

# New Hampshire ECONOMIC CONDITIONS

April 2022

Sugar Hill (image from visitnh.org)

Gondola, Wildcat/Cannon Mtn (image from northconway.com)

Lilacs on the Fence (image from elliotphysicians.org)

## 2021 Employment by Industry Trends in New Hampshire

The Current Employment Statistics (CES) program provides monthly employment estimates by place of work. CES employment estimates from 2021 were recently revised, providing a clearer picture of how employment in New Hampshire recovered from the coronavirus pandemic throughout 2021.

According to the revised 2021 estimates, total nonfarm employment increased from 638,800 jobs in January 2021 to 664,200 in January 2022, a 4.0 percent increase.<sup>1</sup> Employment growth continued through February 2022, when total nonfarm employment was estimated at 672,600 jobs, 4.3 percent higher than the previous February (when adjusted for seasonal factors, this was an increase of 5,400 jobs over January 2022). Nonfarm employment in February 2022 was approximately 10,900 jobs, 1.7 percent, below employment in February 2020, just before the coronavirus pandemic began to affect employment in New Hampshire.

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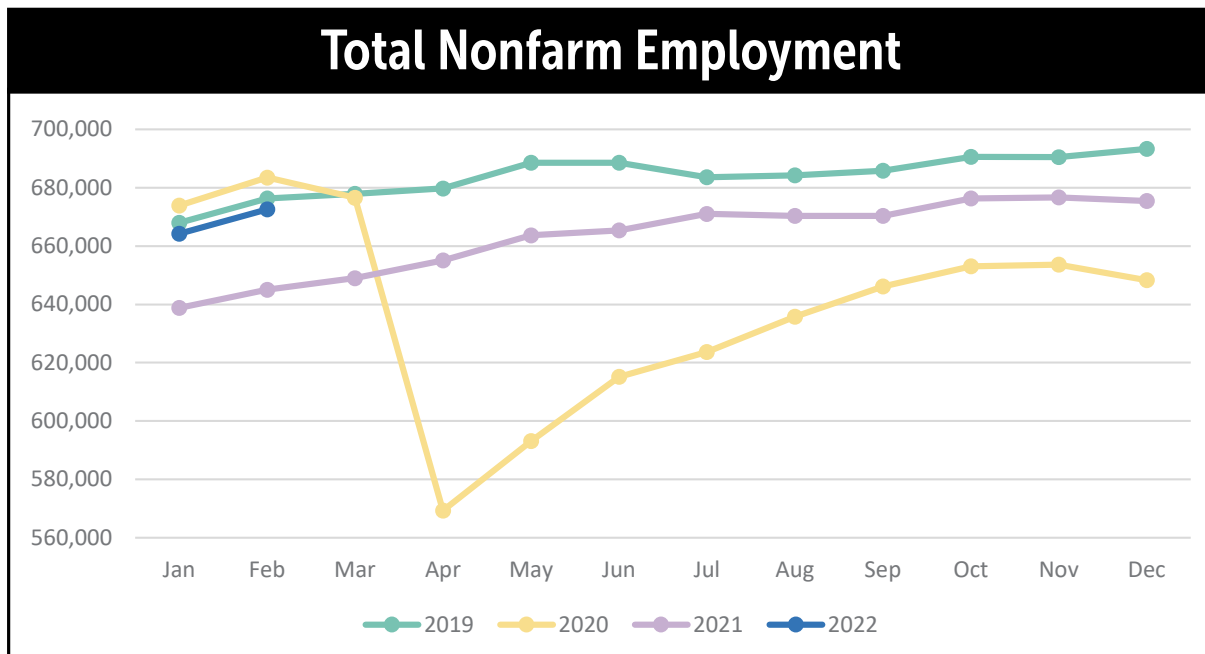
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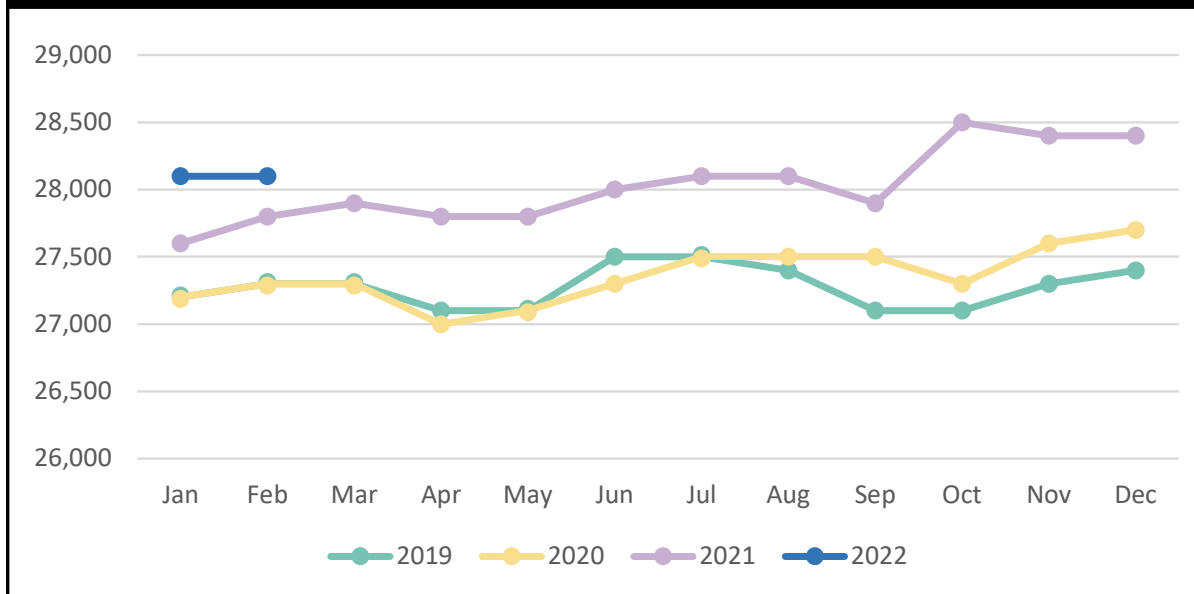


Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted

While total nonfarm employment remains below pre-pandemic levels, several industry sectors have fully recovered all jobs lost during the pandemic. Employment in the finance and insurance industry sector was largely unaffected by the pandemic, declining by just 100 jobs from April 2019 to April 2020. Employment increased steadily during the second half of 2020 and throughout 2021. In February 2022, employers in this industry employed 800 more workers than in February 2020, an increase of 2.9 percent.

<sup>1</sup> Data are not seasonally adjusted. Because of seasonal variations in employment, employment growth should be evaluated year-over-year, rather than month-to-month.

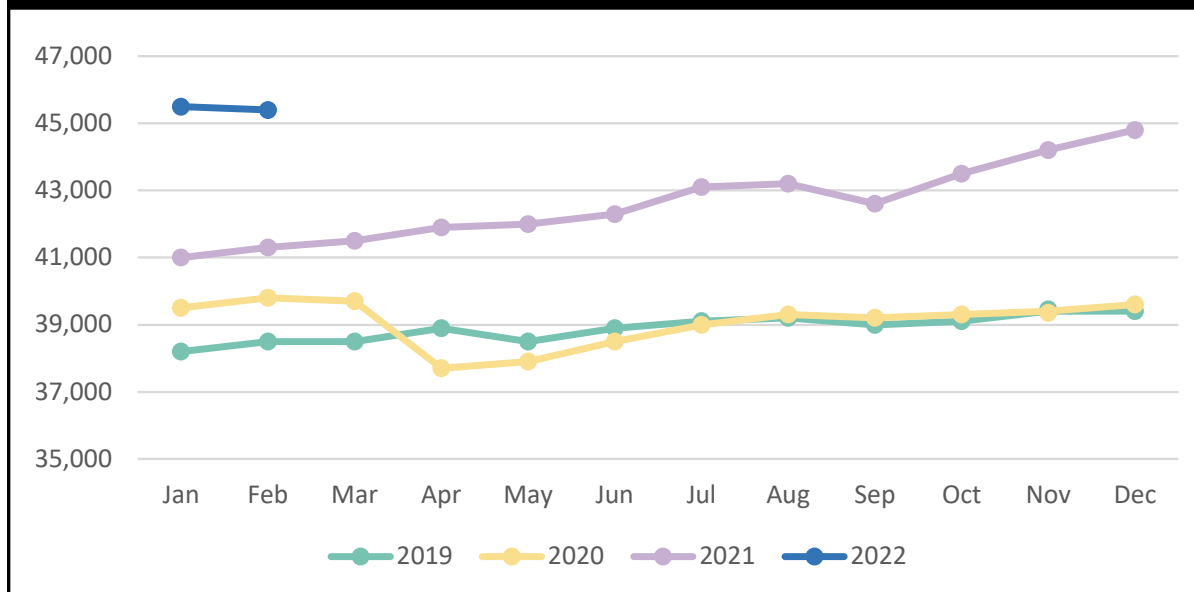
## Finance and Insurance



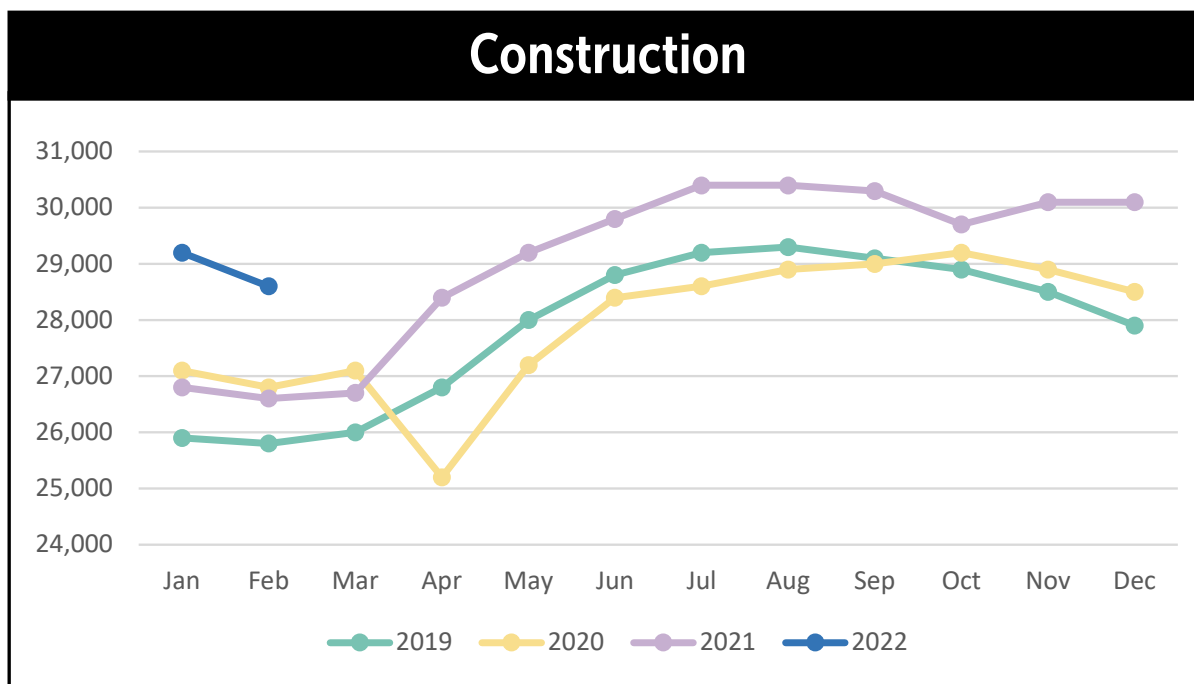
Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted

The construction, transportation and warehousing, and professional, scientific, and technical services sectors recovered quickly from employment losses early in the pandemic, and all three sectors exceeded 2019 employment levels by the end of 2020. Growth continued throughout 2021; between February 2021 and February 2022, employment in professional, scientific, and technical services increased 9.9 percent, while construction employment increased 7.5 percent. February 2022 employment in transportation and warehousing was slightly below February 2021 employment, but was 3.2 percent above February 2020 employment.

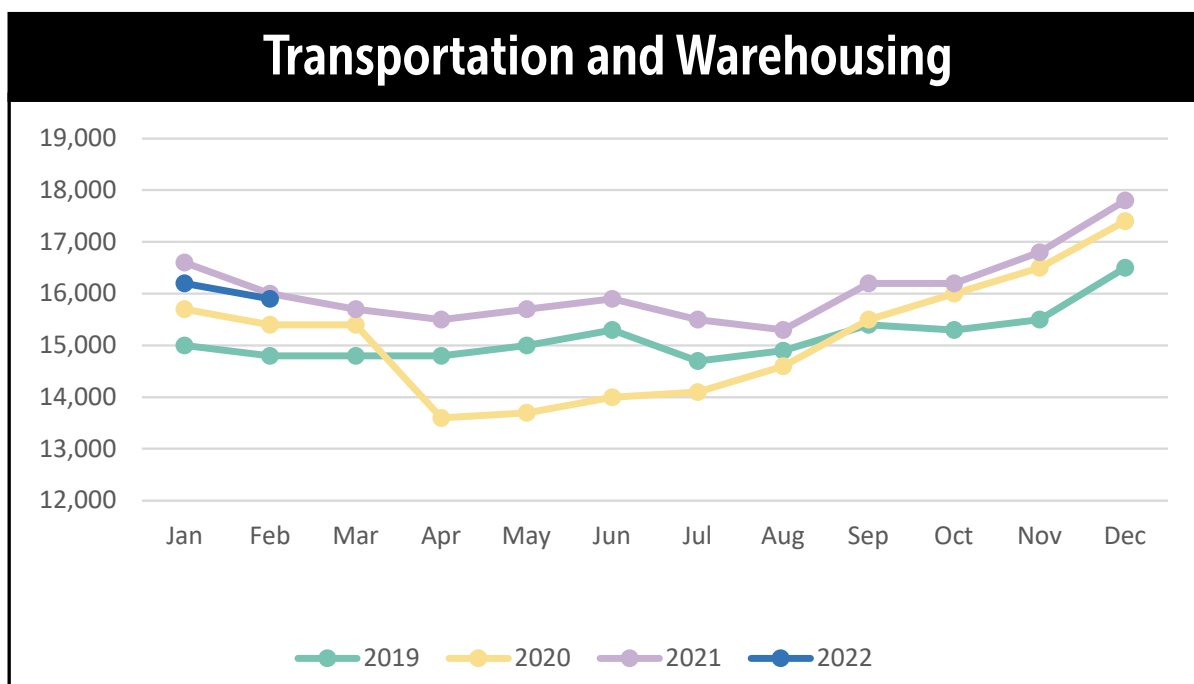
## Professional, Scientific, and Technical Services



Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted



Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted



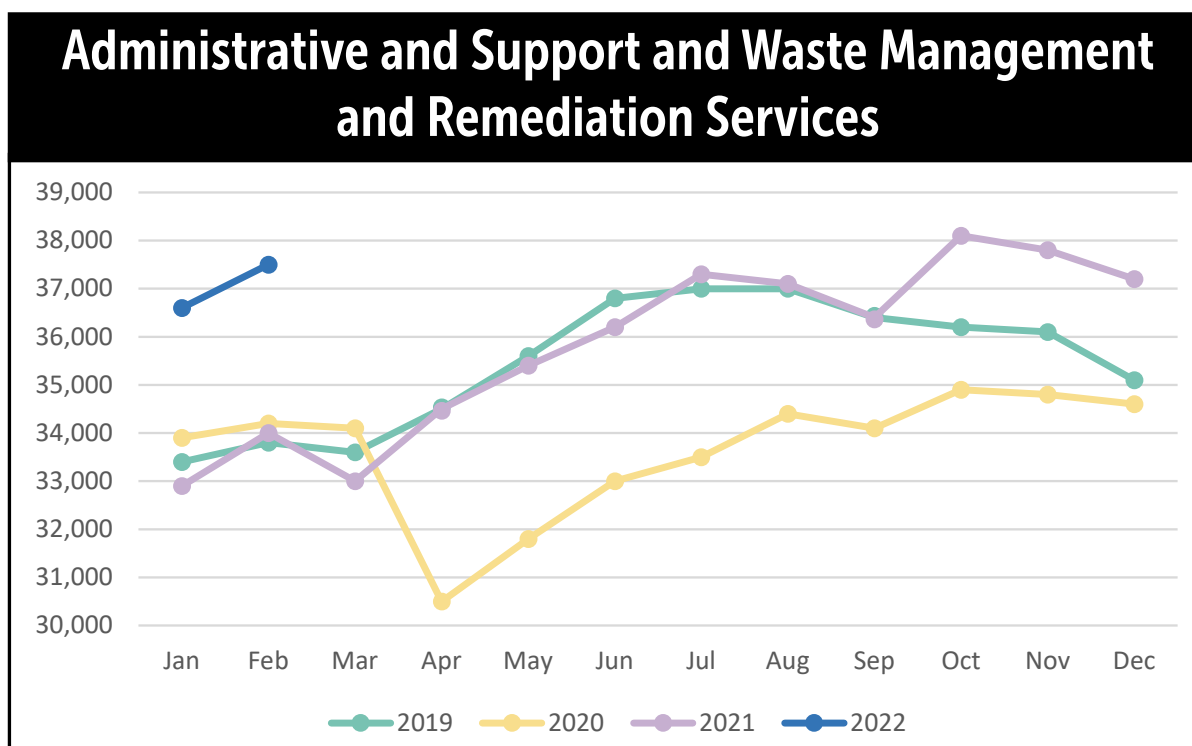
Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted

