



# NEW HAMPSHIRE'S ECONOMY AND TAX REVENUES

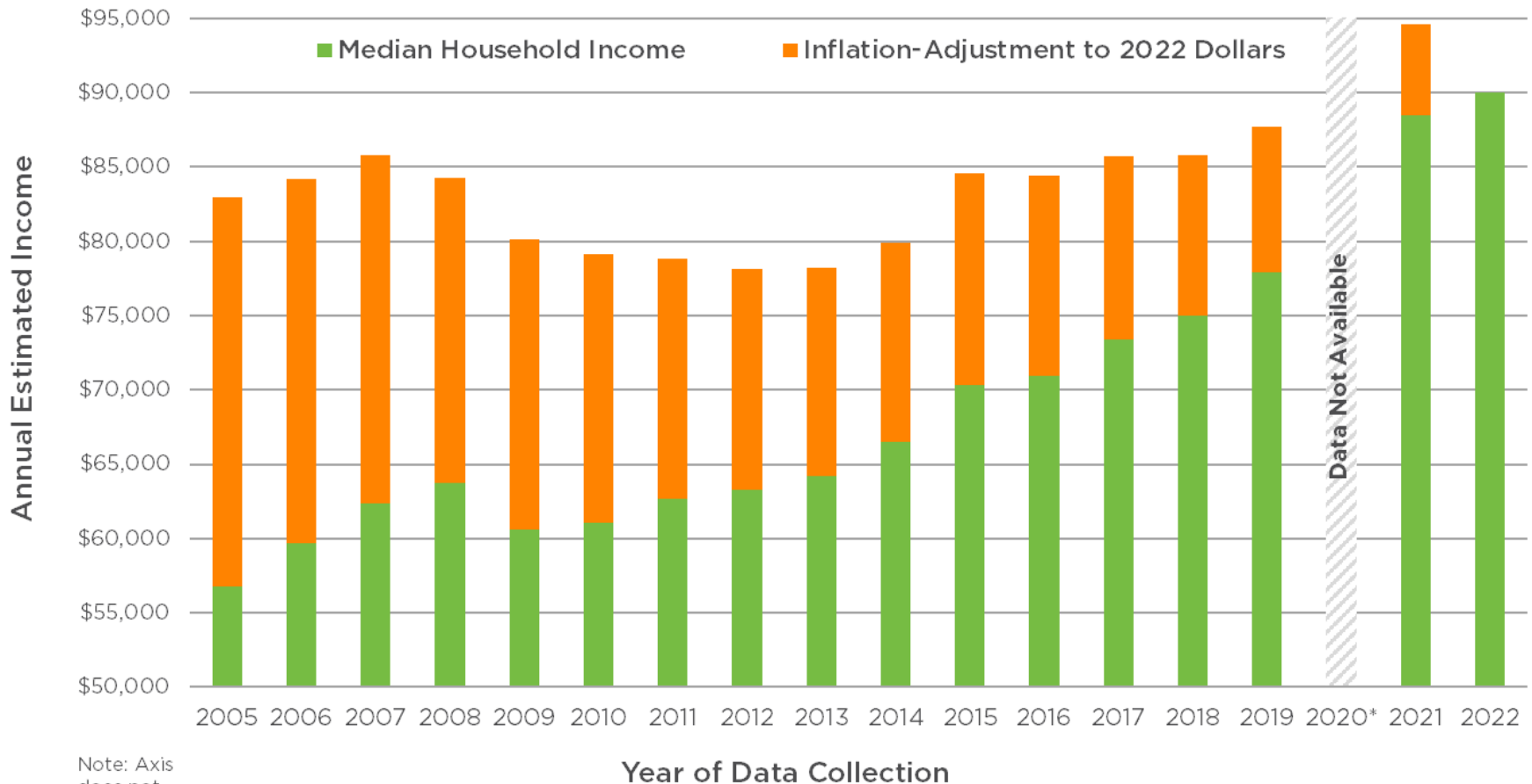
PHIL SLETTEN, RESEARCH DIRECTOR

NASHUA ROTARY CLUB

NOVEMBER 13, 2023

# MEDIAN INCOME GROWTH DID NOT EXCEED INFLATION FACED BY CONSUMERS IN 2022

## MEDIAN HOUSEHOLD INCOME IN NEW HAMPSHIRE



Note: Axis does not begin at zero.

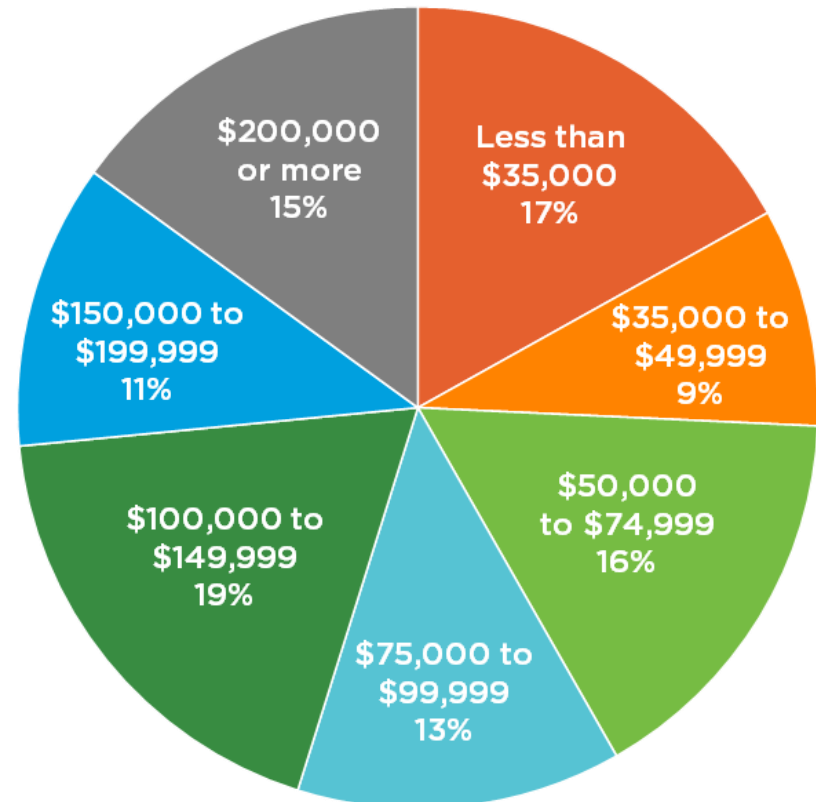
\*Note: These data were not available for 2020 due to disruptions associated with the pandemic.  
Sources: U.S. Census Bureau, American Community Survey One-Year Estimates; U.S. Bureau of Labor Statistics, Consumer Price Index-Urban, Northeast

# SIGNIFICANT NUMBER OF HOUSEHOLDS WITH LOW INCOMES AND NEAR POVERTY

- About 1 in 4 New Hampshire households had incomes below \$50,000 in 2022 data
- Poverty thresholds based on food costs as percentage of historical family budgets, adjusted for inflation, vary by household size and composition
- Thresholds for 2022 are \$15,225 annually for a single person under 65 years old, \$23,556 for a family of three with one child

