

New Hampshire ECONOMIC CONDITIONS

Sugar House PHOTO CREDIT

Maple Sap Collection PHOTO CREDIT

Boiling Process PHOTO CREDIT

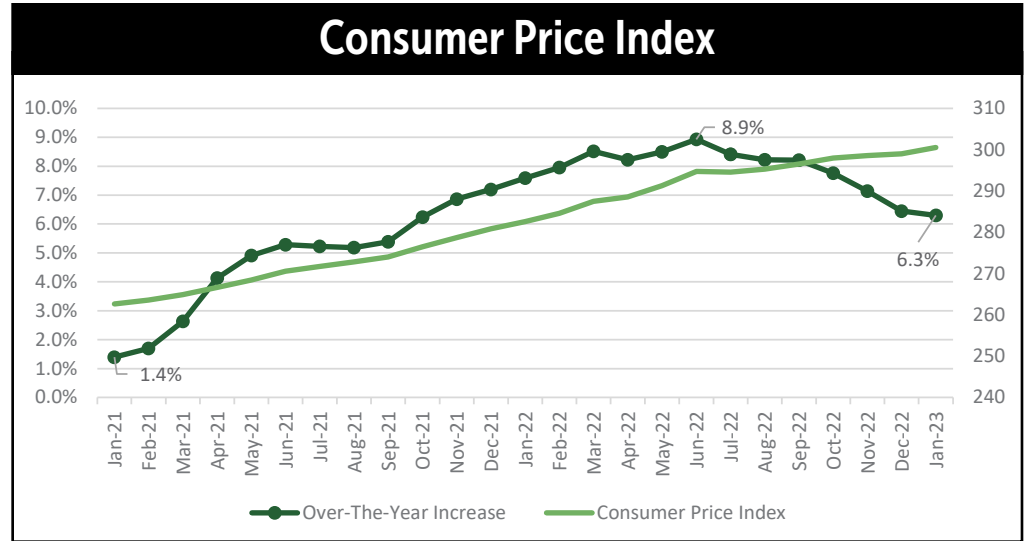
Maple Grades and Samples PHOTO CREDIT

March 2023

Inflation is Slowing, But Heating Fuel Prices Remain High

The Consumer Price Index (CPI) increased 6.3 percent over-the-year in January 2023, the lowest rate of increase since October 2021. The CPI is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.¹ The CPI is produced every month by the U.S. Bureau of Labor Statistics (BLS) and indicates the change in price for the basket of goods and services as a whole, from month-to-month, as well as year-over-year. The Federal Reserve has a target inflation rate of two percent per year, which encourages price stability and high employment while giving the Federal Reserve flexibility to cut interest rates during economic downturns.

The price of goods and services began to increase at a faster rate in March 2021, when the CPI increased 0.6 percent over-the-month.² Inflation peaked in June 2022, when the CPI increased 8.9 percent over the previous June. Since then, the rate of inflation has slowed, with over-the-year increases declining in every month through the end of 2022. Although the over-the-year increase



Source: U.S. Bureau of Labor Statistics, Consumer Price Index

in CPI remained well above the target inflation rate of two percent, most of the price increases occurred prior to June 2022. Between December 2021 and June 2022, CPI increased 4.9 percent; between June 2022 and January 2023, prices increased just 2.0 percent.

Food and Energy Prices

Between March 2021 and June 2022, energy prices³ increased at a faster rate than overall inflation and played a large role the increase in total CPI. Energy prices peaked in June 2022, before declining over the second half of the year. Between June and January 2023, energy prices declined 10.8 percent, although they remained 8.4 percent higher than January 2022 prices.

Food prices increased at a faster rate than total CPI throughout most of 2022 as well. Food prices took longer to slow, with the over-the-year price increase peaking in August 2022 at

11.3 percent. Food prices continued to increase through the end of the year, although the rate of increase slowed steadily, falling from a 1.1 percent over-the-month increase in July to 0.5 percent in January 2023.

Energy and food prices can be volatile, so “core” CPI, which excludes these goods, is a more accurate measure of overall inflation trends. Because energy and food prices rose faster than most other goods and services, core CPI was lower than total CPI throughout 2022. The gap between these two measures reached 3.0 percent in June 2022, although it narrowed as gas prices fell in the second half of 2022. Core CPI increased 5.5 percent over-the-year in January 2023, 0.8 percentage points lower than overall CPI. While this gap shows the effect increasing food and energy prices had on the overall cost of goods and services, core CPI exceeded five percent throughout 2022, indicating that price increases were not limited to food and energy.

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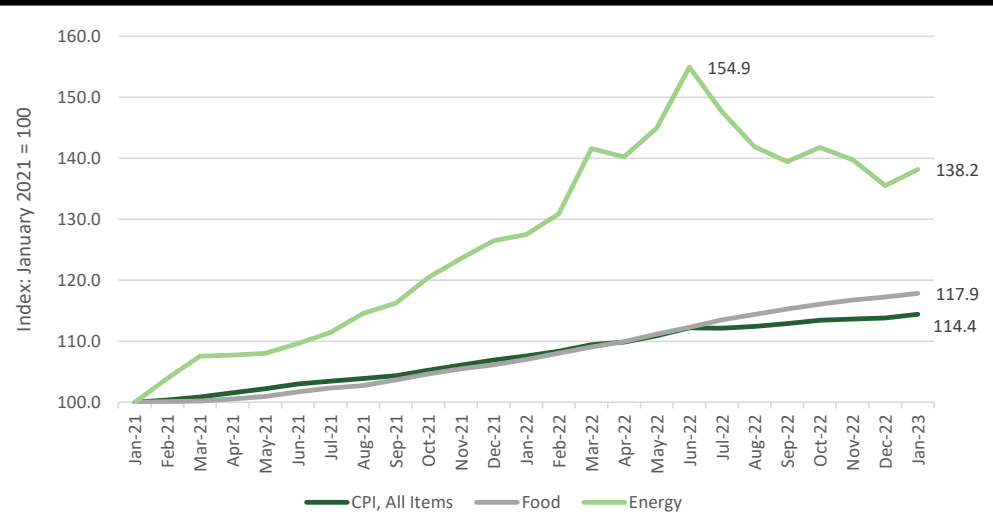
Claims Activity 9

1 U.S. Bureau of Labor Statistics, Consumer Price Index Frequently Asked Questions. <https://www.bls.gov/cpi/questions-and-answers.htm>.

