

# New Hampshire ECONOMIC CONDITIONS

Vegetables (by Jerzy Gorecki on Pixabay)

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August 2021

Duck (by NickyPe on Pixabay)

## Employment Flows During the Coronavirus Pandemic

Although the number of jobs in New Hampshire usually remains fairly stable, there is constant churn for individual workers. Some workers enter the workforce, while others leave. Workers change jobs and employers, and move from one occupation or industry to another. The U.S. Census Bureau's Quarterly Workforce Indicators (QWI) are a set of economic indicators that measure these employment flows.

QWI measures not just overall employment in a geographical region or industry, but also hires and separations, workers beginning or ending employment with an employer. Data from the QWI program show how employment flow patterns in New Hampshire changed during the

coronavirus pandemic, in particular, how the usual seasonal patterns of hires and separations were altered during the early months of the pandemic.

### *Hires, Separations, and Recalls*

There is seasonal variation in New Hampshire's hiring and separation patterns, with both hires and separations lowest during the first quarter of each year. Hires are generally highest during the second quarter of the year as employment increases, reaching its highest level during the summer. Separations typically peak during the third quarter, as summer employment ends.

The usual seasonal patterns were disrupted by the coronavirus pandemic. Separations increased during the first quarter of 2020, as the coronavirus and

efforts to contain it led to widespread layoffs and business closures beginning in March 2020. Compared to the first quarter of 2019, separations increased by over 50,000, or approximately 60 percent.

