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ECONOMIC CONDITIONS in New Hampshire



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Over-the-year Second Quarter Personal Income Growth Slow at 2.0 Percent

According to the Bureau of Economic Analysis, New Hampshire's personal income for second quarter 2002, seasonally adjusted at annual rates, increased 2.0 percent from second quarter 2001. This was the slowest over-the-year second quarter rate of growth since personal income fell by 6.1 percent from 1990 to 1991. From second quarter 1991 to second quarter 2001, personal income grew in the Granite State at an average annual rate of 6.2 percent. During this time period, the highest over-the-year growth in personal income was 11.8 percent in second quarter 2000. Since 1991, the lowest rate of personal income growth occurred in second quarter 1993 at 2.6 percent.

The Granite State's over-the-year growth of personal income was fourth largest in New England. Massachusetts had the lowest rate of growth at 1.3 percent. Rhode Island led the region

with a 5.3 percent growth rate. Personal income grew for the nation at a rate of 2.7 percent.

Personal income consists of net earnings by place of residence*; dividends, interest, and rent; and transfer payments. In second quarter 2002, net earnings accounted for 70.2 percent of personal income in New Hampshire. Transfer payments and interest, dividends and rent accounted for 11.1 percent and 18.7 percent respectively.

Much of the slow growth in New Hampshire's personal income can be attributed to losses in Manufacturing earnings. Over-the-year earnings in Manufacturing fell by 7.0 percent, with Durable goods falling by 8.6 percent and Nondurable goods falling by 2.3 percent. From second quarter 2000, Manufacturing earnings declined by 8.7 percent in the Granite State. On a positive note, Manu-

Continued on page 2

Second Quarter 2002 Earnings by Industry

(\$ millions, seasonally at annual rates by place of work)

Industry	US	CT	ME	MA	NH	RI	VT
Nonfarm earnings	6,311,438	102,842	23,873	186,696	28,754	21,631	12,253
Private earnings	5,263,079	89,779	19,371	163,708	25,389	17,757	10,223
Ag. Serv., forestry, fishing, & other	45,120	608	328	1,080	196	150	107
Mining	54,103	154	6	151	28	15	31
Construction	392,323	5,572	1,670	11,275	2,374	1,295	922
Manufacturing	898,770	17,094	3,275	24,880	5,064	2,975	2,202
Durable goods	548,311	11,336	1,657	16,871	3,731	1,990	1,638
Nondurable goods	350,460	5,758	1,618	8,009	1,333	985	564
Transportation and public utilities	429,678	5,047	1,183	8,875	1,257	1,075	651
Wholesale trade	376,116	5,619	1,187	11,202	2,097	998	601
Retail trade	564,411	8,355	2,880	15,246	3,513	2,104	1,268
Finance, insurance and real estate	605,982	16,922	1,743	22,888	2,236	1,958	703
Services	1,896,577	30,408	7,097	68,111	8,622	7,186	3,739
Government	1,048,358	13,063	4,502	22,988	3,365	3,874	2,029
Federal, civilian	198,910	1,461	952	4,042	550	779	356
Military	88,444	635	356	682	106	384	95
State and local	761,004	10,968	3,194	18,265	2,709	2,711	1,578

Source: Bureau of Economic Analysis

* Net earnings by place of residence equals earnings by place of work minus personal contributions to social insurance plus the net inflow of earnings of inter-area commuters.



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Continued from page 1

facturing earnings in New Hampshire grew by 1.7 percent from first quarter 2002 to second quarter 2002.

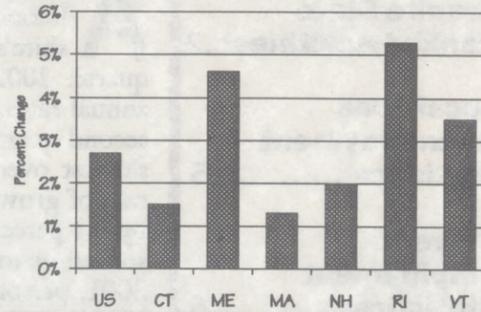
All New England states, as well as the nation, registered decreases in over-the-year Manufacturing earnings. However, losses in Manufacturing earnings were greater for the New England region than for the nation at 7.1 percent and 3.4 percent respectively. New Hampshire's over-the-year drop of 7.0 percent in Manufacturing earnings was second only to Massachusetts' decrease of 8.8 percent.

