THE IMPACTS OF THE PANDEMIC ON GRANITE STATE RATES AND THE ECONOMY

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NEW HAMPSHIRE COMMUNITY DEVELOPMENT FINANCE AUTHORITY
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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

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

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.


INCOME IMPACTS IN NEW HAMPSHIRE

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

Net Earnings from Work  Transfer Payments  Other Income

Expanded unemployment benefits, direct aid to individuals, and other transfers

Billions of Dollars

Year and Quarter


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 employment\(^1\)

• 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. 2021\(^3\)

• 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
WORKFORCE IMPACTS IN NEW HAMPSHIRE

EMPLOYED AND UNEMPLOYED WHILE ACTIVELY SEEKING WORK
NEW HAMPSHIRE RESIDENTS

Employed  Unemployed

Month and Calendar Year


Note: Axis does not begin at zero.
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

- Age 16 to 19: 2.3%
- Age 20 to 24: -2.5%
- Age 25 to 34: -4.0%
- Age 35 to 44: 0.2%
- Age 45 to 54: -1.4%
- Age 55 to 64: -5.1%
- Age 65 to 74: -3.6%
- Age 75 and over: 0.0%

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

Reason Provided

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

Source: New Hampshire Employment Security
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

Labor Force Size
Labor Force Participation Rate

Estimated Number of New Hampshire Residents Participating in Labor Force

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

- 0-1 Years
- 2-3 Years
- 4-5 Years
- 6-10 Years
- 11+ Years

By County:
- Belknap, NH
- Carroll, NH
- Cheshire, NH
- Coos, NH
- Grafton, NH
- Hillsborough, NH
- Merrimack, NH
- Rockingham, NH
- Strafford, NH
- Sullivan, NH

Note: Only includes private sector firms.
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:
  o Childcare
  o Caregiving and support for people experiencing disability, older adults
  o Housing
  o 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:
  o $1.14 billion for federal highway-aid apportioned programs (highway performance, safety, surface transportation block grant, freight, planning)
  o $418 million for water infrastructure, focus on drinking water
  o $225 million for bridge repairs and replacement
  o $126 million for public transportation improvements, FTA 2022 up 40% over ‘21
  o $100 million for broadband, and funds for subsidies to access broadband
  o $45 million for airport infrastructure development
  o $17 million to support electric vehicle charging infrastructure
  o $12 million to protect against cyberattacks
• Myriad programs designed to ports, rail, electrical grid, weatherization, efficiency upgrades, environmental impacts

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

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:
  o address the pandemic directly
  o help recover from the direct health and economic impacts of the pandemic
  o provide premium pay to essential workers
  o address systemic public health and economic challenges that contributed to unequal impacts of the pandemic
  o 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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