



THE NEW HAMPSHIRE ECONOMY, HOUSEHOLD FINANCES, AND STATE REVENUES

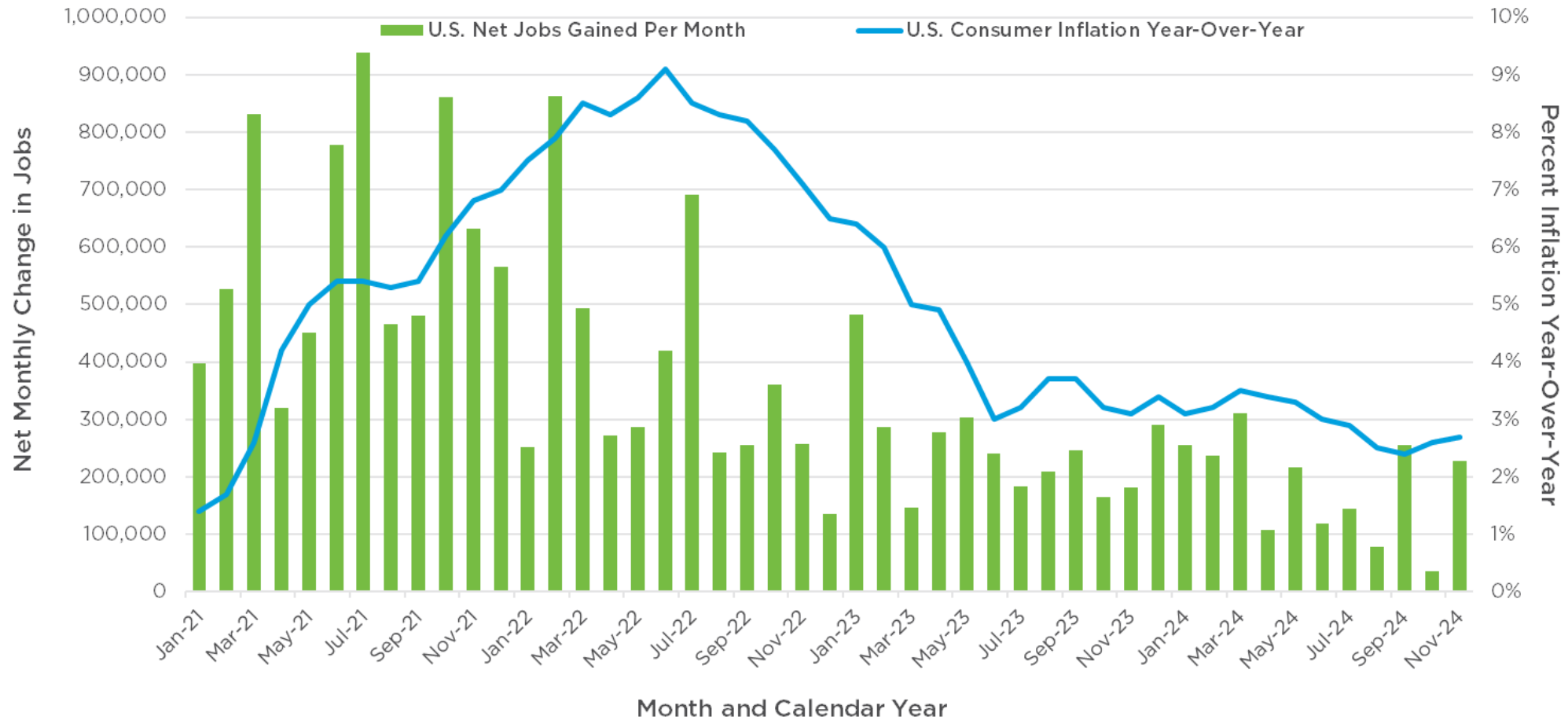
NEW HAMPSHIRE HOUSE AND SENATE WAYS AND MEANS COMMITTEES
2025 JOINT ECONOMIC BRIEFING

JANUARY 14, 2025

INSIGHTS INTO THE ECONOMY

INFLATION SLOWING, BUT STILL SLIGHTLY ELEVATED, IN ECONOMY OVERALL

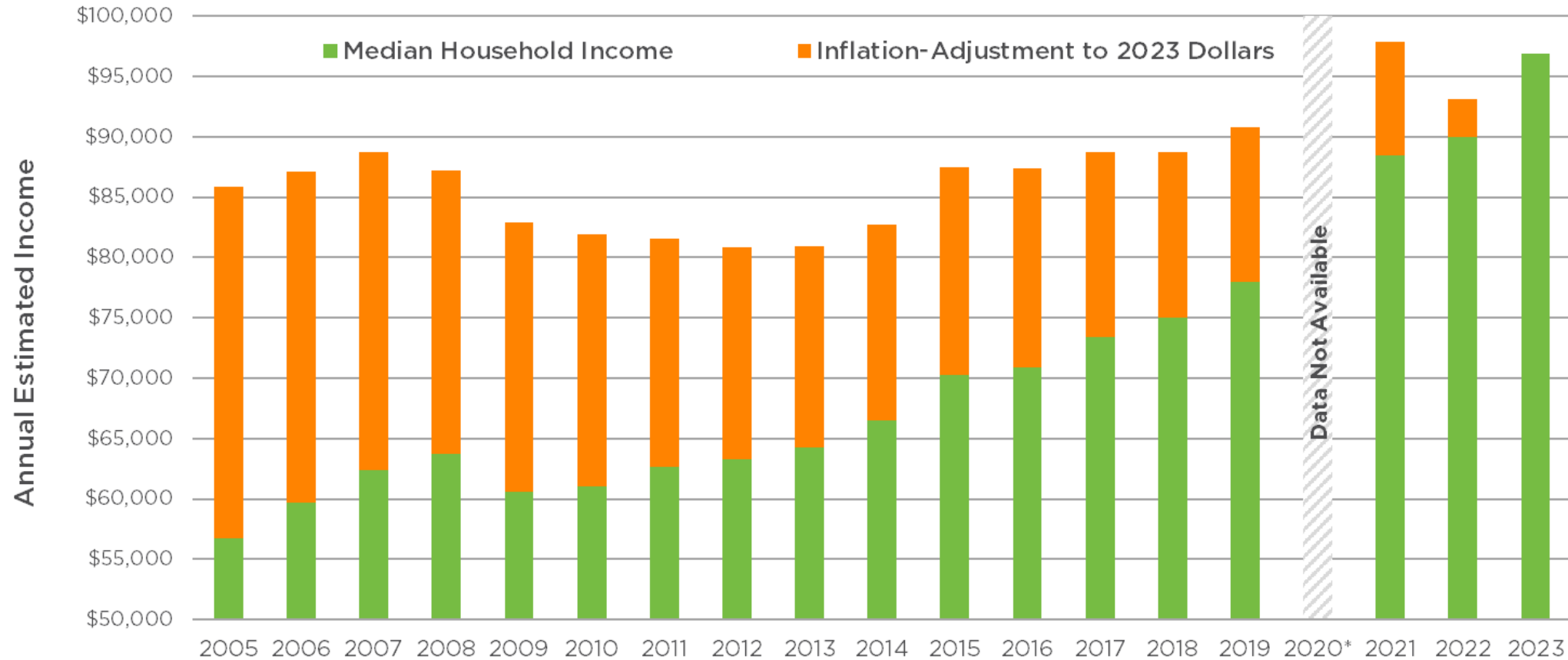
INFLATION AND JOB GROWTH IN THE UNITED STATES
Monthly Nonfarm Payroll Employment and the Consumer Price Index-Urban



Sources: U.S. Bureau of Labor Statistics, Consumer Price Index-Urban, Current Employment Statistics, retrieved January 9, 2025

NEW HAMPSHIRE MEDIAN HOUSEHOLD INCOME OUTPACED INFLATION IN 2023

MEDIAN HOUSEHOLD INCOME IN NEW HAMPSHIRE



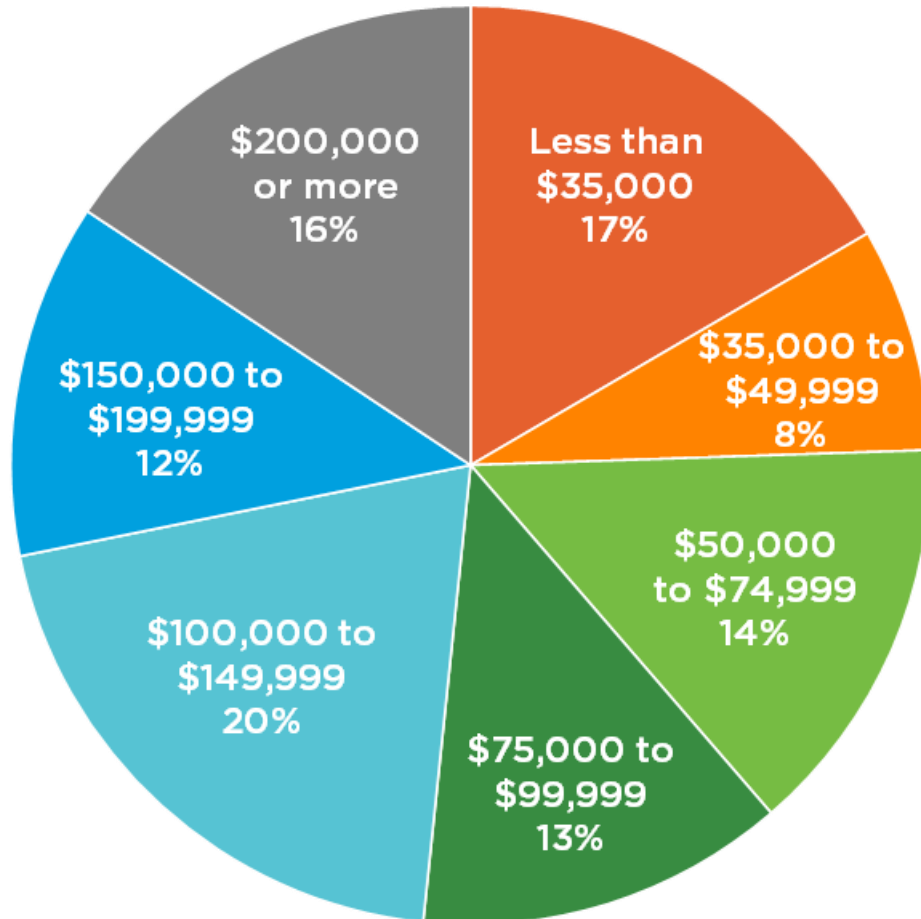
Note: Axis does not begin at zero.

Year of Data Collection

*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

DISTRIBUTION OF HOUSEHOLD INCOME

NEW HAMPSHIRE HOUSEHOLDS BY INCOME GROUP, 2023



Source: U.S. Census Bureau, American Community Survey, 2023 One-Year Data

- Median income for all household sizes was about \$97,000, according to data collected during 2023
- Average New Hampshire household size was 2.39 people during 2023
- Almost 16 percent had incomes at or above \$200,000 in 2023
- About 1 in 4 New Hampshire households had incomes below \$50,000 in 2023 data
- About 11 percent had incomes below \$25,000 in 2023
- 2023 poverty thresholds were \$15,852 for a single person under 65, \$24,526 for a three-person household with one child

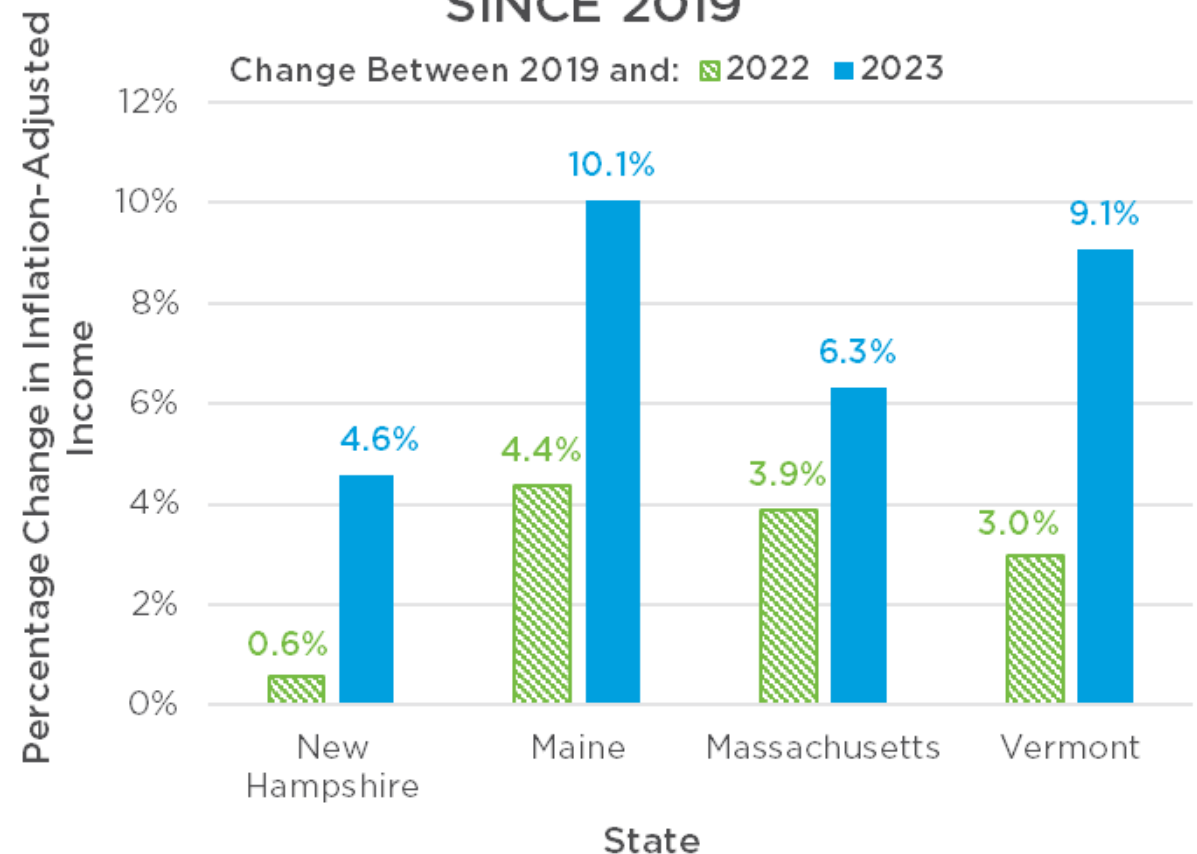
For more information, see NHFPI's September 12, 2024 blog *New Hampshire's Median Household Income Increased in 2023, Poverty Remained Steady*.

