New Hampshire ECONOMIC CONDITIONS

January 2024

Recent Inflation Trends

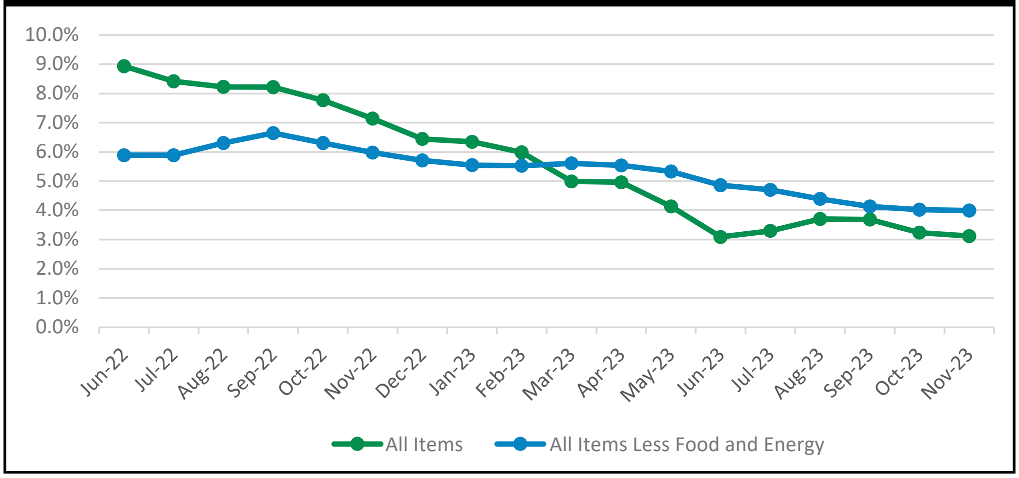
In a statement following the December 2023 Federal Open Market Committee (FOMC) meeting, the Federal Reserve commented that “Inflation has eased over the past year but remains elevated.”[1] This sentence had not been included in statements released following previous FOMC meetings, and suggests the Fed believes inflation is under control, and will not raise interest rates further. The Fed projected three cuts to the federal funds rate (0.25% each) in 2024, another sign that they believe inflation will continue to fall.[2] While the Fed projected that the U.S. will not reach their goal of 2.0 percent inflation until 2026, it projected inflation would fall to 2.4 percent by the end of 2024.[3]

The Consumer Price Index (CPI) increased 3.1 percent over-the-year in November 2023; over-the-year increases in CPI have declined steadily since June 2022, when CPI increased 8.9 percent. The CPI is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The CPI is produced every month by the U.S. Bureau of Labor Statistics (BLS) and indicates the change in price over time for the basket of goods and services as a whole.

Food and energy products, which frequently have volatile price changes, had some of the largest price increases since inflation began to increase in early 2021. Over-the year energy price increases peaked at 41.3 percent in June 2022, while food price increases reached 11.3 percent over-the-year in August 2022. Price increases for food products decreased steadily since then, increasing just 3.0 percent over-the-year in November 2023, below the overall rate of inflation. Energy prices were also below the overall rate of inflation, falling 5.4 percent over-the-year in November 2023.

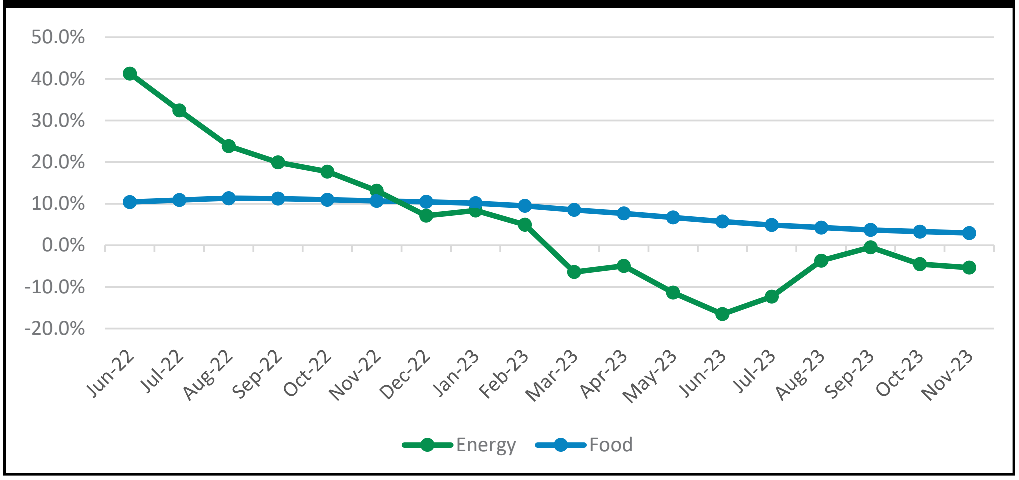
Because food and energy products price changes can be volatile, core

