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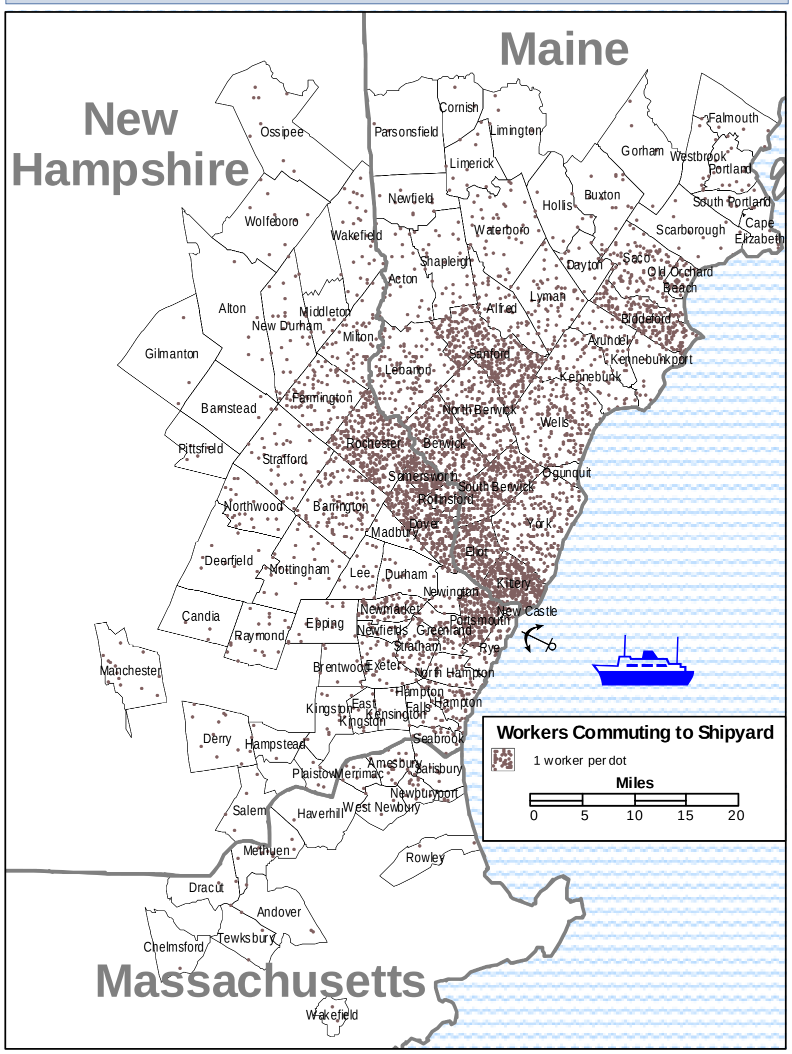
A New Economic Impact Study released – What if... the Shipyard closed?

The fifth round of the Base Realignment and Closure (BRAC) Act is well underway, and everyone in the Seacoast Region of New Hampshire and in Southern Maine is concerned that the Portsmouth Naval Shipyard might be included on the list to be released by the Secretary of Defense in mid-May. The Yard survived a closure order in the mid-sixties, as well as four rounds of BRAC. The area has not gone unscathed as Pease Air Force Base fell victim to the first round of BRAC. History has shown the shipyard's ability to change its focus in order to

39 % of the Civilian Employees at the Portsmouth Naval Shipyard Commute from Cities and Towns in New Hampshire

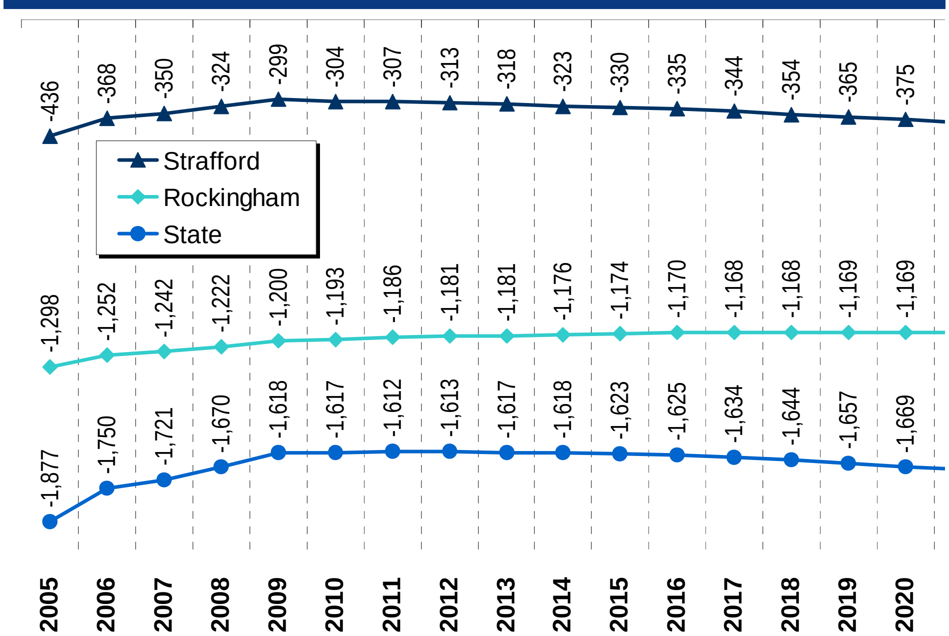


be in alignment with the needs of the Navy. But it is beyond our means to predict the outcome of the BRAC 2005 process.

