

**New Hampshire Economic Indicators – October 2009**

Those hoping for a swift economic recovery will have to wait. To be sure there have been some improvements – mostly with regards to an uptick in manufacturing orders due to record low inventories. However, consumer confidence remains stubbornly low.

The index, as published by the Conference Board, remains just a little higher than half of what it was when the recession began. Indeed, it has shown little upward movement from its record low in February. Of course the “glass is half full” line of thought is that it hasn’t gotten any worse. And that defines exactly where we are – still mired near the bottom of the worst economic downturn since the Great Depression.

It should be no surprise that confidence is so low given the state of the job market. The U.S. economy lost an additional 263,000 jobs in September, bringing total job losses during the recession to a staggering 7.2 million. These losses will take what feels like an eternity to overcome. The holiday shopping season starts in little over a month and it should prove to be another year of disappointing sales despite steep discounts.

The key to going forward is guarded optimism. Manufacturing orders continue to improve slowly, retail sales (excluding autos and food service) have risen from their recent lows and housing permits have also grown. The sheer amount of fiscal and monetary stimulus working its way through the system will keep the economy moving forward, but it will be a long and winding road.

Similarly here in New Hampshire the job market continues to suffer. The Granite State managed to eek out a gain of 200 jobs in September fueled by growth in professional and

| <b>Jobs Lost in New Hampshire Since the Recession Began (Dec-2007)</b> |                  |               |
|--|------------------|---------------|
|  | Jobs lost/gained | % lost/gained |
| Manufacturing  | -10,000          | -12.9%        |
| Retail Trade   | -7,600           | -7.4%         |
| Construction   | -4,100           | -15.4%        |
| Financial Activities   | -1,300           | -3.4%         |
| Government   | -1,300           | -1.3%         |
| Professional & Business Services                                       | -1,000           | -1.5%         |
| Wholesale Trade  | -800             | -2.8%         |
| Transportation/Utilities   | -600             | -3.8%         |
| Other Services   | -400             | -1.8%         |
| Information  | -400             | -3.2%         |
| Primary Industries   | -100             | -9.1%         |
| Education & Health Services  | 3,000            | 2.9%          |
| Leisure & Hospitality  | 5,100            | 8.4%          |
| <b>Total</b>   | <b>-19,500</b>   | <b>-3.0%</b>  |

Source: Bureau of Labor Statistics

business services, leisure and hospitality, construction, and education. Jobs were lost in retail and manufacturing. The unemployment rate ticked up to 7.2% from 7.0%.

A potent sign of the economic times is that a group of Rockingham County inmates asked to remain in prison through the winter despite the fact that they are due to be released. Their request was denied.

Through the recession, the state has lost 19,500 jobs mostly in manufacturing, construction, and retail. The only industries to show a gain since the beginning of the recession are education and health services and leisure and hospitality.

