

New Hampshire Economic Conditions

May 2014

New Hampshire's Older Working Population

In 2012, the median age of New Hampshire's population was 41.5 years, the third highest median age among the states, and one of seven states with a median age above 40 years.¹ Over 185,400 New Hampshire residents were age 65 years or older, representing 14.1 percent of the population. Another 14.0 percent, or 185,150 residents, were between the ages of 55 and 64 years. There were approximately 222,700 residents between the ages of 45 and 54 years, or 16.9 percent.

New England, at 40.2 years, has the highest median age among all Census geographic divisions in the nation; the youngest is the West South Central Division, at 34.5 years.²

Among all 50 states, four of the seven states with a median age of 40 years or older are in New England. All six New England states ranked in the top ten. With a median age of 29.6 years, Utah is the youngest state, and the only one below 30 years.

	Median Age (years)
Maine	43.2
Vermont	42.0
New Hampshire	41.5
West Virginia	41.4
Florida	41.0
Pennsylvania	40.3
Connecticut	40.2
Montana	39.9
Rhode Island	39.7
Massachusetts	39.3
United States	37.3

Celebrating Older Americans Month

In 1963, President John Kennedy designated the month of May as Senior Citizens Month, to celebrate individuals 65 years and older. In 1980, President Jimmy Carter changed the designation to Older Americans Month. In 2011, the ranks of older Americans began to swell, as the first Baby Boomers, those born between 1946 and 1965, reached the age of 65.

In 2013, the oldest Boomers turned 67 years of age and the youngest, 48 years of age. The Baby Boomers are the largest generational cohort of the American population, and the impact they have had — and continue to have — on the economy, workforce, culture, and society in this country will be felt for many years to come.

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Within New Hampshire, the older resident population was not proportionally distributed among the state's counties. In Carroll and Coös Counties, two of the least populous counties, about 20 percent of residents were age 65 years and older. These two counties also had the largest share of individuals aged 55 to 64 years, with 17.8 and 16.7 percent, respectively. That means almost two of every five residents in these two counties was age 55 years or older.

At the other end of the scale, Strafford and Hillsborough Counties had the smallest share of older residents age 65 years and older, with 12.3 percent each. Similarly, these two counties also had the smallest shares of residents between the ages of 55 and 64 years.

¹. 2010-2012 American Community Survey 3-Year Estimates. DP05: ACS DEMOGRAPHIC AND HOUSING ESTIMATES. <<http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>>.

². The Census Geographic Divisions are New England, Middle Atlantic, South Atlantic, East South Central, West South Central, East North Central, West North Central, Mountain, and Pacific.

New Hampshire's Older Workers

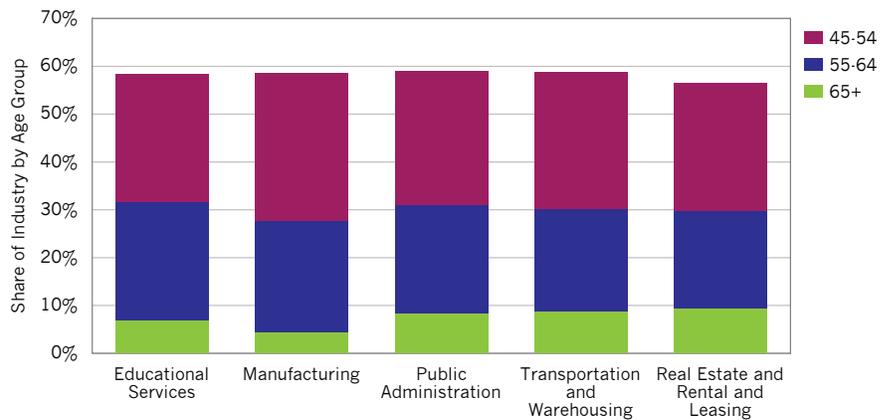
To examine changes in industry employment and worker age, Local Employment Dynamics³ data from 2003 — a point in time prior to the Baby Boom generation becoming eligible for retirement — were compared to data from 2013, the most recent available. The oldest age group is included, because there are people over 65 years of age who continue to work, even though most individuals are eligible to retire with full Social Security benefits at 65 (or 66) years of age.

