

ECONOMIC CONDITIONS in New Hampshire



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**Local Area
Unemployment
Statistics5**

**Current
Employment
Statistics6**

**For Additional
Information8**

Health care led New Hampshire's over-the-year net growth from 2005Q1 to 2006Q1.

New Hampshire's total employment grew over-the-year by 1.5 percent from first quarter 2005 to first quarter 2006. This represented a net increase of over 8,800 jobs statewide. Growth rates among the industries in the state ranged from a 7.3 percent gain in *Administrative and support and waste management and remediation services* to a loss of 8.5 percent in *Agriculture, forestry, fishing, and hunting*.

The 8,800 additional jobs over the year were the result of economic growth in several different industry

sectors. *Health care and social assistance* was the leading industry sector adding the largest number of jobs, 2,256, in the state. Of those jobs, almost 1,100 came from *Hospitals*, and another 600 positions were added in *Nursing and residential care facilities*.

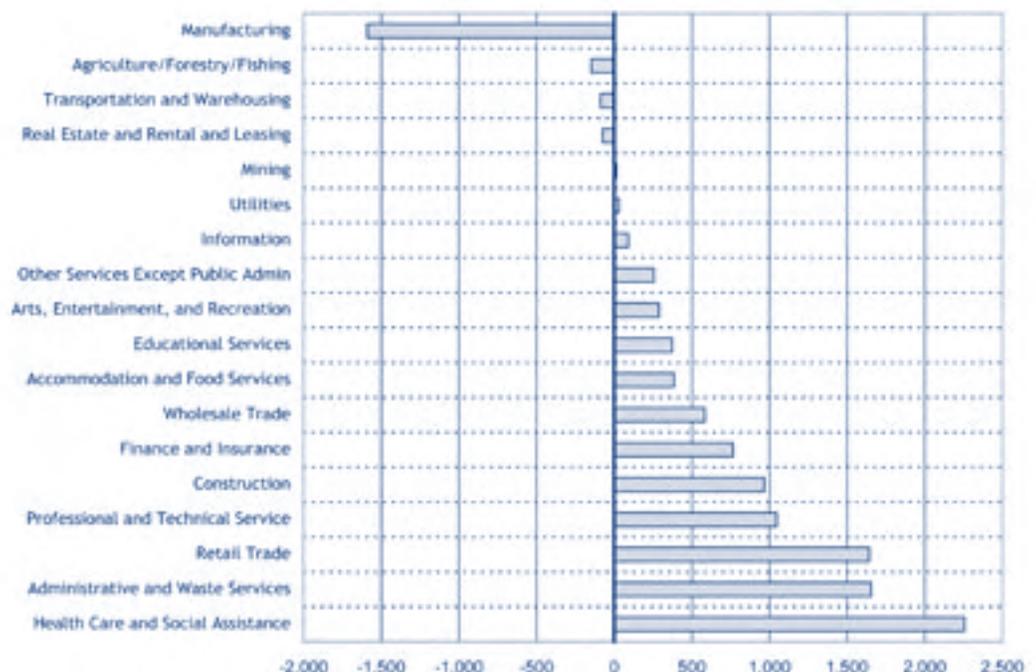
The *Administrative and support and waste management and remediation services* sector added 1,655 more jobs. That job increase was only 12 positions more than *Retail trade* did during the same time period. *Retail trade* got a boost from 949 jobs added to *Building materials and garden supply stores*.

Three industry sectors: Retail trade, Administrative and waste services, and Health care and social assistance, each gained more new jobs than Manufacturing lost over the year.

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Another sector with a large contribution to the state's growth was *Professional, scientific and technical services*. Over 1,000 jobs were gained by businesses that provide specialized services such as legal, accounting, and computer services. Construction added 965 jobs over-the-year, and *Finance and insurance* needed 766 more workers compared to last year.

Wholesale trade increased its employment level by 584 jobs over-the-year. *Accommodation and food services* and *Educational services* each bumped up their employment levels by more than 375 new workers.

