

Short-Term Employment Projections by Industry and Occupation

2.3 percent growth expected by fourth quarter 2004

Overview

Even with a slow recovery, it is expected that 15,000 jobs will be added to New Hampshire’s economy from fourth quarter 2002 to fourth quarter 2004. Manufacturing employment is projected to decline, but not as steeply as it did between 2001 and 2002, when it dropped by 12.6 percent. Increased hiring in other divisions—Retail trade, Construction, and Services—will help spur the 2.3 percent projected overall gain in employment.

There are reasons for optimism. Recent tax cuts put money in consumers’ pockets, increasing demand for goods and services. Low interest rates have helped maintain a healthy real estate market and encourage refinancing. Energy prices are relatively low. During the upcoming election year, elected officials will be trying harder to keep the economy on an even keel. In the end, the most important factor will be businesses having enough confidence to start hiring workers on a permanent basis.

Projected employment for occupations is very much dependent on the projected employment for the industries employing the occupation. Each industry has a distinct staffing pattern (the distribution of that industry’s employment by occupation) that is applied to that industry’s projected employment. The sum of employment for an occupation across all industries, including self-employed, determines the projection for that occupation. As an example, many Production occupations are projected to decline because Manufacturing industries are expected to decline.

The industry projections used in this paper were developed using the Standard Industrial Classification (SIC) system. The SIC system has been replaced by the North American Industry Classification System (NAICS) for most published industry data, which means that the employment by industry data published here is not comparable with other published industry data.

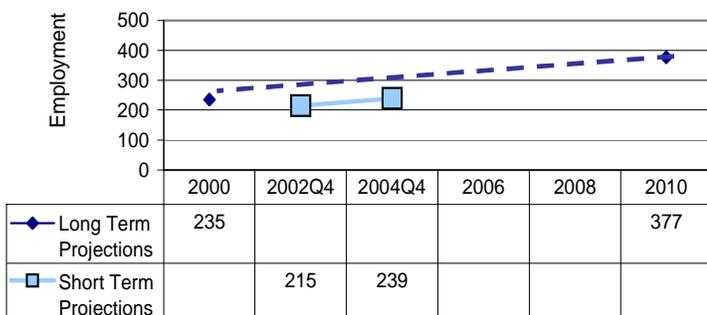
Short-term vs. Long-term projections

Short-term projections are directly influenced by business cycle fluctuations. Demand for employment in an industry (and ultimately for a specific occupation) depends on demand for the final product or service produced by an industry. Changes in interest rates, consumer confidence, and the relative prices of other products are just a few of the factors that can affect short-term demand. Population growth and demographic trends also affect short-term projections, but to a limited extent.

In contrast, long-term projections are driven by structural changes in the economy. Over the long-term, New Hampshire (and the U.S. as a whole) is moving toward a services-based economy and away from a manufacturing-based economy. Many manufacturing operations have been moved to other countries where labor costs are cheaper; computer technology and the worldwide growth of the Internet have spawned new industries where the product is information instead of physical goods. The effects of population growth and demographics become more apparent in the long term.

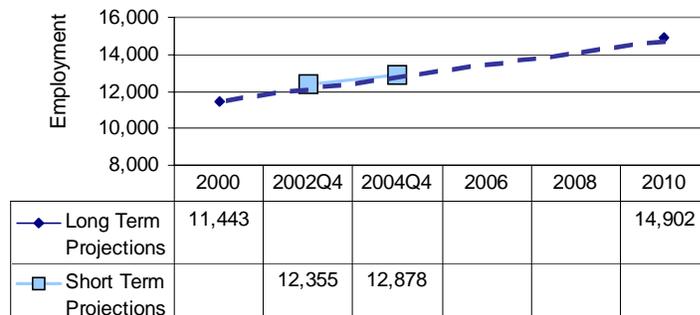
Desktop Publishers

Chart 1



Registered Nurses

Chart 2



The charts on this page illustrate how long- and short-term projections can vary. In Chart 1, the short-term projection for Desktop publishers (represented by the solid line) is well below the long-term projection (dotted line). Employment in this occupation dropped substantially between 2000, the base year for long-term projections, and 2002 fourth quarter, the base period for short-term projections. During the short-term projection period employment growth is expected to be positive, although employment levels will likely remain below the long-term trend.

Recovery in the Printing and publishing industry, which employs more than half of the workers in this occupation, would bring employment back up toward the long-term trend line.

A different forecast is presented in Chart 2, where the short-term projection line for Registered Nurses is much closer to, and slightly above, the long-term projection line. Employment in this occupation tends to be stable and is relatively unaffected by the business cycle.

Employment Projections by Occupation

In Demand...

There are three ways an occupation can be considered “in demand.” First, the occupation either employs a large number of workers, or is projected to employ a large number because of growth in demand for the occupation. Second, the change in the number of jobs may be small, but the percentage change is relatively large. This often occurs in new and emerging occupations. The third way occurs when there is a need to replace workers who leave the occupation because of retirement, promotion, or career change. In some cases, job openings from replacement can be greater than openings from growth.

By the first measure, the top four jobs in demand are primarily in retail trade occupations. Retail salespersons are projected to add more than 1,260 jobs and Cashiers an additional 870, while Food preparation and serving workers and Waiters and waitresses are projected to add 610 and 550 jobs, respectively.

