

New Hampshire ECONOMIC CONDITIONS

March 2022

Spring Growth on Tree (image by Kaboompics on Pexels)

Making Maple Syrup (image by NH DTTD on flickr)

Flowers in Snow (image by Екатерина Кусенёва on Pixabay)

Consumer Price Index

Over the 12 months from February 2021 to February 2022, the Consumer Price Index (CPI) increased 7.8 percent, the highest increase since the early 1980s. The CPI is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.¹ The CPI is produced every month by the U.S. Bureau of Labor Statistics (BLS). The CPI indicates the change in price for the basket of goods and services as a whole, on a monthly basis, as well as year-over-year.

BLS classifies goods and services into eight major groups: **food and beverages, housing, apparel, transportation, medical care, recreation, education and communication, and other goods and services.** For each category, BLS selects sample items and tracks the prices of those items, which represent the many products within each category. They also track actual purchases by a sample group of consumers.

When item prices change, the changes are weighted by the importance of the item in the spending patterns of the sample consumer group.

BLS does not provide a price index specifically for New Hampshire, but does release the Northeast Urban Region Consumer Price Index, an index for urban consumers in the northeastern US, which covers New England (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont) and the Mid-Atlantic (New Jersey, New York and Pennsylvania). Although there are large differences between living expenses in, for example, southern New Hampshire compared to New York City or Boston, there are a lot of factors that all parts of the Northeast region have in common, which make the Northeast Region Urban CPI a better indicator of the prices of goods in New Hampshire than the national CPI. The Northeast region has a similar climate, which has a

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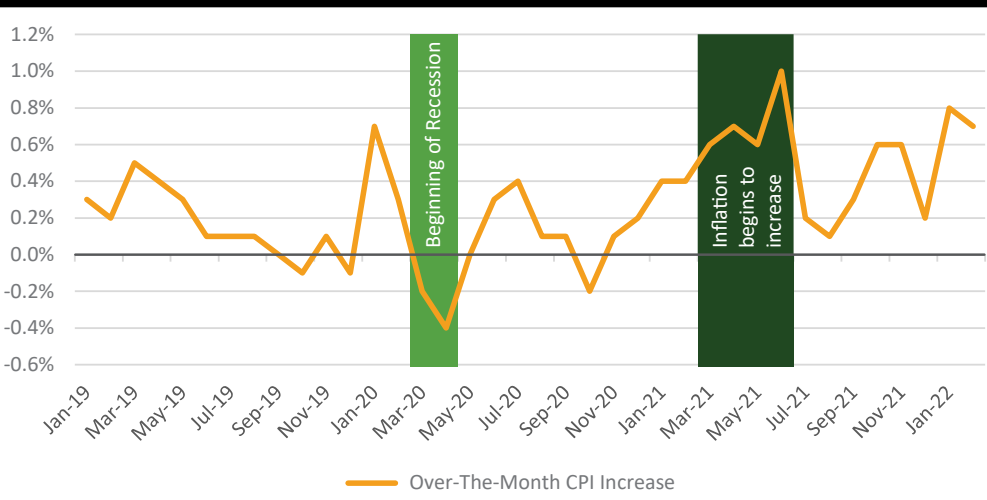
Claims Activity 9

large impact on energy expenditure quantities and other seasonal patterns. Climate also affects demand for seasonal items such as winter clothing and recreational activities, as well as the price and availability of different types of fresh produce.

Over the past year, the CPI increase for the Northeast has been slightly lower than the nationwide CPI increase. Nationwide, CPI increased 7.8 percent year-over-year in February 2022, while in the Northeast, the increase was 6.6 percent. While more than one percentage point lower than the national average, this was still the highest year-over-year increase in the Northeast Region CPI since 1990. For several years before the pandemic, the Northeast Region CPI had increased by approximately two percent annually, and the annual increase in 2020 was just 1.3 percent.

The price of goods and services began to increase at a faster rate in March 2021, when it increased 0.6 percent over-the-month. The CPI increased 1.0 percent from May 2021 to June 2021, almost as much as the total CPI increase from the previous year.

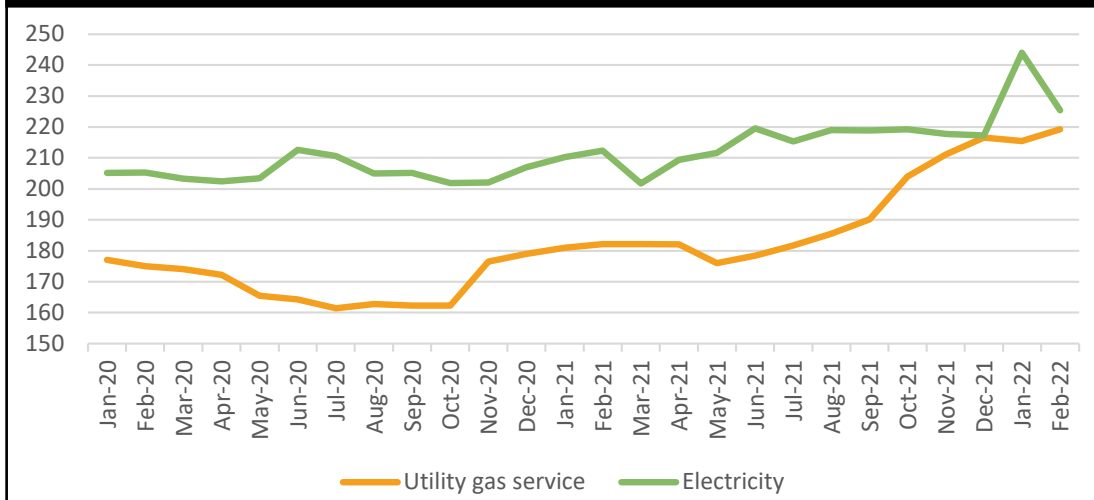
Over-The-Month Increase in Northeast Region Urban CPI



Source: U.S. Bureau of Labor Statistics, Consumer Price Index

1 U.S. Bureau of Labor Statistics, Consumer Price Index Frequently Asked Questions. <https://www.bls.gov/cpi/questions-and-answers.htm>.

