ECONOMIC CONDITIONS in New Hampshire

JULY 2004
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Spring Summary shows New Hampshire businesses are adding to their workforces

The recession is over and has been for almost two years, but job growth has been struggling as an air of uncertainty remains. With mixed results from the different sectors, growth in certain industries still remains to be realized. Offshoring has been a growing concern to everyone, bringing with it a mixed bag of perceived local job reductions (continued lack of job growth) and the benefit of reduced operating expenses that could lower prices (a contributing factor to the improving economy).

Spring 2004 is brimming with uncertainty. Winter was tough. With cold temperatures and little snow, even ski areas found it difficult to finish the season profitably. As warmer weather comes, tourism experts optimistically predict that the higher gasoline prices will not affect summer business. Transportation by car is still the most economical means of travelling. People reeling from sticker shock at the gasoline pumps and seeking comfort from an ice cream cone may also face the jolt of dramatic price increases there.

Some positive economic signs can be found at the Manchester Airport with growth proposals and additional hotels looking to move to the area. Meanwhile manufacturing companies continued with reduced workforces as productivity levels of the remaining workers increased. The continued high productivity has helped

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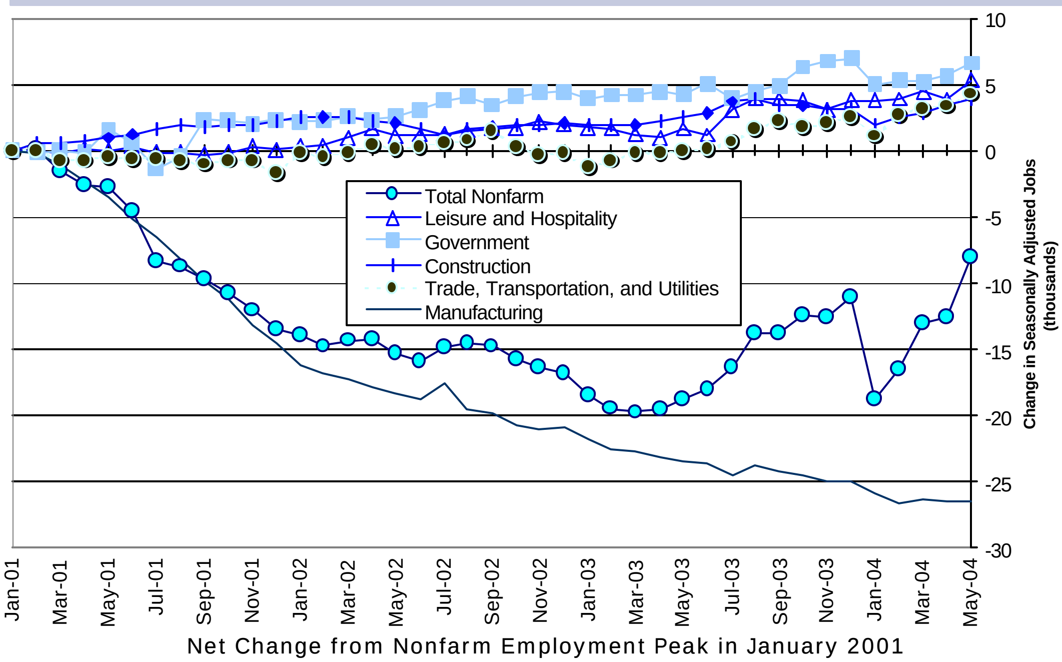
Total nonfarm employment, although showing signs of improvement, has yet to reach the pre-recession peak



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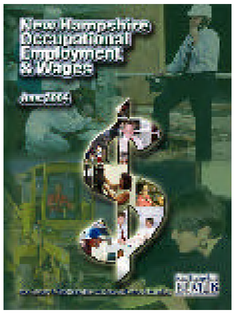

