

# ECONOMIC CONDITIONS in New Hampshire



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## Over-the-year Second Quarter Personal Income Growth Slow at 2.0 Percent

According to the Bureau of Economic Analysis, New Hampshire's personal income for second quarter 2002, seasonally adjusted at annual rates, increased 2.0 percent from second quarter 2001. This was the slowest over-the-year second quarter rate of growth since personal income fell by 6.1 percent from 1990 to 1991. From second quarter 1991 to second quarter 2001, personal income grew in the Granite State at an average annual rate of 6.2 percent. During this time period, the highest over-the-year growth in personal income was 11.8 percent in second quarter 2000. Since 1991, the lowest rate of personal income growth occurred in second quarter 1993 at 2.6 percent.

The Granite State's over-the-year growth of personal income was fourth largest in New England. Massachusetts had the lowest rate of growth at 1.3 percent. Rhode Island led the region

with a 5.3 percent growth rate. Personal income grew for the nation at a rate of 2.7 percent.

Personal income consists of net earnings by place of residence\*; dividends, interest, and rent; and transfer payments. In second quarter 2002, net earnings accounted for 70.2 percent of personal income in New Hampshire. Transfer payments and interest, dividends and rent accounted for 11.1 percent and 18.7 percent respectively.

Much of the slow growth in New Hampshire's personal income can be attributed to losses in Manufacturing earnings. Over-the-year earnings in Manufacturing fell by 7.0 percent, with Durable goods falling by 8.6 percent and Nondurable goods falling by 2.3 percent. From second quarter 2000, Manufacturing earnings declined by 8.7 percent in the Granite State. On a positive note, Manu-

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### Second Quarter 2002 Earnings by Industry

(\$ millions, seasonally at annual rates by place of work)

Industry	US	CT	ME	MA	NH	RI	VT
Nonfarm earnings	6,311,438	102,842	23,873	186,696	<b>28,754</b>	21,631	12,253
Private earnings	5,263,079	89,779	19,371	163,708	<b>25,389</b>	17,757	10,223
Ag. Serv., forestry, fishing, & other	45,120	608	328	1,080	<b>196</b>	150	107
Mining	54,103	154	6	151	<b>28</b>	15	31
Construction	392,323	5,572	1,670	11,275	<b>2,374</b>	1,295	922
Manufacturing	898,770	17,094	3,275	24,880	<b>5,064</b>	2,975	2,202
Durable goods	548,311	11,336	1,657	16,871	<b>3,731</b>	1,990	1,638
Nondurable goods	350,460	5,758	1,618	8,009	<b>1,333</b>	985	564
Transportation and public utilities	429,678	5,047	1,183	8,875	<b>1,257</b>	1,075	651
Wholesale trade	376,116	5,619	1,187	11,202	<b>2,097</b>	998	601
Retail trade	564,411	8,355	2,880	15,246	<b>3,513</b>	2,104	1,268
Finance, Insurance and real estate	605,982	16,922	1,743	22,888	<b>2,236</b>	1,958	703
Services	1,896,577	30,408	7,097	68,111	<b>8,622</b>	7,186	3,739
Government	1,048,358	13,063	4,502	22,988	<b>3,365</b>	3,874	2,029
Federal, civilian	198,910	1,461	952	4,042	<b>550</b>	779	356
Military	88,444	635	356	682	<b>106</b>	384	95
State and local	761,004	10,968	3,194	18,265	<b>2,709</b>	2,711	1,578

Source: Bureau of Economic Analysis

\* Net earnings by place of residence equals earnings by place of work minus personal contributions to social insurance plus the net inflow of earnings of inter-area commuters.



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*Employment*  
**SECURITY**

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facturing earnings in New Hampshire grew by 1.7 percent from first quarter 2002 to second quarter 2002.

All New England states, as well as the nation, registered decreases in over-the-year Manufacturing earnings. However, losses in Manufacturing earnings were greater for the New England region than for the nation at 7.1 percent and 3.4 percent respectively. New Hampshire's over-the-year drop of 7.0 percent in Manufacturing earnings was second only to Massachusetts' decrease of 8.8 percent.

Growth in Construction earnings partially offset the decline in Manufacturing earnings at both the regional and state levels. While over-the-year Construction

earnings grew by 2.7 percent in the United States, growth for the New England region was 6.2 percent. New Hampshire led all New England states with an increase in Construction earnings of 15.4 percent from second quarter 2001 to second quarter 2002.

*Kevin Coyne*

Personal income growth for New England States and the Nation, 2Q2001-2Q2002