Data on industry employment by age group in 2003 versus 2013 help illustrate the impact of aging Baby Boomers on employment in New Hampshire.⁴ In addition, a comparison of industry employment by worker age by county provides insight into the distribution of older workers throughout the state.

Industry Employment by Age Group in New Hampshire

In 2013, the five industry sectors employing the largest shares of

NH Industries with the Highest Share of Oldest Workers 2nd Quarter 2013



Source: US Census Bureau, Local Employment Dynamics, 2nd Quarter data

workers age 55 to 64 years in New Hampshire were *Educational services, Manufacturing, Transportation and warehousing, Public Administration, and Real estate and rental and leasing*. Three out of every ten job holders in these five industries together were 55 years of age or older.

³ US Census Bureau Longitudinal Employer-Household Dynamics. <<http://lehd.ces.census.gov>>.

⁴ Local Employment Dynamics data from the second quarter of each referenced year, 2003 or 2013, were used to eliminate seasonal employment factors.

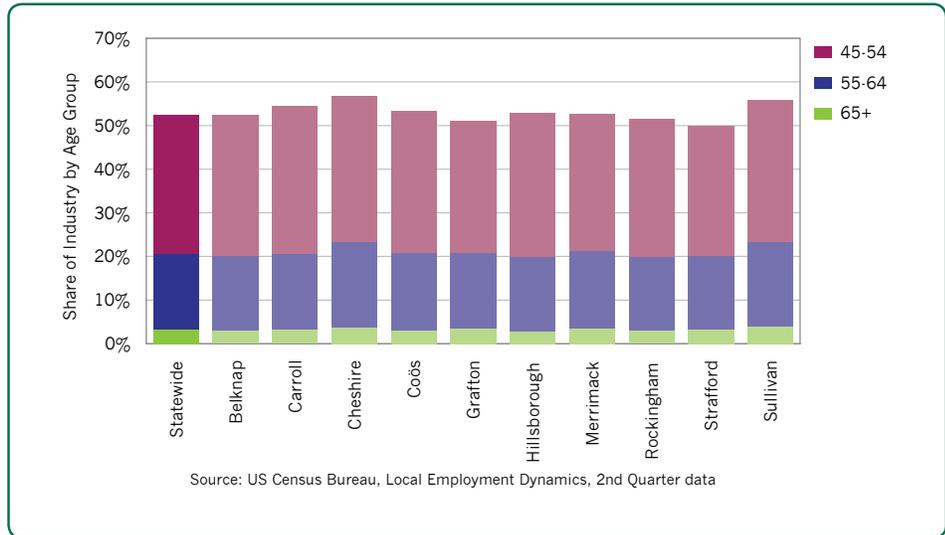
Educational Services

In 2003, the *Educational services* sector had the oldest workforce among the private industry sectors in New Hampshire, with 52.3 percent of job holders age 45 or older. One in five job holders, 20.6 percent, in the *Educational services* sector was 55 years of age or older, and those 45 to 54 years accounted for another 31.7 percent of job holders. By 2013, the share of job holders in *Educational services* age 45 years and older had risen to 58.5 percent. The share of *Educational services* job holders age 45 to 54 years shrank to 26.7 percent and the share of job holders age 55 years and older increased to 31.7 percent.

