

New Hampshire ECONOMIC CONDITIONS

June 2022

Port Constitution (image by NH DTTD on flickr)

Boggy Meadow Farm (image by NH DTTD on flickr)

Whitewater Kayaking (image by NH DTTD on flickr)

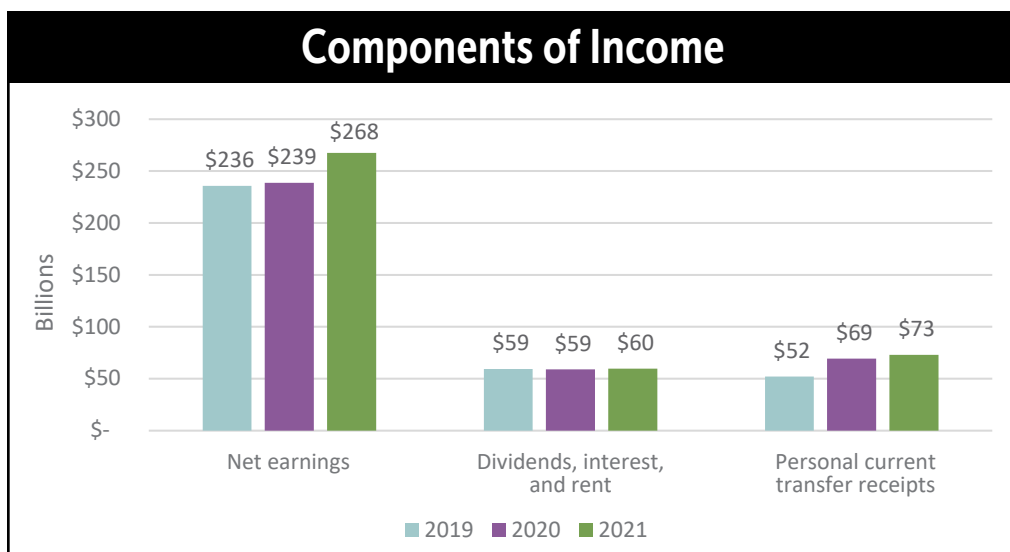
Income and Poverty In New Hampshire

Data from the U.S. Bureau of Economic Analysis (BEA) show that total personal income increased in New Hampshire during the coronavirus pandemic, with government stimulus spending the primary factor driving income gains. Income measures include three components: earnings (wages, salaries, and benefits from an employer), income from dividends, rent and interest, and transfer payments (payments for which there are no goods or services exchanged, such as government social benefits, including Social Security payments). Earnings are the largest component, accounting for approximately two-thirds of personal income.

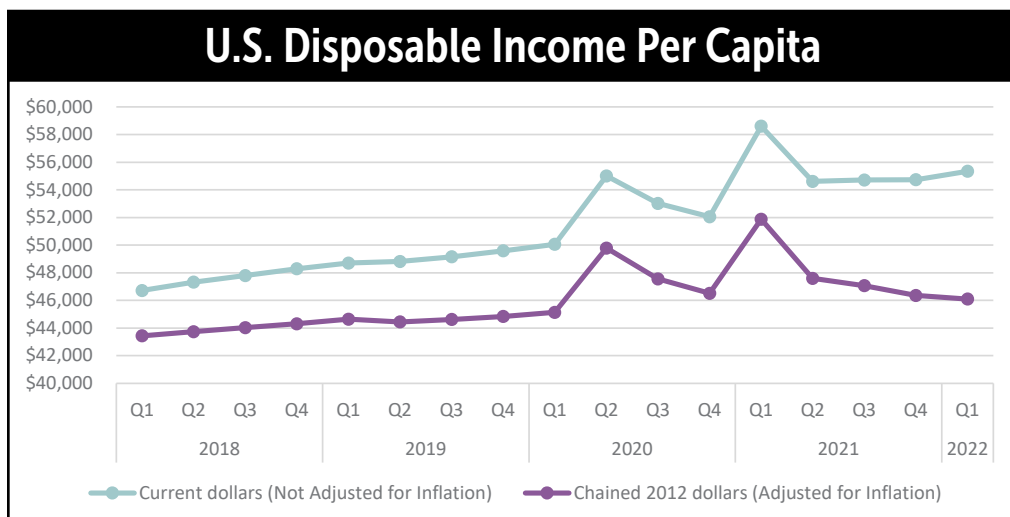
While earnings increased just 1.1 percent from 2019 to 2020, personal income increased 5.6 percent, primarily the result of an increase in transfer payments. Federal stimulus spending during the pandemic increased transfer payments by 32.7 percent in 2020, and an additional 5.4 percent in 2021.

