

New Hampshire ECONOMIC CONDITIONS

Near Grantham NH on I-89 - Keith Garland on flickr

October 2019

Littleton Pumpkin Festival - Ben on flickr

Income Gains and Inequality Among New Hampshire Households

A decade after the end of the “great recession” and in an era of rising employment and low unemployment, there remain concerns and even a pessimism over what is seen by some as widespread inequality of opportunity, income, and wage growth, in the country. Not every resident, and not every region in New Hampshire has benefited equally in recent years from the state’s strong economy and labor market. Still, examining wage, income, and demographic data in the state indicates that it is inaccurate to suggest that a majority of New Hampshire residents are not better off economically than they were a decade ago. This article examines household income trends in

New Hampshire to assess whether the rhetoric surrounding the issue of income inequality risks overlooking what the data actually is telling us about income inequality in the state.

New Hampshire Has a Broad Middle Class

Because New Hampshire lacks a personal income tax it is sometimes assumed that the state is a “haven for the rich.” Comparing the distribution of individuals in the state by household income and benefits with other states, and with the nation as a whole, New Hampshire has a somewhat higher percentage of individuals in high-income households and a much smaller percentage in low-

income households – in other words, a very broad middle class. This alone would suggest that New Hampshire has a more equitable income distribution than do most other states.

INSIDE THIS ISSUE: Seasonally Adjusted Estimates

Unemployment Rates 6

Current Employment Statistics 6

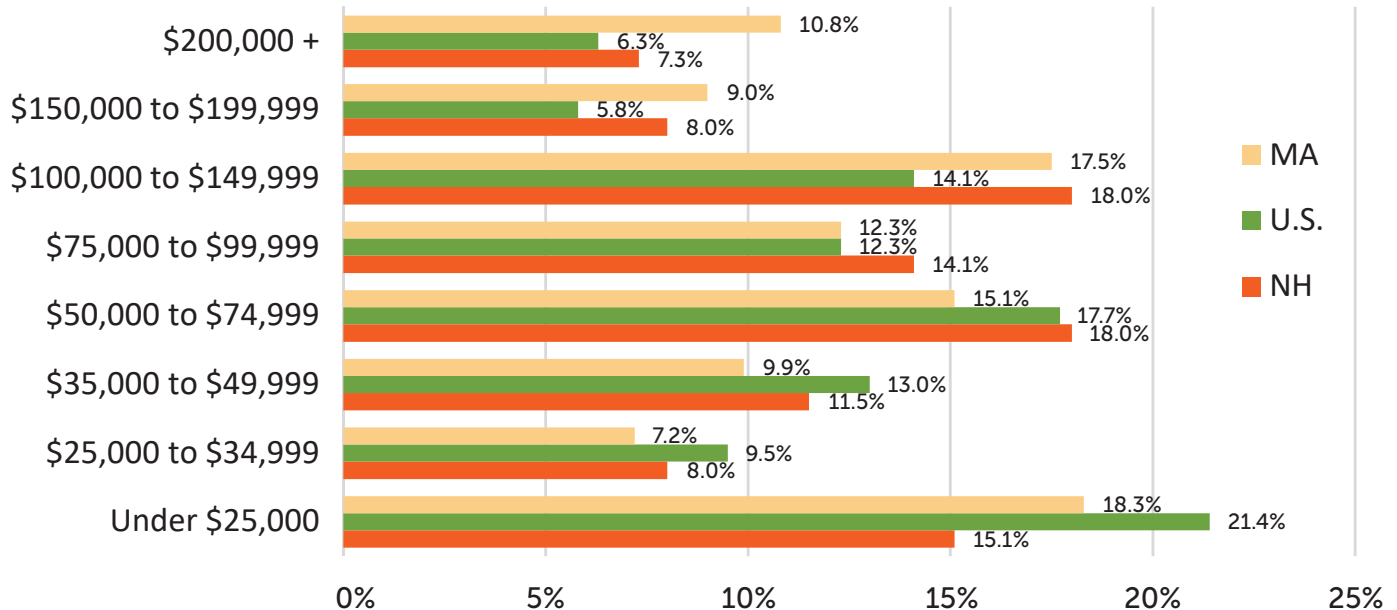
Not Seasonally Adjusted Estimates

Unemployment Rates 7

Current Employment Statistics 8

Claims Activity 10

New Hampshire Has a Somewhat Higher Percentage of Individuals in High Income Households and a Much Smaller Percentage in Low Income Households (a Broad Middle Class)



Source: American Community Survey 5 year estimates 2013-2017

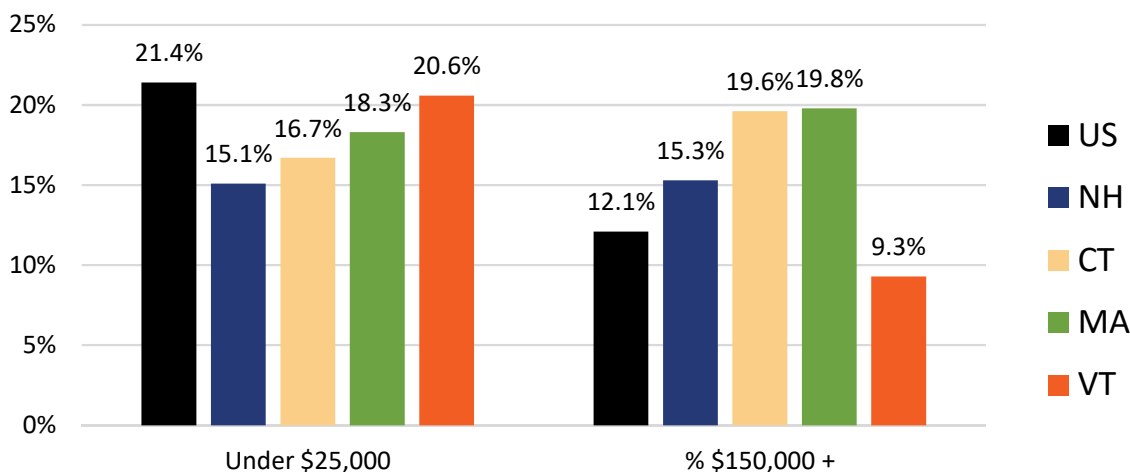
Comparing New Hampshire to other New England states, New Hampshire has a significantly lower percentage of individuals living in higher income households (earning \$150,000 per year or more) than either Massachusetts or Connecticut, and a lower percentage of individuals in households earning less than \$25,000 per year than any other New England state.