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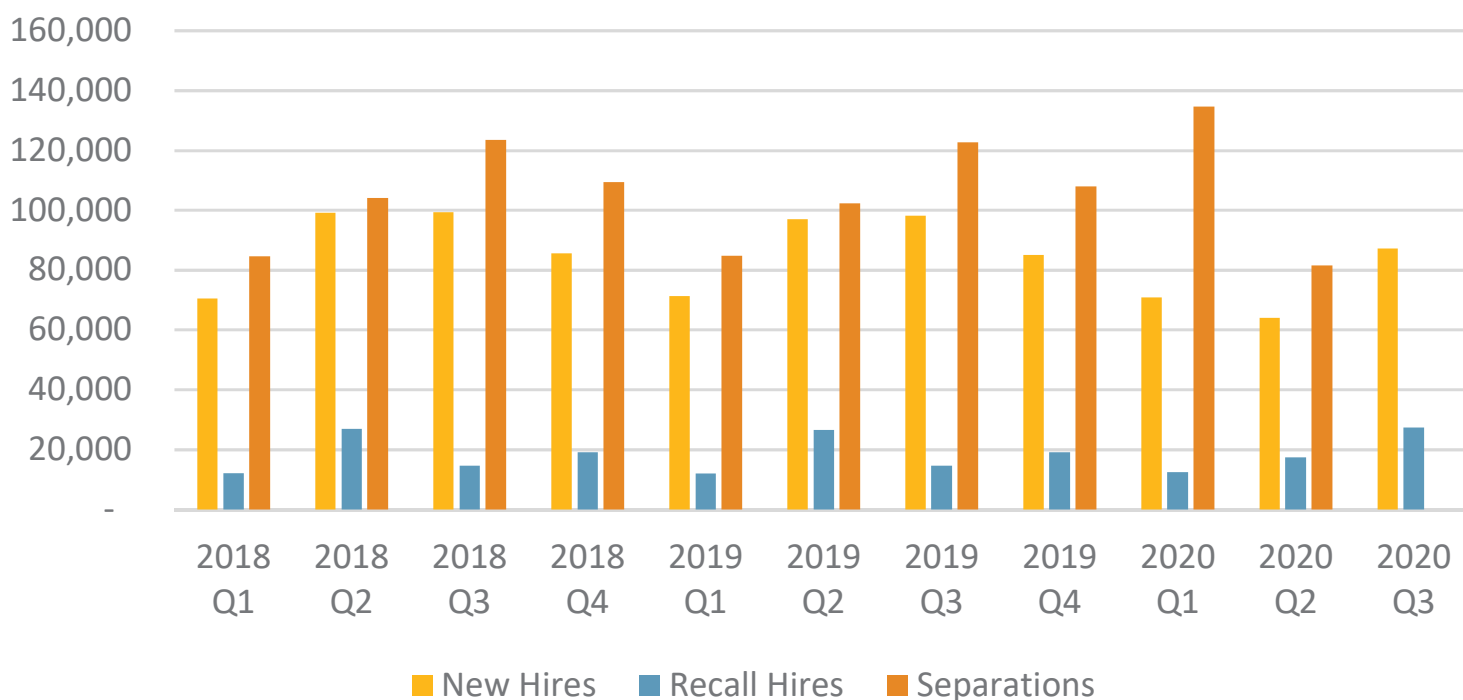
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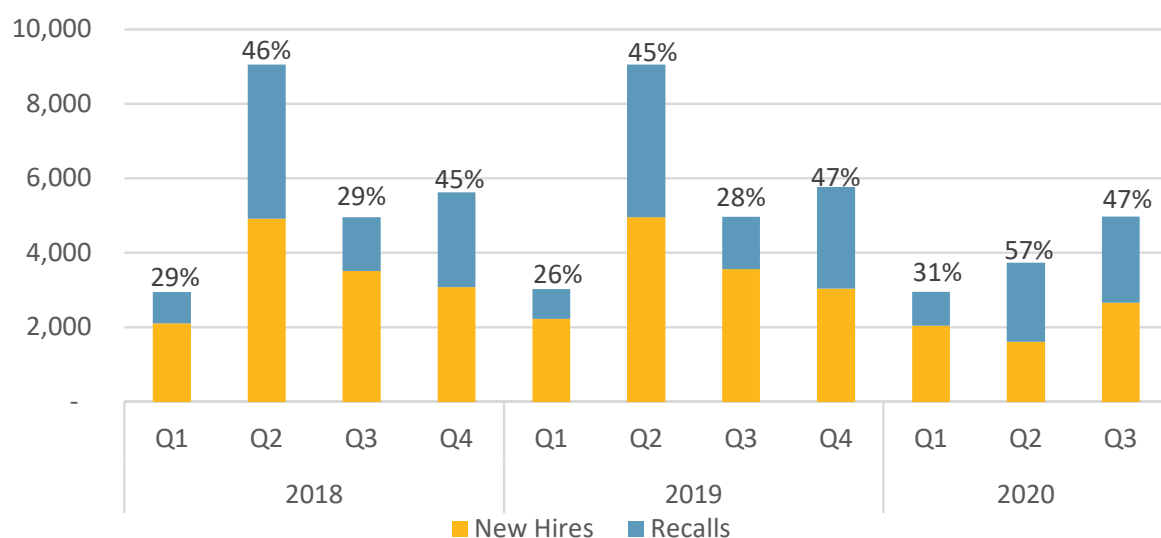
## New Hires, Recalls and Separations



Separations decreased over-the year by approximately 20,000 in the second quarter of 2020. It is likely that a portion of this decrease was a decline in voluntary separations, as workers were more hesitant to change jobs, and businesses had fewer vacancies for new employees.

Separation data is not yet available for the third quarter of 2020, but the number of hires in that quarter was similar to hires in the third quarter of 2019. Although total hires changed little, there was a shift in the third quarter of 2020 to employers recalling workers they had previously employed. Hired workers are considered "recalled" if, after separating from an employer, they are employed by that employer again within a year. Hires of recalled workers nearly doubled over-the-year, from 14,700 in the third quarter of 2019 to 27,400 in the third quarter of 2020, and accounted for 24 percent of all hires during the third

