

# New Hampshire

## Economic Conditions



May 2009

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Claims Activity .....4

Seasonally  
 Adjusted Estimates  
 Unemployment Rates ..5  
 Current Employment  
 Statistics .....5

Not Seasonally  
 Adjusted Estimates  
 Unemployment Rates ..6  
 Current Employment  
 Statistics .....7

For Additional  
 Information .....9

EC EXTRA - New  
 Measures of Labor  
 Underutilization ...A1



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 and Labor Market Information  
 Bureau

### Does Age Matter? The effects of the economic downturn by age and gender of New Hampshire unemployment claimants.

*(This article explores the demographics of continued claims being filed in New Hampshire during this economic downturn)*

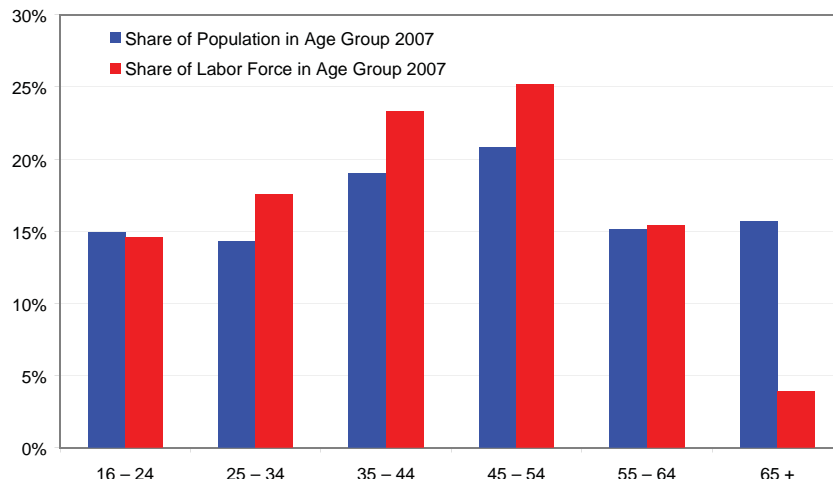
**Age Groups in the Labor Force**  
 New Hampshire's seasonally adjusted unemployment rate in March was 6.2 percent, up one percentage point from January's 5.2 percent. From January to March the number of employed residents decreased by 3,600 and the number of unemployed residents increased almost 7,500 people.

The current economic downturn is affecting many different demographic groups in the population. Are young inexperienced workers being turned away by employers or are

they being embraced because they can be hired with lower wages? Are older workers with more experience and hands-on knowledge being retained for their abilities or are they being released because they generally receive more compensation?

Using the state's population age 16 and over, a comparison can be made between the age groups that dominate the workforce and their share of the comparable population. In 2007, the age groups of 35 to 44 years and 45 to 54 years of age were the largest in both the share of New Hampshire's eligible population as well as the share of the labor force. Those age groups are also commonly referred to as the prime working years, when many workers reach their maximum earning potential.

Share of Population Age 16 and Over and Labor Force by Age Groups, 2007



Source: Population Division, U.S. Census Bureau  
 Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey

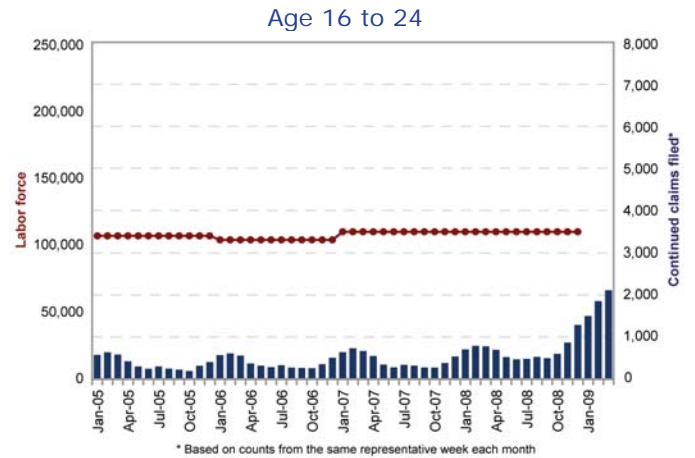
The impact of the economic downturn on various age groups can be gauged by using counts from a representative week each month of continued claims for unemployment compensation benefits. These details are captured with a monthly report that provides the age of individuals who are claiming unemployment benefits.<sup>1</sup> Even though this is a single week of information, it is the same representative week each month, so is a valuable point-in-time reference. Continued claims for unemployment benefits in all age groups follow the seasonal flow of employment in the state, with numbers generally higher during the winter months and falling back in warmer weather.

### Age Groups

The definition of the labor force includes those 16 years of age or older who are either working, or unemployed but looking and available for work. Based on those confines, the concentration of this report will be on ages 16 and older.

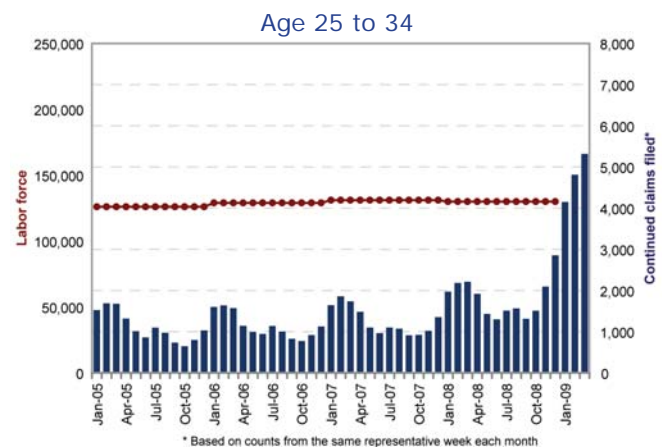
#### Age 16 to 24

The share of people in this age group have almost equal representation in the labor force and population, 14.9 percent and 14.6 percent respectively. This is the youngest age group in the labor force. Generally workers in this group have less experience, as many are still enrolled in high school and some in college. Because of those academic obligations, availability of workers from this age group typically follows seasonal flows. This limited labor force participation may also have a bearing on their eligibility for unemployment compensation. The number of unemployment claims usually shrinks in the summer months when the tourist season is strong and businesses open for the season. Patterns of continued claims from workers 16 to 24 years increase after the summer season through the winter months. Although the pattern remained similar through 2007, the numbers were higher than previous years. Since the fall of 2008 claims escalated to new highs each month.



