

How Old Are New Hampshire Businesses? Evaluating the Number of Workers by Industry and Age of Firm

What does the longevity of a firm indicate? To some, working or doing business with a firm established many years ago is a sign of a safe choice, a company with a trusted history demonstrates stability. To others, a new company is a symbol of entrepreneurship and innovation. Economist Ronal Coase presented the idea that firms exist because it is easier to coordinate people and projects when everything is done under one roof.¹ Changes in the entire communications infrastructure have made that theory all but obsolete, opening the door to various disruptive forces of technology. Another study published by the Santa Fe

Institute describes a concept that American companies die to create new companies or become part of another company.² Both scenarios emphasize that the fast pace of change in the current economy demands an ability to adapt and is as essential for any company that wants to keep up with the competition and survive for a long time.³ For workers, however, employment at a business with an established history may provide a sense of security that a new company does not.

As of third quarter 2017, slightly more than 83 percent of employment in New Hampshire was in privately-owned

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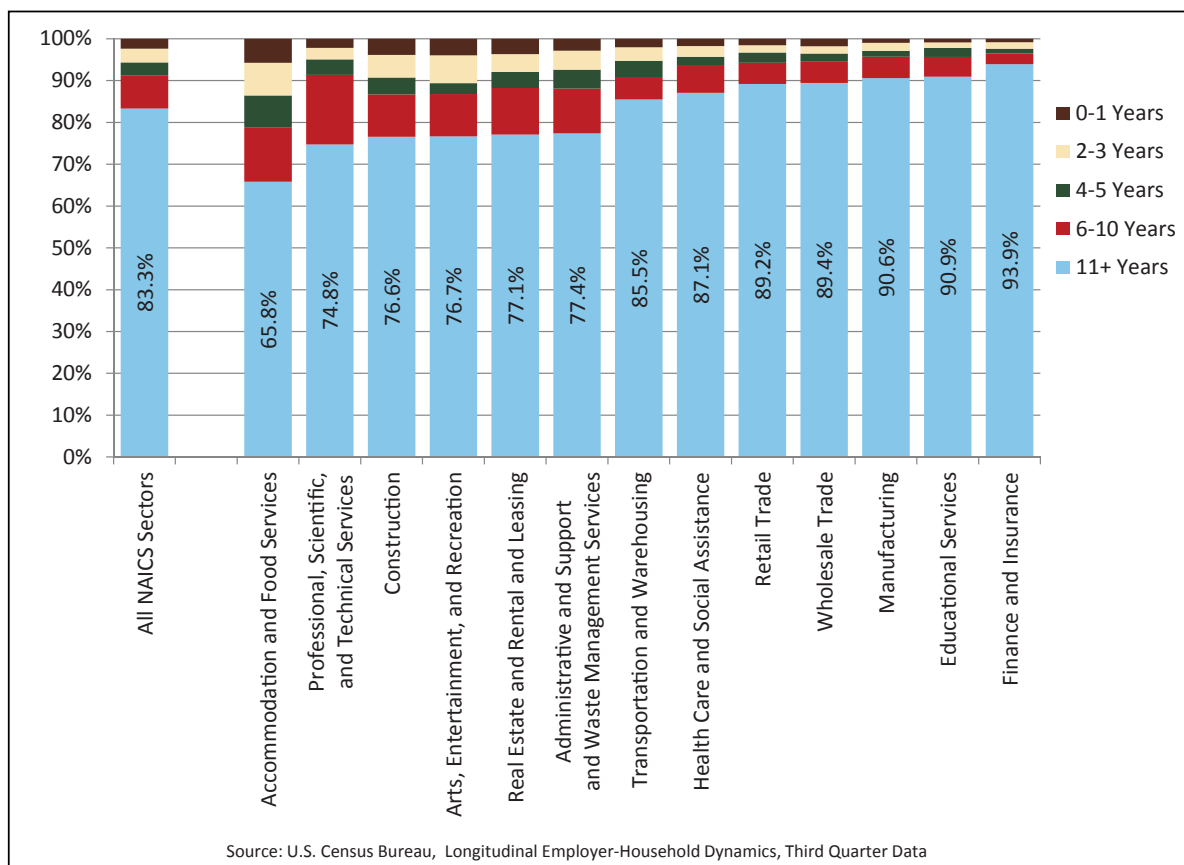
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¹ *The Atlantic*. *Where Do Firms Go When They Die?* Bourree Lam. Apr 12, 2015

² *Journal of the Royal Society Interface*. *The mortality of companies*. Madeleine I. G. Daep, Marcus J. Hamilton, Geoffrey B. West, Luis M. A. Bettencourt. Published 1 April 2015. <http://rsif.royalsocietypublishing.org/content/12/106/20150120>

³ *BBC News*. *Can a company live forever?* By Kim Gittleton BBC News, New York. 19 January 2012. Quote from Vicki TenHaken, a professor of management at Hope College.

firms that have been established for eleven or more years. Almost eight percent of employment was in firms established between six and ten years, while less than nine percent of employment was in firms established for five or fewer years.

