

# New Hampshire ECONOMIC CONDITIONS

October 2022

Final Get Together for the Fall PHOTO CREDIT

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Colorful Leaves, Salisbury NH PHOTO CREDIT

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Birds Eye View, Derry NH PHOTO CREDIT

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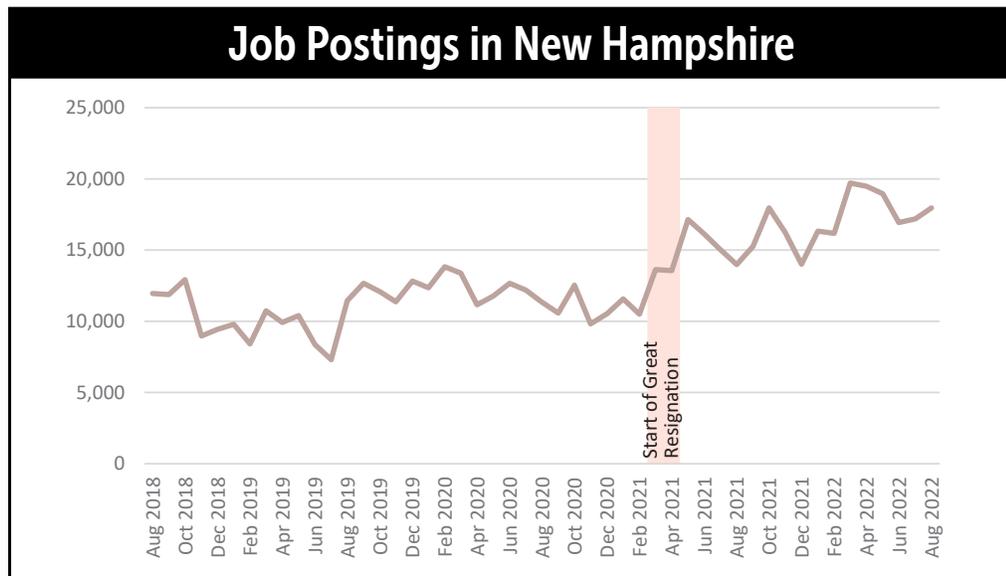
Brilliant River, White Mountains NH PHOTO CREDIT

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## Do Job Postings Show Evidence of Slowing Employment Growth?

New Hampshire's August 2022 employment estimates – Local Area Unemployment Statistics (LAUS) and Current Unemployment Statistics (CES) – produced mixed results in August 2022, with LAUS reporting an employment increase of 1,880 workers, while CES reported a decline in private employment of 900 jobs.<sup>1</sup> In spite of these mixed results, employment growth has been one of the best-performing aspects of the economy in 2022, both in New Hampshire and in the U.S. overall. Demand for labor remained high as well, with two job openings for every unemployed person in the U.S., and three job openings for every unemployed person in New Hampshire.

While employment growth and demand for labor remain high, experts are concerned that the U.S. economy may enter a recession in the near future. Gross Domestic Product (GDP) declined in the first and second quarters of 2022 before increasing again in the third quarter; two consecutive quarters of negative GDP growth is considered an unofficial indication



Source: Lightcast™ Developer, 2022

that the economy is in a recession, although this metric is not used by the National Bureau of Economic Research, a nonprofit research organization that officially determines when the U.S. economy enters a recession.<sup>2</sup> In addition to negative GDP growth, the Federal Reserve has raised the federal funds rate from between 0.00 and 0.25 percent in March 2022 to between 3.75 and 4.00 percent in November 2022. Higher interest rates reduce inflation by increasing the cost of borrowing money. This lowers demand for goods and services, slowing the rate of economic growth, but at the same time, increases the likelihood of a recession.

Job postings data from Lightcast can provide insight into current labor demand, reflecting employers' outlook on future economic conditions. A decline in job postings could indicate

labor demand is slowing, as businesses concerned about negative economic events such as recession are likely to reduce hiring.

The number of job postings in New Hampshire increased steadily starting in early 2021, dubbed the Great Resignation, as high demand for labor, high turnover, and a labor force that remained below pre-pandemic levels causing many businesses difficulty in filling open positions. In August 2022, there were just under 18,000 unique job postings from New Hampshire businesses, down slightly from March, April, and May 2022, when postings averaged 19,400 per month.<sup>3</sup> While below spring 2022 levels, the number of job postings in August exceeded June and July postings, and the overall number of job postings in New Hampshire appeared to plateau, not trend downwards.