Percent Job Change from Quarter to Quarter

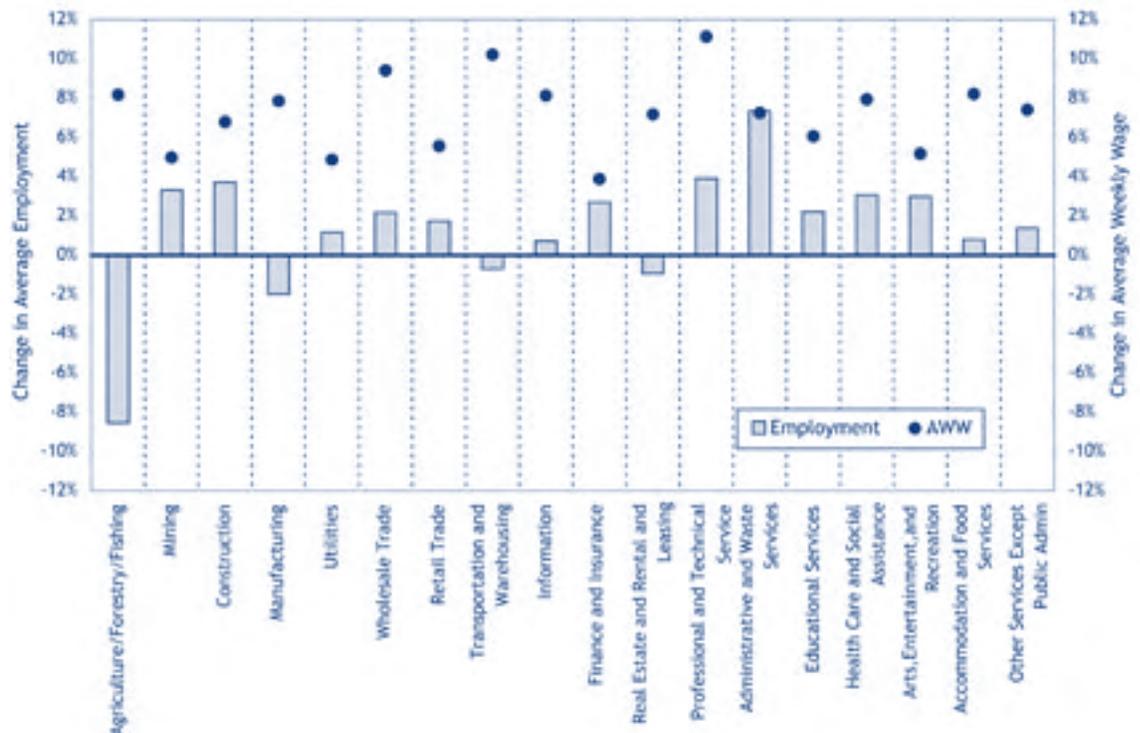
The 7.3 percent increase in *Administrative and support and waste management and remediation services* was the second largest number of jobs (1,655) added by a single industry sector in the state.

This industry includes property maintenance companies and landscaping services.

The next largest percent change was a 3.9 percent increase from *Professional, scientific and technical services*, followed by *Construction* and *Mining*, with 3.7 and 3.3 percent increases respectively. *Health care and social assistance* had a 3.1 percent job gain, and was the industry sector with the largest net job (2,256) increase.

At the other end of the scale, four industry sectors experienced negative job growth when comparing the two quarters over-the-year, *Agriculture, forestry, fishing and hunting* (-8.5 percent), *Manufacturing* (-2.0 percent), *Real estate, and rental and leasing* (-0.9 percent), and *Transportation and warehousing* (-0.7 percent). It is important to remember that percent changes are dependent on the original size. The smaller the ini-

Administrative and support and waste management and remediation services employment had the highest over-the-year growth rate, but lagged behind nine other sectors for growth in average weekly wage.



