

ECONOMIC CONDITIONS in New Hampshire



June 2006

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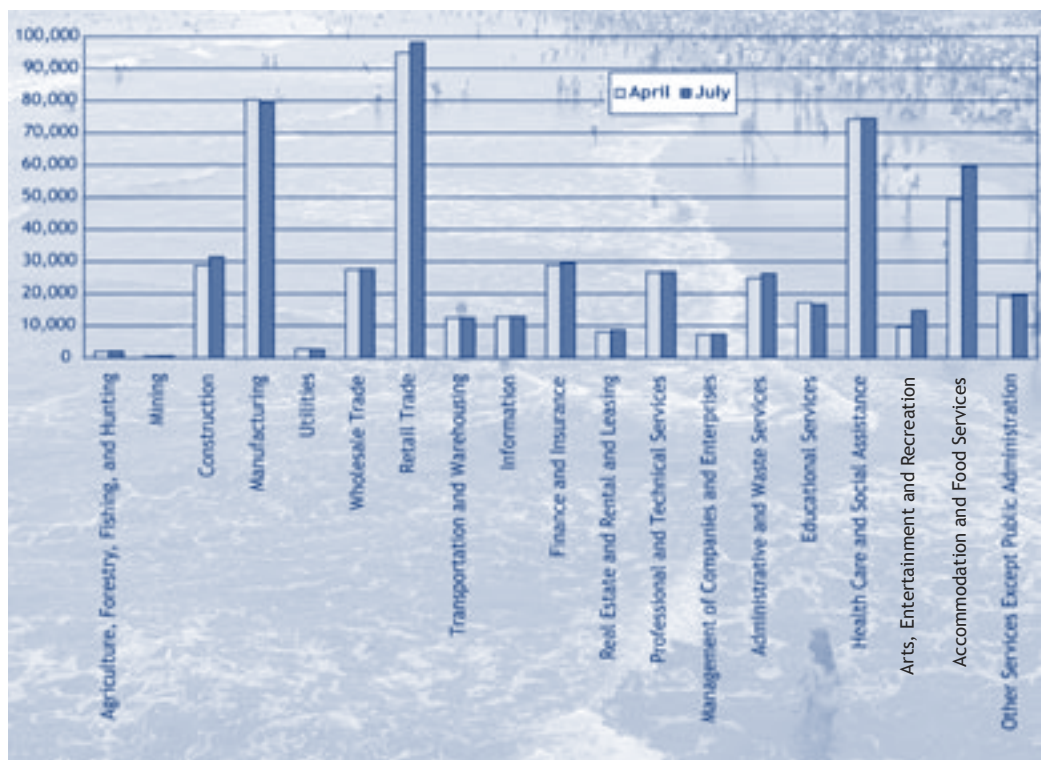
Using covered employment to find where summer jobs are

Warm weather brings the opening of seasonal New Hampshire businesses like amusement parks, speedways, outdoor entertainment venues, and theme parks. The closing of public schools in June marks the beginning of the summer family vacation season, further intensifying related tourism activity. The swelling in the state's private employment from April to July last year was large enough to absorb the temporary declines in government

employment caused by schools letting out, to net an additional 5,200 jobs.

Since no Bureau of Labor Statistics survey directly tracks summer hiring, increases attributable to summer employment are typically measured by comparing April employment to July employment. Analysis of these increases using detailed covered jobs data by industry can be used to anticipate where seasonal jobs can be found this summer.

Over 15,000 of the added jobs came from the Leisure and Hospitality industries, from April to July 2005



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Published by the Economic and
Labor Market Information Bureau

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The Leisure and hospitality industries (Accommodation and food services, and Arts, entertainment, and recreation) combined to add 15,000 jobs in summer 2005. By July, waterside seasonal restaurants and lodging places open for summer business. The largest job increase, in 2005, from April to July, in both percentage and net job growth, was in the Accommodation and food services sector (20.8 percent increase with 10,277 more jobs). Within this industry sector, the employment increase was split almost equally between Accommodation (4,857 jobs) and Food Services and drinking places (5,420 jobs). In the Accommodation subsector, Traveler accommodation, and RV parks and recreational camps furnished all but 12 of the added jobs. Over half of the additional jobs in the Food services and drinking places subsector were in Full-service restaurants, while job increases in Limited-service restaurants provided just over one third of the gain.

