

# New Hampshire ECONOMIC CONDITIONS

January 2021

Winter at the Basin - image from Gina Denuzzio on flickr

Covered bridge in winter in NH - image from Cassie Murray on flickr

Frozen Greenwood Pond - image from Harry Schuessler on flickr

Cannon Mountain - image from Ole Gjoerup on flickr

## How Have New Hampshire Businesses Responded to the Coronavirus Pandemic?

To get a more detailed understanding of how U.S. businesses have changed their operations and employment since the coronavirus pandemic began, the U.S. Bureau of Labor Statistics created the Business Response Survey to the Coronavirus Pandemic (BRS). This survey asked businesses directly what they experienced during the pandemic and how they responded, covering a period between January 2020 and September 2020. In addition to nationwide data, BRS data also show how business establishments<sup>1</sup> in each state have responded to the pandemic.

### Employment and Demand

The coronavirus pandemic had a strong negative impact on employment in New Hampshire, with the number of

workers employed by New Hampshire businesses decreasing by 114,000 between February and April 2020. Although employment in New Hampshire began to increase in May, there were still 53,000 fewer workers employed by New Hampshire businesses in December than there had been in February.

However, not every business was negatively affected by the pandemic. Although a majority of business establishments, 52.2 percent, reported a decline in demand for their products or services during the pandemic, 16.5 percent reported an increase in demand. While overall employment declined, 6.9 percent of New Hampshire business establishments reported that they had hired additional employees during the pandemic.

In both of these measures, New Hampshire performed better than the national average. Nationwide, 13.2 percent of establishments reported an increase in demand and 6.2 percent reported hiring additional staff.