## New Hires and Recalls in the Arts, Entertainment and Recreation Industry



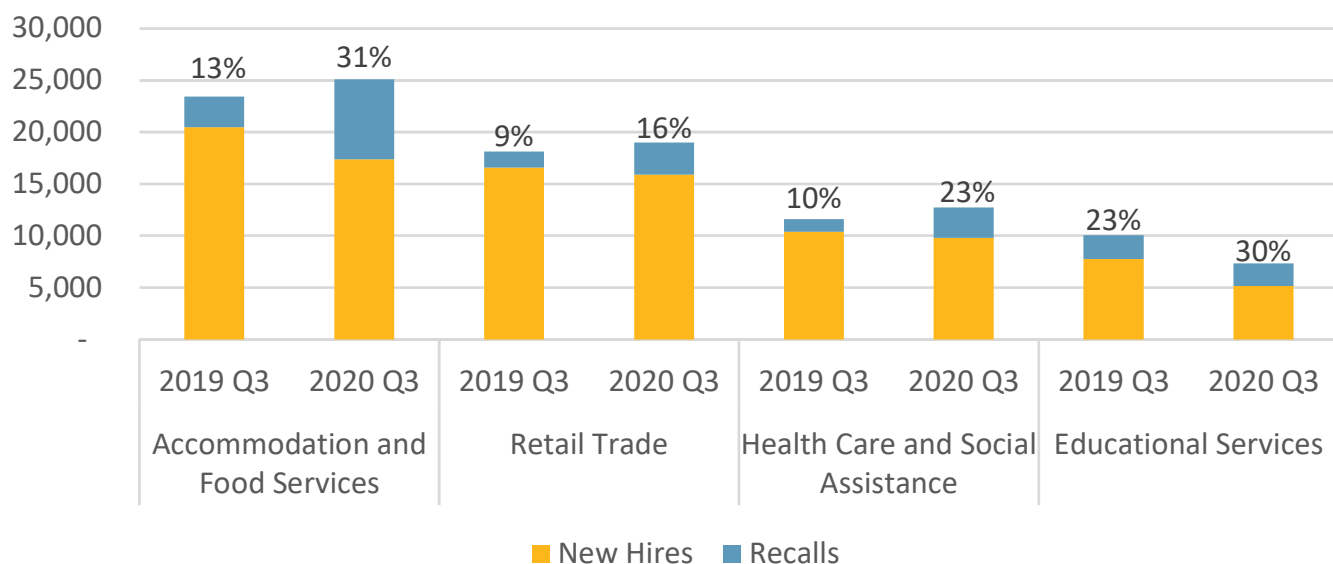
Source: U.S. Census Bureau, Quarterly Workforce Indicators

quarter of 2020.<sup>1</sup> New hires fell by approximately 11,000 from the third quarter of 2019 to the third quarter of 2020, a decrease of 11 percent.

### Hires and Recalls by Industry

In general, hiring recalled workers is more common for employers in industries with strong seasonal employment patterns. In arts, entertainment, and recreation, for example,