2 CPI is adjusted to account for seasonal variation in prices.

3 Energy has two components, motor fuels and household energy. Household energy includes electricity and home heating fuels such as fuel oil and propane.

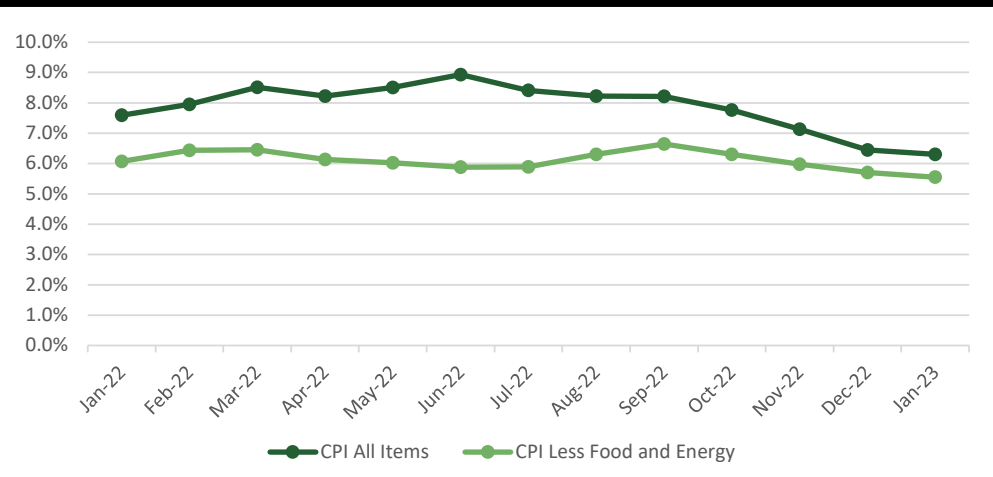
Food and Energy Prices Have Outpaced Overall Inflation



Source: U.S. Bureau of Labor Statistics, Consumer Price Index

While the over-the-year increase in total CPI began to decline in July, this was largely due to falling energy prices, and core CPI increased for several more months. The over-the-year increase in core CPI reached its peak in September 2022 at 6.6 percent. Among goods and services included in core CPI, shelter appears to be the largest factor driving inflation in 2022. Between January 2022 and January 2023, the price of shelter increased 7.9 percent, and while the increase in core CPI slowed in late 2022, the increase in the price of shelter accelerated. Shelter is a major expense, accounting for just over a third of all expenditures measured by the CPI.

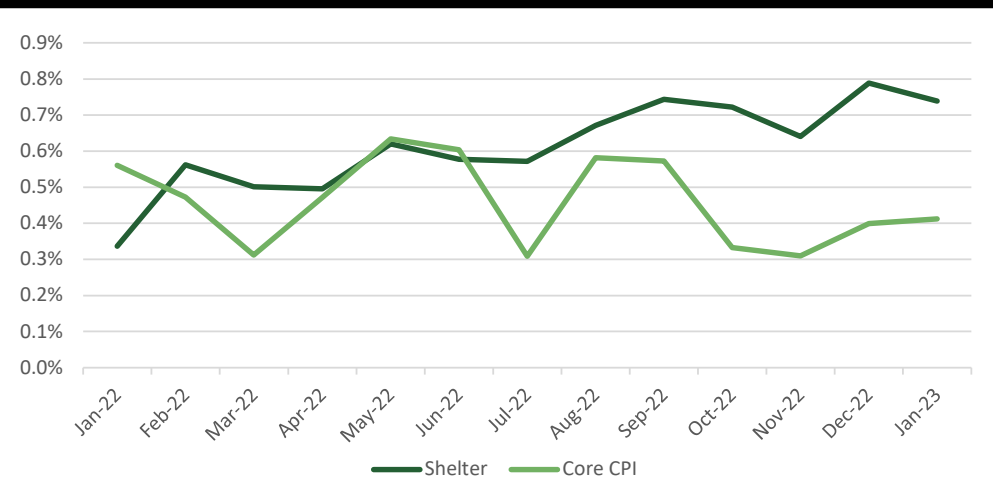
Over-the-Year Increase, Core CPI vs Total CPI



Source: U.S. Bureau of Labor Statistics, Consumer Price Index

Rising interest rates were likely responsible for the core CPI rate slowing in late 2022. The Federal Reserve raised interest rates from between 0.00 and 0.25 percent in March 2022 to between 4.50 and 4.75 percent in February 2023. Higher interest rates increase the cost of borrowing money, slowing economic growth and lowering demand for goods and services.

Over-the-Month Change in Price



Source: U.S. Bureau of Labor Statistics, Consumer Price Index

Heating Fuel Prices

Home heating fuels are a significant expense for New Hampshire households, particularly lower-income households. The U.S. Energy Information Administration (EIA) projected that during the winter of 2022-2023, the average household in the northeastern U.S. will pay between \$1,094 and \$2,354 on home heating fuel, depending on fuel source.⁴ For New Hampshire households, in the northern part of this region, fuel consumption and expenditures will likely be higher than the regional average.

During the 2021-2022 winter heating season (the EIA defines the winter heating season as October through March) prices for propane, fuel oil #2

⁴ U.S. Energy Information Administration, Average Consumer Prices and Expenditures for Heating Fuels During the Winter. <https://www.eia.gov/outlooks/steo/tables/pdf/wf-table.pdf>.

