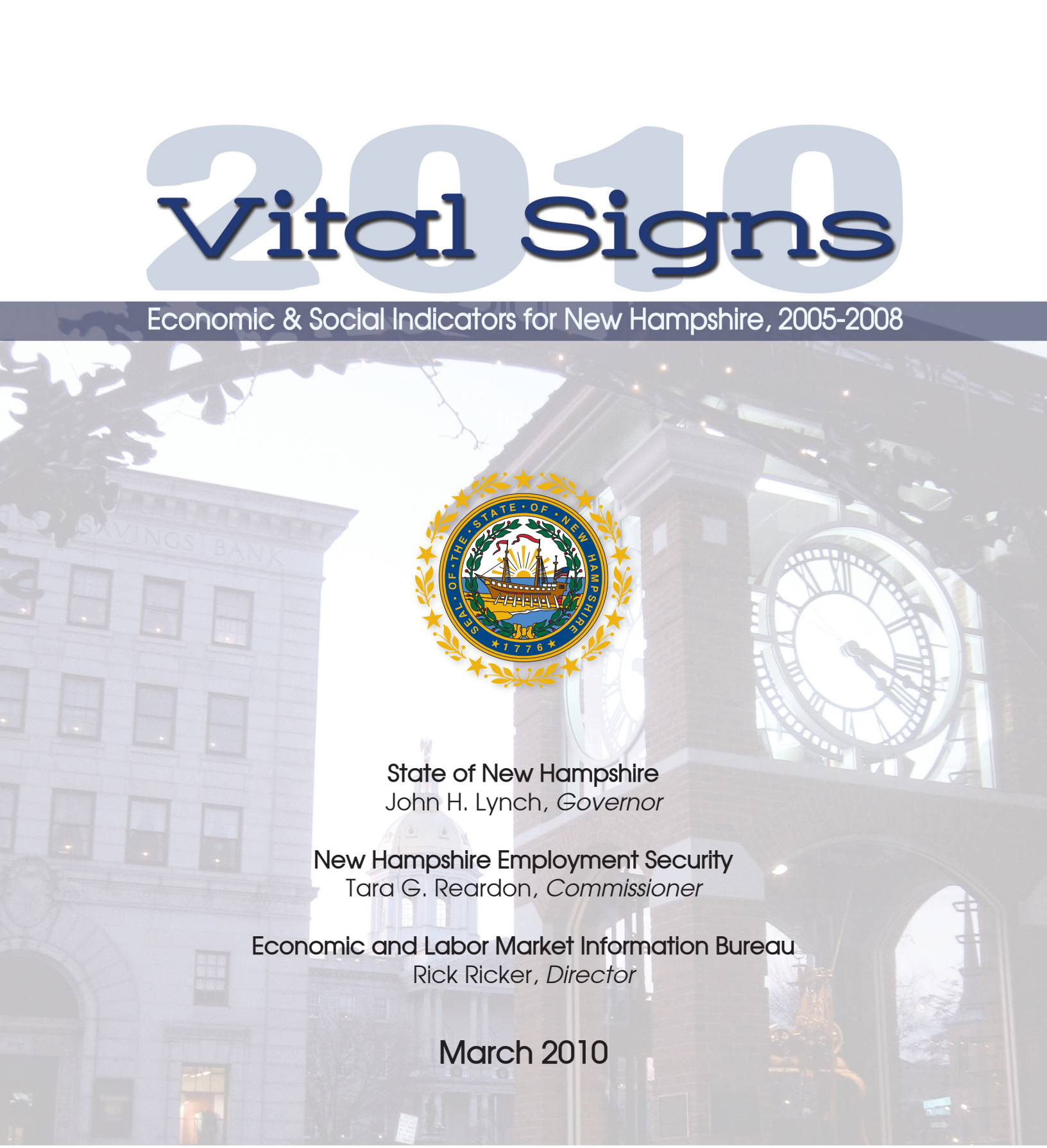
2010 Vital Signs

Economic & Social Indicators for New Hampshire, 2005-2008



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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, 2009 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. industry sectors such as *Retail trade* and publication titles) are italicized to distinguish them from recurring ordinary usage. Readers are also encouraged to review the glossary and index on page 100 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 98. 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 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.

Key Economic Indicators

Change in Key Economic Indicators	2006 – 2007		2007 – 2008		Chapter
	Net Change	Percent Change	Net Change	Percent Change	
Population	3,000	0.2%	4,000	0.3%	1
Income, per capita personal	$1,832	4.5%	$792	1.8%	2
Wages, average weekly (private)	$25	3.0%	$12	1.4%	2
Labor force	5,370	0.7%	650	0.1%	3
Employment	5,100	0.7%	– 1,610	– 0.2%	3
Unemployment	270	1.1%	2,260	8.7%	3
Nonfarm jobs – total all industries	4,100	0.6%	– 300	– 0.05%	4
Retail sales of electricity (million KWH)	142	1.3%	– 262	– 2.3%	8
Gross domestic product by state (current dollars – millions)	$1,764	3.1%	$2,185	3.8%	9
Gross domestic product by state (chained 2000 dollars – millions)	$376	0.8%	$911	1.8%	9
Export sales to the world ($ millions)	$97	3.4%	$832	28.6%	9
Hotel and Restaurant Sales ($ millions)	$64.9	14.4%	$2.5	0.5%	10
Bank assets ($ millions)	– $9,791	– 49.8%	$1,025	10.4%	12
Non–current loans ($ millions)	$13.3	33.5%	$33.2	62.6%	12
Bankruptcy filings	1,058	55.0%	948	31.8%	12
School enrollment (preschool, K–12) school year starting Oct 1	– 3,619	– 1.6%	– 3,527	– 1.6%	14
Violent crime offenses	– 17	– 0.9%	262	14.5%	17
Property crime offenses	254	1.0%	2,630	10.6%	17
Traffic crashes	2,575	7.4%	– 5,742	– 15.4%	17

Population

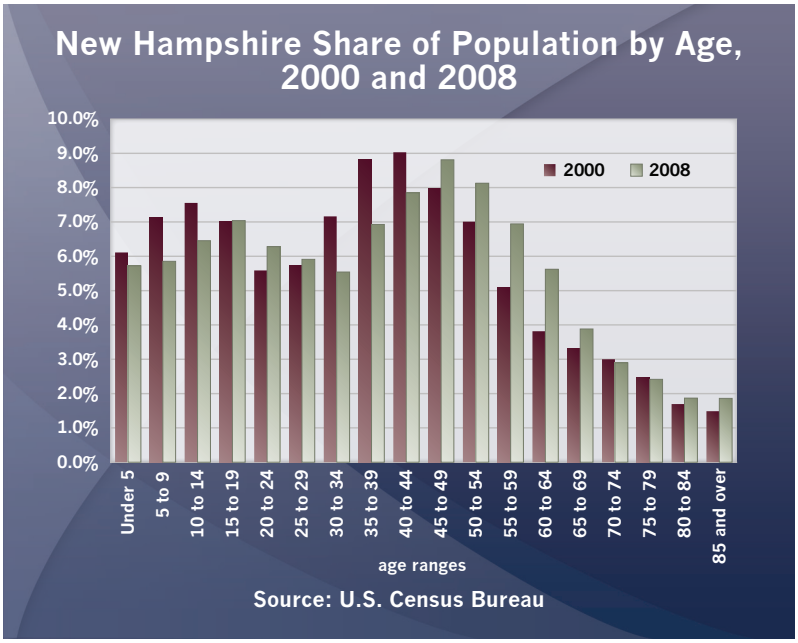
Chapter 1

In New Hampshire, as across the nation, there is a growing concern over the impact of the aging population. More than one of every four New Hampshire residents is 55 years of age or older (25.5 percent). An analysis of the percentage change in population by age group, conducted by the Center on Aging and Work using the 2006 American Community Survey as well as the 2000 Census and 2005 annual population estimates, concluded that the 55-74 year old segment of the population will be proportionally larger in New Hampshire than the rest of the nation in 2010.[1]

In a 2005 AARP study, workers 50 years or older reported that they expect to continue to work past retirement age.[2] Recent conditions in the financial and housing industries that reverberated throughout the economy have further stressed retirement plans for many. As retirement accounts deflated in value, many older workers were forced to consider alternatives to retirement, such as remaining in current positions or reentering the workforce.

The baby boomer generation, those born between 1945 and 1964, continues to move up in age. Nationally, the median age for the total population shifted slightly from 36.7 years in 2007 to 36.8 in 2008. New England continues to exceed the national median with a regional median age of 40.0 years. New Hampshire tied with Florida with the fourth highest median age in the nation and the third highest in the region at 40.2 years. Maine and Vermont ranked highest in New England and among all states with median ages of 42.0 and 41.2 respectively. All six New England states placed within the top 11 states in the nation by median age.[3]

In New Hampshire population growth slowed from an annual increase of 8,000 individuals in 2006 to just over 4,000 individuals in 2008, reaching a population of 1,315,809 according to the U.S. Census Bureau. While natural increases, births minus deaths,[4] remained constant by percentage of population, the net migration rate, net domestic migration plus net international migration,[5] was



1. Wong, Michelle et al. "New Hampshire Indicators: Aging & Work." State Profile Series. December 2007. The Sloan Center on Aging & Work at Boston College. Accessed December 24, 2009. <www.bc.edu/research/agingandwork/publications_LandPg.html>.
2. Brown, S. Kathi . "Attitudes of Individuals 50 and Older Toward Phased Retirement." www.AARP.org. March 1, 2005. Knowledge Management, American Association of Retired Persons. Accessed December 22, 2009. <www.aarp.org/research/surveys/money/work/retirement/articles/attitudes_of_individuals_50_and_older_toward_phase.html>.
3. "GCT-T2-R. Median Age of the Total Population (geographies ranked by estimate), Dataset: 2008 Population Estimates." American Fact Finder. US Census Bureau. <factfinder.census.gov>.
4. "Terms and Definitions, State and County." Population Estimates. December 22, 2009. US Census Bureau, Population Division. Accessed December 24, 2009. <www.census.gov/popest/topics/terms/states.html>.
5. Ibid.

negative for the second consecutive year. The 2008 net migration rate for New Hampshire was –0.7 per thousand, -912 individuals, compared to its last increase of 3.3 per thousand in 2006. With an international migration rate of 1.4 per thousand or 1,561 individuals, and a domestic migration rate of –2.0 or -2,473 individuals, residents are relocating out of New Hampshire at a slightly higher rate than international newcomers are settling here.

Net Migration Net domestic migration plus net international migration. The net migration rate expresses net migration during a time period as a proportion of an area's population at the midpoint of the time period. Rates are expressed per 1,000 population

The 2008 population by county in New Hampshire remained consistent with no significant changes in distribution. Hillsborough County remained the most populous with 30.55 percent of the population, 402,042 individuals, and Coös County remained the least populous with just 2.43 percent of the population, 31,971 individuals. The population of Coös County continued to diminish. With more deaths than births and the lowest domestic migration rate in the state, –9.5 per thousand, Coös County has a net natural increase rate of –3.2 per thousand and a net migration rate of –9.2 per thousand. Cheshire County also experienced a negative change in population of –1.7 per thousand, attributable to low natural increase rate of 1.5 and a domestic migration rate of –3.8 per thousand. Grafton, Carroll and Belknap counties experienced positive rate of domestic migration at 5.0, 4.6, and 2.4 respectively in 2008. Strafford County showed little domestic change with a domestic migration rate of 0.01 per thousand.

Multigenerational Homes

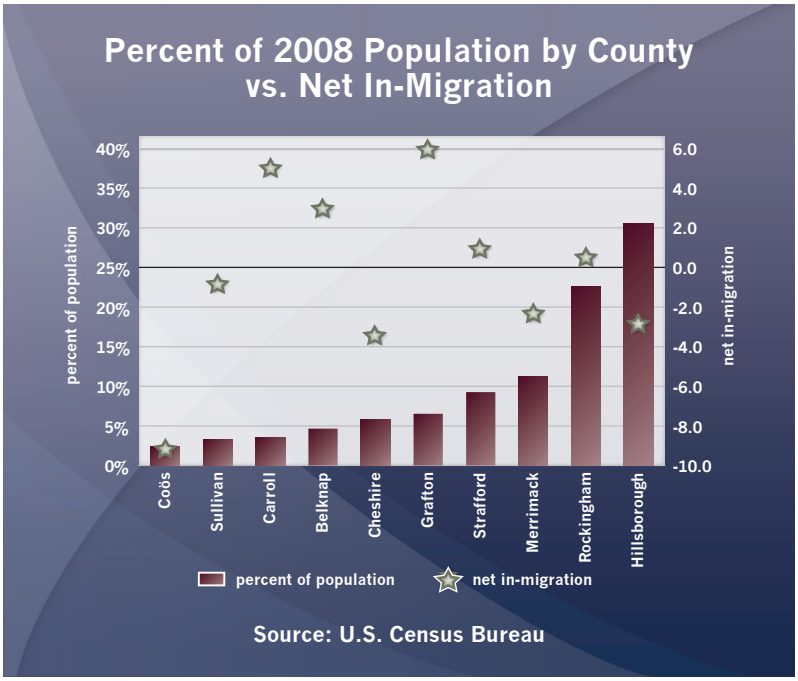
After baby boomers, the 25 to 44 year olds cohort makes up the largest age group in New Hampshire. Juggling the responsibilities of children and caring for elderly parents while participating in the workforce, this age group is turning to an old-world solution – multigenerational households or households with more than three related generations living in the home.[6]

Whether for economic, medical, cultural or other reasons, the number of multigenerational households in the

6. Hobbs, Frank. "Examining American Household Composition: 1990 and 2000." Census 2000 Special Reports, CENSR-24. U.S. Government Printing Office Washington, DC, 2005. Accessed December 24, 2009. <www.census.gov/prod/2005pubs/censr-24.pdf>.

Resident Population	2005	2006	2007	2008	Source
Population, July 1st (thousands)	1,301	1,309	1,312	1,316	CB
Annual percent change	0.7%	0.7%	0.2%	0.1%	CB/NHES
United States rank of annual percent change	26	30	38	23	CB/NHES
Percent change since last census	5.5%	6.2%	6.5%	6.5%	CB/NHES
Population, Males	640,933	645,367	647,096	649,087	CB
Population, Females	659,597	663,457	665,160	666,722	CB

U.S. increased by more than 60 percent since the 1990 Census to more than 3.9 million households in 2000, including households with three and four generations.[7] In New Hampshire, the number of multigenerational households increased from 10,674 in 2000 to an estimated 12,115 in 2008, a 13.5 percent increase, according to the 2008 American Community Survey. By comparison, over the same time span the total number of households in the state grew by only 6.5 percent.[8]



7. "Multigenerational Households for the United States, States, and for Puerto Rico: 2000 (PHC-T-17)." Census 2000, special tabulation. September 7, 2001. U.S. Census Bureau. Accessed December 24, 2009. <www.census.gov/population/www/cen2000/briefs/phc-t17/>.
8. Ibid.

Distribution by Age	2005	2006	2007	2008	Source
Under 5 years	5.9%	5.8%	5.7%	5.7%	CB/NHES
5 to 17 years	17.6%	17.2%	17.0%	16.6%	CB/NHES
18 to 24 years	9.1%	9.0%	9.0%	9.1%	CB/NHES
25 to 44 years	27.7%	27.3%	26.3%	26.2%	CB/NHES
45 to 64 years	27.4%	28.2%	28.9%	29.5%	CB/NHES
65 years and over	12.3%	12.4%	12.6%	12.9%	CB/NHES

Vital Statistics	2005	2006	2007	2008	Source
Marriages	9,496	9,370	9,350	8,993	DVRA
Marriage rate (per 1,000 population)	7.3	7.1	7.1	6.8	DVRA/NHES
Divorces	5,108	5,354	4,982	5,087	DVRA
Divorce rate (per 1,000 population)	3.9	4.1	3.8	3.9	DVRA/NHES
Components of Population Change:					
Live births	14,418	13,865	12,688	12,379	DVRA
Birth rate (per 1,000 population)	10.9	10.3	9.3	9.4	DVRA
Births to teenage mothers (less than 20 years old)	851	861	883	862	DVRA
Percent of live births	5.9%	6.2%	7.0%	7.0%	DVRA/NHES
Non-marital births (percent of live births)	27.2%	30.0%	32.8%	34.2%	DVRA/NHES
Resident deaths	10,183	10,041	9,386	9,333	DVRA
Crude death rate (per 1,000 population)	7.7	7.5	6.9	7.1	DVRA
Infant death rate (per 1,000 live births)	5.2	6.3	4.3	3.0	DVRA/NHES
Natural increase rate (per 1,000 population)	3.3	2.7	3.3	3.3	CB
Net in-migration rate (per 1,000 population)	4.9	3.3	-0.4	-0.1	CB

Median Age	2005	2006	2007	2008	Source
United States	36.3	36.5	36.7	36.8	CB
New England	39.1	39.4	39.7	40.0	CB
New Hampshire	39.0	39.4	39.8	40.2	CB
Connecticut	38.7	39.0	39.2	39.4	CB
Maine	40.8	41.2	41.6	42.0	CB
Massachusetts	38.0	38.2	38.5	38.6	CB
Rhode Island	38.0	38.3	38.6	38.8	CB
Vermont	40.0	40.4	40.8	41.2	CB

Income & Wages

Chapter 2

There are several different measures of income and wages. These measures provide an illustration of the state's current economy.

Average Weekly Wage

The average weekly wage is a measure that provides income by place of work, and is developed from New Hampshire covered employment data.

New Hampshire's average weekly wage for private workers in 2008 was $871, an increase of 2.1 percent over 2007. The percent change in average weekly wage was the second smallest over-the-year increase since the 2001 to 2002 change of 1.9 percent. The 2.1 percent change in 2008 was the fifteenth smallest increase over-the-year among all states and District of Columbia. New Hampshire's average weekly wage fell from fourteenth highest among the states in 2007, to ranking fifteenth in 2008.[1] The average weekly wage is based on private employment wages paid to workers covered by unemployment compensation insurance. These wages include regular and overtime pay, holiday and sick pay, salaries, bonuses and severance pay.

During 2008, the *Utilities* industry sector had the highest average weekly wage in New Hampshire with $1,753, showing an increase of more than 13 percent from 2007. Among the industry sectors with the highest average weekly wages in 2008, the *Management of companies and enterprises* sector had the next highest average weekly wage of $1,499, although it had dropped 25.9 percent over-the-year from $2,024. *Finance and insurance* and *Professional and technical services* sectors also had average weekly wages over $1,400, well above the statewide average, with increases of 3.7 percent and 6.2 percent respectively. These four industry sectors accounted for almost 13 percent of workers in the state.

Two more industries, *Information* and *Wholesale trade*, had an average weekly wage over $1,375. *Manufacturing*, the industry with the third largest employment in the state, had an average weekly wage of $1,127 in 2008.

The *Accommodation and food services* sector had the smallest average weekly wage of $316 for the year. Workers in this industry sector usually supplement their wages with tips, and many are seasonal and/or part time. The large numbers of part time workers may contribute to the lower average weekly wage in the industry.

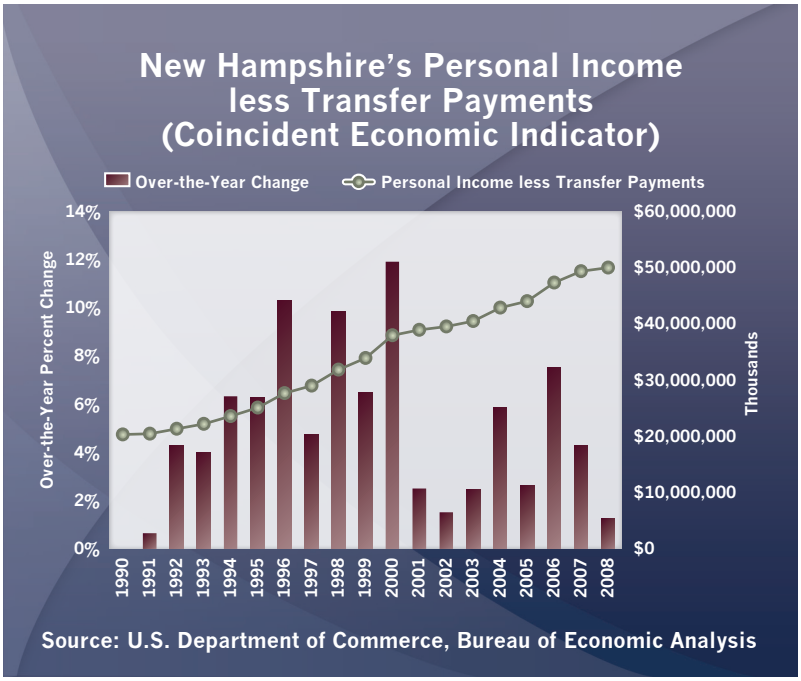
Personal Income [2]

Personal income is a residence-based measure of income. New Hampshire's

Over-the-Year Change in New Hampshire's Average Weekly Wage

Source: U.S. Department of Labor, Bureau of Labor Statistics

1. Quarterly Census of Employment and Wages. U.S. Department of Labor, Bureau of Labor Statistics. Accessed October 12, 2009. <www.bls.gov>.
2. "Personal income, Per capita personal income and disposable income." U.S. Department of Commerce, Bureau of Economic Analysis. Accessed October 20, 2009. <www.bea.gov>.



total personal income in 2008 was $57,399 million, an increase of 2.1 percent from 2007. Personal income includes total wages, salary and bonuses, as well as rental income, dividends, interest, other business transfer payments and government transfer payments.

Total personal income less transfer payments is used as an economic indicator.[3] The change in this measure was 1.3 percent from 2007 to 2008, the smallest change since the 0.7 percent from 1990 to 1991. On an annual basis, this measure has not been growing as steadily as it had prior to the 2001 recession. The over-the-year increases from 2003 to 2004 and from 2005 to 2006 have been the most recent highs of 5.9 and 7.3 percent, respectively.

Per Capita Personal Income

Per capita personal income is residence-based income divided by the resident population of the area. The per capita personal income in New Hampshire was $43,623 in 2008, an increase of 1.8 percent over the year. When compared to 2007 per capita personal income adjusted for inflation ($44,475), 2008 per capita personal income fell short.[4] That meant the increase in per capita personal income did not keep up with the annual average rate of inflation.

3. The Conference Board® U.S. Business Cycle Indicators℠ The Conference Board Leading Economic Index™ (LEI) for United States and Related Composite Economic indexes. Accessed August 3, 2009. <www.conference-board.org>. *The transfer payment component of personal income includes payments to persons for which no current services are performed, and is not part of an earned income measurement.*

4. Using the Consumer Price Index, which the average changes in the cost of living for the selected time period. Inflation Calculator. U.S. Department of Labor, Bureau of Labor Statistics. Accessed October 12, 2009. <www.bls.gov/data/inflation_calculator.htm>.

Total Personal Income	2005	2006	2007	2008	Source
New Hampshire ($ millions)	49,956	53,661	56,205	57,399	BEA
Components:					
Net Earnings[a]	74.7%	73.2%	72.2%	71.5%	BEA
Dividends, interest, rent	13.5%	15.1%	15.7%	15.7%	BEA
Transfer payments	11.8%	11.7%	12.1%	12.8%	BEA

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

Per Capita Personal Income	2005	2006	2007	2008	Source
Per Capita Personal Income	$38,412	$40,999	$42,831	$43,623	BEA
United States rank (excluding D.C.)	10	9	9	10	BEA
Annual percent change	2.1%	6.7%	4.5%	1.8%	BEA/NHES
Percent change adjusting for annual average CPI	-1.2%	3.4%	1.6%	-1.9%	BEA/NHES

Per capita personal income is calculated to represent the personal income per person and allows for an easy comparison among different areas. New Hampshire's 2008 per capita personal income ranked eleventh highest among the states and District of Columbia. It was third highest among the New England states, but was more than $12,000 behind top-ranked Connecticut and almost $8,000 behind second-ranked Massachusetts. New Hampshire's per capita personal income was $3,400 above the national average of $40,208.

County Per Capita Income

Per capita personal income data for the counties in New Hampshire are available for 2007. At that time, three counties, Rockingham, Grafton, and Hillsborough, had the highest per capita personal incomes and were higher than the 2007 state average. Of these three counties, two are the largest counties in the state. These three counties account for almost three of every five residents in the state.

Merrimack, the third most populous county, Carroll and Belknap counties each had the next highest per capita personal incomes. These counties accounted for 19.6 percent of New Hampshire's population in 2007. The remaining four counties, Cheshire, Sullivan, Strafford, and Coös, made up slightly more than 20 percent of the state's population and had the lowest per capita personal incomes.

Disposable Personal Income

Disposable personal income measures the amount of funds available for personal spending by residence. Disposable personal income is total personal income after personal tax payments have been subtracted. Personal taxes include all income, net capital gains, and property taxes not associated with a business, but exclude government social insurance taxes. New Hampshire's per capita disposable personal income was $39,167 in 2008, an increase of 2.7 percent from 2007 to 2008. The per capita measure was about $425 less than 2007 per capita disposable personal income when adjusted for the annual average inflation. This indicates the annual average rate of inflation was higher than the increase in income.

County	2007 Per Capita Personal Income	Share of State Population
Rockingham	$47,196	22.6%
Grafton	$44,894	6.5%
Hillsborough	$43,625	30.6%
Merrimack	$38,661	11.3%
Carroll	$38,655	3.6%
Belknap	$38,176	4.7%
Cheshire	$36,507	5.9%
Sullivan	$36,362	3.2%
Strafford	$33,662	9.2%
Coös	$31,179	2.5%

Per Capita Disposable Income	2005	2006	2007	2008	Source
Per Capita Disposable Income	$34,560	$36,731	$38,129	$39,167	BEA
United States rank (excluding D.C.)	7	7	7	8	BEA
Annual percent change	1.1%	6.3%	3.8%	2.7%	BEA/NHES
Percent change adjusting for annual average CPI	-2.2%	3.0%	0.9%	-1.1%	BEA/NHES

U.S. Price Indices	2005	2006	2007	2008	Source
CONSUMER PRICE INDEX, All Urban Consumers, Year End (Not-seasonally Adjusted)					
Annual Average (U.S., 1982-1984 = 100)	196.8	201.8	210.0	210.2	BLS
Over-the-Year Change in Annual Average	3.4%	2.5%	4.1%	0.1%	BLS

Wages	2005	2006	2007	2008	Source
TOTAL WAGES in employment covered by unemployment compensation (millions)					
Private and public employers	$25,179	$26,627	$27,639	$28,240	NHES
Annual percent change	4.7%	5.8%	3.8%	2.2%	NHES
AVERAGE WEEKLY WAGE covered by unemployment compensation					
All industries (annual average)	$789	$827	$852	$864	NHES
Annual percent change	3.7%	4.8%	3.0%	1.4%	NHES
Agriculture, Forestry, Fishing, and Hunting	$508	$535	$576	$563	NHES
Mining	$950	$957	$972	$978	NHES
Utilities	$1,442	$1,503	$1,548	$1,753	NHES
Construction	$870	$902	$930	$960	NHES
Manufacturing	$1,002	$1,067	$1,109	$1,127	NHES
Wholesale Trade	$1,278	$1,319	$1,373	$1,389	NHES
Retail Trade	$501	$504	$508	$509	NHES
Transportation and Warehousing	$642	$668	$681	$688	NHES
Information	$1,187	$1,237	$1,278	$1,373	NHES
Finance and Insurance	$1,277	$1,347	$1,371	$1,422	NHES
Real Estate and Rental and Leasing	$783	$763	$733	$841	NHES
Professional and Technical Services	$1,204	$1,296	$1,330	$1,413	NHES
Management of Companies and Enterprises	$1,796	$2,238	$2,024	$1,499	NHES
Administrative and Waste Services	$635	$668	$746	$744	NHES
Educational Services	$737	$777	$814	$861	NHES
Health Care and Social Assistance	$758	$785	$820	$862	NHES
Arts, Entertainment, and Recreation	$366	$380	$414	$378	NHES
Accommodation and Food Services	$295	$304	$313	$316	NHES
Other Services, except Public Admin	$543	$562	$578	$598	NHES
Total Government	$722	$746	$787	$820	NHES
AVERAGE WEEKLY EARNINGS					
Production Workers in Manufacturing Employment	$653.84	$682.68	$688.73	$671.63	BLS

Median Household Income (in current dollars)	2005	2006	2007	2008	Source
New Hampshire	$56,984	$61,970	$67,576	$66,176	CB
Connecticut	$56,835	$62,404	$64,141	$64,682	CB
Maine	$43,923	$45,642	$47,894	$47,228	CB
Massachusetts	$56,017	$55,330	$58,463	$60,320	CB
Rhode Island	$49,484	$53,736	$54,210	$53,241	CB
Vermont	$50,704	$51,981	$47,390	$50,706	CB

Labor Force & Unemployment

Chapter 3

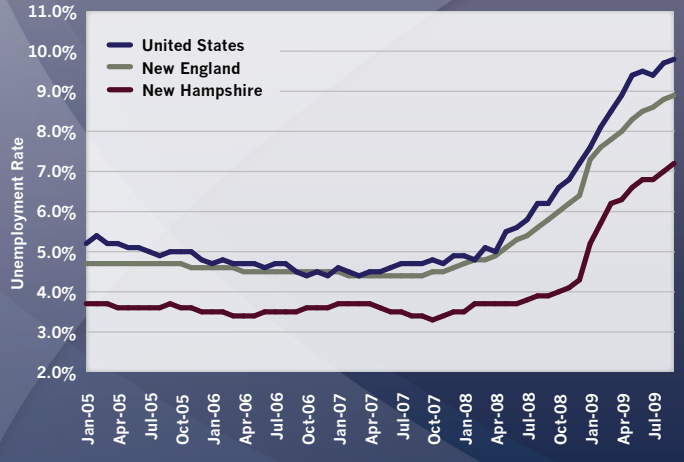
New Hampshire's annual unemployment rate for the year 2008 continued to rank as one of the lowest state unemployment rates in the nation. The average annual unemployment rate of 3.8 percent positioned New Hampshire as having the sixth lowest unemployment rate. Although this was an increase of 0.3 percentage points from the average annual unemployment rate for 2007, many states fared worse due to steep increases in their unemployment rates beginning in the spring and summer of 2008. New Hampshire would not experience similar changes until several months later. New Hampshire's seasonally adjusted unemployment rate eventually hit 7.2 percent in September 2009. The historical high since the data series began in January 1976 was a rate of 7.7 percent, which occurred in June 1992, during an earlier recession. New Hampshire's annual seasonally adjusted unemployment rate was 7.6 percent for the year 1992.

Employed individuals are those who work for pay, are self-employed, work 15 or more hours as unpaid workers in a family-owned business, or are temporarily absent from their jobs due to vacations, illness, weather conditions or similar reasons. The labor force is simply the sum of those residents who are employed and those who are unemployed, yet able, available and looking for work. New Hampshire's average labor force of 738,860 for 2008 was an increase of 0.1 percentage point over the average for 2007. This is the net result of the number of employed residents decreasing by 1,610 while the number of unemployed residents increased by 2,260.

Another way to look at workforce attachment is the labor force participation rate, which is the percentage of the civilian non-institutional population age 16 or older that is part of the labor force. New Hampshire's labor force participation rate for 2008 remained unchanged at 70.8 percent, though the male participation rate declined slightly to 76.3 percent and the female participation rate increased slightly to 65.6 percent when compared to the 2007 rates. New Hampshire labor force participation rates are also available by age group. The rate for each age group varies by a few percentage points each year depending on various economic and social factors. Skills in demand as well as the hours and wages offered by employers can entice or discourage participation in the labor force. Current economic conditions and expected future economic conditions, such as anticipated layoffs, can result in spouses, young adults or retired persons joining the labor force to help compensate for lost income.

The unemployment rate reflects the percentage of the labor force that is unemployed, yet able and

New Hampshire Unemployment Rate Compared to New England and the Nation Seasonally Adjusted



Source: U.S. Department of Labor, Bureau of Labor Statistics

Labor Force Participation Rates by Age								
Age	2001	2002	2003	2004	2005	2006	2007	2008
16 to 19	63.7%	61.0%	55.5%	52.9%	53.2%	52.2%	53.5%	52.2%
20 to 24	82.9%	84.3%	80.5%	79.8%	79.1%	78.1%	76.8%	78.9%
25 to 34	86.5%	87.5%	87.3%	84.7%	86.0%	86.7%	87.3%	87.8%
35 to 44	88.9%	87.5%	87.4%	87.0%	88.2%	87.9%	87.8%	88.2%
45 to 54	88.2%	87.0%	86.2%	88.0%	87.8%	88.5%	87.8%	86.5%
55 to 64	66.1%	67.0%	72.1%	72.2%	73.0%	71.4%	73.2%	73.2%
65 and over	16.2%	16.8%	15.5%	15.0%	15.2%	16.3%	17.1%	17.6%

Source: U.S. Bureau of Labor Statistics

available for work, and actively seeking employment. These individuals are considered unemployed regardless of whether or not they have applied for or receive unemployment insurance benefits. Based on this definition the number of unemployed includes those people ineligible for unemployment insurance benefits, including those who have exhausted benefits.

It is important to note that unemployed persons are included in labor force statistics for the state in which they reside, not in the state in which they last worked. This is one reason that, for New Hampshire, local area unemployment rates are frequently higher in areas close to the border with Massachusetts, which attracts the largest share of New Hampshire's out-of-state commuters. Unemployed New Hampshire residents, whose prior employment was in Massachusetts, or any other state, are counted as unemployed persons in New Hampshire.

From September 2008 to September 2009, all New Hampshire labor market areas saw increases in the number of residents who were unemployed. The area with the largest increase in the number of unemployed residents was the New Hampshire portion of the Nashua NH-MA NECTA Division, with an increase of 6,200 unemployed persons. This area includes a large number of commuters who travel to Massachusetts for work, and therefore, its unemployment is affected by changing economic conditions in both New Hampshire and Massachusetts. The largest percentage increase, about 150 percent, was in the New Hampshire portion of the Colebrook NH-VT labor market area, where the number of unemployed increased by 190. Although the increase in the Colebrook area may seem small by comparison, it is no less devastating to the local communities. The New Hampshire portion of the Colebrook labor market area is closely linked to the Vermont portion, as many commuters reside in this area as well. Northern New Hampshire and Vermont areas have restricted employment opportunities due to limited services and highway access, seasonal work conditions, and a workforce trained for traditional industries, which makes it difficult to replace these lost jobs.

Unemployment rates vary considerably by age. The age groups of 16 to 19 years and 20 to 24 years usually experience the highest unemployment rates. These two age groups are typically more challenging for some employers due to lack of experience and training, as well as anticipated scheduling difficulties due to educational and extracurricular commitments. The 65 years and over age group often

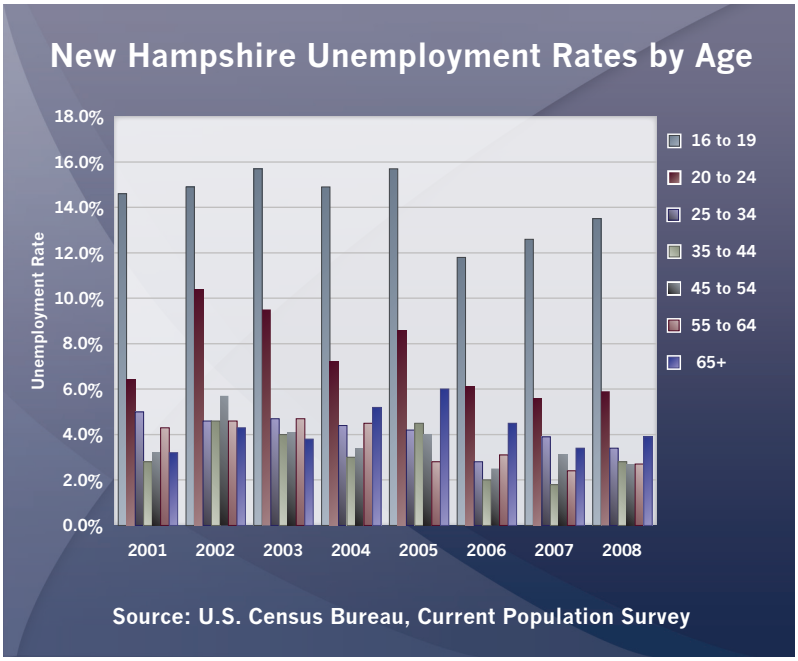
Over the Year Change in the Number of Unemployed Persons by Labor Market Area

Labor Market Area	September 2008	September 2009	Increase Year-to-Year
Berlin NH MicroNECTA	350	520	170
Claremont NH MicroNECTA	260	540	280
Colebrook NH-VT LMA, NH Portion	120	310	190
Charlestown NH LMA	140	260	120
Concord NH MicroNECTA	1,830	3,560	1,730
Conway NH-ME LMA, NH Portion	490	850	360
Exeter Area, NH Portion, Haverhill-North Andover-Amesbury MA-NH NECTA Division	2,440	4,110	1,670
Franklin NH MicroNECTA	410	710	300
Haverhill NH LMA	110	210	100
Hillsborough NH LMA	260	480	220
Hinsdale Town, NH Portion, Brattleboro VT-NH LMA	100	190	90
Keene NH MicroNECTA	1,040	2,040	1,000
Laconia NH MicroNECTA	790	1,580	790
Lebanon NH-VT MicroNECTA, NH Portion	690	1,250	560
Littleton NH-VT LMA, NH Portion	510	920	410
Manchester NH MetroNECTA	4,090	7,710	3,620
Moultonborough NH LMA	100	200	100
Nashua NH-MA NECTA Division, NH Portion	6,160	12,360	6,200
New London NH LMA	220	350	130
Newport NH LMA	190	390	200
Pelham Town, NH Portion, Lowell-Billerica-Chelmsford MA-NH NECTA Division	340	710	370
Peterborough NH LMA	620	1,090	470
Plymouth NH LMA	600	1,200	600
Portsmouth NH-ME MetroNECTA, NH Portion	1,210	2,020	810
Rochester-Dover NH-ME MetroNECTA, NH Portion	2,450	4,740	2,290
Salem Town, NH Portion, Lawrence-Methuen-Salem MA-NH NECTA Division	990	1,700	710
Wolfeboro NH LMA	250	370	120

has the next highest unemployment rate, but it can sometimes have one of the lowest rates, depending on the needs of employers. These individuals may be approaching retirement or they may have already retired. Some retirees reenter the labor force due to economic conditions, while others do so simply to stay active. Depending on personal experience and the industries with work available, these individuals may either be viewed as a tremendous asset or viewed as under-skilled for the available positions.

