

New Hampshire

Economic Conditions



May 2009

Volume 109, Number 05

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Published by New Hampshire
 Employment Security's Economic
 and Labor Market Information
 Bureau

Does Age Matter? The effects of the economic downturn by age and gender of New Hampshire unemployment claimants.

(This article explores the demographics of continued claims being filed in New Hampshire during this economic downturn)

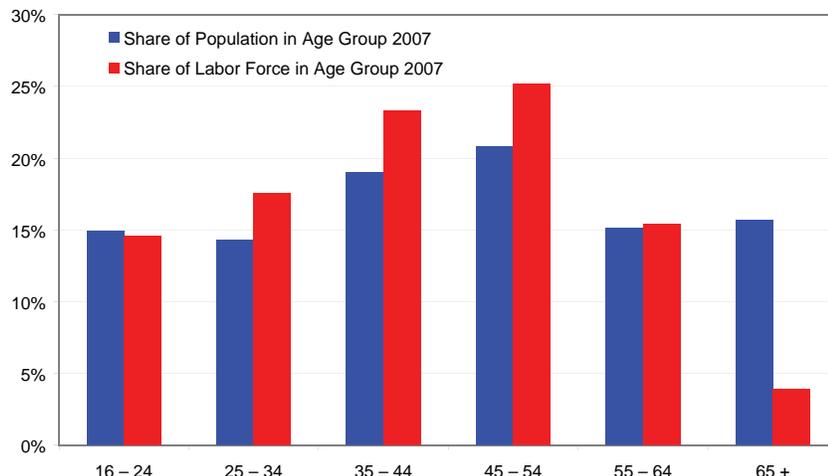
Age Groups in the Labor Force
 New Hampshire's seasonally adjusted unemployment rate in March was 6.2 percent, up one percentage point from January's 5.2 percent. From January to March the number of employed residents decreased by 3,600 and the number of unemployed residents increased almost 7,500 people.

The current economic downturn is affecting many different demographic groups in the population. Are young inexperienced workers being turned away by employers or are

they being embraced because they can be hired with lower wages? Are older workers with more experience and hands-on knowledge being retained for their abilities or are they being released because they generally receive more compensation?

Using the state's population age 16 and over, a comparison can be made between the age groups that dominate the workforce and their share of the comparable population. In 2007, the age groups of 35 to 44 years and 45 to 54 years of age were the largest in both the share of New Hampshire's eligible population as well as the share of the labor force. Those age groups are also commonly referred to as the prime working years, when many workers reach their maximum earning potential.

Share of Population Age 16 and Over and Labor Force by Age Groups, 2007



Source: Population Division, U.S. Census Bureau
 Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey

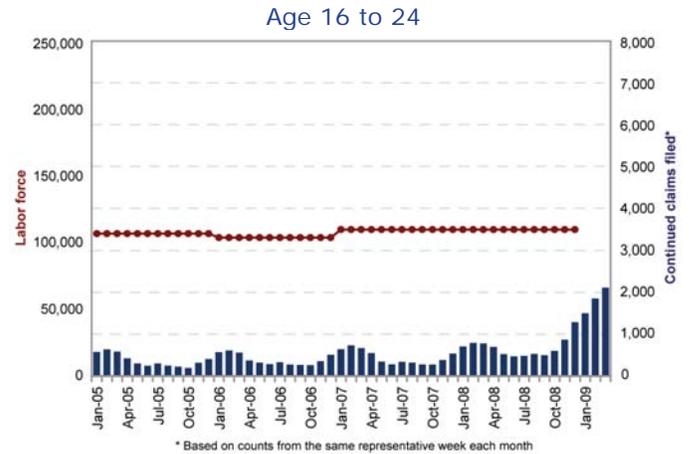
The impact of the economic downturn on various age groups can be gauged by using counts from a representative week each month of continued claims for unemployment compensation benefits. These details are captured with a monthly report that provides the age of individuals who are claiming unemployment benefits.¹ Even though this is a single week of information, it is the same representative week each month, so is a valuable point-in-time reference. Continued claims for unemployment benefits in all age groups follow the seasonal flow of employment in the state, with numbers generally higher during the winter months and falling back in warmer weather.