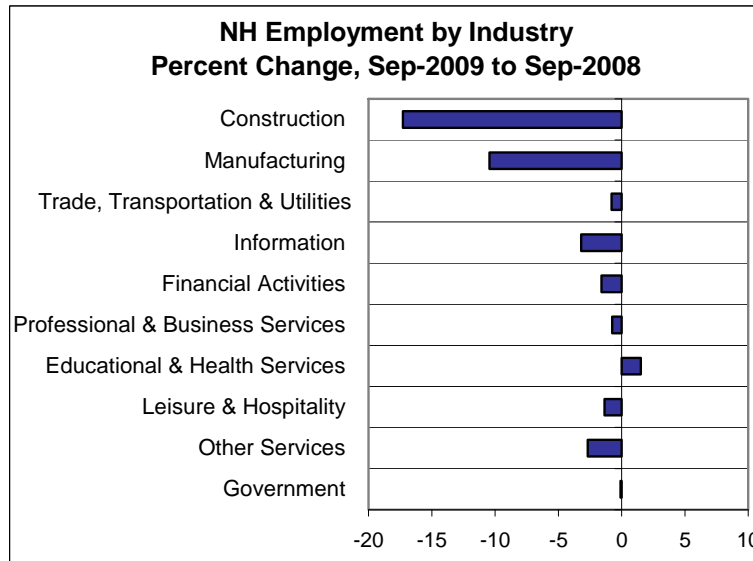
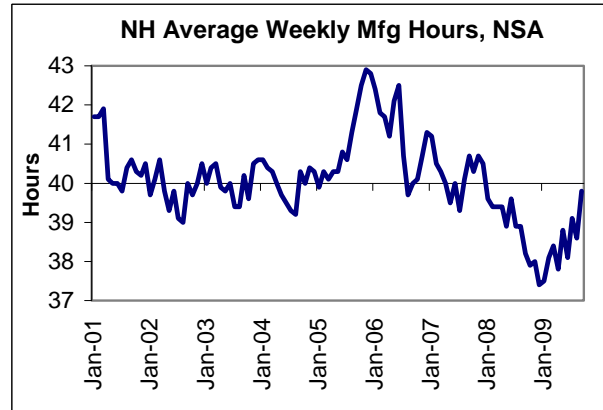
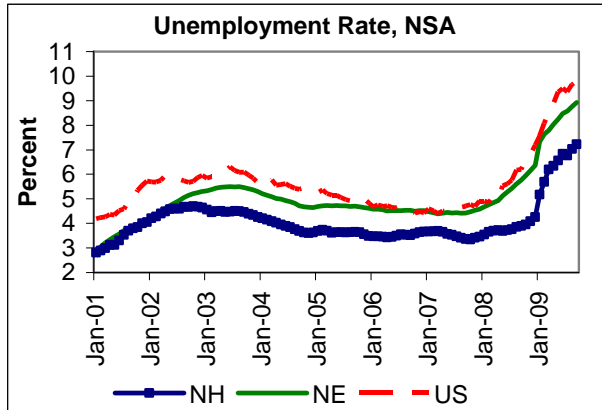
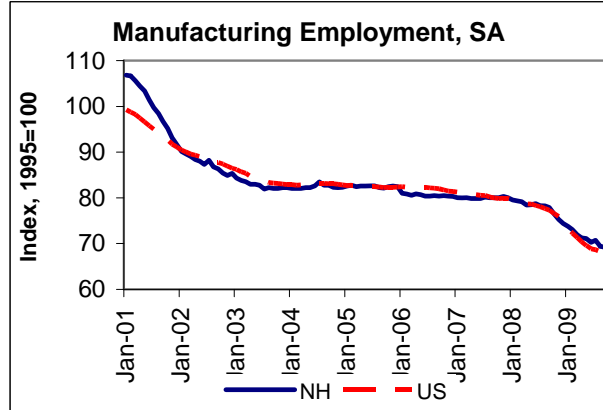
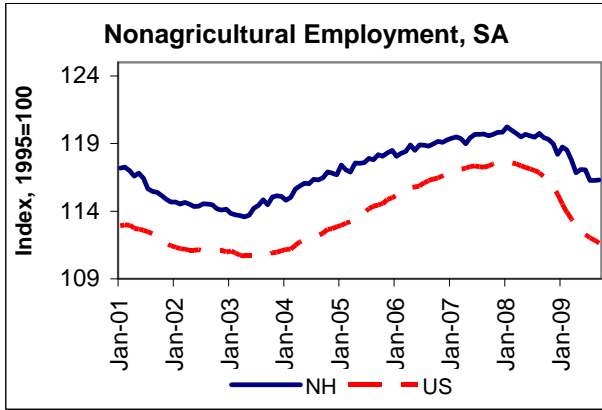
Nashua has born the brunt of recession, losing 5,800 jobs through September (30% of all recession jobs losses). Rochester-Dover employment is down 2,600, while Manchester is down 2,500. The Portsmouth area has been the least affected, losing just 300 jobs since the recession began in December 2007.

