

New Hampshire ECONOMIC CONDITIONS

Birch Trees PHOTO CREDIT

Seacoast (Portsmouth NH) PHOTO CREDIT

November 2024

Canoe on Lake PHOTO CREDIT

Consumer Spending and Debt in New Hampshire

While labor market growth has slowed in recent months, income and consumer spending growth suggest that the U.S. economy remains strong overall. Adjusted for inflation, per capita disposable personal income (after-tax income) increased 2.6 percent over-the-year in August 2024. Personal consumption expenditures (PCE), the value of all goods and services purchased by consumers, increased 2.9 percent over-the-year. PCE accounts for more than two-thirds of Gross Domestic Product (GDP) and is a popular metric for gauging the overall strength of the economy.

Consumer spending data for New Hampshire is only available through 2023, but shows spending in New Hampshire closely following the national trend. Consumer spending increased more in New Hampshire than in the U.S. in 2023 (8.9 percent annual growth compared to 7.5 percent in the U.S., not adjusted for inflation), but since 2019, overall growth was essentially the same (30 percent compared to 31 percent nationwide).

Consumer Spending Trends

The largest expenditure for U.S. consumers is health care, which accounts for 17 percent of all expenditures over the first eight months of 2024. Other large expenditures include housing and utilities (16 percent), food and beverages (13 percent, between groceries and restaurants), motor vehicles (four percent) and pharmaceutical products (four percent).

In New Hampshire, housing is the largest expenditure, accounting for 18 percent of all consumer spending in 2023. Housing accounted for a larger

share of expenditures than in 2019, when it accounted for 16.9 percent of expenditures, reflecting the increase in local housing costs. However, for many New Hampshire residents, housing accounts for a much larger share of expenditures. In 2023, 51 percent of renters were cost burdened, meaning they spent at least 30 percent of their income on housing expenses. An additional 28 percent of homeowners were cost burdened.¹

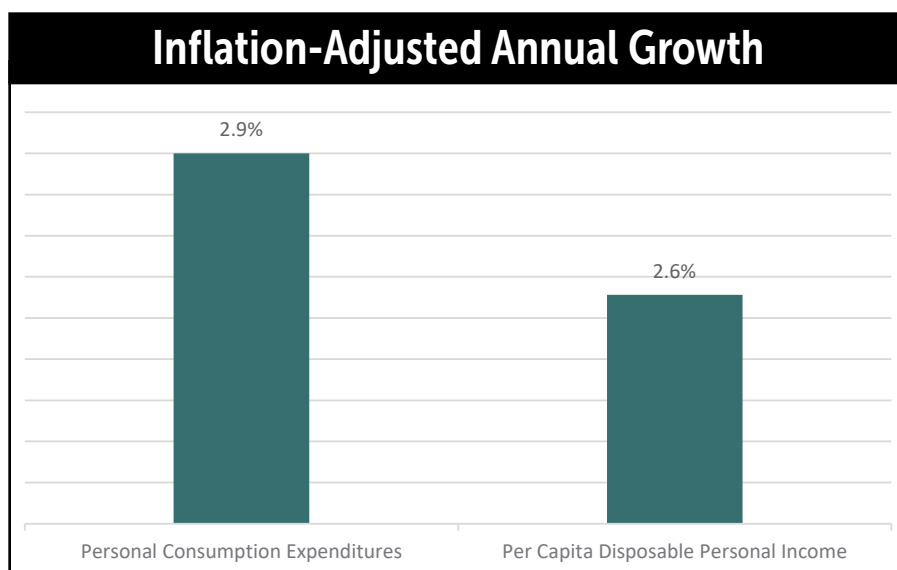
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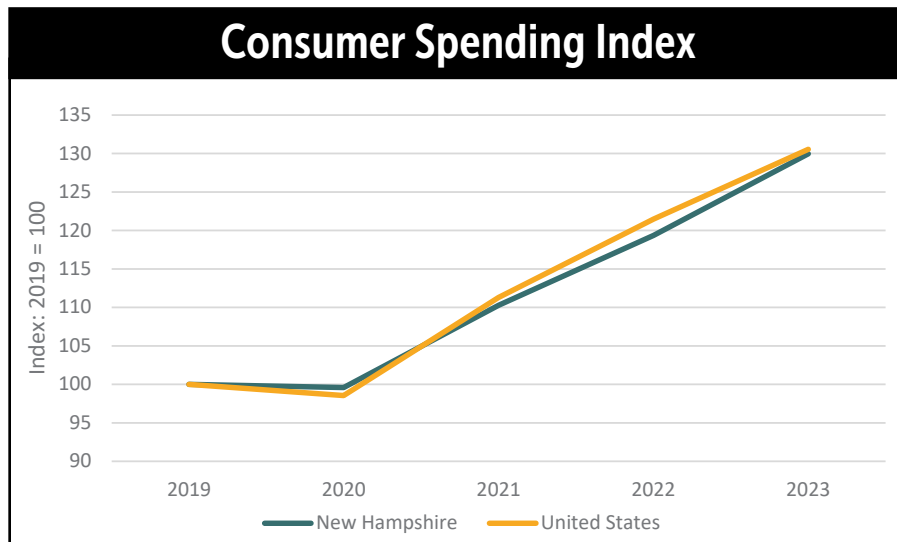
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Source: U.S. Bureau of Economic Analysis, Personal Consumption Expenditures

