

# New Hampshire

## Economic Conditions



June 2007

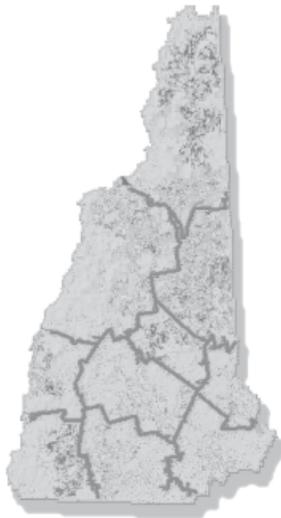
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### New Hampshire's job growth slowed from third quarter 2005 to third quarter 2006

The Chairman of the Joint Economic Committee noted that the 88,000 new nonfarm jobs in April 2007 represented the nation's slowest monthly growth since November of 2004.<sup>1</sup> That followed the news from the previous week that the Gross Domestic Product during the first quarter of 2007 had experienced the slowest economic growth in four years.<sup>2</sup>

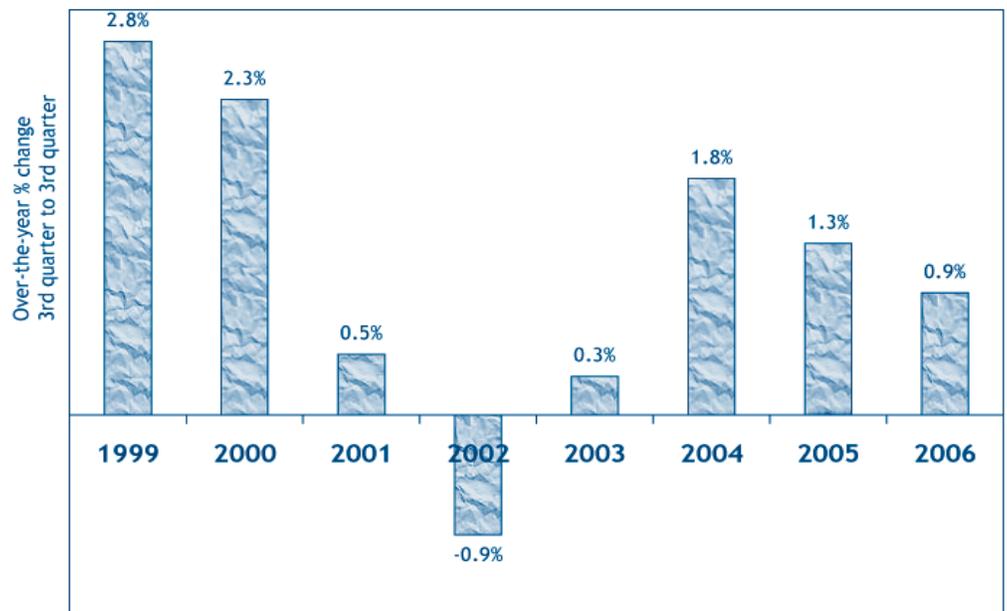
#### Covered Employment

In New Hampshire total employment (including government) grew by 0.9 percent compared to 2005 third quarter employment levels, based on covered employment figures that are now available through the third quarter of 2006. In recent

years, since 2001, there has been slower job growth rates when comparing over-the-year employment levels.

The third quarter employment growth in 2001 and 2002 were directly affected by the recession, New Hampshire's timing for recovery may have differed slightly from the national timing. By 2003, although the national recession had been declared over, the return of jobs growth in the state was slow, and even with the increase of 1.8 percent in job levels by third quarter 2004, that didn't match annual growth rates of two and three percent from prior to the recession. Still over-the-year comparisons have shown a continued gradual decline in the rate of growth from the 2004 peak.

New Hampshire's third quarter employment growth has been shrinking since the post-recession high in 2004.