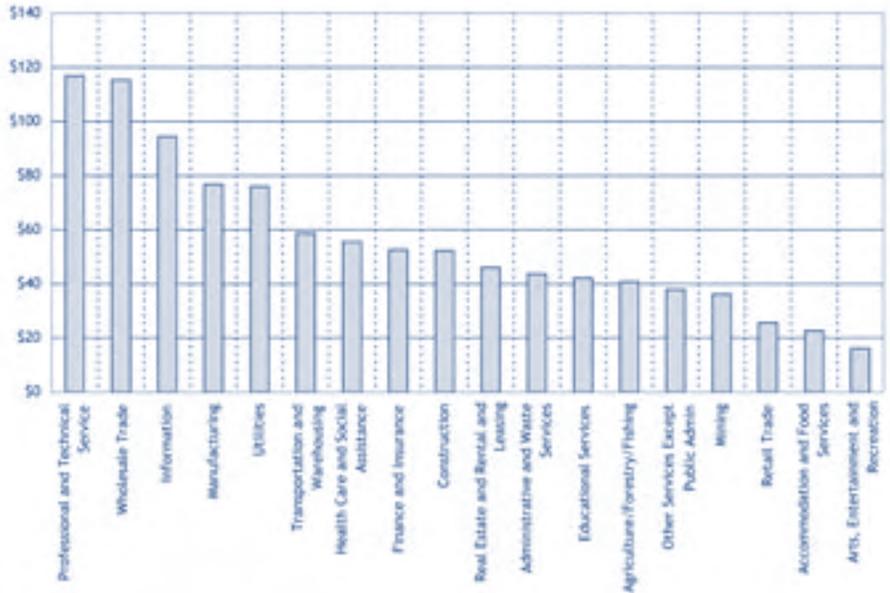
tial base figure, the less it takes to make a larger percent change. For example, the -8.5 percent change in *Agriculture, forestry, fishing and hunting* was 149 jobs, whereas the -2.0 percent in *Manufacturing* was 1,589 jobs.

Net Change in Average Weekly Wage from Quarter to Quarter

Assuming that every industry has the same pay periods, and that each year has the same number of pay periods, average weekly wage can also be used as an indicator of the current economy. New Hampshire's average weekly wage increased 7.5 percent from first quarter 2005 to 2006. That represented a \$55 increase over the year in total private plus government employment.

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Professional, scientific and technical services had the largest increase in average weekly wage levels.

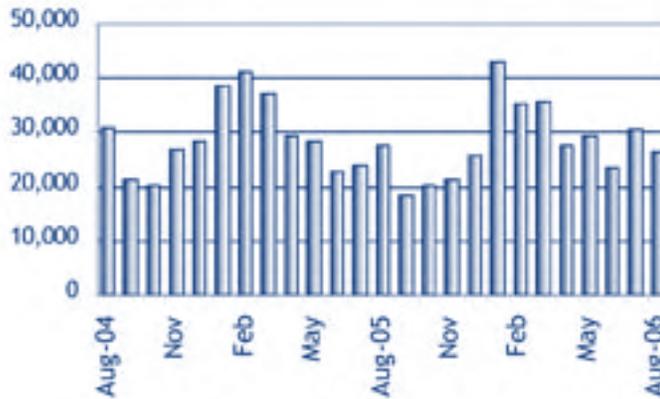


Unemployment Compensation Claims Activity

Total Regular Unemployment Compensation Programs:				Change from Previous			
				Month		Year	
	Aug-06	Jul-06	Aug-05	Net	Percent	Net	Percent
Initial Claims	3,016	4,172	2,963	-1,156	-27.7%	53	1.8%
Continued Weeks	26,469	30,609	27,458	-4,140	-13.5%	-989	-3.6%

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of August	\$270,972,016.45
Average payment for a week of total unemployment:	\$249.11
Net benefits paid:	\$4,775,583.63
Net contributions received during the month:	\$7,250,079.26
Interest Received:	\$0.00
Reed Act Distribution:	\$0.00
Reed Act Withdrawal for Administrative Costs:	\$65.08



Claims Activity

Trust Fund

Continued Weeks Claimed

Aug 2004 - Aug 2006

After last month's increase, continued weeks claimed dropped by almost one thousand over-the-month.

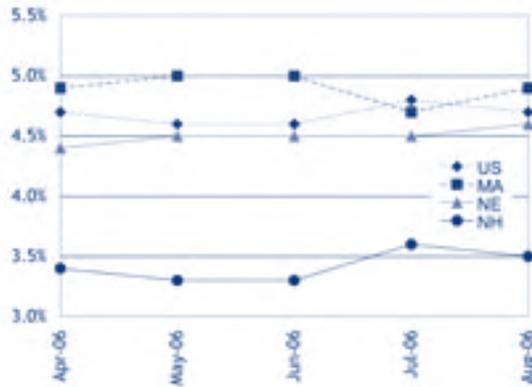
			Change from Previous	
Aug-06	Jul-06	Aug-05	Month	Year
203.9	203.5	196.4	0.2%	3.8%

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 unemployment rate dropped 0.1 percentage point, over-the-month, to hold the lowest rate in New England.



