

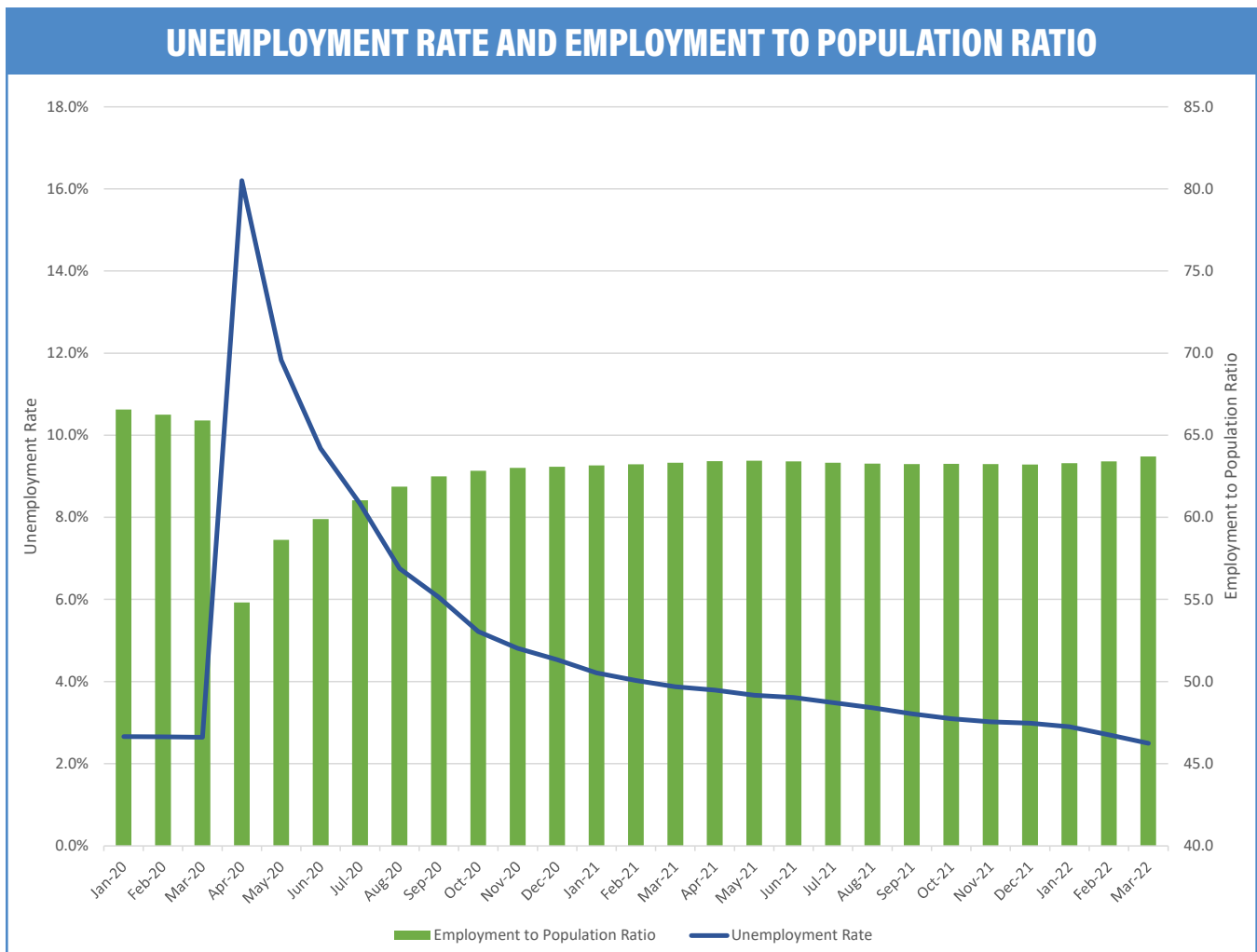
LABOR FORCE & UNEMPLOYMENT

COVID-19 Impacts on the Labor Force

The coronavirus pandemic has had significant and long-lasting impacts on New Hampshire's labor force. Prior to the pandemic, New Hampshire's unemployment rate was one of the lowest in the nation, at 2.6 percent in March 2020. In April 2020, the rate had jumped to 16.2 percent, one of the highest in the nation, due to the pandemic and efforts to limit its health impacts. Although statewide action to contain the coronavirus began in the third week of March 2020, the second week of March was the reference week for Current Population Survey (CPS) data collection.¹ The CPS is the instrument used to estimate national labor

force statistics and provides the foundation for New Hampshire's unemployment rate. Since state action to contain the coronavirus occurred after CPS data was collected, March 2020 CPS data was largely unaffected by the pandemic.

