

What is New Hampshire: Economy

The economy of a nation, region, or state is the sum of its people's economic activities: we work, buy things, save, and invest. The New Hampshire economy primarily consists of the activities of the state's 1.4 million residents who work, consume, save, and invest in the state. The role of businesses and governments in this economy is as mechanisms for us to join together as workers, investors, and residents for the purpose of achieving our economic objectives—to prosper.

New Hampshire, however, is not an island. Many of us work, consume, and invest outside of New Hampshire as well as within. And visitors, commuters, and outside investors contribute to the economic success of the state. The New Hampshire economy is also, of course, part of the regional, national, and global economies that have an enormous impact on what happens here.

This section of *What Is New Hampshire?* describes the major features of the state's economy as it exists currently, then examines recent trends and highlights challenges we may face moving ahead. We welcome feedback on how this section may be improved. Are there areas of the economy that you'd like us to cover in more detail or other challenges that we should highlight? Please let us know by emailing Carsey.WINH@unh.edu.

Note: The non-pdf version of this section of What is New Hampshire? has interactive versions of graphs that provide additional information.

New Hampshire Now

A decade after the Great Recession, the New Hampshire economy comprises more than 700,000 jobs, few in the state are unemployed, poverty levels are low relative to other states, and the median wage is close to the national level. We work in a diverse set of industries and commute to jobs in state as well as in Massachusetts, Maine, and Vermont. When sources of income beyond in-state wages are accounted for, our median income is high compared to the nation and about average for the region.

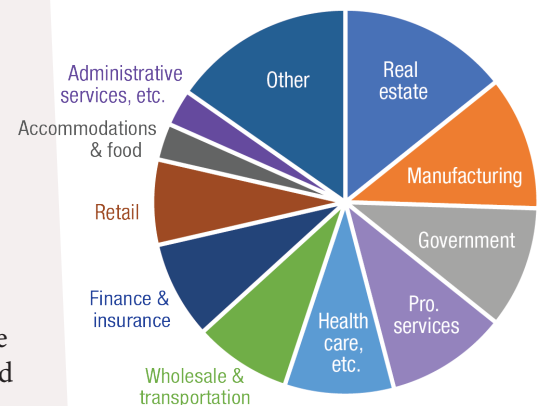
The tables and charts that follow offer a walk through some of the most important measures of the New Hampshire economy, with comparisons to the nation as a whole and other New England states. If you are reading this online, supplemental comparisons with the rest of the states and information on New Hampshire regions can be accessed by clicking on the grey boxes.

Additional statistical measures and comparisons to Vermont and Maine can be viewed at [Northern New England Indicators](#).

Industry

New Hampshire's diverse mix of industries allows for multiple paths for growing prosperity and makes the state's economy more resilient than that of states that are dependent on fewer industries (Figure 1). In fact, New Hampshire's mix of industries looks similar to that of the nation in its variety. The state isn't immune to economic downturns, but it is less vulnerable to widespread economic pain from the failure of a single industry.

FIGURE 1. INDUSTRY SHARES OF N.H. ECONOMY, 2017



INDUSTRY SHARE OF N.H. AND U.S. ECONOMY

	NH	U.S.
Real estate	14%	13%
Manufacturing	12%	11%
Government	10%	12%
Professional services	10%	10%
Health care, etc.	9%	7%
Wholesale & transportation	8%	9%
Finance & insurance	8%	6%
Retail	7%	6%
Accommodations & food	3%	3%
Administrative services, etc.	3%	3%
Other	15%	19%

Source: Bureau of Economic Analysis

Notes: These data are shares of the state GDP as reported by the Bureau of Economic Analysis. See Box 1. The "other" category includes agriculture, forestry, fishing and hunting; mining, quarrying, and oil and gas extraction; utilities; construction; information; educational services; arts, entertainment and recreation; and other not otherwise categorized services. Each of these is less than 5% of the New Hampshire economy.

What GDP Measures in the Economy

Gross domestic product (GDP), a widely cited economic statistic, is defined as the market value of goods and services produced by labor and property.¹ It is calculated for the economy as a whole and separately for each industry. If you hear “the economy grew by 2 percent,” it means that GDP grew by 2 percent. If you hear “11 percent of the economy is in manufacturing,” it means that the value of goods and services produced in manufacturing makes up 11 percent of economy-wide GDP.

We use GDP to measure of economic growth and to describe the financial significance of different industries.

It is important to understand that GDP is not just the total amount spent on purchases in the state. What counts in a state’s GDP is the “value added” within the state. For example, take a car bought in New Hampshire but made in Ohio. The part of the price that is due to what the dealer did in New Hampshire counts in New Hampshire’s GDP. The part of the price due to assembling the car is in Ohio’s GDP.

Much of the attention in state economic policy is focused on new investment and up-and-coming industries and talent. There is no question that these are important for long-term economic prospects: new and growing businesses bring income and talented employees to the state, they are customers for other businesses in the state, and their employees’ wages are important to the consumption side of the economy.

