

Current Employment Statistics

Nonfarm Employment and Earnings Estimates Preliminary 2009 and Final 2008 Benchmark

The Current Employment Statistics (CES) program produces monthly estimates of nonfarm employment based on a survey of business establishments in New Hampshire. In March of every year, estimates for the previous two years are adjusted based on a reported employment count from the Quarterly Census of Employment and Wages (QCEW) in a process known as benchmarking. These benchmark revisions are produced using methods established by the U.S. Bureau of Labor Statistics.

Original estimates are based on the Current Employment Statistics (CES) monthly survey of roughly 1,660 New Hampshire employers. While a statistically representative sample, not all employers in the state are surveyed. Surveyed employers include characteristic establishments whose workers are covered by unemployment insurance. CES nonfarm estimates also include workers in industries not covered by unemployment insurance, such as some finance and insurance establishments, and some membership organizations.

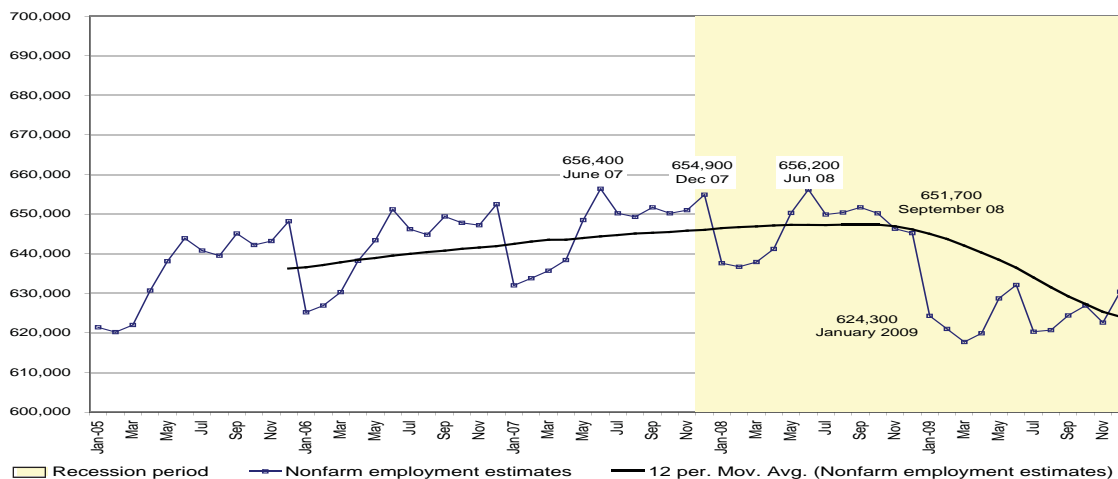
Benchmarked employment numbers are based on actual data collected by the Quarterly Census of Employment and Wages (QCEW) program each quarter from more than 40,000 New Hampshire employers whose workers are covered by unemployment compensation law. The 2010 benchmarking process updated the 2008 preliminary benchmark to a final benchmark, and updated the 2009 monthly estimates to a preliminary benchmark.

Introduction To Current Economy

According to the National Bureau of Economic Research, the U.S. economy peaked in December 2007, marking the end of 73 consecutive months of expansion and the beginning of a recession. This significant decline in economic activity spread across all aspects of the economy.¹

The economic slowdown can be translated to reductions in employment numbers. New Hampshire didn't experience significant changes in employment until later in 2008. Employment in June 2008, six months after the announced official start of the recession period, was only 200 jobs off from June of 2007. By December 2008, employment was 9,700 jobs behind that of the previous December and showed no seasonal upswing for the month. Employment numbers continued to trend lower than the corresponding month of the previous year through all of 2009.

Total nonfarm - not seasonally adjusted



¹ "Determination of the December 2007 Peak in Economic Activity," Business Cycle Dating Committee, National Bureau of Economic Research, <www.nber.cycles.dec2008.html>. Accessed March 11, 2009.

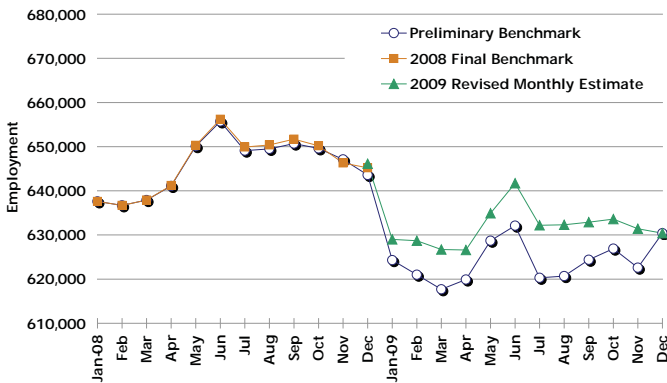
Total Nonfarm

Final 2008 benchmark adjusted *total nonfarm* employment downward by 400 jobs to an annual average of 646,100 in New Hampshire. This represented a 0.1 percent downward adjustment from preliminary 2008.

As is typically the case in a slowing economy, the preliminary 2009 benchmark adjusted monthly revised estimates downward in almost every month of the year. Preliminary 2009 benchmark adjusted the annual average of to 624,100 jobs, 7,600 fewer positions than the average revised monthly estimates.

Comparing the latest annual average *total nonfarm* employment estimates shrank by 22,000 jobs from final 2008 benchmark to preliminary 2009, down 3.4 percent over-the-year.

