

ECONOMIC CONDITIONS in New Hampshire



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e-release

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Are wages keeping up with inflation?

A comparison of annual average weekly wages and the CPI-U index

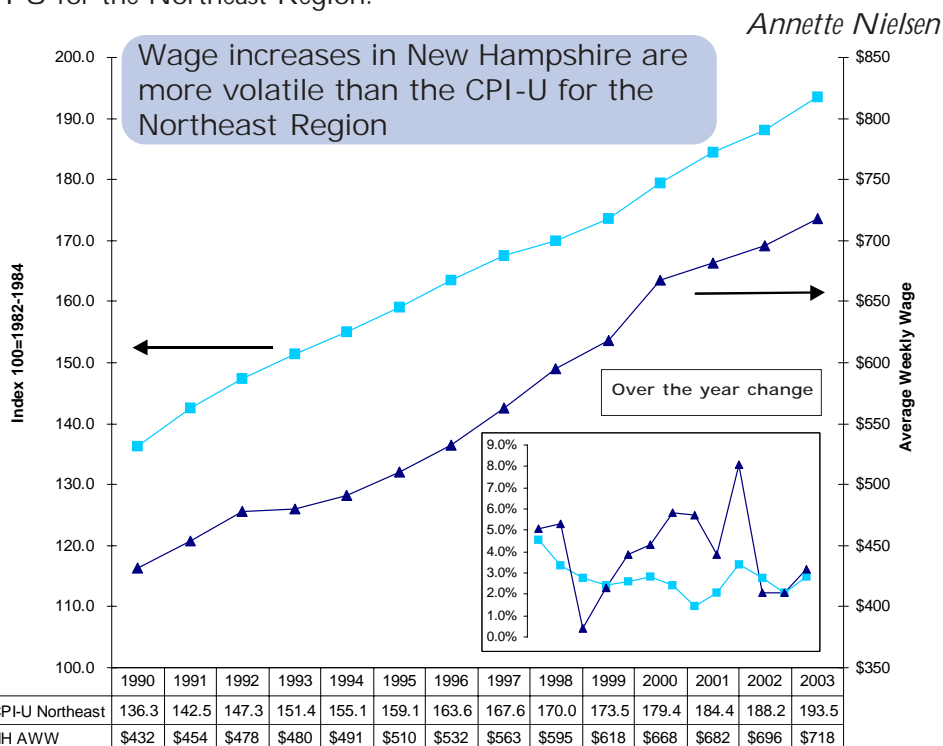
In 2003 the annual average weekly wage (AWW) in New Hampshire was \$718, an increase of 3.2 percent over-the-year. This was an improvement from the 2002 and 2001 over-the-year increases of 2.1 percent. The Consumer Price Index for all Urban Areas (CPI-U) in 2003 for the Northeast Region increased over-the-year 2.8 percent. In other words, the annual average weekly wage increased at a faster rate than the CPI-U. The New Hampshire annual average weekly wage and the Northeast CPI-U increased at the same rate of 2.1 percent from 2001 to 2002, whereas the CPI-U increased at a faster rate of 2.8 percent from 2000 to 2001. Except for these last couple of years, increases in wages in New Hampshire have generally been higher than increases in the CPI-U for the Northeast Region.

During the last ten years, over-the-year increases in the CPI-U for the Northeast Region have generally stayed between two to three percent. In contrast, over-the-year increases in annual average weekly wages fluctuated from as low as 0.4 percent to a high of 8.1 percent. The 0.4 percent increase happened over-the-year in 1993 as a reflection of the 1992 recession and the 8.1 percent increase happened over-the-year in 2000 reflecting the peak of the high tech boom, right before the recession in 2001.

So if we look at the 1990's, wages in the state were definitely keeping up with inflation, and after a short decline in 2001 in wages relative to the Northeast CPI-U, the annual average weekly wage is again keeping up with inflation.



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Note: The two graphs are on different scales. Do not compare them directly.