PER CAPITA PERSONAL INCOME GROWTH BEHIND REGION SINCE COVID-19 PANDEMIC

- Inflation-adjusted personal income growth was much stronger in 2023 than in 2022, matching median household income patterns
- Patterns of personal income growth similar, but not exactly the same, in New Hampshire as in all New England from 2018 through 2023
- Pace of estimated personal income growth in New Hampshire is about the same as New England in the first three quarters of 2024

Source: U.S. Bureau of Economic Analysis

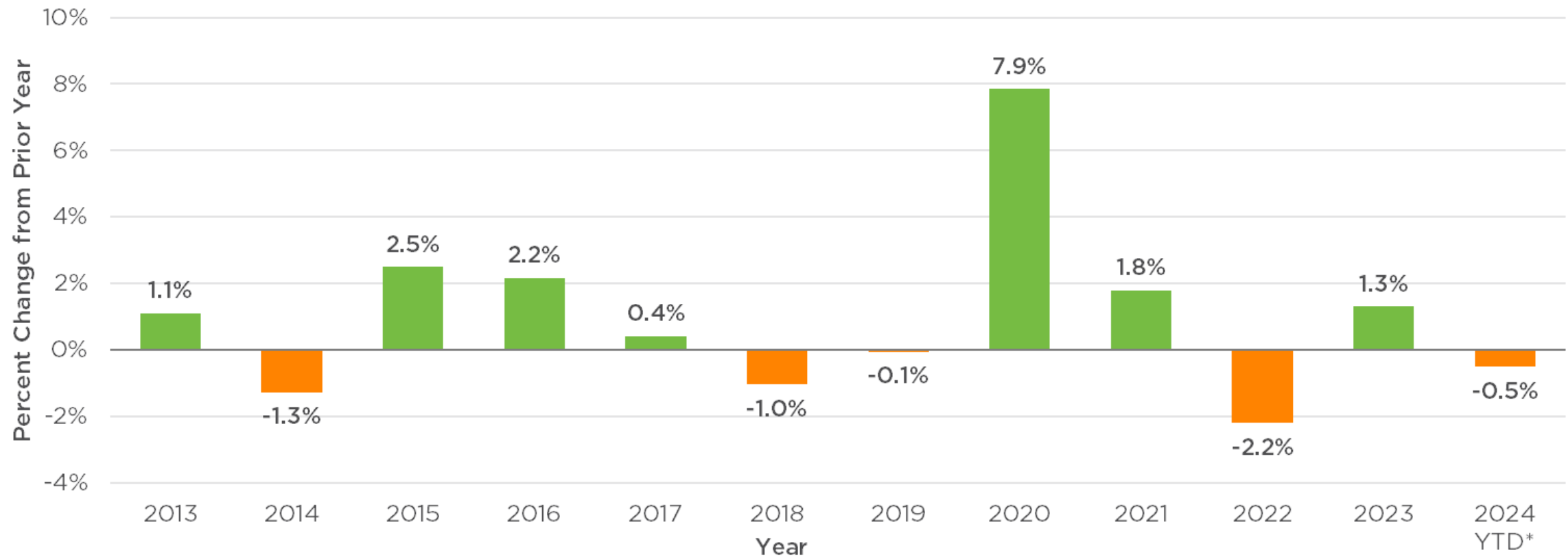
CHANGE IN INFLATION-ADJUSTED PERSONAL INCOME PER CAPITA SINCE 2019



Source: U.S. Bureau of Economic Analysis

AVERAGE HOURLY WAGES MAY BE SLIPPING BEHIND INFLATION AGAIN IN 2024

ANNUAL CHANGE IN AVERAGE INFLATION-ADJUSTED PRIVATE SECTOR WAGE IN NEW HAMPSHIRE



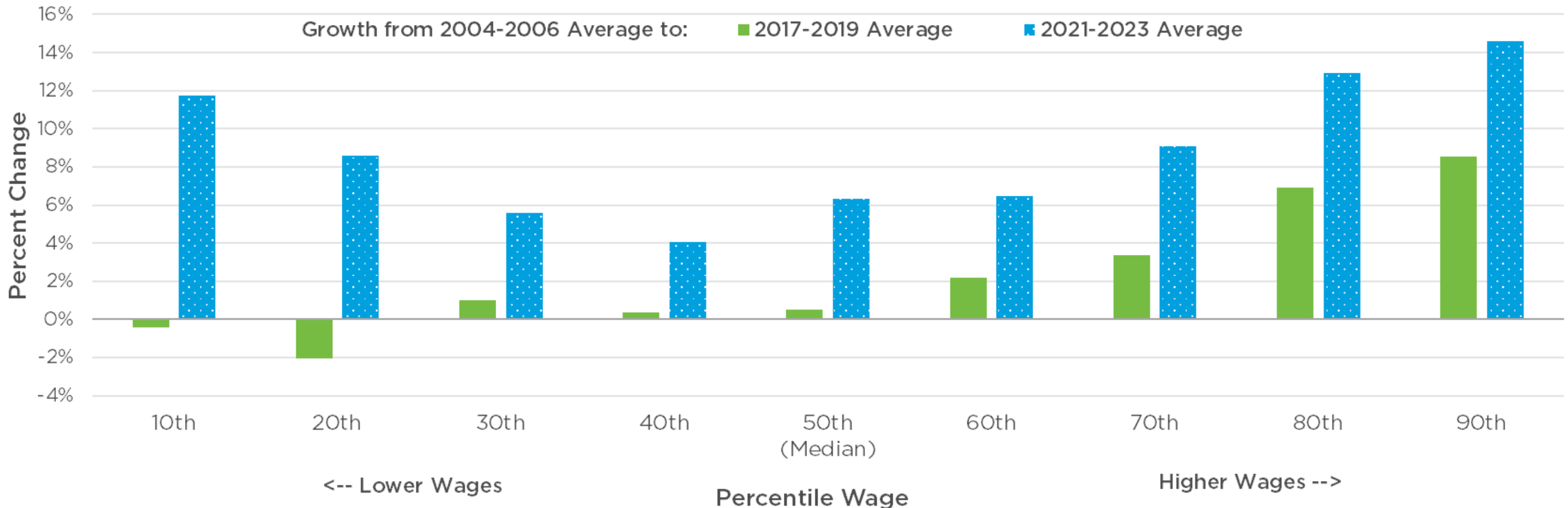
*Note: 2024 Year-to-Date inflation and average wage based on averages of individual month values for January to November 2024.

Sources: New Hampshire Employment Security, GraniteStats, Current Employment Statistics, Nonfarm Private Sector Annual Average Wage; U.S. Bureau of Labor Statistics, Consumer Price Index-Urban, Northeast

COVID-19 RECOVERY BOOSTED LOWER-LEVEL REAL WAGES FASTER THAN PRIOR RECOVERY

NEW HAMPSHIRE INFLATION-ADJUSTED HOURLY WAGE GROWTH SINCE 2004-2006, PRIOR TO THE GREAT RECESSION

Hourly Wage Comparisons to Pre-COVID-19 Pandemic and Most Recent Data, Counting All Income from Work

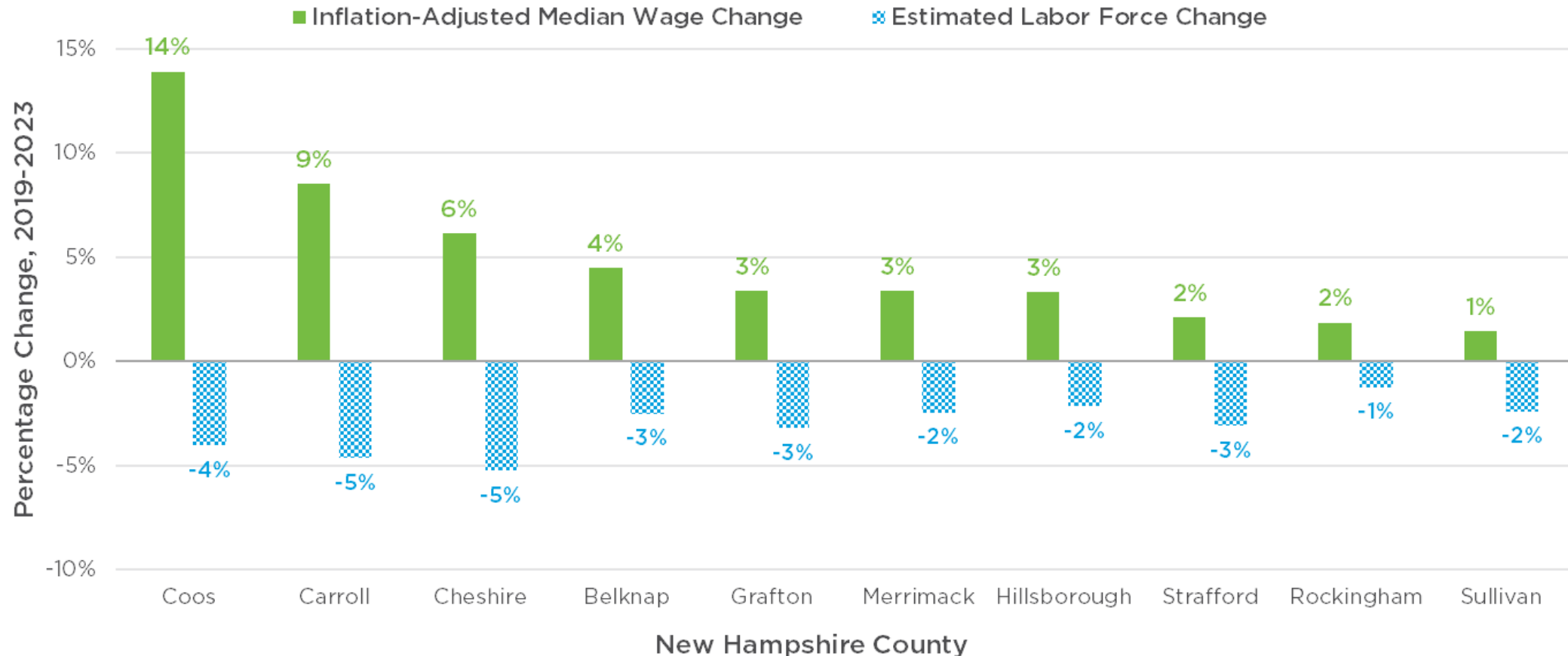


Note: Includes workers age 16 years and over.

Source: Economic Policy Institute analysis of U.S. Census Bureau, Current Population Survey data

WAGE GROWTH UNEVEN ACROSS COUNTIES WHILE WORKFORCE SIZES DECLINED 2019-2023

CHANGES IN MEDIAN WAGES AND SIZE OF LABOR FORCE BY COUNTY,
2019 TO 2023

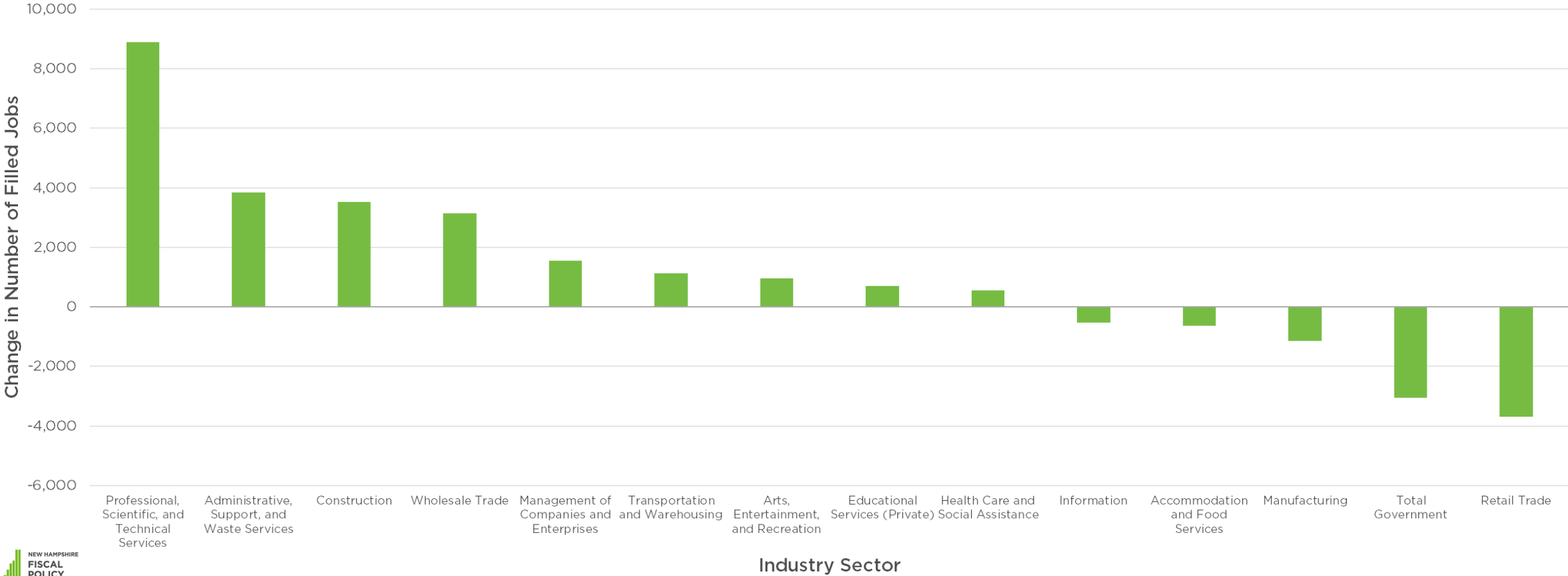


Sources: New Hampshire Employment Security, Local Area Unemployment Statistics Program and Occupational Employment and Wage Statistics; U.S. Bureau of Labor Statistics, Consumer Price Index-Urban, New England

