

New Hampshire ECONOMIC CONDITIONS

April 2024

Lupines PHOTO CREDIT

Daisies PHOTO CREDIT

Springtime, Inn at Pleasant Lake PHOTO CREDIT

Tulips, Farm at Wolf Pine Hollow PHOTO CREDIT

New Hampshire Employment Security's Latest Short-Term Employment Projections

New Hampshire Employment Security recently released short-term employment projections, forecasting employment growth by industry and by occupation between the second quarter of 2023 and the second quarter of 2025. Overall, employment was projected to increase 1.8 percent over that time.

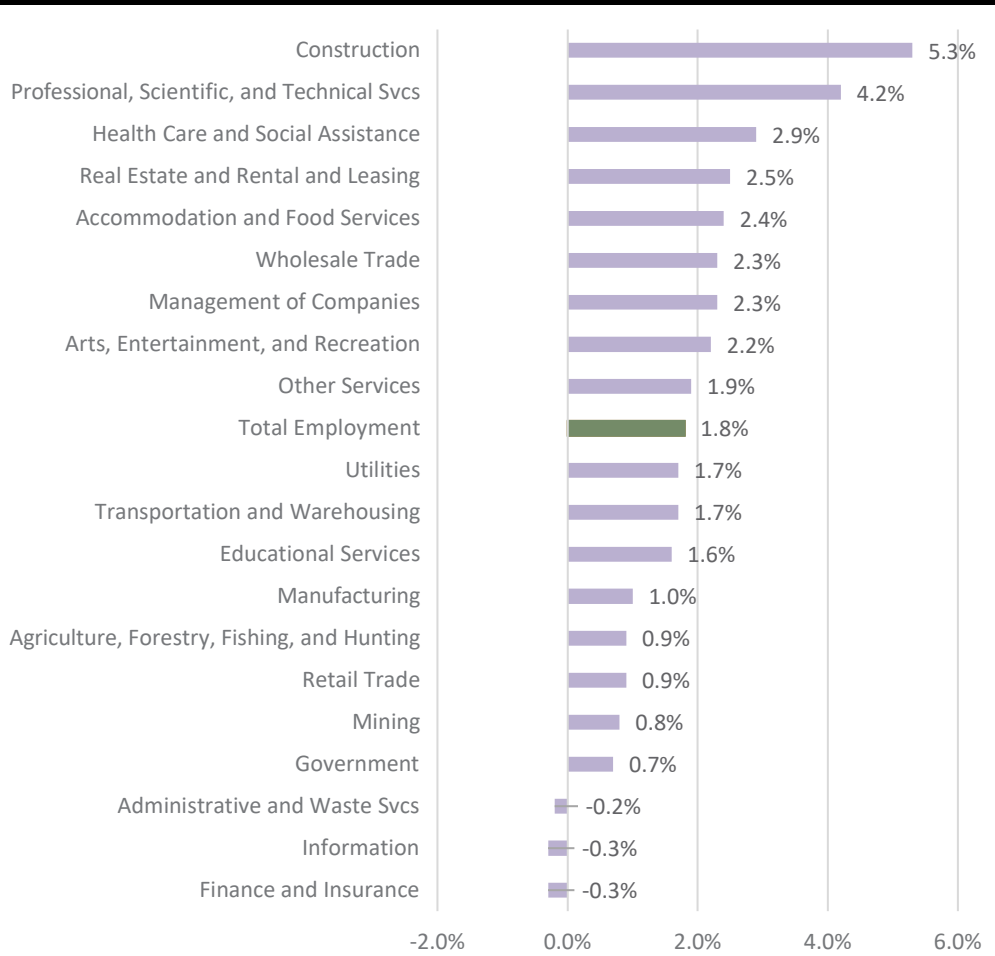
The effects of inflation and high interest rates have introduced

uncertainty about economic growth in 2024 and 2025. These projections do not take this uncertainty into account. Employment projections are based on historical trends and make no assumptions about business cycle fluctuations. Projections are intended to allow a comparison of relative growth rates among industries, and not as a precise estimate of state or national employment growth.

Nine industries are projected to have above-average growth between the second quarter of 2023 and the second quarter of 2025, while in three industries, employment is projected to decline. Construction employment has the fastest projected growth rate, 5.3 percent. Employment in all three construction subsectors – construction of buildings, heavy and civil engineering construction, and specialty trade contractors – is projected to grow at least four percent, indicating high projected demand throughout the construction sector.

