

New Hampshire ECONOMIC CONDITIONS

November 2022

Back Road through White Mountains of NH PHOTO CREDIT I-93 Through Franconia Notch PHOTO CREDIT Franconia Notch State Park NH PHOTO CREDIT Thanksgiving Cornucopia PHOTO CREDIT

Gross Domestic Product

After decreasing in the first and second quarters of 2022, U.S. gross domestic product (GDP) increased at an annualized rate of 2.6 percent in the third quarter. GDP measures the value of goods and services produced in a region.

The largest component of GDP, personal consumption expenditures (PCE), measures the value of goods and services purchased by American consumers. PCE, which accounts for approximately seventy percent of GDP, increased in each of the first three quarters of 2022, growing 1.2 percent, or \$168 billion, over that time. Consumer spending likely increased because employment and job growth also increased, giving consumers money to spend. GDP data is adjusted for inflation, so increasing PCE indicated that consumer spending increased at a faster rate than inflation. Excess savings during the pandemic, the result of stimulus payments and the

inability to spend on some goods (due to supply shortages) and services (due to social distancing measures), have likely contributed to higher consumer spending in 2021 and 2022.

Private domestic investment, which measures the amount of money domestic businesses invest within the U.S., increased in the first quarter of 2022, before declining in the second and third quarters. Residential investment and nonresidential structures¹ were the primary cause for declining private domestic investment, indicating a slowdown in all sectors of real estate. Most other types of business investment either increased or remained relatively unchanged throughout 2022.

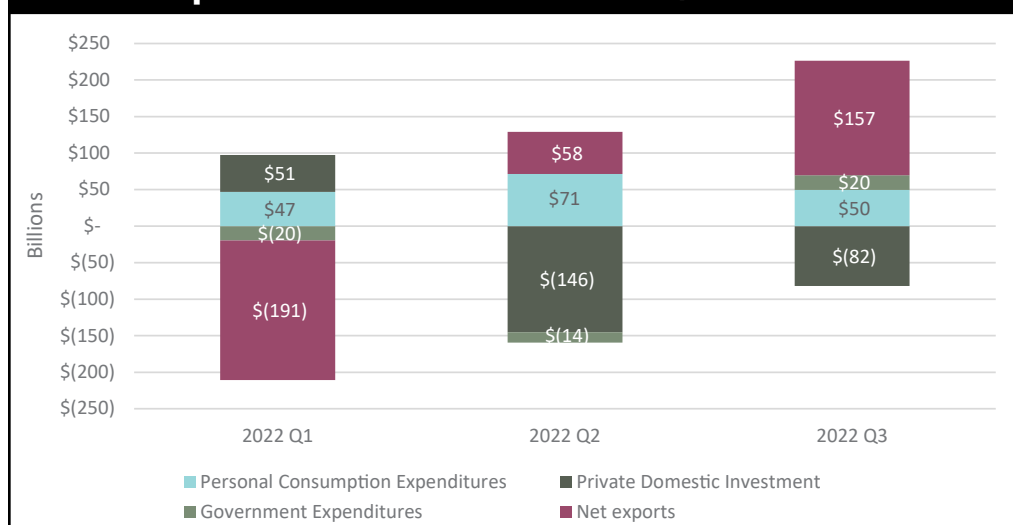
Net exports, which measure the difference between exports (goods and services produced in the U.S., which increase GDP) and imports (goods and services produced outside of the U.S.,

which decrease GDP), fell by \$191 billion² in the first quarter of 2022, the largest factor in negative GDP growth that quarter (overall, GDP declined by \$82 billion in the first quarter). Net exports increased during the second and third quarters, mostly due to an increase in exported U.S. goods and services. Government spending declined slightly during the first two quarters of 2022, before increasing in the third quarter.

GDP in New Hampshire

Third quarter GDP data is not yet available for New Hampshire, but New Hampshire's GDP followed a similar trend to the U.S. overall in the first and second quarters of 2022. New Hampshire's GDP declined more rapidly, falling at an annualized rate of 14.9 percent in the first quarter and 2.5 percent in the second quarter, but still grew at a faster rate than U.S. GDP since the beginning of the pandemic. In the second quarter of 2022, New Hampshire's GDP was 6.5 percent higher than GDP in the first quarter of 2020, while U.S. GDP was 4.8 percent higher.

Components of US GDP Growth, 2022 Q1-Q3



Source: U.S. Bureau of Economic Analysis

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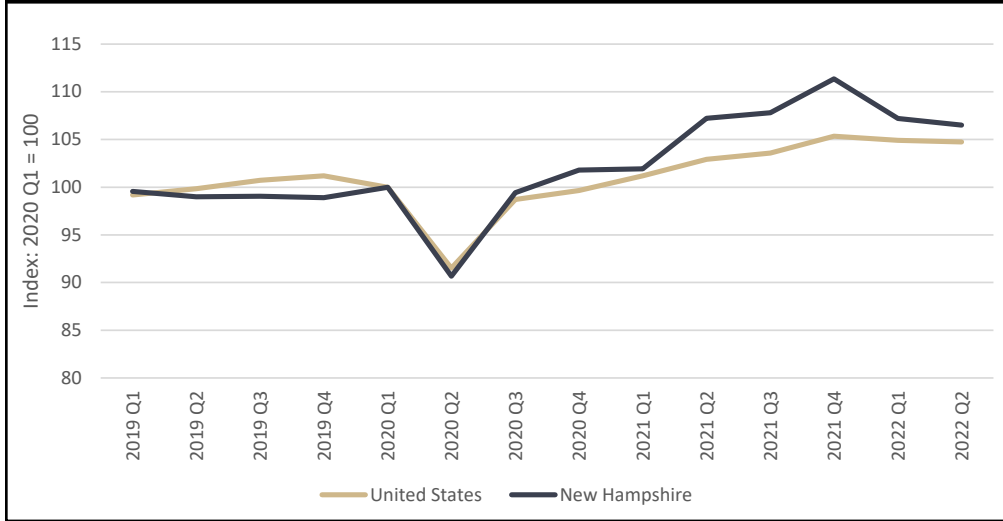
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¹ Residential investment includes home construction, remodeling, and real estate broker's fees. Nonresidential structures are defined as commercial and health care buildings, manufacturing buildings, power and communication structures, and other structures.
² Chained 2012 dollars.

