.4 percent).

Probably one of the most visible signs of economic growth is from *Retail trade*. In 2006 the sector had added 500 more jobs. Because the sector is the largest employing industry in the state those new jobs represented a 0.5 percent increase for the year. The sector is not faring as well in preliminary 2007 estimates, adding just 100 more jobs, an increase of 0.1 percent.

The reputation of New Hampshire as a tourist destination draws attention to the employment levels in the *Leisure and hospitality industries*. Tough times prevailed in 2006 when the industry employment shifted downwards and *Accommodation* employment losses reduced a gain of 700 jobs in *Food services and drinking places*. The entire supersector ended the year 600 jobs above the 2005 level, a gain of 0.9 percent.



## 4. Employment by Industry

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Calendar year 2007 shows these industries recovering slightly with over 500 more jobs. Both *Accommodation* and *Food services and drinking places* eked out small gains, adding 200 jobs and 500 jobs, respectively. The net 500 job increase represented an average increase of 0.8 percent in *Leisure and hospitality* for the year.

However unremarkable New Hampshire's 0.9 percent job increase in 2006 may seem, it is still positive. Preliminary 2007 figures point toward stronger employment growth of 1.1 percent, even though it falls short of the three and four percent job gains of the late 1990s.







## 4. Employment by Industry

Annual Employment Averages	2003	2004	2005	2006	Source
TOTAL NONFARM	617,900	627,400	636,300	641,900	NHES
TOTAL PRIVATE	527,800	537,200	544,900	549,800	NHES
Goods Producing	110,300	110,400	110,600	108,700	NHES
Natural Resources & Mining	900	1,000	1,000	1,100	NHES
Construction	28,900	29,400	29,400	29,400	NHES
Manufacturing	80,400	80,100	80,200	78,300	NHES
Durable Goods	59,700	60,500	61,000	59,600	NHES
Primary Metal Manufacturing	3,000	3,100	3,300	3,200	NHES
Computer & Electronic Product	18,800	19,300	19,100	18,400	NHES
Electrical Equipment, Appliance, & Component	4,500	4,600	4,500	4,800	NHES
Nondurable Goods	20,700	19,600	19,100	18,700	NHES
Food & Beverage & Tobacco Product Manufacturing	3,500	3,100	n/a	n/a	NHES
Paper Manufacturing	3,100	2,900	n/a	n/a	NHES
Service Providing	507,600	517,000	525,700	533,200	NHES
Trade, Transportation, & Utilities	138,400	139,600	140,600	141,600	NHES
Wholesale Trade	26,700	27,200	27,500	28,000	NHES
Retail Trade	95,900	97,000	97,500	98,000	NHES
Food & Beverage Stores	19,000	19,300	19,400	20,000	NHES
Transportation and Utilities	15,800	15,400	15,600	15,600	NHES
Information	12,200	12,600	12,700	12,500	NHES
Financial Activities	37,000	37,400	39,400	39,400	NHES
Professional & Business Services	54,700	57,300	59,200	61,800	NHES
Educational & Health Services	93,100	95,000	97,800	100,300	NHES
Educational Services	21,400	21,900	22,500	22,600	NHES
Health Care & Social Assistance	71,600	73,100	75,300	77,600	NHES
Hospitals	22,900	23,600	25,000	26,100	NHES
Leisure & Hospitality	61,500	63,800	63,300	63,900	NHES
Accommodation & Food Services	50,200	52,000	52,400	52,900	NHES
Food Services & Drinking Places	40,900	42,400	43,100	43,800	NHES
Other Services	20,700	21,100	21,300	21,500	NHES
Total Government	90,100	90,200	91,400	92,200	NHES



## 4. Employment by Industry



Annual Employment Percent Changes		2003	2004	2005	2006	Source
<b>TOTAL NONFARM</b>						
	New Hampshire	-0.1%	1.5%	1.4%	0.9%	NHES
	New England	-1.1%	0.4%	0.6%	0.9%	NHES/BLS
	United States	-0.3%	1.1%	1.7%	1.8%	NHES/BLS
<b>Private</b>						
	New Hampshire	-0.4%	1.8%	1.4%	0.6%	NHES
	New England	-1.1%	0.5%	0.6%	0.9%	NHES/BLS
	United States	-0.4%	1.3%	1.9%	2.0%	NHES/BLS
<b>Government</b>						
	New Hampshire	2.0%	0.1%	1.3%	0.0%	NHES
	New England	-1.0%	-0.7%	0.6%	0.6%	NHES/BLS
	United States	0.3%	0.2%	0.8%	0.8%	NHES/BLS
Annual Employment Percent Changes		2003	2004	2005	2006	Source
<b>Goods Producing</b>						
	New Hampshire	-3.1%	0.1%	0.2%	-2.7%	NHES
	New England	-4.7%	-0.9%	-1.0%	-1.0%	NHES/BLS
	United States	-3.3%	0.3%	1.4%	1.5%	NHES/BLS
<b>Natural Resources &amp; Mining</b>						
	New Hampshire	0.0%	11.1%	0.0%	0.0%	NHES
	New England	-1.4%	4.3%	2.7%	1.3%	NHES/BLS
	United States	-1.9%	3.3%	6.3%	8.9%	NHES/BLS
<b>Construction</b>						
	New Hampshire	3.6%	1.7%	0.0%	0.3%	NHES
	New England	-0.5%	2.6%	0.7%	1.6%	NHES/BLS
	United States	0.3%	3.6%	5.2%	4.8%	NHES/BLS
<b>Manufacturing</b>						
	New Hampshire	-5.4%	-0.4%	0.1%	-3.9%	NHES
	New England	-6.2%	-2.3%	-1.8%	-2.0%	NHES/BLS
	United States	-4.9%	-1.3%	-0.6%	-0.5%	NHES/BLS
<b>Durable goods</b>						
	New Hampshire	-5.7%	1.3%	0.8%	-3.9%	NHES
	New England	-6.7%	-1.9%	-1.5%	-1.6%	NHES/BLS
	United States	-5.5%	-0.4%	0.3%	0.3%	NHES/BLS
<b>Nondurable goods</b>						
	New Hampshire	-4.6%	-5.3%	-2.6%	-3.1%	NHES
	New England	-5.1%	-3.4%	-2.3%	-2.9%	NHES/BLS
	United States	-3.9%	-2.8%	-2.2%	-1.8%	NHES/BLS





## 4. Employment by Industry

Annual Employment Percent Changes	2003	2004	2005	2006	Source
Service Providing					
New Hampshire	0.6%	1.9%	1.7%	1.2%	NHES
New England	-0.4%	0.6%	0.9%	1.2%	NHES/BLS
United States	0.4%	1.3%	1.8%	1.8%	NHES/BLS
Trade, Transportation, & Utilities					
New Hampshire	0.1%	0.9%	0.7%	0.9%	NHES
New England	-0.8%	0.3%	0.1%	0.1%	NHES/BLS
United States	-0.8%	1.0%	1.7%	1.2%	NHES/BLS
Wholesale trade					
New Hampshire	0.4%	1.9%	1.1%	1.8%	NHES
New England	-0.3%	-0.1%	0.5%	1.9%	NHES/BLS
United States	-0.8%	1.0%	1.8%	2.4%	NHES/BLS
Retail trade					
New Hampshire	0.0%	1.1%	0.5%	0.8%	NHES
New England	-0.8%	0.7%	-0.1%	-0.6%	NHES/BLS
United States	-0.7%	0.9%	1.5%	0.5%	NHES/BLS
Transportation and Utilities					
New Hampshire	0.0%	-2.5%	1.3%	0.0%	NHES
New England	-1.2%	-0.5%	0.6%	0.6%	NHES/BLS
United States	-1.2%	1.0%	2.1%	2.1%	NHES/BLS
Information					
New Hampshire	-5.4%	3.3%	0.8%	0.0%	NHES
New England	-6.0%	-2.7%	-0.9%	-0.1%	NHES/BLS
United States	-6.1%	-2.2%	-1.8%	-0.8%	NHES/BLS
Financial Activities					
New Hampshire	1.1%	1.1%	5.3%	0.5%	NHES
New England	-0.6%	-1.1%	1.0%	0.9%	NHES/BLS
United States	1.7%	0.7%	1.5%	2.1%	NHES/BLS
Professional & Business Services					
New Hampshire	0.7%	4.8%	3.3%	3.5%	NHES
New England	-2.1%	2.1%	2.1%	2.5%	NHES/BLS
United States	0.1%	2.5%	3.4%	3.6%	NHES/BLS
Educational & Health Services					
New Hampshire	1.4%	2.0%	2.9%	2.4%	NHES
New England	1.7%	1.7%	1.7%	2.4%	NHES/BLS
United States	2.4%	2.2%	2.5%	2.6%	NHES/BLS
Leisure & Hospitality					
New Hampshire	1.2%	3.7%	-0.8%	0.3%	NHES
New England	1.3%	1.5%	0.6%	1.0%	NHES/BLS
United States	1.6%	2.6%	2.6%	2.3%	NHES/BLS
Other Services					
New Hampshire	-4.2%	1.9%	0.9%	0.5%	NHES
New England	-0.2%	0.2%	0.5%	0.4%	NHES/BLS
United States	0.5%	0.1%	-0.3%	0.8%	NHES/BLS



## 5. Occupational Trends



### Occupational Trends

Until the last few years, newspapers were the primary source of help wanted ads. Job seekers would scour the paper and circle ads that fit their particular interests. In the 21st century, many of the ads that once appeared in newspapers are now exclusively on the Internet.

A method of tracking these ads has recently been developed and is currently in use to gauge the volume of help wanted ads in the US and for individual states.<sup>1</sup> New Hampshire's count was 21,800 online advertisements in December 2007. In comparison to December 2006, that was a slight increase, however it may simply indicate the fact that Internet postings are being used more widely. The number of listings in September 2007, the end of the previous quarter, was higher than December's level, at about 25,600 posted, but that is not surprising since hiring tends to slow down during the end of the year. Nearly half of December's posted openings in the state were for *Professional and related* occupations.

#### Employment Projections in the Long-Term

State occupational projections provide job seekers, students, career planners, and others with an objective, time-tested, and nationally consistent way to search and compare expected occupational growth trends. Projections gives them an idea of where employment opportunities may be in the near-term and longer-term.



The future brings many developments and trends that published projections can not anticipate. In reviewing projections made in 1988 for the year 2000, the US Bureau of Labor Statistics observed that projections were generally on target for most occupations. Events, such as the emergence of the Internet, gave rise to entirely new occupations while adversely affecting occupations such as *Travel agents* and *Data entry clerks*. That could not have been anticipated and is part of what makes occupational projections a challenge.<sup>2</sup>

Nearly every state produced employment projections for the 2004 to 2014 time period, keeping up with a schedule that encourages publication every two years. These projections were submitted to a central web site where they are available for comparison.

<sup>1</sup> [Help Wanted Online Data Series](http://www.conference-board.org/economics/helpwantedonline.cfm). The Conference Board. Accessed January 17, 2008. <[www.conference-board.org/economics/helpwantedonline.cfm](http://www.conference-board.org/economics/helpwantedonline.cfm)>

<sup>2</sup> Alpert, Andrew and Jill Auyer. "The 1988-2000 Employment Projections: How Accurate were they?" *Occupational Outlook Handbook*. Spring 2003.





## 5. Occupational Trends

States use a common methodology to produce projections while incorporating their own assumptions about local economic conditions, producing a unique forecast of employment by industry and occupation.

Projected employment growth between 2004 and 2014 was 16.7 percent for New Hampshire, ranking 13th among states that submitted projections (four states did not prepare projections for that time frame). States with booming population growth such as Nevada, Utah, Arizona, and Colorado are projecting employment to grow by more than 25 percent over the ten-year period. On the lower end, West Virginia, Pennsylvania, and Massachusetts project their employment growth rates to be around five percent between 2004 and 2014.

Long-term projections for New Hampshire, covering the 2006 to 2016 time frame, will be available in summer 2008.

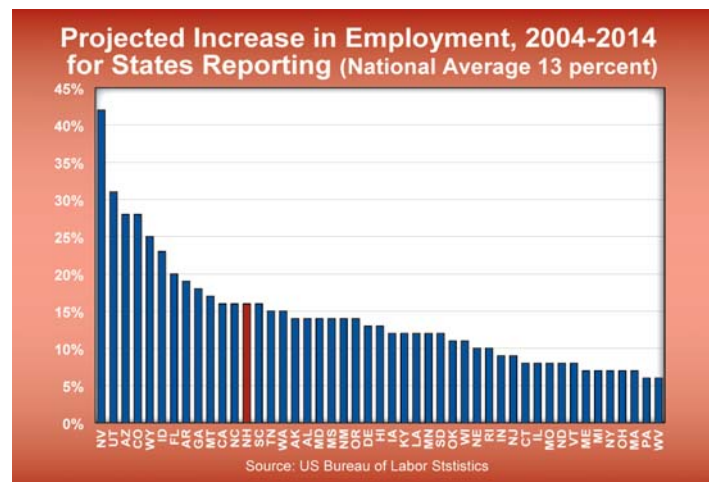
### Short-Term Trends for Fourth Quarter 2006 to Fourth Quarter 2008

As a supplement to long-term projections, a short-term perspective looks at expected employment change over a two-year period, the most recent being fourth quarter 2006 to fourth quarter 2008. This perspective allows for the effect that cyclical trends can have on industries and occupations while long-term projections consider changes in population and income, as well as structural changes in the economy.

New Hampshire is projected to add more than 13,000 jobs over the two-year period. On a percentage basis, the gain of 1.9 percent (less than one percent a year, annualized) is slightly slower than two-year projections in recent years.

These are some of the projected fastest-growing occupational groups:

- *Computer and mathematical occupations* are expected to increase employment by 5.1 percent over the two-year projection period. While this major group accounted for only 2.5 percent of base year employment, it is expected to produce 6.7 percent of projected job increases in fourth quarter 2008. Occupations with significant employment totals in this group include *Computer software engineers, applications, Computer software engineers, systems software, Computer support specialists and Network and computer systems administrators*.



## 5. Occupational Trends



- Healthcare practitioners and technicians* are also projected to grow at 5.1 percent. These occupations account for nearly five percent of total employment in fourth quarter 2006, but are expected to account for 13.1 percent of new employment in fourth quarter 2008. *Physicians, Dentists, Pharmacists, Registered nurses, Veterinarians*, as well as many specialized technical occupations are included in this group. Employment projections are strong for *Physician assistants* (7.5 percent projected growth), *Diagnostic medical sonographers* (7.3 percent), and *Veterinary technologists and technicians* (8.6 percent). While growth is projected to be strong on a percentage basis, many of the occupations in this group number fewer than a couple hundred workers in the base year.
- Rounding out the top three fastest-growing groups at 5.0 percent are *Healthcare support* occupations. Working closely with healthcare practitioners, occupations such as *Nursing aides, orderlies, and attendants, Home health aides, Dental assistants* and *Medical assistants* provide assistance to health care providers.

On the other end of the scale, *Production* occupations are projected to decline in employment by 1.9 percent between the 2006 fourth quarter and 2008 fourth quarter, with 1,036 fewer jobs. Because of replacement needs, there are still multiple annual openings.

### Occupational Trends by Training Category

As a guide for students, job counselors, and curriculum planners, the Bureau of Labor Statistics assigns a single training category to each occupation to describe the typical training attained by most workers to qualify for the job (there may be alternatives to becoming qualified).

Looking at occupations adding the most new jobs or having higher-than-average growth in the short-term can help focus on where current opportunities may arise for a given level of education or training.

More than 35 percent of new jobs will come from occupations requiring only short-term on-the-job training. This is neither surprising nor alarming, as many of the state's most numerous occupations are included in this training category. *Retail salespersons, Cashiers, and General office clerks* are three of the larger occupations in this category. In total, projected growth for occupations in this

**Short-Term Projections 2006Q4 to 2008Q4**  
**Top Ten Occupations - Most Openings from Growth**

SOC Code	SOC Title	Openings from Growth
41-2031	Retail Salespersons	491
29-1111	Registered Nurses	400
13-1199	Business Operations Specialists, All Other	237
35-3031	Waiters and Waitresses	204
35-3021	Combined Food Prep/Serving Workers, Inc. Fast Food	201
25-9041	Teacher Assistants	193
25-2021	Elementary School Teachers, Ex. Special Ed	182
15-1031	Computer Software Engineers, Applications	174
37-2011	Janitors/Cleaners, Ex. Maids/Housekeeping Cleaners	163
31-1012	Nursing Aides, Orderlies, and Attendants	158







## 5. Occupational Trends

group will match the growth rate for all occupations, at 1.9 percent over two years.

Occupations requiring a Bachelor's degree account for 23 percent of the change in employment between fourth quarter 2006 and fourth quarter 2008. This category encompasses a wide variety of occupations employing the most workers, including *Elementary, Middle and Secondary school teachers* (excluding special and vocational education), *Computer software engineers, Business operations specialists, and Insurance agents*. Projected growth for these occupations at 2.1 percent is better than the average for all occupations.

Occupations requiring an Associate degree are among the fastest-growing. *Registered nurses* are a key occupation in this group, projected to add nearly 800 jobs over two years and generate 642 openings per year.

### Short-Term Projections 2006Q4 to 2008Q4 Top Ten Occupations - Fastest Growing (Minimum Employment of 500 in 2006Q4)

SOC Code	SOC Title	Percent Change
15-1081	Network Systems and Data Communications Analysts	9.2%
31-1011	Home Health Aides	8.7%
29-2056	Veterinary Technologists and Technicians	8.6%
15-1031	Computer Software Engineers, Applications	7.5%
31-9092	Medical Assistants	6.8%
15-1032	Computer Software Engineers, Systems Software	6.6%
25-3021	Self-Enrichment Education Teachers	6.5%
29-2052	Pharmacy Technicians	6.2%
25-2041	Special Ed Teachers, Presch/Kindergarten/Elem Sch	6.2%
29-1111	Registered Nurses	6.1%

### Short-Term Projections 2006Q4 to 2008Q4 Top Ten Occupations - Adding the Most Jobs (Growth Plus Replacement)

SOC Code	SOC Title	Openings
41-2011	Cashiers	1,610
41-2031	Retail Salespersons	1,553
35-3031	Waiters and Waitresses	898
35-3021	Combined Food Prep/Serving Workers, Inc. Fast Food	782
29-1111	Registered Nurses	642
43-5081	Stock Clerks and Order Fillers	486
25-9041	Teacher Assistants	382
13-1199	Business Operations Specialists, All Other	379
35-3022	Counter Attendants, Cafeteria/Food Concession	359
25-2021	Elementary School Teachers, Ex. Special Ed	354



## 5. Occupational Trends



Short-term Projections by Occupational Group 4th Quarter 2006 to 4th Quarter 2008		2006 4th Quarter Employment	2008 4th Quarter Projected	Change	Average Annual Growth	Percent Change
	<b>Total, All Occupations</b>	<b>699,351</b>	<b>712,718</b>	<b>13,367</b>	<b>1.0%</b>	<b>1.9%</b>
15-0000	Computer and Mathematical	17,398	18,290	892	2.5%	5.1%
29-0000	Healthcare Practitioners and Technicians	34,476	36,223	1,747	2.5%	5.1%
31-0000	Healthcare Support	16,148	16,961	813	2.5%	5.0%
25-0000	Education, Training, and Library	49,198	51,062	1,864	1.9%	3.8%
35-0000	Food Preparation and Serving Related	53,987	55,864	1,877	1.7%	3.5%
37-0000	Building & Grounds Cleaning & Maintenance	23,294	24,069	775	1.6%	3.3%
21-0000	Community and Social Services	9,117	9,418	301	1.6%	3.3%
39-0000	Personal Care and Service	19,061	19,661	600	1.6%	3.1%
13-0000	Business and Financial Operations	29,641	30,529	888	1.5%	3.0%
19-0000	Life, Physical, and Social Science	4,668	4,798	130	1.4%	2.8%
17-0000	Architecture and Engineering	12,833	13,170	337	1.3%	2.6%
33-0000	Protective Service	10,987	11,228	241	1.1%	2.2%
41-0000	Sales and Related	95,687	97,656	1,969	1.0%	2.1%
11-0000	Management	47,102	47,872	770	0.8%	1.6%
53-0000	Transportation and Material Moving	37,841	38,406	565	0.7%	1.5%
27-0000	Arts, Design, Entertainment, Sports, & Media	8,539	8,647	108	0.6%	1.3%
49-0000	Installation, Maintenance, and Repair	28,714	28,980	266	0.5%	0.9%
43-0000	Office and Administrative Support	112,738	112,963	225	0.1%	0.2%
47-0000	Construction and Extraction	31,140	31,199	59	0.1%	0.2%
45-0000	Farming, Fishing, and Forestry	1,928	1,921	-7	-0.2%	-0.4%
23-0000	Legal	4,087	4,070	-17	-0.2%	-0.4%
51-0000	Production	50,767	49,731	-1,036	-1.0%	-2.0%





### Private Enterprise

Where the economy is going in 2008 is hard to predict on a national level as well as for New Hampshire. The uncertainty about the national economy and the fear of going into a recession led the Federal Reserve Board to cut the federal funds rate on overnight loans from 4.25 percent to 3.5 percent on January 22, 2008 – at the time, the biggest single reduction in records going back to 1990. This move was unusual, as the Federal Open Market Committee has rarely acted between scheduled meetings. At the next scheduled meeting, January 29 – 30, 2008, the federal funds rate was cut by another 50 basis points to three percent. This was not the end of the story, as on March 18, 2008, the federal funds rate was cut yet again by 75 basis points, reducing the rate to 2.25 percent.

Tax cuts across all income brackets have been suggested in order to stimulate the economy. The President has proposed a temporary stimulus package, which was backed by the Federal Reserve Bank. Congress also expressed a willingness to move quickly on such legislation, and the Economic Stimulus Act of 2008 was signed into law on February 13, 2008.

#### The New Hampshire Business Outlook

In the 2008 NH Business Outlook Survey, released by RKM Research and Communications for the Business and Industry Association (BIA) in December 2007, each of the four business confidence indicators are at their lowest point in four years. The indicators surveyed are *Economic conditions*, *Employment conditions*, *Future revenues*, and *Future capital expenditures*. Three of the four indicators are still indexed

above 50, however, which suggest a positive business confidence. The fourth indicator, the *Economic conditions* indicator, went from 53.9 in 2006 to 39.0 in 2007. The low score represents the high share of businesses surveyed that replied they expect economic conditions to get worse. The survey results are to a large degree a reflection of the current economic situation and the uncertainties that the sub-prime mortgage industry have added.

#### Reasons for the Low Confidence

The cost of energy has become a major concern to four out of five businesses responding to the RKM/BIA survey. The cost of energy is now a bigger concern than the cost of health care insurance. The fact that the cost of crude oil hit \$100 a barrel on the first trading day of 2008 backs the concern of the majority of New Hampshire businesses. It is important to note that the cost of health care insurance is still of great concern to a majority of the respondents. The survey reveals that while small (less than ten employees) and larger businesses (more than ten employees) agree upon many of the concerns, larger businesses also expressed a concern about their ability to attract qualified employees.

#### Skilled Labor

A shortage of skilled labor is not a concern to just the big employers in the state. NH High Technology Council Chairman, Matt Pierson, states that “nine out of ten technology companies would identify a lack of skilled workers as the largest barrier to business growth.”<sup>1</sup> The NH High Technology Council

<sup>1</sup> Cohen, Erica. “NHHTC: The Ultimate Tech Support”. *Business New Hampshire Magazine*, December 2007, p. 37.



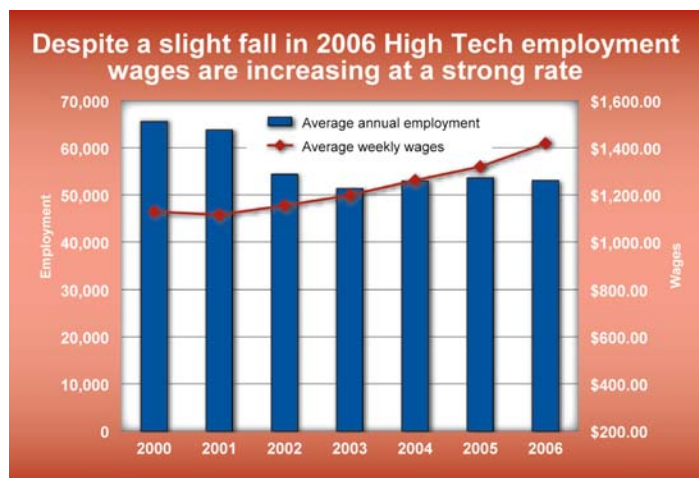
## 6. Private Enterprise



is trying to figure out how to create effective internships to ensure that qualified workers won't leave the state.

This shortage of skilled labor has inspired the University System of New Hampshire to look into the New Hampshire "brain drain." The reason for this concern about the "brain drain" is partly driven by demographics – knowing that the baby boomer generation is about to retire. The *55% Initiative* was suggested in response to the "brain drain" concern. This initiative is an effort to retain more New Hampshire college graduates in the state. Currently 50 percent of New Hampshire college graduates stay in New Hampshire and it is the goal of the University System of New Hampshire to increase the share to 55 percent.

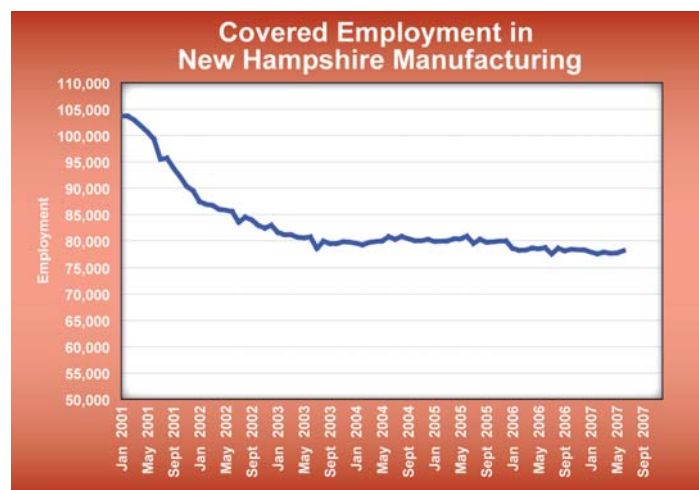
In December 2007, a survey was conducted of more than 3,100 New Hampshire college seniors and recent alumni, in order to find out why these young professionals leave the state. The survey revealed a very positive perception of the quality of life in New Hampshire, but it also showed that there is a concern about available job opportunities. It can be concluded that there is a misconception between the demand and supply side of the job market in New Hampshire. Internships and a more New Hampshire-specific job match web application, as has been suggested, are just two possible and achievable solutions.