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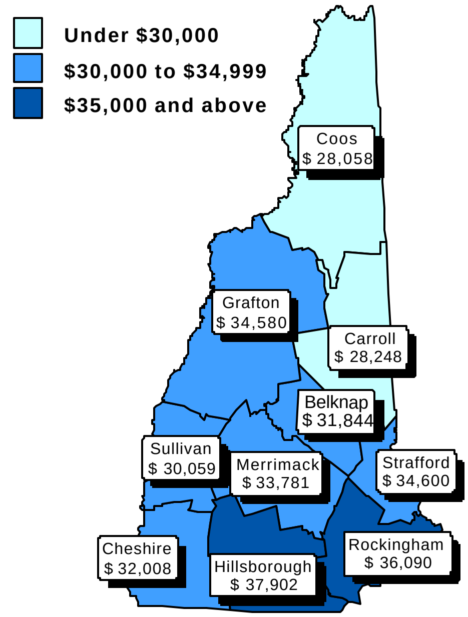
Location, location, location. Your pay can be influenced by which county you work in

Where do you want to work in New Hampshire? How much are you going to be paid? The latest edition of *New Hampshire Occupational Employment and Wages, June 2004* can guide you in making such career and job location decisions.

This is the second time the Occupational Employment Statistics (OES) program has published employment and wages based on a semi-annual method. This method allows data to be published faster. The data in this publication is based on the May 2003 survey conducted by the OES program.

In the printed version, statewide data on employment and wages is published for more than 600 different occupations. Employment and wage data for 14 wage areas is published at a much smaller scale, ranging from 30 to 330 occupations. Additionally, employment and wage data on New Hampshire's 10 counties are available online only at the Economic and Labor Market Information Bureau's Web site at <www.nhes.state.nh.us/elmi/oesfiles.htm>.

The wage area and county data can give us insight into the differences in pay for different geographic locations and it displays the occupational concentration in a certain area. When it comes to the highest paid occupation, there is not much difference between the counties! No big surprise, wherever you work you are going to earn more as a Chief Executive than as a Waiter/Waitress. However, there is a difference in the pay scale variance between highest and lowest paid occupations. A person employed in the highest paid occupation in Grafton County makes 12 times as much as a person employed in the lowest paid occupation. In comparison, a person employed in the highest paid occupation in Coos County makes only seven times as much as a person employed in the lowest paid occupation.



Annette Nielsen

Highest paid occupation* in each county

County	Occupation	SOC	Employment	Mean Annual Wage
Belknap County	Chief Executives	11-1011	110	140,342
Carroll County	Chief Executives	11-1011	70	132,971
Cheshire County	Chief Executives	11-1011	140	115,175
Coos County	Chief Executives	11-1011	30	106,602
Grafton County	Physicians and Surgeons, All Other	29-1069	150	177,424
Hillsborough County	Physicians and Surgeons, All Other	29-1069	170	170,822
Merrimack County	Chief Executives	11-1011	400	127,473
Rockingham County	Chief Executives	11-1011	570	147,579
Strafford County	Chief Executives	11-1011	160	143,563
Sullivan County	Chief Executives	11-1011	60	115,784

Lowest paid occupation* in each county

County	Occupation	SOC	Employment	Mean Annual Wage
Belknap County	Child Care Workers	39-9011	220	14,283
Carroll County	Legislators	11-1031	140	13,110
Cheshire County	Waiters and Waitresses	35-3031	440	13,769
Coos County	Dining Room and Cafeteria Attendants and Bartender Helpers	35-9011	110	14,249
Grafton County	Waiters and Waitresses	35-3031	1,130	14,227
Hillsborough County	Legislators	11-1031	50	13,658
Merrimack County	Dishwashers	35-9021	360	14,307
Rockingham County	Legislators	11-1031	50	12,641
Strafford County	Waiters and Waitresses	35-3031	560	13,446
Sullivan County	Helpers--Production Workers	51-9198	60	15,001

* Occupations with at least 30 employees

User's Guide to Workforce and Career Information

What is covered employment? How can I find the average pay for a specific job? How is the unemployment rate calculated? Who is in the labor force? Where can I find information on careers? These and other workforce and career information questions can be answered with our new and improved *User's Guide to Workforce and Career Information*.