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1 LAUS and CES measure different populations, which may partially explain the diverging estimates of August 2022 employment. LAUS measures labor force status of residents of New Hampshire, regardless of where they are employed. CES measures employment by businesses located in New Hampshire, which includes non-New Hampshire residents, and does not measure New Hampshire residents who are employed out-of-state. Both measures are survey-based, and subject to revisions one month after initial release, as well as annually. Estimates are seasonally adjusted.

2 The National Bureau of Economic Research defines a recession as a significant decline in economic activity that is spread across the economy and lasts more than a few months.

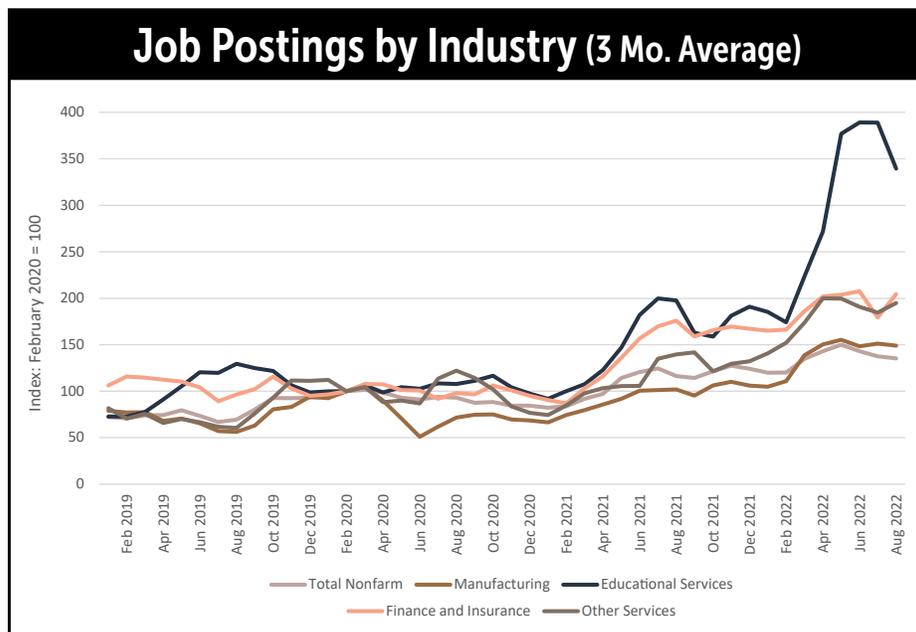
3 Job postings do not necessarily mean a position has been filled, only that a business created a posting for the job opening.

### Postings by Industry

While the number of overall postings in New Hampshire levelled off, some industries continued to experience high labor demand, while in others, demand appeared to be slowing. Job postings in the educational services industry were particularly high during the summer of 2022. Postings for jobs in this industry typically peak during the summer, between academic years, but the increase during the summer of 2022 indicated that the number of open educational services positions increased substantially for the 2022-2023 school year.<sup>4</sup> In the summer of 2019, the number of educational services job postings (3-month average) was approximately 30 percent higher than February 2020 levels.<sup>5</sup> In the summer of 2021, job postings were double February 2020 levels, and in the summer of 2022, they were three to four times higher than in February 2020.

Job postings in the finance and insurance industry began to increase in the spring of 2021, and increased gradually throughout 2022 as well. In August 2022, there were approximately twice as many finance and insurance job postings as in February 2020. Job postings for the other services industry also increased throughout 2022, and in August 2022, were nearly double pre-pandemic levels.

The manufacturing industry, which experienced slow employment growth since the beginning of the pandemic, experienced an increase in job postings in 2022 as well. Manufacturing job postings had been just above pre-pandemic levels in the second half of 2021, and by the



Source: Lightcast™ Developer, 2022

summer of 2022, had increased to approximately 50 percent above pre-pandemic levels.

