Vital Signs:

New Hampshire Economic and Social Indicators

1997-2000

a Labor Market Information Report

Prepared by

Economic and Labor Market Information Bureau
New Hampshire Employment Security
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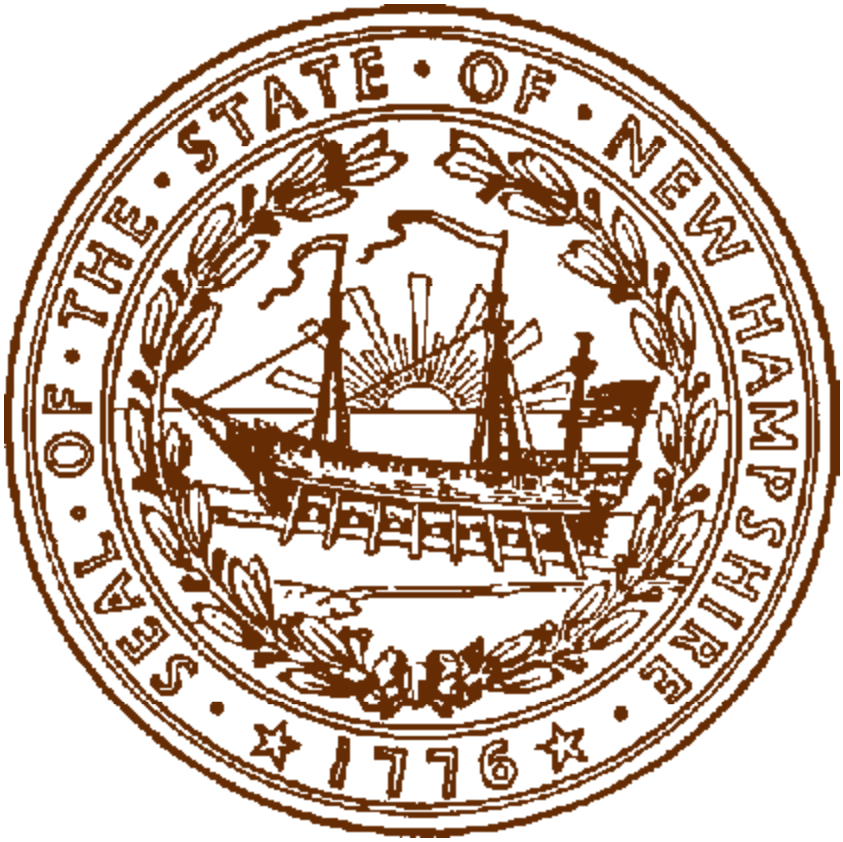

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Introduction

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

Some data items have been drawn from published reports or unpublished records of many state and federal government agencies and private organizations. Other data was retrieved from the Internet. We are indebted to the numerous individuals who contributed special information or provided advice on evaluating reported data. Sources are identified by abbreviations in the right hand column in the tables of indicators. Attention should be paid to notations included with the line titles about data size and time intervals used. Fiscal year numbers are displayed under the second calendar year involved. For example, enrollments for the 1999-2000 school year are shown under 2000. Whenever possible, 2001 updates are reported along with other information in the summary analysis. While the data contained in this publication have been compiled from sources believed to be reliable, no guaranty is made as to the correctness, sufficiency, or completeness of such information.

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

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

2000 Highlights

1. Population

New Hampshire's population reached 1,235,786 in 2000, an 11.4 percent increase over 1999 ❖ Nearly one-third of the total population was between the ages of 35 and 54 in 2000, up from one in four in 1990 ❖ The median age in New Hampshire was 37.1 years in 2000, up 0.4 years from 1999 and 4.3 years over the decade ❖

2. Income & Wages

Total personal income for New Hampshire in 2000 was estimated at $40.9 billion. This was a 9.2 percent increase over 1999 ❖ Much of the increase was in the net earnings component. New Hampshire experienced a 10.3 percent jump in that category, from $26.7 billion to $29.5 billion ❖ Wages in covered employment presaged this with a jump of over $2 billion, 10.9 percent above 1999. Never before has New Hampshire seen a similar leap ❖

3. Labor Force & Unemployment

New Hampshire had an estimated 16,350 more people employed and 1,060 more unemployed in 2000 than in 1999 ❖ For the first time since 1993, the Granite State did not have the lowest annual unemployment rate of all New England States ❖ The unemployment rate for October 2001 was 3.3 percent, an increase of 1.3 percentage points over October 2000 ❖

4. Employment by Industry

Preliminary estimates from the Current Employment Statistics program showed New Hampshire had 620,800 nonfarm jobs in 2000. This was the second consecutive year nonfarm employment surpassed the 600,000 level ❖ Major contributors to growth were from Services and Trade while weaknesses spread throughout Manufacturing ❖

5. Private Enterprise

Nearly 67,000 people worked in high technology industries in the state in 2000, almost 11 percent of total employment. They were paid an average of $1,168 per week, almost $500 more than the statewide all industry average weekly wage ❖ Preliminary numbers show New Hampshire had 32,726 private firms with employment in March 2001. This is an increase of 0.9 percent since March 1999 and 6.2 percent since March 1997 ❖

6. Transportation & Traffic

The Manchester Airport experienced over 200 arrivals/departures each day, and handled almost 90,000 tons of cargo in 2000 ❖ Motor vehicle registrations and miles driven increased while fuel economy remained level ❖ The Port of New Hampshire handled almost five million tons of cargo in 2000 ❖

7. Energy

Recently deregulated customers in New Hampshire kept a watchful eye on the energy events in California ❖ Heating fuel supplies were short in the beginning of 2001, causing prices to escalate ❖ Gasoline prices recorded the highest prices in New Hampshire at the end of May and first week of June 2001 ❖ By fall, production increased and consumers demonstrated restraint in consumption, causing prices of both types of fuel to fall again, approaching the lowest level in three years ❖

2000 Highlights

8. Production

New Hampshire's exports totaled over $2.5 billion in 2000, adding over $398.9 million ❖ Canada continued to be New Hampshire's top trading partner in 2000, the United Kingdom became the state's second largest foreign market ❖ Gross State Product, estimated by Public Service of New Hampshire, reached $48.4 billion in 2000 ❖

9. Trade, Recreation, & Hospitality

According to the 2001 Survey of Buying Power, New Hampshire's total annual retail sales reached over $24.3 billion in 2001, a 5.8 percent growth ❖ More than 345,000 cars used the state's turnpike system during Columbus Day weekend, breaking record levels set in 1999 ❖ The 2000-2001 ski season was the best ever, in terms of skier visits, breaking the record set eight years earlier by eight percent ❖ A group of dealers from Massachusetts held the first 'motorcycle rally' ('Motorcycle week'), in Laconia in 1916 ❖

10. Construction & Housing

The median gross rental cost in the state for a two-bedroom unit was $818 in 2001 v The nonbuilding construction index was up 528 points over-the-year in 2000. Much of the reason was the construction of two energy plants v The average home sale price escalated 16.1 percent to $168,717 v

11. Finance - Private

For the second straight year, New Hampshire's total bankruptcy filings declined ❖ The mortgage delinquency rate for New Hampshire fell for the third straight year, while the consumer loan delinquency rate rose for the third consecutive year ❖

12. Finance - Government

The percentage of the cost of education paid for by the state expanded from less than ten percent all the way up to 60 percent ❖ Revenue from BPT and BET was $59.5 million more than received in FY 1999 ❖ The settlement by tobacco companies added $54.2 million, all but $400,000 of which went to the education fund ❖ The state total equalized property valuation jumped a hefty 13.9 percent to $86.7 billion in 2000 ❖

13. Education

Funding for education continues to be a topic of discussion in New Hampshire ❖ While assessment tests in the state reflect improvements, school populations are coping with social issues and violence as well as choices in educational avenues and preparing for career pursuits ❖

14. Health

New Hampshire lost its ranking as healthiest state in the nation in 2001, according to two separate surveys ❖ UnitedHealth Foundation's State Health Ranking 2001 Edition ranked the state as second healthiest ❖ According to Morgan Quitno Press, the Granite State dropped to third behind Vermont and Minnesota in 2001 after holding the number one spot the previous year ❖ About 96,000 New Hampshire residents under the age of 65 were uninsured in 1999, according to New Hampshire Department of Health and Human Services ❖

15. Social Assistance

New Hampshire had the lowest poverty level in the nation in 2000 ❖ The effects of welfare reform were evident as total cases of TANF recipients in the state fell another five percent from 1999 ❖ Family demographics are changing as more and more grandparents are heading the households and becoming the responsible parties for their grandchildren ❖

16. Crime & Crashes

New Hampshire had the lowest crime index in New England for the past eleven years ❖ According to Morgan Quitno Press, the Granite State has been the safest state in New England and the second safest in the nation ❖ Nearly 2,600 more traffic crashes were reported in New Hampshire during 2000 ❖ Total prisoner population in the Granite State grew three percent during fiscal year 2001 ❖ In light of the recent terrorist attacks on America, New Hampshire established the Commission on Preparedness and Security on September 27, 2001 ❖

17. Environment

New Hampshire is pursuing a multipollutant reduction strategy for clean air that would impose the most aggressive requirements on power plants in the nation ❖ Over the past ten years, New Hampshire's large power plants have reduced emissions of Nitrous Oxides by 85.9 percent ❖ New Hampshire is attempting to withdraw from the federal Reformulated Gasoline Program ❖

Change in Key Economic Indicators

Indicator	1998 to 1999		1999 to 2000		Section
	Change	% Change	Change	% Change	
Population	16,134	1.4%	35,651	2.9%	1
Income, per capita personal	$1,393	4.8%	$2,352	7.2%	2
Wages, average weekly	$24.08	4.0%	$54.67	8.8%	2
Labor Force:					
Employment	16,020	2.5%	16,350	2.5%	3
Unemployment	-840	-4.4%	1,060	5.8%	3
Nonfarm jobs - total all industries	16,800	2.9%	15,000	2.5%	4
Vehicle registrations	-13,128	-1.3%	47,907	4.7%	6
Electricity purchased (million KWH)	634	6.9%	61	0.6%	7
Gross state product (1996 dollars-millions)	$2,767	6.8%	$3,172	7.3%	8
Export Sales to the World (SIC code) ($ millions)	$202	11.7%	$398	18.6%	8
Meals and rooms receipts (millions)	$80.5	4.6%	$134.9	7.3%	9
Existing home sales (total units per year)	500	1.2%	3,200	7.9%	10
Bank assets ($ millions)	$6,363	26.2%	$1,022	3.3%	11
Non-current loans ($ millions)	$215.7	110.7%	$213.7	52.0%	11
Bankruptcy filings	-890	-17.8%	-489	-11.9%	11
School enrollment (K-12)	3,967	1.8%	2,626	1.2%	13
Poverty rate*	0.5	5.9%	-1.5	-16.9%	15
Criminal offenses	-1,269	-4.4%	n/a	n/a	16
Traffic accidents	1,872	5.6%	2,598	7.3%	16

* 3 - year moving average rate

New Hampshire led the region in population growth from 1990 to 2000. With an 11.4 percent increase, the state's population reached 1,235,786 in 2000. The rest of New England saw single digit increases ranging from 3.6 percent in Connecticut to 8.2 percent in Vermont.

A county-by-county comparison shows Coos county, the largest by land area, had the lowest population in 2000. On the other end of the scale, Hillsborough County, fifth largest in terms of land area, claimed more people as residents than any other New Hampshire county in 2000.

Nationally, an increase of more than 32.7 million people from 1990 to 2000 was the largest 10-year population increase in U.S. history, according to the Census Bureau. Also, for the first time in the 20th century, every state in the nation saw population growth.

Population by Race

New Hampshire's population is becoming more diverse. The 1990 and 2000 Census figures for population are not strictly comparable because in 2000 people could choose more than one race. However, looking at the data just for those choosing only one race, the number of people claiming other than white for race increased 64 percent from 1990 to 2000, reaching 35,721. The largest minority increase in these persons choosing just one race was the Asian population, which added 6,810 during the decade, bringing the total to 15,931.

Another indicator of diversity is the number of persons claiming more than one race. Census 2000 allowed people to choose more than one race, if applicable. Just about one percent of the total population (13,214 people) in New Hampshire chose two or more races. Of those, about 90 percent chose white as one of the races. The *American Indian and Alaskan Native* category was chosen by about 37 percent of those claiming more than one race. About one-quarter chose *Black or African American* and one-quarter chose *Asian* as another race, while less than one percent chose *Native Hawaiian* and *Other Pacific Islander*.

In New Hampshire 32.8 percent of the total population were between the ages of 35 and 54 in 2000, up from 26.6 percent in 1990.

In New England, two percent of the region's total population chose more than one race. The nation saw a slightly higher percent of its population (2.4) claiming more than one race.

New Hampshire's population grew faster than any other New England state from 1990 to 2000

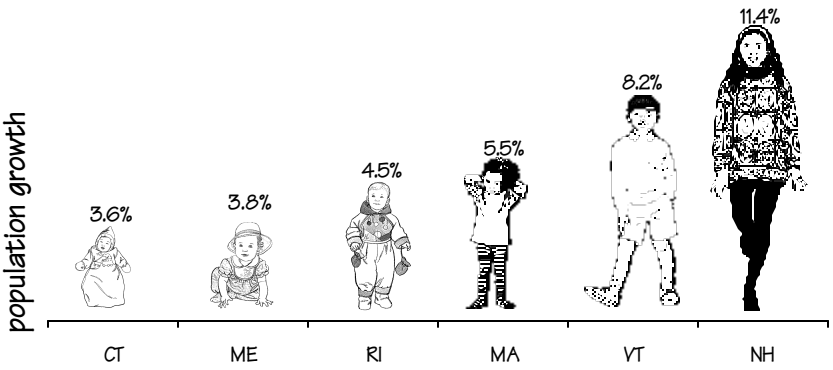


Figure 1.a: State population growth, 1990 - 2000

Population

Population by Age

In New Hampshire 32.8 percent of the total population was between the ages of 35 and 54 in 2000, up from 26.6 in 1990. Most of the people in this age group are considered "baby boomers." According to the U.S. Census Bureau, baby boomers were born between 1946 and 1964, putting them in their late thirties to mid fifties in 2000. Nationally, the 35- to 54-year-olds made up 29.4 percent of the total population in 2000, up from 25.2 percent in 1990.

The increase in the median age is more proof that the baby boomers are moving up the age ladder. The median age in New Hampshire in 2000 was 37.1 years, up 0.4 years from 1999 and 4.3 years over the decade. Massachusetts had the youngest population in New England with a median age of 36.5 years in 2000, while Maine had the highest median age, 38.6 years. Every New England state had a median age higher than the national average of 35.3 in 2000.

Statewide, the number of children under five dropped nearly 9,000 from 1990 to 2000. They made up 6.1 percent of the total 2000 population, down from 7.6 percent in 1990. A drop of more than 820,000 nationally caused this age group to decline from 7.4 percent of the total U.S. population in 1990 to 6.8 percent in 2000.

Elisabeth Picard

The 2000 Census showed the 35-44 year old group claimed the largest percent of total population in both New Hampshire and the United States

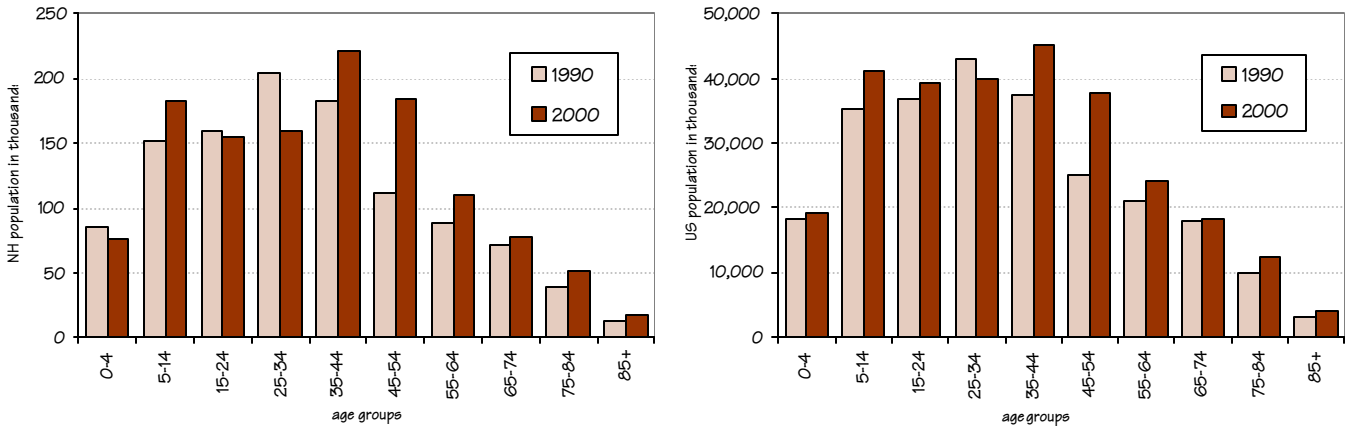


Figure 1.b: New Hampshire's population by age group vs. United States population by age group, 1990 and 2000

Resident Population

	1997	1998	1999	2000	Source
Population, July 1st (thousands)	1,173[a]	1,185[a]	1,201[a]	1,236	CB/OSP
Annual percent change	1.1%	1.0%	1.3%	2.9%	CB/NHES
United States rank of annual percent change	17	17	11	22	CB/NHES
Percent change since last census	5.8%	6.8%	8.0%	11.4%	CB/NHES
Population, Males	576,600	583,000	590,900	607,687	CB/OSP
Population, Females	596,400	602,100	610,200	628,099	CB/OSP

[a] Population numbers for 1997 to 1999 are estimated based on 1990 Census figures. These numbers will be reestimated in early 2002 using 2000 Census figures

Distribution by Age

	1997	1998	1999	2000	Source
Under 5 years	6.3%	6.2%	6.2%	6.1%	CB
5 to 17 years	19.0%	19.0%	19.2%	18.9%	CB
18 to 24 years	8.0%	8.1%	8.2%	8.4%	CB
25 to 44 years	34.5%	34.1%	33.4%	30.9%	CB
45 to 64 years	20.2%	20.6%	21.1%	23.8%	CB
65 years and over	12.0%	12.0%	12.3%	12.0%	CB

Median Age

	1997	1998	1999	2000	Source
New Hampshire	35.5	35.7	35.9	37.1	CB
New England	36.2	36.5	36.7	37.1	CB
Connecticut	36.7	37.0	37.0	37.4	CB
Maine	37.0	37.4	37.8	38.6	CB
Massachusetts	35.9	36.2	36.5	36.5	CB
Rhode Island	36.1	36.4	36.6	36.7	CB
Vermont	36.3	36.7	37.2	37.7	CB
United States	34.9	35.2	35.5	35.3	CB

Vital Records

	1997	1998	1999	2000	Source
Marriages	9,996	9,921	10,301	10,540	VS
Marriage rate (per 1,000 population)	8.5	8.4	8.6	8.5	VS
Divorces	5,700	6,078	6,188	5,968	VS
Divorce rate (per 1,000 population)	4.9	5.1	5.2	4.8	VS
Components of Population Change:					
Live births	14,275	14,433	14,026	14,561	VS
Birth rate (per 1,000 population)	12.2	12.2	11.7	11.8	VS
Births to teenage mothers (less than 20 years old)	1,115	1,097	996	994	VS
Percent of live births	7.8%	7.6%	7.1%	6.8%	VS
Non-marital births (percent of live births)	23.8%	24.2%	24.2%	24.6%	VS
Late or no prenatal care (percent of live births)	1.6%	1.8%	1.4%	1.3%	VS
Resident deaths	9,451	9,489	9,457	9,689	VS
Crude death rate (per 1,000 population)	8.1	8.0	7.9	7.8	VS
Infant death rate (per 1,000 live births)	4.4	4.3	n/a	n/a	VS
Natural increase rate (per 1,000 population)	4.2	4.2	3.8	4.0	VS
Net in-migration rate (per 1,000 population)	6.6	6.6	8.6	n/a	VS/NHES

2. Income & Wages

Total personal income for New Hampshire in 2000 was estimated at $40.9 billion. This was a 9.2 percent increase over 1999. The rate of change was second largest in New England. Massachusetts led the region and the nation with a 10.2 percent gain. New Hampshire's growth was fourth fastest in the nation, falling behind only Colorado and California, in addition to our southern neighbor. The national rate of growth was 7.0 percent.

There are three components of personal income: net earnings; dividends, interest, and rent; and transfer payments. Although

Wholesale trade became the first division in New Hampshire to surpass $1,000 average weekly wage.

New Hampshire saw decent increases in both the latter categories, the state's growth was largely a factor of increased net earnings. New Hampshire experienced a 10.3 percent jump in that category, from $26.7 billion to $29.5 billion. New Hampshire also grew a respectable 6.5 percent in dividends, interest, and rent, and 6.4 percent in transfer payments.

Much of the growth in the net earnings component was in total wages in employment covered by unemployment compensation. This indicator jumped over $2 billion, 10.9 percent above 1999. Never before has New Hampshire seen a similar leap. This state has been on a growth spurt for many years. Increases have been around a billion dollars per year since 1994 reaching nearly $1.5 billion in 1998. The 2000 increase was over a half billion dollars larger than any previously experienced in New Hampshire. Manufacturing wages outstripped 1999 by over a half billion dollars. Most, $273 million, was in electronics manufacturing. The average weekly earnings of production workers in manufacturing employment, however, increased $12.43 over 1999, only 2.3 percent.

The 2000 increase was heavily weighted toward first quarter wages. They increased over $800 million from first quarter 1999. That was nearly a 20 percent leap. Over a quarter billion dollars of the increase was in Manufacturing, again with most of it concentrated in the manufacture of electronics. The first two quarters 2001 extended this trend. First quarter wages were up another $243 million over the extraordinary 2000 number and second quarter followed with a $251 million increase. Wholesale trade became the first division in New Hampshire to surpass $1,000 average weekly wage. Since 1997 this division has had total wages increase 40 percent while employment was up 15 percent.

New Hampshire's population stood at 1,235,786 in the 2000 census. Total income divided by population gives per capita income (PCI). Factoring in taxes gives per capita disposable income (PCDI). Between census years, the Census Bureau estimates the populations of the states. Once the census is taken, these estimates are benchmarked. The Census Bureau will then reissue official population estimates for New Hampshire and

Per Capita Personal Income

	1990	2000	percent change
United States	$19,584	$29,451	50.4%
New England	22,900	35,824	56.4%

Top 6 Ranked States

	1990	2000	percent change	2000 Rank
Connecticut	$26,736	$40,870	52.9%	1
Massachusetts	23,223	37,710	62.4%	2
New Jersey	24,766	37,112	49.9%	3
New York	23,315	34,502	48.0%	4
Maryland	23,023	33,621	46.0%	5
New Hampshire	**20,713**	**33,042**	**59.5%**	**6**
Remaining New England States				
Rhode Island	$20,194	$29,158	44.4%	17
Vermont	18,055	26,904	49.0%	30
Maine	17,479	25,399	45.3%	36

the rest of the states for the intercensal years. The Bureau of Economic Analysis, however, recently released recalculated PCI and PCDI for the states in the 1990s consistent with both censuses. When the Census Bureau releases their official benchmarked estimates, these indicators will change.

Price Indices

There are many ways to look at cost of living changes. The most familiar is the Consumer Price Index (CPI). It compares a market basket of about 90,000 items over time with a base period of 1982-84. The Federal government recently adjusted the scale to make it a truer indicator of inflation. There are regional versions of the CPI but nothing specific for New Hampshire.

Another measure is the Gross Domestic Product (GDP) Implicit Price Deflator. It is current dollar GDP divided by constant dollar GDP. This ratio is used to account for the effects of inflation, by reflecting the change in the prices of the bundle of goods that make up the GDP as well as the changes to the bundle itself.

Martin Capodice

Total wages have had a wonderful 9 year growth pattern, up nearly 90 percent over the decade

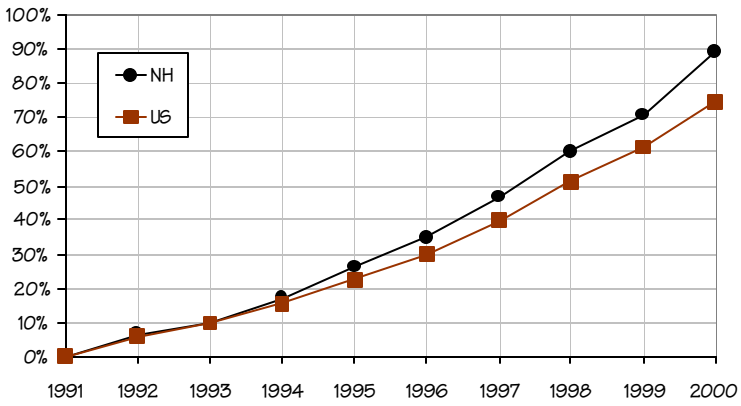


Figure 2.a: Total wages percent change from 1991 for New Hampshire and United States

Total Personal Income

	1997	1998	1999	2000	Source
New Hampshire ($ millions)	$32,397	$35,265	$37,489	$40,938	BEA
Components:					
Net Earnings[a]	69.9%	69.7%	71.2%	72.0%	BEA
Dividends, interest, rent	18.5%	19.4%	18.3%	17.8%	BEA
Transfer payments	11.6%	10.9%	10.5%	10.2%	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

	1997	1998	1999	2000	Source
Per Capita Personal Income	$27,254	$29,297	$30,690	$33,042	BEA
United States rank (excluding D.C.)	7	7	6	6	BEA
Annual percent change	5.8%	7.5%	4.8%	7.7%	NHES/BEA
Percent change after adjusting for inflation using CPI	4.1%	5.8%	2.0%	4.1%	NHES/BEA

Income & Wages

Per Capita Disposable Income

	1997	1998	1999	2000	Source
Per Capita Disposable Income	$23,724	$25,459	$26,486	$28,323	BEA
United States rank (excluding D.C.)	7	6	6	4	BEA
Annual percent change	4.7%	7.3%	4.0%	6.9%	NHES/BEA
Percent change after adjusting for inflation using CPI	2.9%	5.6%	1.3%	3.4%	NHES/BEA

Median Household Income

	1997	1998	1999	2000	Source
New Hampshire	$42,023	$45,401	$44,981	$49,509	CB
Connecticut	$46,648	$49,846	$47,997	$53,108	CB
Maine	$33,140	$35,560	$36,459	$36,400	CB
Massachusetts	$43,015	$44,934	$43,697	$49,505	CB
Rhode Island	$36,699	$39,907	$40,213	$43,185	CB
Vermont	$35,210	$37,947	$39,419	$39,317	CB

Wages

	1997	1998	1999	2000	Source
TOTAL WAGES in employment covered by unemployment compensation ($ millions)					
Private and public employers	$16,344	$17,822	$18,997	$21,067	NHES
Annual percent change	8.9%	9.0%	6.6%	10.9%	NHES
AVERAGE WEEKLY WAGES IN PRIVATE EMPLOYMENT covered by unemployment compensation					
All industries (annual average)	$564.10	$599.04	$623.12	$677.79	NHES
Annual percent change	6.1%	6.2%	4.0%	8.8%	NHES
Manufacturing	$746.70	$778.17	$799.34	$893.69	NHES
Construction	$624.28	$674.67	$700.44	$736.67	NHES
Mining	$657.07	$698.12	$745.43	$772.77	NHES
Transportation, communications, and public utilities	$681.94	$713.27	$728.72	$785.60	NHES
Wholesale trade	$855.48	$905.06	$954.61	$1,044.54	NHES
Retail trade	$316.72	$337.58	$348.65	$370.62	NHES
Finance, insurance, and real estate	$744.81	$813.95	$879.17	$957.57	NHES
Services	$520.68	$554.39	$589.93	$639.96	NHES
AVERAGE WEEKLY EARNINGS					
Production Workers in Manufacturing Employment	$527.10	$528.23	$534.70	$547.13	BLS
United States rank (including D.C.) (1 = highest)	30	32	34	33	BLS

U.S. Price Indices

	1997	1998	1999	2000	Source
CONSUMER PRICE INDEX, All Urban Consumers (U.S., 1982-1984 = 100)					
December	161.3	163.9	168.3	174.0	BLS
December to December percent change	1.7%	1.6%	2.7%	3.4%	BLS
IMPLICIT PRICE DEFLATOR (U.S., 1996 = 100)	102.0	103.2	104.8	106.6	BEA
Annual percent change	2.0%	1.2%	1.5%	1.8%	BEA

New Hampshire's 2000 average annual unemployment rate of 2.8 percent ranked seventh lowest in the nation. The lowest rate was Virginia's 2.2 percent. Iowa, lowest in 1999 with 2.5 percent, tied with Massachusetts at 2.6 percent for fourth lowest.

