

# Reviving New Hampshire's Workforce



2021 Economic Analysis Report



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**State of New Hampshire**

Christopher T. Sununu, *Governor*

**New Hampshire Employment Security**

George N. Copadis, *Commissioner*

**Economic and Labor Market Information Bureau**

Brian Gottlob, *Director*

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The following **New Hampshire Employment Security** staff were instrumental in producing this publication:

## **Economic and Labor Market Information Bureau**

Annette Nielsen, *Economist*

## **Cover design and pre-press layout**

Deborah J. Dunn, *Informational/Web Site Representative*

## **Web Publishing and Printing Services**

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## **For further information about this analysis, contact:**

Annette Nielsen  
603-229-4427 | [Annette.Nielsen@nhes.nh.gov](mailto:Annette.Nielsen@nhes.nh.gov)

## **Economic and Labor Market Information Bureau**

New Hampshire Employment Security  
45 South Fruit Street  
Concord, New Hampshire 03301  
603-228-4124  
[elmi@nhes.nh.gov](mailto:elmi@nhes.nh.gov)  
[www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

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## The Year of the Pandemic in Review 2020-2021

On May 7, 2021 at 11:59 p.m., the state's "Safer at Home" advisory expired and "Universal Best Practices" took its place. The "Safer at Home" order was instituted when businesses were allowed to open in June 2020, with social distancing space, reduced customer capacity, and other restrictions in place, such as wearing face masks. "Universal Best Practices" guidance helps local businesses figure out how to operate safely, yet enjoy more flexibility in order to conduct business in a practical and sustainable manner. This transition to a more open society with fewer restrictions on the individual is a move toward a back to pre-pandemic normal. As of May 2021, more than 60 percent of New Hampshire's residents had received their first dose of vaccine and, as the number of residents testing positive for COVID-19 and hospitalizations are trending down, it is time for residents not to be fearful of returning to normal daily activities such as work, school, and leisure activities such as dining out and being a spectator at live events.

More than a year into the COVID-19 pandemic, it is time to evaluate how the economy has fared through a very challenging year. The abrupt nature of the pandemic hit the state at a time when the economy was thriving. Private employment had been growing by one to two percent annually since 2010. Through this long expansion, new establishments had emerged, many related to leisure and hospitality, such as breweries, music venues, and coffee shops. The pandemic forced the closure of many live events as well as other in-person services, so the employment

contraction in the leisure and hospitality industry was rapid and extensive.

## The State of the Labor Force in 2020 – Focus on the Employment to Population Ratio<sup>1</sup>

In response to the abrupt mid-March closure of businesses deemed nonessential to slow the spread of disease, the unemployment rate in New Hampshire shot up to 16.0 percent. As more businesses reopened and the virus seemed better controlled, many activities resumed over the summer of 2020.

Among New England states, only in Vermont has the unemployment rate improved as much as in New Hampshire. In both states the rate has returned closer to pre-pandemic levels. One reason might be the geographic proximity to metropolitan New York and Boston. Both New Hampshire and Vermont, as well as Maine, have a large share of second or vacation homes and condos.<sup>2</sup> There was a surge in people migrating out of areas with a high population density to rural areas with more space, in an attempt to escape the risk of contracting COVID-19.<sup>3</sup> Whether the surge is temporary or permanent has yet to be determined.

As more individuals worked from home and did not need to be physically at their place of work, the location of their residence mattered less. People with vacation homes — which may or may not have been suitable for year-round residency — temporarily relocated. Others snapped up available real estate. From 2019 to 2020, the median price of a single-family home in New Hampshire increased by 11.7 percent, and average days on market

<sup>1</sup> All Local Area Unemployment Statistics data are seasonally adjusted and benchmarked in March 2021.

<sup>2</sup> <https://www.bloomberg.com/news/articles/2019-07-16/the-most-and-least-popular-states-for-u-s-vacation-homes>

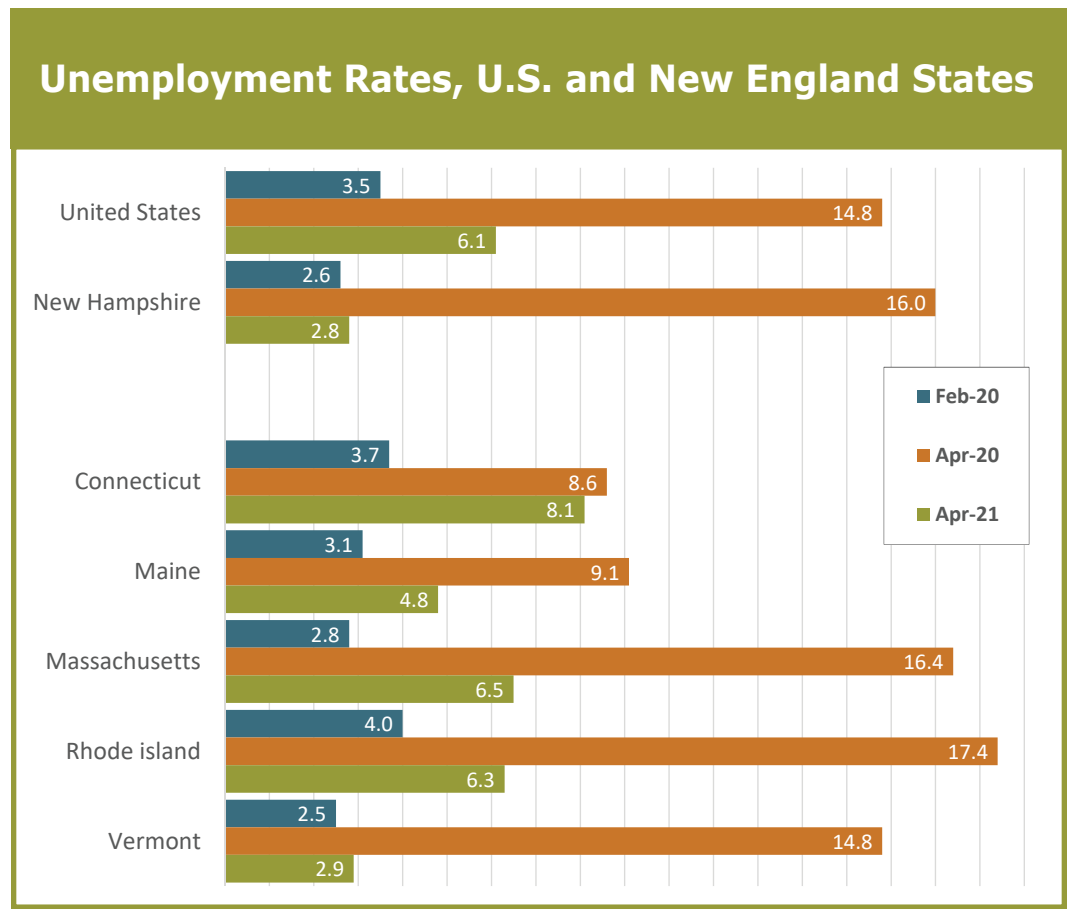
<sup>3</sup> The death rate from coronavirus per 100,000 was more than 2.5 times higher for New York and Massachusetts than for New Hampshire. Death rates from coronavirus (COVID-19) in United States as May 26, 2021, by states (per 100,000 people). <https://www.statista.com/statistics/1109011/coronavirus-covid19-death-rates-us-by-state/>

dropped by 16 percent, to 47 days.<sup>4</sup> Food and beverage shops in rural areas, providers of home maintenance and repair services, and retailers selling equipment and services related to outdoor activities seemed to flourish. Small town school systems reported large increases in enrollments,<sup>5</sup> as did private schools, who were less likely to use remote or hybrid instruction.<sup>6</sup> The increase in demand for services due to a population surge resulted in a relatively quick return to a pre-pandemic labor market.

As the season for summer hiring approaches, there is concern among businesses in leisure and hospitality, as well as other industries, that there will be a labor shortage.<sup>7</sup>

### How Much Slack is there in the Labor Market?

Many workers opted out of the labor force over the year. With the pandemic leading residents to leave the labor force for fear of contracting COVID-19, as well as the closure and semi-closure of child care services and



Source: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics

<sup>4</sup> New England Real Estate Network/NHAR, New Hampshire Single-Family Home Sales [https://www.nhar.org/assets/pdf/marketdata/yearoveryear/98-20\\_statewide\\_only.pdf](https://www.nhar.org/assets/pdf/marketdata/yearoveryear/98-20_statewide_only.pdf)

<sup>5</sup> <https://www.nhbr.com/school-enrollment-spikes-seen-in-some-new-hampshire-districts/>; <https://www.wmur.com/article/some-nh-schools-see-increase-in-enrollment-due-to-COVID-19/34197029>

<sup>6</sup> <https://www.nhpr.org/post/nhs-private-schools-see-uptick-interest-during-pandemic#stream/0>

<sup>7</sup> Some NH businesses see extended jobless benefits as fueling labor shortages. Some NH businesses see extended jobless benefits as fueling labor shortage - NH Business Review (nhbr.com)

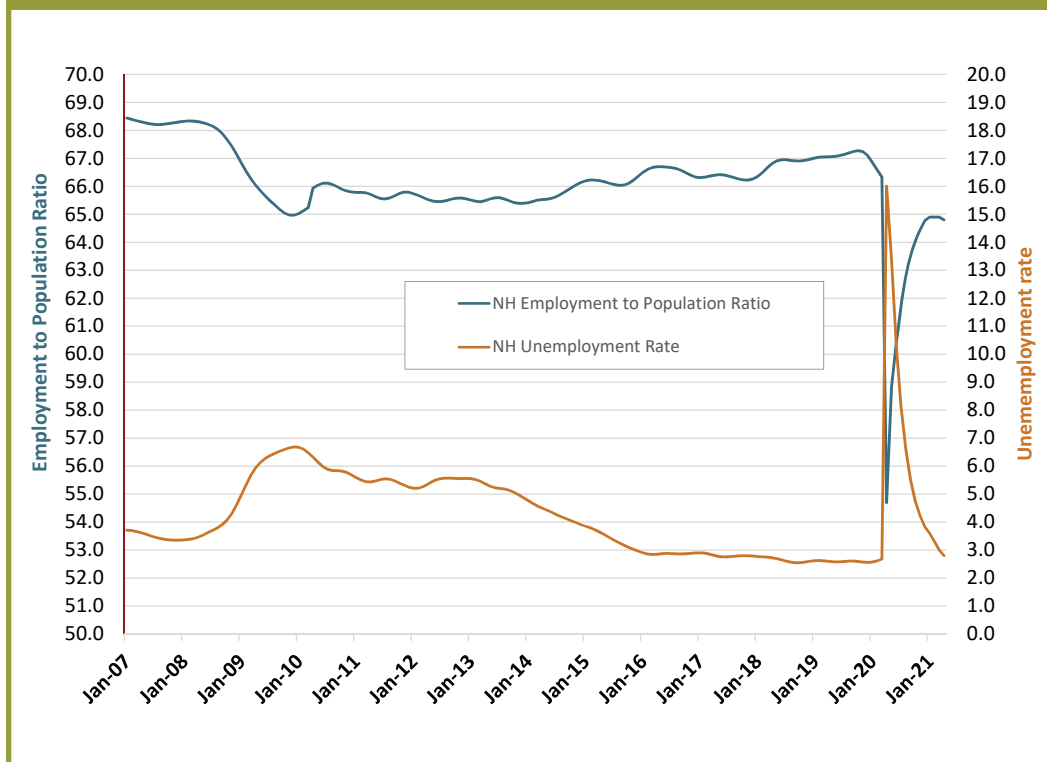
schools (hybrid model),<sup>8</sup> the employment to population ratio offers insight on how much slack there is in the labor market. In contrast to the relatively strong recovery the unemployment rate indicates, the employment to population ratio provides a broader perspective on the condition of the labor market.

Many reasons for not participating in the labor force during the pandemic (such as child or elder care issues, having to assist children with online schooling, fear of becoming ill themselves, or required quarantine due to

possible exposure to coronavirus) existed during the pandemic and have been mitigated but have not totally disappeared. From March 2020 until May 23, 2021, the requirement to actively look for employment when collecting unemployment benefits was waived.<sup>9</sup>

Comparing the relationship between the unemployment rate and the employment to population ratio shows that when the unemployment rate peaked at 16.0 percent in April 2020, the employment to population ratio bottomed out at just 54.7 percent (a low not experienced in New Hampshire since at

### New Hampshire's Employment to Population Ratio Has Not Recovered to A Pre-Pandemic Level, Even Though the Unemployment Rate Has Levelled Off to 2018-2019 Averages



Source: Local Area Unemployment Statistics, Economic and Labor Market Information Bureau

<sup>8</sup> The majority of New Hampshire's schools returned to in-person learning on April 19, 2021.

