

New Hampshire ECONOMIC CONDITIONS

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Loving Life Loon PHOTO CREDIT

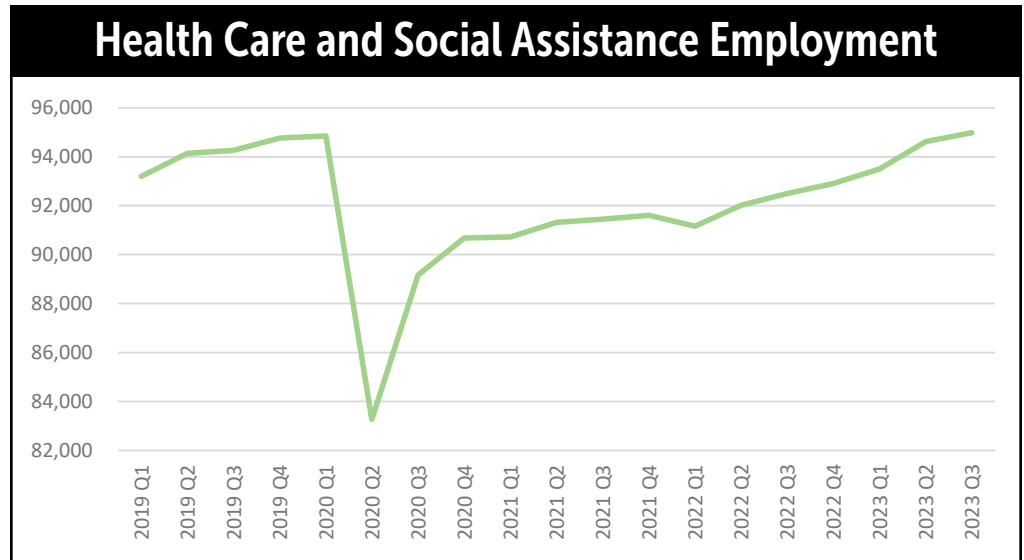
June 2024

Health Care and Social Assistance

Health care and social assistance is the largest sector in New Hampshire, employing an average of 92,100 workers in 2022. Although generally considered a fairly “recession-proof” sector, employment declined 4.9 percent in 2020, as the coronavirus pandemic caused medical providers to pause many non-essential medical services.

Health care and social assistance employment recovered slowly, not exceeding pre-pandemic levels until the second quarter of 2023. Working conditions during the pandemic were stressful, and some workers opted for early retirement or changed to employment in industries with less stressful working conditions.¹ The decline in labor force participation during and following the pandemic resulted in a large number of job openings and rising wages as employers struggled to find workers, and causing many lower-wage workers in health care, social assistance, and other industries to leave those industries for more lucrative employment.²

Struggling to fill permanent positions, employers increasingly relied on temporary labor to cover labor shortages. Temporary labor has always been an important part of the health care and social assistance workforce; health care facilities are required to maintain adequate staffing levels to provide proper care for their patients. To accommodate fluctuating patient volume, leave time for employees, and other staffing issues, health care employers rely on temporary staff, including per-diem and travel workers.



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Per-diem staff work on a day-by-day basis, often filling in as needed in a variety of clinical settings, and at several health care facilities within a region.³ Travel positions are for a longer duration, usually around three months, and typically involve relocating to an area to work in a specific position.⁴ Relying on per diem and travel positions can create an additional burden by significantly increasing labor costs for health care providers.

Temporary workers are employed by staffing agencies, part of the administrative and support and waste management and remediation services sector, so an increase in the use of temporary workers does not increase health care and social assistance employment. Employment in administrative services has grown much faster than health care and social assistance employment since 2020. Between the third quarter of

2019 and the third quarter of 2023, health care and social assistance employment increased by 700 jobs, a 0.8 percent increase.⁵ Over that time, administrative and support and waste management and remediation services employment increased by 3,400 jobs, or 9.3 percent. While not responsible for all the growth in this sector, demand for temporary health care staff is one of the primary factors driving this increase.

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1 Olivia Belanger, “Breaking through burnout: New coaching program helps NH physicians stay in field,” NHPR, December 27, 2023. <https://www.nhpr.org/nh-news/2023-12-27/breaking-through-burnout-new-coaching-program-helps-nh-physicians-stay-in-field>.
 2 Covenno, Amy, “New Hampshire long-term care facilities face ‘huge’ staffing shortage,” WMUR. <https://www.wmur.com/article/new-hampshire-long-term-care-facility-staffing-crisis/37259507#>.
 3 Cross Country Medical Staffing Network, 6 Reasons Why You Should Take A Per Diem Assignment. <https://www.crosscountrymsn.com/blogs/top-reasons-to-take-a-per-diem-assignment>.
 4 American Traveler, Travel Nursing: Frequently Asked Questions. <https://www.americantraveler.com/travel-nursing-career-faqs>.
 5 Data are not seasonally adjusted and should be compared over-the-year.