Total Nonfarm



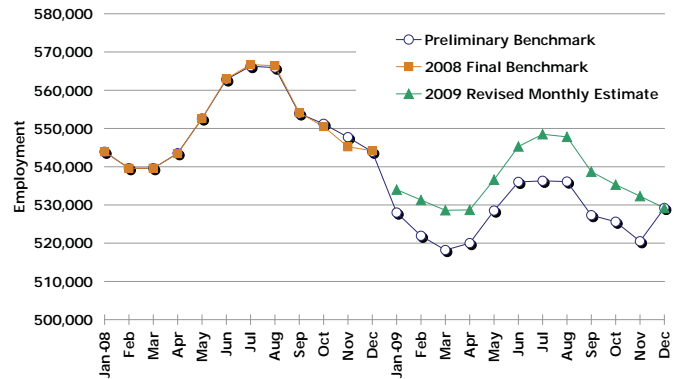
Private Employment

Preliminary 2008 annual average benchmark of *Private employment* was revised by a mere 100 jobs with the final 2008 benchmark process. Final 2008 benchmark averaged 550,800 jobs.

The 2009 monthly estimates were scaled back by a range of 12,200 to 6,000 jobs in each of the first 11 months with the preliminary 2009 benchmarking. This represented a reduction of 1.7 percent from the earlier revised monthly estimates, an annual average adjustment of 9,100 jobs.

The preliminary 2009 benchmark annual average of 527,300 jobs was 23,500 fewer jobs than the final 2008 benchmark, a loss of 4.3 percent over-the-year.

Private Employment



Industry Details

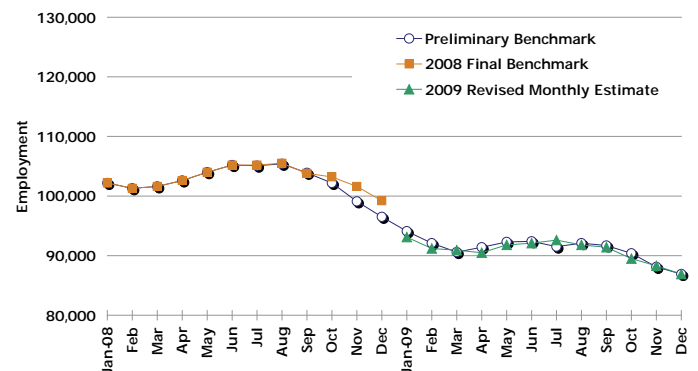
For a second year in a row, negative over-the-year changes in many individual industries illustrated the degree of the economic slowdown. Significant declines were wide-spread across industry sectors.

Goods-Producing

The final 2008 benchmark indicated continued weakness in *Goods-producing industries*, which includes the *Manufacturing, Construction, and Mining and logging* industry sectors. Employment estimates were adjusted downward by 600 jobs, or 0.6 percent, in the final 2008 benchmark. The final 2008 benchmarking resulted in an annual average employment estimate of 103,000 jobs.

Monthly revised estimates in 2009 for *Goods-producing* industries were bumped up from an annual average of 90,800 to 91,100 jobs. Preliminary 2009 benchmark resulted in higher monthly revised estimates in eight months of 2009, an annual average difference of 0.3 percent. Compared to final 2008, the

Goods-Producing



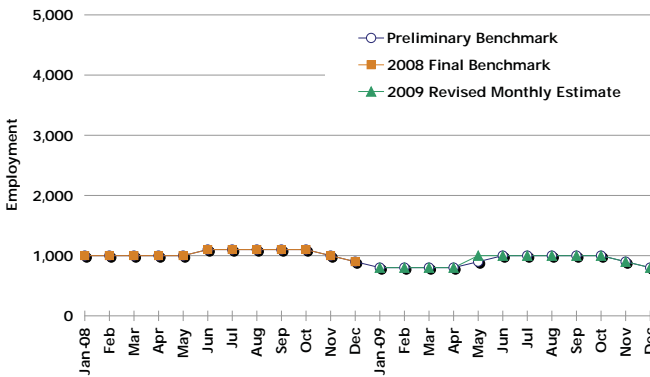
preliminary 2009 benchmark was 11.6 percent lower representing 11,900 jobs.

Mining and Logging Supersector

The *Mining and logging* supersector continued its consistent employment. Final 2008 benchmark employment was unadjusted from the preliminary benchmark of 1,000 jobs.

Preliminary 2009 benchmarking bumped annual average monthly revised estimates down by 100 jobs.

Mining and Logging

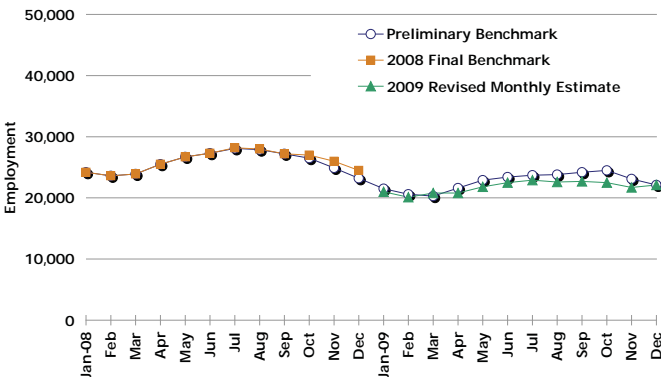


Construction Supersector

Final 2008 benchmark adjusted *Construction* employment up by 200 jobs, averaging 26,000 jobs for the year, or 0.8 percent higher.

Continued weakness in the housing market plagued employment in this sector. Although the annual average of monthly revised estimates was revised up

Construction



from 21,800 jobs to 22,600 jobs with the preliminary 2009 benchmark, a 3.7 percent adjustment, this annual figure was well below the previous year.