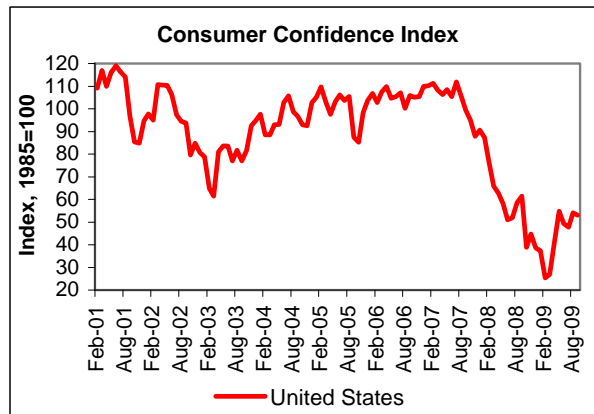
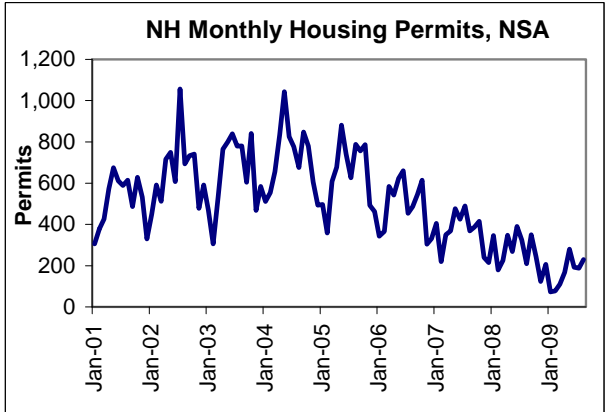
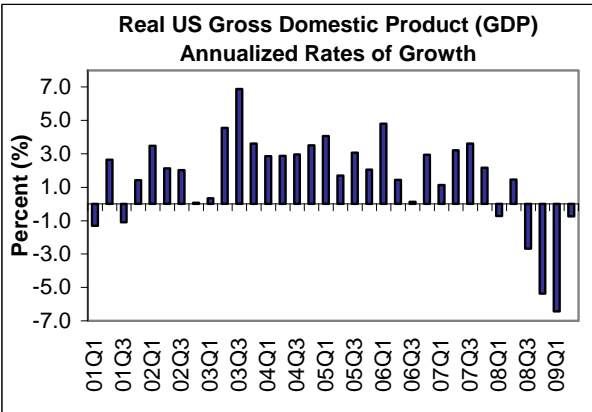
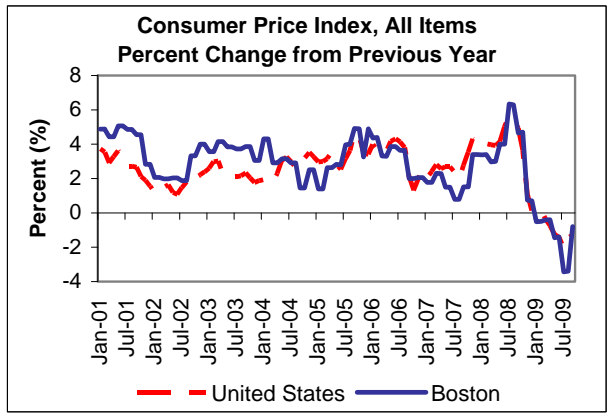
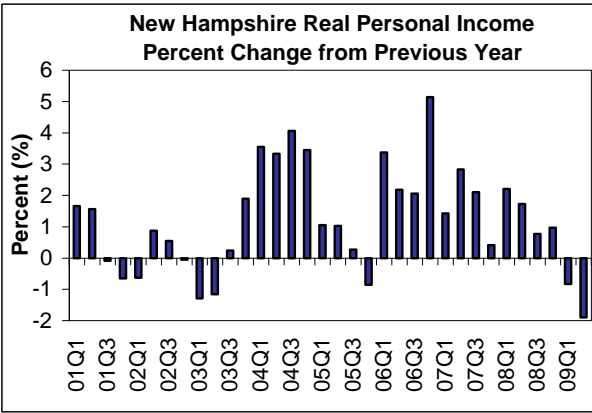
| <b>New Hampshire Economic Indicators</b>                              |               |                           |                         |                           |                                |                           |
|---|---------------|---------------------------|-------------------------|---------------------------|--------------------------------|---------------------------|
|   | <u>Period</u> | <u>Current<br/>Period</u> | <u>Prior<br/>Period</u> | <u>Percent<br/>Change</u> | <u>Year Earlier<br/>Period</u> | <u>Percent<br/>Change</u> |
| <b>Household survey (000's, SA)</b>                                   |               |                           |                         |                           |                                |                           |
| New Hampshire   |               |                           |                         |                           |                                |                           |
| Civilian Labor Force  | Sep-09        | 738.5                     | 738.5                   | 0.0%                      | 738.5                          | 0.0%                      |
| Number Employed   | Sep-09        | 685.2                     | 686.6                   | -0.2%                     | 709.7                          | -3.4%                     |
| Number Unemployed   | Sep-09        | 53.3                      | 51.9                    | 2.7%                      | 28.8                           | 85.2%                     |
| <b>Unemployment Rate (% , SA)</b>                                     |               |                           |                         |                           |                                |                           |
| New Hampshire   | Sep-09        | 7.2                       | 7.0                     |                           | 3.9                            |                           |
| United States   | Sep-09        | 9.8                       | 9.7                     |                           | 6.2                            |                           |
| <b>Establishment Survey (000's, SA)</b>                               |               |                           |                         |                           |                                |                           |
| Nonagricultural Employment  |               |                           |                         |                           |                                |                           |
| United States   | Sep-09        | 130,947                   | 131,210                 | -0.2%                     | 136,732                        | -4.2%                     |
| New Hampshire   | Sep-09        | 628.6                     | 628.4                   | 0.0%                      | 645.6                          | -2.6%                     |
| Manufacturing Employment  |               |                           |                         |                           |                                |                           |
| United States   | Sep-09        | 11,719                    | 11,770                  | -0.4%                     | 13,322                         | -12.0%                    |
| New Hampshire   | Sep-09        | 67.2                      | 67.5                    | -0.4%                     | 75.7                           | -11.2%                    |
| <b>NH Manufacturing Production Workers (NSA)</b>                      |               |                           |                         |                           |                                |                           |
| Average Weekly Hours  | Sep-09        | 39.8                      | 38.6                    | 3.1%                      | 38.2                           | 4.2%                      |
| Average Hourly Earnings (\$)  | Sep-09        | 17.55                     | 17.39                   | 0.9%                      | 17.17                          | 2.2%                      |
| <b>Total Number of Online Help-Wanted Advertisements (000's, NSA)</b> |               |                           |                         |                           |                                |                           |
| United States   | Sep-09        | 2,018                     | 2,180                   | -7.4%                     | 2,715                          | -25.7%                    |
| <b>Unemployment Claims (SA)</b>                                       |               |                           |                         |                           |                                |                           |
| NH Avg Weekly Initial Claims  | Jul-09        | 9,318                     | 9,422                   | -1.1%                     | 5,569                          | 67.3%                     |
| <b>Personal Income (Billions of Dollars, SA)</b>                      |               |                           |                         |                           |                                |                           |
| United States   | 09 Q2         | 11,986.8                  | 11,952.7                | 0.3%                      | 12,292.9                       | -2.5%                     |
| New England   | 09 Q2         | 686.9                     | 695.5                   | -1.2%                     | 697.0                          | -1.4%                     |
| New Hampshire   | 09 Q2         | 56.3                      | 56.2                    | 0.1%                      | 56.6                           | -0.5%                     |
| <b>Per Capita Personal Income (Dollars)</b>                           |               |                           |                         |                           |                                |                           |
|   |               |                           |                         |                           | <b>1998</b>                    |                           |
| United States   | 2008          | 39,751                    | 38,615                  | 2.9%                      | 26,883                         | 47.9%                     |
| New England   | 2008          | 48,715                    | 47,221                  | 3.2%                      | 31,677                         | 53.8%                     |
| New Hampshire   | 2008          | 42,830                    | 41,639                  | 2.9%                      | 29,147                         | 46.9%                     |
| NH rank among the 50 states   |               | 10th                      | 9th                     |                           | 8th                            |                           |
| <b>Prime Rate (%)</b>   |               |                           |                         |                           |                                |                           |
| United States   | Sep-09        | 3.25%                     | 3.25%                   |                           | 5.00%                          |                           |

