

New Hampshire Economic Conditions

July 2019
Supplement

New Hampshire Nonfarm Jobs up 5,300 in 2018, Continuing the Growth Trend

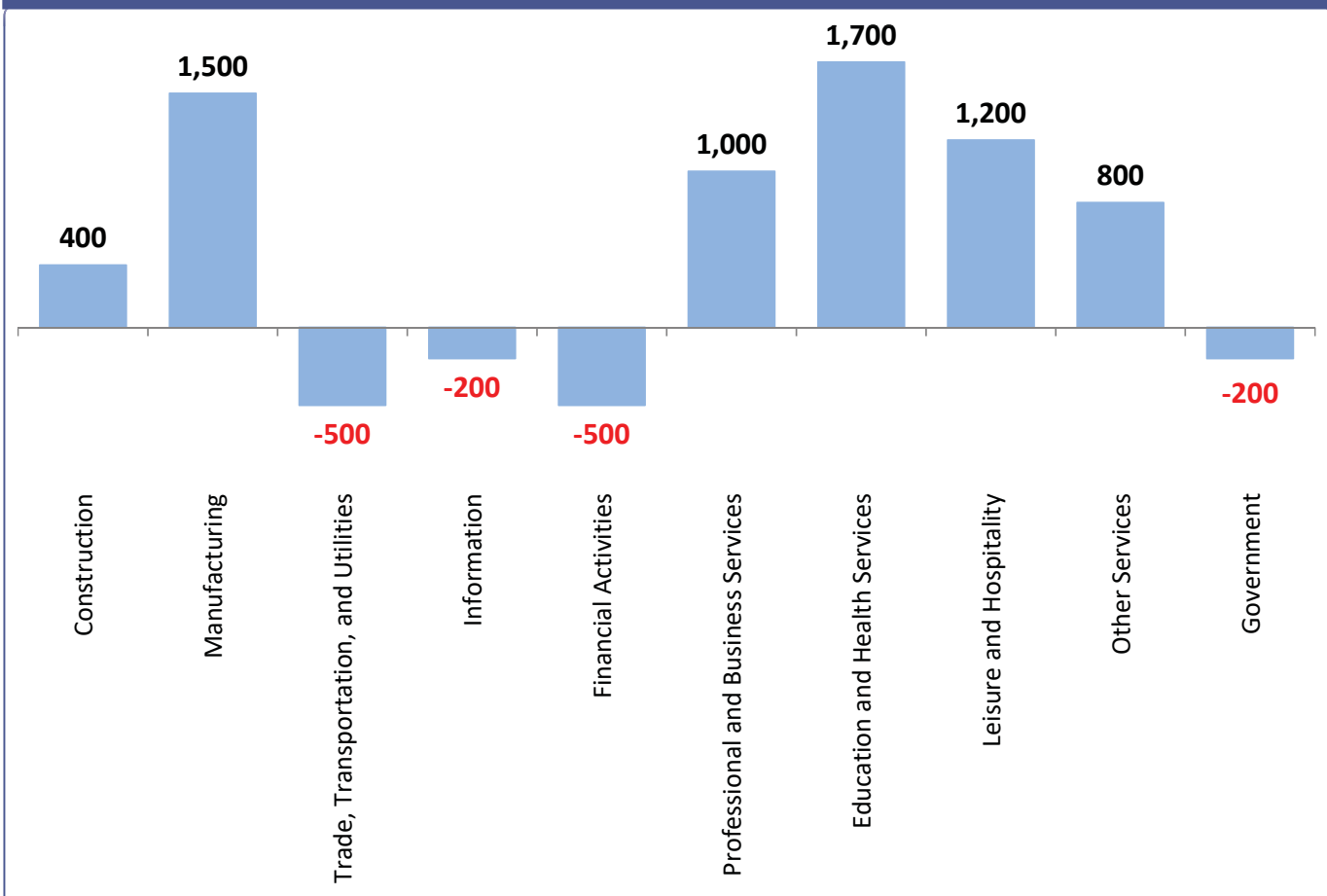
Nonfarm jobs in New Hampshire increased from 675,700 in 2017 to 681,000 in 2018 (not seasonally adjusted), according to recently benchmarked estimates. This represents 0.8 percent growth in Nonfarm employment, or 5,300 jobs, compared to the 1.1 percent growth, or 7,300 jobs, experienced in 2017. Job growth in 2016 was 1.8 percent, which translated into an additional 12,200 jobs added to the New Hampshire economy. This was the eighth straight year of growth in New Hampshire Nonfarm employment, but at a slower rate than experienced in the past several years.

The private sector grew just slightly more than total nonfarm jobs, expanding by 0.9 percent, or 5,500 jobs, to an average 591,000 jobs. The private sector growth rate has exceeded that of the public sector for the ninth year in a row. In fact, public sector employment has receded in six of the past eight years, including 2018, with a decline of 200 jobs, or -0.2 percent.

The nonfarm employment estimates graphed below are not seasonally adjusted. Monthly employment numbers are subject to typical seasonal variations, such as

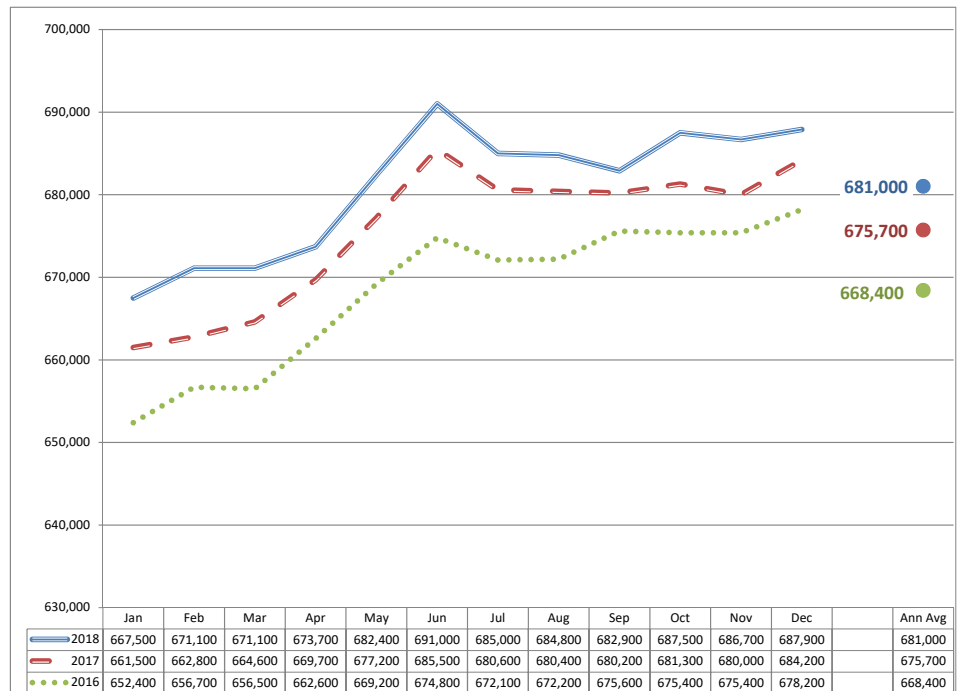
construction slow-downs during winter months, the summer-time drop in education-related employment, higher manufacturing sector employment during summer months, and rising retail employment during the summer season and late-year holiday season, each followed by seasonal declines. Almost all sectors have some fluctuating employment patterns, some more pronounced than others.

