

Dissecting Changes in Retail Trade 2005 to 2015

Retail trade establishments had the largest number of employees among all industry sectors in New Hampshire in 2015, as it has had each year back to 2005. However, there were 2,640 fewer workers in 2015 than in 2005. What has changed to account for the reduced workforce in *Retail trade*?

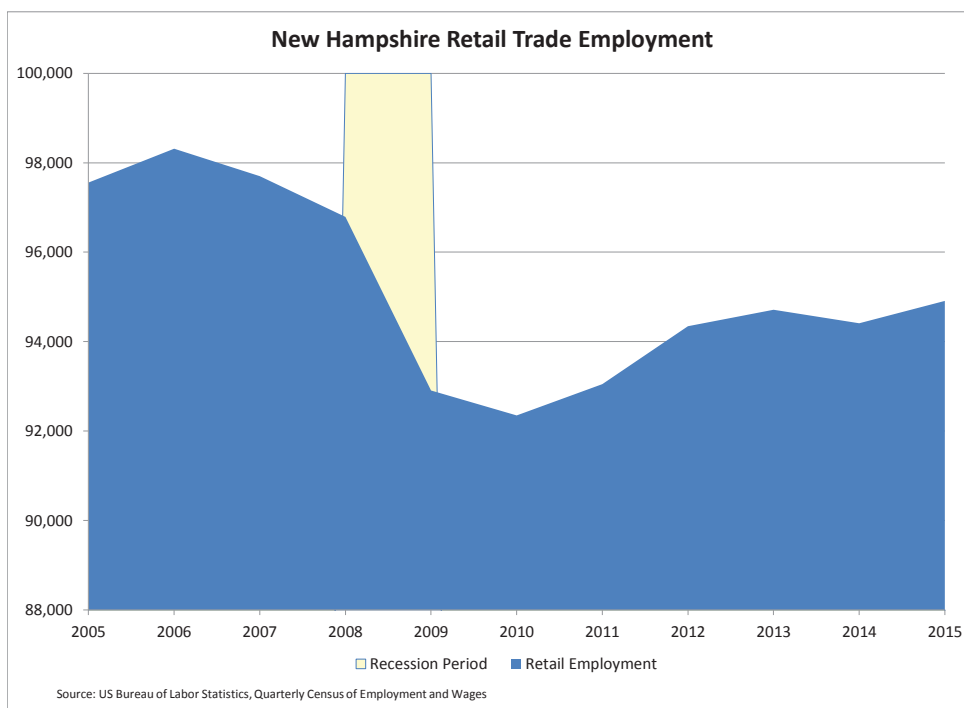
One major change is the result of the Internet and modern technology. Smartphones as well as cell phones with cameras became widely available to the public in 2002. By 2007, Apple released the first iPhone¹ and Amazon launched the

Kindle e-reader.² It was such a gradual assimilation, it hardly was noticed that the Internet had revolutionized how people accessed goods and services. Nationally, in fourth quarter 1999, e-commerce accounted for a mere 0.6 percent of total retail sales in the nation. By fourth quarter 2015, e-commerce made up 7.5 percent of total retail sales and increased to 8.1 percent by second quarter 2016.³

Additionally, the great recession, an 18-month economic downturn during 2008 and 2009, affected employment in all sectors, save *Health care and social assistance*.⁴

Simultaneously, gasoline prices jumped to over \$4 per gallon. *Retail trade* was particularly vulnerable because a large part of the economy is dependent on consumer spending, and during that period there was reduced spending.

Changes in employment are one result of the impact these economic and technological changes have had on the *Retail trade* industry. To gain another perspective of employment change, a comparison was made between the share of employment growth over two five-year time spans, 2005 through 2010,



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1 Cell phone Timeline – SoftSchools. [www.softschools.com > Timelines](http://www.softschools.com/Timelines)

2 Amazon Kindle - Wikipedia, the free encyclopedia. https://en.wikipedia.org/wiki/Amazon_Kindle

3 Estimates adjusted for seasonal variation. US Census Bureau News, US Department of Commerce. Quarterly Retail E-commerce Sales: 1st Quarter 2016 - 2nd Quarter 2016. http://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf

4 National Bureau of Economic Analysis. <http://www.nber.org/cycles.html>

and 2010 through 2015. The comparison highlights the retail subsectors that had the largest changes in employment and when those changes occurred. While the period of 2005 to 2010 included the most recent economic recession, the period of 2010 to 2015 included increased use of technology and economic recovery. Four industry subsectors had sufficient job gains in the post-recession period to counter job losses from the pre-recession period, including: *Shoe stores; Other miscellaneous store retailers; Sporting goods, hobby, and musical instrument stores; and Health and personal care stores.*