Four occupations are projected to grow by at least ten percent: Desktop publishers; Computer support specialists; Computer software engineers, applications; and Medical assistants. Physician assistants are next in

Short-term Employment Projections by Major Occupation Group, 2002 to 2004

SOC Code	Major Occupation Group	4th Quarter 2002	4th Quarter 2004	Net Change	Percent Change	Share of Employment
	Total, All Occupations	645,338	660,406	15,068	2.3%	
11-0000	Management Occupations	45,582	46,536	954	2.1%	7.1%
13-0000	Business and Financial Operations Occupations	20,658	21,094	436	2.1%	3.2%
15-0000	Computer and Mathematical Occupations	12,151	13,067	916	7.5%	1.9%
17-0000	Architecture and Engineering Occupations	12,377	12,109	-268	-2.2%	1.9%
19-0000	Life, Physical, and Social Science Occupations	4,639	4,734	95	2.0%	0.7%
21-0000	Community and Social Services Occupations	8,151	8,613	462	5.7%	1.3%
23-0000	Legal Occupations	3,553	3,599	46	1.3%	0.6%
25-0000	Education, Training, and Library Occupations	42,222	44,297	2,075	4.9%	6.5%
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	7,370	7,508	138	1.9%	1.1%
29-0000	Healthcare Practitioners and Technical Occupations	30,985	32,368	1,383	4.5%	4.8%
31-0000	Healthcare Support Occupations	13,609	14,277	668	4.9%	2.1%
33-0000	Protective Service Occupations	10,977	11,324	347	3.2%	1.7%
35-0000	Food Preparation and Serving Related Occupations	47,889	49,876	1,987	4.1%	7.4%
37-0000	Building and Grounds Cleaning and Maintenance Occupations	20,946	21,517	571	2.7%	3.2%
39-0000	Personal Care and Service Occupations	18,665	19,595	930	5.0%	2.9%
41-0000	Sales and Related Occupations	93,712	96,722	3,010	3.2%	14.5%
43-0000	Office and Administrative Support Occupations	102,929	104,074	1,145	1.1%	15.9%
45-0000	Farming, Fishing, and Forestry Occupations	943	937	-6	-0.6%	0.1%
47-0000	Construction and Extraction Occupations	28,603	29,594	991	3.5%	4.4%
49-0000	Installation, Maintenance, and Repair Occupations	27,491	27,831	340	1.2%	4.3%
51-0000	Production Occupations	55,878	53,935	-1,943	-3.5%	8.7%
53-0000	Transportation and Material Moving Occupations	36,008	36,799	791	2.2%	5.6%

line at 9.5 percent. However, fast growth does not necessarily indicate a large number of new jobs. Physician assistants, for example, are projected to add only 30 new jobs over the two year period.

Typically, occupations with the most projected openings have a lot of turnover. Retail salespersons, Cashiers, and Waiters and waitresses are examples of jobs where there is a constant need to replace workers. These occupations do not require extensive training and are often an entry point into the workforce.

A different type of replacement need affects Registered Nurses. According to the Bureau of Labor Statistics, the median age of this occupation is rising, and there is a growing need to replace experienced nurses who leave the profession. This situation is expected to become more acute in the long-term, but even in the short-term there is strong demand, with 480 openings projected annually.

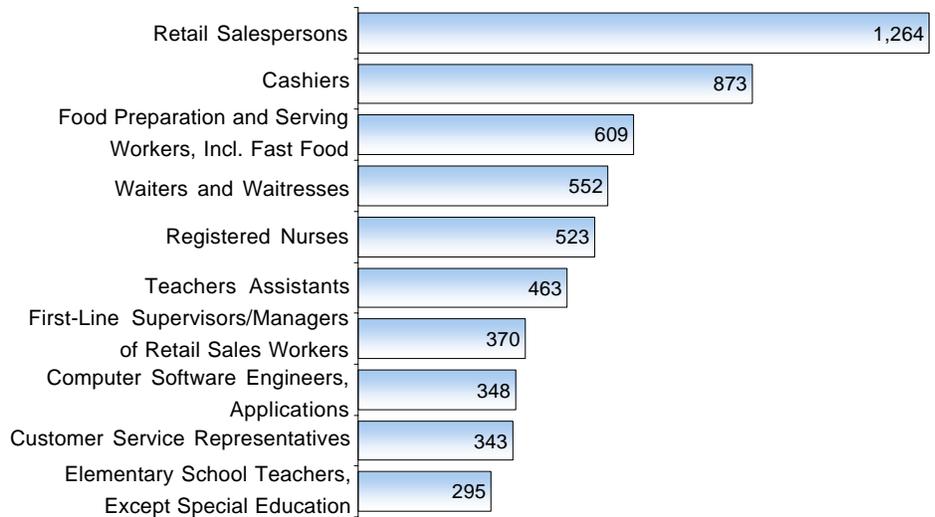
Management occupations and Business and financial operations occupations

Management occupations and Business and financial operations occupations include executives, managers, accountants and analysts. General and operations managers are the largest occupation in these groups and are expected to grow at a 2.2 percent rate, slightly below the 2.3 percent rate for all occupations in the state. This occupation can be found in many industries. Some occupations in these groups are specific to a particular industry, and as the industry thrives, so will the occupation. Medical and health services managers are concentrated in Health services primarily and are projected to grow by 5.2 percent. Education administrators for preschool, elementary and postsecondary are also expected to grow faster than the 2.3 percent rate for all occupations. On the other hand, Industrial production managers, Purchasing managers, and Engineering managers are projected to decline in employment.

Computer and mathematical occupations

Computer and mathematical occupations include

Occupations Adding the Most New Jobs 2002 Q4 to 2004 Q4



many of the fastest growing jobs during the projection period: Computer support specialists (10.4 percent growth, adding 180 jobs); Computer software engineers, applications (10.3 percent growth, adding 350 jobs); and Network systems and data communications analysts (8.9 percent growth, adding 49 jobs). This group consists of less than two percent of total employment but will account for six percent of the 15,000 jobs created during the projection period.

