ECONOMIC IMPACTS OF THE COVID-19 CRISIS IN NEW HAMPSHIRE

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March 19, 2021
OVERVIEW OF PRESENTATION

• Economy prior to the COVID-19 crisis
• Employment impacts and trends at the state, county, and industry levels
• Impacts to individuals and families
PRIOR TO THE COVID-19 CRISIS: THE ECONOMY AND ECONOMIC SECURITY OF GRANITE STATE RS
SHIFTS IN JOB OPPORTUNITIES

IN NEW HAMPSHIRE BY INDUSTRY, FROM 2008-2019
PRIVATE SECTOR INDUSTRIES, 2019 AVERAGE WAGES

UNEVEN RECOVERY OF WAGES

CHANGE FROM 2004-2006 AVERAGES TO 2017-2019 AVERAGES BY WAGE DECILE OF ALL WORKERS AGE 16 AND OLDER IN NEW HAMPSHIRE

Percentage Change in Real Wages

- Lower Wages
- Higher Wages

10th $10.43
20th $12.69
30th $15.48
40th $17.88
50th $20.52
60th $24.54
70th $29.11
80th $36.33
90th $48.93

Relative Wage Percentiles and Equivalent 2017-2019 Hourly Wage Estimates

Note: Inflation adjustment using Consumer Price Index-Urban-Research Series (current methods). Includes workers aged 16 years and older, includes all income from work.

MEDIAN HOUSEHOLD AND PER CAPITA INCOME

BY RACE AND ETHNICITY IN NEW HAMPSHIRE

INDIVIDUAL POVERTY LEVELS

BY GROUP OR ATTRIBUTE IN NEW HAMPSHIRE

Notes: Margin of error bars represent 90 percent confidence intervals. Hispanic origin included in non-white races.
FAMILY POVERTY LEVELS

BY FAMILY COMPOSITION AND CHARACTERISTIC IN NEW HAMPSHIRE

Note: Margin of error bars represent 90 percent confidence intervals
Source: U.S. Census Bureau, American Community Survey Five-Year Estimates, 2015-2019
HOUSEHOLDS BY INCOME LEVEL

ESTIMATED PERCENTAGE OF NEW HAMPSHIRE HOUSEHOLDS BY INCOME GROUP

- Less than $35,000: 20%
- $35,000 to $49,999: 11%
- $50,000 to $74,999: 17%
- $75,000 to $99,999: 14%
- $100,000 to $149,999: 19%
- $150,000 to $199,999: 9%
- $200,000 or more: 10%

Source: U.S. Census Bureau American Community Survey 2019 One-Year Estimates
HOUSING EXPENSES FOR RENTERS

RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN NEW HAMPSHIRE

Note: Estimates for all New Hampshire renter households, Gross Rent Including Utilities
Source: U.S. Census Bureau, American Community Survey, 2019 One-Year Estimates
THE COVID-19 CRISIS:
EMPLOYMENT IMPACTS AND TRENDS AT THE
STATE, COUNTY, AND INDUSTRY LEVELS
UNPRECEDENTED UNEMPLOYMENT LEVELS

UNEMPLOYMENT IN NEW HAMPSHIRE AND THE NATION


16% - New Hampshire Unemployment Rate
For April 2020

14.8% - National Unemployment Rate
For April 2020

Note: Seasonally-Adjusted
INITIAL AND CONTINUED UNEMPLOYMENT CLAIMS

UNEMPLOYMENT INSURANCE IN NEW HAMPSHIRE

Continued Claims
Initial Claims

Great Recession:

Continued Unemployment Claims Peaked at 115,580
For the Week Ending May 2, 2020

Initial Unemployment Claims Peaked at 31,378
For the Week Ending April 4, 2020

Note: Not Seasonally-Adjusted
Source: U.S. Department of Labor, Employment and Training Administration
UNEVEN, ONGOING EMPLOYMENT IMPACTS

Nationally:

• Higher levels of unemployment for non-white and/or Hispanic workers, those without higher education

