

# **Economic Outlook: The US and New Hampshire**

***NH Rehabilitation Association***

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# ***The Global Economic Crisis... When Will It End?***

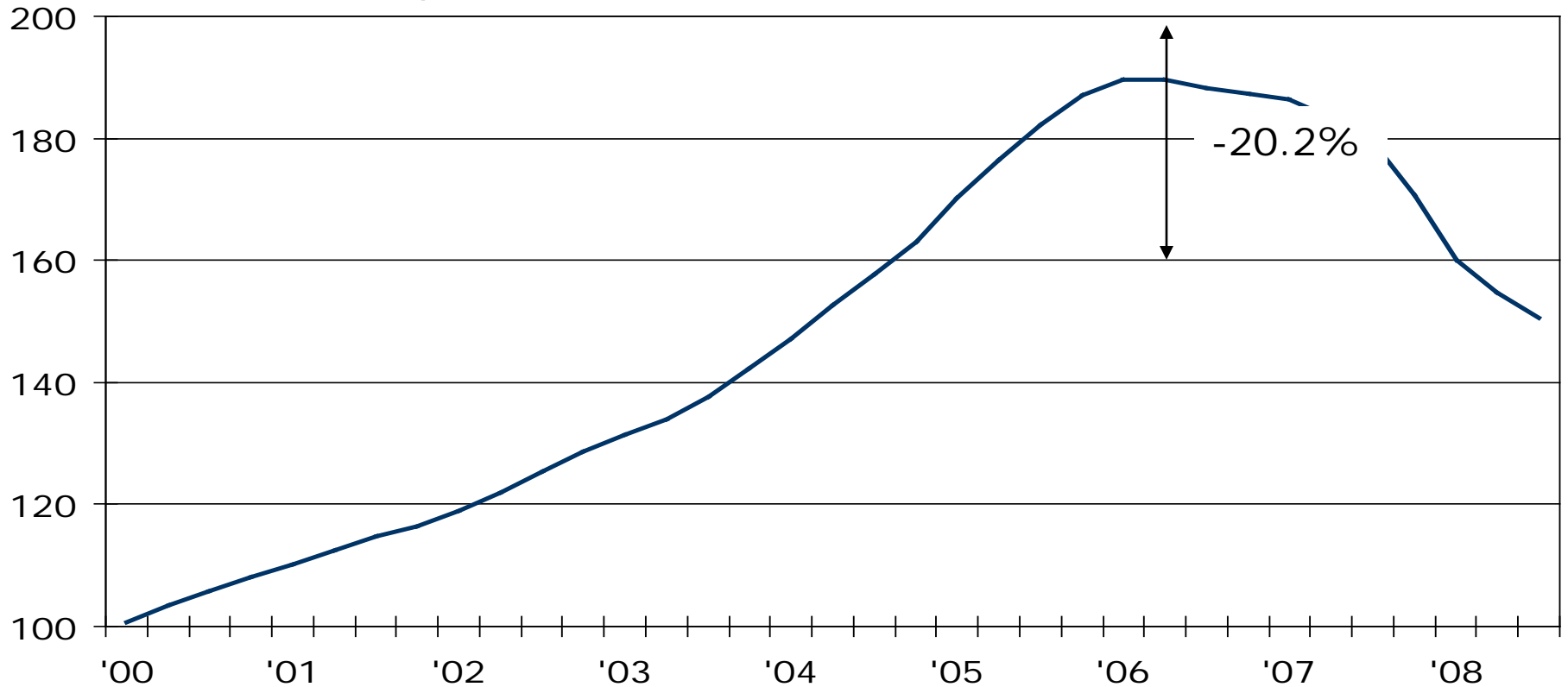
This dominates the economic and “jobs” prospects in nation and New Hampshire

# The Bursting US Housing Bubble...

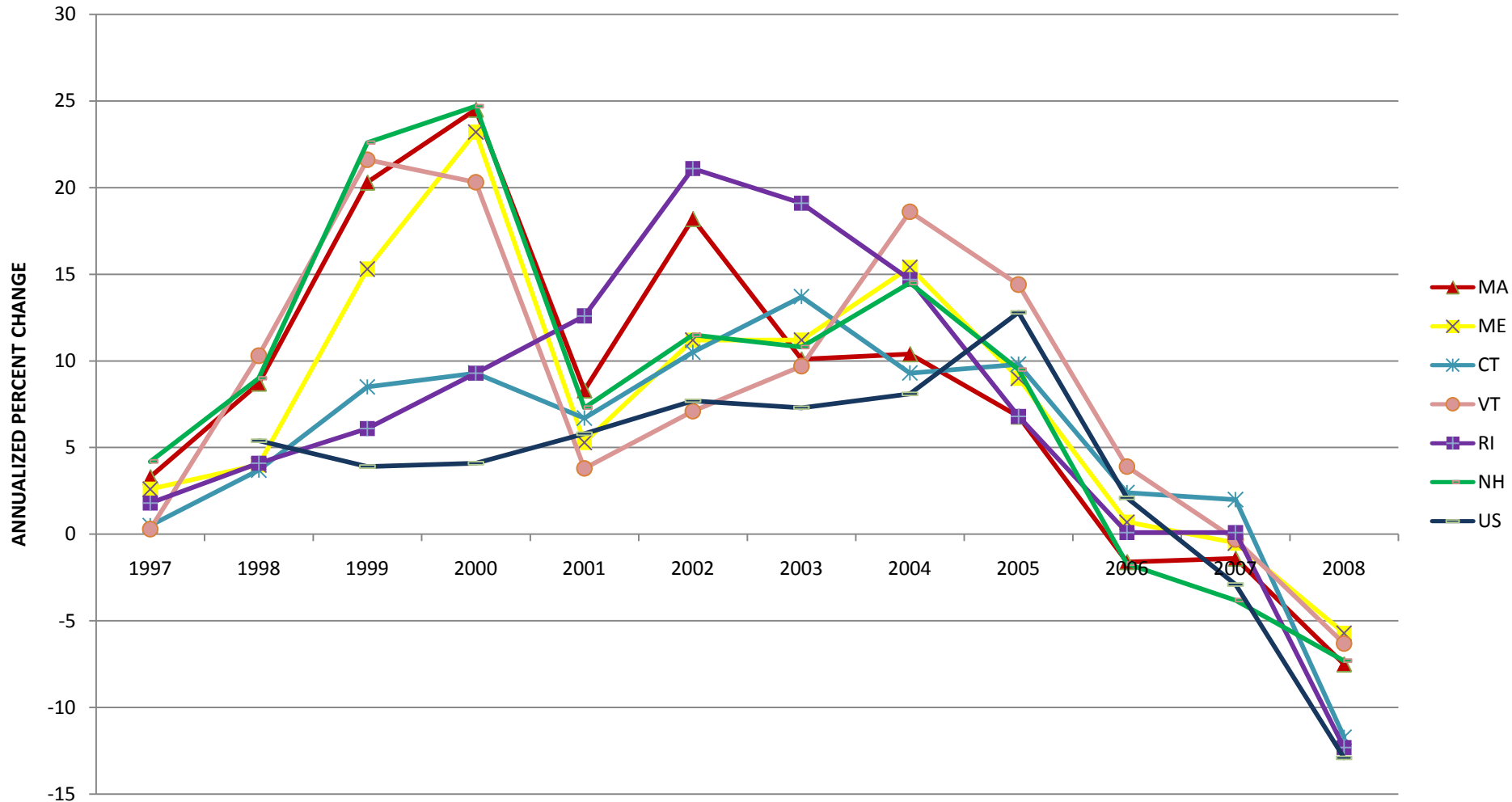
**and another 10 percent decline expected**

