

A Closer Look at New Hampshire’s Business Employment Dynamics – Gross Job Gains and Gross Job Losses 2013Q3 through 2015Q3

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Quarterly employment in New Hampshire follows clear seasonal patterns. Employment rises in the second and third quarters and declines in the fourth and first quarters each year. Changes in covered employment are usually measured as a net value, but by digging a little deeper into these data, more significant patterns emerge.¹

These data highlight the fact that, although some industry net employment may seem static, or even declining, there is still a dynamic of hiring and separation of workers — gross job gains and gross job losses — that is not evident at the

summary level. The dynamics of gross job change data are captured in the Business Employment Dynamics (BED) data series.

Digging even further into the data provides insight to employment dynamics within each industry. For most industries in New Hampshire, the largest positive net employment change occurs from first to second quarter each year. The largest number of gross job gains in *Total private* employment in New Hampshire occurs in the second quarter each year, simultaneous with the smallest number of gross job losses.

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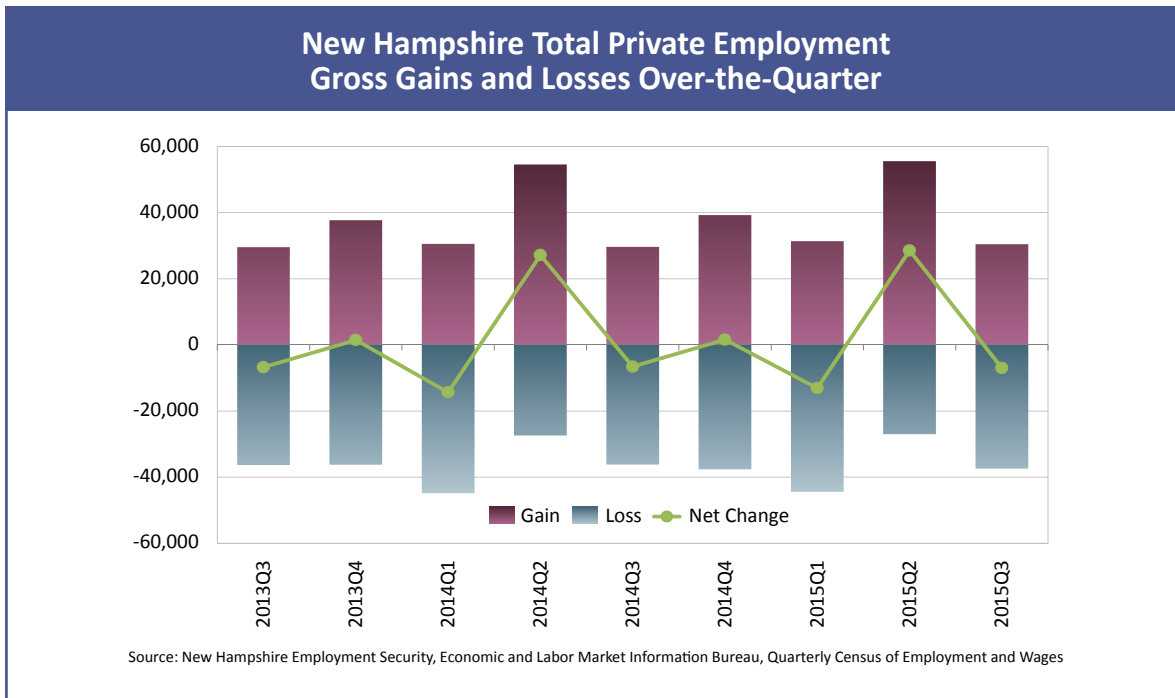
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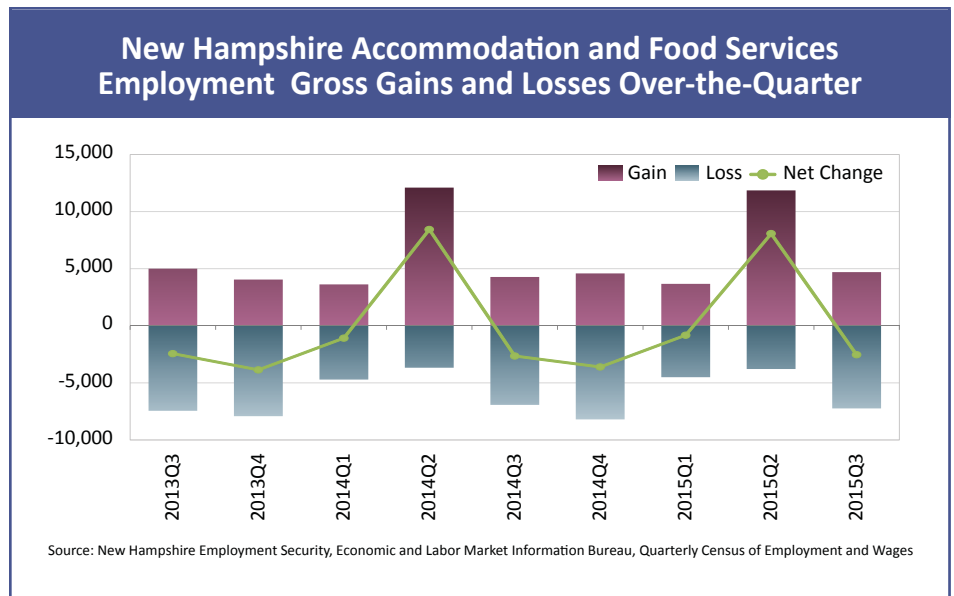