#### Age 25 to 34

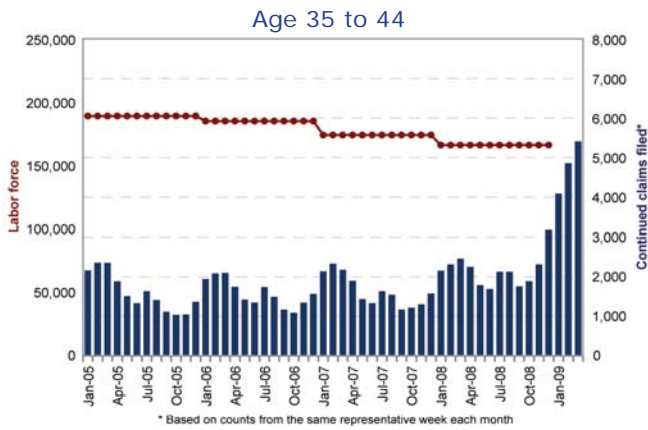
The share of relevant statewide population of this age group is 14.3 percent, similar to the 16 to 24 age group. However, they have a much larger presence in the labor force, representing 17.6 percent, compared to the 14.9 percent of those in the younger age group. Like all the age groups, continued claims in this age group follow a seasonal flow. That trend was consistent in 2005 and 2006, but in 2007 the number of continued claims started creeping upward when compared to corresponding months of the previous year. Continued claims among people in the 25 to 34 year age bracket have continued to climb every month through the fall of 2008 and spring 2009.



<sup>1</sup> United States Department of Labor, Employment and Training Administration, ETA 203 – Distribution of Characteristics of the Insured Unemployed, New Hampshire.

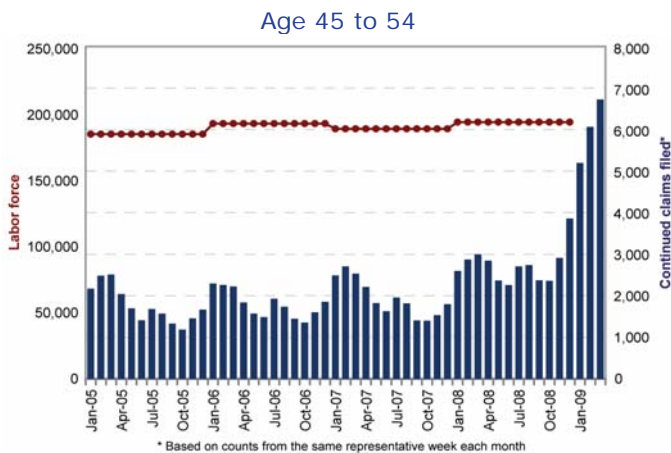
### Age 35 to 44

Those in the 35 to 44 year age group belong to the second largest age group in the labor force in New Hampshire. They make up over 23 percent of the labor force, but they make up 19 percent of the comparable population. With a greater attachment to the labor force individuals in this age group are more likely to be eligible for unemployment benefits. The share of individuals in this age group that have continued weeks of benefits claimed increased from less than half a percent in mid-2007 to almost two percent in December 2008. The volume of continued claims continued to rise during the first quarter of 2009.



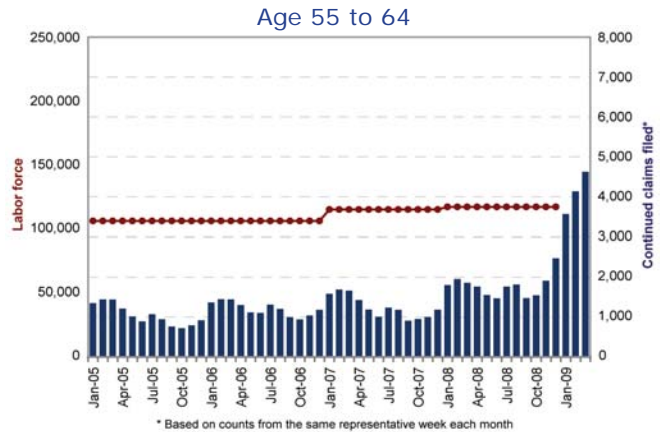
### Age 45 to 54 years

One of every four people in New Hampshire's labor force is between 45 to 54 years old. Because this group is so numerous in the labor force, it stands to reason that there would be a larger volume of claims in this age bracket. That said, about two percent of people in this age group filed continued claims for unemployment benefits.



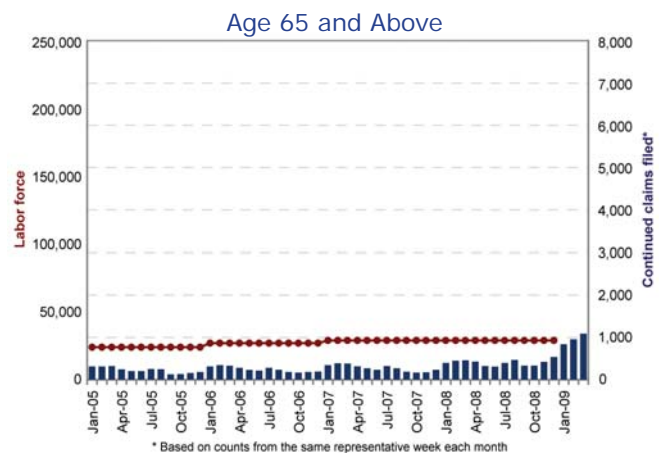
### Age 55 to 64

Workers in this age group typically possess a wealth of experience and knowledge. Members of this age group are generally working toward retirement. They represent roughly 15 percent of the state's labor force and comparable population. Like all other age groups, continued claims in this age group follow the seasonal flow through the years with significant increases since the fall of 2008.