PROFESSIONAL, SCIENTIFIC, AND CONSTRUCTION EMPLOYMENT UP, RETAIL AND GOVERNMENT EMPLOYMENT DECLINED

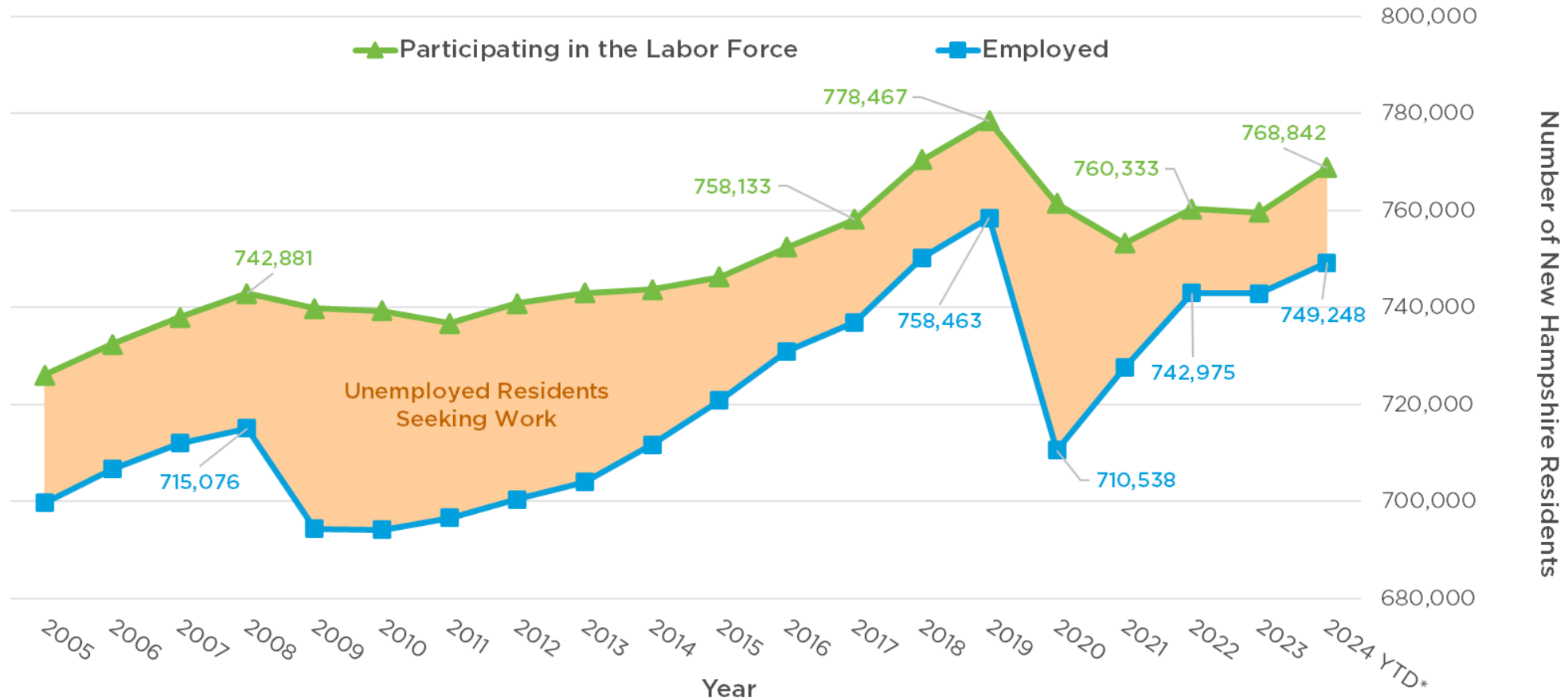
CHANGE IN FILLED JOBS BASED IN NEW HAMPSHIRE REPORTED BY EMPLOYERS

Change from 2019 to 2023, Changes of More than 500 Jobs Only



LABOR FORCE AND NUMBER OF EMPLOYED RESIDENTS BELOW PRE-PANDEMIC PEAK

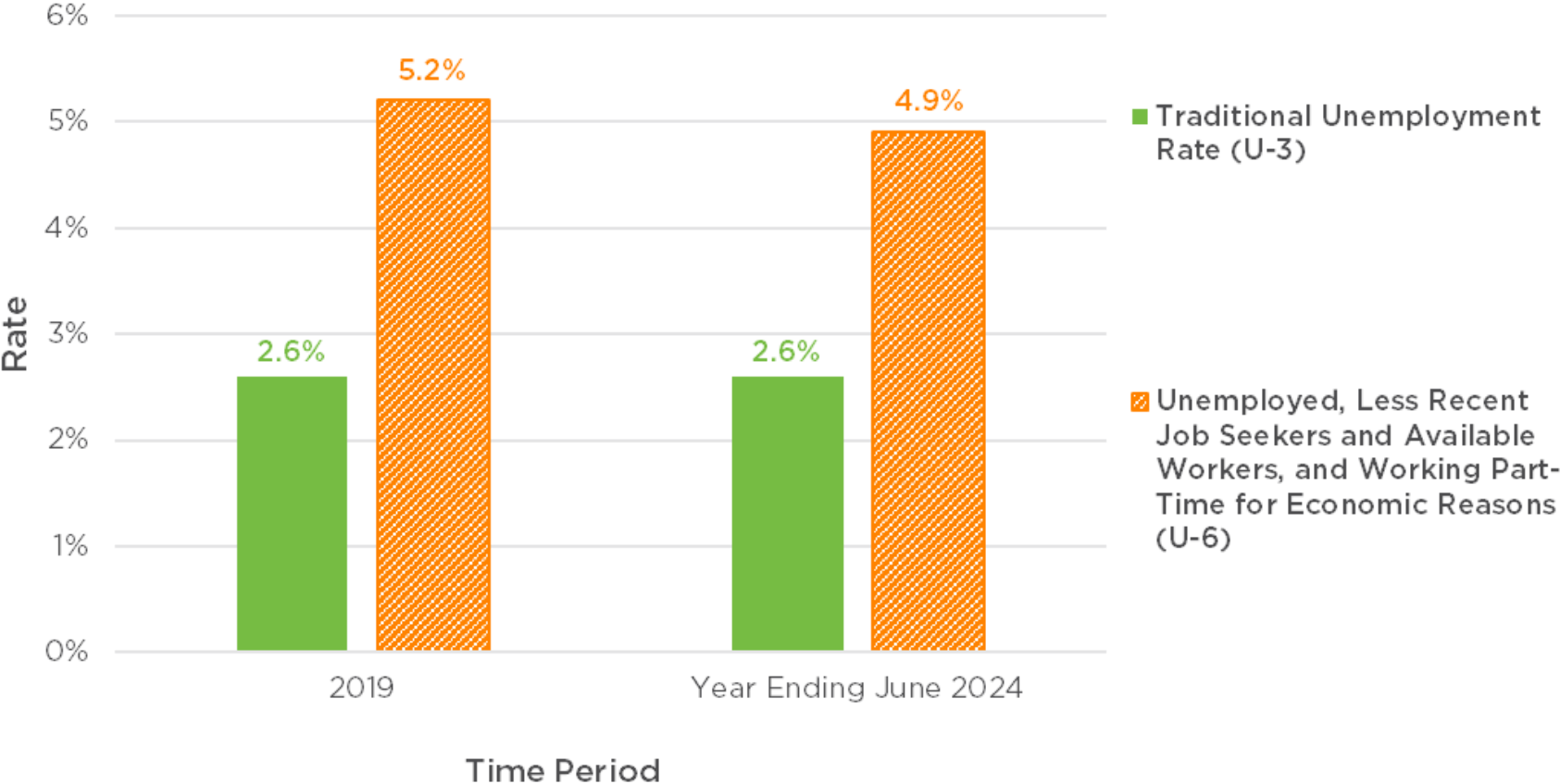
LABOR FORCE AND EMPLOYMENT AMONG NEW HAMPSHIRE RESIDENTS



Note: YTD = Year-to-Date data averages January through November 2024 seasonally adjusted estimates.
 Source: New Hampshire Employment Security, GraniteStats, Local Area Unemployment Statistics

UNEMPLOYMENT RATE AT 2019 LEVEL, BROADER MEASURE SLIGHTLY LOWER

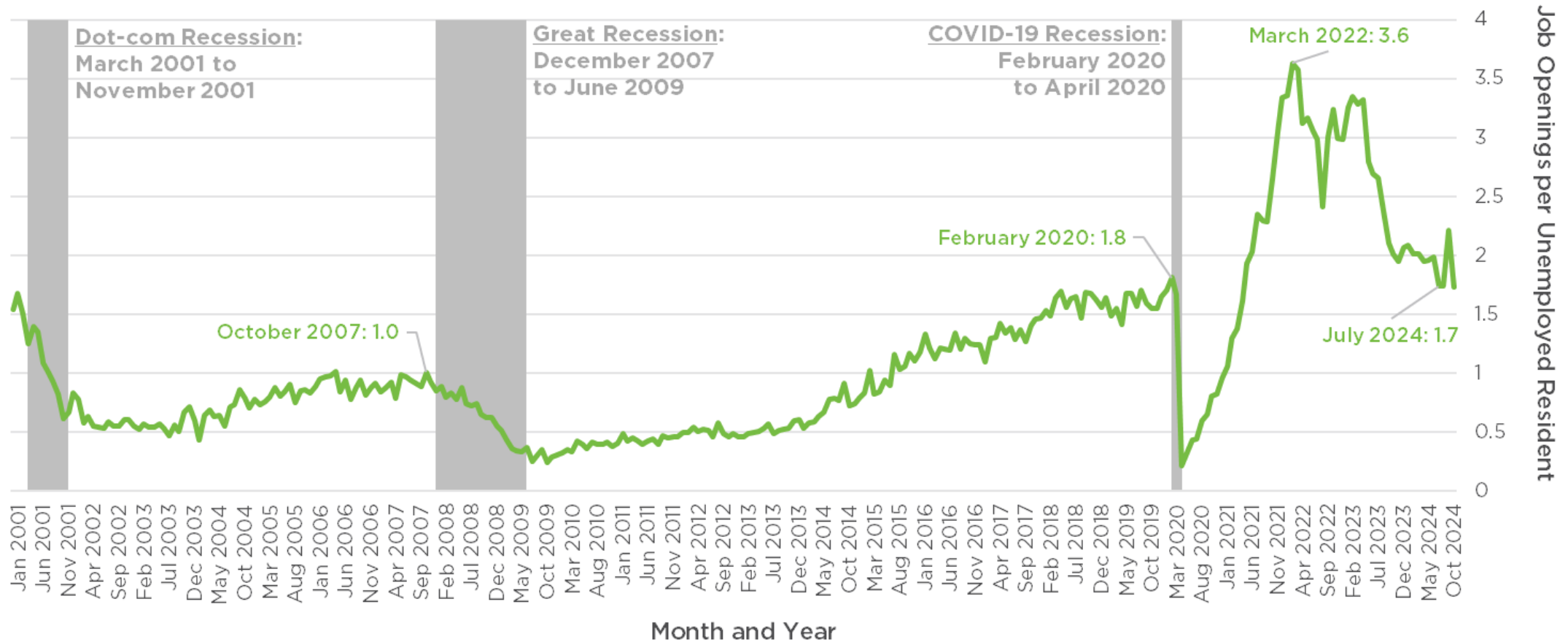
NEW HAMPSHIRE UNEMPLOYMENT AND UNDEREMPLOYMENT



Source: U.S. Bureau of Labor Statistics

NEW HAMPSHIRE LABOR FORCE SHORTAGE MAY HAVE EASED IN 2024

NUMBER OF JOB OPENINGS PER NEW HAMPSHIRE RESIDENT
ACTIVELY SEEKING WORK

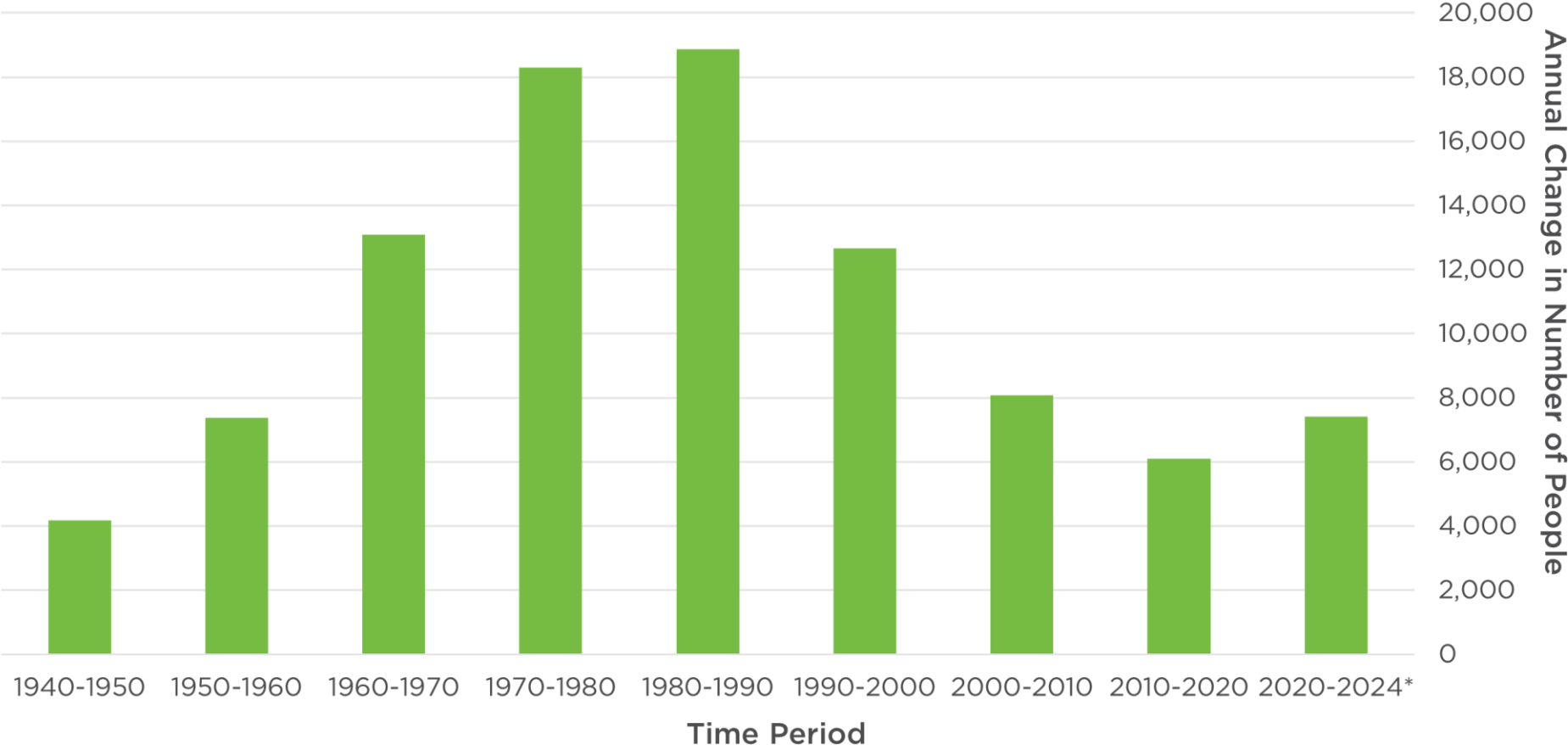


Sources: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics and Job Openings and Labor Turnover Survey. Seasonally Adjusted, data retrieved January 2025; National Bureau of Economic Research

DEMOGRAPHICS AND HOUSEHOLD COSTS IMPACTING THE ECONOMY

DESPITE RECENT INCREASES, POPULATION GROWTH SLOWER THAN DURING 1960-2000

AVERAGE ANNUAL POPULATION CHANGE IN NEW HAMPSHIRE BY DECADE

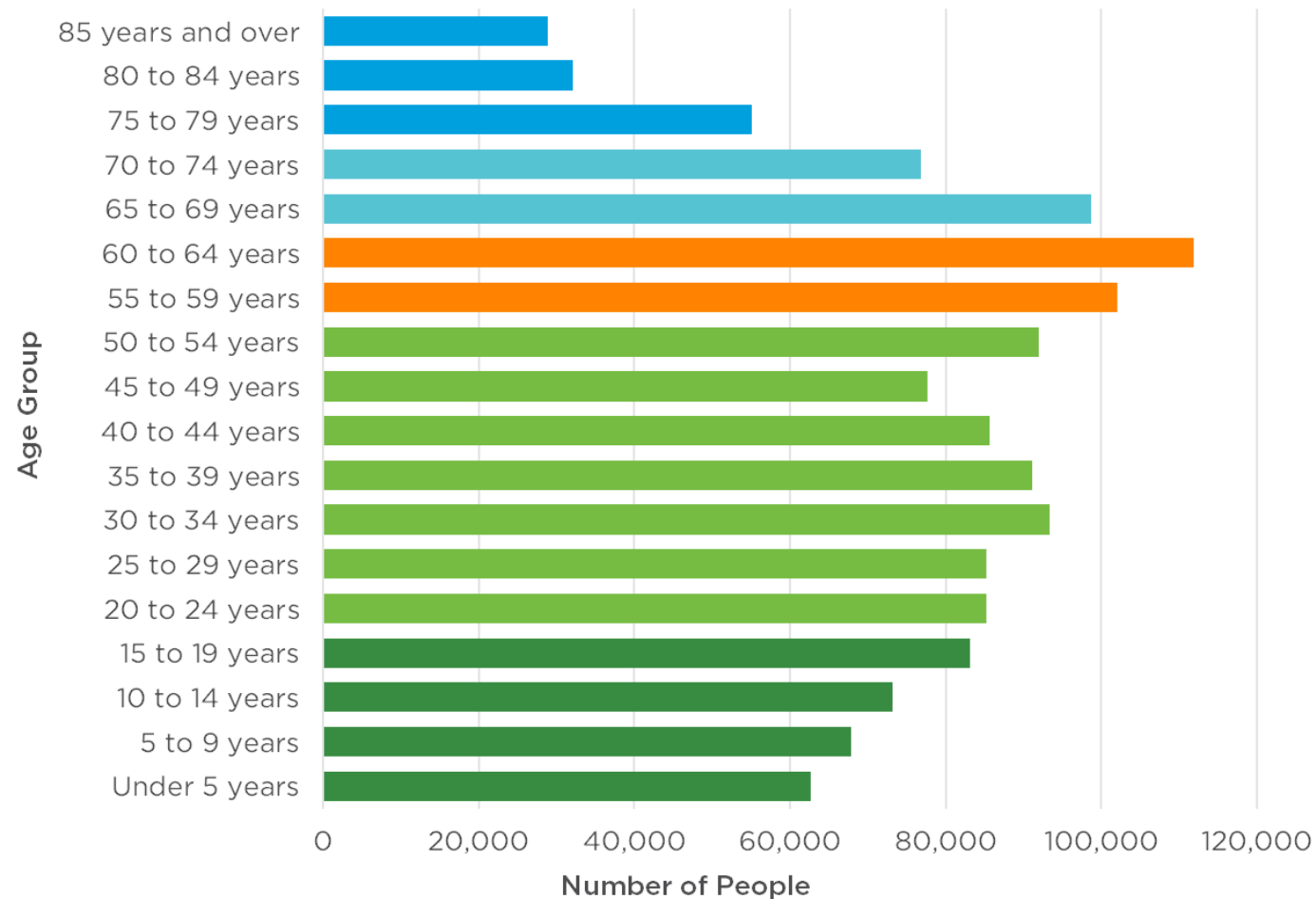


*Note: Population Estimates Program total population change from April 1, 2020 to July 1, 2024 divided by 4.25 years.
Source: U.S. Census Bureau, Decennial Counts and Population Estimates Program (2020-2024)