Employment in administrative and support and waste management and remediation services reached pre-pandemic levels in early 2021. Employment increased in October 2021, exceeding pre-pandemic employment by approximately five percent (1,900 jobs). Employment remained well above pre-pandemic levels through February 2022.

Administrative and support services include the temporary help services industry (temporary staffing agencies).<sup>2</sup> While employment data for temporary help services is not available at the state level, national data shows an increase in temporary help services employment beginning in October 2022, while employment in other administrative and support services industries did not increase. The increase in administrative and support services

<sup>2</sup> Workers employed by temporary help services firms are considered employed in the temporary help services industry, not the industry of the end client.

employment in New Hampshire is likely the result of employment in the temporary help services industry, following the national trend. While workers employed by temporary help services firms provide labor to employers in all industries, the increase in temporary workers in New Hampshire was likely associated with an increase in temporary health care workers. COVID-19 cases in New Hampshire increased substantially during this time, and health care providers in New Hampshire struggled to maintain adequate staffing, relying on temporary staff, as well as FEMA and the National Guard, to maintain adequate staffing levels.<sup>3</sup>



Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted

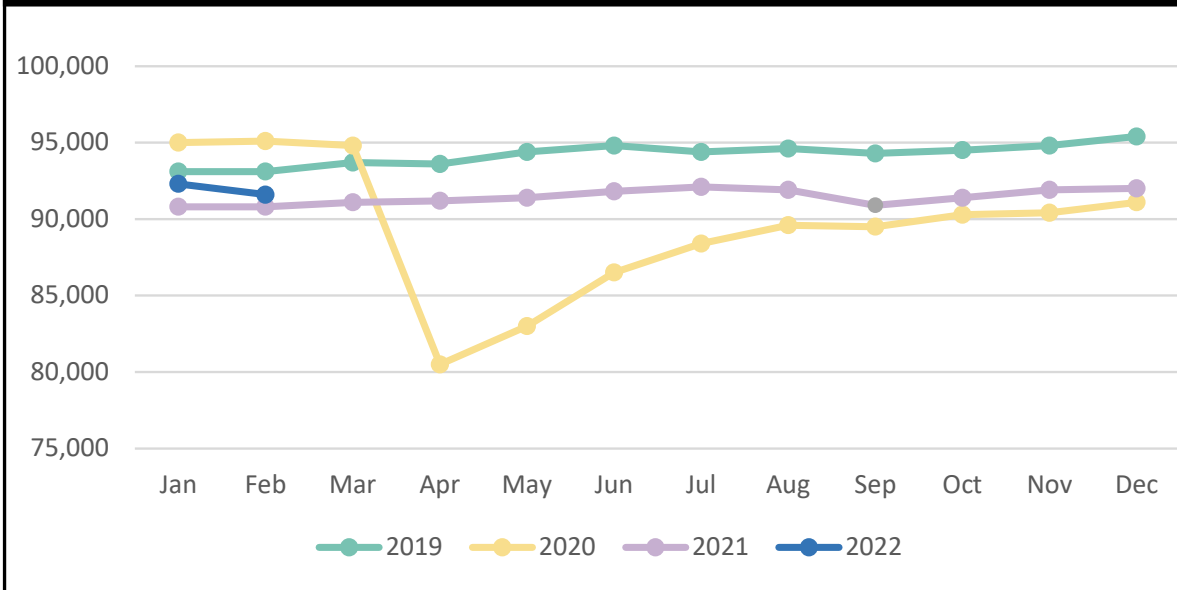
Several industries saw modest employment gains in 2021 and 2022, but remained below pre-pandemic employment levels. Health care and social assistance employment experienced a gradual recovery from the pandemic.

Employment in healthcare and social assistance increased over-the-year throughout 2021 and early 2022, but the increases have been relatively small, and employment remains below pre-pandemic levels. In February 2022, there were 91,600 healthcare and social assistance jobs, a 0.9 percent increase over February 2021 (800 jobs), and 3.7 percent (3,500 jobs) under February 2020. Educational services employment<sup>4</sup> increased 9.3 percent (2,600 jobs) over-the-year in February 2022, but remained 9.1 percent (3,000 jobs) below pre-pandemic employment.

<sup>3</sup> Todd Bookman, NHPR, "As COVID surges, New Hampshire's health care system is left shaken," 12/9/2021, <https://www.nhpr.org/nh-news/2021-12-09/as-covid-surges-new-hampshires-health-care-system-is-left-shaken>.

