Using Opportunity Insights' Economic Tracker to Examine the Uneven Impacts of the Coronavirus Pandemic

Opportunity Insights' Economic Tracker is a tool developed to measure a number of indicators related to economic activity during the pandemic. The Economic Tracker compares data from 2020 and early 2021 to a reference period before the coronavirus pandemic began to affect the U.S. economy, January 4th – 31st, 2020.

Employment and Income Data

The Economic Tracker reported private employment in New Hampshire was 7.1 percent lower on December 5th, 2020 than it had been in the reference period. (For comparison, New Hampshire Employment Security's Current Employment Statistics (CES) program estimated that private employment decreased 4.5 percent from January 2020 to December 2020. CES estimates are based on the week that includes the 12th of the month).[1]

To compare employment outcomes for workers with different earnings levels, workers were also categorized into low, middle, and high wage groups. Low wage workers, who earned less than $27,000 in 2019, represented the lowest 25 percent of earners. High wage workers, representing the top 25 percent of earners, earned $60,000 or more in 2019, and all workers earning between $27,000 and $60,000 were considered middle wage.[2]

There were large differences in outcomes between different wage groups. During the early months of the pandemic, employment did not decrease as much for high wage workers as it did for other workers, and employment returned to pre-pandemic levels by late May. By December 5th, employment for high wage workers was higher than in the reference period by 1.4 percent.

The recovery was not as strong for middle wage workers. Employment reached a peak 0.7 percent below the reference period during September. Employment decreased starting in late September, and by December 5th, it was 3.0 percent lower than the reference period.

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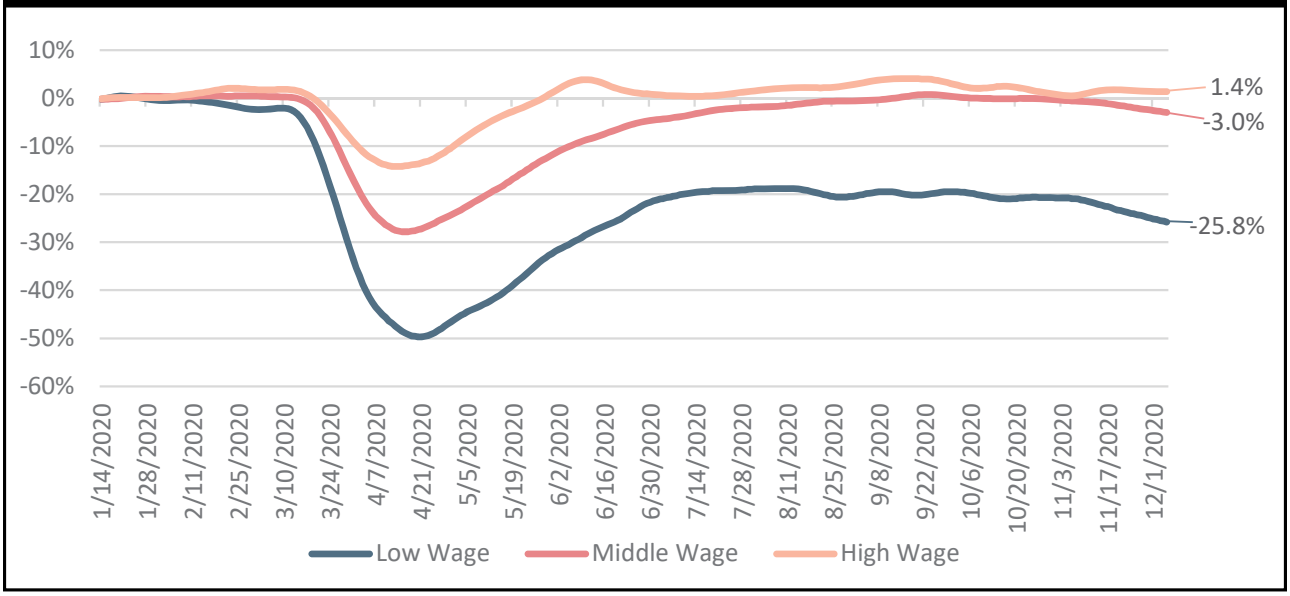
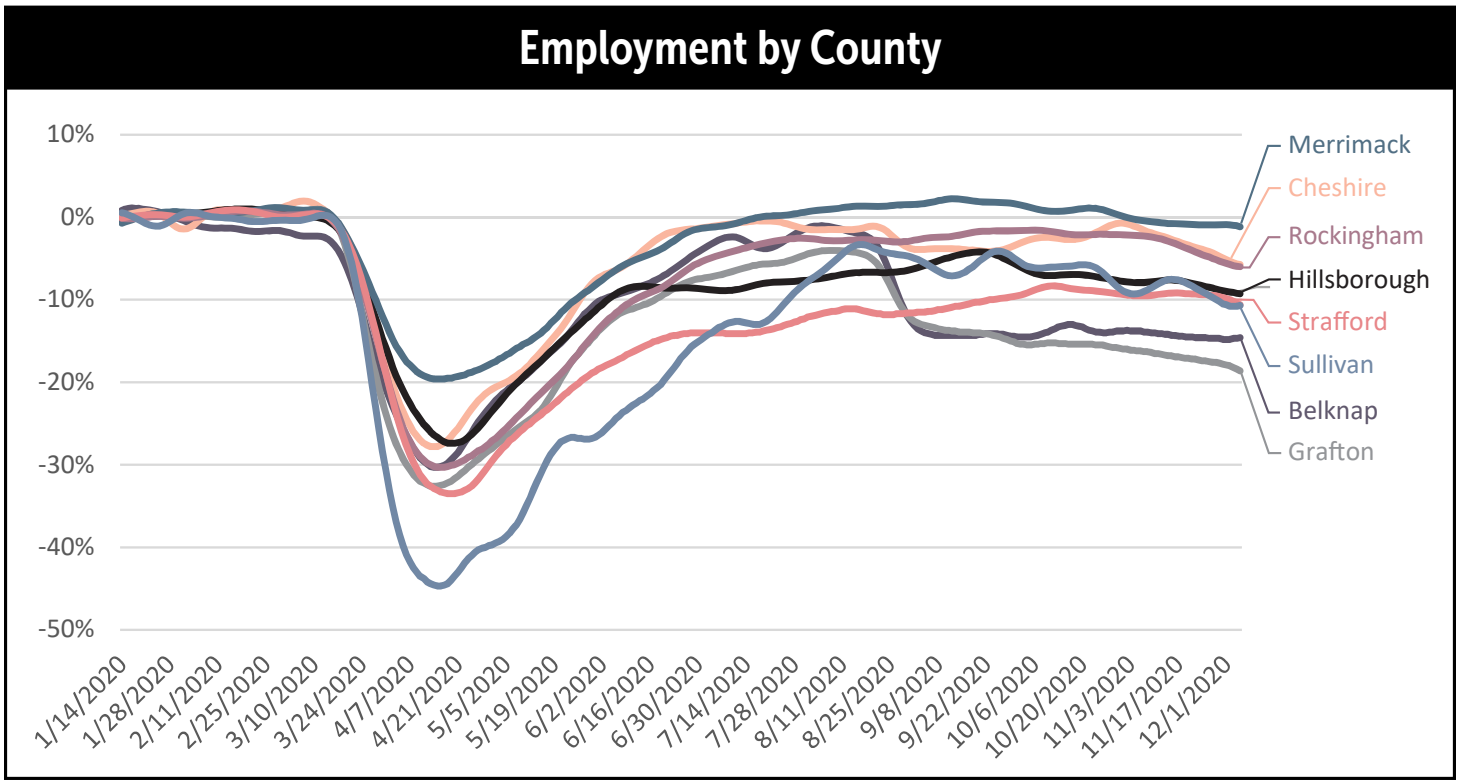
Change in Employment by Employee Wage, January 2020 to December 2020



