What is New Hampshire?

Where we are, where we have been, and what challenges we may face

University of New Hampshire
Carsey School of Public Policy
About This Project

The Carsey School of Public Policy is pleased to welcome you to *What is New Hampshire?*. *What is New Hampshire?* was originally an annual publication of the New Hampshire Center for Public Policy Studies. When CPPS, unfortunately, ceased operations in 2018, it handed off this publication to the Carsey School along with initial funding for the project.

The purpose of *What is New Hampshire?* is to set a factual baseline of understanding as the state makes decisions about its future. It is not meant to prove any particular points, or to support any particular opinions regarding the choices to be made by the state’s governments, people, or businesses. It is a set of facts and simple descriptive text describing where we are, where we have been, and what challenges we may face based on our analysis. It is our hope that by starting from a common factual premise, discussion in the state will be elevated and the decisions will be made on the basis of a deeper understanding of the underlying facts.

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October 2019

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What is New Hampshire: Demography

A place’s demographics are the characteristics of its population, including its size, age structure, racial-ethnic makeup, and migration patterns. For New Hampshire to thrive policymakers, businesses, and nonprofits must be aware of the state’s demography and demographic trends as they consider the needs of its people, institutions, and organizations. Demography may not be destiny, but there is peril in ignoring it.

This section of What Is New Hampshire?, which is substantially based on a Carsey Research Brief by Ken Johnson of the Carsey School of Public Policy, describes the major characteristics of the state’s demographic makeup, looks at recent trends, and highlights some challenges we may face moving ahead. As with all parts of What is New Hampshire?, we welcome feedback on how this section may be improved. Are there areas of demographics 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

New Hampshire was home to 1.36 million residents in 2018, making it the 41st most populous state, slightly behind Hawaii and slightly ahead of Maine. Granite Staters are clustered in the southern counties, with 53 percent of the population residing in Hillsborough and Rockingham Counties alone.

Age

New Hampshire is the second-oldest state in the nation, with a median age of 43 (Table 1), and 18 percent of residents are over age 65, compared with 16 percent nationwide. However, as shown in Figure 1, the state’s age distribution is skewed not only by a high share of elderly but also by a relative absence of younger adults, especially those age 25-40. This distribution compares with the distinctly more bell-shaped population distribution for the United States as a whole (Figure 1), where a wider population base of young people results in a less top-heavy distribution.

Table 1. Median Age, New England States and U.S., 2018

<table>
<thead>
<tr>
<th>State</th>
<th>Median Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maine</td>
<td>44.9</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>43.0</td>
</tr>
<tr>
<td>Vermont</td>
<td>42.8</td>
</tr>
<tr>
<td>Connecticut</td>
<td>41.0</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>40.1</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>39.4</td>
</tr>
<tr>
<td>United States</td>
<td>38.2</td>
</tr>
</tbody>
</table>


![Figure 1. Age Structure of Population in United States and New Hampshire, 2015](source: U.S. Census Bureau, 2015 Population Estimates.)
Race and Ethnicity

New Hampshire is 90 percent non-Hispanic white, ranking 4th in the nation in that measure (Figure 2 and Table 2).

Migration

Though New Hampshire is often characterized as a place where residents’ lineage goes back generations, in reality the state has one of the most mobile populations in the country. Only 42 percent of the state’s residents were born in New Hampshire, far less than the average across New England states (54 percent) or the average for all states (57 percent) (Table 3). Among those over the age of 25, only one-third were born in the state.

Education

Granite Staters are relatively well educated, with more than one-third having at least a bachelor’s degree (Table 4), a share placing it in the top twelve states. Although high by national standards, this share of college-educated adults is more average for New England and lags substantially behind Massachusetts.
**New Hampshire Trends**

**The Pace of Demographic Change in New Hampshire**

New Hampshire gained 40,000 residents (a 3 percent increase) between 2000 and 2018, and the population hit 1,356,458 by July 1, 2018, according to the Census Bureau. This recent population gain, modest compared to the gains in each of the previous four decades (Figure 3), is the result of two related but distinctly different demographic processes. The first is natural increase, which is the excess of births over deaths. Natural increase has contributed to overall population growth in New Hampshire throughout the state's history, but it has diminished over the past several decades. With less natural increase, the state now depends increasingly on the second demographic component of change, net migration, which is the difference between the number of people moving into New Hampshire and the number leaving. Migration has long been important to New Hampshire, but it is far more volatile than natural increase and can change abruptly in response to shifts in the economy.

