

PRIVATE ENTERPRISE

Corporate Profits

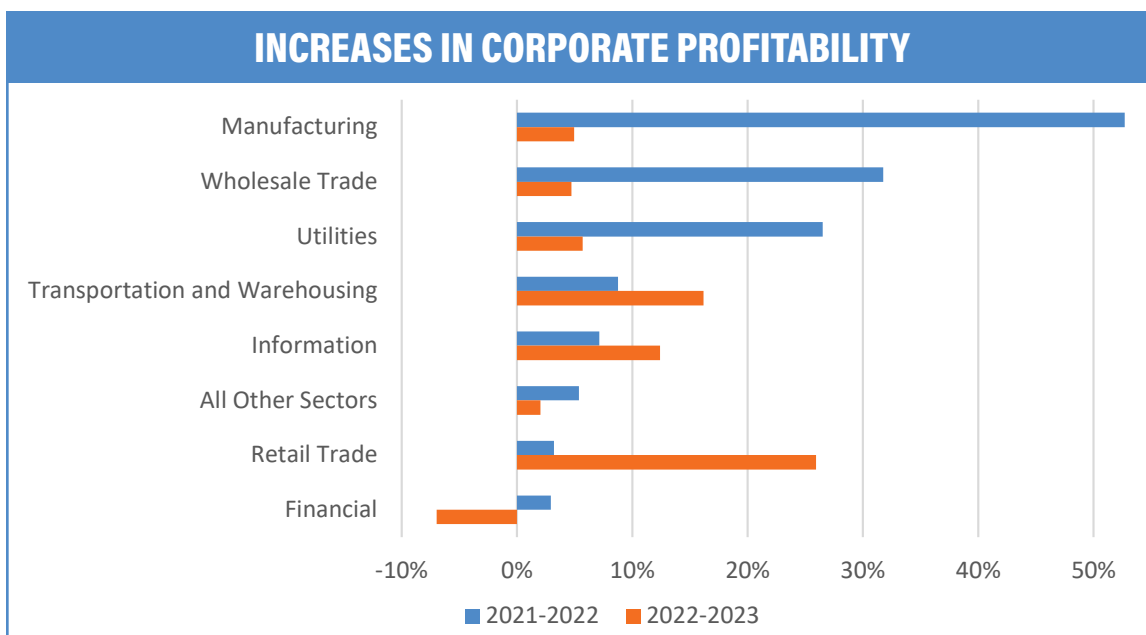
Despite rising inflation and a tight supply of labor, corporations operating in the U.S. continued to be profitable in 2022 and 2023. Corporate profits totaled \$13.6 trillion in 2022, a 14.5 percent increase over 2021. Profits increased an additional 5.0 percent in 2023 to \$14.4 trillion.

Profits for domestically based financial corporations decreased 7.0 percent in 2023, the largest decline in profits among any sector. However, this decline was due to losses by the Federal Reserve; profits for private-sector financial corporations increased 29 percent. Profits for domestic corporations in the manufacturing sector increased 53 percent from 2021 to 2022, the largest percentage increase in profits among any sector. Corporations in the electrical equipment, appliance, and component manufacturing and motor vehicle body, trailer, and part manufacturing industries were not profitable in 2021, losing nearly \$60 billion. Corporations in these industries earned a combined \$6.3 billion in 2022, then saw profits increase to \$54.6 billion in 2023.

In the petroleum and coal products manufacturing industry, corporate profits increased from \$26.1 billion in 2021 to \$414.5 billion in 2022, a nearly 1,500 percent increase. Petroleum prices increased dramatically in 2021 and 2022, well above the overall rate of inflation, as low production during the pandemic and the Russian invasion of Ukraine affected international petroleum markets.¹ While supply and demand were the primary factors driving up petroleum prices, increased corporate profits contributed as well. Both prices and profits declined in 2023, but profits remained well above 2021 levels.

