

New Hampshire ECONOMIC CONDITIONS

September 2019

How "Old" is New Hampshire Really?

New Hampshire currently has the third highest median population age of any state in the nation, behind only Maine and Vermont. Current demographic trends will present the U.S., New Hampshire, and nearly all states with a variety of economic and fiscal challenges. An accurate understanding of the forces driving demographic trends is necessary to confront and manage the challenges demographic trends will present to the state and its policymakers.

With New Hampshire having the third highest median age, does that really mean our state is worse off

demographically than 47 other states?

Although a state's median age is a convenient metric, it says relatively little about the age distribution of a state's population, or the factors that contribute to a state having either a high or low median age. Because New Hampshire has a high median age, many assume that it has a similarly high rank in the percentage of its residents that are senior citizens. While New Hampshire does have an above average percentage of seniors among its population, it ranks just 13th among all states and below many states with a lower median age.

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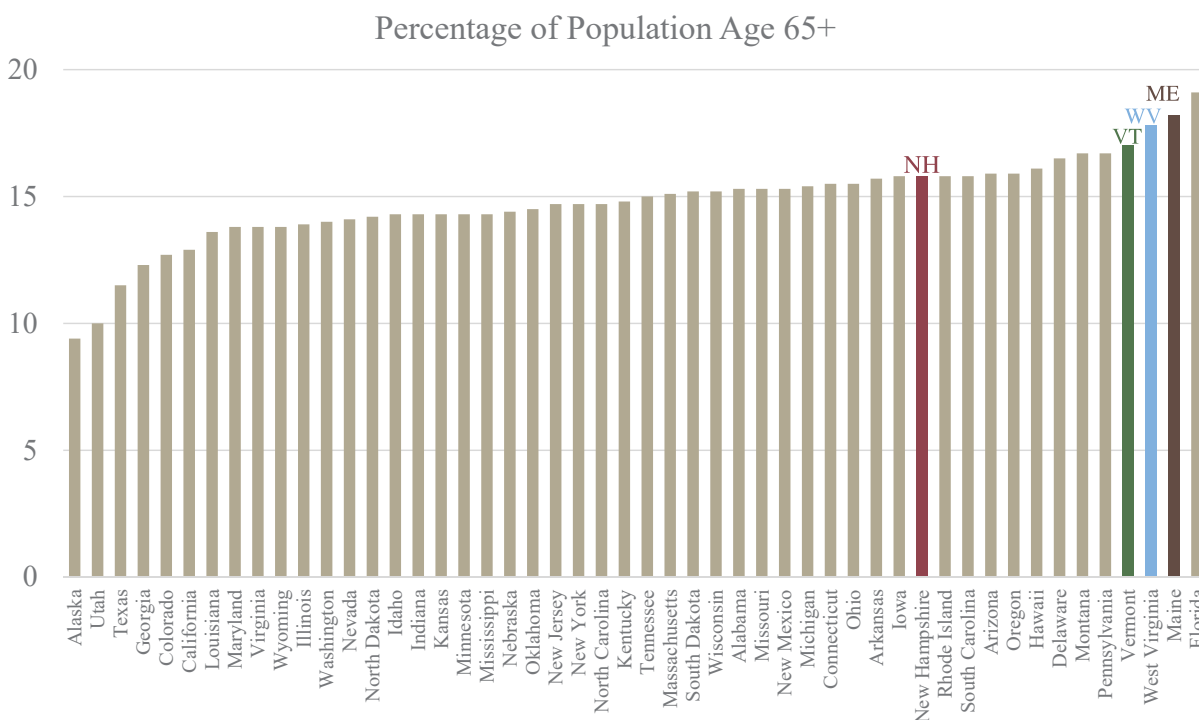
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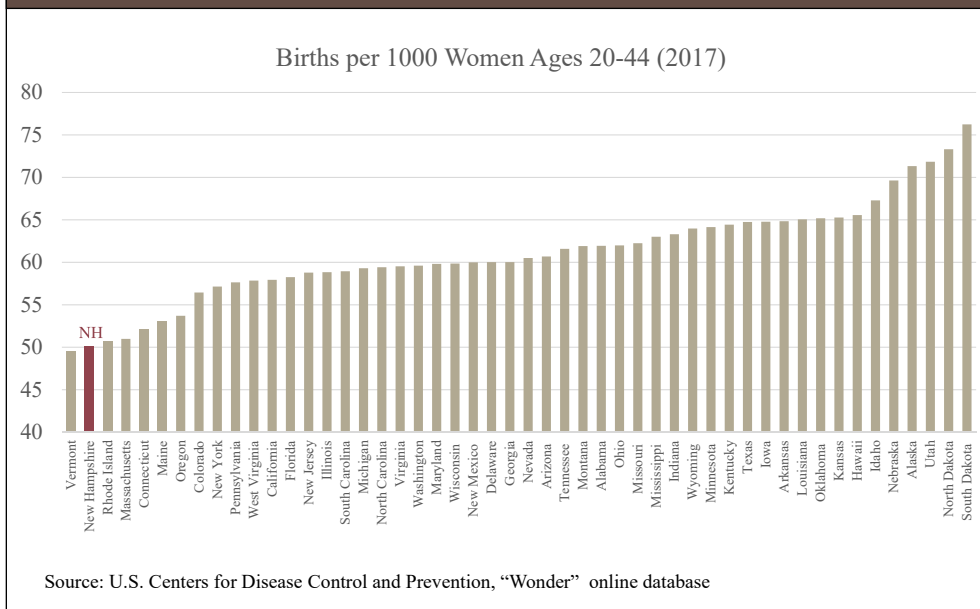
New Hampshire has the Third Highest Median Age of any State, but it Does Not Have the Third Highest Percentage of Senior Citizens



Source: U.S. Census Bureau, "American Community Survey" 5 year estimates

What New Hampshire does have is a high percentage of residents in the middle of the age distribution and many fewer residents at early ages. Population aging is a permanent, irreversible consequence of low average family size and longer life expectancies in developed societies. New Hampshire has among the lowest fertility rates of any state in the nation and this, more than anything, accounts for our increasing median age relative to the U.S. In addition, because New Hampshire has both older citizens who are both wealthier and healthier (on average) than most other states, we expect greater longevity. The accompanying chart shows how much lower the fertility rate is among women of child bearing years in New Hampshire compared to the most other states.

