Nonemployer Statistics in New Hampshire 2016

As of 2016, there were 105,500 nonemployer establishments in New Hampshire. The number of nonemployer entities in New Hampshire increased by over 1,000 establishments in each of the previous two years. A nonemployer business is one that has no paid employees, has annual business receipts of $1,000 or more ($1 or more in *Construction* industries), and is subject to federal income taxes. Most nonemployers are self-employed individuals operating very small unincorporated businesses, which may or may not be the owner's principal source of income.[1]

Four industry sectors combined for almost 60,000 nonemployer establishments, accounting for over 56 percent of all nonemployer establishments.

The *Professional and technical services* sector and the *Construction* sector accounted for the largest number of nonemployer establishments, with 17,438 and 16,378, respectively. There were just shy of 13,000 nonemployer establishments in both *Real estate and rental and leasing* and *Other services*. These four were the only industry sectors to surpass 10,000 establishments. *Retail trade* nonemployer establishments numbered 8,697, followed by *Administrative and waste services* with 7,243 establishments. There

were over 6,000 nonemployer establishments in both the *Arts, entertainment, and recreation* and the *Health care and social assistance* sectors, and fewer than 4,000 establishments in each of the other remaining sectors.

New Hampshire Nonemployer Establishments by Sector - 2016

Sector	Establishments
Professional and Technical Services	17,438
Construction	16,378
Real Estate and Rental and Leasing	12,964
Other Services	12,760
Retail Trade	8,697
Administrative and Waste Services	7,243
Arts, Entertainment, and Recreation	6,482
Health Care and Social Assistance	6,124
Educational Services	3,516
Transportation and Warehousing	2,997
Finance and Insurance	2,435
Manufacturing	2,160
Wholesale Trade	1,816
Agriculture, Forestry, Fishing and Hunting	1,634
Information	1,448
Accommodation and Food Services	1,254
Utilities	114
Mining	43

Source: US Census Bureau, Nonemployer Statistics

[1] US Census Bureau. Nonemployer definitions. https://www.census.gov/epcd/nonemployer/view/define.html

Exploring the Four Sectors with the Most Nonemployer Establishments in New Hampshire

Professional and Technical Services

In the North American Industry Classification System (NAICS), the two-digit sector level (54) and the three-digit subsector (541) are both identified as *Professional and technical services*. The four-digit industry group level identifies more detailed types of businesses that fall within the definition of *Professional and technical services*. Industry groups within this sector include:

· 5411　*Legal Services*
· 5412　*Accounting, Tax Preparation, Bookkeeping, and Payroll Services*
· 5413　*Architectural, Engineering, and Related Services[2]*
· 5414　*Specialized Design Services*
· 5415　*Computer Systems Design and Related Services*
· 5416　*Management, Scientific, and Technical Consulting Services*
· 5417　*Scientific Research and Development Services*
· 5418　*Advertising, Public Relations, and Related Services*
· 5419　*Other Professional, Scientific, and Technical Services*

In New Hampshire, there were gradual increases in the number of nonemployer establishments in *Advertising, public relations, and related services*, *Legal services*, and *Specialized design services* since 2000. There were significant increases in the number of nonemployer establishments in *Other professional, scientific, and technical services* and *Management, scientific, and technical consulting services* during the same period.

Other professional, scientific, and technical services includes marketing researchers, photographers, translation and interpretation services, and veterinary services. Nonemployer establishments included in this industry group increased 25.8 percent from 2000 to 2016. *Management, scientific, and technical consulting services* are primarily comprised of a variety of consulting services for management, human resources, marketing, distribution and logistics,

