

New Hampshire had the highest concentration of employment in Retail trade among the New England states and the nation.

How can New Hampshire's employment of 610,446 be compared with the other New England states, which range from nearly 3.3 million employed in Massachusetts to fewer than 300,000 in Vermont? How can the strength of each industry in the New England states be determined?

These questions can be answered by reviewing the employment density in each state. This type of analysis is called the location quotient. It measures an area's industry concentration relative to a larger area. For the purpose of this article the New England states will be individually measured against the New England region and against the nation. A location quotient above 1.00 means the industry is more concentrated in the state than the region. A location quotient below 1.00 means the industry is less concentrated. A location quotient around 1.00 means the industry is meeting the demand

of the local area, assuming similar demands for goods and services among all regions.

A number well above 1.00 may indicate a specialization in that industry. It is assumed that the production and employment in this industry more than satisfies the local demand, therefore, the excess goods or services are being exported to foreign and domestic markets. Conversely, a number well below 1.00 may indicate a lack of specialization in an industry. It is presumed that employment in this industry may not be meeting the demand of the local area and therefore, goods or services are imported.

A location quotient is an ordinal number, which is more of a ranking system than a value. It should not be assumed that a location quotient of 2.00 is twice as concentrated as 1.00. Anything prominently above

Location Quotient for the New England states, Measured against the New England Region - 2001

NAICS	Industry Sectors	CT	ME	MA	NH	RI	VT
	Total Private	0.99	0.97	1.01	1.01	1.00	0.97
11	Agriculture, Forestry, Fishing and Hunting	n/d	n/d	n/d	n/d	n/d	n/d
21	Mining	n/d	n/d	n/d	n/d	n/d	n/d
22	Utilities	n/d	n/d	n/d	n/d	n/d	n/d
23	Construction	0.92	1.17	0.99	1.04	0.94	1.20
31-33	Manufacturing	1.04	0.96	0.91	1.22	1.10	1.17
42	Wholesale Trade	0.99	0.83	1.06	1.07	0.85	0.83
44-45	Retail Trade	0.98	1.22	0.92	1.30	0.92	1.12
48-49	Transportation and Warehousing	n/d	n/d	n/d	n/d	n/d	n/d
51	Information	0.93	0.71	1.18	0.77	0.81	0.78
52	Finance and Insurance	1.29	0.80	0.98	0.76	0.92	0.58
53	Real Estate and Rental and Leasing	0.98	0.85	1.05	1.00	1.03	0.79
54	Professional and Technical Services	0.93	0.64	1.23	0.72	0.67	0.69
55	Management of Companies and Enterprises	0.98	0.58	1.26	0.67	0.80	0.06
56	Administrative and Waste Services	1.08	0.79	1.07	0.80	1.08	0.55
61	Educational Services	0.85	0.50	1.18	0.86	1.11	1.02
62	Health Care and Social Assistance	0.99	1.13	0.99	0.88	1.13	0.95
71	Arts, Entertainment, and Recreation	1.03	0.95	0.94	1.28	1.11	0.85
72	Accommodation and Food Services	0.80	1.14	1.00	1.11	1.16	1.36
81	Other Services, Except Public Admin	1.00	0.83	1.03	0.94	1.10	1.03
	Government	1.04	1.20	0.93	0.96	1.01	1.19
	Federal Government	0.79	1.42	1.00	0.81	1.36	1.18
	State Government	1.08	1.13	0.90	0.90	1.11	1.43
	Local Government	1.08	1.19	0.93	1.01	0.89	1.09

n/d = Not disclosable

Location Quotients

Above 1.00 = the industry is more concentrated in the smaller area than it is in the larger one

Below 1.00 = the industry is less concentrated

Around 1.00 = the industry is meeting the demand of the local area, assuming similar demands for goods and services among all regions

1.00 shows a strength or specialization in a particular industry.