New Hampshire Annually has Among the Lowest Fertility Rates in the Nation, but all New England States are at the Bottom

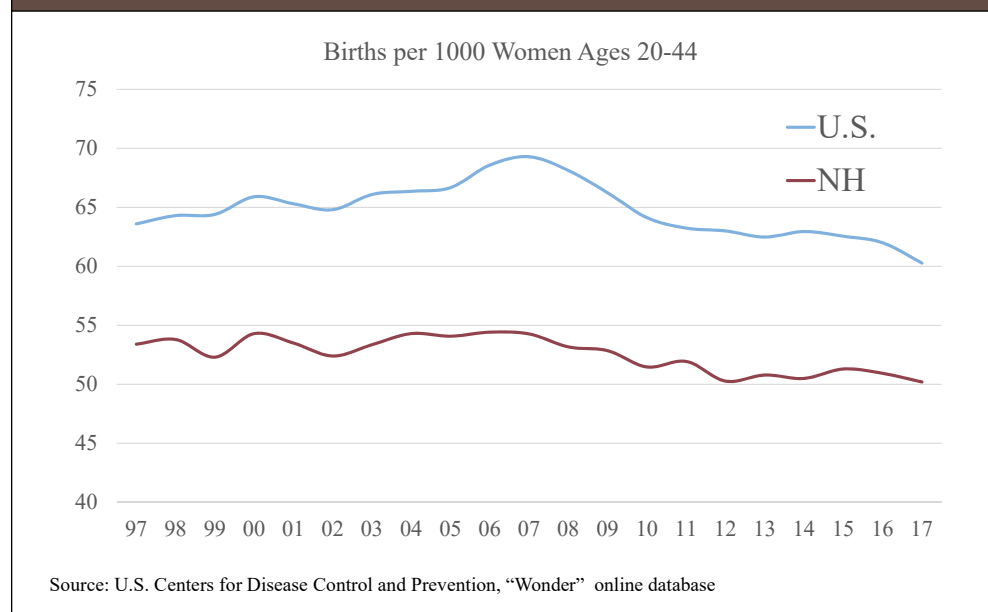


Fertility rates in a state, or the number of births per 1,000 women in child bearing years, is influenced by many demographic factors including the age distribution of women in child bearing years, educational attainment, and labor force status. Low and declining fertility rates account for a large portion New Hampshire's rising median age, just as they do for Vermont and Maine. Fertility almost always has a more powerful effect on the age structure of a state's population than does either migration or mortality because all of the population changes (and thus impact on median

age) that it generates arise at age zero and work their way through the age structure for 70 or more years.

Women in New Hampshire (as well as in most New England states) have higher levels of educational attainment (on average) and are more likely to be in the labor force than are women overall in the U.S. Both of these factors are associated with lower birth rates. Much of New Hampshire's increase in college educated workers is the result increases among women and this has produced substantial labor force and economic benefits for the state.

Birth Rates are Declining Nationally, NH's Low Rate is a Primary Reason for the State's High Median Age

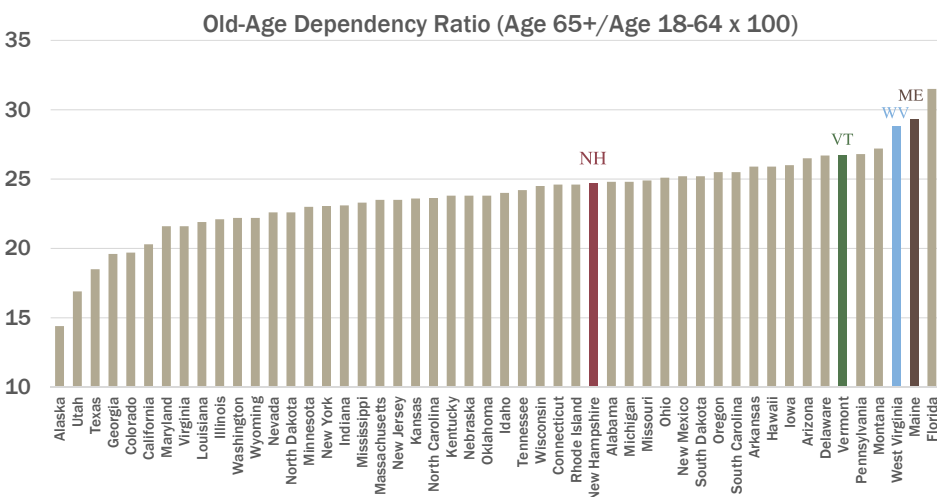


The "Dependency Ratio" Matters Most

To understand the strains that an older demographic may place on the economy and fiscal system of a state or a nation, it is important to look at the "old-age dependency ratio," or the number of older residents in relation to the number of working-age residents. There will be more elderly in New Hampshire and that will increase service needs but the fiscal pressures those needs place on the state is a function of both the number of older residents in need of services and the number of working age individuals supporting those services. The old-age dependency ratio is rising in New Hampshire but again, on that metric,

New Hampshire does not look like the third oldest state in the nation as it is more in the middle of all states on the ratio of residents age 65+ to working age residents. In addition, because New Hampshire has relatively healthier and more well-off older residents compared to many states, our dependency ratio probably slightly overstates the challenge the old-age dependency ratio presents to the state. With New Hampshire's lowest in the nation birth rates the old-age dependency ratio could rise rapidly depending on migration trends (as has been the case in recent years) and is one more reason to want to make our state broadly appealing to demographic groups.

Unlike Other States with a High Median Age, NH is in the Middle of States on Old-Age Dependency Ratio - Migration Trends Should Help it Remain So



