

Current Employment Statistics

Nonfarm Employment and Earnings Estimates

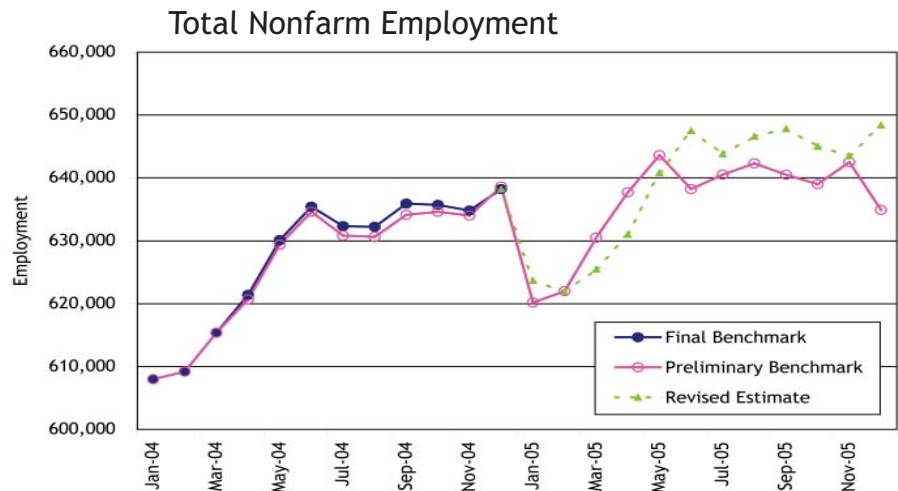
Preliminary 2005 and Final 2004 Benchmark

The Current Employment Statistics (CES) program produces monthly sample-based estimates of New Hampshire's nonfarm employment, hours, and earnings. As more sample data accumulate through the month, CES revises those preliminary estimates, and the cycle renews itself for the following month. To validate employment estimates and adjust levels, CES uses the most recent data available from the Quarterly Census of Employment and Wages (QCEW).

Final 2004 benchmark

The annual average employment for final benchmark 2004 was 627,400 positions. This was an increase of almost a thousand jobs from final 2003 total, representing an increase of 1.5 percent from final 2003.

Monthly 2004 QCEW data shifted final benchmark figures upward eight of the last nine months and realigned downward the last month.



Definition of revised estimate and preliminary and final benchmarks

The Current Employment Statistics (CES) program produces monthly sample-based estimates of New Hampshire's nonfarm employment, hours, and earnings. As more sample data accumulate through the month, CES revises those preliminary estimates, and the cycle renews itself for the following month. The graphs show benchmarked employment back to January 2004.

The preliminary benchmark re-anchors the revised monthly estimate with the most recent Unemployment Insurance (UI) employment data available through the Quarterly Census of Employment and Wages (QCEW) for the first and second quarter of the prior year. In addition to the UI data, CES makes accommodations for employment that falls outside the purview of the unemployment insurance compensation laws.

The final benchmark replaces preliminary benchmark estimates (July to December) with UI data for the remaining quarters.

