

New Hampshire Economic Conditions

November 2013

Veterans in New Hampshire

Who are Veterans?

Veterans are men and women who have served (even for a short time), but are not currently serving, on active duty in the U.S. Army, Navy, Air Force, Marine Corps, or the Coast Guard, or who served in the U.S. Merchant Marine during World War II. Those who served in the National Guard or Reserves are considered veterans only if they were called or ordered to active duty.¹

According to the 2012 American Community Survey 1-year estimates, over 108,000 individuals, almost 11 percent of New Hampshire's population, were veterans.²

Demographics³

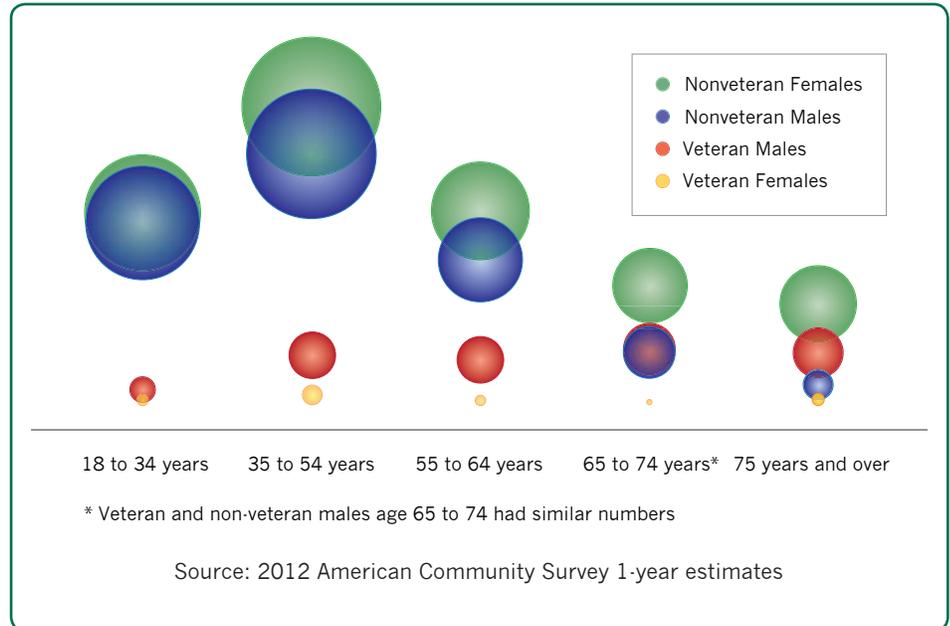
In 2012, over 48 percent of New Hampshire's civilian veterans were age 65 years and older, compared to 15 percent of the nonveteran population. Less than two percent of veterans in that age cohort were female. There are larger shares of veterans in the oldest

age cohorts, as they had enlisted during WWII and the Korean Conflict. Additionally, many who served during the Vietnam Era are now turning 65 years of age. Only seven percent of all New Hampshire veterans were in the youngest age

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NH Veterans and Non-veterans by Age and Gender, 2012



Data Availability Notice: Due to the federal government shutdown in October, the September statewide unemployment rate, originally scheduled for release on October 15, and the October statewide unemployment rate, originally scheduled for release on November 13, were delayed. Release of September and preliminary October data for the state have been rescheduled for November 20, 2013. September and October substate labor force statistics were also delayed, and are now scheduled for release on November 27, 2013.

September and October labor force data will be published in the December 2013 issue of *Economic Conditions*.