Nonfarm jobs change by sector in 2018



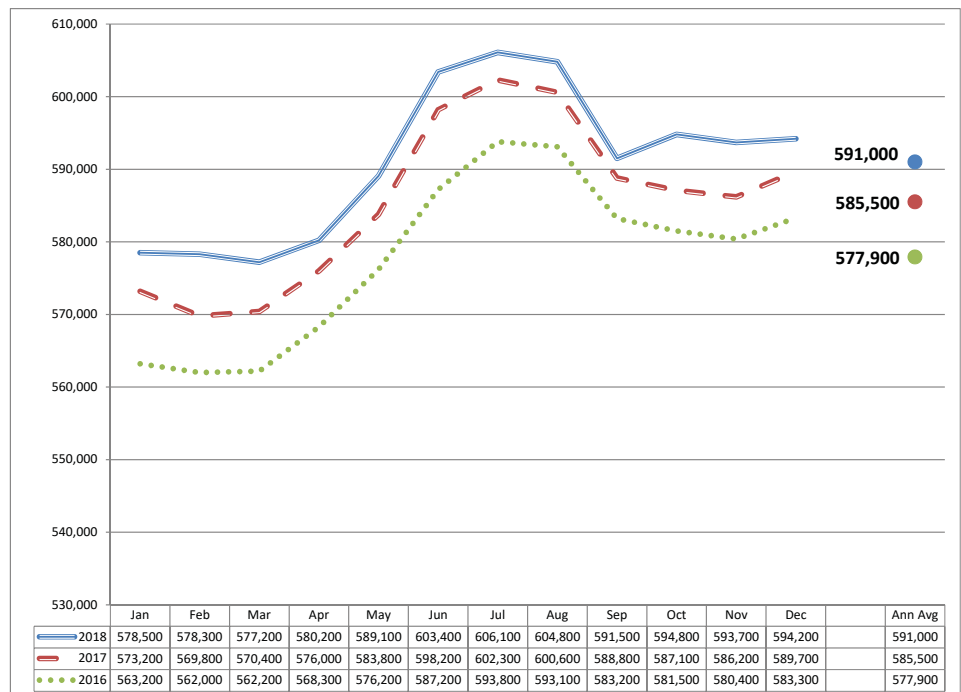
Total Nonfarm Employment added 5,300 jobs in 2018

- Average monthly nonfarm employment (not seasonally adjusted) grew by 5,300 from 2017 to 2018, an increase of 0.8 percent.
- Average nonfarm employment reached 681,000 in 2018, compared with 675,700 in 2017. The private sector accounted for all of this job growth, with the public sector losing 200 jobs from 2017.
- Job growth slowed somewhat in 2018. Nonfarm jobs had increased by 7,300 in 2017, a 1.1 percent growth rate over 2016 benchmarked levels.



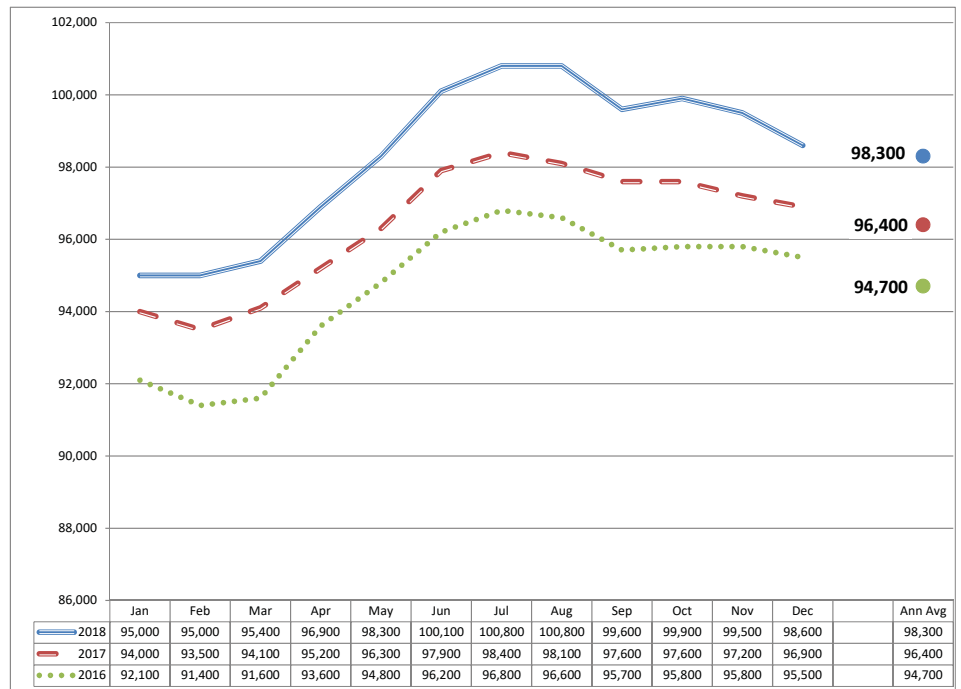
Total Private Nonfarm Employment added 5,500 jobs in 2018

- Total Private Sector nonfarm job growth was 0.9 percent in 2018, slightly less than half of the 1.3 percent rate in 2017. Private nonfarm jobs (not seasonally adjusted) continued to grow faster than all nonfarm jobs, as government employment actually contracted by 0.2 percent in 2018.
- An estimated 5,500 private sector jobs were added in 2018, a decrease from the 7,600 added in 2017.
- The number of private nonfarm jobs averaged 591,000 in 2018. This was the fifth straight year in which private nonfarm jobs averaged higher than the prerecession level of 554,100 in 2007.