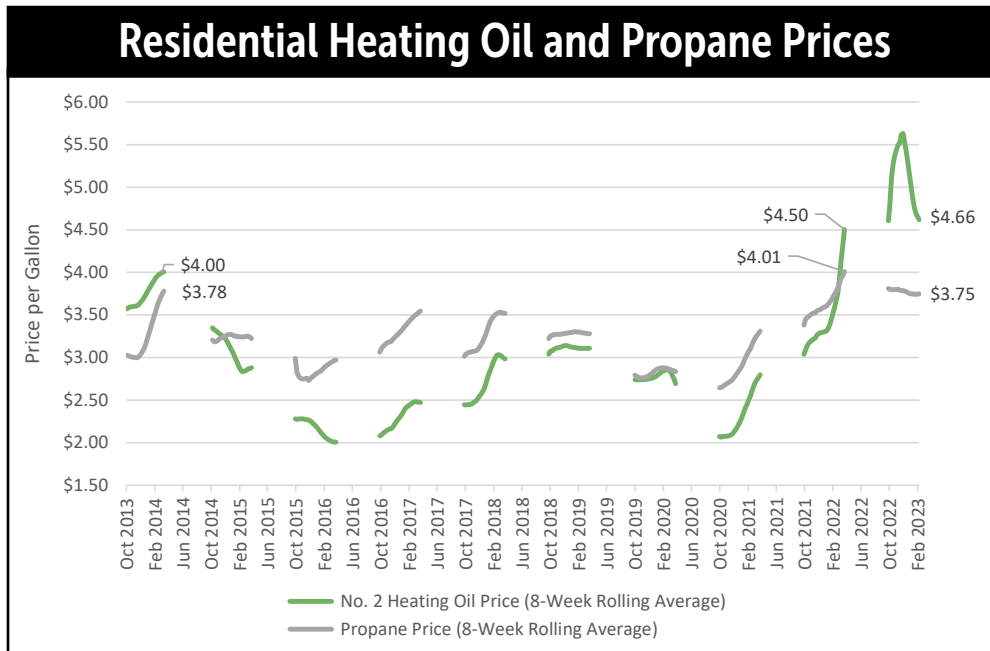
and natural gas, which approximately 80 percent of New Hampshire households use as a primary heating source, reached all-time highs.

While propane prices during the 2022-2023 heating season (through February 13, 2023) were lower than the previous heating season, fuel oil and natural gas prices exceeded last winter's highs. After averaging \$4.50 per gallon over the last eight weeks of the 2021-2022 heating season, fuel oil prices started the heating season at \$4.61 per gallon, with the eight-week average reaching \$5.63 per gallon in the first week of December. Fuel oil prices began to fall in late November, with the eight-week average reaching \$4.66 per gallon during the week of February 13, 2023.

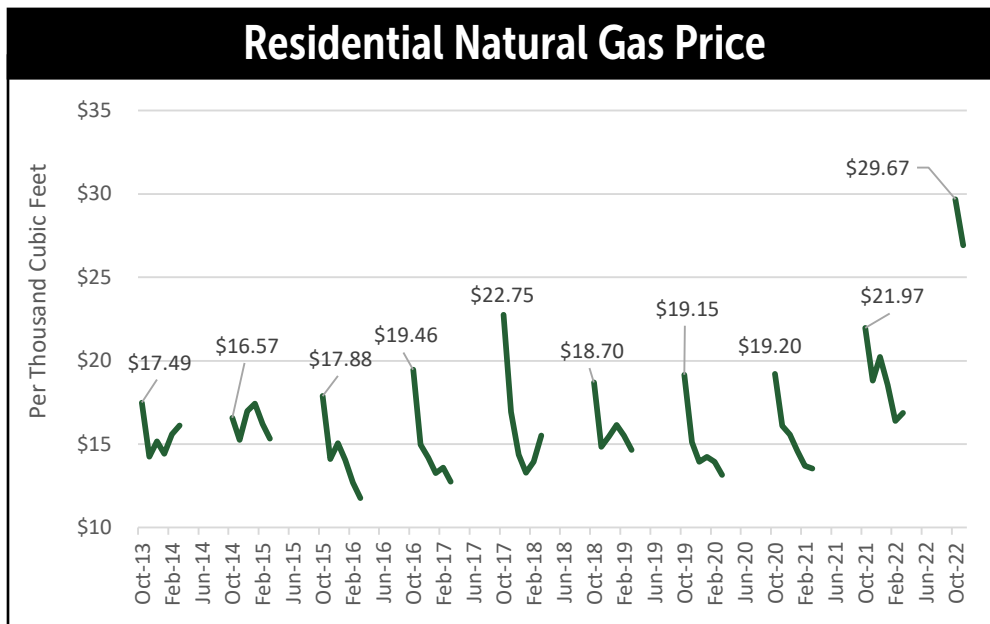
Natural gas prices also exceeded previous highs during the 2022-2023 heating season. The average price for natural gas in October 2022 was \$29.76 per thousand cubic feet, 30 percent above the previous October high of \$22.75 per thousand cubic feet, set in October 2017.⁵ The average price in November 2022 exceeded the previous November high, set in November 2021, by more than 40 percent.

Energy price increases in 2021 and 2022 were initially a result of supply issues.⁶ Production of liquid fuels⁷ was disrupted by the coronavirus pandemic, and liquid fuel consumption exceeded production, driving up prices. The Russian invasion of Ukraine also contributed to fuel price increases during the first half of 2022. In spite of these challenges, fuel production exceeded consumption in 2022, and EIA expects this to continue over the next two years, bringing fuel prices down in 2023 and 2024. However, EIA notes that there is a lot of uncertainty in their forecast. The war in Ukraine, easing COVID restrictions in China (leading to higher economic activity and greater fuel consumption), and a potential recession in the U.S. could all impact supply and demand for liquid fuels.

- Greg David, Economist



Source: U.S. Energy Information Administration



Source: U.S. Energy Information Administration

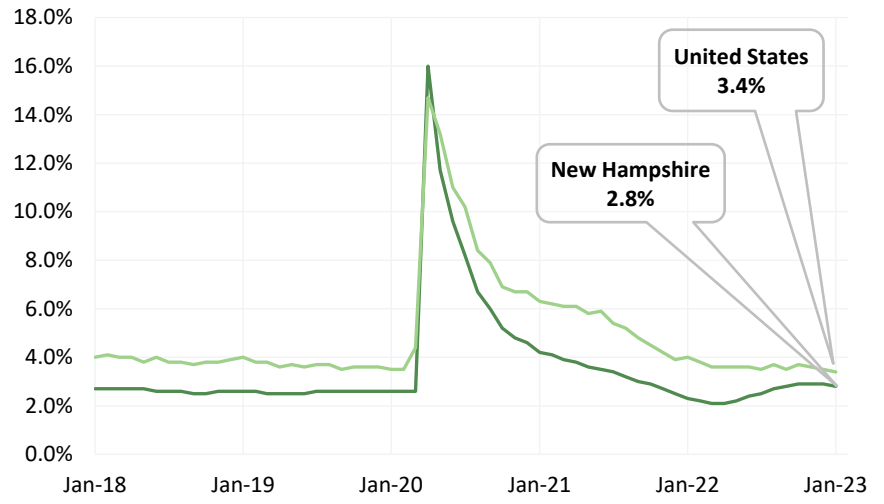
5 Most natural gas consumed in the U.S. is used to generate electricity; residential heating uses a fraction of all natural gas consumed in the U.S. Unlike propane and heating oil, natural gas prices are highest in the summer, when demand for electricity is highest, and generally reach their lowest point around March or April.
 6 U.S. Energy Information Administration, Short-Term Energy Outlook. https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf.
 7 Liquid fuels are defined as petroleum and products of petroleum refining, which include heating oil and propane.