• Percentage of workers employed part-time involuntarily, due to weak economic conditions or business conditions, are elevated compared to pre-pandemic levels

• Of those identified as unemployed, 40% have been unemployed for more than 6 months, surpassing levels in the height of the Great Recession

CIVILIAN LABOR FORCE AND EMPLOYMENT IN NEW HAMPSHIRE


Civilian Labor Force Declined to 735,030
During April 2020

Employment Declined to 617,342
During April 2020

Year

Note: Seasonally-Adjusted
LABOR FORCE PARTICIPATION

LABOR FORCE PARTICIPATION RATE IN NEW HAMPSHIRE

Percentage of Labor Force

64% 65% 66% 67% 68% 69% 70% 71% 72%

Year


Labor Force Participation Dropped to 65.1%
During April 2020

Notes: Seasonally-adjusted, the labor force includes all people age 16 and older who are classified as either employed or unemployed.
Source: U.S. Bureau of Labor Statistics

NEW HAMPSHIRE FISCAL POLICY INSTITUTE
LABOR FORCE CHANGES

• Labor force has declined nationally and in New Hampshire, and has not returned to pre-pandemic levels

• Smaller labor force contributing to decline in unemployment estimates

• Nationally, the labor force participation of women, especially those with school-aged children, has declined more and has recovered less than the male participation rate

SHARE OF POPULATION EMPLOYED DROPS

EMPLOYMENT-POPULATION RATIO IN NEW HAMPSHIRE

The Civilian Population Currently Employed Dropped to 54.7% During April 2020

Note: Seasonally-Adjusted
Source: U.S. Bureau of Labor Statistics
BEYOND THE UNEMPLOYMENT RATE

• Interaction between unemployment and labor force declines seen may signify that more people are out of work than estimated

• Discouraged workers facing long-term unemployment, and those not searching for a job may also be underrepresented in these topline figures

• Certain groups are facing higher levels of unemployment than others, including women and those identifying as certain racial or ethnic minority groups

COUNTY AND INDUSTRY IMPACTS

• Different geographies of New Hampshire experienced different employment impacts
• Service-based industries were most affected by employment losses
• Industries paying lower than average wages experienced some of the largest employment declines in New Hampshire

Source: New Hampshire Employment Security
## COUNTY UNEMPLOYMENT LEVELS

<table>
<thead>
<tr>
<th>County</th>
<th>February 2020</th>
<th>April 2020</th>
<th>January 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belknap</td>
<td>3.2%</td>
<td>20.6%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Carroll</td>
<td>3.2%</td>
<td>24.3%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Cheshire</td>
<td>3.1%</td>
<td>14.8%</td>
<td>4.2%</td>
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<tr>
<td>Coos</td>
<td>4.2%</td>
<td>22.2%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Grafton</td>
<td>2.5%</td>
<td>16.1%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Hillsborough</td>
<td>3.2%</td>
<td>17.2%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Merrimack</td>
<td>2.6%</td>
<td>15.7%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Rockingham</td>
<td>3.3%</td>
<td>17.6%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Strafford</td>
<td>2.8%</td>
<td>16.4%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Sullivan</td>
<td>2.7%</td>
<td>13.6%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>


Note: April 2020 unemployment rates were the highest levels recorded. Data represent estimates and are subject to revision. Data are not seasonally adjusted.
TOP INDUSTRIES FOR UNEMPLOYMENT CLAIMS

IN NEW HAMPSHIRE, FROM MARCH 16, 2020 TO FEBRUARY 20, 2021

- Initial Claims Since March 15
- 2019 Average Private and Public Weekly Wage

LOWER WAGE EMPLOYMENT HAS NOT RECOVERED

PERCENT CHANGE IN EMPLOYMENT IN NEW HAMPSHIRE

In **New Hampshire**, as of **January 20 2021**, employment rates among workers in the bottom wage quartile decreased by **32.2%** compared to January 2020 (not seasonally adjusted).

