

# ECONOMIC CONDITIONS in New Hampshire



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## 2001 Fall Summary released

**High Tech in  
New Hampshire** .... 2

**Occupational  
Employment  
and Wages  
is available** ..... 3

**Local Area  
Unemployment  
Statistics** ..... 5

**Current  
Employment  
Statistics** ..... 6

**For Additional  
Information** ..... 8

The past few months have seen some dramatic changes to New Hampshire's economic landscape. Twice a year the Economic and Labor Market Information Bureau produces a *Summary of the New Hampshire Economy*. The Fall 2001 edition points out the spike in claims for unemployment compensation, the increased number of unemployed, and how these relate to each industry. Following is the Conclusion to the report:

### Conclusion

New Hampshire was following the rest of the country into a recession before September 11. The automobile industry was reeling and a number of New Hampshire manufacturers supply that industry. Venture capitalists were becoming stingier. Sales of computer and telecommunication equipment had fallen dramatically. There were a number of layoffs and plant closings announced or taking place.

outsiders to come to New Hampshire and buy, play, and enjoy the state. We export, within the U.S. and to other countries, our manufactured products. We also depend on in-migration, again from within the U.S. and from foreign countries, to supplement our labor force. We are dependents, but we are very good at it. We lead the region in population growth from in-migration and in growth of our exports.

Then America suffered the loss of, if not its business core, at least a main artery of its commerce. The dipping stock market plunged because of the attack on the World Trade Center. What is New Hampshire's place in post September 11 America? Our economy is a blend of trade, manufacturing, and investment. Construction, services, government, and finance support these. We depend on

There are areas of the economy where growth can occur. Biotechnology will become an important economic engine. New Hampshire, near to the education center of Boston, might reap a benefit from the availability of that medical and technological expertise. Both our aging population and our vulnerability will combine to demand or require preventative and curative health products. All

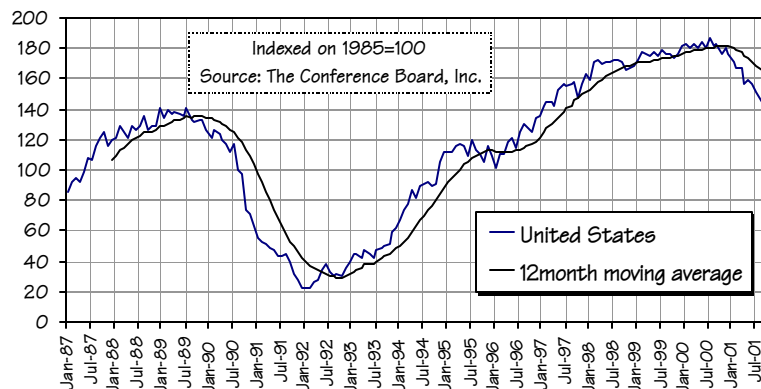
*Continued on page 3*



Published by the Economic and Labor Market Information Bureau

*Employment*  
**SECURITY**

Consumer Confidence has been sliding for all of 2001



Consumer Confidence, United States, January 1987 - October 2001

## High Tech in New Hampshire

Nearly 67,000 New Hampshire workers were employed in high technology industries<sup>1</sup> in the state during 2000, almost 11 percent of all employees. They were paid an average of \$1,168 per week, almost \$500 more than the statewide all industry average weekly wage.

The Bureau of Labor Statistics (BLS) defined 31 industries as high tech in 1999. This new definition updated the original definition from 1991. The result was the deletion of ten industries previously defined as high tech and the addition of two new industries. The 1999 employment for the ten deleted industries totaled nearly 8,700 people while the employment for the two new ones only totaled 261.

Of the 31 high tech industries, 27 are Manufacturing and four are Services. One-third of the total high tech employment in the state in 2000 was in the four Services industries. Five of the 31 high tech industries didn't have any employment in New Hampshire in 2000.