In April 2020 there were 125,700 fewer New Hampshire residents employed, 100,200 more unemployed and 26,200 more who were not participating in the labor force than there were in the week before the coronavirus pandemic reached New Hampshire. The April 2020 seasonally adjusted unemployment rate proved to be the



Source: New Hampshire Employment Security, Local Area Unemployment Statistics

¹ CPS reference weeks are typically those weeks that include the 12th day of the month, with data collection occurring during the following week. Reference weeks for November and December may be scheduled for the week that includes the 5th day of the month to avoid data collection during holiday travel weeks.

high-water mark for New Hampshire. In May, with businesses beginning to reopen, the rate dropped to 11.8 percent and then to 9.7 percent in June. The seasonally adjusted unemployment rate continued a steady decline down to the March 2022 preliminary estimate of 2.5 percent.

Estimates of the number of employed and unemployed followed a similar path. As of March 2022, there were 1,700 fewer unemployed residents than in March 2020, however there remained 9,000 fewer employed residents than there had been prior to the pandemic. The number of residents not in the labor force initially decreased from April to May 2020 but increased thereafter. A portion of this increase is explained by the natural aging of New Hampshire's population and the relatively low labor force participation rates of older citizens. Unpublished Current Population Survey Public Use Microdata Sample data indicate that during the period April 2019 through March 2020, 68.0 percent of persons not in the labor force were age fifty-five or older. That percentage increased to 68.6 percent for the period April 2020 through March 2021 and 71.2 percent for the period April 2021 through March 2022. Labor force participation data suggest that the coronavirus pandemic resulted in early retirement for some older workers, delayed labor force entrance by younger workers, and a temporary or permanent exit by some prime-age workers, including those with significant health concerns or childcare responsibilities.

Supplemental Questions in the Current Population Survey

Starting with the May 2020 Current Population Survey data collection, four supplemental questions were added regarding the coronavirus pandemic's impact on respondents' employment situation. These questions were related to the four weeks prior to the survey, rather than simply the reference week on which employment status questions were based. Although state data for these questions typically do not meet publication standards for the Bureau of Labor Statistics, raw data are available as a part of the Current

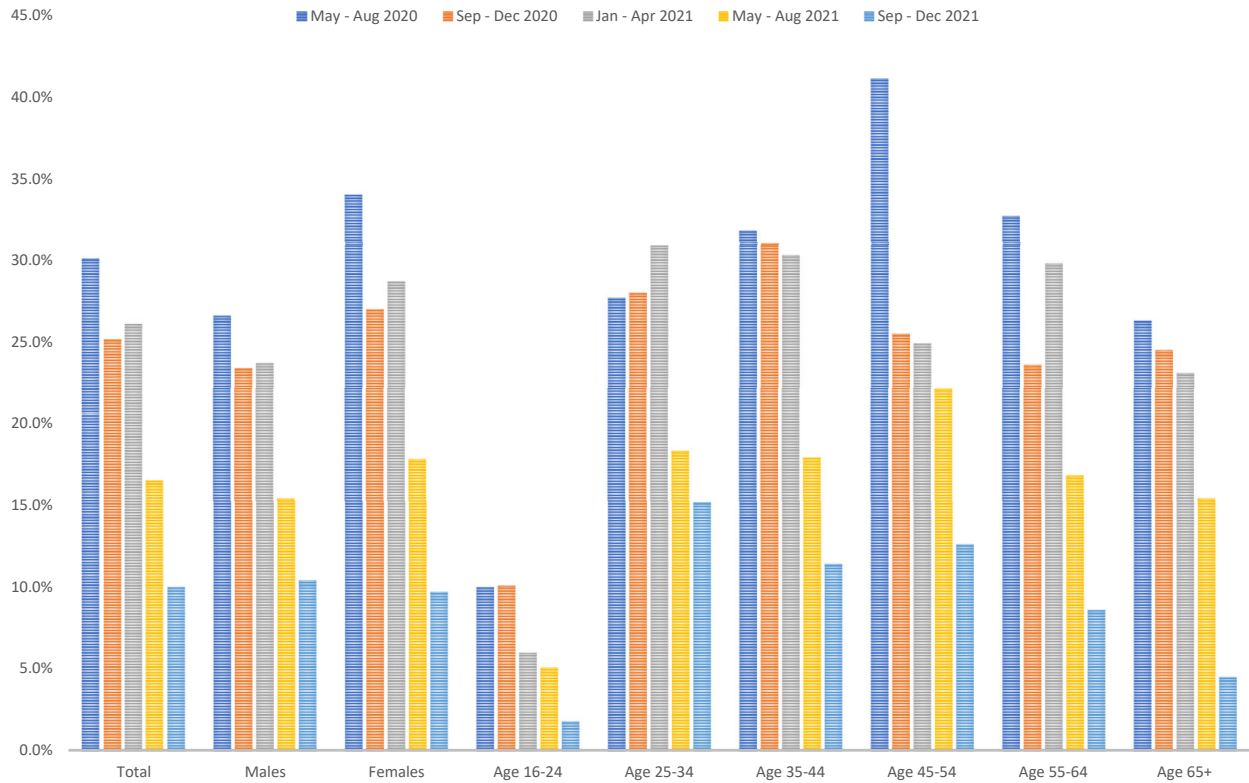
Population Survey Public Use Microdata Sample. Single month CPS estimates for states are typically unreliable due to relatively small sample sizes; data regarding the pandemic were grouped into four-month periods in an effort to balance reliability and timeliness issues.