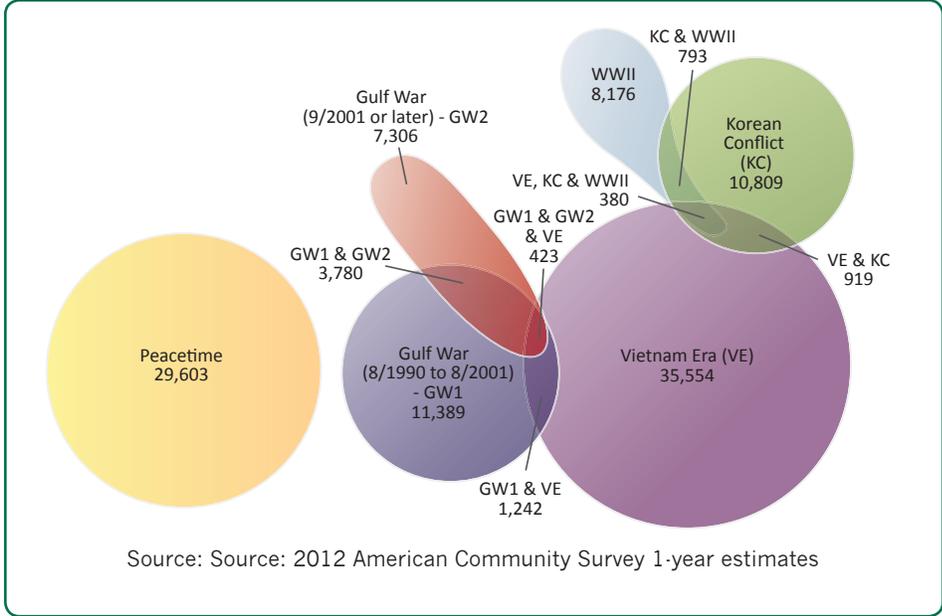
1. Definitions and Concepts. United States Census Bureau. <www.census.gov/hhes/veterans/about/definitions.html>. Accessed October 30, 2013.
 2. Population age 18 years and over is used for comparisons of the population to veterans because an individual must be age of majority to enlist in military service.
 3. U.S. Census Bureau; American Community Survey, 2012 American Community Survey 1-Year Estimates, Table S2101; generated by Anita Josten; using American FactFinder; <<http://factfinder2.census.gov>>; 30 October 2013.

cohort, age 18 to 34 years. Excluding enlisted personnel who do not reenlist after their initial tour of duty, the smaller share for the youngest age cohort may be explained by the fact that individuals choosing a military career would still be active service until retirement in their late thirties.

War Service ⁴

The largest share of New Hampshire veterans, about 38,500 service men and women, served during the Vietnam Era. This represented about 35 percent of all New Hampshire veterans. Almost 30,000 veterans, about 27 percent of the state's veterans, served during peacetime, the time periods between wars. Those who served during any Gulf War period accounted for the second largest share of veterans who served during war time, with about 22 percent of New Hampshire

Number of NH Veterans Who Served in War Periods, 2012



veterans. Many who served in one or both of the Gulf Wars are still in active service, and therefore are not yet veterans. Just over seven percent

of all New Hampshire veterans, roughly 8,000 veterans, served during multiple wars.

New Hampshire National Guard

With a motto of *Always Ready Always There*, the citizen soldiers and airmen of the New Hampshire National Guard respond to domestic emergencies, and support combat operations, counterdrug efforts, reconstruction missions, and more. Members of the New Hampshire National Guard, called or ordered to active duty but no longer serving, are considered veterans.

Under the leadership of the Adjutant General, the New Hampshire National Guard includes the Army Guard, the Air Guard and all Joint (combined Army and Air) units and personnel. The position of the Adjutant General is appointed by the Governor of the State of New Hampshire. When so ordered by the Governor, the New Hampshire National Guard assists other state agencies during natural disasters, in conducting search and rescue operations, or during civil unrest. The National Guard provides support to state and federal law enforcement with counterdrug operations, and provides support to the Army and Air Force with operationally ready units and personnel for war or national emergency as ordered by the President. The National Guard also provides support to a variety of community organizations for the benefit of the people of New Hampshire.^a

In addition to these duties, the Adjutant General's office is responsible for operation of the New Hampshire State Veterans' Cemetery, and the New Hampshire National Guard's Military Funeral Honors Program, which provides military funeral honors ceremonies for honorably discharged veterans.^b

a. New Hampshire Adjutant General's Department <www.nh.gov/adjgeneral/>.