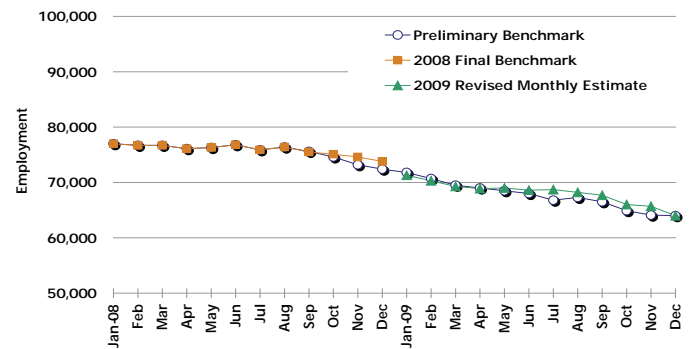
Construction's 2009 annual average employment fell 13.1 percent from final 2008 benchmark estimates about 3,400 fewer jobs.

Manufacturing Supersector

Final 2008 benchmark in *Manufacturing* adjusted annual average employment up 300 jobs, from 75,600 to 75,900, a change of 0.4 percent.

The extent of the weakness in labor markets in 2009 was further demonstrated as annual average employment was adjusted downward 500 jobs from the monthly revised estimate to 67,600 jobs. Preliminary benchmark estimates were adjusted lower than monthly revised estimates in seven of the twelve months of 2009.

Manufacturing



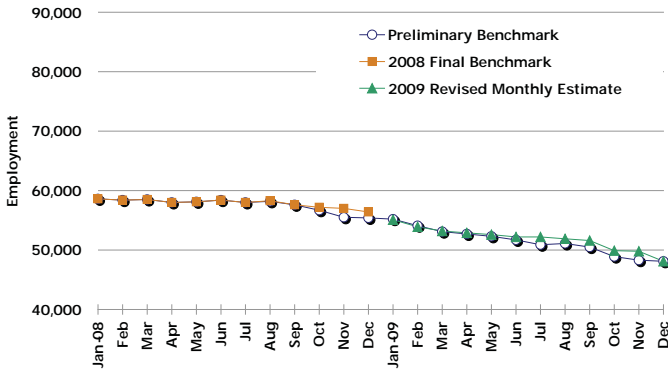
From final 2008 benchmark to preliminary 2009 benchmark, annual average *Manufacturing* employment declined by 8,300 jobs, a drop of 10.9 percent over-the-year.

Durable Goods Manufacturing

Nearly three out of every four *Manufacturing* workers are employed in *Durable goods manufacturing*. Final 2008 benchmark was adjusted up 300 workers, or 0.5 percent, to 57,900.

The 2009 monthly revised estimates for *Durable goods manufacturing* had a downward adjustment of 1.2 percent to 51,400 jobs in the preliminary 2009 benchmark.

Durable Goods



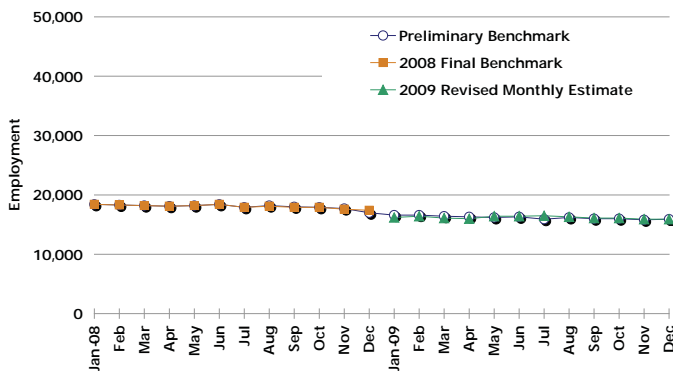
Preliminary 2009 benchmark reduced the monthly revised estimate by 7,900 jobs, or 1.5 percent.

From the final 2008 annual average of 543,200 jobs, employment contracted by 10,200 jobs to the preliminary 2009 annual average of 533,000 jobs. This represented a drop of 1.9 percent over-the-year, highlighting the weak economy during the year.

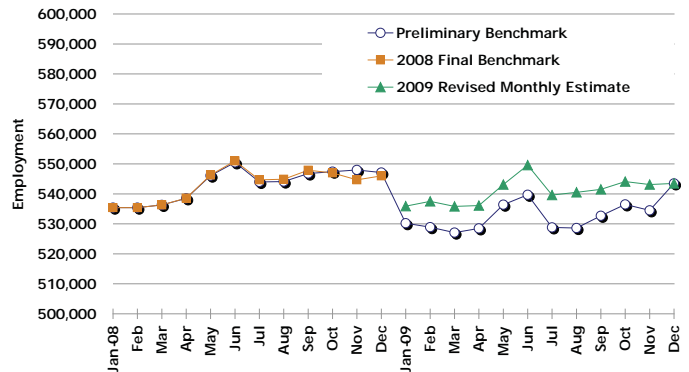
Non-Durable Goods Manufacturing

There was no revision needed to *Non-durable goods manufacturing* employment in the final 2008 benchmark. Preliminary 2009 benchmark was also unchanged from monthly revised estimates of 16,200. Over the year, employment decreased by 1,800 jobs, a decline of 10.0 percent.

