

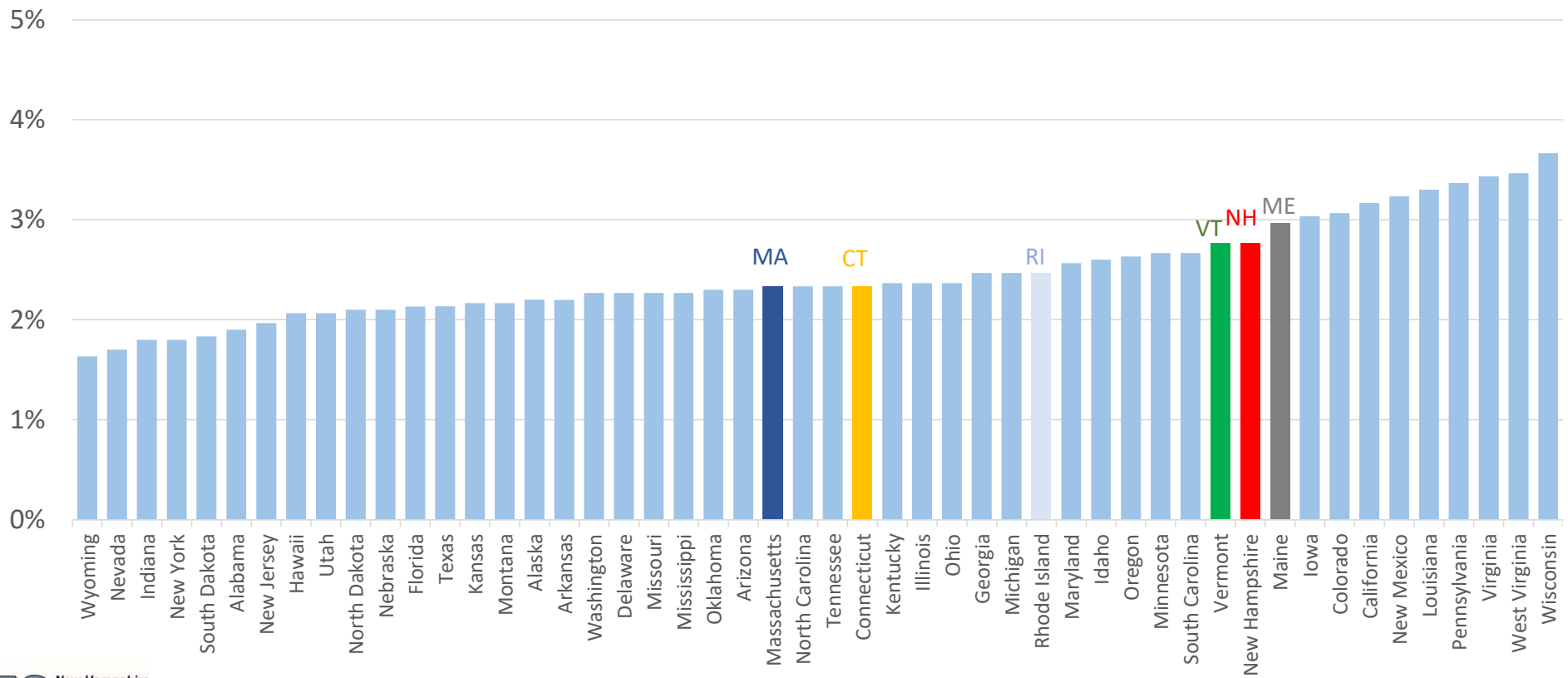
# New Hampshire House Ways and Means Committee Economic Briefing

February 28, 2023

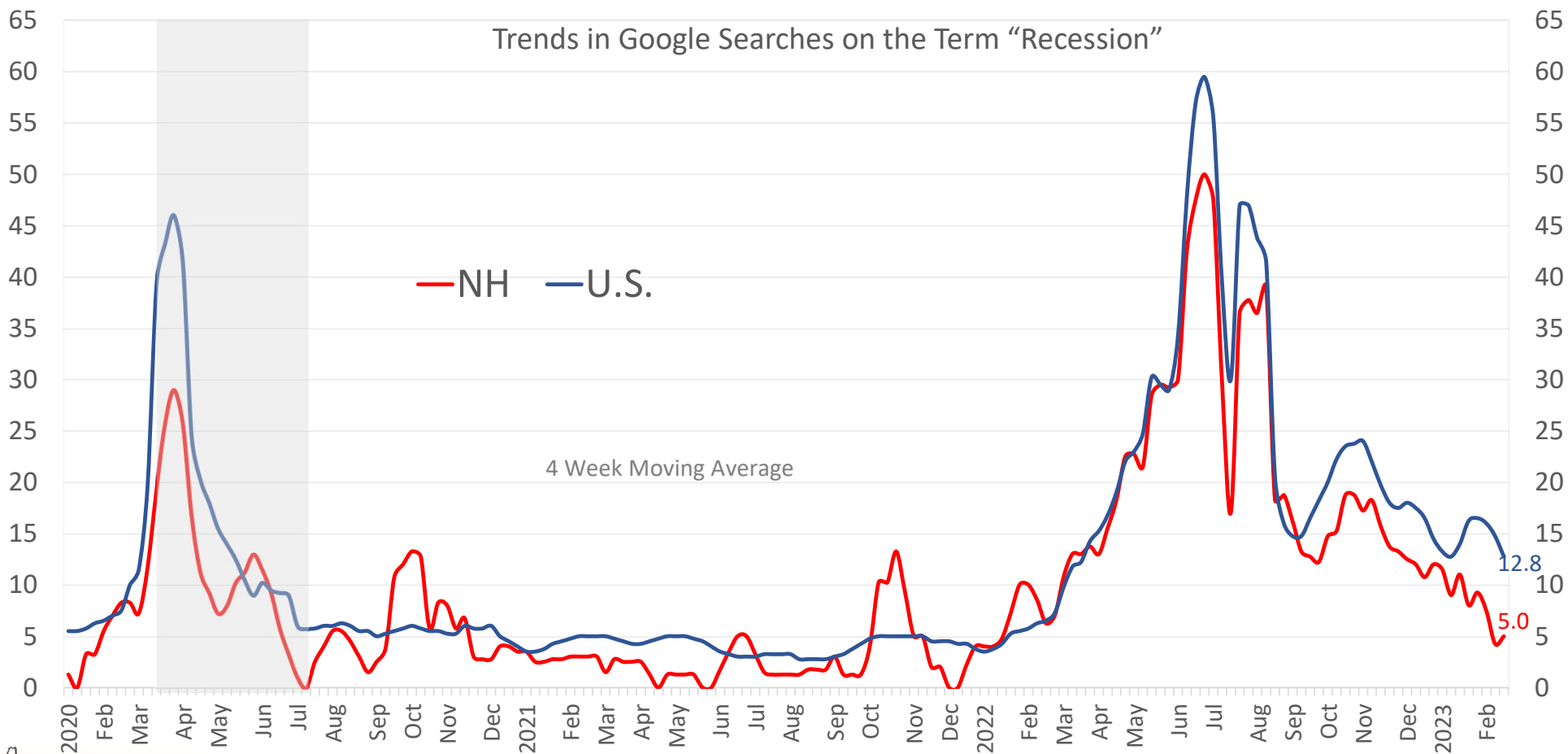
Richard Lavers, Deputy Commissioner, NH Dept. of Employment Security  
Brian Gottlob, Director, NH Economic and Labor Market Information Bureau

# The Labor Market in New Hampshire and the U.S. Remains Strong but New Hampshire Continues to Have a High Rate of Unfilled Job Openings Because of Labor Constraints