Nonemployer Professional and Technical Services Establishments in New Hampshire

Source: US Census Bureau, Nonemployer Statistics
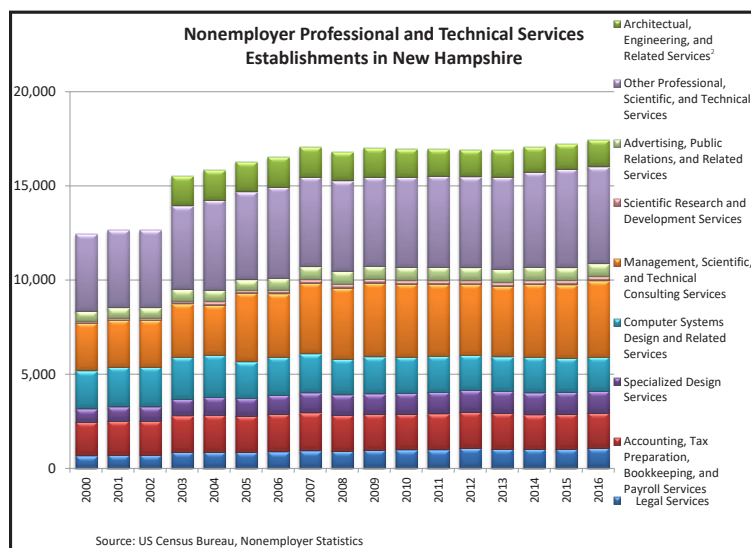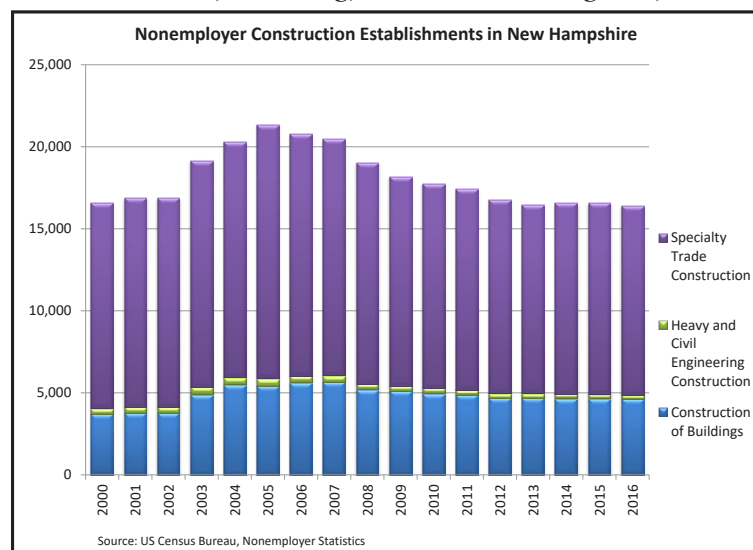
[2] New Hampshire nonemployer statistics data for Architectural, Engineering, and Related Services were not publishable due to confidentiality prior to 2003.

and environmental. The number of these nonemployer establishments increased by over 60 percent from 2000 to 2016.

Construction

In 2016, there were 16,378 New Hampshire nonemployer establishments in the *Construction* sector, the second highest number among all industry sectors. This was down 1.3 percent from 2000. *Construction* establishments are identified into three different groups:

· *Specialty Trades Construction*,
· *Construction of Buildings*, and
· *Heavy and Civil Engineering Construction*.

Nonemployer establishments in *Specialty trade construction* accounted for roughly 70 percent of *Construction* nonemployer establishments in New Hampshire. This group includes independent contractors who perform specialized services in the construction process – for example, plumbers, electricians, framers, and heating and air conditioning contractors. The number of nonemployer *Specialty trades* establishments peaked in 2005 at 15,480. The number of *Specialty trade construction* nonemployer establishments dropped 8.2 percent from 2000, to 11,521 establishments by 2016.

Construction of buildings includes builders of residential, nonresidential, industrial and commercial properties, as well as remodeling contractors. The number of nonemployer employer establishments in *Construction of buildings* in New Hampshire grew almost 25 percent from 2000 to 2016, and peaked in 2007 with 5,673 establishments.

Not many New Hampshire nonemployer establishments can provide the complete scope of work performed by *Heavy and civil engineering construction* businesses. These businesses provide the entire engineering of non-building infrastructure projects, from utility system construction to water and sewer line structures to land subdivision. The number of establishments providing these services

Nonemployer Construction Establishments in New Hampshire

Source: US Census Bureau, Nonemployer Statistics

declined by roughly one-third from 2000 to 2016, to 234 nonemployer establishments.