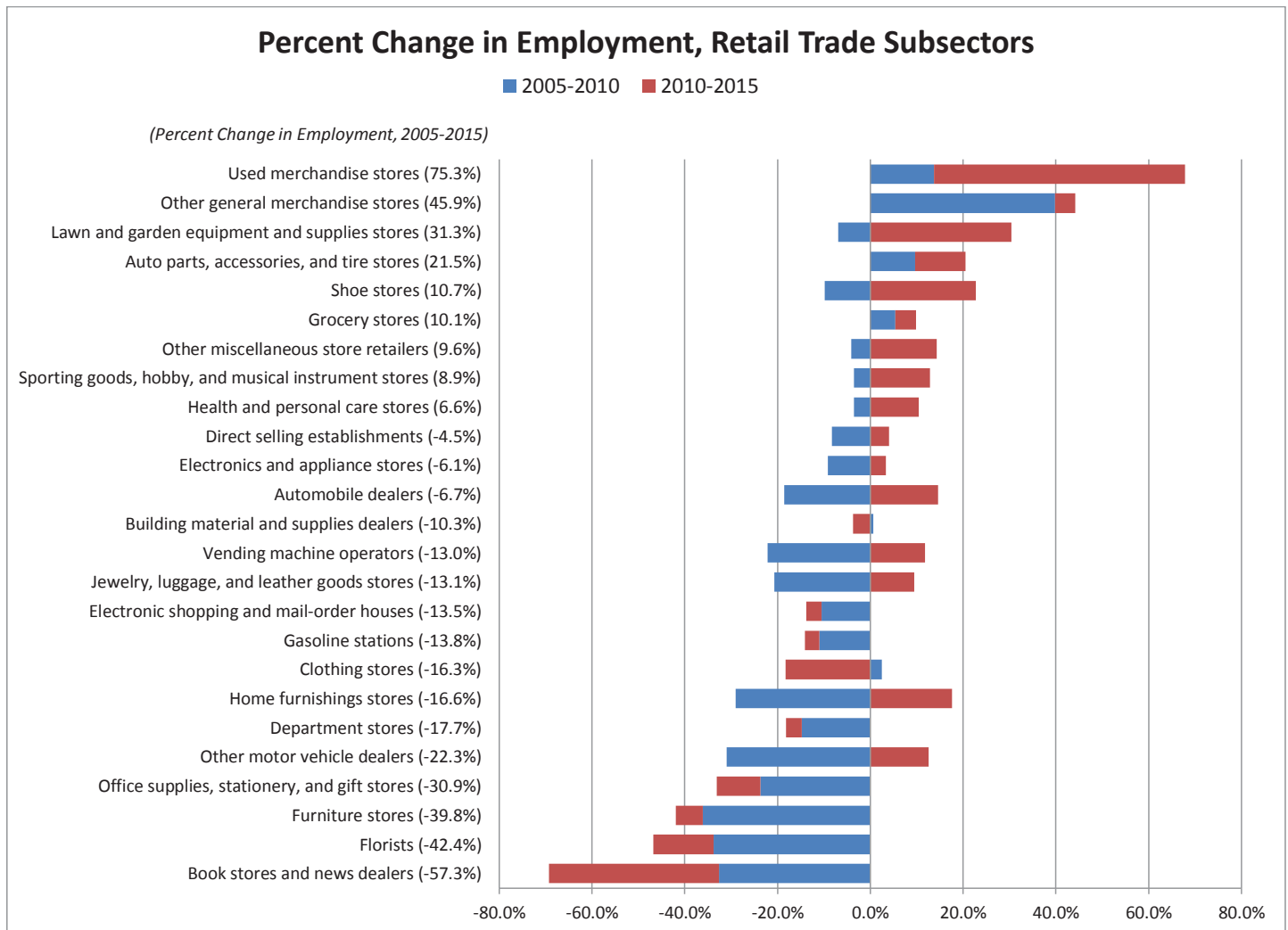
Net Job Gains

Used merchandise stores, Other general merchandise stores, Grocery stores, and Auto parts, accessories, and tire stores were the only subsectors that had employment gains in both periods.

An increased attitude of reduce, reuse, recycle may have served as the platform for increased employment in *Used merchandise stores*, and employment grew as customers were lured by lower-cost items. The subsector experienced significant job gains in the 2010 to 2015 period. The lure of lower-cost items also led to

a substantial employment increase at *Other general merchandise stores* — businesses that sell a variety of new merchandise, such as dollar stores, country stores, and trading posts — during the earlier period, but gains were much lower in recent years. *Grocery stores* and *Auto parts, accessories, and tire stores* gained roughly the same share of employment in both the 2005 to 2010 and the 2010 to 2015 periods.

The employment change dynamic for *Lawn and garden equipment and supplies stores* had a small decline from 2005 to 2010, and



from 2010 to 2015, this subsector had the third largest percent increase in employment.

Four other industry subsectors had sufficient job gains in the latter period to counter job losses from the earlier period, including: *Shoe stores*; *Other miscellaneous store retailers*; *Sporting goods, hobby, and musical instrument stores*; and *Health and personal care stores*.