The remaining age groups, which make up the majority of the labor force, also see varying unemployment rates from year to year. Generally, their rates will go up and down with the state unemployment rate; however, the demographic makeup of the age groups affects age group specific unemployment rates. For example, women who chose to exit the labor force or reduce their work hours while caring for their children will open up positions for other workers. This may result in lower unemployment rates for other age groups if these women make up a significant portion of their own age groups.

The makeup and location of industries in New Hampshire when different age groups entered the labor market and received their training is another factor in the varying unemployment rates among age groups. The paper producing industry in the northern part of New Hampshire is a classic example. For many years, working at a paper mill after completing high school was a family tradition. This work provided decent wages and benefits as well as employment security. Due to the changing New Hampshire economy, these jobs disappeared, leaving older workers untrained for many other types of employment in labor market areas with reduced employment opportunities, thereby raising unemployment rates in these age groups. In comparison, younger workers from the paper industry are able to prepare for these changes in the economy are more likely to be retrained in occupations that are currently in demand. They can be expected to have lower unemployment rates than their older counterparts, but they may be required to travel further to find a job.

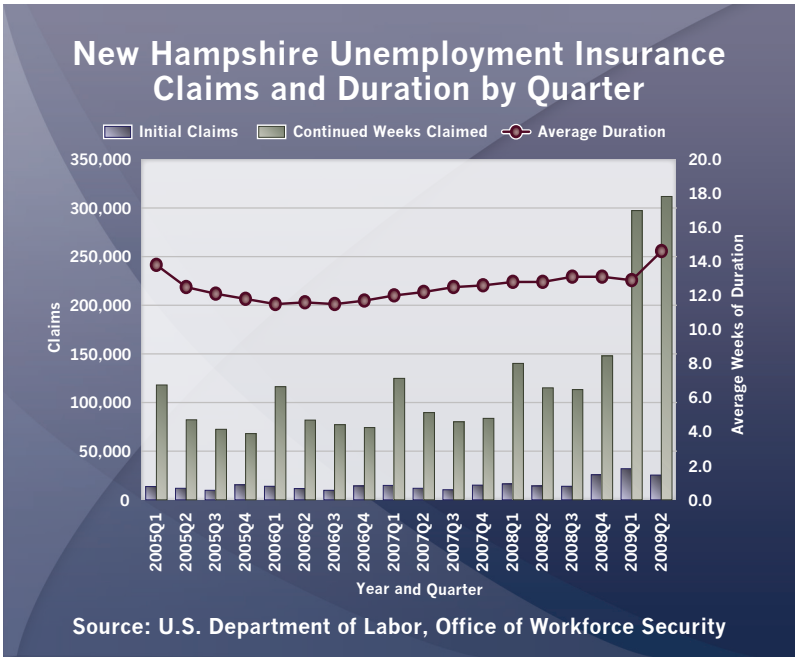


Unskilled and semi-skilled occupations are not the only ones at risk. Jobs requiring high levels of skill, training and education are often found in national companies with business locations in New Hampshire. When changes occur to the national or interstate economy, New Hampshire locations may feel the impact. Younger workers who are more likely to be trained for these jobs will see corresponding levels of unemployment, depending on the change that took place. Business expansion will create more opportunities for the highly skilled, trained and educated workers. Business contraction will result in higher levels of unemployment, which may be magnified if the skills are too specific to the lost occupation or if newly unemployed workers are reluctant to accept lower paying positions.

Unemployment Insurance	2005	2006	2007	2008	Source
Weeks compensated for unemployment (UI)	284,832	292,507	328,678	443,499	USDOL-OWS
Benefits paid, unemployment insurance (thousands)	$69,997	$72,701	$84,187	$117,220	USDOL-OWS
Annual percent change	-10.9%	3.9%	15.8%	39.2%	USDOL-OWS/NHES
Average duration, benefit payments (weeks)	11.8	11.7	12.6	13.1	USDOL-OWS
United States average	15.3	15.3	15.2	14.9	USDOL-OWS
United States rank[a] (1=longest duration)	49	48	46	40	USDOL-OWS
Average weekly benefit amount					
New Hampshire	$252.12	$255.58	$263.65	$272.03	USDOL-OWS
United States	$266.69	$277.19	$287.71	$297.09	USDOL-OWS

[a] Ranks include D.C., Virgin Islands, and Puerto Rico

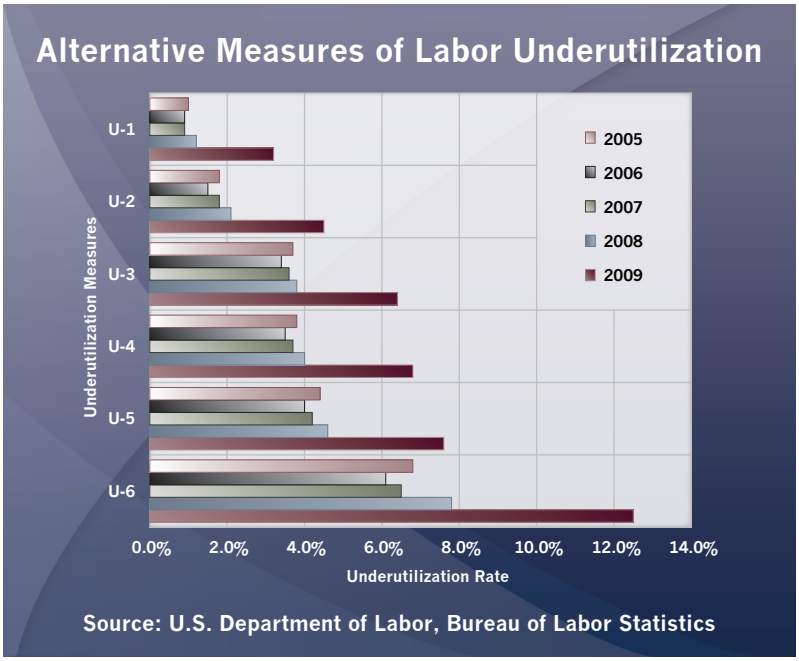
Unemployment insurance claims are another important tool for tracking the New Hampshire economy. Normally, initial claims for unemployment compensation are highest in the first and fourth quarters of the year during seasonal layoffs and lowest in the second and third quarters when spring and summer seasonal employment is in full swing. Continued claims for unemployment compensation tend to be highest in the first quarter of each year when winter weather has nearly shut down many seasonal industries such as construction and agriculture. Beginning in the first quarter of 2008 and coinciding with the start of the recession, both initial and continued claims were greater than they had been in several years. By the first quarter of 2009, initial claims for unemployment compensation climbed to 31,925 which was nearly double the number of claims in the first quarter of 2008. Continued claims for the fourth quarter of 2008 did not follow the normal seasonal pattern and instead increased by more than 30 percent compared with the third quarter of 2008. Continued claims then more than doubled from the fourth quarter of 2008 to the first quarter of 2009 and continued to grow in the second quarter. The average duration of benefits for regular unemployment insurance programs in New Hampshire rose steadily from approximately eleven and a half weeks as of the third quarter of 2006 to approximately thirteen weeks as of the first quarter of 2009.[1] This average shot up to more than fourteen and a half weeks in the second quarter of the year 2009.



In early 2009 the U.S. Bureau of Labor Statistics made available data on a state level for six measures of labor underutilization based on results of the Current Population Survey. These measures were developed to provide data users with measures that are both more narrowly defined and more broadly defined than the official unemployment rate. The six measures are designated as U-1 through U-6. The official measure of the annual average unemployment rate that has been published for many years is the U-3 measure. This is the number of persons unemployed; yet able, available and searching for employment as a percentage of the labor force as published by the Current Population Survey. Note that the alternative measures are averages for the most recent four quarters for New Hampshire.

Measures U-1 and U-2 are more restrictive measures of labor underutilization. The U-1 is the most restrictive measure and indicates

1 "UI Data Summary." U.S. Department of Labor, Office of Workforce Security, Division of Fiscal and Actuarial Services. 3rd Quarter CY 2006 through 1st Quarter CY 2009.



the percentage of the labor force that has been unemployed for fifteen weeks or longer. This measure will always have the lowest rate of the six alternative measures of labor underutilization. A relatively high U-1 may be an indicator of systemic problems with the unemployed labor force and a need for labor force retraining programs. The U-2 is a measure of job losers. It excludes persons who have quit their jobs and persons who are entering the labor force. The U-2 measure is useful in tracking labor market contractions as it focuses on lost jobs.

Measures U-4 through U-6 are more inclusive measures of labor underutilization than the official measure of unemployment. The U-4 measure adds discouraged workers to the unemployed count. They are excluded from the official unemployment rate, since they are not actively seeking employment. Discouraged workers are people who are actually unemployed but they have not been able to find employment, believe that there is no work available for them, and therefore have stopped looking for work. U-4 is a very useful measure during recessionary periods, as during these times it becomes more likely that some individuals will become discouraged. The U-5 measure is very similar to the U-4, however, in addition to the discouraged workers in U-4, the U-5 measure includes people who would like a job, but are neither currently looking nor discouraged.

The last measure, U-6, takes all of the persons who are not working and have been mentioned above; and adds to them persons who are underemployed. These underemployed persons are those who work part-time, but want and are available for full-time work. This measure has gained attention since the beginning of the recession, as it is the broadest measure of individuals directly impacted by the weak job market. It is a very useful measure as many companies try to avoid permanently laying off well trained workers by using reduced work hours in addition to the short-term layoffs that are normally captured by the unemployment rate. It also captures those workers who may have taken part-time jobs as a means of earning income, but would prefer full-time employment.

Civilian Labor Force	2005	2006	2007	2008	Source
Civilian Labor Force (annual average)	723,400	732,840	738,210	738,860	BLS
Annual percent change	1.1%	1.3%	0.7%	0.1%	NHES
Labor force participation rate	71.4%	70.9%	70.8%	70.8%	BLS
United States rank	9	11	10	11	BLS
Male participation rate	78.1%	76.9%	76.9%	76.3%	BLS
United States rank	7	10	9	11	BLS
Female participation rate	65.0%	65.3%	64.9%	65.6%	BLS
United States rank	tie 8	10	tie 9	9	BLS

Employment	2005	2006	2007	2008	Source
Employed (annual average)	697,120	707,130	712,230	710,620	BLS
Annual percent change	1.3%	1.4%	0.7%	-0.2%	BLS/NHES

Unemployment	2005	2006	2007	2008	Source
Unemployed (annual average)	26,280	25,710	25,980	28,240	BLS
Unemployment rate (annual average)					
New Hampshire	3.6%	3.5%	3.5%	3.8%	BLS
United States rank (1=lowest)	5	11	11	6	BLS
New England	4.7%	4.5%	4.5%	5.4%	BLS
United States	5.1%	4.6%	4.6%	5.8%	BLS
Men					
New Hampshire	3.8%	3.5%	3.9%	4.0%	BLS
United States	5.1%	4.6%	4.7%	6.1%	BLS
Women					
New Hampshire	3.5%	3.1%	3.3%	3.6%	BLS
United States	5.1%	4.6%	4.5%	5.4%	BLS
Teenagers (16-19)					
New Hampshire	13.1%	11.8%	12.6%	13.5%	BLS
United States	16.6%	15.4%	15.7%	18.7%	BLS

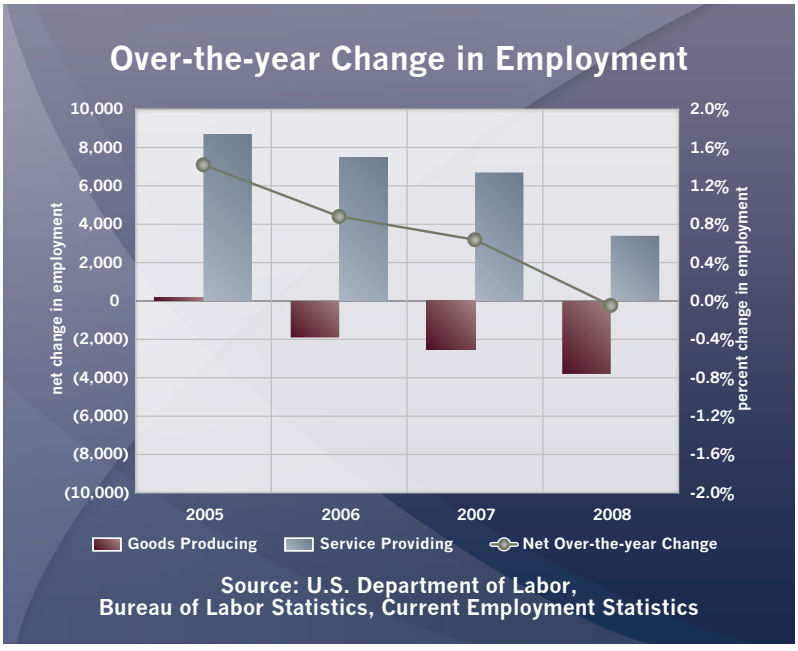
Work Stoppages	2005	2006	2007	2008	Source
Number of companies	0	0	0	0	USDOL
Employees involved	0	0	0	0	USDOL

Employment by Industry

Chapter 4

New Hampshire's economy avoided the recession until the end of 2008, when the number of nonfarm jobs declined sharply going into 2009. Because of the delay in New Hampshire's entry into the recession, the employment losses were minor from 2007 to 2008, as total nonfarm private employment lost an average of only 300 jobs. The start of 2009 was a different story, however, as January saw the loss of 14,510 nonfarm jobs from the previous month. Unemployment estimates for the month of January reflected this job loss, with an over-the-month increase from 4.3 percent to 5.7 percent. During the first ten months of 2009, the state lost an average of 13,900 jobs from the 2008 level. The good news is that the job losses appear to have slowed and there have been some modest gains in employment in August, September and October 2009.

Over the last four years, Goods producing industries have shown a steady decline in employment, losing 8,200 jobs from 2005 to 2008. This trend accelerated in 2009 with a loss of 10,920 during the first ten months of the year. Conversely, Service providing industries enjoyed steady increases between 2005 and 2008, with the addition of 17,608 jobs. Thus far in 2009, this domain has added an average of nearly 3,000 jobs.



Goods producing industries include the industries of *Mining and logging*, *Construction*, and *Manufacturing*. Employment in *Mining and logging* remained steady, while *Construction* began to fall in 2007, shedding 2,000 jobs, and then another 1,600 in 2008. *Construction* employment reached a low of 20,065 jobs in February of 2009, but is showing signs of recovery, benefiting in part from economic stimulus funds, climbing back up to a level of 22,523 jobs in October of 2009. The *Manufacturing* industry, however, has been steadily declining over the years, with the job losses being shared by both Durable and Non-durable goods producing industries. From 2005 to 2008, *Manufacturing* employment declined by 4,600, and dropped another 6,810 jobs during the first ten months of 2009. While the job losses in this industry from the recession were heavy, exacerbating a trend that began in the state back in the 1980's, the losses were not as deep as they might have been. Many *Manufacturing* firms, rather than permanently cutting jobs, utilized unpaid furlough weeks, sometimes as many as four consecutive, as a cost-cutting measure. This action enabled them to cut payroll costs on a temporary basis, while waiting for product orders for their goods to pick up.

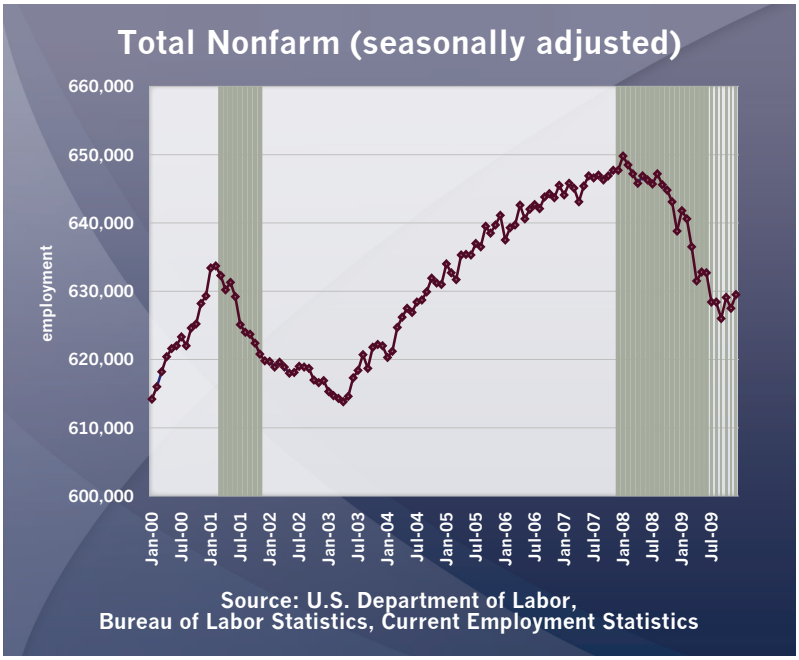
Since 2005, employment in Service providing industries has grown steadily. Employment in this domain stood at 525,700 in 2005 and has grown to the current level of 543,300, an increase of 17,600 over four years. Most of this growth was in *Educational and health services*, up 7,500 jobs

since 2005, and adding another 1,540 through October 2009. The *Health care and social assistance* sector claimed the majority of the increase, with an additional 6,900 jobs over the four-year span. This sector has increased by an average of 1,240 jobs during the first ten months of 2009.

The largest industry by employment within the Service providing domain is in *Trade, transportation, and utilities*. Employment within these sectors has remained fairly flat over the period from 2005 to 2008, losing 200 jobs in 2007, and another 1,300 in 2008. So far in 2009, this group has lost an average of 900 jobs. *Wholesale trade* accounts for most of the drop, with a loss of 700 jobs. Employment in *Retail trade* began rebounding during the first ten months of 2009, gaining 480 jobs over the 2008 level. This industry gained 500 jobs from 2005 to 2006, then lost 900 between 2006 and 2008.

Employment in *Government* had been rising during the period from 2005 to 2008, but during the first ten months of 2009 has contracted somewhat, dropping 440 jobs.

Comparing New Hampshire's jobs picture to that of the New England region and the nation as a whole, the state is following the same basic trends, with a few exceptions. *Natural resources and mining* in New Hampshire remained flat, while New England employment in this industry declined by roughly five percent between 2006 and 2008. Nationally, employment had increased each year between 2005 and 2008 at a rate of between five and nine percent. Employment in *Information services* increased in New Hampshire by almost a full percent between 2007 and 2008, while this industry lost jobs in the region and the nation during the same time frame. *Professional and business services* employment in the state rose by nearly two percent between 2007 and 2008, a smaller gain than this industry had experienced between 2005 and 2007, with job gains during that time of between three and six percent. New England employment increased by only one-half of one percent, while the U.S. lost nearly one percent of its employment in this industry. *Leisure and hospitality* firms in New Hampshire shed three-tenths of one percent of their jobs between 2007 to 2008, following modest gains in the two prior years. The region and the nation both saw small increases in this industry over the four-year period from 2005 to 2008.



What lies ahead for New Hampshire in terms of job growth? Is the recession coming to an end, and is the state on the road to recovery? No one can say for sure. We can only watch for positive signs such as the lessening of the heavy job losses that we have seen in the *Construction* sector, as well as the recent modest gains that are starting to be visible across several industries.

Employment by Industry

Annual Employment Averages	2005	2006	2007	2008	Source
TOTAL NONFARM	636,300	641,900	646,000	645,700	NHES
TOTAL PRIVATE	544,900	549,800	552,700	550,900	NHES
Goods Producing	110,600	108,700	106,200	102,400	NHES
Mining & Logging	1,000	1,100	1,100	1,100	NHES
Construction	29,400	29,400	27,400	25,800	NHES
Manufacturing	80,200	78,300	77,600	75,600	NHES
Durable Goods	61,000	59,600	59,300	57,600	NHES
Primary Metal Manufacturing	3,300	3,200	3,100	3,100	NHES
Computer & Electronic Product	19,100	18,400	18,300	17,400	NHES
Electrical Equipment, Appliance, & Component	4,500	4,800	4,900	4,800	NHES
Nondurable Goods	19,100	18,700	18,300	18,000	NHES
Service Providing	525,700	533,200	539,900	543,300	NHES
Trade, Transportation, & Utilities	140,600	141,600	141,400	140,100	NHES
Wholesale Trade	27,500	28,000	28,300	28,000	NHES
Retail Trade	97,500	98,000	97,700	97,100	NHES
Food & Beverage Stores	19,400	20,000	20,400	21,200	NHES
Transportation and Utilities	15,600	15,600	15,400	15,000	NHES
Information	12,700	12,500	12,400	12,500	NHES
Financial Activities	39,400	39,400	38,400	38,000	NHES
Professional & Business Services	59,200	61,800	65,500	66,600	NHES
Educational & Health Services	97,800	100,300	102,900	105,300	NHES
Educational Services	22,500	22,600	23,000	23,200	NHES
Health Care & Social Assistance	75,300	77,600	79,900	82,200	NHES
Hospitals	25,000	26,100	26,800	27,700	NHES
Leisure & Hospitality	63,300	63,900	64,000	63,800	NHES
Accommodation & Food Services	52,400	52,900	53,100	53,000	NHES
Food Services & Drinking Places	43,100	43,800	43,900	43,700	NHES
Other Services	21,300	21,500	22,000	22,100	NHES
Total Government	91,400	92,200	93,300	94,800	NHES

Annual Employment Percent Changes	2005	2006	2007	2008	Source
TOTAL NONFARM					
New Hampshire	1.4%	0.9%	0.6%	-0.05%	NHES
New England	0.6%	0.9%	0.9%	-0.1%	NHES/BLS
United States	1.7%	1.8%	1.1%	-0.4%	NHES/BLS
Private					
New Hampshire	1.4%	0.9%	0.5%	-0.3%	NHES
New England	0.6%	1.0%	0.9%	-0.3%	NHES/BLS
United States	1.9%	2.0%	1.1%	-0.7%	NHES/BLS
Government					
New Hampshire	1.3%	0.9%	1.2%	1.6%	NHES
New England	0.6%	0.7%	0.8%	0.8%	NHES/BLS
United States	0.8%	0.8%	1.1%	1.3%	NHES/BLS

Annual Employment Percent Changes	2005	2006	2007	2008	Source
Goods Producing					
New Hampshire	0.2%	-1.7%	-2.3%	-3.6%	NHES
New England	-1.0%	-0.8%	-1.6%	-3.4%	NHES/BLS
United States	1.4%	1.5%	-1.3%	-3.7%	NHES/BLS
Mining & Lodging					
New Hampshire	0.0%	10.0%	0.0%	0.0%	NHES
New England	2.7%	1.3%	-5.3%	-5.6%	NHES/BLS
United States	6.3%	8.9%	5.8%	6.9%	NHES/BLS
Construction					
New Hampshire	0.0%	0.0%	-6.8%	-5.8%	NHES
New England	0.7%	1.6%	-1.8%	-5.1%	NHES/BLS
United States	5.2%	4.8%	-0.8%	-5.4%	NHES/BLS
Manufacturing					
New Hampshire	0.1%	-2.4%	-0.9%	-2.6%	NHES
New England	-1.8%	-1.8%	-1.5%	-2.6%	NHES/BLS
United States	-0.6%	-0.5%	-1.9%	-3.2%	NHES/BLS
Durable goods					
New Hampshire	0.8%	-2.3%	-0.5%	-2.9%	NHES
New England	-1.8%	-1.1%	-1.0%	-2.1%	NHES/BLS
United States	0.3%	0.3%	-1.9%	-3.8%	NHES/BLS
Nondurable goods					
New Hampshire	-2.6%	-2.1%	-2.1%	-1.6%	NHES
New England	-2.3%	-2.8%	-2.6%	-3.7%	NHES/BLS
United States	-2.2%	-1.8%	-2.0%	-2.3%	NHES/BLS

Employment by Industry

Annual Employment Percent Changes	2005	2006	2007	2008	Source
Service Providing					
New Hampshire	1.7%	1.4%	1.3%	0.6%	NHES
New England	0.9%	1.3%	1.3%	0.4%	NHES/BLS
United States	1.8%	1.8%	1.6%	0.2%	NHES/BLS
Trade, Transportation, & Utilities					
New Hampshire	0.7%	0.7%	-0.1%	-0.9%	NHES
New England	0.1%	0.2%	0.1%	-0.8%	NHES/BLS
United States	1.7%	1.2%	1.3%	-0.9%	NHES/BLS
Wholesale trade					
New Hampshire	1.1%	1.8%	1.1%	-1.1%	NHES
New England	0.5%	2.0%	0.6%	-0.5%	NHES/BLS
United States	1.8%	2.4%	1.9%	-0.9%	NHES/BLS
Retail trade					
New Hampshire	0.5%	0.5%	-0.3%	-0.6%	NHES
New England	-0.1%	-0.5%	-0.3%	-1.0%	NHES/BLS
United States	1.5%	0.5%	1.1%	-1.1%	NHES/BLS
Transportation and Utilities					
New Hampshire	1.3%	0.0%	-1.3%	-2.6%	NHES
New England	0.6%	0.6%	1.0%	-0.5%	NHES/BLS
United States	2.1%	2.1%	1.5%	-0.6%	NHES/BLS
Information					
New Hampshire	0.8%	-1.6%	-0.8%	0.8%	NHES
New England	-0.9%	-0.2%	0.9%	-0.4%	NHES/BLS
United States	-1.8%	-0.8%	-0.2%	-1.2%	NHES/BLS
Financial Activities					
New Hampshire	5.3%	0.0%	-2.5%	-1.0%	NHES
New England	1.0%	1.0%	-0.2%	-1.8%	NHES/BLS
United States	1.5%	2.1%	-0.3%	-1.9%	NHES/BLS
Professional & Business Services					
New Hampshire	3.3%	4.4%	6.0%	1.7%	NHES
New England	2.1%	2.5%	2.1%	0.5%	NHES/BLS
United States	3.4%	3.6%	2.1%	-0.9%	NHES/BLS
Educational & Health Services					
New Hampshire	2.9%	2.6%	2.6%	2.3%	NHES
New England	1.7%	2.4%	2.9%	2.3%	NHES/BLS
United States	2.5%	2.6%	2.8%	2.9%	NHES/BLS
Leisure & Hospitality					
New Hampshire	-0.8%	0.9%	0.2%	-0.3%	NHES
New England	0.6%	1.4%	1.6%	0.5%	NHES/BLS
United States	2.6%	2.3%	2.4%	0.2%	NHES/BLS
Other Services					
New Hampshire	0.9%	0.9%	2.3%	0.5%	NHES
New England	0.5%	0.6%	1.1%	-0.5%	NHES/BLS
United States	-0.3%	0.8%	1.0%	0.6%	NHES/BLS

Occupational Trends

Chapter 5

The latest version of long-term projections for 2006 to 2016 estimated an employment increase of 13.9 percent, an average annual growth rate of 1.3 percent, with most occupations increasing their number of workers. These projections were based on 2006 employment data and thus do not reflect the latest labor market conditions.

In the wake of the current economy, it is reasonable to question the long-term trend and ask why the projections were so optimistic compared to the latest numbers. It is also fair to ask if employment levels projected for 2016 can still be reached given the recent employment decline.

The answer is that the current long-term projections are still the best available picture of occupational trends. Projections are made for only one year, in this case 2016, with no attempt to anticipate the peaks and troughs of employment for years in between. New Hampshire, along with other states, follows a methodology developed by a consortium of states in cooperation with the Employment and Training Administration and the U.S. Bureau of Labor Statistics. Analysis of industries and occupations is based on structural changes in the economy instead of short-term fluctuations.[1]

Long-term projections use variables such as population, labor force, productivity, and output growth that correspond to long-term trends, while short-term projections explicitly account for the effects of the business cycle on industry and occupational employment. The latest version of short-term projections, for 2009 first quarter to 2011 first quarter, was prepared in an attempt to get a look at the effects of the recession. These projections show a flat short-term trend with many occupations declining in employment.

The national recession that began in December 2007 has taken a toll on employment in many occupations. Overall, employment is expected to decline from 669,689 in the first quarter of 2009 to 668,785 in the first quarter of 2011, an estimated reduction of less than a thousand jobs.

Most states follow a similar methodology to create projections. Occupational projections begin with a projection of employment for each industry in the state. Time series for each industry are compiled at the three-digit level of the North American Industry Classification System (NAICS) from data collected through the Quarterly Census of Employment and Wages (QCEW) program. Additional data from the Current Employment Statistics (CES) program, the U.S. Census Bureau, and the U.S. Department of Agriculture are used to fill in the gaps where QCEW data does not cover certain workers.

Source: South Dakota Department of Labor, Labor Market Information Center.

Employment includes private plus government, presumed non-covered and self-employed and unpaid family workers. Employment totals used in projections are not comparable to employment totals for Current Employment Statistics (CES) or Local Area Unemployment Statistics (LAUS) because those programs use different methodologies to define employment.

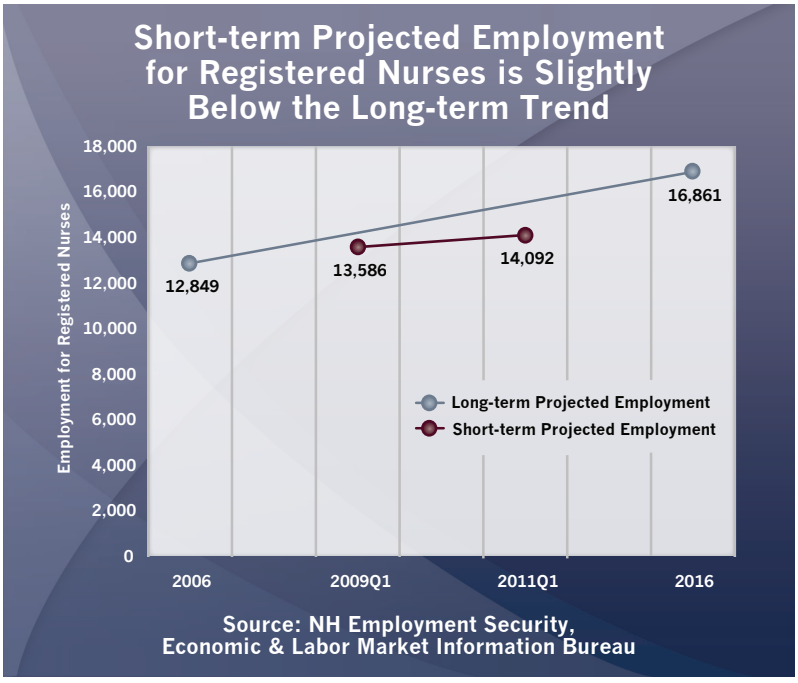
In the latest version of short-term projections, employment declines in major occupational groups are expected to be the largest in the following

1. Employment Projections Frequently Asked Questions. U.S. Department of Labor, Bureau of Labor Statistics. Accessed December 11, 2009. <www.bls.gov/emp/ep_faq_001.htm#1>.

groups. Production occupations are expected to shrink by 2,173 jobs, Construction and extraction occupations are estimated to drop 1,358 jobs, and Office and administrative support occupations are expected to lose 1,050 jobs. On the positive side, Healthcare practitioners and technical occupations are expected to add 1,092 jobs and Food preparation and serving related occupations are expected to increase by 1,197 jobs.

An example of the difference between long- and short-term projections can be seen in the graph for Registered nurses. The short-term projection for Registered nurses is trending slightly below the long-term projection, with an average annual growth rate of 1.8 percent in the short-term compared to an average rate of 2.8 percent in the long-term. One explanation for the change in the short-term trend is that the recession has reached into healthcare, temporarily slowing employment growth.

The trend is expected to rebound in the long-term. As the population in the state gets older—and needs more medical care—demand for nurses should accelerate and employment come back to the long-term projected number. This is an example of how demographic trends drive the long-term projections.[2]



Occupational Trends Across the Nation

Projected occupational employment trends for a ten-year period can vary significantly from state to state. Although most states use a similar methodology and are subject to the same national and global trends, there can be big differences among states for the expected employment growth for a particular occupation.

National trends in employment for an industry are a major factor, as are expected changes in population, income, and demographics. Analysts have a wide variety of forecasting tools to use in preparing their industry forecasts. These industry forecasts are then used in conjunction with national expectations of occupational changes over the upcoming ten years.

New Hampshire, with a projected 14 percent increase, led the New England states' forecasts and Maine was last in the nation with a projected five percent increase. The national recession has caused states to review their long-term projections.

In the long-term projections, New Hampshire employment of Registered nurses is expected to grow by 31 percent, better than the national

2. "Registered Nurses." Occupational Outlook Handbook. U.S. Bureau of Labor Statistics. Accessed March 15, 2010. <www.bls.gov/oco>.

New Hampshire Short-term Occupational Projections, 1st Quarter 2009 - 1st Quarter 2011

SOC Code	Occupation	1st Quarter 2009 Employment	1st Quarter 2011 Projected	Change	Annual Growth Rate
	Total, All Occupations	**669,689**	**668,785**	**-904**	**-0.1%**
11-0000	Management Occupations	49,814	49,302	-512	-0.5%
13-0000	Business and Financial Operations Occupations	30,530	30,705	175	0.3%
15-0000	Computer and Mathematical Occupations	17,811	18,153	342	1.0%
17-0000	Architecture and Engineering Occupations	11,740	11,618	-122	-0.5%
19-0000	Life, Physical, and Social Science Occupations	4,745	4,783	38	0.4%
21-0000	Community and Social Services Occupations	9,068	9,385	317	1.7%
23-0000	Legal Occupations	3,780	3,751	-29	-0.4%
25-0000	Education, Training, and Library Occupations	48,042	48,750	708	0.7%
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	8,344	8,264	-80	-0.5%
29-0000	Healthcare Practitioners and Technical Occupations	36,586	37,678	1,092	1.5%
31-0000	Healthcare Support Occupations	18,910	19,614	704	1.8%
33-0000	Protective Service Occupations	11,068	11,383	315	1.4%
35-0000	Food Preparation and Serving Related Occupations	51,278	52,475	1,197	1.2%
37-0000	Building and Grounds Cleaning and Maintenance Occupations	22,499	22,842	343	0.8%
39-0000	Personal Care and Service Occupations	22,460	23,148	688	1.5%
41-0000	Sales and Related Occupations	86,990	86,430	-560	-0.3%
43-0000	Office and Administrative Support Occupations	107,139	106,089	-1,050	-0.5%
45-0000	Farming, Fishing, and Forestry Occupations	1,511	1,515	4	0.1%
47-0000	Construction and Extraction Occupations	23,517	22,159	-1,358	-2.9%
49-0000	Installation, Maintenance, and Repair Occupations	24,360	23,921	-439	-0.9%
51-0000	Production Occupations	46,796	44,623	-2,173	-2.3%
53-0000	Transportation and Material Moving Occupations	32,701	32,197	-504	-0.8%

projection of 24 percent. Other New England states anticipate growth rates close to the national projection. The state also expects employment of Physical therapists to grow faster than national trends over the ten years.

In a different field, Network systems and data communications analysts may want to look further at Utah and Arkansas, where employment is expected to increase by 75 percent for that occupation. New Hampshire also expects much better than average

State Total Ads, Seasonally Adjusted (thousands)

				over year	Oct-09 to Nov-09	
	Sep-09	Oct-09	Nov-09	Percent Change	Percent Change	Number Change
New Hampshire	17.5	18.1	23.7	-26.2%	-3.3%	-0.6
Massachusetts	118.3	102.4	132.5	-10.7%	15.5%	15.9
Maine	16.2	17.2	20.5	-21.0%	-5.8%	-1.0
Vermont	9.6	10.0	12.9	-25.6%	-4.0%	-0.4
Connecticut	53.1	51.1	70.1	-24.3%	3.9%	2.0
Rhode Island	15.2	16.1	18.4	-17.4%	-5.6%	-0.9
United States	3,386.3	3,279.8	4,347.5	-22.1%	3.2%	106.5

Source: The Conference Board, Help Wanted OnLine Data Series, www.conference-board.org/economics/helpwantedonline.cfm

growth for that occupation, with a projected 53 percent increase.

Online Listings

Today, a job seeker is more likely to search job listings on the Internet than the tried and true method of looking at want ads in the local newspapers. Online ads appear on major Internet job boards with a national audience and on smaller job boards specific to an area or occupational niche. In the past, researchers would track the number of ads appearing in newspapers to get an idea of occupational demand. The same analytical concept has been applied to ads appearing online.