Natural increase peaked in the 1980s, when births exceeded deaths by 7,200 annually. Its contribution diminished after that and by 2010-2018 there were only about 1,000 more births than deaths annually. Although natural increase was significant in the boom decades of the 1970s, 1980s, and 1990s, migration accounted for the majority of the state's population increase even then. For example, during the 1970s, when the state's population grew by nearly 25 percent, migration accounted for nearly 75 percent of the gain. The slowdown in population growth during the 1990s was primarily due to dwindling migration gains. In the first decade of the 21st century, natural increase actually exceeded net migration as a source of the state's modest population gain, due not to a surge in natural increase but to a precipitous slowdown in net migration. Net migration again accounted for most of the population growth between 2010 and 2018, though the population gain was far smaller than in the past.

Migration includes both domestic migration—the movement of people between locations in the United States—and immigration from abroad. Net immigration is the difference between the number of people coming into an area from outside the country and the number of people leaving the country from that area. Each of these components contributes to the overall migration gain or loss for the state. Immigration played a more prominent role during the Great Recession and its aftermath not because it surged but because domestic migration diminished substantially. In recent years, domestic migration has rebounded, though not to the levels of earlier decades.

**FIGURE 3. NEW HAMPSHIRE POPULATION CHANGE, 1970–2018**


Printed: December 9, 2019 11:50 AM
The Impact of the Recession on New Hampshire Demographic Trends

The long-term trends above show that both natural increase and migration have played important roles in the growth of New Hampshire’s population. However, recently population growth has been uneven. Between April 2000 and July 2003, the state gained an estimated 13,300 residents annually. But in 2007–2010, years roughly coinciding with the Great Recession, the annual population gain diminished to just 1,400, though it has recovered recently (Figure 4).

The Great Recession had a profound impact on the state’s demographic trends. In New Hampshire, as elsewhere in the United States, falling fertility rates during the downturn resulted in less natural increase—a fact reflected in the diminishing annual rates of natural increase in Figure 4. Recent research suggests that the fertility reductions that began during the recession are continuing. In contrast to this steady decline in natural increase, net migration was volatile during the recessionary and post-recessionary period. From 2000 to 2003, the net migration gain was 8,600, but by 2007–2010 the state had a net migration loss of more than 2,100 migrants annually. This migration reversal occurred because during the Great Recession job losses, diminished retirement accounts, and a severe slump in housing prices made it difficult for people to move. As a result, states such as New Hampshire that have long enjoyed a net influx of migrants saw the inflow of new residents dwindle. As the Great Recession’s impact on New Hampshire began to wane, migration revived and population gains increased. By 2014–2018 the annual net migration gain was nearly as great as between 2000 and 2003. However, natural increase was minimal, so the population gain was considerably smaller than it had been just before the recession.

Recent Census Bureau estimates illustrate how much New Hampshire’s demographic trends have changed in the last few years. The state’s population grew by more than 7,000 annually between July 2016 and July 2018 (Figure 5), an increase 50 percent greater than between 2014 and 2016. Migration accounted for nearly all the gain: the state had a net domestic migration gain of 4,300 annually between 2016 and 2018.
2016 and 2018 compared to just 300 between 2014 and 2016 (there was a net domestic migration loss earlier in the decade). New Hampshire also received 2,600 immigrants from other nations between 2016 and 2018, somewhat fewer than in the past. In contrast, births in New Hampshire now only minimally exceed deaths. Thus, natural increase has contributed little to recent population gains.