Local Area Unemployment Statistics (LAUS) showed an estimated 16,350 more people employed and 1,060 more unemployed in 2000 than in 1999. The civilian labor force expanded by 17,410 to 685,510, a 2.6 percent increase over 1999's 668,100.

For the first time since 1993 New Hampshire did not have the lowest unemployment rate of all New England States. In 2000 Connecticut, at 2.3 percent, had the lowest rate. Massachusetts was second with 2.6 percent and New Hampshire was third at 2.8 percent. The remaining New England states, Vermont, Maine, and Rhode Island had rates of 2.9, 3.5, and 4.1 percent, respectively.

Beginning in 1992 New Hampshire's unemployment rate was consistently lower than both New England and the nation. In 2000 the rate for both New England and New Hampshire was the same, and the national rate was 1.2 percentage points higher.

Preliminary estimates for October 2001 showed an additional 3,970 residents employed and 9,500 more unemployed over October 2000. The unemployment rate for October 2001 was 3.3 percent, an increase of 1.3 percentage points over October 2000.

Labor Force Characteristics

Over 73 percent of New Hampshire's total noninstitutional population was part of the civilian labor force in 2000. This was ranked fourth highest in the nation for 2000.

For the first time since 1993, New Hampshire did not have the lowest annual unemployment rate of all New England States.

New Hampshire's male participation rate (79.8) was ranked third nationally and women (66.7) ranked in seventh place. New Hampshire men haven't ranked that high since 1991 and women since 1994. The civilian labor force in New Hampshire contained a slightly higher percentage of men (52.7) than women (47.2). Eighty-two percent of men in the labor force were between the ages of 25 and 64 years old, compared to 80.7 percent of women. Trends of age distribution in the labor

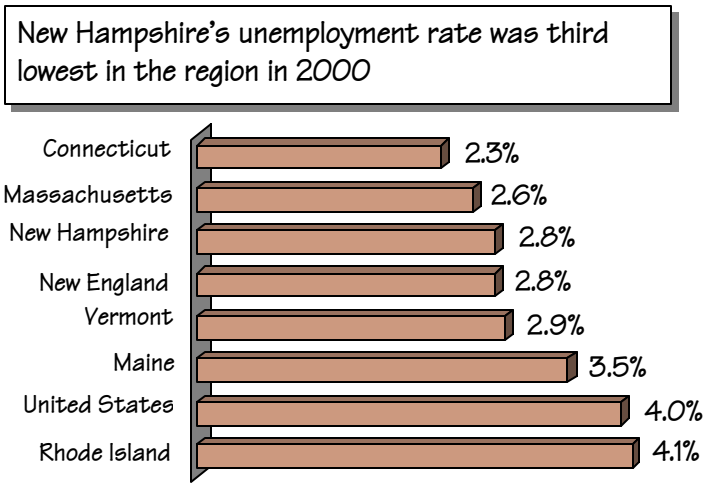


Figure 3.a: 2000 unemployment rate for the U.S. and New England

Percent of 2000 Labor Force Participation by Sex and Age

Age group	Men		Women	
	Number (in thousands)	Share of Men in Labor Force	Number (in thousands)	Share of Women in Labor Force
25 to 34 years	68	18.8%	67	20.6%
35 to 44 years	111	30.6%	95	29.3%
45 to 54 years	74	20.4%	67	20.6%
55 to 64 years	44	12.2%	33	10.2%

force were similar between men and women. The highest share of both sexes was in the 35 to 44 year old age group, supporting the conjecture of this age group as the prime working years.

Unemployment Insurance

Total weeks for unemployment insurance compensation decreased in 2000 by 17.3 percent to 122,099 weeks. In turn, unemployment insurance benefits paid decreased by 13.6 percent to $26,073,000. Individuals received benefit payments for an average of nine weeks, down from ten weeks in 1999. This ranked the state second lowest in the nation, the same ranking as 1999. The U.S. average was 13.7 weeks. New Hamp-shire's average weekly benefit amount was $217, an increase of 4.3 percent from $208 the previous year. The national average weekly benefit amount was $221.

New Hampshire, at $44, ranked second lowest in the nation for average benefits paid per covered worker. The average was 15.8 percent lower than the year before. Nationally the average was $162, more than triple the state's amount per covered worker.

Labor Disputes

During 2000, New Hampshire experienced two labor disputes. One, at Interstate Brands Baking Co., affected 135 workers and lasted one week. The other, at Verizon Communications, idled 1,630 workers for 16 days when a settlement was reached, and all employees returned to work.

Don Sheffield

New Hampshire's civilian labor force has grown by more than 50,000 since 1995

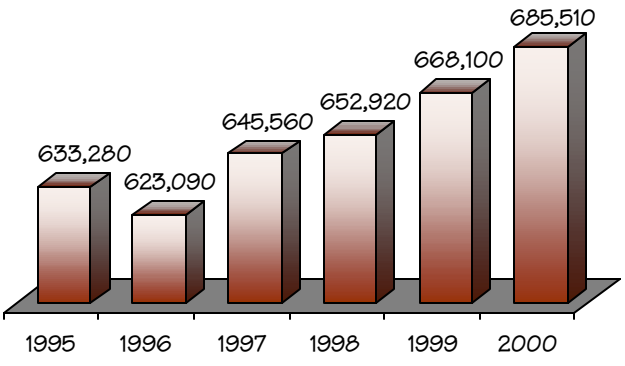


Figure 3.b: Civilian labor force, annual averages, 1995 - 2000

New Hampshire's number of unemployed increased from 1999-2000, after three consecutive years of decreases

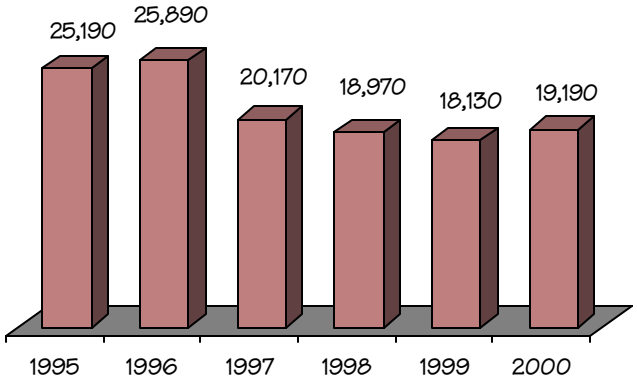


Figure 3.c: Statewide unemployed, annual averages 1995 - 2000

Labor Force & Unemployment

Employment

	1997	1998	1999	2000	Source
Employed (annual average)	625,390	633,950	649,970	666,320	BLS
Annual percent change	4.7%	1.3%	2.4%	2.8%	BLS/NHES
Work full-time - 35 hours or more per week	80.0%	80.1%	76.7%	n/a	BLS

Unemployment

	1997	1998	1999	2000	Source
Unemployed (annual average)	20,170	18,970	18,130	19,190	BLS
Unemployment rate (annual average)					
New Hampshire	3.1%	2.9%	2.7%	2.8%	BLS
United States rank (1=lowest)	3	Tie 4	2	7	BLS
New England	4.4%	3.5%	3.3%	2.8%	BLS
United States	4.9%	4.2%	4.2%	4.0%	BLS
Men					
New Hampshire	3.0%	2.8%	2.9%	2.8%	BLS
New England	4.8%	3.8%	3.4%	2.7%	BLS
United States	4.9%	4.4%	4.1%	3.9%	BLS
Women					
New Hampshire	3.3%	3.0%	2.5%	2.8%	BLS
New England	4.0%	3.1%	3.2%	2.8%	BLS
United States	5.0%	4.6%	4.3%	4.1%	BLS
Teenagers (16-19)					
New Hampshire	11.5%	9.7%	11.1%	9.6%	BLS
New England	13.4%	11.0%	9.4%	n/a	BLS
United States	16.0%	14.6%	13.9%	13.1%	BLS

Civilian Labor Force

	1997	1998	1999	2000	Source
Civilian Labor Force (annual average)	645,560	652,920	668,100	685,510	BLS
Annual percent change	3.6%	1.1%	2.3%	2.6%	BLS/NHES
Labor force participation rate	71.8%	71.6%	72.3%	73.0%	BLS
United States rank	8	Tie 11	Tie 6	4	BLS
Male participation rate	79.0%	77.5%	78.7%	79.8%	BLS
United States rank	6	Tie 12	6	3	BLS
Female participation rate	64.9%	66.1%	66.2%	66.7%	BLS
United States rank	13	Tie 8	9	7	BLS

Labor Disputes

	1997	1998	1999	2000	Source
Number of companies	1	2	1	2	NHES
Employees involved	830	178	65	1,765	NHES

Labor Force & Unemployment

Unemployment of the "experienced" civilian labor force

	1997	1998	1999	2000	Source
Unemployment of the "experienced" civilian labor force	3.0%	2.9%	NP	n/a	BLS
By occupation:					
Executive, administrative, and managerial	0.6%	1.5%	NP	n/a	BLS
Professional specialty	1.8%	2.1%	NP	n/a	BLS
Technicians and related support	NP	NP	NP	n/a	BLS
Sales	3.0%	2.7%	NP	n/a	BLS
Administrative support, including clerical	2.6%	1.9%	NP	n/a	BLS
Service occupations	5.2%	5.0%	NP	n/a	BLS
Precision production, craft, and repair	2.7%	3.5%	NP	n/a	BLS
Machine operators, assemblers, and inspectors	2.1%	3.3%	NP	n/a	BLS
Transportation and material moving	NP	NP	NP	n/a	BLS
Handlers, equipment cleaners, helpers, laborers	NP	NP	NP	n/a	BLS
By industry:					
Construction	6.0%	NP	NP	n/a	BLS
Manufacturing	2.4%	2.7%	NP	n/a	BLS
Durable goods	2.6%	2.3%	NP	n/a	BLS
Nondurable goods	2.1%	4.0%	NP	n/a	BLS
Transportation, communication, and utilities	NP	2.1%	NP	n/a	BLS
Trade	4.8%	4.0%	NP	n/a	BLS
Finance, insurance, and real estate	1.2%	2.2%	NP	n/a	BLS
Services	3.1%	3.3%	NP	n/a	BLS
Government	1.6%	0.6%	NP	n/a	BLS

NP = not publishable, does not meet BLS standards

Unemployment Insurance

	1997	1998	1999	2000	Source
Weeks compensated for unemployment (UI)	189,837	147,742	147,597	122,099	NHES
Benefits paid, unemployment insurance (thousands)	$30,591	$26,399	$30,173	$26,073	NHES
Average duration, benefit payments (weeks)	10.8	9.5	9.6	9.0	UIS
United States average	14.6	13.9	14.5	13.7	UIS
United States rank (including D.C.) (1=lowest)	7	3	2	2	UIS/NHES
Average benefits paid per covered worker	$55.23	$47.23	$52.38	$44.12	UIS
United States rank (including D.C.) (1=lowest)	2	2	2	2	UIS/NHES
National average	$168.18	$161.93	$166.14	$161.92	UIS
Average weekly benefit amount					
New Hampshire	$165.26	$195.00	$208.27	$217.21	UIS
United States	$192.77	$199.98	$211.75	$220.67	UIS

According to the Current Employment Statistics (CES) program, total nonfarm employment in New Hampshire was still on the rise during 2000 with a preliminary estimate of 620,800. This was the second year nonfarm employment was over 600,000, and the ninth consecutive year of employment growth in New Hampshire. The 2000 increase was just shy of the 1999 increase, exhibiting the slowest growth rate (2.5 percent) since 1991. In spite of slipping for a second consecutive year, this rate exceeded both the nation and New England for the third year.

Services bounded forward in 2000 with 9,000 new jobs over-the-year. Within Services, Business services had significant increases in the third and fourth quarters of 2000, responsible for 40 percent of the growth in the division. Health services increased during the second quarter and remained at that level for the rest of the year, for a total of 600 new jobs for the year.

The next largest increase came from Trade, which grew by 4,400 jobs over-the-year. Within Trade, Retail trade, growing by 3,200, contributed almost three-quarters of those new jobs. Retail trade maintained its fifth successive year of increase, for a total estimated employment of 131,600 in 2000. Wholesale trade also contributed another 1,200, bringing employment in that industry to 32,900.

New Hampshire Construction employment increased by 700 in 2000, the smallest growth since 1997. This 2.9 percent increase lagged the nation, which experienced 4.5 percent growth in 2000. Minimal increases were exhibited in Finance, insurance, and real estate (FIRE) and Transportation and public utilities (TPU) over the year.

Nonfarm employment growth in 2000 was evident in all industries except Manufacturing. Manufacturing employment slipped for a second year. New Hampshire growth in this industry was weaker than the rest of New England, falling a tenth of a percent behind the region and four tenths behind the nation. In 1999 the reductions had primarily been the result of nondurable goods manufacturing jobs. In 2000 net reductions of about 900 were distributed between both durable and nondurable goods. Within durable goods manufacturing, Electronic and other electrical equipment was among the few Manufacturing industries with an increase, up 600. This was negated by reductions in Industrial machinery and equipment as well as Instruments and related products. Nondurable goods also had a share in the losses. Printing and publishing and Paper and allied products were responsible for dropping over half of the jobs in nondurable goods.

Nonfarm employment growth in 2000 was evident in all industries except Manufacturing.

Employment in Manufacturing continued its downhill slide as 2001 progressed. Within nondurable manufacturing, the slump spread from Paper and allied products, the closing of the Berlin-Gorham paper mills; to Rubber and miscellaneous plastics products, the Sweetheart Cup Co.'s plan to move to

The rate of employment growth of 22.2 percent from 1990-2000 was the slowest since that of 1950-1960 at 17.8 percent

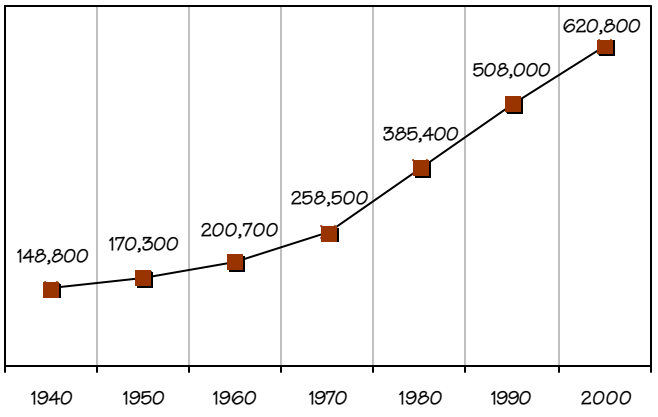


Figure 4.a: CES employment by decade, 1940 - 2000

Employment by Industry

Massachusetts.[1] Durable goods also shared in the reductions during 2001 with layoffs in Electronic and other electrical equipment with the closure of Sanmina's plants in Derry and Hudson.[2]

Anita Josten

[1] Union Leader, <www.theunionleader.com>, 7/26/01 "Sweetheart Cup to close Manchester plant in 2002," Denis Paiste, accessed 9/13/01; and 8/13/01 "Mills' environmental effect weighed", Garry Rayno, accessed 8/31/01

[2] Union Leader, <www.theunionleader.com>, 9/8/01 "Tech slump in New Hampshire centers around Derry, Hudson", Kimberly Houghton, accessed 9/13/01

In New Hampshire, employment in Services grew almost three times that of the next closest industry

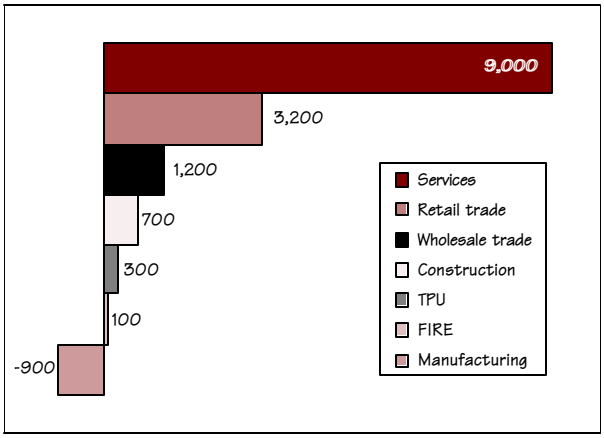


Figure 4.b: Annual employment change, 1999 - 2000

Annual Nonfarm Employment

	1997	1998	1999	2000[a]	Source
All industries	570,200	589,000	605,800	620,800	NHES
Private	491,400	509,300	524,300	537,800	NHES
Goods producing	128,600	132,100	131,400	131,200	NHES
Construction	20,900	23,000	24,300	25,000	NHES
Manufacturing	107,200	108,600	106,700	105,800	NHES
Durable goods manufacturing	73,900	76,200	76,100	75,600	NHES
Industrial machinery and equipment	18,200	18,200	17,300	16,800	NHES
Electronic and other electric equipment	19,500	19,800	20,000	20,600	NHES
Instruments and related products	11,500	11,500	10,700	10,200	NHES
Nondurable goods manufacturing	33,300	32,400	30,600	30,100	NHES
Paper and allied products	4,400	4,300	4,400	4,300	NHES
Printing and publishing	7,600	7,700	7,500	7,300	NHES
Rubber and misc. plastics products	9,500	9,200	8,600	8,600	NHES
Service producing	441,700	457,000	474,100	489,600	NHES
Transportation and public utilities	19,400	20,500	21,500	21,800	NHES
Total Trade	148,700	152,600	160,100	164,500	NHES
Wholesale trade	29,200	30,300	31,700	32,900	NHES
Retail trade	119,500	122,300	128,400	131,600	NHES
Eating and drinking places	36,300	37,000	38,000	38,500	NHES
Finance, insurance, and real estate	29,800	31,400	32,600	32,700	NHES
Services	165,000	172,800	178,700	187,700	NHES
Business services	29,200	31,000	31,800	35,400	NHES
Health services	47,800	49,100	50,600	51,200	NHES
Hospitals	19,500	19,500	19,700	20,300	NHES
Government	78,800	79,800	81,500	83,000	NHES

[a] 2000 figures are preliminary

Annual Employment Percent Changes

	1997	1998	1999	2000[a]	Source
All Industries					
New Hampshire	3.0%	3.3%	2.9%	2.5%	NHES
New England	2.3%	2.3%	2.0%	2.3%	NHES/BLS
United States	2.6%	2.6%	2.4%	2.2%	NHES/BLS
Private					
New Hampshire	3.3%	3.6%	2.9%	2.6%	NHES
New England	2.4%	2.5%	1.9%	2.3%	NHES/BLS
United States	2.9%	2.8%	2.5%	2.2%	NHES/BLS
Manufacturing					
New Hampshire	2.7%	1.3%	-1.7%	-0.8%	NHES
New England	0.4%	0.5%	-2.8%	-0.7%	NHES/BLS
United States	1.0%	0.7%	-1.3%	-0.4%	NHES/BLS
Durable Goods					
New Hampshire	3.2%	3.1%	-0.1%	-0.7%	NHES
United States	2.0%	1.5%	-0.6%	-0.2%	NHES/BLS
Nondurable Goods					
New Hampshire	1.5%	-2.7%	-5.6%	-1.6%	NHES
United States	-0.5%	-0.8%	-2.1%	-1.2%	NHES/BLS
Construction					
New Hampshire	3.5%	10.0%	5.7%	2.9%	NHES
United States	5.0%	5.8%	6.6%	4.4%	NHES/BLS
Transportation and Public Utilities					
New Hampshire	0.5%	5.7%	4.9%	1.4%	NHES
United States	2.5%	3.2%	3.4%	2.7%	NHES/BLS
Wholesale Trade					
New Hampshire	9.4%	3.8%	4.6%	3.8%	NHES
United States	2.6%	2.3%	1.6%	1.6%	NHES/BLS
Retail Trade					
New Hampshire	2.8%	2.3%	5.0%	2.5%	NHES
United States	1.7%	1.5%	2.5%	2.0%	NHES/BLS
Finance, Insurance, and Real Estate					
New Hampshire	5.3%	5.4%	3.8%	0.3%	NHES
United States	2.9%	3.9%	2.2%	0.1%	NHES/BLS
Services					
New Hampshire	3.1%	4.7%	3.4%	5.0%	NHES
United States	4.6%	4.1%	4.1%	3.6%	NHES/BLS
Government					
New Hampshire	1.2%	1.3%	2.1%	1.8%	NHES
United States	0.7%	1.4%	1.9%	2.3%	NHES/BLS

[a] 2000 figures are preliminary

5. Private Enterprise

Nearly 67,000 people worked in high technology industries in the state in 2000, almost 11 percent of total employment. They were paid an average of $1,168 per week, almost $500 more than the statewide, all-industry average weekly wage.

According to the Bureau of Labor Statistics (BLS), "Industries are considered high tech if employment in both research and development (R&D) occupations and in all technology-oriented occupations account for a proportion of employment that was at least twice the average for all industries in the Occupational Employment Statistics survey."

Nearly 67,000 people worked in high technology industries in the state in 2000, almost 11 percent of total employment.

For example, assume all R&D and technology-oriented occupations in all industries claimed five percent of all occupations. An industry would be high tech if the total of R&D and technology-oriented employees in that industry made up more than 10 percent (twice the all industry average) of all occupations in that industry. High tech intensive industries are a subset of total high tech industries. Their R&D and technology-oriented occupations total more than five times the all industry average (25 percent in this example).

BLS defined 31 industries as high tech in 1999. This new definition updated the original definition from 1991. The result was the deletion of ten industries previously defined as high tech and the addition of two new industries. In New Hampshire the 1999 employment for the ten deleted industries totaled nearly 8,700 people while the employment for the two new ones only equaled 261.

Of the 31 high tech industries, 27 are Manufacturing and four are Services. One-third of the total high tech employment in the state in 2000 was in the four Services industries. Five of the 31 high tech industries didn't have any employment in New Hampshire in 2000.

Average weekly wages grew about three times faster than employment for all industries and high tech intensive industries from 1997 to 2000

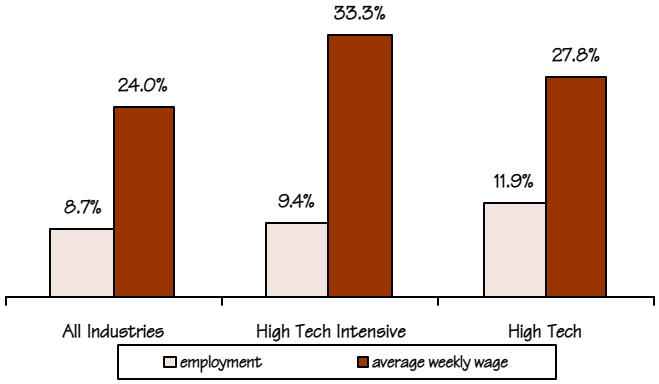


Figure 5.a: Employment & average weekly wage growth rates, 1997 to 2000

High tech intensive industries

BLS has defined 12 of the 31 high tech industries as high tech intensive. In 2000 these industries employed more than 44,600 people, two-thirds of all high tech employment in the state. This is an over-the-year increase of 6.2 percent and an increase of 9.4 percent since 1997. The majority of the employment was in two industries in 2000 - Electronic components and accessories (SIC 367) and Computer and data processing services (SIC 737).

Four of the top six high tech industries adding the most new jobs from 1997 to 2000 were high tech intensive. Computer and data processing services (SIC 737) saw the largest gain in employment, 5,344. Electronic components and accessories (SIC 367) followed with an additional 3,072 employees.

Surprisingly, the five high tech industries losing the most jobs during the same time frame were also high tech intensive. Computer and office equipment (SIC 357) lost the most jobs, 1,733 from 1997 to 2000.

High tech means high pay

On average, employees working in high tech intensive industries were paid better than employees were in any other industry. In 2000 their average weekly wage was $1,289, an over-the-year increase of 16.3 percent and an increase of 33.3 percent since 1997. The average weekly wage for all industries was $698 in 2000, an increase of 12.9 percent over 1999 and 24.0 percent since 1997.

Private Firms by Size

Preliminary numbers show New Hampshire had 33,350 private firms with employment in March 2001. This is an increase of 1.9 percent since March 2000 and 8.2 percent since March 1997.

Each March firms are broken out by their employment size. Firms with 1-4 employees saw the largest gain, 382 from 2000 to 2001. The only other size class to add more than 100 employers was the 5-9 group which saw an over-the-year gain of 102. Both employers with 50-99 employees and those with 250-499 saw single digit drops over-the-year.