CPI Since Peaking in June 2022



Source: U.S. Bureau of Labor Statistics, Consumer Price Index

Over-the-Year Food and Energy Price Increases



Source: U.S. Bureau of Labor Statistics, Consumer Price Index

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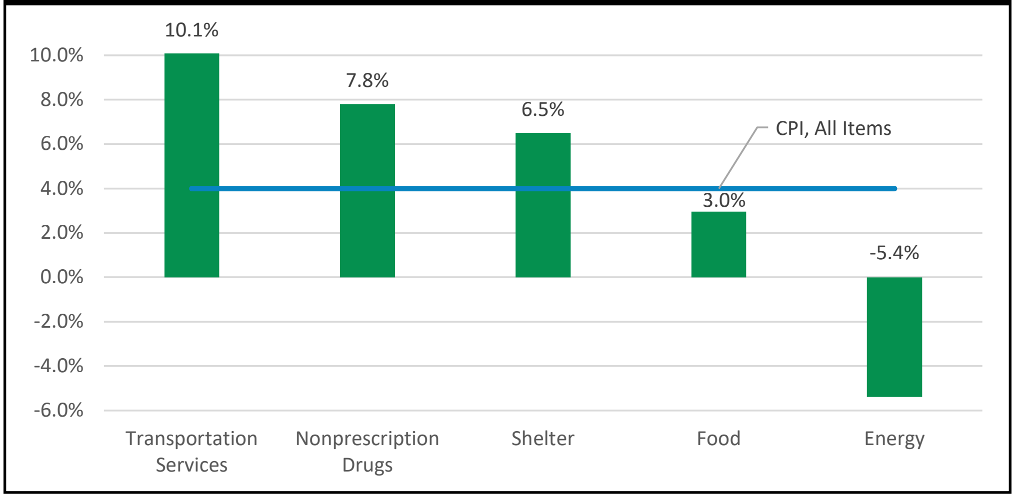
1 Board of Governors of the Federal Reserve System, “Federal Reserve Issues FOMC Statement,” December 13, 2023. https://www.federalreserve.gov/newsevents/pressreleases/monetary20231213a.htm.
2 Board of Governors of the Federal Reserve System, “Summary of Economic Projections,” December 13, 2023. https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20231213.pdf.
3 The Federal Reserve’s preferred inflation indicator is the U.S. Bureau of Economic Analysis’ Personal Consumption Expenditures (PCE) Index, which typically measures inflation at a slightly lower rate than CPI. In November 2023, the PCE Index increased 2.6 percent over-the-year.

CPI excludes these products. As inflation increased in 2021 and early 2022, core CPI did not increase as much as total CPI, peaking at 6.6 percent in September 2022. Without energy prices, which fell over-the-year throughout most of 2023, the decline in core CPI has been more gradual as well, falling to 4.0 percent in November 2023.

While food and energy price increases declined since mid-2022, prices for other goods and services have remained high. The price of shelter increased 6.5 percent over-the-year in November 2023. Prices for transportation services and medical care commodities have also increased at rates above core CPI. Prices for transportation services, which include air, train, and bus services, as well as motor vehicle insurance and repairs, increased 10.1 percent over-the-year in November 2023, while medical care commodity prices increased 5.0 percent. Nonprescription drugs were the medical care commodity most responsible for this increase, increasing 7.8 percent over-the-year.

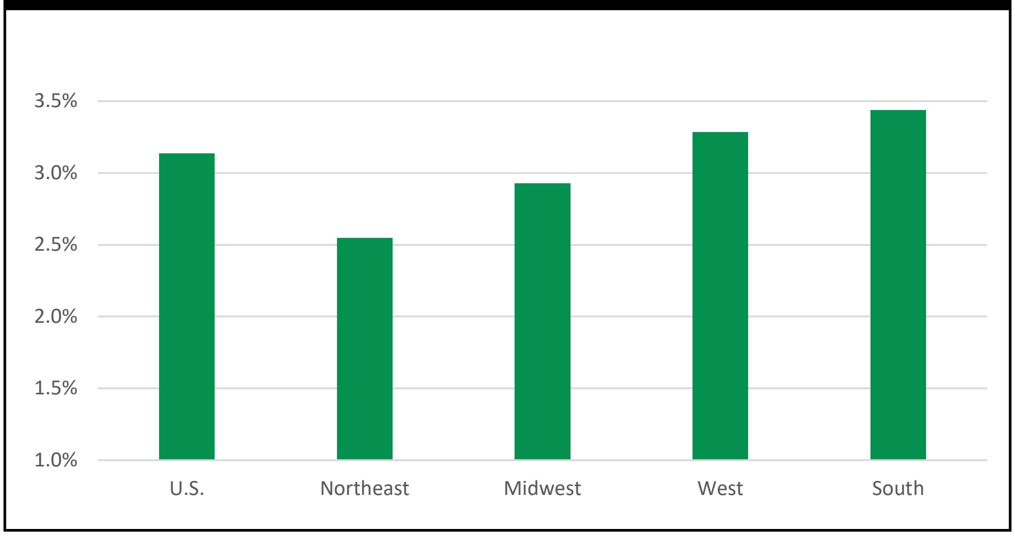
Shelter is one of the largest expenses for most consumers, accounting for just over a third of all expenditures by consumers.[4] Without a decline in shelter price increases, it will be difficult for inflation to return to the Federal Reserve's target rate. Fortunately, increases in the price of shelter have declined since early 2023, falling from 8.2 percent in March to 6.5 percent in November.

November 2023 Over-the-Year Price Increase



Source: U.S. Bureau of Labor Statistics, Consumer Price Index

CPI Increases by Region, November 2023



Source: U.S. Bureau of Labor Statistics, Consumer Price Index, Not Seasonally Adjusted

Inflation in Different Regions of the U.S.

Since inflation began increasing in 2021, inflation in the northeastern U.S. (Mid-Atlantic and New England states) had consistently been lower than overall U.S. inflation. While over-the-year increases for U.S. CPI peaked at 9.1 percent in July 2022, increases for Northeast region CPI peaked at 7.6 percent.[5] In November 2023, CPI for the Northeast increased 2.5 percent over-the-year for all items, and 3.5 percent when food and energy products were excluded, 0.6 and 0.5 percentage points lower than nationwide increases, respectively. The CPI increase for the Northeast was the lowest among the four regions of the U.S., with the highest increases in the West (3.3 percent) and South (3.4 percent).

An analysis by the Chicago Federal Reserve found that regional differences in price changes (instead of different consumption habits) were responsible for inflation differences across regions.[6] Domestic migration to the south and west regions, which increased demand for housing in the south and west, was the largest factor in explaining differences in regional rates of inflation. While out-migration from the northeast region increased since the start of the coronavirus pandemic, northern New England (including New Hampshire) experienced increased in-migration.