MORE THAN 200,000 GRANITE STATERS APPROACHING RETIREMENT AGE

NEW HAMPSHIRE POPULATION BY AGE GROUP

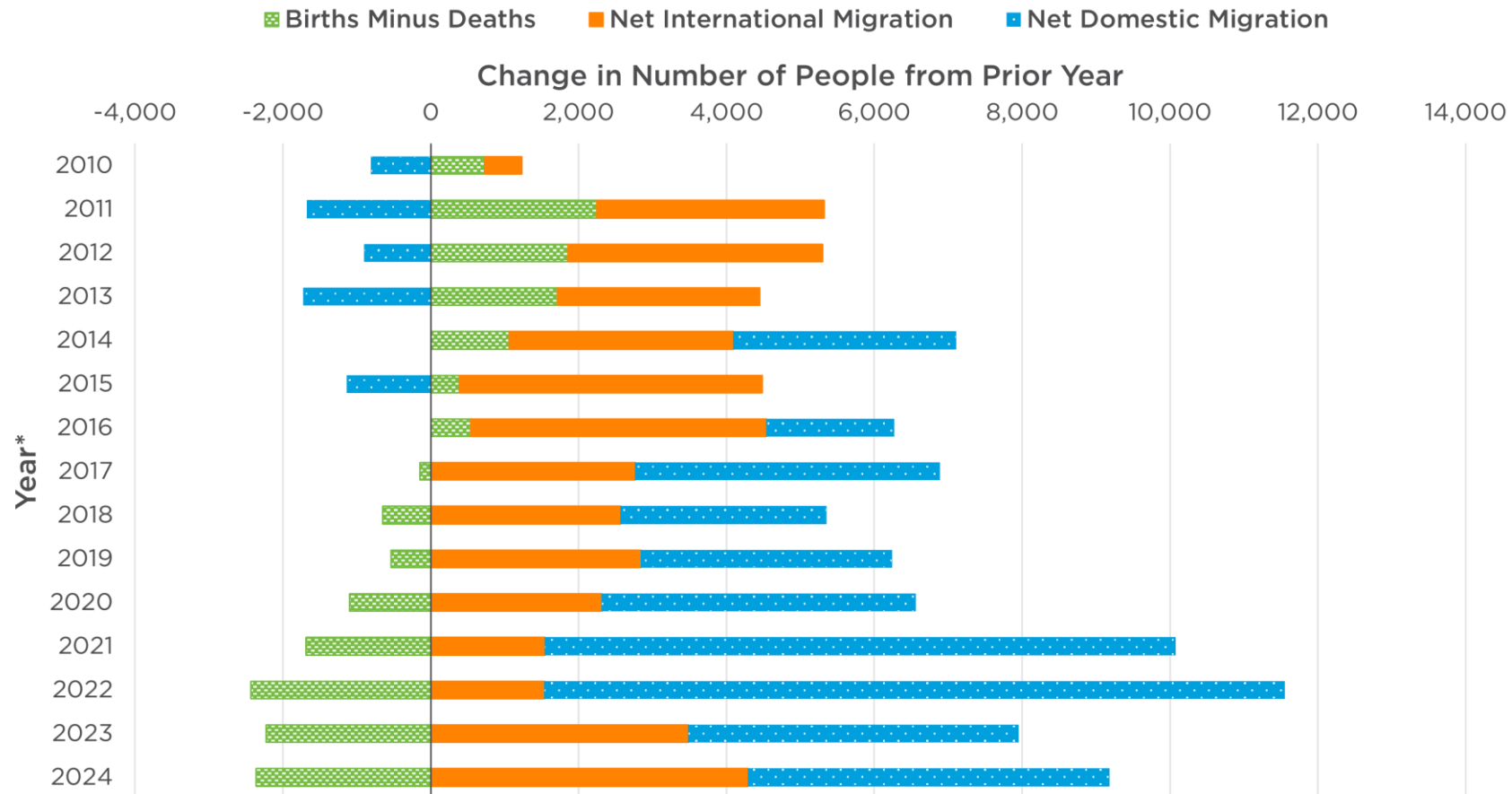
Number of People by Age Group as of July 1, 2023



Source: U.S. Census Bureau, Population Estimates Program, July 1, 2023 Estimates

STATE POPULATION WOULD BE DECLINING WITHOUT MIGRATION

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



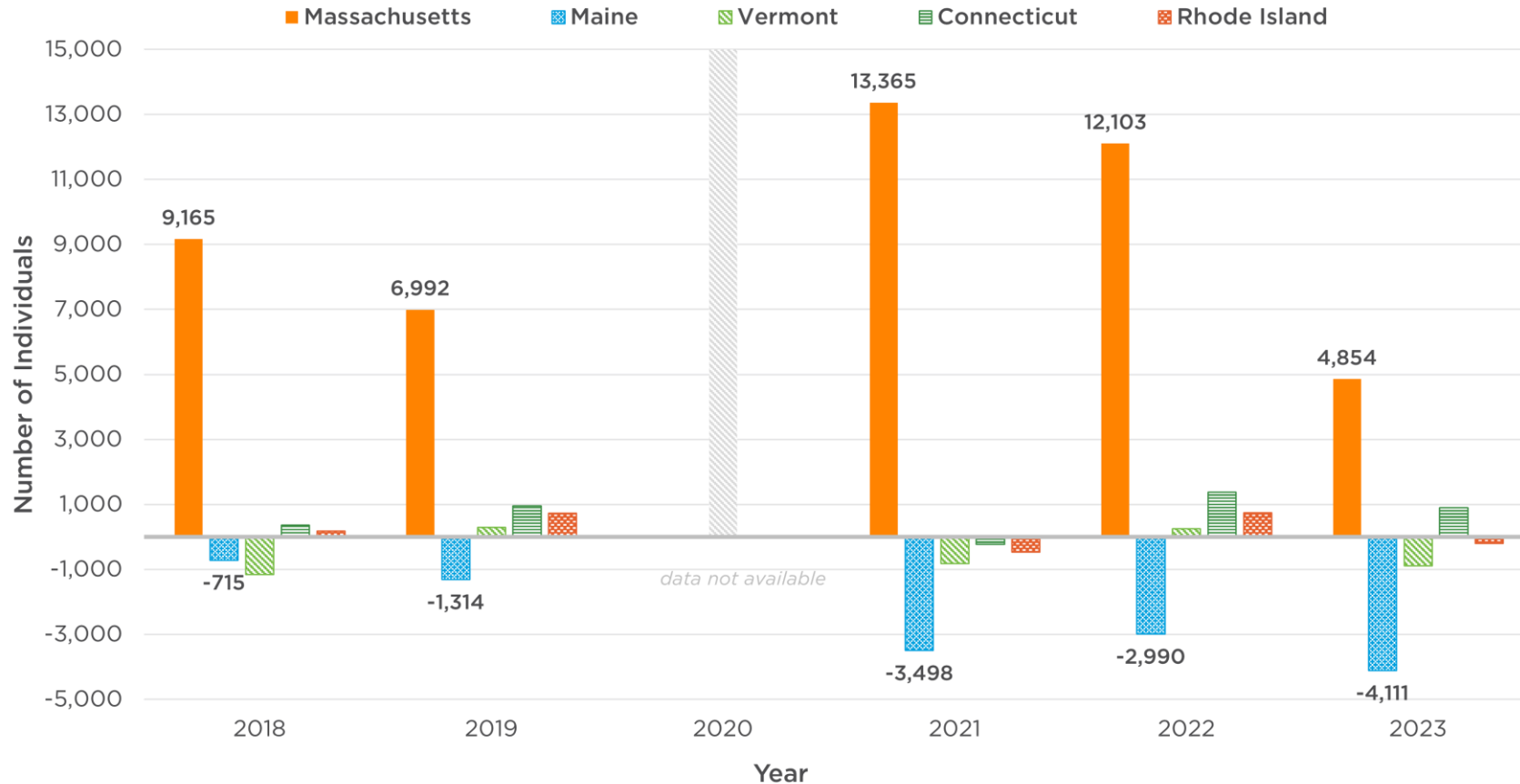
Notes: *Year refers to the period lasting twelve months and ending on July 1 of the calendar year identified. Based on vintage 2020 estimates and vintage 2024 estimates, subject to future updates.

Source: U.S. Census Bureau, Population Estimates Program, Vintage 2020 and 2024 Tables

NET MIGRATION TO THE STATE HAS SLOWED

NEW HAMPSHIRE NET MIGRATION FROM OTHER NEW ENGLAND STATES

Estimates of Annual Net Migration, from 2018 to 2023



Source: U.S. Census Bureau, American Community Survey, 2018-2023 1-year Estimates

Outside of New England (2021-2022 Combined)

Gaining net population from:

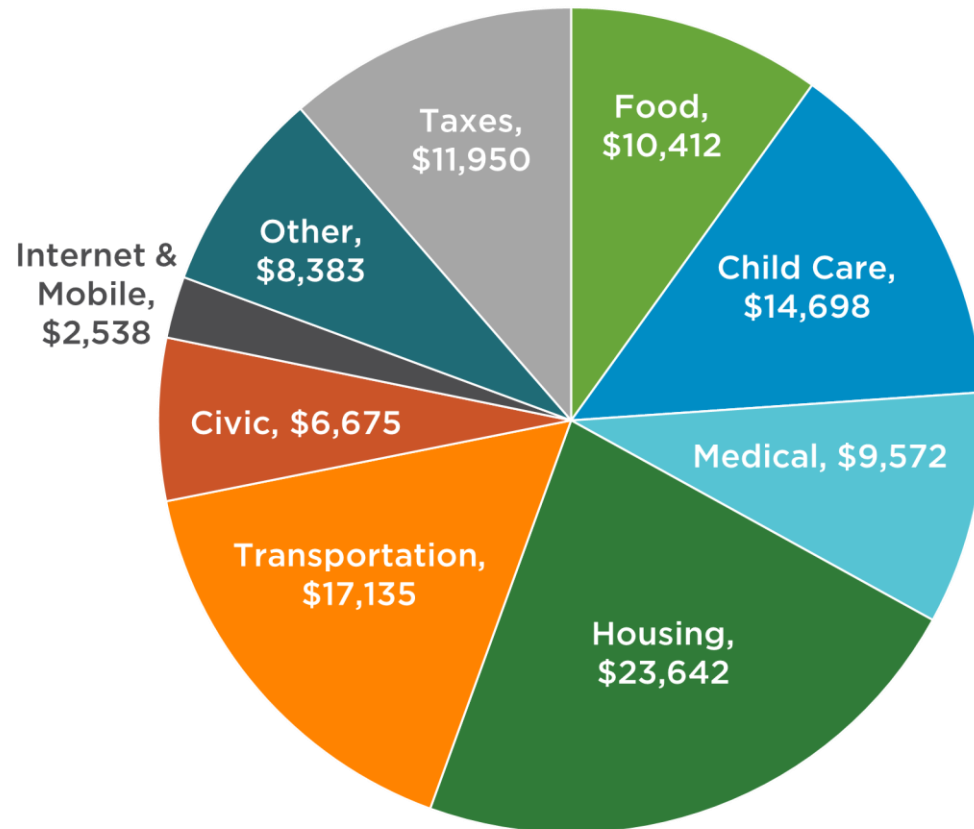
- California
- Nevada
- New York
- New Jersey
- Minnesota

Losing net population to:

- Florida
- South Carolina
- Georgia
- North Carolina
- Washington

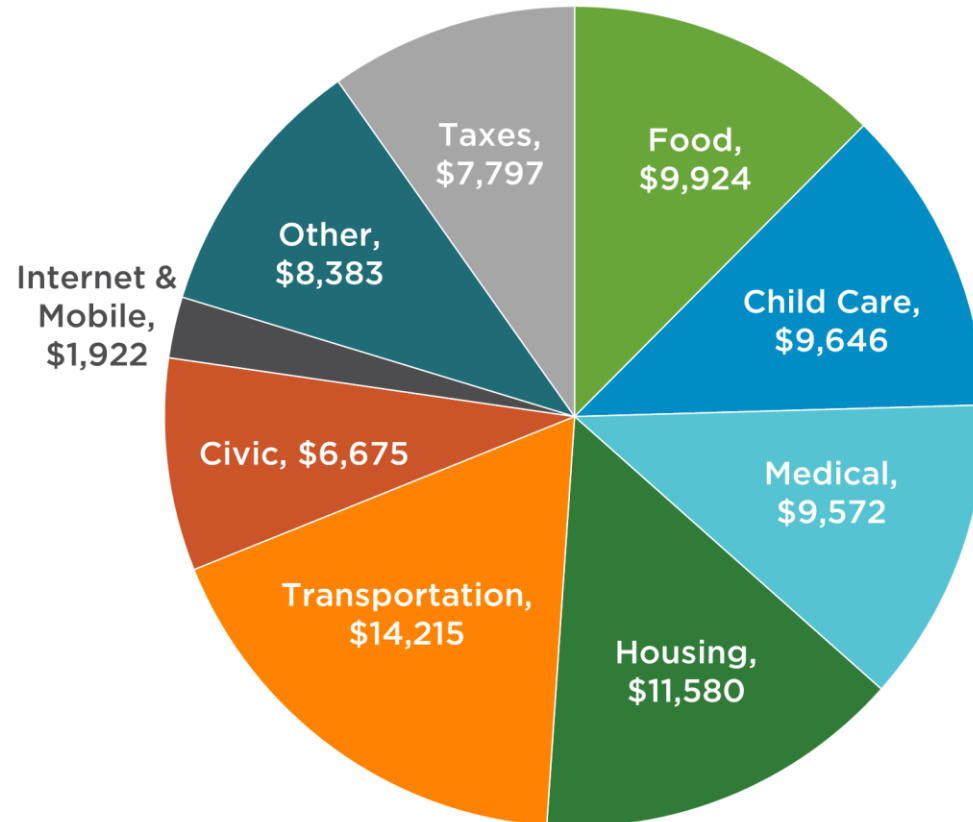
MIT: STATEWIDE 2024 COST OF LIVING FOR TWO ADULTS AND ONE CHILD WAS \$97,876

MASSACHUSETTS INSTITUTE OF TECHNOLOGY
LIVING WAGE CALCULATOR
TWO WORKING ADULTS, ONE CHILD: \$105,005
Rockingham County, New Hampshire, 2024



Source: Massachusetts Institute of Technology,
Living Wage Calculator, June 2024

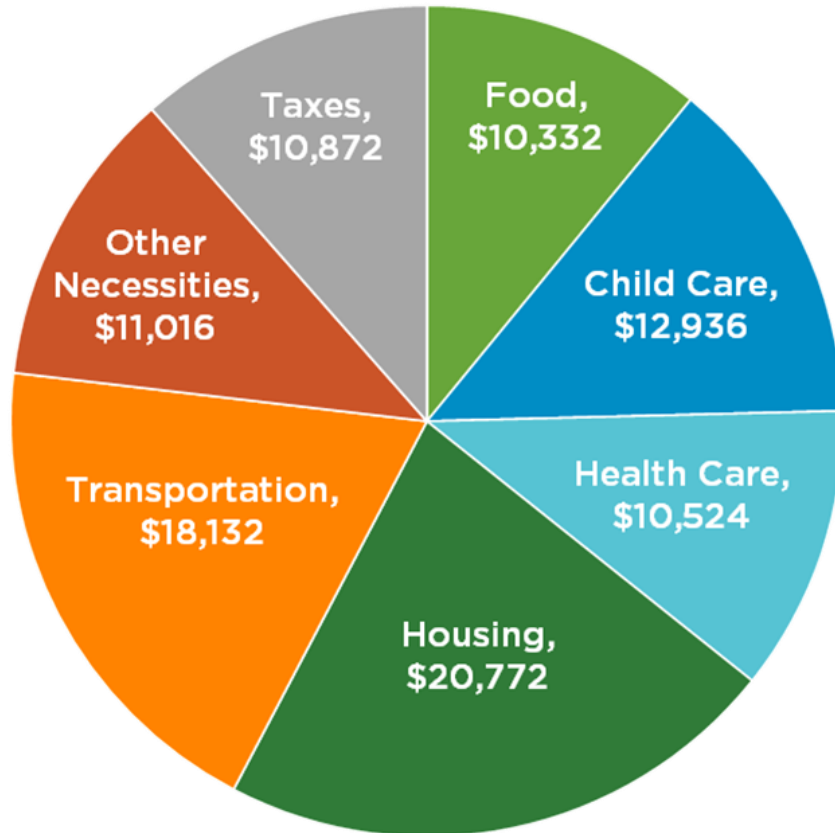
MASSACHUSETTS INSTITUTE OF TECHNOLOGY
LIVING WAGE CALCULATOR
TWO WORKING ADULTS, ONE CHILD: \$79,714
Coos County, New Hampshire, 2024



Source: Massachusetts Institute of Technology,
Living Wage Calculator, June 2024

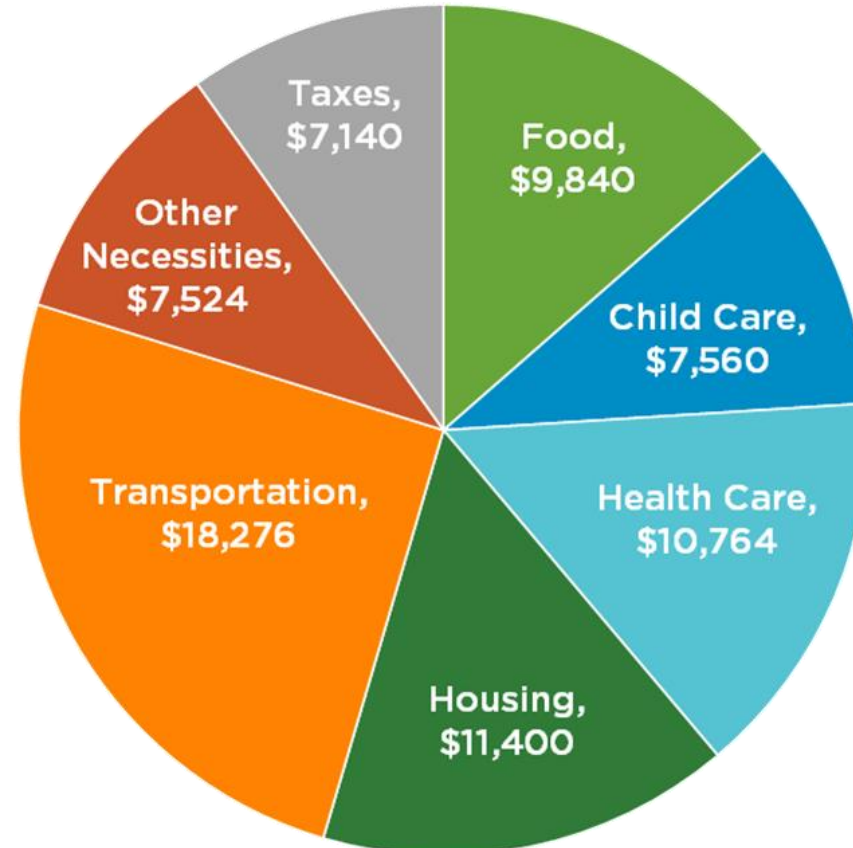
ECONOMIC POLICY INSTITUTE COUNTY-LEVEL COSTS SHOW SIMILAR EXPENSES

ECONOMIC POLICY INSTITUTE
FAMILY BUDGET CALCULATOR
TWO ADULTS, ONE CHILD: \$94,584
Rockingham County, New Hampshire, 2024



Source: Economic Policy Institute, Family Budget Calculator, March 22, 2024

ECONOMIC POLICY INSTITUTE
FAMILY BUDGET CALCULATOR
TWO ADULTS, ONE CHILD: \$72,501
Coos County, New Hampshire, 2024



Source: Economic Policy Institute, Family Budget Calculator, March 22, 2024

MEDIAN SALE PRICE OF A SINGLE-FAMILY HOUSE STATEWIDE IN 2024: \$514,000

NEW HAMPSHIRE MEDIAN SINGLE FAMILY HOUSE SALE PRICES



Note: Axis does not start at \$0.