Labor Productivity

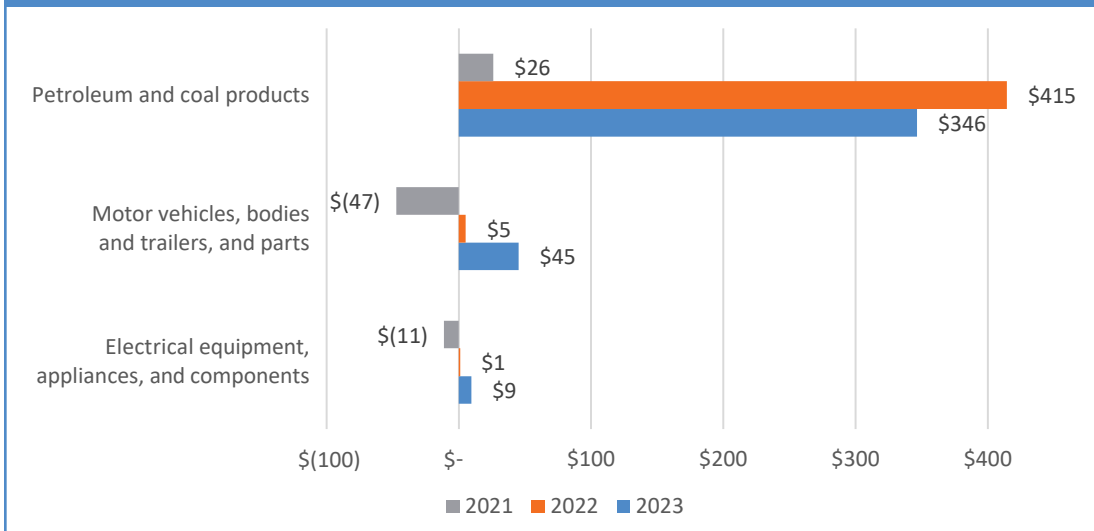
While profits surged in 2022, overall labor productivity decreased 1.9 percent. Job losses in 2020 skewed productivity calculations, and it is likely the productivity decline in 2022 was the result of the labor market stabilizing after the pandemic. Labor productivity increased 5.2 percent in 2020, more than three times the average increase experienced between 2007 and



Source: U.S. Bureau of Economic Analysis, Corporate Profits

¹ Jimmy Troderman, "Crude oil prices increased in first-half 2022 and declined in second-half 2022," U.S. Energy Information Administration. January 4, 2023. <https://www.eia.gov/todayinenergy/detail.php?id=55079>.

DOMESTIC CORPORATE PROFITS IN SELECT MANUFACTURING INDUSTRIES



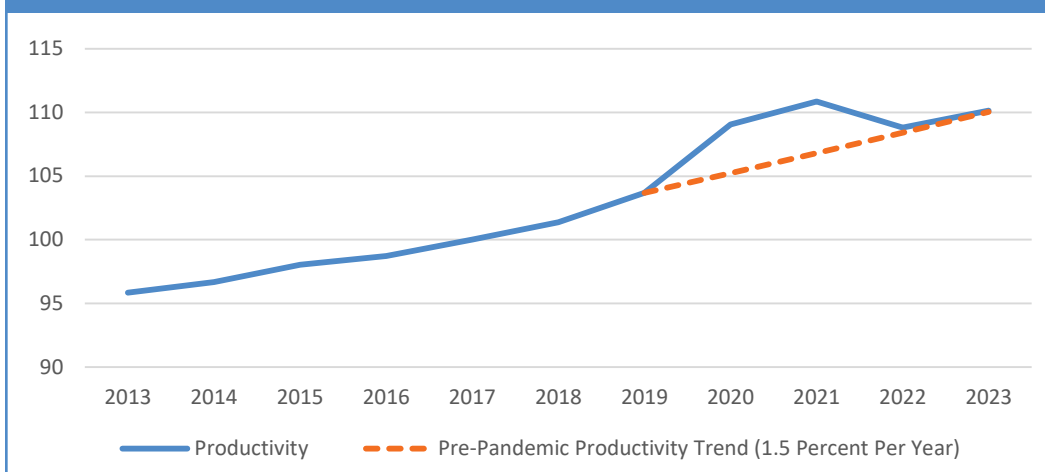
Source: U.S. Bureau of Economic Analysis, Corporate Profits

