

ECONOMIC CONDITIONS in New Hampshire



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New Hampshire's Gross State Product \$49.0 billion in 2003

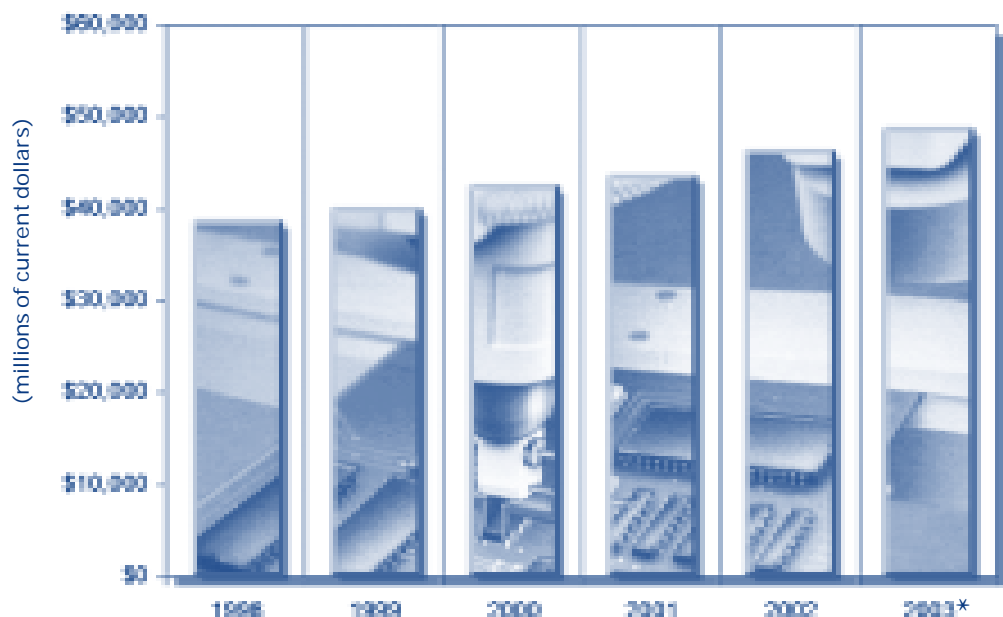
Latest industry figures show Real estate, rental and leasing sector largest contributor to state's total GSP in 2002.

New Hampshire's gross state product was \$49.0 billion in 2003*, up 5.6 percent over the year. This over-the-year increase ranked the Granite State as 16th fastest growth in the nation. Among the New England States, only Rhode Island, with a 7.0 percent increase, saw a faster over-the-year growth in GSP than New Hampshire. Growth for the other states in the region ranged from 5.4 percent in Vermont to 3.2 percent in Massachusetts.

According to Bureau of Economic Analysis (BEA), Gross State Product is the value added in production by the labor and their productive resources located in a state. The GSP for a state is derived as the sum of the GSP originating in all industries in the state. In mid-December 2004, BEA, using the North American Industry Classification System (NAICS) for the first time, released a comprehensive benchmark revision of GSP. They revised GSP figures from 1998 to 2002 and estimated total GSP for 2003*.

Continued on page 2

Although New Hampshire was in a recession 9 months of 2001, the GSP (Current dollars) as well as Real GSP (Chained 2000 dollars) did slightly increase from 2000 to 2001.



* Prototype estimate



Published by the Economic and
Labor Market Information Bureau

**New Hampshire
ELMI
B**
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Continued from page 1 **GSP by Sector**

During the late 1990s, as the “high tech boom” started, New Hampshire’s Manufacturing employment was on the rise as this sector nationwide was seeing declines. Why? The Granite State had a higher share of Manufacturing employment in high tech than the nation and the high tech growth more than compensated for other declines in the manufacturing sector.

As a result, Manufacturing, with \$8.3 billion, claimed just over 21 percent of the state’s total gross state product in 1998. The Real estate, rental, and leasing sector followed with \$5.1 billion, or 13.1 percent of total GSP.

