

New Hampshire ECONOMIC CONDITIONS

January 2020

Business Employment Dynamics:

Gross Job Gains and Gross Job Losses from 2017 Q1 through 2019 Q1

Quarterly employment in New Hampshire follows seasonal trends, with private employment typically peaking in the second and third quarters of each year, and reaching a low point during the first quarter. This cycle only describes the net change from quarter to quarter. Even when the net change in employment from one quarter to the next is zero, there are still changes to employment. At any given time, some establishments are expanding, while others are contracting. New establishments open, while other establishments permanently close.

Business Employment Dynamics data measure not just the net change in employment, but also the gross gains and losses to employment that occur every

quarter. In the first quarter of 2019, private employment in New Hampshire, not seasonally adjusted, decreased by 10,320 net jobs, compared to the previous quarter. That net loss consisted of 27,170 gross jobs added and 37,490 gross jobs lost.

The jobs added in the first quarter of 2019 included 21,860 from businesses expanding, and 5,310 from firm openings. The jobs lost included 30,290 from businesses contracting and 7,190 from firm closings.

Two industry supersectors contributed half of the gross employment changes related to establishment openings or closings during 2017 and 2018. *Professional and Business*

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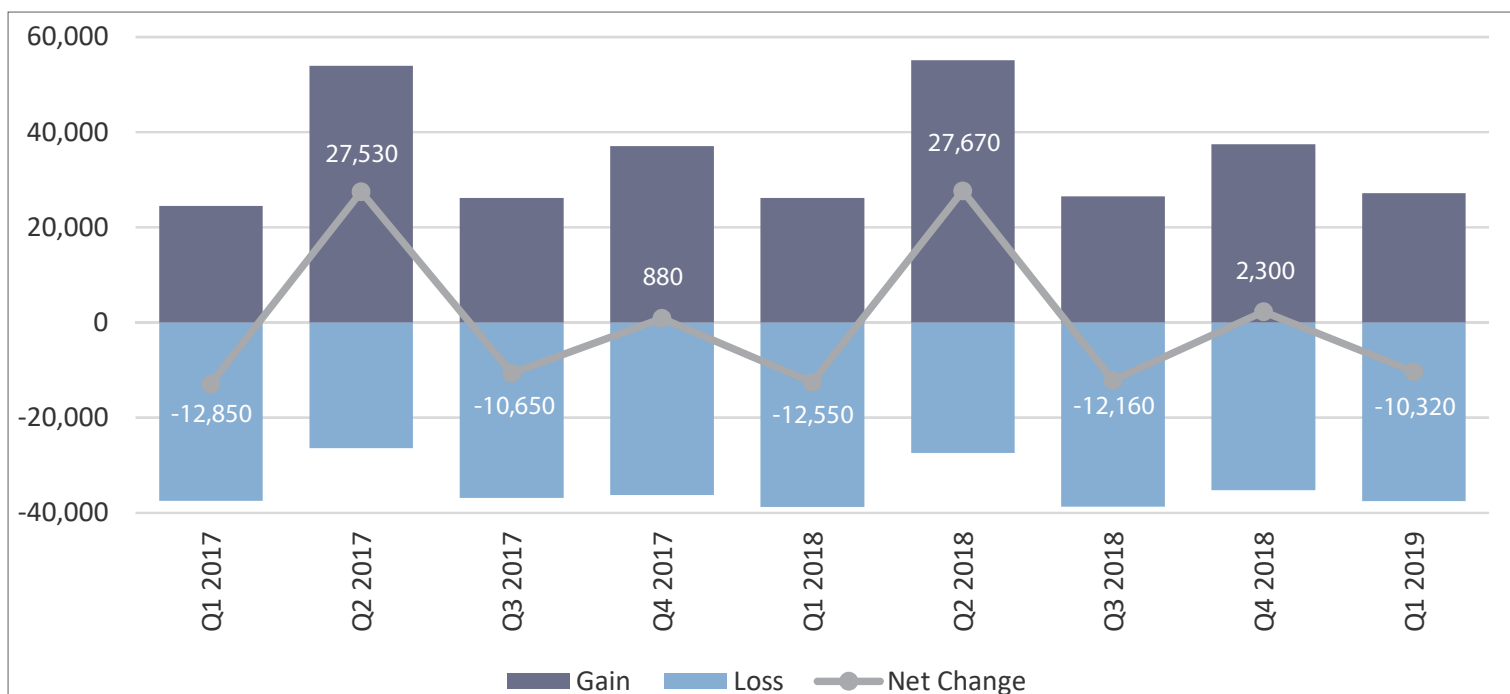
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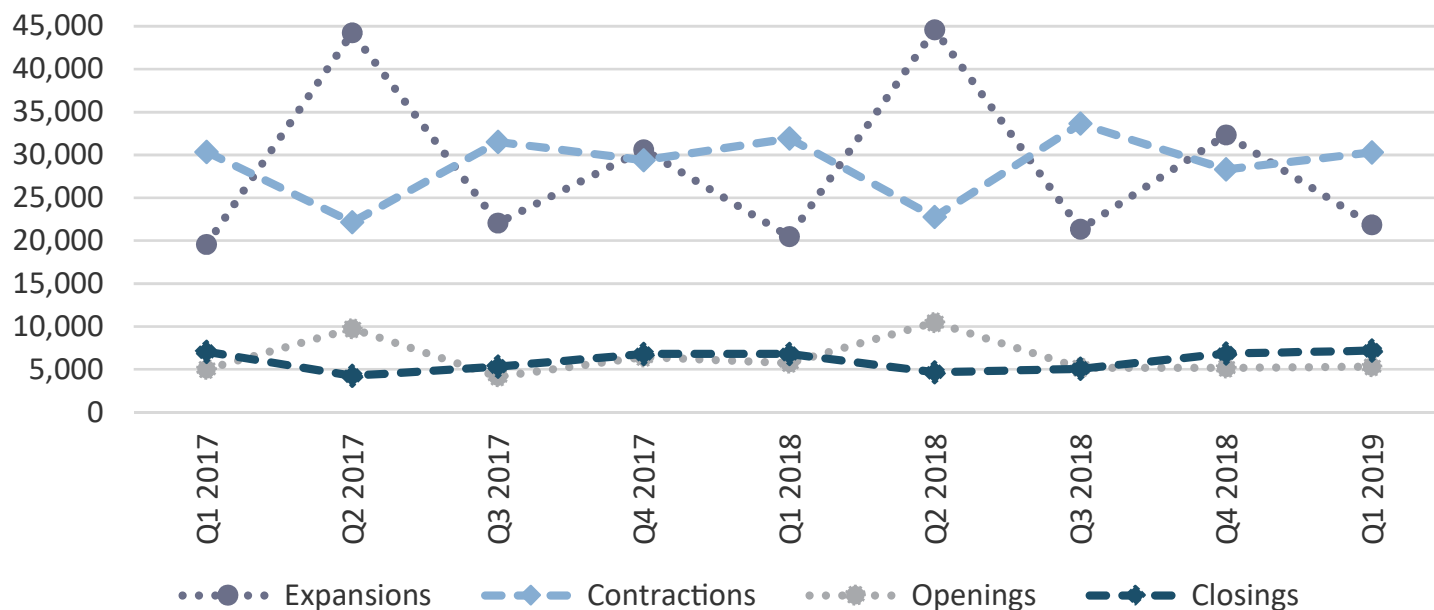
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New Hampshire Gross Private Job Gains and Losses Over-the-Quarter,
Not Seasonally Adjusted



Components of New Hampshire Private Sector Gross Job Gains and Losses, Not Seasonally Adjusted 2017 Q1 - 2019 Q1

