ECONOMIC CONDITIONS in New Hampshire

October 2003
Volume 103, Number 10

Recession hit high tech industries in New Hampshire

Over 6,400 high tech jobs lost from 2001 to 2002

What effect did the economic downturn have on employment in high tech industries in New Hampshire? To answer the question, we need to first define high tech industries.

High tech industries under NAICS

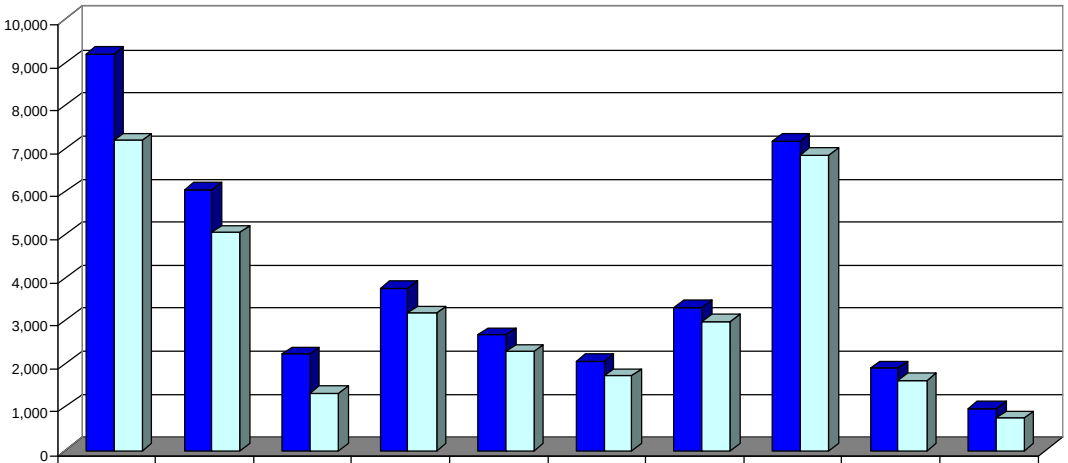
While no official Bureau of Labor Statistics (BLS) definition of high technology under NAICS[1] has been developed, the Office of Technology Policy under the Department of Commerce has converted the BLS high technology list of SIC codes into NAICS codes. The result is a high technology list that includes 39 industries, where 29 represent manufacturing and ten represent service providing industries. The list from the Office of Technology Policy differs from the original BLS high technology list of SIC codes in that NAICS contains more industry detail related to information technology industries and more and broader codes on rapidly growing industries, such as communications and computers.

Changes in covered[2] high tech employment

Based on these new definitions, total high technology covered employment in New Hampshire was 52,616 in 4th quarter 2002, it accounted for almost eight percent of total employment in New Hampshire. From the 4th quarter 2001 to 4th quarter 2002, employment

Continued on page 2

Employment in selected New Hampshire high tech industries



	Semiconductor and Electronic	Computer Systems Design et al.	Communica-tions Equip Manufacturing	Software Publishers	Industrial Machinery Manufacturing	Motor Vehicle Parts Manufacturing	Computer and Peripheral Equipment	Electronic Instruments Manufacturing	Other general purpose Machinery	Electrical Equipment Manufacturing
2001	9,179	6,033	2,233	3,760	2,674	2,072	3,313	7,168	1,906	965
2002	7,175	5,052	1,321	3,183	2,282	1,721	2,995	6,861	1,614	753

Published by the Economic and Labor Market Information Bureau

Employment SECURITY

Continued from page 1

went down 11 percent, meaning that 6,401 high technology jobs were lost over-the-year.

The three high tech industries adding the most jobs, when comparing employment levels from 4th quarter 2001 to 4th quarter 2002, were Pharmaceutical and medicine manufacturing, Medical equipment and supplies manufacturing, and Educational support services. Pharmaceutical and medicine manufacturing added the most new jobs with 183 and Educational support services had the fastest growth rate at 45 percent, accounting for 118 new jobs.

Semiconductor and electronic component manufacturing was the industry in New Hampshire where the most jobs were lost between the end of 2001 and the end of 2002. During this period over 2,000 jobs were lost and the net change in company units (work-sites) was ten. The biggest net increase in company units was in Computer systems design and related services with 64 units. This sector also had the second largest loss in employment with 981 lost jobs. Software publishers had the second largest net change in company units with 30 units lost over-the-year. Employment in Communications equipment manufacturing had the highest rate of decline at 41 percent, equivalent to 912 lost jobs, ranking it third in absolute number of jobs lost.