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The 0.9 percent growth in third quarter 2006 represented an increase of 5,400 jobs over-the-year. The majority of the additional jobs came in *Health care and social assistance, Government, and Professional and technical services*. These gains tempered the losses in other sectors, especially in *Manufacturing*.

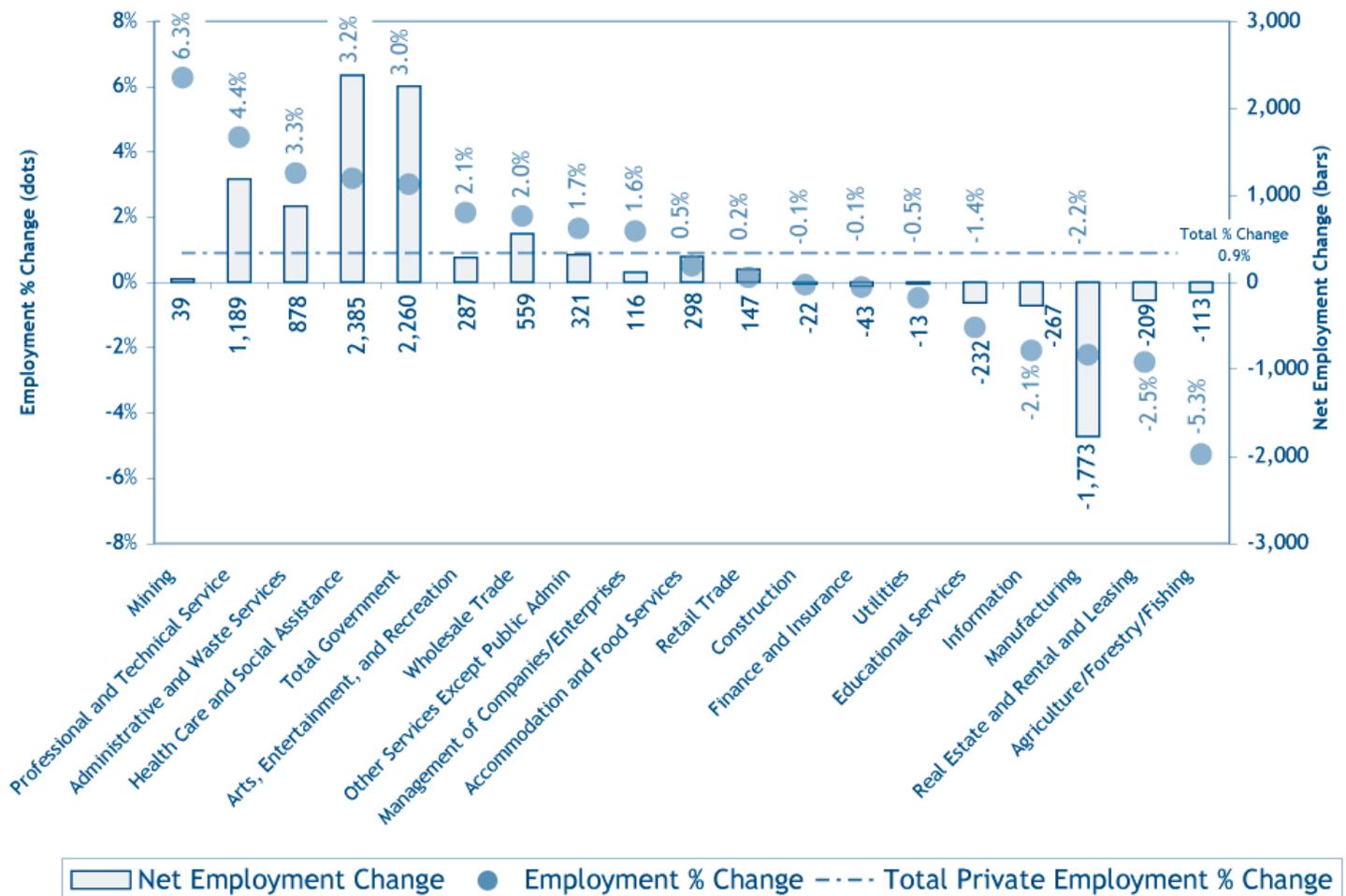
*Health care and social assistance* added 2,385 jobs from third quarter 2005 to third quarter 2006. Over 80 percent of the increase was Health care related, with *Hospitals* adding 1,265 jobs, and *Nursing and residential facilities* growing by 629 workers. *Ambulatory health care services* also contributed 200 additional positions for the sector. And *Social assistance* added 290 over the year.

