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## New England To See Modest Economic Growth, With New Hampshire Leading Six-State Region Through 2008

UNH Professor Releases New England Economic Outlook

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DURHAM, N.H. – The New England region will see modest overall economic growth and continued slow employment recovery from the early 2000s recession through 2008, with education and health services, leisure and hospitality, and professional and business services forecasted to be the fastest growing sectors in the region, according to Ross Gittell, professor of management at the University of New Hampshire Whittemore School of Business and Economics, who released the New England Economic Outlook today.

New Hampshire will lead the region in job creation and overall economic growth, according to the economic analysis. The analysis was presented today at the fall conference of the New England Economic Partnership in Westborough, Mass. Gittell is the organization's vice president and forecast manager.

“New Hampshire (at 2 percent per annum) is the only state in the region expected to have employment growth above the U.S. average over the forecast period. Employment growth in Connecticut and Massachusetts are expected to be well below the U.S. average. Both states are expected to have average annual growth in employment below 1 percent,” according to Gittell's analysis.

In addition, New Hampshire and Connecticut are expected to be the only New England states with overall economic growth above the U.S. average, averaging 4 and 3.8 percent growth per year respectively. Maine and Vermont are expected to have the lowest overall growth of approximately 3 percent per year.

Unemployment in the region is expected to be about .5 percent point below the U.S. average and average 4.7 percent (2003 to 2008). New Hampshire and Vermont are expected to have the lowest unemployment rates in the region (averaging 3.3 and 3.5 percent respectively). Rhode Island and Massachusetts (both 5.2 percent) are expected to have the highest unemployment rates, but both states are expected to have unemployment rates below the U.S. average.

The high technology sector was the highlight of the New England Economic Outlook and conference. Massachusetts is the leader in the region as it is home to 60 percent of total high technology employment in the region (compared to below 50 percent of total employment). The Bay State consistently ranks first or second highest in 50-state high technology ratings and is the only state in the region with above the regional average employment concentration in high

technology (7.5 percent).

“High technology is an important industry in New England and the region has a long and strong history in technology-based industries. To keep high technology industries strong in the region will require focusing economic development efforts on this key sector. This should include building on the existing technology industry base and technology industry assets such as university research and development infrastructure,” according to Gittell’s analysis. “It will also require addressing weaknesses, such as the declining manufacturing base and shortages of skilled workers in key fields (as occurred during the 1990s technology boom period). Some efforts should be focused on current industries with the most favorable long-term growth prospects, such as computer system design, software development and Internet and related systems development and services. Other initiatives should focus on seeding new industries by leveraging relationships between universities and private companies.”

In other sectors, manufacturing employment is expected to continue to decline, but at a significantly slower pace than in the early 2000s. High technology and information industries are expected to recover but only modestly from the late-1990s to early-2000s decline. Growth rates in these industries are expected to average 1.2 and 1 percent respectively. Trade, transportation and utilities is expected to grow at the same rate as total employment in the region, or approximately 1 percent per year.

To download the full New England Economic Outlook, visit [http://www.unh.edu/news/docs/neeconoutlook\\_fall04.pdf](http://www.unh.edu/news/docs/neeconoutlook_fall04.pdf).