ECONOMIC CONDITIONS in New Hampshire

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Retail in New Hampshire – Let the shopping spirit be jolly!

Everybody is looking at the Retail trade sector, trying to predict how well it is going to fare this holiday season. The increase in energy prices in the aftermath of Hurricanes Katrina and Rita made consumers more cautious. The consumer confidence index for New England fell to 70.1 in September from 100.7 points in August and continued to stay low in October at 71.6 points. While, the consumer confidence index rebounded in November to 93.1 points, it is still below its pre-Katrina level. The consumer confidence index for New England was a reflection of what happened to the consumer confidence index at the national level. The main reason for the November increase was a significant decline in gas prices and an improved job outlook.

Just before Thanksgiving, the Conference Board reported that the consumer is expected to spend slightly less this year on holiday shopping than last year. According to initial reports, the outcome of Black Friday (the Friday after Thanksgiving) was also a bit mixed. In New Hampshire, traffic at the malls was good, and the attractive prices on the early bird specials especially enticed many customers to wait in lines before sunrise. The final sales numbers for the entire holiday season are therefore hard to predict!

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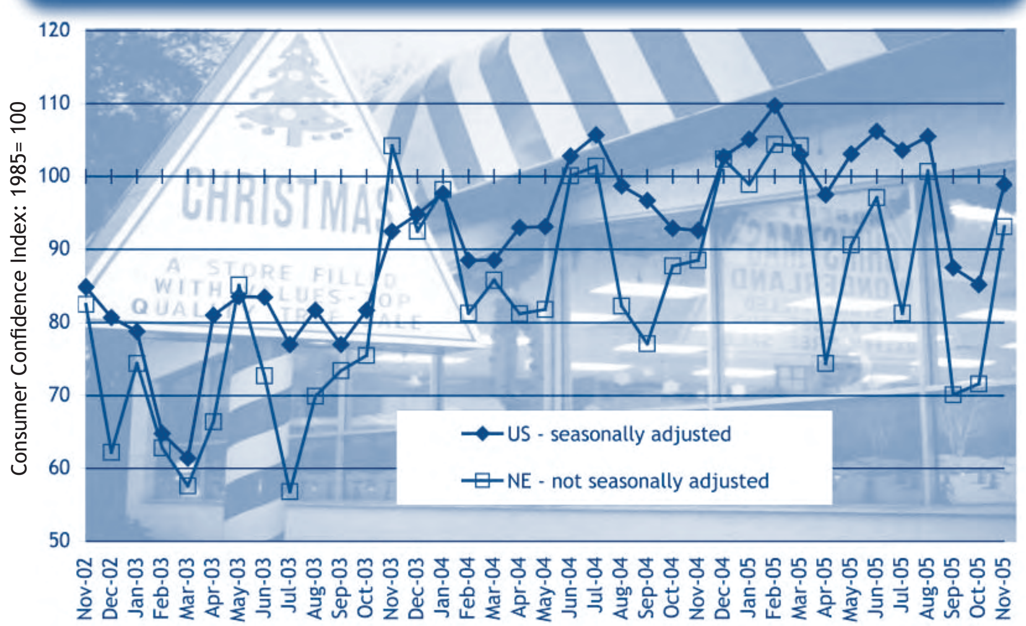
The Consumer Confidence Index for New England dropped to a low of 70.1 in September 2005. The Consumer Confidence Index has not been as low since August 2003.



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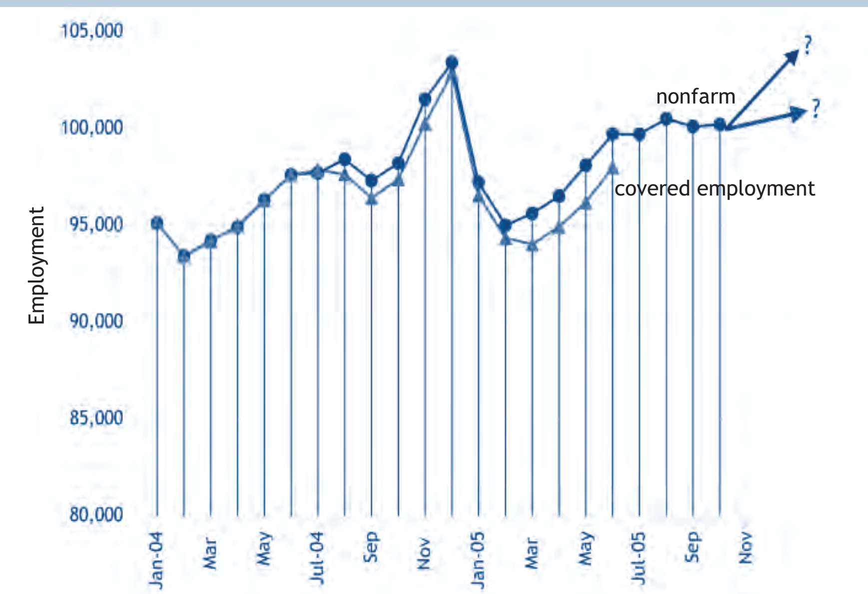
Because of the increased sales during the holiday season, New Hampshire's Retail trade employment normally reaches a peak in the fourth quarter. The question is; how will Retail trade employment respond to this bowl of mixed messages mentioned earlier. Analyzing the Retail trade employment growth at the subsector level might help us understand the impact that holiday spending has on the state's retail trade employment.

A strong Retail trade sector in New Hampshire is attributed in part to the state having no general sales tax. Over the last couple of years, Retail trade employment in New Hampshire has been on an upward trend as more businesses have capitalized on the tax-free environment in New Hampshire as an attraction to out-of-state as well as in-state customers. Another reason might be that the Granite State for the last couple of years ranked first in the nation in Median household income. Covered employment data can show which Retail subsectors are experiencing employment growth and which are not.