Unemployment Rates by Region

	Aug-06	Jul-06	Aug-05
United States	4.7%	4.8%	4.9%
Northeast	4.8%	4.9%	4.8%
New England	4.6%	4.5%	4.7%
Connecticut	4.5%	4.3%	5.0%
Maine	4.7%	4.8%	5.0%
Massachusetts	4.9%	4.7%	4.7%
New Hampshire	3.5%	3.6%	3.6%
Rhode Island	5.6%	5.6%	5.1%
Vermont	3.7%	3.5%	3.5%
Mid Atlantic	4.9%	5.0%	4.8%
New Jersey	5.3%	5.1%	4.4%
New York	4.7%	5.1%	4.9%
Pennsylvania	4.9%	4.8%	4.9%

Seasonally Adjusted Labor Force Estimates

By Place of Residence

	Apr-06	May-06	Jun-06	Jul-06	Aug-06
New Hampshire					
Unemployment Rate	3.4%	3.3%	3.3%	3.6%	3.5%
Civilian Labor Force	735,336	735,006	738,838	740,858	739,476
Number Employed	710,658	710,705	714,375	714,476	713,944
Number Unemployed	24,678	24,301	24,463	26,382	25,532
United States (in thousands)					
Unemployment Rate	4.7%	4.6%	4.6%	4.8%	4.7%
Civilian Labor Force	150,811	150,991	151,321	151,534	151,698
Number Employed	143,688	143,976	144,363	144,329	144,579
Number Unemployed	7,123	7,015	6,957	7,205	7,119

Seasonally Adjusted Nonfarm Employment Estimates

By Place of Establishment

Supersector	Apr-06	May-06	Jun-06	Jul-06	Aug-06
Total Nonfarm	641,600	642,400	639,500	640,800	640,400
Construction	30,800	31,700	31,900	31,500	31,700
Manufacturing	77,000	76,900	76,500	76,500	76,600
Trade, Transportation, and Utilities	141,800	142,100	142,200	142,400	141,200
Information	13,000	12,900	12,900	12,900	12,900
Financial Activities	40,800	41,000	40,600	40,500	40,600
Professional and Business Services	61,100	61,200	61,300	61,200	61,100
Educational and Health Services	101,000	100,700	100,600	100,900	101,100
Leisure and Hospitality	64,200	64,600	64,500	64,800	64,700
Other Services	21,100	20,900	20,600	21,000	21,200
Government	89,700	89,300	87,300	87,900	88,100

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	Aug-06	Jul-06	Aug-05
Number of workers			
Total Civilian Labor Force	749,990	754,590	743,150
Employed	724,710	728,630	717,160
Unemployed	25,280	25,960	25,990
Unemployment Rate (percent of labor force)	3.4%	3.4%	3.5%

Unemployment Rates by Area

	Aug-06	Jul-06	Aug-05
U.S and Regional States			
United States	4.6%	5.0%	4.9%
Northeast	4.6%	5.0%	4.5%
New England	4.4%	4.6%	4.4%
Connecticut	4.4%	4.6%	4.9%
Maine	3.9%	4.4%	4.1%
Massachusetts	4.7%	4.8%	4.5%
New Hampshire	3.4%	3.4%	3.5%
Rhode Island	5.5%	5.7%	4.9%
Vermont	3.1%	3.2%	2.8%
Mid Atlantic	4.7%	5.2%	4.6%
New Jersey	5.1%	5.5%	4.2%
New York	4.5%	5.2%	4.7%
Pennsylvania	4.8%	4.9%	4.7%