Source: U.S. Census Bureau, "American Community Survey" 5 year estimates

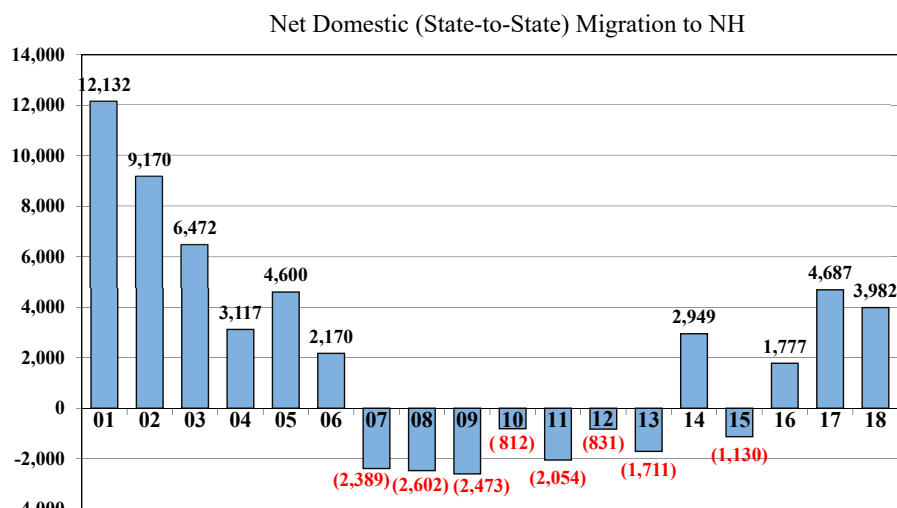
In-Migration is Key

Low birth rates resulting from high labor force participation and levels of educational attainment among women in New Hampshire (a sign of our state's successes not our failures), along with low mortality rates among an older population that is both healthier and wealthier (on average) than in most states, is a recipe for a higher median age in a state. That is unless median age can be made more stationary through the in-migration of younger residents, or as New Hampshire has traditionally done, in-migration of residents more in the middle of the age distribution along

with their children. That was exactly New Hampshire's recipe for success for decades even as young people have left the state (a decades long trend in New Hampshire), at least until net state-to-state migration slowed in New Hampshire, just as it has been slowing nationally for some time.

Between 2007 and 2015, the U.S. Census Bureau estimates that about 11,000 more residents moved out of New Hampshire to another state than moved into the state.

Net State-to-State Movement Into New Hampshire is Once Again Positive and the Trend Will Help Compensate for the State's Low Birth Rate



Source: U.S. Census Bureau, "Components of Population Change"

For more than two decades New Hampshire added large numbers of families with children and lost younger people who attend college or otherwise leave the state in young adulthood. During and for a period after the "great recession," a weak economy and housing market (that made it difficult to both sell and buy a house) greatly curtailed migration into New Hampshire. Movers to New Hampshire over the past several decades are more likely to be a married couple family age 30-44, with children, likely to both be college educated and working. That demographic doesn't do a lot to lower the median age of a population but it can help keep the median age more stationary and in the middle of the age range.

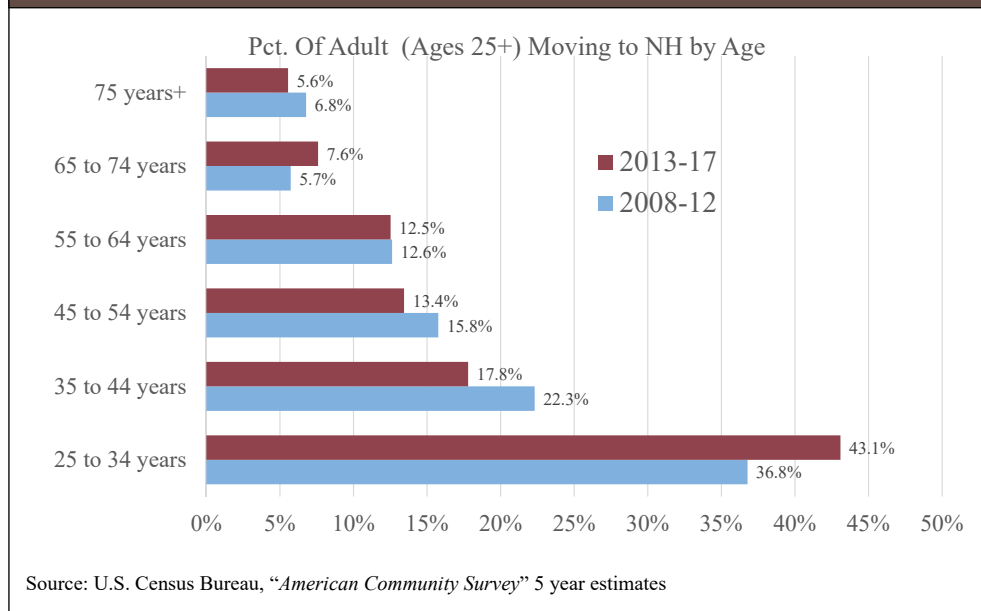
Because of New Hampshire's low fertility and mortality rates, our state is more dependent upon in-migration to offset trends that would produce more rapid increases in median age than seen in much of the country. Over the past several years those migration trends have improved and as in-migration of individuals and families more in the middle of the age range who bring with them children, New Hampshire's median age progression will slow from some of its recent acceleration.

Movers to the State Boost the Quality of the State's Labor Force

The characteristics of movers into New Hampshire also present a more optimistic outlook for New Hampshire's demographics. The age range of movers into the state is trending downward. Data from the U.S. Census Bureau's "American Community Survey" shows that for the five-year period from 2013-2017, 43 percent of the adult movers into New Hampshire were in the 25-34 year-old age range (a surrogate for millennials), compared to just 37 percent five years earlier.

Movers into New Hampshire also contribute greatly to the educational attainment and skill level of the state's labor force. Again, looking at data from the "American Community Survey" shows that over the most recent

The Age of Adult Movers Into New Hampshire From Other States is Trending Younger – Over 40% are Between 25 and 34 Years Old