It is also true, however, that much of what makes up the New Hampshire economy is simply the people of the state and visitors buying goods and services. The retail industry makes up 7 percent of the state’s gross domestic product (GDP); the accommodations and food service sector makes up 3 percent; and the wholesale, transportation, and warehousing sector that supports those industries makes up 8 percent. The health care we buy is another 8 percent of the economy. There are also portions of other industries—real estate, and finance and insurance, for example—that are fueled by our personal purchasing power. Even the industries that serve businesses are, to a significant degree, serving businesses that directly serve consumers. Lawyers, accountants, and other professional service providers who work for stores, restaurants, and hospitals are also part of the economy driven by our personal spending.

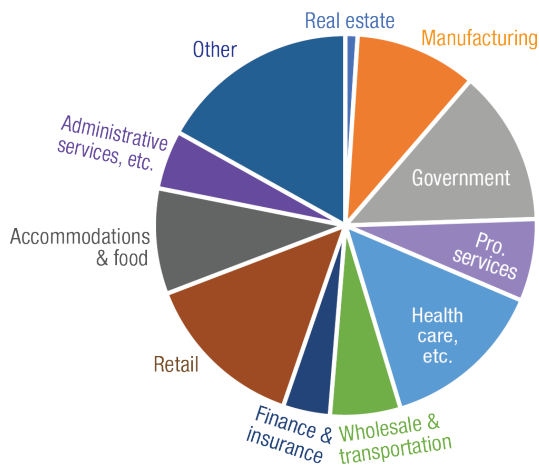
As noted earlier, New Hampshire is similar to the nation as a whole in the shares of its economy each industry comprises. The most substantial differences are in health care (9 percent of the N.H. economy, 7 percent nationally) and government (10 percent in New Hampshire, 12 percent nationally).

Jobs

While the value of goods and services produced is a good measure of where economic resources are allocated and income is generated, the levels of employment in different industries are more indicative of how the working population of the state is experiencing the economy. The share of employment in an industry can differ substantially from the share of economic value

its labor produces. For example, finance and insurance make up 8 percent of GDP but only 4 percent of employment. Conversely, accommodations and food services (a category basically consisting of hotels and restaurants) is only 3 percent of the economy but account for 9 percent of the jobs (Figure 2).

FIGURE 2. JOBS BY INDUSTRY IN NEW HAMPSHIRE, 2017



INDUSTRY SHARES OF JOBS IN N.H. AND U.S.

	NH	U.S.
Health care, etc.	14%	13%
Retail	14%	11%
Government	13%	15%
Manufacturing	10%	9%
Accommodations & food	9%	9%
Professional services	7%	8%
Wholesale & transportation	6%	8%
Administrative services, etc.	5%	6%
Finance & insurance	4%	4%
Real estate	1%	2%
Other	17%	16%

Source: Bureau of Labor Statistics, Current Employment Statistics. **Note:** The “other” category includes mining and logging; utilities; construction; information; educational services; arts, entertainment, and recreation; and other not otherwise categorized services. Each is less than 5% of New Hampshire employment.

Jobs by Industry by N.H. County

Overall, New Hampshire jobs are most heavily concentrated in retail (14 percent), health care (14 percent), government (13 percent), and manufacturing (10 percent). The most notable difference from the national share of employment is in the retail category, which is 11 percent of employment for the country as a whole. The difference from the national share is enough to give New Hampshire the highest share working in retail in the country. Additionally, government employment is a noticeably smaller share of total employment in the state than it is nationwide (13 percent vs. 15 percent).

Granite Staters work in a range of industries and also for employers of a range of sizes, from giant corporations to family-owned shops. Businesses with fewer than 20 employees employ 18 percent of New Hampshire workers, and enterprises with fewer than 100 employees employ 37 percent (inclusive of those with fewer than 20 employees). This is slightly higher than nationwide, where 33 percent of workers are in enterprises with fewer than 100 employees (Table 1).

TABLE 1. NEW ENGLAND AND U.S. WORKERS IN SMALL BUSINESSES, BY BUSINESS SIZE, 2016

	<20 workers	<100 workers
Vermont	24%	44%
Maine	22%	41%
Rhode Island	19%	38%
New Hampshire	18%	37%
Connecticut	17%	34%
United States	17%	33%
Massachusetts	15%	31%

Source: U.S. Census Bureau 2016 County Business Patterns.

 **Small Business Employment by State**

Unemployment

New Hampshire has one of the lowest unemployment rates in the country, defined as people who are seeking employment but are not employed (Table 2).² Essentially, people in New Hampshire who are able to work can find jobs. That doesn't mean they can find the jobs they want that pay them what they want, or that they are as fully employed as they would like to be, but there is no shortage of jobs.

TABLE 2. UNEMPLOYMENT RATE, NEW ENGLAND & U.S., 2017

Connecticut	4.7%
United States	4.4%
Rhode Island	4.4%
Massachusetts	3.8%
Maine	3.4%
Vermont	3.0%
New Hampshire	2.7%

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, 2017 Annual Averages.

 **Unemployment by State**

 **Unemployment by N.H. County**

Wages

Despite a particularly tight labor market, New Hampshire's median hourly wage is only slightly above the national median, and among the New England states tops only Maine by a meaningful margin and trails Massachusetts, Rhode Island, and Connecticut (Table 3). In one respect, wage levels being close to the national median is not surprising given that

wage levels are closely associated with industry and New Hampshire's industrial mix is close to the mix of the nation as a whole.

