

# New Hampshire Economic Conditions

December 2010

## Gross Domestic Product by State, 2009

New Hampshire's 2009 Gross Domestic Product (GDP) by state increased over 2008 by \$269 million to \$59,400 million.<sup>1</sup> This 0.5 percent rise is the smallest increase seen in the Granite State in decades but it looks strong when compared to the nation as a whole. GDP by state for the U.S. fell 1.3 percent over-the-year, representing a \$193 billion drop, to \$14.15 trillion for 2009.

The Bureau of Economic Analysis also estimates real GDP by state measured in chained 2005 dollars. This measure adjusts for inflation and bases the value of gross product on national prices which are applied to goods and services produced within a state.<sup>2</sup> When

chained to 2005, New Hampshire's 2009 GDP by state was \$54,454 million. This was a 1.2 percent drop from 2008. The small gains of 1.0 percent in 2007 and 0.2 percent in 2008 were both wiped out with the 2009 performance. In chained 2005 dollars, U.S. GDP by state fell 2.1 percent to \$12.094 trillion in 2009. Decreases are a more common phenomenon when adjusting for inflation. The chained GDP was virtually unchanged in 2008.

### Private vs. Government

In New Hampshire, private industry GDP growth was below that of government. The current dollar change in private industry between 2008 and 2009 was almost nonexistent, less

than a \$1 million difference. When adjusted for inflation, private GDP saw a 1.5 percent decrease. Government, however, saw a 4.6 percent increase in current dollars. When chained to 2005, Government grew by 2.1 percent.

### Industry

There was a wide spread in the amount of change in the GDP among New Hampshire's industries. The industries showing the largest over-the-year growth (in current dollars) were *Finance and insurance* (5.3%), *Health care and social assistance* (5.2%), *Information*, (4.5%) and *Utilities* (4.1%). The significant industries declining the most were *Construction* (-9.2%), *Manufacturing* (-6.3%) and

<sup>1</sup>. National GDP estimates are available from both the *GDP by state* and the *total GDP* series. There are slight differences between GDP by state and total GDP. According to the Bureau of Economic Analysis, GDP by state for the nation differs from GDP for the following reasons: GDP by state excludes and GDP includes the compensation of federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment, except office equipment; and GDP by state and GDP have different revision schedules. State GDP estimates from the GDP by state series are comparable to the national GDP estimates from the GDP by state series.

<sup>2</sup>. Bureau of Economic Analysis definition of Gross Domestic Product by State (in millions of chained 2005 dollars). Accessed December 10, 2010. <[www.bea.gov/regional/gsp/action.cfm](http://www.bea.gov/regional/gsp/action.cfm)>.

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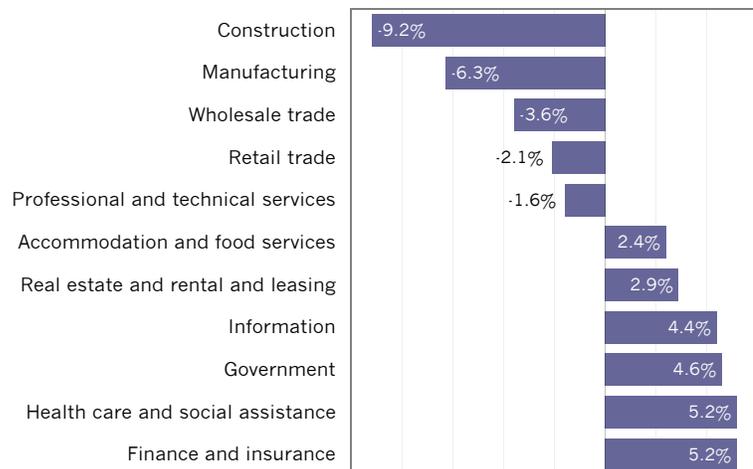
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## Change in New Hampshire Gross Domestic Product by Industry - 2008 to 2009



Source: [www.bea.gov/regional/gsp](http://www.bea.gov/regional/gsp)

both *Wholesale* and *Retail trade*, with -3.6 percent and -2.1 percent respectively.