Map		Aug-06	Jul-06	Aug-05
Key Labor Market Areas				
1	Colebrook NH-VT LMA, NH Portion	3.4%	3.5%	3.7%
2	Berlin NH MicroNECTA	4.6%	4.6%	3.7%
3	Littleton NH-VT LMA, NH Portion	2.9%	3.0%	3.0%
4	Haverhill NH LMA	3.5%	3.6%	3.5%
5	Conway NH-ME LMA, NH Portion	2.7%	2.9%	2.7%
6	Plymouth NH LMA	3.0%	3.0%	3.0%
7	Moultonborough NH LMA	2.3%	2.2%	2.7%
8	Lebanon NH-VT MicroNECTA, NH Portion	2.4%	2.5%	2.2%
9	Laconia NH MicroNECTA	3.0%	3.0%	3.0%
10	Wolfeboro NH LMA	2.5%	2.5%	2.6%
11	Franklin NH MicroNECTA	3.2%	3.2%	3.2%
12	Claremont NH MicroNECTA	3.3%	3.2%	3.3%
13	Newport NH LMA	3.2%	3.2%	3.2%
14	New London NH LMA	3.0%	2.9%	2.8%
15	Concord NH MicroNECTA	3.1%	3.1%	3.1%
16	Rochester-Dover NH-ME MetroNECTA, NH Portion	3.1%	3.3%	3.4%
17	Charlestown NH LMA	3.1%	3.4%	3.4%
18	Hillsborough NH LMA	3.6%	4.1%	3.6%
19	Manchester NH MetroNECTA	3.4%	3.5%	3.5%
20	Keene NH MicroNECTA	3.3%	3.3%	3.1%
21	Peterborough NH LMA	3.8%	3.9%	3.8%
22	Nashua NH-MA NECTA Division, NH Portion	3.8%	3.9%	4.0%
23	Exeter Area, NH Portion, Haverhill-N. Andover-Amesbury MA-NH NECTA Division	3.9%	3.9%	4.2%
24	Portsmouth NH-ME MetroNECTA, NH Portion	3.0%	3.1%	3.2%
25	Hinsdale Town, NH Portion, Brattleboro VT-NH LMA	2.6%	2.5%	2.7%
26	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford MA-NH NECTA Division	4.6%	4.5%	4.9%
27	Salem Town, NH Portion, Lawrence-Methuen-Salem MA-NH NECTA Division	4.6%	4.5%	5.2%

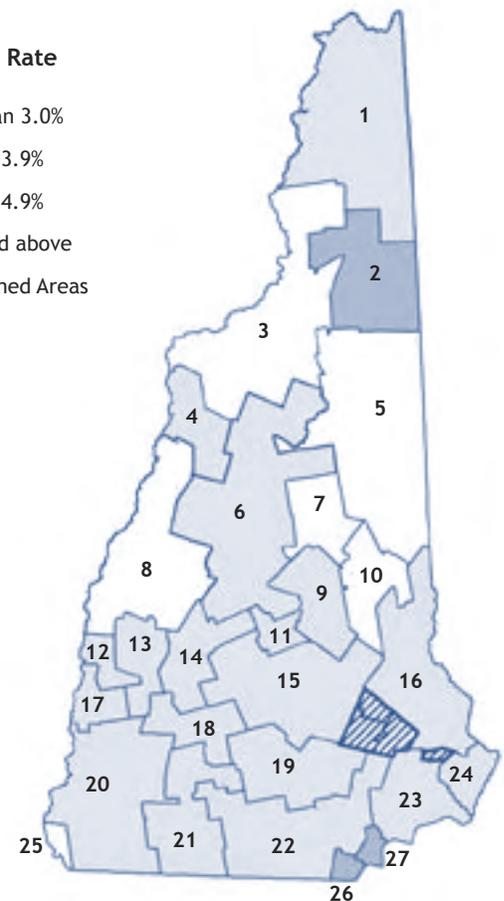
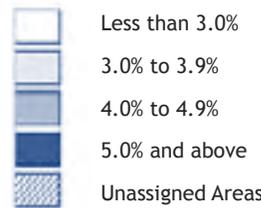
Local Area Unemployment Statistics (LAUS)

Not Seasonally Adjusted

By Place of Residence

Counties	Aug-06	Jul-06	Aug-05
Belknap	2.9%	2.9%	2.9%
Carroll	2.6%	2.8%	2.8%
Cheshire	3.4%	3.4%	3.3%
Coos	4.0%	4.0%	3.6%
Grafton	2.7%	2.7%	2.6%
Hillsborough	3.6%	3.7%	3.7%
Merrimack	3.1%	3.1%	3.1%
Rockingham	3.7%	3.7%	4.0%
Strafford	3.1%	3.3%	3.4%
Sullivan	3.0%	3.1%	3.0%

August 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.