<sup>9</sup> Starting May 23rd the department will once again be requiring claim filers to conduct a weekly work search as a condition for being considered eligible for unemployment benefits. Accessed on May 10, 2021 at <https://www.unemploymentbenefits.nh.gov/>



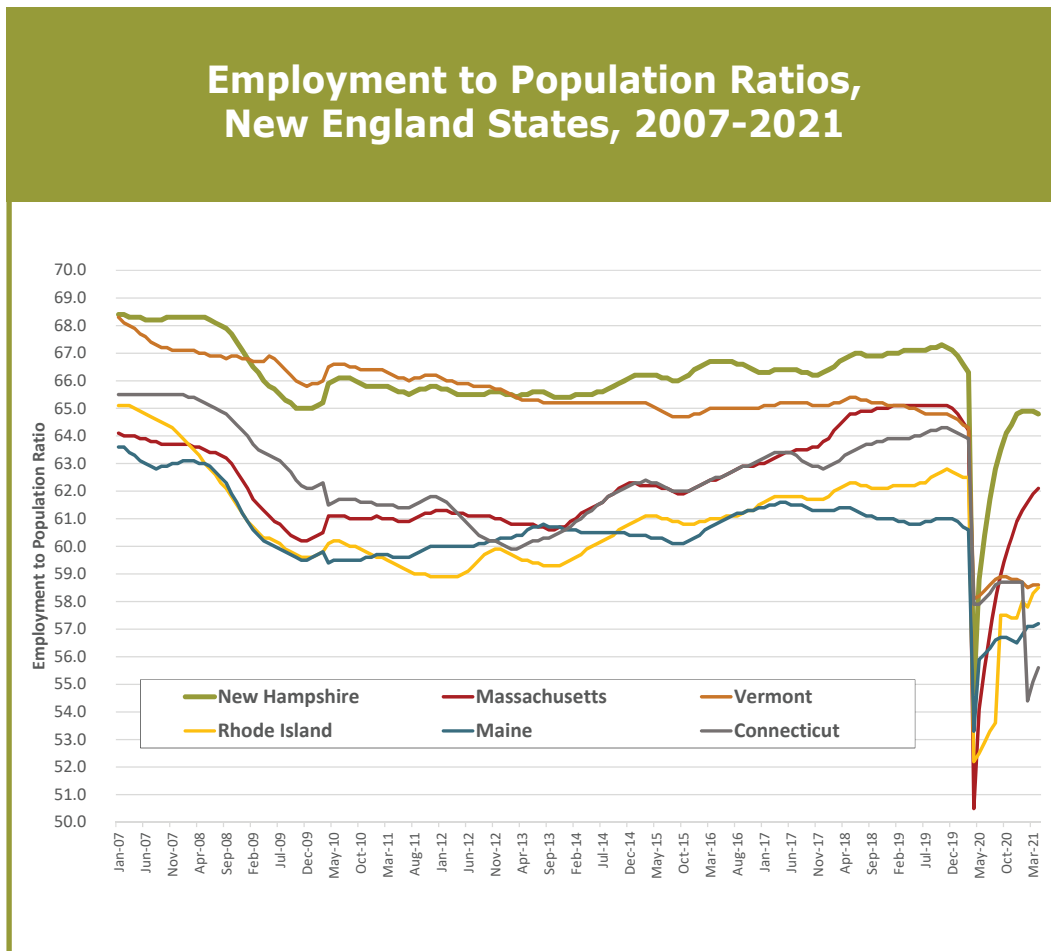
least 1976). In April 2021, the unemployment rate had declined to 2.8 percent, a rate within the pre-pandemic range for New Hampshire's labor market. Yet the employment to population ratio had returned to just 64.8, a figure that had not been experienced in New Hampshire since the late fall of 2009. During the "Great Recession" when the employment to population ratio was below 65 percent, the unemployment rate rose as high as 6.7 percent. The labor force participation rate is currently at 66.7 percent (April 2021).

These data suggest that there is still some slack in the current labor market. As some barriers to returning to the labor force were lifted in spring 2021, and vaccination rates are

rising, an increase in labor force participation should occur.

"The story here is that their [the Federal Reserve] 'broad and inclusive goal' of maximum employment isn't at all represented by the unemployment rate. Even at 3.5% [nationally], they figure there will be slack to exploit, perhaps especially in the most hard-hit segments of the job market such as working-age women and minorities"<sup>10</sup>

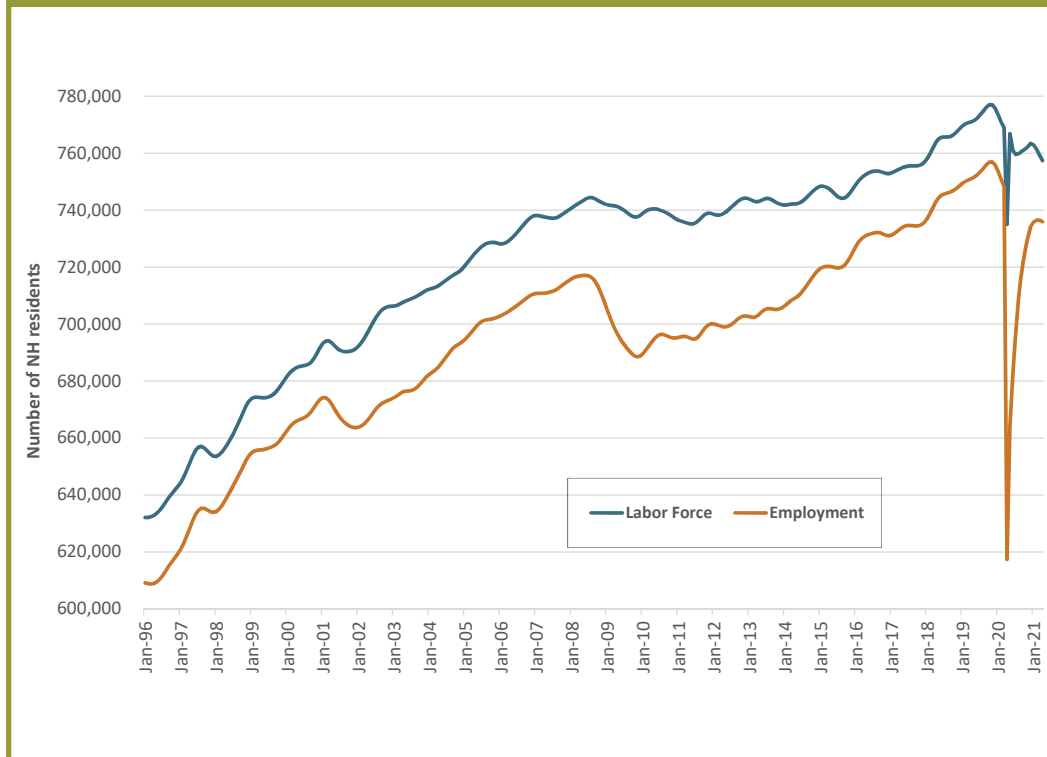
The employment to population ratio for all New England states shows a similar pattern, with the employment to population ratio dropping sharply in April 2020. Historically, a combination of a high labor force participation and a low level of unemployment have



Source: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics

<sup>10</sup> Torres, Craig. Jerome Powell's Fed Wants the Bond Market to Hear Three Messages, Bloomberg, March 19, 2021

### Mirroring the Stark Drop In the Employment to Population Ratio Is the Drop In Employment and Labor Force



Source: Local Area Unemployment Statistics, Economic and Labor Market Information Bureau

resulted in New Hampshire and Vermont having very high employment to population ratios.

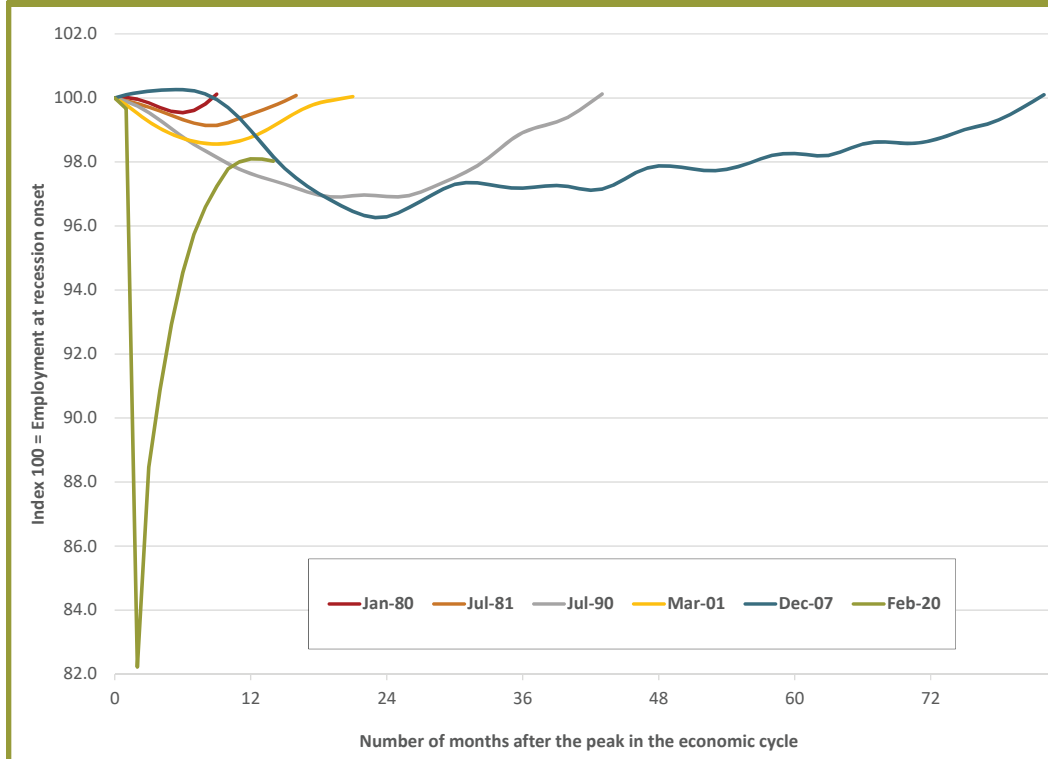
After the initial drop in April 2020, the employment to population ratios in all New England states improved. New Hampshire and Massachusetts experienced the most improvement, yet none of the states have returned to their pre-pandemic level. This indicates that there is plenty of slack in the labor market.

In comparison to the other New England states, however, New Hampshire's labor market appears to be significantly tighter.

The main factor in the employment to population ratio calculation is the number of employed residents. In New Hampshire, the number of employed residents decreased from 748,300 in March 2020 to 617,340 in April 2020, a drop of 131,000 employed residents.<sup>11</sup> The April 2020 level of employment was the lowest in New Hampshire since the fall of 1996. Employment rebounded in the following months, with the majority of losses recovered as the economy reopened for business over the spring and summer, though many business operated with a limitation on capacity and additional safety measures installed. From April to May of 2020, about 46,900 New Hampshire residents returned to work or

<sup>11</sup> New Hampshire Local Area Unemployment Statistics, Seasonally Adjusted. <https://www.nhes.nh.gov/elmi/statistics/documents/2020-bm-la-us.pdf>

**As the Spread of the COVID-19 Disease Forced the Closure of Non-Essential Businesses In New Hampshire, Employment Was Not A Lagging But Rather An Immediate Indicator During the 2020 Economic Downturn**



**Source:** Local Area Unemployment Statistics, Economic and Labor Market Information Bureau

regained employment. A similar number of residents were added to employment during the summer months of 2020 (June, July, and August). The employment recovery slowed down at the end of 2020, and a year into the pandemic (April 2021), the gains in resident employment still have not completely returned to pre-pandemic levels. As of April 2021, the number of employed residents was 2.8 percent below the pre-pandemic peak of November 2019.

New Hampshire's labor force declined simultaneously, dropping from 768,900 in March 2020 to 735,030 in April 2020. The April 2020 labor force level was the lowest in New Hampshire since mid-2011.

The labor force recovered a large portion in the following month (May 2020) but has been wavering at that level since. The labor force is currently 2.5 percent below the prior peak in October 2019.

Comparing employment loss and recovery with those of past recessions shows how abrupt employment losses were in response to business closures, followed by the return to employment when businesses reopened as pandemic restrictions began to ease. The current status of the labor market, approximately two percentage points below the pre-recession peak, is still below the trough of earlier recessions in New Hampshire, with the exception of

recessions in 1990 and 2007-2009. Comparing the recovery in employment trends with past recoveries shows how long it took New Hampshire to fully recover from the last recession

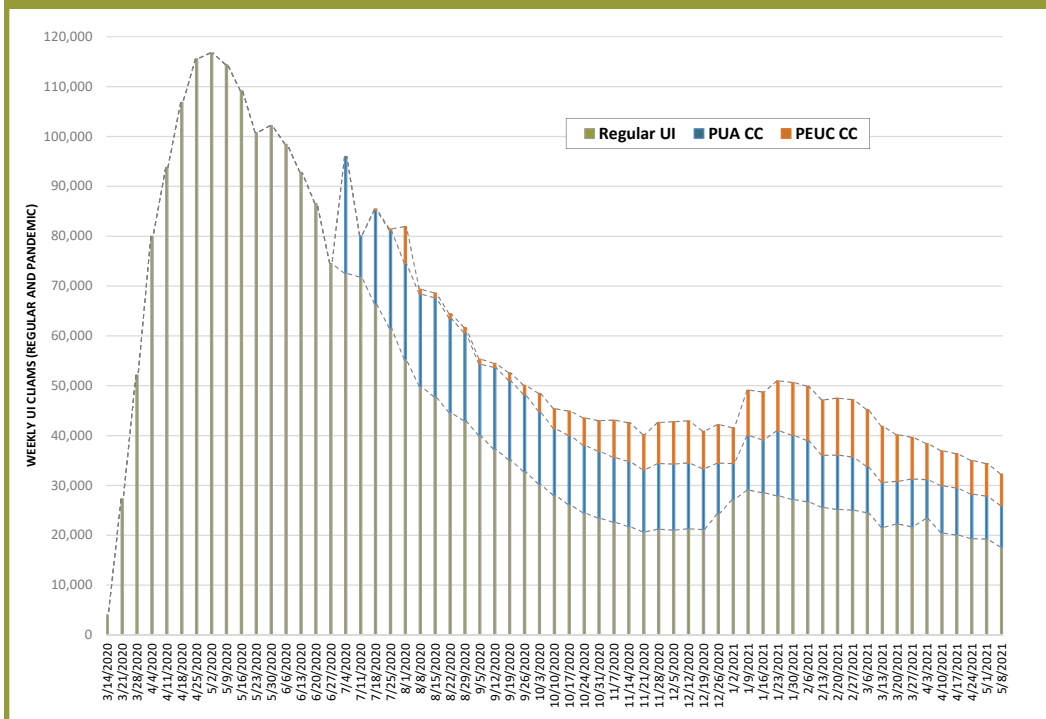
Strategies implemented over the last year to mitigate the threat of coronavirus, such as testing, enhancing opportunities for outdoor dining, requiring face coverings in public spaces, and most recently, vaccination, have made it possible to fully reopen New Hampshire's economy, and many jobs — but not all — have been restored.