Measuring Inequality

A recent issue brief by the U.S. Census Bureau, using one-year (2018) data for the American Community Survey (ACS), reported that New Hampshire was among a number of states that saw a statistically significant increase in inequality of income between 2017 and 2018.ⁱ That report received considerable attention in the media, but estimates using one-year of American Community Survey data have a relatively large margin of error. In New Hampshire and other states, the margin of error in the one-year estimates is approximately equal to, or higher than,

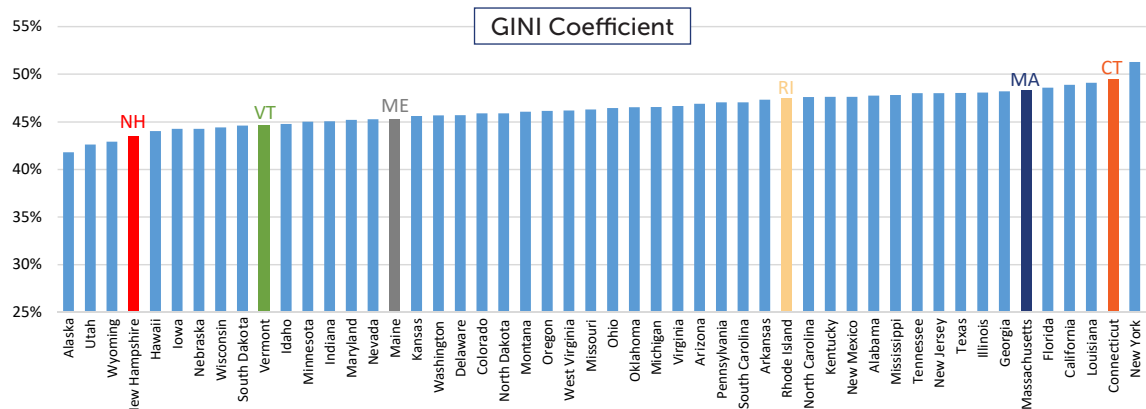
the reported change in the inequality estimate between 2017 and 2018. In other words, the range of possible change in the report's inequality estimate for New Hampshire could be as low as no change, or as high as twice the reported estimate. Historically, New Hampshire has among the lowest levels of income inequality of any state in the nation, whether using one-year ACS estimates that have a larger margin of error, or five-year estimates with a margin of error that is less than one-half of the one-year estimates. This suggests that the recently reported increase in the state's income inequality may be an anomaly. New Hampshire has the nation's 7th highest median household income but among the lowest levels of income inequality of any state. The Gini index measures the inequality among values of a frequency distribution. The Gini index is technically sound, and has been used extensively for decades by U.S. and international

New Hampshire Has Few Higher and Lower-Income Households Than Other New England States



Source: American Community Survey 5 year estimates 2013-2017

New Hampshire Has Among the Most Even Income Distributions of Any State in the Nation



Source: American Community Survey 5 year estimates 2013-2017

organizations and government agencies such as the U.S. Census Bureau, the World Bank, the Central Intelligence Agency, and the United Nations, to measure income inequality in region. A Gini coefficient of zero expresses perfect equality, where all values are the same in the case of household income - everyone has the same income. A Gini coefficient of 1.0 expresses maximal inequality, where only one person has all the income and all others have none.

As the accompanying chart shows, according to the 2013-2017 five-year ACS estimates (which reduces the margin of error of one-year estimates by more than 50 percent), New Hampshire has a more equal distribution of income than all but four other states, and the lowest Gini coefficient of any New England state.

ⁱ U.S. Census Bureau, American Community Survey Briefs, "Household Income 2018," September, 2019.

Demographics Explains Much of the Growth in Median Household Income

Discussion of income inequality typically focuses on growth in household income, or median household income over time. Little attention is paid to the demographic characteristics of households, how they have changed over time, and the impact that changes in household demographics have on income growth.

The type of households, their age distribution, the number of family members or unrelated individuals in a household, as well as the number of wage earners in a household, all influence median household income and household income growth trends, and each change over time. An examination of household income data in New Hampshire indicates that changes in the distribution of households by type, as well as the age distribution of households in the state have played a significant role in median household income growth trends in New Hampshire in recent years.

Fewer Family Households in New Hampshire

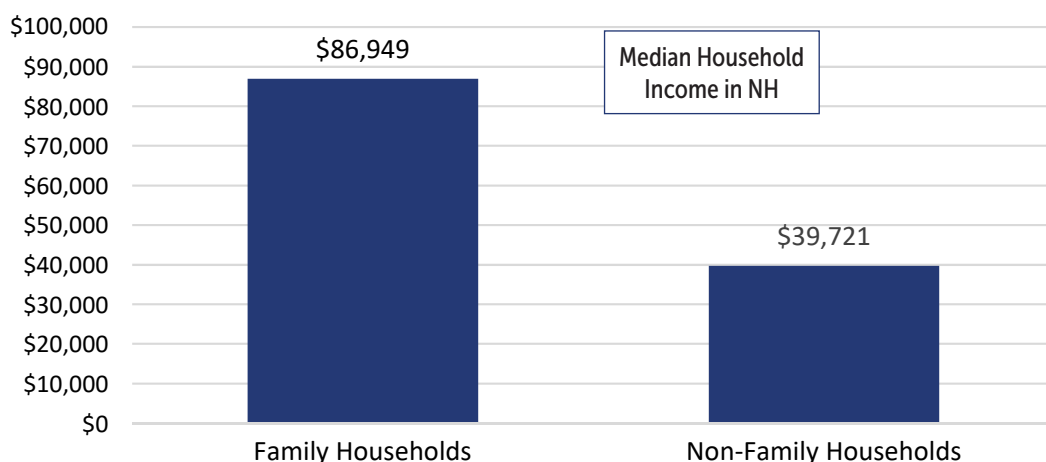
Household income varies greatly by the structure of households (married couple family, non-family or unrelated individuals living together, male or female headed family households with no spouse present, etc.). A simple breakdown into two, broad categories shows the difference in median household income in New Hampshire for family and non-family households. Family households in New Hampshire, have a median income that is more than twice as high as non-family households (\$86,949 to \$39,721). Non-family households comprise only about one-third of all households in New Hampshire, but since the “great recession,” the

percentage of New Hampshire households that are non-family households has increased by over two percent (2%), while family households have had an equivalent, opposite decline. An increase in the percentage of all New Hampshire households that have lower income levels will slow growth in median household income over time.