Price Index for Utility Gas and Electricity



Source: U.S. Bureau of Labor Statistics, Consumer Price Index

Price increases for several groups of goods and services have been well above the overall CPI increase. Prices for food increased 7.5 percent between February 2021 and February 2022. Electricity prices, which had increased 12.3 percent between December 2021 and January 2022, were 6.1 percent higher over-the-year. In February 2022, the price of housing fuels and utilities had increased 12.6 percent since the previous February, and the price of utility (piped) gas service had increased 20.3 percent. This likely does not fully account for the increase in fossil fuel prices caused by the Russian invasion of Ukraine, which began in late February 2022. Post-invasion utility gas prices have not yet been released, but U.S. Energy Information Administration (EIA) data show that heating oil prices increased from \$3.951 per gallon during the week ending February 21st to \$4.718 per gallon for the week ending March 7th, a 19.4 percent increase in just two weeks.²

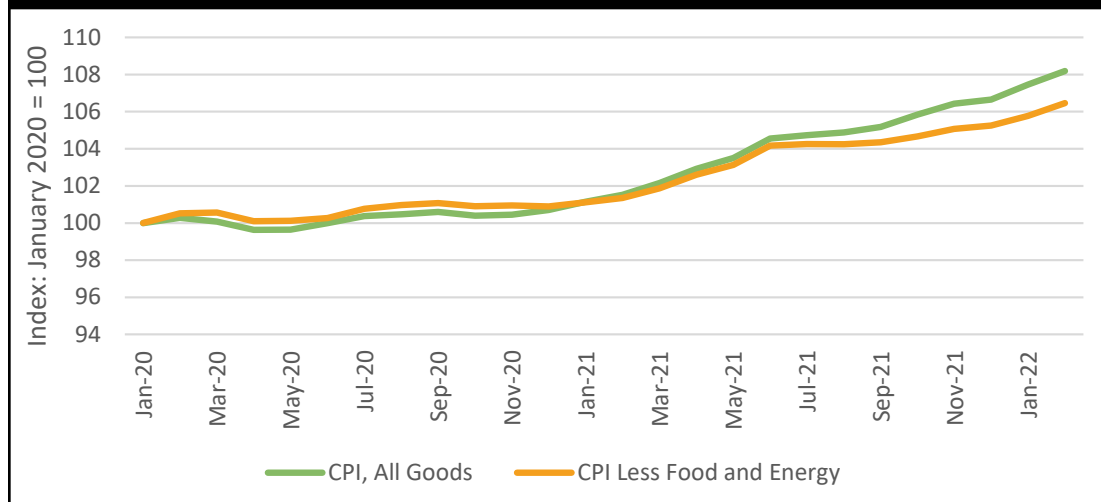
Energy and food goods have volatile prices and can skew overall inflation rates. BLS publishes a “core CPI,” which measures price increases without the impact of these goods. With food and energy excluded, the CPI increased 5.0 percent over-the-year in February 2022, 1.6 percentage points less than total CPI. While this shows the effect increasing food and energy

prices have on the overall cost of goods, it also indicates that prices for other goods have increased as well.

Over-the-year price increases for recreation (5.2 percent), household furnishings and supplies (9.9 percent), other goods and services³ (6.4 percent) all exceeded the core CPI increase. Transportation prices increased 18.6 percent over-the-year. This included a 13.1 percent increase in new car prices, a 42.5 percent increase in used car prices, and a 36.4 percent increase in motor fuels (an energy good). According to the EIA, gasoline prices in New England increased from \$3.539 per gallon on February 21st, just before the Russian invasion of Ukraine, to \$4.187 per gallon on March 7th, an 18.3 percent increase in two weeks.⁴

Over the 12 months from February 2021 to February 2022, prices for medical care and tuition, other school fees, and childcare increased by approximately two percent. It is unusual for the prices of these services to increase at a lower rate than overall inflation; since 1982, prices for medical care have increased nearly twice as fast as overall inflation, while prices for tuition, other school fees, and childcare have increased more than four times faster.

Food and Energy Goods Have Been a Major Contributor to Overall Price Increase in 2021 and 2022



Source: U.S. Bureau of Labor Statistics, Consumer Price Index

2 U.S. Energy Information Administration, Weekly New Hampshire No. 2 Heating Oil Residential Price, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=W_EPD2F_PRS_SNH_DPG&f=W.
 3 Other goods and services include tobacco and smoking products, haircuts and other personal services, and funeral expenses.
 4 U.S. Energy Information Administration, Weekly Retail Gasoline and Diesel Prices, https://www.eia.gov/dnav/pet/pet_pri_gnd_a_epmr_pte_dpgal_w.htm.

Comparing CPI to the Personal Consumption Expenditures Index

The Consumer Price Index is not the only measure of inflation. The U.S. Bureau of Economic Analysis publishes the Personal Consumption Expenditures (PCE) Index, which measures the changing prices of goods and services purchased by U.S. residents.

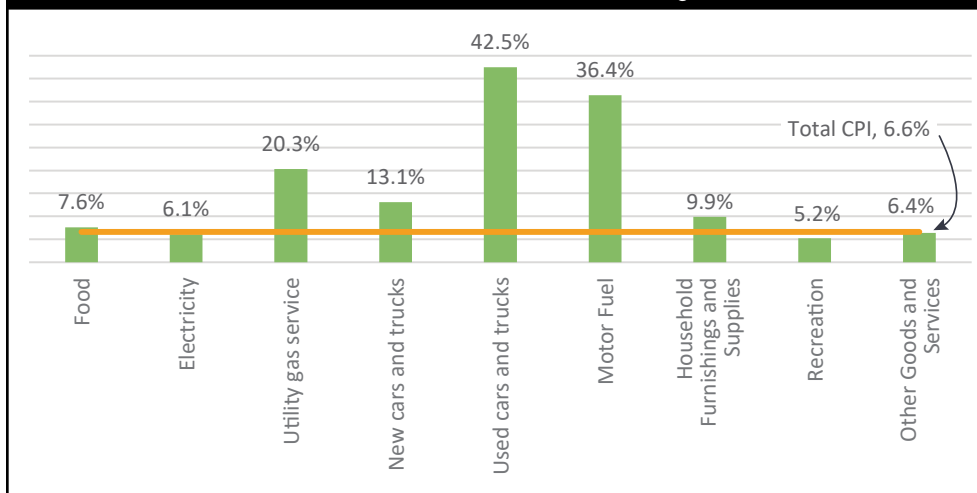
While the CPI and PCE Index both measure the change of price for goods or services, the PCE index also reflects changes in consumer behaviors on a monthly basis. If the price of a good, such as ground beef, increases (ground beef prices increased from \$4.31/lb. in January 2021 to \$4.77/lb. in January 2022, a 10.7 percent increase), consumers may substitute a different good, such as buying chicken instead of beef (chicken prices increased just 1.3 percent, from \$1.60 in January 2021 to \$1.62 in January 2022). Since the PCE Index accounts for this substitution of goods in response to price changes, the PCE Index generally produces a slightly lower estimate of price inflation than the CPI.⁵