Net Job Losers

Seven *Retail trade* subsectors experienced job gains from 2010 to 2015; however, those gains were not enough to outweigh the losses that occurred in the 2005 to 2010 period, resulting in net employment declines. *Clothing stores* was the only subsector to have gained employment from 2005 to 2010 and then have large job losses in the latter period. All other retail subsectors lost employment in both the 2005

to 2010 and the 2010 to 2015 periods. The changes as a result of technology and Internet access combined with the effects of the latest recession were most evident in the substantial employment losses at *Book stores and news dealers*, declining significantly more in the latter period than in the earlier period. Over the 2005 to 2015 period, employment at *Florists*, *Furniture stores*, and *Office supplies, stationery, and gift stores* declined by a third or more. Although there has been a sharp increase in the activity of *Electronic shopping*, the vendor can be located anywhere in the world, and local employment in the *Electronic shopping* subsector has declined.

The impact of the latest recession, increases in gasoline prices, and technological advances can be seen in employment changes among *Retail trade* industry subsectors. Over the last ten

years, consumers increasingly patronized stores offering lower-cost merchandise and products for a do-it-yourself lifestyle, leading to employment gains. At the same time, consumers delayed replacing durable goods, and reduced or eliminated purchases of high-ticket items, resulting in employment declines. In 2016, the *Total Retail Survey* asked what the main influencers for buying online and 58 percent of American consumers shopped online for convenience and another 38 percent because they found the product cheaper.⁵ Products that can be delivered to the consumer's doorstep mean less need for workers at brick-and-mortar stores offering the same products.

Anita Josten, Research Analyst

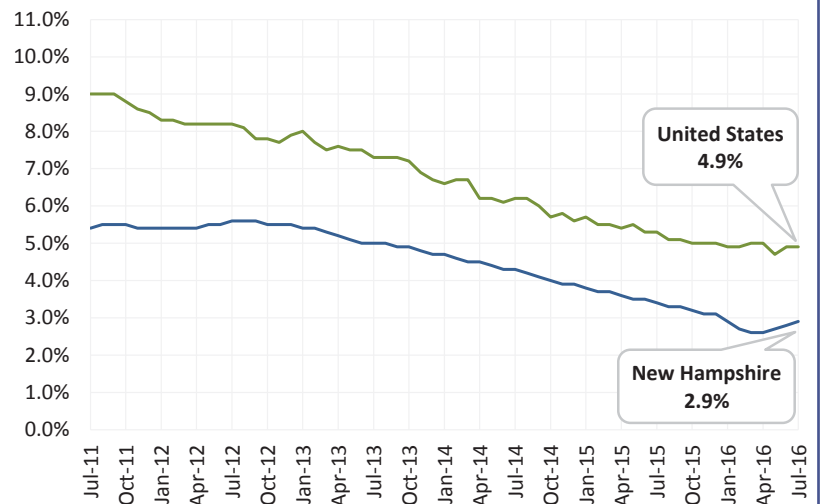
⁵ Price Waterhouse Coopers, Total Retail Survey 2016. <http://www.pwc.com/gx/en/industries/retail-consumer/global-total-retail.html>

Seasonally Adjusted Estimates

Unemployment Estimates by Region

Seasonally Adjusted	July-16	June -16	July-15
United States	4.9%	4.9%	5.3%
Northeast	4.8%	4.8%	5.1%
New England	4.3%	4.4%	4.9%
Connecticut	5.7%	5.8%	5.4%
Maine	3.9%	3.7%	4.4%
Massachusetts	4.1%	4.2%	4.8%
New Hampshire	2.9%	2.8%	3.4%
Rhode Island	5.5%	5.5%	5.9%
Vermont	3.2%	3.2%	3.7%
Mid Atlantic	5.0%	5.0%	5.2%
New Jersey	5.2%	5.1%	5.5%
New York	4.7%	4.7%	5.1%
Pennsylvania	5.6%	5.6%	5.0%

Local Area Unemployment Statistics (LAUS) Unemployment Rate, NH and US



Current Employment Statistics (CES) by Place of Establishment

	Number of Jobs			Change From Previous	
	Jul-16	Jun-16	Jul-15	Month	Year
Total Nonfarm	667,100	667,100	658,700	0	8,400
Total Private	579,000	578,700	567,700	300	11,300
Mining and Logging	900	900	900	0	0
Construction	25,500	24,800	24,300	700	1,200
Manufacturing	66,000	66,200	67,700	-200	-1,700
Durable Goods	49,600	49,500	50,400	100	-800
Non-Durable Goods	16,400	16,700	17,300	-300	-900
Trade, Transportation, and Utilities	142,200	142,800	138,100	-600	4,100
Wholesale Trade	28,700	28,400	27,600	300	1,100
Retail Trade	97,300	98,300	94,900	-1,000	2,400
Transportation, Warehousing, and Utilities	16,200	16,100	15,600	100	600
Information	12,600	12,500	12,300	100	300
Financial Activities	36,800	37,700	35,700	-900	1,100
Finance and Insurance	29,600	30,300	29,000	-700	600
Real Estate and Rental and Leasing	7,200	7,400	6,700	-200	500
Professional and Business Services	78,200	78,100	76,800	100	1,400
Professional, Scientific, and Technical Services	34,600	34,900	33,700	-300	900
Administrative and Support and Waste Management	35,000	35,000	34,700	0	300
Education and Health Services	120,000	119,800	118,100	200	1,900
Educational Services	30,500	30,900	30,100	-400	400
Health Care and Social Assistance	89,500	88,900	88,000	600	1,500
Leisure and Hospitality	70,200	69,400	68,700	800	1,500
Arts, Entertainment, and Recreation	11,100	11,800	11,600	-700	-500
Accommodation and Food Services	59,100	57,600	57,100	1,500	2,000
Other Services	26,600	26,500	25,100	100	1,500
Government	88,100	88,400	91,000	-300	-2,900
Federal Government	7,500	7,600	7,600	-100	-100
State Government	23,900	24,600	24,900	-700	-1,000
Local Government	56,700	56,200	58,500	500	-1,800