Source: Opportunity Insights Economic Tracker

1 Employment data from the Employment Tracker are not adjusted for seasonal employment variations. Seasonal factors generally cause employment in New Hampshire to be higher in December than in January.
2 Wage quartiles are based on 2019 national wage data from a number of private payroll and financial management firms. Since average earnings in New Hampshire are higher than in the U.S., these percentages likely do not represent the top and bottom 25 percent of earnings among New Hampshire workers



Source: Opportunity Insights Economic Tracker

Employment for low wage workers was affected most by the pandemic; it declined 50 percent during the early months of the pandemic, and reached its highest point in mid-August, still 19 percent lower than during the reference period. Since August, employment for low wage workers has trended downward, falling 25.8 percent below the reference period by December 5th.

Employment trends varied by county. As of December 5th, employment changes since the reference period ranged from a decrease of 18.6 percent in Grafton County, to a decrease of just 1.2 percent in Merrimack County. Middle wage employment in Grafton County was 18.2 percent lower than in the reference period, well below the statewide average. By contrast, employment for middle wage workers in Merrimack County was 1.4 percent higher than during the reference period.

Although employment overall in Grafton County decreased more than any county, employment for high wage workers increased 7.8 percent over the reference period, a larger increase than any other county. Rockingham and Merrimack counties also saw large increases in employment for high wage workers, 5.6 and 5.4 percent, respectively.[3]

Consumer Spending Trends

The Economic Tracker also measures consumer spending patterns, based on credit and debit card transaction data. Consumer spending data is reported in daily increments, which results in large fluctuations in the data. This analysis uses a 7-day rolling average to reduce daily fluctuations.

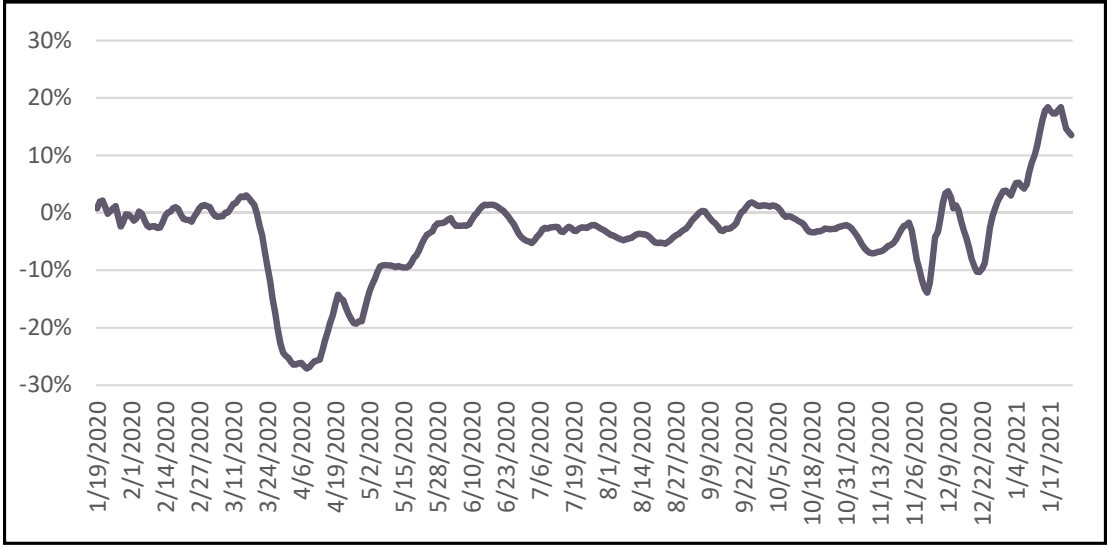
By late March, when the pandemic and efforts to prevent its spread first reached New Hampshire, overall consumer spending fell 27 percent below spending during the reference period. Spending increased through April and May, and between June and October, consumer spending returned to levels near those of the reference period, ranging from six percent below reference period spending to two percent above reference period spending. Spending fell in November and early December, although starting in the last week of December, consumer spending surpassed spending levels during the reference period.

Changes to consumer spending did not affect all industries equally. *Grocery and food store* spending was above reference period spending throughout the pandemic, including 54 percent above the reference period in March. *Retail trade* spending was also higher than reference period spending, except for a few weeks in late March and early April.[4]

Spending on *arts, entertainment and recreation*, *transportation and warehousing*, and *accommodation and food services* all fell sharply when the pandemic began, and remained well below reference period spending levels throughout 2020 and early 2021.

3 Total employment was not available for Coös and Carroll counties. Data were not available at all income levels for all counties.
4 The *grocery and food store* subsector is part of the *retail trade* sector, but in these data, they are reported separately.

Percent Change in Total Consumer Spending



Source: Opportunity Insights Economic Tracker

Consumer spending data was also categorized as high, middle, or low income, determined by the ZIP code of the spender, and by the U.S. Census Bureau's median household income data. Consumer spending for residents of middle income areas saw the smallest decreases in spending. For most of the period between May and October, spending by residents of middle income areas was higher than spending during the reference period. As total consumer spending increased in late December 2020 and January 2021, the increase in spending by residents of middle income areas remained higher than the increase in spending by residents of high or low income areas.

Residents of high income zip codes reduced spending in March 2020, primarily on services that required in-person interactions. The decline in spending by high income consumers was primarily driven by health concerns, not by a lack of income or purchasing power.[5] Spending by residents of low income areas fell more than other income groups, with spending early in the pandemic falling to less than 50 percent of spending during the reference period. Spending decreased again during November and early December, before increasing dramatically at the end of the year.

Increases in consumer spending, particularly for residents of low wage areas, were associated with additional government benefits. The Lost Wages Assistance program paid unemployed workers an additional $300 per week for up to five weeks, with most benefits paid in September. The Federal Pandemic Unemployment Compensation program was reinstated in January 2021, which also paid an additional $300 per week in unemployment benefits. An additional Economic Impact Payment of up to $600 per family member was paid to households earning less than $75,000 per single resident ($150,000 per household) in early 2021. These benefits coincided with increases in spending by residents of low income areas.