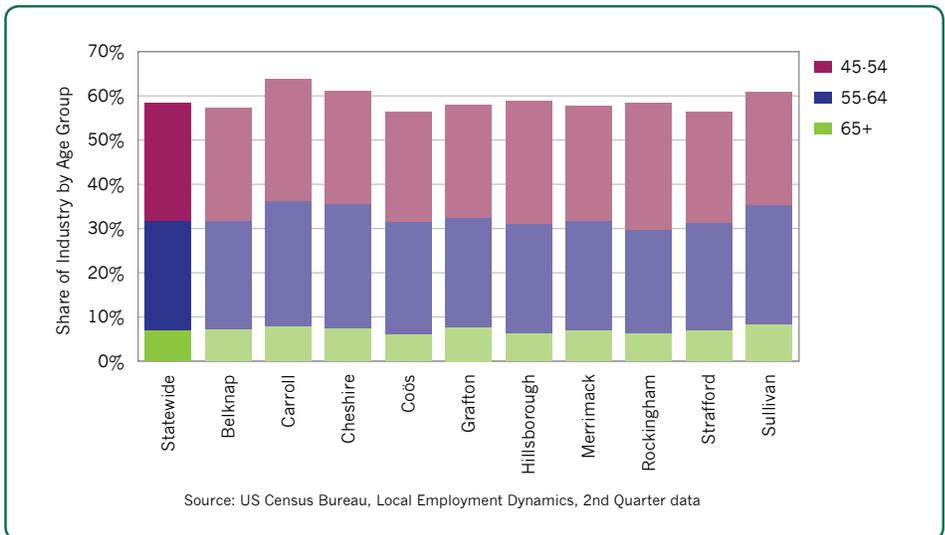
In 2003, in every county, two out of every ten *Educational services* workers were age 55 years and older. By 2013, three out of every ten *Educational services* workers were age 55 years and older. The share of workers in the 65 years and older age group in 2013 was at least double the share for that age group in 2003, both statewide and in all counties.

The average starting age for many workers in *Educational services* is likely to be higher than in other industries. Many occupations commonly found in the *Educational services* industry require postsecondary education, and some require experience as well. In addition, slow population growth over the last decade has limited the growth in *Educational services* employment. As fewer younger workers likely entered the field, a larger proportion of job holders in the industry were in older age brackets, increasing the

Share of NH Educational Services by Age 2003



Share of NH Educational Services by Age 2013



average age in *Educational services*. As people employed in the industry get older and continue to work, they leave less room to employ younger workers.

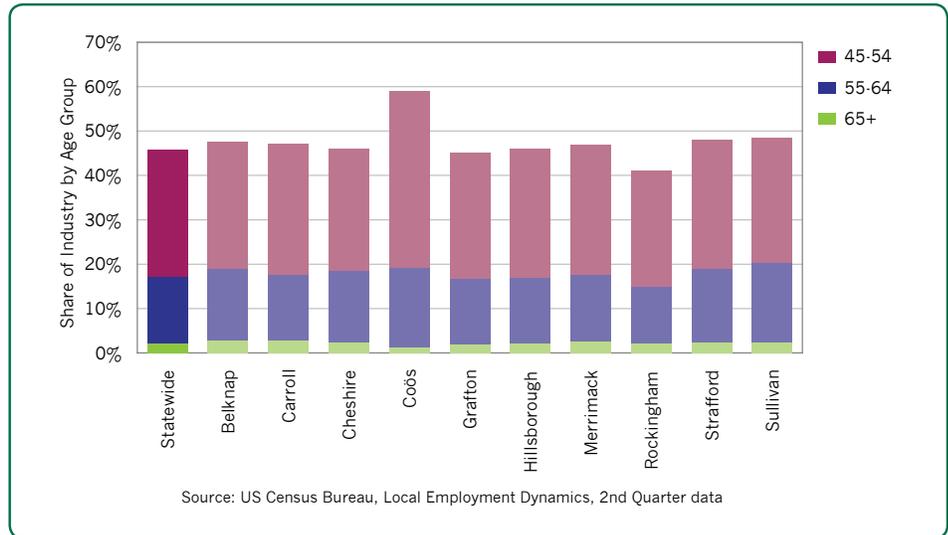
Manufacturing

The *Manufacturing* sector employs the third-largest share of New Hampshire workers in private business, and is increasingly affected by an aging workforce. In 2003, job holders age 45 to 54 years held a little less than 30 percent of private *Manufacturing* sector jobs statewide and in each county, with the exception of Coös County. In Coös County, just under 40 percent of *Manufacturing* job holders were between the ages of 45 and 54 years, and 19 percent were 55 years or older.