Both indexes declined during early months of the pandemic, although the CPI declined further.⁶ In June 2020, as both indexes began to increase again, CPI increased at a faster rate. The difference between the two indexes began to widen in May 2021, as the overall rate of inflation accelerated.

The CPI estimated inflation of 3.1 percent between January 2020 and April 2021. The PCE index measured inflation over that period at 2.8 percent, a difference of just 0.3 percentage points. By January 2022, just nine months later, the gap between the two inflation indexes had increased to 2.1 percentage points.

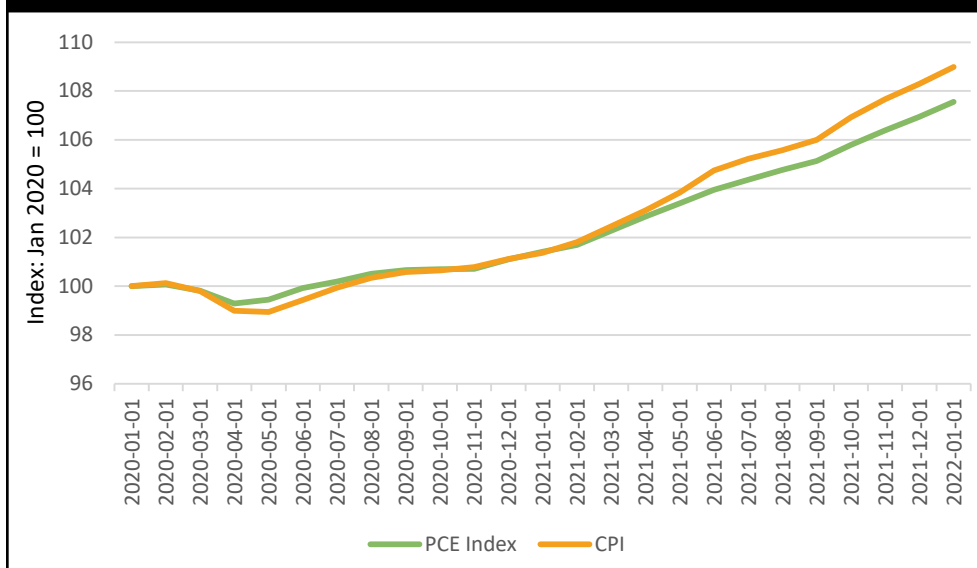
The gap between the two measures indicates that consumers have responded to price increases by substituting goods and

Year-Over-Year Price Increase for Components of the Northeast CPI, February 2022



Source: U.S. Bureau of Labor Statistics, Consumer Price Index

Price Inflation, 2020 to Present



Source: U.S. Bureau of Labor Statistics, Consumer Price Index

services to offset price increases. While this indicates a lower rate of inflation than the CPI, the PCE index still indicated a 6.1 percent increase in inflation from January 2021 to January 2022. This was the largest over-the-year increase in the PCE index since 1982.

– Greg David, Economist

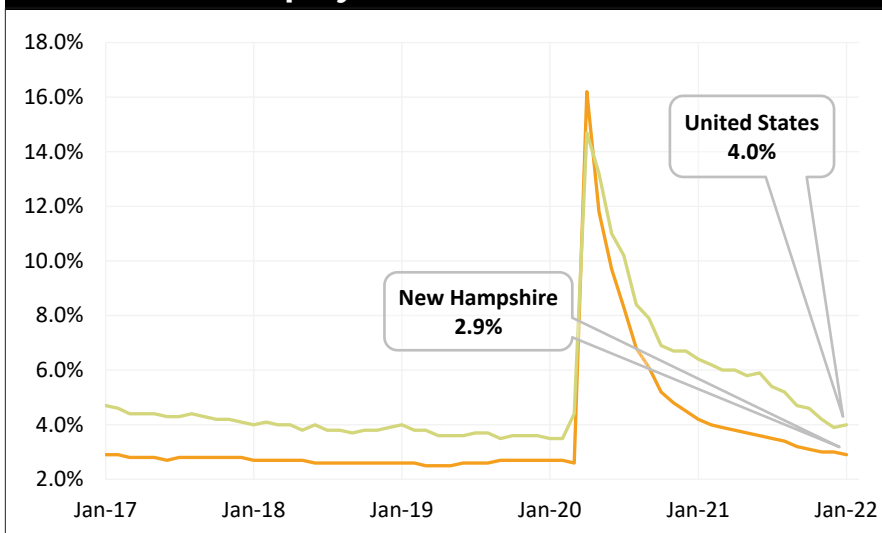
⁵ CPI also accounts for changes in consumer spending patterns, but this process occurs every two years, not monthly. As a result, the CPI is not as sensitive to short-term changes in consumer behavior.
⁶ The PCE Index measures spending nationwide and is seasonally adjusted. When comparing these rates, seasonally adjusted national CPI is used.

