How Labor Force Participation in New Hampshire Changed During the Coronavirus Pandemic

In November 2020, New Hampshire had a total labor force of 750,460 workers.[1] The labor force includes New Hampshire resident members of the civilian noninstitutional population 16 years and older who are either employed or are unemployed and actively looking for work. Counting both employed and unemployed residents, 66.3 percent of the civilian noninstitutional population was in the labor force. The remaining 33.7 percent were not employed, and not actively looking for work. There are many reasons why individuals decide not to be in the labor force. They may be retired, in school, caring for family members, or unable to work due to illness or disability. Others would like to work, but aren't actively looking, because they don't believe there is work available for them.

The coronavirus pandemic had a negative impact on labor force participation; in November, the labor force was roughly 40,000 workers smaller than it had been in February. This decline in the labor force is not reflected in the unemployment rate. Unemployment in New Hampshire reached 17.2 percent (seasonally adjusted) in April, before dropping throughout the year, falling to 4.0 percent (seasonally adjusted) in December. However, since the unemployment rate only measures those individuals who are actively looking for work, the smaller labor force actually results in a lower unemployment rate, even though fewer people are employed. In November, 722,310 New Hampshire residents were employed out of a labor force of 750,460 residents. If the labor force remained the same size it had been in February, 779,530 residents, November's 720,970 employed residents would result in an unemployment rate over seven percent.

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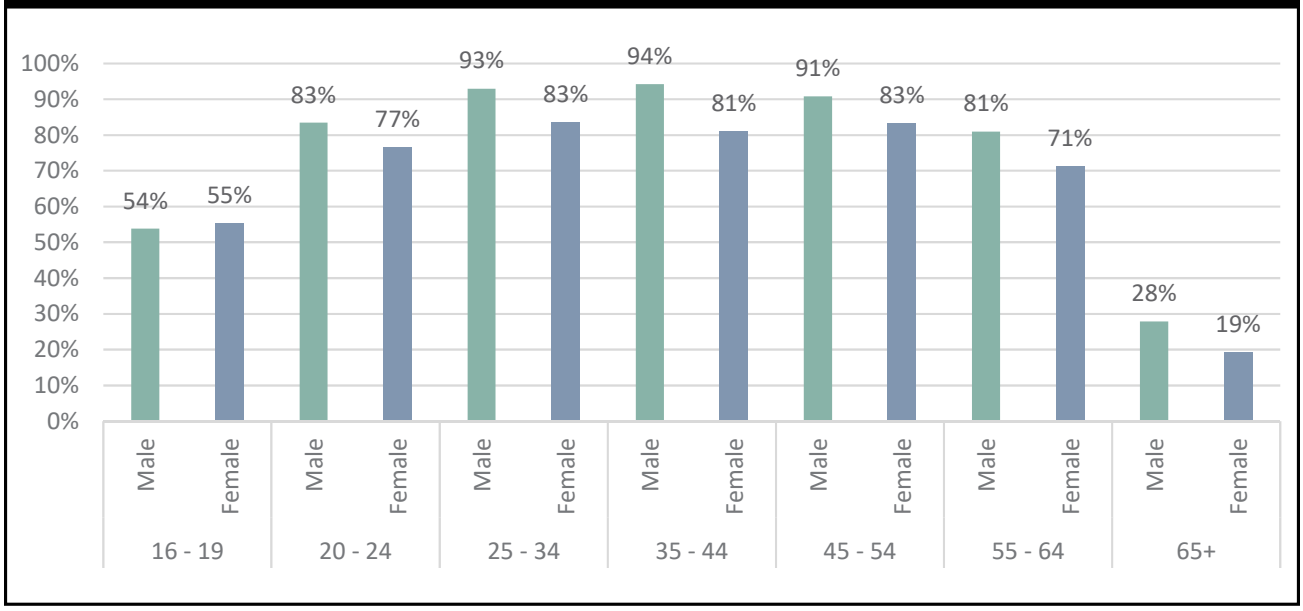
2019 Average Labor Force Participation Rates



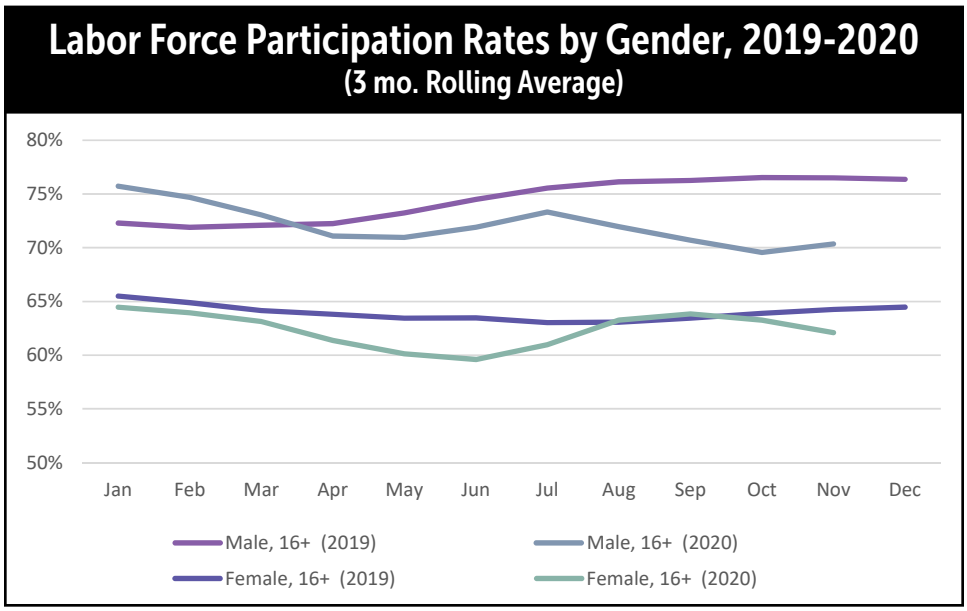
Source: U.S. Bureau of Labor Statistics, Current Population Survey

[1] Data are seasonally adjusted

Labor Force Participation by Age and Gender

The labor force participation rate shows what percentage of the population is actively engaged in the labor force. Females are less likely to participate in the labor force, as they are more likely to have family care responsibilities that keep them out of the labor force. Labor force participation for males averaged 74.8 percent in 2019, while for women, the average was 63.9 percent.

Different age groups also participate in the labor force at different rates; nearly 90 percent of the prime working age population, people between the ages of 25 and 54, was in the labor force, while older and younger individuals had lower levels of participation.