Personal income in New Hampshire increased 9.1 percent in 2021, although a 4.7 percent annual inflation rate reduced the impact of this increase on individuals and families. When adjusted for inflation, real disposable income per capita¹ in the U.S. fell during the third and fourth quarters of 2021, and the first quarter of 2022.

Per capita income in New Hampshire was above the national average, with disposable income of \$64,229 per capita in 2021, compared to a national average of \$55,355. Income was more evenly distributed in



Source: U.S. Bureau of Economic Analysis, Personal Income



Source: U.S. Bureau of Economic Analysis, Personal Income

New Hampshire than in the U.S. overall, suggesting that New Hampshire has a broader middle class than the U.S. as a whole, or other high-income states such as Massachusetts. Compared to the U.S., a larger percentage of New Hampshire households had an income of at least \$100,000, although a much larger percentage of Massachusetts households had an income of \$200,000 or more.

INSIDE THIS ISSUE:

Seasonally Adjusted Estimates

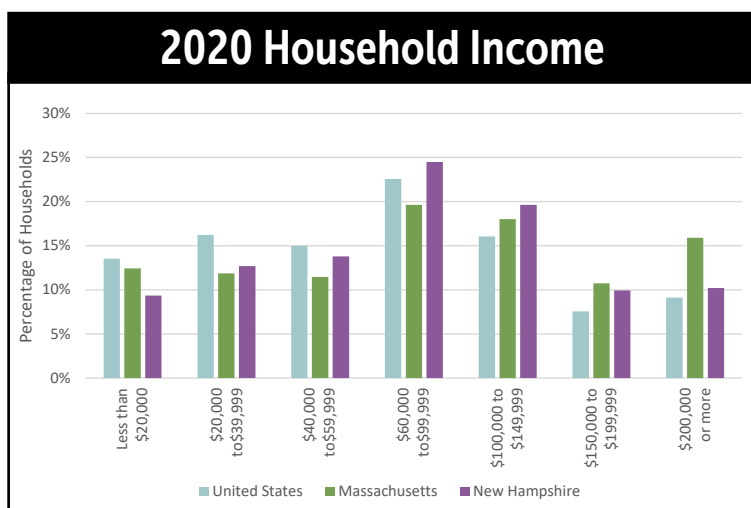
- Unemployment Rates 4
- Current Employment Statistics 4

Not Seasonally Adjusted Estimates

- Unemployment Rates 5
- Current Employment Statistics 6
- Claims Activity 9

¹ Disposable income is after-tax income.

On the other side of the income spectrum, a smaller percentage of households in New Hampshire had an income less than \$60,000 than in the U.S overall. Just nine percent of households in New Hampshire had an income less than \$20,000, compared to 12 percent in Massachusetts and 14 percent nationwide. Still, nine percent of households meant 50,300 New Hampshire households had an income less than \$20,000 in 2020. An additional 68,400 New Hampshire households had an income of at least \$20,000, but less than \$40,000.



Source: U.S. Census Bureau, American Community Survey 2020 1-Year Experimental Data

Poverty Rate Estimates and The Effect of Pandemic Stimulus Spending on Poverty

In addition to measuring income, the Census Bureau also estimates the poverty rate for households in the U.S., comparing household income to the poverty threshold. The poverty threshold varies slightly based on total household size and the number of related children under age 18 in the household; for a four-person household, the 2020 poverty threshold ranged between \$26,246 and \$27,131 per year. In 2020, the Census Bureau estimated the official U.S. poverty rate to be 11.4 percent.²

According to the U.S. Department of Health and Human Services, “poverty is widely considered a cause for national action because poor families often encounter material hardships and reduced well-being and because children who grow up in poor households are less likely to thrive as adults.”³ The coronavirus pandemic, which affected employment and earnings for millions of Americans, put many households at risk of experiencing poverty. Several federal pandemic stimulus programs, including enhanced unemployment insurance benefits, expanded Supplemental

Nutrition Assistance Program (SNAP) eligibility, and Economic Impact Payments, gave benefits directly to low-income Americans or all eligible Americans.

