

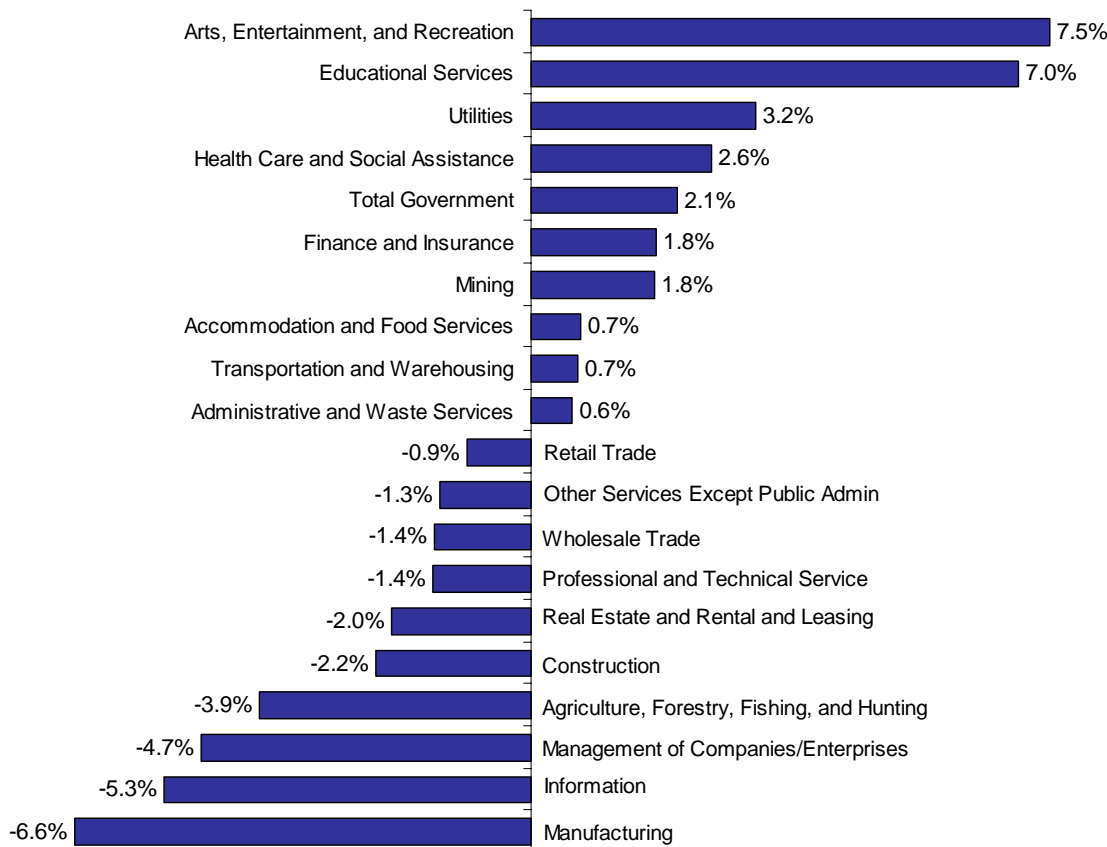
Changes in Covered Employment from 1st quarter 2002 to 1st quarter 2003

After analyzing the covered employment data from 2002, it is interesting to take a glance at the first quarter of 2003 employment numbers. The big question is whether employment in New Hampshire is still dropping since the nation began recovering from the 2001 recession. To some degree it can be argued that the recession just enhanced a trend of job shifting from goods-producing to service-providing industries. This argument falls along the lines of those economists saying that *Manufacturing* jobs are not coming back. But what does the data tell us? Is employment in New Hampshire continuing a post recession trend of decline or is employment really shifting from goods-producing to the service-providing industries?

New Hampshire lost 3,317 jobs from first quarter 2002 to first quarter 2003, a decline of only about half a percent. Compared to the 12,485 jobs lost from first quarter 2001 to first quarter 2002, job losses from first quarter 2002 to first quarter 2003 showed a slowdown. There has also been a slowdown of job losses in *Manufacturing*. Job losses in *Manufacturing* from first quarter 2002 to first quarter 2003 reached only about a third of the lost jobs this sector experienced from first quarter 2001 to first quarter 2002. *Manufacturing*, however, still experienced the fastest decline of employment among all the sectors at 6.6 percent.

Within *Manufacturing*, *Computer and electronic product manufacturing* sub-sector had the biggest job loss, although the current 10 percent decline is decelerating in comparison with the 27 percent decline from first quarter 2001 to first quarter 2002.

With few exceptions Service-providing sectors grew while Goods-producing sectors declined from 1st Qtr 2002 to 1st Qtr 2003



The *Information* sector had the second fastest job decline from first quarter 2002 to first quarter 2003 at 5.3 percent and ranked third in most lost jobs with 701. *Publishing industries (except Internet)* and *Telecommunications* are the sub-sectors within the *Information* sector with the highest job losses at 585 and 297 lost jobs, respectively. However, it is interesting that job losses in *Telecommunications* seem to have slowed down whereas job losses in *Publishing*

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industries (except Internet) have increased substantially. The enhanced decline in Publishing industries (except Internet) is probably more a sign of the technological shift toward the use of the Internet instead of print copies, than a lack of recovery from the recession. The largest employment increase in this sector came from ISP's, search portals and data processing with 170 more jobs in first quarter of 2003 than first quarter 2002. This is probably a sign of the economy starting to bounce back.

Within Retail trade, employment in Furniture and home furnishing stores, Building material and garden supply stores, and Motor vehicle and parts dealers showed increases, but overall the Retail trade sector had the second biggest decline with 856 lost jobs. Because of the size of the sector, job losses accounted for less than one percent. From first quarter 2002 to first quarter 2003, Construction employment declined 2.2 percent, losing 576 jobs, thereby ranking fourth in most jobs lost and fifth in largest percent decline. This decline is in contrast to the major increase of close to 2,000 jobs that Construction had from first quarter 2001 to first quarter 2002. Generally, the housing market has been booming since the late 1990's and the Construction sector has gained from homeowners who put more money into their houses. The decline in Construction employment in first quarter 2003 is probably due to

a very cold and snowy winter that halted many construction projects. Health care and social assistance, Government, and Educational services, combined, added more than 4,500 jobs first quarter 2002 to first quarter 2003. Arts, entertainment, and recreation had the fastest rate of increase at 7.5 percent, followed closely by Educational services at 7.0 percent. Except for Mining, industries that increased in employment from first quarter 2002 to first quarter 2003 were service-providing. However, not all service-providing industries increased employment as was seen by losses in both Information and Retail trade.

Annette Nielsen

Manufacturing employment had more job losses than all other sectors combined from 1st Qtr 2002 to 1st Qtr 2003