Retail Trade Employment is up 2,000 Jobs over-the year in October 2005



At first glance it might seem to be an advantage to shop tax-free when the consumer is buying a car. However, the out-of-state consumer would have to pay the local sales taxes when registering their car in their home state, thereby making it no more attractive for the consumer to shop in New Hampshire. The location quotient for Motor vehicle and parts dealers in New Hampshire is 1.38.[1] This shows that the state has a higher share of employment in this subsector than the nation. The equivalent location quotients for neighboring states south of New Hampshire are all below 1 (Massachusetts 0.81, Connecticut 0.93, and Rhode Island 0.83). The location quotients for Vermont and Maine are above 1 but still not as high as New Hampshire. (Vermont 1.16 and Maine 1.21.) So it is likely that it the lack of public transportation in rural areas boosts the number of cars available in a household. According to American Community Survey 2004, New Hampshire has the highest percentage of occupied households with 2 vehicles available and the lowest percentage of occupied households with no vehicles available.

Motor vehicle and parts dealers represent the third largest Retail trade subsector in the state and it has experienced a large employment gain over the last four years of more than 750 covered jobs, despite a slight decrease from 2003 to 2004. In contrast to the overall increase in Motor vehicle and parts dealers, at the industry group level, Auto parts, accessories, and tire stores (NAICS 4413) experienced a slight decline of more than 100 jobs over the four-year period. Recently, with the car producers running out of new discount policy options to attract more customers, Motor vehicle and parts dealers are

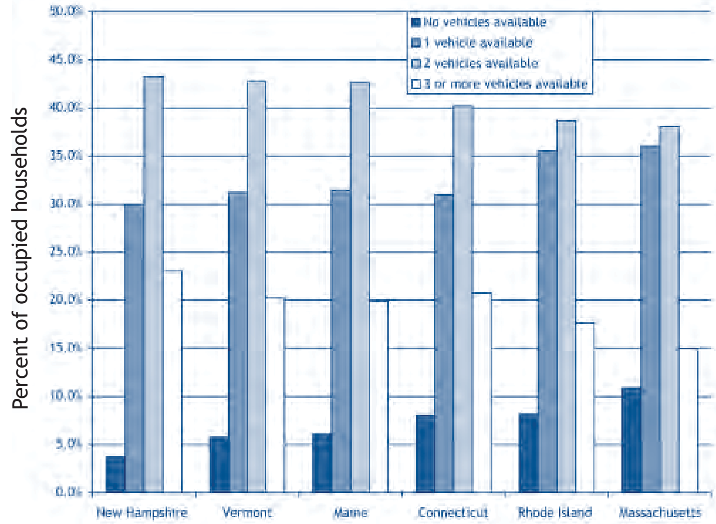
[1] An LQ greater than 1 indicates an industry with a greater share of the local area employment than is the case in the reference area. For example (assuming the U.S. as the reference area), Las Vegas will have an LQ greater than 1 in the Leisure and Hospitality industry because this industry makes up a larger share of the Las Vegas employment total than it does for the country as a whole.

likely to stay at their current employment level for 2005.

Another important contributor to the growth in Retail is population growth. From 2000 to 2004 the Granite State's population grew by 4.8 percent. Despite this population growth, employment in Food and beverage stores has stayed the same. Because the State owns the liquor stores in the state, only very few were privately employed in Beer, wine, and liquor stores (NAICS 4453). The rest of the employment in Food and beverage stores was in Food stores.

On the other hand, population growth has led to an increased need for housing in New Hampshire. According to New Hampshire Office of Energy and Planning the number of housing units in the state has increased from 546,524 in 2000 to 588,443 in 2004. This means that at least 41,919 new housing units have been constructed as the total count for 2004 reflects additional permits minus demolitions. In addition, the general growth of the housing market and recent historic low interest rates have encouraged many homeowners to refinance or borrow money against their home equity. Some of the available cash has been used to improve the housing stock. These two factors (new construction and remodeling) help explain why Building material and garden equipment and supplies dealers experienced the largest growth of any of the Retail trade subsectors from 2000 to 2004. This subsector increased with a stunning 25.5 percent (1,855 jobs). Looking at the four-digit industry group level reveals that all of the growth occurred in Building material and supplies dealers (NAICS 4441) as opposed to Lawn and garden equipment/supplies stores. Another subsector gaining from the housing boom is Furniture and home furnishing stores as most of the growth in this subsector was driven by an employment increase in Home furnishing stores (NAICS 4422)[2] – an increase of 31.8 percent (476 jobs).

Only 3.7% of New Hampshire's Households in 2004 had no vehicle available



Over the four-year period Health and personal care stores experienced the largest employment decline of 6.9 percent (292 jobs). More specific, the decline happened from 2001 to 2004. The majority of this decline occurred in Other health and personal care stores (NAICS 44619) which declined by 30.1 percent over the three years period. This industry includes Food (health) supplement stores and all