The Shipyard has been an important economic player in the regional economy. It contributes more than 4,800 civilian jobs and more than 800 military positions to the region. The total civilian payroll was $318,329,729; of which $122,635,908 was paid to New Hampshire residents. In addition the shipyard spent $5,817,322 on purchased goods and services in New Hampshire and Maine as well as $46,418,335 on contracted facility services (utilities and maintenance/alteration/support).

The primary criteria for closure under BRAC is that national security is not compromised. After that, all military installations are to be considered equally, no matter how hard an area was hit by any of the previous rounds of closures. In the post 9/11 era, national security connotes Homeland Security. In that respect Portsmouth Naval Shipyard has a role. Three U.S. Coast Guard cutters are located at the Yard.

Total Employment Losses



NH 2004 Wages by County used to Model the Loss of Wages due to the Closing of PNS

County	Wages
Strafford	$73,199,717
Rockingham	$42,878,423
Hillsborough	$1,519,411
Belknap	$1,107,976
Merrimack	$1,074,461
NH Total	**$119,779,988**

Included under the criteria of military value is the efficiency of the operations. The Portsmouth Naval Shipyard claims a reputation as "America's submarine maintenance expert" – the best performing shipyard in the country, public or private. However, the demand for submarine maintenance can be predicted to go down as the Pentagon intends to decrease the size of the Navy's submarine fleet from 55 to 37.[1] The Administration's proposed FY 2006 defense budget also reduces the number of new naval vessels from six to four, including only one new submarine.[2]

As a state or region, we have limited influence on defining national security. But, among *Other considerations* the Department of Defense evaluates when selecting military installations for closure, is "*the economic impact on existing communities in the vicinity of military installations*". By using the New Hampshire Econometric Model (see page 4) to perform a regional economic simulation, we were able to show the impact that a closure of the Portsmouth Naval Shipyard would have on the economies of Rockingham and Strafford Counties as well as on the entire state of New Hampshire. However, this model estimated the impact on New Hampshire alone. Beyond the initial direct loss of military and civilian employment, this study does not consider effects on Maine, the other state that would be greatly affected by a closure. The total regional effect would be a multiple of the effects, on New Hampshire alone, that are presented here.

Despite the name, Portsmouth Naval Shipyard, this shipyard is located in Kittery, Maine. Since most of the jobs are physically located in Maine (jobs by place of establishment), the closure of the Shipyard would have an immediate direct effect on the number of jobs in Maine. However, 39 percent of its civilian employees commute to the Shipyard from cities and towns in New Hampshire. The wages from these commuters are included in the New Hampshire economy, and the secondary effects following a closure would significantly reduce jobs and income in New Hampshire.

Compared to the baseline forecasts in the New Hampshire Econometric Model, a closure of the PNS would result in the following:

- A direct loss of 800 military positions and 27 civilian positions in New Hampshire. (The Department of Defense reports the military contingent of the yard as if it were in New Hampshire.)
- $122,635,908 in lost wages paid to PSN civilian employees residing in New Hampshire. Of these New Hampshire wages, 61 percent are from Strafford County and 33 percent are from Rockingham County. In 2004, New Hampshire residents held 1,878 civilian positions at PNS.
- 1,219 jobs lost in the secondary effects of a PNS closure. The secondary effects would be caused by a decrease in purchasing power (due to the loss of the PNS wages), the loss of expenditures on local goods and services purchased by PNS, as well as the loss of facility services contracted by PNS.
- New Hampshire civilian jobs will remain at least 900 below the projected growth for the duration of the simulation, statewide.
- Gross Regional (or State) Product (GRP) in New Hampshire would fall $133.8 million below the baseline in the first year and remain $128.7 million below the baseline by 2021.
- Wage and salary disbursements linked to secondary effect job declines in New Hampshire would initially suffer losses of $71.5 million, expanding to a loss of $106.3 million by 2021.
- Wages in Strafford County would be hit the hardest. The average annual wage rate would be lowered by $123.51 in nominal dollars by 2010, the bottom of the trough. The effects on the average annual wage rate are smaller at the statewide level, but it would take New Hampshire until 2019 to get back to the pre-closing wage level.
- New Hampshire would lose $14.8 million in state and local revenues in the first year after closure, while state and local expenditures would be reduced by $4.4 million. This would result in a net