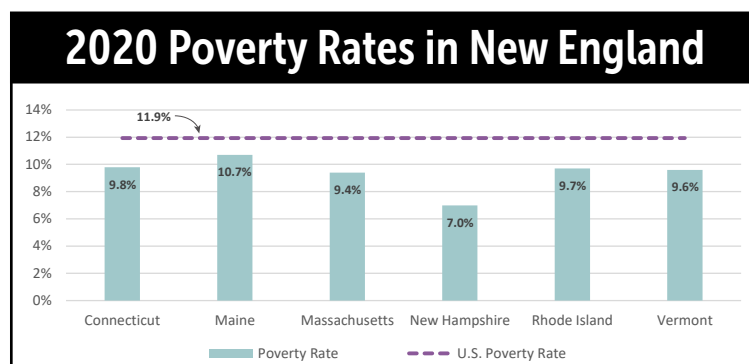
In addition to standard income and poverty estimates, the Census Bureau produces the Supplemental Poverty Measure (SPM), which includes non-cash income (SNAP benefits, housing subsidies, tax credits, etc.) from government programs intended to assist low-income families and individuals into its calculation for determining poverty rates. The SPM also adjusts income by subtracting federal income tax and FICA payments, child support, medical and business expenses, and makes regional adjustments based on regional housing costs.

The Census Bureau’s official U.S. poverty rate increased from 10.5 in 2019 to 11.4 percent in 2020, reflecting the loss of employment or hours worked by many during the pandemic. However, the supplemental poverty measure decreased, from 11.8 percent to 9.2 percent, as spending by government programs provided greater-than-normal assistance to low-income families and individuals. The Census Bureau estimated that these additional benefits kept more than 17 million Americans from experiencing poverty during the pandemic.⁴

Poverty in New Hampshire

The Census Bureau’s 2020 American Community Survey 1-Year Experimental⁵ data, which measure poverty rates for states and other smaller geographical areas, estimated the national poverty rate at 11.9 percent, slightly higher than the official poverty rate of 11.4 percent. All states in the New England region had poverty rates below the national average, and New Hampshire, with a poverty rate of 7.0 percent, had the lowest rate in the nation.

It is important note that the official poverty rate is not adjusted for regional differences in income or cost of living. The SPM, which factors housing costs into income estimates, produced a higher poverty rate estimate for



Source: U.S. Census Bureau, American Community Survey 2020 1-Year Experimental Data

2 The Census Bureau estimates poverty rates using data collected from two different surveys. The official national poverty rate is generated using data from the Current Population Survey’s Annual Social and Economic Supplement (ASEC). The official U.S. poverty rate (11.4 percent) is the estimate produced using data from ASEC. For states and other smaller geographic units, the Census Bureau recommends using poverty estimates from the American Community Survey, which has a larger sample size.
 3 U.S. Department of Health and Human Services, Poverty Estimates, Trends, and Analysis. <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-estimates-trends-analysis>.
 4 Liana E. Fox and Kalee Burns, The Supplemental Poverty Measure: 2020. <https://www.census.gov/content/dam/Census/library/publications/2021/demo/p60-275.pdf>.
 5 Due to data collection issues caused by the pandemic, results of the 2020 1-Year American Community Survey were released as experimental data.

New Hampshire, as well as Connecticut, Massachusetts, and Vermont. The state SPM rates, which are only available as a three-year average, estimated New Hampshire's 2018 to 2020 poverty rate was 1.2 percentage points higher than the official state poverty rate over that time.

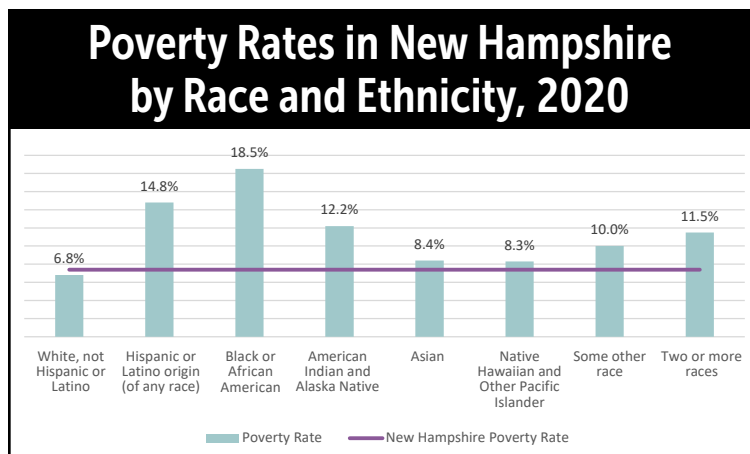
In New Hampshire, poverty rates differed substantially by demographic group. The Census Bureau's 2016-2020 5-Year American Community Survey,⁶ estimated New Hampshire's poverty rate at 7.4 percent. Among racial and ethnic groups in New Hampshire, White, not Hispanic or Latino residents had the lowest poverty rate at 6.8 percent, while the poverty rate for Black, not Hispanic or Latino residents was nearly three times higher, at 18.5 percent. Among Hispanic or Latino residents (of any race), 14.8 percent experienced poverty.