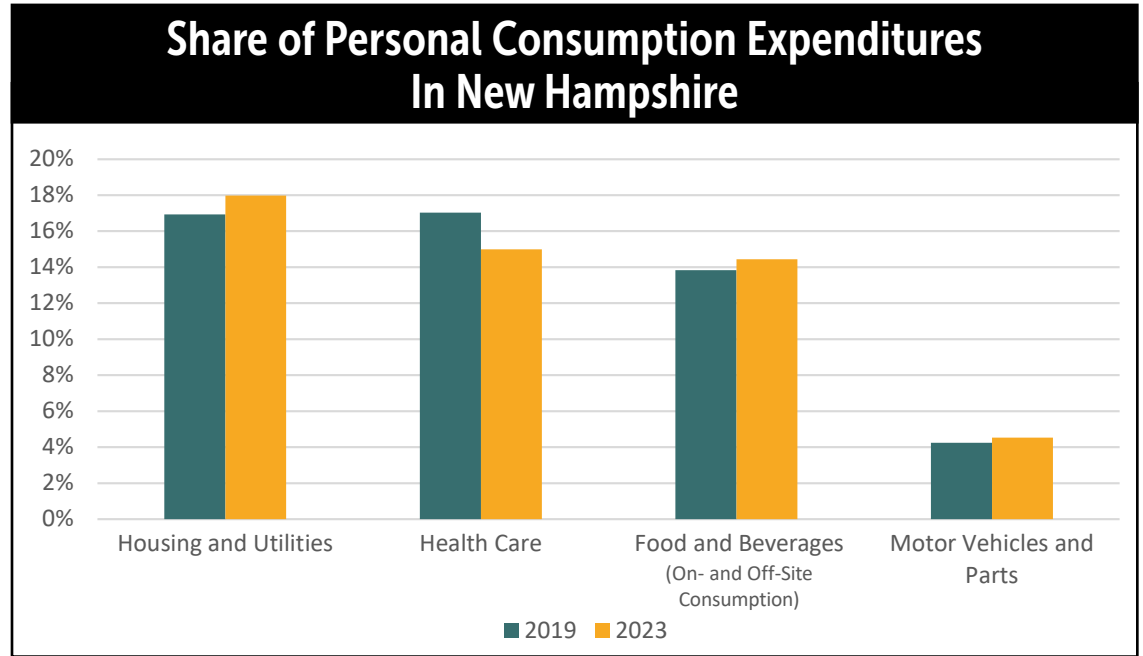


Source: U.S. Bureau of Economic Analysis, Personal Consumption Expenditures

¹ New Hampshire Fiscal Policy Institute, "New Hampshire Renters Were Cost-Burdened by Housing at Higher Rates than Homeowners in 2023," September 23, 2024. <https://nhfpi.org/blog/new-hampshire-renters-were-cost-burdened-by-housing-at-higher-rates-than-homeowners-in-2023/#:~:text=In%202023%2C%20approximately%2051%20percent,owner%20households%20without%20a%20mortgage.>

Spending in two other categories, food and beverages² and motor vehicles, increased between 2019 and 2023, reflecting the dramatic price increases these products experienced between 2021 and 2023. Spending on food and beverages increased from 13.7 percent of expenditures to 14.4 percent, while expenditures on motor vehicles increased from 4.2 percent to 4.5 percent.

The share of consumer spending on health care declined from 17.0 percent in 2019 to 15.0 percent in 2023. Total spending on health care increased over that time, but at a slower rate than overall consumer spending. Not adjusted for inflation, health care spending increased 18.9 percent over that time, compared to 33.9 percent for all consumer spending. While historically health care prices have increased at a faster rate than overall inflation, they increased at a slowed rate during and after the pandemic, which contributed to their smaller share of overall consumer spending. Medical care prices increased 10.2 percent between 2019 and 2023, compared to 19.2 for the total Consumer Price Index.



Source: U.S. Bureau of Economic Analysis, Personal Consumption Expenditures

Consumer Debt

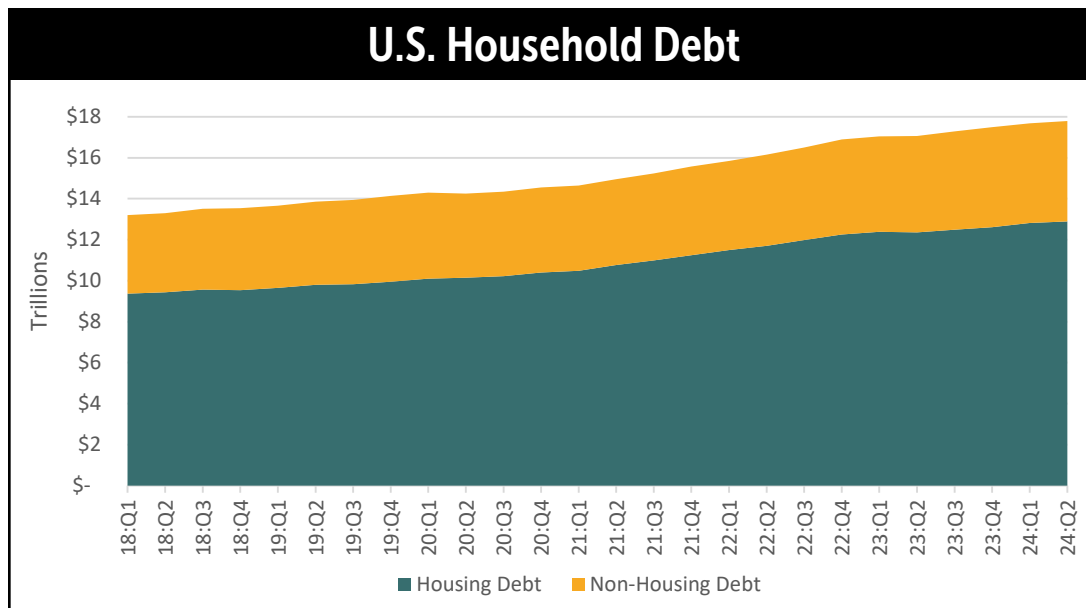
While consumer spending is largely supported by income, some spending is financed by debt, particularly large

purchases like houses, cars and college tuition. Housing is the largest source of consumer debt, accounting for \$12.9 trillion of U.S. household debt in the second quarter of 2024, nearly three quarters of all household debt.

Auto loans and student loans for U.S. consumers both totaled \$1.6 trillion, while credit card debt totaled \$1.1 trillion. Auto loans have been the fastest-growing source of consumer debt since 2020, likely because of the substantial increase in car prices during the pandemic. Student loan debt has plateaued since the start of the pandemic, as college enrollment in the U.S. declined, offsetting tuition increases.

Credit card debt fell during the first year of the coronavirus pandemic, from \$930 billion in the fourth quarter of 2019 to

\$770 billion in the first quarter of 2021. A decline in overall spending during the pandemic, combined with pandemic-era programs such as stimulus checks and supplemental unemployment benefits allowed some residents to increase their savings and pay down debt. This decline was temporary, and as spending increased again, credit card debt increased as well, reaching \$1.14 trillion in the second quarter of 2024. This was a 48 percent increase, the fastest-growing type of debt over that time.



Source: Federal Reserve Bank of New York, Household Debt and Credit Report

² In state-level data, food services and accommodations are not reported separately. Nationally, accommodations spending accounted for essentially the same share of total spending in 2023 as it did pre-pandemic, just over one percent.