How Have Small Businesses Been Affected by the Pandemic?

The Economic Tracker uses two indicators to measure the impact of the pandemic on small businesses: revenue and openings.[6] The small business revenue measure, like the consumer spending measure, uses credit card transaction data, but based on the location of the business, rather than the consumer. The small business openings data considers businesses open if it had any credit card transactions in the previous three days, and closed if they do not.

For most of 2020, small business revenue in New Hampshire was lower than revenue during the reference period by roughly 20 and 30 percent. Revenues decreased most for businesses located in high income areas. As of February 4th 2021, revenues for businesses located in high income areas were 47 percent below revenues during the reference period. Small businesses located in middle income areas saw revenue decline 18 percent, while revenues for small businesses located in low income areas declined three percent.

The number of small businesses open in New Hampshire fell nearly 50 percent in April, and remained between 20 and 30 percent below openings during the reference period for the second half of 2020 and early 2021. *Leisure and hospitality* businesses were more affected than businesses in other industry supersectors, with the number of small businesses open typically 35 to 40 percent lower than the reference period. Small businesses in *trade, transportation and utilities* were more likely to be open; in February 2021, the number of small businesses open was roughly ten percent lower than in the reference period.

5 Raj Chetty, et. al., *The Economic Impacts of COVID-19: Evidence from a New Public Database Built Using Private Sector Data*, pg. 2. https://opportunityinsights.org/wp-content/uploads/2020/05/tracker_paper.pdf.
6 Small business classifications are based on thresholds defined by the U.S. Small Business Administration. Thresholds vary by NAICS code, between fewer than 500 employees and fewer than 1,500 employees. For some industries, revenue is used to determine small business status instead of employment.

Summary

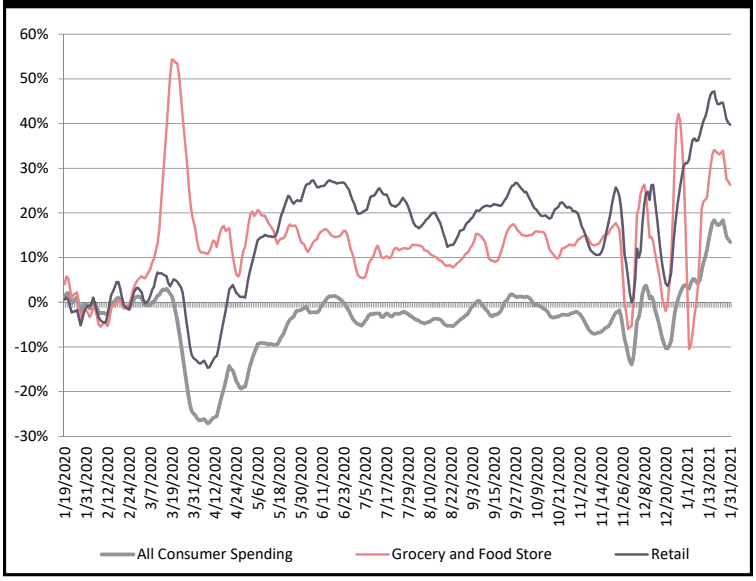
Dividing trends into high, medium and low earnings/income categories highlights how uneven the effects of the pandemic have been. High wage workers suffered relatively few effects to employment, particularly in the second half of 2020. Although employment for high wage workers was not affected as much as employment for workers earning lower wages, spending by residents of high wage areas (high wage workers and residents of high wage areas measure two different populations, but there is presumably overlap between these groups) decreased more than spending by residents of lower income areas, primarily due to a reduction in discretionary spending.

The change in spending habits for residents of high income areas was largely driven by health and safety concerns, not by a loss of income. These residents are generally waiting for the end of the pandemic to return to previous consumer confidence and spending habits.[7]

Workers, particularly low wage workers, who have been either unemployed or out of the labor force for much of the last year face challenges to reemployment. Many low wage jobs may never return, as business closures, along with long-term trends towards automation and outsourcing, may eliminate these jobs permanently. In particular, employment in *retail trade*, which had declined for three years prior to the pandemic, is unlikely to return to 2019 employment levels. While there will be opportunities for employment, the pandemic will likely result in a significant reallocation of labor from one occupation or industry to another. For many workers who lost their job during the pandemic, retraining for a new occupation will be needed.