### Manufacturing

The falling value of the dollar should promote American exports and it might help the troubled *Manufacturing* sector. It is, however, too early to tell what effect the devaluation of the dollar might have on the New Hampshire *Manufacturing* sector.

From January 2001 to April 2003 the *Manufacturing* sector in New Hampshire shed about a fifth of its employment base. Since spring 2003, the *Manufacturing* employment level stayed at about 80,000 jobs through





## 6. Private Enterprise

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January 2006. At that point *Manufacturing* employment in New Hampshire slipped to about 78,000.

At the end of 2007, a couple of events happened which will have a further negative impact on the *Manufacturing* employment number in 2008. Two more doors closed on long standing *Manufacturing* employment opportunities in New Hampshire.

The last remains of Digital Corporation — a New Hampshire manufacturing legend, which became Compac and later merged to become part of Hewlett-Packard — is leaving the state. Despite Hewlett-Packard's assurance that all employees will be offered jobs at the Malborough, Massachusetts, location, it will reduce the number of *Manufacturing* jobs in New Hampshire.

According to the New Hampshire Business Review's 2008 *Book of Lists*, Hewlett-Packard employed 1,300 people in New Hampshire. In comparison, according to the 1997 lists, Digital Equipment Corp. was one of the state's largest manufacturing employers listed with 4,479 employees in New Hampshire.

Another hit for the *Manufacturing* sector was the closure of the Wausau Paper Mill in Groveton on New Year's Eve 2007. Although a loss of 300 jobs might not seem devastating, the remote location of this layoff with no other readily available employment opportunities aggravates the situation. In addition, this layoff is the third hit to the *Paper manufacturing* industry in Coös County in 18 months, directly reducing *Paper manufacturing* employment by 661 jobs.

Finally, in early February officials at Fraser Papers announced that they are planning to shut down two paper machines in April at their remaining New Hampshire paper plant in Gorham, anticipating a layoff of 167 workers.<sup>2</sup>

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<sup>2</sup> Colquhoun, Lorna. "Fraser Papers laying off 167 at Gorham mill." Union Leader. February 12, 2008. <[www.unionleader.com](http://www.unionleader.com)>. Accessed February 26, 2008.

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## 6. Private Enterprise



Firms by Size <sup>a, b</sup>	2003	2004	2005	2006	Source
Total Number of Firms with employment	32,803	33,461	34,478	35,066	NHES
1 - 4 employees	18,681	19,109	19,348	19,839	NHES
5 - 9 employees	6,120	6,238	6,614	6,544	NHES
10 - 19 employees	3,853	3,932	4,095	4,211	NHES
20 - 49 employees	2,588	2,576	2,775	2,801	NHES
50 - 99 employees	846	863	921	941	NHES
100 - 249 employees	483	506	500	492	NHES
250 - 499 employees	133	137	126	136	NHES
500 - 999 employees	59	64	67	66	NHES
1,000 & over employees	40	36	32	36	NHES
Net Annual Change in Number of Firms	-34	658	1,017	588	NHES
Net Annual Change in Number of Employees	-4,670	8,467	4,834	9,721	NHES
1 - 4 employees	89	753	334	995	NHES
5 - 9 employees	-344	685	2,640	-645	NHES
10 - 19 employees	980	1,007	2,259	1,441	NHES
20 - 49 employees	-1,358	-749	5,858	1,138	NHES
50 - 99 employees	-2,227	550	4,201	2,183	NHES
100 - 249 employees	2,235	2,320	-945	-1,647	NHES
250 - 499 employees	-3,714	2,345	-5,035	2,536	NHES
500 - 999 employees	-2,993	4,385	2,519	-1,470	NHES
1,000 & over employees	2,662	-2,829	-6,997	5,190	NHES
Percent of Total Employment (by size of firm)					
1 - 4 employees	7.3%	7.3%	7.3%	7.5%	NHES
5 - 9 employees	8.0%	8.0%	8.4%	8.3%	NHES
10 - 19 employees	10.3%	10.3%	10.7%	10.9%	NHES
20 - 49 employees	15.4%	15.0%	16.0%	16.2%	NHES
50 - 99 employees	11.5%	11.4%	12.1%	12.5%	NHES
100 - 249 employees	14.5%	14.8%	14.4%	14.1%	NHES
250 - 499 employees	9.3%	9.6%	8.5%	9.0%	NHES
500 - 999 employees	7.7%	8.5%	8.9%	8.6%	NHES
1,000 & over employees	15.9%	15.1%	13.6%	14.6%	NHES

<sup>a</sup> Firms by size numbers are based on March covered employment data, in each calendar year.

<sup>b</sup> Firms by size since 2000 have been revised





## 6. Private Enterprise

<b>New &amp; Terminated Firms Covered by Unemployment Compensation</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Source</b>
New firms	5,652	5,950	5,786	5,881	NHES
Terminated firms	4,598	5,401	5,406	5,481	NHES

<b>High Tech by NAICS</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Source</b>
Average annual employment	51,331	52,882	53,588	53,048	NHES
Average annual number of employing units	3,500	3,603	3,743	3,852	NHES
Total wages (millions of dollars)	\$3,199.9	\$3,470.5	\$3,678.8	\$3,912.5	NHES
Average weekly wages	\$1,198.81	\$1,262.08	\$1,320.19	\$1,418.35	NHES

<b>Percent of Establishments with 100 or More Workers (Ranked from highest among 50 states)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Source</b>
New Hampshire	2.1%	2.1%	2.3%	n/a	CB/NHES
United States rank	31	31	37	n/a	CB/NHES
Connecticut	2.4%	2.4%	2.6%	n/a	CB/NHES
United States rank	16	16	26	n/a	CB/NHES
Maine	1.7%	1.7%	1.7%	n/a	CB/NHES
United States rank	45	45	41	n/a	CB/NHES
Massachusetts	2.7%	2.7%	2.8%	n/a	CB/NHES
United States rank	6	6	13	n/a	CB/NHES
Rhode Island	2.2%	2.2%	2.3%	n/a	CB/NHES
United States rank	28	28	42	n/a	CB/NHES
Vermont	1.5%	1.5%	1.6%	n/a	CB/NHES
United States rank	47	47	47	n/a	CB/NHES

<b>New Firms</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Source</b>
New incorporations in New Hampshire	1,737	2,613	1,285	1,507	SOS
Out-of-state incorporations new to New Hampshire	1,380	1,787	1,329	1,706	SOS
New Limited Liability Companies (LLC) in the state	5,937	8,012	7,261	8,118	SOS
Out-of-State LLCs new to the state	486	674	636	883	SOS



## 7. Transportation & Traffic



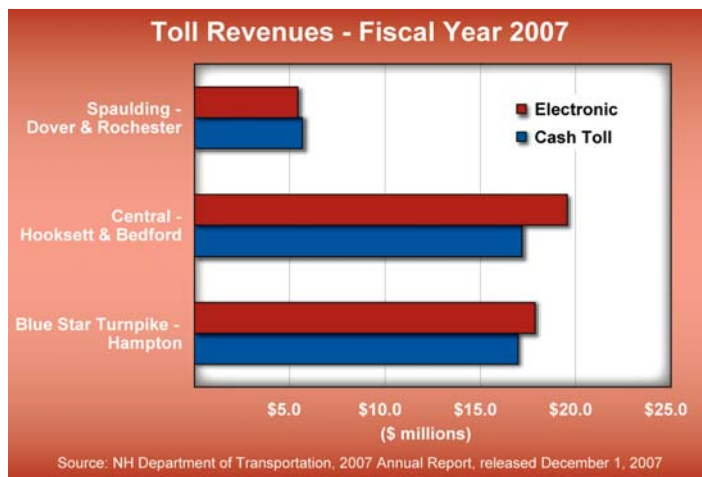
### Transportation & Traffic

New Hampshire's total receipts from cash tolls and EZ Pass were \$82.6 million in fiscal year 2007. The largest share of toll receipts comes from the Hooksett and Bedford tolls, with combined collections of \$36.7 million. The Hampton toll plaza brings in nearly \$35 million, and tolls on the Spaulding Turnpike (Dover and Rochester) take in \$11 million.<sup>1</sup>

New toll rates took effect at several locations in October 2007. Rates for passenger vehicles increased by 25 cents at the Hooksett and Bedford Tolls on the Everett Turnpike, the Dover and Rochester Tolls on the Spaulding Turnpike, and the Hampton Side Toll on the Blue Star Turnpike. Tolls on the Hampton main facility on Interstate 95 increased from \$1.00 to \$1.50.

#### Airline Travel

Passenger counts at Manchester-Boston Regional Airport continued their decline from the 2005 counts, dropping by 2.3 percent in the first eight months of 2007, from 2.65 million in 2006 to 2.59 million in 2006.<sup>2</sup> Still, airlines continue to add flights to popular destinations during peak travel seasons, i.e. Florida during the winter.<sup>3</sup>



Two regional airports in New Hampshire received federal grants for improvements in 2007. Skyhaven Airport in Rochester received \$1 million while Laconia Municipal Airport received \$2 million. Skyhaven will use the federal funds to build a taxiway to the airport's single runway. Laconia Airport plans to build a parking apron for aircraft and replace hazard lights in eight locations.<sup>4</sup>

<sup>4</sup> "Funds for Skyhaven and Laconia reflect importance of our state's small airports." *Foster's Daily Democrat*, September 26, 2007. Accessed December 18, 2007. <www.fosters.com>.

<sup>1</sup> "Financial Management-Fiscal Year 2007 Revenue." *Department of Transportation Annual Report, 2007*. December 1, 2007. New Hampshire Department of Transportation. Accessed January 4, 2008. <www.nh.gov/dot/media/publications.htm>.

<sup>2</sup> *Passenger Statistics*, Manchester Boston Regional Airport. Accessed January 24, 2008. <www.flymanchester.com/airlines/activity.php>.

<sup>3</sup> "Southwest Airlines Announces New Service at MHT." *Airport News*, November 8, 2007. Manchester-Boston Regional Airport. Accessed December 18, 2007. <www.flymanchester.com/about/news.php>.





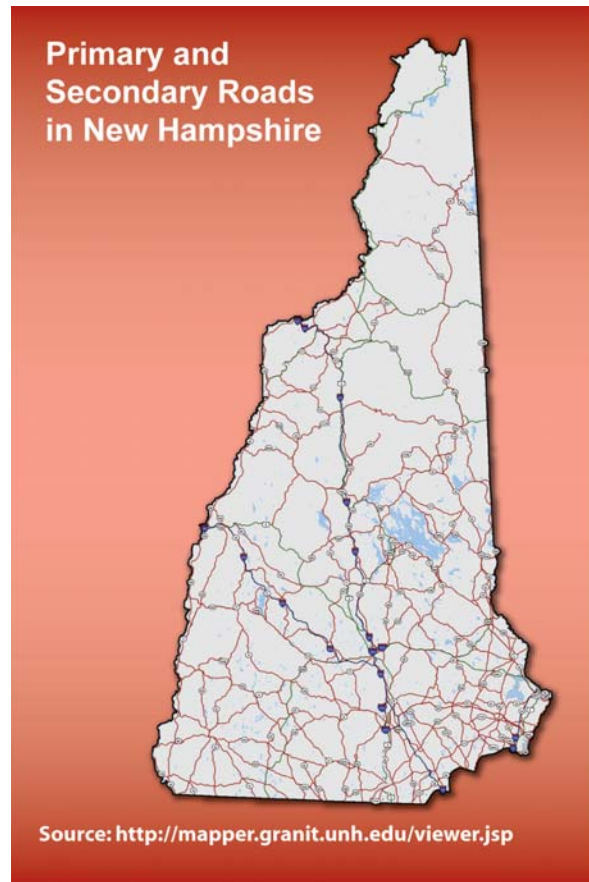
## 7. Transportation & Traffic

### Road Projects

The New Hampshire Department of Transportation's Annual Report for 2007 listed a number of highway and bridge projects that were completed during the year. Major work included the reconstruction of:

- NH Route 16 in North Conway
- US Routes 3A and NH Route 11 in Franklin
- US Route 3 in Tilton
- NH Route 25 in Warren and Wentworth
- US Route 202 in Peterborough
- US Route 3 in Hooksett
- NH Route 9 in Stoddard
- NH Route 16 in Gorham
- US Route 4A in Lebanon
- NH Route 28 in Londonderry and Hudson
- NH Route 125 in Epping and Lee.<sup>5</sup>

An increasingly popular style of intersection is the roundabout, long-used in Europe. Much smaller than the conventional traffic circles, traffic engineers consider roundabouts to be safer because speeds are lower and they can handle higher traffic volumes. Fuel usage is reduced, which keeps the air cleaner. By the end of 2007, three state-built roundabouts were completed. These are located in Meredith, at the junction of US Route 3 and NH Route 106; in Plymouth, at the junction of US Route 3 and NH Route 175A; and in Keene at the intersection of NH Routes 10, 12, and 101. A fourth is planned for Rye, at Foyes Corner on Route 1A.<sup>6</sup>



<sup>5</sup> "Improving Mobility." Department of Transportation Annual Report, 2007. December 1, 2007. New Hampshire Department of Transportation. Accessed January 4, 2008. <[www.nh.gov/dot/media/publications.htm](http://www.nh.gov/dot/media/publications.htm)>.

<sup>6</sup> "New Roundabout to Open on NH Route 1A in Rye (Foyes Corner)." Department News Releases. November 14, 2007. New Hampshire Department of Transportation. Accessed February 25, 2008. <[www.nh.gov/dot/media/nr2007/documents/nr071114rye.pdf](http://www.nh.gov/dot/media/nr2007/documents/nr071114rye.pdf)>.



## 7. Transportation & Traffic



### Bus Service

A new transportation option for southern New Hampshire was introduced in February 2007, as bus service between Nashua and Boston began. With assistance from the Bureau of Rail and Transit, Boston Express now makes several daily runs. In March of 2007, the new service carried more than 7,300 passengers.<sup>7</sup>

<sup>7</sup> "Financial Management-Fiscal Year 2007 Revenue." Department of Transportation Annual Report, 2007. December 1, 2007. New Hampshire Department of Transportation. Accessed January 4, 2008. <[www.nh.gov/dot/media/publications.htm](http://www.nh.gov/dot/media/publications.htm)>.

### Bridges and Bridge Repair

In the 2007 fiscal year, the State Bridge Aid Program provided \$6.8 million in state funding for construction and improvement of municipally owned bridges. With the state providing 80 percent of project costs, towns and cities provide the remaining 20 percent. Many of the funded projects will help repair the damage done by floods in recent years.<sup>8</sup>

<sup>8</sup> *ibid.*

Aircraft Travel	2003	2004	2005	2006	Source
Manchester-Boston Regional Airport					
Total Passengers	3,601,661	4,003,307	4,332,707	3,896,532	MA
Annual Percent Change	7.0%	11.2%	8.2%	-10.1%	MA/NHES
Enplanements	1,802,385	2,004,122	2,168,258	1,952,277	MA
Annual Percent Change	6.6%	11.2%	8.2%	-10.0%	MA/NHES
Deplanements	1,799,276	1,999,185	2,164,449	1,944,255	MA
Annual Percent Change	7.3%	11.1%	8.3%	-10.2%	MA/NHES
Air Cargo (Tons) <sup>a</sup>	80,547	81,040	77,786	88,191	MA
Annual Percent Change	-11.2%	0.6%	-4.0%	13.4%	MA/NHES

<sup>a</sup>Does not include air mail

Postal Service	2003	2004	2005	2006	Source
First handling pieces - Manchester and Portsmouth Post Offices					
(millions) (FY ending 9/30)	1,075.3	1,057.3	1,003.6	n/a	USPS







## 7. Transportation & Traffic

Portsmouth Harbor Freight Traffic	2003	2004	2005	2006	Source
Total (thousands of short tons)	4,971	4,795	5,254	4,823	USACE
Annual percent change	21.0%	-3.5%	9.6%	-8.2%	NHES
Domestic	697	879	756	806	USACE
Annual percent change	10.5%	26.1%	-14.0%	6.6%	NHES
Foreign Imports	4,114	3,613	4,286	3,706	USACE
Annual percent change	21.1%	-12.2%	18.6%	-13.5%	NHES
Foreign Exports	160	303	213	311	USACE
Annual percent change	102.5%	89.4%	-29.7%	46.0%	NHES
Canadian percent of Foreign Imports	43.3%	52.2%	43.5%	n/a	NHES

Registrations, Licenses, & Fuel Consumption	2003	2004	2005	2006	Source
Vehicle Registrations					
Passenger Vehicles	1,189,605	1,218,631	1,107,026	1,191,774	ISDS/NHES
Annual percent change	2.4%	2.4%	-9.2%	7.7%	ISDS/NHES
Commercial Vehicles	188,595	198,964	189,319	204,910	ISDS/NHES
Annual percent change	3.9%	5.5%	-4.8%	8.2%	ISDS/NHES
Persons per passenger car (population/# of vehicles) <sup>a</sup>	1.1	1.1	1.2	1.1	ISDS
Total driver licenses on issue	979,316	991,796	1,015,152	1,028,670	ISDS
Annual percent change	5.6%	1.3%	2.4%	1.3%	ISDS/NHES
Boat Registrations	101,634	101,703	102,234	107,117	ISDS
Annual percent change	0.2%	0.1%	0.5%	4.8%	ISDS/NHES
Motor Fuel Consumption (fiscal year)					
Millions of gallons of gasoline and diesel fuel	843	870	862	841	RTDS
Annual percent change	2.8%	3.2%	-0.9%	-2.4%	RTDS/NHES

<sup>a</sup> Based on 2006 OEP Total Population Estimate of 1,315,000

Highway Traffic - Annual totals	2003	2004	2005	2006	Source
Interstates, NH - Mass. State line (thousands, from traffic counters, Salem & Seabrook) <sup>a</sup>	n/a	73,027	71,540	n/a	DT
Annual percent change	n/a	n/a	-2.0%	n/a	DT/NHES
Rural traffic, annual percent change	1.2%	1.0%	-0.5%	0.6%	DT
Annual vehicle miles (millions of miles)	14,251	14,701	14,648	17,077 <sup>b</sup>	RTDS
Annual percent change	3.9%	3.2%	-0.4%	16.6%	RTDS/NHES

<sup>a</sup> 2003 figures for highway traffic annual totals - interstate, and annual percent change are not available because the Salem station did not operate in 2003.

<sup>b</sup> Large increase from 2005 to 2006 is due in part to a change in the Federal Highway Administration standard of average miles per gallon used to calculate annual vehicle miles, reflecting more fuel-efficient vehicles.



## 8. Energy



### Energy

Events around the world can affect the price New Hampshire residents pay for gasoline, home heating oil and other types of energy. In that respect, the last few years have been very eventful.

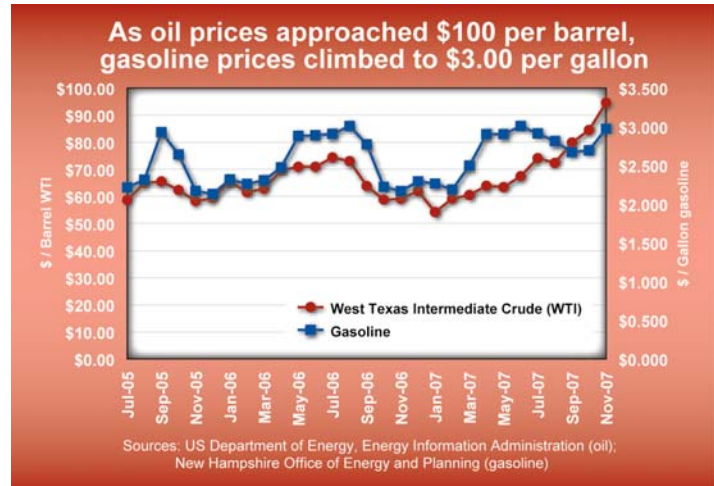
Oil prices broke the hundred-dollar mark the first day of trading in 2008 on the NY Mercantile Exchange.

That is important to New Hampshire because crude oil can be refined into gasoline or distillate, the latter of which can be further refined into diesel fuel or home heating oil.

While there are many factors that go into the final price for gasoline at the pump or for home heating oil, the price of crude is the major component. Other factors that influence the price of oil are production and refining capacity, worldwide demand, and geopolitical risk.

Weather and the seasons can also affect the price of gasoline and heating oil. In the northeast, demand for gasoline peaks during the summer as vacationers head out on the road. Demand slows down in the fall and winter, which is one reason why the price of gasoline held relatively steady as oil prices reached new highs late in 2007. Home heating oil prices are generally the highest during the winter peak demand months.

According to the state Office of Energy and Planning, the average price of self-serve regular gasoline in New Hampshire hit \$3.01 in June as the peak driving season began. After a welcome decline throughout the



summer, prices started to edge upward, and hit just over the three-dollar mark by year's end.<sup>1</sup>

Home heating oil, which averaged \$1.32 a gallon in the fall of 2000 and at one point in 2002 fell as low as a dollar a gallon, reached a record high of \$3.33 in December 2007.<sup>2</sup>

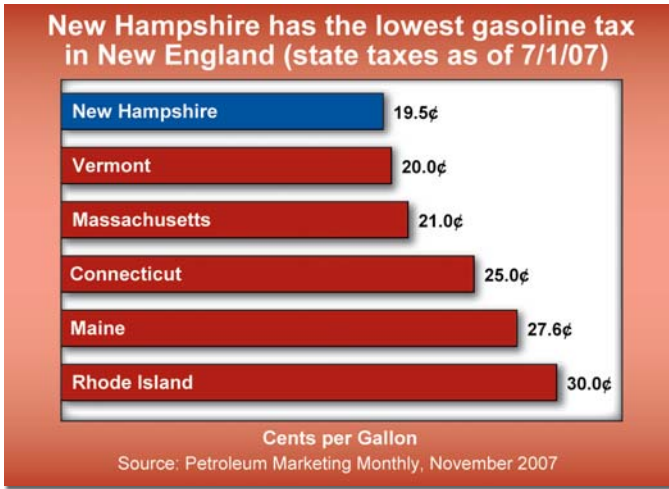
Supply and demand still loom as the major determinants of price. While there is some concern about the role of energy market speculators in the price of energy, there are more fundamental reasons. The US Department of Energy in a recent report on petroleum cited higher demand for oil in growing world economies; decline in the value of the dollar against other currencies (oil is traded in dollars); the inability of non-OPEC production to keep up with demand; and decreasing refinery capacity.<sup>3</sup>

<sup>1</sup> [Fuel Price Data](#). New Hampshire Office of Energy and Planning. Accessed December 19, 2007. <[www.nh.gov/oep/programs/energy/fuelprices.htm](http://www.nh.gov/oep/programs/energy/fuelprices.htm)>.

<sup>2</sup> *ibid.*

<sup>3</sup> "Why are Oil Prices So High?" [This Week in Petroleum](#). November 7, 2007. US Department of Energy, Energy Information Administration.





New Hampshire from June 2006 to June 2007 with an overall increase of 4.3 percent in terms of cents per kilowatt-hour. With an average rate of 14.96 cents per kilowatt-hour, rates are comparable with other New England states, but the state and the region are generally more expensive than the nation on average.

Net generation of electricity declined slightly in New Hampshire and for most New England states. The net effect was a 2.9 percent decrease in the region. As utilities in each state buy and sell electricity in an open market, it is difficult to put a finger on the reason for a change from one year to another. It could be as simple as the weather or a generating unit becoming unavailable for maintenance or other reasons.<sup>6</sup>

On a positive note, gasoline taxes in New Hampshire remain the lowest in New England at 19.5 cents per gallon.<sup>4</sup>

## New Hampshire's Heating Fuel Mix

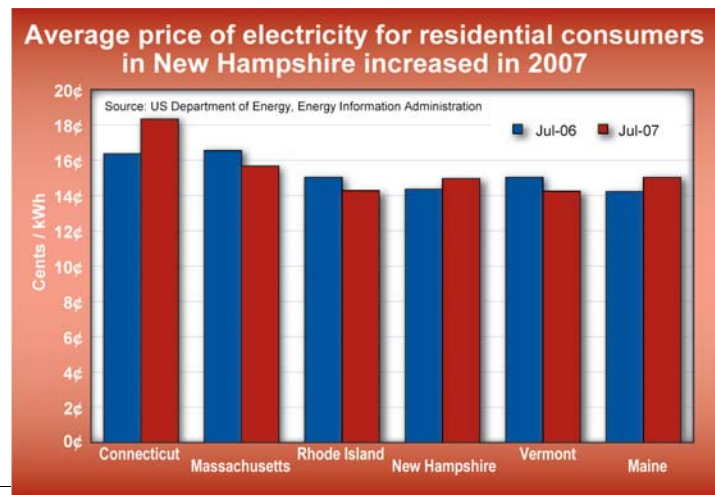
According to the 2006 American Community Survey, of 504,503 occupied housing units in New Hampshire, 55.2 percent used fuel oil or kerosene, 19.3 percent used utility gas and 12.0 percent used bottle, tank or LP gas. The rest used various heat sources including wood, electricity, coal, and solar.<sup>5</sup>

Utilities and electricity consumers in New Hampshire are becoming increasingly aware of the growing and costly problem of

<sup>6</sup> "Retail Sales of Electricity to Ultimate Customers by End-Use Sector, by State, YTD through December 2004 and 2003" *Electric Power Monthly*. March 2007. US Department of Energy.

## Electricity Highlights

Electric rates for residential customers increased slightly in



<sup>4</sup> "Table EN1. Federal and State Motor Fuel Taxes." *Petroleum Marketing Monthly*. US Department of Energy, Energy Information Administration. November, 2007. Accessed November 1, 2007. <[www.eia.doe.gov/pub/oil\\_gas/petroleum/data\\_publications/petroleum\\_marketing\\_monthly/current/pdf/enote.pdf](http://www.eia.doe.gov/pub/oil_gas/petroleum/data_publications/petroleum_marketing_monthly/current/pdf/enote.pdf)>.

