

## The Value of Defense Contract Spending in New Hampshire - 2017

In fiscal year 2017,<sup>1</sup> defense spending accounted for 2.1 percent of gross domestic product (GDP) in New Hampshire, slightly lower than the national average of 2.3 percent.<sup>2</sup> The share of GDP represents the total spending of all defense contracts and payroll as a share of the state's GDP. This measure provides an understanding of the links between defense spending and a state's economy.

Defense contract spending in the state totaled a \$1.5 billion economic contribution during fiscal year 2017, and was the first time the value had been that high since fiscal

year 2010. Roughly, another \$212.1 million was paid to the 3,169 workers. Total payroll is the gross pay received by all workers, including active duty, civilian, National Guard, and Reserve employees. The total payroll does not include benefits for current or former defense personnel.

Another perspective to evaluating an area's dependence on defense contract spending and the associated economic effect of changes in spending is the defense spending per resident measure. Defense spending per resident in New Hampshire was \$1,308, ranking 20<sup>th</sup> highest among the states

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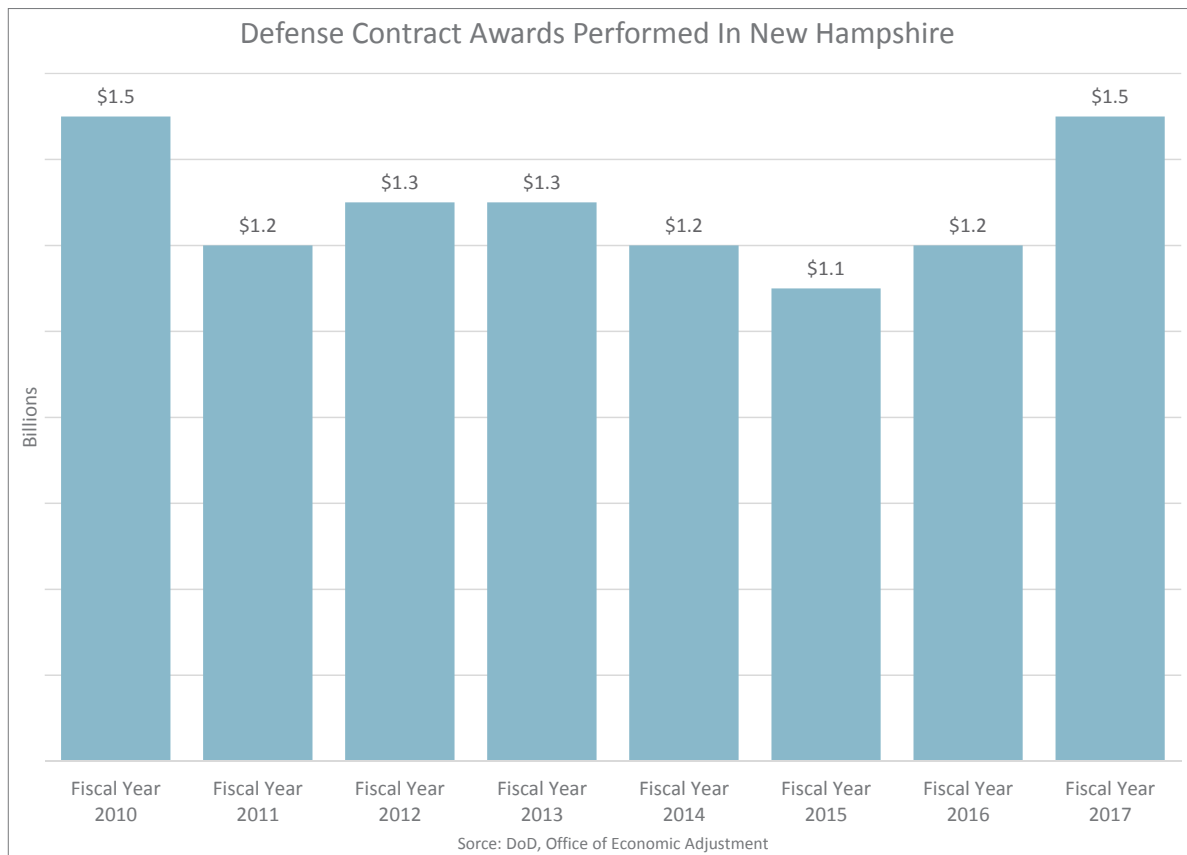
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<sup>1</sup> Federal fiscal year runs from October 1 through September 30. Fiscal Year 2017 is October 1, 2016 through September 30, 2017.

<sup>2</sup> U.S. Department of Defense, Office of Economic Adjustment. "Defense Spending by State, FY2017." [http://www.oea.gov/sites/default/files/fy2017/oea\\_defensespendingbystate\\_fy2017\\_webversion\\_20190123.pdf](http://www.oea.gov/sites/default/files/fy2017/oea_defensespendingbystate_fy2017_webversion_20190123.pdf)

and District of Columbia. New Hampshire's spending per resident was less than the national average of \$1,454.

The Department of Defense's Procurement and Acquisitions Policy provides the guidelines and laws related to pricing and procurement for government contracts. The policy is used to categorize spending on the products and services identified by the product service code listed in each prime contract award record. This statistic represents the majority of spending in the prime contract awarded only.