The 2021 Infrastructure Investment and Jobs Act increased the federal government’s planned spending on infrastructure projects by \$550 billion over the next five years. With this additional funding, New Hampshire is expected to receive approximately \$2 billion over that time for infrastructure projects, including repairing roads and bridges, expanding broadband internet access, and upgrading water and sewer treatment facilities.¹ The heavy and civil engineering subsector, which specializes in large-scale construction projects

Projected Employment Growth, 2023 Q2 to 2025 Q2



Source: New Hampshire Employment Security, Short-Term Employment Projections by Industry

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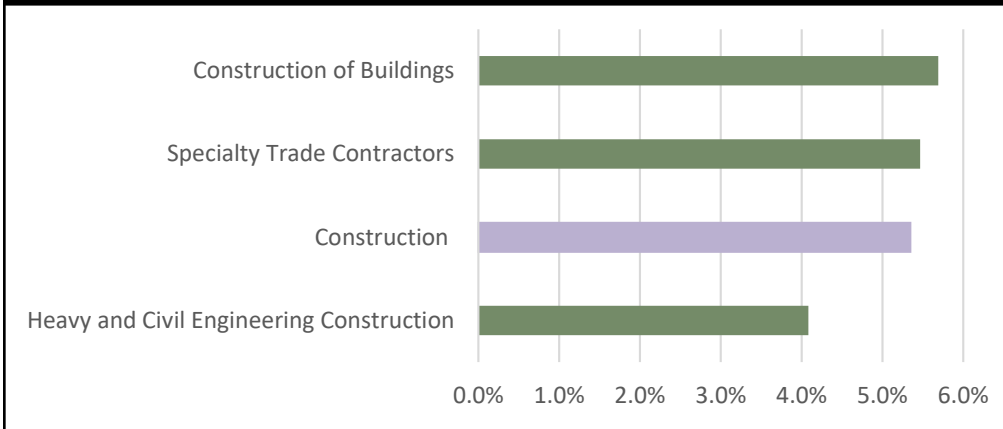
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¹ <https://seacoastcurrent.com/what-does-nh-get-from-the-federal-infrastructure-bill/>

Projected Employment Growth for Construction Subsectors, 2023 Q2 to 2025 Q2



Source: New Hampshire Employment Security, Short-Term Employment Projections by Industry

such as roads, bridges, and dams, is expected to benefit from the additional infrastructure funding.

New Hampshire’s limited housing supply has increased projected demand for residential construction. The number of homes under construction has gradually increased over the last ten years, but more construction is needed to stabilize the housing supply. Policy makers are working to further increase the rate of residential construction by investing in workforce housing projects and simplifying zoning regulations. Employment in the construction of buildings and specialty trade contractors subsectors is projected to grow more than five percent between the second quarter of 2023 and the second quarter of 2025.

Professional, scientific, and technical services employment experienced rapid growth before the pandemic, averaging 3.4 percent growth between 2011 and 2019, compared to 1.4 percent growth for total private employment. Even as total employment fell 6.4 percent, employment in professional, scientific, and technical services grew 0.6 percent in 2020, then increased more than nine percent per year in 2021 and 2022.

Although slower than growth during 2021 and 2022, employment in professional, scientific, and technical services is projected to remain well above average, increasing 4.2 percent between the second quarter of 2023 and the second quarter of 2025. The scientific research and development services subsector is expected to grow more than ten percent, while management, scientific, and technical