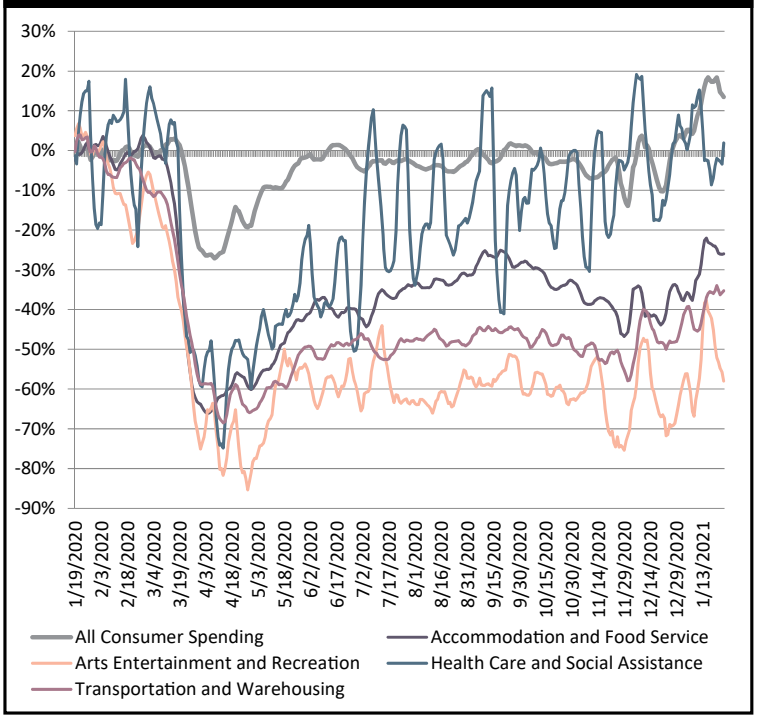
– Greg David

Percent Change in Consumer Spending by Industry, Pt. 1



Source: Opportunity Insights Economic Tracker

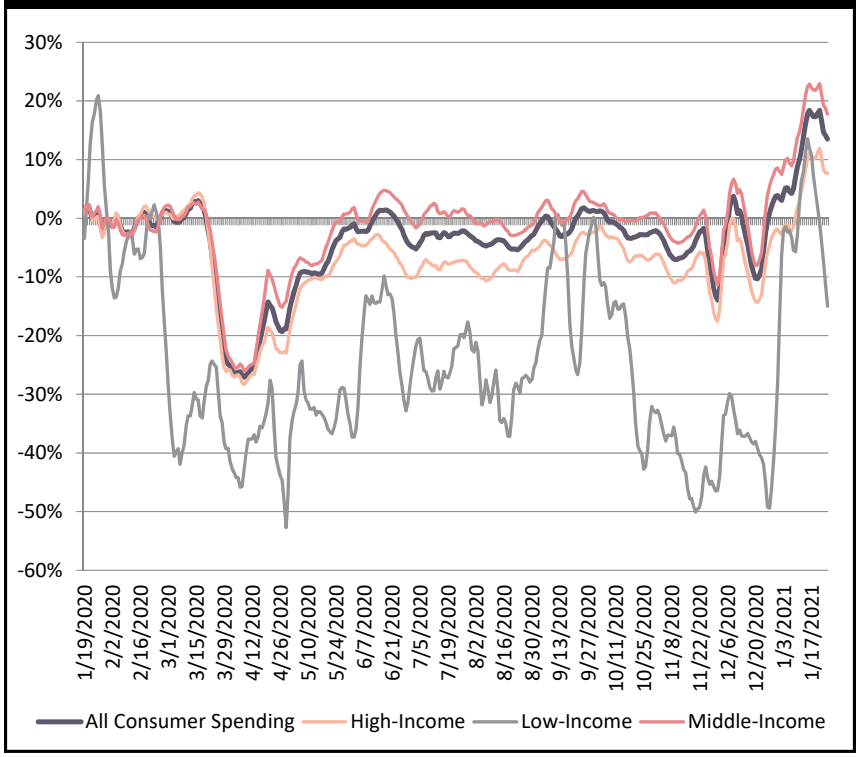
Percent Change in Consumer Spending by Industry, Pt. 2



Source: Opportunity Insights Economic Tracker

7 Raj Chetty, et. al., *The Economic Impacts of COVID-19: Evidence from a New Public Database Built Using Private Sector Data*, pg. 5. https://opportunityinsights.org/wp-content/uploads/2020/05/tracker_paper.pdf.

7-Day Rolling Average of Consumer Spending by Income Level



Source: Opportunity Insights Economic Tracker

Small Business Openings by Sector

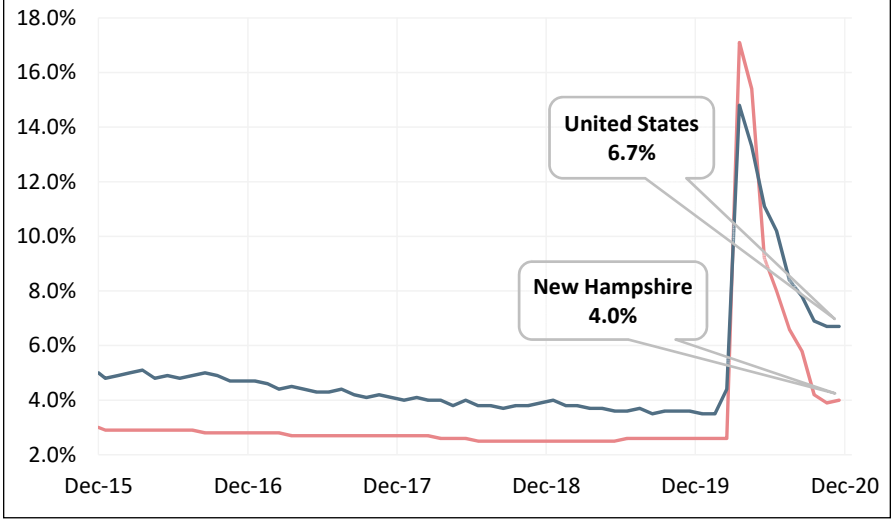
Source: Opportunity Insights Economic Tracker

SEASONALLY ADJUSTED ESTIMATES

Unemployment Estimates by Region

Seasonally Adjusted	Dec-20	Nov-20	Dec-19
United States	6.7%	6.7%	3.6%
Northeast	7.4%	7.8%	3.8%
New England	6.9%	6.5%	3.0%
Connecticut	8.0%	8.2%	3.8%
Maine	4.9%	4.9%	3.0%
Massachusetts	7.4%	6.7%	2.8%
New Hampshire	4.0%	3.9%	2.6%
Rhode Island	8.1%	7.3%	3.5%
Vermont	3.1%	3.0%	2.4%
Mid Atlantic	7.6%	8.3%	4.1%
New Jersey	7.6%	10.2%	3.7%
New York	8.2%	8.4%	3.9%
Pennsylvania	6.7%	6.8%	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	
	Dec-20	Nov-20	Dec-19	Month	Year
Total Nonfarm	625,400	628,100	685,600	-2,700	-60,200
Total Private	545,600	547,400	595,600	-1,800	-50,000
Mining and Logging	900	900	900	0	0
Construction	28,400	27,300	28,200	1,100	200
Manufacturing	64,700	64,600	70,900	100	-6,200
Durable Goods	49,200	48,800	53,200	400	-4,000
Non-Durable Goods	15,500	15,800	17,700	-300	-2,200
Trade, Transportation, and Utilities	128,000	127,100	138,800	900	-10,800
Wholesale Trade	25,300	26,100	28,400	-800	-3,100
Retail Trade	85,100	83,900	92,800	1,200	-7,700
Transportation, Warehousing, and Utilities	17,600	17,100	17,600	500	0
Information	11,500	11,600	12,400	-100	-900
Financial Activities	36,100	35,800	34,600	300	1,500
Financial and Insurance	28,400	28,100	27,600	300	800
Real Estate and Rental and Leasing	7,700	7,700	7,000	0	700
Professional and Business Services	80,400	80,100	84,500	300	-4,100
Professional, Scientific, and Technical Services	38,300	38,400	39,500	-100	-1,200
Management of Companies and Enterprises	9,100	9,000	9,400	100	-300
Administrative and Support and Waste Management and Remediation Services	33,000	32,700	35,600	300	-2,600
Education and Health Services	117,700	118,800	124,800	-1,100	-7,100
Educational Services	27,100	27,800	30,500	-700	-3,400
Health Care and Social Assistance	90,600	91,000	94,300	-400	-3,700
Leisure and Hospitality	52,400	55,500	73,400	-3,100	-21,000
Arts, Entertainment, and Recreation	8,500	10,100	12,500	-1,600	-4,000
Accommodation and Food Services	43,900	45,400	60,900	-1,500	-17,000
Other Services	25,500	25,700	27,100	-200	-1,600
Government	79,800	80,700	90,000	-900	-10,200
Federal Government	8,000	8,100	8,000	-100	0
State Government	18,100	18,500	24,500	-400	-6,400
Local Government	53,700	54,100	57,500	-400	-3,800

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	Dec-20	Nov-20	Dec-19
Total Civilian Labor Force	745,120	749,810	773,040
Employed	717,140	722,080	755,470
Unemployed	27,980	27,730	17,570
Unemployment Rate	3.8%	3.7%	2.3%

