

New Hampshire ECONOMIC CONDITIONS

August 2020

West Rattlesnake Island, Lake Winnepesaukee, Alton NH - NH DTTD on flickr

Impact of Coronavirus Pandemic on Different Groups of New Hampshire Workers

Coronavirus and the economic restrictions enacted to contain spread of the disease have had a major impact on New Hampshire and its workforce. The unemployment rate increased from 3.1 percent in February 2020 to 17.2 percent in April 2020.

Unemployment fell over the next three months, but the not seasonally adjusted unemployment rate in August was 6.4 percent, two and a half times higher than the July 2019 rate of 2.5 percent.

This unemployment rate is an average for the workforce as a whole. Different

groups of workers have been impacted to varying degrees. This article will examine a variety of characteristics that affect how these different groups have been impacted.

Industry

Although every business and industry in New Hampshire has been impacted by coronavirus, some industries have been impacted to a greater degree than others. The restrictions placed on businesses varied by industry, and some industries were better equipped to enact remote working and social distancing measures

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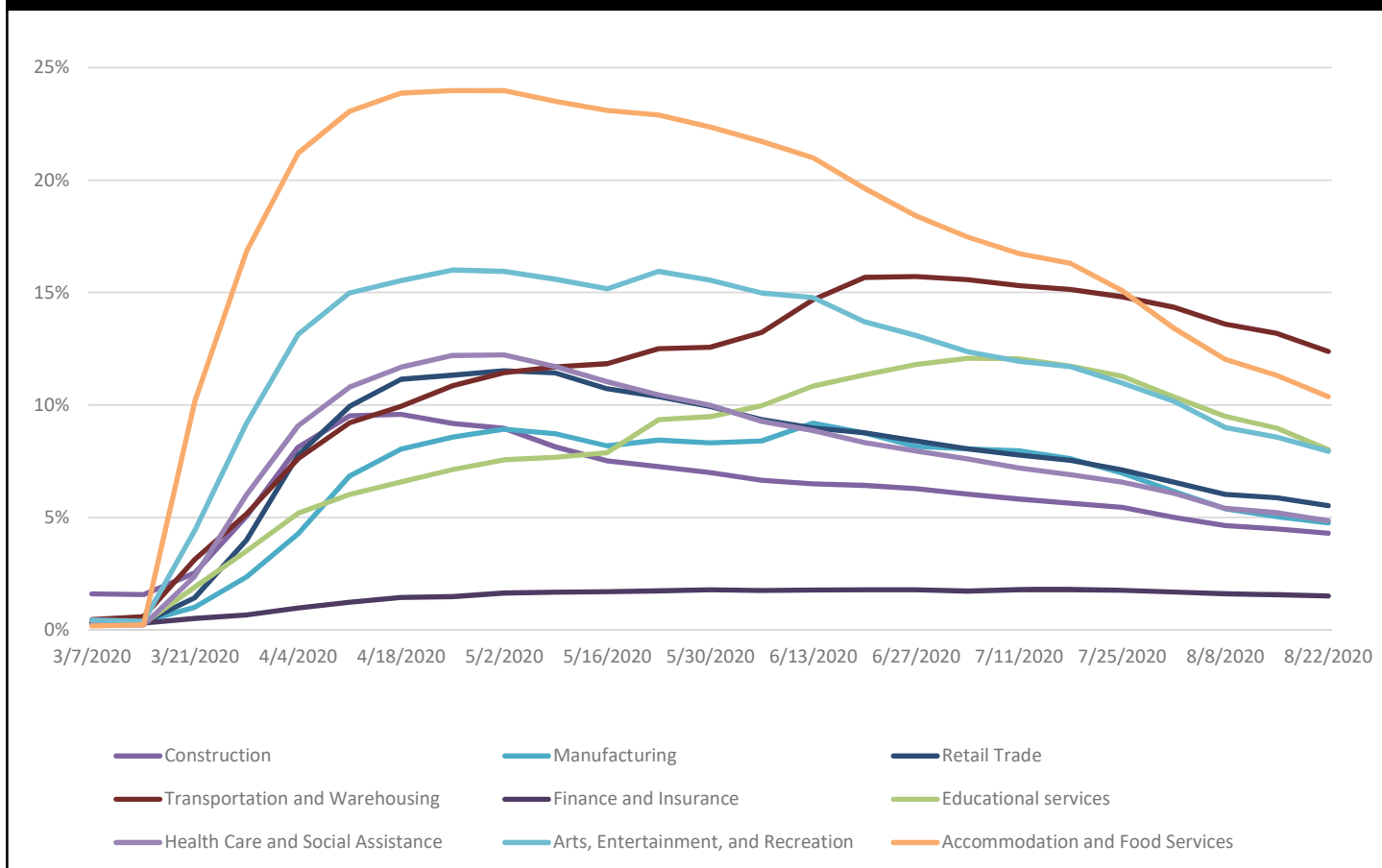
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Percent of Industry Workforce Filing Continued Unemployment Claims