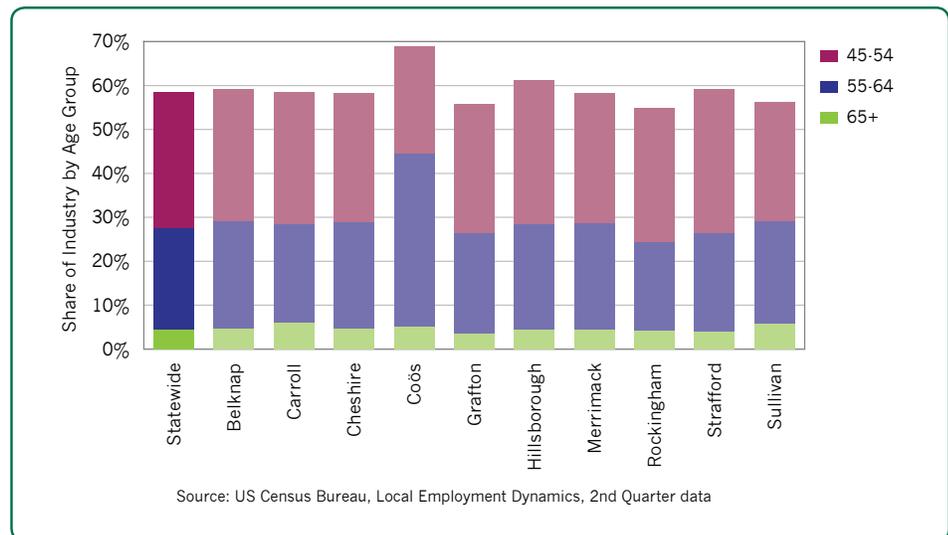
In 2013, the share of *Manufacturing* job holders age 45 to 54 years statewide and in most counties inched up by less than five percentage points, while the share of job holders age 55 years and older rose by ten or more percentage points. In Coös County, however, the differences were far more drastic. The share of *Manufacturing* job holders in the 45 to 54 years age group dropped from 40 percent in 2003 to 24 percent in 2013. The share of job holders age 55 years or older increased from 19 percent in 2003 to 44.5 percent in 2013, a gain of 25 percentage points.

Total *Manufacturing* employment in New Hampshire has declined.⁵ As total employment numbers in the industry shrank, the number of job holders in older age groups remained stable while the number of younger job holders declined along with employment numbers. This may, in part, be the result of “last in – first out” reduction practices where younger workers with less time on the job were released, leaving an older workforce on average. With lower total employment, the numbers of older workers now represent larger shares of

Share of NH Manufacturing by Age 2003



Share of NH Manufacturing by Age 2013



the industry’s workforce. The impact of an aging workforce combined with a reduction in total employment means that opportunities for younger workers to gain employment, and more critically the experience usually required by employers, are limited. The high share of older job holders

may also create a knowledge drain in the industry. As older workers leave the workforce, and limited opportunities have been available for younger workers to gain experience, employers will have a more difficult time finding qualified workers to fill positions.

⁵ Based on Local Employment Dynamics (LED) employment data, Manufacturing employment in New Hampshire dropped by 20.3 percent from second quarter 2003 to second quarter 2013.

