
New Hampshire Business Employment Dynamics Quarter Ending September 2023

Summary

According to the U.S. Bureau of Labor Statistics,¹ from June 2023 to September 2023, there were 35,032 gross job gains from opening and expanding establishments in New Hampshire, whereas gross job losses from closing and contracting private sector establishments totaled 40,220 jobs. This resulted in a net loss of 5,188 jobs in New Hampshire for the quarter ending September 2023. There was a decrease in gross job gains and an increase in gross job losses compared to the previous quarter, producing a net employment loss in New Hampshire's private sector.

Over the same period, there were 7.6 million gross job gains from opening and expanding private sector establishments in the U.S., a decline of 561,000 job gains from the previous quarter. There were 7.8 million gross job losses from closing and contracting private sector establishments, only a slight decrease of 37,000 job losses from the previous quarter. With the number of job gains below the number of job losses, the U.S. yielded a net employment decline of 192,000 jobs in the private sector during the third quarter of 2023.

The Business Employment Dynamics (BED) Data Series

The U.S. Bureau of Labor Statistics' Business Employment Dynamics (BED) data series highlights the dynamics underlying net employment growth at the state and national levels. Job gains and losses at private business establishments from the third month of one quarter to the third month of the next are tracked, showing employment changes due to establishment openings or closings versus changes due to existing firms adding or shedding jobs.

The BED data series are derived from the Quarterly Census of Employment and Wages program (QCEW). This program is a quarterly census of all establishments covered under state and federal unemployment insurance programs, representing about 98 percent of employment on nonfarm payrolls. BED data represent privately owned establishments; government owned establishments are excluded. All data referred to in the text are seasonally adjusted. For more information, see *About the BED Data Series* at www.nhes.nh.gov/elmi/products/documents/about-bed.pdf.

Coronavirus Pandemic Effect on Business Employment Dynamics

Data collection and processing methods were impacted because of the coronavirus pandemic. More detail is available at www.bls.gov/covid19/effects-of-covid-19-pandemic-on-business-employment-dynamics.htm.

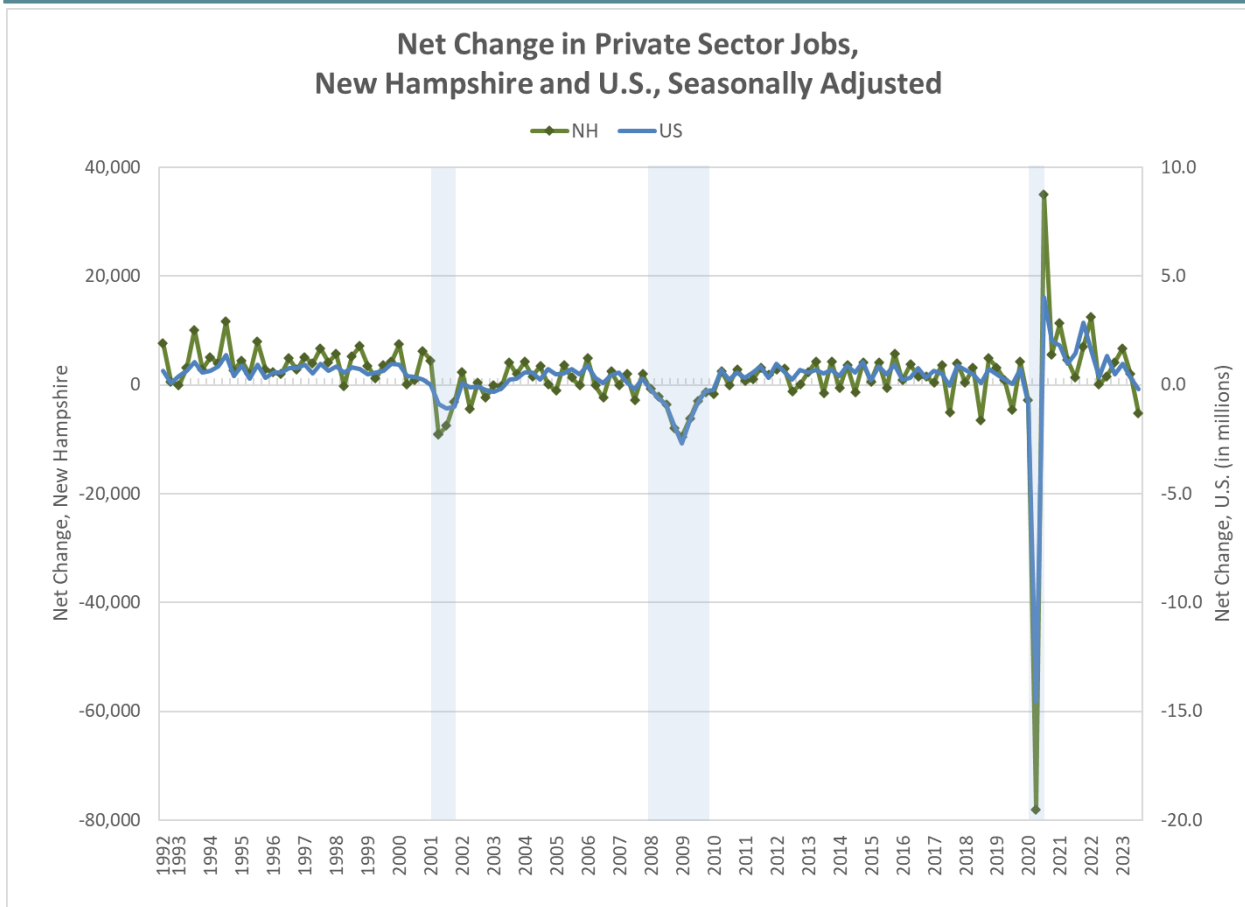
¹ U.S. Bureau of Labor Statistics, Business Employment Dynamics, <https://www.bls.gov/bdm/>