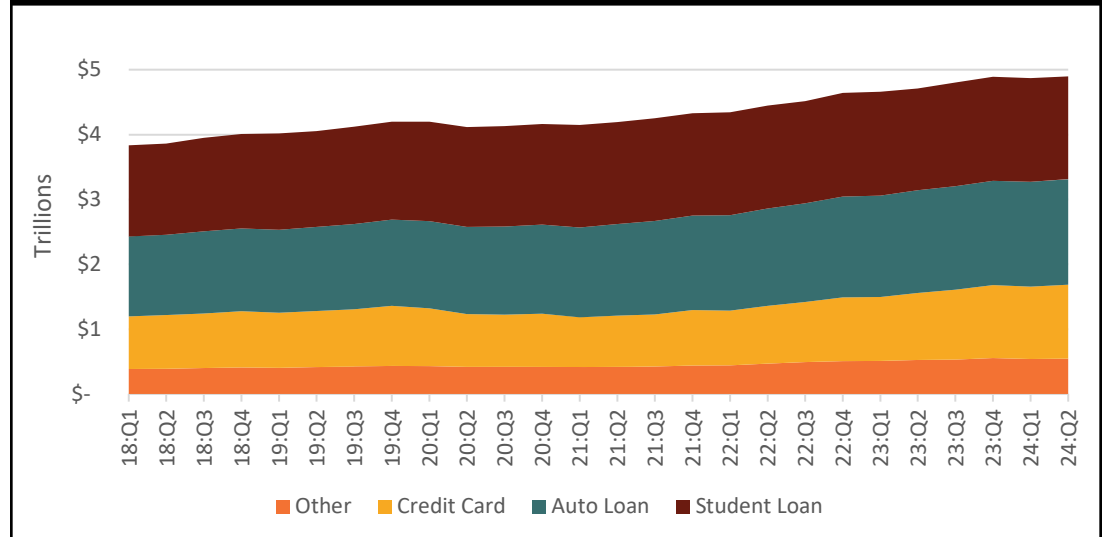
Delinquent Debt

Adjusted for inflation and income growth, the debt-to-income ratio has remained fairly constant since 2022, at around 0.75, meaning total debt was approximately three-quarters of total income.³ Overall, consumers are not overly burdened by debt. Consumer debt as a percentage of disposable personal income remains low by historical standards, although increasing rates of debt delinquency, especially among lower income households, suggest that an increasing number of consumers are struggling.

In the second quarter of 2024, 1.8 percent of U.S. consumer debt was considered seriously delinquent (more than 90 days delinquent), compared to approximately three percent of loans prior to the pandemic.⁴ Seriously delinquent loans have increased slightly since the fourth quarter of 2022, when 1.4 percent of loans were seriously delinquent.

Credit card debt was the fastest-growing type of delinquent debt. The percentage of credit card debt that was seriously delinquent increased from 8.0 percent in the second quarter of 2023 to 10.9 percent in the second quarter of 2024. This

Non-Housing Debt



Source: Federal Reserve Bank of New York, Household Debt and Credit Report

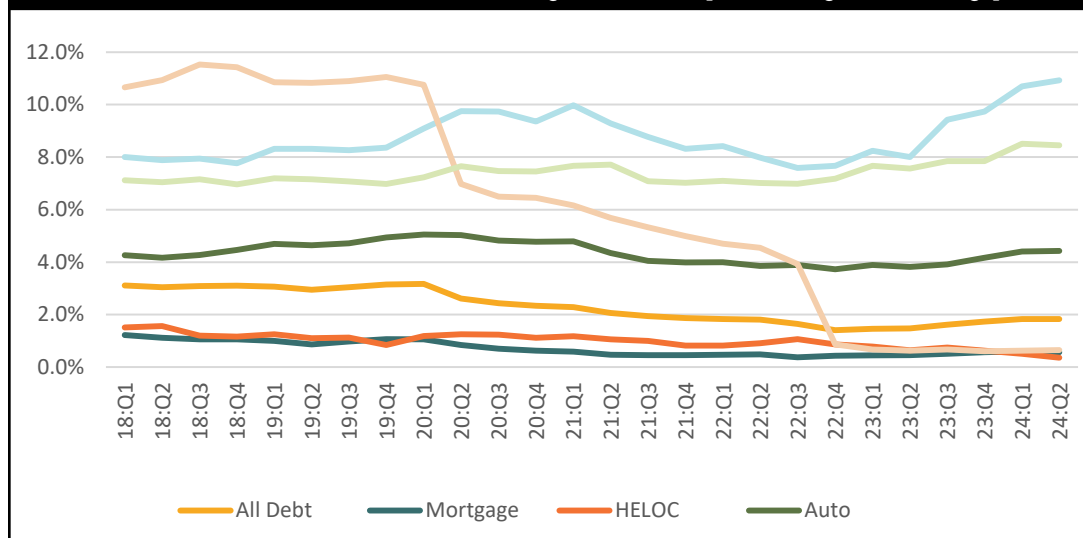
surpassed 2019 levels, when 8.3 percent of credit card debt was seriously delinquent. Credit card holders from New Hampshire had a lower rate of credit card delinquency (8.6 percent) than in the U.S. overall (12.2 percent) in the fourth quarter of 2023.⁵

Serious delinquencies for mortgages and home equity lines of credit (HELOC) were below one percent, although mortgage delinquencies trended up over the past year. Several pandemic-era programs assisted mortgage holders during the pandemic, including a moratorium on foreclosures for mortgages from government-sponsored

mortgage lenders and homeowner assistance funds. In addition to high home sale prices and mortgage rates, the expiration of these programs has likely contributed to the increase in foreclosures.

Through the first half of 2024, foreclosure activity was up slightly over the same period in 2023, but well below pre-pandemic levels.⁶ New Hampshire's foreclosure rate of 0.07 percent was approximately half of the U.S. rate, although it followed the same national trend; foreclosures were up six percent compared to 2023, but six percent below 2022 levels.

Percent of Balance 90+ Days Delinquent by Loan Type



Source: Federal Reserve Bank of New York, Quarterly Report on Household Debt and Credit

3 Jason P. Brown and Colton Tousey, "Consumer Debt Is High, but Consumers Seem to Have Room to Run," Federal Reserve Bank of Kansas City, May 17, 2024. <https://www.kansascityfed.org/research/economic-bulletin/consumer-debt-is-high-but-consumers-seem-to-have-room-to-run/>.
 4 Federal Reserve Bank of New York, Household Debt and Credit Report. <https://www.newyorkfed.org/microeconomics/hhdc>.
 5 Federal Reserve Bank of Philadelphia, Consumer Credit Explorer. <https://www.philadelphiafed.org/surveys-and-data/community-development-data/consumer-credit-explorer>.
 6 ATTOM, Foreclosure Activity in First Half of 2024 Down from Previous Year <https://www.attomdata.com/news/most-recent/mid-year-2024-foreclosure-market-report/>.

