

New Hampshire Economic Conditions September 2012

Work Status of New Hampshire Residents

Typical employment figures capture the number of workers in the state, but determining if residents are employed full time or part time is not available through those measures. Data on the full time or part time status of workers are valuable because they provide telling signs about the economy's strength or stability, for both states and the nation.

To examine the effects of the Great Recession on the full time and part time work status of individuals in New Hampshire, data from 2005 through 2011 (the most recent available) were used. This comparison shows the changes in work status from two years prior to the recession through two years after the economy ended its downward slide.

Exploring details on the reasons individuals gave for working part time from 2005 to 2011 also provides insight to the state's economy. While many news stories focused on the decline in overall employment numbers, the composition of the work status behind those numbers, such as the number of hours worked by individuals and the reason why people worked part time, serves as another economic barometer.

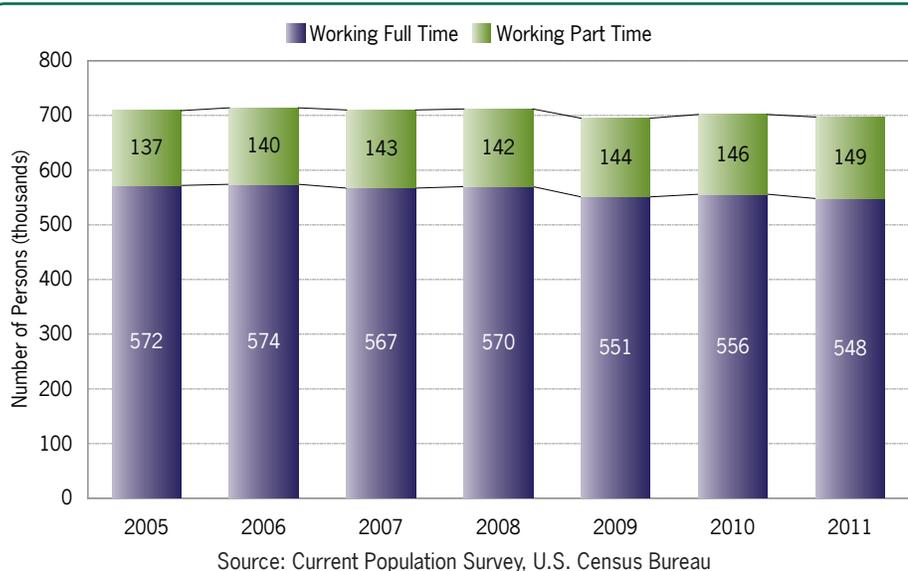
According to the Current Population Survey, the annual average number of New Hampshire residents working was fairly stable between 2005 and 2008, varying only slightly from 710,000. The annual average number of employed individuals dropped by 17,000, or 2.4 percent, between 2008 and 2009 as the recession took hold, and has remained in the neighborhood of 697,000 through 2011.

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New Hampshire Workers - Full Time vs. Part Time