Net Change in Private Sector Employment, U.S. and New Hampshire

In the quarter ending September 2023, net employment change in New Hampshire was negative (-5,188 jobs), and the net private sector employment change nationally was negative as well (-192,000 jobs). This is signaling a slowdown in the number of jobs created post-pandemic.

Figure 1 depicts the changing business employment dynamics and compares New Hampshire to national trends. Net change in jobs for New Hampshire follows national trends, particularly during recession periods. According to the National Bureau of Economic Research,² the latest business cycle peak, or start of a recession period, was in February 2020, ending in April 2020.

Figure 1. Net job changes in New Hampshire and the nation were both negative for the quarter ending September 2023.



Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series. Shaded areas represent recessions.

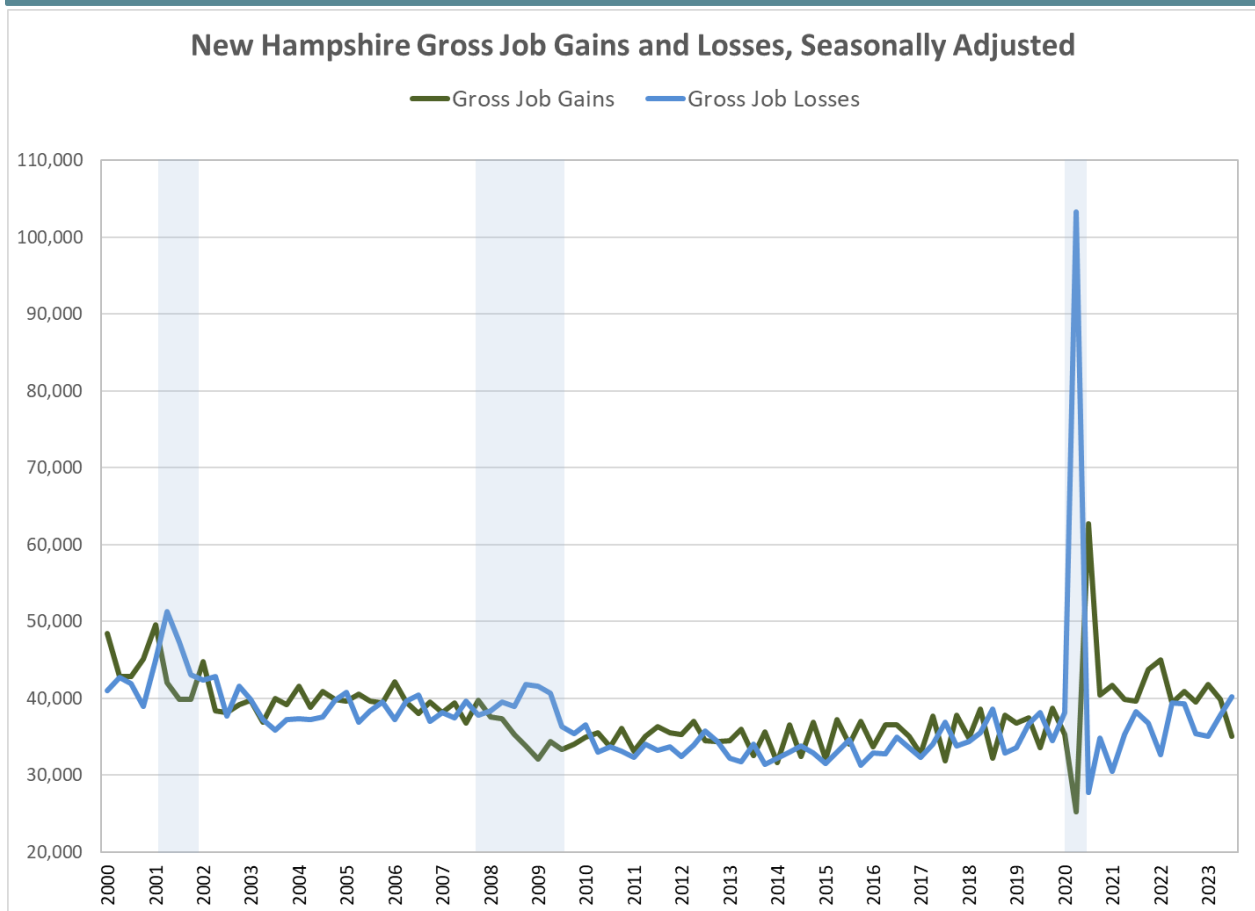
² The Business Cycle Dating Committee of the National Bureau of Economic Research (NBER) maintains a chronology of U.S. business cycles. Contractions (recessions) start at the peak of a business cycle and end at the trough. <https://www.nber.org/research/data/us-business-cycle-expansions-and-contractions>

Gross Job Gains and Gross Job Losses in New Hampshire

Over the quarter from June 2023 to September 2023, there was a decrease in gross job gains and an increase in gross job losses when compared to the prior quarter. **Gross job gains** from New Hampshire's expanding and opening private sector establishments totaled 35,032. Over this same time period, **gross job losses** from contracting and closing private sector establishments totaled 40,220.

The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all private businesses in the economy. Changes are measured from the third month of one quarter to the third month of the next quarter.

Figure 2. In New Hampshire, gross job losses were elevated in comparison to historic trend and gross job gains were modest, indicating that the labor market is stabilizing post-pandemic.



Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series. Shaded areas represent recessions.