SEASONALLY ADJUSTED ESTIMATES

Unemployment Estimates by Region

Seasonally Adjusted	Jan-22	Dec-21	Jan-21
United States	4.0%	3.9%	6.4%
Northeast	5.1%	5.1%	7.5%
New England	4.6%	4.5%	6.5%
Connecticut	5.3%	5.1%	7.3%
Maine	4.1%	4.1%	4.4%
Massachusetts	4.8%	4.6%	7.1%
New Hampshire	2.9%	3.0%	4.2%
Rhode Island	4.2%	4.5%	6.3%
Vermont	3.0%	3.1%	3.9%
Mid Atlantic	5.3%	5.4%	7.9%
New Jersey	5.2%	5.1%	7.3%
New York	5.3%	5.4%	8.6%
Pennsylvania	5.4%	5.5%	7.5%

Local Area Unemployment Statistics (LAUS)
Unemployment Rate, NH and US



Current Employment Statistics (CES) by Place of Establishment

	Number of Jobs			Change From Previous	
	Jan-22	Dec-21	Jan-21	Month	Year
Total Nonfarm	670,900	672,400	651,900	-1,500	19,000
Total Private	586,100	588,700	567,100	-2,600	19,000
Mining and Logging	1,000	900	1,000	100	0
Construction	30,300	30,000	28,500	300	1,800
Manufacturing	68,500	68,200	67,200	300	1,300
Durable Goods	51,200	51,100	50,300	100	900
Non-Durable Goods	17,300	17,100	16,900	200	400
Trade, Transportation, and Utilities	139,100	139,700	137,900	-600	1,200
Wholesale Trade	30,500	30,300	28,300	200	2,200
Retail Trade	90,500	91,200	91,300	-700	-800
Transportation, Warehousing, and Utilities	18,100	18,200	18,300	-100	-200
Information	11,700	11,600	11,600	100	100
Financial Activities	35,000	35,000	34,300	0	700
Financial and Insurance	28,100	28,200	27,600	-100	500
Real Estate and Rental and Leasing	6,900	6,800	6,700	100	200
Professional and Business Services	93,400	92,100	85,000	1,300	8,400
Professional, Scientific, and Technical Services	45,300	44,600	41,100	700	4,200
Management of Companies and Enterprises	9,700	9,600	9,200	100	500
Administrative and Support and Waste Management and Remediation Services	38,400	37,900	34,700	500	3,700
Education and Health Services	121,600	121,200	119,700	400	1,900
Educational Services	29,400	29,400	28,800	0	600
Health Care and Social Assistance	92,200	91,800	90,900	400	1,300
Leisure and Hospitality	62,300	66,800	59,200	-4,500	3,100
Arts, Entertainment, and Recreation	9,600	10,300	9,900	-700	-300
Accommodation and Food Services	52,700	56,500	49,300	-3,800	3,400
Other Services	23,200	23,200	22,700	0	500
Government	84,800	83,700	84,800	1,100	0
Federal Government	8,400	8,300	8,000	100	400
State Government	21,600	20,700	22,600	900	-1,000
Local Government	54,800	54,700	54,200	100	600

Current month is preliminary; past months are revised

Prior data and area data are available on our website at: www.nhes.nh.gov/elmi/statistics/ces-htm

NOT SEASONALLY ADJUSTED ESTIMATES BY PLACE OF RESIDENCE

Labor Force Estimates

New Hampshire	Jan-22	Dec-21	Jan-21
Total Civilian Labor Force	758,050	755,050	754,800
Employed	731,220	737,130	719,100
Unemployed	26,830	17,920	35,700
Unemployment Rate	3.5%	2.4%	4.7%

United States (# in thousands)	Jan-22	Dec-21	Jan-21
Total Civilian Labor Force	162,825	161,696	159,234
Employed	155,618	155,732	148,383
Unemployed	7,207	5,964	10,851
Unemployment Rate	4.4%	3.7%	6.8%

Unemployment Rates by Area

Counties	Jan-22	Dec-21	Jan-21
Belknap	3.7%	2.5%	5.3%
Carroll	3.7%	2.5%	5.2%
Cheshire	4.1%	2.7%	4.9%
Coös	4.5%	3.1%	6.3%
Grafton	3.2%	2.2%	4.2%
Hillsborough	3.6%	2.4%	4.9%
Merrimack	3.3%	2.1%	4.4%
Rockingham	3.6%	2.4%	4.7%
Strafford	3.3%	2.1%	4.4%
Sullivan	3.3%	2.2%	4.2%