TABLE 3. MEDIAN HOURLY WAGE, NEW ENGLAND STATES & U.S., 2018

Massachusetts	\$ 23.40
Connecticut	\$ 22.56
Rhode Island	\$ 20.21
New Hampshire	\$ 19.17
Vermont	\$ 19.10
United States	\$ 18.58
Maine	\$ 17.85

Source: Bureau of Labor Statistics Occupational Employment and Wage Estimates, May 2018.

 **Hourly Wage by State**

New Hampshire has a lower share of workers covered by union contracts than most of the New England states but stands at about the national level (Table 4).

TABLE 4. EMPLOYEES COVERED BY A UNION, NEW ENGLAND STATES AND U.S., 2018

Rhode Island	18.5%
Connecticut	16.7%
Maine	14.8%
Massachusetts	14.5%
United States	11.7%
New Hampshire	11.6%
Vermont	11.6%

Source: Bureau of Labor Statistics.

 **Union Coverage by State**

Income

Median household income, defined as the point in the income distribution where half of households receive more and half receive less, is a commonly used measure of the financial health of a population. The income measured includes wages, business and investment income, and cash transfer payments such as Social Security, unemployment, and child support.

New Hampshire ranks as one of the ten highest-median-household-income states (Table 5) even though its national rank in wages paid by in-state employers is near the middle of the pack (see Table 3). The most likely explanation for this discrepancy is the fact that many high-income earners who live in New Hampshire earn their wages in other states, particularly Massachusetts. New Hampshire ranks second only to New Jersey in the share of earnings by its residents attributable to commuting to jobs in other states—with net earnings by commuters accounting for 12 percent of total earnings by employed state residents. No other state exceeds 10 percent.

TABLE 5. MEDIAN HOUSEHOLD INCOME, NEW ENGLAND STATES AND U.S., 2017

Massachusetts	\$ 77,385
Connecticut	\$ 74,168
New Hampshire	\$ 73,381
Rhode Island	\$ 63,870
United States	\$ 60,336
Vermont	\$ 57,513
Maine	\$ 56,277

Source: American Community Survey, 2017 one-year estimates.



Poverty

The poverty rate is a measure of the share of people whose incomes fall below a family-type-specific threshold (about \$25,000 for a family of four in 2018, for example). New Hampshire had the lowest poverty rate in the country in 2017 (Table 6). Of course, having over 7 percent of the people living in poverty in a relatively wealthy state in a wealthy country is short of ideal. The poverty rates are higher in the northern parts of the state, but most of those who are poor live in the southern, more densely populated area.

TABLE 6. POVERTY RATE, NEW ENGLAND STATES AND U.S., 2017

United States	13.4
Rhode Island	11.6
Vermont	11.3
Maine	11.1
Massachusetts	10.5
Connecticut	9.6
New Hampshire	7.7

Source: American Community Survey, 2017 one-year estimates.



Summary

The people of New Hampshire have created a healthy and diverse set of industries through their labor, spending, and investment, are relatively well-off compared to other states, and work in a labor market where jobs are plentiful. However, those who work in the state experience wage levels that are only barely higher than the national median. Many commute to well-paying jobs in other states, and over 7 percent live in poverty.

New Hampshire Trends

The tables and text above give a view of how people are now experiencing the New Hampshire economy. This section discusses important economic trends over the last decade.

Overall growth

Coming out of the Great Recession, the people of New Hampshire joined the rest of the country in recovery. As the recession wasn't as deep for New Hampshire's resilient economy as for the rest of the country, it is perhaps not surprising that the recovery has been less dramatic. In 2016 the state topped the national growth rate for the first time since 2010, but then lagged in 2017 and 2018 (Figure 3).

This overall growth has been accompanied by jobs gains, with the gains varying by industry.

Jobs

Since clear of the recession in 2010, the number of jobs in most of New Hampshire's industries has risen, the major exception being in government (Figure 4). Professional, scientific, and technical services and management firms have seen an increase of over 9,500 jobs. Data limitations do not allow us to explore changes in New Hampshire for industries within this broad category, but nationally about 30 percent of the growth in this area has been in computer-related services, 20 percent in management consulting, and 21 percent in corporate management (companies that manage other companies). The rest of the growth in this category is sprinkled among other professional business, technical, or scientific services.

Following professional services in job growth are administrative and support and waste management and remediation services, in which about 9,000 jobs were created. Nationally, about half of the new jobs in this category have been in temporary help services and about 20 percent in building-related services such as

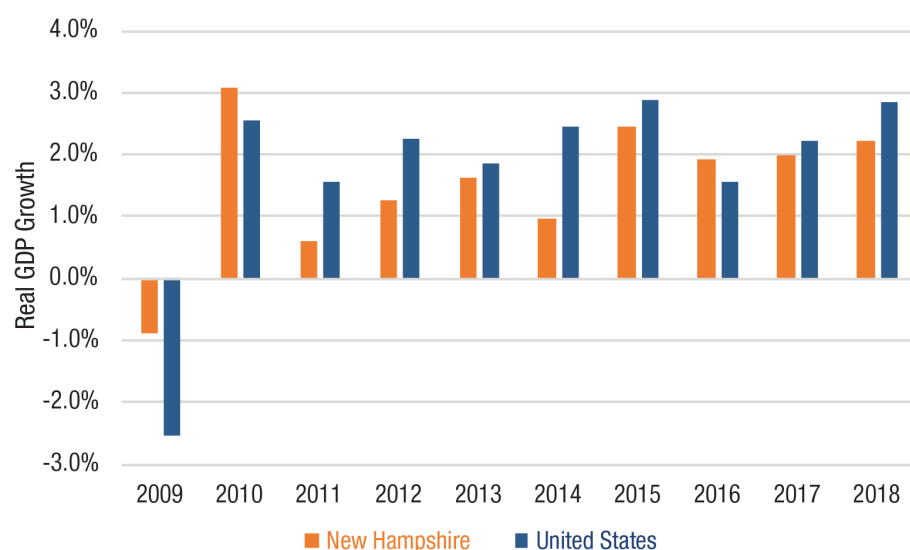
landscaping and janitorial services. Four percent of the new jobs have been in waste management.