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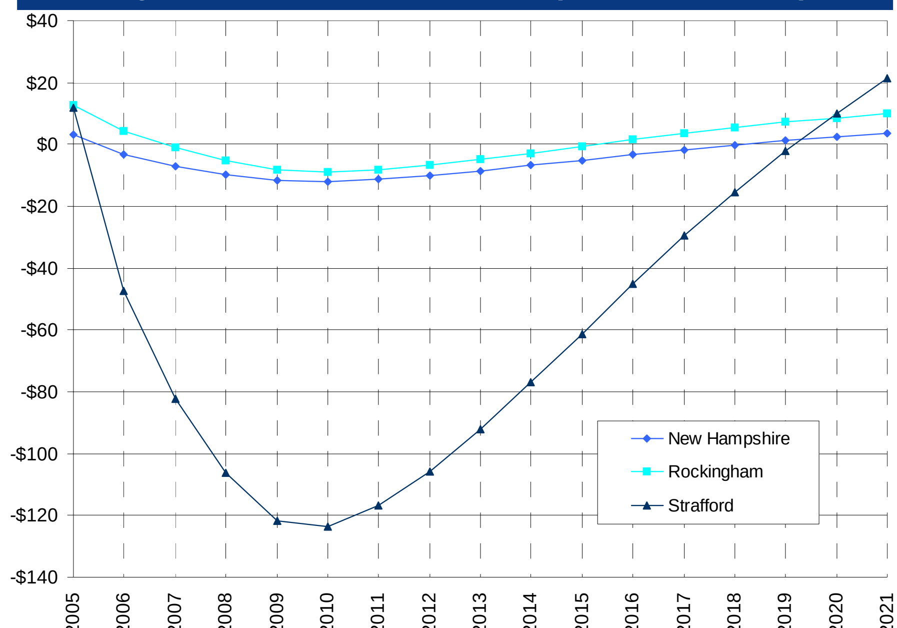
Annual Average wage rate for New Hampshire and Rockingham and Strafford Counties (Nominal Dollars)



Modeling the Potential Impact of a Closure of the Portsmouth Naval Shipyard

This assessment of the potential economic impact of a closure of the Portsmouth Naval Shipyard on New Hampshire under BRAC 2005 was carried out using the Economic and Labor Market Information Bureau's New Hampshire 10-County Econometric Model - a REMI Policy Insight® model[1]. Below is an explanation of the economic theory and data behind the REMI model and a description of how this tool is used to model planned or anticipated economic events.

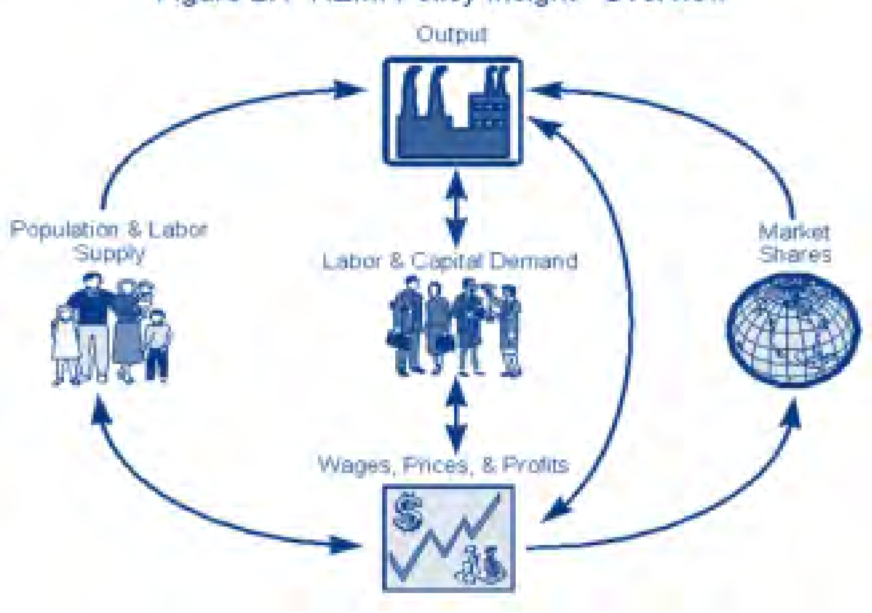
The REMI Model

REMI Policy Insight® is a structural model, meaning that it depends on cause-and-effect relationships. The model is based on two key underlying assumptions from mainstream economic theory: households optimize their resources and producers maximize profits. Although the REMI model is a sophisticated mathematical tool, the overall dynamic can be understood by lay people. The tool is often used by economic developers and planners to gage the potential impact on a regional economy of proposed projects such as improvements to transportation infrastructure; commercial, industrial and residential development; relocation or expansion of businesses, etc.

In the model, businesses produce goods and services to sell to local firms, investors, governments, and individuals, or sell as exports outside the region. The output is produced using labor, capital, fuel, and intermediate inputs. The demand, per unit of output, for labor, capital, and fuel depends on the relative cost of each input. An increase in the price of any one of these inputs leads to substitution away from that input to other inputs. The supply of labor in the model depends on the size of the population and the share of the population which participates in the labor force. Economic migration affects the population size. People will move into an area if the real after-tax wage rates or the likelihood of being employed increases in a region.

Supply and demand for labor determines the wage rates (price of labor) in the model. Wage rates, along with other

Figure 2.1 REMI Policy Insight Overview



prices and productivity, determine the cost of doing business for each industry in the model. An increase in the cost of doing business causes either an increase in prices or a cut in profits, depending on the market for the product. In either case, an increase in costs would decrease the share of the local and U.S. market supplied by local firms. This market share, combined with the demand described above, determines the amount of local output. Many other feedbacks are incorporated in the model. For example, changes in wages and employment impact income and consumption, while economic expansion changes investment, and population growth impacts government spending. Figure 2-1 is a pictorial representation of REMI Policy Insight®.