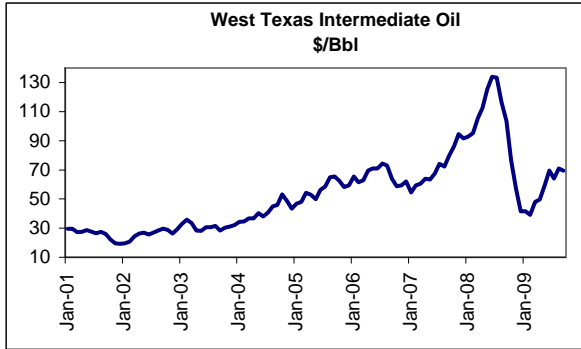
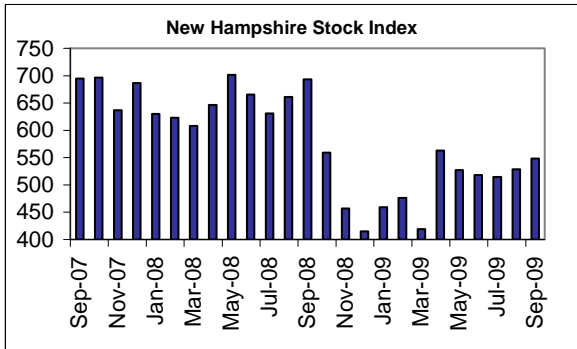
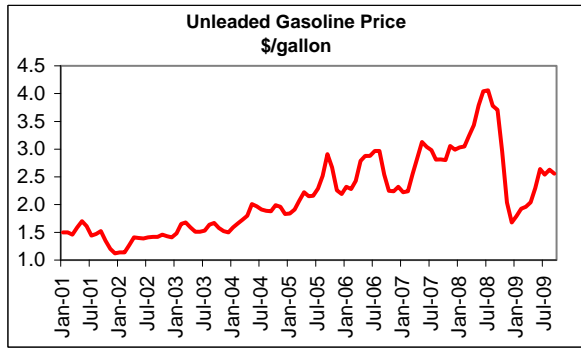
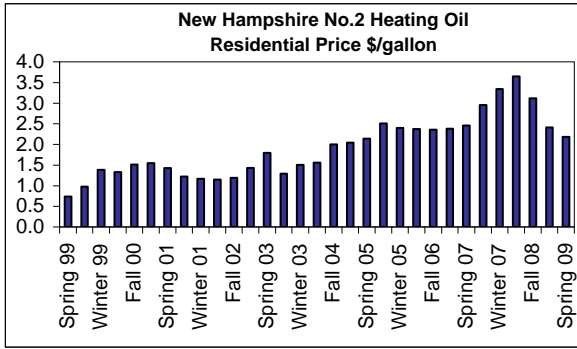
## New Hampshire Economic Indicators

