



LABOR FORCE TRENDS IN NEW HAMPSHIRE

PRESENTED BY PHIL SLETTEN, RESEARCH DIRECTOR

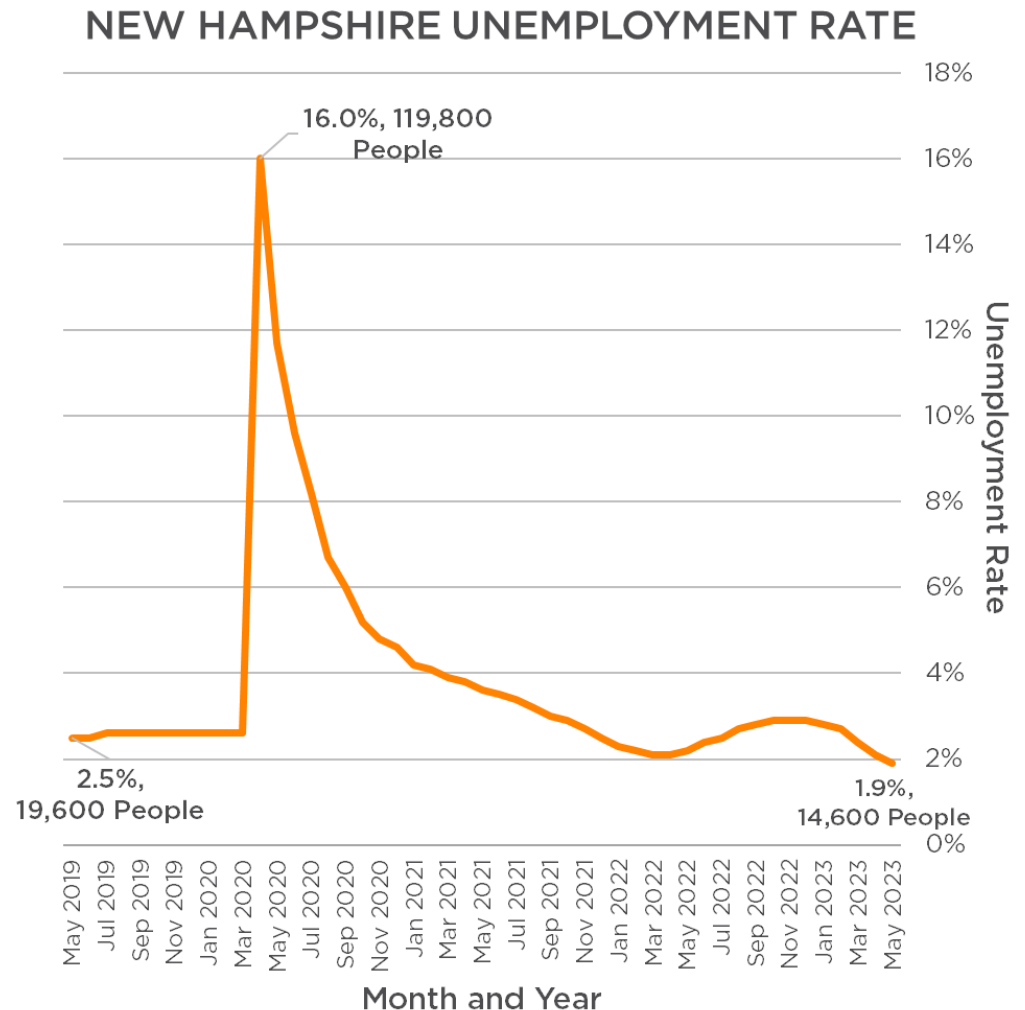
NETWORK4HEALTH

JUNE 15, 2023

NEW HAMPSHIRE'S TOTAL WORKFORCE SIZE AND EMPLOYMENT

STEEP DECLINE IN UNEMPLOYMENT RATE FOLLOWING 2020 PANDEMIC PEAK LEVELS

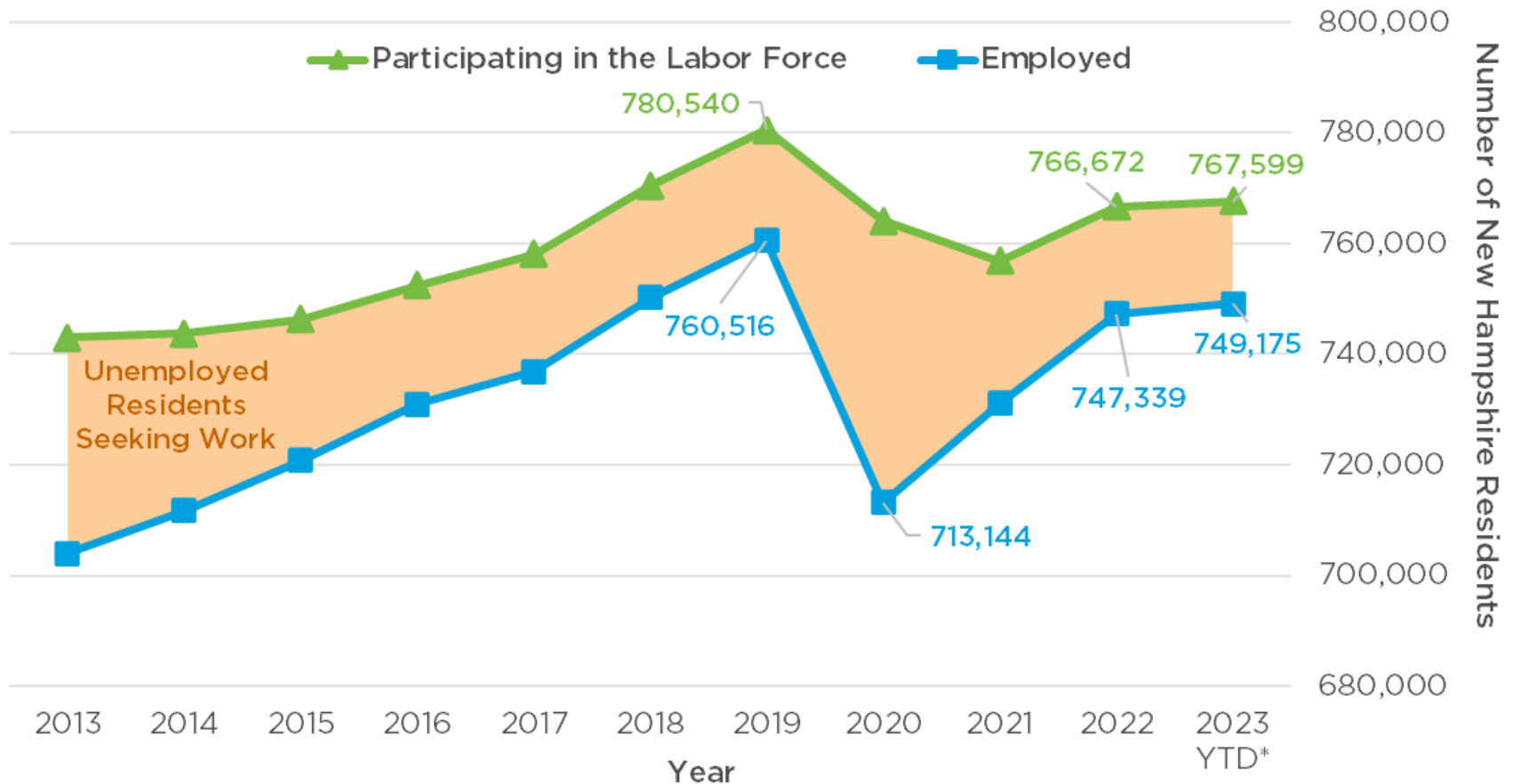
- Preliminary data suggest less than 15,000 Granite Staters were unemployed and actively looking for work in May 2023
- Unemployment rate decline after pandemic recession much faster (22 months) than the recovery from the Great Recession (87 months)
- 49,000 job openings in New Hampshire in March 2023, and 18,800 unemployed workers