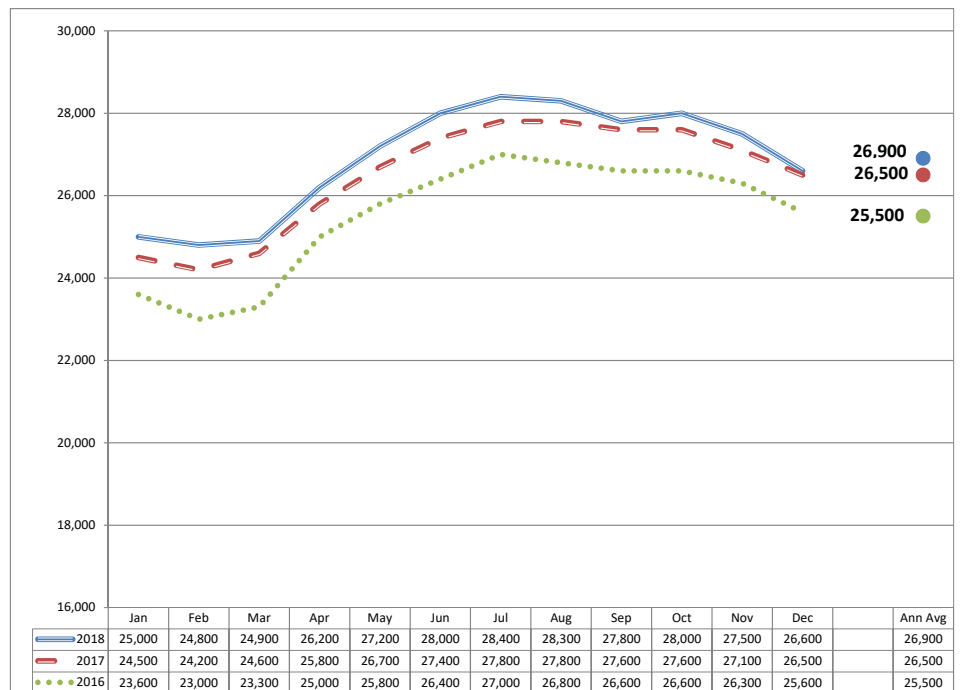
Private Goods Producing Industries continue steady growth in 2018

- The Private Goods Producing sector added an estimated 1,900 jobs in 2018, 200 more than in 2017. This sector grew by 2.0 percent over the year, compared with 1.8 percent in 2017.
- Nearly 80 percent of the jobs added were in Manufacturing industries, which accounted for 1,500 of the 1,900 jobs added. The other 400 jobs were in Construction. Mining and logging, the other major component of the Goods Producing sector, saw no change.
- Goods producing jobs averaged 98,300 in 2018, up from 96,400 in 2017. This was the sixth straight over-the-year increase in the annual average number of jobs in the sector.



Construction continued to expand in 2018, but at a slower pace

- Construction experienced another year of growth, expanding by 400 jobs in 2018. This translates to a 1.5 percent growth rate, less than half of the 3.9 percent growth rate in 2017.
- 2018 represented the ninth consecutive year of over-the-year growth in payroll construction jobs, reaching an average level of 26,900.
- Growth in Specialty trade contractors accounted for the entire increase in nonfarm construction payroll jobs in New Hampshire in 2018. Employment in Construction of Buildings actually fell slightly from 2017 to 2018.



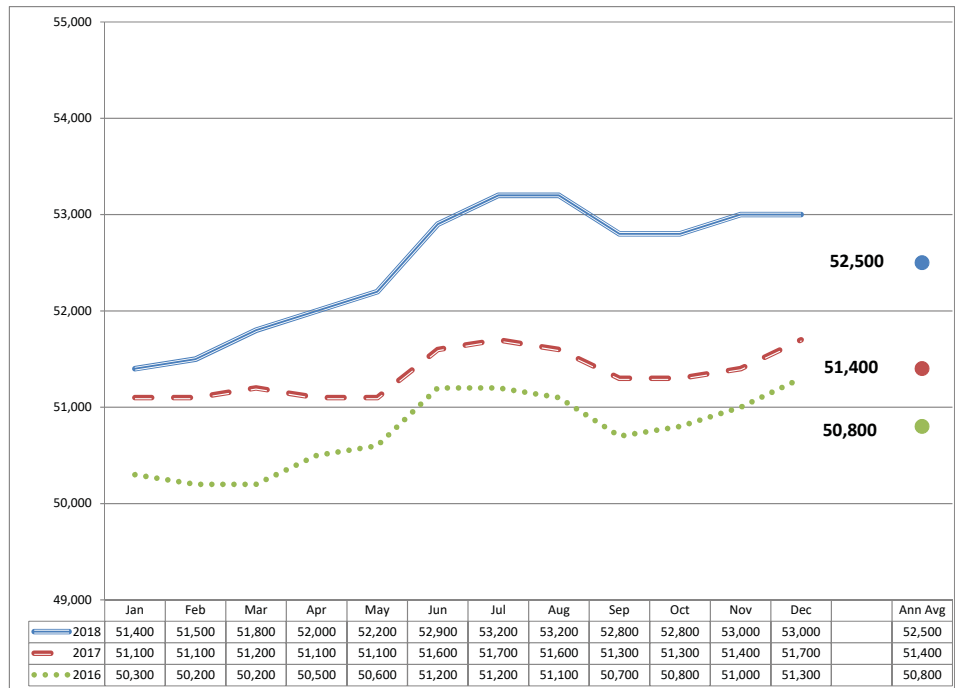
Manufacturing saw solid job growth in 2018

- Manufacturing employment averaged 70,500 during 2018, up an estimated 1,500 jobs from 2017. This was nearly twice the increase of the 800 jobs added in 2017.
- This was the fifth consecutive year of job growth in Manufacturing, and over these five years this sector has seen a gain of 4,500 jobs. This represents the longest stretch of job growth in this sector since 1997.
- Durable goods industries account for about three-quarters of all Manufacturing jobs. Consistent with this, Durable goods jobs also accounted for nearly three-quarters of the increase in Manufacturing jobs.