## NEW HAMPSHIRE HOUSEHOLDS BY INCOME GROUP, 2022

Source: U.S. Census Bureau, American Community Survey, 2022 One-Year Data

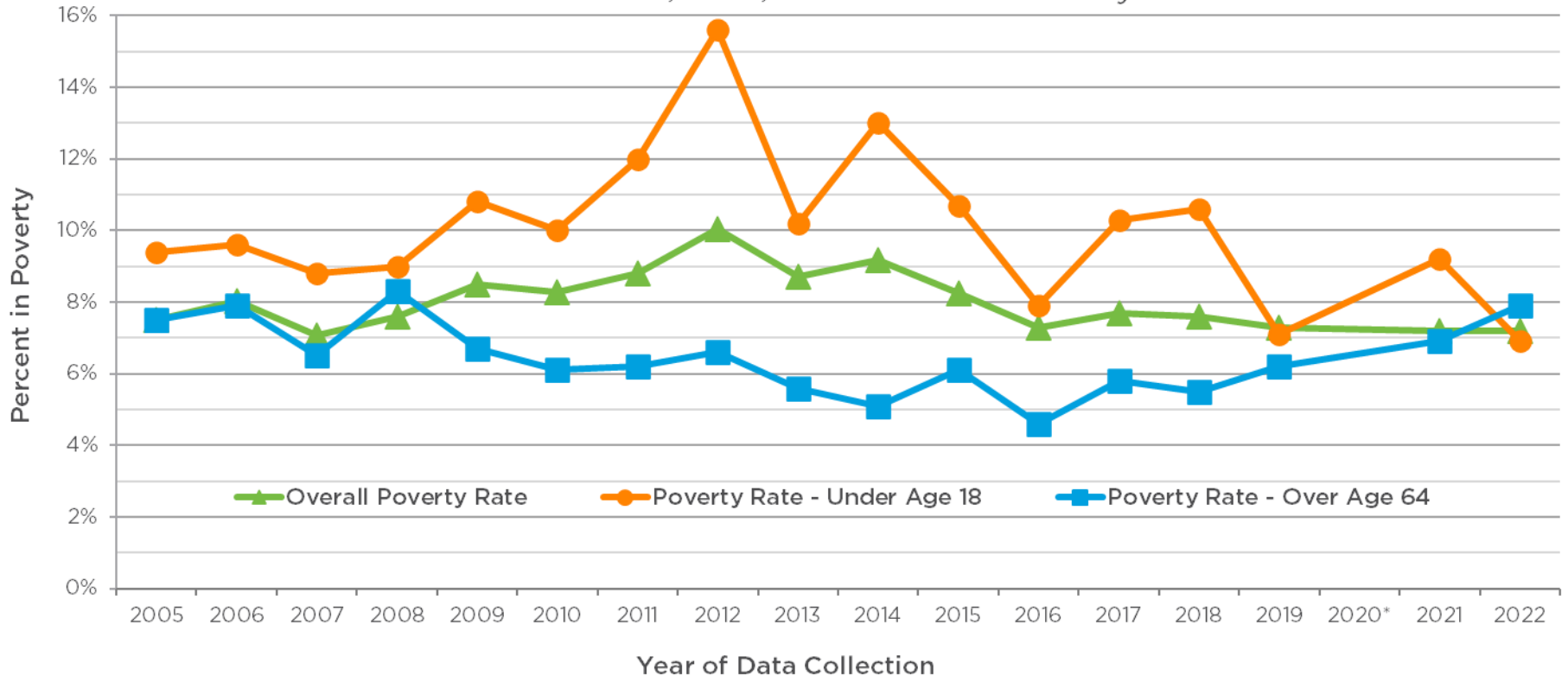


For more information, see NHFPI's June 20, 2022 presentation *Financial Vulnerability in New Hampshire* and February 3, 2022 blog *Poverty in New Hampshire Was Higher Than Other States When Adjusted for Regional Housing and Other Costs*.

# ABOUT 98,000 (7.2%) OF GRANITE STATERS, INCLUDING 17,000 CHILDREN, IN POVERTY

## NEW HAMPSHIRE POVERTY RATES OVER TIME

*Estimates for Overall, Child, and Older Adult Poverty Rates*



\*Note: These data were not available for 2020 due to disruptions associated with the pandemic.

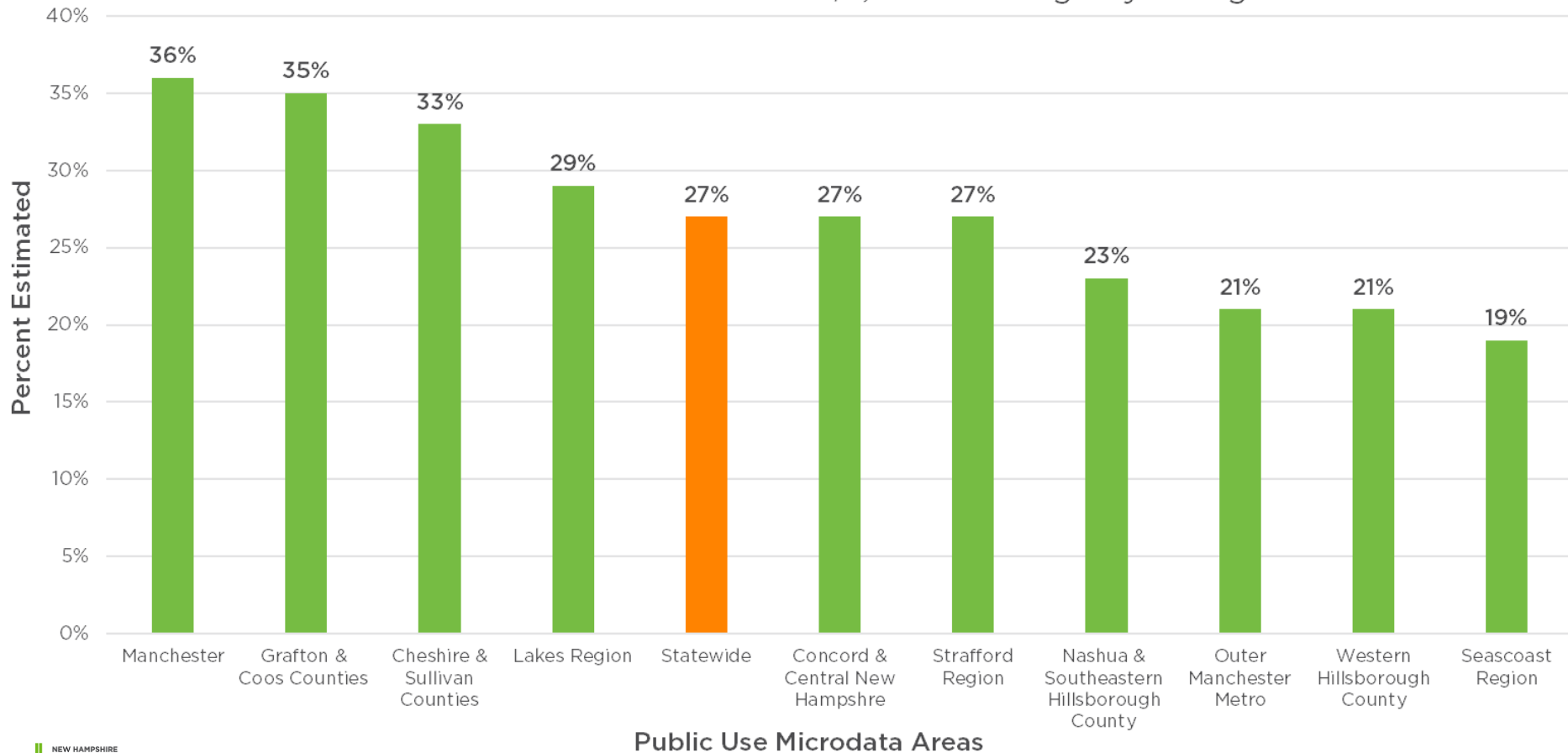
The poverty rate is measured as a percentage of the population for whom poverty status could be determined.