The Conference Board, an independent business membership and research organization, tracks the number of online postings each month for the U.S. and its regions for occupations and publishes the results on its web site. This Help Wanted Online Data Series has replaced their Help Wanted Index, which was discontinued in 2008.[3]

One way to tell where the economy is going is to look at the number of ads appearing online for employment and see if the number is increasing or decreasing over a period of time. In this respect, the number of ads can be considered a leading indicator.

In November 2009, the number of online New Hampshire advertisements declined by 600 postings over the previous month. The number of postings in the state was down by 26.2 percent over the same month in 2008, more than the national decline of 22.1 percent.[4]

More advertisements appeared for Registered nurses than any other occupation in November 2009, but the number was down 52.7 percent from the same period in 2008. Ads for Physical therapists and Occupational therapists also declined, indicating that the rate of growth in health care occupations may be slowing in the current recession. Computer-related

3. Help Wanted OnLine Data Series. December 2, 2009. The Conference Board. Accessed December 10, 2009. <www.conference-board.org/economics/helpwantedonline.cfm>.

4. Ibid.

Labor Demand, Top 25 Occupations advertised online
New Hampshire, October 14 - November 13, 2009

Occupation	SOC Code	Number of Unique Ads	Year to year % change
Registered Nurses	29-1111	1,104	-52.7%
Physical Therapists	29-1123	767	-29.2%
Retail Salespersons	**41-2031**	**619**	**59.9%**
Occupational Therapists	29-1122	478	-13.4%
First-Line Supervisors/Managers of Retail Sales Workers	41-1011	422	-13.3%
Speech-Language Pathologists	29-1127	358	-3.2%
Customer Service Representatives	43-4051	321	-38.6%
Medical and Health Services Managers	11-9111	274	-11.3%
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	**41-4012**	**273**	**24.1%**
Computer Support Specialists	15-1041	243	-19.5%
Executive Secretaries and Administrative Assistants	43-6011	223	-24.4%
Physical Therapist Assistants	31-2021	218	-12.1%
Computer Software Engineers, Applications	15-1031	215	-53.9%
Computer Systems Analysts	15-1051	210	-34.2%

Source: The Conference Board, Help Wanted OnLine Data Series

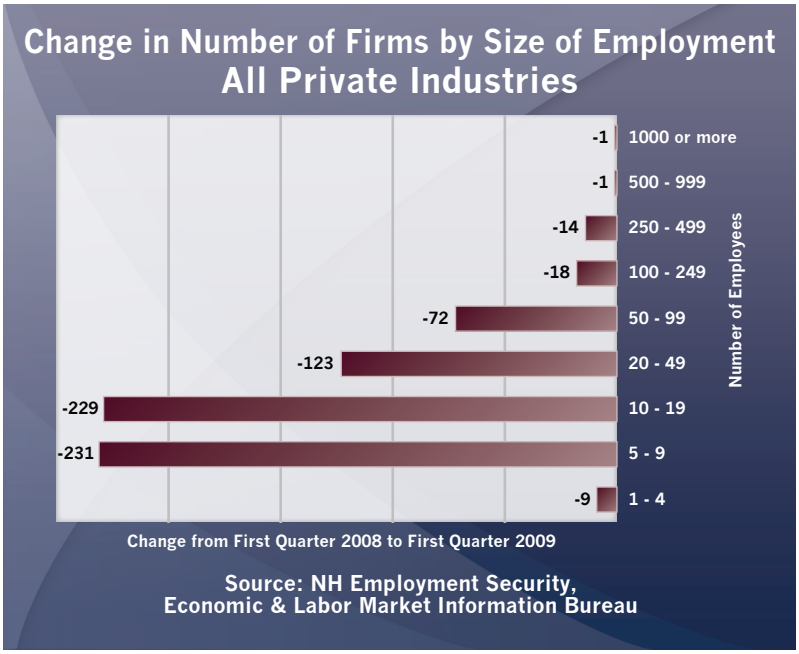
occupations also had fewer ads in November 2009 than November 2008.[5]

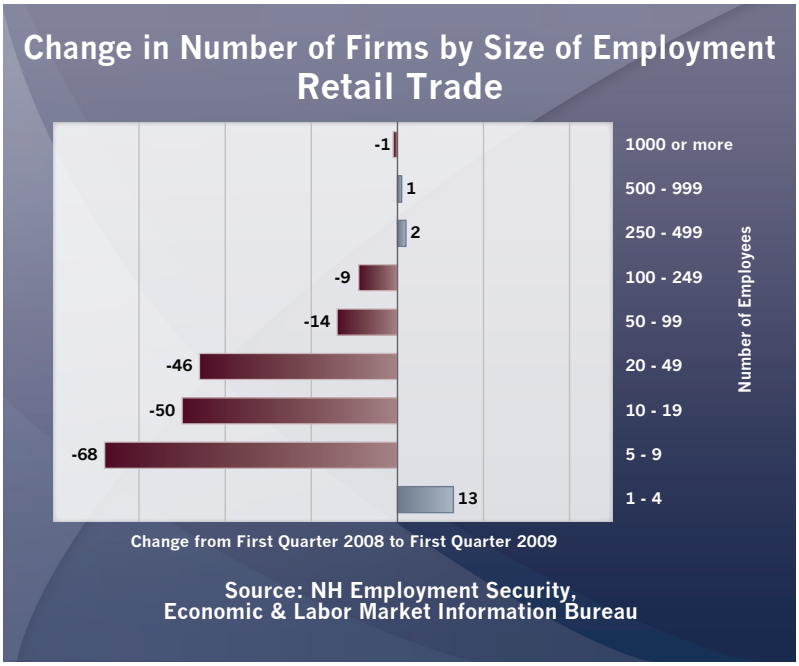
On the other hand, the number of ads for Retail salespersons increased by 59.9 percent from November 2008 to November 2009 and ads for Sales representatives for wholesale and manufacturing, except technical and scientific products increased by 24.1 percent. These numbers are encouraging, but must be taken in context; hiring was very slow in 2008 in anticipation of a poor holiday season.

5. Shelp, June (<June.Shelp@conference-board.org>). The Conference Board. "Labor Demand, Top 25 Occupations Advertised Online, New Hampshire, October 14 – November 13, 2009." E-mail sent on Thursday, December 10 at 6:06 EST.

Chapter 6

The recent recession has distressed private enterprise across the nation. Based on private covered employment data and firms sorted by employment size, New Hampshire had 698 fewer firms with employment during the month of March in 2009 than in 2008.[1] The total number of firms with employment in March 2009 was 34,367.





In 2009, over 57 percent of New Hampshire firms had less than five workers and another 18 percent had between five and nine workers. That represents 76 percent of firms.

Firms by Size

No firm size was immune to the effects of the economic downturn as every firm size group experienced a negative change over the year.

The most significant decreases were among companies in the smaller size groups. Comparing 2009 to 2008, there were 231 fewer firms with five to nine employees and 229 fewer firms with 10 to 19 employees. Firms with 20 to 49 employees had the next largest decrease with 123 fewer firms in March 2009 compared to March 2008. There were 72 fewer firms with 50 to 99 employees first quarter 2009.

Among the three largest employing industries, only *Health care* had a positive net change in the number of firms over the year.[2] *Retail trade* accounted for 3,906 firms, *Health care and social assistance* had 2,689 firms, and *Manufacturing* with 1,932 firms in March 2009.

In *Retail trade* some firms shifted among the size groups. In some cases, the loss of a firm in a specific size group was from reductions in staff that reduced the firm's employment to the next smaller size group. Overall, *Retail trade* had a net decrease of 172 firms from 2008 to 2009. Similar

1. *A snapshot in time, of New Hampshire's employment and the number of firms in first quarter are used as a gauge to measure firms by size. Comparisons are based only on firms that have employment during the month of March for this analysis.*
2. *There is not enough detail available to determine if the change in the number of firms in an employment size group is the result of a firm totally closing, or layoffs that would have made the employment count fall into a lower employment group, or increases in employment that would have moved the firm to a larger firm size group.*

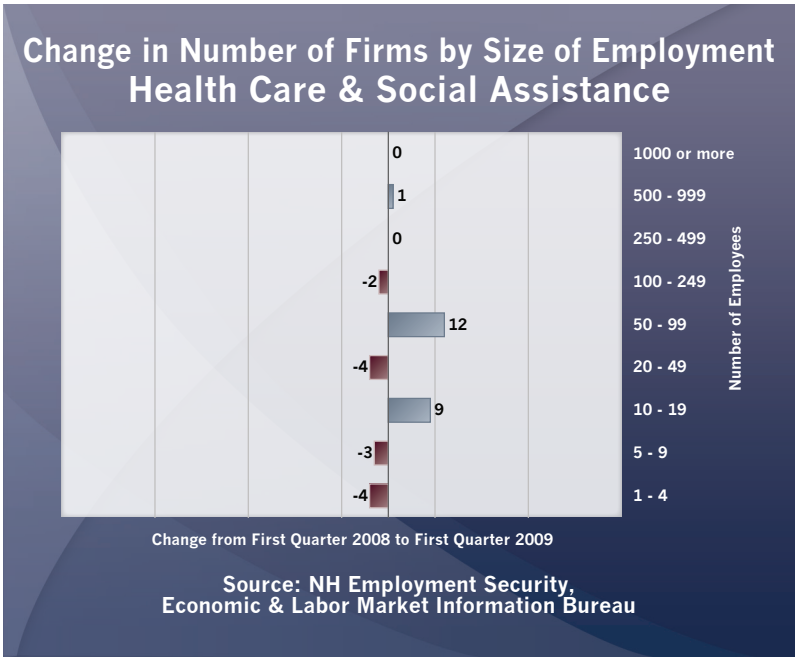
to total private employment, the reductions mostly affected firms with fewer than 250 employees. It is unclear if the increase in the smallest firm size, less than five employees, was a result of new small firms opening, or reductions among firms that had larger employment bases in 2008.

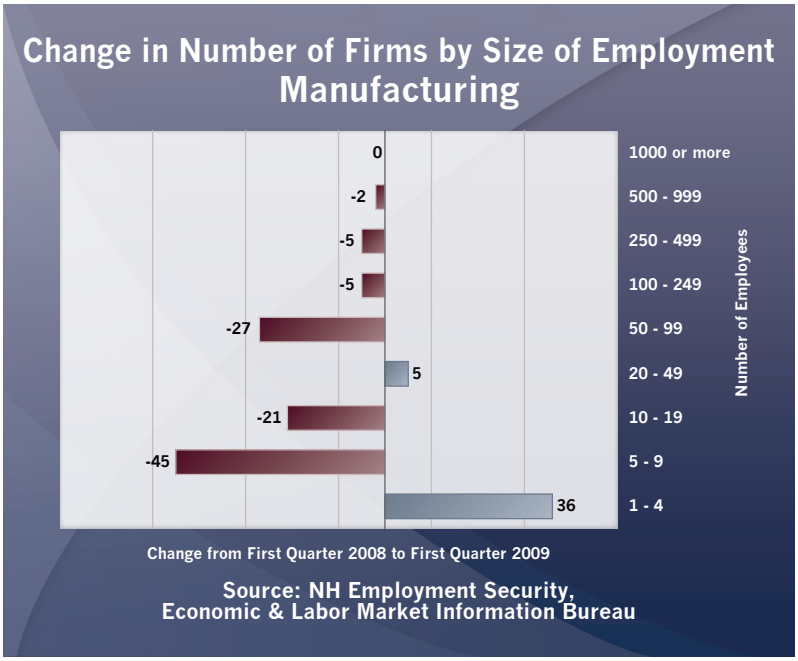
Health care and social assistance was one of the few industry sectors that experienced a net increase in number of firms, with nine more firms in 2009 than in 2008. Counts of firms with 50 to 99 employees and firms with 10 to 19 employees both increased from March 2008 to March 2009.

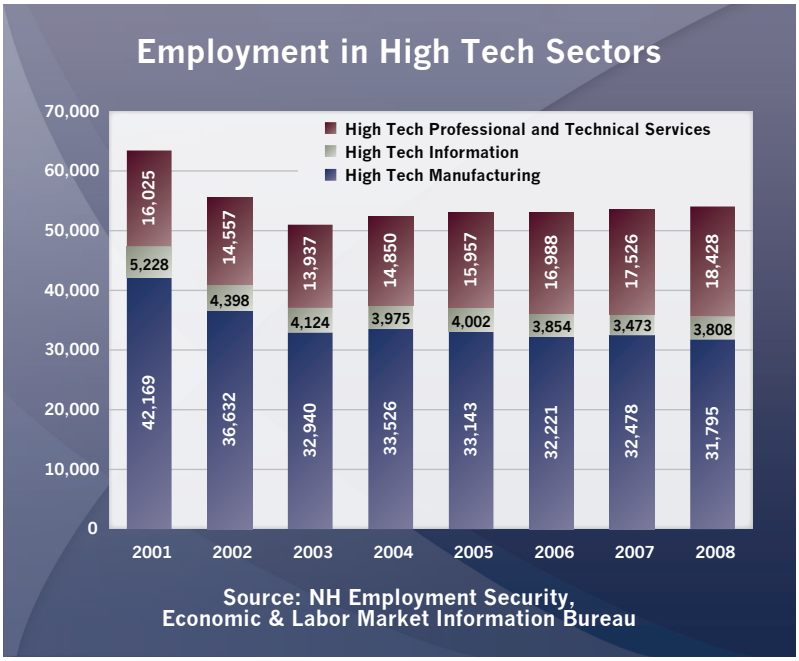
Manufacturing had 64 fewer firms with employment in March 2009 compared to March 2008. There was no change in the number of firms in the largest size group, those with 1,000 or more workers. Only two firm size groups experienced an increase in the number of firms, firms with 20 to 49 workers and the smallest firm size of one to four workers. As with *Retail trade*, it is not clear if the increases in those size groups were the result of reductions in larger firm sizes or new firms opening.

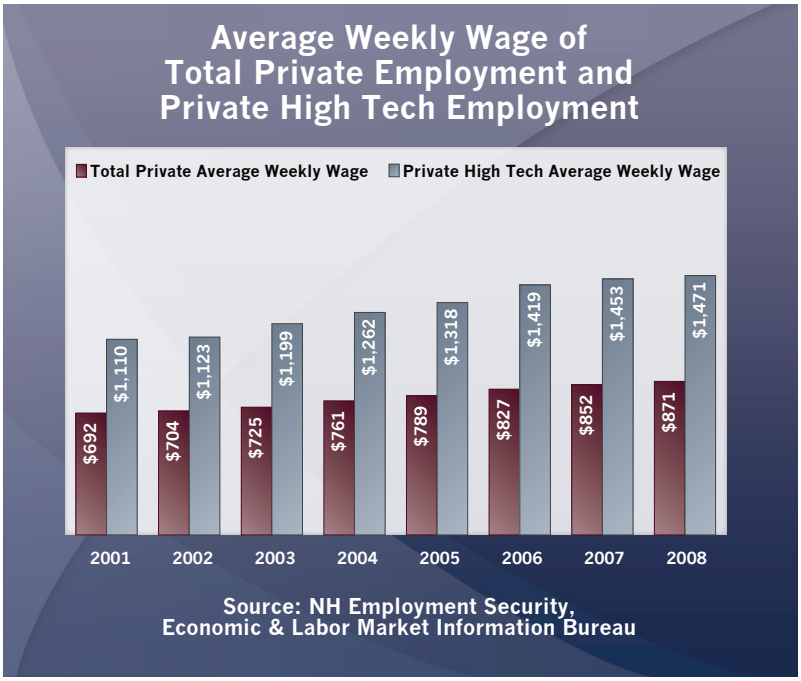
High Tech Employment

Because high tech fields generally include higher paying occupations, there is a vested interest in following the level of high tech employment in the state. The Office of Technology Policy established which industries of the North American Industry Classification System (NAICS) would be included as high tech. These industries cover not only some *Manufacturing* employment but also select employment from the *Information* sector and some *Professional and technical services* workers.









In 2008, high tech workers accounted for 10 percent of private employment in New Hampshire, down slightly from 11.9 percent in 2001. High tech employment[3] totaled more than 54,000 in 2008, up from 51,000 workers in 2003. The average weekly wage of $1,471 for high tech workers was well above the state average weekly wage of $870 for all private employment (2008).

Overall *Manufacturing* employment is shrinking, but *Manufacturing* plays an important roll in New Hampshire's high tech employment. *Manufacturing* has historically accounted for the majority of high tech employment.[4] In 2001, *Manufacturing* accounted for two of every three high tech workers. By 2008, the ratio of high tech employment from *Manufacturing* had fallen to less than three of every five high tech workers. While that share is smaller, it represents a majority share of high tech employment in the state.

Professional and technical services, the industry sector that includes most research and development companies that are considered high tech, made up about a quarter of high tech employment in 2001. By 2008, that had grown to over a third of private high tech employment.

The *Information* sector is responsible for the remaining share of high tech employment in the state. This share has varied only slightly since 2001, ranging between seven and eight percent each year from 2001 through 2008.

3. High-Tech industry defined by Office of Technology Policy, Department of Commerce. Accessed November 30, 2009. <www.nh.gov/nhes/elmi/pdfzip/econstat/covempwag/HighTech/High%20Tech-Office%20of%20Technology.pdf>.
4. *Detailed industry information to separate specific high tech industries is not available prior to 2001 when the conversion from Standard Industry Classification (SIC) to the North American Industry Classification System(NAICS) took place.*

High Tech by NAICS	2005	2006	2007	2008	Source
Average annual employment	53,102	53,063	53,477	54,031	NHES
Average annual number of employing units	3,743	3,852	3,865	4,065	NHES
Total wages (millions of dollars)	$3,640.2	$3,914.6	$4,039.4	$4,133.8	NHES
Average weekly wages	$1,318.27	$1,418.70	$1,452.61	$1,471.32	NHES

New Firms	2005	2006	2007	2008	Source
New incorporations in New Hampshire	1,285	1,507	1,264	n/a	SOS
Out-of-state incorporations new to New Hampshire	1,329	1,706	1,713	n/a	SOS
New Limited Liability companies (LLC) in the state	7,261	8,118	7,746	n/a	SOS
Out-of-State LLCs new to the state	636	883	982	n/a	SOS

Percent of Establishments with 100+ Workers (Ranked from highest among 50 states and D.C.)	2005	2006	2007	2008	Source
New Hampshire	2.3%	2.2%	2.2%	n/a	CB/NHES
United States rank	37	33	30	n/a	CB/NHES
Connecticut	2.6%	2.5%	2.5%	n/a	CB/NHES
United States rank	26	18	13	n/a	CB/NHES
Maine	1.7%	1.7%	1.6%	n/a	CB/NHES
United States rank	41	46	46	n/a	CB/NHES
Massachusetts	2.8%	2.7%	2.7%	n/a	CB/NHES
United States rank	13	9	6	n/a	CB/NHES
Rhode Island	2.3%	2.2%	2.1%	n/a	CB/NHES
United States rank	42	34	34	n/a	CB/NHES
Vermont	1.6%	1.6%	1.5%	n/a	CB/NHES
United States rank	47	48	47	n/a	CB/NHES

High Tech Wages

Since 2001, the average weekly wage for high tech workers has been about two thirds higher than that for the average private worker. *Manufacturing* supplies the majority of workers, and in 2001 high tech *Manufacturing* workers had an average weekly wage of $1,020 compared to $860 for all *Manufacturing* employees. By 2008, average weekly wages increased to $1,127 for all *Manufacturing* workers and $1,330 for high tech *Manufacturing* workers.

Professional and technical services workers generally have a higher average weekly wage than the average for all industries primarily because of the specialized training required for employment in this sector. Workers in the high tech portion of the sector had a higher wage than all employees in the sector during 2008, averaging $1,593 compared to $1,413.

The *Information* sector accounts for the smallest share of employment among high tech workers, however they have the highest average weekly wage. The industry average weekly wage in 2008 was $1,373 compared to $2,066 of the high tech *Information* portion.

Firms by Size [a]	2005	2006	2007	2008	Source
Total Number of Firms with employment	34,478	35,066	35,294	35,065	NHES
1 - 4 employees	19,348	19,839	20,154	20,169	NHES
5 - 9 employees	6,614	6,544	6,637	6,438	NHES
10 - 19 employees	4,095	4,211	4,045	4,038	NHES
20 - 49 employees	2,775	2,801	2,790	2,779	NHES
50 - 99 employees	921	941	917	886	NHES
100 - 249 employees	500	492	511	509	NHES
250 - 499 employees	126	136	141	144	NHES
500 - 999 employees	67	66	64	67	NHES
1,000 & over employees	32	36	35	35	NHES
Net Annual Change in Number of Firms	1,017	588	315	-229	NHES
Net Annual Change in Number of Employees	4,834	9,721	1,615	566	NHES
1 - 4 employees	334	995	223	51	NHES
5 - 9 employees	2,640	-645	544	-1,492	NHES
10 - 19 employees	2,259	1,441	-2,138	-188	NHES
20 - 49 employees	5,858	1,138	-329	211	NHES
50 - 99 employees	4,201	2,183	-2,004	-2,245	NHES
100 - 249 employees	-945	-1,647	2,517	991	NHES
250 - 499 employees	-5,035	2,536	2,780	836	NHES
500 - 999 employees	2,519	-1,470	35	629	NHES
1,000 & over employees	-6,997	5,190	-13	1,773	NHES
Percent of Total Employment (by size of firm)					
1 - 4 employees	7.3%	7.5%	7.4%	7.4%	NHES
5 - 9 employees	8.4%	8.3%	8.2%	8.0%	NHES
10 - 19 employees	10.7%	10.9%	10.3%	10.3%	NHES
20 - 49 employees	16.0%	16.2%	15.8%	15.8%	NHES
50 - 99 employees	12.1%	12.5%	11.9%	11.5%	NHES
100 - 249 employees	14.4%	14.1%	14.3%	14.5%	NHES
250 - 499 employees	8.5%	9.0%	9.3%	9.5%	NHES
500 - 999 employees	8.9%	8.6%	8.4%	8.5%	NHES
1,000 & over employees	13.6%	14.6%	14.3%	14.6%	NHES

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

New & Terminated Firms Covered by Unemployment Compensation	2005	2006	2007	2008	Source
New firms	5,786	5,881	5,677	5,648	NHES
Terminated firms	5,406	5,481	5,523	5,515	NHES

Transportation & Traffic

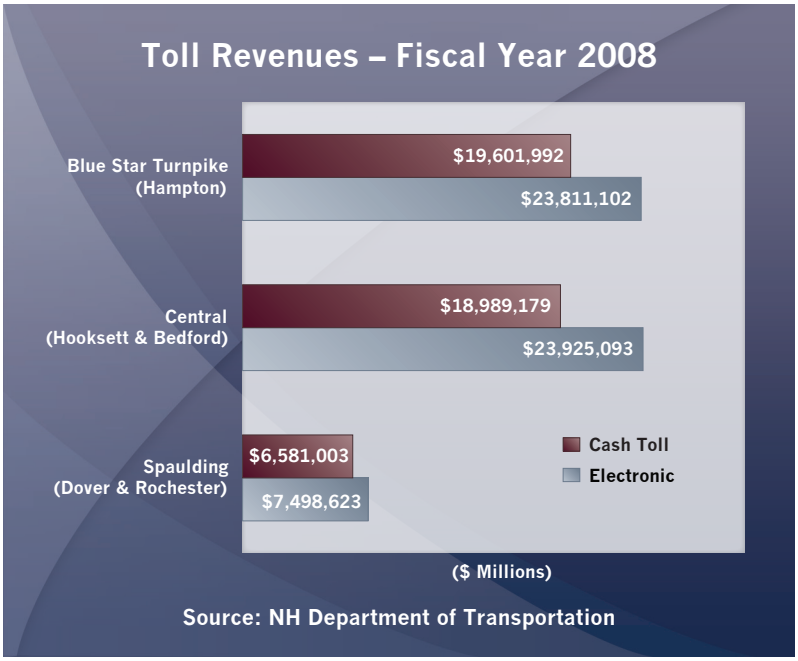
Chapter 7

According to the New Hampshire Department of Transportation, during the week of December 21, 2009, New Hampshire reached the milestone of obligating 100 percent of the $129.4 million it had received under the American Recovery and Reinvestment Act (ARRA) for road and bridge projects. This is more than two months ahead of the March 2, 2010 deadline for obligating the funds. These ARRA funds have been used to triple the number of highway miles paved in 2009 (750 miles), in addition to financing improvements to 78 bridges on the state-maintained system, and 35 municipal road and bridge projects. The New Hampshire Department of Transportation has also obligated 100 percent of the $4.62 million ARRA funds that are authorized for airport projects, and 93 percent of the $13.5 million in ARRA funds slated for transit improvement projects. ARRA funds have nearly doubled the New Hampshire Department of Transportation's annual federal funding for transportation infrastructure improvements.

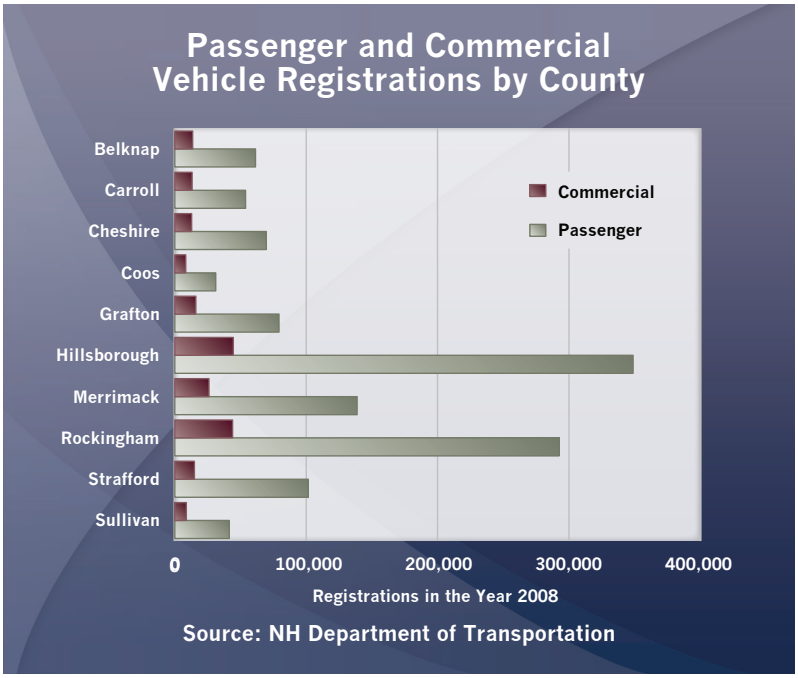
New Hampshire collected a total of $100.4 million in FY 2008 in cash tolls and E-Z pass receipts, an increase of $17.8 million over the FY 2007 amount. The largest share of toll collections came from the Hampton Toll Plaza, with $43.4 million, slightly above the Hooksett and Bedford tolls with $42.9 million in receipts. The Spaulding Turnpike tolls (Dover and Rochester) took in $14.1 million.[1] While these toll revenues are higher than those reported in FY 2007 (due to the increase in the price of the tolls), the number of vehicles using New Hampshire's major highways was down from 2007. The number of vehicles crossing the border between Massachusetts and New Hampshire was down 5.6 percent from the 2007 level, dropping from 72,220,000 to 68,202,000. Rural traffic counters also registered a decrease in 2008, dropping 3.5 percent. Not surprisingly, the annual number of vehicle miles driven fell from 17.3 million in 2007 to 16.7 million in 2008, and motor fuel consumption dropped by 3.0 percent during the same period.

As of November 16, 2009 the average price for a gallon of gasoline in New England was $2.68. While this is nowhere near the all time high of $4.14 a gallon recorded during the week ending July 7, 2008, it is still higher than the $1.65 per gallon price of almost a year earlier.[2] Gasoline prices have been steadily on the rise since that time.

The total number of registered vehicles in New Hampshire dropped by three-tenths of one percent from 2007 to



1. "Financial Management-Fiscal Year 2008 Revenue." Department of Transportation Annual Report, 2008. December 31, 2008. New Hampshire Department of Transportation. Accessed November 24, 2009. <www.nh.gov/dot/media/publications.htm>.
2. New England Weekly Retail. Energy Information Administration. Accessed November 24, 2009. <www.eia.doe.gov/oil gas/petroleum/data publications/wrgp/mogas history.html>.



2008, while the number of driver licenses on issue rose by a modest two-tenths of one percent. As a sign of the current economic times, the number of boat registrations on file dropped by five percent. Data from the Manchester-Boston Regional Airport indicated fewer passengers, enplanements, and deplanements from the 2007 level; with all three showing an average decrease of 4.4 percent. Air cargo activity at the airport was down nearly 8.0 percent from 2007.

Airline Travel

A study conducted in August 2009 by the global consulting group Jacobs Consultancy, estimated that Manchester-Boston Regional Airport had a $1.24 billion impact on the Manchester area, which includes Hillsborough, Rockingham, and Merrimack counties. Although the number of passengers has been on the decline since 2005, when it reached

Registrations, Licenses, & Fuel Consumption	2005	2006	2007	2008	Source
Vehicle Registrations					
Passenger Vehicles	1,107,026	1,228,869	1,220,360	1,218,775	ISDS/NHES
Annual percent change	-9.2%	11.0%	-0.7%	-0.1%	ISDS/NHES
Commercial Vehicles	189,319	204,606	204,467	202,352	ISDS/NHES
Annual percent change	-4.8%	8.1%	-0.1%	-1.0%	ISDS/NHES
Persons per passenger car (population/# of vehicles)[a]	1.2	1.1	1.1	1.1	ISDS
Total driver licenses on issue	1,016,325	1,028,670	1,029,415	1,031,795	ISDS
Annual percent change	2.5%	1.2%	0.1%	0.2%	ISDS/NHES
Boat Registrations	102,497	101,117	100,485	95,463	ISDS
Annual percent change	0.8%	-1.3%	-0.6%	-5.0%	ISDS/NHES
Motor Fuel Consumption (fiscal year)					
Millions of gallons of gasoline and diesel fuel	862	841	857	831	RTDS
Annual percent change	-0.9%	-2.4%	1.9%	-3.0%	RTDS/NHES

[a]Based on 2006 OEP Total Population Estimate of 1,315,000

4.3 million, the economic impact of the airport is almost double what a similar study found in 2003. At that time the total economic impact was projected to be $715 million.[3] When the economic impact of a facility such as the airport is measured, the figure includes not only commercial airline passengers, but monies generated by cargo and general aviation, hotels and other businesses that have started in the area due to business generated at the airport. According to the Pease Development Authority FY 2009 Annual Report, the Pease International Tradeport, which currently has no commercial airline traffic, had a projected economic impact of approximately $500 million on the Portsmouth area.[4]

Southwest Airlines, which operates more than half of the flights at Manchester-Boston Regional Airport, announced in September that it would suspend its Manchester to Phoenix non-stop service for the month of January 2010. The airline stated that the service would resume again in February. Airline officials cited January as the weakest month for the Manchester to Phoenix flight. They have assured officials that they are committed to staying at Manchester-Boston Regional and the decision is simply an economic one. Nationwide, the airline cut one flight per day on 92 routes, and added 42 routes, including non-stop service from St. Louis to Boston. There was some concern over the fact that in August Southwest began operating flights to Baltimore and Chicago out of Boston's Logan International Airport, which brought into question Southwest Airlines' intention to stay in Manchester. The airline stated that the only reason that flights had commenced out of Logan Airport is that they believe there is a

3. "Manchester-Boston Regional Airport 2008 Economic Impact Study." Londonderrynh.net. September 4, 2009. Accessed March 3, 2010. <www.londonderrynh.net/?p=12249>.
4. "Pease Development Authority FY 2009 Annual Report." December 2009. Pease Development Authority. <www.peasedev.org/index/documents/FY09AnnualReport.pdf>.

Highway Traffic - Annual totals	2005	2006	2007	2008	Source
Interstates, NH - Mass. State line					
(thousands, from traffic counters, Salem & Seabrook)	71,798	71,836	72,220	68,202	DT
Annual percent change	-1.7%	0.1%	0.5%	-5.6%	DT/NHES
Rural traffic, annual percent change	-0.5%	0.6%	-0.8%	-3.5%	DT
Annual vehicle miles (millions of miles)	14,649	17,078	17,311	16,786	RTDS
Annual percent change	-0.4%	16.6%	1.4%	-3.0%	RTDS/NHES

core group of potential passengers in the immediate Boston area who were not interested in flying out of any other airport except Logan. The addition of flights out of Logan was an attempt to service that group of passengers.[5]

In late September, Omni Air, a Tulsa, Oklahoma-based military charter airline service, began operating flights out of Portsmouth International Airport at Pease. They had signed on with Pease, taking advantage of a marketing strategy by the airport in which there would be a 100 percent suspension of landing and fuel flowage fees for military charter operations until March 31, 2010. From that point, there would be a 50 percent reduction in fees until June 21, 2010. After a week and a half of operations at Pease, Omni Air cancelled all of its flights. While the reason is unclear, Pease International still reached its required 10,000 enplanements for the year to ensure the receipt of $1,000,000 in Federal Aviation Administration (FAA) funds. The other airline operating military charter flights, World Air, is bringing in 15 troop flights per month. The Pease Development Authority is still interested in resuming commercial airline service out of the airport in the future and has been in discussions with several carriers, with nothing definitive at this point.[6]

Rail Service

In 2007 the Governor signed legislation creating the New Hampshire Rail Transit Authority, charging them with overseeing the development of commuter rail service in New Hampshire. Currently, Amtrak's Downeaster has stops in Dover, Durham/UNH and Exeter. Amtrak's Vermonter stops in Claremont. With public support for the return of widespread commuter rail service in the state high, rail service along the "Capitol Corridor" is next on the list of statewide transportation enhancements. This service is planned to run on upgraded tracks between Boston, MA, and Concord, NH, approximately 78 miles, with stations in Concord, downtown Manchester, Manchester Airport near the Airport Access Road, and Nashua. Amtrak would operate the Capitol Corridor service as well.[7]

5. "Phoenix non-stop to take a vacation." Manchester Union Leader. September 2, 2009. Accessed September 2, 2009. <www.unionleader.com>.
6. "Omni Air abruptly departs Pease." Foster's Daily Democrat. October 8, 2009. Accessed October 8,2009. <www.fosters.com>.
7. "Transportation Projects Speeding Forward." Nashua Telegraph. October 1, 2009. Accessed October 1, 2009. <www.nashuatelegraph.com>.

Aircraft Travel	2005	2006	2007	2008	Source
Manchester-Boston Regional Airport					
Total Passengers	4,329,478	3,896,532	3,892,630	3,716,393	MA
Annual Percent Change	8.1%	-10.0%	-0.1%	-4.5%	MA/NHES
Enplanements	2,166,623	1,952,277	1,948,313	1,861,695	MA
Annual Percent Change	8.1%	-9.9%	-0.2%	-4.4%	MA/NHES
Deplanements	2,162,855	1,944,255	1,944,317	1,854,698	MA
Annual Percent Change	8.2%	-10.1%	0.0%	-4.6%	MA/NHES
Air Cargo (Tons)[a]	77,820	88,191	96,744	89,078	MA
Annual Percent Change	-4.0%	13.3%	9.7%	-7.9%	MA/NHES

[a]Does not include air mail

With the cost of the project estimated at $300 million, the NH Department of Transportation was planning to seek federal stimulus money for high-speed rail to help fund the project. However, it was announced at the end of September that the funding would not be sought after all. In order to apply for the funds the State would have needed to be granted operating rights by Pan Am Railways, the owner of the tracks along the corridor. Due to a breakdown in negotiations, an agreement could not be reached and the State was unable to apply for the high speed rail funds. However, the State is planning to apply for $1.4 million in planning funds for the project and hopes to be able to operate the service by 2011.[8]

According to statistics published by the Northern New England Passenger Rail Authority, the number of riders on the Amtrak Downeaster was down 13 percent from the 43,955 recorded in September 2008 to 38,086 in September 2009. Consequently, revenue during the same period is down by 11 percent. On-time performance of the service continues to show a consistent increase and averaged 10 percent better than one year earlier.[9]

Bus Service

Funding through the Federal Highway Administration's Congestion Mitigation and Air Quality Program (CMAQ) allowed the Boston Express bus company to expand services to include Concord, Manchester, Londonderry, and Salem. Service started in November 2008. Estimates for ridership were to serve 371,000 passenger trips in the first year. Actual counts are not currently available.

The Manchester Transportation Center was closed in May 2009 for extensive renovations and reopened in November. The renovations included work on the heating system, rest rooms, flooring and the ticket counter. Boston Express operates this station, and along with Concord Coach Lines, provides service to Boston's South Station and Logan International Airport.[10]

Roads and Bridges

In February 2009 the American Recovery and Reinvestment Act (ARRA) made an additional $3.9 million available to New Hampshire for Transportation Enhancement (TE) projects. Due to the "shovel ready" requirement of the funds (projects that

8. "High-speed rail project sidetracked." Manchester Union Leader. October 1, 2009. Accessed October 1, 2009. <www.unionleader.com>.
9. "Quarterly Performance Report – Q1 Fiscal Year 2010: July-September 2009". Amtrak Downeaster. Northern New England Rail Authority. Accessed November 25, 2009. <www.AmtrakDowneaster.com>.
10. "Improving Mobility". Department of Transportation Annual Report, 2008. December 31, 2008. New Hampshire Department of Transportation. Accessed November 24, 2009. <www.nh.gov/dot/media/publications.htm>.

