

THE STATE OF WORKING NEW HAMPSHIRE

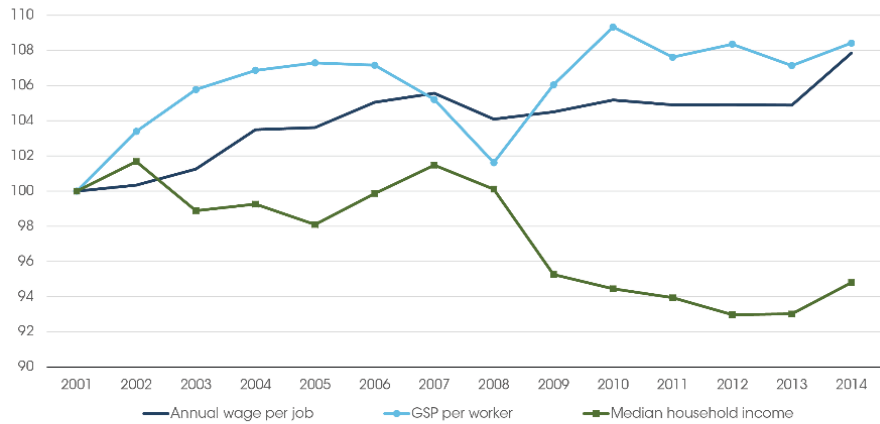
Executive Summary and Key Highlights

In its present state, the New Hampshire economy offers a number of encouraging signs. Both employment – the total number of people working in the Granite State – and economic output – the value of the goods and services those individuals produce – have been on the rise over the past several years. At the same time, the quality of New Hampshire’s workforce remains high, as its level of educational attainment continues to exceed that in most states, while the extent of severe economic hardship, as expressed by the state’s poverty rate, is still lower here than anywhere else.

Yet, the state of working New Hampshire – the circumstances faced by many individual workers and their families – is somewhat less favorable. While economic output for New Hampshire is expanding, income for the typical household has declined. The state’s median hourly wage fell nearly 7 percent between 2007 and 2015. While New Hampshire has one of the highest median wages in the country, it experienced one of the steepest declines among all states since the onset of the recession.

Many Granite Staters Not Reaping Benefits of Economic Growth

All values indexed so that 2001 value equals 100

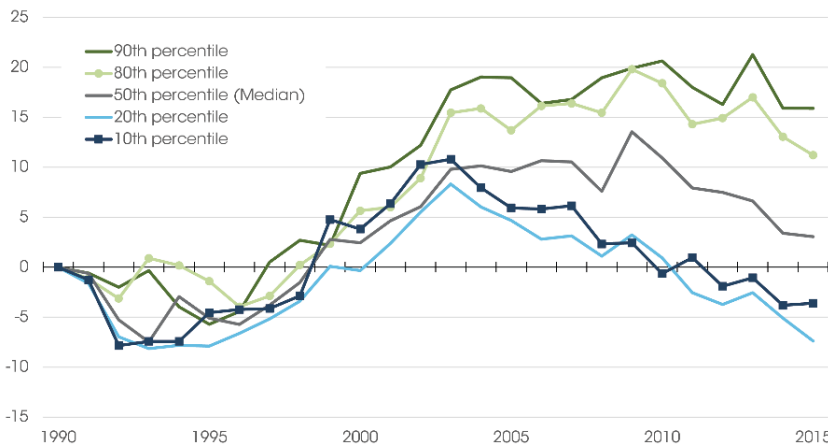


Note: All measures adjusted for inflation by CPI-U-RS; GSP adjusted per worker using BEA employment data, which includes wage/salary employees and sole proprietors
 Source: Bureau of Economic Analysis (GSP per worker), Bureau of Labor Statistics (annual wage per job), Census Bureau (median household income)

Since 1990, New Hampshire has experienced uneven wage growth, which has grown increasingly more pronounced over time, particularly for workers on the lower end of the wage distribution.

Uneven Wage Growth in New Hampshire Over Last Two and a Half Decades

Cumulative percentage change in real hourly wages for select percentiles, 1990-2015



Source: Economic Policy Institute analysis of Current Population Survey data

After adjusting for inflation, a worker in the top fifth of the distribution saw wages grow by 11 percent, while the hourly wage for a worker in the bottom fifth is now 7.4 percent lower overall.

While employment is expanding in terms of the number of jobs, the quality of these new jobs has declined.

An analysis of New Hampshire's major employment sectors from 1990 to 2015 finds a steady shift away from higher wage manufacturing jobs toward lower wage service sector positions.

Employment gains are found largely in the health care, social assistance, administrative support services, and hospitality industries, which traditionally offer lower wages on average.

High-Paying Jobs Replaced Mostly By Mid- and Low-Wage Work
New Hampshire employment and average weekly wage, by selected sector

Industry	Employment			Average weekly wage (2014)
	2007	2014	Change, 2007-2014	
Health Care/Social Assistance	79,152	86,458	7,306	\$972
Administrative/Support Services	27,973	32,981	5,008	\$836
Accommodation/Food Services	53,124	55,962	2,838	\$355
Professional/Technical Services	30,033	32,443	2,410	\$1,633
Educational Services	17,502	18,464	962	\$1,006
Local Government	57,428	57,203	-225	\$825
Finance & Insurance	28,222	27,885	-337	\$1,827
State Government	21,172	20,544	-628	\$937
Wholesale Trade	28,324	27,124	-1,200	\$1,632
Retail Trade	97,697	94,410	-3,287	\$570
Construction	27,478	23,202	-4,276	\$1,042
Manufacturing	77,762	66,451	-11,311	\$1,274
Overall change in jobs with average weekly wage above \$1,000			-14,022	
Overall change in jobs with average weekly wage below \$1,000			10,626	

Notes: The average weekly wage for all jobs in New Hampshire in 2014 was \$984, sectors shown account for 65 percent of New Hampshire employment in 2014. Source: New Hampshire Employment Security – Quarterly Census of Employment and Wages

New Hampshire's workforce is generally better educated, but older than most states. Nearly 38 percent of New Hampshire's workforce had a bachelor's degree or higher in 2015; this share ranks 10th highest across all states. At the same time, more than 25 percent of the state's workforce is over age 55; in 2015, only Maine and Vermont had larger shares of the workforce in this age category. As increasing numbers of workers retire, there may not be enough younger workers to replace them, which raises concerns for the future of the state workforce.

By several key measures, New Hampshire's economy is on the upswing, as both employment and economic output have now surpassed where they were at the start of the Great Recession. Ultimately, though, a well-functioning economy should ensure that the workers contributing to it share in the gains they have helped to produce. From that perspective, the Granite State still has a way to go, since the income for the typical household and the wage for the typical worker has yet to recover from the downturn. Those households and workers – and the financial anxiety they face – should be the focus of policymakers' efforts to shape the New Hampshire economy in the years ahead.

Learn more in NHFPI's report, *The State of Working New Hampshire*, available online at: <http://www.nhfpi.org/research/state-economy/state-of-working-new-hampshire.html>.

The New Hampshire Fiscal Policy Institute is an independent, non-profit, non-partisan organization dedicated to exploring, developing, and promoting public policies that foster economic opportunity and prosperity for all New Hampshire residents, with an emphasis on low- and moderate-income families and individuals. Learn more at www.nhfpi.org.