Unfilled Jobs as a % of all Jobs by State - Oct. thru Dec. 2022

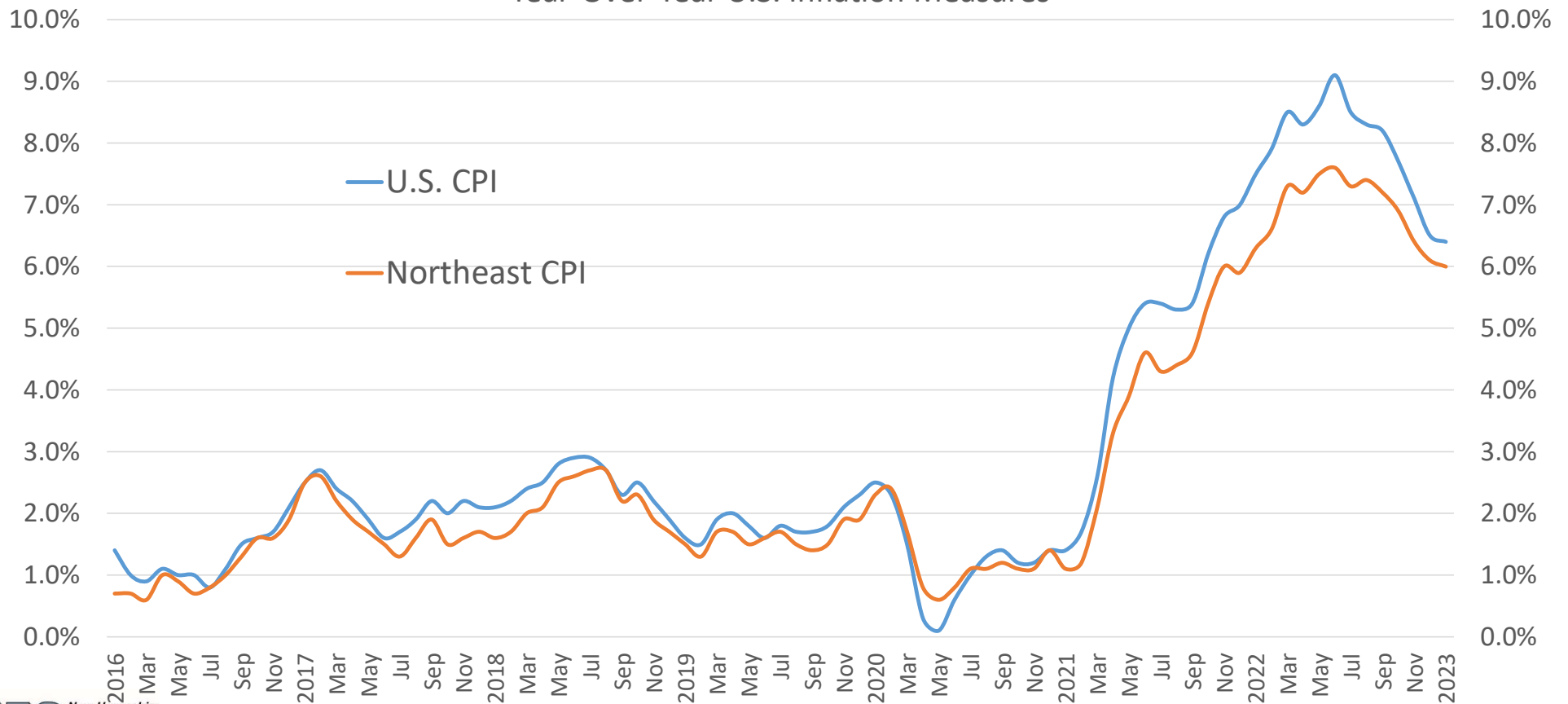


# New Hampshire Residents Remain Less Concerned About the Prospects of a National Recession than do Individuals Nationwide



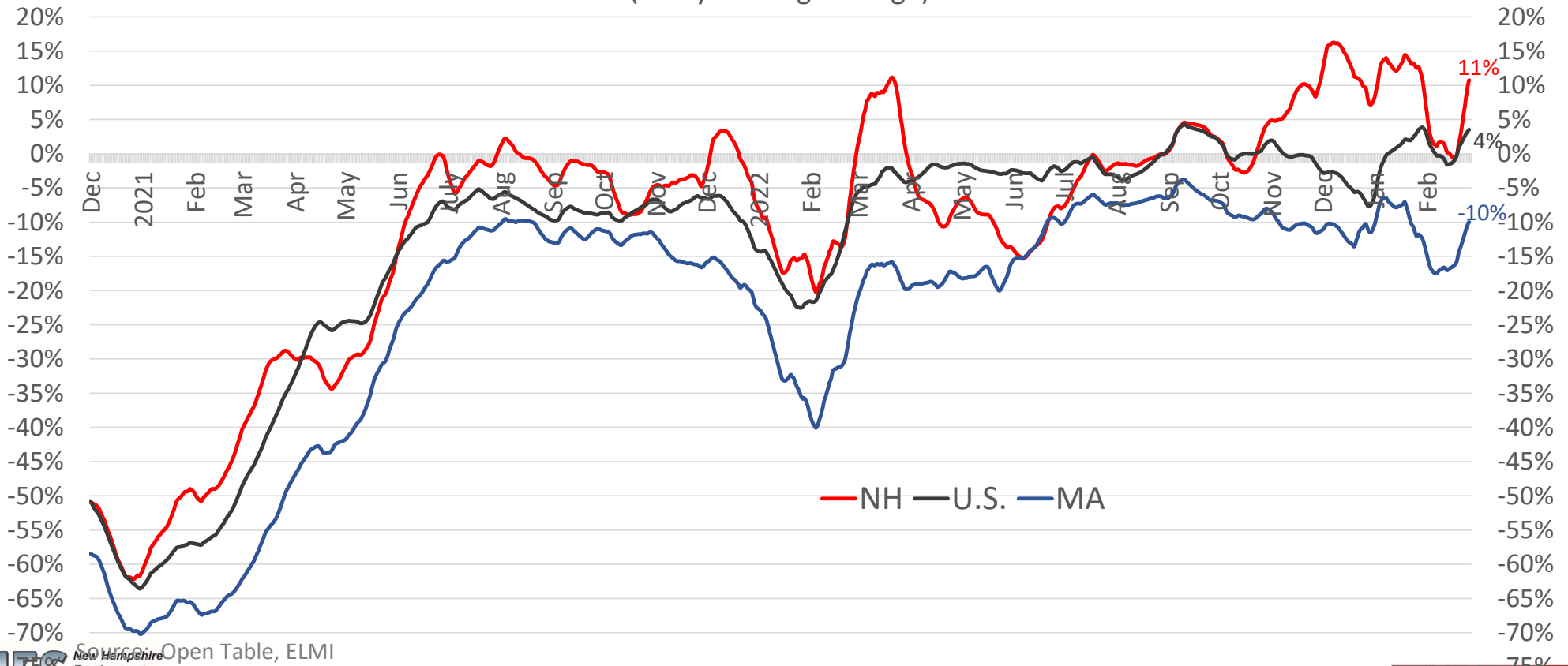
**Year-Over-Year Inflation Continues to be the Primary Concern of Households. January Numbers Were Concerning but CPI Should be Under 4% by the End of 2023**