Source: U.S. Bureau of Labor Statistics, Current Population Survey

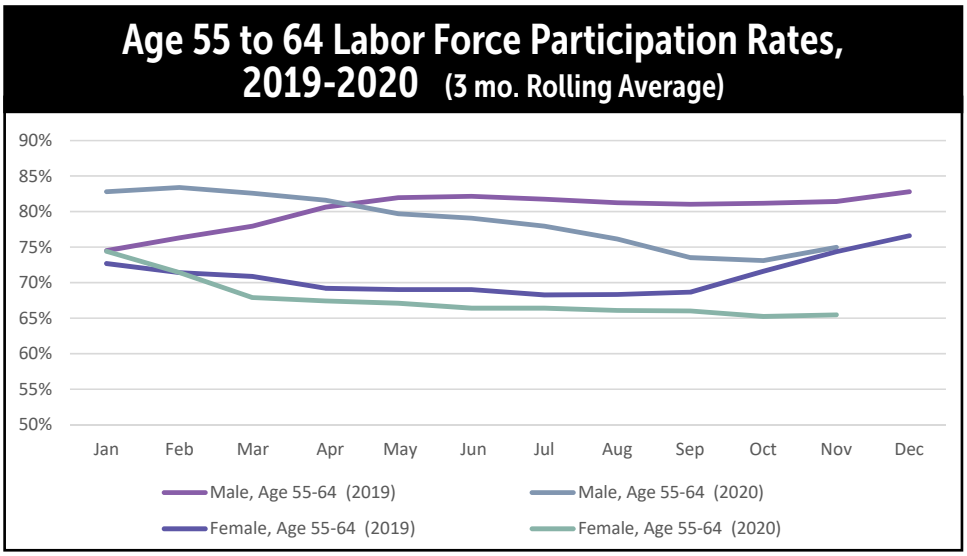
Labor force participation fell for both males and females during the early months of the pandemic, increased slightly during the summer, and fell again during the fall. Labor force participation for males during September, October and November averaged 70.4 percent, six percent lower than the same time period in 2019. For women, labor force participation averaged 62.5 percent, two percent lower the same period one year earlier. When looking at labor force participation rates by age and gender, participation has declined for almost every group, for at least a portion of the pandemic.

Retirement

Part of the decline in labor force participation is the result of workers deciding to retire. Labor force participation fell for workers between ages 55 and 64 - workers who are close to traditional retirement age. According to the CDC, individuals over age 60 are at particularly high risk of hospitalization or death from the coronavirus, so many older workers may have decided that the benefits of working, or looking for new employment, did not outweigh the health risks.

The Current Population Survey (CPS) showed that the number of individuals who reported that they were retired increased briefly during March and April before falling over the next few months. The number of retired individuals increased again as the pandemic continued, from 201,000 in July to 221,000 in November.

For some workers, pandemic-related layoffs began as temporary, and became permanent over time. Finding a new job can be much more difficult for older workers, particularly during a recession.[2] Many older workers may have intended to return to their previous job after a temporary layoff but when the layoff become permanent they chose to retire rather than search for a new job. The increase in retirements may also reflect the "second wave" of coronavirus cases in New Hampshire, causing older workers concern that returning to work could increase their exposure to the disease throughout the fall and winter.



Source: U.S. Bureau of Labor Statistics, Current Population Survey

Permanent vs. Temporary Job Losses

In the early months of the pandemic, most unemployed workers were on temporary layoff, expecting to return to their job relatively soon. As the pandemic continued, some workers returned to work, but for others, the temporary layoffs became

[2] Jasmine Garsd, "Older workers worry about the prospect of finding a new job," Marketplace. https://www.marketplace.org/2020/10/20/older-workers-new-jobs-unemployment-retirement-layoffs-hiring-age-discrimination-health-care-training/

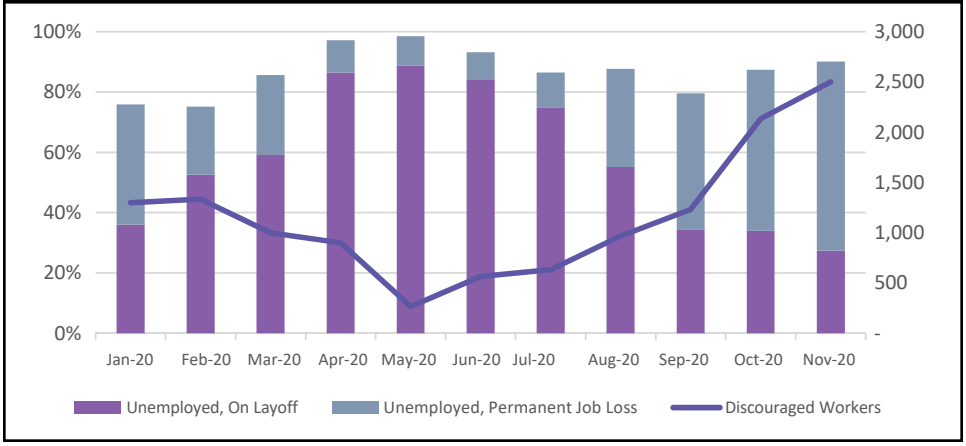
permanent. Workers on temporary layoff accounted for nearly 90 percent of unemployed workers in April, but just 27 percent in November. As the share of workers who permanently lost their jobs increased, some stopped looking for work, believing that they would not be able to find employment. The number of workers who were available to work, but had not looked for work in the last four weeks because they were discouraged over their job prospects actually declined early in the pandemic, suggesting that there were other factors, such as health and safety concerns, keeping workers out of the labor force at that time. However, since May, the number of discouraged workers has increased every month.

Delaying Entry into the Labor Force

Many workers between ages 16 and 24 are employed part-time, as they are also enrolled in either high school or postsecondary education. Roughly half of these workers[3] were employed the retail trade or accommodation and food services industries, two industries that have been strongly impacted by the pandemic. In addition, when companies lay off workers, they typically lay off recently hired workers first, which generally impacts younger workers more than other age groups. As a result of these factors, younger workers appear to be delaying entry, or re-entry, into the labor force.

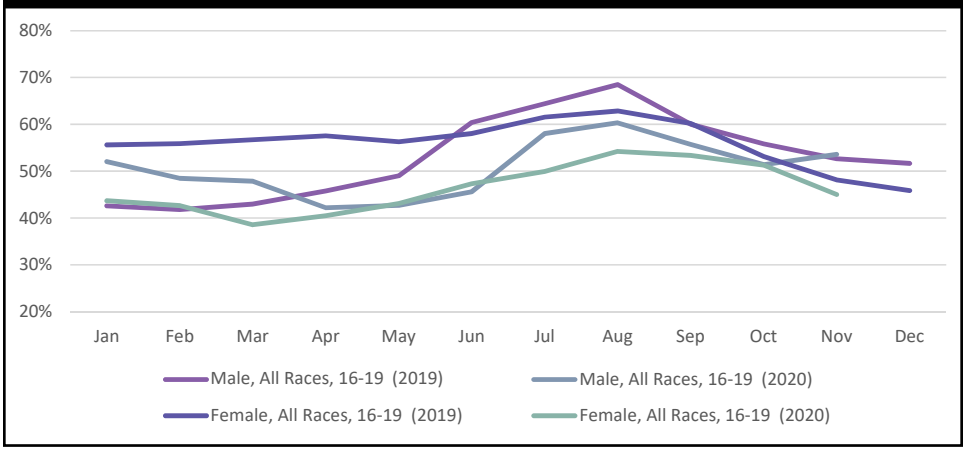
Traditionally, individuals between ages 16 and 19 have one of the lowest rates of labor force participation, as many of them are enrolled in either secondary or postsecondary education. Labor force participation for this age cohort averaged just over 50 percent in 2019, with an increase during the summer, between school years. During the coronavirus pandemic, labor force participation for individuals between ages 16 and 19 was consistently lower than it had been in 2019. Labor force participation increased in the summer, the usual seasonal employment pattern, but was still roughly eight percentage points lower than the previous year for both males and females.