The majority of defense contract spending in New Hampshire was in Hillsborough County. The county's \$1.0 billion in defense contract spending far outweighed that of every other county in the state combined. This is likely due to the location of the state's top defense contractors. Five of the ten defense contractors receiving the highest defense awards in New Hampshire are primarily headquartered in Hillsborough County, while the remaining contractors have offices in other counties.

Just over one-third of defense contract spending in New Hampshire, 36 percent, was contracted by the Air Force. The Navy/Marines

### Top Defense Contractors In New Hampshire Fiscal Year 2017

	(M=millions)	Primary Headquarter Locations
BAE Systems	\$905.3 M	Hillsborough County
Red River Computer Company	\$74.7 M	Sullivan County
L3 Technologies	\$72.0 M	Rockingham County
Elbit Systems	\$21.9 M	Hillsborough County
Optics 1	\$18.4 M	Hillsborough County
Creare	\$17.4 M	Grafton County
Rockwell Collins - ESA Vision Systems	\$14.6 M	Hillsborough County
Windmill Intl (AQYR)	\$14.3 M	Hillsborough County
Cutter Enterprises	\$13.0 M	Merrimack County
Timken	\$12.0 M	Cheshire County Grafton County

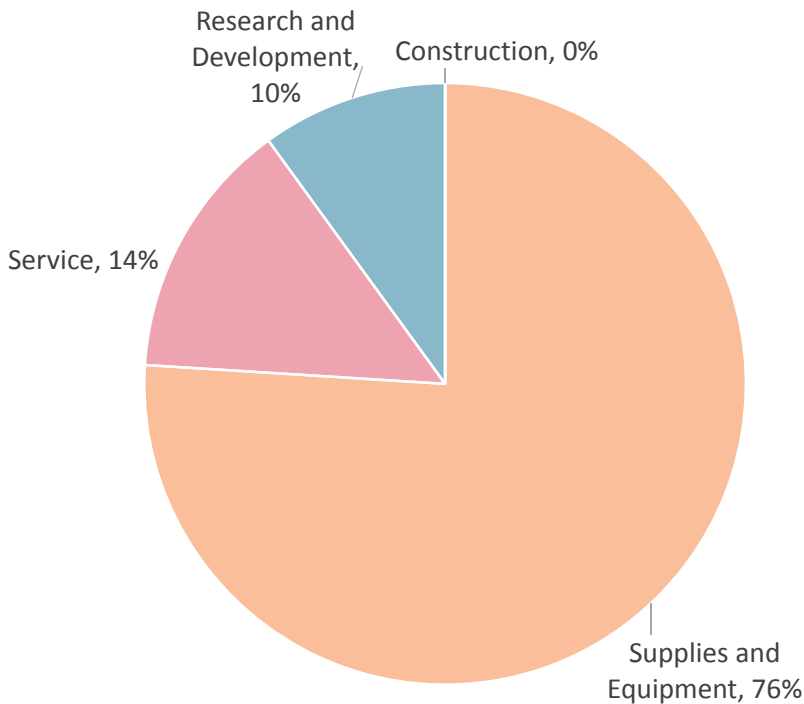
Source: DoD, Office of Economic Adjustment

were responsible for 31 percent of defense contract spending and 22 percent was for the Army. The remaining 11 percent of defense contract spending was for "Other Defense." All other DoD activities, such as Defense Health Agency and Defense Logistics Agency, are categorized as "Other Defense."<sup>3</sup>

Over three-quarters of defense contract spending in New Hampshire during fiscal year 2017 was categorized for military supplies and equipment. Another 14 percent was for service. Examples of "service" spending can include medical, logistics management, transportation, and electronic and communications. Research and development was identified as the category for another 10 percent of defense contract spending, while a negligible amount was categorized as construction.

Anita Josten  
Economist

### Type of Defense Contract Spending in New Hampshire - FY 2017

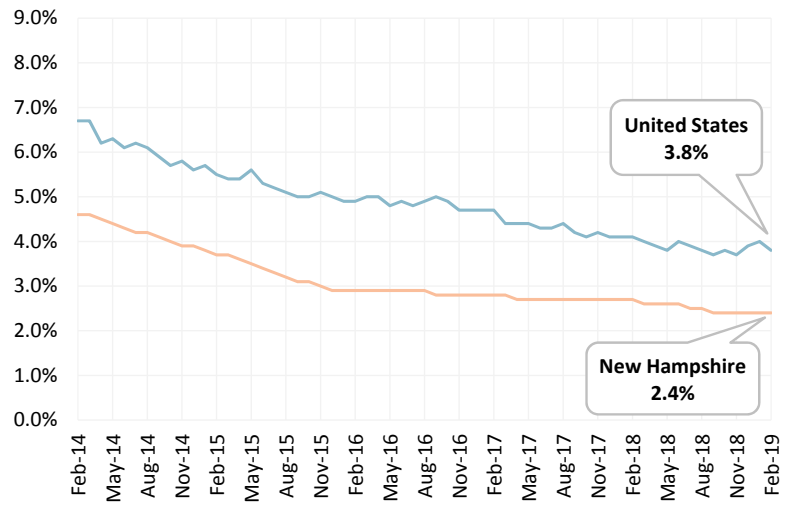


<sup>3</sup> U.S. Department of Defense, Office of Economic Adjustment. "Defense Spending by State, FY2017." Appendix 2: Methodology. [http://www.oea.gov/sites/default/files/fy2017/oea\\_defensespendingbystate\\_fy2017\\_webversion\\_20190123.pdf](http://www.oea.gov/sites/default/files/fy2017/oea_defensespendingbystate_fy2017_webversion_20190123.pdf)