Sources: U.S. Bureau of Labor Statistics. State Job Openings and Labor Turnover, May 17, 2023; New Hampshire Employment Security, GraniteStats, accessed June 14, 2023

NUMBER OF NH RESIDENTS PARTICIPATING IN LABOR FORCE BELOW 2019 PEAK

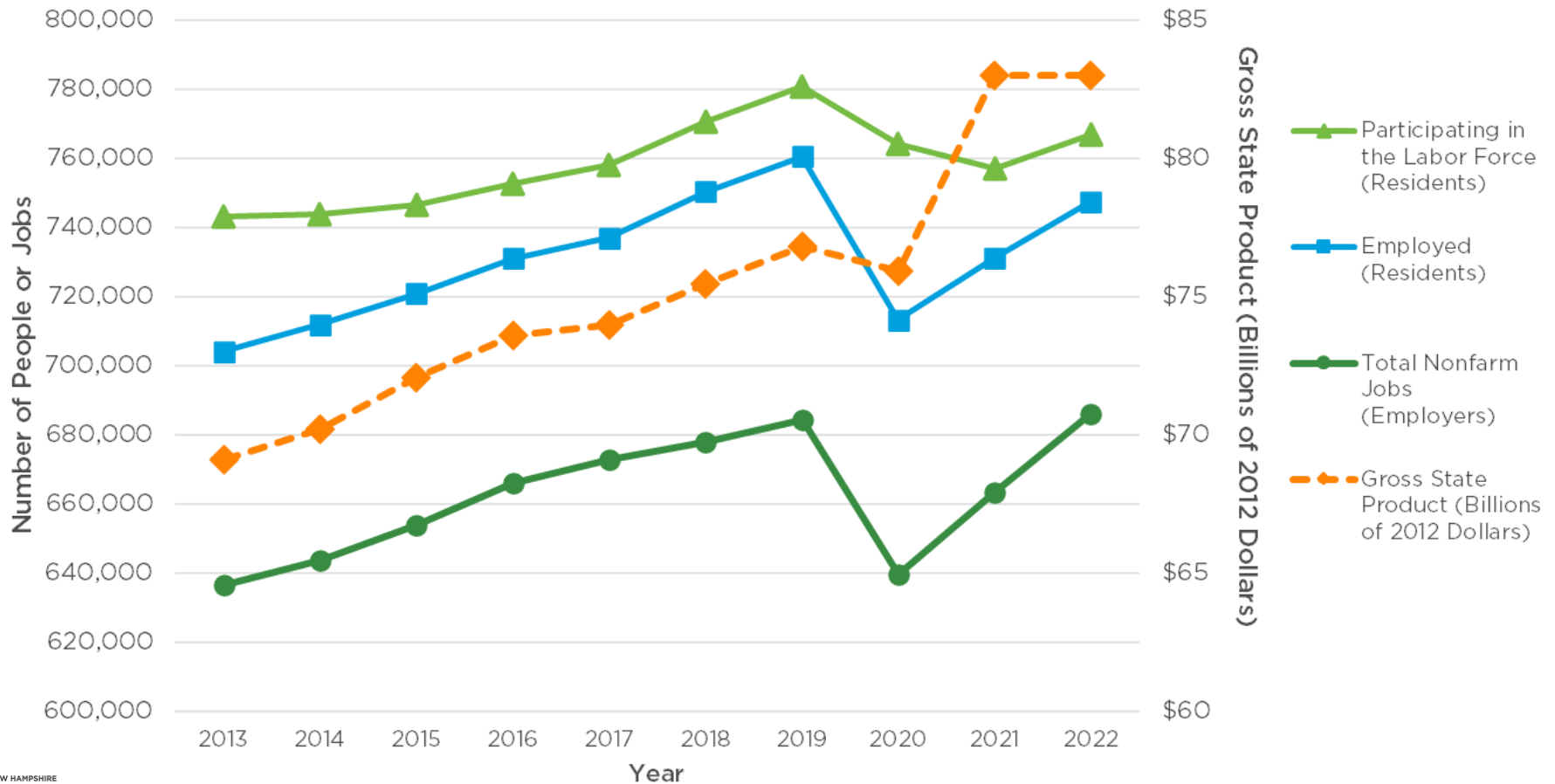
LABOR FORCE AND EMPLOYMENT AMONG NEW HAMPSHIRE RESIDENTS



*Note: YTD is Year-To-Date preliminary unbenchmarked data for January through May 2023.
Source: New Hampshire Employment Security, GraniteStats, Local Area Unemployment Statistics