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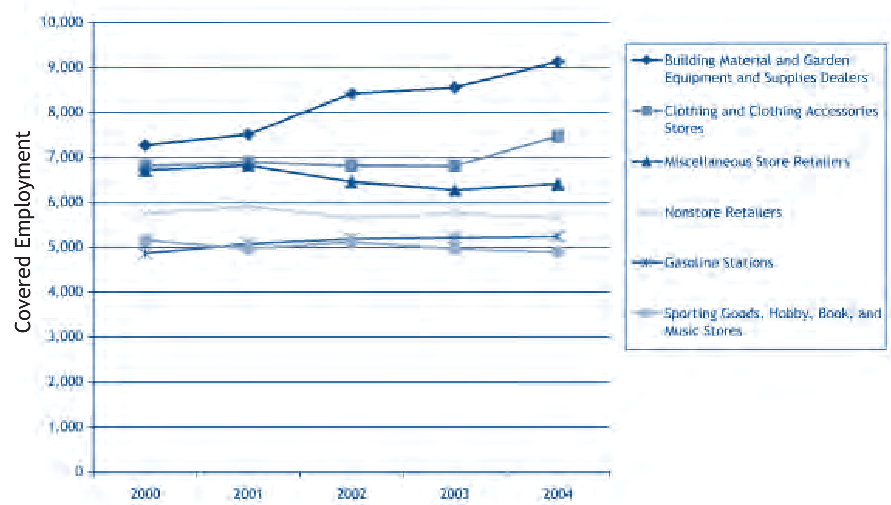
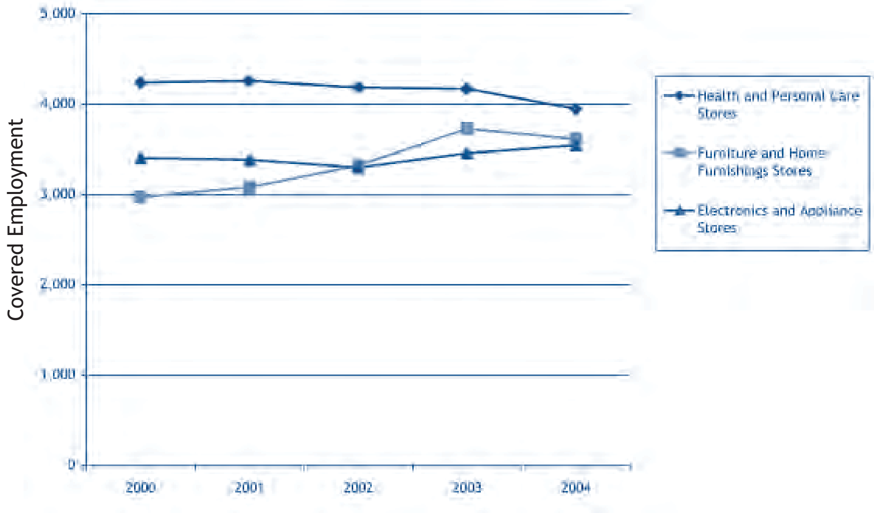
Building Material and Garden Equipment and Supplies Dealers have seen a dramatic increase in employment



[2] Home furnishing stores consist of Floor covering stores (NAICS 442210) and Window treatment stores (442291).

Furniture and Home Furnishing Stores have grown by 21.5 percent, however not a large subsector in the state



other health and personal care stores (eg. Convalescent supply stores, Hearing aid stores, and Prosthetic stores). Pharmacies and drugstores (NAICS 44611) did decline as well by 103 jobs or 3.2 percent from 2001 to 2004. However, occupational employment data from the Occupational Employment Statistics Program show an increase of pharmacists, pharmacy technicians and pharmacy aides from November 2001 to November 2003 of about 20 percent. This might suggest that occupations traditionally related to pharmacies are employed by other sectors. The competition from on-line prescription drug companies and the greater accessibility of pharmacies and drugstores within supermarkets and general merchandise stores (In-store pharmacies would not necessarily report employment separately) may have caused this shift in employment.

Expansion of outlet malls in the Mount Washington Valley and the Tilton area as well as many other mall areas around Concord, Keene, Manchester, Nashua, Newington and Salem would lead us to believe that the employment in stores such as clothing and hobby would have increased. Employment in Clothing and clothing accessories stores stayed stable from 2000 to 2003, but increased by more than 650 jobs from 2003 to 2004. Close to all of the increase was attributed to an increase in Clothing stores (NAICS 4481). Over the four-year period Shoe stores (NAICS 4482) lost nearly 200 jobs.

The number of big box retailers also increased in the state, which would lead to a similar assumption of employment increase. However, employment data show a decrease in the average annual employment in General merchandise stores of more than 850 jobs. This figure disguises a decline of about 2,200 jobs in Department stores (NAICS 4521) but an increase in Other general merchandise stores (4529 NAICS) of about 1,350 jobs.

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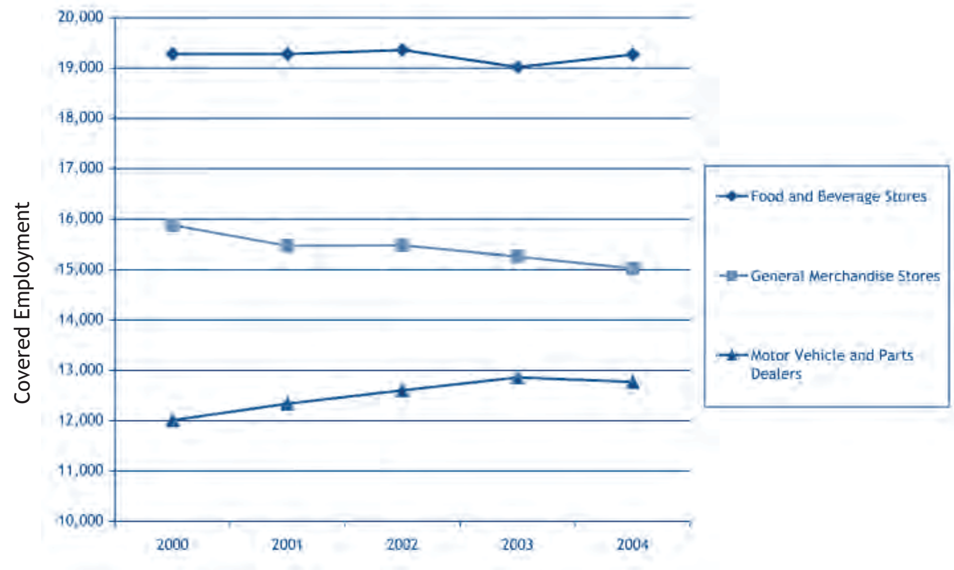
Retail trade subsectors: 2000 to 2004 changes in covered employment