The first question, which was asked only of employed workers, was whether they either teleworked or worked from home at any time during the four-week survey period due to the coronavirus pandemic. During the months May 2020 through August 2020, an estimated 30.1 percent of New Hampshire's employed residents worked remotely for a period of time. This share would decrease to 25.1 percent during the months September 2020 through December 2020 and eventually to 10.0 percent for September 2021 through December 2021. During the first year of the pandemic, the majority of residents working remotely were age forty five or older, but by late 2021, the majority of remote workers were age twenty-five to forty-four. Remote working was most commonly associated with the educational and health services supersector, which accounted for between 22.9 percent and 31.9 percent of remote workers from May 2020 through December 2021.

The second question asked whether the respondents were unable to work at some point during the four-week period because their employer closed or lost business due to the coronavirus pandemic. This question was asked of all respondents aged sixteen or older in order to cover the possibilities of reduced hours, recent unemployment and recent employment loss followed by an exit from the labor force. From May 2020 through August 2020, an average of 12.5 percent of the residents indicated that they had lost work or worked fewer hours due to the pandemic's impact on business. Self-employed workers indicated a disproportionately large impact; approximately 29.4 percent of the self-employed indicated that they were unable to work or worked reduced hours during this period. Although these estimates may appear low, they include the approximately 31.3 percent of the population that was not in the labor force and did



SHARE OF EMPLOYED WHO WORKED REMOTELY DUE TO THE PANDEMIC BY SEX AND AGE



Source: U.S. Census Bureau, unpublished Current Population Survey data

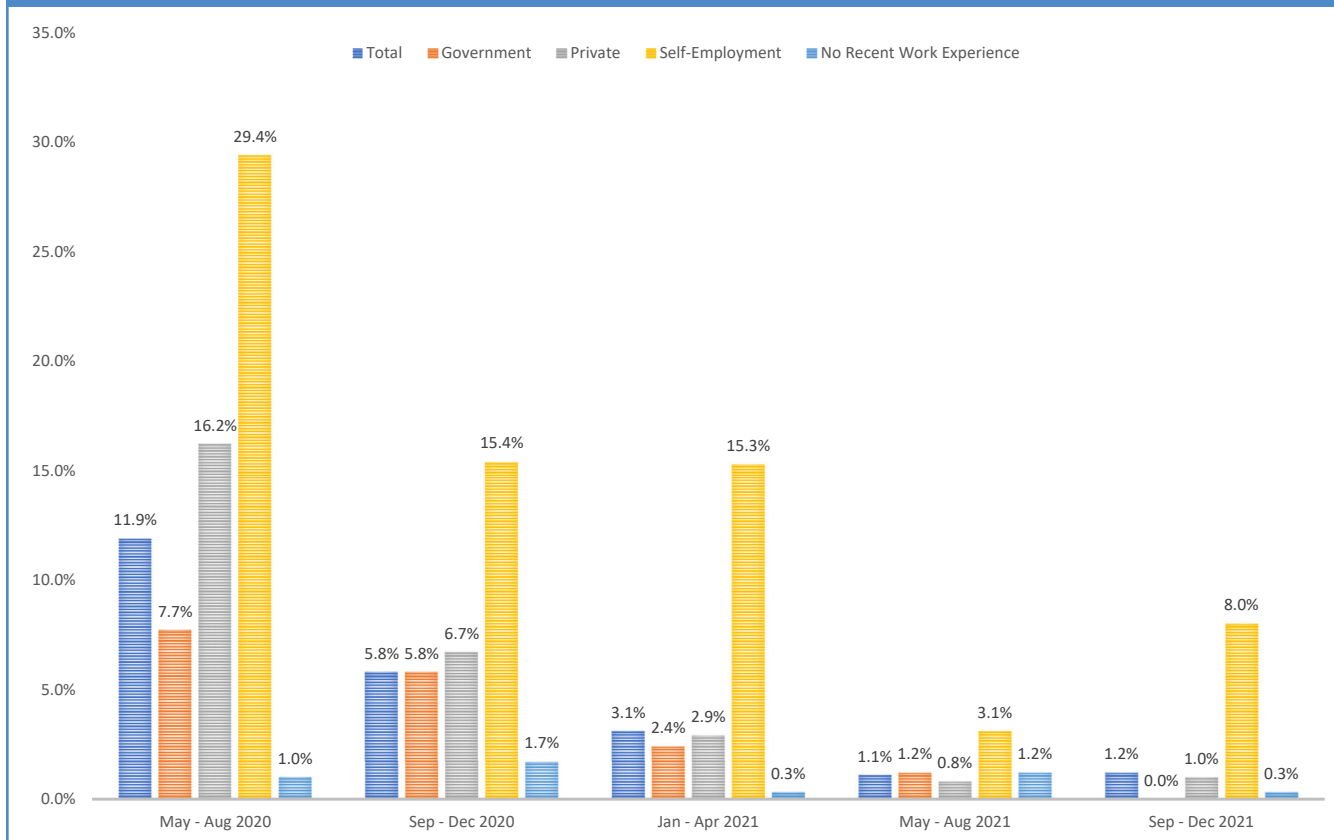
not want a job. In addition, the four-month average also masks the higher rate that would have been expected in May and June 2020. During the period September 2020 to December 2020 the average percentage of workers who experienced work time lost declined to 5.0 percent, while 15.4 percent of the self-employed were affected.