### The Expansion of Eligibility for Unemployment

Under normal circumstances, the unemployment insurance system only covers the insured unemployed, referred to as regular UI claims. Eligibility to claim unemployment benefits was based on an individual's prior earnings in covered employment.<sup>12</sup>

In an effort to slow the spread of coronavirus, residents were asked to stay at home as much as possible and nonessential businesses were ordered to close.<sup>13</sup> To assist those who were impacted, two aid packages were enacted by

### Continued Weeks Claimed For Unemployment Insurance Surged During the Pandemic, Peaking During the Week Ending May 2, 2020



Source: Employment and Training Administration, U.S. Department of Labor

<sup>12</sup> Wage replacement is generally based on the earnings a claimant has accumulated in four of the last five calendar quarters prior to claim filed.  
<sup>13</sup> <https://www.governor.nh.gov/sites/g/files/ehbemt336/files/documents/emergency-order-17.pdf>

## Unemployment Insurance Eligibility Requirements

**Regular Unemployment Insurance:** Individuals who become unemployed through no fault of their own and meet various eligibility requirements of New Hampshire's UI law, such as being willing, and able to accept and perform suitable full-time or part-time work and is the individual is required to actively be seeking work. Once determined eligible to collect UI benefits, an individual can receive the equivalent of twenty-six (26) weeks of benefits in one benefit year. In order to qualify for UI benefits, the individual must have earned a certain minimum amount of wages in the base period.

**Pandemic Unemployment Assistance (PUA):** The Pandemic Unemployment Assistance (PUA) program created by the CARES Act and continued under successive legislation that extended these additional benefits. Individuals who do not qualify for regular unemployment compensation and are unable to continue working as a result of COVID-19, such as self-employed workers, independent contractors, and gig workers, are eligible for PUA benefits.

Eligibility for PUA includes those individuals not eligible for regular unemployment compensation or extended benefits under state or federal law or pandemic emergency unemployment compensation (PEUC), including those who have exhausted all rights to such benefits.<sup>a</sup>

**Pandemic Emergency Unemployment Compensation (PEUC):** Also originally created by the CARES Act, this federal funded program provided 13 additional weeks of Pandemic Emergency Unemployment Assistance (PEUC) benefits to people who exhausted their regular state benefits (which is 26 weeks in New Hampshire). Successive legislation has extended the availability of PEUC.

**Federal Pandemic Unemployment Compensation:** The original Federal Pandemic Unemployment Compensation program (FPUC) established through the CARES Act, provided \$600 per week to supplement benefit for weeks of unemployment. This benefit expired with the weeks of unemployment ending July 31, 2020. The FPUC was reauthorized and modified to provide \$300 per week to supplement benefits for weeks of unemployment beginning after December 26, 2020. FPUC was not payable during the gap in applicability, that is, weeks of unemployment ending after July 31, 2020, through weeks of unemployment ending on or before December 26, 2020.

For a brief period in August and September 2020, the Lost Wages Assistance (LWA) program provided \$400 supplemental benefits per week of unemployment (starting with weeks of unemployment ending on or after Aug. 1, 2020). This program was funded by FEMA through a joint federal-state agreement and ended when the allotted amount of funds were exhausted. The last week of unemployment for which qualifying residents could receive this additional payment was the week ending September 5, 2020.

<sup>a</sup> <https://www.dol.gov/newsroom/releases/eta/eta20200405>

the Federal government. These acts provided access to unemployment insurance to those who were not able to work due to business closures, those infected with COVID-19 or under quarantine, primary caregivers of children, and the self-employed who were ordered to close.

The Families First Coronavirus Response Act (FFCRA), signed into law on March 18, 2020, and the Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law on March 27, 2020, provided flexibility for state unemployment insurance agencies, additional administrative funding, and also expanded states' ability to provide unemployment insurance for many workers impacted by the COVID-19 pandemic, including for workers who are not ordinarily eligible for unemployment benefits.

A waiver implemented at the beginning of the state of emergency exempting New Hampshire UI claimants from a work search was rescinded as of May 23, 2021. Following that date, work search will be required when applying for unemployment insurance. Going forward, continued claims will be better indicator for a "real" supply of available labor.

The American Rescue Plan Act of 2021 allows for continuation of unemployment insurance benefits for more than the 26 regular weeks. However, on June 19, 2021, New Hampshire will end all federal pandemic programs, including Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC).

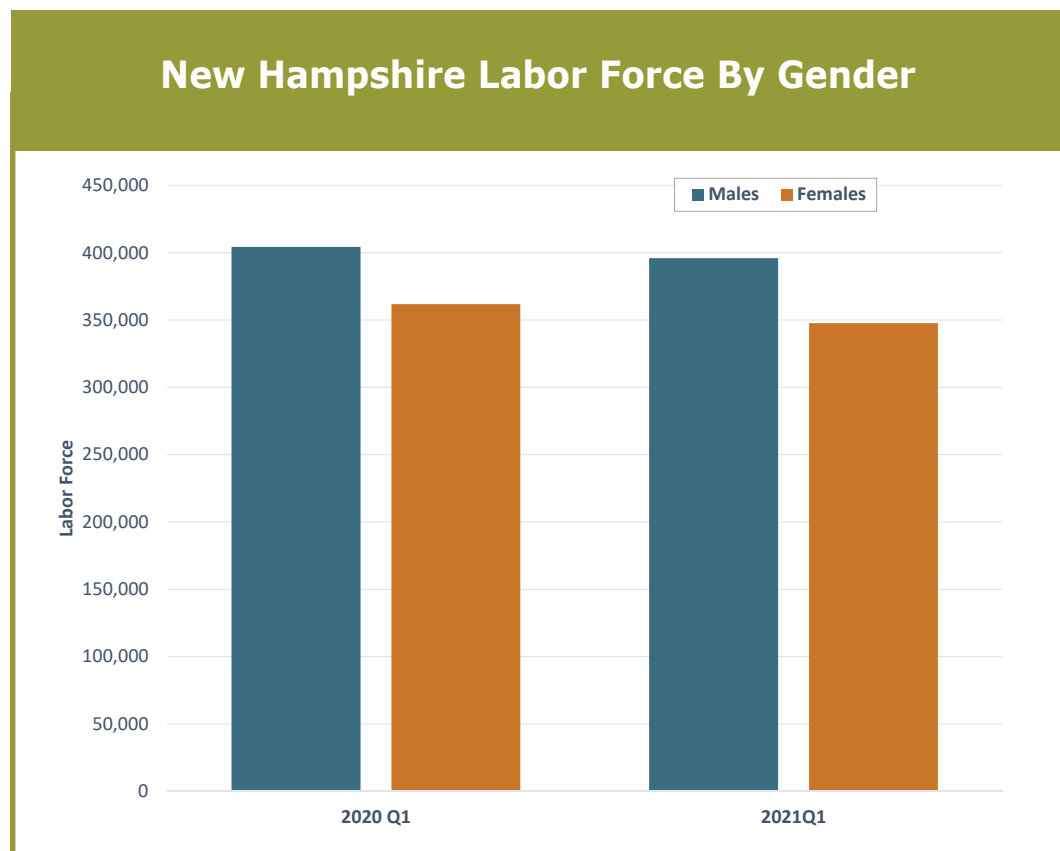
### Unemployment Statistics by Age and Gender

The labor force participation rate measures the percentage of people who are either working or actively looking for work. A drop in this rate indicates fewer people are working, or looking for work. Reasons for leaving the labor force include full-time school attendance, retirement, job search discouragement, or caregiver responsibilities.

Unpublished data from the Current Population Survey include detailed demographic data on the labor force participation rate and unemployment rate by gender and age. Monthly Current Population Survey data can be volatile, so 2020 Q1 data was compared to 2021 Q1 to assess changes over time.<sup>14</sup>

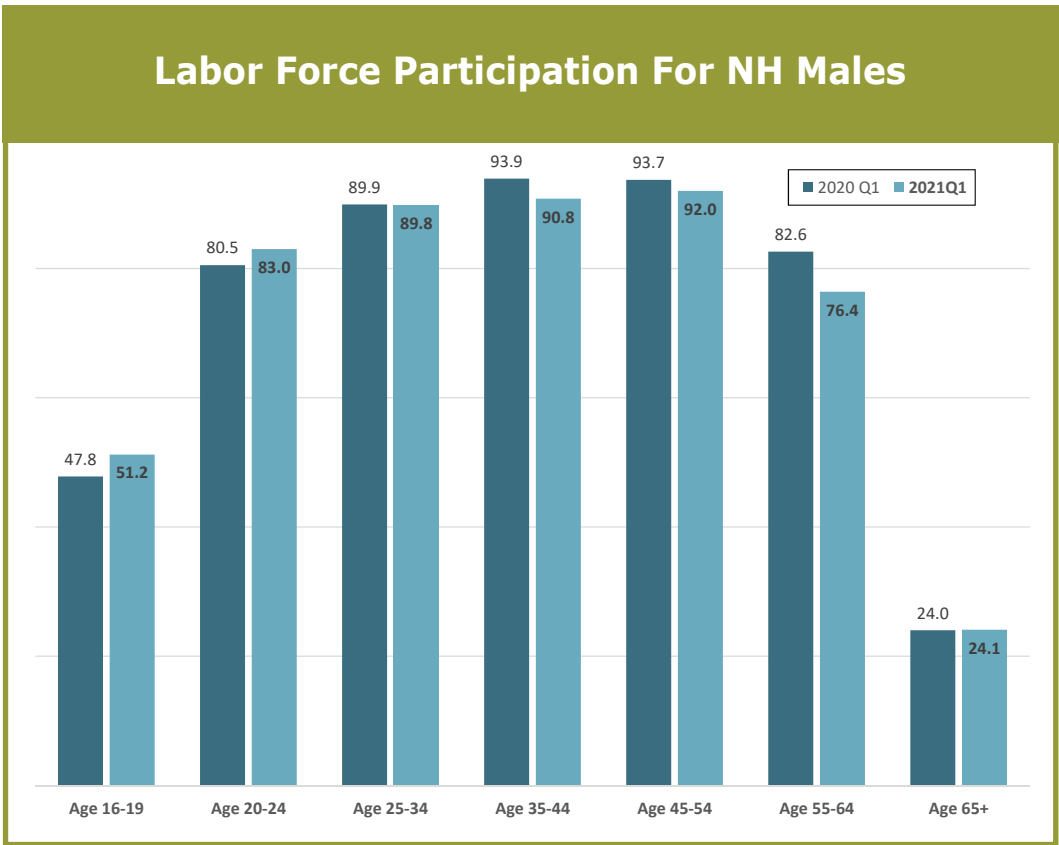
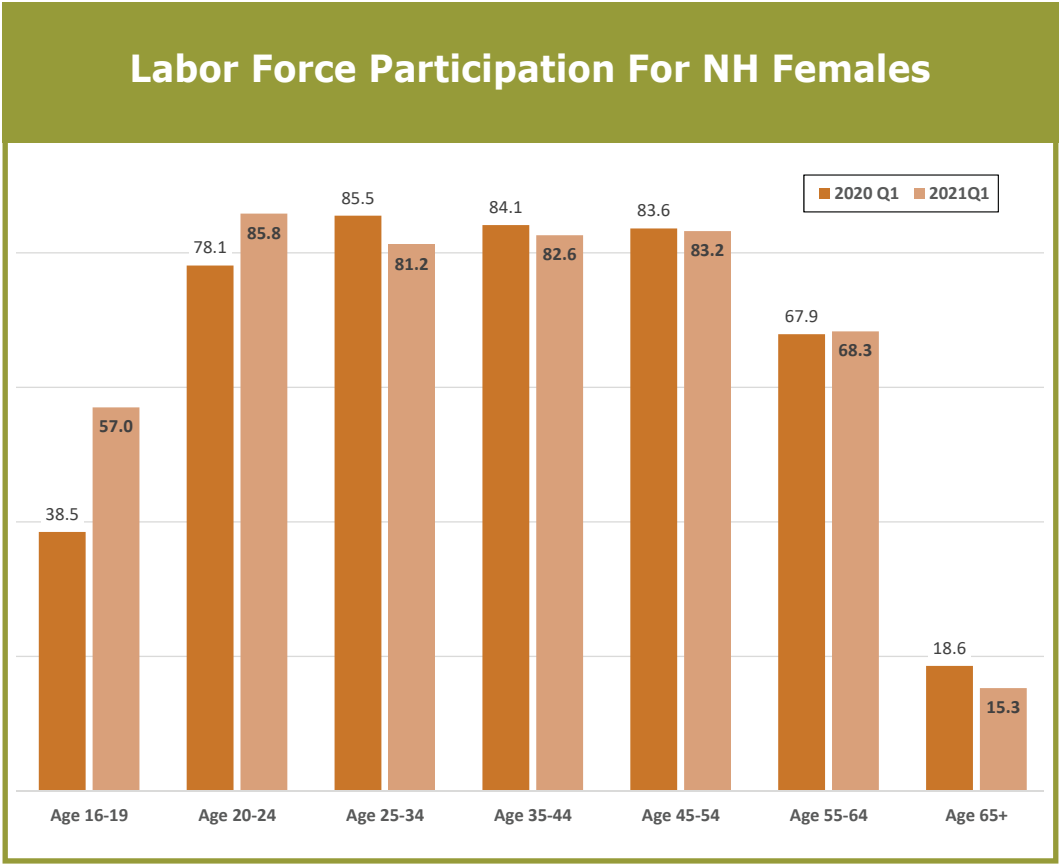
The labor force participation rate in New Hampshire dropped from 68.0 percent in first quarter 2020 to 65.6 percent in first quarter 2021. The rate for both males and females lowered over the year, with the participation rate for men at 70.8 percent and the participation rate for women at 60.5 percent in first quarter 2021. As the labor force participation rate for both males and females declined similarly, the gender ratio of New Hampshire's labor force did not change substantially during the pandemic.