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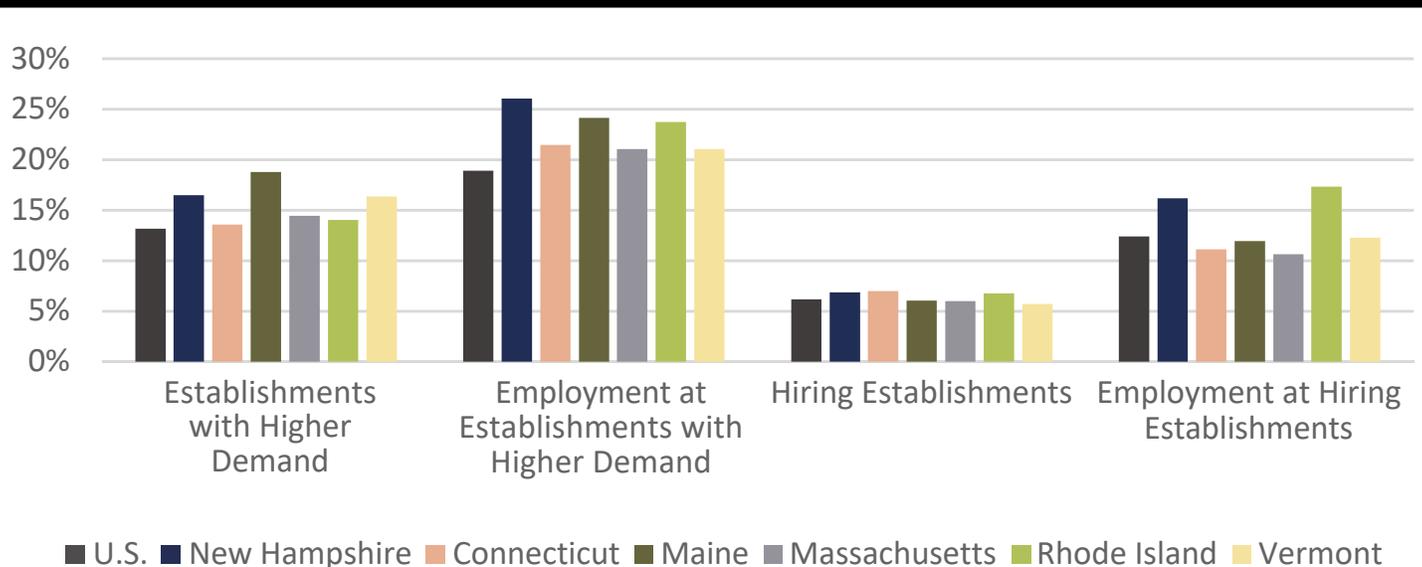
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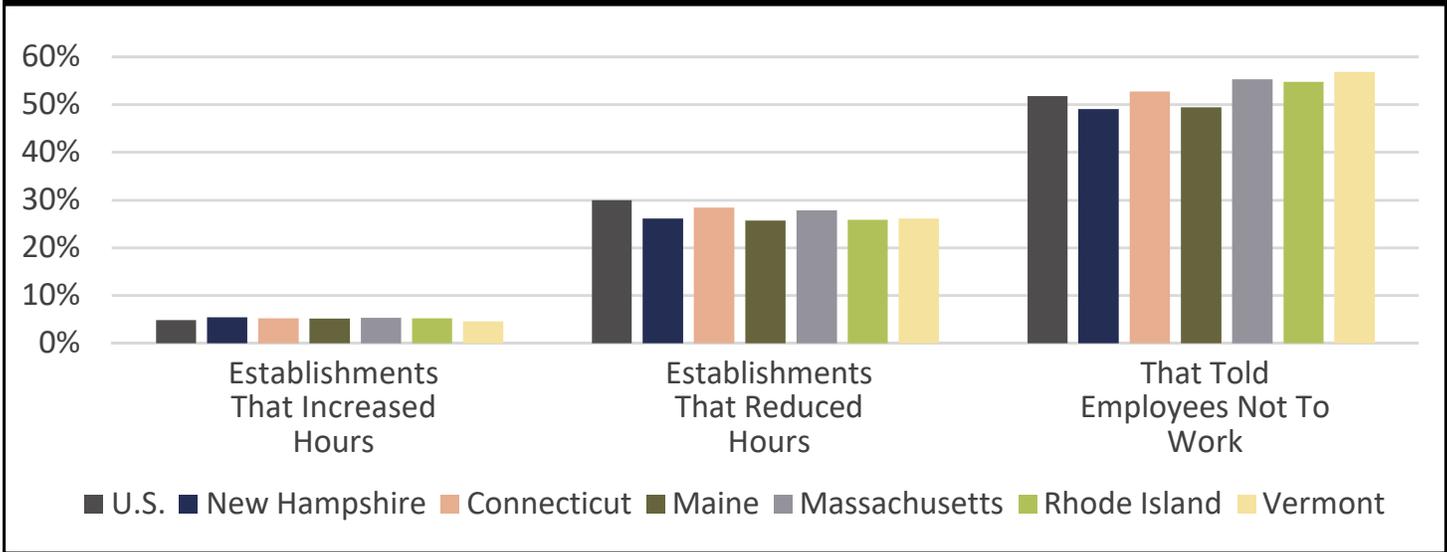
### Establishments That Experienced Higher Demand or Higher Additional Employees During the Coronavirus Pandemic



Source: U.S. Bureau of Labor Statistics, Business Response Survey to the Coronavirus Pandemic

<sup>1</sup> An establishment is a single physical location where one predominant activity occurs. Firms may have more than one establishment location.

## Establishments That Changed Employee Hours or Wages During the Coronavirus Pandemic



Source: U.S. Bureau of Labor Statistics, Business Response Survey to the Coronavirus Pandemic

Among New England states, only Connecticut performed better than New Hampshire, with 18.8 percent of business establishments seeing increased demand, and 7.0 percent hiring additional staff.

The business establishments in New Hampshire that hired during the pandemic were, on average, larger; the 6.9 percent of business establishments that hired employed roughly 94,000 workers, 16.2 percent of privately employed workers in New Hampshire.

New Hampshire business establishments were also more likely to increase hours for workers than establishments in the U.S. overall; 5.5 percent of business establishments in New Hampshire reported that they increased hours during the pandemic, above the national average of 4.9 percent, and higher than any other state in New England.

