

New Hampshire ECONOMIC CONDITIONS

August 2022

Dartmouth College at Hanover (image by NH DTTD on flickr)

St Gaudens Nat'l Historical Park (image by NH DTTD on flickr)

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New Hampshire's Manufacturing Industry Is Recovering Slowly From the Pandemic

Manufacturing is the third largest industry sector in New Hampshire, accounting for 10.2 percent of total nonfarm payroll (67,600 workers) in 2021. During the early months of the coronavirus pandemic, employment in New Hampshire's manufacturing sector did not decline as much as total nonfarm employment, declining 10.7 percent, while total nonfarm employment declined 14.4 percent. However, since employment began to recover in May 2020, manufacturing employment has increased at a slower rate than nonfarm employment. While nonfarm employment in New Hampshire was 1.2 percent below pre-pandemic levels in June 2022, manufacturing employment was 2.0 percent below pre-pandemic levels (estimates are seasonally adjusted). Between September 2020 and June 2021, while nonfarm employment increased 2.5 percent (approximately

16,200 jobs), manufacturing employment plateaued, adding just 100 jobs (0.1 percent). Since June 2021, manufacturing employment increased by 2,100 jobs (3.0 percent of pre-pandemic employment), including 800 jobs in May and June 2022. However, manufacturing employment remained 1,400 jobs below pre-pandemic levels.

Manufacturing employment in New England and the U.S. followed a similar trend to New Hampshire during the early months of the pandemic, declining by a smaller percentage than total nonfarm employment. Unlike in New Hampshire, manufacturing employment in New England and the U.S. has kept pace with overall employment increases since the recovery started in May 2020. In June 2022, nonfarm employment in

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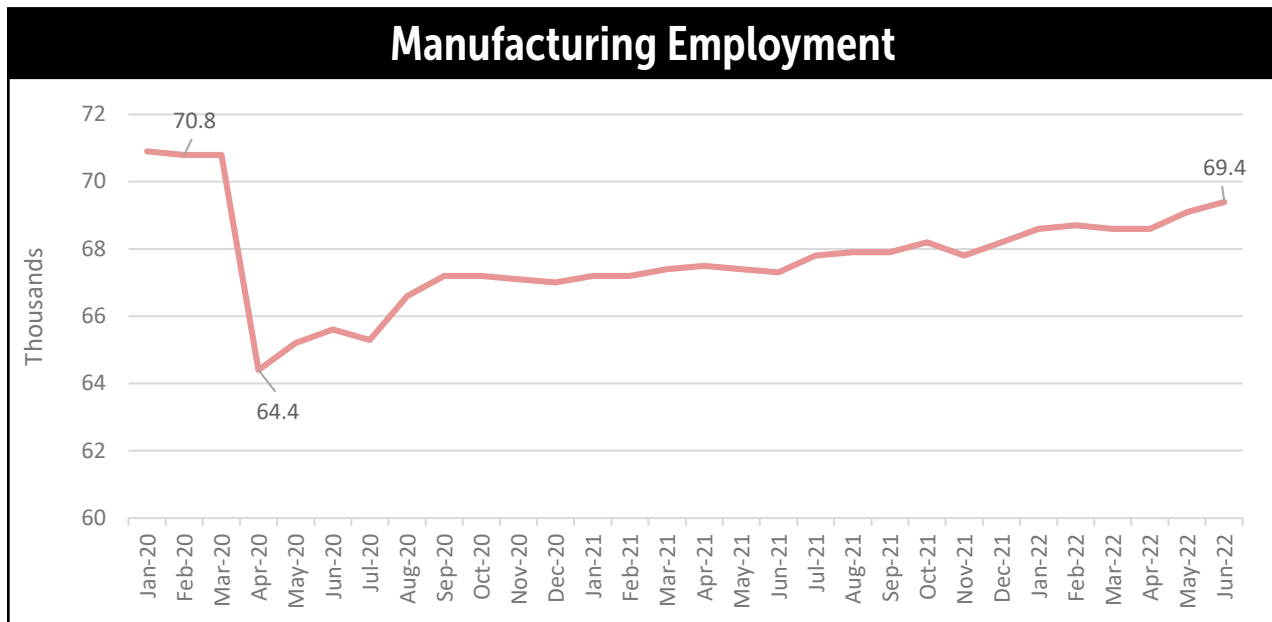
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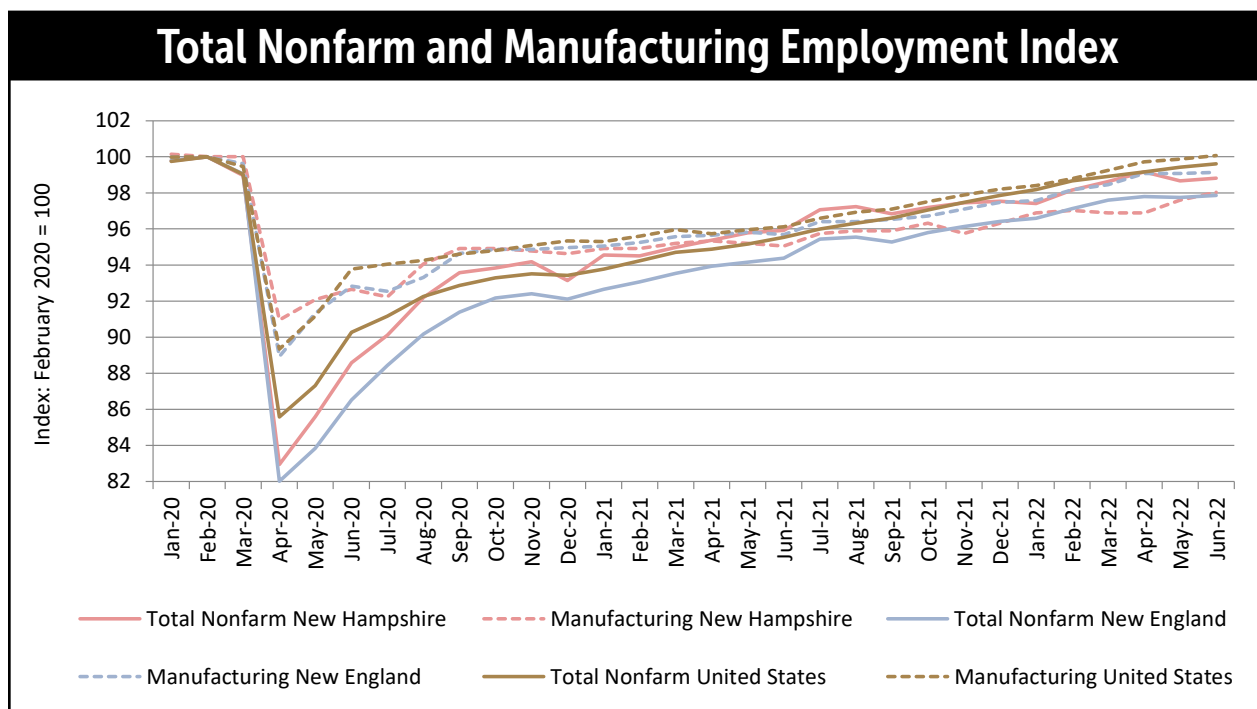
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New England was 2.1 percent below February 2020 employment levels, and manufacturing employment was 0.9 percent below February 2020 employment levels. Nationwide, nonfarm employment was 0.4 percent below February 2020 employment while manufacturing employment exceeded February 2020 employment levels by 0.1 percent.