By age cohort, the participation rate by gender differed, though the participation rates for both females and males under age 25 increased. The largest drop in the labor force participation rate among females was in the age cohort 25 to 34 years and among females over the age of 65.



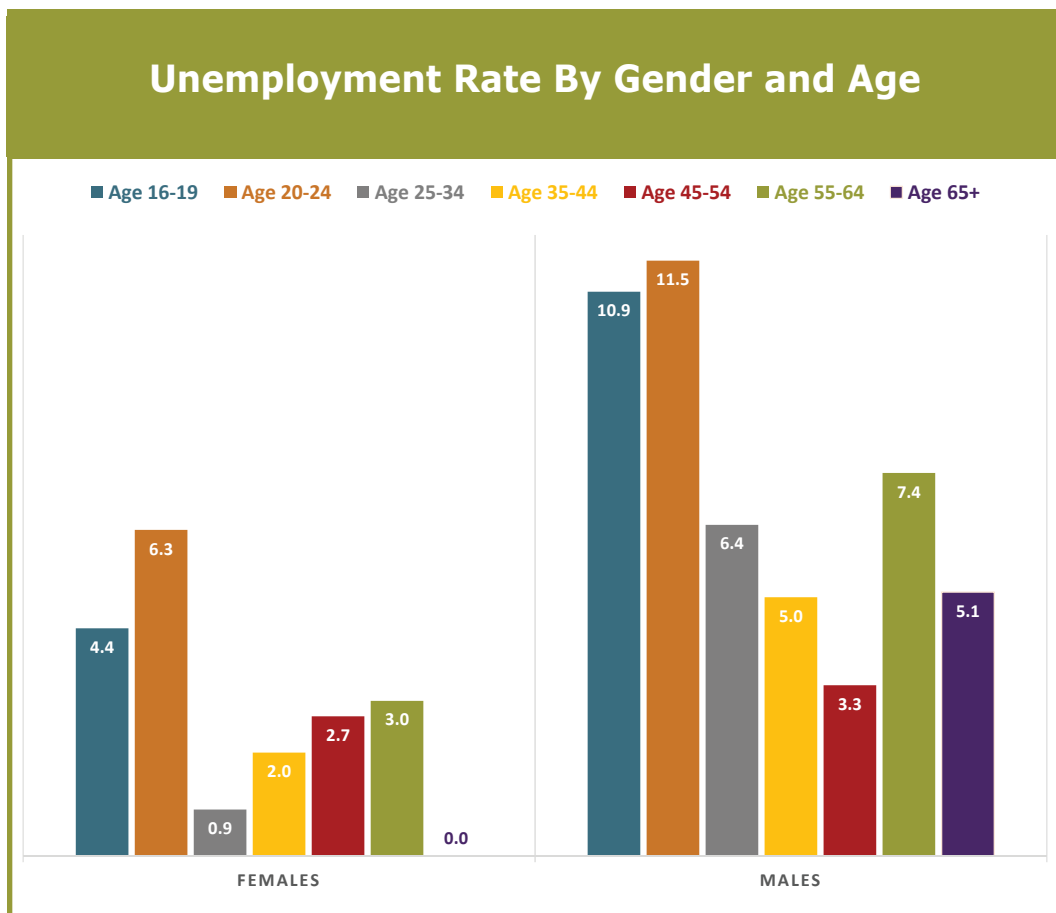
Source: Current Population Survey, 2020 Q1 and 2021 Q1.

<sup>14</sup> Most of the losses in New Hampshire occurred between March and April 2020, hence using first quarter data is a good pre-pandemic baseline.



Source: Current Population Survey, 2020 Q1 and 2021 Q1.





Source: Current Population Survey, 2020 Q1 and 2021 Q1.

This correlates with a wealth of stories that have been covered both locally and nationwide, discussing females dropping out of the labor force due to caretaking responsibilities. The fear of COVID-19 might have contributed to larger numbers of older women deciding to exit the labor force.

The labor force participation rate for New Hampshire males declined the most among the age cohort 55 to 64 years. Interestingly, the labor force participation rate among males in the oldest cohort remained unchanged.

In every age cohort, the 2021 Q1 unemployment rate for women was lower than the unemployment rate for men. This suggests

that, in spite of the ongoing pandemic, it is not the lack of employment opportunities that kept females out of the labor force. It also suggests that under current conditions, the labor market for female workers is rather tight.

For males, the unemployment rate by age displays a more traditional distribution; a higher unemployment rate among the two youngest age cohorts and those aged 55 to 64. Males in the cohort 55 to 64 years had a relatively high unemployment rate of 7.4 percent in first quarter of 2021, which might factor into the labor force participation rate decline.

As the economy continues to improve, it is important for companies to extend their search

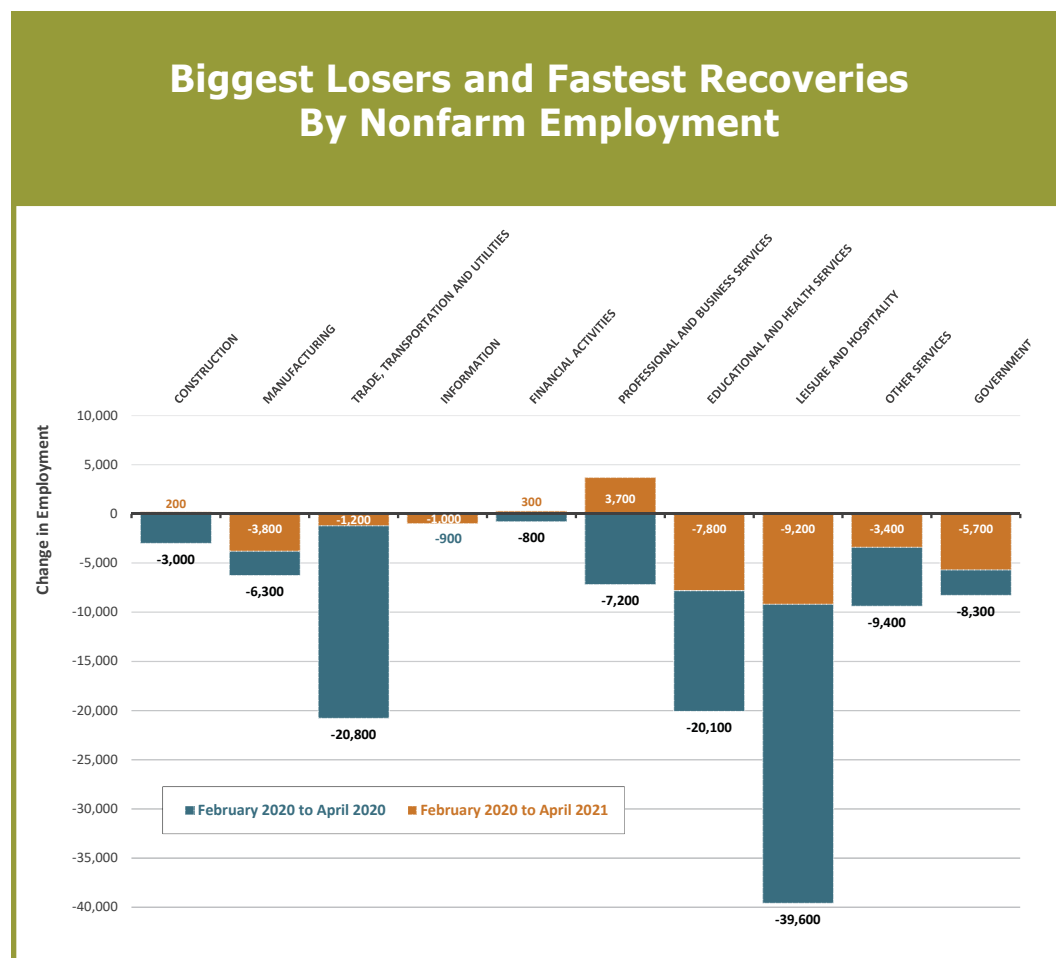
for workers among those in the younger age cohorts. Training younger workers will be pivotal to ensuring a future skilled labor force, and should be seen as essential to the onboarding process. Attracting already trained workers from competing firms will not solve the labor shortage. Expanding the pool of skilled labor will be essential.

### Current Employment Statistics – Jobs in New Hampshire

Initially, this pandemic recession was very different when compared with the 2007-2009 recession. The 2007 recession was caused by a financial institution and housing market meltdown, which then spread to other economic sectors, with the exception of *health care and social assistance*.

The current recession was caused by a public health crisis, and the entire economy was disrupted due to the temporary closure of nonessential businesses. The initial loss of employment, as measured by April 2020 Current Employment Statistics data (CES), showed New Hampshire's job market shed 16.9 percent of nonfarm jobs between February and April 2020. This job loss was larger than seen in any recession over the past 50 years.

The chart below compares employment by industry from February 2020 to April 2020 and February 2020 to April 2021 (the most current month of data). Employment in February 2020 was considered the peak month of employment prior to the pandemic impacting the state's labor market.



Source: Current Employment Statistics, Economic and Labor Market Information Bureau

The *leisure and hospitality* supersector lost the most jobs between February and April 2020, down 39,600 jobs. The second-largest number of job losses occurred in *trade, transportation and utilities*, down 20,800 jobs from February to April 2020; followed by *education and health services*, down 20,100 jobs from February to April 2020. When comparing pre-recession peak employment (February 2020) to employment in April 2021, *leisure and hospitality* still lags, with 9,200 jobs below February 2020, as does *education and health services*, with 7,800 jobs below peak. In contrast, employment in *trade, transportation and utilities* recovered nearly all jobs by April 2021 (down 1,200 jobs compared to February 2020).

*Professional and business services* performed better than all other sectors of the economy, adding 3,700 jobs between February 2020 and April 2021.

Vaccination advertising campaigns and government stimulus payments should improve employment opportunities in *leisure and hospitality* as spring and summer arrive. One question remaining is to what extent these companies will be able to attract workers, particularly to jobs in seasonal *leisure and hospitality* businesses. The geographic location of these jobs and the seasonal availability of younger adults are just some of the issues exacerbating labor shortages.

### Job Openings and Layoff Turnover Survey (JOLTS)— New statewide estimates for New Hampshire

During 2020, the U.S. Bureau of Labor Statistics (BLS) released experimental estimates for all 50 states on job openings, hires, and separations at the total nonfarm

level. In the past, JOLTS data were only available for broad regions and the nation. These experimental monthly data have been released quarterly, with data available from February 2001 to December 2020.<sup>15</sup> The data series consists of three components: job openings, hires, and separations. Separations can be further distinguished between quits and layoffs and discharges. The data series remains in line with other BLS program definitions of employment.<sup>16</sup>

For these data, job openings are defined as all positions that are not filled on the last business day of the month, with additional conditions that must be met, such as existence of the position due to available work, a job start within 30 days, and active recruitment for the position by the hiring establishment.

The definition of a hire is a person that is newly hired or rehired, including recalled employees as well as transfers from other locations.

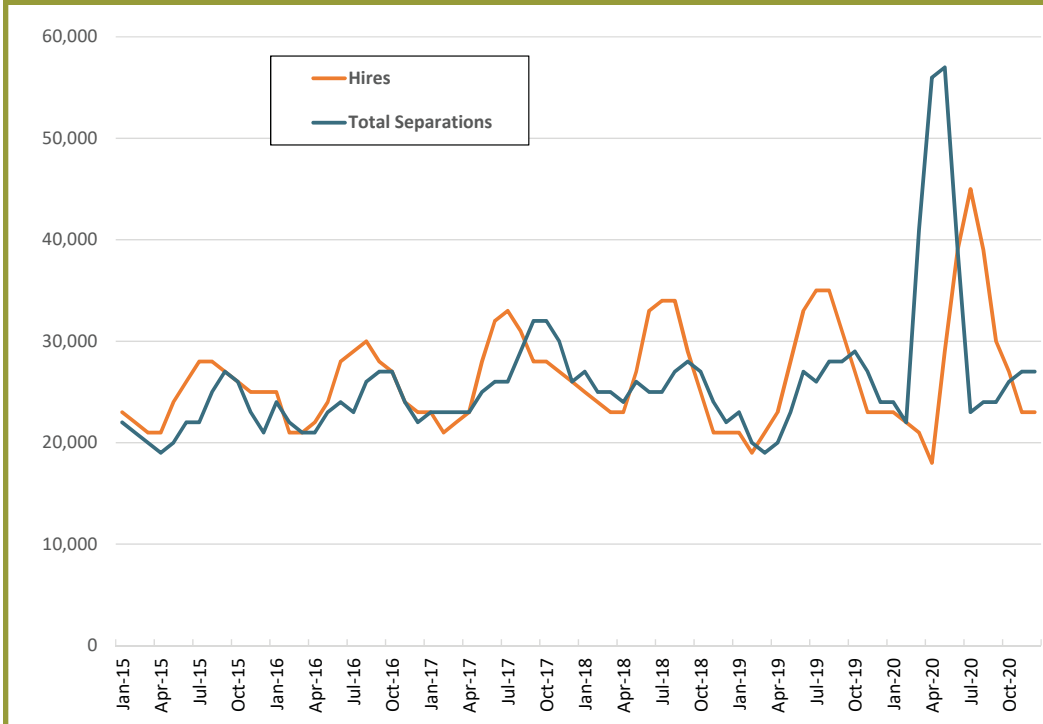
Quits are persons that leave a job voluntarily (these do not include retirements), whereas layoffs and discharges are persons that leave jobs involuntarily due to events such as plant closures, firing for cause, and termination of seasonal employees. Retirements are considered other separations.