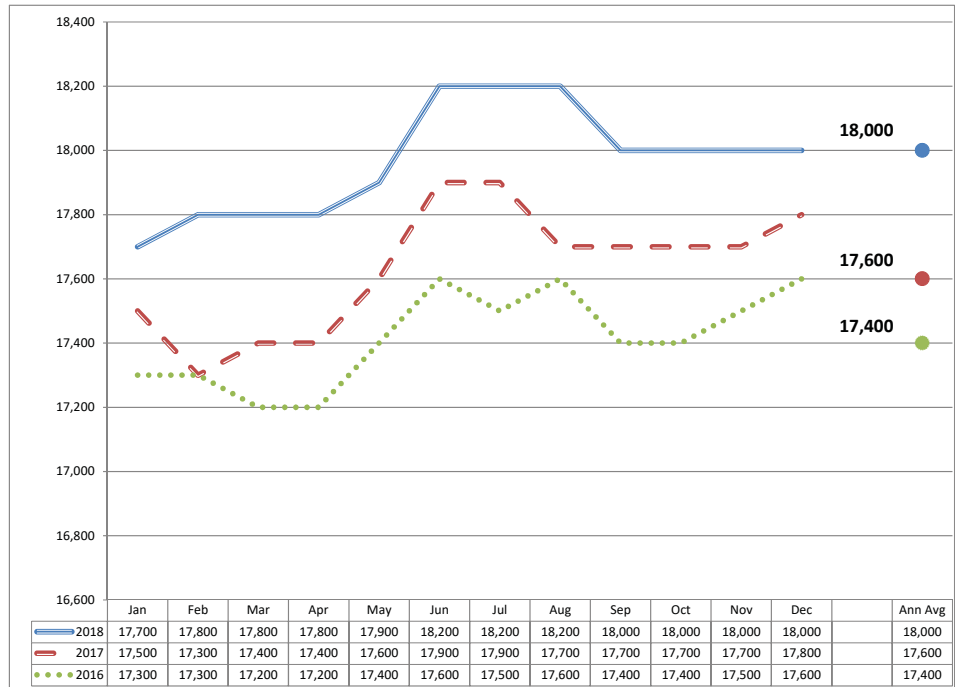
Durable Goods employment saw stronger growth in 2018

- Durable goods manufacturing averaged about 52,500 in 2018, an increase of 1,100 jobs over-the-year. The growth rate of 2.1 percent was nearly three times the rate for all nonfarm employment, and almost double the 1.2 percent growth in Durable goods in 2017.
- An increase of 900 jobs in Computer and electronic product manufacturing and 600 in Navigational, measuring, electromedical and control instruments manufacturing accounted for the entirety of the job growth in durable goods industries.
- Durable goods manufacturing exceeded 52,000 jobs, its highest level in the last 10 years.



Non-Durable Goods Manufacturing continued to grow in 2018

- Non-durable goods manufacturing industries experienced growth for the seventh straight year in 2018, with an additional 400 jobs.
- Average monthly employment rose to 18,000 in 2018, compared to 17,600 in 2017, yielding a growth rate of 2.3 percent. This was actually among the higher over-the-year growth rates experienced by the subsectors.
- Growth in Non-durable goods manufacturing jobs has averaged about 300 to 400 annually over the last seven years.



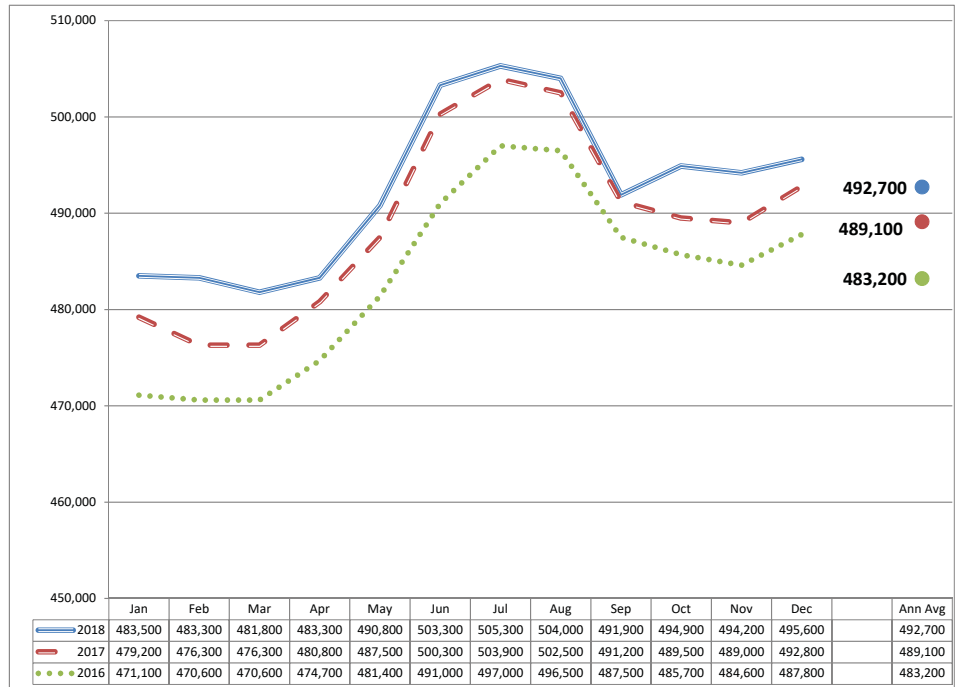
Service-Providing industries job growth continues but at a slower pace in 2018

- Across all ownerships, Service-providing industries added an estimated 3,300 jobs in 2018, compared to the 5,500 jobs added in 2017. Average employment reached 582,600, continuing its steady growth trend.
- Service-providing industries have increased the number of jobs for eight straight years. This is the second year since 2014 that job growth has been slower than the year before.
- The 0.6 percent growth rate in Total Service-providing employment was slightly below the overall jobs growth rate (by two-tenths of one percent).



Total Private Service-Providing industries contributed most to overall job growth in 2018

- Jobs in Private Service-providing industries grew by 0.7 percent in 2018, slightly more than half of the 1.2 percent growth experienced in 2017.
- The Private Service-providing sector provided all of the growth in Service sector jobs in 2018, with the Public sector actually losing jobs. Going back to 2000, Private Service-providing industries have added jobs in every year except 2009, when 10,900 jobs were lost.
- Education and Health services added the most jobs of any Private Service-providing sector, 1,700. Healthcare and Social assistance employment increased by 1,300, and Leisure and hospitality by 1,200 jobs.



Trade, Transportation, and Utilities jobs dropped slightly in 2018

- The Trade, transportation, and utilities sector lost jobs in 2018, trimming 500 positions. This was an 0.4 percent decline in jobs compared to the 0.7 percent growth rate for all nonfarm employment.
- There was some growth in this sector with an additional 500 jobs in Wholesale Trade, and Transportation, warehousing and utilities adding 200 jobs over the year. These gains represented a 1.8 and 1.2 percent increase, respectively, for these industries.
- Retail trade industries accounted for the entirety of the job losses in the sector, 1,100, from 2017. Retail trade, with an estimated 94,500 jobs in 2018, is the largest employing industry group in New Hampshire.