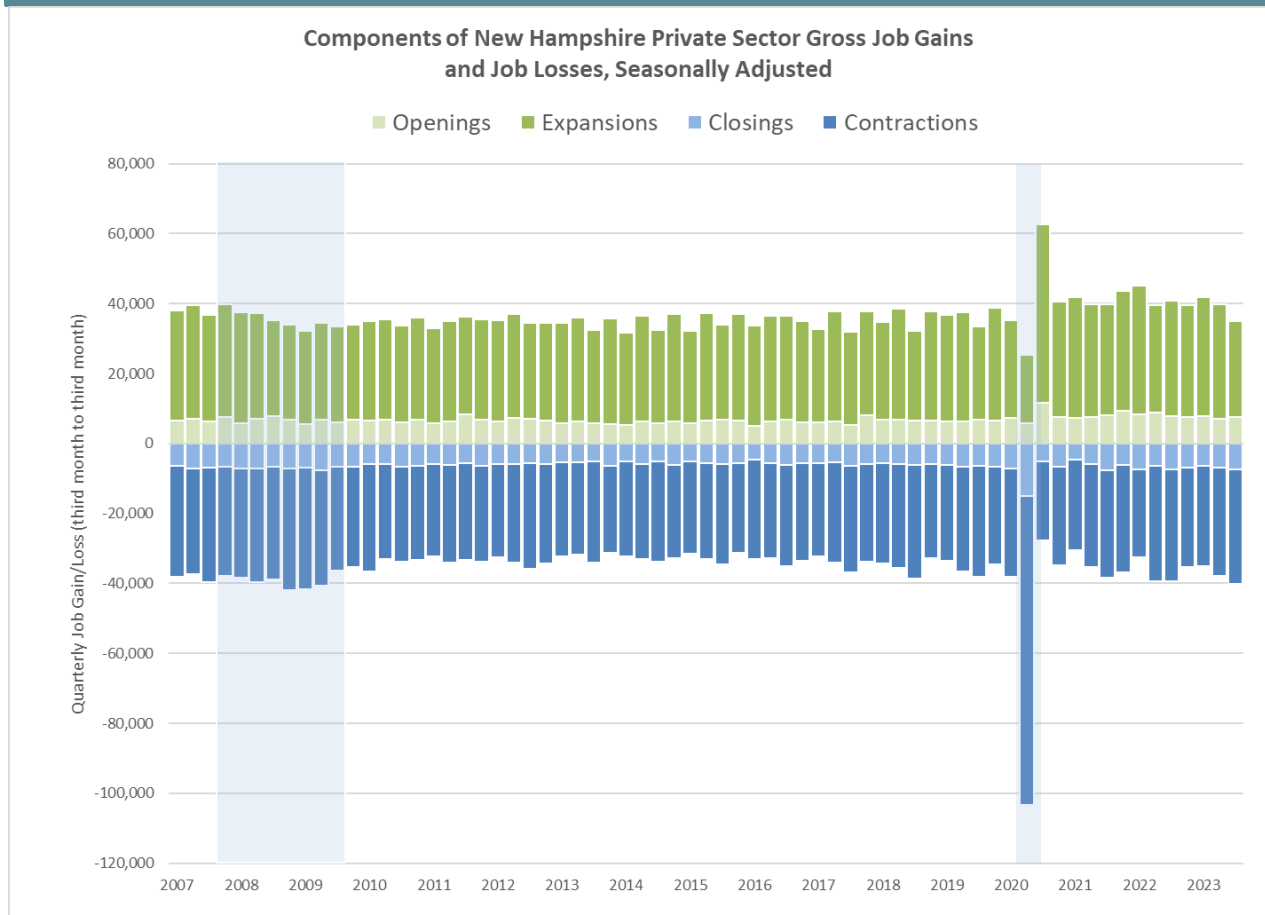
Components of Gross Job Gains and Gross Job Losses

The difference between the number of gross job gains and the number of gross job losses is the net change in employment. Gross job gains and gross jobs losses are determined by the sum of their components.

Gross job gains include new jobs added, at either existing establishments (expansions) or at new establishments (openings). In the third quarter of 2023, gross job gains of 35,032 included 27,410 jobs gained at expanding establishments, and 7,622 jobs added due to opening establishments. The number of jobs gained at expanding establishments were substantial lower than in the previous quarter.

Gross job losses include job elimination at either existing establishments (contractions) or at permanently closing establishments. In the third quarter of 2023, gross job losses totaled 40,220, including 32,870 jobs lost from contracting establishments, and 7,350 jobs lost due to closing establishments. Both the number of job losses due to contracting firms and job losses due to closing firms were higher than losses in the previous quarter.

Figure 3. Job losses due to contracting establishments were higher than in the previous four quarters and gains due to expanding establishments were at the lowest level post-pandemic.



Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series. Shaded areas represent recessions.