As expected, there is a strong seasonal relationship between total hires and total separations, with peak in hiring in June, July and August followed by peak separations in September and October. When the pandemic first impacted New Hampshire in spring 2020, total separations spiked to nearly double the normal seasonal peak in March, April, and May 2020. Following the March shutdown of nonessential businesses, permitted reopening

<sup>15</sup> JOLTS will officially be publishing monthly releases for state data by October 2021.

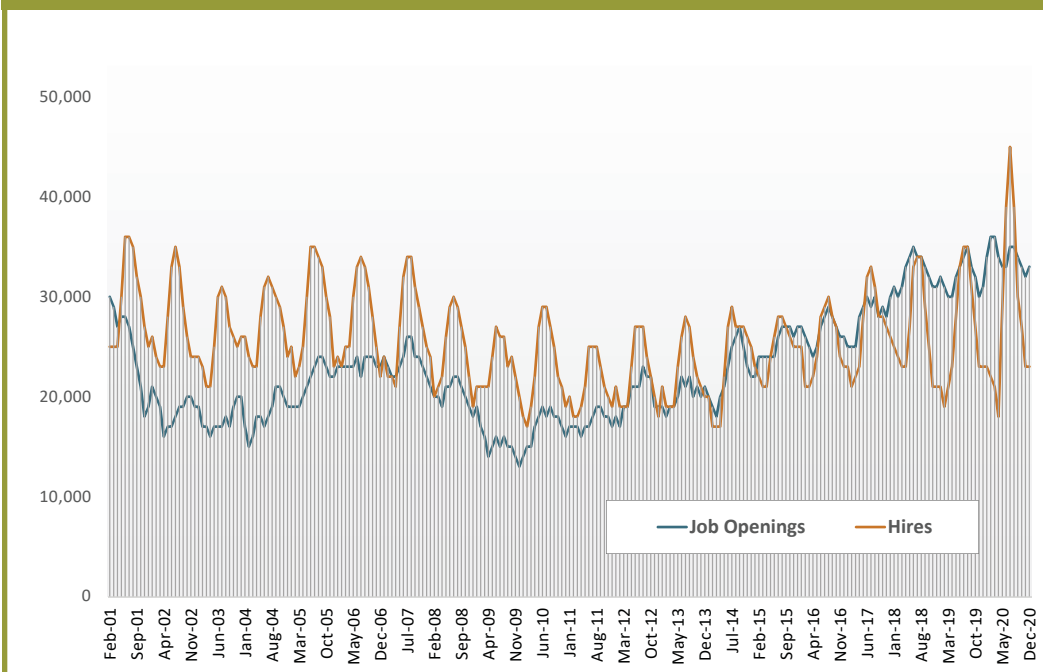
<sup>16</sup> Including persons that worked or received pay for the period that includes the 12th of the month.

### Normal Seasonal Pattern of Hires and Separations Was Disrupted By the Pandemic



Source: Job Openings and Labor Turnover Survey (JOLTS), U.S. Bureau of Labor Statistics

### Job Openings Have Consistently Been Rising Since December 2009



Source: Job Openings and Labor Turnover Survey (JOLTS), U.S. Bureau of Labor Statistics

coincided largely with the regular seasonal peak in hiring. The level of hires was elevated as business scurried to refill jobs that had been temporarily shed. The level of hires in July 2020 was the highest that the state had experienced since the series beginning in 2001.

The upward trend in the number of job openings since a low in December 2009, with no apparent implications from the pandemic, is an indication that many of New Hampshire's employers continue to face a constant shortage of labor. Despite the fact that job measures are still lagging behind the pre-pandemic level, there is a rising number of job openings to be filled.

### Quarterly Workforce Indicators – Job Losses by Age and Gender

Employment at the beginning of the quarter is one of the indicators from the U.S. Census Bureau's Quarterly Workforce Indicators (QWI) data series.<sup>17</sup> QWI provide labor market data at a granular level by linking unique individuals' wage data with unique firm data. The link between employer and paid employee is considered a job for this measurement. QWI data are the result of matching Quarterly Census of Employment and Wages (QCEW) and Unemployment Insurance (UI) wage data with Census data, which adds demographic components such as age and gender to employment data by industry.

The Great Recession was nicknamed the “Man-cession,” as heavily impacted industries, such as *manufacturing* and *construction*, were dominated by male workers. The current recession (February 2020 onwards) has been dubbed the “She-cession,”<sup>18</sup> as the decline in female employment was larger than the decline in male employment.

As a result of the “Great Recession,” male private industry employment dropped 6.6 percent between 2008 and 2010, a loss of 17,700 male workers compared to 12,600 female workers. By 2014, male and female employment was roughly equal, and male employment stayed slightly above female employment through 2019. With the economic disruption of the pandemic, female employment declined by 9.6 percent between 2020 Q1 and Q2, a loss of 27,900 female workers compared to 18,100 male workers.

Government employment by gender shows little variation. For every male holding a government job, there are 1.6 female jobholders. This proportion has remained constant over time.

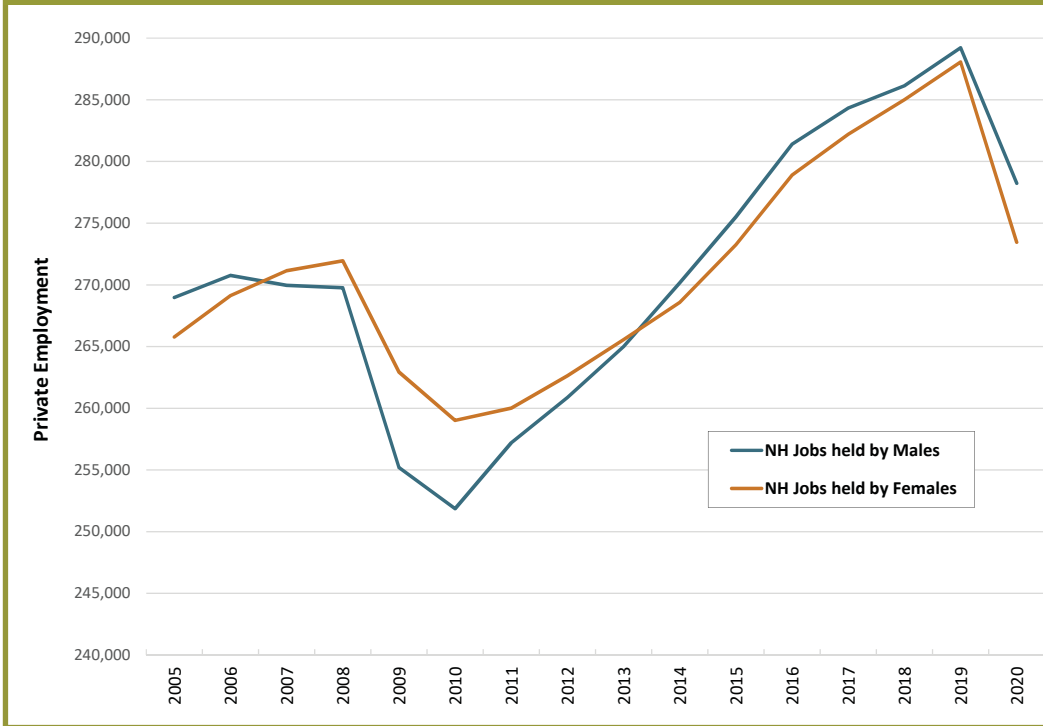
The impact on female employment has been attributed to a higher concentration of female workers in service-providing industries, such as *healthcare and social assistance* and *accommodation and food services*. These industries were more adversely impacted by nonessential business closures. At the same time, more females dropped out of the labor force than males.<sup>19</sup>

<sup>17</sup> The QWI dataset is one of the products developed under the Longitudinal Employment-Household Dynamics Program (LEHD) – a partnership where data from federal, state, and Census Bureau sources are combined. For more information please go to <https://lehd.ces.census.gov/>.

<sup>18</sup> Why some women call this recession a ‘Shecession’. NY times. <https://www.nytimes.com/2020/05/09/us/unemployment-coronavirus-women.html>

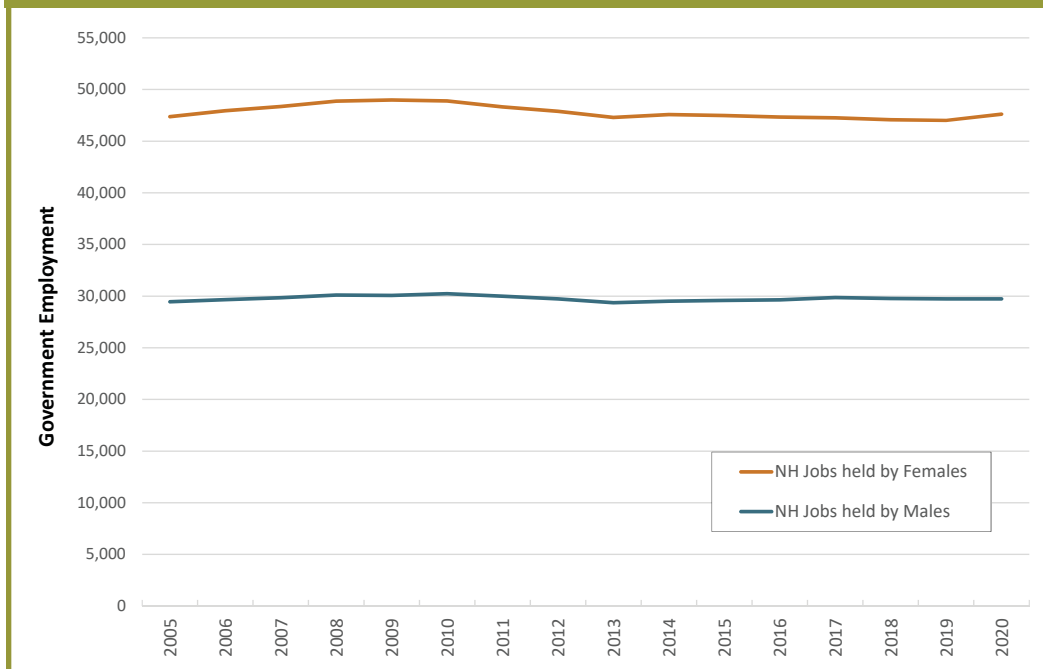
<sup>19</sup> According to Current Population Survey, the labor force participation rate among New Hampshire females (16+) dropped from 63.4 percent in 2019 Q2 to 59.6 percent in 2020 Q2.

### Private Industry Employment In New Hampshire By Gender – Male Employment Has Been Above Female Employment Since 2015



Source: Quarterly Workforce Indicators, U.S. Census Bureau

### New Hampshire's Government Employment By Gender Show Little Variation Over Time



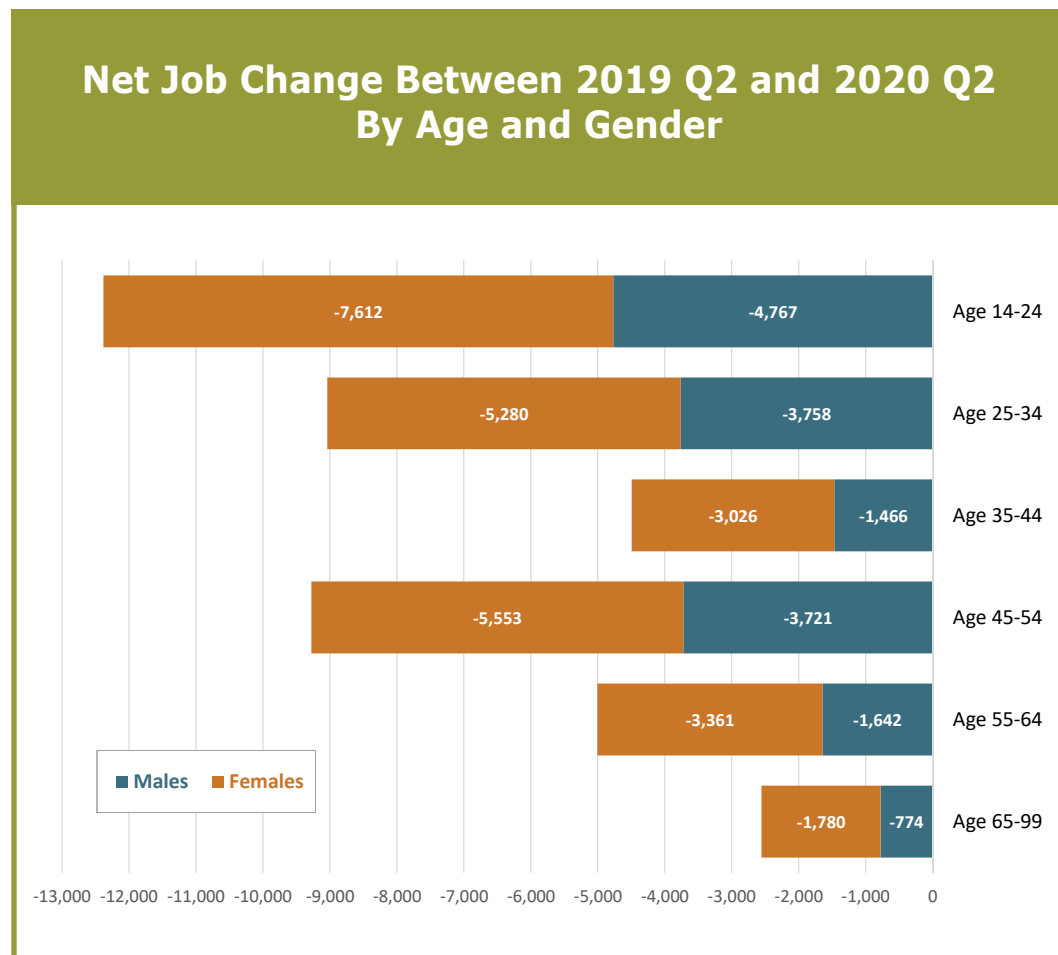
Source: Quarterly Workforce Indicators, U.S. Census Bureau

### Job Losses by Age and Gender, 2019 Q2 to 2020 Q2

Comparing employment over-the-year from 2019 Q2 to the 2020 Q2, the brunt of job losses were borne by females, no matter the age group.<sup>20</sup> The ratio for female job losses was two to one in several age categories, including age 35-44 and the two oldest age groups, 55-64 and 65-99 years. But for both genders, the reduction in the workforce was largest among those in the youngest cohort, age group 14 to 24 years.