### 65 years and over

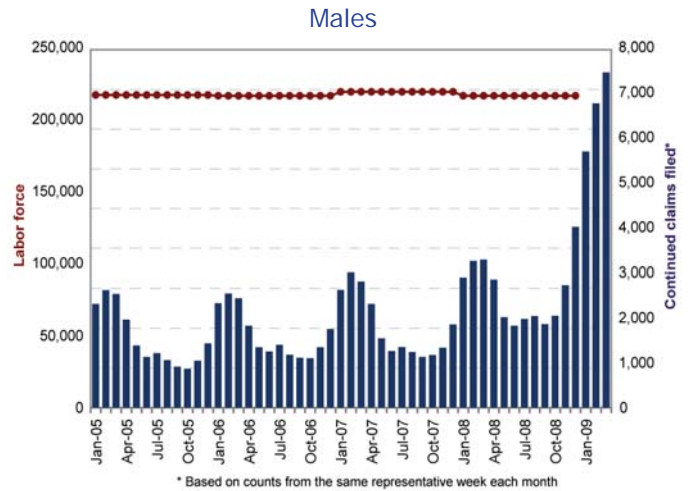
The traditional age of retirement may be changing, whether from economic demands creating a need for additional income or simply that older workers find they miss the stimulation of being involved in the workforce. Either way, people in this age group make up almost four percent of the state's labor force. Even though they are far smaller in number, workers in this age bracket are also experiencing an increase in the share of workers receiving continued weeks of unemployment benefits.



Gender in the Labor Force

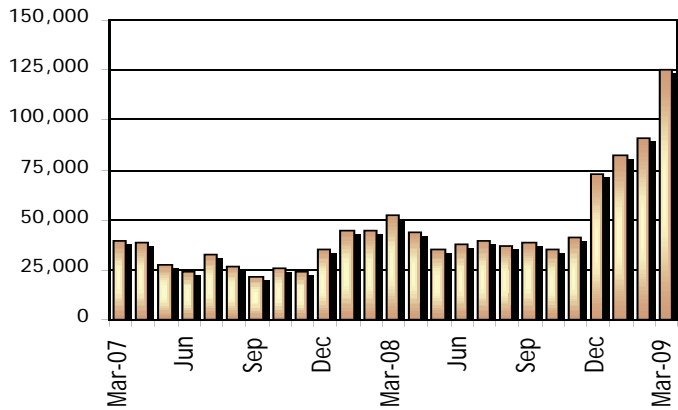
There is a significant difference in the seasonal trend of continued claims between males and females. Since males tend to dominate the construction and extraction jobs, many of which are weather-dependent, there are normal increases of claims among males during the winter months. The difference in the last year and a half is that the number of continued claims filed by males have not dropped back to the levels of corresponding months of the previous year which is not the usual seasonal pattern.

Continued on page 9



Unemployment Compensation Claims Activity

Total Regular Unemployment Compensation Programs:				Change from Previous			
	Mar-09	Feb-09	Mar-08	Month		Year	
				Net	Percent	Net	Percent
Initial Claims	10,673	10,190	4,459	483	4.7%	6,214	139.4%
Continued Weeks	125,063	90,728	51,903	34,335	37.8%	73,160	141.0%



Claims Activity

Continued Weeks Claimed

March 07 to March 09

Unemployment Compensation Fund

Unemployment compensation fund balance at the end of March	\$110,453,196.79
Average payment for a week of total unemployment:	\$275.76
Net benefits paid:	\$30,948,883.00
Net contributions received during the month:	\$349,208.58
Interest Received:	\$1,438,283.66
Reed Act Withdrawn for Administrative Costs:	\$1,039,082.00

Trust Fund

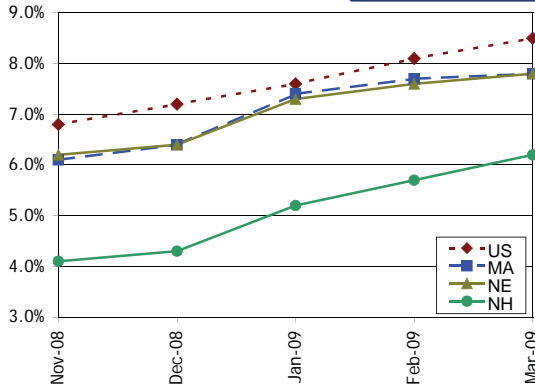
			Change from Previous	
Mar-09	Feb-09	Mar-08	Month	Year
217.709	212.193	213.528	0.2%	-0.4%

United States  
All Urban Areas (CPI-U)  
(1982-1984=100)

Consumer Price Index

# Seasonally Adjusted Estimates

## Unemployment Rates by Region



Seasonally Adjusted	Mar-09	Feb-09	Mar-08
United States	8.5%	8.1%	5.1%
Northeast	7.9%	7.7%	4.9%
New England	7.8%	7.6%	4.8%
Connecticut	7.5%	7.4%	5.3%
Maine	8.1%	7.8%	5.0%
Massachusetts	7.8%	7.7%	4.7%
New Hampshire	6.2%	5.7%	3.7%
Rhode Island	10.5%	10.5%	6.8%
Vermont	7.2%	7.1%	4.6%
Mid Atlantic	7.9%	7.8%	4.9%
New Jersey	8.3%	8.2%	4.8%
New York	7.8%	7.8%	4.8%
Pennsylvania	7.8%	7.5%	4.9%

Nov-08 Dec-08 Jan-09 Feb-09 Mar-09

### Local Area Unemployment Statistics (LAUS) By Place of Residence

New Hampshire					
Unemployment Rate	4.1%	4.3%	5.2%	5.7%	6.2%
Civilian Labor Force	738,460	738,870	739,720	742,420	743,600
Number Employed	708,250	707,430	701,450	700,170	697,850
Number Unemployed	30,210	31,440	38,270	42,250	45,750
United States (in thousands)					
Unemployment Rate	6.8%	7.2%	7.6%	8.1%	8.5%
Civilian Labor Force	154,620	154,447	153,716	154,214	154,048
Number Employed	144,144	143,338	142,099	141,748	140,887
Number Unemployed	10,476	11,108	11,616	12,467	13,161

### Current Employment Statistics (CES) By Place of Establishment

Please note that not all supersectors meet the statistical criteria for publication in this category. We seasonally adjust the total nonfarm data series and all the published supersectors independently. Therefore, the sum of the published parts will not equal the total.