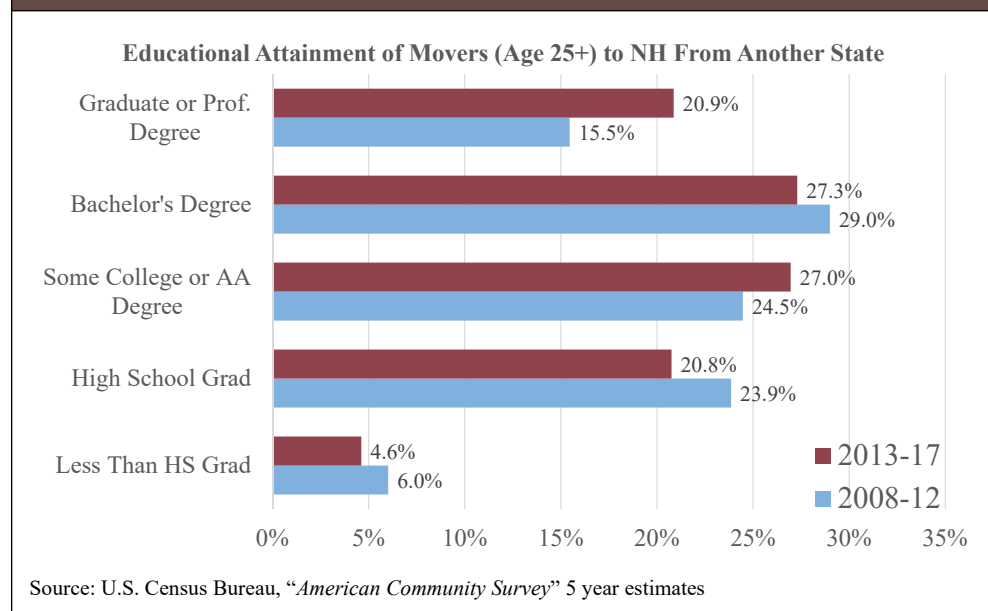
five-year time period, almost 50 percent of the adults who moved into New Hampshire held a bachelor's degree or higher, up from five-years earlier and higher than the percentage of the state's overall population with a bachelor's degree or higher. Associate's degrees are increasingly valued in the workplace and over 60 percent of movers into New Hampshire hold an associate's degree or higher.

We should not minimize the challenges that New Hampshire will confront as the state's population continues to age. At the same time, an incomplete

understanding of the factors that contribute to state's changing demographics, as well as a failure to appreciate some of the factors that separate New Hampshire's demographics from other states with a high median age, may impede our ability to adopt policies to effectively manage demographic challenges.

– Brian Gottlob,
Director

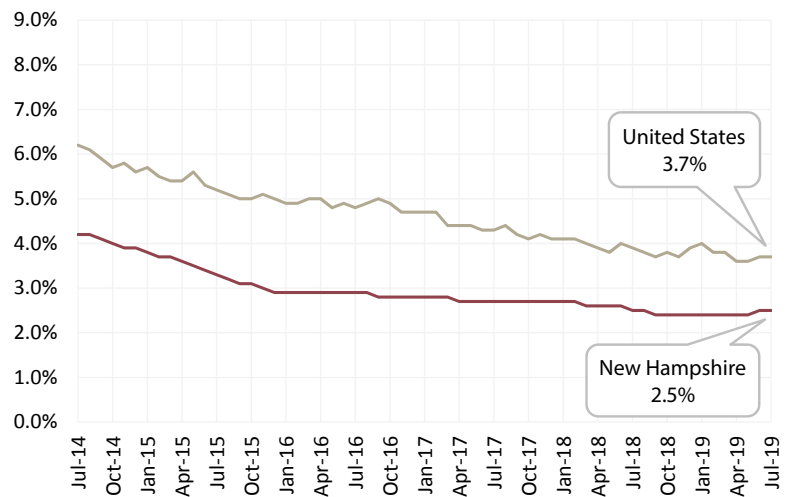
Movers Into New Hampshire Increasingly Have Higher Levels of Educational Attainment – Nearly 50% Have a Bachelor's Degree or Higher



SEASONALLY ADJUSTED ESTIMATES

Unemployment Estimates by Region

Seasonally Adjusted	Jul-19	Jun-19	Jul-18
United States	3.7%	3.7%	3.9%
Northeast	3.6%	3.6%	3.9%
New England	3.0%	3.1%	3.4%
Connecticut	3.6%	3.7%	4.0%
Maine	3.0%	3.2%	3.4%
Massachusetts	2.9%	3.0%	3.3%
New Hampshire	2.5%	2.5%	2.5%
Rhode Island	3.5%	3.6%	3.9%
Vermont	2.1%	2.1%	2.7%
Mid Atlantic	3.8%	3.8%	4.1%
New Jersey	3.3%	3.5%	4.0%
New York	4.0%	4.0%	4.0%
Pennsylvania	3.9%	3.8%	4.2%

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-19	Jun-19	Jul-18	Month	Year
Total Nonfarm	691,000	691,000	680,800	0	10,200
Total Private	601,800	602,200	589,900	-400	11,900
Mining and Logging	1,000	1,000	900	0	100
Construction	27,900	28,000	27,000	-100	900
Manufacturing	70,200	70,100	70,700	100	-500
Durable Goods	53,200	53,100	52,700	100	500
Non-Durable Goods	17,000	17,000	18,000	0	-1,000
Trade, Transportation, and Utilities	141,700	141,900	138,900	-200	2,800
Wholesale Trade	30,100	30,100	28,100	0	2,000
Retail Trade	94,600	94,600	94,200	0	400
Transportation, Warehousing, and Utilities	17,000	17,200	16,600	-200	400
Information	12,300	12,400	12,500	-100	-200
Financial Activities	33,900	33,900	34,100	0	-200
Financial and Insurance	26,900	26,900	27,000	0	-100
Real Estate and Rental and Leasing	7,000	7,000	7,100	0	-100
Professional and Business Services	84,800	84,600	83,000	200	1,800
Professional, Scientific, and Technical Services	39,600	39,200	37,800	400	1,800
Management of Companies and Enterprises	9,100	9,200	9,100	-100	0
Administrative and Support and Waste Management and Remediation Services	36,100	36,200	36,100	-100	0
Education and Health Services	130,200	129,700	125,500	500	4,700
Educational Services	35,100	34,300	33,200	800	1,900
Health Care and Social Assistance	95,100	95,400	92,300	-300	2,800
Leisure and Hospitality	74,100	74,500	72,000	-400	2,100
Arts, Entertainment, and Recreation	12,500	12,300	12,400	200	100
Accommodation and Food Services	61,600	62,200	59,600	-600	2,000
Other Services	25,700	26,100	25,300	-400	400
Government	89,200	88,800	90,900	400	-1,700
Federal Government	8,000	8,000	7,800	0	200
State Government	24,200	24,100	25,000	100	-800
Local Government	57,000	56,700	58,100	300	-1,100

*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	Jul-19	Jun-19	Jul-18
Total Civilian Labor Force	784,450	779,920	775,810
Employed	765,160	761,120	756,540
Unemployed	19,290	18,800	19,270
Unemployment Rate	2.5%	2.4%	2.5%

United States (# in thousands)	Jul-19	Jun-19	Jul-18
Total Civilian Labor Force	164,941	164,120	163,734
Employed	158,385	157,828	157,004
Unemployed	6,556	6,292	6,730
Unemployment Rate	4.0%	3.8%	4.1%