A contributing factor for this uneven job loss is the demographic composition of the workforce, which has a high concentration of female and younger workers in New Hampshire's service sectors.

The two sectors with the most losses were *accommodation and food services* and *retail trade*. Comparing 2020 Q2 to 2019 Q2, there were 14,300 fewer jobs in *accommodation and food services* and 6,200 fewer jobs in *retail trade*. Of the job losses in both of these sectors, three out of five workers were female.

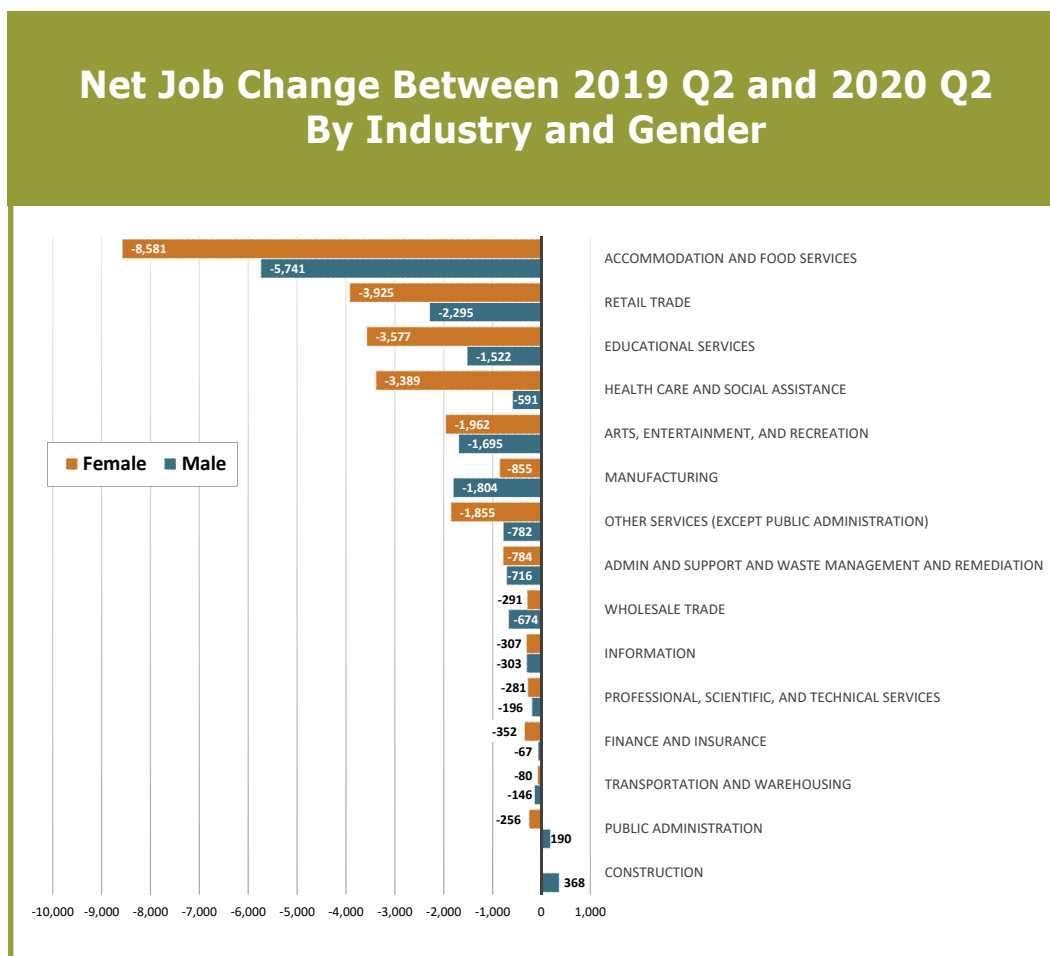


Source: Quarterly Workforce Indicators, U.S. Census Bureau

<sup>20</sup> The *Beginning of Quarter Employment* indicator is used as a proxy for a quarterly employment count. The estimate is based on matching personal identifiers with firms by quarter. Beginning of quarter employment identifies those individuals that were matched to a firm in Q1 and in Q2, thereby assumed employed at the beginning of the quarter.

From 2019 Q2 and 2020 Q2, there were also large losses for females in *educational services* and *healthcare and social assistance*.<sup>21</sup> Compared to female jobholders, there were fewer losses for males in nearly all industries, with the exception of *manufacturing* and *wholesale trade*. In both sectors, job losses for males outnumbered

females by more than two to one. In contrast, job losses for females outnumbered men six-fold in *healthcare and social assistance*. In *public administration* and *construction*, more jobs were added over-the-year for males despite job losses among females. Overall, there were 1.7 jobs lost for females for every job lost among male workers.<sup>22</sup>



Source: Quarterly Workforce Indicators, U.S. Census Bureau

<sup>21</sup> The QWI employment measurement include both private and government ownership.

<sup>22</sup> The declines in jobs as a percentage of the gender employment in the 2019 quarter 2 were still larger for females in each industry. This suggest that not only the industry composition of male and females contributed to the proportional decline in female employment (other factors could be occupational gender differences and the degree to which females were more likely to leave a job to resume childcare responsibilities full time.)

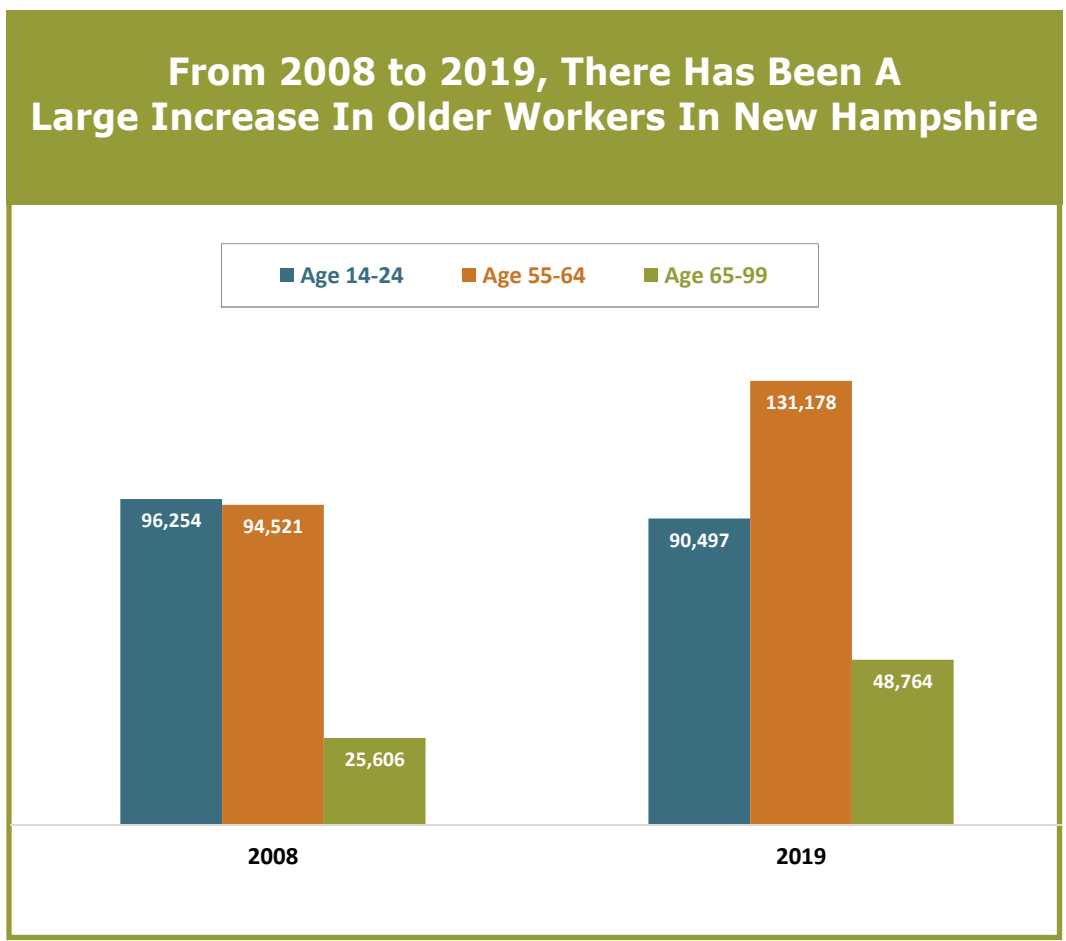


### Older Workers in New Hampshire

The aging of New Hampshire's workforce is not a new theme, and has been assessed multiple times in recent years. What seems to have postponed the inevitable exit from the workforce for many has been a trend of older workers choosing to remain in the workforce longer. For employers, having older workers continue to work has alleviated issues of transitioning worker knowledge to the next generation of workers. In 2019, 27.5 percent of New Hampshire's workers were age 55 and over, up from 19.4 percent in 2009.

When comparing employment in 2008 and 2019 for workers aged 55 to 64 in New Hampshire, evidence of an aging workforce emerges. In 2019, the share of older workers rose above that of 2008 in every industry sector. In the *manufacturing, utilities, and information* sectors, the share of workers aged 55 to 64 increased by nine percentage points between 2008 and 2019, the largest increase among the sectors.

In 2019, one of three workers in the *utilities* sector was in the age cohort 55 to 64 years. *Utilities* is yet a relatively small sector and one that has been shrinking over the last decade, from 2,700 to 2,200 total jobs.<sup>23</sup>



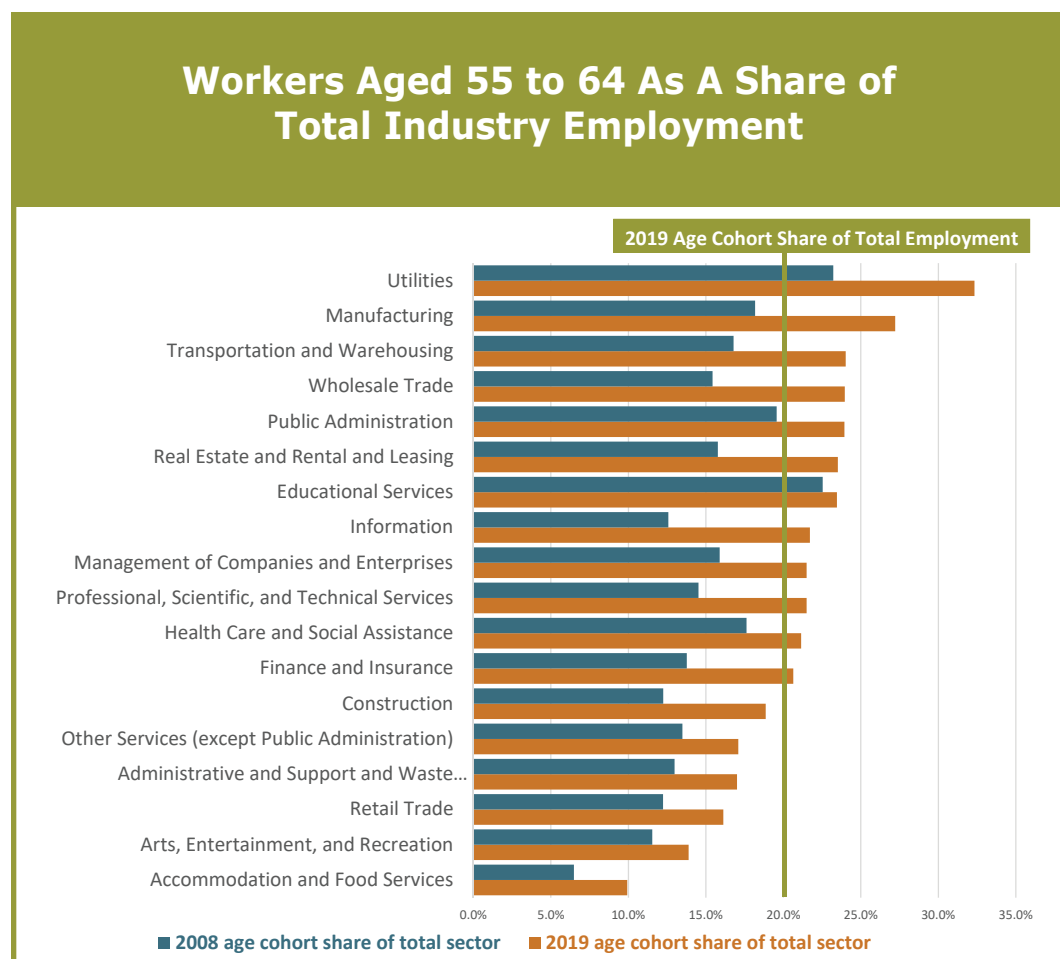
Source: Quarterly Workforce Indicators, U.S. Census Bureau

<sup>23</sup> When an industry sector is shrinking, there will be fewer job openings available, hence fewer younger workers will be hired into jobs in this industry.