Supersector	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
Total Nonfarm	643,100	638,800	641,800	640,600	637,300
Construction	24,100	23,100	23,200	22,900	23,100
Manufacturing	73,100	72,300	71,700	71,000	70,400
Durable Goods	55,400	55,400	55,400	54,400	54,000
Non-Durable Goods	17,700	16,900	16,300	16,600	16,400
Trade, Transportation, and Utilities	139,400	139,000	142,500	142,900	142,400
Wholesale Trade	27,600	27,600	27,900	27,800	27,600
Retail Trade	96,900	96,400	100,100	100,700	100,400
Transportation and Utilities	14,900	15,000	14,500	14,400	14,400
Information	12,000	11,900	12,100	12,200	12,100
Financial Activities	37,600	37,700	37,700	37,800	37,800
Real Estate and Rental and Leasing	7,400	7,400	7,400	7,400	7,300
Professional and Business Services	68,000	65,900	66,000	65,000	64,500
Administrative and Support	28,800	27,400	27,700	27,400	27,000
Education and Health Services	107,500	107,200	106,100	106,900	106,200
Educational Services	24,000	23,900	23,100	23,500	23,100
Health Care and Social Assistance	83,500	83,300	83,000	83,400	83,100
Leisure and Hospitality	62,300	62,500	63,400	63,600	63,100
Arts, Entertainment, and Recreation	9,000	9,400	9,500	9,600	9,600
Accommodation and Food Services	53,300	53,100	53,900	54,000	53,500
Other Services	22,200	21,800	21,900	22,800	22,600
Government	95,900	96,500	96,400	94,700	94,300
Federal Government	7,600	7,900	7,900	7,900	7,700
State Government	25,700	26,400	26,100	24,100	23,700
Local Government	62,600	62,200	62,400	62,700	62,900
Manchester NH MetroNECTA	101,200	100,900	100,900	100,700	100,300
Nashua NH-MA NECTA Division	131,700	131,600	131,900	131,100	130,200
Portsmouth NH-ME MetroNECTA	55,300	55,000	55,000	54,800	55,200
Rochester-Dover NH-ME MetroNECTA	57,800	57,500	58,700	57,400	57,200

Current month is Preliminary  
Past months are Revised

# Not Seasonally Adjusted Estimates

## Labor Force Estimates

New Hampshire	Mar-09	Feb-09	Mar-08
Total Civilian Labor Force	740,740	738,600	736,870
Employed	691,970	692,040	708,080
Unemployed	48,770	46,560	28,790
Unemployment Rate	6.6%	6.3%	3.9%

United States (# in thousands)	Mar-09	Feb-09	Mar-08
Total Civilian Labor Force	153,728	153,804	153,135
Employed	139,833	140,105	145,108
Unemployed	13,895	13,699	8,027
Unemployment Rate	9.0%	8.9%	5.2%

## Unemployment Rates by Area

Counties	Mar-09	Feb-09	Mar-08
Belknap	7.7%	7.3%	4.6%
Carroll	6.7%	6.1%	4.1%
Cheshire	6.2%	5.8%	3.8%
Coos	9.5%	9.4%	5.3%
Grafton	5.3%	5.1%	3.2%
Hillsborough	6.6%	6.3%	3.9%
Merrimack	6.0%	5.8%	3.9%
Rockingham	6.9%	6.7%	4.1%
Strafford	6.6%	6.1%	3.5%
Sullivan	6.0%	5.8%	3.6%

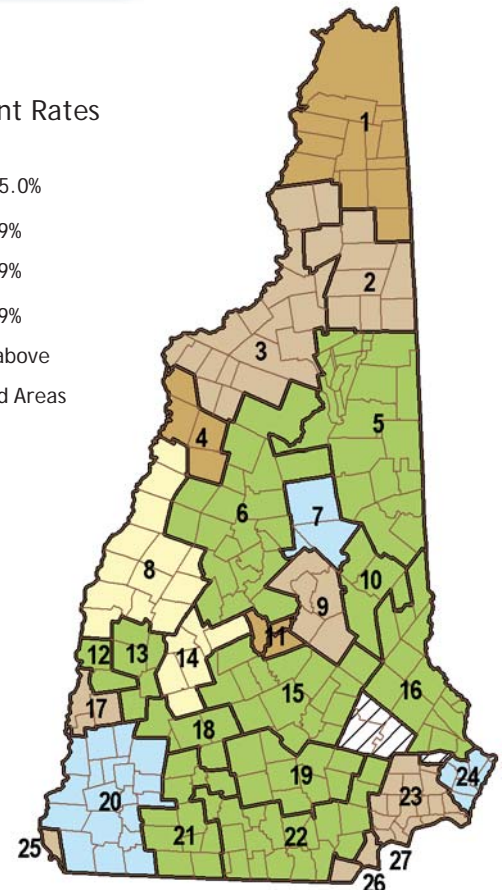
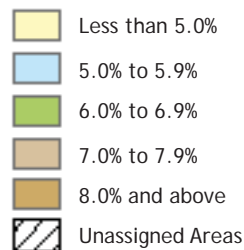
Map Key Labor Market Areas	Mar-09	Feb-09	Mar-08
1 Colebrook NH-VT LMA, NH Portion	13.7%	13.3%	5.5%
2 Berlin NH MicroNECTA	7.9%	7.9%	5.3%
3 Littleton NH-VT LMA, NH Portion	7.6%	7.6%	4.3%
4 Haverhill NH LMA	8.5%	8.6%	5.0%
5 Conway NH-ME LMA, NH Portion	6.6%	6.0%	4.2%
6 Plymouth NH LMA	6.3%	6.1%	3.8%
7 Moultonborough NH LMA	5.9%	5.7%	3.6%
8 Lebanon NH-VT MicroNECTA, NH Portion	3.9%	3.7%	2.5%
9 Laconia NH MicroNECTA	7.8%	7.4%	4.7%
10 Wolfeboro NH LMA	6.5%	5.8%	3.8%
11 Franklin NH MicroNECTA	8.2%	8.0%	5.1%
12 Claremont NH MicroNECTA	6.5%	6.3%	3.7%
13 Newport NH LMA	6.4%	6.1%	3.7%
14 New London NH LMA	4.8%	4.5%	3.3%
15 Concord NH MicroNECTA	6.0%	5.7%	3.9%
16 Rochester-Dover NH-ME MetroNECTA, NH Portion	6.7%	6.1%	3.5%
17 Charlestown NH LMA	7.6%	7.5%	4.1%
18 Hillsborough NH LMA	6.9%	6.6%	4.1%
19 Manchester NH MetroNECTA	6.5%	6.1%	3.9%
20 Keene NH MicroNECTA	5.8%	5.4%	3.5%
21 Peterborough NH LMA	6.7%	6.6%	4.3%
22 Nashua NH-MA NECTA Division, NH Exeter Area, NH Portion, Haverhill-N. Andover-Amesbury MA-NH NECTA Division	6.5%	6.3%	3.8%
23 N. Andover-Amesbury MA-NH NECTA Division	7.8%	7.9%	4.7%
24 Portsmouth NH-ME MetroNECTA, NH Portion	5.8%	5.5%	3.4%
25 Hinsdale Town, NH Portion, Brattleboro VT-NH LMA	7.6%	7.5%	4.6%
26 Pelham Town, NH Portion, Lowell-Billerica-Chelmsford MA-NH NECTA Division	7.9%	8.1%	4.9%
27 Salem Town, NH Portion, Lawrence-Methuen-Salem MA-NH NECTA Division	7.8%	7.6%	4.7%