Figure 2-2 shows the policy simulation process for a scenario called Policy X. The effects of a scenario are determined by comparing an alternative forecast to the baseline REMI forecast (control forecast). To create the control forecast for a particular region, REMI uses recent data and thousands of equations to generate projected economic activity. To show the effects of a given economic event, the assumptions made are translated into *change in policy variables*, representing the direct effects. The model generates the alternative forecast using these alternated policy variables as inputs.

Figure 2-2 Policy X Scenario

For the Portsmouth Naval Shipyard study, the Policy X is the closure of the Shipyard. The impact is assessed relative to the expected growth in the region's economy assuming no closure and growth as forecasted to 2021[2] by REMI.

Examples of other policy scenarios simulated using the Economic and Labor Market Information Bureau's New Hampshire 10-County Econometric Model are the *North Country Industrial Development Simulation - Estimated impacts of economic development in the three northern counties of New Hampshire*, and the *Impact of a Potential Coos County Paper Industry Contraction*. The study on the potential closure of the

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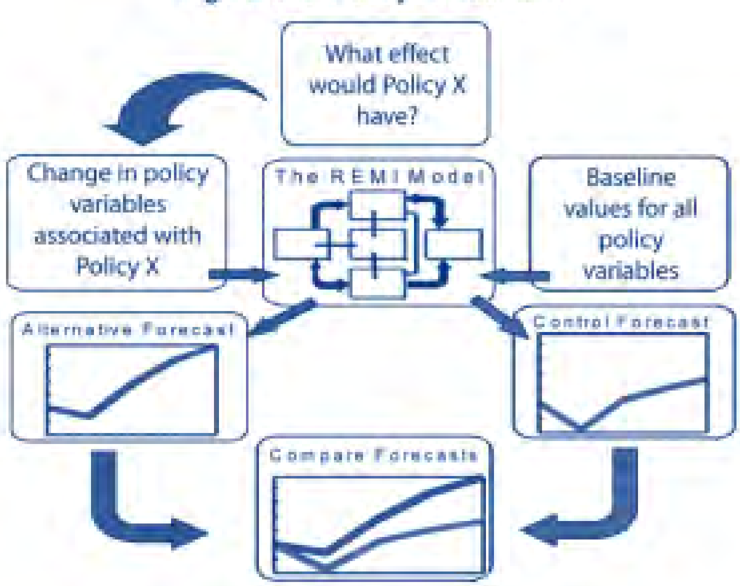
Figure 2.2 Policy X Scenario



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loss of $10.4 million in state and local government finances.

- Sales, office and administrative occupations compose the occupational group most affected by the secondary effects of the closure. By 2021 only about half of the jobs lost would be recouped.
- By 2021 the State's population will have shrunk by 3,780 below the baseline.
- Unemployment in New Hampshire would rise by at least 2,700 persons, with the unemployment rate rising by about 0.5 percent. Since most of the unemployment would occur in the Portsmouth-Rochester area, that area's unemployment rate would increase much more.

If the Portsmouth Naval Shipyard were to close, the opportunity for reemployment as skilled shipbuilding workers in New Hampshire, and nearby Maine and Massachusetts, would be very limited.

The shipyard has a high concentration of workers in the following major occupational groups (Standard Occupational Code - SOC):

- 17-0000 Architecture and Engineering Occupations -1,018 positions
- 51-0000 Production Occupations - 924 positions
- 49-0000 Installation, Maintenance, and Repair Occupations - 741 positions
- 47-0000 Construction and Extraction Occupations - 691 positions

This is especially a problem as the shipyard has a high concentration of employees in certain occupations not common in the region otherwise, such as *Riggers, Nuclear engineers and Lay-out workers (metal)*. The impact of the PNS closure, at the personal level, would be quite devastating, as individuals may have difficulties maintaining current income levels and finding jobs matching their skills. The average annual pay at

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Top Ten Occupations by Area		**Portsmouth Naval Shipyard**	**Portsmouth, Dover, Rochester Area**
Occupation	**SOC Code**	**Employ-ment**	**Estimated Empl.**
Mechanical Engineering Technicians	17-3027	266	30
Industrial Machinery Mechanics	49-9041	250	170
Helpers--Production Workers	51-9198	243	240
First-Line Supervisors/Managers of Construction Trades and Extraction Workers	47-1011	201	290
Mechanical Engineers	17-2141	184	280
Nuclear Engineers	17-2161	180	n/a
Electricians	47-2111	153	420
Painters, Transportation Equipment	51-9122	152	n/a
Plumbers, Pipefitters, and Steamfitters	47-2152	129	NP
Machinists	51-4041	117	340

* Estimated area and statewide employment are based on the November 2003 New Hampshire Occupational Employment and Wages survey by the Occupational Employment Statistics (OES) Program
n/a - not available
NP - indicates that the estimated employment is not publishable

the PNS is about $65,000, a wage level substantially higher than average 2003 annual pay for all private covered employment in New Hampshire or in Rockingham County. A large portion of the shipyard employees are either highly skilled or have attained a high level of education. If workers with high levels of educational attainment seek employment in other parts of the nation, the state will lose valuable human capital as these workers migrate from New Hampshire. For the purpose of modeling we assumed that no other major employer would enter the region and absorb some of the excess labor force. If that were to occur, the economy would tend to move back toward equilibrium. Depending on how much employment would be absorbed, the economy would recover, accordingly. In any case, the recovery period and jobs replacement would likely be a long and protracted one, especially in light of the slow recoveries experienced by other areas whose naval bases have already been closed.