The CPS included a third question that was only for those who responded “YES” on question two. This question was to determine how many of these impacted workers were paid by their employer for time which they did not work. Given the small size of this sub-group, estimates for New Hampshire would be impractical. Additionally, this question did not differentiate the type of payment, so it may have included earned vacation, sick and personal time as well as employer goodwill and funds from the Payroll Protection Program and other similar programs.

The fourth question was directed only to those who were not in the labor force. The question

asked whether the respondents were unable to look for work due to the coronavirus pandemic. This is an important question due to Bureau of Labor Statistics’ definition of unemployment. Unemployment requires that the individual be temporarily unemployed due to a layoff, or did not have a job and had actively looked for work. All of those who suffered a permanent employment loss and then did not look for work for any reason, including the coronavirus pandemic, were classified as “not in the labor force.” This also included those who would have entered the labor force for first time or after an absence, but did not look for work due to the pandemic. During the months May 2020 through August 2020, approximately 6.8 percent of those New Hampshire residents who were not in the labor force did not look for work due to the coronavirus pandemic. This represented approximately 25,100 residents, of which 29.4 percent were between the ages of sixteen and twenty-four and 52.4 percent were

SHARE OF POPULATION UNABLE TO WORK DUE TO BUSINESS CLOSURE OR LOSS BY CLASS OF WORKER



Source: U.S. Census Bureau, unpublished Current Population Survey data

DISTRIBUTION OF PERSONS UNABLE TO LOOK FOR WORK DUE TO THE PANDEMIC

	MAY THROUGH AUGUST 2020	SEPTEMBER THROUGH DECEMBER 2020	JANUARY THROUGH APRIL 2021	MAY THROUGH AUGUST 2021	SEPTEMBER THROUGH DECEMBER 2021
Males	47.6%	38.3%	33.3%	24.1%	40.9%
Females	52.4%	61.7%	66.7%	75.9%	59.1%
Age 16-24	29.4%	21.2%	6.4%	9.4%	13.2%
Age 25-34	21.9%	17.2%	14.6%	10.5%	13.3%
Age 35-44	7.5%	12.2%	4.4%	10.7%	12.9%
Age 45-54	13.0%	11.0%	15.5%	4.9%	8.2%
Age 55-64	12.1%	18.7%	34.0%	20.2%	16.1%
Age 65+	16.3%	19.8%	25.1%	44.4%	36.4%

Source: U.S. Census Bureau, unpublished Current Population Survey data

female. The monthly average decreased slowly, and the affected population shifted. During the months January 2021 through April 2021, an average of 17,200 residents were unable to look for work due to

the pandemic, of which 34.0 percent were between the ages of fifty-five and sixty-four and 66.7 percent were female.

