



THE IMPACTS OF THE PANDEMIC ON GRANITE STATERS AND THE ECONOMY

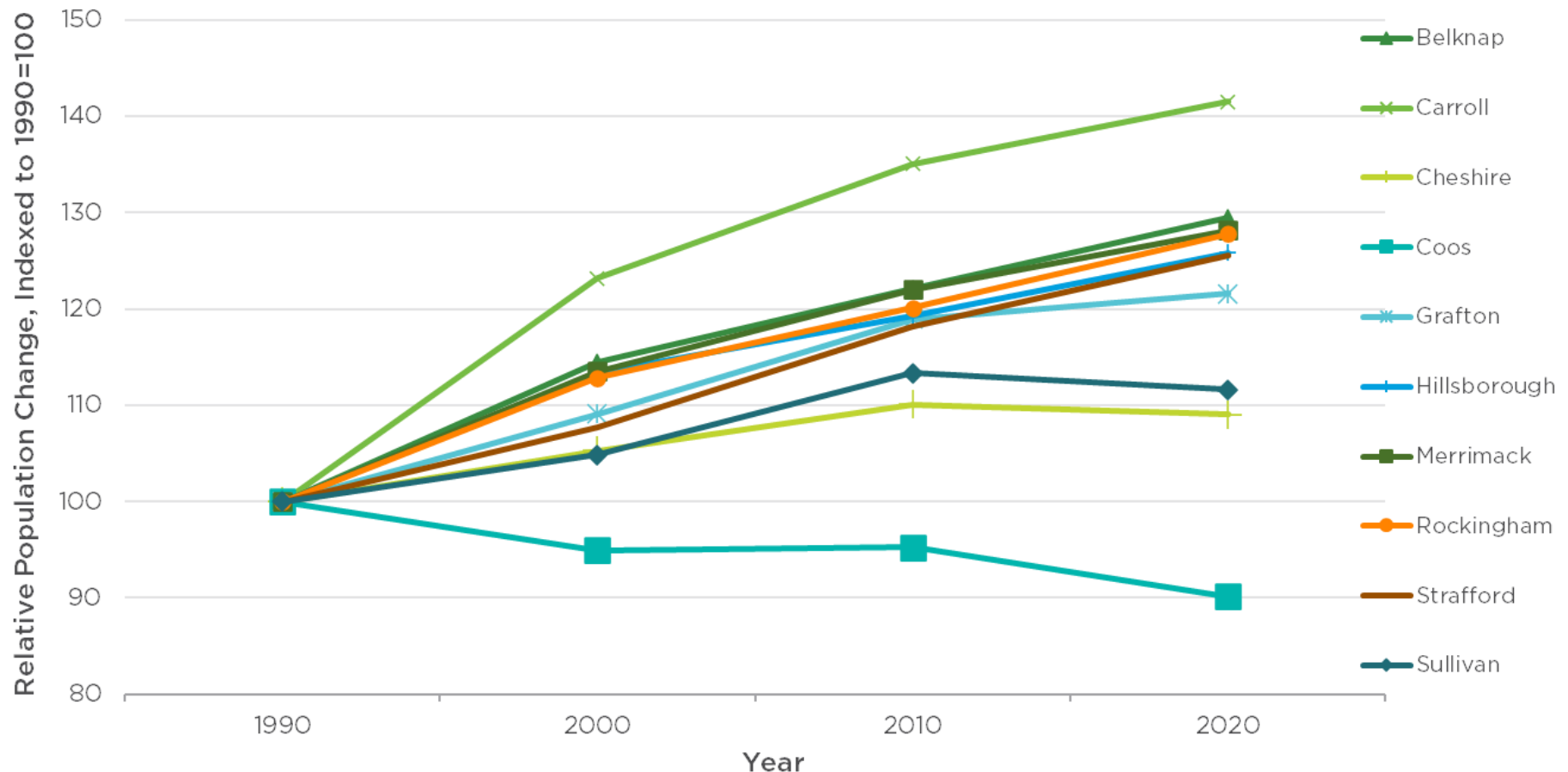
PRESENTED BY PHIL SLETTEN, SENIOR POLICY ANALYST

NEW HAMPSHIRE COMMUNITY DEVELOPMENT FINANCE AUTHORITY
DECEMBER 14, 2021

LONG-TERM POPULATION AND INCOME TRENDS BEFORE THE PANDEMIC

MOST COUNTY POPULATIONS HAVE GROWN RELATIVE TO 1990

RELATIVE POPULATION CHANGE BY NEW HAMPSHIRE COUNTY



Source: U.S. Census Bureau, Decennial Census

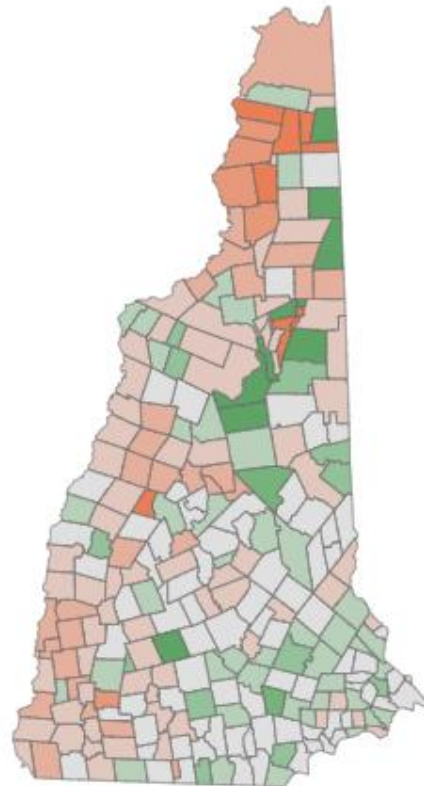
POPULATION GROWTH FASTER IN SOUTHEAST, RECREATION AREAS

PERCENT POPULATION CHANGE BY MUNICIPALITY

New Hampshire, 2010 to 2020,

Shading Relative to Statewide Growth Rate

Source: U.S. Census Bureau, Decennial Census Counts



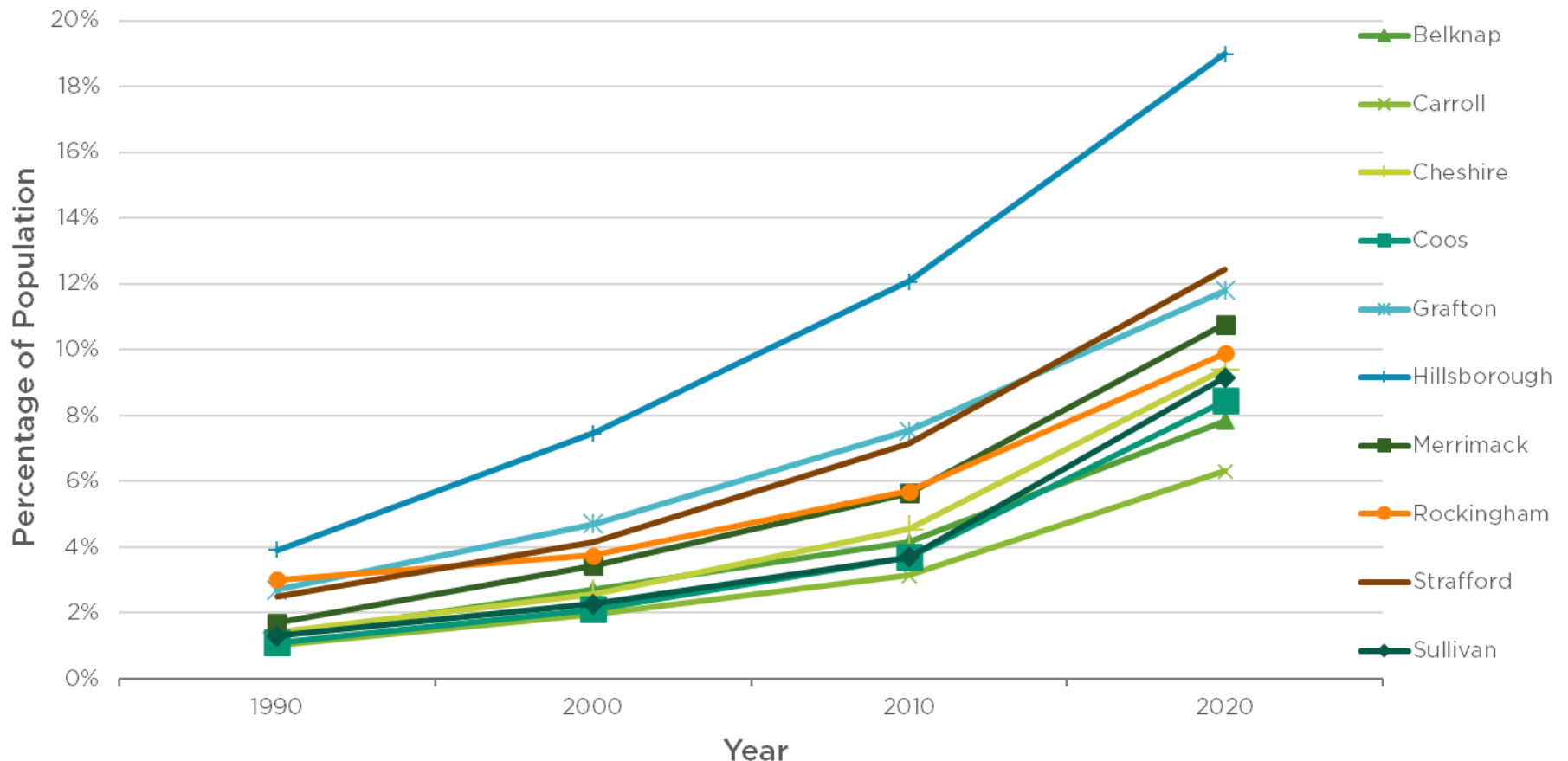
Population Change
Relative to Statewide
Growth