Source: New Hampshire Association of Realtors, Monthly Indicators

Median Single-Family House Sale Prices:

- Increased 71% statewide from 2019 to 2024
- Increased 113% statewide from 2015 to 2024
- Average hourly wage increased 41% from 2015 to 2024*

*2024 data average for January through November

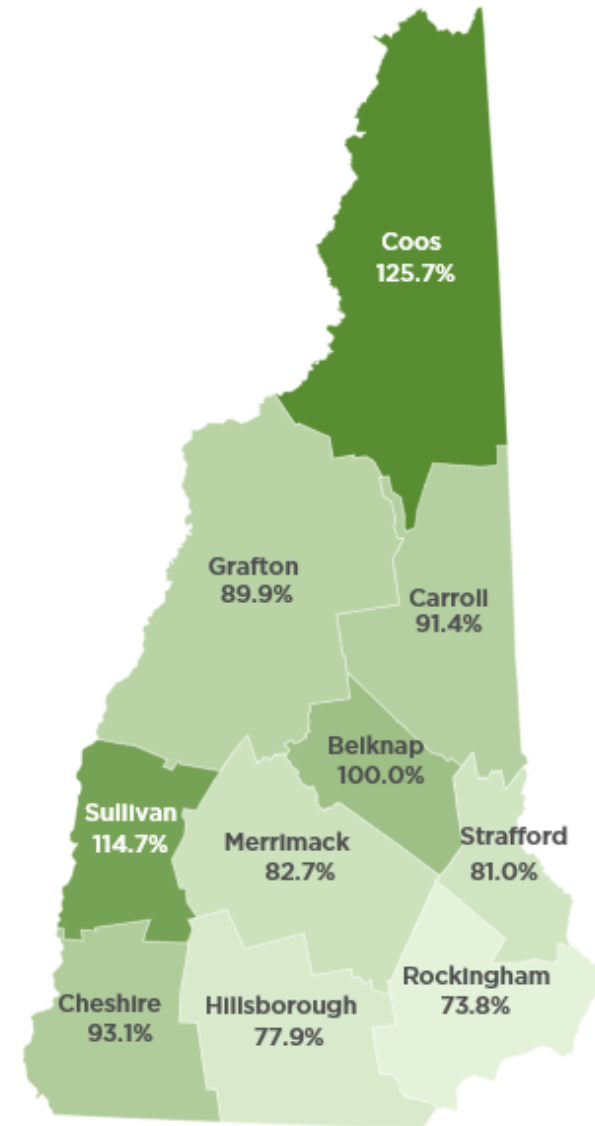
Sources: New Hampshire Association of Realtors, New Hampshire Employment Security

PRICES HAVE RISEN FASTER IN RURAL AREAS

CHANGE IN MEDIAN SINGLE FAMILY HOUSE
SALE PRICE

County	Price in 2018	Price in 2024
Belknap	\$250,000	\$500,000
Carroll	\$245,500	\$470,000
Cheshire	\$194,250	\$375,000
Coos	\$113,000	\$255,000
Grafton	\$226,600	\$430,251
Hillsborough	\$298,000	\$530,000
Merrimack	\$260,000	\$475,000
Rockingham	\$370,000	\$643,000
Strafford	\$268,000	\$485,000
Sullivan	\$180,000	\$386,500
Statewide	\$283,000	\$514,000

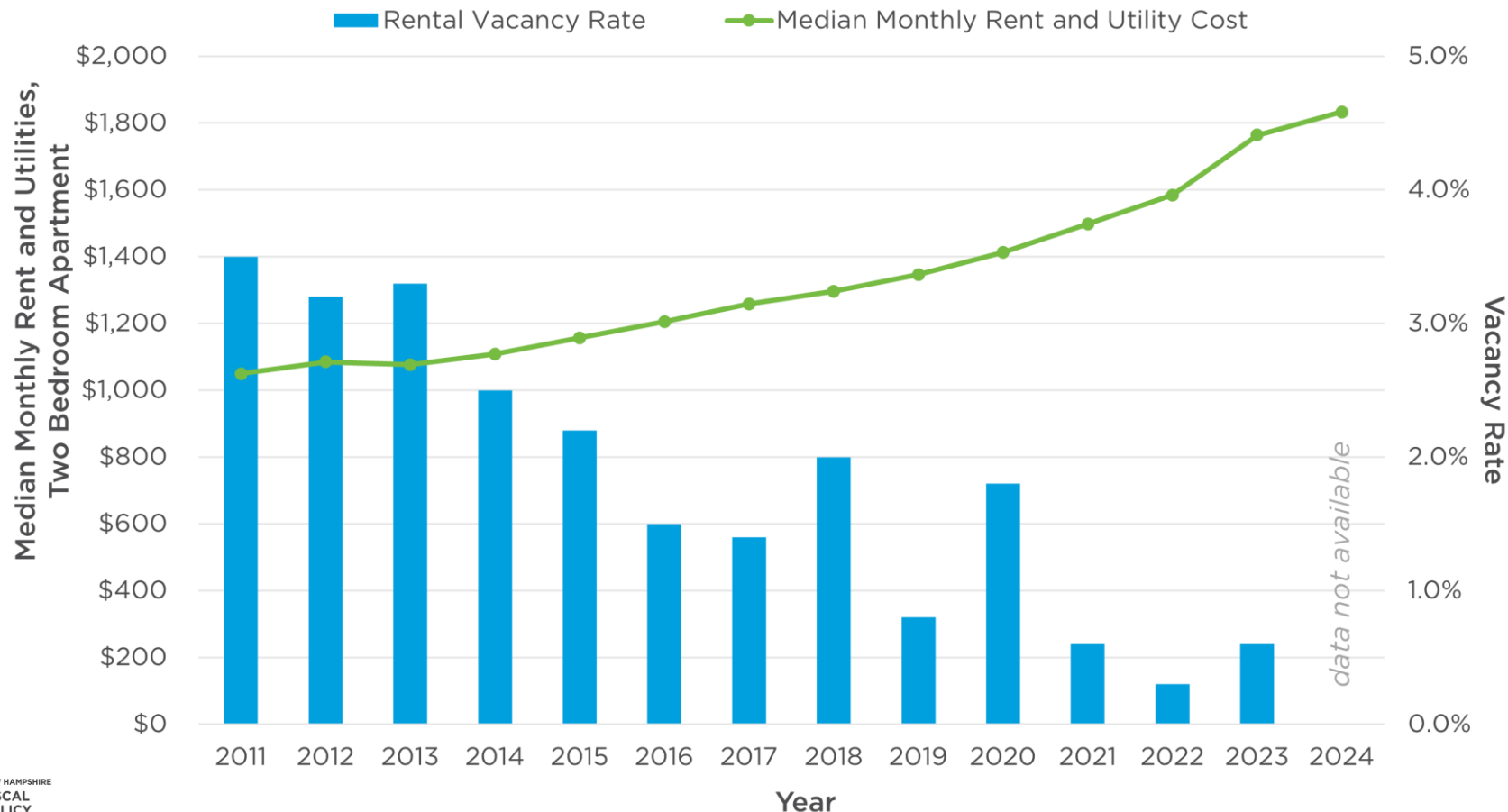
Source: New Hampshire Association of Realtors



MEDIAN MONTHLY PRICE OF A TWO-BEDROOM UNIT IN 2024: \$1,833

MEDIAN MONTHLY RENTAL COSTS AND VACANCY RATES

New Hampshire Statewide Data, Two Bedroom Apartments



Source: New Hampshire Housing Finance Authority, Rental Cost Survey Report

Median Two-Bedroom Rent and Utilities Per Month:

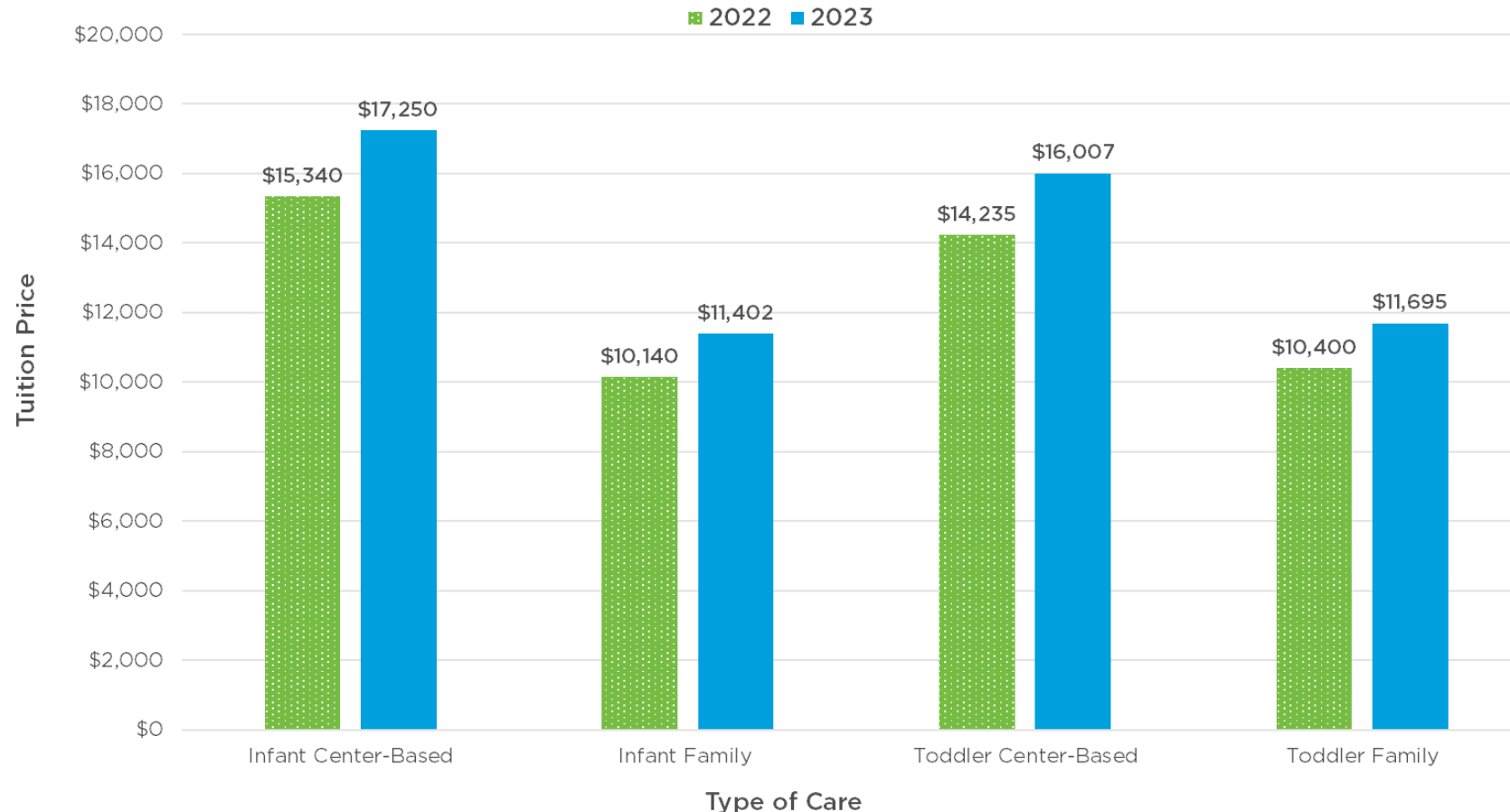
- Increased 58% from 2015 to 2024
- Increased 36% from 2019 to 2024
- Fastest 2019-2024 increases in Grafton (67%), Belknap (44%), Coos (42%), and Sullivan (40%) counties

Source: New Hampshire Housing, 2024 Residential Rental Cost Survey Report

PRICE FOR TWO CHILDREN UNDER 5 IN CENTER-BASED CARE IN 2023: NEARLY \$32,000

NEW HAMPSHIRE CHILD CARE PRICES IN 2022 AND 2023

Child Care Tuition Prices for Center-Based and Family Child Care for Infants and Toddlers