Delinquency rates for student loan debt fell drastically during the pandemic, from 11 percent in 2019 to under one percent in 2023 and the first half of 2024. This decline was due to several policies enacted by the federal government during the pandemic.⁷ Payments on federally backed student loans were paused during the pandemic, with payments resuming in October 2023. There was an additional one year “on-ramp” period, when student loan servicers did not report late, missing and partial payments to credit bureaus. The end of this period will be a challenge for many consumers with student loan debt, and the percentage of seriously delinquent student loans is likely to increase in the future.

Summary

While income and spending continued to grow steadily in 2024, consumer debt creates a more mixed picture of consumer spending and finances. Total debt has increased steadily, and although it remains at reasonable levels relative to income, rising rates of delinquent debt suggest an increase in the number of consumers who face financial stress.

Research from the U.S. Federal Reserve found that increased spending by middle- and high-income households (annual

income of more than \$60,000) has fueled consumer spending growth since mid-2021, while retail spending by lower-income households has increased at a lower rate.⁸ The authors hypothesized that the expiration of pandemic-era programs had a disproportionately large impact on lower-income households. Additionally, middle- and high-income households benefitted from increases to the value of investments and homes.

Housing has been a major source of increased wealth for many New Hampshire households, particularly those who purchased homes prior to the pandemic. These households have gained equity from rising home prices and had an opportunity to refinance existing mortgages at historically low interest rates.

For New Hampshire homeowners who purchased in recent years, housing is more likely to cause financial strain, as these homeowners purchased at high prices with high mortgage rates. While this will be an ongoing challenge, falling mortgage rates may offer an opportunity to refinance, lowering monthly mortgage payments.

– Greg David, Economist

⁷ U.S. Department of Education, Restarting Student Loan Payments. <https://studentaid.gov/manage-loans/repayment/prepare-payments-restart>.

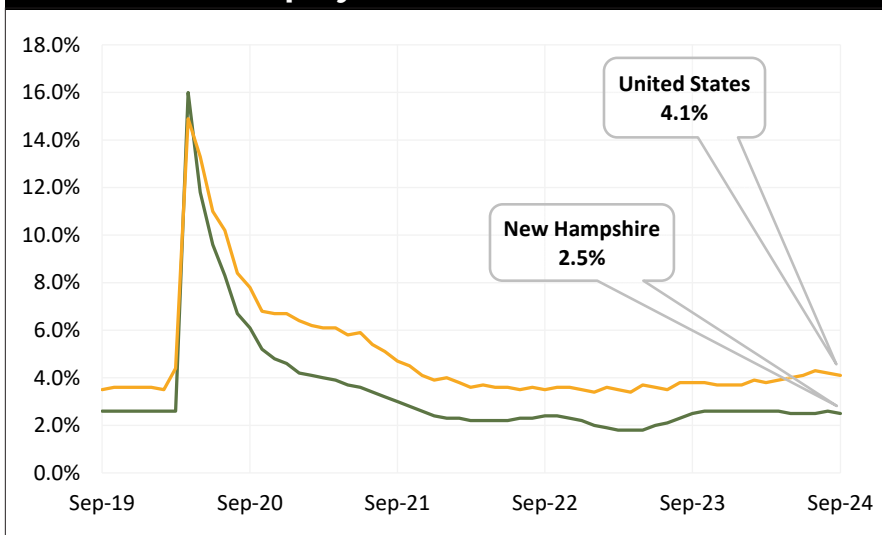
⁸ Sinem Hacıoğlu Hoke, Leo Feler, and Jack Chylak, “A Better Way of Understanding the US Consumer: Decomposing Retail Spending by Household Income,” Board of the Governors of the Federal Reserve System, October 11, 2024. <https://www.federalreserve.gov/econres/notes/feds-notes/a-better-way-of-understanding-the-u-s-consumer-decomposing-retail-spending-by-household-income-20241011.html>.

SEASONALLY ADJUSTED ESTIMATES

Unemployment Estimates by Region

Seasonally Adjusted	Sep-24	Aug-24	Sep-23
United States	4.1%	4.2%	3.8%
Northeast	4.0%	4.0%	3.9%
New England	3.5%	3.5%	3.3%
Connecticut	3.2%	3.4%	4.0%
Maine	2.8%	2.8%	3.2%
Massachusetts	3.8%	3.7%	3.3%
New Hampshire	2.5%	2.6%	2.5%
Rhode Island	4.6%	4.6%	3.2%
Vermont	2.2%	2.2%	2.2%
Mid Atlantic	4.2%	4.2%	4.2%
New Jersey	4.7%	4.8%	4.8%
New York	4.4%	4.4%	4.4%
Pennsylvania	3.4%	3.4%	3.3%

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-24	Aug-24	Sep-23	Month	Year
Total Nonfarm	714,100	712,000	700,400	2,100	13,700
Total Private	624,200	622,300	613,600	1,900	10,600
Mining and Logging	900	900	900	0	0
Construction	32,000	31,800	31,500	200	500
Manufacturing	70,100	69,700	70,700	400	-600
Durable Goods	52,300	52,000	52,600	300	-300
Non-Durable Goods	17,800	17,700	18,100	100	-300
Trade, Transportation, and Utilities	140,000	140,000	140,700	0	-700
Wholesale Trade	30,900	30,800	31,400	100	-500
Retail Trade	90,400	90,400	90,700	0	-300
Transportation, Warehousing, and Utilities	18,700	18,800	18,600	-100	100
Information	11,500	11,500	11,800	0	-300
Financial Activities	34,400	34,300	34,600	100	-200
Financial and Insurance	26,800	26,800	27,200	0	-400
Real Estate and Rental and Leasing	7,600	7,500	7,400	100	200
Professional and Business Services	101,300	101,400	98,200	-100	3,100
Professional, Scientific, and Technical Services	49,300	49,500	47,700	-200	1,600
Management of Companies and Enterprises	11,000	11,000	11,000	0	0
Administrative and Support and Waste Management and Remediation Services	41,000	40,900	39,500	100	1,500
Education and Health Services	134,200	133,300	126,400	900	7,800
Educational Services	33,300	32,500	30,900	800	2,400
Health Care and Social Assistance	100,900	100,800	95,500	100	5,400
Leisure and Hospitality	74,500	74,100	73,900	400	600
Arts, Entertainment, and Recreation	14,600	14,300	13,800	300	800
Accommodation and Food Services	59,900	59,800	60,100	100	-200
Other Services	25,300	25,300	24,900	0	400
Government	89,900	89,700	86,800	200	3,100
Federal Government	9,100	9,100	8,800	0	300
State Government	22,800	22,800	22,300	0	500
Local Government	58,000	57,800	55,700	200	2,300