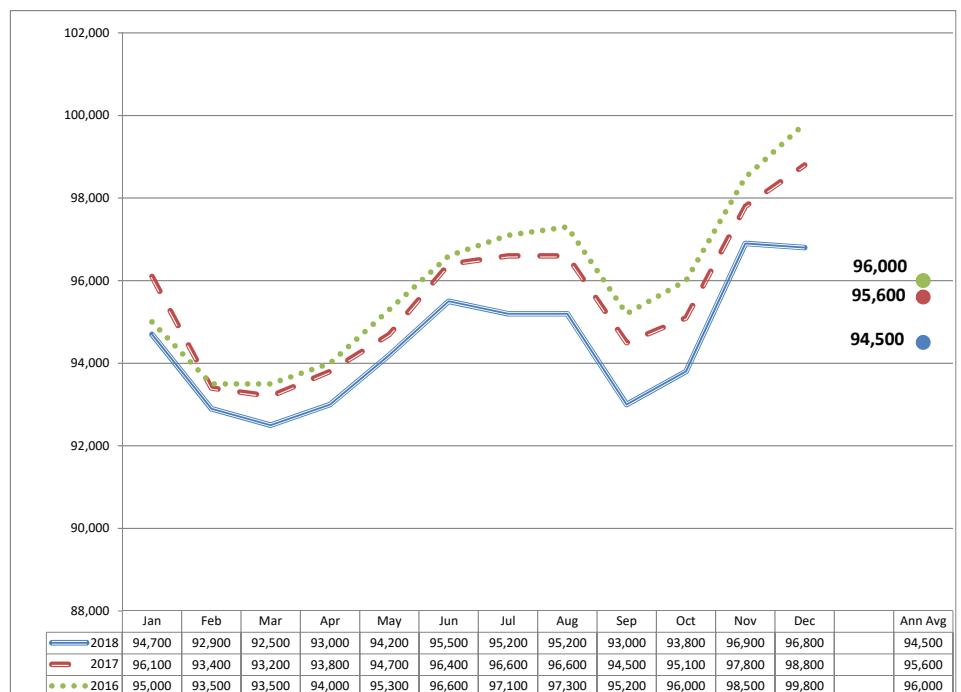
Wholesale Trade added 500 jobs in 2018

- Wholesale trade jobs increased by 500 in 2018, reaching an average 28,200 jobs. The 1.8 percent growth rate exceeded the 0.8 percent growth rate of all nonfarm jobs by a full percent.
- Wholesale trade jobs have increased for eight consecutive years, since 2011, although the number of jobs added is relatively small. Since 2011 Wholesale trade employers have added 300 jobs on average each year.
- The employment increase of 500 in 2018 is the largest number of jobs added in this sector since 2012 when the same number of positions were gained.



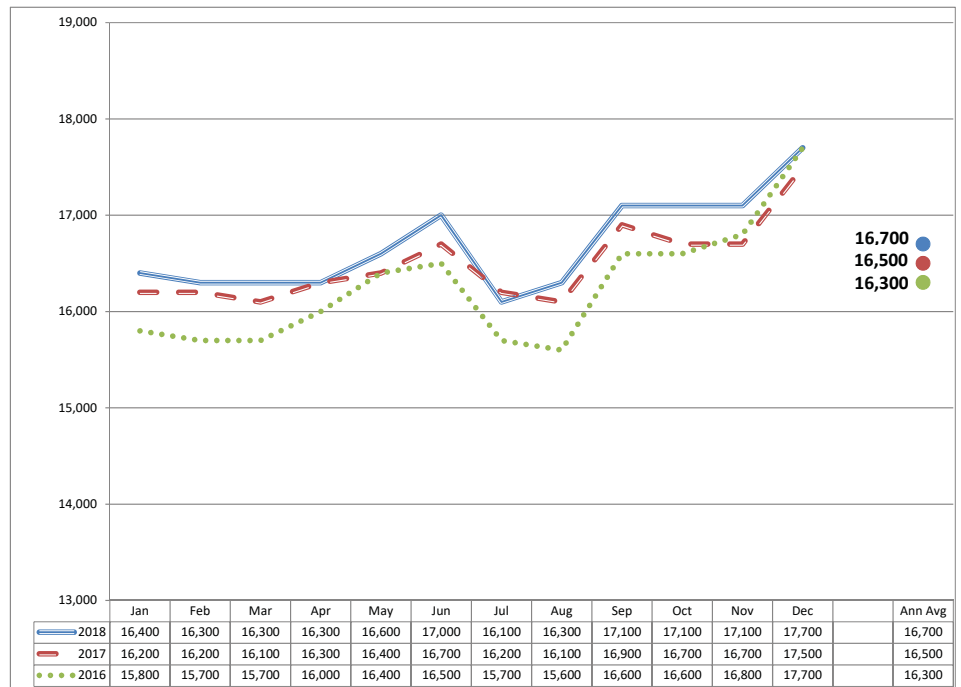
Retail Trade lost 1,100 jobs in 2018

- Retail trade averaged 94,500 jobs in 2018, a decrease of 1,100 over 2017. This is the second consecutive year of job losses for this sector. Retail trade had gained jobs each year since 2010, with the exception of one other year, 2014.
- The 2018 monthly estimates pattern deviated from those of previous years. This is the first year in which there was no employment increase from November to December. Retail trade employment actually fell slightly between those two months.
- Monthly estimates in 2018 averaged below the 2017 levels. Every month showed job losses over-the-year.