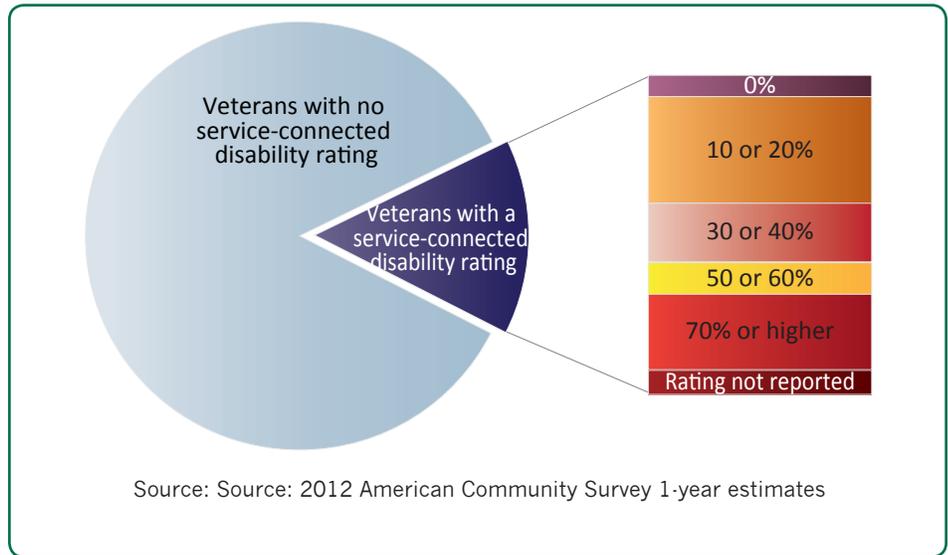
b. New Hampshire National Guard honor Guard. <www.nh.ngb.army.mil/units/honorguard>.

4. U.S. Census Bureau; American Community Survey, 2012 American Community Survey 1-Year Estimates, Table B21002; generated by Anita Josten; using American FactFinder; <http://factfinder2.census.gov>; 30 October 2013.

Disabled Veterans⁵

Roughly 140,000 people in New Hampshire had a disability, and about 18 percent of those were veterans.⁶ Over 16,000 New Hampshire veterans had a service-connected disability.⁷ About 5,500 veterans had a 10 to 20 percent disability rating, and 3,800 veterans had a 70 percent or higher disability rating. There were 3,000 veterans with a 30 to 40 percent disability rating, and 1,600 veterans with 50 to 60 percent disability rating due to a service-connected disability. Another 1,000 veterans had a 0 percent disability rating. The remaining New Hampshire veterans with a service-connected disability did not have a rating reported.

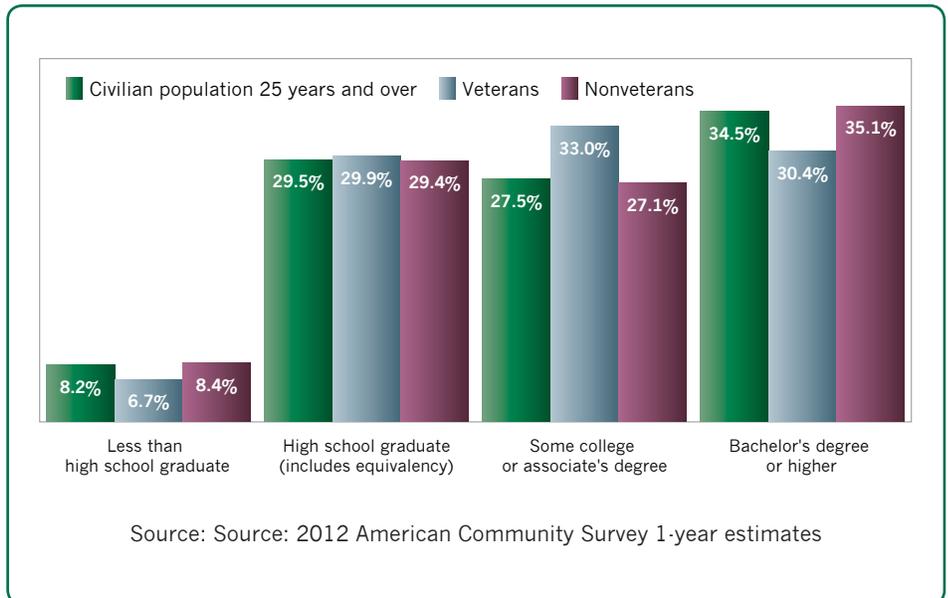
NH Veterans with Service-Connected Disability Rating, 2012



Educational Attainment⁸

Educational attainment is usually measured based on the population age 25 years and older, as the majority of adults have completed their education by this age. Just under two-thirds of New Hampshire veterans have attained at least some level of college education, and about 30 percent hold a Bachelor's degree or higher. The share of veterans with a Bachelor's degree is a little lower than nonveterans in the state, but the share of veterans with some college or an associate's degree is significantly higher than nonveterans. The share of high school graduates among New Hampshire's veterans and nonveterans were about the same.

