

# New Hampshire ECONOMIC CONDITIONS

May 2021

Kancamagus Highway (from Auto Kesariaa on flickr)

## The Coronavirus Pandemic's Impact on The *Transportation and Warehousing* Sector

Not seasonally adjusted employment in the *transportation and warehousing* sector increased 3.8 percent from January 2020 to March 2021, more than any other industry sector in New Hampshire, with the exception of *professional, scientific, and technical services*. Over that same time period, *total nonfarm* employment fell 3.8 percent.

Like most industry sectors, employment in *transportation and warehousing* decreased in March and April 2020, as a result of the coronavirus pandemic, although it still outperformed the overall workforce. *Total nonfarm* employment fell 15.4 percent from January 2020 to April 2020, while *transportation and warehousing* employment fell 13.5 percent.

While *total nonfarm* employment growth slowed in the second half of 2020, *transportation and warehousing* employment increased steadily throughout the year. Seasonal factors affected *transportation and warehousing* employment early in 2021, as employment in this sector is typically high in December as a result of seasonal holiday demand, and often falling after the holiday season. Data from Burning Glass Technologies' Labor Insight tool showed that online postings for *transportation and warehousing* jobs increased over-the-year during the pandemic, particularly in May, June, and July, as well as during the holiday season. Job postings for all industries also increased over-the-year in June and July 2020, but not to the same degree as *transportation*

