

Job-to-Job Flows in New Hampshire

New Hampshire businesses hired about 78,650 workers during second quarter 2015. At the same time, 57,735 workers separated from jobs with New Hampshire employers. Highlighted by the beginning of the summer season, hires were led by *Accommodation and food services* and *Retail trade*, with 15,850 and 12,537 hires, respectively. During the same period, over 9,000 workers separated from jobs in each of these two sectors.

These job-to-job flows illustrate the churn of workers, as they move from one job to another and from business to business. Job-to-job flows are a dataset compiled by the U.S. Census

Bureau's Local Employment Dynamics Program. These statistics trace worker movements through industries, labor markets, and to/from nonemployment.¹ Job-to-job flows include both workers leaving a job at a New Hampshire business to take a job at a business in any state, and workers taking a job at a New Hampshire business who left a job in any state.

For example, *Administrative and support and waste management and remediation services* establishments hired 9,145 workers in second quarter 2015, more than compensating for 6,485 worker separations. While hires and separations of workers at *Health care and social assistance* businesses

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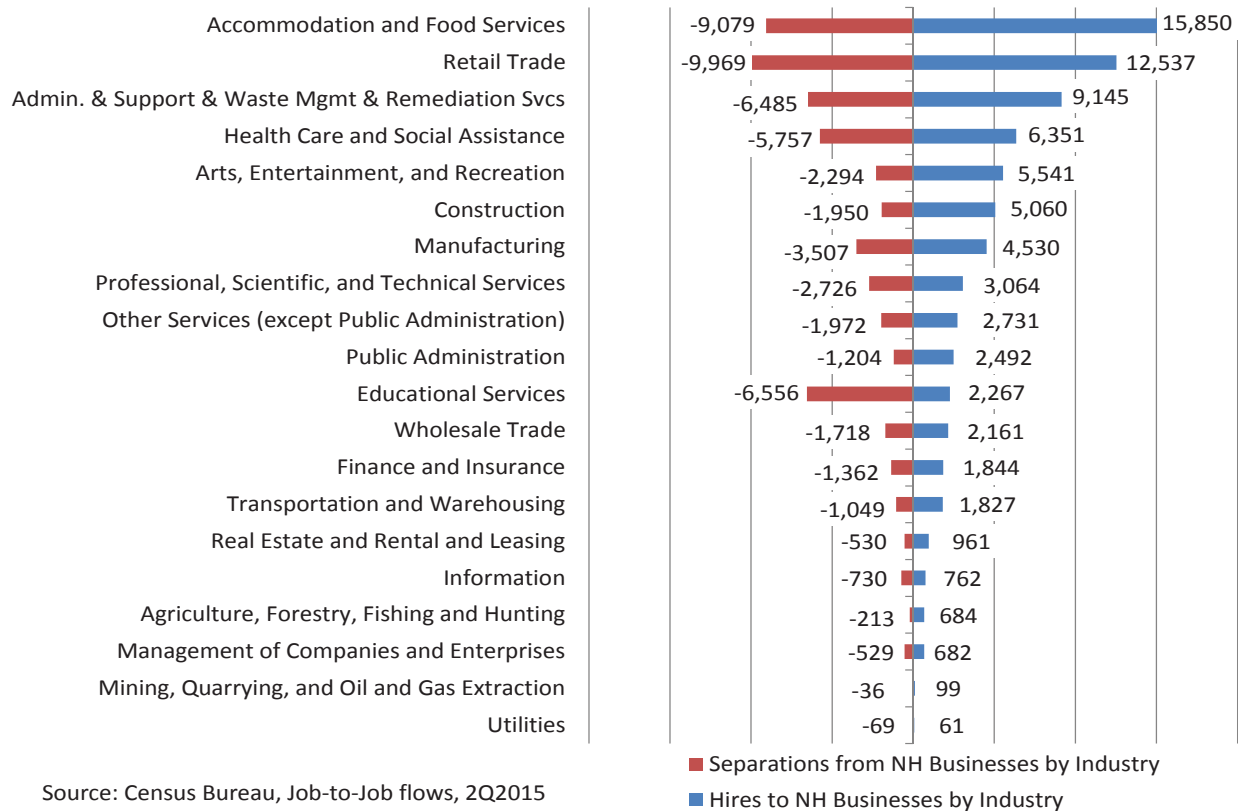
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were fairly balanced, workers hired at *Construction* businesses and *Arts, entertainment, and recreation* establishments far outpaced separations, clearly a seasonal effect of the beginning of summer.