*Government* showed an increase of 2,260 jobs, mostly from local government growth. This was mostly because of education employment.

Also among the top contributors to job growth was *Professional and technical services*. This sector added 1,189 workers from third quarter 2005 to third quarter 2006. The *Architectural and engineering services* industry group supplied 459 of those jobs. *Computer systems design and related services, Management and technical consulting services, and Other professional and technical services* industry groups each added over 200 jobs to the sector.

*Manufacturing* was the hardest hit by job reductions from third quarter 2005 to third quarter 2006, with a net loss of 1,773 jobs. Employment gains of over 1,000 in *Plastics and rubber products manufacturing, Machinery manufacturing, and Electrical equipment and appliances manufacturing* were far outweighed by losses in other subsectors. *Paper manufacturing, Computer and electronic product manufacturing, Transportation equipment manufacturing, and Miscellaneous manufacturing* were the biggest losers, combining for a loss of over 2,000 workers.

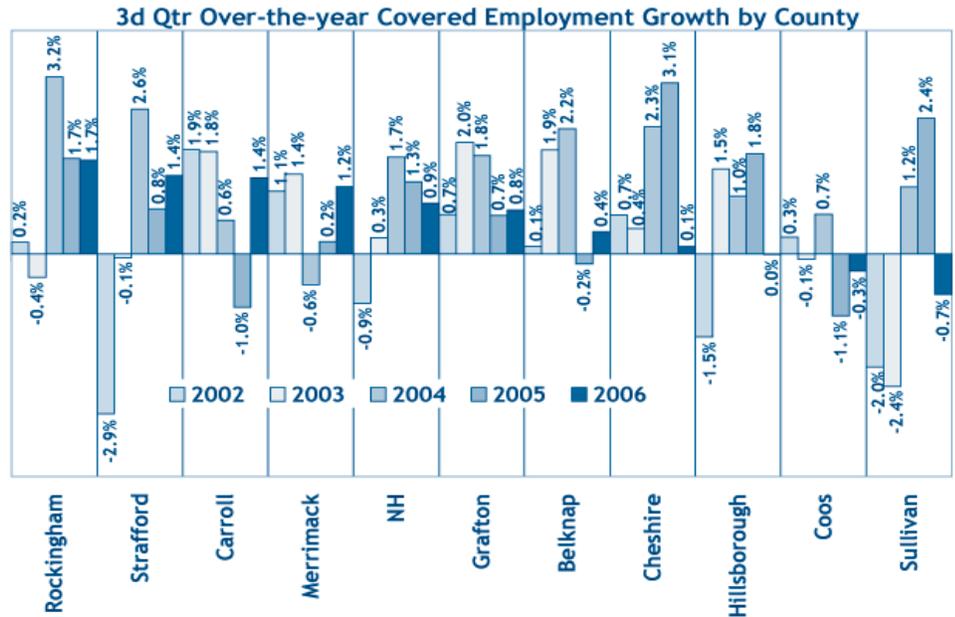
**New Hampshire's Health care and Government sectors led the way for net employment growth from 3d quarter 2005 to 3d quarter 2006.**



### Over the Year Changes Among the Counties

Job growth from third quarter 2005 to third quarter 2006 varied among the counties. Four counties experienced job growth rates above the state average, three other counties had positive job increases, but slower than the state average. Hillsborough County lost 20 jobs for a -0.01 percent change. Two others, Coos and Sullivan Counties, had negative growth. In fact, Coos and Sullivan Counties have had negative third quarter job growth in three of the last five years. Only Cheshire and Grafton Counties have had job gains in each of the last five years, while

Only Cheshire and Grafton Counties had positive employment growth in the third quarter each of the last five years.