Source: New Hampshire Employment Security, Unemployment Compensation Bureau

than others. As a result, the industry in which workers were employed had a large impact on how likely they were to become unemployed during the coronavirus pandemic.

While unemployment rates are not broken down by industry, unemployment claims data indicate what industry an individual worked in before filing for unemployment. Comparing the number of workers who filed continuing unemployment claims (indicating that they were determined eligible for unemployment benefits, and continue to be unemployed) to the size of the pre-pandemic workforce (in this case, the 2019 Q4 workforce) gives an idea of how employment in each industry was impacted.¹

Between March and July, workers employed in the *Accommodation and Food Services* industry were most likely to file continuing unemployment claims. During late April and early May, 24 percent of individuals who had been employed in that industry filed continuing unemployment claims. This percentage declined to ten percent by the end of August, but remained higher than almost every other industry.

Although the overall number of continuing unemployment claims began to decrease in New Hampshire in May, the number of workers filing continuing claims in two industries continued to increase into late June and early July. The percentage of workers filing a continuing claim in *Transportation and Warehousing* peaked during the week ending June 27th at almost 16 percent, and the percentage filing a continuing claim in *Educational Services* peaked

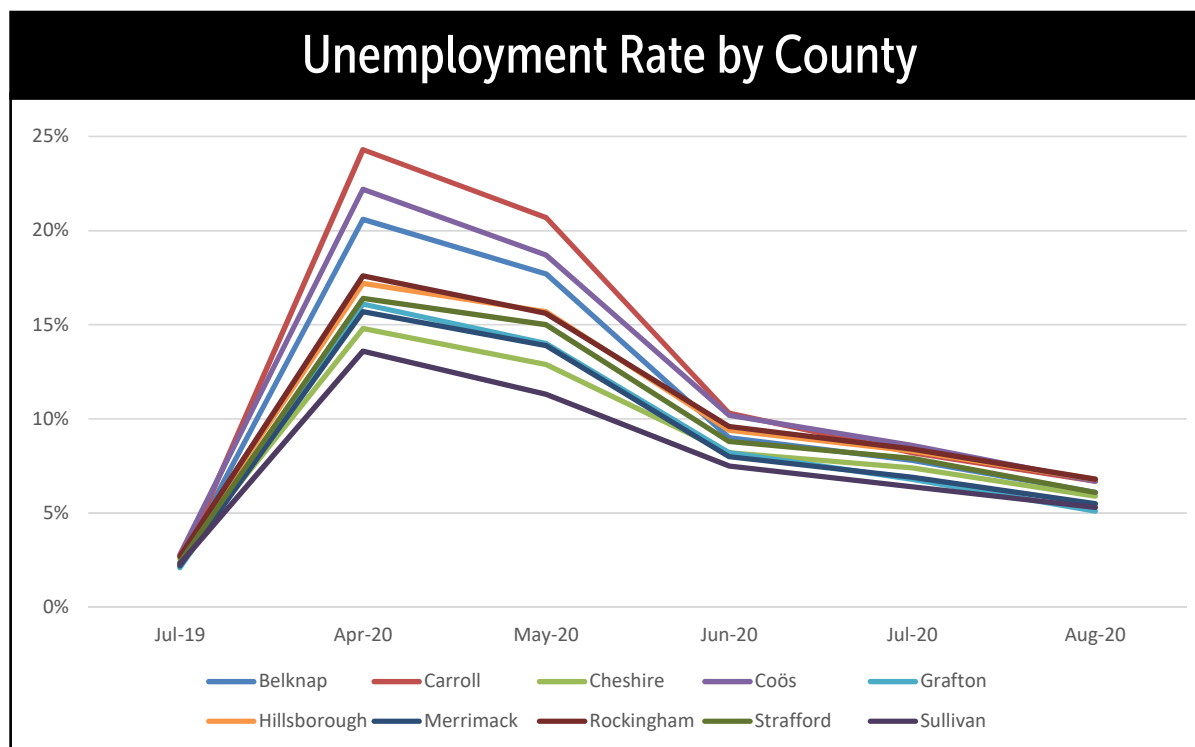