Computer programmers are not expected to fare as well, with hardly any change in employment levels by the end of 2004. Programmers are facing increased competition from lower-cost programming businesses in other countries.¹

Architecture and engineering occupations

Architecture and engineering occupations have been hit hard by the declining activity in manufacturing. While the economy is expected to improve into fourth quarter 2004, employment losses in this group may continue until businesses regain enough confidence to resume hiring engineers and technicians to help design and manufacture products. Manufacturing engineers are expected to decline by 40 jobs, or 3.2 percent. Industrial engineers and Materials engineers are also expected to decline, by 5.6 percent and 6.8 percent respectively, with 40 jobs lost in each occupation.

The short-term outlook is better for Environmental engineers, Biomedical engineers, and Architectural and civil drafters. These occupations have relatively small employment, so the projected three to five percent employment growth would result in 25 new jobs.

Community and social services occupations

Community and social services occupations are expected to grow by 5.7 percent, outpacing the projected state average of 2.3 percent. Rapidly rising medical costs are creating more incentives for alternative, lower-cost providers of services, resulting in a broader mix of occupations to respond to patient needs.² Workers in these occupations will have greater responsibilities in providing home healthcare to patients after early release from the hospital. Several occupations are expected to grow faster than the state average, led by Social and human service assistants, at 8.1 percent. Mental health and substance abuse social workers (6.1 percent growth) and Medical and public health social workers (5.5 percent) are also projected to increase.

Education, training, and library occupations

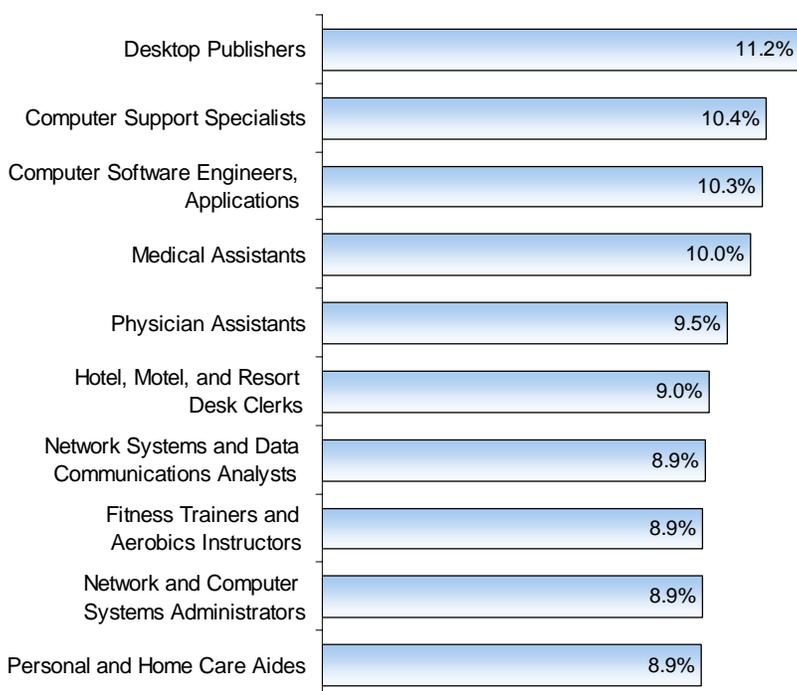
These occupations account for 6.5 percent of all employment and are projected to grow by nearly five percent by fourth quarter 2004. Many of these occupations are involved in the education of the school-aged population. There is also a growing need for teachers in programs that assist professionals in upgrading their skills, especially in technology-related subjects. Employment of postsecondary teachers in many academic subjects is expected to increase, with the greatest number of jobs expected for Business, English

language, and Health specialties teachers. Secondary school teachers except vocational and special education are projected to add 250 jobs. Special education teachers, particularly for preschool, kindergarten, and elementary school, are expected to have better prospects. The No Child Left Behind Act is expected to increase demand for Elementary school teachers, who are projected to grow by 4.3 percent, adding 295 jobs. Teacher assistants should also increase in number, from 8,000 to 8,500, during the projection period.

Healthcare practitioners and technical occupations and Healthcare support occupations

Physicians, Dentists, and other diagnostic and treating occupations account for 6.9 percent of all employment in 2002. These occupations are generally immune to short-term economic conditions. Instead, long-term population and demographic trends have more of an influence on employment. Another stimulus comes from new technologies that allow physicians to better diagnose illnesses and treat patients. Physicians of all types are projected to grow between 4 to 5 percent by the end of 2004. Demand for Registered Nurses is high, and because of the need to replace nurses leaving the profession, there are 480 total openings expected each year of the projection period, with 262 openings due to growth and another 218 for replacement needs.

Fastest Growing Occupations, 2002 Q4 to 2004 Q4



Physician assistants are relatively small in number, with only 300 in 2002, but are becoming an important part of cost-effective primary care. Physician assistants can perform physical examinations, make preliminary diagnoses, and distribute prescription drugs while under the supervision of a physician. This is projected to be one of the fastest growing occupations in the state, at 9.5 percent. Physician assistants should not be confused with Medical assistants, a much larger occupation, who are found in most doctors' offices and perform routine clerical and clinical duties. Employment of Medical assistants is projected to increase by 10.0 percent. Demand for Home health aides is also projected to increase by 100 jobs, or 6.8 percent.

Pharmacists, another member of the healthcare team with a positive outlook,

are projected to grow by 5.2 percent during the projection period. Pharmacy technicians, projected to grow by 7.5 percent, fill routine orders and assist a Pharmacist in other tasks. Pharmacy technicians are regulated by the state and are not the same occupation as Pharmacy aides, whose responsibilities are more limited.

Therapists of various specialties are expected to be in high demand, with Occupational therapists growing at 5.7 percent and adding 35 jobs, Physical therapists growing at 5.8 percent and adding 55 jobs, and Respiratory therapists growing 5.9 percent and adding 20 jobs. Physical therapist assistants and Occupational therapist assistants are projected to be among the fastest growing occupations, growing at 7.6 percent and 7.0 percent, respectively.