Current month is preliminary; past months are revised

Not Seasonally Adjusted Estimates by Place of Residence

Labor Force Estimates			
New Hampshire	Jul-16	Jun-16	Jul-15
Total Civilian Labor Force	768,780	760,550	754,620
Employed	746,640	739,630	729,840
Unemployed	22,140	20,920	24,780
Unemployment Rate	2.9%	2.8%	3.3%
United States (# in thousands)	Jul-16	Jun-16	Jul-15
Total Civilian Labor Force	160,705	160,135	158,527
Employed	152,437	151,990	149,722
Unemployed	8,267	8,144	8,805
Unemployment Rate	5.1%	5.1%	5.6%

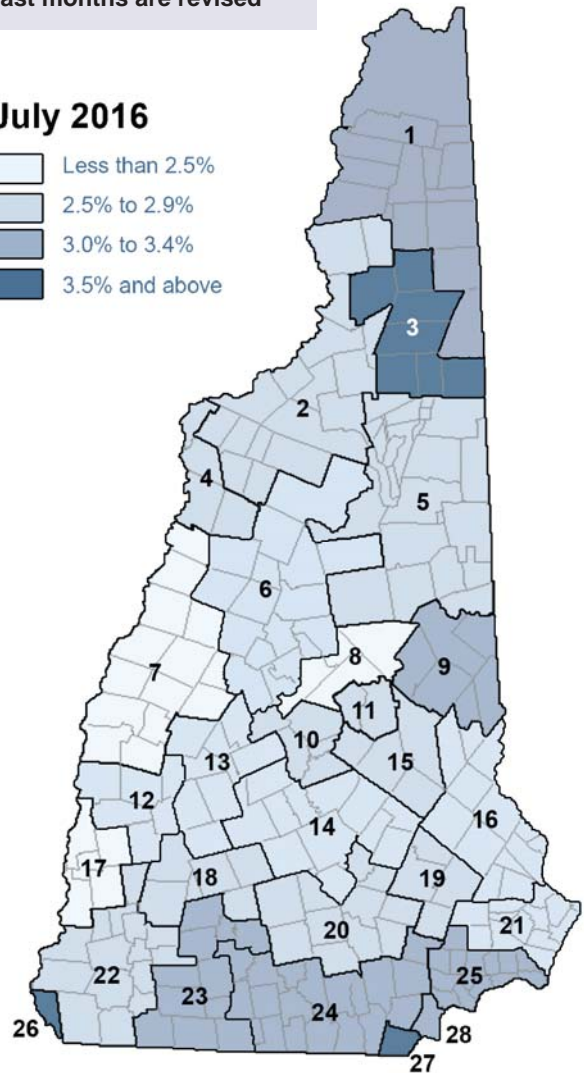
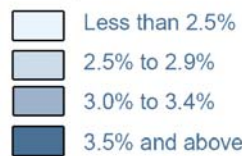
Unemployment Rates by Area			
Counties	Jul-16	Jun-16	Jul-15
Belknap	2.6%	2.5%	2.9%
Carroll	2.8%	2.9%	2.9%
Cheshire	2.9%	2.8%	3.3%
Coös	3.5%	3.6%	3.9%
Grafton	2.5%	2.3%	2.8%
Hillsborough	3.1%	2.9%	3.5%
Merrimack	2.6%	2.5%	3.0%
Rockingham	3.0%	2.9%	3.5%
Strafford	2.7%	2.4%	3.1%
Sullivan	2.5%	2.3%	2.9%

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

Unemployment Rates by Region			
Not Seasonally Adjusted	July 2016	June 2016	July 2015
United States	5.1%	5.1%	5.6%
Northeast	5.2%	4.8%	5.5%
New England	4.4%	4.5%	5.0%
Connecticut	5.6%	5.9%	5.8%
Maine	3.7%	3.7%	4.0%
Massachusetts	4.0%	4.3%	5.2%
New Hampshire	2.9%	2.8%	3.3%
Rhode Island	5.6%	5.1%	6.0%
Vermont	3.4%	3.4%	3.7%
Mid Atlantic	5.5%	4.9%	5.6%
New Jersey	5.6%	4.9%	6.0%
New York	5.0%	4.5%	5.4%
Pennsylvania	6.1%	5.6%	5.8%