Non-Durable Goods



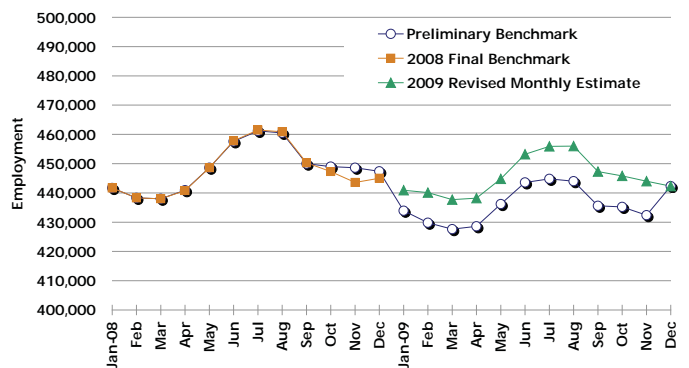
Service-Providing



Private Service-Providing

More than four out of five jobs in *Service-providing industries* are in the private sector. The final 2008 benchmark of 447,800 jobs fell over-the-year by 11,600 jobs to a preliminary 2009 benchmark of 436,200 jobs, down 2.6 percent.

Private Service-Providing



Total Service-Providing

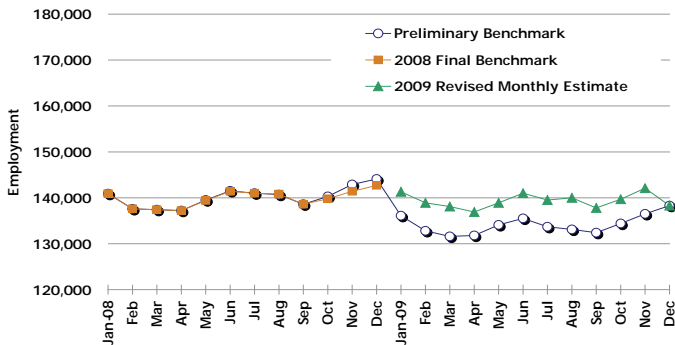
Service-providing industries cover a wide range of activities from *Education and health services* to *Financial activities* to *Trade, transportation and utilities*. *Government* employment is also classified as a *Service-providing* industry.

Final 2008 benchmark revised the annual average estimate of *Service-providing* jobs down 100 jobs, or 0.02 percent. The number of jobs was adjusted from 543,300 to 543,200.

Trade, Transportation, and Utilities Supersector Industries in this supersector include *Wholesale trade, Retail trade, and Transportation, warehousing, and utilities*. Three of every ten *Private service-providing* workers were employed in this supersector and one of every four workers of *Total private* in New Hampshire in 2008.

Preliminary 2009 benchmark scaled back the annual average monthly revised estimate by 3.7 percent, or 5,200 jobs. Over-the-year, preliminary 2009 benchmarked annual average employment declined 5,700 positions to 134,200 jobs from the final 2008 benchmark.

Trade, Transportation, and Utilities Supersector



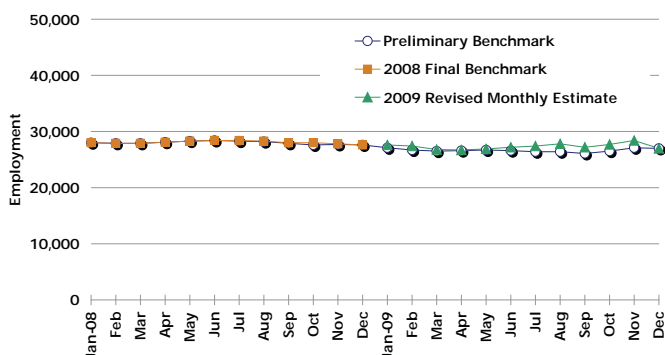
Wholesale Trade

Final 2008 benchmark adjusted annual average employment up 100 jobs to 28,100 positions.

Like many other industries, monthly revised estimates for Wholesale trade employment were adjusted downward with preliminary 2009 benchmarking. The benchmark revision decreased the average monthly employment estimate by 700 jobs, from 27,300 to 26,600.

This meant annual average employment dropped 5.3 percent over-the-year as annual average employment declined by 1,500 positions from final 2008 benchmark to the preliminary 2009 benchmarked average of 26,600 jobs.

Wholesale Trade



Retail Trade

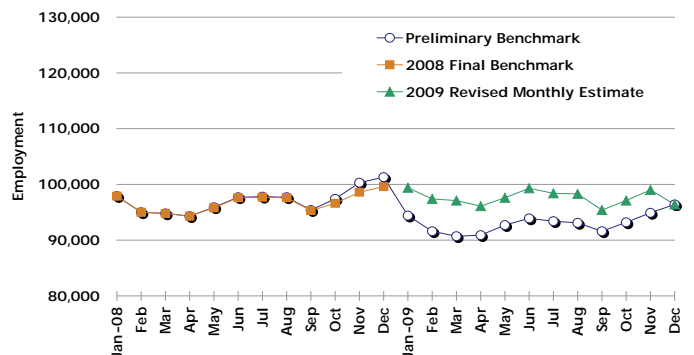
Final 2008 benchmark employment was revised downward in eight months of the year in Retail trade. Annual average employment was adjusted down to 96,700 jobs in final 2008 benchmark, a revision of 0.4 percent.

Reflecting the weakness in the general economy, preliminary 2009 benchmark adjusted monthly estimates downward from 97,600 to 93,100, an adjustment of 4.6 percent. Over the year, employment in Retail trade declined by 3,600 jobs from the final 2008 benchmark.

Two of the publishable industries in the Retail trade sector showed slight changes with final 2008 benchmarking. Employment in Clothing and clothing accessories stores & General merchandise stores was revised upward by 100 additional jobs, 0.4 percent more than previously estimated. The preliminary 2009 benchmark also adjusted employment up 100 jobs from the monthly revised estimate. Over the year, this industry group dropped 500 jobs to 22,700 jobs with preliminary 2009 benchmark.