Portsmouth Harbor Freight Traffic	2005	2006	2007	2008	Source
Total (thousands of short tons)	5,254	4,823	4,026	n/a	USACE
Annual percent change	9.6%	-8.2%	-16.5%	n/a	USACE/NHES
Domestic	756	806	761	n/a	USACE
Annual percent change	-14.0%	6.6%	-5.6%	n/a	USACE/NHES
Foreign Imports	4,286	3,706	3,069	n/a	USACE
Annual percent change	18.6%	-13.5%	-17.2%	n/a	USACE/NHES
Foreign Exports	213	311	197	n/a	USACE
Annual percent change	-29.7%	46.0%	-36.7%	n/a	USACE/NHES
Canadian percent of Foreign Imports	49.3%	44.1%	n/a	n/a	USACE/NHES

are ready to be started within a couple of months), existing TE projects were presented for funding approval. The final list included nine TE projects with a budget of $3.82 million. The first round of projects will be selected in the spring of 2010, with funding available as early as October 1, 2010. Of the nine TE projects submitted for ARRA funding, including five that are under construction, two of which are out to bid and two are in the final stage of design.[11]

The Manchester Airport Access Road will be finished two years ahead of schedule because of $15 million in ARRA funds that have been committed to its completion. The project began in August 2007 with an expected completion date of July 2012. It will create a new, two-mile highway providing access to 1,000 acres of prime industrial and commercial land for economic development in Londonderry. The total cost of the project is $175 million, and with the $15 million in AARA funds, it has employed 200 people, of those 26 are full-time jobs.[12]

During FY 2008 the New Hampshire Department of Transportation completed or accepted for maintenance a wide range of projects including roadway and bridge repair and construction, pavement resurfacing, park and ride facilities, congestion mitigation, wetland creation, traffic signal replacement, guardrail upgrades, landscaping, rest area reconstruction and building demolitions.[13]

Major roadway and bridge work that was completed included:

- Reconstruction of the I-293 Exit 5 interchange and the widening of Granite Street in Manchester
- Pavement resurfacing and repair of 12 miles of I-89 from Hopkinton to Bow and in Warner
- Pavement rehabilitation of 16 miles of NH 101 from Epping to Hampton
- The construction of four roundabouts
- NH 101 in Keene, NH 175 in Plymouth, U.S. 3 in Meredith, and NH 1A in Rye
- Reconstruction and widening of Candia Road in Manchester, NH 4A in Enfield, NH 125 in Plaistow, NH 102 in Hudson, U.S. 4 in Chichester, NH 26 in Colebrook, and NH 112 in Albany
- Replacement of the U.S. 3 double-decker bridge over the Suncook River in Pembroke and Allenstown
- Replacement of the St. Lawrence and Atlantic Railroad bridge over Green Street in Berlin
- Replacement of the NH 175 bridge over the Pemigewasset River in Holderness and Plymouth
- Replacement of the NH 155 bridge over the B & M Railroad in Madbury
- Reconstruction and widening of the first permanent repair to NH 123 in Alstead that was damaged by flooding in October 2005

11. "Stimulus Funding Providing Boos to Local Transportation Enhancement Projects". On the Move. Fall 2008. New Hampshire Department of Transportation. Accessed November 24, 2009. <www.nh.gov/dot/media/newsletter/newsletter-fall 2008.pdf>.
12. "US Transportation Secretary Ray LaHood Tours Manchester Airport Access Road Construction Site". Tiger News Briefing. United States Department of Transportation. October 30, 2009. Accessed November 25, 2009. <www.dot.gov/affairs/briefing.htm>.
13. "Improving Mobility". Department of Transportation Annual Report, 2008. December 31, 2008. New Hampshire Department of Transportation. Accessed November 24, 2009. <www.nh.gov/dot/media/publications.htm>.

- Construction of a new pedestrian bridge adjacent to the NH 16 bridge over the Ellis River in Pinkham's Grant
- Stabilization of a failed slope on West Road in Canterbury

Projects that are currently underway include:

- Reconstruction of Interstate 93 in Salem, Windham and Londonderry
- Resurfacing and pavement rehabilitation on I-89 from Hopkinton to New London
- Construction of a new concrete median barrier on I-93 in Hooksett and Bow
- Resurfacing, reconstruction and widening of NH 106 and NH 140 in Loudon and Belmont
- Reconstruction and widening of NH 123 in Alstead
- Reconstruction of the NH 128/ Stonehenge Road intersection in Londonderry
- Replacement of Cohas Avenue Bridge over I-93 in Manchester
- Rehabilitation of the I-95 bridge over the B & M Railroad in Portsmouth
- Replacement of the NH 1A wooden bridge over Seavey's Creek in Rye
- Replacement of the NH 28 bridge over Merrymeeting River in Alton
- Widening and rehabilitation of the Merrill's Marauders Bridge (Everett Turnpike) over the Souhegan River in Merrimack.

Chapter
8

Renewable energy has gained great interest in recent years. Renewable energy is not dependent upon fossil fuels to provide heat or produce electricity. In New Hampshire, the main sources of renewable energy are hydro and wood waste. Solar, wind and geothermal energy, while popular in many other parts of the country, play a much smaller role in New Hampshire.

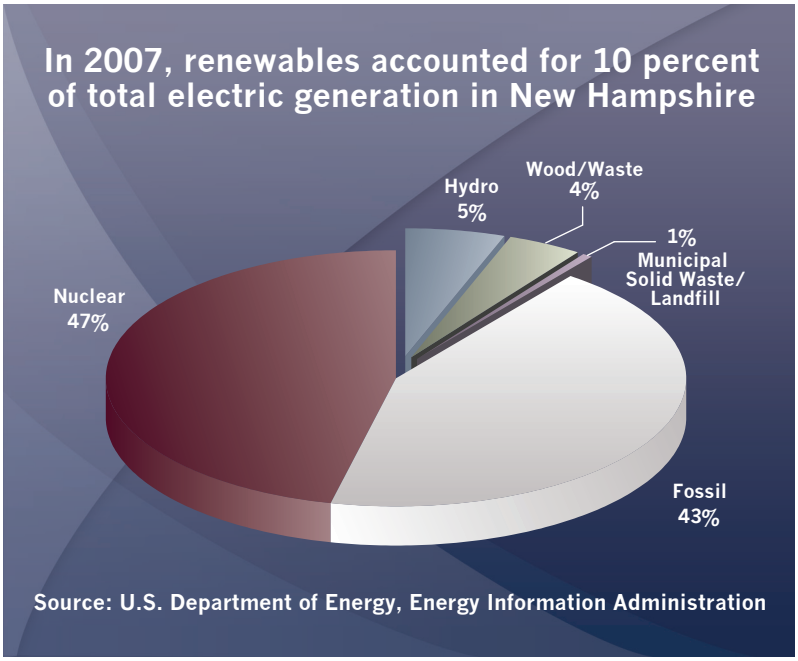
When discussing renewable sources of energy, it is important to define what makes an energy source "renewable" and how much energy is generated annually. Renewable energy is from sources which are replenished in a comparatively short period of time. At one time in American history, renewables supplied almost all of our energy needs, with wood the primary source for heating. Hydropower was also an important part of the energy mix. Today, renewables are getting a second look as the nation seeks to reduce its dependence on fossil fuels and lessen the occurrence of greenhouse gases that may contribute to climate change.

Use of renewable energy sources has many constraints in New England. Solar, for example, is not a reliable option for large-scale operations. Anyone who has spent any time in the area can attest that the sun will often disappear for many days at a time.

According to data from the U.S. Department of Energy, renewable energy accounted for 10.3 percent of the total energy generated in New Hampshire in 2007. The state produced 23,277 megawatt hours (MWH) of electricity from renewable sources. Among the six New England states, New Hampshire ranked third, behind Maine at 49.3 percent and Vermont at 19.1 percent. Massachusetts, Connecticut, and Rhode Island trailed with less than five percent of total electric generation from renewable sources.[1]

Abundant wood and wood waste resources make Maine one of the top producers in the U.S. of electricity from the consumption of wood. Maine also has a significant hydroelectric component in its electricity production mix.[2] Vermont, like Maine, has significant wood and hydro energy generation.[3]

Because the summer months are generally the time of peak demand, the

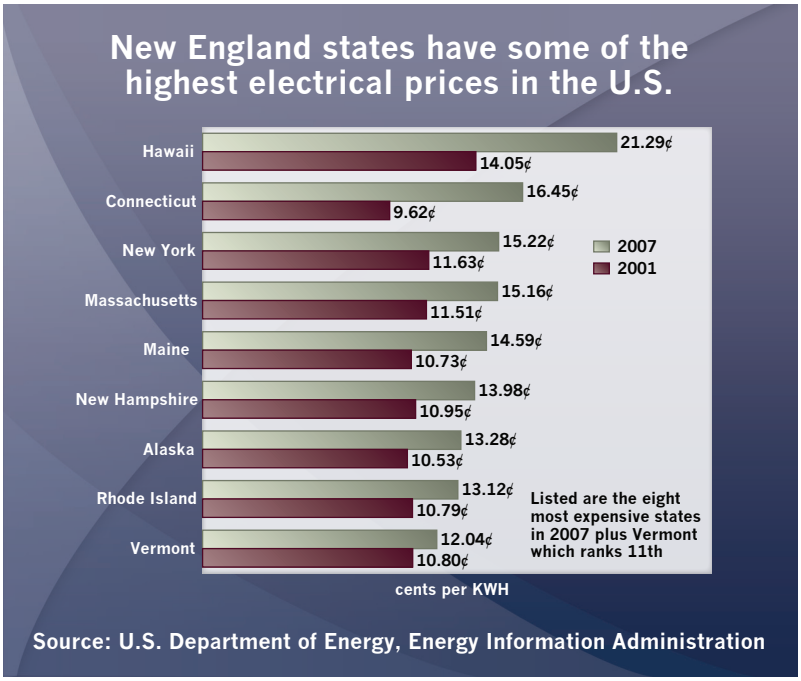


1. "State Renewable Energy Profiles." State Renewable Profiles, 2007 Edition. June 2009. U.S. Energy Information Administration. Accessed December 14, 2009. <www.eia.doe.gov/cneaf/solar.renewables/page/state_profiles/r_profiles_sum.html>.
2. "Independent Statistics and Analysis." Maine Quick Facts. December 14, 2009 . U.S. Energy Information Administration. Accessed December 14, 2009. <tonto.eia.doe.gov/state/state_energy_profiles.cfm?sid=ME>.
3. "State Energy Profiles." Vermont Quick Facts. December 14, 2009. U.S. Energy Information Administration. Accessed December 14, 2009. <tonto.eia.doe.gov/state/state_energy_profiles.cfm?sid=VT>.

U.S. Department of Energy tracks and publishes data on the maximum output of generating facilities during the summer season. In New Hampshire, 15.5 percent of available energy resources in 2007 was from renewable sources with 663 megawatts. To put it in perspective, that is more than half the 1,245 megawatt capacity of the Seabrook nuclear plant and more than the capacity of Merrimack Station in Bow, which has a summer capacity of 434 megawatts.

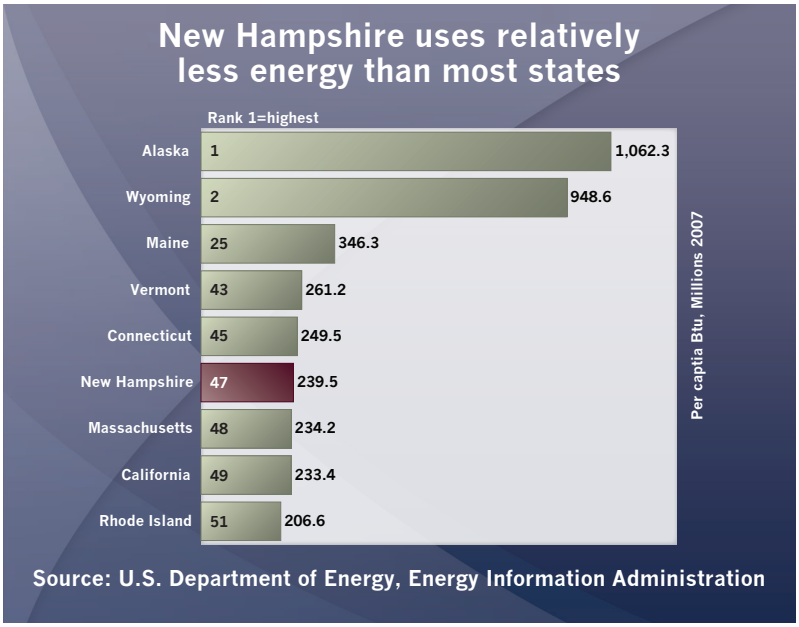
State government in New Hampshire has joined the effort to use increased amounts of energy from renewable sources. In the summer of 2009, the State contracted with ConEdison Solutions, through a competitive bidding process, to provide wind power through May 2010. The company plans to purchase the wind power from wind farms around the nation and resell it to the State.[4] The effort is expected to provide 25 percent of the electricity used by State government.

With the final publication of the Climate Action Plan in March 2009, the state has an opportunity to spur economic growth by shifting spending from energy imports to investments within the state. Those future investments provide the chance to create jobs and grow the economy by developing renewable and "green" technologies, and avoid the costs of climate change on New Hampshire's economy and health.



4. "Governor Lynch Announces that State Government Will Now Get 25 Percent of Its Energy from Renewable Energy." Press Release. July 2, 2009. State of New Hampshire, Office of the Governor. Accessed July 2, 2009. <www.governor.nh.gov/news/2009/070209.html>.

Energy Expenditures and Prices	2005	2006	2007	2008	Source
Energy Expenditures Per Capita	$3,530	$3,817	$4,065	n/a	EIA
United States rank (including DC)	29	29	30	n/a	EIA/NHES
Energy Prices ($ per million BTU)	$18.48	$21.89	$23.25	n/a	EIA
United States rank (including DC)	8	6	5	n/a	EIA/NHES
Petroleum prices (per million BTU)	$15.15	$18.60	$20.26	n/a	EIA
United States rank (including DC)	40	25	27	n/a	EIA/NHES
Electric prices (per million BTU)	$36.71	$40.56	$40.98	n/a	EIA
United States rank (including DC)	3	6	6	n/a	EIA/NHES



New Hampshire's hydroelectric power production received a boost from one of the wettest summers on record. Hydroelectric facilities in the state produced a record 37,774 megawatt hours in August 2009,[5] 216 percent higher than average. The state's largest utility, Public Service of New Hampshire, owns and operates nine of these hydro facilities; independent hydro facilities in the state also contributed to the mix.

For New Hampshire homeowners looking to utilize renewable energy, incentive programs are available for those who install renewable energy systems. As part of the American Recovery and Reinvestment Act, which was signed into law in February 2009, investment tax credits are available for businesses and individuals that install renewable energy systems. State law also provides incentives by allowing cities and towns to offer property tax exemptions for certain installations of solar thermal, solar photovoltaic, wind, and central wood-fired heating systems. According to New Hampshire Office of Energy and Planning, 84 cities and towns had adopted some type of exemption as of September 2009.[6]

5. Koziol, John, "Area Hydroelectric Plants Contribute Toward Record Output for Public Service," www.citizen.com. October 5, 2009. The Citizen of Laconia. <www.fosters.com/apps/pbcs.dll/article?AID=/20091005/GJNEWS02/710059917>.
6. "Renewable Energy Incentives: Local, State, Federal." Renewable Energy. New Hampshire Office of Energy and Planning. Accessed December 14, 2009. <www.nh.gov/oep/programs/energy/RenewableEnergyIncentives.htm>.

Energy and Fuel Consumption	2005	2006	2007	2008	Source
Energy Consumption					
Total consumption (trillion BTU)	334.4	312.0	314.2	n/a	EIA
Annual percent change	-1.7%	-6.7%	0.7%	n/a	EIA/NHES
United States rank	45	46	46	n/a	EIA/NHES
Types of energy consumption (percent of total)					
Residential	29.2%	29.0%	29.3%	n/a	EIA/NHES
Commercial	23.6%	22.3%	22.4%	n/a	EIA/NHES
Industrial	16.1%	15.1%	14.2%	n/a	EIA/NHES
Transportation	31.2%	33.5%	34.1%	n/a	EIA/NHES
Fuel Consumed to Generate Electricity (In equivalent barrels of oil)					
New Hampshire total (thousand barrels)	31,999	29,199	30,882	29,267	EIA/NHES
Oil	2,567	783	654	257	EIA
Coal	5,566	5,302	5,260	4,770	EIA/NHES
Gas	7,920	7,152	6,615	8,227	EIA/NHES
Nuclear	15,946	15,963	18,354	16,013	EIA/NHES

Per Capita Consumption

The U.S. Department of Energy defines energy consumption as "the use of energy as a source of heat or power or as a raw material input to the manufacturing process."[7] Examples of consumption include electrical usage by residents and businesses and gasoline used in motor vehicles. By calculating the actual heat content of the energy, it is possible to put electricity, natural gas, nuclear, and other energy sources on a comparable basis. This measure, known as a British thermal unit (Btu), is the amount of heat needed to raise the temperature of one pound of water one degree Fahrenheit. The sum of all energy consumption divided by population provides a comparable measure of energy use.

Data from the U.S. Department of Energy for 2007 show that in New Hampshire energy use is lower than that of other states. In fact, it ranks among the lowest in the country. Total energy used in the state divided equally among the state's residents averages 239.5 Btus per person, ranking New Hampshire 47th among all states.[8]

Most New England states have a lower per capita energy consumption than other parts of the country. Massachusetts ranks 48th and Vermont 43rd. A mild climate that requires less air conditioning and a lack of energy-intensive, large-scale manufacturing industries such as steel production are two of the reasons. Maine is an

7. "Independent Statistics and Analysis, Glossary." U.S. Energy Information Administration. Accessed December 14, 2009. <www.eia.doe.gov/glossary/glossary_c.htm>.
8. "U.S. Overview." State Energy Profiles. U.S. Energy Information Administration, Accessed December 14, 2009. <tonto.eia.doe.gov/state/index.cfm>.

Electricity Generated	2005	2006	2007	2008	Source
Net Electrical Energy Generated, New Hampshire (million kWh)	24,470	22,064	23,277	23,172	EIA
As percentage of energy purchased	217.6%	198.9%	207.2%	211.2%	EIA/NHES
Energy by type (million kWh)					
Coal	4,073	3,885	3,927	3,451	EIA
Hydro	1,799	1,529	1,265	1,531	EIA
Natural Gas	6,785	6,008	5,754	7,022	EIA
Nuclear	9,456	9,398	10,764	9,704	EIA
Petroleum	1,357	438	385	179	EIA
Renewables	942	746	1,123	1,224	EIA
As percentage of total generated by type:[a]					
Coal	16.6%	17.6%	16.9%	14.9%	EIA/NHES
Hydro	7.4%	6.9%	5.4%	6.6%	EIA/NHES
Natural Gas	27.7%	27.2%	24.7%	30.3%	EIA/NHES
Nuclear	38.6%	42.6%	46.2%	41.9%	EIA/NHES
Petroleum	5.5%	2.0%	1.7%	0.8%	EIA/NHES
Renewables	3.8%	3.4%	4.8%	5.3%	EIA/NHES

[a] May not add because other energy sources account for less than one percent of generation, including municipal solid waste, purchased steam, and miscellaneous technologies.

exception to the rule, ranking 25th; its forest product industry is a heavy user of energy but makes it a leader in the production of alternative energy.[9]

Smart Metering

Other than installing energy-efficient appliances, homeowners have little control over their electrical usage, especially if their home is equipped with an electric water heater, washer-dryer, or dishwasher. They do not have much choice on what price they pay at any given time — usually, it is a standard kilowatt-hour rate charged by the local utility. But what if it was possible to pick a time when it is cheaper to do the laundry or dishes?

A "smart grid" allows a consumer the ability to monitor their electricity usage and shift consumption to times when electricity is cheaper to produce. Devices in the home would be tied to the electric grid and provide real time information on-line, enabling users to take advantage of lower rates by changing use to off-peak times.

In October 2009, the New Hampshire Electric Cooperative, a member-owned and controlled distributor of electricity serving 80,000 members, received nearly $16 million in stimulus funds from the federal government for the purpose of upgrading its metering systems to move towards a "smart grid." It may be at least two years before new meters are put in place.[10]

9. Ibid.

10. Sanders, Bob, "NH Electric Co-op Wins $15.8M 'Smart Grid' Grant. New Hampshire Business Review October 28, 2009.

Retail Sales of Electricity	2005	2006	2007	2008	Source
Sales to Ultimate Customers (million kWh)					
New Hampshire:					
Total	11,245	11,094	11,236	10,974	EIA
Percent change	2.5%	-1.3%	1.3%	-2.3%	EIA/NHES
Residential	4,495	4,401	4,493	4,395	EIA
Percent change	5.0%	-2.1%	2.1%	-2.2%	EIA/NHES
Commercial	4,576	4,563	4,570	4,515	EIA
Percent change	4.9%	-0.3%	0.2%	-1.2%	EIA/NHES
Industrial	2,174	2,131	2,173	2,063	EIA
Percent change	-6.6%	-2.0%	2.0%	-5.1%	EIA/NHES
New England:					
Total	127,862	124,501	128,241	126,615	EIA
Percent change	2.1%	-2.6%	3.0%	-1.3%	EIA/NHES
Residential	48,701	46,490	47,717	46,936	EIA
Percent change	4.3%	-4.5%	2.6%	-1.6%	EIA/NHES
Commercial	54,777	54,171	56,808	56,620	EIA
Percent change	2.0%	-1.1%	4.9%	-0.3%	EIA/NHES
Industrial	23,792	23,276	23,115	22,510	EIA
Percent change	-2.0%	-2.2%	-0.7%	-2.6%	EIA/NHES

Production

Chapter 9

Manufacturing continues to be one of New Hampshire's leading employment sectors. The average number of people privately employed in 2008 was 541,768 with 75,912 working in *Manufacturing*. The *Manufacturing* sector represents 14.0 percent of the state's private, non-government work force. Only two other New Hampshire industry sectors had higher employment, *Retail trade* with 96,785 workers (17.9 percent) and *Health care and social assistance* with 81,251 workers (15.0 percent).

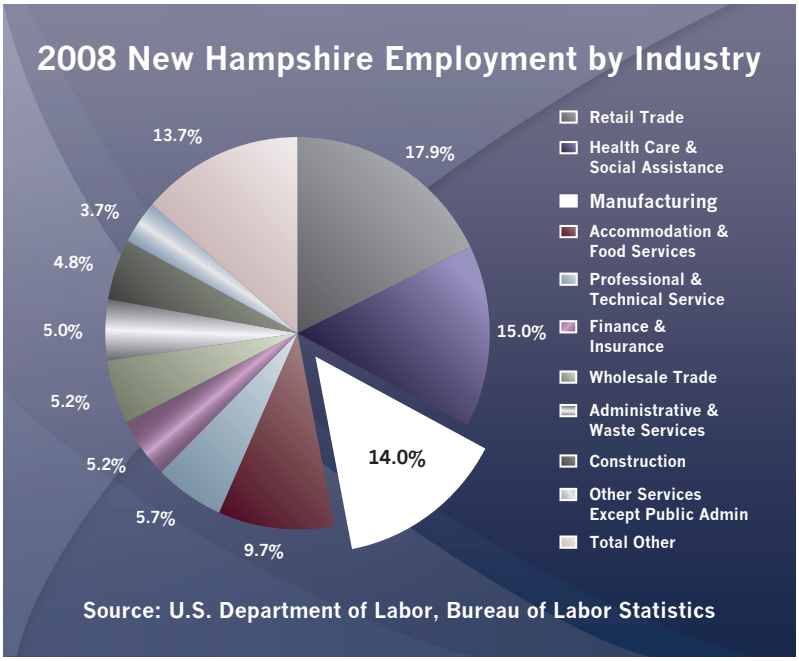
As of the first quarter 2009, *Manufacturing* remained among the top three employing industry sectors. *Manufacturing* provided the highest average weekly wage during the first quarter 2009 of $1,084. The next two largest employing sectors, *Retail trade* and *Health care and social assistance*, paid well below *Manufacturing* with average weekly wages of $482 and $823, respectively.

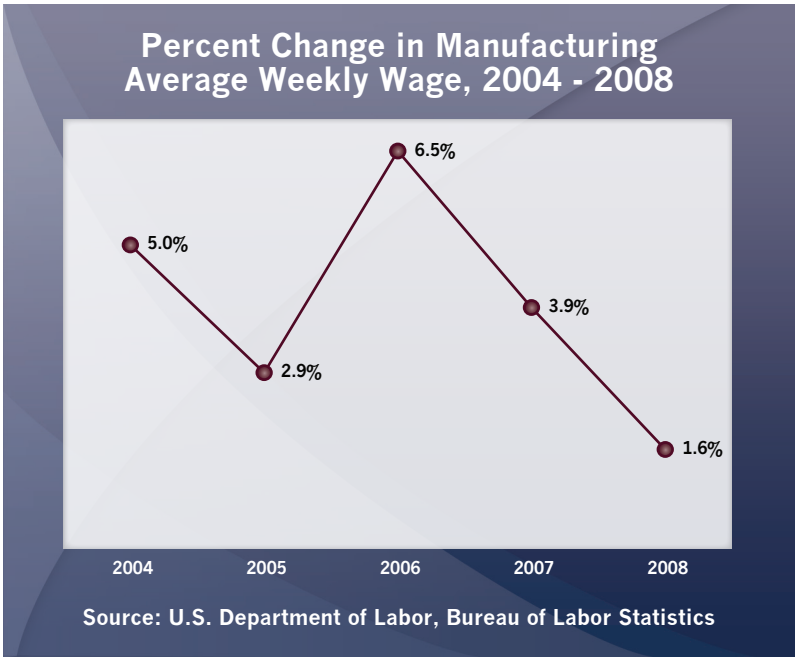
A five-year comparison shows that the annual average weekly wage of *Manufacturing* employees in New Hampshire has risen by 12.5 percent. The largest over-the-year increase was 6.5 percent, between the years 2005 and 2006 and smallest increase, 1.6 percent, from 2007 to 2008.

Compared nationally, New Hampshire's 2008 annual average weekly wage for *Manufacturing* of $1,127 is 7.1 percent higher than the national average, which was $1,046.

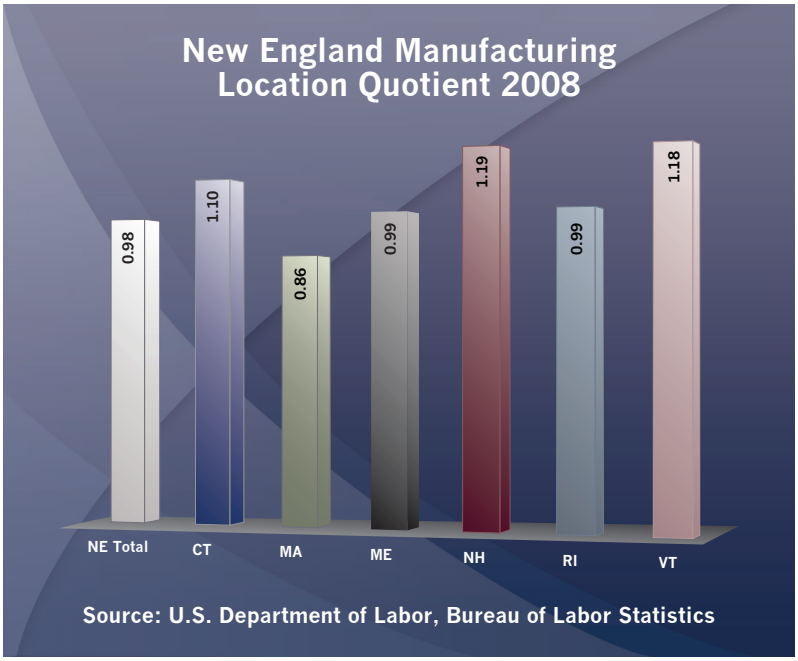
Even with a slight increase in wages from 2007 to 2008, results from the monthly Current Employment Statistics (CES) survey shows New Hampshire's production workers experienced a significant decrease in the numbers of hours worked each week. By December 2008 production workers had reached a low number of hours worked, with the average weekly hours worked falling to 37.4 hours. As recently as October 2009 average weekly hours had increased to 39.4.

The average weekly hours worked is a significant measure of the health of the





overall economy and the sharp decrease in the average weekly hours worked in 2008 can be considered a precursor to the overall decrease in the number of production employees experienced in 2009. CES *Manufacturing* employment estimates fell from 76,400 in August 2008 to 68,200 by August 2009. Even considering the significant drop in the number of *Manufacturing* workers through August 2009, Current Employment Statistics estimates show that the *Manufacturing* sector remains the State's third largest employer.



Location Quotient

A location quotient (LQ) is a way of quantifying how concentrated a particular industry, cluster, occupation, or demographic group is in a region as compared to the nation. It can reveal what makes a particular region "unique" in comparison to the national average.[1] A location quotient of 1.0 is equal to the national average. If the location quotient is less than 1.0, then the concentration is below the national average, and above 1.0 would indicate a higher concentration.

Using the location quotient methodology, New Hampshire has the highest concentration of *Manufacturing* employment among the six New England states, with a LQ rating of 1.19, exceeding the New England average of 0.98.

Comparing the six New England states over a five-year period, from 2004 to 2008, New Hampshire continues to have the highest concentration of *Manufacturing* employment when measuring by LQ. The five-year average LQ for Manufacturing in New Hampshire is 1.17, followed closely by Vermont with an LQ of 1.16. Massachusetts has the lowest *Manufacturing* LQ among the New England states, with a five-year average of 0.86.

1. Understanding Location Quotient. EMSI Resource Library. Accessed October 27, 2009. <www.economicmodeling.com/resources/wpcontent/uploads/2007/10/emsi_understandinglq.pdf>.

Gross Domestic Product

Gross Domestic Product (GDP) by state is a measurement of a state's economic performance and is the market value of all finished goods and services manufactured within the borders of the state in a year's time. A good indicator of a state's economic condition is the change in GDP. Preliminary estimates released by the Bureau of Economic Analysis (BEA) show that New Hampshire had a 1.8 percent growth in real GDP from 2007 to 2008 and ranked 14th nationally in total GDP growth rate. New Hampshire's change in GDP from 2007 to 2008 more than doubled the national average of 0.7 percent.[2] One reason New Hampshire's GDP growth rate was so strong in comparison to the rest of the nation may be that New Hampshire entered the recession later than most other states.

Growth in real GDP (adjusted for inflation) for county-based metropolitan statistical areas in the New England region ranged from -1.8 percent to 4.3 percent, with the fastest growth occurring in the Manchester-Nashua, NH metropolitan statistical area. Unlike most areas, the *Real estate and rental and leasing* sector was strong, spurring growth in this metropolitan area.[3] The Manchester-Nashua NH metropolitan area includes all of Hillsborough County as defined by the BEA's county-based metropolitan area standard.

Exports

New Hampshire experienced significant export growth in 2008. With 22 of the 32 *Manufacturing* industries showing individual growth, from 0.01 percent to 53.4 percent, the exportation of goods produced in New Hampshire

2. "Economic Slowdown Widespread Among States In 2008." News Release: GDP by State. June 2, 2009. U.S. Department of Commerce, Bureau of Economic Analysis. Accessed October 15, 2009. <www.bea.gov/newsreleases/regional/gdp_state/gsp_newsrelease.htm>.
3. "New England Growth Near National Level in 2008." News Release. September 24, 2009. U.S. Department of Economic Analysis. Accessed October 15, 2009. <www.bea.gov/newsreleases/regional/gdp_metro/2009/pdf/Highlights_NE_0909.pdf>.

Export Sales to the World	2005	2006	2007	2008	Source
Total ($ millions)	$2,557	$2,817	$2,914	$3,746	WISER
Annual percent change	11.5%	10.2%	3.4%	28.5%	WISER/NHES
Industry Share of Total Exports					
Computer And Electronic Product Manufacturing	32.3%	26.8%	27.3%	33.1%	WISER/NHES
Machinery Manufacturing	22.8%	23.5%	25.0%	23.2%	WISER/NHES
Electrical Equipment, Appliances, & Components Mfg	6.1%	5.9%	5.9%	8.5%	WISER/NHES
Miscellaneous Manufactured Commodities	4.4%	4.3%	5.3%	3.8%	WISER/NHES
Fabricated Metal Product Manufacturing	3.5%	4.1%	4.5%	4.2%	WISER/NHES
Plastics And Rubber Product Manufacturing	3.5%	4.0%	3.7%	3.0%	WISER/NHES
Transportation Equipment Manufacturing	2.9%	3.5%	4.6%	4.0%	WISER/NHES
Printing, Publishing & Related Support Activities	2.0%	3.3%	1.5%	1.3%	WISER/NHES
Chemicals Manufacturing	3.4%	3.0%	3.1%	2.4%	WISER/NHES
Nonmetallic Mineral Product Manufacturing	2.1%	2.5%	2.6%	1.8%	WISER/NHES

increased by 28.6 percent. Total exports for all industries in 2007 were just over $2.9 billion with exports in 2008 growing by $832 million to exceed $3.7 billion. Three industries accounted for 88 percent of the increase in exports: Computer and Electronic Product Manufacturing (NAICS 334), Machinery except Electrical (NAICS 333), and Electrical Equipment, Appliances and Component (NAICS 335). The industry leading New Hampshire's export growth was Computer and Electronic Product Manufacturing with individual growth of 55.9 percent or $444 million, which accounted for 53.4 percent of the total growth in exports from 2007 to 2008. Machinery except Electrical and Electrical Equipment, Appliances and Component industries combined, accounted for 34.7 percent of the growth in exports with the remaining industries providing 11.9 percent.

Even with rapid growth in overall exports several industries did see significant decreases in export volume from 2007 to 2008. Prepackaged Software exports decreased by 91.2 percent, dropping from $17.2 million in value in 2007 to $1.5 million in 2008. The Food and Kindred Spirits industry also experienced a significant decrease in exports, dropping 40 percent from $42.5 million in exports in 2007 to $25.5 million in 2008.

Gross Domestic Product by State - New Hampshire	2005	2006	2007	2008	Source
Current Dollars ($ millions)	$53,526	$56,056	$57,820	$60,005	BEA
Annual percent change	4.1%	4.7%	3.1%	3.8%	BEA/NHES
Real chained 2000 dollars ($ millions)	$48,531	$49,266	$49,642	$50,553	BEA
Annual percent change	1.6%	1.5%	0.8%	1.8%	BEA/NHES

Gross Domestic Product by State - United States	2005	2006	2007	2008	Source
Current Dollars ($ billions)	$12,339	$13,091	$13,716	$14,166	BEA
Annual percent change	6.3%	6.1%	4.8%	3.3%	BEA/NHES
Real chained 2000 dollars ($ billions)	$10,912	$11,219	$11,439	$11,524	BEA
Annual percent change	3.1%	2.8%	2.0%	0.7%	BEA/NHES

New Capital Expenditures	2005	2006	2007	2008	Source
Total ($ millions)	$517	$614	n/a	n/a	CB
As a Percent of Payroll					
United States	22.1%	22.9%	n/a	n/a	CB/NHES
New Hampshire	14.1%	16.0%	n/a	n/a	CB/NHES
Connecticut	13.0%	13.4%	n/a	n/a	CB/NHES
Maine	17.1%	20.6%	n/a	n/a	CB/NHES
Massachusetts	14.9%	16.6%	n/a	n/a	CB/NHES
Rhode Island	13.4%	19.7%	n/a	n/a	CB/NHES
Vermont	15.5%	17.5%	n/a	n/a	CB/NHES

Defense Contracts ($ millions)	2005	2006	2007	2008	Source
Total	$943.7	$1,178.9	$1,385.1	$1,601.6	CB

Value Added	2005	2006	2007	2008	Source
Value Added by Manufacture					
Total ($ millions)	$9,143	$9,203	n/a	n/a	CB
Value Added per Payroll Dollar					
United States	$3.81	$3.89	n/a	n/a	CB/NHES
New Hampshire	$2.49	$2.39	n/a	n/a	CB/NHES
United States rank [a]	50	51	n/a	n/a	CB/NHES
Connecticut	$3.13	$3.42	n/a	n/a	CB/NHES
United States rank [a]	45	37	n/a	n/a	CB/NHES
Maine	$3.28	$3.36	n/a	n/a	CB/NHES
United States rank [a]	38	41	n/a	n/a	CB/NHES
Massachusetts	$3.04	$3.23	n/a	n/a	CB/NHES
United States rank [a]	46	46	n/a	n/a	CB/NHES
Rhode Island	$2.74	$3.24	n/a	n/a	CB/NHES
United States rank [a]	49	45	n/a	n/a	CB/NHES
Vermont	$2.91	$3.17	n/a	n/a	CB/NHES
United States rank [a]	48	47	n/a	n/a	CB/NHES
Industry Share of Total Value Added					
Computer and Electronic Product Manufacturing	21.6%	21.2%	n/a	n/a	CB/NHES
Fabricated Metal Product Manufacturing	12.1%	12.9%	n/a	n/a	CB/NHES
Machinery Manufacturing	12.4%	11.9%	n/a	n/a	CB/NHES
Miscellaneous Manufacturing	9.9%	10.7%	n/a	n/a	CB/NHES
Electrical Equipment, Appliance, and Component Manufacturing	7.1%	6.7%	n/a	n/a	CB/NHES
Nonmetallic Mineral Product Manufacturing	4.7%	5.1%	n/a	n/a	CB/NHES
Plastics and Rubber Products Manufacturing	4.0%	4.3%	n/a	n/a	CB/NHES
Food Manufacturing	3.6%	4.1%	n/a	n/a	CB/NHES
Printing and Related Support Activities	3.8%	4.0%	n/a	n/a	CB/NHES
Wood Product Manufacturing	3.3%	3.1%	n/a	n/a	CB/NHES
Transportation Equipment Manufacturing	3.2%	2.9%	n/a	n/a	CB/NHES
Chemical Manufacturing	2.8%	2.7%	n/a	n/a	CB/NHES
Total Manufacturers' Shipments ($ millions)	$16,920	$16,992	n/a	n/a	CB
Annual percent change	9.6%	0.4%	n/a	n/a	CB

[a] Including D.C.