Source: New Hampshire Employment Security, Current Employment Statistics



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

Hours and Wages for Manufacturing Workers

Although many businesses in New Hampshire have struggled to hire over the past year, labor supply does not appear to be the primary reason for below average employment growth in the manufacturing sector. In June 2019, manufacturing employees worked an average of 41.6 hours per week. Manufacturing workers employed in production occupations — workers who create the goods sold by manufacturers — worked longer hours, averaging 42.5 hours per week.¹ Hours worked per week have fallen since the pandemic began, but the decline accelerated in the second half of 2021, particularly for production workers. Between June 2019 and June 2022, average hours worked per week declined 2.4 percent (1.0 hour) for all manufacturing workers. For production workers, hours declined 12.0 percent (5.1 hours), suggesting that non-production workers have not experienced the same reduction in hours that production workers have. This difference is likely partially explained by salary structures; production workers are generally paid an hourly rate, while workers in “white collar” occupations are more likely to be paid an annual salary, regardless of hours worked. Supply chain issues have likely contributed to reduced hours and slow manufacturing employment growth, as manufacturers struggle to obtain the materials needed to operate factories at optimal capacity.

From June 2019 to June 2022, average hourly wages for production workers increased 9.6 percent, but wages for all manufacturing workers increased 15.8 percent, suggesting that non-production workers received disproportionately larger wage increases. Average weekly wages for all manufacturing workers increased 13.0 percent but for

production workers, increased hourly wages were not enough to offset the decline in hours worked. Average weekly wages in June 2022 were 3.5 percent than average weekly wages in May 2019.

Increasing Prices for Manufactured Goods

Fewer workers working fewer hours per week suggests that New Hampshire’s manufacturing industry output has not reached pre-pandemic levels. Although manufacturing output, as measured by Gross Domestic Product (GDP), has surpassed pre-pandemic levels, increasing prices, rather than the amount of goods produced, seems to be the reason for GDP growth.

The U.S. Bureau of Labor Statistics’ Producer Price Index (PPI), which measures the average change over time in prices received by domestic producers of goods and services, shows how much the prices of domestic manufactured goods have increased since the beginning of 2021. In June 2022, the PPI had increased 11.3 percent over the previous twelve months, and 16.5 percent since January 2021. The indices for goods, and for the manufacturing industry (a subset of goods), exceeded overall PPI increases. Since January 2021, the PPI for goods increased 26.9 percent, while the index for manufacturing goods increased 31.7 percent.

Several factors contributed to the increase in prices for manufactured goods. Supply chain issues, which have been widespread since the pandemic began, resulted in long delays, limited quantities and higher prices for some

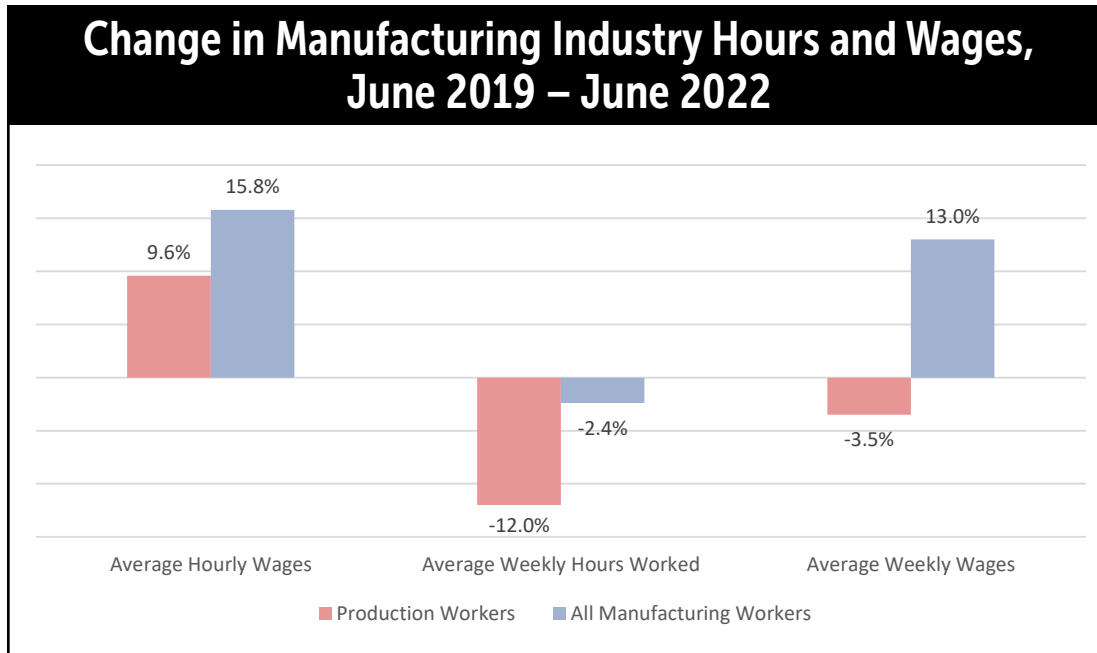
¹ Production workers account for approximately half of the manufacturing workforce.

components and raw materials, slowing production and raising costs for many U.S. manufacturers. Increased fuel prices have also increased transportation costs for shipping raw materials and finished products.