Educational Attainment by Veteran Status in NH, 2012



Anita Josten

5. Following discharge from military service, the Department of Veterans affairs is responsible for assessing a veteran's disabling conditions. Any disease or injury incurred or aggravated during active military service is considered a service-connected disability. A 'disability rating' is assigned by the VA based on the degree of disability on a scale of 0 to 100, in 10 percent increments. This rating is used to determine compensation payments for the disabled veteran. A zero-rating, as opposed to no rating, means a disability exists but is not severe enough to entitle the veteran to compensation payments. Veterans with multiple disabilities must have each disability separately assessed, then the VA assigns a combined disability rating to determine the appropriate compensation payment. <www.census.gov/hhes/veterans/about/definitions.html>.

6. U.S. Census Bureau; American Community Survey, 2012 American Community Survey 1-Year Estimates, Table C21007; generated by Anita Josten; using American FactFinder; <http://factfinder2.census.gov>; 30 October 2013.

7. Op cit., Table B21100.

8. Op cit., Table S2101.

New Hampshire’s Employment Comeback – More Job Growth Needed!

The New Hampshire state unemployment rates for September and October, as well as the monthly release of nonfarm jobs data, have been rescheduled for release on November 20, 2013.¹ This delay in releasing the monthly analysis for New Hampshire’s economy gives time to pause and evaluate the strength of New Hampshire’s labor market from another source of economic data: covered employment.

Covered employment data for first quarter 2013 is now available.² Covered employment data are not seasonally adjusted, therefore this analysis is based on comparing quarterly employment data for the same calendar quarter of each year over the last five years.

First quarter to first quarter change in covered employment

In economic terminology, a recession is characterized by a pre-recession peak, a trough (bottom-out period) and a post-recession recovery period. A recession involves a broad decline in economic activity lasting longer than a few months, and is seen in indicators such as real income levels, industrial output, retail trade levels, and employment.

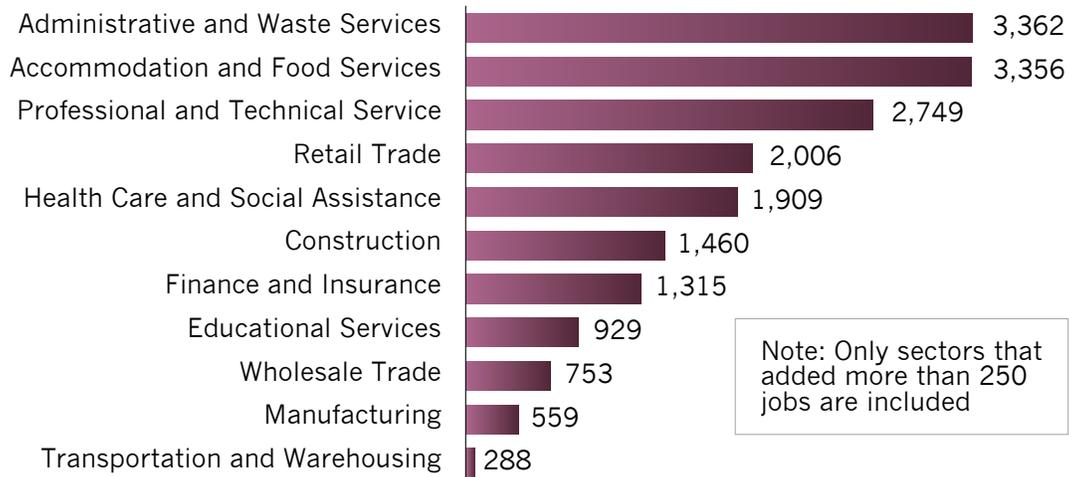
New Hampshire covered employment reflects this profile. Limiting comparisons to first quarter data (to avoid seasonal employment changes), the peak was considered to be first quarter 2008, and the trough period was in first quarter 2010.

Total average quarterly employment reached 605,616 in first quarter 2013, which was 17,250 jobs above the average employment level of first quarter 2010. From first quarter 2008 to first quarter 2010, about 33,200 job losses accrued, and by first quarter 2013 New Hampshire’s job counts still measured about 16,000 jobs below the average quarterly employment of first quarter 2008.