NEW HAMPSHIRE WORKFORCE SMALLER, JOBS UP SLIGHTLY, ECONOMY LARGER

LABOR FORCE, EMPLOYMENT, JOBS AND THE SIZE OF THE ECONOMY IN NEW HAMPSHIRE



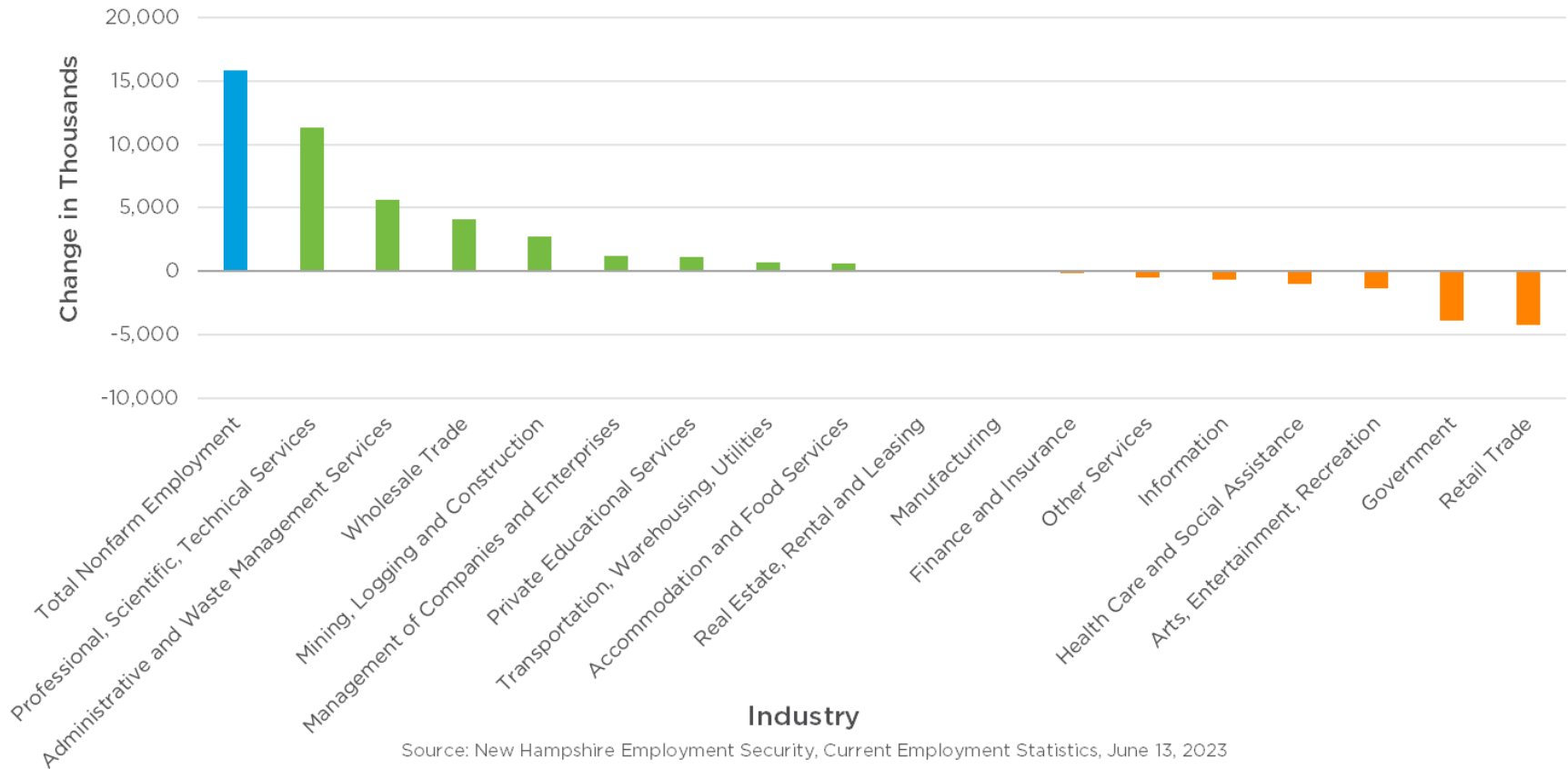
Source: New Hampshire Employment Security; U.S. Bureau of Economic Analysis

EMPLOYMENT CHANGES BY INDUSTRY

EMPLOYMENT RECOVERY BY INDUSTRY UNEVEN, HEALTH CARE STILL BEHIND 2019

CHANGE IN EMPLOYMENT BY INDUSTRY FROM 2019 AVERAGE TO 2023 AVERAGE YEAR-TO-DATE

January-May 2023 Seasonally Adjusted Average Employment Relative to 2019



Source: New Hampshire Employment Security, Current Employment Statistics, June 13, 2023