When broken out by industry, however, the proportion of workers employed among firms of different ages was different. For example, roughly two-thirds of workers employed in the *Accommodation and food services* sector were at firms established eleven or more years ago. This sector had the second highest share of employment, 13.0 percent, at firms established between six and ten years ago. Only *Professional, scientific, and technical services* firms had a larger share of employment at firms this age, with 16.6 percent. Firms in the *Accommodation and food services* sector had 34.2 percent of employment at newer businesses, the biggest share among the industry sectors. Newer businesses include three age groups of those established for five years or less.

At the other end of the scale, almost 94 percent of workers at *Finance and insurance* sector were employed at firms established eleven or more years ago, and just over six percent of workers were employed at firms ten years old or younger.

Among the remaining sectors, more than 85 percent of workers in six other industries were employed at firms established for 11 or more years, and around three-quarters of workers in five other industries were employed at firms in that age group.

Share of Employment

While the share of employment by age of firm provides an indication of which industry has more of its employment in younger firms, it does not provide the perspective of employment disbursement by age of firm among industries employing the most workers. For example, *Accommodation and food services* accounted for 11.0 percent of employment at privately-owned businesses, the fourth largest employing industry in the state. This represents roughly 22,000 workers who are employed at newer businesses, those established within the last five years.

Three industries accounting for larger shares of New Hampshire private employment than *Accommodation and food services* were *Retail trade* with 16.5 percent, *Health care and social assistance* with 15.8 percent, and *Manufacturing*

with 11.8 percent. These three industries also had larger shares of employment at older firms, those established eleven or more years ago, than the statewide average of 83.3 percent. Employment at older firms in these three industries represented roughly 229,000 workers and accounted for almost 40 percent of total employment.⁴

Nine industries each accounted for less than seven percent of total private employment in New Hampshire. Of those industries, around 90 percent of employment in *Wholesale trade*, *Educational services*, and *Finance and insurance* was in firms established 11 or more years ago. Roughly 67,900 workers were employed at firms established 11 years or more in these three industries, accounting for 11.6 percent of statewide private employment. *Transportation and warehousing* was the sole industry with 85.5 percent of employment in older firms, those established for 11 or more years, representing 12,210 workers.

Although the remaining five industries had larger portions of workers employed in newer firms, those established less than 11 years ago. These roughly 38,400 workers, employed in these industries, accounted for only 6.6 percent of total private employment. The majority of workers were employed in older firms, those established for 11 years or more. These industries represented 95,500 workers, 16.3 percent of total private employment.

Anita Josten
Economist

Share of New Hampshire Private Employment by Industry - 3Q 2017



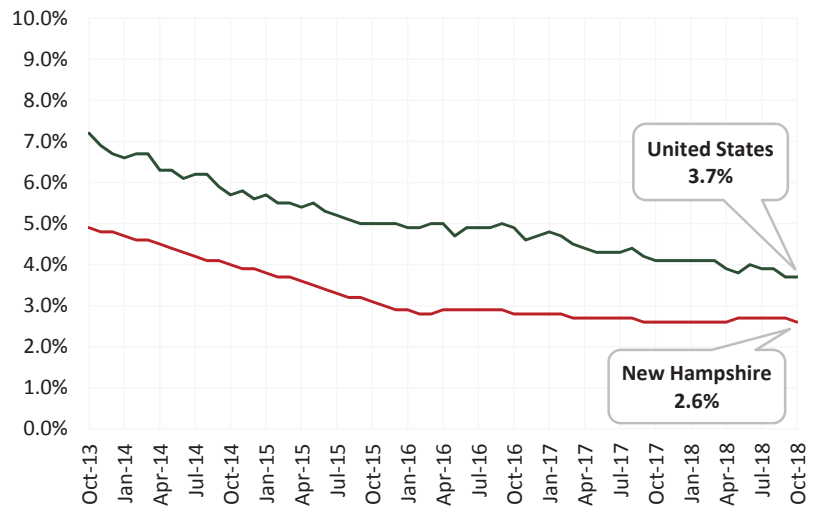
Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics

⁴ U.S. Census Bureau, Center for Economic Studies, LEHD, New Hampshire third-quarter 2017 data. <https://ledextract.ces.census.gov/static/data.html>