In addition to establishing that total employment has yet to recover to its prior strength, analyzing covered employment data by industry sector helps determine where employment growth is occurring.

By first quarter 2013, about half of the sectors in the New Hampshire’s

Sectors in New Hampshire’s Economy Experiencing Gains Since 1st Quarter 2010



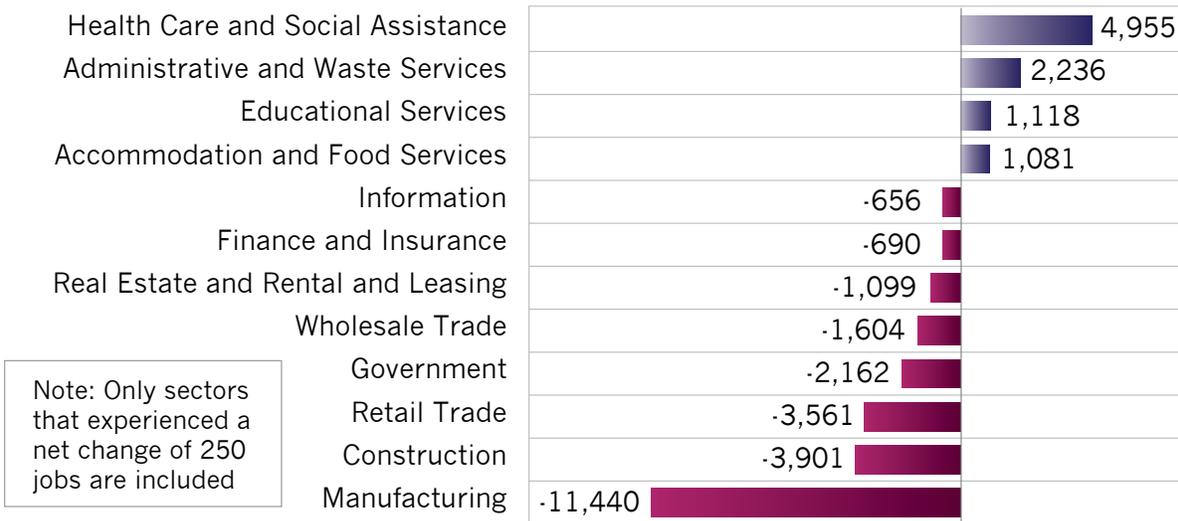
Note: Only sectors that added more than 250 jobs are included

Source: Quarterly Census Employment & Wages (QCEW), 2010Q1 – 2013Q1

¹ Both of the monthly releases were delayed due to the federal government shutdown in October.

² Data may be found on the web at: www.nhes.nh.gov/elmi/statistics/qcew-data.htm#quarterly.

Net Employment Change Over 5 Years in New Hampshire



Source: Source: Quarterly Census Employment & Wages (QCEW), 2008Q1 – 2013Q1

economy had reached their pre-recession level. Four sectors had gained substantial employment growth since first quarter 2008: *Health care and social assistance*, *Administrative and waste services*, *Educational services*, and *Accommodation and food services*.

- *Health care and social assistance* gained 4,955 jobs from first quarter 2008 to first quarter 2013. This sector did not lose employment during any portion of the recession or in its aftermath. However, growth in this sector has been weaker in the recovery period from first quarter 2010 to first quarter 2013 than in the downfall period.
- *Administrative and waste services* gained 2,236 jobs over the five-year period. This sector lost more than 1,100 jobs from first quarter 2008 to first quarter 2010. Employment in this sector experienced a strong comeback,

with a net increase of 3,360 jobs from first quarter 2010 to first quarter 2013.

- Employment in *Educational services* (private ownership) gained more than 1,100 over the five years. Tepid growth in private *Educational services* from first quarter 2008 to first quarter 2010 (+189) suggested that privately owned educational institutions were affected by the downturn in the financial markets, directly by the diminishing returns generated by private educational institutions' endowments as well as indirectly by the consumers ability to pay for private educational services. Since first quarter 2010, employment growth in private *Educational services* has been stronger.
- *Accommodation and food services* added more than 1,000 jobs since the beginning of recession, due to a very strong comeback. This sector added more than 3,300 jobs from first quarter 2010 to

first quarter 2013. During the downturn, *Accommodation and food services* lost about 2,250 jobs, as businesses and consumers were more frugal, limiting activities related to overnights stays and dining out.