SEASONALLY ADJUSTED ESTIMATES

Unemployment Estimates by Region

Seasonally Adjusted	Jan-23	Dec-22	Jan-22
United States	3.4%	3.5%	4.0%
Northeast	3.9%	3.9%	4.6%
New England	3.5%	3.5%	3.9%
Connecticut	3.9%	4.0%	4.8%
Maine	2.9%	3.1%	3.6%
Massachusetts	3.6%	3.7%	4.0%
New Hampshire	2.8%	2.9%	2.3%
Rhode Island	3.1%	3.2%	3.5%
Vermont	2.9%	3.0%	2.6%
Mid Atlantic	4.1%	4.0%	4.9%
New Jersey	3.4%	3.3%	5.1%
New York	4.2%	4.1%	5.1%
Pennsylvania	4.3%	4.3%	4.5%

**Local Area Unemployment Statistics (LAUS)
Unemployment Rate, NH and US**



Current Employment Statistics (CES) by Place of Establishment

	Number of Jobs			Change From Previous	
	Jan-23	Dec-22	Jan-22	Month	Year
Total Nonfarm	698,500	694,000	678,800	4,500	19,700
Total Private	612,100	607,800	592,400	4,300	19,700
Mining and Logging	1,000	900	1,000	100	0
Construction	30,200	30,000	29,700	200	500
Manufacturing	71,200	71,600	69,500	-400	1,700
Durable Goods	53,400	53,500	51,900	-100	1,500
Non-Durable Goods	17,800	18,100	17,600	-300	200
Trade, Transportation, and Utilities	139,600	139,100	137,200	500	2,400
Wholesale Trade	31,600	31,600	30,600	0	1,000
Retail Trade	89,400	89,300	88,000	100	1,400
Transportation, Warehousing, and Utilities	18,600	18,200	18,600	400	0
Information	11,800	11,900	11,900	-100	-100
Financial Activities	34,300	33,900	34,500	400	-200
Financial and Insurance	27,100	26,800	27,500	300	-400
Real Estate and Rental and Leasing	7,200	7,100	7,000	100	200
Professional and Business Services	100,700	99,900	93,200	800	7,500
Professional, Scientific, and Technical Services	49,300	48,700	45,700	600	3,600
Management of Companies and Enterprises	10,700	10,500	10,300	200	400
Administrative and Support and Waste Management and Remediation Services	40,700	40,700	37,200	0	3,500
Education and Health Services	126,800	124,300	123,600	2,500	3,200
Educational Services	33,200	30,700	32,100	2,500	1,100
Health Care and Social Assistance	93,600	93,600	91,500	0	2,100
Leisure and Hospitality	72,200	71,700	68,000	500	4,200
Arts, Entertainment, and Recreation	11,200	11,600	11,900	-400	-700
Accommodation and Food Services	61,000	60,100	56,100	900	4,900
Other Services	24,300	24,500	23,800	-200	500
Government	86,400	86,200	86,400	200	0
Federal Government	8,600	8,500	8,400	100	200
State Government	21,600	21,600	22,600	0	-1,000
Local Government	56,200	56,100	55,400	100	800

Current month is preliminary; past months are revised

Prior data and area data are available on our website at: www.nhes.nh.gov/elmi/statistics/ces-htm

NOT SEASONALLY ADJUSTED ESTIMATES BY PLACE OF RESIDENCE

Labor Force Estimates

New Hampshire	Jan-23	Dec-22	Jan-22
Total Civilian Labor Force	773,630	767,990	757,680
Employed	749,890	748,780	735,420
Unemployed	23,740	19,210	22,260
Unemployment Rate	3.1%	2.5%	2.9%

United States (# in thousands)	Jan-23	Dec-22	Jan-22
Total Civilian Labor Force	165,070	164,224	162,825
Employed	158,692	158,872	155,618
Unemployed	6,378	5,352	7,207
Unemployment Rate	3.9%	3.3%	4.4%

Unemployment Rates by Area

Counties	Jan-23	Dec-22	Jan-22
Belknap	3.2%	2.6%	3.2%
Carroll	3.3%	2.8%	3.1%
Cheshire	3.3%	2.6%	3.3%
Coös	3.9%	3.3%	3.7%
Grafton	2.7%	2.2%	2.7%
Hillsborough	3.1%	2.6%	3.0%
Merrimack	2.7%	2.2%	2.7%
Rockingham	3.2%	2.6%	3.0%
Strafford	2.8%	2.2%	2.7%
Sullivan	2.7%	2.4%	2.7%