Peter S. Bartlett
Annette Nielsen

[1] Lenz, Ryan: Associated Press; Bases in Northeast prone to BRAC.
[2] Kenny, Elizabeth: http://www.seacoastonline.com; Navy: Too soon to tell future of the shipyard.

Claims Activity

Unemployment Compensation Claims Activity

Total Regular Unemployment Compensation Programs:				Change from Previous			
				Month		Year	
	Mar-05	Feb-05	Mar-04	Net	Percent	Net	Percent
Initial Claims	3,889	4,127	4,233	-238	-5.8%	-344	-8.1%
Continued Weeks	37,107	40,994	48,737	-3,887	-9.5%	-11,630	-23.9%

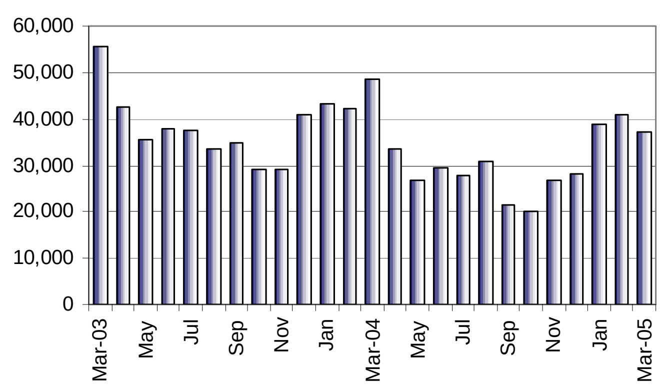
Trust Fund

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of March	$230,081,403.83
Average payment for a week of total unemployment:	$251.08
Net benefits paid:	$7,613,134.31
Net contributions received during the month:	$347,864.67
Interest Received:	$3,288,845.98
Reed Act Distribution:	$0.00
Reed Act Withdrawal for Administrative Costs:	$555.30

Continued Weeks Claimed

Mar. 2003 - Mar. 2005



A decline of 23.9 percent over-the-year in continued weeks claimed is a sign of an improving economy.

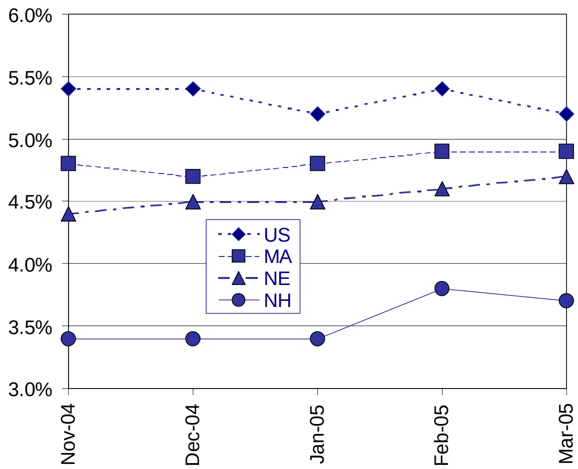
Consumer Price Index

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

			Change from Previous	
Mar-05	Feb-05	Mar-04	Month	Year
193.3	191.8	187.4	0.8%	3.1%

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

Except Maine, all New England states saw a decline in their unemployment rates over-the-year.



Unemployment Rates by Region

	preliminary Mar-05	revised Feb-05	Mar-04
United States	5.2%	5.4%	5.7%
Northeast	4.8%	4.9%	5.5%
New England	4.7%	4.6%	5.1%
Connecticut	4.9%	4.8%	5.1%
Maine	4.7%	4.6%	4.6%
Massachusetts	4.9%	4.9%	5.4%
New Hampshire	3.7%	3.8%	4.1%
Rhode Island	4.5%	4.4%	5.4%
Vermont	3.4%	3.5%	4.0%
Mid Atlantic	4.8%	5.0%	5.7%
New Jersey	4.3%	4.4%	5.2%
New York	4.6%	5.1%	6.1%
Pennsylvania	5.4%	5.3%	5.5%

Seasonally Adjusted Labor Force Estimates

By Place of Residence

	Nov-04	Dec-04	Jan-05	revised Feb-05	preliminary Mar-05
New Hampshire					
Unemployment Rate	3.4%	3.4%	3.4%	3.8%	3.7%
Civilian Labor Force	724,670	725,481	726,564	727,240	729,544
Number Employed	700,070	700,941	701,550	699,575	702,407
Number Unemployed	24,600	24,540	25,014	27,666	27,137
United States (in thousands)					
Unemployment Rate	5.4%	5.4%	5.2%	5.4%	5.2%
Civilian Labor Force	148,313	148,203	147,979	148,132	148,157
Number Employed	140,293	140,156	140,241	140,144	140,501
Number Unemployed	8,020	8,047	7,737	7,988	7,656