As the nineties ended and the new millennium began, New Hampshire, along with the nation, saw its high tech employ-

ment drop. By 2002, the latest year GSP by sector data is available, Manufacturing’s GSP dropped to \$5.8 billion, claiming only 12.5 percent of the state’s total GSP. However, during this time the real estate market took off and this sector’s GSP increased to \$6.7 billion, surpassing Manufacturing’s GSP and claiming the highest share of the total for the state, 14.4 percent in 2002.

Finance and insurance, riding on the coattail of the strong real estate market, saw GSP increase from \$2.8 billion in 1998 to \$4.3 billion in 2002. Because New Hampshire has seen a huge influx of retail establishments, it is not surprising that Retail trade’s share of the GSP increased from \$3.0 billion in 1998 to \$4.2 billion in 2002.

Elisabeth Picard

Gross State Product (millions of current dollars)

Sector	1998	1999	2000	2001	2002
Total, all industries	\$38,818	\$40,154	\$42,655	\$43,837	\$46,450
Agriculture, forestry, fishing, and hunting	\$197	\$217	\$231	\$224	\$216
Mining	\$36	\$34	\$33	\$36	\$37
Utilities	\$1,159	\$1,115	\$1,216	\$1,201	\$1,273
Construction	\$1,730	\$1,850	\$1,921	\$2,296	\$2,420
Manufacturing	\$8,250	\$6,939	\$7,206	\$6,052	\$5,797
Wholesale trade	\$2,329	\$2,518	\$2,780	\$2,941	\$3,019
Retail trade	\$3,010	\$3,238	\$3,374	\$3,622	\$4,235
Transportation and warehousing	\$644	\$715	\$783	\$772	\$778
Information	\$957	\$1,226	\$1,367	\$1,433	\$1,457
Finance and insurance	\$2,839	\$3,351	\$3,227	\$3,523	\$4,337
Real estate, rental, and leasing	\$5,095	\$5,561	\$5,872	\$6,320	\$6,695
Professional and technical services	\$2,172	\$2,398	\$2,694	\$2,783	\$2,796
Management of companies and enterprises	\$652	\$667	\$844	\$754	\$725
Administrative and waste services	\$966	\$1,012	\$1,035	\$1,082	\$1,090
Educational services	\$524	\$574	\$628	\$679	\$756
Health care and social assistance	\$2,604	\$2,819	\$3,046	\$3,332	\$3,652
Arts, entertainment, and recreation	\$289	\$321	\$338	\$373	\$395
Accommodation and food services	\$1,104	\$1,152	\$1,243	\$1,308	\$1,368
Other services	\$972	\$990	\$1,060	\$1,144	\$1,155
Government	\$3,289	\$3,457	\$3,757	\$3,962	\$4,249

Source: Bureau of Economic Analysis

New Hampshire Employment Projections by Industry and Occupations is now available.



Thinking of a career in Health Services? What about computers? Good choice! Many occupations in these areas are in high demand now and that demand is expected to continue through 2012. According to New Hampshire Employment Projections by Industry and Occupation 2002-2012, two of the top five fastest growing jobs in the state, Medical assistants and Computer software engineers (applications), combined, are expected to add nearly 8,300 jobs by 2012.

This publication can also be helpful to jobseekers, guidance counselors, college curriculum planners, and economists who are interested in knowing the job prospects for the future. These employment

projections by occupations are directly related to the projections for industries. From 2002 to 2012 the service providing industries are expected to grow by an impressive 22.7 percent employment while goods producing industries should see a minimal increase of 1.8 percent. Overall, employment in New Hampshire is projected to grow by 17.6 percent from the base year 2002 to the projected year 2012.

You can access this publication by going to the Economic and Labor Market Information Bureau's website at: <http://www.nhes.state.nh.us/elmi/projections.htm> or call (603) 228-4124.