## Unemployment Rates by States

Not Seasonally Adjusted U.S and Regional States	Mar-09	Feb-09	Mar-08
United States	9.0%	8.9%	5.2%
Northeast	8.3%	8.4%	5.1%
New England	8.2%	8.3%	5.1%
Connecticut	7.8%	7.9%	5.2%
Maine	8.9%	8.9%	5.5%
Massachusetts	8.2%	8.3%	4.9%
New Hampshire	6.6%	6.3%	3.9%
Rhode Island	11.1%	11.4%	7.0%
Vermont	7.9%	7.8%	5.0%
Mid Atlantic	8.3%	8.4%	5.1%
New Jersey	8.7%	8.8%	5.1%
New York	8.1%	8.4%	5.0%
Pennsylvania	8.2%	8.2%	5.2%

Current month is Preliminary  
Past months are Revised

## March - 09 Unemployment Rates



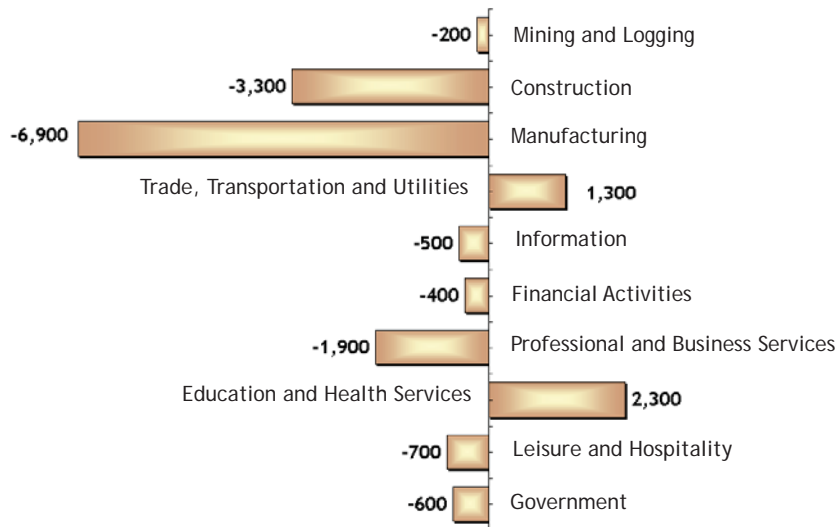
New Hampshire unemployment and labor force estimates are calculated using a regression model which depends on Current Population Survey (CPS) estimates. Labor Market Area estimates are calculated using the Bureau of Labor Statistics "Handbook Method" and then adjusted to the State levels.

Monthly Not Seasonally Adjusted New Hampshire Nonfarm Wage and Salary Employment

Current Employment Statistics Employment by Supersector by place of establishment	Number of Jobs			Change from previous:	
	Mar-09 preliminary	Feb-09 revised	Mar-08	Month	Year
	Total All Supersectors	627,500	628,700	637,900	-1,200
Private Employment Total	529,800	531,300	539,600	-1,500	-9,800
Mining and Logging	800	800	1,000	0	-200
Construction	20,600	20,100	23,900	500	-3,300
Manufacturing	69,800	70,300	76,700	-500	-6,900
Durable Goods	53,600	53,900	58,500	-300	-4,900
Non-Durable Goods	16,200	16,400	18,200	-200	-2,000
Trade, Transportation and Utilities	138,700	138,900	137,400	-200	1,300
Wholesale Trade	27,200	27,400	27,900	-200	-700
Retail Trade	97,300	97,400	94,800	-100	2,500
Transportation and Utilities	14,200	14,100	14,700	100	-500
Information	12,000	12,100	12,500	-100	-500
Financial Activities	37,600	37,500	38,000	100	-400
Professional and Business	62,900	63,400	64,800	-500	-1,900
Education and Health	106,800	107,300	104,500	-500	2,300
Leisure and Hospitality	58,400	58,500	59,100	-100	-700
Other Services	22,200	22,400	21,700	-200	500
Government Total	97,700	97,400	98,300	300	-600

Change in Nonfarm Employment

Mar. 08 - Mar. 09



Monthly Analysis of Current Employment Statistics (CES) Data

For further analysis please read the *Detailed Monthly Analysis of Industry Employment Data* on our Web site at <[www.nh.gov/nhes/elmi/nonfarm.htm](http://www.nh.gov/nhes/elmi/nonfarm.htm)>

Seasonally Adjusted: Preliminary seasonally adjusted employment decreased from February to March, down 3,300 jobs. Over-the-year, employers cut 9,900 positions from their payroll.