High Technology Industries			
SIC	Industry	High Tech	High Tech Intensive
281	Industrial Inorganic Chemicals*	X	
282	Plastics Materials and Synthetics	X	X
283	Drugs	X	X
284	Soap, Cleaners, and Toilet Goods	X	
285	Paints and Allied Products	X	
286	Industrial Organic Chemicals	X	X
287	Agricultural Chemicals*	X	
289	Miscellaneous Chemical Products	X	
291	Petroleum Refining*	X	
348	Ordnance and Accessories	X	
351	Engines and Turbines*	X	
353	Construction and Related Machinery	X	
355	Special Industry Machinery	X	
356	General Industrial Machinery	X	
357	Computer and Office Equipment	X	X
361	Electrical Distribution Equipment	X	
362	Electrical Industrial Apparatus	X	
365	Household Audio and Video Equipment	X	
366	Communications Equipment	X	X
367	Electronic Components and Accessories	X	X
371	Motor Vehicles and Equipment	X	
372	Aircraft and Parts	X	X
376	Guided Missiles, Space Vehicles, Parts*	X	X
381	Search and Navigation Equipment	X	X
382	Measuring and Controlling Devices	X	X
384	Medical Instruments and Supplies	X	
386	Photographic Equipment and Supplies	X	
737	Computer and Data Processing Services	X	X
871	Engineering and Architectural Services	X	
873	Research and Testing Services	X	X
874	Management and Public Relations	X	

\* No New Hampshire employment

TABLE SOURCE: Bureau of Labor Statistics, *Monthly Labor Review*, "High-technology employment: a broader view", June 1999

### High tech intensive industries

BLS has defined 12 of the 31 high tech industries as high tech intensive. In 2000, these industries employed more than 44,600 people, two-thirds of all high tech employment in the state. This is an over-the-year increase of 6.2 percent. The majority of the employment was in two industries in 2000 - Electronic components and accessories (SIC 367) and Computer and data processing services (SIC 737).

### High tech means high pay

On average, employees working in high tech intensive industries were paid better than employees were in any other industry. In 2000, their average weekly wage was \$1,289, an over-the-year increase of 16.3 percent. The average weekly wage for all industries was \$698 in 2000, an increase of 12.9 percent over 1999.

*Elisabeth Picard*

<sup>1</sup> According to BLS, industries are considered high tech if employment in both research and development (R&D) occupations and in all technology-oriented occupations account for a proportion of employment that was at least twice the average for all industries in the Occupational Employment Statistics survey. High tech intensive industries are a subset of total high tech industries. Their R&D and technology-oriented occupations total more than five times the all industry average.

aspects of employment related to health will expand. There will be continued increases in employment in clinics, especially testing and treatment of ailments which, left untreated, could be deadly. A shortage of nurses is nothing new. The anthrax scare illuminated this. All aspects of security will thrive. Nearly every business will assume the added cost of protective services. This will drive up costs, but will be considered essential. New Hampshire's tourism will depend more on the motorist and less on the bus and air traveler. As to air travel, the Manchester Airport could hold an advantage despite fewer travel-

ers. Many may poorly perceive Logan Airport because of its place as the launch of the two planes that hit the World Trade Center. Air travelers may consider Manchester Airport to be a well-placed alternative to Logan.

Nothing is certain. Given that, New Hampshire seems to be better placed to withstand a national recession than it was ten years ago.

*Martin Capodice*

To receive a copy of the *Fall Summary*, please see the ordering information on page 8.

## Fall Summary Conclusion

continued from page 1

### Unemployment Compensation Claims Activity

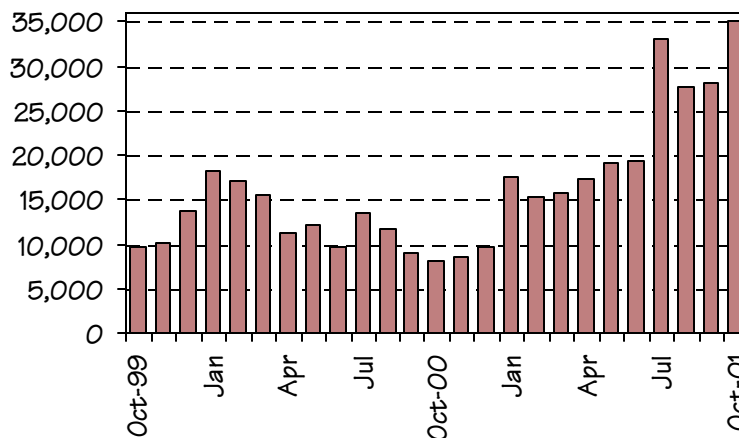
Total Regular Unemployment Compensation Programs:	Oct-01	Sep-01	Oct-00	Change from Previous			
				Month		Year	
				Net	Percent	Net	Percent
Initial Claims	5,478	4,275	1,649	1,203	28.1%	3,829	232.2%
Continued Weeks	35,192	28,167	8,033	7,025	24.9%	27,159	338.1%