Unemployment Compensation Claims Activity

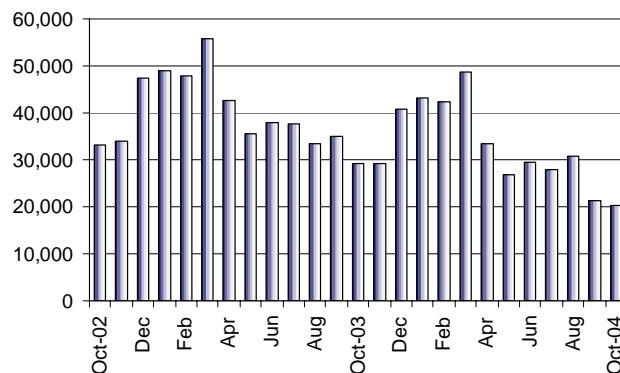
Total Regular Unemployment Compensation Programs:	Change from Previous						
				Month		Year	
	Oct-04	Sep-04	Oct-03	Net	Percent	Net	Percent
Initial Claims	3,490	2,853	4,184	637	22.3%	-694	-16.6%
Continued Weeks	20,138	21,405	29,113	-1,267	-5.9%	-8,975	-30.8%

Claims Activity

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of October	\$241,790,001.72
Average payment for a week of total unemployment:	\$264.33
Net benefits paid:	\$5,221,995.50
Net contributions received during the month:	\$3,788,791.26
Interest Received:	\$0.00
Reed Act Distribution:	\$0.00
Reed Act Withdrawal for Administrative Costs:	\$1,159.22

Trust Fund



Continued Weeks Claimed

Oct. 2002 - Oct. 2004

The economy showed signs of strength as the number of continued weeks claimed in October 2004 declined by nearly 9,000 over-the-year.

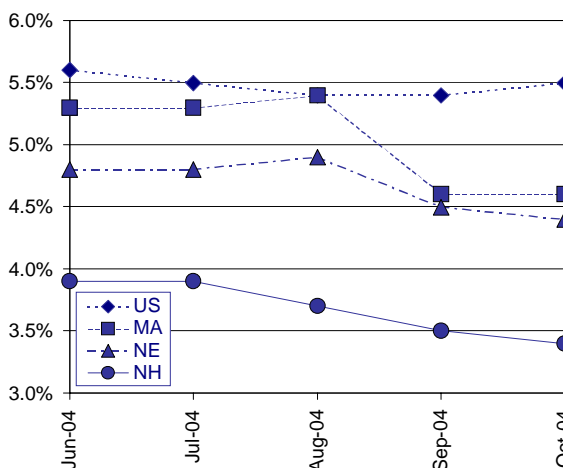
Oct-04	Sep-04	Oct-03	Change from Previous	
			Month	Year
190.9	189.9	185.0	0.5%	3.2%

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 seasonally adjusted unemployment rate of 3.4 percent was 5th lowest in the nation and second lowest in New England, following Vermont.



Unemployment Rates by Region

	preliminary Oct-04	revised Sep-04	Oct-03
United States	5.5%	5.4%	6.0%
Northeast	5.0%	5.1%	5.8%
New England	4.4%	4.5%	5.4%
Connecticut	4.6%	4.7%	5.5%
Maine	4.6%	4.7%	5.2%
Massachusetts	4.6%	4.6%	5.8%
New Hampshire	3.4%	3.5%	4.2%
Rhode Island	4.5%	5.0%	5.0%
Vermont	3.1%	3.3%	4.7%
Mid Atlantic	5.2%	5.3%	5.9%
New Jersey	4.7%	4.8%	5.6%
New York	5.2%	5.5%	6.4%
Pennsylvania	5.5%	5.4%	5.4%