¹ Data for 2015Q3 are preliminary.

Gross Job Gains and Gross Job Losses by Select Industries²

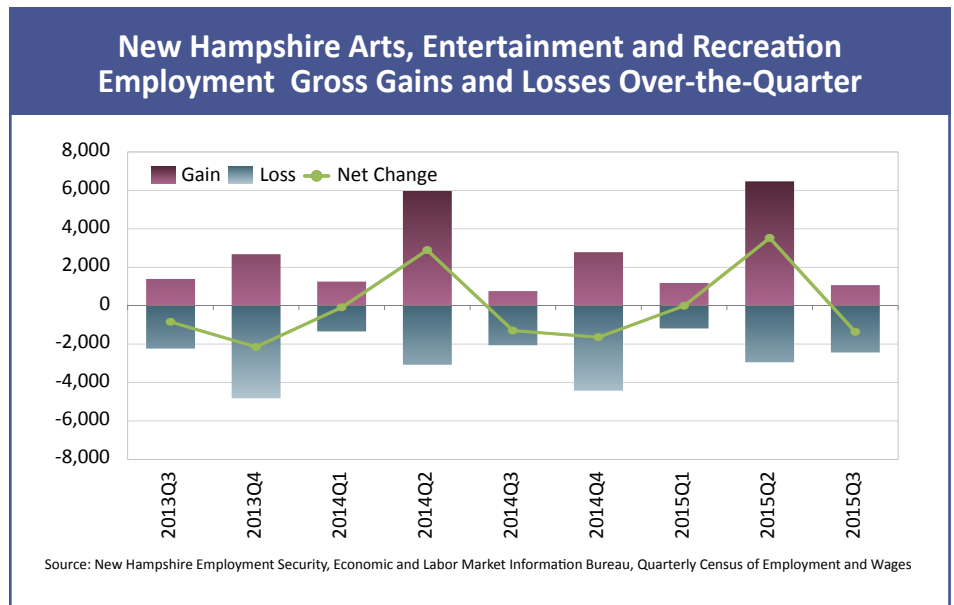
Accommodation and Food Services

Employment change in the *Accommodation and food services* sector is a distinctive example of New Hampshire’s seasonal employment. The largest over-the-quarter gross job gains are in the second quarter annually, driven by establishments opening and hiring for the summer season. The largest gross job losses in the fourth quarter outnumber gross job gains annually, as the remaining tourist attractions close after the end of the fall foliage season.



Arts, Entertainment, and Recreation

Quarterly gross job gains in the *Arts, entertainment and recreation* sector are largest in second quarter each year. The gross job gains in second quarter, from summer attractions, far outnumber the gross job gains in fourth quarter from winter attractions. However, gross job losses in fourth quarter outnumber gross job gains resulting in a net job loss over the quarter. Gross job gains in first quarter from winter recreation are modest. At the same time, the smallest number of gross job losses occurs in first quarter annually, resulting in a net change of about zero.