GDP Index, New Hampshire and US



Source: U.S. Bureau of Economic Analysis

of 2022, before declining 1.1 percent in the second quarter of 2022.

The contribution to GDP from several industries continued to increase over the first two quarters of 2022, although the rate of growth slowed. The information industry’s value added increased 24.7 percent since the pandemic began, but growth slowed to just 0.3 percent (1.0 percent annualized) in the second quarter of 2022. Value added from the professional, scientific, and technical services industry followed a similar trend, expanding 18.4 percent since the first quarter of 2020, but with growth slowing to 0.4 percent (1.7 percent annualized) in the second quarter of 2022.

GDP by Industry

Among private industries, the finance and insurance industry experienced the largest decline in value added³ during the first half of 2022. After increasing 18.8 percent during the second, third and fourth quarters of 2021, finance and insurance GDP fell 13.6 percent in the first half of 2022, eliminating most of the gains from the previous year. Rising interest rates and falling stock prices likely contributed to GDP declines for this industry.

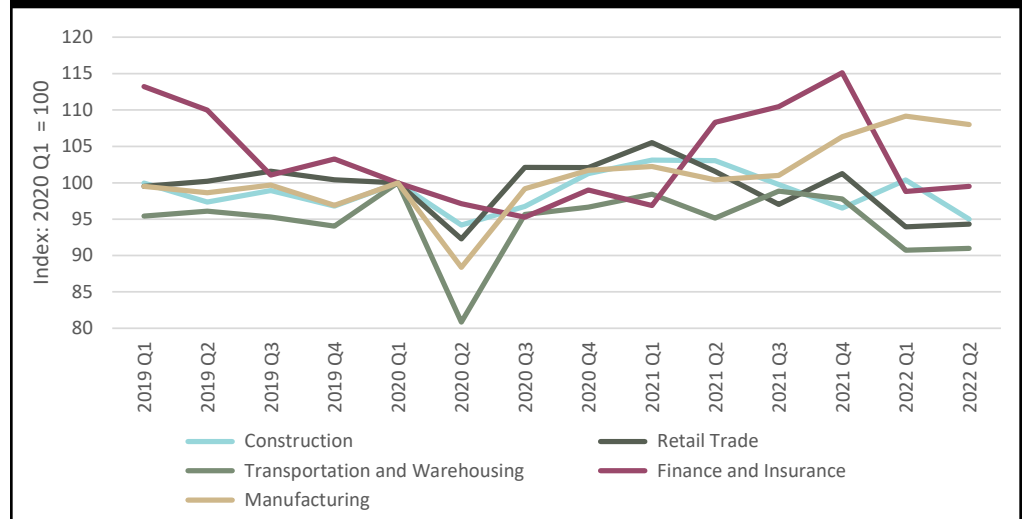
The transportation and warehousing industry’s contribution to New Hampshire’s GDP was relatively flat since the pandemic began, as increases in shipping goods were offset by declines in transportation of people. Transportation and warehousing GDP declined 7.2 percent in the first quarter of 2022, as supply chain issues, fuel costs and worker shortages affected value added from this industry.

The construction industry’s value added peaked in the first quarter of 2021 at \$2.14 billion. Since then, GDP for the construction industry declined 7.9 percent, to \$1.97 billion. The retail trade industry’s value added also peaked during the first quarter of 2021 at \$5.77 billion. Since then, value added from retail trade fell to \$5.16 billion, a 10.6 percent decline. The manufacturing industry’s contribution to GDP, which remained close to pre-pandemic levels for most of 2020 and 2021, increased 8.1 percent over the fourth quarter of 2021 and first quarter

While employment in the arts, entertainment and recreation industry remains below pre-pandemic levels, value added increased 25.9 percent since the first quarter of 2020. Growth slowed to 0.5 percent (2.2 percent annualized) in the second quarter of 2022.

Value added growth for the administrative and support and waste management and remediation services industry slowed in the second quarter of 2022, however, it increased 1.0 percent (3.8 percent annualized), and has increased 30.1 percent since the first quarter of 2020. This industry includes temporary staffing businesses, which have been supplying labor to firms in other industries that have not been able to hire adequate staff.

Industries with Declining Value Added



Source: U.S. Bureau of Economic Analysis

³ Value added measures an industry’s contributions to overall GDP by determining the increase in dollar value of a good or service resulting from the inputs, or value, of New Hampshire labor and materials used in its production.

The accommodation and food services industry’s contribution to GDP increased 2.7 percent (10.9 percent annualized) in the second quarter of 2022, although this was the slowest rate of growth since 2020.