Seasonally Adjusted Labor Force Estimates

By Place of Residence

	Jun-04	Jul-04	Aug-04	revised Sep-04	preliminary Oct-04
New Hampshire					
Unemployment Rate	3.9%	3.9%	3.7%	3.5%	3.4%
Civilian Labor Force	728,990	731,740	730,470	731,020	730,230
Number Employed	700,600	702,940	703,730	705,110	705,590
Number Unemployed	28,390	28,800	26,740	25,910	24,640
United States (in thousands)					
Unemployment Rate	5.6%	5.5%	5.4%	5.4%	5.4%
Civilian Labor Force	147,279	147,856	147,704	147,483	147,483
Number Employed	139,031	139,660	139,681	139,480	139,480
Number Unemployed	8,248	8,196	8,022	8,003	8,003

Seasonally Adjusted Nonfarm Employment

By Place of Establishment

Supersector	Jun-04	Jul-04	Aug-04	revised Sep-04	preliminary Oct-04
Total Nonfarm	626,600	626,600	628,000	631,000	629,800
Construction	30,400	30,500	30,400	30,500	30,600
Manufacturing	78,300	78,600	78,300	78,300	77,800
Trade, Transportation, and Utilities	142,300	141,200	141,900	142,700	141,600
Leisure and Hospitality	65,900	65,700	66,400	65,600	65,000
Government	90,000	89,700	90,600	92,700	92,700

Labor Force Estimates

New Hampshire	Oct-04	Sep-04	Oct-03
Number of workers	preliminary	revised	
Total Civilian Labor Force	727,790	724,040	722,190
Employed	705,610	700,000	694,190
Unemployed	22,180	24,040	28,000
Unemployment Rate (percent of labor force)	3.0%	3.3%	4.5%

Unemployment Rates by Area

	preliminary Oct-04	revised Sep-04	Oct-03
U.S and Regional States			
United States	5.1%	5.1%	5.6%
Northeast	4.7%	4.9%	5.4%
New England	4.1%	4.3%	5.0%
Connecticut	4.2%	4.2%	5.0%
Maine	4.2%	4.1%	4.8%
Massachusetts	4.3%	4.7%	5.4%
New Hampshire	3.0%	3.3%	3.9%
Rhode Island	4.0%	4.6%	4.5%
Vermont	2.7%	2.9%	3.9%
Mid Atlantic	4.9%	5.1%	5.6%
New Jersey	4.5%	4.6%	5.4%
New York	5.0%	5.4%	6.2%
Pennsylvania	5.1%	5.0%	4.9%
Labor Market Areas			
Berlin LMA	1.9%	2.3%	3.3%
Seabrook-South Hampton NH			
Portion Boston MA-NH PMSA	4.9%	6.3%	6.5%
Claremont LMA	1.7%	2.1%	2.5%
Colebrook LMA	2.2%	1.8%	4.3%
Concord LMA	2.3%	2.4%	2.9%
Conway LMA	2.0%	2.1%	2.6%
NH Portion Hartford-Lebanon, VT-NH LMA	1.0%	1.2%	1.3%
NH Portion Keene-Brattleboro, NH-VT LMA	2.0%	2.2%	2.6%
Laconia LMA	2.6%	2.5%	3.1%
Lancaster LMA	1.8%	1.9%	2.7%
Salem-Derry, NH Portion			
Lawrence, MA-NH PMSA	5.4%	6.0%	6.5%
Littleton LMA	1.7%	2.0%	2.0%
Pelham, NH Portion Lowell, MA-NH PMSA	4.5%	5.0%	6.3%
Manchester PMSA	3.2%	3.4%	3.9%
Nashua PMSA	3.8%	4.1%	5.1%
Peterborough LMA	2.8%	3.2%	3.4%
Plymouth LMA	1.7%	1.7%	2.3%
NH Portion Portsmouth- Rochester, NH-ME PMSA	2.9%	3.1%	3.6%
Counties			
Belknap	2.4%	2.5%	3.1%
Carroll	2.0%	2.0%	2.4%
Cheshire	2.2%	2.5%	2.7%
Coos	1.9%	2.2%	3.3%
Grafton	1.3%	1.5%	1.8%
Hillsborough	3.5%	3.7%	4.5%
Merrimack	2.2%	2.4%	2.7%
Rockingham	4.2%	4.7%	5.2%
Strafford	2.9%	3.1%	3.6%
Sullivan	1.7%	2.0%	2.6%