As Figure 4 shows, hotels and restaurants, health care and social services, private-sector education, construction, transportation, and manufacturing have also seen healthy upswings in New Hampshire

over this period. Retail jobs are also up for the whole period but they have declined since 2016, dropping by 1,500 (they have been flat at the national level recently). In the “other services” category, the biggest growth nationally has been in auto repair (27 percent of the growth) and hair, nail, and skin care (16 percent).

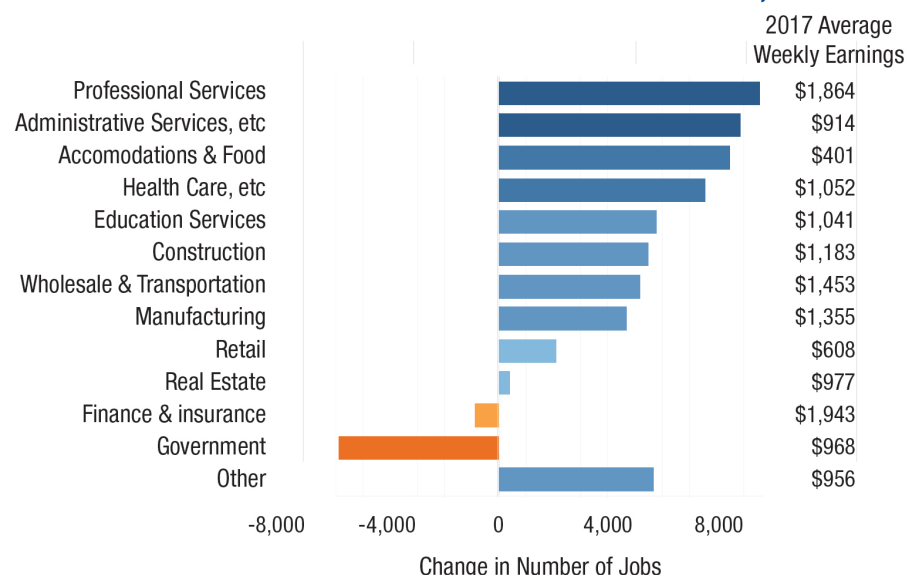
Government has seen the largest decline in employment in New Hampshire, with drops in seven of the last nine years. All levels of government have seen declines but local government has experienced the largest, with nearly all of the losses in education.

FIGURE 3. REAL GDP GROWTH IN N.H. AND U.S., 2009–2018



Source: Bureau of Economic Analysis

FIGURE 4. CHANGE IN NUMBER OF N.H. JOBS BY INDUSTRY, 2010–2018



Source: Bureau of Labor Statistics, Current Employment Statistics.

N.H. Government Employment

Which industries have the strongest job growth has important implications for the living standards of state residents. Figure 4 also shows the average weekly wage in each industry for 2017. Job growth has been spread out between industries with weekly wages above and below the statewide overall average of \$1,060 per week. Professional services, with the high average weekly wage of \$1,864, has seen strong growth, but more people have also been employed in administrative services and hotels and restaurants, which pay much less.

Industry Average Weekly Wages as a Measure: Pros and Cons

One cautionary note on using these wage levels to compare industries. They are average weekly pay levels, which are affected by the number of hours worked—which varies by industry. For example, those working in construction work an average of about 39 hours per week nationally, while those in retail work 31 hours per-job. That said, the average weekly wage is the best data available by industry for New Hampshire over time. It should be noted that typically low-hour jobs are low-wage jobs—nationally, the average hourly wage in construction is about \$30, compared to about \$19 in retail. The lack of negotiating power in industries affects the ability of workers to gain both higher wages and regular working hours.

To further complicate matters, wages can vary greatly within industries. For example, in food service in New Hampshire, the median hourly wage for chefs and head cooks is \$24.90 per hour, while for fast food cooks it is \$10.03 and for servers it is \$9.44.