The diminishing contribution of natural increase to New Hampshire’s population growth is illustrated in Figure 6. In the 1970s, the 1980s, and particularly the 1990s, there were many more births than deaths in the state. In 1990, for example, 17,800 births and just 8,400 deaths produced a natural gain of 9,400. Births diminished over the rest of the decade before stabilizing at between 14,000 and 15,000 through 2008. Following the onset of the Great Recession, births diminished sharply in New Hampshire because fertility rates were low and the child-bearing-age population did not grow. Between 2011 and 2018, New Hampshire averaged just 12,200 births a year while deaths, which had slowly increased from 1980 to 2008, turned sharply upward in 2009 because of population aging and rising drug-related mortality. The recent decline in births coupled with the uptick in deaths resulted in natural increase contributing just 200 additional people annually between 2016 and 2018.
Demographic Change Is Spatially Uneven Across New Hampshire

The pace of population change in New Hampshire is geographically uneven. Many fast-growing areas are concentrated in the southern and central parts of the state (Map 1), while slower growth or population loss characterize the northern part of the state and the area along the Connecticut River. Population gains in New Hampshire are stimulated by two factors. The first is the peripheral sprawl of the Boston metropolitan area: population growth rates are high in a broad band around the outer edge of the Boston metropolitan area, including much of southeastern New Hampshire. The second is the attraction of recreational areas in central New Hampshire. The selective de-concentration of population in the state is consistent with national trends, which show high growth in lower-population-density recreational areas and along the urban edge coupled with population stagnation or loss in remote lower-population-density areas that depend on extractive industries such as forest products, farming, and mining. The data also show that though population growth diminished across the state between 2010 and 2018 compared to 2000 to 2010, the patterns of population redistribution are consistent. Areas with population growth between 2000 and 2010 were more likely to be growing after 2010, but population gains were smaller. In contrast, areas that lost population or grew slowly between 2000 and 2010 were more likely to lose population, or gain less, in the later period.

Population changes occurring in three New Hampshire counties further demonstrate how spatially uneven demographic change has been (Figure 7). Carroll County, an
amenity-rich area easily accessible from large urban centers in southern New England, grew substantially over each of the last several decades because of its appeal to amenity migrants. Growth slowed considerably between 2010 and 2018, but Carroll still showed a modest population gain during the period. The entire gain was fueled by net migration, which offset the excess of deaths over births.

In northernmost Coös County, wood and paper products were long the mainstays of the local economy, with large mills employing generations of residents who processed the timber of the vast northern forests. Today, the mills are largely gone, and the county lost population between 2010 and 2018, primarily because deaths exceeded births but also because there was a net outflow of migrants. Yet Coös County is also situated in a scenic region with ski areas and grand old resorts that have welcomed generations of vacationers and now amenity migrants. There are efforts underway to facilitate more regional cooperation to attract new business and migrants to these areas, and so their demographic future remains in flux.

Hillsborough County, with 415,247 residents in 2018, is the most populous in the state. It includes the state’s two largest cities—Manchester and Nashua—as well as a substantial suburban population, and over the past several decades the proximity of both cities to Boston has contributed to their growth. Between 2010 and 2018, Hillsborough County grew modestly because there were more births than deaths in the county and a modest net migration gain.

New Hampshire’s Changing Age Structure

New Hampshire is growing older. The ranks of adults in their 50s, 60s, and 70s has expanded substantially over the past 15 years, reflecting the aging of its large baby boom population (Figure 8). In contrast, both the cohorts of children (0–19) and their parents (30–49) diminished. The population age 20–29 grew modestly, in part because the large birth cohorts of the early 1990s are now in their 20s.

Because New Hampshire’s age structure has significant long-term policy implications, it is important to examine it (Figure 9).

One important consideration for policymakers is that the number of older adults will increase rapidly in the next two decades. In 2015, the two large baby boom cohorts in their 50s (219,000 residents) and the two in their 60s (170,000 residents) represented nearly 30 percent of New Hampshire’s population.
These cohorts were considerably larger than the population age 70-79 in 2015. Although mortality and migration will modestly diminish these baby boom cohorts over the next few years, the vast majority will celebrate their 70th birthdays in New Hampshire. As a result, the state’s older population will more than double over the next 20 years.

In contrast, the cohorts that were age 25–44 in 2015 comprise considerably fewer people, primarily because of the lower birth rates of the 1970s and 1980s. As the large baby boom cohorts continue to disengage from the labor force, New Hampshire is likely to face significant challenges maintaining a labor force of sufficient size to support a growing economy unless the existing population is supplemented by additional migration.