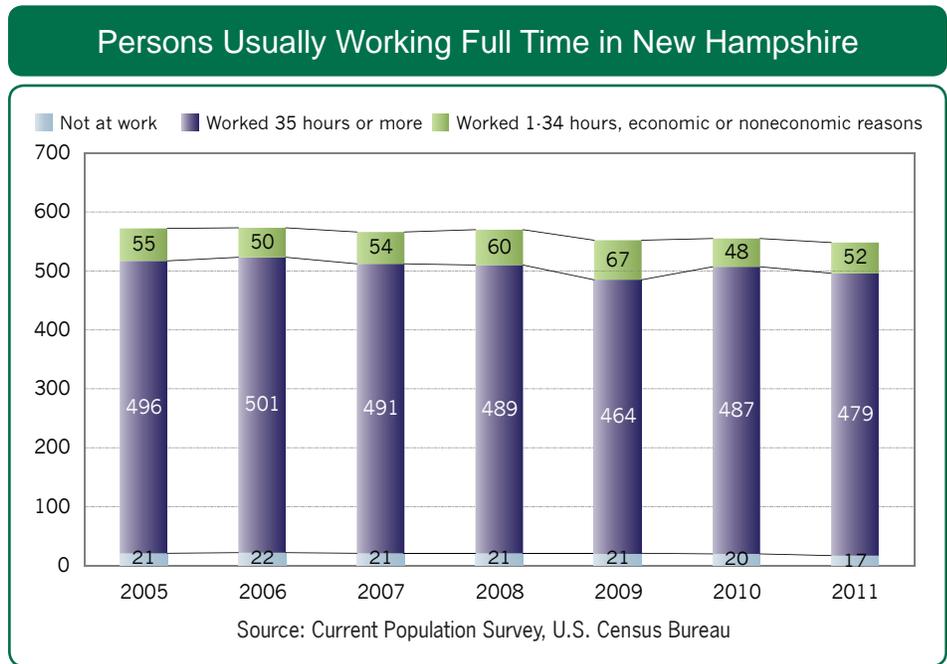


The Current Population Survey is the source of information on individuals and the work status of individuals. It is a household survey that gathers a comprehensive body of data on the labor force, employment, unemployment, persons not in the labor force, the number of hours of work, earnings, and other demographic and labor force characteristics. As a household survey, the data represent residents of a specific area. This household survey is conducted for a survey reference week each month by the U.S. Census Bureau and is jointly sponsored by the Census Bureau and the Bureau of Labor Statistics.

Among employed New Hampshire residents, 78.6 percent worked full time in 2011. Employed persons are classified as full time or part time workers based on their usual weekly hours at all jobs regardless of the number of hours they worked during the survey reference week. Survey respondents indicating that they usually work 35 hours or more are classified as full time, while those indicating they usually work fewer hours per week are classified as part time.

The number of individuals working full time peaked in 2008 at 570,000, but by 2011, that number had declined to 548,000, a drop of 3.9 percent over the period.

The number of people usually working full time were further categorized by those who worked 35 hours or more during the survey week, those who worked between 1 and 34 hours, and those who were not at work. The counts of those who normally worked full time but worked less than 35 hours jumped by



6,000 in both 2008 and 2009, when New Hampshire was experiencing the full effects of the economic downturn. Although details of the reason why persons did not work their normal full time hours is not available for this time frame, the reduction in hours of those with full time work status is important to note. In bad economic

times, a reduction in hours is one way companies try to avoid laying off workers.¹ Also, the reduction in the average number of hours worked by manufacturing employees is a leading economic indicator, as this usually means that an economic slowdown or recession is looming.

¹. While there is no count available of the employers that furloughed workers, or the number of employees affected, the option was real enough to lead to the article "FURLGOWHS AND RIFs Signs of the Times: Use of Furloughs and Reductions in Force to Cut Costs" published in the New Hampshire Bar Journal, Fall 2009. Article was written by Attorneys Debra Weiss Ford and Nancy E. Oliver. <http://www.nhbar.org/uploads/pdf/BJ-Fall2009-Vol50-No2-Pg52.pdf>

In the Current Population Survey, individuals who work less than 35 hours are broken out into two distinct groups: those working part time for economic reasons and those working part time for noneconomic reasons. These descriptions are used for all employed persons who work fewer than 35 hours a week, regardless of their usual full time or part time classification.

Part time for noneconomic reasons includes those persons who usually work the defined work status (full time or part time) and were at work 1 to 34 hours during the reference week for a noneconomic reason. Some examples of noneconomic reasons include: illness or other medical limitations, childcare problems or other family or personal obligations, school or training, retirement or Social Security limits on earnings, and being in a job in which full-time work is less than 35 hours. The part time group also includes those who give an economic reason for usually working 1 to 34 hours but say they do not want to work full time or are unavailable for such work.*

Part time for economic reasons is sometimes called "involuntary part time." This category refers to individuals who give an economic reason for working 1 to 34 hours during the reference week of the Current Population Survey. Economic reasons include slack work, unfavorable business conditions, inability to find full-time work, and seasonal declines in demand. Individuals who usually work part time must indicate that they want and are available to work full time in order to be classified as at work part time for economic reasons.