Unemployment Rates by Area

Counties	Jul-19	Jun-19	Jul-18
Belknap	2.2%	2.3%	2.2%
Carroll	2.1%	2.4%	2.1%
Cheshire	2.5%	2.5%	2.6%
Coös	2.8%	2.8%	2.8%
Grafton	2.1%	2.1%	2.0%
Hillsborough	2.6%	2.5%	2.6%
Merrimack	2.1%	2.2%	2.2%
Rockingham	2.7%	2.5%	2.8%
Strafford	2.3%	2.2%	2.3%
Sullivan	2.2%	2.2%	2.0%

Map Key	Labor Market Areas	Jul-19	Jun-19	Jul-18
1	Colebrook, NH-VT LMA, NH Portion	2.5%	2.8%	2.7%
2	Littleton, NH-VT LMA, NH Portion	2.1%	2.3%	2.1%
3	Berlin NH Micropolitan NECTA	3.3%	3.1%	3.4%
4	Haverhill, NH LMA	2.3%	2.1%	2.3%
5	Conway, NH-ME LMA, NH Portion	2.0%	2.3%	2.0%
6	Plymouth, NH LMA	2.1%	2.2%	1.9%
7	Lebanon, NH-VT Micropolitan NECTA, NH Portion	2.1%	2.1%	1.9%
8	Meredith, NH LMA	1.9%	2.1%	1.9%
9	Wolfeboro, NH LMA	2.4%	2.7%	2.4%
10	Franklin, NH LMA	2.3%	2.3%	2.6%
11	Laconia, NH Micropolitan NECTA	2.4%	2.6%	2.3%
12	Expanded Claremont, NH estimating area	2.3%	2.3%	2.2%
13	New London, NH LMA	2.0%	2.1%	2.0%
14	Concord, NH Micropolitan NECTA	2.1%	2.1%	2.1%
15	Belmont, NH LMA	2.0%	2.2%	2.1%
16	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	2.3%	2.2%	2.3%
17	Charlestown, NH LMA	2.3%	2.3%	1.8%
18	Hillsborough, NH LMA	2.5%	2.5%	2.6%
19	Raymond, NH LMA	2.5%	2.3%	2.5%
20	Manchester, NH Metropolitan NECTA	2.4%	2.3%	2.4%
21	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	2.2%	2.2%	2.2%
22	Keene, NH Micropolitan NECTA	2.5%	2.4%	2.6%
23	Peterborough, NH LMA	2.4%	2.4%	2.4%
24	Nashua, NH-MA NECTA Division, NH Portion	2.8%	2.6%	2.9%
25	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	2.9%	2.8%	3.2%
26	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	3.5%	3.5%	3.5%
27	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	3.4%	3.0%	3.6%
28	Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division	3.6%	3.3%	3.4%

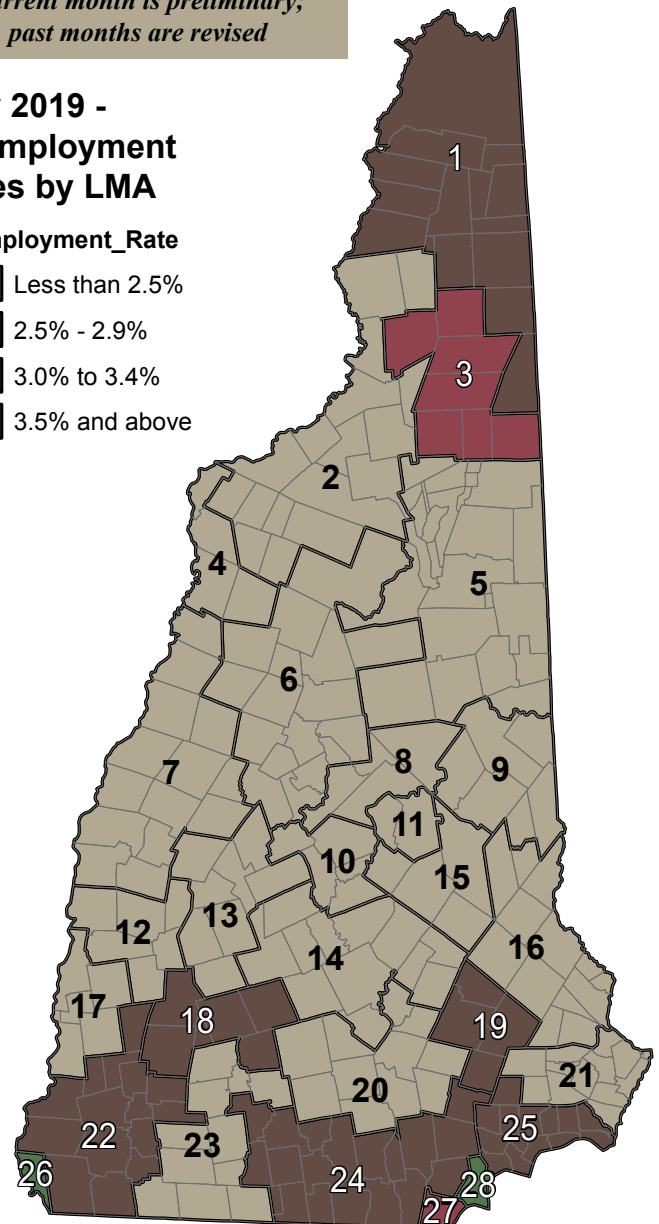
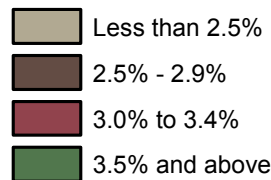
Unemployment Rates by Region

Not Seasonally Adjusted	Jul-19	Jun-19	Jul-18
United States	4.0%	3.8%	4.1%
Northeast	3.8%	3.5%	4.2%
New England	3.0%	3.2%	3.6%
Connecticut	3.6%	3.8%	4.3%
Maine	2.4%	2.8%	3.2%
Massachusetts	2.9%	3.1%	3.6%
New Hampshire	2.5%	2.4%	2.5%
Rhode Island	3.7%	3.3%	4.2%
Vermont	2.2%	2.2%	2.6%
Mid Atlantic	4.1%	3.7%	4.4%
New Jersey	3.5%	3.0%	4.6%
New York	4.2%	3.8%	4.2%
Pennsylvania	4.5%	4.0%	4.7%