Elisabeth Picard

Workers in high tech intensive industries were paid about $400 more than the average worker in the state in 1997. The gap grew to nearly $600 in 2000

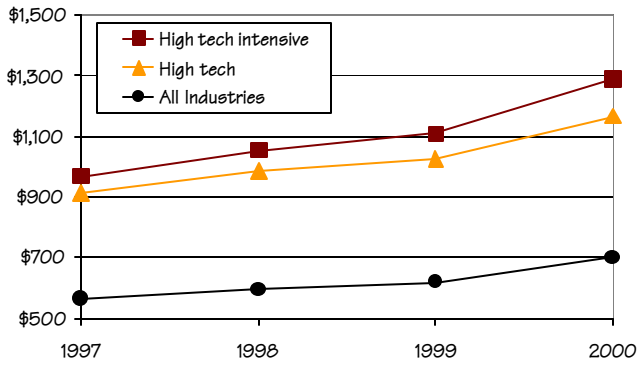


Figure 5.b: Average weekly wage, 1997 - 2000

Total Employment & Wages, High Technology Industries

	1997	1998	1999	2000	Source
Average annual number of employing units	2,989	3,252	3,420	3,615	NHES
Average annual employment	59,681	61,572	63,999	66,805	NHES
Total wages ($ millions)	$2,836.8	$3,154.1	$3,416.3	$4,056.0	NHES
Average weekly wages	$914.10	$985.13	$1,026.54	$1,167.58	NHES
High Tech Intensive					
Average annual number of employing units	1,524	1,692	1,813	1,957	NHES
Average annual employment	40,431	41,325	41,654	44,234	NHES
Total wages ($ millions)	$2,033.0	$22,670.0	$2,400.5	$2,965.4	NHES
Average weekly wages	$966.98	$1,054.96	$1,108.25	$1,289.22	NHES

Percent of Establishments with 100 or More Workers

	1997	1998	1999	2000	Source
New Hampshire	2.1%	2.1%	2.1%	n/a	CB/NHES
United States rank	33	34	36	n/a	CB/NHES
Connecticut	2.5%	2.5%	2.6%	n/a	CB/NHES
United States rank	13	14	13	n/a	CB/NHES
Maine	1.7%	1.7%	1.8%	n/a	CB/NHES
United States rank	44	44	44	n/a	CB/NHES
Massachusetts	2.8%	2.8%	2.8%	n/a	CB/NHES
United States rank	3	4	8	n/a	CB/NHES
Rhode Island	2.1%	2.2%	2.2%	n/a	CB/NHES
United States rank	31	31	32	n/a	CB/NHES
Vermont	1.4%	1.5%	1.5%	n/a	CB/NHES
United States rank	48	47	47	n/a	CB/NHES

Private Enterprise

Firms by Size[a]

	1997	1998	1999	2000	Source
Total Number of Firms with employment	30,825	31,905	32,427	32,726	NHES
1 - 4 employees	17,615	18,293	18,488	18,599	NHES
5 - 9 employees	5,977	6,077	6,196	6,209	NHES
10 - 19 employees	3,517	3,618	3,713	3,724	NHES
20 - 49 employees	2,246	2,396	2,482	2,566	NHES
50 - 99 employees	821	846	834	884	NHES
100 - 249 employees	423	441	467	482	NHES
250 - 499 employees	132	135	148	159	NHES
500 - 999 employees	58	59	60	63	NHES
1,000 & over employees	36	40	39	40	NHES
Net Annual Change in Number of Firms	676	1,080	522	299	NHES
Net Annual Change in Number of Employees	14,242	15,015	18,307	12,896	NHES
1 - 4 employees	711	532	759	200	NHES
5 - 9 employees	823	-75	1,481	229	NHES
10 - 19 employees	1,105	322	2,014	255	NHES
20 - 49 employees	1,038	4,270	3,450	2,100	NHES
50 - 99 employees	2,792	1,703	-896	3,254	NHES
100 - 249 employees	3,940	2,887	3,527	2,114	NHES
250 - 499 employees	477	731	4,257	4,005	NHES
500 - 999 employees	-574	-839	3,017	810	NHES
1,000 & over employees	3,930	5,484	698	-71	NHES
Percent of Total Employment (by size of firm)					
1 - 4 employees	7.5%	7.4%	7.3%	7.2%	NHES
5 - 9 employees	8.4%	8.1%	8.1%	7.9%	NHES
10 - 19 employees	10.1%	9.9%	9.9%	9.7%	NHES
20 - 49 employees	14.5%	14.9%	15.1%	15.1%	NHES
50 - 99 employees	12.1%	12.0%	11.4%	11.8%	NHES
100 - 249 employees	13.5%	13.7%	13.9%	13.9%	NHES
250 - 499 employees	9.7%	9.5%	10.0%	10.6%	NHES
500 - 999 employees	8.5%	8.1%	8.4%	8.3%	NHES
1,000 & over employees	15.7%	16.3%	15.9%	15.5%	NHES

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

New Firms

	1997	1998	1999	2000	Source
New incorporations in New Hampshire	2,794	2,346	2,040	1,864	SST
Out-of-state incorporations new to New Hampshire	1,455	1,461	1,433	1,192	SST
New Limited Liability companies (LLC) in the state	1,337	2,272	2,642	3,166	SST
Out-of-State (LLC) companies new to the state	458	253	245	318	SST

New & Terminated Firms Covered by Unemployment Compensation

	1997	1998	1999	2000	Source
New firms	6,135	5,976	5,064	5,727	NHES
Terminated firms	6,025	5,261	6,165	7,341	NHES

Three-Digit SIC Industries Classified as High Tech

SIC	Industry	High Tech	High Tech Intensive
281	Industrial Inorganic Chemicals*	X	
282	Plastics Materials and Synthetics	X	X
283	Drugs	X	X
284	Soap, Cleaners, and Toilet Goods	X	
285	Paints and Allied Products	X	
286	Industrial Organic Chemicals	X	X
287	Agricultural Chemicals*	X	
289	Miscellaneous Chemical Products	X	
291	Petroleum Refining*	X	
348	Ordnance and Accessories, NEC	X	
351	Engines and Turbines*	X	
353	Construction and Related Machinery	X	
355	Special Industry Machinery	X	
356	General Industrial Machinery	X	
357	Computer and Office Equipment	X	X
361	Electrical Distribution Equipment	X	
362	Electrical Industrial Apparatus	X	
365	Household Audio and Video Equipment	X	
366	Communications Equipment	X	X
367	Electronic Components and Accessories	X	X
371	Motor Vehicles and Equipment	X	
372	Aircraft and Parts	X	X
376	Guided Missiles, Space Vehicles, Parts*	X	X
381	Search and Navigation Equipment	X	X
382	Measuring and Controlling Devices	X	X
384	Medical Instruments and Supplies	X	
386	Photographic Equipment and Supplies	X	
737	Computer and Data Processing Services	X	X
871	Engineering and Architectural Services	X	
873	Research and Testing Services	X	X
874	Management and Public Relations	X	

* No New Hampshire employment

TABLE SOURCE: Bureau of Labor Statistics, *Monthly Labor Review*, "High-technology employment: a broader view," June 1999

6. Transportation & Traffic

New Hampshire, along with New England and the nation, faces many challenges, both anticipated and unexpected as the 21st century begins to unfold. In many ways the number of travelers, who they are, where they go, and how they get there, reflect the fluid conditions of the present time. Fluctuations in the national and local economy, the

Manchester Airport is the third largest volume cargo airport in New England . . .

availability and cost of fuel, weather, road conditions, choices in alternative modes of travel, and more, impact the manner and method of travel to and within the Granite State.

In the wake of the September 11, 2001 terrorist assault on America, comes the realization that the very transportation infrastructures and systems that we so heavily trusted and depended upon are now potential 'weapons of mass destruction.' This fearsome concept compels the government and people of New Hampshire to examine and reevaluate those systems. The safety and security of New Hampshire's transportation system must be as assured as the majestic and pristine destination that is New Hampshire.

Rail Transit

As Americans seek alternative modes of transportation, including trains and buses, New Hampshire is poised to accommodate that transition. Mirroring the national trend, the number of active railroad miles in New Hampshire has declined during most of the 20th century. Nevertheless, since the mid-1970s the state has carried out a policy of preserving railroad corridors for active use in the future. According to the New Hampshire Department of Transportation the current New Hampshire rail system consists of one regional, nine local, and five passenger/tourist railroads. New Hampshire currently boasts 459 miles of active railroad line, with the state as the largest owner of railroad property, at 193 miles. The state purchased most of these rail corridors to maintain or encourage active rail freight service to shippers as an economic development measure.

The DownEaster Passenger Rail Service will connect Boston, Massachusetts, with Portland, Maine, beginning on December 15, 2001. New Hampshire whistle stops include Dover, Durham, and Exeter. The DownEaster service, operated by Amtrak in conjunction with the Northern New England Passenger Rail Authority, boasts three train sets. Each set consists of a locomotive, three Concept 2000 Metroliner passenger coaches with seating capacity to comfortably accommodate 58-68 passengers, a cafe car, and a NPCU (Non-powered control unit) or caboose. The four daily round-trips will make DownEaster travel convenient for Granite State commuters and pleasure travelers alike.

Bus Transportation

According to the New Hampshire Department of Transportation, many of the communities in New Hampshire have local bus service, and public transit is developing into a viable alternative means of transportation, even in the rural areas of the state. Much of the transit service available is in the larger communities of Manchester and Nashua. Additionally, Concord, Laconia and Keene also enjoy local bus systems that are operated by private/nonprofit agencies. In the Seacoast area, COAST, UNH Wildcat Transit, and Pease-

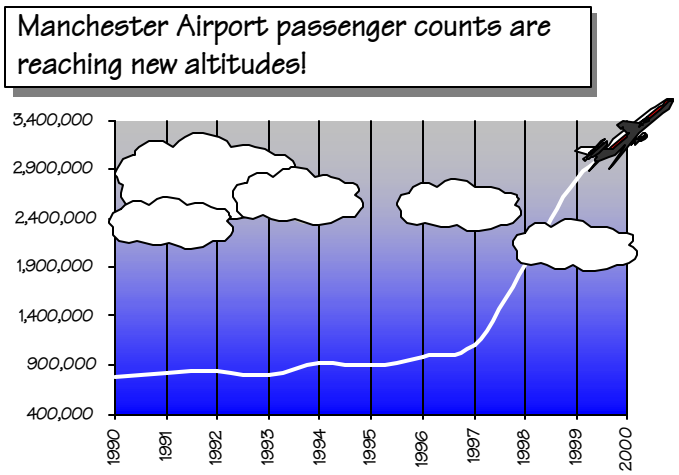


Figure 6.a: Number of passengers, Manchester Airport, 1990 - 2000

Portsmouth trolleys provide interconnecting service between many seacoast communities. Regional transit services operate in the Hanover-Lebanon area (including some Vermont communities), Claremont-Newport, Berlin-Gorham, and the Laconia area. Additionally, New Hampshire boasts six privately owned interstate bus lines that connect virtually all the major regions of the state to the rest of New England and beyond.

Air Transportation

In this age of "frequent flying" business travelers, heavy competition among states for tourism dollars, and a growing demand by companies for just-in-time deliveries, thriving airports are crucial to insure New Hampshire's long-term economic vitality.

Manchester Airport is an important economic asset to the entire state, creating jobs and increasing opportunities for everyone. An economic impact study conducted by a national consultant in 1998 showed that the airport and airport-related businesses contributed over $500 million to the local economy during that year. The study also concluded, using a conservative "multiplier" to forecast increased economic contribution in the future, that Manchester Airport will be contributing over $1 billion annually to the local economy by 2010.

With the addition of Air Alliance, an Air Canada affiliate, there are now 13 airlines serving Manchester Airport. Manchester Airport welcomed 3.2 million travelers in 2000 with over 200 arrivals and departures each day.

Manchester Airport is the third largest volume cargo airport in New England - behind Massachusetts' Logan and Connecticut's Bradley - processing more cargo each year than all other remaining regional airports in New England combined. In 2000, Manchester Airport handled 87,500 tons of cargo, an increase of 150 percent over 1991's 35,000 tons.

Manchester's 158,000 square foot passenger terminal has been expanded by approximately 70,000 square feet. The addition includes three new jet gates, five regional gates, ninety feet of ticket counter space and new food/gift concessions.

In order to accommodate increasing passenger activity at Manchester Airport, a new six-level parking garage has been constructed in front of the terminal. The 4,800 space parking structure includes 4,000 public parking spaces, 800 rental car ready spaces and an enclosed elevated walkway to the terminal, complete with moving sidewalks.

Manchester Airport is currently constructing a new airport entrance road. This new multilane roadway will further improve traffic flow and improve access to the airport. The new airport entrance road design includes a connecting point for the New Hampshire Department of Transportation (NHDOT) Airport Access Road project. The NHDOT continues to move ahead with the Airport Access Road project connecting Manchester Airport to the F.E. Everett Turnpike. NHDOT officials hope to have the new road open in 2004.

The Federal Aviation Administration plans to construct a new 160-foot air traffic control tower at Manchester Airport, nearly three times taller than the existing tower, in 2002.

Motor Vehicles and Fuel

Vehicles on New Hampshire's roadways consumed 782.8 million gallons of fuel in 2000, reflecting a two-year trend of almost

The state's fuel economy improved in 2000

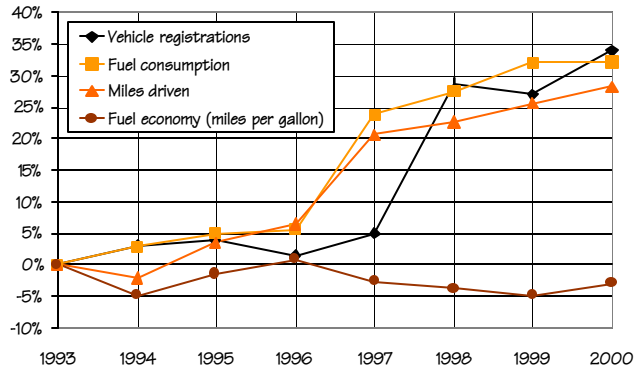


Figure 6.b: Percent change from 1993 in vehicle related data

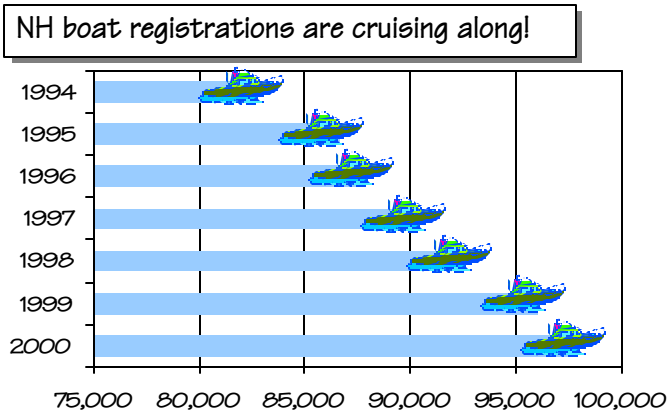


Figure 6.c: Total boat registrations, 1994 - 2000

level fuel consumption. Vehicle registrations and miles driven both increased. The average fuel economy for drivers in the Granite State increased 2.2 percent from 1999's 16.59 mile per gallon (mpg) to 2000's 16.95 mpg. The best fuel economy ratings since 1993 were recorded in 1996 at 17.60 mpg.

More vehicles crossed the state line in Salem than any other traffic counter in the state. With an increase of 3.6 percent, this total reached 108,796 in 2000.

Boat and Recreational Vehicles

The total number of registered boats that navigated New Hampshire's lakes and seacoast in 2000 reached a four-year high of 97,882.

The Port of New Hampshire

The mission of the New Hampshire State Port Authority is to develop and manage The Port of New Hampshire in order to stimulate commerce and to cooperate with other state and federal government agencies in planning the maintenance, development, and use of the ports, harbors and navigable rivers. The Port Authority fulfills its charge with ongoing harbor management, port development, port marketing, trade development, and Foreign Trade Zone operation.

Today, activity at the Port of New Hampshire includes pleasure boating, sport and commercial fishing, in addition to bulk and general cargo transport to and from points worldwide. The Port's strategic location makes it ideal for import and export with New Hampshire's European trading partners in the Middle East, Africa, and the Pacific Rim.

In total, about 4.6 million short-tons of cargo entered or exited the Port of New Hampshire in 1999, the most recent data available. Vessels of all types make port calls to the Port, including general purpose liners, bulk carriers, passenger ships, container carriers, feeder vessels, and barges. Fresh water, stores, bunkers, telephones, and heliport sites are also available. An ambitious program to expand the Port is underway. New piers will soon accommodate additional bulk cargo products and container and barge services. The Port will also provide for overflow vessels, tall ships, visiting navy vessels, and cruise boats.

New Hampshire's skilled workers produce some of the highest quality manufactured products in the world. The ability to bring these products to a global market is essential and the Port of New Hampshire's public docks provide the deep-water ocean access that shippers require to achieve worldwide success. With the increasing hazards and uncertainties of air cargo transport, the Port of New Hampshire is uniquely poised to meet the needs of the 21st century global economy.

Martin F. Flynn IV

Highway Traffic - Annual totals

	1997	1998	1999	2000	Source
Interstates, NH - Mass. State line					
(from traffic counters at Salem and Seabrook)	64,124	68,328	67,943	70,083	DT
Annual percent change	-1.8%	6.6%	-0.6%	3.1%	DT/NHES
Rural traffic, annual percent change	2.7%	3.9%	3.2%	3.3%	DT
Annual vehicle miles (millions of miles)	12,436	12,673	12,978	13,264	RTDS
Annual percent change	13.0%	1.9%	2.4%	2.2%	RTDS/NHES

Registrations, Licenses, and Fuel Consumption

	1997	1998	1999	2000	Source
Vehicle Registrations					
Passenger Vehicles	n/a	1,031,359	1,018,231	1,066,138	ISDS
Annual percent change	n/a	n/a	-1.3%	4.7%	ISDS/NHES
Commercial Vehicles	n/a	151,087	148,613	164,967	ISDS
Annual percent change	n/a	n/a	-1.6%	11.0%	ISDS/NHES
Persons per passenger car (population/#vehicles)	n/a	1.1	1.2	1.2	ISDS
Total driver licenses on issue	899,273	909,598	923,648	947,002	ISDS
Annual percent change	-2.7%	1.1%	1.5%	2.5%	ISDS/NHES
Boat Registrations	90,408	92,646	96,062	97,882	ISDS
Annual percent change	2.9%	2.5%	3.7%	1.9%	ISDS/NHES
Motor Fuel Consumption (fiscal year)					
Millions of gallons of gasoline and diesel fuel	733.3[a]	754.6	782.4	782.8	RTDS
Annual percent change	17.3%	2.9%	3.7%	0.1%	RTDS/NHES

[a] Not strictly comparable to prior years because of a change in fuel tax laws

Aircraft Travel

	1997	1998	1999	2000	Source
Manchester Airport					
Total Passengers	1,108,216	1,938,177	2,809,200	3,200,000	MA
Annual Percent Change	12.6%	74.9%	44.9%	13.9%	MA/NHES
Enplanements	559,741	971,821	1,412,880	1,588,320	MA
Annual Percent Change	11.9%	73.6%	45.4%	12.4%	MA/NHES
Deplanements	548,475	966,356	1,396,320	1,580,981	MA
Annual Percent Change	13.4%	76.2%	44.5%	13.2%	MA/NHES
Air Cargo (Tons)	64,000	70,000	80,000	87,500	MA/NHES
Annual Percent Change	6.7%	9.4%	14.3%	9.4%	MA/NHES

Port of New Hampshire Freight Traffic (thousand short tons)

	1997	1998	1999	2000	Source
Total	3,954	4,194	4,556	n/a	USACE
Annual percent change	6.6%	6.1%	8.6%	n/a	NHES
Domestic	1,033	781	1,019	n/a	USACE
Annual percent change	11.1%	-24.4%	30.5%	n/a	NHES
Foreign Imports	2,862	3,370	3,507	n/a	USACE
Annual percent change	8.0%	17.7%	4.1%	n/a	NHES
Foreign Exports	59	42	30	n/a	USACE
Annual percent change	-53.9%	-28.8%	-28.6%	n/a	NHES
Canadian percent of Foreign Imports	74.0%	82.0%	76.0%	n/a	NHES

Postal Service

	1997	1998	1999	2000	Source
First handling pieces - Manchester and Portsmouth Post Offices					
(millions) (FY ending 9/30)	1,105.2	1,084.9	1,090.0	1,090.1	PS

7. Energy

Deregulation of electrical companies has been the recent primary focus of media attention in New Hampshire, as well as the rest of the country. In the midst of New Hampshire companies and businesses selecting who they wanted to provide their power, California was experiencing rolling blackouts and tremendously expensive utility bills. It appeared to be a situation that was out of control and a concern to newly deregulated New Hampshire customers. A look at why it happened there has calmed some unsteady nerves here.

Electricity

The experience in California was a big part of why New Hampshire did not have the highest priced electric rates in 2000. Popular opinion holds that lack of planning for additional energy producing facilities contributed to the shortage in California. That opinion also leans toward New Hampshire being better prepared through the prospects of new energy providers coming into the state and region. The New Hampshire Public Utilities Commission (PUC) expects it will take upwards of 50 months to build a base of participating energy providers. Newington Energy, LLC is among those new energy providers. They broke ground in September 2000, with designs on completion by 2002. They intend to provide cleaner, low-cost electricity for New Hampshire and New England. Their plans to produce this energy by using natural gas-fired facilities was supported through an agreement made with Maritimes & Northeast Pipeline, LLC in May 2001.[1]

The New Hampshire Public Utilities Commission (PUC) expects it will take upwards of 50 months to build a base of participating energy providers.

Electric energy purchased by commercial clients in New Hampshire caught up to and surpassed residential purchases in 2000

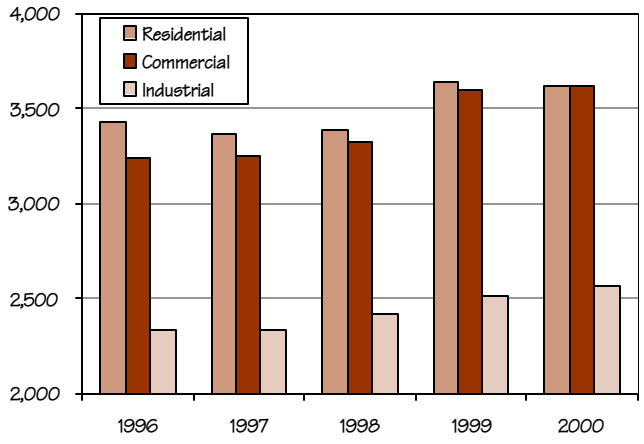


Figure 7.a: Electric energy purchased in the state, 1996 - 2000

According to the PUC, deregulation also brought forth additional details on consumer's bills, including the itemization of stranded costs on each bill. Also, deregulation caused the change from the electric franchise tax to the new "electric consumption tax." In essence, the tax would replace income lost to the state that could no longer be collected from energy franchises. The franchises in turn had the option of collecting that fee back from consumers. The tax is now assessed on each kilowatt-hour used.

By mid April 2001, PSNH had sold bonds to help it refinance debt at lower rates. That made it possible for an 11 percent rate reduction, part of the company's deregulation agreement with the PUC. Unitil Company filed for a rate reduction in June, which offered to reduce their rates by 15 percent by August 1, 2001. The PUC approved rate modification would be effective for the next six months, following a 25 percent hike that had been approved in January 2001. This directly affected their local subsidiaries Concord Electric Co. and Exeter & Hampton Electric Co. They combine to serve 63,000 customers in those areas of the state.

Petroleum

People experienced unpredictability of petroleum prices at the gas pumps. People were

Prices jumped 25 cents per gallon in May 2001, only to fall below lowest levels of 2001 in October

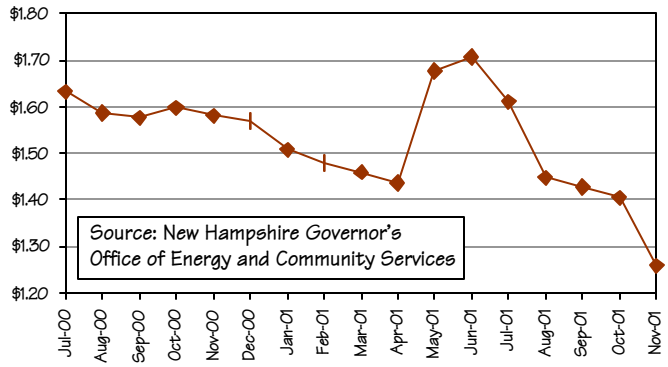


Figure 7.b: Monthly gas prices, July 2000 - November 2001

held hostage to the demand for lagging supplies of clean-burning reformulated gasoline (RFG) which was required at a third of the nation's pumps. In early 2001 the supply was still below the previous year's levels.[2] Since then increased production and increased imports have led to steadily dropping prices.

In New Hampshire the prices at the pump jumped over $0.20 in one week in May 2001. Retail prices remained above $1.60 per gallon until after the first week in July when they started falling at a steady pace. The prices had somewhat stabilized in the $1.40 to $1.45 per gallon range throughout August and started to fall again in mid September. By November prices had reached the lowest levels of the past couple years.

Natural Gas and Oil

Heating fuel supply shortages caused prices to escalate in early spring 2001. Natural gas prices, which had been over $10 for one thousand cubic feet, fell to $3.56 in early June and further to $1.83 by the beginning of October 2001. The sharp spikes in energy prices over the winter may have pushed consumers and companies to cut back fuel consumption. This supported the notion that the drop in energy prices was another demonstration of consumer power. Another idea was that natural gas prices dropped following reductions in gas usage nationwide, primarily at aluminum, fertilizer, and chemical plants.

Meantime, the President was working on a national energy plan. The plan advocated additional power sources, as well as increasing oil and natural gas exploration and production. In May 2001 Governor Shaheen requested the President resist additional drilling off New England's coast to preserve the natural beauty and not endanger the livelihoods of the people who live in that area.[3] The Seabrook plant became available for purchase and, as the new energy plan got publicized, the site got more attention because of sellable attributes that fit with the new plan. With heightened awareness of location vulnerabilities after the September 11 attacks, Seabrook also marketed how its design is, and always has been, impervious to attacks from planes.

By late June Tennessee Gas Pipeline Company was granted consent for expansion plans to serve the AES Granite Ridge power plant in Londonderry. The Federal Energy Regulatory Commission (FERC) had approved the 19-mile pipeline to transport gas to the plant under construction.[4] By October 2001 the pipeline was completed and in November the plant was 65 percent done. Another alternative energy source came to the state when Catamount Pellet Fuel Corporation of Adams, Massachusetts, announced its plan to open in Claremont.