		Average Annual Employment						
NAICS		2000	2001	2002	2003	2004	Net Change	% change
445	Food and Beverage Stores	19,281	19,279	19,359	19,020	19,267	-14	-0.1%
452	General Merchandise Stores	15,878	15,467	15,479	15,259	15,024	-854	-5.4%
441	Motor Vehicle and Parts Dealers	12,008	12,338	12,601	12,857	12,771	763	6.4%
444	Building Material and Garden Equipment and Supplies Dealers	7,278	7,518	8,427	8,560	9,133	1,855	25.5%
448	Clothing and Clothing Accessories Stores	6,819	6,896	6,823	6,816	7,481	662	9.7%
453	Miscellaneous Store Retailers	6,726	6,832	6,461	6,284	6,416	-310	-4.6%
454	Nonstore Retailers	5,759	5,922	5,660	5,762	5,649	-110	-1.9%
447	Gasoline Stations	4,868	5,076	5,190	5,217	5,243	375	7.7%
451	Sporting Goods, Hobby, Book, and Music Stores	5,151	4,974	5,116	4,964	4,898	-253	-4.9%
446	Health and Personal Care Stores	4,242	4,261	4,187	4,173	3,950	-292	-6.9%
442	Furniture and Home Furnishings Stores	2,977	3,084	3,324	3,732	3,616	639	21.5%
443	Electronics and Appliance Stores	3,407	3,387	3,301	3,460	3,550	143	4.2%

Seasonality in Retail trade employment

Measured by the employment upswing in the fourth quarter, we assume which subsectors are more dependent on holiday season spending. Retail subsectors experiencing the strongest growth over the last couple of years (Building material and garden equipment and supplies dealers and Motor vehicle and parts dealers) are some of the subsectors less dependent on the holiday spending spree (measured by the need for employees). The only exception to this can be found at a more detailed level of analysis. Clothing stores (NAICS 4481) and Other general merchandise stores (4529 NAICS) gained substantial amounts of employment over the last four years and are also heavily dependent on the holiday season spending. Electronics and appliance stores, a subsector somewhat dependent on the holiday season, gained 143 jobs over the four-year period, after a slight downturn in employment from 2000 to 2002. Another subsector, Sporting goods, hobby, book, and music stores, also holiday shopping dependent, was down 4.9 percent over the four-year period.

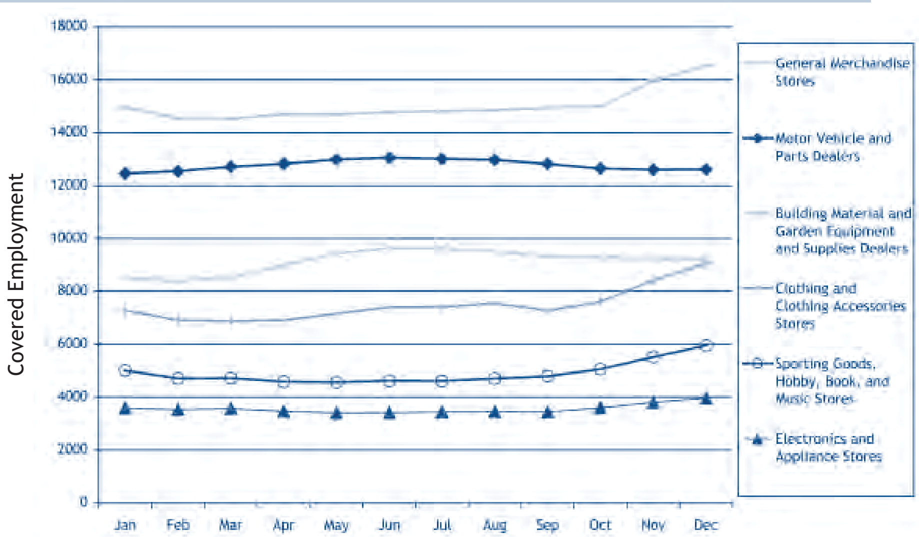
General Merchandise stores employment declined with about 850 jobs from 2000 to 2004



Whatever way the holiday shopping season swings, employment in the Retail trade sector in New Hampshire will still stand strong. The challenge for the Retail trade sector in the next couple of years is to maintain current employment levels in Motor vehicle and parts dealers and Building material and garden equipment and supplies dealers.

Annette Nielsen

Seasonality in the Retail Trade subsector employment, 2004



Caveat: When discussing employment in Retail, and in particular the increase in employment during the holiday season, we have to be aware that it is the number of jobs that are counted – part-time as well as full-time jobs. Many of the additional jobs created in November and December are temporary part-time jobs.

Cold thoughts about heating New Hampshire's homes this winter

With December comes cold weather. The winter heating season is upon us and after the spikes in energy cost caused by the devastation of the Gulf Coast region, many are anxious where the energy prices will go.

The Northeast is particularly vulnerable to external influences on heating fuel prices because the area, until recently, did not have access to alternative types of heating fuels or natural gas. While half of New Hampshire's electricity generation is from nuclear power, most of the remaining plants depend on importing fossil fuels for the power generation process.

Structure demographics

The census housing information from 2000 showed that New Hampshire was home to about ten percent of all the housing units in New England. Housing units, as defined by the Census Bureau, refers to structures in which people live. Over half of the housing units in the state had between four and six rooms. And although almost a quarter of the housing units in New Hampshire were built prior to 1939, the median year of when the structure was built is newer in New Hampshire than New England as a whole, 1971 versus 1960. Some of these older units may have had energy conservation/efficiency updates, however they still have heating challenges not found in newer structures.