Construction (supersector 20) was the only supersector to post an over-the-month growth, up 200 jobs. This is the largest seasonally adjusted February to March growth that construction has seen in four years. From February to March, financial activities (supersector 55) remained unchanged over the month.

Education and health services (supersector 65) posted the largest over-the-month drop among the supersectors, down 700 jobs. Educational services (sector 61) and health care and social assistance (sector 62) split this reduction, down 400 and 300 jobs, respectively. Employers in manufacturing (supersector 30) lost 600 jobs over-the-month. Two-thirds of this loss was in Durable goods, down 400 jobs, while non-durable goods cut 200 jobs.

Employment in leisure and hospitality (supersector 70) decreased over-the-month, down 500 jobs. This employment contraction can be

Monthly Unadjusted Nonfarm Wage and Salary Employment by Metropolitan Statistical Areas

Employment by Sector number of jobs by place of establishment	Manchester NH MetroNECTA			Nashua NH-MA NECTA Division			Portsmouth NH-ME MetroNECTA			Rochester-Dover NH-ME MetroNECTA		
	preliminary Mar-09	Change from previous:		preliminary Mar-09	Change from previous:		preliminary Mar-09	Change from previous:		preliminary Mar-09	Change from previous:	
		Month	Year		Month	Year		Month	Year		Month	Year
Total All Sectors	99,500	-100	-200	128,900	-400	-2,000	53,700	300	700	57,500	0	-1,100
Private Employment Total	87,700	-200	-300	113,600	-400	-2,100	43,900	200	400	44,000	0	-600
Mining and Logging and Construction	4,300	100	-100	4,100	100	-400	1,400	100	-100	1,500	0	-100
Manufacturing	8,600	0	-600	23,200	-200	-1,900	3,900	0	-100	6,700	0	-200
Trade, Transportation and Utilities	19,200	-300	-500	30,000	-300	200	10,700	0	0	11,000	0	-100
Wholesale Trade	4,400	0	-400	5,800	0	-100	2,000	0	0	1,200	0	0
Retail Trade	12,000	-100	-100	20,400	-300	400	7,800	0	200	8,800	0	-100
Transportation, Warehousing and Utilities	Data not available			3,800	0	-100	900	0	-200	1,000	0	0
Information	3,000	-100	-100	2,400	0	100	1,800	0	-100	1,100	0	0
Financial Activities	8,100	100	100	8,500	0	-200	4,200	100	100	4,300	0	0
Professional and Business	13,900	-100	100	13,700	-200	-100	8,900	0	0	4,500	0	-300
Education and Health	18,200	0	500	17,100	0	100	5,600	0	100	8,000	0	100
Leisure and Hospitality	8,200	100	200	10,100	100	0	5,900	0	500	5,100	0	0
Other Services	4,200	0	100	4,500	100	100	1,500	0	0	1,800	0	0
Government Total	11,800	100	100	15,300	0	100	9,800	100	300	13,500	0	-500

Average Earnings and Hours of Production Workers in Manufacturing

Sector	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Mar-09	Feb-09	Mar-08	Mar-09	Feb-09	Mar-08	Mar-09	Feb-09	Mar-08
	preliminary	revised		preliminary	revised		preliminary	revised	
New Hampshire									
All Manufacturing	\$668.69	\$649.61	\$681.07	38.9	38.1	39.3	\$17.19	\$17.05	\$17.33
Durable Goods	\$686.79	\$659.84	\$704.85	39.0	37.9	40.3	\$17.61	\$17.41	\$17.49
Nondurable Goods	\$617.31	\$620.02	\$611.52	38.8	38.8	36.4	\$15.91	\$15.98	\$16.80

attributed to the loss in accommodation and food services (sector 72), down 500 jobs. Employers in trade, transportation, and utilities (supersector 40) cut 500 jobs from February to March. Retail trade and wholesale trade split this loss, with a drop of 300 and 200, in turn.

Professional and business services (supersector 60) reduced its workforce by 500 jobs over-the-month. Administrative and support and waste management and remediation services (sector 56) claimed 80 percent of this loss, down 400 jobs from February to March.

Employment in government (supersector 90) declined over-the-month, down 400 jobs. Local government posted a gain of 200 jobs from February to March, while state government and federal government lost 400 and 200 jobs, respectively.

Seasonally Unadjusted: From February to March, preliminary not seasonally adjusted employment

decreased by 1,200 jobs. Over-the-year, New Hampshire employers reduced their workforce by 10,400 jobs.

Employers in manufacturing (supersector 30), professional and business services (supersector 60), and education and health services (supersector 65) each cut 500 jobs, over-the-month.

Employment in other services (supersector 80) and trade, transportation, and utilities (supersector 40) each lost 200 jobs from February to March. Information (supersector 50) and leisure and hospitality (supersector 70) each had a slight over-the-month drop of 100 jobs.

On a positive note, employment in construction (supersector 20) started to pick up from February to March, adding 500 jobs. Employment in government (supersector 90) rose over-the-month, a gain of 300 jobs.

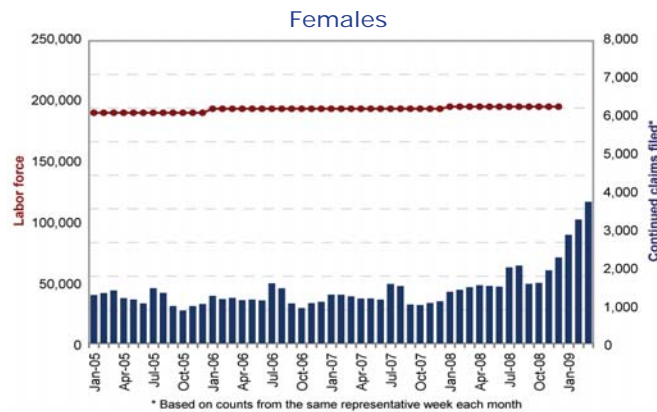
Gail Clay

Continued from page 4

The pattern of continued claims for unemployment benefits filed by females also ties in with the close association of females to educational occupations, so it has a less sharply defined seasonal pattern. Those type jobs are out of work during summer months, as the claims filed increase during July and August. However, the number of continued claims filed increased steadily through 2008 and into the first quarter of 2009.