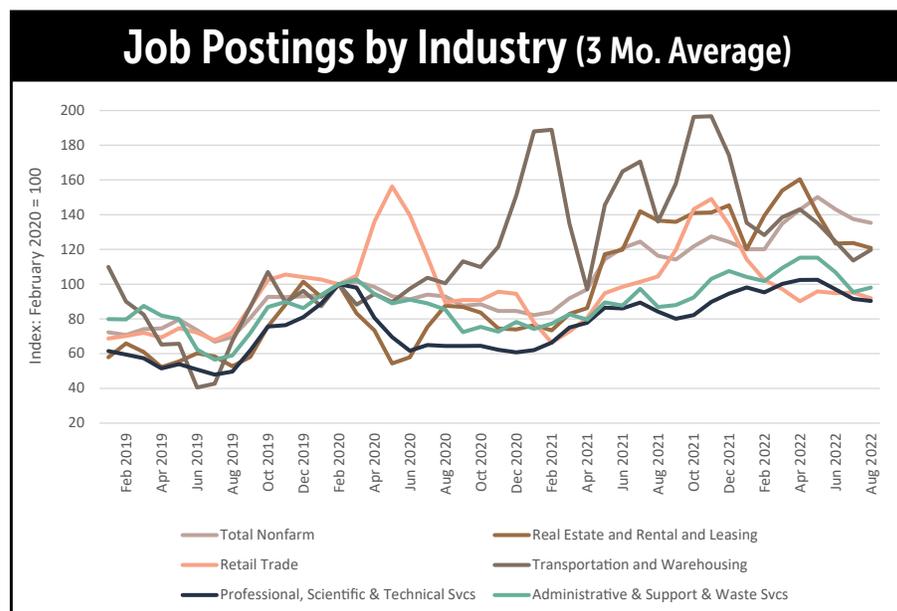
Job postings in other industries show signs of declining. Retail trade job postings, which increased substantially during the early months of the Great Resignation, have trended downwards since November 2021. Job postings for the transportation and warehousing industry have trended downwards since November 2021 as well, although in both industries, seasonal demand for workers prior to the holidays contributed to the decline in job postings through the end of the year. The number of job postings continued to fall in 2022, although at a more gradual pace, after the initial post-holiday decline.

Job postings for professional, scientific, and technical services and administrative and support and waste management and remediation services (which includes temporary staffing firms) have declined since spring 2022. Real estate and rental and leasing job postings have also declined since spring 2022, as mortgage rates began to rise, slowing home sales and refinancing.

### Comparisons to U.S. Labor Demand

Job postings in New Hampshire have followed similar trends to postings in the U.S. In both geographic areas, the number of job postings increased beginning in early 2021, peaked in May 2022, then levelled off.

While overall trends were similar, job postings in the construction industry and for information



Source: Lightcast™ Developer, 2022

<sup>4</sup> Lightcast job postings include both public and private education postings in the educational services industry, while CES includes public schools in the public administration industry.  
<sup>5</sup> Job postings are indexed to February 2020 levels, just before the start of the coronavirus pandemic. Three-month rolling averages are used to smooth month-to-month volatility.

technology (IT) occupations<sup>6</sup> showed indications of slowing labor demand nationwide, while trends were more ambiguous in New Hampshire. Rising interest rates have likely affected both of these groups. The Federal Reserve’s interest rate increases have caused mortgage rates to rise, slowing the real estate market, including new construction.

When interest rates increase, investors and lenders tend to avoid riskier businesses, which generally have potential for higher growth but greater chance of failure than “safer” investments. This has a disproportionately large effect on technology start-ups, which typically rely on investor capital or loans, rather than profits, to fund new products and research.<sup>7</sup> Nationwide, a number of technology firms have announced layoffs and hiring freezes in recent months.

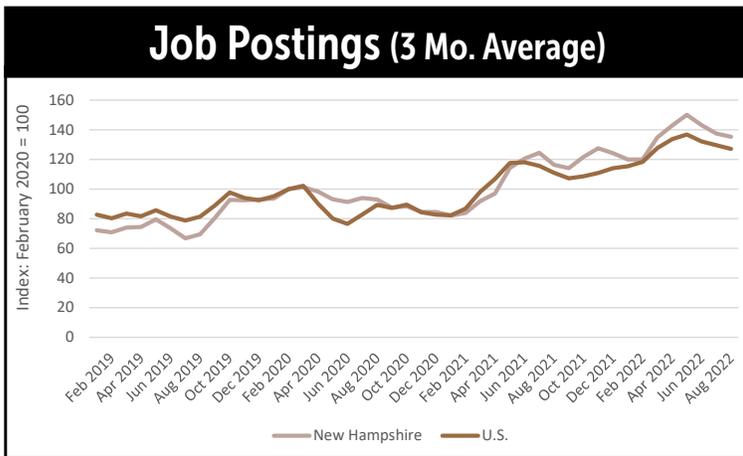
Reduced hiring in the technology sector would not affect all IT job postings. CompTIA, an information technology trade association, estimated 42 percent of IT workers nationwide were employed in the technology sector, while 58 percent were employed in other industries.<sup>8</sup> In New Hampshire, just 36 percent of IT workers were employed in the technology sector, suggesting that slow hiring in the technology sector would have a smaller effect on job postings for

New Hampshire-based IT positions. In comparison, in California, with a high concentration of technology firms, job postings for IT occupations fell at a faster rate than the national average during the summer of 2022. The decline was even faster in the San Francisco-Oakland-Berkeley, CA Metropolitan Statistical Area, where Silicon Valley is located.