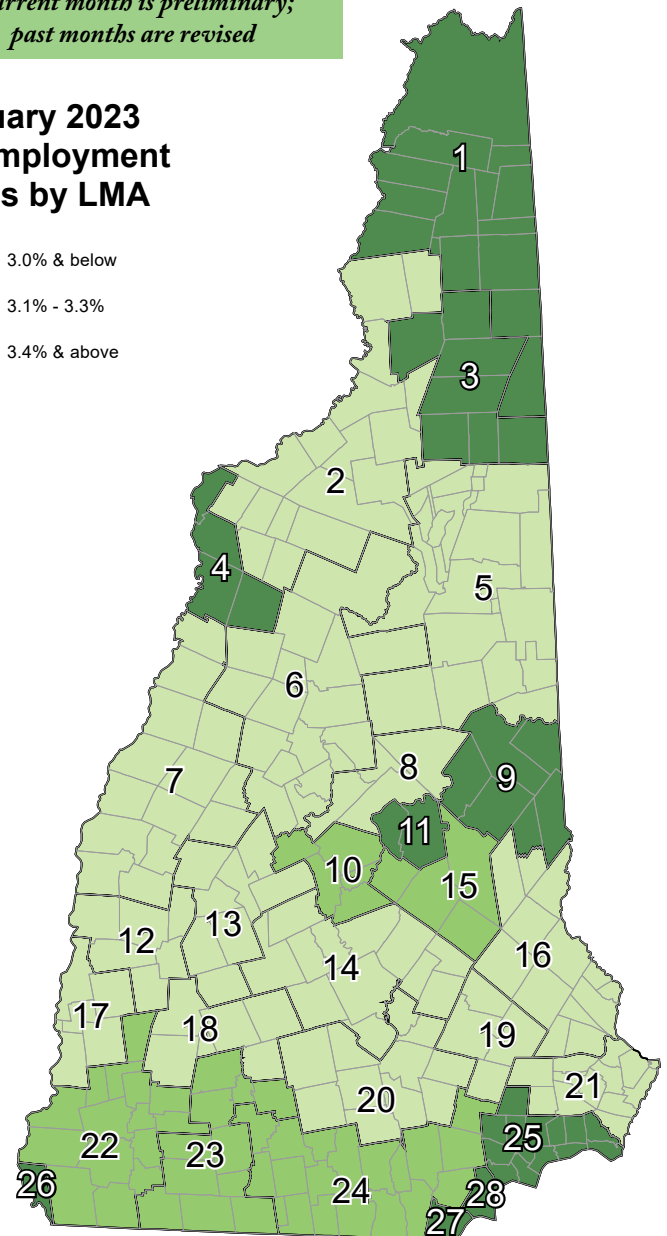
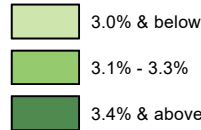
Map Key	Labor Market Areas	Jan-23	Dec-22	Jan-22
1	Colebrook, NH-VT LMA, NH Portion	4.5%	3.4%	3.3%
2	Littleton, NH-VT LMA, NH Portion	3.0%	2.5%	3.0%
3	Berlin NH Micropolitan NECTA	4.3%	3.7%	4.1%
4	Haverhill, NH LMA	3.6%	2.8%	4.2%
5	Conway, NH-ME LMA, NH Portion	3.0%	2.6%	2.8%
6	Plymouth, NH LMA	2.6%	2.2%	2.6%
7	Lebanon, NH-VT Micropolitan NECTA, NH Portion	2.6%	2.2%	2.5%
8	Meredith, NH LMA	3.0%	2.4%	2.9%
9	Wolfeboro, NH LMA	3.7%	3.2%	3.5%
10	Franklin, NH LMA	3.2%	2.7%	3.2%
11	Laconia, NH Micropolitan NECTA	3.4%	2.7%	3.3%
12	Expanded Claremont, NH estimating area	2.8%	2.4%	2.6%
13	New London, NH LMA	2.7%	2.2%	2.8%
14	Concord, NH Micropolitan NECTA	2.6%	2.2%	2.5%
15	Belmont, NH LMA	3.3%	2.5%	3.2%
16	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	2.8%	2.2%	2.7%
17	Charlestown, NH LMA	3.0%	2.4%	3.1%
18	Hillsborough, NH LMA	3.0%	2.4%	2.7%
19	Raymond, NH LMA	3.0%	2.4%	2.7%
20	Manchester, NH Metropolitan NECTA	2.9%	2.4%	2.7%
21	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	2.8%	2.3%	2.6%
22	Keene, NH Micropolitan NECTA	3.2%	2.5%	3.1%
23	Peterborough, NH LMA	3.2%	2.5%	3.0%
24	Nashua, NH-MA NECTA Division, NH Portion	3.3%	2.6%	3.1%
25	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	3.8%	3.0%	3.6%
26	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	3.8%	3.6%	4.8%
27	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	4.2%	3.4%	4.0%
28	Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division	3.8%	3.2%	3.5%

Unemployment Rates by Region

Not Seasonally Adjusted	Jan-23	Dec-22	Jan-22
United States	3.9%	3.3%	4.4%
Northeast	4.3%	3.5%	5.1%
New England	3.8%	3.1%	4.5%
Connecticut	4.2%	3.2%	5.4%
Maine	2.8%	2.7%	4.3%
Massachusetts	4.1%	3.3%	4.6%
New Hampshire	3.1%	2.5%	2.9%
Rhode Island	3.5%	2.3%	4.2%
Vermont	2.8%	2.7%	3.1%
Mid Atlantic	4.4%	3.7%	5.4%
New Jersey	4.0%	3.1%	5.6%
New York	4.6%	3.8%	5.6%
Pennsylvania	4.5%	3.8%	4.9%

*Current month is preliminary;
past months are revised*

**January 2023
Unemployment Rates by LMA**



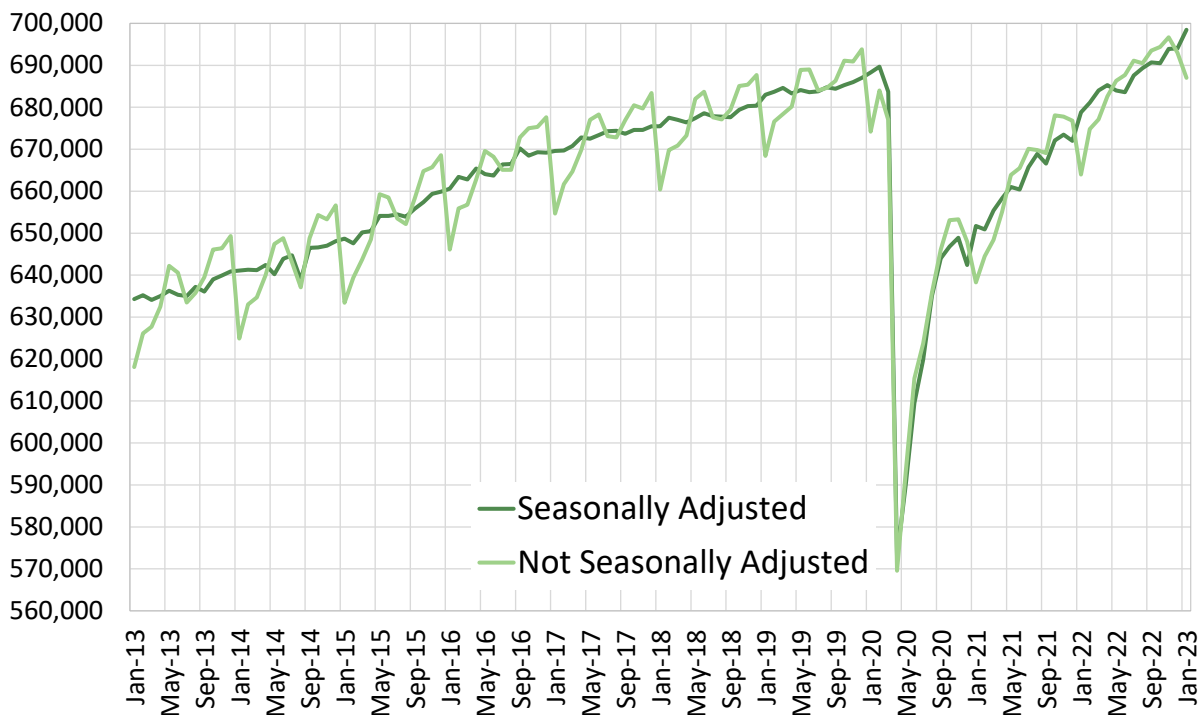
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