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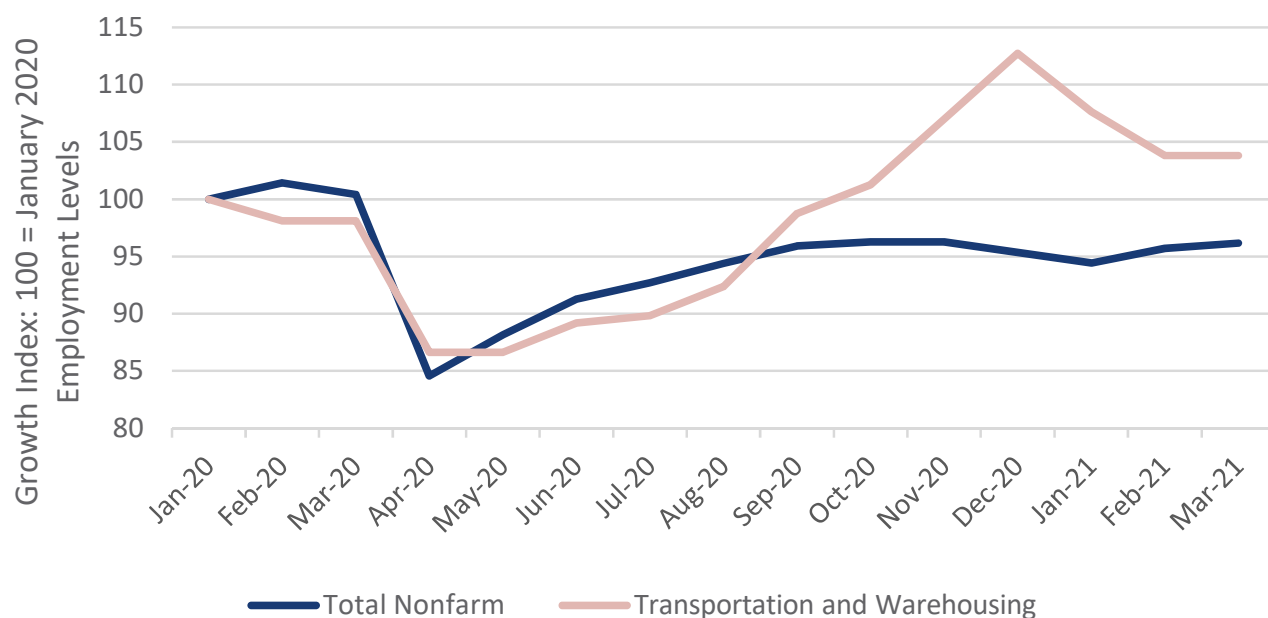
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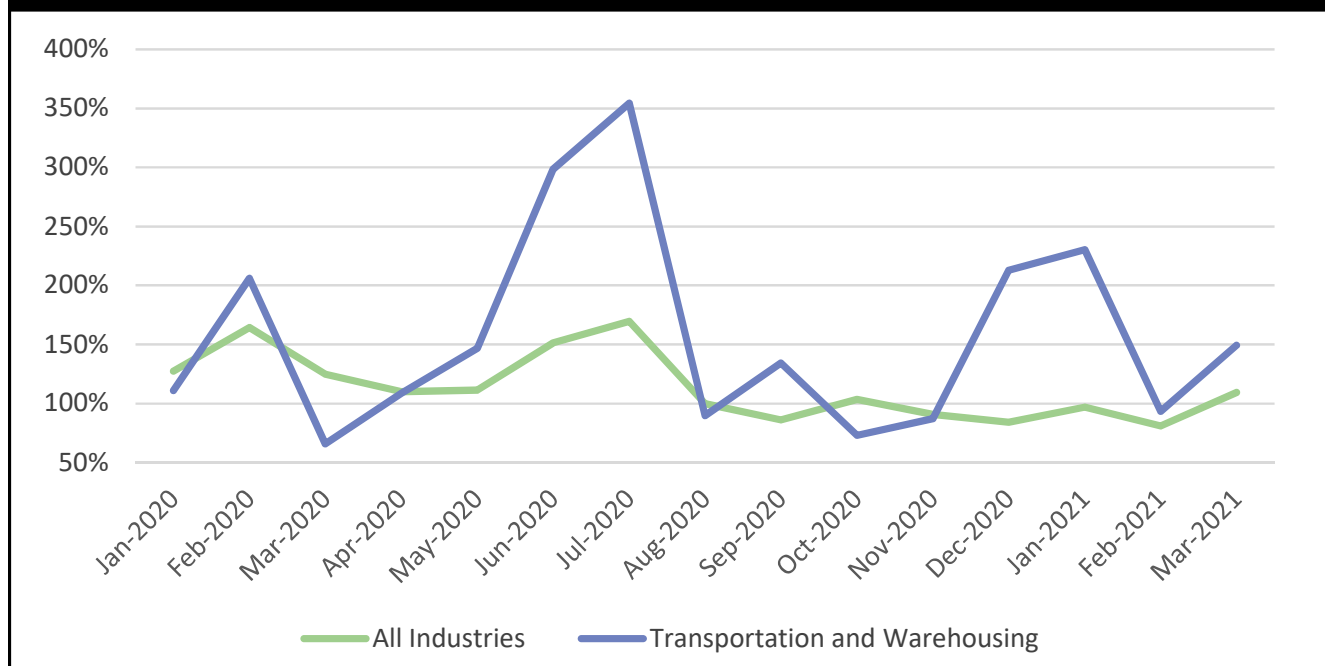
and *warehousing* postings. Postings for all industries fell below 2019 rates for most of the second half of the year. Job postings do not always indicate an increase in employment; they do not necessarily result in a successful hire, and they may also reflect turnover within an industry or

### Employment Growth Index, January 2020 - March 2021



Source: New Hampshire Employment Security, Current Employment Statistics (2021 data are preliminary)

## Over-The-Year Percent Change in Job Postings



Source: Burning Glass Technologies, Job Posting Data from January 2019 – March 2021

occupation rather than net new job growth. In the case of job postings for *transportation and warehousing* positions, however, the increase in postings does appear to be associated with employment growth.

### Employment Trends in Transportation and Warehousing Subsectors

Five subsectors account for 95 percent of private employment in *transportation and warehousing*:<sup>1</sup> *transit and ground passenger transportation*, *couriers and messengers*, *truck transportation*, *support activities for transportation*, and *warehousing and storage*. Employment data for these subsectors is only available through the end of 2020.<sup>2</sup> For the *truck transportation*, *support activities for transportation*, and *warehousing and storage* subsectors, the pandemic had a relatively small impact on employment. Employment decreased between five and twelve percent between January 2020 and April 2020, then increased over the rest of the year. Employment in *warehousing and storage* surpassed pre-pandemic levels by December, while employment in *truck transportation* and *support activities for transportation* had not fully recovered.