More Than 20% = ■

Less Than -20% = ■

INCREASING RACIAL AND ETHNIC DIVERSITY IN ALL COUNTIES

PERCENTAGE OF COUNTY POPULATION IDENTIFYING AS A MEMBER OF A RACIAL OR ETHNIC MINORITY GROUP IN NEW HAMPSHIRE



Source: U.S. Census Bureau, Decennial Census

HIGHEST MEDIAN HOUSEHOLD INCOMES CLOSER TO BOSTON METRO AREA

ESTIMATED MEDIAN HOUSEHOLD INCOMES RELATIVE TO STATEWIDE MEDIAN BY MUNICIPALITY

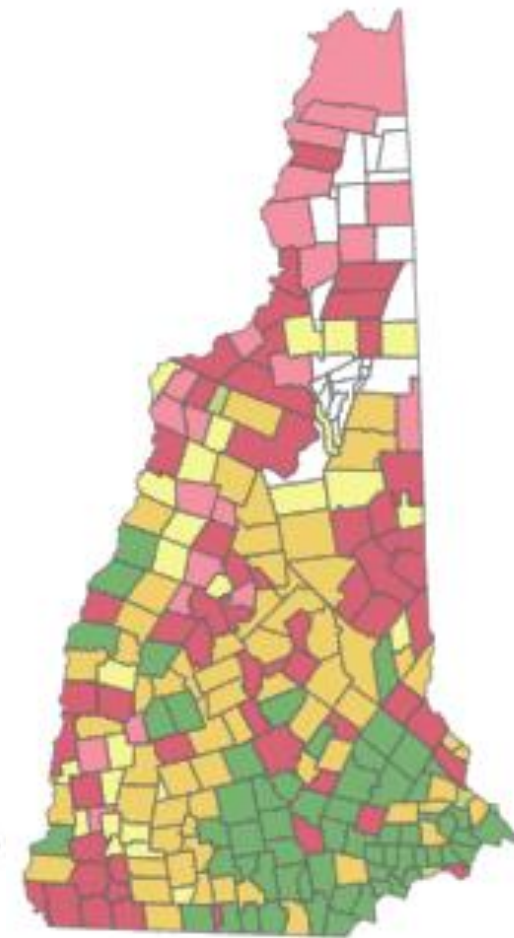
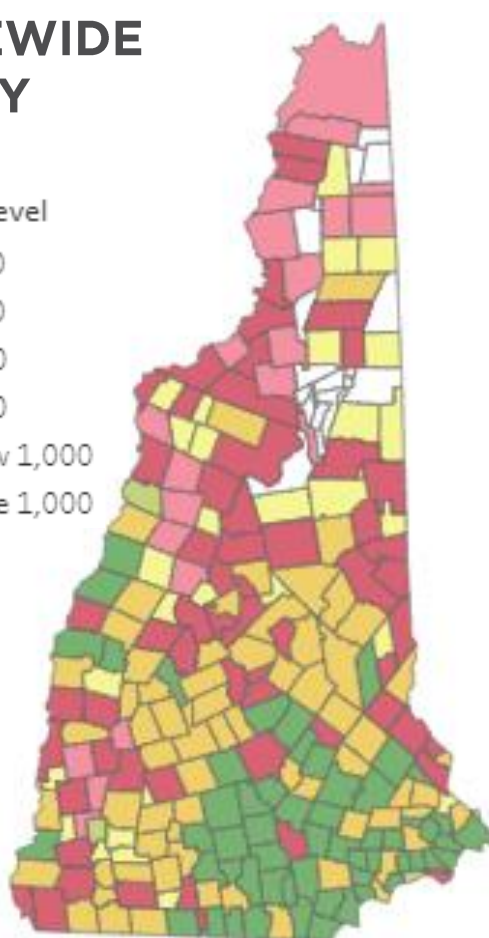
2007-2011

2012-2016

Comparison to State Estimate

Statistical Significance measured at 90% confidence level

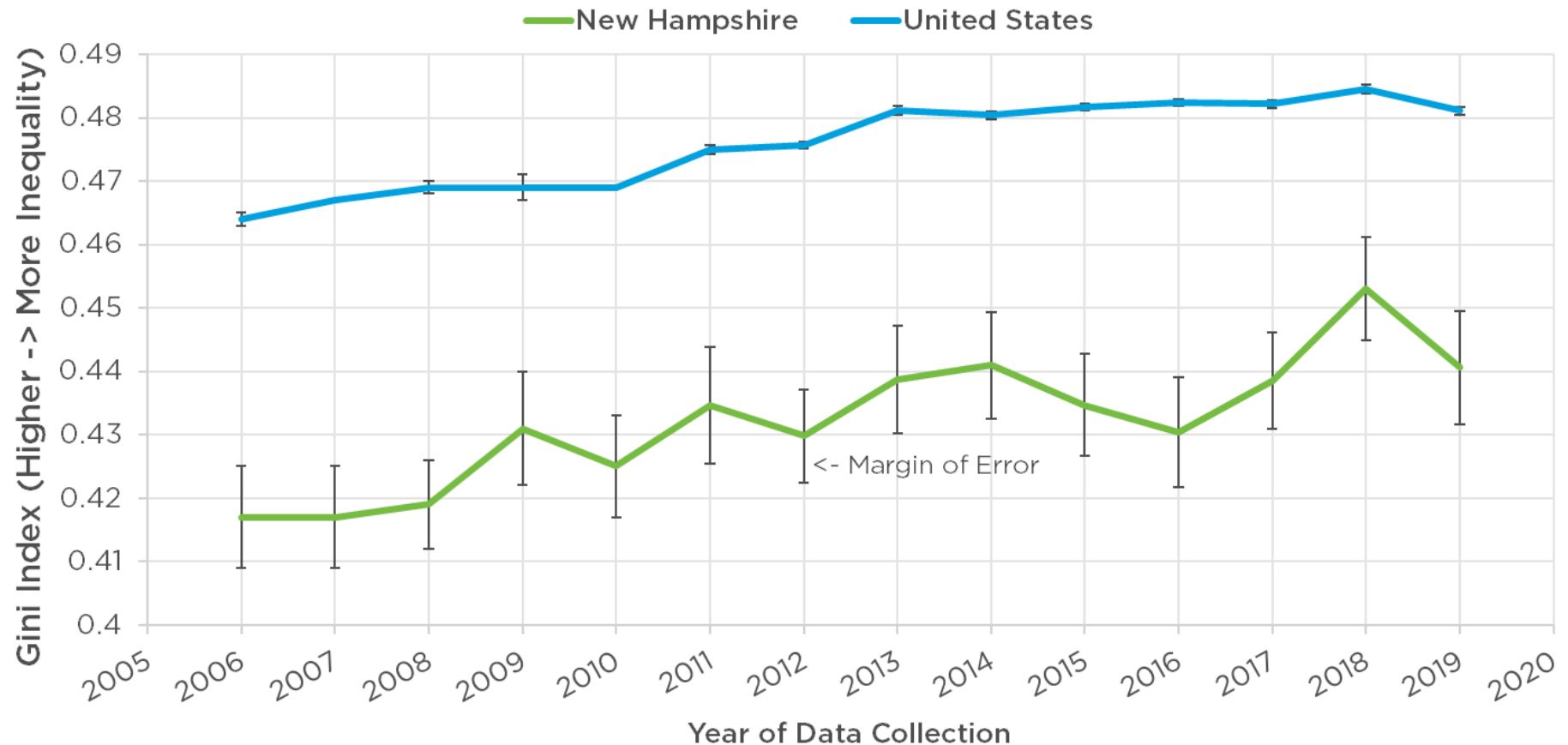
- Statistically Significantly Below, Population Below 1,000
- Statistically Significantly Below, Population Above 1,000
- Statistically Significantly Above, Population Below 1,000
- Statistically Significantly Above, Population Above 1,000
- No Statistically Significant Difference, Population Below 1,000
- No Statistically Significant Difference, Population Above 1,000



Source: U.S. Census Bureau, American Community Survey

UPWARD TREND IN INEQUALITY

GINI INDEX OF INCOME INEQUALITY BETWEEN HOUSEHOLDS IN NEW HAMPSHIRE AND THE UNITED STATES



Note: Margins of Error represent 90 percent confidence intervals
Source: U.S. Census Bureau, American Community Survey, One-Year Estimates

IMPACTS OF THE PANDEMIC

IMPACTS ON HOUSEHOLD SAVINGS AND ASSETS UNEVEN

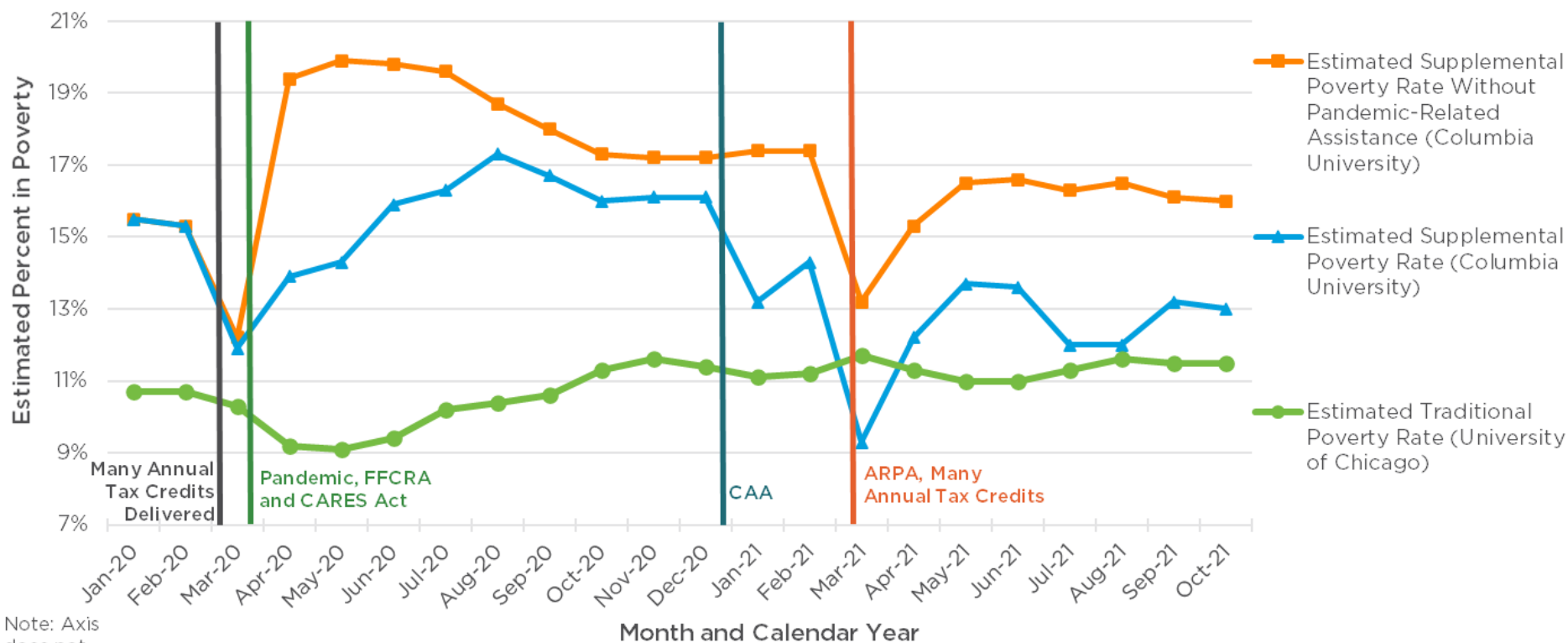
- Federal Reserve System Board of Governors: “...financial challenges in 2020 were uneven, and frequently left those who entered the year with fewer resources further behind.”¹
- In November 2020, about one in four U.S. adults said they were worse off financially than they were a year earlier¹
- Share with a bachelor’s degree at least “doing okay” financially was 89%, compared to 45% for adults with less than a high school degree; at least “doing ok” 80% for white adults, 64% for both Black and Hispanic adults¹
- 38% of households reported serious financial problems in mid-2021 (59% for those with below \$50,000 per year in income), and 19% reported losing all savings during pandemic and not having any more (30% for less than \$50,000 per year)²

1. U.S. Federal Reserve System Board of Governors, Report on the Economic Well-Being of U.S. Households in 2020, May 2021

2. Harvard T.H. Chan School of Public Health, Robert Wood Johnson Foundation, NPR, Household Experiences in American During the Delta Variant Outbreak, survey conducted in August-September 2021, published October 2021