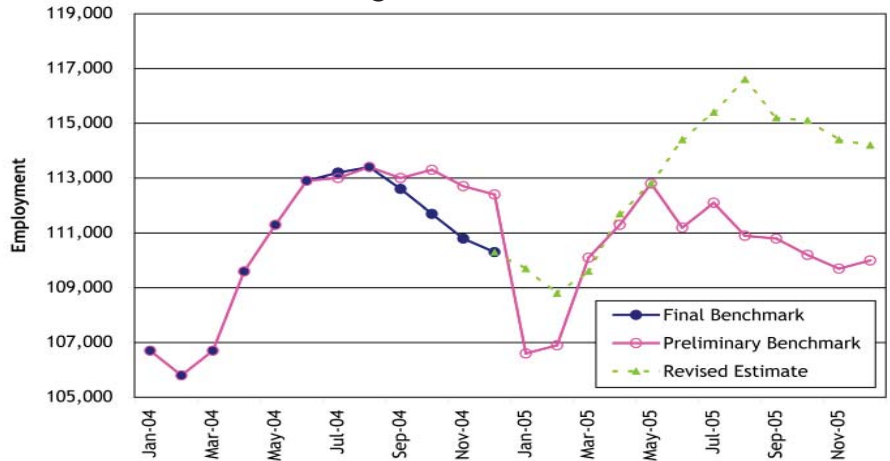
Preliminary 2005 benchmark

The annual average total nonfarm employment for preliminary 2005 benchmark grew at a consistent but slower rate than in 2004. The 1.2 percent growth rate resulted in an annual average employment of 634,900 workers, surpassing the 2001 level of 627,200.

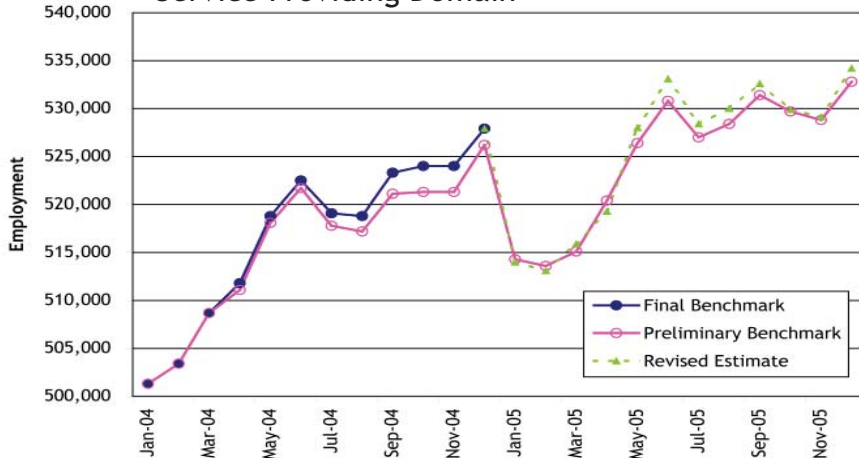
Within the private sector, preliminary 2005 employment level in the goods producing domain slipped as benchmarked levels were adjusted downward from revised monthly estimates. finishing 2005 with an annual average of 107,100, slightly lower than that of final benchmark 2004.

The state experienced job growth strength in the service providing domain. Preliminary 2005 benchmark came in 1.5 percent ahead of the final 2004 annual averages.

Goods Producing Domain



Service Providing Domain



Goods Producing Natural Resources and Mining supersector

Increases in the demands of logging in the spring and sand and gravel through the winter months primarily drives the trends in the smallest employing supersector in the state. Final 2004 benchmark pushed employment up by 100 in September and October.

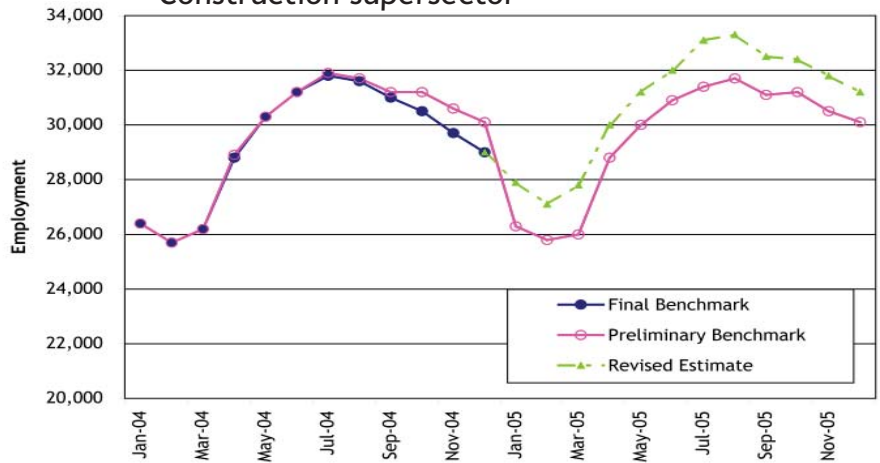
Preliminary 2005 benchmark tracked consistent with revised monthly estimates in all months save June. The annual average employment held constant between the two benchmark years.

