

ECONOMIC CONDITIONS in New Hampshire



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Redesign of the Local Area Unemployment Statistics (LAUS) Program

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Previous years' published Local Area Unemployment Statistics (LAUS) are being revised. These old estimates are not strictly comparable to newly released labor force statistics because of changes made in the estimating model process. The recent LAUS redesign was intended to improve the labor force estimates for regional, state and substate areas and now includes new time-series statistical models, a real-time benchmarking process, and implementation of new 2000 Census-based labor market areas.

What will the effect be to New Hampshire users? Users of New Hampshire's historical unemployment rates should update files for earlier years with new data, as it becomes available from the Economic and Labor Market Information Bureau.

Why change the process?

The new method of developing unemployment estimates has a couple of improvements. One is the process of "real-time benchmarking" which means the labor force estimates are adjusted to the Current Population Survey each month. The Current Population Survey (CPS) is a national survey that provides individual state estimates as well as Census division area estimates that add up to the national total. Previously, the benchmarking of labor force estimates was done at the end of the year, which resulted in a statistical model whose monthly estimates weren't as responsive and sensitive to immediate economic shocks – such as happened in 2001 with the onset of the recession and the 9-11 terrorist attacks.



Published by the Economic and
Labor Market Information Bureau



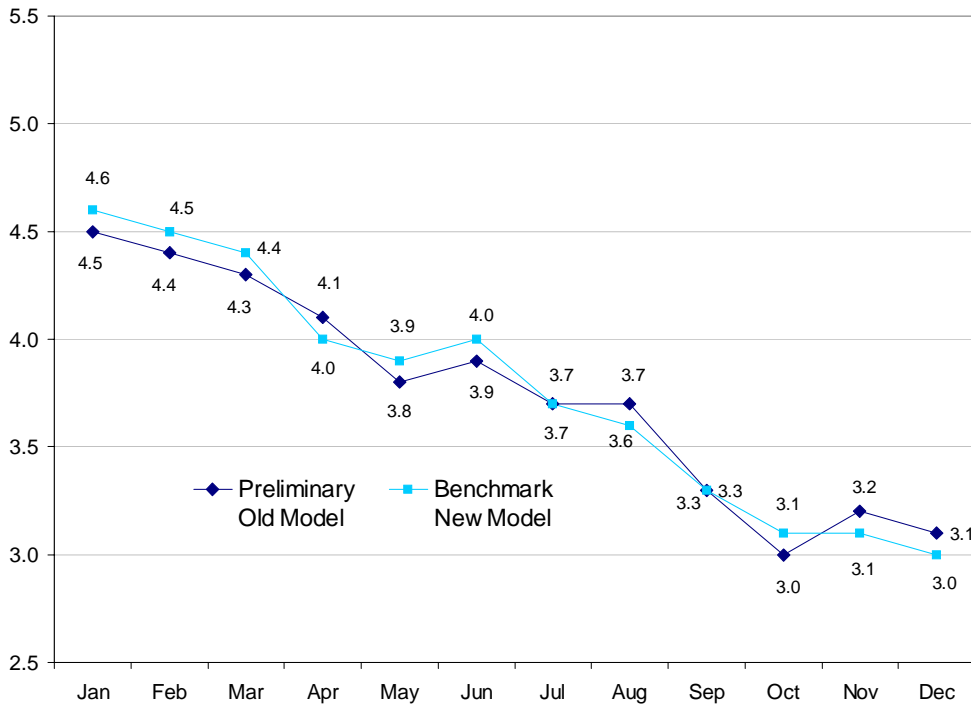
New Model Unemployment Rates for New England States, Seasonally Adjusted, With Historical Highs and Lows

State	Jan 2005	Historical High		Historical Low	
	Rate ^P	Date	Rate	Date	Rate
New Hampshire	3.5	Jun. 1992	7.7	Apr. 1987	1.9
Connecticut	4.7	Jan. 1976	10.0	Aug. 1999	1.6
Maine	4.1	Mar. 1977	9.0	Jan. 2001	3.2
Massachusetts	4.8	Jan. 1976	10.9	Oct. 2000	2.6
Rhode Island	4.4	Nov. 1982	9.7	Jul. 1988	2.9
Vermont	3.5	Jun. 1976	9.0	Mar. 2000	2.2

^P = preliminary.