Year-Over-Year U.S. Inflation Measures

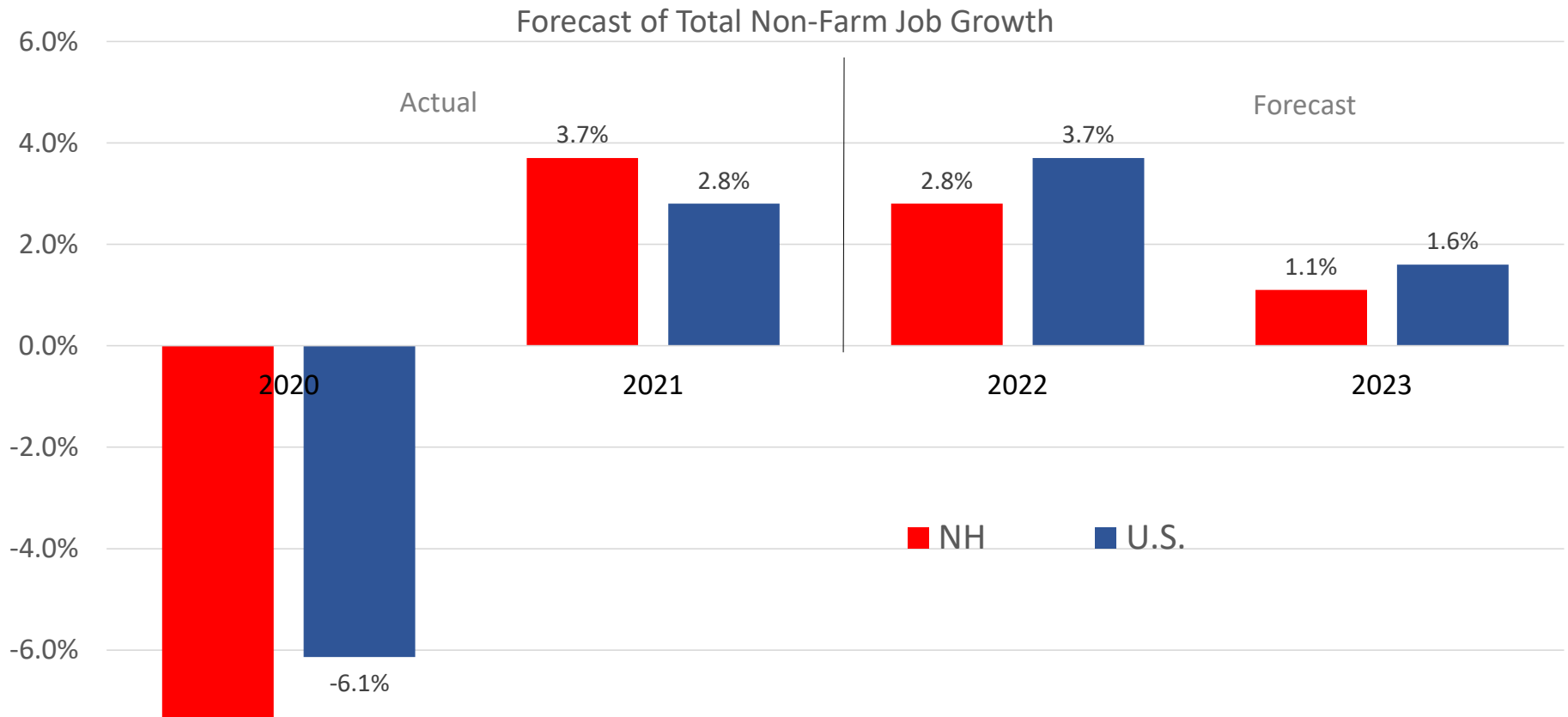


## New Hampshire Consumers Do Not Appear to be Cutting Back on Discretionary Spending – Restaurant Seatings are Above Pre-Pandemic Levels (Except During the Arctic Blast Early in February)

% Change in Seated Restaurant Reservations Compared to Same Day in 2019  
(7 Day Moving Average)



# We Have Upped Our Employment Growth Forecast, But 2023 Will Be a Slower Growth Year Regardless

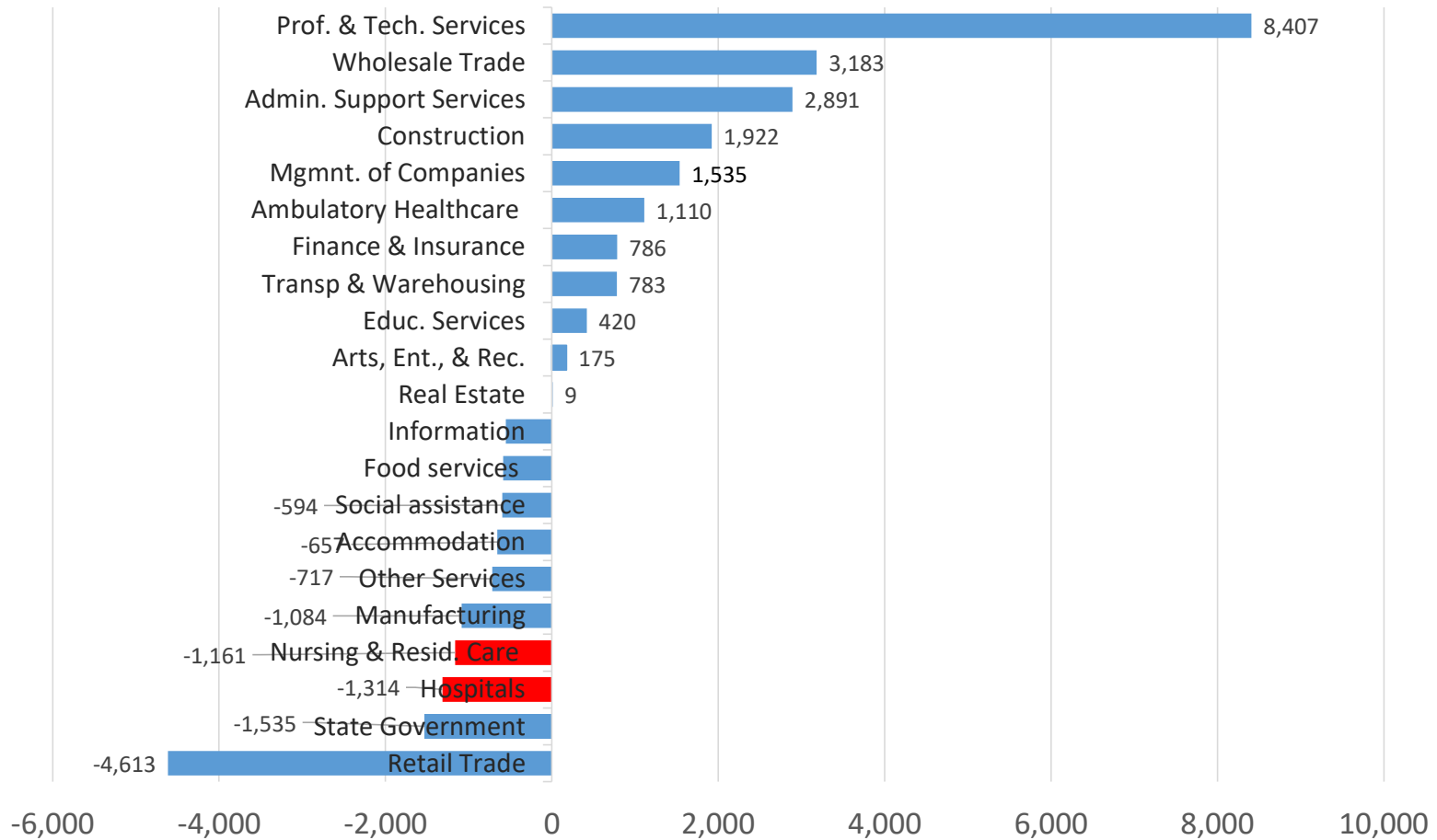


Source: ELMI

# Healthcare and State Government are Especially Labor Constrained

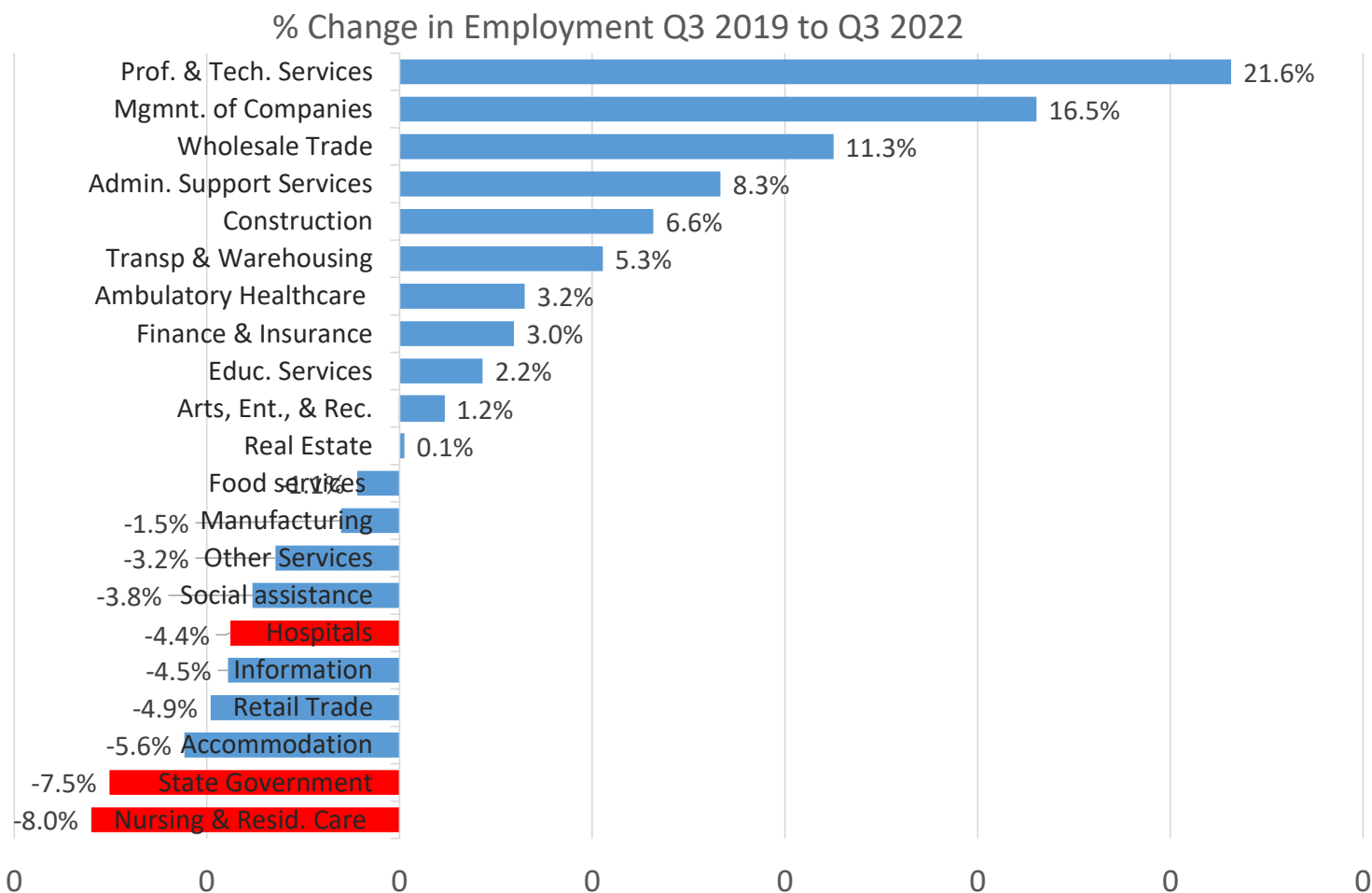
## New Hampshire Has Regained Pre-Pandemic Levels of Private Sector Employment but Some Industries Remain Below Late 2019 Levels