Age Groups

The definition of the labor force includes those 16 years of age or older who are either working, or unemployed but looking and available for work. Based on those confines, the concentration of this report will be on ages 16 and older.

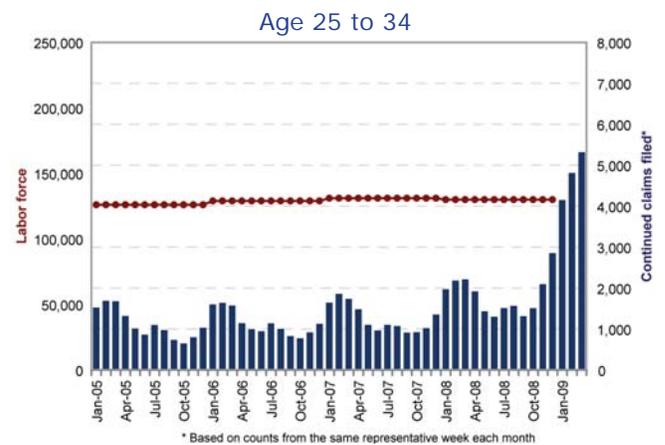
Age 16 to 24

The share of people in this age group have almost equal representation in the labor force and population, 14.9 percent and 14.6 percent respectively. This is the youngest age group in the labor force. Generally workers in this group have less experience, as many are still enrolled in high school and some in college. Because of those academic obligations, availability of workers from this age group typically follows seasonal flows. This limited labor force participation may also have a bearing on their eligibility for unemployment compensation. The number of unemployment claims usually shrinks in the summer months when the tourist season is strong and businesses open for the season. Patterns of continued claims from workers 16 to 24 years increase after the summer season through the winter months. Although the pattern remained similar through 2007, the numbers were higher than previous years. Since the fall of 2008 claims escalated to new highs each month.



Age 25 to 34

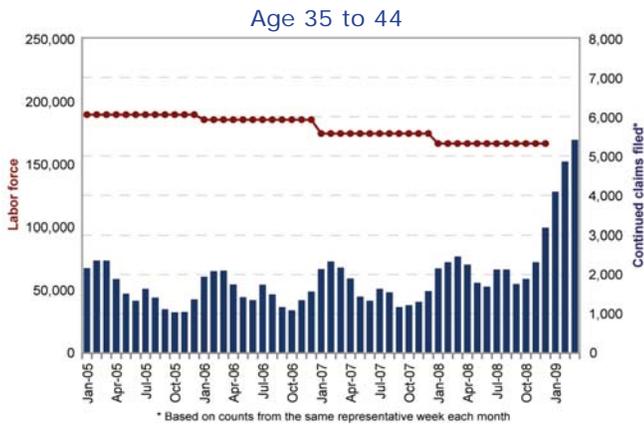
The share of relevant statewide population of this age group is 14.3 percent, similar to the 16 to 24 age group. However, they have a much larger presence in the labor force, representing 17.6 percent, compared to the 14.9 percent of those in the younger age group. Like all the age groups, continued claims in this age group follow a seasonal flow. That trend was consistent in 2005 and 2006, but in 2007 the number of continued claims started creeping upward when compared to corresponding months of the previous year. Continued claims among people in the 25 to 34 year age bracket have continued to climb every month through the fall of 2008 and spring 2009.



¹ United States Department of Labor, Employment and Training Administration, ETA 203 – Distribution of Characteristics of the Insured Unemployed, New Hampshire.

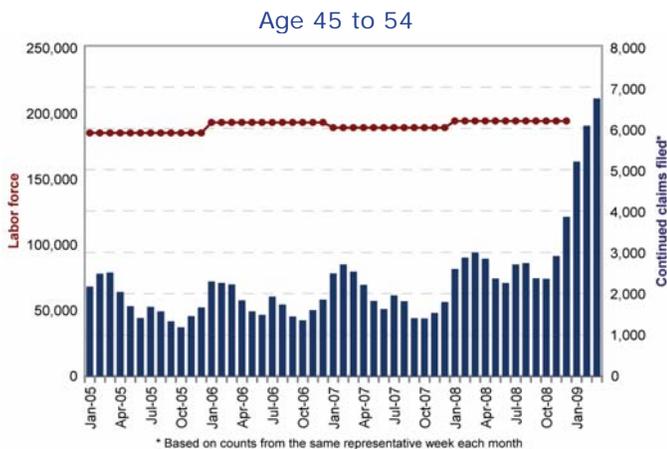
Age 35 to 44

Those in the 35 to 44 year age group belong to the second largest age group in the labor force in New Hampshire. They make up over 23 percent of the labor force, but they make up 19 percent of the comparable population. With a greater attachment to the labor force individuals in this age group are more likely to be eligible for unemployment benefits. The share of individuals in this age group that have continued weeks of benefits claimed increased from less than half a percent in mid-2007 to almost two percent in December 2008. The volume of continued claims continued to rise during the first quarter of 2009.