POLICY RESPONSE TO PANDEMIC APPEARED TO LIMIT POVERTY

ESTIMATED MONTHLY U.S. POVERTY RATE AND SUPPLEMENTAL POVERTY MEASURE, WITH AND WITHOUT PANDEMIC LEGISLATION



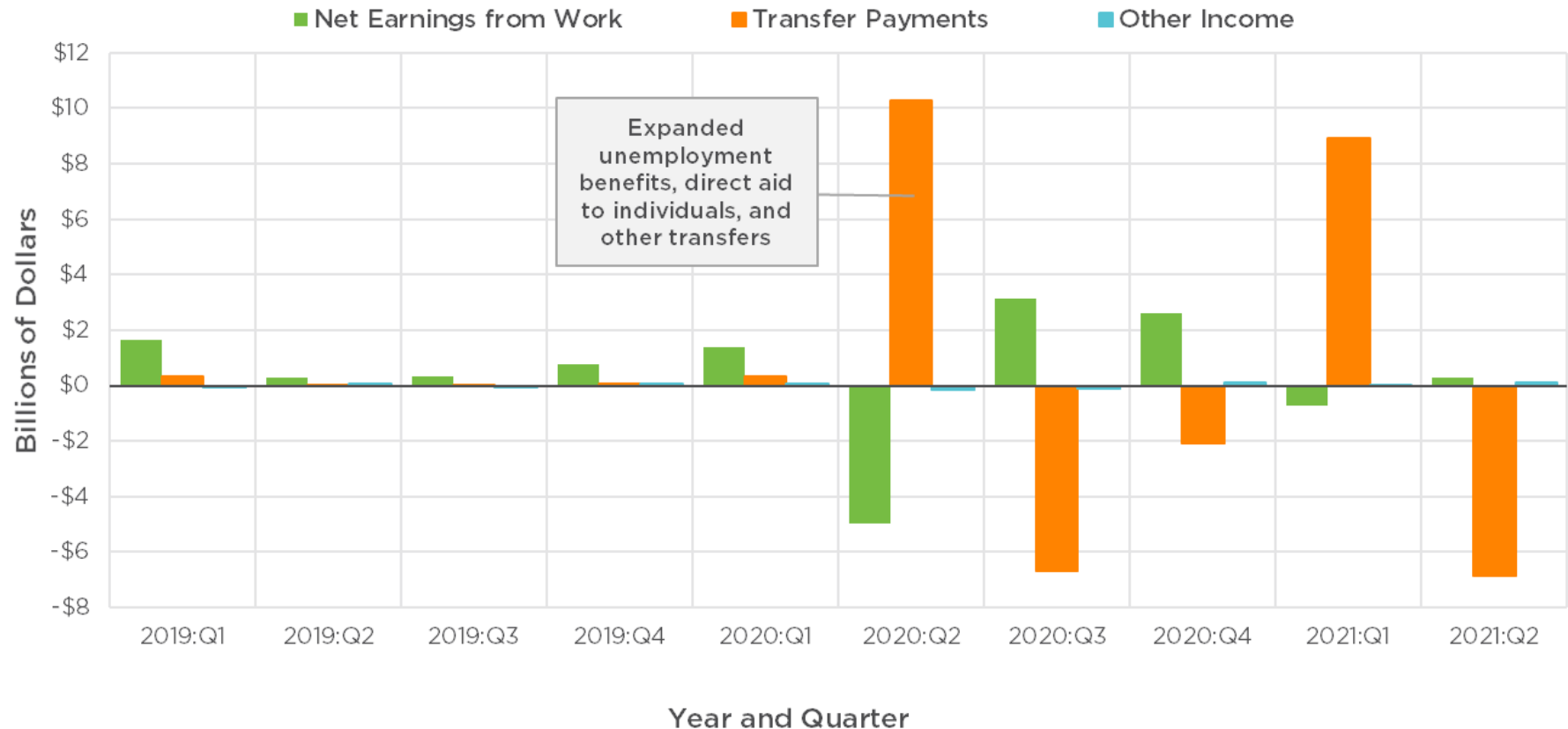
Note: Axis does not begin at zero.

Notes: FFCRA refers to the Families First Coronavirus Response Act. CARES Act is the Coronavirus Aid, Relief, and Economic Security Act. CAA refers to the Consolidated Appropriations Act of 2021. ARPA refers to the American Rescue Plan Act.

Sources: "Near Real Time COVID-19 Income and Poverty Dashboard," University of Chicago and Notre Dame, based on Han, Meyer, and Sullivan (2020), December 13, 2020; "Monthly Poverty," Center on Poverty and Social Policy at Columbia University, based on Parolin, Curran, Matsudaira, Waldfogel, and Wimer (2020), December 13, 2021.

INCOME IMPACTS IN NEW HAMPSHIRE

CHANGE IN PERSONAL INCOME FROM PRIOR QUARTER, NEW HAMPSHIRE, ANNUALIZED



Notes: Net earnings adjusted for place of residence. "Transfer Payments" can include private sector transfers. "Other Income" includes, interest, dividends, and rent as defined by the U.S. Bureau of Economic Analysis. Figures not adjusted for inflation.

Source: U.S. Bureau of Economic Analysis

OTHER IMPACTS IN NEW HAMPSHIRE

- Lower wage jobs and jobs in lower income sectors more likely to have been lost, remain below pre-pandemic employment¹
- Median home sale price increased 32.1% from November 2019 to November 2021, months of inventory supply down 65.4%²
- About one in five New Hampshire adults finds paying for usual household expenses somewhat or very difficult, Sep.-Oct. 2021³
- Labor force is 5.9% smaller than pre-pandemic peak (about 46,000 people), and 4.8% smaller than February 2020 (about 37,000 people)⁴
- Impacts continuing as temporary federal support policies end

1. NHFPI, Uneven Employment Impacts and Recovery from the COVID-19 Crisis, September 1, 2021

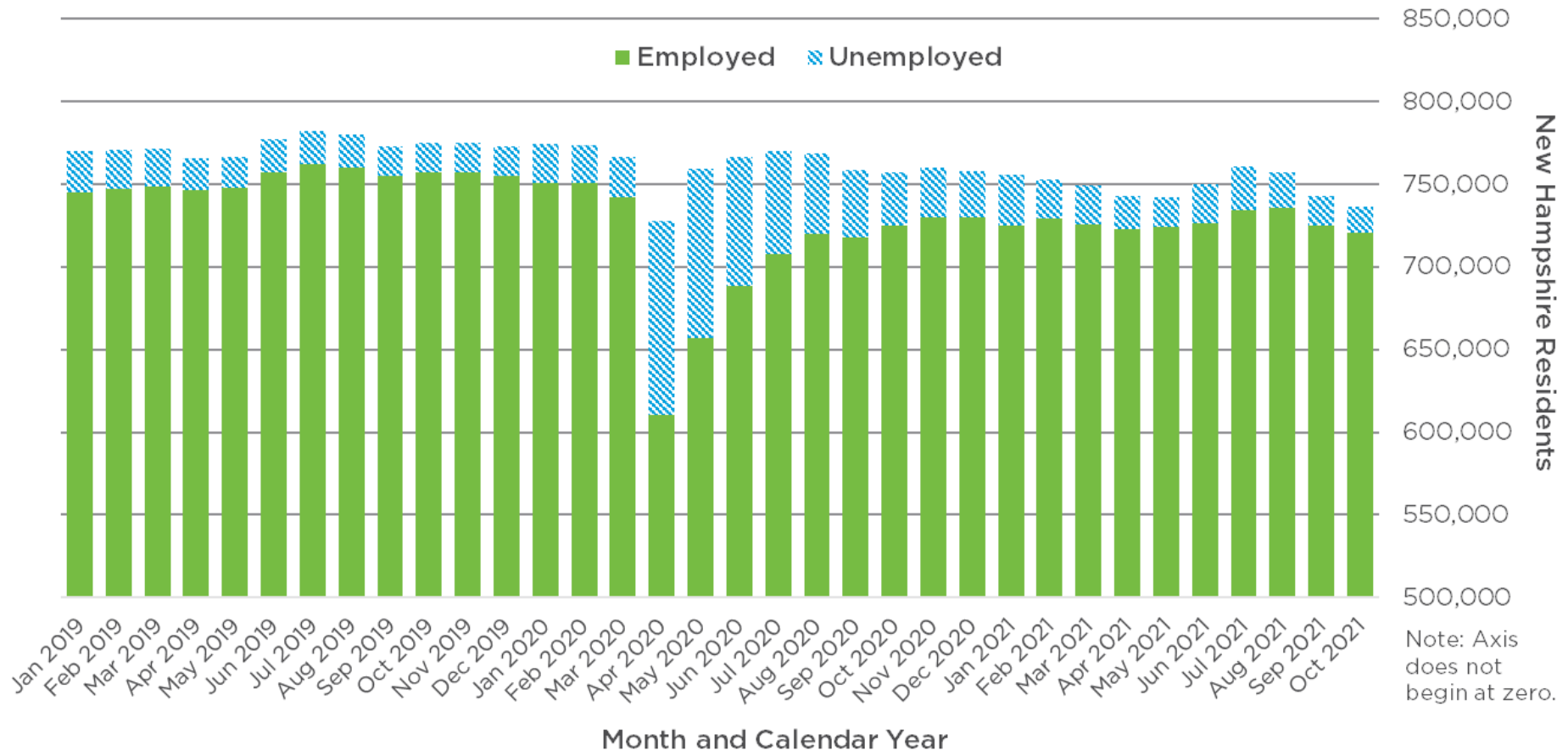
2. New Hampshire Association of Realtors, NH Monthly Indicators, November 2019 and November 2021

3. U.S. Census Bureau, Household Pulse Survey, September 29, to October 11, 2021, survey asks about prior seven days.

4. New Hampshire Employment Security, Local Area Unemployment Statistics program, accessed December 2021

WORKFORCE IMPACTS IN NEW HAMPSHIRE

EMPLOYED AND UNEMPLOYED WHILE ACTIVELY SEEKING WORK NEW HAMPSHIRE RESIDENTS

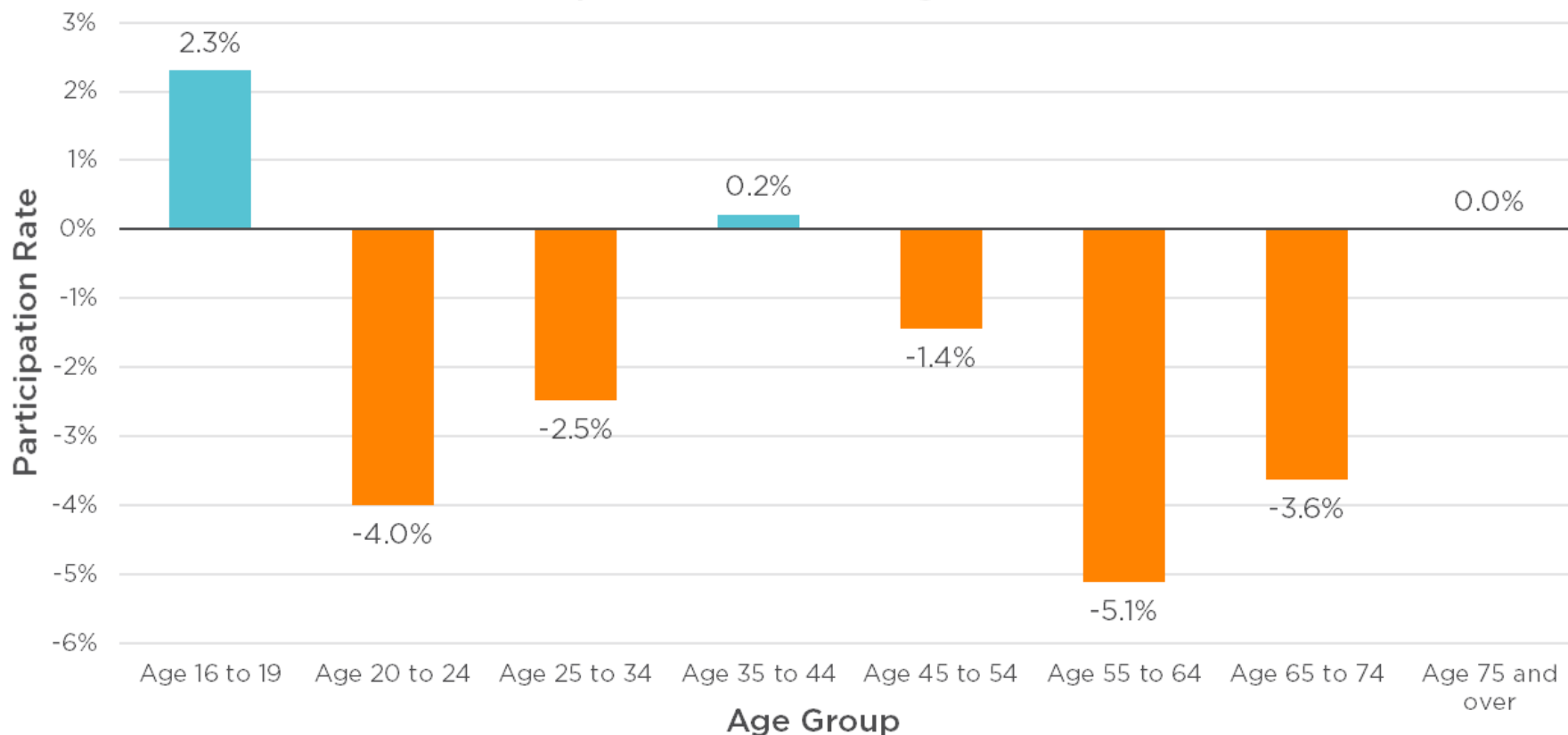


Source: New Hampshire Employment Security, Local Area Unemployment Statistics, Not Seasonally Adjusted