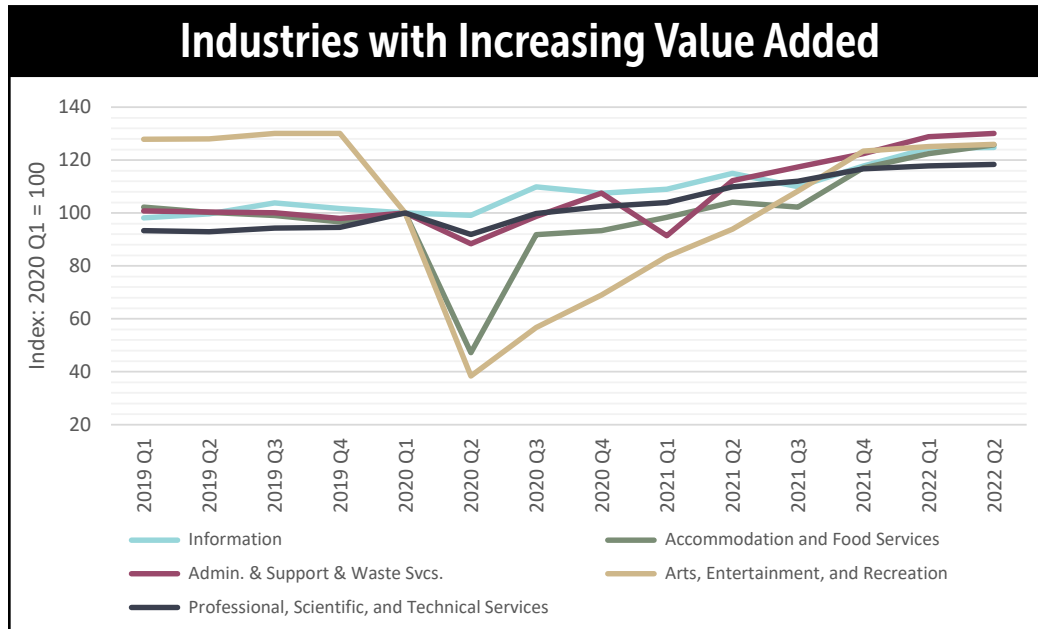
Summary

The U.S. and New Hampshire economy face headwinds, and many economists believe a recession is likely in the near future. Rising interest rates and high inflation, particularly housing prices and high energy costs, will likely lower the rate of economic growth.

However, GDP data indicated that U.S. economic growth continued in the third quarter of 2022, and that declines in

the first two quarters of 2022 were likely not an indication that the U.S. had already entered a recession.⁴ New Hampshire’s GDP will likely follow a similar trajectory in the third quarter (state-level GDP data will not be released until late December). Both in New Hampshire and nationally, housing appears to be the weakest sector of the economy. National GDP data showed that, while most other components of GDP increased in the third quarter of 2022, business investment in real estate continued to decline. Housing is already in short supply in New Hampshire, and a slowdown in new construction would make this shortage more severe.

– Greg David, Economist



Source: U.S. Bureau of Economic Analysis

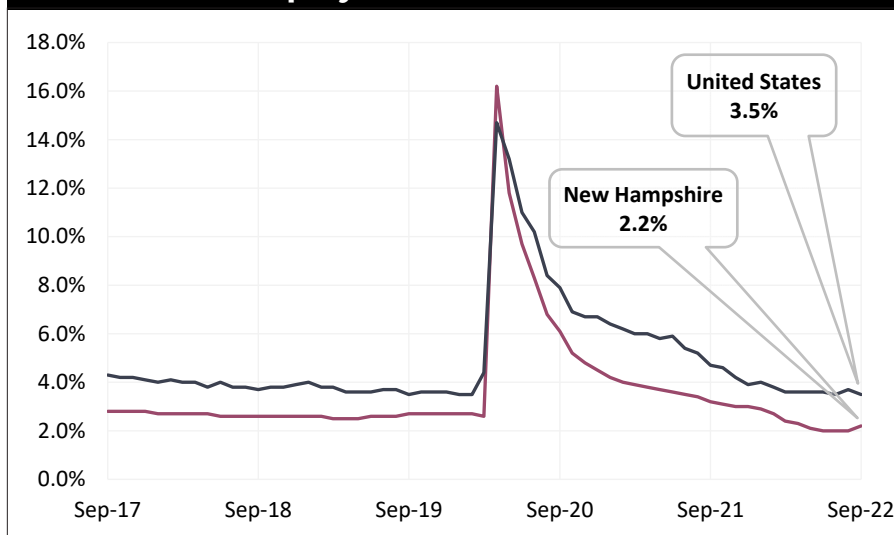
⁴ Two quarters of negative GDP growth is viewed as an unofficial indicator of recession, but this definition is not used by the National Bureau of Economic Research (NBER), the nonprofit research organization that officially determines when the U.S. economy enters a recession. The official NBER criteria for determining a recession includes: “a significant decline in economic activity that is spread across the economy and that lasts more than a few months.” It should be noted that the NBER waits for sufficient data before announcing a recession, a process that takes several months.

SEASONALLY ADJUSTED ESTIMATES

Unemployment Estimates by Region

Seasonally Adjusted	Sep-22	Aug-22	Sep-21
United States	3.5%	3.7%	4.7%
Northeast	3.9%	4.1%	5.7%
New England	3.3%	3.4%	4.9%
Connecticut	4.0%	4.1%	5.6%
Maine	3.3%	3.1%	4.5%
Massachusetts	3.4%	3.6%	5.1%
New Hampshire	2.2%	2.0%	3.2%
Rhode Island	3.1%	2.8%	5.4%
Vermont	2.1%	2.1%	3.2%
Mid Atlantic	4.1%	4.3%	5.9%
New Jersey	3.3%	4.0%	5.8%
New York	4.3%	4.7%	6.0%
Pennsylvania	4.1%	4.2%	5.8%