## SEASONALLY ADJUSTED ESTIMATES

## Unemployment Estimates by Region

Seasonally Adjusted	Feb-19	Jan-19	Feb-18
United States	3.8%	4.0%	4.1%
Northeast	3.8%	3.8%	4.3%
New England	3.2%	3.3%	3.7%
Connecticut	3.8%	3.8%	4.5%
Maine	3.4%	3.5%	3.2%
Massachusetts	3.0%	3.1%	3.6%
New Hampshire	2.4%	2.4%	2.7%
Rhode Island	3.9%	4.0%	4.3%
Vermont	2.4%	2.5%	2.7%
Mid Atlantic	4.0%	4.0%	4.5%
New Jersey	4.0%	4.0%	4.5%
New York	3.9%	3.9%	4.5%
Pennsylvania	4.0%	4.1%	4.5%

Local Area Unemployment Statistics (LAUS)  
Unemployment Rate, NH and US

## Current Employment Statistics (CES) by Place of Establishment

	Number of Jobs			Change From Previous	
	Feb-19	Jan-19	Feb-18	Month	Year
Total Nonfarm	688,200	686,100	681,300	2,100	6,900
Total Private	599,000	596,700	591,500	2,300	7,500
Mining and Logging	1,000	1,000	1,000	0	0
Construction	28,000	27,700	26,900	300	1,100
Manufacturing	70,100	70,200	69,700	-100	400
Durable Goods	52,700	52,600	51,800	100	900
Non-Durable Goods	17,400	17,600	17,900	-200	-500
Trade, Transportation, and Utilities	141,300	140,800	140,000	500	1,300
Wholesale Trade	28,700	28,700	28,000	0	700
Retail Trade	95,600	95,100	95,400	500	200
Transportation, Warehousing, and Utilities	17,000	17,000	16,600	0	400
Information	12,300	12,300	12,500	0	-200
Financial Activities	33,800	34,100	34,800	-300	-1,000
Financial and Insurance	26,900	27,100	27,600	-200	-700
Real Estate and Rental and Leasing	6,900	7,000	7,200	-100	-300
Professional and Business Services	83,400	83,500	83,000	-100	400
Professional, Scientific, and Technical Services	38,000	38,100	37,900	-100	100
Management of Companies and Enterprises	9,000	9,000	9,100	0	-100
Administrative and Support and Waste Management and Remediation Services	36,400	36,400	36,000	0	400
Education and Health Services	128,100	126,600	125,900	1,500	2,200
Educational Services	34,500	33,400	33,700	1,100	800
Health Care and Social Assistance	93,600	93,200	92,200	400	1,400
Leisure and Hospitality	74,600	74,100	72,600	500	2,000
Arts, Entertainment, and Recreation	11,900	11,900	12,200	0	-300
Accommodation and Food Services	62,700	62,200	60,400	500	2,300
Other Services	26,400	26,400	25,100	0	1,300
Government	89,200	89,400	89,800	-200	-600
Federal Government	8,000	7,900	7,700	100	300
State Government	24,000	24,000	24,300	0	-300
Local Government	57,200	57,500	57,800	-300	-600

*Current month  
is preliminary;  
past months  
are revised*

Prior data and area data are available on our website at: [www.nhes.nh.gov/elmi/statistics/ces-htm](http://www.nhes.nh.gov/elmi/statistics/ces-htm)

**NOT SEASONALLY ADJUSTED ESTIMATES BY PLACE OF RESIDENCE****Labor Force Estimates**

<b>New Hampshire</b>	<b>Feb-19</b>	<b>Jan-19</b>	<b>Feb-18</b>
Total Civilian Labor Force	766,360	765,060	757,670
Employed	744,290	742,880	733,540
Unemployed	22,070	22,180	24,130
Unemployment Rate	2.9%	2.9%	3.2%

<b>United States (# in thousands)</b>	<b>Feb-19</b>	<b>Jan-19</b>	<b>Feb-18</b>
Total Civilian Labor Force	162,793	162,104	161,494
Employed	156,167	154,964	154,403
Unemployed	6,625	7,140	7,091
Unemployment Rate	4.1%	4.4%	4.4%