**Fiserv Case Shiller National House Price Index**

Index: 2000q1 = 100

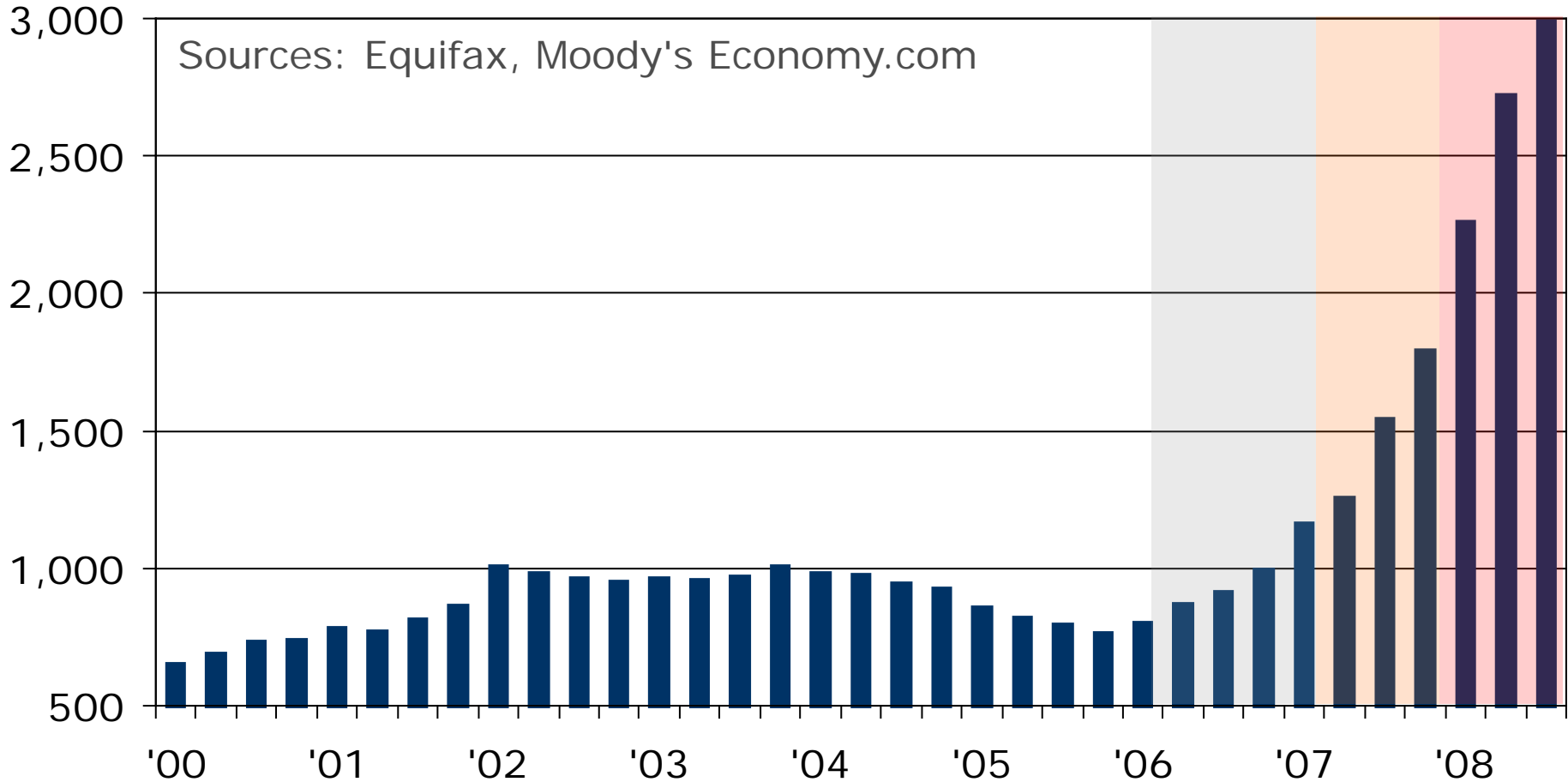


# New England States & US: Median Home Price Annual Changes 1997-2008. From double-digit annual increases in NH and region-wide mid-decade to decline