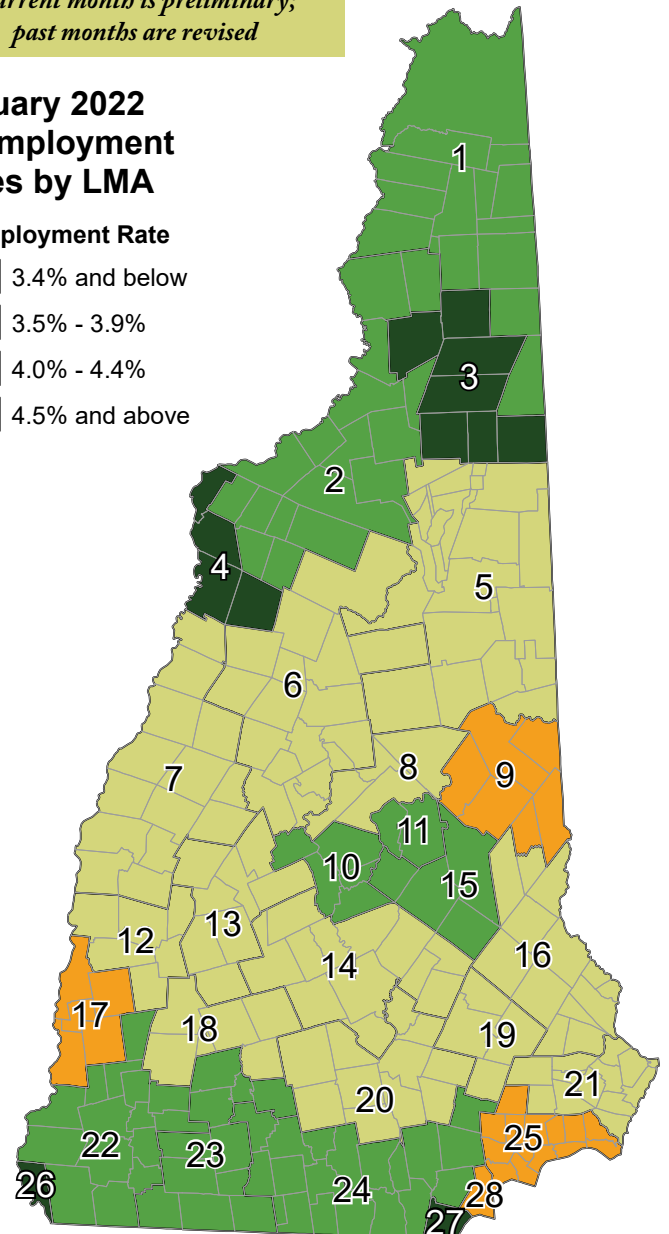
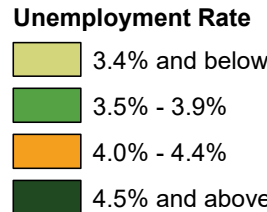
Map Key	Labor Market Areas	Jan-22	Dec-21	Jan-21
1	Colebrook, NH-VT LMA, NH Portion	3.9%	2.8%	5.5%
2	Littleton, NH-VT LMA, NH Portion	3.7%	2.5%	5.5%
3	Berlin NH Micropolitan NECTA	5.0%	3.1%	6.6%
4	Haverhill, NH LMA	5.1%	3.4%	5.5%
5	Conway, NH-ME LMA, NH Portion	3.4%	2.4%	4.8%
6	Plymouth, NH LMA	3.1%	2.0%	4.4%
7	Lebanon, NH-VT Micropolitan NECTA, NH Portion	3.1%	2.1%	3.5%
8	Meredith, NH LMA	3.4%	2.2%	4.8%
9	Wolfeboro, NH LMA	4.2%	2.8%	5.7%
10	Franklin, NH LMA	3.8%	2.6%	5.9%
11	Laconia, NH Micropolitan NECTA	3.9%	2.6%	5.7%
12	Expanded Claremont, NH estimating area	3.1%	2.2%	4.3%
13	New London, NH LMA	3.3%	2.1%	3.7%
14	Concord, NH Micropolitan NECTA	3.1%	2.0%	4.3%
15	Belmont, NH LMA	3.8%	2.3%	5.1%
16	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	3.3%	2.1%	4.4%
17	Charlestown, NH LMA	4.0%	2.8%	4.7%
18	Hillsborough, NH LMA	3.3%	2.2%	4.5%
19	Raymond, NH LMA	3.2%	2.1%	4.1%
20	Manchester, NH Metropolitan NECTA	3.3%	2.3%	4.7%
21	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	3.1%	2.1%	4.3%
22	Keene, NH Micropolitan NECTA	3.8%	2.5%	4.7%
23	Peterborough, NH LMA	3.6%	2.3%	4.7%
24	Nashua, NH-MA NECTA Division, NH Portion	3.7%	2.5%	4.9%
25	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	4.3%	2.9%	5.4%
26	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	6.7%	5.0%	7.3%
27	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	4.8%	3.3%	5.5%
28	Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division	4.3%	3.0%	5.4%

Unemployment Rates by Region

Not Seasonally Adjusted	Jan-22	Dec-21	Jan-21
United States	4.4%	3.7%	6.8%
Northeast	5.1%	4.2%	8.1%
New England	4.7%	3.8%	7.1%
Connecticut	5.0%	4.1%	8.0%
Maine	4.3%	3.5%	5.5%
Massachusetts	5.0%	4.1%	7.7%
New Hampshire	3.5%	2.4%	4.7%
Rhode Island	4.5%	3.4%	7.5%
Vermont	3.5%	2.5%	4.4%
Mid Atlantic	5.3%	4.4%	8.5%
New Jersey	4.8%	4.3%	7.8%
New York	5.3%	4.5%	9.3%
Pennsylvania	5.6%	4.4%	7.7%

*Current month is preliminary;
past months are revised*

**January 2022
Unemployment
Rates by LMA**



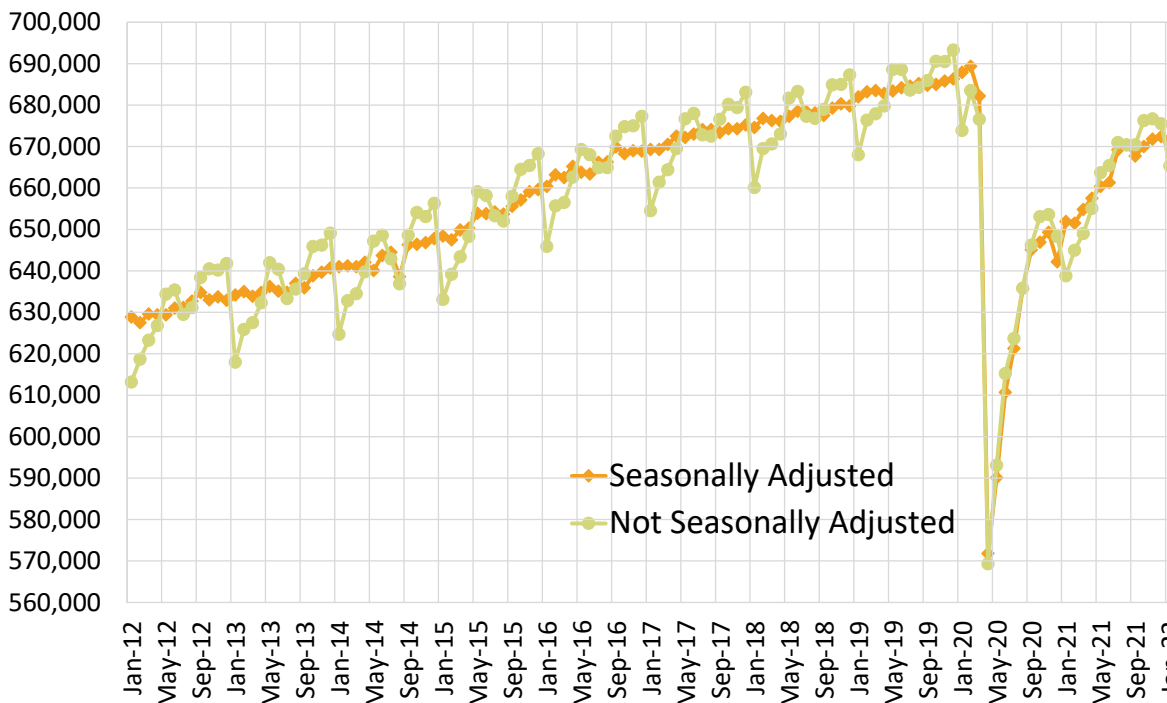
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