Older and Younger Households Account for all Growth in Households

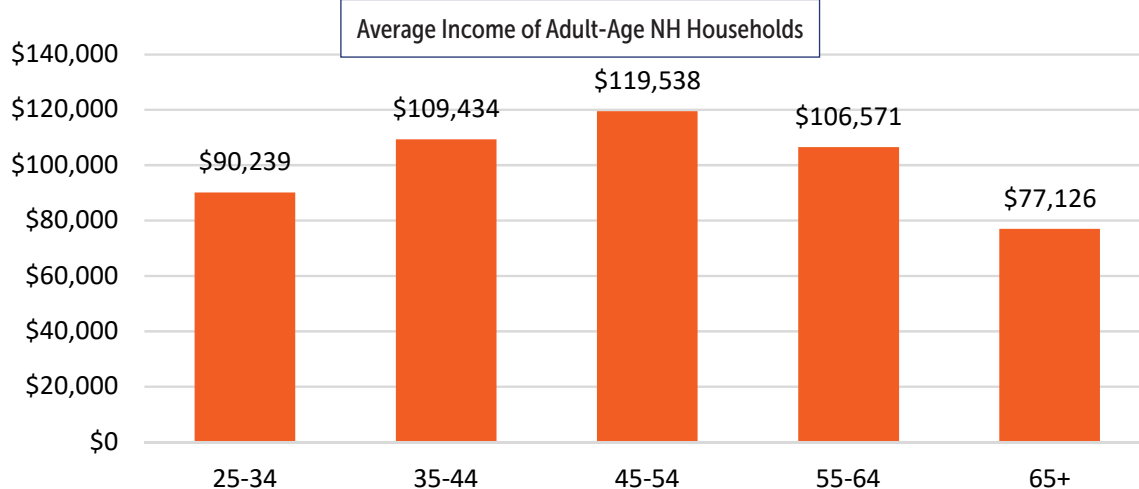
Household income peaks in the 45-54 age group, with the 35-44 age group having the next highest median income. These are age groups where both earnings per worker and time spent working peak for most workers. Median household income for different age groups is not available from the American Community Survey so this analysis uses average household income.

Non-Family Households Have Fewer Workers per Household and a Lower Median Income. They Have Increased as a Percentage of all New Hampshire Households

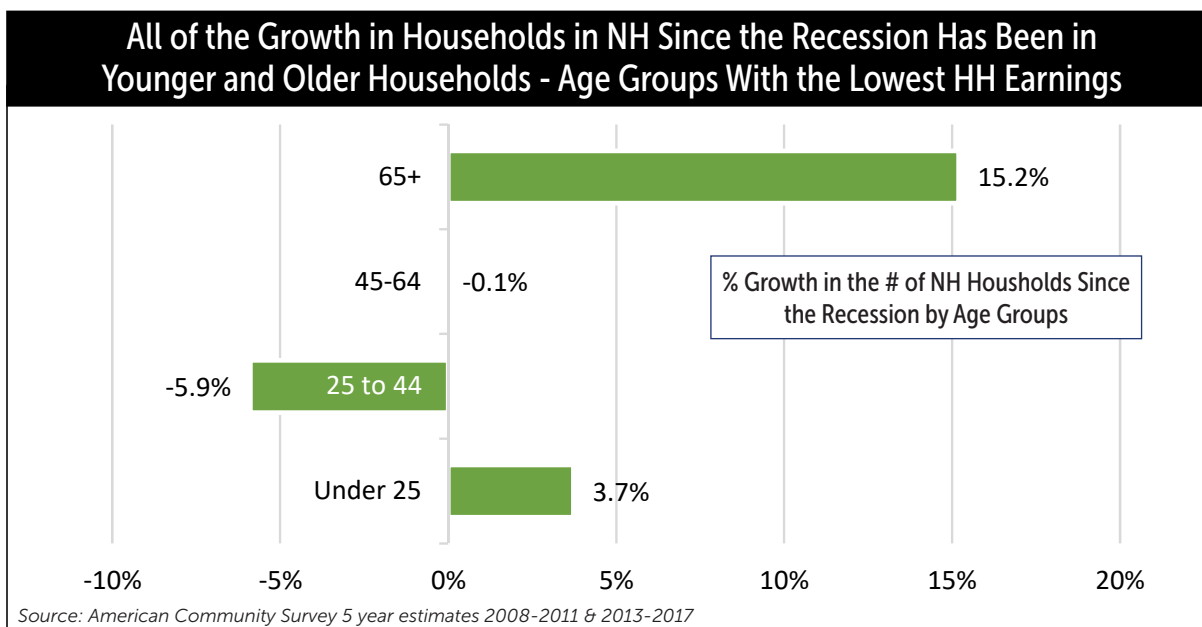


Source: American Community Survey 5 year estimates 2013-2017

Household Income Peaks Between 45 and 54 Years of Age



Source: American Community Survey 5 year estimates 2013-2017



As the distribution of households in NH changes, and a higher or lower percentage of households are in the highest and lowest household income age ranges, growth in median household income can accelerated or decelerate. As the accompanying chart shows, all of the growth in New Hampshire households since the “great recession” has been in households with lower income levels relative to other age groups, contributing to a slowing of growth in median income in the state.

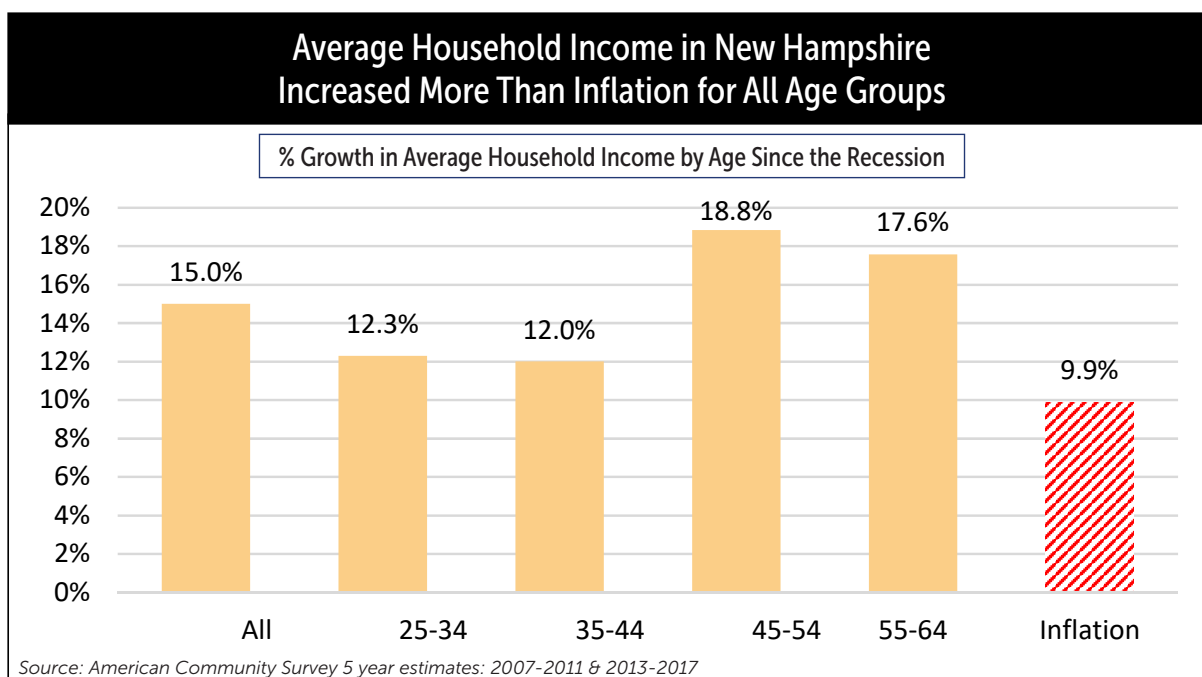
Aggregate Income Growth is Not Individual Income Growth