United States (# in thousands)	Dec-20	Nov-20	Dec-19
Total Civilian Labor Force	160,017	160,468	164,007
Employed	149,613	150,203	158,504
Unemployed	10,404	10,264	5,503
Unemployment Rate	6.5%	6.4%	3.4%

Unemployment Rates by Area

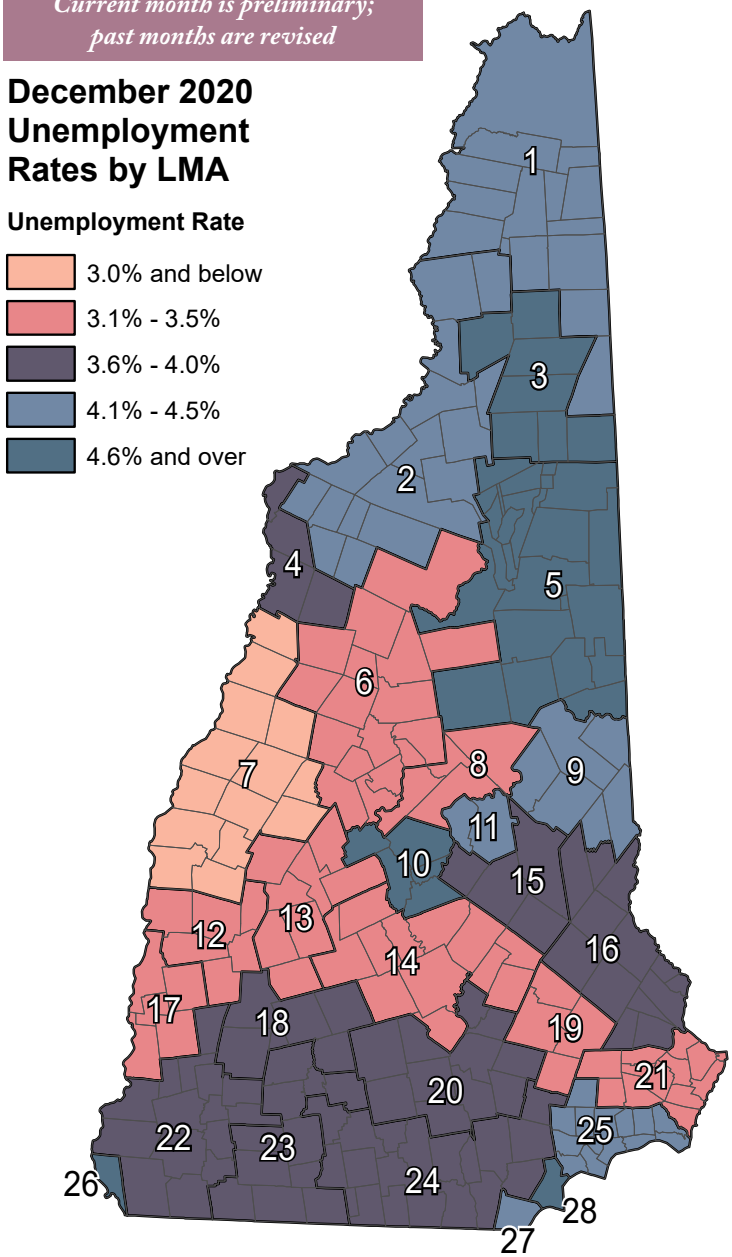
Counties	Dec-20	Nov-20	Dec-19
Belknap	4.0%	3.8%	2.3%
Carroll	4.3%	4.3%	2.1%
Cheshire	3.7%	3.5%	2.3%
Coös	4.9%	4.7%	3.0%
Grafton	3.3%	3.2%	1.9%
Hillsborough	3.9%	3.8%	2.4%
Merrimack	3.4%	3.2%	1.9%
Rockingham	3.8%	3.9%	2.5%
Strafford	3.6%	3.6%	2.1%
Sullivan	3.2%	3.2%	2.0%

Map Key	Labor Market Areas	Dec-20	Nov-20	Dec-19
1	Colebrook, NH-VT LMA, NH Portion	4.5%	4.2%	2.6%
2	Littleton, NH-VT LMA, NH Portion	4.5%	4.3%	2.1%
3	Berlin NH Micropolitan NECTA	5.1%	5.1%	3.4%
4	Haverhill, NH LMA	3.7%	3.4%	2.3%
5	Conway, NH-ME LMA, NH Portion	4.6%	4.5%	1.9%
6	Plymouth, NH LMA	3.5%	3.3%	2.1%
7	Lebanon, NH-VT Micropolitan NECTA, NH Portion	2.7%	2.6%	1.7%
8	Meredith, NH LMA	3.5%	3.3%	2.1%
9	Wolfeboro, NH LMA	4.1%	4.3%	2.4%
10	Franklin, NH LMA	4.6%	4.0%	2.2%
11	Laconia, NH Micropolitan NECTA	4.4%	4.3%	2.5%
12	Expanded Claremont, NH estimating area	3.3%	3.4%	2.2%
13	New London, NH LMA	3.4%	2.9%	1.9%
14	Concord, NH Micropolitan NECTA	3.2%	3.1%	1.9%
15	Belmont, NH LMA	3.7%	3.6%	2.2%
16	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	3.6%	3.6%	2.1%
17	Charlestown, NH LMA	3.4%	3.5%	2.1%
18	Hillsborough, NH LMA	3.7%	3.7%	2.2%
19	Raymond, NH LMA	3.2%	3.2%	2.2%
20	Manchester, NH Metropolitan NECTA	3.7%	3.7%	2.1%
21	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	3.5%	3.6%	2.0%
22	Keene, NH Micropolitan NECTA	3.6%	3.4%	2.2%
23	Peterborough, NH LMA	3.6%	3.4%	2.3%
24	Nashua, NH-MA NECTA Division, NH Portion	3.9%	3.9%	2.6%
25	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	4.4%	4.3%	2.8%
26	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	4.8%	5.0%	3.6%
27	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	4.5%	4.5%	3.1%
28	Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division	4.7%	4.6%	3.0%

Unemployment Rates by Region

Not Seasonally Adjusted	Dec-20	Nov-20	Dec-19
United States	6.5%	6.4%	3.4%
Northeast	7.2%	7.4%	3.6%
New England	6.5%	6.1%	2.7%
Connecticut	7.5%	7.7%	3.2%
Maine	4.7%	4.7%	2.9%
Massachusetts	7.1%	6.2%	2.4%
New Hampshire	3.8%	3.7%	2.3%
Rhode Island	7.7%	7.0%	3.2%
Vermont	2.8%	2.8%	2.1%
Mid Atlantic	7.4%	7.9%	3.9%
New Jersey	7.4%	9.8%	3.6%
New York	8.1%	8.1%	3.7%
Pennsylvania	6.4%	6.3%	4.5%