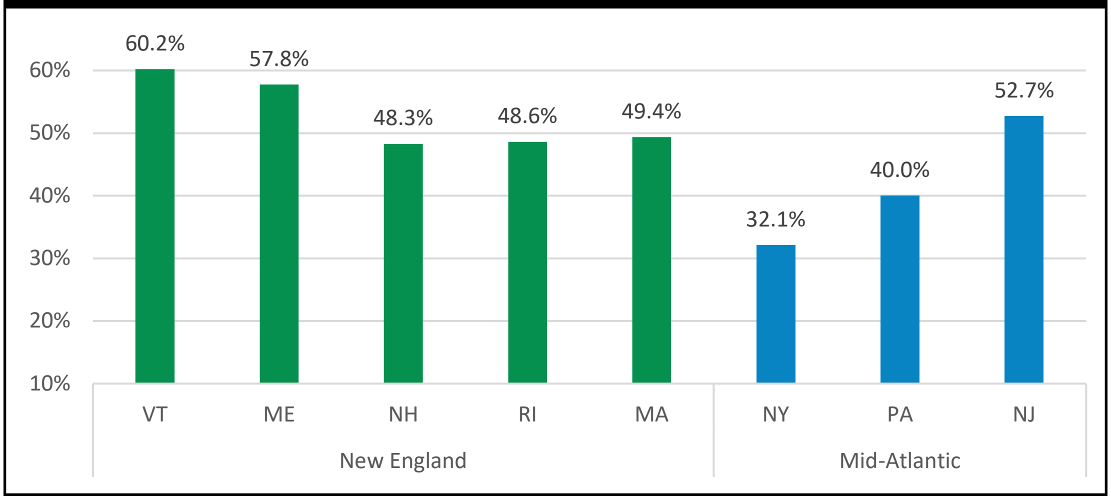
4 U.S. Bureau of Labor Statistics, Consumer Price Index News Release, Table 1. https://www.bls.gov/news.release/archives/cpi_12122023.htm.
5 Not adjusted for seasonal factors.
6 Elainia Gupta, Leslie McGranahan, "What Is Driving the Differences in Inflation Across U.S. Regions?" Federal Reserve Bank of Chicago, Chicago Fed Letter, No. 478, May 2023. https://www.chicagofed.org/publications/chicago-fed-letter/2023/478.

Compared to the rest of the northeast region, this area likely experienced a greater increase in demand for housing.

Changes in median home sales price suggest that demand for housing has been higher in New England (particularly northern new England) than in the Mid-Atlantic since the start of the pandemic. Between November 2019 and November 2023, median home sales prices in New England states increased by at least 48 percent. While sales prices in New Jersey increased by a similar percentage, sales prices increased just 32 percent in New York and 40 percent in Pennsylvania. New York and Pennsylvania have a combined population of more than 30 million, roughly double the population of New England. Lower housing price increases in those two states would have a large effect on the overall rate of housing-related inflation for the northeast region overall. This suggests that housing-related inflation in New Hampshire, as well as the rest of New England, is likely higher than housing-related inflation in the northeast overall.

– Greg David, Economist

Increase in Median Sales Price, November 2019 to November 2023



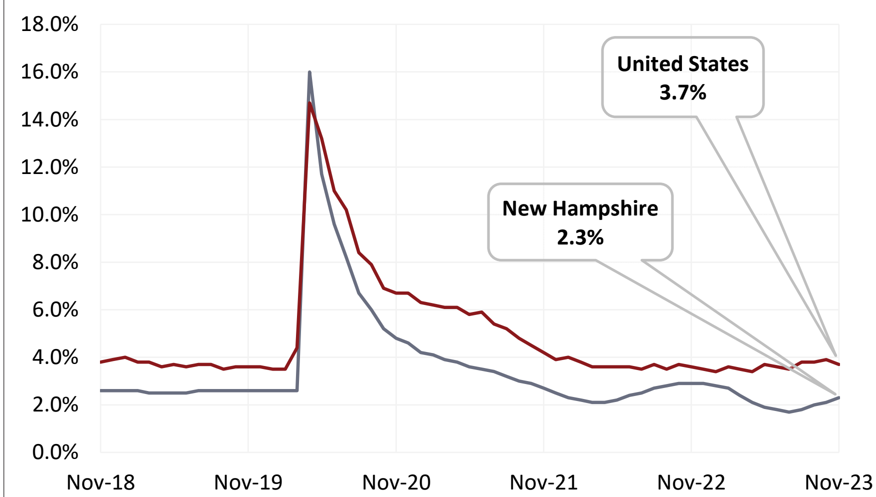
Source: National Association of Realtors

SEASONALLY ADJUSTED ESTIMATES

Unemployment Estimates by Region

Seasonally Adjusted	Nov-23	Oct-23	Nov-22
United States	3.7%	3.9%	3.6%
Northeast	3.8%	3.7%	3.9%
New England	2.9%	2.8%	3.6%
Connecticut	3.6%	3.5%	4.0%
Maine	3.0%	2.8%	3.1%
Massachusetts	2.9%	2.8%	3.7%
New Hampshire	2.3%	2.1%	2.9%
Rhode Island	2.9%	2.7%	3.3%
Vermont	2.1%	2.0%	3.1%
Mid Atlantic	4.1%	4.0%	4.0%
New Jersey	4.7%	4.6%	3.3%
New York	4.3%	4.2%	4.1%
Pennsylvania	3.4%	3.4%	4.4%