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July 2016

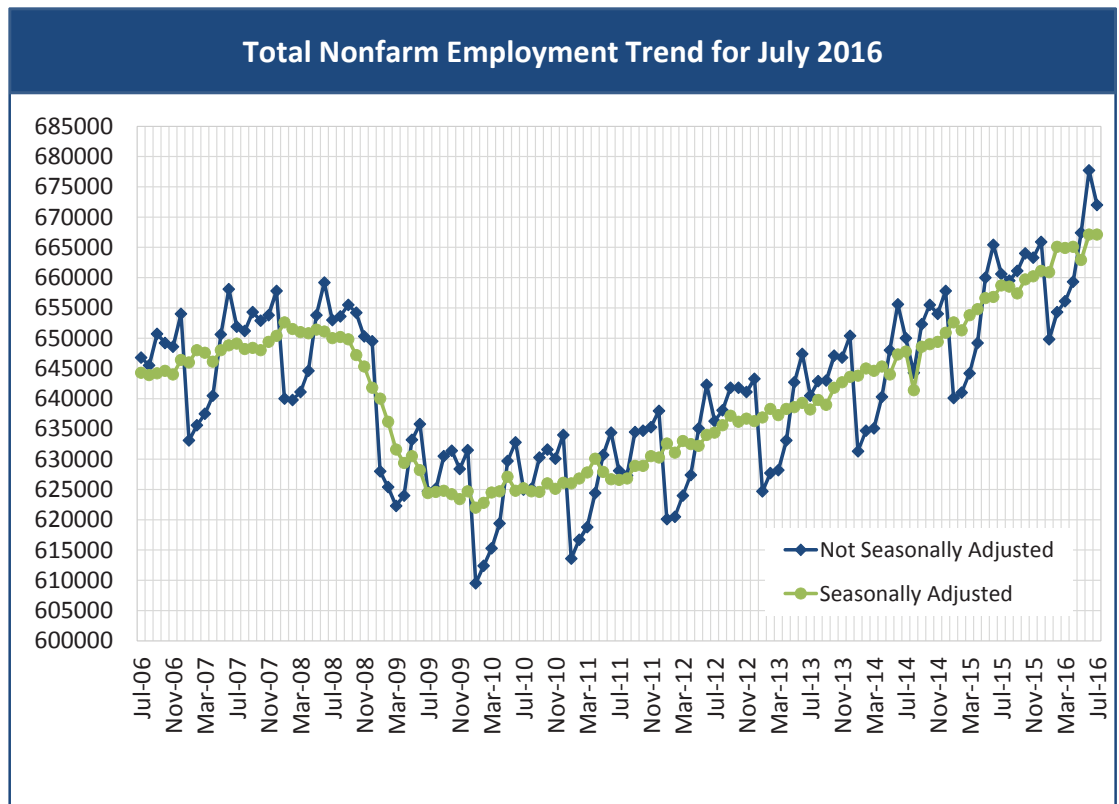


New Hampshire unemployment and labor force estimates are calculated using a regression model which depends on Current Population Survey (CPS) estimates. City and town estimates are calculated using the Bureau of Labor Statistics "Handbook Method" and then adjusted to the State levels.