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

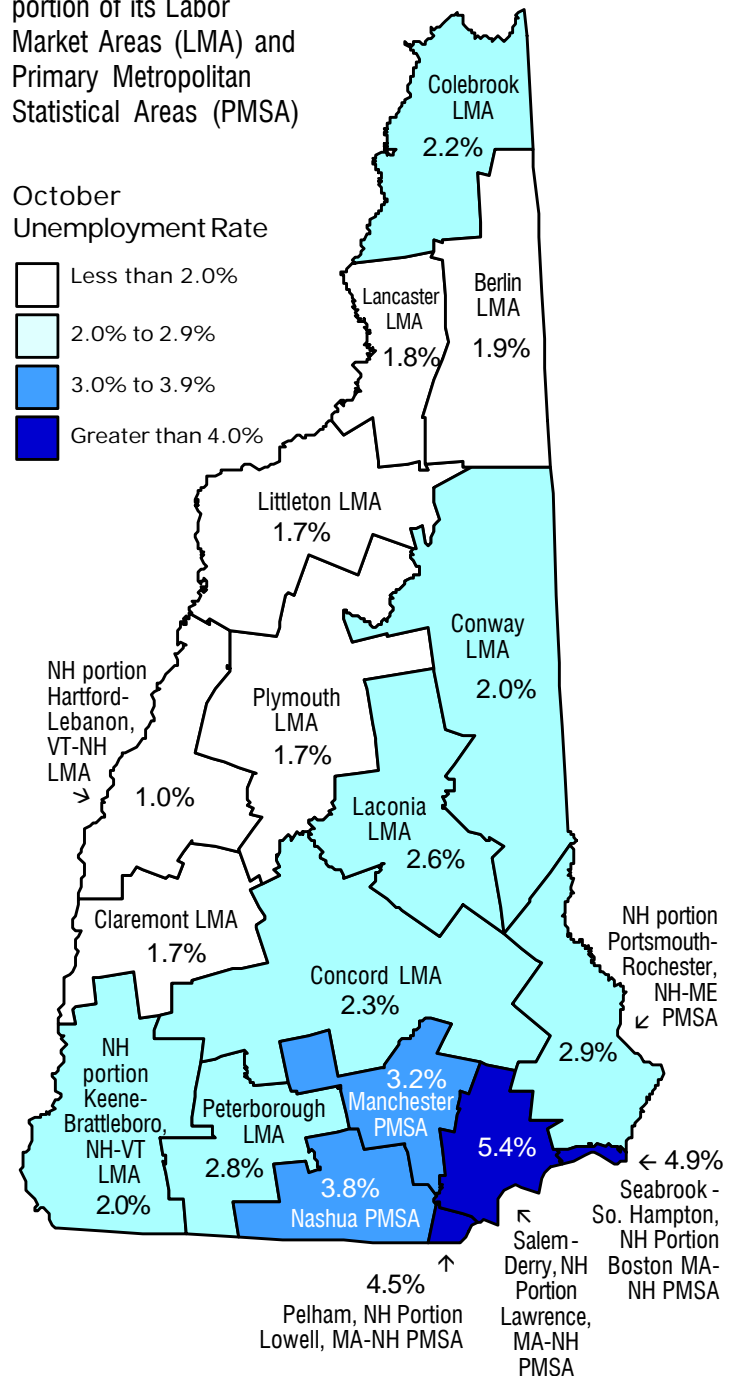
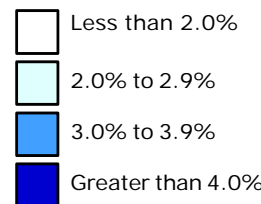
Local Area
Unemployment
Statistics
(LAUS)