Personal care and service occupations

Employment in Personal care and service occupations is expected to increase by five percent. This group includes such diverse occupations as Hairdressers and Amusement and recreation attendants, so population change and increased leisure time are major influences in demand for occupations. Hairdressers, hair stylists, and cosmetologists, the largest occupation in this group, employed 4,000 workers in 2002 and is expected to add over 120 more by the end of the projection period. Personal and home care aides is one of the fastest growing occupations in the state, projected to add 190 jobs to assist an aging population.

Food preparation and serving occupations are projected to grow by 4.1 percent. Two of the largest occupations in this group, Waiters and waitresses, adding an expected 550 jobs, and Combined food preparation and serving workers, adding 600 jobs, are projected to have gains of five and six percent respectively.

Sales and related occupations

Retail salespersons and Cashiers, both of which are projected to grow between 4.0 to 4.5 percent, represent more than half of the employment in this occupational group. There is also a constant need to replace workers because of the high turnover in these occupations. Sales representatives, for both technical and non-technical products, are other major occupations in this group. Growth in these occupations is expected to be slightly below average. Securities, commodities, and financial services sales agents are projected to maintain employment levels at approximately 2,500 jobs. With

the increasing popularity of services available online, Travel agents will be a leading job loser, with 60 fewer jobs by the end of 2004.

Office and administrative support occupations

Office and administrative support occupations claimed the largest share of total state employment in fourth quarter 2002 at 15.9 percent. Projections for a 1.1 percent gain in employment, less than the statewide average of 2.3 percent, underscore the effect that expanding automation of office tasks has had on occupations in this group. Order clerks, Brokerage clerks, and Loan interviewers are projected to decline in employment. Desktop publishers are the fastest-growing occupation in the state at 11.2 percent, while above average gains are expected for Medical secretaries.

Construction and extraction occupations

Construction and extraction occupations are expected to grow slightly better than average, at 3.5 percent. Growth reflects the continued strength in the Construction industry, where most of these jobs are concentrated.

Carpenters are projected to have strong employment gains, as low interest rates continue to spur building activity. By fourth quarter 2004, employment levels are expected to exceed 6,000. Construction laborers are projected to grow at about the same rate and ultimately result in 3,400 employed at the end of the projection period. Together, these two jobs comprise nearly thirty percent of the employment in this group.

Other skilled construction occupations are projected to grow faster than the statewide average of 2.3 percent. Electricians are expected to grow 3.5 percent and add 90 jobs. Plumbers, pipefitters, and steamfitters (considered to be one occupation) are expected to grow 2.4 percent and add 40 jobs.

Installation, maintenance and repair occupations

Installation, maintenance, and repair occupations includes many declining occupations, generally small in number. Among the leading job losers in this group are Industrial machinery mechanics (-50 jobs), Telecommunications equipment installers and repairers (-35 jobs), and Machinery maintenance workers (-15 jobs). On the positive side, Automotive service technicians and mechanics and Automotive body and related

repairers are expected to add over 230 jobs, combined. National data indicate that for the first time, there are more registered cars in the United States than there are licensed drivers.³ If statewide trends are similar to national, demand for these and other related occupations should remain high.

Production occupations

The outlook for Production occupations is still bleak, with the projected loss of 2,000 jobs. Eight of the ten fastest declining jobs and seven of the top ten job losing occupations are in this group. Electrical and electronic equipment assemblers are expected to lose the most jobs, with 380 fewer jobs by the end of 2004. Team assemblers (-200 jobs), Inspectors, testers, sorters, samplers, and weighers (-170 jobs), and Assemblers and fabricators (-80 jobs) are also expected to decline in employment. It is important to note that want ads will still appear in the newspaper for these and other production jobs because of the need to replace workers who leave the occupation. As an example, over 100 openings a year are projected for Electrical and electronic equipment assemblers because of high worker turnover in what can be a boring, repetitive, and relatively low paying job.

Some occupations that were once a mainstay in New Hampshire have declined to the point where they are nonexistent. Many of these are in the Textile and Leather industries that have moved their manufacturing operations to lower-cost foreign countries. Shoe machine operators, Textile machine operators, and

Fabric and apparel pattern makers are among the occupations projected to shrink in number.

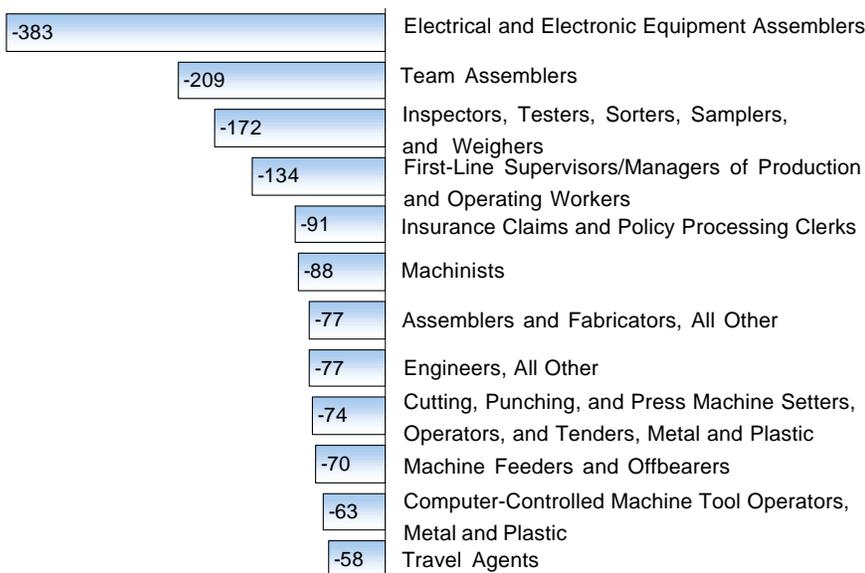
The recession and a slow recovery have affected other production occupations that are not concentrated in one particular industry. Common to many manufacturing operations, these occupations are expected to decline during the projection period: Cutting, punching and press machine operators (-70 jobs), First-line supervisors of production and operating workers (-130 jobs), and Machinists (-90 jobs).