The User's Guide contains:
* A matrix displaying the information available in each publication or resource.
* Descriptions of the information and resources available.
* A glossary for quick reference.

This user-friendly publication is a must have for students, employers, job seekers, and economic developers.

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Claims Activity

Unemployment Compensation Claims Activity

Total Regular Unemployment Compensation Programs:	May-04	Apr-04	May-03	Change from Previous Month Net	Month Percent	Year Net	Year Percent
Initial Claims	2,897	4,013	3,450	-1,116	-27.8%	-553	-16.0%
Continued Weeks	26,775	33,471	35,441	-6,696	-20.0%	-8,666	-24.5%

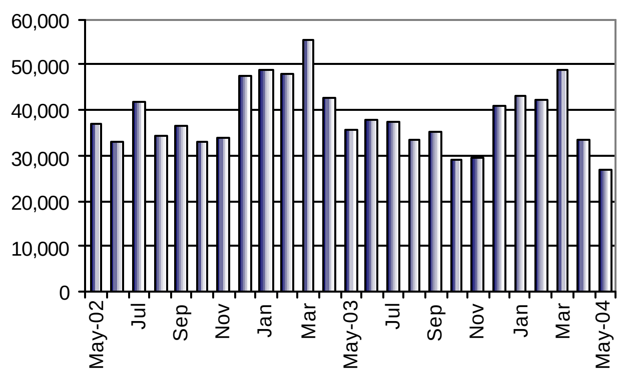
Trust Fund

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of May	$241,368,724.60
Average payment for a week of total unemployment:	$246.14
Net benefits paid:	$5,047,099.97
Net contributions received during the month:	$28,759,137.15
Interest Received:	$0.00
Reed Act Distribution:	$0.00
Reed Act Withdrawal for Administrative Costs:	$0.00

Continued Weeks Claimed

May 2002 - May 2004



Continued weeks claimed in May 2004 dropped by more than 10,100 from the same month in 2002.

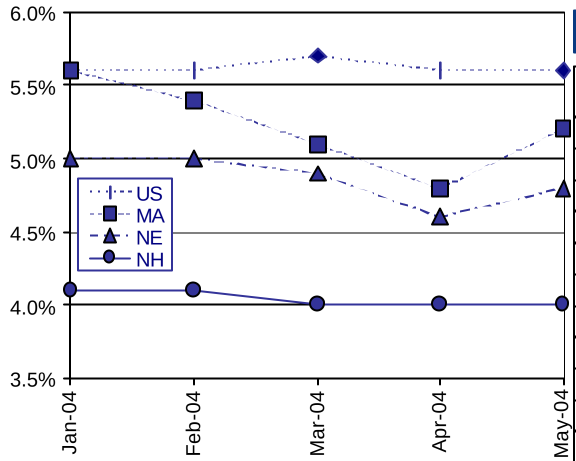
Consumer Price Index

May-04	Apr-04	May-03	Change from Previous Month	Year
189.1	188.0	183.5	0.6%	3.1%

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

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

Except for Massachusetts, every New England state's unemployment rate remained relatively stable over-the-month.



Unemployment Rates by Region

	preliminary May-04	revised Apr-04	May-03
United States	5.6%	5.6%	6.1%
Northeast	5.2%	5.4%	5.8%
New England	4.8%	4.6%	5.4%
Connecticut	4.6%	4.6%	5.4%
Maine	4.1%	4.2%	5.0%
Massachusetts	5.2%	4.8%	5.8%
New Hampshire	4.0%	4.0%	4.2%
Rhode Island	5.6%	5.7%	5.4%
Vermont	3.5%	3.5%	4.5%
Mid Atlantic	5.4%	5.7%	6.0%
New Jersey	4.9%	5.3%	5.9%
New York	5.8%	6.2%	6.3%
Pennsylvania	5.1%	5.3%	5.6%