Source: U.S. Census Bureau, American Community Survey, One-Year Data

# MORE THAN 1 IN 4 GRANITE STATERS DID NOT HAVE \$2,000 IN SAVINGS DURING 2019

## NEW HAMPSHIRE HOUSEHOLDS WITHOUT AT LEAST \$2,000 IN SAVINGS

*Estimated Percent of Households in New Hampshire Regions with at least 100,000 Residents that Do Not Have at Least \$2,000 in Emergency Savings in 2019*

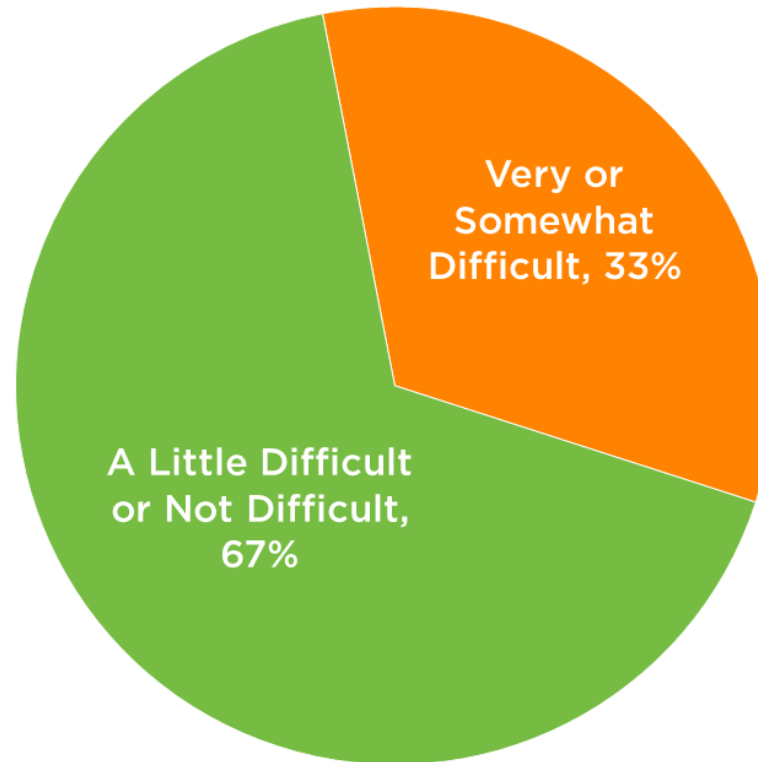


Source: Urban Institute, Financial Health and Wealth Dashboard, October 2022

# ONE IN THREE GRANITE STATE ADULTS HAD DIFFICULTY PAYING FOR USUAL EXPENSES

## NEW HAMPSHIRE RESIDENTS REPORTING DIFFICULTY PAYING FOR USUAL EXPENSES

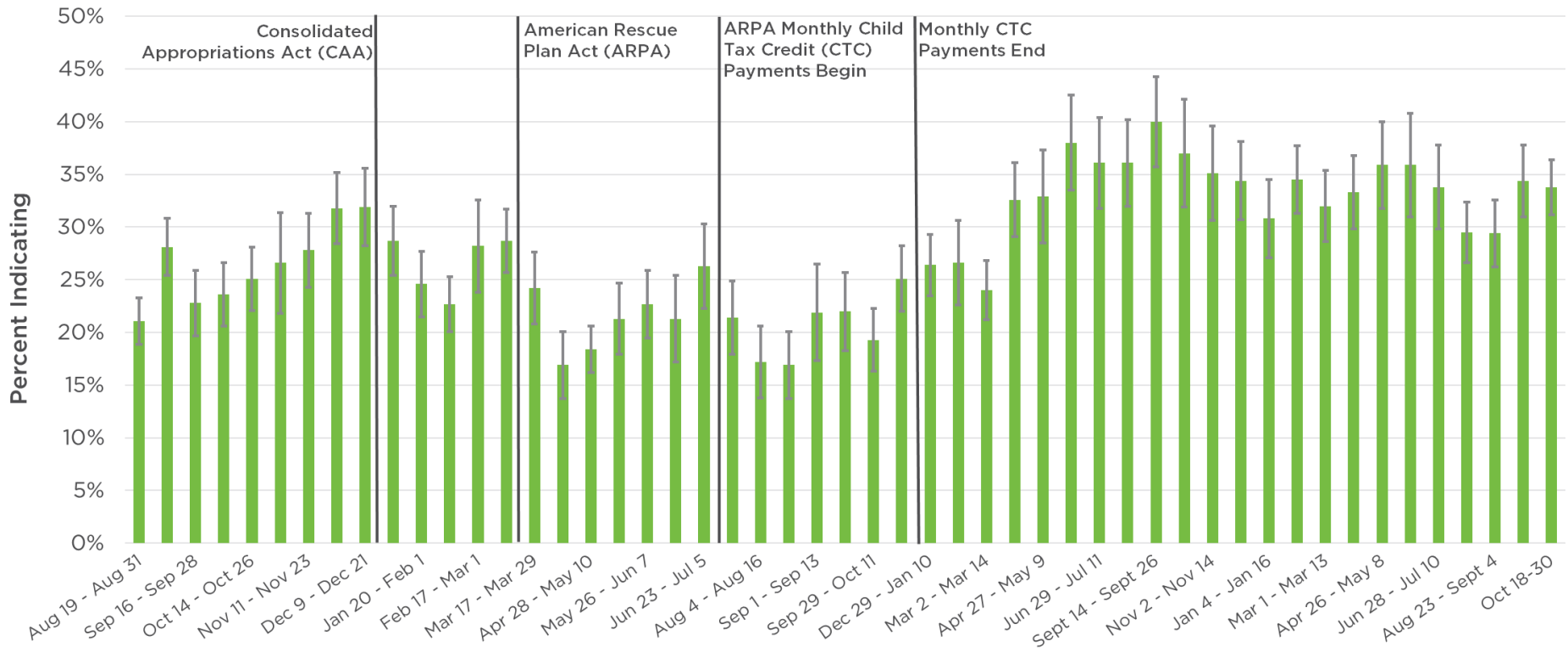
*Percent of Granite State Adults Indicating Difficulty Affording Usual Household Expenses in Prior Seven Days, Based on Data Collected Between January 4, 2023 and October 30, 2023*



Source: U.S. Census Bureau, 2020-2023 Household Pulse Survey, accessed November 10, 2023

# DIRECT PANDEMIC ASSISTANCE EASED DIFFICULTY AFFORDING USUAL EXPENSES

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



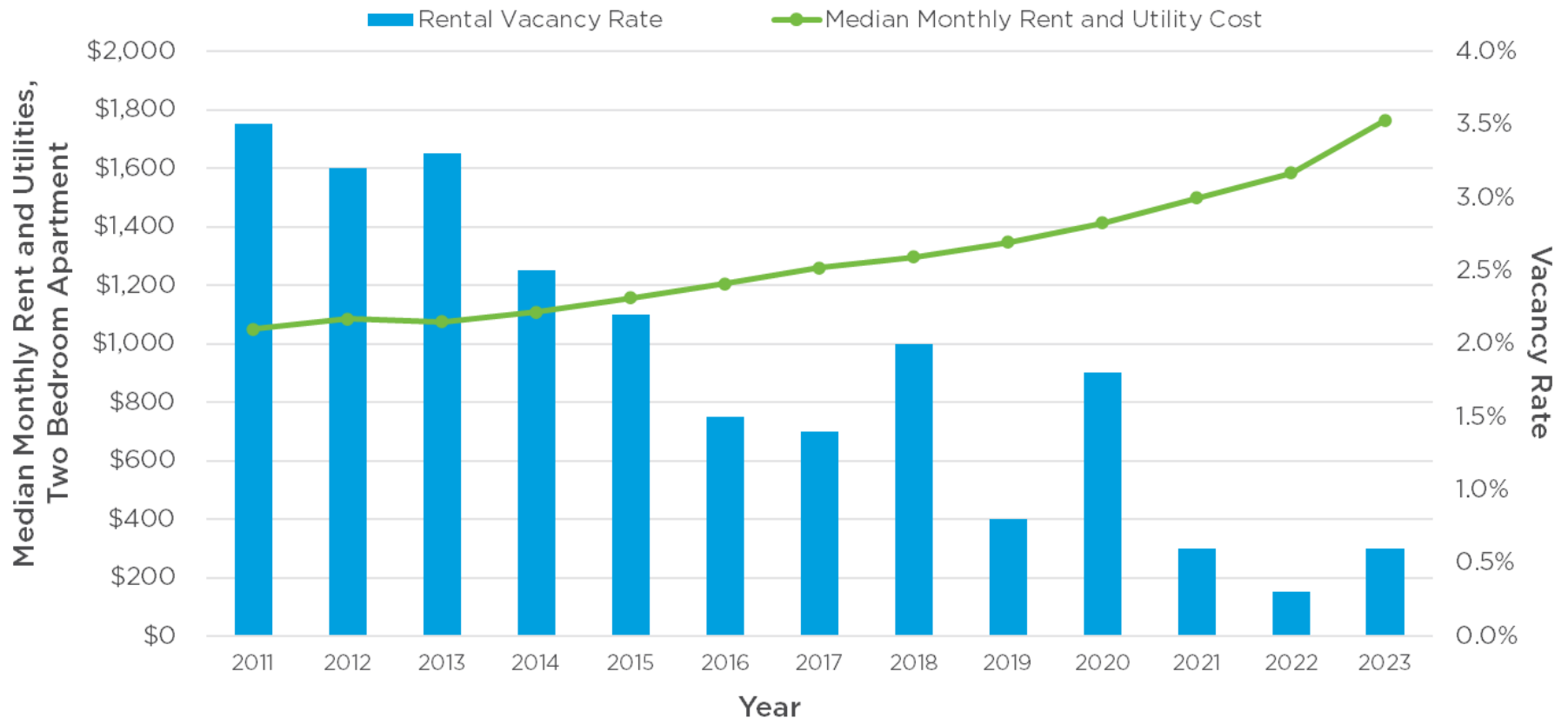
Survey Period (Years 2020-2023)