Change in Employment Q3 2019 to Q3 2022



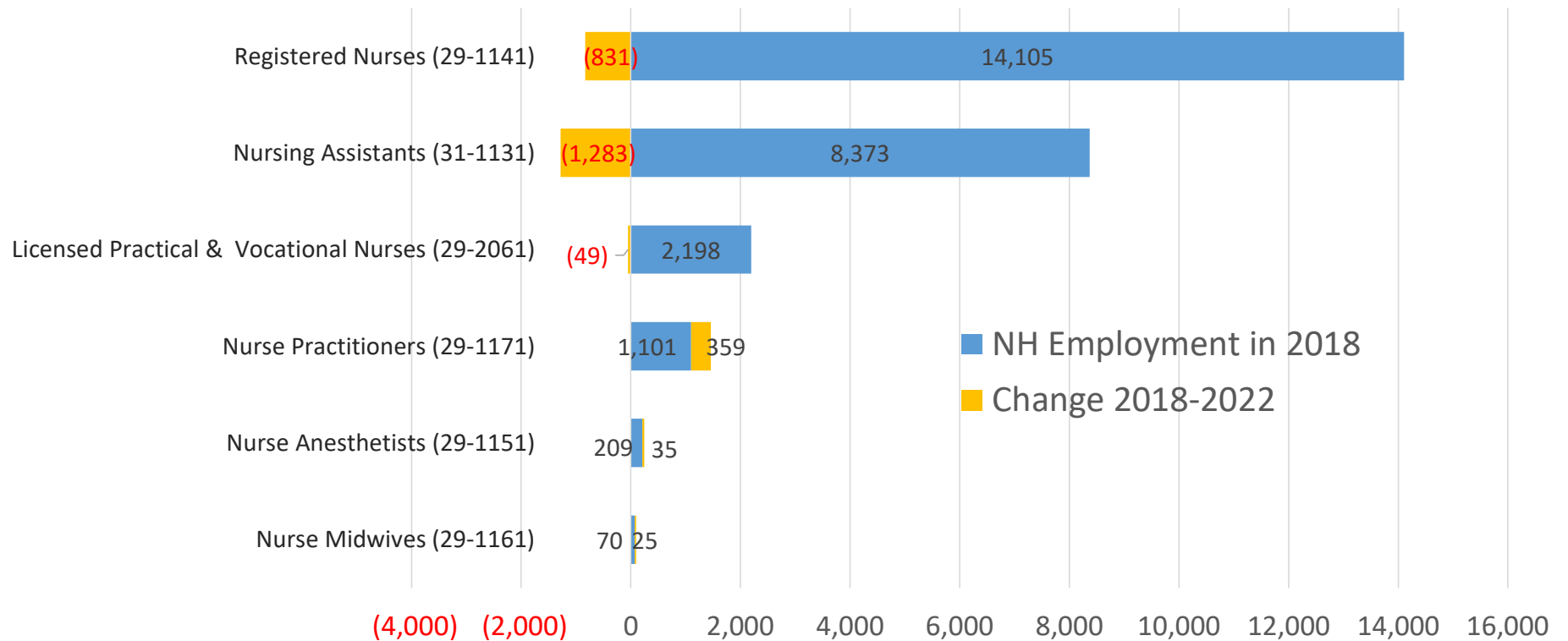


## Hospitals, Nursing and Residential Care Facilities, Along With State Government Have Also Among the Largest Employment Declines on a Percentage Basis



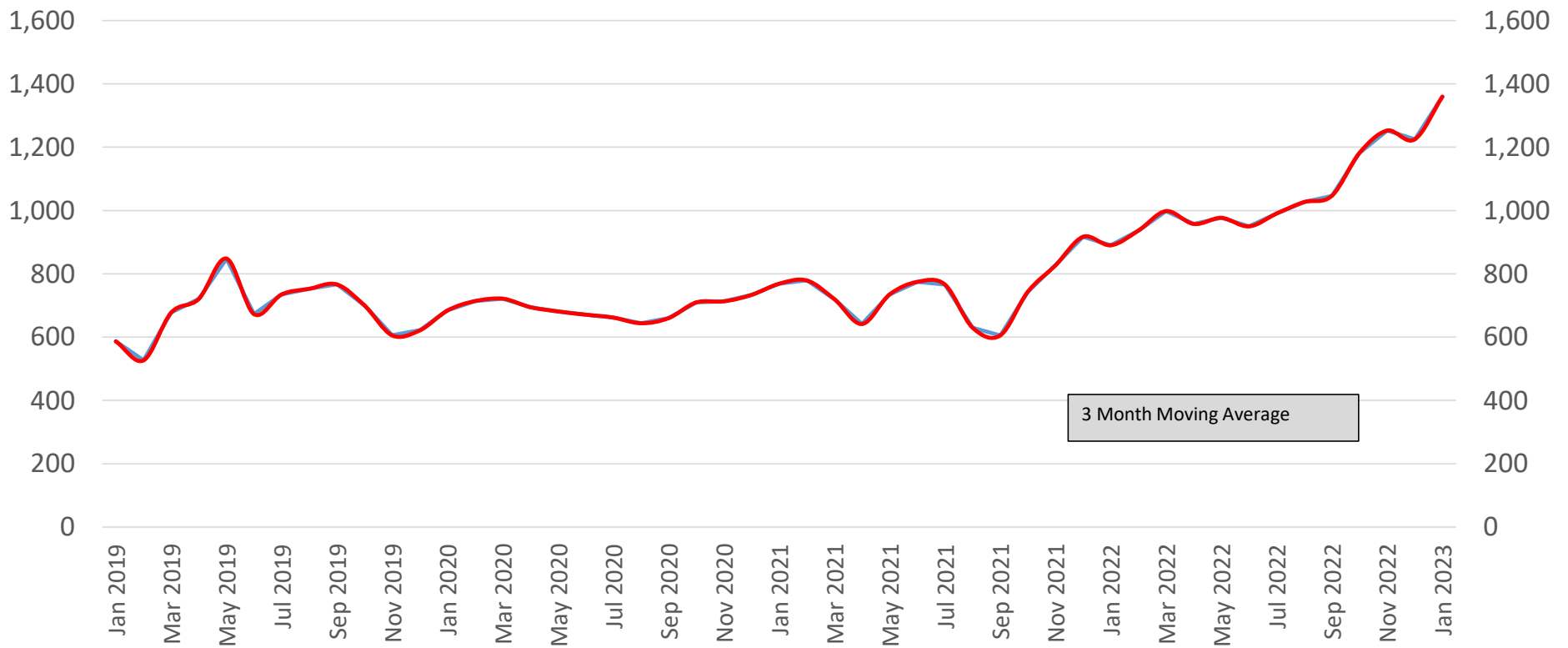
# Much of the Decline in Healthcare Jobs in New Hampshire is in the Nursing Field – Nursing Assistants and Registered Nurses in Particular