Local Area Unemployment Statistics (LAUS) Unemployment Rate, NH and US



Current Employment Statistics (CES) by Place of Establishment

	Number of Jobs			Change From Previous	
	Nov-23	Oct-23	Nov-22	Month	Year
Total Nonfarm	703,200	703,100	693,900	100	9,300
Total Private	615,800	615,600	607,700	200	8,100
Mining and Logging	1,000	1,000	1,000	0	0
Construction	31,200	31,300	30,300	-100	900
Manufacturing	72,100	71,800	71,200	300	900
Durable Goods	54,000	53,700	53,300	300	700
Non-Durable Goods	18,100	18,100	17,900	0	200
Trade, Transportation, and Utilities	140,100	140,300	139,300	-200	800
Wholesale Trade	32,400	32,500	31,500	-100	900
Retail Trade	89,500	89,700	89,500	-200	0
Transportation, Warehousing, and Utilities	18,200	18,100	18,300	100	-100
Information	11,300	11,400	11,800	-100	-500
Financial Activities	34,100	34,400	34,400	-300	-300
Financial and Insurance	27,000	27,300	27,300	-300	-300
Real Estate and Rental and Leasing	7,100	7,100	7,100	0	0
Professional and Business Services	103,100	103,500	99,000	-400	4,100
Professional, Scientific, and Technical Services	50,100	51,000	48,200	-900	1,900
Management of Companies and Enterprises	10,900	10,900	10,500	0	400
Administrative and Support and Waste Management and Remediation Services	42,100	41,600	40,300	500	1,800
Education and Health Services	127,300	127,000	124,200	300	3,100
Educational Services	32,000	31,800	31,000	200	1,000
Health Care and Social Assistance	95,300	95,200	93,200	100	2,100
Leisure and Hospitality	71,100	70,600	71,800	500	-700
Arts, Entertainment, and Recreation	12,400	12,200	11,600	200	800
Accommodation and Food Services	58,700	58,400	60,200	300	-1,500
Other Services	24,500	24,300	24,700	200	-200
Government	87,400	87,500	86,200	-100	1,200
Federal Government	8,700	8,800	8,500	-100	200
State Government	21,900	21,900	21,700	0	200
Local Government	56,800	56,800	56,000	0	800

Prior data and area data are available on our website at: www.nhes.nh.gov/elmi/statistics/ces-htm

Current month is preliminary; past months are revised

NOT SEASONALLY ADJUSTED ESTIMATES BY PLACE OF RESIDENCE

Labor Force Estimates

New Hampshire	Nov-23	Oct-23	Nov-22
Total Civilian Labor Force	764,850	764,910	766,350
Employed	745,450	748,620	746,010
Unemployed	19,400	16,290	20,340
Unemployment Rate	2.5%	2.1%	2.7%

United States (# in thousands)	Nov-23	Oct-23	Nov-22
Total Civilian Labor Force	167,977	167,774	164,272
Employed	162,149	161,676	158,749
Unemployed	5,827	6,098	5,523
Unemployment Rate	3.5%	3.6%	3.4%

Unemployment Rates by Area

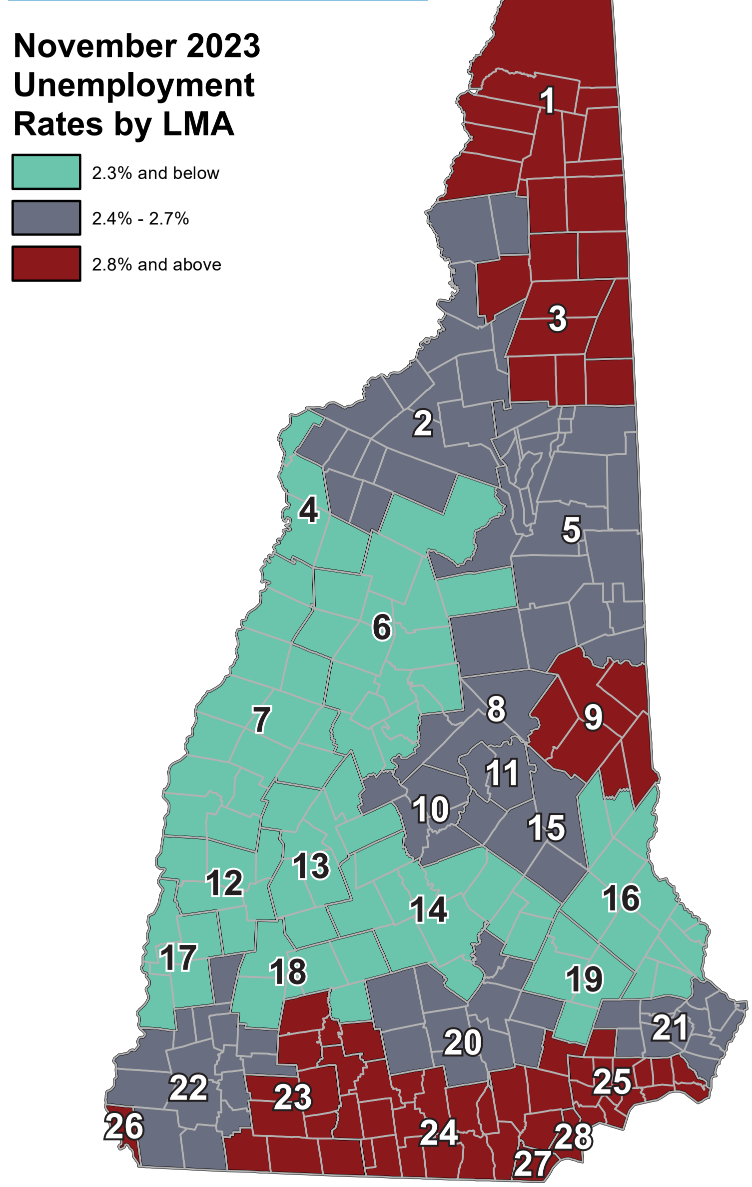
Counties	Nov-23	Oct-23	Nov-22
Belknap	2.5%	2.1%	2.7%
Carroll	2.8%	2.2%	3.1%
Cheshire	2.6%	2.3%	2.7%
Coös	2.9%	2.5%	3.4%
Grafton	2.2%	1.9%	2.5%
Hillsborough	2.7%	2.2%	2.7%
Merrimack	2.2%	1.9%	2.4%
Rockingham	2.7%	2.2%	2.8%
Strafford	2.3%	2.1%	2.4%
Sullivan	2.2%	1.9%	2.5%