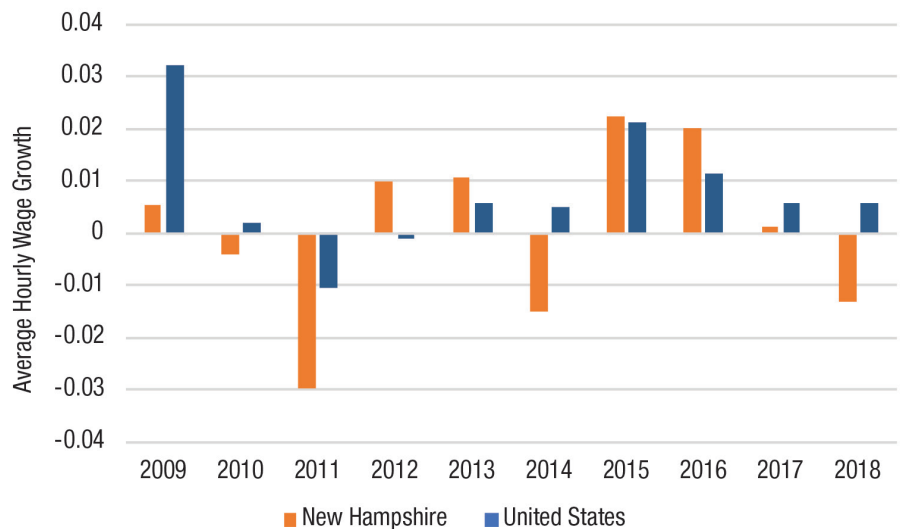
Notwithstanding these complications, as a broad indication of which industries' growth leads to higher average standards of living for those who work in the state, Figure 5 is good snapshot.

Wages

Since the recession, overall wage growth has disappointed nationally as well as in New Hampshire (Figure 5). After stronger, though by no means great, years in 2015 and 2016, wage growth nationally and in New Hampshire slackened in 2017 and 2018. Average wages, adjusted for inflation, actually declined in New

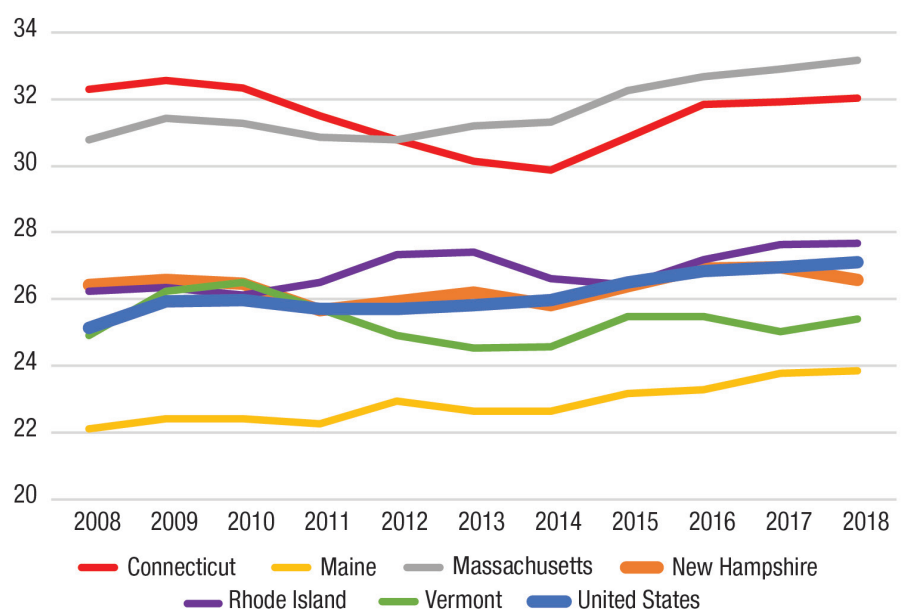
Hampshire in 2018, even though unemployment was low. Overall since 2008, real average wages have risen by just 0.6 percent in New Hampshire compared to 7.8 percent nationally. Even since 2010, when differences in the recession's impact on the state and the nation had dissipated, wages have risen 4.4 percent nationally compared to just 0.5 percent in New Hampshire.

FIGURE 5. REAL AVERAGE HOURLY WAGE GROWTH, N.H. AND U.S., 2009–2018



Source: Bureau of Labor Statistics, Current Employment Statistics, 2009–2018.

FIGURE 6. AVERAGE HOURLY WAGE IN NEW ENGLAND STATES, 2008–2018



Note: Wages are displayed in 2018 dollars. The scale does not start at \$0, to make the change over time more visible. Source: Bureau of Labor Statistics, Current Employment Statistics, 2009–2018.

Between 2008 and 2018 wages in New Hampshire lost ground compared not only to the nation but also to several New England states (Figure 6). Rhode Island moved from having an average hourly wage below New Hampshire's to having a wage above it.

In short, while improved overall economic performance and wide availability of jobs have benefited those who would otherwise be unemployed and others who benefit from a strong aggregate economy, they have not translated into meaningfully higher wages for the average New Hampshire worker working in New Hampshire. Since 2008 wages have barely kept up with rising costs, and over the last two years they lost ground. There have been promising reports as of this writing that growth may be turning around in 2019, but nevertheless there has been no sustained wage growth since 2016.