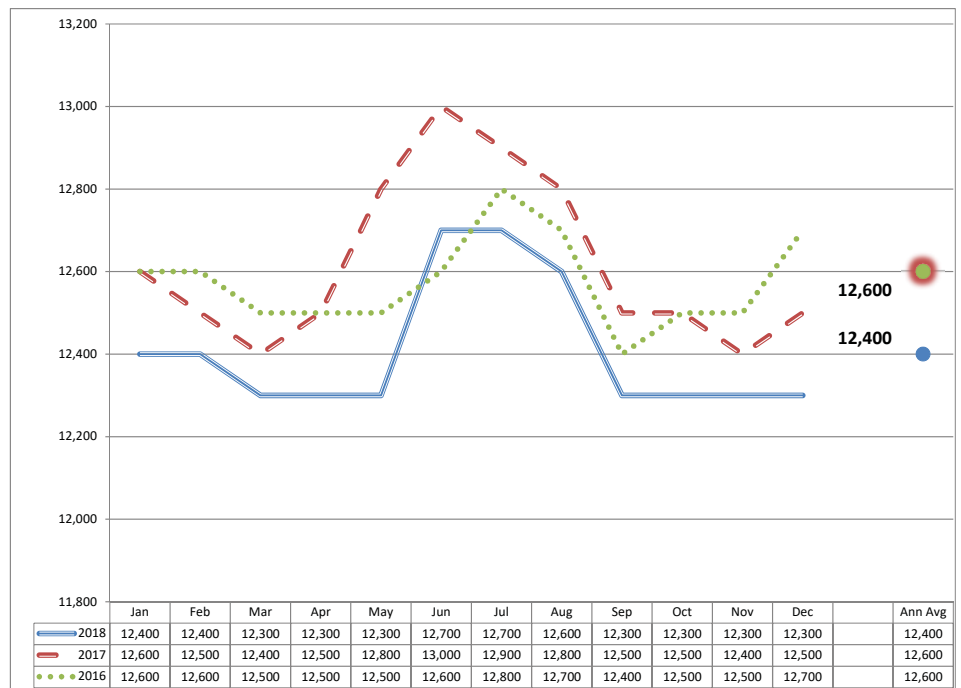
Transportation, Warehousing, and Utilities has gained jobs every year since 2012

- Jobs in Transportation, warehousing, and utilities increased by about 200 in 2018. This gain brought employment in this subsector to 16,700, back to its highest level, which was originally experienced in 2000.
- The increase in jobs was attributable to growth in Transportation and warehousing industries. Utilities actually decreased by 100 jobs from 2017.
- Transportation, warehousing, and utilities jobs have increased steadily for the last six consecutive years.



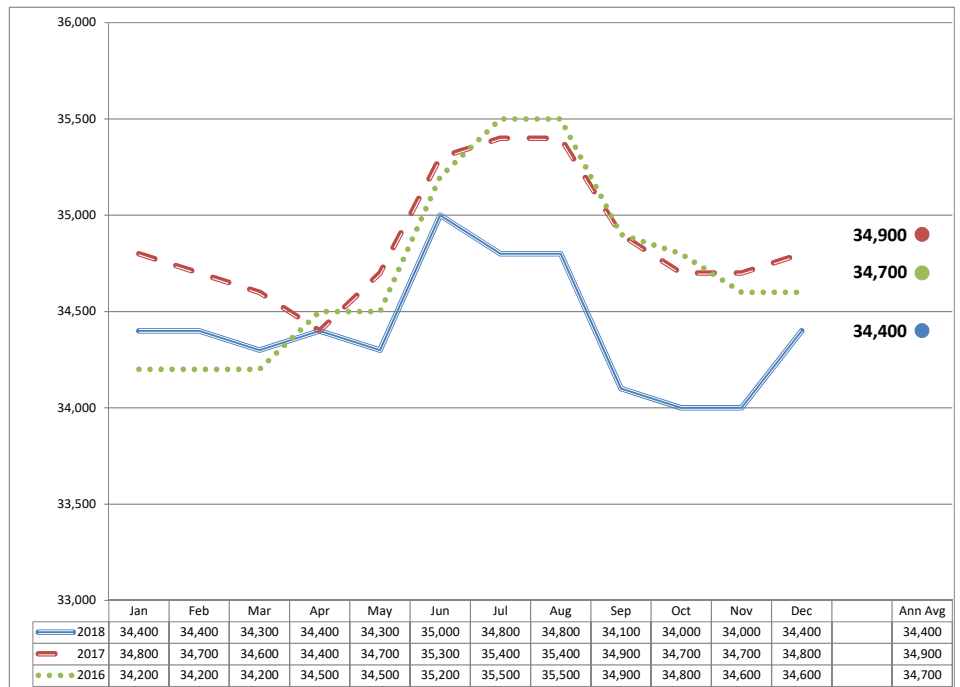
Information drops 200 jobs in 2018

- Jobs in the Information sector averaged 12,400 in 2018, down 200 jobs from the 2017 level of 12,600. Information sector employment was unchanged from 2016 to 2017.
- The jobs level in this sector has returned to its pre-recession level and overall remains steady.
- The 2018 monthly employment levels showed a boost from June through August, but had little movement throughout the remaining months of the year.
- The Information sector consists of publishing industries, including software publishing, traditional publishing and publishing on the internet; broadcasting industries, and Internet service providers as well as similar activities.



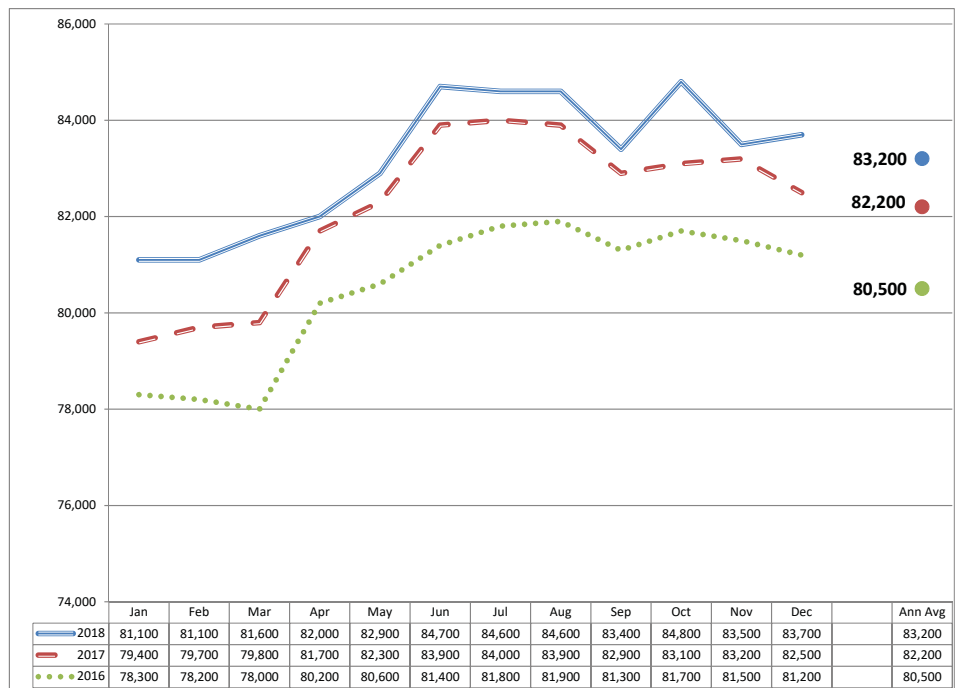
Financial Activities payroll jobs declined in 2018

- Financial activities employment decreased in 2018 with a loss of 500 jobs, or 1.4 percent.
- Financial activities jobs averaged 34,400, down from the 2017 level of 34,900 which was the highest level since 2010.
- The Finance and Insurance component was responsible for the entire decline in this sector, while the Real Estate and Rental and Leasing component remained unchanged from 2017.