### Claims Activity

### Unemployment Compensation Fund

Unemployment compensation fund balance at the end of October:	\$324,564,595.27
Average payment for a week of total unemployment:	\$257.61
Net benefits paid:	\$9,437,439.47
Net contributions received during the month:	\$2,026,150.20
Interest Received:	\$0.00
Reed Act Distribution:	\$392,627.00
Reed Act Withdrawn:	\$397,852.00

### Trust Fund



## Continued Weeks Claimed

Oct. 1999 - Oct. 2001

For the first time since 1990 continued weeks claims increased from September to October. Not only did they increase 7,000 over-the-month, but they jumped to over 27,000 over-the-year.

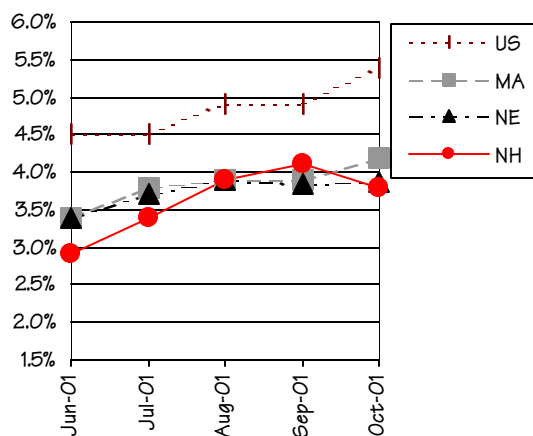
Oct-01	Sep-01	Oct-00	change from previous	
			Month	Year
177.7	178.3	174.0	-0.3%	2.1%

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

## Consumer Price Index

## N.H. and U.S. Seasonally Adjusted Unemployment Rate

New Hampshire and Connecticut were the only two states to have over-the-month reductions in their unemployment rates in New England. Over-the-year New Hampshire's rate increase was second only to Massachusetts for the entire Northeast.



## Unemployment Rates by Region

	preliminary Oct-01	revised Sep-01	preliminary Oct-00
United States	5.4%	4.9%	3.9%
Northeast	4.6%	4.5%	3.8%
New England	3.9%	3.9%	2.5%
Connecticut	3.2%	3.6%	2.0%
Maine	4.3%	4.3%	3.1%
Massachusetts	4.2%	3.9%	2.4%
New Hampshire	3.8%	4.1%	2.4%
Rhode Island	4.1%	3.9%	3.7%
Vermont	3.2%	3.1%	2.8%
Mid Atlantic	4.9%	4.7%	4.3%
New Jersey	4.8%	4.5%	3.8%
New York	5.0%	4.9%	4.5%
Pennsylvania	4.9%	4.6%	4.3%

## Labor Force Estimates

By Place of Residence

	Jun-01	Jul-01	Aug-01	revised Sep-01	preliminary Oct-01
New Hampshire					
Unemployment Rate	2.9%	3.4%	3.9%	4.1%	3.8%
Civilian Labor Force	702,350	700,930	702,510	704,070	702,090
Number Employed	682,010	677,100	674,870	675,450	675,650
Number Unemployed	20,340	23,830	27,640	28,620	26,440
United States (in thousands)					
Unemployment Rate	4.5%	4.5%	4.9%	4.9%	5.4%
Civilian Labor Force	141,354	141,774	141,350	142,190	142,303
Number Employed	134,932	135,379	134,393	135,181	134,562
Number Unemployed	6,422	6,395	6,957	7,009	7,741