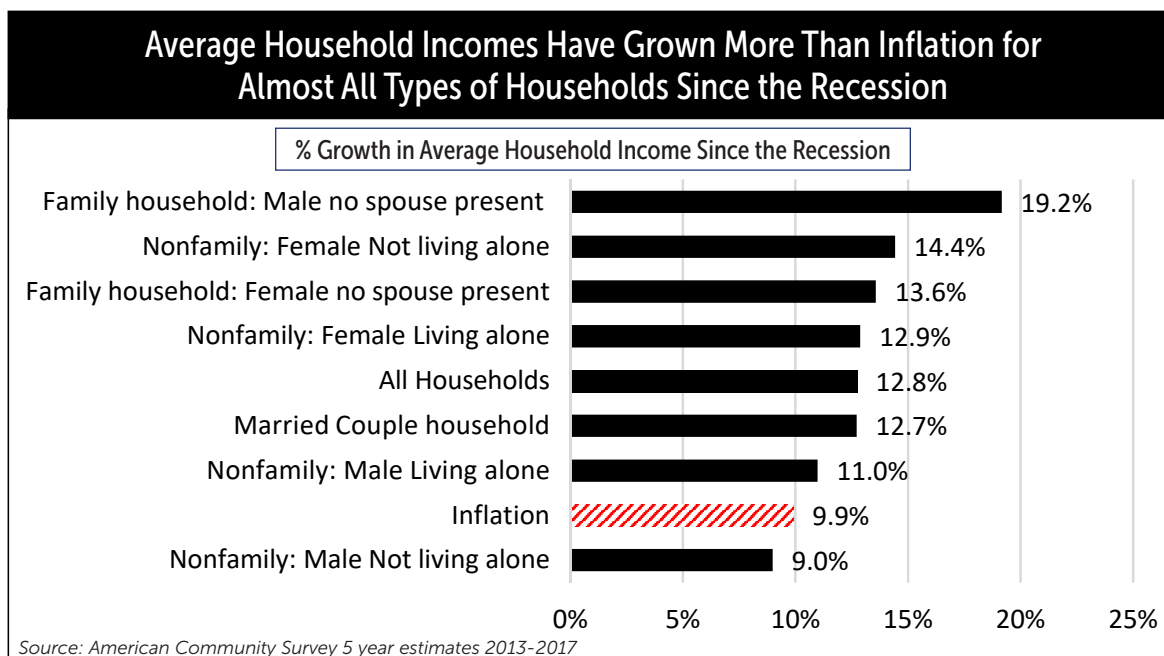
These data highlight the impact that demographic changes can have on aggregated measures of income growth in the state, but they say little about income growth of individual households

or even households in similar demographic groups. Average household income among all age groups has increased faster than inflation in New Hampshire since the “great recession”.

Similarly, growth in average household income for almost all household types in New Hampshire has exceeded inflation, indicating that, on average, households of all types experienced real income gains since the recession (albeit not all at the same rate). The one exception is male-headed, nonfamily households, with more than one person living in the household.

Data that show real income gains for different demographic groups are important because if increasing inequality and slow or stagnant income gains were the result of a fundamental inequality in income growth for some groups, we would expect





to see more demographic groups with stagnant or declining incomes. Instead, we see that some demographic groups have seen greater gains than others, but in general, almost all demographic groups have seen real income gains. These data imply that the causes of slower median household income growth largely reflect changes in the demographic composition of New Hampshire households. Demographic changes have resulted in an increasing percentage of New Hampshire households being comprised of households that tend to have lower levels of income (younger and retired households and non-family households). As household growth in the state has been more concentrated among groups with lower levels of household income, the effect has been to lower the growth in median household income and also impact inequality measures such as the Gini index.

There are other factors that contribute to differences in economic opportunities, earnings, and household incomes in New Hampshire. Educational attainment and skill level are the most prominent, but these factors reflect an economy that increasingly values and monetarily rewards the occupational skills and educational attainment levels that are most in demand by employers, rather than a fundamental unfairness or inequality in the state.

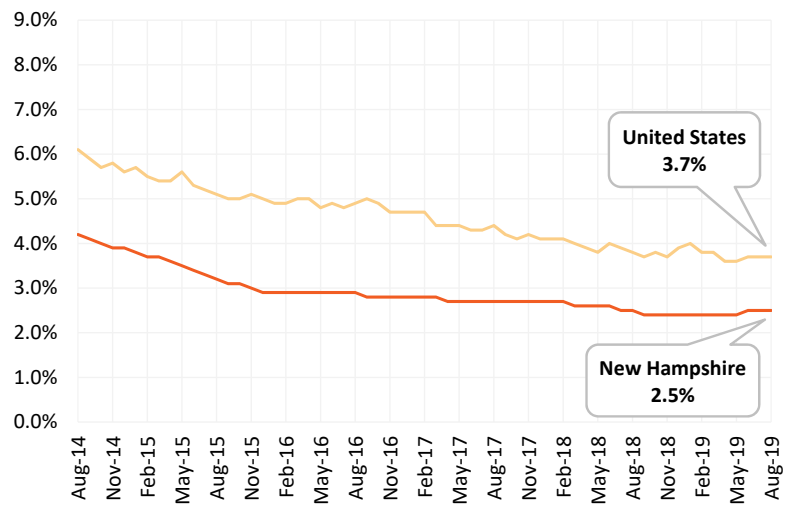
Assuring that benefits from a vibrant economy accrue to all New Hampshire residents depends on an understanding of the factors that most contribute to gains in income and opportunity in the state, and what factors are artifacts of demographic shifts occurring in the state.