Public Administration

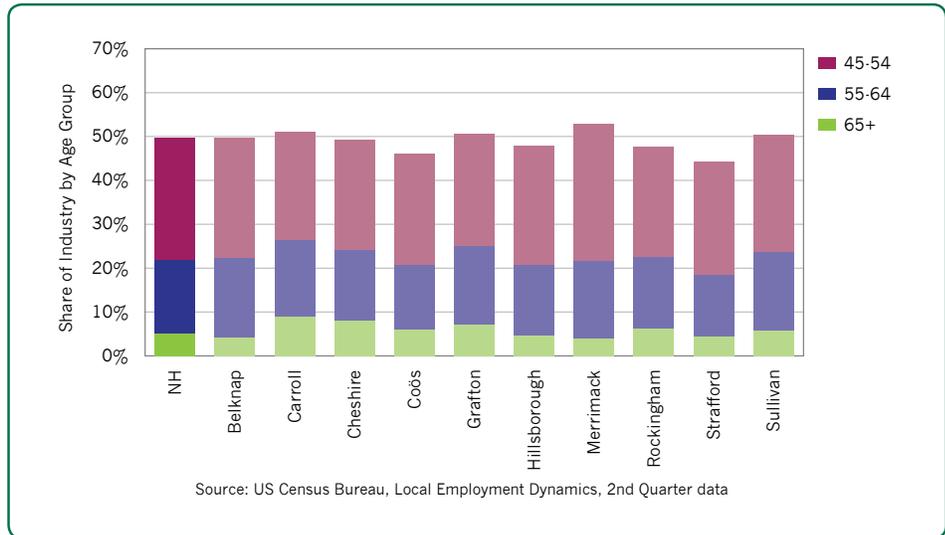
While government workers may be employed in any industry, the *Public administration* sector is comprised of government agencies that administer and manage public programs at the state and local level.⁶ In 2003, about half of New Hampshire job holders in *Public administration* were age 45 years and older; by 2013, that share had risen to 59 percent. Statewide and in every county, the share of job holders in both the 55 to 64 years and the 65 years and older age groups increased from 2003 to 2013.

The largest number of *Public administration* job holders were in Merrimack County, where a large portion of state government is located. In 2003, about 31 percent of *Public administration* job holders in Merrimack County were ages 45 to 54 years, and 22 percent were age 55 years and older. In 2013, the share of *Public administration* job holders ages 45 to 54 years was about the same, 30 percent, while the share of job holders age 55 years and older rose to 34 percent. As the age of job holders continues to rise, the *Public administration* sector, like many private sector industries, faces the potential loss of institutional knowledge.

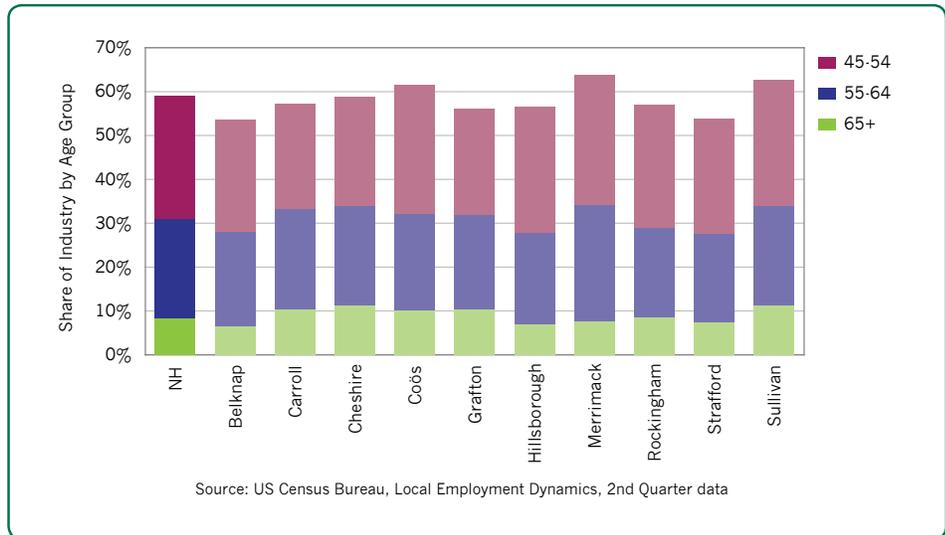
Yet the largest shares of the oldest *Public administration* job holders are not in Merrimack County. In Cheshire and Sullivan Counties, over 11 percent of *Public administration* job holders were age 65 years and older. Because Merrimack County has the bulk of state government workers, it is likely that in Cheshire and Sullivan Counties more job holders age 65 years and older are employed in local government (municipal or county) than state government.

⁶ At the present time, Local Employment Dynamics (LED) data do not include Federal government job holders.