Percent of Temporary and Permanent Job Losses, and Discouraged Workers



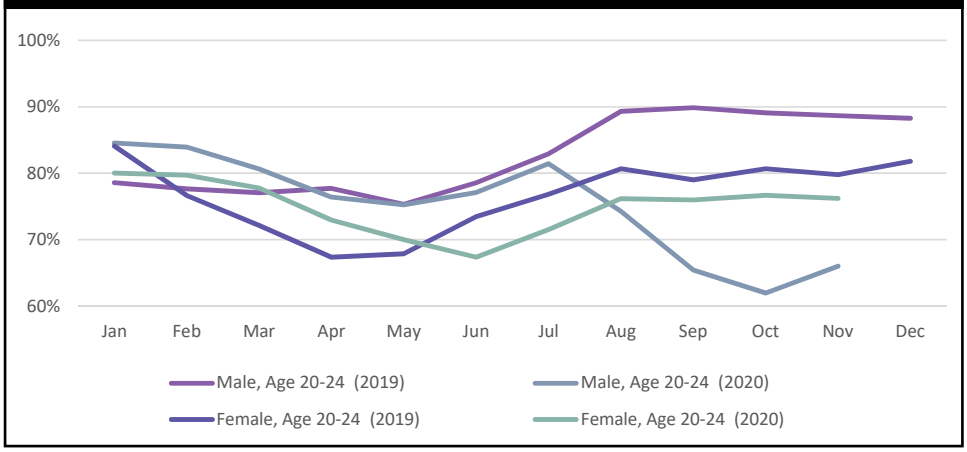
Source: U.S. Bureau of Labor Statistics, Current Population Survey

Age 16 to 19 Labor Force Participation Rates, 2019-2020 (3 mo. Rolling Average)



Source: U.S. Bureau of Labor Statistics, Current Population Survey

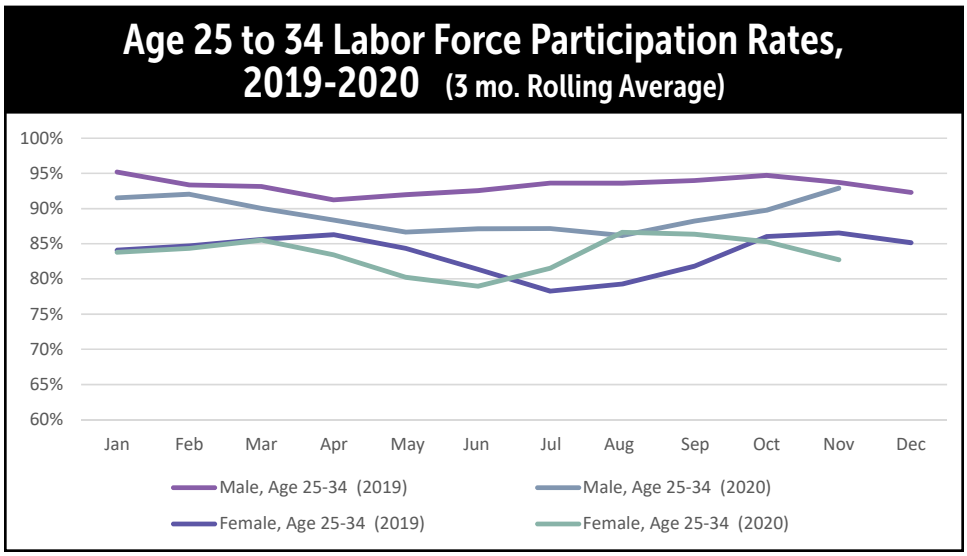
Age 20 to 24 Labor Force Participation Rates, 2019-2020 (3 mo. Rolling Average)



Source: U.S. Bureau of Labor Statistics, Current Population Survey

[3] Quarterly Workforce Indicators (QWI), 2019 annual average, US Census Bureau, Local Employment Dynamics Program. Includes workers age 14-24.

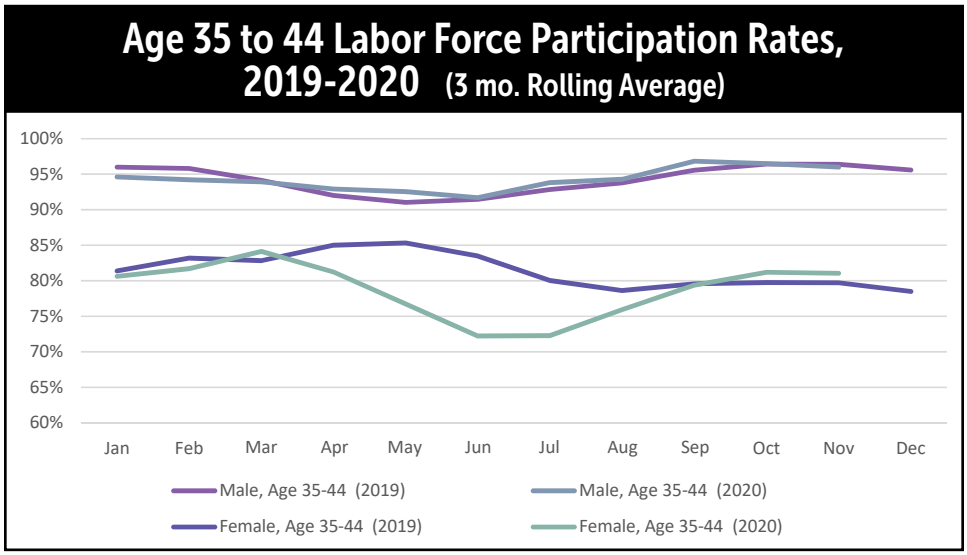
Labor force participation for individuals between ages 20 and 24 remained similar to 2019 levels during the first half of 2020, with 78 percent of males and 74 percent of females in the labor force. In 2019, labor force participation for this age cohort increased during the second half of the year, in part attributable to college graduates completing their degrees and looking for full-time employment. In 2020, labor force participation for males between ages 20 and 24, fell dramatically during the second half of the year, dropping to 62 percent in October, more than 20 percentage points lower than the previous year. Labor force participation for females between ages 20 and 24 also fell, although not as much; in the second half of the year, the difference between 2019 and 2020 rates ranged between three and six percent.