Among New England states, New Hampshire had the lowest percentage of business establishments reporting that they asked employees not to work, 49.1 percent. In the U.S. overall, 51.9 percent of business establishments asked employees not to work. Workers asked not to work include those furloughed and laid off, and also include those who received pay while they were asked not to work.

Thanks in part to programs like the Payroll Protection Program (PPP), many businesses received loans or grants that allowed them to rehire or maintain employees on the payroll during the pandemic. Data from the Small Business Administration indicate that 24,000 loans, totaling \$2.5 billion, were issued to New Hampshire establishments.<sup>2</sup> Other programs,

such as New Hampshire’s Main Street Relief Fund, offered additional assistance. In total, BRS estimated that 30,200 business establishments in New Hampshire, 62.5 percent of all establishments in the state, received a loan or grant tied to rehiring or maintaining employees on the payroll.

Among New Hampshire business establishments that received loans or grants, 50.4 percent still told some employees not to work. Slightly over half of establishments that received a loan but told employees not to work, 55.1 percent, paid workers who were told not to work. In total, roughly 23 percent of establishments that received a loan or grant still sent some workers home without pay, although the data does not specify what proportion of workers went without pay.

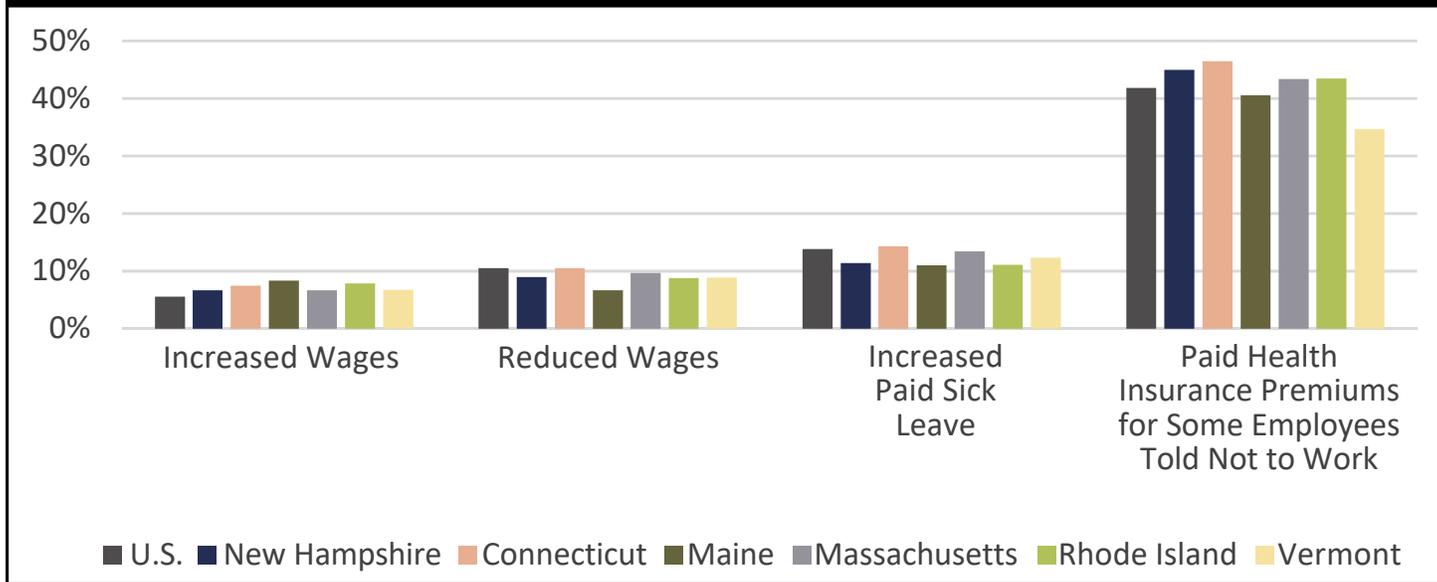
Establishments that did not receive any loans or grants to rehire or maintain employees were slightly less likely to tell their employees not to work, although those that did were less likely to pay workers who were not working. In New Hampshire, 47.2 percent of establishments that did not receive any loans or grants told some employees not to work, and just 36.9 percent of those establishments paid workers who were told not to work. Overall, 30 percent of establishments that did not receive a loan or grant sent some of their workers home without pay.

