

New Hampshire Economic Conditions

January 2010

Short-term Projections, 2009Q1 to 2011Q1 Job growth stalls, but opportunities exist due to replacement needs

New Hampshire's total employment from first quarter 2009 to first quarter 2011 is expected to barely change as the state continues to feel the effects of the economic downturn. Employment is expected to decline from 669,689 in the first quarter of 2009 to 668,785 in the first quarter of 2011, a net loss of 904 jobs over the two-year period, down 0.2 percent.

New Hampshire Employment Security's Economic and Labor Market Information Bureau publishes short-term projections every six months starting with employment data for the latest available quarter (in this case first quarter 2009 covered employment data) and looking forward two years.

According to more recent monthly survey data from the Current Employment Statistics (CES) program, payroll employment has continued to decline throughout 2009 in the face of the most severe recession in 25 years. The low point of employment in New Hampshire should occur somewhere between first quarter 2009 and first quarter 2011.

Projections then indicate a slow recovery to growth in total employment.

The expected decrease in the number of workers over this short-term projection period will be driven mainly by declines in goods-producing industries, which are forecast to lose 5,816 jobs. Manufacturing industries account for 4,008 of that drop.

In contrast, service-providing industries overall are expected to add jobs. Gains of over 600 jobs each are expected in *Professional, scientific, and technical services*; *Management of companies and enterprises*; *Administrative and waste management services*; and *Educational services*. *Healthcare and social assistance* is expected to add over 2,600 jobs in this short-term period. However, not all service-providing industries are projected to grow by first quarter 2011. Exceptions among service-providing industries are *Retail trade*, expecting a decline of 773 jobs over the two-year period, and *Finance and insurance* industries, anticipating 720 fewer jobs.

Some good news may be obscured by the projected net decline in total jobs. That is the opportunities which will be created due to the need to replace workers that retire or permanently leave an occupation for other reasons.

Openings from growth arise when projected employment in an occupation increases from the base period. This is because economic growth and increased demand for the products and services they produce result in increased demand for more workers. Because of the current economy, there are fewer openings from growth in the first quarter 2009 to first quarter 2011 projections period.

Replacement openings occur when workers leave an occupation through promotion, retirement, or other reason, and need to be replaced. Projections account for these workers by calculating an estimate of the net number of workers moving in to and out of the labor force.

In these projections, replacement openings are higher than openings due to

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Projected annual openings, 2009Q1-2011Q1



growth, which can be attributed to the combination of an aging workforce and a tough economy. The current short-term projection forecasts nearly 15,000 openings a year from replacement needs and only 3,700 from growth.

Total openings are the sum of growth and replacement, and are presented on an average annual basis.

In many specific occupations, replacement openings are much higher or account for all of the potential openings in this projected time period. For example, projected employment declines in the *Retail trade* industry will require fewer Retail salespersons by first quarter 2011. Overall, there will be no openings from growth for this occupation, but the need to replace workers that leave the occupation — due to a worker being promoted to a supervisory position, or retiring, for example — will create 773 openings.

Waiters and waitresses are projected to increase from 10,878 to 11,078 in first quarter 2011, an increase of 200 jobs from growth, an average of 100 jobs a year, and another 745 openings from replacement needs.

Employment of Registered nurses is one of the few occupations expecting more openings from growth than from replacements. In addition to openings for 183 replacement workers, 253 new

jobs will be created. This is because of positive employment growth projected for the *Health care and social assistance* sector, the main employer of that occupation.

Total openings, by definition, must be greater than zero — no occupation can have “negative openings.” If projected growth is negative, there will at least be some openings from the need to replace workers that retire or otherwise leave an occupation for other reasons, even though not as many as those lost through attrition.

As an example, suppose that the base period employment for Cashiers is ten workers. Over the course of a year, five workers lose their job due to a slow economy. Of the five remaining, one gets promoted and another decides to retire. Two workers would need to be hired to take their places. These two openings represent a real need for two workers — in this case, both replacement openings — even though employment overall has declined from ten to five. (It is irrelevant if two of the five workers that lost their job get hired to fill the openings.)

Many occupations with numerous replacement openings tend to require little education beyond short-term on-the-job training to become qualified. Of the top ten occupations with the most projected openings, six require short-term on-the-

job training as a qualification. Cashiers, Retail salespersons, and Waiters and waitresses are the three occupations with the most openings. These occupations are frequently starter positions that can be a stepping stone to supervisory positions or the source of valuable experience for young persons entering the labor market.

Among the major highlights of the short-term occupational projections to first quarter 2011:

- About 40 percent of the 700 detailed occupations are projected to experience some openings due to growth even if it is just one job.
- The largest share of occupations, almost 54 percent, are not projected to have openings due to growth, but are still expected to need replacement workers in the occupation.
- Less than seven percent of occupations are expected to have no change from either growth or replacement needs.

Some occupations where openings from growth exceed those for replacement include Registered nurses; Computer software engineers, applications; Personal and home aids.

Other occupations that have zero or negative growth but are projected to require replacement openings: General and operations managers, First line supervisors and managers of retail sales workers, and Stock clerks and order fillers.

Some occupations expected to increase in number despite the slow economy include Home health aides; Nursing aides, orderlies, and attendants; and Customer service representatives.

The entire table of projections for more than 650 occupations can be found at <www.nh.gov/nhes/elmi/projections.htm>.

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Fastest Growing Occupations, 2009Q1 to 2011Q1 (at least 250 in 2009Q1)				
SOC Code	Occupation	2011 Q1 Projected Employment	Percent Change	Total Annual Openings
29-2056	Veterinary Technologists and Technicians	664	8.5%	43
31-1011	Home Health Aides	3,094	7.3%	127
29-1131	Veterinarians	346	7.1%	18
15-1081	Network Systems and Data Communications Analysts	1,102	7.1%	56
39-9021	Personal and Home Care Aides	3,697	6.5%	170
21-1011	Substance Abuse and Behavioral Disorder Counselors	331	5.8%	15
21-1093	Social and Human Service Assistants	1,748	5.7%	63
51-3011	Bakers	588	5.6%	28
39-5092	Manicurists and Pedicurists	355	5.0%	12
15-1031	Computer Software Engineers, Applications	4,855	4.9%	173