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



Current Employment Statistics (CES) by Place of Establishment

	Number of Jobs			Change From Previous	
	Sep-22	Aug-22	Sep-21	Month	Year
Total Nonfarm	685,900	680,300	667,700	5,600	18,200
Total Private	599,900	596,300	582,100	3,600	17,800
Mining and Logging	1,000	900	1,000	100	0
Construction	31,400	31,400	29,400	0	2,000
Manufacturing	68,800	69,100	67,900	-300	900
Durable Goods	51,300	51,500	50,900	-200	400
Non-Durable Goods	17,500	17,600	17,000	-100	500
Trade, Transportation, and Utilities	139,600	138,700	138,400	900	1,200
Wholesale Trade	30,700	30,800	29,400	-100	1,300
Retail Trade	91,300	91,000	91,000	300	300
Transportation, Warehousing, and Utilities	17,600	16,900	18,000	700	-400
Information	11,800	11,900	11,700	-100	100
Financial Activities	34,200	34,600	34,700	-400	-500
Financial and Insurance	27,100	27,500	28,000	-400	-900
Real Estate and Rental and Leasing	7,100	7,100	6,700	0	400
Professional and Business Services	95,900	95,000	87,800	900	8,100
Professional, Scientific, and Technical Services	46,700	47,200	42,800	-500	3,900
Management of Companies and Enterprises	9,900	9,800	9,300	100	600
Administrative and Support and Waste Management and Remediation Services	39,300	38,000	35,700	1,300	3,600
Education and Health Services	121,700	121,100	120,600	600	1,100
Educational Services	30,100	29,800	29,400	300	700
Health Care and Social Assistance	91,600	91,300	91,200	300	400
Leisure and Hospitality	70,600	69,200	67,100	1,400	3,500
Arts, Entertainment, and Recreation	12,400	12,500	11,500	-100	900
Accommodation and Food Services	58,200	56,700	55,600	1,500	2,600
Other Services	24,900	24,400	23,500	500	1,400
Government	86,000	84,000	85,600	2,000	400
Federal Government	8,600	8,500	8,400	100	200
State Government	21,000	21,100	22,300	-100	-1,300
Local Government	56,400	54,400	54,900	2,000	1,500

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	Sep-22	Aug-22	Sep-21
Total Civilian Labor Force	770,210	783,060	751,700
Employed	752,020	765,210	729,630
Unemployed	18,190	17,850	22,070
Unemployment Rate	2.4%	2.3%	2.9%

United States (# in thousands)	Sep-22	Aug-22	Sep-21
Total Civilian Labor Force	164,463	164,971	161,392
Employed	159,003	158,714	154,026
Unemployed	5,460	6,256	7,366
Unemployment Rate	3.3%	3.8%	4.6%

Unemployment Rates by Area

Counties	Sep-22	Aug-22	Sep-21
Belknap	2.4%	2.1%	2.9%
Carroll	2.4%	2.2%	3.0%
Cheshire	2.6%	2.4%	3.3%
Coös	3.2%	3.5%	3.3%
Grafton	2.2%	2.0%	2.9%
Hillsborough	2.4%	2.3%	3.0%
Merrimack	2.2%	2.0%	2.7%
Rockingham	2.4%	2.4%	2.9%
Strafford	2.3%	2.1%	2.8%
Sullivan	2.3%	2.3%	3.1%

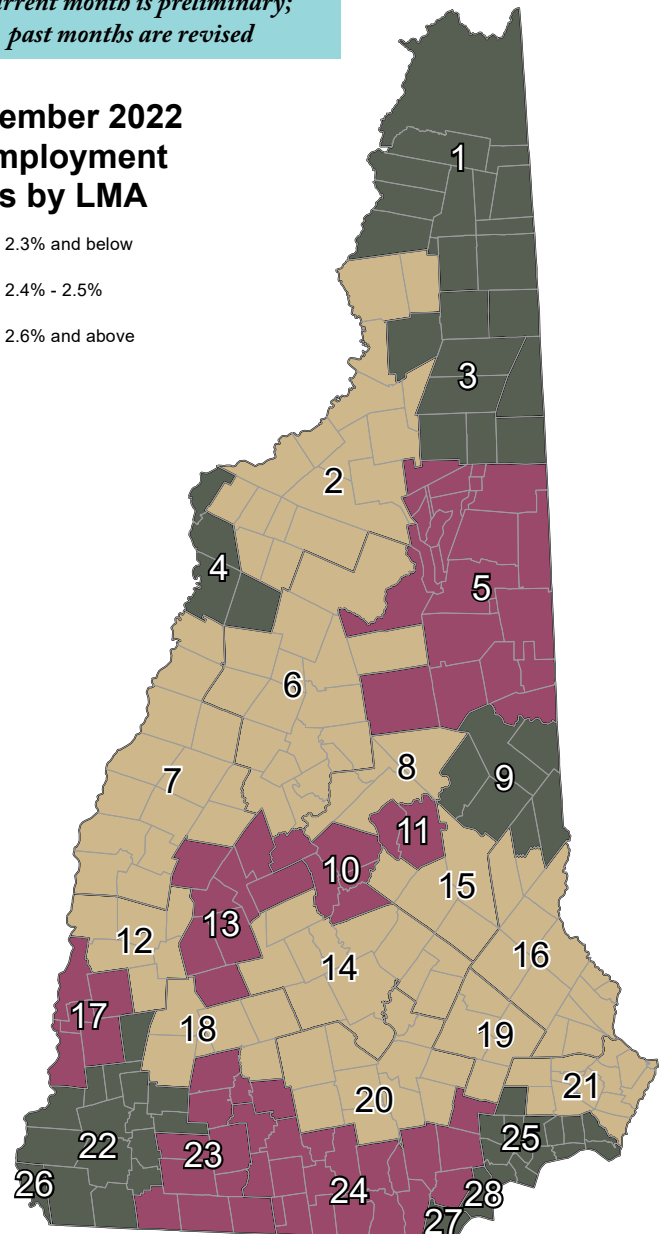
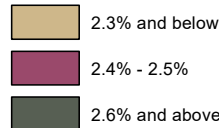
Map Key	Labor Market Areas	Sep-22	Aug-22	Sep-21
1	Colebrook, NH-VT LMA, NH Portion	4.1%	6.1%	2.9%
2	Littleton, NH-VT LMA, NH Portion	2.3%	2.2%	2.9%
3	Berlin NH Micropolitan NECTA	3.3%	3.2%	3.8%
4	Haverhill, NH LMA	2.7%	2.8%	3.6%
5	Conway, NH-ME LMA, NH Portion	2.4%	2.1%	2.9%
6	Plymouth, NH LMA	2.2%	2.0%	2.7%
7	Lebanon, NH-VT Micropolitan NECTA, NH Portion	2.3%	2.1%	2.9%
8	Meredith, NH LMA	2.2%	2.0%	2.6%
9	Wolfeboro, NH LMA	2.6%	2.4%	3.2%
10	Franklin, NH LMA	2.4%	2.3%	3.0%
11	Laconia, NH Micropolitan NECTA	2.5%	2.2%	3.2%
12	Expanded Claremont, NH estimating area	2.3%	2.2%	2.8%
13	New London, NH LMA	2.5%	2.2%	2.8%
14	Concord, NH Micropolitan NECTA	2.1%	2.0%	2.7%
15	Belmont, NH LMA	2.2%	2.1%	2.9%
16	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	2.3%	2.1%	2.8%
17	Charlestown, NH LMA	2.4%	2.3%	3.5%
18	Hillsborough, NH LMA	2.3%	2.4%	3.0%
19	Raymond, NH LMA	2.2%	2.2%	2.5%
20	Manchester, NH Metropolitan NECTA	2.3%	2.2%	2.8%
21	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	2.2%	2.1%	2.6%
22	Keene, NH Micropolitan NECTA	2.6%	2.5%	3.3%
23	Peterborough, NH LMA	2.4%	2.3%	2.9%
24	Nashua, NH-MA NECTA Division, NH Portion	2.4%	2.4%	3.0%
25	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	2.6%	2.6%	3.2%
26	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	3.4%	3.4%	6.0%
27	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	2.9%	3.1%	3.3%
28	Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division	2.8%	2.7%	3.5%