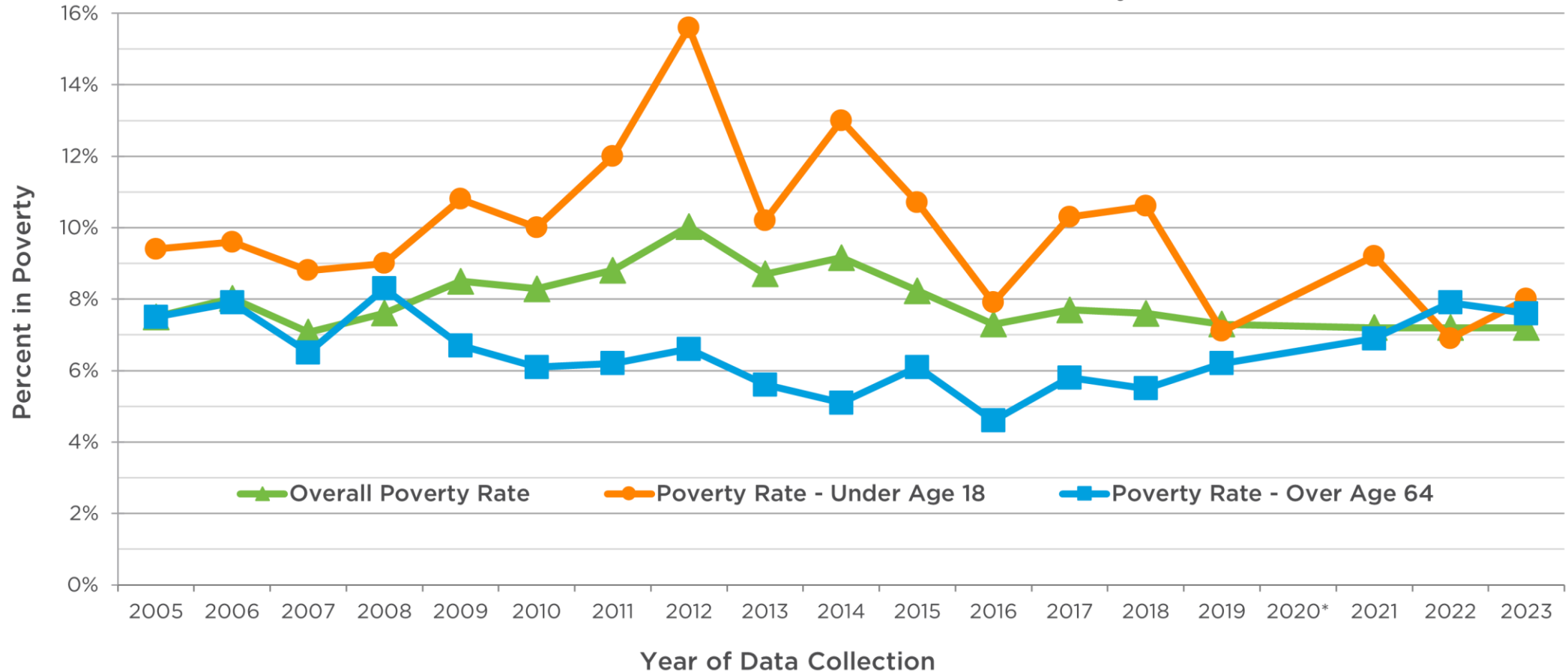


Source: Child Care Aware of America

98,000 GRANITE STATERS IN POVERTY IN 2023

NEW HAMPSHIRE POVERTY RATES OVER TIME

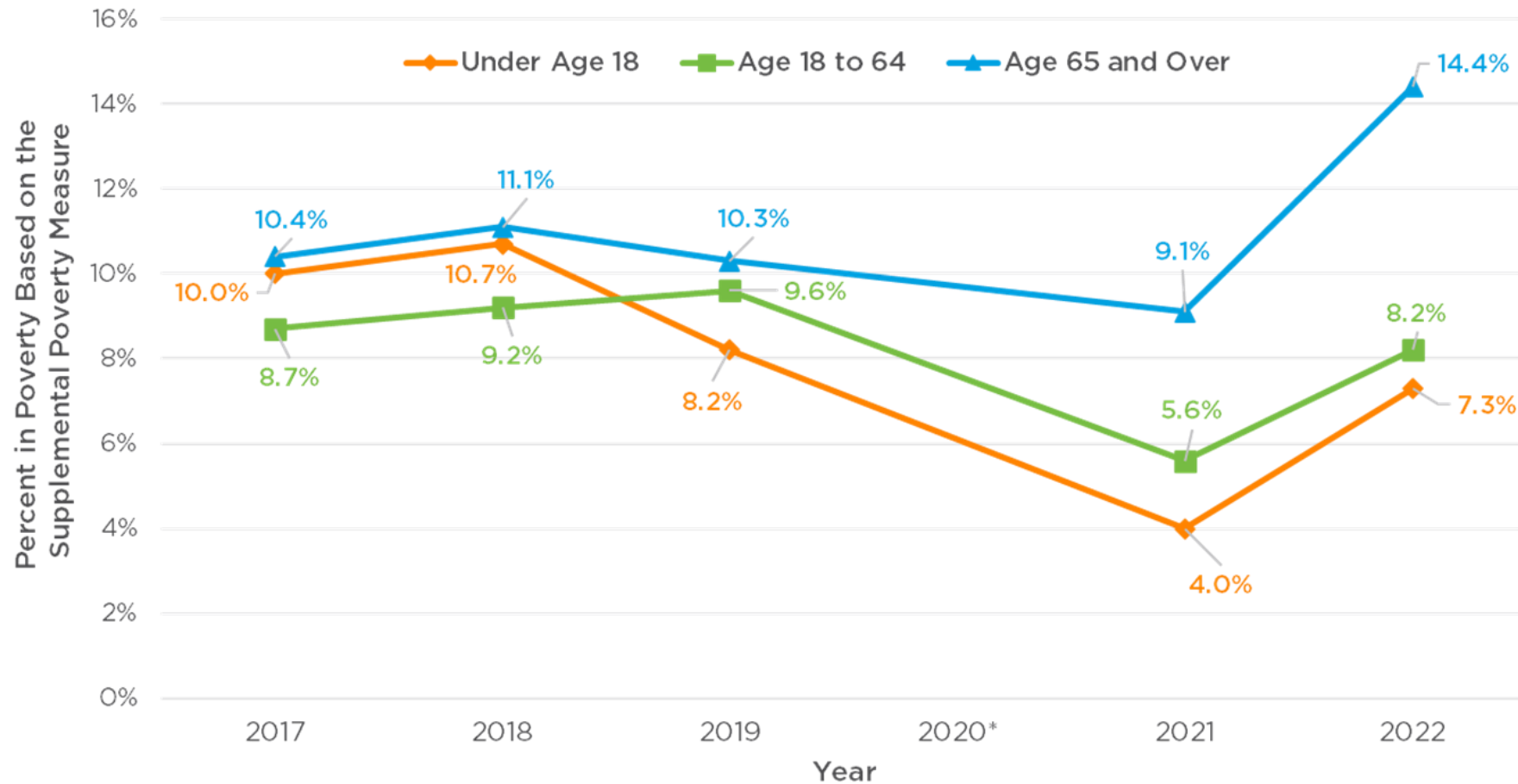
Estimates for Overall, Child, and Older Adult Poverty Rates



*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

POVERTY DECLINED IN 2021, ACCORDING TO SUPPLEMENTAL POVERTY MEASURE (SPM)

SPM POVERTY RATES BY AGE GROUP IN NEW HAMPSHIRE

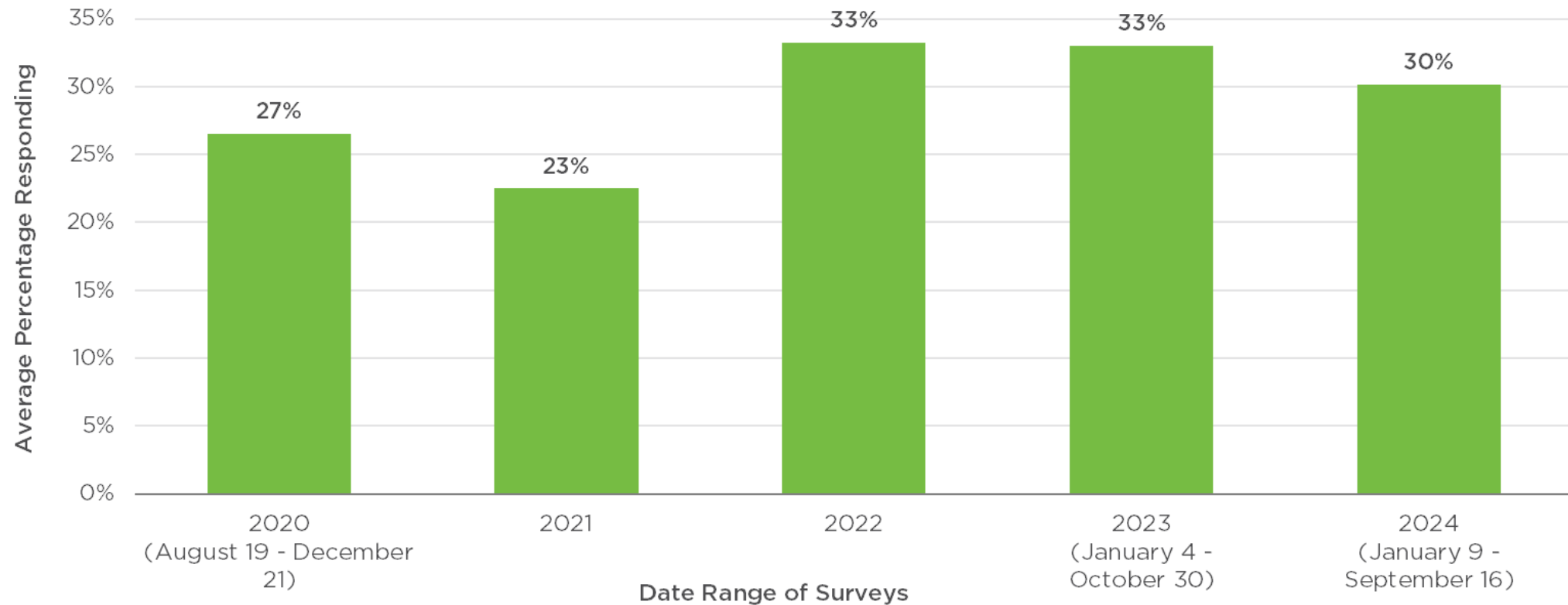


*Note: These data were not available for 2020 due to disruptions associated with the COVID-19 pandemic.
Source: U.S. Census Bureau, Strategies to Counter 2021-Specific Challenges in Producing the Supplemental Poverty Measure in the American Community Survey, State by Age SPM Rates Table

NEARLY ONE IN THREE NH ADULTS REPORT DIFFICULTY AFFORDING USUAL EXPENSES

NEW HAMPSHIRE ADULTS REPORTING DIFFICULTY WITH USUAL EXPENSES

Percentage Living in Households in Which It Has Been Somewhat or Very Difficult to Pay for Usual Household Expenses During the Last Seven Days



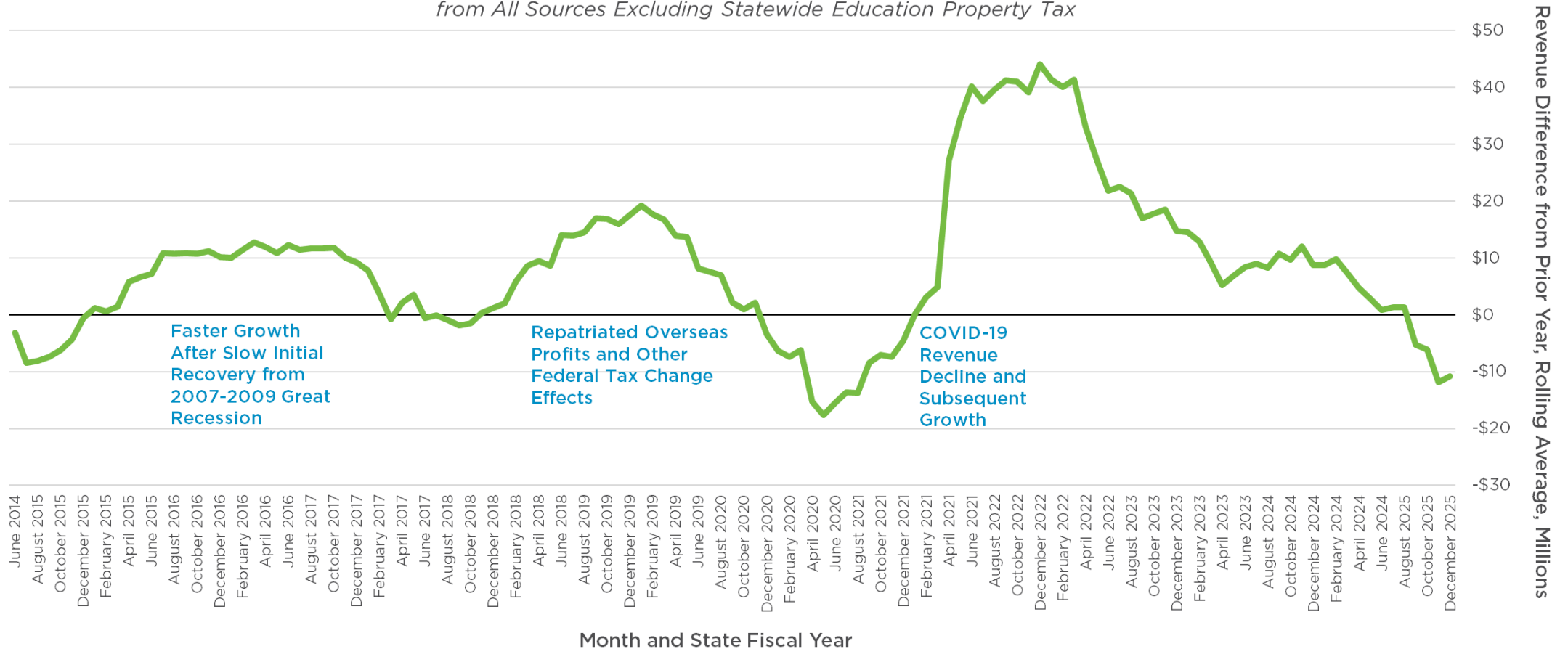
Source: U.S. Census Bureau, Household Pulse Survey, accessed October 2024

RECENT TRENDS IN STATE REVENUES

AFTER HISTORIC GROWTH, STATE REVENUES HAVE BEGUN TO DECLINE

DIFFERENCES OVER TIME IN NEW HAMPSHIRE COMBINED GENERAL AND EDUCATION TRUST FUNDS MONTHLY CASH RECEIPTS

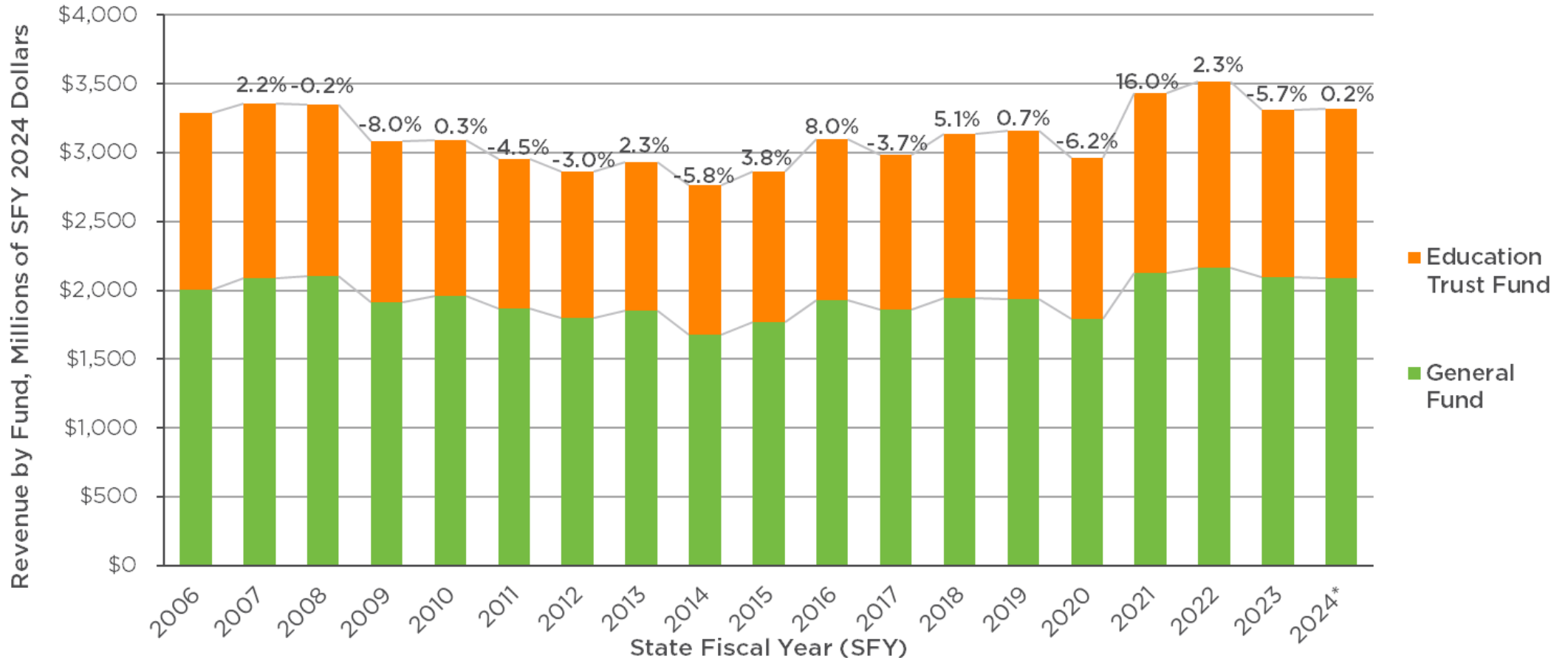
*Twelve-Month Rolling Averages of Monthly Cash Receipts to the General and Education Trust Funds Relative to Prior Year
from All Sources Excluding Statewide Education Property Tax*



Note: Medicaid Enhancement Tax excluded from historical data. Statewide Education Property Tax excluded due to tax targeting a certain amount collected.
Sources: New Hampshire Department of Administrative Services, Monthly Revenue Focus Reports

RECENT INFLATION-ADJUSTED REVENUE GROWTH MAY NOT BE DUPLICATED

GENERAL AND EDUCATION TRUST FUND REVENUE, ADJUSTED FOR INFLATION



*Note: Data based on unaudited preliminary accrual.