**New Hampshire Nonfarm Employment Statewide
Not Seasonally Adjusted**

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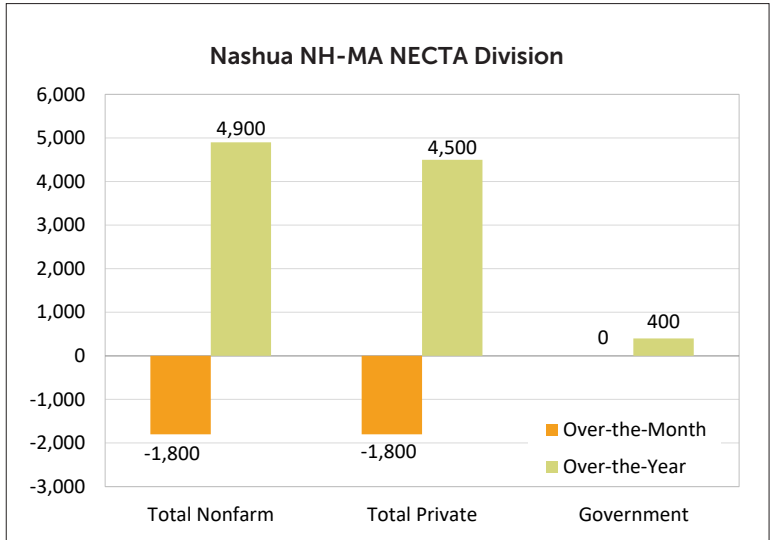
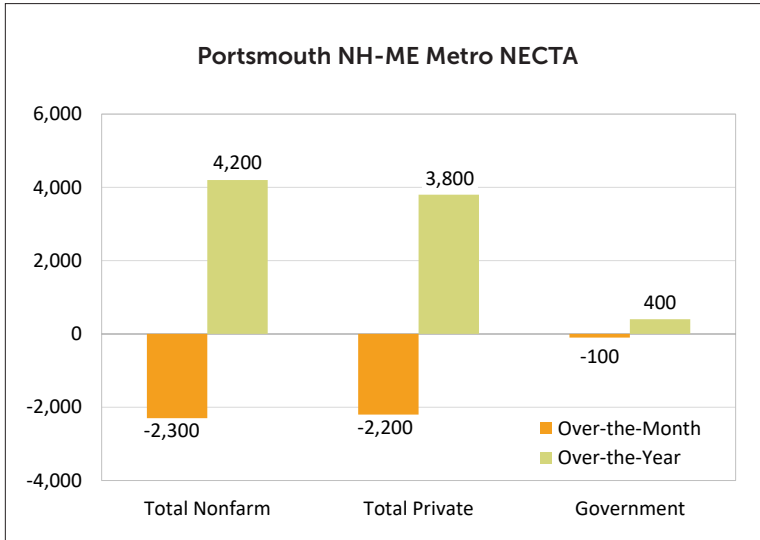
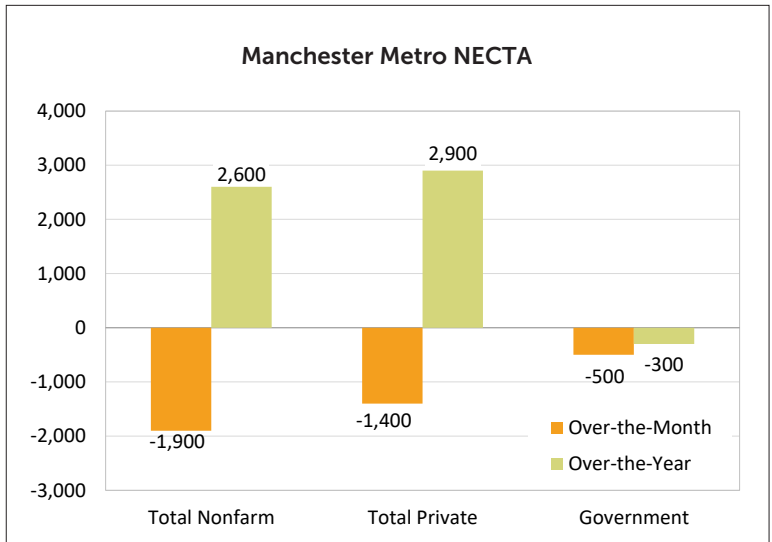
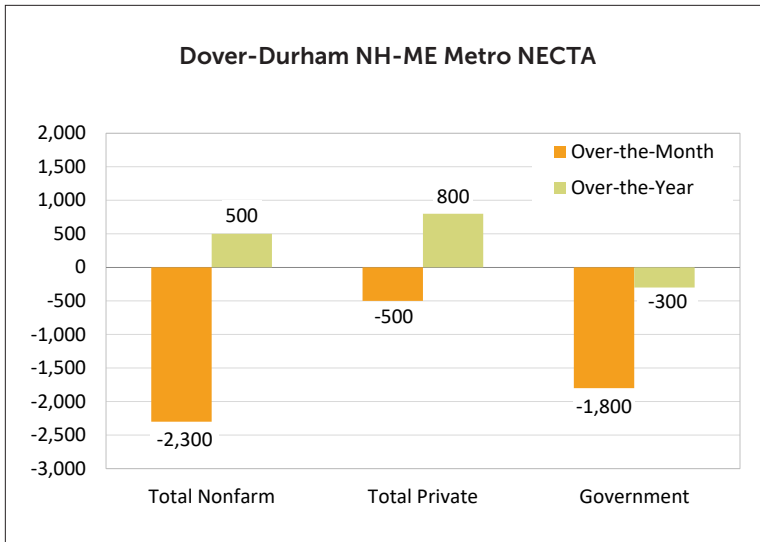
	Number of Jobs			Change From Previous	
	Jan-22	Dec-21	Jan-21	Month	Year
Total Nonfarm	665,300	675,500	638,800	-10,200	26,500
Total Private	581,300	588,500	554,700	-7,200	26,600
Mining and Logging	900	900	900	0	0
Construction	29,200	30,100	26,800	-900	2,400
Manufacturing	68,200	67,900	66,900	300	1,300
Durable Goods	50,900	50,700	50,200	200	700
Non-Durable Goods	17,300	17,200	16,700	100	600
Trade, Transportation, and Utilities	139,400	142,500	138,400	-3,100	1,000
Wholesale Trade	30,400	30,300	28,100	100	2,300
Retail Trade	90,900	92,400	91,700	-1,500	-800
Transportation, Warehousing, and Utilities	18,100	19,800	18,600	-1,700	-500
Information	11,900	11,800	11,500	100	400
Financial Activities	34,800	35,100	34,100	-300	700
Professional and Business Services	91,600	91,700	83,100	-100	8,500
Education and Health Services	120,900	121,300	115,900	-400	5,000
Leisure and Hospitality	61,600	64,300	54,900	-2,700	6,700
Other Services	22,800	22,900	22,200	-100	600
Government	84,000	87,000	84,100	-3,000	-100
Federal Government	8,400	8,400	8,000	0	400
State Government	18,700	21,700	20,300	-3,000	-1,600
Local Government	56,900	56,900	55,800	0	1,100