## Seasonally Adjusted Nonfarm Employment

By Place of Establishment

Industry	Jun-01	Jul-01	Aug-01	revised Sep-01	preliminary Oct-01
TOTAL ALL INDUSTRIES	626,200	624,500	624,200	622,800	619,900
Mining*	400	500	400	500	500
Construction	26,000	26,000	25,900	25,800	25,800
Manufacturing	101,800	101,800	101,300	100,400	100,000
Durable Goods	72,800	72,400	72,400	71,600	71,500
Nondurable Goods	29,000	29,400	28,900	28,800	28,500
Transportation and Public Utilities	21,700	21,800	21,600	21,900	21,900
Trade	166,400	166,000	165,400	166,600	165,200
Wholesale Trade	33,500	33,300	33,100	33,500	32,700
Retail Trade	132,900	132,700	132,300	133,100	132,500
Finance, Insurance, and Real Estate	32,600	32,800	32,900	32,700	32,700
Services	194,800	194,500	195,600	194,200	191,700
Government	82,500	81,100	81,000	80,700	82,100

\* Since N.H. mining employment exhibits no clear seasonal pattern, these estimates are not adjusted.

### Labor Force Estimates

New Hampshire	Oct-01	Sep-01	Oct-00
Number of Workers	preliminary	revised	
Total Civilian Labor Force	702,090	704,070	688,570
Employed	675,650	675,450	671,720
Unemployed	26,440	28,620	16,850
Unemployment Rate (% of labor force)	3.8%	4.1%	2.4%

### Unemployment Rates by Area

	Oct-01	Sep-01	Oct-00
	preliminary	revised	
U.S. and Regional States			
United States	5.0%	4.7%	3.6%
Northeast	4.4%	4.4%	3.5%
New England	3.6%	3.6%	2.3%
Connecticut	3.0%	3.1%	1.9%
Maine	3.8%	3.6%	2.6%
Massachusetts	3.8%	3.9%	2.2%
New Hampshire	3.3%	3.7%	2.0%
Rhode Island	4.1%	4.0%	3.7%
Vermont	2.9%	2.8%	2.6%
Mid Atlantic	4.7%	4.6%	4.0%
New Jersey	4.5%	4.4%	3.5%
New York	4.9%	4.8%	4.3%
Pennsylvania	4.6%	4.5%	3.9%

#### Labor Market Areas

Berlin LMA	14.9%	17.1%	2.0%
Seabrook-South Hampton, NH			
Portion Boston, MA-NH PMSA	4.5%	5.8%	4.2%
Claremont LMA	1.6%	1.8%	1.6%
Colebrook LMA	1.4%	1.5%	2.3%
Concord LMA	2.2%	2.6%	1.5%
Conway LMA	2.3%	3.4%	2.2%
NH Portion Hartford-Lebanon, VT-NH LMA	1.2%	1.3%	1.2%
NH Portion Keene-Brattleboro, NH-VT LMA	2.6%	2.8%	1.9%
Laconia LMA	2.4%	2.7%	1.7%
Lancaster LMA	3.3%	2.8%	2.4%
Salem-Derry, NH Portion			
Lawrence, MA-NH PMSA	5.4%	6.3%	3.4%
Littleton LMA	2.0%	2.2%	1.8%
Pelham, NH Portion Lowell, MA-NH PMSA	4.8%	5.0%	3.1%
Manchester PMSA	3.5%	3.7%	1.7%
Nashua PMSA	4.2%	4.4%	2.2%
Peterborough LMA	2.8%	3.0%	1.9%
Plymouth LMA	1.5%	1.6%	1.3%
NH Portion Portsmouth-Rochester, NH-ME PMSA	2.5%	2.7%	1.8%

#### Counties

Belknap	2.4%	2.8%	1.6%
Carroll	2.2%	3.2%	2.1%
Cheshire	2.7%	3.0%	2.0%
Coos	9.0%	10.1%	2.1%
Grafton	1.4%	1.6%	1.3%
Hillsborough	3.8%	4.0%	2.0%
Merrimack	2.2%	2.5%	1.5%
Rockingham	4.2%	4.8%	2.7%
Strafford	2.5%	2.8%	2.0%
Sullivan	1.6%	1.9%	1.6%