Production occupations with a positive trend are hard to find. Bakers, projected to add 55 jobs while growing by 4.3 percent, work mostly in restaurants or food stores. Laundry and dry-cleaning workers are also expected to have modest gains of 30 jobs while growing 3.6 percent. Projected growth in the Food and kindred products industry will help to increase demand for Food batchmakers and Packaging and filling machine operators.

Transportation and material moving occupations

Transportation and material moving occupations are projected to grow 2.2 percent, just shy of the state average, adding 790 jobs by fourth quarter 2004. Truck drivers, heavy and light, account for nearly a third of all employment in this group and are expected to grow 2.9 percent and 3.7 percent, respectively as an improving economy and consumer spending result in higher demand for the shipment of goods.

Occupations Losing the Most Jobs, 2002 Q4 to 2004 Q4



Hand laborers and freight, stock, and material movers, and Hand packers and packagers are not expected to fare as well, with projected growth just over one percent for each occupation. Both are relatively large occupations, with combined employment over 6,000. One reason for low growth is the increased efficiency in material handling technology, allowing firms to do more with fewer workers.⁴

Employment Projections by Industry

Construction

New Hampshire’s population is among the fastest growing of the states east of

the Mississippi. The percent change in housing permits from 2001 to 2002 was the largest among the New England states.⁵ New construction projects for retail and industrial facilities in the southern part of the state got under way in late 2002. Nationally, interest rates stayed low, providing consumers with more available cash, which encouraged spending on consumer goods and provided the ability to purchase higher-priced homes. This in turn has increased demand for both existing homes and newly constructed homes, resulting in more demand for workers in the construction industry.

Employment in all three Construction industries is projected to increase—General building contractors by over 600 jobs, Heavy construction by 90 jobs, and Special trade contractors by 540 jobs. Combined employment is projected to increase by 4.4 percent.

Manufacturing

In 2002, there were 12,000 fewer manufacturing jobs in New Hampshire than in the previous year. The loss of more than 12 percent of manufacturing employment was nearly twice that of the 6.9 percent loss nationally, according to an article published by the Federal Reserve Bank of New York.⁶ Most of the losses were in Electronics and other electric equipment and Industrial machinery and equipment. These two industries include many of the high-tech firms that have shrunk their workforce in order to respond to competitive pressures or to eliminate redundancies after mergers.

Manufacturing industries are projected to lose 3,800 jobs from fourth quarter 2002 to fourth quarter 2004, with most of the losses in Durable goods. It may be small consolation, but the 4.4 percent rate of job loss will be less than in recent years. There are encouraging trends for Chemicals and allied products, Printing and publishing, and Food and kindred products, as these industries are expected to increase employment.

Durable goods manufacturing

Electronics and other electric equipment and Industrial machinery and equipment account for nearly 30 percent of all Manufacturing employment in New Hampshire. Combined, these industries are projected to lose more than 2,200 jobs during the projection period. Companies in Instruments and related products also share the same types of potential customers and have been hurt by the slowdown in high-

tech spending. Expectations are for 3,200 fewer jobs in Durable goods by the end of 2004.

Lumber and wood products, a mainstay of employment in the northern part of the state and closely tied to the fortunes of the paper industry, is projected to employ 240 fewer workers by the end of the projection period.

Three industries—Fabricated metal products, Primary metal industries, and Transportation equipment account for 22 percent of Durable goods employment. Losses are projected for all three, with a combined loss of over 500 jobs.

Stone, clay, and glass products is one of only two industries in Durable goods projected to increase employment. One reason may be that these are materials used in construction, which has been one of the bright spots in the economy. Gains are likely to be modest however, increasing by 2.2 percent over two years. Miscellaneous manufacturing is not expected to have any significant change in employment levels.

Nondurable goods manufacturing

The employment picture is brighter in Nondurable goods, where employment is roughly half that of Durable goods, but job losses are only one fifth. Relatively small industries, such as Food and kindred products and Chemicals and allied products, are projected to gain employment. Employment in Food and kindred products which usually grows at a stable pace, is expected to continue the trend into 2004, adding 100 jobs. Recently, the Chemicals and allied products industry has shown potential for further expansion. The outlook is for a 5.7 percent increase and 90 more jobs.

Textile mill products and Leather and leather products are expected to continue a downward trend. Leather and leather products are projected to lose 185 jobs, more than 16.4 percent of the industry's employment in fourth quarter 2002. Textile mill products are expected to shed 290 jobs, or 15.7 percent of their fourth quarter 2002 employment. Paper and allied products employment is harder to project; there is hope that the paper mills in the northern part of the state can regain some of the market share lost to foreign competition, but losses are still likely, with as many as 220 fewer jobs by fourth quarter 2004.