**Unemployment Rates by Area**

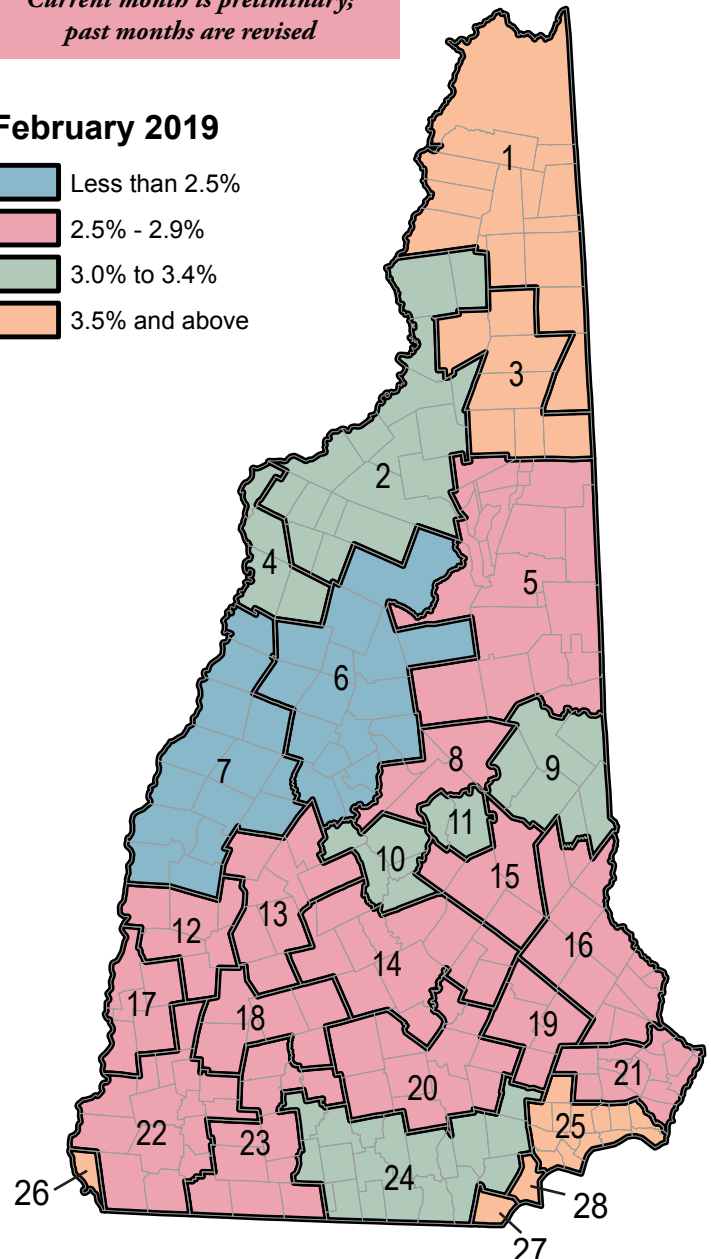
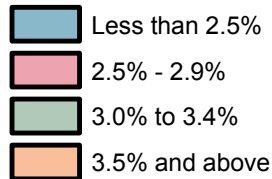
<b>Counties</b>	<b>Feb-19</b>	<b>Jan-19</b>	<b>Feb-18</b>
Belknap	2.9%	3.0%	3.4%
Carroll	3.0%	3.0%	3.2%
Cheshire	3.0%	2.9%	3.1%
Coös	3.8%	4.1%	4.3%
Grafton	2.4%	2.4%	2.5%
Hillsborough	2.9%	2.9%	3.3%
Merrimack	2.6%	2.6%	2.8%
Rockingham	3.1%	3.2%	3.4%
Strafford	2.7%	2.6%	2.8%
Sullivan	2.5%	2.3%	2.7%

<b>Map Key</b>	<b>Labor Market Areas</b>	<b>Feb-19</b>	<b>Jan-19</b>	<b>Feb-18</b>
1	Colebrook, NH-VT LMA, NH Portion	3.6%	3.7%	3.9%
2	Littleton, NH-VT LMA, NH Portion	3.0%	3.0%	3.2%
3	Berlin NH Micropolitan NECTA	4.4%	4.7%	4.9%
4	Haverhill, NH LMA	3.0%	3.2%	3.3%
5	Conway, NH-ME LMA, NH Portion	2.7%	2.8%	2.9%
6	Plymouth, NH LMA	2.4%	2.4%	2.5%
7	Lebanon, NH-VT Micropolitan NECTA, NH Portion	2.3%	2.1%	2.3%
8	Meredith, NH LMA	2.7%	2.7%	3.3%
9	Wolfeboro, NH LMA	3.3%	3.4%	3.9%
10	Franklin, NH LMA	3.1%	3.2%	3.7%
11	Laconia, NH Micropolitan NECTA	3.2%	3.3%	3.3%
12	Expanded Claremont, NH estimating area	2.6%	2.4%	2.8%
13	New London, NH LMA	2.6%	2.5%	2.6%
14	Concord, NH Micropolitan NECTA	2.5%	2.5%	2.7%
15	Belmont, NH LMA	2.8%	3.0%	3.6%
16	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	2.7%	2.6%	2.8%
17	Charlestown, NH LMA	2.6%	2.5%	2.5%
18	Hillsborough, NH LMA	2.6%	2.5%	2.8%
19	Raymond, NH LMA	2.9%	2.9%	3.1%
20	Manchester, NH Metropolitan NECTA	2.7%	2.7%	3.0%
21	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	2.5%	2.6%	2.8%
22	Keene, NH Micropolitan NECTA	2.9%	2.7%	3.0%
23	Peterborough, NH LMA	2.9%	2.8%	3.1%
24	Nashua, NH-MA NECTA Division, NH Portion	3.1%	3.1%	3.6%
25	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	3.7%	3.8%	4.1%
26	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	5.2%	4.6%	4.7%
27	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	3.6%	3.8%	4.4%
28	Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division	3.8%	4.1%	4.0%

