

New Hampshire Economic Conditions

June 2013

Summer Hiring Patterns in New Hampshire

Employment in New Hampshire expands by roughly four percent, about 23,000 jobs, between April and July each year, according to a survey of New Hampshire employers that measures nonfarm payroll employment each month. These employment swings are primarily attributed to summer hiring, which is most prevalent in four private industry sectors: *Construction*, *Accommodation and food services*, *Arts, entertainment and recreation*, and *Retail trade*. With the exception of *Retail trade*, employment numbers in the remaining three industries peak in July each year.

Among these four industries, the largest percent change occurs in the *Arts, entertainment and recreation* sector each summer. From April to July, as seasonal businesses open and hire staff in anticipation of summer visitors, employment increases by about 50 percent, representing between 4,500 and 5,000 workers. The largest numeric increase, and

second largest percent change, is in the *Accommodation and food services* sector, where employment increases by more than 10,000 from April to July annually, roughly a 20 percent increase.

While *Construction* jobs aren't tied to tourism, these jobs are commonly dependent on summer weather conditions. *Construction* experiences a recurring increase of around seven percent during the spring months each year, about 2,000 jobs.

The summer season does foster an employment increase in *Retail trade*, although the Christmas holiday season is typically this industry's peak employment season. Increases in *Retail trade* generally account for about 2,500 workers, a four percent increase.

These data represent some of the expected employment changes

experienced in New Hampshire on an annual basis. Seasonal employment patterns are clearly illustrated when looking at monthly employment totals over time. The shaded areas in the graph below show employment increases from April to July each year, though the volume of growth was somewhat stunted during the most recent recession.

Hires: New Hires vs. Recall Hires

Another measure of employment is the Local Employment Dynamics (LED), produced quarterly by the U.S. Census Bureau.¹ One employment measure available through LED is *all hires*, an estimated number of workers who

¹ Local Employment Dynamics (LED) Longitudinal Employer-Household Dynamics. United States Census. <http://lehd.ces.census.gov/>. The Quarterly Workforce Indicators (QWI) are a set of economic indicators—including employment, job creation, wages, and worker turnover

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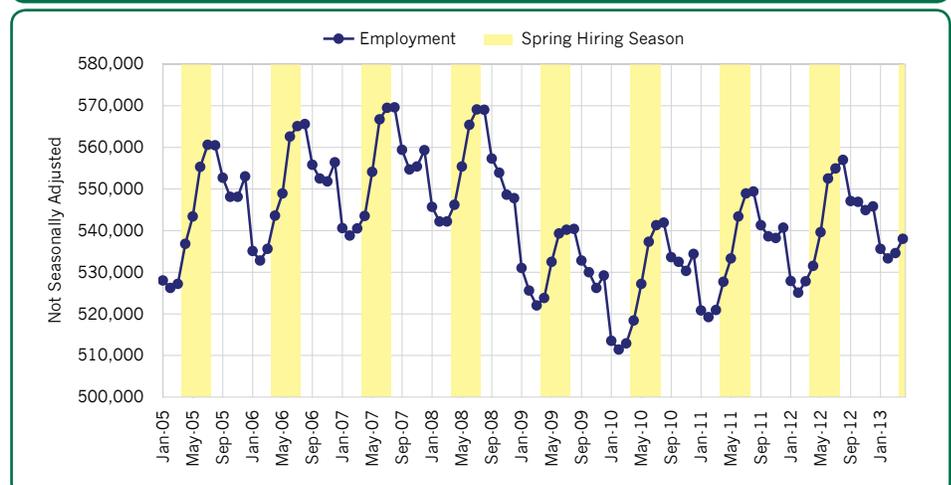
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started a new job in a specific quarter. *All hires* represent the total of *new hires* plus *recall hires*. *New hires* is a count of workers who started a new job in a given quarter, but had not worked for that employer in any of the previous four quarters. *Recall hires* is a count of workers who started a job in a given quarter with an employer they had worked for sometime in the previous year, with the exception of the previous quarter. These data provide an additional perspective on the dynamics of employment change.