2. Concepts and Methodology

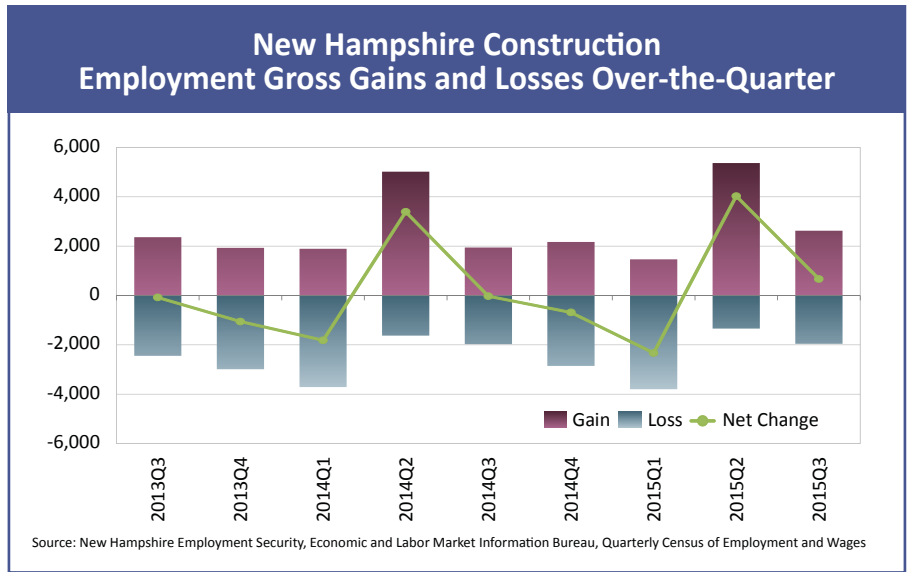
The Business Employment Dynamics data measure the net change in employment at the establishment or firm level. Gross job gains include the sum of all jobs added at either opening or expanding units. Gross job losses include the sum of all jobs lost in either closing or contracting units. The net change in employment is the difference between gross job gains and gross job losses.

All employment changes are measured from the third month of the previous quarter to the third month of the current quarter. Not all establishments and firms change their employment levels. Units with no change in employment count toward estimates of total employment, but not for measures of gross job gains and gross job losses.

Source: Bureau of Labor Statistics, Economic News Release. 12/10/2013. Business Employment Dynamics Technical Note. For additional information go to: www.bls.gov/news.release/cewbd.tn.htm

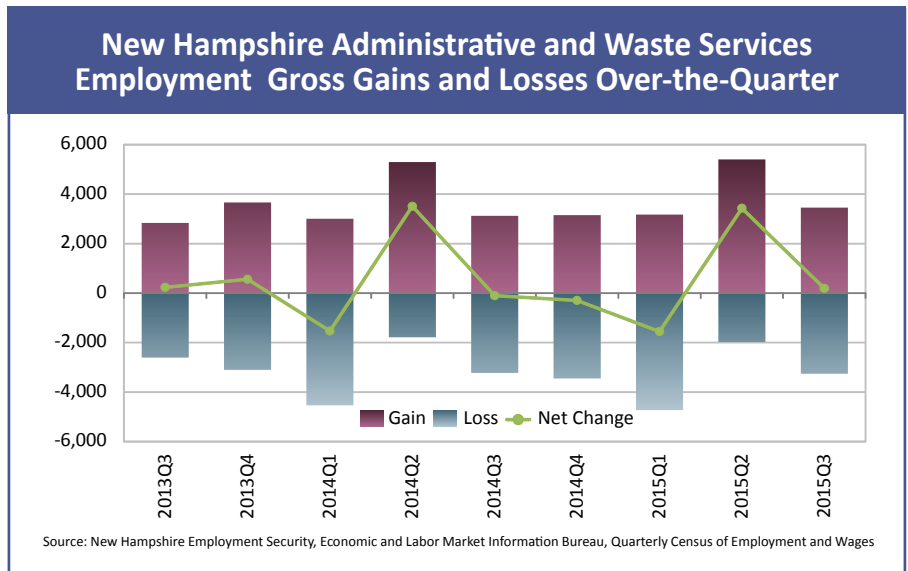
Construction

The largest gross job gains in *Construction* are in second quarter each year. This is largely affected by the increase of building and road construction projects in the second quarter. Other than second quarter, gross job gains are fairly consistent in the other quarters. The exception was in first quarter 2015 when there was an extended winter with high snow amounts reducing gross job gains in the quarter. Conversely, gross job losses in *Construction* establishments are the smallest in second quarter and get progressively larger each quarter until the first quarter when gross job losses are the largest. This is an indication that there are limited overall employment gains in the sector, and basically the same seasonal slots are being filled.