Notes: Rates shown are a percentage of the labor force. Data refer to place of residence. Data have been revised to incorporate new estimation methods and updated Census-2000 population controls. Historical highs and lows show the most recent month that a rate was recorded in the event of multiple occurrences.

During 2004 when both old and new estimating models were run, there was a slight variance in the not seasonally adjusted unemployment rates

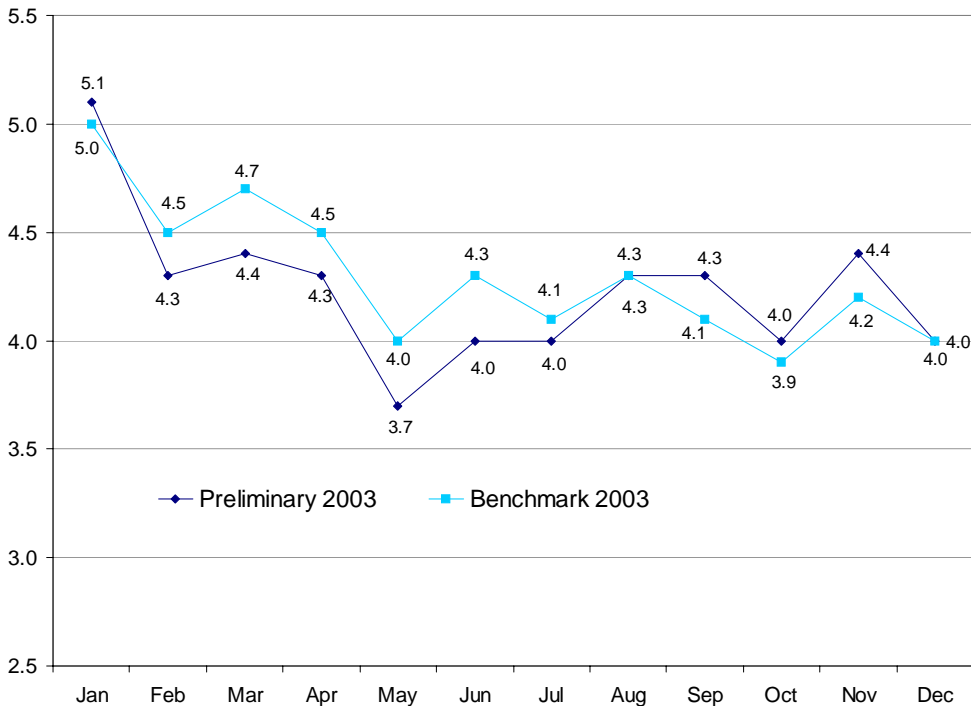


The LAUS redesign also incorporates the Census 2000-based labor market areas. These areas were redefined based on the most recent commuting patterns established from the decennial census. This will help maintain the relevance of labor force estimates for community and economic planners.

Pros and Cons

As with any change in methodology there are pluses and minuses to be considered. So what could be the good things about the new methodology? It includes a direct seasonal adjustment of employment and unemployment. It also reiterates the importance of local components, like claims, in the model process. Also with the incorporation of the real-time benchmarking, there will be a reduction in the size of the annual benchmarking adjustments.

In 2003 monthly variances were sometimes larger between Preliminary and Benchmark data than in the 2004 model. The variances were due to the lack of real-time benchmarking throughout the year



The real-time benchmarking to CPS on a monthly basis results in the sum of the labor force, employment, and unemployment numbers for all states will equal the national figures. Previously, using the old modeling system, each state's labor force statistics were calculated independently; the sum of the states did not equal the national estimates. The new feature helps improve the comparability of information among states, and between states and the nation as a whole.

While monthly benchmarking of labor force statistics to CPS will have some major benefits, the annual average unemployment rates produced by the CPS for

Geographic Profile will not necessarily match those produced by local LAUS programs. In spite of this potential difference, there is an abundance of demographic information provided by the CPS that will still provide detailed characteristics of the state labor forces.

Timeline for revised historical series For historical comparison purposes the New Hampshire statewide time series monthly data will be re-estimated from January 1978 using the new model. The historical data for substate areas will be re-estimated from 1990. This data will be available by June 2005.