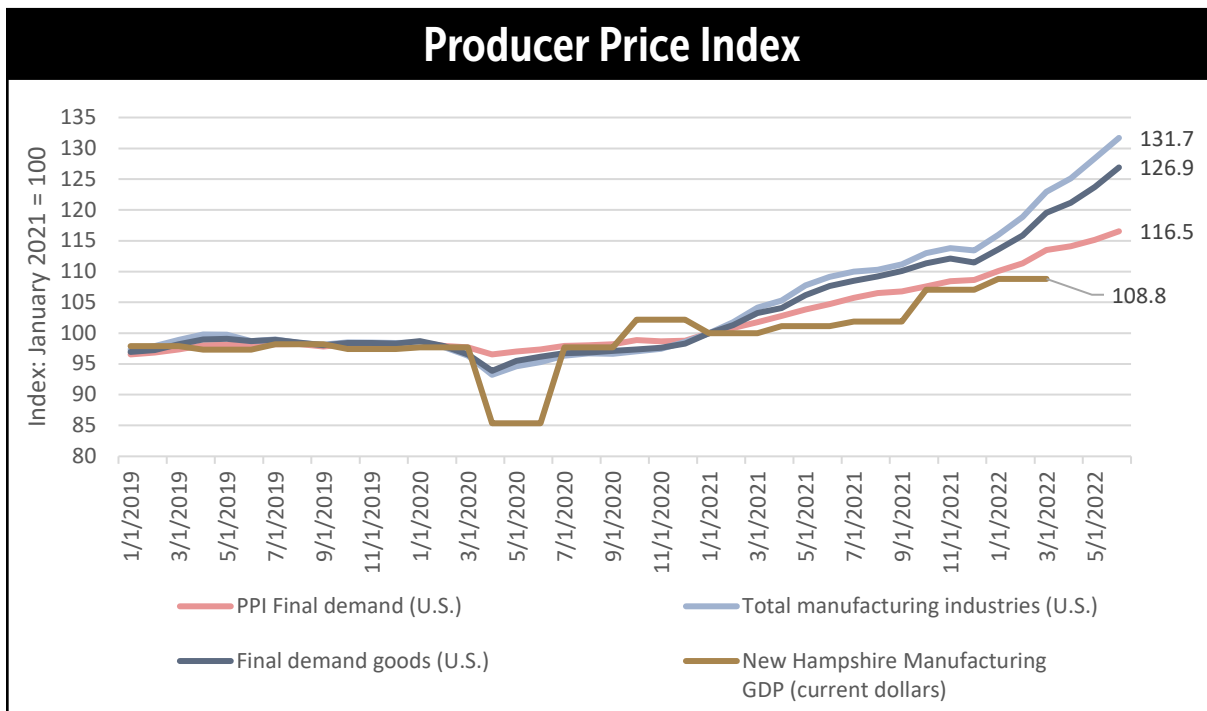
In addition to supply side issues, spending habits for U.S. consumers shifted during the pandemic, with demand for goods increasing and demand for services falling. Low

supply and high demand both put upward pressure on prices, and corporate profits estimates from the U.S. Bureau of Economic Analysis indicate that manufacturers raised prices in response to these market forces. Corporate profits for U.S. manufacturers, which averaged \$356 billion per quarter in 2019, reached \$601 billion in the first quarter of 2022.

- Greg David, Economist



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics



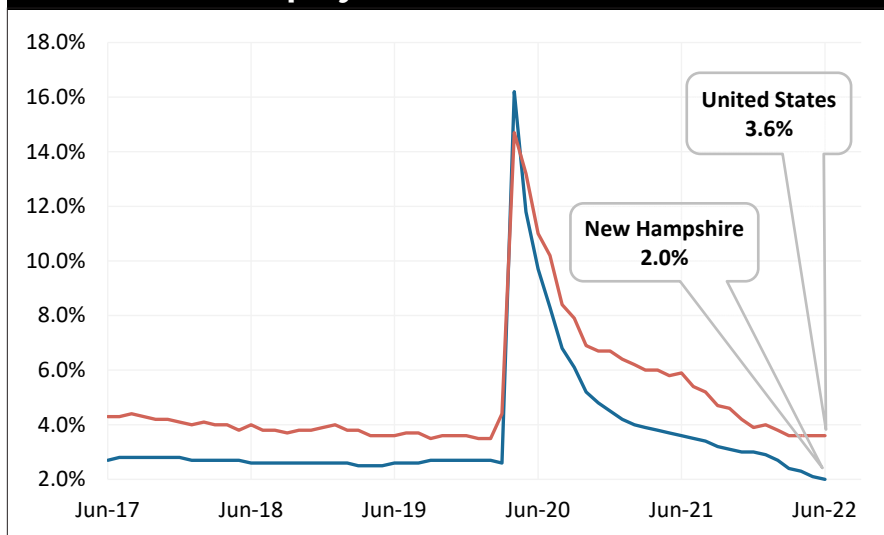
Source: U.S. Bureau of Labor Statistics, Producer Price Index, U.S. Bureau of Economic Analysis, Gross Domestic Product