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	Nov-04	Dec-04	Jan-05	revised Feb-05	preliminary Mar-05
Total Nonfarm	631,000	632,700	632,900	631,000	634,200
Construction	30,100	30,100	29,900	30,000	30,100
Manufacturing	81,000	81,000	81,000	80,900	80,700
Trade, Transportation, and Utilities	140,800	140,900	140,800	140,500	141,300
Financial Activities	38,200	38,200	38,400	38,600	38,600
Professional and Business Services	56,500	56,200	55,200	55,200	55,600
Leisure and Hospitality	64,400	64,900	65,000	65,500	66,300
Other Services	20,400	20,300	20,200	20,400	20,300
Government	90,200	90,800	93,100	90,100	90,700

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	Mar-05	Feb-05	Mar-04
Number of workers	preliminary	revised	
Total Civilian Labor Force	726,130	722,860	719,220
Employed	696,740	691,690	687,340
Unemployed	29,390	31,170	31,880
Unemployment Rate (percent of labor force)	4.0%	4.3%	4.4%

Unemployment Rates by Area

Map Key		preliminary Mar-05	revised Feb-05	Mar-04
	U.S and Regional States			
	United States	5.4%	5.8%	6.0%
	Northeast	5.1%	5.5%	6.1%
	New England	5.1%	5.2%	5.6%
	Connecticut	5.0%	5.3%	5.3%
	Maine	5.5%	5.6%	5.5%
	Massachusetts	5.3%	5.4%	5.9%
	New Hampshire	4.0%	4.3%	4.4%
	Rhode Island	5.3%	5.3%	6.2%
	Vermont	4.0%	4.2%	4.7%
	Mid Atlantic	5.1%	5.6%	6.3%
	New Jersey	4.6%	4.9%	5.6%
	New York	4.9%	5.6%	6.7%
	Pennsylvania	5.9%	6.0%	6.1%
Map Key	**Labor Market Areas**			
1	Colebrook NH-VT LMA, NH Portion	4.3%	4.4%	11.8%
2	Berlin NH MicroNECTA	4.5%	4.7%	4.8%
3	Littleton NH-VT LMA, NH Portion	3.9%	4.4%	3.5%
4	Haverhill NH LMA	4.1%	4.5%	4.9%
5	Conway NH-ME LMA, NH Portion	4.2%	4.4%	4.2%
6	Plymouth NH LMA	3.2%	3.5%	3.4%
7	Moultonborough NH LMA	3.1%	3.4%	3.5%
8	Lebanon NH-VT MicroNECTA, NH Portion	2.3%	2.5%	2.5%
9	Laconia NH MicroNECTA	3.8%	3.9%	4.1%
10	Wolfeboro NH LMA	3.6%	3.7%	3.7%
11	Franklin NH MicroNECTA	4.2%	4.8%	4.4%
12	Claremont NH MicroNECTA	3.2%	3.4%	3.9%
13	Newport NH LMA	3.0%	3.3%	4.1%
14	New London NH LMA	2.6%	2.8%	2.8%
15	Concord NH MicroNECTA	3.5%	3.8%	3.6%
16	Rochester-Dover NH-ME MetroNECTA, NH Portion	3.9%	4.2%	3.9%
17	Charlestown NH LMA	3.5%	3.9%	4.4%
18	Hillsborough NH LMA	3.3%	3.7%	3.7%
19	Manchester NH MetroNECTA	3.9%	4.2%	4.2%
20	Keene NH MicroNECTA	3.2%	3.3%	3.4%
21	Peterborough NH LMA	3.8%	4.0%	3.9%
22	Nashua NH-MA NECTA Division, NH Portion	4.5%	4.7%	5.0%
23	Exeter Area, NH Portion, Haverhill-N. Andover-Amesbury MA-NH NECTA Division	5.5%	5.8%	6.1%
24	Portsmouth NH-ME MetroNECTA, NH Portion	4.0%	4.2%	4.2%
25	Hinsdale Town, NH Portion, Brattleboro VT-NH LMA	2.7%	2.3%	5.8%
26	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford MA-NH NECTA Division	6.4%	6.7%	6.8%
27	Salem Town, NH Portion, Lawrence-Methuen-Salem MA-NH NECTA Division	6.4%	6.7%	7.8%

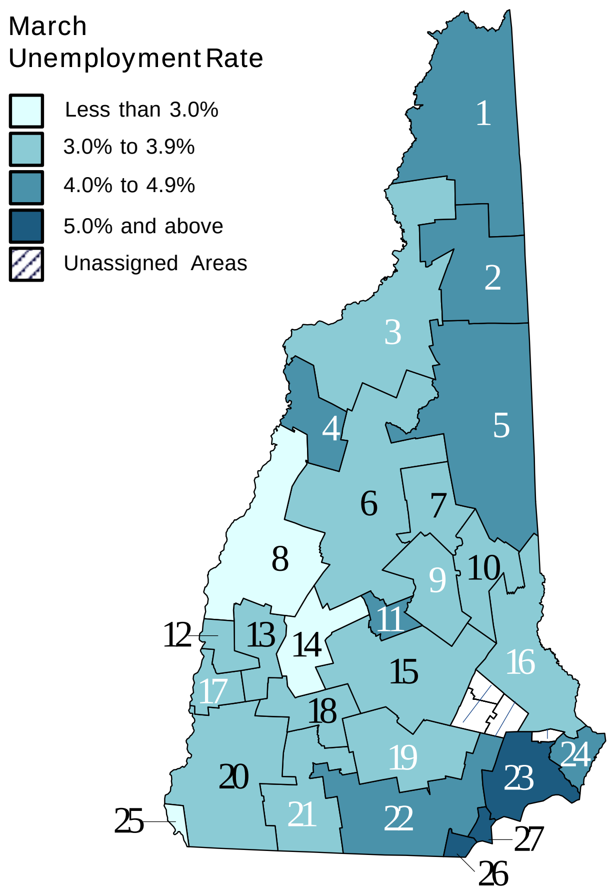
Unemployment rates in the New Hampshire portion of its Labor Market Areas (LMA) and Metropolitan Areas, and New England City and Town Areas (NECTA)