Monthly Estimates by Place of Work Establishment

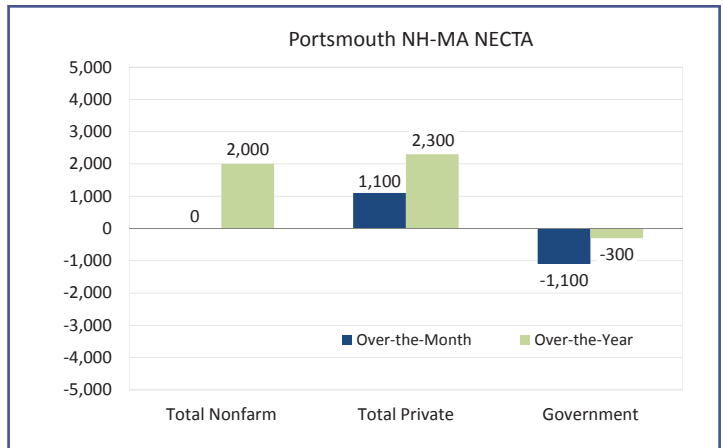
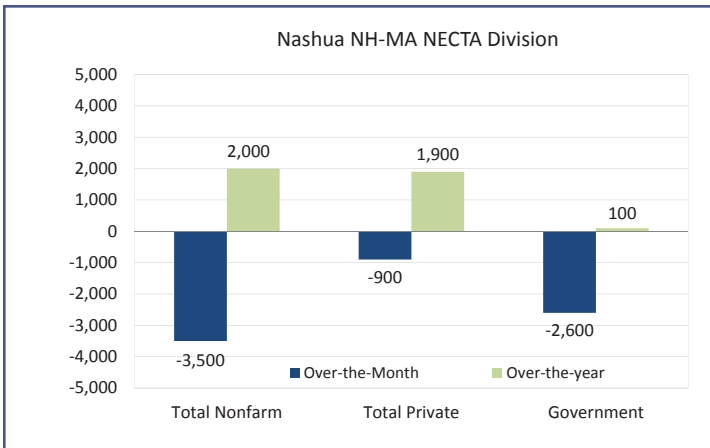
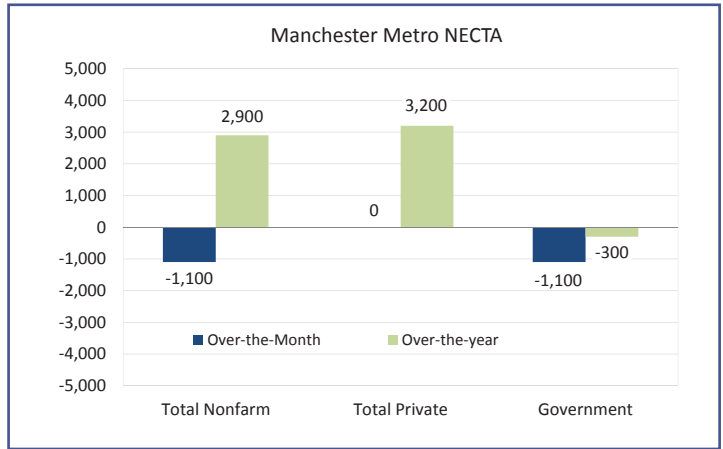
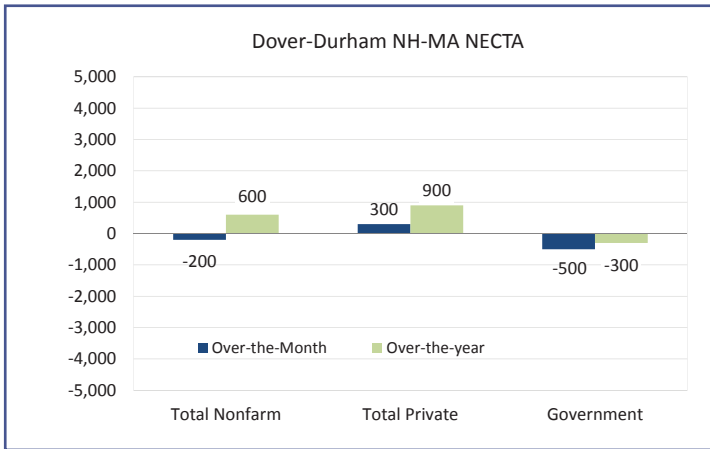
New Hampshire Nonfarm Employment Statewide Not Seasonally Adjusted					
	Number of Jobs			Change From Previous	
	Jul-16	Jun-16	Jul-15	Month	Year
Total Nonfarm	672,000	677,700	660,600	-5,700	11,400
Total Private	596,000	591,800	581,900	4,200	14,100
Mining and Logging	1,000	1,000	1,000	0	0
Construction	27,200	26,300	25,700	900	1,500
Manufacturing	6,000	5,900	5,600	100	400
Durable Goods	49,800	49,900	50,700	-100	-900
Non-Durable Goods	16,500	16,900	17,300	-400	-800
Trade, Transportation, and Utilities	144,200	145,000	138,400	-800	5,800
Wholesale Trade	29,000	28,500	27,800	500	1,200
Retail Trade	99,200	99,900	95,700	-700	3,500
Transportation, Warehousing, and Utilities	16,000	16,600	14,900	-600	1,100
Information	12,700	12,600	12,500	100	200
Financial Activities	37,500	37,900	36,200	-400	1,300
Professional and Business Services	79,200	79,600	77,900	-400	1,300
Education and Health Services	118,300	118,700	116,900	-400	1,400
Leisure and Hospitality	82,400	77,100	79,500	5,300	2,900
Other Services	27,200	26,800	25,800	400	1,400
Government	76,000	85,900	78,700	-9,900	-2,700
Federal Government	7,600	7,600	7,600	0	0
State Government	21,400	21,500	22,300	-100	-900
Local Government	47,000	56,800	48,800	-9,800	-1,800