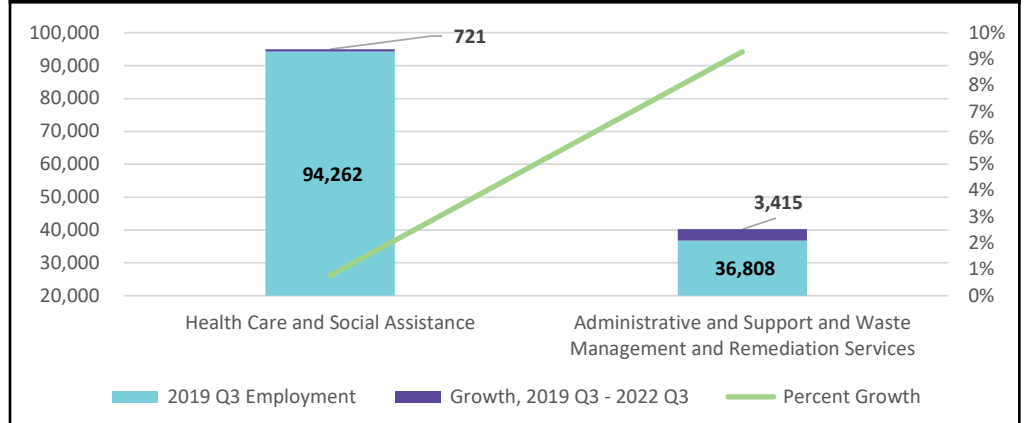
Health Care Subsector Employment Trends

Employment in the ambulatory health care services subsector grew at a faster rate than the rest of health care and social assistance, surpassing pre-pandemic employment by the second quarter of 2021. By the third quarter of 2023, employment was 5.2 percent higher than employment in the third quarter of 2019. Health practitioners in this subsector provide outpatient services, including offices of physicians, dentists, medical and diagnostic laboratories, and home health care services.

Social assistance employment reached pre-pandemic levels in the third quarter of 2023, surpassing employment in the third quarter of 2019 by 70 jobs, or 0.4 percent. Employment in hospitals and nursing and residential care facilities remained below pre-pandemic levels. Unlike most industries in New Hampshire, employment in nursing and residential care facilities did not experience substantial growth in the second half of 2020, as the industry experienced an especially large number of workers choosing to leave for other employment. After declining 5.0 percent over-the-year in the second quarter of 2020, employment declined an additional 1.0 percent (140 workers) between the second quarter of 2020 and the second quarter of 2022. New Hampshire state government introduced an incentive program to retain workers and employment began to increase in late 2022, adding 240 jobs over-the-year in the fourth quarter of 2022, a 1.9 percent growth rate. Employment growth accelerated over the following three quarters; in the third quarter of 2023, employment grew 7.2 percent (970 jobs) over-the-year. Despite this growth, employment remained 200 jobs (1.3 percent) below pre-pandemic employment.

Employment in hospitals followed a similar trend, although to a lesser degree. After falling by nearly 2,000 jobs (6.6 percent) over-the-year in the second quarter of 2020, employment in hospitals increased by just 500 jobs (1.8 percent) over the next two years. Employment increased throughout 2023, but third quarter employment remained 3.2 percent (950 jobs) below the third quarter of 2019.