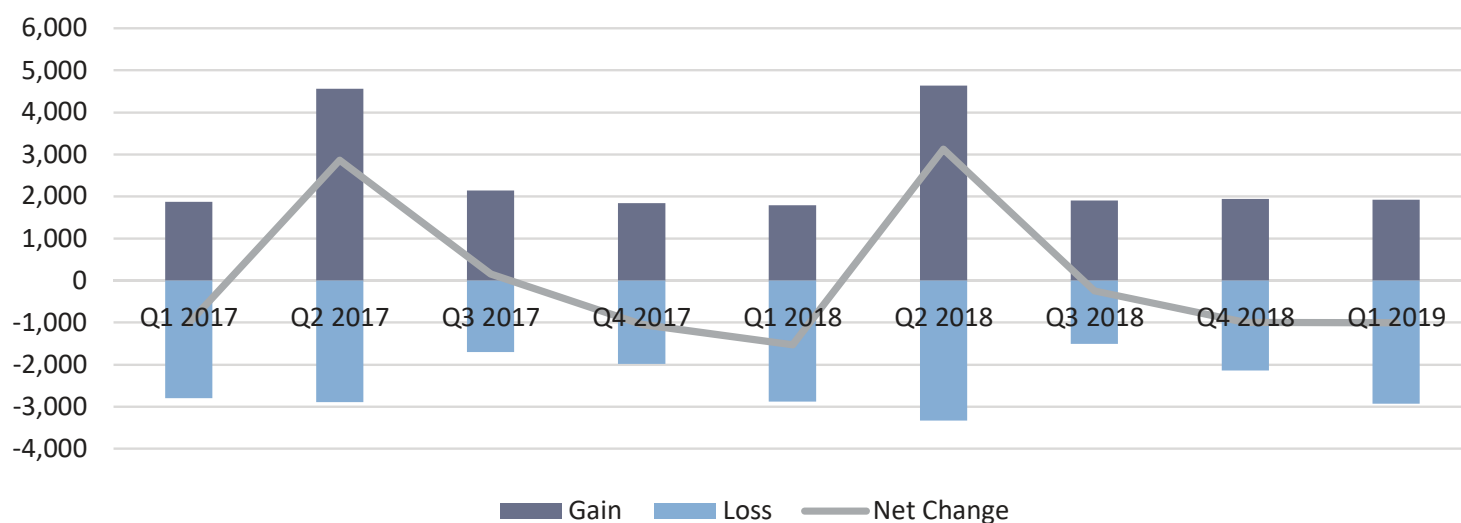


Services and *Leisure and Hospitality* combined to account for 50.1 percent of establishment openings in 2018, down slightly from 51.3 percent of openings in 2017. These industry supersectors accounted for 46.0 percent and 46.5 percent of establishment closings in 2017 and 2018, respectively.

The third quarter of each year typically has the highest levels of employment in New Hampshire, but also the largest negative net change (total gains minus total losses). Most hiring for seasonal summer employment occurs in the second quarter, so by the time the third quarter begins, employment is near its peak and relatively few additional jobs are added. Seasonal summer employment typically ends during August or September, so the job losses occur during the third quarter.

Gross Job Gains and Gross Job Losses by Select Industries and Industry Supersectors

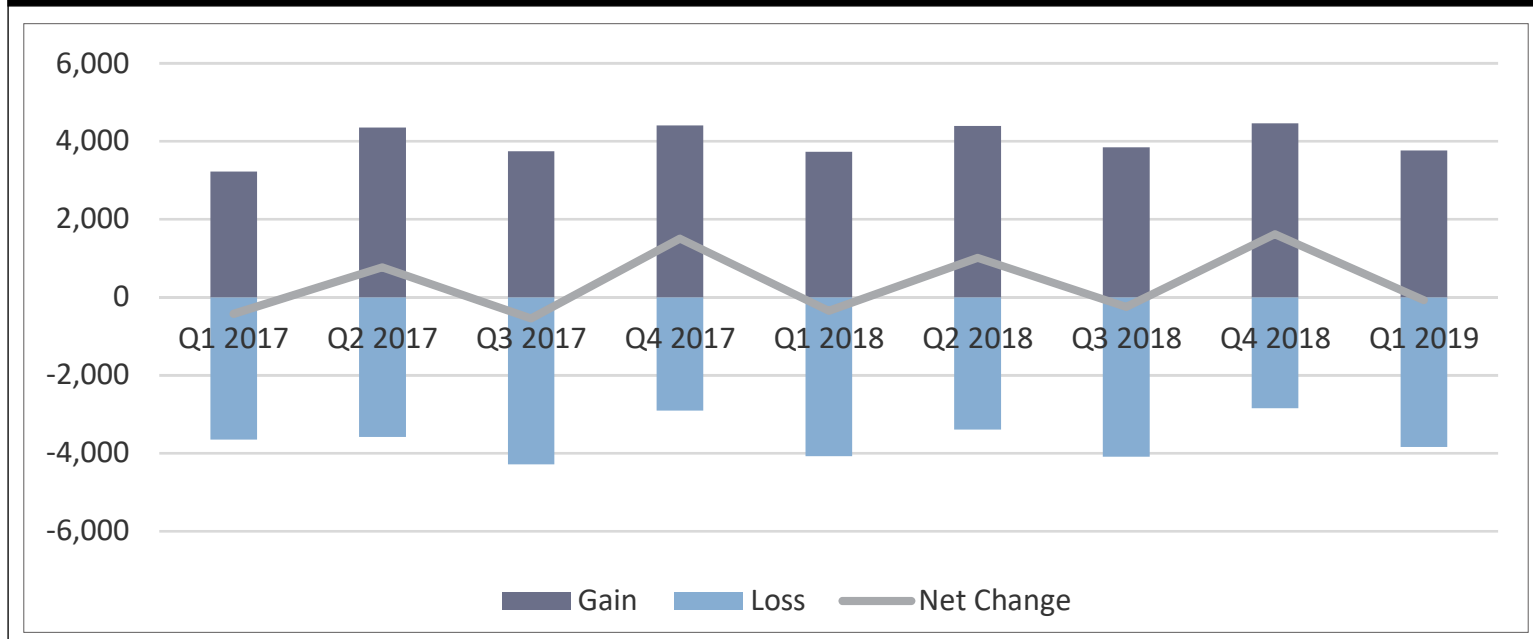
New Hampshire *Construction* Gross Job Gains and Losses Over-the-Quarter



Construction

The *Construction* industry has a strong seasonal employment pattern. Poor weather conditions and frozen ground make many *construction* projects difficult during the winter. As a result, many *Construction* workers are temporarily laid off for the winter, then rehired in the spring. This is reflected in the high gross job gains in the second quarter of both 2017 and 2018, and high gross job losses in the first and fourth quarters of each year. The net change for 2017 was 970 jobs, and the net change in 2018 was 360 jobs. There were slightly fewer gross gains in 2018 than in 2017 as well as greater gross losses. The net change in Q1 2019 was a loss of just over 1,000 jobs, similar to the number lost in Q1 2017, and fewer than the net jobs lost in Q1 2018.

New Hampshire *Education and Health Services* Gross Job Gains and Losses Over-the-Quarter