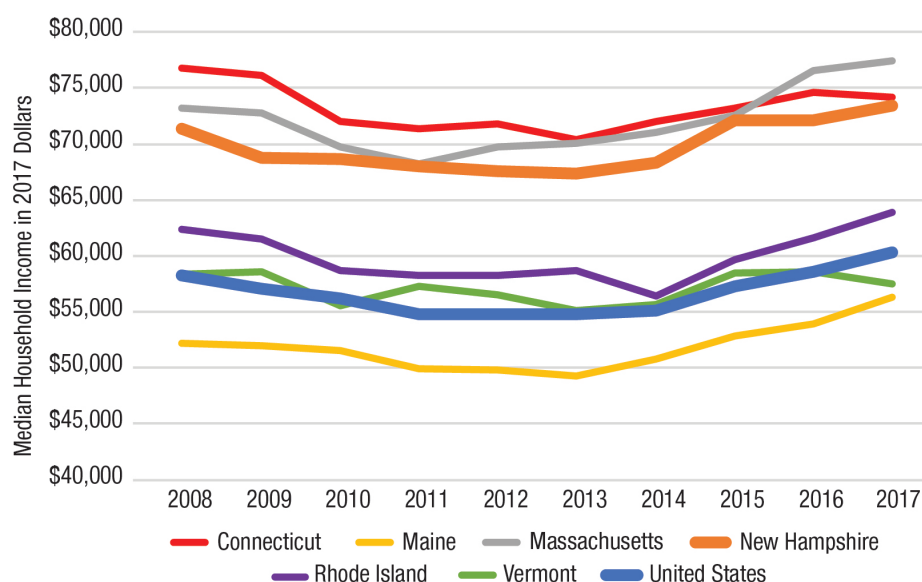
It is worth emphasizing that 0.6 percent is the growth in the average wage since 2008; growth has been faster for some jobs than for others. Such a low level of overall growth suggests that many have almost certainly seen wages lose ground to rising costs.

Household Income

Not surprisingly, as wage growth disappoints so too does growth in median household income. New Hampshire has largely mirrored the country and New England in this measure—dipping after the recession, beginning to recover around 2014, and then leveling off in later years (Figure 7).

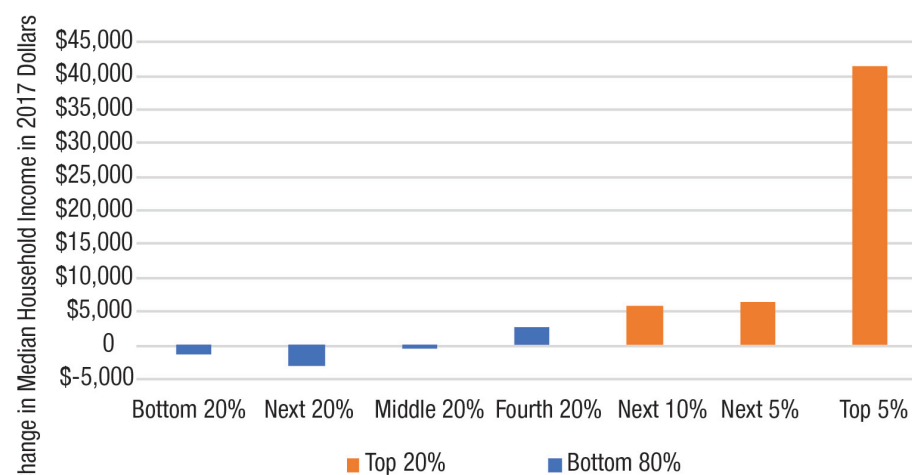
Because Figure 7 shows only overall median income, it does not capture the varied experiences of different types of households. The industry data discussed earlier addresses this to some degree: those with jobs in different industries are having different economic experiences. The data showing stagnation in hourly wage rates suggest that many of those who

FIGURE 7. MEDIAN HOUSEHOLD INCOME, NEW ENGLAND AND U.S., 2008–2017



Source: American Community Survey, 2008–2017 one-year estimates.

FIGURE 8. CHANGE IN N.H. MEDIAN HOUSEHOLD INCOME BY PERCENTILE, 2007–2017



Source: American Community Survey, 2008–2017 one-year estimates.

depend heavily on wages are not doing well, and at best they are working longer hours to make ends meet.

Figure 8 shows the change in median income by income group between 2007 and 2017. Accounting for inflation, the lowest-income 20 percent of the population has seen its income decline by \$1,300, the middle-income group has seen its income decline by \$454, and the

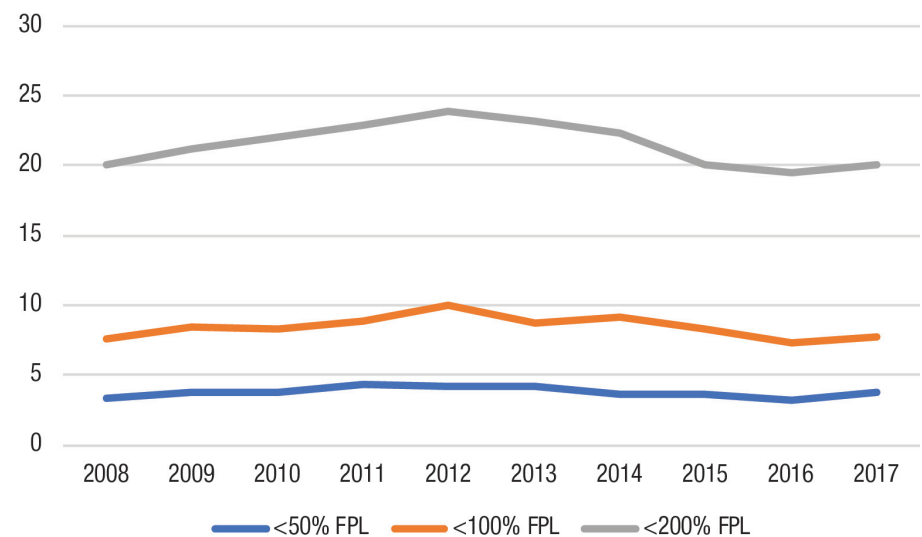
highest 5 percent income group has seen its income jump by \$41,340. This follows long-run national patterns dating from the late 1970s. For the 36 years from 1979 to 2015 the middle 20 percent of the income spectrum saw its income rise by \$6,400 nationally while the wealthiest 1 percent saw its income rise from an average of \$557,300 in 1979 to \$1,854,900 in 2015 (inflation adjusted).³