Nursing Employment in NH 2018 and Change in 2022

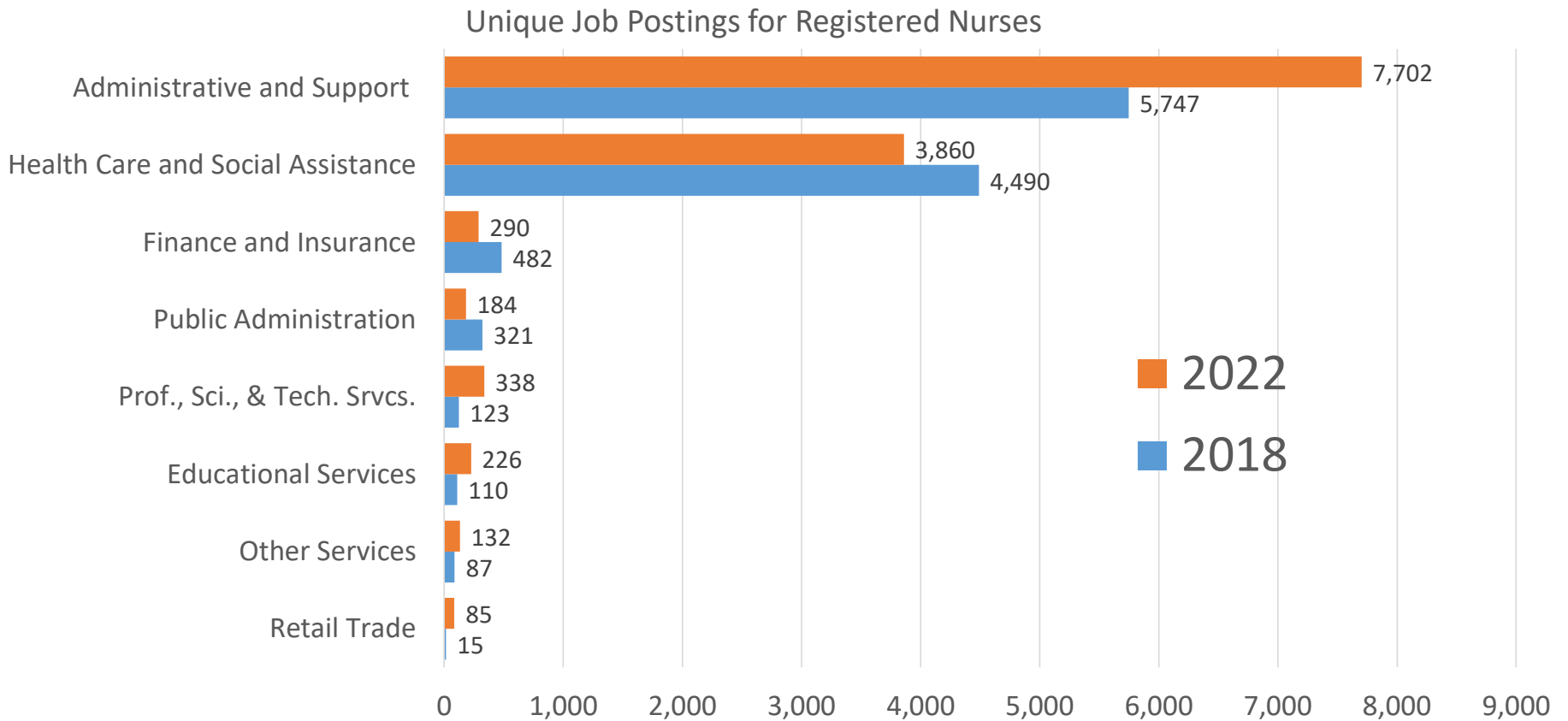


# Monthly Job Postings for Registered Nurses Have Doubled Since 2019

Monthly Job Postings in NH for Registered Nurses

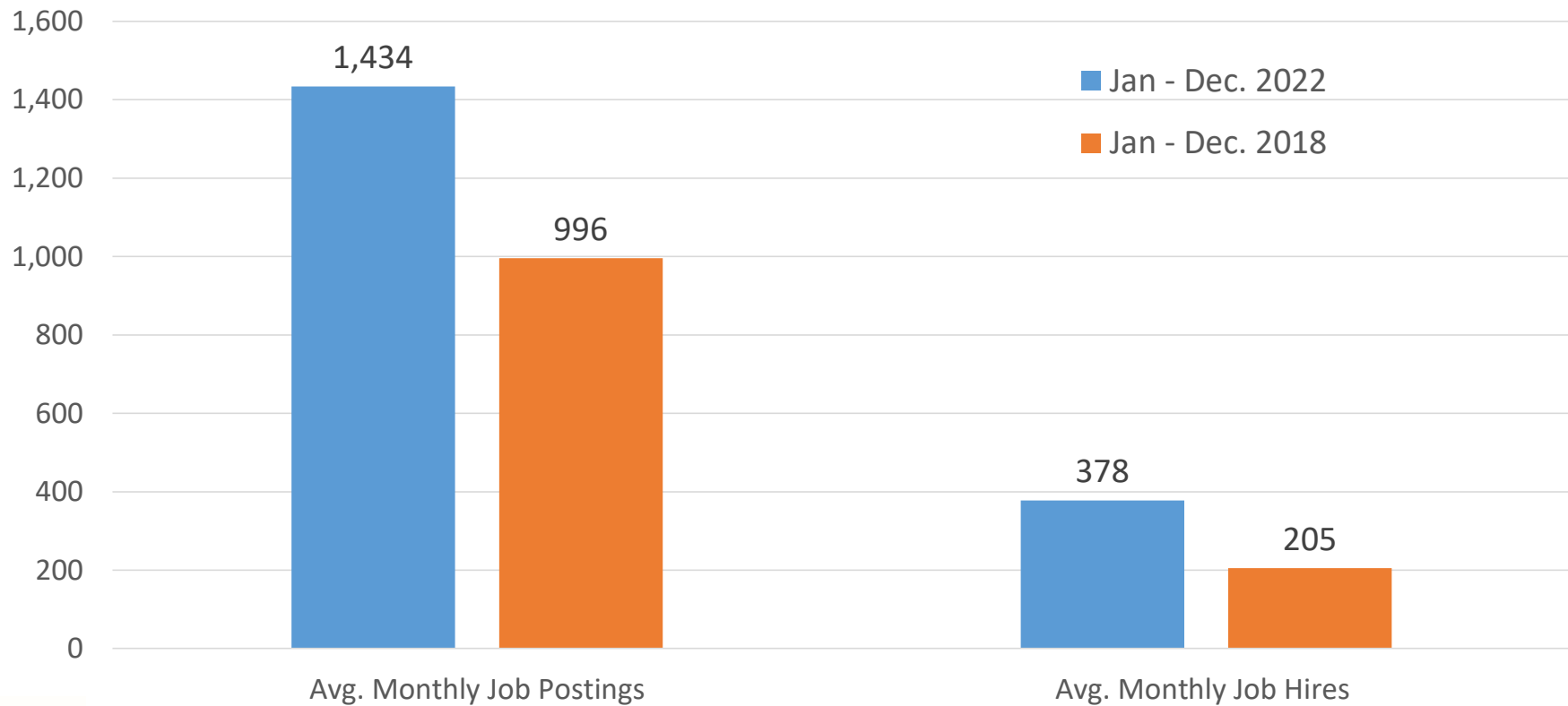


## Competition for Registered Nurses by Non-Healthcare Industries (Largely Employment Service and Temporary Help Firms) Have Increased Sharply