Chapter
10

Retail trade continues to be a leading employer in the New Hampshire job market. In the grips of a recession that some economists have expressed as being the worst recession since the Great Depression of the 1930's, New Hampshire's retail trade markets did not escape unscathed in 2008.

Retail trade employment experienced its second straight year of decline, all while maintaining its rank as the state's largest employment sector. From 2006 to 2007 *Retail trade* employment declined by 0.6 percent with a decrease of 623 positions. By the end of 2008 retail employment had declined an additional 0.9 percent losing 912 more positions, bringing the total number of positions lost from 2006 to 2008 to 1,535. *Retail trade*'s annual average employment of 96,785 in 2008 represented 17.9 percent of New Hampshire's entire private covered employment.

While nearly all segments of *Retail trade* employment experienced a decline in the number of positions during 2008, two segments did realize a moderate increase in employment. *Food and beverage stores* increased by 4.1 percent, adding 831 positions. *General merchandise stores* increased by 1.3 percent over the year, adding 200 new positions.

Not only did *Retail trade* employment decline during 2008, but the number of *Retail trade* establishments also declined. From 2007 to 2008, the total number of retailers decreased by 1.1 percent, with 69 fewer retailers. The trend of declining *Retail trade* establishments continued into 2009. By the end of the first quarter of 2009, the number of retail establishments had declined by 182, a decrease of 3.0 percent, from 6,005 in the first quarter in 2008.

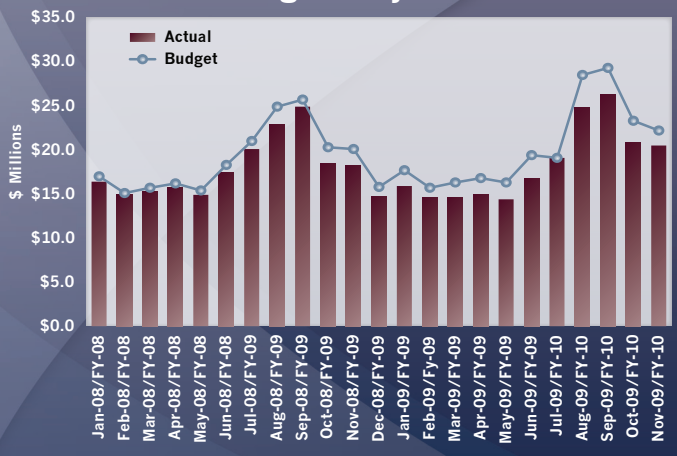
Accommodation and Food Service Employment

Employment in the *Accommodation and food service* sector has experienced positive growth for more than ten years. However, 2008 posted a decline in employment with a 0.7 percent decrease. From 2007 to 2008, 370 jobs were eliminated, decreasing the number of employed from 53,127 to 52,757. Current Employment Statistics (CES) estimates show that employment in the *Accommodation and food service* sector has remained fairly consistent through November 2009, averaging around 53,000.

Revenue Sources

In July 2009 a new tax rate went into effect. The Meals and Rooms tax was increased from eight percent to nine percent. For the first time, state and private campsites were included in the new definition of a hotel, making them taxable. This new definition spurred media attention as campers and private campground owners protested this new tax. It is impossible to know if the Meals and Rooms tax has negatively affected the camping industry but 2010 legislation has already been introduced that, if

Room and Meals Tax Revenue to Budget Projections



Source: NH Department of Administrative Services, Bureau of Financial Reporting

adopted, will eliminate campsites as taxable under the Meals and Rooms tax.

In response to attempts from a neighboring state to collect sales and use tax from a New Hampshire retailer, legislation was passed in 2009 that protects retailers from having to disclose customer information with neighboring states. This legislation was instrumental in ensuring that New Hampshire retailers would not become tax collectors for any state that imposes sales and use taxes on items purchased in New Hampshire.

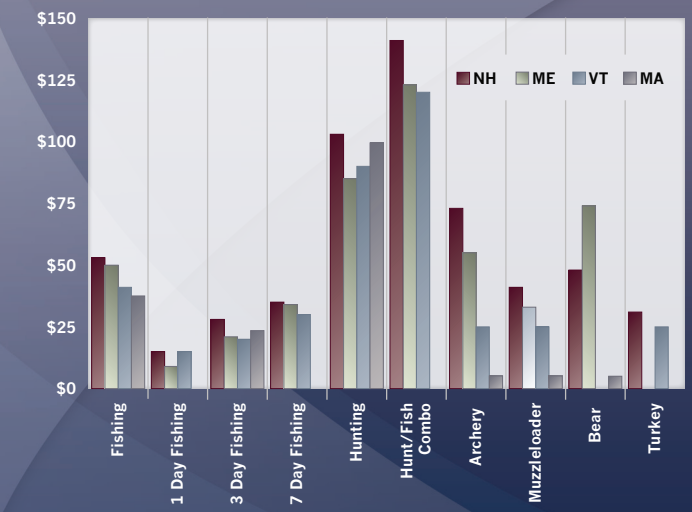
Hunting and Fishing Licenses

The sale of non-resident hunting and fishing licenses decreased by 3.3 percent between 2007 and 2008, with 2,190 fewer non-resident licenses sold in 2008. The number of turkey hunters who visited the Granite State in 2008 showed the largest decline, dropping 31.9 percent with 470 fewer hunters than in 2007. Fishermen who planned to fish for only one day also declined. One-day fishing licenses declined by 9.5 percent, with 819 fewer fishermen than the previous year.

The first nine months of 2009 have seen an increase in non-resident license sales over the same time period in 2008. The sale of non-resident hunting and fishing licenses through September 2009 increased by 1,591 over the same time period in 2008 with the bulk of the increase in fishing licenses. Fishing licenses alone accounted for 1,428 (not including combination hunt and fish) of the 1,591 increase in licenses sold during the first nine months of 2009. The next largest increase in license sales was for the hunting of bears with a 9.1 percent increase over the first nine months of 2008.

New for 2010 is the registration of salt-water anglers with the federal government. Effective January 1, 2010 all resident and non-resident fishermen above the age of 16 will need to register prior to casting their line in any coastal waters. Exceptions to this requirement include fishermen under the age of 16, those that hold a commercial fishing license, or those who fish solely from a licensed charter or party boat. During the 2010 fishing season there will be no cost to register but, come January 1, 2011, New Hampshire will require resident and non-resident saltwater anglers to purchase a $15.00 license. The new State license will eliminate the need to register federally while ensuring that fees collected remain in New Hampshire to help manage saltwater and anadromous fisheries. Neighboring states with significant coastlines that attract salt-water fishermen will need to address or have already addressed registration and licensing. Beginning in 2011 Massachusetts will require a license to fish costing $10.00. Maine's legislature has yet to debate license requirements; currently the Department of Inland Fisheries and Wildlife is instructing anglers to register with federal authorities.

Comparison of 2009 Hunting and Fishing License Fees for NH and Neighboring States



Source: NH Fish and Game Department

The state's wildlife contributes to the economy beyond merely revenue generated by the sale of hunting and fishing licenses. The National Survey of Fishing, Hunting, and Wildlife-Associated Recreation (Survey) collects information on the number of anglers, hunters, and wildlife watchers; how often they participate; and how much money they spend on their activities in the United States. Survey results in 2006 revealed that 131,000 hunters and fishermen chose New Hampshire as their destination, and spent more than $116.0 million while visiting New Hampshire. The survey also revealed that 249,000 non-residents chose New Hampshire for watching wildlife and generated $125.9 million in expenditures. When combining non-resident wildlife enthusiasts with residents who took part in the same activities, more than $520.6 million was spent on wildlife recreation in 2006.[1]

Gaming Proposal

In 2009 legislation was again introduced to permit expanded gaming in New Hampshire. The issue has received a great deal of media attention. As with any argument there are proponents and opponents, and expanded gaming is no exception. Proponents point to increased tax revenue and jobs, while opponents point to a potential for increased crime and moral decay.

In July 2009 the Governor established a Gaming Study Commission. This new commission was given the task of undertaking a thorough and comprehensive review of various models for expanded gaming and their potential to generate state revenues. The commission was also charged with assessing the social, economic, and public safety impacts of gaming options on the quality of life in New Hampshire. The Gaming Study Commission presented their interim report to the Governor in December 2009 and is expected to provide their final report in May 2010.

Lottery and Racing

The New Hampshire Lottery reported a 1.1 percent decrease in total sales for 2008. Instant scratch ticket sales continue to be the Lottery's most popular product, contributing approximately 71 percent to total sales for both fiscal years 2007 and 2008. However, instant scratch ticket sales did decrease by 2.4 percent in fiscal year 2008. In July the Lottery commission added a $30 instant scratch ticket to their line up, expanding the price range.

Experiencing a much larger decline in revenue was live and simulcast racing. The single largest decline was in live greyhound racing. The revenue generated by betting on live greyhounds decreased by 60.5 percent, with annual revenue dropping from $4.38 million in 2007 to $1.73 million in 2008. According to the Greyhound Racing Association of America, live racing of greyhounds reached its peak in 1992 but has since declined by nearly 50 percent nationally.[2] The decline nationally in greyhound racing has been attributed to the popularity of other legalized forms of gambling, the failure to attract a younger audience, and pressure from animal rights organizations. Contributing to the decline in live greyhound racing revenue in New Hampshire was the drop in the number of locations offering the sport. Live harness racing also

1. 2006 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation. April 2008. U.S. Census Bureau. <www.census.gov/prod/2008pubs/fhw06-nh.pdf>.
2. "The Most Exciting Dogs in the World." Greyhound Racing Association of America. Accessed January 15, 2010. <www.gra-america.org/the_sport/history.html>.

dropped significantly with a decrease of 33.7 percent. Overall, live racing of both horses and dogs declined by 49.4 percent from 2007 to 2008 and lost $3.1 million in revenue.

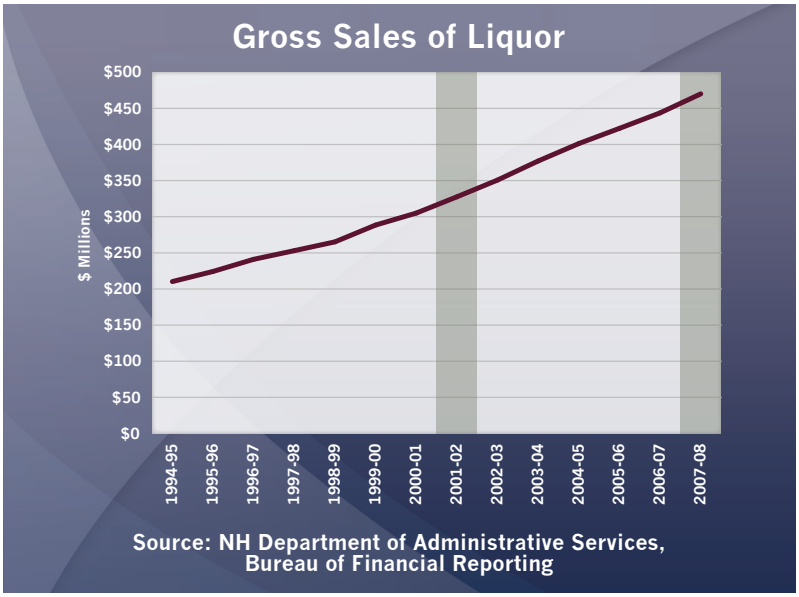
Simulcast betting also experienced a significant decline in revenue. In the simulcast arena, harness racing posted the only gain in 2008. Harness racing increased revenue by 9.8 percent in 2008. Simulcast betting on thoroughbreds declined the most with a drop of 29.5 percent, losing $47.7 million in revenue. Overall, simulcast betting decreased by 24.3 percent, losing a total of $52.9 million in betting revenue. As a whole, live and simulcast betting declined in New Hampshire at a record level of 25 percent, and lost a total of $55.98 million in betting revenue.

Liquor Sales

The New Hampshire Liquor Commission celebrated its 75th anniversary on August 17, 2009. The very first sale of liquor under the banner of the New Hampshire Liquor Commission was sold in Nashua on August 17, 1934. This historic sale marked the end of thirteen years of prohibition and the birth of State-run liquor sales.

Liquor sales may quite possibly be close to a recession proof industry. 2008 brought on the second recession in less than ten years, yet the sale of liquor has reached historic gross sales and profits. The unaudited results on liquor sales for the fiscal year ending July 2009 reveal a 5.5 percent increase in gross sales over fiscal year 2008.

Retail Employment	2005	2006	2007	2008	Source
New Hampshire total	97,553	98,320	97,697	96,785	NHES
Annual percent change	0.6%	0.8%	-0.6%	-0.9%	NHES
Food and beverage stores	19,429	20,021	20,340	21,171	NHES
Annual percent change	0.8%	3.0%	1.6%	4.1%	NHES
General merchandise stores	14,914	14,769	15,199	15,399	NHES
Annual percent change	-0.7%	-1.0%	2.9%	1.3%	NHES
Furniture and home furnishings stores	3,404	3,254	2,969	2,728	NHES
Annual percent change	-5.9%	-4.4%	-8.8%	-8.1%	NHES
Electronics and appliance stores	3,670	3,731	3,726	3,595	NHES
Annual percent change	3.4%	1.7%	-0.1%	-3.5%	NHES
Building material & garden supply stores	9,721	10,236	9,889	9,635	NHES
Annual percent change	6.4%	5.3%	-3.4%	-2.6%	NHES
Health and personal care stores	4,136	4,267	4,492	4,282	NHES
Annual percent change	4.7%	3.2%	5.3%	-4.7%	NHES
Motor vehicle & parts dealers	12,785	12,614	12,377	11,813	NHES
Annual percent change	0.1%	-1.3%	-1.9%	-4.6%	NHES
Gasoline stations	5,190	5,241	5,121	4,936	NHES
Annual percent change	-1.0%	1.0%	-2.3%	-3.6%	NHES
Clothing and clothing accessories stores	7,632	7,734	7,854	7,807	NHES
Annual percent change	2.0%	1.3%	1.6%	-0.6%	NHES
Nonstore retailers	5,627	5,644	5,564	5,560	NHES
Annual percent change	-0.4%	0.3%	-1.4%	-0.1%	NHES
New England total	825,424	819,806	817,485	808,003	BLS/NHES
Annual percent change	-0.1%	-0.7%	-0.3%	-1.2%	BLS/NHES
United States total	15,256,340	15,370,040	15,509,017	15,307,933	BLS
Annual percent change	1.3%	0.7%	0.9%	-1.3%	BLS/NHES



Records have yet to be confirmed but preliminary reports provided by the Liquor Commission show gross sales for 2009 at $496.1 million, an increase of $25.9 million over fiscal year 2008.

A tax increase on alcohol imposed in Massachusetts put a spotlight on New Hampshire's "tax free" advantage. In protest to the Massachusetts tax increase, several Bay State package store owners and customers have argued that the tax increase will send business to New Hampshire State Liquor stores located near the Massachusetts border.[3] Although it is impossible to know how many out-of-state patrons took advantage of New Hampshire's tax free liquor, eight

3. Levenson, Michael. "Battle Lines Drawn Over Alcohol Taxes." Boston.com. January 30, 2009. The Boston Globe. Accessed January 19, 2010. <www.boston.com/news/local/massachusetts/articles/2009/01/30/battle_lines_drawn_over_alcohol_taxes/>.

Accommodation and Food Services Employment	2005	2006	2007	2008	Source
New Hampshire total	52,449	52,937	53,127	52,757	NHES
Annual percent change	0.8%	0.9%	0.4%	-0.7%	NHES
Accommodation	9,296	9,136	9,259	9,309	NHES
Annual percent change	-3.1%	-1.7%	1.3%	0.5%	NHES
Food services	43,152	43,802	43,869	43,448	NHES
Annual percent change	1.7%	1.5%	0.2%	-1.0%	NHES
New England	527,128	534,856	543,321	546,141	BLS/NHES
Annual percent change	1.0%	1.5%	1.6%	0.5%	BLS/NHES
United States total	10,871,471	11,123,421	11,373,660	11,417,016	BLS/NHES
Annual percent change	2.4%	2.3%	2.2%	0.4%	BLS/NHES

Arts, Entertainment, and Recreation Employment	2005	2006	2007	2008	Source
New Hampshire total	10,851	11,038	10,774	10,937	BLS/NHES
Annual percent change	-7.3%	1.7%	-2.4%	1.5%	BLS/NHES
Performing arts, spectator sports, and related	1,753	1,852	1,769	1,641	BLS/NHES
Annual percent change	-12.4%	5.6%	-4.5%	-7.2%	BLS/NHES
Museums, historical sites, and similar institutions	560	534	537	558	BLS/NHES
Annual percent change	-0.4%	-4.6%	0.6%	3.9%	BLS/NHES
Amusement, gambling, and recreation	8,538	8,651	8,469	8,738	BLS/NHES
Annual percent change	-6.6%	1.3%	-2.1%	3.2%	BLS/NHES
New England	100,435	101,202	103,323	104,671	BLS/NHES
Annual percent change	-1.0%	0.8%	2.1%	1.3%	BLS/NHES
United States total	1,867,996	1,901,194	1,953,899	1,978,461	BLS/NHES
Annual percent change	0.8%	1.8%	2.8%	1.3%	BLS/NHES

of the top ten sales producing stores are located in close proximity to the borders of Maine, Massachusetts, and Vermont.

Economic Impact of Tourism

According to the latest travel barometer from Plymouth State University's Institute for New Hampshire Studies, fiscal year 2009 was a less successful year for the state's travel and tourism industry when compared to fiscal year 2008. The total number of visitor trips to New Hampshire decreased in 2009 by approximately 1.2 percent. The majority of travelers to the state in 2009 chose the summer months with 39 percent, followed by 22 percent choosing the fall months to visit, 20 percent in the spring, and lastly 19 percent of visitors traveled to New Hampshire in the winter.

Total spending by tourists was estimated to have decreased to $4.3 billion, down 4.1 percent from the previous fiscal year.[4] Spending by travelers paralleled the percentage of seasonal visitors; 39 percent of all tourist spending took place in the summer months, 24 percent in the fall, 19 percent during the winter, and 18 percent in the spring. While the Institute's annual report makes mention of a decline in national economic activity that began in September 2008 and lasted through the rest of fiscal year 2009, it does not specifically link the recession to the decrease in tourism. However, it likely was a contributing factor to the decrease of tourism and tourist spending in New Hampshire.

4. New Hampshire Travel Barometer, Summary For Fiscal Year 2009. Plymouth State University. Accessed December 18, 2009. <oz.plymouth.edu/inhs/Barometers/NH_Travel_Barometer_FY2009_Annual.doc>.

Hospitality: Hotel, Restaurant Sales (millions) [a]	**2005**	**2006**	**2007**	**2008**	**Source**
Restaurants	$1,366.6	$1,288.8	$1,539.9	$1,601.4	RA/NHES
Annual percent change	1.9%	-5.7%	19.5%	4.0%	RA/NHES
Other food service	$391.1	$382.6	$420.8	$420.1	RA/NHES
Annual percent change	5.7%	-2.2%	10.0%	-0.2%	RA/NHES
Rental of accommodations – short term (includes combinations[b])	$476.4	$450.4	$515.3	$517.8	RA/NHES
Annual percent change	-1.7%	-5.5%	14.4%	0.5%	RA/NHES
Motor vehicle rentals (millions)	$90.4	$83.0	$96.3	$83.5	RA/NHES
Annual percent change	2.7%	-8.2%	16.0%	-13.3%	RA/NHES

[a] Calculated using meals and rentals tax receipt data.
[b] 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)	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**Source**
Retail and wholesale (millions)	$401.3	$422.3	$443.7	$470.2	LC
Fiscal percent change	6.4%	5.2%	5.1%	6.0%	LC/NHES
Percent retail	70.1%	69.5%	69.3%	70.2%	LC/NHES

Recreation/Tourism (fiscal year – July 1 to June 30)	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**Source**
Skiing, state owned Cannon Mountain					
Number of skiers	104,695	81,533	94,250	103,885	P&R
Lift sales, including season passes	$2,132,319	$1,943,044	$2,063,929	$3,048,047	P&R
Snowmobile Registrations, non-resident	19,304	13,567	15,945	18,986	F&G

Winter Recreation

The 2009 – 2010 snowmobile season is off to a good start. Early snow had many snowmobile enthusiasts looking forward to the third straight year of better-than-average snowfall. Non-residents also look to New Hampshire for the more than 7,000 miles of interconnecting trails that lead to adjacent states and Canada. Non-resident registrations of snowmobiles increased significantly in 2008. The number of non-resident snowmobile registrations reached 18,986 in 2008 an increase of 3,041 over 2007. Years that have better-than-average snowfall can usually expect better-than-average registration of non-resident snowmobiles.

The 2008 – 2009 ski season is being hailed as a successful season for both skiers and snowboarders. Ski NH reports that the number of winter visits to New Hampshire ski resorts totaled 2,289,426 skiers and snowboarders. The 2008 – 2009 season fell only three percent short of the previous ski season, which had posted the highest number of visits to New Hampshire ski resorts since the 1983 – 1984 season when the number of skiers was first counted. Resorts hosting cross-country skiers also had a successful season with 144,711 skiers. In addition to skiing and riding, snow tubing also brought people out during the 2008- 2009 season with 108,720 visitors.

New Hampshire businesses were also able to benefit from the successful winter. An economic impact study conducted during the record 2007 - 2008 winter showed a total of $940 million dollars spent by guests visiting New Hampshire ski areas. Of that total, only 12 percent was spent directly at ski areas with the remaining 88 percent spent on ski visit-related expenses such as lodging, restaurants, gas, tolls, retail, and other.[5]

The 2009 – 2010 ski season officially opened on Saturday, November 7, 2009 when Bretton Woods opened one trail of man-made packed powder for eager skiing enthusiasts.

5. "New Hampshire Ski Areas Announce Skier Visit Numbers." Ski NH Media Center. July 2009. SkiNH.com. Accessed December 23, 2009. <summer.skinh.com/skiervisitrelase09.cfm>.

Recreation/Tourism	2005	2006	2007	2008	Source
Division of Travel & Tourism web site visits	911,091	1,010,266	1,872,871	2,080,844	DTTD
Fish and Game licenses, non-resident – hunting, fishing, and combination	66,113	64,055	67,184	64,994	F&G
Racing, pari-mutuel pool (handle) ($ thousands)					
Live					
Thoroughbred	no races	no races	no races	no races	RCGC
Harness	$3,260.3	$2,541.9	$2,142.0	$1,420.5	RCGC
Greyhound	$13,660.5	$7,958.3	$4,377.1	$1,727.2	RCGC
Total live	$16,920.8	$10,500.2	$6,219.1	$3,147.7	RCGC/NHES
Simulcast					
Thoroughbred	$140,464.1	$136,586.8	$161,917.6	$114,193.7	RCGC
Harness	$21,534.1	$19,236.6	$20,529.9	$22,552.0	RCGC
Greyhound	$35,582.7	$31,924.0	$35,608.3	$28,401.1	RCGC
Total simulcast	$197,580.9	$187,747.4	$218,055.8	$165,146.8	RCGC/NHES
Total pari-mutuel pool	$214,501.7	$198,247.6	$224,275.0	$168,294.5	RCGC/NHES

Construction & Housing

Chapter 11

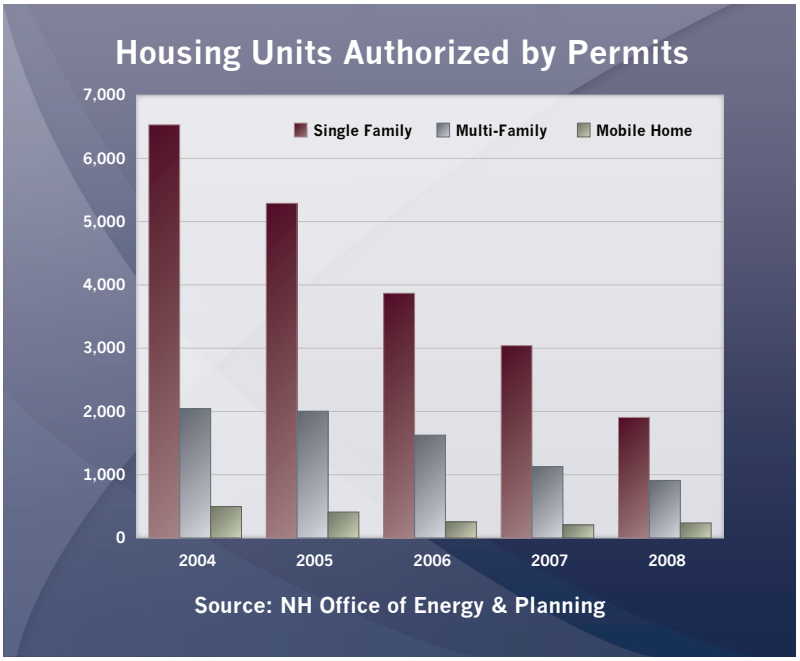
Housing and construction sectors in New Hampshire experienced a significant decline from 2007 to 2008. Results of the *Current Estimates and Trends in New Hampshire's Housing Supply* survey conducted by the New Hampshire Office of Energy and Planning revealed that the number of permits issued had declined at a rate of 31.4 percent from 2007 to 2008. The count of permits reflects the net change in the number of housing units. Permits for single family homes declined the fastest decreasing by 38.4 percent with 1,133 fewer permits being issued in 2008 than in 2007. Permits for multi-family homes decreased by 20.6 percent while new permits for mobile homes showed signs of growth. Permits issued for mobile homes increased from 210 in 2007 to 237 in 2008, growing by 12.9 percent. Since the height of the housing boom in 2004, permits for the construction of new housing have declined 66.4 percent. Permits issued in 2004 to build new housing reached a peak of 9,270 permits, while in 2008 a total of 3,051 permits were issued.

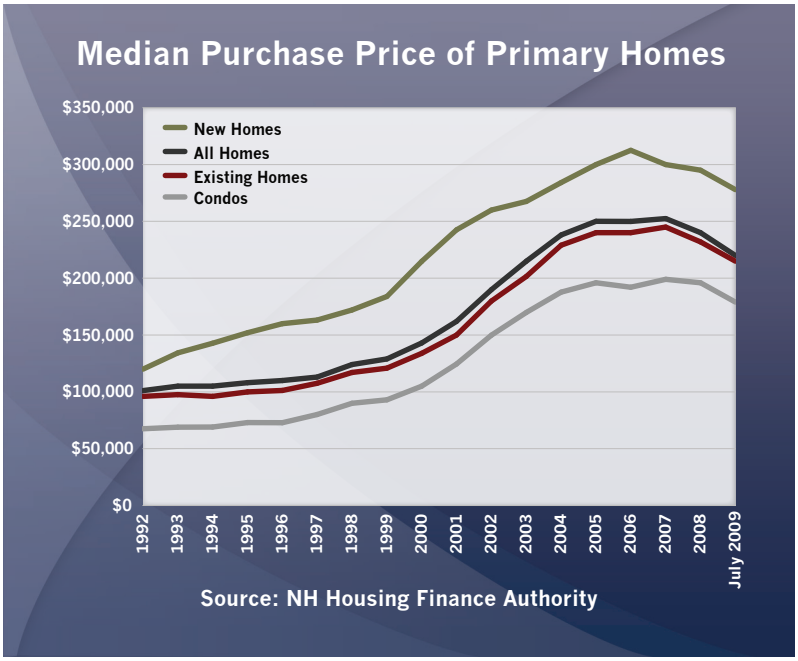
It can easily be argued that the steady decline in the number of housing permits issued can be directly related to the decrease in private construction employment experienced over the last few years. Construction employment (covered by Unemployment Insurance) peaked in 2005 with 29,443 employees statewide. By the end of 2008 the number of construction workers had decreased by 11.3 percent to a total of 26,104. Preliminary employment data through September 2009 reveals that construction employment numbers have continued to decline. Year to date construction employment through September of 2009 fell to a monthly average of 22,500.

Many key elements in New Hampshire's housing market have been adversely affected during this most recent economic downturn. New Hampshire's housing market has unfortunately experienced a decline similar to the rest of the nation. Fortunately the effects were not as devastating in New Hampshire as they were in states like Florida, Nevada, Michigan, and California.

Purchase Price and Sales

The median purchase price for all homes (existing, new, and condo) in 2008 was $240,000 dropping $12,500 from 2007's median price of $252,500. By July 2009 the median price of all homes had fallen to $220,000, a decline of 14.8 percent from the median annual price in 2007. Existing homes suffered the largest decline from 2007 to July 2009, dropping from a median price of $245,000 to $215,000, a decline of 14.0 percent. New housing actually fared quite well considering the overall decline in median prices. The median price for a new home dropped from $300,000 to $277,933, a decline of only 7.9 percent. Condos also fared better than the existing house market, dropping only 11.2 percent.





The significant decrease in the overall prices of New Hampshire housing was the result of a large drop in demand in 2008. The sale of houses fell by 20.1 percent from 2007 to 2008. The total number of houses sold in 2008 was 13,766, down 3,469 from the previous year's total of 17,235. As recently as October 2009, the number of homes sold year-to-date had exceeded the number of homes sold during the same time period in 2008. When comparing 2008 with 2009, residential home sales increased by 0.26 percent with 8,857 homes sold through October 2009, an increase of 23 homes purchased compared to 8,834 through October 2008. Unfortunately condos and mobile homes did not share similar increases with condo sales dropping 7.93 percent and mobile home sales dropping 8.32 percent in the first ten months of 2009.

Days on Market

There are many reasons as to why a house will remain "on the market" — pricing, location, market conditions, and competition are possibly the most common. "On the market" has been defined as the time it takes from first listing a property to the day of final sale or closing. Historically, the number of days a property remains on the market has been used as an indicator of the vitality of the housing market. When houses sell quickly the market is considered strong, and when the time to sell a house is lengthy the market has slowed or weakened.

The total number of days that a property for sale in New Hampshire remained on the market increased from 135 days in 2007 to 147 days in 2008. Condos took the longest to sell, averaging 164 days, which was up 35 days from a 129 day average in 2007. Through October 2009, the total number of days that a property was on the market remained consistent with 2008's annual average of 147 days. Current buying conditions suggest that New Hampshire is in a buyers market, meaning more homes are competing for available buyers. This situation typically extends the days a property will remain on the market as buyers are generally looking for a bargain.

Foreclosures

Foreclosures in New Hampshire increased significantly in 2008 with a total of 3,563 properties falling into foreclosure. The number of foreclosures jumped by 72 percent over 2007's total of 2,071 foreclosed properties. However, 2009 has shown signs of recovery with a slight decrease in the number of foreclosures.

Historically, the fourth quarter has the highest number of foreclosures, and 2009 was no exception. Foreclosure numbers posted by The New Hampshire Housing Finance Authority revealed that the start of the fourth quarter posted the highest number of foreclosures for a single

Quarterly New Hampshire Foreclosures

	2005	2006		2007		2008		2009	
Quarter	Number	Number	% change from previous year	Number	% change from previous year	Number	% change from previous year	Number	% change from previous year
First	90	191	112%	428	124%	755	76%	810	7%
Second	118	204	73%	446	119%	954	114%	860	-10%
Third	126	263	109%	507	93%	896	77%	873	-3%
Fourth	128	399	212%	690	73%	958	39%	924	-4%
Total	**462**	**1,057**	**129%**	**2,071**	**96%**	**3,563**	**72%**	**3,467**	**-3%**

Source: Real Data Corp. Compiled by New Hampshire Housing, <www.nhhfa.org/rl_docs/housingdata/ForeclosureUpdate_12-1-09.htm>

month, with 359 in October alone. Even with fourth quarter numbers being the highest of the year, New Hampshire ended 2009 with a total 3,467 properties having been foreclosed, representing a 3.0 percent decrease from 2008.

The years 2008 and 2009 look to represent a leveling off period, and the height of foreclosure activity in New Hampshire.

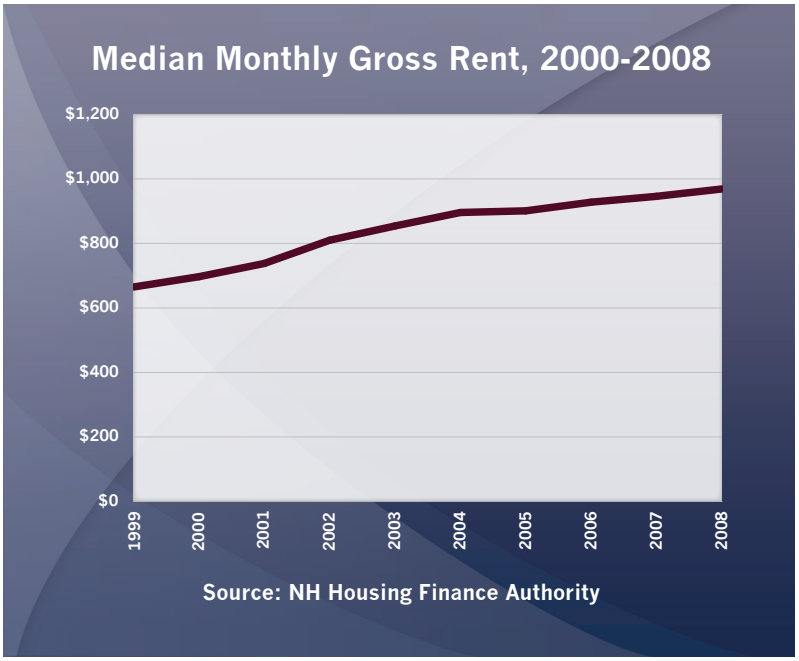
$8000 Tax Credit

The first time homebuyer credit was introduced as part of the Housing and Economic Recovery Act of 2008 and operated similar to an interest free loan for homes purchased in 2008, having to be repaid over a fifteen year period. In 2009 the credit was expanded to include homes purchased in 2009, the total credit was increased from $7,500 to $8,000, and the requirement to repay the credit was removed as long as the property remained the primary residence for three years. Most recently, the credit has been extended to include homes purchased as late as May 1, 2010 and also affords long time homeowners the ability to receive a $6,500 credit when purchasing a replacement home.

It is unclear how the first time homebuyer credit has precisely affected the New Hampshire housing market. However, the fact that the first ten months of home sales in 2009 exceeded the number of homes sold in the same time period of 2008, could lead one to conclude that the first time homebuyers credit may have been a motivating factor for some buyers. One could further assume that the first time homebuyer credit assisted in boosting the overall housing market.

Rental Information

Data from the New Hampshire Housing



Authority's annual *Residential Rental Costs* survey shows that median gross rental costs have continued to grow. The median gross rent rose for all unit types including utilities from $946 in 2007 to $969 per month in 2008. In fact, the median gross rent in New Hampshire has risen at a rate of 4.3 percent since 1999, with 2002 having the single largest year-to-year

Housing Permits Authorized (not seasonally adjusted)	**2005**	**2006**	**2007**	**2008**	**Source**
Total New Hampshire	7,586	5,677	4,561	3,234	CB
Annual percent change:					
New Hampshire	-12.3%	-25.2%	-19.7%	-29.1%	CB/NHES
New England	1.5%	-20.4%	-19.8%	-34.8%	CB/NHES
United States	4.1%	-14.7%	-24.0%	-35.3%	CB/NHES
Single units	6,432	4,826	3,772	2,333	CB
Annual percent change:					
New Hampshire	-8.1%	-25.0%	-21.8%	-38.1%	CB/NHES
New England	-4.4%	-20.6%	-21.5%	-39.1%	CB/NHES
United States	4.2%	-18.1%	-28.9%	-41.3%	CB/NHES

New Hampshire Housing Stock	**2005**	**2006**	**2007**	**2008**	**Source**
From residential building permit data					
Net change in units (permitted units less demolitions)	7,702	5,748	4,374	3,051	OEP
Total Hillsborough and Rockingham Counties	3,373	2,302	1,781	1,354	OEP
Total multifamily	2,003	1,626	1,128	908	OEP

Contract Value Indices (base = 1980)	**2005**	**2006**	**2007**	**2008**	**Source**
Total construction:					
New Hampshire	576.1	475.9	509.4	370.9	FR/NHES
New England	440.2	406.1	428.3	365.7	FR/NHES
United States	452.4	464.4	426.4	374.4	FR/NHES
Non-building construction					
New Hampshire	364.3	361.9	465.9	336.9	FR/NHES
New England	322.7	284.4	336.7	136.3	FR/NHES
United States	323.0	400.7	419.2	481.2	FR/NHES
Nonresidential construction					
New Hampshire	677.5	562.5	733.0	591.8	FR/NHES
New England	445.7	485.0	504.6	489.8	FR/NHES
United States	347.0	413.1	443.8	461.7	FR/NHES
Residential construction					
New Hampshire	610.5	476.3	401.8	276.2	FR/NHES
New England	497.7	403.8	379.2	233.6	FR/NHES
United States	604.3	539.0	415.7	255.1	FR/NHES
Residential construction (seasonally adjusted)					
New Hampshire	597.3	476.6	397.5	276.8	FR/NHES
New England	483.1	407.2	377.2	238.4	FR/NHES
United States	596.8	532.1	409.3	250.9	FR/NHES

growth of 9.8 percent. While gross rent continued to rise, so did vacancies for all rentals. The vacancy rate for New Hampshire's rental units has risen at a steady rate of 4.1 percent since 2005. New Hampshire's vacancy rate increased from 4.0 percent in 2008 to 5.3 percent in 2009. The state's vacancy rate had not exceeded five percent since a vacancy rate of 5.4 percent in 1993.