Anita Josten
Elisabeth Picard

Unemployment Compensation Claims Activity

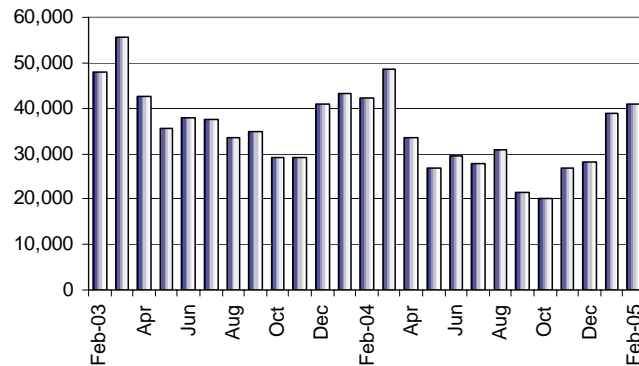
Total Regular Unemployment Compensation Programs:				Change from Previous			
				Month		Year	
	Feb-05	Jan-05	Feb-04	Net	Percent	Net	Percent
Initial Claims	4,127	5,737	4,356	-1,610	-28.1%	-229	-5.3%
Continued Weeks	40,994	38,742	42,349	2,252	5.8%	-1,355	-3.2%

Claims Activity

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of February	\$234,058,382.79
Average payment for a week of total unemployment:	\$252.07
Net benefits paid:	\$9,490,971.55
Net contributions received during the month:	\$5,986,347.67
Interest Received:	\$0.00
Reed Act Distribution:	\$0.00
Reed Act Withdrawal for Administrative Costs:	\$189.35

Trust Fund



Continued Weeks Claimed

Feb. 2003 - Feb. 2005

Continued weeks claimed were at their lowest February level since the onset of the 2001 recession.

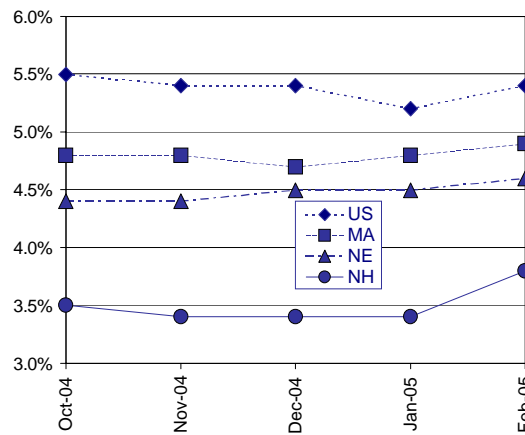
			Change from Previous	
Feb-05	Jan-05	Feb-04	Month	Year
191.8	190.7	186.2	0.6%	3.0%

United States
All Urban Areas (CPI-U)
(1982-1984=100)

Consumer Price Index

N.H. and U.S. Seasonally Adjusted Unemployment Rates

New Hampshire's seasonally adjusted unemployment rate was second lowest only to Vermont for both New England and the Northeast Region.



Unemployment Rates by Region

	preliminary Feb-05	revised Jan-05	Feb-04
United States	5.4%	5.2%	5.6%
Northeast	4.9%	4.7%	5.6%
New England	4.6%	4.5%	5.2%
Connecticut	4.8%	4.7%	5.2%
Maine	4.7%	4.4%	4.7%
Massachusetts	4.9%	4.8%	5.5%
New Hampshire	3.8%	3.4%	4.1%
Rhode Island	4.4%	4.4%	5.4%
Vermont	3.6%	3.5%	4.1%
Mid Atlantic	5.0%	4.8%	5.8%
New Jersey	4.4%	3.9%	5.3%
New York	5.1%	5.0%	6.2%
Pennsylvania	5.2%	5.1%	5.5%

Seasonally Adjusted Labor Force Estimates By Place of Residence

	Oct-04	Nov-04	Dec-04	revised Jan-05	preliminary Feb-05
New Hampshire					
Unemployment Rate	3.5%	3.4%	3.4%	3.4%	3.8%
Civilian Labor Force	724,175	724,670	725,481	726,564	727,311
Number Employed	699,184	700,070	700,941	701,550	699,613
Number Unemployed	24,991	24,600	24,540	25,014	27,698
United States (in thousands)					
Unemployment Rate	5.5%	5.4%	5.4%	5.2%	5.4%
Civilian Labor Force	147,893	148,313	148,203	147,979	148,132
Number Employed	139,827	140,293	140,156	140,241	140,144
Number Unemployed	8,066	8,020	8,047	7,737	7,988

Note: Beginning in January 2004, data reflect revised population controls used in the household survey. Seasonally adjusted data have been revised to reflect updated seasonal adjustment factors.