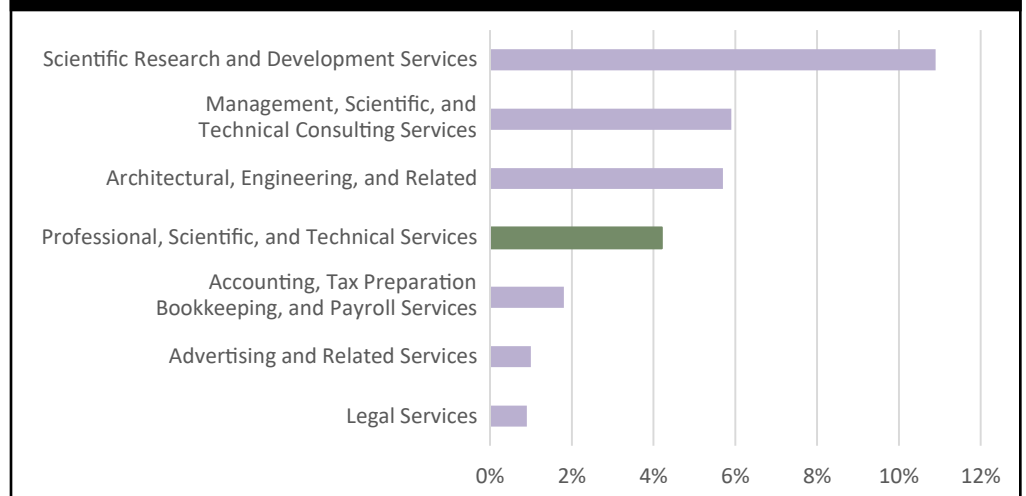
consulting services and architectural, engineering, and related services are projected to grow more than five percent. Legal services, advertising and related services, and accounting, tax preparation, bookkeeping, and payroll services are projected to have average or below average rates of employment growth.

Employment in health care and social assistance, the largest industry in New Hampshire, is projected to grow 2.9 percent between the second quarter of 2023 and the second quarter of 2025. This is the third-fastest projected growth rate among all industries, and the projected number of jobs added

over that period (2,700 jobs) exceed any other industry. As New Hampshire’s senior population continues to grow, demand for health care services is expected to increase as well. Employment in all four subsectors of health care (ambulatory health care services, hospitals, nursing and residential care facilities and social assistance) is projected to be above average, ranging between 2.2 percent and 3.6 percent.

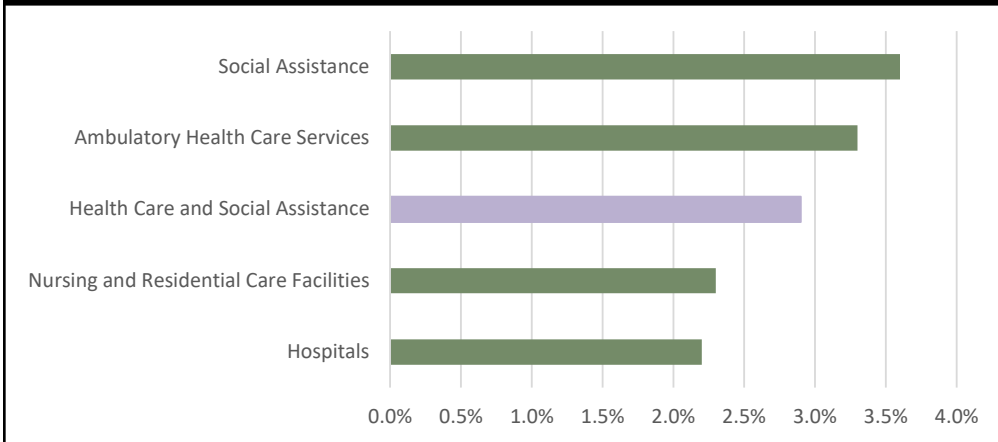
Retail trade employment is projected to increase 0.9 percent between the second quarter of 2023 and the second quarter of 2025. Despite this growth, retail employment is expected to remain below pre-pandemic employment. Prior to the pandemic, retail trade employment had fallen for three years, from 95,900 jobs in 2016 to 94,000 in 2019. During the first year of the pandemic, employment fell to 88,800 jobs.

Projected Employment Growth for Professional, Scientific and Technical Services Subsectors, 2023 Q2 to 2025 Q2



Source: New Hampshire Employment Security, Short-Term Employment Projections by Industry

Projected Employment Growth for Health Care and Social Assistance Subsectors, 2023 Q2 to 2025 Q2



Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey

Recovery from the pandemic has been uneven; employment increased to 91,200 jobs in 2021 before falling again to 88,500 jobs in 2022. Retail employment increased again in 2023, to 89,900 jobs.

Clothing, clothing accessories, and jewelry retailers are projected for the highest growth rate, 2.5 percent. This subsector was hit hard during the pandemic, and employment is still well below pre-pandemic levels, but experienced strong growth throughout 2022 and 2023.