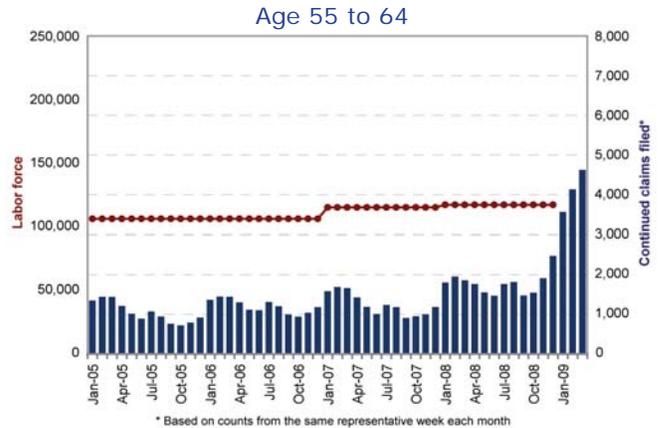
Age 45 to 54 years

One of every four people in New Hampshire's labor force is between 45 to 54 years old. Because this group is so numerous in the labor force, it stands to reason that there would be a larger volume of claims in this age bracket. That said, about two percent of people in this age group filed continued claims for unemployment benefits.



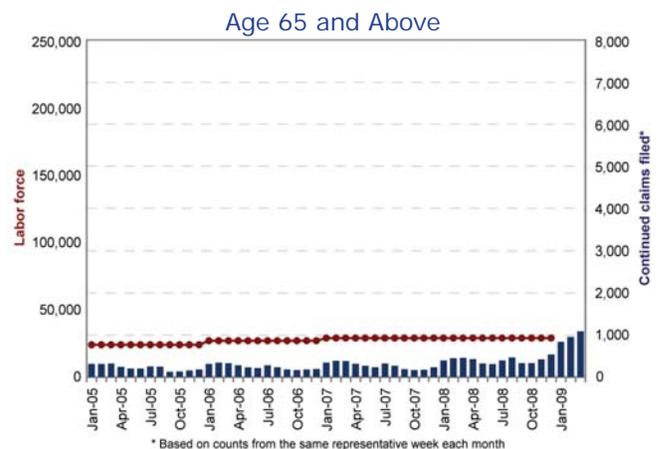
Age 55 to 64

Workers in this age group typically possess a wealth of experience and knowledge. Members of this age group are generally working toward retirement. They represent roughly 15 percent of the state's labor force and comparable population. Like all other age groups, continued claims in this age group follow the seasonal flow through the years with significant increases since the fall of 2008.



65 years and over

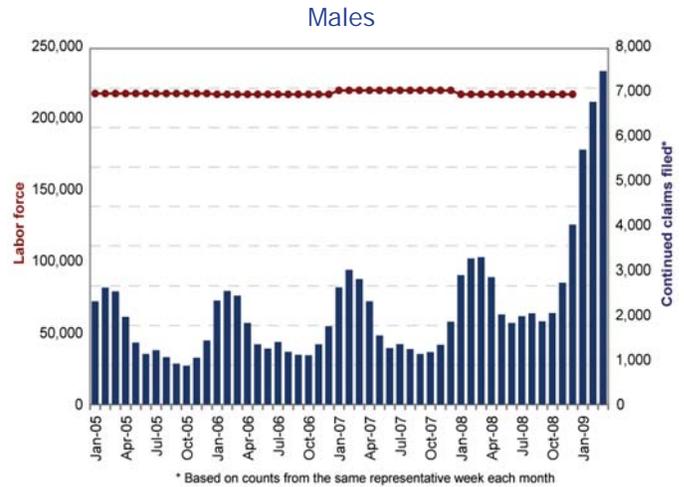
The traditional age of retirement may be changing, whether from economic demands creating a need for additional income or simply that older workers find they miss the stimulation of being involved in the workforce. Either way, people in this age group make up almost four percent of the state's labor force. Even though they are far smaller in number, workers in this age bracket are also experiencing an increase in the share of workers receiving continued weeks of unemployment benefits.