In summary, no specific age group seems to be more affected than another. Each group has experienced an increase in the share of those filing continued weeks for unemployment benefits. Traditionally, the seasonal trend of claims does decrease during the spring months. It is hoped that this trend will recur when the April 2009 figures become available.

Anita Josten



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## New Measures of Labor Underutilization to supplement the Official Unemployment Rate

Each month New Hampshire Employment Security's Economic and Labor Market Information Bureau releases the official statewide unemployment rate. This is prepared in cooperation with the U.S. Bureau of Labor Statistics.

In 2008 New Hampshire's official annual unemployment rate averaged 3.8%. This measure of unemployment requires very specific conditions to be met. For example, to be in the *labor force*, a person needs to be employed or unemployed.

*Employed* means **one** of the following:

- a. worked for pay
- b. was self-employed
- c. worked 15 hours or more as unpaid workers in a family-owned business
- d. was temporarily absent from a job due to vacation, holiday, illness, etc.

*Unemployed* means **all** of the following:

- a. not employed
- b. able and available for work
- c. made specific efforts to find a job during the last four weeks

The civilian labor force is the sum of people who are either employed or unemployed. The official unemployment rate is the unemployed as a share of the state's civilian labor force. People who are neither employed nor unemployed, as defined above, are *not in the labor force*.

The value of this calculation, and its components, is that people being included have a strong attachment to work – either by being employed, or actively seeking a job.

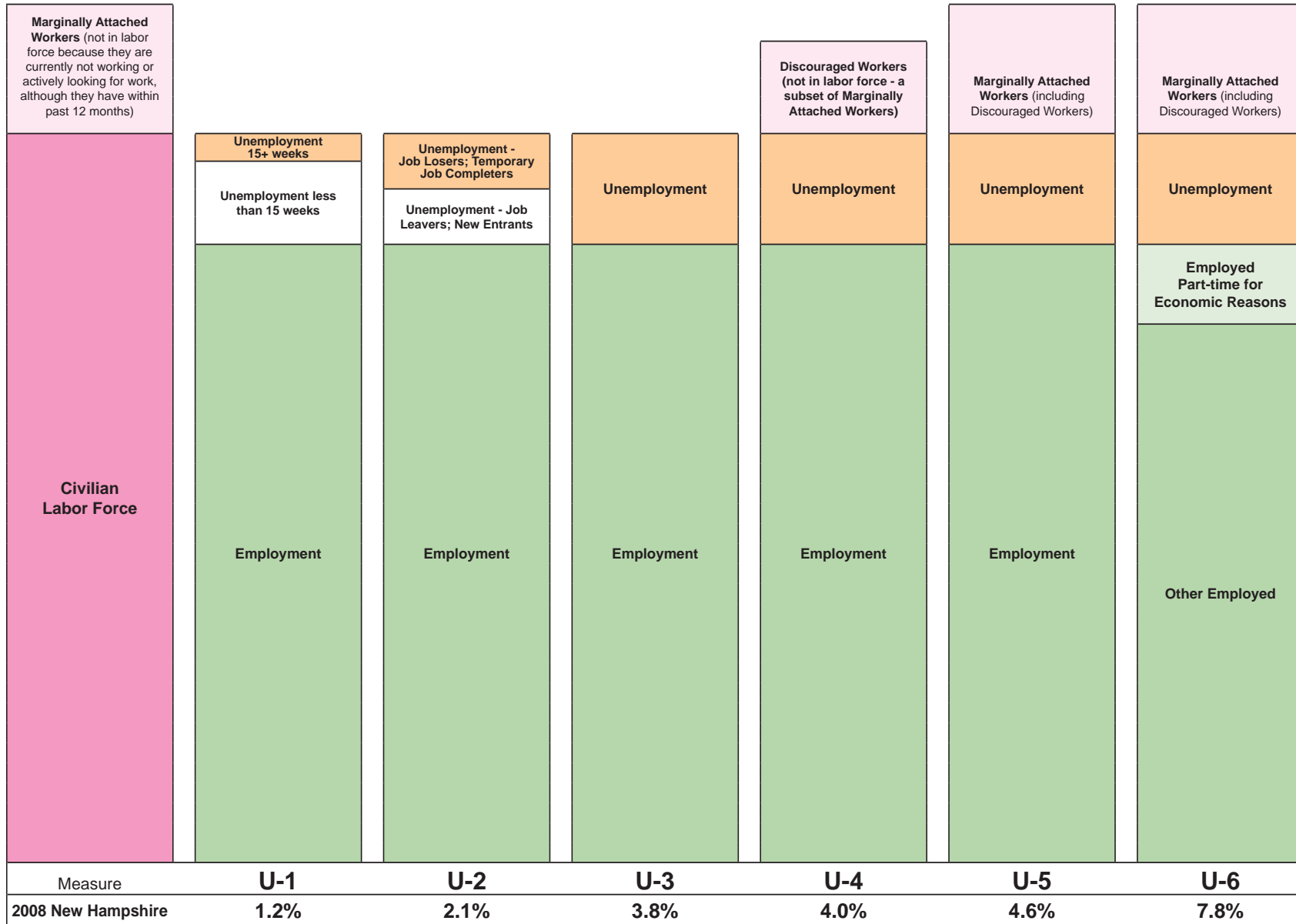
Some observers, however, think that this method has some problems. For example, a person is counted as employed no matter how many hours a week they work. Someone who works as little as one hour per week for pay is considered just as employed as someone who works sixty hours in a week. On the other hand, someone who has been unsuccessfully looking for a job could become so discouraged by the experience that they stop looking. If this happens, and they are no longer actively looking for a job, they would no longer be counted as unemployed.