Sources: New Hampshire Annual Comprehensive Financial Reports, SFYs 2014-2023; New Hampshire Department of Administrative Services Preliminary Accrual SFY 2024; U.S. Bureau of Labor Statistics Consumer Price Index-Urban, Northeast

LARGEST STATE TAX REVENUE SOURCES

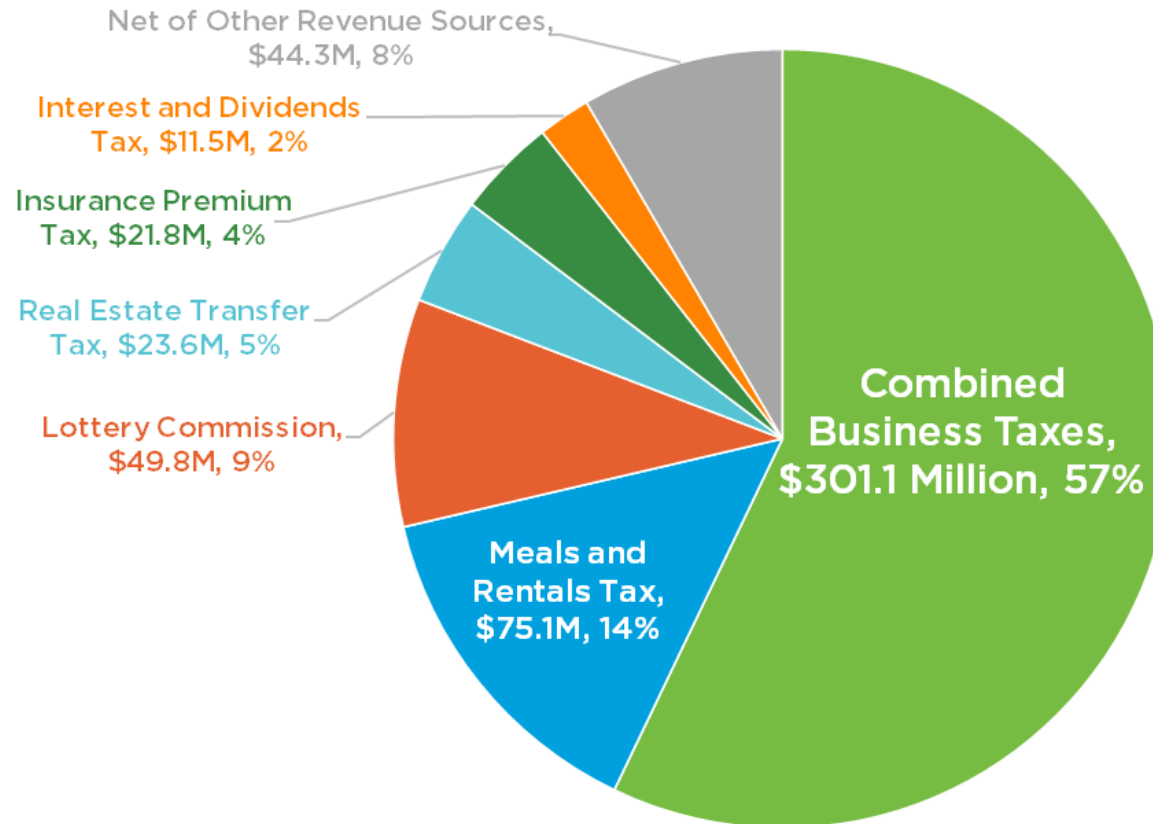
Unaudited Amounts to All Funds in State Fiscal Year 2024
(Change from 2023, Unadjusted for Inflation)

1. Combined Business Taxes (Business Profits Tax and Business Enterprise Tax) - \$1,217.9 million (-3.3%)
2. Meals and Rentals Tax - \$465.4 million (+3.8%)
3. Statewide Education Property Tax - \$363.8 million (+38.3%, target change)
4. Medicaid Enhancement Tax - \$319.9 million (+6.0%)
5. Tobacco Tax - \$189.9 million (-12.8%)
6. Interest and Dividends Tax - \$184.3 million (+25.1%)
7. Real Estate Transfer Tax - \$183.7 million (-14.0%)
8. Motor Fuels Tax - \$182.8 million (+1.2%)
9. Insurance Premium Tax - \$173.6 million (+3.2%)

REVENUE SURPLUS IN STATE FISCAL YEAR (SFY) 2023 FROM A DIVERSITY OF SOURCES

LARGEST SOURCES OF SFY 2023 REVENUE SURPLUS

New Hampshire General and Education Trust Funds

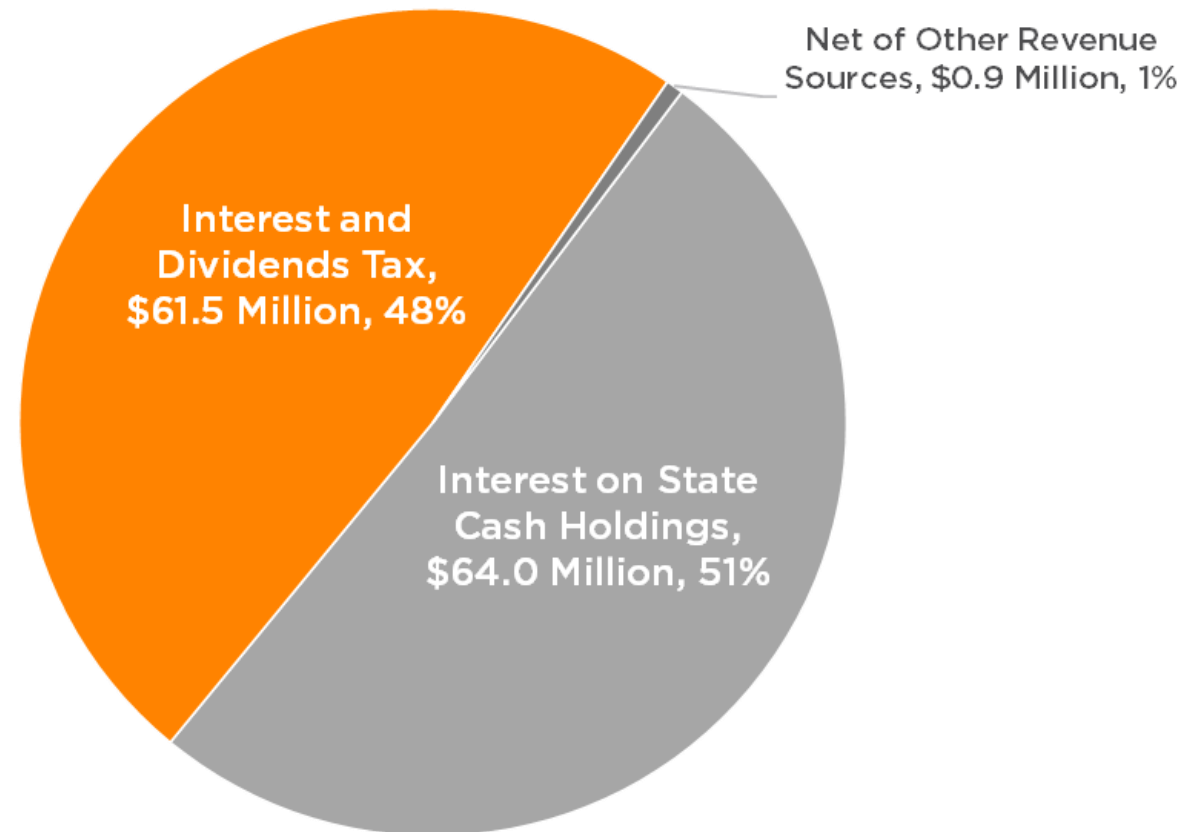


Source: New Hampshire Annual Comprehensive Financial Report for State Fiscal Year 2023

SFY 2024 SURPLUS ENABLED BY GROWTH IN TWO TEMPORARY REVENUE SOURCES

LARGEST SOURCES OF SFY 2024 REVENUE SURPLUS

New Hampshire General and Education Trust Funds

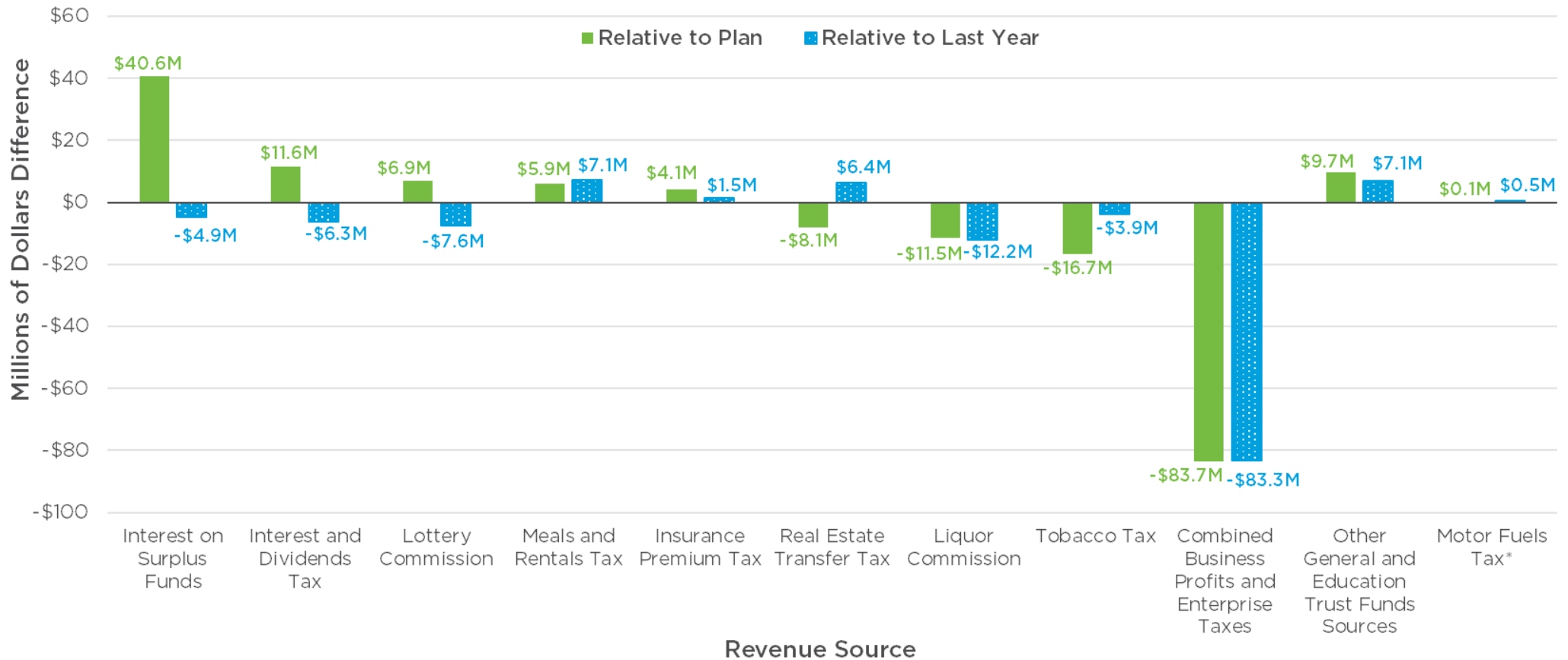


Source: New Hampshire Department of Administrative Services, Monthly Revenue Focus
- Preliminary Accrual, June FY 2024

REVENUE GROWTH ELUSIVE IN SFY 2025

DIFFERENCES FROM STATE REVENUE PLAN AND PRIOR YEAR BY SOURCE, YEAR-TO-DATE

General and Education Trust Funds Revenues Excluding Statewide Education Property Tax, New Hampshire, July-December State Fiscal Year 2025, Cash Basis



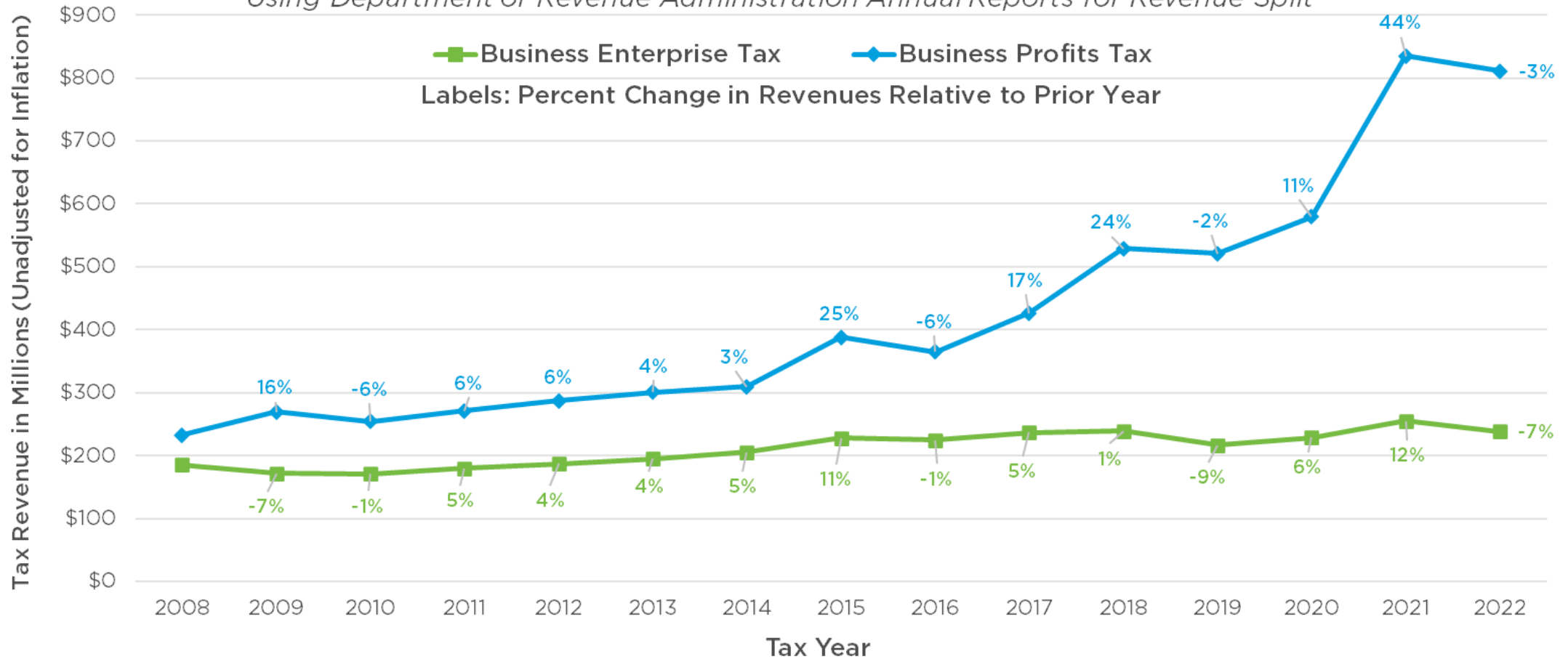
*Note: Motor Fuels Tax is not a General or Education Trust Funds revenue source.

Sources: New Hampshire Department of Administrative Services, Monthly Revenue Focus, December FY 2025

BUSINESS PROFITS TAX PRIMARILY RESPONSIBLE FOR RECENT REVENUE INCREASE

BUSINESS PROFITS TAX AND BUSINESS ENTERPRISE TAX

Revenue by Tax Year, Percentage of Revenue Total from These Two Taxes, Using Department of Revenue Administration Annual Reports for Revenue Split