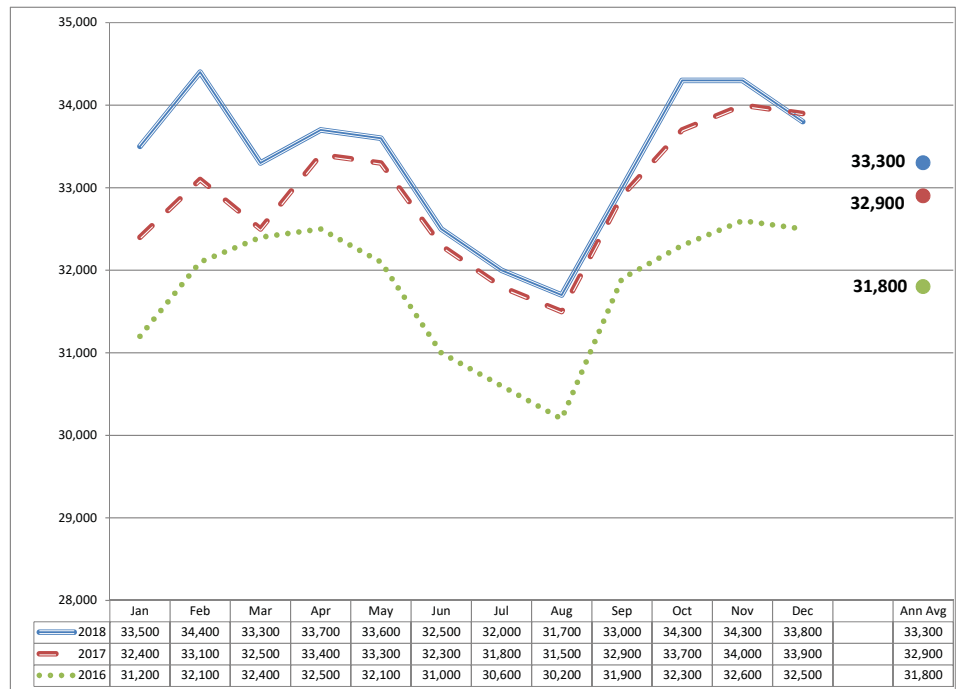
Professional and Business Services growth continued in 2018

- Professional and Business Services jobs grew at a 1.2 percent rate in 2018, nearly a full percent below the growth rate experienced in 2017.
- The sector added 1,000 jobs over the year, reaching 83,200. This was 700 less than the number of jobs added in 2017.
- Administrative and Support and Waste Management and Remediation Services sector added 500 jobs in 2018, accounting for half of the growth in this sector over the year.
- The increase in payroll jobs in this sector in 2018 is the lowest over-the-year increase since 2008, which indicates a continued slowing of growth in this industry



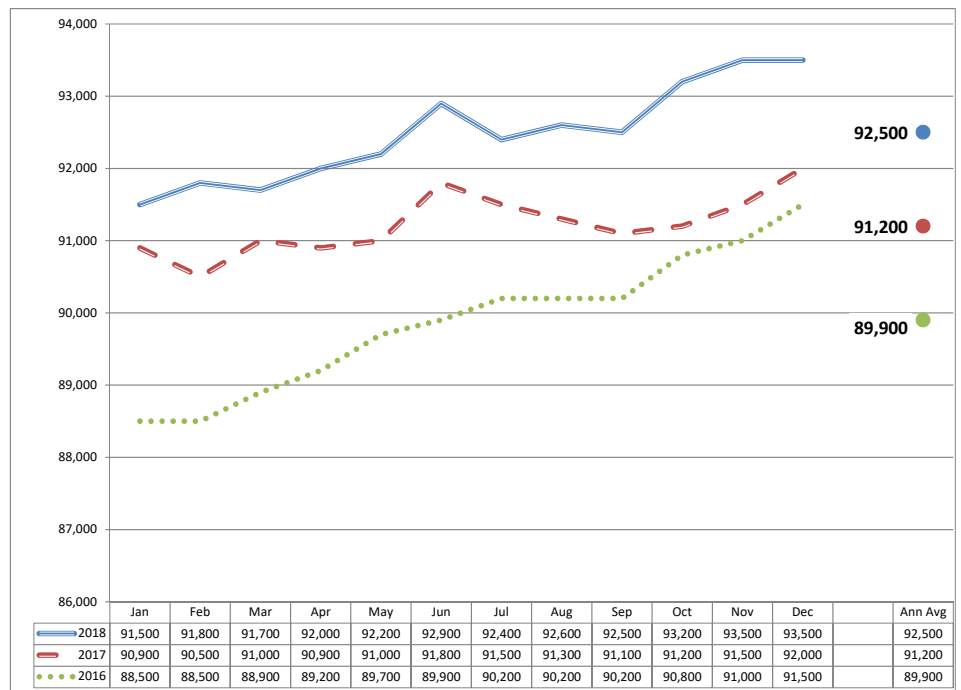
Educational Services continued to see slower growth in 2018

- The Private Educational services sector provided 33,300 jobs on average in 2018, about 400 above 2017 levels.
- Jobs in Educational services grew at 1.2 percent, faster than all nonfarm jobs, but well below the 3.5 percent rate of this sector in 2017.
- Job growth in Private sector Colleges, universities, and professional schools accounted for the entire increase in jobs in Educational services in 2018.
- The 400 jobs added in Private Educational Services in 2018 is less than half of 1,100 added between 2016 and 2017.