Source: U.S. Bureau of Labor Statistics, Current Population Survey

Child Care and Remote Schooling

Overall, labor force participation is lower for women than for men, largely because the responsibility of running a household and caring for children falls disproportionately on women. With schools operating remotely for the last three months of the 2019-2020 school year, many schools operating remotely or using a hybrid model during the 2020-2021 school year, and many day care facilities operating at reduced capacity, children have been more likely to stay home during the day, which has impacted labor force participation for women between ages 25 and 44, those most likely to have young children.



Source: U.S. Bureau of Labor Statistics, Current Population Survey

Labor force participation for females ages 25 and 34 fell in April and May 2020, but actually increased above 2019 levels during the summer. Participation fell again in the fall, when the new school year started. Females ages 35 to 44 also decreased their participation in the labor force during the spring and summer, but returned to the labor force during the fall. On average, women age 35 to 44 with children have older children than women age 25 – 34, and may be less likely to need to stay home while their children attend school remotely. In contrast to the participation rates for females, labor force participation for males age 35-44 remained almost entirely unchanged throughout the pandemic.

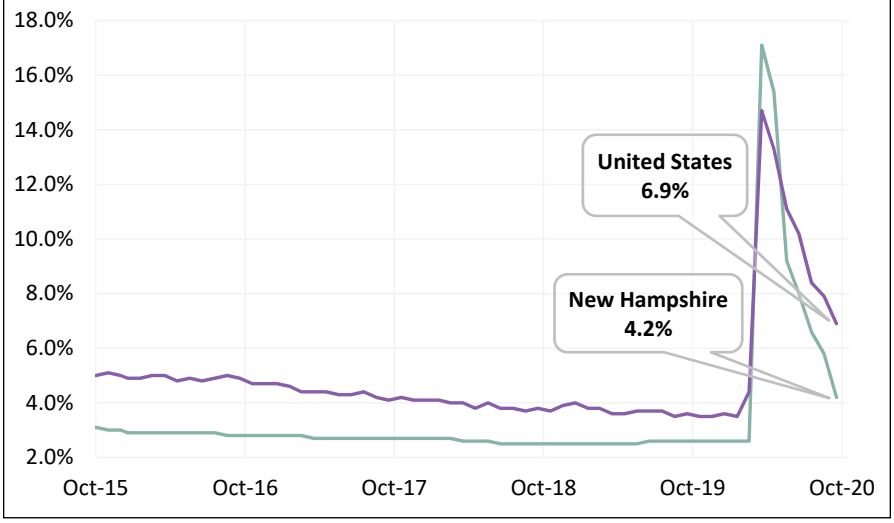
– Greg David, Economist

SEASONALLY ADJUSTED ESTIMATES

Unemployment Estimates by Region

Seasonally Adjusted	Oct-20	Sep-20	Oct-20
United States	6.9%	7.9%	3.6%
Northeast	7.9%	8.5%	3.8%
New England	6.4%	8.4%	3.0%
Connecticut	6.1%	7.7%	3.8%
Maine	5.4%	6.1%	3.0%
Massachusetts	7.4%	9.8%	2.8%
New Hampshire	4.2%	5.8%	2.6%
Rhode Island	7.0%	10.5%	3.5%
Vermont	3.2%	4.3%	2.4%
Mid Atlantic	8.5%	8.5%	4.1%
New Jersey	8.2%	6.7%	3.7%
New York	9.6%	9.7%	3.9%
Pennsylvania	7.3%	8.3%	4.6%

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



Current Employment Statistics (CES) by Place of Establishment

	Number of Jobs			Change From Previous	
	Oct-20	Sep-20	Oct-19	Month	Year
Total Nonfarm	627,900	631,600	684,300	-3,700	-56,400
Total Private	546,900	547,300	594,000	-400	-47,100
Mining and Logging	900	900	900	0	0
Construction	27,300	27,400	28,500	-100	-1,200
Manufacturing	65,700	64,800	70,800	900	-5,100
Durable Goods	50,000	49,000	53,000	1,000	-3,000
Non-Durable Goods	15,700	15,800	17,800	-100	-2,100
Trade, Transportation, and Utilities	127,100	126,100	138,700	1,000	-11,600
Wholesale Trade	25,500	25,700	28,000	-200	-2,500
Retail Trade	85,400	84,500	93,400	900	-8,000
Transportation, Warehousing, and Utilities	16,200	15,900	17,300	300	-1,100
Information	11,400	11,700	12,300	-300	-900
Financial Activities	35,800	35,600	34,800	200	1,000
Financial and Insurance	28,200	28,000	27,800	200	400
Real Estate and Rental and Leasing	7,600	7,600	7,000	0	600
Professional and Business Services	78,600	78,300	84,400	300	-5,800
Professional, Scientific, and Technical Services	38,100	37,700	39,600	400	-1,500
Management of Companies and Enterprises	8,900	8,900	9,300	0	-400
Administrative and Support and Waste Management and Remediation Services	31,600	31,700	35,500	-100	-3,900
Education and Health Services	118,500	119,100	124,800	-600	-6,300
Educational Services	28,300	29,500	30,800	-1,200	-2,500
Health Care and Social Assistance	90,200	89,600	94,000	600	-3,800
Leisure and Hospitality	55,500	56,200	72,300	-700	-16,800
Arts, Entertainment, and Recreation	9,100	10,500	12,500	-1,400	-3,400
Accommodation and Food Services	46,400	45,700	59,800	700	-13,400
Other Services	26,100	27,200	26,500	-1,100	-400
Government	81,000	84,300	90,300	-3,300	-9,300
Federal Government	8,300	9,200	8,000	-900	300
State Government	18,400	20,400	24,600	-2,000	-6,200
Local Government	54,300	54,700	57,700	-400	-3,400

Current month is preliminary; past months are revised

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

NOT SEASONALLY ADJUSTED ESTIMATES BY PLACE OF RESIDENCE

Labor Force Estimates

New Hampshire	Oct-20	Sep-20	Oct-19
Total Civilian Labor Force	724,580	736,390	773,370
Employed	697,320	695,900	756,370
Unemployed	27,260	40,490	17,000
Unemployment Rate	3.8%	5.5%	2.2%

United States (# in thousands)	Oct-20	Sep-20	Oct-19
Total Civilian Labor Force	161,053	160,073	164,576
Employed	150,433	147,796	159,067
Unemployed	10,620	12,277	5,510
Unemployment Rate	6.6%	7.7%	3.3%

