

New Hampshire

Economic Conditions



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Measuring Unemployment

Each month New Hampshire announces the current unemployment rate representing the share of the labor force that is unemployed and looking for work. The unemployment rate is one of the measuring sticks used to gauge the health of the economy. The importance of the "official" measure is that by all states using the same measuring stick comparisons can be made between states, and over time.

Given the depth of the current recession and the increase in the unemployment rate, frequently the question arises as to when was the last time this happened in New Hampshire.

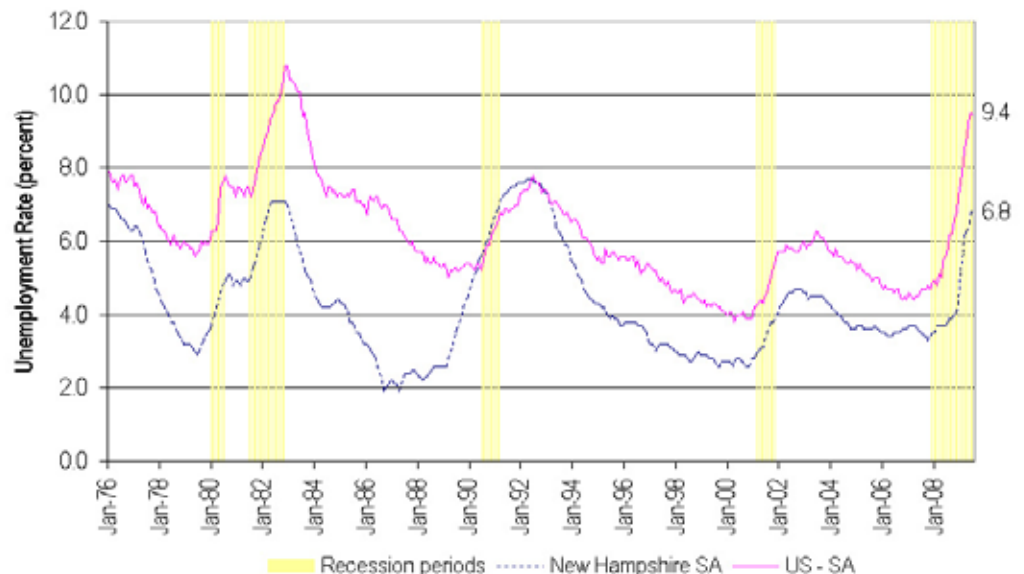
New Hampshire's seasonally adjusted unemployment rate from June to July was unchanged at

6.8 percent. This was 3.0 percentage points higher than the state's unemployment rate in July 2008. The last time New Hampshire's unemployment rate was that high was in March 1993 when the state was recovering from the recession of the 1990s.

New Hampshire's unemployment rate has increased 3.3 percentage points since the beginning of the current recession (December 2007). The change in the state's total unemployment rate was from 3.5 percent in December 2007 to 6.8 percent in both June and July 2009. About two-thirds of the state's unemployment rate increase took place between December 2008 and March 2009 when the rate went from 4.3 percent to 6.2 percent.

Though the unemployment rate in New Hampshire is lower than that

New Hampshire's seasonally adjusted unemployment rate is at its highest level since the 1990s when the state was recovering from that recession



of the nation, that is of little comfort to the 18,900 additional residents counted as unemployed since December 2007. Nationally the unemployment rate shot up 4.6 percentage points since the beginning of the recession, from 4.9 percent in December 2007 to 9.5 percent in June 2009. The national unemployment rate registered slightly lower, 9.4 percent, in July 2009.

Preliminary July unemployment rates in the New England region showed Rhode Island had the highest unemployment rate at 12.7 percent. That was the second highest in the nation. Vermont's unemployment rate of 6.8 percent matched New Hampshire. The remaining New England states had unemployment rates higher than New Hampshire, but were below the national rate of 9.4 percent. Massachusetts was 8.8 percent, followed by Maine with 8.4 percent and Connecticut with 7.8 percent.

Information used to calculate the unemployment rate

The official definition is the unemployment rate represents the number of unemployed as a share of the labor force.

The labor force includes all persons classified as employed or unemployed. Employed persons, according to the Current Population Survey, are 16 years and over in the civilian noninstitutional population. They are counted as employed if, during the reference week, (a) they did any work at all (at least one hour) as paid employees; worked in their own business, profession, or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of the family; or (b) they were not working but had jobs or businesses from which they were temporarily absent because of vacation, illness, bad weather, childcare problems, maternity or paternity leave, labor-management dispute, job training, or other family or personal reasons, whether or not they were paid for the time off or were seeking other jobs. Each employed person is counted only once, even if he or she holds more than one job. Excluded are persons whose only activity consisted of work around their own house (painting, repairing, or own home housework) or volunteer work for religious, charitable, and other organizations.