YOUNGER, OLDER ADULTS MORE LIKELY TO HAVE STOPPED WORKING, SEEKING WORK

CHANGE IN LABOR FORCE PARTICIPATION RATES BY AGE

*New Hampshire, March 2019-February 2020
to September 2020-August 2021*

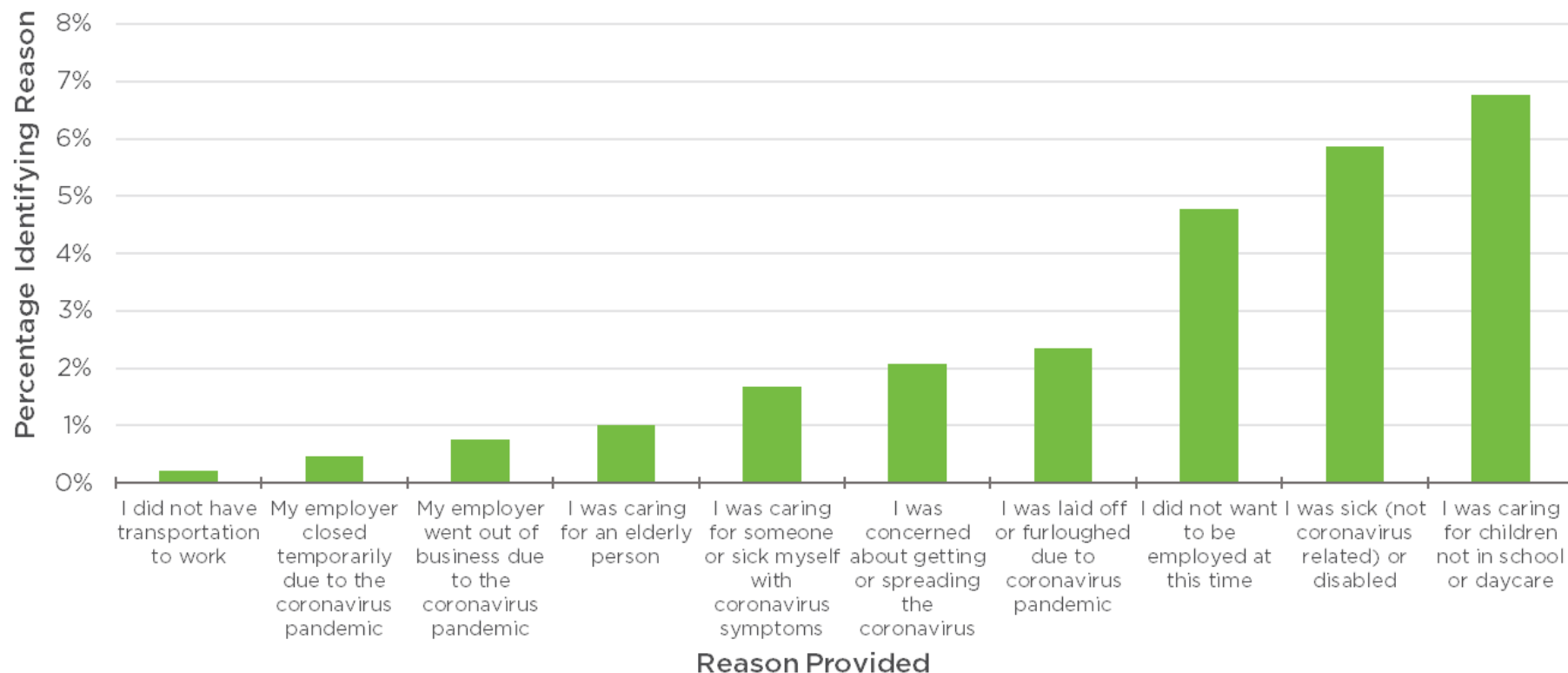


Source: New Hampshire Employment Security

OTHER THAN RETIREMENT, CARING FOR CHILDREN WAS MOST COMMON REASON

STATED REASONS FOR NOT WORKING

*Based on Surveys of New Hampshire Adults, July 21, 2021-October 11, 2021
Excluding Respondents Who Are Working, Identified As Retired (Nearly Half of Those Not Working), Gave Uncategorized Reason, or Did Not Identify Reason*

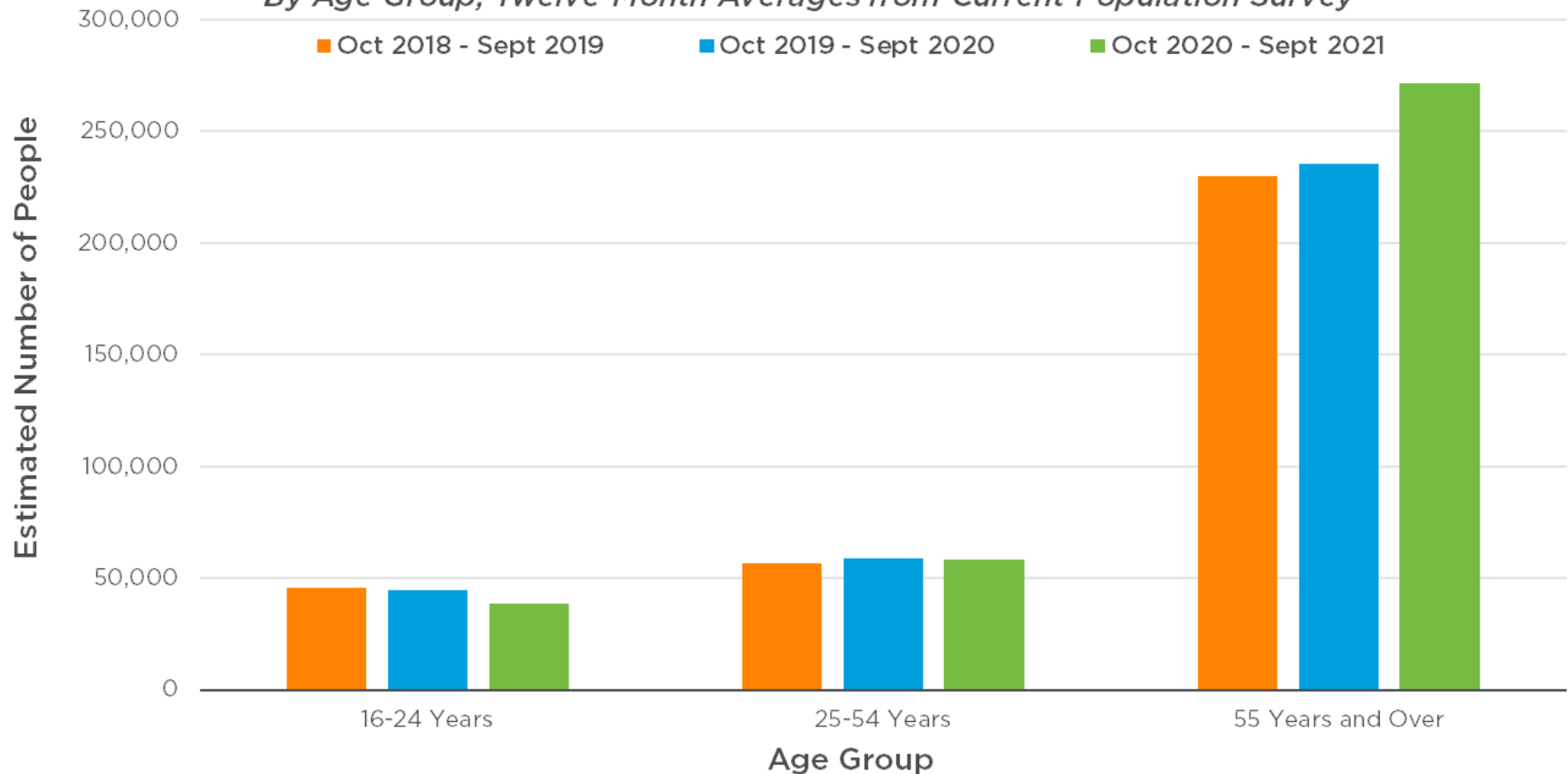


Source: U.S. Census Bureau, Household Pulse Survey. Note: Insufficient data cells assumed to be zero for purposes of averages.