Map Key	Labor Market Areas	Nov-23	Oct-23	Nov-22
1	Colebrook, NH-VT LMA, NH Portion	3.5%	2.7%	4.0%
2	Littleton, NH-VT LMA, NH Portion	2.4%	1.9%	2.6%
3	Berlin NH Micropolitan NECTA	2.9%	2.6%	3.7%
4	Haverhill, NH LMA	2.2%	1.8%	3.2%
5	Conway, NH-ME LMA, NH Portion	2.6%	2.1%	3.0%
6	Plymouth, NH LMA	2.2%	2.0%	2.4%
7	Lebanon, NH-VT Micropolitan NECTA, NH Portion	2.1%	1.9%	2.4%
8	Meredith, NH LMA	2.5%	2.0%	2.7%
9	Wolfeboro, NH LMA	3.0%	2.4%	3.4%
10	Franklin, NH LMA	2.5%	2.0%	2.7%
11	Laconia, NH Micropolitan NECTA	2.7%	2.3%	3.0%
12	Expanded Claremont, NH estimating area	2.3%	1.9%	2.5%
13	New London, NH LMA	2.3%	2.2%	2.5%
14	Concord, NH Micropolitan NECTA	2.1%	1.9%	2.3%
15	Belmont, NH LMA	2.4%	2.0%	2.5%
16	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	2.3%	2.1%	2.4%
17	Charlestown, NH LMA	2.2%	1.9%	2.5%
18	Hillsborough, NH LMA	2.1%	1.9%	2.5%
19	Raymond, NH LMA	2.2%	1.8%	2.5%
20	Manchester, NH Metropolitan NECTA	2.5%	2.0%	2.6%
21	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	2.4%	1.9%	2.5%
22	Keene, NH Micropolitan NECTA	2.5%	2.2%	2.7%
23	Peterborough, NH LMA	2.8%	2.3%	2.6%
24	Nashua, NH-MA NECTA Division, NH Portion	2.8%	2.3%	2.8%
25	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	3.0%	2.4%	3.0%
26	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	3.0%	2.6%	3.2%
27	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	3.5%	2.8%	3.4%
28	Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division	3.1%	2.6%	3.4%

Unemployment Rates by Region

Not Seasonally Adjusted	Nov-23	Oct-23	Nov-22
United States	3.5%	3.6%	3.4%
Northeast	3.5%	3.7%	3.5%
New England	3.0%	2.7%	3.2%
Connecticut	3.5%	3.3%	3.4%
Maine	3.2%	2.7%	2.9%
Massachusetts	2.8%	2.6%	3.3%
New Hampshire	2.5%	2.1%	2.7%
Rhode Island	3.2%	2.8%	3.0%
Vermont	2.0%	1.8%	2.8%
Mid Atlantic	3.8%	4.0%	3.7%
New Jersey	4.3%	4.4%	3.1%
New York	4.0%	4.4%	3.8%
Pennsylvania	2.9%	3.2%	3.9%

Current month is preliminary; past months are revised



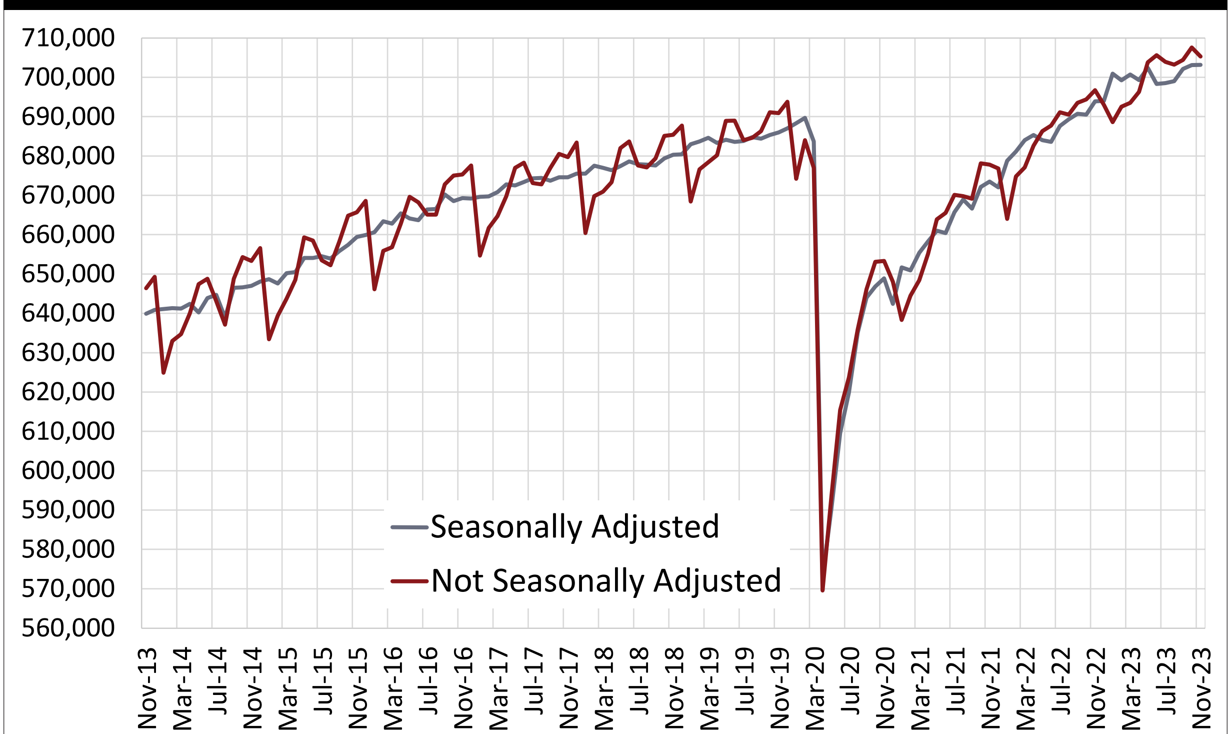
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Current month is preliminary; past months are revised