|   | Current<br>Period | Prior<br>Period | Percent<br>Change | Year Earlier<br>Period | Percent<br>Change |        |
|---|-------------------|-----------------|-------------------|------------------------|-------------------|--------|
| <b>Consumer Price Index (CPI-U, 1982-84=100)</b>  |                   |                 |                   |                        |                   |        |
| US City Average   | Sep-09            | 216.0           | 215.8             | 0.1%                   | 218.8             | -1.3%  |
| Boston*   | Sep-09            | 236.6           | 233.0             | 1.5%                   | 238.5             | -0.8%  |
| *Published Bimonthly; previous period is 2 months previous  |                   |                 |                   |                        |                   |        |
| <b>Gross Domestic Product (Billions of 2000\$, SAAR)</b>  |                   |                 |                   |                        |                   |        |
| Gross Domestic Product (GDP)  | 09 Q2             | 12,901.5        | 12,925.4          | -0.7%                  | 13,415.3          | -3.8%  |
| Personal Consump. Expend.   | 09 Q2             | 9,999.3         | 9,987.7           | 0.5%                   | 10,194.7          | -1.9%  |
| Gross Priv. Domestic Invest.  | 09 Q2             | 1561.5          | 1689.9            | -27.1%                 | 2164.6            | -27.9% |
| Net Exports   | 09 Q2             | -339.1          | -378.6            |                        | -738.7            |        |
| Government Purchases  | 09 Q2             | 2,929.4         | 2,879.0           | 7.2%                   | 2,877.1           | 1.8%   |
| <b>Housing Units Authorized by Building Permits (SAAR, 000's)</b>                                 |                   |                 |                   |                        |                   |        |
| United States   | Aug-09            | 48.0            | 47.0              | 2.1%                   | 71.0              | -32.4% |
| New England   | Aug-09            | 1.515           | 1.500             | 1.0%                   | 1.624             | -6.7%  |
| New Hampshire   | Aug-09            | 0.224           | 0.165             | 35.8%                  | 0.205             | 9.3%   |
| <b>Repeat-Sales Home Price Index (1987=100, NSA)</b>  |                   |                 |                   |                        |                   |        |
| United States   | 09 Q2             | 199.9           | 198.4             | 0.8%                   | 212.8             | -6.1%  |
| New England   | 09 Q2             | 212.9           | 214.4             | -0.7%                  | 220.0             | -3.2%  |
| New Hampshire   | 09 Q2             | 210.9           | 212.9             | -1.0%                  | 218.4             | -3.4%  |
| <b>Median Price of Existing Single Family Homes (NSA, \$000's)</b>                                |                   |                 |                   |                        |                   |        |
| United States   | 09 Q2             | 174.1           | 169.0             | 3.0%                   | 206.4             | -15.6% |
| Boston  | 09 Q2             | 336.1           | 290.7             | 15.6%                  | 366.7             | -8.3%  |
| <b>Value of Total Construction Contracts Index - New Hampshire (1980=100, NSA, 6 mo. Mov avg)</b> |                   |                 |                   |                        |                   |        |
| Residential Construction  | Sep-09            | 219.1           | 185.5             | 18.1%                  | 328.9             | -33.4% |
| Nonresidential Construction   | Sep-09            | 436.0           | 398.9             | 9.3%                   | 783.3             | -44.3% |
| <b>Business Cycle Indicators (Index 1996 = 100)</b>   |                   |                 |                   |                        |                   |        |
| Leading Indicators  | Sep-09            | 103.5           | 102.5             | 1.0%                   |                   |        |
| Coincident Indicators   | Sep-09            | 99.9            | 99.9              | 0.0%                   |                   |        |
| Lagging Indicators  | Sep-09            | 109.6           | 109.9             | -0.3%                  |                   |        |
| <b>Institute for Supply Management Manufacturing Index (50+ = Expansion)</b>                      |                   |                 |                   |                        |                   |        |
| United States   | Sep-09            | 52.6            | 52.9              | -0.6%                  | 43.5              | 20.9%  |
| <b>Consumer Confidence Index (Index 1985 = 100)</b>   |                   |                 |                   |                        |                   |        |
| United States   | Sep-09            | 53.1            | 54.1              | -1.8%                  | 61.4              | -13.5% |