## Recalls Accounted for a Larger Proportion of Total Hires During 2020 Q3



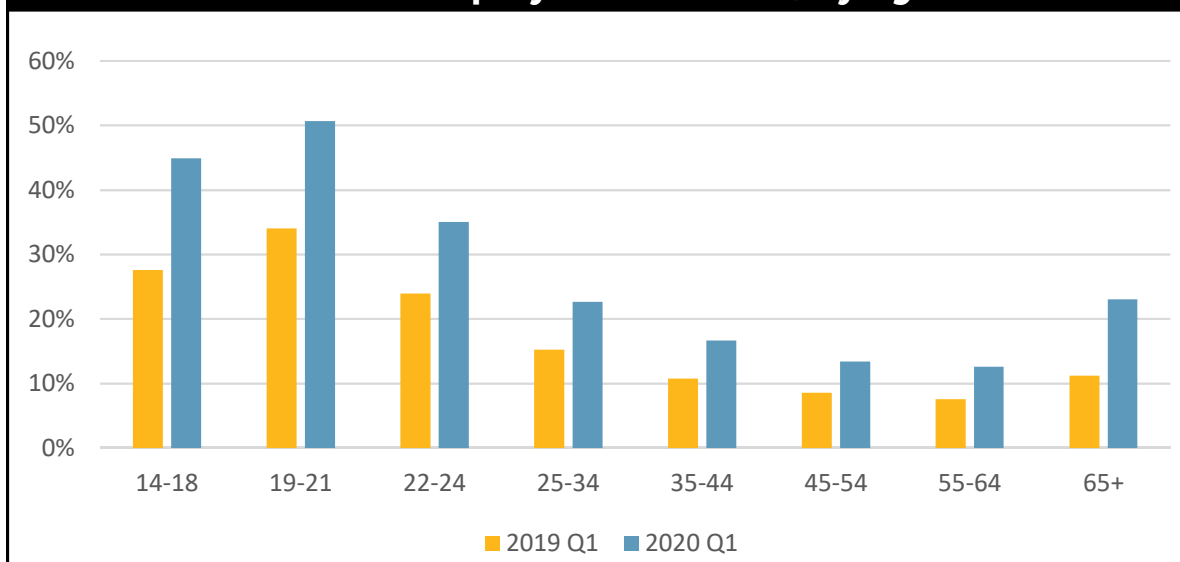
Source: U.S. Census Bureau, Quarterly Workforce Indicators

<sup>1</sup> Because QWI measures employment on a quarterly basis, workers need to have one full quarter where they do not receive wages from an employer to be counted as separated, then recalled. A separation of less than one quarter would, as measured by QWI, count as continuous employment, since wages are received in consecutive quarters. So a worker measured as recalled in 2020 Q3 would receive no wages from the recalling employer in 2020 Q2, but would receive wages from the recalling employer between 2019 Q3 and 2020 Q1. Because of this definition, QWI likely undercounts separations and recalls during the coronavirus pandemic, particularly during the second quarter of 2020, when unemployment peaked in April, but hiring was strong in May and June.

approximately 40 percent of workers hired in 2018 and 2019 were recalled workers. In the second quarter of 2020, overall hiring fell from 9,100 workers to 3,700, but recalls accounted for nearly 60 percent of all workers hired during the quarter. About 5,000 workers were hired in the third quarter of 2020, similar to the third quarter of 2019, but the percentage of recalled workers increased from 28 percent to 47 percent over-the-year.

The percentage of recalled workers increased in most industries during the third quarter of 2020. In accommodation and food services, the percentage of recalled workers increased from 13 percent of total hires in the third quarter of 2019 to 31 percent in third quarter of 2020. In health care and social assistance, recalls increased from ten percent to 23 percent, and in retail trade, recalls increased from nine percent of total hires to 16 percent. In educational services, total hiring fell 27 percent over-the-year, but the number of recalled workers remained essentially unchanged. The percentage of recalled workers increased from 23 percent to 30 percent.