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-24	Aug-24	Sep-23
Total Civilian Labor Force	774,510	781,260	759,870
Employed	758,710	758,030	741,710
Unemployed	15,800	23,230	18,160
Unemployment Rate	2.0%	3.0%	2.4%

United States (# in thousands)	Sep-24	Aug-24	Sep-23
Total Civilian Labor Force	168,569	168,763	167,718
Employed	162,046	161,348	161,669
Unemployed	6,524	7,415	6,049
Unemployment Rate	3.9%	4.4%	3.6%

Unemployment Rates by Area

Counties	Sep-24	Aug-24	Sep-23
Belknap	2.0%	2.9%	2.3%
Carroll	2.0%	2.9%	2.6%
Cheshire	2.1%	3.2%	2.6%
Coös	2.0%	3.1%	2.5%
Grafton	1.8%	2.8%	2.3%
Hillsborough	2.1%	3.1%	2.4%
Merrimack	1.9%	2.8%	2.2%
Rockingham	2.1%	3.0%	2.4%
Strafford	2.0%	2.9%	2.4%
Sullivan	1.9%	2.8%	2.2%

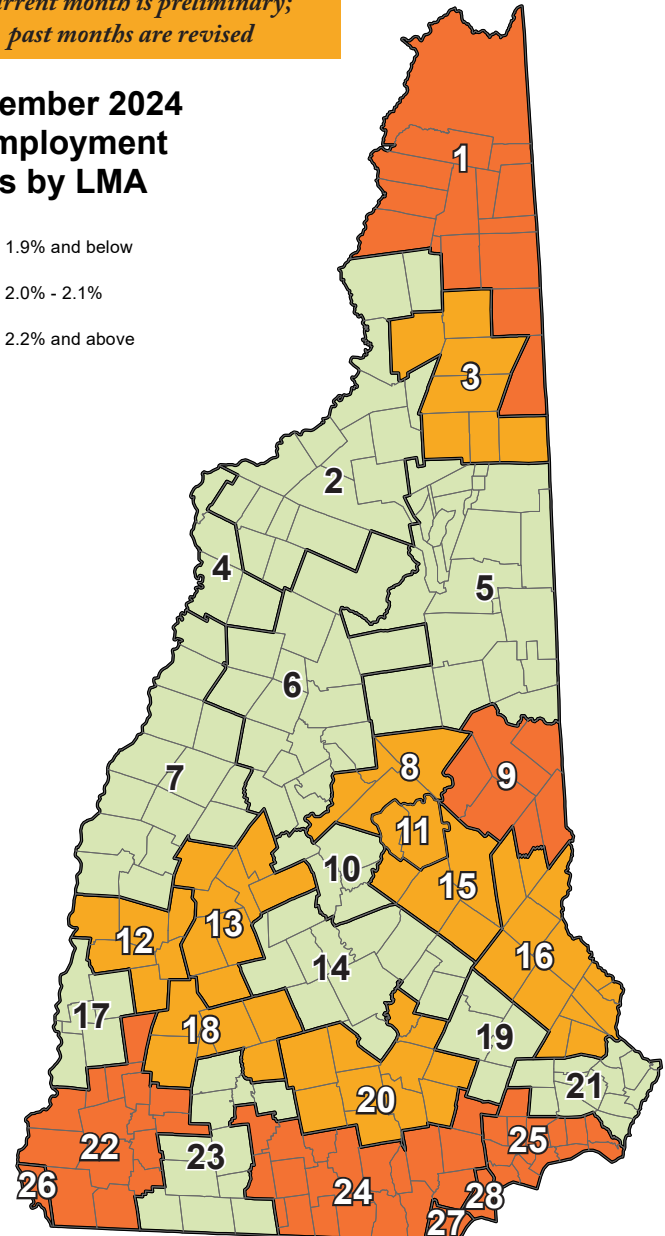
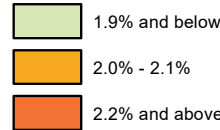
Map Key	Labor Market Areas	Sep-24	Aug-24	Sep-23
1	Colebrook, NH-VT LMA, NH Portion	2.2%	3.5%	2.6%
2	Littleton, NH-VT LMA, NH Portion	1.6%	2.7%	2.1%
3	Berlin NH Micropolitan NECTA	2.1%	3.3%	2.8%
4	Haverhill, NH LMA	1.9%	3.0%	2.2%
5	Conway, NH-ME LMA, NH Portion	1.9%	2.7%	2.4%
6	Plymouth, NH LMA	1.9%	2.7%	2.3%
7	Lebanon, NH-VT Micropolitan NECTA, NH Portion	1.8%	2.8%	2.3%
8	Meredith, NH LMA	2.0%	2.8%	2.3%
9	Wolfeboro, NH LMA	2.3%	3.1%	2.7%
10	Franklin, NH LMA	1.8%	2.8%	2.3%
11	Laconia, NH Micropolitan NECTA	2.0%	3.0%	2.6%
12	Expanded Claremont, NH estimating area	1.9%	2.8%	2.2%
13	New London, NH LMA	2.0%	2.9%	2.6%
14	Concord, NH Micropolitan NECTA	1.8%	2.7%	2.2%
15	Belmont, NH LMA	2.0%	2.9%	2.3%
16	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	2.0%	2.9%	2.4%
17	Charlestown, NH LMA	1.8%	2.9%	2.1%
18	Hillsborough, NH LMA	2.0%	3.0%	2.3%
19	Raymond, NH LMA	1.8%	2.6%	2.1%
20	Manchester, NH Metropolitan NECTA	2.0%	2.9%	2.3%
21	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	1.8%	2.6%	2.1%
22	Keene, NH Micropolitan NECTA	2.2%	3.3%	2.6%
23	Peterborough, NH LMA	1.9%	3.0%	2.5%
24	Nashua, NH-MA NECTA Division, NH Portion	2.2%	3.2%	2.5%
25	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	2.2%	3.2%	2.6%
26	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	2.6%	3.6%	2.7%
27	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	2.6%	3.7%	3.1%
28	Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division	2.5%	3.5%	2.8%

Unemployment Rates by Region

Not Seasonally Adjusted	Sep-24	Aug-24	Sep-23
United States	3.9%	4.4%	3.6%
Northeast	3.6%	4.6%	3.7%
New England	3.1%	3.9%	3.1%
Connecticut	2.5%	3.4%	3.7%
Maine	2.6%	2.6%	2.7%
Massachusetts	3.6%	4.5%	3.1%
New Hampshire	2.0%	3.0%	2.4%
Rhode Island	3.9%	5.4%	2.7%
Vermont	2.2%	2.4%	2.0%
Mid Atlantic	3.7%	4.8%	3.9%
New Jersey	4.1%	5.4%	4.5%
New York	4.0%	4.9%	4.2%
Pennsylvania	3.0%	4.2%	3.0%