Short-term Industry Projections 2002 Q4 to 2004 Q4

SIC Code		2002 Q4	2004 Q4	Change	Percent Change
	Total Employment	645,338	660,406	15,068	2.3%
	(includes self-employed and unpaid family workers)				
	Total Covered Employment	603,092	617,651	14,559	2.4%
07	Agricultural Services	4,605	4,703	98	2.1%
14	Nonmetallic Minerals, except Fuels	n	n	n	n
15-17	Construction	27,858	29,091	1,233	4.4%
15	General Building Contractors	7,027	7,634	607	8.6%
16	Heavy Construction, excluding Buildings	2,996	3,084	88	2.9%
17	Special Trade Contractors	17,835	18,373	538	3.0%
20-39	Manufacturing	86,181	82,355	-3,826	-4.4%
	Durable Goods	60,606	57,399	-3,207	-5.3%
24	Lumber and Wood Products	4,108	3,865	-243	-5.9%
25	Furniture and Fixtures	844	841	-3	-0.4%
32	Stone, Clay, and Glass Products	2,412	2,464	52	2.2%
33	Primary Metal Industries	3,701	3,446	-255	-6.9%
34	Fabricated Metal Products	7,281	7,209	-72	-1.0%
35	Industrial Machinery and Equipment	13,756	12,613	-1,143	-8.3%
36	Electronics and Other Electric Equipment	13,269	12,180	-1,089	-8.2%
37	Transportation Equipment	2,539	2,352	-187	-7.4%
38	Instruments and Related Products	10,239	9,948	-291	-2.8%
39	Miscellaneous Manufacturing	2,457	2,481	24	1.0%
	Nondurable Goods	25,575	24,956	-619	-2.4%
20	Food and Kindred Products	2,981	3,079	98	3.3%
22	Textile Mill Products	1,861	1,569	-292	-15.7%
23	Apparel and Other Textile Products	1,010	929	-81	-8.0%
26	Paper and Allied Products	3,241	3,021	-220	-6.8%
27	Printing and Publishing	6,605	6,670	65	1.0%
28	Chemicals and Allied Products	1,627	1,720	93	5.7%
29	Petroleum and Coal Products	192	201	9	4.7%
30	Rubber and Miscellaneous Plastic Products	6,944	6,836	-108	-1.6%
31	Leather and Leather Products	1,114	931	-183	-16.4%
40-49	Transportation and Public Utilities	25,094	25,120	26	0.1%
41	Local and Interurban Passenger Transit	3,446	3,568	122	3.5%
42	Trucking and Warehousing	5,141	5,243	102	2.0%
43	U.S. Postal Service	4,588	4,610	22	0.5%
44	Water Transportation	n	n	n	n
45	Air Transportation	3,228	3,408	180	5.6%
46	Pipelines	n	n	n	n
47	Transportation Services	754	654	-100	-13.3%
48	Communications	4,000	3,745	-255	-6.4%
49	Electric, Gas, and Sanitary Services	3,695	3,641	-54	-1.5%

n = not disclosable

Short-term Industry Projections (continued)

2002 Q4 to 2004 Q4

SIC Code	Industry	2002 Q4	2004 Q4	Change	Percent Change
50-51	Wholesale Trade	32,622	33,646	1,024	3.1%
50	Wholesale Trade - Durables	20,939	21,536	597	2.9%
51	Wholesale Trade - Non-Durables	11,683	12,110	427	3.7%
52-59	Retail Trade	136,517	142,401	5,884	4.3%
52	Building Materials and Garden Supplies	7,585	8,044	459	6.1%
53	General Merchandise Stores	17,135	18,113	978	5.7%
54	Food Stores	22,533	22,887	354	1.6%
55	Auto Dealers and Service Stations	14,949	15,820	871	5.8%
56	Apparel and Accessory Stores	6,250	6,144	-106	-1.7%
57	Furniture and Home Furnishing Stores	6,428	6,897	469	7.3%
58	Eating and Drinking Places	39,702	41,703	2,001	5.0%
59	Miscellaneous Retail	21,935	22,793	858	3.9%
60-67	Finance, Insurance, Real Estate	34,006	34,335	329	1.0%
60	Depository Institutions	7,396	7,558	162	2.2%
61	Nondepository Institutions	1,919	1,972	53	2.8%
62	Security and Commodity Brokers	5,060	5,070	10	0.2%
63	Insurance Carriers	9,024	8,954	-70	-0.8%
64	Insurance Agents, Brokers, and Service	4,224	4,408	184	4.4%
65	Real Estate	6,008	5,999	-9	-0.1%
67	Holding and Other Investment Offices	375	374	-1	-0.3%
70-89	Services	220,773	229,991	9,218	4.2%
70	Hotels and Other Lodging Places	8,456	8,880	424	5.0%
72	Personal Services	6,565	6,824	259	3.9%
73	Business Services	31,485	32,273	788	2.5%
75	Auto Repair, Services, and Parking	5,514	5,574	60	1.1%
76	Miscellaneous Repair Shops	1,581	1,609	28	1.8%
78	Motion Pictures	1,686	1,760	74	4.4%
79	Amusement and Recreation Services	9,898	10,757	859	8.7%
80	Health Services	57,749	60,320	2,571	4.5%
81	Legal Services	4,191	4,213	22	0.5%
82	Educational Services	60,628	63,347	2,719	4.5%
83	Social Services	16,475	17,138	663	4.0%
84	Museums, Botanical, Zoological	534	563	29	5.4%
86	Membership Organizations	3,809	3,939	130	3.4%
87	Engineering and Management Services	12,002	12,587	585	4.9%
89	Services, Not Elsewhere Classified	200	207	7	3.5%
	Government	34,981	35,550	569	1.6%
	Federal Government (excludes U.S. Postal Service)	3,128	3,076	-52	-1.7%
	State Government (excludes Hospitals and Education)	12,007	12,157	150	1.2%
	Local Government (excludes Education)	19,846	20,317	471	2.4%
	Self-Employed and Unpaid Family Workers	42,246	42,755	509	1.2%

n = not disclosable

Transportation and public utilities

Employment in this industry division is expected to remain about the same, as employment gains in some industries will be offset by losses in others. Gains are expected in Air transportation, Trucking and warehousing, and Local and interurban passenger transit, while Communications and Transportation services are projected to reduce employment levels. U.S. Postal Service employment is not expected to increase significantly, as alternative delivery services and electronic communications have caused a decline in the volume of mail handled.