SEASONALLY ADJUSTED ESTIMATES

Unemployment Estimates by Region

Seasonally Adjusted	Oct-18	Sep-18	Oct-17
United States	3.7%	3.7%	4.1%
Northeast	3.9%	4.0%	4.4%
New England	3.6%	3.6%	3.7%
Connecticut	4.2%	4.2%	4.5%
Maine	3.4%	3.3%	3.2%
Massachusetts	3.5%	3.6%	3.5%
New Hampshire	2.6%	2.7%	2.6%
Rhode Island	3.8%	3.9%	4.5%
Vermont	2.8%	2.9%	2.9%
Mid Atlantic	4.1%	4.1%	4.7%
New Jersey	4.1%	4.2%	4.7%
New York	4.0%	4.1%	4.7%
Pennsylvania	4.1%	4.1%	4.8%

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

Current Employment Status (CES) by Place of Establishment

	Number of Jobs			Change From Previous	
	Oct-18	Sep-18	Oct-17	Month	Year
Total Nonfarm	694,800	690,900	679,500	3,900	15,300
Total Private	603,600	600,200	589,400	3,400	14,200
Mining and Logging	900	900	900	0	0
Construction	29,900	29,500	27,100	400	2,800
Manufacturing	72,400	72,300	69,900	100	2,500
Durable Goods	54,300	54,200	51,800	100	2,500
Non-Durable Goods	18,100	18,100	18,100	0	0
Trade, Transportation, and Utilities	143,400	142,600	141,300	800	2,100
Wholesale Trade	29,900	29,300	28,100	600	1,800
Retail Trade	96,700	96,800	96,500	-100	200
Transportation, Warehousing, and Utilities	16,800	16,500	16,700	300	100
Information	12,200	12,100	12,500	100	-300
Financial Activities	36,000	35,900	35,500	100	500
Financial and Insurance	28,500	28,400	28,200	100	300
Real Estate and Rental and Leasing	7,500	7,500	7,300	0	200
Professional and Business Services	81,800	81,100	81,500	700	300
Professional, Scientific, and Technical Services	37,300	37,200	37,700	100	-400
Administrative and Support and Waste Management and Remediation Services	35,500	35,200	34,500	300	1,000
Education and Health Services	127,200	126,900	124,400	300	2,800
Educational Services	33,100	32,900	32,000	200	1,100
Health Care and Social Assistance	94,100	94,000	92,400	100	1,700
Leisure and Hospitality	74,800	74,000	72,200	800	2,600
Arts, Entertainment, and Recreation	13,400	13,300	12,600	100	800
Accommodation and Food Services	61,400	60,700	59,600	700	1,800
Other Services	25,000	24,900	24,100	100	900
Government	91,200	90,700	90,100	500	1,100
Federal Government	7,800	7,800	7,600	0	200
State Government	25,000	24,900	24,600	100	400
Local Government	58,400	58,000	57,900	400	500

*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	Oct-18	Sep-18	Oct-17
Total Civilian Labor Force	758,610	758,780	744,210
Employed	743,050	741,300	727,010
Unemployed	15,560	17,480	17,200
Unemployment Rate	2.1%	2.3%	2.3%
United States (# in thousands)	Oct-18	Sep-18	Oct-17
Total Civilian Labor Force	162,723	161,958	160,465
Employed	156,952	156,191	154,223
Unemployed	5,771	5,766	6,242
Unemployment Rate	3.5%	3.6%	3.9%

Unemployment Rates by Area

Counties	Oct-18	Sep-18	Oct-17
Belknap	2.0%	2.2%	2.2%
Carroll	2.1%	2.2%	2.2%
Cheshire	2.0%	2.3%	2.1%
Coös	2.4%	2.6%	2.6%
Grafton	1.6%	2.0%	1.8%
Hillsborough	2.1%	2.4%	2.5%
Merrimack	1.8%	2.1%	2.0%
Rockingham	2.3%	2.5%	2.6%
Strafford	1.8%	2.1%	2.0%
Sullivan	1.7%	2.0%	1.9%