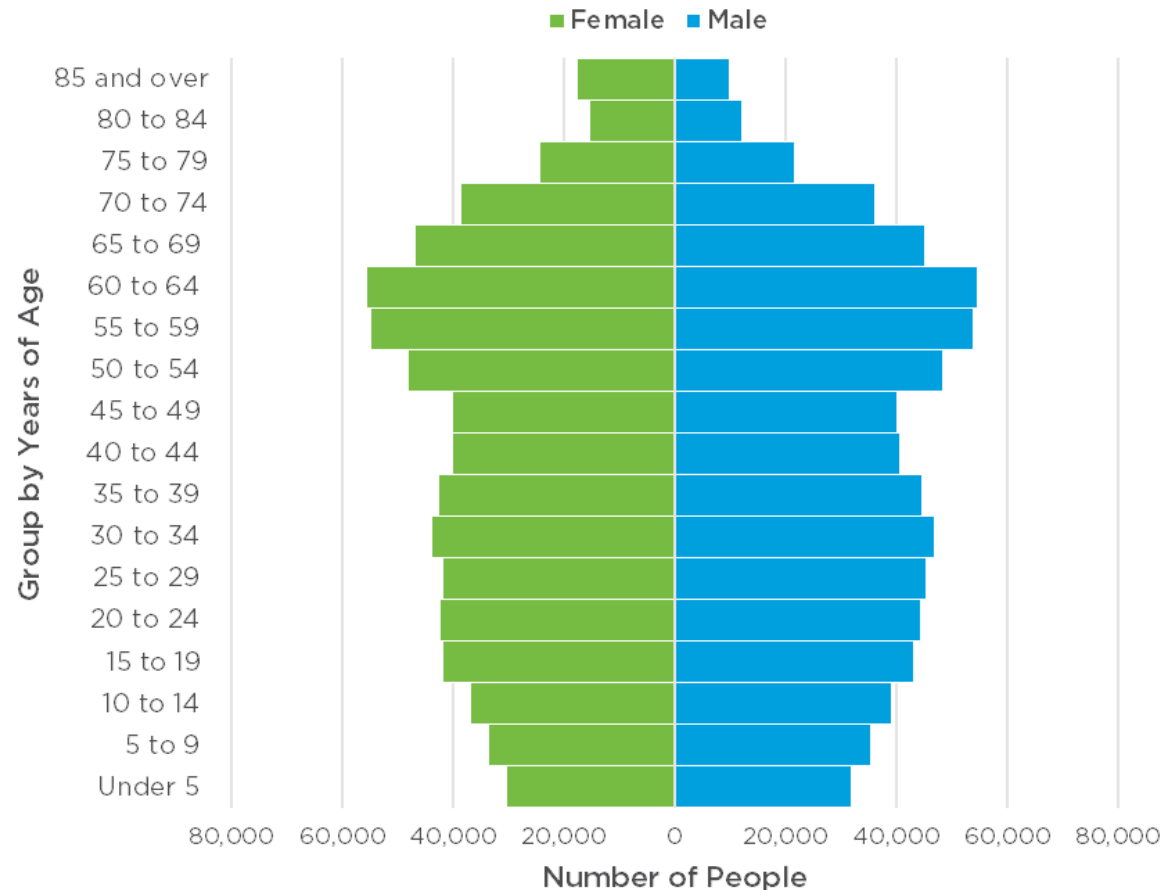
POTENTIAL REASONS FOR LABOR FORCE SHORTAGE

STATE DEMOGRAPHICS LIKELY ADD TO LABOR FORCE CONSTRAINTS

- State projections estimate more than 30 percent of state population will be 60 years old or older by 2030
- Additional 37,300 adults over age 55 said they did not want a job in the year ending February 2023 than did in 2019

NEW HAMPSHIRE POPULATION BY AGE

2021 Estimates for Age and Sex



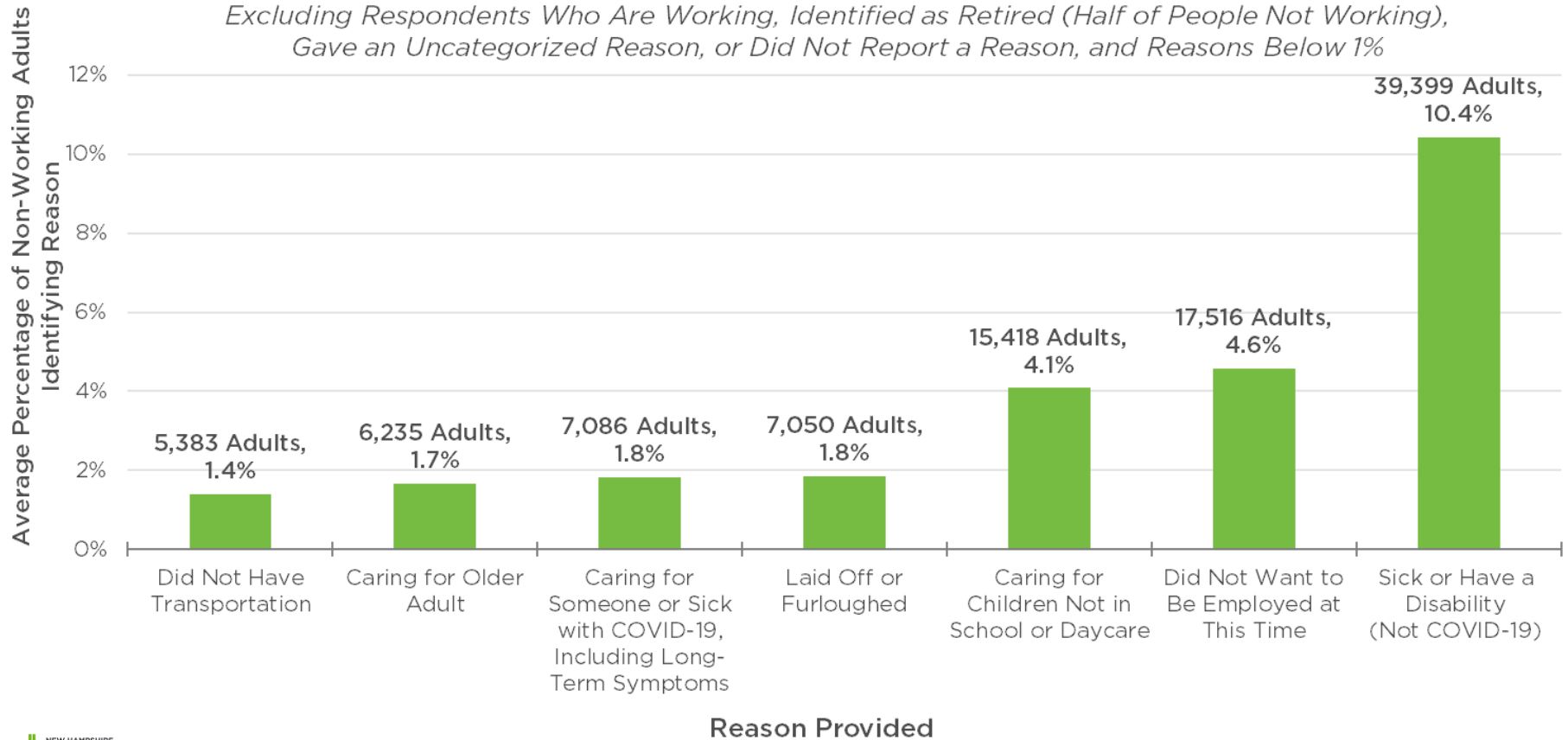
Sources: New Hampshire Department of Business and Economic Affairs, Office of Planning and Development September 2022 report State, County, and Municipal Population Projections: 2020-2050; New Hampshire Employment Security, Current Population Survey