**New Hampshire Nonfarm Employment Statewide
Not Seasonally Adjusted**

*Current month
is preliminary;
past months
are revised*

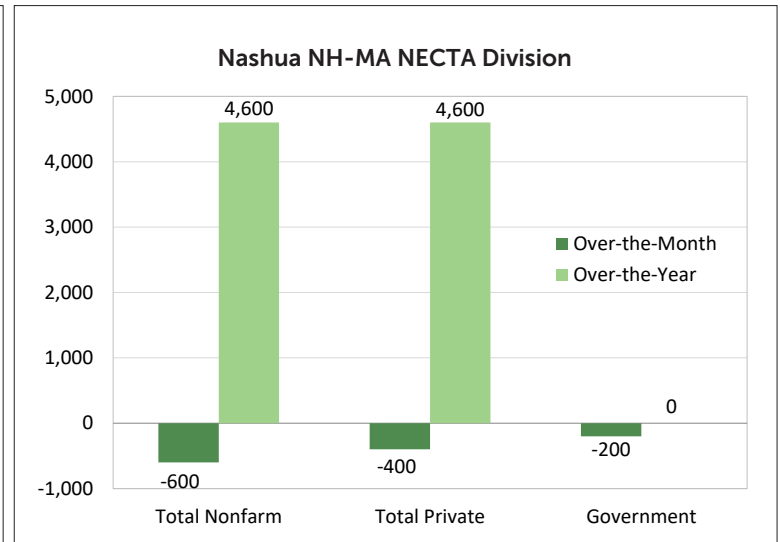
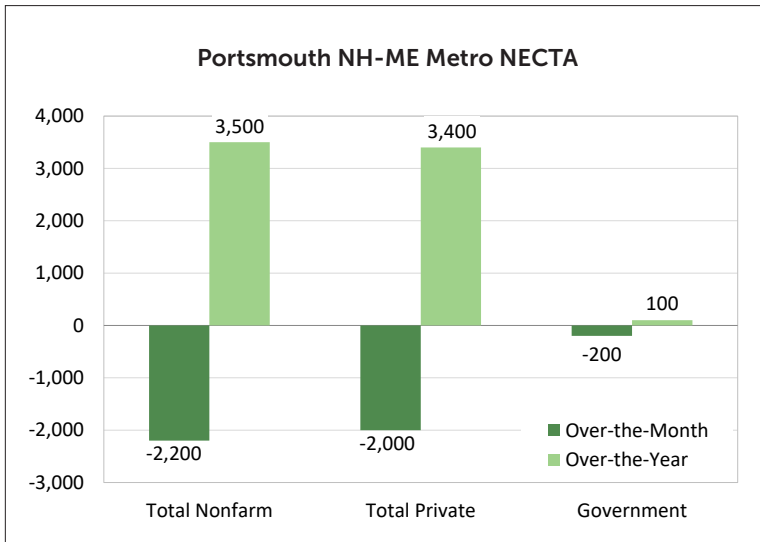
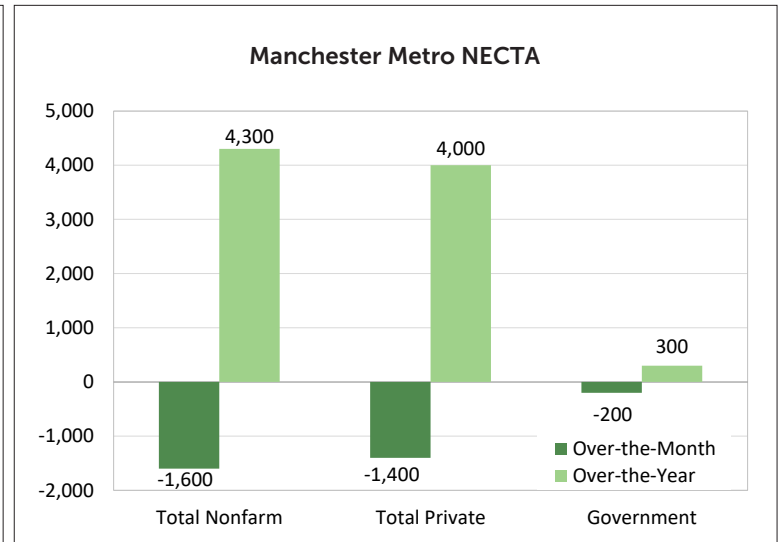
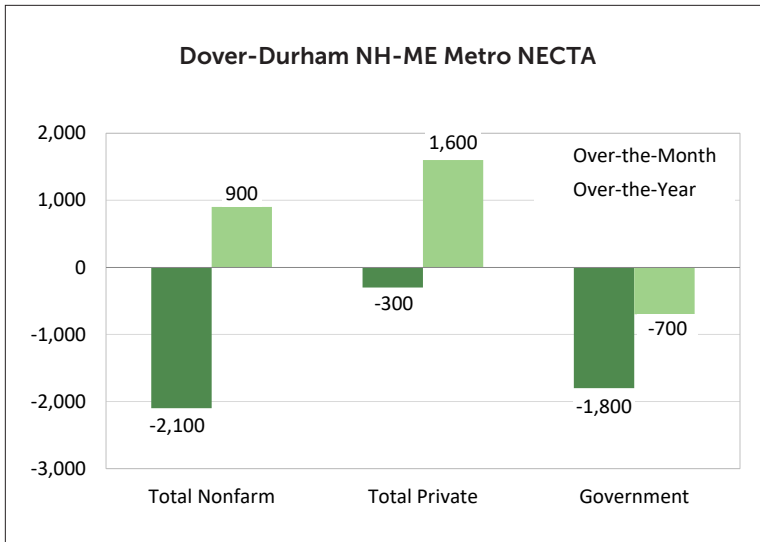
	Number of Jobs			Change From Previous	
	Jan-23	Dec-22	Jan-22	Month	Year
Total Nonfarm	687,000	693,000	664,000	-6,000	23,000
Total Private	600,900	604,100	577,800	-3,200	23,100
Mining and Logging	900	900	900	0	0
Construction	29,000	29,800	28,000	-800	1,000
Manufacturing	70,700	71,400	69,200	-700	1,500
Durable Goods	53,000	53,300	51,800	-300	1,200
Non-Durable Goods	17,700	18,100	17,400	-400	300
Trade, Transportation, and Utilities	139,800	141,500	137,300	-1,700	2,500
Wholesale Trade	31,500	31,600	30,600	-100	900
Retail Trade	89,500	90,100	87,700	-600	1,800
Transportation, Warehousing, and Utilities	18,800	19,800	19,000	-1,000	-200
Information	11,700	11,800	11,800	-100	-100
Financial Activities	34,100	33,900	34,200	200	-100
Professional and Business Services	99,000	99,500	91,300	-500	7,700
Education and Health Services	126,000	124,200	119,300	1,800	6,700
Leisure and Hospitality	66,000	66,900	62,700	-900	3,300
Other Services	23,700	24,200	23,100	-500	600
Government	86,100	88,900	86,200	-2,800	-100
Federal Government	8,600	8,500	8,400	100	200
State Government	19,400	22,200	20,700	-2,800	-1,300
Local Government	58,100	58,200	57,100	-100	1,000