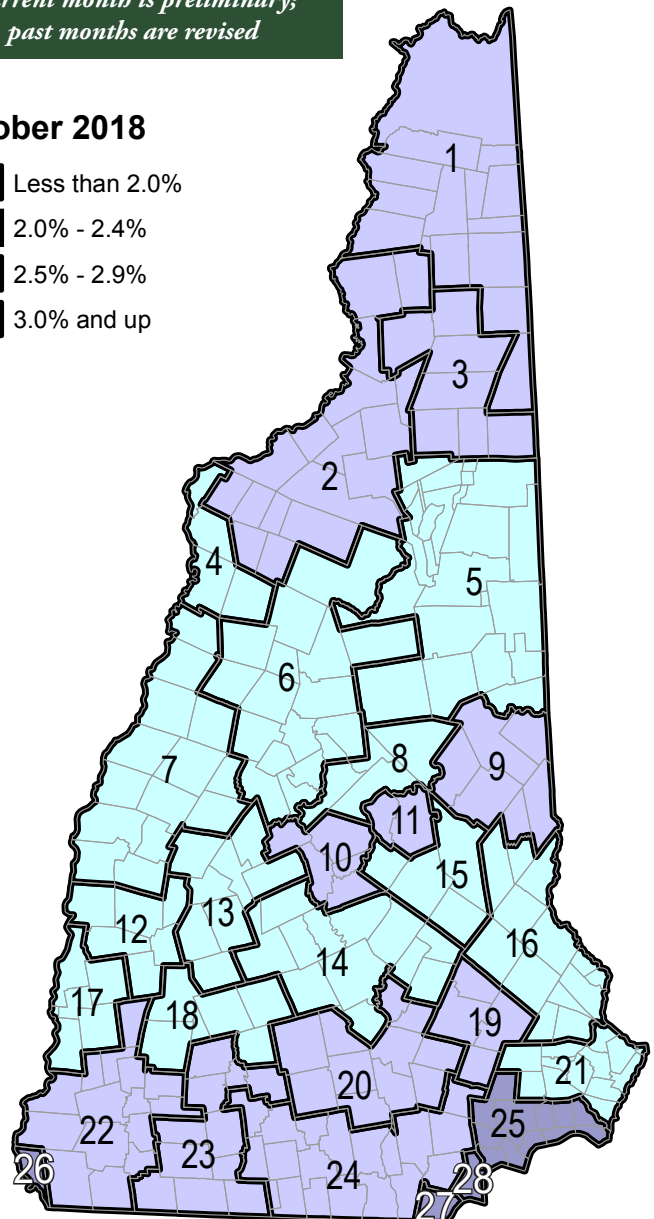
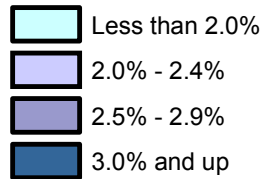
Map Key	Labor Market Areas	Oct-18	Sep-18	Oct-17
1	Colebrook, NH-VT LMA, NH Portion	2.1%	2.4%	2.3%
2	Littleton, NH-VT LMA, NH Portion	2.0%	2.2%	2.1%
3	Berlin NH Micropolitan NECTA	2.4%	2.9%	3.0%
4	Haverhill, NH LMA	1.8%	2.1%	1.9%
5	Conway, NH-ME LMA, NH Portion	1.9%	2.1%	2.0%
6	Plymouth, NH LMA	1.6%	1.9%	1.8%
7	Lebanon, NH-VT Micropolitan NECTA, NH Portion	1.6%	1.9%	1.8%
8	Meredith, NH LMA	1.8%	2.1%	2.1%
9	Wolfeboro, NH LMA	2.3%	2.5%	2.6%
10	Franklin, NH LMA	2.0%	2.2%	2.2%
11	Laconia, NH Micropolitan NECTA	2.2%	2.5%	2.3%
12	Expanded Claremont, NH estimating area	1.8%	2.0%	2.1%
13	New London, NH LMA	1.8%	2.1%	1.9%
14	Concord, NH Micropolitan NECTA	1.7%	2.0%	1.9%
15	Belmont, NH LMA	1.9%	2.1%	2.1%
16	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	1.8%	2.1%	2.0%
17	Charlestown, NH LMA	1.8%	1.9%	1.9%
18	Hillsborough, NH LMA	1.8%	2.1%	2.1%
19	Raymond, NH LMA	2.0%	2.2%	2.2%
20	Manchester, NH Metropolitan NECTA	2.0%	2.3%	2.3%
21	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	1.9%	2.1%	2.2%
22	Keene, NH Micropolitan NECTA	2.0%	2.3%	2.1%
23	Peterborough, NH LMA	2.0%	2.3%	2.3%
24	Nashua, NH-MA NECTA Division, NH Portion	2.3%	2.5%	2.7%
25	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	2.6%	2.8%	2.7%
26	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	2.8%	2.8%	2.6%
27	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	2.6%	2.9%	3.3%
28	Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division	2.6%	2.9%	3.1%

Unemployment Rates by Region

Not Seasonally Adjusted	Oct-18	Sep-18	Oct-17
United States	3.5%	3.6%	3.9%
Northeast	3.5%	3.7%	4.1%
New England	3.0%	3.2%	3.3%
Connecticut	3.8%	3.8%	4.1%
Maine	3.2%	3.0%	2.8%
Massachusetts	2.9%	3.2%	3.1%
New Hampshire	2.1%	2.3%	2.3%
Rhode Island	3.1%	3.5%	4.1%
Vermont	1.8%	2.8%	2.3%
Mid Atlantic	3.7%	3.9%	4.4%
New Jersey	3.6%	4.1%	4.4%
New York	3.6%	3.8%	4.4%
Pennsylvania	3.9%	3.9%	4.3%