New Hampshire Nonfarm Employment Statewide Not Seasonally Adjusted

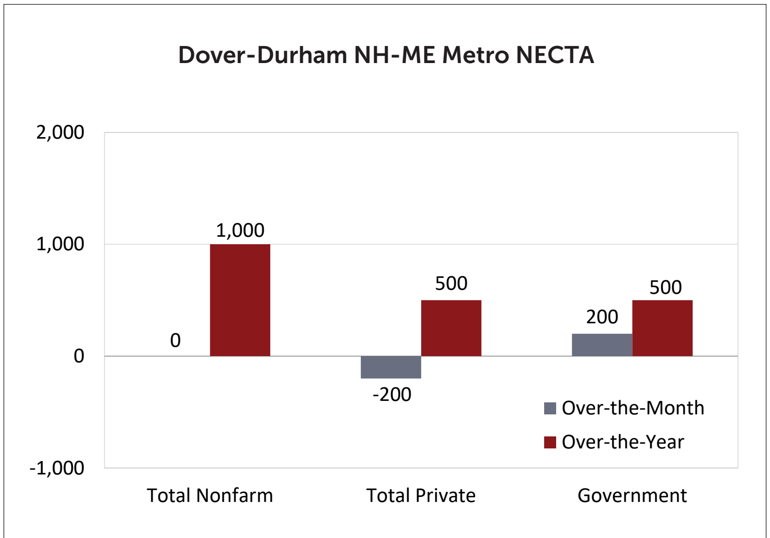
	Number of Jobs			Change From Previous	
	Nov-23	Oct-23	Nov-22	Month	Year
Total Nonfarm	705,300	707,600	696,700	-2,300	8,600
Total Private	615,000	617,400	607,200	-2,400	7,800
Mining and Logging	1,000	1,000	1,000	0	0
Construction	31,500	31,800	30,800	-300	700
Manufacturing	72,000	72,000	70,800	0	1,200
Durable Goods	53,800	53,900	52,900	-100	900
Non-Durable Goods	18,200	18,100	17,900	100	300
Trade, Transportation, and Utilities	141,400	140,100	140,200	1,300	1,200
Wholesale Trade	32,200	32,500	31,400	-300	800
Retail Trade	90,400	89,400	89,800	1,000	600
Transportation, Warehousing, and Utilities	18,800	18,200	19,000	600	-200
Information	11,300	11,300	11,800	0	-500
Financial Activities	34,100	34,800	34,400	-700	-300
Professional and Business Services	103,300	103,900	99,200	-600	4,100
Education and Health Services	129,200	128,100	126,300	1,100	2,900
Leisure and Hospitality	66,900	70,300	68,100	-3,400	-1,200
Other Services	24,300	24,100	24,600	200	-300
Government	90,300	90,200	89,500	100	800
Federal Government	8,800	8,900	8,500	-100	300
State Government	23,000	23,200	22,900	-200	100
Local Government	58,500	58,100	58,100	400	400

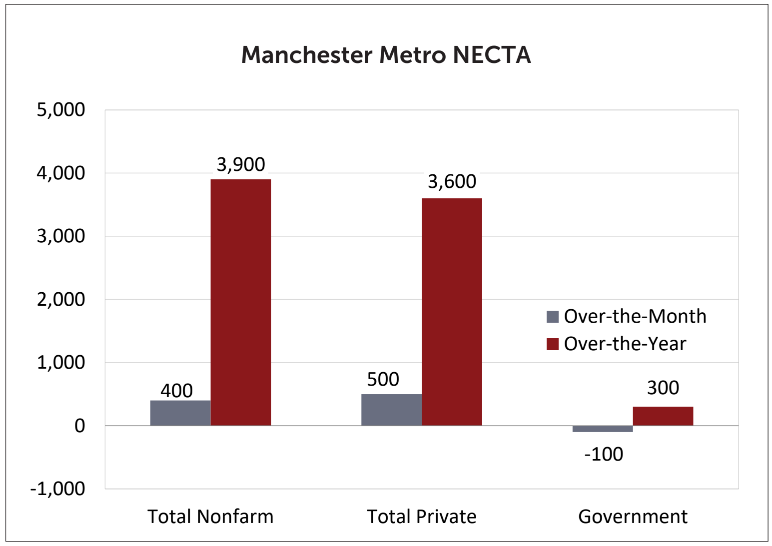
Total Nonfarm Employment Trend Through November 2023

