

ECONOMIC CONDITIONS in New Hampshire



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New Hampshire's Gross State Product \$49.0 billion in 2003

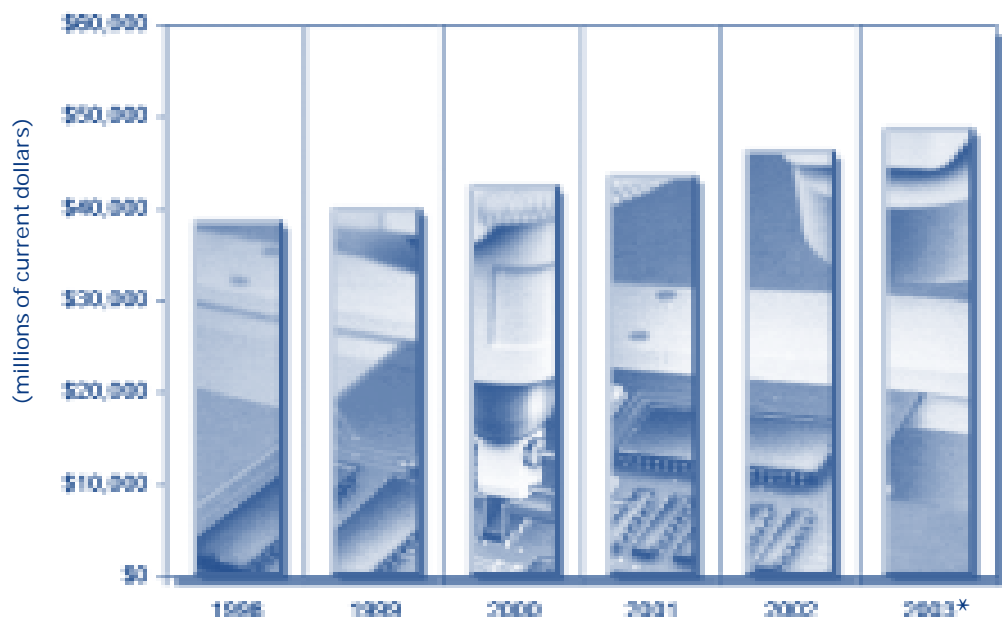
Latest industry figures show Real estate, rental and leasing sector largest contributor to state's total GSP in 2002.

New Hampshire's gross state product was \$49.0 billion in 2003*, up 5.6 percent over the year. This over-the-year increase ranked the Granite State as 16th fastest growth in the nation. Among the New England States, only Rhode Island, with a 7.0 percent increase, saw a faster over-the-year growth in GSP than New Hampshire. Growth for the other states in the region ranged from 5.4 percent in Vermont to 3.2 percent in Massachusetts.

According to Bureau of Economic Analysis (BEA), Gross State Product is the value added in production by the labor and their productive resources located in a state. The GSP for a state is derived as the sum of the GSP originating in all industries in the state. In mid-December 2004, BEA, using the North American Industry Classification System (NAICS) for the first time, released a comprehensive benchmark revision of GSP. They revised GSP figures from 1998 to 2002 and estimated total GSP for 2003*.

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Although New Hampshire was in a recession 9 months of 2001, the GSP (Current dollars) as well as Real GSP (Chained 2000 dollars) did slightly increase from 2000 to 2001.



* Prototype estimate



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Continued from page 1 **GSP by Sector**

During the late 1990s, as the “high tech boom” started, New Hampshire’s Manufacturing employment was on the rise as this sector nationwide was seeing declines. Why? The Granite State had a higher share of Manufacturing employment in high tech than the nation and the high tech growth more than compensated for other declines in the manufacturing sector.

As a result, Manufacturing, with \$8.3 billion, claimed just over 21 percent of the state’s total gross state product in 1998. The Real estate, rental, and leasing sector followed with \$5.1 billion, or 13.1 percent of total GSP.

As the nineties ended and the new millennium began, New Hampshire, along with the nation, saw its high tech employ-

ment drop. By 2002, the latest year GSP by sector data is available, Manufacturing’s GSP dropped to \$5.8 billion, claiming only 12.5 percent of the state’s total GSP. However, during this time the real estate market took off and this sector’s GSP increased to \$6.7 billion, surpassing Manufacturing’s GSP and claiming the highest share of the total for the state, 14.4 percent in 2002.

Finance and insurance, riding on the coattail of the strong real estate market, saw GSP increase from \$2.8 billion in 1998 to \$4.3 billion in 2002. Because New Hampshire has seen a huge influx of retail establishments, it is not surprising that Retail trade’s share of the GSP increased from \$3.0 billion in 1998 to \$4.2 billion in 2002.

Elisabeth Picard

Gross State Product (millions of current dollars)					
Sector	1998	1999	2000	2001	2002
Total, all industries	\$38,818	\$40,154	\$42,655	\$43,837	\$46,450
Agriculture, forestry, fishing, and hunting	\$197	\$217	\$231	\$224	\$216
Mining	\$36	\$34	\$33	\$36	\$37
Utilities	\$1,159	\$1,115	\$1,216	\$1,201	\$1,273
Construction	\$1,730	\$1,850	\$1,921	\$2,296	\$2,420
Manufacturing	\$8,250	\$6,939	\$7,206	\$6,052	\$5,797
Wholesale trade	\$2,329	\$2,518	\$2,780	\$2,941	\$3,019
Retail trade	\$3,010	\$3,238	\$3,374	\$3,622	\$4,235
Transportation and warehousing	\$644	\$715	\$783	\$772	\$778
Information	\$957	\$1,226	\$1,367	\$1,433	\$1,457
Finance and insurance	\$2,839	\$3,351	\$3,227	\$3,523	\$4,337
Real estate, rental, and leasing	\$5,095	\$5,561	\$5,872	\$6,320	\$6,695
Professional and technical services	\$2,172	\$2,398	\$2,694	\$2,783	\$2,796
Management of companies and enterprises	\$652	\$667	\$844	\$754	\$725
Administrative and waste services	\$966	\$1,012	\$1,035	\$1,082	\$1,090
Educational services	\$524	\$574	\$628	\$679	\$756
Health care and social assistance	\$2,604	\$2,819	\$3,046	\$3,332	\$3,652
Arts, entertainment, and recreation	\$289	\$321	\$338	\$373	\$395
Accommodation and food services	\$1,104	\$1,152	\$1,243	\$1,308	\$1,368
Other services	\$972	\$990	\$1,060	\$1,144	\$1,155
Government	\$3,289	\$3,457	\$3,757	\$3,962	\$4,249

Source: Bureau of Economic Analysis