– Brian Gottlob, Director

SEASONALLY ADJUSTED ESTIMATES

Unemployment Estimates by Region

Seasonally Adjusted	Aug-19	Jul-19	Aug-18
United States	3.7%	3.7%	3.8%
Northeast	3.6%	3.6%	3.8%
New England	3.0%	3.0%	3.4%
Connecticut	3.6%	3.6%	4.0%
Maine	2.9%	3.0%	3.5%
Massachusetts	2.9%	2.9%	3.3%
New Hampshire	2.5%	2.5%	2.5%
Rhode Island	3.6%	3.5%	3.9%
Vermont	2.1%	2.1%	2.6%
Mid Atlantic	3.8%	3.8%	4.0%
New Jersey	3.2%	3.3%	4.0%
New York	4.0%	4.0%	3.9%
Pennsylvania	3.9%	3.9%	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	
	Aug-19	Jul-19	Aug-18	Month	Year
Total Nonfarm	694,500	694,300	681,500	200	13,000
Total Private	601,600	602,000	590,500	-400	11,100
Mining and Logging	1,000	1,000	1,000	0	0
Construction	28,500	28,000	27,000	500	1,500
Manufacturing	69,900	70,100	71,000	-200	-1,100
Durable Goods	52,900	53,100	52,900	-200	0
Non-Durable Goods	17,000	17,000	18,100	0	-1,100
Trade, Transportation, and Utilities	140,700	141,500	138,800	-800	1,900
Wholesale Trade	29,700	29,800	28,000	-100	1,700
Retail Trade	94,700	94,800	94,100	-100	600
Transportation, Warehousing, and Utilities	16,300	16,900	16,700	-600	-400
Information	12,400	12,300	12,400	100	0
Financial Activities	33,800	33,900	34,100	-100	-300
Financial and Insurance	26,800	26,900	27,000	-100	-200
Real Estate and Rental and Leasing	7,000	7,000	7,100	0	-100
Professional and Business Services	85,200	85,200	83,100	0	2,100
Professional, Scientific, and Technical Services	39,700	39,700	37,800	0	1,900
Management of Companies and Enterprises	9,100	9,200	9,100	-100	0
Administrative and Support and Waste Management and Remediation Services	36,400	36,300	36,200	100	200
Education and Health Services	130,600	130,100	125,900	500	4,700
Educational Services	35,300	34,900	33,300	400	2,000
Health Care and Social Assistance	95,300	95,200	92,600	100	2,700
Leisure and Hospitality	73,800	74,000	72,000	-200	1,800
Arts, Entertainment, and Recreation	12,700	12,700	12,300	0	400
Accommodation and Food Services	61,100	61,300	59,700	-200	1,400
Other Services	25,700	25,900	25,200	-200	500
Government	92,900	92,300	91,000	600	1,900
Federal Government	8,200	8,000	7,800	200	400
State Government	24,700	24,600	25,000	100	-300
Local Government	60,000	59,700	58,200	300	1,800

*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	Aug-19	Jul-19	Aug-18
Total Civilian Labor Force	781,930	786,100	770,240
Employed	762,180	766,810	751,700
Unemployed	19,750	19,290	18,540
Unemployment Rate	2.5%	2.5%	2.4%

United States (# in thousands)	Aug-19	Jul-19	Aug-18
Total Civilian Labor Force	164,019	164,941	161,909
Employed	157,816	158,385	155,539
Unemployed	6,203	6,556	6,370
Unemployment Rate	3.8%	4.0%	3.9%

Unemployment Rates by Area

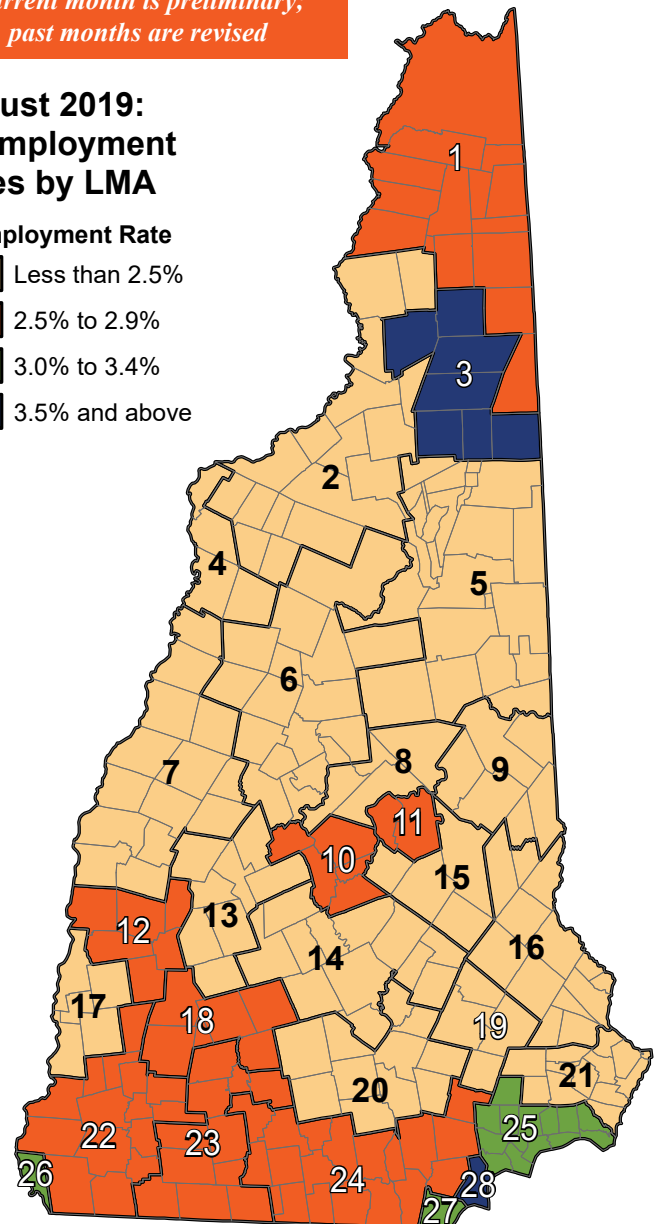
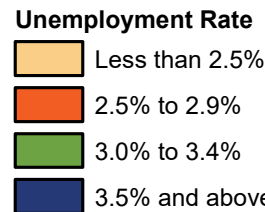
Counties	Aug-19	Jul-19	Aug-18
Belknap	2.3%	2.2%	2.2%
Carroll	2.2%	2.1%	2.1%
Cheshire	2.6%	2.5%	2.5%
Coös	2.8%	2.8%	2.7%
Grafton	2.2%	2.1%	2.0%
Hillsborough	2.7%	2.6%	2.6%
Merrimack	2.3%	2.1%	2.1%
Rockingham	2.7%	2.7%	2.6%
Strafford	2.4%	2.3%	2.2%
Sullivan	2.3%	2.2%	1.9%