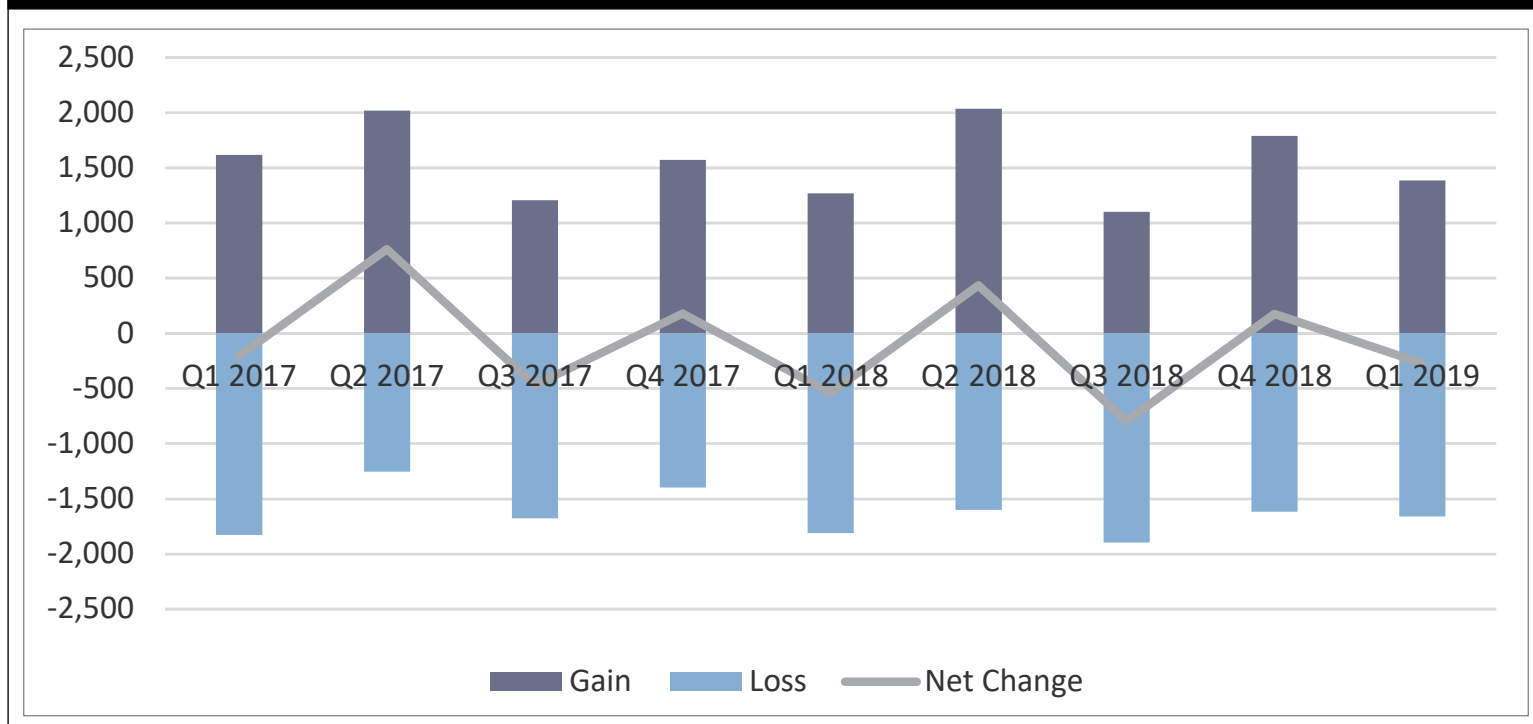


Education and Health Services

There is a relatively small seasonal impact to job gains and losses in the *Education and Health Services* industry supersector.¹ Over the last two years, *Education and Health Services* has seen larger gross job gains in the second and fourth quarters, and larger gross job losses in the first and third quarters. The overall trend has been employment growth in this supersector; in 2017, 1,300 jobs were added supersector, and 2,040 were added in 2018. Like the first quarters of the last two years, Q1 2019 losses were slightly higher than gains. This net change was smaller than the first quarter of either of the previous two years.

¹ These numbers measure private employment only; they do not include public schools, which have a strong seasonal employment effect.

New Hampshire *Financial Activities* Gross Job Gains and Losses Over-the-Quarter

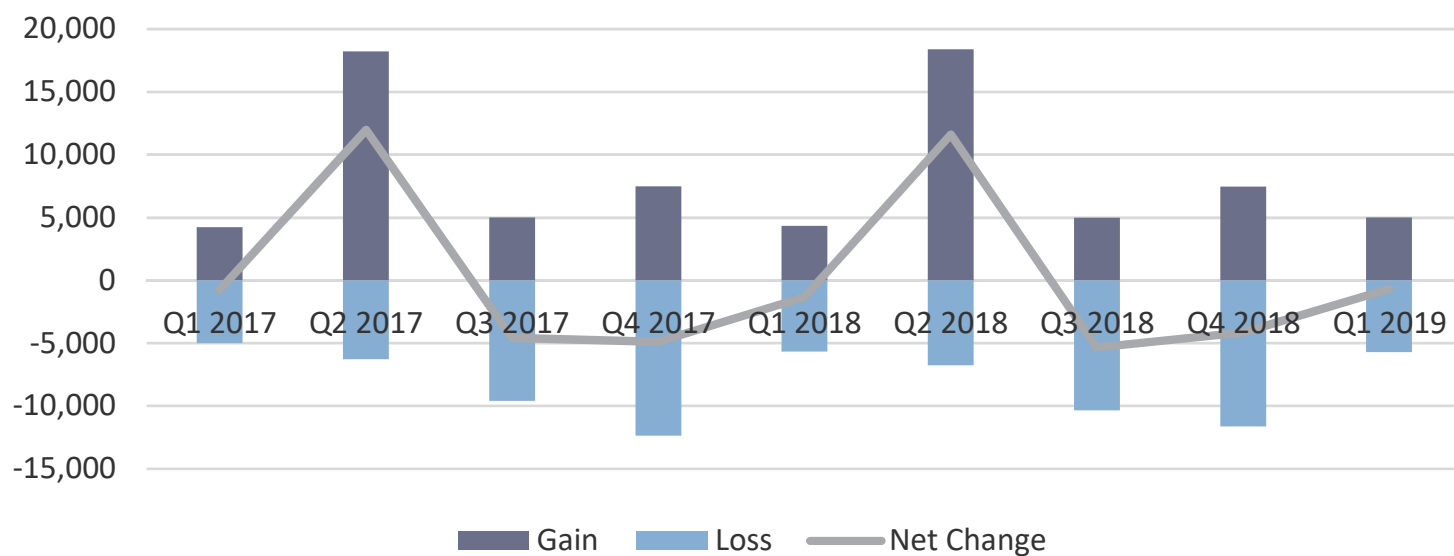


Financial Activities

The *Financial Activities* industry supersector has a similar seasonal pattern to *Education and Health Services*; gross job gains are higher in the second and fourth quarters, and gross job losses are higher in the first and third quarters.

However, unlike *Education and Health Services*, *Financial Activities* did not see net job gains in 2018. After a net gain of 260 jobs in 2017, *Financial Activities* saw a net loss of over 700 jobs in 2018. Most of this loss was attributable to an increase in gross job losses over the previous year, while gross job gains stayed relatively unchanged.

New Hampshire *Leisure and Hospitality* Gross Job Gains and Losses Over-the-Quarter

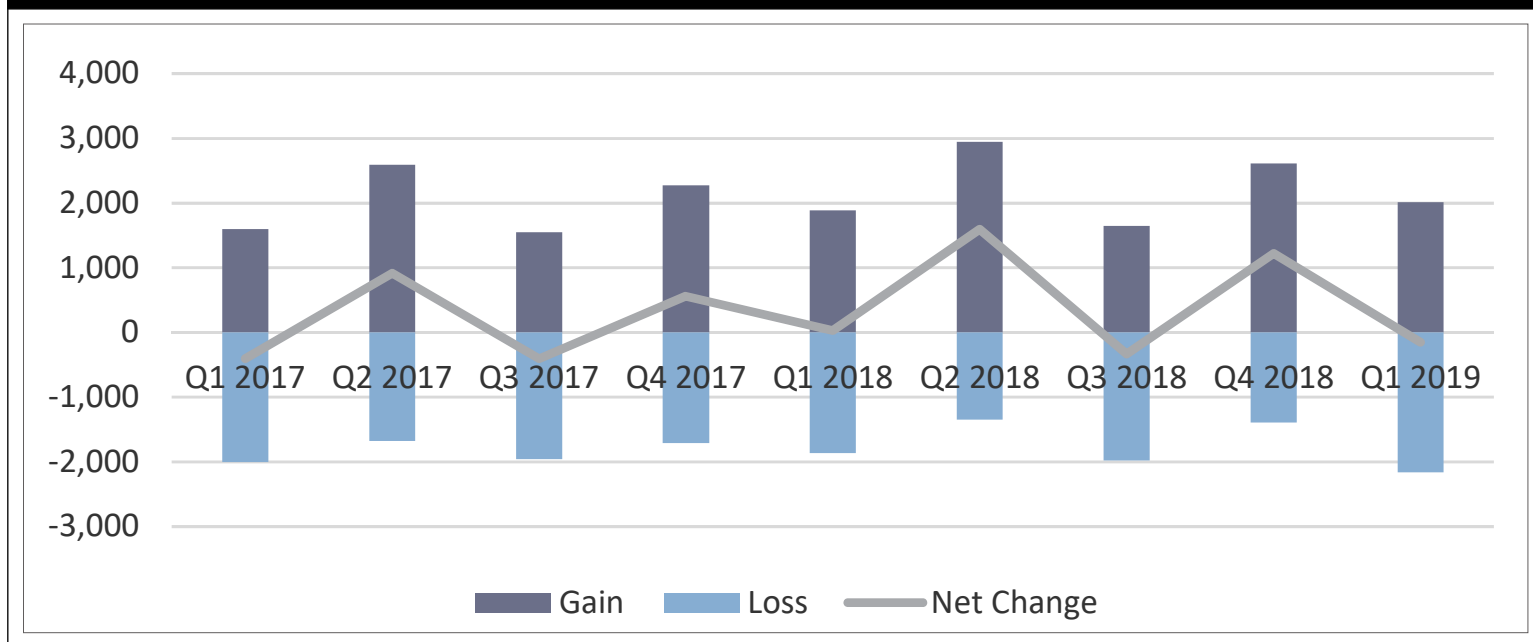


Leisure and Hospitality

Employment in the *Leisure and Hospitality* industry supersector has a strong seasonal pattern, as there are a greater number of workers employed in this sector during the summer and winter, and fewer workers are employed during the spring and fall. Gross job gains were highest in the second quarters of 2017 and 2018. Gross job losses were highest in the third and fourth quarters. Gross job changes, both gains and losses, were smallest during the first quarter of each year.