Construction supersector

Final 2004 benchmark placed the annual average employment at 29,400, up 500 jobs over 2003. The 2004 final benchmarking process revised the preliminary benchmark downward for seven months of the year.

Preliminary 2005 benchmark found the construction supersector barely growing to 29,500. Specialty trade contractors registered a modest increase, while other areas of construction made only minor changes to their employment totals. Monthly revised estimates were adjusted downward in every month of the year during the preliminary benchmarking process.

Construction supersector

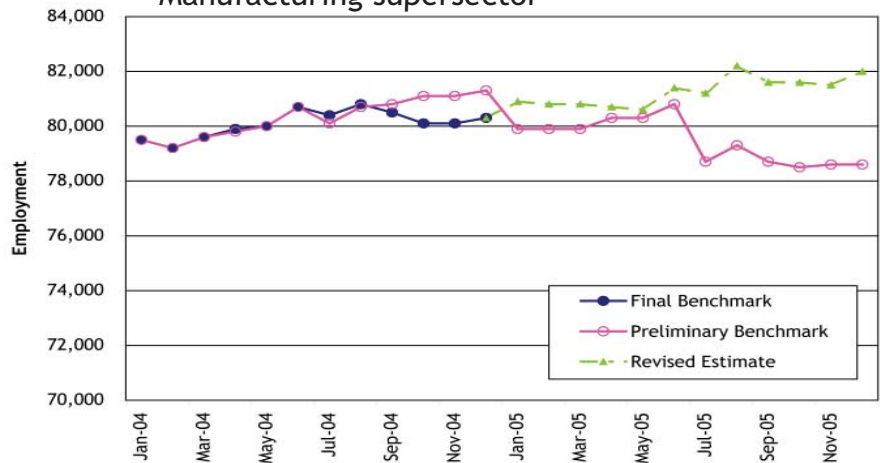


Manufacturing supersector

Final 2004 benchmark revised preliminary figures downward during the latter part of the year. This landed the manufacturing supersector with an annual average employment level of 80,100, down 300 jobs from 2003.

The 2005 preliminary benchmark negated increases the monthly revised estimates had provided to the supersector. As a result, the 2005 preliminary annual average employment of 79,500 in the manufacturing supersector showed a decrease of 600 jobs from final 2004.

Manufacturing supersector



Overall, employment in durable goods manufacturing increased. Among the publishable sectors, primary metal manufacturing and miscellaneous manufacturing contributed to the positive employment growth trends. Computer and electronic product manufacturing checked in on the losing side of durable goods employment, because of workforce reductions in the semiconductor and other electronic component manufacturing subsector.

The continuing decline in nondurable goods manufacturing hindered total manufacturing employment growth. With the final 2004 benchmark, preliminary figures were adjusted downward seven of the last

eight months, finishing the year at 19,600 jobs and 100 jobs shy of preliminary annual estimates. That trend carried through the 2005 preliminary benchmark process. The preliminary 2005 benchmark scaled back the employment figures calculated in revised monthly estimates. No single element stood out as being totally responsible as paper manufacturing as well as food, tobacco, and beverage manufacturing all had downward trends in employment levels.