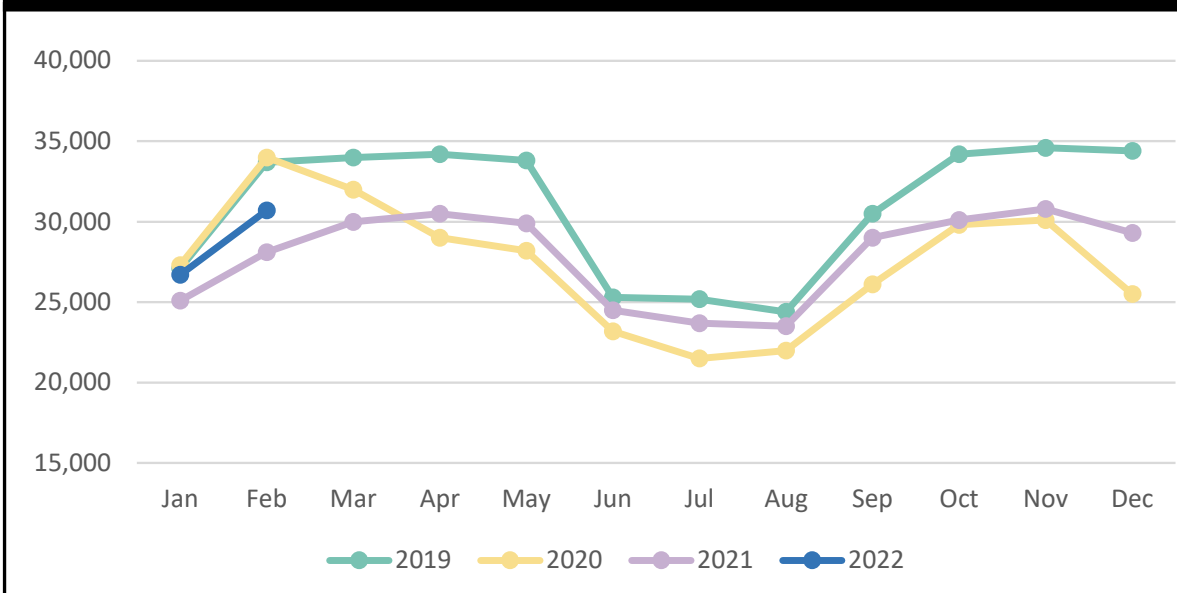
<sup>4</sup> Excludes educational services employed by local governments.

## Health Care and Social Assistance



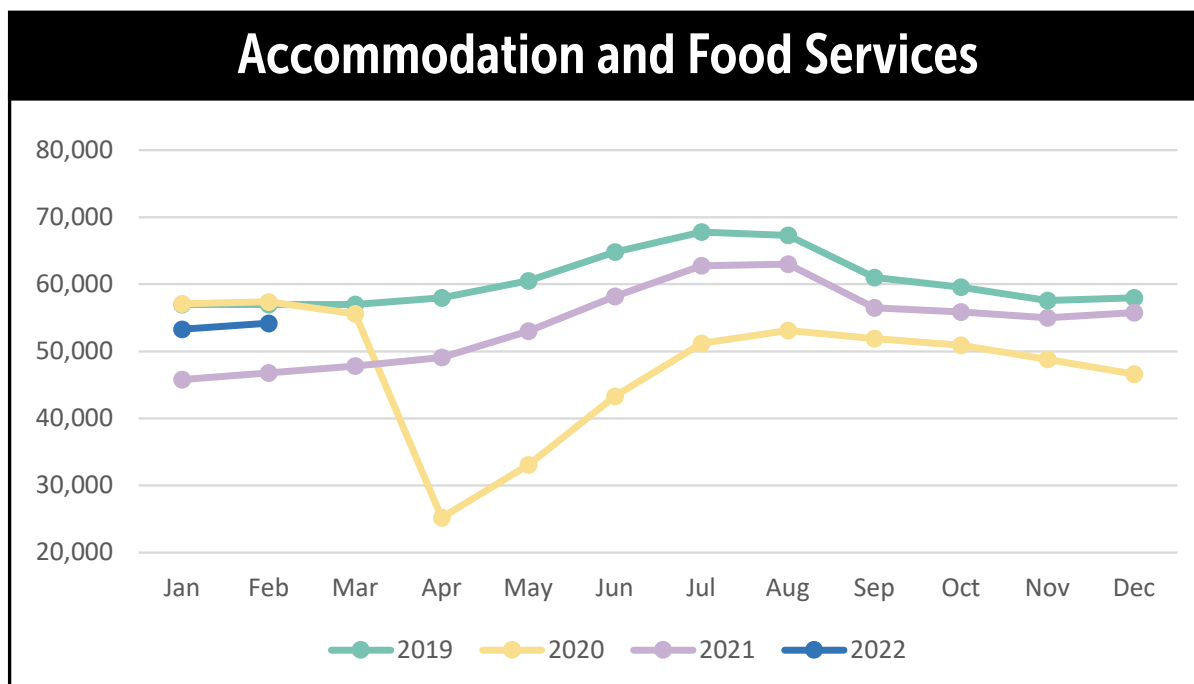
Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted

## Educational Services



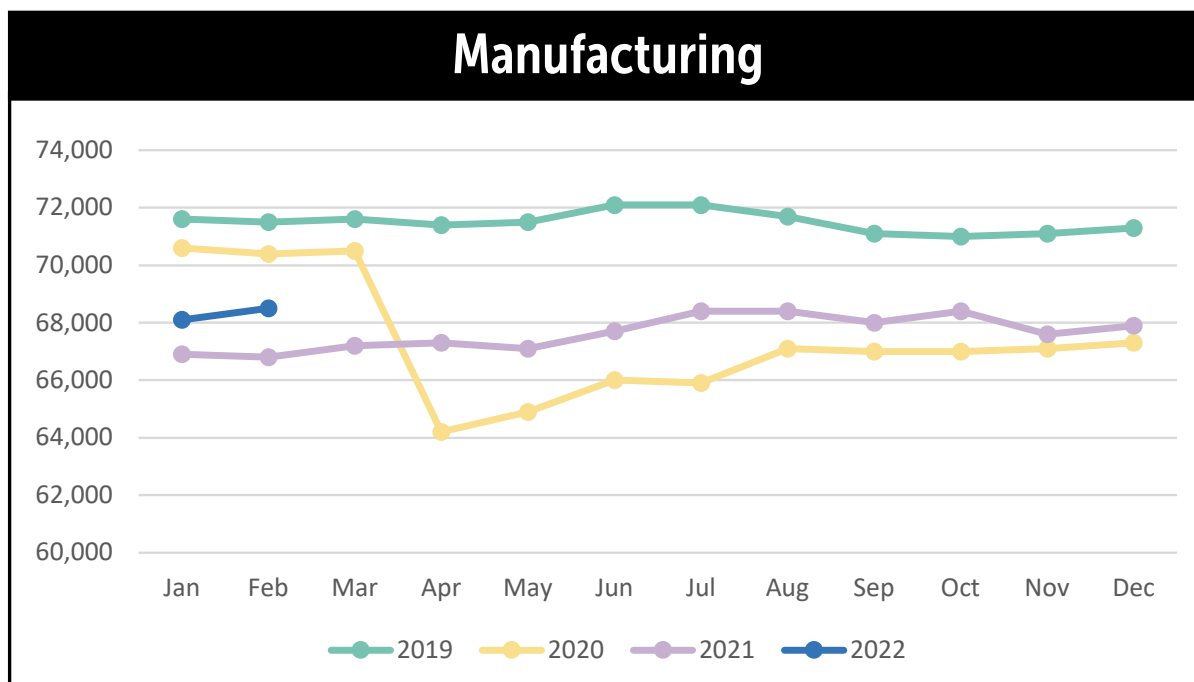
Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted

Accommodation and food services was one of the industries most affected by the pandemic, and employment declined more than 50 percent during the early months when establishments were ordered to close. Employment increased beginning in May 2020, but by February 2022 remained 4.9 percent (2,800 jobs) below pre-pandemic employment. Employment in February 2022 increased 15.8 percent (7,400 jobs) over-the year, one of the fastest growing industries over the previous year.



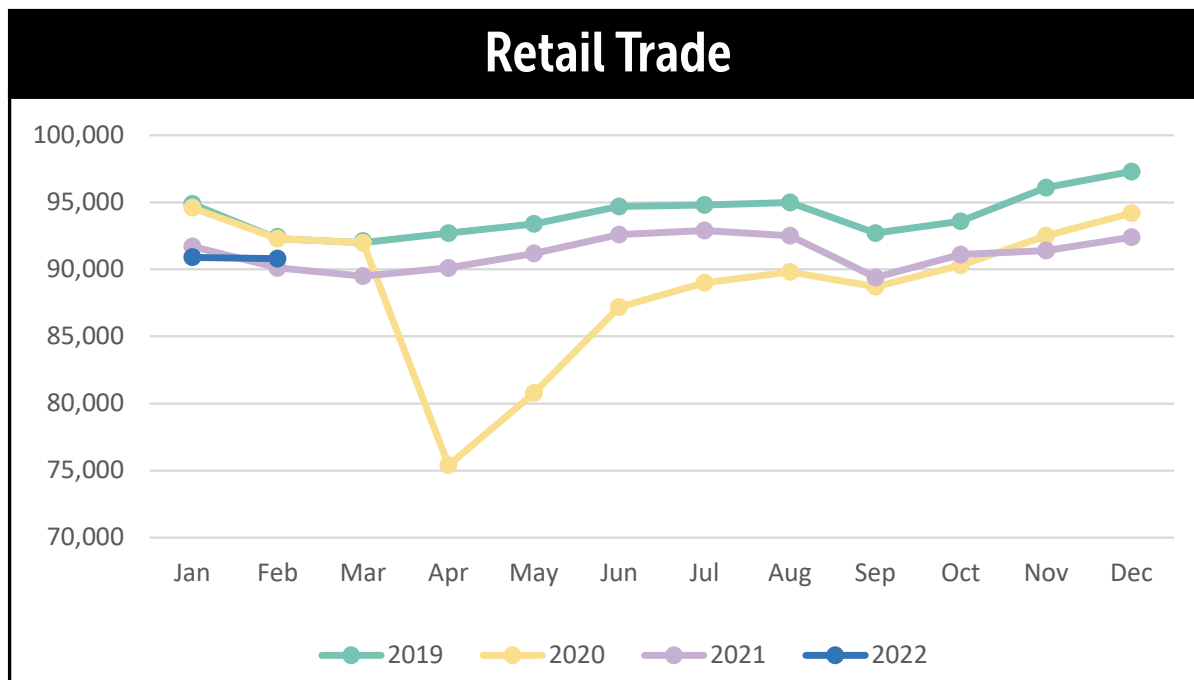
Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted

Several industry sectors have experienced slow recoveries from the coronavirus pandemic. Manufacturing employment had declined slightly pre-pandemic; employment declined 1.5 percent (1,100 jobs) from February 2019 to February 2020. The coronavirus pandemic did not initially have a large impact on manufacturing sector employment; adjusted for seasonal factors, manufacturing employment declined nine percent from February 2020 to April 2020 (6,400 jobs), while total nonfarm employment declined 17.1 percent. Although the initial decline was relatively small, manufacturing employment growth since pandemic began has been slow. Supply chains issues affected production in a number of manufacturing industries, slowing employment recovery. In February 2022, manufacturing employment was 2.7 percent (1,900 jobs) below February 2020 employment.