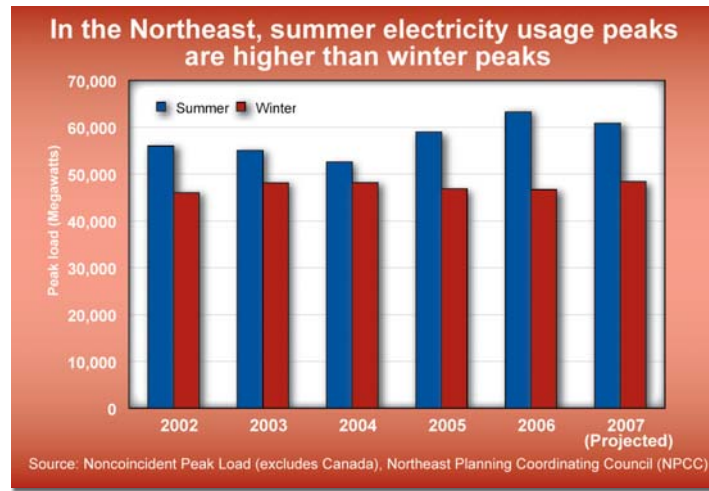
<sup>5</sup> "House Heating Fuel." *2006 American Community Survey*. US Census Bureau. Accessed November 1, 2007. <[www.census.gov](http://www.census.gov)>.



## 8. Energy



“phantom load.” The phantom load refers to standby power or leaking electricity through appliances which are always plugged in, especially those with LED display indicators. With the increased use of appliances and electronic equipment that are always on (such as televisions controlled by a remote), utilities need to be able to serve this load and consumers pay as much as five percent more for electricity on their monthly bill.<sup>7</sup>



Increased demand for electricity can also contribute to pollution as

<sup>7</sup> “Spook the Phantom – Plugging Electricity Leaks in Your Home.” *GreenWorks*, September 2006. New Hampshire Department of Environmental Services. Accessed December 10, 2007. <[www.des.nh.gov/gw/gw0906.htm](http://www.des.nh.gov/gw/gw0906.htm)>

Energy and Fuel Consumption	2003	2004	2005	2006	Source
<b>Energy Consumption</b>					
Total consumption (trillion BTU)	327.5	340.7	n/a	n/a	EIA
Annual percent change	0.4%	4.0%	n/a	n/a	EIA/NHES
United States rank	45	45	n/a	n/a	EIA/NHES
<b>Types of energy consumption (percent of total)</b>					
Residential	29.6%	29.2%	n/a	n/a	EIA/NHES
Commercial	21.8%	22.2%	n/a	n/a	EIA/NHES
Industrial	26.7%	16.5%	n/a	n/a	EIA/NHES
Transportation	32.4%	32.1%	n/a	n/a	EIA/NHES
<b>Fuel Consumed to Generate Electricity (In equivalent barrels of oil )</b>					
New Hampshire total (thousand barrels)	29,512	32,116	31,999	28,982	NHES
Oil	3,581	3,383	2,567	526	EIA
Coal	5,181	5,240	5,566	5,309	EIA/NHES
Gas	5,113	6,354	7,920	7,190	EIA/NHES
Nuclear	15,637	17,139	15,946	15,957	EIA/NHES





generating units need to produce more electricity to serve this load, often burning fossil fuels to do so. Utilities suggest using a power strip, unplugging rarely used appliances, and replacing old appliances with energy-efficient models.

Noncoincident peak load, the point of maximum electrical usage at a particular time, is usually higher in the summer than in the winter in the northeast. This has not always been the case; until the use of air conditioning became widespread, the region usually experienced its peak demand in the winter. In 2006, the Northeast Power Coordinating Council, which covers New England, New York State, Ontario,

Quebec, and the Maritime Provinces, recorded a summer peak of 63,241 megawatts and a winter peak of 46,697 megawatts.<sup>8</sup>

Projections for 2007 indicated a decrease in summer peak load and an increase in winter peak load. Weather is a major factor in peak demand as seen in recent summers with higher than average temperatures that have set records for electric demand. Normal load growth due to population increases and economic activity also contributes to peak demand.

<sup>8</sup> Noncoincident Peak Load, Actual and Projected by North American Electric Reliability Council Region. October 22, 2007. Energy Information Administration. Accessed December 11, 2007. <[www.eia.doe.gov/cneaf/electricity/epa/epat3p1.html](http://www.eia.doe.gov/cneaf/electricity/epa/epat3p1.html)>.

Retail Sales of Electricity	2003	2004	2005	2006	Source
Sales to Ultimate Customers (million kWh)					
New Hampshire:					
Total	11,006	10,973	11,245	11,090	EIA
Percent change	4.9%	-0.3%	2.5%	-1.4%	NHES
Residential	4,252	4,282	4,495	4,400	EIA
Percent change	5.1%	0.7%	5.0%	-2.1%	NHES
Commercial	4,260	4,363	4,576	4,560	EIA
Percent change	6.1%	2.4%	4.9%	-0.3%	NHES
Industrial	2,495	2,328	2,174	2,130	EIA
Percent change	9.0%	-6.7%	-6.6%	-2.0%	NHES
New England:					
Total	122,643	125,249	127,862	123,640	EIA
Percent change	5.2%	2.1%	2.1%	-3.3%	NHES
Residential	45,953	46,703	48,701	46,434	EIA
Percent change	3.5%	1.6%	4.3%	-4.7%	NHES
Commercial	52,160	53,683	54,777	54,054	EIA
Percent change	5.8%	2.9%	2.0%	-1.3%	NHES
Industrial	24,045	24,267	23,792	22,589	EIA
Percent change	15.8%	0.9%	-2.0%	-5.1%	NHES





## 8. Energy



Energy Expenditures and Prices	2003	2004	2005	2006	Source
Energy Expenditures Per Capita	\$2,674	\$3,026	n/a	n/a	EIA
United States rank	24	25	n/a	n/a	EIA
Energy Prices (\$ per million BTU)	\$14.32	\$15.52	n/a	n/a	EIA
United States rank	5	8	n/a	n/a	EIA
Petroleum prices (per million BTU)	\$10.40	\$11.90	n/a	n/a	EIA
United States rank	n/a	41	n/a	n/a	EIA
Electric prices (per million BTU)	\$31.74	\$33.33	\$36.01	n/a	EIA
United States rank	n/a	4	n/a	n/a	EIA

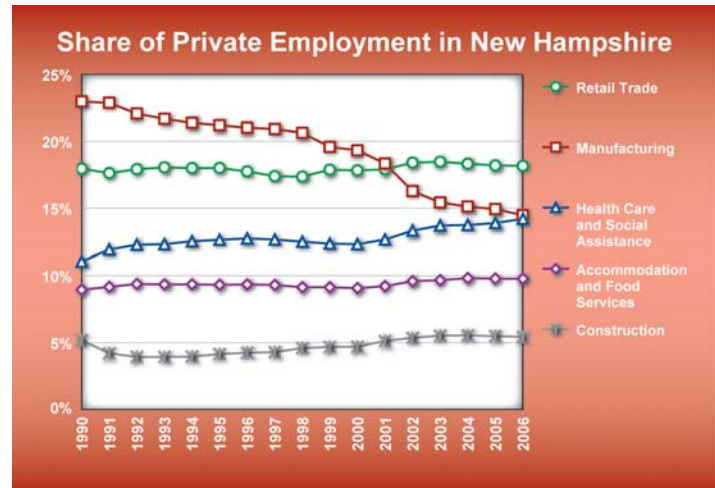
Electricity Generated	2003	2004	2005	2006	Source
Net Electrical Energy Generated, New Hampshire (million kWh)	21,598	23,876	24,470	22,558	EIA
As percentage of energy purchased	196.2%	217.6%	217.6%	203.4%	NHES
Energy by type (million kWh)					
Coal	3,923	4,076	4,073	3,885	EIA
Hydro	1,331	1,316	1,799	1,835	EIA
Natural Gas	4,165	5,400	6,785	6,061	EIA
Nuclear	9,276	10,178	9,456	9,398	EIA
Petroleum	2,044	1,960	1,357	255	EIA
Renewables	856	946	942	1,059	EIA
As percentage of total generated by type: <sup>a</sup>					
Coal	18.2%	17.1%	16.6%	17.2%	NHES
Hydro	6.2%	5.5%	7.4%	8.1%	NHES
Natural Gas	19.3%	22.6%	27.7%	26.9%	NHES
Nuclear	42.9%	42.6%	38.6%	41.7%	NHES
Petroleum	9.5%	8.2%	5.5%	1.1%	NHES
Renewables	4.0%	4.0%	3.8%	4.7%	NHES

<sup>a</sup> "Other energy sources", accounting for less than one percent of generation, includes municipal solid waste, purchased steam, and miscellaneous technologies.



## Production

Although New Hampshire's manufacturing has fallen prey to the economic change of low skilled jobs being outsourced, it is still a strong part of the state's economic well being. New Hampshire's manufacturers produced over \$2.8 billion in exports during 2006, and are on target to surpass that level for 2007. That was an increase of ten percent over 2005 values. There were three commodities that generated the top export values in 2006.



Based on total dollar value of exports, industrial machinery (including computers) has been the leading export commodity in the state for most of the past three years, annual 2004 through annual 2006.<sup>1</sup> In 2006 this commodity generated \$855 million in export revenues. These export values grew by 11 percent over those of 2005.

Back in 2004, the electric machinery (including sound equipment and TV equipment and parts) commodity exported roughly \$3 million more than industrial machinery. It has since fallen into a clear second position almost \$115 million shy of the leader, as its annual increase in export value has slowed to 0.7 percent compared to those of industrial machinery.

<sup>1</sup> New Hampshire Export Statistics, November 2007. International Trade Resource Center. Accessed January 17, 2008. <[www.exportnh.org/whats-new/nh-export-statistics.aspx](http://www.exportnh.org/whats-new/nh-export-statistics.aspx)>

Top 10 Export Commodities	Annual 2004	Annual 2005	Annual 2006
<b>Total All Commodities</b>	<b>\$2,285,589,133</b>	<b>\$2,548,041,028</b>	<b>\$2,810,960,357</b>
1 Industrial machinery, including computers	639,018,362	770,458,196	855,288,204
2 Electric machinery, etc. sound equipment TV equip, parts	642,300,801	735,251,736	740,485,533
3 Optic photo etc. medic or surgical instruments, etc	257,453,517	298,753,326	290,948,716
4 Plastics and articles thereof	81,389,510	109,615,522	127,597,276
5 Iron and steel	53,204,093	35,911,128	60,135,774
6 Wood and articles of wood; wood charcoal	60,226,265	52,346,375	51,959,355
7 Vehicles, except railway or tramway and parts, etc	37,438,111	26,044,305	46,229,607
8 Glass and glassware	59,742,050	45,008,115	43,912,392
9 Paper and paperboard articles (inc. paper pulp art)	36,958,402	35,327,675	42,100,781
10 Rubber and articles thereof	28,122,464	33,211,367	33,486,466

Source: WISERTrade, State Exports by HS Database, Accessed through NH DRED, International Trade site, January 17, 2008

## 9. Production



New Hampshire's export commodity with the third highest export value was optic photo equipment (including medical or surgical instruments). This article of trade produced over \$290 million in exports during 2006.

In these times of contracting *Manufacturing* employment levels it is important to not underestimate the industry's contributions. Historically, *Manufacturing* has been a mainstay for employment in the state. The share of private employment has been shrinking. By 2006, New Hampshire still had over 78 thousand *Manufacturing* workers, and 14.5 percent of the private employment statewide.

In previous years, the majority of New Hampshire's high tech industries were part of its *Manufacturing* sector. Recently there are further descriptions of these high tech industries including nano-technology, advanced manufacturing and the like.

Specifically, biotechnology industries have been defined by the San Diego Workforce Partnership, Inc. as falling into five distinctive *Manufacturing* segments:

- Agricultural Biotechnology
- Industrial Biotechnology
- Medical Devices
- Medical Equipment and Supplies
- Pharmaceuticals and Related Manufacturing

Export Sales to the World	2003	2004	2005	2006	Source
Total (\$ millions)	\$1,931	\$2,286	\$2,548	\$2,811	WISER
Annual percent change	3.7%	18.4%	11.5%	10.3%	WISER/NHES
Industry Share of Total Exports					
Computer And Electronic Product Manufacturing	31.8%	32.9%	32.3%	26.8%	WISER/NHES
Machinery Manufacturing	20.1%	19.7%	22.9%	23.6%	WISER/NHES
Electrical Equipment, Appliances, & Components Mfg	4.9%	5.4%	6.1%	5.9%	WISER/NHES
Miscellaneous Manufactured Commodities	4.2%	4.1%	4.4%	4.3%	WISER/NHES
Fabricated Metal Product Manufacturing	4.9%	5.4%	6.1%	5.9%	WISER/NHES
Plastics And Rubber Product Manufacturing	4.2%	4.1%	4.4%	4.3%	WISER/NHES
Transportation Equipment Manufacturing	4.0%	3.9%	3.5%	4.1%	WISER/NHES
Printing, Publishing & Related Support Activities	4.9%	5.4%	6.1%	5.9%	WISER/NHES
Chemicals Manufacturing	5.3%	3.5%	3.4%	3.0%	WISER/NHES
Nonmetallic Mineral Product Manufacturing	2.4%	3.0%	2.1%	2.5%	WISER/NHES

Gross Domestic Product by State - New Hampshire	2003	2004	2005	2006	Source
Current Dollars (\$ millions)	\$48,198	\$51,656	\$54,119	\$56,276	BEA
Annual percent change	4.4%	7.2%	4.8%	4.0%	NHES
Real chained 2000 dollars (\$ millions)	\$45,887	\$47,937	\$48,906	\$49,527	BEA
Annual percent change	2.9%	4.5%	2.0%	1.3%	NHES

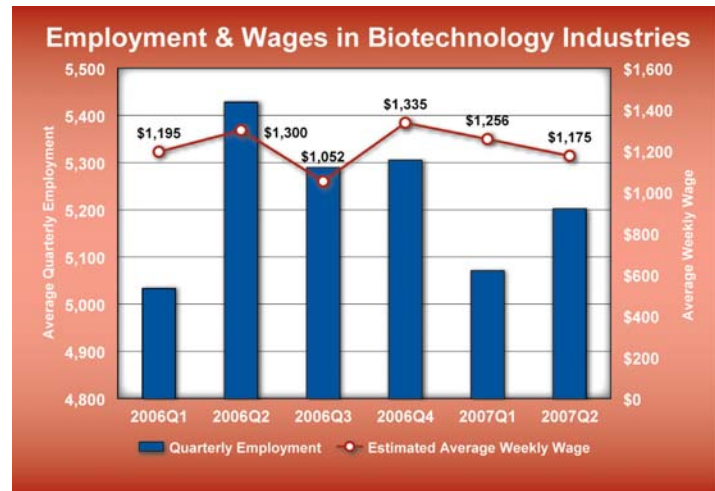




## 9. Production

A sixth non-manufacturing segment was Research services.

About five percent of New Hampshire's *Manufacturing* workers (roughly 4,000) plus another 1,200 workers from research industries are among those that are defined as biotechnology industries. These industries produce goods for growing technology fields. The unique demands of these jobs label them as a growing entity not only because of the increasing demands for their products but also because workers are well paid for their specialties.



Gross Domestic Product by State - United States	2003	2004	2005	2006	Source
Current Dollars (\$ billions)	\$10,886	\$11,633	\$12,373	\$13,149	BEA
Annual percent change	4.0%	6.9%	6.4%	6.3%	BEA/NHES
Real chained 2000 dollars (\$ billions)	\$10,226	\$10,609	\$10,924	\$11,291	BEA
Annual percent change	1.8%	3.7%	3.0%	3.4%	BEA/NHES

New Capital Expenditures	2003	2004	2005	2006	Source
Total (\$ millions)	\$456	\$476	\$517	\$614	CB
As a Percent of Payroll					
United States	20.0%	20.1%	22.1%	22.9%	CB/NHES
New Hampshire	12.8%	14.3%	14.1%	16.0%	CB/NHES
Connecticut	13.4%	12.8%	13.0%	13.4%	CB/NHES
Maine	19.6%	23.3%	17.1%	20.6%	CB/NHES
Massachusetts	13.2%	16.7%	14.9%	16.6%	CB/NHES
Rhode Island	13.1%	13.2%	13.4%	19.7%	CB/NHES
Vermont	16.0%	15.6%	15.5%	17.5%	CB/NHES

Defense Contracts (\$ millions)	2003	2004	2005	2006	Source
Total	\$531.1	\$715.9	\$943.7	n/a	CB



## 9. Production



Value Added	2003	2004	2005	2006	Source
Value Added by Manufacture					
Total (\$ millions)	\$8,909	\$8,466	\$9,143	\$9,203	CB
Value Added per Payroll Dollar					
United States	\$3.38	\$3.56	\$3.81	\$3.89	CB/NHES
New Hampshire	\$2.50	\$2.54	\$2.49	\$2.39	CB/NHES
United States rank <sup>a</sup>	50	51	50	51	CB/NHES
Connecticut	\$2.79	\$2.98	\$3.13	\$3.42	CB/NHES
United States rank <sup>a</sup>	46	44	45	37	CB/NHES
Maine	\$2.91	\$3.13	\$3.28	\$3.36	CB/NHES
United States rank <sup>a</sup>	41	39	38	41	CB/NHES
Massachusetts	\$3.09	\$3.02	\$3.04	\$3.23	CB/NHES
United States rank <sup>a</sup>	34	43	46	46	CB/NHES
Rhode Island	\$2.63	\$2.83	\$2.74	\$3.24	CB/NHES
United States rank <sup>a</sup>	49	50	49	45	CB/NHES
Vermont	\$2.90	\$2.97	\$2.91	\$3.17	CB/NHES
United States rank <sup>a</sup>	42	45	48	47	CB/NHES
Industry Share of Total Value Added					
Computer and Electronic Product Manufacturing	29.2%	23.9%	21.6%	21.2%	CB/NHES
Fabricated Metal Product Manufacturing	12.1%	12.6%	12.1%	12.9%	CB/NHES
Machinery Manufacturing	9.7%	11.1%	12.4%	11.9%	CB/NHES
Miscellaneous Manufacturing	8.6%	9.9%	9.9%	10.7%	CB/NHES
Electrical Equipment, Appliance, and Component Manufacturing	6.2%	6.5%	7.1%	6.7%	CB/NHES
Nonmetallic Mineral Product Manufacturing	3.2%	3.9%	4.7%	5.1%	CB/NHES
Plastics and Rubber Products Manufacturing	5.5%	5.0%	4.0%	4.3%	CB/NHES
Food Manufacturing	2.4%	2.7%	3.6%	4.1%	CB/NHES
Printing and Related Support Activities	4.7%	3.8%	3.8%	4.0%	CB/NHES
Wood Product Manufacturing	1.9%	3.1%	3.3%	3.1%	CB/NHES
Transportation Equipment Manufacturing	3.0%	3.2%	3.2%	2.9%	CB/NHES
Chemical Manufacturing	2.8%	2.8%	2.8%	2.7%	CB/NHES
Total Manufacturers' Shipments (\$ millions)	\$16,205	\$15,439	\$16,920	\$16,992	CB
Annual percent change	6.2%	-4.7%	9.6%	0.4%	CB

<sup>a</sup>Including D.C.







## 10. Trade, Recreation & Hospitality

### Trade, Recreation & Hospitality

In prior editions, retail sales data were tracked using the annual “Survey of Buying Power” from *Sales and Marketing Management* magazine. The survey was discontinued in 2005. Since there is currently no annual data gathered on private retail sales in New Hampshire, covered employment data will be substituted as a measure of retail activity. It can be assumed this employment data parallels sales data, primarily because the proceeds from sales pay wages. However,

certain limitations should be noted, such as the failure of covered employment data to differentiate between full and part time employment, or the inability of the data to reflect changes in productivity such as automation.

From 2003 to 2006, *Retail* employment in New Hampshire remained essentially unchanged, exhibiting a growth rate of less than one percent per year and a four-year

Retail Employment	2003	2004	2005	2006	Source
New Hampshire total	96,103	96,994	97,553	98,320	NHES
Annual percent change	0.2%	0.9%	0.6%	0.8%	NHES
Food and beverage stores	19,020	19,267	19,429	20,021	NHES
Annual percent change	-1.8%	1.3%	0.8%	3.0%	NHES
General merchandise stores	15,259	15,024	14,914	14,769	NHES
Annual percent change	-1.4%	-1.5%	-0.7%	-1.0%	NHES
Furniture and home furnishings stores	3,733	3,616	3,404	3,254	NHES
Annual percent change	12.3%	-3.1%	-5.9%	-4.4%	NHES
Electronics and appliance stores	3,460	3,550	3,670	3,731	NHES
Annual percent change	4.8%	2.6%	3.4%	1.7%	NHES
Building material & garden supply stores	8,560	9,132	9,721	10,326	NHES
Annual percent change	1.6%	6.7%	6.4%	6.2%	NHES
Health and personal care stores	4,173	3,950	4,136	4,267	NHES
Annual percent change	-0.3%	-5.3%	4.7%	3.2%	NHES
Motor vehicle & parts dealers	12,857	12,771	12,785	12,614	NHES
Annual percent change	2.0%	-0.7%	0.1%	-1.3%	NHES
Gasoline stations	5,217	5,243	5,190	5,241	NHES
Annual percent change	0.5%	0.5%	-1.0%	1.0%	NHES
Clothing and clothing accessories stores	6,816	7,480	7,632	7,734	NHES
Annual percent change	-0.1%	9.7%	2.0%	1.3%	NHES
Nonstore retailers	5,762	5,649	5,627	5,644	NHES
Annual percent change	1.8%	-2.0%	-0.4%	0.3%	NHES
New England total	820,895	826,400	825,424	819,806	BLS/NHES
Annual percent change	-0.8%	0.7%	-0.1%	-0.7%	BLS/NHES
United States total	14,930,765	15,060,686	15,256,340	15,370,040	BLS
Annual percent change	-0.6%	0.9%	1.3%	0.7%	BLS/NHES



## 10. Trade, Recreation & Hospitality



change of only 2.3 percent. This is in keeping with the figures for New England and the United States, both of which also reflect annual changes of less than one percent (the lone exception is 2005, when nationwide *Retail* employment increased 1.3 percent) and four-year changes of less than three percent.

The 2006 employment data suggests that New Hampshire residents limited their retail activity to themselves and their homes. Specifically, the *Building material and garden supply stores* subsector demonstrated the largest growth (6.2 percent), followed by *Food and beverage stores* (3.0 percent). On the other hand, consumer goods and big-ticket items did not fare so well. The *Electronics and appliance stores* subsector grew only slightly (1.7 percent), while the *Furniture and home furnishings* subsector declined 4.4 percent. Other underperforming

subsectors were *Motor vehicle and parts dealers* (down 1.3 percent), and *General merchandise stores* (down 1.0 percent). The fact that subsectors reflecting necessities such as food and home maintenance grew while those reflecting extras such as electronics, cars, and merchandise stayed stagnant suggests that New Hampshire residents were tightening their belts well in advance of the recently publicized retail difficulties arising from the uncertain national credit markets.

### Eating Out and Staying Over

While the lack of a general sales tax lends difficulty to the analysis of retail trends, the existence of the Meals and Rentals tax means that annual sales data can be used to describe spending at New Hampshire's restaurants, hotels, and car rental agencies. These sales data show that after spending more each year from 2003 through 2005, New Hampshire

Hospitality: Hotel, Restaurant Sales (millions) <sup>a</sup>	2003	2004	2005	2006	Source
Restaurants	\$1,291.5	\$1,340.7	\$1,366.6	\$1,288.8	RA/NHES
Annual percent change	1.0%	3.8%	1.9%	-5.7%	RA/NHES
Other food service	\$337.0	\$369.8	\$391.1	\$382.6	RA/NHES
Annual percent change	10.2%	9.7%	5.7%	-2.2%	RA/NHES
Rental of accommodations – short term (includes combinations <sup>b</sup> )	\$454.3	\$484.8	\$476.4	\$450.4	RA/NHES
Annual percent change	1.8%	6.7%	-1.7%	-5.5%	RA/NHES
Motor vehicle rentals (millions)	\$88.6	\$88.0	\$90.4	\$83.0	RA/NHES
Annual percent change	5.6%	-0.6%	2.7%	-8.2%	RA/NHES

<sup>a</sup> Calculated using meals and rentals tax receipt data.

<sup>b</sup> Combinations are lodging packages that include meals where the room and the meal(s) are not priced separately.

Liquor Sales (state fiscal year – July 1 to June 30)	2002-03	2003-04	2004-05	2005-06	Source
Retail and wholesale (millions)	\$350.8	\$377.2	\$401.3	\$422.3	LC
Fiscal percent change	7.1%	7.5%	6.4%	5.2%	LC/NHES
Percent retail	70.3%	69.8%	70.1%	70.1%	LC/NHES





## 10. Trade, Recreation & Hospitality

diners tightened their belts in 2006, causing a 5.7 percent drop in restaurant sales. In addition, the two percentage point drop in *Other food service* shows that diners spent less on prepared meals purchased from supermarkets and convenience stores. Declines in restaurant and other food sales come in addition to large drops in the rentals of both hotel rooms (down 5.5 percent) and motor vehicles (down 8.2 percent).

However, declining restaurant sales do not necessarily suggest a decline in tourism. In the 2007 report to the New Hampshire Division of Travel and Tourism Development, the Institute for New Hampshire Studies reported that tourism spending in New Hampshire actually increased 5.8 percent from 2004 to 2006.<sup>1</sup> Despite a slight decrease in visitor trips (0.5 percent from 2004), the Institute's estimates revealed that tourists and travelers to New Hampshire spent over \$4 billion in 2006, including \$925 million in restaurants and bars, \$901 million in retail stores, and \$704 million on recreation activities.<sup>2</sup> These findings suggest that New Hampshire residents, and not tourists, are responsible for decreased spending on eating out and staying over.