Current month is preliminary; past months are revised

September 2024 Unemployment Rates by LMA



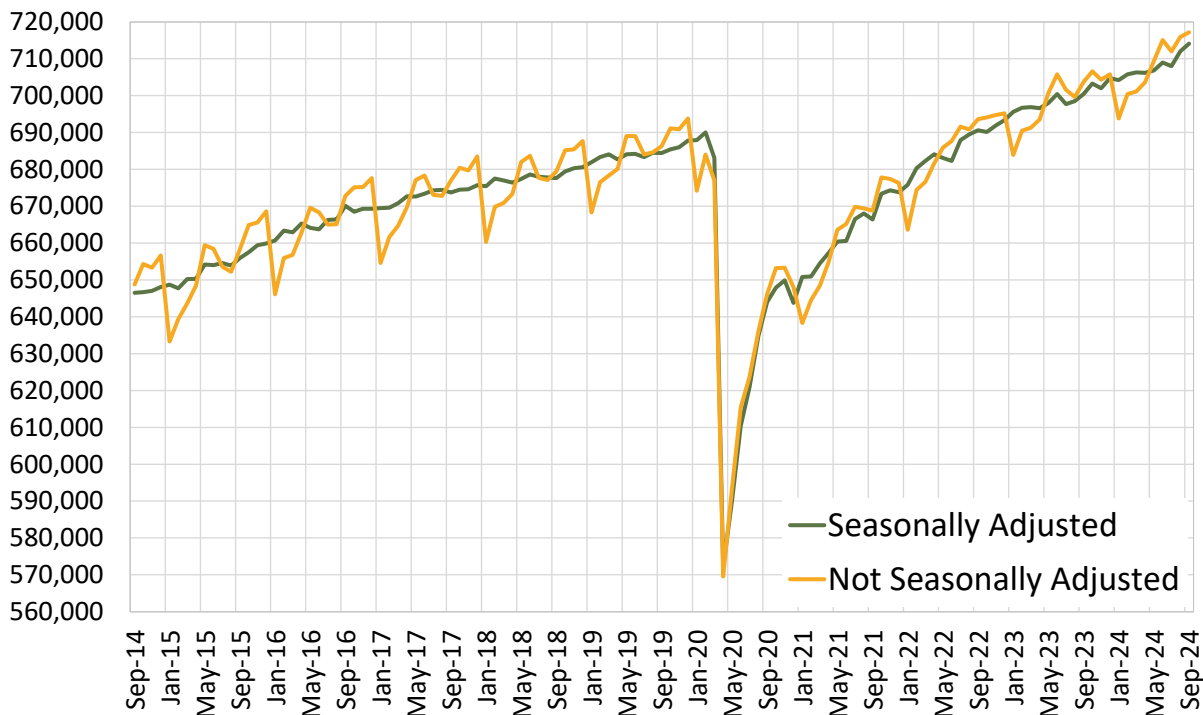
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

New Hampshire Nonfarm Employment Statewide
Not Seasonally Adjusted

Current month
is preliminary;
past months
are revised

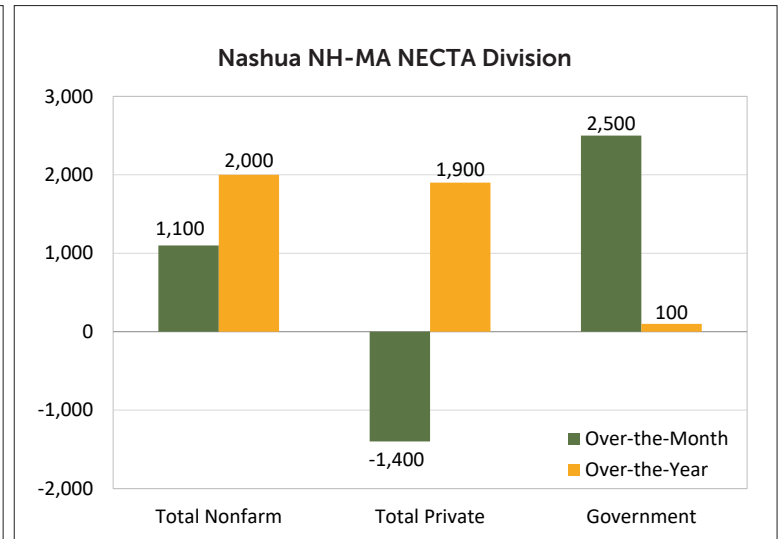
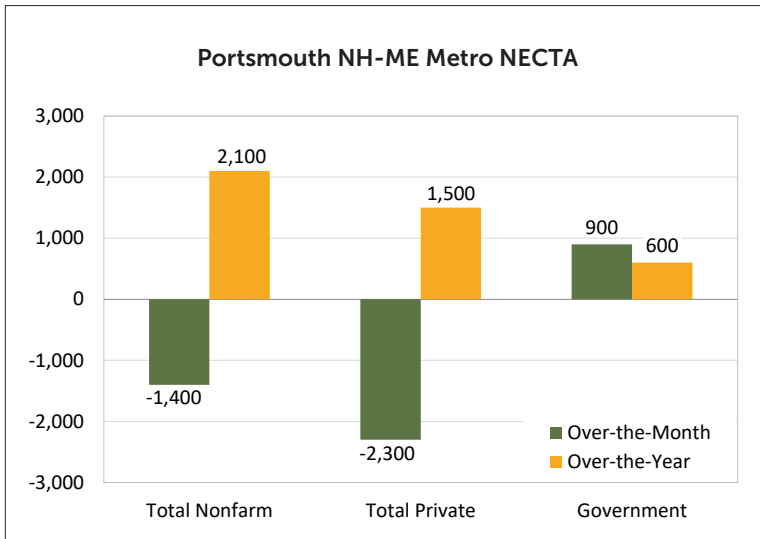
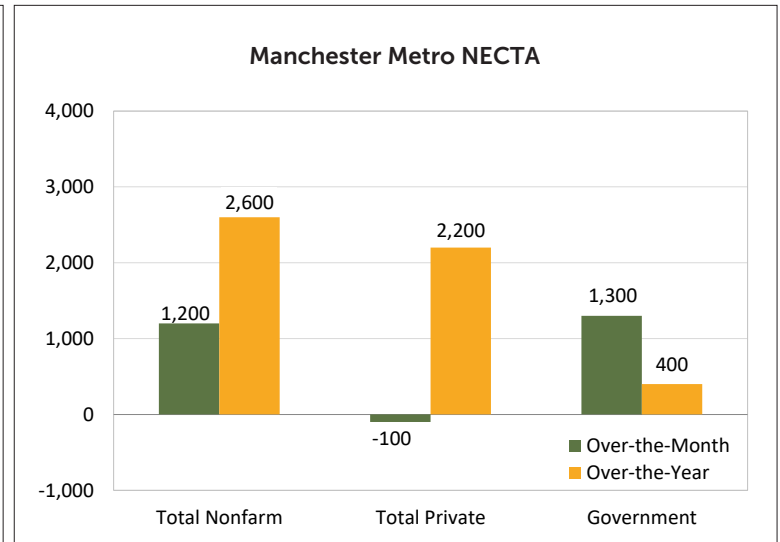
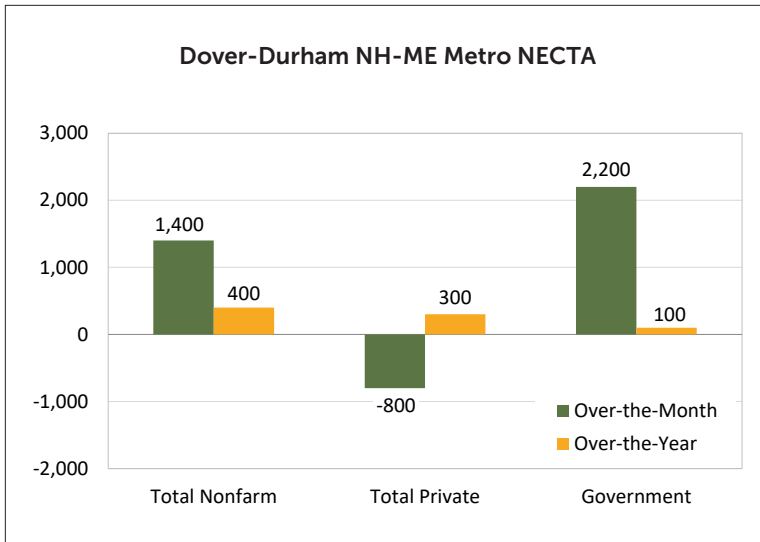
	Number of Jobs			Change From Previous	
	Sep-24	Aug-24	Sep-23	Month	Year
Total Nonfarm	717,200	715,900	703,700	1,300	13,500
Total Private	625,800	635,000	615,300	-9,200	10,500
Mining and Logging	900	900	900	0	0
Construction	32,900	33,400	32,300	-500	600
Manufacturing	70,300	70,200	70,500	100	-200
Durable Goods	52,500	52,300	52,400	200	100
Non-Durable Goods	17,800	17,900	18,100	-100	-300
Trade, Transportation, and Utilities	139,100	140,800	139,300	-1,700	-200
Wholesale Trade	31,000	31,300	31,300	-300	-300
Retail Trade	89,400	91,400	89,400	-2,000	0
Transportation, Warehousing, and Utilities	18,700	18,100	18,600	600	100
Information	11,500	11,600	11,700	-100	-200
Financial Activities	34,700	34,700	34,500	0	200
Professional and Business Services	100,700	101,500	98,500	-800	2,200
Education and Health Services	134,100	131,200	126,900	2,900	7,200
Leisure and Hospitality	76,300	84,400	75,800	-8,100	500
Other Services	25,300	26,300	24,900	-1,000	400
Government	91,400	80,900	88,400	10,500	3,000
Federal Government	9,100	9,100	8,800	0	300
State Government	23,300	20,900	22,900	2,400	400
Local Government	59,000	50,900	56,700	8,100	2,300