Employment in the *Leisure and Hospitality* industry supersector increased by nearly 1,800 jobs in 2017, and increased by 850 jobs during 2018. Gross job gains were unchanged from 2017 to 2018, but gross job losses increased by nearly 1,000 jobs. Gross job gains in the first quarter of 2019 were higher than gross gains in the first quarters of the two previous years.

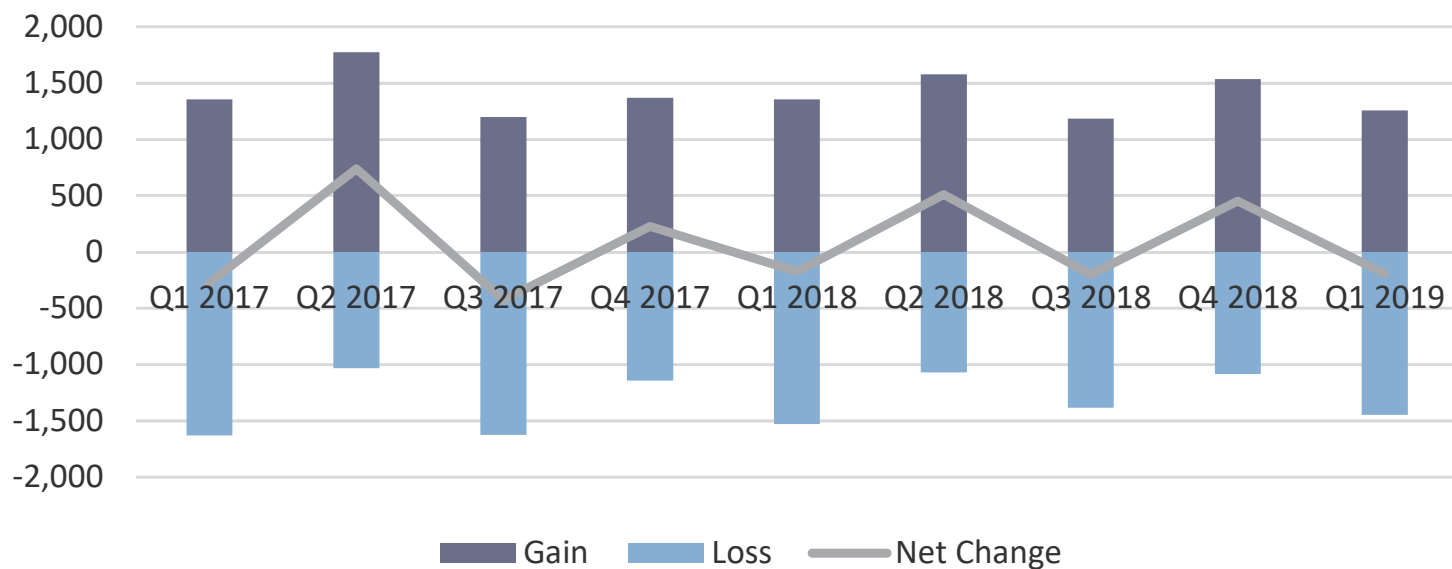
New Hampshire *Manufacturing* Gross Job Gains and Losses Over-the-Quarter



Manufacturing

Gross job gains in the *Manufacturing* industry were highest during the second and fourth quarters over the last two years. Gross job losses were lower during those quarters as well. Net jobs in *Manufacturing* increased from 670 in 2017 to 2,500 in 2018, with gross job gains increasing by nearly 1,000 jobs and gross job losses declining by over 800 jobs.

New Hampshire *Wholesale Trade* Gross Job Gains and Losses Over-the-Quarter

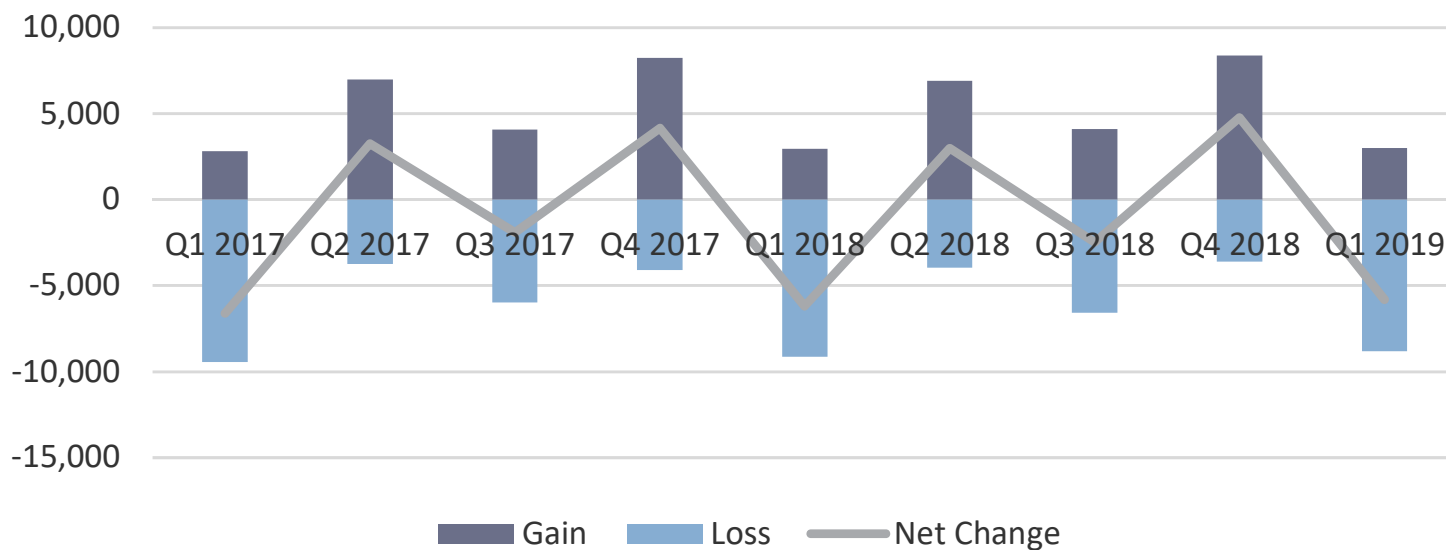


Wholesale Trade

Employment in *Wholesale Trade* followed the same seasonal pattern as most other industries in New Hampshire. Gross job gains were higher in the second and fourth quarters of 2017 and 2018, while gross job losses were higher in the first and third quarters.

Gross job gains were roughly the same from 2017 to 2018, but gross job losses were lower in 2018 by nearly 400 jobs. As a result, the net change in this industry increased from 270 jobs in 2017 to 590 jobs in 2018.