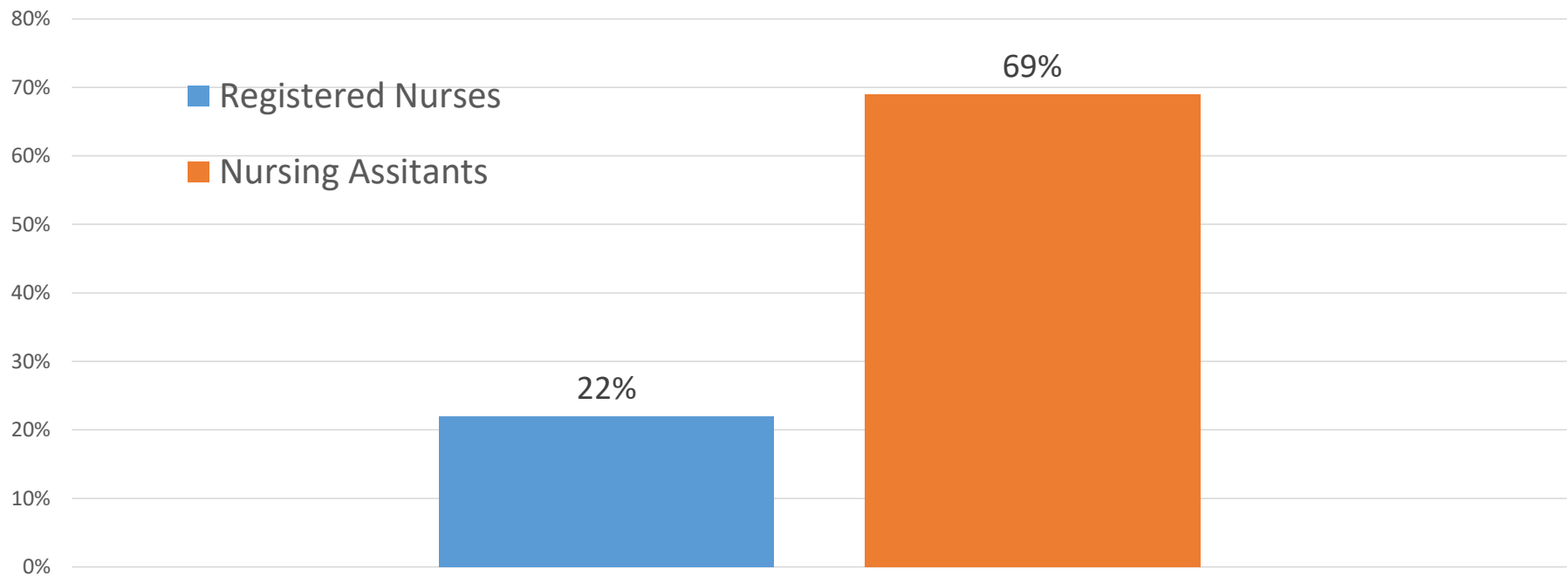
Average Monthly Hiring of Registered Nurses Nearly Doubled From Pre-Pandemic Levels, but Competition for Them (Including by Non-Healthcare Industries) Has Increased Over 40 Percent