– Robert Cote

LABOR FORCE AND UNEMPLOYMENT CIVILIAN LABOR FORCE (RESIDENTS)	2016	2017	2018	2019	2020
Civilian Labor Force (annual average)	752,478	755,006	764,557	773,432	761,732
Annual percent change	0.8%	0.3%	1.3%	1.2%	-1.5%
Labor force participation rate	68.9%	67.6%	68.7%	69.3%	66.7%
United States rank	tie 6	11	tie 6	tie 7	10
Male participation rate	74.1%	72.1%	74.1%	74.8%	71.5%
United States rank	8	tie 12	6	5	11
Female participation rate	63.9%	63.4%	63.5%	63.9%	62.1%
United States rank	7	7	7	9	9
Employment (Residents)					
Employed (annual average)	731,002	733,835	744,342	753,315	710,817
Annual percent change	1.4%	0.4%	1.4%	1.2%	-5.6%
Unemployment (Residents)					
Unemployed (annual average)	21,476	21,171	20,215	20,117	50,915
Annual percent change	-15.7%	-1.4%	-4.5%	-0.5%	153.1%
Unemployment rate (annual average)					
New Hampshire	2.9%	2.8%	2.6%	2.6%	6.7%
United States rank (1=lowest)	1	4	tie 3	5	22
New England	4.1%	3.9%	3.5%	3.1%	8.0%
United States	4.9%	4.4%	3.9%	3.7%	8.1%
Men					
New Hampshire	3.1%	2.7%	2.6%	2.7%	6.4%
United States	4.9%	4.4%	3.9%	3.7%	7.8%
Women					
New Hampshire	2.5%	2.9%	2.6%	2.5%	6.7%
United States	4.8%	4.3%	3.8%	3.6%	8.3%
Teens (16-19)					
New Hampshire	10.5%	10.9%	8.8%	12.7%	14.0%
United States	15.7%	14.0%	12.9%	12.7%	17.9%

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics; Current Population Survey; ELMi Analysis. Last Update 9/27/2021

ALTERNATIVE MEASURES OF LABOR UNDERUTILIZATION	2016	2017	2018	2019	2020
U-1: persons unemployed 15 weeks or longer, as a percent of the civilian labor force					
New Hampshire	1.0%	0.9%	0.9%	0.8%	1.8%
United States	2.0%	1.7%	1.4%	1.3%	2.8%
U-2: job losers and persons who completed temporary jobs, as a percent of the civilian labor force					
New Hampshire	1.5%	1.5%	1.2%	1.1%	4.9%
United States	2.3%	2.1%	1.8%	1.7%	6.1%
U-3: total unemployed, as a percent of the civilian labor force (this is the definition used for the official unemployment rate)					
New Hampshire	2.8%	2.8%	2.6%	2.6%	6.6%
United States	4.9%	4.4%	3.9%	3.7%	8.1%
U-4: total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers					
New Hampshire	3.0%	2.9%	2.7%	2.7%	6.7%
United States	5.2%	4.6%	4.1%	3.9%	8.4%
U-5: total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers					
New Hampshire	3.6%	3.5%	3.0%	3.1%	7.4%
United States	5.9%	5.3%	4.8%	4.5%	9.2%
U-6: total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers					
New Hampshire	6.4%	6.2%	5.6%	5.2%	10.3%
United States	9.6%	8.5%	7.7%	7.2%	13.6%
Source: Bureau of Labor Statistics, Current Population Survey; ELMI Analysis. Last Update 9/2/2021					

UNEMPLOYMENT INSURANCE	2016	2017	2018	2019	2020
Weeks compensated for unemployment (UI)	192,427	166,663	148,512	133,805	1,419,228
Benefits paid, unemployment insurance (thousands)	\$57,923	\$52,698	\$47,799	\$43,252	\$349,922
Annual percent change	-14.0%	-9.0%	-9.3%	-9.5%	709.0%
Average duration, benefit payments (weeks)	12.8	12.6	12.5	12.1	10.6
United States average	15.5	15.4	15.3	14.8	15.3
United States rank ^a (1=longest duration)	43	41	41	41	43
Average weekly benefit amount					
New Hampshire	\$301.01	\$316.19	\$321.85	\$323.25	\$246.56
United States	\$334.29	\$341.39	\$346.59	\$359.27	\$304.53
^a Ranks include D.C., Virgin Islands, and Puerto Rico					
Source: U.S. Department of Labor, Employment and Training Administration; ELMI Analysis. Last Update 9/2/2021					
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