Share of NH Public Administration by Age 2003



Share of NH Public Administration by Age 2013

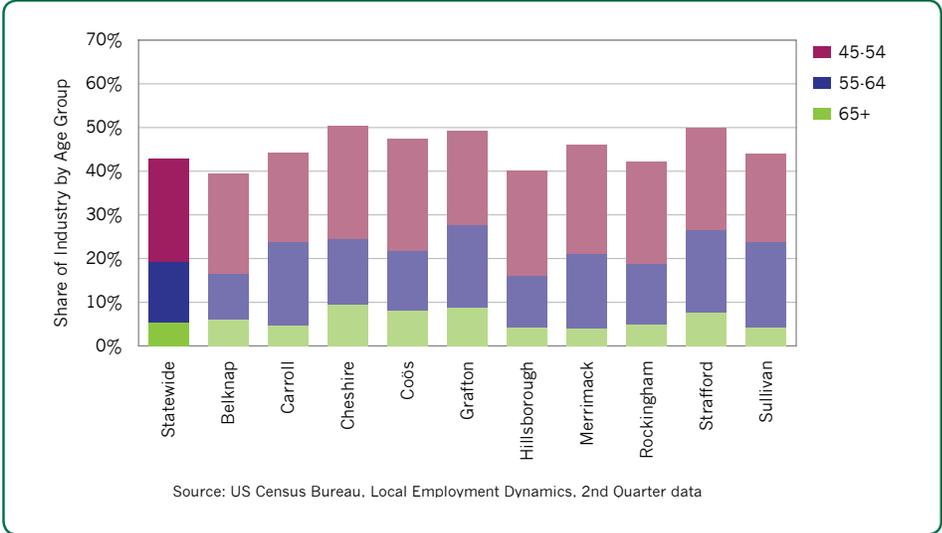


Transportation and Warehousing

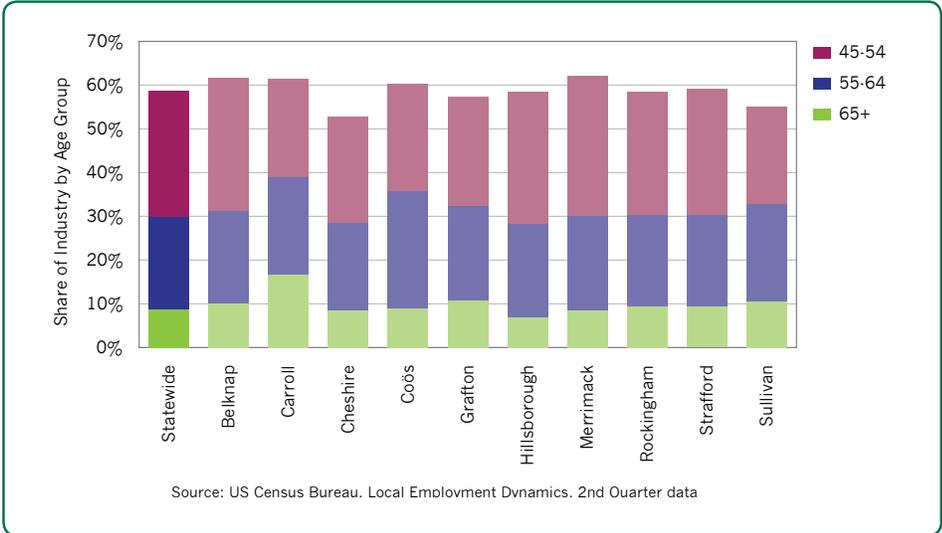
In 2003, roughly 57 percent of job holders in the *Transportation and warehousing* sector were under age 45, while 43 percent were 45 years and older. By 2013, those shares were reversed — 41 percent of job holders were under age 45, while nearly 59 percent were 45 years and older.

Among New Hampshire’s counties, there were differences in the shares of older *Transportation and warehousing* workers. In 2003, Grafton (28 percent), Strafford (27 percent), and Cheshire (24 percent) Counties had the largest shares of job holders age 55 years and older in *Transportation and warehousing*. These three counties had the smallest difference in percent of older workers between 2003 and 2013, about four percentage points. In 2013, the three counties with the largest shares of workers age 55 years and older were Carroll (39 percent), Coös (36 percent), and Sullivan (33 percent) Counties. Carroll County had the largest increase in share of workers age 55 years and older in this industry over the ten-year period, from 24 percent in 2003 to 39 percent in 2013.