Job-to-Job Flows in New Hampshire Businesses Second Quarter 2015



Source: Census Bureau, Job-to-Job flows, 2Q2015

¹ US Census Bureau, Longitudinal Employer-Household Dynamics, Job-to-job flows, FAQ https://lehd.ces.census.gov/data/j2j_beta.html
Nonemployment includes individuals who are unemployed and looking for work as well as individuals who are not working and not looking for work and are not in the labor force, such as students and retirees.

On the other hand, the 6,556 separations from private *Educational services* businesses were driven by the closing of school facilities for the summer break.

Exploring Job-to-Job Churning in Four Sectors with the Largest Employment in New Hampshire

There were four industry sectors in New Hampshire that each held at least 10 percent of the private workforce during second quarter 2015:²

- *Retail trade*, with 17.1 percent;
- *Health care and social assistance*, with 16.0 percent;
- *Manufacturing*, with 12.2 percent; and
- *Accommodation and food services*, with 10.4 percent.

In job-to-job statistics, a *worker* is an individual who receives earnings from a company in the quarterly time period. Some individuals do not separate from a job at one company to be hired at a job at another company, but separate and enter nonemployment. Nonemployment occurs when an individual has no earnings in a specific quarter.³ Nonemployment differs from unemployment because these data do not identify if the individual is unemployed but looking for work or if they have left the labor force.

Workers moving from job-to-job who experience very short or no time of nonemployment between jobs indicate job changers who separate from one business to go work at another. Hires from nonemployment include reentrants to the labor force, new entrants, i.e., college graduates or high school students without previous labor force experience, as well as the unemployed.

Job-to-Job Flows at Retail Trade Businesses

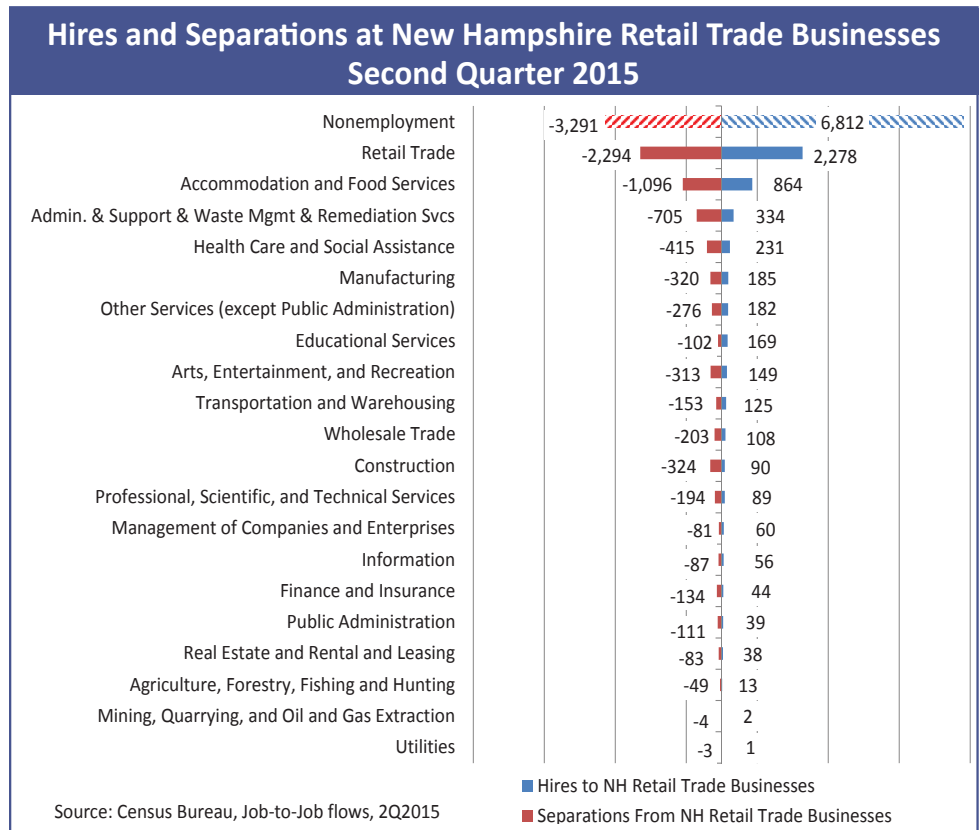
Retail trade establishments employed just over 17 percent of workers in New Hampshire’s privately-owned businesses in second quarter 2015.