Energy consumption per capita neared levels not seen since the early 70s

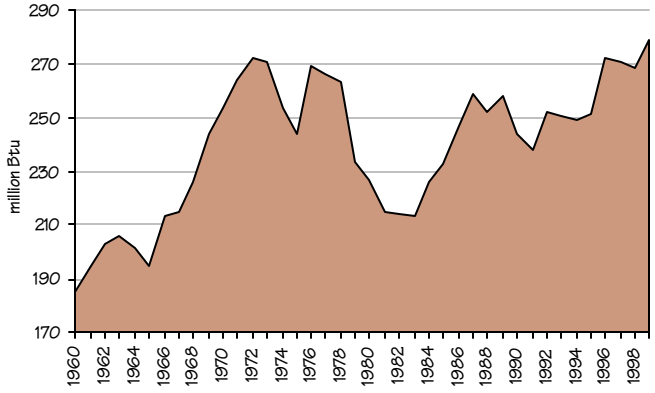


Figure 7.c: Total Energy Consumption Per Capita

Energy

Heading into the winter months, fuel oil supplies were in the range of approximately eight percent higher than they were last year per EIA analysts. Expectations are for a mild winter. If that comes true, in combination with lower natural gas prices, fewer industrial plants will shift to using oil. The airlines' temporary shutdown of service and then cutbacks as a consequence of the terrorist attacks caused demand for jet fuel to drop by almost 20 percent. That is expected to redirect production to make heating oil as an alternative, adding supplies and reducing prices. [5]

Anita Josten

[1] Maritime & Northeast Pipelines, <www.mnp-usa.com>, John P. Sheridan, accessed 10/10/01
[2] MSNBC News, <www.MSNBC.com>, "Crude oil prices tumble", accessed 6/7/01
[3] The Union Leader <www.theunionleader.com>, 5/25/01, "Don't drill off NE coast, Shaheen urges", accessed 6/23/01
[4] The Union Leader <www.theunionleader.com>, 6/20/01, "Motion against natural gas pipeline dismissed", Warren Hastings, accessed 9/26/01
[5] Portsmouth Herald Business News, <www.seacoastonline.com>, "Cost of heating homes expected to drop this winter", 10/5/01, accessed 10/10/01

Energy and Fuel Consumption

	1997	1998	1999	2000	Source
Energy Consumption					
Total consumption (trillion Btu)	317.4	318.8	335.4	n/a	EIA
Annual percent change	0.5%	0.4%	5.2%	n/a	EIA/NHES
United States rank	45	45	45	n/a	EIA/NHES
Types of energy consumption (percent of total)					
Residential	25.8%	25.2%	24.4%	n/a	EIA/NHES
Commercial	17.6%	17.0%	16.8%	n/a	EIA/NHES
Industrial	29.0%	27.5%	28.9%	n/a	EIA/NHES
Transportation	27.6%	30.3%	29.9%	n/a	EIA/NHES
Energy consumption per capita (million Btu)	270.5	268.8	279.2	n/a	EIA
United States rank (including D.C.)	43	43	43	n/a	EIA
Net Interstate flow of electricity and assoc. losses	-22,129	-20,635	-18,778	n/a	EIA
Fuel Consumed to Generate Electricity In equivalent barrels of oil					
New Hampshire total (thousand barrels)	20,954	21,223	21,602	19,745	PSNH
Oil	1,843	2,372	2,663	783	PSNH
Coal	6,156	5,308	4,859	6,062	PSNH
Gas	95	25	96	131	PSNH
Nuclear	12,861	13,518	13,984	12,769	PSNH

Energy Expenditures and Prices

	1997	1998	1999	2000	Source
ENERGY EXPENDITURES PER CAPITA ($ per capita)	$2,154	n/a	n/a	n/a	EIA
United States rank	28	n/a	n/a	n/a	EIA
ENERGY PRICES (dollars per million Btu)	$12	n/a	n/a	n/a	EIA
United States rank	5	n/a	n/a	n/a	EIA
Petroleum prices (dollars per million Btu)	$8	n/a	n/a	n/a	EIA
United States rank	27	n/a	n/a	n/a	EIA
Electric prices (dollars per million Btu)	$34	n/a	n/a	n/a	EIA
United States rank	2	n/a	n/a	n/a	EIA

Energy Purchased and Generated

	1997	1998	1999	2000	Source
Electric Energy Purchased					
Sales to Ultimate Customers (million KWH)					
New Hampshire:					
Total	9,081	9,254	9,888	9,949	PSNH
Percent change	-0.5%	1.9%	6.9%	0.6%	PSNH/NHES
Residential	3,368	3,384	3,640	3,621	PSNH
Percent change	-1.7%	0.5%	7.6%	-0.5%	PSNH/NHES
Commercial	3,248	3,328	3,604	3,625	PSNH
Percent change	0.3%	2.5%	8.3%	0.6%	PSNH/NHES
Industrial	2,339	2,415	2,516	2,570	PSNH
Percent change	0.2%	3.2%	4.2%	2.1%	PSNH/NHES
New England:					
Total	109,137	110,647	113,720	123,013	PSNH
Percent change	0.7%	1.4%	2.8%	8.2%	PSNH/NHES
Residential	38,639	38,769	41,022	43,863	PSNH
Percent change	-0.4%	0.3%	5.8%	6.9%	PSNH/NHES
Commercial	42,967	44,276	45,484	47,883	PSNH
Percent change	1.8%	3.0%	2.7%	5.3%	PSNH/NHES
Industrial	26,085	26,059	25,750	29,456	PSNH
Percent change	0.3%	-0.1%	-1.2%	14.4%	PSNH/NHES
Net Energy Generated (million KWH)	14,264	14,238	13,876	12,702	PSNH
As percentage of energy purchased	157.1%	153.9%	140.3%	127.7%	PSNH
As percentage of total generated by type[a]					
Hydroelectric	8.2%	6.8%	2.4%	2.7%	PSNH
Fossil fuel	35.4%	34.2%	35.0%	35.1%	PSNH
Nuclear	55.9%	58.9%	62.5%	62.4%	PSNH

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

8. Production

New Hampshire's exports reached $2.5 billion in 2000, adding $398.9 million. With a growth rate of 18.6 percent, the Granite State outpaced the national rate of 12.6 percent. On a state-by-state comparison (including Washington D.C.), New Hampshire ranked 13th fastest in export growth.

Canada, receiving nearly one third of the Granite State's total exports, continued to be New Hampshire's top trading partner in 2000. Our neighbor to the north far-outdistanced the state's other trading partners. New Hampshire's shipments to Canada totaled over $792.8 million, relishing a 21.5 percent growth from 1999 to 2000.

New Hampshire exports...with a growth rate of 18.6 percent...outpaced the national rate of 12.6 percent.

In 2000 the United Kingdom became New Hampshire's second largest foreign market, bumping Ireland out of the place that the Emerald Isle has held since at least 1997. Shipments to the United Kingdom surpassed $225.6 million, reflecting a 28.3 percent growth rate. During the past four years the United Kingdom's share of New Hampshire's exports has been steadily increasing.

Germany swiftly became a factor in New Hampshire's 2000 trade mix with almost $210 million in exports, nearly doubling 1999's exports.

Exported Industries

New Hampshire's exports are heavily linked to high tech industries. Industrial machinery and equipment and Electronic and other electrical equipment made up over 58 percent of New Hampshire's total exports in 2000. Combined, these two industries contributed $1.5 billion in export shipments.

Industrial machinery and equipment produced over $753 million in total shipments in 2000. This industry has had the largest share of New Hampshire's total exports for four straight years. In 2000 exports in this industry increased 29.7 percent.

Electronic and other electrical equipment exploded by 52.5 percent over-the-year, fetching $723 million from those exports. Again, Canada captured the largest share of the exports from this industry, almost 37 percent.

Top 10 Exports by Country for New Hampshire

Description	1997	% of Total	1998	% of Total	1999	% of Total	2000	% of Total
Total All Countries	$1,750,063,722	100.0%	$1,915,510,544	100.0%	$2,140,003,905	100.0%	$2,538,906,699	100.0%
Canada	$543,372,003	31.0%	$571,604,956	29.8%	$652,699,891	30.5%	$792,811,178	31.2%
United Kingdom	$117,954,816	6.7%	$147,536,062	7.7%	$175,887,768	8.2%	$225,591,463	8.9%
Germany	$122,500,201	7.0%	$129,377,074	6.8%	$106,003,516	5.0%	$209,691,809	8.3%
Ireland	$151,953,052	8.7%	$154,112,881	8.0%	$176,431,753	8.2%	$174,808,911	6.9%
Japan	$101,592,262	5.8%	$110,231,890	5.8%	$83,716,604	3.9%	$152,447,655	6.0%
Netherlands	$54,792,937	3.1%	$59,827,180	3.1%	$78,842,773	3.7%	$91,971,003	3.6%
Mexico	$78,781,345	4.5%	$84,152,276	4.4%	$80,806,891	3.8%	$89,654,195	3.5%
France	$51,661,777	3.0%	$47,016,096	2.5%	$47,651,973	2.2%	$78,808,876	3.1%
Hong Kong	$41,901,912	2.4%	$54,202,687	2.8%	$56,193,144	2.6%	$73,092,489	2.9%
Malaysia	$20,879,680	1.2%	$11,484,430	0.6%	$9,481,280	0.4%	$62,660,955	2.5%

Source: Massachusetts Institute for Social and Economic Research (MISER), using SIC code data from US Census Bureau, Foreign Trade Division

Trade Mission

In an effort to improve trade and tourism exchanges with Canada, Governor Shaheen, along with some of New Hampshire's business leaders, traveled to Canada on a trade mission. Subsequently, New Hampshire signed an agreement with the Canadian Association of Importers and Exporters. This agreement is intended to make it easier for New Hampshire to sell its products and services in Canada.[1]

Gross State Product/Gross Domestic Product

Gross State Product (GSP) is the market value of all final goods and services produced by resources located in a state regardless of ownership. GSP, estimated by Public Service of New Hampshire, reached $48.4 billion in 2000, a gain of 9.5 percent over 1999. Finance, insurance, and real estate, and Manufacturing, combined, had over 45 percent of New Hampshire's total GSP.

Real GSP adjusts for inflation using prices from base year 1996. Estimated adjusted GSP grew 7.3 percent in 2000, to $46.6 billion.

The U.S. equivalent of GSP is Gross Domestic Product (GDP). GDP is the market value of all final goods and services produced by resources located in the United States, regardless of ownership. GDP grew to $9.9 trillion in 2000, an increase of 6.5 percent. Real GDP rose to $9.2 trillion, a 4.1 percent gain over 1999.

Gail Houston

[1] New Hampshire State Government Online, <www.state.nh.us>, "Trade Mission Update" release date October 16, 2001, accessed October 23, 2001

Top 10 Exports by Industry for New Hampshire

Description	1997	% of Total	1998	% of Total	1999	% of Total	2000	% of Total
Total All Industries	$1,750,063,722	100.0%	$1,915,510,544	100.0%	$2,140,003,905	100.0%	$2,538,906,699	100.0%
Industrial Machinery and Equipment	$614,287,028	35.1%	$626,839,105	32.7%	$581,213,181	27.2%	$753,750,114	29.7%
Electronic and Other Electrical Equipment	$299,254,817	17.1%	$379,332,658	19.8%	$474,507,002	22.2%	$723,516,346	28.5%
Instruments and Related Products	$126,313,187	7.2%	$124,996,941	6.5%	$162,568,596	7.6%	$197,904,099	7.8%
Fabricated Metal Products	$91,632,899	5.2%	$131,840,165	6.9%	$215,726,950	10.1%	$110,087,736	4.3%
Rubber and Misc. Plastics Products	$72,516,015	4.1%	$78,291,914	4.1%	$101,426,209	4.7%	$109,827,430	4.3%
Chemicals and Allied Products	$64,170,510	3.7%	$59,884,848	3.1%	$72,951,020	3.4%	$80,115,817	3.2%
Lumber and Wood Products	$54,870,282	3.1%	$56,030,306	2.9%	$62,875,847	2.9%	$80,098,109	3.2%
Leather and Leather Products	$64,588,018	3.7%	$83,366,780	4.4%	$85,811,418	4.0%	$68,828,720	2.7%
Transportation Equipment	$67,316,622	3.8%	$53,049,072	2.8%	$54,427,884	2.5%	$59,160,724	2.3%
Paper and Allied Products	$41,340,156	2.4%	$39,995,848	2.1%	$44,902,382	2.1%	$54,404,658	2.1%

Source: Massachusetts Institute for Social and Economic Research (MISER), using SIC code data from US Census Bureau, Foreign Trade Division

Production

New Hampshire and Rhode Island were the only two New England states with gains in exports for all three years

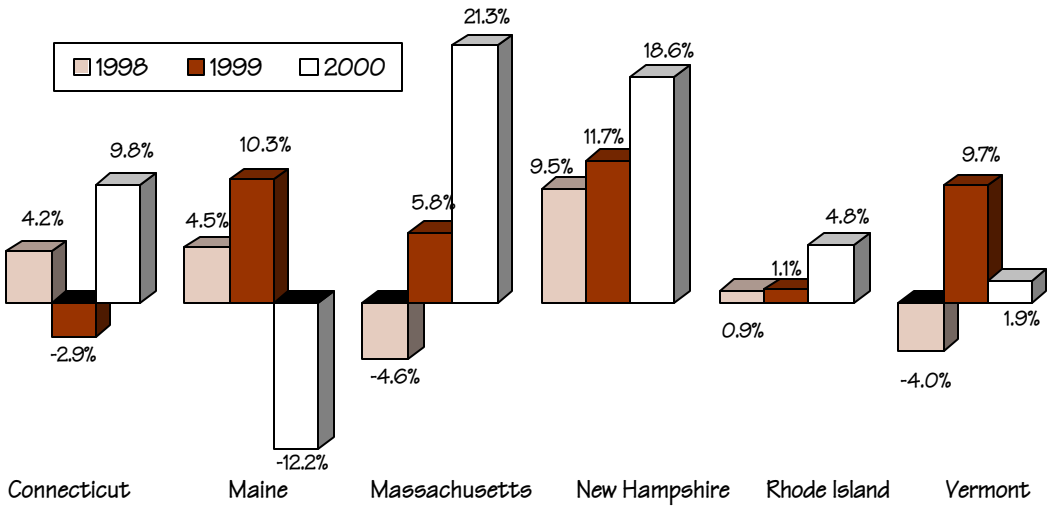


Figure 8.a: Percent change for exports, 1998-2000

Gross State Product ($ millions)

	1997	1998	1999	2000	Source
Current Dollars	$37,470	$41,229	$44,229	$48,431[a]	BEA/PSNH
Annual percent change	6.8%	10.0%	7.3%	9.5%	NHES
Real 1996 Dollars (base year)	$37,131	$40,702	$43,469	$46,641[a]	BEA/PSNH
Annual percent change	5.9%	9.6%	6.8%	7.3%	NHES

[a] Estimated by PSNH

U.S. Gross Domestic Product ($ billions)

	1997	1998	1999	2000	Source
Current Dollars	$8,318	$8,782	$9,269	$9,873	BEA
Annual percent change	6.5%	5.6%	5.5%	6.5%	BEA/NHES
Real 1996 Dollars (base year)	$8,160	$8,509	$8,857	$9,224	BEA
Annual percent change	4.4%	4.3%	4.1%	4.1%	BEA/NHES

New Capital Expenditures

	1997	1998	1999	2000	Source
Total ($ millions)	$700	$683	$676	n/a	CB
As a Percent of Payroll					
United States	26.6%	25.9%	25.0%	n/a	CB/NHES
New Hampshire	21.1%	19.7%	19.6%	n/a	CB/NHES
Connecticut	17.9%	18.0%	16.1%	n/a	CB/NHES
Maine	23.1%	34.9%	28.4%	n/a	CB/NHES
Massachusetts	22.3%	21.5%	21.7%	n/a	CB/NHES
Rhode Island	17.5%	16.3%	18.3%	n/a	CB/NHES
Vermont	50.3%	37.6%	48.7%	n/a	CB/NHES

Defense Contracts ($ millions)

	1997	1998	1999	2000	Source
Total	$388	$423	$360	$400	CB

Value Added

	1997	1998	1999	2000	Source
VALUE ADDED BY MANUFACTURE					
Total ($ millions)	$11,130	$11,453	$9,953	n/a	CB
VALUE ADDED PER PAYROLL DOLLAR					
United States	$3.20	$3.22	$3.27	n/a	CB
New Hampshire	$3.35	$3.30	$2.89	n/a	CB
United States rank [a]	21	19	42	n/a	CB
Connecticut	$2.62	$2.66	$2.53	n/a	CB
United States rank [a]	47	48	50	n/a	CB
Maine	$2.61	$2.66	$2.69	n/a	CB
United States rank [a]	48	49	48	n/a	CB
Massachusetts	$2.77	$2.81	$2.82	n/a	CB
United States rank [a]	44	43	45	n/a	CB
Rhode Island	$2.41	$2.38	$2.58	n/a	CB
United States rank [a]	50	50	49	n/a	CB
Vermont	$2.76	$2.92	$3.15	n/a	CB
United States rank [a]	45	40	28	n/a	CB
INDUSTRY SHARE OF TOTAL VALUE ADDED (NAICS codes)					
Fabricated Metal Product Manufacturing	8.3%	8.8%	9.5%	n/a	CB
Machinery Manufacturing	8.8%	8.6%	8.6%	n/a	CB
Computer and Electronic Product Manufacturing	6.7%	7.1%	8.1%	n/a	CB
Electrical Equipment, Appliance, & Component Manufacturing	5.1%	7.2%	7.8%	n/a	CB
Plastics and Rubber Products Manufacturing	4.3%	4.1%	5.3%	n/a	CB
Paper Manufacturing	4.5%	3.8%	5.1%	n/a	CB
Miscellaneous Manufacturing	4.0%	4.3%	4.7%	n/a	CB
Printing and Related Support Activities	3.2%	3.3%	4.3%	n/a	CB
Nonmetallic Mineral Product Manufacturing	2.0%	2.2%	3.1%	n/a	CB
Primary Metal Manufacturing	2.4%	2.7%	2.7%	n/a	CB
Total Manufacturer's Shipments ($ millions)	$19,663	$20,866	$18,438	n/a	CB
Annual percent change	1.6%	6.1%	-11.6%	n/a	CB

[a] Including D.C.

Export Sales to the World

	1997	1998	1999	2000	Source
Total ($ millions)	$1,750	$1,916	$2,140	$2,539	MISER
Annual percent change	6.5%	9.5%	11.7%	18.6%	MISER/NHES
INDUSTRY SHARE OF TOTAL EXPORTS (SIC code)					
Industrial Machinery and Equipment	35.1%	32.7%	27.2%	29.7%	MISER/NHES
Electronic and Other Electrical Equipment	17.1%	19.8%	22.2%	28.5%	MISER/NHES
Instruments and Related Products	7.2%	6.5%	7.6%	7.8%	MISER/NHES
Fabricated Metal Products	5.2%	6.9%	10.1%	4.3%	MISER/NHES
Rubber and Misc. Plastics Products	7.2%	6.5%	7.6%	7.8%	MISER/NHES
Chemicals and Allied Products	5.2%	6.9%	10.1%	4.3%	MISER/NHES
Lumber and Wood Products	4.1%	4.1%	4.7%	4.3%	MISER/NHES
Leather and Leather Products	7.2%	6.5%	7.6%	7.8%	MISER/NHES
Transportation Equipment	3.8%	2.8%	2.5%	2.3%	MISER/NHES
Paper and Allied Products	2.4%	2.1%	2.1%	2.1%	MISER/NHES

9. Trade, Recreation, & Hospitality

The 2001 *Survey of Buying Power* estimated New Hampshire's total annual retail sales to be over $24.3 billion in 2001, a 5.8 percent growth over 2000. This rate of growth was slightly lower than New England's 6.1 percent gain. Both were well below the national increase of 7.3 percent.

In New Hampshire, food service and drinking establishments had the fastest growth, 6.0 percent from 2000 to 2001. General merchandise stores was the only retail sales group to post an over-the-year loss, 0.9 percent.

The 2000-2001 ski season was the best ever, in terms of skier visits, breaking the record set eight years earlier by eight percent.

Belknap and Cheshire counties each had an over-the-year increase of 31 percent in total retail sales, more than double the next highest growth rate. According to the survey, three counties recorded declines in retail sales. The largest drop was in Carroll county with a decrease of 11 percent. Surprisingly, Hillsborough county had a drop of 1.7 percent. Hillsborough still had the largest share of the Granite State's total retail sales, but this decrease lessened the gap between Hillsborough and Rockingham counties. These two counties, combined, had over 55 percent of New Hampshire's total retail sales.

Effective Buying Income (EBI), an indicator of the ability to buy, was developed by Sales and Marketing Management. It is estimated by personal income less personal tax and non-tax payments and closely resembles disposable income. New Hampshire's total EBI rose to $26.1 billion in 2001, a 9.5 percent growth. This was the second highest increase in New England. Massachusetts jumped nearly ten percent, while the remaining New England states ranged from 6.0 percent to 7.1 percent. Nationally, total EBI grew 7.2 percent.

The Granite State's median household EBI rose to $48,090 in 2001, a 7.7 percent gain. Rockingham county continued to have the largest median household EBI, $58,390, while Coos county continued to have the smallest, $32,317.

Recreation and Hospitality

New Hampshire continues to be a popular travel destination state. Even as the economy started to slow down, and, in the aftermath of the terrorist attacks, tourists still came to New Hampshire. More than 345,000 cars used the state's turnpike system during Columbus Day weekend, breaking record levels set in 1999.

July and August saw the largest amounts in all components of total meals and rooms tax receipts

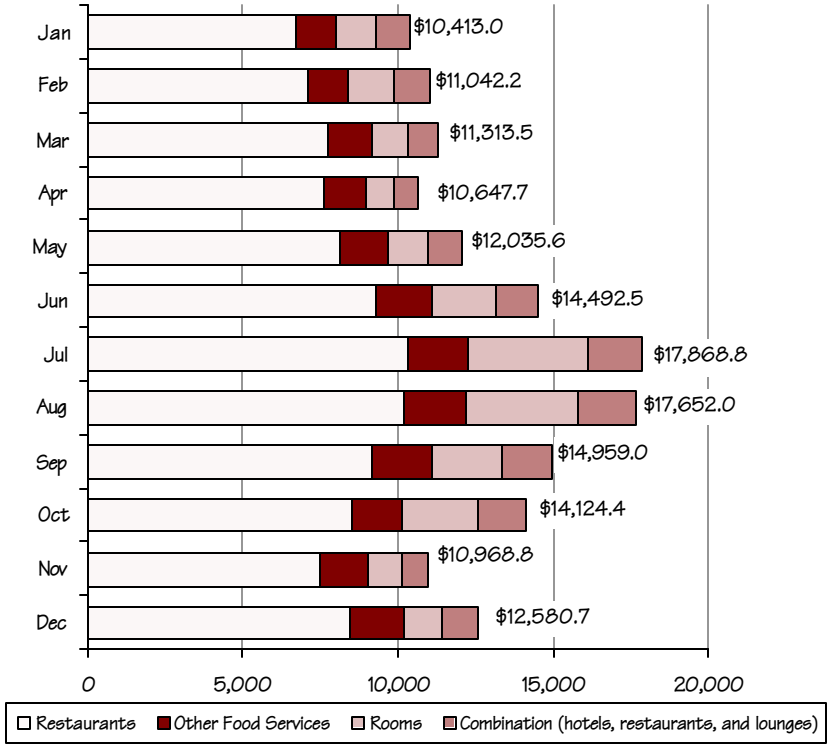


Figure 9.a: 2000 meals and rooms tax receipts ($ thousands)

With recent events weighing heavily on people's minds, more are choosing to stay closer to home when they travel. They prefer to drive to their destination rather than fly. New Hampshire Division of Travel and Tourism Development (DTTD) is promoting the Granite State as an ideal place to relax, get away from it all, and enjoy time with friends and family. DTTD is inviting people from the Northeast states to come to New Hampshire for their vacation or long weekend.

DTTD reported a decrease in phone, mail, and e-mail inquiries to their office in four of the past six years. Fiscal year 2001 had a drop of 1.3 percent in these types of inquiries. It seems that more and more people are getting the information they want from the Internet.

Winter Recreation

The 2000-2001 ski season was the best ever, in terms of skier visits, breaking the record set eight years earlier by eight percent. The season began in the middle of November. Seasonably cold weather and abundant snowfall kept the ski resorts from temporarily closing early to mid-December, which had been the case in recent years. The season ended later than normal with snow still on some of the slopes.

During the 2000-2001 ski season New Hampshire's cross-country trails had nearly 60,000 additional skiers over the prior year, a 55 percent growth. The alpine slopes gained nearly 485,000 additional skiers swooshing down their hills, a 26 percent increase. Even snowtubing had nearly 40,000 additional enthusiasts.

According to Ski-NH, Ragged Mountain is installing the state's first six-person ski lift and adding new trails. Almost all ski resorts are improving snowmaking and grooming capabilities. Also, Waterville Valley dropped its weekend ticket price. By the end of October 2001 the temperature was cold enough for a few ski resorts to start making snow and open earlier than normal. Warmer weather at the end of November and the beginning of December caused three of the four ski resorts to temporarily close. Weather permitting, many of the ski resorts are planning to open/reopen by mid December.

Temple Mountain ski area did not reopen this ski season. It is in the process of being sold. This 17-trail ski area was open for the 1999-2000 ski season and should reopen for the 2002-2003 ski season.

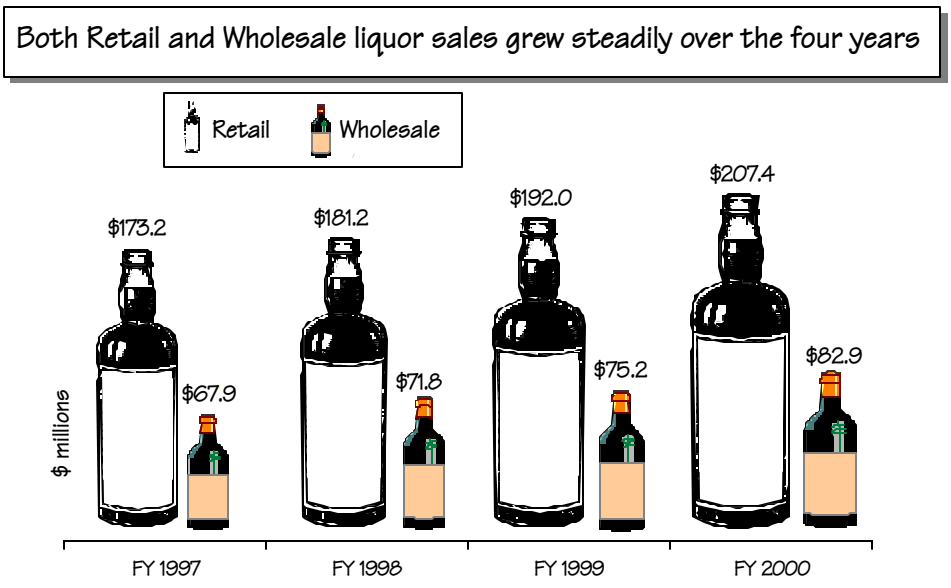


Figure 9.b: 2000 wholesale and retail liquor sales

Tenney Mountain ski area is also in the process of being sold. This 45-trail ski area was open for the 1999-2000 ski season and hopes to reopen under new owners for the 2002-2003 ski season.