*Current month is preliminary;
past months are revised*

October 2018



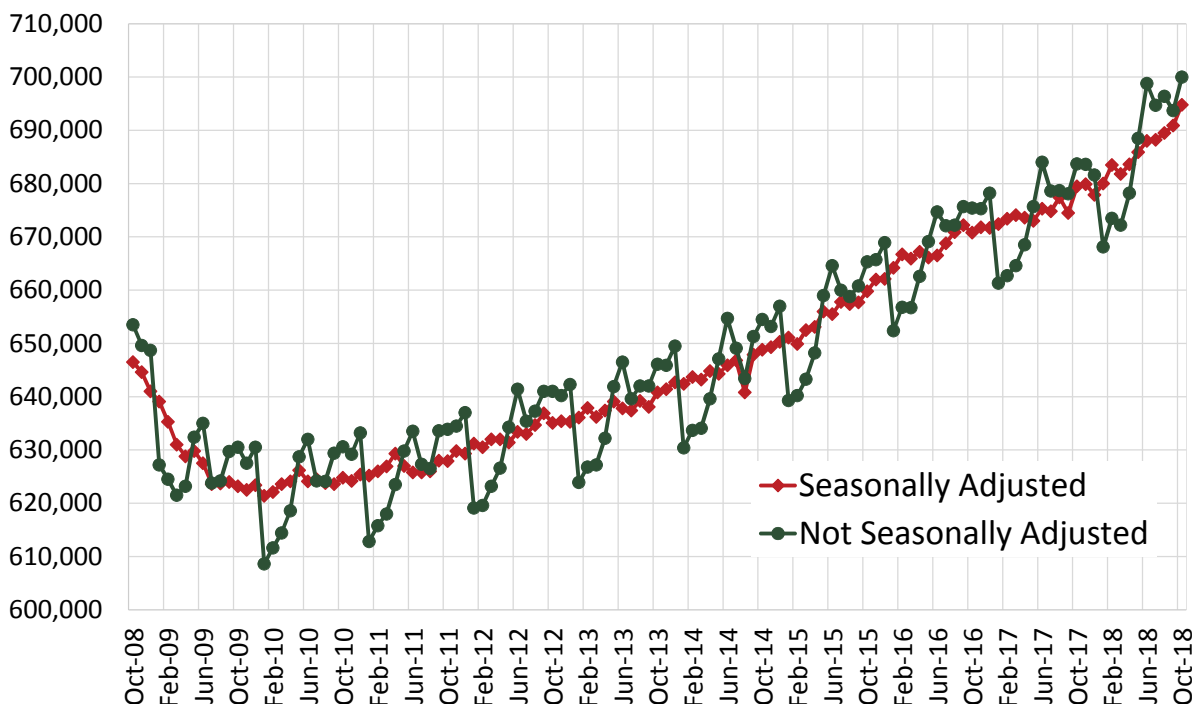
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

New Hampshire Nonfarm Employment Statewide
Not Seasonally Adjusted

*Current month
is preliminary;
past months
are revised*

	Number of Jobs			Change From Previous	
	Oct-18	Sep-18	Oct-17	Month	Year
Total Nonfarm	700,000	693,700	683,700	6,300	16,300
Total Private	605,400	601,800	590,500	3,600	14,900
Mining and Logging	1,000	1,000	1,000	0	0
Construction	30,800	30,400	27,800	400	3,000
Manufacturing	72,500	72,700	70,000	-200	2,500
Durable Goods	54,400	54,500	51,800	-100	2,600
Non-Durable Goods	18,100	18,200	18,200	-100	-100
Trade, Transportation, and Utilities	143,200	141,100	141,200	2,100	2,000
Wholesale Trade	29,900	29,200	28,100	700	1,800
Retail Trade	96,200	95,200	96,100	1,000	100
Transportation, Warehousing, and Utilities	17,100	16,700	17,000	400	100
Information	12,200	12,100	12,500	100	-300
Financial Activities	35,800	36,100	35,200	-300	600
Professional and Business Services	82,300	81,500	82,000	800	300
Education and Health Services	128,300	126,100	125,200	2,200	3,100
Leisure and Hospitality	74,200	76,000	71,400	-1,800	2,800
Other Services	25,100	24,800	24,200	300	900
Government	94,600	91,900	93,200	2,700	1,400
Federal Government	7,800	7,800	7,600	0	200
State Government	27,000	25,400	26,600	1,600	400
Local Government	59,800	58,700	59,000	1,100	800