New Hampshire *Retail Trade* Gross Job Gains and Losses Over-the-Quarter



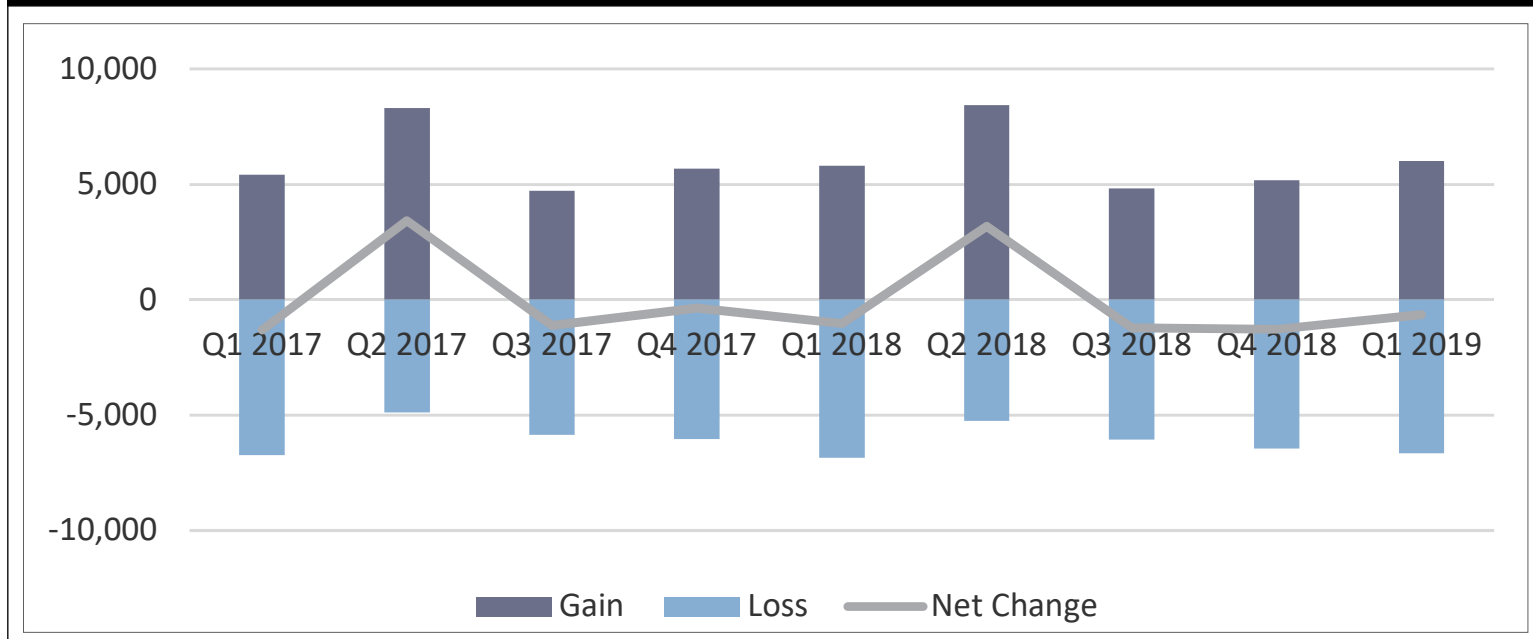
Retail Trade

While most industries in New Hampshire have their largest gross job gains in the second quarter, *Retail Trade* had the largest gains in the fourth quarters of 2017 and 2018, as the holiday shopping season requires large increases in seasonal retail employment. The largest gross job losses were in the first quarter of each year, after the holiday shopping season ended.

Gross job gains and losses were fairly consistent from 2017 to 2018. Both years had net job losses of around 1,000 jobs. *Retail Trade* is still the largest industry in New Hampshire, with average employment over 94,000 workers in 2018. However, if this trend of net job losses continues, it may be surpassed by *Health Care and Social Assistance*, which employed an average of 92,000 workers in 2018, and is projected to increase employment in the coming years.

There were fewer gross job losses in 2019 Q1 than in the first quarter of either of the previous two years, resulting in fewer net jobs lost.

New Hampshire *Professional and Business Services* Gross Job Gains and Losses Over-the-Quarter



Professional and Business Services

Gross employment gains in *Professional and Business Services* were greatest in the second quarter of 2017 and 2018, and gross job losses were greatest in the first quarter of both years.

After a net increase of over 600 jobs in 2017, *Professional and Business Services* had a negative net change of 360 jobs in 2018. Gross job losses increased by over 1,000 jobs from 2017 to 2018, while gross job gains increased by 100 jobs.

Professional and Business Services lost jobs in 2019 Q1, although not as many as in the first quarters of 2017 and 2018. This was a result of both greater gross gains and fewer gross losses in 2019 Q1 compared to the previous years.

Summary

Some industries, such as *Financial Activities* and *Wholesale Trade*, show a relatively low amount of seasonal variation in employment levels. Others have a strong seasonal cycle to job gains and losses. Seasonal changes to employment are driven by tourism and recreation activities during the summer, as well as favorable weather for outdoor work such as *Construction*. During the winter, some industries, including *Construction*, see a decline in activity, although others, such as *Retail Trade*, see an increase in activity due to winter recreation and holiday shopping.

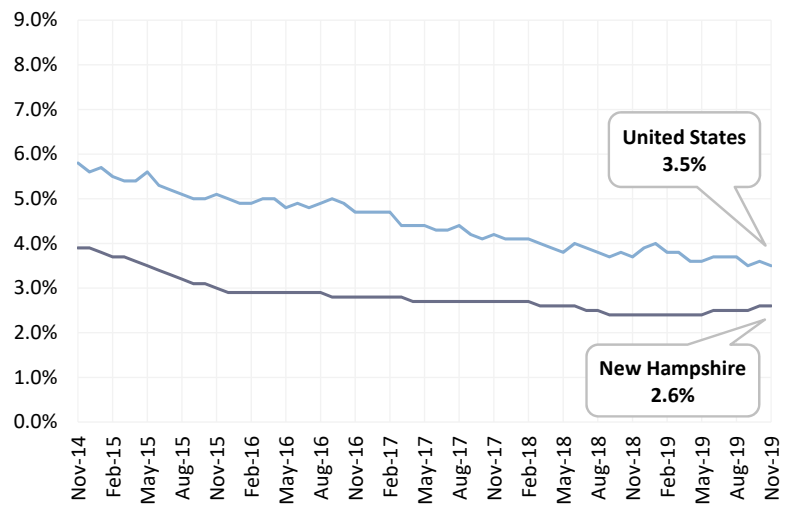
Through the seasonal ups and downs, New Hampshire added more jobs than it lost during 2017 and 2018. The first quarter of 2019, when adjusted for seasonal variation, indicated a positive trend in net job change as well.

- Greg David, Economist

SEASONALLY ADJUSTED ESTIMATES

Unemployment Estimates by Region

Seasonally Adjusted	Nov-19	Oct-19	Nov-18
United States	3.5%	3.6%	3.7%
Northeast	3.7%	3.6%	3.8%
New England	3.1%	3.0%	3.3%
Connecticut	3.7%	3.6%	3.8%
Maine	2.8%	2.8%	3.5%
Massachusetts	2.9%	2.9%	3.1%
New Hampshire	2.6%	2.6%	2.4%
Rhode Island	3.5%	3.6%	4.0%
Vermont	2.3%	2.2%	2.6%
Mid Atlantic	3.9%	3.9%	4.0%
New Jersey	3.4%	3.2%	3.9%
New York	4.0%	4.0%	3.9%
Pennsylvania	4.3%	4.2%	4.2%

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

Current Employment Statistics (CES) by Place of Establishment

	Number of Jobs			Change From Previous	
	Nov-19	Oct-19	Nov-18	Month	Year
Total Nonfarm	687,800	689,700	682,500	-1,900	5,300
Total Private	599,600	601,200	593,000	-1,600	6,600
Mining and Logging	1,000	1,000	1,000	0	0
Construction	29,400	29,400	26,900	0	2,500
Manufacturing	69,600	69,600	70,900	0	-1,300
Durable Goods	52,800	52,800	53,000	0	-200
Non-Durable Goods	16,800		17,900	0	-1,100
Trade, Transportation, and Utilities	140,400	141,100	140,000	-700	400
Wholesale Trade	29,500	29,600	28,700	-100	800
Retail Trade	93,500	94,300	94,500	-800	-1,000
Transportation, Warehousing, and Utilities	17,400	17,200	16,800	200	600
Information	12,500	12,500	12,300	0	200
Financial Activities	33,600	33,800	34,200	-200	-600
Financial and Insurance	26,800	26,900	27,200	-100	-400
Real Estate and Rental and Leasing	6,800	6,900	7,000	-100	-200
Professional and Business Services	85,700	85,600	83,100	100	2,600
Professional, Scientific, and Technical Services	40,100	40,200	37,900	-100	2,200
Management of Companies and Enterprises	9,100	9,100	9,000	0	100
Administrative and Support and Waste Management and Remediation Services	36,500	36,300	36,200	200	300
Education and Health Services	130,400	130,300	126,100	100	4,300
Educational Services	35,400	35,100	33,200	300	2,200
Health Care and Social Assistance	95,000	95,200	92,900	-200	2,100
Leisure and Hospitality	71,100	71,900	72,700	-800	-1,600
Arts, Entertainment, and Recreation	11,200	11,500	12,000	-300	-800
Accommodation and Food Services	59,900	60,400	60,700	-500	-800
Other Services	25,900	26,000	25,800	-100	100
Government	88,200	88,500	89,500	-300	-1,300
Federal Government	8,100	8,100	7,900	0	200
State Government	24,200	24,200	23,900	0	300
Local Government	55,900	56,200	57,700	-300	-1,800