Another large retail industry is Food and beverage stores, where employment levels were unchanged at 21,200 in the final 2008 benchmark. In 2009, the annual average of monthly estimates of 21,400 was revised upward to 21,600 jobs, up 0.9 percent. Over the year, employment grew 400 jobs, 1.9 percent.

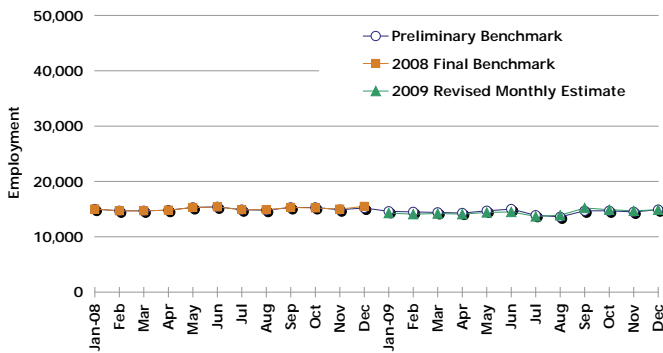
Retail Trade



Transportation, Warehousing, and Utilities Employment levels were adjusted slightly in this sector as the final 2008 benchmark was 100 jobs

higher, a change of 0.7 percent. Similar adjustments were made in the preliminary 2009 benchmark, with 100 more jobs than in the monthly revised estimates. Preliminary 2009 benchmarked employment dropped over-the-year by 4.0 percent, 600 jobs lower than final 2008 benchmark. The net change can be attributed to the *Transportation and warehousing* sector, where employment fell by 600 jobs.

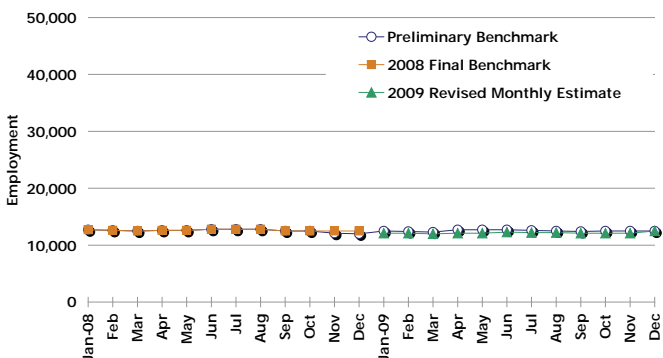
Transportation, Warehousing and Utilities



Information Supersector

Final 2008 benchmarking adjusted employment in the *Information* supersector upward by 100 jobs, from 12,500 to 12,600. Preliminary 2009 benchmark for *Information* was adjusted upwards by 300 jobs over the monthly revised estimates. Over-the-year employment decreased by 100 jobs from the final 2008 benchmark to 12,500 jobs with the preliminary 2009 benchmark.

Information Supersector

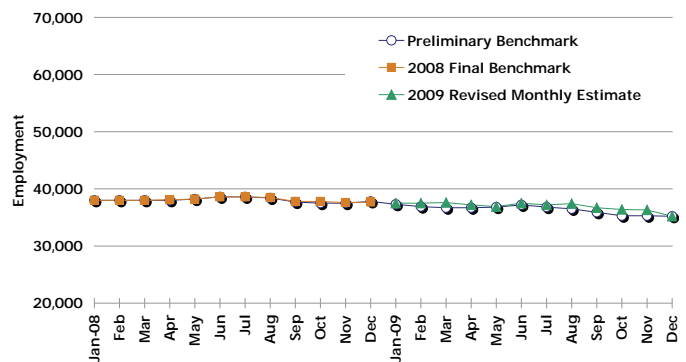


Financial Activities Supersector

This supersector includes *Finance and insurance* and *Real estate and rental and leasing* industries. In the last few months of 2008, as markets plunged and

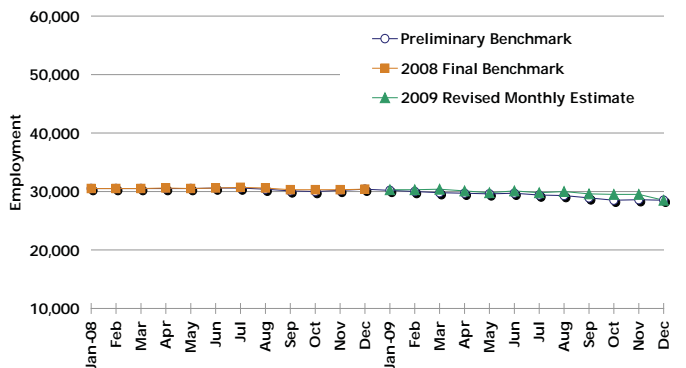
real estate values collapsed, employment in this supersector was being closely watched. Final 2008 benchmark revised employment by 100 more jobs, a difference of 0.3 percent. Preliminary 2009 benchmark illustrated the continued severe state of the economy with the original estimates in eleven months being revised downward. Final 2008 benchmark of 38,100 jobs fell with the preliminary 2009 benchmark average of 36,400 positions.

Financial Activities Supersector



The primary source of the supersector revisions came from *Finance and insurance*, with annual average employment revised down 400 jobs in the preliminary 2009 benchmark. *Real estate and rental and leasing* was adjusted downward from monthly revised estimates by 100 jobs in the preliminary 2009 benchmark.