### Worker Benefits

Some businesses either offered additional benefits to workers during the pandemic, or continued to offer benefits to workers who had been told not to work. One frequently offered benefit was additional paid sick time, which encouraged workers to stay home and quarantine if they were sick or

<sup>2</sup> U.S. Small Business Administration, Paycheck Protection Program (PPP) Report, <https://www.sba.gov/sites/default/files/2020-07/PPP%20Results%20-%20Sunday%20FINAL.pdf>.

## Establishments That Changed Employee Benefits



Source: U.S. Bureau of Labor Statistics, Business Response Survey to the Coronavirus Pandemic

potentially exposed to the coronavirus, as well as to care for a sick family member, or for children who were no longer attending in-person school or daycare. For some businesses, additional paid sick leave was mandated by law. The Families First Coronavirus Relief Act required employers with fewer than 500 employees to offer their employees two weeks of paid sick time at full pay, as well as two weeks of sick leave paid at two-thirds of the employee’s regular rate of pay to care for an individual subject to quarantine or who needed to care for a child whose school or child care provider was closed for coronavirus-related reasons.<sup>3</sup>

In New Hampshire, 11.4 percent of establishments offered additional paid sick leave to employees during the coronavirus pandemic. These establishments employed 124,000 workers, 21.4 percent of private employment in the state. This was below the national average, where 13.9 percent of establishments, employing 28.1 percent of workers, increased the amount of sick leave they provided.

Among New Hampshire establishments, 6.7 percent increased employee wages during the pandemic. This was above the national average of 5.6 percent, but was the lowest among New England states. Maine led New England with 8.4 percent of establishments increasing employee wages.

In 2019, 56 percent of New Hampshire residents received health insurance through an employer.<sup>4</sup> Job losses during the pandemic put unemployed workers at risk of losing health care coverage during the public health crisis. However, among New Hampshire business establishments that told some employees not to work, 45 percent continued to pay health

insurance premiums for at least some of these workers. This was higher than the nationwide average of 42 percent of establishments. Among New England states, only Connecticut had a larger share of business establishments that paid health insurance premiums for workers not working during the pandemic. The survey data does not differentiate between temporary and permanent layoffs, but it is likely that a majority of workers who continued to have their health insurance premiums paid by their employer had not been permanently laid off.

### Telework

Advances in mobile technology and high speed internet have made it easier for many workers to telework. While this has been technologically possible for many office-based workers, adoption of teleworking was not widespread prior to the pandemic. According to the U.S. Bureau of Labor Statistics, 24 percent of employed persons did some or all of their work from home in 2019.<sup>5</sup> This included workers who, on an average day, worked both in the office and at home. The coronavirus pandemic caused many businesses to encourage workers to telework; in the U.S., 31 percent of establishments increased teleworking arrangements as a result of the pandemic. A larger percentage of establishments in New Hampshire, 34 percent, increased teleworking arrangements. In both New Hampshire and the U.S., establishments that increased teleworking arrangements employed more than half of all employees, although the survey does not detail what percentage of employees were able to take advantage of new telework arrangements.

<sup>3</sup> U.S. Department of Labor, Families First Coronavirus Response Act: Employee Paid Leave Rights <https://www.dol.gov/agencies/whd/pandemic/ficra-employee-paid-leave>

<sup>4</sup> Kaiser Family Foundation, 2019 Health Insurance Coverage of the Total Population, <https://www.kff.org/other/state-indicator/total-population/>