Conversely, building material and garden equipment and supplies dealers and furniture, home furnishings, electronics, and appliance retailers

experienced fewer job losses than most of retail trade during the pandemic. Employment in these subsectors began to decline in 2022 and 2023, and this decline is expected to continue.

Consumer purchasing habits changed during the pandemic, with consumers spending a larger share of their incomes on goods, particularly goods that could be enjoyed at home. As consumer purchasing returned to pre-pandemic patterns, demand for these goods has declined, resulting in declining employment.

The manufacturing sector is projected for 1.0 percent employment growth between the second quarter of 2023 and the second quarter of 2025. Growth varied widely by subsector, with

six subsectors projected for above-average growth, while employment in six other subsectors is projected to decline.

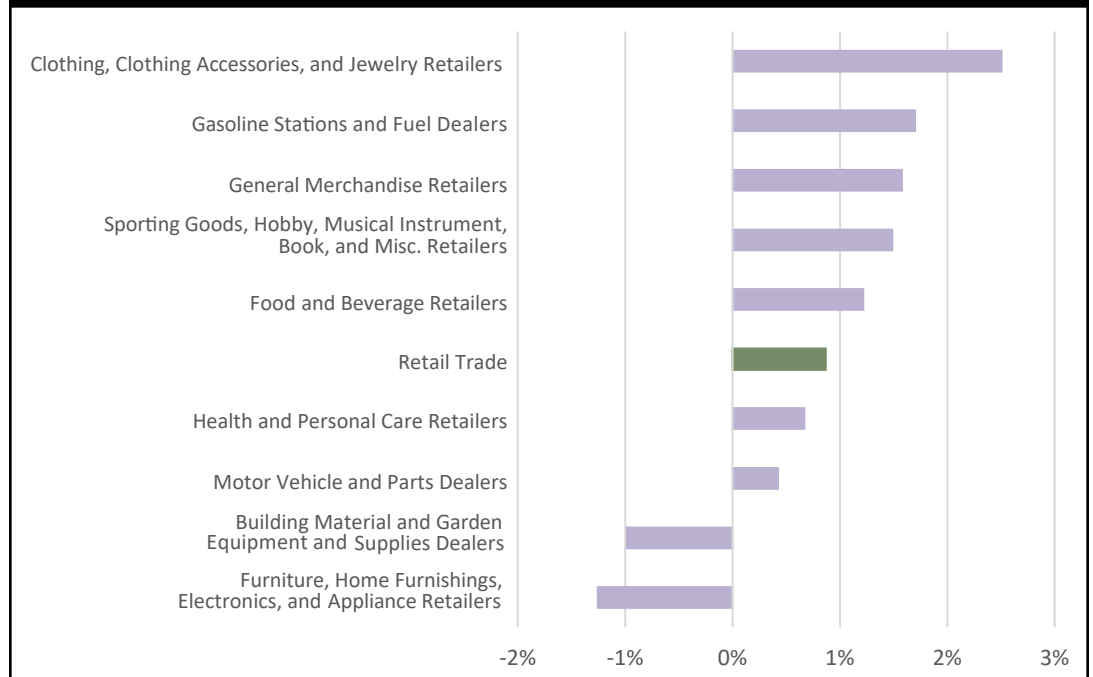
Nonmetallic mineral product manufacturing and chemical manufacturing had the highest projected growth rates, at 4.6 percent. Employment in printing and related support activities is projected to decline 7.8 percent, the largest projected decline.

Employment is projected to decline in three sectors, administrative and waste management services, information, and finance and insurance. Administrative and waste management services

employment increased rapidly in 2021 and 2022, as labor shortages during the Great Resignation increased demand for temporary labor, part of the employment services subsector. As the labor market stabilized, demand for employment services declined, and employment in this subsector declined as well. This trend is expected to continue, with employment in the employment services subsector projected to decline 5.9 percent between the second quarter of 2023 and the second quarter of 2025.