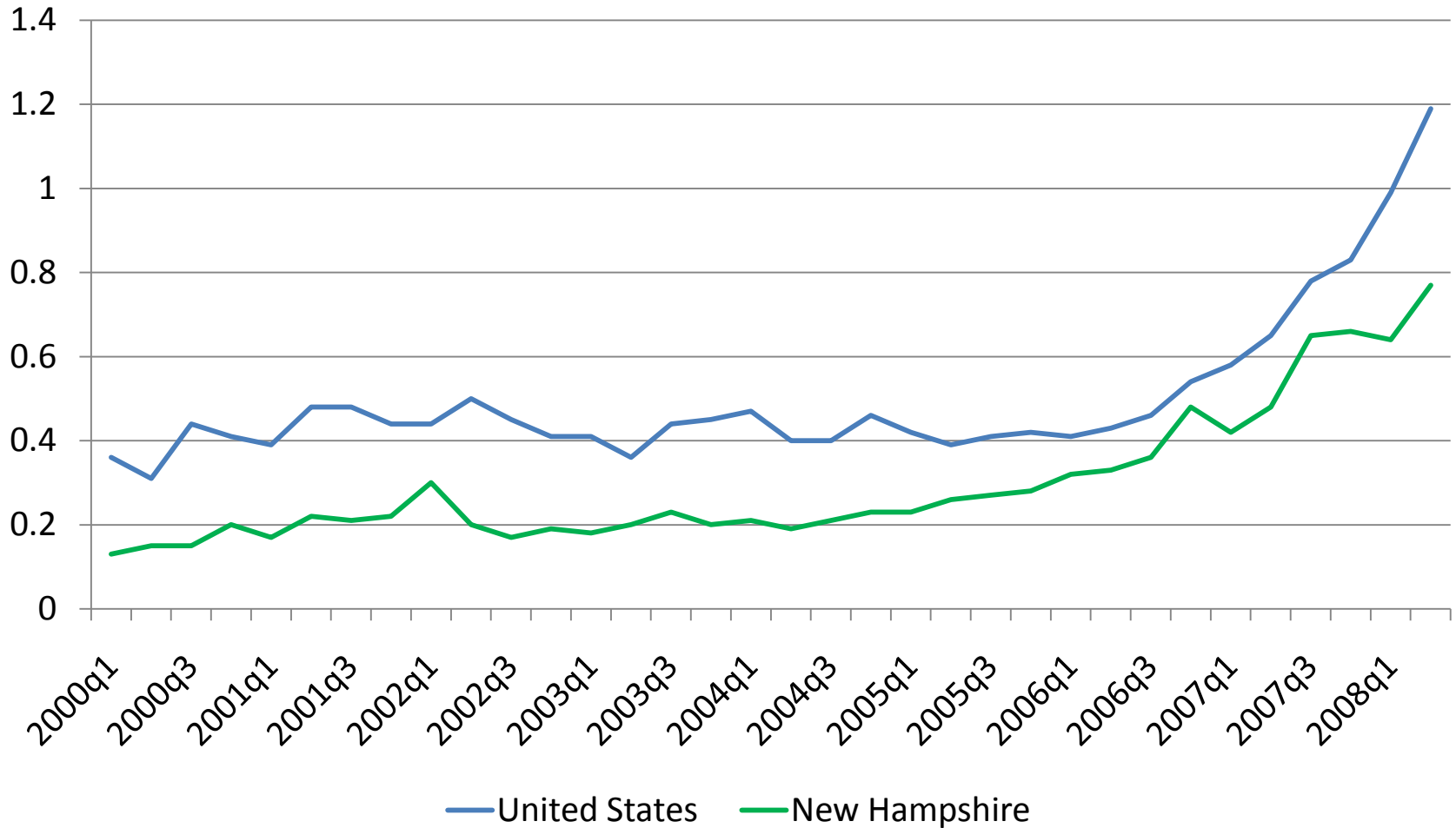


# Housing Price Decline Ignites a Mortgage and Credit Crisis...

First mortgage loan defaults, ths, SAAR

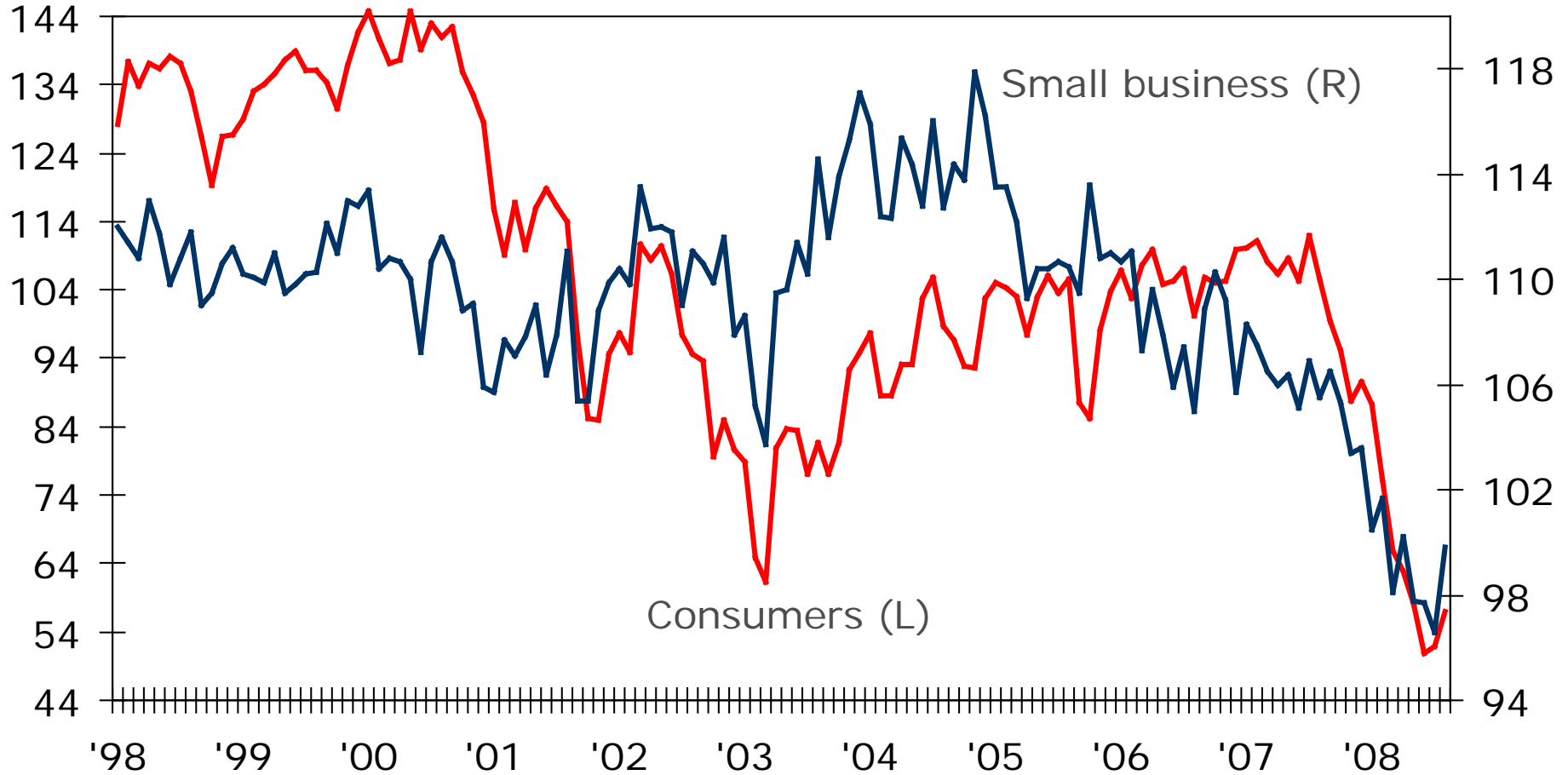


# All Loans - Percent in Foreclosure, Started - (% , SA), Mortgage Bankers Association: **NH** below **US** average



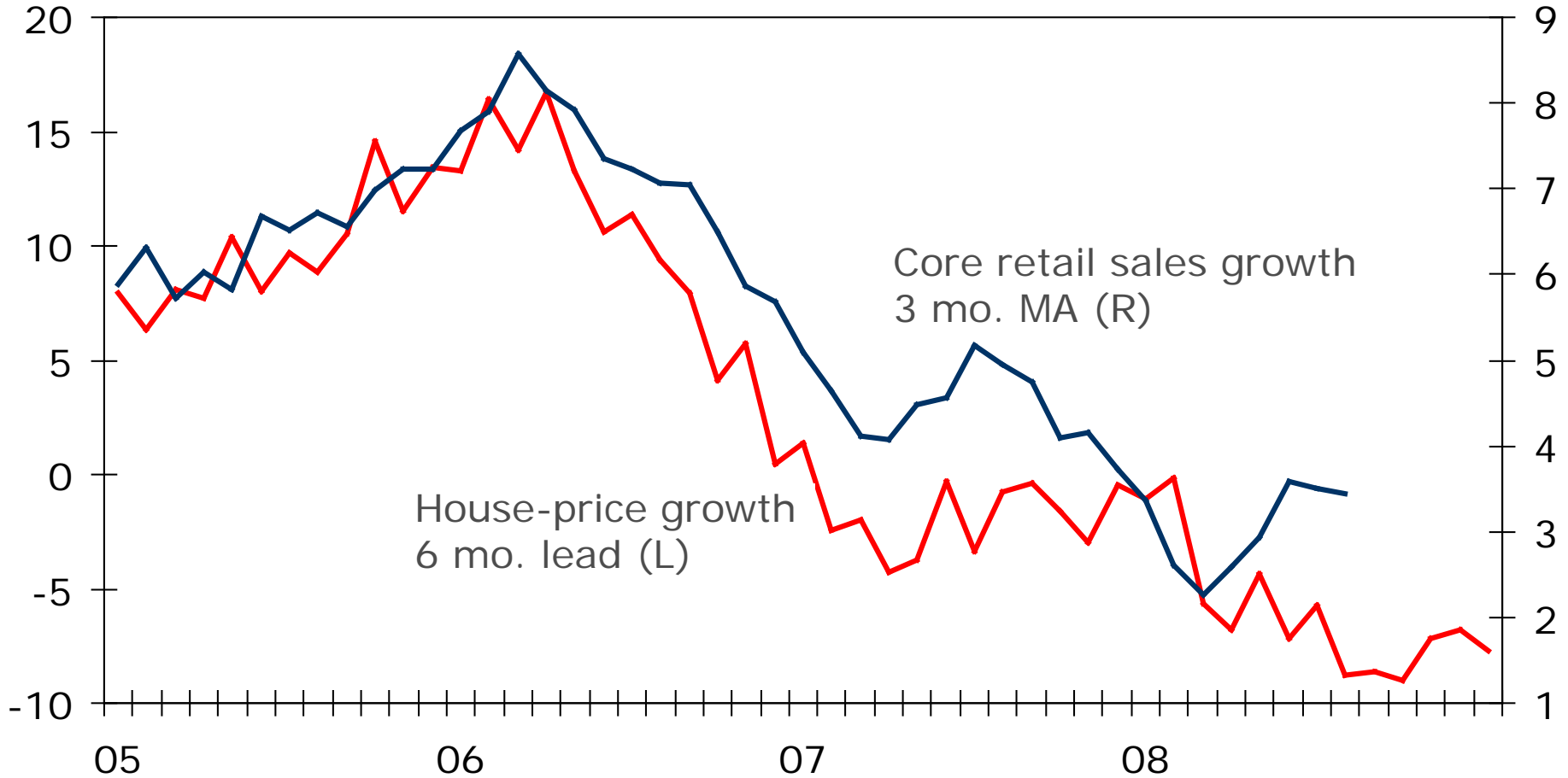
# Business and Consumer Confidence in Freefall

Sources: Conference Board, NFIB



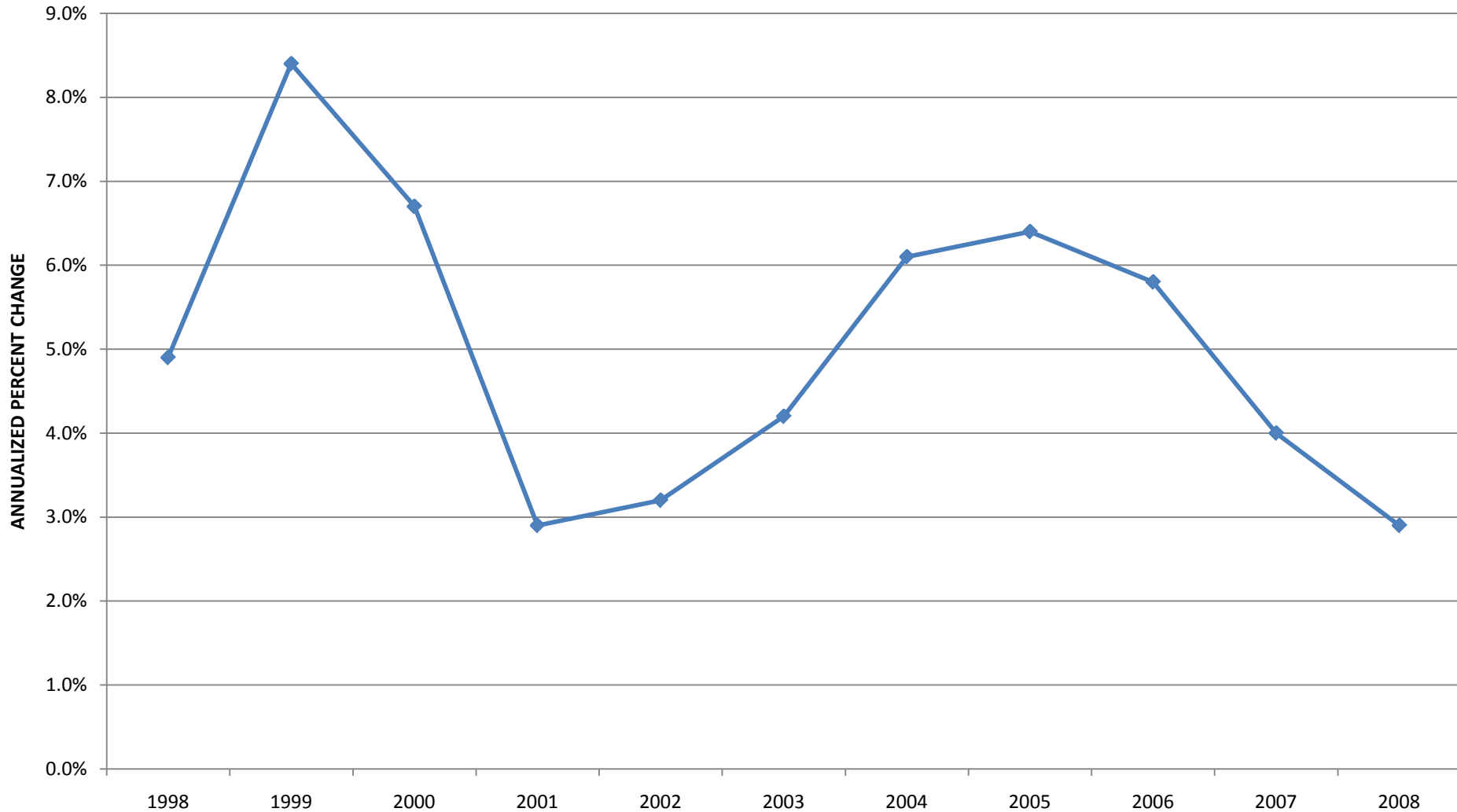
# ...And a Negative Wealth Effect Kicks In

