



### 3. Labor Force & Unemployment

The unemployment rate is very frequently used to assess the health of an economy. In this regard, New Hampshire has fared well over the past several years, experiencing the lowest unemployment rate in New England in both 2007 (3.6 percent) and 2006 (3.5 percent). New Hampshire also had a lower unemployment rate than the country as a whole in 2007, at 3.6 percent compared to 4.6 percent. Only 12 other states had lower unemployment rates than New Hampshire.

The New Hampshire labor force consists of state residents age 16 and older who are employed (whose jobs are not necessarily in New Hampshire) or unemployed (but available to work and actively seeking employment). New Hampshire has benefited in recent years from an increasing labor force with relatively stable numbers of unemployed residents, which has helped keep the unemployment rate low. In 2007 New Hampshire's labor force averaged 738,320, up 3.8 percent from the 2003 level. This growth rate was second in New England only to Connecticut (3.9 percent) over this time frame, and doubled the growth rate of the region as a whole (1.9 percent). Growth in the state's labor force can be linked to population growth, and New Hampshire's population growth was the fastest in New England between 2000 and 2007.

New Hampshire residents age 16 and over are strongly attached to the workforce. This is reflected in the state's 70.8 percent Labor Force Participation Rate (LFPR),

which indicates that seven in every ten persons over age 16 are in the labor force – either employed, or unemployed but willing and able to work and looking for a job.

This was the tenth highest LFPR in the United States in 2007. High labor force participation is the norm for both men and women in New Hampshire, although men tend to have higher participation rates. This is partly due to many females being out of the labor force during child-rearing years. Also, women on average tend to live longer than men so the share of the population over age 65, many of whom are retired and out of the labor force, is more than half female which serves to reduce the female LFPR relative to the male LFPR. The result is a LFPR for females registering about 12 percentage points below that of males, 64.9 percent compared to 76.9 percent in 2007. Still, both male and female LFPRs were each ninth highest in the country compared to their counterparts in other states. As baby boomers age, the average age in New Hampshire should continue to increase. Unless workers decide to not retire at age 65 or earlier (increasingly likely given better states of health at advanced ages, and the recent economic downturn), the New Hampshire LFPR is liable to decline.

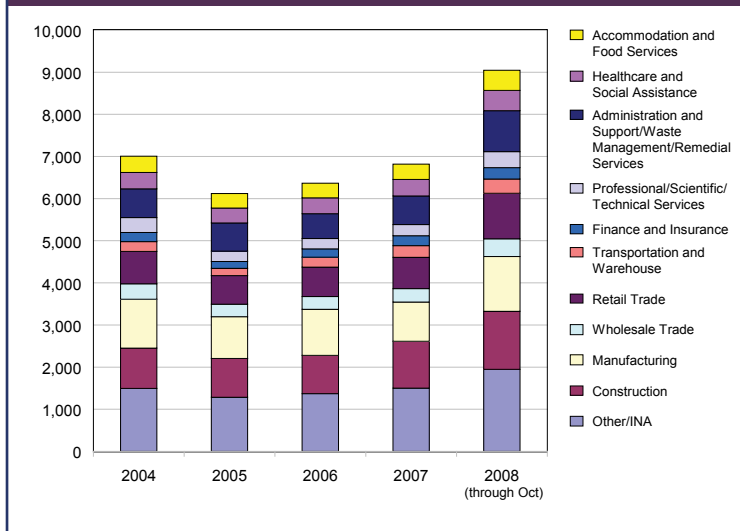
One measure of the difficulty unemployed workers face in finding reemployment is the duration of unemployment benefits. Average duration quantifies the number of weeks the typical beneficiary receives payment while unemployed, and is calculated by dividing the number

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of weeks compensated for a year by the number of first payments. In 2005 the average duration of unemployment in New Hampshire for persons qualifying for benefits was 11.8 weeks. That improved slightly to 11.7 weeks in 2006, but then rose to 12.6 weeks in 2007. By comparison, the United States average duration was 15.3 weeks in 2005, 15.3 weeks in 2006, and 15.2 weeks in 2007. In 2007, New Hampshire had the seventh-lowest average duration in the country. Even though average duration in New Hampshire has risen by over one week since 2005, it is still well below the national average, indicating that New Hampshire claimants are more quickly able to find reemployment. The average duration of benefits in New Hampshire however has continued to trend upward slightly. For the 12-month period through November 2008, which overlaps the base period for the 2007 annual calculation, average duration was 13.1 weeks.