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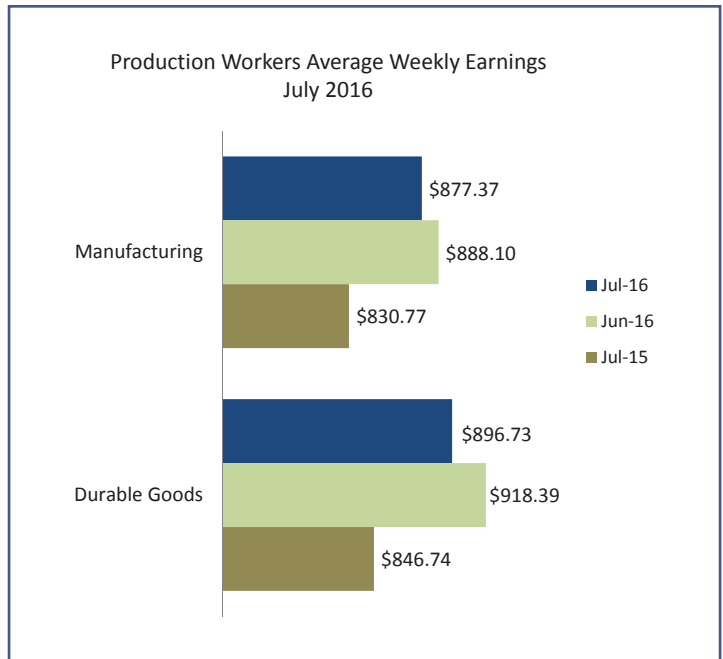
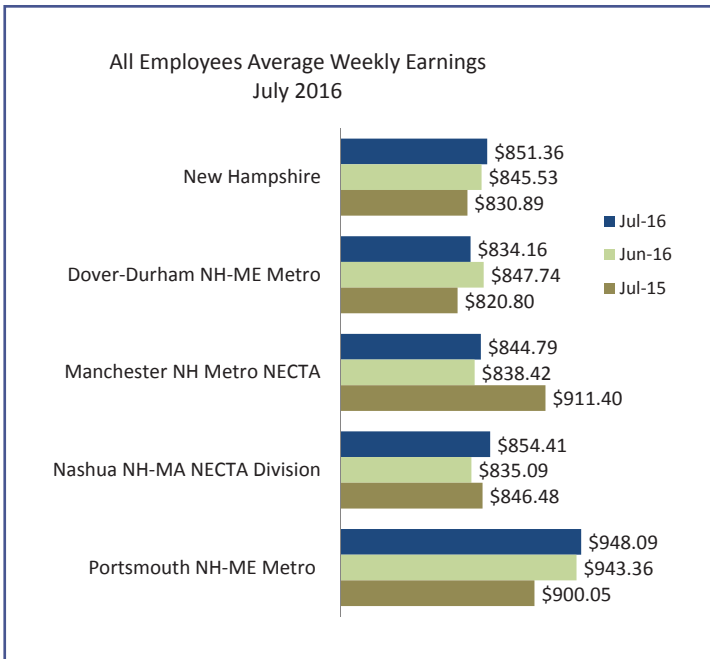


Not Seasonally Adjusted Estimates by Place of Establishment

Nonfarm Employment by Metropolitan Statistical Areas - July 2016



Total Private Average Weekly Earnings Data



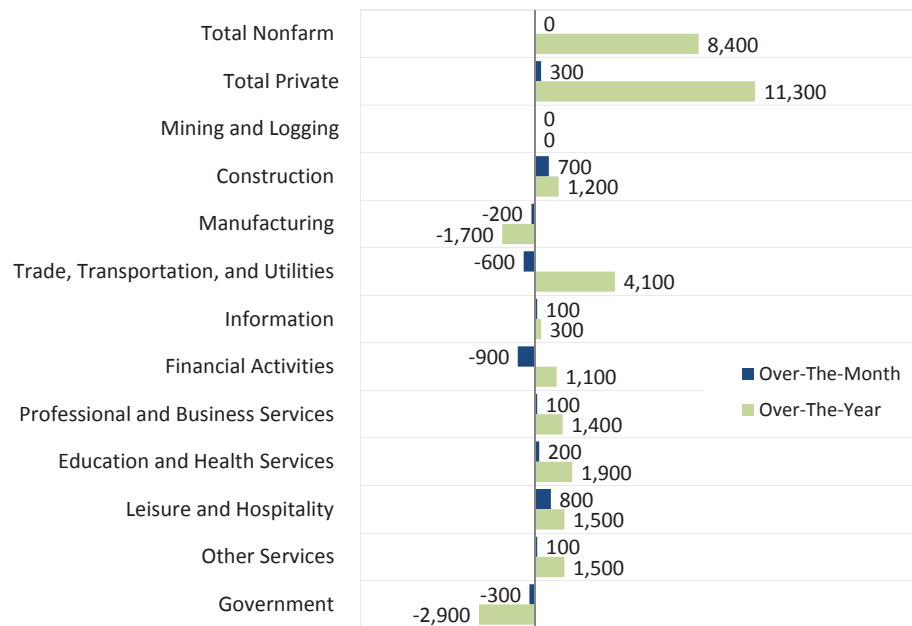
Sector data for the four areas and hours and earnings data are available on our web site: www.nhes.nh.gov/elmi/statistics/ces-data.htm

Monthly Analysis of Current Employment Statistics (CES)

Seasonally Adjusted Statistical Analysis of Nonfarm Employment

- At 667,100 jobs, there was no net change in total seasonally adjusted nonfarm employment over-the-month, from June to July 2016; over-the-year, from July 2015 to July 2016, total nonfarm employment increased by 8,400 jobs.
- Total private employment increased 300 jobs over the month, and increased by 11,300 over-the-year.
- Several industry supersectors experienced over-the-month job gains: Leisure and Hospitality; Mining, Logging, and Construction; Education and Health Services; Professional and Business Services; Other Services; and Information.
- Changes in seasonally adjusted data reflect underlying economic changes and allow for comparisons of different time periods.