Gender in the Labor Force

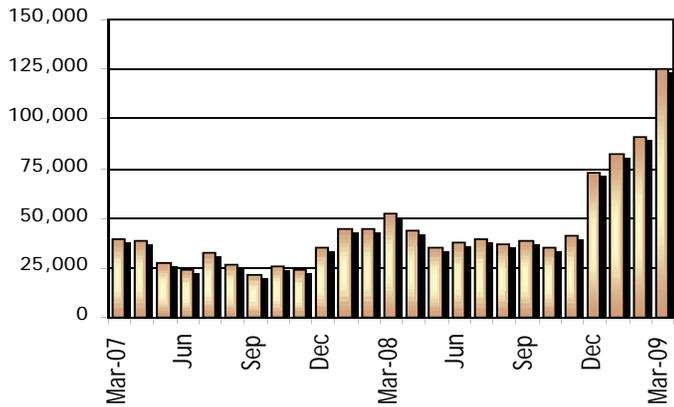
There is a significant difference in the seasonal trend of continued claims between males and females. Since males tend to dominate the construction and extraction jobs, many of which are weather-dependent, there are normal increases of claims among males during the winter months. The difference in the last year and a half is that the number of continued claims filed by males have not dropped back to the levels of corresponding months of the previous year which is not the usual seasonal pattern.

Continued on page 9



Unemployment Compensation Claims Activity

Total Regular Unemployment Compensation Programs:				Change from Previous			
	Mar-09	Feb-09	Mar-08	Month		Year	
				Net	Percent	Net	Percent
Initial Claims	10,673	10,190	4,459	483	4.7%	6,214	139.4%
Continued Weeks	125,063	90,728	51,903	34,335	37.8%	73,160	141.0%



Claims Activity

Continued Weeks Claimed

March 07 to March 09

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of March	\$110,453,196.79
Average payment for a week of total unemployment:	\$275.76
Net benefits paid:	\$30,948,883.00
Net contributions received during the month:	\$349,208.58
Interest Received:	\$1,438,283.66
Reed Act Withdrawn for Administrative Costs:	\$1,039,082.00

Trust Fund

			Change from Previous	
Mar-09	Feb-09	Mar-08	Month	Year
217.709	212.193	213.528	0.2%	-0.4%

United States
All Urban Areas (CPI-U)
(1982-1984=100)

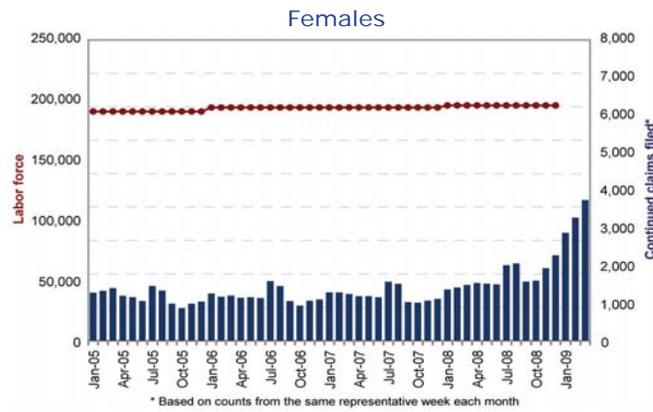
Consumer Price Index

Continued from page 4

The pattern of continued claims for unemployment benefits filed by females also ties in with the close association of females to educational occupations, so it has a less sharply defined seasonal pattern. Those type jobs are out of work during summer months, as the claims filed increase during July and August. However, the number of continued claims filed increased steadily through 2008 and into the first quarter of 2009.

In summary, no specific age group seems to be more affected than another. Each group has experienced an increase in the share of those filing continued weeks for unemployment benefits. Traditionally, the seasonal trend of claims does decrease during the spring months. It is hoped that this trend will recur when the April 2009 figures become available.

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