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### Unemployment Compensation Claims Activities

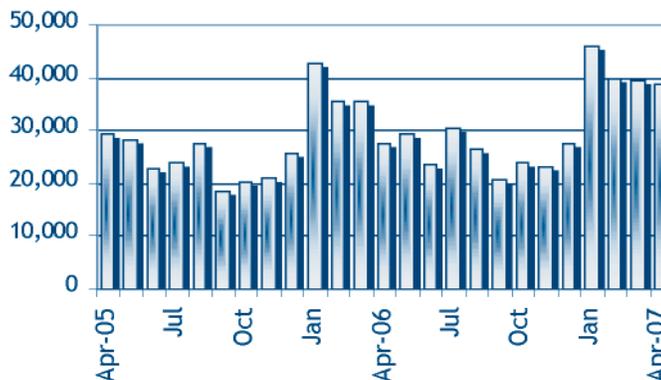
Total Regular Unemployment Compensation Programs:	Change from Previous						
	Month		Year				
	April-07	March-07	April-06	Net	Percent	Net	Percent
Initial Claims	4,740	3,865	3,836	875	22.6%	904	23.6%
Continued Weeks	38,868	39,653	27,642	-785	-2.0%	11,226	40.6%

### Claims Activity

### Unemployment Compensation Fund

Unemployment compensation fund balance at the end of April	\$249,336,026.02
Average payment for a week of total unemployment:	\$258.83
Net benefits paid:	\$9,871,537.96
Net contributions received during the month:	\$14,709,720.80
Interest Received:	\$0.00
Reed Act Distribution:	\$0.00
Reed Act Withdrawn for Administrative Costs:	\$59,618.00

### Trust Fund



### Continued Weeks Claimed

Apr 2005 - Apr 2007  
 Although April's continued weeks claimed declined for the third month in a row, they were still well ahead of last year's level.

			Change from Previous	
Apr-07	Mar-07	Apr-06	Month	Year
206.7	205.4	201.5	0.6%	2.6%

United States  
 All Urban Areas (CPI-U)  
 (1982-1984=100)

### Consumer Price Index

Belknap, Carroll, Merrimack, and Rockingham have each gained jobs in four of the last five years.

Rockingham County had the fastest job growth among the counties in 2006 with a 1.7 percent increase over its third quarter 2005 employment level. The county added 2,297 jobs over-the-year.

Strafford and Carroll Counties had job increases of 1.4 percent from third quarter 2005 to third quarter 2006. Strafford grew by 608 jobs and Carroll County's employment, pushed by its service-providing sectors, expanded by 292 jobs over last year's level.

Merrimack County's 876 additional jobs from third quarter 2005 helped push their growth rate to 1.2 percent over-the-year. This was the third fastest growth rate among the counties.

What made a big difference to the 2006 statewide employment growth is that Hillsborough County lost 20 jobs from its third quarter 2005 level. That meant that the 3,400 plus jobs the county added in 2005 did not recur in 2006.

*Anita Josten*

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<sup>1</sup>SCHUMER: SLOWEST JOB GROWTH SINCE NOVEMBER 2004 COMBINED WITH WEAK HOUSING MARKET, RAISES SERIOUS CONCERNS. News release Joint Economic Committee. May 4, 2007. <jec.senate.gov/Documents/Releases/05.04.07jobsdatareact.pdf>

<sup>2</sup>Economic growth slowest in four years. CNN Money.com. Chris Isidore, CNN Money.com senior writer. April 27, 2007. <money.cnn.com/2007/04/27/news/economy/gdp/index.htm>.

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