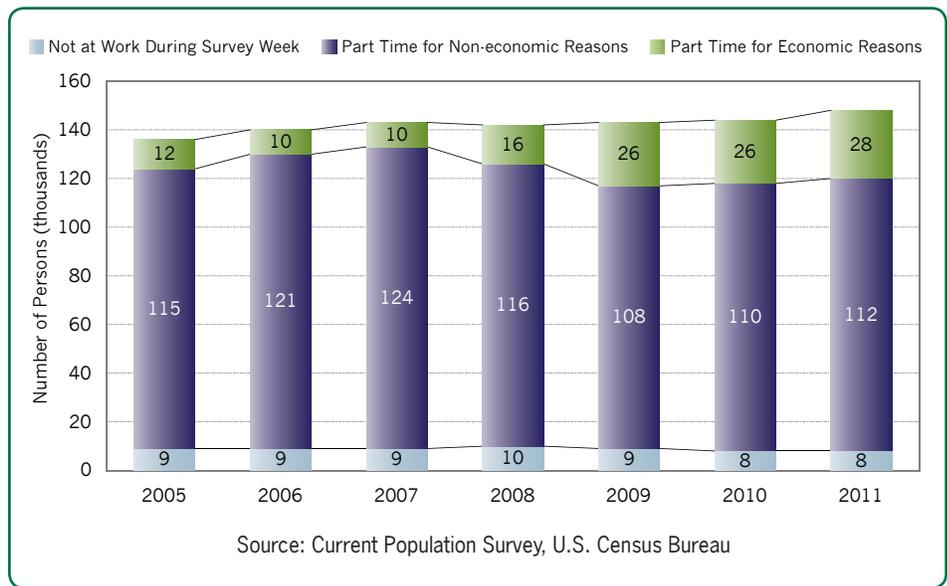
* Appendix A: Concepts and Definitions for Data Derived from the Current Population Survey. Bulletin 2768. Geographic Profile, Bureau of Labor Statistics. Accessed August 8, 2012. <www.bls.gov/pub/gp/gpapnda.htm>.

In 2011, for the first time, among persons who usually work full time, those who worked from “1 to 34 hours” were separately classified by economic reasons versus noneconomic reasons. Of the 548,000 persons in New Hampshire who usually work full time, 52,000 reported working less than 35 hours. Of that group, about 43,000 persons worked fewer hours for *noneconomic reasons*, while 9,000 worked fewer hours for *economic reasons*.

The Current Population Survey also compiles data on those whose usual work status is part time, that is, less than 35 hours each week. From 2005 through 2008, the total number of individuals working part time changed little, with roughly 142,000 persons in New Hampshire working part time.² After the economy reached its lowest point in 2009, the number of persons working part time increased by 5,000 while those working full time decreased by 3,000.

Those who usually work part time are also categorized as doing so for economic or noneconomic reasons. The majority of individuals who usually work part time do so for noneconomic reasons — they choose to work part time. The share of all employed residents who usually work part time was 19.3 percent in 2005, and stayed about the same until 2011, when the share crept up to 21.4 percent. Yet over the seven-year period, differences emerged in the reason residents worked part time. Among usual part timers, those working part time for economic reasons in 2005 was about 1.7 percent

Persons Working Part Time in New Hampshire



of all employed residents. By 2011, that share had more than doubled, growing to 4.0 percent. From 2005 to 2011, the number of New Hampshire residents working part time for economic reasons grew by 16,000, with the majority of this increase taking place after 2008.

According to the Current Population Survey, from 2005 to 2011 the number of employed residents in New Hampshire, either full time or part time, declined by about 12,000 individuals. At the same time, the number of unemployed — those without work who continued to look for and be available for work — increased by 13,000 individuals.

The estimated number of persons who were unemployed in New Hampshire was roughly 28,000 each year from 2005 through 2008. This included all persons who had no employment

during the reference week of the survey. To be counted as unemployed, survey respondents must indicate that they were available for work, except for temporary illness, and must have made specific efforts to find employment sometime during the four-week period ending with the reference week.³ During that same time, the annual average unemployment rate remained around 3.5 percent, climbing to 3.9 percent in 2008.⁴ The number of unemployed persons looking for part time work was between 6,000 and 7,000, with the remainder looking for full time work.