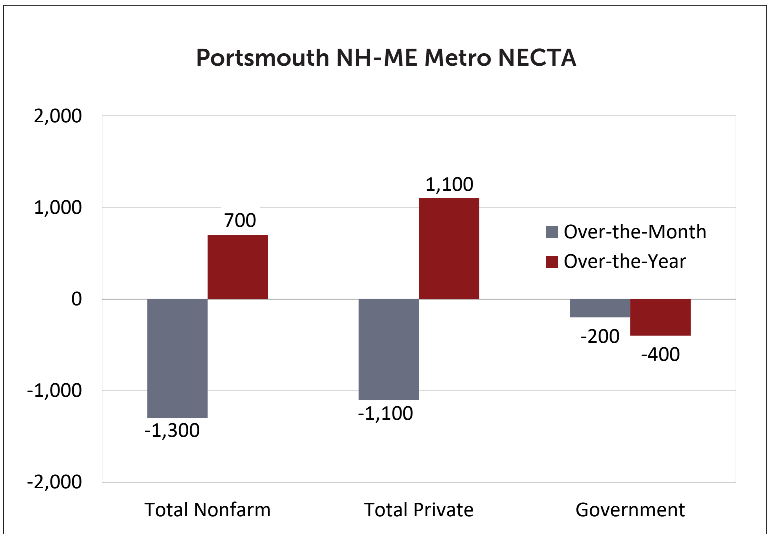


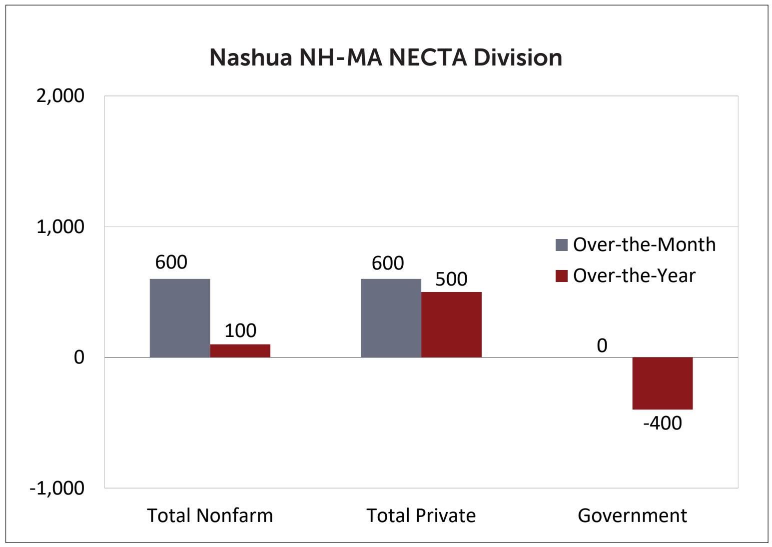
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Nonfarm Employment by Metropolitan Statistical Areas - November 2023

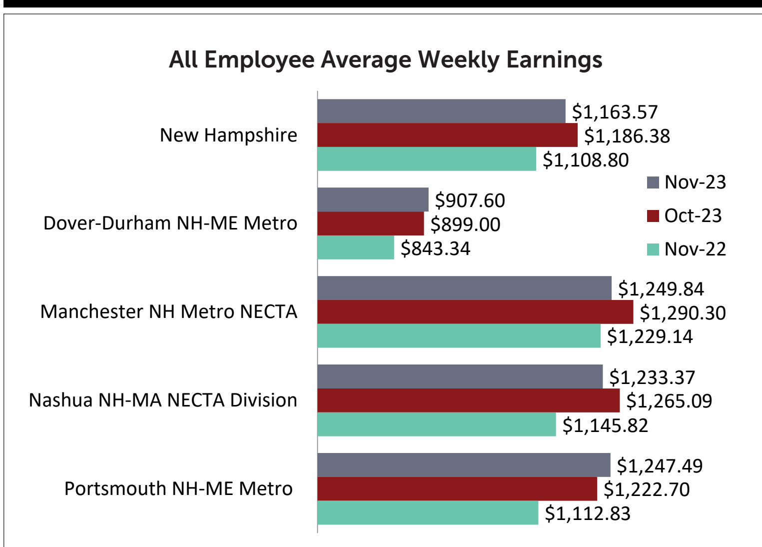


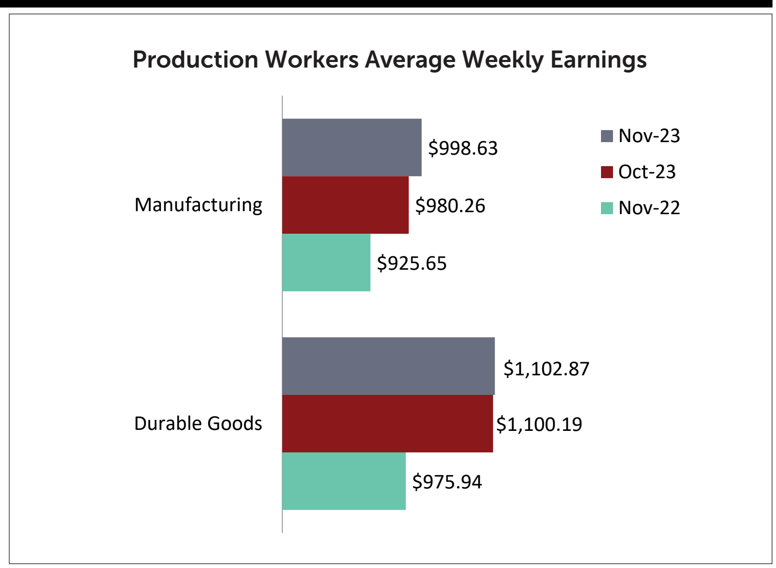






Total Private Average Weekly Earnings Data





Sector data for the four areas and hours earnings data are available on our website: www.nhes.nh.gov/elmi/statistics/ces-data.htm

MONTHLY ANALYSIS OF CURRENT EMPLOYMENT STATISTICS (CES)

Seasonally Adjusted

Total nonfarm employment increased to 703,200 jobs in November, based on preliminary seasonally adjusted estimates. This was an increase of 200 non-farm private industry jobs and a decrease of 100 *government* jobs over the month. Four private industry supersectors experienced over-the-month employment gains and five supersectors experienced losses, while *mining and logging* employment was unchanged. Seasonally adjusted over-the-month changes reflect the number of jobs that are not attributable to a regular seasonal pattern of employment variability.

Leisure and hospitality employment increased by 500 in November, after the seasonal adjustment. The *manufacturing* and *private education and health services* supersectors each expanded payrolls by 300 over the month, while the *other services* supersector increased employment by 200 in November. Employment in both *construction* and *information* declined by 100 over the month. *Trade, transportation, and utilities* cut 200 jobs while *financial activities* lost 300 positions in November. *Professional and business services* employment contracted by 400 over the month, after the seasonal adjustment.

Total nonfarm employment in November 2023 was 13,500 jobs above the pre-pandemic level in February 2020. Employment in *professional and business services* was 18,000 above the pre-pandemic level, while *leisure and hospitality* employment was 3,300 jobs below the February 2020 level.