These age-structure shifts are not occurring evenly across the state. Northern and central New Hampshire have a substantially larger proportion of residents age 65 and over than do other parts of the state (Map 2). Much of this pattern is a function of aging in place among current residents of these regions, coupled with a continuing loss of young adults. In some areas there has also been an inflow of older migrants. In these regions, local governments and organizations are the first to confront the challenge of an aging population. However, although the proportion of older adults is larger in the north, the vast majority of older adults reside in southern and central New Hampshire. In contrast, children represent a significantly larger part of the population in southeastern New Hampshire, both proportionally and in absolute numbers (Map 3); the largest concentrations reside near the Massachusetts border.

Because this region represents the outer edge of the Boston suburbs and includes Manchester, Nashua, and the Seacoast region, it attracts and retains a significant family-age population. Here, funding school construction and expansion is likely to be a matter of more immediate concern than in the northern areas of the state.

Aging in place is the most powerful influence on New Hampshire’s age structure, but it is not the only factor. The age structure is also influenced by the age-specific migration streams into the state, and in this regard, there are contrasts between the era of the Great Recession and more recent years. Historically, New Hampshire has received significant net inflows of people in their 30s and 40s together with their children, and it has received modest inflows of older adults. Migration patterns among those in their 20s have been uneven, however; indeed, the state lost modest numbers of 20-29-year-olds during the 1990s and 2000s.

As we have seen, New Hampshire recently began to receive a significant net inflow of people from other U.S. states. Compared to the recessionary and post-recessionary period of 2008–2012, the increase was greatest among those in their 20s, for whom migration gains

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MAP 2. PERCENT OF POPULATION AGE 65 AND OLDER, 2016

MAP 3. PERCENT OF POPULATION YOUNGER THAN AGE 18, 2016

Source: U.S. Census Bureau, American Community Survey, 2016 five-year estimates
averaged 1,200 a year between 2013 and 2017 compared to an average loss of 1,500 annually from 2008 to 2012 (Figure 10). Among those in their 30s, the net annual migration gain nearly doubled during the same period, while the net inflow of those age 40–49 diminished slightly. As more family-age adults migrated to New Hampshire again, their children fueled a significant net influx of those under age 20. These recent domestic migration gains are modest compared to earlier time periods, but they contrast with those during the time of the Great Recession. (Note that these data are based on Census Bureau estimates and as such should be viewed with caution; a definitive analysis of age-specific migration patterns to the state will not be possible until the results of the 2020 Census are available for analysis).

Migration is important to New Hampshire’s future because it brings in younger people of working age at a time when the state’s workforce is aging. Moreover, in-migrants to New Hampshire have been better educated than those leaving and thus increase the state’s store of intellectual capital. Between 2013 and 2017, approximately 16,000 individuals with a bachelor’s degree or higher moved to the state annually (Figure 11), while roughly 11,500 individuals with similar academic credentials moved out. Even during the worst of the recession, New Hampshire had a net gain of migrants with a college degree or more, but the state’s gain has accelerated in the post-recessionary period.
Relatively high education credentials characterize both U.S.-born and foreign-born migrants to the state. Compared to New Hampshire-born residents, both migrant groups are more likely to have a college degree and are nearly twice as likely to have a graduate degree (Figure 12). Thus, the recent upturn in migration to the state brings more talented migrants to a state concerned about its aging labor force.

**Recent New Hampshire Diversity Trends**

Though New Hampshire is one of the nation’s least diverse states, diversity is growing. Nationally the non-Hispanic white population declined from 69.1 percent to 60.6 percent, a drop of 8.5 percentage points, between 2000 and 2017. In New Hampshire the share dropped from 95.1 percent to 90.3 percent, a decline of 4.8 percentage points that was only about half the national drop and one of the smallest drops in the country. Thus, though the relatively small minority population doubled from 61,600 in 2000 to 130,000 in 2017 and accounted for two-thirds of the small increase in the entire population, the impact on the overall makeup of the state was small relative to other states.

Hispanics are the largest minority population in New Hampshire with 50,300 residents, or 3.7 percent of the population. The Asian population is 35,600 (2.7 percent), and African Americans number 18,000 (1.3 percent). Each of these three groups nearly doubled in size between 2000 and 2017. Other minority groups, including Native Americans and those of multiple races, make up the remaining 1.7 percent of New Hampshire’s population.