Unemployment Rates by Region

Not Seasonally Adjusted	Sep-22	Aug-22	Sep-21
United States	3.3%	3.8%	4.6%
Northeast	3.4%	4.3%	5.4%
New England	3.2%	3.5%	4.7%
Connecticut	3.9%	4.3%	5.3%
Maine	3.2%	2.9%	3.8%
Massachusetts	3.1%	3.5%	5.0%
New Hampshire	2.4%	2.3%	2.9%
Rhode Island	3.3%	3.9%	4.8%
Vermont	2.1%	2.0%	2.9%
Mid Atlantic	3.5%	4.6%	5.7%
New Jersey	2.7%	3.7%	5.7%
New York	3.9%	4.9%	5.7%
Pennsylvania	3.4%	4.8%	5.5%

*Current month is preliminary;
past months are revised*

**September 2022
Unemployment Rates by LMA**



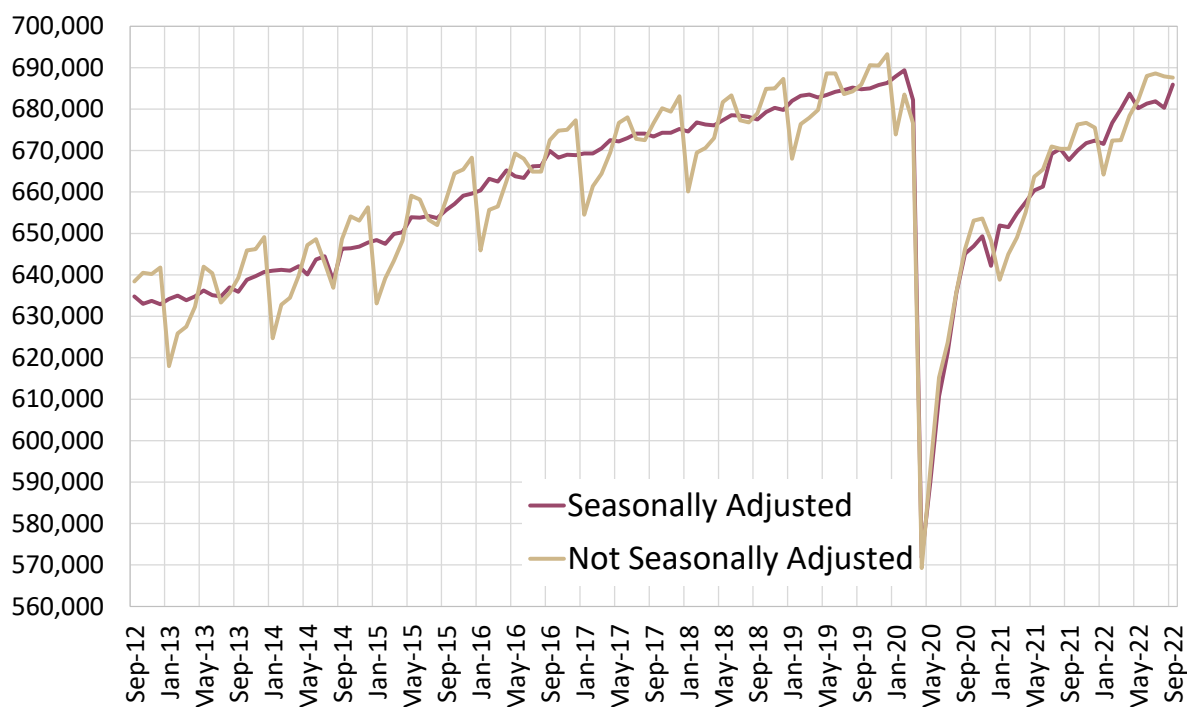
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