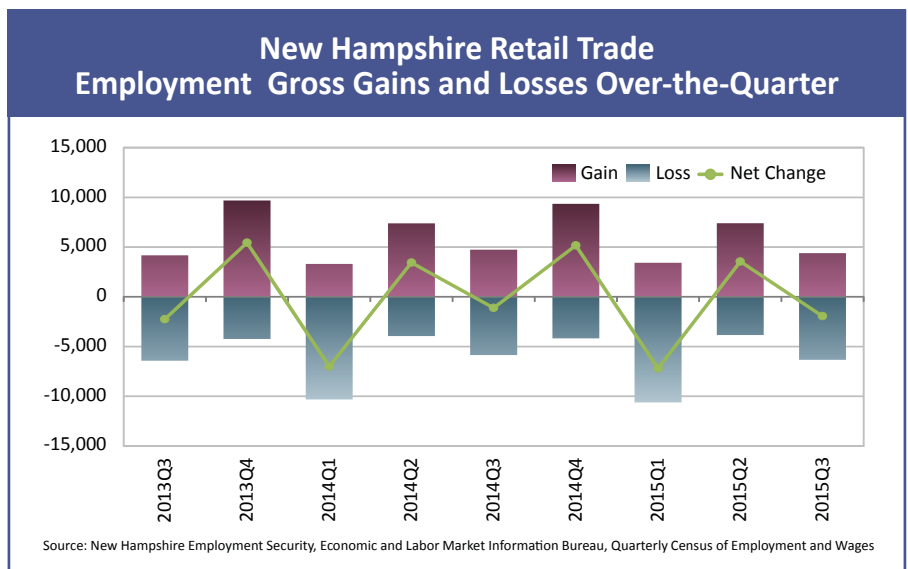
Administrative and Waste Services

In the *Administrative and waste services* sector, the largest quarterly job gain is in second quarter, likely the result of increased employment in landscaping establishments (in *Services to buildings and dwellings*). Similar to quarterly employment trends found in *Construction*, gross job losses are smallest in second quarter and increase each quarter; the largest gross job losses are in first quarter each year. Because gross job gains and gross job losses don't vary from year to year, overall employment shows no significant change.



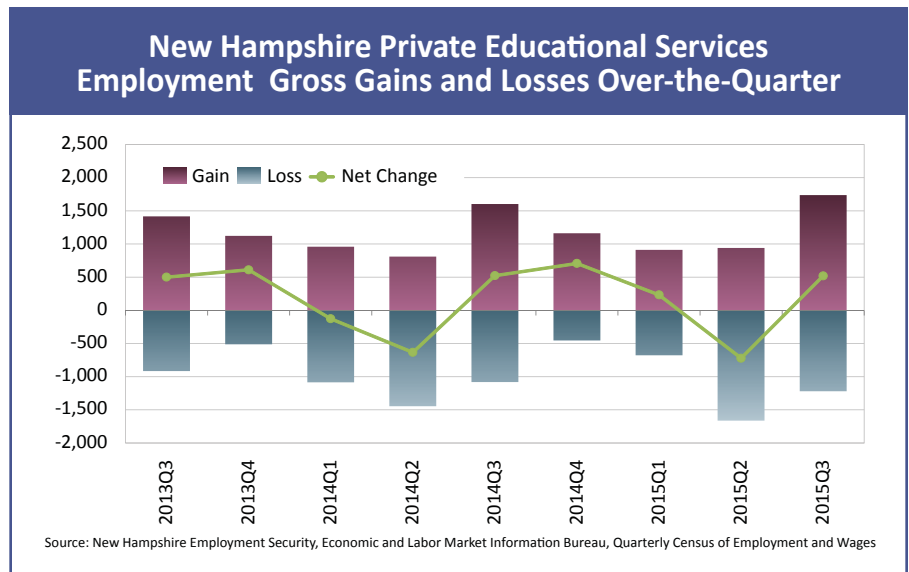
Retail Trade

Although there is an increase in *Retail trade* gross job gains in second quarter, the largest gross job gains are in fourth quarter each year, in preparation for the holiday shopping season. In first quarter each year, gross job losses in *Retail trade* are the largest as businesses release workers hired during the holiday season. A similar, smaller level of gross job losses occurs in the third quarter each year, as the summer vacation season winds down.



