

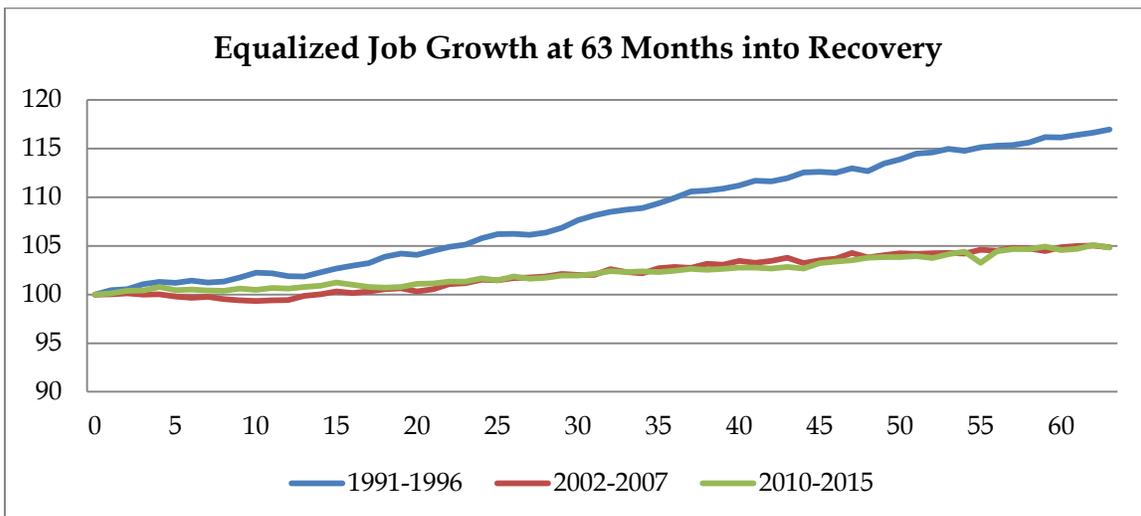
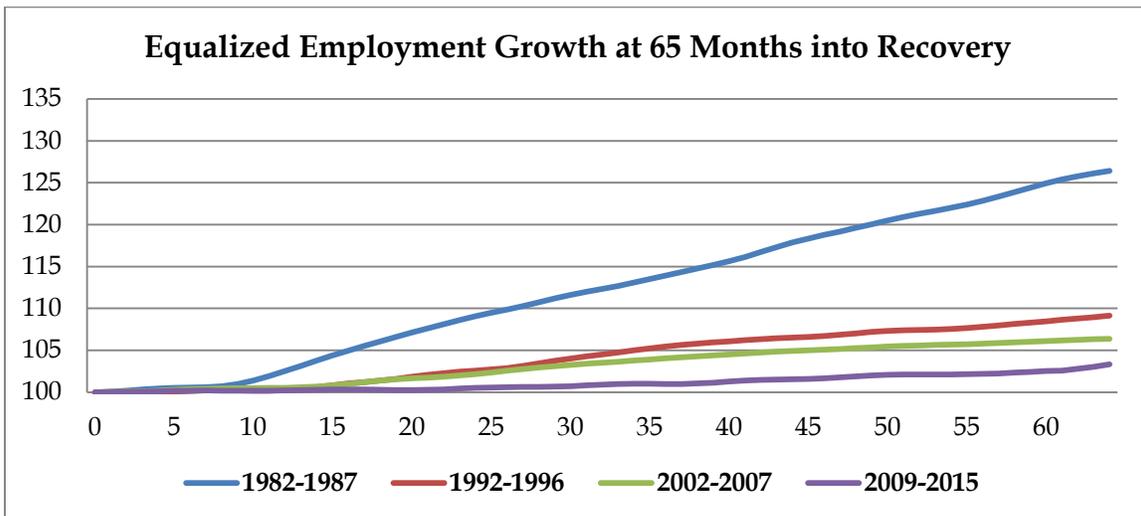


DATA POINTS

Comparing New Hampshire's Recoveries

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Summary: Despite a history of leading the region out of recessions, New Hampshire's recent track record of job creation falls well short of that legacy. Only as of March 2015 has the state returned to prerecession levels of employment and jobs numbers. This paper compares the last three recoveries to the current one, detailing the state's increasing difficulty in recovering from economic downturns.



New Hampshire has a strong track record of economic growth, especially in the 1980s, 1990s and early 2000s. This economic prowess helped give birth to the phrase "The New Hampshire Advantage" and made

the state the envy of the region. Since 2002 however, the stiff wind that once filled the state's economy's sails has become a gentle zephyr at best. The last thirteen years in particular have seen mediocre growth in both employment and jobs. The recovery from the latest recession has been particularly slow. More than 5 years after the bottom of the recession, the state has only just recently returned to prerecession employment levels and jobs numbers.