Job Openings and Hirings Registered Nurses in New Hampshire

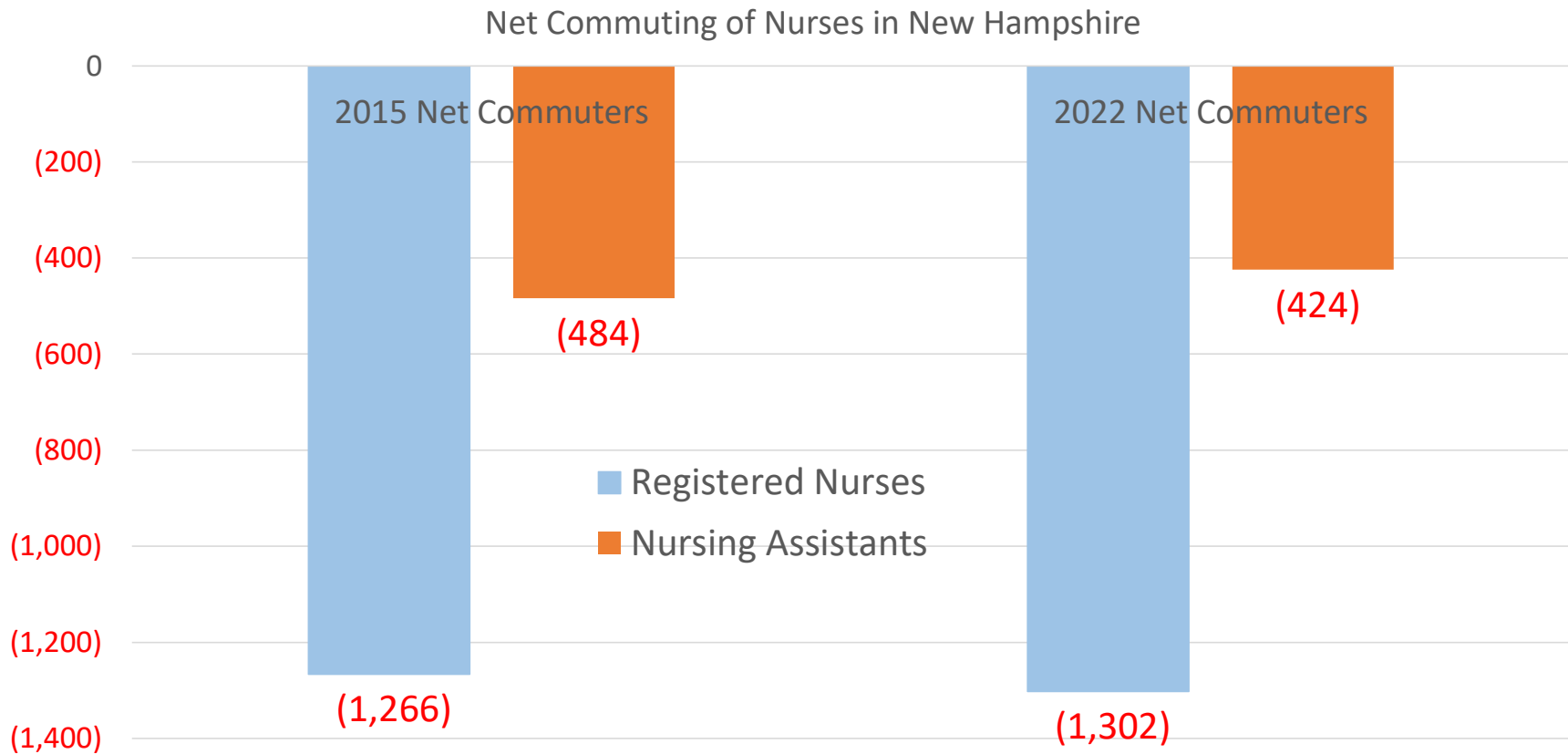


# One Reason for the Large Number of Job Openings is High Turnover Rates in Nursing Occupations

Occupational Turnover Rates in New Hampshire in 2022

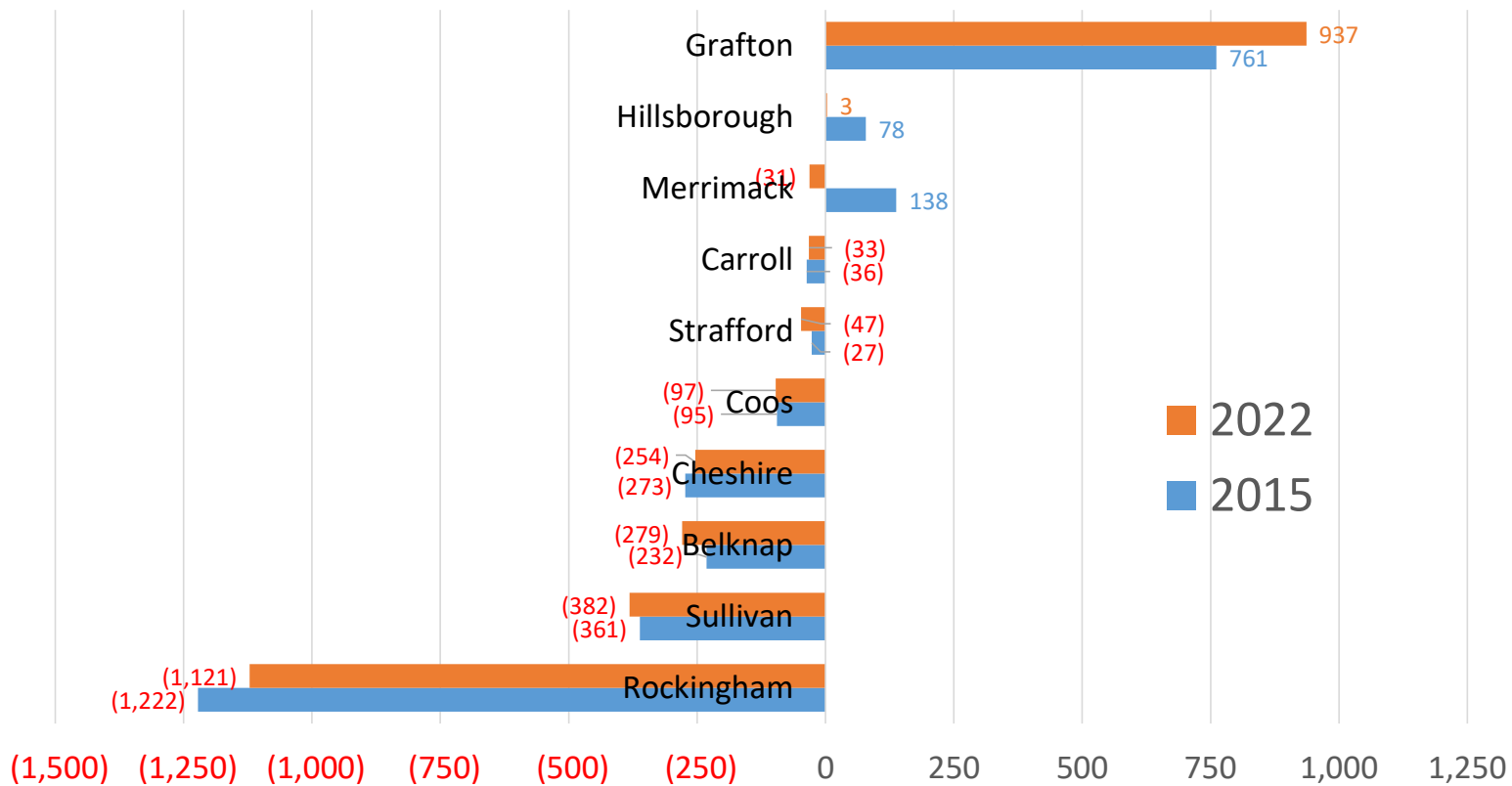


# On Net, About 1,300 More Registered Nurses Commute Out of New Hampshire to Work than Commute Into the State



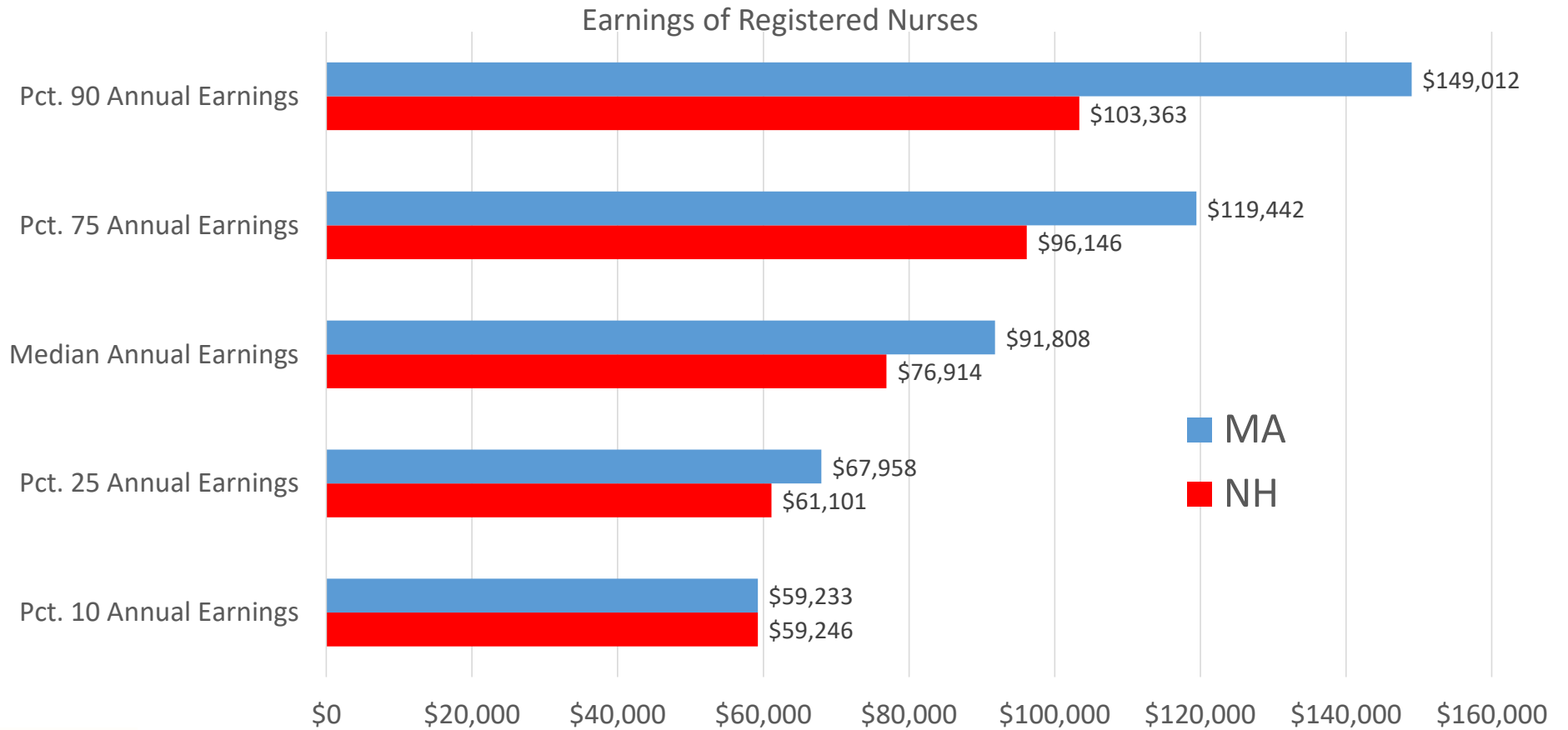
# Only Grafton County (Likely Because of DHMC), Experiences a Net Influx of Commuting Registered Nurses From Other States

Net State Commuting by Registered Nurses in New Hampshire



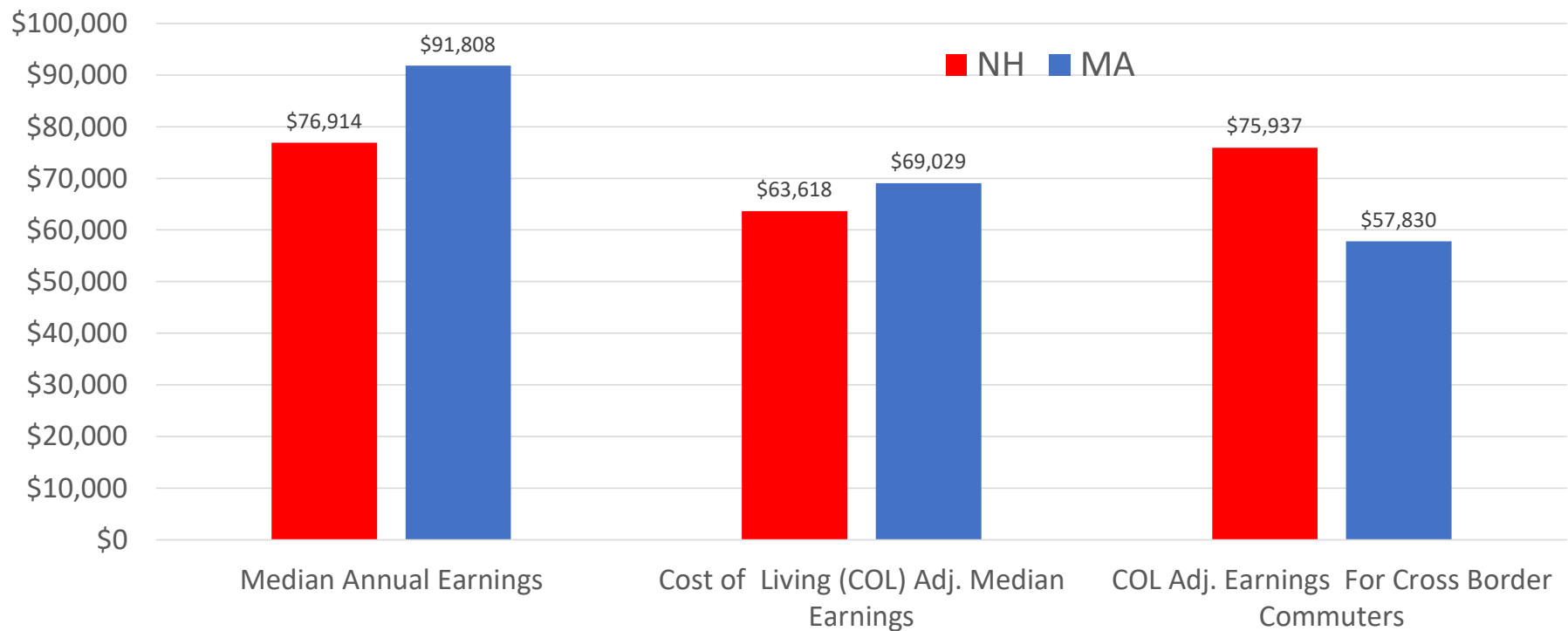


## Annual Earnings Differentials Increase Sharply for Registered Nurses Between New Hampshire and Massachusetts as Experience Increases



