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.

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. 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.

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.