In 2009, as the economy reached its lowest point, the total number of unemployed individuals in New Hampshire jumped to 47,000, and the annual average unemployment rate rose 6.2 percent. Among the unemployed, those

² Those not at work at the time of the survey were temporarily absent because of a labor-management dispute, job training, vacation, illness, bad weather, childcare problems, maternity or paternity leave, or other family or personal reasons, whether or not they were paid for the time off or were seeking other jobs.

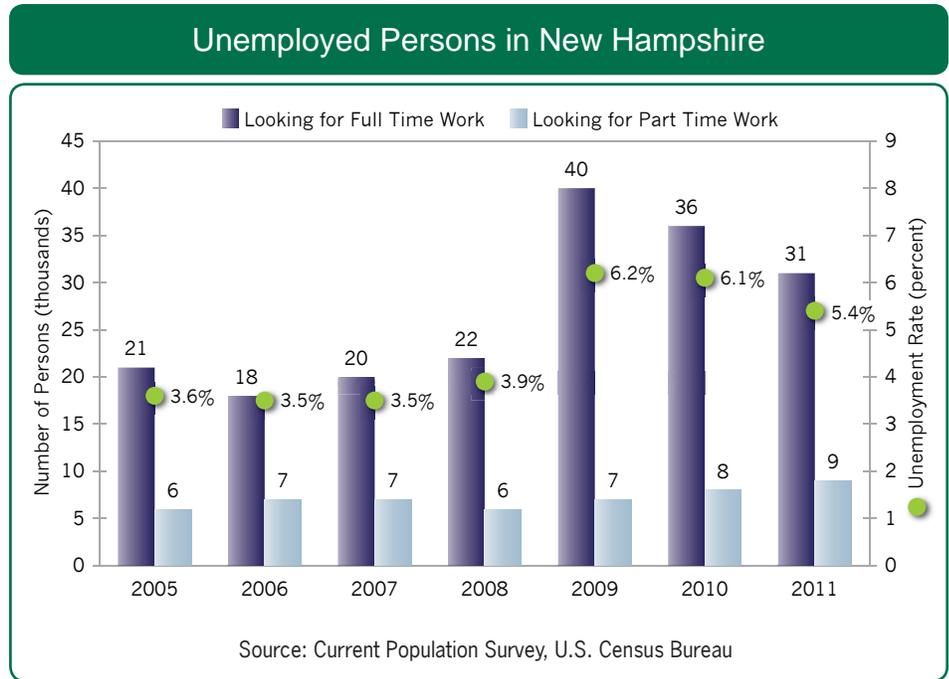
³ Persons who were waiting to be recalled to a job from which they had been laid off need not have been looking for work to be classified as unemployed. <www.bls.gov/opub/gp/gpapnda.htm>. Accessed 8/15/2011

⁴ Annual average unemployment rate as defined by the Current Population Survey and not produced by the Local Area Unemployment Statistics program of New Hampshire Employment Security in partnership with the US Department of Labor, Bureau of Labor Statistics

looking for part time work stayed around 7,000, while those looking for full time work rose to 40,000, nearly twice that of the previous year. In 2010, the annual average unemployment rate was 6.1 percent, with about 44,000 unemployed individuals. The number of New Hampshire residents looking for part time work grew to 8,000, and the number looking for full time work dropped to 36,000.

In 2011, the unemployment rate fell back to an annual average of 5.4 percent, with the total number of unemployed individuals down to around 40,000. Among the unemployed, those looking for full time employment dropped to 31,000 and the number looking for part time work increased to 9,000.

As the economic recovery began, the total number of unemployed persons in New Hampshire declined from a peak of 47,000 residents in 2009 to about 40,000 in 2011. While the number of unemployed



persons looking for part time work increased by about 2,000, there were about 9,000 fewer unemployed persons looking for full time jobs. The counts of those who are working have followed a similar pattern. The number of individuals usually

working part time has trended upward as the number of individuals usually working full time has trended down. This is indicative of economic growth that is still tenuous, and that the recovery period may yet be a long one.

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