<sup>1</sup> Goss, L. E. *New Hampshire Fiscal Year 2006 Tourism Satellite Account Prepared for the New Hampshire Division of Travel and Tourism Development*. Plymouth State University, Institute for New Hampshire Studies. June 2007.

<sup>2</sup> *ibid.*

Aside from the sales trends, employment in the *Accommodation and food service* sector has continued a trend of modest increase, rising just over five percent since 2003. This increase is greater than the growth rate over the same span for New England as a whole (3.9 percent), but smaller than the United States (7.5 percent). Further growth in the *Accommodation and food service* sector has been hampered by declining employment statewide among hotels and motels, where a 2004 gain of 4.1 percent was wiped out by a decline of 3.0 percent in 2005 and continued declines of 1.8 percent in 2006. With luck, the record-setting snowfalls of late 2007 and early 2008 will improve the annual meals and rental sales figures and contribute to the upward growth of New Hampshire's winter-based tourism indicators.

### Winter Recreation in Decline

The gradual decline of both skiers and lift ticket sales at state-owned Cannon Mountain continued in 2006, as well as the decline of out-of-state snowmobile registrations. Specifically, skier visits at Cannon have descended nearly 38 percent from their peak in the 2000-2001 season, while lift ticket sales have slid nearly 39 percent from their summit in 2001-2002. Snowmobile registrations have likewise dropped 28 percent from their peak in 2001-2002.

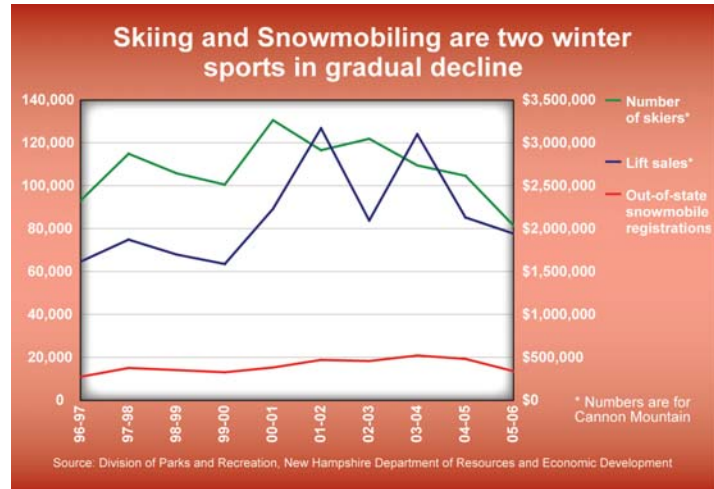
Recreation/Tourism (fiscal year – July 1 to June 30)	2002-03	2003-04	2004-05	2005-06	Source
Skiing, state owned Cannon Mountain					
Number of skiers	121,926	109,562	104,695	81,533	P&R
Lift sales, including season passes	\$2,096,400	\$3,101,821	\$2,132,319	\$1,943,044	P&R
Snowmobile registrations, non-resident	18,363	20,880	19,304	13,567	F&G



# 10. Trade, Recreation & Hospitality



One of the more commonly invoked factors contributing to this decline is inconsistent winter weather. Throughout the Northeast, average wintertime temperatures have risen at a rate of 1.3°F per decade from 1970 to 2000.<sup>3</sup> These warmer temperatures result in inconsistent snowfall, challenging the ability of ski areas and snowmobile dealers to attract customers, especially from out of state. Additionally, the high cost of fuel may deter those who come to New Hampshire for winter recreation (especially snowmobile operators who require large trucks and trailers to transport their snowmobiles).



High fuel costs, unlike erratic snowfall, are capable of negatively impacting tourism activities in all seasons. This is evidenced by the number of applications for non-resident hunting and fishing licenses, which sank 3.1 percent in 2006 and 4.6 percent since

<sup>3</sup> Frumhoff, P. C., J. J. McCarthy, J. M. Melillo, S. C. Moser, and D. J. Wuebbles. *Confronting Climate Change in the U.S. Northeast: Science, Impacts, and Solutions. Synthesis report of the Northeast Climate Impacts Assessment (NECIA)*. Union of Concerned Scientists (UCS). Cambridge, MA: 2007. Executive Summary, p. ix.

Recreation/Tourism	2003	2004	2005	2006	Source
Division of Travel & Tourism web site visits	1,182,444	1,093,787	911,091	1,010,266	DTTD
Fish and Game licenses, non-resident – hunting, fishing, and combination	67,149	67,527	66,113	64,055	F&G
Racing, pari-mutuel pool (handle) (\$ thousands)					
Live					
Thoroughbred	no races	\$62.6	no races	no races	PM
Harness	\$4,356.1	\$3,527.0	\$3,260.3	\$2,541.9	PM
Greyhound	\$20,097.9	\$20,097.9	\$13,660.5	\$7,958.3	PM
Total live	\$24,454.0	\$23,687.5	\$16,920.8	\$10,500.2	PM/NHES
Simulcast					
Thoroughbred	\$140,516.8	\$146,035.6	\$140,464.1	\$136,586.8	PM
Harness	\$21,636.4	\$25,807.9	\$21,534.1	\$19,236.6	PM
Greyhound	\$81,707.0	\$68,609.4	\$35,582.7	\$31,924.0	PM
Total simulcast	\$243,860.2	\$240,452.9	\$197,580.9	\$187,747.4	PM/NHES
Total pari-mutuel pool	\$268,314.2	\$264,140.4	\$214,501.7	\$198,247.6	PM/NHES





## 10. Trade, Recreation & Hospitality

2003. New Hampshire could also benefit from higher fuel prices. Many of the state's recreation areas are a short drive from several large cities, so tourists who previously traveled greater distances may decide to stay closer to home.

### Peril in the Mountains

According to a recent tally of incident reports compiled by the US Forest Service and the Mount Washington Avalanche Center, between 10 and 30 people are injured each year while climbing, skiing and mountaineering on Mount Washington.<sup>4</sup> These injuries, ranging from sprains and lacerations to advanced trauma, are serious enough to warrant rescue efforts from groups such as the Mount Washington Volunteer Ski Patrol, the US Forest Service, and the state Fish and Game Department. Over the last five years, incident reports revealed that the 2005-2006 season was the most hazardous, with 29 separate injury reports. The 2003-2004 season was second with 18 reports of injury, followed by 2004-2005 (14 reports), 2002-2003 (11 reports), and 2006-2007 (10 reports).<sup>5</sup>

The US Forest Service and the State of New Hampshire remind all backcountry enthusiasts exploring Mount Washington or elsewhere to be familiar with their equipment, aware of conditions and terrain, and sensible in their trip-planning and

decision-making. Search and rescue missions are difficult and expensive, owing to both the remote and rugged nature of the White Mountains and the oftentimes unpredictable weather found at high elevation.

### Looking Forward

Despite inconsistent weather and high fuel prices, a tourist or New Hampshire resident in search of recreation opportunities has much to anticipate. In the summer of 2007, the State Parks Department, in conjunction with the Student Conservation Association, introduced an interactive series of educational programs called Discover the Power of Parks. This program, funded by Public Service of New Hampshire, will provide opportunities for park visitors to connect with nature and develop an appreciation for New Hampshire's natural heritage. Activities including hikes, interpretive tours, and environmental workshops for children will be offered at Bear Brook, Pawtuckaway, Greenfield, Monadnock, and Franconia Notch State Parks. In 2008, tourists and residents alike can attend the unveiling of the Old Man of the Mountain memorial in Franconia Notch and the Eastern Baseball League's All Star Game in Manchester.

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<sup>4</sup> [Accident Reports for Huntington and Tuckerman Ravines](#). US Forest Service, Mount Washington Avalanche Center (MWAC). Accessed January 10, 2008. <[www.tuckerman.org/accident/accident.htm](http://www.tuckerman.org/accident/accident.htm)>.

<sup>5</sup> *ibid.*





## 10. Trade, Recreation & Hospitality



Accommodation & Food Services Employment	2003	2004	2005	2006	Source
New Hampshire total	50,299	51,995	52,443	52,939	NHES
Annual percent change	0.6%	3.4%	0.9%	0.9%	NHES
Accommodation	9,212	9,590	9,304	9,136	NHES
Annual percent change	-1.2%	4.1%	-3.0%	-1.8%	NHES
Food services	41,087	42,405	43,139	43,803	NHES
Annual percent change	1.0%	3.2%	1.7%	1.5%	NHES
New England	514,629	522,133	527,128	534,856	BLS/NHES
Annual percent change	0.9%	1.5%	1.0%	1.5%	BLS/NHES
United States total	10,345,336	10,614,677	10,871,471	11,123,421	BLS/NHES
Annual percent change	1.5%	2.6%	2.4%	2.3%	BLS/NHES

Arts, Entertainment, & Recreation Employment	2003	2004	2005	2006	Source
New Hampshire total	11,278	11,703	10,851	11,038	BLS/NHES
Annual percent change	3.4%	3.8%	-7.3%	1.7%	BLS/NHES
Performing arts, spectator sports, and related	1,841	2,002	1,753	1,853	BLS/NHES
Annual percent change	-5.4%	8.7%	-12.4%	5.7%	BLS/NHES
Museums, historical sites, and similar institutions	593	562	560	534	BLS/NHES
Annual percent change	5.0%	-5.2%	-0.4%	-4.6%	BLS/NHES
Amusement, gambling, and recreation	8,844	9,140	8,538	8,651	BLS/NHES
Annual percent change	5.3%	3.3%	-6.6%	1.3%	BLS/NHES
New England	99,911	101,450	100,435	101,202	BLS/NHES
Annual percent change	3.1%	1.5%	-1.0%	0.8%	BLS/NHES
United States total	1,816,902	1,852,920	1,867,996	1,901,194	BLS/NHES
Annual percent change	1.0%	2.0%	0.8%	1.8%	BLS/NHES





## Construction & Housing

The Jackson House in Portsmouth, built in 1664, is the oldest surviving house in New Hampshire. Originally built by Richard Jackson on land owned by his family, descendants over time added more rooms. In today's terminology, it would be considered multi-family housing.<sup>1</sup>

Today those additions would require permits from local authorities confirming that upgrades were completed according to current building codes. Tracking these permits, especially for residential housing, can be indicative of economic activity. In 2007, New Hampshire's number of permits continued to trend downward from highs in the earlier part of the decade. Total permits for 2006 dropped 26 percent from 2005, and 2007 was on a pace to be lower. This parallels national and regional trends, as permits authorized in New England declined by 20 percent and the total number of US permits dropped by nearly 15 percent.<sup>2</sup>

### Median Purchase Price

After years of increases, the median purchase price of primary homes decreased in 2007, according to data compiled by the New Hampshire Housing Finance Authority. In the first seven months of 2007, the median purchase price was \$244,000, compared to \$250,000 in the previous two years.<sup>3</sup>



Signs of a slower real estate market were evident in residential sales prices among the counties as well. In the first seven months of 2007, the median purchase price for residential homes declined compared to the 2006 average annual prices in five counties and increased two percent or less in the other five. The biggest drop was in Belknap County, where the median price fell 4.4 percent, from \$224,900 to \$215,000. Prices in Merrimack County dropped by 4.1 percent. Among the counties where home price directions were not downward, Cheshire and Sullivan Counties had the largest increases, at 2.0 percent and 1.4 percent, respectively.<sup>4</sup>

### Rental Costs

Rental costs have also been increasing. The increases were significantly smaller compared to previous years, when average monthly rent increases ranged between

<sup>1</sup> Jackson House, A National Historical Lanmark. Society for the Preservation of New England Antiquities. Accessed January 23, 2008. <[www.spnea.org/visit/homes/jackson.htm](http://www.spnea.org/visit/homes/jackson.htm)>

<sup>2</sup> New Residential Construction. US Census Bureau. Accessed January 16, 2008. <[www.census.gov/const/www/newresconstindex.html](http://www.census.gov/const/www/newresconstindex.html)>.

<sup>3</sup> Purchase Price Trends. New Hampshire Housing Finance Authority. Accessed December 11, 2007. <[www.nhhfa.org/demographic\\_housing.cfm](http://www.nhhfa.org/demographic_housing.cfm)>

<sup>4</sup> Median Purchase Price of Primary Homes. New Hampshire Housing Finance Authority. Accessed January 16, 2008. <[www.nhhfa.org/demographic\\_housing.cfm](http://www.nhhfa.org/demographic_housing.cfm)>



## 11. Construction & Housing



five to eight percent.<sup>5</sup> Statewide, the monthly median gross rental cost for a two-bedroom apartment increased by 2.6 percent in 2007, up slightly from the 1.4 percent increase in 2006.

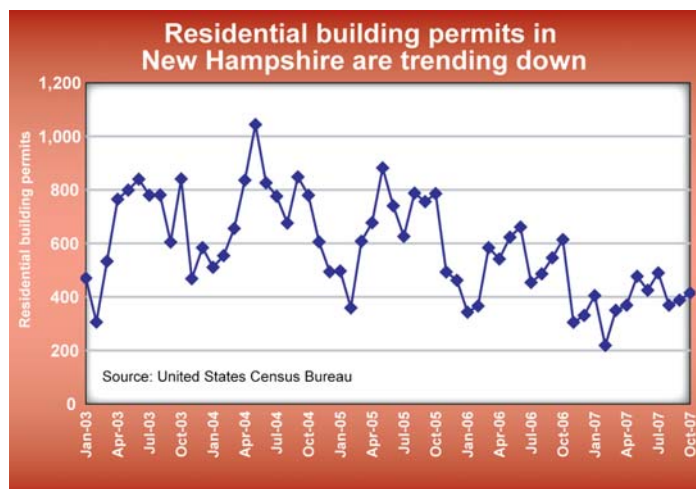
Hillsborough, Rockingham, and Merrimack were three New Hampshire counties where rental costs for a two-bedroom apartment exceeded a thousand dollars per month. Maybe in response to the demands of being the second most populous county in the state, Rockingham County had the highest rental costs in 2007 at \$1,106 per month, an increase of 1.8 percent from the previous year. Hillsborough County had the second highest amount with a monthly median rental cost of \$1,058, but was 0.8 percent lower than in 2006. At the lower end of both the population and rent scale, Coös County renters paid an average of \$606 for a two-bedroom apartment.<sup>6</sup>

### Construction Indexes Decline in 2007

Construction indexes compare construction activity over time for the US, a specific region, or for individual states. Dollar values of construction contracts reported are indexed to a base year of 1980 equal to 100, making it possible to compare large states with small states and observe trends over a period of years. There are three components of total construction contracts: residential, non-residential, and non-building (public works and utilities). Residential data are specified by seasonally adjusted or non-seasonally adjusted.

<sup>5</sup> *ibid.*

<sup>6</sup> *Residential Rental Cost Survey*. New Hampshire Housing Finance Authority. Accessed December 11, 2007. <[www.nhhfa.org/demographic\\_housing.cfm](http://www.nhhfa.org/demographic_housing.cfm)>



**Residential construction** – one- and two-family houses, apartment buildings, hotels, motels, and dormitories. This indicator tumbled from 2005 to 2006 in the state, region, and nation.

**Non-residential construction** – commercial buildings, manufacturing plants, hospitals, schools, and other public and private buildings. New Hampshire fell over the year in contrast to the upward momentum in New England and the US.

**Non-building construction** – highways, bridges, utilities, and other projects. This indicator declined the least in New Hampshire and increased in New England and in the United States.

**Total construction** – Increased in the United States as a whole, but declined in New Hampshire and New England.<sup>7</sup>

<sup>7</sup> Data are compiled by McGraw-Hill Construction Dodge and are published in a monthly bulletin. <<http://dodge.construction.com/Analytics/MarketTrends>>. The Federal Reserve Bank of Boston indexes and seasonally adjusts Construction Contracts data for publication in its database of New England Economic Indicators. <[www.bos.frb.org/economic/nee/needata.htm](http://www.bos.frb.org/economic/nee/needata.htm)>.





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### Number of Days on Market

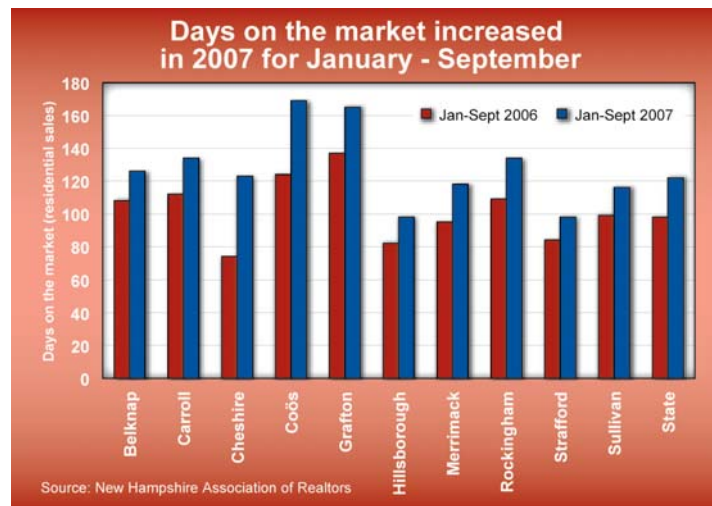
Another indicator of slowing real estate conditions is an increase in the number of “days on market.” This measures the time it takes between when a property is listed and when it is sold. Compared to the first nine months of 2006, the first nine months of 2007 have seen days on the market increase from 98 to 122 statewide. Days on the market increased in each of the ten counties, with the longest increase of 49 days occurring in Cheshire County, where days on the market stretched from 74 to 123, according to data compiled by the New Hampshire Association of Realtors.<sup>8</sup>

### Mortgage Rates

Thirty-year fixed rate mortgage rates were at historic lows from 2003 to 2005, falling below six percent in national averages as reported by Freddie Mac, a corporation created by Congress to increase the supply of mortgage funds to homeowners. Rates crept upward in 2006, at an average annual rate of 6.41 percent. After hitting 6.70 percent in July of the year, rates headed back down and were as low as 6.21 percent in November of 2007. Mortgage rates do not vary significantly from state to state.<sup>9</sup>

### Foreclosures

Foreclosures are more and more frequently being used as an indicator of the health of the housing market. Recently, the major concern had been the “housing bubble” in which the



price of homes had gone so high they would top-out and prices would drop, leaving homeowners with little or no equity in their homes. That condition has come to fruition, although it had some assistance from sub-prime lending practices.

One of the most disturbing conditions in today’s housing market is the effect of sub-prime lending. Although New Hampshire had a relatively low share of mortgages in that category, compared to other states. But that doesn’t make the effect any less devastating for the individuals caught up in the process.

The Mortgage Bankers Association tracks mortgage delinquencies and foreclosures on outstanding loans. They estimate that they capture data on 80 percent of all primary mortgages. Their data from second quarter 2007 indicated that 4.3 percent of all home loans in New Hampshire were past due. That was in the same range as other New England states and well below the national average of 5.1 percent. The East-South Central region (Alabama, Kentucky, Mississippi, and

<sup>8</sup> [Days on Market-Residential Sales](http://www.nhar.org/3Qmarket07.htm). New Hampshire Association of Realtors. Accessed January 16, 2008. <[www.nhar.org/3Qmarket07.htm](http://www.nhar.org/3Qmarket07.htm)>

<sup>9</sup> [30-Year Fixed-Rate Mortgages Since 1971](http://www.freddiemac.com/pmms/pmms30.htm). Freddie Mac. Accessed January 4, 2008. <[www.freddiemac.com/pmms/pmms30.htm](http://www.freddiemac.com/pmms/pmms30.htm)>



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Tennessee) and the West South Central Region (Arkansas, Louisiana, Oklahoma, and Texas) had the highest share of loans that were past due, 6.6 percent and 6.4 percent respectively.

In a study produced by the New Hampshire Housing Finance Authority, data from the Home Mortgage Disclosure Act<sup>10</sup> (HMDA) was used to determine the magnitude of the lending problem in the state. The HMDA requires most regulated lenders to file details about mortgage loan applications. Although there is no category specifically identifying a mortgage as a subprime loan, those types of loans were identified as those loans which had an interest rate greater than three percentage points higher compared

to similar mature US Treasury securities.<sup>11</sup> Since subprime loans typically carry a higher interest rate, this is what was used as an alternative for subprime loans.

These data indicate that although New Hampshire may not have as many subprime mortgage loans as other states, there are enough of them to affect many homeowners in the state. Additionally, the number of these types of loans have multiplied over the last three years.

### Foreclosure Assistance

In an effort to ease the financial stress of these homeowners in distress, the Federal Reserve Bank of Boston and five New England banks created an initiative called the Mortgage Relief Fund in December 2007. Combined,

<sup>10</sup> The Home Mortgage Disclosure Act (HMDA) was enacted in 1975 and is implemented by the Federal Reserve Board's Regulation C. Over the last 30 years it has undergone numerous changes and now collects data on all mortgage applications from qualifying depository and non-depository lending institutions. Data for mortgage loans in New Hampshire from large national mortgage lenders and even small lenders with offices in a metropolitan county are included in the data. Small lenders with offices only in non-metropolitan counties are not required to file.

<sup>11</sup> [Mortgage Delinquency, Foreclosure, and Subprime Lending in New Hampshire. How Big is the Problem?](http://www.nhhfa.org/r1_docs/housingdata/SubprimeStudy.pdf) December 10, 2007. Office of Planning and Policy, New Hampshire Housing Finance Authority. Accessed January 17, 2008. < [www.nhhfa.org/r1\\_docs/housingdata/SubprimeStudy.pdf](http://www.nhhfa.org/r1_docs/housingdata/SubprimeStudy.pdf)>.

**Loans for Home Purchase and Home Refinance - 1 to 4 Family Homes - Secured by First Lien**

Area	2004			2005			2006		
	Count of Loans	Sub-prime Loans*	Subprime as % of Total	Count of Loans	Sub-prime Loans*	Subprime as % of Total	Count of Loans	Sub-prime Loans*	Subprime as % of Total
Belknap County	3,205	368	11.5%	2,969	638	21.5%	2,423	576	23.8%
Carroll County	2,889	302	10.5%	2,561	489	19.1%	2,078	429	20.6%
Cheshire County	2,776	324	11.7%	2,593	575	22.2%	2,127	574	27.0%
Coös County	882	197	22.3%	930	353	38.0%	908	347	38.2%
Grafton County	2,741	351	12.8%	2,596	541	20.8%	2,243	517	23.0%
Hillsborough County	20,275	1,870	9.2%	18,432	3,209	17.4%	12,596	2,553	20.3%
Merrimack County	6,522	684	10.5%	6,149	1,226	19.9%	4,415	1,018	23.1%
Rockingham County	16,514	1,399	8.5%	14,377	2,323	16.2%	9,921	1,868	18.8%
Strafford County	5,667	627	11.1%	5,079	1,052	20.7%	3,769	882	23.4%
Sullivan County	1,464	224	15.3%	1,417	420	29.6%	1,126	379	33.7%
<b>Statewide Total**</b>	<b>62,966</b>	<b>6,347</b>	<b>10.10%</b>	<b>57,234</b>	<b>10,831</b>	<b>18.9%</b>	<b>41,743</b>	<b>9,164</b>	<b>22.0%</b>

\* Loans that are 3 or more percentage points above the comparable maturity Treasury securities.

\*\* Sum does not add to total. Totals include mortgage counts for those without county detail available.

Source: Mortgage Bankers Association, Home Mortgage Disclosure Act data for New Hampshire







## 11. Construction & Housing

these banks committed \$125 million to allow relief for consumers with adjustable rate mortgages that are due to be reset to higher levels. The program will enable consumers to refinance their loans.<sup>12</sup>

<sup>12</sup> "Governor Lynch Alerts NH Homeowners at Risk of Foreclosure About New Assistance." *Press Release*. December 20, 2007. Office of the Governor, State of New Hampshire. Accessed January 17, 2008. <[www.nh.gov/governor/news/2007/122007.html](http://www.nh.gov/governor/news/2007/122007.html)>

Contract Value Indices (base = 1980) <sup>a</sup>	2003	2004	2005	2006	Source
Total construction					
New Hampshire	464.0	549.2	576.1	475.8	FR/NHES
New England	352.0	390.9	440.6	407.3	FR/NHES
United States	358.8	399.6	451.3	460.5	FR/NHES
Non-building construction					
New Hampshire	252.3	341.2	364.3	361.9	FR/NHES
New England	223.2	222.0	322.8	283.5	FR/NHES
United States	287.1	295.8	322.2	392.1	FR/NHES
Nonresidential construction					
New Hampshire	511.5	594.7	677.5	564.9	FR/NHES
New England	393.7	395.3	448.1	482.2	FR/NHES
United States	297.0	312.5	345.7	408.1	FR/NHES
Residential construction					
New Hampshire	529.0	613.6	610.5	474.9	FR/NHES
New England	385.1	476.5	496.6	409.6	FR/NHES
United States	446.1	524.1	604.1	538.5	FR/NHES
Residential construction (seasonally adjusted)					
New Hampshire	522.2	608.0	595.6	471.7	FR/NHES
New England	378.5	472.9	482.1	413.4	FR/NHES
United States	441.7	517.6	596.0	531.9	FR/NHES

<sup>a</sup> Annual index established by averaging monthly index values

Housing Permits Authorized (not seasonally adjusted)	2003	2004	2005	2006	Source
Total New Hampshire	8,641	8,653	7,586	5,677	CB
Annual percent change:					
New Hampshire	-0.8%	0.1%	-12.3%	-25.2%	CB/NHES
New England	6.9%	10.4%	1.5%	-20.4%	CB/NHES
United States	8.1%	9.6%	4.1%	-14.7%	CB/NHES
Single units	6,583	7,002	6,432	4,826	CB
Annual percent change:					
New Hampshire	-2.5%	6.4%	-8.1%	-25.0%	CB/NHES
New England	-1.1%	10.8%	-4.4%	-20.6%	CB/NHES
United States	9.6%	10.4%	4.2%	-18.1%	CB/NHES





## 11. Construction & Housing



New Hampshire Housing Stock	2003	2004	2005	2006	Source
From residential building permit data					
Net change in units (permitted units less demolitions)	9,270	9,064	7,701	5,865	OEP
Total Hillsborough and Rockingham Counties	4,284	4,159	3,368	2,380	OEP
Total multifamily	2,789	2,034	1,999	1,678	OEP

Homes Financed by NH Housing Finance Authority	2003	2004	2005	2006	Source
Total	1,493	1,560	1,212	1,228	HFA
Percent new	5.4%	5.7%	7.0%	5.4%	HFA
Percent condo	30.7%	27.4%	30.7%	29.5%	HFA
NHHFA Bond Issues (\$ millions)	\$219	\$180	\$180	\$210	HFA

Assisted Rental Housing Funded	2003	2004	2005	2006	Source
Total units (NHHFA only)	377	370	620	409	HFA
For elderly and special needs tenants	67	110	278	102	HFA

Home Sales	2003	2004	2005	2006	Source
Conventional Mortgage Home Price Index (1987=100), NSA <sup>a</sup>					
New Hampshire	182.6	203.2	221.8	226.4	FR/FM
New England	205.9	232.0	254.8	260.4	FR/FM
United States	220.2	245.9	277.9	295.6	FR/FM
New Hampshire Multiple Listing Service data on Sales of Existing Homes					
Total Sales Volume (millions)	\$5,021.3	\$5,985.7	\$2,872.7 <sup>b</sup>	n/a	NNEREN
Annual percent change	14.6%	19.2%	n/a	n/a	NNEREN/NHES
Average sale price	\$230,947.0	\$253,879.0	\$264,517.0 <sup>b</sup>	n/a	NNEREN
Annual percent change	9.2%	9.9%	n/a	n/a	NNEREN/NHES
Total existing home sales, seasonally adjusted-single family, apt. condos. and coops	\$21,808.0	n/a	n/a	n/a	NHAR
Annual percent change	5.3%	n/a	n/a	n/a	NHAR/NHES

<sup>a</sup>Data for fourth quarter as published by Federal Reserve Bank Boston from Freddie Mac. Annual index is an average of monthly values.