Children are in the vanguard of the state’s growing diversity, due predominantly to the decline in births among non-Hispanic whites. In all, 14 percent of New Hampshire’s children belonged to a minority population in 2016 (Figure 13), with Hispanics, Asians, and those of two or more races representing the largest share. The greater diversity among children is the result of two diverging trends. First, the minority

**FIGURE 12. EDUCATIONAL ATTAINMENT OF NEW HAMPSHIRE RESIDENTS AGE 25 AND OLDER BY PLACE OF BIRTH**

![Educational Attainment Chart]

**Source:** U.S. Census Bureau, American Community Survey, 2015 five-year estimates.
child population grew by 16,900 between 2000 and 2016, and, second, the white youth population declined by 65,900. Because the minority youth gain was not sufficient to offset the white loss, New Hampshire’s child population declined by 49,000.

The proportion of the adult population that is minority is considerably smaller than among children. In 2016, roughly 8 percent of the population over 18 in New Hampshire belonged to a minority group. Hispanics were the largest of these groups, followed by Asians and African Americans. As we look to the future, the proportion of New Hampshire’s population that is minority will likely continue to grow, for several reasons. For one, 18.1 percent of the white population is over age 65, compared to 6.5 percent of the minority population. Since mortality rates are higher for older adults, the high proportion of older whites will mean higher numbers of white deaths than minority deaths in the future. For another, only 23.7 percent of white women are of prime child-bearing age (20–39) compared to 31.6 percent of minority women. Though there are far fewer minority women than white women in New Hampshire, the larger proportion of minority women of prime child-bearing age increases the proportion of minority births. Diversity is geographically uneven in New Hampshire. Large areas of the state have little diversity, but minority people represent a significant part of the population in the Concord-Manchester-Nashua urban corridor as well as in the Hanover-Lebanon region and in a few areas of the Seacoast. This is especially true among the child population. In Manchester and Nashua, more than 30 percent of children are minority.

Conclusion

The future economic and social well-being of New Hampshire and its communities depends on our ability to anticipate change and respond appropriately. Though New Hampshire is a relatively small player on the nation’s huge demographic stage, there is much to learn from an analysis of the way the state’s population is growing and changing. The purpose of this demographic analysis is to inform policy and to contribute to the efforts of policymakers, planners, nonprofits, and businesses to consider the future needs of New Hampshire’s people, institutions, and organizations in ways that will allow the state to continue to grow, prosper, and be a good place to live and raise families.

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.
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.
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).

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

<table>
<thead>
<tr>
<th>Industry Type</th>
<th>NH</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health care, etc.</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>Retail</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>Government</td>
<td>13%</td>
<td>15%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Accommodations &amp; food</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Professional services</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Wholesale &amp; transportation</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Administrative services, etc.</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Finance &amp; insurance</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Real estate</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>17%</td>
<td>16%</td>
</tr>
</tbody>
</table>

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.
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).

### 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). 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.

### 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.
**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.

**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.

**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.

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.
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.

**Wages**

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 a good snapshot.
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 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).
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. 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.

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.
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. 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.

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. 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. 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.

(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. 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. 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.
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. 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.

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.

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.
What is New Hampshire: Economy

Endnotes
7. Ibid.
What is New Hampshire: Government Budgets

Government budgets reflect a set of choices made collectively through democratic processes. Through these budgets, we pool resources as a society to use for purposes that we either cannot or choose not to pay for individually. Examples include education, police, the social safety net, and public parks. Budgets set priorities and show what we value as a society. They are compromises—no one is ever completely pleased with a government budget—and the number of stakeholders involved in the budget process ensures that almost everyone can point to expenditures they believe to be a waste of money or areas they believe are underfunded. Similarly, we have yet to meet a person who thinks our tax system is perfect in the amount it collects, the way taxes are collected, or from whom.

Compared to other states, New Hampshire has chosen to raise less revenue and spend less on public investments and services. State and local government spending make up a smaller share of the state’s economy than they do in all but one other state, and spending is low at both the state and local levels. Regarding taxes as a share of the economy, at the state level only two states rank lower than New Hampshire. Because low state taxes are somewhat offset by high local taxes and other revenue sources, however, the state ranks somewhat higher—forty-third—in combined state and local revenue as a share of its economy. Nevertheless, New Hampshire local governments have fewer resources than those in other states despite high local taxes, largely because they receive less from their state government than do local governments in all but three other states.