**Unemployment Rates by Region**

<b>Not Seasonally Adjusted</b>	<b>Feb-19</b>	<b>Jan-19</b>	<b>Feb-18</b>
United States	4.1%	4.4%	4.4%
Northeast	4.1%	4.3%	4.8%
New England	3.6%	3.9%	4.2%
Connecticut	4.4%	4.7%	5.0%
Maine	3.9%	4.3%	4.0%
Massachusetts	3.2%	3.6%	4.0%
New Hampshire	2.9%	2.9%	3.2%
Rhode Island	4.3%	4.9%	5.0%
Vermont	2.5%	2.8%	3.2%
Mid Atlantic	4.4%	4.5%	5.0%
New Jersey	4.7%	4.6%	5.0%
New York	4.4%	4.6%	5.1%
Pennsylvania	4.2%	4.2%	5.0%

*Current month is preliminary;  
past months are revised*

**February 2019**

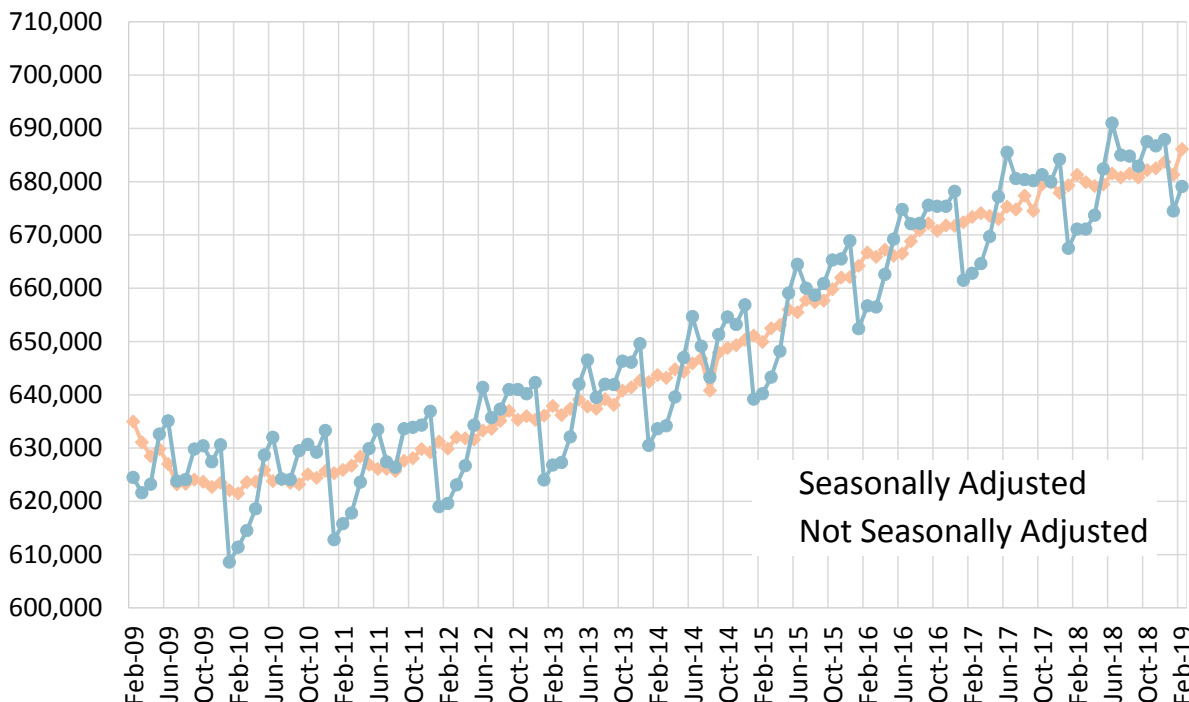
## MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

New Hampshire Nonfarm Employment Statewide  
Not Seasonally Adjusted

*Current month  
is preliminary;  
past months  
are revised*

	Number of Jobs			Change From Previous	
	Feb-19	Jan-19	Feb-18	Month	Year
Total Nonfarm	679,100	674,500	671,100	4,600	8,000
Total Private	586,600	585,700	578,300	900	8,300
Mining and Logging	900	900	900	0	0
Construction	26,200	26,200	24,800	0	1,400
Manufacturing	69,300	69,700	69,300	-400	0
Durable Goods	52,100	52,100	51,500	0	600
Non-Durable Goods	17,200	17,600	17,800	-400	-600
Trade, Transportation, and Utilities	138,100	140,800	137,000	-2,700	1,100
Wholesale Trade	28,500	28,700	27,800	-200	700
Retail Trade	93,100	95,400	92,900	-2,300	200
Transportation, Warehousing, and Utilities	16,500	16,700	16,300	-200	200
Information	12,300	12,300	12,400	0	-100
Financial Activities	33,600	34,000	34,400	-400	-800
Professional and Business Services	81,400	80,800	81,100	600	300
Education and Health Services	129,500	126,100	126,200	3,400	3,300
Leisure and Hospitality	69,500	68,900	67,500	600	2,000
Other Services	25,800	26,000	24,700	-200	1,100
Government	92,500	88,800	92,800	3,700	-300
Federal Government	7,900	7,800	7,600	100	300
State Government	25,000	21,500	25,400	3,500	-400
Local Government	59,600	59,500	59,800	100	-200