Source: U.S. Census Bureau, Population Estimates Program, July 1, 2021 Estimates

ILLNESS, DISABILITY, CHILD CARE KEY REASONS IDENTIFIED FOR NOT WORKING

MOST COMMON IDENTIFIED REASONS FOR NOT WORKING FOR NON-RETIRED INDIVIDUALS

*Based on Surveys of New Hampshire Adults, June 2022 to early May 2023
Excluding Respondents Who Are Working, Identified as Retired (Half of People Not Working),
Gave an Uncategorized Reason, or Did Not Report a Reason, and Reasons Below 1%*

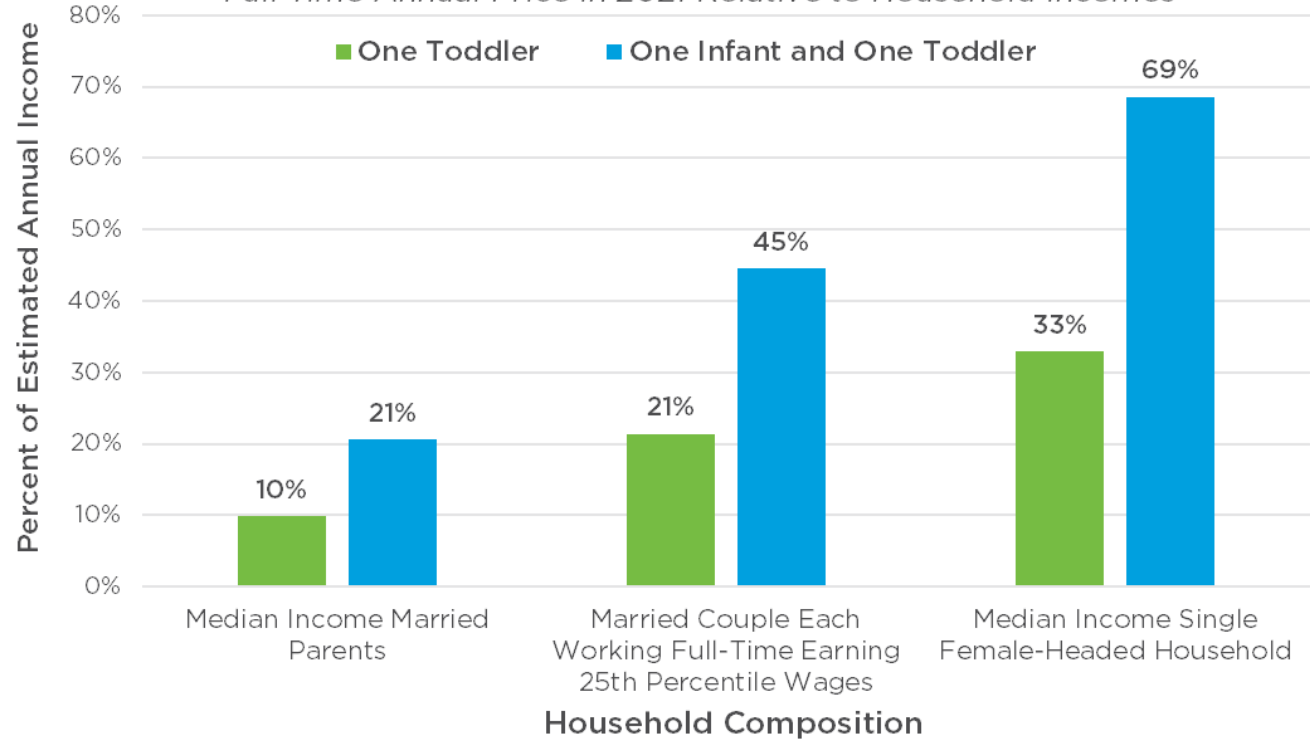


Source: U.S. Census Bureau, Household Pulse Survey. Note: Insufficient data cells assumed to be zero for purposes of averages.

HIGH CHILD CARE COSTS, LACK OF ACCESS LIKELY REDUCE LABOR FORCE SIZE

- About 60% of child care needs met with formal care before pandemic
- Prices high relative to income
- Geographic access challenge: child care providers in state declined in 2017-2021 even while capacity rose

PRICES FOR CENTER-BASED CHILD CARE AS A PERCENT OF INCOME IN NEW HAMPSHIRE
Full-Time Annual Price in 2021 Relative to Household Incomes