OLDER ADULTS APPEAR TO BE LESS LIKELY TO BE SEEKING EMPLOYMENT

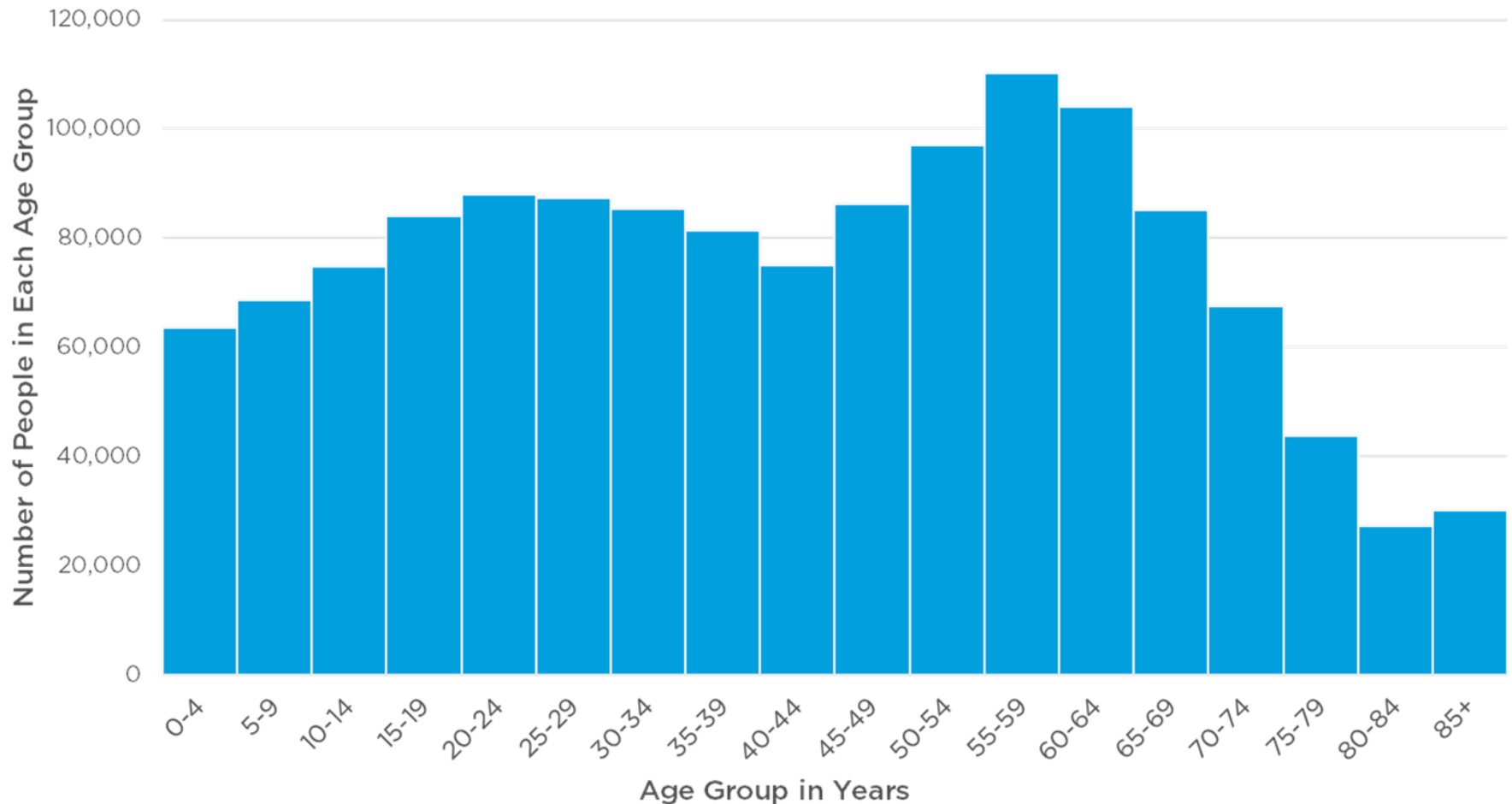
ESTIMATED NUMBER OF NEW HAMPSHIRE RESIDENTS WHO DO NOT WANT A JOB NOW

By Age Group, Twelve-Month Averages from Current Population Survey



LONG-TERM DECLINE LIKELY DRIVEN BY AGE STRUCTURE OF STATE POPULATION

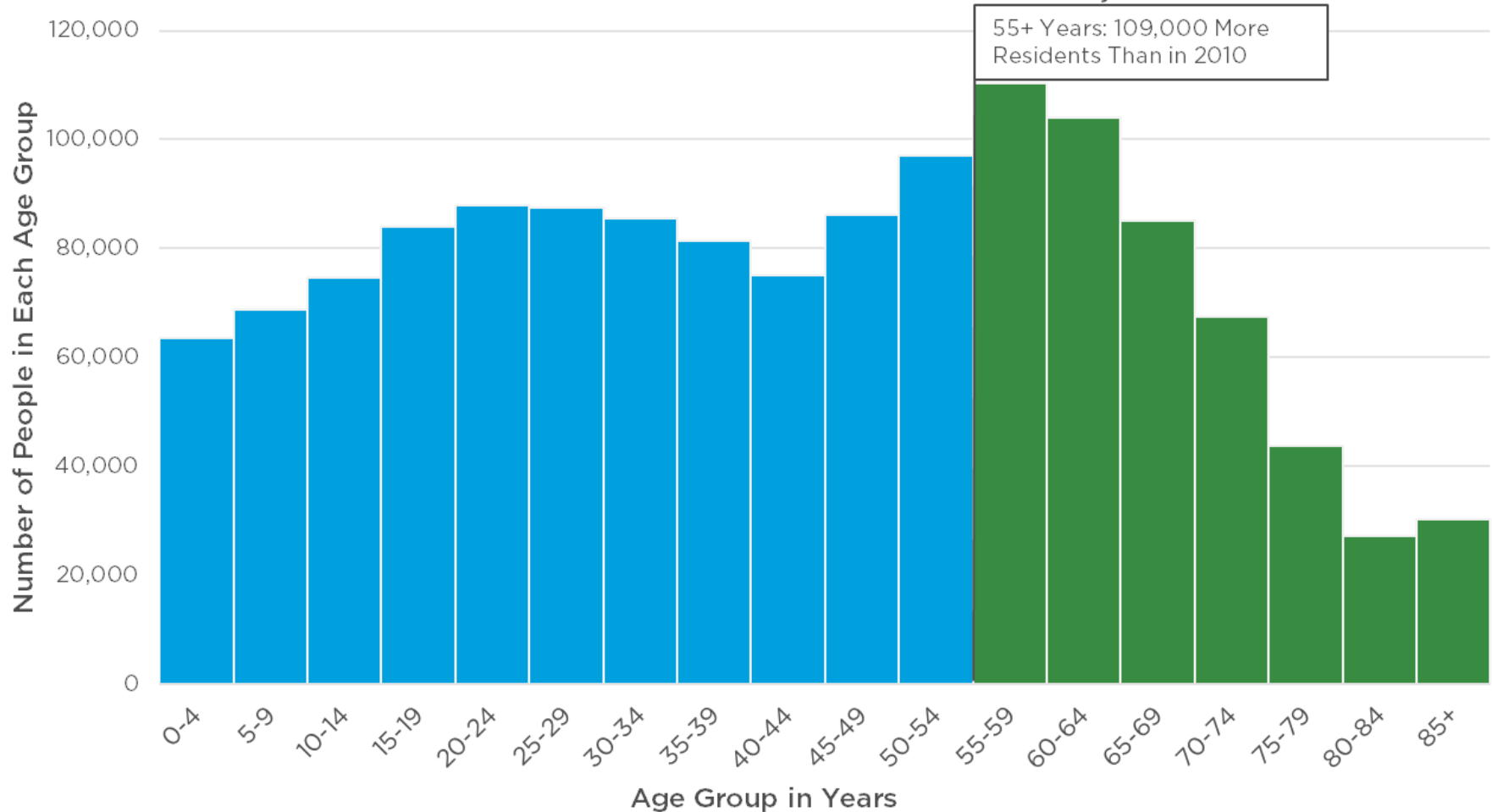
NEW HAMPSHIRE DEMOGRAPHICS BY AGE, 2019



Source: U.S. Census Bureau Population Estimates Program, July 1 Estimates

LONG-TERM DECLINE LIKELY DRIVEN BY AGE STRUCTURE OF STATE POPULATION

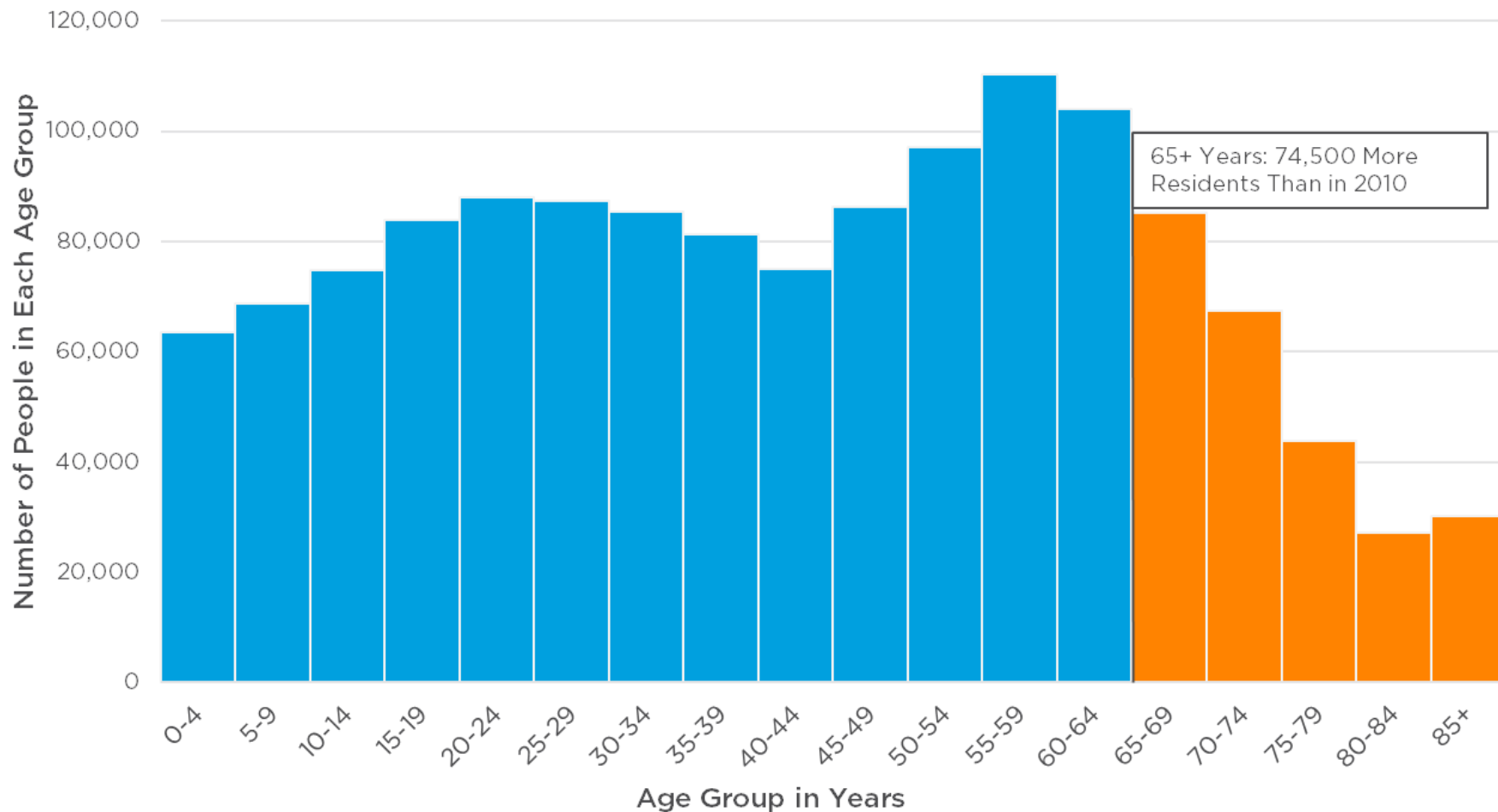
NEW HAMPSHIRE DEMOGRAPHICS BY AGE, 2019



Source: U.S. Census Bureau Population Estimates Program, July 1 Estimates

LONG-TERM DECLINE LIKELY DRIVEN BY AGE STRUCTURE OF STATE POPULATION

NEW HAMPSHIRE DEMOGRAPHICS BY AGE, 2019