<sup>b</sup>Data for 2005 represents the first six months of the year. No further data is currently available.

Mortgage Rates and Housing Rentals	2003	2004	2005	2006	Source
30-Year Fixed Mortgage Rates (Annual average)	5.83%	5.84%	5.87%	6.41%	MBA/FHLMC
Housing Unit Rentals					
Median monthly rent (including utilities)	\$854	\$896	\$901	\$928	HFA
Annual percent change	5.4%	4.9%	0.6%	3.0%	HFA/NHES





## Finance & Banking

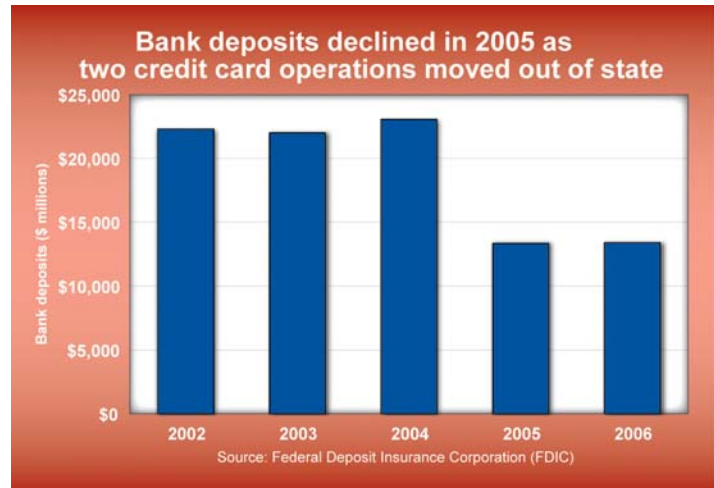
### Banking Activity and Mergers

In 1996, there were 45 banking institutions in New Hampshire insured by the Federal Deposit Insurance Corporation (FDIC). Every year after that, the number of insured institutions declined. By 2006, there were only 26 institutions in the state.

The decline continues a trend that began in the early 1990s, not only in New Hampshire but in New England and the rest of the United States as well. Banking experts attribute the decline to merger and acquisition activity.<sup>1</sup>

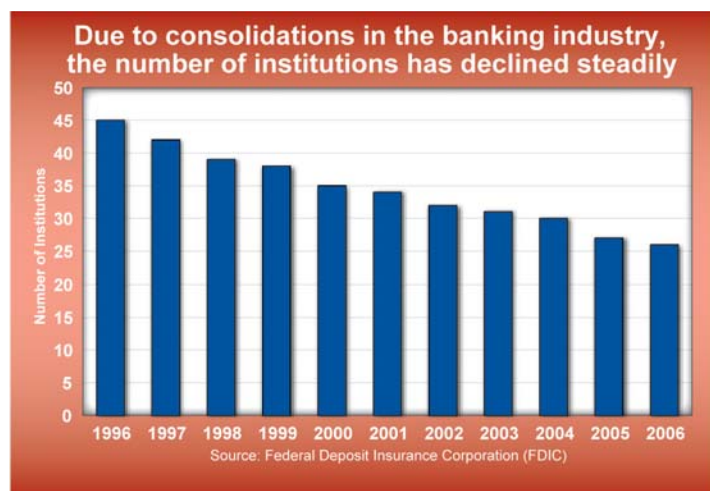
State banking statistics were skewed in 2005 by two large mergers. Total assets, deposits, and equity capital dropped sharply, but there was no reason to panic. Bank of America acquired MBNA, a holding company, and its subsidiary, MBNA America Bank, NA. In another transaction Washington Mutual, Inc. acquired Provident

<sup>1</sup> "Profile of Banking in New England." Federal Reserve Bank of Boston. Accessed January 18, 2008. <[www.bos.frb.org/economic/regional/profile/banking/index.htm](http://www.bos.frb.org/economic/regional/profile/banking/index.htm)>



Financial Corporation. The acquired entities were two of the three largest monoline banks (a bank that only issues credit cards) in the country.<sup>2</sup>

The mergers in 2005 resulted in a 38 percent decline in bank assets, with a 75 percent drop in assets of commercial banks and trust companies. This was followed by a 1.4 percent increase in total assets for 2006. During the same period, deposits increased by 0.5 percent.



### Federal Reserve Activities

In the summer of 2007, it was apparent that financial markets were weakening. Tighter credit conditions raised the possibility of slower economic growth in the United States. By early autumn, developments in financial markets worsened. In response, the Federal Open Market Committee (FOMC) of the Federal Reserve Board lowered the target federal funds rate by 50 basis points to

<sup>2</sup> Yom, Chiwon. "Limited-Purpose Banks: Their Specialties, Performance, and Prospects." *FDIC Banking Review*. May 15, 2005. Federal Deposit Insurance Corporation. Accessed January 18, 2008. <[www.fdic.gov/bank/analytical/banking/2005apr/article2.html](http://www.fdic.gov/bank/analytical/banking/2005apr/article2.html)>



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4.75 percent. At the same time, the Federal Reserve Board of Governors lowered the discount rate by 50 basis points to 5.25 percent.<sup>3</sup> With those actions, the Federal Reserve hoped to promote moderate growth balanced with low inflation. Lower rates have the effect of injecting money into the economy with the goal of promoting growth. In this way, banks can offer more loans to customers and encourage homeowners to refinance mortgages at lower rates.

As the economic news failed to improve, more rate decreases followed. On October 31, 2007 the FOMC lowered the federal funds target rate another 25 basis points to 4.50 percent. Rate decreases could potentially be inflationary, but the Committee hoped to strike a balance between increased inflation and slower growth.<sup>4</sup>

In December 2007, the FOMC lowered the federal funds target rate another 25 basis points to 4.25 percent, citing problems in the housing markets, slowing economic growth, and weakness in business and consumer spending.<sup>5</sup> And in late December, the Fed moved to shore up liquidity in financial markets when it announced that it was lending \$20 billion to banks through the first of four special auctions.<sup>6</sup>

Since the beginning of 2008, the federal funds rate has been reduced an additional three times – by 75 basis points on January 22, by 50 basis points on January 30, and by another 75 basis points on March 18.<sup>7</sup> This last reduction placed the federal funds rate at 2.25 percent. The next meeting for the FOMC is scheduled for April 29, 2008, but with various rate changes instituted at three unscheduled meetings since the beginning of the year, it is clear that the FOMC won't wait to take action if they see the need.

### Recent Changes in New Hampshire's Banks

- New Hampshire First Bank opened for business in Manchester in November, 2006.<sup>8</sup>
- Ocean Bank of Portsmouth acquired Community Bank and Trust Company of Wolfeboro.<sup>9</sup>
- New Hampshire Thrift Bancshares of Newport acquired First Community Bank of Woodstock, Vermont.<sup>10</sup>
- Organizers of Optima Bank and Trust Company of Portsmouth filed applications to open a state-chartered bank to open in early 2008.<sup>11</sup>
- In a deal originally announced in December 2006, Merrimack Bancorp MHC unit Merrimack County Savings Bank of Concord acquired Bow Mills Bank and Trust of Bow.<sup>12</sup>

<sup>3</sup> [Press Release](#). September 18, 2007. Board of Governors of the Federal Reserve System.

<sup>4</sup> [Press Release](#). October 31, 2007. Board of Governors of the Federal Reserve System.

<sup>5</sup> [Press Release](#). December 11, 2007. Board of Governors of the Federal Reserve System.

<sup>6</sup> LaMonica, Paul R. "Fed to Lend \$20 Billion to Banks." [CNNMoney.com](#). December 19, 2007. Accessed December 19, 2007. <[money.cnn.com/2007/12/19/news/economy/fed\\_auctions/index.htm](#)>.

<sup>7</sup> "Intended federal funds rate, change and level, 1990 to present." [Open Market Operations](#). March 18, 2008. Federal Reserve Board. Accessed March 21, 2008 at <[www.federalreserve.gov/fomc/fundsrate.htm](#)>.

<sup>8</sup> "Bank of New York to Merge with Mellon Financial." [Bank Notes](#). January, 2007. Federal Reserve Bank of Boston. Accessed January 18, 2008. <[www.bos.frb.org/economic/banknote/bn2007/bn0107.htm](#)>.

<sup>9</sup> "TD Bank Financial Group to Acquire Commerce Bancorp." [Bank Notes](#). November, 2007. Federal Reserve Bank of Boston. Accessed January 18, 2008. <[www.bos.frb.org/economic/banknote/bn2007/bn1107.htm](#)>.

<sup>10</sup> *Ibid*.

<sup>11</sup> "Mergers and Acquisition." [Bank Notes](#). August, 2007. Federal Reserve Bank of Boston. Accessed January 18, 2008. <[www.bos.frb.org/economic/banknote/bn2007/bn0807.htm](#)>.

<sup>12</sup> "Mergers and Acquisitions." [Bank Notes](#). June, 2007. Federal Reserve Bank of Boston. <[www.bos.frb.org/economic/banknote/bn2007/bn0607.htm](#)>





### Credit Unions

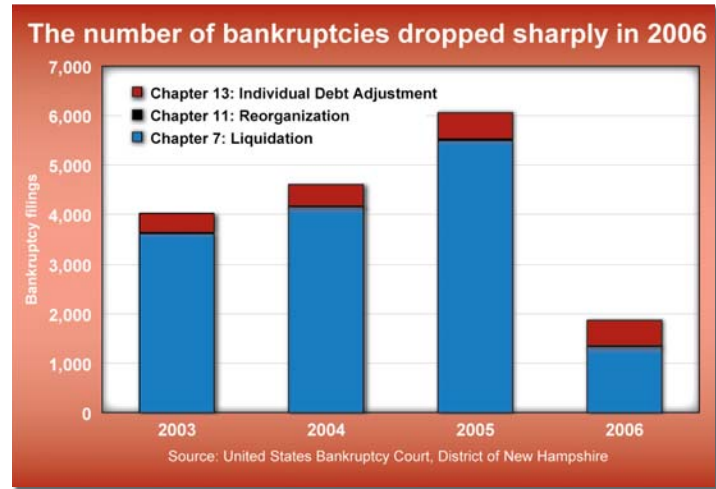
The number of credit unions in the state decreased from 26 to 25 as Triangle Credit Union of Nashua acquired Union Leader Employees Credit Union of Manchester.<sup>13</sup>

Overall, assets of credit unions increased by 3.9 percent and the number of shares and deposits increased by 5.6 percent.<sup>14</sup>

### Bankruptcy Activity

Debtors hurried to file bankruptcy in the fall of 2005 before the Bankruptcy Abuse and Prevention and Consumer Protection Act took effect on October 17 of that year. The new law made it more difficult for individuals to qualify for relief under Chapter 7, applying a financial means test and requiring individuals to undertake credit counseling. The ultimate effect was to make it more difficult and expensive to file for bankruptcy.<sup>15</sup>

The number of bankruptcies in the state jumped from 4,605 in 2004 to 6,058 in 2005. That was an increase of 31.6 percent. By 2006, the number of bankruptcies dropped to 1,874. For the years 2003 to 2005, nearly 90 percent of all bankruptcies were Chapter 7.<sup>16</sup> Chapter 7 is the most common type of bankruptcy, where the debtor's non-exempt property is liquidated (converted to cash), with the proceeds distributed to unsecured creditors.



Chapter 11 bankruptcy is much less common, generally an option for businesses unable to meet its obligations to creditors.

Chapter 13 bankruptcy, known as individual debt adjustment, allows a debtor to remain in possession of assets, but the debtor must propose a plan, approved by the bankruptcy court, to pay creditors over a 3- to 5-year period. Chapter 13 accounted for around 10 percent of bankruptcies in New Hampshire from 2003 to 2005, but as Chapter 7 filings diminished in 2006, the share rose to 28 percent.

### Banking Employment

Employment in banking (NAICS code 5221: *Depository credit intermediation*) in New Hampshire increased for the second straight year in 2006, adding nearly 100 jobs over 2005. At the end of that year, there were 6,500 workers employed in the industry, 37 percent fewer than in 1990. Some of the job loss can be attributed to the increasing use of ATMs and the emergence of on-line banking. The US Bureau of Labor Statistics projects that employment will grow by a mere four percent between 2006 and 2016, significantly below the growth rate for all industries.

<sup>13</sup> "Mergers and Acquisition." *Bank Notes*. August, 2007. Federal Reserve Bank of Boston. Accessed January 18, 2008. <[www.bos.frb.org/economic/banknote/bn2007/bn0807.htm](http://www.bos.frb.org/economic/banknote/bn2007/bn0807.htm)>

<sup>14</sup> *2006 Yearend Statistics for Federally Insured Credit Unions*. National Credit Union Administration. Accessed December 17, 2007. <[www.ncua.gov/ReportsAndPlans/statistics/yearend2006.pdf](http://www.ncua.gov/ReportsAndPlans/statistics/yearend2006.pdf)>

<sup>15</sup> Farrell, Joelle. "New Law Reduces Bankruptcy Filings." *Concord Monitor*. November 29, 2005.

<sup>16</sup> *Total Bankruptcy Filings by Month and Calendar Year*. United States Bankruptcy Court, District of New Hampshire. Accessed December 16, 2007. <[www.nhb.uscourts.gov/Public\\_Notices/Statistics/bktots.pdf](http://www.nhb.uscourts.gov/Public_Notices/Statistics/bktots.pdf)>



## 12. Finance & Banking



Banking Data - FDIC Insured Banks	2003	2004	2005	2006	Source
Bank Assets - Total All Banks (millions)	\$29,662	\$31,162	\$19,396	\$19,661	FDIC
Commercial Banks and Trust Companies	\$17,116	\$17,615	\$4,266	\$3,943	FDIC
Savings Institutions	\$12,546	\$13,547	\$15,130	\$15,718	FDIC
Annual percent change:					
Total	1.1%	5.1%	-37.8%	1.4%	FDIC/NHES
Commercial Banks and Trust Companies	-4.8%	2.9%	-75.8%	-7.6%	FDIC/NHES
Savings Institutions	10.2%	8.0%	11.7%	3.9%	FDIC/NHES
Bank Deposits - Total All Banks (millions)	\$22,005	\$23,061	\$13,347	\$13,410	FDIC
Commercial Banks and Trust Companies	\$12,806	\$13,049	\$3,424	\$3,108	FDIC
Savings Institutions	\$9,199	\$10,013	\$9,923	\$10,302	FDIC
Annual percent change:					
Total	-1.3%	4.8%	-42.1%	0.5%	FDIC/NHES
Commercial Banks and Trust Companies	-7.2%	1.9%	-73.8%	-9.2%	FDIC/NHES
Savings Institutions	8.3%	8.8%	-0.9%	3.8%	FDIC/NHES
Equity Capital (millions)					
Total	\$4,548	\$4,871	\$1,872	\$2,036	FDIC
Commercial Banks and Trust Companies	\$3,421	\$3,666	\$548	\$546	FDIC
Savings Institutions	\$1,126	\$1,205	\$1,323	\$1,490	FDIC
Equity Capital to Asset Ratio					
Total	15.33%	15.63%	9.65%	10.36%	FDIC/NHES
Commercial Banks and Trusts	19.99%	20.81%	12.85%	13.85%	FDIC/NHES
Savings Institutions	8.98%	8.89%	8.75%	9.48%	FDIC/NHES
Number of Banking Institutions					
Total	31	30	27	26	FDIC
Commercial Banks and Trusts	14	13	10	10	FDIC
Savings Institutions	17	17	17	16	FDIC
Number of Banking Offices (includes branches)					
Total	424	421	427	n/a	FDIC
Commercial Banks and Trusts	232	224	219	n/a	FDIC
Savings Institutions	192	197	208	n/a	FDIC







## 12. Finance & Banking

Credit Unions	2003	2004	2005	2006	Source
Assets (millions)	\$3,041	\$3,213	\$3,438	\$3,571	NCUA
Annual percent change	8.2%	5.7%	7.0%	3.9%	NCUA/NHES
Shares and Deposits (millions)	\$2,523	\$2,625	\$2,745	\$2,900	NCUA
Annual percent change	7.4%	4.0%	4.6%	5.6%	NCUA/NHES
Number of Credit Unions	30	27	26	25	NCUA

Bankruptcy Filings	2003	2004	2005	2006	Source
Total New Hampshire Filings	4,426	4,651	6,097	1,925	BKRNH
Percent change from previous year					
New Hampshire	9.7%	5.1%	31.1%	-68.4%	ABI/NHES
Connecticut	4.2%	-6.7%	33.7%	-67.1%	ABI/NHES
Maine	5.4%	-3.3%	46.7%	-80.0%	ABI/NHES
Massachusetts	4.9%	1.0%	44.8%	-68.6%	ABI/NHES
Rhode Island	-7.1%	-9.1%	40.9%	-72.2%	ABI/NHES
Vermont	4.2%	-10.8%	54.4%	-75.0%	ABI/NHES
New England	3.7%	-2.5%	39.0%	-67.8%	ABI/NHES
United States	5.2%	-3.3%	29.5%	-71.0%	ABI/NHES

Delinquency Rates (FDIC Insured Institutions)	2003	2004	2005	2006	Source
Mortgage delinquency rate (1-4 family residential)	0.77%	0.61%	0.69%	0.77%	FDIC/NHES
Consumer loan delinquency rate <sup>a</sup>	5.80%	4.25%	1.31%	1.53%	FDIC/NHES
Credit card delinquency rate <sup>a</sup>	6.92%	4.87%	1.16%	1.72%	FDIC

<sup>a</sup> Prior to 2005 rates for NH were inflated by the presence of Providian's credit card operations.

Industrial Financing (\$ millions)	2003	2004	2005	2006	Source
Total bond issues (millions)	\$128.0	\$64.5	\$124.3	\$42.9	BFA
Industrial revenue bonds, initial issues (millions)	\$8.1	\$0.0	\$6.8	\$2.0	BFA

Non-Current Loans and Leases	2003	2004	2005	2006	Source
FDIC commercial banks, Dec. 31st totals (millions)	\$252.5	\$210.0	\$24.2	\$39.7	FDIC
Percent change from previous year	-25.2%	-16.8%	-88.5%	64.0%	FDIC
Rank by non-current/total (from smallest) <sup>a</sup>	50	49	47	45	FDIC

<sup>a</sup>Includes the fifty states and the District of Columbia. Prior to Washington Mutual Bank absorbing Providian during 2005 ranks for NH was inflated by the presence of large credit card operations.





# 13. Government Revenues & Expenditures



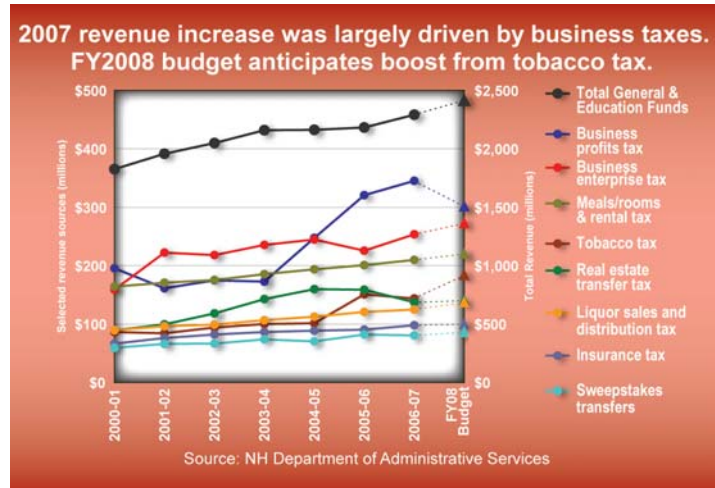
## Government Revenues & Expenditures

With the uncertain state of the US economy at the beginning of calendar year 2008, officials at all levels of government are contemplating appropriate actions. In the US Congress, the federal administration, and the presidential campaign trail, the talk is of government stimuli to ward off a looming recession. In the state-houses, the legislators and governors are worried about potential revenue shortfalls.

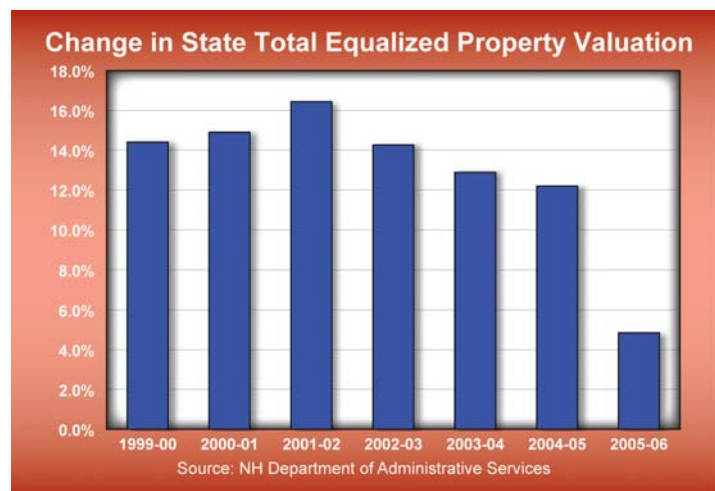
New Hampshire is no exception. With housing sales sputtering and retail sales and businesses faltering, the state legislature and the governor are re-examining the optimistic budget projections that were made during more confident times. For fiscal year 2008, which began in July 2007, shortfalls on the revenue side are beginning to build up, so the talk is of hiring freezes, delaying projects, and otherwise reducing expenditures.

More than half of the state's revenue (59.2 percent) is program revenue, consisting of charges for goods and services, and federal and local grants. Total general revenues took a nearly \$10 million dip in FY 2006 before rebounding to \$4,229.6 million in FY 2007.

Revenues not specifically targeted for a specific program are known as general revenues. These come primarily from taxes. The largest revenue increases were from a combination of growth in several taxes including business and interest and dividends



and "escheatments," the acquisition by the state of abandoned property. Total unrestricted state revenues grew throughout the period from FY 2003 through FY 2006 and continued that growth in FY 2007. The year ending June 30, 2007 tallied \$2,291.3 million in total unrestricted general and education fund revenues, a five percent increase from 2006.





## 13. Government Revenues & Expenditures

Increases of 9.6 percent in business tax (business profits tax plus business enterprise tax) revenue and 34.2 percent in the interest and dividends tax reflected economic improvement over the previous year. However, the

looming real estate crisis was also reflected in a drop of 13.4 percent in the proceeds from the real estate transfer tax. Fiscal year 2007 was the second straight year in which that revenue source had declined. Prior to last

<b>Unrestricted Revenue to State General &amp; Education Funds</b> (State Fiscal Year, ending Jun 30)	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>Source</b>
Total unrestricted revenue General and Education Funds (millions)	\$2,049.0	\$2,158.7	\$2,161.9	\$2,182.3	AS
Total General Fund Revenue	\$1,206.3	\$1,310.7	\$1,391.6	\$1,329.5	AS
Total Education Fund Revenue	\$842.7	\$848.0	\$770.3	\$848.4	AS
Selected unrestricted general and education funds revenues					
Business profits tax	\$174.9	\$172.6	\$247.4	\$320.6	AS
Education Fund Portion	\$37.1	\$41.0	\$50.7	\$56.6	AS
Business enterprise tax	\$218.0	\$235.4	\$244.7	\$225.6	AS
Education Fund Portion	\$121.4	\$116.9	\$130.6	\$150.4	AS
Meals/rooms & rental tax	\$175.4	\$185.4	\$193.6	\$200.9	AS
Education Fund Portion	\$6.7	\$6.9	\$7.2	\$7.1	AS
Liquor sales and distribution tax	\$99.0	\$106.7	\$112.6	\$120.6	AS
Sweepstakes transfers	\$66.6	\$73.7	\$70.3	\$82.0	AS
Education Fund Portion	\$66.6	\$73.7	\$70.3	\$82.0	AS
Insurance tax	\$82.2	\$86.2	\$88.7	\$90.5	AS
Tobacco tax	\$94.0	\$100.1	\$101.4	\$150.8	AS
Education Fund Portion	\$27.0	\$28.6	\$28.2	\$80.9	AS
Tobacco settlement	\$45.9	\$41.8	\$42.4	\$39.0	AS
Education Fund Portion	\$40.0	\$40.0	\$40.0	\$39.0	AS
Interest and dividends tax	\$55.1	\$55.6	\$67.9	\$80.5	AS
Estate and legacy tax	\$59.1	\$27.0	\$11.7	\$3.2	AS
Telephone/communication tax	\$62.5	\$65.8	\$70.0	\$70.5	AS
Real estate transfer tax	\$118.3	\$142.7	\$159.8	\$158.7	AS
Education Fund Portion	\$39.4	\$47.5	\$52.0	\$52.5	AS
Utilities property tax	\$18.8	\$20.2	\$20.1	\$20.9	AS
Education Fund Portion	\$18.8	\$20.2	\$20.1	\$20.9	AS
Statewide property tax (not retained locally)	\$32.7	\$29.8	\$20.9	a	AS
Education Fund Portion	\$32.7	\$29.8	\$20.9	a	AS
Statewide property tax (retained locally)	\$453.0	\$443.4	\$350.4	\$363.4	AS
Education Fund Portion	\$453.0	\$443.4	\$350.4	\$363.4	AS
Other Medicaid Enhancement Revenue to Fund Net Appropriations (Uncompensated care pool)	\$16.6	\$35.1	\$39.1	a	AS

<sup>a</sup> Beginning in Fiscal Year 2006, these revenues are recorded as restricted revenues rather than unrestricted revenues



## 13. Government Revenues & Expenditures

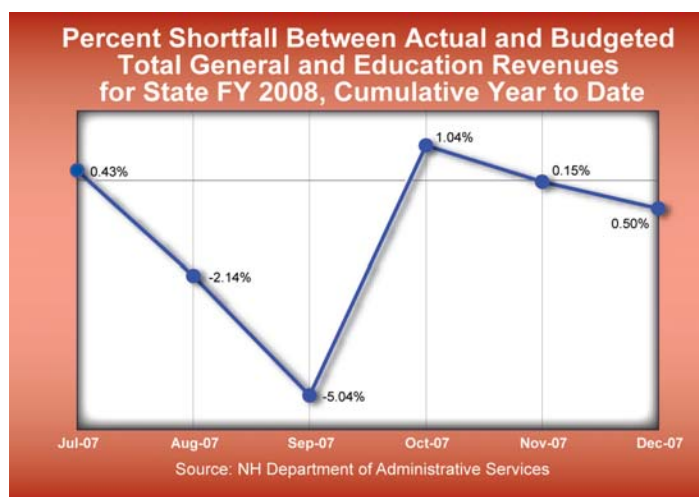


year, since FY 1997, the real estate transfer tax revenues had grown by more than 10 percent each year except for 2001, when they grew by 5.0 percent.