Finance and Insurance



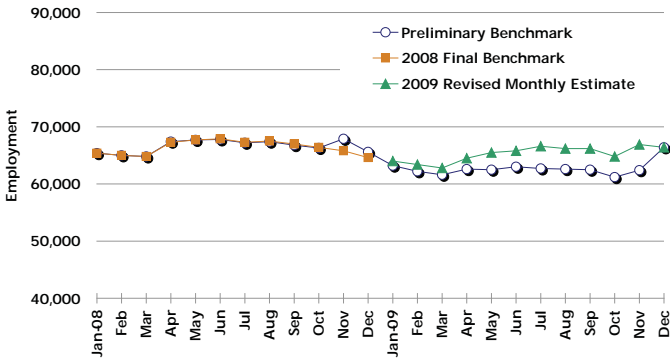
Professional and Business Services Supersector

In 2009, employment in this supersector slipped. This supersector includes three industry sectors:

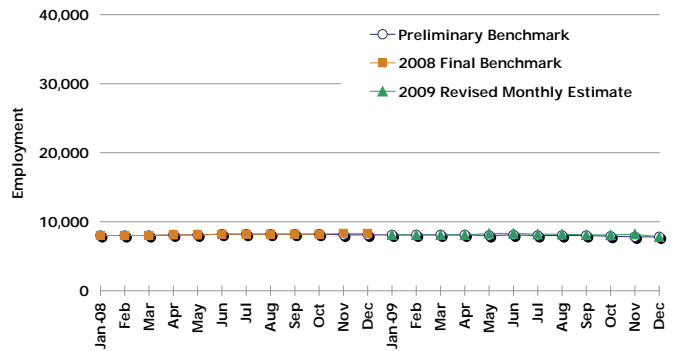
Professional, scientific, and technical services; Management of companies and enterprises; and Administrative and support and waste management and remediation services. Final 2008 benchmark adjusted estimates down 200 jobs to an annual average of 66,400. Monthly revised estimates were adjusted downward more significantly with preliminary 2009 benchmarking from 65,300 to an annual average of 62,700. Estimates were scaled back from the final 2008 benchmark to preliminary 2009 benchmark annual averages eliminated 3,700 jobs, down 5.6 percent over-the-year.

Management of Companies and Enterprises
Establishments in this sector administer, oversee, and manage other companies, or may hold the securities of a company or enterprise. Annual average employment was revised up 100 jobs with the final 2008 benchmark, to 8,200 jobs. With preliminary 2009 benchmarking, monthly revised estimates were adjusted down by 100 jobs, to an annual average of 8,000. Over-the-year employment declined by 200 jobs.

Professional and Business Services Supersector



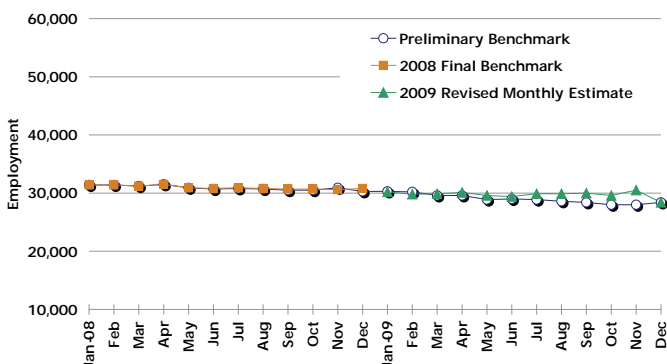
Management of Companies and Enterprises



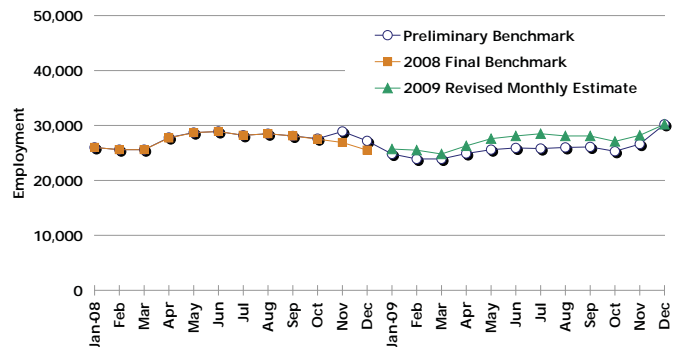
Professional, Scientific, and Technical Services
Almost half of the workers in the supersector are employed in the *Professional, scientific, and technical services* sector. Final 2008 benchmark annual average employment was adjusted up 100 jobs to 31,000. Monthly revised estimates were adjusted downward 2.7 percent, 800 jobs, with preliminary 2009 benchmarking. Over the year, employment in the sector declined by 2,000 jobs, from 31,000 to 29,000.

Administrative and Support and Waste Management and Remediation Services
Seasonal employment shifts are evident in this group because it includes companies that provide landscaping, travel services, and employment services. Final 2008 benchmark resulted in a downward revision of 300 jobs, with employment estimates changing from 27,600 to 27,300 jobs. In the preliminary 2009 benchmark, revised estimates for each month, save December, were adjusted downward, resulting in an annual

Professional, Scientific, and Technical Services



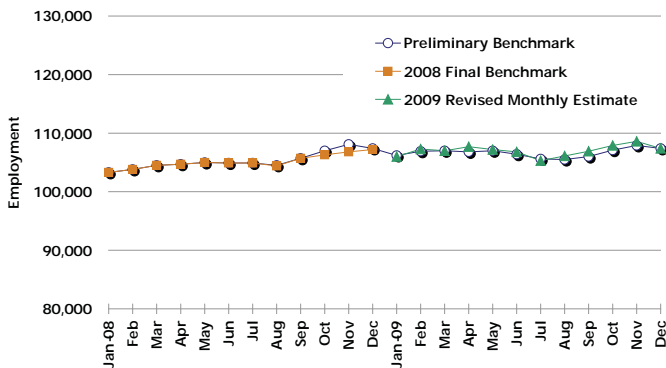
Administrative and Support and Waste Management and Remediation Services



average employment of 25,800, 5.8 percent lower than revised monthly estimates. Over-the-year employment dropped 1,500 jobs, down 5.5 percent from final 2008 benchmark.