Total Nonfarm Employment Trend Through January 2023

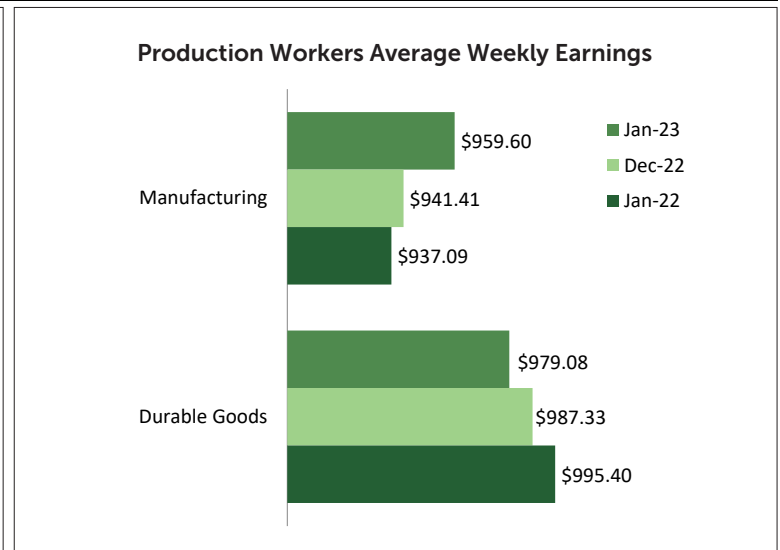
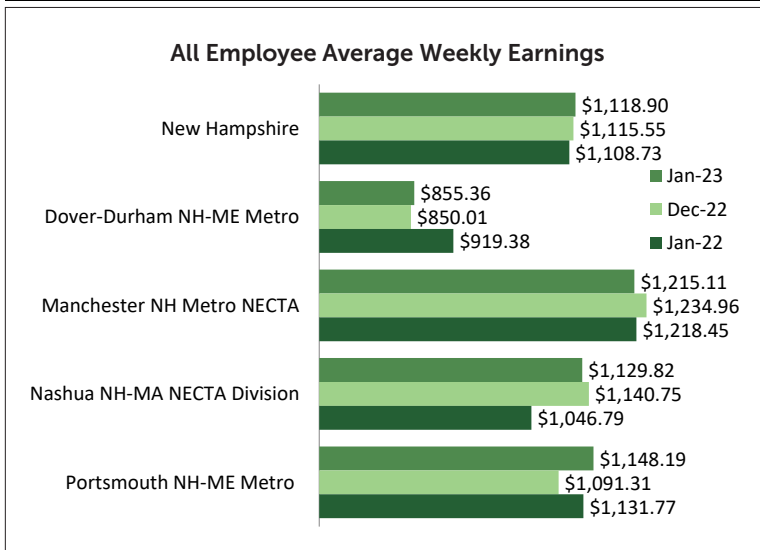


MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Nonfarm Employment by Metropolitan Statistical Areas - January 2023



Total Private Average Weekly Earnings Data



Sector data for the four areas and hours earnings data are available on our website: www.nhes.nh.gov/elmi/statistics/ces-data.htm

MONTHLY ANALYSIS OF CURRENT EMPLOYMENT STATISTICS (CES)

Seasonally Adjusted

Total nonfarm employment increased to 698,500 jobs in January, based on preliminary seasonally adjusted estimates. This was an increase of 4,500 non-farm jobs over the month, as private industry employment increased by 4,300 and government employment increased by 200. Seven private industry supersectors experienced over-the-month employment gains and three supersectors experienced losses. Seasonally adjusted over-the-month changes reflect the number of jobs that are not attributable to a regular seasonal pattern of employment variability.

Private education and health services employment increased by 2,500 over the month, while professional and business services expanded payrolls by 800 in January. The trade, transportation, and utilities and leisure and hospitality supersectors each gained 500 jobs. Financial activities employment increased by 400, while construction added 200 jobs and the mining and logging supersector gained 100 jobs. Manufacturing decreased payrolls by 400, while other services employment declined by 200 and information lost 100 positions.

Total nonfarm employment in January 2023 was 8,800 jobs above the pre-pandemic level in February 2020. Employment in the leisure and hospitality, financial activities, information, other services and government supersectors remained below the February 2020 level.