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

*Current month
is preliminary;
past months
are revised*

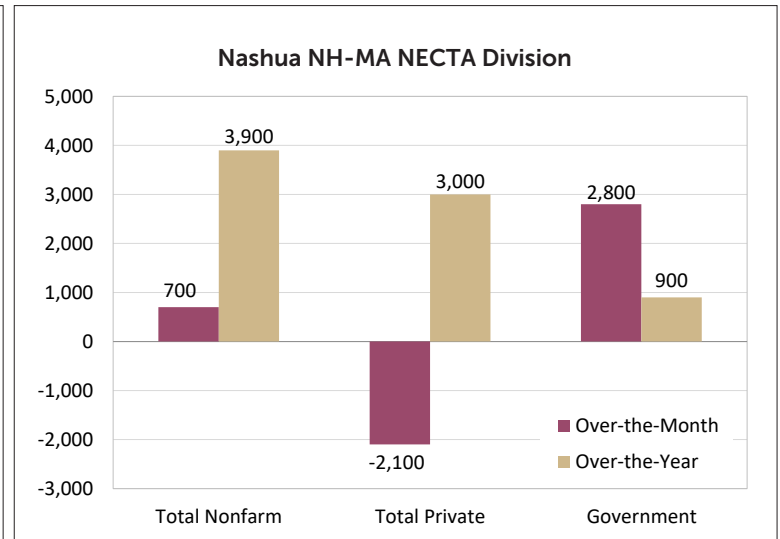
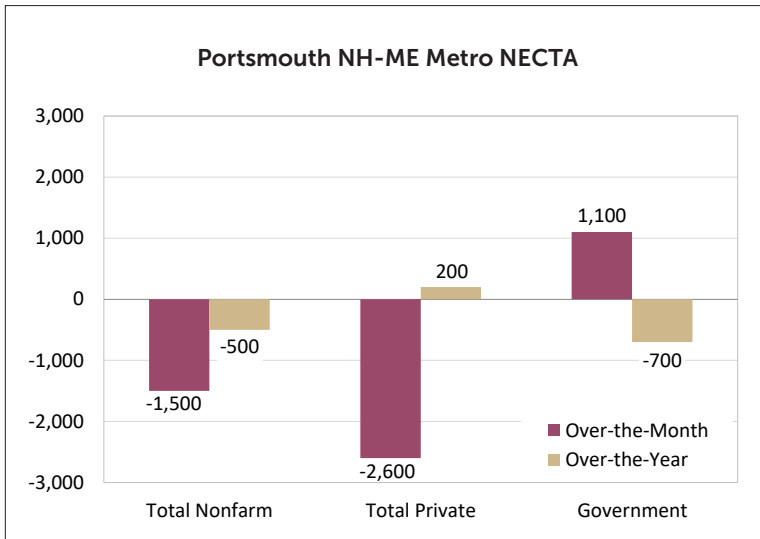
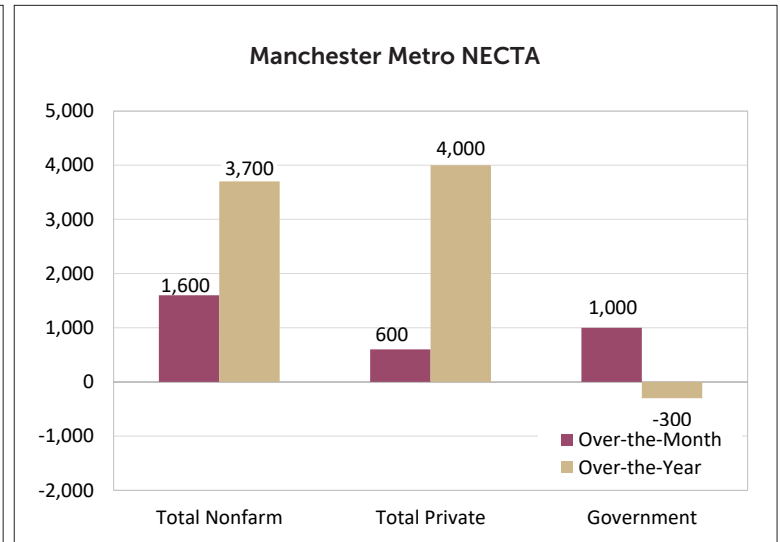
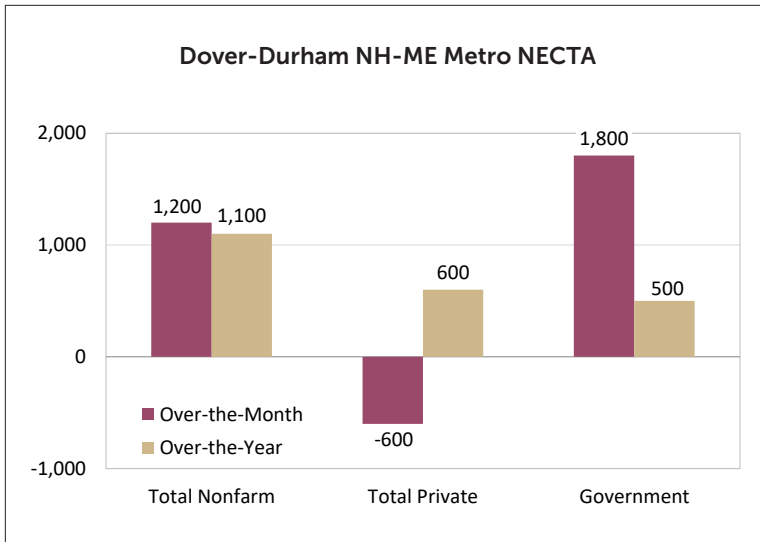
	Number of Jobs			Change From Previous	
	Sep-22	Aug-22	Sep-21	Month	Year
Total Nonfarm	687,600	687,900	670,400	-300	17,200
Total Private	599,600	612,000	583,500	-12,400	16,100
Mining and Logging	1,000	1,000	1,000	0	0
Construction	32,200	32,600	30,300	-400	1,900
Manufacturing	68,600	69,800	68,000	-1,200	600
Durable Goods	51,200	52,100	50,900	-900	300
Non-Durable Goods	17,400	17,700	17,100	-300	300
Trade, Transportation, and Utilities	138,100	139,800	136,900	-1,700	1,200
Wholesale Trade	30,500	31,100	29,300	-600	1,200
Retail Trade	89,900	92,000	89,400	-2,100	500
Transportation, Warehousing, and Utilities	17,700	16,700	18,200	1,000	-500
Information	11,700	11,900	11,600	-200	100
Financial Activities	34,300	35,000	34,700	-700	-400
Professional and Business Services	95,500	96,300	88,400	-800	7,100
Education and Health Services	121,200	118,900	119,900	2,300	1,300
Leisure and Hospitality	71,900	81,500	69,000	-9,600	2,900
Other Services	25,100	25,200	23,700	-100	1,400
Government	88,000	75,900	86,900	12,100	1,100
Federal Government	8,600	8,500	8,400	100	200
State Government	21,400	19,200	23,000	2,200	-1,600
Local Government	58,000	48,200	55,500	9,800	2,500