During the second quarter (April, May, and June) of 2012, 14.6 percent of hires among all industries statewide were recall hires, meaning that about one of every seven had worked for the same employer sometime during the previous year (but not the previous quarter).

In New Hampshire, the industries with the largest number of second quarter hires are *Construction*, *Accommodation and food services*, *Arts, entertainment and recreation*, and *Retail trade*. Only *Retail trade* had a smaller share of second quarter recall hires (12.4 percent) than that of all industries. About one of every eight workers hired in *Retail trade* during the second quarter had worked for the same employer sometime during the previous year (but not the previous quarter).

Larger shares of recall hires were found in New Hampshire's typical summer season industries. One of every three workers (33.2 percent) hired in the *Arts, entertainment and recreation* sector was a recall hire, and one of every four hires (24.4 percent) in *Construction* was

New Hires and Recall Hires in New Hampshire, 2Q 2012



Source: Local Employment Dynamics, U.S. Census Bureau

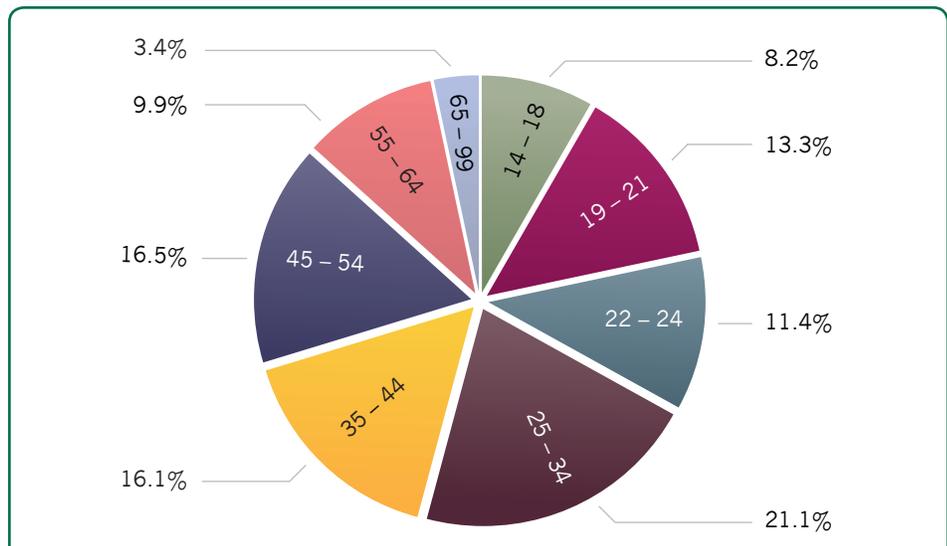
a recall hire. Nearly one of every five hires (18.7 percent) in the *Accommodation and food services* sector was a recall hire.

Second Quarter 2012 Hires by Age

Comparing the share of all hires statewide during the second quarter of 2012, those age 14 to 18 and 19 to 21 years together represented

21.5 percent of hires. Additionally, those age 22 to 24 years held more than 11 percent of hires. When combined with the two younger age groups, the resulting cohort accounted for roughly 33 percent of hires, the largest share among age groups similar in span of years. Those 25 to 34 years of age represented 21.1 percent of hires, the next largest among the cohorts.

All Hires by Age Group in New Hampshire, 2Q 2012



Source: Local Employment Dynamics, U.S. Census Bureau

Among the industries in New Hampshire most likely to hire for the summer season, there is a strong relationship with the younger age cohorts. Slightly under half of second quarter 2012 hires in the *Retail trade, Arts, entertainment, and recreation, and Accommodation and food service* industry sectors were either 14 to 18 years or 19 to 21 years. Second quarter hires of those in the 14 to 21 age range are typically high school and college students who work during summer break.

Construction's hiring patterns among all age cohorts was more similar to that of statewide all industries than to other industries that hire for the summer. Although this industry also has usual seasonal hiring, the age distribution of hires may be indicative of the unsuitability of some construction work for those in the youngest age groups. New Hampshire labor law prohibits those under 16 years of age from working in dangerous construction occupations. The age distribution of hires may also indicate that the *Construction* industry has a longer seasonal period than those industries that commonly hire students who must return to school in the fall.

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