2019 (1.5 percent per year). An analysis by the U.S. Bureau of Labor Statistics (BLS) found that this increase was due to pandemic-related changes to the composition of the labor force, including job losses among lower-earning workers and a redistribution of workers across industries.²

Productivity increased 1.7 percent in 2021, another year in which the labor market was

heavily affected by the coronavirus pandemic, before declining in 2022. The 2022 decline brought labor productivity back in line with its pre-pandemic growth trend; had there been no pandemic, and productivity continued to increase 1.5 percent per year, the BLS’s labor productivity index would have averaged 108.41 in 2022, compared to the actual average of 108.81.

THE 2022 DECLINE RETURNED LABOR PRODUCTIVITY TO PRE-PANDEMIC GROWTH TREND



Source: U.S. Bureau of Labor Statistics, Productivity

² Jay Stewart, "Why was Labor Productivity Growth So High during the COVID-19 Pandemic? The Role of Labor Composition," U.S. Bureau of Labor Statistics, January 25, 2022. <https://www.bls.gov/osmr/research-papers/2022/pdf/ec220010.pdf>.

Wage Growth

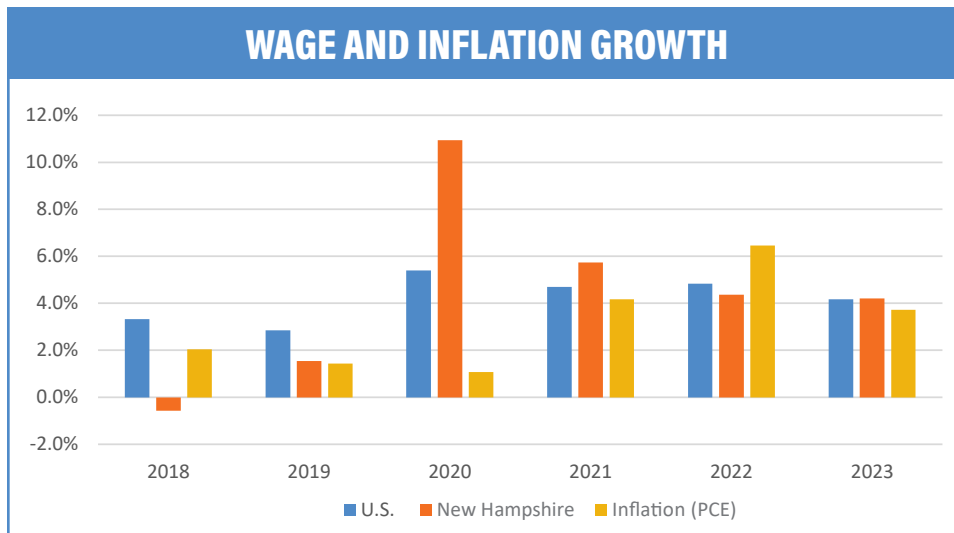
Along with the rest of the U.S., New Hampshire has had a tight labor market since 2021, and employers have had to raise wages to attract or retain talent. The average weekly wage for private nonfarm workers in New Hampshire increased 4.2 percent in 2023. This was the same rate as U.S. wage growth, and slightly above the 2023 rate of inflation, 3.7 percent (according to the Personal Consumption Expenditures (PCE) Index).