The high concentration of older workers in *manufacturing* continues to be a troubling trend, because of the potential loss of knowledge and skill as these workers retire and the importance of the *manufacturing* industry to New Hampshire's economy.

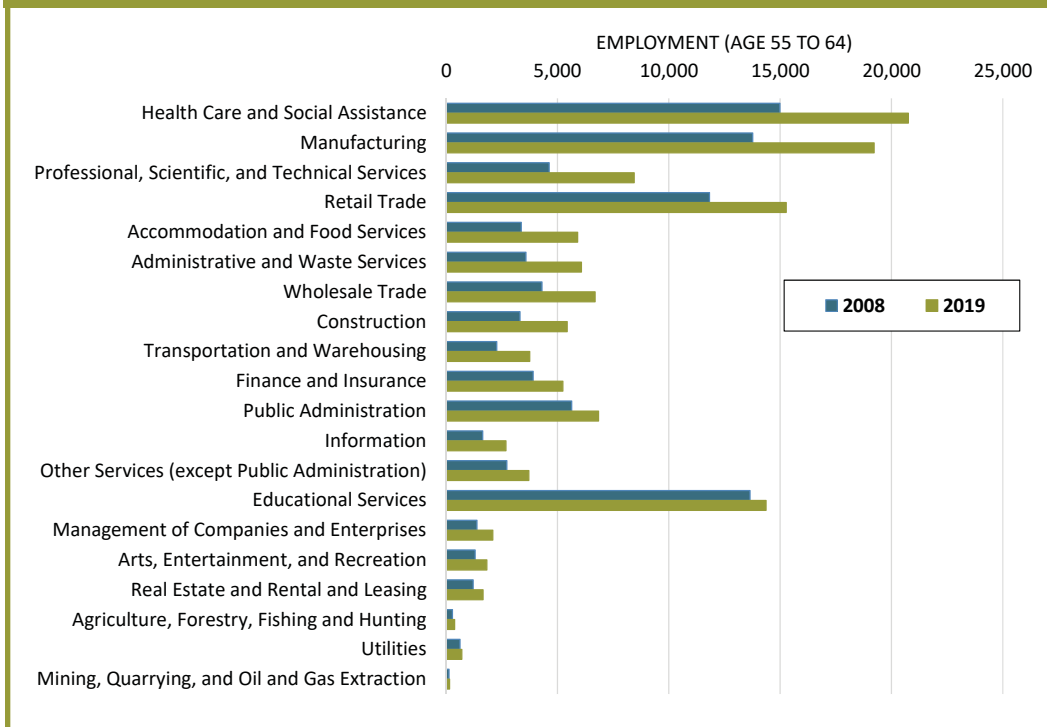
The concentration of workers aged 55 to 64 in *accommodation and food services, arts, entertainment, and recreation, and retail trade* is the lowest among all sectors. The low percentage of older workers in these industries might be one reason why this age group was less impacted by the loss of jobs in spring of 2020.

*Healthcare and social assistance, manufacturing, and professional, scientific and technical services* had the largest increases in jobholders aged 55 to 64. As *healthcare and social assistance* and *professional, scientific and technical services* both have experienced strong job growth over the last decade, increases in employment among those in the age cohort 55 to 64 might seem inevitable. But the increase in *manufacturing* employment among those aged 55 to 64 (+5,450) and those aged 65 and older (+1,790) occurred as total employment in *manufacturing* declined by about 4,500 jobs.



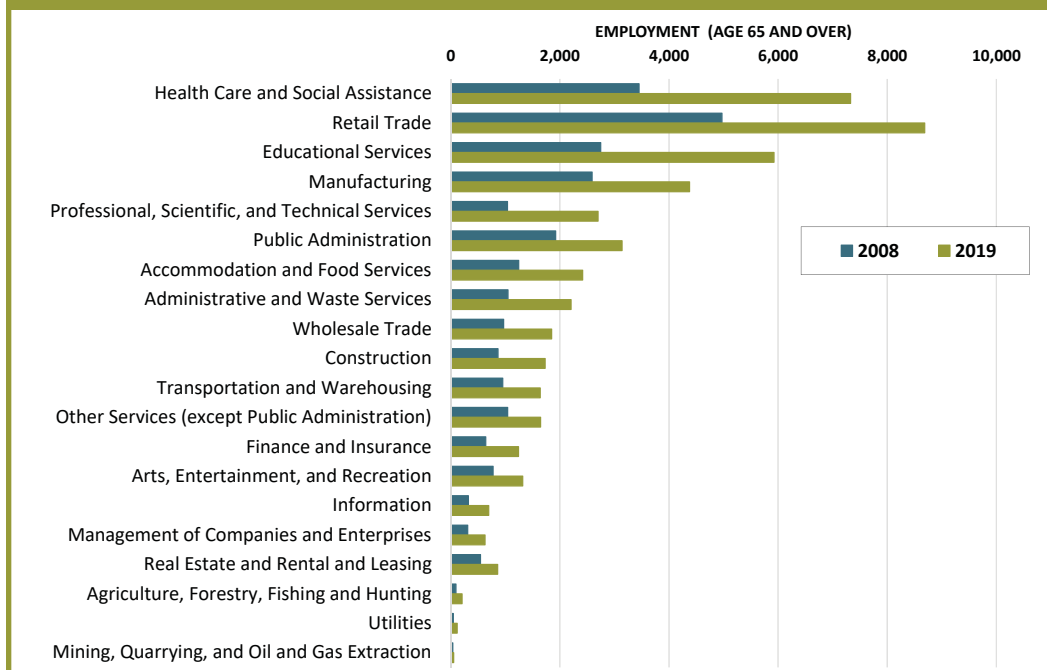
Source: Quarterly Workforce Indicators, U.S. Census Bureau

### Sectors With the Largest Increase In Number of Workers Ages 55 to 64



Source: Quarterly Workforce Indicators, U.S. Census Bureau

### Sectors That Have Increased the Most In Terms of Workers Age 65 and Over



Source: Quarterly Workforce Indicators, U.S. Census Bureau

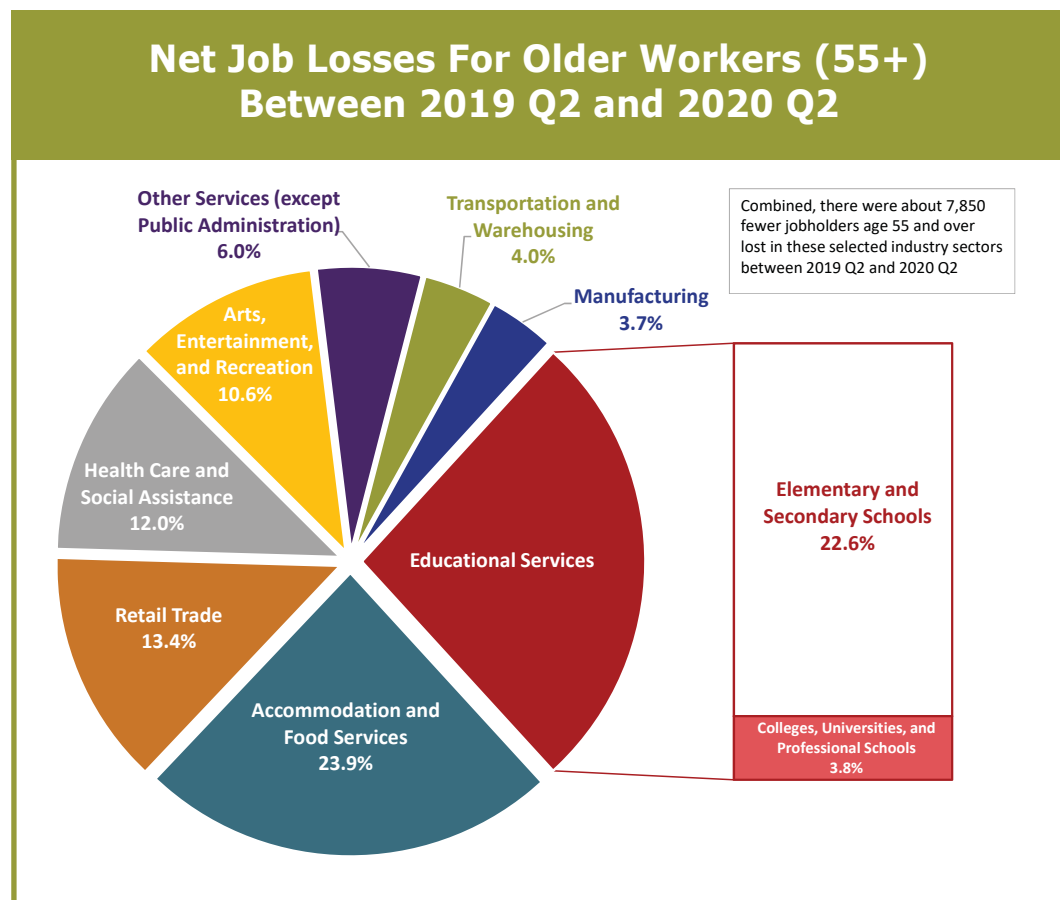
The number of workers in the over 65 years age cohort increased in all industries, with about half of the industries doubling the number of jobholders aged 65 and over. The largest increases in employment can be found in *healthcare and social assistance*, *retail trade*, and *educational services*. Among the 48,800 workers age 65 and older in New Hampshire, 45 percent were employed in one of those three industry sectors. Another nine percent were employed in *manufacturing*.

How long will older workers remain in the workforce? What will happen when the pandemic abates and the economy fully reopens? Some older workers might prefer

to work remotely. What will happen if New Hampshire's businesses decide that workers should return to the office? Will there be a sudden post-pandemic tsunami of retirements?

### Older Workers as a Disadvantaged Group of Unemployed

In any given labor market, older workers have had greater difficulty reskilling and becoming re-employed.<sup>24</sup> The older cohorts of workers represent a larger portion of the population (baby boom generation), as well as a larger portion of the workforce than a decade ago.



Source: Quarterly Workforce Indicators, U.S. Census Bureau

<sup>24</sup> There is a recognition that when layoff occur later in one's career, it takes longer and it is more difficult to find employment (often also at reduced wage rate) ICT – Institute for Career Transitions (ictransitions.org)

The net loss in jobs for those in the 55+ years (55-99) age groups from second quarter 2019 to second quarter of 2020 shows a high concentration in four sectors: *educational services, accommodation and food services, retail trade, and healthcare and social assistance.*

As teachers continued to provide instruction remotely, many of the losses in *educational services* were in occupations such as teacher aides, bus drivers, cafeteria workers, and other auxiliary staff positions due to the closure of schools and college campuses. Presumably, many of the jobs lost by older workers in *educational services* were those that were not able to be performed remotely, or were simply not needed as students attended classes remotely. While some older workers might have been rehired as schools reopened, others may have decided to retire and not return to their prior employment.<sup>25</sup>

Over 33 percent of older worker job losses were in *accommodation and food services* and *retail trade*. Fear of contracting COVID-19 may have kept them from returning to work in face-to-face service jobs.

Working remotely might have encouraged some older workers to remain in the labor market during this last year. Many researchers believe that a lasting impact of the pandemic is for employees to continue working remotely. Will older workers want to continue working remotely? This is one way employers can accommodate and retain older workers as the labor market becomes tighter.

<sup>25</sup> “To deal with a \$70 million cost restructuring that looks to future challenges, she [Catherine Provencher, chief administrative officer of the University System of New Hampshire] said a record of almost 500 employees have taken early retirement or voluntary separation”, Tracy, Paula. InDepthNH.org. April 27, 2021. Accessed on April 28, 2021 at [http://indepthnh.org/2021/04/27/ccsnh-reveals-alternative-model-in-higher-education-merger-talks/?utm\\_content=1ceed13d44daeaf9db851414e3896&utm\\_campaign=utm\\_campaign%3Ddailybrowser&utm\\_source=Robly.com&utm\\_medium=email](http://indepthnh.org/2021/04/27/ccsnh-reveals-alternative-model-in-higher-education-merger-talks/?utm_content=1ceed13d44daeaf9db851414e3896&utm_campaign=utm_campaign%3Ddailybrowser&utm_source=Robly.com&utm_medium=email)

<sup>26</sup> According to population estimates from the U.S. Census, population in the age cohort 15 to 24 declined by approximately 7,400 between 2008 and 2019. A decline in labor force participation among younger workers over the last 30 years have also contributed to the decline in jobholders aged 14 to 24.