Summer Recreation

A group of dealers from Massachusetts held the first motorcycle rally in Laconia in 1916. The next year the Federation of American Motorcyclists, now known as the American Motorcycle Association (AMA), got on board and have been part of the rallies ever since. Laconia has held 78 such functions. Their latest estimates show that 375,000 people attended events held during the 2001 "Motorcycle week". This was up 7.1 percent over 2000. AMA reports this one event brings more people to New Hampshire over multiple days than any other event. "Motorcycle week" is in early June and helps to launch the summer tourist season. Many hotels, restaurants, parks, and attractions all profited from this one event, with an estimated $225 million generated in 2001, according to the AMA.

The terrorist attacks on September 11 prompted the postponing of most sporting events. One of these events was the state's second Winston Cup Race at New Hampshire International Speedway (NHIS), scheduled for September 16. The race was rescheduled to the day after Thanksgiving. Despite the late date, cool, dry, and sunny weather allowed a near capacity crowd to enjoy the last race of the Winston Cup season.

Since 1999 seating at NHIS has been at a constant 101,000. Eventually this will increase to 110,000. RKM Research conducted a study for NHIS on the impact of out-of-state race attendees to New Hampshire. The study showed that during 1999 race attendees generated $55.6 million in total revenue. Over $30 million of this was generated outside of the racetrack.[1]

Gail Houston

[1] *Economic Contributions of NHIS Customers to the New Hampshire Economy*, RKM Research and Communication Inc., January 14, 2000

Recreation/Tourism

	1997	1998	1999	2000	Source
Division of Travel & Tourism Development Inquiries	200,198	177,911	225,558	177,492	DTTD
Hotel Occupancy Rate	55.8%	54.2%	54.0%	n/a	DTTD
Fish and Game licenses (non-resident)	78,759	77,216	77,031	77,352	F & G
Out-of-State Snowmobile Registrations	15,061	11,466	13,251	15,543	F & G
Skiing (state owned Cannon Mountain) (fiscal year)					
Number of skiers	93,078	115,009	105,817	100,601	P & R
Lift sales, including season passes	$1,616,324	$1,873,725	$1,699,433	$1,589,497	P & R
Racing (pari-mutuel pool) ($ millions)					
Thoroughbred track:					
Simulcast	$114.0	$125.3	$129.3	$138.1	PM
Live	$18.7	$18.2	$16.8	$15.2	PM
Greyhound tracks:					
Simulcast	$34.6	$36.7	$42.7	$48.5	PM
Live	$33.4	$32.5	$27.2	$25.8	PM

Retail Sales ($ millions)[a]

	1997	1998	1999	2000	Source
New Hampshire, total	n/a	n/a	n/a	$22,974	SMM
Annual percent change	n/a	n/a	n/a	n/a	SMM/NHES
Food & beverage stores	n/a	n/a	n/a	$3,189	SMM
Annual percent change	n/a	n/a	n/a	n/a	SMM/NHES
Food service & drinking establishments	n/a	n/a	n/a	$1,498	SMM
Annual percent change	n/a	n/a	n/a	n/a	SMM/NHES
General merchandise stores	n/a	n/a	n/a	$2,881	SMM
Annual percent change	n/a	n/a	n/a	n/a	SMM/NHES
Furniture & home furnishings and electronic & appliance stores	n/a	n/a	n/a	$1,329	SMM
Annual percent change	n/a	n/a	n/a	n/a	SMM/NHES
Motor vehicle & parts dealers	n/a	n/a	n/a	$6,840	SMM
Annual percent change	n/a	n/a	n/a	n/a	SMM/NHES
New England, total	n/a	n/a	n/a	$193,430	SMM
Annual percent change	n/a	n/a	n/a	n/a	SMM/NHES
United States, total	n/a	n/a	n/a	$3,409,490	SMM
Annual percent change	n/a	n/a	n/a	n/a	SMM/NHES
Per Household Retail Sales (actual $)					
New Hampshire	n/a	n/a	n/a	$50,031	SMM
Connecticut	n/a	n/a	n/a	$37,912	SMM
Maine	n/a	n/a	n/a	$37,471	SMM
Massachusetts	n/a	n/a	n/a	$36,594	SMM
Rhode Island	n/a	n/a	n/a	$28,677	SMM
Vermont	n/a	n/a	n/a	$33,643	SMM
New England	n/a	n/a	n/a	$37,480	SMM
United States	n/a	n/a	n/a	$33,113	SMM
Liquor Sales (fiscal year)					
Retail and Wholesale	$241.1	$253.0	$267.2	$290.3	LC
Fiscal percent change	7.5%	4.9%	5.6%	8.6%	LC/NHES
Percent retail	71.8%	71.6%	71.9%	71.4%	LC/NHES

[a] Reprinted by permission of Sales & Marketing Management, a publication of Bill Communications. Data for 2000 was by NAICS code, while prior years were by SIC code, and are not comparable.

Hospitality: Hotel, Restaurant Activity ($ millions)

	1997	1998	1999	2000	Source
Total Meals & Rooms Receipts (sales)	$1,571.5	$1,760.8	$1,841.3	$1,976.2	RA
Annual percent change	6.6%	12.0%	4.6%	7.3%	RA/NHES
Restaurants	$1,026.0	$1,138.9	$1,183.7	$1,258.0	RA
Other food service	$186.1	$216.0	$222.3	$245.6	RA
Rooms	$268.8	$294.4	$255.6	$282.6	RA
Combination (hotel, restaurant, and lounge)	$90.7	$111.6	$179.7	$190.0	RA
Motor Vehicle Rentals	n/a	n/a	n/a	$7.6	RA

10. Construction & Housing

The construction industry in New Hampshire remained hot in 2000 and into 2001. Workers need available housing. A shortage of housing threatens the ability to attract skilled workers. The New Hampshire Housing Finance Authority said the 2001 median gross rental cost in the state for a two-bedroom unit was $818. Portsmouth, at $993 per month had the highest rent rate in the state. Both Nashua and Manchester weighed in above $900. The director of Associated Builders and Contractors of New Hampshire-Vermont said that in the commercial building field, there is enough activity that contractors are comfortable about the outlook for all of 2002.

Since 1996 there has been a 44.8 percent increase in the average home sale price.

Construction Contracts

Given the housing market, it is not surprising that the New Hampshire residential construction index averaged 391.3 in 2000 as compared with the all New England index average of 284.6. The national index stood at 263.1. New Hampshire's residential rate has continued its steady climb since 1995 when it was 189.6. (The index reports the dollar value of contracts indexed to 1980. It is a measure of growth over time.)

Nonbuilding construction was up significantly in 2000. The average index for the year was 759, up 528 points over 1999. Much of the reason was the construction of two energy plants. The first 10 months of 2001 showed a return to the 300 range.

Nonresidential construction likewise increased. Since 1995 the index has increased by about 100 points every two years. The 53-point gain in 2000 was the largest since a 57-point gain in 1996 over 1997. During the first 10 months of 2001 the index averaged 598. It is on course to show another 70 point gain.

The latest data available (October 2001) had New Hampshire total construction index at 507.6, the highest in the region. New Hampshire led or fell just shy of leading every category in New England.

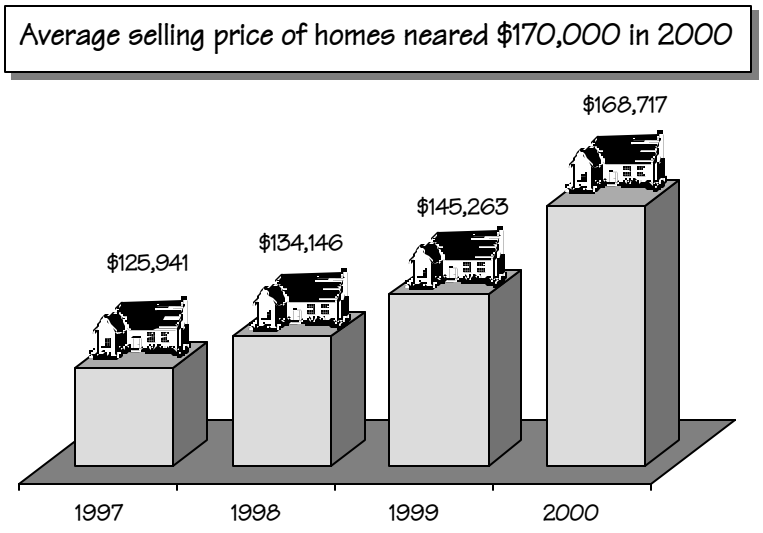


Figure 10.a: Selling price of New Hampshire homes, 1997-2000

Housing Permits

The number of housing permits authorized in New Hampshire was up 5.6 percent in 2000. This continued a string of increases going back to the early 1990s. In New England, only New Hampshire and Maine issued more permits in 2000 than in 1999. Both the region and the nation as a whole had fewer permits authorized over-the-year. New England fell by 4.8 percent and the U.S. by 4.3 percent.

Home Sales

National Association of Realtors (NAR) estimated a total of 43,500 existing home sales in New Hampshire in 2000. This was up 2,900 over-the-year. This followed a minimal increase in 1999. Every state in the region except Massachusetts saw over-the-year increases in 2000. In most instances, as goes Massachusetts, so goes New England. This year, however, large increases in sales in New Hampshire and Vermont, aided by moderate gains in the other three states, offset the Massachusetts loss and brought the entire region to a 3.2 percent increase.

The not seasonally adjusted repeat sales home price index for New Hampshire in 2000 was 129.8. This is based on quarterly price measures derived from mortgage loans purchased by Fannie Mae and Freddie Mac between January 1975 and the present. The index has advanced in every quarter since second quarter 1996. Over a 10-quarter period through third quarter 2001, the average increase has been 4.2.

Multiple Listing Service (MLS) also reported a sales volume for 2000 about $590 million, 20.8 percent above 1999. This is the fifth year of double digit increases in volume. The average sale price escalated 16.1 percent to $168,717. Since 1996 there has been a 44.8 percent increase in the average home sale price. Although prices have escalated considerably over the past 10 years, the average selling price in 1989 of $138,133, when adjusted for inflation using the Consumer Price Index, would bring the value to $191,820 in 2000 dollars.

Scott Gessis

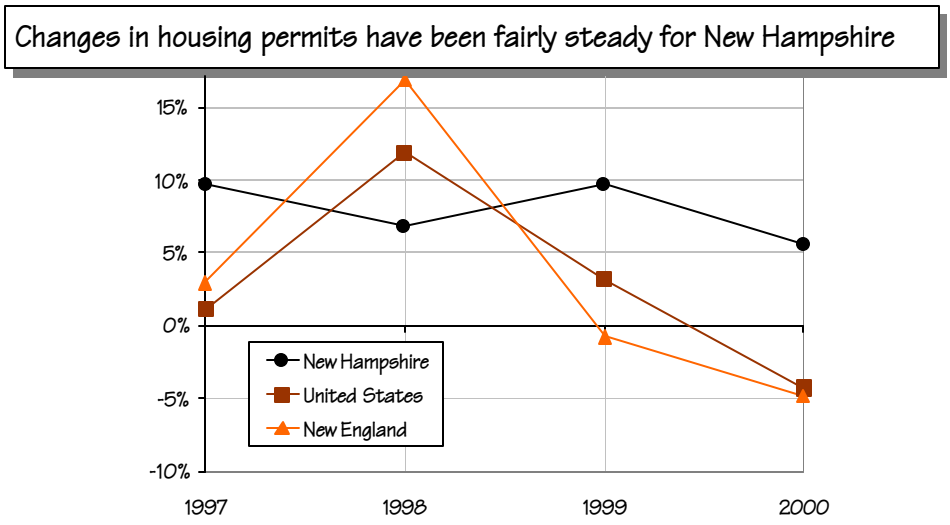


Figure 10.b: Regional housing permits, 1997-2000 (change from previous year)

Construction & Housing

Contract Value Indices (base = 1980)

	1997	1998	1999	2000	Source
Total construction:					
New Hampshire	291.0	373.0	359.3	523.8	FR
New England	320.6	316.6	323.3	394.0	FR
United States	244.6	273.4	302.1	310.7	FR
Non-building construction					
New Hampshire	232.6	368.0	231.5	759.4	FR
New England	433.3	289.8	272.0	414.8	FR
United States	217.3	221.6	259.7	273.6	FR
Nonresidential construction					
New Hampshire	407.5	494.3	519.4	572.6	FR
New England	358.1	361.8	421.5	510.0	FR
United States	271.8	342.1	371.2	390.3	FR
Residential construction					
New Hampshire	250.7	310.5	330.1	391.3	FR
New England	230.6	294.1	268.6	284.6	FR
United States	236.3	242.7	266.8	263.1	FR

Housing Permits Authorized (not seasonally adjusted)

	1997	1998	1999	2000	Source
Total New Hampshire	5,404	5,771	6,326	6,680	CB
Annual percent change:					
New Hampshire	9.7%	6.8%	9.6%	5.6%	CB
New England	2.9%	16.8%	-0.8%	-4.8%	CB
United States	1.1%	11.9%	3.2%	-4.3%	CB
Single units	4,598	5,310	5,696	6,097	CB
Annual percent change:					
New Hampshire	8.6%	15.5%	7.3%	7.0%	CB
New England	1.5%	13.8%	-0.3%	-4.9%	CB
United States	-0.7%	11.8%	5.0%	-3.9%	CB

Changes to the New Hampshire Housing Stock

	1997	1998	1999	2000	Source
From residential building permit data					
Net change in units (permitted units less demolitions)	5,992	6,653	7,286	n/a	OSP
Total Hillsborough and Rockingham Counties	3,586	3,748	3,856	n/a	OSP
Total multifamily	1,176	741	948	n/a	OSP

Homes Financed by NH Housing Finance Authority

	1997	1998	1999	2000	Source
Total	1,200	1,049	1,219	1,512	HFA
Percent new	5.9%	3.5%	3.6%	4.2%	HFA
Percent condo	10.0%	11.5%	16.6%	20.7%	HFA
NHHFA BOND ISSUES ($ millions)	$75	$75	$105	$109	HFA

Assisted Rental Housing Construction

	1997	1998	1999	2000	Source
Total units (NHHFA, HUD, FMHA, & local programs)	251	425	439	328	HFA
For elderly tenants	63	282	169	180	HFA

Home Sales

	1997	1998	1999	2000	Source
Total existing home sales seasonally adjusted - single family, apartment condos, and coops (thousands)	35.4	40.5	40.6	43.5	NAR
Percent change:					
New Hampshire	18.4%	14.4%	0.2%	7.1%	NAR/ELMI
Connecticut	6.6%	14.2%	2.2%	4.3%	NAR/ELMI
Maine	4.7%	16.8%	5.5%	17.3%	NAR/ELMI
Massachusetts	11.0%	10.9%	-2.3%	-3.7%	NAR/ELMI
Rhode Island	8.0%	19.5%	8.9%	1.4%	NAR/ELMI
Vermont	-9.7%	3.1%	1.5%	4.3%	NAR/ELMI
New England	9.3%	13.2%	1.0%	3.2%	NAR/ELMI
United States	4.3%	13.8%	5.9%	-1.5%	NAR/ELMI
Repeat-Sales Home Price Index (not seasonally adjusted)					
New Hampshire	96.8	103.5	113.1	129.8	FR/FM
New England	110.8	118.1	128.2	145.5	FR/FM
United States	145.8	154.0	162.9	176.1	FR/FM
New Hampshire Multiple Listing Service data on Sales of Existing Homes					
Total Sales Volume ($ millions)	$2,056.5	$2,486.8	$2,830.6	$3,420.1	AR
Annual percent change	28.2%	20.9%	13.8%	20.8%	AR/NHES
Average sale price	$125,941	$134,146	$145,263	$168,717	AR
Annual percent change	8.4%	6.5%	8.3%	16.1%	AR/NHES

Mortgage Rates and Housing Rentals

	1997	1998	1999	2000	Source
CONTRACT MORTGAGE RATES (December, 30-year fixed)	7.1%	6.7%	7.9%	7.1%	MBA/FHLMC
HOUSING UNIT RENTALS					
Median monthly rent (including utilities)	$606	$636	$665	$697	HFA
Annual percent change	1.7%	5.0%	4.6%	4.8%	HFA/NHES

11. Finance - Private

The year 2000 proved to be a good year for New Hampshire's private financial sector. Although some growth rates gradually weakened compared to recent years, New Hampshire's banking institutions continue to be financially sound. One particularly useful measure to assess financial health is the equity capital-assets ratio. A bank's equity can be considered as an insurance fund protecting depositors against asset risk. Losses on assets, such as loan defaults, can be written off against a bank's capital thereby maintaining its solvency. For example, during the last recession, the equity capital-asset ratio for all FDIC insured banks in New Hampshire stood at 4.79 percent as mounting loan defaults depleted bank capital. For the year 2000 New Hampshire equity capital-asset ratio was 10.33 percent, which compares quite favorably to the rate of 8.48 percent for the United States.

New Hampshire's . . . consumer loan delinquency rate has risen from 1.47 percent in 1997 to 4.10 percent in 2000.

The equity capital-asset ratio for New Hampshire's FDIC-insured commercial and savings banks has outpaced the national rate from 1997 to 2000

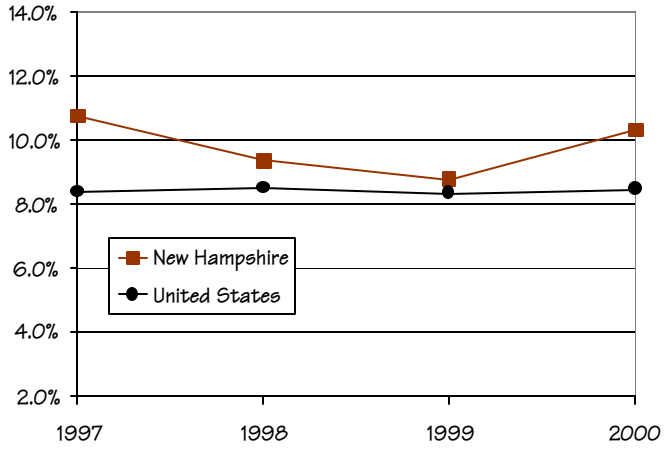


Figure 11.a: Equity capital-asset ratio, 1997 - 2000

Commercial Banks

After posting gains of 38.5 percent and 36.2 percent in 1998 and 1999 respectively, asset growth for the Granite State's commercial banks slowed dramatically to 1.4 percent. Deposit growth fell as well from 38.8 percent in 1999 to 6.3 percent in 2000. The equity capital-asset ratio for New Hampshire commercial banks increased to 10.44 percent in 2000 from 8.39 percent in 1999. There were three fewer commercial banking institutions in 2000, continuing a trend that has seen the number of commercial banking institutions in New Hampshire decrease by 64.4 percent since 1990.

Savings Institutions

Unlike their commercial counterparts, in 2000 New Hampshire savings institutions recorded increases in growth rates for both assets and deposits. Asset growth accelerated from 6.3 percent in 1999 to 8.3 percent in 2000, while deposit growth increased from 3.2 percent to 13.4 percent over the same time period. Savings institutions' equity capital–asset rate grew from 9.88 percent in 1999 to 10.09 percent in 2000. The number of savings institutions in New Hampshire remained unchanged from 1999 but has declined by 54.8 percent since 1990.

Credit Unions

Total assets in New Hampshire's federally insured credit unions reached $2.275 billion in 2000, up 7.6 percent from the previous year. Total shares and deposits expanded by 7.7 percent over the same period, from $1.781 billion to $1.981 billion. The number of federally insured credit unions in New Hampshire has decreased from 38 in 1993 to 32 in 2000.

Bankruptcy

For the second year in a row, bankruptcy filings in New Hampshire decreased. From 1999 to 2000, bankruptcy filings fell from 4,104 to 3,615, a decline of 11.9 percent. Both New England and the United States recorded declines in bankruptcy rates of 12.5 percent and 5.0 percent respectively from 1999 to 2000.

The composition of New Hampshire bankruptcy filings differs from that of the United States as a whole. The percentage of consumer (nonbusiness) filings out of total bankruptcy filings in New Hampshire decreased from 97.13 percent to 91.65 percent from 1995 to 2000. Over the same time period, the rate for the United States increased from 94.39 percent to 97.17 percent. According to the American Bankruptcy Institute, New Hampshire ranked 45th in the nation for number of households per bankruptcy filing.[1]

Current data from the U.S. Bankruptcy Courts, Administrative Office of United States Courts indicates that both trends may be reversing for the Granite State. The number of bankruptcy filings through November 2001 has increased by 296 compared to the same time last year. The growth rate for consumer bankruptcy filings has been 8.87 percent as compared to 9.45 percent for business bankruptcy filings.

Loan Delinquencies

New Hampshire's mortgage delinquency rate has fallen each of the past three years from 0.93 percent in 1997 to 0.33 percent in 2000. Over that same time span however, the consumer loan delinquency rate has risen from 1.47 percent in 1997 to 4.10 percent in 2000. The growth in New Hampshire consumer loan

Banking Data (FDIC Insured Banks) ($ millions)

	1997	1998	1999	2000	Source
BANK ASSETS - Total All Banks	$21,597	$24,261	$30,624	$31,646	FDIC
Commercial Banks and Trust Companies	$11,687	$16,191	$22,046	$22,352	FDIC
Savings Institutions	$9,910	$8,070	$8,578	$9,294	FDIC
Annual percent change:					
Total	8.0%	12.3%	26.2%	3.3%	FDIC/NHES
Commercial Banks and Trust Companies	9.0%	38.5%	36.2%	1.4%	FDIC/NHES
Savings Institutions	6.9%	-18.6%	6.3%	8.3%	FDIC/NHES
BANK DEPOSITS - Total All Banks	$15,697	$17,086	$21,603	$23,395	FDIC
Commercial Banks and Trust Companies	$8,534	$11,137	$15,462	$16,431	FDIC
Savings Institutions	$7,163	$5,949	$6,141	$6,964	FDIC
Annual percent change:					
Total	-1.7%	8.8%	26.4%	8.3%	FDIC/NHES
Commercial Banks and Trust Companies	-5.1%	30.5%	38.8%	6.3%	FDIC/NHES
Savings Institutions	2.8%	-16.9%	3.2%	13.4%	FDIC/NHES
EQUITY CAPITAL					
Total	$2,326	$2,276	$2,695	$3,270	FDIC
Commercial Banks and Trust Companies	$1,324	$1,406	$1,849	$2,333	FDIC
Savings Institutions	$1,002	$870	$847	$937	FDIC
EQUITY CAPITAL TO ASSET RATIO					
Total	10.77%	9.38%	8.80%	10.33%	FDIC
Commercial Banks and Trusts	11.33%	8.68%	8.39%	10.44%	FDIC
Savings Institutions	10.11%	10.78%	9.88%	10.09%	FDIC
NUMBER OF BANKING INSTITUTIONS	42	39	38	35	FDIC
NUMBER OF BANKING OFFICES[a]	409	409	407	404	FDIC

[a] Including branches

delinquency rate mirrors similar national trends. The American Bankers Association reports that second quarter 2001 late credit card payments hit a record high.[2] Furthermore, current Federal Reserve Bank data indicates that U.S. ratio of household debt payments to disposable income, a measure of debt-service burden, is at its highest level since the mid 1980s.[3]

Kevin Coyne

[1] Annual U.S. Bankruptcy Filings by State 1995-2000, American Bankruptcy Institute <www.abiworld.org>, accessed October 10, 2001.

[2] Aversa, Jeannine (September 23, 2001), "Record high hit for late credit card payments", The Nashua Telegraph, p. D-1

[3] The Federal Reserve Bank, Household Debt-Service Burden, <www.federalreserve.gov>, accessed October 10, 2001.

Credit Unions ($ millions)

	1997	1998	1999	2000	Source
ASSETS	$1,662	$1,935	$2,115	$2,275	NCUA
Annual percent change	7.0%	16.4%	9.3%	7.6%	NCUA/NHES
SHARES AND DEPOSITS	$1,441	$1,670	$1,781	$1,918	NCUA
Annual percent change	6.9%	15.9%	6.6%	7.7%	NCUA/NHES
NUMBER OF CREDIT UNIONS	35	34	34	32	NCUA

Industrial Financing ($ millions)

	1997	1998	1999	2000	Source
Bond issues - fiscal year ending 6/30	$34.2	$113.6	$78.9	$53.3	BFA

Non-Current Loans and Leases ($ millions)

	1997	1998	1999	2000	Source
FDIC commercial banks	$124.7	$194.9	$410.6	$624.3	FDIC
Percent change from previous year	-5.1%	56.3%	110.7%	52.0%	FDIC
Rank by non-current/total (from smallest)[a]	46	46	51	51	FDIC

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

Bankruptcy Filings

	1997	1998	1999	2000	Source
Total New Hampshire Filings	4,902	4,994	4,104	3,615	BKR
Percent change from previous year					
New Hampshire	32.8%	1.9%	-17.8%	-11.9%	BKR
Connecticut	19.4%	3.4%	-15.0%	-10.3%	BKR
Maine	37.3%	7.0%	-7.5%	-3.2%	BKR
Massachusetts	34.6%	-6.6%	-16.7%	-16.1%	BKR
Rhode Island	26.4%	0.1%	-7.7%	-11.9%	BKR
Vermont	39.7%	2.8%	-10.6%	-15.1%	BKR
New England	29.8%	-1.2%	-14.4%	-12.5%	BKR
United States	19.1%	2.7%	-8.5%	-5.0%	BKR

Delinquency Rates (FDIC Insured Institutions)

	1997	1998	1999	2000	Source
Mortgage delinquency rate	0.93%	0.95%	0.59%	0.33%	FDIC
Consumer loan delinquency rate	1.47%	1.95%	3.02%	4.10%	FDIC

The Claremont School lawsuit decision altered the state government spreadsheets in ways not seen before. New Hampshire has been using local property taxes to pay for elementary and secondary education. In 1991 Claremont, Allenstown, Pittsfield, Franklin, Lisbon, five pupils and eight parents and taxpayers filed suit challenging the use of local property taxes to pay for education. The suit was dismissed, then reinstated, then denied. Then in 1997 the Supreme Court ruled that the present system was unconstitutional and an equitable system had to be in place by April 1, 1999. By the deadline, lawmakers enacted an interim solution with some communities paying a higher rate. These communities challenged the new manner of taxation. When the Supreme Court allowed the tax to stand, the legislature made the tax permanent. The final chapter has yet to be written. The five towns have taken the state back to court.[1]

Because of that history, the State of New Hampshire Comprehensive Annual Financial Report (CAFR) for Fiscal Year (FY) 2000 is considerably different from that of any previous year. The percentage of the cost of education statewide, paid for by the state, expanded from less than ten percent up to 60 percent. The legislature cobbled together a tax package to meet the court-ordered amount of $825 million dollars. They established:

The state expense for education jumped over $750 million to $1,035.4 million in 2000.