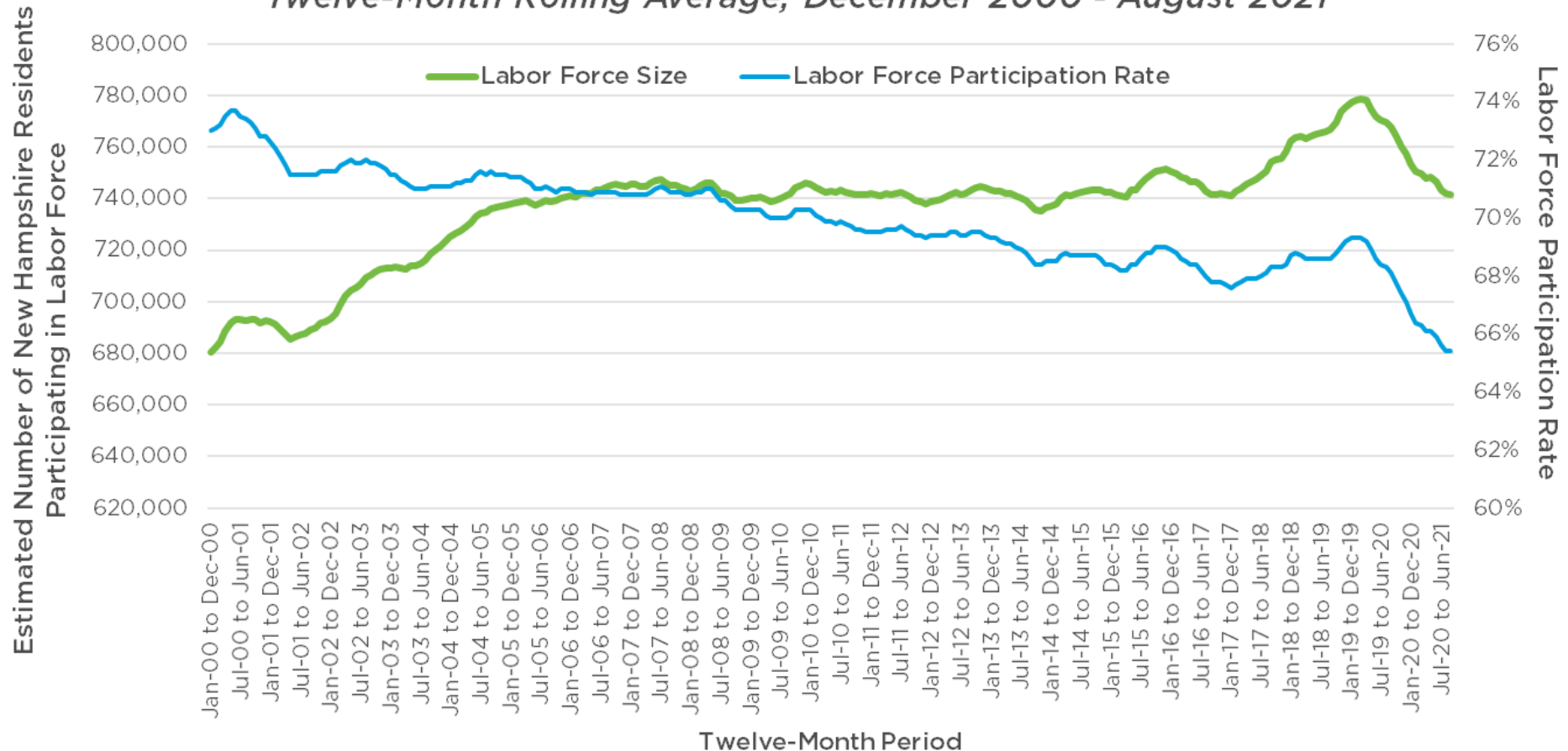


Source: U.S. Census Bureau Population Estimates Program, July 1 Estimates

SIZE OF LABOR FORCE LIMITED OVER LONG-TERM BY DECLINE IN PARTICIPATION

NEW HAMPSHIRE'S LABOR FORCE SIZE AND PARTICIPATION RATE

Twelve-Month Rolling Average, December 2000 - August 2021



Source: New Hampshire Employment Security, Unpublished Current Population Survey Data

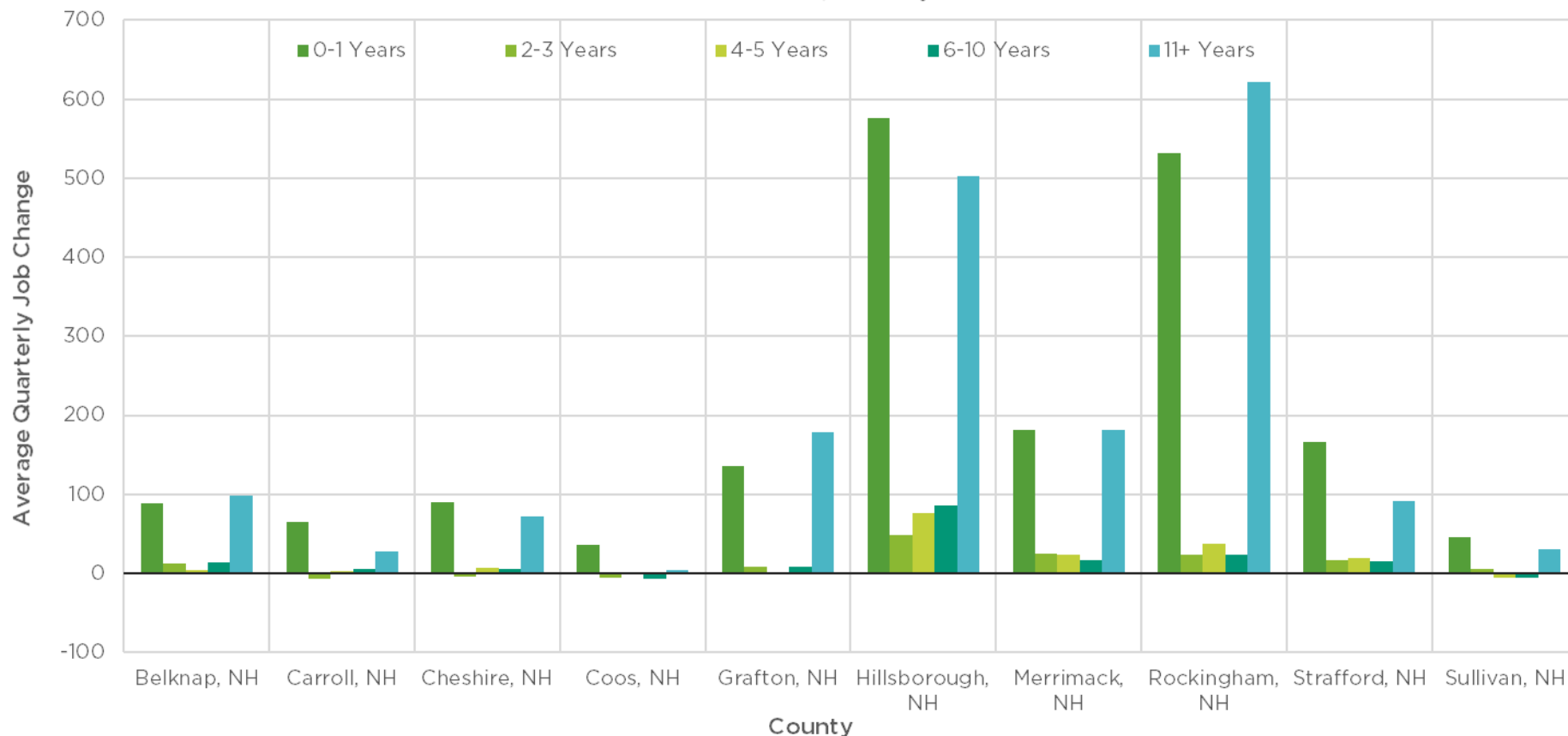
POTENTIAL CONSTRAINTS ON THE RECOVERY

Insights from County-Level Data Analyzed for
The Hannah Grimes Center for Entrepreneurship

BEFORE THE GREAT RECESSION, YOUNG AND OLD FIRMS GENERATED MOST JOBS

NET JOB CREATION IN COUNTY BY THE AGE OF A FIRM, 2004-2006 AVERAGE

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

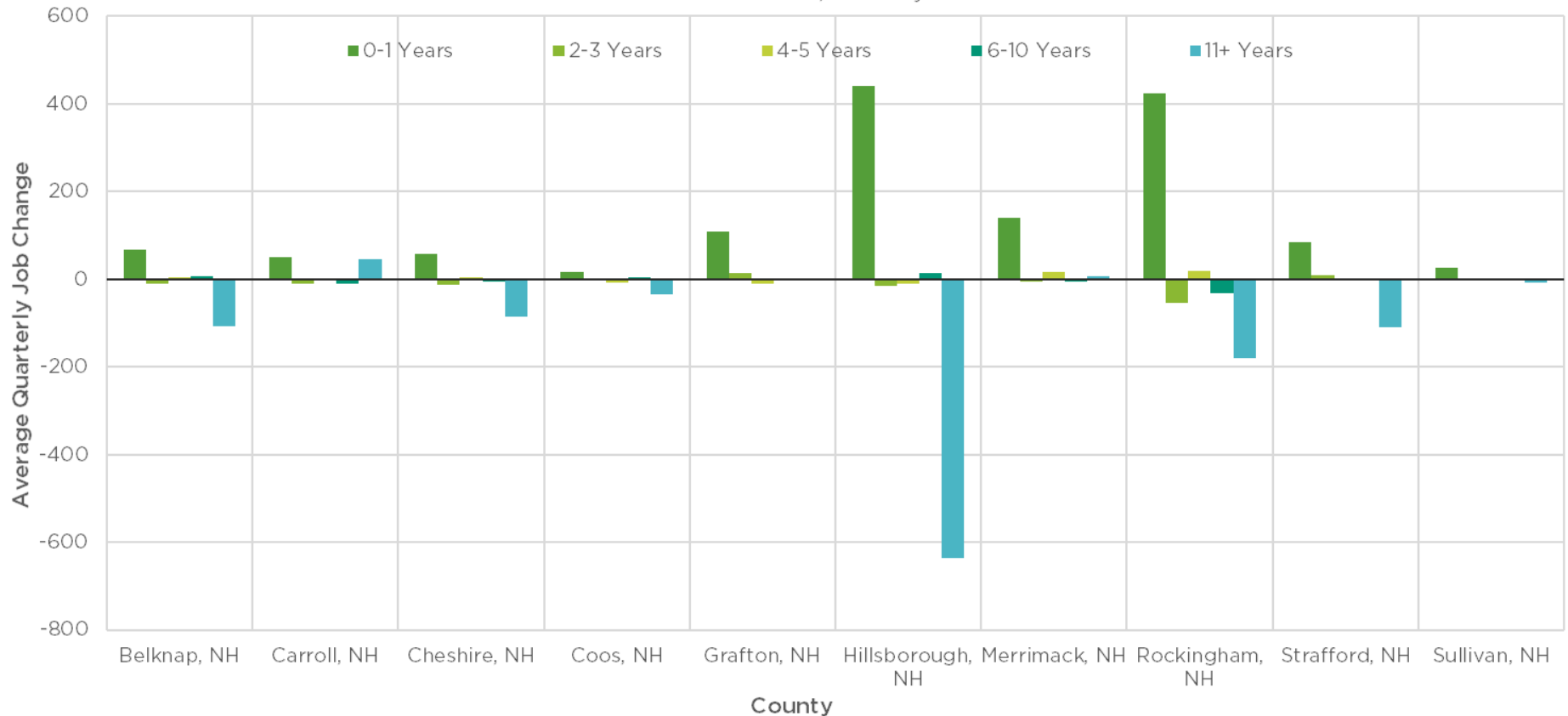


Note: Only includes private sector firms.