Manchester Airport has become the preferred alternative for many travelers that formerly flew out of Boston’s Logan Airport. In 2002, new records were set for passenger traffic and cargo activity, and work is under way to lengthen runways and expand terminal capacity. Airlines have added more flights to more destinations.⁷An improving economy will help increase business and pleasure travel. By the end of 2004, 180 more jobs are expected in Air transportation, an increase of 5.6 percent over 2002.

Local and interurban passenger transit is expected to add 120 jobs, increasing 3.5 percent over the two-year period. More than half of this industry’s employment is in school bus companies that tend to be stable employers even in a weak economy. Trucking and warehousing is the largest industry in this group. It

should benefit from an improving economy and grow by 2.0 percent, adding about 100 jobs.

Employment in Communications is expected to decline from 4,000 jobs in fourth quarter 2002 to a level of 3,750 by fourth quarter 2004, most of which can be attributed to losses in telecommunications. Employment is expected to decrease by 6.4 percent during the projections period, equivalent to 250 fewer jobs.

Transportation services will continue to lose employment. Travel agencies, the largest employer in this group, are rapidly being replaced by electronic ticketing kiosks and the increased use of the Internet for booking airline reservations.⁸ Sensitivity to economic slumps and increased international tensions have had an effect on employment in this industry, which is projected to decline by 13.3 percent, about 100 jobs.

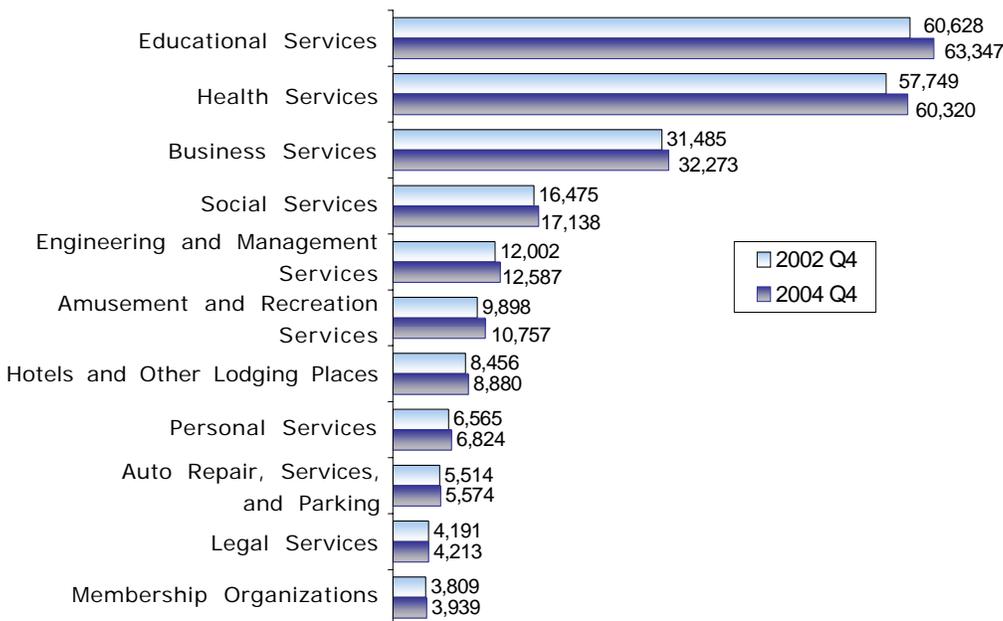
Wholesale trade

Wholesale trade is projected to grow from fourth quarter 2002 to fourth quarter 2004, adding more than 1,000 new jobs. Durable goods wholesaling will account for nearly 600 of these jobs, while Nondurable goods wholesaling will add over 400. There are nearly twice as many employees in Durable goods, which tends to be the more volatile of the two. Durable goods include wholesale dealers in machinery and electronics, industries that have been hurt by a weak economy.

Retail trade

Consumer spending has been holding the economy up, according to many economists. The Consumer Confidence Index for New England edged down in the summer of 2003 but turned back up later in the year, a positive sign for more consumer spending.⁹ New retail construction was completed in late 2002 in Manchester, Hooksett and several other locations, and a large project has been proposed for the Littleton area.¹⁰ This is

Projected Employment in Major Service Industries



good news for the Retail trade industry, which accounts for one out of every five jobs in New Hampshire.

Eating and drinking places made up the largest portion of Retail trade employment at 30 percent. With nearly 40,000 workers in the fourth quarter of 2002, this is one of New Hampshire's largest industries. Over the past ten years, the year-to-year employment gain for the industry has remained between two and three percent. Projections indicate that this trend will continue into 2004 as 2,000 more jobs are created.

Employment in General merchandise stores totaled 17,100 jobs in fourth quarter 2002. That is more than in any single Manufacturing industry, as Industrial machinery and equipment leads with 13,800 jobs. The major reason is the influx of major national retail chains in larger cities and even small towns. Shoppers from bordering states are attracted by lack of sales tax in New Hampshire, which contributes to the demand in this industry. General merchandise stores are projected to grow 5.7 percent, adding another 980 jobs.

Employment in Food stores is projected to increase by 355 jobs, but the rate of growth will be less than all other retail industries except Apparel and accessory stores, which is expected to decline. Employment levels can vary during the year, and are sometimes lower than the same month, previous year, but the general trend is an increase in line with population growth. Job losses from closings of smaller food stores have been offset by the need for workers in new, larger stores.

Furniture and home furnishings stores is projected to be the fastest growing industry in Retail trade at a rate of 7.3 percent, resulting in 470 new jobs. Growth will also be strong for Building materials and garden supplies at 6.1 percent. Miscellaneous retail, which includes catalog and on-line retailers, is projected to grow 3.9 percent.