	New England Division		New Hampshire	
	Number	Percent of total	Number	Percent of total
Total:	5,941,108	100.0%	547,024	100.0%
Built in 1999 to March 2000	73,105	1.2%	10,612	1.9%
Built in 1995 to 1998	227,635	3.8%	28,419	5.2%
Built in 1990 to 1994	283,394	4.8%	34,207	6.3%
Built in 1980 to 1989	799,614	13.5%	117,865	21.5%
Built in 1970 to 1979	849,771	14.3%	95,757	17.5%
Built in 1960 to 1969	731,341	12.3%	57,023	10.4%
Built in 1950 to 1959	754,603	12.7%	46,020	8.4%
Built in 1940 to 1949	470,192	7.9%	27,623	5.0%
Built in 1939 or earlier	1,751,453	29.5%	129,498	23.7%

Source: US Census

Almost three of every five housing units in the state use fuel oil or kerosene as their primary source for heat. Another two of every seven units use utility gas or bottled, tank or LP gas. Barely one of twenty have wood, coal or other sources as their primary heat.

Although New Hampshire has a tenth of New England's housing structures, its shares of the types of primary heating sources used were not proportionate to the region. New Hampshire accounted for only about seven percent of the utility gas and bottled, tank and LP gas usage in New England. The state's usage of fuel oil was proportionate to the number of households at 10.4 percent. And the use of wood, coal and other sources was 16.8 percent of the region's total. So, in comparison, New Hampshire uses relatively less gas and more wood and coal than the region as a whole.

Recently many concerns have been voiced about what burdens New Hampshire residents, and residents of the entire Northeast face to heat their homes this upcoming winter. To put this in perspective, a survey conducted by the US Department of Energy, Energy Information Administration provides household energy consumption and expenditure information according to census divisions. Using this information it is possible to compare New England heating sources and expenditures with those of the nation.

Fuel oil

As of 2001, the point of the survey, New England accounted for 5.4 million of the nation's 107 million households, barely five percent of total households. Nationally, it is estimated that just over eight percent of total households used fuel oil as a source of heat (not restricted to the primary heat source). Of those, 31 percent of the national usage was in New England. There were $6.31 billion spent nationally on fuel oil and $2.46 billion of that was spent in New England.

Among those that stated they used fuel oil, the total expenditures for fuel oil in New England were significantly higher than those of the nation, $903 compared to $737 per household respectively. [The 2001 price per gallon was $1.25 in New England and $1.24 for the nation.] The extended length of the winter heating season and extreme cold temperatures in New England influence the cost per household.

The use of fuel oil as a primary source of heat is prevalent in New England because of the lack of other fuel sources. Other regions that experience cold winter temperatures have more access to natural gas through distribution lines for sources such as natural gas which are just recently becoming available in New England. Because of the region's dependence on fuel oil, and recent high prices, many people will be more likely to use alternative heating from backup sources such as wood pellets and wood.

Anita Josten

2001 Residential Energy Consumption Survey

	Number of Households (millions) United States	New England
Total households	107.0	5.4
Number of households, fuels used (more than one may apply)		
Electricity*	107.0	5.4
Natural Gas	66.9	2.3
Fuel Oil	8.7	2.7
Kerosene	2.9	0.0
LPG	9.4	0.7
Wood	14.5	0.9

*The RECS cannot be used to accurately estimate the number of households that do not use electricity

Claims Activity

Unemployment Compensation Claims Activity

Total Regular Unemployment Compensation Programs:	Oct-05	Sep-05	Oct-04	Change from Previous Month Net	Month Percent	Year Net	Year Percent
Initial Claims	3,447	2,781	3,490	666	23.9%	-43	-1.2%
Continued Weeks	20,318	18,438	20,138	1,880	10.2%	180	0.9%

Trust Fund

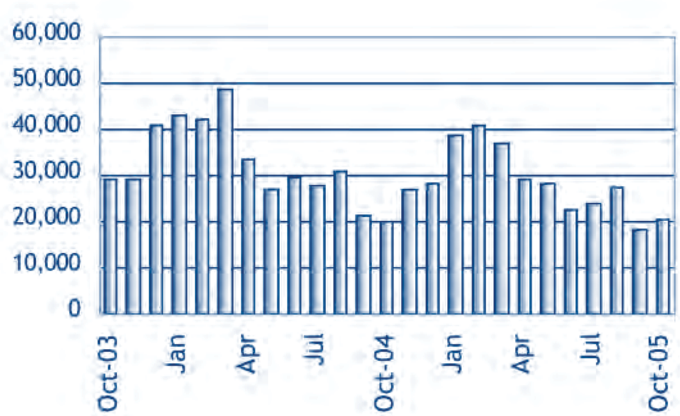
Unemployment Compensation Fund

Unemployment compensation fund balance at the end of October	$265,436,958.51
Average payment for a week of total unemployment:	$264.41
Net benefits paid:	$4,830,881.35
Net contributions received during the month:	$4,876,222.43
Interest Received:	$0.00
Reed Act Distribution:	$0.00
Reed Act Withdrawal for Administrative Costs:	$0.00

Continued Weeks Claimed

Oct 2003 - Oct 2005

Continued weeks claimed in New Hampshire increased from September to October. This is only the seventh time in the last 29 years that the continued weeks claimed count increased between these two months.



Consumer Price Index

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

Oct-05	Sep-05	Oct-04	Change from Previous Month	Year
199.2	198.8	190.9	0.2%	4.3%

N.H and U.S. Seasonally Adjusted Unemployment Rates

New Hampshire was among the half of the New England states whose unemployment rates were unchanged over-the-month. New Hampshire re-gained the lowest rate in the region as Vermont's rate increased over-the-month.