DURING GREAT RECESSION, OLDER FIRMS LOST JOBS WHILE YOUNG FIRMS ADDED

NET JOB CREATION IN COUNTY BY THE AGE OF A FIRM, 2007-2009 AVERAGE

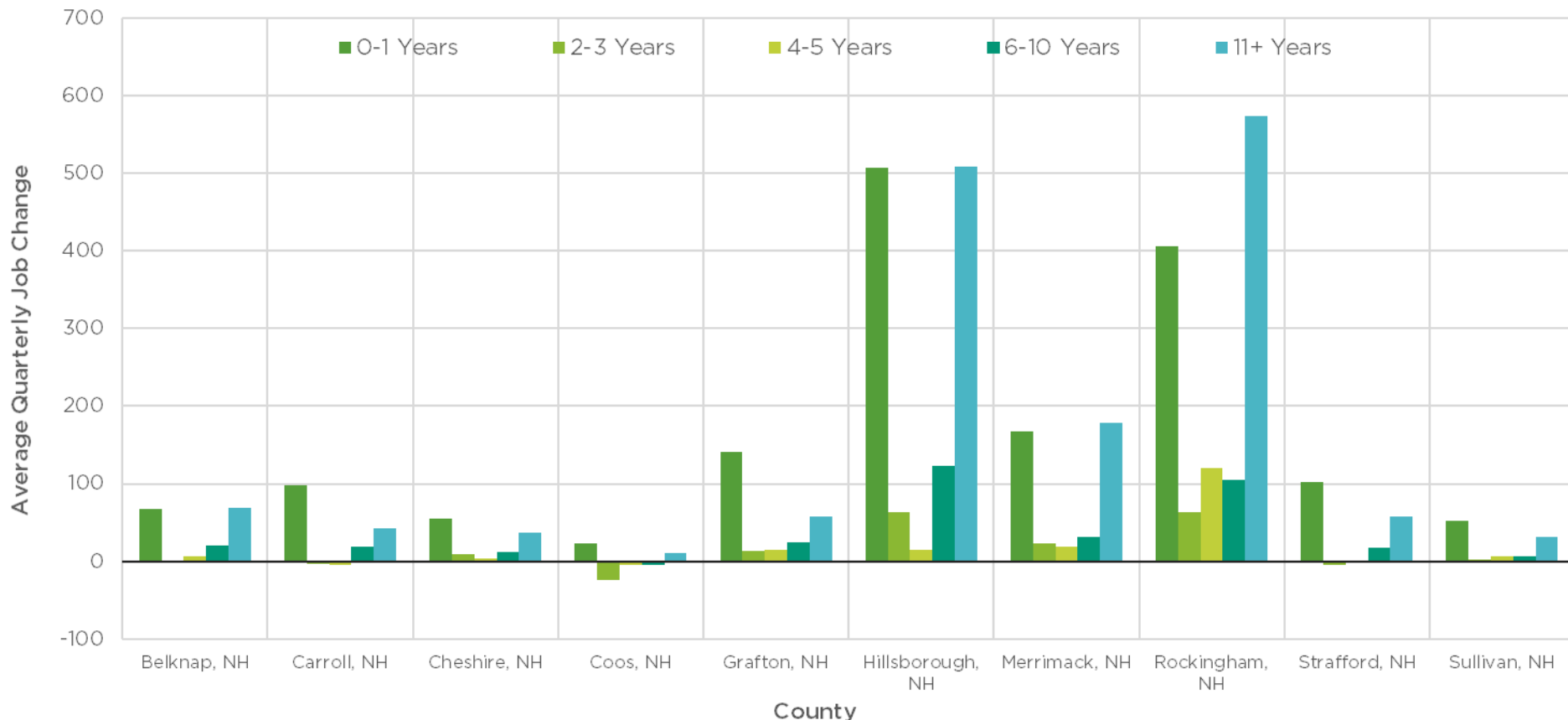
Source: U.S. Census Bureau, Quarterly Workforce Indicators



EARLY RECOVERY LED BY OLD, YOUNG FIRMS IN HILLSBOROUGH AND ROCKINGHAM

NET JOB CREATION IN COUNTY BY THE AGE OF A FIRM, 2010-2012 AVERAGE

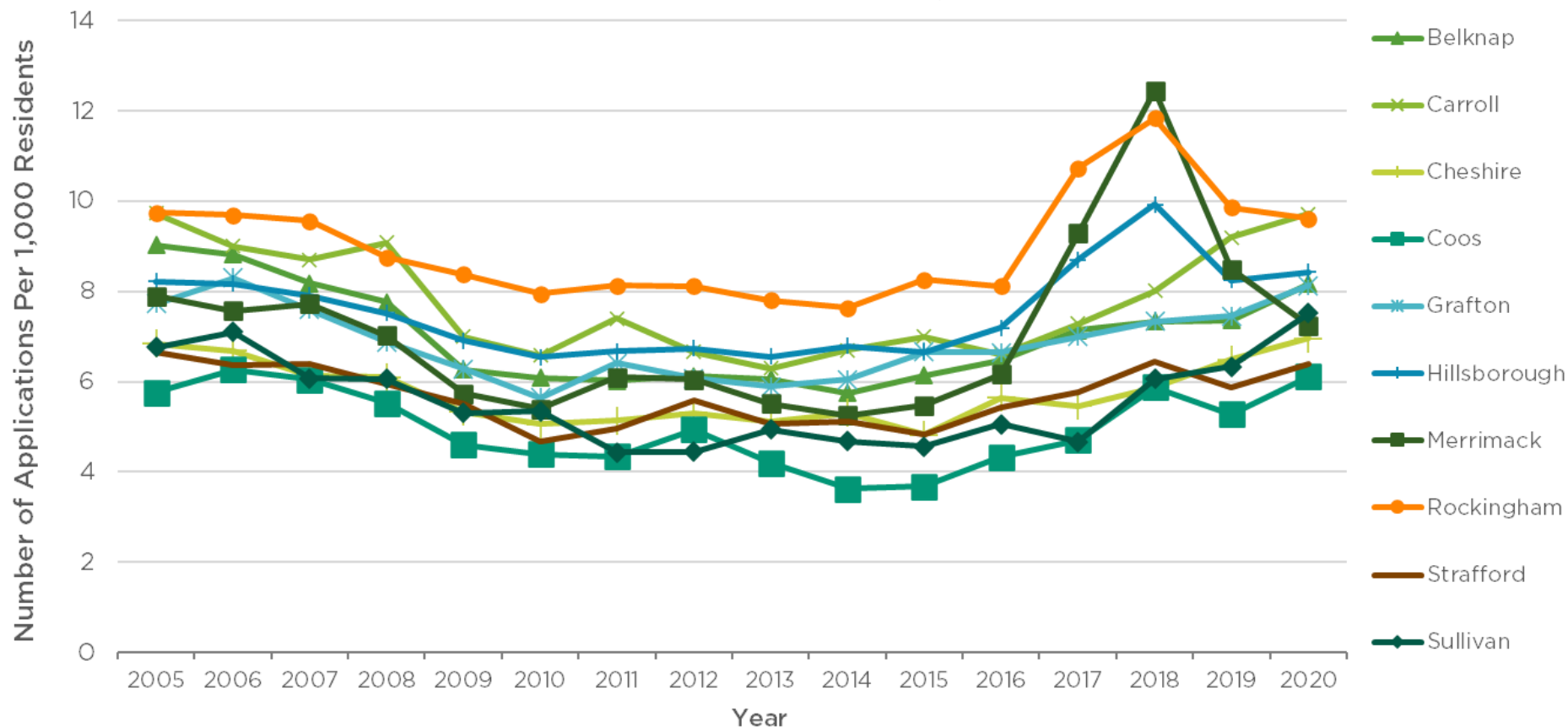
Source: U.S. Census Bureau, Quarterly Workforce Indicators



Note: Only includes private sector firms.

APPLICATIONS FOR NEW BUSINESSES RISING IN RECENT YEARS

NEW BUSINESS APPLICATIONS PER 1,000 RESIDENTS

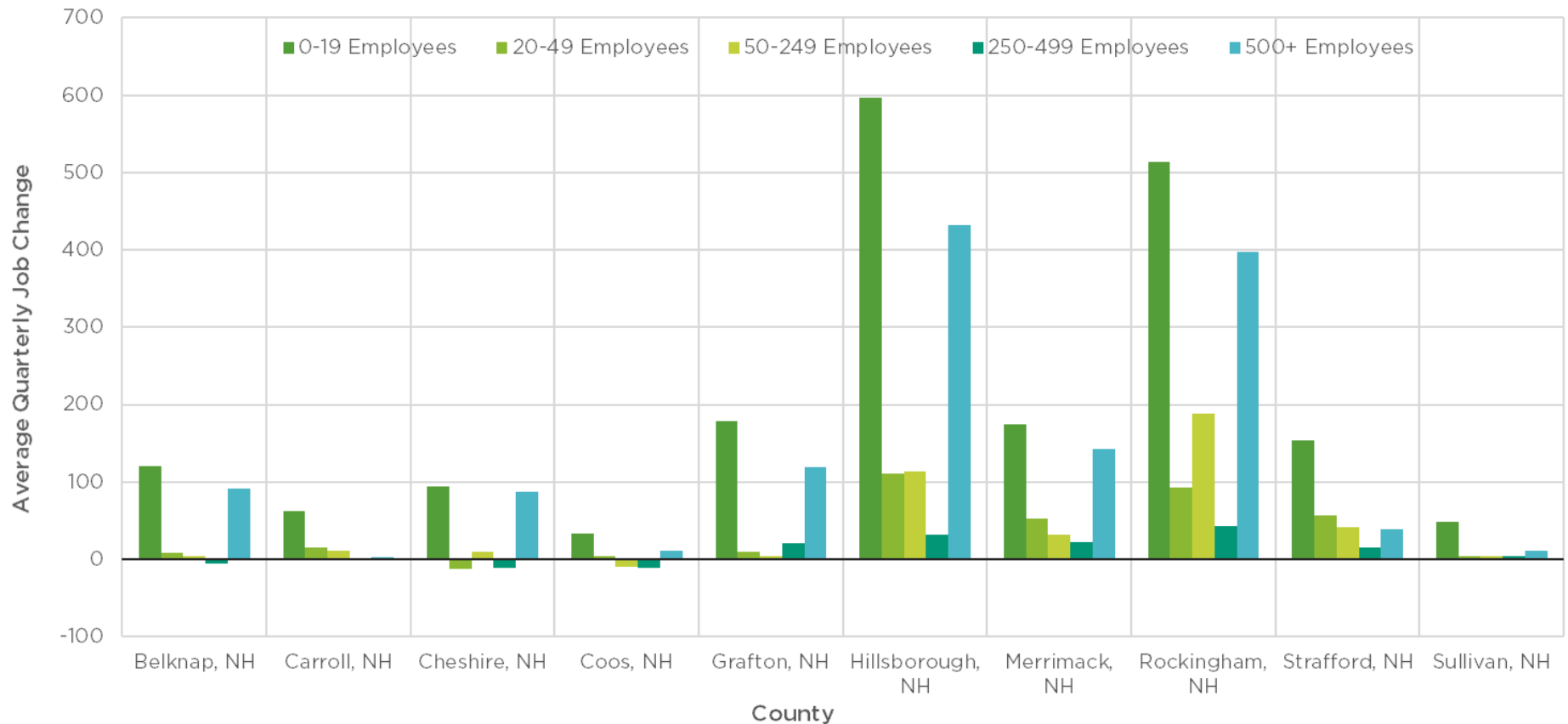


Notes: Business Applications measured by applications for Employer Identification Number tax identifiers.
Population estimates are for July 1 of each year, except for April 1, 2020 Decennial Census count for 2020.