Poverty

In New Hampshire as in the United States more broadly, the share of people living in poverty has been remarkably stable over time. This is true for the official definition of poverty—households below 100 percent of the official federal poverty line—but also for other metrics based on that definition: the share of people living below half the poverty line (about \$12,000 for a family of four in 2018) and the share living below twice the poverty line (about \$48,000 for a family of four) have also been persistent (Figure 9).

Although poverty has been stable, there is a rising concern that opportunity has declined—that the prospects for children to rise in economic status above their low-income or impoverished beginnings have diminished relative to the past. This situation has been highlighted in the work of New Hampshire resident Robert Putnam, in his book *Our Kids*, and documented in a range of research.⁴ Importantly, research shows that children who are otherwise very similar do better when they are born in higher-income communities than when they are born in lower-income communities. The Opportunity Atlas, created in partnership with the U.S. Census Bureau, Harvard University, and Brown University, shows that, while New Hampshire children do fairly well in adulthood, those raised in lower-income Sullivan and Coös Counties have lower household incomes in adulthood than their more affluent Hillsborough and Rockingham County counterparts.⁵

FIGURE 9. VARIATION IN NEW HAMPSHIRE POVERTY LEVELS, 2008–2017



Source: American Community Survey, 2008–2017 one-year estimates.

New Hampshire Challenges

Although by most commonly used economic measures New Hampshire is a well-off state, and recent trends are generally in line with the nation, there are a number of challenges. We will briefly address six of them here.

Wage stagnation

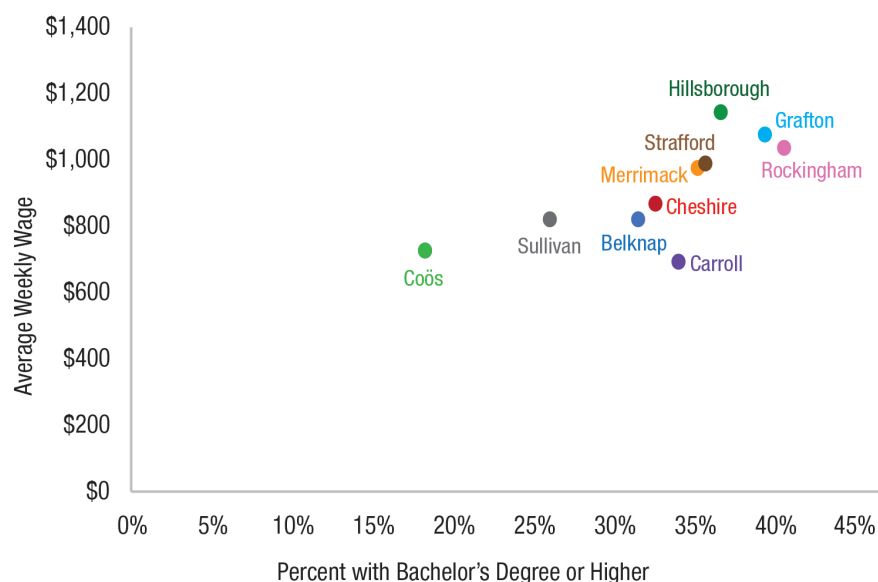
Over recent years, average wages have barely kept up with rising costs in New Hampshire or not kept up at all. To some degree wage levels reflect the mix of industries in a state—the extent to which it has more workers in higher- or lower-paying industries. In recent years, the number of jobs in the state is increasing in both higher-paying and lower-paying industries. Of course we need both kinds of jobs—not everyone has the skills and education for jobs that are currently high-paying, but they still need jobs. Overall, we want more jobs in higher-paying industries

and more of our people to have the skills to perform these jobs.

Wages and income vary by region as well as by industry. The southern part of the state has more jobs that require higher levels of education and it has more people with higher levels of education. It is a virtuous cycle that leads to higher pay levels in that part of the state (Figure 10).

Wage stagnation is a national phenomenon that is beyond the scope of this work—and to some extent beyond the ability of New Hampshire to address alone. The regional differences within New Hampshire, however, and the known ways to improve job quality—education most notably—are areas that deserve attention. The ideal scenario moving forward is that higher-paying sectors will grow more than lower-paying ones, a greater share of the state's population will be prepared for higher-skill jobs, and pay levels will increase for all jobs, especially those that are currently low paying.

FIGURE 10. AVERAGE WEEKLY WAGES AND PERCENT OF POPULATION AGE 25 OR OLDER WITH A BACHELOR'S DEGREE OR MORE, BY N.H. COUNTY, 2017



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages and American Community Survey, 2017 five-year estimates.