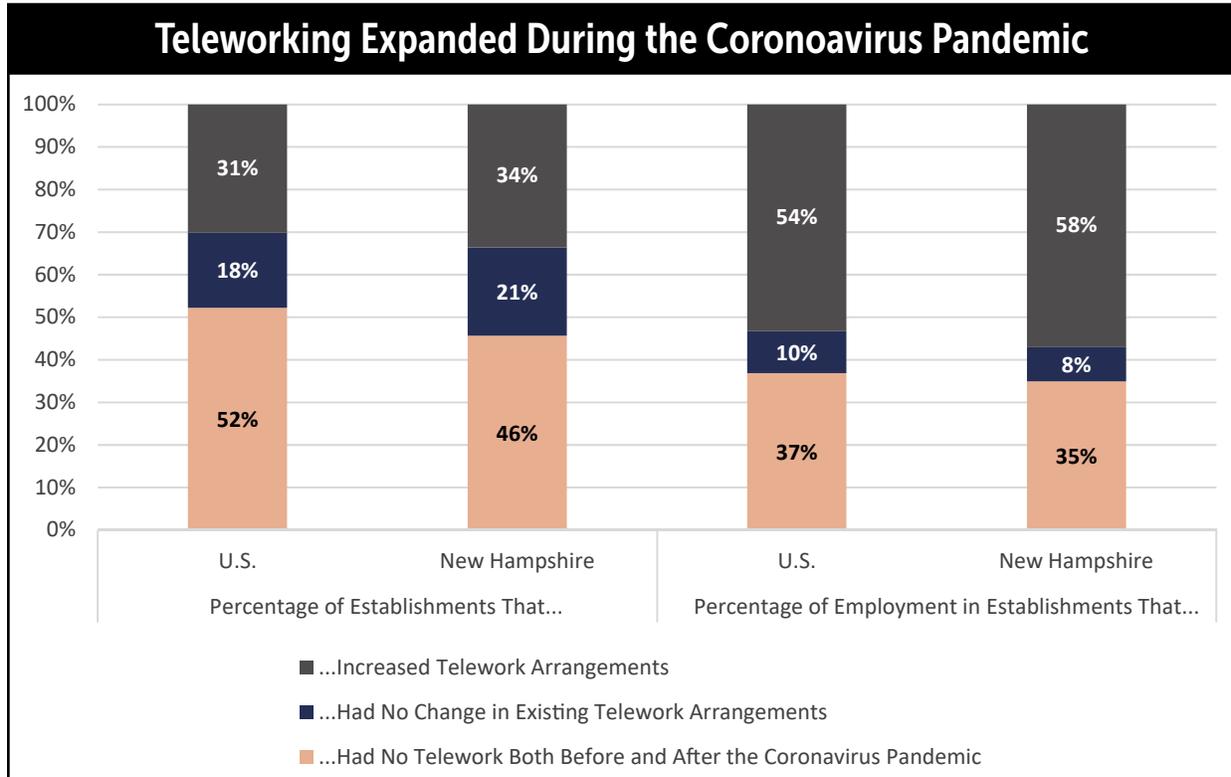
<sup>5</sup> U.S. Bureau of Labor Statistics, 2019 American Time Use Survey, <https://www.bls.gov/news.release/atus.t06.htm>

Nearly half of establishments in New Hampshire, 46 percent, were not able to offer telework to their employees, either before or after the pandemic. This was a slightly lower percentage than in the U.S., where 52 percent of establishments were not able to offer telework.

The increase in teleworking arrangements, as well as remote schooling and telehealth, have made home access to high-speed internet even more important to daily life than it had been

prior to the pandemic. An estimated ten percent of New Hampshire residents, particularly in rural areas, lack access to high-speed internet.<sup>6</sup> As part of its pandemic response, New Hampshire allocated \$50 million of CARES Act funding to invest in expanding broadband internet to areas of the state that did not previously have access.<sup>7</sup>

- Greg David, Economist



Source: U.S. Bureau of Labor Statistics, Business Response Survey to the Coronavirus Pandemic

<sup>6</sup> BroadbandNow, Broadband Internet in New Hampshire, <https://broadbandnow.com/New-Hampshire>

<sup>7</sup> New Hampshire Governor’s Office for Emergency Relief and Recovery, Connecting New Hampshire – Emergency Broadband Expansion Program, <https://www.goferr.nh.gov/covid-expenditures/connecting-nh>