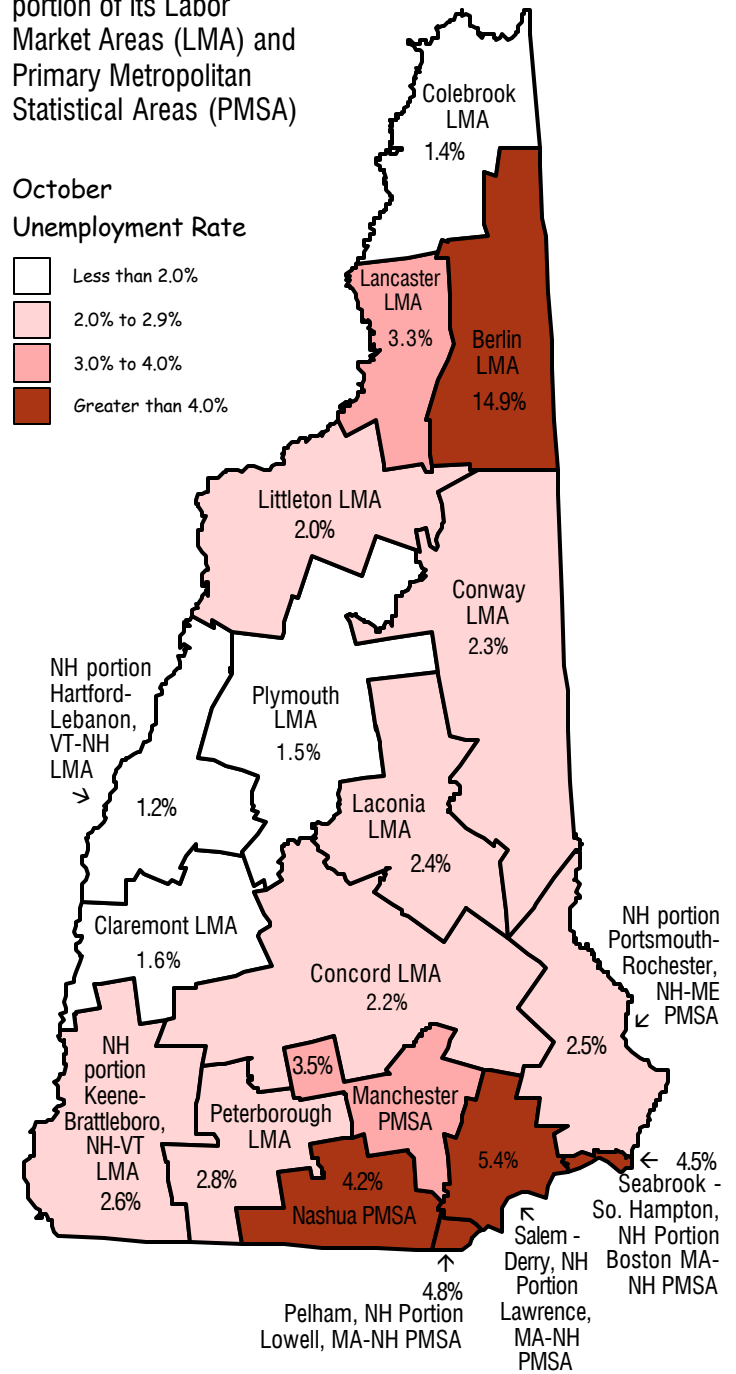
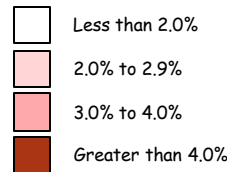
## Local Area Unemployment Statistics (LAUS)