Education

Education is key to the economic success of individuals, businesses, and states. While the state scores higher than the national average on a number of educational measures, there are troubling gaps in educational attainment between lower-income and higher-income students. For instance, fourth-graders with lower family incomes score lower on reading and math standardized tests.⁶ And funding for schools is highly dependent on community wealth. This relationship is reflected, to pick one measure, in access to advanced placement classes—low in the state in general, but still lower for poorer school districts.⁷

The cost of higher education is another challenge. According to the Institute for Research on Higher Education at the University of Pennsylvania, New Hampshire ranks last among the states in terms

of affordability for students seeking higher education.⁸ While public universities in New Hampshire now give full scholarships to national Pell Grant awardees (the lowest income of students), qualifying students still have to cover their living costs. In another ranking of states, New Hampshire has the third-highest percentage of 2016 graduates with student loan debt and ranks highest in the level of that debt.⁹ Of course, accessible education benefits Granite Staters on the individual level, but it is also important to note that the state's institutions of higher education play a key role in the state's economy more broadly, making a contribution estimated at \$8.1 billion in 2017–2018.¹⁰

(Note that education will be the subject of another section of *What Is New Hampshire?*)

Labor force

As described in the demographics section of *What Is New Hampshire?*, New Hampshire is getting older, and its aging workforce will pose a challenge for the state's businesses in terms of recruiting, retaining, and expanding their workforces. Although older cohorts are working at higher rates than in preceding generations, their participation will not fully offset the decline in the available workforce.¹¹ The demographic section also explores the role of migration in the state—new residents filling open jobs as the state's existing population ages out of work. Concerted efforts by organizations such as Stay, Work, Play NH to both recruit and retain young Granite Staters might address some of these workforce needs and help the New Hampshire economy to flourish.

Housing costs

According to the New Hampshire Housing Finance Authority, median gross rent for a two-bedroom unit in the state was \$1,296 in 2018, having increased nearly 19 percent in five years, and marking the fifth year in a row of rising rent costs. Costs are rising for those seeking to own a home as well: in May 2019, the median single-family home price in New Hampshire reached \$300,000 for the first time.¹² These costs are driven, at least in part, by the state's constricted housing supply: fewer than 2 percent of all housing units in the state are available for rent or sale. The cost of housing is particularly challenging for residents in areas with features that are desirable for second-home owners, vacationers, and retirees.¹³

Poverty

As discussed above, poverty is relatively low in the state. However, pockets of the state have poverty rates that are considerably higher than the statewide rate, and the populations facing the highest poverty rates are some of the state's most vulnerable: children, people with disabilities, and single parents. Moreover, the share of residents who are technically poor is not indicative of the share who struggle to pay their rent, access quality child care, buy food, or save for an emergency. Fortunately, because relatively few people live in poverty in New Hampshire, efforts to alleviate it could be quite effective in moving the needle.

With New Hampshire's low unemployment rate and average wages, one might assume that finding adequate work wouldn't be a challenge. However, many low-income adults face significant barriers to employment. For example, Granite Staters who struggle to access work supports, such as affordable child care or reliable transportation, find it hard to remain steadily employed. A 2017 RAND Corporation study found that early childhood education and care programs aimed at low-income families serve a very small share of those families, largely due to limits in capacity.¹⁴ For families with children, the inability to access affordable child care can be a real barrier to employment.

Research has long identified poor health and disability as barriers to employment. People with disabilities are 13 percent of New Hampshire's population but 26 percent of its

poor population, experiencing a poverty rate twice that of the overall population (15.3 percent versus 7.7 percent). In addition, high rates of opioid-related overdose deaths in New Hampshire suggest that substance misuse may be an important barrier to work.¹⁵

New Hampshire faces additional challenges in considering how to address declining economic mobility—the rate at which people change their economic status. Research shows that income disparities have widened among New Hampshire families with children and that academic outcomes are worse for New Hampshire children living in lower-income families.¹⁶

Infrastructure

The American Society of Civil Engineers reports that, in a nation where serious infrastructure problems are widespread, New Hampshire ranks 31st among the states in the condition of its infrastructure. Nearly 13 percent of the state's bridges are structurally deficient, and over half of the roads are in fair, poor, or very poor condition. In 2013, a state legislative study found that updates to the state's drinking water infrastructure to ensure reliability, capacity, and regulatory compliance would cost \$857 million over ten years.

Poor infrastructure is an economic burden. The transit infrastructure is key to commerce, bad roads cost drivers in repair costs, and delaying repair often raises the cost of repair and the disruption it causes.

Conclusion

New Hampshire has many economic advantages that position it well as it seeks to address the challenges of wage stagnation, educational upgrading, an aging workforce, housing affordability, poverty, and aging infrastructure. It has a strong and diverse economic base from which to grow, and its workforce is well educated. With foresight and will, New Hampshire can chart a course to a productive, prosperous economy that addresses these challenges and enhances the well-being of all who live here.

Throughout this section, we rely on various sources of survey-based data. Readers should be cautious when comparing estimates between groups or time periods because these surveys are asked of a sample of the population, rather than the total population. Although some estimates may appear different from one another, it is possible that any difference is due to sampling error. Further, in some cases very small differences may be statistically significant due to the large sample size of certain surveys. While it is not realistic to provide statistical testing results for each possible comparison that readers might make, we focus on differences that are substantively meaningful and statistically significant in the text.

Endnotes

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