Total Nonfarm Employment Trend Through September 2022

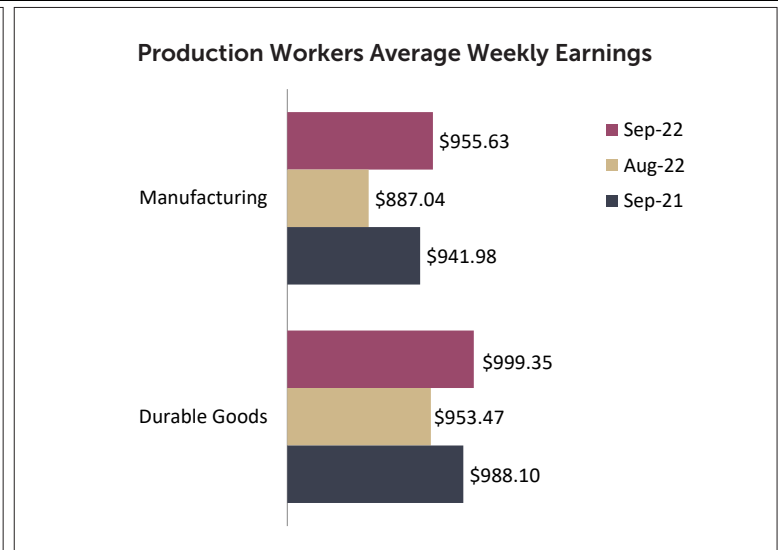
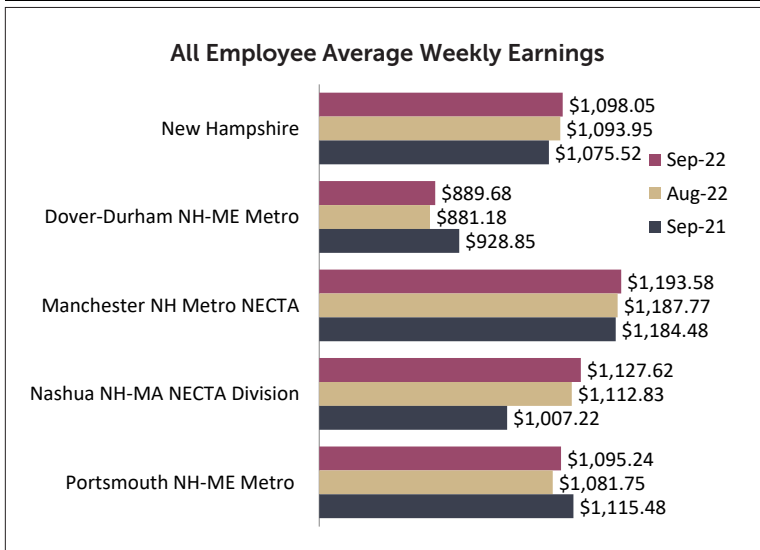


MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Nonfarm Employment by Metropolitan Statistical Areas - September 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 increased to 685,900 jobs in September, based on preliminary seasonally adjusted estimates. This was an increase of 5,600 non-farm jobs over the month, as private industries gained 3,600 positions and government employment increased by 2,000. Six private industry supersectors experienced over-the-month employment gains, three experienced employment losses, and the construction supersector was unchanged from August 2022 to September 2022. Seasonally adjusted over-the-month changes reflect the number of jobs that are not attributable to a regular seasonal pattern of employment variability.

Leisure and hospitality employment increased by 1,400 over the month, after the seasonal adjustment. Trade, transportation, and utilities and professional and business services each gained 900 jobs while private education and health services added 600 positions. Employment in the other services supersector increased by 500 and mining and logging added 100 jobs from August to September.

The financial activities supersector lost 400 jobs over the month, after the seasonal adjustment. Manufacturing employment declined by 300, while the information supersector lost 100 jobs in September.

Total private employment in September 2022 was 1,600 jobs above the pre-pandemic level in February 2020. Professional and business services was 11,200 jobs above pre-pandemic levels. Private education and health services employment was 5,100 jobs below the February 2020 level.