- A statewide education property tax at $6.60 per $1,000 assessed value on taxable property, with the same amount of tax on utility property
- An increase in the business profits tax (BPT) from 8.0 percent to 8.5 percent
- An increase in the business enterprise tax (BET) from 0.5 percent to 0.75 percent
- An increase in the tax on tobacco to $0.52 for a pack of 20 cigarettes

General and Education Funds Unrestricted Revenue - GAAP Basis ($ millions)

		FY 00			FY 01		
	FY 99	General	Education	Total	General	Education	Total
Business Tax	$257.8	$240.8	$76.5	$317.3	$301.8	$52.5	$354.3
Meals & Rooms Tax	137.3	149.8	6.3	156.1	157.2	6.8	164.0
Tobacco Tax	73.8	68.4	26.6	95.0	61.0	25.4	86.4
Liquor Sales & Distribution	77.4	86.0	--	86.0	89.3	--	89.3
Interest & Dividends Tax	63.1	65.5	--	65.5	76.7	--	76.7
Insurance Tax	62.9	59.3	--	59.3	66.5	--	66.5
Communications Tax	46.2	47.8	--	47.8	49.0	--	49.0
Real Estate Transfer Tax	52.9	56.8	28.2	85.0	59.5	29.7	89.2
Estate & Legacy Tax	54.7	56.4	--	56.4	59.3	--	59.3
Sweepstakes Transfers	--	--	61.5	61.5		59.4	59.4
Tobacco Settlement	--	0.4	53.8	54.2		38.7	38.7
Utility Property Tax	--	--	31.2	31.2		15.6	15.6
Property Tax not retained locally	--	--	24.2	24.2		24.2	24.2
Property Tax retained locally	--	--	418.0	418.0		418.0	418.0
Other	127.0	128.0	2.9	130.9	137.4	0.2	137.6
Subtotal	**$953.1**	**$959.2**	**$729.2**	**$1,688.4**	**$1,057.7**	**$670.5**	**$1,728.2**
Net Medicaid Enhancement Revenues	70.4	74.2	--	74.2	85.2	--	85.2
Subtotal	**$1,023.5**	**$1,033.4**	**$729.2**	**$1,762.6**	**$1,142.9**	**$670.5**	**$1,813.4**
Revenues to Fund Net Appropriations	15.9	12.9	--	12.9	13.0	--	13.0
Total	**$1,039.4**	**$1,046.3**	**$729.2**	**$1,775.5**	**$1,155.9**	**$670.5**	**$1,826.4**

Source: *Official Statement of the State of New Hampshire $100,000,000 General Obligation Improvement Bonds, 2001 Series A*; General and Education Fund Unrestricted Revenues, Fiscal Year 1997-2001; page 23

- An increase in the real estate transfer tax to $0.75 per $100 price or consideration
- An 8.0 percent tax on the rental of motor vehicles as a part of the rooms and meals tax
- A portion of the tobacco settlement funds ($53.8 million of the $54.2 million settlement)
- A portion of the profits from the Sweepstakes Commission
- Transfer of the accumulated General Fund surplus

Revenue

Increased business activity by New Hampshire employers, reinforced by increased tax rates, pushed combined revenue from BPT and BET to $317.3 million in FY 2000. This was $59.5 million more than received in FY 1999. This increase, along with an additional $16 million from BPT and BET tax revenue, was earmarked for the education fund.

The tobacco tax, spurred by a $0.15 increase per 20-cigarette pack, brought in $21.2 million more in FY 2000 than in FY 1999. In total, the education fund took in $26.6 million from the tobacco tax. Between the tobacco settlement and a one-time tobacco signing bonus, another $53.8 million went into the education fund. All but $400,000 due the state from the settlement in FY 2000 went to education.

Meals and rooms saw a hefty $18.8 million increase over-the-year. Of that, $6.3 million went into the education fund. The real estate transfer tax brought in an additional $32.1 million over-the-year, with $28.2 million going to the education fund. Two property taxes, the utility property tax, and the statewide property tax collected by municipalities above the local adequacy level (known as donor towns), combined to add $55.4 million to the education fund. With the sweepstakes transfer and other taxes added, the education fund received $311.2 million in unrestricted revenue.

Total general and special revenues increased 30.3 percent, up $727.4 million in FY 2000. The primary reason, of course, was the collection of general property taxes by the state. This one line item increased from $535,000 to $473.7 million. The next largest over-the-year increase was in special taxes. The BPT and BET combined to lead that category to an over-the-year increase of $126.8 million. Most of the increase was earmarked for education. Next came the miscellaneous category. The $56.1 million increase there was largely the result of $54.2 million received from the settlement by tobacco companies. Grants from the federal government increased $43.4 million. Much of this was increased highway funds. Education and social services also received increased federal support.

Education Trust Fund - Funding Analysis ($ millions)
Fiscal Year 2000

Source	Amount	Description
July 1, 1999 Balance	$124.8	Beginning Balance
Revenue and Transfers		
Statewide Property Tax - Local	418.0	$6.60/1,000, retained at local level
Statewide Property Tax - Donor	24.2	$6.60/1,000, donor communities
Utility Property Tax	31.2	$6.60/1,000
Business Profits Tax	22.4	1% increase in BPT from 7% to 8%
Business Enterprise Tax	54.1	.25% increase in BET from .25% to .5%
Meal & Rooms	6.3	Extended 8% tax to rental cars
Real Estate Transfer Tax	28.2	Tax increase from $5.00/1,000 to $7.50
Tobacco Tax	26.6	$0.15/pack increase
Tobacco Settlement	37.8	Annual payment from National Tobacco Settlement
Tobacco Signing Bonus	16.0	One-time payment
Sweepstakes Proceeds	61.5	Net profit for Fiscal 2000
Other	2.9	Interest
Subtotal	**729.2**	
Transfer from General Fund	39.6	Formerly Revenue Sharing, Foundation Aid, and Kindergarten Aid
Total Revenues and Transfers	**768.8**	
Appropriations		
Adequate Education Grants	406.8	Statewide property tax disbursed by state
Adequate Education Grants	418.0	Statewide property tax retained at local level
Subtotal	**824.8**	
Hardships grants	1.2	
Public Kindergarten Programs	1.0	
Administration	0.3	
Total Appropriations	**827.3**	
June 30, 2000 Balance	**$66.3**	Balance forwarded to Fiscal 2001

Source: *State of New Hampshire Annual Citizens Report, Fiscal Year 2000*; Education Trust Fund table; page 20

Expenses

Given the above chronology and description of changes in revenues, it follows that expenses would also be drastically different in FY 2000. The state expense for education jumped over $750 million to $1,035.4 million in 2000. Health and social services cost $32.6 million more in FY 2000 then a year earlier.

FY 2001

FY 2001 showed a picture quite similar to FY 2000. Revenue from taxes was up $39.8 million. BPT and BET combined for $37 million of the increase. Interest and dividends brought in an additional $11.2 million. The utility property tax fell by $15.6 million from the previous year. Because of the one-time signing bonus of $16.0 million taken in 2000, the amount available from the tobacco settlement decreased by $15.5 million over-the-year, while the tobacco tax itself took in $8.6 million less. Net Medicaid enhancements, after falling from $102.0 million in FY 1996 to $54.3 million in FY 1997, experienced its fourth consecutive gain to $85.2 million in 2001, up $11.0 million from FY 2000. From all revenue sources, the total over-the-year gain for New Hampshire in FY 2001 was $50.9 million. In FY 2001, $109.6 million more was allotted to the general fund, while $58.7 million less was earmarked to the education fund compared to FY 2000.

Martin Capodice

[1] Associated Press, "Chronology of New Hampshire's education lawsuits," Boston Globe, 5 September 2001: www.boston.com

State Government General Revenue

	1997	1998	1999	2000	Source
As reported by Administrative Services	$2,111.7	$2,251.9	$2,402.2	$3,129.6	AS
As reported by Census Bureau	$2,795.6	$2,968.1	$3,108.3	n/a	CB
From Taxes	$914.8	$1,008.5	$1,070.8	$1,698.3	CB/AS
From Federal Government	$839.7	$863.7	$947.6	$957.7	CB/AS
General Revenue per $1,000 Personal Income:					
New Hampshire	$92.48	$91.62	$88.32	n/a	CB
United States	$124.60	$124.83	$123.04	n/a	CB
United States rank	50	50	50	n/a	CB
Rank in General revenue from taxes	50	50	50	n/a	CB
Rank in General revenue from Federal Gov't	42	42	41	n/a	CB
General Revenue per Capita					
New Hampshire	$2,383	$2,505	$2,588	n/a	CB
United States	$3,050	$3,206	$3,329	n/a	CB
United States rank	48	48	50	n/a	NHES

State Government General Expenditures

	1997	1998	1999	2000	Source
As reported by Administrative Services	$2,141.4	$2,249.4	$2,373.9	$3,228.2	AS
As reported by Census Bureau	$2,891.5	$3,039.5	$3,100.7	n/a	CB
General Expenditures per $1,000 Personal Income:					
New Hampshire	$95.65	$93.84	$88.10	n/a	CB
United States	$120.55	$119.45	$120.79	n/a	CB
United States rank	48	49	50	n/a	CB
For Education	50	50	50	n/a	CB
For Public welfare	23	24	27	n/a	CB
For Highways	31	30	31	n/a	CB
General Revenue per Capita					
New Hampshire	$2,465	$2,565	$2,582	n/a	CB
United States	$2,938	$3,068	$3,268	n/a	CB
United States rank	46	46	49	n/a	NHES

Finance - Government

Unrestricted Revenue to State General Fund

	1997	1998	1999	2000	Source
Total unrestricted revenue	$987.5	$973.0	$1,039.3	$1,357.5	AS
Selected unrestricted general fund revenues					
Business profits tax	$172.0	$167.5	$164.8	$168.8	AS
Business enterprise tax	$38.2	$71.0	$93.0	$148.5	AS
Meals/rooms & rental tax	$119.0	$128.7	$137.2	$156.2	AS
Liquor sales and distribution tax	$71.7	$75.4	$77.4	$86.0	AS
Sweepstakes transfers	$0.0	$0.0	$0.0	$61.5	AS
Insurance tax & securities revenue	$57.2	$54.7	$62.9	$59.3	AS
Tobacco tax	$50.4	$76.1	$73.8	$95.0	AS
Tobacco settlement	$0.0	$0.0	$0.0	$54.2	AS
Interest and dividends tax	$52.7	$61.8	$63.3	$65.5	AS
Board and care revenue	$14.0	$13.0	$11.2	$12.0	AS
Estate and legacy tax	$40.7	$43.3	$54.7	$56.4	AS
Telephone/communication tax	$39.3	$40.1	$46.2	$47.8	AS
Real estate transfer tax	$33.3	$44.2	$52.9	$85.0	AS
Utilities tax	$17.6	$17.7	$10.4	$9.8	AS
Utilities property tax	$0.0	$0.0	$0.0	$31.2	AS
Statewide property tax	$0.0	$0.0	$0.0	$24.2	AS
Uncompensated care pool	$43.5	$9.2	$15.9	$12.9	AS

State & Local Government General Revenue per $1,000 Personal Income (FY ending 6/30)

	1997	1998	1999	2000	Source
Total general revenue	$160.62	$156.44	$155.47	n/a	CB
United States rank	50	50	50	n/a	CB
Total taxes	$91.03	$88.39	$88.37	n/a	CB
United States rank	50	50	49	n/a	CB
Property tax	$60.05	$56.53	$57.24	n/a	CB
United States rank	1	1	1	n/a	CB
Percent of total taxes	66.0%	64.0%	64.8%	n/a	CB
Percent of general revenue	37.4%	36.1%	36.8%	n/a	CB
United States rank	1	1	1	n/a	CB

Property Valuations, Equalized

	1997	1998	1999	2000	Source
State total equalized valuation ($ millions)	$65,332	$70,240	$76,154	$86,704	RA
Annual percent change	3.9%	7.5%	8.4%	13.9%	RA/NHES
Percent in Hillsborough & Rockingham Counties	52.9%	53.8%	54.2%	54.9%	RA
Property tax assessment ratio	1.0	1.0	0.9	0.9	RA
Full value tax rate per $1,000	$26.22	$24.87	$20.97	$25.45	RA

Unemployment Insurance Tax

	1997	1998	1999	2000	Source
Average tax per worker (federal & state) in covered employment	$104	$106	$110	$107	NHES

One of the major issues with education in New Hampshire is funding. Since 1991, when the Claremont suit started, the entire state has been in conflict over how this problem should be resolved. In 1999 a state property tax was enacted. Wealthy communities challenged the constitutionality in December 1999. In January 2001 at Rockingham Superior Court, Judge Galway ruled the tax was unconstitutional. The state was ordered to return the tax funds collected. After the state appealed to the Supreme Court, that ruling was reversed. The decision was the tax would remain and the funds would not be returned, but the state had to "fix it." That meant making the tax fit constitutional guidelines.

By June 2001, lawmakers made the tax permanent and gave the state more control over correcting the property tax system. The five original towns from the Claremont suit attempted to bring the lawsuit back to court on the grounds that the system was based on arbitrary decisions on allocation of the funds. It was denied based on the arguments that further court intervention could itself be unconstitutional and proof of unconstitutionality had not been offered. The state asked for the case to be closed. These funding issues will likely remain a hot topic.[1]

Assessment tests

In Spring 2001, New Hampshire's Scholastic Assessment Test (SAT) average came in with the highest combined score for New England, at 1,036. The state's verbal score was at 520 and math at 516. The SAT is not common in all states because not all colleges nationwide require it for admissions. Those states with lower participation rates tend to outperform states that regularly require it for college admission, so a direct state to state score comparison may be misleading.[2] New Hampshire's 2001 scores were also the third highest scores among the states that had test participation rates over 50 percent (23 states and D.C.). All the New England states were in the 50 percent participation group. Although not as popular in the New England states,

In Spring 2001, New Hampshire's Scholastic Assessment Test (SAT) average came in with the highest combined score for New England . . .

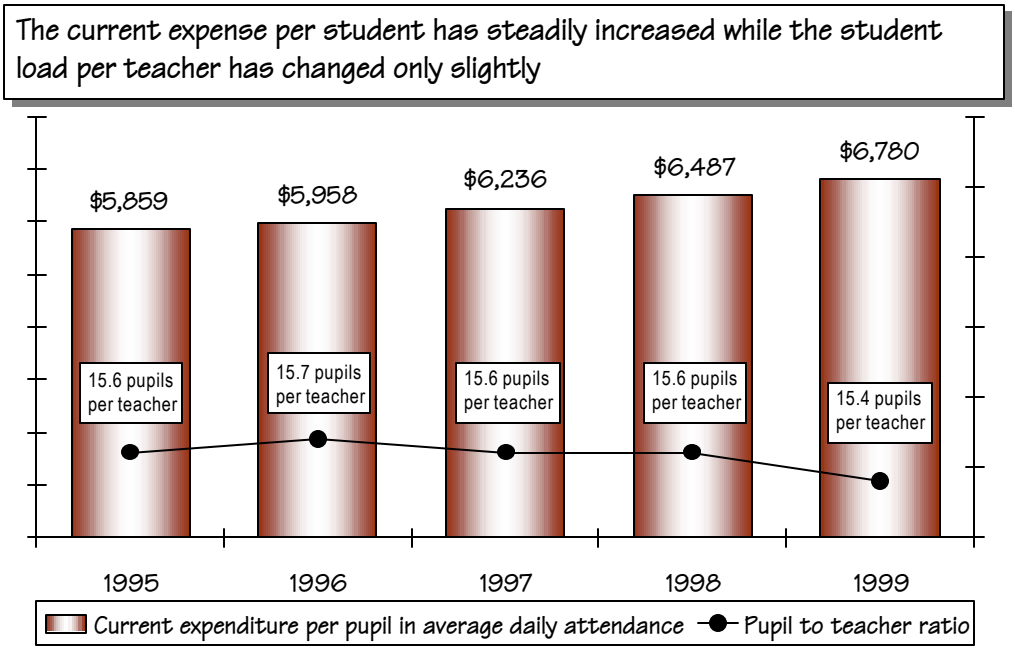


Figure 13.a: Current expenditures per pupil vs. pupil/teacher ratio, school year 1995 - 1999

another national test for college entrance is the American College Testing assessment (ACT). On average six percent of New Hampshire graduates have taken that test in each of the last three years, with a total average composite score of 22.3. New Hampshire's score was third highest nationwide.

New Hampshire also uses an assessment testing system. The system uses a minimum competency test in which the U.S. Department of Education set the level of standards used.[3] New Hampshire administers the test to grades 3, 6, and 10. Each state can establish how the results will be used. The uses for the results of these tests include evaluations of curriculum, professional development activities, instructional improvement, resource allocation, and staffing. In New Hampshire the results are mainly used to evaluate the instructional programs and improve instruction.

The New Hampshire Education Improvement and Assessment Program (NHEIAP) orchestrates the assessment process. One of the primary focuses of the tests is on Language arts: reading and writing skills. Results from 2001 tests released in October showed improvements in the sixth grade science achievement levels from the prior year. The percentage of students ranked Proficient and Basic increased in each of those two levels, indicating the state's curriculum frameworks were working.

Awards

New Hampshire was among the recipients for the 2001 Reading Excellence Program awardees. States competed for the grant, administered by the Secretary of Education, by creating plans for improving reading in the primary grades. There were seven districts and 11 schools that met the requirements to be eligible for this grant. New Hampshire was awarded $3,273,656 from this federal grant, to be distributed over the next three years. These funds will be split between reading programs at the eligible schools and tutorial grants for private programs for extended reading assistance. No more than five percent can be used for administrative costs and assessment fees. The Donahue Institute at the University of Massachusetts is expected to evaluate improvements in students' reading abilities and changes in the classroom.[4]

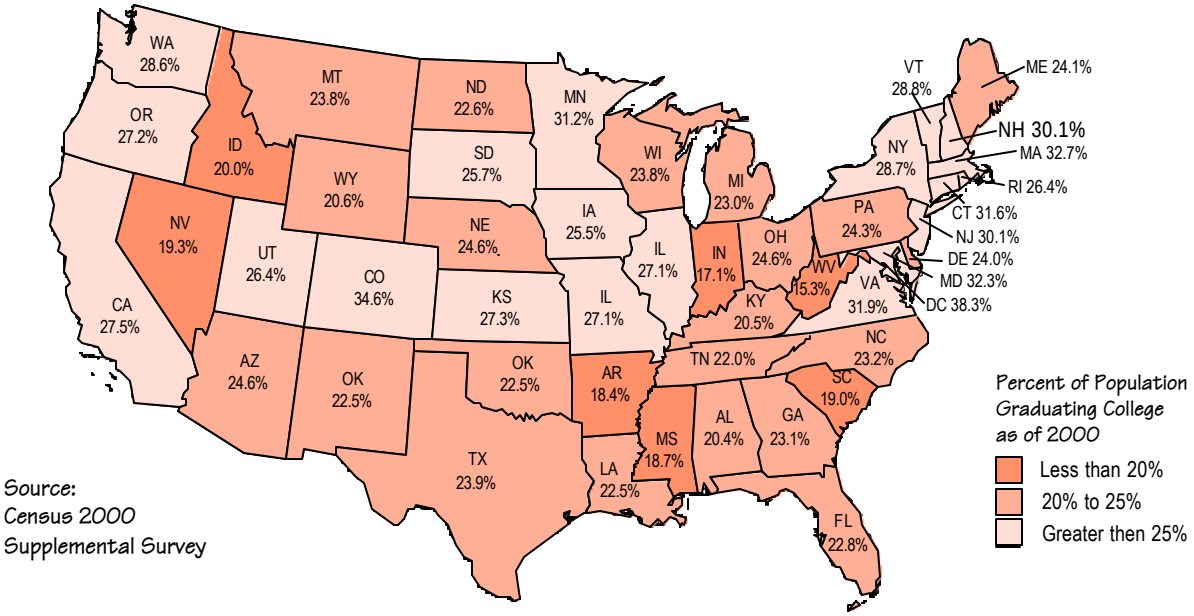
State requirements for high school graduation in Carnegie units: 1993, 1996, 1998

Some schools in the state are reevaluating the number of credits needed to complete high school. These schools are considering increasing the number of credits in their districts. New Hampshire currently requires a minimum of 19.75 credits to earn a high school degree. Those 19.75 credits are made up of: 4 credits of English, 2 credits of Social Studies, 2 credits of Math, 2 credits of Sci-

2000 New Hampshire Educational Improvement and Assessment Program Test Results

Grade Three - 16,484 Students				
Subject	Advanced	Proficient	Basic	Novice
Language Arts	9%	29%	37%	22%
Mathematics	9%	31%	36%	22%
Grade Six - 16,844 Students				
Subject	Advanced	Proficient	Basic	Novice
English Language Arts	6%	23%	39%	30%
Mathematics	4%	23%	39%	32%
Science	3%	15%	35%	46%
Social Studies	4%	20%	37%	37%
Grade Ten - 14,186 Students				
Subject	Advanced	Proficient	Basic	Novice
English Language Arts	7%	27%	37%	24%
Mathematics	7%	20%	36%	33%
Science	3%	18%	36%	39%
Social Studies	2%	16%	34%	44%

New Hampshire ranked 8th highest in percent of population graduating college in 2000



Source:
Census 2000
Supplemental Survey

ence, and 1.25 credits of Physical Education. An additional 7 credits are made up of electives. The last 1.5 credits are a combination of 0.5 units of art, 0.5 units of computer education, and 0.5 units of business/economics. The first class to graduate under these guidelines was in 1989.

There are also specifications within the individual class requirements. The Social Studies requirement must include one unit each of U.S. and New Hampshire history and government. Requirements in the science department include one unit of physical science and one unit of biological science. A quarter credit in Physical Education requirement is from Health. An examination performed prior to high school can fulfill the requirement for the computer credit.[5]

School Violence

New Hampshire schools are not secluded from security concerns. There have been instances of schools having to handle multiple bomb threats. In May of 2001 a shooting/suicide occurred at one school and in June a protective restraining order was issued at another school. There's a measure of concern with how prepared New Hampshire schools are to handle those types of situations. In August 2001 the U.S. Secret Service's National Threat Assessment Center hosted a conference in Manchester, New Hampshire. Just over 600 people attended that seminar. The thrust was the ability to identify and defuse a potentially harmful event.[6]

By Fall 2001, the attacks of September 11 then forced schools to face having to prepare for mock disasters and other possible emergencies. Some schools had exercised increased evacuations, because of bomb threats, while others expanded drills to train teachers and students how to react to armed intruders and chemical spills. An additional effort in some schools is to put together kits including students' emergency medical information for the classrooms.[7]

Educational Options

There are alternatives to the placement of children in the school system environment. Home-schooling has become a viable choice for some. During the 1999-2000 school year a total of 3,315 students in New Hampshire were reported to be home-schooled. For the 2000-2001 school year, the total was 3,232. The cutoff for reporting of home-schooled statistics was November 30, 2000. The credit process for these students varies from the traditional school system environment. Schools receiving these students does not grant the traditional one-to-one transfer of credit but does recognize prior work and accomplishment for credit. Also, state statute mandates that all students who reside in the

district are provided with an education and have access to public school facilities.

Career Choices

To aid in the introduction of different professional options, the U.S. Department of Education has reorganized occupations into groupings called *career clusters*. The clusters provide a way for schools to organize around broad categories that include virtually all occupations from entry through professional level. They also make it easier for students to explore broader areas of interest when choosing careers fields.

In New Hampshire high school students have many avenues to research and learn about career development and future employment prospects.

The New Hampshire Career Resource Network (NHCRN), part of New Hampshire Employment Security's Economic and Labor Market Information Bureau, provides career development resources and information about the types of opportunities available in New Hampshire to high school students and the unemployed. This organization also provides publications for marketing career-related materials.[8]

New Hampshire Career Pathways (formerly the school-to-work program) is a system of coordinated programs and experiences designed to match educational goals with employment needs of the future. Students are better prepared through a program of merged academics and real-work applications and experiences.

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[1] The Boston Globe <www.boston.com> Associated Press, "Chronology of New Hampshire's education lawsuit", accessed 9/14/01

[2] WMUR News <www.thewmurchannel.com>, "SAT Scores Climb Slightly: More Minorities Taking Tests", accessed 8/29/01

[3] *Digest of Educational Statistics 2000*, UDE, Office of Educational Research and Improvement

Elementary and Secondary Education (School year)

	1997	1998	1999	2000	Source
Enrollment, fall, public & private (includes preschool)	219,771	223,723	227,690	230,316	DE
Total Annual Percent Change	2.4%	1.8%	1.8%	1.2%	DE/NHES
First grade	2.6%	-3.8%	0.5%	-3.5%	DE/NHES
Twelfth grade	1.3%	4.3%	4.8%	3.9%	DE/NHES
Career Technology Education Enrollment	10,158	10,145	10,246	10,515	DE
Percent of 9th & 10th grade	8.8%	7.8%	7.9%	6.2%	DE/NHES
Percent of 11th & 12th grade	29.6%	25.7%	24.6%	25.9%	DE/NHES
High School Career Tech. Education Completers	2,601	2,617	2,611	2,676	DE
Average Salary of Instructional Staff (public schools)	$43,455	$44,234	$45,187	n/a	UED
United States rank	12	12	12	n/a	UED/NHES
High School Graduates (Public schools)					
Graduation rate (not adjusted for migration)	74.7%	74.5%	73.0%	n/a	UED
United States rank (including D.C.)	n/a	n/a	n/a	n/a	UED
Total number of graduates (public)	10,376	10,669	11,087	11,711	DE
Enrolled in four-year college	51.9%	52.0%	54.1%	54.0%	DE
Enrolled in less-than four year college	16.1%	17.6%	15.2%	15.7%	DE
Employed or in armed forces	27.2%	28.3%	30.7%	30.3%	DE
Scholastic Assessment Test (SAT)	1,039	1,043	1,038	1,039	UED
National average	1,016	1,017	1,016	1,019	UED
Rank (among the 23 states and D.C. who administer test)	3	3	3	3	UED
Percent of high school graduates taking test	70.0%	74.0%	n/a	72.0%	UED

[4] <www.ed.gov/offices/OESE/REA/awardees.html>
[5] *Digest of Educational Statistics 2000*, UDE, Office of Educational Research and Improvement
[6] The Union Leader <www.theunionleader.com>, 8/24/01, Stephen Frothingham, "Secret Service psychologist shares insights into violence in school", accessed 10/26/01
[7] The Concord Monitor <www.concordmonitor.com>, 11/1/01, Amy McConnell, "Statewide, a scramble to be ready", accessed 11/1/01
[8] New Hampshire Career Resource Network <www.nhes.state.nh.us/elmi/nhcrn/index.htm>

Expenditures Per Pupil (average)

	1997	1998	1999	2000	Source
Total, Net, all purposes (school year)	7,600	7,682	7,857	n/a	DE
Annual percent change	4.6%	1.1%	2.3%	n/a	DE/NHES
Instruction expenditures	4,385	4,599	4,772	n/a	DE
Current expenditures per pupil in ave. daily attn.	6,236	6,487	6,780	n/a	UED
Expenditures as % per capita income:					
New Hampshire	22.5%	22.0%	21.9%	n/a	UED/NHES
United States	24.7%	24.5%	24.6%	n/a	UED/NHES
United States rank (1=highest)	43	45	n/a	n/a	UED/NHES
Revenue sources, percent of total school revenues:					
State funds	7.4%	9.3%	8.9%	n/a	UED
National average	48.0%	48.4%	48.7%	n/a	UED
United States rank (District of Columbia not included)	50	50	50	n/a	UED
Local and other[a] funds	86.6%	84.5%	87.1%	n/a	UED
National average	42.9%	42.3%	44.2%	n/a	UED
United States rank (District of Columbia not included)	1	n/a	n/a	n/a	UED
Federal funds	3.5%	3.8%	4.0%	n/a	UED
National average	6.6%	6.8%	7.1%	n/a	UED
United States rank (District of Columbia not included)	50	n/a	n/a	n/a	UED

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

Postsecondary Education

	1997	1998	1999	2000	Source
Community Technical College	1,546	1,364	1,194	1,612	CTC
Number employed full-time after six months	885	834	931	1,402	CTC
Percent working full-time	57.2%	61.1%	77.0%	87.0%	CTC
Percent of those working in New Hampshire	87.0%	86.0%	n/a	70.0%	CTC
Number continuing education	155	160	262	435	CTC
Percent continuing education	10.0%	11.7%	22.0%	27.0%	CTC
Enrollment, fall total, 2 & 4 year institutions	65,631	61,228	63,953	61,741	PEC
Degrees Granted by NH Colleges	13,544	13,266	13,193	13,353	PEC
Associate degrees	3,259	2,904	2,926	2,941	PEC
Bachelor degrees	7,589	7,602	7,473	7,653	PEC
Postgraduate degrees inc. first professional degrees	2,696	2,760	2,794	3,759	PEC
By Selected Concentration:					
Business management and administration	3,398	3,495	3,095	3,391	PEC
Health sciences including M.D.	1,518	1,248	1,264	1,263	PEC
Engineering	568	532	574	472	PEC
Computer and information sciences	361	456	447	564	PEC

14. Health

New Hampshire lost its ranking as healthiest state in the nation in 2001, according to two separate surveys. UnitedHealth Foundation's *State Health Ranking 2001 Edition* ranked the state as second only to Minnesota for the healthiest. The Granite State ranked best in the nation in the following categories:

- Lowest violent crime rate with 97 offenses per 100,000 population
- Strong prenatal care with 88 percent of pregnant women receiving adequate care
- Low infant mortality rate with 4.8 deaths per 1,000 live births.