Note: Margin of error bars represent 90 percent confidence intervals  
 Source: U.S. Census Bureau, 2020-2023 Household Pulse Survey, accessed November 10, 2023

# HIGH RENTAL PRICES RESULT FROM LIMITED RENTAL UNIT SUPPLY AND RISING UTILITY COSTS

## MEDIAN MONTHLY RENTAL COSTS AND VACANCY RATES

*New Hampshire Statewide Data, Two Bedroom Apartments*



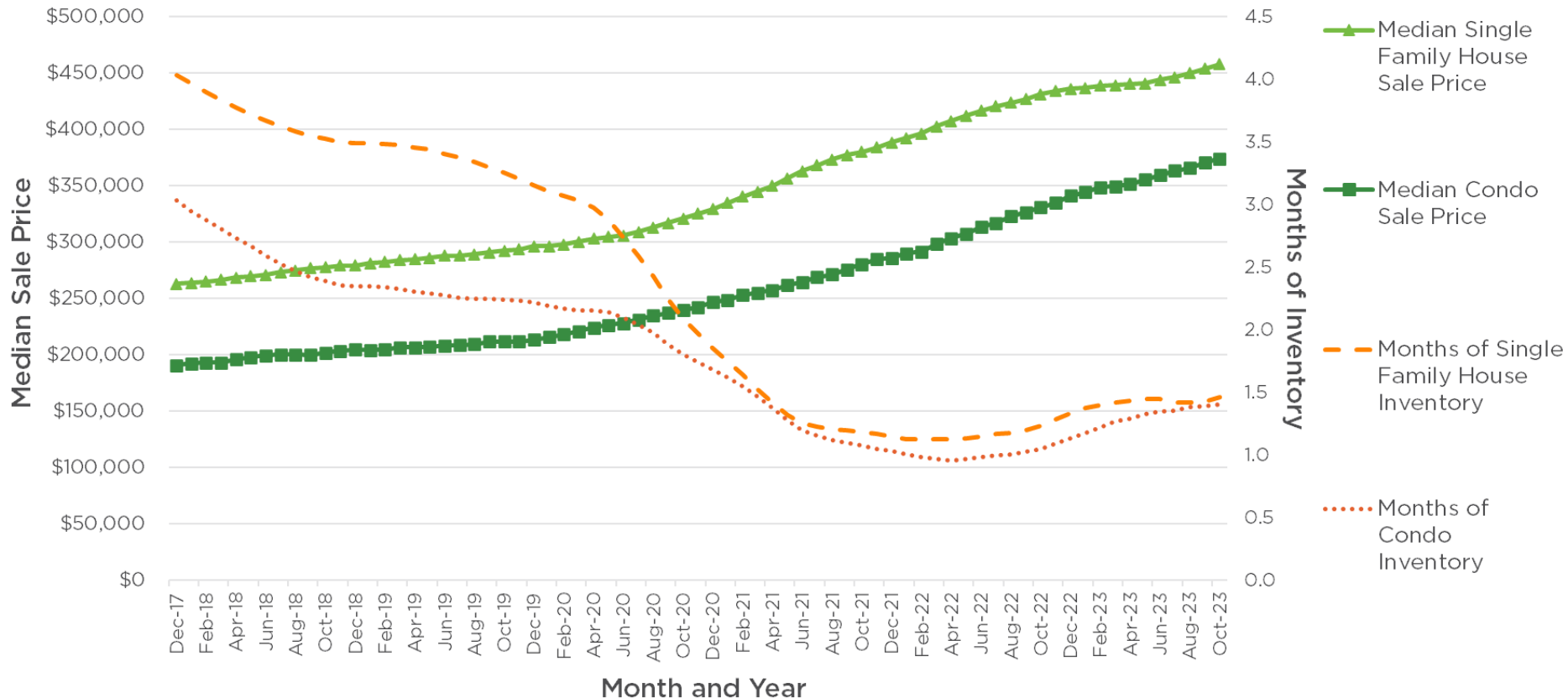
Source: New Hampshire Housing Finance Authority



# LIMITED HOUSING SUPPLY DRIVES RECORD HIGH HOUSE AND CONDO PRICES

## NEW HAMPSHIRE HOUSE AND CONDO PRICES AND SUPPLY

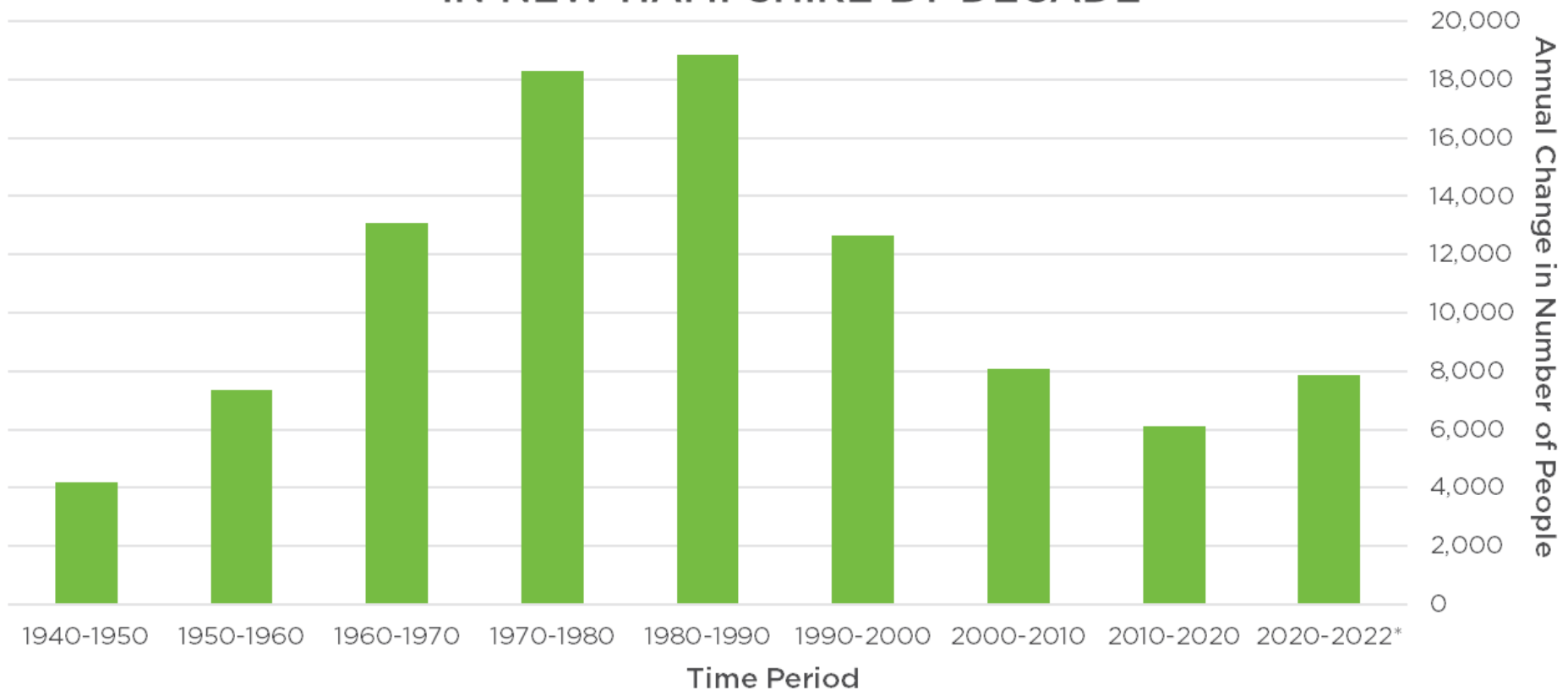
Single Family Home and Condo Median Sale Prices and Months of Inventory, Twelve Month Rolling Averages