SEASONALLY ADJUSTED ESTIMATES

Unemployment Estimates by Region

Seasonally Adjusted	Jun-22	May-22	Jun-21
United States	3.6%	3.6%	5.9%
Northeast	4.1%	4.2%	6.7%
New England	3.5%	3.6%	5.7%
Connecticut	4.0%	4.2%	6.7%
Maine	3.0%	3.2%	5.0%
Massachusetts	3.7%	3.9%	6.0%
New Hampshire	2.0%	2.1%	3.6%
Rhode Island	2.7%	2.9%	6.2%
Vermont	2.2%	2.3%	3.5%
Mid Atlantic	4.3%	4.5%	7.0%
New Jersey	3.9%	3.9%	7.1%
New York	4.4%	4.4%	7.4%
Pennsylvania	4.5%	4.6%	6.6%

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



Current Employment Statistics (CES) by Place of Establishment

	Number of Jobs			Change From Previous	
	Jun-22	May-22	Jun-21	Month	Year
Total Nonfarm	679,700	680,200	661,300	-500	18,400
Total Private	594,700	595,700	578,700	-1,000	16,000
Mining and Logging	1,000	900	1,000	100	0
Construction	31,500	31,300	28,700	200	2,800
Manufacturing	69,200	69,100	67,300	100	1,900
Durable Goods	51,400	51,300	50,300	100	1,100
Non-Durable Goods	17,800	17,800	17,000	0	800
Trade, Transportation, and Utilities	139,100	139,700	138,800	-600	300
Wholesale Trade	30,500	30,200	28,900	300	1,600
Retail Trade	90,800	91,500	91,800	-700	-1,000
Transportation, Warehousing, and Utilities	17,800	18,000	18,100	-200	-300
Information	12,000	12,000	11,700	0	300
Financial Activities	34,800	35,000	34,600	-200	200
Financial and Insurance	27,900	28,200	27,900	-300	0
Real Estate and Rental and Leasing	6,900	6,800	6,700	100	200
Professional and Business Services	93,300	93,500	86,900	-200	6,400
Professional, Scientific, and Technical Services	45,400	45,500	42,300	-100	3,100
Management of Companies and Enterprises	9,600	9,600	9,400	0	200
Administrative and Support and Waste Management and Remediation Services	38,300	38,400	35,200	-100	3,100
Education and Health Services	120,800	120,900	121,300	-100	-500
Educational Services	29,100	29,300	30,000	-200	-900
Health Care and Social Assistance	91,700	91,600	91,300	100	400
Leisure and Hospitality	68,900	69,100	65,100	-200	3,800
Arts, Entertainment, and Recreation	11,800	11,500	11,000	300	800
Accommodation and Food Services	57,100	57,600	54,100	-500	3,000
Other Services	24,100	24,200	23,300	-100	800
Government	85,000	84,500	82,600	500	2,400
Federal Government	8,400	8,500	8,000	-100	400
State Government	21,100	20,800	22,500	300	-1,400
Local Government	55,500	55,200	52,100	300	3,400

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	Jun-22	May-22	Jun-21
Total Civilian Labor Force	772,480	758,430	758,430
Employed	757,030	744,700	730,250
Unemployed	15,450	13,730	28,180
Unemployment Rate	2.0%	1.8%	3.7%

United States (# in thousands)	Jun-22	May-22	Jun-21
Total Civilian Labor Force	165,012	164,157	162,167
Employed	158,678	158,609	152,283
Unemployed	6,334	5,548	9,883
Unemployment Rate	3.8%	3.4%	6.1%

Unemployment Rates by Area

Counties	Jun-22	May-22	Jun-21
Belknap	1.9%	1.8%	3.7%
Carroll	2.0%	1.9%	3.9%
Cheshire	2.3%	2.0%	4.3%
Coös	2.3%	2.3%	4.4%
Grafton	2.0%	1.7%	3.7%
Hillsborough	2.0%	1.8%	3.8%
Merrimack	1.9%	1.6%	3.5%
Rockingham	2.0%	1.9%	3.6%
Strafford	2.0%	1.7%	3.6%
Sullivan	2.0%	1.8%	3.6%