the following week, at 12 percent. Most claims in the *Transportation and Warehousing* industry were related to the *Transit and ground passenger transportation* subsector, which includes public transportation and school bus systems. Claims increases in June for *Transportation and Warehousing* and *Educational Services* were likely related to the end of the school year.

Employment in a number of industries was not strongly impacted by the coronavirus pandemic. From April through August, the percentage of workers in the *Finance and Insurance* industry who filed a continuing unemployment claim remained below two percent. The percentage of workers in the *Professional and Technical Services* and *Information* industries filing a claim was low as well, remaining below five percent.

Location

Unemployment rates have varied by county as well. Carroll County had the highest unemployment rate from April through June, reaching 24.3 percent in April, seven percentage points higher than the state as a whole. Unemployment rates in Coös and Belknap counties also surpassed 20 percent in April. Sullivan County had the lowest unemployment rate in April, 13.6 percent, and remained lowest among New Hampshire counties through July. Grafton County had the lowest unemployment rate in August, 5.1 percent, while Hillsborough and Rockingham counties tied for the highest rate that month, 6.8 percent.

Unemployment Rate by County



Source: New Hampshire Employment Security, Local Area Unemployment Statistics

Age

Prior to the pandemic, individuals between the ages of 16 and 19 had a higher unemployment rate than the labor force overall. The unemployment rate for this age group was 8.5 percent in July 2019, compared to 2.5 percent overall.² Individuals between the ages of 20 and 24 also had a higher than average unemployment rate, 4.5 percent in July 2019.