Rates of Gross Job Gains and Gross Job Losses

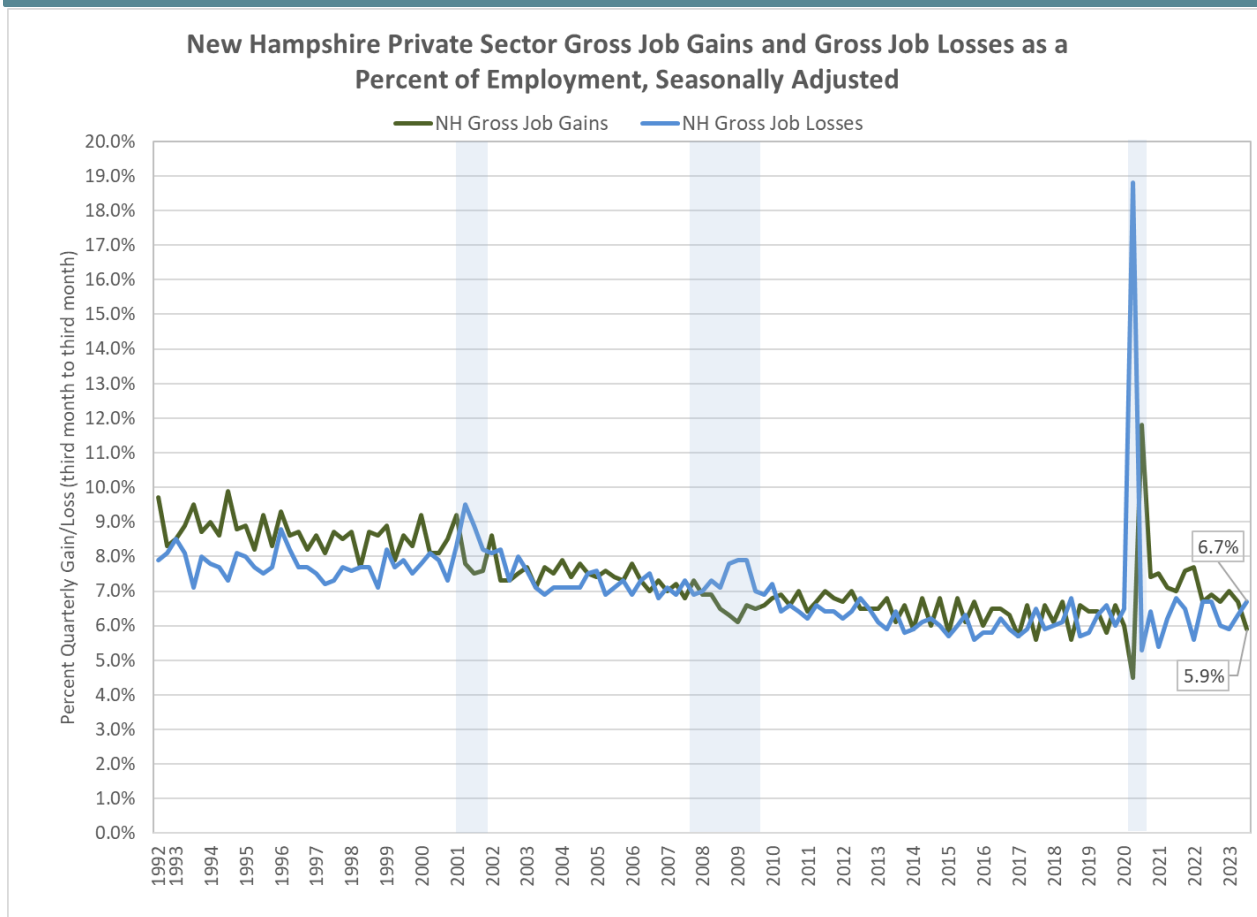
In the quarter ending in September 2023, gross job gains represented 5.9 percent of private employment in New Hampshire. Gross job gains at *expanding* establishments represented 4.6 percent of private employment, and gross job gains at *opening* establishments represented 1.3 percent of private employment.

Gross job losses in New Hampshire represented 6.7 percent of private employment in the third quarter of 2023. Gross job losses at *contracting* establishments represented 5.5 percent of private employment, and gross job losses at *closing* establishments represented 1.2 percent.

When looking back, the rate of gross job gains and the rate of gross job losses trended downward from above eight percent in the 1990's to above seven percent in the 2000s, then lowered to six percent after the Great Recession. However, in the post-pandemic era, these rates have generally been higher than pre-pandemic.

Job flows are expressed as rates that measure job gains and job losses as a percentage of the average of the previous and current quarter levels.

Figure 4. The rate of gross job gains was lowered in the quarter ending September 2023 and the rate is more in line with pre-pandemic trend.