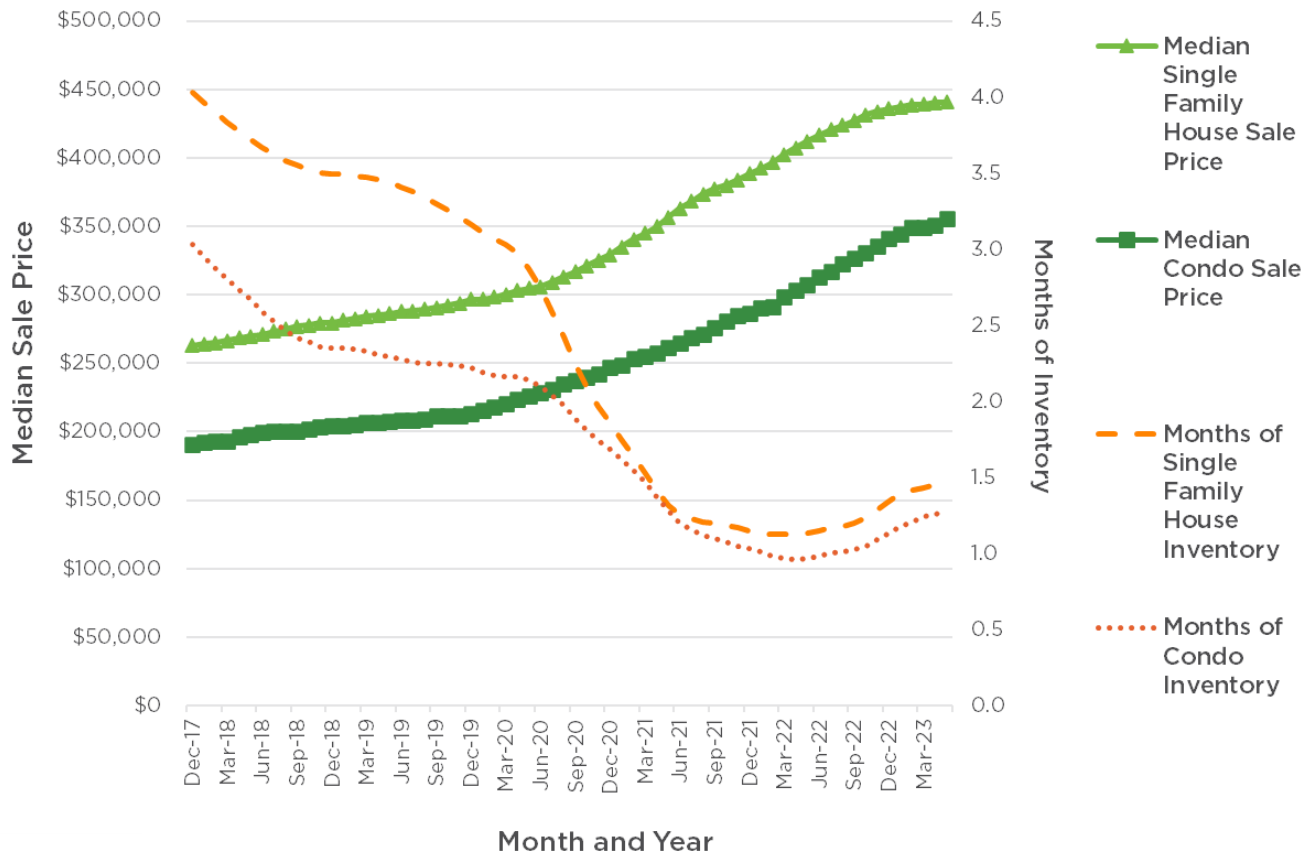
Sources: New Hampshire Department of Health and Human Services, Constraints on New Hampshire's Workforce Recovery, February 18, 2021; University of New Hampshire, Challenges and Opportunities for NH Childcare Sector, April 12, 2023

Note: Full-time 25th percentile wage earner calculations based on estimated hourly wages for May 2021 and 2,080 hours worked per year. Calculation assumes the two 25th percentile wage jobs are the only sources of income for the household. Incomes for other households based on survey data collected from 2017-2021, adjusted for inflation to 2021 dollars. Child care prices for infants and toddlers added for calculations.
 Sources: U.S. Bureau of Labor Statistics, May 2021 State Occupational Employment and Wage Estimates; U.S. Census Bureau, American Community Survey, 2017-2021 Five Year Estimates; Child Care Aware of America, Child Care Affordability in New Hampshire Fact Sheet, 2021.

VERY LIMITED HOUSING SUPPLY IN NH

NEW HAMPSHIRE HOUSE AND CONDO PRICES AND SUPPLY

Single Family Home and Condo Median Sale Prices and Months of Inventory, 12-Month Rolling Averages



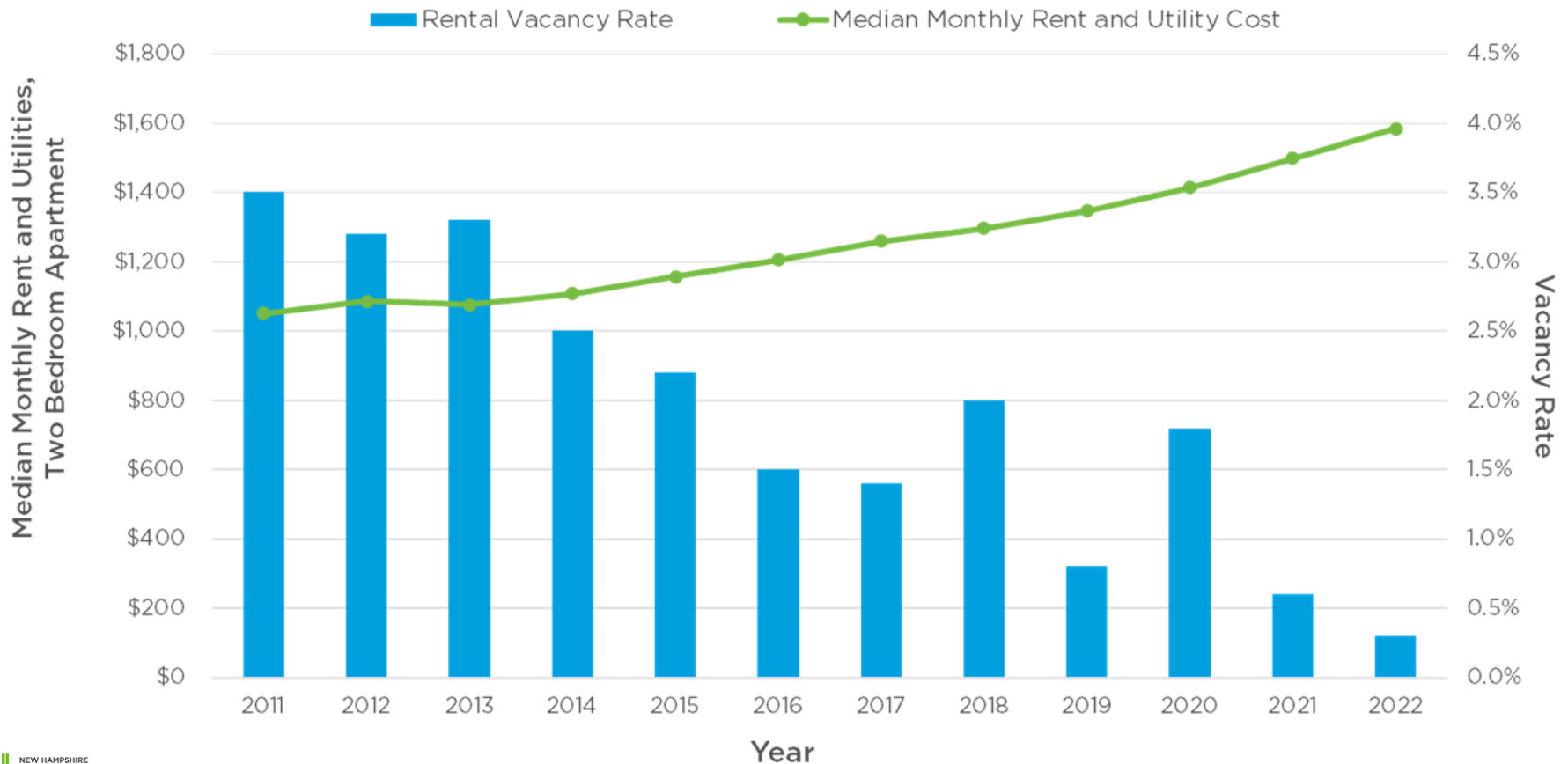
- Median home sale price up 82% from March 2017 to March 2023
- Condo median sale prices up 88%
- Cost of purchasing a home increases with interest rates
- Less housing available for purchase puts pressure on rental market, residents with low incomes