Further evidence of the real estate slump in New Hampshire is the sharp slowdown in the annual increase in state total equalized property valuation for the equalization year October 1, 2005 to September 30, 2006. This accelerates the downward trend of the three prior years.

Concerns that falling real estate values and sales, depressed construction starts, and high fuel prices could mean recession have policy makers at all levels rethinking the budget projections. Through December 2007, cumulative state revenues for FY 2008 had fallen behind the budget projections by 0.5 percent. Given the unpredictable nature of making budget projections,

that might not be of so much concern in and of itself. After all, in September, they were running 5.0 percent behind, but they recovered to plus 1.0 percent the next month. However, in the larger context of the national and global economy, lagging revenues halfway through the year is not a comfortable position.



State Government General Revenue (FY ending 6/30)	2002-03	2003-04	2004-05	2005-06	Source
As reported by Administrative Services (millions) <sup>a</sup> (Modified Accrual Basis of Accounting)	\$3,771.38	\$4,092.91	\$4,179.01	\$4,169.61	AS
Grants from Federal Government (millions)	\$1,236.23	\$1,380.61	\$1,415.07	\$1,414.10	AS
As reported by Census Bureau (millions)	4,566	5,024	5,041	5,186	CB
From Taxes (millions)	1,959	2,005	2,022	2,081	CB
General Revenue per \$1,000 Personal Income:					
New Hampshire	\$103.01	\$106.51	\$102.93	\$99.46	CB/BEA
United States	\$121.56	\$122.96	\$124.69	\$126.31	CB/BEA
United States rank	43	44	48	48	CB/BEA
Rank in General revenue from taxes	49	50	50	50	CB/BEA
General Revenue per Capita					
New Hampshire	\$3,543	\$3,868	\$3,858	\$3,953	CB
United States	\$3,833	\$4,074	\$4,325	\$4,637	CB
United States rank	37	40	40	41	CB/NHES

<sup>a</sup>Due to changes in the state's fund structure initiated when GASB Statement 34 was implemented, the changes in fund balance information is available only beginning in 2002.





## 13. Government Revenues & Expenditures

<b>State Government General Expenditures</b> (FY ending 6/30)	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>Source</b>
As reported by Administrative Services (millions) (Modified Accrual Basis of Accounting)	\$4,039.2	\$4,282.5	\$4,382.4	\$4,433.5	AS
As reported by Census Bureau (millions)	\$4,591.8	\$4,942.2	\$5,050.0	\$5,212.2	CB
General Expenditures per \$1,000 Personal Income:					
New Hampshire	\$103.59	\$104.77	\$102.93	\$99.46	CB/BEA
United States	\$127.21	\$124.54	\$124.52	\$122.84	CB/BEA
United States rank	44	42	46	45	CB/BEA
For Education	44	44	41	44	CB/BEA
For Public welfare	40	35	37	44	CB/BEA
For Highways	41	41	40	39	CB/BEA
General Expenditures per Capita					
New Hampshire	\$3,562	\$3,805	\$3,864	\$3,973	CB
United States	\$4,010	\$4,126	\$4,319	\$4,509	CB
United States rank	38	32	37	39	CB/NHES

<b>State &amp; Local Government General Revenue</b> <b>Per \$1,000 Personal Income (FY ending 6/30)</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>Source</b>
Total general revenue	n/a	\$156.76	\$155.64	n/a	CB/BEA
United States rank	n/a	50	50	n/a	CB/BEA
Total taxes	n/a	\$85.74	\$87.16	n/a	CB/BEA
United States rank	n/a	47	47	n/a	CB/BEA
Property tax	n/a	\$53.09	\$53.48	n/a	CB/BEA
United States rank	n/a	2	1	n/a	CB/BEA
Percent of total taxes	n/a	61.9%	61.4%	n/a	CB/BEA
Percent of general revenue	n/a	33.9%	34.4%	n/a	CB/BEA
United States rank	n/a	1	1	n/a	CB/BEA

<b>Property Valuations, Equalized</b> <b>not including Utilities and Railroad</b> (Equalization Year – October 1 to September 30)	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>Source</b>
State total equalized valuation (millions)	\$127,989	\$144,467	\$162,083	\$169,931	RA
Annual percent change	14.3%	12.9%	12.2%	4.8%	RA/NHES
Percent in Hillsborough & Rockingham Counties	54.3%	53.6%	53.1%	52.2%	RA
Equalization ratio	79.0	81.2	81.2	92.1	RA
Full value tax rate per \$1,000	\$16.83	\$15.90	\$14.96	\$15.32	RA

<b>Unemployment Insurance Tax (Calendar Year)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Source</b>
Average tax (federal + state) per worker in covered employment	\$119	\$191	\$187	\$159	NHES





## Education

### Adequate Education Update

In 2006, the primary topic in education was the New Hampshire Supreme Court ruling which found that the state had failed to define an “adequate” education under the state constitution. In response to that finding, the Legislature recently adopted a definition that, for the first time, added kindergarten to existing standards for grades one through twelve. According to the new definition, a constitutionally adequate education in New Hampshire consists of education programs that match school approval standards in the following areas:

- English/language arts and reading
- Mathematics
- Science
- Social studies
- The arts
- World languages
- Technology
- Information and communication technologies
- Health, and
- Physical education.

In early 2008, a committee consisting of representatives from both the legislative and executive branches released a draft report suggesting that implementing an adequate education would cost \$3,456 per student,

not substantially different from the \$3,311 spent per student in 2002.<sup>1</sup> The total cost of an adequate education, which includes additional funding for non-English speaking students and those with special needs, is expected to reach approximately \$900 million.

### New Hampshire’s Report Card

Known since 1969 as “the Nation’s Report Card,” the National Assessment of Educational Progress (NAEP) assesses performance in subjects such as math and reading by testing representative samples of students in grades four, eight, and twelve in both public and nonpublic schools.<sup>2</sup> New Hampshire’s schools participated only sporadically in the program until 2003, when the No Child Left Behind legislation tied the receipt of federal funding to participation in NAEP. Since 2003, the tests have been administered every two years in more than 120 grade 4 classrooms and nearly 100 grade 8 classrooms, measuring between 2,600 to 3,300 students per grade per subject.

<sup>1</sup> M. Asmar. “What cost Adequacy? Try \$3,456” *Concord Monitor*. February 1, 2008.

<sup>2</sup> *National Assessment of Educational Progress (NAEP)*. New Hampshire Department of Education. Accessed January 23, 2008. <[www.ed.state.nh.us/education/doe/organization/curriculum/Assessment/NAEP.htm](http://www.ed.state.nh.us/education/doe/organization/curriculum/Assessment/NAEP.htm)>.

**National Assessment of Educational Progress (NAEP)**

	2003			2005			2007		
	National Average	NH Score	% dif	National Average	NH Score	% dif	National Average	NH Score	% dif
4th Grade Reading	216	228	5.3%	217	227	4.4%	220	229	3.9%
4th Grade Math	234	243	3.7%	237	246	3.7%	239	249	4.0%
8th Grade Reading	261	271	3.7%	260	270	3.7%	261	270	3.3%
8th Grade Math	276	286	3.5%	278	285	2.5%	280	288	2.8%

Sources: NH Department of Education, National Center for Education Statistics



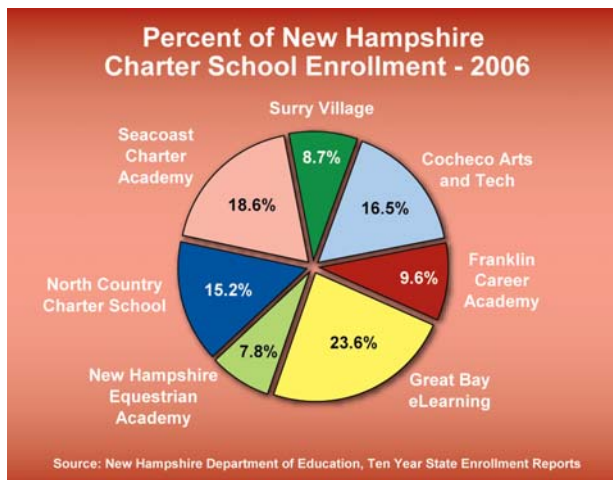


Since 2003, New Hampshire students have consistently achieved NAEP scores higher than the national average. Reading has traditionally been the area of greatest success, although the percent difference between New Hampshire and the rest of the nation in this category is shrinking. On the other hand, the difference in math scores between New Hampshire and the nation increased in 2007. The declining difference in reading scores and increasing difference in math scores could be an unanticipated by-product of the trend towards measuring educational success through standardized test scores. Specifically, the teaching techniques used to ensure higher test scores could be similar to those commonly found in quantitative mathematics curricula rather than more interpretive subjects such as English or History. Future test scores should confirm this trend, especially if current educational legislation such as No Child Left Behind does not survive the upcoming change in Presidential Administration.

### Charting the Progress of Charter Schools

Designed to focus on alternative and emerging curricula, instruction, methods, or student groups, a charter school is a publicly funded attempt to provide a results-driven environment for teaching and learning that is exempt from traditional state education rules and statutes. In 1995, the New Hampshire legislature enacted the Charter Schools and Open Enrollment Act, authorizing the creation of public charter schools in New Hampshire. As of December 2007, ten charter schools are currently open, two will be opening for the 2008-2009 school year, and two operated for a short time and then closed.<sup>3</sup> In 2006, 322 students were enrolled in alternative charter schools, up from 200 in 2005 and 81 in 2004.<sup>4</sup>

Despite the good intentions of these schools, funding and administrative difficulties have



made their independent mission difficult. Nationwide, a 2004 study released by the American Federation of Teachers found that only 25 percent of 6,000 fourth graders at 167 charter schools were proficient in both reading and math, while 30 percent of similarly-aged public school students were proficient in reading and 32 percent were proficient in math.<sup>5</sup> In New Hampshire, the state Department of Education released a 2007 review of the charter school program which suggested that New Hampshire's "uncertain and shifting funding environment" is hampering the success and growth of charter schools.<sup>6</sup>

<sup>3</sup> [Approved Charter Schools in New Hampshire](http://www.ed.state.nh.us/education/doe/organization/curriculum/SchoolApproval/CharterSchools/ApprovedNHCharterSchools.htm#Top). New Hampshire Department of Education. Accessed February 5, 2008. <[www.ed.state.nh.us/education/doe/organization/curriculum/SchoolApproval/CharterSchools/ApprovedNHCharterSchools.htm#Top](http://www.ed.state.nh.us/education/doe/organization/curriculum/SchoolApproval/CharterSchools/ApprovedNHCharterSchools.htm#Top)>.

<sup>4</sup> [New Hampshire Department of Education State Totals - Ten Years Public and Private Fall Enrollments 1997-1998 Through 2006-2007](http://www.ed.state.nh.us/education/data/ReportsandStatistics/Enrollment/Enroll%2010%20Years/Enroll%2010%20Years%202006-2007/Enroll%2010%20Years%202006-2007%20Frameset.htm). April 27, 2007. New Hampshire Department of Education. Accessed January 30, 2008. <[www.ed.state.nh.us/education/data/ReportsandStatistics/Enrollment/Enroll%2010%20Years/Enroll%2010%20Years%202006-2007/Enroll%2010%20Years%202006-2007%20Frameset.htm](http://www.ed.state.nh.us/education/data/ReportsandStatistics/Enrollment/Enroll%2010%20Years/Enroll%2010%20Years%202006-2007/Enroll%2010%20Years%202006-2007%20Frameset.htm)>.

<sup>5</sup> "Charter Schools." [PBS Online NewsHour](http://www.pbs.org/newshour/bb/education/july-dec04/charter_8-18.html). August 18, 2004. PBS. Accessed January 30, 2008. <[www.pbs.org/newshour/bb/education/july-dec04/charter\\_8-18.html](http://www.pbs.org/newshour/bb/education/july-dec04/charter_8-18.html)>.

<sup>6</sup> [State of New Hampshire Charter School Program Review](http://www.ed.state.nh.us/education/doe/organization/curriculum/SchoolApproval/CharterSchools/program_review.pdf). Class Measures, Inc. New Hampshire Department of Education. Accessed January 30, 2008. <[www.ed.state.nh.us/education/doe/organization/curriculum/SchoolApproval/CharterSchools/program\\_review.pdf](http://www.ed.state.nh.us/education/doe/organization/curriculum/SchoolApproval/CharterSchools/program_review.pdf)>.



## 14. Education



To this end, a major recommendation of the charter school review was the investment in additional administration and oversight for the purposes of both meeting legal requirements and guiding private fund-raising efforts. The review also encouraged the implementation of a formal accountability process to develop “clarity and consensus within and between schools.” Only time will tell if recommendations such as these will be implemented and the charter school model will flourish in New Hampshire.

### Future Educators in New Hampshire

In 2001, nearly 50 percent of the state’s teachers were nearing retirement age, and by 2006 almost half of these senior teachers had left the workforce.<sup>7</sup> In order to ensure an adequate supply of highly qualified teachers, the Department of Education has looked beyond traditional certification programs, engaging in several pilot programs designed to train, certify, and find employment for individuals committed to a career in education. With a particular focus on the critical shortage areas of math, science, and special education, the state created the following non-traditional teacher recruitment programs:<sup>8</sup>

- **TeachNorth**  
A cooperative effort of 32 school districts, three colleges, and the NHDOE to encourage potential candidates to teach in the rural northern region of the state.
- **The Future Educators Academy**  
A collaboration between the NHDOE and the New Hampshire Forum on Higher Education, the Future Educators Academy seeks to develop a pipeline of high school students with potential as candidates for certification in the state’s approved programs.
- **The New Hampshire Higher Education Assistance Foundation (NHHEAF)**  
NHHEAF has a series of programs in its network, including the Teach for New Hampshire Loan Forgiveness Program and the Enterprise Teachers Program.
- **WIA Dislocated Workers Program**  
This program seeks to recruit unemployed workers to teaching. It operates in collaboration with the Community College System of New Hampshire and other institutions of higher education.
- **Workforce Incentive Program**  
This program links higher education with critical workforce needs. There are two components to the program: an incentive for students to study in particular areas and assistance for employees in critical workforce shortage areas.
- **Troops to Teachers**  
In 2001, NHDOE became part of the national Troops to Teachers program to encourage retired military personnel to consider teaching as a career.

<sup>7</sup> Cook Smith, PhD, Nancy and Kathleen J. Mackin, PhD. [Report on New Hampshire Educators: Credentialing and Employment Trends](http://www.ed.state.nh.us/education/doe/organization/programsupport/Certification/Credentialing_and_Employment_Trends.pdf). August 1, 2006. New Hampshire Department of Education. Accessed January 31, 2008. <[www.ed.state.nh.us/education/doe/organization/programsupport/Certification/Credentialing\\_and\\_Employment\\_Trends.pdf](http://www.ed.state.nh.us/education/doe/organization/programsupport/Certification/Credentialing_and_Employment_Trends.pdf)>.

<sup>8</sup> *ibid.*





- Enterprise Teacher**  
 Enterprise teachers who commit to teach in an Enterprise Teacher School District for five years are eligible for educational loan repayments of up to \$20,000 over five years.

Despite the potentially broad reach of these programs, there is no data yet available describing their effectiveness.<sup>9</sup> As these programs continue to create and place educators throughout New Hampshire, more data should emerge, especially in terms of the critical shortage areas.

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<sup>9</sup> *ibid.*

NH Education Expenditures and Revenue	2002-03	2003-04	2004-05	2005-06	Source
Expenditures per pupil (average)					
Net Total, all purposes (school year) <sup>a</sup>	\$7,809	\$8,496	\$9,099	\$9,710	DE
Annual percent change	8.0%	8.8%	7.1%	6.7%	DE/NHES
Current expenditures per pupil in average daily attendance, public, elementary, and secondary schools (unadjusted dollars)	\$8,900	\$9,391	\$10,043	n/a	UED
Revenue sources, percent of total school revenues:					
State funds	n/a	45.8%	39.2%	n/a	UED
National average	48.7%	47.1%	46.9%	n/a	UED
United States rank (District of Columbia not included)	n/a	29	39	n/a	UED
Local and other funds <sup>b</sup>	n/a	48.5%	53.7%	n/a	UED
National average	42.8%	43.9%	41.7%	n/a	UED
United States rank (District of Columbia not included)	n/a	18	7	n/a	UED
Federal funds	n/a	5.7%	5.7%	n/a	UED
National average	8.5%	9.1%	9.2%	n/a	UED
United States rank (District of Columbia not included)	n/a	50	48	n/a	UED

<sup>a</sup>Prior to 2004, home schooled students were included in Average Daily Attendance, so approximately \$200 of the 2003-04 increase is attributable to this change.

<sup>b</sup>Includes gifts, tuition, and fees from patrons.



## 14. Education



NH Elementary and Secondary Education (school year)	2002-03	2003-04	2004-05	2005-06	Source
<b>Enrollment</b>					
Enrollment, fall, public and private (includes preschool) <sup>a</sup>	231,512	230,887	229,588	228,004	DE
Total Home Schooled	4,319	4,343	4,503	4,506	DE
Total all enrollments	235,831	235,230	234,091	232,510	DE/NHES
Growth rates, all enrollments	0.3%	-0.3%	-0.5%	-0.7%	DE/NHES
<b>First grade, public and private</b>					
First grade, public and private	15,196	15,071	15,009	14,733	DE
First grade Home Schooled	333	352	347	338	DE
Total all first grade enrollments	15,529	15,423	15,356	15,071	DE/NHES
Growth rate, first grade	-1.6%	-0.7%	-0.4%	-1.9%	DE/NHES
<b>Twelfth grade, public and private</b>					
Twelfth grade, public and private	13,499	13,618	13,893	13,998	DE
Twelfth grade home schooled	57	55	69	78	DE
Total all twelfth grade enrollments	13,556	13,673	13,962	14,076	DE/NHES
Growth rate, twelfth grade	7.7%	0.9%	2.1%	0.8%	DE/NHES
<b>Career Technology Education Enrollment</b>					
Career Technology Education Enrollment	11,411	11,109	12,321	12,782	DE
Percent of 9th & 10th grade	6.9%	5.7%	6.4%	8.2%	DE
Percent of 11th & 12th grade	32.6%	32.1%	35.2%	34.1%	DE
<b>High School Career Tech. Education Completers</b>					
High School Career Tech. Education Completers	2,887	2,901	3,144	3,113	DE
<b>Average Salary of Instructional Staff (public schools)</b>					
Average Salary of Instructional Staff (public schools)	\$40,519	\$42,689	\$43,941	n/a	UED
United States rank	29	25	24	0	UED/NHES
<b>Post Graduation</b>					
Total number of New Hampshire public school completers <sup>a</sup>	13,315	13,428	13,847	14,062	DE
Entering a four-year college or university	51.8%	52.0%	51.4%	51.4%	DE
Entering other than a four year college	19.5%	20.7%	20.9%	21.0%	DE
Total Non-College (includes status unknown)	28.7%	27.3%	27.7%	27.6%	DE
<b>Scholastic Assessment Test (SAT)<sup>b</sup></b>					
Scholastic Assessment Test (SAT) <sup>b</sup>	1,043	1,043	1,050	1,553	DE
National average	1,026	1,026	1,028	1,518	DE
Percent of high school graduates taking test	75.0%	80.0%	81.0%	83.0%	DE

<sup>a</sup>Includes those graduating the summer following their class' graduation.

<sup>b</sup>SAT expanded in 2006 to include writing section.





## 14. Education

New Hampshire Postsecondary Education	2002-03	2003-04	2004-05	2005-06	Source
Community College System of New Hampshire Graduates	1,577	1,747	1,772	n/a	CTC
Number employed full-time after six months	1,088	921	992	n/a	CTC
Percent working full-time after six months <sup>a</sup>	69.0%	52.7%	56.0%	n/a	CTC
Percent of those working in New Hampshire <sup>a</sup>	79.3%	68.3%	71.0%	n/a	CTC
Percent continuing education <sup>a</sup>	35.8%	42.9%	39.0%	n/a	CTC
College and University Enrollment – Fall (two & four-year institutions)	68,316	69,848	69,864	69,962	PEC
Full-time	43,926	45,523	46,546	47,714	PEC
Part-time	24,390	24,325	23,318	22,248	PEC
Degrees Granted by NH Colleges	13,834	14,331	14,724	14,729	PEC
Associate degrees	3,192	3,289	3,498	3,239	PEC
Bachelor degrees	7,922	7,918	8,125	8,041	PEC
Postgraduate degrees including first professional degrees <sup>b</sup>	2,720	3,124	3,101	3,449	PEC
By Selected Concentration: <sup>c</sup>					
Biological and Biomedical Sciences	386	401	331	354	PEC
Business Management and Sciences	3,473	3,586	3,604	3,500	PEC
Communications and Journalism	423	421	377	344	PEC
Computer and Information Sciences	678	664	516	436	PEC
Education	1,000	1,209	1,317	1,385	PEC
Engineering and Engineering Related	493	504	530	507	PEC
English Language and Literature	441	495	500	487	PEC
History	245	231	251	233	PEC
Health Professions	1,100	1,166	1,439	1,454	PEC
Psychology	689	726	781	725	PEC
Social Sciences	939	965	959	1,109	PEC
Visual and Performing Arts	587	601	685	636	PEC

<sup>a</sup>Percentages are based on a survey.

<sup>b</sup>Tables from 2002 - 2004 revised by PEC

<sup>c</sup>Degrees granted totals include Associate, Bachelor, Masters, Doctoral, and First Professional degrees.





### Health

Access to health care has become a major issue over the last couple of years and a point of discussion among those aspiring to occupy the White House. The rising cost of health care has made health insurance unaffordable for many Americans and a huge expense for businesses to cover. According to the Current Population Survey (CPS), based on a three-year average for 2004-2006, there were an estimated 136,000 persons uninsured in New Hampshire or 10.4 percent of the population. This is lower than the US average at 15.3 percent<sup>1</sup> and ties with Connecticut for the ninth lowest share of uninsured residents among the states.

Preliminary data from the 2007 *New Hampshire Benefits* survey shows that 85.2 percent of firms in New Hampshire offer health insurance to their full time employees. The 2007 Annual Social and Economic Supplement from CPS shows that 70.9 percent of New Hampshire's population were covered by employer based private health insurance.<sup>2</sup> The rest of the population are covered by Medicaid, military, self-insured individuals or families, or were not insured.

### Increased Access to Health Care

The state legislature passed two laws in 2007 that expanded the definition of dependents eligible for health insurance through

employers in New Hampshire and for how long they can stay covered. It includes young adults under the age of 26 who are unmarried, a resident of New Hampshire or enrolled as a student at a public or private institution of higher education, and are not otherwise provided coverage. They can now be covered as part of their parents' health insurance plan. The coverage period for divorced spouses was also extended from 18-months to three years. No one yet seems to have an idea of how many individuals will be covered under these new laws or how many will actually enroll additional dependents in their plan.

It is important to clarify that the state's insurance laws only relate to employers that are insured by health insurance companies. The state insurance department has no jurisdiction over a "self-funded" benefit plan offered by an employer or bona fide union trust under a union contract.<sup>3</sup> Hospitals and large national corporations are often "self-funded" and so are New Hampshire state and local governments.

New Hampshire law does not require businesses to offer insurance nor does it obligate the employer to pay a certain share of the health insurance cost. Therefore, in order to cover their young adult children or divorced spouses, the employee will have to choose either the employee and dependent coverage or the family coverage. The employee might have to pay the additional cost associated with changing the type of health insurance coverage. If the employee

<sup>1</sup> Table 8. Number and Percentage of People Without Health Insurance Coverage by State Using 3-Year Average: 2004 to 2006. US Census Bureau. Accessed February 1, 2008. <[www.census.gov/hhes/www/hlthins/hlthin06/hlthtables06.html](http://www.census.gov/hhes/www/hlthins/hlthin06/hlthtables06.html)>.