Seasonally Adjusted Labor Force Estimates

By Place of Residence

	Jan-04	Feb-04	Mar-04	revised Apr-04	preliminary May-04
New Hampshire					
Unemployment Rate	4.1%	4.1%	4.0%	4.0%	4.0%
Civilian Labor Force	725,310	725,980	725,390	726,030	726,380
Number Employed	695,710	695,860	696,370	697,110	697,210
Number Unemployed	29,600	30,120	29,020	28,920	29,170
United States (in thousands)					
Unemployment Rate	5.6%	5.6%	5.7%	5.6%	5.6%
Civilian Labor Force	146,863	146,471	146,650	146,741	146,741
Number Employed	138,566	138,301	138,298	138,576	138,576
Number Unemployed	8,297	8,170	8,352	8,164	8,164

Seasonally Adjusted Nonfarm Employment

By Place of Establishment

Supersector	Jan-04	Feb-04	Mar-04	revised Apr-04	preliminary May-04
Total Nonfarm	614,600	616,900	620,400	620,800	625,400
Construction	27,900	28,500	28,700	29,300	29,800
Manufacturing	77,800	77,100	77,400	77,200	77,300
Trade, Transportation, and Utilities	139,100	140,700	141,200	141,400	142,300
Leisure and Hospitality	63,300	63,400	64,000	63,400	64,800
Government	90,000	90,300	90,200	90,700	91,600

Local Area Unemployment Statistics (LAUS)

Not Seasonally Adjusted

By Place of Residence

Labor Force Estimates

New Hampshire	May-04	Apr-04	May-03
Number of workers	preliminary	revised	
Total Civilian Labor Force	723,280	722,060	712,810
Employed	695,990	692,120	684,390
Unemployed	27,290	29,940	28,420
Unemployment Rate (percent of labor force)	3.8%	4.1%	4.5%