Total Nonfarm Employment Trend Through January 2022

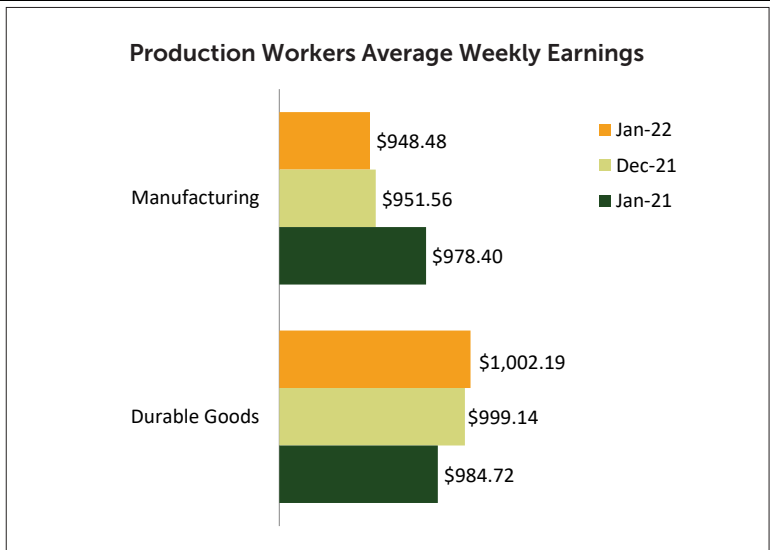
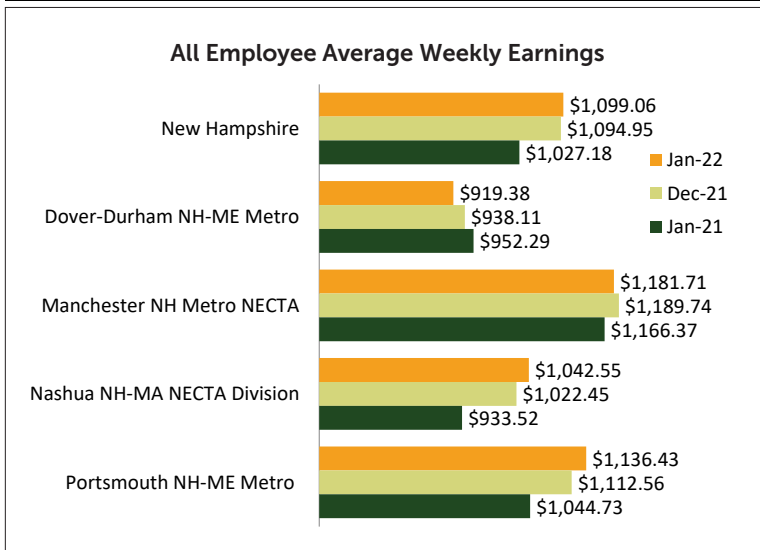


MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Nonfarm Employment by Metropolitan Statistical Areas - January 2022



Total Private Average Weekly Earnings Data



Sector data for the four areas and hours earnings data are available on our website: www.nhes.nh.gov/elmi/statistics/ces-data.htm

MONTHLY ANALYSIS OF CURRENT EMPLOYMENT STATISTICS (CES)

Seasonally Adjusted

Total nonfarm employment decreased to 670,900 jobs in January, based on preliminary seasonally adjusted estimates. This was a decrease of 1,500 non-farm jobs over the month, as private industries lost 2,600 positions and Government employment increased by 1,100. Six private industry supersectors experienced over-the-month employment gains, two experienced employment losses and two were unchanged from December 2021 to January 2022. Seasonally adjusted over-the-month changes reflect the number of jobs that are not attributable to a regular seasonal pattern of employment variability.

Professional and business services employment increased by 1,300 over the month, after the seasonal adjustment, while private education and health services gained 400 positions. The construction and manufacturing supersectors each gained 300 jobs over the month, while both mining and logging and information employment increased by 100 from December to January.

Trade, transportation, and utilities lost 600 jobs in January, while leisure and hospitality employment decreased by 4,500 over the month. Employment in the financial activities and other services supersectors was unchanged from December to January.

Total nonfarm employment in January 2022 remained 18,500 jobs below the pre-pandemic level in February 2020. Professional and business services, construction, mining and logging and financial activities supersectors were at or above pre-pandemic levels. Leisure and hospitality employment was 11,600 jobs below the February 2020 level.