These two age cohorts continued to have higher than average

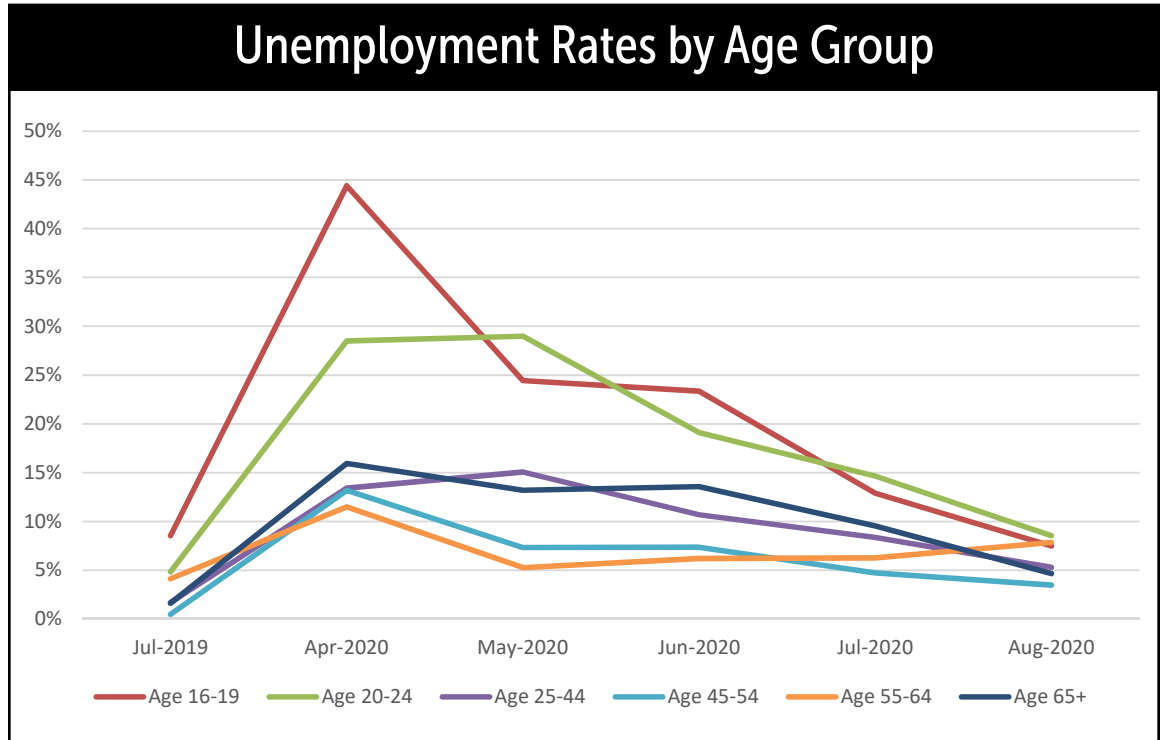
¹ Continuing claims only measure workers who were employed at businesses located in New Hampshire, not New Hampshire residents employed in other states. The 2019 Q4 workforce used in this calculation does not include self-employed workers.

² Unemployment rates for demographic groups were not re-estimated as part of annual benchmarking revisions.

unemployment rates from April through August. In April, when the overall unemployment rate increased to 17.2 percent, the unemployment rate reached 44.4 percent for individuals between the ages of 16 and 19, and 28.5 percent for individuals between the ages of 20 and 24. Individuals between the ages of 45 and 54 and between the ages of 55 and 64 had the lowest unemployment rates from April through July. While the unemployment rate for individuals between the ages of 45 and 54 remained low in August, the unemployment rate for individuals between the ages of 55 and 64 increased, from 6.3 percent to 7.8 percent.

Gender

Prior to the coronavirus pandemic, the unemployment rate for females was lower than the rate for males by roughly one percentage point.³ Starting in April 2020, this trend reversed, and the unemployment rate for males has been lower than the rate for females. In April, the unemployment rate for males was 13.5 percent, while the rate for females was 17.9 percent,