Recognizing situations like this, the U.S. Bureau of Labor Statistics has prepared alternative ways to measure how labor resources – people – are being utilized in the United States. These measures have now been prepared for all states, including New Hampshire. Five additional measures covering a twelve-month average are expected to be made available each quarter, in addition to the official unemployment rate each month. Each measure shows a different aspect of unemployment or underemployment.

New Hampshire Employment Security's Economic and Labor Market Information Bureau expects to release these four-quarter moving averages as they become available.

Descriptions of these alternative measures follow.

### How the Different Measures of Labor Underutilization Relate to Each Other



**U-1:** Persons unemployed 15 weeks or longer, as a percent of the civilian labor force

**Comments:** Because it counts only the long-term unemployed and calculates their share of the civilian labor force, this measure will be lower than the calculation for the official unemployment rate. (U-3)

**U-2:** Job losers and persons who completed temporary jobs, as a percent of the civilian labor force

**Comments:** Measures only those persons who lost their jobs through layoff or other dismissal, and those who had been working a temporary job that ended, all as a share of the civilian labor force. This measure will be lower than the official unemployment rate (U-3) since it does not include persons who left jobs voluntarily but are still looking for a new job, nor does it include new entrants into the workforce.

**U-3:** Total unemployed (willing and able to work, and actively looking for a job), as a percent of the civilian labor force

**Comments:** This is the traditional (official) unemployment rate measure. It measures total unemployment (those not working but willing and able to work, and actively seeking employment over the prior four weeks) as a percentage of the total civilian labor force. The labor force is the total of unemployment (as defined above) plus employment.

**U-4:** Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers.

**Comments:** This measure will be at least equal to (and likely greater than) the official unemployment rate, since it includes discouraged workers in the total number of underutilized workers. Discouraged workers belong to a subset of marginally attached workers, and have given a job-market related reason for not looking currently for a job. Measure U-4 adds discouraged workers to the civilian labor force to create a larger workforce base.

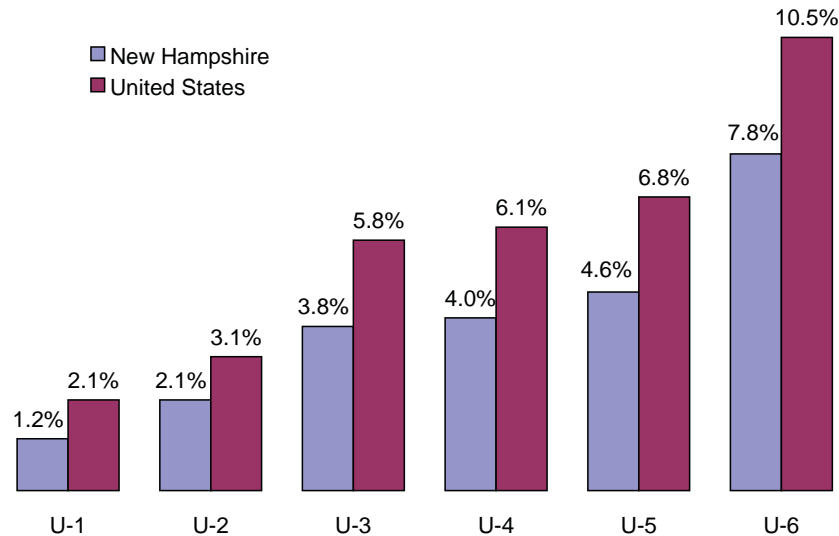
**U-5:** Total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers.

**Comments:** Marginally attached workers are persons who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the recent past. Measure U-4 includes discouraged workers, while measure U-5 also includes other marginally attached workers, so U-5 will typically be greater than U-4.

**U-6:** Total unemployed, plus all marginally attached workers, plus total employed part-time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

**Comments:** This measure uses the same workforce base as U-5, but adds the number of persons employed part-time for economic reasons to the number of persons either unemployed or underutilized. Persons employed part-time for economic reasons are those who want and are available for full-time work but have had to settle for a part-time schedule.

**In 2008, by any measure of labor unemployment or underutilization, New Hampshire fared better than the United States**



**Alternative Measures of Labor Underutilization – NH vs. US, 2007 and 2008**

		U-1	U-2	U-3	U-4	U-5	U-6
2008	New Hampshire	1.2%	2.1%	3.8%	4.0%	4.6%	7.8%
	United States	2.1%	3.1%	5.8%	6.1%	6.8%	10.5%
2007	New Hampshire	0.9%	1.8%	3.6%	3.7%	4.2%	6.6%
	United States	1.5%	2.3%	4.6%	4.9%	5.5%	8.3%

*The following statement was prepared by the U.S. Bureau of Labor Statistics:*

**Frequency and Availability of Alternative Measures of Labor Underutilization for States**

The Current Population Survey (CPS) is the monthly household survey, conducted by the U.S. Census Bureau for the Bureau of Labor Statistics (BLS), that is the direct source of the national unemployment rate, but not state unemployment rates. The sample is scientifically developed to represent the entire civilian noninstitutional population, with about 60,000 households nationwide eligible for interview each month. State sample sizes range from about 600 to 4,000 households. Due to the small sample sizes, the sampling errors and confidence intervals on the State-level CPS data are considerably larger than their national counterparts.

For all States and the District of Columbia, the official monthly labor force and unemployment estimates are developed using a statistical modeling approach, based on historical and current relationships found within each State's economy. Modeling results in estimates that are more reliable than the direct survey estimates.

Monthly statewide estimates from the CPS are used as inputs in the statistical models. The monthly CPS estimates on their own are far too variable to provide an accurate picture of the labor market. Other than modeling, the way in which the CPS estimates are made more reliable is by aggregating the survey estimates over time. As a result, BLS generally produces CPS statewide estimates of demographic and economic characteristics on an annual average basis only. Due to the interest in the alternative measures of labor underutilization and the rapidly changing economy, 4-quarter moving averages are being developed as well.