When measured against the New England region, New Hampshire and Massachusetts were tied with a private industry location quotient of 1.01, the highest among the states and very close to the regional base. Rhode Island followed with a location quotient of 1.00. The location quotients in the remaining three states ranged from 0.99 in Connecticut to 0.97 in both Maine and Vermont.

In 2001, New Hampshire had the highest concentration of employment in Retail trade among the New England states, with a location quotient of 1.30. This indicates the state more than met its local demand, therefore, the goods or services were “exported” to outside markets. An explanation can be the fact that

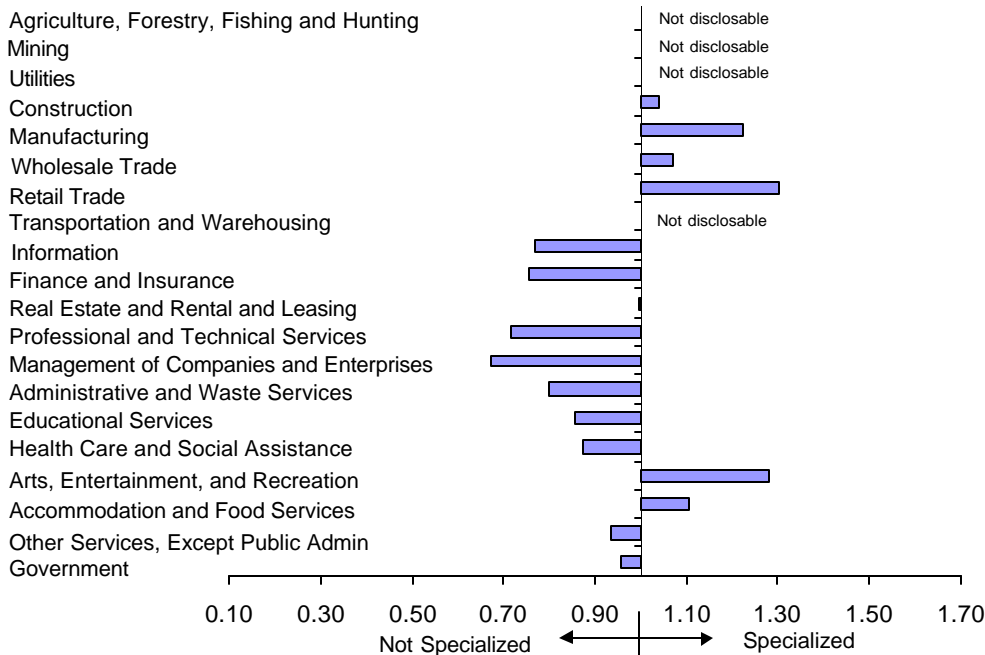
the Granite State is a destination state for many tourists and visitors who come to New Hampshire and purchase goods and services. The state’s lack of a sales tax also draws residents from neighboring states to shop.

Connecticut exhibited a specialization in Finance and insurance that no other New England state could match, with an employment concentration level of 1.29. Connecticut is known as the Insurance State and had the highest concentration of establishments in

New Hampshire had the highest employment concentration in Retail trade in New England



When measured against the New England region, New Hampshire's employment strength was in Retail trade during 2001



Finance and insurance among the New England states.

Massachusetts’ strength was in Management of companies and enterprises, with an employment location quotient of 1.26. In 2001, Massachusetts was home to nearly half of all the establishments in this industry within New England.

Another way to view this is if a person is looking for work in Retail trade, as long as this trend continues, they may have a relatively better chance of finding a job in New Hampshire, because the state had a higher employment concentration than its fellow New England states. Someone looking for work in the Finance and

Location Quotient for New England and Its States, Measured Against the United States - 2001