By far, the most hires to *Retail trade* businesses in New Hampshire, 6,812 hires, were from nonemployment. This may have been influenced by students entering the labor force for the summer. *Retail trade* businesses hired 2,278 workers from other *Retail trade* businesses. Another 864 workers previously employed at *Accommodation and food services* businesses moved to jobs in New Hampshire *Retail trade* firms.⁴

Roughly 3,300 workers separated from New Hampshire *Retail trade*

businesses to enter nonemployment (*see technical note, footnote 3*). Almost 2,300 workers separated from New Hampshire *Retail trade* businesses to work at another *Retail trade* firm. The beginning of the summer season may have influenced the separations of workers from *Retail trade* to enter work in other sectors:

- 1,096 separating workers went to jobs in *Accommodation and food services*;
- 705 separating workers went to jobs in *Administrative and support and waste management and remediation services*;
- 324 separating workers took jobs in *Construction*; and
- 313 separating workers moved to jobs in *Arts, entertainment and recreation*.



² Economic and Labor Market Information Bureau, NH Employment Security, Quarterly Census of Employment and Wages, 2Q2015.

Note: data are not seasonally adjusted. www.nhes.nh.gov/elmi/statistics/qcew-quart-data.htm

³ Technical note: Data from all states were not available for 2Q2015, affecting data for separations to persistent nonemployment. Since the data for hires from persistent nonemployment in 2Q2014 were similar to those in 2Q2015; an assumption was made that data for separations to persistent nonemployment would be representative for discussion purposes. Data from 2Q2104 were substituted for separations to persistent nonemployment to maintain seasonality of the reporting period.

⁴ US Census Bureau, Longitudinal Employer-Household Dynamics, Job-to-job flows, FAQ https://lehd.ces.census.gov/data/j2j_beta.html

Interestingly, 415 workers from New Hampshire *Retail trade* businesses left to work at *Health care and social assistance* jobs, and 320 workers moved to jobs in *Manufacturing*. On the surface, this may not make sense as these sectors tend to be more specialized; however, one limitation of the data is the occupational details for workers are not available. For example, a cashier at a retail store could easily move into a cashier job at a hospital cafeteria, creating a job-to-job flow from *Retail trade* to *Health care and social assistance*.