Growth in Construction earnings partially offset the decline in Manufacturing earnings at both the regional and state levels. While over-the-year Construction

earnings grew by 2.7 percent in the United States, growth for the New England region was 6.2 percent. New Hampshire led all New England states with an increase in Construction earnings of 15.4 percent from second quarter 2001 to second quarter 2002.

Kevin Coyne

Personal income growth for New England States and the Nation, 2Q2001-2Q2002



Granite State Ranked Healthiest in 2002

New Hampshire topped the list of healthiest states in 2002, according to the UnitedHealth Foundation. The Granite State ranked in the top three for the last eleven years, six of which were at number one. Except for Rhode Island, all the New England states were in the top 10 in 2002. Rhode Island came in at 13th.

Top 10 States in 2002

- 1: New Hampshire
- 2: Minnesota
- 3: Massachusetts
- 4: Utah
- 5: Connecticut
- 6: Vermont
- 7: Iowa
- 7: Colorado
- 9: North Dakota
- 10: Maine

The UnitedHealth Foundation has conducted this "healthiest state" ranking since

1990. Their stated purpose is to stimulate public conversation concerning health in the states, as well as provide information to facilitate citizen participation. They use measures (risk factors and outcomes) that are believed to be the best available indicators of the various components of healthiness at the time. Risk factors are indicators of behaviors and activities that are related to the healthiness of a population, such as smoking is related to lung cancer and

prenatal care is related to healthy births. Outcomes measure the burden that disease and death place on the overall health of a population. Risk factors and outcomes are related, but not in a one-to-one manner. However, reducing risk factors will eventually improve outcomes.

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New Hampshire's Rankings for each measure

Measure	2002	2001	1990
Prevalence of smoking	33	41	31
Motor vehicle deaths	8	3	2
Violent crime	5	1	5
Risk for heart disease	9	18	18
High school graduation	22	20	32
Children in Poverty	2	2	2
Adequacy of prenatal care	1	1	2
Lack of health insurance	8	7	23
Support for public health care	1	1	11
Occupational fatalities	17	18	17
Limited activity days	1	10	16
Heart disease	12	15	16
Cancer deaths	22	30	35
Infectious disease	5	4	12
Total mortality	5	11	14
Infant mortality	1	1	2
Premature death	3	2	3

Source: "America's Health: United Health Foundation State Health Rankings." 2002 Edition. United Health Foundation. Accessed November 25, 2002 <www.unitedhealthfoundation.org/shr2002/index.html>

Current Employment Statistics Nashua PSMA

Employment by Industry Number of jobs by place of establishment	Number of Jobs			Change from previous:	
	Oct-02 (prelim.)	Sep-02 (revised)	Oct-01	Month	Year
Total All Industries	99,300	99,500	99,300	-200	0
Private Employment Total	89,300	89,600	89,400	-300	-100
Construction & Mining	3,900	3,900	3,500	0	400
Manufacturing	27,500	27,800	27,200	-300	300
Durable Goods	22,400	22,600	22,000	-200	400
Nondurable Goods	5,100	5,200	5,200	-100	-100
Transportation & Public Utilities	1,800	1,800	2,300	0	-500
Trade Total	25,100	24,900	25,400	200	-300
Wholesale Trade	4,000	4,000	4,400	0	-400
Retail Trade	21,100	20,900	21,000	200	100
Finance, Insurance, & Real Estate	6,300	6,300	6,200	0	100
Services	24,700	24,900	24,800	-200	-100
Government Total	10,000	9,900	9,900	100	100