Another testament to the importance of the summer season to New Hampshire's economy was the job surge in the other Leisure and hospitality industry, the Arts, entertainment, and recreation sector, with a 52.4 percent increase from April to July, providing 5,071 seasonal jobs. The Amusement, gambling, and recreation industries include the amusement and theme parks whose prime season is the summer, providing 3,454 of those jobs in July over the April count. The 2005 data also reflects the recent rise in Spectator sports as the catalyst for the overall growth of 1,320 positions in the Performing arts and spectator sports subsector.

Anyone who is accustomed to traveling on New England roadways is well aware that warmer weather ushers in the road and bridge construction season. While building contractors have developed many strategies to continue

Total employment expanded over 5,100 jobs from April to July

	2005							Net Change April to July	Percent Change April to July
	1st Quarter			2nd Quarter					
	Apr	May	Jun	Jul	Aug	Sep			
Agriculture, Forestry, Fishing, and Hunting	1,981	2,098	2,200	2,130	2,120	2,189	149	7.5%	
Mining	564	580	597	624	621	619	60	10.6%	
Construction	28,834	29,950	30,925	31,464	31,443	30,862	2,630	9.1%	
Manufacturing	80,328	80,346	80,839	79,478	80,232	79,722	(850)	-1.1%	
Utilities	2,764	2,768	2,762	2,766	2,770	2,759	2	0.1%	
Wholesale Trade	27,446	27,582	27,688	27,703	27,509	27,373	257	0.9%	
Retail Trade	95,038	96,296	98,104	98,255	98,598	96,893	3,217	3.4%	
Transportation and Warehousing	12,497	12,771	13,014	12,522	12,545	13,044	25	0.2%	
Information	12,718	12,732	12,771	12,877	12,837	12,636	159	1.3%	
Finance and Insurance	28,859	28,971	29,307	29,644	29,692	29,593	785	2.7%	
Real Estate and Rental and Leasing	8,118	8,221	8,530	8,674	8,612	8,291	556	6.8%	
Professional and Technical Services	26,668	26,221	26,331	26,818	26,827	26,524	150	0.6%	
Management of Companies and Enterprises	7,338	7,384	7,407	7,404	7,404	7,323	66	0.9%	
Administrative and Waste Services	24,826	25,366	26,144	26,164	26,371	26,110	1,338	5.4%	
Educational Services	17,306	16,840	16,589	16,572	16,392	17,398	(734)	-4.2%	
Health Care and Social Assistance	74,292	74,670	74,756	74,558	74,474	75,224	266	0.4%	
Arts, Entertainment and Recreation	9,676	10,583	12,758	14,747	13,624	11,792	5,071	52.4%	
Accommodation and Food Services	49,329	51,638	56,234	59,606	59,432	55,173	10,277	20.8%	
Other Services Except Public Administration	19,081	19,037	19,274	19,514	19,493	19,136	433	2.3%	
Federal Government	7,775	7,774	7,863	7,892	7,917	7,871	117	1.5%	
State Government	21,004	20,919	19,967	20,884	20,742	21,114	(120)	-0.6%	
Local Government	59,113	59,449	56,922	40,377	40,136	58,293	(18,736)	-31.7%	

working through the winter months, road construction stops dead when the ground is frozen. In 2005, ten percent of Construction increases were from roads and highway construction, with scheduled repair work. Added demand for repair work from flood damages incurred both last fall and this spring, promise to make Highway, street and bridge construction a large contributor to summer opportunities this season.