Unemployed persons include those aged 16 years and older who had no employment during the reference week, were available for work, except for temporary illness, and had made specific efforts to

find employment sometime during the four-week period ending with the reference week. Persons waiting to be recalled to a job from which they had been laid off need not have been looking for work to be classified as unemployed.

Questions asked about unemployment statistics

There are a number of questions about what the official unemployment rate measures. Some commonly asked questions include:

1. If an individual is not collecting benefits are they counted as unemployed?
2. If an individual had been self employed, are they included?
3. After an individual collects the maximum benefits for which they are eligible, are they still counted as unemployed?
4. If people leave their home state in search of work, are they still counted as unemployed?
5. Are those who have given up looking for work counted as unemployed?

#1. The number of unemployed residents in New Hampshire is determined by the results of a survey, and not simply the result of adding up the number of people who have filed claims for unemployment benefits. State-specific data provided by the Current Population Survey, a household survey conducted by the U.S. Census Bureau each month, is used to estimate the total number of unemployed workers in the state. Persons who are able to work and are actively looking for work, but do not have a job are counted as unemployed. This includes eligible claimants, new graduates who are looking for their first job, those reentering the labor market after being absent for several years, and persons who have been self-employed but are no longer, as a few examples.

The claims statistics are used to help determine where unemployed residents are located in the state.

#2. Self-employed individuals who go out of business and are looking for work are counted by the Current Population Survey as unemployed even if they have not paid into the unemployment insurance system. Eligibility for unemployment compensation does not determine whether someone is counted as unemployed.

#3. Collecting benefits is not a prerequisite to being counted as unemployed. Unemployment is determined by the willingness to work, the ability to work, and the active involvement in searching for

a job. If all three conditions are met, and someone is not employed, then that person is counted as unemployed.

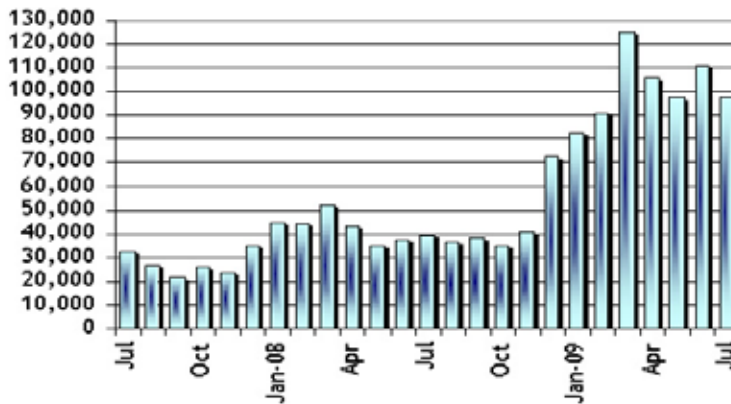
#4. Employment and unemployment statistics are estimated for geographic areas, and are based on residence. If a person leaves the state because they were unemployed in New Hampshire then that person would no longer be counted as part of the New Hampshire labor force. They would, however, be counted as unemployed in their new state of residence when they begin actively searching for work, or counted as employed when they begin work.

#5. Individuals who stop looking for work would not be counted as unemployed because they are not part of the labor force. They would not meet the requirement of "willing and able to work, and looking for a job." These workers fall in a category called discouraged workers, which is difficult to measure. As the time of unemployment lengthens, some individuals become discouraged and drop out of the labor force. The U.S. Department of Labor, Bureau of Labor Statistics has developed an alternative measure of labor underutilization to gauge this population. Information on this measure for New Hampshire is on our web site, at <http://www.nh.gov/nhes/elmi/laus.htm>.

Anita Josten

Unemployment Compensation Claims Activity

Total Regular Unemployment Compensation Programs:				Change from Previous			
				Month		Year	
	Jul-09	Jun-09	Jul-08	Net	Percent	Net	Percent
Initial Claims	9,318	9,422	5,569	-104	-01.1%	3,749	98.3%
Continued Weeks	97,257	110,387	39,151	-13,130	-11.9%	58,106	197.5%



Claims Activity

Continued Weeks Claimed

July 07 to July 09

Trust Fund

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of July	\$82,537,965.25
Average payment for a week of total unemployment:	\$282.85
Net benefits paid:	\$22,531,554.09
Net contributions received during the month:	\$9,065,047.18
Interest Received:	\$0.00
Reed Act Withdrawn for Administrative Costs:	\$116,108.00

			Change from Previous	
Jul-09	Jun-09	Jul-08	Month	Year
215.351	215.693	219.964	-0.2%	-2.1%

United States
All Urban Areas (CPI-U)
(1982-1984=100)

Consumer Price Index