Definitions and Layout:

Though 'employment' and 'jobs' are often used interchangeably, the Bureau of Labor Statistics has distinct definitions for each term, which will be used in this paper. 'Employment' counts the number of people employed based on where they live. 'Jobs' counts the number of paid positions based on where they are located. The employment figure for New Hampshire counts every state resident that has a job, regardless of where the job is located, while the jobs figure for New Hampshire counts the number of jobs based here, regardless of who fills it. For example, someone who lives in New Hampshire, but works in Massachusetts, would show up in the New Hampshire employment number, but their job would be counted in the Massachusetts job number. It is important to note that the unemployment rate is calculated off of the employment numbers, and not jobs numbers.

For this analysis, roughly the first 5 years of each of the last four recoveries are examined. The starting point is the lowest point in the recession (in terms of employment and job numbers), continues through the first 65 months of the recovery for employment numbers, and 63 months of for jobs numbers. This time frame has not been chosen arbitrarily; the state is now 65 months into recovery in terms of employment number and 63 months into recovery in terms of jobs. Doing so, accurately compares how well New Hampshire has recovered from economic downturns in the past, versus today.

Early 1980s recovery: 1982-1987

Employment Growth: 120,737

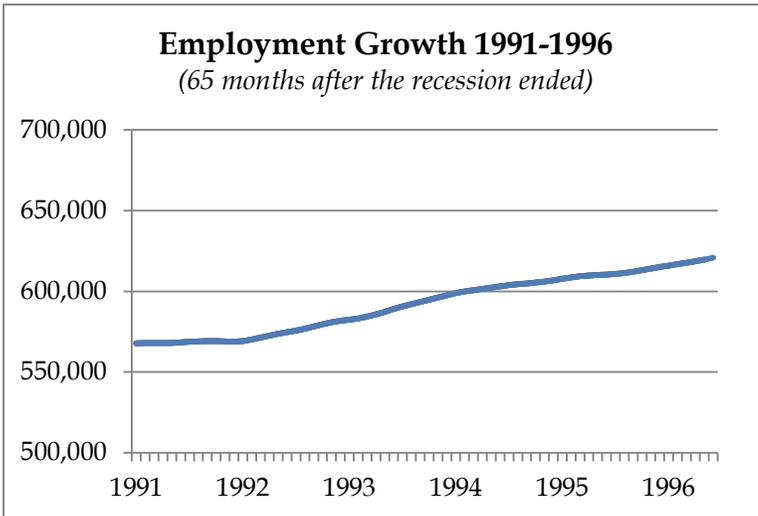


The first 65 months of the recovery in the early 1980s (March 1982 to June 1987) saw the number of employed in the state grow by 120,737 a 26.7% increase. This averages an additional 1,857 employed persons per month. During the entire period of expansion, which ran from March of 1982 to the peak in July 1989, the number of employed grow by more than 140,000, an increase of over 30%. Even after accounting for the losses in the following recession, the state netted a total of 115,266 additional employed individuals. The data detailing what types of jobs were created in the state for this time frame is unavailable.

Early 1990s recovery 1991-1996

Employment Growth: 53,029

Job Creation: 80,800



The first 65 months of recovery in the early 1990s (August 1991 to October 1996) added 53,029 to the employment rolls, a growth of 9.3%. This averages to 816 newly employed people every month. The expansion continued beyond the first 65 months, up until March 2001, with total employment growing by just shy of 110,000, or 19%. When accounting the recession that followed, the state netted 101,514 more employed individuals.

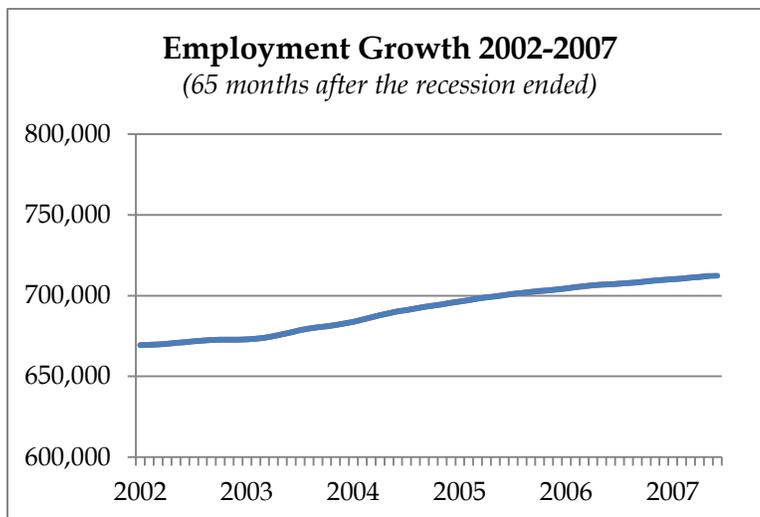
1992-1996 Major Job Changes		
Gains		Losses
Construction	4,000	Finance & Insurance -1,000
Retail Trade	13,300	
Professional & Business Services	14,600	
Education & Health Services	14,100	
Leisure & Hospitality	9,600	
Manufacturing	8,300	