Total Nonfarm Employment Trend Through September 2024

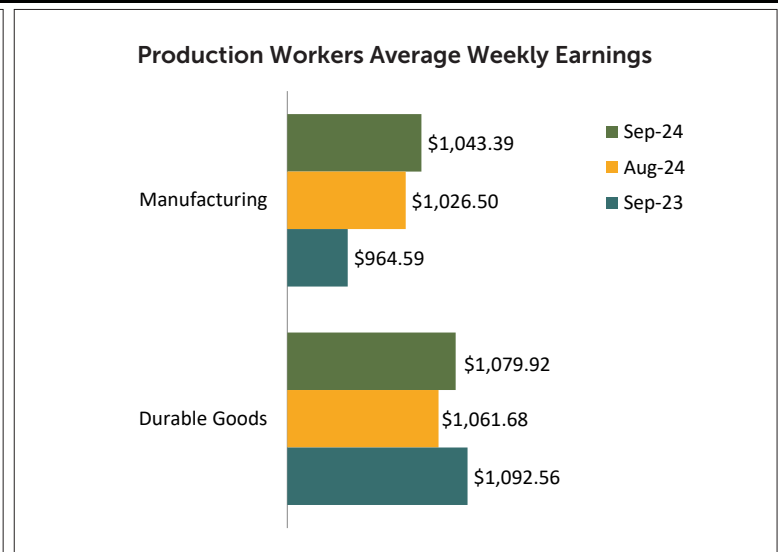
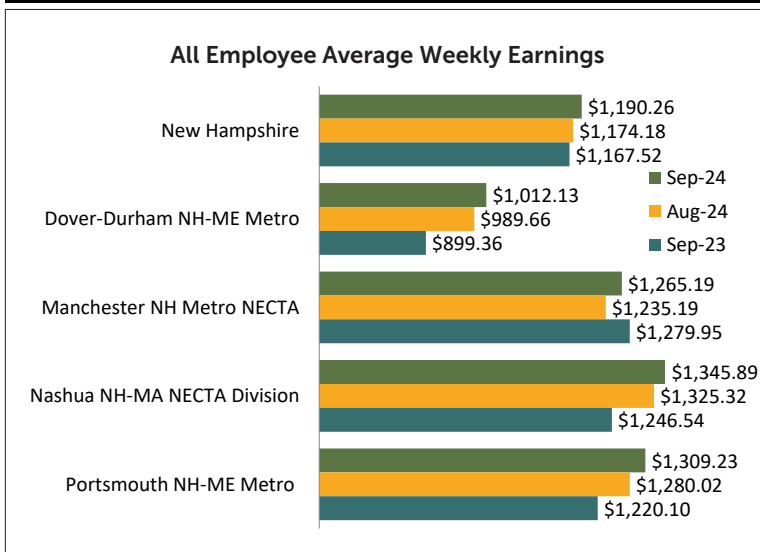


MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Nonfarm Employment by Metropolitan Statistical Areas - September 2024



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 714,100 jobs in September, based on preliminary seasonally adjusted estimates. This was an increase of 1,900 non-farm private industry jobs while government employment increased by 200 over the month. Five private industry supersectors experienced over-the-month employment gains and one supersector experienced a loss. Seasonally adjusted over-the-month changes reflect the number of jobs that are not attributable to a regular seasonal pattern of employment variability.