Sources: Census, Realtors



# US Retail and Food Services Sales late 1990s to 2008

*Drop in growth rates in 2001 and again in 2008 ...will decline more and go negative*



# NEEP US Forecast : Recession and Weak Recovery

*Moody's Economy.com "Moderate Recession" US Forecast, 90% probability that the economy will perform better, early Oct 2008*

- Housing market decline and financial crisis results in “lingering” tight credit market and weak US economic recovery
- Employers and consumers continue to find it difficult to get loans... this weighs negatively on spending and investment and employment

# **The US Economy and Financial Market Problems Have Strong Influence on the New Hampshire Outlook**

***New Hampshire and all states are exposed to and  
vulnerable to US economic difficulties***

# US Economy (and NH)

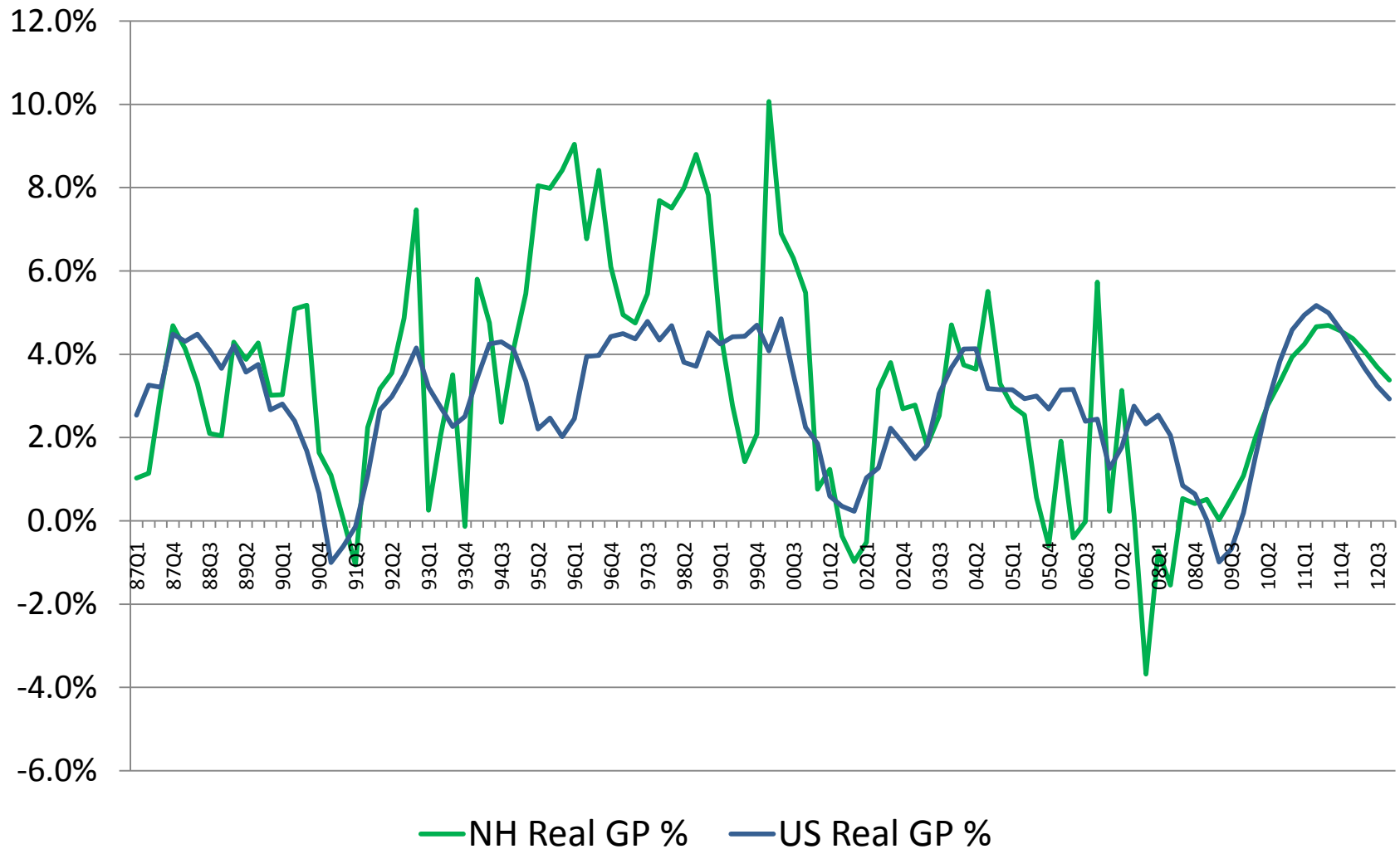
- Overall economy (GDP) falls through first half of 2009
- Employment declines through 2009
- Unemployment peaks at 9% in middle of 2010
- Housing prices start to turn around late 2010 and early 2011
- New Hampshire recovery a bit sooner and stronger than US average and unemployment peak about 2 percent lower than US average



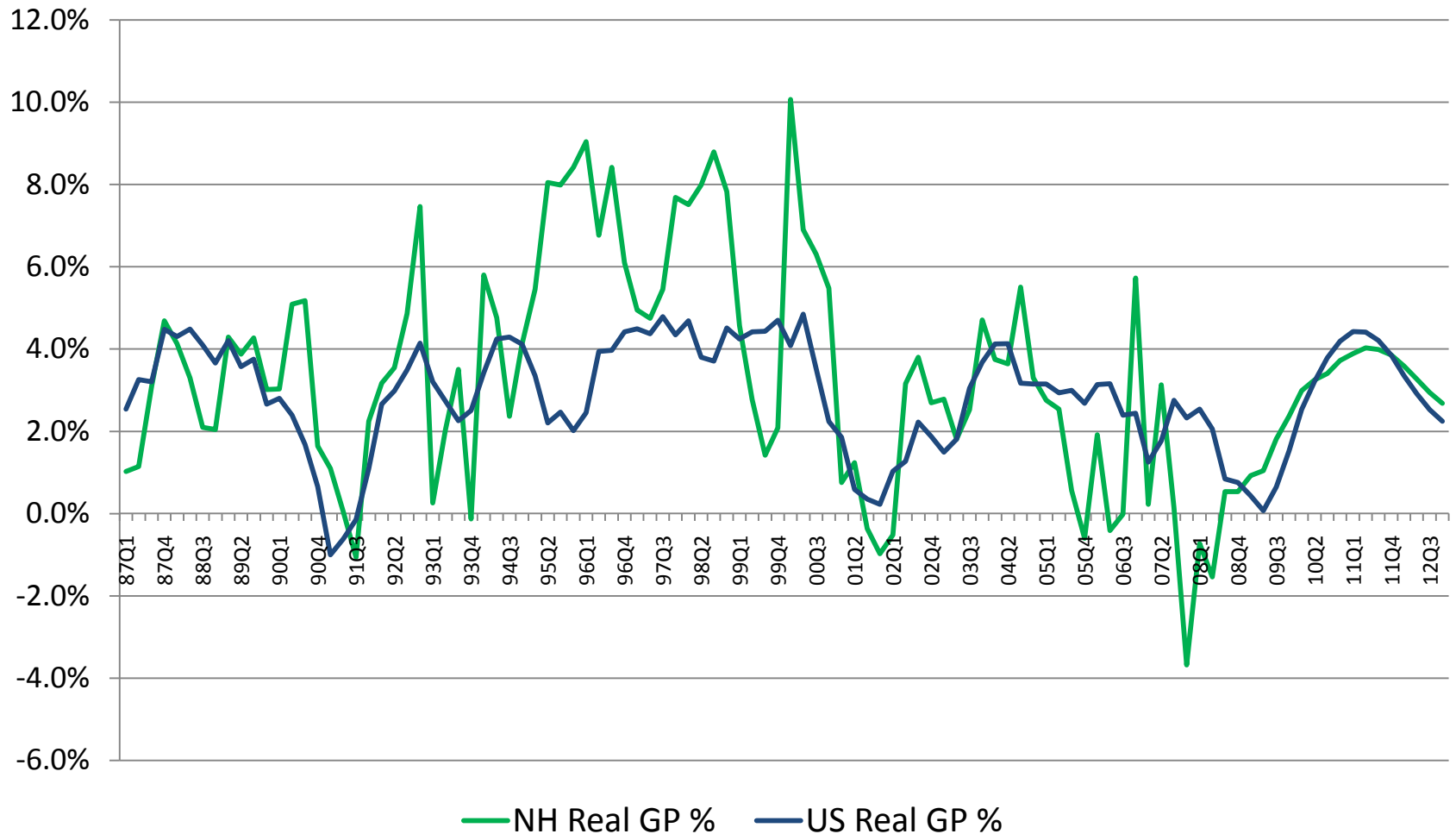
# **New Hampshire Economic Outlook, as *with US,* *“Recession followed by a Weak Recovery”***