In the first 63 months of the jobs recovery, a total of 80,800 jobs were created, for an average of 1,259 new jobs a month. Of the 80,800 jobs, 74,500 were private sector jobs with 68,400 being Service Providing positions and the balance of 12,400 Goods Producing. Aside from the loss of 1,000 finance and insurance jobs, there was no sector or industry that saw any losses. Large gains were seen in the well-paying fields of Construction, Professional and Business Services, and Education and Health Services.

64 months into the early 2000s recovery: 2002-2007

Employment Growth: 43,019

Jobs Created: 30,000



The recovery from the 'Dot Com' recession began in February 2002. In contrast to the recoveries in the early 1980s and early 1990s, this recovery saw mediocre growth in employment growth but particularly in the number of jobs added. As evidenced by the following recession, these jobs had little staying power as well.

65 months into the recovery, the number of employed grew by 43,019, and 30,000 jobs were created. The difference between the two

represents more people commuting out of state for work, rather than working in New Hampshire.

During these 65 months, employment grew by just over 43,000, or 6.4%. That puts the average monthly growth rate at 662. Expansion continued up until in June 2008, topping out at 46,000 additional employed persons. The recession that followed however, wiped out nearly half of those gains, with the net employment growth for the economic cycle coming in at only 24,348. In comparison, the decline in employment in the early 1990s recession was only 20% off the net additions.

During the first 63 months of the jobs recovery, 30,000 non-farm payroll jobs were added in the state. 38,300 Service jobs were added, while 8,300 Goods Producing jobs were lost. Education and Health saw the largest

gains, with only smaller additions in other sectors.

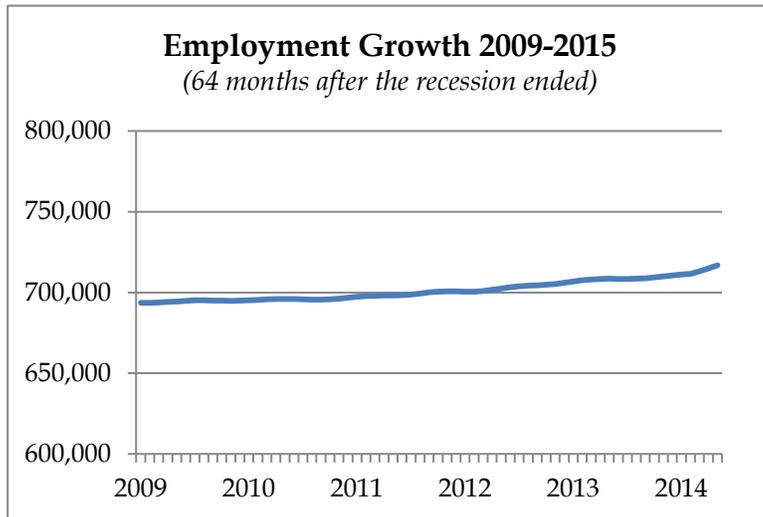
Manufacturing in particular saw heavy losses, shedding 7,600 jobs, followed by Construction which lost 900 jobs. The loss of construction jobs likely represents the leading edge of the collapsing real estate market. Manufacturing job losses were due to a number of reasons; including,

high production costs in the New England region, which encouraged business to open up shop in the South and abroad instead.

The Current Recovery: 2009-2015

Employment Growth: 24,159

Job Creation: 30,100



The last cycle began in November 2009 and runs to the current day. (April 2015, the most recent data) Despite the number of employed growing by 24,159 in the last five years, that figure has only just surpassed the precession high. By comparison, Massachusetts returned to its prerecession employment level in June 2013, nearly 2 years ago.