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

Unemployment Rates by Region

Not Seasonally Adjusted	Aug-19	Jul-19	Aug-18
United States	3.8%	4.0%	3.9%
Northeast	3.8%	3.8%	4.0%
New England	3.0%	3.0%	3.3%
Connecticut	3.6%	3.6%	4.1%
Maine	2.1%	2.4%	2.8%
Massachusetts	2.8%	2.9%	3.2%
New Hampshire	2.5%	2.5%	2.4%
Rhode Island	3.8%	3.7%	4.0%
Vermont	2.2%	2.2%	2.5%
Mid Atlantic	4.1%	4.1%	4.2%
New Jersey	3.4%	3.5%	4.2%
New York	4.2%	4.1%	4.0%
Pennsylvania	4.5%	4.6%	4.6%

*Current month is preliminary;
past months are revised*

August 2019:
Unemployment
Rates by LMA

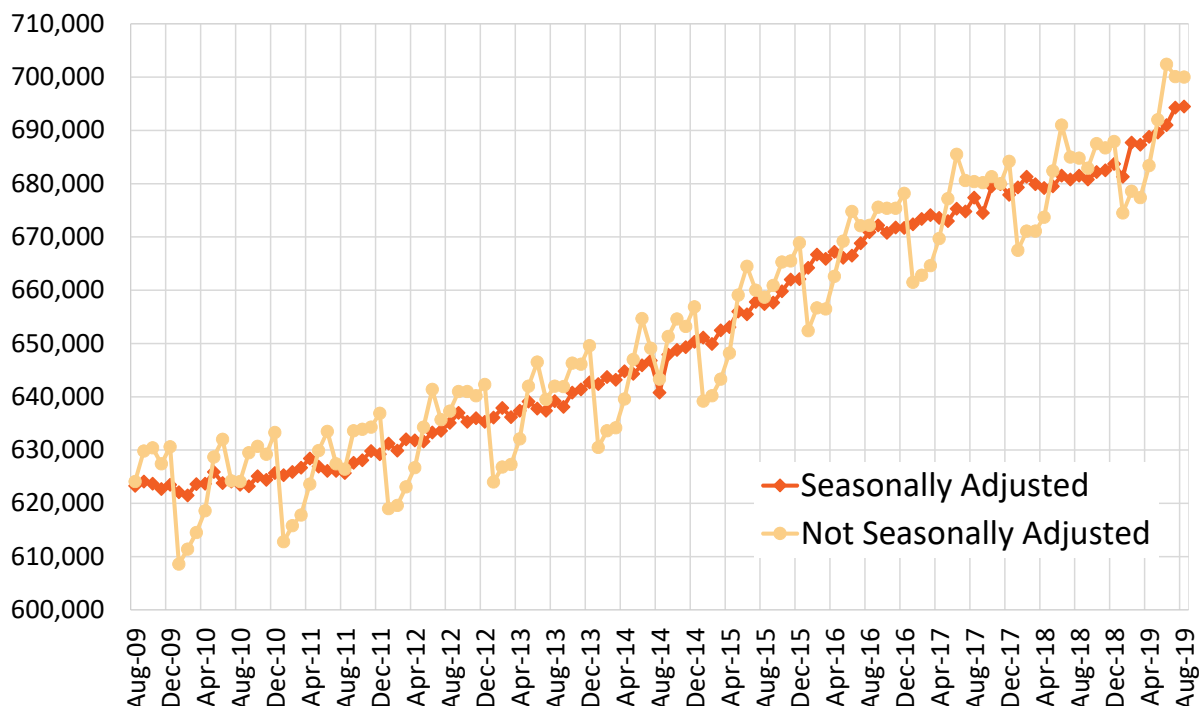
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

New Hampshire Nonfarm Employment Statewide
Not Seasonally Adjusted (CES)

*Current month
is preliminary;
past months
are revised*

	Number of Jobs			Change From Previous	
	Aug-19	Jul-19	Aug-18	Month	Year
Total Nonfarm	700,000	700,100	684,800	-100	15,200
Total Private	617,800	619,600	604,800	-1,800	13,000
Mining and Logging	1,100	1,100	1,100	0	0
Construction	30,200	29,800	28,300	400	1,900
Manufacturing	70,400	70,600	71,400	-200	-1,000
Durable Goods	53,400	53,600	53,200	-200	200
Non-Durable Goods	17,000	17,000	18,200	0	-1,200
Trade, Transportation, and Utilities	142,200	143,200	139,700	-1,000	2,500
Wholesale Trade	30,100	30,200	28,200	-100	1,900
Retail Trade	95,900	96,500	95,200	-600	700
Transportation, Warehousing, and Utilities	16,200	16,500	16,300	-300	-100
Information	12,400	12,400	12,600	0	-200
Financial Activities	34,500	34,500	34,800	0	-300
Professional and Business Services	87,100	87,000	84,600	100	2,500
Education and Health Services	128,200	128,600	124,300	-400	3,900
Leisure and Hospitality	85,100	85,600	82,100	-500	3,000
Other Services	26,600	26,800	25,900	-200	700
Government	82,200	80,500	80,000	1,700	2,200
Federal Government	8,200	8,000	7,900	200	300
State Government	22,100	22,100	22,000	0	100
Local Government	51,900	50,400	50,100	1,500	1,800

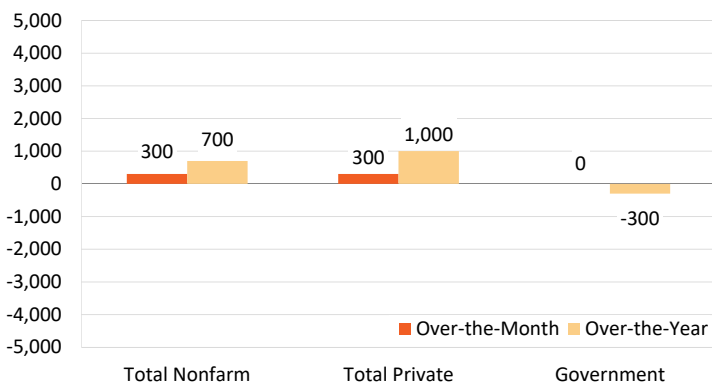
Total Nonfarm Employment Trend Through August 2019



