

# ECONOMIC CONDITIONS in New Hampshire



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## Over-the-Year Personal Income Growth for First Quarter 2002 Slowed to 1.2 Percent

New Hampshire's personal income for first quarter 2002, seasonally adjusted at annual rates, increased 1.2 percent over first quarter 2001. This was considerably slower than gains for the same period during the prior three years. The Granite State had the fourth fastest growing personal income in New England for first quarter 2002. Nationally personal income grew at a slightly faster rate than New Hampshire, 1.7 percent over first quarter 2001. Personal income is current income received by all residents from all sources including earnings by place of work, rental income, interest, dividends and transfer payments less personal contributions for social insurance.

of work has to be adjusted for residents commuting in and out of the state. Personal income is effected by changes in this area.

The state's minimal personal income growth can be attributed to the large drop in Manufacturing earnings, -13.8 percent. This was the largest Manufacturing decrease in New England. All the New England states and the nation reported declines in earnings from Manufacturing. The economic slowdown over the past year hit the Manufacturing industry hard — from companies closing to large layoffs. It comes as no surprise that earnings in this industry might be down as well.

A component of personal income is earnings by place of work. Earnings by place of work comprises wage and salary disbursements, other labor income, and proprietors income, which includes farm income. Personal income is reported by place of residence, so earnings by place

The trickle-down effect from Manufacturing reductions, as well as the September 11 impact, were visible in Wholesale trade and Transportation and public utilities as they also experienced reductions in earnings from first quarter

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*Employment*  
**SECURITY**

**First Quarter 2002 Earnings by Industry**  
(\$ millions, seasonally adjusted at annual rates by place of work)

	US	CT	ME	MA	NH	RI	VT
Nonfarm earnings	\$6,253,114	\$100,069	\$23,395	\$188,619	<b>\$28,724</b>	\$20,649	\$11,890
Private earnings	5,202,233	86,788	18,928	165,632	<b>25,369</b>	16,931	9,855
Ag. serv., forestry, fishing, & other <sup>1</sup>	45,910	560	352	1,072	<b>213</b>	150	114
Mining	57,781	213	6	137	<b>27</b>	15	33
Construction	384,511	5,399	1,728	11,383	<b>2,373</b>	1,187	890
Manufacturing	872,749	16,585	3,217	24,853	<b>4,991</b>	2,830	2,101
Durable goods	536,559	11,197	1,654	16,778	<b>3,809</b>	1,896	1,574
Nondurable goods	336,190	5,388	1,564	8,075	<b>1,182</b>	934	527
Transportation and public utilities	419,694	4,786	1,192	8,787	<b>1,231</b>	1,128	617
Wholesale trade	365,759	5,239	1,154	10,753	<b>2,061</b>	988	583
Retail trade	556,688	7,822	2,754	15,557	<b>3,448</b>	2,065	1,251
Finance, insurance, and real estate	609,430	16,686	1,637	23,764	<b>2,260</b>	1,822	705
Services	1,889,711	29,499	6,889	69,325	<b>8,765</b>	6,746	3,562
Government and government enterprises	1,050,881	13,281	4,466	22,987	<b>3,354</b>	3,718	2,035
Federal, civilian	204,325	1,507	966	4,102	<b>599</b>	780	348
Military	88,773	654	370	718	<b>108</b>	406	96
State and local	757,783	11,120	3,131	18,166	<b>2,647</b>	2,532	1,591

<sup>1</sup>Other\* consists of the wage and salary disbursements to U.S. residents employed by international organizations and foreign embassies and consulates in the U.S.

Source: Bureau of Economic Analysis

2001, -3.7 percent and -1.5 percent respectively.

These losses in the Granite State were offset by the over-the-year growth in Services, Construction, Finance, insurance, and real estate, and Retail trade. Services added the largest dollar amount, while Construction grew the fastest. New Hampshire had the fastest Construction increase in New England.

Government earnings in New Hampshire grew 7.6 percent. Only Connecticut and Vermont had a faster growth 9.9 percent and 8.0 percent respectively.

As an aside, Military earnings in the New England states and the nation had the fastest Government earnings in-

crease over first quarter 2001. The Granite State's Military earnings increased 42.1 percent over first quarter 2001. This was primarily the result of some military personnel being activated to increase security in the state after September 11.

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*Gail Houston*

**Personal Income by quarter for the US and the New England States**  
(\$ millions, seasonally adjusted at annual rates by place of residence)

	1st 2001	2nd 2001	3rd 2001	4th 2001	1st 2002	Over-the-Year (1Q2001 to 1Q2002)	
						Net	Percent
US	\$8,559,568	\$8,589,832	\$8,608,704	\$8,587,003	\$8,705,154	\$145,586	1.7%
CT	143,636	143,448	142,802	141,435	143,251	-385	-0.3%
ME	33,750	33,813	33,938	34,136	34,744	994	2.9%
MA	247,883	248,298	245,942	244,976	247,960	77	0.0%
<b>NH</b>	<b>42,621</b>	<b>42,703</b>	<b>42,500</b>	<b>42,541</b>	<b>43,146</b>	<b>525</b>	<b>1.2%</b>
RI	31,539	31,504	31,836	31,511	31,998	459	1.5%
VT	16,998	17,144	17,193	17,210	17,425	427	2.5%

Source: Bureau of Economic Analysis