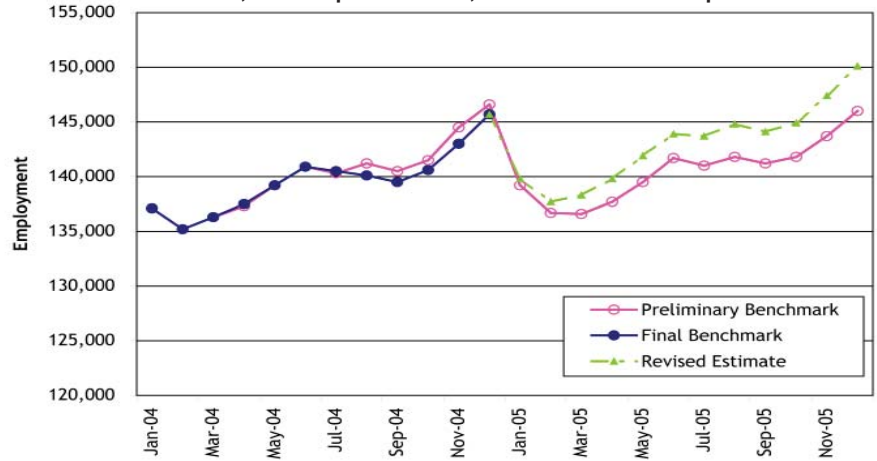
Service Providing

Trade, Transportation, and Utilities supersector

Final 2004 benchmark employment trend line in this supersector mirrored the preliminary benchmark, although at a slightly lower level during the last half of the year. The final 2004 annual average employment was adjusted to 139,600.

The preliminary 2005 benchmark showed the employment in the supersector expanding to an annual average of 140,600 jobs. All sectors; wholesale trade; retail trade; and transportation, warehousing and utilities each contributed to the employment growth. Monthly revised estimates were adjusted downward in most months in wholesale and retail trades, although the sectors contributed an average of 300 and 600 jobs, respectively, to the annual job growth of the supersector.

Trade, Transportation, and Utilities supersector

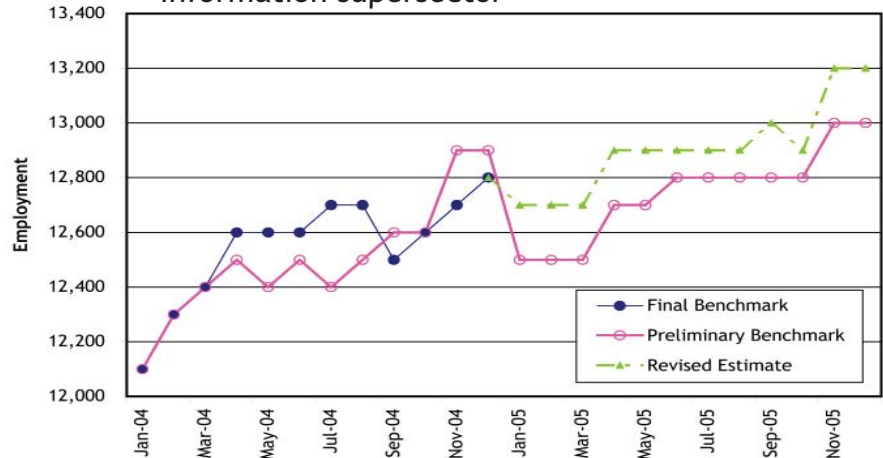


Information supersector

The information supersector sustained its fortitude as employment changes stayed positive. Final 2004 benchmark ended with an average annual employment of 12,600 jobs, 100 positions more than the preliminary estimates.

In 2005, revised monthly estimates shoved the employment trend line upward in the supersector. Although the preliminary 2005 benchmark process reduced those estimates throughout the year, the average annual employment still arrived at 12,700, 100 jobs above the final 2004 level.