Unemployment Rates by Area

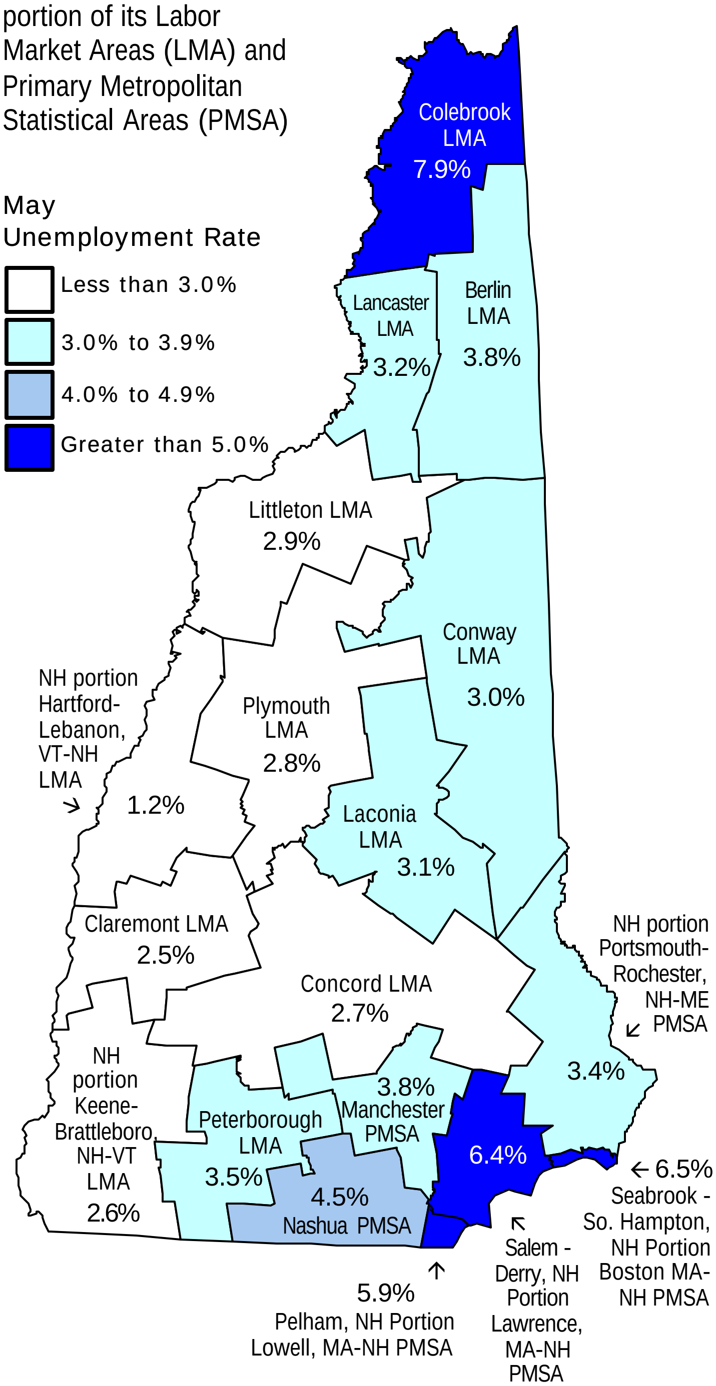
	preliminary May-04	revised Apr-04	May-03
U.S and Regional States			
United States	5.3%	5.4%	5.8%
Northeast	5.1%	5.2%	5.7%
New England	4.7%	4.6%	5.2%
Connecticut	4.8%	4.6%	5.6%
Maine	3.9%	4.8%	4.8%
Massachusetts	5.0%	4.7%	5.6%
New Hampshire	3.8%	4.1%	4.0%
Rhode Island	5.3%	5.4%	5.1%
Vermont	3.2%	3.8%	4.1%
Mid Atlantic	5.2%	5.5%	5.8%
New Jersey	4.7%	5.0%	5.7%
New York	5.5%	6.0%	6.0%
Pennsylvania	5.1%	4.9%	5.6%
Labor Market Areas			
Berlin LMA	3.8%	4.7%	4.8%
Seabrook-South Hampton NH Portion Boston MA-NH PMSA	6.5%	7.1%	6.3%
Claremont LMA	2.5%	3.0%	2.5%
Colebrook LMA	7.9%	21.0%	4.6%
Concord LMA	2.7%	3.0%	2.8%
Conway LMA	3.0%	3.6%	3.4%
NH Portion Hartford-Lebanon, VT-NH LMA	1.2%	1.3%	1.3%
NH Portion Keene-Brattleboro, NH-VT LMA	2.6%	3.0%	2.7%
Laconia LMA	3.1%	3.5%	3.0%
Lancaster LMA	3.2%	6.1%	4.4%
Salem-Derry, NH Portion Lawrence, MA-NH PMSA	6.4%	6.8%	6.5%
Littleton LMA	2.9%	4.0%	3.1%
Pelham, NH Portion Lowell, MA-NH PMSA	5.9%	5.6%	5.8%
Manchester PMSA	3.8%	4.1%	4.0%
Nashua PMSA	4.5%	4.8%	5.1%
Peterborough LMA	3.5%	3.8%	3.6%
Plymouth LMA	2.8%	3.0%	3.3%
NH Portion Portsmouth-Rochester, NH-ME PMSA	3.4%	3.6%	3.6%
Counties			
Belknap	3.2%	3.5%	3.0%
Carroll	3.0%	3.5%	3.3%
Cheshire	2.9%	3.3%	3.0%
Coos	4.2%	7.7%	4.7%
Grafton	2.1%	2.4%	2.1%
Hillsborough	4.2%	4.5%	4.5%
Merrimack	2.6%	2.9%	2.7%
Rockingham	5.0%	5.3%	5.2%
Strafford	3.2%	3.5%	3.6%
Sullivan	2.5%	2.9%	2.7%

Note: 2003 preliminary benchmark figures are pending final review by the Bureau of Labor Statistics, Washington, D.C. and are subject to change.