Information employment is projected to fall 0.3 percent. Employment in four subsectors is projected to decline, with

Projected Employment Growth for Retail Trade Subsectors, 2023 Q2 to 2025 Q2

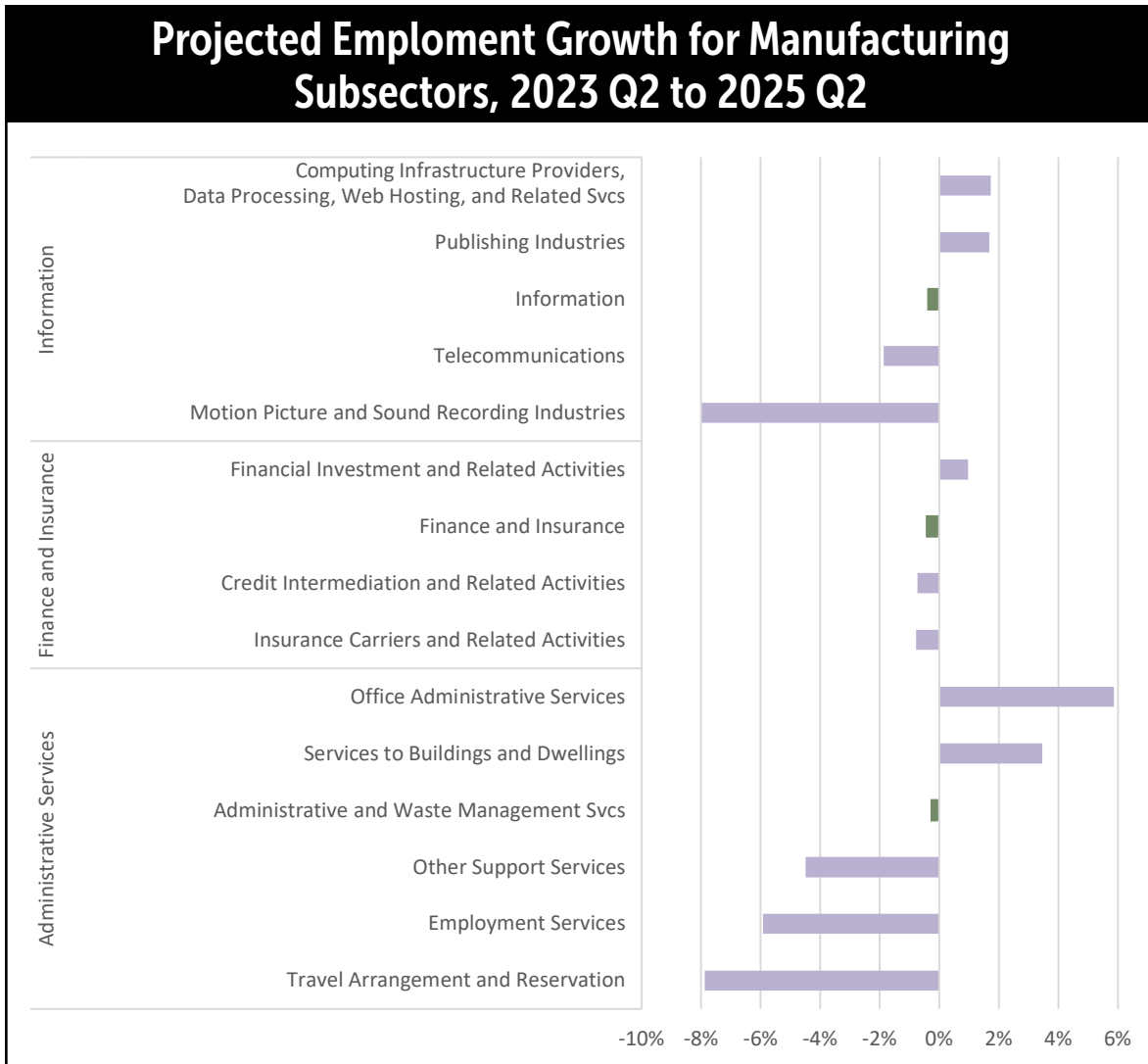


Source: New Hampshire Employment Security, Short-Term Employment Projections by Industry

motion picture and sound recording industries projected for the largest decline, 8.0 percent. Finance and insurance employment is projected to fall 0.3 percent as well. Employment is projected to decline in two subsectors, credit

intermediation and related activities and insurance carriers and related activities, while financial investment and related activities employment is projected to grow 1.0 percent.

– Greg David, Economist



Source: New Hampshire Employment Security, Short-Term Employment Projections by Industry