Professional and technical services gained just about 100 jobs over the last five years. Establishments in this sector are involved in activities related to the housing market and nonresidential construction, as well as other business-to-business activities. Employment in these services was deeply affected by the blow to the overall economy at the onset of the Great Recession. From first quarter 2008 to first quarter 2010, employment in this sector dropped by more than 2,600 jobs. But from first quarter 2010 to first quarter 2013, this sector added more than 2,700 jobs, thereby recovering all jobs lost initially during the recession. The strong employment growth in *Professional and technical services*

from first quarter 2010 to first quarter 2013 is due to a resurgence of technology. During the recovery period, *Computer systems design and related services* (NAICS 5415) added more than 1,500 jobs, reflecting how companies increasingly has become dependent on external companies providing technical and computer support services (e.g., cloud data services, website maintenance, etc.).

Solid employment gains in *Retail trade* (+2,006 jobs), *Construction* (+1,460 jobs), and *Finance and insurance* (+1,315 jobs) in the recovery period were not large enough to erase the losses

experienced by these sectors during the downturn. By first quarter 2013, covered employment in *Retail trade* was still about 3,500 below first quarter 2008 employment; *Construction* employment was about 3,900 below; and *Finance and insurance* was 690 jobs below its pre-recession level.

Despite modest employment gains in *Manufacturing* during the recovery period (+559 jobs), this sector still trails far behind its pre-recession employment level. *Manufacturing* employment in first quarter 2013 was more than 11,400 jobs below its pre-recession employment level.

Recently, there have been many reports indicating that manufacturing employers are having a hard time recruiting talent and may even have positions that remain unfilled due to lack of workers with suitable skills. It might seem puzzling that such a mismatch between labor supply and demand exists when the labor pool potentially includes over 10,000 former manufacturing workers who lost jobs during the recession.

One reason for this mismatch is that the nature of manufacturing is changing and the skills required of a production worker in today’s labor market are more complex than in the past. The use of technology and prior experience with advanced machinery and processes are often prerequisites for securing a job in Advanced Manufacturing. Other reasons for the mismatch could be that former manufacturing workers may have taken jobs in other sectors, may have retired, or may have left New Hampshire.

Despite large employment losses, this sector remains the third largest employing sector in New Hampshire. To support both the continued growth and the need to replace workers as the current workforce ages, it is pivotal that the state’s workers are equipped with skills needed to qualify them for Advanced Manufacturing jobs.

The New Hampshire economy is slowly recovering the jobs lost in the Great Recession, but lack of population growth and lack of business confidence, are contributing to relatively weak job creation.

Annette Nielsen

Top Employing Sectors in New Hampshire	Average Quarterly Employment 2013Q1
Retail Trade	92,265
Health Care and Social Assistance	84,946
Manufacturing	65,344
Accommodation and Food Services	50,437
Professional and Technical Service	31,483
Administrative and Waste Services	28,053
Finance and Insurance	27,645
Wholesale Trade	26,388
Construction	20,105
Other Services Except Public Admin	19,306
Educational Services	18,652
Transportation and Warehousing	11,958
Information	11,842
Arts, Entertainment, and Recreation	10,023
Management of Companies/Enterprises	8,225

Unemployment Compensation Claims Activity

	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13
Initial Claims	5,111	3,638	4,464	4,114	3,398	3,141
Continued Weeks Claimed	40,311	31,254	31,697	35,420	30,531	28,493

Consumer Price Index

United States, All Urban Consumers, Not Seasonally Adjusted (CPI-U) (1982-1984=100)				
Sep-13	Aug-13	Sep-12	Change from Previous	
			Month	Year
234.149	233.877	231.407	0.1%	1.2%

NH Employment Security Economic and Labor Market Information Bureau

General Information(603) 228-4124
<www.nhes.nh.gov/elmi>

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Economist 229-4427

Covered Employment & Wages 228-4177

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Local Area Unemployment Statistics ... 228-4167

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New Hampshire Employment Security Local Offices:

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Littleton	444-2971	Manchester	627-7841
Nashua	882-5177	Portsmouth	436-3702
Salem.	893-9185	Somersworth	742-3600

Claims calls: 1-800-266-2252

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