*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	Nov-19	Oct-19	Nov-18
Total Civilian Labor Force	775,060	774,280	761,580
Employed	757,360	756,370	745,130
Unemployed	17,700	17,910	16,450
Unemployment Rate	2.3%	2.3%	2.2%

United States (# in thousands)	Nov-19	Oct-19	Nov-18
Total Civilian Labor Force	164,386	164,576	162,665
Employed	158,945	159,067	157,015
Unemployed	5,441	5,510	5,650
Unemployment Rate	3.3%	3.3%	3.5%

Unemployment Rates by Area

Counties	Nov-19	Oct-19	Nov-18
Belknap	2.3%	2.3%	2.2%
Carroll	2.3%	2.3%	2.3%
Cheshire	2.2%	2.4%	2.1%
Coös	2.6%	2.4%	2.7%
Grafton	2.0%	2.0%	1.8%
Hillsborough	2.4%	2.4%	2.2%
Merrimack	2.0%	2.1%	1.9%
Rockingham	2.4%	2.5%	2.4%
Strafford	2.1%	2.1%	1.9%
Sullivan	2.0%	2.2%	1.9%

Map Key	Labor Market Areas	Nov-19	Oct-19	Nov-18
1	Colebrook, NH-VT LMA, NH Portion	2.4%	2.1%	2.1%
2	Littleton, NH-VT LMA, NH Portion	2.0%	2.0%	2.3%
3	Berlin NH Micropolitan NECTA	3.1%	2.9%	3.0%
4	Haverhill, NH LMA	2.0%	2.1%	1.9%
5	Conway, NH-ME LMA, NH Portion	2.1%	2.1%	2.3%
6	Plymouth, NH LMA	2.1%	2.0%	1.8%
7	Lebanon, NH-VT Micropolitan NECTA, NH Portion	1.9%	1.9%	1.7%
8	Meredith, NH LMA	2.2%	2.1%	2.0%
9	Wolfeboro, NH LMA	2.5%	2.5%	2.4%
10	Franklin, NH LMA	2.2%	2.4%	2.2%
11	Laconia, NH Micropolitan NECTA	2.4%	2.5%	2.4%
12	Expanded Claremont, NH estimating area	2.2%	2.3%	2.0%
13	New London, NH LMA	2.2%	2.1%	2.0%
14	Concord, NH Micropolitan NECTA	1.9%	2.0%	1.8%
15	Belmont, NH LMA	2.1%	2.2%	2.1%
16	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	2.1%	2.1%	1.9%
17	Charlestown, NH LMA	2.0%	2.1%	1.9%
18	Hillsborough, NH LMA	2.4%	2.4%	2.0%
19	Raymond, NH LMA	2.2%	2.2%	2.1%
20	Manchester, NH Metropolitan NECTA	2.2%	2.2%	2.1%
21	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	2.1%	2.2%	2.0%
22	Keene, NH Micropolitan NECTA	2.2%	2.3%	2.1%
23	Peterborough, NH LMA	2.3%	2.3%	2.1%
24	Nashua, NH-MA NECTA Division, NH Portion	2.5%	2.5%	2.4%
25	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	2.7%	2.7%	2.7%
26	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	2.9%	3.1%	3.0%
27	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	3.0%	2.9%	3.0%
28	Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division	3.0%	3.0%	2.7%

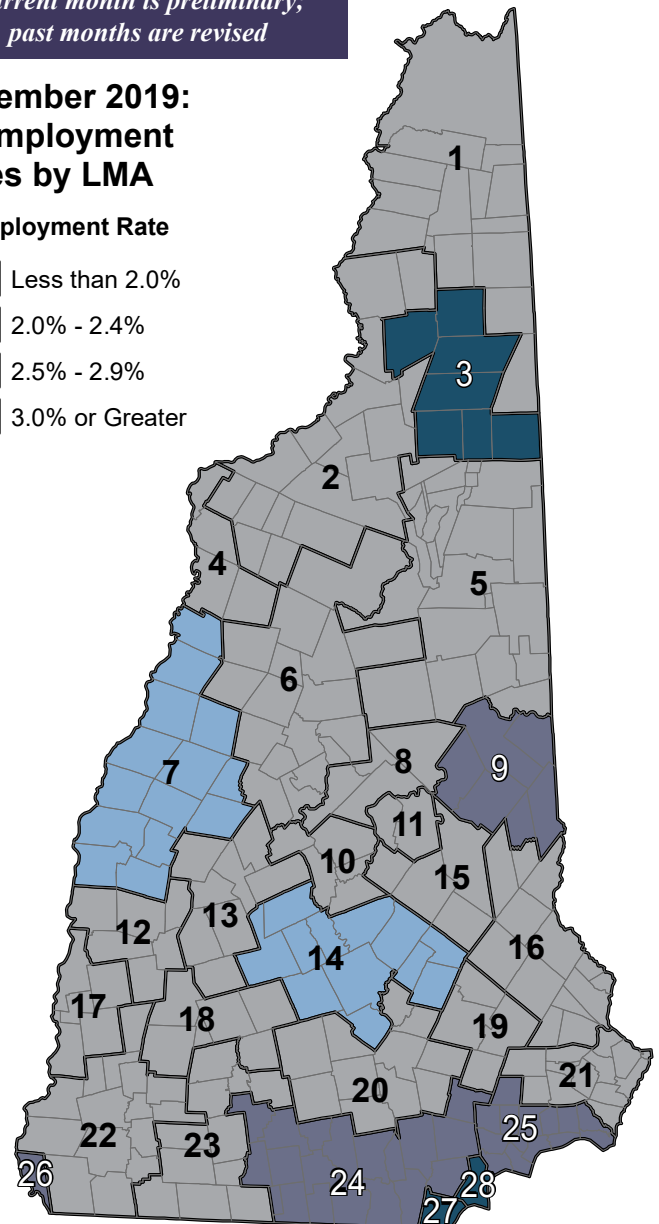
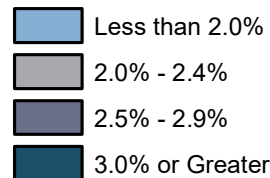
Unemployment Rates by Region

Not Seasonally Adjusted	Nov-19	Oct-19	Nov-18
United States	3.3%	3.3%	3.5%
Northeast	3.4%	3.6%	3.3%
New England	2.6%	2.7%	2.8%
Connecticut	3.3%	3.5%	3.1%
Maine	2.7%	2.4%	3.3%
Massachusetts	2.3%	2.5%	2.6%
New Hampshire	2.3%	2.3%	2.2%
Rhode Island	3.2%	2.9%	3.9%
Vermont	2.2%	1.6%	2.4%
Mid Atlantic	3.8%	3.9%	3.5%
New Jersey	3.3%	3.3%	3.3%
New York	3.6%	3.9%	3.5%
Pennsylvania	4.3%	4.4%	3.6%