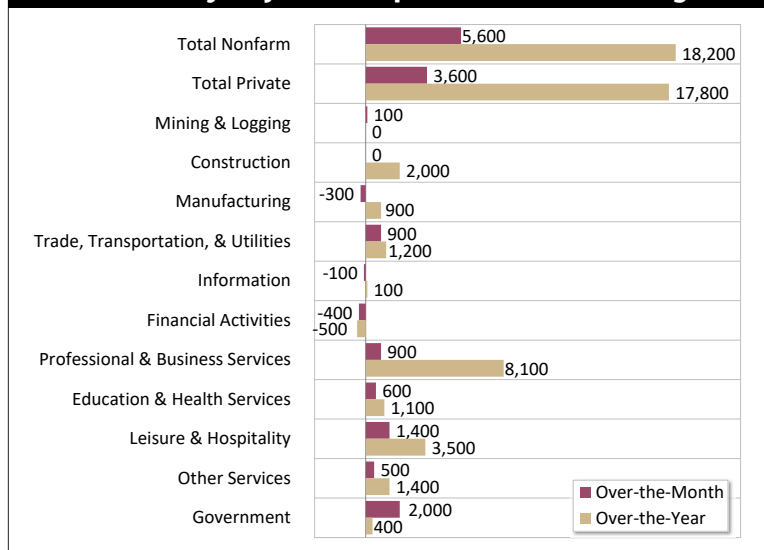
Not Seasonally Adjusted

Preliminary unadjusted estimates for September 2022 indicate that total nonfarm employment increased by 17,200 jobs since September 2021, reflecting the ongoing employment recovery from the coronavirus (COVID-19) pandemic. Eight private industry supersectors experienced over the year employment gains, one experienced an over-the-year loss, while mining and logging employment was unchanged from September 2021 to September 2022.

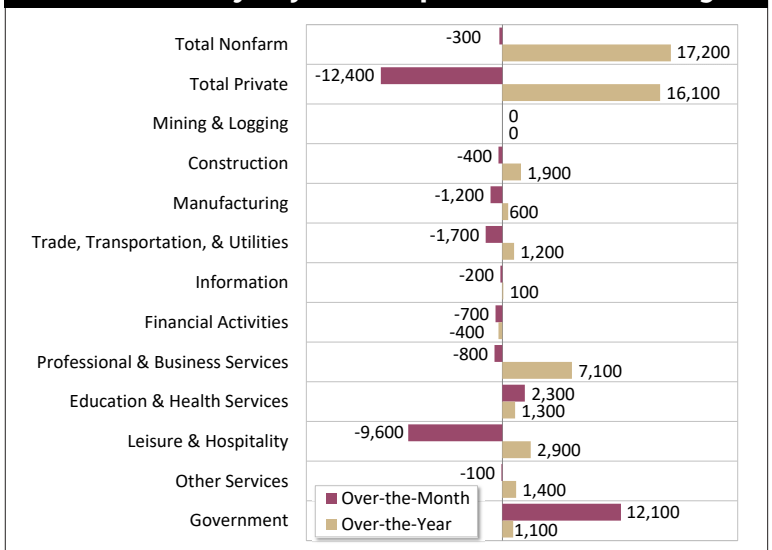
Professional and business services experienced the largest increase, with 7,100 more jobs than in September 2021. The leisure and hospitality supersector increased employment by 2,900, while construction added 1,900 jobs. The other services supersector added 1,400 positions, while private education and health services expanded payrolls by 1,300. Trade, transportation, and utilities added 1,200 jobs and manufacturing increased employment by 600 over the year. The information supersector gained 100 jobs, while financial activities lost 400 positions. Government employment in September 2022 was 1,100 more than a year earlier.

– Robert Cote, Research Analyst

Seasonally Adjusted September 2022 Change



Not Seasonally Adjusted September 2022 Change



Consumer Price Index

United States, All Urban Consumers

Not Seasonally Adjusted (CPI-U) (1982-1984=100)

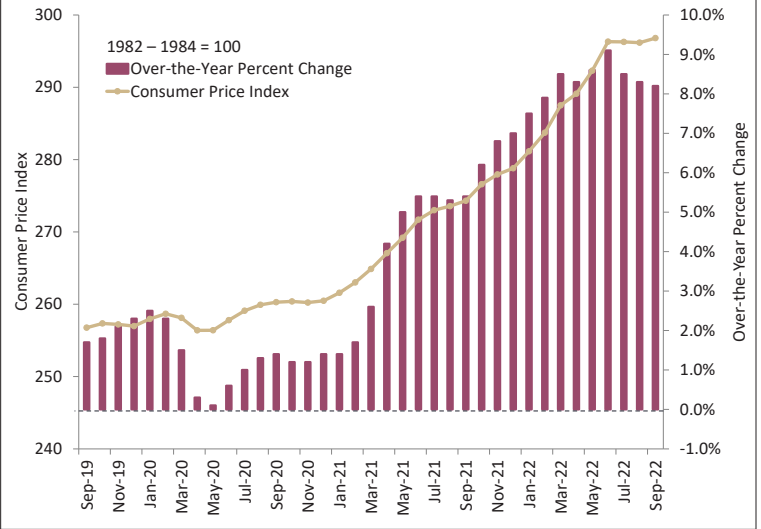
			Change From Previous	
Sep-22	Aug-22	Sep-21	Month	Year
296.808	296.171	274.310	0.2%	8.2%

Northeast, All Urban Consumers

Not Seasonally Adjusted (CPI-U) (1982-1984=100)

			Change From Previous	
Sep-22	Aug-22	Sep-21	Month	Year
307.152	306.855	286.423	0.1%	7.2%

Consumer Price Index United States, All Urban Consumers



Unemployment Compensation Claims Activity

	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Initial Claims	1,682	1,156	1,808	1,583	1,584	1,106
Continued Weeks Claimed	7,697	8,015	7,073	9,113	10,289	7,044
Average payment for a week of unemployment	\$342.55	\$330.59	\$340.64	\$307.82	\$311.40	\$350.44

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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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
Occupational Employment Statistics	229-4315