Wage growth accelerated during the pandemic, although starting in 2021, elevated inflation diluted this growth. Inflation exceeded average

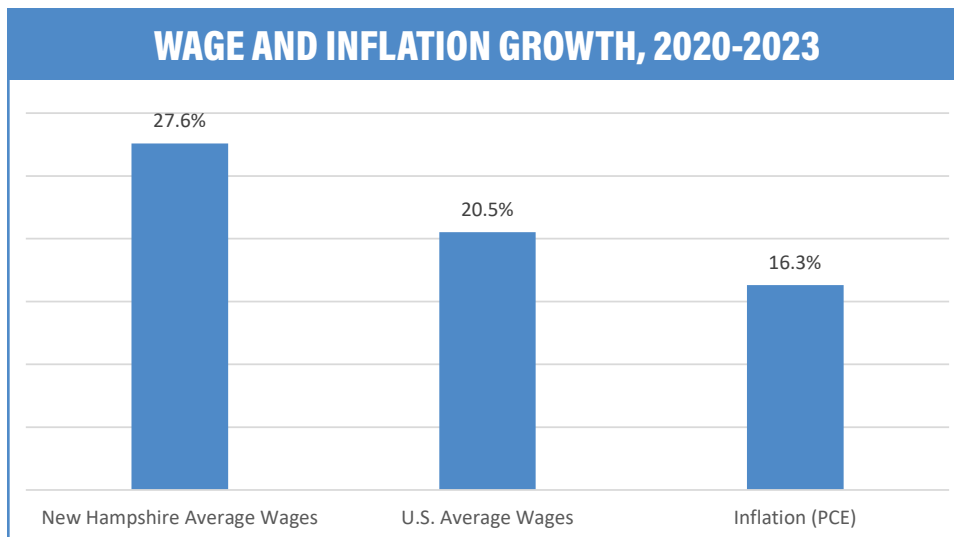
wage growth in 2022, but overall, wage growth for workers in both New Hampshire and the U.S. exceeded inflation since the beginning of the pandemic.

Like productivity, wage growth was skewed by changes to the composition of the labor force during the pandemic. Wage growth in 2020 was influenced by job losses that disproportionately affected lower wage workers, raising the overall average wage. While average wages grew at a slower pace in 2021 and 2022, these gains occurred while lower wage workers returned to employment.

– Greg David



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, U.S. Bureau of Economic Analysis, Personal Consumption Expenditures



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, U.S. Bureau of Economic Analysis, Personal Consumption Expenditures



FIRMS BY SIZE*	2019	2020	2021	2022	2023
Total Number of Firms with employment	37,704	38,180	39,771	42,744	43,144
1 - 4 employees	22,270	22,785	24,504	26,602	27,537
5 - 9 employees	6,445	6,372	6,482	6,822	6,629
10 - 19 employees	4,271	4,327	4,265	4,461	4,298
20 - 49 employees	2,891	2,877	2,860	3,070	2,921
50 - 99 employees	1,019	1,007	905	1,017	955
100 - 249 employees	540	536	508	513	517
250 - 499 employees	168	177	157	164	178
500 - 999 employees	68	68	56	62	71
1,000 & over employees	32	31	34	33	38
Over-the-year Change in Number of Firms	612	476	1,591	2,973	400

Net Annual Change in Number of Employees	7,576	1,662	-21,481	27,385	12,432
1 - 4 employees	392	678	2,904	2,832	1,217
5 - 9 employees	746	-633	903	2,028	-987
10 - 19 employees	1,483	810	-1,090	2,916	-1,912
20 - 49 employees	-41	-636	-1,194	6,502	-4,642
50 - 99 employees	2,722	-784	-7,227	7,548	-3,925
100 - 249 employees	1,478	-566	-3,712	1,708	-1,235
250 - 499 employees	-1,887	2,342	-6,599	1,918	4,200
500 - 999 employees	-236	65	-8,298	4,029	5,141
1,000 & over employees	2,919	386	2,832	-2,096	14,575

Percent of Total Employment					
1 - 4 employees	7.3%	7.4%	8.2%	8.3%	8.3%
5 - 9 employees	7.5%	7.4%	7.8%	7.8%	7.5%
10 - 19 employees	10.1%	10.3%	10.5%	10.5%	9.9%
20 - 49 employees	15.4%	15.3%	15.7%	16.1%	15.0%
50 - 99 employees	12.3%	12.2%	11.3%	12.1%	11.2%
100 - 249 employees	14.5%	14.3%	14.2%	13.8%	13.3%
250 - 499 employees	10.3%	10.6%	9.8%	9.7%	10.2%
500 - 999 employees	8.1%	8.0%	6.8%	7.2%	7.9%
1,000 & over employees	14.5%	14.5%	15.6%	14.4%	16.6%

* Firms by size numbers are based on March covered employment data, in each calendar year.