NAICS	Industry Sectors	NE	CT	ME	MA	NH	RI	VT
	Total Private	1.03	1.02	0.99	1.04	1.03	1.02	0.99
11	Agriculture, Forestry, Fishing and Hunting	n/a	0.36	1.09	0.22	0.38	n/d	0.83
21	Mining	n/a	0.10	0.05	0.11	0.19	n/d	0.76
22	Utilities	n/a	1.20	0.81	0.79	0.98	n/d	1.20
23	Construction	0.82	0.75	0.96	0.81	0.85	0.77	0.98
31-33	Manufacturing	1.03	1.08	0.99	0.94	1.26	1.14	1.21
42	Wholesale Trade	0.92	0.92	0.77	0.97	0.99	0.79	0.76
44-45	Retail Trade	1.02	1.00	1.24	0.94	1.33	0.94	1.14
48-49	Transportation and Warehousing	n/a	0.74	0.75	0.74	0.66	n/d	0.71
51	Information	1.04	0.97	0.74	1.23	0.80	0.84	0.81
52	Finance and Insurance	1.31	1.68	1.05	1.28	0.99	1.20	0.76
53	Real Estate and Rental and Leasing	0.83	0.81	0.70	0.87	0.82	0.85	0.65
54	Professional and Technical Services	1.15	1.07	0.73	1.41	0.82	0.76	0.79
55	Management of Companies and Enterprises	1.32	1.29	0.77	1.66	0.89	1.05	0.08
56	Administrative and Waste Services	0.81	0.87	0.64	0.86	0.65	0.87	0.45
61	Educational Services	2.00	1.70	0.99	2.35	1.71	2.22	2.03
62	Health Care and Social Assistance	1.26	1.24	1.42	1.25	1.10	1.42	1.19
71	Arts, Entertainment, and Recreation	0.98	1.01	0.93	0.92	1.26	1.09	0.84
72	Accommodation and Food Services	0.93	0.75	1.06	0.93	1.03	1.08	1.27
81	Other Services, Except Public Admin	1.03	1.02	0.86	1.06	0.96	1.13	1.06
	Government	0.86	0.90	1.04	0.81	0.83	0.87	1.03
	Federal Government	0.78	0.61	1.10	0.78	0.63	1.05	0.91
	State Government	1.04	1.12	1.17	0.94	0.93	1.15	1.48
	Local Government	0.83	0.89	0.98	0.77	0.83	0.74	0.90

n/d = Not disclosable

insurance industry might have a relatively better chance of finding work in Connecticut, while someone with experience in Managing companies and enterprises may have a relatively easier time finding a job in Massachusetts, again, as long as the trend continues.

The highest concentration in Maine and Rhode Island was in Federal government employment with location quotients of 1.42 and 1.36 respectively. The majority of this employment was in national security, as both states are home to navel bases.

When measured against the nation, the trends continued. New Hampshire still had a high concentration of employment in Retail trade, while Connecticut and Massachusetts remained strong in Finance and Insurance and Management of companies and enterprises respectively.

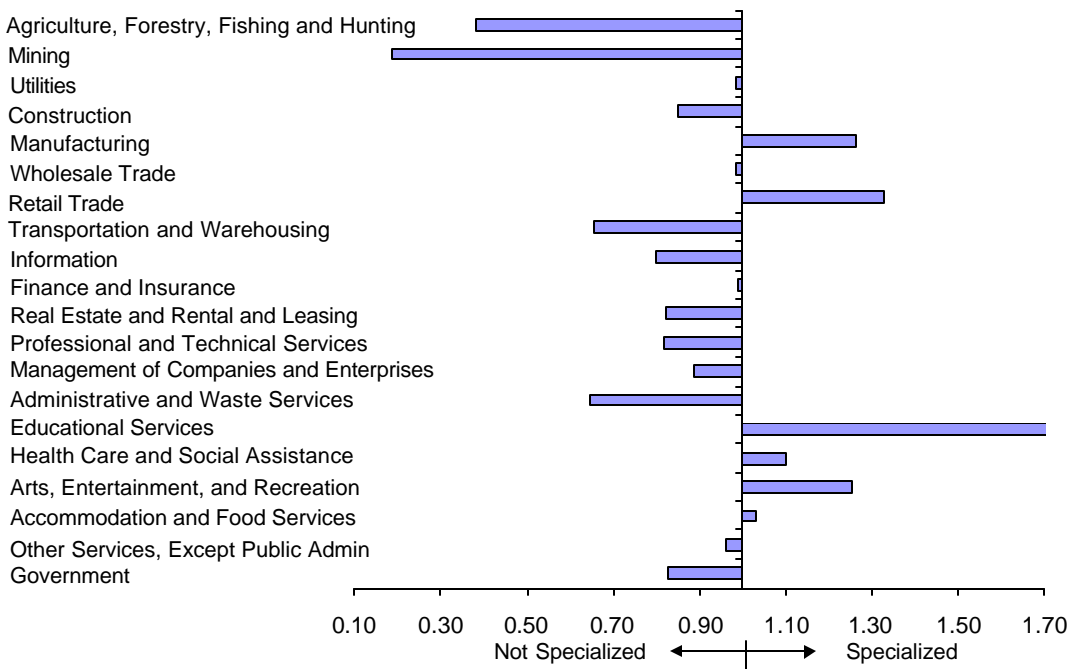
The major difference between being measured against the New England region and the nation was in private Educational services. When measured against the nation, this sector had the highest location quo-