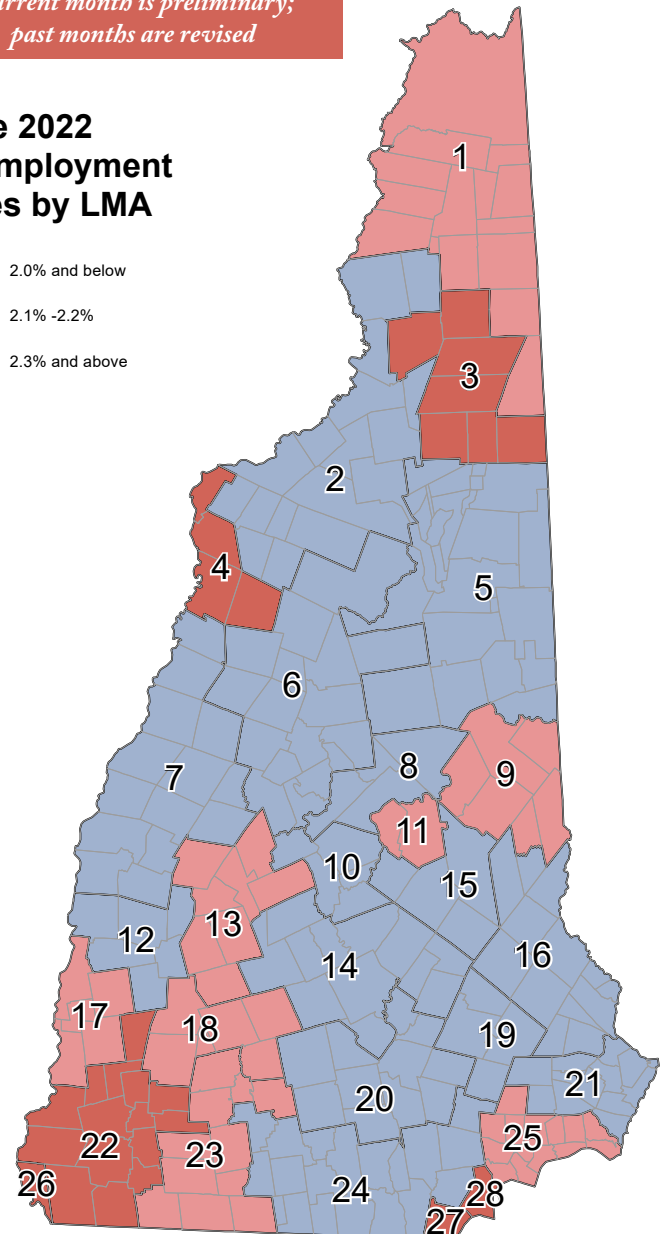
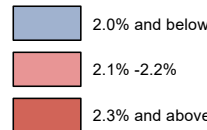
Map Key	Labor Market Areas	Jun-22	May-22	Jun-21
1	Colebrook, NH-VT LMA, NH Portion	2.2%	2.3%	3.9%
2	Littleton, NH-VT LMA, NH Portion	1.9%	1.8%	3.8%
3	Berlin NH Micropolitan NECTA	2.5%	2.4%	4.9%
4	Haverhill, NH LMA	2.4%	2.2%	4.4%
5	Conway, NH-ME LMA, NH Portion	1.8%	1.8%	3.8%
6	Plymouth, NH LMA	2.0%	1.7%	3.6%
7	Lebanon, NH-VT Micropolitan NECTA, NH Portion	2.0%	1.7%	3.6%
8	Meredith, NH LMA	1.7%	1.6%	3.3%
9	Wolfeboro, NH LMA	2.2%	2.0%	3.9%
10	Franklin, NH LMA	2.0%	1.8%	3.9%
11	Laconia, NH Micropolitan NECTA	2.1%	1.9%	4.1%
12	Expanded Claremont, NH estimating area	2.0%	1.7%	3.4%
13	New London, NH LMA	2.1%	1.7%	3.6%
14	Concord, NH Micropolitan NECTA	1.8%	1.6%	3.4%
15	Belmont, NH LMA	1.8%	1.8%	3.5%
16	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	2.0%	1.7%	3.6%
17	Charlestown, NH LMA	2.1%	2.0%	4.7%
18	Hillsborough, NH LMA	2.2%	1.8%	4.0%
19	Raymond, NH LMA	1.8%	1.6%	3.1%
20	Manchester, NH Metropolitan NECTA	1.9%	1.8%	3.6%
21	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	1.7%	1.7%	3.2%
22	Keene, NH Micropolitan NECTA	2.3%	1.9%	4.1%
23	Peterborough, NH LMA	2.1%	1.9%	3.6%
24	Nashua, NH-MA NECTA Division, NH Portion	2.0%	1.9%	3.8%
25	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	2.2%	2.1%	3.9%
26	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	3.2%	3.4%	7.4%
27	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	2.5%	2.4%	4.1%
28	Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division	2.3%	2.2%	4.4%

Unemployment Rates by Region

Not Seasonally Adjusted	Jun-22	May-22	Jun-21
United States	3.8%	3.4%	6.1%
Northeast	4.0%	3.7%	6.9%
New England	3.4%	3.2%	6.0%
Connecticut	4.1%	4.0%	6.9%
Maine	3.0%	3.0%	5.1%
Massachusetts	3.5%	3.4%	6.2%
New Hampshire	2.0%	1.8%	3.7%
Rhode Island	2.8%	2.7%	6.5%
Vermont	2.5%	2.1%	3.9%
Mid Atlantic	4.3%	3.9%	7.3%
New Jersey	3.5%	3.4%	7.1%
New York	4.4%	4.1%	7.5%
Pennsylvania	4.6%	4.0%	7.0%

Current month is preliminary; past months are revised

June 2022 Unemployment Rates by LMA



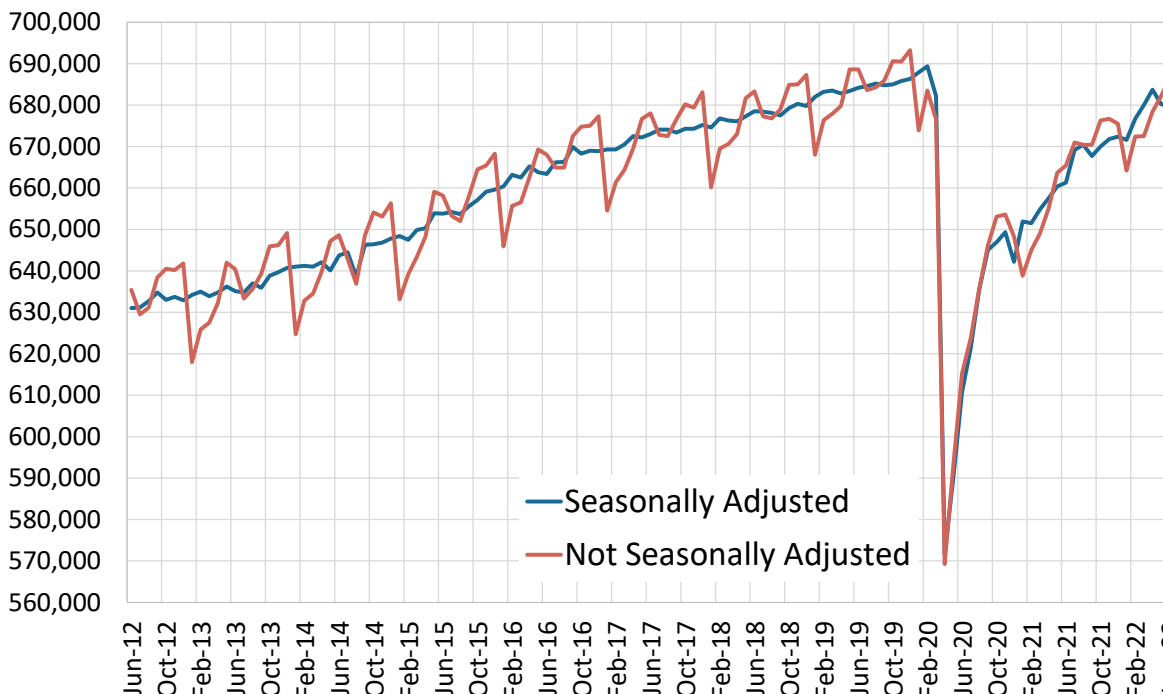
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