On the negative side, the prevalence of smoking among residents 18 and older increased from 22.3 percent of the population in 2000 to 25.3 percent in 2001, according to the UnitedHealth Foundation. Also, the state's support for public health care* dropped from first place to fifth over-the-year and the number of limited activity days** increased from 2.8 to 3.1 days.

About 96,000 New Hampshire residents under the age of 65 were uninsured in 1999, according to New Hampshire Department of Health and Human Services.

According to Morgan Quitno Press, the Granite State dropped to third behind Vermont and Minnesota in 2001 after holding the number one spot the previous year. These rankings are based on 21 factors that reflect access to health care providers, affordability of health care, and a generally healthy population. Although the Granite State did not rank best in the nation for any factor, it did rank in the top three for four of them:

- Teenage Birth Rate - Second lowest to Vermont
- Sexually Transmitted Disease Rate - Second lowest to Vermont
- Percent of Adults Overweight or Obese - Second lowest to Colorado
- Percent of Mothers Receiving Late or No Prenatal Care - Third lowest to Maine and Vermont

The average number of days a patient stays in a hospital has dropped 1.5 days since 1994

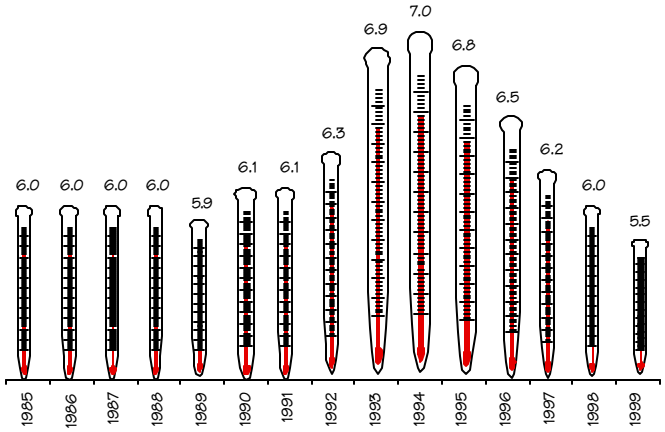

Figure 14.a: Average Length of Hospital Stay, 1985 - 1999

Health Insurance

About 96,000 New Hampshire residents under the age of 65 were uninsured in 1999, according to New Hampshire Department of Health and Human Services. In 1999 the Department sponsored the *New Hampshire Health Insurance Coverage Survey*, a telephone survey of New Hampshire residents under the age of 65. The survey results showed that three-quarters of the 96,000 uninsured residents were adults. Nearly one-third of the uninsured residents were between the ages of 30 and 44. Another one-quarter were between 18 and 29 years old.

* To calculate a state's support for public healthcare, total state and local expenditures for public welfare, health, and hospitals are divided by the total general expenditures of state and local units to calculate a percentage. That percentage is then divided by the percentage of the state's population with an annual household income below $15,000

** Limited activity days are defined by UnitedHealth Foundation as the average number of days in the past 30 days that a person could not perform work or household tasks due to physical or mental illness.

About 58 percent of working residents who didn't have health insurance indicated that they were working in firms that did not offer insurance coverage. Another 18 percent reported that their employer offered coverage but that they were not eligible because of the length of employment, the part-time nature of the work, or medical issues that restricted their access to employer-based insurance.

New Hampshire after September 11

It cannot be denied that the terrorist attacks of September 11 have changed the way we live. From increased security at Manchester Airport, the Seabrook nuclear power station, and even our highways, to wearing gloves opening the mail - New Hampshire residents have felt the effects of terrorism.

According to New Hampshire Health and Human Services Commissioner Donald Shumway, "Preparing for emergencies ranging from biological and chemical attacks to hurricanes and ice storms requires training and examination … it's not about a specific emergency - it's about all emergencies."[1] Shumway and other state health officials spent "every waking hour" in October meeting with doctors, nurses, and police and rescue workers who would respond to an emergency involving biological or chemical weapons.

The findings, according to Shumway, showed:

- New Hampshire needs more up-to-date lab and communications equipment and additional medical staff
- Communities need additional information on how well they can respond to crises
- More trained doctors and nurses are needed to diagnose and treat infectious diseases
- More lab technicians are needed to test suspect swabs and blood samples
- Health workers need:
  - Communication equipment such as cell phones and internet-connected computers for use in the field
  - Up-to-date testing equipment so that samples can be evaluated more quickly and reliably
  - Ongoing training in how to test, store, and transport samples that may eventually become evidence in a criminal investigation.

Elisabeth Picard

[1] Concord Monitor, <www.concordmonitor.com>, *Statewide, a scramble to be ready*, accessed November 1, 2001

Hospital Insurance

	1997	1998	1999	2000	Source
Medicare: (thousands)					
Aged	142	143	145	n/a	SSA
Disabled	20	21	22	n/a	SSA
Average covered charge per day of care					
Short-stay hospitals					
New Hampshire	$2,011	$2,177	n/a	n/a	SSA
New England	$2,051	$2,185	n/a	n/a	SSA
United States	$2,254	$2,419	n/a	n/a	SSA
Skilled nursing facilities					
New Hampshire	$451	$479	n/a	n/a	SSA
New England	$431	$459	n/a	n/a	SSA
United States	$487	$523	n/a	n/a	SSA
Medicaid:					
Average payments per recipient					
New Hampshire	$5,818	$6,449	n/a	n/a	SSA
New England	$5,814	$5,272	n/a	n/a	SSA
United States	$3,679	$3,501	n/a	n/a	SSA

Health

Workers' Compensation Payments

	1997	1998	1999	2000	Source
Reported injuries & compensable disabilities (fiscal year)					
Injuries per 100 in employment	10.2	9.7	9.4	9.3	LD
Compensable injuries per 100 in employment	2.2	2.1	2.0	2.0	LD
Benefits paid by insurance companies and self insurers ($ millions)	$149.3	$146.4	$155.7	$157.8	LD
Annual percent change	-5.9%	-1.9%	6.4%	1.3%	LD/NHES

Health Services

	1997	1998	1999	2000	Source
General hospitals, acute care only (excludes nursing home beds)					
Total admissions	110,193	108,942	109,110	n/a	HA
Percent change	1.7%	-1.1%	0.2%	n/a	HA
Gross revenue ($ millions)	$1,836	$1,979	$2,115	n/a	HA
Uncompensated Care (Bad Debt plus Charity Care) ($ millions)	$102	$101	$112	n/a	HA
Admissions per 1,000 population					
New Hampshire	94	92	91	n/a	HA
New England	114	111	111	n/a	HA
United States	118	118	119	n/a	HA
Total number of inpatient days	682,841	658,884	599,777	n/a	HA
Percent change	-3.3%	-3.5%	-9.0%	n/a	HA
Inpatient days per 1,000 population:					
New Hampshire	583	556	499	n/a	HA
New England	651	633	650	n/a	HA
United States	719	708	703	n/a	HA
Average length of stay (in days):					
New Hampshire	6.2	6.0	5.5	n/a	HA
New England	5.7	5.7	5.8	n/a	HA
United States	6.1	6.0	5.9	n/a	HA
Emergency Room Visits	450,857	476,050	491,840	n/a	HA
Inpatient Surgeries	31,078	31,291	32,864	n/a	HA
Outpatient Surgeries	56,233	61,163	60,607	n/a	HA

Total Expense Per Capita

	1997	1998	1999	2000	Source
New Hampshire	$1,009	$1,055	$1,073	n/a	HA
Annual percent change	2.1%	4.6%	1.7%	n/a	HA/NHES
New England	$1,334	$1,415	$1,463	n/a	HA
Annual percent change	6.1%	6.1%	3.4%	n/a	HA/NHES
United States	$1,142	$1,180	$1,229	n/a	HA
Annual percent change	3.1%	3.3%	4.2%	n/a	HA/NHES

New Hampshire was second only to Maryland for having the nation's lowest percentage of its population in poverty in 2000 with a 1998-2000 three-year running average of 7.4 percent, according to information released by the U.S. Census Bureau. This was an improvement from the 8th place ranking in 1999 with 8.9 percent. This extends New Hampshire's record of poverty ratings below those of New England and the nation to 20 years.

Welfare Reform

Part of the federal welfare reform efforts in 1996 replaced the Aid to Families with Dependent Children (AFDC) financial assistance program with Temporary Assistance for Needy Families (TANF). Recipients of this program are eligible to receive a lifetime maximum of 60 months of benefits, during which they are encouraged to find employment, seek short term training to become employable, and to remain active members of the labor force. Nationally there was a 57 percent decline in the number of people enrolled in TANF since 1996.

Per New Hampshire Department of Health and Human Services (NHDHHS), New Hampshire had 5,452 families on TANF in July 2001. That was a significant decrease from the 8,118 families when the welfare reform went into effect in October 1996.

Continuous recipients of the new welfare reform "work first" programs from 1996 would reach their 60-month limit in October 2001. By September 30, 2001 there were 101 people in New Hampshire reaching their time limit. NHDHHS estimates 40 to 50 additional cases will reach their time limit every month from now on.

There are rules concerning hardship for extensions, including pending applications for disability, established by each state. There is an automatic extension for program participants if there is a statewide unemployment rate of 7 percent; if the individual is eligible for extended unemployment benefit program; or if the individual lives in an area that the U.S. Department of Labor has declared a Labor Surplus Area.[1] Twenty-six families met the automatic extension exception in October 2001.

WIA Program Assessments

Workforce Investment Act (WIA) of 1998 intends to provide every customer more coordinated, customer friendly, locally driven (not state) employment and training assistance. Included in the WIA were performance accountabilities for states to meet. The federal assessment of the states was established to insure the continuous improvement of the program. Each title of WIA falls under a different implementation timeframe. Title I, which includes disadvantaged adults, dislocated workers, and youth programs, was among the initial programs approved so it was among the first to reach the assessment process. The process includes tracking the number of participants entering into employment, the ability of those participants to retain employment, and the progression of their earnings.

. . . New Hampshire had 5,452 families on TANF in July 2001.

New Hampshire had next to the lowest shares in New England for both survivor benefits and disabled workers

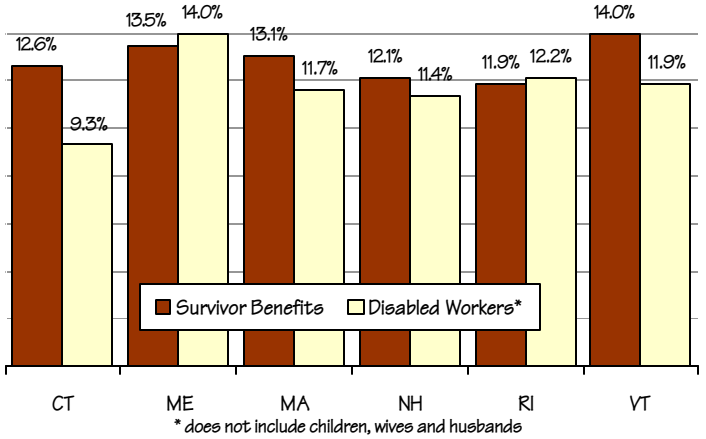

Figure 15.a: Survival benefits and disabled workers as a percent of total OASDI recipients

Eligible training providers (ETP) must meet state standards for certification to render training to program participants. The ETPs have to track participants who completed their programs, track wages of participants upon entry to the training, and number of training completers that enter employment. Calculation of program assessment records in New Hampshire is the responsibility of New Hampshire Employment Security's Performance Accountability and Consumer Information Agency (PACIA).

Grandparents

According to the Census Bureau 2000 results, it is estimated that 17,779 grandparents in New Hampshire live in a household with their grandchildren under 18 years old.

Grandparents raising their grandchildren have become a growing trend in the nation. Of New Hampshire grandparents who are living with their grandchildren, almost 34 percent are the responsible party for their grandchildren. Many of those do not have legal custody of their grandchildren. According to NHDHHS, there is financial and medical assistance available in New Hampshire to grandparents for the support of their grandchildren, including TANF. If grandparents want to be included on the grant, there is a job or community service requirement. If the grant is for the grandchild only, there is no work requirement. Although the fund is from a federal grant, the states run the programs with federal guidelines. To be eligible for this assistance in New Hampshire, it is necessary for the grandparents to file child support papers on the child's parent. Because of this legal action, many grandparents are hesitant to apply.

Anita Josten

In 2000, 10.9 percent of New Hampshire grandparents living with their grandchildren had been the primary responsible party for 3 to 4 years.

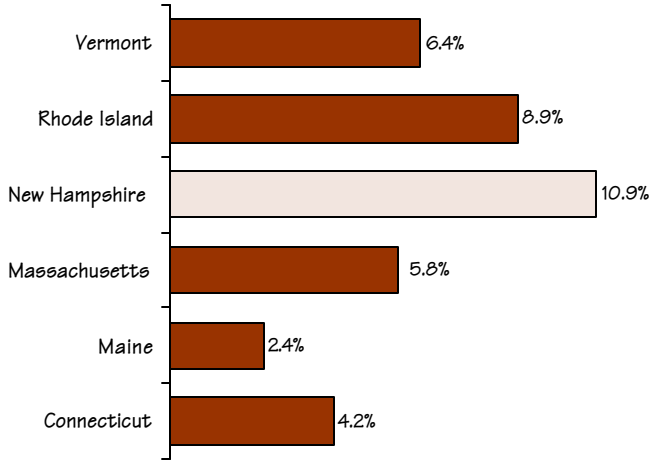

Figure 15.b: Of grandparents living with their grandchildren , percent of those with primary responsibility for grandchildren for 3 to 4 years

[1] New Hampshire Administrative Rules HEW 602.07c,d and HEW 602.08 A3

Poverty

	1997	1998	1999	2000	Source
Persons below poverty (percent of population)[a]					
New Hampshire	6.9%	8.4%	8.9%	7.4%	CB
Connecticut	10.0%	9.9%	8.4%	7.6%	CB
Maine	10.9%	10.6%	10.4%	9.8%	CB
Massachusetts	11.1%	10.3%	10.9%	10.2%	CB
Rhode Island	11.5%	11.8%	11.4%	10.0%	CB
Vermont	10.7%	10.6%	9.6%	10.1%	CB
United States	13.6%	13.2%	12.6%	11.9%	CB

[a] 3-year moving average (this average has smaller standard errors than individual years, and is statistically more reliable)

Temporary Assistance for Needy Families (TANF) - annual averages

	1997	1998	1999	2000	Source
Total cases (average open on last day of December)	6,529	6,114	5,581	5,285	DHS
Percent annual change	-15.7%	-6.4%	-8.7%	-5.3%	DHS
Average case size	2.5	2.4	2.4	2.4	DHS
Percent with earned income	13.3%	12.2%	14.1%	17.6%	DHS
Number with non-parent relative in case	1,482	1,576	1,609	1,638	DHS
Annual percent change	3.6%	6.3%	2.1%	1.8%	DHS

TANF Cases per 1,000 Population (July data)

	1997	1998	1999	2000	Source
New Hampshire	n/a	n/a	4.9	4.3	OFA/NHES
United States rank (1=lowest)	n/a	n/a	14	n/a	OFA/NHES
Connecticut	n/a	n/a	8.9	n/a	OFA/NHES
United States rank	n/a	n/a	38	n/a	OFA/NHES
Maine	n/a	n/a	8.9	n/a	OFA/NHES
United States rank	n/a	n/a	39	n/a	OFA/NHES
Massachusetts	n/a	n/a	7.5	n/a	OFA/NHES
United States rank	n/a	n/a	31	n/a	OFA/NHES
Rhode Island	n/a	n/a	18.2	n/a	OFA/NHES
United States rank	n/a	n/a	50	n/a	OFA/NHES
Vermont	n/a	n/a	10.5	n/a	OFA/NHES
United States rank	n/a	n/a	44	n/a	OFA/NHES

Social Security Recipients (December data)

	1997	1998	1999	2000	Source
Total OASDI including spouses and children	190,280	192,320	194,930	n/a	SSA
Annual percent change	1.0%	1.1%	1.4%	n/a	SSA
Retirement (Retired workers) [a]	127,020	128,380	130,320	n/a	SSA
Survivor [b]	18,220	18,230	18,130	n/a	SSA
Disability (Disabled workers) [a]	19,650	20,270	21,080	n/a	SSA
Age 65 and over	139,670	141,460	142,680	n/a	SSA
Percent of total OASDI recipients	73.4%	73.6%	73.2%	n/a	SSA/NHES
Age 65-69 years	38,810	38,360	38,030	n/a	SSA
Age 70-74 years	36,860	37,770	37,500	n/a	SSA
Age 75 years and older	64,000	64,330	67,150	n/a	SSA
Percent women	58.6%	58.4%	52.8%	n/a	SSA/NHES
Children aged 17 and under	11,990	11,940	11,880	n/a	SSA
Monthly OASDI benefit amount total (thousands)	$105,959	$109,741	$114,340	n/a	SSA
Retired workers (median)	$776.80	$795.50	$821.50	n/a	SSA
Non-disabled widows and widowers (median)	$762.90	$789.50	$813.50	n/a	SSA
Disabled workers (median)	$689.90	$693.00	$716.40	n/a	SSA

[a] Excludes spouses and children

[b] Excludes children

16. Crime & Crashes

New Hampshire has had the lowest total crime index in New England for the past eleven years. The Granite State's crime index has been well below the national rate since at least 1960. In 2000 New Hampshire's crime index was 2,433.1 (rate per 100,000 population), while Maine and Vermont both followed with crime indexes under 3,000.

The Federal Bureau of Investigation's (FBI) Uniform Crime Reporting Program compiles crime data supplied by law enforcement agencies to provide reliable and comparable crime statistics among the states. The crime index enables states to measure fluctuations and changes in types of crime. This index comprises two areas of offenses: violent crimes (murder and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault) and property crimes (burglary, larceny-theft, and motor vehicle theft). The data is published by the FBI in a report called Crime in the United States.

. . . New Hampshire has been the safest state in New England and the second safest in the nation for five consecutive years.

New Hampshire continues to have the lowest property crime rate in New England, 2,257.8 per 100,000 population. Every state in New England, except Rhode Island, had a property crime index lower than 3,000.

New Hampshire ranked third among the New England states for its violent crime index. The Granite State had 175.4 violent crimes per 100,000, a rate bettered by Maine at 109.6 and Vermont at 113.5.

Complete crime data for 1997 through 1999 were not available in New Hampshire, therefore these years were estimated by the FBI. Because of this, data for 2000 may not be comparable to previous years.

According to Morgan Quitno Press, New Hampshire has been the safest state in New England and the second safest in the nation for five consecutive years.

The Most Dangerous/Safest Cities in America award, prepared by Morgan Quitno, is based on six areas of crime: murder, rape, robbery, aggravated assault, burglary, and motor

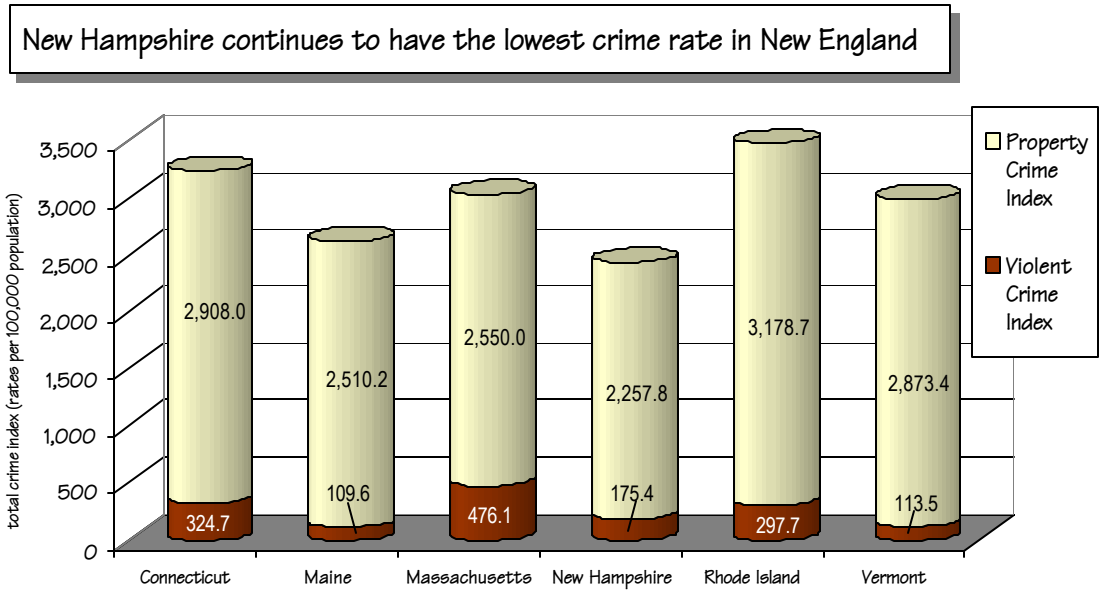

Figure 16.a: Property Crime and Violent Crime as a portion of the Total Crime Index

vehicle theft. The Granite State had the lowest burglary and motor vehicle theft rates in the nation. New Hampshire was ranked 22nd for rape. This was the state's worst crime area, but this was an improvement over last year's 27th ranking for this category.

Manchester, New Hampshire, was the 77th Safest City in America. This award is based on the same six crime areas as the Safest State Award. Each of the 322 cities ranked by Morgan Quitno had a population of over 75,000 and supplied the FBI with crime data.

Traffic Crashes

Nearly 2,600 more traffic crashes were reported in New Hampshire during 2000 than in 1999, a rise of 7.3 percent. Total injuries reported also grew by 7.3 percent, up 1,023 to 15,033 in 2000.

Causes of fatal crashes fluctuate, while the largest number continues to be alcohol/drug related

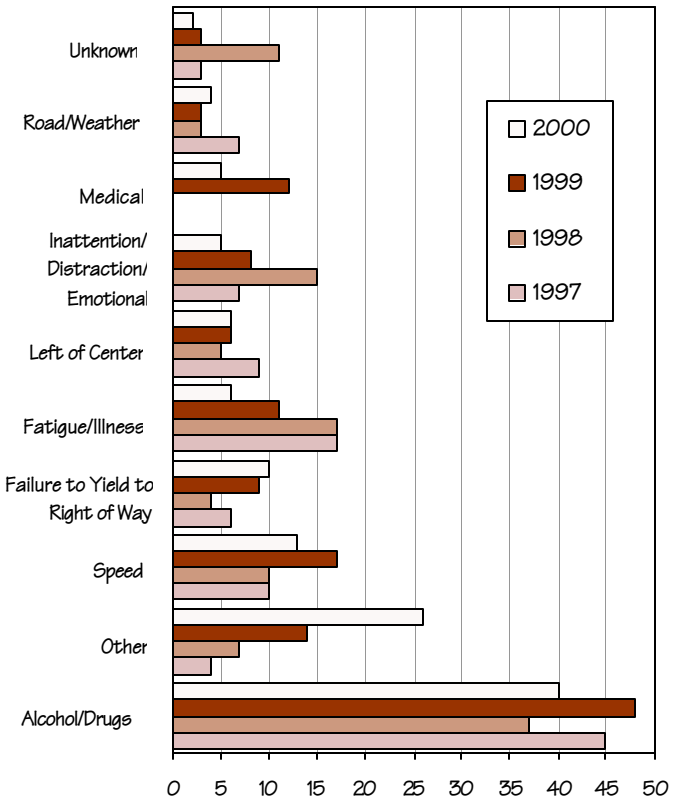

Figure 16.b: 1996-2000 Primary Causes of Fatal Crashes

The number of fatalities on New Hampshire roadways dropped from 141 to 126. These fatalities occurred in 117 motor vehicle crashes in 2000, 14 fewer fatal crashes than in 1999. This was the largest drop in six years. Over one-third of these crashes were caused by alcohol/drugs, and involved a blood alcohol content of 0.04 percent or above.

There were 13.3 billion miles traveled in the Granite State during 2000. For the first time in over five years there was less than one death per 100 million vehicle miles traveled.

Total personal and commercial auto insurance claims in New Hampshire exceeded $407 million in 2000, an over-the-year increase of 14.4 percent. This was the fastest growth in at least six years.

Incarceration

Total prisoner population in New Hampshire grew three percent during FY 2001, bringing the total to 2,323. In FY 2000 prisoner population increased one percent, while FY 1999 had posted a prisoner population gain of four percent.