Current Employment Statistics Portsmouth-Rochester, NH-ME PSMA

Employment by Industry Number of jobs by place of establishment	Number of Jobs			Change from previous:	
	Oct-02 (prelim.)	Sep-02 (revised)	Oct-01	Month	Year
Total All Industries	126,500	125,200	127,200	1,300	-700
Private Employment Total	101,400	101,300	102,800	100	-1,400
Construction & Mining	4,400	4,500	4,200	-100	200
Manufacturing	17,000	16,800	17,600	200	-600
Durable Goods	11,100	11,000	11,300	100	-200
Nondurable Goods	5,900	5,800	6,300	100	-400
Transportation & Public Utilities	4,300	4,300	4,300	0	0
Trade Total	33,600	33,400	34,100	200	-500
Wholesale Trade	6,200	6,100	6,200	100	0
Retail Trade	27,400	27,300	27,900	100	-500
Finance, Insurance, & Real Estate	6,300	6,200	6,300	100	0
Services	35,800	36,100	36,300	-300	-500
Government Total	25,100	23,900	24,400	1,200	700

Average Earnings and Hours of Production Workers in Manufacturing

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Oct-02 prelim.	Sep-02 revised	Oct-01	Oct-02 prelim.	Sep-02 revised	Oct-01	Oct-02 prelim.	Sep-02 revised	Oct-01
New Hampshire									
All Manufacturing	\$596.16	\$605.38	\$556.92	43.2	43.9	40.8	\$13.80	\$13.79	\$13.65
Durable Goods	625.16	638.31	566.91	45.9	46.9	41.9	13.62	13.61	13.53
Nondurable Goods	527.38	523.07	535.05	36.7	36.4	38.3	14.37	14.37	13.97
Manchester PSMA									
All Manufacturing	\$631.51	\$622.01	\$603.67	39.2	38.9	37.8	\$16.11	\$15.99	\$15.97
Durable Goods	682.62	668.66	648.25	40.9	40.5	39.6	16.69	16.51	16.37
Nashua PSMA									
All Manufacturing	\$488.90	\$491.05	\$557.57	34.6	35.0	39.6	\$14.13	\$14.03	\$14.08
Durable Goods	442.40	444.61	498.02	33.9	34.6	37.7	13.05	12.85	13.21
Nondurable Goods	656.38	666.12	788.39	37.0	36.6	46.9	17.74	18.20	16.81
Portsmouth-Rochester, NH-MA PSMA									
All Manufacturing	\$622.50	\$620.21	\$546.06	43.9	43.1	39.8	\$14.18	\$14.39	\$13.72
Durable Goods	690.37	692.48	581.69	46.9	46.6	40.2	14.72	14.86	14.47
Nondurable Goods	484.60	474.84	482.49	46.9	36.0	39.1	12.82	13.19	12.34

In the Nashua PSMA, Retail Trade was the only division to increase over-the-month Private employment.

Over-the-month growth in government employment accounted for over 92 percent of total employment growth in the Rochester-Portsmouth PSMA.

Statewide, and in all three PSMA's, average hourly earnings increased over-the-year. Over-the-year average weekly earnings increased statewide and in the Manchester and Portsmouth-Rochester PSMA's. A decline in over-the-year average weekly hours caused average weekly earnings to fall in the Nashua PSMA.

Retail and Wholesale Trade were the only divisions posting over-the-month gains in Private employment.