Overall levels of state and local spending and revenue, however, do not tell the entire story. There are also important choices, within overall spending and revenue, on what categories of spending to prioritize and what revenue sources to most or least heavily rely on. Localities vary significantly in the fiscal circumstances in which they find themselves.

The choice to be a low-revenue, low-spending state has both positive and negative impacts—as do the choices about what to spend public money on and how to tax. This section of What is New Hampshire? does not assess the impact of those choices but describes the major features of the budgets of the governments of the state, including current spending and taxes, recent trends, and some potential challenges we may face moving ahead.

As with all parts of What is New Hampshire? we welcome feedback on how this section may be improved. Are there areas of the budget 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: If you are reading this online, supplemental information can be accessed by clicking on the grey boxes. The non-pdf version of this section of What is New Hampshire? has interactive versions of graphs that provide additional information.

New Hampshire Now

Granite Staters rely on their state and local governments to provide infrastructure, social insurance programs, education, fire and police services, and more. The budget choices made at the state and local levels in New Hampshire are highly intertwined, as is true of all states, and of course all states differ in the amount of revenue collected, investments made, and services provided at the state versus the local levels. For example, Hawaii uniquely has a single statewide school district, while K–12 education is a local function in every other state, albeit with varying levels of state support.

Because of the interconnectedness of state and local budgets, we start this section by comparing New Hampshire to other states in combined level of state and local spending and revenue, and then examine the state and local levels individually. Our budget section uses data collected by the U.S. Census Bureau’s Annual Surveys of State and Local Government Finances and data provided by the state of New Hampshire. Census data are used when comparing across states or when local governments are included in the analysis, while data from the state of New Hampshire are used only when examining state government in isolation. As more fully explained in the box on page 2, in this section we measure government spending and revenues as a share of the state’s economy and per capita. Spending and revenue relative to the size of the economy are good indicators of the state’s choices in providing public services and investments relative to its resources and capacity to provide them. The per capita measure tells us the amount per resident in the state.
Measuring and Comparing Spending and Revenue as a Share of the Economy and Per Capita

When comparing spending and revenue between states, simply looking at total dollar amounts rarely provides useful insights. The fact that the state and local governments of Texas spend $254.4 billion and New Hampshire governments spend only $12.6 billion doesn’t tell us that Texas spends extravagantly while New Hampshire is frugal. Texas has a $1.6 trillion economy and nearly 28 million people, while New Hampshire has a $78 billion economy and 1.3 million people. For that reason we scale the spending and revenue numbers we use to compare states in two ways: as a share of state gross domestic product (GDP) and per capita.

State GDP is a measure of the size of the economy (see the What is New Hampshire: Economy section for a fuller description). Spending and revenue as a share of a state’s economy tell us how much a state is choosing to spend and collect relative to what is available to spend and collect. Poor states inevitably spend less in dollars per resident than rich states on many public services because they lack resources, not necessarily because they have decided that lower spending is best for their community. Thus, scaling spending by the size of a state’s economy is a better indicator of the policy choices the state is making. Similarly, when comparing revenues to assess the burden that taxes and fees are imposing, share of the economy is the superior metric. Measuring simply by the dollar amount—either per capita or in total—distorts the analysis because two states, one rich and one poor, with the exact same revenue/tax system would look very different by that measure even though identical people or businesses in each state would face identical burdens. Measuring revenues as a share of the economy effectively measures the overall burden on the economic fortunes of people and businesses in the state regardless of the details of the revenue system.

The people of states with higher spending and revenue as a share of GDP are choosing to collect and allocate a higher share of the resources available in the state to public purchases and investments—in education, parks, infrastructure, etc. States with lower spending and revenue as a share of GDP are making the opposite choice. Comparing specific spending categories or revenue sources as a share of GDP gives us an indication of the relative benefits and burdens of those particular spending categories and revenue sources among states.