Education and Health Services Supersector
 Employment in this supersector, which excludes employment in public education and health care, tends to follow population trends and accounts for nearly one out of every five private jobs in New Hampshire. Final 2008 benchmark scaled back employment by 200 jobs to 105,100 positions. Preliminary 2009 benchmark reduced monthly estimates downward by 300 to 106,700 jobs. This was an increase of 1,600 jobs from final 2008 benchmark to preliminary 2009 benchmark, up 1.5 percent over-the-year, one of the few bright spots in the economy for the year.

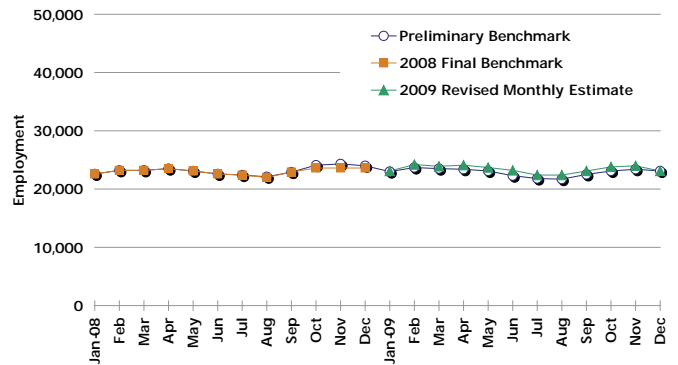
Education and Health Services Supersector



Educational Services

Final 2008 benchmark had a downward adjustment of 200 jobs to an the annual average of 23,000 in private *Educational services*. With the preliminary 2009 benchmark, monthly revised estimates were adjusted lower most months of the year, resulting in a reduction of 500 jobs in annual average employment, from 23,400 to 22,900.

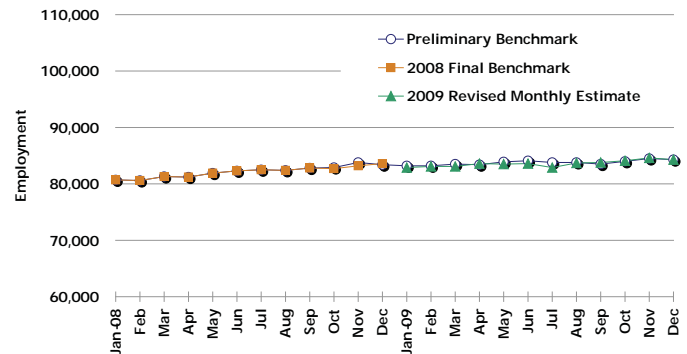
Educational Services



Health Care and Social Assistance

Healthcare and social assistance makes up nearly 80 percent of the employment in the *Education and health services* supersector. Final 2008 benchmark revised estimates down 100 jobs to 82,100 jobs for the year. Preliminary 2009 benchmark increased revised monthly estimates by 200 jobs to 83,800. Over the year, employment in the sector increased by 2.1 percent, representing 1,700 jobs.

Health Care and Social Assistance



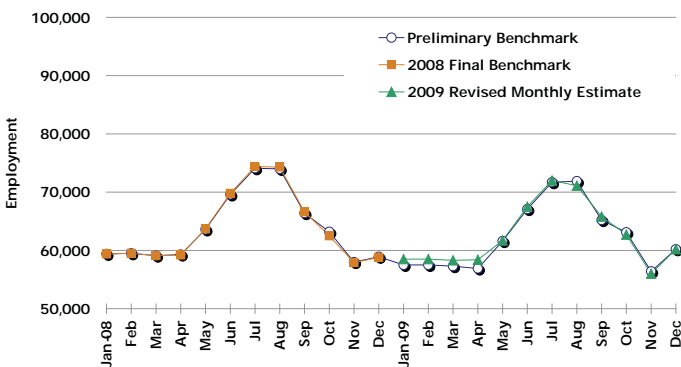
Hospitals and Ambulatory health care services (clinics, physician’s offices, and similar services) are subsectors within the *Health care and social assistance* sector. Each subsector accounts for about one-third of workers in the *Healthcare and social assistance* sector. The *Ambulatory health care services* subsector was adjusted down by 100 jobs with the final 2008 benchmark, while *Hospitals* subsector was unrevised. Monthly revised estimates for *Hospitals* were pushed upward with preliminary 2009 benchmark,

and *Ambulatory health care services* was unchanged. Preliminary 2009 benchmark estimated annual average employment at 28,300 jobs in *Hospitals* and 28,200 jobs in *Ambulatory health care services*.

Leisure and Hospitality Supersector

Tourism has long been an important part of the New Hampshire economy. This supersector, includes industry sectors *Arts, entertainment, and recreation* and *Accommodation and food services*, and is a large part of tourism-related employment. Employment in these sectors showed effects of the recent recession. Final 2008 benchmark was unchanged at 63,800 positions. The preliminary 2009 benchmark had a downward adjustment of 400 jobs, bringing the total employment estimate to 62,200. Over-the-year employment decreased by 1,600 jobs, down 2.5 percent.