Share of NH Transportation and Warehousing by Age 2003



Share of NH Transportation and Warehousing by Age 2013



Real estate, rental and leasing

Although *Real estate, rental and leasing* is not an industry sector that employs a large number of people, this sector held one of the larger shares of job holders age 65 years and older among all industries in New Hampshire, both in 2003 and in 2013.⁷ In 2003, 5.8 percent of job holders in this sector were 65 years and older; by 2013, the share had risen to 9.5 percent.

Among the counties, the largest share of job holders age 45 and over was in Carroll County. In 2013, about 63 percent of Carroll County job holders in *Real estate* were age 45 and over. Carroll County job holders age 65 years and older increased by nine percentage points between 2003 and 2013, going from five percent of all job holders in the county to over 14 percent. The other counties also had an increase in the share of job holders age 65 years and older in this industry over the ten-year period, with the exception of Belknap County, which experienced a slight decline.

The opposite perspective – share of age group by industry

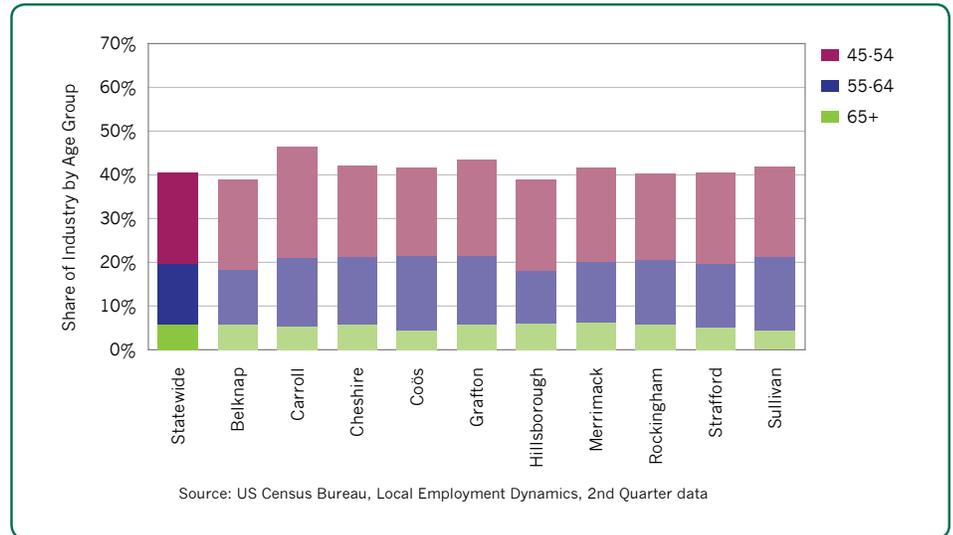
Up to this point, the discussion has been about industries and the ages of job holders employed within each industry. These data can also be evaluated from the opposite perspective — assessing each age group of job holders and the industries in which they are employed.

From this perspective, the largest shares of each of the three oldest age groups both in 2003 and in 2013 were in four industry sectors:

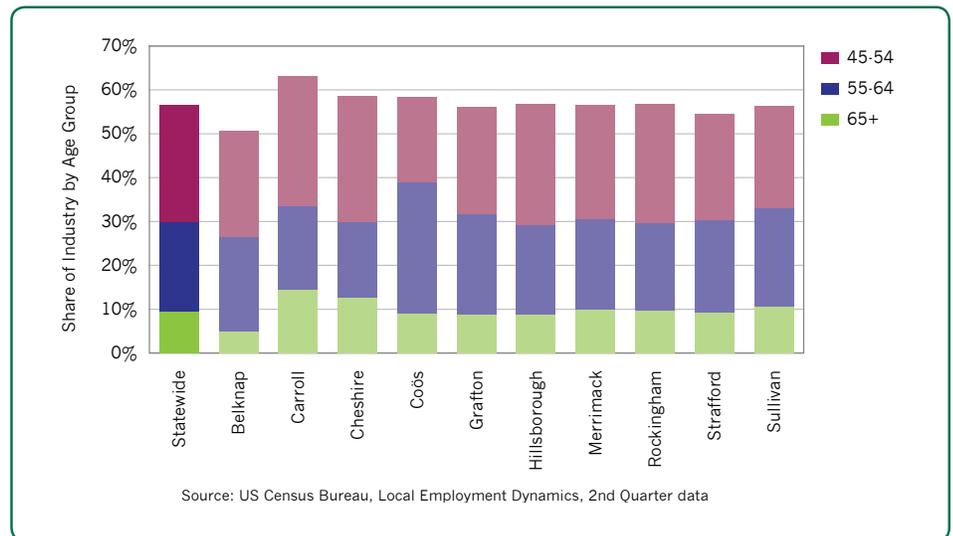
Manufacturing, Educational services, Healthcare and social assistance, and Retail trade. The proportion of job holders in the age 45 to 54 years and 55 to 64 years age groups were similar in these four industry sectors. The share of job holders in these