### Not Seasonally Adjusted

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

By Place of Residence

October Unemployment Rate



### Monthly Not Seasonally Adjusted New Hampshire Nonfarm Wage and Salary Employment

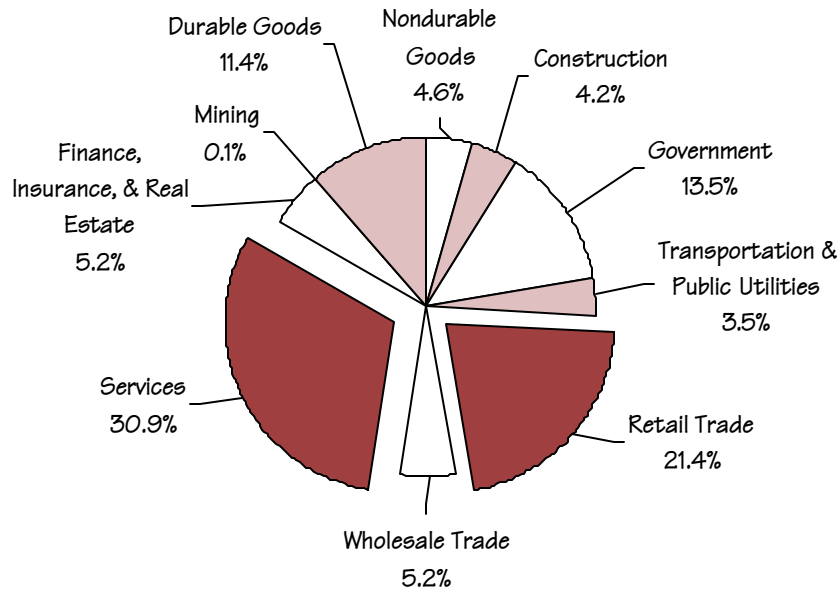
Typical for September to October, employment in Services took a predictable nose-dive as it lost 2,300 jobs over-the-month.

More detailed industry information is available at our Web site

Current Employment Statistics Employment by Industry - Number of Jobs by place of establishment	Number of Jobs			Net Change	
	Oct-01 (preliminary)	Sep-01 (revised)	Oct-00	From Previous	
				Month	Year
Total All Industries	625,000	624,800	627,000	200	-2,000
Private Employment Total	540,500	543,400	542,200	-2,900	-1,700
Mining	500	500	500	0	0
Construction	26,500	26,600	26,000	-100	500
Manufacturing	99,800	100,000	105,200	-200	-5,400
Durable Goods Total	71,300	71,400	75,200	-100	-3,900
Nondurable Goods Total	28,500	28,600	30,000	-100	-1,500
Transportation & Public Utilities	22,000	22,200	22,200	-200	-200
Trade Total	166,200	166,200	165,300	0	900
Wholesale Trade	32,700	33,300	32,500	-600	200
Retail Trade	133,500	132,900	132,800	600	700
Finance, Insurance, & Real Estate	32,600	32,700	32,700	-100	-100
Services	192,900	195,200	190,300	-2,300	2,600
Government Total	84,500	81,400	84,800	3,100	-300

*Note: Totals are rounded to hundreds*

### Divisional Percentages of Nonfarm Employment



Services and Retail trade were the leaders in employment increases over-the-month in Manchester.

### Current Employment Statistics (CES) Manchester PMSA

Employment by Industry Number of jobs by place of establishment	Number of Jobs			Change	
	Oct-01 (preliminary)	Sep-01 (revised)	Oct-00	from previous:	
				Month	Year
Total All Industries	109,000	107,800	108,000	1,200	1,000
Private Employment Total	97,700	96,700	96,100	1,000	1,600
Construction & Mining	5,800	5,800	5,400	0	400
Manufacturing	14,600	14,700	15,300	-100	-700
Durable Goods	10,500	10,600	10,900	-100	-400
Transportation & Public Utilities	6,300	6,300	6,100	0	200
Trade Total	27,200	26,600	26,400	600	800
Wholesale Trade	7,900	7,800	7,400	100	500
Retail Trade	19,300	18,800	19,000	500	300
Finance, Insurance, & Real Estate	7,900	7,800	7,900	100	0
Services	35,900	35,500	35,000	400	900
Government Total	11,300	11,100	11,900	200	-600