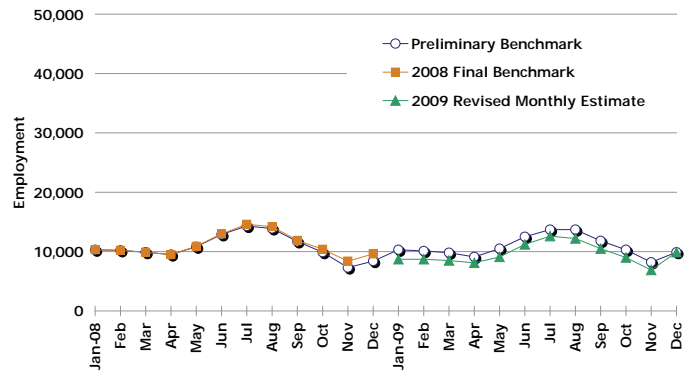
Leisure and Hospitality Supersector



Art, Entertainment, and Recreation

At peak employment in the summer months, about one of every six workers in the *Leisure and hospitality* supersector worked in this industry sector. Final 2008 benchmark adjusted annual average employment up by 300 jobs to 11,100 positions. Preliminary 2009 benchmarking pushed monthly revised estimates up an average of 1,200 jobs, to 10,800. Over-the-year employment declined 300 jobs.

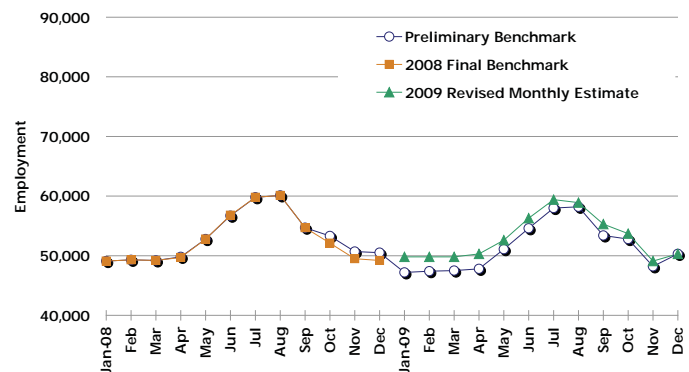
Arts, Entertainment, and Recreation



Accommodation and Food Services

The remaining share of workers in the *Leisure and hospitality* supersector is employed in *Accommodation and food services*. Final 2008 benchmark was revised downward 300 jobs to 52,700. Preliminary 2009 benchmark adjusted the monthly revised estimates downward 1,500 jobs to an annual average of 51,400. Over the year, annual average employment fell by 1,300 jobs. The downward revisions were highly influenced by employment in *Food services and drinking places*, which accounts for four out of every five jobs in the sector.

Accommodation and Food Services

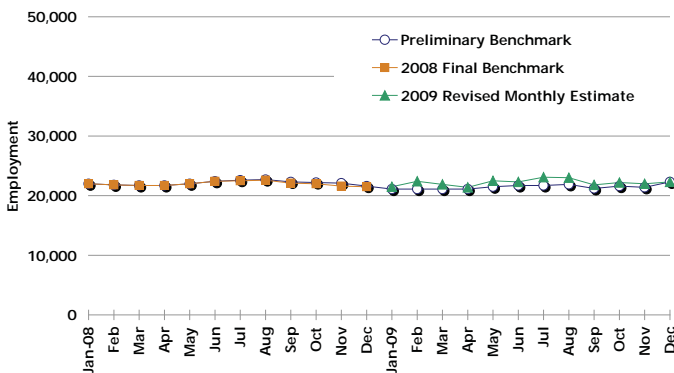


Other Services Supersector

Personal care services, repair shops, and laundry services are among the business establishments included in this supersector. Final 2008 benchmark was scaled back 100 jobs to 22,000 jobs. Monthly revised estimates were revised 700 jobs lower with

preliminary 2009 benchmark to an annual average of 21,500 jobs. Employment declined over the year, dropping 500 jobs or 2.3 percent.

Other Services Supersector

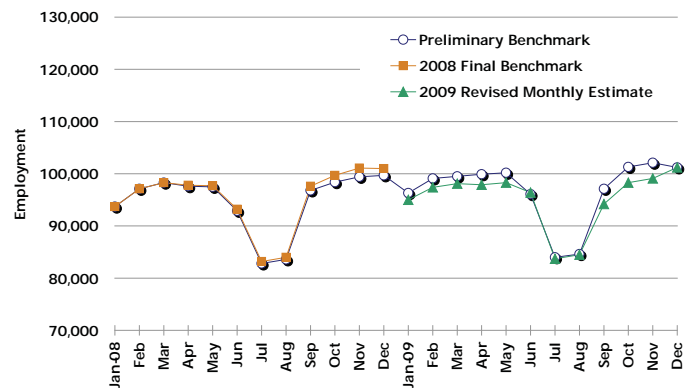


Government Supersector

Employment in *Government* displays a seasonal component largely triggered by employment in public education – the state university system, community colleges, and local school districts.

Government employment estimates include workers in federal, state, and local government entities. Final 2008 benchmark revised annual average employment up 600 jobs to 95,400. Highly influenced by stimulus funds, preliminary 2009 benchmark adjusted the monthly revised estimates upward 1,500 jobs to an annual average of 96,800. Over-the-year, *Government* employment increased by 1,400 jobs, or 1.5 percent.

Total Government Supersector



Detail Employment and Earnings data

The employment data used in this analysis can be downloaded in spreadsheet format from our web site at: www.nh.gov/nhes/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, the Current Employment Statistics (CES) program estimates employment each month from a sample of New Hampshire employers. CES estimates are initially released in the month immediately following. *Revised monthly estimates* are published in the month after, as a larger share of sample data becomes available.

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). This preliminary benchmark process provides an opportunity to validate sample-based estimates to actual counts of jobs with New Hampshire employers. At the same time, estimates for the preceding year are also revised with most recent QCEW data in a final benchmark. 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 Gail Clay at (603) 228-4179.