Gender and educational attainment are also correlated with poverty rates. The poverty rate for men (6.5 percent) is lower than the poverty rate for women (8.3 percent), and residents with higher levels of educational attainment are less likely to experience poverty. While nearly 20 percent of residents

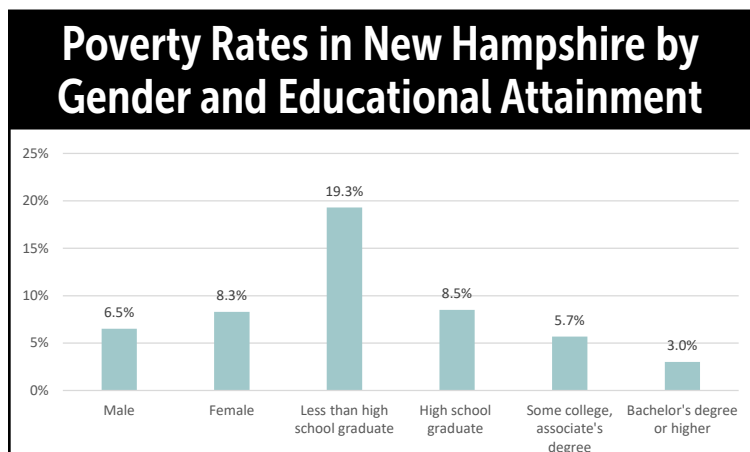
without a high school diploma experienced poverty, the poverty rate fell to 8.5 percent for residents with a high school diploma, and just 3.0 percent for residents with a bachelor's degree or higher education.

Children under age 18 experience poverty at higher rates (8.9 percent) than those age 18 to 64 (7.3 percent, or age 65 and older (6.1 percent). Poverty among households with children is very dependent on family structure. For families with a female householder and no spouse present, the poverty rate is 25.9 percent, while the poverty rate for married-couple families is 1.9 percent. Household poverty rates increase as the number of children under age 18 in a household increase, particularly among families with a female householder and no spouse present. While 7.1 percent of families with one or two children experience poverty, 21.3 percent with five or more children experience poverty. Among families with a female householder and no spouse present, 64.0 percent of households with five or more children experience poverty.

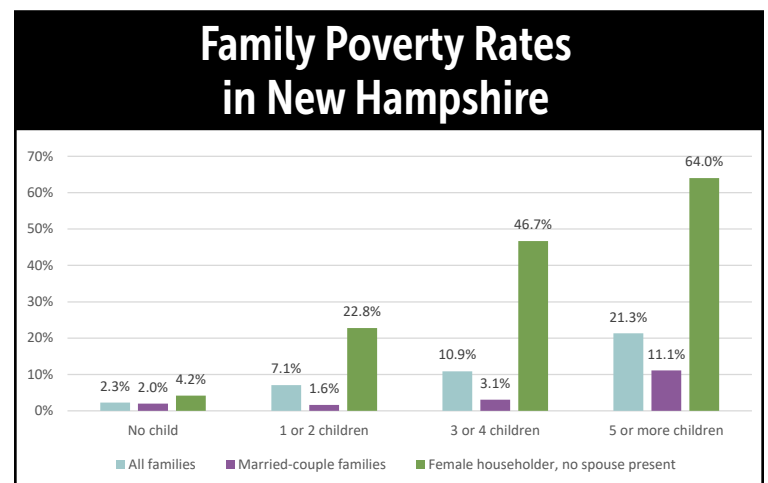
– Greg David, Economist



Source: U.S. Census Bureau, 2016-2020 5-Year American Community Survey



Source: U.S. Census Bureau, 2016-2020 5-Year American Community Survey



Source: U.S. Census Bureau, 2016-2020 5-Year American Community Survey

6 5-Year ACS estimates were used to generate better estimates for smaller geographical areas or demographic groups.