Sources: New Hampshire Association of Realtors, Federal Reserve Bank of St. Louis

LACK OF HOUSING INVENTORY LIMITS ABILITY OF PEOPLE TO MOVE TO NH

MEDIAN MONTHLY RENTAL COSTS AND VACANCY RATES

New Hampshire Statewide Data, Two Bedroom Apartments

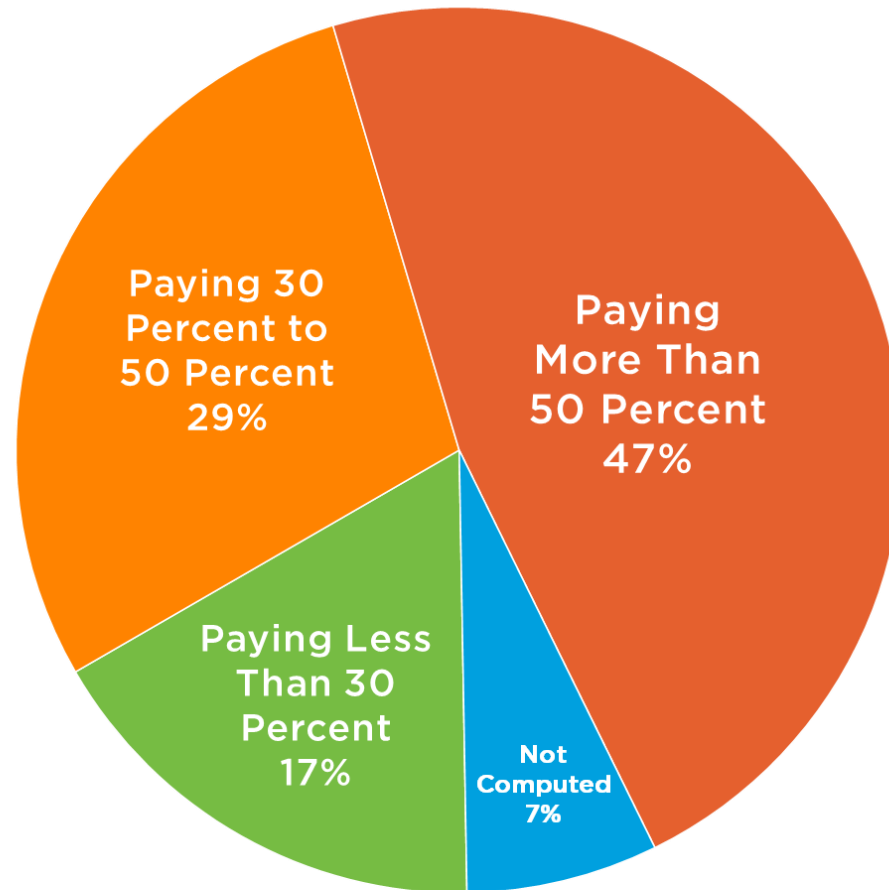


Source: New Hampshire Housing Finance Authority

COST SUBSTANTIAL RELATIVE TO INCOME

RENT AND UTILITIES PAYMENTS AS A PERCENTAGE OF INCOME FOR LOWER-INCOME NEW HAMPSHIRE RENTERS

Percentage of Income Paid by Renter Households with Less Than \$35,000 Per Year of Income (39 Percent of All Renters), 2016-2020