Source: New Hampshire Employment Security, Quarterly Census of Employment and Wages

FIRMS SUBJECT TO UNEMPLOYMENT COMPENSATION	2018	2019	2020	2021	2022
Total Firms	43,720	44,616	46,654	50,083	53,383
New firms	6,060	6,033	7,016	9,148	
Terminated firms	5,319	5,013	4,732	5,346	

Source: New Hampshire Employment Security, Last Update 3/7/2024

PERCENT OF ESTABLISHMENTS WITH 100+ WORKERS <i>(Ranked from highest among 50 states and D.C.)</i>	2018	2019	2020	2021	2022
New Hampshire	2.3%	2.4%	2.4%	2.2%	
United States rank	30	24	28	26	
Connecticut	2.7%	2.7%	2.7%	2.5%	
United States rank	15	12	11	13	
MAINE	1.7%	1.7%	1.7%	1.5%	
United States rank	47	46	47	47	
Massachusetts	2.9%	2.9%	2.9%	2.7%	
United States rank	6	5	5	5	
Rhode Island	2.3%	2.3%	2.3%	2.0%	
United States rank	27	31	31	33	
Vermont	1.6%	1.7%	1.7%	1.6%	
United States rank	48	47	46	46	

Source: County to County Business Patterns, U.S. Census Bureau, ELMI Analysis. Last Update 10/20/2023

HIGH TECH BY NAICS	2018	2019	2020	2021	2022
Total Units	6,363	6,782	7,306	8,606	
Level I Units	3,750	4,091	4,343	4,976	
Level II Units	1,652	1,792	2,028	2,669	
Level III Units	961	899	935	961	
Total Annual Average Employment	73,701	74,927	74,535	79,152	
Level I Annual Average Employment	44,568	45,967	45,635	47,695	
Level II Annual Average Employment	12,661	13,033	13,309	14,985	
Level III Annual Average Employment	16,472	15,927	15,591	16,472	
Total Wages (in millions)	\$7,571.9	\$7,959.5	\$8,483.1	\$11,663.0	
Level I Wages	\$4,791.4	\$5,067.1	\$5,389.0	\$5,955.5	
Level II Wages	\$1,291.6	\$1,362.0	\$1,529.9	\$1,897.3	
Level III Wages	\$1,488.9	\$1,530.4	\$1,564.3	\$3,810.2	
Average Weekly Wage	\$1,976	\$2,043	\$2,189	\$2,834	
Level I Average Weekly Wage	\$2,067	\$2,120	\$2,271	\$2,401	
Level II Average Weekly Wage	\$1,962	\$2,010	\$2,211	\$2,435	
Level III Average Weekly Wage	\$1,738	\$1,848	\$1,929	\$4,448	

Definitions of High Tech Level I, Level II, and Level III can be found at: <http://www.nhes.nh.gov/elmi/products/documents/ec-high-tech-10.pdf>

Source: New Hampshire Employment Security, Quarterly Census of Employment and Wages

NON-CURRENT LOANS AND LEASES <i>(\$ Millions)</i>	2018	2019	2020	2021	2022
FDIC commercial banks, Dec. 31 st totals (Millions)	\$12.5	\$8.5	\$7.9	\$5.1	\$4.6
Percent change from previous year	65.4%	-31.7%	-7.5%	-35.5%	-8.9%

Source: Federal Deposit Insurance Corporation, ELMI Analysis. Last Update 3/7/2024

Prepared by: New Hampshire Employment Security, Economic and Labor Market Information Bureau

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