Often an increase in vacancy rates can be attributed to tenant households moving towards home ownership. Instead, current economic conditions are likely contributing to the recent rise in vacancy rates.

Assisted Rental Housing Funded	2005	2006	2007	2008	Source
Total units (NHHFA only)	620	409	388	274	HFA
For elderly and special needs tenants	278	102	260	87	HFA

Homes Financed by NH Housing Finance Authority	2005	2006	2007	2008	Source
Total	1,212	1,228	1,380	759	HFA
Percent new	7.0%	5.4%	5.6%	6.5%	HFA
Percent condo	30.7%	29.5%	28.3%	23.6%	HFA
NHHFA Bond Issues ($ millions)	$180.0	$210.0	$210.0	$126.5	HFA

Home Sales	2005	2006	2007	2008	Source
Conventional Mortgage Home Price Index (1987=100), NSA[a]					
New Hampshire	219.84	221.81	216.94	206.26	FR;FM/NHES
New England	255.39	261.74	259.06	248.56	FR;FM/NHES
United States	264.82	281.19	284.36	273.52	FR;FM/NHES
New Hampshire Multiple Listing Service data on Sales of Existing Homes[b]					
Total Sales Volume (millions)	$2,872.7	n/a	$5,125.4	$3,802.7	NNEREN
Annual percent change	n/a	n/a	n/a	-25.8%	NNEREN/NHES
Average sale price	$264,517	n/a	$225,000	$208,000	NNEREN
Annual percent change	4.2%	n/a	n/a	-7.6%	NNEREN/NHES
Total existing home sales seasonally adjusted	23,476	19,397	17,235	13,766	
Single family, apt. condos. and coops	22,129	18,207	16,181	12,951	NHAR
Mobile/manufactured	1,347	1,190	1,054	815	NHAR
Annual percent change	-1.6%	-17.4%	-11.1%	-20.1%	NHAR/NHES

[a] Data for fourth quarter as published by Federal Reserve Bank Boston from Freddie Mac.

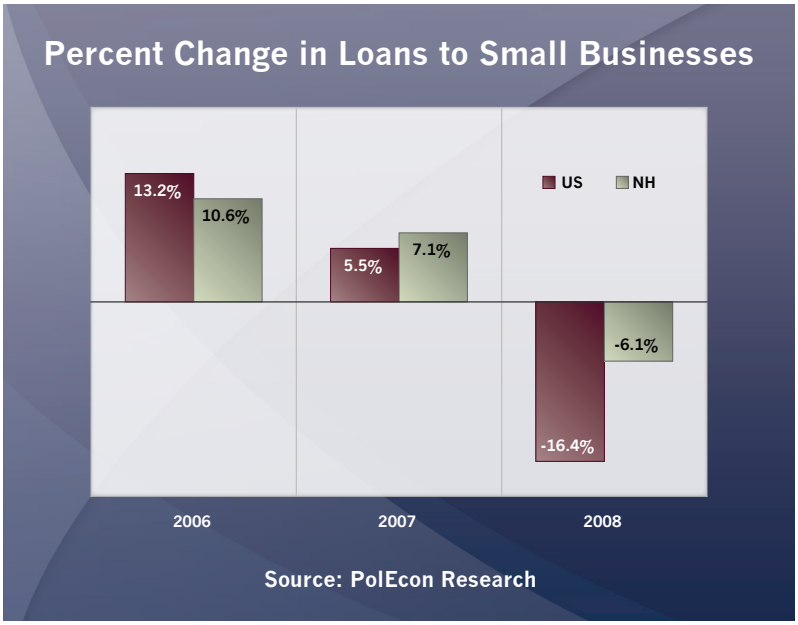
[b] Data for 2005 represents the first six months of the year. No further data is currently available.

Mortgage Rates and Housing Rentals	2005	2006	2007	2008	Source
30-Year Fixed Mortgage Rates (Annual average)	5.87%	6.41%	6.34%	6.03%	MBA;FM/NHES
Housing Unit Rentals					
Median monthly rent (including utilities)	$901	$928	$946	$969	HFA
Annual percent change	0.6%	3.0%	1.9%	2.4%	HFA/NHES

Chapter
12

The severe economic downturn that was precipitated by the problems in housing soon showed evidence of a systemic problem that involved virtually the whole financial community.

As the economic recession deepened into a financial crisis in late 2008, banks and lending practices came under intense focus and scrutiny. In an effort to forestall an uncontrollable downward spiral in the economy, the large financial institutions deemed "too big to fail" received billions of dollars in government aid to keep money flowing to Main Street America. The financial sector gained additional attention as executives of rescued institutions received large bonuses, while businesses cried foul as credit had become difficult to obtain. Now the concern morphed to be "how can the economy start to recover and grow if businesses can not access funds to help hire more people."

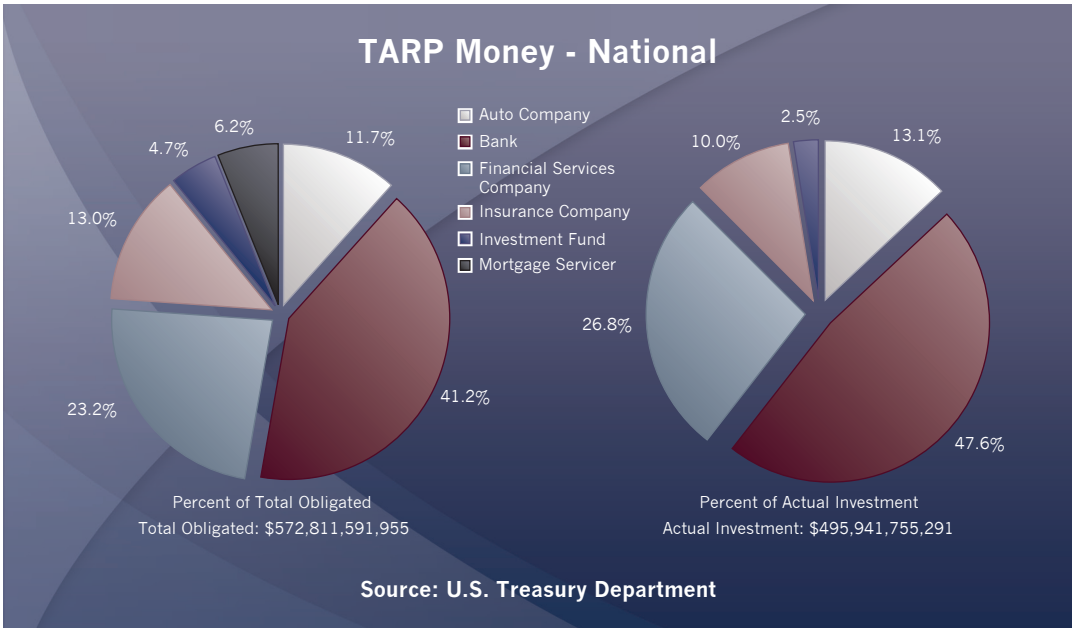


Is Small Business Credit Hard to Obtain in New Hampshire?

New Hampshire community banks, initially unaffected by the financial crisis for the most part, continued their established way of conducting business. In a study conducted for the New Hampshire Bankers Association, it was determined that overall lending to small businesses by New Hampshire-based community banks has increased over the past several years. Those increases even continued into the current recession. However, the drawback remains that these institutions are only responsible for about half of the total credit extended to small businesses in New Hampshire.[1] The focus on small business lending stems from the fact that larger businesses tend to have alternative sources of funding available, including retained earnings, corporate bonds, securitized loans and new equity. The current economy created tighter lending standards and new rules of protection for consumers, which presented obstacles to obtaining credit for entrepreneurs and small businesses.

Almost two-thirds of the decline in lending to small businesses in New Hampshire from 2007 to 2008 was from national institutions with little to no physical presence in the state,[2] even while lending to small businesses by New Hampshire based community banks increased. The decline in loans to small businesses is as much in response to the economy as it is to banks' diminished willingness to lend. Small business loans with a dollar value of under $100,000 seemed to be most affected, declining by 13.9 percent from 2007 to 2008.[3]

1. "Credit Where Credit is Due: Trends in Small Business Lending in New Hampshire." PolEcon Research. January 2010. Accessed January 25, 2010. <www.nhba.affiniscape.com/associations/6015/files/Version%205%20of%20Lending%20Report.pdf>. *Report released by New Hampshire Bankers Association.*
2. Ibid.
3. Ibid.



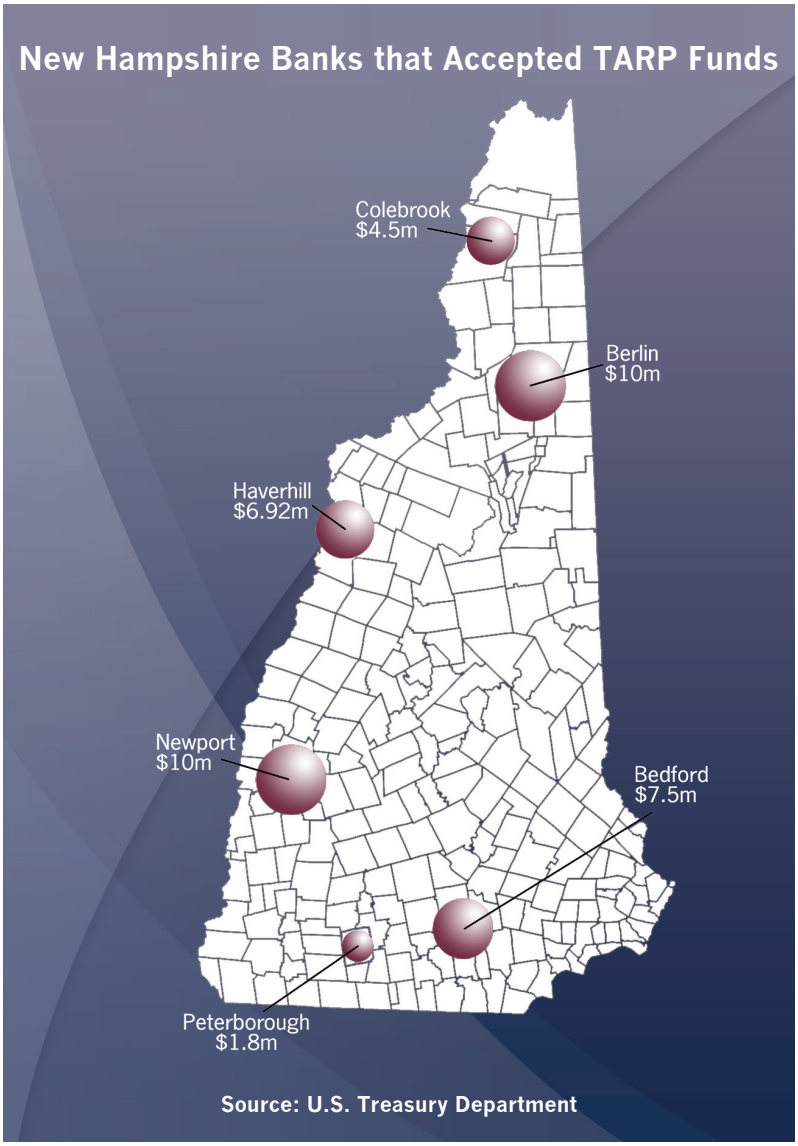
Another factor to the decline in small business loans in New Hampshire is that the demand for such loans has receded in the current economy. Typically in a recession period the demand to borrow by small businesses would contract until there was some improvement, but businesses have struggled more in this economy than in other recession periods.[4] However if the decline is solely based on the economy, then as the economic recovery progresses there would be an increase in business confidence leading to increases in capital demand and lending by banks.

In a separate report from the National Federation of Independent Business, one of every three small businesses cited poor sales as their single most important problem.[5] The next two concerns, with the largest share of small businesses claiming them as a

4. "Survey: Business confidence up for 2010." News Articles. December 20, 2009. Business and Industry Association. Accessed February 18, 2010. <www.nhbia.org/CWT/External/WCPages/WCNews/NewsArticleDisplay.aspx?ArticleID=17>.

5. NFIB Small Business Economic Trends Monthly Report. January 2010. National Federation of Independent Business. Accessed February 1, 2010. <www.nfib.com/Portals/0/PDF/sbet/sbet201001.pdf>.

Bankruptcy Filings	2005	2006	2007	2008	Source
Total New Hampshire Filings	6,097	1,925	2,983	3,931	BKRNH
Percent change from previous year					
New Hampshire	31.1%	-68.4%	55.0%	31.8%	ABI/NHES
Connecticut	33.7%	-67.1%	17.2%	39.7%	ABI/NHES
Maine	46.7%	-80.0%	74.1%	31.6%	ABI/NHES
Massachusetts	44.8%	-68.6%	63.2%	20.7%	ABI/NHES
Rhode Island	40.9%	-72.2%	73.8%	52.6%	ABI/NHES
Vermont	54.4%	-75.0%	36.6%	42.5%	ABI/NHES
New England	40.8%	-70.0%	50.9%	30.5%	ABI/NHES
United States	29.7%	-71.0%	40.3%	31.4%	ABI/NHES



priority, were taxes (20 percent) and government regulations and red tape (13 percent). Only four percent of small businesses found access to financing as their primary problem.

Troubled Asset Relief Program

By the end of 2009, more than 800 institutions were on the list for obligated emergency bailout monies provided by the Emergency Economic Stimulus Act of 2008, through TARP (Troubled Asset Relief Program) funds. The purpose of the TARP was for the Treasury to purchase troubled assets whose value was in question, helping institutions avoid further losses and become able to stabilize their financial sheets, and allow lending to resume. In theory the value of the assets would stabilize over time allowing trading to restart and curtailing future losses.

Institutions on the list for obligated TARP assistance included mortgage servicers, investment funds, insurance companies, financial services companies, banks and auto companies. Of the $35.6 billion obligated for the 103 mortgage servicers, none of that money had been actually used as of October 30, 2009. Over 700 banks accepted funds from the obligated amount of $235.9 billion. Six banks from New Hampshire accepted funds and have an obligation to repay the Treasury in excess of $40.7 million.

Personal Banking

Businesses and banks and financial institutions were not alone in protecting the money they had and not spending more than they needed. Individuals throughout the country curtailed spending in the face of uncertain job security. Nationally the saving rate,[6] which had averaged less

6. Based of the US Bureau of Economic Analysis' definition of savings as the share of money after personal outlays are subtracted form personal disposable income.

Delinquency Rates (FDIC Insured Institutions)	2005	2006	2007	2008	Source
Mortgage delinquency rate (1-4 family residential)	0.69%	0.77%	1.53%	1.79%	FDIC/NHES
Consumer loan delinquency rate[a]	1.31%	1.53%	1.91%	2.46%	FDIC/NHES
Credit card delinquency rate[a]	1.16%	1.72%	4.56%	5.57%	FDIC

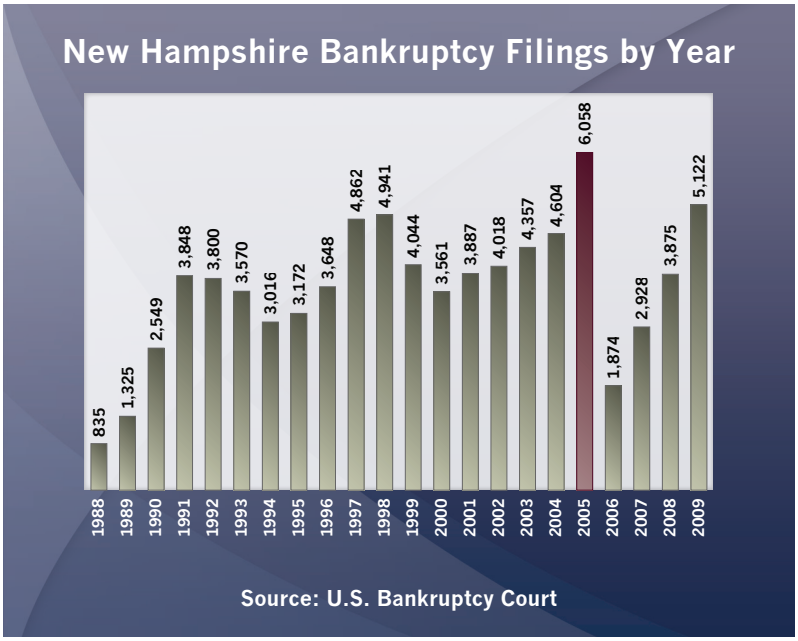
[a] Prior to 2005 rates for NH were inflated by the presence of Providian's credit card operations.

than two percent from first quarter 2005 through first quarter 2008, increased to an average just shy of five percent during the four quarters of 2009.

Typically savings are associated with a financial institution of some kind. The *2009 – 2010 Assets and Opportunity Scorecard* addressed the share of households in each state that did not have a checking, savings or money market account in 2006. What can be viewed as strength of the New Hampshire financial and social system, is the state had the second lowest share of "unbanked" households. The importance of "unbanked" households is that these households can fall behind economic trends. A basic relationship with a bank, according to the Scorecard, is the beginning element of economic inclusion. Opening a savings account is a basic start to accumulating assets, and a checking account is an accepted, almost universal, avenue of financial transactions. Those who are "unbanked" must turn to high-cost alternative financial service providers for everything from check cashing to money orders to payday loans.[7]

Bankruptcies

In 2008 there was a total of 3,931 bankruptcies filed in U.S. Bankruptcy Court, District of New Hampshire. Of the 3,931 bankruptcies filed in New Hampshire, 393 were business related with the remaining 3,538 being non-business related. New Hampshire ranked seventh lowest nationally (per 1,000 population) for the number of bankruptcies filed in 2008.



On a smaller scale and closer to home, New Hampshire ranked second among the six New England states in total bankruptcy filings, with only Maine faring better in 2008.

Data from the U.S. Bankruptcy Court for 2009 show that New Hampshire reached a near-record volume of 5,122 bankruptcy filings. The number of filings in 2009 surpassed all but one year's volume since the tracking of bankruptcies began in 1988. The only year on record with a higher volume of bankruptcies was 2005, with a total of 6,097, attributed to the large number of individuals filing for bankruptcy protection before the law change that imposed stricter requirements. The surge of bankruptcy filings in 2009 can be credited to the economic downturn that began in late 2008.

7. "Unbanked Households." 2009-2010 Assets and Opportunity Scorecard. Accessed February 3, 2010. <scorecard.cfed.org/financial.php?page=unbanked_households>.

Banking Data - FDIC Insured Banks	2005	2006	2007	2008	Source
Bank Assets - Total All Banks (millions)	$19,396	$19,661	$9,870	$10,895	FDIC
Commercial Banks and Trust Companies	$4,266	$3,943	$3,947	$2,389	FDIC
Savings Institutions	$15,130	$15,718	$5,923	$8,506	FDIC
Annual percent change:					
Total	-37.8%	1.4%	-49.8%	10.4%	FDIC/NHES
Commercial Banks and Trust Companies	-75.8%	-7.6%	0.1%	-39.5%	FDIC/NHES
Savings Institutions	11.7%	3.9%	-62.3%	43.6%	FDIC/NHES
Bank Deposits - Total All Banks (millions)	$13,347	$13,411	$7,446	$7,935	FDIC
Commercial Banks and Trust Companies	$3,424	$3,108	$3,034	$1,824	FDIC
Savings Institutions	$9,923	$10,302	$4,412	$6,111	FDIC
Annual percent change:					
Total	-42.1%	0.5%	-44.5%	6.6%	FDIC/NHES
Commercial Banks and Trust Companies	-73.8%	-9.2%	-2.4%	-39.9%	FDIC/NHES
Savings Institutions	-0.9%	3.8%	-57.2%	38.5%	FDIC/NHES
Equity Capital (millions)					
Total	$1,872	$2,036	$1,307	$1,672	FDIC
Commercial Banks and Trust Companies	$548	$546	$632	$291	FDIC
Savings Institutions	$1,323	$1,490	$675	$1,381	FDIC
Equity Capital to Asset Ratio					
Total	9.65%	10.36%	13.24%	15.35%	FDIC/NHES
Commercial Banks and Trusts	12.85%	13.85%	16.01%	12.18%	FDIC/NHES
Savings Institutions	8.75%	9.48%	11.40%	16.24%	FDIC/NHES
Number of Banking Institutions					
Total	27	26	24	25	FDIC
Commercial Banks and Trusts	10	10	9	9	FDIC
Savings Institutions	17	16	15	16	FDIC
Number of Banking Offices (Incl. branches)					
Total	427	n/a	344	348	FDIC
Commercial Banks and Trusts	219	n/a	n/a	263	FDIC
Savings Institutions	208	n/a	n/a	85	FDIC

Industrial Financing ($ millions)	2005	2006	2007	2008	Source
Total bond issues (millions)	$124.3	$42.9	$123.2	$62.4	BFA
Industrial revenue bonds, initial issues (millions)	$6.8	$2.0	$5.8	$3.4	BFA

Credit Unions	2005	2006	2007	2008	Source
Assets (millions)	$3,438	$3,571	$3,785	$4,230	NCUA
Annual percent change	7.0%	3.9%	6.0%	11.8%	NCUA/NHES
Shares and Deposits (millions)	$2,745	$2,900	$3,046	$3,325	NCUA
Annual percent change	4.6%	5.6%	5.0%	9.2%	NCUA/NHES
Number of Credit Unions	26	25	24	23	NCUA

Non-Current Loans and Leases	2005	2006	2007	2008	Source
FDIC commercial banks, Dec. 31st totals (millions)	$24.2	$39.7	$53.0	$86.2	FDIC
Percent change from previous year	-88.5%	64.0%	33.5%	62.6%	FDIC
Rank by non-current/net loans and leases (from smallest)[a]	49	45	41	47	FDIC

[a] 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.

Monthly filings for bankruptcy in 2009 averaged 427 per month, with July falling just short of 500 at 494 filings. Further indication of the severity of the economic situation, only three months in 2009 had filings below 400 (January, February, and November). A monthly average of filings above 400 had not been obtained since the volume of 2005.

Across the state, the share of bankruptcy filings followed a similar distribution as the population, with the most populous counties, Hillsborough and Rockingham, having the highest share of bankruptcy filings, accounting for 54.9 percent combined.

Government Revenues & Expenditures

Chapter 13

The national recession created significant financial challenges in New Hampshire, as in other states, in 2009. Unemployment increased and businesses and families struggled to make ends meet. The recession also had a significant impact on the fiscal year 2009 state budget: general fund revenues were twelve percent below plan and six percent below the prior year.[1] New Hampshire's tax receipts failed to reach projected amounts in most categories during fiscal year 2009 and continued to slump into the beginning of fiscal year 2010. Forecasts project that state revenues will remain depressed throughout fiscal 2010 and possibly into fiscal years 2011 and 2012, because historically state revenue collections lag any national economic recovery.[2]

The state's major governmental funds include the General Fund, Highway Fund, and Education Fund. General fund spending represents the primary component of discretionary expenditures of revenue derived from general sources, which has not been earmarked for specific items. Among all states, on average, general funds represent over 40 percent of state expenditures.[3] New Hampshire's general fund accounts for just over 30 percent, the eleventh smallest share among the states.[4]

General Fund Spending [5]

The recession period that officially started in December 2007 coincided with mid-fiscal 2008 (July 1, 2007 through June 30, 2008). New Hampshire fared better than many other states. Revenues collected reached $1,484 million which, combined with a beginning budget balance of $62 million, proved adequate to cover the $1,528 million budgeted expenditures. By the end of fiscal 2008, there was a $17 million balance and $89 million available in the budget stabilization fund.

Faced with declining revenues in fiscal year 2009, New Hampshire cut general fund expenditures by $81.1 million (July 1, 2008 through June 30, 2009). This was accomplished primarily through Executive Orders establishing a freeze on hiring, out-of-state travel, and equipment purchases. The $17 million balance carried forward combined with new revenues provided $1,491 million in resources, $55 million less than fiscal 2008. It was necessary to use $69 million from the budget stabilization fund to help meet the $1,560 million in expenditure obligations.

This action reduced the "rainy day" fund to about $20 million heading into fiscal year 2010. Executive Orders continued the general fund freeze on hiring, out-of-state travel, and

1. "Governor's Letter" State of New Hampshire, Comprehensive Annual Financial Report for the Fiscal Year Ended July 30, 2009. Pg.1. State of New Hampshire, Department of Administrative Services. Accessed February 2, 2010. <admin.state.nh.us/accounting/FY%2009/CAFR%20FY09.pdf>.
2. Zaharias, Krista. "NGA, NASBO Says States Will Continue to Face Difficulties in Coming Years." News Release. November 12 ,2009. National Governors Association. Accessed January 18, 2010. <www.nga.org/portal/site/nga/>.
3. "Chapter One, State Expenditure Developments" The Fiscal Survey of States. December 2009. National Governors Association. Accessed January 19, 2010. <www.nga.org/Files/pdf/FSS0912.PDF>.
4. State Expenditure Report 2008. December 2009. National Association of State Budget Officers. Accessed February 2, 2010. <www.nasbo.org/Publications/StateExpenditureReport/tabid/79/Default.aspx>.
5. *Budget amounts discussed are rounded figures reported in the Fall 2009 Fiscal Survey of States*

equipment purchases. With the hiring freeze in place, the number of full-time equivalent positions in the state shrank through attrition from 2008 to 2009 by approximately one percent, about 100 workers. Heading into fiscal year 2010, additional methods of reducing employee-related expenses were proposed, including changes in benefit packages, reduced hours or furloughs, or lay-offs. Finally, it was deemed that many vacant positions would remain unfilled and a reduction in workforce was acted on. This reduced full-time equivalent State employment by 1.72 percent from fiscal 2009 to fiscal 2010. Original estimates for fiscal 2010 expenditures were projected to be $1,561 million, ending the fiscal year with a $2 million surplus and $20 million in the rainy day fund.

General Fund Revenues

Without a general sales tax or a personal income tax, New Hampshire's tax revenues rely primarily on two forms of business taxes, the Business Profits Tax (BPT) and the Business Enterprise Tax (BET). These taxes generate the largest share of revenues and are allocated to benefit both the general fund and the educational fund in the state. In fiscal 2009, revenues to the general fund from the BPT were predicted to exceed $320.0 million. Actual receipts fell short of those expectations, amounting to $250.3 million, creating a $69.7 million shortfall. Likewise, the BET fell $33.6 million shy of revenue plans. Combining the revenue shortfall from these two sources created a deficit in the state general fund of more than $100 million.

New Hampshire's next largest tax revenue source is from Meals and Rooms Tax. The Fiscal Year 2009 Plan had estimated about $222 million in revenues from this tax source. Revenues from Meals and Rooms Tax were down 1.3 percent compared to fiscal year 2008. Changes in the economy created changes in vacation spending. Travel was done closer to home. People took shorter trips, but more frequently. Day tripping was the new option chosen by many.[6] By the end of fiscal 2009, revenues were roughly $204 million, $18 million behind the original projections.

Preliminary Accrual - Unadited

General Fund	FY09 actual	Adjusted Plan	Actual vs. Plan
Business Profits Tax	$250.3	$320.0	($69.7)
Business Enterprise Tax	61.5	95.1	(33.6)
Subtotal Business Taxes	311.8	415.1	(103.3)
Meals & Rooms Tax	203.7	221.8	(18.1)
Tobacco Tax*	60.9	62.3	(1.4)
Liquor Sales and Distribution*	146.0	153.6	(7.6)
Interest & Dividends Tax	98.1	126.0	(27.9)
Insurance Tax	94.2	98.3	(4.1)
Communications Tax	80.5	82.9	(2.4)
Real Estate transfer Tax	53.0	97.1	(44.1)
Court Fines and Fees	28.7	32.9	(4.2)
Securities Revenue	34.7	34.0	0.7
Utility Tax	6.5	6.6	(0.1)
Board and Care Revenue	21.3	16.4	4.9
Beer Tax	12.7	12.9	(0.2)
Racing Revenue	2.0	3.0	(1.0)
Other	77.6	75.0	2.6
Transfer from Lottery			
Transfer from Pari-Mutuel (Racing & Charitable)			
Tobacco Settlement	12.8	9.3	3.5
Utility Property Tax			
State Property Tax			
Subtotal General Fund Revenues	$1,244.5	$1,447.2	($202.7)

*The FY 2009 Plan has been adjusted to reflect the anticipated increase in revenues as a result of the changes in the Tobacco Tax and Liquor discounts pursuant to Chapter 296, Laws of 2008

Source: State of New Hampshire Monthly Revenue Focus, Department of Administrative Services, June FY 2009, Preliminary Accrual - Unaudited

6. Desouza, Alice, Director, NH Division of Travel and Tourism Development. "The 2010 NH Industry Forecast: TOURISM." Business NH Magazine. January 2010.

Among the 19 line items on the unrestricted revenues report,[7] only four exceeded fiscal 2009 estimates, but those surpluses were minimal and not enough to mitigate the shortfalls of the other eleven items, which totaled more than $200 million.

2010 Revenues

Several different measures were enacted by the State to generate additional revenue and help bolster the 2010 budget balance. Effective July 1, 2009, the beginning of the 2010 fiscal year, the State approved an increase in the tobacco tax by 45 cents from $1.33

7. State of New Hampshire Monthly Revenue Focus, Preliminary Accrual - Unaudited. Department of Administrative Services. June FY 2009.

State Government General Revenue (FY ending 6/30)	2004-05	2005-06	2006-07	2007-08	Source
As reported by Administrative Services (millions) (Modified Accrual Basis of Accounting)	$4,179.0	$4,169.6	$4,229.6	$4,427.0	AS
Grants from Federal Government (millions)	$1,415.1	$1,414.1	$1,409.3	$1,497.6	AS
As reported by Census Bureau (millions)	$5,027.4	$5,186.2	$5,471.7	$5,714.0	CB
From Taxes (millions)	$2,010.8	$2,080.6	$2,175.1	$2,257.8	CB
General Revenue per $1,000 Personal Income:					
New Hampshire	$100.6	$96.7	$97.4	$87.6	CB;BEA/NHES
United States	$122.8	$123.1	$122.7	$105.3	CB;BEA/NHES
United States rank	45	48	46	45	CB;BEA/NHES
Rank in General revenue from taxes	45	45	45	45	CB;BEA/NHES
General Revenue per Capita					
New Hampshire	$3,863.0	$3,953.2	$4,153.6	$3,803.2	CB
United States	$4,350.6	$4,639.7	$4,833.8	$4,227.4	CB
United States rank	40	41	40	37	CB/NHES

State Government General Expenditures (FY ending 6/30)	2004-05	2005-06	2006-07	2007-08	Source
As reported by Administrative Services (millions) (Modified Accrual Basis of Accounting)	$4,382.4	$4,433.5	$4,502.1	$4,760.7	AS
As reported by Census Bureau (millions)	$5,047.6	$5,212.2	$5,381.9	$5,672.4	CB
General Expenditures per $1,000 Personal Income:					
New Hampshire	$101.0	$97.1	$95.8	$98.8	CB;BEA/NHES
United States	$122.5	$119.7	$119.9	$123.1	CB;BEA/NHES
United States rank	45	45	45	46	CB;BEA/NHES
For Education	45	45	45	45	CB;BEA/NHES
For Public welfare	34	43	43	40	CB;BEA/NHES
For Highways	40	39	41	39	CB;BEA/NHES
General Expenditures per Capita					
New Hampshire	$3,878.5	$3,973.0	$4,085.5	$4,291.2	CB
United States	$4,338.0	$4,511.6	$4,722.6	$4,943.0	CB
United States rank	38	39	41	40	CB/NHES

per pack of 20 cigarettes to $1.78. This increase was expected to generate an additional $35.2 million dollars in the fiscal year. Also, insurance company agent fees for motor vehicle records increased by $4.00 for electronic copies, and increased by $7.00 for all others to $12.00 and $15.00 respectively. This change was expected to add $2.4 million dollars in fiscal 2010.

Other tax changes included an increase of one percent in Meals and Rooms Tax. For the first time, this tax was also assessed at campgrounds (as long as they were not federally owned property). Additional tax changes included an increase in the tax on transfer of a property, a new tax on gambling winnings, a change in the Business Profits Tax Filing Threshold, and changes to the Interest and Dividends Tax. These changes, effective the beginning of fiscal year 2010, were estimated to add another $58.6 million to the state's revenue collections.

There were changes in other fees assessed starting July 1, 2009. These included increases to the administrative fees for the Department of Environmental Services Revolving Loan Fund. There was an increase in the fees for boat registrations. This change aligned boat registration fees with the length of the boat. There were also increases in fees charged for motor vehicle vanity license plates, and for motor vehicle registrations. These changes were expected to bring in an additional $54.3 million.

The projected budget for fiscal year 2010 planned for $1,563 million in revenues, with anticipated expenses of $1,561 million. These projections would end the fiscal year with a $2 million

Property Valuations, Equalized including Utilities and Railroad (Equalization Year – October 1 to September 30)	2004-05	2005-06	2006-07	2007-08	Source
State total equalized valuation (millions)	$165,223	$173,177	$173,624	$170,080	RA
Annual percent change	12.0%	4.8%	0.3%	-2.0%	RA/NHES
Percent in Hillsborough & Rockingham Counties	53.3%	52.4%	51.7%	51.7%	RA
Equalization ratio	82.5	92.1	94.7	99.6	RA
Full value tax rate per $1,000	$14.96	$15.32	$15.94	$17.36	RA

State & Local Government General Revenue Per $1,000 Personal Income (FY ending 6/30)	2004-05	2005-06	2006-07	2007-08	Source
Total general revenue	$154.13	$150.79	$152.12	n/a	CB/BEA
United States rank	50	50	50	n/a	CB/BEA
Total taxes	$86.24	$84.18	$84.38	n/a	CB/BEA
United States rank	47	50	49	n/a	CB/BEA
Property tax	$53.05	$51.82	$51.80	n/a	CB/BEA
United States rank	1	1	1	n/a	CB/BEA
Percent of total taxes	61.5%	61.6%	61.4%	n/a	CB/BEA
Percent of general revenue	34.4%	34.4%	34.1%	n/a	CB/BEA
United States rank	1	1	1	n/a	CB/BEA

Unemployment Insurance Tax (Calendar Year)	2005	2006	2007	2008	Source
Average tax (federal + state) per worker in covered employment	$187	$159	$141	$135	NHES

surplus, and no need to access monies from the rainy day fund.[8] However, as of December 2009, state revenues were $33.8 million shy of the general fund plan amount of $683.9 million.

New Hampshire's fiscal 2010 budget could also be significantly impacted by the New Hampshire Supreme Court's decision to not allow the State to appropriate funds from a malpractice insurance fund. Also pending is a retroactive change in the statute for the application of interest and dividends tax on limited liability companies that, until now, had been exempt.

8. "State Expenditure Developments." Fall 2009 Fiscal Survey of States. National Governors Association. Accessed January 19, 2010. <www.nga.org/Files/pdf/FSS0912.pdf>.