Since the bottom of the recession, the number of those employed in the state has grown by 3.5%, paling in comparison to previous recoveries. By this time during the 1980s and

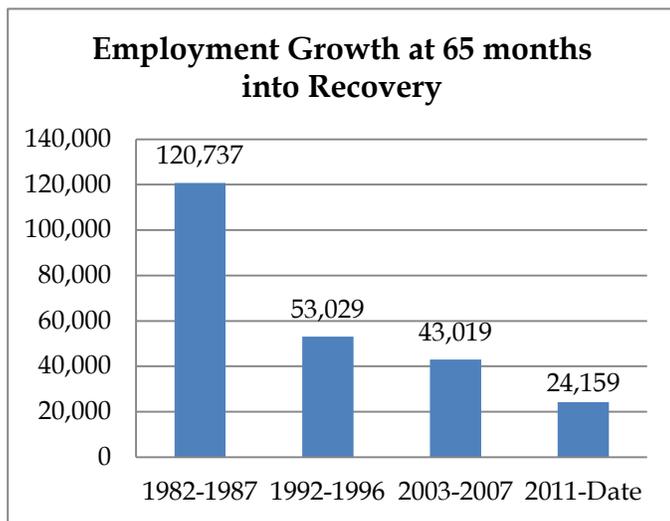
1990s recoveries, the number of employed had grown by 26.7% and 9.3% respectively. Recent growth rates make even the mediocre rate of 6.4% from the early 2000s recovery seem enviable. Though the hit the economy took in 2008-2009 was a large one, the state has recovered from worse. The recession in the early 1990s proportionately saw heavier job and employment losses, but despite that, the recovery time was faster.

2009-2015 Major Employment Changes	
Gains	Losses
Retail Trade	4,100
Accommodation & Food Service	6,200
Admin, Support, Waste & Remediation	6,400
Education & Health Services	6,400
	Government -7,000

Slightly more jobs were created: 30,100. As of April 2015, New Hampshire is just shy of the prerecession high. Of those, 26,200 are service providing, while 3,900 are goods producing. Most sectors saw minor gains, though the catch all 'Administration, Support, Waste & Remediation' saw the largest growth, adding 6,400 jobs. Included in that

category are temporary employment positions, usually referred to as 'temp jobs', which account for roughly 43% of jobs in that category. This growth in temp jobs is not unique to New Hampshire; with a slow recovery, many employers are opting for temporary employees rather than bringing on full time staff. This is cause for some concern, since typically temp jobs are only on a short term contract, with little to no benefits. Government was the only sector to see substantial losses.

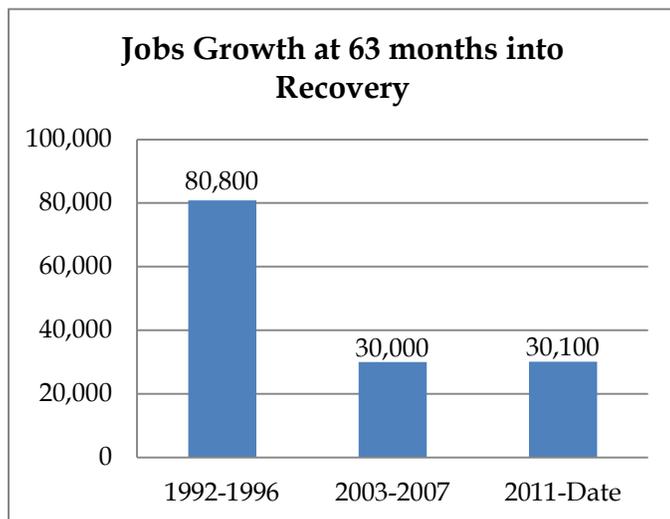
Comparing Cycles:



Looking between the last four cycles, the major trend is the progressive slowing of growth in real terms. Even when leaving out recessionary periods, the periods of growth have been declining in intensity.

65 months have now passed since the depth of the recession in terms of employment. Comparing this cycle to previous cycles this far into the recovery also highlight this slowing of growth.

Employment growth in this cycle is just over half of what it was by this point in the 2003-2011 cycle, and less than 1/5th of what it was during the 1980s.



These trends are reflected in the job growth numbers as well. At this point in during the 1992-2003 cycle, nearly 81,000 jobs had been added to the state. So far in both this cycle and the previous, job growth has been just over a third of that. This slow growth has resulted in more than a decade's worth of mediocre job creation. The unemployment rate is low not because people are finding jobs here in New Hampshire, but because they are find jobs in other states, primarily Massachusetts.

This lack robust job creation is the root cause of many of the state's problems, from the perennial state budget crises, to the difficulties keeping young people in the state.