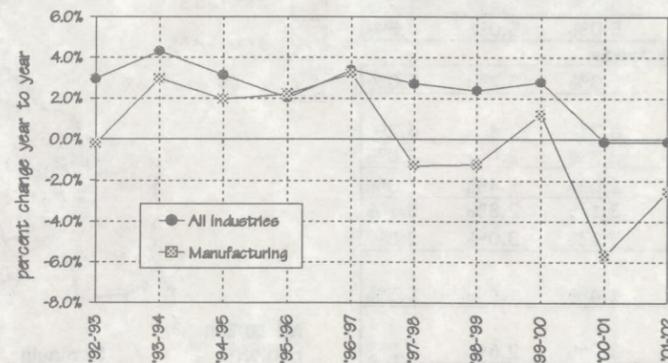
Monthly Not Seasonally Adjusted New Hampshire Nonfarm Wage and Salary Employment					
Current Employment Statistics Employment by Industry by place of establishment	Number of Jobs			Change From Previous:	
	Oct-02 (preliminary)	Sep-02 (revised)	Oct-01	Month	Year
Total All Industries	627,200	627,400	628,000	-200	-800
Private Employment Total	539,300	541,700	541,600	-2,400	-2,300
Mining	500	600	500	-100	0
Construction	28,400	28,900	28,000	-500	400
Manufacturing	98,600	98,900	101,200	-300	-2,600
Durable Goods Total	72,000	72,000	73,600	0	-1,600
Nondurable Goods Total	26,600	26,900	27,600	-300	-1,000
Transportation & Public Utilities	20,800	20,800	21,600	0	-800
Trade Total	167,100	165,600	165,700	1,500	1,400
Wholesale Trade	33,500	33,200	32,500	300	1,000
Retail Trade	133,600	132,400	133,200	1,200	400
Finance, Insurance, & Real Estate	34,000	34,200	33,700	-200	300
Services	189,900	192,700	190,900	-2,800	-1,000
Government Total	87,900	85,700	86,400	2,200	1,500

Note: Totals are rounded to hundreds

More detailed industry information is available at our Web site

Nonfarm employment in selected industries

Percent change Oct. to Oct. 1992 - 2002



Current Employment Statistics (CES) Manchester PMSA					
Employment by Industry Number of jobs by place of establishment	Number of Jobs			Change from previous:	
	Oct-02 (prelim.)	Sep-02 (revised)	Oct-01	Month	Year
Total All Industries	106,200	105,600	107,800	600	-1,600
Private Employment Total	94,200	93,900	95,900	300	-1,700
Construction & Mining	5,400	5,500	5,400	-100	0
Manufacturing	12,500	12,600	13,300	-100	-800
Durable Goods	8,200	8,300	9,100	-100	-900
Transportation & Public Utilities	6,300	6,300	6,700	0	-400
Trade Total	26,800	26,200	26,700	600	100
Wholesale Trade	7,200	7,200	7,200	0	0
Retail Trade	19,600	19,000	19,600	600	0
Finance, Insurance, & Real Estate	8,500	8,500	8,200	0	300
Services	34,700	34,800	35,600	-100	-900
Government Total	12,000	11,700	11,900	300	100

Over-the-month growth of 600 in Retail Trade employment matched the total over-the-month growth in employment in the Manchester PSMA.

The state ranked first in the following four areas in 2002:

Risk Factors

- ★ Highest Adequacy of Prenatal Care* (87.7 percent of pregnant women)
- ★ Highest Support for Public Healthcare (ratio of 3.32)

Outcomes

- ★ Lowest Infant Mortality (3.8 deaths per 1,000 live births)
- ★ Lowest Limited Activity Days** (2.8 in the last 30 days).

The state's lowest rankings were in the following three areas:

Risk Factors

- ★ Prevalence of smoking (24.1 percent of population)
- ★ High school graduation (72.7 percent of incoming 9th graders)

Outcomes

- ★ Cancer deaths (207.6 per 100,000 population)

Elisabeth Picard

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Definitions

* Support for Public Healthcare is the total state and local expenditures for public welfare, health, and hospitals divided by the general expenditures of state and local units to calculate a percentage. This percentage is then divided by the percentage of the state's population with an annual household income below \$15,000.

** Limited activity days is the average number of days in the past 30 days that a person could not perform work or household tasks due to physical or mental