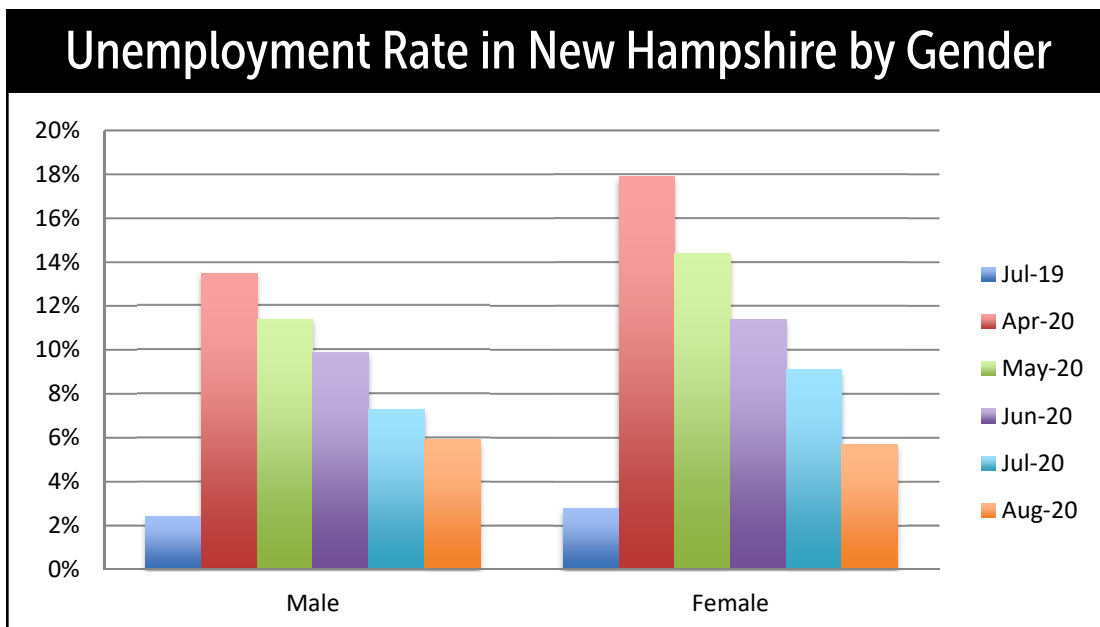
Source: U.S. Census Bureau, unpublished Current Population Survey data

a difference of 4.4 percentage points. This gap between the unemployment rates for males and females remained until August, when rates were essentially the same.

This gap is likely the result of the industries in which males and females are more likely to work. The *Accommodation and Food Services, Retail Trade, and Health Care and Social Assistance* industries lost more jobs than any other industries. While employment in *Retail Trade* was evenly split between males and females, *Health Care and Social Assistance* and *Accommodation and Food Services* were more likely to employ females. In 2019, the workforce in *Accommodation and Food Services* was 57 percent female, and the workforce in *Health Care and Social Assistance* was nearly 80 percent female.⁴ Meanwhile, industries that usually employ more male workers, such as *Manufacturing* and *Construction*, did not lose as many jobs.

Education level

In general, as educational attainment increases, unemployment decreases. This has mostly remained the case during the pandemic as well.