Source: New Hampshire Association of Realtors, October 2023

# POPULATION GROWTH SLOWING OVER TIME

## AVERAGE ANNUAL POPULATION CHANGE IN NEW HAMPSHIRE BY DECADE

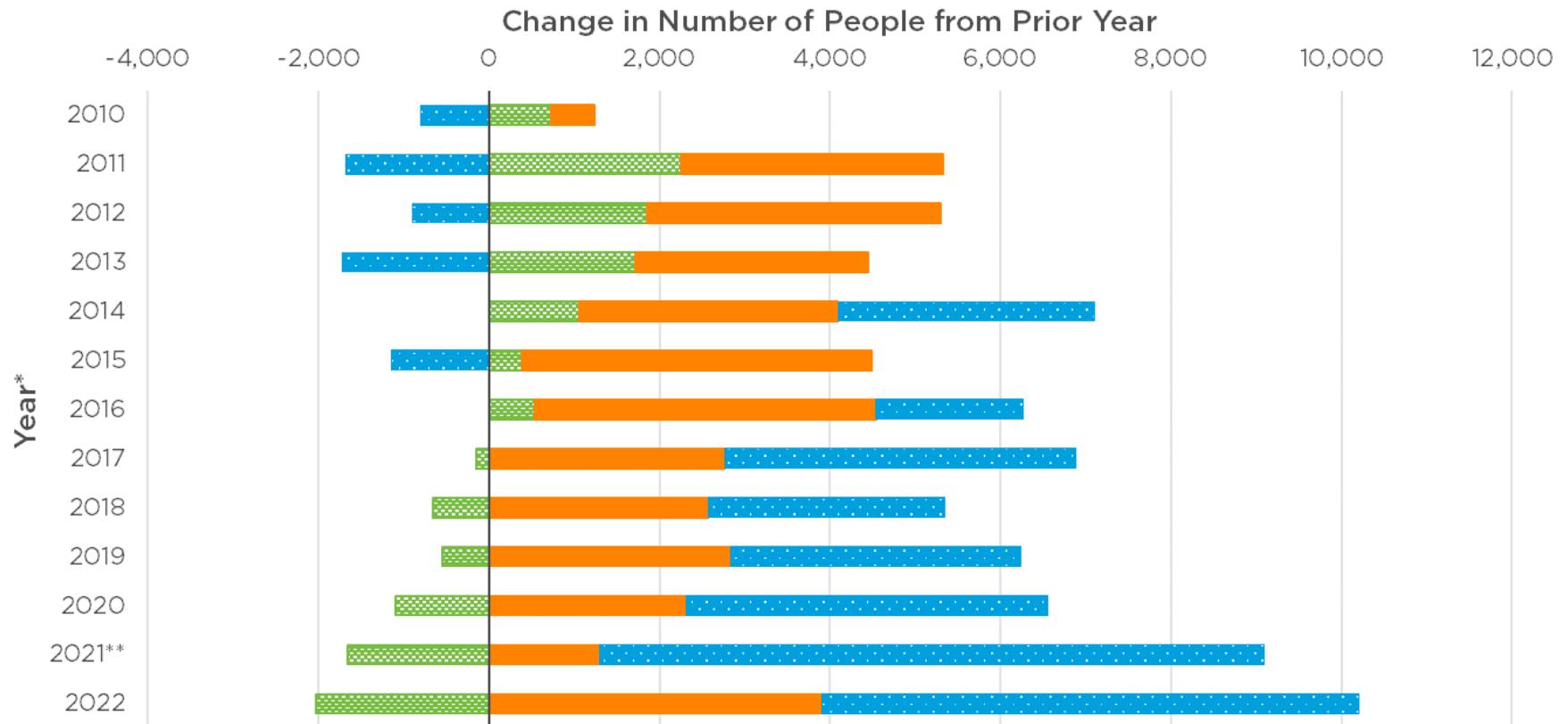


\*Note: Population Estimates Program total population change from April 1, 2020 to July 1, 2022 divided by 2.25 years.  
Source: U.S. Census Bureau, Decennial Counts and Population Estimates Program (2020-2022)

# STATE POPULATION WOULD BE DECLINING WITHOUT MIGRATION IN RECENT YEARS

NEW HAMPSHIRE POPULATION CHANGES BY BIRTHS, DEATHS, MIGRANTS FROM OTHER STATES, AND INTERNATIONAL MIGRANTS

■ Births Minus Deaths   ■ Net International Migration   ■ Net Domestic Migration



Notes: \*Year refers to the period beginning July 1 of the calendar year identified and lasting until June 30 of the next year.

\*\*2021 estimate based on Vintage 2022 Table estimates for 2021-2022 and the April 1, 2020 to July 1, 2022 period.

Source: U.S. Census Bureau, Population Estimates Program, Vintage 2020 and 2022 Tables

# NEW HAMPSHIRE FACES A LABOR FORCE SHORTAGE THROUGHOUT THE ECONOMY

## NUMBER OF JOB OPENINGS PER NEW HAMPSHIRE RESIDENT ACTIVELY SEEKING WORK

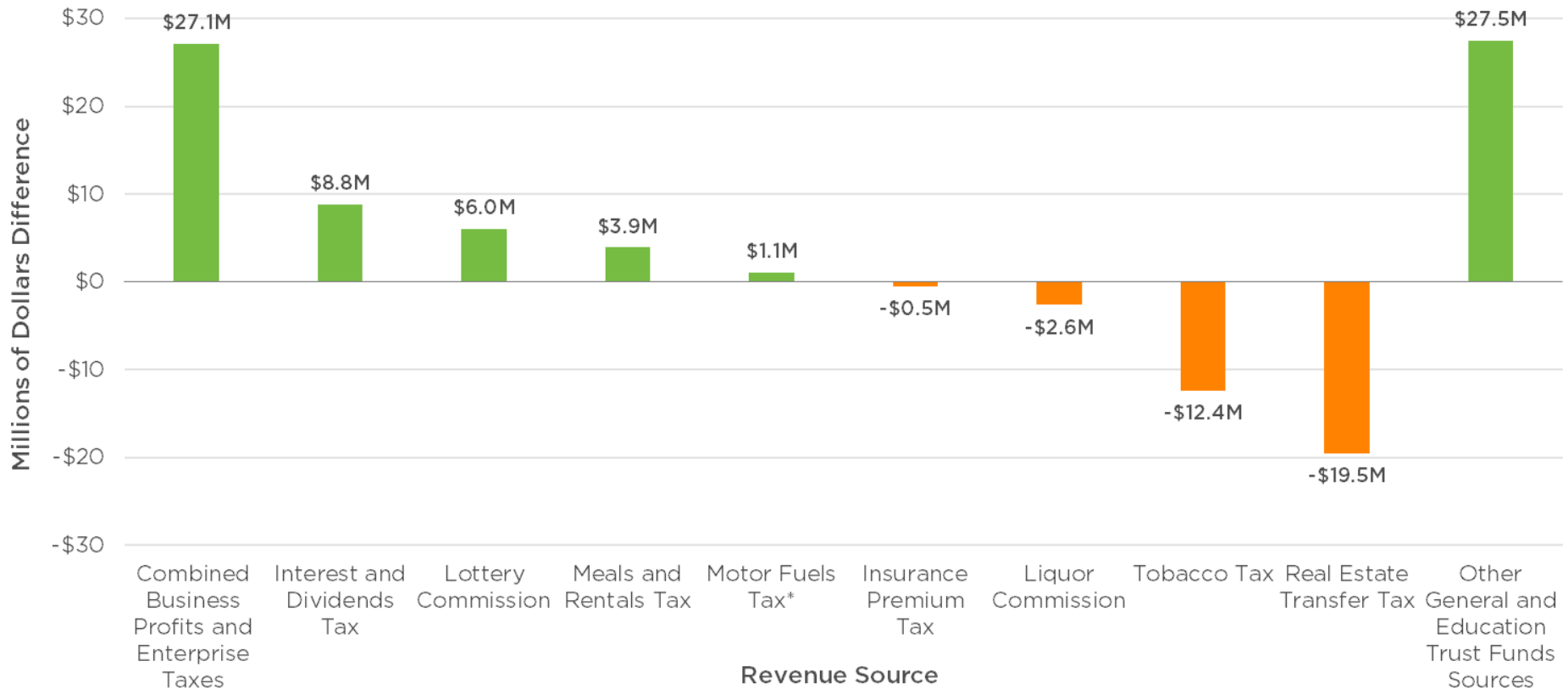


Sources: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics and Job Openings and Labor Turnover Survey. Seasonally Adjusted, data retrieved August 25, 2023; National Bureau of Economic Research