Unemployment Rates by Region

	preliminary Oct-05	revised Sep-05	Oct-04
United States	5.0%	5.1%	5.5%
Northeast	4.7%	5.0%	5.1%
New England	4.9%	4.9%	4.6%
Connecticut	5.3%	5.3%	4.7%
Maine	5.2%	5.4%	4.7%
Massachusetts	4.8%	4.8%	4.8%
New Hampshire	3.9%	3.9%	3.5%
Rhode Island	5.4%	5.7%	4.9%
Vermont	4.0%	3.7%	3.4%
Mid Atlantic	4.6%	5.0%	5.3%
New Jersey	3.9%	4.4%	4.5%
New York	4.9%	5.3%	5.5%
Pennsylvania	4.6%	4.9%	5.6%

Seasonally Adjusted Labor Force Estimates

By Place of Residence

	Jun-05	Jul-05	Aug-05	revised Sep-05	preliminary Oct-05
New Hampshire					
Unemployment Rate	3.5%	3.6%	3.5%	3.9%	3.9%
Civilian Labor Force	733,710	734,809	740,559	741,750	741,079
Number Employed	707,681	708,515	714,492	712,826	711,943
Number Unemployed	26,029	26,294	26,067	28,924	29,136
United States (in thousands)					
Unemployment Rate	5.0%	5.0%	4.9%	5.1%	5.0%
Civilian Labor Force	149,123	149,573	149,841	150,093	150,079
Number Employed	141,638	142,076	142,449	142,432	142,646
Number Unemployed	7,486	7,497	7,391	7,661	7,433

Note: Beginning in January 2005, data reflect revised population controls used in the household survey.

Seasonally Adjusted Nonfarm Employment Estimates

By Place of Establishment

Supersector	Jun-05	Jul-05	Aug-05	revised Sep-05	preliminary Oct-05
Total Nonfarm	637,600	640,700	644,700	642,500	642,500
Construction	30,700	31,000	31,300	31,100	31,600
Manufacturing	80,800	81,900	82,200	82,000	81,700
Trade, Transportation, and Utilities	142,900	144,000	144,400	145,000	143,800
Financial Activities	38,500	38,400	38,300	38,200	38,300
Professional and Business Services	57,000	57,000	56,800	56,900	57,100
Leisure and Hospitality	66,700	67,100	67,100	66,800	67,400
Other Services	19,800	20,000	20,100	19,900	19,600
Government	90,300	90,300	91,900	90,900	91,000

Please note that not all supersectors meet the statistical criteria for publication in this category. We seasonally adjust the total nonfarm data series and all the published supersectors independently. Therefore, the sum of the published parts will not equal the total.

Labor Force Estimates

New Hampshire	Oct-05	Sep-05	Oct-04
Number of workers	preliminary	revised	
Total Civilian Labor Force	738,690	737,520	721,010
Employed	711,830	710,350	698,580
Unemployed	26,860	27,170	22,430
Unemployment Rate (percent of labor force)	3.6%	3.7%	3.1%

Local Area Unemployment Statistics (LAUS)

Not Seasonally Adjusted

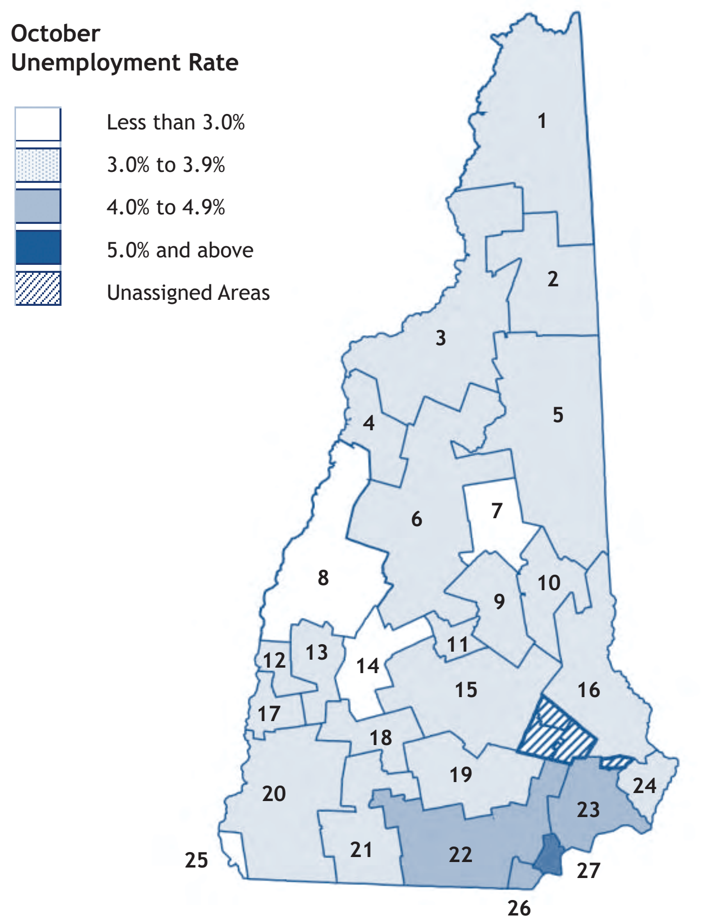
By Place of Residence

Unemployment Rates by Area

	preliminary Oct-05	revised Sep-05	Oct-04
U.S and Regional States			
United States	4.6%	4.8%	5.1%
Northeast	4.3%	4.7%	4.7%
New England	4.4%	4.7%	4.1%
Connecticut	4.8%	5.0%	4.1%
Maine	4.7%	4.7%	4.1%
Massachusetts	4.3%	4.8%	4.3%
New Hampshire	3.6%	3.7%	3.1%
Rhode Island	4.8%	5.5%	4.2%
Vermont	3.3%	3.3%	2.7%
Mid Atlantic	4.3%	4.7%	4.9%
New Jersey	3.6%	4.2%	4.1%
New York	4.6%	5.1%	5.1%
Pennsylvania	4.3%	4.5%	5.1%