Source: U.S. Census Bureau, unpublished Current Population Survey data

³ U.S. Census Bureau, American Community Survey 2018

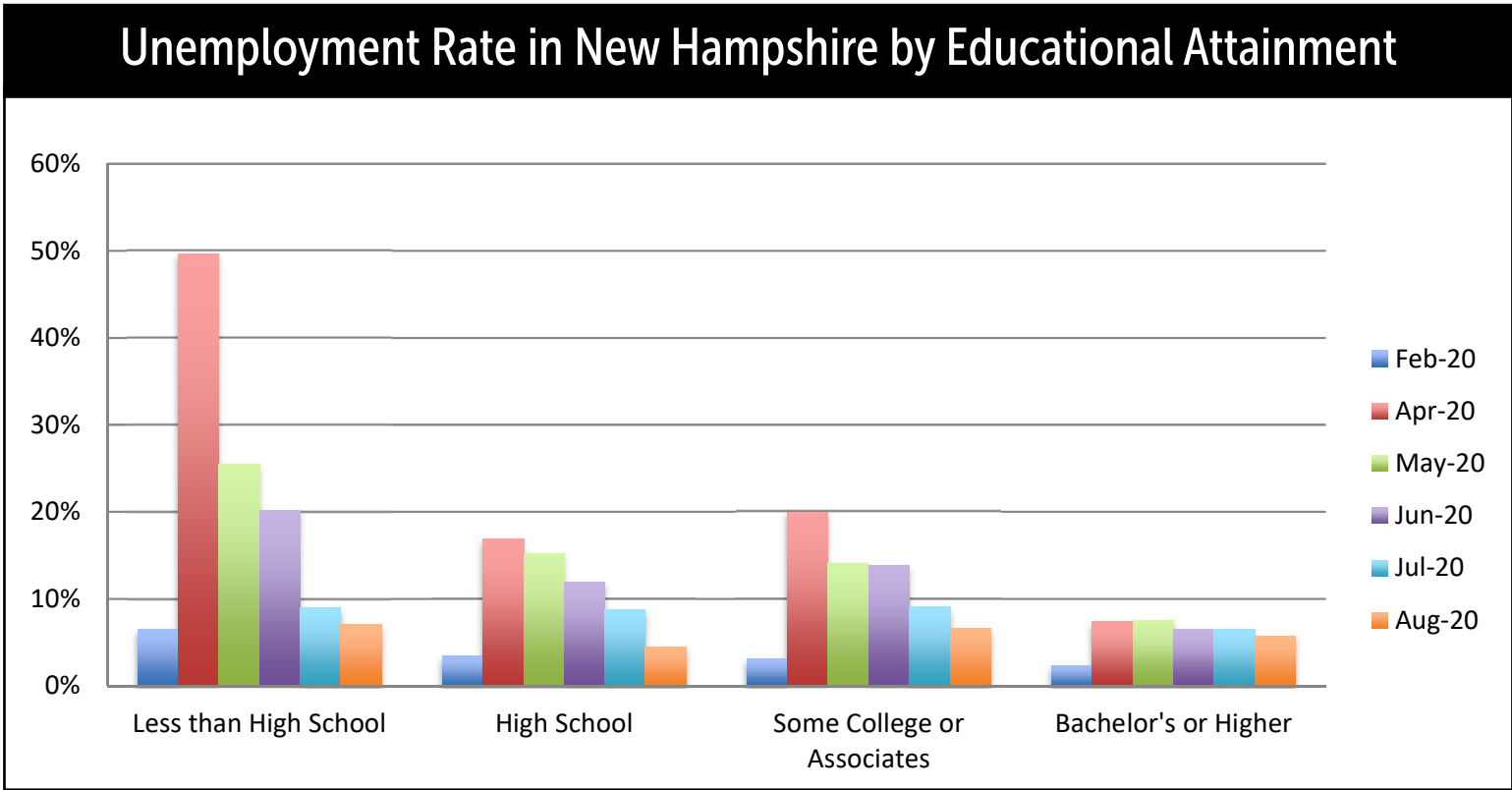
⁴ U.S. Census Bureau, Longitudinal Employer-Household Dynamics.

The unemployment rate for individuals with less than a high school diploma reached nearly 50 percent in April. Although the rate for this group dropped to 7.0 percent in August, this was still tied for the highest rate among all educational levels. Individuals with a Bachelor’s degree or higher had the lowest unemployment rate, both before the pandemic and after it began to impact New Hampshire. The unemployment rate for individuals with a Bachelor’s degree reached its highest level in May, 7.6 percent, far lower than the high point for any other level of educational attainment.

As an exception, the unemployment rate for individuals with either some college education (no degree attained) or an Associate’s degree was higher than the rate for those with a high school diploma in April, June, and July and August. In April,

the unemployment rate for workers with some college education or an Associate’s degree was 20 percent, compared to 17 percent for workers with a high school diploma.

In August, the unemployment rate for individuals with a high school diploma fell to 4.4 percent, lower than any other group. Unfortunately, this decrease was not the result of more individuals going back to work. Instead, the decline in the number of unemployed individuals was linked to an increase in the number of individuals who were not in the labor force. To be considered unemployed, an individual must have looked for work within the last four weeks. Those who have not looked for work in four weeks are considered out of the labor force, and are not counted in the unemployment rate.



Source: New Hampshire Employment Security, Current Employment Statistics