Current month is preliminary; past months are revised



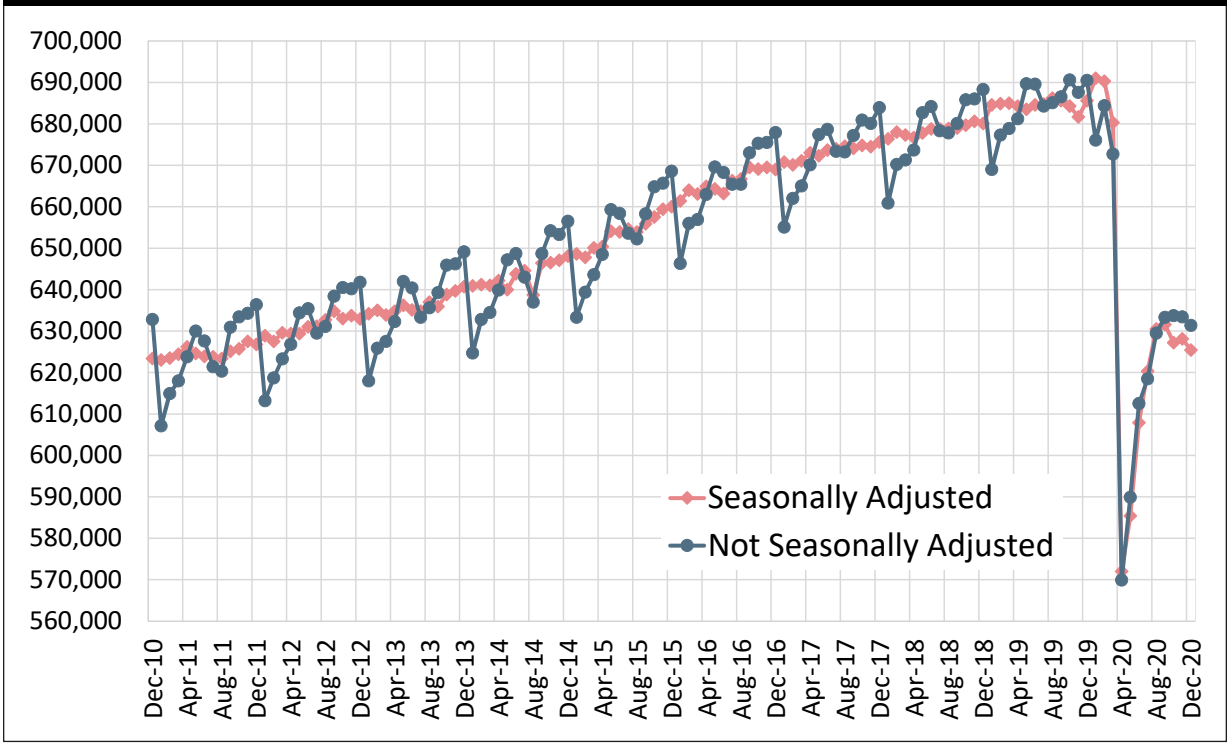
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Current month is preliminary; past months are revised

New Hampshire Nonfarm Employment Statewide Not Seasonally Adjusted

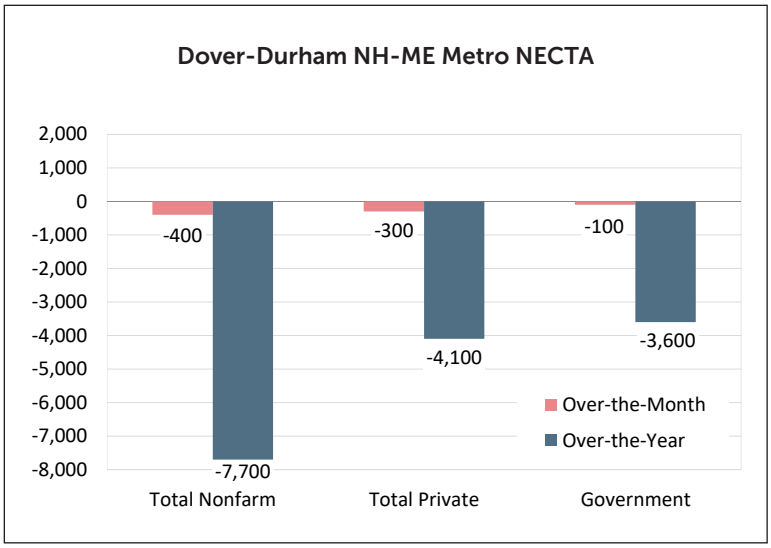
	Number of Jobs			Change From Previous	
	Dec-20	Nov-20	Dec-19	Month	Year
Total Nonfarm	631,400	633,400	690,500	-2,000	-59,100
Total Private	547,100	548,800	596,100	-1,700	-49,000
Mining and Logging	900	900	900	0	0
Construction	27,900	28,100	27,700	-200	200
Manufacturing	64,700	64,600	71,100	100	-6,400
Durable Goods	49,200	48,800	53,300	400	-4,100
Non-Durable Goods	15,500	15,800	17,800	-300	-2,300
Trade, Transportation, and Utilities	131,100	128,700	141,800	2,400	-10,700
Wholesale Trade	25,400	26,300	28,400	-900	-3,000
Retail Trade	87,100	85,000	94,900	2,100	-7,800
Transportation, Warehousing, and Utilities	18,600	17,400	18,500	1,200	100
Information	11,500	11,600	12,400	-100	-900
Financial Activities	36,400	35,800	34,700	600	1,700
Professional and Business Services	80,400	80,300	84,400	100	-4,000
Education and Health Services	120,700	122,600	127,800	-1,900	-7,100
Leisure and Hospitality	48,200	50,600	68,300	-2,400	-20,100
Other Services	25,300	25,600	27,000	-300	-1,700
Government	84,300	84,600	94,400	-300	-10,100
Federal Government	8,100	8,100	8,100	0	0
State Government	19,900	20,400	26,300	-500	-6,400
Local Government	56,300	56,100	60,000	200	-3,700

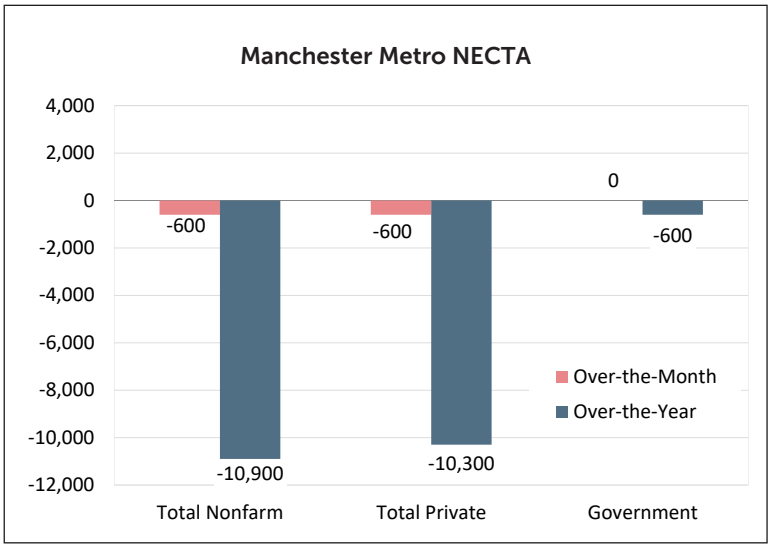
Total Nonfarm Employment Trend Through December 2020