### Current Employment Statistics Nashua PMSA

Employment by Industry Number of jobs by place of establishment	Number of Jobs			Change	
	Oct-01	Sep-01	Oct-00	from previous:	
	(preliminary)	(revised)		Month	Year
Total All Industries	101,300	101,600	100,100	-300	1,200
Private Employment Total	91,900	92,500	91,000	-600	900
Construction & Mining	3,700	3,800	3,600	-100	100
Manufacturing	27,100	27,400	27,900	-300	-800
Durable Goods	21,100	21,400	22,000	-300	-900
Nondurable Goods	6,000	6,000	5,900	0	100
Transportation & Public Utilities	3,000	3,100	3,000	-100	0
Trade Total	27,300	27,200	26,000	100	1,300
Wholesale Trade	4,700	4,700	4,800	0	-100
Retail Trade	22,600	22,500	21,200	100	1,400
Finance, Insurance, & Real Estate	6,100	6,200	6,000	-100	100
Services	24,700	24,800	24,500	-100	200
Government Total	9,400	9,100	9,100	300	300

The only significant increase for the Nashua area in October was in Government jobs.

### Current Employment Statistics Portsmouth-Rochester, NH-ME PMSA

Employment by Industry Number of jobs by place of establishment	Number of Jobs			Change	
	Oct-01	Sep-01	Oct-00	from previous:	
	(preliminary)	(revised)		Month	Year
Total All Industries	128,500	127,900	126,800	600	1,700
Private Employment Total	104,900	105,600	104,200	-700	700
Construction & Mining	4,600	4,600	4,300	0	300
Manufacturing	17,400	17,400	18,300	0	-900
Durable Goods	11,100	11,000	11,400	100	-300
Nondurable Goods	6,300	6,400	6,900	-100	-600
Transportation & Public Utilities	4,400	4,400	4,400	0	0
Trade Total	34,400	34,400	33,700	0	700
Wholesale Trade	7,000	7,100	6,600	-100	400
Retail Trade	27,400	27,300	27,100	100	300
Finance, Insurance, & Real Estate	6,300	6,300	6,600	0	-300
Services	37,800	38,500	36,900	-700	900
Government Total	23,600	22,300	22,600	1,300	1,000

Private employment floundered in the Portsmouth-Rochester area as Services lost 700 over-the-month.

### Average Earnings and Hours of Production Workers in Manufacturing

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Oct-01 (prelim.)	Sep-01 (revised)	Oct-00	Oct-01 (prelim.)	Sep-01 (revised)	Oct-00	Oct-01 (prelim.)	Sep-01 (revised)	Oct-00
NEW HAMPSHIRE									
All Manufacturing	\$573.42	\$575.05	\$557.74	40.9	40.9	40.8	\$14.02	\$14.06	\$13.67
Durable Goods	567.85	582.40	557.32	41.0	41.6	41.1	13.85	14.00	13.56
Nondurable Goods	638.01	664.01	584.61	41.7	43.8	39.0	15.30	15.16	14.99
MANCHESTER PMSA									
All Manufacturing	\$610.30	\$634.00	\$629.63	38.7	40.0	40.7	\$15.77	\$15.85	\$15.47
Durable Goods	\$623.60	\$660.97	\$662.00	40.0	42.1	42.6	15.59	15.70	15.54
NASHUA PMSA									
All Manufacturing	\$615.45	\$617.19	\$554.88	41.5	41.9	40.8	\$14.83	\$14.73	\$13.60
Durable Goods	616.47	614.04	538.14	42.9	43.0	41.3	14.37	14.28	13.03
Nondurable Goods	613.57	626.72	626.77	36.5	37.8	39.1	16.81	16.58	16.03
PORTSMOUTH-ROCHESTER, NH-MA PMSA									
All Manufacturing	\$582.39	\$611.74	\$567.01	41.1	42.6	41.6	\$14.17	\$14.36	\$13.63
Durable Goods	603.61	651.02	625.54	41.4	43.2	43.2	14.58	15.07	14.48
Nondurable Goods	538.36	536.96	462.04	40.6	41.4	38.6	13.26	12.97	11.97

Statewide, average hourly wages declined over-the-month. Average weekly hours worked also declined in the three PMSA's.

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