- **In NH recession .. followed by weak recovery, growth at or slightly above US average ... but “leading” the region**
- **Four major sectors of the economy are expected to experience significant weakness and decline in employment over the forecast period (out to 2012) -- construction, manufacturing, financial activities and trade**
- **Leading growth sectors expected to be – health services, business and professional services, information and high technology**

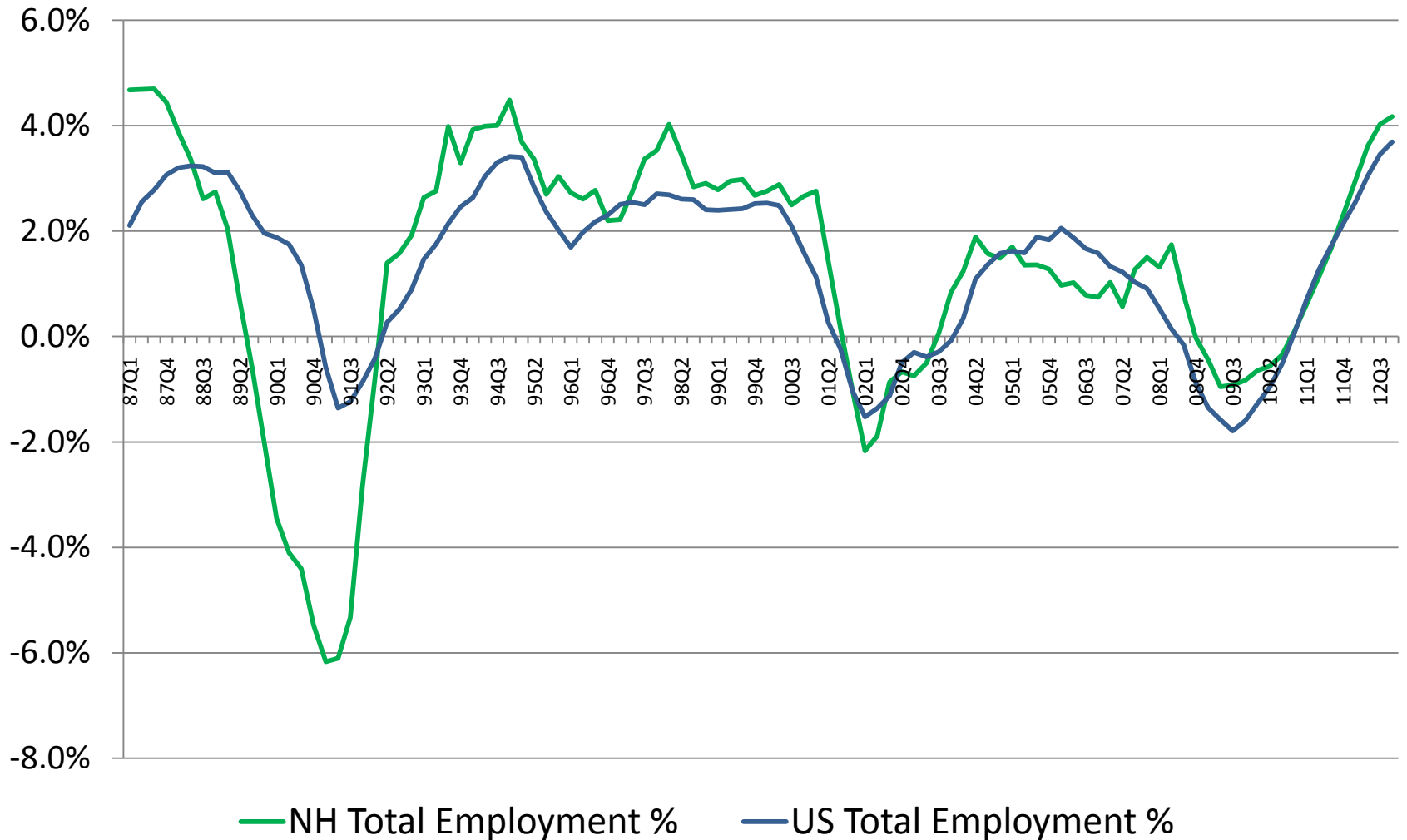
# Gross Product **NH** and **US**: Annualized Percent Change 1987 to 2012: **NH** tends to recover stronger than **US** average and is expected to do so in forecast



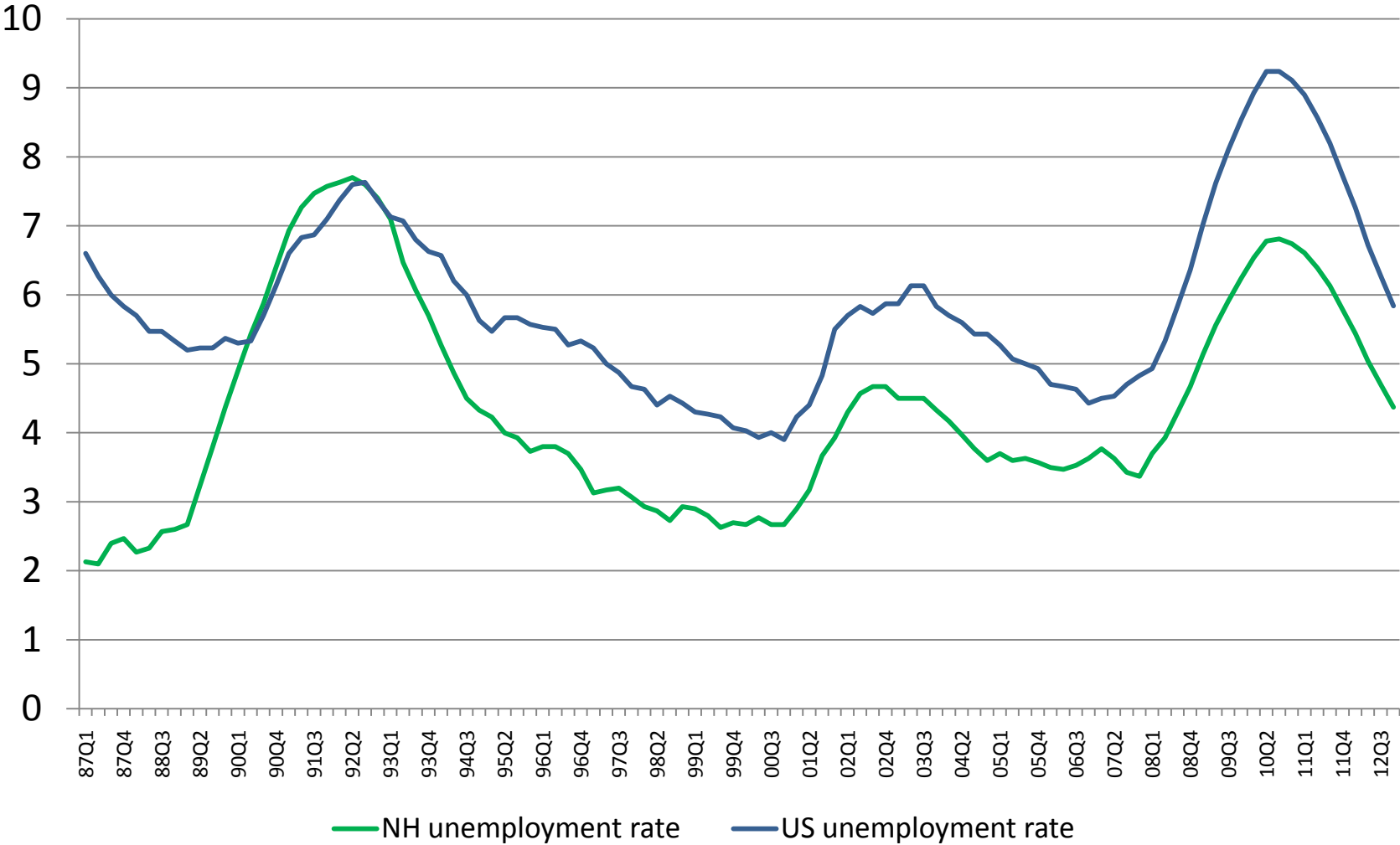
# “Mild Recession” Scenario for Comparison: Gross Product **NH** and **US**: Annualized Percent Change 1987 to 2012: Shorter duration and depth of recession .. recovery starts early in 2009