Local Area Unemployment Statistics (LAUS)

Not Seasonally Adjusted

By Place of Residence

	preliminary Mar-05	revised Feb-05	Mar-04
Counties			
Belknap	3.8%	4.0%	4.1%
Carroll	4.0%	4.2%	4.0%
Cheshire	3.3%	3.5%	3.7%
Coos	4.4%	4.7%	6.6%
Grafton	2.9%	3.1%	3.1%
Hillsborough	4.2%	4.5%	4.6%
Merrimack	3.4%	3.7%	3.6%
Rockingham	4.9%	5.1%	5.4%
Strafford	3.9%	4.2%	3.9%
Sullivan	3.0%	3.3%	3.8%



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.

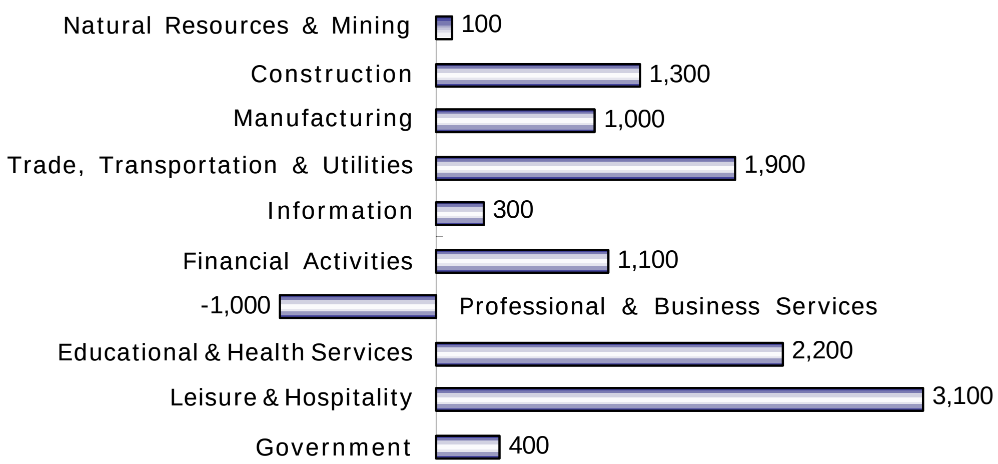
The strong growth in Leisure and hospitality of 800 jobs over-the-month was driven by an increase in Food service and drinking places.

Monthly Not Seasonally Adjusted New Hampshire Nonfarm Wage and Salary Employment

Current Employment Statistics Employment by Super Sector by place of establishment	Number of Jobs Mar-05 (preliminary)	Feb-05 (revised)	Mar-04	Change from previous: Month	Year
Total All Super Sectors	625,200	621,900	615,400	3,300	9,800
Private Employment Total	531,200	528,600	521,800	2,600	9,400
Natural Resources & Mining	1,000	900	900	100	100
Construction	27,500	27,100	26,200	400	1,300
Manufacturing	80,600	80,800	79,600	-200	1,000
Durable Goods	61,500	61,700	59,800	-200	1,700
Non-Durable Goods	19,100	19,100	19,800	0	-700
Trade, Transportation and Utilities	138,200	137,700	136,300	500	1,900
Wholesale Trade	27,700	27,600	26,900	100	800
Retail Trade	95,400	95,000	94,200	400	1,200
Transportation and Utilities	15,100	15,100	15,200	0	-100
Information	12,700	12,700	12,400	0	300
Financial Activities	38,200	38,300	37,100	-100	1,100
Professional and Business	54,600	54,200	55,600	400	-1,000
Educational and Health	97,100	96,400	94,900	700	2,200
Leisure and Hospitality	61,300	60,500	58,200	800	3,100
Other Services	20,000	20,000	20,600	0	-600
Government Total	94,000	93,300	93,600	700	400

Change in Nonfarm Employment

Mar. 2004 to Mar. 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 grew by 3,200 jobs according to March's preliminary seasonally adjusted estimates. Trade, transportation, and utilities (supersector 40) and leisure and hospitality (supersector 70) each contributed 800 jobs to the March increase. Government (supersector 90) added 600 jobs to the economy, while professional and business services (supersector 60) chipped in 400 jobs. Construction (supersector 20) rounded out March's growth pattern by boosting up its employment totals by 100 jobs.

Financial activities (supersector 55) made no changes to its overall force size in the initial March estimates.

March's seasonally adjusted estimates also showed that manufacturing (supersector 30) trimmed 200 positions from its force, and other services (supersector 80) had 100 fewer persons on the job.