Unemployment rates in the New Hampshire portion of its Labor Market Areas (LMA) and Primary Metropolitan Statistical Areas (PMSA)

May Unemployment Rate

- Less than 3.0%
- 3.0% to 3.9%
- 4.0% to 4.9%
- Greater than 5.0%



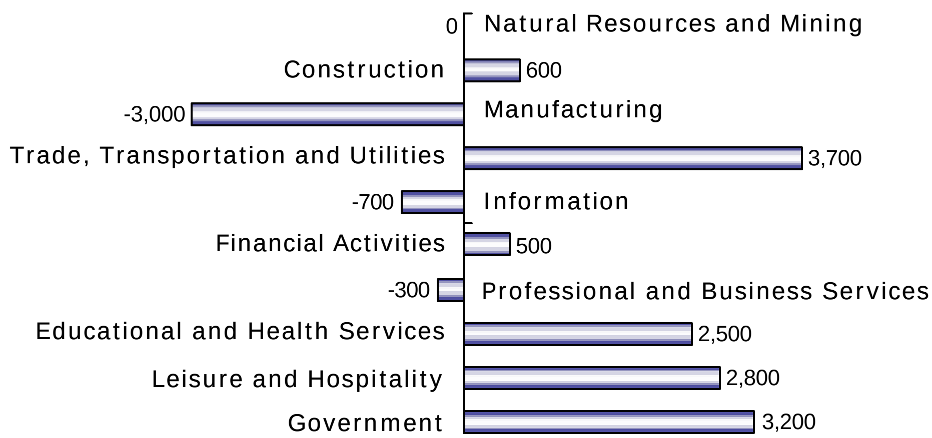
About half of the job increase from April to May was in the Leisure and Hospitality Supersector, a sure sign that New Hampshire's businesses are preparing for Summer tourism.

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 May-04 (preliminary)	Apr-04 (revised)	May-03	Change from previous: Month	Year
Total All Super Sectors	625,200	616,500	617,000	8,700	8,200
Private Employment Total	531,300	522,800	526,300	8,500	5,000
Natural Resources & Mining	900	900	900	0	0
Construction	30,000	28,400	29,400	1,600	600
Manufacturing	77,500	77,300	80,500	200	-3,000
Durable Goods	58,200	58,100	59,500	100	-1,300
Non-Durable Goods	19,300	19,200	21,000	100	-1,700
Trade, Transportation and Utilities	140,800	138,800	137,100	2,000	3,700
Wholesale Trade	27,600	27,400	26,600	200	1,000
Retail Trade	96,900	95,500	94,600	1,400	2,300
Transportation and Utilities	16,300	15,900	15,900	400	400
Information	11,400	11,500	12,100	-100	-700
Financial Activities	37,700	37,600	37,200	100	500
Professional and Business	54,000	53,800	54,300	200	-300
Educational and Health	95,500	95,600	93,000	-100	2,500
Leisure and Hospitality	63,900	59,500	61,100	4,400	2,800
Other Services	19,600	19,400	20,700	200	-1,100
Government Total	93,900	93,700	90,700	200	3,200

Change in Nonfarm Employment

May 2003 to May 2004



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: For the fifth consecutive month, New Hampshire's total nonfarm employment level posted gains according to preliminary seasonally adjusted estimates. All published industries in this series showed growth.

The economy added 4,600 jobs in May. Leisure and hospitality (supersector 70) led the way with a 1,400-job increase. Trade, transportation, and utilities (supersector 40) and government (supersector 90) followed with each expanding their rolls by 900 jobs. Construction (supersector 20) added 500 jobs to the mix. Manufacturing rounded out May's employment picture with a 100-job addition.

Unadjusted: May's preliminary unadjusted estimates indicated that state total nonfarm employment grew by 8,700 jobs. Leisure and hospitality (supersector 70) accounted for a bulk of the expansion with a 4,400-job growth. Trade, trans-