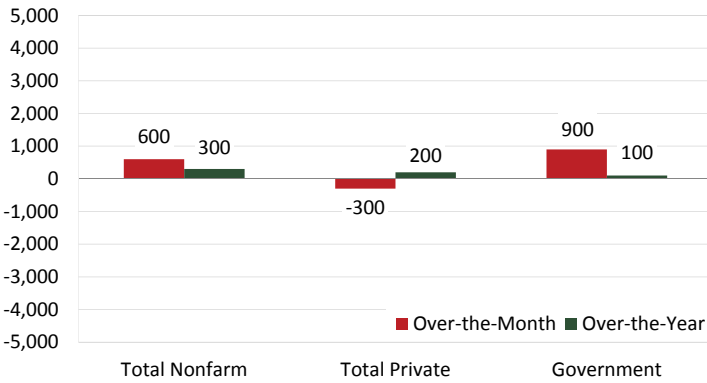
Total Nonfarm Employment Trend Through October 2018



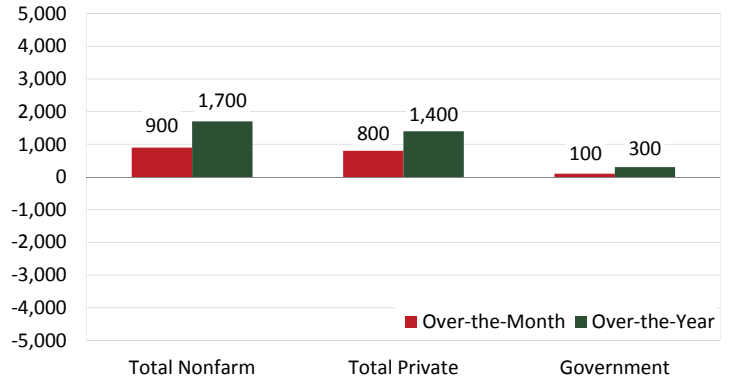
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Nonfarm Employment by Metropolitan Statistical Areas - October 2018