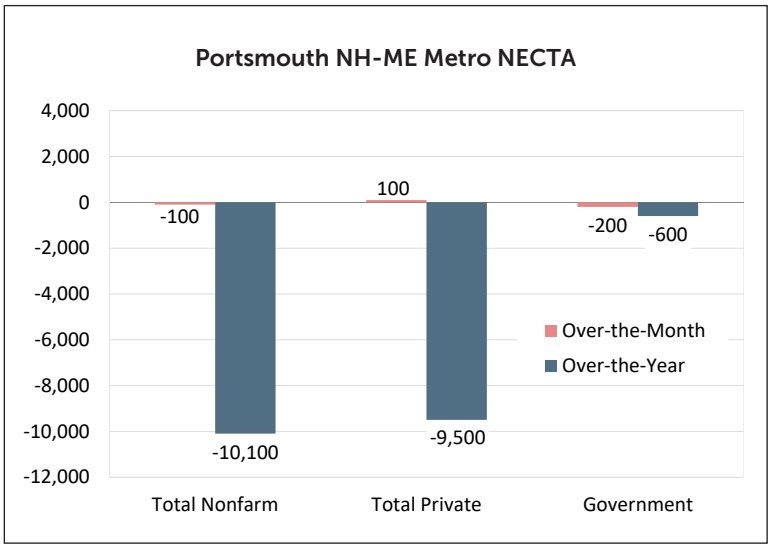


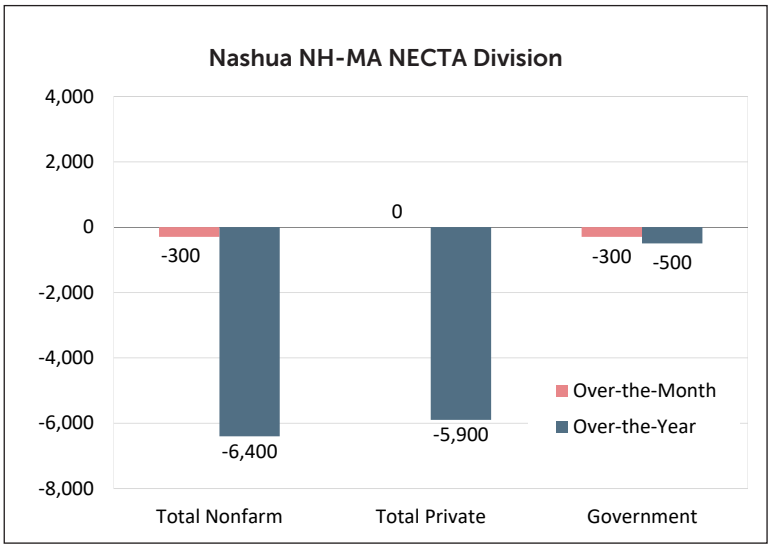
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Nonfarm Employment by Metropolitan Statistical Areas - December 2020

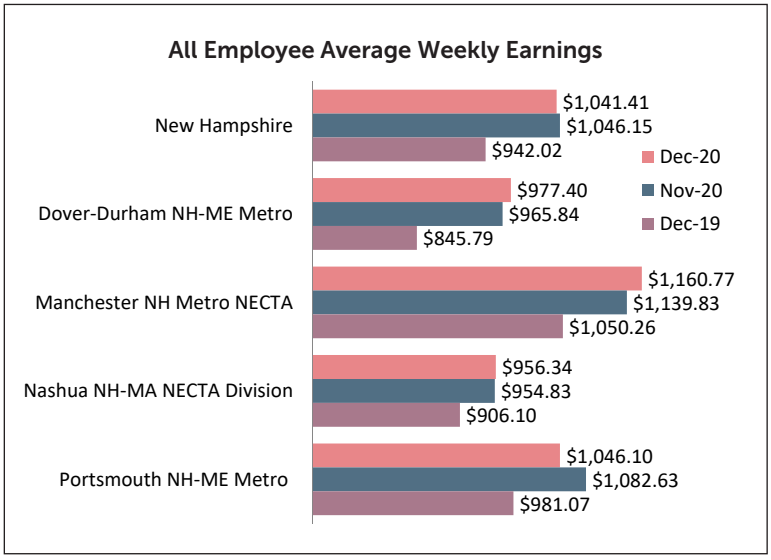


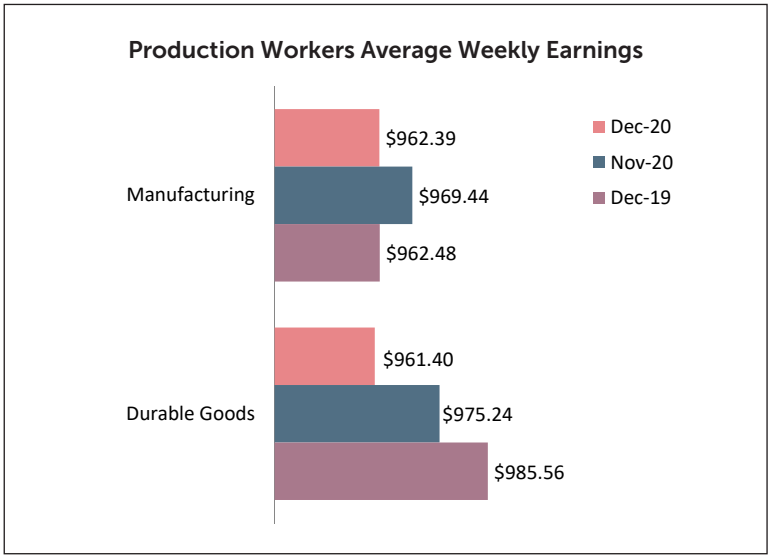






Total Private Average Weekly Earnings Data





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 to 625,400 jobs in December, according to preliminary seasonally adjusted estimates. Five private industry supersectors experienced over-the-month employment gains in December and four supersectors experienced losses. *Construction* expanded by 1,100 jobs in December and *trade, transportation, and utilities* gained 900 positions. *Financial activities* and *professional and business services* each added 300 positions, while *manufacturing* added 100 jobs. *Mining and logging* was unchanged from November to December.

Information lost 100 positions, while other services employment decreased by 200. *Private education and health services* lost 1,100 positions and *leisure and hospitality* lost 3,100 jobs. *Government* employment decreased by 900 from November to December.