Information supersector

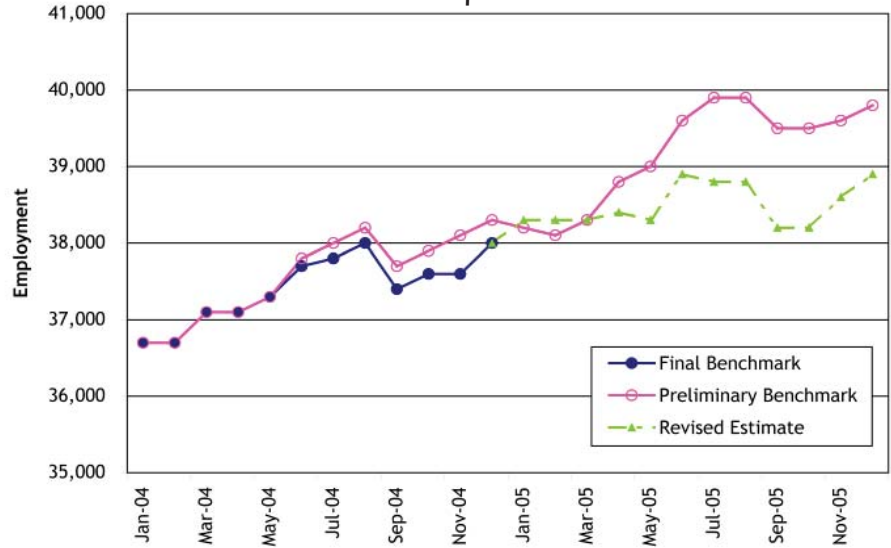


Financial Activities supersector

Final 2004 benchmark amended the preliminary benchmark average annual employment by 200 to 37,400. CES revised the preliminary benchmark downward the last seven months.

Demands in the financial sector ranging from retiring baby boomers to historically low interest rates fueled ongoing expansion in the financial activities supersector. Securities and commodities provided the majority of new jobs for the finance and insurance sector within the supersector. Preliminary 2005 benchmark revised most monthly estimates upward.

Financial Activities supersector

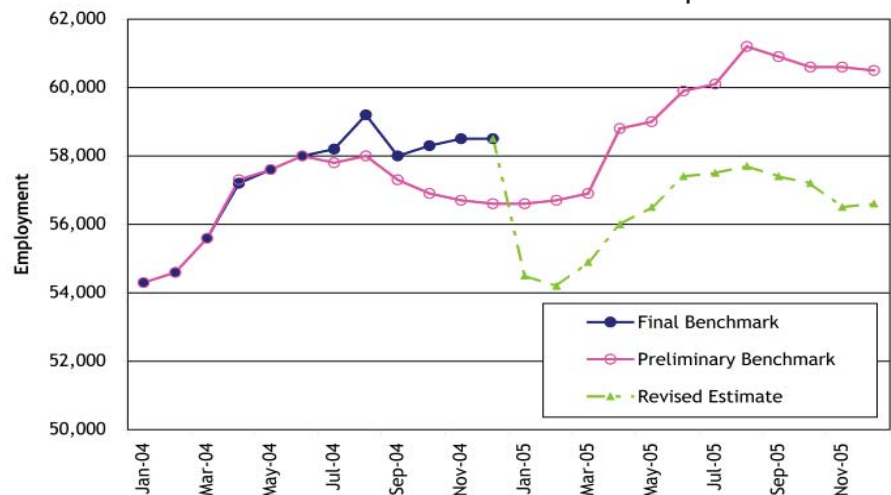


Professional and Business Services supersector

Final 2004 benchmark in this supersector revised the annual average employment upward. The professional, scientific, and technical services sector provided the largest share of job increases for the final 2004 benchmarking process. Preliminary 2004 benchmark figures were rectified to expand employment reaching an annual average employment of 56,600 positions for 2004.

The growing need for legal and accounting services to assist retiring baby boomers in their future plans influenced the preliminary 2005 benchmarking to push the monthly revised estimates upward in professional and scientific services. Preliminary 2005 benchmark had support and waste management and remediation services contributing an increase of 3.3 percent over the 2004 final benchmark. The preliminary 2005 benchmark placed average annual employment for the super-