New Hampshire Nonfarm Employment Statewide
Not Seasonally Adjusted

Current month
is preliminary;
past months
are revised

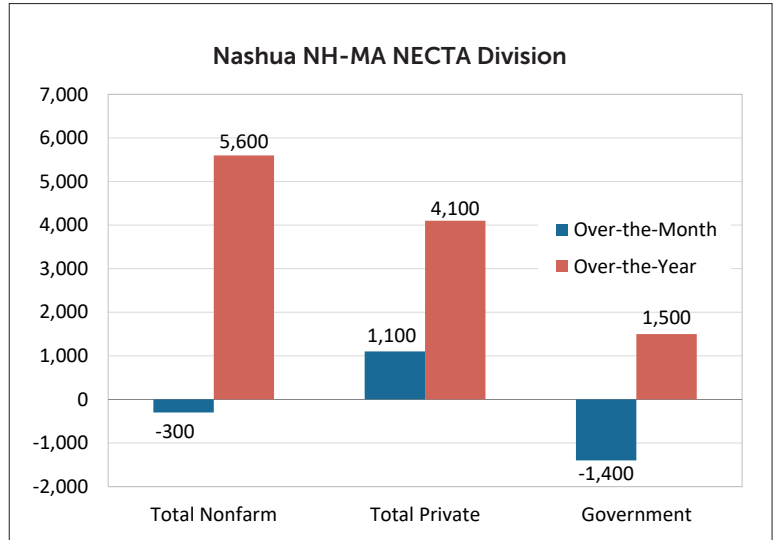
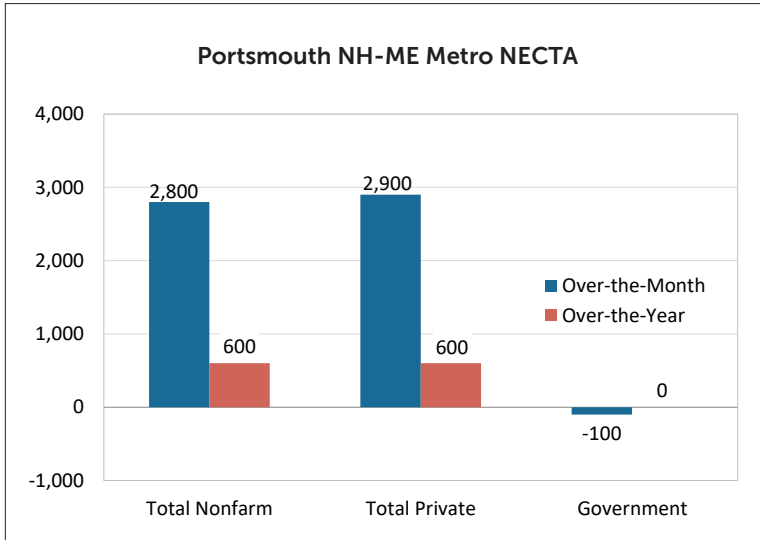
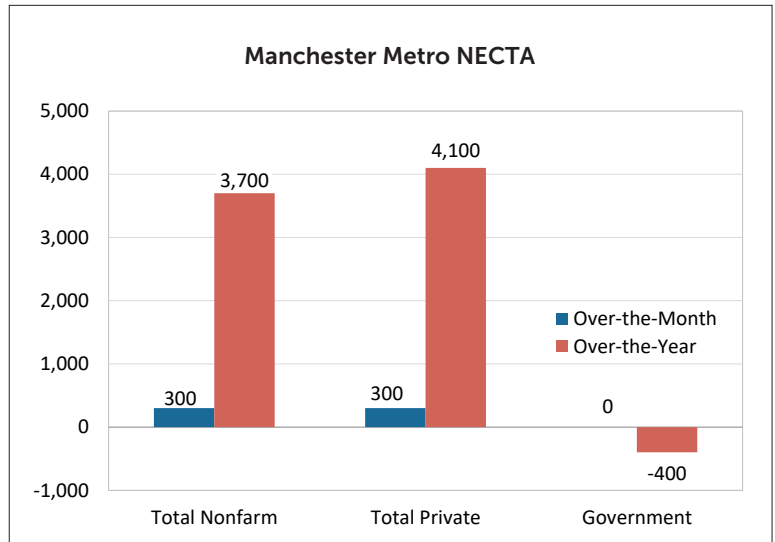
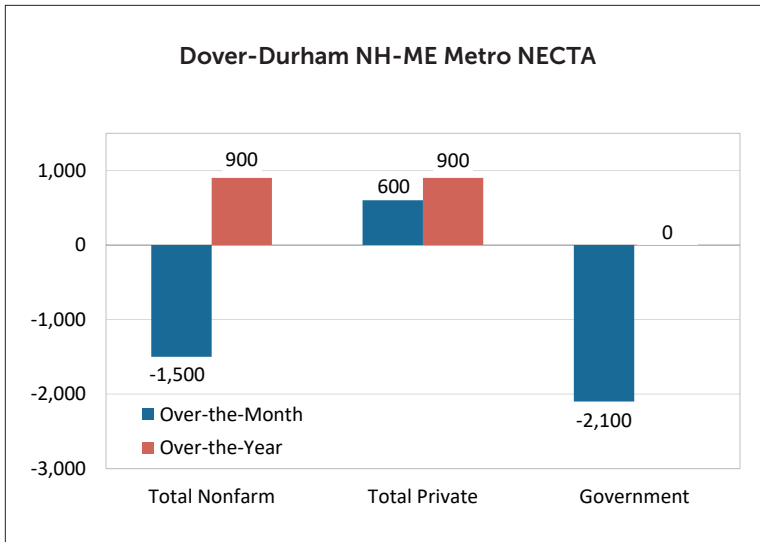
	Number of Jobs			Change From Previous	
	Jun-22	May-22	Jun-21	Month	Year
Total Nonfarm	686,600	682,200	665,400	4,400	21,200
Total Private	605,900	596,000	584,400	9,900	21,500
Mining and Logging	1,000	900	1,000	100	0
Construction	32,300	31,700	29,800	600	2,500
Manufacturing	70,100	69,200	67,700	900	2,400
Durable Goods	52,000	51,300	50,500	700	1,500
Non-Durable Goods	18,100	17,900	17,200	200	900
Trade, Transportation, and Utilities	139,800	139,600	139,700	200	100
Wholesale Trade	30,500	30,300	29,200	200	1,300
Retail Trade	91,800	91,800	92,600	0	-800
Transportation, Warehousing, and Utilities	17,500	17,500	17,900	0	-400
Information	12,100	12,100	11,800	0	300
Financial Activities	35,100	34,500	34,900	600	200
Professional and Business Services	94,400	93,500	87,900	900	6,500
Education and Health Services	119,400	121,500	116,300	-2,100	3,100
Leisure and Hospitality	77,000	68,700	71,100	8,300	5,900
Other Services	24,700	24,300	24,200	400	500
Government	80,700	86,200	81,000	-5,500	-300
Federal Government	8,400	8,500	8,000	-100	400
State Government	18,900	21,200	20,800	-2,300	-1,900
Local Government	53,400	56,500	52,200	-3,100	1,200