Unemployment Compensation Claims Activity

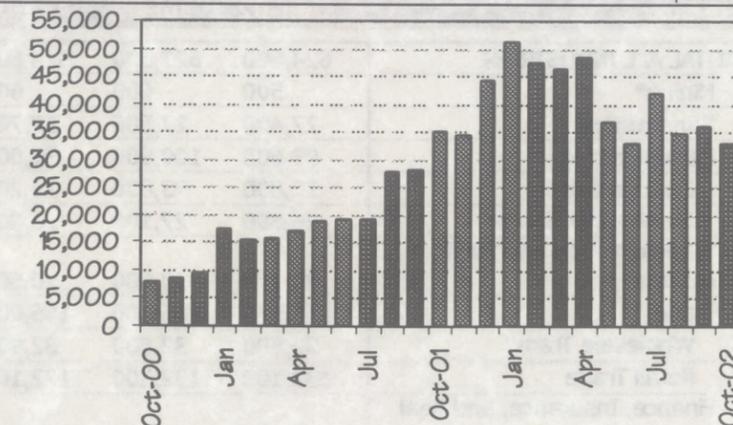
Total Regular Unemployment Compensation Programs:				Change from Previous			
	Oct-02	Sep-02	Oct-01	Month		Year	
	Net Percent	Net Percent	Net Percent	Net Percent	Net Percent	Net Percent	Net Percent
Initial Claims	4,914	4,014	5,478	900	22.4%	-564	-10.3%
Continued Weeks	33,079	36,202	35,192	-3,123	-8.6%	-2,113	-6.0%

Claims Activity

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of October:	\$300,952,414.69
Average payment for a week of total unemployment:	\$278.17
Net benefits paid:	\$9,089,854.86
Net contributions received during the month:	\$1,919,029.47
Interest Received:	\$0.00
Reed Act Distribution:	\$0.00
Reed Act Withdrawn:	\$0.00

Trust Fund



Continued Weeks Claimed

Oct. 2000 - Oct. 2002

Continued weeks claimed decreased by 6.0 percent from October 2001 to October 2002. This was the first over-the-year decline in continued weeks claimed for any given month since the recession began.

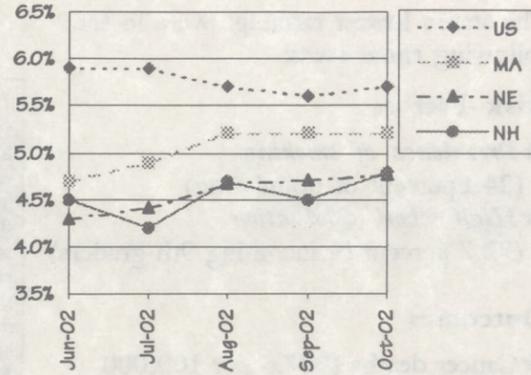
Oct-02	Sep-02	Oct-01	Month	Year
181.3	181.0	177.7	0.2%	2.0%

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

Consumer Price Index

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

New Hampshire's over-the-month increase in the unemployment rate of 0.3 percentage points was the largest in New England.



Unemployment Rates by Region

	preliminary	revised	
	Oct-02	Sep-02	Oct-01
United States	5.7%	5.6%	5.4%
Northeast	5.3%	5.2%	4.8%
New England	4.8%	4.7%	4.1%
Connecticut	4.2%	4.1%	3.8%
Maine	4.1%	4.1%	4.3%
Massachusetts	5.2%	5.2%	4.2%
New Hampshire	4.8%	4.5%	3.9%
Rhode Island	5.2%	5.1%	4.8%
Vermont	3.9%	4.0%	3.9%
Mid Atlantic	5.6%	5.4%	5.1%
New Jersey	5.5%	5.4%	4.7%
New York	5.7%	5.6%	5.4%
Pennsylvania	5.3%	5.2%	5.0%

Labor Force Estimates

By Place of Residence

	Jun-02	Jul-02	Aug-02	revised Sep-02	preliminary Oct-02
New Hampshire					
Unemployment Rate	4.5%	4.2%	4.7%	4.5%	4.8%
Civilian Labor Force	710,970	711,200	713,840	713,240	716,570
Number Employed	678,810	681,320	680,330	681,220	682,190
Number Unemployed	32,160	29,880	33,510	32,020	34,380
United States (in thousands)					
Unemployment Rate	5.9%	5.9%	5.7%	5.6%	5.7%
Civilian Labor Force	142,476	142,390	142,616	143,277	143,123
Number Employed	134,053	134,045	134,474	135,185	134,914
Number Unemployed	8,424	8,345	8,142	8,092	8,209