Unemployment Rates by Area

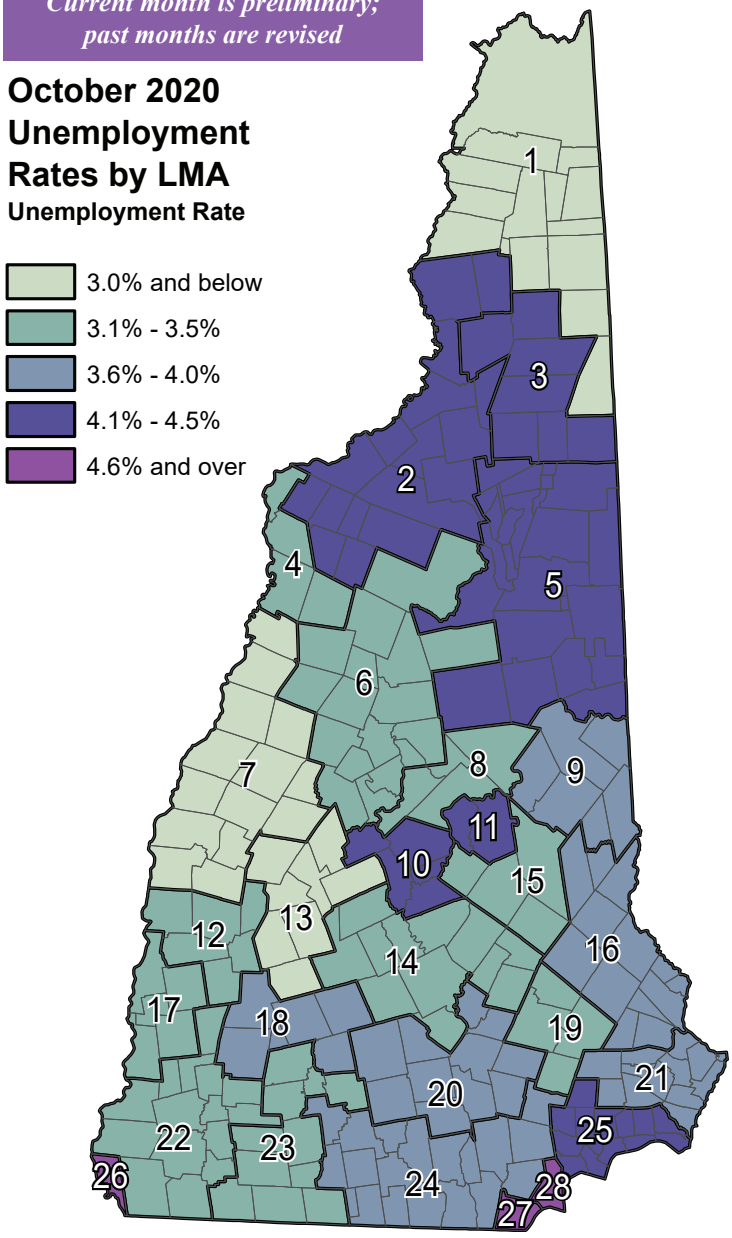
Counties	Oct-20	Sep-20	Oct-19
Belknap	3.6%	5.3%	2.2%
Carroll	4.0%	5.9%	2.1%
Cheshire	3.6%	5.1%	2.2%
Coös	4.1%	5.8%	2.3%
Grafton	3.1%	4.4%	1.9%
Hillsborough	4.0%	5.9%	2.3%
Merrimack	3.2%	4.6%	2.0%
Rockingham	4.0%	5.9%	2.4%
Strafford	3.6%	5.2%	2.0%
Sullivan	3.2%	4.5%	2.1%

Map Key	Labor Market Areas	Oct-20	Sep-20	Oct-19
1	Colebrook, NH-VT LMA, NH Portion	2.7%	4.3%	2.0%
2	Littleton, NH-VT LMA, NH Portion	4.3%	6.1%	1.9%
3	Berlin NH Micropolitan NECTA	4.2%	6.1%	2.8%
4	Haverhill, NH LMA	3.2%	4.6%	2.0%
5	Conway, NH-ME LMA, NH Portion	4.2%	6.2%	2.0%
6	Plymouth, NH LMA	3.1%	4.5%	1.9%
7	Lebanon, NH-VT Micropolitan NECTA, NH Portion	2.7%	3.7%	1.8%
8	Meredith, NH LMA	3.2%	4.7%	2.0%
9	Wolfeboro, NH LMA	4.0%	5.7%	2.4%
10	Franklin, NH LMA	4.1%	5.8%	2.3%
11	Laconia, NH Micropolitan NECTA	4.2%	6.1%	2.3%
12	Expanded Claremont, NH estimating area	3.4%	4.7%	2.2%
13	New London, NH LMA	2.8%	4.1%	2.0%
14	Concord, NH Micropolitan NECTA	3.1%	4.4%	1.9%
15	Belmont, NH LMA	3.3%	4.9%	2.1%
16	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	3.6%	5.2%	2.0%
17	Charlestown, NH LMA	3.5%	4.8%	2.0%
18	Hillsborough, NH LMA	3.7%	5.1%	2.3%
19	Raymond, NH LMA	3.5%	4.9%	2.1%
20	Manchester, NH Metropolitan NECTA	3.9%	5.6%	2.1%
21	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	3.6%	5.3%	2.1%
22	Keene, NH Micropolitan NECTA	3.5%	5.1%	2.2%
23	Peterborough, NH LMA	3.4%	4.7%	2.2%
24	Nashua, NH-MA NECTA Division, NH Portion	4.0%	6.0%	2.4%
25	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	4.5%	6.7%	2.6%
26	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	5.3%	7.2%	2.9%
27	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	4.6%	7.2%	2.7%
28	Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division	5.0%	7.6%	2.8%

Unemployment Rates by Region

Not Seasonally Adjusted	Oct-20	Sep-20	Oct-19
United States	6.6%	7.7%	3.3%
Northeast	7.5%	8.2%	3.5%
New England	6.0%	8.2%	2.6%
Connecticut	5.8%	7.5%	3.5%
Maine	4.8%	5.4%	2.4%
Massachusetts	6.9%	9.7%	2.4%
New Hampshire	3.8%	5.5%	2.2%
Rhode Island	6.5%	10.2%	2.9%
Vermont	2.4%	4.2%	1.7%
Mid Atlantic	8.1%	8.2%	3.9%
New Jersey	7.8%	6.5%	3.4%
New York	9.2%	9.3%	3.7%
Pennsylvania	6.9%	7.8%	4.4%

