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The health of our industry is about jobs, and N.H. will be offering more jobs as we move forward

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The economy of N.H. has taken a severe blow, losing approximately 15,000 jobs and with residential real estate values declining between 20-40%, just like so many other states and throughout the globe. However, any comparisons must be made on the severity of the downturn from its economic highs to its economic lows in relationship to other economies. When compared to other economic areas such as Las Vegas, Fort Myers or many other New England states, the N.H. bottom is estimated at only 50% less severe than those areas. In other words, we have the ability to jump-start a revival for the economy from a much higher platform, despite the downturn.

According to Russ Thibeault of Applied Economic Research of Laconia, "Things are not good, but they are no longer deteriorating," he went on to say, "...the fact that retail sales have stabilized and consumer confidence is up are indications that we can start the long road back to modest gains and stabilized economy for New Hampshire."

In my preparation for this article, I tried to determine the pulse of several different market areas throughout the State, in comparison to the Upper Valley/Dartmouth region, with which I am very familiar.

Although the Upper Valley has witnessed a pause in its historic growth over the last decade, unemployment is hovering in the 4.4% range increasing from its lows of 2.3% in 2008. However, the stability of institutional employment from Dartmouth College, Dartmouth Hitchcock Medical Center and many well-funded and stable high tech and bioscience companies in the Upper Valley have blunted many negative efforts of the national and global downturn.

In checking in with what is going on in the Seacoast, the same evidence presents itself. Compared with the national unemployment rate of 9.7%, the Seacoast around 5.6% based on the stability of those companies located at Pease International Trade Center and the Portsmouth Naval Shipyard.

According to David Choate, a well-respected and knowledgeable colleague in the Seacoast area, "Last year the civilian payroll at the Naval Yard was \$343.7 million for 4,868 employees and the military payroll was \$35.9 million". Apparently there is reason to believe that, despite any global downturn, more workers will be needed to handle a work load at the Naval Shipyard that is steady through 2020. To keep up with that work load, the Yard will need to continue hiring skilled workers, providing a stabilizing effect to the Seacoast economy.

In addition to the organic growth of the Shipyard, there will be a slight upward bump for employment when several functions of the closed Brunswick Naval Airstation move to the Portsmouth Naval Shipyard, such as the Navy's Survival, Evasion, Resistance and Escape School with over 95 full-time instructors and 1,000 trainees each year.

Couple the influence of the Naval Yard, with the 220 companies located at the Pease International Business Park, and the Seacoast of N.H. is clearly weathering the downturn and is prepared to

accelerate its growth from a very healthy platform.

Despite the good news from the Upper Valley and the Seacoast, our North Country economy is being challenged. Current unemployment in the Berlin/Colebrook area is averaging 7.6%, which is higher than the State average of 6.9%, but in comparison to states such as Rhode Island at 12.8% unemployment, the North Country starting point for recovery is much higher. Fueling the North Country economy, besides the lumber industry, is tourism.

According to Lori Harnois with the N.H. Division of Tourism and Travel Development, "Tourism remains the second largest industry in the State, despite the economic downturn." Direct spending in N.H. by travelers in 2008 reached \$4.51 billion, a 7.6% increase over 2006.

The North Country, with its year-round opportunities for recreation, is a direct beneficiary of the tourist industry, which provides over 62,000 jobs State-wide, with the majority of those workers in the White Mountains and Lakes Region.

The State is clearly focused on enhancing the North Country opportunities and economy, and through an initiative by Plymouth State University, more data is being collected to understand and track the opportunities being offered in the North Country. Based on the beauty of the North Country, its reliable and available employment base, enhanced internet conductivity, the North Country has great potential for New Hampshire.

N.H. has been hit, but not as severely as most other New England areas and especially not as impacted compared to other national areas such as Michigan, and other "rust belt" economies.

"The N.H. Advantage" will prevail with the benefits for business such as no broad-base personal income tax, no tax on personal property or machinery, no capital gains tax and its positive net immigration of workers, most having at least a BA degree or higher.

The health of our commercial real estate industry is all about jobs, and N.H. is and will be offering more jobs as we climb out of the doldrums of the recession and into the brightness of a N.H. autumn.

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