Finance, insurance, and real estate
Employment in Finance, insurance, and real estate will grow at 1.0 percent, compared to 2.3 percent for the state as a whole. Real estate employment will

be essentially flat, as will employment at Security and commodity brokerages. Contrary to national trends where employment at security brokerages has declined sharply, brokerages and dealers in New Hampshire held employment losses to a minimum. As confidence in financial markets is restored, demand for workers in this industry should start to return to positive territory.

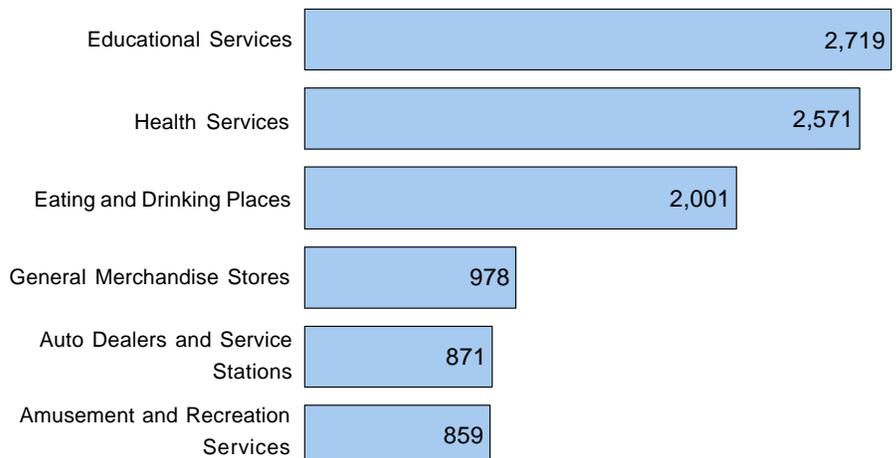
Depository institutions and Nondepository institutions are projected to add 160 and 55 jobs respectively. The latter includes credit unions and mortgage companies, fast growers in the past few years. Growth for Nondepository institutions is projected to reach 2.8 percent. Depository institutions have reversed some of the employment losses of the late 1990s and employment is expected to move in a positive direction, to 2.2 percent into the fourth quarter of 2004.

Services

Services is the largest division and consequently the division with the most new jobs projected for the fourth quarter 2004. The addition of 9,200 jobs is expected, with more than half in Health services and Educational services. The projected growth rate for Services is 4.2 percent, third highest among the divisions.

Educational services is the largest major group in this division. For projections purposes, public and private education are combined, a total of 60,630 jobs in fourth quarter 2002. Employment in Educational services is relatively easy to predict, as employment levels tend to move in line with increases in population.

Educational Services Leads All Industries in Jobs Created, 2002 Q4 - 2004 Q4



The additional 2,720 jobs projected for 2004 fourth quarter are a 4.5 percent increase.

Health services is the next largest industry in the Services division and, like Educational services, employment is relatively simple to project. For the past ten years, year-to-year employment growth has been in the two- to four-percent range. Again, population is the main driver of industry demand for more workers—an increasing population, and an aging population that requires more hospitals, clinics and nursing homes. The projected growth rate of 4.5 percent, resulting in 2,570 more jobs, is consistent with recent trends.

Business Services is expected to add 790 jobs by the fourth quarter of 2004, a growth rate of 2.5 percent. An important component in this industry is temporary help agencies, who are often a barometer for employment change in the economy as a whole. Firms that anticipate improving business conditions will hire temporary help before making additions to their own payrolls. Improving business conditions may drive employment in Engineering and management services as well, with growth expected to be above average at 4.9 percent. Employment in Legal services is not expected to change significantly.

Amusement and recreation services is projected to be the fastest growing industry in the state at 8.7 percent. While the industry is at its lowest seasonal level in the fourth quarter, major employers at this time are ski areas preparing for the coming winter season. Year-round employers in the industry—racetracks, health clubs, and country clubs—will also contribute in creating a projected 860 jobs. Hotels and other lodging places is a closely related industry that is projected to have better than average growth and add 420 jobs.

Government

Government employment for projections purposes excludes workers in educational and health services (local elementary and secondary schools, public colleges, state hospitals, etc.). More than half of Government employment is at the local level - police and firefighters are a prime example. Local government is expected to have the highest growth while Federal government is expected to continue a declining employment trend. Combined, Federal, State, and Local government employment is projected to add 570 jobs as it grows by 1.6 percent.

Notes

Projections are created with the software developed by the Short-term Employment Forecasts Consortium in cooperation with the U.S. Department of Labor, Employment and Training Administration and administered by the Projections Consortium as part of America's Labor Market Information System (ALMIS).

Occupational projections are developed with the aid of *MicroMatrix* software developed by the Utah Department of Workforce Services in conjunction with ALMIS.

Confidentiality

Industry and occupational data are carefully screened to ensure that individual employers cannot be identified by published information. Industry employment totals are suppressed if there are fewer than three firms in an industry, if one firm accounts for more than 80 percent of industry employment, or if two firms account for more than 75 percent of employment in an industry. Occupations are suppressed if fewer than three firms report data for an occupation, if one firm accounts for more than 50 percent of employment for an occupation, or if two firms account for more than 75 percent. In some cases, additional industries or occupations may need to be suppressed to prevent the calculation of suppressed data by subtraction.

For additional information and supplementary detailed tables, please contact Michael Argiropolis at (603) 229-4377 or at miarg@nhes.state.nh.us

Footnotes

1. Occupational Outlook Handbook 2002- 2003 Edition. U.S. Bureau of Labor Statistics. <http://www.bls.gov/oco/home.htm>
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