Current month is preliminary; past months are revised



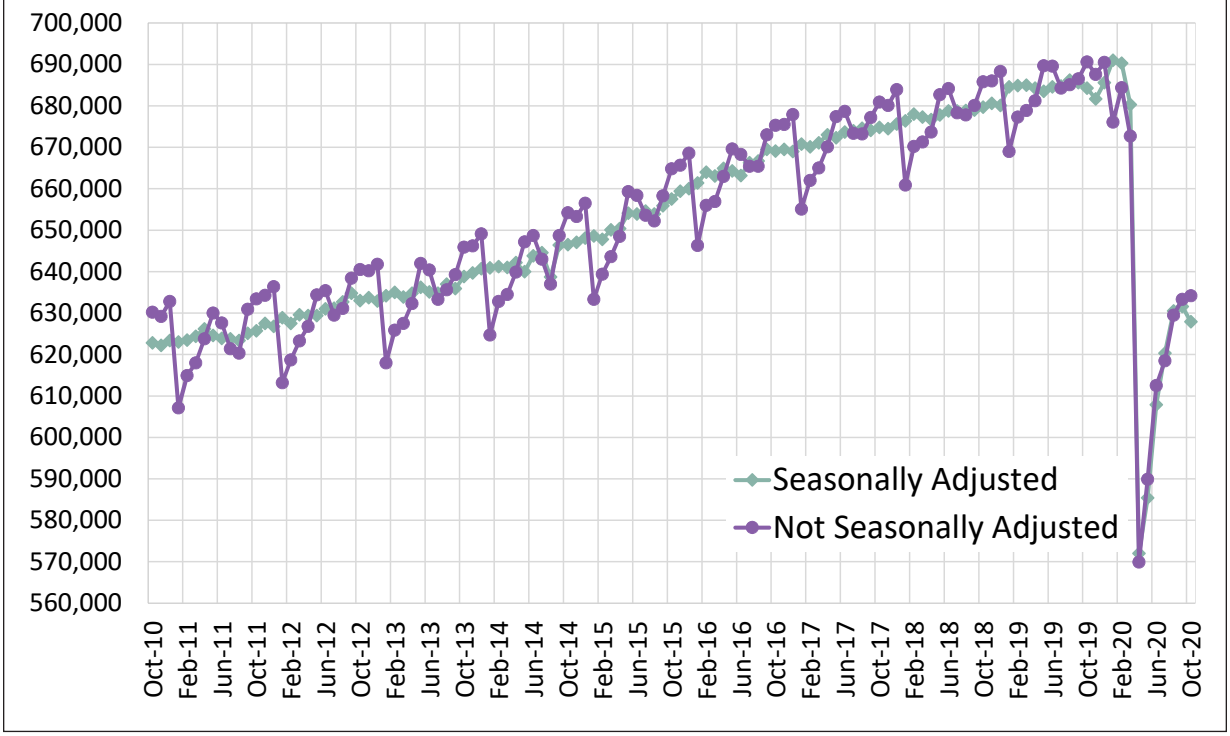
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Current month is preliminary; past months are revised

New Hampshire Nonfarm Employment Statewide Not Seasonally Adjusted

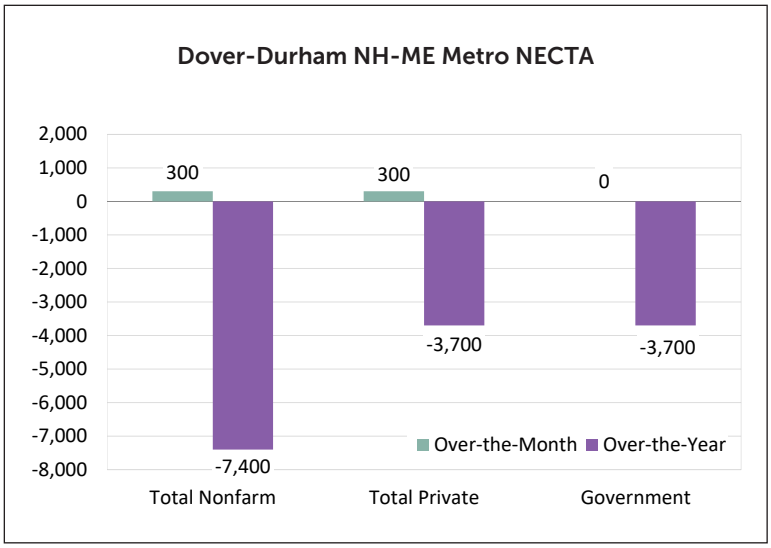
	Number of Jobs			Change From Previous	
	Oct-20	Sep-20	Oct-19	Month	Year
Total Nonfarm	634,200	633,300	690,600	900	-56,400
Total Private	549,600	547,900	597,100	1,700	-47,500
Mining and Logging	1,000	1,000	1,000	0	0
Construction	28,300	28,400	29,300	-100	-1,000
Manufacturing	65,700	65,000	71,000	700	-5,300
Durable Goods	50,000	49,200	53,100	800	-3,100
Non-Durable Goods	15,700	15,800	17,900	-100	-2,200
Trade, Transportation, and Utilities	126,100	124,800	138,600	1,300	-12,500
Wholesale Trade	25,400	25,700	28,000	-300	-2,600
Retail Trade	84,200	83,000	93,000	1,200	-8,800
Transportation, Warehousing, and Utilities	16,500	16,100	17,600	400	-1,100
Information	11,400	11,700	12,300	-300	-900
Financial Activities	35,900	35,900	34,900	0	1,000
Professional and Business Services	80,100	78,700	85,300	1,400	-5,200
Education and Health Services	121,200	118,500	127,400	2,700	-6,200
Leisure and Hospitality	54,300	57,300	71,100	-3,000	-16,800
Other Services	25,600	26,600	26,200	-1,000	-600
Government	84,600	85,400	93,500	-800	-8,900
Federal Government	8,300	9,200	8,000	-900	300
State Government	20,700	20,600	26,500	100	-5,800
Local Government	55,600	55,600	59,000	0	-3,400

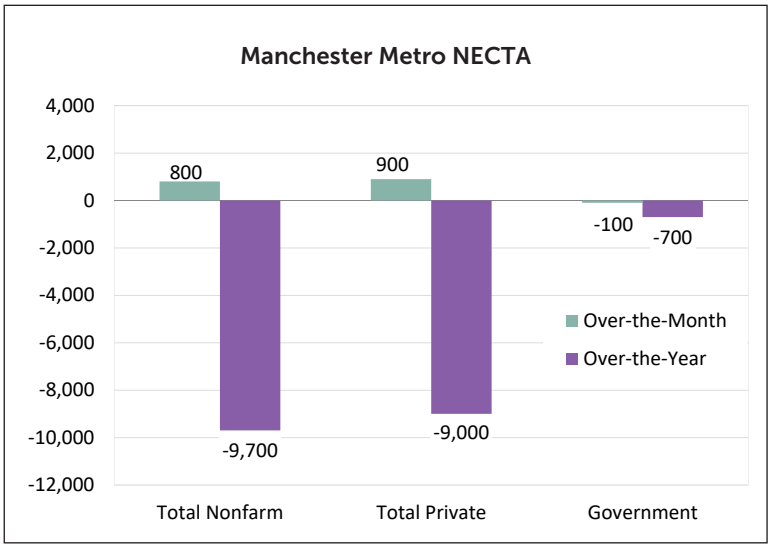
Total Nonfarm Employment Trend Through October 2020