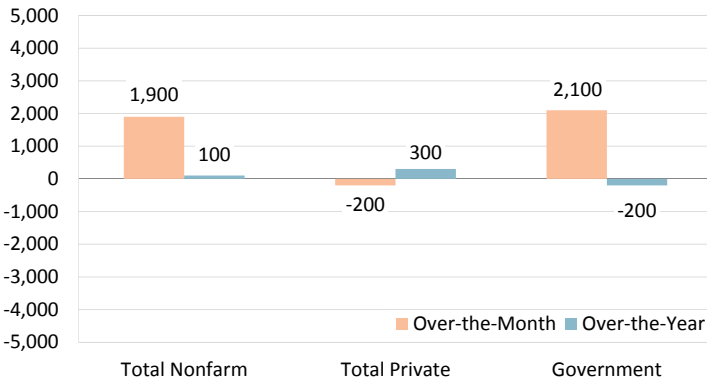
## Total Nonfarm Employment Trend Through February 2019



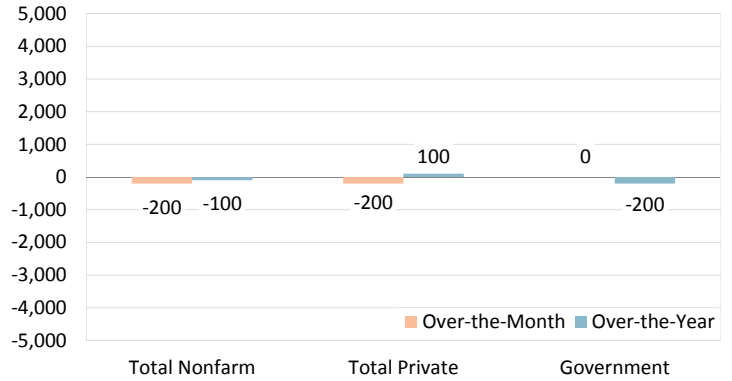
## MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