Employment in the private education and health services supersector increased by 900 in September. The manufacturing and leisure and hospitality supersectors each added 400 jobs over the month. Construction employment increased by 200, while the financial activities supersector expanded payrolls by 100 over the month. Employment in mining and logging, trade, transportation, and utilities, information and other services was unchanged from the previous month. The professional and business services supersector contracted by 100 jobs after the seasonal adjustment.

Total nonfarm employment in September 2024 was 24,100 jobs above the pre-pandemic level in February 2020. Employment in professional and business services was 16,300 above the pre-pandemic level, while employment in the private education and health services supersector was 7,500 jobs above the February 2020 level

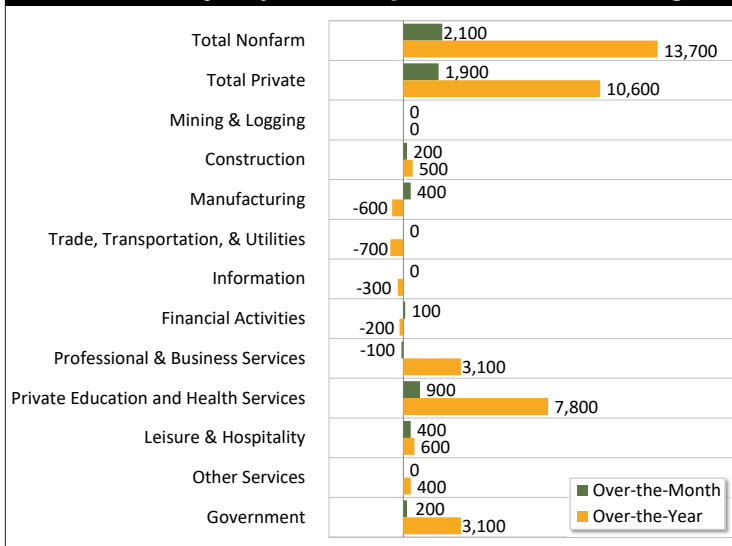
Not Seasonally Adjusted

Preliminary unadjusted estimates for September 2024 indicate that total nonfarm employment increased by 13,500 jobs since September 2023. Six private industry supersectors experienced over the year employment gains and three experienced over-the-year losses. Employment in mining and logging was unchanged from September 2023, while government employment increased by 3,000 over the year.

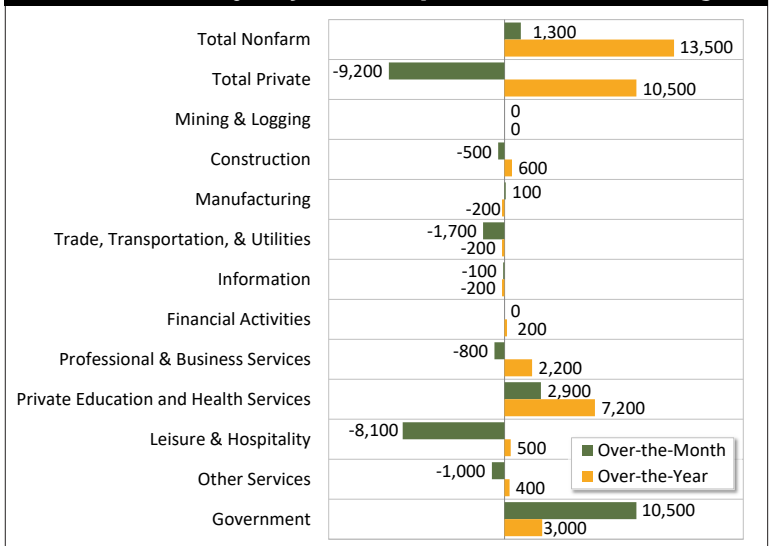
Private education and health services experienced the largest increase, with 7,200 more positions than in September 2023. The professional and business services supersector expanded payrolls by 2,200 while construction added 600 jobs. Employment in the leisure and hospitality supersector increased by 500 over the year, while the other services supersector gained 400 jobs and financial activities added 200. Employment in the manufacturing, trade, transportation, and utilities and information supersectors decreased by 200 positions over the year.

– Robert Cote, Assistant Director

Seasonally Adjusted September 2024 Change



Not Seasonally Adjusted September 2024 Change

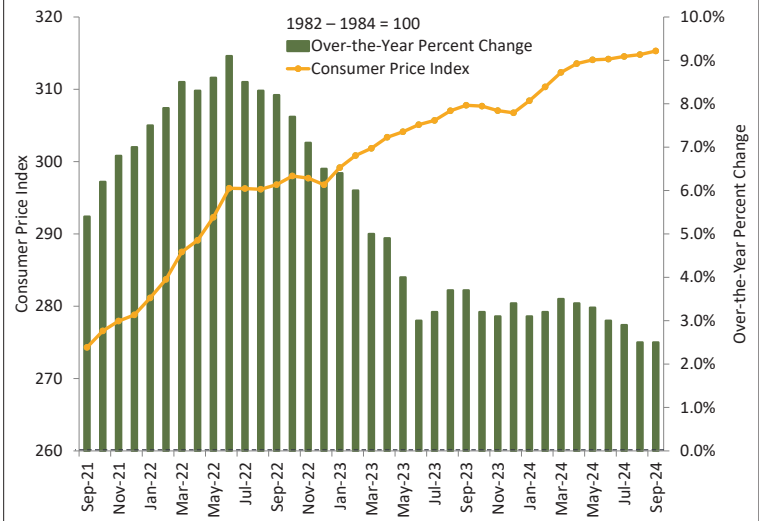


Consumer Price Index

United States, All Urban Consumers				
Not Seasonally Adjusted (CPI-U) (1982-1984=100)				
			Change From Previous	
Sep-24	Aug-24	Sep-23	Month	Year
315.301	314.796	307.789	0.2%	2.4%

Northeast, All Urban Consumers				
Not Seasonally Adjusted (CPI-U) (1982-1984=100)				
			Change From Previous	
Sep-24	Aug-24	Sep-23	Month	Year
327.156	326.140	316.373	0.3%	3.4%

Consumer Price Index United States, All Urban Consumers



Unemployment Compensation Claims Activity

	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Initial Claims	2,188	1,571	2,133	1,445	1,965	1,454
Continued Weeks Claimed	14,347	12,061	11,606	14,786	14,861	13,068
Average payment for a week of unemployment	\$375.19	\$375.44	\$378.36	\$359.16	\$360.38	\$385.30

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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