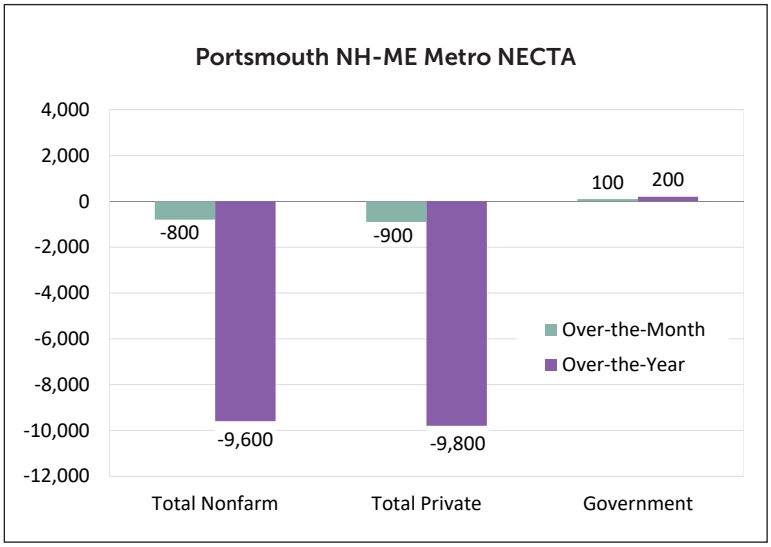


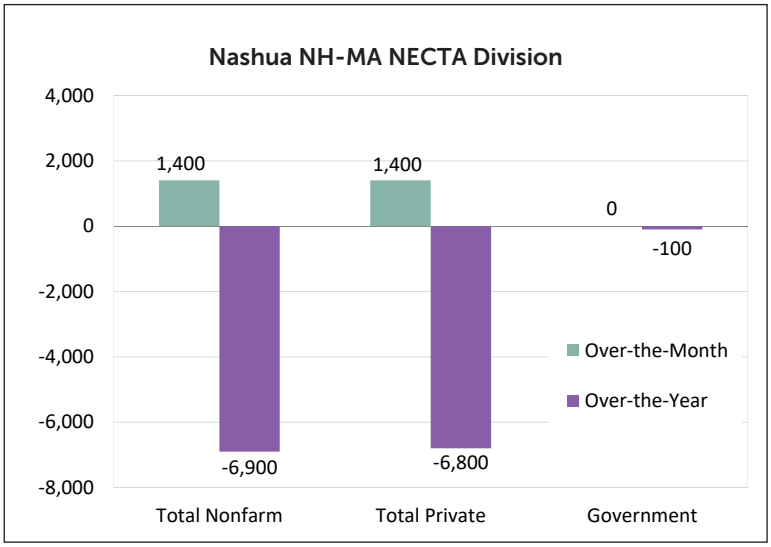
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Nonfarm Employment by Metropolitan Statistical Areas - October 2020

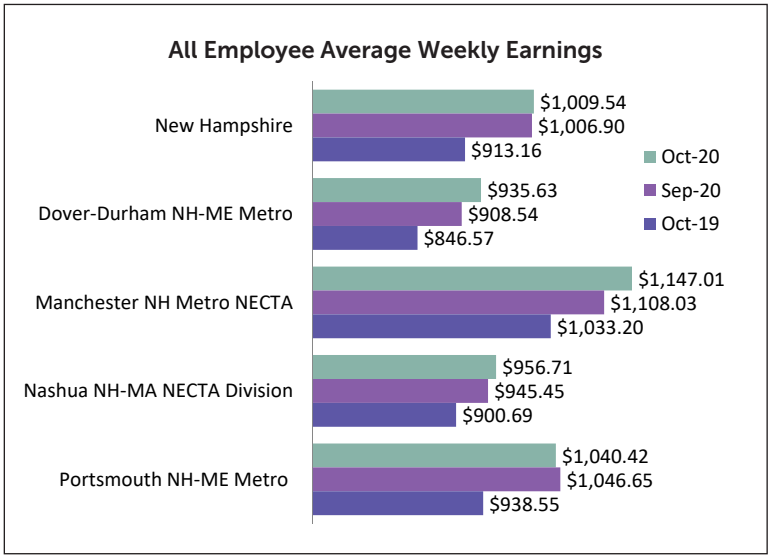


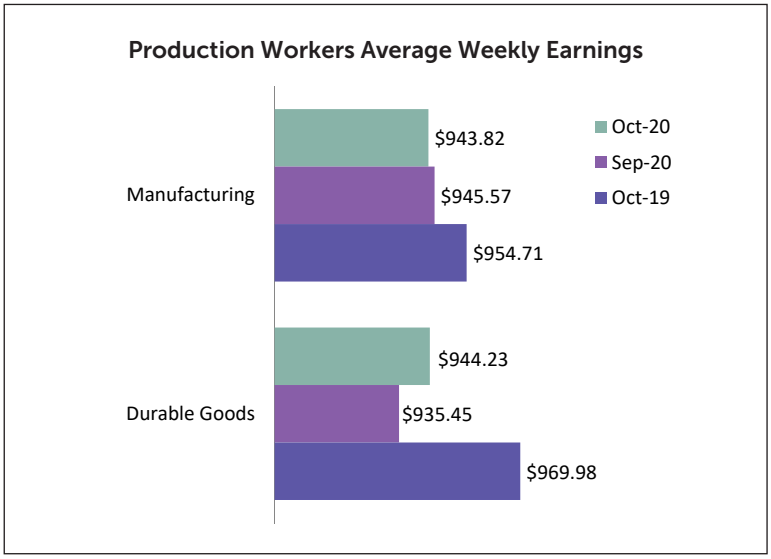






Total Private Average Weekly Earnings Data





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 decreased by 3,700 jobs in October, according to preliminary seasonally adjusted estimates. Four private industry supersectors experienced over-the-month employment gains in October, five supersectors experienced losses and one was unchanged. *Trade, transportation, and utilities* expanded payrolls by 1,000 in October and *manufacturing* gained 900 jobs. *Professional and business services* added 300 positions, while *financial activities* added 200 jobs. *Mining and logging* was unchanged from September.

Construction cut 100 jobs over the month and *information* lost 300 positions. *Private education and health services* reduced payrolls by 600 positions, while *leisure and hospitality* lost 700 jobs. Other services employment decreased by 1,100 over the month. *Government* employment decreased by 3,300 from September to October.

Seasonally adjusted *total nonfarm* employment decreased by 56,400 jobs from October 2019 to October 2020, reflecting the impact on employment due to the coronavirus (COVID-19) pandemic and efforts to contain it. Employment losses were experienced in every supersector over the year, with the exceptions of *financial activities*, which gained 1,000 positions, and *mining and logging*, which was unchanged over the year.

Leisure and hospitality suffered the greatest loss, with 16,800 fewer jobs than in October 2019. *Trade, transportation, and utilities* employment decreased by 11,600, while *private education and health services* cut payrolls by 6,300. *Professional and business services* was down by 5,800 positions over the year. *Manufacturing* shed 5,100 jobs and *construction* lost 1,200 jobs over the year. *Information* cut 900 positions, while other services employment declined by 400. *Government* employment decreased by 9,300 from October 2019 to October 2020.