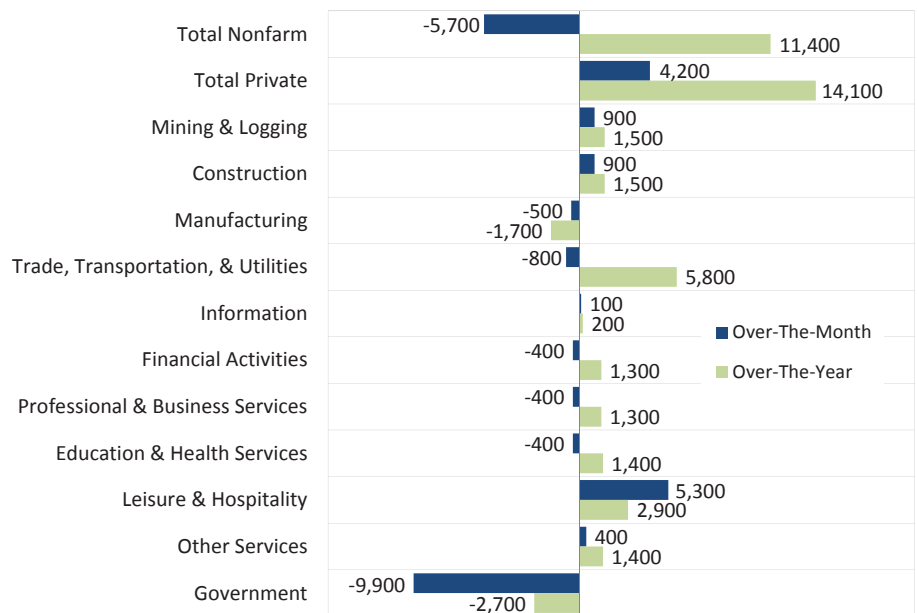
Seasonally Adjusted July 2016 Change



Not Seasonally Adjusted Statistical Analysis of Nonfarm Employment

- Not seasonally adjusted Total nonfarm employment dropped to 672,000 jobs from June to July 2016;
- From July 2015 to July 2016, regarding the largest job increases were in:
 - Trade, Transportation and Utilities gained 5,800 jobs,
 - Leisure and Hospitality gained 2,900 jobs over the year, all of which were from Accommodation and Food Services;
 - Construction increased payrolls by 1,500 jobs over-the-year;
 - Education and Health Services added 1,400 jobs; and Financial Activities gained 1,300 jobs.
- Over-the-month, private Educational services dropped 500 jobs, and local government education dropped 10,500 jobs as universities and schools closed for summer recess.
- Changes in not seasonally adjusted data are due to seasonal patterns in hiring, as well as underlying economic changes.

Not Seasonally Adjusted July 2016 Change



For further analysis, see the *Detailed Monthly Analysis of Industry Employment Data* on our web site: www.nhes.nh.gov/elmi/statistics/ces-data.htm

Consumer Price Index

United States, All Urban Consumers

Not Seasonally Adjusted (CPI-U) (1982-1984=100)

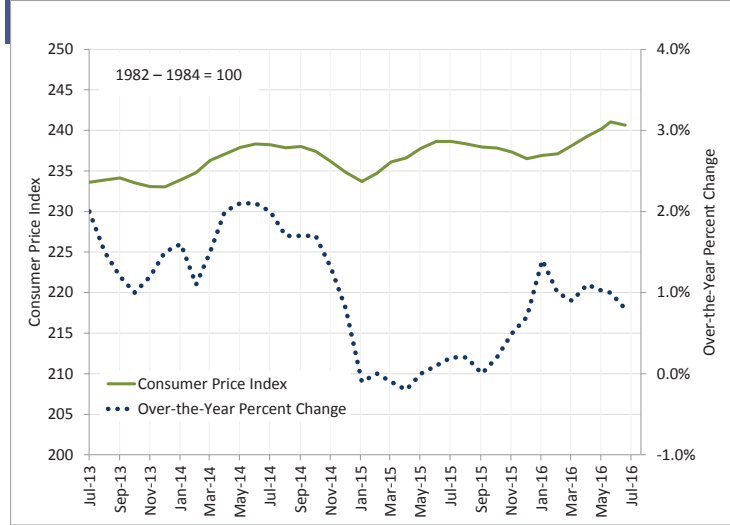
Jul-16	Jun-16	Jul-15	Change from Previous	
			Month	Year
240.647	241.038	238.654	-0.2%	0.8%

Northeast, All Urban Consumers

Not Seasonally Adjusted (CPI-U) (1982-1984=100)

Jul-16	Jun-16	Jul-15	Change from Previous	
			Month	Year
255.449	255.532	253.405	0.0%	0.8%

Consumer Price Index



Unemployment Compensation Claims Activity

	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Initial Claims	3,735	2,823	3,295	2,409	3,313	2,654
Continued Weeks Claimed	26,453	23,265	19,043	18,897	16,204	20,393
Average payment for a week of unemployment	\$301.81	\$301.61	\$307.46	\$310.08	\$316.38	\$301.77

New Hampshire Economic Conditions is published monthly in coordination with the Bureau of Labor Statistics and the Employment and Training Administration of the U.S. Department of Labor.

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Claims calls: 1-800-266-2252



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