Seasonally adjusted *total nonfarm* employment decreased by 60,200 jobs from December 2019 to December 2020, reflecting the impact on employment due to the coronavirus (COVID-19) pandemic and efforts to contain it. Employment gains were experienced in two supersectors over the year, while losses were experienced seven supersectors. *Financial activities* expanded by 1,500 positions and *construction* gained 200 jobs, while *mining and logging* was unchanged over the year.

Leisure and hospitality suffered the greatest loss, with 21,000 fewer jobs than in December 2019. *Trade, transportation, and utilities* employment decreased by 10,800, while *private education and health services* cut payrolls by 7,100. *Manufacturing* shed 6,200 jobs and *professional and business services* was down by 4,100 positions over the year. *Other services* employment declined by 1,600, while *Information* cut 900 positions. *Government* employment decreased by 10,200 from December 2019 to December 2020.

Not Seasonally Adjusted

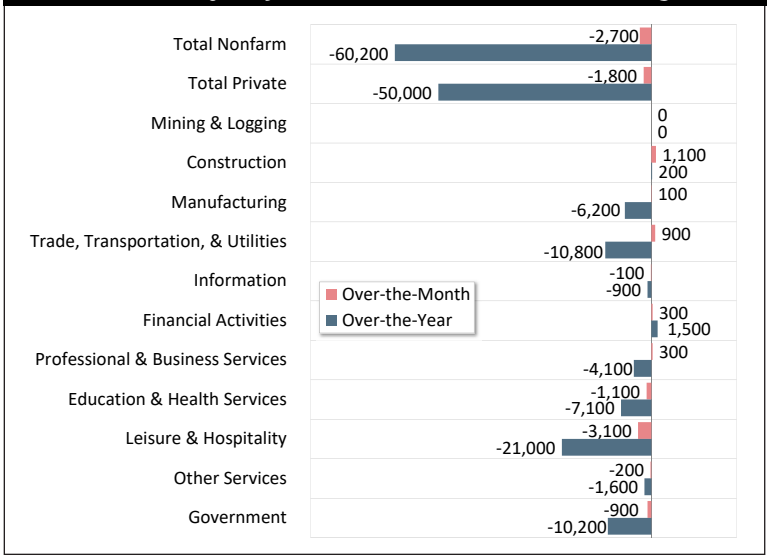
Preliminary unadjusted estimates for December show that *total nonfarm* employment decreased by 59,100 jobs since December 2019, reflecting the impact on employment due to the coronavirus (COVID-19) pandemic and efforts to contain it. Employment losses were experienced in all but three supersectors over-the-year. *Financial activities* had 1,700 more positions than in December 2019, and *construction* gained 200 jobs. *Mining and logging* was unchanged over the year.

Leisure and hospitality experienced the largest decrease, with 20,100 fewer jobs than in December 2019. *Trade, transportation, and utilities* employment decreased by 10,700, while *private education and health services* shed 7,100 positions. *Manufacturing* lost 6,400 jobs, while *professional and business services* reduced payrolls by 4,000. *Other services* employment decreased by 1,700 jobs and *information* employment declined by 900 over the year. *Government* employment contracted by 10,100 from December 2019 to December 2020.

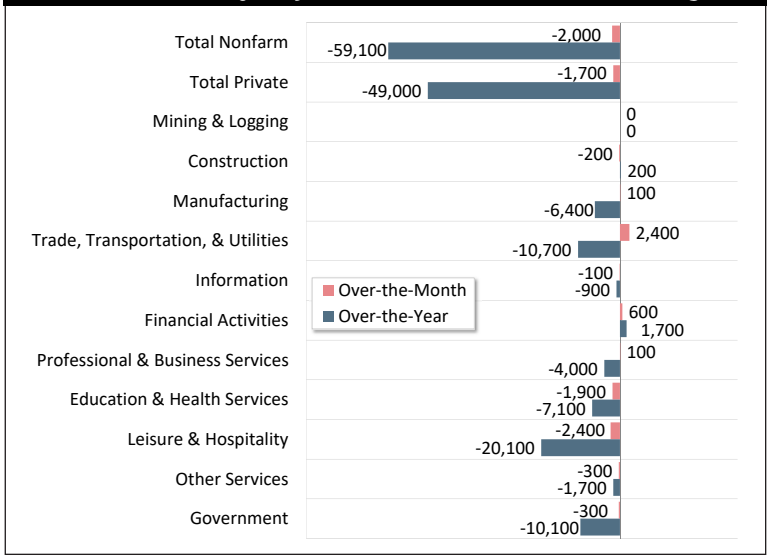
Unadjusted estimates provide a snapshot of the number of New Hampshire jobs by industry in any given month. However, over-the-month changes to unadjusted employment estimates reflect both changes in economic conditions and seasonal patterns of employment growth and decline. All industries experience 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 December 2020 Change



Not Seasonally Adjusted December 2020 Change



Consumer Price Index

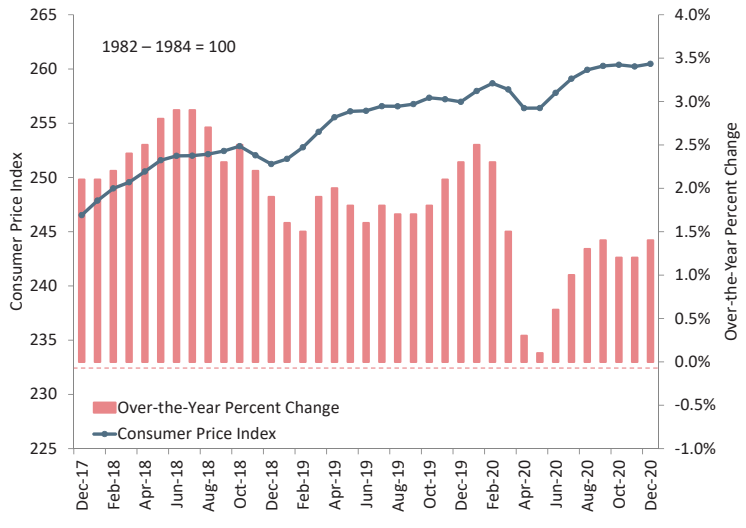
United States, All Urban Consumers
Not Seasonally Adjusted (CPI-U) (1982-1984=100)

			Change From Previous	
Dec-20	Nov-20	Dec-19	Month	Year
260.474	260.229	256.974	0.1%	1.4%

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

			Change From Previous	
Dec-20	Nov-20	Dec-19	Month	Year
274.225	273.543	270.429	0.2%	1.4%

Consumer Price Index United States, All Urban Consumers



Unemployment Compensation Claims Activity

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Initial Claims	26,658	10,369	8,936	16,046	9,757	14,329
Continued Weeks Claimed	162,664	144,029	97,600	65,260	58,499	54,685
Average payment for a week of unemployment	$255.15	$260.52	$272.34	$274.72	$283.63	$288.75

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