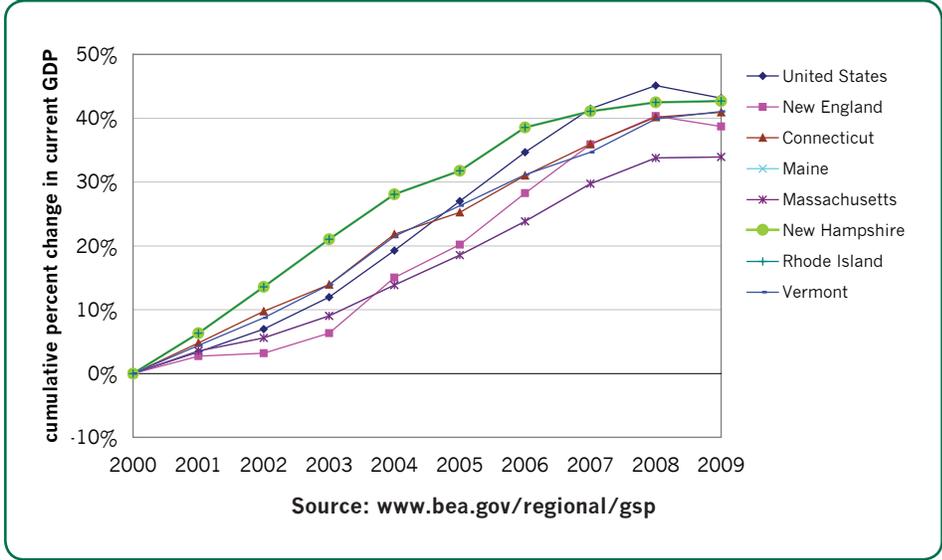
### New England

New Hampshire fared better in 2009 than the region as a whole. GDP for New England fell by 0.2 percent in current dollars and by 2.0 percent in chained 2005 dollars. The driving force behind the drop was Connecticut. It saw a 1.2 percent over-the-year drop in current dollars, and fell by 3.1 percent when adjusted for inflation. Nonetheless, twenty other states saw a larger slide than Connecticut when measured in current dollars; nine when measured in chained 2005 dollars. The other New England states clustered around New Hampshire. All had positive GDP growth in current dollars. The range was 0.1 percent for both Massachusetts and Rhode Island to 0.8 percent for Vermont. All New England states saw their GDP shrink when using chained 2005 dollars. Again, Connecticut was the outlier, the other five New England states ranging from a 0.7 percent loss in Vermont to a 1.8 percent decline in Rhode Island.

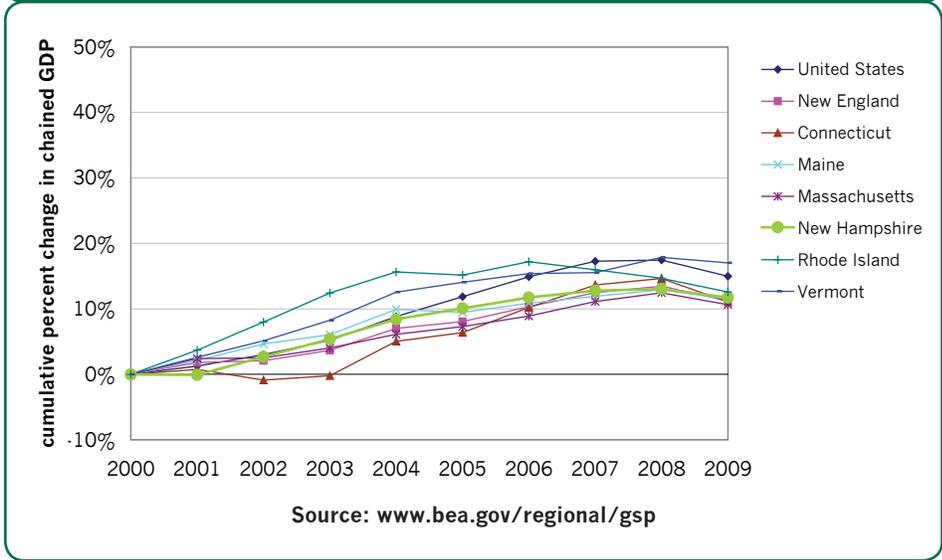
### Over the Decade

Over the past ten years, New Hampshire's GDP has grown 34.8 percent. It started the decade posting \$44,067 million and ended at \$59,400 million. This placed the state fifth in the region for percentage growth over-the-decade. Rhode Island led the region with 42.7 percent growth; Massachusetts was at the bottom with 33.9 percent change. New England as a whole added 36.6 percent to its 2000 GDP. The entire region trailed the nation, which grew by 43.2 percent over the decade. Using chained 2005 dollars, New Hampshire increased its GDP by 11.7 percent over the decade. This ac-

## Over the Decade Cumulative Change in GDP NH, US, NE and the NE States - Current Dollars



## Over the Decade Cumulative Change in GDP NH, US, NE and the NE States - Chained (to 2005) Dollars



tually edged out the region as a whole which weighed in with an 11.2 percent increase. Massachusetts's 10.7 percent increase was the smallest in the region, while Vermont improved a hefty 11.7 percent. Again, the U.S. out-performed the regional average with a 15.0 percent increase.

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