## Young Workers in New Hampshire

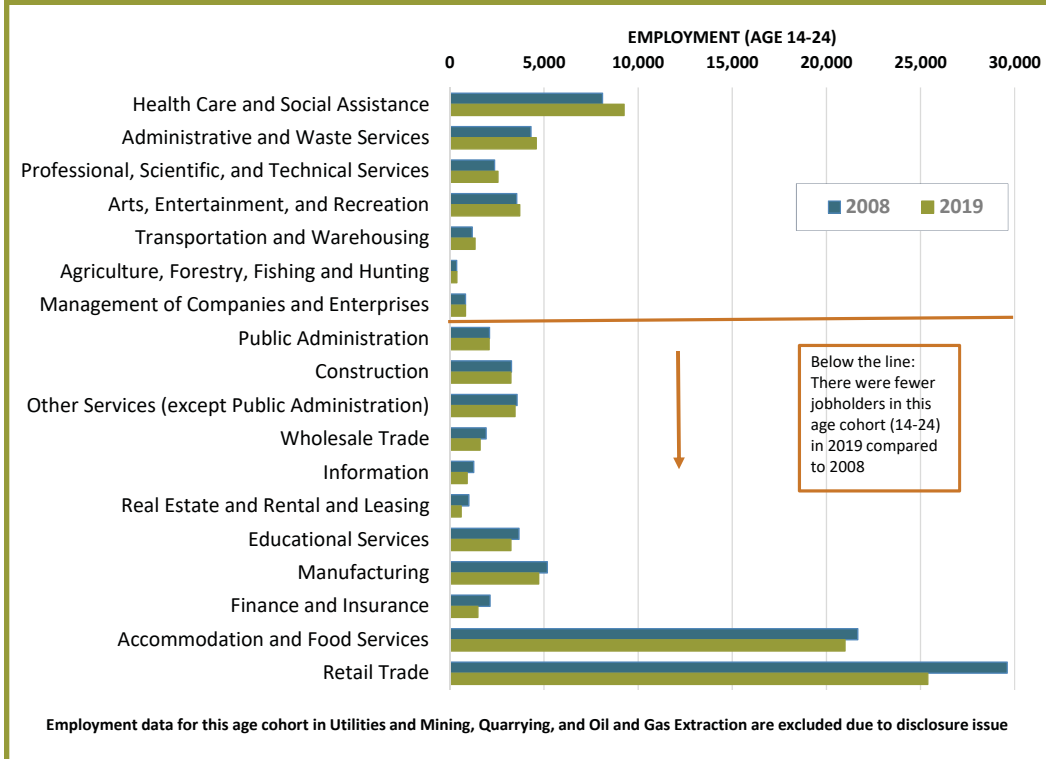
Over the last year, most businesses have just tried to survive the disruption created by the pandemic. As the economy moves to a post-pandemic recovery, and a labor shortage seems likely, companies will be looking to develop recruitment strategies to onboard and train the next generation of workers.

From 2008 to 2019, the number of workers age 14 to 24 decreased, with about 6,000 fewer young workers as of 2019.<sup>26</sup> Comparing sector employment for this age group, only a few industry sectors increased the number of young workers. *Healthcare and social assistance* added the most young workers, yet as a share of total industry employment, the age cohort 14-24 years remained unchanged from 2008 to 2019, at 9.5 percent.

Employment data by industry for the age cohort 14 to 24 years show that the largest numbers of young people are employed in *accommodation and food services* and *retail trade*. In 2019, close to half of all jobs held by younger workers were either in *accommodation and food services* or in *retail trade*.

As the economy starts to recover, there is a need for a concerted effort among businesses to rethink how young workers can be recruited and trained for jobs in those industries that have a high concentration of older workers (e.g. *utilities* and *manufacturing*).

### Changes In Employment In the Age Cohort 14-24 Between 2008 and 2019



Source: Quarterly Workforce Indicators, U.S. Census Bureau

But a concentration of older workers combined with a declining population of young adults will make attracting young talent competitive. Apprenticeships, mentorships, and internships are some of the ways that companies can recruit and engage new and young workers. Innovative pathways to employment, where employers help accelerate training for younger workers could be explored.<sup>27</sup> Creativity in recruitment, such as using TikTok, Snapchat, and other social media apps, or promotions by social media influencers, may be one way to attract young talent.

### Disability – Remote Work and Technology

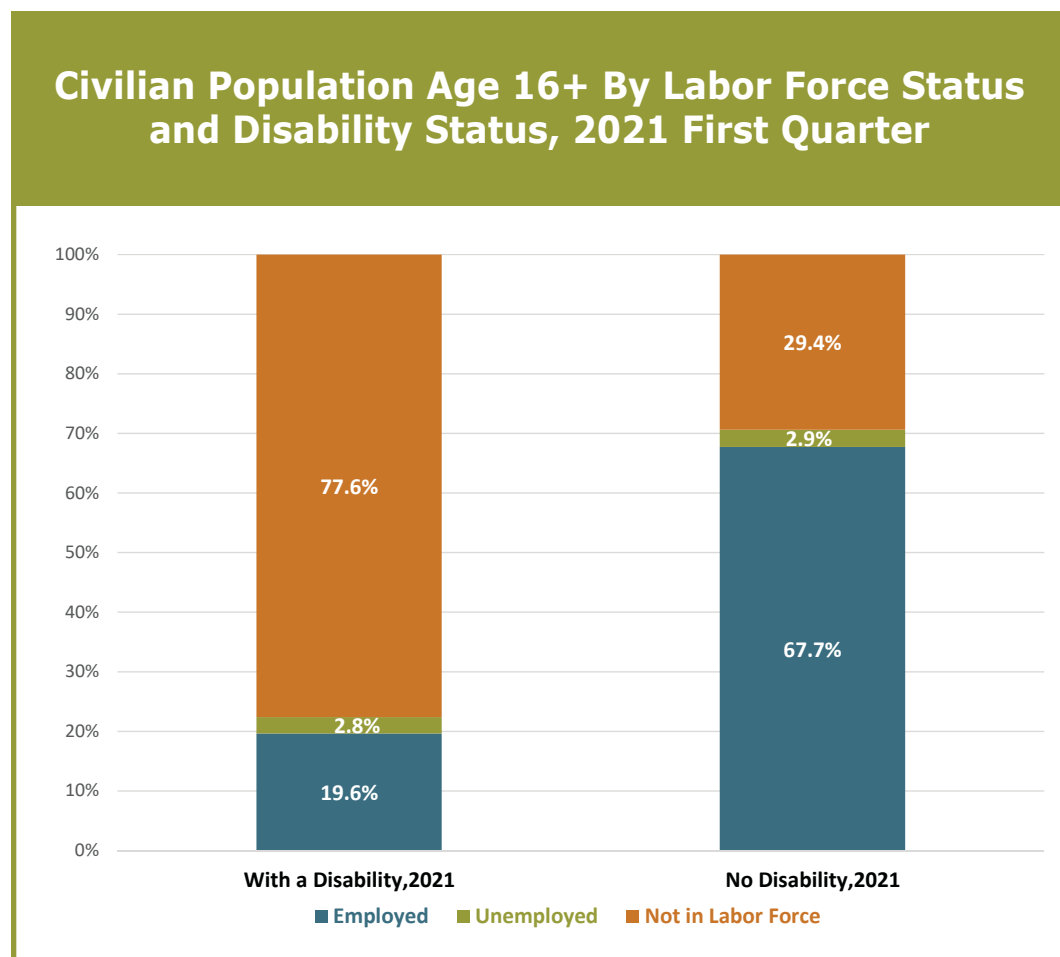
Will flexibility in the workplace and the ability to work remotely provide improved job opportunities to those people with disabilities? To assess this issue, it is important to understand the number of people with a disability and how types of disability vary, impacting matching skills and abilities in the workplace.

<sup>27</sup> Sullivan, Myriam. Job for the Future. Effective Employer Engagement Practices. This report focuses on the lessons learned from implementing technology-focused apprenticeship programs in an attempt to provide solutions for the many job vacancies that remain unfilled in the technology field.

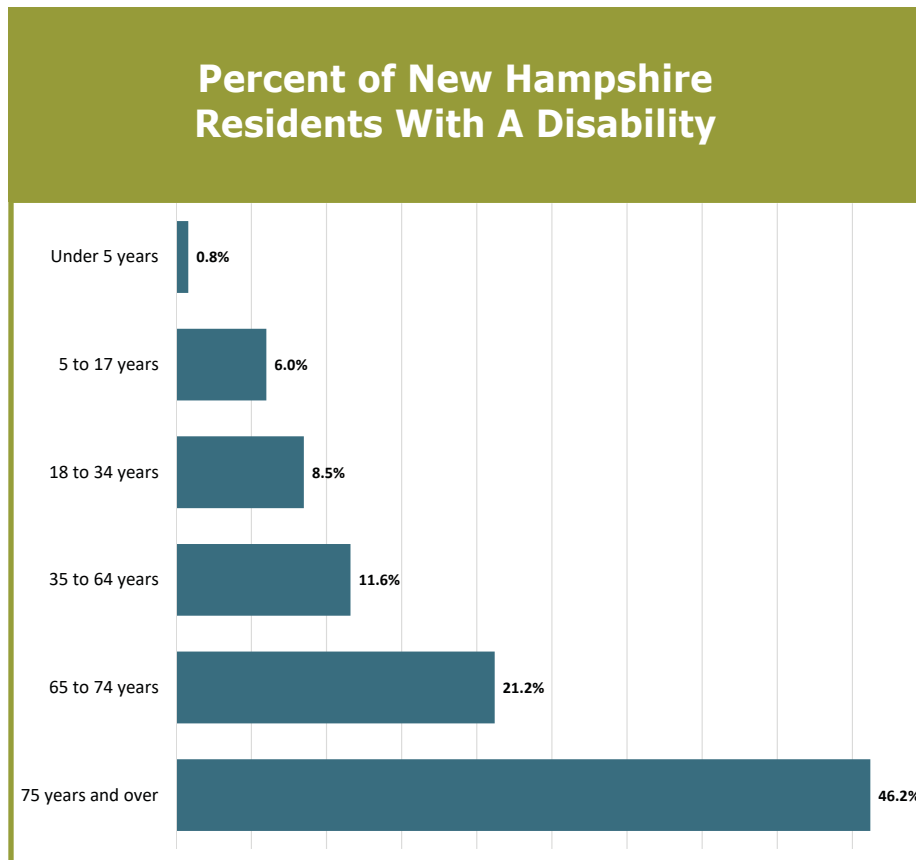
From 2020 Q1 to 2021 Q1, the unemployment rate for New Hampshire residents with a disability increased from 5.8 percent to 12.4 percent, and the labor force participation of those with a disability went down slightly. More notable, though, is the very high percentage of persons with a disability that are not participating in the labor force, regardless of the pandemic. In first quarter of 2021, 77.6 percent of those with a disability were not in the labor force, compared to only 29.4 percent of the civilian population age 16 and over with no disability. The strength or weakness of the labor market seems to change the engagement of those with a disability only marginally.

According to the 2019 American Community Survey, there were about 88,500 New Hampshire residents between the age of 18 and 64 with a disability (working age), which accounts for half of all residents in New Hampshire with a disability, regardless of age.

Overall, New Hampshire residents with a disability account for 8.5 percent of all residents in the 18 to 34 age cohort and for 11.6 percent of residents in the 35 to 64 age cohort. The likelihood of having a disability increases with age, and the percent of persons with a disability close to doubles in the age cohort 65 to 74 years from those in the age



Source: Current Population Survey, unpublished data 2021 Q1.



Source: U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates

cohort 35 to 64 years. The share of residents with a disability more than doubles again in the 75 and over cohort (although this cohort is of less relevance to the workforce due to a lower labor market attachment to the labor force).

Data from the 2019 American Community Survey show a variety of disability types in New Hampshire. Close to half of the population with a disability has a cognitive difficulty, and more than a third has an ambulatory difficulty.<sup>28</sup>

### Type of Disability Impacts Job Outlook

The disabled are often viewed as a group of individuals with similar need for services. From the perspective of service delivery, however, the type of disability needs to be taken into account.

<sup>28</sup> Disability data include total population and is not broken down by labor force status. The data table includes residents between the age of 18 and 64 (working age population). These data do not indicate if a person is affected by multiple disabilities. Aggregating the number of persons from each disability category sums to more than all persons with a disability in the age cohort.



| New Hampshire Population      | Working Age: 18 to 64 Years | Share of Persons With Disability |
|-------------------------------|-----------------------------|----------------------------------|
| With a hearing difficulty     | 17,084                      | 19.3%                            |
| With a vision difficulty      | 13,883                      | 15.7%                            |
| With a cognitive difficulty   | 43,971                      | 49.7%                            |
| With an ambulatory difficulty | 32,387                      | 36.6%                            |

Source: U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates

As with any jobseeker assessment, the individual’s skills, knowledge, and abilities are evaluated. In the case of employment services provided to a person with a disability, additional focus is on the specific *abilities* of these individuals. More importantly, assessments of those with a disability determine how to accommodate these individuals in order to make them successful in the workplace.<sup>29</sup>

Overall, about half of New Hampshire residents with a disability in 2019 had a cognitive difficulty. There have been attempts to include persons with cognitive difficulties in *retail trade* and *food services* jobs. With the disruptions that occurred during the pandemic, jobs were shed initially in *retail trade* and *accommodation and food services*. Underlying health conditions among persons with disabilities might have forced many out of the workforce, as such health issues were a risk factor for complications from COVID-19.

The second largest group of residents with disabilities are those with an ambulatory difficulty. The ability to work remotely may prove to be a solution for some disabled persons to obtain work, and for employers to be comfortable hiring people who have little choice but to work from home.

As businesses currently are struggling to attract workers, especially to lower wage jobs, this might be an opportunity for accommodating persons with disabilities for hard to fill jobs, and improve awareness of the potential of persons with a disability.<sup>30</sup> At the same time, pressure from e-commerce and the push to reduce or eliminate face-to-face services may be the impetus for companies to replace some lower skilled and lower wage workers with automation or other technology solutions. This might reduce job opportunities for people with disabilities even further.

<sup>29</sup> Research indicates that U.S. organizations have successfully been developing disability inclusion programs as measured through both company profitability and value creation. Accenture. Getting to Equal: The disability inclusion advantage.

<sup>30</sup> Vertical Harvest is an example of a company that has been developing an employment model that provide meaningful work and career opportunities for an “underserved population”. At the company’s first location in Jackson Hole, Wyoming, local residents with developmental disabilities have been engaged as the primary source of labor. A second hydroponic vertical greenhouse is currently under construction in Westbrook, Maine. Accessed on May 7, 2021 at <https://verticalharvestfarms.com/>.





The products and services of the NHES Economic and Labor Market Information Bureau result from the cooperation and teamwork of the entire ELMI Bureau staff: Michael Argiopolis, Robert Cote, Gregory David, Deborah Dunn, Katrina Evans, Brian Gottlob, Nusrat Jahan, Debra Jodoin, Donald Kelley, David Mikelson, Annette Nielsen, Bruce Olinsky, Martin Page, Marek Rivero, Peter Sgrulloni, and James Smith.

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