Professional and Business Services supersector



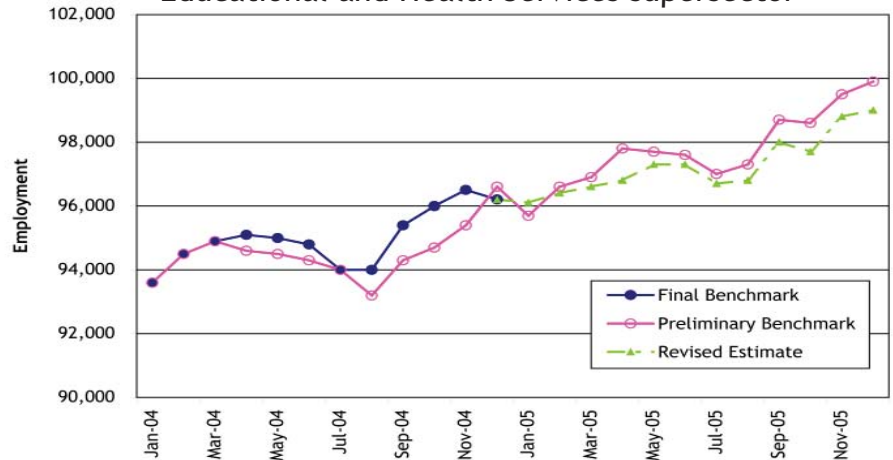
sector at 59,300.

Educational and Health Services supersector

Final 2004 benchmark moved the average annual employment of the educational and health services supersector up to 95,000 from the preliminary 94,600 jobs. This marked a 2.0 percent increase over the final 2003 benchmark level.

The preliminary 2005 benchmarking process increased the revised monthly estimates for the supersector in most months of 2005. The preliminary average annual employment of 97,800 positions increased by 2.9 percent over final 2004 figures. That increase represented 2,800 more jobs. Of those, the health care and social assistance sector provided 2,100 jobs, and hospitals covered 1,100 positions. The educational services sector contributed 700 jobs toward the job growth of the supersector.

Educational and Health Services supersector

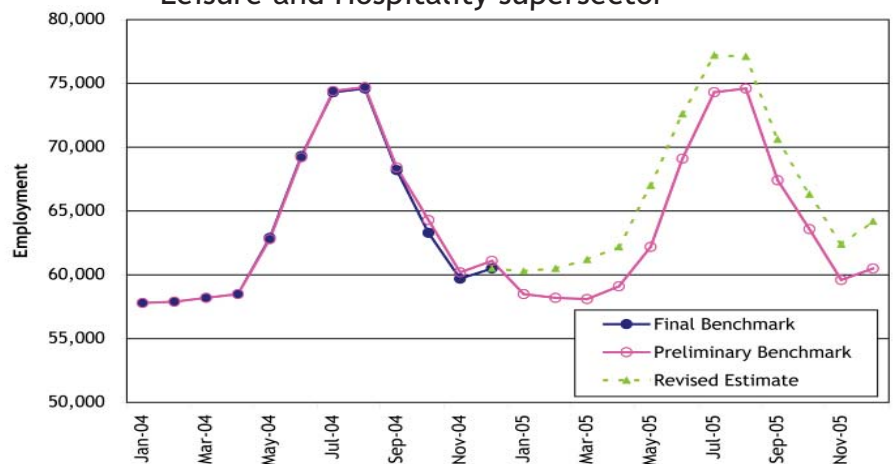


Leisure and Hospitality supersector

During the final 2004 benchmark process, preliminary estimates were reduced during the last six months of the year. The final 2004 average annual employment fell to 63,800, just 200 jobs shy of the preliminary annual estimates.

The leisure and hospitality supersector showed no overall change in annual employment by the end of the preliminary 2005 benchmark, ending with the same 63,800 annual employment. Both sectors within leisure and hospitality; arts, entertainment and recreation; and accommodation and food services; had the monthly revised estimates trimmed every month of the preliminary 2005 benchmark period. Only limited-service eating places, within the accommodation and food services sector, had its monthly revised estimates increased with the benchmark.