Map Key	Labor Market Areas	preliminary Oct-05	revised Sep-05	Oct-04
1	Colebrook NH-VT LMA, NH Portion	3.6%	4.0%	3.4%
2	Berlin NH MicroNECTA	3.5%	3.9%	2.7%
3	Littleton NH-VT LMA, NH Portion	3.0%	3.4%	2.8%
4	Haverhill NH LMA	3.3%	3.6%	2.4%
5	Conway NH-ME LMA, NH Portion	3.4%	3.3%	2.8%
6	Plymouth NH LMA	3.0%	3.1%	2.2%
7	Moultonborough NH LMA	2.9%	3.1%	2.8%
8	Lebanon NH-VT MicroNECTA, NH Portion	2.8%	2.8%	2.0%
9	Laconia NH MicroNECTA	3.2%	3.4%	2.6%
10	Wolfeboro NH LMA	3.0%	3.0%	2.5%
11	Franklin NH MicroNECTA	3.4%	3.4%	2.5%
12	Claremont NH MicroNECTA	3.6%	3.8%	2.4%
13	Newport NH LMA	3.2%	3.3%	2.4%
14	New London NH LMA	2.8%	3.1%	2.1%
15	Concord NH MicroNECTA	3.2%	3.4%	2.5%
16	Rochester-Dover NH-ME MetroNECTA, NH Portion	3.5%	3.6%	3.0%
17	Charlestown NH LMA	3.0%	3.4%	2.6%
18	Hillsborough NH LMA	3.5%	3.7%	2.7%
19	Manchester NH MetroNECTA	3.4%	3.6%	3.0%
20	Keene NH MicroNECTA	3.0%	3.3%	2.3%
21	Peterborough NH LMA	3.6%	3.7%	3.0%
22	Nashua NH-MA NECTA Division, NH Portion	4.0%	4.1%	3.6%
23	Exeter Area, NH Portion, Haverhill-N. Andover-Amesbury MA-NH NECTA Division	4.8%	4.2%	4.5%
24	Portsmouth NH-ME MetroNECTA, NH Portion	3.6%	3.5%	3.1%
25	Hinsdale Town, NH Portion, Brattleboro VT-NH LMA	2.9%	2.5%	3.3%
26	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford MA-NH NECTA Division	4.7%	4.2%	4.7%
27	Salem Town, NH Portion, Lawrence-Methuen-Salem MA-NH NECTA Division	6.4%	5.6%	5.9%

Counties	preliminary Oct-05	revised Sep-05	Oct-04
Belknap	3.1%	3.3%	2.5%
Carroll	3.3%	3.3%	2.7%
Cheshire	3.2%	3.3%	2.4%
Coos	3.4%	4.0%	2.9%
Grafton	2.9%	3.0%	2.2%
Hillsborough	3.7%	3.8%	3.3%
Merrimack	3.1%	3.3%	2.4%
Rockingham	4.4%	4.2%	4.0%
Strafford	3.4%	3.6%	3.0%
Sullivan	3.2%	3.3%	2.4%



New Hampshire unemployment and labor force estimates are calculated using a regression model which depends on Current Population Survey (CPS) Estimates. Labor Market Area estimates are caculated using the Bureau of Labor Statistics "Handbook Method" and then adjusted to the State levels.

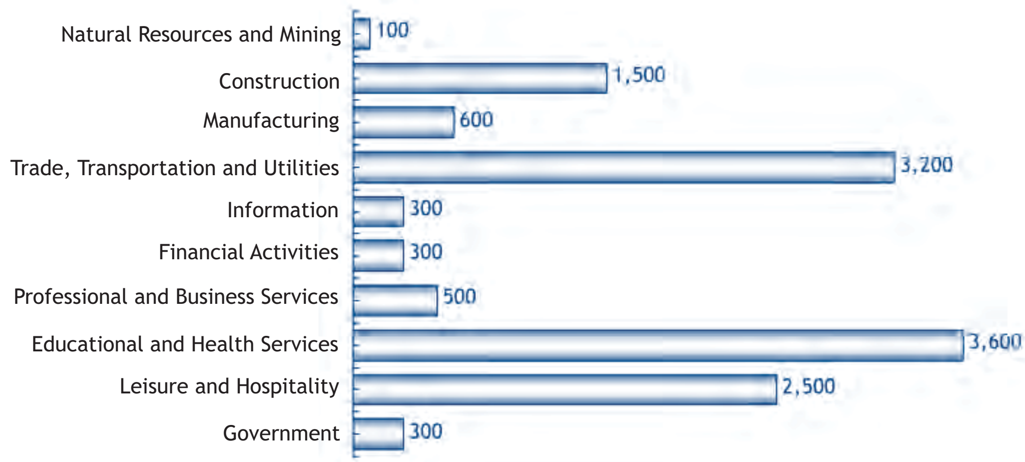
Monthly Not Seasonally Adjusted New Hampshire Nonfarm Wage and Salary Employment

Seasonal cutbacks in Leisure and hospitality were the primary culprits in the 2,700 job count reduction in private employment over-the-month.

Current Employment Statistics Employment by Super Sector by place of establishment	Number of Jobs Oct-05 preliminary	Sep-05 revised	Oct-04	Change from previous: Month	Year
Total All Super Sectors	646,600	647,100	634,600	-500	12,000
Private Employment Total	553,300	556,000	541,600	-2,700	11,700
Natural Resources and Mining	1,100	1,100	1,000	0	100
Construction	32,700	32,500	31,200	200	1,500
Manufacturing	81,700	81,900	81,100	-200	600
Durable Goods	62,500	62,600	61,500	-100	1,000
Non-Durable Goods	19,200	19,300	19,600	-100	-400
Trade, Transportation and Utilities	144,700	144,400	141,500	300	3,200
Wholesale Trade	28,000	27,900	27,700	100	300
Retail Trade	100,200	100,100	98,200	100	2,000
Transportation and Utilities	16,500	16,400	15,600	100	900
Information	12,900	12,900	12,600	0	300
Financial Activities	38,200	38,200	37,900	0	300
Professional and Business	57,400	57,300	56,900	100	500
Educational and Health	98,300	97,900	94,700	400	3,600
Leisure and Hospitality	66,800	69,900	64,300	-3,100	2,500
Other Services	19,500	19,900	20,400	-400	-900
Government Total	93,300	91,100	93,000	2,200	300

Change in Nonfarm Employment

Oct 2004 to Oct 2005



Monthly Analysis of Current Employment Statistics (CES) Data

For further analysis please read the *Detailed Monthly Analysis of Industry Employment Data* on our Web site at <www.nhes.state.nh.us/ elmi/nonfarm.htm>

Seasonally Adjusted: Preliminary seasonally adjusted estimates for October showed that overall employment totals held at the September level. In looking at the individual published supersectors, trade, transportation, and utilities (supersector 40) trimmed their ranks by 1,200 jobs, while manufacturing (supersector 30) and other services (supersector 80) each downsized by 300 jobs.