The largest contribution to the 9.1 percent increase and the more than 2,600-job increase in Construction was the 1,674 workers added to Specialty trade contractors between April and July. Much of the activity in this subsector is usually subcontracted from general contractors or operative builders. However, especially in remodeling and repair construction, work also may be done directly for property owners. Specialty trade contractors usually work at the construction site, although they may have shops where they also work.

Spring cleanup with tree trimming and removal services influences employment in Administrative and waste services. The warmer weather brought with it a 5.4 percent increase adding more than 1,300 jobs in this industry sector. About two of every three of these workers were employed in the Services to buildings and dwellings sector. This subdivision within Administrative and waste services includes summer maintenance services that are in high demand, including landscaping, bug and pest control, and swimming pool cleaning services.

Reflecting both trends that rate shopping as a frequent vacation activity and, more directly, the swelling of the area's summertime population in tourist towns, Retail trade grew by 3,217 additional positions from April to July. The increase in Grocery store employment provided over 25 percent

of the added jobs in Retail trade. Both General merchandise stores and Building materials and garden supply stores boosted employment levels by around 20 percent from April to July.

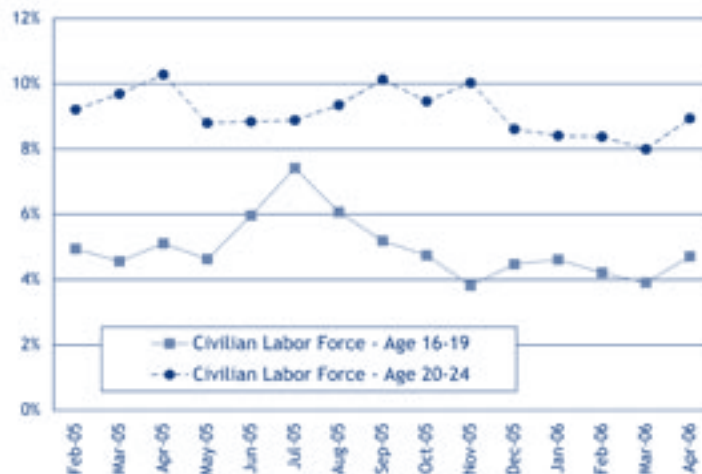
Only two industry sectors experienced declines in employment levels as spring turned into summer. With most students out on break for the summer, private Education employment levels declined by over 700 positions. The influence of school-year employment cycles is even more evident in the public sector. Local government employment dropped by 18,736 jobs from April to July. Even with this huge drop, total employment (Private plus Government) in New Hampshire still grew by more than 5,200 jobs.

Although the manufacturing sector has been experiencing declines, retooling typically is the reason behind the summer shutdowns, accounting for at least part of the 850 lost jobs there.

Summer Workers by Age Cohort

Overall, the level of the monthly civilian labor force is relatively stable, but when broken out by age groups the labor force estimates can provide some

The 16 to 19 year aged group experiences the largest change in its share of the civilian labor force during the summer months



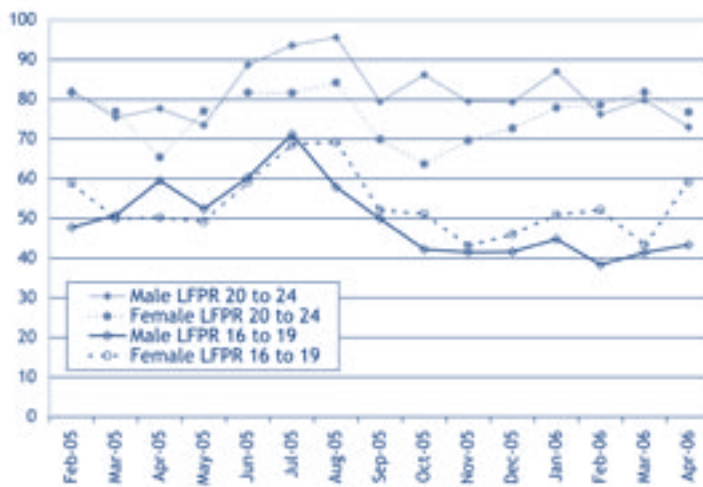
insight as to which cohorts provide seasonal workers.