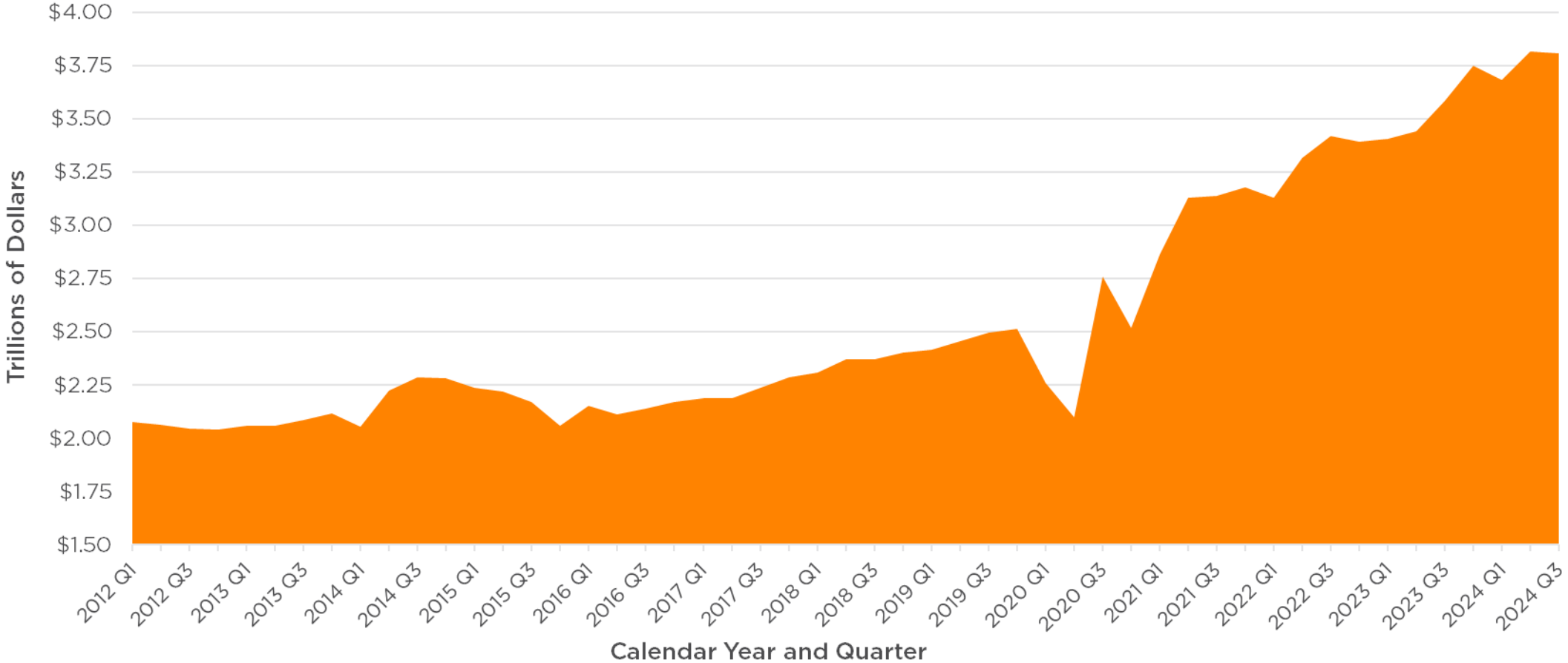


Source: New Hampshire Department of Revenue Administration, Annual Reports

CORPORATE PROFITS NATIONWIDE INCREASED SUBSTANTIALLY AFTER THE PANDEMIC

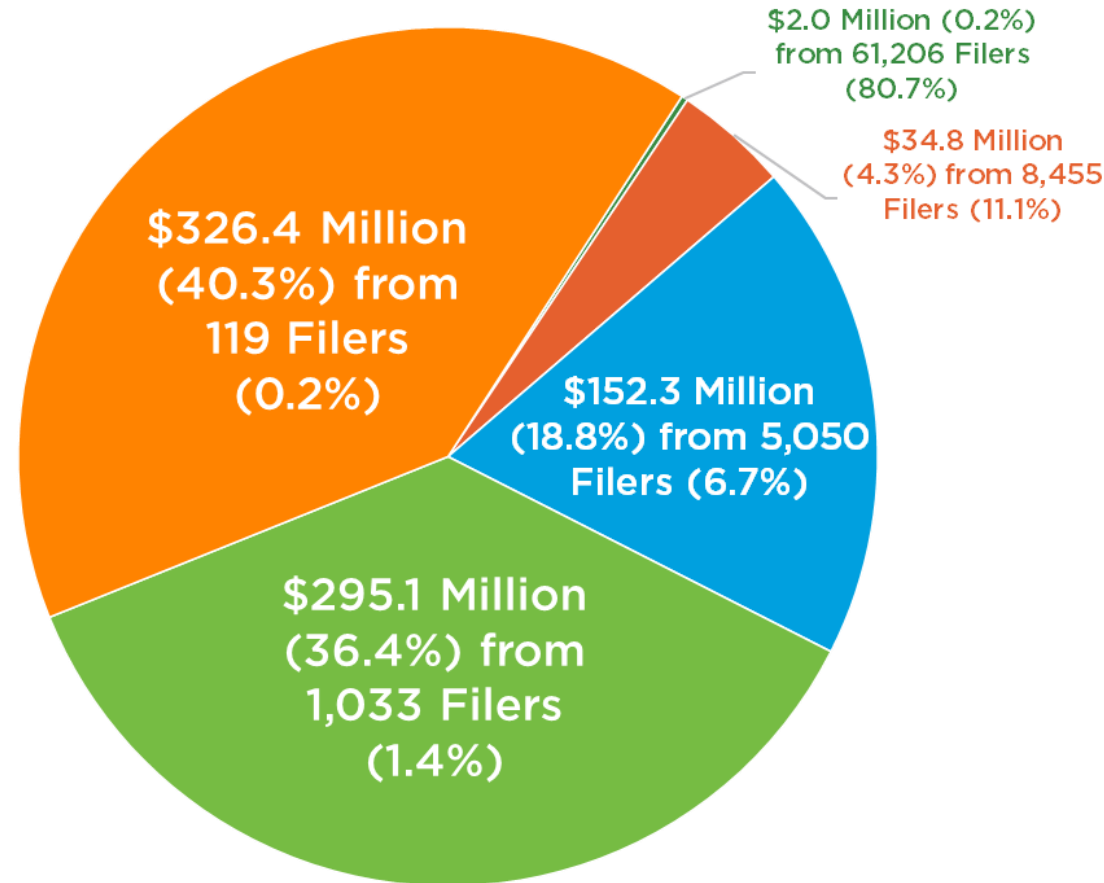
U.S. CORPORATE PROFITS BY QUARTER

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



LARGE FILERS KEY TO BPT REVENUES

NEW HAMPSHIRE BUSINESS PROFITS TAX PAID AND NUMBER OF FILERS, TAX YEAR 2022



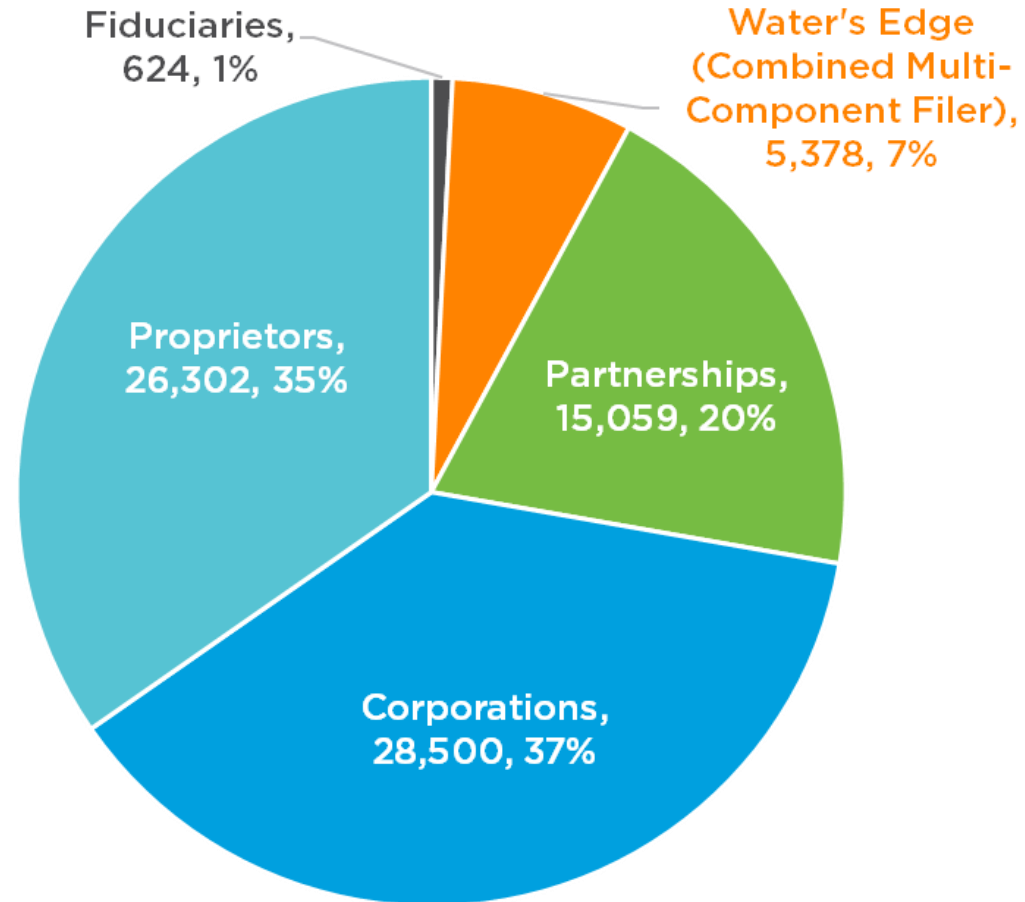
Note: Draft data as of August 12, 2024.

Source: New Hampshire Department of Revenue Administration,
2024 Annual Report

BPT FILER TYPES IN TAX BASE

BUSINESS PROFITS TAX FILERS BY TYPE

Tax Year 2022

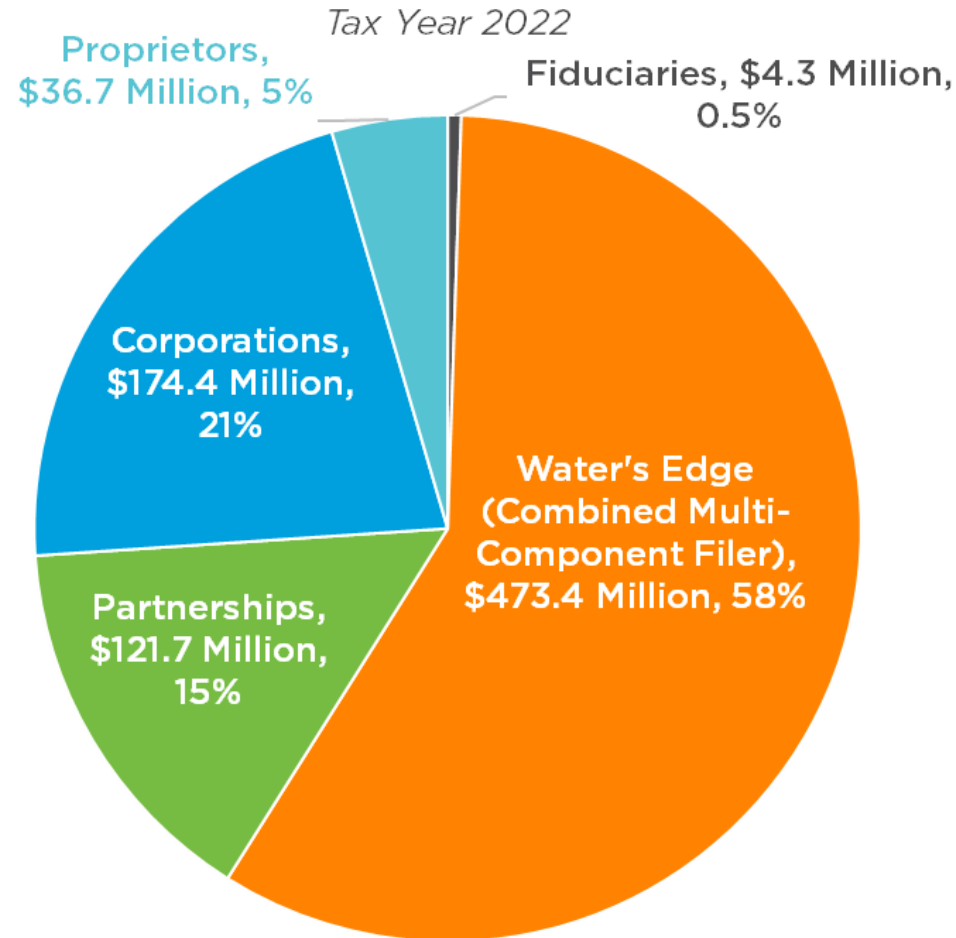


Note: Draft data as of August 12, 2024.

Source: New Hampshire Department of Revenue Administration, 2024 Annual Report

MORE THAN HALF OF BPT REVENUES FROM COMPLEX, COMBINED-REPORTING FILERS

BUSINESS PROFITS TAX FILERS BY LIABILITY



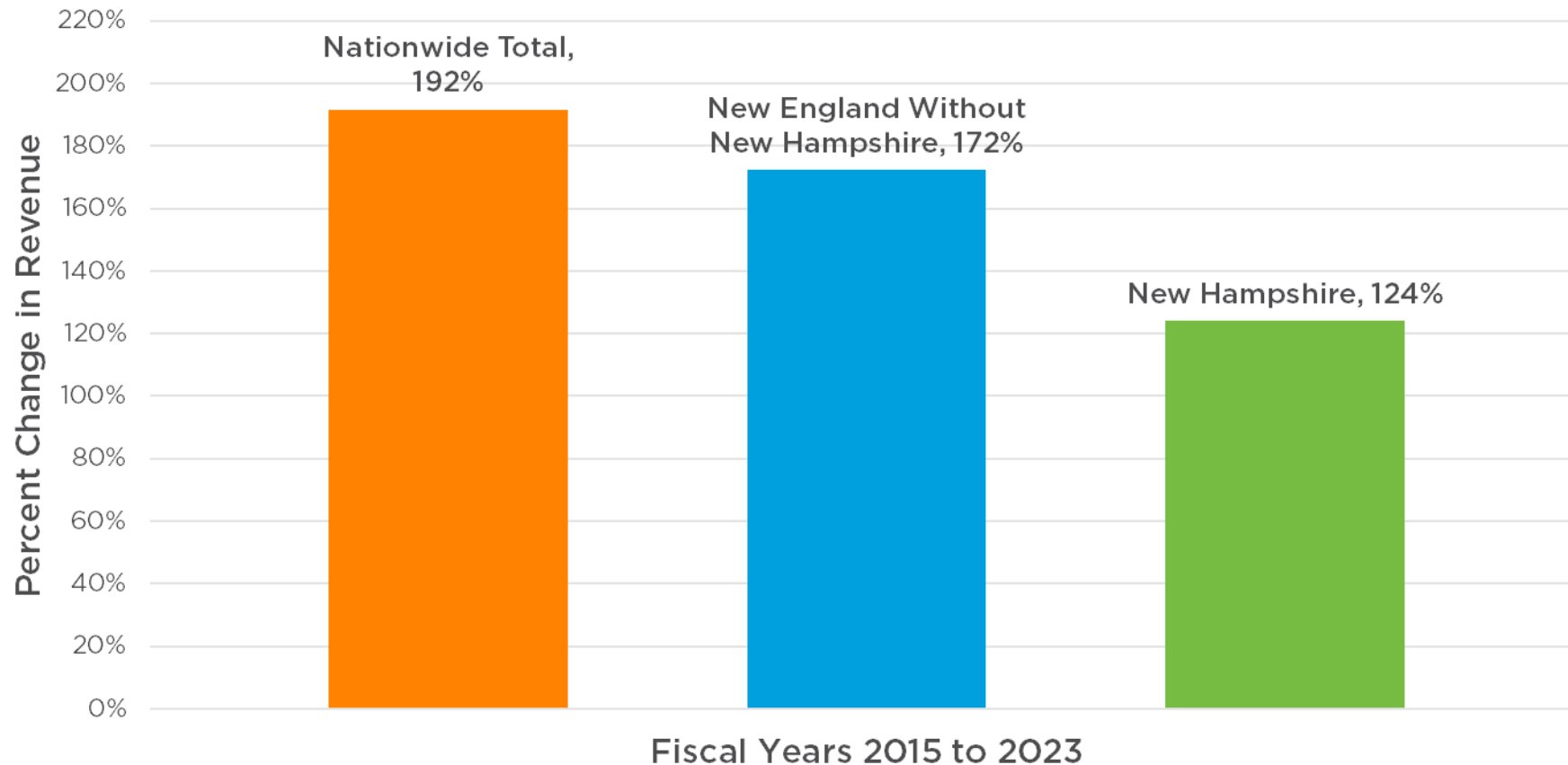
Note: Draft data as of August 12, 2024.

Source: New Hampshire Department of Revenue Administration, 2024 Annual Report

STATE CORPORATE TAX RECEIPTS INCREASED NATIONWIDE, SLOWER THAN AVERAGE IN NH

CHANGE IN STATE CORPORATE TAX REVENUES, 2015-2023

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



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 Tax Collections; New Hampshire Annual Comprehensive Financial Reports

KEY TAKEAWAYS

- New Hampshire economy is performing well overall, although income growth may be more limited in 2024 than in 2023 relative to inflation
- About 98,000 Granite Staters have poverty-level incomes, and poverty may be rising among older adults
- Nearly one in three adults reported difficulty affording usual household expenses, and key cost increases limit household ability to engage in the economy otherwise
- Key factors holding back growth in the labor force and economy: housing affordability, child care affordability and access, and long-term demographic trends
- Migration has supported population growth, and education can support long-term upskilling for the workforce
- State revenues are declining overall due to both external factors, such as corporate profits and interest rates, and policy choices that have reduced State revenue
- Economy and State revenues subject to considerable uncertainty in next two years due to wide variety of potential global and national economic and policy outcomes

ADDITIONAL NHFPI RESOURCES

- Blog: State Revenue Deficit Widens After December Tax Receipts Fall Short – January 10, 2025: <https://nhfpi.org/blog/state-revenue-deficit-widens-after-december-tax-receipts-fall-short/>
- Publication: New Hampshire Policy Points, Second Edition – December 6, 2024: <https://nhfpi.org/nhpp/>
- Issue Brief: New Hampshire’s Growing Population and Changing Demographics Before and Since the COVID-19 Pandemic – August 16, 2024: <https://nhfpi.org/resource/new-hampshires-growing-population-and-changing-demographics-before-and-since-the-covid-19-pandemic/>
- Presentation: Funding Public Services and Investing in New Hampshire’s Future – December 6, 2024: <https://nhfpi.org/resource/funding-public-services-and-investing-in-new-hampshires-future/>
- Resource Pages: Budget, Revenue & Tax <https://nhfpi.org/topic/budget/> and <https://nhfpi.org/topic/revenue-tax/>