two age groups increased in only the *Healthcare and social assistance* sector, between 2003 and 2013. There were smaller shares of each age group in the other three sectors. This shift may or may not have been due to worker age. *Healthcare and social*

Share of NH Real Estate, Rental and Leasing by Age 2003



Share of NH Real Estate, Rental and Leasing by Age 2013



⁷ The LED numbers exclude self-employed.

assistance was the only industry sector that did not suffer employment losses during the latest recession, and may well have contributed to these differences.

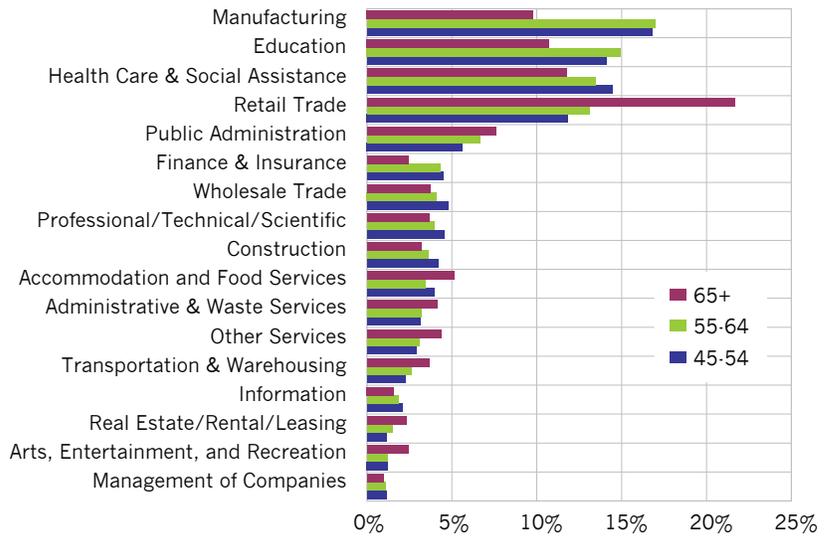
The most obvious differences were among job holders age 65 years and older. In both years, the share of job holders in this age group was distinctly lower in *Manufacturing* and higher in *Retail trade* than the 45 to 54 years and the 55 to 64 years age groups. Yet, even though the largest share of the oldest job holders was in the *Retail trade* sector, the count of job holders in this age group was relatively low.

Overall, older job holders provide a significant contribution to New Hampshire's economy. Job holders age 55 years and older hold almost 25 percent of all jobs, representing over 142,500 job holders. As Baby Boomers in New Hampshire continue to age, it is likely the proportion of older job holders will continue to increase. Older workers are valuable members of the workforce, with years of experience and institutional knowledge important to all industrial sectors. Yet this can be a two-edged sword for business establishments.

If there is a lack of new job creation and limited replacement openings at the same time as workers continue to hold jobs as they age, there is an impact on employment opportunities for workers in other, usually younger, age groups. Those establishments relying heavily on older workers may have some difficulty finding applicants with sufficient experience to fill positions vacated by retiring workers.

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Share of Age 45 and Over New Hampshire Job Holders by Industry, 2003



Share of Age 45 and Over New Hampshire Job Holders by Industry, 2013