To offset those reductions, leisure and hospitality (supersector 70) expanded its work force by 600 jobs. Construction (supersector 20) added 500 jobs to the state's economy. Professional and business services (supersector 60) chipped in 200 jobs. Completing the growth side of the ledger, financial activities (supersector 55) and government (supersector 90) each contributed 100 jobs to the effort.

Unadjusted: The preliminary unadjusted estimates for October indicated that the total number of jobs in New Hampshire slipped by 500.

As the summer vacation season for 2005 wrapped up, leisure and hospitality (supersector 70) had 3,100 fewer

Monthly Unadjusted Nonfarm Wage and Salary Employment by Metropolitan Statistical Areas

Employment by Sector number of jobs by place of establishment	Manchester NH MetroNECTA preliminary Oct-05	Change from previous: Month	Year	Nashua NH-MA NECTA Division, NH Portion preliminary Oct-05	Change from previous: Month	Year	Portsmouth NH-ME MetroNECTA, NH Portion preliminary Oct-05	Change from previous: Month	Year	Rochester-Dover NH-ME MetroNECTA, NH Portion preliminary Oct-05	Change from previous: Month	Year
Total All Sectors	101,700	-400	1,400	133,200	600	2,000	56,300	-1,100	1,600	56,600	900	800
Private Employment Total	90,100	-100	1,100	118,400	200	2,000	46,100	-1,200	1,300	42,900	-100	900
Natural Resources and Construction	5,600	0	100	6,200	-100	0	1,900	0	0	2,300	0	100
Manufacturing	9,700	-100	200	26,100	0	0	4,000	0	0	6,500	0	100
Trade, Transportation and Utilities	21,600	0	700	31,300	100	500	11,500	0	100	11,400	0	100
Wholesale Trade	5,200	0	0	5,600	0	0	1,900	0	-100	1,400	0	-100
Retail Trade	13,000	0	200	21,000	100	100	8,200	0	0	8,800	0	0
Transportation, Warehousing and Utilities	Information will be made available in January 2006			4,700	0	400	1,400	0	200	1,200	0	200
Information	3,300	0	100	2,000	0	0	1,800	0	200	1,400	0	100
Financial Activities	8,700	-100	-100	8,200	0	200	4,900	0	100	2,800	0	200
Professional and Business	11,300	-200	-900	13,600	200	400	8,100	0	100	3,800	0	0
Educational and Health	16,600	200	400	16,000	100	600	5,700	100	200	7,600	100	400
Leisure and Hospitality	9,000	100	400	10,700	0	400	6,600	-1,200	600	5,200	-200	-100
Services	4,300	0	200	4,300	-100	-100	1,600	-100	0	1,900	0	0
Government Total	11,600	-300	300	14,800	400	0	10,200	100	300	13,700	1,000	-100

Note: Employment estimates for the Lawrence-Methuen-Salem MA-NH NECTA Division, NH Portion, will be available with January 2006 data.

Average Earnings and Hours of Production Workers in Manufacturing

Sector	Average Weekly Earnings Oct-05 preliminary	Sep-05 revised	Oct-04	Average Weekly Hours Oct-05 preliminary	Sep-05 revised	Oct-04	Average Hourly Earnings Oct-05 preliminary	Sep-05 revised	Oct-04
New Hampshire									
All Manufacturing	$663.82	$656.82	$623.60	40.8	41.0	40.0	$16.27	$16.02	$15.59
Durable Goods	$686.36	$674.71	$634.77	41.8	41.7	40.9	$16.42	$16.18	$15.52
Nondurable Goods	$596.86	$605.28	$594.46	37.8	37.8	37.6	$15.79	$15.52	$15.81
Manchester NH MetroNECTA									
All Manufacturing	$704.71	$682.86	$678.99	40.2	39.2	39.0	$17.53	$17.42	$17.41
Nashua NH-MA NECTA Division, NH Portion									
All Manufacturing	$733.52	$738.31	$691.65	42.4	42.9	42.8	$17.30	$17.21	$16.16

Note: Production workers and information for Portsmouth and Rochester will be available with January 2006 data.

persons on the payroll. Other services (supersector 80) pared 400 jobs from its total, and manufacturing's (supersector 30) roster contracted by 200 jobs.

October represented a moment of calm in terms of changes to employment levels for natural resources and mining (supersector 10), information (supersector 50), and financial activities (supersector 55).

Government (supersector 90), still in the process of ramping up for the school year added 2,200 jobs. In a similar manner, educational and health services (supersector 65) increased staffing by 400 positions. Employment in trade, transportation, and utilities (supersector 40) increased by 300, as construction (supersector 20) enlarged its crew size by 200. Professional and business services (supersector 65) rounded out October's employment activity with a 100-job addition.

B. G. McKay

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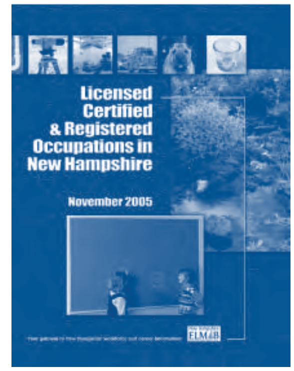

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