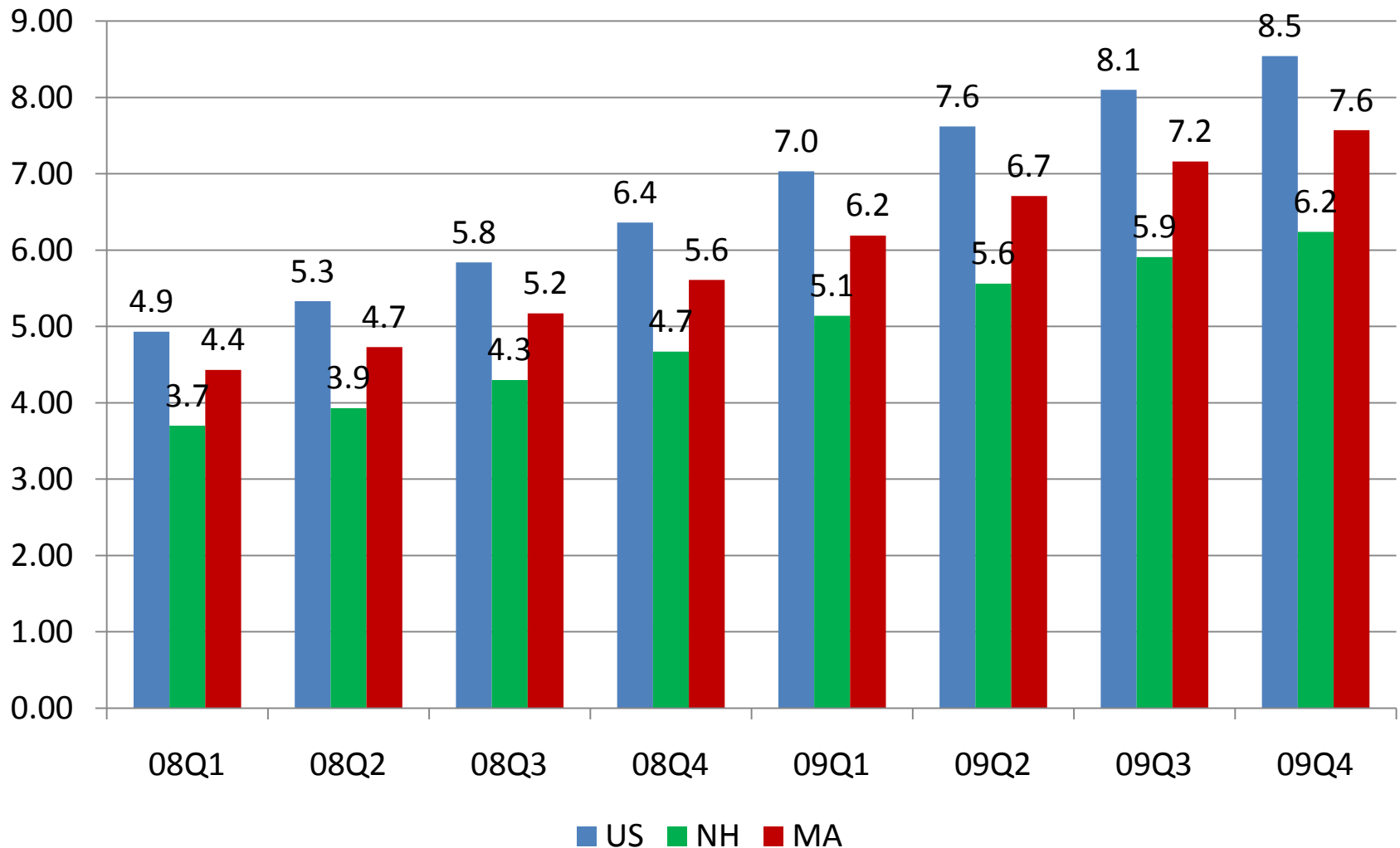
# Total Employment: Annualized Percent Change 1987 to 2012: NH tends to “recover” before US and expected to do so in forecast



# Unemployment Rate: **NH** consistently below **US** average since early 1990s



# Unemployment Rates: 2008-2009. **NH** stays below **US** and **MA** rates over forecast period



*Manufacturing in NH and the overall economy is less cyclical than it once was because*

*NH's economy is now more diverse ..*

*This contributes to NH's economy relatively strong performance in difficult (and good) times...*

# NH Economic “Bright” Spots

- NH has 6<sup>th</sup> highest median income and one of lowest unemployment and poverty rates in US
- Relatively large and “well off” Demographic Groups in NH
  - *High income baby boomers.. Most still doing well..*
  - *Much lower unemployment rates among college educated than non college educated ... NH has 8<sup>th</sup> highest percent of adults with college degree*
  - *Middle-income and middle-aged doing relatively well in NH*
  - Many families have both spouses working or able and ready to work which can help during economically challenging times

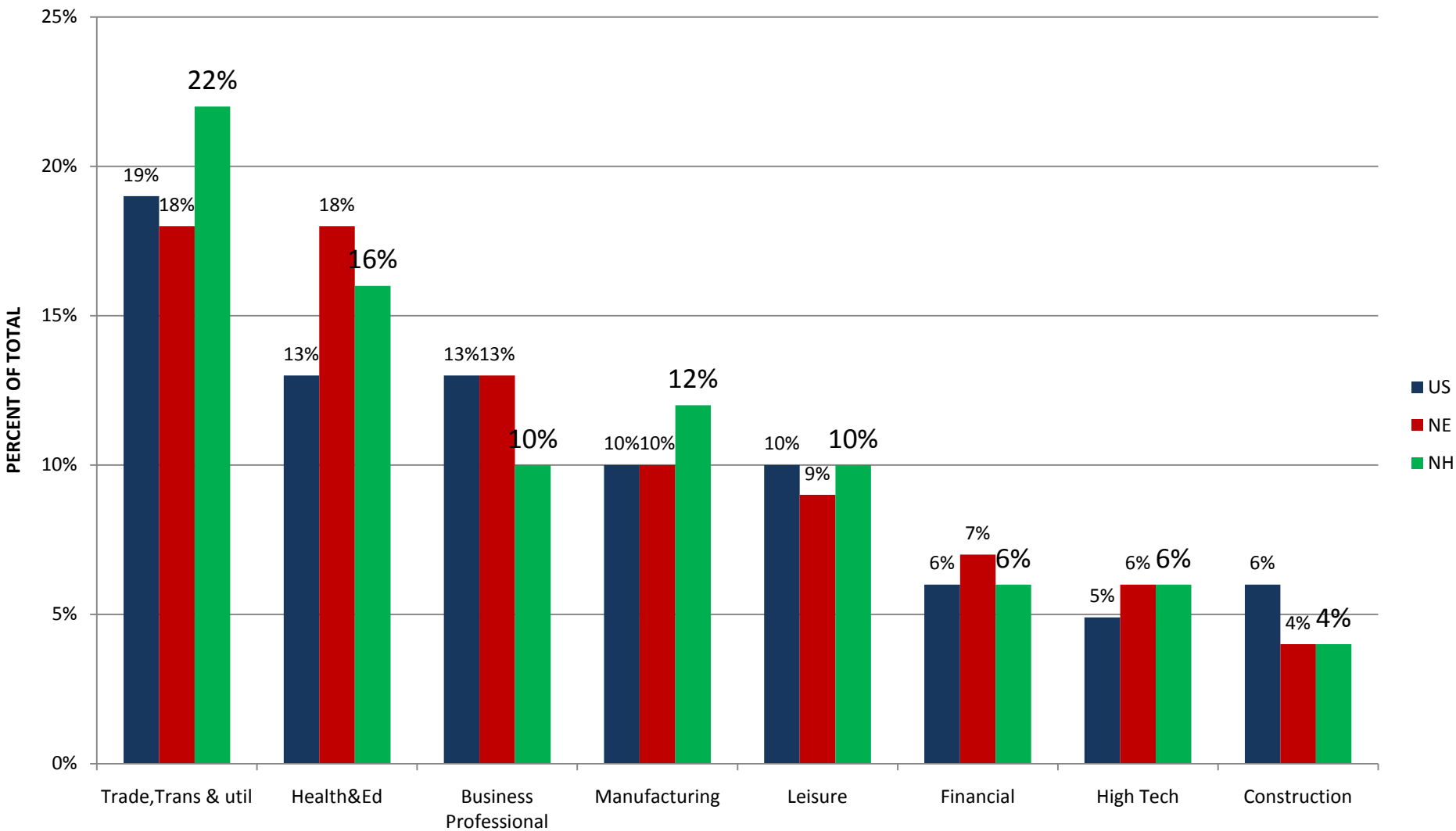
# Those most at risk in weak economy include ...