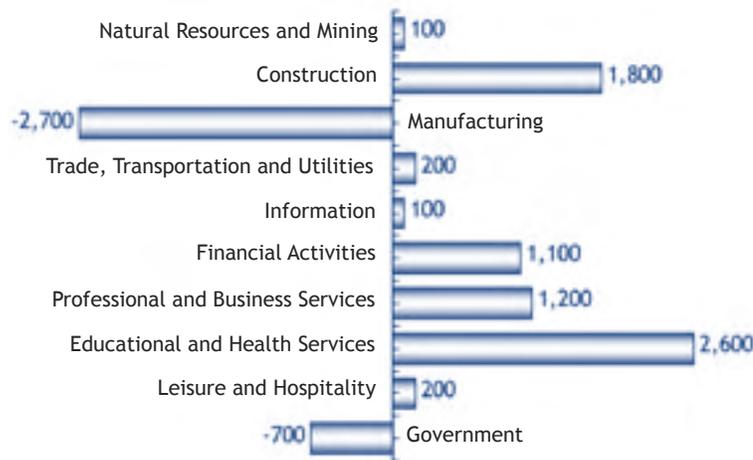
New Hampshire's private employment expansion got a boost from Manufacturing, and Professional and Business services with 600 job increases from each.

Monthly Not Seasonally Adjusted New Hampshire Nonfarm Wage and Salary Employment

Current Employment Statistics Employment by Supersector by place of establishment	Number of Jobs			Change from previous:	
	Aug-06 preliminary	Jul-06 revised	Aug-05	Month	Year
	Total All Supersectors	644,000	643,900	640,500	100
Private Employment Total	565,900	565,100	561,700	800	4,200
Natural Resources and Mining	1,200	1,200	1,100	0	100
Construction	33,500	33,300	31,700	200	1,800
Manufacturing	76,600	76,000	79,300	600	-2,700
Durable Goods	59,000	58,400	60,300	600	-1,300
Non-Durable Goods	17,600	17,600	19,000	0	-1,400
Trade, Transportation and Utilities	142,000	142,600	141,800	-600	200
Wholesale Trade	27,400	27,500	27,900	-100	-500
Retail Trade	99,700	99,900	98,800	-200	900
Transportation and Utilities	14,900	15,200	15,100	-300	-200
Information	12,900	12,900	12,800	0	100
Financial Activities	41,000	40,900	39,900	100	1,100
Professional and Business	62,400	61,800	61,200	600	1,200
Educational and Health	99,900	100,000	97,300	-100	2,600
Leisure and Hospitality	74,800	74,800	74,600	0	200
Other Services	21,600	21,600	22,000	0	-400
Government Total	78,100	78,800	78,800	-700	-700

Change in Nonfarm Employment

Aug 2005 to Aug 2006



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:
Seasonally adjusted estimates for August showed that New Hampshire employers reduced the work force by 400 jobs overall.

Trade, transportation, and utilities (supersector 40) led the way with a 1,200-job reduction. Professional and business services (supersector 60) and leisure and hospitality (supersector 70) followed with a 100-job cutback each.

Employment totals in information (supersector 50) held at the previous month's level in preliminary seasonally adjusted estimates for August.

Offsetting the previously mentioned losses, construction (supersector 20), education and health services (supersector 65), other services (supersector 80), and government (supersector 90) each added 200 jobs to their respective payrolls. Manufacturing (supersector 30) and financial activities (supersector 55) completed employment activity for August each with a 100-job expansion.

Unadjusted:
Total nonfarm employment grew by 100 jobs in August's preliminary unadjusted estimates.