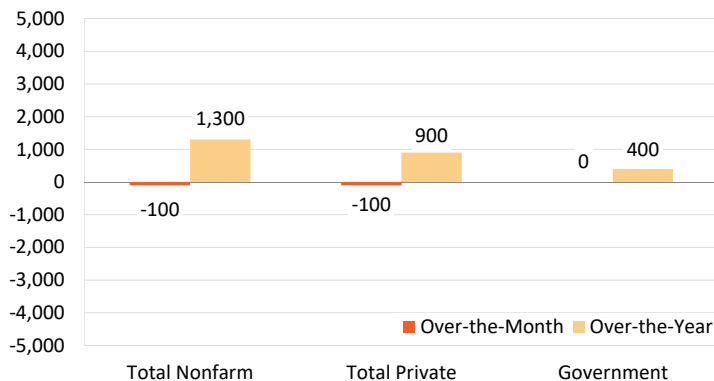
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Nonfarm Employment by Metropolitan Statistical Areas - August 2019

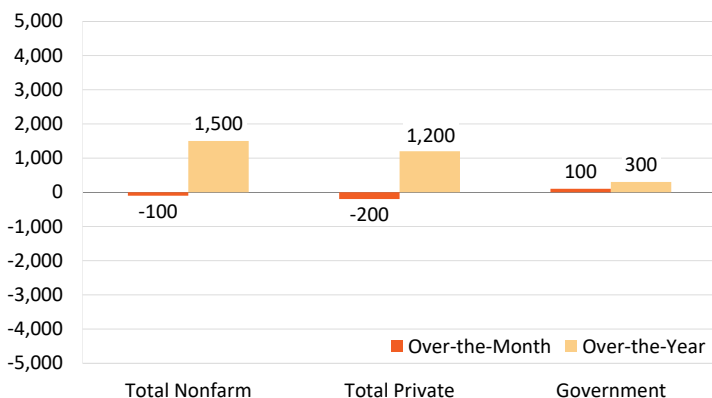
Dover-Durham NH-ME Metro NECTA



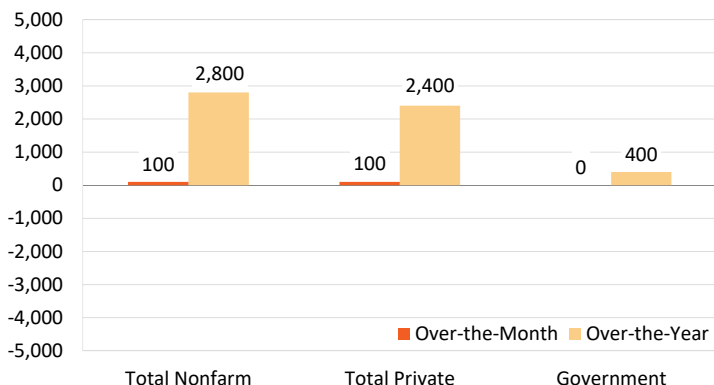
Manchester Metro NECTA



Portsmouth NH-ME Metro NECTA

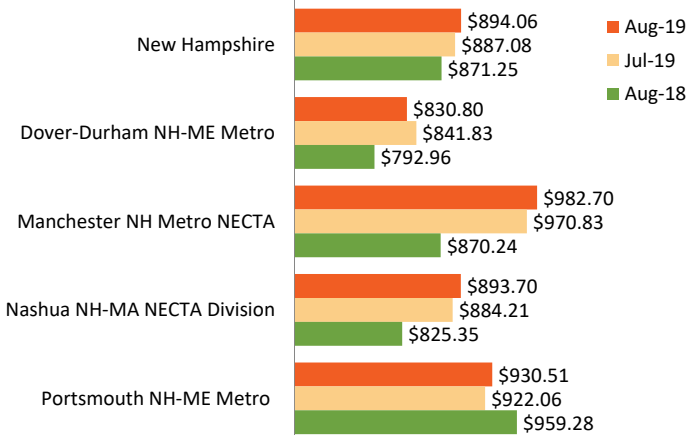


Nashua NH-MA NECTA Division

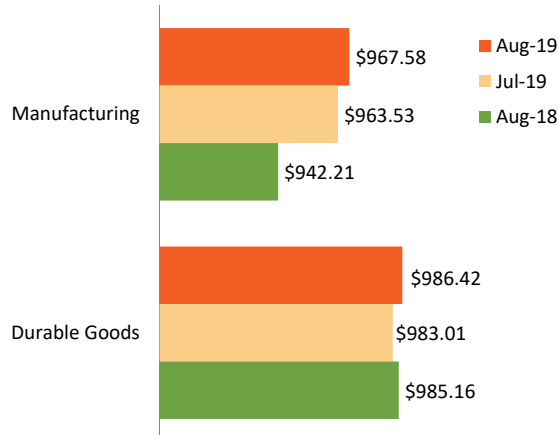


Total Private Average Weekly Earnings Data

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 increased 200 jobs in August, according to preliminary seasonally adjusted estimates. *Government* had the largest over-the-month gain in employment, adding 600 jobs, followed by *Construction* and *Private Education and Health Services* with an increase of 500 positions each. *Information* added a modest 100 jobs from July.

Five supersectors experienced over-the-month employment losses in August. *Trade, Transportation, and Utilities* decreased payrolls by 800 jobs, while *Manufacturing, Leisure and Hospitality*, and *Other Services* dropped 200 jobs each. *Financial Activities* trimmed payrolls by 100 positions from July.

Seasonally adjusted *Total Nonfarm* employment increased 13,000 jobs from August 2018 to August 2019. *Private Education and Health Services* expanded by 4,700 jobs, while *Professional and Business Services* gained 2,100 positions. *Trade, Transportation, and Utilities* and *Government* added 1,900 jobs each, while *Leisure and Hospitality* expanded payrolls by 1,800 positions. *Construction* increased 1,500 jobs, and *Other Services* added 500 positions over-the-year.

Two supersectors experienced over-the-year employment losses. *Manufacturing* shed 1,100 positions, and *Financial Activities* dropped 300 jobs.