Real Estate and Rental and Leasing

Businesses engaged in *Real estate and rental and leasing* activities are identified in three different categories, including:
· *Real Estate*
· *Rental and Leasing Services*
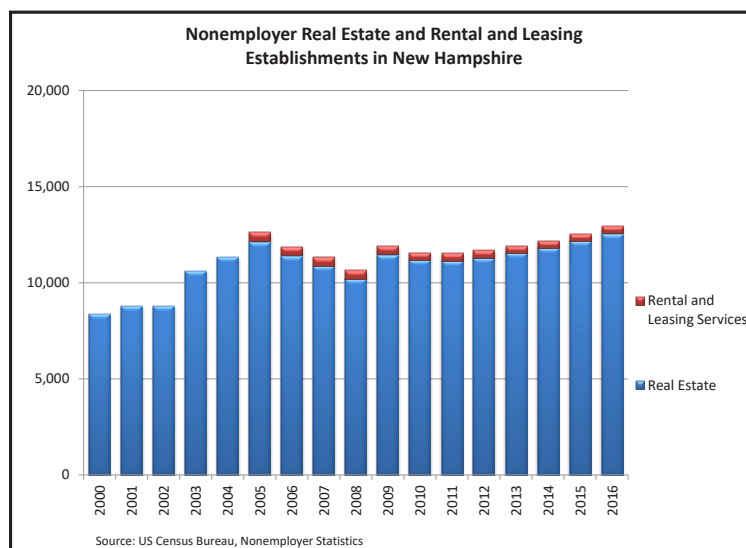· *Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)*

The lion's share of nonemployer establishments for this sector were engaged in *Real estate*, defined as the selling, buying, or renting real estate for others or appraisal services. The number of nonemployer establishments in *Real estate* grew almost 50 percent from 2000 to 2016, numbering 12,567 by 2016. There were insufficient data for New Hampshire to produce publishable numbers for the other *Real estate and rental and leasing* subsectors.

Other Services

Businesses engaged in *Other services* business activities provide services not specifically identified in other NAICS classifications. These businesses are organized in three different subsectors:
· *Repair and Maintenance*,
· *Personal and Laundry Services*
· *Religious, Grantmaking, Civic, Professional, and Similar Organizations*

As a whole, nonemployer establishments in *Other services* increased 21.4 percent from 2000 to 2016, representing a gain of 2,248 establishments. This increase was primarily driven by businesses classified as *Personal and laundry services*. Businesses in this subsector provide personal care services, death care services, laundry and dry-cleaning services, as well as pet care, photofinishing, temporary parking, and dating services. Nonemployer establishments providing these services increased 35.5 percent from 2000 to 2016, adding 2,340 establishments. Nonemployer establishments classified

Nonemployer Real Estate and Rental and Leasing Establishments in New Hampshire

Source: US Census Bureau, Nonemployer Statistics

as *Religious, grant making, civic, professional, and similar organizations* increased by 106 units during the same period.

The number of nonemployer establishments engaged in *Repair and maintenance* declined 5.8 percent from 2000 to 2016, down 7,269 establishments. At the same time, covered employment data show *Repair and maintenance* units increased by 13.1 percent from 2001 to 2016,[3] indicating that some nonemployer establishments may have merged or expanded and hired workers, thus changing their nonemployer status.

Anita Josten
Economist

Nonemployer Other Services Establishments in New Hampshire

Source: US Census Bureau, Nonemployer Statistics
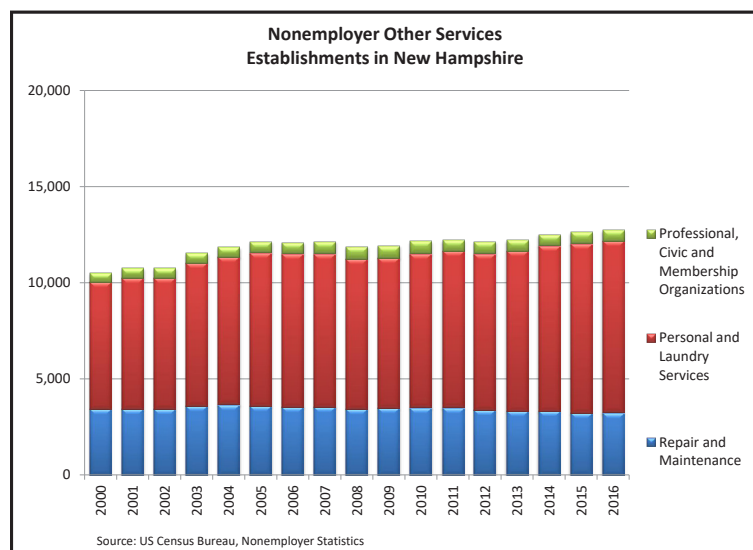
[3] Covered employment data by industry are not available prior to 2001 due to coding restructure.