### Percentage of Workers Who Separated from an Employer in 2020 Q1, by Age



Source: U.S. Census Bureau, Quarterly Workforce Indicators

### Impact of Worker Demographics on Separations

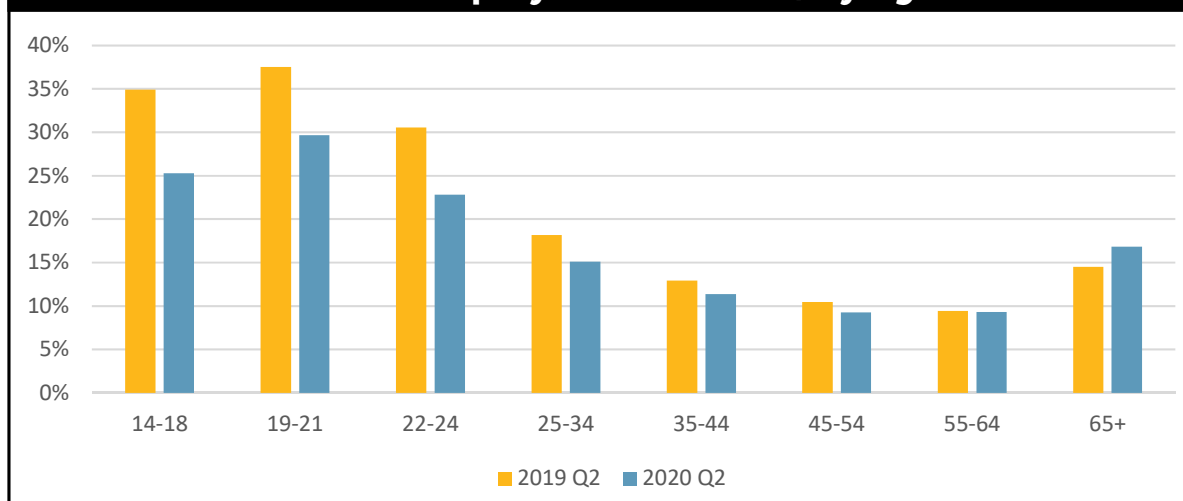
Not all workers were equally likely to separate from their employers during the coronavirus pandemic. Demographic factors such as age had a large effect on separations.

During the first quarter of 2020, workers aged 19 to 21 years were the most likely to separate from an employer, with more than 50 percent of workers separating from an employer during that quarter. The percentage of workers who separated from an employer decreased as worker age increased, reaching a low of 13 percent for workers aged 55 to 64 years. Among workers age 65 or older, 23 percent separated during the second quarter of 2020. Compared

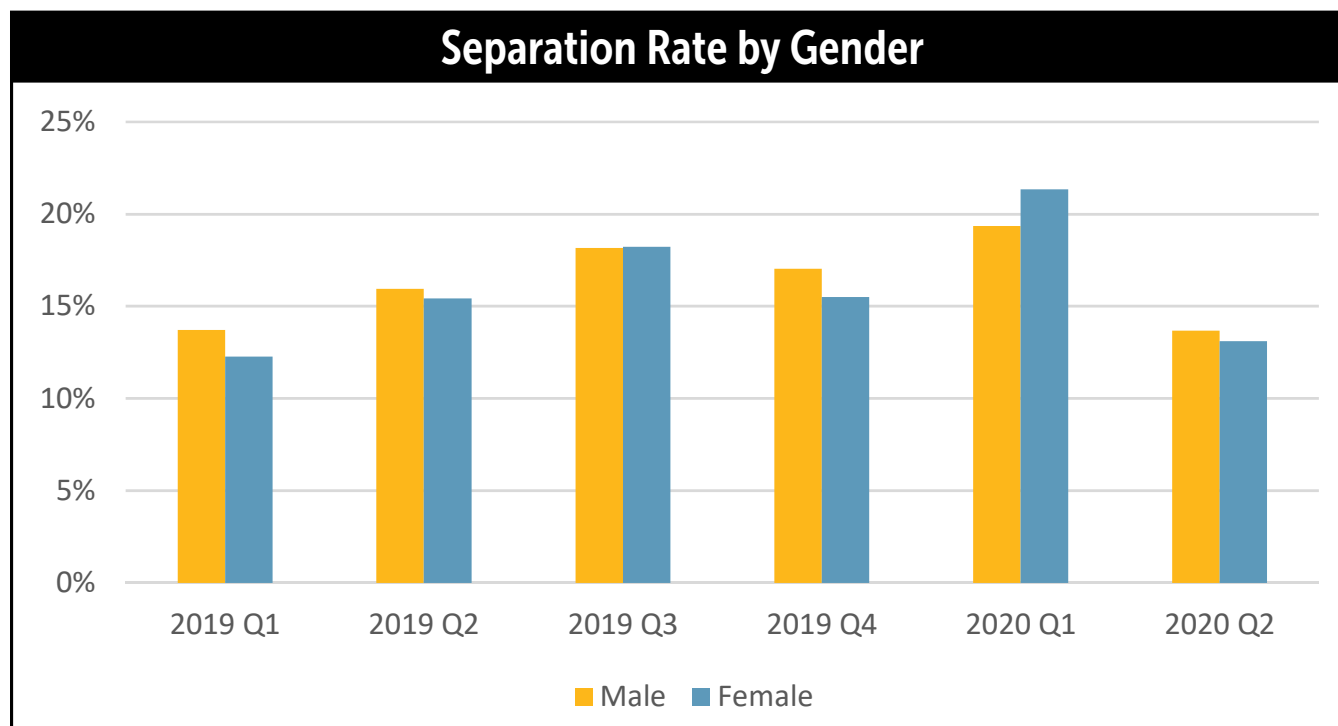
to the first quarter of 2019, workers in all age groups were more likely to separate from an employer, although the overall trend, with separations decreasing as worker age increased, did not change.