- *Workers in industries losing employment.... such as retail trade, finance, construction and manufacturing*
- *Unemployed in NH .. expected to increase from 25,000 in 2007-Q4 to over 52,000 in 2010-Q3, or by about 27,000*
- *Individuals without a high school or college degree or with a disability*
- *Single parent households*
- *Households in debt*
- *Recently retired*
- *Households who purchased their homes at end of housing boom*

# Leading Industries and Occupations in New Hampshire

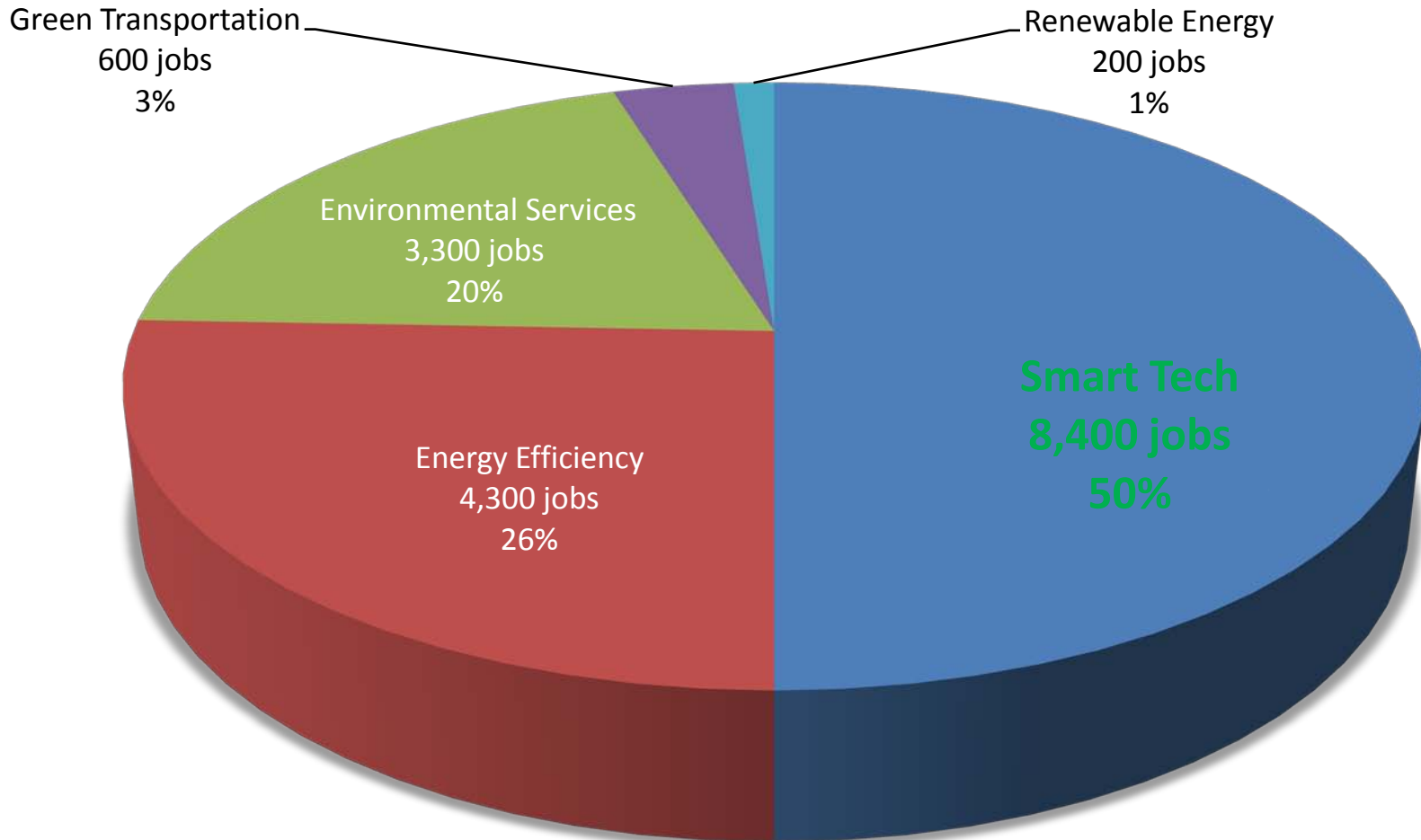
# Employment by Industry as a Percentage of total Employment for the US and NE and NH. New England Region and NH has relatively high concentration in fairly stable industry Health and Education.

NH also high concentration in Trade and Manufacturing



# **“Future”/Growth Industries for New Hampshire**

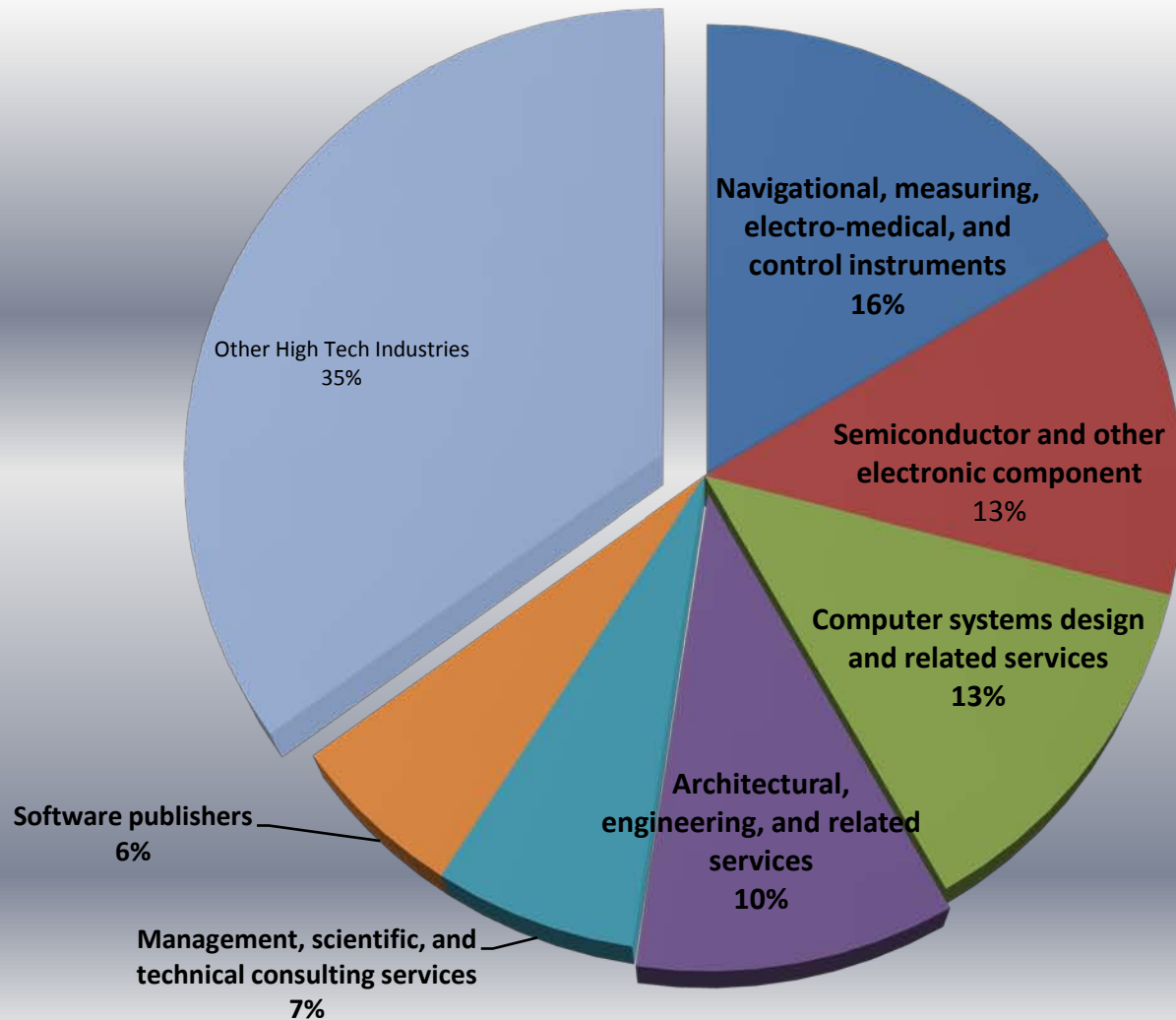
# Green Industries – 50 percent in smart green technology ..