## Nonfarm Employment by Metropolitan Statistical Areas - February 2019

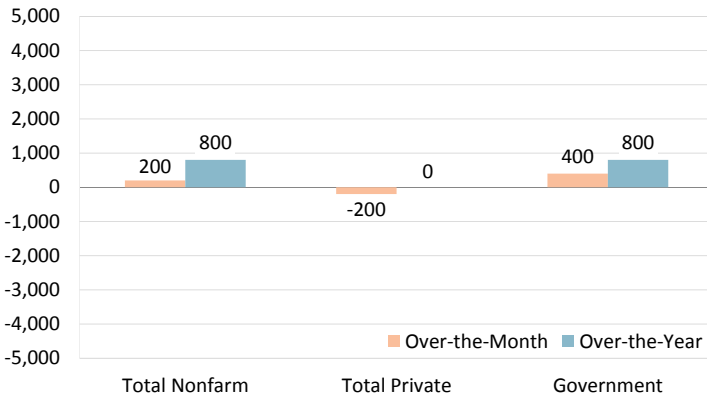
Dover-Durham NH-ME Metro NECTA



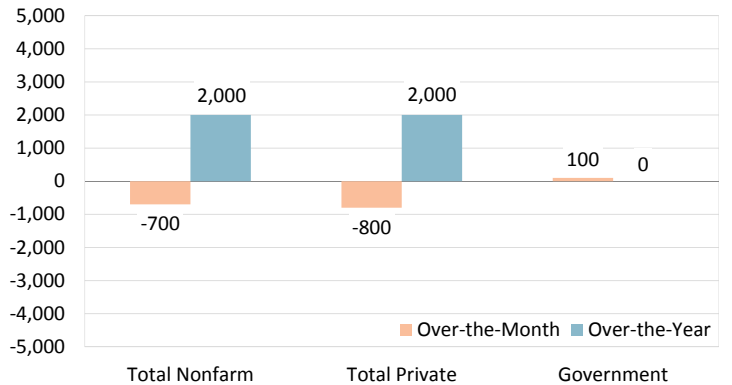
Manchester Metro NECTA



Portsmouth NH-ME Metro NECTA

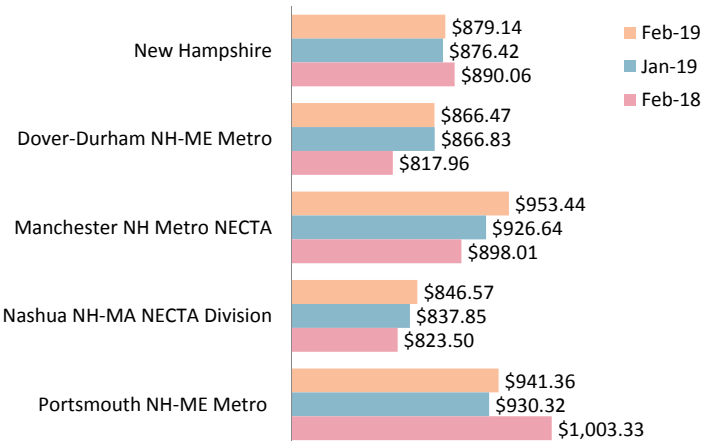


Nashua NH-MA NECTA Division

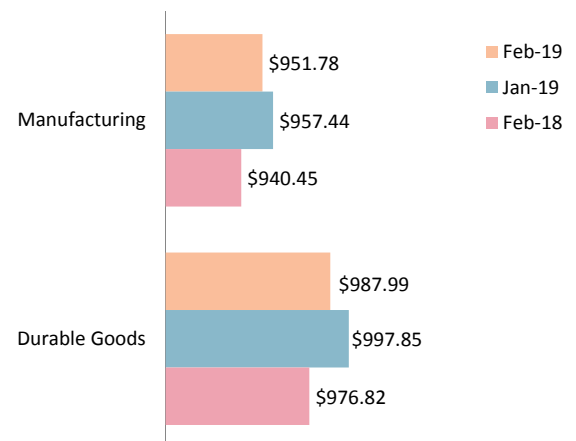


## Total Private Average Weekly Earnings Data

All Employee Average Weekly Earnings



Production Workers Average Weekly Earnings

Sector data for the four areas and hours earnings data are available on our website: [www.nhes.nh.gov/elmi/statistics/ces-data.htm](http://www.nhes.nh.gov/elmi/statistics/ces-data.htm)



## MONTHLY ANALYSIS OF CURRENT EMPLOYMENT STATISTICS (CES)

## Seasonally Adjusted

*Total Nonfarm* employment increased by 2,100 jobs in February, according to preliminary seasonally adjusted estimates. *Private Education and Health Services* had the largest over-the-month gain in employment, adding 1,500 jobs, followed by *Trade, Transportation, and Utilities* and *Leisure and Hospitality* with an increase of 500 positions each. *Construction* increased payrolls by 300 jobs from January.

Four supersectors experienced over-the-month employment losses in February. *Financial Activities* dropped 300 jobs, and *Government* decreased payrolls by 200 positions. *Manufacturing* and *Professional and Business Services* lost a modest 100 jobs each from January.

Seasonally adjusted *Total Nonfarm* employment increased 6,900 jobs from February 2018 to February 2019. *Private Education and Health Services* expanded by 2,200 jobs, while *Leisure and Hospitality* added 2,000 jobs. *Trade, Transportation, and Utilities* and *Other Services* expanded payrolls by 1,300 positions each over-the-year. *Construction* added 1,100 jobs, and *Manufacturing* and *Professional and Business Services* grew by 400 positions each from February 2018.

Three supersectors experienced over-the-year employment losses. *Financial Activities* dropped 1,000 jobs from February 2018. *Government* shed 600 positions, while *Information* decreased payrolls by 200.

## Not Seasonally Adjusted

Preliminary unadjusted estimates for February show that *Total Nonfarm* employment increased 4,600 jobs over-the-month. *Government* had the largest increase, adding 3,700 jobs, followed by *Private Education and Health Services* with an increase of 3,400 jobs. *Professional and Business Services* and *Leisure and Hospitality* gained 600 positions each from January.

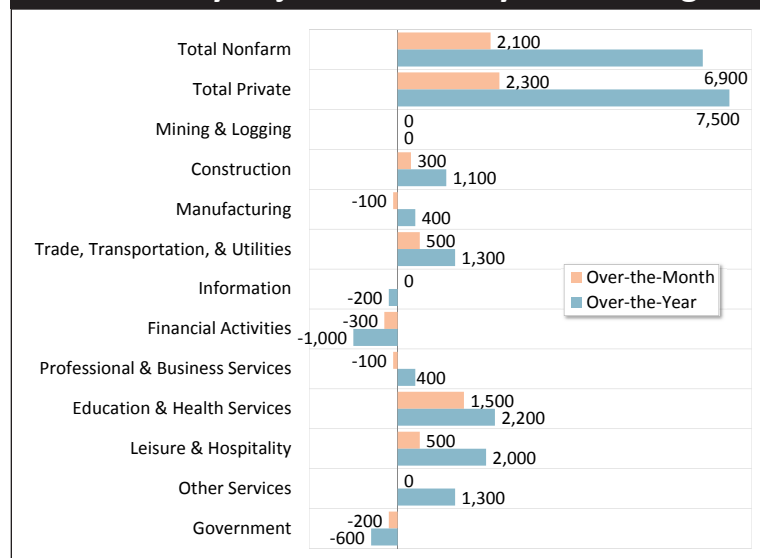
Four supersectors lost jobs over-the-month. *Trade, Transportation, and Utilities* dropped 2,700 jobs, while *Manufacturing* and *Financial Activities* lost 400 jobs each. *Other Services* experienced an employment decrease of 200 jobs from January.

*Total Nonfarm* employment increased 8,000 jobs from February 2018 to February 2019. *Private Education and Health Services* gained 3,300 jobs, while *Leisure and Hospitality* added 2,000 positions. *Construction* increased payrolls by 1,400 jobs, and *Trade, Transportation, and Utilities* gained 1,100 jobs over-the-year. *Other Services* added 1,000 jobs while *Professional and Business Services* expanded by 300 positions from February 2018.