Although workers aged 14 to 21 years were most likely to separate from employers prior to the pandemic, they were also disproportionately affected by the pandemic as a result of the industries they were

### Percentage of Workers Who Separated from an Employer in 2020 Q2, by Age



Source: U.S. Census Bureau, Quarterly Workforce Indicators



Source: U.S. Census Bureau, Quarterly Workforce Indicators

employed in. More than 70 percent of workers aged 14 to 21 years were employed in retail trade, accommodation and food services, and health care and social assistance, three industries that lost the most jobs between February and April 2020.<sup>2</sup>

After increasing in the first quarter of 2020, separation rates fell over-the-year in the second quarter, with two exceptions. Workers age 65 and older were more likely to separate from an employer than they had been the previous year, with 15 percent separating in the second quarter of 2019 and 17 percent separating in the second quarter of 2020. Workers aged 55 to 64 years separated from employers at the same rate, nine percent, in the second quarters of both 2019 and 2020.

The higher share of separations for older workers suggests an increase in retirements among workers in this age group. The Schwartz Center for Economic Policy Analysis reported that many older workers not only separated from employers, but did not attempt to find new employment; between February 2020 and May 2020, 1.8 million workers age 55 or older left the U.S. labor force.<sup>3</sup> Since older individuals faced elevated health risks from the coronavirus, some may reenter the labor force when these risks are lower. But for many older workers, this was a permanent retirement.

Worker gender also affected separation rates. In the first quarter of 2019, male workers were slightly more likely to separate from an employer than females, with 14 percent

of males separating, compared to 12 percent of females. In the first quarter of 2020, the percentage of female workers who separated from an employer increased to 21 percent, an over-the-year increase of 75 percent. The percentage of male workers who separated from an employer rose to 19 percent in 2020, an increase of 36 percent.

Part of the larger increase in the separation rate for female workers was related to industry; women were more likely to be employed in health care and social assistance or accommodation and food services, two industries that laid off large numbers of workers early in the pandemic. Childcare issues also affected female workers more than male workers. Women are more likely to have primary childcare responsibilities, and remote schooling and lower daycare capacity during the pandemic had a disproportionately high impact on women's ability to remain in the workforce.

Worker educational attainment had an effect on separations as well. Educational attainment data is not reported for workers age 24 or younger, as many of these workers have not yet attained their desired level of educational attainment. For workers age 25 or older, the percentage of the workforce that separated from an employer decreased as educational attainment increased. This was true in both the first quarter of 2019, as well as the first quarter of 2020, although separations increased during the pandemic for workers of all levels of educational attainment. In the first quarter of 2020, 21 percent of workers with less than a high school diploma

<sup>2</sup> New Hampshire Employment Security, Quarterly Census of Employment and Wages (QCEW)