Notes: Change in employment rates (not seasonally adjusted) indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Earnin, and timesheet data from Kronos.


Jan 20, 2021
+0.4%
High Wage (>500K)

-7.5%
Middle Wage (27K-50K)

-32.2%
Low Wage (<27K)

Jan 15 2020
Apr 1
Jun 1
Aug 1
Oct 1
Dec 1
Feb 1 2021
Mar 16

First U.S. COVID-19 Case
Stimulus Payments Start
THE COVID-19 CRISIS: THE IMPACTS ON INDIVIDUALS AND FAMILIES
HARDSHIPS RESULTING FROM THE PANDEMIC

• Nearly half of New Hampshire adults reported a loss of household employment income between March and July 2020

• At the end of 2020, about 1 in 4 households expected future employment income losses and about 1 in 3 reported difficulty paying for usual expenses in New Hampshire

• From April 2020 to March 2021, between 4 percent and 12 percent of households in New Hampshire indicated there was either sometimes or often not enough to eat in the last 7 days

Source: U.S. Census Bureau Household Pulse Survey
FOOD SCARCITY

PERCENTAGE OF ADULTS IN HOUSEHOLDS SOMETIMES OR OFTEN LACKING ENOUGH TO EAT IN THE LAST SEVEN DAYS IN NEW HAMPSHIRE

Note: Time period gap between Phase 1 and Phase 2 of the Pulse Survey data collection.

Note: Margin of error bars represent 90 percent confidence intervals
Source: U.S. Census Bureau, 2020 Household Pulse Survey, accessed March 15, 2021
DIFFICULTY COVERING EXPENSES

IN NEW HAMPSHIRE FROM FEBRUARY 17 TO MARCH 1, 2021

- Not at all difficult: 47%
- A little difficult: 23%
- Somewhat difficult: 17%
- Very difficult: 10%
- Did not report: 3%

DIFFICULTY COVERING EXPENSES

PERCENTAGE OF ADULTS LIVING IN HOUSEHOLDS WHERE IT HAS BEEN SOMEWHAT OR VERY DIFFICULT TO PAY FOR USUAL HOUSEHOLD EXPENSES DURING THE LAST SEVEN DAYS IN NEW HAMPSHIRE

Note: Margin of error bars represent 90 percent confidence intervals
Source: U.S. Census Bureau, 2020 Household Pulse Survey, accessed March 15, 2021
INCREASED COSTS DURING THE PANDEMIC

• From February 2020 to February 2021, costs have increased across many categories of expenses
• The costs for food have increased overall
• Notable increases in cost of housing, general household expenses, and personal care services

Source: U.S. Bureau of Labor Statistics
ECONOMIC ASSISTANCE CASES

UNDuplicated Open Cases for Economic Assistance in New Hampshire Since Week Ending March 20, 2020

Week Ending

Source: New Hampshire Department of Health and Human Services, Division of Economic and Housing Stability, Data Published March 1, 2021
POLICY RESPONSES TO THE PANDEMIC

- Expanded and extended unemployment compensation
- Economic Impact Payments
- Increase maximum benefits for Supplemental Nutrition Assistance Program
- Moratoria on certain evictions and foreclosures
- Rental assistance
- Changes and additions to other nutritional aid and safety net programs
- Aid to state and local governments
KEY TAKEAWAYS

• The uneven recovery from the Great Recession left many Granite Staters less prepared to weather the current crisis

• The COVID-19 crisis resulted in the most acute employment losses among workers earning lower wages and in certain service-based industries

• Many topline indicators have improved from severe levels seen in mid-2020, but may not be indicative of the recovery reaching everyone

• Many individuals have left the labor force and are facing underemployment or long-term unemployment
KEY TAKEAWAYS

• There may be lingering impacts to regions, industries, and people
• Disproportionate impacts on certain groups, such as women, certain racial and ethnic minority groups
• Policy actions and aid have contributed significantly to the recovery thus far
• Continued investments to support those most impacted can foster a more equitable, inclusive, and sustainable economic recovery
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