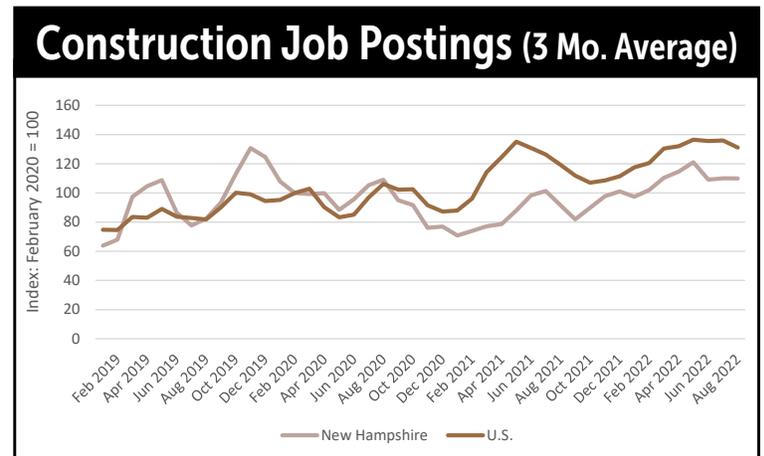
**Summary**

While trends vary across industries, the number of job postings in New Hampshire remain high, indicating that demand for labor continues to be strong, even as other economic indicators decline. Although the number of postings in some industries have declined, the decline has been gradual; postings do not appear to be decreasing drastically in any industry (with the exception of educational services, which is due to seasonal factors, rather than economic conditions). Some economists have even mentioned the possibility of a “job-full” recession, where the decline in economic activity would not result in layoffs and increased unemployment. Instead, businesses would reduce new hiring, but refrain from laying off workers.<sup>9</sup>

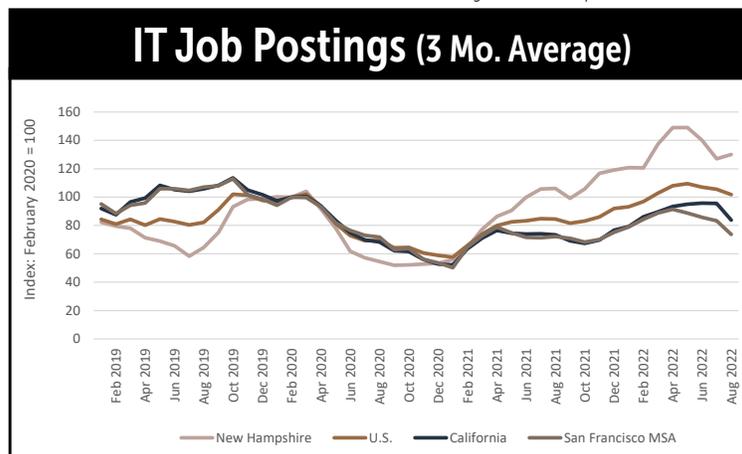
– Greg David, Economist



Source: Lightcast™ Developer, 2022



Source: Lightcast™ Developer, 2022



Source: Lightcast™ Developer, 2022

6 CompTIA identified 43 individual industries, spread across six sectors, that it considers part of the technology sector. Identifying job postings in these industries is not possible using Lightcast data. Instead, job postings are measured for Information Technology occupations, using Lightcast’s Global Occupation Taxonomy.  
 7 Mallika Mitra, CNN, “Why Tech Stocks Are Doing Especially Poorly During the Market Selloff.” <https://money.com/why-are-tech-stocks-down-2022/>.  
 8 CompTIA, “State of the Tech Workforce.” [https://www.cyberstates.org/pdf/CompTIA\\_Cyberstates\\_2022.pdf](https://www.cyberstates.org/pdf/CompTIA_Cyberstates_2022.pdf).  
 9 The Conference Board, “Will the US Have a ‘Job-Full’ Recession?” <https://www.conference-board.org/topics/recession/Will-The-US-Have-a-Job-Full-Recession>.