Location Quotients for Private Employment in Educational Services for the New England Region - 2001

NAICS	Industry	NE	CT	ME	MA	NH	RI	VT
61	Educational Services	2.00	1.70	0.99	2.35	1.71	2.22	2.03
6111	Elementary and Secondary Schools	1.66	2.05	1.05	1.50	1.60	1.97	2.13
6112	Junior Colleges	n/d	1.01	0.32	1.33	n/d	n/d	7.46
6113	Colleges and Universities	2.60	1.81	0.39	3.40	2.15	2.87	1.88
6114	Business, Computer and Mngmt Training	1.11	0.89	0.26	1.28	0.94	1.73	0.77
6115	Technical and Trade Schools	n/d	0.66	0.16	0.83	n/d	n/d	2.11
6116	Other Schools and Instruction	1.36	1.34	0.34	1.45	1.42	0.95	1.93
6117	Educational Support Services	1.25	1.29	0.12	1.32	1.33	1.47	1.77

n/d = Not disclosable

When measured against the nation, New Hampshire's private employment strength was in Educational services during 2001



tient in each of the New England states, except for Maine, which had an employment concentration level of 0.99. Massachusetts, Rhode Island, and Vermont all had concentration levels above 2.00. New Hampshire and Connecticut followed with location quotients of 1.71 and 1.70 respectively. In the New England states, most of the employment in Educational Services was concentration in colleges and universities.

To further explain why this region was “educationally rich” could be that relative to its size, New England had a higher concentration of private establishments in Educational services than the nation did. New Hampshire had the highest concentration of private establishments in Educational services than any other New England state. This means that in 2001 Educational services were abundant in New England and especially in New Hampshire, with 1.23 and 1.33 respectively.

Gail Houston

Location Quotients for Private Establishments in Educational Services for the New England Region - 2001

NAICS	Industry	NE	CT	ME	MA	NH	RI	VT
61	Educational Services	1.23	1.25	0.89	1.26	1.33	1.31	1.31
6111	Elementary and Secondary Schools	1.16	1.30	0.84	0.95	1.22	1.63	1.95
6112	Junior Colleges	n/d	0.97	1.42	0.89	n/d	n/d	3.27
6113	Colleges and Universities	1.48	0.94	1.49	1.59	2.50	1.06	1.70
6114	Business, Computer and Mngmt Training	1.09	1.05	0.65	1.28	1.10	1.22	0.46
6115	Technical and Trade Schools	n/d	0.76	0.76	1.02	n/d	n/d	0.83
6116	Other Schools and Instruction	1.34	1.48	0.95	1.35	1.40	1.29	1.24
6117	Educational Support Services	1.49	1.21	1.03	1.70	1.27	1.70	1.97

n/d = Not disclosable