## New Hampshire Economic Indicators







**New Hampshire Stock Index**

|                                     |        |
|-------------------------------------|--------|
| September 2009 NH Stock Index Value | 548.47 |
| Percent Change from Previous Month  | 4%     |
| Percent Change Year Ago             | -21%   |

**September's Largest Declines**

| Company               | Share Price (Month Avg) | Change from Previous Month |
|-----------------------|-------------------------|----------------------------|
| Pennichuck Corp.      | \$22.81                 | -\$0.49                    |
| Environmental Power ( | \$0.49                  | -\$0.01                    |

**September's Largest Gains**

| Company                 | Share Price (Month Avg) | Change from Previous Month |
|-------------------------|-------------------------|----------------------------|
| Standex Intl.Corp       | \$19.15                 | \$3.17                     |
| Unitil Corp.            | \$22.09                 | \$0.78                     |
| Bottomline Technologies | \$12.41                 | \$0.71                     |

The New Hampshire Stock Index is a market-cap weighted index of the 12 largest public companies based in New Hampshire.

## Glossary

### Employment & Unemployment Rate

**Civilian Labor Force** is based on a survey of households and includes all persons 16 years of age and older who are employed or available for employment, except armed services personnel. **Number Unemployed** reports civilians who had no employment during the survey week, were available for work, except for temporary illness, and had made specific efforts to find employment sometime during the prior four weeks. Persons are classified as unemployed if they are waiting to be recalled to a job from which they had been laid off or are waiting to report to a new job within 30 days. The **Unemployment Rate** is the number of unemployed persons as a percentage of the civilian labor force. Source: U.S. Department of Labor, Bureau of Labor Statistics, <http://www.bls.gov/lau> (NH), <http://www.bls.gov/cps> (US).

**Nonagricultural Employment** is the total number of employees on nonagricultural payrolls, based on a survey of work establishments, including full-time, part-time and temporary workers. Individuals are counted more than once if they are reported on more than one payroll during the specified pay period. **Manufacturing Employment** is a composite of employment in durable and nondurable goods production industries. Source: U.S. Department of Labor, Bureau of Labor Statistics, <http://www.bls.gov/sae> (NH), <http://www.bls.gov/ces> (US).