Job-to-Job Flows at Health Care and Social Assistance Businesses

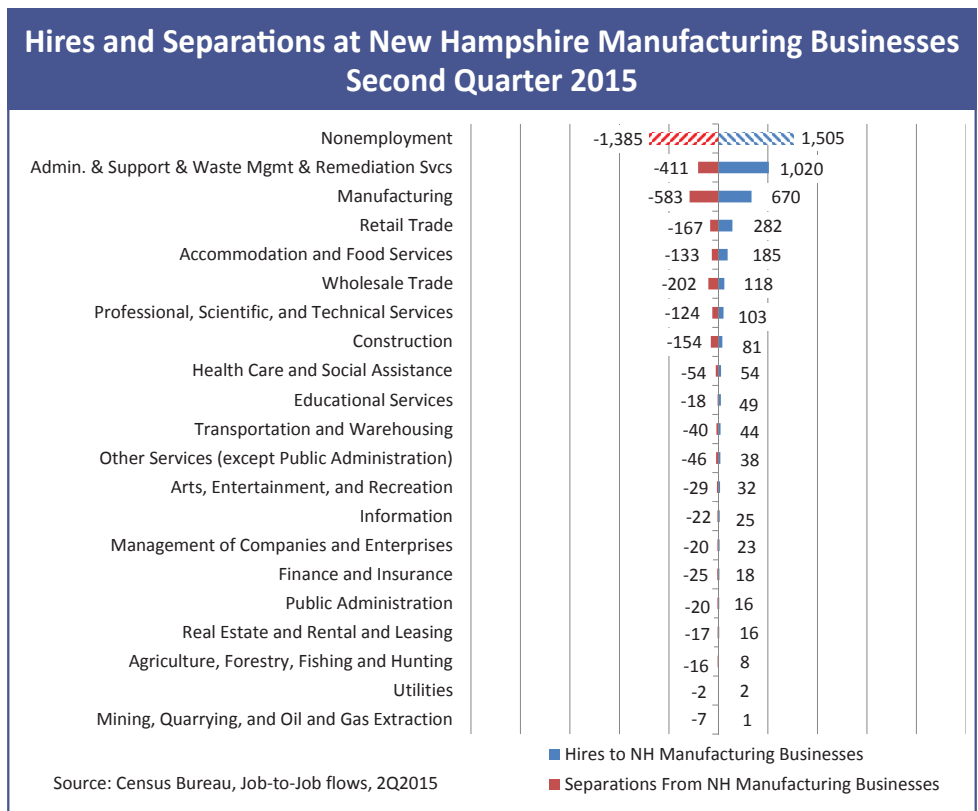
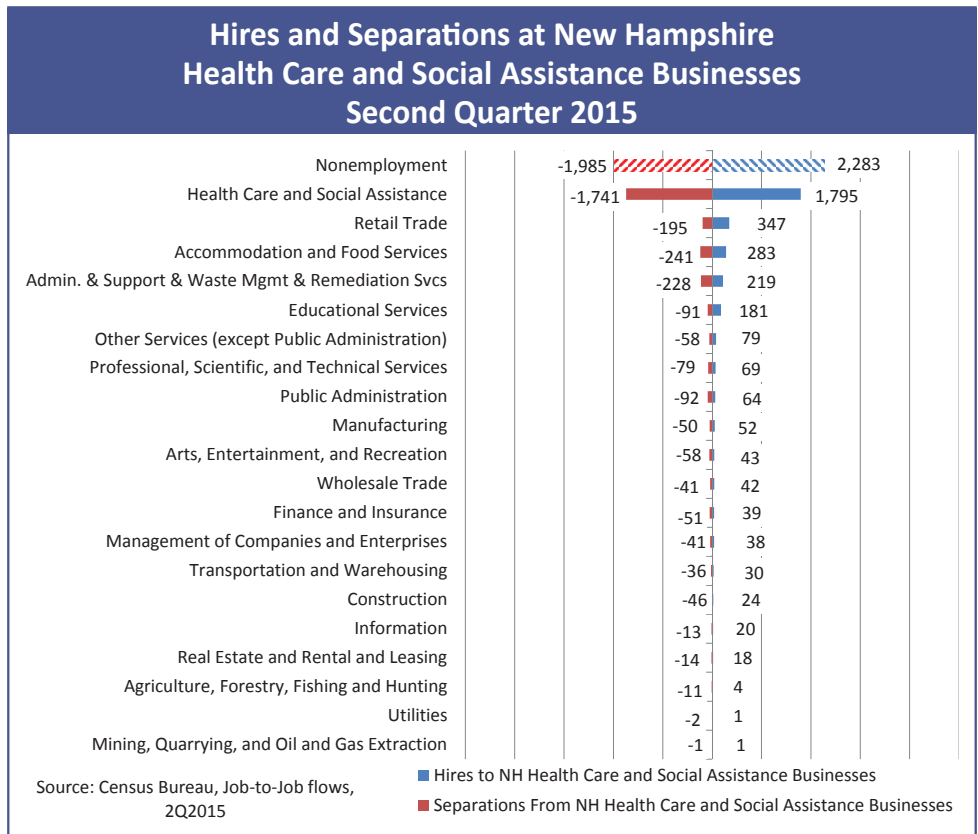
Health care and social assistance businesses accounted for 16.0 percent of New Hampshire private employment in second quarter 2015.

The hire of 2,283 individuals from nonemployment to jobs in New Hampshire *Health care and social assistance* firms outnumbered the 1,795 hires from other *Healthcare and social assistance* firms by fewer than 500 hires. Workers hired from all the other sectors combined totaled 1,554. This may reflect the specialty training necessary for many jobs in the *Health care and social assistance* sector.

Over 1,740 workers separated from New Hampshire *Health care and social assistance* firms to work at other *Health care and social assistance* businesses, while 1,985 workers entered nonemployment.⁵

Job-to-Job Flows at Manufacturing Businesses

Manufacturing accounted for roughly 67,200 workers during second quarter 2015, 12.2 percent of private employment in New Hampshire.