Total Nonfarm Employment Trend Through June 2022

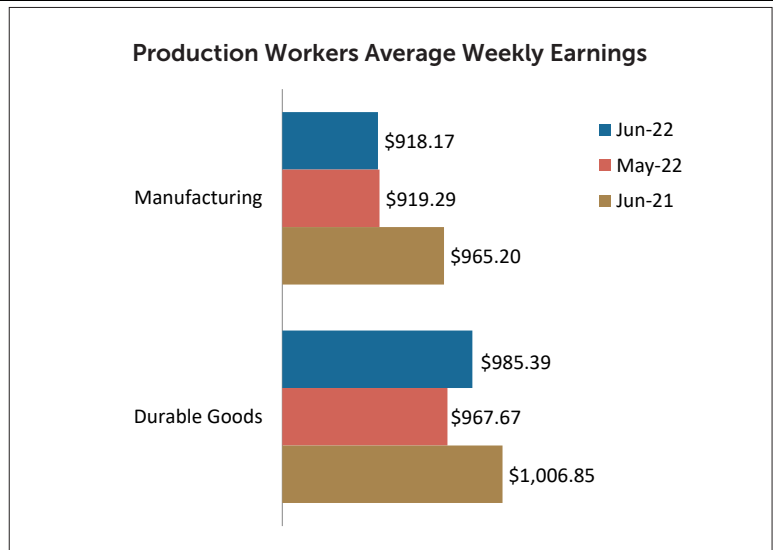
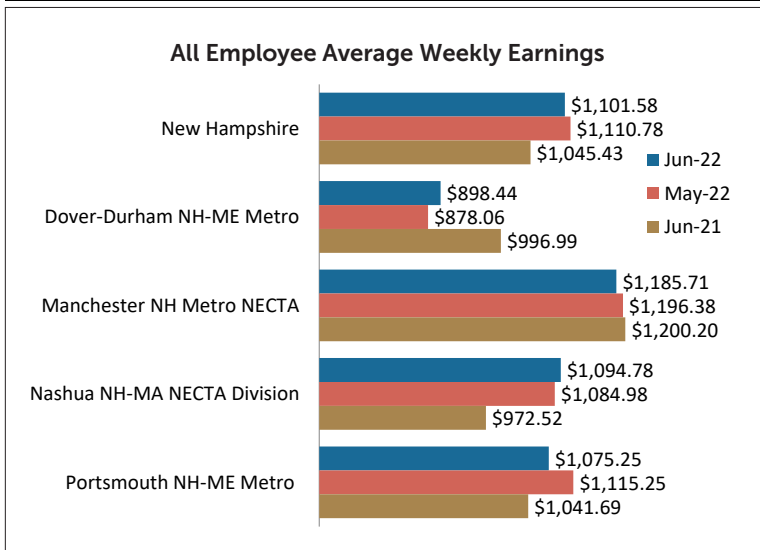


MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Nonfarm Employment by Metropolitan Statistical Areas - June 2022



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 decreased to 681,000 jobs in May, based on preliminary seasonally adjusted estimates. This was a decrease of 2,700 non-farm jobs over the month, as private industries lost 2,600 positions and Government employment decreased by 100. Three private industry supersectors experienced over-the-month employment gains, five experienced employment losses and two were unchanged from April 2022 to May 2022. Seasonally adjusted over-the-month changes reflect the number of jobs that are not attributable to a regular seasonal pattern of employment variability.

Manufacturing employment increased by 200 over the month, after the seasonal adjustment. The information and the other services supersectors each added 100 positions. Employment in the mining and logging and financial activities supersectors was unchanged from April to May.

Leisure and hospitality lost 1,400 jobs over the month, after the seasonal adjustment. Trade, transportation, and utilities employment decreased by 800 over the month, while private education and health services lost 400 positions. Professional and business services and construction supersectors each lost 200 jobs in May.

Total private employment in May 2022 was 2,100 jobs below the pre-pandemic level in February 2020. Private education and health services employment was 5,500 jobs below the February 2020 level. Professional and business services; construction; financial activities and trade, transportation and utilities supersectors were above pre-pandemic levels.