*Current month is preliminary;
past months are revised*

July 2019 -
Unemployment
Rates by LMA

Unemployment_Rate



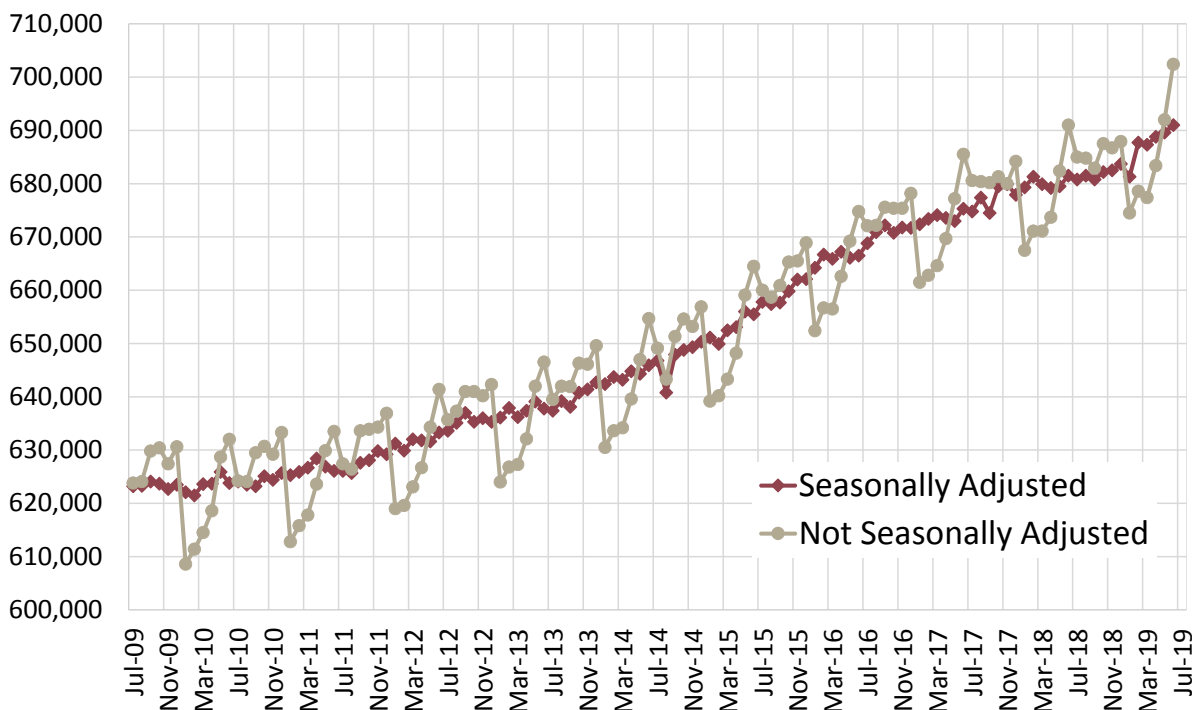
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

New Hampshire Nonfarm Employment Statewide
Not Seasonally Adjusted

*Current month
is preliminary;
past months
are revised*

	Number of Jobs			Change From Previous	
	Jul-19	Jun-19	Jul-18	Month	Year
Total Nonfarm	696,400	702,400	685,000	-6,000	11,400
Total Private	618,800	615,900	606,100	2,900	12,700
Mining and Logging	1,100	1,100	1,000	0	100
Construction	29,700	29,100	28,400	600	1,300
Manufacturing	70,600	70,600	71,400	0	-800
Durable Goods	53,600	53,500	53,200	100	400
Non-Durable Goods	17,000	17,100	18,200	-100	-1,200
Trade, Transportation, and Utilities	143,100	144,200	139,600	-1,100	3,500
Wholesale Trade	30,300	30,200	28,300	100	2,000
Retail Trade	96,300	96,400	95,200	-100	1,100
Transportation, Warehousing, and Utilities	16,500	17,600	16,100	-1,100	400
Information	12,400	12,400	12,700	0	-300
Financial Activities	34,500	34,300	34,800	200	-300
Professional and Business Services	86,800	86,700	84,600	100	2,200
Education and Health Services	128,700	128,800	124,400	-100	4,300
Leisure and Hospitality	85,500	82,100	83,200	3,400	2,300
Other Services	26,400	26,600	26,000	-200	400
Government	77,600	86,500	78,900	-8,900	-1,300
Federal Government	8,000	8,000	7,900	0	100
State Government	21,600	21,500	22,100	100	-500
Local Government	48,000	57,000	48,900	-9,000	-900

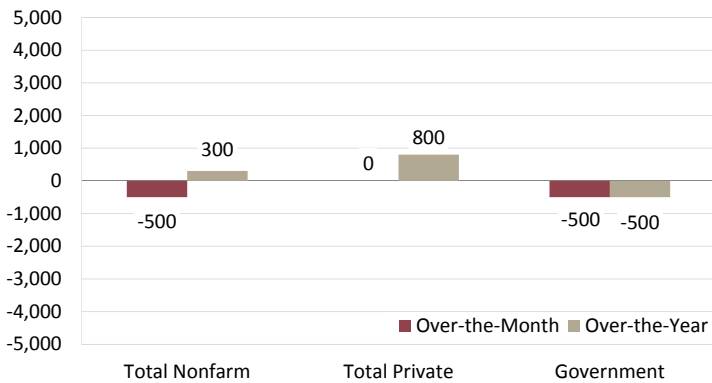
Total Nonfarm Employment Trend Through July 2019



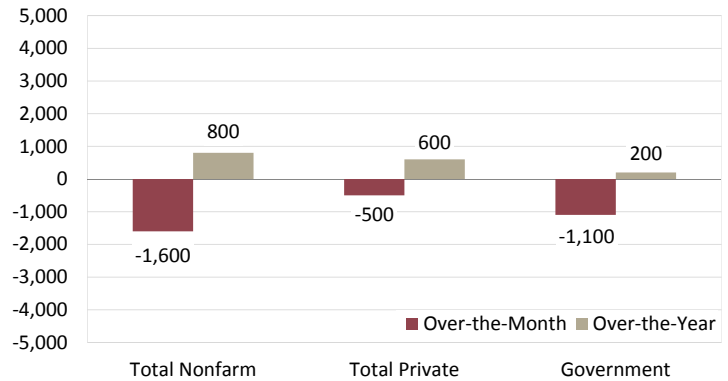
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Nonfarm Employment by Metropolitan Statistical Areas - July 2019