Not Seasonally Adjusted

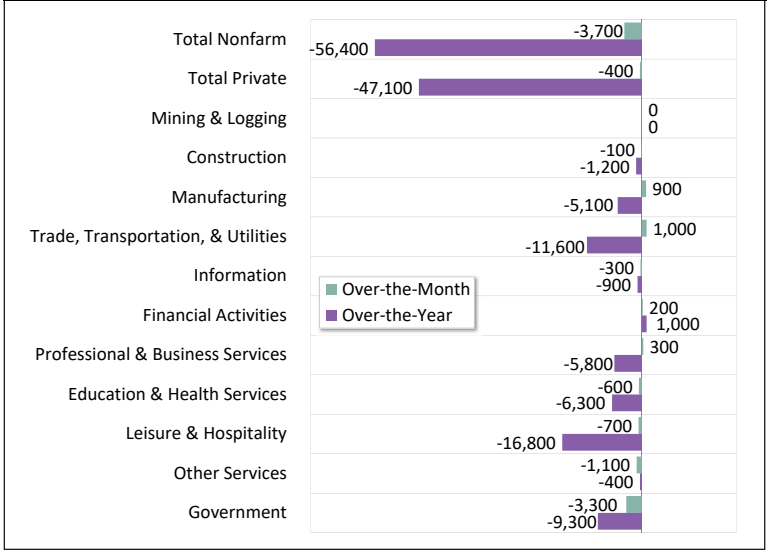
Preliminary unadjusted estimates for October show that *total nonfarm* employment decreased by 56,400 jobs since October 2019, reflecting the impact on employment due to the coronavirus (COVID-19) pandemic and efforts to contain it. Employment losses were experienced in all but two supersectors over-the-year. *Financial activities* had 1,000 more positions than in October 2019. *Mining and logging* was unchanged over the year.

Leisure and hospitality experienced the largest decrease, with 16,800 fewer jobs than in October 2019. *Trade, transportation, and utilities* employment decreased by 12,500, while *private education and health services* shed 6,200 jobs. *Manufacturing* lost 5,300 positions, while *professional and business services* reduced payrolls by 5,200. *Construction* cut 1,000 jobs over the year and *information* employment declined by 900. Employment in other services decreased by 600 compared to October 2019. *Government* employment contracted by 8,900 from October 2019 to October 2020.

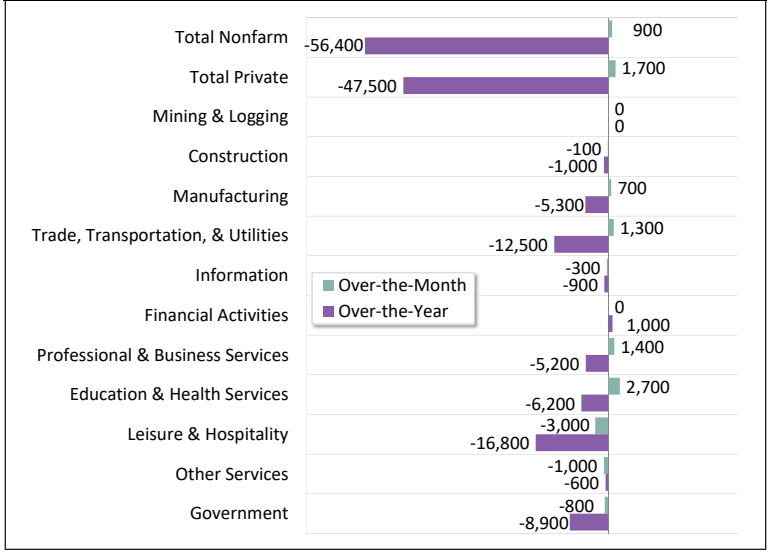
Unadjusted estimates provide a snapshot of the number of New Hampshire jobs by industry in any given month. However, over-the-month changes to unadjusted employment estimates reflect both changes in economic conditions and seasonal patterns of employment growth and decline. All industries experience seasonal changes to some degree, although these patterns tend to be more obvious in *leisure and hospitality*; *trade, transportation, and utilities* and *construction*. Over-the-month changes to unadjusted employment estimates should not be compared without consideration for the normal seasonal pattern of the appropriate industries. The most appropriate method for the comparison of unadjusted monthly data is to compare the estimates for the same month in different years; as this will minimize, but not eliminate, the effect of seasonal employment patterns on observed changes.

– Robert Cote, Research Analyst

Seasonally Adjusted October 2020 Change



Not Seasonally Adjusted October 2020 Change



Consumer Price Index

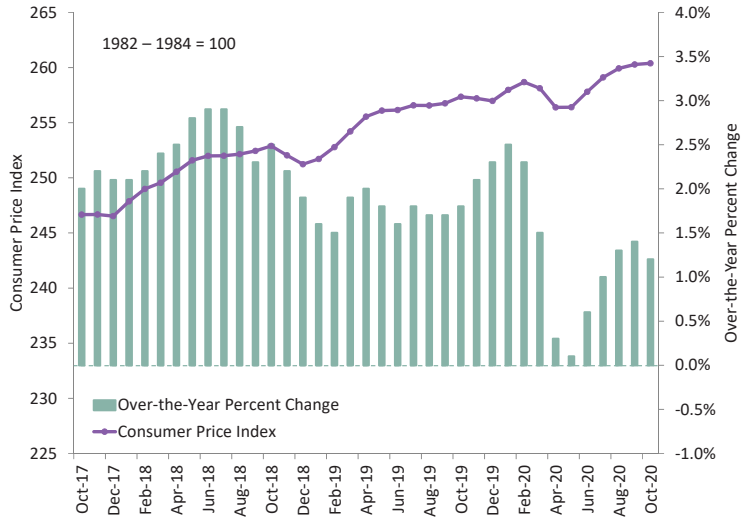
United States, All Urban Consumers
Not Seasonally Adjusted (CPI-U) (1982-1984=100)

			Change From Previous	
Oct-20	Sep-20	Oct-19	Month	Year
260.388	260.280	257.346	0.0%	1.2%

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

			Change From Previous	
Oct-20	Sep-20	Oct-19	Month	Year
273.374	273.925	270.348	-0.2%	1.1%

Consumer Price Index United States, All Urban Consumers



Unemployment Compensation Claims Activity

	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20
Initial Claims	34,031	23,827	26,658	10,369	8,936	16,046
Continued Weeks Claimed	404,164	323,039	162,664	144,029	97,600	65,260
Average payment for a week of unemployment	$253.57	$239.67	$255.15	$260.52	$272.34	$274.72

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Littleton	444-2971	Manchester	627-7841
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Salem	893-9185	Somersworth	742-3600

Claims calls: 1-800-266-2252

New Hampshire Employment Security
Economic and Labor Market Information Bureau

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	www.nhes.nh.gov/elmi
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Economist	229-4427
Covered Employment & Wages	228-4060
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