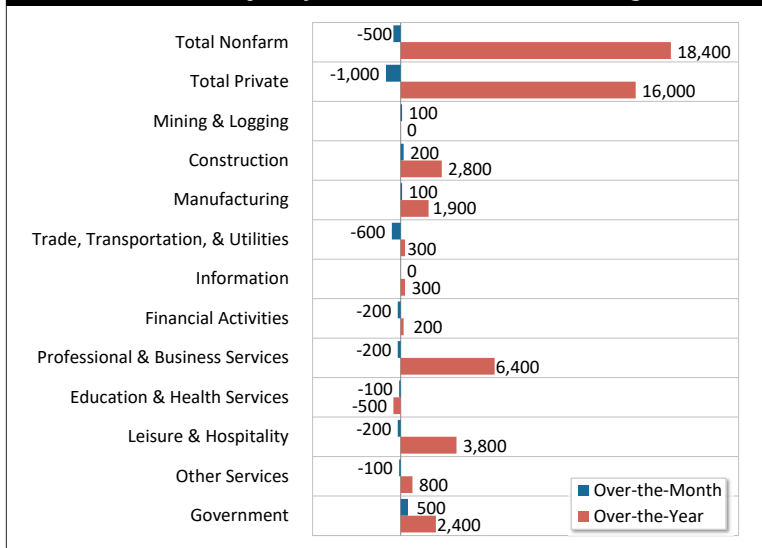
Not Seasonally Adjusted

Preliminary unadjusted estimates for May 2022 indicate that total nonfarm employment increased by 18,600 jobs since May 2021, reflecting the ongoing employment recovery from the coronavirus (COVID-19) pandemic. Eight private industry supersectors experienced over the year employment gains, while two experienced employment losses from May 2021 to May 2022.

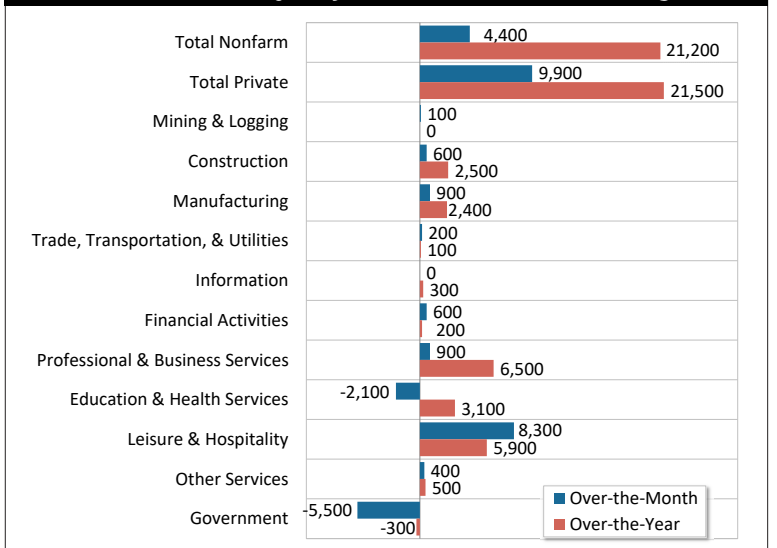
Professional and business services experienced the largest increase, with 7,000 more jobs than in May 2021. The leisure and hospitality supersector increased employment by 4,900, while construction gained 2,200 positions. Trade, transportation, and utilities added 2,000 jobs and the manufacturing supersector added 1,800 positions. Other services employment increased by 1,200 over the year, while private education and health services expanded payrolls by 500 and the information supersector added 400 jobs. Mining and logging and financial activities employment decreased by 100 from May 2021 to May 2022. Government employment in May 2022 was 1,200 fewer than a year earlier.

– Robert Cote, Research Analyst

Seasonally Adjusted June 2022 Change



Not Seasonally Adjusted June 2022 Change

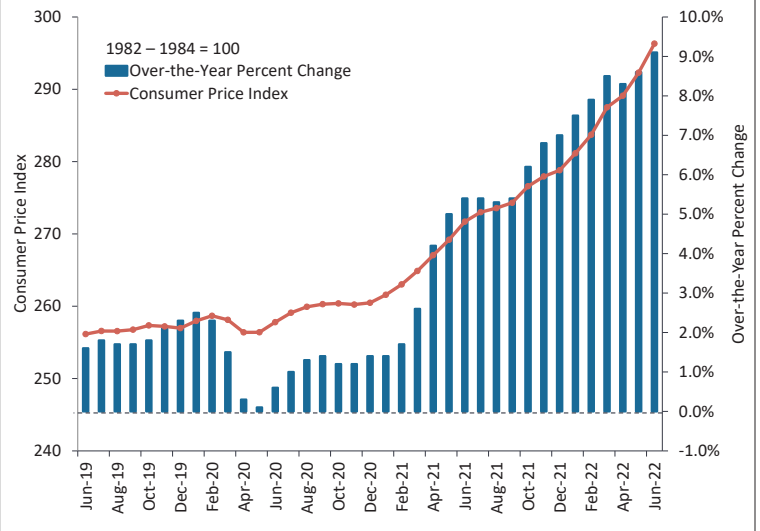


Consumer Price Index

United States, All Urban Consumers				
Not Seasonally Adjusted (CPI-U) (1982-1984=100)				
			Change From Previous	
Jun-22	May-22	Jun-21	Month	Year
296.311	292.296	271.696	1.4%	9.1%

Northeast, All Urban Consumers				
Not Seasonally Adjusted (CPI-U) (1982-1984=100)				
			Change From Previous	
Jun-22	May-22	Jun-21	Month	Year
306.453	302.939	284.741	1.2%	7.6%

Consumer Price Index United States, All Urban Consumers



Unemployment Compensation Claims Activity

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Initial Claims	2,827	1,854	1,547	1,682	1,156	1,808
Continued Weeks Claimed	13,798	10,840	10,411	7,697	8,015	7,073
Average payment for a week of unemployment	\$332.30	\$333.15	\$335.86	\$342.55	\$330.59	\$340.64

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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Claims calls: 1-800-266-2252



New Hampshire Employment Security Economic and Labor Market Information Bureau

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Covered Employment & Wages	228-4060
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Local Area Unemployment Statistics	228-4167
Occupational Employment Statistics	229-4315