The incarceration rate in 2000 was 183 prisoners per 100,000 population. (Incarceration rates will be affected by new population figures, which will be released in 2002.)

Total probation and parole cases grew 6.8 percent during FY 2000, bringing the total to 4,920. Total probation cases exceed parole cases by approximately 3,000. New Hampshire had one of the smallest percentages of their population under correctional supervision. Probation is when criminal offenders are sentenced to a period of correctional supervision in the community, while parole is a conditional release to community supervision following a prison term.[1]

Terrorism

Following the recent terrorist attacks on America, New Hampshire established the Commission on Preparedness and Security on September 27, 2001. The Commission's purpose was to assess the state's ability to

respond to terrorist attacks and recommend the necessary steps to ensure the citizens of New Hampshire are protected and the state is secure.

The Commission reported to the Governor on November 27, 2001 with their findings. They found the state is capable of handling various emergencies. The Commission stated that in the event of multiple terrorist incidents New Hampshire's existing resources would be taxed. Along with their findings they made several recommendations to further improve the state's preparedness and security.[2]

At this time there has been no indication of any terrorist threat to New Hampshire. Nonetheless, as a result of the September 11 attack, several steps were taken to ensure safety and security across the state.

- The State Police have increased border patrols in Pittsburg.
- The state's three public airports are being patrolled by members of the New Hampshire National Guard.
- New Hampshire Marine Patrol is conducting regular security patrols of Portsmouth Harbor and the Piscataqua River.
- The Seabrook Nuclear Power Plant is at its highest level of security alert.
- New Hampshire Division of Motor Vehicles has increased its inspection of vehicles containing hazardous materials.[3]

Gail Houston

[1] U.S. Department of Justice, Bureau of Justice Statistics. "National Correctional Population Reaches New High" release date August 26, 2001 <www.ojp.usdoj.gov>, accessed: October 4, 2001

[2] New Hampshire State Government Online. "Assessment of New Hampshire's Preparedness and Security" release date November 27, 2001 <www.state.nh.us>, accessed: November 28, 2001

[3] New Hampshire State Government Online. "Working to Protect New Hampshire's Citizens" release date September 27, 2001 <www.state.nh.us>, accessed: October 23, 2001

Crime Offenses[a]

	1997[a]	1998[a]	1999[a]	2000[a]	Source
Total crime offenses	30,963	28,675	27,406	30,068	FBI
Annual percent change	n/a	-7.4%	-4.4%	n/a	FBI
Violent crime offenses	1,328	1,270	1,159	2,167	FBI
Annual percent change	n/a	-4.4%	-8.7%	n/a	FBI
Property crime offenses	29,635	27,405	26,247	27,901	FBI
Annual percent change	n/a	-7.5%	-4.2%	n/a	FBI

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

State Prison Population (Fiscal Year)

	1997	1998	1999	2000	Source
Number of prisoners in State prison facilities	2,136	2,154	2,233	2,259	DC
Incarceration rate (prisoners per 100,000 population)	182	182	186	183	DC/NHES
Probation and parole caseload	5,761	6,151	4,606	4,920	DC
U.S. incarceration rate (federal and state) (calendar yr)	444	461	476	478	DJ

Auto Insurance Claims Loss - Personal and Commercial

	1997	1998	1999	2000	Source
Total Claims ($ millions)	$367.3	$331.9	$356.5	$407.9	ID
Annual percent change	5.1%	-9.6%	7.4%	14.4%	ID/NHES

Total Crime Index (Rate per 100,000 population)

	1997[ab]	1998[ab]	1999[ab]	2000[ab]	Source
United States	2,930.0	4,619.3	4,266.8	4,124.0	FBI
New Hampshire	2,639.6	2,419.8	2,281.9	2,433.1	FBI
Connecticut	3,984.3	3,786.5	3,389.3	3,232.7	FBI
Maine	3,131.7	3,040.8	2,875.9	2,619.8	FBI
Massachusetts	3,675.2	3,435.9	3,262.5	3,026.1	FBI
Rhode Island	3,654.4	3,517.8	3,581.9	3,476.4	FBI
Vermont[c]	2,828.2	3,139.1	2,817.3	2,986.9	FBI

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

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

[c] Vermont reporting practices changed in 1998, invalidating comparisons to previous years

Violent Crime Index (Rate per 100,000 population)

	1997[ab]	1998[ab]	1999[ab]	2000[ab]	Source
United States	611.3	567.5	523.0	506.1	FBI
New Hampshire	113.2	107.2	96.5	175.4	FBI
Connecticut	390.9	366.3	345.6	324.7	FBI
Maine	120.8	125.9	112.1	109.6	FBI
Massachusetts	644.2	621.3	551.0	476.1	FBI
Rhode Island	333.5	312.1	286.6	297.7	FBI
Vermont[c]	119.7	106.3	113.8	113.5	FBI

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

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

[c] Vermont reporting practices changed in 1998, invalidating comparisons to previous years

Property Crime Index (Rate per 100,000 population)

	1997[ab]	1998[ab]	1999[ab]	2000[ab]	Source
United States	4,318.7	4,051.8	3,743.5	3,617.9	FBI
New Hampshire	2,526.4	2,312.7	2,185.4	2,257.8	FBI
Connecticut	3,593.4	3,420.2	3,043.7	2,908.0	FBI
Maine	3,011.0	2,914.9	2,762.8	2,510.2	FBI
Massachusetts	3,031.0	2,814.6	2,711.5	2,550.0	FBI
Rhode Island	3,320.9	3,205.7	3,295.4	3,178.7	FBI
Vermont[c]	2,708.5	3,032.8	2,703.5	2,873.4	FBI

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

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

[c] Vermont reporting practices changed in 1998, invalidating comparisons to previous years

Traffic Crashes

	1997	1998	1999	2000	Source
Total crashes reported	30,937	33,686	35,558	38,156	DMV
Annual percent change	0.04%	8.9%	5.6%	7.3%	DMV/NHES
Total injuries reported	11,651	13,272	14,010	15,033	DMV
Annual percent change	-8.3%	13.9%	5.6%	7.3%	DMV/NHES
Fatal motor vehicle crashes	120	115	131	117	DMV
Number of fatalities	124	129	141	126	DMV
Percent alcohol involved [a]	38%	34%	37%	35%	DMV
Fatalities per 100 million vehicle miles	1.00	1.02	1.07	0.94	RTDS

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

17. Environment

The New Hampshire Legislature is pursuing a multipollutant reduction strategy for clean air that would impose requirements on New Hampshire power plants that would be the most aggressive in the nation. The strategy, outlined in HB 284, calls for annual caps from affected sources of:

- Total sulfur dioxide (SO_2) emissions - 7,289 tons total
- Total oxides of nitrogen (NOx) emissions - 3,644 tons
- Total mercury emissions from all affected sources burning coal as a fuel at or below the Maximum Achievable Control Technology standard to be set by the U.S. Environmental Protection Agency (EPA)
- Total carbon dioxide (CO_2) emissions - 5,425,866 tons - until December 31, 2010 with a lower cap to be determined.

There is also a "cap and trade" strategy for trading and banking emission reductions. This rewards facilities for reducing emissions below the requirements and provides incentives for energy efficiency investments.

New Hampshire's large power plants emitted . . . only 2,056 tons (of NOx) in 2000.

These standards will affect three power plants, Merrimack Station in Bow, Newington Station in Newington, and Schiller Station in Portsmouth. Because they were built before 1977, the Clean Air Act "grandfathered" these power plants, protecting them from some of the stringent requirements of the act. PSNH estimates the cost of implementation at $5 million per year.

The two newest plants, Newington Energy in Newington and AES Granite Ridge in Londonderry, will be unaffected. As new facilities, they are already subject to more stringent requirements.

Fine Particulate Matter (FPM)

Perhaps the most insidious environmental hazard in New Hampshire's beautiful environment is FPM. The haze hanging over a mountainscape on an otherwise fine day is probably FPM. A major component in FPM in the Northeast is the sulfates originating in coal-burning power plants in other regions.

In addition to the negative esthetic effect of FPM, it is also a serious health hazard. Inhaling allows the toxins to enter the body through the lungs. These toxins can cause asthma attacks and other lung disorders.

Nitrous Oxides (NOx)

NOx emissions are a major cause of smog. The Ozone Transport Commission (OTC) exacted a commitment from eight New England and Middle Atlantic States to reduce NOx emissions during the summer ozone season. New Hampshire's large power plants emitted 14,589 tons in summer 1990. They reduced this amount to 3,463 tons of NOx in 1999 and only 2,056 tons in 2000. This 85.9 percent reduction through 2000 continued leading the two regions in percentage reduction. Much of this can be attributed to the installation of pollution control devices at coal burning power plants. The coming on-line of natural gas power plants should allow this trend to continue.[1]

Methyl tertiary butyl ether (MtBE)

In 1979 MtBE emerged as a lead substitute additive in gasoline. It increases the octane rating, making engines burn cleaner, which in turn would reduce air pollution. The Clean Air Act required areas where the ozone levels were high to increase the oxygen level in gasoline. The individual states handled this dictum with different solutions. While Midwestern states tended to reformulate using ethanol, states on the coasts gravitated toward increasing the amount of MtBE in gasoline to increase the octane.

New Hampshire's public and private water supplies reflect a major problem with this

additive. Of sites tested by the Department of Environmental Services (DES), 16 percent of public water supplies and 27 percent of private wells were contaminated. MtBE is highly soluble in water and breaks down slowly. It has a low odor threshold, 20 micrograms per liter (mg/L), and taste threshold, 40 mg/L.

The New Hampshire Department of Health and Human Services' Bureau of Health Risk Assessment (BHRA) have performed studies on the health effects of MtBE on animals. Because of the results of these studies, the BHRA considers MtBE a possible human carcinogen. [2]

There are three ways to remove MtBE from water: aeration, adsorption using activated carbon, and oxidation.

In April 2001 New Hampshire petitioned the Environmental Protection Agency seeking immediate withdrawal of New Hampshire from the Reformulated Gasoline Program. New York's similar attempt to ban MtBE is being challenged in court.

Dioxin

Dioxins are toxicants which can cause reproductive and developmental disorders and suppress the immune system. They are carcinogenic to humans even in minute quantities. New Hampshire was the first state to develop a strategy to reduce dioxins. *New Hampshire Dioxin Reduction Strategy*, released March 14, 2001, outlined specific recommendations for reducing emission at their sources.[3]

The largest source of dioxins is from medical waste incineration. Recycling and sterilization techniques are expected to replace or reduce emissions from these burnings.

Based on limited national data, wood-fired boilers and power plants were thought to be the second largest source, but DES believes updated testing of these sources may show much lower dioxin emissions. Most New Hampshire facilities use whole tree chips, which burn considerably cleaner than fuels like construction waste. A subordinate offshoot of the closing of the pulp and paper mill in Berlin is a possible shortage of tree chips. The treetops and forest floors were the source of much of this product.

The third most prevalent cause is backyard trash burning. Recent legislation, in 2001, should eliminate this practice.

Mercury

Mercury is an airborne toxin which eventually lands and is taken in by plants and animals and works its way up the food chain. It eventually enters the waterways where fish ingest it. Mercury causes neurological and reproductive disorders.

New Hampshire led the nation with a ban of the sale of mercury fever thermometers and mercury-added novelty items. It also has banned the use of mercury in schools. Next came a program where people could exchange mercury thermometers for digital ones. In the first few months, there was a harvest of over 70 pounds of mercury, keeping that amount out of the food chain. This was in addition to the installation of improved scrubbers on the Penacook incinerator. All these considerations led to a nearly 40 percent reduction in mercury emissions in the state.[4]

Across the state, ozone levels have been falling since 1997

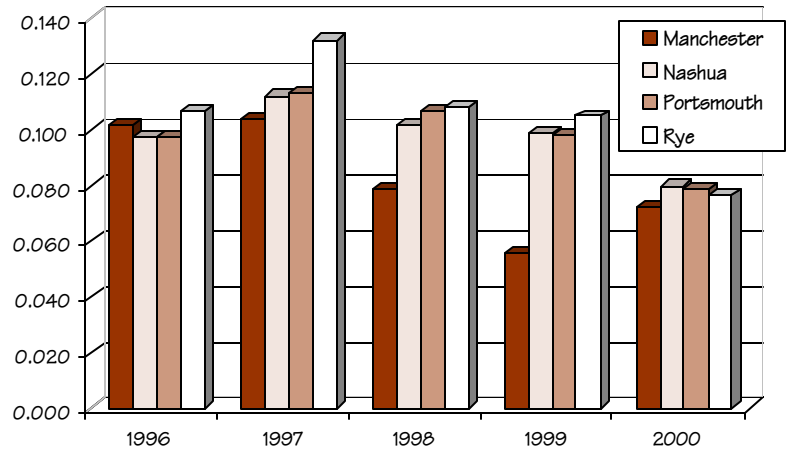

Figure 17.a: Four highest maximum hourly values in parts per million of ozone at selected sites

Recycling

The end of a voluntary pact made in 1991 by New Hampshire's eight largest newspapers showed them using 33 percent recycled newsprint. Three papers, The Concord Monitor, The Keene Sentinel, and The Valley News met the goal of 40 percent set in 1991.[5]

Recycled tonnage from municipalities nearly tripled between 38,600 tons in 1990 to 101,813 tons in 2000. In addition to the reportable items included in that figure (aluminum, plastic, glass, etc.), community recycling centers are finding outlets for items such as clothing, toner cartridges, computers, and food waste (for animal feed).

Toxic Release Inventory

In 1998 the EPA added seven industries to the Toxic Release Inventory. One, electric utilities that combust coal and/or oil, accounted for virtually all New Hampshire releases by these new industries. Total pounds released in 1999 decreased by 1.2 million. Electric utility power plants get credit for this. Decreases there totaled 1.4 million with hydrochloric acid alone decreasing by over 1.2 million. The original manufacturing industries actually increased by 150,000. All the top ten manufacturers had more toxins released in 1999 than in 1998.

Martin Capodice

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1 "New Hampshire once again leads Northeast and Mid-Atlantic states in reducing smog forming NOx emissions" Environmental News, Newsletter of NH DES, September/October 2001.

2 New Hampshire Department of Environmental Services, <www.des.state.nh.us/factsheets>, *MtBE in Drinking Water*, accessed December 17, 2001

3 "DES issues New Hampshire Dioxin Reduction Strategy" Environmental News, Newsletter of NH DES, January/February 2001

4 NH DES, *New Hampshire Environment 2000,* June 2001, p2.

5 "State's Largest Newspapers Conclude Ten-Year Recycling initiative. Their Average Recycled Content Grows From 6 percent To 33 Percent" Environmental News, Newsletter of NH DES, September/October 2001

Toxic Release Inventory

	1997	1998	1999	2000	Source
On-site and Off-site Releases in Pounds					
New Hampshire	2,786,933	7,061,002[a]	5,871,954	n/a	EPA
Percent Change	-4.8%	n/a	-16.8%	n/a	NHES/EPA
New England	32,025,585	44,405,929[a]	35,469,980	n/a	EPA
Percent Change	-0.7%	n/a	-20.1%	n/a	NHES/EPA
U.S. (thousands)	2,568,180,211	7,384,061,829	7,772,037,571	n/a	EPA
Percent Change	2.3%	n/a	5.3%	n/a	NHES/EPA
SOLID WASTE Residential and Commercial (tons per year-thousands)					
Generated	1,177.8	1,283.8	1,311.3	1,382.6	WMD
Recycling	232.2	259.8	263.2	251.5	WMD
Disposed of [b]	854.3	930.4	981.1	1,076.2	WMD
Pounds per person per day	5.5	5.9	6.0	6.1	WMD
Exported	91.2	93.7	67.0	54.8	WMD
Imported (for incineration and landfill)	820.0	739.7	538.7	254.7	WMD

[a] 1998 TRI data reflects the first year of reporting by seven additional industries

[b] generated less recycling and divergence

Carbon Monoxide

	1997	1998	1999	2000	Source
Second maximum eight-hour concentration [NAAQS 9 ppm]					
Manchester	4.0	3.6	3.5	3.6	EPA
Nashua	5.3	5.3	5.3	4.1	EPA

Ozone Levels

	1997	1998	1999	2000	Source
Fourth highest 1-hour maximum hourly values in parts per million, selected monitoring sites					
[National Ambient Air Quality Standard (NAAQS) 0.12 parts per million (ppm)]					
Revised in 1997 - 8 hrs @.08 ppm					
Manchester	0.104	0.079	0.056	0.072	EPA
Nashua	0.11225	0.102	0.099	0.08	EPA
Portsmouth	0.1135	0.107	0.098	0.079	EPA
Rye	0.1325	0.108	0.105	0.077	EPA
Estimated Days above NAAQS standard (0.125 ppm)	4	0	0	0	EPA

Water Quality - Lakes and Ponds

	1997	1998	1999	2000	Source
Aquatic Life:					
Total acres assessed	161,464	n/a	160,570	n/a	WSP
Acres Fully Supporting	156,256	n/a	155,560	n/a	WSP
Acres Partially Supporting	2,810	n/a	3,231	n/a	WSP
Acres Not Supporting	2,398	n/a	1,779	n/a	WSP
Acres Not Assessed [a]	8,545	n/a	7,432	n/a	WSP
Fish Consumption:					
Acres Fully Supporting [a]	170,009	n/a	168,002	n/a	WSP
Swimming:					
Total acres assessed	161,464	n/a	160,406	n/a	WSP
Acres Fully Supporting	159,815	n/a	159,119	n/a	WSP
Acres Partially Supporting	1,386	n/a	1,287	n/a	WSP
Acres Not Supporting	0	n/a	0	n/a	WSP
Acres Not Assessed	8,808	n/a	7,596	n/a	WSP

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

Water Quality - Rivers and Streams

	1997	1998	1999	2000	Source
Aquatic Life:					
Total miles assessed	2,542	n/a	2,714	n/a	WSP
Miles Fully Supporting	2,407	n/a	2,558	n/a	WSP
Miles Partially Supporting	128	n/a	134	n/a	WSP
Miles Not Supporting [a]	7	n/a	22	n/a	WSP
Miles Not Assessed	8,339	n/a	8,167	n/a	WSP
Fish Consumption:					
Total miles assessed	279	n/a	279	n/a	WSP
Miles Fully Supporting	0	n/a	0	n/a	WSP
Miles Partially Supporting	265	n/a	265	n/a	WSP
Miles Not Supporting [a]	14	n/a	13	n/a	WSP
Miles Not Assessed	10,602	n/a	10,602	n/a	WSP
Swimming:					
Total miles assessed	2,566	n/a	2,769	n/a	WSP
Miles Fully Supporting	2,478	n/a	2,657	n/a	WSP
Miles Partially Supporting	50	n/a	43	n/a	WSP
Miles Not Supporting [a]	38	n/a	69	n/a	WSP
Miles Not Assessed	8,315	n/a	8,112	n/a	WSP

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

Directory of Sources

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

Abbreviation	Provider
LD	New Hampshire Department of Labor
MA	Manchester Airport
MBA	Mortgage Bankers Association of America
MISER	Massachusetts Institute for Social and Economic Research
NAR	National Association of Realtors
NCUA	National Credit Union Administration
NHES	New Hampshire Employment Security
OFA	Office of Family Assistance, Administration of Children and Families, United States Department of Health and Human Services
OSP	New Hampshire Office of State Planning
P&R	Division of Parks and Recreation, New Hampshire Department of Resources and Economic Development
PEC	New Hampshire Postsecondary Education Commission
PM	New Hampshire Pari-mutuel Commission
PS	United States Postal Service, Manchester Field Division
PSNH	Public Service Company of New Hampshire
RA	New Hampshire Department of Revenue Administration
RTDS	Road Toll Administration, New Hampshire Department of Safety
SMM	Sales and Marketing Management, a publication of Bill Communications
SSA	United States Social Security Administration
SST	New Hampshire Office of Secretary of State
UED	United States Department of Education
UIS	United States Department of Labor, Unemployment Insurance Service
USACE	United States Army Corps of Engineers
VS	Bureau of Vital Records/Health Statistics, Division of Public Health Services, New Hampshire Department of Health and Human Services
WMD	Waste Management Division, New Hampshire Department of Environmental Services
WSP	Water Supply and Pollution Control Division, New Hampshire Department of Environmental Services

Aid to Families with Dependent Children (AFDC): A federal/state program replaced by TANF.
(Section 15)

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 17)

Alcohol-Involved Traffic Crash: Either driver, biker, or pedestrian reported consuming alcohol prior to the crash (blood alcohol level of .04 or above).
(Section 16)

Assisted-Rental Housing: Several programs provide both project-based and tenant-based financial assistance for low income housing renters including NHHFA (New Hampshire Housing Finance Authority), HUD (U.S. Dept. of Housing and Urban Development), FmHA (Farmers' Home Administration), and local housing agencies.
(Section 10)

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

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

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

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

British Thermal Units (BTUs): The quantity of heat needed to raise the temperature of one pound of water one degree Fahrenheit at a specified temperature.
(Section 7)

Chained Dollars: A methodology for adjusting for inflation, which includes both quantities produced and relative prices of goods and services.
(Section 8)

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

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

Constant Dollars: Figures that are estimates representing an effort to remove the effects of price changes (inflation) as if the dollar had constant purchasing power. *See Current Dollars.*
(Section 8)

Contract Value Indices: An indexed dollar value of construction contracts. *(Section 10)*

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

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

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

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

Current Dollars: Figures reflecting actual prices or costs prevailing during the specified year(s). *See Constant Dollars and Chained Dollars.* *(Section 8)*

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

Defense Contracts: Awards made during a specified fiscal year, representing the value of obligation for contract actions. *(Section 8)*

Disability Benefits under Social Security: For purposes of entitlement to benefits, disability is defined as the inability to engage in any substantial gainful activity, by reason of medically determinable physical or mental impairment severe enough to render the person unable to engage in any kind of substantial gainful work, regardless of availability of such work. *(Section 15)*

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

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

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

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

Earnings: see *Average Weekly Earnings* *(Section 2)*

Effective Buying Income (EBI): An indicator of the ability to buy. It is estimated by personal income less personal tax and nontax payments similar to disposable income. Developed by *Sales and Marketing Management.* *(Section 9)*

Electric Utility: A corporation, person, agency, authority, or other legal entity or instrumentality that owns and/or operates facilities for the generation, transmission, distribution, or sale of electrical energy, primarily for use by the public, and that files forms listed in the Code of Federal Regulations, Title 18, Part 141. Facilities that qualify as co-generators or small power producers under the Public Utility Regulatory Policies Act are not considered utilities. *(Section 7)*

Energy Consumption: The use of energy as a source of heat or power or as a raw material input to a manufacturing process. *(Section 7)*

Energy Generated, Net: The total amount of electric energy produced by a generating station less the electric energy consumed for station use.
(Section 7)

Equity Capital Asset Ratio: A measure to assess the financial health of lending institutions.
(Section 11)

FmHA: Farmers' Home Administration. See *Assisted-Rental Housing*
(Section 10)

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 7)

Food Stamp Program: A federal government-sponsored program to increase the buying power and the nutritional level of low income families.
(Section 15)

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 8)

Gross State Product (GSP): The market value of all final goods and services produced by resources located in a state, regardless of ownership.
(Section 8)

High School Graduation Rate: The percentage of ninth graders who receive a regular high school diploma four years later. For example: the graduation rate for 1999 is for students who were in the ninth grade in the fall of 1995.
(Section 13)

High Tech Industries: Industries are considered high tech if employment in both research and development (R&D) occupations and in all technology-oriented occupations account for a proportion of employment that was at least twice the average for all industries in the Occupational Employment Statistics survey. High tech intensive industries are a subset of total high tech industries. Their R&D and technology-oriented occupations total more than five times the all industry average.
(Section 5)

Home Sales of Existing Homes: Estimates based on multiple listing data. Projections are made with the cooperation of the National Association of Realtors. Data primarily consists of existing units of single family homes, town houses, condominiums, and cooperatives. Multiple units are excluded.
(Section 10)

HUD: Department of Housing and Urban Development. See *Assisted-Rental Housing*
(Section 10)

Incarceration Rate: The number of persons confined in prison, with sentences over one year, per 100,000 people in the state's resident population.
(Section 16)

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 16)

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

Inpatient Days: The number of days that patients (excluding newborns) spend in a hospital, including the day of admission, but not the day of discharge.
(Section 14)

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

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

Manufacturers' Shipments: The received or receivable net selling values, FOB plant (exclusive of freight and taxes), 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 8)

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

Meals and Rooms Receipts: Estimate of sales by hotels, motels, and eating and drinking establishments based on taxes received under the Meals and Rooms authority.
(Section 9)

Medicaid: A joint governmental program providing medical assistance to low income and needy people.
(Section 14)

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 14)

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

NHHFA: New Hampshire Housing Finance Authority. See *Assisted-Rental Housing* (*Section 10)*

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

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

Noncurrent Loans: Loans and leases 90 days or more past due or in nonaccrual status.
(Section 11)

OASDI: Old Age, Survivors, and Disability Insurance. See *Social Security* .
(Section 15)

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 9)

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

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

Poverty Level: A set of income thresholds varying by size of family used to detect who is poor. *(Section 15)*

Private Firms: A nongovernment economic unit that produces goods or services. It can have multiple locations, but will still be considered one firm. *(Section 5)*

Property Tax Rates, Equalized: A uniform standard for comparing tax rates between towns and counties. *(Section 12)*

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 12)*

Property Tax Assessment Ratio: The full value assessment ratio is a comparison between current assessments (local tax rate) and full market value (full value tax rate). *(Section 12)*

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 8)*

Real Gross State Product: The market value of all final goods and services produced by resources located in a state, regardless of ownership, adjusted for inflation. *(Section 8)*

Rural Traffic Count: Automatic traffic counter data recorded on New Hampshire and U.S. roadways designated as rural areas. Data is collected and reported by the New Hampshire Department of Transportation, Bureau of Transportation Planning. *(Section 6)*

Scholastic Assessment Test Score: Mean test score for all students in the state who took the SAT exam during the designated academic year. *(Section 13)*

Social Security: National Old Age, Survivors, and Disability Insurance (OASDI). The largest income maintenance program in the United States. Provides monthly cash benefits to individuals or their families to replace, in part, the income lost when a worker retires in old age, becomes severely disabled, or dies. Coverage is nearly universal, including about 95 percent of the jobs in this country. Funds come primarily from taxes on earnings in covered jobs and matching funds paid by employers and the self-employed. *(Section 15)*

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 15)*

Total Equalized Valuation: The true market value of all taxable property in the state as determined by the Department of Revenue Administration. *(Section 12)*

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 12)

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 8)

Vehicle Registration: A count of the registration certificates on file at the Department of Safety at the end of each calendar year.
(Section 6)

Water Quality Classification: Water quality status of the state's surface and ground waters, as reported to Congress per the requirements of Section 305(b) of the Water Quality Act of 1987.
(Section 17)

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 14)