Employment in the *couriers and messengers* subsector increased throughout the pandemic, benefitting from pandemic-driven changes in consumer behavior. Particularly early in the pandemic, consumers avoided in-person shopping and relied on online retail to purchase goods; Google Mobility data<sup>3</sup> showed retail and recreation

traffic fell by around 40 percent in April 2020. Many goods purchased online are delivered to consumers by businesses in the *couriers and messengers* subsector, and this subsector saw a surge in employment. In March and April 2020, while *total nonfarm* employment fell by 107,000, *couriers and messengers* employment increased by 160 jobs, roughly five percent of its total workforce. This growth continued throughout 2020; by December 2020, *couriers and messengers* employment had increased 45 percent over the previous December.

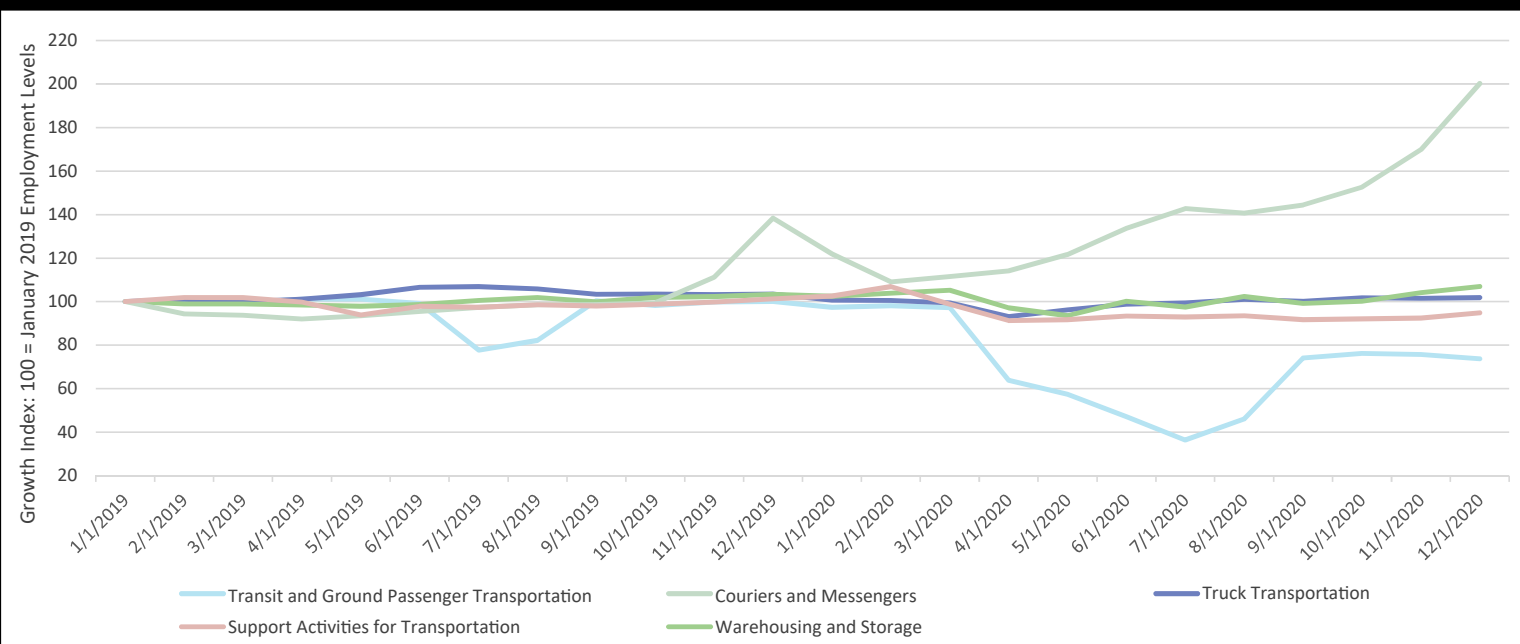
Employment in *transit and ground passenger transportation* decreased until July 2020. Much of this decline was related to *school bus transportation*, which was impacted by remote-learning during the last few months of the 2019-2020 school year. In addition to pandemic-related employment declines, *school bus transportation* employment is typically lower during the summer, when school is not in session. In July 2019, *transit and ground passenger transportation* decreased 22 percent from employment during the school year, while in July 2020, it was more than 60 percent below typical school year employment levels. *Transit and ground passenger transportation* employment increased in August and September 2020, the result of the start of the 2020-2021 school year, with at least some students returning to in-person or hybrid schooling. However, there were no additional employment gains over the rest of the year, and employment remained roughly 25 percent below normal levels by the end of 2020.