## HIGH TECH IN NH ECONOMY

- **New Hampshire's high tech industry**
  - *Employs 49,000*
  - *Accounts for 9 percent of total private sector employment*
  - *Contributes one-quarter of the state's economic output*
  - *Annual earning over \$75,000, 75 percent higher than all-industry average*

# Four Sectors in High Tech-- two each in manufacturing and services -- account for more than 50 percent of high tech employment in state



- *High Tech sector led NH out of late 1980s – early 1990s recession.*
- *In high technology with challenges, come opportunities to innovate, to develop new products and services, to serve and create new markets*

# Industries Employment Change in NH 2008 to 2012 *(in an of economy with 654,000 employed in 2008)*

- Professional & Business Services, ~ 7,000
- Health and Education, ~ 5,500
- Leisure & Hospitality, ~1,800
- Information Services, ~1,200
- -----
- Construction, -700
- Manufacturing, -1,700
- Finance, -3,700
- Retail Trade, -4,300

Occupation Title	Average Annual Openings	
	Growth	Education or Training Category
Registered Nurses	401	Associate degree
Retail Salespersons	389	Short-term on-the-job training
Combined Food Preparation and Serving Workers, Including Fast Food	254	Short-term on-the-job training
Business Operations Specialists, All Other	250	Bachelor's degree
Customer Service Representatives	244	Moderate-term on-the-job training
Computer Software Engineers, Applications	217	Bachelor's degree
Office Clerks, General	216	Short-term on-the-job training
Elementary School Teachers, Except Special Education	204	Bachelor's degree
Waiters and Waitresses	200	Short-term on-the-job training
Nursing Aides, Orderlies, and Attendants	198	Postsecondary vocational training
Teacher Assistants	180	Short-term on-the-job training
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	175	Short-term on-the-job training
Postsecondary Teachers <sup>2</sup>	168	Doctoral Degree
Personal and Home Care Aides	157	Short-term on-the-job training
Bookkeeping, Accounting, and Auditing Clerks	155	Moderate-term on-the-job training
Landscaping and Groundskeeping Workers	135	Short-term on-the-job training
Home Health Aides	133	Short-term on-the-job training
Receptionists and Information Clerks	114	Short-term on-the-job training
Child Care Workers	107	Short-term on-the-job training
Insurance Sales Agents	100	Bachelor's degree

Occupation Title	Employment	Numeric	Percent	Growth	Replacement	Total Openings	Education or Training Category
Retail Salespersons	25,263	3,893	15.4%	389	778	1,167	Short-term on-the-job training
Cashiers	22,195	549	2.5%	55	1,055	1,110	Short-term on-the-job training
Waiters and Waitresses	12,170	1,999	16.4%	200	661	861	Short-term on-the-job training
Registered Nurses	12,849	4,012	31.2%	401	212	613	Associate degree
Customer Service Representatives	8,765	2,435	27.8%	244	244	488	Moderate-term on-the-job training
Office Clerks, General	13,982	2,158	15.4%	216	257	473	Short-term on-the-job training
Food Preparation and Serving Fast Food	10,740	2,541	23.7%	254	204	458	Short-term on-the-job training
Elementary School Teachers, Except Special Education	8,077	2,040	25.3%	204	176	380	Bachelor's degree
Janitors and Cleaners, Except Maids	9,928	1,751	17.6%	175	190	365	Short-term on-the-job training
Business Operations Specialists, All Other	9,619	2,499	26.0%	250	103	353	Bachelor's degree
First-Line Supervisors/Managers of Retail Sales Workers	12,394	925	7.5%	93	260	353	Work experience in a related occupation
Teacher Assistants	10,007	1,795	17.9%	180	163	343	Short-term on-the-job training
Bookkeeping, Accounting, and Auditing Clerks	10,364	1,551	15.0%	155	162	317	Moderate-term on-the-job training
Computer Software Engineers, Applications	4,534	2,171	47.9%	217	66	283	Bachelor's degree
Managers, All Other	9,766	850	8.7%	85	194	279	Work experience in a related occupation
Postsecondary Teachers <sup>2</sup>	6,113	1,654	27.1%	168	104	272	Doctoral Degree
Nursing Aides, Orderlies, and Attendants	7,723	1,981	25.7%	198	69	267	Postsecondary vocational training
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	7,362	993	13.5%	99	163	262	Work experience in a related occupation
Receptionists and Information Clerks	5,708	1,143	20.0%	114	140	254	Short-term on-the-job training
Laborers and Freight, Stock, and Material Movers, Hand	6,600	395	6.0%	40	211	251	Short-term on-the-job training
Counter Attendants, Food Concession, and Coffee Shop	2,906	483	16.6%	48	202	250	Short-term on-the-job training
First-Line Supervisors/Managers of Office and Administrative Support Workers	8,213	619	7.5%	62	170	232	Work experience in a related occupation
Stock Clerks and Order Fillers	9,515	-428	-4.5%	0	226	226	Short-term on-the-job training
Child Care Workers	4,119	1,073	26.1%	107	118	225	Short-term on-the-job training
Truck Drivers, Heavy and Tractor-Trailer	7,820	801	10.2%	80	139	219	Moderate-term on-the-job training
Landscaping and Groundskeeping Workers	6,292	1,353	21.5%	135	83	218	Short-term on-the-job training
Insurance Sales Agents	5,388	999	18.5%	100	117	217	Bachelor's degree
Personal and Home Care Aides	2,691	1,565	58.2%	157	46	203	Short-term on-the-job training

Dishwashers	3,368	526	15.6%	53	138	<b>191</b>	Short-term on-the-job training
Chief Executives	6,059	232	3.8%	23	166	<b>189</b>	Bachelor's or higher degree, plus work experience
Cooks, Restaurant	4,150	707	17.0%	71	112	<b>183</b>	Long-term on-the-job training
Food Preparation Workers	3,106	698	22.5%	70	108	<b>178</b>	Short-term on-the-job training
Secretaries, Except Legal, Medical, and Executive	8,273	406	4.9%	41	132	<b>173</b>	Moderate-term on-the-job training
Middle School Teachers, Except Special and Vocational Education	3,779	855	22.6%	86	83	<b>169</b>	Bachelor's degree
General and Operations Managers	6,210	170	2.7%	17	150	<b>167</b>	Bachelor's or higher degree, plus work experience
Counter and Rental Clerks	2,730	633	23.2%	63	104	<b>167</b>	Short-term on-the-job training
Executive Secretaries and Administrative Assistants	5,228	828	15.8%	83	83	<b>166</b>	Work experience in a related occupation
Carpenters	6,563	765	11.7%	77	89	<b>166</b>	Long-term on-the-job training
Bartenders	3,169	481	15.2%	48	115	<b>163</b>	Short-term on-the-job training
Maids and Housekeeping Cleaners	4,737	718	15.2%	72	89	<b>161</b>	Short-term on-the-job training
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	1,859	301	16.2%	30	127	<b>157</b>	Short-term on-the-job training
Home Health Aides	2,247	1,326	59.0%	133	20	<b>153</b>	Short-term on-the-job training
Automotive Service Technicians and Mechanics	4,929	495	10.0%	50	99	<b>149</b>	Postsecondary vocational training
Preschool Teachers, Except Special Education	3,094	941	30.4%	94	51	<b>145</b>	Postsecondary vocational training
Accountants and Auditors	3,753	718	19.1%	72	66	<b>138</b>	Bachelor's degree
Tellers	2,332	355	15.2%	36	102	<b>138</b>	Short-term on-the-job training
Licensed Practical and Licensed Vocational Nurses	2,580	630	24.4%	63	70	<b>133</b>	Postsecondary vocational training
Securities, Commodities, and Financial Services Sales Agents	2,658	593	22.3%	59	68	<b>127</b>	Bachelor's degree
Computer Support Specialists	2,778	399	14.4%	40	86	<b>126</b>	Associate degree
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	3,603	464	12.9%	46	80	<b>126</b>	Work experience in a related occupation
Sales Representatives, Services, All Other	2,231	715	32.0%	72	53	<b>125</b>	Work experience in a related occupation
Truck Drivers, Light or Delivery Services	4,429	453	10.2%	45	79	<b>124</b>	Short-term on-the-job training
Physicians and Surgeons <sup>2</sup>	2,959	698	23.6%	70	53	<b>123</b>	First professional degree
Hairdressers, Hairstylists, and Cosmetologists	3,932	734	18.7%	73	47	<b>120</b>	Postsecondary vocational training
Team Assemblers	4,199	325	7.7%	33	87	<b>120</b>	Moderate-term on-the-job training
Police and Sheriff's Patrol Officers	2,892	390	13.5%	39	77	<b>116</b>	Long-term on-the-job training
Shipping, Receiving, and Traffic Clerks	3,847	189	4.9%	19	92	<b>111</b>	Short-term on-the-job training
Cooks, Fast Food	2,590	389	15.0%	39	70	<b>109</b>	Short-term on-the-job training
Electricians	2,847	342	12.0%	34	73	<b>107</b>	Long-term on-the-job training

# Summary: New Hampshire Outlook

- **New Hampshire, as in the nation, recession followed by relatively weak recovery**
- **Many vulnerable NH households and individuals will suffer financial stress over an extended period of time**
- **In NH a period of growth at or slightly above the US average growth... but leading the region**
- **The state tends to fare relatively well coming out of recession**
- **This should be true again, particularly**
  - **with more diverse (than in last 2 recessions) economy**
  - **high levels of educational attainment**
  - **Strong high tech-innovation foundation**
  - **High income**
  - **Low poverty and low unemployment**

# What does NH economic future look like???

- Global and US economies will determine NH economic outlook during recessionary period (through 2009)
- NH has relatively strong economy and economic fundamentals
  - Longer-term key growth sectors
    - Green economy industries
    - High Technology ...and the intersection of the two
    - And service industries targeting relatively well-to-do aging baby boomers in the region and NH
  - Key foundation industries
    - Health and education
    - Leisure and Hospitality