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



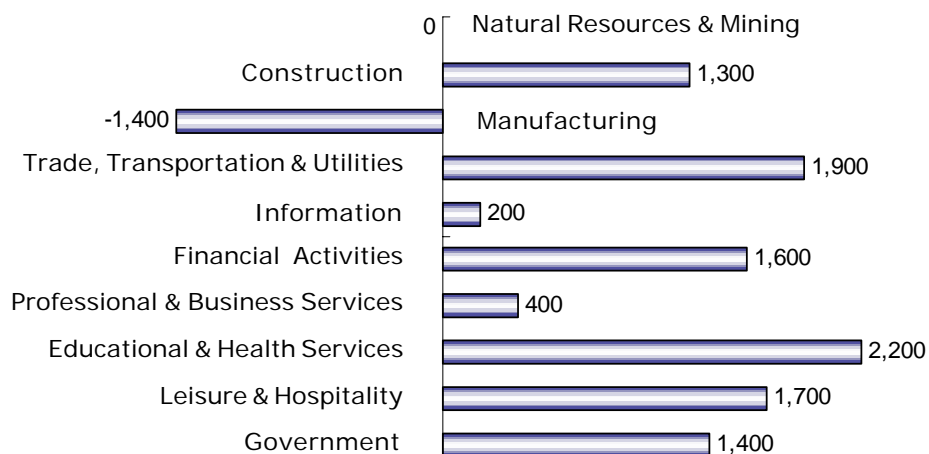
Monthly Not Seasonally Adjusted New Hampshire Nonfarm Wage and Salary Employment

The job increases in Government, due mostly to the beginning of a new school year, couldn't quite match the job losses in the tourism-related Leisure and hospitality supersector, resulting in a net decline of 400 jobs from September to October 2004.

Current Employment Statistics Employment by Super Sector by place of establishment	Number of Jobs			Change from previous:	
	Oct-04 preliminary)	Sep-04 (revised)	Oct-03	Month	Year
	Total All Super Sectors	633,300	633,700	624,300	-400
Private Employment Total	538,300	541,600	530,700	-3,300	7,600
Natural Resources & Mining	1,000	1,000	1,000	0	0
Construction	31,600	31,900	30,300	-300	1,300
Manufacturing	77,800	78,200	79,200	-400	-1,400
Durable Goods	59,200	59,400	58,900	-200	300
Non-Durable Goods	18,600	18,800	20,300	-200	-1,700
Trade, Transportation and Utilities	142,400	141,700	140,500	700	1,900
Wholesale Trade	28,000	27,900	27,200	100	800
Retail Trade	98,200	97,500	97,200	700	1,000
Transportation and Utilities	16,200	16,300	16,100	-100	100
Information	11,700	11,600	11,500	100	200
Financial Activities	38,700	38,800	37,100	-100	1,600
Professional and Business	54,600	54,700	54,200	-100	400
Educational and Health	96,200	95,700	94,000	500	2,200
Leisure and Hospitality	65,100	68,400	63,400	-3,300	1,700
Other Services	19,200	19,600	19,500	-400	-300
Government Total	95,000	92,100	93,600	2,900	1,400

Change in Nonfarm Employment

Oct. 2003 to Oct. 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: October's preliminary seasonally adjusted estimates showed that New Hampshire's total nonfarm employment fell by 1,200 jobs. Trade, transportation, and utilities (supersector 40) contributed 1,100 jobs to that decline. Leisure and hospitality (supersector 70) trimmed its force by 600 jobs, and manufacturing (supersector 30) dropped 500 jobs.

Government (supersector 90) employment held constant in over-the-month

activity, while construction (supersector 20) expanded it ranks by 100 positions.

Unadjusted: Many seasonal shifts entered the picture, as the unadjusted trend line for New Hampshire's total nonfarm employment took a 400-job dip according to preliminary estimates for October.