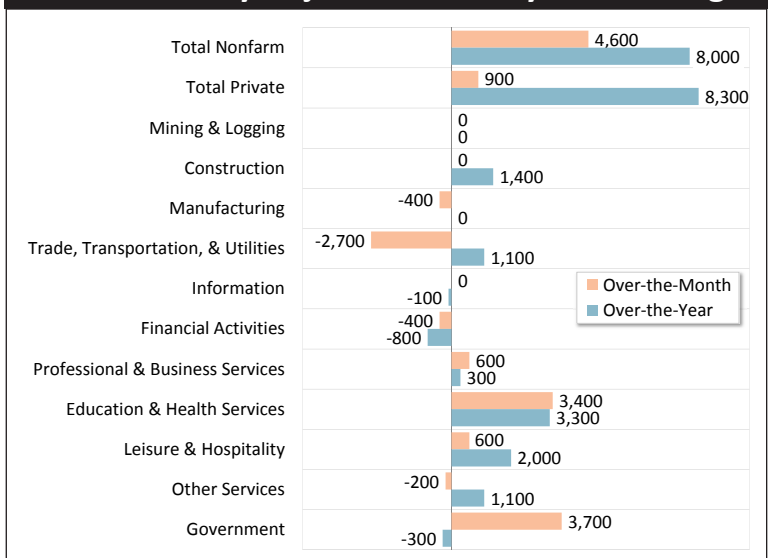
Three supersectors experienced an over-the-year employment loss. *Financial Activities* employment decreased by 800 positions from February 2018, and *Government* dropped 300 jobs. *Information* lost a modest 100 jobs over-the-year.

Ellie Goodbread  
Research Analyst

## Seasonally Adjusted February 2019 Change



## Not Seasonally Adjusted February 2019 Change



## Consumer Price Index

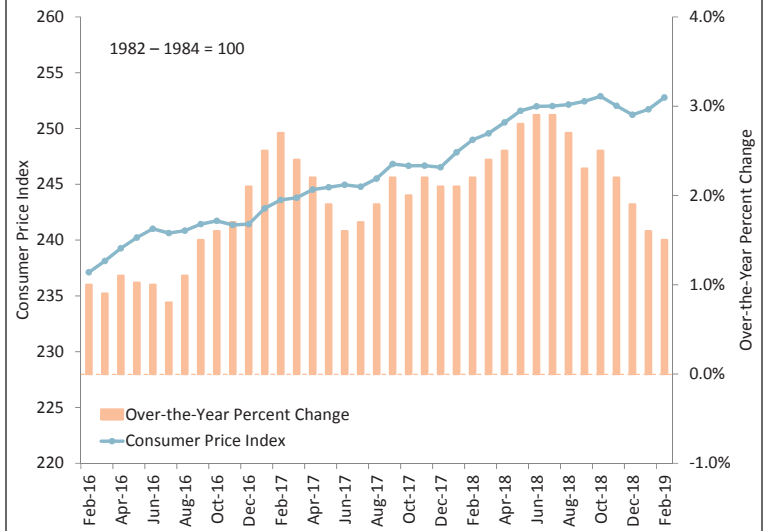
**United States, All Urban Consumers**  
Not Seasonally Adjusted (CPI-U) (1982-1984=100)

			Change From Previous	
Feb-19	Jan-19	Feb-18	Month	Year
252.776	251.712	248.991	0.4%	1.5%

**Northeast, All Urban Consumers**  
Not Seasonally Adjusted (CPI-U) (1982-1984=100)

			Change From Previous	
Feb-19	Jan-19	Feb-18	Month	Year
266.706	266.109	263.260	0.2%	1.3%

## Consumer Price Index United States, All Urban Consumers



## Unemployment Compensation Claims Activity

	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Initial Claims	1,533	1,661	2,048	2,786	2,986	2,244
Continued Weeks Claimed	11,363	12,056	11,932	16,132	18,266	17,225
Average payment for a week of unemployment	\$350.71	\$352.60	\$343.71	\$335.16	\$328.92	\$329.03

New Hampshire Economic Conditions is published monthly in coordination with the Bureau of Labor Statistics and the Employment Training Administration of the U.S. Department of Labor.

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NHES is an Equal Opportunity Employer and complies with the Americans with Disabilities Act.  
Auxiliary aids and services are available upon request to individuals with disabilities.

### New Hampshire Employment Security Local Offices

Berlin . . . . .	752-5500	Claremont . . . . .	543-3111
Concord . . . . .	228-4100	Conway . . . . .	447-5924
Keene . . . . .	352-1904	Laconia . . . . .	524-3960
Littleton . . . . .	444-2971	Manchester . . . . .	627-7841
Nashua . . . . .	882-5177	Portsmouth . . . . .	436-3702
Salem . . . . .	893-9185	Somerset . . . . .	742-3600

**Claims calls: 1-800-266-2252**



### New Hampshire Employment Security Economic and Labor Market Information Bureau

General Information . . . . .	(603) 228-4124 <a href="http://www.nhes.nh.gov/elmi">www.nhes.nh.gov/elmi</a>
Research Unit . . . . .	228-4173
Economist . . . . .	229-4427
Covered Employment & Wages . . . . .	228-4060
Current Employment Statistics . . . . .	228-4175
Local Area Unemployment Statistics . . . . .	228-4167
Occupational Employment Statistics . . . . .	229-4315