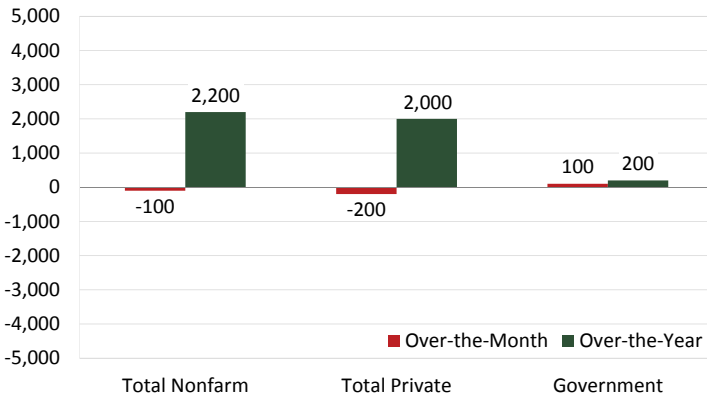
Dover-Durham NH-ME Metro NECTA



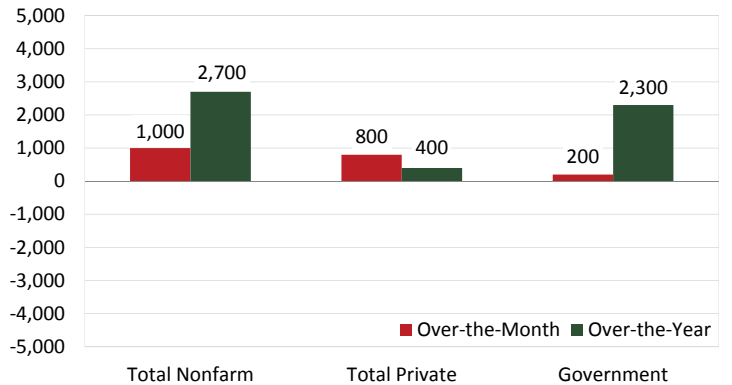
Manchester Metro NECTA



Portsmouth NH-ME Metro NECTA

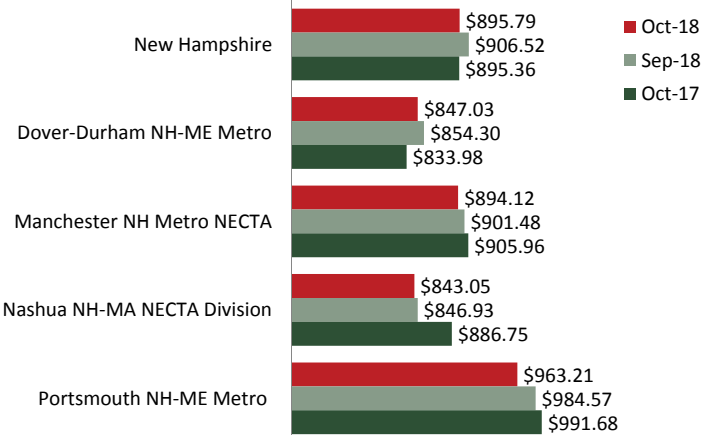


Nashua NH-MA NECTA Division

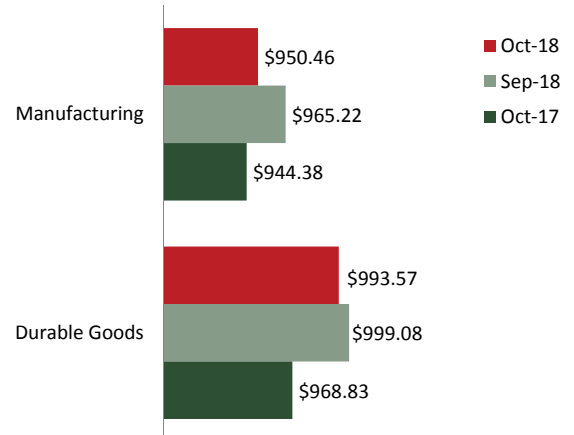


Total Private Average Weekly Earnings Data

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 by 3,900 jobs in October, according to preliminary seasonally adjusted estimates. *Trade, Transportation, and Utilities* and *Leisure and Hospitality* had the largest over-the-month gain in employment, adding 800 jobs each, followed by *Professional and Business Services* with an increase of 700 positions. *Government* gained 500 jobs, while *Construction* increased payrolls by 400 jobs from September. *Private Education and Health Services* added 300 jobs, and *Manufacturing, Information, Financial Activities* and *Other Services* gained 100 jobs each over-the-month.

No supersectors experienced over-the-month employment job losses in October.

Seasonally adjusted *Total Nonfarm* employment increased 15,300 jobs from October 2017 to October 2018. *Construction* and *Private Education and Health Services* expanded by 2,800 jobs each, while *Leisure and Hospitality* and *Manufacturing* added 2,600 and 2,500 jobs, respectively. *Trade, Transportation, and Utilities* grew by 2,100 positions and *Government* increased employment by 1,100 jobs over-the-year. *Other Services* added 900 jobs, and *Financial Activities* and *Professional and Business Services* payrolls grew by 500 and 300 positions, respectively, from October 2017.

One supersector experienced an over-the-year employment loss. *Information* dropped 300 jobs from October 2017.

Not Seasonally Adjusted

Preliminary unadjusted estimates for October show that *Total Nonfarm* employment increased 6,300 jobs over-the-month. *Government* had the largest increase, adding 2,700 jobs. *Private Education and Health Services* and *Trade, Transportation, and Utilities* increased payrolls by 2,200 and 2,100 jobs, respectively, over-the-month, while *Professional and Business Services* gained 800 jobs. *Construction* employment increased by 400, and *Other Services* and *Information* increased 300 and 100 positions, respectively, from September.

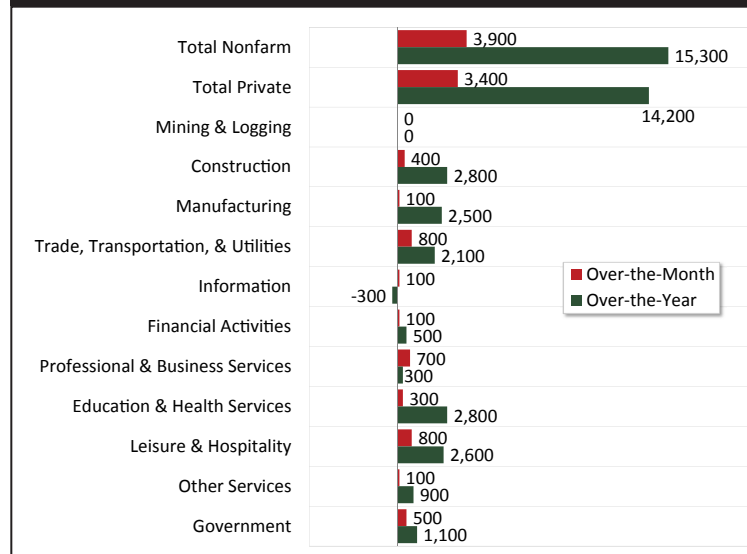
Three supersectors lost jobs over-the-month. *Leisure and Hospitality* experienced an employment decrease of 1,800 jobs, and *Financial Activities* and *Manufacturing* decreased payrolls by 300 and 200 jobs, respectively, from September.