Leisure and Hospitality supersector

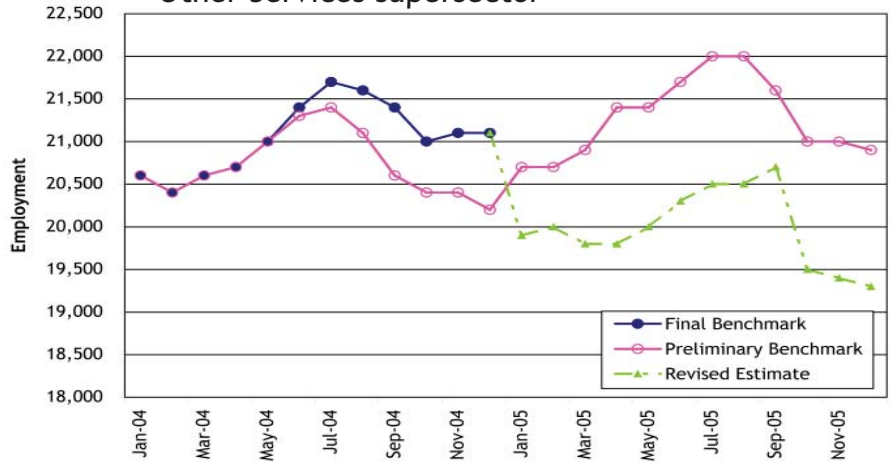


Other Services supersector

Final benchmark 2004 elevated preliminary figures of the supersector during the last half of the year, resulting in an average annual employment figure of 21,100 jobs. This represented an increase of 400 jobs from the preliminary 2004 level, which matched final 2003 benchmark.

Monthly revised estimates were broadened in each month for preliminary 2005 benchmark. Average annual employment for the supersector posted a 200 job gain over the final 2004 benchmark.

Other Services supersector

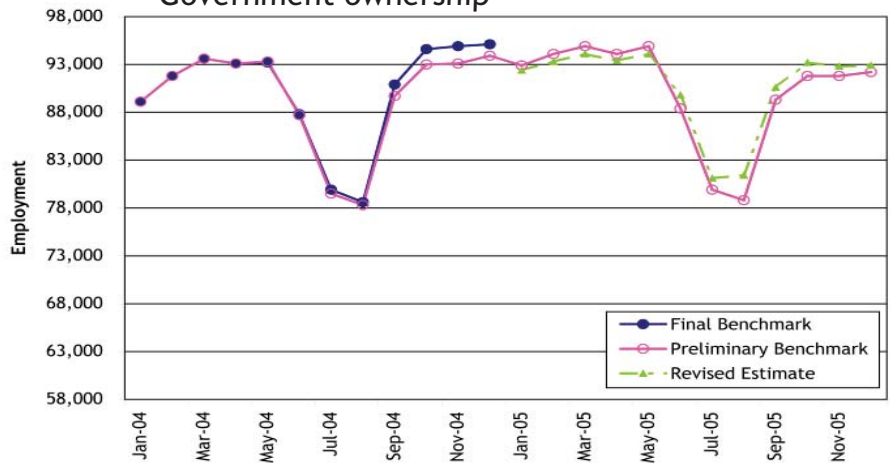


Government ownership

The final benchmarking process of 2004 raised government employment slightly above the preliminary 2004 level. Average annual employment for final 2004 registered at 90,200. This was 500 jobs ahead of the preliminary level.

Preliminary 2005 benchmark showed government maintaining steady employment levels. Although the preliminary 2005 benchmark trimmed back monthly revised estimates, average annual employment ended up 100 jobs ahead of final 2004.

Government ownership



Detail Employment and Earnings data

The employment data used in this analysis can be downloaded in spreadsheet format from our web site at: www.nhes.state.nh.us/elmi/nonfarm.htm or call (603) 228-4124.

For more information about this analysis, contact Anita Josten (603) 228-4173

About CES

In order to gauge the state's economy in a timely manner, CES estimates employment each month from a sample of New Hampshire employers. At the end of each calendar year, CES employment estimates are replaced with the most recent employment data available from the Quarterly Census of Employment and Wages (QCEW), or benchmarked. The benchmark process allows an opportunity to validate sample-based estimates to actual counts of jobs with New Hampshire employers. The resulting product offers a more accurate picture of the New Hampshire economy than could be achieved with sample-based estimates alone.

If you have any questions about CES, please contact Bernhard McKay at (603) 228-4127.