One impact of increased initial claims and extended duration is an increase in continued weeks claimed. These are weeks of unemployment claimed by

Average Weekly Continued Claims by Industry have increased in virtually all sectors through October 2008



individuals after they have established their eligibility. After relatively little fluctuation from 2004-2007, average continued weeks claimed have increased by about one-third through October 2008. Of the major sectors, *Finance and insurance* has seen the smallest relative increase, while *Retail trade* has experienced the largest.

All that said, the unemployment rate through the first ten months of 2008 was tracking at an average around 4.0 percent. The labor

#### Unemployment Insurance

	2004	2005	2006	2007	Source
Weeks compensated for unemployment (UI)	321,358	284,832	292,507	328,678	DOL/OWS
Benefits paid, unemployment insurance (thousands)	\$78,560	\$69,997	\$72,701	\$84,187	DOL/OWS
Average duration, benefit payments (weeks)	15.4	11.8	11.7	12.6	DOL/OWS
United States average	16.2	15.3	15.3	15.2	DOL/OWS
United States rank <sup>a</sup> (1=longest duration)	28	49	48	46	DOL/OWS
Average weekly benefit amount					
New Hampshire	\$250.69	\$252.12	\$255.58	\$263.65	DOL/OWS
United States	\$262.50	\$266.69	\$277.19	\$287.71	DOL/OWS

<sup>a</sup> Ranks include D.C., Virgin Islands, and Puerto Rico

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force has continued to grow, up over 6,000 on average through October compared to the first ten months of 2007. Average employment has increased about 3,700 and unemployment has gone up an average of 2,700. Duration of benefits for unemployment compensation recipients has risen to 13.1 weeks through November

2008. While markedly better than national levels and averages, the New Hampshire economy is finding it harder to withstand the impacts of national economic trends. Maintenance of a healthy New Hampshire economy will depend on a stable and improving United States economy.

<b>Civilian Labor Force</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Source</b>
Civilian Labor Force (annual average)	715,620	722,910	731,720	738,320	BLS
Annual percent change	0.6%	1.0%	1.2%	0.9%	NHES
Labor force participation rate	71.1%	71.4%	70.9%	70.8%	BLS
United States rank	tie 9	9	11	10	BLS
Male participation rate	77.9%	78.0%	76.9%	76.9%	BLS
United States rank	7	tie 7	10	9	BLS
Female participation rate	64.7%	65.1%	65.3%	64.9%	BLS
United States rank	11	8	10	tie 9	BLS
<b>Employment</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Source</b>
Employed (annual average)	687,920	696,630	705,930	712,050	BLS
Annual percent change	1.3%	1.3%	1.3%	0.9%	BLS/NHES
<b>Unemployment</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Source</b>
Unemployed (annual average)	27,700	26,280	25,790	26,270	BLS
Unemployment rate (annual average)					
New Hampshire	3.9%	3.6%	3.5%	3.6%	BLS
United States rank (1=lowest)	6	5	11	13	BLS
New England	4.9%	4.7%	4.5%	4.4%	BLS
United States	5.5%	5.1%	4.6%	4.6%	BLS
Men					
New Hampshire	4.0%	3.8%	3.5%	3.9%	BLS
United States	5.6%	5.1%	4.6%	4.7%	BLS
Women					
New Hampshire	3.3%	3.5%	3.1%	3.3%	BLS
United States	5.4%	5.1%	4.6%	4.5%	BLS
Teenagers (16-19)					
New Hampshire	12.3%	13.1%	11.8%	12.6%	BLS
United States	17.0%	16.6%	15.4%	15.7%	BLS
<b>Work Stoppages</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Source</b>
Number of companies	6	0	0	0	USDOL
Employees involved	205	0	0	0	USDOL