Total Nonfarm employment increased 16,300 jobs from October 2017 to October 2018. *Private Education and Health Services* and *Construction* added 3,100 and 3,000 jobs, respectively. *Leisure and Hospitality* expanded by 2,800 positions, while *Manufacturing* increased employment by 2,500 jobs over-the-year. *Trade, Transportation, and Utilities* added 2,000 jobs, and *Government* payrolls grew by 1,400 positions from October 2017. *Other Services* and *Financial Activities* added 900 and 600 jobs, respectively, over-the-year, while *Professional and Business Services* payrolls grew by 300 positions.

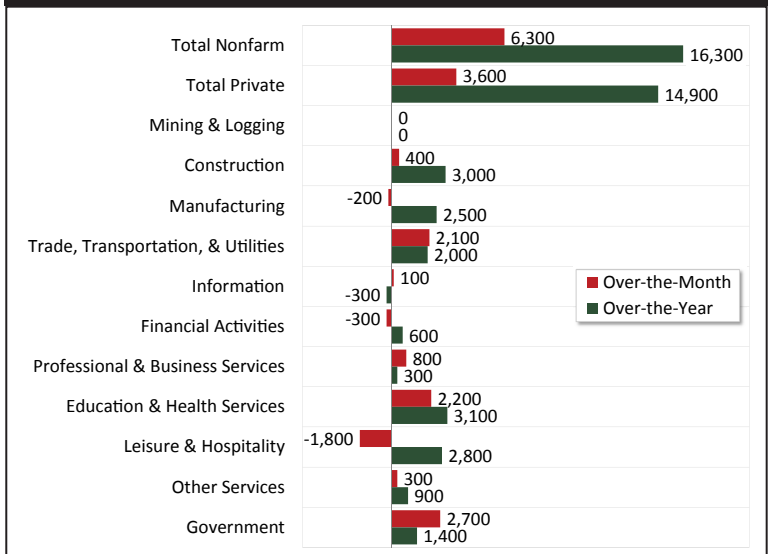
One supersector experienced an over-the-year employment loss. *Information* dropped 300 jobs from October 2017.

Ellie Goodbread
Research Analyst

Seasonally Adjusted October 2018 Change



Not Seasonally Adjusted October 2018 Change



The Economic and Labor Market Information Bureau has recently released its **Current Employment Statistics (CES) Benchmark Supplement**, which provides a review of Nonfarm employment in 2017. The article can be accessed at: www.nhes.nh.gov/elmi/products/ec-index.htm

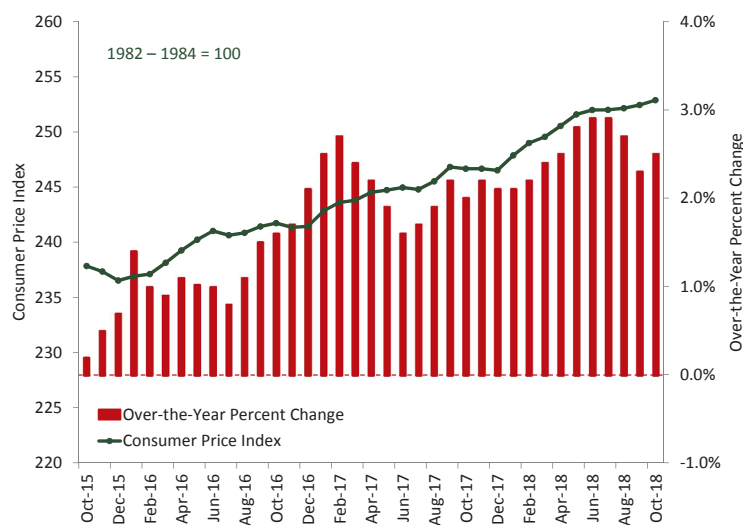
Consumer Price Index

United States, All Urban Consumers
Not Seasonally Adjusted (CPI-U) (1982=1984=100)

			Change From Previous	
Oct-18	Sep-18	Oct-17	Month	Year
252.885	252.439	246.663	0.2%	2.5%

Northeast, All Urban Consumers
Not Seasonally Adjusted (CPI-U) (1982=1984=100)

			Change From Previous	
Oct-18	Sep-18	Oct-17	Month	Year
266.464	266.709	260.58	-0.1%	2.3%

Consumer Price Index
United States, All Urban Consumers
**Unemployment Compensation Claims Activity**

	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
Initial Claims	2,012	2,276	2,064	1,840	1,533	1,661
Continued Weeks Claimed	13,882	12,673	17,312	14,461	11,363	12,056
Average payment for a week of unemployment	\$336.55	\$344.94	\$325.52	\$327.56	\$350.71	\$352.60

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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Claims calls: 1-800-266-2252


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