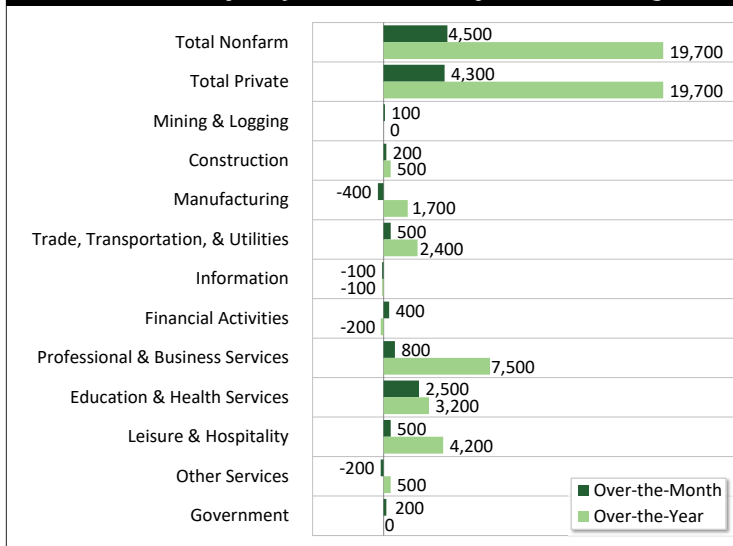
Not Seasonally Adjusted

Preliminary unadjusted estimates for January 2023 indicate that total nonfarm employment increased by 23,000 jobs since January 2022. Seven private industry supersectors experienced over the year employment gains and two experienced over-the-year losses. Government employment decreased by 100, while mining and logging employment was unchanged from January 2022 to January 2023.

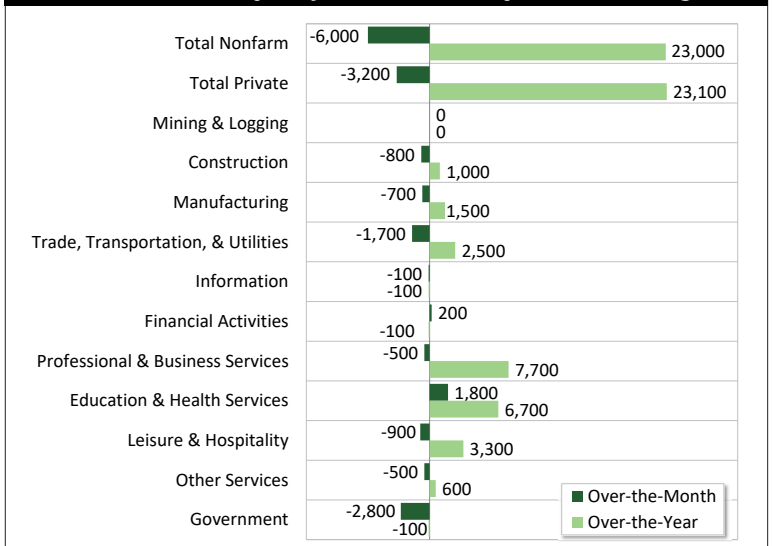
Professional and business services experienced the largest increase, with 7,700 more jobs than in January 2022. The private education and health services supersector increased employment by 6,700, while leisure and hospitality added 3,300 positions. Trade, transportation, and utilities expanded payrolls by 2,500 while manufacturing added 1,500 jobs. Construction employment increased by 1,000 over the year, while the other services supersector added 600 jobs. Employment in both the financial activities and information supersectors was 100 fewer than a year earlier.

– Robert Cote, Research Analyst

Seasonally Adjusted January 2023 Change



Not Seasonally Adjusted January 2023 Change

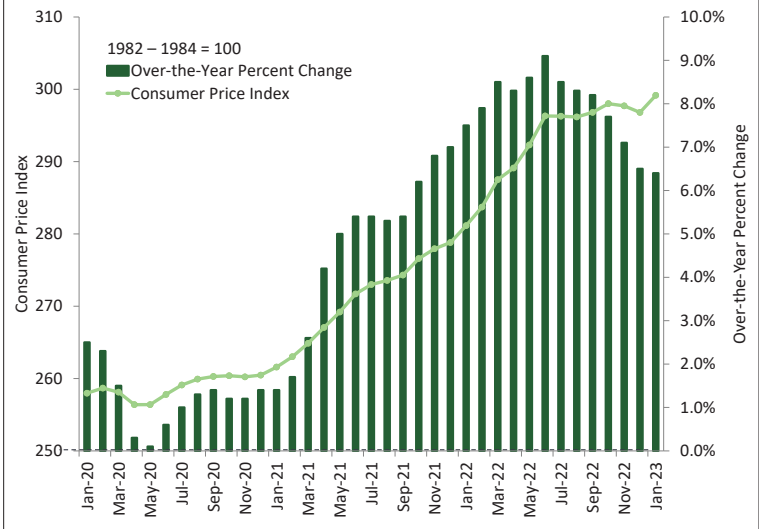


Consumer Price Index

United States, All Urban Consumers Not Seasonally Adjusted (CPI-U) (1982-1984=100)				
			Change From Previous	
Jan-23	Dec-22	Jan-22	Month	Year
299.170	296.797	281.148	0.8%	6.4%

Northeast, All Urban Consumers Not Seasonally Adjusted (CPI-U) (1982-1984=100)				
			Change From Previous	
Jan-23	Dec-22	Jan-22	Month	Year
310.323	308.150	292.644	0.7%	6.0%

Consumer Price Index United States, All Urban Consumers



Unemployment Compensation Claims Activity

	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
Initial Claims	1,584	1,106	1,368	1,564	2,331	2,165
Continued Weeks Claimed	10,289	7,044	7,422	7,442	8,707	13,105
Average payment for a week of unemployment	\$311.40	\$350.44	\$357.49	\$354.17	\$356.19	\$353.19

New Hampshire Economic Conditions is published monthly in coordination with the Bureau of Labor Statistics and the Employment Training Administration of the U.S. Department of Labor.

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New Hampshire Employment Security Local Offices

Berlin	752-5500	Claremont	543-3111
Concord	228-4100	Conway	447-5924
Keene	352-1904	Laconia	524-3960
Littleton	444-2971	Manchester	627-7841
Nashua	882-5177	Portsmouth	436-3702
Salem	893-9185	Somersworth	742-3600

Claims calls: 1-800-266-2252



New Hampshire Employment Security Economic and Labor Market Information Bureau

General Information	(603) 228-4124
	www.nhes.nh.gov/elmi
Research Unit	228-4173
Economist	229-4427
Covered Employment & Wages	228-4060
Current Employment Statistics	228-4175
Local Area Unemployment Statistics	228-4167
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