<sup>1</sup> The federal government employs roughly 3,300 Postal Service workers, who are not included in private employment estimates. Postal Service employment was essentially unchanged throughout 2020.

<sup>2</sup> Employment numbers for the transportation and warehousing sector use data from the Current Employment Statistics (CES) program. Employment numbers for subsectors use data from the Quarterly Census of Employment and Wages (QCEW) program, which offers more detailed data on employment by industry. These programs use different methods to estimate employment. CES is a survey-based employer estimate, while QCEW is a quarterly measure of employment at business establishments subject to the unemployment insurance law.

<sup>3</sup> Poovey, Jason, Human Mobility and COVID-19 Transmission Dashboard, <https://public.tableau.com/profile/jason.poovey#/?vizhome/MobilityDashboardPublic/MobilityDashboard>.

## Growth Index of *Transportation and Warehousing* Subsectors



Source: New Hampshire Employment Security, Quarterly Covered Employment and Wages

Public transportation — *urban transit systems* and *interurban and rural bus transportation* — is also a part of the *transit and ground passenger transportation* subsector. Public transportation systems have seen reduced demand throughout the coronavirus pandemic. Google Mobility data show that the number of New Hampshire residents visiting public transportation hubs like bus stops fell more than 20 percent in April 2020.<sup>4</sup> Traffic around public transportation hubs returned to near-normal levels over the summer, before falling again through the fall and winter.

While most of the *transportation and warehousing* sector is focused on transporting goods, *transit and ground passenger transportation* transports people. It is not surprising that employment in this subsector was affected much more than other subsectors; social distancing requirements and health concerns meant many people were not comfortable using mass transit systems during the pandemic. In addition, the increase in remote work and learning arrangements meant many students and workers who relied on mass transit systems did not need to travel to work or school during the pandemic. As of April 2021, most schools in

New Hampshire have returned to in-person instruction, which should increase *transit and ground passenger transportation* employment.

In contrast, for subsectors that transported goods, the pandemic's impact was either relatively small or even beneficial. The large increase in *couriers and messengers* employment may not be permanent, but this subsector, along with *warehousing and storage*, have been trending upwards in recent years, as consumer behaviors have increasingly shifted from in-person to online retail shopping. New Hampshire Employment Security's 2018 – 2028 Long Term Industry Projections anticipate that employment in both of these industries will grow faster than the workforce overall, increasing by eight and sixteen percent, respectively.<sup>5</sup> As an indication of the long-term outlook for these sectors, a number of large warehouse facilities are in development across New Hampshire, including a 2.5 million square foot complex in Hudson, NH, and an 800,000 square foot facility in Kingston, NH.

– Greg David, Economist

<sup>4</sup> Poovey, Jason, Human Mobility and COVID-19 Transmission Dashboard, <https://public.tableau.com/profile/jason.poovey#1/vizhome/MobilityDashboardPublic/MobilityDashboard>.  
<sup>5</sup> Long Term Industry Projections were released prior to the COVID pandemic, and do not reflect its impact on workforce growth and trends.