Health Care Employers Have Relied on Temporary Labor Since the Pandemic

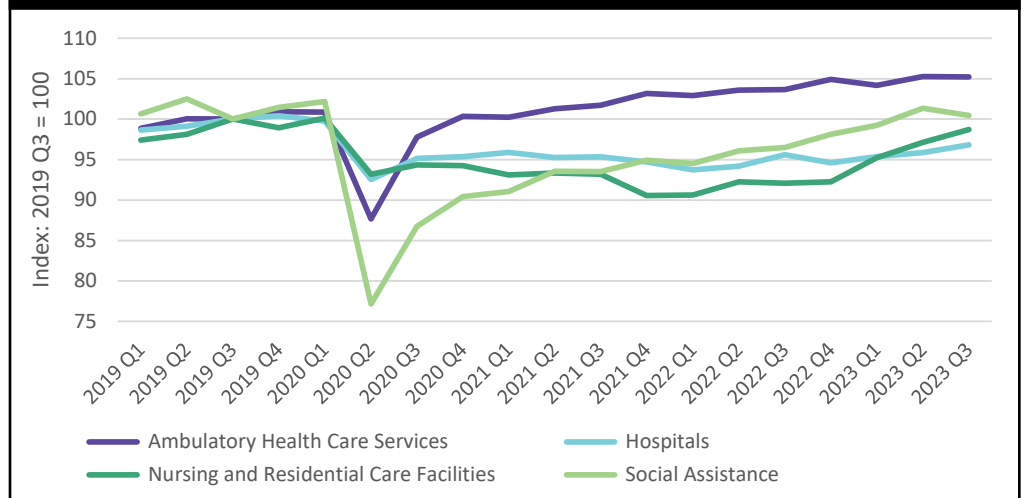


Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

The lack of employment growth in nursing and residential care facilities and hospitals after the pandemic suggest these subsectors were particularly impacted by pandemic-related labor shortages, and relied on temporary labor to fill vacancies. In addition to the challenges faced by the health care sector overall, many nursing and residential care facilities rely on Medicaid reimbursement to pay for the services they provide. These facilities had less flexibility to increase staff pay to keep up with rapid wage growth throughout the rest of the labor market.⁶ This likely contributed to declining employment in 2021 and 2022.

Increasing hospitals and nursing and residential care facilities employment in 2023 suggests that labor supply constraints have lessened, likely because wages for workers in these subsectors increased and pandemic-related stresses have

Employment Index for Health Care and Social Subsectors



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

6 Covenno, op. cit.

largely passed. Average nursing and residential care facilities wages in the third quarter of 2023 were 9.4 percent higher than in the third quarter of 2021, and 32 percent higher than the third quarter of 2019. Before declining slightly in the third quarter of 2023, averages hospital wages had increased 23 percent between the second quarter of 2019 to the second quarter of 2023.

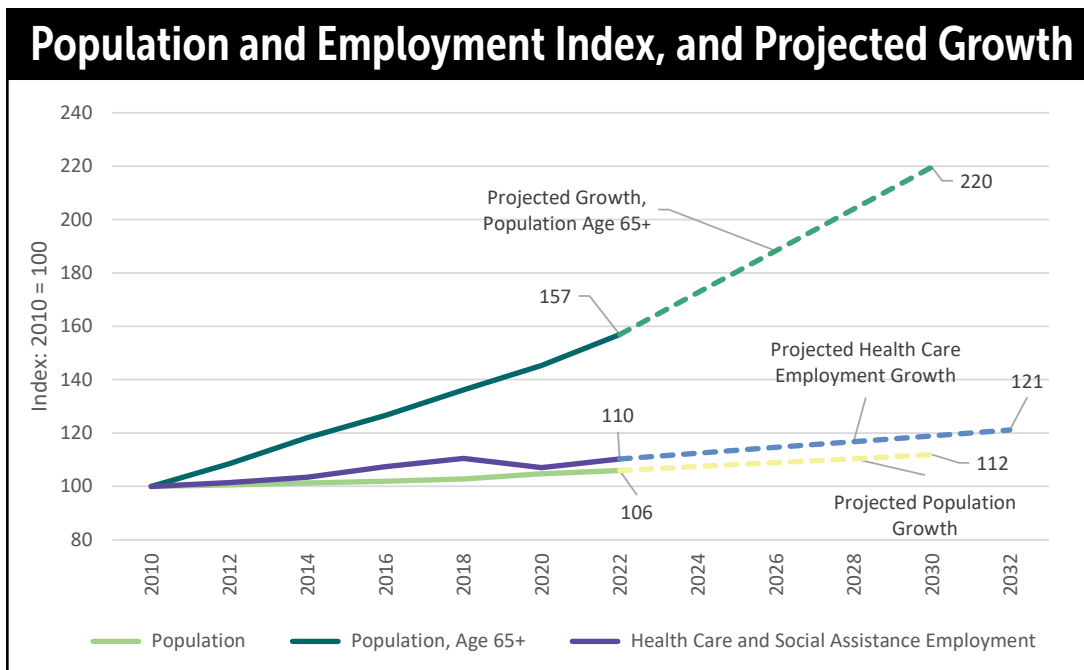
Long Term Outlook for Health Care and Social Assistance

Health care and social assistance employment is projected to increase 9.9 percent between 2022 and 2032, above the projected growth rate for total employment, 5.8 percent. Employment growth in this sector is expected largely due to population growth increasing demand for health care services,

particularly from New Hampshire’s rapidly growing senior population. New Hampshire’s population age 65 and older increased by more than 50 percent between 2010 and 2022, far faster than total population growth of six percent over that time.

Growth of New Hampshire’s senior population is expected to continue in the near future, as the state’s largest population cohorts are currently between ages 55 and 64. The New Hampshire Office of Planning and Development projects the population age 65 and older will grow 52 percent between 2020 and 2030, and account for more than a quarter of the state’s total population.

– Greg David, Economist



Source: U.S. Census Bureau, Population Estimates and New Hampshire Employment Security, Quarterly Census of Employment and Wages