*Current month is preliminary;
past months are revised*

November 2019:
Unemployment
Rates by LMA

Unemployment Rate



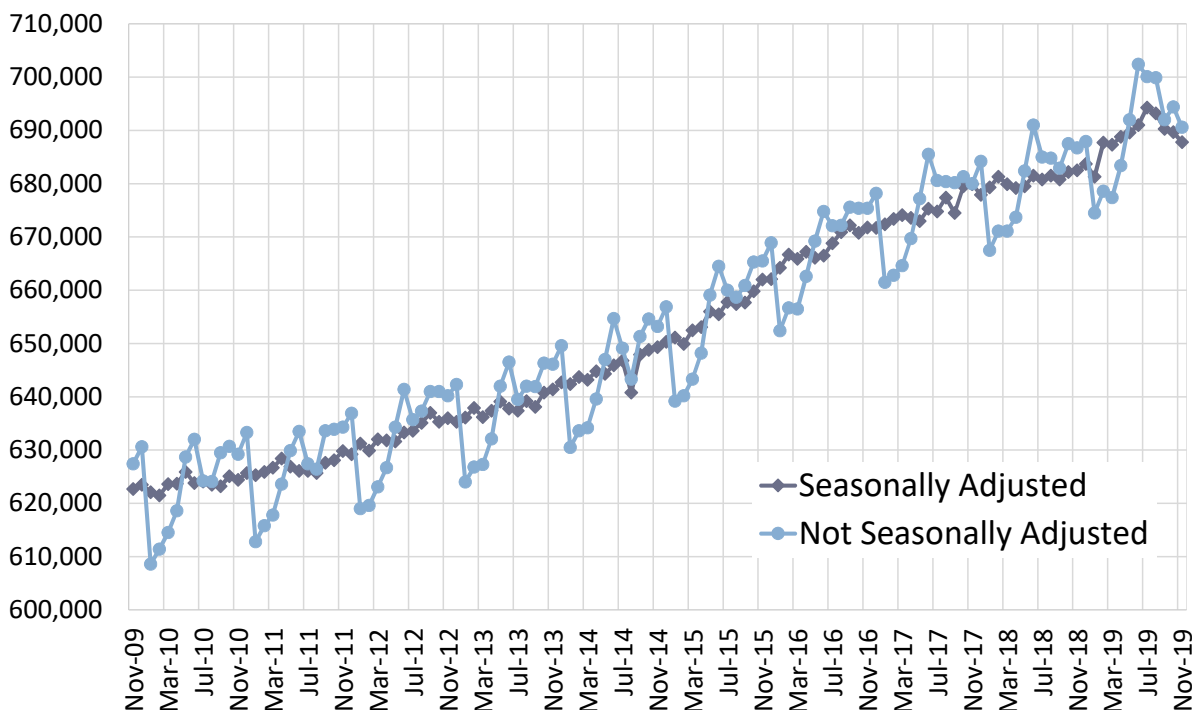
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

New Hampshire Nonfarm Employment Statewide
Not Seasonally Adjusted

*Current month
is preliminary;
past months
are revised*

	Number of Jobs			Change From Previous	
	Nov-19	Oct-19	Nov-18	Month	Year
Total Nonfarm	690,600	694,400	686,700	-3,800	3,900
Total Private	599,000	603,000	593,700	-4,000	5,300
Mining and Logging	1,000	1,100	1,000	-100	0
Construction	30,000	30,300	27,500	-300	2,500
Manufacturing	69,700	69,700	71,000	0	-1,300
Durable Goods	52,800	52,900	53,000	-100	-200
Non-Durable Goods	16,900	16,800	18,000	100	-1,100
Trade, Transportation, and Utilities	143,000	141,100	142,900	1,900	100
Wholesale Trade	29,600	29,700	28,900	-100	700
Retail Trade	95,600	93,800	96,900	1,800	-1,300
Transportation, Warehousing, and Utilities	17,800	17,600	17,100	200	700
Information	12,500	12,500	12,300	0	200
Financial Activities	33,400	33,800	34,000	-400	-600
Professional and Business Services	86,100	86,600	83,500	-500	2,600
Education and Health Services	131,600	131,200	127,800	400	3,800
Leisure and Hospitality	65,800	70,800	67,800	-5,000	-2,000
Other Services	25,900	25,900	25,900	0	0
Government	91,600	91,400	93,000	200	-1,400
Federal Government	8,100	8,100	7,900	0	200
State Government	26,100	26,100	25,800	0	300
Local Government	57,400	57,200	59,300	200	-1,900

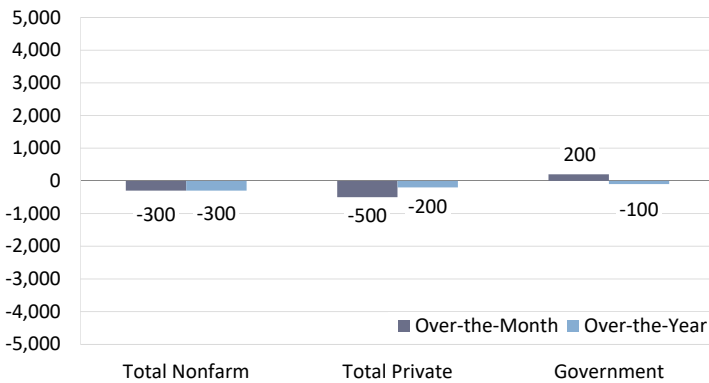
Total Nonfarm Employment Trend Through November 2019



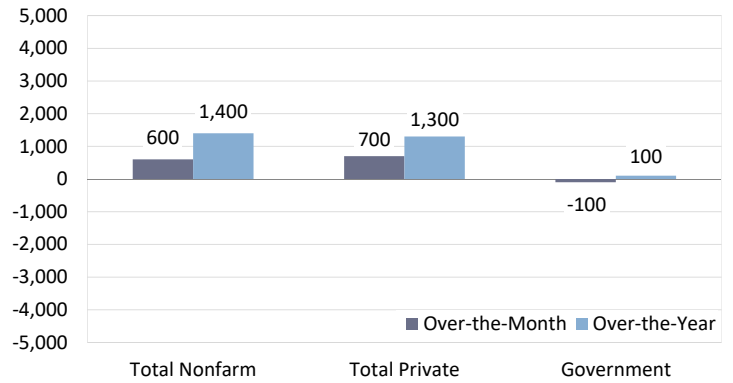
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Nonfarm Employment by Metropolitan Statistical Areas - November 2019

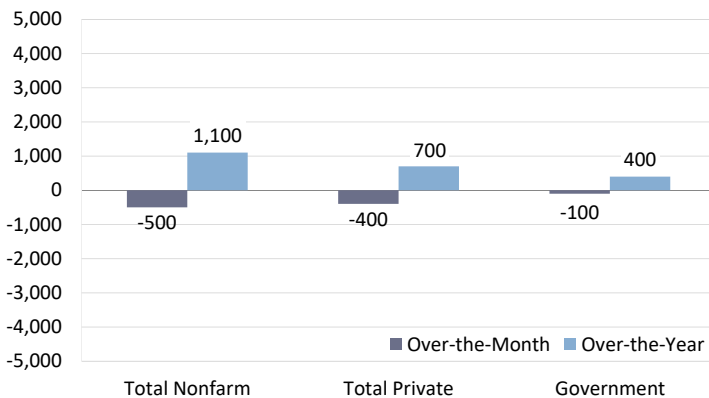
Dover-Durham NH-ME Metro NECTA



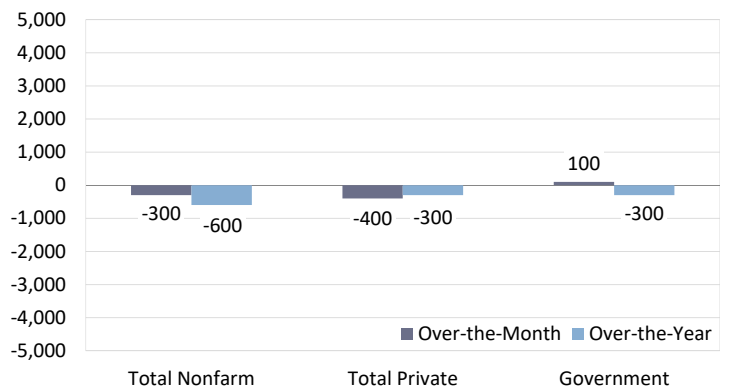
Manchester Metro NECTA



Portsmouth NH-ME Metro NECTA

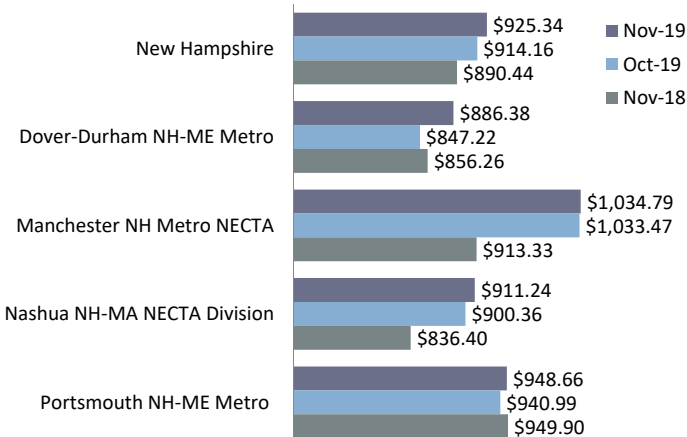


Nashua NH-MA NECTA Division

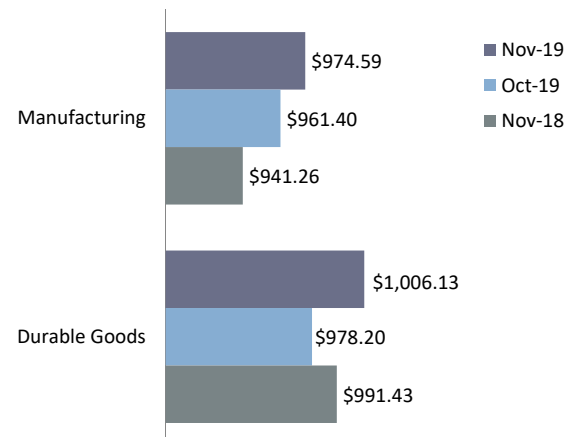


Total Private Average Weekly Earnings Data

All Employee Average Weekly Earnings



Production Workers Average Weekly Earnings



MONTHLY ANALYSIS OF CURRENT EMPLOYMENT STATISTICS (CES)