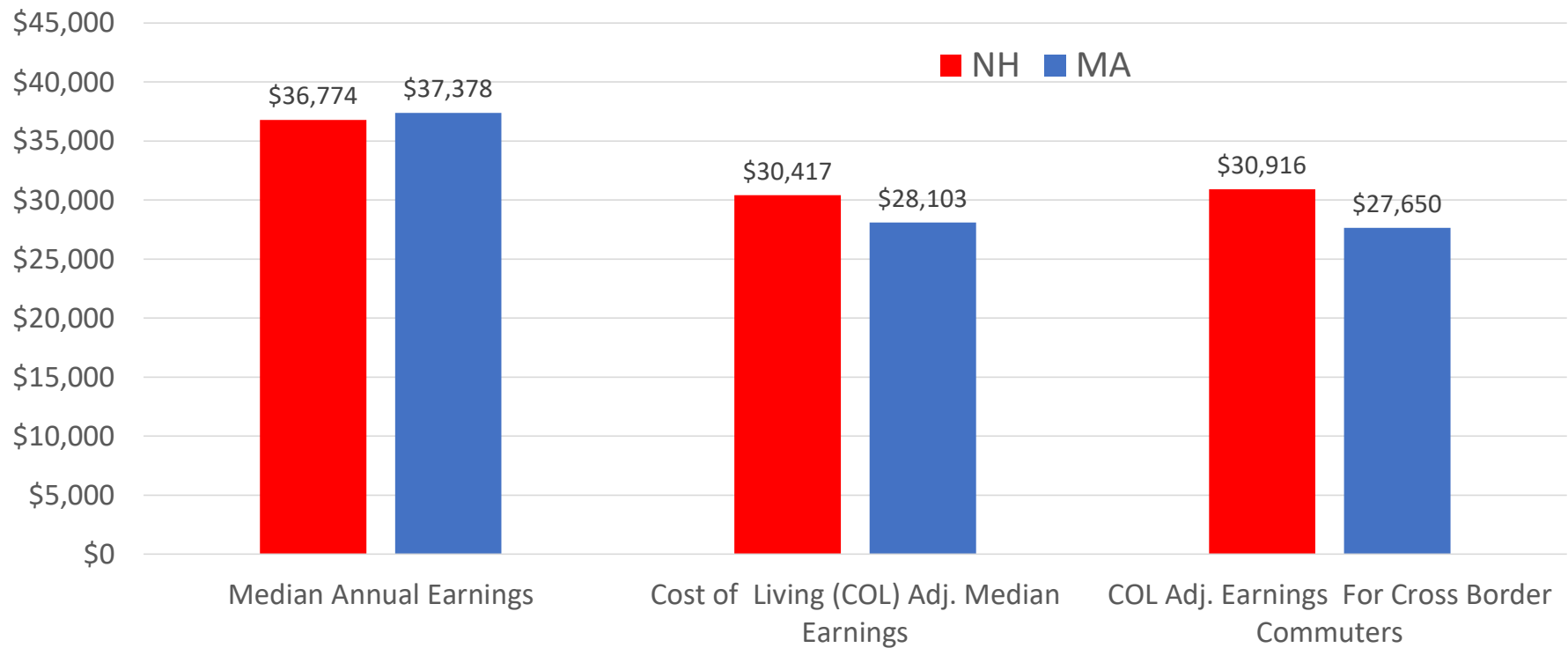
Salaries are Higher in Massachusetts Even When Adjusted for Cost of Living. There are Compelling Economic Incentives for Nurses to Live in New Hampshire but Work in Massachusetts, and Disincentives for Living in Massachusetts and Working in New Hampshire

Median Annual Earnings for Registered Nurses



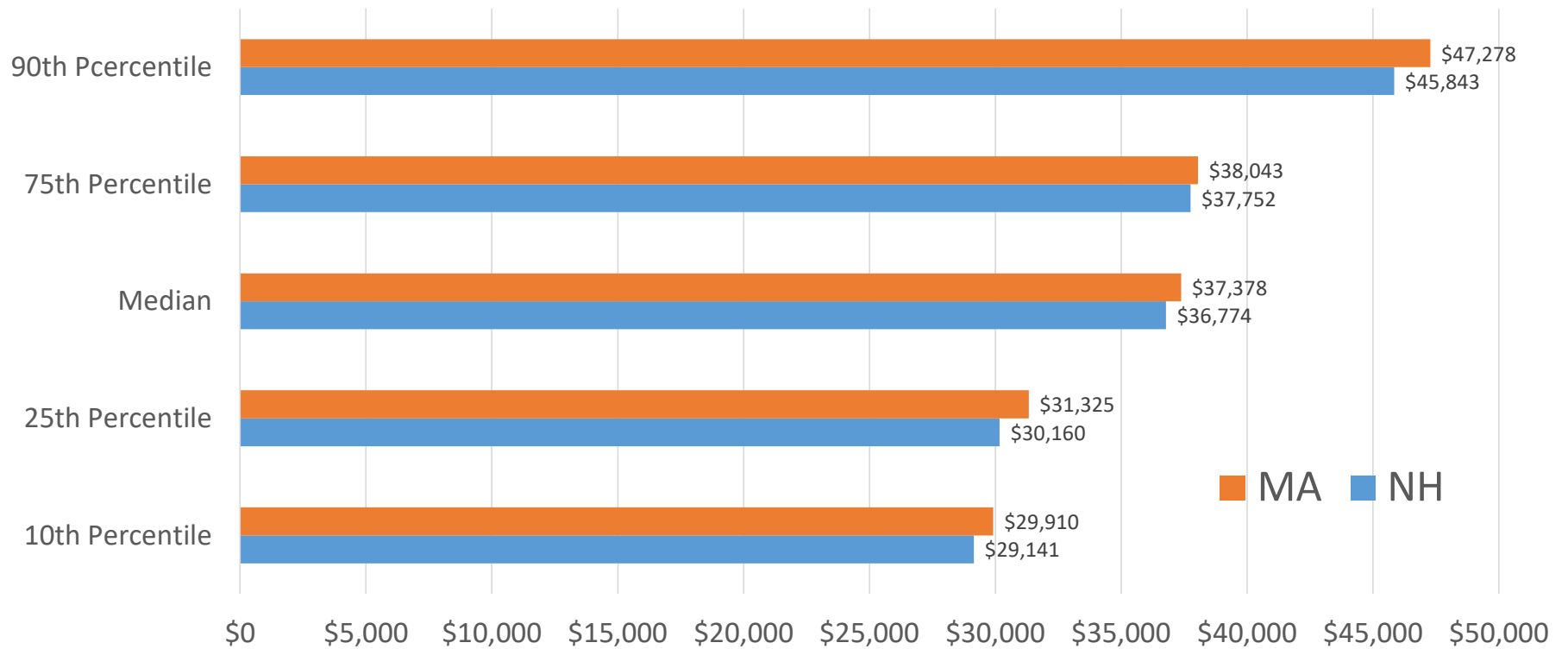
## Wage Differentials Across States are Unlikely to Have Played a Significant Role in the Decline in Nursing Assistant Employment in New Hampshire

Median Annual Earnings for Nursing Assistants



## There is Considerable Wage Compression by Experience for Nursing Assistants and Little Difference in Wages in New Hampshire and Massachusetts

Median Annual Earnings for Nursing Assistants



## Conclusions

- The New Hampshire Labor Market Remains Strong and Labor Shortages are the Biggest Obstacle to Greater Job Growth
- Still, We Have Marginally Increased Our Forecast for 2023 Job Growth in the State
- New Hampshire Residents are Relatively Less Pessimistic About the Prospects for the 2023 Economy
- Healthcare and State Government are Facing Most Severe Labor Shortages Compared to Pre-Pandemic Levels (Retail Decline is, in Part, a Function of Consumer Trends)
- Nurses Accounts for the Bulk of Healthcare Labor Shortages Due to Increased Wage and Competition From Non-Healthcare Industries
- Wage Differentials Across States Lead to Increasing “Out-of-State” Commuting of Registered Nurses
- Nursing Assistants Have the Largest Decline of Healthcare Occupations – Likely Because Many Have Left the Field
- Hospitals and Nursing and Residential Care Facilities (Those Healthcare Industries Most Exposed to State and Federal Insurance Payments) Have Seen the Greatest Declines in Key Healthcare Occupations