The high number of lost jobs in Semiconductor and electronic component manufacturing, and Communication equipment manufacturing in New Hampshire follows a national trend. In the 18 months following January 2001, the nation lost 227,700 Semiconductor and electronic component manufacturing jobs and 86,100 Communications equipment jobs.[3]

Within New Hampshire, Communications equipment manufacturing was the industry where average weekly wage dropped the most from 2001 to 2002 by $215. Other general purpose machinery manufacturing industry wages increased the most by $256. Both of these industries are among the 10 high tech industries losing the most jobs in New Hamp-

Continued on page 3

Comparisons of change in job levels and average weekly wages among high tech industries between 2001 - 2002

NAICS	Industry	2001 Q4			2002 Q4			Difference		
		Units	Avg. Emp	AWW	Units	Avg. Emp	AWW	Units	Avg. Emp	AWW
3344	Semiconductor and Electronic Component Manufacturing	161	9,179	$868.23	151	7,175	$885.54	-10	-2,004	$17.31
5415	Computer Systems Design and Related Services	1233	6,033	$1,504.31	1169	5,052	$1,597.62	-64	-981	$93.31
3342	Communications Equipment Manufacturing	40	2,233	$1,551.23	36	1,321	$1,336.00	-4	-912	-$215.23
5112	Software Publishers	212	3,760	$1,622.85	182	3,183	$1,551.31	-30	-577	-$71.54
3332	Industrial Machinery Manufacturing	48	2,674	$1,070.77	51	2,282	$1,175.54	3	-392	$104.77
3363	Motor Vehicle Parts Manufacturing	9	2,072	$661.00	7	1,721	$671.15	-2	-351	$10.15
3341	Computer and Peripheral Equipment Manufacturing	36	3,313	$1,824.77	33	2,995	$1,836.23	-3	-318	$11.46
3345	Electronic Instruments Manufacturing	86	7,168	$1,247.46	79	6,861	$1,306.54	-7	-307	$59.08
3339	Other General Purpose Machinery Manufacturing	47	1,906	$846.08	43	1,614	$1,102.00	-4	-292	$255.92
3353	Electrical Equipment Manufacturing	28	965	$942.77	26	753	$1,130.00	-2	-212	$187.23

Continued from page 3

wage rises. Those employees retaining their jobs may still have been economically affected, either by having to pay higher share of health insurance or by experiencing other reductions in benefits. The drop in average weekly wage for Communications equipment manufacturing could be explained by a decrease in overtime pay.

Eight out of the ten high tech industries losing the most jobs are Manufacturing industries. It could be concluded that the impact of the economic downturn on the high tech industries was a result of the dramatic decline in Manufacturing. High tech employment even went down at a faster rate than Manufacturing. From 4th quarter 2001 to 4th quarter 2002, Manufacturing declined 8.7 percent.

While New Hampshire experienced just over a percentage point decline in the share of high tech employment, to 9.2 percent of total employment from fourth quarter 2001 to fourth quarter 2002, the concentration of high tech employment still remains higher than the national average of 7.4 percent.

Annette Nielsen

1 North American Industry Classification System (NAICS) replaced the Standard Industrial Classification System (SIC).

2 The employment and wage data used for this article were pulled from ES 202(covered employment) database on July 22, comparing employment data from 4th quarter 2001 and 4th quarter 2002.

3 Bureau of Labor Statistics, Daily report, Monday, August 4, 2003.

NH Employment Security
Economic and Labor Market Information Bureau:

General Information
(603)228-4124
elmi@nhes.state.nh.us
<www.nhes.state.nh.us/elmi/>
Research Unit
228-4173
Economist
228-4122
Covered Employment & Wages
228-4177
Current Employment Statistics
228-4127
Local Area Unemployment Statistics
228-4175
Occupational Employment Statistics
229-4315

Economic Conditions in New Hampshire is published monthly in coordination with the Bureau of Labor Statistics and the Employment and Training Administration of the U.S. Department of Labor.

To Order Publications: Visit our Web site at **<www.nhes.state.nh.us/elmi/>**; call **(603) 228-4124**; or send a written request to the following address:

ELMI Publications, NH Employment Security
32 South Main Street
Concord, NH 03301-4857

NH EMPLOYMENT SECURITY
32 SOUTH MAIN STREET
CONCORD NH 03301-4857

OFFICIAL BUSINESS

ADDRESS SERVICE REQUESTED

New Hampshire ELMIB
Economic & Labor Market Information Bureau