<sup>2</sup> Table HI05. Health Insurance Coverage Status and Type of Coverage by State and Age for All People: 2006. October 19, 2007. Current Population Survey (CPS), US Census Bureau. Accessed February 1, 2008. <[pubdb3.census.gov/macro/032007/health/h05\\_000.htm](http://pubdb3.census.gov/macro/032007/health/h05_000.htm)>.

<sup>3</sup> Health Insurance Information. New Hampshire Insurance Department. Accessed February 1, 2008. <[www.nh.gov/insurance/consumer\\_services/cons\\_health.htm](http://www.nh.gov/insurance/consumer_services/cons_health.htm)>.







is already enrolled in a family plan, no direct additional cost would be added, but the employer might have to add taxable income to the employee’s income statement.

The passage of HB437, which allowed civil unions in New Hampshire, further expanded eligibility for health insurance coverage. As of January 1, 2008, all individuals joined in civil unions and their dependants became eligible for health insurance coverage.

Despite the growth in the health care sector, hospitals are still pressed to be more efficient and more competitive. As the population of New Hampshire’s northernmost county is declining and aging, Weeks Medical Center in Lancaster has made the decision to close its obstetrical unit as of April 1, 2008. The hospital claims that falling birth rates and a limited number of patients in Coös County are driving up the hospital’s costs.<sup>4</sup> At the same time, Dartmouth-Hitchcock Medical Center has applied for state approval to begin yet another major expansion. The plan submitted includes building larger emergency and x-ray departments and more operating rooms. This expansion is driven by the clustering of medical expertise associated with being the only teaching hospital in New Hampshire, and in contrast to Weeks Medical Center, Dartmouth-Hitchcock Medical Center serves as a major specialist referral site for northern New England.

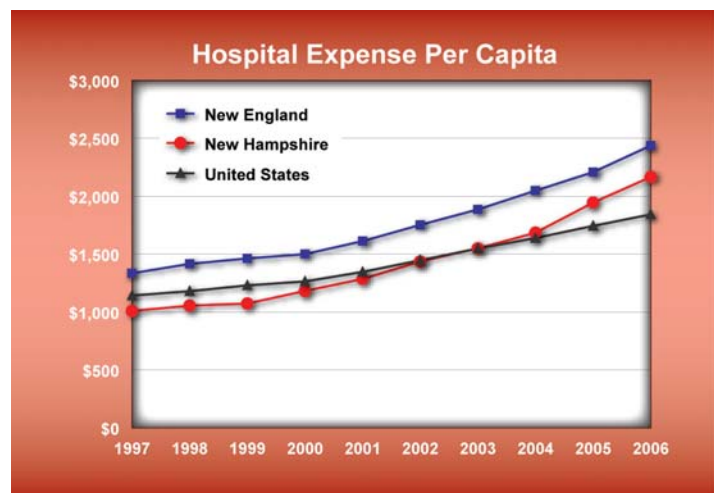
### Cost of Health Care

State mandates, such as extending coverage to young adult dependents and divorced spouses, are viewed

<sup>4</sup> "Hospital Closing Birthing Center." *Nashua Telegraph*. December 24, 2007. Accessed December 24, 2007. <[www.nashuatelegraph.com](http://www.nashuatelegraph.com)>

by the health insurance industry as one factor promoting the higher cost of health insurance in the Northeast.<sup>5</sup> The health insurance industry believes that a consumer-driven health care system is the solution to aid in containing health care costs. High deductible health plans and health saving accounts are some alternative ways that employers can engage workers to take more responsibility for managing their health care costs. However, a consumer-driven health care system demands greater transparency of the costs associated with a health care service. In addition, increased options for health insurance products have created a demand for consumer education. In order to help the consumer make informed decisions about purchasing health care services and insurance, <[www.nhhealthcost.org](http://www.nhhealthcost.org)> was created. This web site was developed under the guidance of the New Hampshire Insurance Department, in conjunction with the Commissioner’s Advisory Council.

<sup>5</sup> Roberts, Beth. Vice President of Northern New England. Harvard Pilgrim Health Care. Speech. The 2008 NH Industry Forecast Conference. January 15, 2008.



## 15. Health



Most stakeholders in the health care industry agree that preventive health care is the biggest cost-saver. Preventive care initiatives include wellness programs (promoting exercise), smoking ban legislation and stop smoking campaigns, and promoting healthy eating habits.

### Quality of Care

In December 2007, New Hampshire's Healthcare Dashboard was released by the New Hampshire Center for Public Policy Studies. This study was done in order to gauge the performance of the New Hampshire healthcare system. Key dimensions in this study were:

- Cost
- Healthcare infrastructure
- Access to services
- Quality of care

New Hampshire scored very well on access to services and quality of care but low on cost. As data on hospital expense per capita

show, New Hampshire has seen some steep increases since 2000 and the state is now closer to the New England average than the average per capita hospital expense for the nation. As is stated in the report: "the health and well being of the New Hampshire population is less than the best; a troublesome finding considering the Granite State's high marks on healthcare quality and access."<sup>6</sup>

Indicators used to determine the poor performance of public health in New Hampshire included adults reporting poor mental health, adults who are overweight or obese, adults who smoke, and adults who are binge drinkers. However, these indicators are not directly related to the performance of the healthcare field, with the exception that stakeholders in the healthcare field could do better at promoting healthy living.

<sup>6</sup> [New Hampshire's Healthcare Dashboard](#). New Hampshire Center for Public Policy Studies. December 2007: pg 1.

Hospital Insurance	2003	2004	2005	2006	Source
Medicare: (number of enrollees, in thousands)					
Aged 65 or older	152	156	160	n/a	SSA
Disabled	27	30	32	n/a	SSA
Average covered charge per day of care					
Short-stay hospitals					
New Hampshire	\$3,384	\$3,676	\$4,069	n/a	SSA
New England	\$3,194	\$3,512	\$3,766	n/a	SSA
United States	\$4,157	\$4,603	\$5,043	n/a	SSA
Skilled nursing facilities					
New Hampshire	\$482	\$506	\$513	n/a	SSA
New England	\$478	\$500	\$521	n/a	SSA
United States	\$487	\$493	\$504	n/a	SSA
Medicaid:					
Average payments per recipient					
New Hampshire	\$7,015	n/a	n/a	n/a	SSA
United States	\$4,487	n/a	n/a	n/a	SSA





<b>Workers' Compensation Payments</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Source</b>
Reported injuries & compensable disabilities (fiscal year)					
Injuries per 100 in employment	8.5	8.1	7.5	7.3	LD
Compensable injuries per 100 in employment	0.75	0.63	0.59	0.57	LD
Benefits paid by insurance companies and self insurers					
(Calendar year, millions)	\$181.3	\$176.4	\$178.9	\$179.2	LD
Annual percent change	4.4%	-2.7%	1.4%	0.2%	LD/NHES

<b>Health Services</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Source</b>
General hospitals, acute care only (excludes nursing home beds)					
Total admissions	117,814	117,130	117,468	118,956	HA
Percent change	-0.2%	-0.6%	0.3%	1.3%	HA
Gross revenue in millions	3,825	4,394	5,025	6,190	HA
Uncompensated (bad debt plus charity) care (\$millions)	\$195	\$237	\$267	\$302	HA
Uncompensated care as a percent of gross revenue	5.1%	5.4%	5.3%	4.9%	HA/NHES
Admissions per 1,000 population					
New Hampshire	92	90	90	91	HA
New England	113	115	116	118	HA
United States	120	120	119	118	HA
Total number of inpatient days	637,803	648,454	647,457	644,096	HA
Percent change	-1.4%	1.7%	-0.2%	-0.5%	HA
Inpatient days per 1,000 population:					
New Hampshire	495	499	494	490	HA
New England	623	643	647	648	HA
United States	676	673	666	656	HA
Average length of stay (in days):					
New Hampshire	5.4	5.5	5.5	5.4	HA
New England	5.5	5.6	5.6	5.5	HA
United States	5.7	5.6	5.6	5.6	HA
Emergency room visits	547,870	563,318	621,217	604,317	HA
Inpatient surgeries	33,535	37,755	35,584	33,612	HA
Outpatient surgeries	87,795	94,192	90,385	86,761	HA

<b>Total Hospital Expense Per Capita</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>Source</b>
New Hampshire	\$1,549	\$1,684	\$1,945	\$2,166	HA
Annual percent change	7.9%	8.7%	15.5%	11.4%	HA/NHES
New England	\$1,886	\$2,048	\$2,208	\$2,437	HA
Annual percent change	7.6%	8.6%	7.8%	10.4%	HA/NHES
United States	\$1,548	\$1,639	\$1,744	\$1,843	HA
Annual percent change	7.0%	5.9%	6.4%	5.7%	HA/NHES





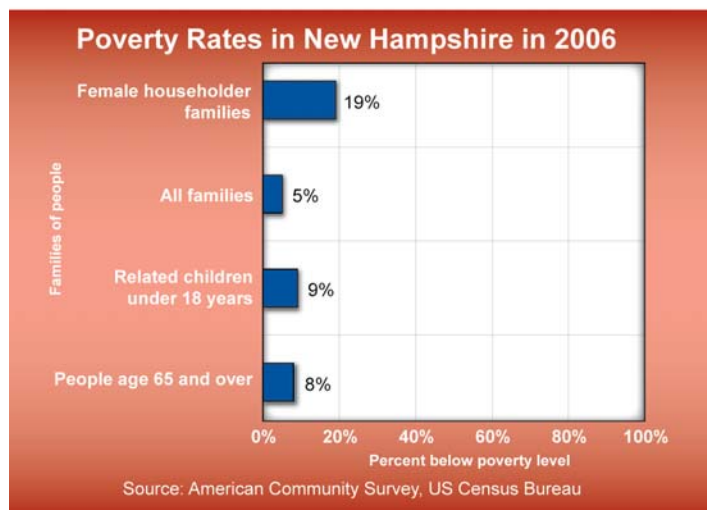
### Social Assistance

#### Poverty in New Hampshire

In 2006, New Hampshire had a poverty rate of eight percent, the lowest in New England and the second lowest in the nation. Of the six New England states, Maine had the highest poverty rate at 12.9 percent, followed by Rhode Island (11.1 percent) and Vermont (10.3 percent). Both Connecticut and Massachusetts reported poverty rates below 10 percent.<sup>1</sup>

Digging deeper into this poverty data, the American Community Survey reports that nine percent of New Hampshire's related children under 18 were below the poverty level, compared with eight percent of New Hampshire residents 65 years old and over. Five percent of New Hampshire's families and 19 percent of families with a female householder and no husband present had incomes below the poverty level.

<sup>1</sup> American Community Survey, June 14, 2007. US Census Bureau. Accessed January 7, 2008. <factfinder.census.gov/jsp/saff/SAFFInfo.jsp?\_pagelid=sp1\_acs&\_submenuid=>.



New Hampshire's northern, rural counties reflected poverty levels higher than the state average. In 2004, the poverty rate in Coös County was 10.2 percent for all residents, and 14.8 percent for children under 18. In Grafton County, the poverty rate was 8.2 percent for all residents and 11.2 percent for those under 18.

#### Understanding the Definitions of "Rural" and "Poverty"

Even though the terms "rural" and "poverty" are frequently used when describing economic conditions in New Hampshire, they are not easily defined. For most people, the word "rural" is a subjective statement invoking a series of place-based experiences, meanings, and evaluations. For others, especially demographers and statisticians, the term "rural" is a more objective, quantitative measure. These quantitative measures come from three different sources: The Census Bureau (Department of Commerce), the Office of Management and Budget (White House), and the Economic Research Service (Department of Agriculture).

According to the National Agricultural Library, each of these agencies define "rural" by exclusion, meaning that any area which is not classified as urban is therefore either rural or nonmetropolitan. However, these agencies classify urban areas differently, meaning that their classifications of rural are different as well. For instance, the Census Bureau classifies 61.7 million (25 percent) of the total population as rural, while Office of Management and Budget (OMB) classifies 55.9 million (23 percent) of the total





population as nonmetropolitan. Furthermore, the Census defines 97.5 percent of the total US land area as rural, while according to the OMB definition, 84 percent of the land area is nonmetropolitan.<sup>2</sup> Because the Census Bureau is charged with developing the poverty rates, their definitions of urban and rural will be used here.

The term “poverty” is only slightly easier to understand. The Census Bureau relies on a predetermined set of income thresholds that vary by family size and composition to determine poverty levels. If a family’s total income is less than the relevant threshold, then that family, and every individual in it, is in poverty. The poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index. The official poverty definition counts money income before taxes and excludes capital gains and non-cash benefits (such as public housing, medicaid, and food stamps).<sup>3</sup>

The Census Bureau’s poverty thresholds are not to be confused with “poverty guidelines,” which are administrative guidelines issued by the US Department of Health and Human Services. These guidelines 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.

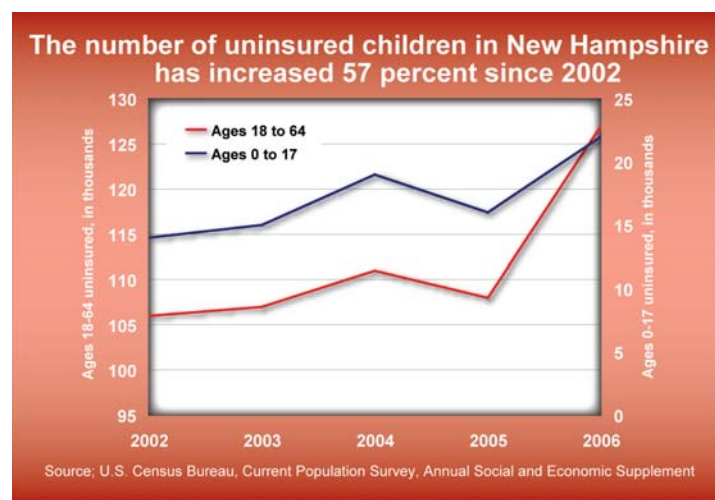
<sup>2</sup> [What is Rural?](http://www.nal.usda.gov/ric/ricpubs/what_is_rural.htm) National Agricultural Library, Rural Information Center. Accessed January 7, 2008. <[www.nal.usda.gov/ric/ricpubs/what\\_is\\_rural.htm](http://www.nal.usda.gov/ric/ricpubs/what_is_rural.htm)>.

<sup>3</sup> Proctor, Bernadette D. and Joseph Dalaker. [Poverty in the United States: 2001](#). US Census Bureau. September 2002.

### Children’s Health Insurance

Across the nation, the status of children’s health insurance is worsening. According to the Census Bureau, both the percentage and number of children under age 18 (11.7 percent and 8.7 million) without health insurance in 2006 were higher than in 2005 (10.9 percent and 8.0 million). In New Hampshire, a much smaller percentage of children (6.2 percent) were uninsured, although that figure translates into nearly 18,000 children. Directly associated with the local poverty levels, higher percentages of children were uninsured in rural Coös and Grafton counties.

In their 2007 analysis of children’s health insurance, the Carsey Institute at the University of New Hampshire provided three reasons why New Hampshire’s rates of uninsured children were lower than the national rates. First, the survey of New Hampshire residents revealed that 86 percent of respondents agreed that public resources should be used to cover uninsured children. Second, effective organization statewide over the last decade has resulted





## 16. Social Assistance



in efficient use of the almost \$40 billion in federal funds allocated to New Hampshire from 1998-2007. Finally, the Carsey Institute determined that New Hampshire boasts high levels of employer provided insurance (77 percent in 2005).<sup>4</sup>

However, New Hampshire's low rates of uninsured children are in jeopardy. On December 12, 2007, the President vetoed a bill that included an expansion of the State Children's Health Insurance Program (SCHIP), the program that provides resources for states to fund children's health insurance. The President instead level-funded the program through 2009. According to the Carsey Institute, 70,000 New Hampshire children are covered through the state programs funded by SCHIP. Only time will tell if the lack of additional funds will negatively impact the medical coverage of New Hampshire's low-income children.<sup>5</sup>

### Social Security

The Old-age, Survivors, and Disability Insurance (OASDI) program provides monthly benefits to qualified retired and disabled workers. In 2005, 225,550 people in New Hampshire received benefits, an

increase of 4.8 percent over 2004. These benefits totaled nearly \$159 million. For Social Security beneficiaries, the average monthly benefit amount for all retired workers rose from \$981 to \$1,033. Despite this increase, a challenge is facing the Social Security program. In 2007, a Maryland woman became the first member of the "baby-boomer" generation (those born from 1946 to 1964) to collect social security. Her claim could portend the beginning of a much-feared drain on the Social Security system, as 80 million baby-boomers nationwide will qualify for Social Security and Medicare over the next two decades.<sup>6</sup> These extra retirees are problematic for the Social Security program simply because there are fewer workers remaining in the system to support them. For example, at the end of World War II there were 42 workers paying into the system for each retiree, while in October of 2007 there were only three.<sup>7</sup> New Hampshire's population dynamics suggest a similar problem, as the population of individuals between the ages of 45-64 (over 370 thousand, 28.3 percent) nearly equals the population of those aged 25-44 (360 thousand, 27.5 percent). This could mean, essentially, that each New Hampshire worker would have his or her own retiree to support.

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<sup>4</sup> Ward, Sally K., Sarah Savage, and Nena Stracuzzi. Children's Health Insurance in New Hampshire: An Analysis of New Hampshire Healthy Kids. Carsey Institute, University of New Hampshire. Spring 2007.

<sup>5</sup> *ibid.*

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<sup>6</sup> Wolf, R. (2007). "Social Security hits first wave of boomers." USA Today. October 8, 2007.

<sup>7</sup> *ibid.*





## 16. Social Assistance

Poverty	2003	2004	2005	2006	Source
Persons below poverty (percent of population) - Caution: relatively large standard errors					
New Hampshire	7.7%	7.6%	7.5%	8.0%	ACS
Connecticut	8.1%	7.6%	8.3%	8.3%	ACS
Maine	10.5%	12.3%	12.6%	12.9%	ACS
Massachusetts	9.4%	9.2%	10.3%	9.9%	ACS
Rhode Island	11.3%	12.8%	12.3%	11.1%	ACS
Vermont	9.7%	9.0%	11.5%	10.3%	ACS
United States	12.7%	13.1%	13.3%	13.3%	ACS
Temporary Assistance for Needy Families (TANF)	2003	2004	2005	2006	Source
Total cases (average open on last day of December)	5,889	5,997	6,058	5,415	DHHS
Percent annual change	-1.0%	1.8%	1.0%	-10.6%	DHHS
Average case size	2.3	2.3	2.3	2.2	DHHS
Percent of cases closed due to increased earnings	41.0%	37.8%	36.0%	35.0%	DHHS
Number with non-parent relative in case	1,846	1,989	2,115	2,177	DHHS
Annual percent change	2.8%	7.7%	6.3%	2.9%	DHHS
Individuals meeting 60 month benefit limit (as of Sept. 30)	126	147	146	151	DHHS
Social Security Recipients (December data)	2003	2004	2005	2006	Source
Total OASDI including spouses and children	213,520	219,080	225,550	n/a	SSA
Annual percent change	2.7%	2.6%	3.0%	n/a	SSA
Retirement (Retired workers) <sup>a</sup>	140,150	143,580	147,350	n/a	SSA
Survivor <sup>b</sup>	17,950	18,050	17,890	n/a	SSA
Disability (Disabled workers) <sup>a</sup>	28,010	30,090	32,250	n/a	SSA
Age 65 and over	151,530	154,380	157,110	n/a	SSA
Percent of total OASDI recipients	71.0%	70.5%	69.7%	n/a	SSA/NHES
Age 65-69 years	40,680	42,360	42,670	n/a	SSA
Age 70-74 years	37,240	36,620	36,680	n/a	SSA
Age 75 years and older	73,610	75,400	77,760	n/a	SSA
Percent women	57.2%	57.2%	57.0%	n/a	SSA/NHES
Children aged 17 and under	14,540	14,820	15,400	n/a	SSA
Monthly OASDI benefit amount total (\$thousands) <sup>c</sup>	\$136,964	\$148,172	\$158,773	n/a	SSA
Retired workers (median)	\$947.60	\$981.20	\$1,032.50	n/a	SSA
Non-disabled widows and widowers (median)	\$941.60	\$971.20	\$1,015.50	n/a	SSA
Disabled workers (median)	\$798.00	\$829.00	\$879.00	n/a	SSA

<sup>a</sup> Excludes spouses and children

<sup>b</sup> Excludes children

<sup>c</sup> Beneficiaries aged 65 or older



## 17. Crime & Crashes



### Crime & Crashes

#### Crime Index

New Hampshire's crime index, the total number of crimes reported per 100,000 population, was up slightly in 2006, but the trend since 1994 has been downward. This has been true for each of the New England states and the United States, as well. Through this period, the crime index for each New England state has been significantly lower than the national average, and each year, New Hampshire has been the lowest in the region.

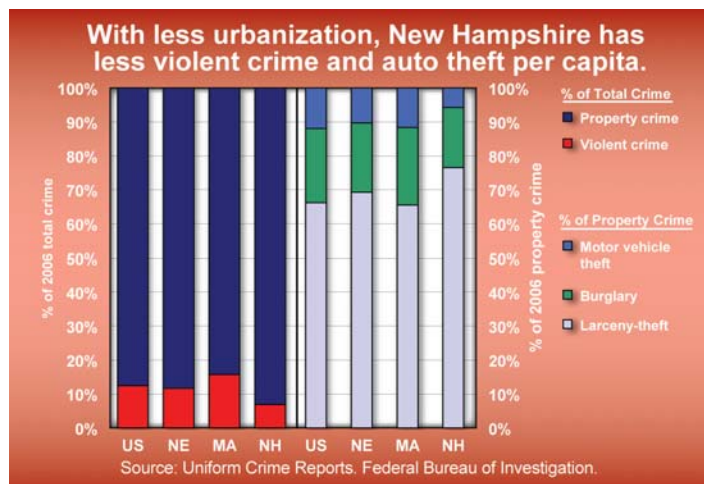
In 2006, New Hampshire's share of violent crimes to total crimes was quite low. This could be due, in part, to the state having fewer large urban areas. This may also explain why burglary and motor vehicle theft make up relatively small shares of the total property crime in New Hampshire.

#### Prison Population

For most of the period from 1995 to 2006, cumulative growth in the New Hampshire prison population lagged behind the nation, but a large over-the-year burst in 2006 allowed the state to overtake the nation. In spite of this growth spurt, New Hampshire's ratio of state prisoners sentenced to more than one year to 100,000 population was just 207 compared to 243 for Massachusetts and 445 for the US average.

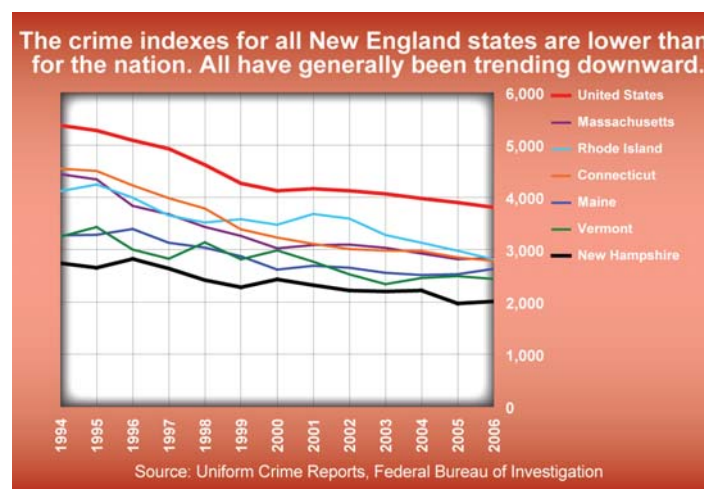
#### Prison Population is Aging

Just as the rest of the state's population is aging, so is the age of the state prison population.



And just as society as a whole will have to address increasing health care costs as the baby boomers age, the state Department of Corrections (DOC) is facing escalating costs as their baby boomer prisoners grow older and more frail. A 2006 report by the New Hampshire Center for Public Policy Studies<sup>1</sup> noted that from 1996 to 2005, the

<sup>1</sup> Norton, Stephen and Katherine Merrow. Recent Trends in New Hampshire's Prison Population. June 2006. New Hampshire Center for Public Policy Studies.





## 17. Crime & Crashes

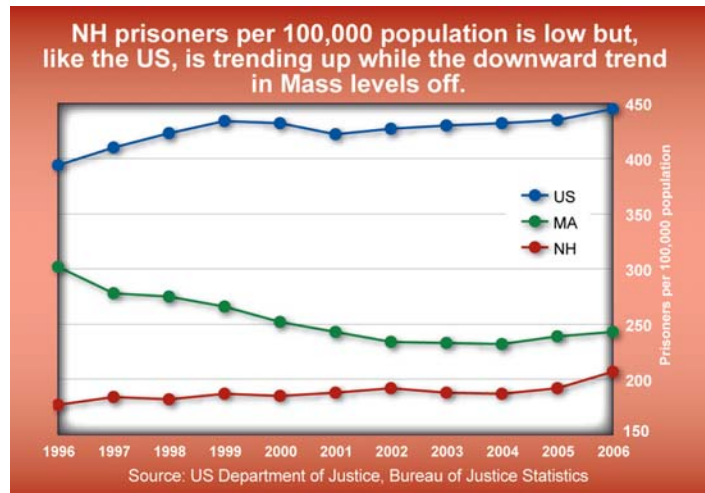
share of the prison population age 41 and over grew from around 24 percent to 36 percent. The number of inmates over age 61 had more than doubled, from fewer than 50 to more than 100. According to testimony given to the New Hampshire House Finance Committee in January 2008, inmate health care is the second largest budget line item for the Corrections Department after wages and benefits. In fiscal year 2008, which started July 1, 2007, the DOC has already spent more than \$1.2 million on psychotropic and regular prescription drugs plus regular medications to the tune of \$3.5 million.<sup>2</sup> Twenty-three inmates had medication bills of more than \$10,000 per year, each. To address the unique needs of the inmate population, the state hired a new mental health provider, replacing an instate provider with an out-of-state provider that has experience working in jails and prisons all over the country.<sup>3</sup>

### Capital Murder Cases

New Hampshire has not executed a prisoner since 1939, but the state currently has two capital murder cases proceeding to trial. They are about as different as they can be. One is for the murder of a Manchester police officer. The accused is an indigent man with a previous criminal record. The other is a case of murder for hire, and the defendant is a former CEO of a manufacturing firm. The former

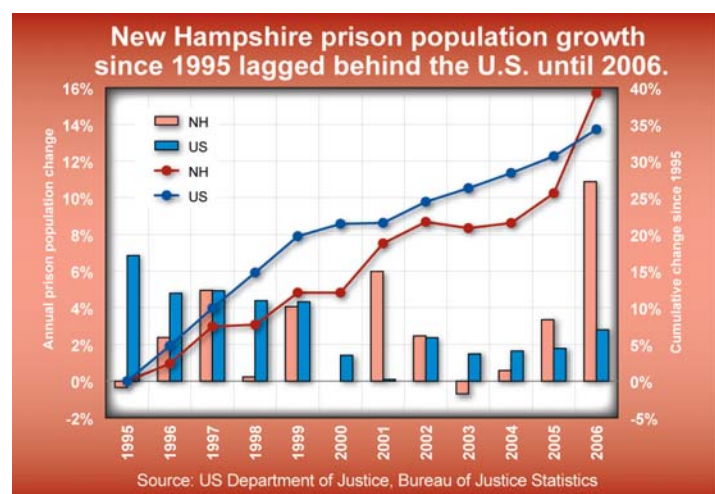
<sup>2</sup> MacLeod, Robert, MD. Administrative Chief, Forensic & Medical Services Division, NH Department of Corrections. Phone conversation. January 30, 2008.