# STATE TAX RECEIPTS REFLECT CONSTRAINED HOUSE AND CONDO SALES

## DIFFERENCES FROM LAST YEAR'S REVENUE BY SOURCE

General and Education Trust Funds Revenues Excluding Statewide Education Property Tax,  
July Through October, State Fiscal Year 2024

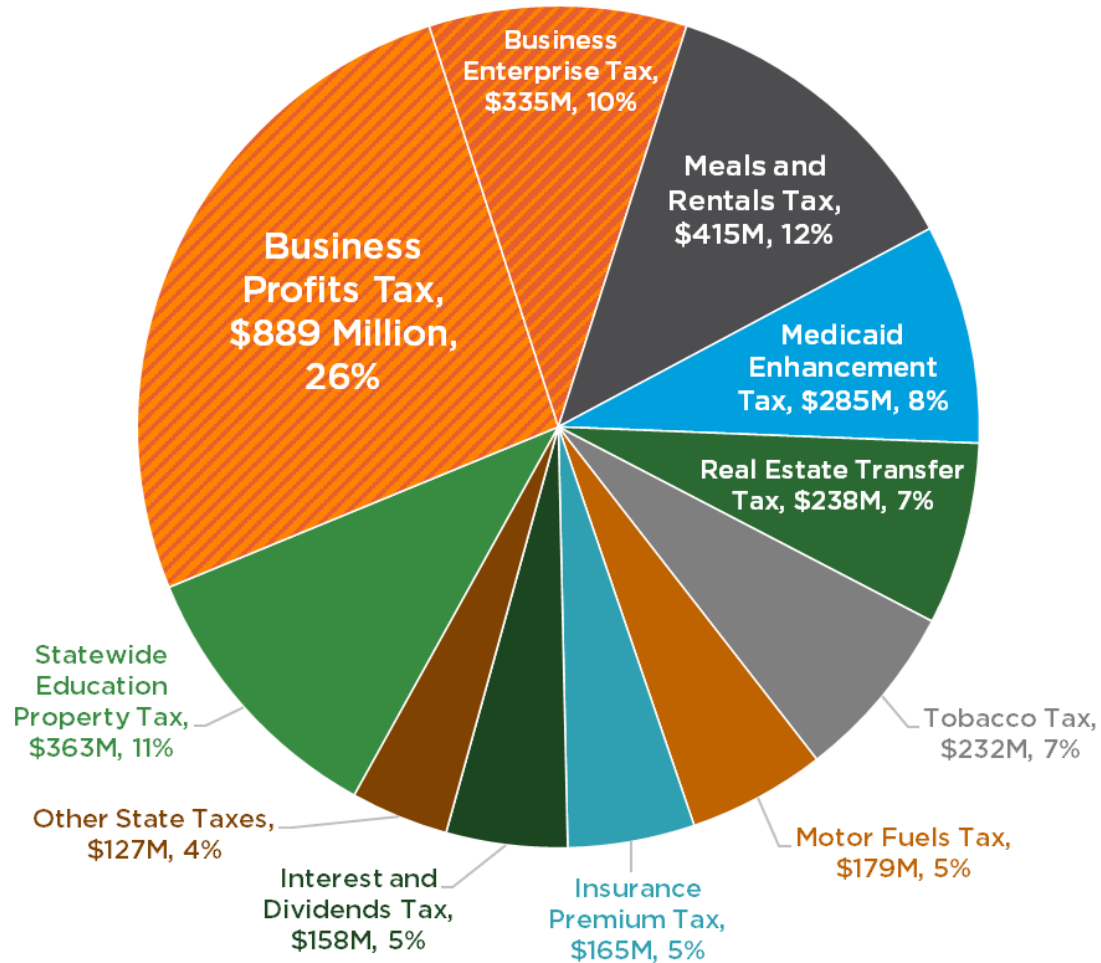


\*Note: Motor Fuels Tax is not a General or Education Trust Funds revenue source.

Sources: New Hampshire Department of Administrative Services, Monthly Revenue Focus, October FY 2024

# RELATIVE SIZES OF STATE TAX REVENUE SOURCES

## STATE TAXES IN NEW HAMPSHIRE *State Fiscal Year 2022*

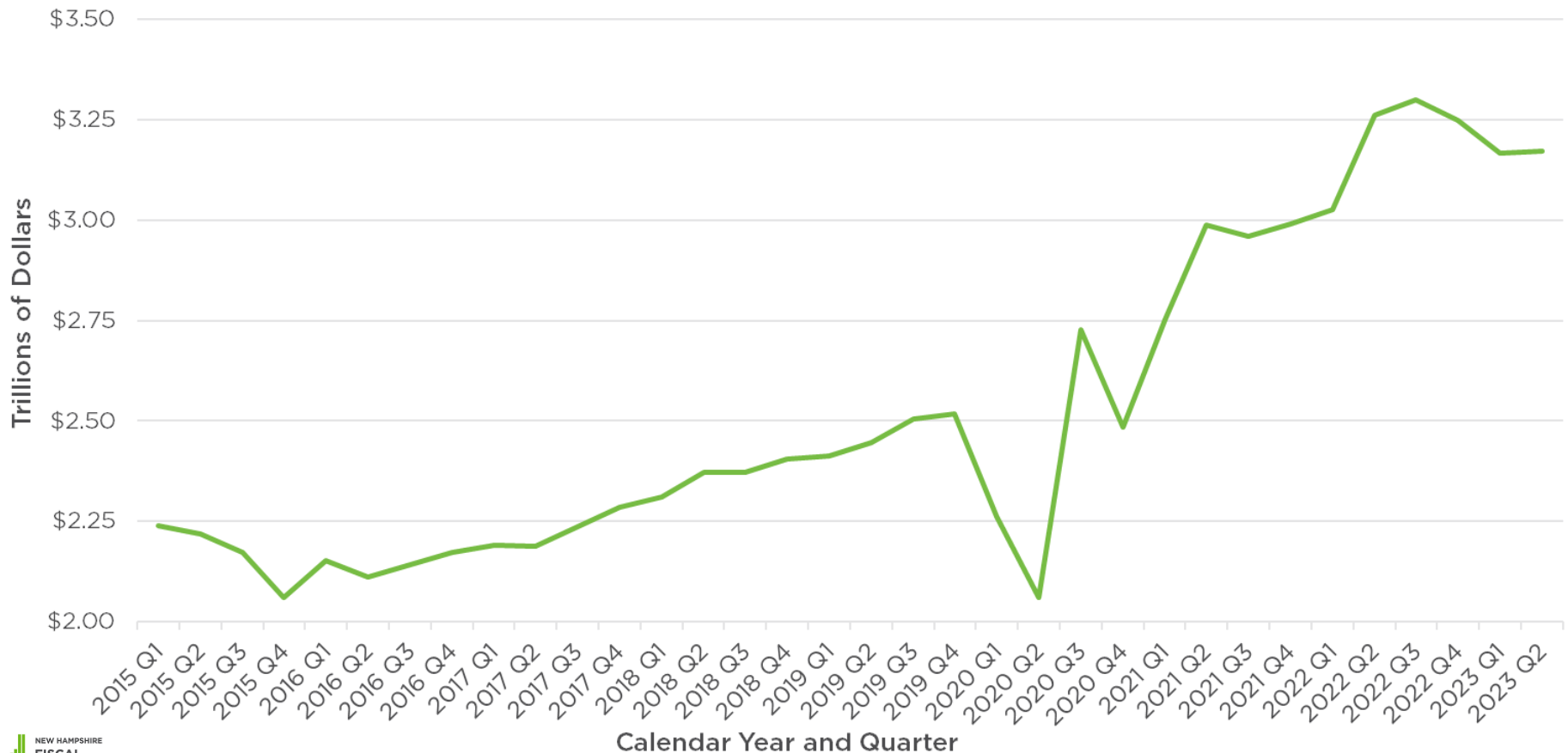


Sources: New Hampshire Annual Comprehensive Financial Report, State Fiscal Year 2022; New Hampshire Department of Revenue Administration, 2022 Annual Report