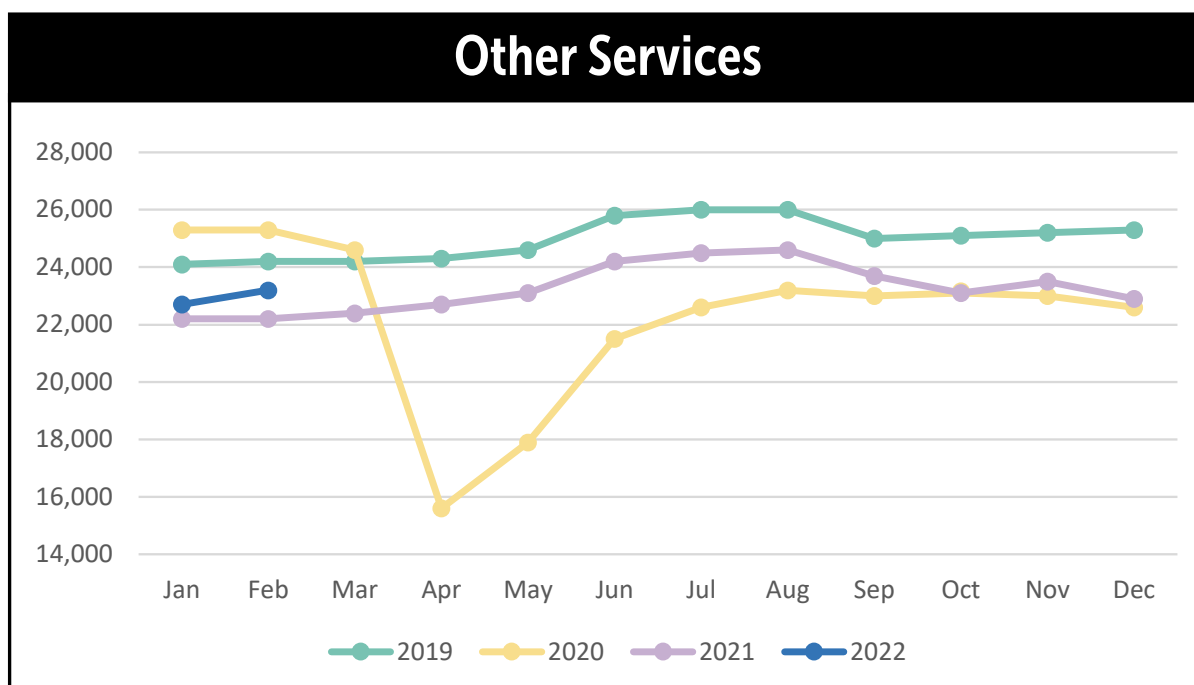


Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted

Unlike manufacturing, the retail trade and other services sectors saw employment fall sharply early in the pandemic; retail trade employment fell 18 percent during the early months of the pandemic while other services employment fell 38 percent. Many retail trade and other services businesses were forced to close early in the pandemic, and once re-opened, faced customer capacity restrictions. Employment in both sectors increased again beginning in May 2020, but employment gains slowed in 2021. The pandemic accelerated a transition from brick and mortar to online retail, contributing to the slow recovery of retail trade employment. Retail trade employment declined over-the-year in November 2021, December 2021, and January 2022. February 2022 employment was 0.8 percent (800 jobs) above February 2021 employment, although it remained 1.6 percent (1,500 jobs) below February 2020 employment. In February 2022, other services employment increased 4.5 percent (1,000 jobs) over-the-year, but remained 8.3 percent (2,100 jobs) below February 2020 employment.



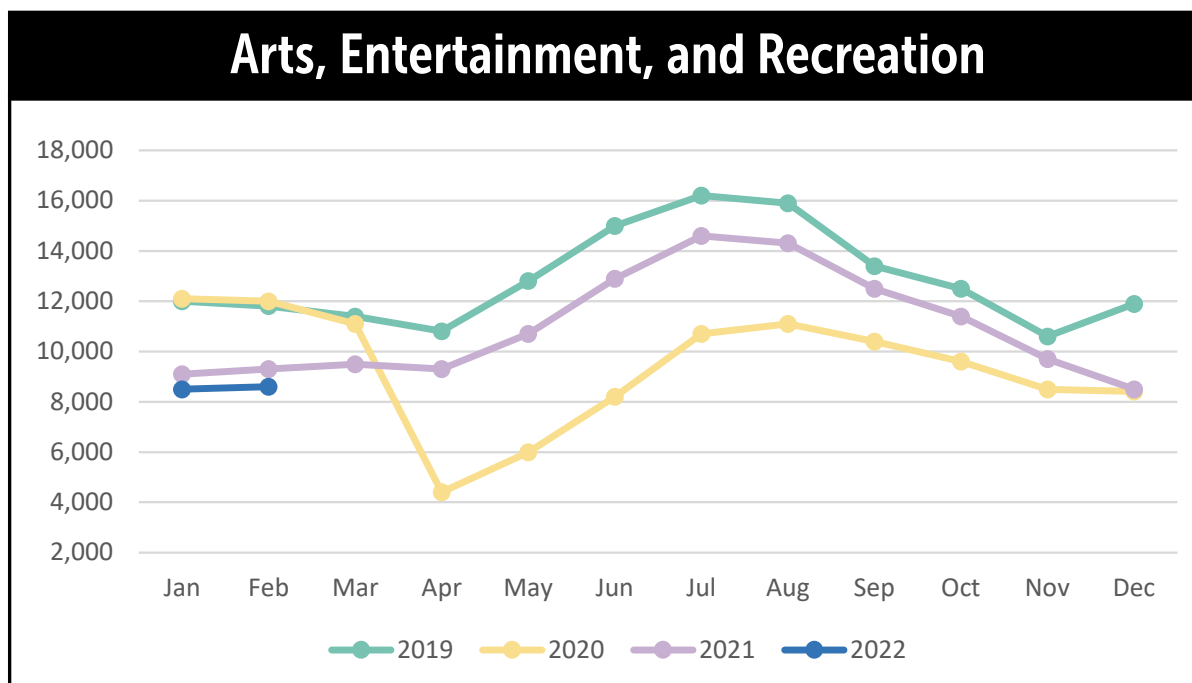
Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted



Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted



Arts, entertainment, and recreation employment fell nearly 60 percent during the early months of the pandemic, as efforts to limit the spread of the pandemic limited the ability of individuals to gather at entertainment, sports and recreational venues.. Although employment increased over-the-year throughout 2021, employment decreased slightly over-the year in January and February 2022. In February 2022, employment declined 7.5 percent (700 jobs) over-the-year, and remained 28.3 percent below February 2020 employment.

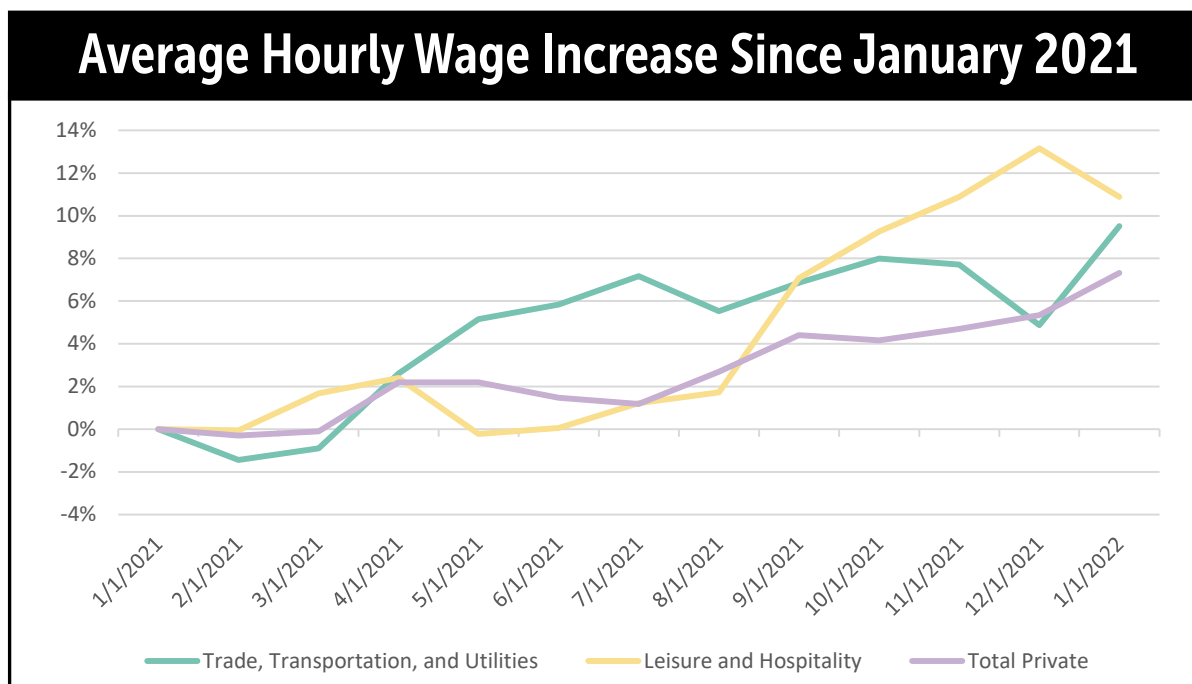


Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted

As employment in New Hampshire increased throughout 2021 and early 2022, demand for workers remained high. Businesses raised wages to either attract new workers or retain existing workers. Average hourly wages increased in 2021 and early 2022, particularly in the leisure and hospitality and trade, transportation, and utilities supersectors.<sup>5</sup> Average hourly wages for trade, transportation, and utilities workers increased 10.5 percent from March 2021 through January 2022, while leisure and hospitality wages increased 9.0 percent over just five months, from August 2021 to January 2022. Since January 2019, leisure and hospitality wages increased 27.1 percent, while trade, transportation, and utilities wages increased 17.8 percent.

<sup>5</sup> The leisure and hospitality supersector includes the arts, entertainment and recreation and accommodation and food services sectors. Trade, transportation and utilities includes the wholesale trade, retail trade, utilities and transportation and warehousing sectors.





Source: New Hampshire Employment Security, Current Employment Statistics, Not Seasonally Adjusted

Although employment increased throughout 2021, the labor market and economy overall face challenges ahead in 2022. Inflation, including gas and housing prices, threaten to undermine wage gains and slow consumer spending. Russia's invasion of Ukraine could cause additional disruptions to the global fossil fuel supply or the global economy. Many forecasters are concerned about the possibility of a recession, with both Moody's Analytics and Goldman Sachs estimating a one-in-three chance of recession within the next twelve months.<sup>6</sup> These challenges could slow employment growth in the near future.

– Greg David, Economist

<sup>6</sup> Matt Egan, CNN, "Recession risks are 'uncomfortably high and moving higher,' Mark Zandi says," 3/25/2022. <https://www.cnn.com/2022/03/25/economy/recession-risk/index.html>.