Seasonally Adjusted Nonfarm Employment By Place of Establishment

Supersector	Oct-04	Nov-04	Dec-04	revised Jan-05	preliminary Feb-05
Total Nonfarm	630,700	631,000	632,700	632,900	631,100
Construction	30,200	30,100	30,100	29,900	30,200
Manufacturing	81,100	81,000	81,000	81,000	80,800
Trade, Transportation, and Utilities	140,600	140,800	140,900	140,800	140,600
Financial Activities	38,000	38,200	38,200	38,400	38,800
Professional and Business Services	56,600	56,500	56,200	55,200	55,300
Leisure and Hospitality	64,900	64,400	64,900	65,000	65,400
Other Services	20,500	20,400	20,300	20,200	20,400
Government	90,700	90,200	90,800	93,100	89,700

Please note that not all supersectors meet the statistical criteria for publication in this category. We seasonally adjust the total nonfarm data series and all the published supersectors independently. Therefore, the sum of the published parts will not equal the total.

Labor Force Estimates

New Hampshire	Feb-05	Jan-05	Feb-04
Number of workers	preliminary	revised	
Total Civilian Labor Force	722,930	723,270	719,520
Employed	691,730	694,870	687,310
Unemployed	31,200	28,400	32,210
Unemployment Rate (percent of labor force)	4.3%	3.9%	4.5%

Unemployment Rates by Area

	preliminary Feb-05	revised Jan-05	Feb-04
U.S and Regional States			
United States	5.8%	5.7%	6.0%
Northeast	5.5%	5.3%	6.1%
New England	5.2%	5.2%	5.6%
Connecticut	5.3%	5.2%	5.6%
Maine	5.7%	5.2%	5.6%
Massachusetts	5.3%	5.4%	5.8%
New Hampshire	4.3%	3.9%	4.5%
Rhode Island	5.3%	5.6%	6.1%
Vermont	4.2%	4.3%	4.7%
Mid Atlantic	5.6%	5.4%	6.3%
New Jersey	4.9%	4.4%	5.7%
New York	5.6%	5.6%	6.7%
Pennsylvania	6.0%	5.8%	6.2%

Map Key		preliminary Feb-05	revised Jan-05	Feb-04
Labor Market Areas				
1	Colebrook NH-VT LMA, NH Portion	4.3%	3.6%	11.2%
2	Berlin NH MicroNECTA	4.7%	4.1%	4.6%
3	Littleton NH-VT LMA, NH Portion	4.4%	4.0%	3.8%
4	Haverhill NH LMA	4.5%	4.4%	5.3%
5	Conway NH-ME LMA, NH Portion	4.4%	3.9%	4.2%
6	Plymouth NH LMA	3.5%	3.1%	3.4%
7	Moultonborough NH LMA	3.3%	3.3%	3.8%
8	Lebanon NH-VT MicroNECTA, NH Portion	2.5%	2.3%	2.4%
9	Laconia NH MicroNECTA	4.0%	3.5%	4.1%
10	Wolfboro NH LMA	3.8%	3.4%	3.7%
11	Franklin NH MicroNECTA	4.7%	4.1%	4.8%
12	Claremont NH MicroNECTA	3.5%	2.8%	3.7%
13	Newport NH LMA	3.3%	2.9%	4.0%
14	New London NH LMA	2.8%	2.5%	2.8%
15	Concord NH MicroNECTA	3.8%	3.3%	3.6%
16	Rochester-Dover NH-ME MetroNECTA, NH Portion	4.3%	3.9%	4.0%
17	Charlestown NH LMA	4.1%	3.8%	4.8%
18	Hillsborough NH LMA	3.5%	3.2%	3.6%
19	Manchester NH MetroNECTA	4.2%	3.8%	4.0%
20	Keene NH MicroNECTA	3.3%	3.0%	3.5%
21	Peterborough NH LMA	4.0%	3.8%	4.0%
22	Nashua NH-MA NECTA Division, NH Portion	4.7%	4.4%	5.1%
23	Exeter Area, NH Portion, Haverhill-N. Andover-Amesbury MA-NH NECTA Division	5.7%	5.3%	6.3%
24	Portsmouth NH-ME MetroNECTA, NH Portion	4.2%	3.9%	4.2%
25	Hinsdale Town, NH Portion, Brattleboro VT-NH LMA	2.5%	2.9%	4.5%
26	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford MA-NH NECTA Division	6.7%	6.1%	7.4%
27	Salem Town, NH Portion, Lawrence-Methuen-Salem MA-NH NECTA Division	6.7%	6.2%	8.3%