⁵ US Census Bureau, Longitudinal Employer-Household Dynamics, Job-to-job flows, FAQ https://lehd.ces.census.gov/data/j2j_beta.html

There was a unique difference between workers hired to New Hampshire *Manufacturing* businesses than hires to other industry sectors. While the largest number of hires, 1,505, was from nonemployment, the industry sector from which the most hires came was not *Manufacturing* but *Administrative and support and waste management and remediation services*, with 1,020 hires. This may speak to a large number of *Manufacturing* workers being hired from *Temporary employment services*, a subsector of the *Administrative and support and waste management and remediation services* sector. The third largest number, 670 hires, were from other *Manufacturing* firms.

Workers separating from *Manufacturing* firms more closely resembled separations from other industry sectors, with the largest number of separations, 1,385 workers, entering nonemployment, and 583 workers separating to go to other *Manufacturing* firms.

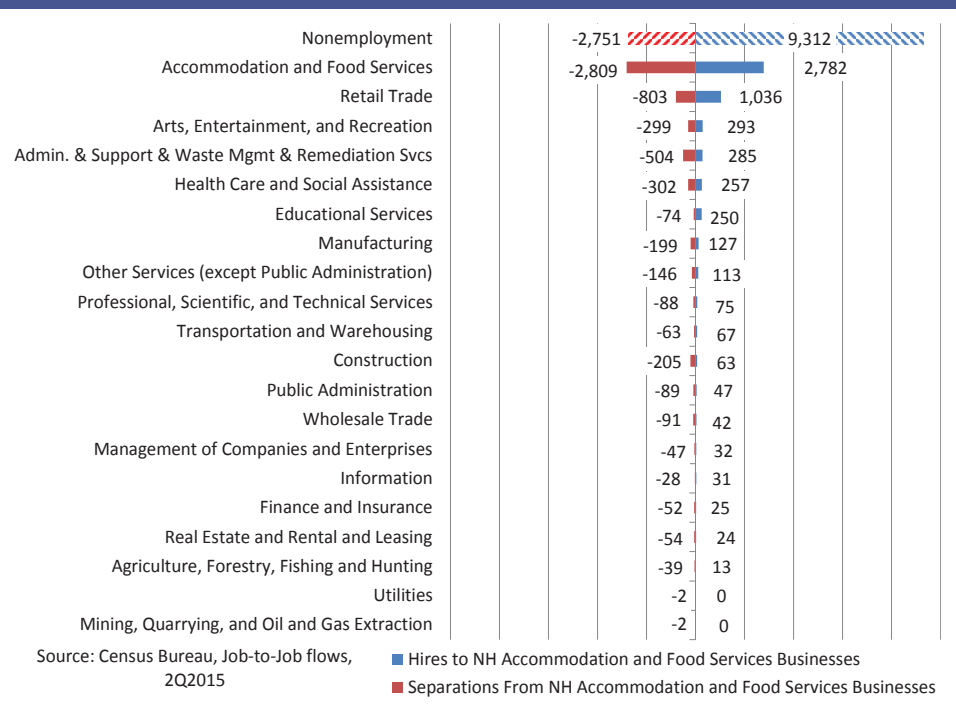
Job-to-Job Flows at Accommodation and Food Services Businesses

Employment in New Hampshire *Accommodation and food services* is highly seasonal, with hires usually spiking in the second quarter annually.⁶ Average quarterly employment in New Hampshire *Accommodation and food services* businesses was 57,400 jobs during second quarter 2015, accounting for 10.4 percent of private employment.

Over 9,300 hires to *Accommodation and food services* businesses were individuals from nonemployment. This may be in part from students entering the workforce for summer employment. Another 2,782 workers hired were from other *Accommodation and food services* businesses, and 1,036 came from *Retail trade* firms.

More workers separating from New Hampshire *Accommodation and food services* businesses went to other *Accommodation and food services* businesses than entered nonemployment, 2,809 separations versus 2,751 separations to nonemployment. Another 803 separations went to *Retail trade* firms.

Hires and Separations at New Hampshire Accommodation and Food Services Businesses Second Quarter 2015



Summary

There is value to tracking net change in employment over time. However, net change in employment does not assess the underlying dynamics of workers going from a job at one business to another job at another business. Job-to-job flow data illustrate the dynamics of worker churn between industries, such as manufacturing firms attracting workers from firms in other industries, as well as the industry of firms hiring from the pool of nonemployment. With New Hampshire’s low unemployment rate and related concerns about labor shortages, job-to-job flow data are a useful tool in discovering where hiring firms find workers.

⁶ Local Employment Dynamics, US Census Bureau. <https://lehd.ces.census.gov/>