Unrestricted Revenue to State General and Education Funds (State Fiscal Year, ending Jun 30)	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**Source**
Total unrestricted revenue General and Education Funds (millions)	$2,161.9	$2,182.3	$2,291.3	$2,366.7	AS
Total General Fund Revenue	$1,391.6	$1,329.5	$1,421.6	$1,483.9	AS
Total Education Fund Revenue	$770.3	$852.8	$869.6	$882.8	AS
Selected unrestricted general and education funds revenues					
Business profits tax	$247.4	$320.6	$345.2	$385.4	AS
Education Fund Portion	$50.7	$56.6	$57.8	$68.0	AS
Business enterprise tax	$244.7	$225.6	$253.5	$232.7	AS
Education Fund Portion	$130.6	$150.4	$174.2	$155.0	AS
Meals/rooms & rental tax	$193.6	$200.9	$209.8	$214.3	AS
Education Fund Portion	$7.2	$7.1	$7.2	$7.6	AS
Liquor sales and distribution tax	$112.6	$120.6	$124.7	$133.1	AS
Sweepstakes transfers	$70.3	$82.0	$80.5	$77.0	AS
Education Fund Portion	$70.3	$82.0	$80.5	$77.0	AS
Insurance tax	$88.7	$90.5	$97.9	$95.9	AS
Tobacco tax	$101.4	$150.8	$143.6	$166.4	AS
Education Fund Portion	$28.2	$80.9	$78.3	$109.3	AS
Tobacco settlement	$42.4	$39.0	$40.8	$48.4	AS
Education Fund Portion	$40.0	$39.0	$40.8	$40.0	AS
Interest and dividends tax	$67.9	$80.5	$108.1	$118.7	AS
Estate and legacy tax	$11.7	$3.2	$0.6	$0.2	AS
Telephone/communication tax	$70.0	$70.5	$73.0	$80.9	AS
Real estate transfer tax	$159.8	$158.7	$137.4	$116.3	AS
Education Fund Portion	$52.0	$52.5	$45.7	$38.6	AS
Utilities property tax	$20.1	$20.9	$21.8	$24.2	AS
Education Fund Portion	$20.1	$20.9	$21.8	$24.2	AS
Statewide property tax (not retained locally)	$20.9	$0.0	$0.0	$0.0	AS
Education Fund Portion	$20.9	$0.0	$0.0	$0.0	AS
Statewide property tax (retained locally)	$350.4	$363.4	$363.3	$363.1	AS
Education Fund Portion	$350.4	$363.4	$363.3	$363.1	AS

Education

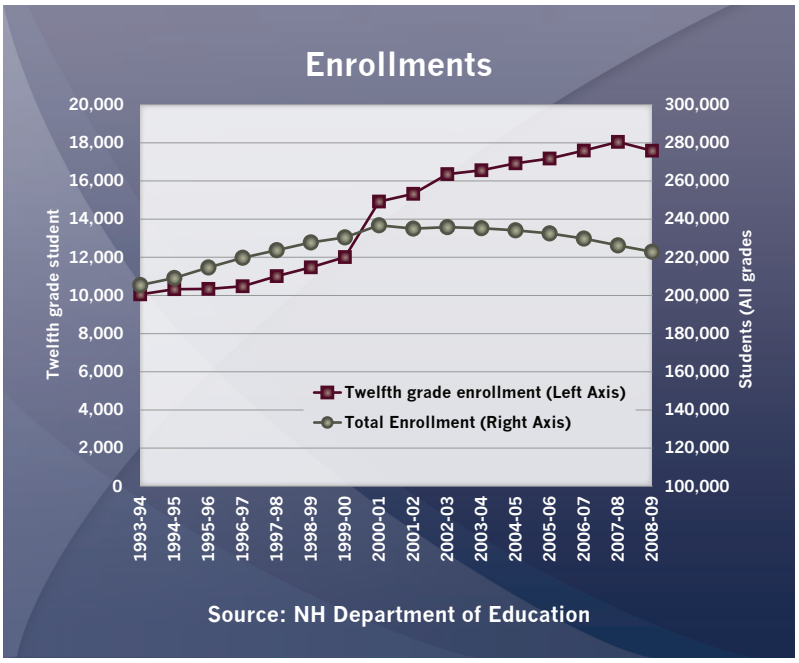
Chapter 14

Despite an overall decline in the number of students enrolled in New Hampshire schools since 2000, the number of twelfth grade students continued to grow. Enrollment of twelfth-graders peaked in the 2007-2008 academic year at about 18,000, and then declined slightly for the 2008-2009 school year. This suggests that a large portion of the New Hampshire echo boomers (the children of the baby boomers) has passed through the K-12 educational system and as young adults are now attending college or entering the workforce in great numbers. Full-time enrollments in two- and four-year postsecondary institutions have been trending upward for the last decade. In addition, as job opportunities in New Hampshire currently are limited due to high unemployment, laid off workers and young adults have gone back to school in increasing numbers. Full-time equivalent enrollment at the community colleges this fall was up by more than 13 percent from the prior year.[1]

Stimulus — An Investment in Education

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law in February 2009, with the main purpose of stimulating the economy in the short term and to also invest in education and other essential public services to ensure the long-term economic health of our nation. Due to the Great Recession it was feared that as state and local communities were faced with severe revenue shortfalls, school budgets would be cut, compromising the American educational system. Therefore the ARRA federal law required New Hampshire to use 81.8 percent of the State Fiscal Stabilization Fund (program title for one of the ARRA funds) on education. The award criteria also required states to maintain efforts supporting K-12 education and public higher education at State Fiscal Year 2006 levels. The ARRA funds were distributed to the local school districts through the State's adequacy payments.[2]

According to the State of New Hampshire Office of Economic Stimulus, the State Fiscal Stabilization Fund - Education grant accounted for 62.5 percent of the total hours worked that were paid for with American Recovery and Reinvestment Act (ARRA) funds from February 2009 to December 2010.[3] The New Hampshire Department of Education will use the ARRA funding within its framework of transforming the New Hampshire



1. Email December 15, 2009 from Shannon Reid, Director of Communications, Community College System of New Hampshire
2. New Hampshire Implementation -American Recovery and Reinvestment Act of 2009, Accessed February 1, 2010 <www.nh.gov/recovery/programs/documents/education_state_fiscal_stabiliz050709.pdf>.
3. American Recovery and Reinvestment Act. Progress Report - Data through December 31, 2009, Accessed February 1, 2010 <www.nh.gov/recovery/library/documents/arra_progress_report2009.pdf>.

educational system. According to the New Hampshire Department of Education such a transformed educational system will build human and social capital to grow and sustain a vibrant New Hampshire economy.[4]

Race to the Top Grants

In July 2009, the federal administration announced its "Race to the Top" competition to support education reform and innovation in the classroom. The federal administration is encouraging states to advance bold and creative reforms that demonstrate improved educational results. In response, the New Hampshire Department of Education developed initiatives in each of the four "Race to the Top" focus areas. The four significant areas or assurances are: Standards and Assessments, Effective Teachers and Leaders, Data Systems, and Struggling Schools. The competitive federal grants will be awarded in two rounds. Applications from the first round are due early 2010 and applications for the second round will be due in June 2010. New Hampshire may be eligible for grants totaling between $20 million and $75 million.[5]

Working collaboratively

As part of transforming New Hampshire education, the New Hampshire Department of Education is incorporating the goals of the Governor's P-16 Council.[6] The Council was charged with making recommendations to develop pre-school through college education into an integrated system with a common goal (both in terms of collaboration and information technology in order to share data). Standards and assessments would be tied to the overall goals of preparing students for success in college and the workplace.

The P-16 Council has set goals at five different educational levels and it is the intent that by 2012, New Hampshire will have met the following goals:

Step 1: Increase the percentage of New Hampshire high school completers to 100 percent.

Step 2: Increase the share of New Hampshire high school completers enrolling in postsecondary education within 12 months by five percent.

Step 3: Increase the percentage of New Hampshire high school completers finishing postsecondary career technical education training by five percent.

(Steps 1 through 3 are based on New Hampshire residents.)

Step 4: Increase the number of two- and four-year postsecondary graduates by five percent.

Step 5: Increase the share of New Hampshire college graduates who stay, work and play in New Hampshire to at least 55 percent. (Steps 4 and 5 are based on all students at New Hampshire postsecondary educational facilities - residents and non-residents.)

4. Transforming New Hampshire Education, Accessed February 1, 2010 <www.ed.state.nh.us/education/recovery/race-to-the-top.pdf>.
5. "State to seek $75m in federal grants to aid education." Nashua Telegraph, Kevin Landrigan, November 13, 2009. Accessed November 13, 2009 <www.nashuatelegraph.com>.
6. *The P-16 Council was established by Executive Order in September 2006 with the purpose of communication and collaboration across elementary, secondary, and postsecondary sectors to encourage students to stay in school, improve academic performance, and raise aspirations leading to enrollment in colleges and universities.*
"Executive Order 2006-10: An Order Regarding Establishing a Governor's P-16 Working Group." Executive Orders. September 2006. Office of the Governor of the State of New Hampshire. <www.governor.nh.gov/orders/documents/2006-10.pdf>.

In order to meet these goals, K-12 students must to be able to meet the requirements for adequate progress, must stay in school until graduation from high school, and must be adequately prepared to be successful and graduate from the postsecondary system.

On July 1, 2009 a change in New Hampshire law went into effect, raising the compulsory age of school attendance in New Hampshire from age 16 to 18 years. School districts are now responsible for reaching out to those 16 and 17 year olds who had previously dropped out of school. Schools are required to look at creative ways to assist these high school drop-outs and other at-risk students to enroll in some alternative education option such as online learning or extended learning opportunities that will lead to obtaining either a high school diploma or its equivalent. Increasing the compulsory age of school attendance should help the state toward meeting the goal of having every student complete high school.

Testing

The Adequate Yearly Progress (AYP) reports for 2009 were released in spring of 2009. The reports were based on the New England Common Assessment Program (NECAP) test scores from October 2008. According to the Department of Education, "To make AYP, a school or district must meet performance targets established for students in reading and mathematics, as well as meet state targets for student participation, attendance, and graduation (at high school)."[7] This year approximately half of the school districts made AYP. In addition, the New Hampshire Department of Education released *Follow the Child Growth Reports*. These reports give the public the opportunity to evaluate how many students are progressing toward their individually calculated growth targets. Schools will also have access to their student rosters in order to evaluate if students met their individual targets. The development of the Growth Target Reports is an additional tool with which schools and teachers can plan the instruction of the individual student in order to succeed.

The New England Common Assessment Program (NECAP) science test was administered for the second time in spring 2009 to students in grades 4, 8, and 11. As part of the No Child Left Behind Act, students in grades 4, 8 and in one grade of high school needed to be tested in science by 2008. Unlike the assessment administered in reading and math, the science test is not part of Adequate Yearly Progress at this time. The results for the three different grades were close to those of the prior year with slight improvement in grades 4 and 11 and a slight drop for students in grade 8. However, in comparison to the share of New Hampshire students scoring at the proficient level or above in reading and math, students did not fare well in the science test. Only one in four students in grades 8 and 11 demonstrated proficiency in science, and just about half of students in grade 4 tested proficient or above in science. In reading, at least seven out of ten students scored at the proficient or above in all grade levels. And close to seven out of ten students scored proficient or above in math as well, with the exception of students in grade 11 (only three out of ten students scored at the proficient level or above). The NECAP test for reading and math is administered to students in grades 3

7. "Release of the 2009 Adequate Yearly Progress (AYP) and Follow The Child Growth Reports." News & Events. April 6, 2009. New Hampshire Department of Education. Accessed November 13, 2009. <www.ed.state.nh.us/education/News/ayp09.htm>.

through 8, whereas the NECAP science test is administered with a three-to-four year interval. One reason that not as many students are scoring at the proficient level or above could be that the content and skills tested have been taught over a several grade period (K-4, 5-8, and 9-11) as opposed to a single year for the reading and math assessments.

The National Assessment of Educational Progress (NAEP), also referred to as the Nation's Report Card, is a federal test mandated by Congress. This test is conducted in math and reading for a sample of randomly selected students in grades 4 and 8 at the state-level every two years. New Hampshire's sample for mathematics was 3,000 students per grade from randomly sampled schools in the state (160 schools at grade 4 and over 90 schools at grade 8). As the results of the NAEP are based on a state-level random sampling stratification, the results are aggregated at the state level only. In contrast, the New England Common Assessment Program assesses each individual student in the state and data is available for each school in the state. The strength of the federal NAEP test is that it is a better measure for comparing the state with students' performance in other states. This assessment has been conducted at the national level in various subject areas since 1969. At the state-level, these current results mark the fourth consecutive assessments (2003, 2005, 2007 and 2009), thereby establishing how students have progressed over time.

The 2009 mathematics result for New Hampshire students in both grades 4 and 8 showed improvement over 2007 NAEP results. The state also did well in comparison to other parts of the nation. Students in grade 4 scored higher in mathematics than their classmates in 49 other jurisdictions and scored similarly to students in two other jurisdictions. Students in grade 8 scored better than 44 other states, scored similarly to six other states, and scored below only one other state. Fifty-six percent of assessed students in grade 4 scored at the Proficient achievement level. This was a significant increase from the 52 percent of students that achieved at the Proficient level in 2007. The NAEP math results for grade 8 had 43 percent at the Proficient level or above compared to 38 percent at that level in 2007. The results of NAEP 2009 reading assessment will be available in the spring of 2010.

In September 2009, the U.S. Secretary of Education started a dialogue about what should be the driving forces behind the next reauthorization of the Elementary and Secondary Education Act of 1965. This law was most recently reauthorized as the No Child Left Behind Act of 2001. In an effort to gather feedback from education stakeholders across the nation, the secretary embarked on a "Listening and Learning" tour. The tour is a series of public forums in all 50 states to be completed by the end of 2009 in order to seek public input regarding changes to the federal law. Recent research issued by the U.S Department of Education found that many states had lowered their proficiency standard from earlier years in order to show improvement under No Child Left Behind.[8] New Hampshire has not lowered proficiency standards for students and in fact New Hampshire NAEP math test results improved

8. Hechinger, John. "Some States Drop Testing Bar." Wall Street Journal. October 30, 2009.

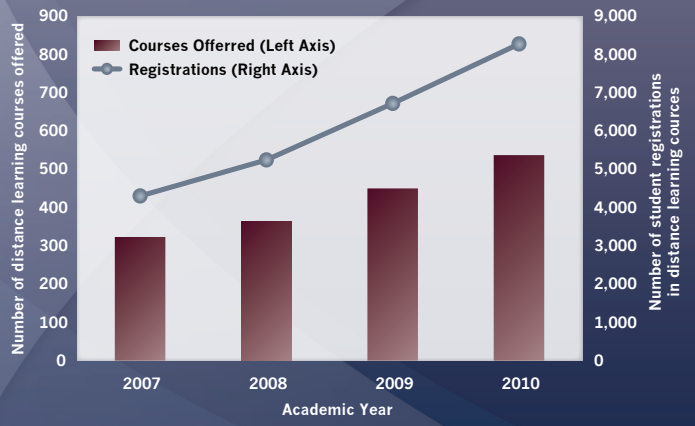
from 2007 to 2009. The lowering of proficiency standards in many states has brought into question whether tests used by individual states to comply with No Child Left Behind are rigorous enough. The U.S. Department of Education's new findings and testing standards in general will be part of the public dialogue.

College Affordability and Accessibility

One of the main reasons it makes sense to many students to pursue a college degree from the starting point of a community college is the spiraling cost of tuition. Tuition at a community technical college is a less expensive option. The Community College System of New Hampshire has increasingly become the stepping stone, offering a two-year Associate's degrees that can be credited towards a four-year baccalaureate. NH Transfer is a website (www.NHtransfer.org) that can help students plan ahead by selecting the courses they need in order to get full credit when they transfer from a two- to a four-year college. All New Hampshire Community Colleges and all New Hampshire public colleges and universities participate on the website, as well as two of the state's private colleges. The website also contains information about the New Hampshire Transfer Connections Program scholarship and the housing guarantee available to the transfer students.

Another growth area for the community college system is distance (online) learning. Over the last couple of years, the Community College System of New Hampshire (CCSNH) has added a significant number of distance learning courses and CCSNH has experienced a large increase in the number of student registrations in these online courses. There are benefits to distance learning for students of all ages. One is the convenience and flexibility, an advantage for students working full-time. Students' ability to learn from home decreases the cost of transportation. Another driving force is that online learning is increasingly popular with the younger generation of learners. This younger generation is accustomed to communication and socializing online (Facebook and Twitter, for example) versus in-person, hence distance/online learning has become a preferred mode of learning as well. One drawback is that some knowledge and skills are not easily taught online, such as lab times, so students participating in online courses may need to take classes on campus as well.

Both the number of courses offered and the number of student registrations for online courses at the Community College System of New Hampshire have increased significantly over the last couple of years



Source: Community College System of New Hampshire

NH Elementary and Secondary Education (school year)	2004-05	2005-06	2006-07	2007-08	Source
Enrollment					
Enrollment, fall, public and private (includes preschool)	229,588	228,004	225,233	221,614	DE
Total home schooled	4,503	4,506	4,599	4,639	DE
Total all enrollments	234,091	232,510	229,832	226,253	DE/NHES
Growth rates, all enrollments	-0.5%	-0.7%	-1.2%	-1.6%	DE/NHES
First grade, public and private	16,244	15,960	15,765	15,455	DE
First grade home schooled	347	338	335	365	DE
Total all first grade enrollments	16,591	16,298	16,100	15,820	DE/NHES
Growth rate, first grade	-1.0%	-1.8%	-1.2%	-1.7%	DE/NHES
Twelfth grade, public and private	16,854	17,096	17,543	17,977	DE
Twelfth grade home schooled	69	78	48	72	DE
Total all twelfth grade enrollments	16,923	17,174	17,591	18,049	DE/NHES
Growth rate, twelfth grade	2.2%	1.5%	2.4%	2.6%	DE/NHES
Career Technology Education Enrollment	12,321	12,782	12,311	11,997	DE
Percent of 9th & 10th grade	6.5%	8.3%	6.9%	7.3%	DE
Percent of 11th & 12th grade	35.4%	34.3%	33.6%	32.7%	DE
High School Career Tech. Education Completers	3,144	3,286	2,775	2,676	DE
Average Salary of Instructional Staff (public schools)	$43,941	$45,263	$46,527	n/a	UED
United States rank	24	23	24	n/a	UED/NHES
Post Graduation					
Total number of New Hampshire public school completers	13,847	14,062	14,550	15,092	DE
Entering a four-year college or university	51.4%	51.4%	53.1%	51.2%	DE
Entering other than a four year college	20.9%	21.0%	21.6%	22.1%	DE
Total Non-College (includes status unknown)	27.7%	27.6%	25.3%	26.6%	DE
Scholastic Assessment Test (SAT)[a]	1,050	1,553	1,554	1,555	DE
National average	1,028	1,518	1,511	1,511	DE
Percent of high school graduates taking test	81.0%	82.0%	83.0%	74.0%	DE

[a] SAT expanded in 2006 to include writing section.

NH Education Expenditures and Revenue	2004-05	2005-06	2006-07	2007-08	Source
Expenditures per pupil (average)					
Net Total, all purposes (school year)	$9,099	$9,710	$10,305	$11,135	DE
Annual percent change	7.1%	6.7%	6.1%	8.1%	DE/NHES
Current expenditures per pupil in average daily attendance, public, elementary, and secondary schools (unadjusted dollars)	$10,043	$10,698	n/a	n/a	UED
Revenue sources, percent of total school revenues:					
State funds	39.2%	39.2%	n/a	n/a	UED
National average	46.9%	46.5%	n/a	n/a	UED
United States rank (District of Columbia not included)	39	41	n/a	n/a	UED
Local and other funds[a]	53.7%	53.2%	n/a	n/a	UED
National average	41.7%	42.1%	n/a	n/a	UED
United States rank (District of Columbia not included)	7	7	n/a	n/a	UED
Federal funds	5.7%	5.5%	n/a	n/a	UED
National average	9.2%	9.1%	n/a	n/a	UED
United States rank (District of Columbia not included)	48	48	n/a	n/a	UED

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

New Hampshire Postsecondary Education	2004-05	2005-06	2006-07	2007-08	Source
College and University Enrollment – Fall (two & four-year institutions)	69,864	69,962	70,249	70,463	PEC
Full-time	46,546	47,714	47,923	49,223	PEC
Part-time	23,318	22,248	22,326	21,240	PEC
Degrees Granted by NH Colleges	14,724	14,729	15,054	15,178	PEC
Associate degrees	3,498	3,239	3,346	3,181	PEC
Bachelor degrees	8,125	8,041	8,306	8,471	PEC
Postgraduate degrees including first professional degrees	3,101	3,449	3,402	3,526	PEC
By Selected Concentration:[a]					
Biological and Biomedical Sciences	331	354	378	358	PEC
Business Management and Sciences	3,437	3,500	3,714	3,719	PEC
Communications and Journalism	375	344	321	423	PEC
Computer and Information Sciences	479	436	385	356	PEC
Education	1,317	1,385	1,426	1,411	PEC
Engineering and Engineering Related	295	294	304	386	PEC
English Language and Literature	500	487	511	445	PEC
History	251	233	267	280	PEC
Health Professions	1,497	1,510	1,613	1,571	PEC
Psychology	780	725	803	768	PEC
Social Sciences	959	1,109	1,071	1,163	PEC
Visual and Performing Arts	685	636	673	644	PEC

[a] Degrees granted totals include Associate, Bachelor, Masters, Doctoral, and First Professional degrees.

Health

Chapter 15

Personal health care spending accounted for 18 percent of the economy in 2007, whereas personal health care spending accounted for less than 10 percent of the economy twenty years earlier.[1] Increases in health care costs have been far larger than increases in wages over the last decade. There has also been an increase in the number of uninsured persons, putting an extra burden on the current health care system resulting from uncompensated care. The rising cost of Medicare and Medicaid is also contributing to the increase in health care spending. Most can agree that a reform is needed, but how and what the reform will contain is still being debated in Congress.

Changes to New Hampshire law related to health care have been on hold as both the New Hampshire Legislature and small businesses are waiting to see what will happen at the federal level. A few changes, however, in New Hampshire law were enacted during 2009 to try to deal with the affordability of health insurance.

Healthy Kids age expansion

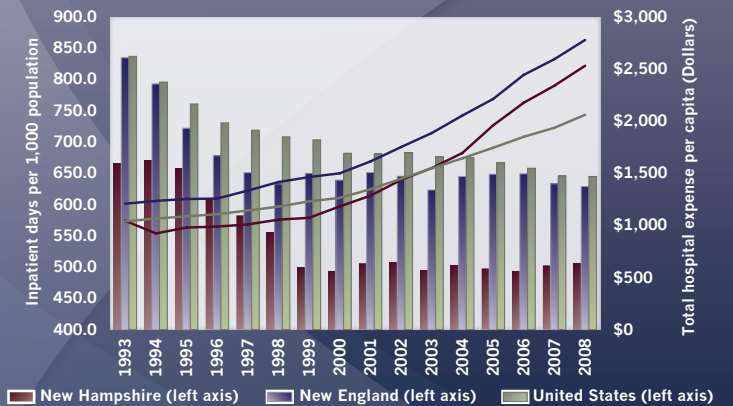
Effective September 14, 2009, the New Hampshire Healthy Kids program expanded coverage to young adults ages 19 to 26 years who cannot be included in their family's health insurance plan, and whose incomes are at or below 400 percent of the federal poverty level. The new law directs the Healthy Kids corporation to explore the development of a health insurance product for these young adults. The program, called the Healthy Kids Young Adult Buy-In Program, will not receive any state or federal subsidies. At this point, no effective date for the Young Adult Buy-In Program has been determined.[2]

New Hampshire HealthFirst

On October 1, 2009, the New Hampshire HealthFirst plan became available to small employers in the state. The NH HealthFirst Initiative requires certain health insurance carriers* to offer a standard wellness plan to small companies priced at no more than ten percent of the median statewide wage. There are currently four insurance carriers that actively market HealthFirst. By early December several of the insurance carriers had very little to no enrollment in the HealthFirst product and only one

* Includes insurance carriers in New Hampshire that are in the small employer market and who insure at least 1,000 covered lives.

Despite the number of inpatients days per 1,000 population stabilizing over the last decade, total hospital expense per capita has increased significantly



Source: NH Hospital Association

1. New Hampshire Center for Public Policy Studies, Healthcare 101 – 2009. Accessed November 5, 2009. <www.nhpolicy.org/report.php?report=217&text=es>.
2. Healthy Kids Buy-in Expansion. Accessed December 11, 2009. <www.nhhealthykids.com/buyin_exp.php>.

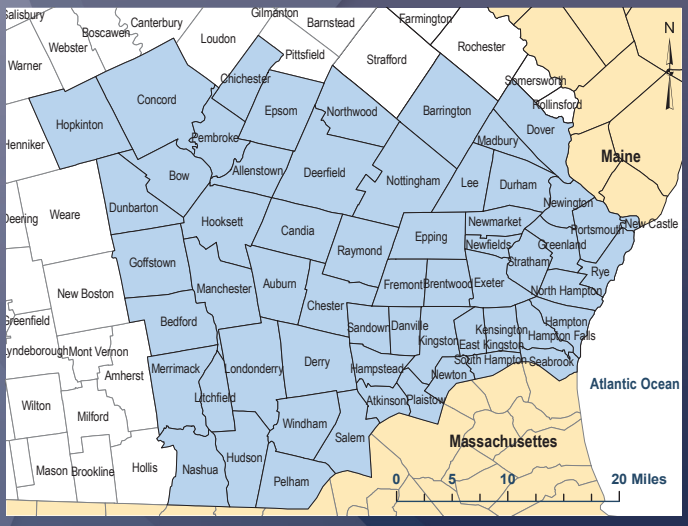
provider had several hundred enrolled. Lack of enrollment may reflect that the rates are still too high, that the plan comes with a high deductible (although tied to wellness incentives given as credits toward the deductible), and complexity of the wellness credit. The health care cost savings are credits earned and applied to future health insurance cost, which depend on meeting current wellness benchmarks. Some might argue that it is too early to evaluate the success of the plan. HealthFirst will be reviewed during the 2010 legislative session.[3]

Smart strategies on reducing cost

Strategies and initiatives for companies to make their employees healthier and thereby save money on health care were highlighted at a New Hampshire Business Review 2009 Health Care Forum in the fall. One presenter embraced the idea of trying to save on health care costs by focusing on employee health through wellness programs. By letting the healthcare management system collect data on employee lifestyles, employers have the opportunity to intervene with preventative measures that might lead to reduced health care costs. Such intervention programs might include employee incentives for smoking cessation, physical fitness, and routine screenings, such as mammograms.[4]

In addition to insurance costs, employee wellness saves money for employers because healthy employees reduce the cost of absenteeism and increase productivity.

Declaration of Public Health Threat due to increased EEE activity was made on August 26, 2009 involving 59 New Hampshire municipalities.



Source: Arboviral Surveillance Summary, 2009. NH Department of Health and Human Services.

Mosquito Borne (Arbovirus) Diseases

In 2009, there was a significant increase in the number of mosquito batches testing positive with the Eastern Equine Encephalitis (triple E) virus. The number of mosquito batches testing positive was 73 in 2009 versus only eight in 2008 and six in 2007. One child tested positive with triple E in 2009, whereas no humans tested positive in 2008. Six canary birds from Rochester tested positive and several pheasant flocks in southern Maine were confirmed with the disease, and as a result the remaining birds in the flocks were euthanized. New Hampshire did have a substantial amount of rain in June and July of 2009, so the increase in mosquitoes batches testing positive

3. Kibbe, Cindy. "Small businesses leery of HealthFirst insurance plan." New Hampshire Business Review. December 4, 2009. Accessed January 4, 2010. <www.nhbr.com/business/healthcare/462751-276/story.html>.
4. Jorgensen, Jillian. "How companies are changing health care costs." Union Leader. Wednesday, Oct. 21, 2009. Accessed December 17, 2009. <www.unionleader.com/article.aspx?headline=How+companies+are+changing+health+care+costs&articleId=26efa785-9fe9-4750-a899-4d5cac977272>.

could be related to an overall increase in total mosquito population.[5]

On a positive note, there were no mosquito batches testing positive for the West Nile Virus, nor were there any human or animal cases. Since 2003 there have been very few mosquito pools testing positive for the West Nile Virus. The West Nile Virus arrived in the New York City area in 1999 and spread around the nation in the early part of this decade.

The two types of arboviruses have different patterns in spreading which is related to the types of birds and mosquitoes more likely to be infected by the disease. The Eastern Equine Encephalitis virus tends to develop in birds that live in freshwater swamps, whereas any kind of bird can be the source of infection for the West Nile Virus.[6]

Swine Flu (H1N1 virus)

The first cases of H1N1 virus appeared in New Hampshire in late April 2009. But as the flu season was close to an end only a few cases occurred. In fall 2009, a vaccine was in production for use during the latest flu season, but availability was initially limited. Because of the limited supply of the vaccine a decision was made to prioritize the groups eligible for the vaccine according to how severe the disease would affect the group and the likelihood of being exposed to the virus. The groups of people determined eligible to first receive the H1N1 Influenza A vaccine were: health care workers and first responders with direct patient contact, pregnant women, and children 6 months to 5 years with chronic medical conditions.[7] In early October the first shipment of 7,700 intranasal doses of H1N1 Influenza vaccine arrived in New Hampshire. The intranasal vaccine was not recommended for children with asthma and other respiratory diseases, nor for pregnant women.

Initially, there was some confusion about whether citizens should still get the seasonal flu shot as the state waited for the H1N1 vaccine. Since the two vaccines are separate flu strains, it was recommended that the group normally considered high-risk should continue to get a seasonal flu shot and then get the additional H1N1 vaccine when it became available. Even though high-risk groups for the seasonal flu and the H1N1 virus are similar, the two at-risk groups are different. Pregnant women, health care workers and people with chronic medical conditions are high-risk for both types of flu. People who live with or care for infants younger than 6 months old are also considered high-risk for both types of flu. For the seasonal flu, children aged 6 months up to their 19th birthday are considered at higher risk, whereas young adults up to the age of 24 are high-risk for the H1N1 virus. People 50 years of age or older are considered at-risk for the seasonal flu but not for H1N1 virus. The older population is not considered at-risk for the H1N1 virus because they have more likely been exposed to the virus earlier in their life and have therefore built up immunity against the virus.

5. Donovan, Dianne, Infectious Disease Epidemiologist. Phone call. "Arbovirus diseases." New Hampshire Health and Human Services. March 8, 2010.
6. Eastern Equine Encephalitis and West Nile Virus Arboviral Illnesses. New Hampshire Health and Human Services. Accessed March 8, 2010. <www.dhhs.state.nh.us/DHHS/CDCS/West+Nile+Virus>.
7. "Frequently Asked Questions About H1N1 Vaccine Distribution." H1N1 Influenza Resource Center. October 30, 2009. New Hampshire Department of Health and Human Services. October 30, 2009. Accessed January 4, 2010. <www.nh.gov/h1n1/publications/documents/vaccine_distribution.pdf>.

There were several cases of H1N1 flu reported on different college campuses and boarding schools in the state in early September as students came back to school, but these cases seemed to be fairly mild. Despite the lack of severity caused by the H1N1 disease, public health officials continue to strongly encourage all people in risk groups to be vaccinated.

A confirmed case of Gastrointestinal Anthrax

In late December 2009, a rare case of gastrointestinal anthrax was confirmed in an adult female from Strafford County. After a third sample taken at the United Campus Ministry building in Durham tested positive for anthrax, public health officials believed the patient likely became infected at an African drumming circle that took place at the Ministry building in Durham. Although anthrax most commonly occurs in wild or domestic animals such as cattle, sheep, and goats, it can occur in humans when they are exposed to infected animals or hides from infected animals. African drums are suspected as the source of contamination. Transmitting anthrax person-to-person is extremely unlikely, as the disease is caused by a spore that is either ingested, inhaled or enters through a cut in the skin (cutaneous). Back in 1957, nine cases (4 cutaneous and 5 inhalation) were diagnosed in New Hampshire, and all were employees of a textile mill in Manchester. Approximately 2,000 cases of cutaneous anthrax naturally occurring are reported annually worldwide.[8]

8. "DHHS Announces Case of Gastrointestinal Anthrax." News and Event - 2009. State of New Hampshire. December 26,2009. Accessed January 4, 2010. <www.nh.gov/news/documents/anthrax.pdf>.

Hospital Insurance	2005	2006	2007	2008	Source
Medicare: (number of enrollees, in thousands)					
Aged 65 or older	160	163	168	n/a	SSA
Disabled	32	34	36	n/a	SSA
Average covered charge per day of care					
Short-stay hospitals (NH facilities)					
New Hampshire	$4,069	$4,388	$4,792	n/a	SSA
New England	$3,766	$4,066	$4,380	n/a	SSA
United States	$5,043	$5,508	$5,920	n/a	SSA
Skilled nursing facilities (of NH beneficiaries)					
New Hampshire	$458	$477	$518	n/a	CMS
New England	$474	$501	$495	n/a	CMS
United States	$454	$469	$485	n/a	CMS
Medicaid:					
Average payments per recipient					
New Hampshire	$6,773	$6,758	n/a	n/a	SSA
United States	$4,781	$4,651	n/a	n/a	SSA

Workers' Compensation Payments	2005	2006	2007	2008	Source
Reported injuries & compensable disabilities (fiscal year)					
Injuries per 100 in employment	7.5	7.3	7.3	7.3	LD
Compensable disabilities per 100 in employment	0.59	0.57	0.55	0.56	LD
Benefits paid by insurance companies and self insurers					
(Calendar year, millions)	$178.9	$179.2	$175.3	$196.0	LD
Annual percent change	1.4%	0.2%	-2.2%	11.8%	LD/NHES

Health Services	2005	2006	2007	2008	Source
General hospitals, acute care only (excludes nursing home beds)					
Total admissions	117,468	118,956	121,747	124,184	HA
Percent change	0.3%	1.3%	2.3%	2.0%	HA
Gross revenue in millions	5,025	6,190	7,182	7,905	HA
Uncompensated (bad debt plus charity) care ($millions)	$267	$302	325	$357	HA
Uncompensated care as a percent of gross revenue	5.3%	4.9%	4.5%	4.5%	HA/NHES
Admissions per 1,000 population					
New Hampshire	90	91	93	94	HA
New England	116	119	119	116	HA
United States	119	119	117	118	HA
Total number of inpatient days	647,457	644,096	659,511	664,659	HA
Percent change	-0.2%	-0.5%	2.4%	0.8%	HA
Inpatient days per 1,000 population:					
New Hampshire	498	492	503	505	HA
New England	648	649	633	629	HA
United States	667	658	646	645	HA
Average length of stay (in days):					
New Hampshire	5.5	5.4	5.4	5.4	HA
New England	5.6	5.5	5.3	5.4	HA
United States	5.6	5.6	5.5	5.5	HA
Emergency room visits	621,217	604,317	619,714	623,814	HA
Inpatient surgeries	35,584	33,612	34,217	35,022	HA
Outpatient surgeries	90,385	86,761	85,548	91,320	HA

Total Hospital Expense Per Capita	2005	2006	2007	2008	Source
New Hampshire	$1,959	$2,176	$2,340	$2,531	HA
Annual percent change	15.7%	11.1%	7.5%	8.2%	HA/NHES
New England	$2,213	$2,444	$2,594	$2,778	HA
Annual percent change	7.8%	10.4%	6.2%	7.1%	HA/NHES
United States	$1,745	$1,850	$1,936	$2,061	HA
Annual percent change	6.2%	6.0%	4.7%	6.5%	HA/NHES

Chapter
16

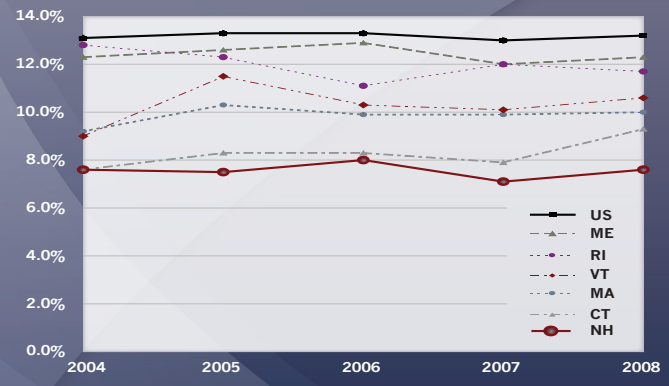
In 2008, New Hampshire had a poverty rate of 7.6 percent, the lowest in New England. At the same time the national poverty rate exceeded 13 percent. Of the six New England states, Maine had the highest poverty rate at 12.3 percent, followed by Rhode Island (11.7 percent) and Vermont (10.6 percent). Both Connecticut and Massachusetts reported poverty rates at or below 10 percent.[1]

At the lowest measure of income, three percent of New Hampshire residents (44,072 individuals) lived below 50 percent of the poverty level or approximately $100 per week. A total of twenty percent (252,419 individuals) live below 200 percent of the poverty level or $400 per week.[2] In a report detailing the disparity between wages and access to affordable housing, the National Low Income Housing Coalition (2007) stated that in 2008 a single bedroom rental in New Hampshire would cost an average of $814 per month, an increase of 7.4 percent from the previous year. To afford a one-bedroom rental an individual would have to have an hourly wage of $15.65.[3]

The issues of poverty most directly affect children under the age of 18 in New Hampshire with 9.3 percent living below the poverty level. Comparatively, those 65 years and older faced a poverty rate of 7.7 percent in 2008. This is only slightly higher than the poverty rate for 19-64 year olds, at 7.0 percent.[4] While for adults age does not play a significant role in the current poverty rate, gender and education most certainly do. In New Hampshire women are more likely than men to live below the poverty level, 8.4 versus 6.8 percent. Of those individuals over the age of 25 who live below the poverty level, 16.7 percent have achieved less than a high school diploma or equivalency.[5]

Poverty thresholds are established by the Census Bureau and are based on a predetermined set of income thresholds. Income thresholds vary by family size and composition to determine poverty levels, and consider monetary income before taxes and excludes capital gains and non-cash benefits (such as public housing, state medical insurance, and food stamps). They do not vary geographically and are updated annually. Poverty guidelines are set by states using threshold

Poverty Levels for NH, the Northeast, and U.S.



Source: U.S. Census Bureau

1. 2008 American Community Survey. U.S. Census Bureau.
2. "S1701. Poverty Status in the Past 12 Months." 2006-2008 American Community Survey 3-Year Estimates, New Hampshire. U.S. Census Bureau. Accessed December 24, 2009.
3. "Final FY08 Fair Market Rents Published." National Low Income Housing Coalition (NLIHC). October 5, 2007. <www.nlihc.org/detail/article.cfm?article_id=4614>. *NLIHC tabulations of FY08 Final Fair Market Rents published by HUD. State level estimates are derived by weighting county-level Fair Market Rents by the number of enter households in each county. Projected 2008 dollars.*
4. "S1701. Poverty Status in the Past 12 Months." 2006-2008 American Community Survey 3-Year Estimates, New Hampshire. U.S. Census Bureau.
5. Ibid.

adaptations to determine eligibility for certain federal programs such as food stamps, Head Start, and Job Corps and are simplifications of the poverty thresholds.[6]

Poverty is not always defined by employment status. In 2008, 2,098 of the 112,212 individuals in New Hampshire who were employed full-time, year-round had earnings below the poverty level.[7] Though employed, many of these individuals may have had to reach out to other social assistance programs.