Unemployment rates in the New Hampshire portion of its Labor Market Areas (LMA) and Metropolitan Areas, and New England City and Town Areas (NECTA)

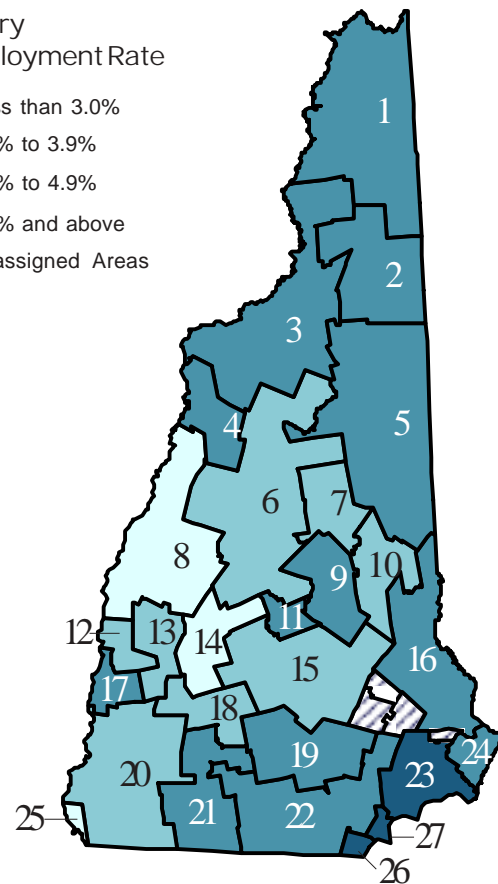
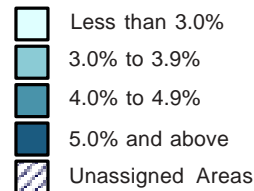
Local Area Unemployment Statistics (LAUS)

Not Seasonally Adjusted

By Place of Residence

Counties	preliminary Feb-05	revised Jan-05	Feb-04
Belknap	4.0%	3.6%	4.2%
Carroll	4.2%	3.7%	4.0%
Cheshire	3.5%	3.2%	3.7%
Coos	4.7%	4.1%	6.4%
Grafton	3.1%	2.8%	3.1%
Hillsborough	4.5%	4.1%	4.6%
Merrimack	3.8%	3.3%	3.6%
Rockingham	5.1%	4.7%	5.6%
Strafford	4.3%	3.9%	4.0%
Sullivan	3.3%	2.9%	3.7%

February Unemployment Rate



New Hampshire unemployment and labor force estimates are calculated using a regression model which depends on Current Population Survey (CPS) Estimates. Labor Market Area estimates are calculated using the Bureau of Labor Statistics "Handbook Method" and then adjusted to the State levels.