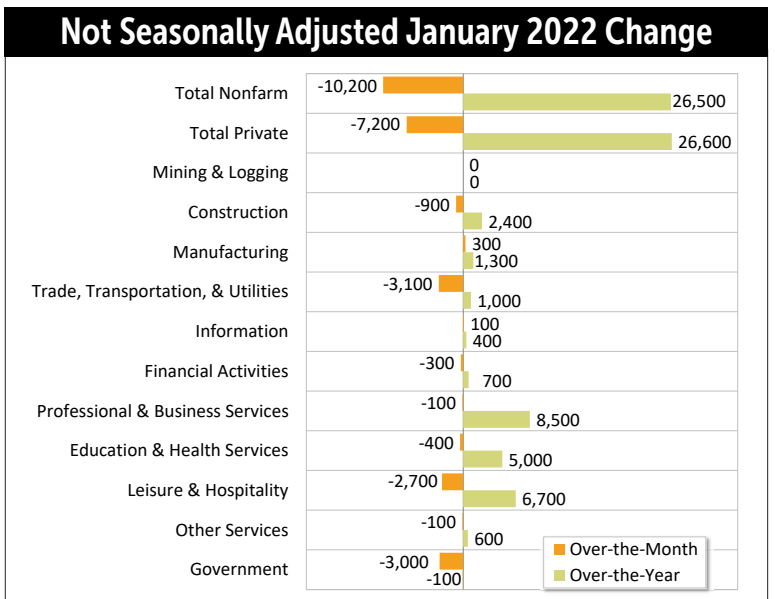
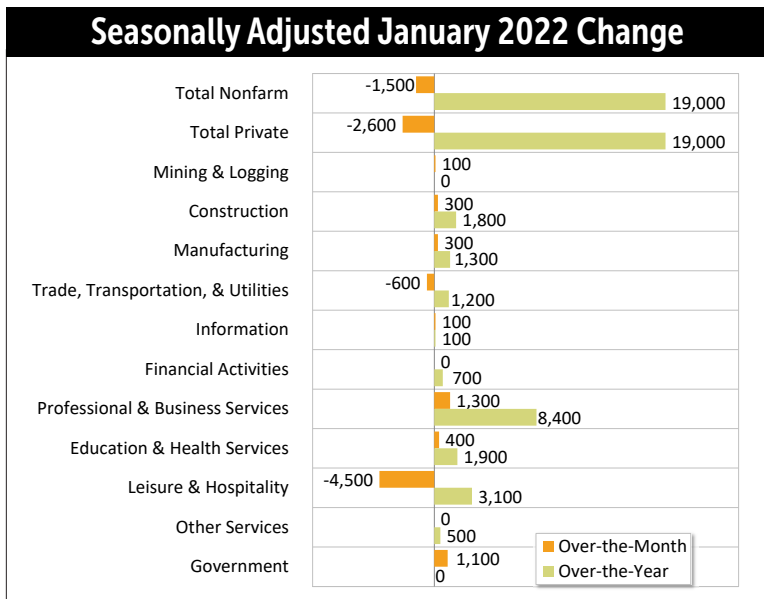
Not Seasonally Adjusted

Preliminary unadjusted estimates for January 2022 indicate that total nonfarm employment increased by 26,500 jobs since January 2021, reflecting the ongoing employment recovery from the coronavirus (COVID-19) pandemic. Nine private industry supersectors experienced over the year employment gains, while mining and logging was unchanged from January 2021 to January 2022.

Professional and business services experienced the largest increase, with 8,500 more jobs than in January 2021. The leisure and hospitality supersector increased employment by 6,700, while private education and health services gained 5,000 positions. Construction employment increased by 2,400 over the year, while manufacturing added 1,300 jobs. The trade, transportation, and utilities supersector added 1,000 positions and financial activities expanded payrolls by 700. Other services employment increased by 600 positions and information gained 400 jobs from January 2021 to January 2022.

Government was the only supersector with a lower level of employment in January 2022 than a year earlier, with 100 fewer jobs. This is primarily due to a decrease in state government educational services, which is likely the result of the coronavirus pandemic’s impact on the academic calendar in January 2021 rather than an economic impact in January 2022.

– Robert Cote, Research Analyst

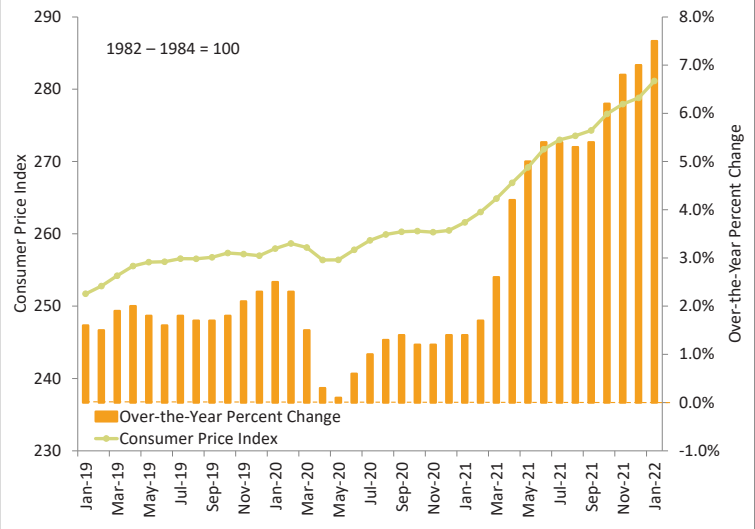


Consumer Price Index

United States, All Urban Consumers Not Seasonally Adjusted (CPI-U) (1982-1984=100)				
			Change From Previous	
Jan-22	Dec-21	Jan-21	Month	Year
281.148	278.802	261.582	0.8%	7.5%

Northeast, All Urban Consumers Not Seasonally Adjusted (CPI-U) (1982-1984=100)				
			Change From Previous	
Jan-22	Dec-21	Jan-21	Month	Year
292.644	290.405	275.427	0.8%	6.3%

Consumer Price Index United States, All Urban Consumers



Unemployment Compensation Claims Activity

	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
Initial Claims	2,610	1,871	2,055	2,184	3,065	2,827
Continued Weeks Claimed	21,110	12,417	9,868	9,841	10,098	13,798
Average payment for a week of unemployment	\$292.35	\$308.44	\$320.19	\$324.42	\$302.79	\$332.30

New Hampshire Economic Conditions is published monthly in coordination with the Bureau of Labor Statistics and the Employment Training Administration of the U.S. Department of Labor.

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Concord 228-4100	Conway 447-5924
Keene 352-1904	Laconia 524-3960
Littleton 444-2971	Manchester 627-7841
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New Hampshire Employment Security Economic and Labor Market Information Bureau

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