Seasonally Adjusted

Total *Nonfarm* employment decreased by 1,900 jobs in November, according to preliminary seasonally adjusted estimates. Two private industry supersectors experienced over-the-month employment gains in November, four experienced over-the-month employment losses, while three supersectors were unchanged. *Professional and Business Services* and *Private Education and Health Services* each increased payrolls by 100 jobs over-the-month. *Construction*, *Manufacturing* and *Information* were unchanged from October. *Other Services* declined by 100 positions over the month and *Financial Activities* lost 200 positions. *Trade, Transportation, and Utilities* trimmed payrolls by 700 jobs while *Leisure and Hospitality* shed 800 jobs. *Government* employment decreased by 300 jobs from October to November.

Total seasonally adjusted *Nonfarm* employment increased 5,300 jobs from November 2018 to November 2019. *Private Education and Health Services* expanded payrolls by 4,300 and *Professional and Business Services* added 2,600 positions. *Construction* gained 2,500 jobs, while *Trade, Transportation, and Utilities* increased by 400 jobs. *Information* added 200 jobs and *Other Services* added 100 positions over-the-year.

Four supersectors experienced over-the-year employment losses. *Leisure and Hospitality* shed 1,600 positions, while *Manufacturing* dropped 1,300 jobs and *Financial Activities* trimmed 600 positions. *Government* employment decreased by 1,300 jobs over-the-year.

Not Seasonally Adjusted

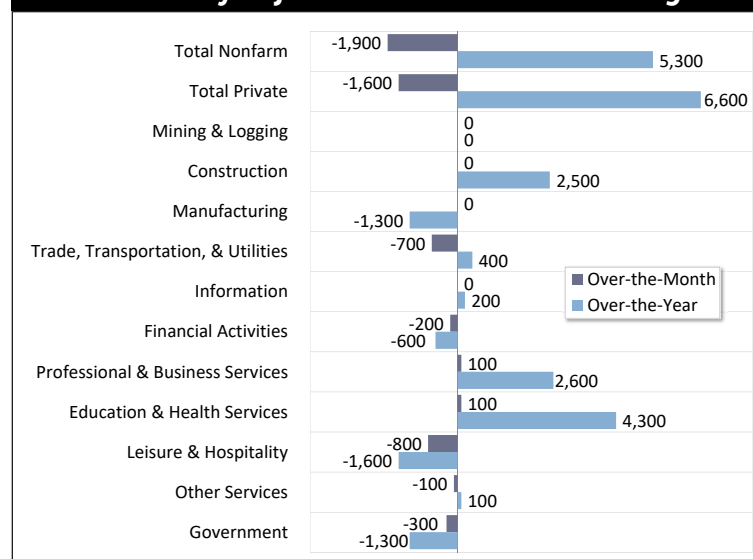
Preliminary unadjusted estimates for November show that *Total Nonfarm* employment increased by 3,900 jobs over-the-year. *Private Education and Health Services* gained 3,800 positions and *Professional and Business Services* increased payrolls by 2,600 jobs. *Construction* added 2,500 jobs, while *Information* gained 200 positions and *Trade, Transportation, and Utilities* added 100 jobs over-the-year. *Other Services* was unchanged over the year.

Three private industry supersectors experienced an over-the-year employment loss. *Leisure and Hospitality* shed 2,000 jobs, *Manufacturing* employment declined by 1,300 and *Financial Activities* trimmed payrolls by 600 positions. *Government* employment decreased by 1,400 from November 2018 to November 2019.

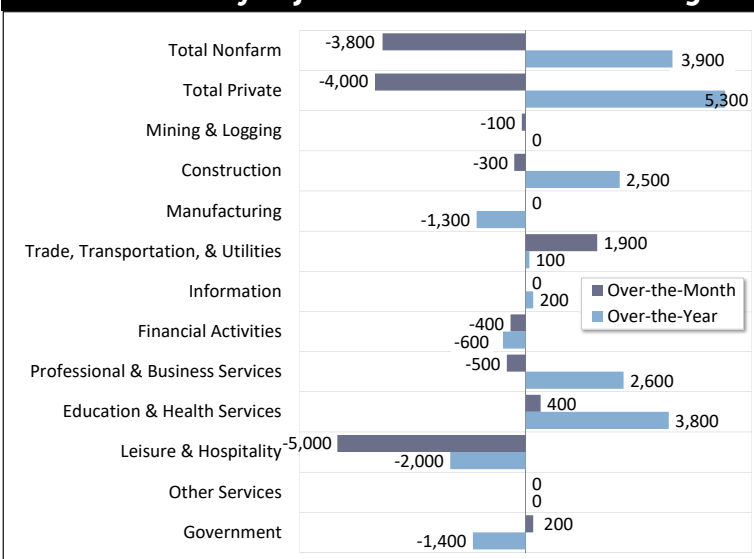
Unadjusted estimates provide a snapshot of the number of New Hampshire jobs by industry in any given month. However, over-the-month changes to unadjusted employment estimates reflect both changes in economic conditions and seasonal patterns of employment growth and decline. All industries experience 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 November 2019 Change



Not Seasonally Adjusted November 2019 Change



Consumer Price Index

United States, All Urban Consumers

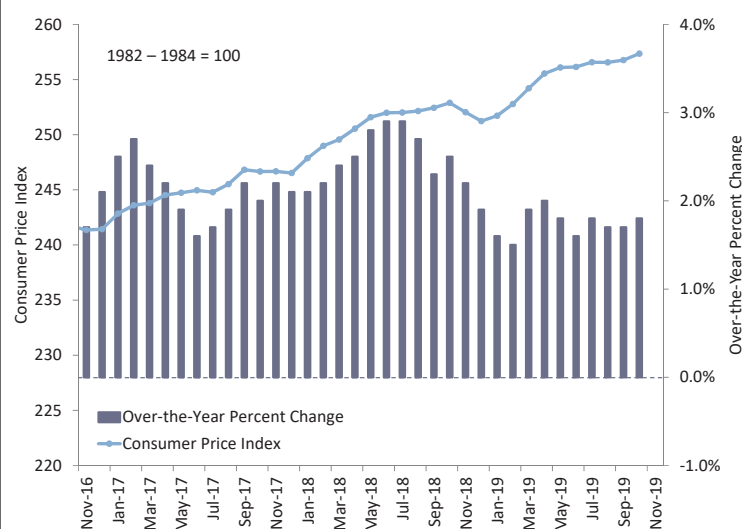
Not Seasonally Adjusted (CPI-U) (1982-1984=100)

			Change From Previous	
Nov-19	Oct-19	Nov-18	Month	Year
257.208	257.346	252.885	-0.1%	2.1%

Northeast, All Urban Consumers

Not Seasonally Adjusted (CPI-U) (1982-1984=100)

			Change From Previous	
Nov-19	Oct-19	Nov-18	Month	Year
270.643	270.348	265.487	0.1%	1.9%

Consumer Price Index
United States, All Urban Consumers

Unemployment Compensation Claims Activity

	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
Initial Claims	2,028	1,888	1,718	1,347	1,722	1,826
Continued Weeks Claimed	11,466	14,394	11,430	11,894	10,740	11,075
Average payment for a week of unemployment	\$340.61	\$326.95	\$327.39	\$350.50	\$355.87	\$346.83

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