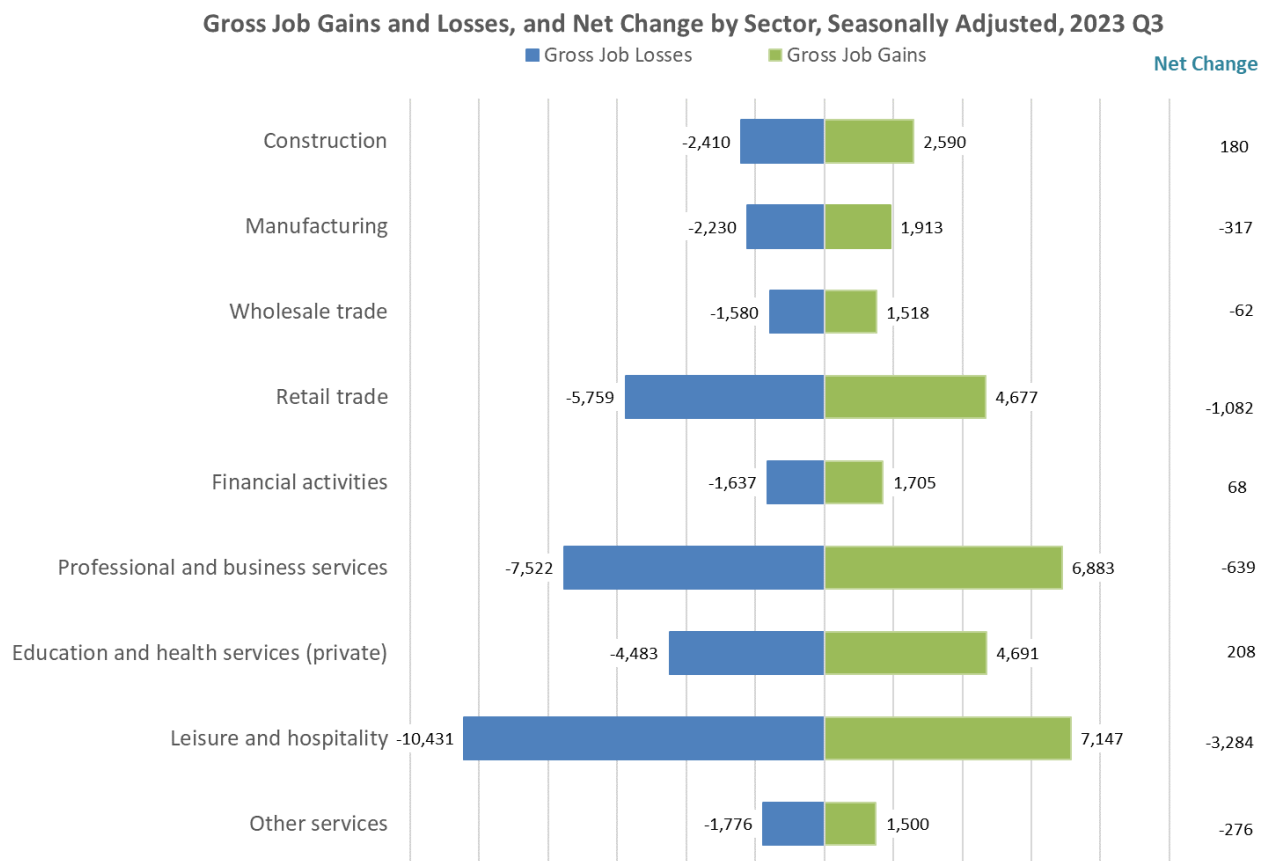
Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series. Shaded areas represent recessions.

Gross Job Gains and Gross Job Losses by Private Industry Sectors

By the third quarter of 2023, the impact of the disruption caused by the COVID-19 pandemic³ on New Hampshire’s labor market had abated. The level of losses gains by industry were closer in line with the pre-pandemic trend. Overall, there were only few industries with net employment gains in the quarter ending September 2023, a contrast to many of the previous quarters post-pandemic.

New Hampshire leisure and hospitality establishments continues to experience the most churning of any sector. Job gains in leisure and hospitality were the largest (+7,147 jobs), and the gross job losses (-10,431 jobs) were also the largest among all sectors, resulting in a net negative change (-3,284 jobs). The second largest job gains (+6,883 jobs) and second largest number of job losses (-7,522 jobs) were in professional and business services, resulting in a net negative change (-639 jobs). Education and health services (private) gained 4,691 jobs but losses were lower at 4,483 jobs, resulting in the largest net gain of 208 jobs in the third quarter of 2023.

Figure 5. The largest number of job gains and job losses were in leisure and hospitality, leading to the largest net negative change (-3,284 jobs).



Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics data series.

³ In second quarter 2020, nonessential businesses were mandated to close in an effort to contain the COVID-19 pandemic.