Source: U.S. Census Bureau, American Community Survey, 2016-2020

WORKFORCE SUPPORTS IN THE NEW HAMPSHIRE LEGISLATURE'S PROPOSED STATE BUDGET

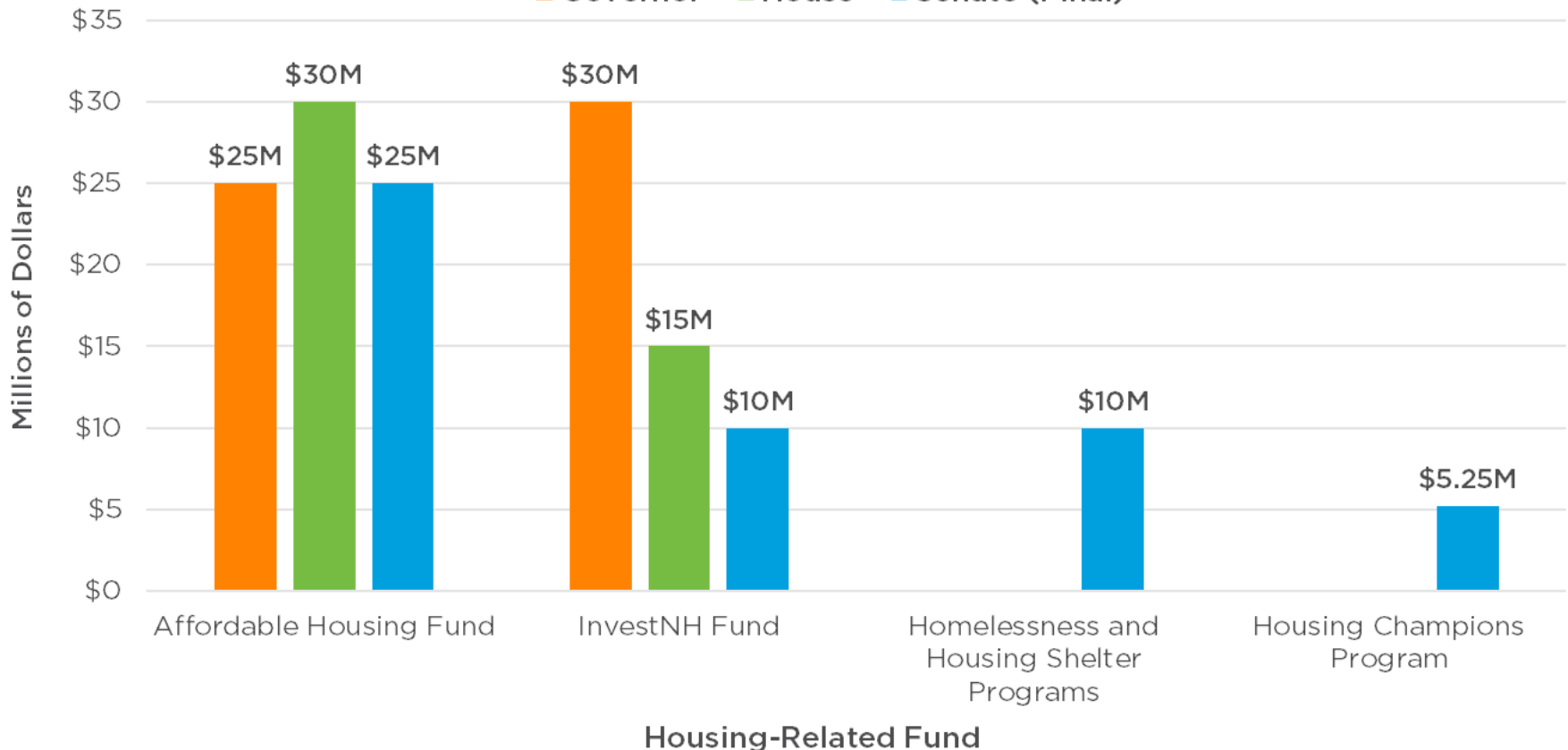
HOUSING-RELATED FUNDING IN BUDGET

- **Affordable Housing Fund:** administered by the New Hampshire Housing Finance Authority, provides grants and low-interest loans for building or acquiring housing affordable to people with low-to-moderate incomes
- **InvestNH Fund:** created originally by executive branch to use flexible funds from American Rescue Plan Act to support developers creating multifamily rental housing and incentivize municipalities to add units and update zoning regulations
- **Housing Champion Designation and Grant Program:** provides incentives for municipalities to make certain land use and zoning changes, perform water and sewer upgrades, and support walkability and transportation infrastructure to promote workforce housing; originally a \$29 million Senate bill
- **Homelessness and Housing Shelter Programs:** increases to rates paid to shelter programs and helps pay for cold weather shelter, hotel stays, and other shelter alternatives

HOUSING FUNDING CHANGES ACROSS BUDGET PROPOSALS

HOUSING APPROPRIATIONS IN EACH STATE BUDGET PROPOSAL
State Fiscal Years 2024-2025 Budget Legislation, Including SFY 2023 Surplus Funding

■ Governor ■ House ■ Senate (Final)



Sources: New Hampshire Office of Legislative Budget Assistant, Surplus Statement for Combined General and Education Trust Funds Schedule 2, April 7, 2023; HB 2, 2023 Session as adopted by both bodies

CHILD CARE SUBSIDIES AND INVESTMENTS

- Lifts cap on income eligibility for child care scholarships from 250 percent FPG to 85 percent of State Median Income
- Increases reimbursement for child care providers serving scholarship children
- Eliminates and limits child care cost share for families in or near poverty, respectively
- Adds \$15 million for recruitment and retention of child care workforce

ANNUAL INCOME ELIGIBILITY THRESHOLDS FOR CHILD CARE SCHOLARSHIPS

Current Two-Tiered Eligibility by Federal Poverty Guidelines (FPG) and House Proposal in State Median Income, July 2022

Family Size	220% FPG	250% FPG	85% State Median Income
1	\$29,898	\$33,975	\$53,403
2	\$40,282	\$45,775	\$69,835
3	\$50,666	\$57,575	\$86,266
4	\$61,050	\$69,375	\$102,698
5	\$71,434	\$81,175	\$119,130
6	\$81,818	\$92,975	\$135,561
7	\$92,202	\$104,775	\$138,642
8	\$102,586	\$116,575	\$141,723

Source: New Hampshire Department of Health and Human Services Family Assistance Manual, July 2022

ADDITIONAL RESOURCES

- Webinar: Examining the State Budget: Reviewing the Senate's Proposal – June 12, 2023:
<https://nhfpi.org/events/reviewing-the-senates-proposal/>
- Blog: A Snapshot of New Hampshire's Workforce and the Impacts of the COVID-19 Pandemic After Three Years – March 23, 2023: <https://nhfpi.org/blog/a-snapshot-of-new-hampshires-workforce-and-the-impacts-of-the-covid-19-pandemic-after-three-years/>
- Presentation: Housing Availability and Affordability in New Hampshire: A Late 2022 Snapshot – November 8, 2022:
<https://nhfpi.org/resource/housing-availability-and-affordability-in-new-hampshire-a-late-2022-snapshot/>
- Resource Pages: Economy, Budget
<https://nhfpi.org/topic/economy/>
<https://nhfpi.org/topic/budget/>



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