Continued on page 7

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

Employment by Sector number of jobs by place of establishment	Manchester PMSA			Nashua PMSA			Portsmouth-Rochester NH-ME PMSA		
	Preliminary	Change from previous:		Preliminary	Change from previous:		Preliminary	Change from previous:	
	May-04	Month	Year	May-04	Month	Year	May-04	Month	Year
Total All Sectors	110,100	300	200	95,800	1,100	-200	126,300	2,600	1,000
Private Employment Total	97,500	200	200	85,400	1,100	-200	100,900	2,600	0
Natural Resources and Construction	6,400	200	200	4,300	100	100	4,600	200	200
Manufacturing	11,200	0	-400	21,500	200	-200	11,900	300	-700
Trade, Transportation, and Utilities	24,800	100	600	20,800	100	-500	25,800	400	500
Wholesale Trade	6,300	0	100	3,600	0	0	4,400	100	100
Retail Trade	14,600	0	600	15,300	100	-500	19,100	300	700
Transportation and Utilities	3,900	100	-100	1,900	0	0	2,300	0	-300
Information	3,100	0	200	1,900	0	0	2,800	0	-200
Financial Activities	8,600	0	-300	6,400	0	-400	7,400	0	-200
Professional and Business	14,000	-100	-100	8,500	100	600	12,400	200	100
Educational and Health	16,400	-200	100	11,400	100	200	18,900	100	800
Leisure and Hospitality	8,700	200	-100	7,500	500	-100	13,100	1,400	-600
Services	4,300	0	0	3,100	0	100	9,200	500	-600
Government Total	12,600	100	0	10,400	0	0	25,400	0	1,000

Average Earnings and Hours of Production Workers in Manufacturing

Sector	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	May-04 prelim.	Apr-04 revised	May-03	May-04 prelim.	Apr-04 revised	May-03	May-04 prelim.	Apr-04 revised	May-03
New Hampshire									
All Manufacturing	$609.79	$619.20	$591.83	39.7	40.0	39.8	$15.36	$15.48	$14.87
Durable Goods	622.08	627.19	616.41	40.5	40.7	40.5	15.36	15.41	15.22
Nondurable Goods	579.07	597.79	526.43	37.7	38.1	37.9	15.36	15.69	13.89
Manchester PMSA									
All Manufacturing	$658.75	$661.96	$616.18	39.9	39.1	38.9	$16.51	$16.93	$15.84
Nashua PMSA									
All Manufacturing	$649.38	$645.81	$584.76	41.6	40.9	38.7	$15.61	$15.79	$15.11
Portsmouth-Rochester, NH-MA PMSA									
All Manufacturing	$603.56	$628.45	$643.93	39.5	39.7	42.9	$15.28	$15.83	$15.01

portation, and utilities (supersector 40) made a 2,000-job contribution to May's total, and construction (supersector 20) employment was up by 1,600 jobs.

From there, increases in growth moderated. Manufacturing (supersector 30), professional and business services (supersector 60), other services (supersector 80), and government (supersector 90) each added 200 jobs to their respective rosters. To conclude the unadjusted growth picture for May, financial activities (supersector 55) brought 100 additional staff members on board.

Not all supersectors added to their work force. Natural resources and mining (supersector 10) held its employment at the April level, as information (supersector 50) and education and health services (supersector 65) each trimmed its cadre by 100 jobs.

B. G. McKay

Continued from page 1

feed a more positive business confidence. Business confidence and expected growth in product demand may warrant additional employees. Slowly and cautiously, businesses are starting to rebuild their workforces.

Entering spring 2004, New Hampshire maintained an unemployment rate lower than the region and the nation, as well as our high labor force participation rate, a strong trait from our Yankee work ethic. This is further supported by the stronger nonfarm job increases entering this summer's employment picture, which itself is expected to be better than in the previous two summers.

Although consumer confidence indicators leave room for doubt, New Hampshire's Department of Resources and Economic Development was successful in recruiting new businesses to the state in 2003. The industry mix of these businesses included high tech service, manufacturing, and distribution companies. It is anticipated that these new companies will contribute $4.7 million in new business enterprise taxes to the state coffers and $34 million in new payroll.[1]

The state's budget process is still influenced by the education funding situation and the property taxing system.

So far the signs have been positive. If the job market continues to stabilize, consumer confidence will eventually turn around as well. But overall it's a 'wait and see' economic environment.

Anita Josten

[1] *2003 Annual Report of The Office of Business and Industrial Development, Department of Resources and Economic Development*

<www.nhes.state.nh.us/elmi/econanalys.htm>

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