The two youngest age groups, for both males and females, are most inclined to encounter seasonal employment changes. These age groups experience seasonal increases in their labor force participation rates during the summer months. This is probably because both groups' availability is significantly influenced by school - the age 16 to 19 group by the secondary school schedule

The population increase between those months of this age bracket can be attributed to students returning home during school break as well as those temporarily moving into the area on summer vacation with their families. This age group makes up about 5.0 percent of the total civilian labor force. The only age group that has a smaller share of the labor force is that consisting of people 65 years and over.

That the majority in this age group are full time secondary school students influences their relatively small share in the labor force. The school year schedule plays a big part in the seasonal availability for employment for this age group. During the summer vacation, the labor force participation rate (from April to July) of this group jumps from its median month (January 2005) of 47.9 percent to 70.0 percent, almost matching the median month (March 2006) of 70.9 percent for the remainder of the labor force. This is an influx of between 10 and 15 thousand young workers into the state's labor force during the summer months, June, July, and August.

The labor force participation rate for the 20 to 24 age group is typically 25 to 30 percent higher than their younger counterparts.

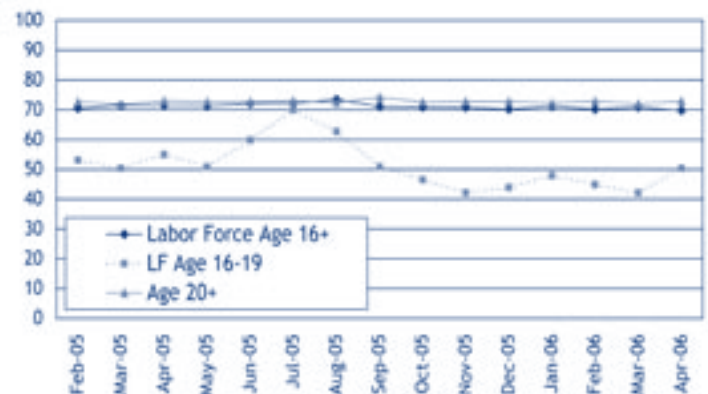


and the 20 through 24 group, to a lesser degree, by the postsecondary school schedule.

High School Age

Of the roughly 738 thousand people in New Hampshire's civilian labor force, in 2005, a monthly average of 35 thousand were between the ages of 16 and 19. This age group represented 6.6 percent of the working age population in April 2005 and that increased to 7.6 percent by July 2005.

During the school break, 16 to 19 year cohort labor force participation rate increases to match the statewide average.



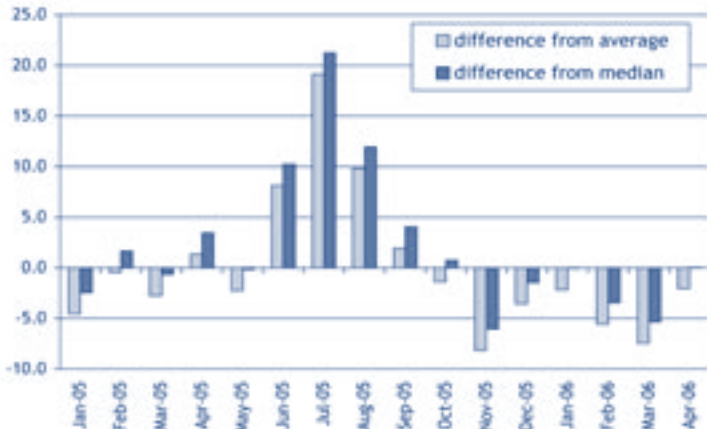
The average size of this cohort in the labor force² in any given month is around 36 thousand. Because the levels jump so high in the summer, they skew the average, so the level of the median month (April 2006), 34.2 thousand, makes for a better comparison. During 2005, spring hiring started strong in April, and got scaled back in May – which may have been weather-related. This year’s estimates show that although April isn’t as high as it was last year, the number of individuals in this age group are starting to enter the workforce for the summer.