Not Seasonally Adjusted

Preliminary unadjusted estimates for August show that *Total Nonfarm* employment decreased 100 jobs over-the-month. *Trade, Transportation, and Utilities* had the largest decrease, dropping 1,000 jobs, followed by *Leisure and Hospitality* with a decrease of 500 jobs. *Private Education and Health Services* lost 400 positions, while *Manufacturing* and *Other Services* shed 200 jobs each from July.

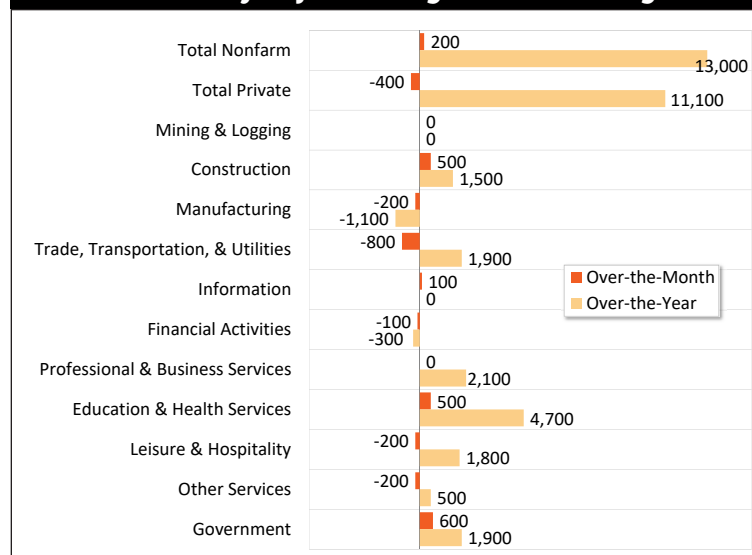
Three supersectors added jobs over-the-month. *Government* gained 1,700 jobs, and *Construction* increased 400 jobs. *Professional and Business Services* increased payrolls by a modest 100 jobs from July.

Total Nonfarm employment increased 15,200 jobs from August 2018 to August 2019. *Private Education and Health Services* gained 3,900 jobs, while *Leisure and Hospitality* added 3,000 positions. *Trade, Transportation, and Utilities* and *Professional and Business Services* increased payrolls by 2,500 jobs each, and *Government* added 2,200 jobs over-the-year. *Construction* gained 1,900 positions, while *Other Services* increased 700 jobs from August 2018.

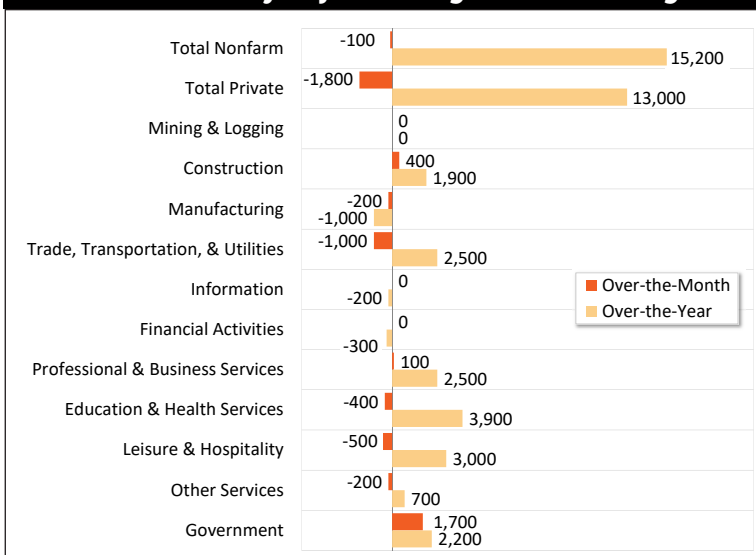
Three supersectors experienced an over-the-year employment loss. *Manufacturing* employment decreased by 1,000 positions, and *Financial Activities* shed 300 jobs. *Information* dropped 200 jobs over-the-year.

Ellie Goodbread
Research Analyst

Seasonally Adjusted August 2019 Change



Not Seasonally Adjusted August 2019 Change



Consumer Price Index

United States, All Urban Consumers

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

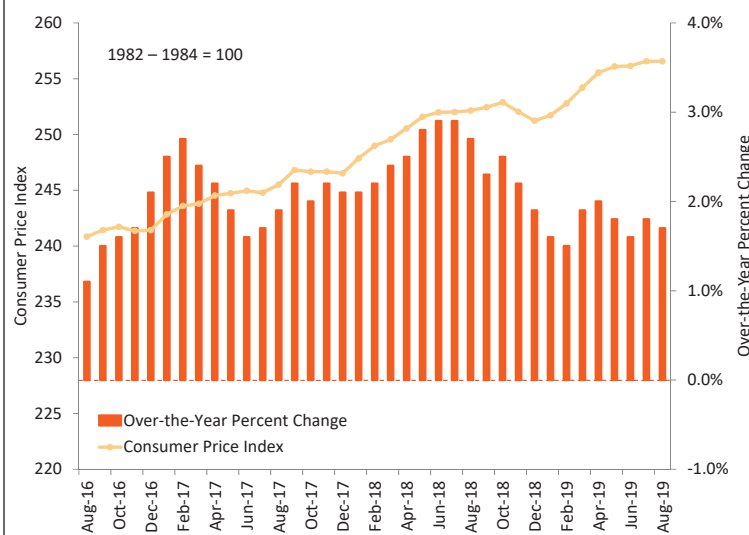
			Change From Previous	
Aug-19	Jul-19	Aug-18	Month	Year
256.558	256.571	252.146	0.0%	1.7%

Northeast, All Urban Consumers

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

			Change From Previous	
Aug-19	Jul-19	Aug-18	Month	Year
270.548	270.381	266.425	0.1%	1.5%

Consumer Price Index United States, All Urban Consumers



Unemployment Compensation Claims Activity

	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
Initial Claims	2,083	2,219	1,550	2,028	1,888	1,718
Continued Weeks Claimed	17,239	15,338	10,600	11,466	14,394	11,430
Average payment for a week of unemployment	\$326.62	\$330.12	\$334.69	\$340.61	\$326.95	\$327.39

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.

To order publications, visit our website at: www.nhes/nh.gov/elmi, call 603-228-4124 or send a written request to the following address:

ELMI Publications
NH Employment Security
45 South Fruit Street
Concord, NH 03301-4857

NH Employment Security is a proud member of America's Workforce Network and NH Works.
 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