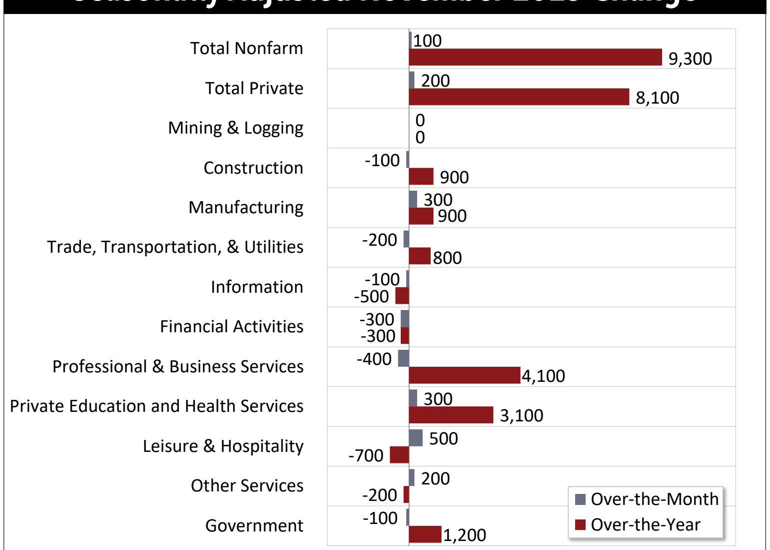
Not Seasonally Adjusted

Preliminary unadjusted estimates for November 2023 indicate that *total nonfarm* employment increased by 8,600 jobs since November 2022. Five private industry supersectors experienced over the year employment gains and four experienced over-the-year losses. Employment in the *mining and logging* supersector was unchanged from November 2022, while *government* employment increased by 800 over the year.

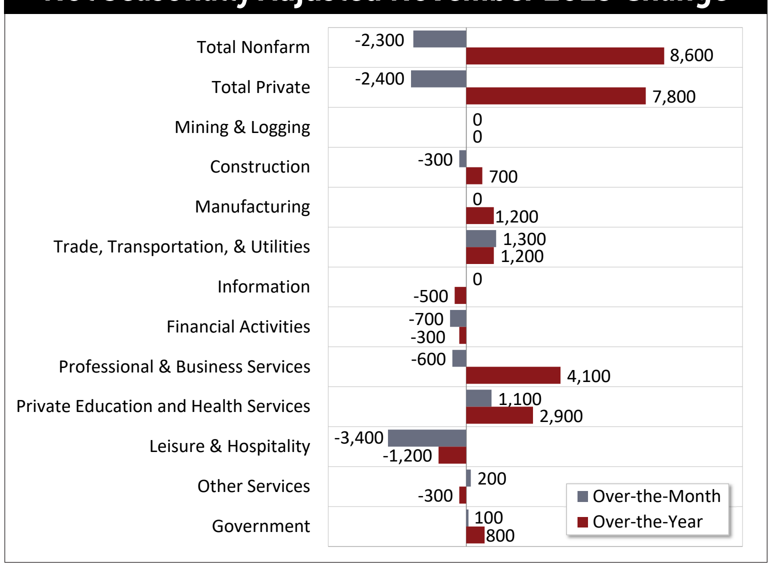
Professional and business services experienced the largest increase, with 4,100 more positions than in November 2022. The *private education and health services* supersector expanded payrolls by 2,900 over the year. *Manufacturing* and *trade, transportation, and utilities* each added 1,200 positions, while *construction* added 700 jobs. Employment in both the *financial activities* and the *other services* supersectors declined by 300 over the year. Employment in the *information* supersector was 500 less than a year earlier, while *leisure and hospitality* employment contracted by 1,200 over the year.

– Robert Cote, Assistant Director

Seasonally Adjusted November 2023 Change



Not Seasonally Adjusted November 2023 Change



Consumer Price Index

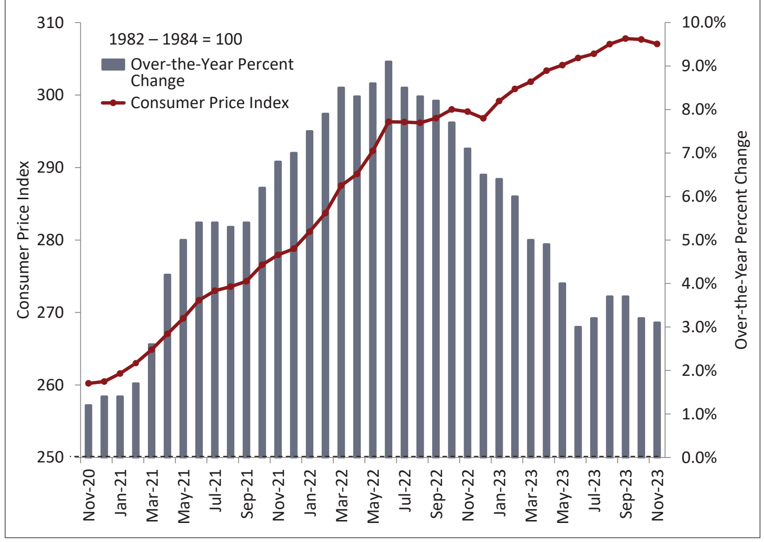
United States, All Urban Consumers
Not Seasonally Adjusted (CPI-U) (1982-1984=100)

			Change From Previous	
Nov-23	Oct-23	Nov-22	Month	Year
307.051	307.671	297.711	-0.2%	3.1%

Northeast, All Urban Consumers
Not Seasonally Adjusted (CPI-U) (1982-1984=100)

			Change From Previous	
Nov-23	Oct-23	Nov-22	Month	Year
316.252	316.300	308.394	0.0%	2.5%

Consumer Price Index United States, All Urban Consumers



Unemployment Compensation Claims Activity

	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Initial Claims	2,335	1,762	1,942	1,429	1,605	1,853
Continued Weeks Claimed	10,266	14,088	12,937	9,899	11,277	11,150
Average payment for a week of unemployment	$367.12	$343.32	$344.36	$377.95	$382.36	$378.92

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Littleton	444-2971	Manchester	627-7841
Nashua	882-5177	Portsmouth	436-3702
Salem	893-9185	Somersworth	742-3600

Claims calls: 1-800-266-2252

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