**Average Weekly Hours for Manufacturing Production Workers** includes all hours worked during the pay period and reflects factors such as unpaid absenteeism, labor turnover, part-time work, and strikes, as well as fluctuations in work schedules. **Average Hourly Earnings for Manufacturing Production Workers** are on a “gross” basis and reflect not only basic hourly and incentive wage rates, but also premium pay for overtime and lateshift work. Source: U.S. Department of Labor, Bureau of Labor Statistics, <http://www.bls.gov/sae>.

**Help-Wanted Advertising Index** is a survey of help-wanted print advertising volume in 51 major newspapers across the country every month conducted by The Conference Board. Because ad volume has proven to be sensitive to labor market conditions, this measure provides a gauge of change in the local, regional and national supply of jobs. Source: The Conference Board, <http://www.conference-board.org>.

**Average Weekly Initial Unemployment Claims** measures any notice of unemployment requesting a determination of entitlement to, and eligibility for, compensation; or beginning a second or subsequent period of eligibility within a benefit year or period of eligibility. Source: NH Employment Security <http://www.nhes.state.nh.us/elmi/claims.htm>.

### Income and Prices

**Total Personal Income by Place of Residence** is the income received by all persons from all sources. Personal income is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and personal current transfer receipts. Personal income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes). **Per Capita Personal Income** measures the personal income in relation to the population of the state. Source: U.S. Department of Commerce, Bureau of Economic Analysis, <http://www.bea.gov/bea/regional/statelocal.htm>.

**Consumer Price Index for All Urban Consumers (CPI-U)** provides a measure of the average change in the prices paid by urban consumers for a fixed market basket of goods and services relative to the price of that basket during the 1982-1984 time period. Source: U.S. Department of Labor, Bureau of Labor Statistics, [www.bls.gov/cpi](http://www.bls.gov/cpi).

**Prime Bank Loan Rate** is the lending interest rate banks charge their most steady, credit-worthy customers, usually large, conservatively financed businesses. The prime rate is the same for almost all major banks. Source: Federal Reserve Bank of St. Louis Economic Research <http://research.stlouisfed.org/fred2/categories/117>.

### Gross Domestic Product and Housing

**Gross Domestic Product (GDP)** measures national economic output. GDP is the output of goods and services produced by labor located in the United States. Source: U.S. Department of Commerce, Bureau of Economic Analysis, <http://www.bea.gov/bea/dn/nipaweb/SelectTable.asp?Selected=Y>.

**Housing Units Authorized By Building Permits** represents the number of new, privately owned housing units— including houses, apartments, or groups of rooms or single rooms intended for occupancy as separate

living quarters—authorized by construction permits. Hotels, motels, dormitories, nursing homes, and mobile homes are not included. Source: U.S. Census, <http://www.census.gov/const/www/permitsindex.html>.

**Conventional Mortgage Home Price Index (CMHPI)** uses repeat mortgage transactions to identify the sales price of a single-family physical housing property at two or more points in time, and then aggregates and indexes the price changes. Source: Freddie Mac, provided by the Federal Reserve Bank of Boston, <http://www.bos.frb.org/economic/nee/neeidata.htm>.

**Median Sales Price of Existing Single-Family Homes** are compiled by the National Association of Realtors, and reflects changes in the mix of housing sold as well as the appreciation and depreciation of individual home prices. Source: National Association of Realtors, provided by the Federal Reserve Bank of Boston, <http://www.bos.frb.org/economic/nee/neeidata.htm>.

### **Business Cycle Indicators**

**Composite Index of Leading Economic Indicators** measures the average behavior of a group of economic time series that tend to lead at business cycle turns. The **Coincident Index** is a measurement of current economic conditions. The **Lagging Index** is expected to move, after a time lag, in the same direction as the general economy and thus to confirm the movements in the general economy. Turning points in the indices are considered valid only if they occur after at least a three month trend. Source: The Conference Board, <http://www.conference-board.org>.

The **Institute for Supply Management's Manufacturing Index (PMI)** is a composite index measuring new orders, production, employment, supplier deliveries, and inventories in the manufacturing sector. A reading above 50% indicates that the manufacturing sector is generally expanding; a reading below 50% signals contraction. Source: The Institute for Supply Management, <http://www.ism.ws>.

The **Consumer Confidence Index** measures consumer optimism in appraising economic conditions and is based on a monthly mail survey of 5,000 households conducted by TNS for The Conference Board. Source: The Conference Board, <http://www.conference-board.org>.