# HIGH NATIONAL CORPORATE PROFITS LIKELY BOOSTING STATE REVENUES

## U.S. CORPORATE PROFITS BY QUARTER

*Corporate Profits Adjusted for Inventory Valuation and Capital Consumption,  
Annual Rate, Seasonally Adjusted*

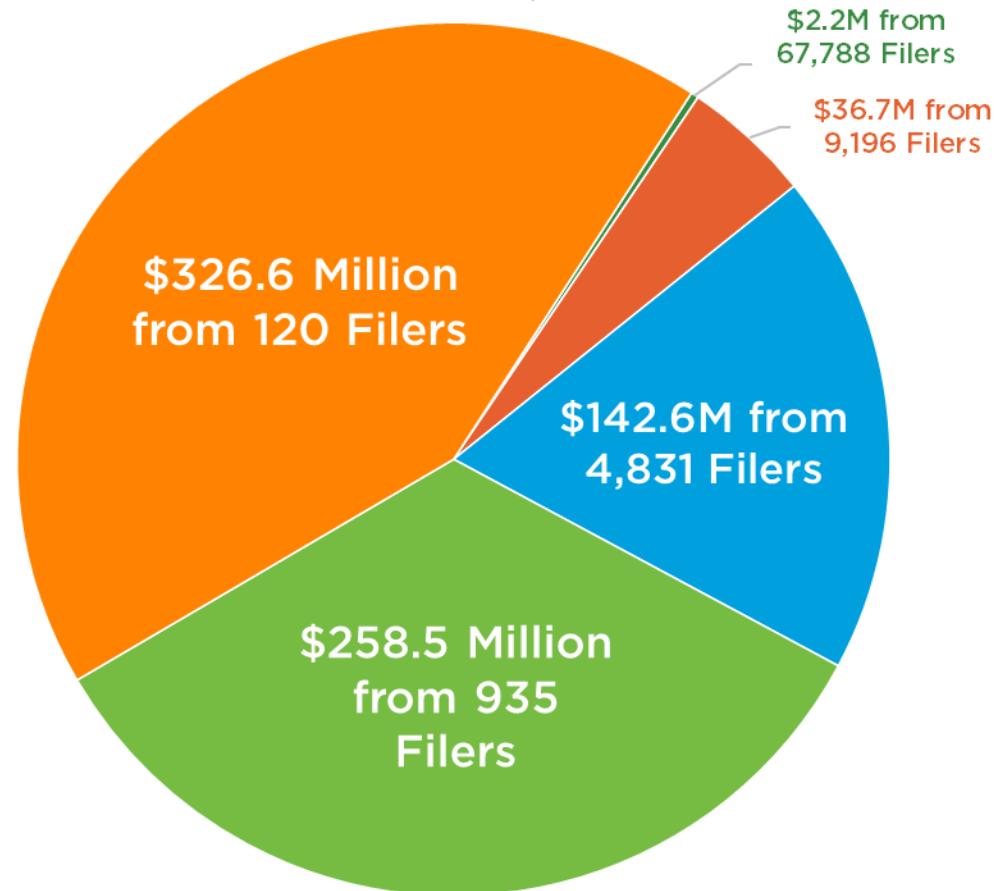


# LARGE ENTITIES KEY TO BPT BASE

## NEW HAMPSHIRE BUSINESS PROFITS TAX PAID AND NUMBER OF FILERS

*Tax Year 2021*

Source: New Hampshire Department of Revenue Administration,  
2023 Annual Report

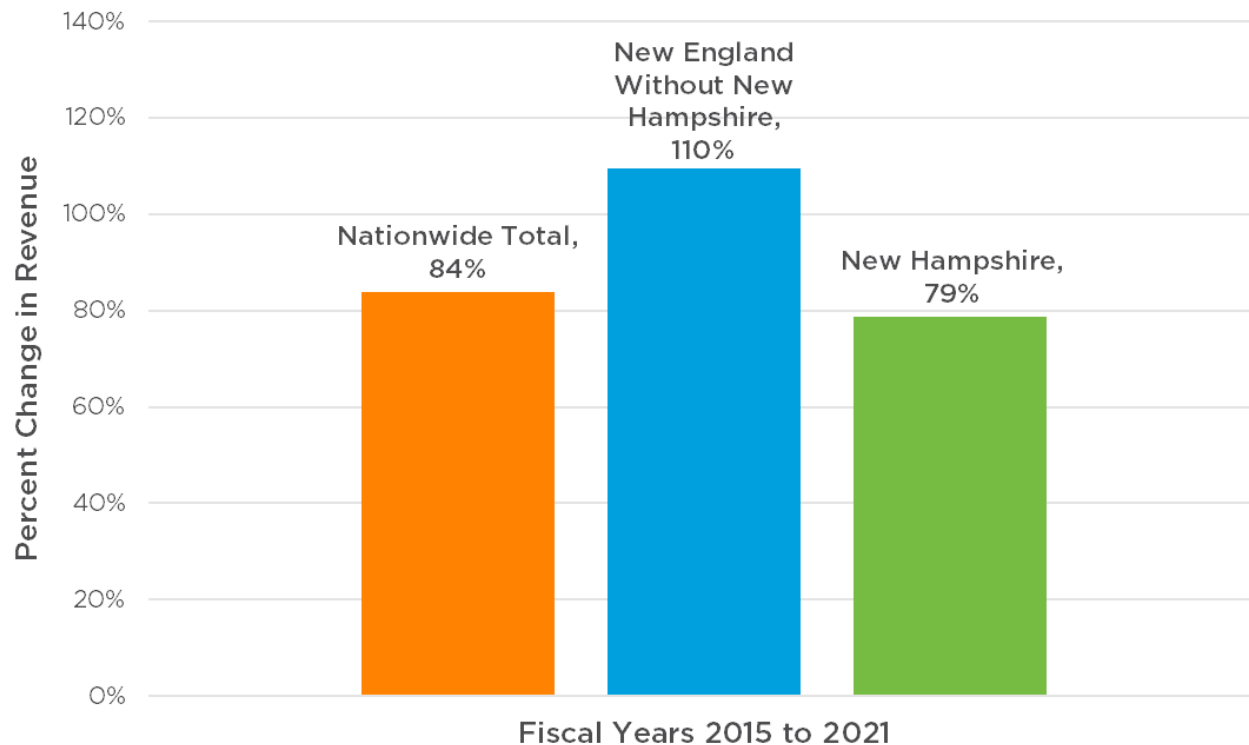




# CORPORATE TAX REVENUES IN OTHER STATES SUGGEST NATIONWIDE FACTORS

## CHANGE IN STATE CORPORATE TAX REVENUES, FISCAL YEARS 2015-2021

*Nationwide and New England Aggregate Figures as Reported by the U.S. Census Bureau, New Hampshire Data from State Financial Audits*