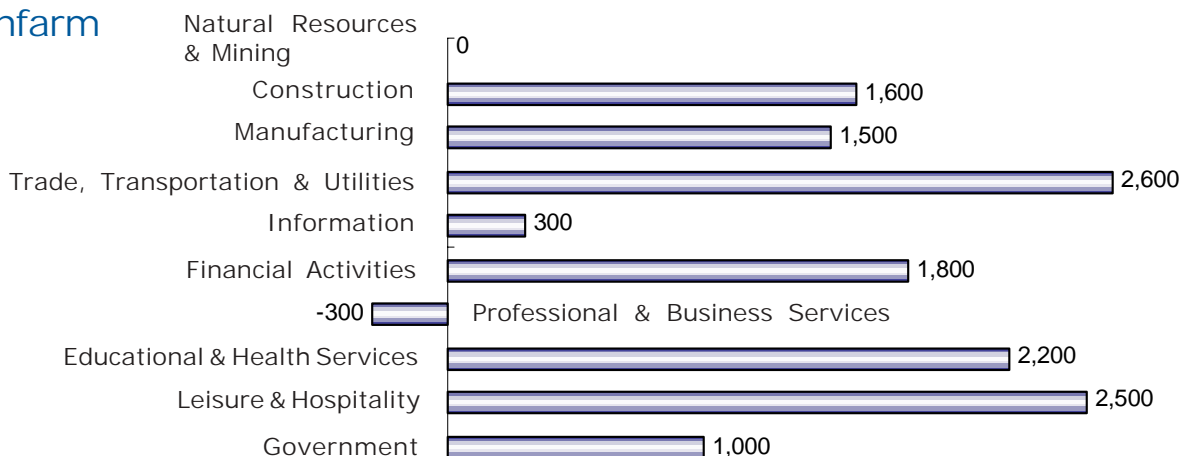
Monthly Not Seasonally Adjusted New Hampshire Nonfarm Wage and Salary Employment

Over-the-year, New Hampshire had employment growth in all but two supersectors, Professional and Business Services and Other Services.

Current Employment Statistics Employment by Super Sector by place of establishment	Number of Jobs			Change from previous:	
	Feb-05 (preliminary)	Jan-05 (revised)	Feb-04	Month	Year
	Total All Super Sectors	622,000	623,700	609,200	-1,700
Private Employment Total	529,200	531,300	517,400	-2,100	11,800
Natural Resources & Mining	900	900	900	0	0
Construction	27,300	27,900	25,700	-600	1,600
Manufacturing	80,700	80,900	79,200	-200	1,500
Durable Goods	61,600	61,600	59,500	0	2,100
Non-Durable Goods	19,100	19,300	19,700	-200	-600
Trade, Transportation and Utilities	137,800	139,800	135,200	-2,000	2,600
Wholesale Trade	27,500	27,400	26,600	100	900
Retail Trade	95,200	97,200	93,400	-2,000	1,800
Transportation and Utilities	15,100	15,200	15,200	-100	-100
Information	12,600	12,700	12,300	-100	300
Financial Activities	38,500	38,300	36,700	200	1,800
Professional and Business	54,300	54,500	54,600	-200	-300
Educational and Health	96,700	96,100	94,500	600	2,200
Leisure and Hospitality	60,400	60,300	57,900	100	2,500
Other Services	20,000	19,900	20,400	100	-400
Government Total	92,800	92,400	91,800	400	1,000

Change in Nonfarm Employment

Feb. 2004 to Feb. 2005



Monthly Analysis of Current Employment Statistics (CES) Data

For further analysis please read the *Detailed Monthly Analysis of Industry Employment Data* on our Web site at <www.nhes.state.nh.us/elmi/nonfarm.htm>

Seasonally Adjusted: New Hampshire's total nonfarm employment declined by 1,800 jobs overall in February's preliminary seasonally adjusted estimates.

With a 3,400-job loss, government (supersector 90) incurred the largest reduction of all supersectors for the month. Manufacturing (supersector 30) and trade, transportation, and utilities (supersector 40) each cut their work force by 200 jobs.

Offsetting those losses, financial activities (supersector 55) and leisure and hospitality (supersector 70) increased their respective payrolls by 400 jobs. Construction (supersector 20) increased its total number of workers by 300. To wrap up the additions, other services grew its ranks by 200, while professional and business services (supersector 60) brought 100 workers on board.

Unadjusted: February's unadjusted estimates showed that New Hampshire's total nonfarm employment fell by 1,700 jobs. Trade, transportation, and utilities

Monthly Unadjusted Nonfarm Wage and Salary Employment by Primary Metropolitan Statistical Areas