Food Assistance

Of 503,994 households in New Hampshire in 2008, 24,162 households were receiving assistance through the Supplemental Nutritional Assistance Program (SNAP) also known as food stamps. Roughly half of those households had children under the age of 18 and one-fourth had at least one member over the age of 60. While only 33.2 percent of all households in New Hampshire have children under the age of 18 years, they account for more than half of all households receiving food stamps.[8] Out of all households receiving food stamps in New Hampshire, 89.6 percent had at least one worker in the family within the last 12 months. The need for food assistance was great in New Hampshire, with the New Hampshire Food Bank reporting 5,174,609 pounds of food delivered in 2008.[9]

Utility Assistance

New Hampshire has seen an increase in requests from residents for assistance meeting basic needs, including utilities. Fuel assistance programs in New Hampshire reported a fifty percent increase in funding from $25,541,857 in 2007-2008 to $50,966,452 in 2008 –2009 to meet the increase in both the number of applications for services and the increase in average financial need per household. The program certified 9,074 more applications in 2008 than in 2007 and the average benefit amount increased from $663 in 2007 to $929 in 2008, an increase of over 40 percent.[10]

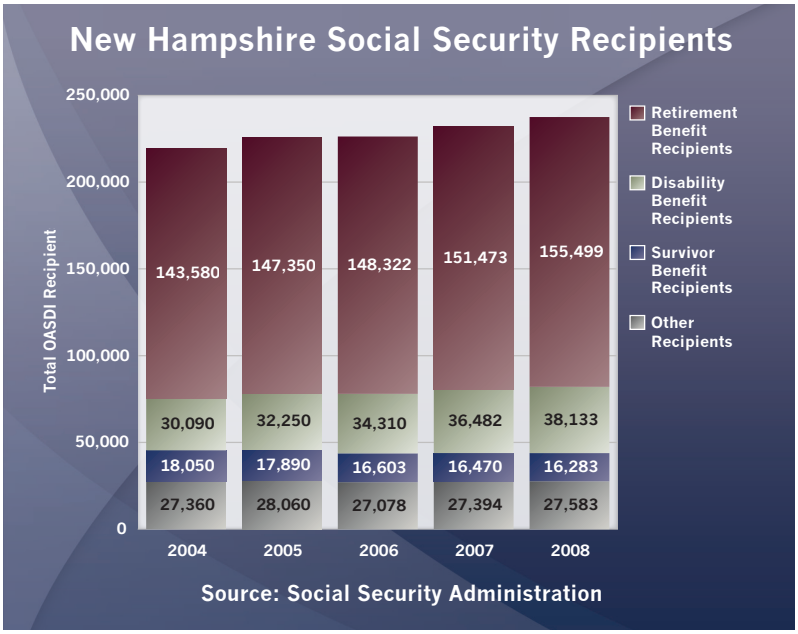
In 2000, the Public Utilities Commission approved an Interim Low Income Electric Assistance Program to benefit individuals in New Hampshire who were unable to meet utility costs. This program replaced the Public Service Company's existing elderly assistance program and required other competing utility companies to participate. Funds for the program are generated through a Systems Benefit Charge, a variable monthly consumer charge based on energy consumption which funds both the Core Energy Efficiency program and the Energy Assistance Program.[11] In response

6. "How the Census Bureau Measures Poverty." Poverty. September 29, 2009. U.S. Census Bureau, Housing and Household Economic Statistics Division. <www.census.gov/hhes/www/poverty/povdef.html>.
7. "S1701. Poverty Status in the Past 12 Months." 2006-2008 American Community Survey 3-Year Estimates, New Hampshire. U.S. Census Bureau.
8. "S2201. Food Stamps." American Community Survey. 2006 – 2008 American Community Survey 3-Year Estimates. New Hampshire. U.S. Census Bureau.
9. "2nd Qtr 2009 Newsletter." Food for Thought. New Hampshire Food Bank. <www.nhfoodbank.org/index.php?option=com_content &view=article&id=14&Itemid=18>.
10. "Program Highlights." New Hampshire Fuel Assistance Program. November 27, 2009. New Hampshire Office of Energy and Planning (OEP). Accessed December 24, 2009. <www.nh.gov/oep/programs/fuelassistance/highlights.htm>. *and* "Bill Assistance Programs." StayWarmNH.org. New Hampshire Office of Energy and Planning (OEP). Accessed December 24, 2009. <www.staywarmnh.org/programs/index.htm>.
11. "A Typical Bill." Electric. Public Utilities Commission. <www.puc.nh.gov/Electric/typicalbill.htm>.

to increased requests and awareness of the Electric Assistance Program (EAP), the Public Utility Commission approved an increase in the 2008-2009 budget for the EAP by two percent, mostly for outreach. This increase in the budget will allow the EAP to serve the increasing numbers of individuals with greater need of assistance, to tackle the wait list of 4,200 individuals and to meet their benchmark of 30,000 people served.[12]

Healthy Kids

New Hampshire Healthy Kids, the state's Medicaid Program provider for buy-in insurance or Medicaid with a monthly cost, which provides coverage for children of working parents or individuals who qualify for Medicaid for Employed Adults with Disabilities (MEAD), reported a 5,074 subscriber increase from the previous year.



This increase could be partially due to increased awareness of available programs and also to increased numbers of individuals experiencing decreased income, making them eligible under the program's income requirements. Medicaid buy-in programs are available to individuals on a cost basis based on income, from free services (Healthy Kids Gold) to low premium payments (Healthy Kids Silver) ranging from $25 to $170 per month in 2008. In addition to an overall increase in subscribers, there has also been a shift in the distribution of subscribers – individuals who were once eligible for the Silver program due to income are now shifting to lower premiums or free services.

In an effort to consolidate vital information on community supports and outreach programs, 2-1-1 NH was implemented in 2008 through a partnership with United Way of New Hampshire and other key stakeholders. Marking the program's first anniversary the following statistics were provided detailing the program's success. In 2008, 2-1-1 NH received over twenty-two thousand calls. The top three most requested services were housing and utility assistance (28 percent), temporary financial aid (22 percent), and health care including mental health and substance abuse services (14.5 percent).[13]

Social Security

In 2008 the number of individuals in New Hampshire receiving benefits from the Old-age, Survivors, and Disability Insurance (OASDI) program, a program that provides monthly benefits to qualified retired and disabled

12. "Electric Assistance Program (EAP)." Electric. Public Utilities Commission. <www.puc.nh.gov/Electric/electricassistanceprogram.htm>.

13. "Governor John Lynch issues proclamation in celebration of the First Anniversary of 2-1-1 NH." 211 New Hampshire. June 26, 2009. <www.211nh.org/Content.aspx?news>.

workers, increased by 2.4 percent with retirement contributing the most to the increase, equaling the increase from the previous year.[14]

Individuals receiving Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) in 2008 were eligible for a one-time recovery payment of $250 in response to the economic climate.[15] The Social Security Administration (SSA) also announced the largest yearly cost of living increase since 1982, 5.8 percent, for all Social Security beneficiaries and SSI recipients to be effective in 2009. Comparatively, the increase effective in 2008 was 2.3 percent.[16]

SSA also announced increased efforts to provide individuals with disabilities incentives and assistance in returning to the workforce though a revamping of the Ticket to Work program. The Ticket to Work program provides individuals who receive disabilities payments access to supports that assist their transition back to work and maintain their benefits for a longer period of time.[17] SSA also announced increased efforts to help veterans access financial and vocational services.[18] In addition,

14. "Table5.J8: Percentage distribution of monthly benefit for retired workers, by state or other area and monthly benefit, December 2008." Old-Age, Survivors, and Disability Insurance, Annual Statistical Supplement, 2009. U.S. Social Security Administration Office of Retirement and Disability Policy. <www.ssa.gov/policy/docs/statcomps/supplement/2009/5j.html#table5.j8>.

15. "Vice President Biden Announces $250 Recovery Payments to Go to Social Security and SSI Beneficiaries in May." Press Release. March 26, 2009. Press Office, Social Security Administration. <www.socialsecurity.gov/pressoffice/pr/recovery-payments-pr.htm>.

16. "Social Security Announces 5.8 Percent Benefit Increase for 2009." Press Release. October 16, 2008. Press Office, Social Security Administration. <www.socialsecurity.gov/pressoffice/pr/2009cola-pr.htm>.

17. "Social Security Announces Improvements to the Ticket to Work Program." SSA Press Release. May 20, 2008. Social Security Administration. <www.socialsecurity.gov/pressoffice/pr/tickettowork-pr-0508.htm>.

18. "Social Security Improves Service and Expands Outreach to Wounded Veterans." SSA Press Release. November 9, 2007. Social Security Administration. <www.socialsecurity.gov/pressoffice/pr/veterans-day.htm>.

Poverty	2005	2006	2007	2008	Source
Persons below poverty (percent of population) - Caution: relatively large standard errors					
New Hampshire	7.5%	8.0%	7.1%	7.6%	ACS
Connecticut	8.3%	8.3%	7.9%	9.3%	ACS
Maine	12.6%	12.9%	12.0%	12.3%	ACS
Massachusetts	10.3%	9.9%	9.9%	10.0%	ACS
Rhode Island	12.3%	11.1%	12.0%	11.7%	ACS
Vermont	11.5%	10.3%	10.1%	10.6%	ACS
United States	13.3%	13.3%	13.0%	13.2%	CB

Temporary Assistance for Needy Families (TANF) annual averages	2005	2006	2007	2008	Source
Total cases (average open on last day of December)	6,058	5,415	n/a	5,508	DHHS
Percent annual change	1.0%	-10.6%	n/a	1.7%	DHHS
Average case size	2.3	2.2	n/a	2.2	DHHS
Percent of cases closed due to increased earnings	36.0%	35.0%	n/a	n/a	DHHS
Number with non-parent relative in case	2,115	2,177	n/a	n/a	DHHS
Annual percent change	6.3%	2.9%	n/a	n/a	DHHS
Individuals meeting 60 month benefit limit (as of Sept. 30)	146	151	n/a	132	DHHS

the SSA has improved the application process for disability benefits through their Quick Determination Unit (QDU). This unit focuses on analyzing incoming claims and identifying those that meet standard criteria in an effort to reduce the wait time for disability claim processing.[19]

19. "Commissioner Astrue Extends Social Security's Quick Disability Determination Nationwide." SSA Press Release. September 5, 2007. Social Security Administration. <www.socialsecurity.gov/pressoffice/pr/qdd-process-pr.htm>.

Social Security Recipients (December data)	2005	2006	2007	2008	Source
Total OASDI including spouses and children	225,550	226,313	231,819	237,498	SSA
Annual percent change	3.0%	0.3%	2.4%	2.4%	SSA
Retirement (Retired workers) [a]	147,350	148,322	151,473	155,499	SSA
Survivor [b]	17,890	16,603	16,470	16,283	SSA
Disability (Disabled workers) [a]	32,250	34,310	36,482	38,133	SSA
Age 65 and older	157,110	156,927	160,912	165,031	SSA
Percent of total OASDI recipients	69.7%	69.3%	69.4%	69.5%	SSA/NHES
Age 65-69 years	42,670	43,704	46,076	48,570	SSA
Age 70-74 years	36,680	36,846	37,099	38,129	SSA
Age 75 years and older	77,760	76,377	77,737	78,332	SSA
Percent women (age 65 and older)	57.0%	56.7%	56.4%	56.2%	SSA/NHES
Children aged 17 and under	15,400	15,113	15,418	15,469	SSA
Monthly OASDI benefit amount total ($ thousands)[c]	$158,773	$166,368	$176,799	$194,569	SSA
Retired workers (median)	$1,032.50	$1,081.50	$1,118.40	$1,194.40	SSA
Non-disabled widows and widowers (median)	$1,015.50	$1,068.50	$1,103.40	$1,181.00	SSA
Disabled workers (median)	$879.00	$924.50	$948.00	$1,003.40	SSA

[a] Excludes spouses and children
[b] Excludes children
[c] Beneficiaries aged 65 or older

Crime & Crashes

Chapter 17

In spring 2009, New Hampshire was named the "safest state" in the nation, the second consecutive year CQ Press had ranked the Granite State as safest. The rankings are based on the 2008 FBI Uniform Crime Reports, which include a crime index based on the number of criminal offenses per 100,000 population.[1]

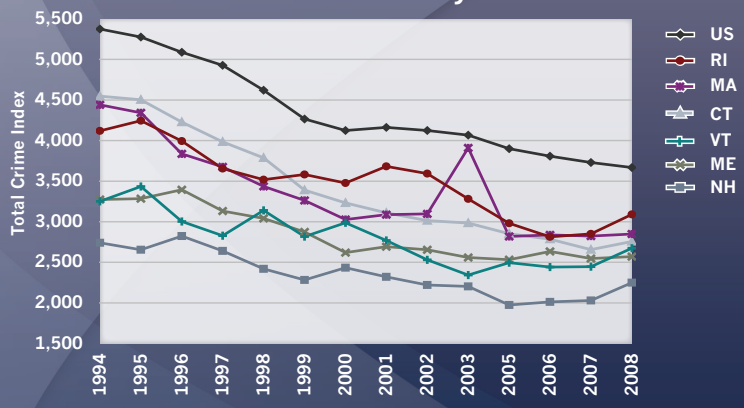
The Granite State's total crime index was lower than that of each other New England state in 2008. New England's index for both violent and property crime was lower than that of any other region in the nation. The New England states' crime indexes have followed a downward trend for many years. The end of the descending track, however, took place from 2007 to 2008. The first over-the-year increase in more than 14 years in the total crime index for all New England states occurred during that period. The event seemed to mirror the economic downturn experienced during the same time.

While New Hampshire had the second lowest murder rate in the nation in 2008, several violent crimes landed in the media spotlight in 2009. In one incident, four teenagers were arrested in connection with a homicide committed during a home invasion in Mont Vernon. Two of the four were charged with first degree murder.[2] In another case, a man was charged with second degree murder in a homicide that allegedly occurred during a Halloween party in Merrimack.[3]

Victim Services Grant

New Hampshire is one of two states that will receive a grant from the U.S. Department of Justice Office for Victims of Crime (VOC). The Intensive Case Management for Family Members of Homicide Victims Project Grant was awarded to the New Hampshire Attorney General's Office for its Victim/Witness Assistance program. The grant will be used to evaluate the existing homicide program and to fill gaps in services provided with a particular focus on the needs of surviving children and teenagers, and those with disabilities or other special needs. The goal is to meet the emotional, mental and physical needs of family members and witnesses in homicide cases; to minimize the trauma and the impact of the crime; and to prevent further victimization by the criminal justice system. The Attorney General Office's Victim/Witness Assistance program has been recognized as a model homicide services design.[4]

The crime indexes for all New England states increased from 2007 to 2008, marking the first over-the-year increase for all New England states in more than 14 years.



Source: Federal Bureau of Investigation - Uniform Crime Reports

1. "New Hampshire Named Safest State in the Nation for Second Year in a Row." Press Release. March 24, 2009. State of New Hampshire, Office of the Governor. Accessed October 30, 2009. <www.governor.nh.gov/news/2009/032409safest.html>.
2. "Homicide in Mont Vernon, New Hampshire." News Release. October 6, 2009. New Hampshire Department of Justice. Accessed November 2, 2009. <doj.nh.gov/publications/nreleases2009/100609.html>.
3. "Arrest Made in Merrimack Killing." WMUR.com. November 1, 2009. Accessed November 16, 2009. <www.wmur.com/news/21491560/detail.html>.
4. "New Hampshire Attorney General's Office Recognized as a Model Homicide Victim Services Program." News Release. October 7, 2009. New Hampshire Department of Justice. Accessed November 3, 2009. <doj.nh.gov/publications/nreleases2009/100709.html>.

Cold Case Unit

Unsolved homicides, suspicious deaths, and missing persons can have a devastating effect on the family and friends of victims. There are approximately 100 cold cases throughout New Hampshire, some nearly 40 years old. New Hampshire law enforcement now has a new resource to help solve cold cases. Legislation signed in July 2009 established a Cold Case Unit within the New Hampshire State Police. The law will enable both State Police and the State Attorney General's Office to dedicate investigators to examine unsolved murders. The cold case unit is being funded with over $1 million provided by the federal Edward Byrne Justice Assistance Grant program to be expended by July 2013.[5]

Controlling Prison Costs and Recidivism

In an effort, in part, to reduce operating expenses of the state's correctional institutions, the Lakes Region Facility in Laconia was closed June 30, 2009.[6] More than 100 inmates were transferred from the Laconia facility to the Northern New Hampshire Correctional Facility in Berlin by early May.[7] The move had a significant impact upon the Berlin facility. To help accommodate the influx of prisoner population from Laconia, a gymnasium was converted into a 112-bed dormitory.[8] As of June 30, 2009, the Berlin facility's inmate population was 726.[9]

The legislation authorizing closure of the Laconia facility also established a new Division of Community Corrections, along with a special school district to provide appropriate educational services to eligible offenders. The primary goal of this division is to reduce the recidivism rate. The importance of reducing the number of offenders returning to prison was heightened with the closing of the Laconia facility, which created a need for additional inmate housing accommodations in the Berlin facility. The new division is designed to provide services to help offenders and inmates preparing for release to become acclimated into the community and achieve stability, as well as to provide additional services to offenders under probation or parole supervision. The division will also serve as a liaison between the individual needing assistance and the outside community-based, state and municipal providers of various services. The Department of Corrections Commissioner expressed optimism for the division as a new approach to reduce recidivism through improved risk assessment, case management, and resources for Probation and Parole officers in the field.[10]

5. "Gov. Lynch Signs Law Creating Cold Case Unit." Press Release. July 29, 2009. State of New Hampshire, Office of the Governor. Accessed November 3, 2009. <www.governor.nh.gov/news/2009/072909.html>.
6. "Lakes Region Facility Closes its Doors." News Release. July 1, 2009. New Hampshire Department of Corrections. Accessed November 3, 2009. <www.nh.gov/nhdoc/news/2009/070109.htm>.
7. "What's Up DOC, Employee Newsletter." Public Information Office. July 2009. New Hampshire Department Of Corrections. Accessed November 10, 2009. <www.nh.gov/nhdoc/divisions/publicinformation/index.html>.
8. Ibid.
9. "General Information." State Prisons Northern NH Correctional Facility. July 1, 2009. New Hampshire Department Of Corrections. Accessed November 10, 2009. <www.nh.gov/nhdoc/facilities/berlin_general_info.html>.
10. "What's Up DOC, Employee Newsletter." Public Information Office. July 2009. New Hampshire Department Of Corrections. Accessed November 10, 2009. <www.nh.gov/nhdoc/divisions/publicinformation/index.html>.

Total Crime Index (Rate per 100,000 population)	2005	2006	2007	2008	Source
United States	3,900.5	3,808.1	3,730.4	3,667.0	FBI
New Hampshire	1,973.7	2,012.8	2,029.3	2,249.1	FBI
Connecticut	2,851.2	2,784.9	2,655.9	2,756.5	FBI
Maine	2,531.6	2,634.2	2,546.8	2,569.9	FBI
Massachusetts	2,819.2	2,838.0	2,823.0	2,849.1	FBI
Rhode Island	2,980.4	2,814.4	2,849.9	3,090.0	FBI
Vermont	2,495.3	2,441.3	2,447.0	2,674.4	FBI

Violent Crime Index (Rate per 100,000 population)	2005	2006	2007	2008	Source
United States	469.0	473.6	466.9	454.5	FBI
New Hampshire	134.8	138.7	137.3	157.2	FBI
Connecticut	272.6	280.8	256.0	297.8	FBI
Maine	112.5	115.5	118.0	117.5	FBI
Massachusetts	460.8	447.0	431.5	449.0	FBI
Rhode Island	252.4	227.5	227.3	249.4	FBI
Vermont	125.6	136.6	124.3	135.9	FBI

Property Crime Index (Rate per 100,000 population)	2005	2006	2007	2008	Source
United States	3,431.5	3,334.5	3,263.5	3,212.5	FBI
New Hampshire	1,838.9	1,874.1	1,892.0	2,091.9	FBI
Connecticut	2,578.6	2,504.1	2,399.9	2,458.7	FBI
Maine	2,419.1	2,518.7	2,428.8	2,452.4	FBI
Massachusetts	2,358.4	2,391.0	2,391.5	2,400.1	FBI
Rhode Island	2,728.0	2,586.9	2,622.6	2,840.6	FBI
Vermont	2,369.7	2,304.7	2,322.7	2,538.5	FBI

Crime Offenses	2005	2006	2007	2008	Source
Total crime offenses	25,792	26,466	26,703	29,595	FBI
Annual percent change	-10.6%	2.6%	0.9%	10.8%	FBI
Violent crime offenses	1,761	1,824	1,807	2,069	FBI
Annual percent change	-20.0%	3.6%	-0.9%	14.5%	FBI
Property crime offenses	24,031	24,642	24,896	27,526	FBI
Annual percent change	-9.9%	2.5%	1.0%	10.6%	FBI

Criminal Arrests	2005	2006	2007	2008	Source
Total	46,351	46,100	38,396	43,634	UCR/NHES
Annual percent change	5.6%	-0.5%	-16.7%	13.6%	UCR/NHES
Total Drug Offenses	3,209	3,228	2,570	3,266	UCR/NHES
Annual percent change	-5.6%	0.6%	-20.4%	27.1%	UCR/NHES
Total DWI Offenses	5,035	4,783	4,146	4,571	UCR/NHES
Annual percent change	-10.9%	-5.3%	-13.3%	10.3%	UCR/NHES
Adult Total	37,934	37,786	31,794	36,728	UCR/NHES
Annual percent change	5.2%	-0.4%	-15.9%	15.5%	UCR/NHES
Total Drug Offenses	2,491	2,513	2,000	2,624	UCR/NHES
Annual percent change	-8.1%	0.9%	-20.4%	31.2%	UCR/NHES
Total DWI Offenses	4,944	4,681	4,049	3,929	UCR/NHES
Annual percent change	-10.5%	-5.6%	-13.5%	-3.0%	UCR/NHES
Juvenile Total	8,417	8,314	6,602	6,906	UCR/NHES
Annual percent change	7.2%	-1.2%	-20.6%	4.6%	UCR/NHES
Total Drug Offenses	718	715	570	642	UCR/NHES
Annual percent change	3.2%	-0.4%	-20.3%	12.6%	UCR/NHES
Total DWI Offenses	91	102	97	76	UCR/NHES
Annual percent change	-31.9%	10.8%	-4.9%	-21.6%	UCR/NHES

State Prison Population	2005	2006	2007	2008	Source
Number of prisoners in state prisons[a]	2,561	2,682	2,814	2,827	USDJ
New Hampshire's incarceration rate[b]	196	200	212	213	USDJ
Probation and parole caseload	6,017	6,211	6,303	n/a	USDJ/NHES
U.S. incarceration rate (federal and state jurisdiction)[b]	491	501	509	509	USDJ
State jurisdiction incarceration rate[b]	435	445	451	450	USDJ
Federal jurisdiction incarceration rate[b]	56	58	59	59	USDJ

[a] Number of inmates on June 30th, sentenced for more than one year.

[b] Number of inmates on June 30th, sentenced for more than one year, per 100,000 residents.

Environment

Chapter 18

This year the environment has been at the forefront of discussion at the state, federal and global level as public debates turned "green."

At the state and local level, an increased focus on climate change began in March 2009 with the release of the New Hampshire Climate Action Plan. The main purpose of the plan is to help guide the state in achieving the greatest feasible reductions in greenhouse gas emissions while also providing long-term benefits to the people of New Hampshire. The plan includes 67 recommended actions divided into five broad strategies: energy efficiency, renewable energy, forest and open land protection, education, and adaptation. The greatest reductions in greenhouse gas emissions could potentially come from improving the energy efficiency of existing buildings, which would create energy savings for the individual homeowner as well. The plan was developed by a 29-member Climate Change Policy Task Force. The New Hampshire Energy and Climate Collaborative was formed to track and guide implementation of the Climate Action Plan. This "keeper of the plan" public-private partnership consists of institutions from business, government and nonprofits in New Hampshire.

Amid global talks at the United Nations Climate Change Conference in Copenhagen in December 2009, the U.S. Environmental Protection Agency (EPA) issued a ruling that carbon dioxide and other greenhouse gasses threaten public health and welfare. This endangerment ruling by the EPA could have a far greater impact on climate change than what was speculated to come out of the Copenhagen summit, as it would allow EPA to use the federal Clean Air Act to regulate carbon-dioxide emissions.[1] The U.N. climate conference ended with a nonbinding agreement, referred to as The Copenhagen Accord, urging major polluters to make deeper cuts in greenhouse gas emission. Despite the lack of a mandatory target for carbon emissions, many see the conference as the first step in recognizing climate change as a global responsibility.

Over the last year the Environmental Protection Agency was not the only federal agency increasing its focus on sustainability and encouraging green practices. Early in 2009 the Employment and Training Administration was charged with defining green jobs and determining the skills, knowledge and tasks such jobs would encompass. With that foundation, New Hampshire Employment Security's Economic and Labor Market Information Bureau (ELMIB) prepared an initial summary, framing how a green industry and/or job in the state should be defined and provided a measure of the number of jobs that would fall under such categories. The resulting report, *Green Economy – The current status of green jobs in New Hampshire* also examined renewable energy and energy efficient activities already underway in New Hampshire. In addition, the ELMIB joined a consortium of eight northeastern states, applied for and received a grant from the U.S. Department of Labor for the purpose of improving the collection, analysis, and dissemination of labor market information, and enhancing labor exchange systems for careers in energy efficiency and renewable energy. At this point, the conversation about what constitutes a green job and how to

1. Bevis, Mark. "NH DES Applauds EPA's CO2 Ruling." New Hampshire Public Radio. December 8, 2009. Accessed December 21, 2009. <www.nhpr.org/node/28213>.

efficiently connect job-seekers to these emerging jobs has only begun.

Stimulus incentives to improve the environment and create green jobs in New Hampshire

As of fall 2009, The New Hampshire Department of Environmental Services had received $63.8 million in American Recovery and Reinvestment Act (ARRA) funds from the U.S. Environmental Protection Agency. Most of the funds will be distributed as grants and loans to New Hampshire municipalities and regional planning agencies. Examples of projects funded through stimulus money are upgrades to public drinking water and supply systems, reduction of diesel emissions by public transportation equipment enhancement, hazardous waste clean up, and watershed and other environmental improvement projects. The use of ARRA funds has two important goals: to improve the environment and to create jobs at the same time. Job creation is considered a vehicle to economic recovery.[2]

Greening Your Business and other ways to promote "greener practices"

The New Hampshire Department of Environmental Services has released several publications to promote greener practices among businesses and to make expansion and new development more environmentally sustainable. Two of these publications, *Making Your Business Greener Workbook* and *Innovative Land Use Planning Techniques: A Handbook for Sustainable Development* are examples of an effort from the Department of Environmental Services to assist businesses and the public in creating a more environmentally sustainable future.

Making Your Business Greener Workbook is a do-it-yourself guide for small businesses to make their facility and operations environmentally "greener." The publication consists of six checklists taking the reader through a series of considerations and action-oriented decisions to be made in order to reduce the use of resources and limit waste. The first checklist, called Basic Green Business Practices, is applicable to all types of businesses. Most practices are simple and can be implemented right away. Other checklists are more complex decisions and vary in areas of concern from Pollution Prevention to Sustainable Business Practices.[3]

Innovative Land Use Planning Techniques: A Handbook for Sustainable Development was developed in collaboration between New Hampshire Department of Environmental Services and New Hampshire's nine regional planning agencies. In a report called "Management Growth in New Hampshire: Changes and Challenges," produced back in 2000, by the New Hampshire Office of Energy and Planning, they concluded that "current planning and zoning approaches do not provide the type and pattern of growth and development desired by communities."[4] This handbook of techniques was developed

2. "Commissioner's Column: DES and the Recovery Act." Environmental News. September/October 2009. New Hampshire Department of Environmental Services. Accessed December 22, 2009. <des.nh.gov/organization/commissioner/pip/newsletters/en/documents/09sep.pdf>.
3. Making Your Business Greener Workbook. November 2008. New Hampshire Department of Environmental Services. Accessed December 22, 2009. <des.nh.gov/organization/commissioner/pip/publications/general/green_business_wkbook.pdf>.
4. Innovative Land Use Planning Techniques: A Handbook for Sustainable Development. NH Department of Environmental Services, et all, October 2008, p.X

to help communities plan growth more in line with what they envision.[5]

Toxic Release Inventory

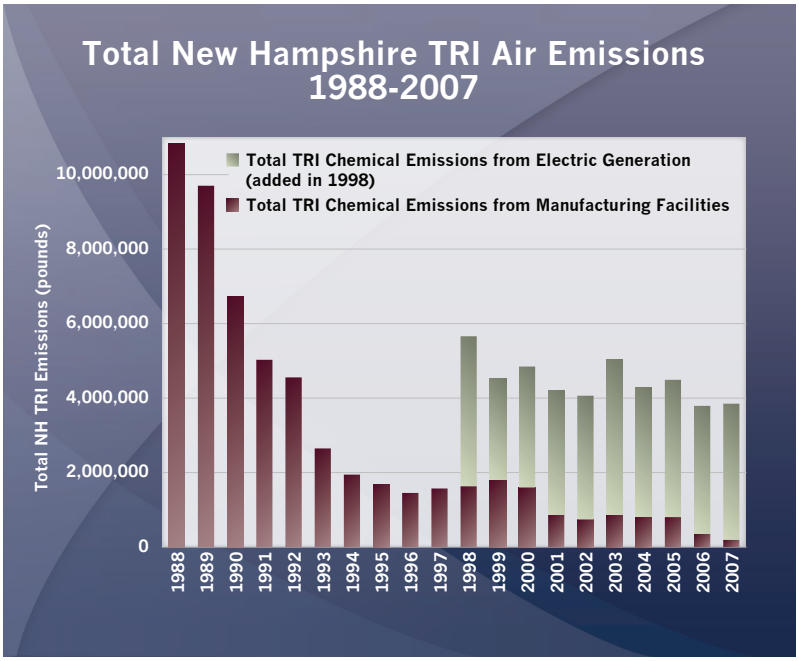
The U.S. Environmental Protection Agency (EPA) has maintained the Toxic Release Inventory (TRI) database since 1988. This database contains Toxic Release Inventory by chemical categories and whether it is released to the air, water, or land. It also houses information on the quantities of toxic chemicals sent to other facilities for further waste management. The EPA tracks this information due to the Emergency Planning and Community Right-to-Know Act (EPCRA), a federal law created under the Superfund Amendments and Reauthorization Act (SARA) of 1986. EPCRA gives citizens the right to know about toxic chemicals being released into the environment. The law requires facilities in certain industries, if they have ten or more full time equivalent employees and manufacture, process, or use significant amounts (amounts greater than threshold quantities) of toxic chemicals, to report to the EPA on an annual basis. These guidelines exclude all smaller facilities from the Toxic Release Inventory.

The TRI Air emissions data show that there has been a significant reduction in toxic air pollution since 1988, even as the facilities generating electricity were added in 1998. However, we have to be aware that year-to-year variations can be due to closure and opening of large facilities and that the toxic pollution from small facilities are not captured.

Solid Waste Management

In July 2009, the City of Concord started a Pay-As-You-Throw (PAYT) program. There are now 46 municipalities in New Hampshire with a PAYT program in place. PAYT programs seem to have a positive impact on the diversion rates.[6] Lancaster, Littleton and Peterborough have the highest recycling rates at 62 percent, 72 percent and 78 percent, respectively. These diversion rates compare to the national average of about 31 percent.[7]

The result of the PAYT program in the City of Concord was significant after just a couple of months. Comparing the July to September periods between 2008 and 2009, solid waste was down 50 percent and recycling was up 75 percent.[8]



5. Innovative Land Use Planning Techniques: A Handbook for Sustainable Development. October 2008. New Hampshire Department of Environmental Services, et all. <des.nh.gov/organization/divisions/water/wmb/repp/innovative_land_use.htm>.
6. Diversion rates. The percentage of waste materials diverted from traditional disposal such as landfilling or incineration to be recycled, composted, or re-used
7. "SMART Cities: From East to West, Big and Small, Cities are Increasing Recycling, Creating Jobs and Curbing GHGs." Pay-As-You-Throw. Spring 2009. United States Environmental Protection Agency. Accessed December 18, 2009. <www.epa.gov/waste/conserve/tools/payt/tools/bulletin/spring09.pdf>.
8. Augustine, Amy. "Trash volume falls drastically." Concord Monitor. October 28, 2009. Accessed October 28, 2009. <www.concordmonitor.com/apps/pbcs.dll/article?AID=/20091028/FRONTPAGE/910280311>.

The U.S. Environmental Protection Agency (EPA) has a free calculator tool called SMART BET (Saving Money And Reducing Trash Benefit Evaluation Tool) to assist municipalities in deciding if a PAYT program will work for them.[9]

Carbon Monoxide Detectors

December marked the one-year anniversary of the Ice Storm of December 2008. Due to lack of power for an extended period of time in the aftermath of the ice storm, many homeowners installed generators or used other backup heating sources. As a consequence of improper installation and ventilation, 70 carbon monoxide encounters were identified and four deaths occurred during and in the aftermath of the storm. This spurred an effort to educate the public about the need to install carbon monoxide detectors in homes with generators, fireplaces, furnaces or wood stoves. In New Hampshire, improperly installed generators are the main cause of carbon monoxide poisoning.[10] A new state law requires that carbon monoxide detectors be installed in single and multi-family dwellings built or substantially rehabilitated after January 1, 2010. Rental unit owners are now responsible for maintaining a carbon monoxide detection device in a suitable condition in addition to an automatic fire warning device.[11]

9. "SMART BET Calculator." Pay-As-You-Throw Resources. United States Environmental Protection Agency. Accessed December 18, 2009. <www.epa.gov/waste/conserve/tools/payt/tools/smart-bet/index.htm>.

10. "Power Knocked Out? Generate a Safe Home." GREENWorks. December 2009. New Hampshire Department of Environmental Services. Accessed December 22, 2009. <des.nh.gov/organization/commissioner/pip/newsletters/greenworks/documents/0912grnworks.pdf>.

11. HB 120-FN-Local – Final Version. March 24, 2009. New Hampshire General Court. Accessed December 22, 2009 <www.gencourt.state.nh.us/legislation/2009/hb0120.html>.

Toxic Release Inventory	2005	2006	2007	2008	Source
On-site and Off-site Disposal and Other Releases in Pounds					
New Hampshire	5,276,594	4,213,916	4,104,541	n/a	EPA
Percent Change	-0.9%	-20.1%	-2.6%	n/a	NHES/EPA
New England	30,359,515	27,556,141	26,889,342	n/a	EPA
Percent Change	-0.2%	-9.2%	-2.4%	n/a	NHES/EPA
U.S. (thousands)	4,362,713	4,318,759	4,108,477	n/a	EPA
Percent Change	2.6%	-1.0%	-4.9%	n/a	NHES/EPA

Ozone Levels	2005	2006	2007	2008	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	0.081	0.076	0.086	0.064	DES-ARD
Nashua	0.096	0.084	0.090	0.070	DES-ARD
Portsmouth	0.078	0.077	0.082	0.079	DES-ARD
Rye	0.082	0.078	0.097	0.083	DES-ARD
Unhealthy Days (days above 0.08 ppm/8 hours, state)	17	10	22	8	DES-ARD

Solid Waste	2005	2006	2007	2008	Source
SOLID WASTE Residential and Commercial (tons per year-thousands)					
Generated	1,443	1,336	1,330	1,313	DES-WMD
Diversion (recycling + composting)	466	412	445	413	DES-WMD
Disposed of	878	866	844	839	DES-WMD
Pounds per person per day	7.7	7.1	6.9	5.3	DES-WMD
Exported	99	28	40	43	DES-WMD
Imported (for incineration and landfill)	395	546	243	501	DES-WMD

Carbon Monoxide	2005	2006	2007	2008	Source
Highest maximum eight-hour concentration in part per million (ppm)					
Manchester	1.9	5.8	1.8	4.3	EPA
Nashua	3.3	2.7	2.3	n/a	EPA

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

CMS . . . . . Centers for Medicare & Medicaid Services

DE . . . . . New Hampshire Department of Education

DES-ARD . . . . . Air Resources 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

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

FM . . . . . Freddie Mac

FR. . . . . Federal Reserve Bank of Boston

HA . . . . . New Hampshire Hospital Association

HFA . . . . . New Hampshire Housing Finance Authority (NHHFA)

ISDS . . . . . Information Services, New Hampshire Department of Safety

LC. . . . . New Hampshire Liquor Commission

LD . . . . . New Hampshire Department of Labor

MA . . . . . Manchester·Boston Regional Airport

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

RA . . . . . New Hampshire Department of Revenue Administration

RCGC. . . . . New Hampshire Racing and Charitable Gaming Commission

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

USACE. . . . . United States Army Corps of Engineers

USDJ . . . . . United States Department of Justice

USDOL . . . . . United States Department of Labor

USDOL-OWS . United States Department of Labor,
Office of Workforce Security

WISER . . . . . World Institute for Strategic and Economic Research,
Holyoke Community College

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)***

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 U.S. . . . . ***(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***)