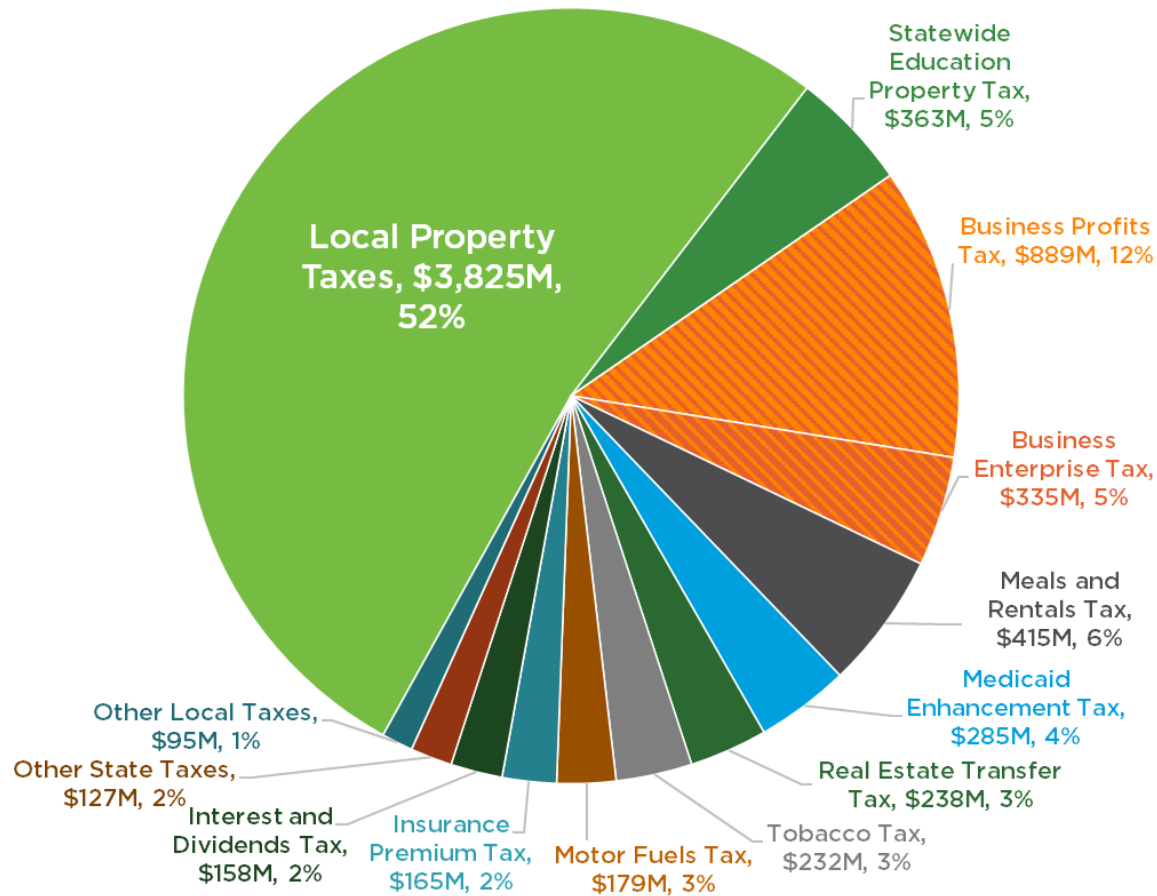
Note: New Hampshire data based on Annual Comprehensive Financial Reports, others based on U.S. Census Bureau data. Data for New Hampshire in the U.S. Census Bureau Collections appeared to include an error.

Sources: U.S. Census Bureau, Annual Survey of State Government Finances; New Hampshire Annual Comprehensive Financial Reports

# PROPERTY TAXES MORE THAN HALF OF STATE AND LOCAL TAX REVENUES

## STATE AND LOCAL TAXES IN NEW HAMPSHIRE

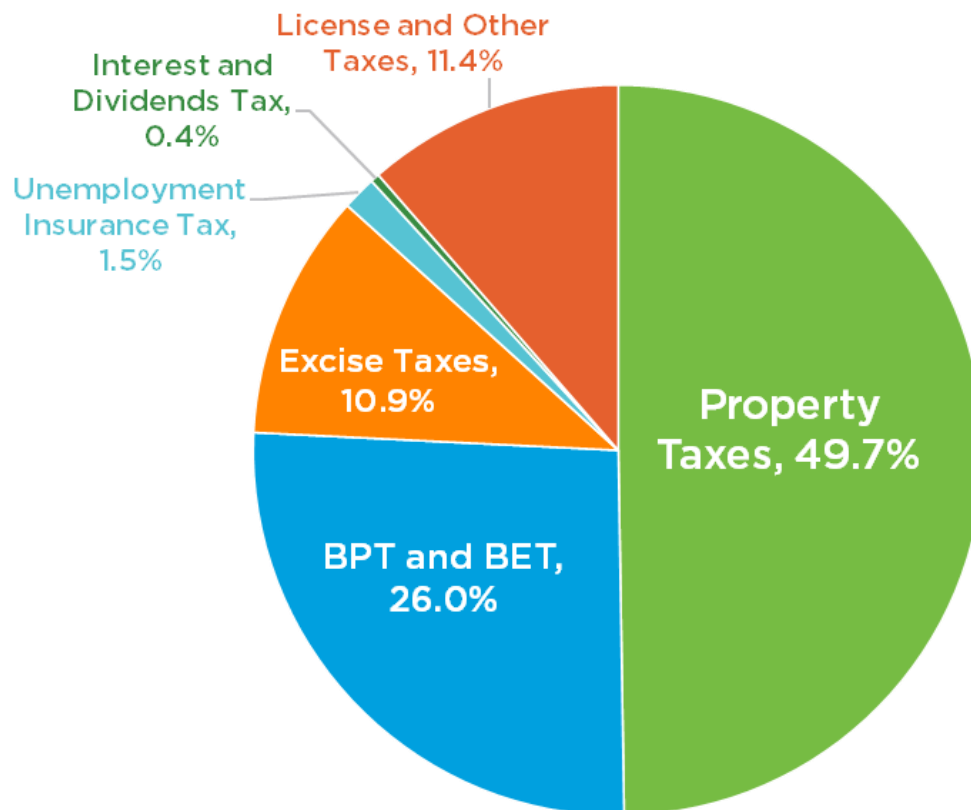
State Fiscal Year or Tax Year 2022



Sources: New Hampshire Annual Comprehensive Financial Report, State Fiscal Year 2022; New Hampshire Department of Revenue Administration, 2022 Annual Report and Completed Public Tax Rates 2022; U.S. Census Bureau, Survey of State and Local Government Finances, 2020 ("Other Local Taxes")

# HALF OF STATE AND LOCAL TAX DOLLARS PAID BY BUSINESSES ARE PROPERTY TAXES

## TAXES PAID BY BUSINESSES, NEW HAMPSHIRE STATE AND LOCAL TAXES, FISCAL YEAR 2021



Note: Totals do not sum to 100 percent due to rounding.

Source: Council on State Taxation, *Total State and Local Business Taxes*, December 2022

# KEY TAKEAWAYS

- Median household income fell behind inflation in 2022
- About one in three Granite State adults report that paying for usual expenses is very or somewhat difficult
- Housing is a key constraint on population growth and household budgets, putting downward pressure on labor force growth, also hindered by unmet child care needs
- State revenues reflect slowing housing market, due to high prices and interest rates, and show business tax growth
- Significant portion of business tax revenues paid by very profitable entities, and national corporate profits have likely driven recent increases
- Business taxes key for the State, but property taxes critical for overall taxpayer-funded services in New Hampshire

# ADDITIONAL RESOURCES

- Issue Brief: Granite State Workers and Employers Face Rising Costs and Significant Economic Constraints – August 31, 2023:  
<https://nhfpi.org/resource/granite-state-workers-and-employers-face-rising-costs-and-significant-economic-constraints/>
- Blog: Latest Census Bureau Data Show Median Household Income Fell Behind Inflation, Tax Credit Expirations Increased Poverty – September 22, 2023:  
<https://nhfpi.org/blog/latest-census-bureau-data-show-median-household-income-fell-behind-inflation-tax-credit-expirations-increased-poverty/>
- Resource Page: Economy  
<https://nhfpi.org/topic/economy/>



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