<sup>3</sup> Schwartz Center for Economic Policy Analysis, New School for Social Research, *Stalled Recovery Pushed 1.1 Million Older Workers Out of the Labor Force*, [https://www.economicpolicyresearch.org/images/Retirement\\_Project/status\\_of\\_older\\_workers\\_reports/OWAG\\_Feb\\_2021\\_presentation.pdf](https://www.economicpolicyresearch.org/images/Retirement_Project/status_of_older_workers_reports/OWAG_Feb_2021_presentation.pdf)

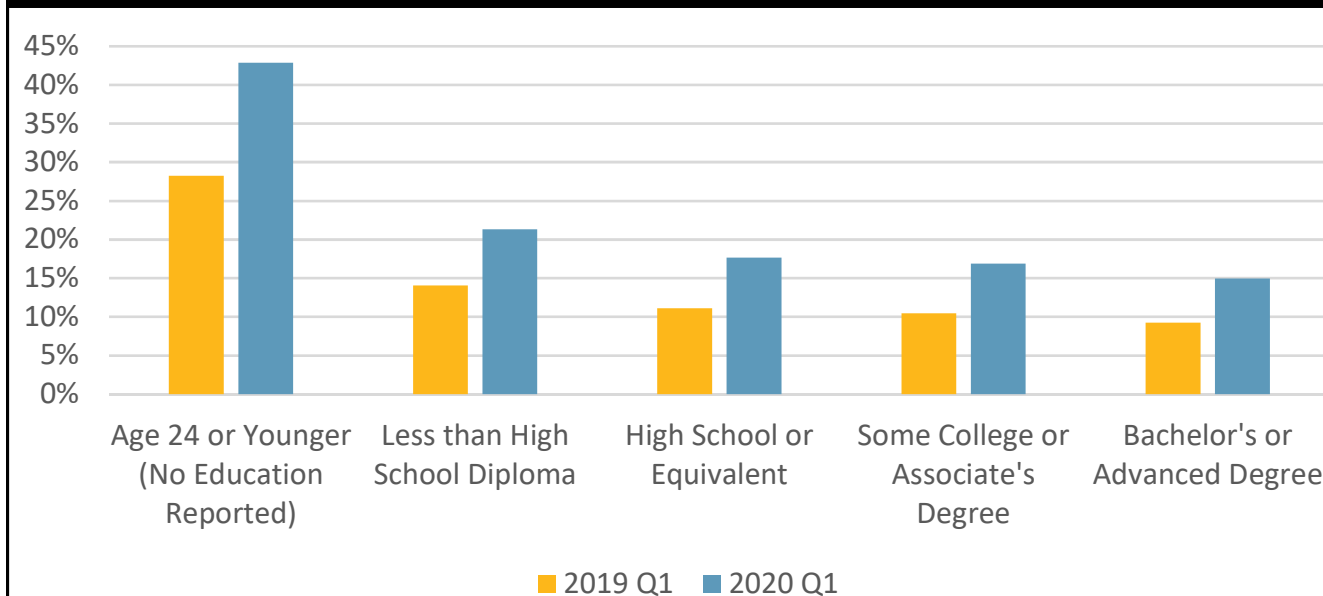
separated from an employer, while 15 percent of workers with a bachelor's degree or advanced degree separated from an employer.

Workers age 24 years or younger were far more likely to separate from their employers than workers age 25 or older, with 43 percent separating from an employer during the first quarter of 2020. Much of this was a result of the industries that employed younger workers. Just over half of

workers age 24 or younger were employed in retail trade and accommodation and food services, the two industries that lost the most jobs between February and April 2020.<sup>4</sup> These industries also have strong seasonal employment patterns, and have relatively high levels of separations even during stable economic environments.

– Greg David, Economist

### Workers Who Separated From an Employer in 2020 Q1, by Educational Attainment



Source: U.S. Census Bureau, Quarterly Workforce Indicators

<sup>4</sup> New Hampshire Employment Security, Quarterly Census of Employment and Wages (QCEW)