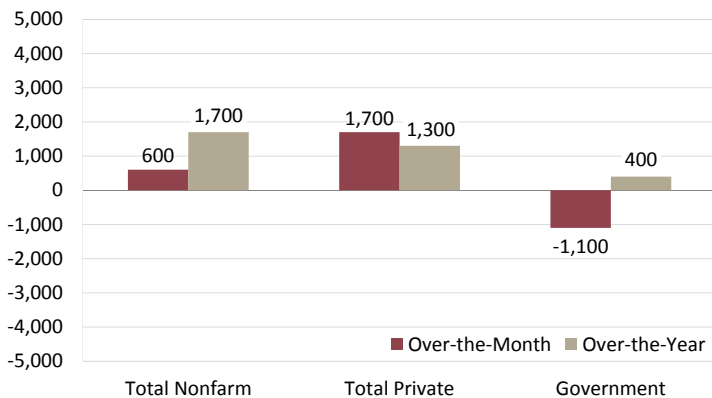
Dover-Durham NH-ME Metro NECTA



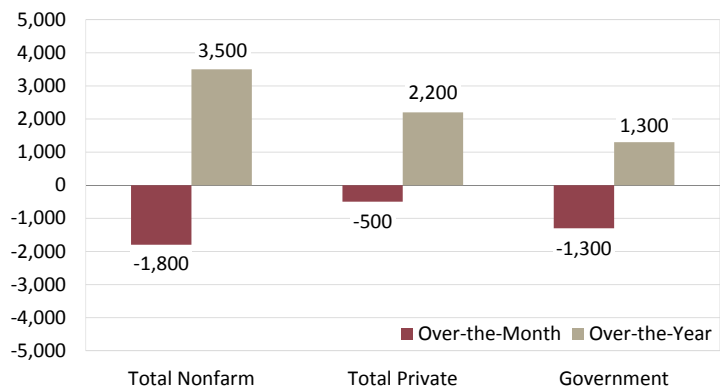
Manchester Metro NECTA



Portsmouth NH-ME Metro NECTA

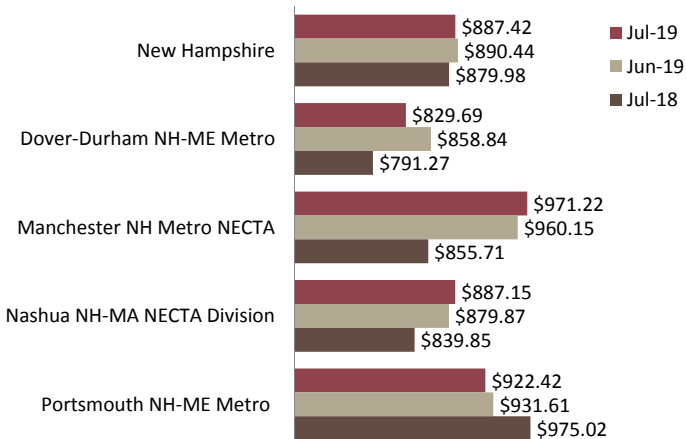


Nashua NH-MA NECTA Division

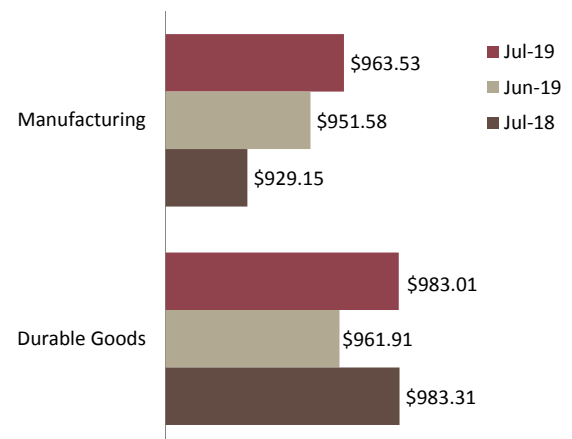


Total Private Average Weekly Earnings Data

All Employee Average Weekly Earnings



Production Workers Average Weekly Earnings

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 was unchanged in July, according to preliminary seasonally adjusted estimates. *Private Education and Health Services* had the largest over-the-month gain in employment, adding 500 jobs, followed by *Government* with an increase of 400 positions. *Professional and Business Services* gained 200 jobs, while *Manufacturing* added a modest 100 jobs from June.

Five supersectors experienced over-the-month employment losses in July. *Leisure and Hospitality* and *Other Services* decreased payrolls by 400 jobs each, and *Trade, Transportation, and Utilities* dropped 200 jobs. *Construction* and *Information* trimmed payrolls by 100 positions each.

Seasonally adjusted *Total Nonfarm* employment increased 10,200 jobs from July 2018 to July 2019. *Private Education and Health Services* expanded by 4,700 jobs, while *Trade, Transportation, and Utilities* added 2,800 jobs. *Leisure and Hospitality* expanded payrolls by 2,100 positions, and *Professional and Business Services* gained 1,800 jobs. *Construction* increased 900 jobs, and *Other Services* added 400 positions. *Mining and Logging* gained a modest 100 jobs over-the-year.

Four supersectors experienced over-the-year employment losses. *Government* shed 1,700 positions, and *Manufacturing* dropped 500 jobs. *Information* and *Financial Activities* trimmed payrolls by 200 jobs each from July 2018.

Not Seasonally Adjusted

Preliminary unadjusted estimates for July show that *Total Nonfarm* employment decreased 6,000 jobs over-the-month. *Government* had the largest decrease, dropping 8,900 jobs, followed by *Trade, Transportation, and Utilities* with a decrease of 1,100 jobs. *Other Services* lost 200 positions, and *Professional and Business Services* shed a modest 100 jobs from June.