Seasonally Adjusted Nonfarm Employment

By Place of Establishment

Industry	Jun-02	Jul-02	Aug-02	revised Sep-02	preliminary Oct-02
TOTAL ALL INDUSTRIES	624,500	627,300	625,600	624,800	622,900
Mining*	500	600	600	600	500
Construction	27,400	27,500	27,700	27,900	27,800
Manufacturing	99,600	100,900	99,000	99,400	99,000
Durable Goods	72,800	73,800	72,200	72,300	72,400
Nondurable Goods	26,800	27,100	26,800	27,100	26,600
Transportation and Public Utilities	20,700	20,600	20,500	20,400	20,500
Trade	165,600	165,000	165,000	165,600	166,200
Wholesale Trade	32,500	32,800	32,900	33,300	33,600
Retail Trade	133,100	132,200	132,100	132,300	132,600
Finance, Insurance, and Real Estate	34,000	34,100	34,300	34,300	34,100
Services	190,900	192,400	193,100	191,400	189,300
Government	85,800	86,200	85,400	85,200	85,500

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

Labor Force Estimates

	Oct-02 preliminary	Sep-02 revised	Oct-01
New Hampshire			
Number of Workers	711,430	704,410	684,860
Total Civilian Labor Force	711,430	704,410	684,860
Employed	680,090	674,480	660,930
Unemployed	31,340	29,930	23,930
Unemployment Rate (% of labor force)	4.4%	4.2%	3.5%

Unemployment Rates by Area

	Oct-02 preliminary	Sep-02 revised	Oct-01
U.S. and Regional States			
United States	5.3%	5.4%	5.0%
Northeast	5.1%	5.1%	4.6%
New England	4.4%	4.5%	3.8%
Connecticut	3.8%	3.6%	3.4%
Maine	3.7%	3.5%	3.9%
Massachusetts	5.0%	5.3%	3.9%
New Hampshire	4.4%	4.2%	3.5%
Rhode Island	4.9%	4.8%	4.5%
Vermont	3.4%	3.5%	3.3%
Mid Atlantic	5.3%	5.3%	4.9%
New Jersey	5.3%	5.3%	4.5%
New York	5.6%	5.5%	5.3%
Pennsylvania	5.0%	5.0%	4.6%
Labor Market Areas			
Berlin LMA	6.9%	6.7%	5.0%
Seabrook-South Hampton, NH			
Portion Boston, MA-NH PMSA	8.7%	7.4%	6.2%
Claremont LMA	2.7%	2.4%	2.0%
Colebrook LMA	2.0%	1.4%	1.8%
Concord LMA	3.1%	2.8%	3.1%
Conway LMA	3.1%	3.0%	2.8%
NH Portion Hartford-Lebanon, VT-NH LMA	1.4%	1.4%	1.3%
NH Portion Keene-Brattleboro, NH-VT LMA	3.0%	2.6%	3.2%
Laconia LMA	3.1%	2.7%	3.0%
Lancaster LMA	3.2%	4.4%	3.1%
Salem-Derry, NH Portion			
Lawrence, MA-NH PMSA	7.0%	6.0%	6.0%
Littleton LMA	2.7%	2.7%	2.5%
Pelham, NH Portion Lowell, MA-NH PMSA	7.4%	6.3%	5.8%
Manchester PMSA	4.6%	4.0%	4.0%
Nashua PMSA	6.0%	5.2%	4.8%
Peterborough LMA	4.2%	3.5%	3.3%
Plymouth LMA	2.8%	2.2%	2.3%
NH Portion Portsmouth-Rochester, NH-ME PMSA	4.3%	4.1%	3.0%
Counties			
Belknap	3.3%	2.9%	3.1%
Carroll	2.9%	2.6%	2.8%
Cheshire	3.4%	2.8%	3.2%
Coos	4.9%	5.2%	3.7%
Grafton	2.1%	1.8%	1.9%
Hillsborough	5.3%	4.6%	4.4%
Merrimack	3.0%	2.7%	3.1%
Rockingham	5.8%	5.1%	4.8%
Strafford	4.6%	4.3%	2.9%
Sullivan	2.5%	2.2%	2.0%

Local Area Unemployment Statistics (LAUS)

Not Seasonally Adjusted

By Place of Residence

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

October Unemployment Rate