<sup>3</sup> "New Hampshire House Finance Committee Testimony." *New Hampshire Public Radio*. January 10, 2008.



defendant is relying on public defenders, while the latter can afford the best council available.

No matter the outcome of those cases, New Hampshire has been charged with executing Gary Sampson, a federal prisoner who was convicted on federal murder charges in Massachusetts, where there is no death penalty. When the last execution took place in New Hampshire nearly 80 years ago, the proscribed method was



## 17. Crime & Crashes



death by hanging. The state legislature has since changed it to lethal injection. If New Hampshire is to carry out this federal sentence and future state death sentences, it needs to learn how to carry out an execution in the 21st century. Its theoretically preferred method is currently being held in limbo, by

the federal courts on charges that the lethal injection procedures used by other states have inflicted undue suffering. The state needs to find a location, personnel, and a constitutionally acceptable method to carry out a death sentence, not an easy task.

Total Crime Index (Rate per 100,000 population)	2003	2004	2005	2006	Source
United States	4,067.0	3,977.3	3,900.5	3,808.0	FBI
New Hampshire	2,203.2	2,221.4	1,973.7	2,012.8	FBI
Connecticut	2,983.3	2,973.9	2,851.2	2,784.9	FBI
Maine	2,558.8	2,517.4	2,531.6	2,634.2	FBI
Massachusetts	3,909.0	2,928.4	2,819.2	2,838.0	FBI
Rhode Island	3,280.9	3,133.5	2,980.4	2,814.4	FBI
Vermont	2,342.9	2,458.4	2,495.3	2,441.3	FBI

Violent Crime Index (Rate per 100,000 population)	2003	2004	2005	2006	Source
United States	475.8	463.2	469.0	473.5	FBI
New Hampshire	150.3	169.5	134.8	138.7	FBI
Connecticut	316.8	289.0	272.6	280.8	FBI
Maine	108.6	103.7	112.5	115.5	FBI
Massachusetts	473.1	460.2	460.8	447.0	FBI
Rhode Island	285.7	247.5	252.4	227.5	FBI
Vermont	114.2	114.8	125.6	136.6	FBI

Property Crime Index (Rate per 100,000 population)	2003	2004	2005	2006	Source
United States	3,591.2	3,514.1	3,431.5	3,334.5	FBI
New Hampshire	2,052.9	2,051.9	1,838.9	1,874.1	FBI
Connecticut	2,666.5	2,684.9	2,578.6	2,504.1	FBI
Maine	2,450.2	2,413.7	2,419.1	2,518.7	FBI
Massachusetts	2,562.8	2,468.2	2,358.4	2,391.0	FBI
Rhode Island	2,995.2	2,886.0	2,728.0	2,586.9	FBI
Vermont	2,228.7	2,343.6	2,369.7	2,304.7	FBI







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Crime Offenses	2003	2004	2005	2006	Source
Total crime offenses	28,393	28,860	25,792	26,466	FBI
Annual percent change	0.3%	1.6%	-10.6%	2.6%	FBI
Violent crime offenses	1,937	2,202	1,761	1,824	FBI
Annual percent change	-5.8%	13.7%	-20.0%	3.6%	FBI
Property crime offenses	26,456	26,658	24,031	24,642	FBI
Annual percent change	0.8%	0.8%	-9.9%	2.5%	FBI

Criminal Arrests	2003	2004	2005	2006	Source
Total	36,447	43,769	46,351	46,100	UCR/NHES
Annual percent change	5.8%	16.7%	5.6%	-0.5%	UCR/NHES
Total Drug Offenses	2,114	3,389	3,209	3,228	UCR/NHES
Annual percent change	-39.7%	37.6%	-5.6%	0.6%	UCR/NHES
Total DWI Offenses	5,063	5,582	5,035	4,783	UCR/NHES
Annual percent change	19.5%	9.3%	-10.9%	-5.3%	UCR/NHES
Adult Total	29,872	35,957	37,934	37,786	UCR/NHES
Annual percent change	9.0%	16.9%	5.2%	-0.4%	UCR/NHES
Total Drug Offenses	1,644	2,694	2,491	2,513	UCR/NHES
Annual percent change	-36.8%	39.0%	-8.1%	0.9%	UCR/NHES
Total DWI Offenses	4,944	5,462	4,944	4,681	UCR/NHES
Annual percent change	19.4%	9.5%	-10.5%	-5.6%	UCR/NHES
Juvenile Total	6,575	7,812	8,417	8,314	UCR/NHES
Annual percent change	-9.0%	15.8%	7.2%	-1.2%	UCR/NHES
Total Drug Offenses	470	695	718	715	UCR/NHES
Annual percent change	-49.8%	32.4%	3.2%	-0.4%	UCR/NHES
Total DWI Offenses	119	120	91	102	UCR/NHES
Annual percent change	24.4%	0.8%	-31.9%	10.8%	UCR/NHES

State Prison Population	2003	2004	2005	2006	Source
Number of prisoners in state prisons (December 31)	2,434	2,448	2,520	2,737	USDJ
New Hampshire's incarceration rate <sup>a</sup> (fiscal year)	188	187	192	207	USDJ
Probation and parole caseload	5,330	5,497	6,017	6,211	USDJ/NHES
US incarceration rate (federal and state jurisdiction) <sup>a</sup>	482	486	491	501	USDJ
State jurisdiction incarceration rate <sup>a</sup>	52	54	435	445	USDJ
Federal jurisdiction incarceration rate <sup>a</sup>	430	432	56	58	USDJ

<sup>a</sup> Sentenced prisoners with more than 1 year per 100,000 residents.



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Traffic Crashes	2003	2004	2005	2006	Source
Total crashes reported	38,477	38,444	39,189	34,801	DMV
Annual percent change	-0.0%	-0.1%	1.9%	-11.2%	DMV/NHES
Total injuries reported	16,486	15,585	15,965	13,712	DMV
Annual percent change	4.1%	-5.5%	2.4%	-14.1%	DMV/NHES
Fatal motor vehicle crashes	116	158	156	116	NHTSA
Number of fatalities	127	171	166	127	NHTSA
Annual percent change	0.0%	34.6%	-2.9%	-23.5%	NHTSA/NHES
Percent alcohol involved, victims <sup>a</sup>	40%	35%	37%	41%	NHTSA/NHES
Fatalities per 100 million vehicle miles	0.96	1.26	1.24	NA	NHTSA

<sup>a</sup>Based on a Blood Alcohol Content of .04% alcohol level or above.

Auto Insurance Claims Loss - Personal and Commercial	2003	2004	2005	2006	Source
Total Claims (\$ millions)	\$471.5	\$450.7	\$469.8	\$467.1	ID
Annual percent change	2.6%	-4.4%	4.2%	-0.6%	ID/NHES
Personal Claims (\$ millions)	\$404.1	\$388.9	\$403.1	\$405.9	ID
Annual percent change	1.4%	-3.8%	3.7%	0.7%	ID/NHES
Percent Personal	85.7%	86.3%	85.8%	86.9%	ID/NHES
Commercial Claims (\$ millions)	\$67.4	\$61.7	\$66.7	\$61.2	ID
Annual percent change	10.7%	-8.5%	8.1%	-8.2%	ID/NHES





## Environment

In 2007, Forbes Magazine released its list of America’s Greenest States, a ranking compiled from a variety of environmental categories including air quality, carbon footprint, and eco-friendly policy. New Hampshire ranked 19th, besting only Maine among the six New England states. Despite this low score, there is ample evidence suggesting that New Hampshire is on track, at both the state and local levels, to improve environmental quality.

### Monitoring Air Pollution Transfer

Since 1962, the New Hampshire Department of Environmental Services (DES) has operated a network of air quality monitors throughout the state measuring the ambient levels of ozone, sulfur dioxide, nitrogen dioxide, carbon monoxide, and particulate matter. The pollutants measured by these air quality monitors are organized into two main categories: “criteria air pollutants” (ozone, carbon monoxide, nitrogen dioxide, sulfur dioxide, particulate matter, and lead), and “toxic air pollutants” (mercury, dioxin, and greenhouse gases). The Environmental Protection Agency has set National Ambient Air Quality Standards for several of these

pollutants, and the collected New Hampshire data suggest minimal emissions of them.<sup>1</sup>

However, air quality in New Hampshire is not necessarily a local issue. As air travels across thousands of miles, numerous pollutants can accumulate and eventually impact local air quality. The table below describes the distances that various pollutants can travel.

The vast distances traveled by these pollutants suggest that all states need to look beyond their borders to ensure future environmental improvement. To this end, New Hampshire has joined with several other Northeast and Mid-Atlantic states to create the Regional Greenhouse Gas Initiative (RGGI). Scheduled for implementation at the end of 2008, the RGGI partnership will play an important role in reducing toxic emissions, primarily through a variety of market-based programs.<sup>2</sup>

<sup>1</sup> [Air Monitoring](http://www.des.state.nh.us/ard/air_monitoring.htm). New Hampshire Department of Environmental Services. Accessed December 31, 2007. <www.des.state.nh.us/ard/air\_monitoring.htm>.

<sup>2</sup> [Regional Greenhouse Gas Initiative \(RGGI\)](http://www.des.state.nh.us/ard/climatechange/rggi.htm). New Hampshire Department of Environmental Services. Accessed January 25, 2008. <www.des.state.nh.us/ard/climatechange/rggi.htm>.

Category	Range	Pollutants Transported
Local	less than 20-30 miles	Particles, sulfur dioxide, oxides of nitrogen, volatile organic gases (may contain toxic materials), carbon monoxide, mercury (some forms), ozone (in some cases)
Regional	20-30 miles up to 1,000 miles	Ozone, small particles (may contain toxic materials), mercury (some forms)
National	1,000 to 3,000 miles	Dioxin, very small particles (may contain toxic materials), mercury (some forms)
Global	Greater than 3,000 miles	CFCs (chlorofluorocarbons), mercury (some forms), carbon dioxide

Source: New Hampshire Department of Environmental Services





### Environmental Partnerships in New Hampshire

Across New Hampshire, numerous programs are working to both reduce pollution and raise awareness of environmental issues. At the local level, the Plymouth Area Renewable Energy Initiative is a community-based program whose mission is to encourage energy conservation, efficient practices, and the use of renewable energy in local homes. As of 2007, the program had overseen the installation of more than 35 solar hot water systems in Southern New Hampshire. At the state level, the Granite State Clean Cities Coalition is a collection of nearly 75 public and private agencies who use US Department of Energy funds to support the consumption of alternative fuels.<sup>3</sup> In 2007, state officials recognized Cranmore Mountain Resort, a Clean Cities Coalition member, for their promotion of “Biodiesel Days,” an integral part of the Cranmore Goes Green environmental program.

### Road Salt

According to the New Hampshire Department of Transportation, streams in four watersheds, serving the towns of Salem, Windham, Derry, Londonderry, Auburn, and Chester do not meet water quality standards due to high levels of chlorides. The largest source of these chlorides is from road salt spread in the wintertime on state, municipal, and private roads, in addition to de-icing that takes place in commercial parking lots. Other sources of chlorides include food waste, the discharge from septic systems, and the process of water-softening.<sup>4</sup>

Understanding the sources of this pollution and implementing an effective solution has been the work of several state agencies. Between 2002 and 2007, water quality testing was conducted by the NH Department of Environmental Services, Department of Transportation, and the Environmental Protection Agency. The purpose of these tests has been to determine the total maximum daily load (TMDL) that each watershed can receive before water quality standards are compromised. In coordination with this study, the DOT and DES have established a salt reduction planning committee consisting of town highway departments, regional planning commissions, state and federal agencies, the University of New Hampshire, and Plymouth State University. The final results from both the TMDL study and the reduction committee are scheduled to be released in mid-2008.<sup>5</sup>

### Toxic Release Inventory

Both federal facilities and private manufacturers are required to report information on toxic chemical releases and other waste management activities. These reports, known as the Toxics Release Inventory, are maintained in a publicly available EPA database. In 2005, over 5.2 million pounds of toxic chemicals were released in New Hampshire, representing a decrease of 1.3 percent from 2004. Nationwide, 23,461 facilities reported disposing of 4.34 billion pounds of almost 650 toxic chemicals. A large portion of these releases were accidental, as 88 percent of the total was disposed of or otherwise released on-site, while only 12 percent was processed off-site.<sup>6</sup>

<sup>3</sup> Granite State Clean Cities Coalition. Accessed January 10, 2008. <[www.granitestatecleancities.org](http://www.granitestatecleancities.org)>.

<sup>4</sup> “Water Quality Study.” *Rebuilding 193: Salem to Manchester*. New Hampshire Department of Transportation. Accessed January 10, 2008. <[www.rebuilding193.com/content/environmental/waterquality](http://www.rebuilding193.com/content/environmental/waterquality)>.

<sup>5</sup> *ibid.*

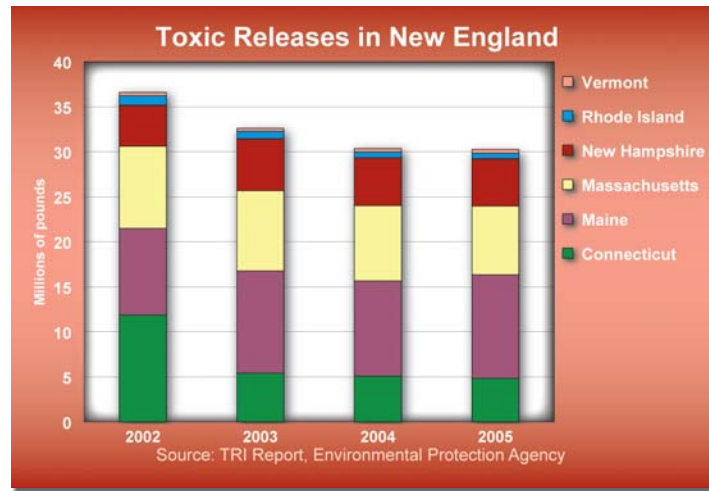
<sup>6</sup> 2005 TRI Public Data Release. June 8, 2007. US Environmental Protection Agency. Accessed January 11, 2008. <[www.epa.gov/triexplorer/statefactsheet.htm](http://www.epa.gov/triexplorer/statefactsheet.htm)>.





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Heightened awareness of the dangers associated with these toxic releases, coupled with improving disposal technologies, have resulted in fewer releases over time. Since 2002, over 751 thousand fewer pounds of toxics have been released in New Hampshire, a decrease of more than 15 percent. This trend is reflected across New England, as nearly six million fewer pounds of toxics were released throughout the six-state region. Some of the largest reducers of toxic release over the four-year period were the states of Connecticut (59 percent decrease in toxic releases since 2002), Maine (20 percent), and Massachusetts (16 percent).



Toxic Release Inventory	2003	2004	2005	2006	Source
On-site and Off-site Disposal and Other Releases in Pounds					
New Hampshire	5,783,744	5,326,521	5,256,977	4,173,403	EPA
Percent Change	27.3%	-7.9%	-1.3%	-20.6%	NHES/EPA
New England	32,643,877	30,405,654	30,236,122	27,725,988	EPA
Percent Change	-10.9%	-6.9%	-0.6%	-8.3%	NHES/EPA
U.S. (thousands)	4,442,178	4,238,737	4,353,946	4,248,865	EPA
Percent Change	-7.0%	-4.6%	2.7%	-2.4%	NHES/EPA

Water Quality - Lakes and ponds	2003	2004	2005	2006	Source
Aquatic Life					
Total acres assessed	n/a	164,609	n/a	164,472	DES-WD
Acres Fully Supporting	n/a	7,808	n/a	2,305	DES-WD
Acres Not Supporting	n/a	78,004	n/a	97,546	DES-WD
Acres Not Assessed	n/a	2,438	n/a	23,385	DES-WD
Fish Consumption					
Acres Fully Supporting	n/a	0 <sup>a</sup>	n/a	0	DES-WD
Swimming					
Total acres assessed	n/a	164,609	n/a	164,472	DES-WD
Acres Fully Supporting	n/a	90,501	n/a	109,852	DES-WD
Acres Not Supporting	n/a	1,406	n/a	9,114	DES-WD
Acres Not Assessed	n/a	3,667	n/a	11,141	DES-WD

<sup>a</sup> All surface waters are impaired for fish consumption and shellfishing due to mercury





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Water Quality - Rivers and streams	2003	2004	2005	2006	Source
Aquatic Life:					
Total miles assessed	n/a	9,612	n/a	9,628	DES-WD
Miles Fully Supporting	n/a	163	n/a	338	DES-WD
Miles Not Supporting	n/a	1,091	n/a	1,855	DES-WD
Miles Not Assessed	n/a	7,298	n/a	6,728	DES-WD
Fish Consumption:					
Miles Fully Supporting	n/a	0 <sup>a</sup>	n/a	0	DES-WD
Swimming:					
Miles Fully Supporting	n/a	891	n/a	814	DES-WD
Miles Not Supporting	n/a	441	n/a	687	DES-WD
Miles Not Assessed	n/a	8,024	n/a	7,626	DES-WD

<sup>a</sup> All surface waters are impaired for fish consumption and shellfishing due to mercury

Ozone Levels	2003	2004	2005	2006	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) 0.125 parts per million (ppm)]					
Manchester	0.094	0.104	0.101	0.087	EPA
Nashua	0.101	0.110	0.105	0.091	EPA
Portsmouth	0.097	0.116	0.097	0.092	EPA
Rye	0.105	0.114	0.106	0.1	EPA
Estimated Days above NAAQS standard (0.125 ppm)	0	0	0	0	EPA
Unhealthy Days (days above 0.08 ppm/8 hours, state)	1	4	4	2	DES-ARD

Solid Waste	2003	2004	2005	2006	Source
SOLID WASTE Residential and Commercial (tons per year-thousands)					
Generated	1,347	1,451	1,443	1,336	DES-WMD
Diversion (recycling + composting)	333	519	466	412	DES-WMD
Disposed of	934	941	878	866	DES-WMD
Pounds per person per day	5.8	6.1	7.7	7.1	DES-WMD
Exported	79	43	99	28	DES-WMD
Imported (for incineration and landfill)	424	644	395	546	DES-WMD

Carbon Monoxide	2003	2004	2005	2006	Source
Highest maximum eight-hour concentration in part per million (ppm)					
Manchester	5.4	1.7	1.9	5.8	EPA
Nashua	4.0	2.8	3.3	2.7	EPA





## Sources

- ABI . . . . . American Bankruptcy Institute
- ACS . . . . . American Community Survey, Bureau of the Census,  
United States Department of Commerce
- AS . . . . . New Hampshire Department of Administrative Services
- BEA . . . . . Bureau of Economic Analysis, United States Department of Commerce
- BFA . . . . . New Hampshire Business Finance Authority
- BKRNH . . . District of New Hampshire, United States Bankruptcy Courts
- BLS . . . . . Bureau of Labor Statistics, United States Department of Labor
- CB . . . . . Bureau of the Census, United States Department of Commerce
- CTC . . . . . New Hampshire Community College System
- DE . . . . . New Hampshire Department of Education
- DES-ARD . . Air Resources Division, New Hampshire Department of Environmental Services
- DES-WD . . . Water Division, New Hampshire Department of Environmental Services
- DES-WMD . . Waste Management Division,  
New Hampshire Department of Environmental Services
- DHHS . . . . Division of Human Services,  
New Hampshire Department of Health and Human Services
- 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 Resources and Economic Development
- DVRA . . . . Division of Vital Records Administration,  
New Hampshire Department of State
- 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
- 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
- MA . . . . . Manchester • Boston Regional Airport



## Sources

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MBA . . . . .	Mortgage Bankers Association of America
NCUA . . . . .	National Credit Union Administration
NHAR . . . . .	New Hampshire Association of Realtors
NHES . . . . .	New Hampshire Employment Security
NHTSA . . . . .	National Highway Traffic Safety Administration
NNEREN . . . . .	Northern New England Real Estate Network
OEP . . . . .	New Hampshire Office of Energy & 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
RA . . . . .	New Hampshire Department of Revenue Administration
RTDS . . . . .	Road Toll Administration, New Hampshire Department of Safety
SSA . . . . .	United States Social Security Administration
SOS . . . . .	Secretary of State, Corporate Division, New Hampshire Department of State
UCR . . . . .	Uniform Crime Report, Federal Bureau of Investigation, United States Department of Justice
UED . . . . .	United States Department of Education
UIS . . . . .	Unemployment Insurance Service, United States Department of Labor
USACE . . . . .	United States Army Corps of Engineers
USDJ . . . . .	United States Department of Justice
USDOL . . . . .	United States Department of Labor
USPS . . . . .	Manchester Field Division, United States Postal Service
WISER . . . . .	World Institute for Strategic and Economic Research, Holyoke Community College





## Glossary & Index

### 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)

### Average Weekly Wage

Total wages paid by employers divided by average covered jobs, 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)

### Bond Issue

A certificate of debt (usually interest-bearing or discounted) that is issued by a government or corporation in order to raise money. . . . . (Section 12)

### 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)

### Cohort

A group of subjects — most often humans from a given population — defined by experiencing an event (typically birth) in a particular time span. . . . . (Section 1)

### 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. . . . . (Section 2)





## **Covered Employment**

Employment in any industry insured under the provisions of the New Hampshire Unemployment Compensation Law or subject to the Unemployment Compensation for Federal Employee (UCFE) program. . . . . (Section 2)

## **Current Dollars**

Figures reflecting actual prices or costs prevailing during the specified year(s). . . . . (Section 9)

## **Death Rate, Crude**

Number of resident deaths per 1,000 resident population. . . . . (Section 1)

## **Defense Contracts**

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

## **Disposable Income**

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

## **Distillate**

A category of petroleum that includes diesel fuels and fuel oils. . . . . (Section 8)

## **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)

## **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 cogenerators 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**

Money raised by a business in exchange for a share of ownership in the company. . . . . (Section 12)

## **Equity Capital to Asset Ratio**

A measure to assess the financial health of lending institutions.. . . . (Section 12)

## **Federal Home Loan Mortgage Corporation (Freddie Mac)**

A shareholder-owned corporation that invests in home mortgages, ultimately providing lower housing costs and access to home financing. . . . . (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)

## **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 Domestic Product by State (GDP)**

The market value of all final goods and services produced by resources located in a state, regardless of ownership. GDP by State for the United States differs from GDP for the following reasons: GDP by State excludes - and GDP includes - the compensation of federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment, except office equipment. . . . . (Section 9)

## **High Tech Industries**

### **(BLS 1999 and 2004 definitions)**

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. (Section 6)

## **Home Sales (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)

## **Household**

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





## **Incarceration Rate**

The number of persons confined in prison, with sentences over one year, per 100,000 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 or from outside the US. . . . *(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)*

## **Limited Liability Company (LLC)**

A legal form of business company offering limited liability to its owners. It is similar to a corporation, and is often a more flexible form of ownership, especially suitable for smaller companies with a limited number of owners. . . . *(Section 6)*

## **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 Rental Tax Receipts**

Estimate of sales by hotels, motels, and eating and drinking establishments based on taxes received under the Meals and Rental Tax. . . . *(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 federal-state program providing medical assistance to certain low income individuals and families. . . .(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)

## Multiple Listing Service (MLS)

A real estate database that makes it possible to share listings of available properties between brokers, sellers, and buyers. . . . .(Section 11)

## Natural Increase Rate

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

## New Hampshire Housing Finance Authority (NHHFA)

A non-profit corporation that operates programs designed to assist low and moderate income persons and families to obtain decent, safe and affordable housing. . . . .(Section 11)

## Nonfarm 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)

## Old Age, Survivors, and Disability Insurance (OASDI)

See Social Security. . . . .(Section 16)

## Organization of the Petroleum Exporting Countries (OPEC)

Multinational organization that was established to coordinate the petroleum policies of its members and to provide member states with technical and economic aid . . . . .(Section 8)

## 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)

## Parole

A condition of release of an inmate from prison serving an unexpired sentence, who has to report to a parole officer. . . . .(Section 17)

## 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 as an eligibility factor for some programs. . . . . (Section 16)

## **Probation**

A suspended sentence for a convicted offender giving the offer of freedom during good behavior under supervision of a probation officer. . . . . (Section 17)

## **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)

## **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 Domestic Product by State**

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

## **Renewable Energy Certificate**

Tradeable unit as a result of using renewable energy. Under most programs, one renewable energy certificate would be equivalent to the environmental attributes of one mega-watt of electricity from a renewable generation source. . . . . (Section 8)

## **Scholastic Assessment Test (SAT) (formerly Scholastic Aptitude Test)**

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

## **Short Tons (S/T)**

A unit of mass equal to 2,000 lb (exactly 907.18474 kg). . . . . (Section 7)

## **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 jobs covered by social security and matching funds paid by employers and the self-employed. . . . (Section 16)





## 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)

## 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)

## Workers' Compensation

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