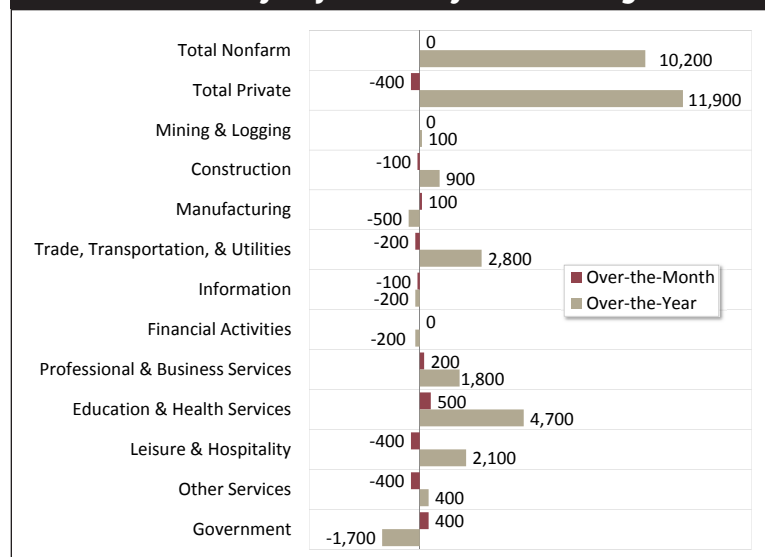
Four supersectors added jobs over-the-month. *Leisure and Hospitality* gained 3,400 jobs and *Construction* increased 600 jobs. *Financial Activities* increased payrolls by 200, while *Professional and Business Services* gained 100 jobs.

Total Nonfarm employment increased 11,400 jobs from July 2018 to July 2019. *Private Education and Health Services* gained 4,300 jobs, while *Trade, Transportation, and Utilities* added 3,500 positions. *Leisure and Hospitality* increased payrolls by 2,300 jobs, and *Professional and Business Services* added 2,200 jobs over-the-year. *Construction* gained 1,300 positions, while *Other Services* increased 400 jobs. *Mining and Logging* added a modest 100 jobs from July 2018.

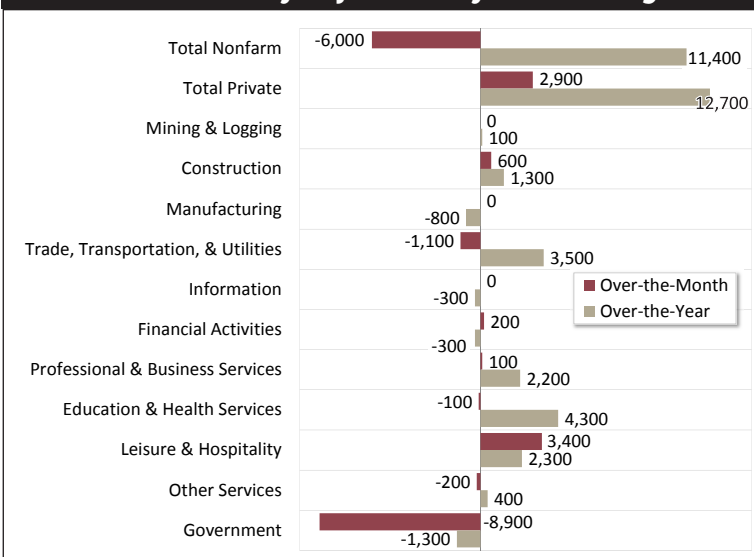
Four supersectors experienced an over-the-year employment loss. *Government* employment decreased by 1,300 positions, and *Manufacturing* shed 800 jobs. *Information* and *Financial Activities* dropped 300 jobs each over-the-year.

Ellie Goodbread
Research Analyst

Seasonally Adjusted July 2019 Change



Not Seasonally Adjusted July 2019 Change



Consumer Price Index

United States, All Urban Consumers

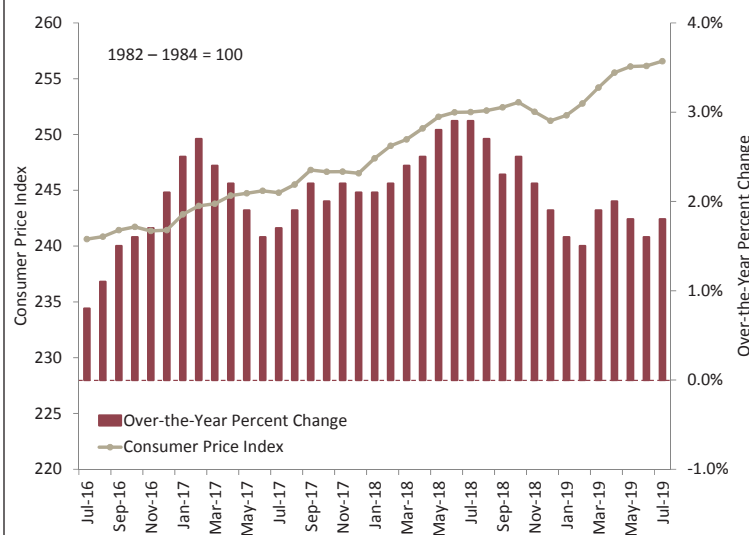
Not Seasonally Adjusted (CPI-U) (1982-1984=100)

			Change From Previous	
Jul-19	Jun-19	Jul-18	Month	Year
256.571	256.143	252.006	0.2%	1.8%

Northeast, All Urban Consumers

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

			Change From Previous	
Jul-19	Jun-19	Jul-18	Month	Year
270.381	270.133	265.830	0.1%	1.7%

Consumer Price Index
United States, All Urban Consumers

Unemployment Compensation Claims Activity

	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Initial Claims	2,244	2,083	2,219	1,550	2,028	1,888
Continued Weeks Claimed	17,225	17,239	15,338	10,600	11,466	14,394
Average payment for a week of unemployment	\$329.03	\$326.62	\$330.12	\$334.69	\$340.61	\$326.95

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

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 NHES is an Equal Opportunity Employer and complies with the Americans with Disabilities Act.
 Auxiliary aids and services are available upon request to individuals with disabilities.

New Hampshire Employment Security
Local Offices

Berlin	752-5500	Claremont	543-3111
Concord	228-4100	Conway	447-5924
Keene	352-1904	Laconia	524-3960
Littleton	444-2971	Manchester	627-7841
Nashua	882-5177	Portsmouth	436-3702
Salem	893-9185	Somersworth	742-3600

Claims calls: 1-800-266-2252

New Hampshire Employment Security
Economic and Labor Market Information Bureau

General Information	(603) 228-4124
	www.nhes.nh.gov/elmi
Research Unit	228-4173
Economist	229-4427
Covered Employment & Wages	228-4060
Current Employment Statistics	228-4175
Local Area Unemployment Statistics	228-4167
Occupational Employment Statistics	229-4315