SMALL FIRMS LED GROWTH BEFORE GREAT RECESSION, LARGE FIRMS AIDED

NET JOB CREATION IN COUNTY BY THE SIZE OF A FIRM, 2004-2006 AVERAGE

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

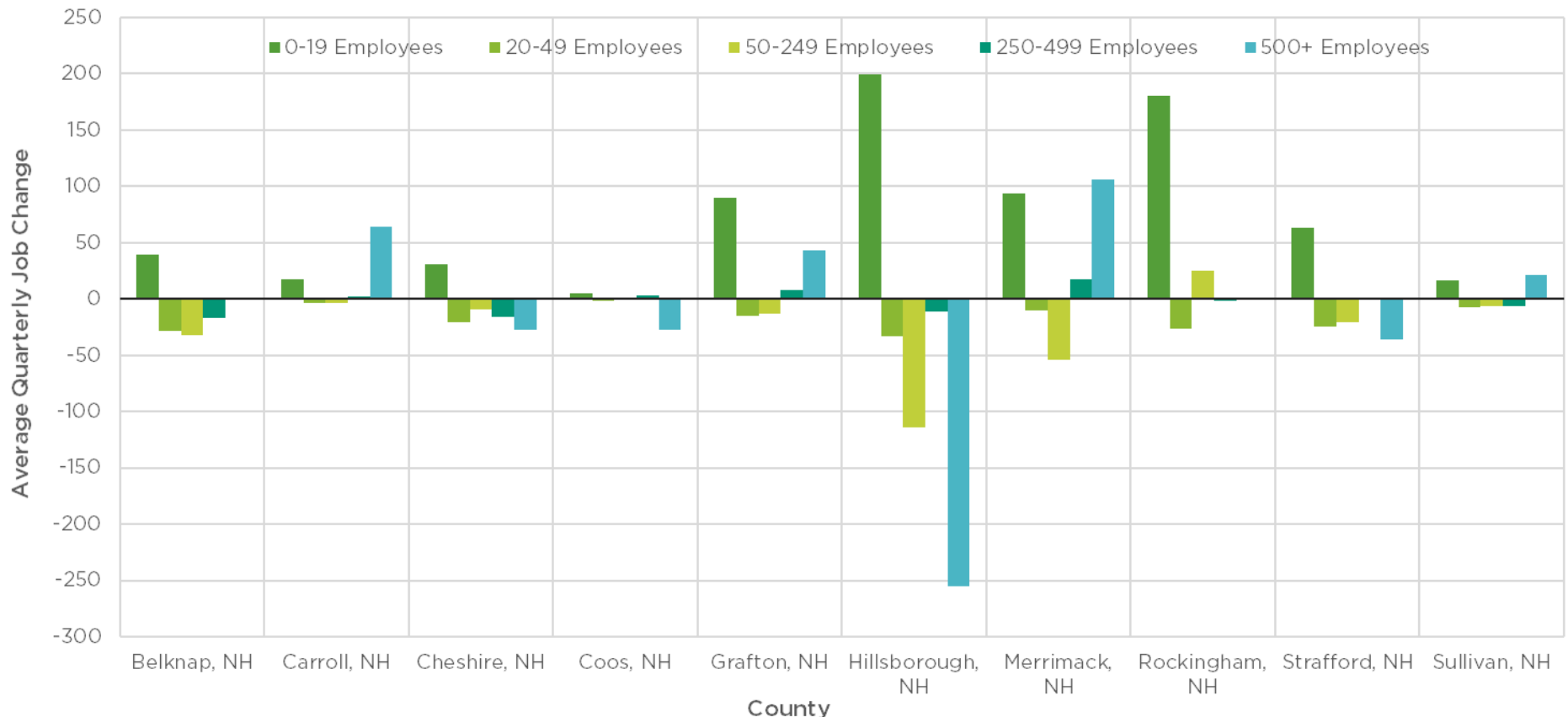


Note: Only includes private sector firms.

DURING GREAT RECESSION, SMALL FIRMS ADDED JOBS, LARGER FIRMS MIXED

NET JOB CREATION IN COUNTY BY THE SIZE OF A FIRM, 2007-2009 AVERAGE

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

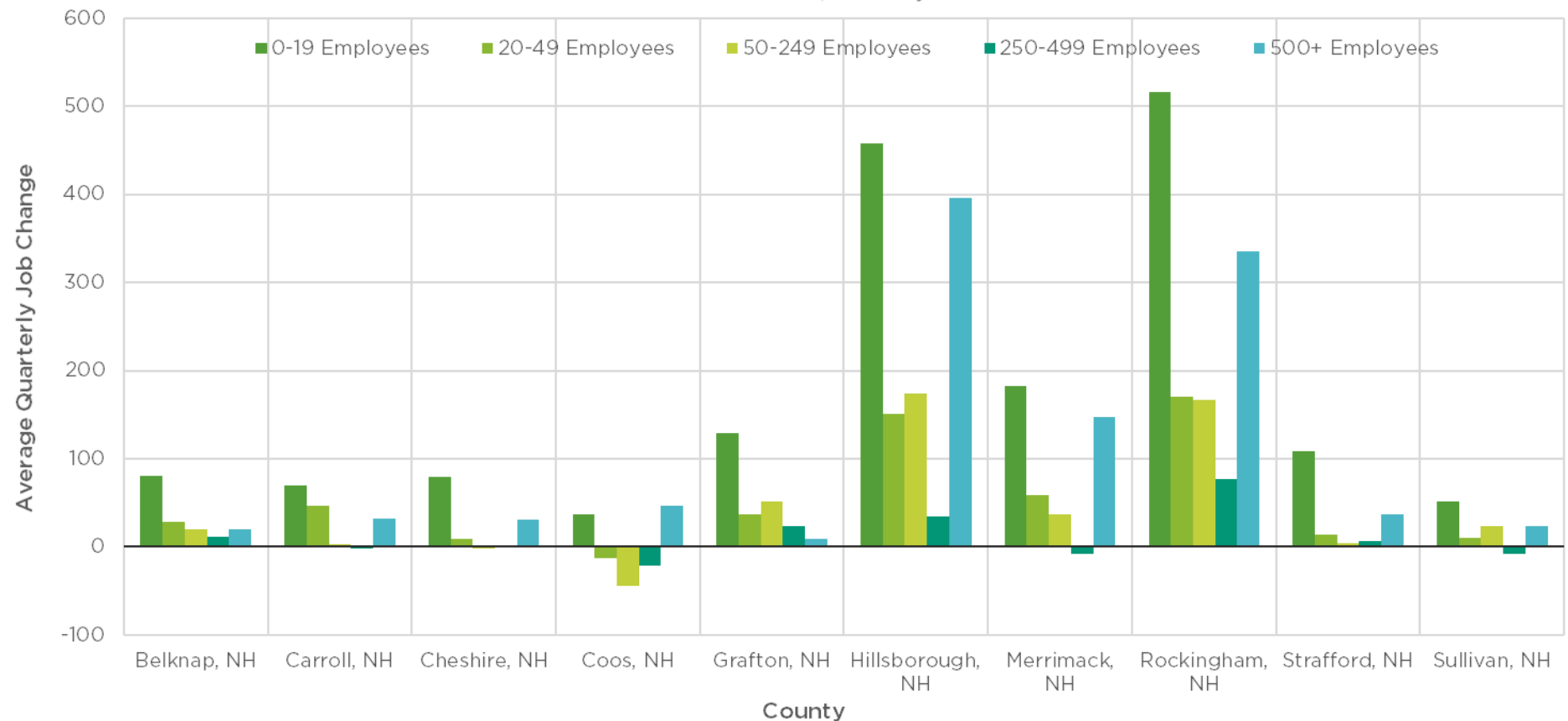


Note: Only includes private sector firms.

EARLY RECOVERY SAW GROWTH IN MOST FIRM SIZES

NET JOB CREATION IN COUNTY BY THE SIZE OF A FIRM, 2010-2012 AVERAGE

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



Note: Only includes private sector firms.

TAKEAWAYS FROM THE COUNTY DATA

- Southeastern counties, particularly Rockingham and Hillsborough, are key economic engines for the state
- Small and young businesses lead job creation in most counties, including during the Great Recession and especially in rural counties
- Job creation and sustainability generated by small firms appears to be increasing
- Lakes Region appears to have distinct economic trends, particularly Carroll County, relative to importance and concentration of small business entities compared to southeastern counties and the other more rural counties
- Grafton has more large firms, and some county-level statistics look more like southeastern counties than the more rural counties
- Cheshire, Sullivan, and Coos show some similar patterns
- However, data overall show considerable differences among counties both within and between multi-county regions

OVERALL TAKEAWAYS

- Pandemic impacts on well-being uneven, making this economic recovery irregular and potentially more bifurcated
- Public policy response has provided key support
- Labor force constraints are likely temporary in part, but going to continue to exist and become more severe in long-term due to demographic trends in New Hampshire
- Investments in key areas can help support workers, businesses, and the recovery from the pandemic overall:
 - Childcare
 - Caregiving and support for people experiencing disability, older adults
 - Housing
 - Investments in education, previously-underserved workers

ONGOING AND FUTURE EFFORTS

INFRASTRUCTURE INVESTMENT AND JOBS ACT AND NEW HAMPSHIRE

- Approximately \$1 trillion total and \$550 billion in new spending
- Combination: existing formulas, competitive grants, new programs
- Early estimates suggest, over next five years, NH will receive:
 - \$1.14 billion for federal highway-aid apportioned programs (highway performance, safety, surface transportation block grant, freight, planning)
 - \$418 million for water infrastructure, focus on drinking water
 - \$225 million for bridge repairs and replacement
 - \$126 million for public transportation improvements, FTA 2022 up 40% over '21
 - \$100 million for broadband, and funds for subsidies to access broadband
 - \$45 million for airport infrastructure development
 - \$17 million to support electric vehicle charging infrastructure
 - \$12 million to protect against cyberattacks
- Myriad programs designed to ports, rail, electrical grid, weatherization, efficiency upgrades, environmental impacts

Sources: National Conference of State Legislatures, National Association of Counties, Congressional Budget Office, McKinsey & Company, U.S. Department of Transportation, U.S. House Committee on Transportation and Infrastructure, The White House and Senator Shaheen's Office (NH-specific numbers)

POTENTIAL BUILD BACK BETTER ACT

- Very significant bill, but will change before becoming statute
- Child Tax Credit expansion extension, full refundability
- Childcare supports, reducing costs to very low income families and limiting expenses to percent of income for other families
- Universal preschool program, funding shared with states
- Housing supports, additional funds for housing vouchers and more flexibility for using vouchers in areas with low poverty rates
- Enhanced funding for Medicaid home, community-based services
- Expanding postpartum and youth Medicaid enrollment to include a full year before disenrollment
- For some provisions, state must opt in to benefit
- Many environmental and climate-related provisions as well

Sources: Build Back Better Act – U.S. House rules Committee Print 117-18; Center on Budget and Policy Priorities, Build Back Better Legislation Would Cut Poverty, Boost Opportunity, November 10, 2021

RESOURCES CURRENTLY AVAILABLE

- State has flexible federal resources available through the American Rescue Plan Act, Coronavirus State Fiscal Recovery Funds: \$598.6 million (60.2%) of expected appropriations remain
- Flexible funds can be used to:
 - address the pandemic directly
 - help recover from the direct health and economic impacts of the pandemic
 - provide premium pay to essential workers
 - address systemic public health and economic challenges that contributed to unequal impacts of the pandemic
 - build necessary water, sewer, and broadband infrastructure
- Currently (November 2021) a State Budget surplus of nearly \$100 million, more State funds may be available in the future
- Coming and current resources provide opportunity to build an equitable, sustainable, and inclusive economic recovery

Sources: New Hampshire Fiscal Policy Institute analysis of Joint Legislative Fiscal Committee, Governor and Council appropriations as well as federal guidance and interim rule; New Hampshire Department of Administrative Services



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