Employment by Sector number of jobs by place of establishment	Manchester NH MetroNECTA			Nashua NH-MA NECTA Division, NH Portion			Portsmouth NH-ME MetroNECTA, NH Portion			Rochester-Dover NH- ME MetroNECTA, NH Portion		
	Preliminary Feb-05	Change from previous:		Preliminary Feb-05	Change from previous:		Preliminary Feb-05	Change from previous:		Preliminary Feb-05	Change from previous:	
		Month	Year		Month	Year		Month	Year		Month	Year
Total All Sectors	99,200	200	1,400	128,200	-600	2,700	53,400	100	1,300	54,700	100	1,100
Private Employment Total	87,500	0	1,400	113,200	-700	2,600	43,300	-200	700	41,000	-200	500
Natural Resources and Construction	5,000	0	100	5,500	-100	400	1,700	0	100	2,000	0	100
Manufacturing	9,600	-100	300	25,700	0	200	4,000	0	100	6,400	0	-100
Trade, Transportation and Utilities	20,700	-200	400	30,300	-500	900	10,800	-100	0	10,900	-200	-400
Wholesale Trade	5,200	0	200	5,600	0	300	1,900	0	0	1,400	0	-100
Retail Trade	12,700	-200	400	20,400	-500	300	7,700	-200	100	8,500	-200	-300
Transportation, Warehousing & Utilities	Information will be made available in January 2006			4,300	0	300	1,200	100	-100	1,000	0	0
Information	3,300	0	0	2,000	0	0	1,600	0	100	1,300	0	100
Financial Activities	8,900	100	0	8,100	0	400	4,800	0	100	2,600	0	100
Professional and Business	11,100	-100	-600	12,400	0	600	7,800	-100	-100	3,700	-100	200
Educational and Health	16,600	300	700	15,100	100	-100	5,600	0	100	7,400	100	300
Leisure and Hospitality	8,100	0	500	9,700	-200	200	5,400	0	200	4,800	0	100
Services	4,200	0	0	4,400	0	0	1,600	0	100	1,900	0	100
Government Total	11,700	200	0	15,000	100	100	10,100	300	600	13,700	300	600

Average Earnings and Hours of Production Workers in Manufacturing

Sector	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Feb-05 prelim.	Jan-05 revised	Feb-04	Feb-05 prelim.	Jan-05 revised	Feb-04	Feb-05 prelim.	Jan-05 revised	Feb-04
New Hampshire									
All Manufacturing	\$635.16	\$622.84	\$613.27	40.2	39.9	40.4	\$15.80	\$15.61	\$15.18
Durable Goods	\$644.69	\$631.50	\$626.24	40.7	40.3	41.2	\$15.84	\$15.67	\$15.20
Nondurable Goods	\$609.95	\$597.53	\$576.07	38.9	38.7	38.1	\$15.68	\$15.44	\$15.12
Manchester NH MetroNECTA									
All Manufacturing	\$653.18	\$655.89	\$687.77	38.4	38.2	39.1	\$17.01	\$17.17	\$17.59
Nashua NH-MA NECTA Division, NH Portion									
All Manufacturing	\$676.00	\$668.26	\$636.34	41.6	41.2	40.3	\$16.25	\$16.22	\$15.79

Note: Information on production workers for Portsmouth and Rochester will be available with January 2006 data.

(supersector 40) continued its seasonal wrap up by cutting 2,000 jobs from its roster. Construction (supersector 20) followed that with a 600-job cut. Next, manufacturing (supersector 30) and professional and business services (supersector 60) each trimmed 200 jobs from their labor force. Lastly, information (supersector 50) reduced its employment level by 100 jobs during the month.

Natural resources and mining (supersector 10) held its employment level at that established in January 2005.

On the plus side of the account book, February saw a 600-job resurgence in health and educational services (supersector 65), as private sector educational institutions reopened their doors for the second half of the current term. Government (supersector 90) bolstered its personnel strength by 400 positions.

To round out this side of the ledger for February, leisure and hospitality (supersector 70) and other services (supersector 80) each brought 100 additional staffers on board.

B. G. McKay

New Publications Released

Job Outlook and Locator, New Hampshire Occupations by Industry, 184 pages, April 2005

The *Job Outlook and Locator* is a tool designed to help job seekers and others connect occupations to industries by identifying the industries that most commonly employ workers in a specific occupation. Nearly 650 occupations are included, each with corresponding Standard Occupational Classification (SOC) code and job description, 2003 average hourly or annual wage, estimated 2002 employment, projected 2012 employment, 2002-2012 projected growth rate, estimated annual openings, education/training requirements, and the employing industries. *Job Outlook and Locator, New Hampshire Occupations by Industry* is now available at our web site: <www.nhes.state.nh.us/elmi>



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