On the scaling down side, leisure and hospitality (supersector 70) cut back its staffing by 3,300 jobs. Manufacturing

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 Oct-04	Change from previous:		Preliminary Oct-04	Change from previous:		Preliminary Oct-04	Change from previous:	
		Month	Year		Month	Year		Month	Year
Total All Sectors	111,300	600	900	95,800	300	100	128,200	500	1,800
Private Employment Total	98,200	400	500	85,400	0	0	102,900	-700	1,900
Natural Resources and Construction	6,600	0	300	4,400	0	200	4,900	100	300
Manufacturing	11,000	0	-500	20,900	-300	-500	12,200	-100	-100
Trade, Transportation, and Utilities	24,900	300	400	21,200	300	-500	26,600	100	1,300
Wholesale Trade	6,300	0	100	3,700	0	100	4,400	0	100
Retail Trade	14,800	300	300	15,500	200	-600	19,900	100	1,300
Transportation and Utilities	3,800	0	0	2,000	100	0	2,300	0	-100
Information	3,000	0	-100	1,900	0	0	2,800	-100	-100
Financial Activities	8,700	0	200	6,600	100	200	7,300	0	-200
Professional and Business	14,500	100	200	8,500	100	500	12,900	0	0
Educational and Health	16,500	200	-200	11,300	0	100	19,100	100	800
Leisure and Hospitality	8,700	-200	200	7,500	-200	0	13,000	-800	-300
Services	4,300	0	0	3,100	0	0	9,300	-500	100
Government Total	13,100	200	400	10,400	300	100	25,300	1,200	-100

Average Earnings and Hours of Production Workers in Manufacturing

Sector	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Oct-04 prelim.	Sep-04 revised	Oct-03	Oct-04 prelim.	Sep-04 revised	Oct-03	Oct-04 prelim.	Sep-04 revised	Oct-03
New Hampshire									
All Manufacturing	\$620.10	\$620.53	\$585.68	39.0	39.6	39.6	\$15.90	\$15.67	\$14.79
Durable Goods	\$633.95	\$633.13	\$605.07	40.2	40.9	40.5	\$15.77	\$15.48	\$14.94
Nondurable Goods	\$581.35	\$586.80	\$535.26	35.6	36.0	37.3	\$16.33	\$16.30	\$14.35
Manchester PMSA									
All Manufacturing	\$665.52	\$624.19	\$633.61	37.9	37.0	39.7	\$17.56	\$16.87	\$15.96
Nashua PMSA									
All Manufacturing	\$667.08	\$663.69	\$586.69	40.9	41.3	37.9	\$16.31	\$16.07	\$15.48
Portsmouth-Rochester, NH-MA PMSA									
All Manufacturing	\$595.58	\$583.44	\$565.47	37.6	37.4	37.9	\$15.84	\$15.60	\$14.92

(supersector 30) and other services (supersector 80) each found it necessary to shrink its personnel levels by 400 positions. Construction (supersector 20) employed 300 fewer workers. Financial activities (supersector 55) and professional and business services (supersector 60) each trimmed 100 staffers from their rosters in October.

Natural resources and mining (supersector 10) made no changes to September's employment totals.

In October, the academic community returned to full activity. The 2,900-job increase in government (supersector 90) reflected that fact. Trade, transportation, and utilities (supersector 40) grew its work force by 700 employees. Education and health services (supersector 65) added to its cadre by 500 jobs. Information (supersector 50) rounded out October's employment activities with a 100-job addition.

B. G. McKay

2004 New Hampshire Benefits available soon

The results from the 2004 benefit survey will be available in January 2005. This survey was mailed to firms with New Hampshire employees in 2004. The goal was to give New Hampshire's employers a tool to use when comparing their benefit package to that of other employers in the same size class or industry. The survey results are based on approximate 4,300 responses.

The results should help answer these questions and more. Access the *2004 New Hampshire Benefits* publication online at <www.nhes.state.nh.us/elmi/benisurv.htm> or contact us for a complimentary hard copy.



What types of fringe benefits are New Hampshire employers offering their employees? What types of benefits do they offer to their full-time employees or to their part-time employees? What share of the premium do the employers pay for medical insurance? Do the benefits offered vary by size of firm or by industry?

Employment SECURITY

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