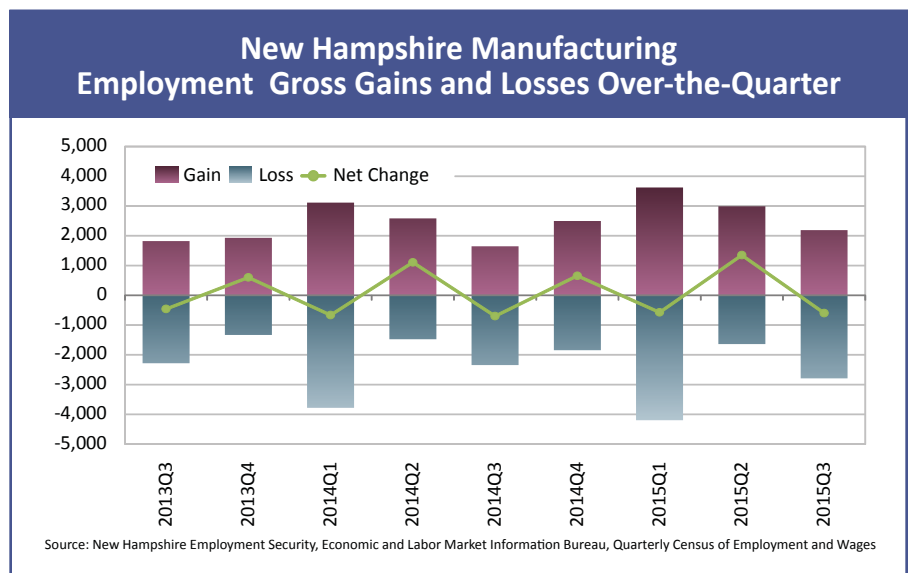
Educational Services

The seasonal trend of quarterly employment gains and losses in *Educational services* is opposite to other seasonal trends. In second quarter each year, gross job gains are the smallest in *Educational services* and gross job losses are the largest. The largest gross job gains in *Educational services* are the third quarter each year when the new school year begins. These data represent privately owned educational facilities and do not include municipal school districts.



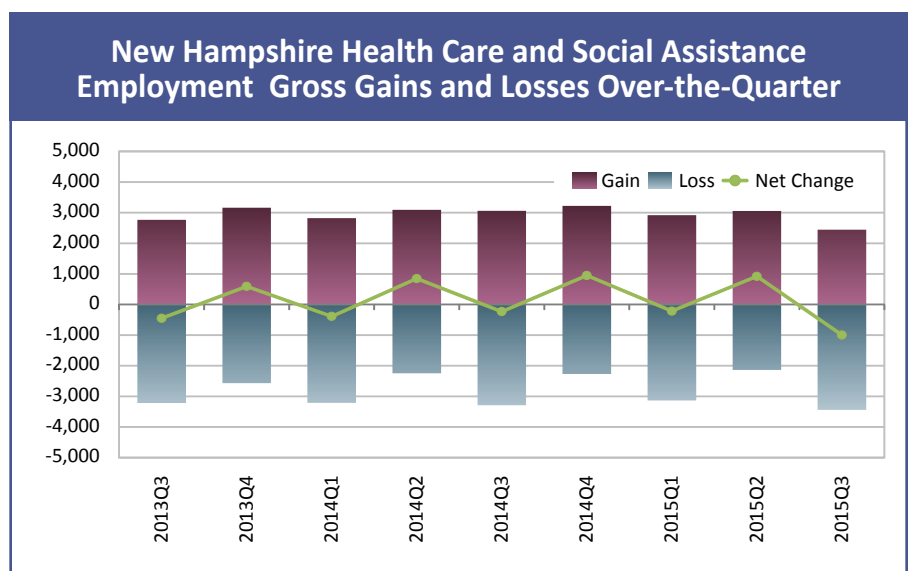
Manufacturing

In *Manufacturing*, the largest number of gross job gains as well as the largest number of gross job losses occurs in the first quarter, with gross job losses outnumbering gross job gains. Depending on the type of product, the first quarter is when *Manufacturing* establishments may release workers following fulfillment of year-end orders, while other *Manufacturing* establishments are increasing their workforce to build inventory. In second and fourth quarters, although gross job gains are smaller than first quarter, they outnumber gross job losses resulting in positive net employment change.



Health Care and Social Assistance

The largest gross job gains in *Health care and social assistance* occur in the second and fourth quarters, with very little difference in the volume each year. The largest number of gross job losses in *Health care and social assistance* occur in the first and third quarters. In third quarter 2015, gross job gains were noticeably smaller than any other period, possibly indicating the employment growth in the sector is slowing down.



Overview

Many industries exhibit clear seasonal employment patterns. For example, *Accommodation and food services; Arts, entertainment and recreation; Construction; and Administrative and waste services*, for the most part, are highly dependent on warmer weather conditions and the summer tourist season in second quarter annually.

On the other hand, quarterly employment change in *Educational services* is the opposite, with employment dropping off in the second quarter and the largest net employment increase in the third quarter each year.

Quarterly employment trends in *Retail trade* differ slightly. While there is a large over-the-quarter gross job increase in the second

quarter, the largest gross job gains are in the fourth quarter, typically the result of employment increases to accommodate the holiday shopping season.

In the *Manufacturing and Health care and social assistance* sectors, quarter-to-quarter net employment change showed a zig-zag pattern, with less indication of a strong seasonal attachment.