Monthly Unadjusted Nonfarm Wage and Salary Employment by 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 Aug-06	Change from previous:		preliminary Aug-06	Change from previous:		preliminary Aug-06	Change from previous:		preliminary Aug-06	Change from previous:	
		Month	Year		Month	Year		Month	Year		Month	Year
Total All Sectors	100,900	200	3,600	130,500	0	900	57,900	-100	1,200	53,300	200	300
Private Employment Total	91,200	300	3,300	119,800	100	400	49,300	0	1,200	43,500	300	500
Natural Resources and Construction	5,700	0	100	6,800	0	400	1,900	0	100	2,300	0	100
Manufacturing	9,500	0	0	25,600	0	-300	3,600	0	-100	6,700	200	0
Trade, Transportation and Utilities	21,200	100	1,000	30,700	0	-200	11,700	200	100	11,100	0	-200
Wholesale Trade	5,100	0	100	6,100	100	100	2,000	0	0	1,500	0	-100
Retail Trade	12,900	100	500	20,900	100	200	8,400	200	0	8,700	100	0
Transportation, Warehousing and Utilities	Data not available			3,700	-200	-500	1,300	0	100	900	-100	-100
Information	3,500	100	200	2,200	0	100	1,800	0	0	1,300	100	100
Financial Activities	8,800	0	100	9,400	0	-300	5,400	0	300	2,900	0	100
Professional and Business	12,800	200	1000	12,600	100	-700	9,100	100	300	3,900	0	100
Educational and Health	16,400	0	400	15,600	0	600	5,800	0	200	7,500	0	200
Leisure and Hospitality	9,200	-100	500	12,100	0	700	8,400	-300	300	5,900	0	100
Services	4,100	0	0	4,800	0	100	1,600	0	0	1,900	0	0
Government Total	9,700	-100	300	10,700	-100	500	8,600	-100	0	9,800	-100	-200

Average Earnings and Hours of Production Workers in Manufacturing

Sector	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Aug-06 preliminary	Jul-06 revised	Aug-05	Aug-06 preliminary	Jul-06 revised	Aug-05	Aug-06 preliminary	Jul-06 revised	Aug-05
New Hampshire									
All Manufacturing	\$680.46	\$677.21	\$653.78	40.6	40.6	41.3	\$16.76	\$16.68	\$15.83
Durable Goods	\$693.72	\$690.89	\$666.21	41.0	41.1	41.9	\$16.92	\$16.81	\$15.90
Non-durable Goods	\$637.45	\$635.38	\$614.64	39.3	39.3	39.4	\$16.22	\$16.25	\$15.60
Manchester NH MetroNECTA									
All Manufacturing	\$843.59	\$789.98	\$648.43	42.8	42.2	40.2	\$19.71	\$18.72	\$16.13
Nashua NH-MA NECTA Division, NH Portion									
All Manufacturing	\$774.40	\$759.93	\$725.47	43.9	43.8	42.7	\$17.64	\$17.35	\$16.99

Note: Production workers and information for Portsmouth and Rochester are not currently available.

Government (supersector 90) employed 700 fewer workers, while trade, transportation, and utilities (supersector 40) dropped 600 from the rolls. Education and health services (supersector 65) pared its staff by 100 jobs.

For some industry groups, August proved to be a month of stability in terms of employment activity. Natural resources and mining (supersector 10), information (supersector 50), leisure and hospitality (supersector 70), and other services (supersector 80) did not alter their employment levels during the month.

Manufacturing (supersector 30) and professional and business services (supersector 60) each posted a 600-job addition to their rolls, while construction (supersector 20) increased its crew size by 200. Financial activities (supersector 55) wrapped up August's employment activity with a 100-job gain.

B. G. McKay

Continued from page 3

The *Professional and technical services* and *Wholesale trade* sectors led the way with increases of more than \$115.00. This increase may not be due entirely to pay raises because the average weekly wage includes bonuses and other monetary compensation. The *Information* sector added almost \$95 to average weekly wage.

The increase of \$76.84 in *Manufacturing* could have resulted from real wage increases. However, the possibility exists that the apparent increases are simply

the result of the transference of lower paid employment out of state or off-shore, leaving behind the higher paid jobs. *Utilities* was in the same increase range with \$76.07 over the year.

Transportation and warehousing, Health care and social assistance, Finance and insurance, and Construction each had an increase of over \$50 in their average weekly wage.

Anita Josten

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