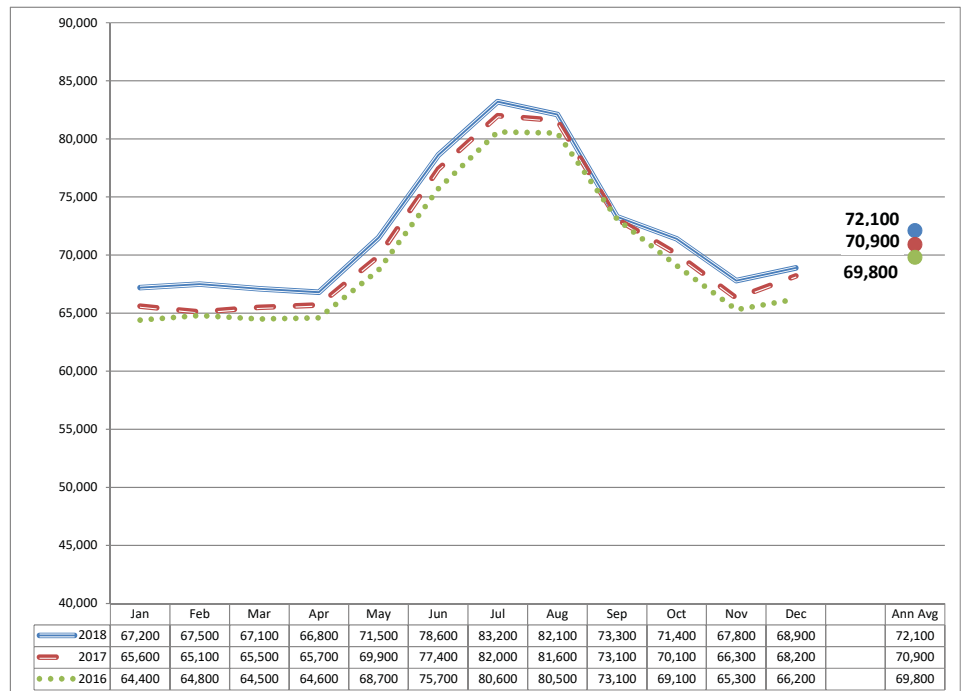
Health Care and Social Assistance provided over 92,500 jobs in 2018

- Healthcare and social assistance jobs continued to increase, adding about 1,300 jobs in 2018, the same level as 2017. The 1.4 percent growth rate was nearly double the rate for all nonfarm jobs.
- The Healthcare and social assistance sector provided an average 92,500 jobs in 2018, making it the second largest employing sector, after Retail trade.
- The sector has added jobs each year since at least 2000. Healthcare and social assistance jobs grew more rapidly than all nonfarm jobs in each of the last three years.
- Over half of the job growth (+900) was in Ambulatory health care services.



Leisure and Hospitality reached 72,100 jobs in 2018

- The Leisure and hospitality sector added 1,200 jobs in 2018, bringing employment to 72,100. The sector grew by 1.7 percent, slightly more than the 1.6 percent rate in 2017.
- The Leisure and hospitality sector has added jobs in each of the past nine years.
- Of the 1,200 sector jobs added, 800 were in the Accommodation and food services subsector. All of these jobs were added in Food services and drinking places and were roughly divided between Full-service restaurants and Limited-service eating places.



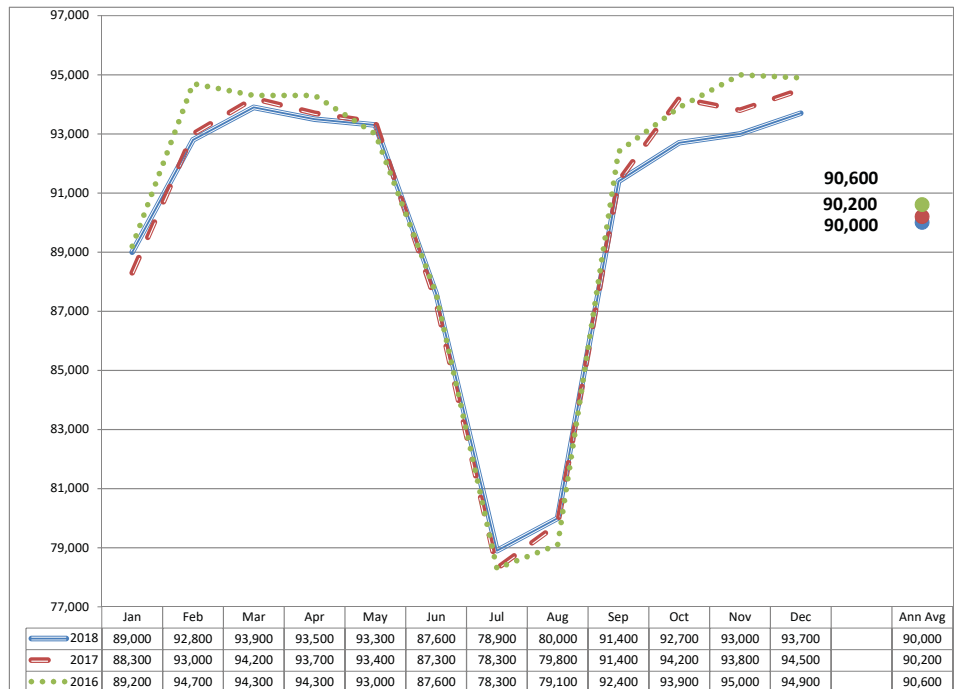
Other Services added 800 jobs in 2018

- Other Services (excluding Public Administration/ Government) added 800 jobs in 2018, increasing employment to 25,400.
- The Other Services (excluding Public Administration/ Government) sector covers establishments that provide services not specifically provided for elsewhere in the classification system.
- Other services include activities such as equipment and machinery repairing, providing dry cleaning and laundry services, personal care services, pet care services, photofinishing services, and other miscellaneous services.



Government continued to lose jobs in 2018

- The number of Government jobs declined by 200 on average in 2018. Government employment at all levels, including educational services, dropped to 90,000. Total government jobs have been, for the most part, on a downward trend since 2009 when they reached a high of 96,500.
- State government jobs, including State educational services decreased by 200.
- Local government jobs fell by 200 overall. The largest segment, Local government educational services, accounted for that entire decrease. The rest of Local Government employment remained essentially flat.



A note about Nonfarm employment:

Nonfarm employment estimates are released every month. The estimates provide a timely indicator of state economic trends and are based on a survey of New Hampshire business establishments. The survey is conducted through the Current Employment Statistics (CES) program, a federal-state cooperative statistical program.

While the CES survey covers a statistically representative sample, not all employers in the state are surveyed. Additionally, the CES nonfarm employment estimates include some workers not covered by New Hampshire unemployment

insurance programs, such as railroad workers, work study students, and religious organizations, to name a few, but do not include agricultural works or the self-employed.

Because the original monthly estimates of CES employment are based on a sample survey, each March past nonfarm employment estimates are adjusted based on reported employment counts from the Quarterly Census of Employment and Wages (QCEW) program in a process known as benchmarking. The QCEW employment counts are based on actual data reported each

quarter from more than 45,000 New Hampshire establishments whose workers are covered by unemployment compensation laws.

The graphs above display not seasonally adjusted estimates. For the latest benchmarked nonfarm data series, including seasonally adjusted estimates, visit <http://www.nhes.nh.gov/elmi/statistics/ces-data.htm>.

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