When compared to other age cohorts, the 16 to 19 age cohort exhibits a smaller difference in the labor force participation levels between genders. The participation differences seem to depend on the time of year; data for females showed more working in the winter months but males taking the lead in the warmer months. But the variances, overall, are becoming less significant than compared to older groupings.

Where do they work?

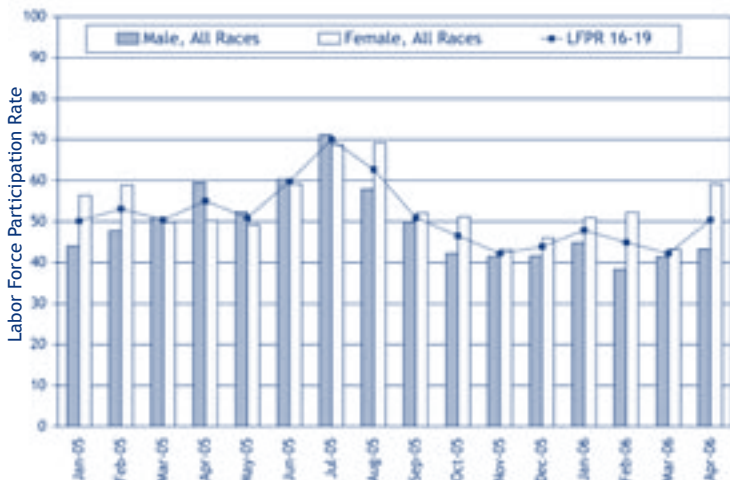
From the earlier discussion of which industries see the most seasonal em-

June, July and August had the largest increases in the labor force in the 16 to 19 year old group.



ployment change, it appears that the Accommodation and food services and the Arts, entertainment and recreation sectors provide jobs to about two-thirds of these workers. The flexibility of Retail trade hours is attractive to many, so this industry probably provides employment to about two of every fifteen of these young workers. Jobs in Retail trade generally require fewer skills and less experience, making high schools students more eligible for work there. Plus, Retail trade can be found throughout the state, and it is the second largest industry sector in terms of employment.

There was a fairly even split between male and female workers in the 16 to 19 age group.



The 20 to 24 year olds

This age group tends to be more independent than the 16 to 19 age group. The 20 to 24 age group includes postsecondary students as well as young adults who have become full time workforce members. Because of their greater economic needs, to pay tuition or to support themselves for the first time, the monthly labor force participation rate for the 20 to 24 age

group is over 25 percent higher than high schoolers, at 79 percent. The fact that some in the age group 20 to 24 are full time workers, while some are part time because of educational obligations may account for their higher percent in the labor force than the high school aged group.³

This independent adult status helps explain why both males and females in this group also have a higher labor force participation rate than the high school aged group. Their median labor force participation rates were 79.7 percent for males and 77.0 per-

cent for females compared to 46.3 and 51.2 for their younger counterparts. A significant difference between this age cohort and their younger counterparts is that this group has distinctly more males working throughout the year than females. This may be related to a higher percent of females engaged in postsecondary education.⁴

Anita Josten

¹ Civilian non-institutional population includes those age 16 and over, excludes members of the armed forces and those institutionalized.

² Civilian labor force estimates by age group derived from monthly Current Population Survey, averaged for the 15 month period from January 2005 through April 2006.

³The breakout of the 20 to 24 age cohort includes an extra year of population, so comparisons to the 16 to 19 age group must be done with caution.

⁴National Center for Education Statistics, New Hampshire Class of 2004, <http://nces.ed.gov/>

The 20 to 24 age group average share of the labor force almost doubled that of the 16 to 19 age cohort.