Unadjusted: Over the past ten years, New Hampshire's total nonfarm employment has increased by 3,300 jobs on average in March. This March's prelimi-

Monthly Unadjusted Nonfarm Wage and Salary Employment by Metropolitan Statistical Areas

Employment by Sector number of jobs by place of establishment	Manchester NH MetroNECTA Preliminary Mar-05	Change from previous: Month	Year	Nashua NH-MA NECTA Division, NH Portion Preliminary Mar-05	Change from previous: Month	Year	Portsmouth NH-ME MetroNECTA, NH Portion Preliminary Mar-05	Change from previous: Month	Year	Rochester-Dover NH-ME MetroNECTA, NH Portion Preliminary Mar-05	Change from previous: Month	Year
Total All Sectors	99,300	500	1,000	128,300	200	1,800	53,400	-100	900	55,200	300	600
Private Employment Total	87,500	200	1,000	113,600	300	2,000	43,500	0	400	41,200	0	200
Natural Resources and Construction	5,000	0	100	5,600	100	400	1,700	0	0	2,000	0	100
Manufacturing	9,700	0	300	25,700	0	100	4,000	0	100	6,400	0	-100
Trade, Transportation and Utilities	20,700	0	400	30,400	0	800	10,800	0	-100	11,000	0	-400
Wholesale Trade	5,200	0	100	5,600	0	200	1,900	0	0	1,400	0	-100
Retail Trade	12,800	100	400	20,500	0	300	7,700	0	0	8,600	0	-300
Transportation, Warehousing & Utilities	Information will be made available in January 2006			4,300	0	300	1,200	0	-100	1,000	0	0
Information	3,300	0	-100	2,000	0	0	1,800	0	300	1,300	0	100
Financial Activities	8,800	-100	0	8,100	0	200	4,800	0	100	2,600	-100	0
Professional and Business	11,200	100	-600	12,600	0	700	7,800	0	-300	3,700	0	100
Educational and Health	16,500	0	600	15,100	0	-100	5,500	-100	0	7,500	100	200
Leisure and Hospitality	8,100	200	200	9,600	100	-100	5,500	100	200	4,800	0	100
Services	4,200	0	100	4,500	100	0	1,600	0	100	1,900	0	100
Government Total	11,800	300	0	14,700	-100	-200	9,900	-100	500	14,000	300	400

Note: Employment estimates for the Lawrence-Methuen-Salem MA-NH NECTA Division, NH Portion, will be available with January 2006 data

Average Earnings and Hours of Production Workers in Manufacturing

Sector	Average Weekly Earnings Mar-05 prelim.	Feb-05 revised	Mar-04	Average Weekly Hours Mar-05 prelim.	Feb-05 revised	Mar-04	Average Hourly Earnings Mar-05 prelim.	Feb-05 revised	Mar-04
New Hampshire									
All Manufacturing	$616.62	$628.68	$618.20	39.2	40.3	40.3	$15.73	$15.60	$15.34
Durable Goods	$633.21	$639.27	$634.37	39.9	40.9	41.3	$15.87	$15.63	$15.36
Nondurable Goods	$570.32	$600.24	$571.10	37.3	38.7	37.4	$15.29	$15.51	$15.27
Manchester NH MetroNECTA									
All Manufacturing	$653.18	$653.18	$702.69	38.4	38.4	39.7	$17.01	$17.01	$17.70
Nashua NH-MA NECTA Division, NH Portion									
All Manufacturing	$665.41	$669.89	$642.40	41.1	41.3	40.1	$16.19	$16.22	$16.02

Note: Production workers and information for Portsmouth and Rochester will be available with January 2006 data.

nary unadjusted estimates adhered to that pattern. Most supersectors added to their payrolls.

Leisure and hospitality (supersector 70) led the way with an 800-job expansion. Educational and health services (supersector 65) and government (supersector 90) each followed by adding 700 jobs. Trade, transportation, and utilities (supersector 40) expanded its staff by 500 positions. Both construction (supersector 20) and professional and business services (supersector 60) added 400 jobs to their respective rosters. Natural resources and mining (supersector 10) wrapped up expansion for the month with its 100-job increase.

Employment activity for information (supersector 50) and other services (supersector 80) remained neutral in March, as the total number of jobs in each held at the February level.

On the downside, manufacturing (supersector 30) dropped 200 jobs in the March estimates, and financial activities (supersector 55) reduced its personnel strength by 100.

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Portsmouth Naval Shipyard and the *North Country Industrial Development Simulation* are available on the web at http://www.nhes.state.nh.us/elmi/specpubs.htm. The impact study of the paper industry contraction is only available in hard copy. Any of these publications can be requested by contacting ELMI Publications at (603) 228-4124.

REMI studies have been conducted in regional economies all over the United States, on subjects ranging from economic development, transportation, infrastructure, environment, energy and natural resources to state and local tax changes. Some of these studies are listed at the Regional Economic Models, Inc website at <www.remi.com/support/articles.html>.

If you have any questions about the Portsmouth Naval Shipyard study or any questions related to the use of the REMI Model, please contact Peter S. Bartlett at (603) 228-4122, email pbartlett@nhes.state.nh.us or Annette Nielsen at (603) 229-4427, email anielsen@nhes.state.nh.us.

[1] Product of Regional Economic Models, Inc. of Amherst, MA.
[2] REMI has the capabilities to forecast to 2050.

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