Comparing state spending and revenue per person is a useful complement to the share-of-GDP measure for comparing government spending levels because it gives us a sense of the relative level of service or investment being provided. A rich state might spend a smaller share of its economy on parks and recreation than a poor state, but with its greater GDP per person it may spend more per person and offer superior parks and recreation. Thus, comparing state revenues and expenditures by both share of GDP and per capita allows for nuanced and meaningful comparisons.

State and Local Spending

In total, New Hampshire state and local governments spent $12.6 billion in 2016. This amounted to 16.1 percent of the state’s economy, placing New Hampshire forty-ninth of the fifty states in spending as a share of GDP, ahead of only Georgia. As a relatively wealthy state, New Hampshire nevertheless ranked thirty-fifth in per capita spending. (Figure 1 shows New Hampshire’s expenditures relative to the rest of the United States by percent of GDP and per capita, with comparisons available for different spending categories through a drop-down menu.) New Hampshire ranks below the national median in all types of spending as a share of the state’s economy except liquor store expenditures, debt interest payments, and “other” general expenditures.

Overall, New Hampshire spends less as a share of its economy than the other New England states, in large part due to lower spending on social services/income maintenance and public transportation combined with just average education spending.

Figure 2 shows how much New Hampshire state and local governments combined spend in each category, while Figure 3 shows separately the levels of spending at the combined, state, and local levels. The largest two categories for New Hampshire’s overall state and local spending are education and social services/income maintenance (which includes health spending), which accounted for a combined 55.5 percent of total spending in New Hampshire in 2016.
What is New Hampshire: Government Budgets

**FIGURE 1. COMBINED STATE AND LOCAL EXPENDITURES BY CATEGORY AS A SHARE OF STATE ECONOMY, 2016**

**NEW HAMPSHIRE STATE AND LOCAL EXPENDITURES BY CATEGORY AND RANK AMONG STATES**

<table>
<thead>
<tr>
<th>Category</th>
<th>Share of NH GDP</th>
<th>Rank</th>
<th>Per Capita</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>16.1%</td>
<td>49th</td>
<td>$9,430</td>
<td>35th</td>
</tr>
<tr>
<td>Education services</td>
<td>5.3%</td>
<td>30th</td>
<td>$3,134</td>
<td>23rd</td>
</tr>
<tr>
<td>Environment and housing</td>
<td>0.9%</td>
<td>47th</td>
<td>$512</td>
<td>34th</td>
</tr>
<tr>
<td>Governmental administration</td>
<td>0.7%</td>
<td>33rd</td>
<td>$432</td>
<td>24th</td>
</tr>
<tr>
<td>Insurance trust</td>
<td>1.0%</td>
<td>48th</td>
<td>$585</td>
<td>46th</td>
</tr>
<tr>
<td>Interest on the general debt</td>
<td>0.6%</td>
<td>17th</td>
<td>$326</td>
<td>14th</td>
</tr>
<tr>
<td>Liquor store</td>
<td>0.7%</td>
<td>1st</td>
<td>$396</td>
<td>1st</td>
</tr>
<tr>
<td>Other general</td>
<td>1.0%</td>
<td>11th</td>
<td>$570</td>
<td>9th</td>
</tr>
<tr>
<td>Public safety</td>
<td>1.1%</td>
<td>35th</td>
<td>$675</td>
<td>23rd</td>
</tr>
<tr>
<td>Social services &amp; income</td>
<td>3.6%</td>
<td>46th</td>
<td>$2,105</td>
<td>43rd</td>
</tr>
<tr>
<td>Transportation</td>
<td>1.0%</td>
<td>36th</td>
<td>$584</td>
<td>35th</td>
</tr>
<tr>
<td>Utility</td>
<td>0.2%</td>
<td>50th</td>
<td>$112</td>
<td>50th</td>
</tr>
</tbody>
</table>

**Source:** U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances; Bureau of Economic Analysis. Calculations are the work of the authors.
Overall, 58 percent of government spending in New Hampshire is by the state government and 42 percent is by local governments (counting as state spending the state aid to local governments that local governments directly spend). The largest single area of spending is education, which makes up 32 percent of the total and is primarily the domain of local governments, although the state has some K-12 costs and spends in higher education. Social services/income maintenance, the second largest category, is primarily the domain of state government.

**Intergovernmental Expenses In the Census of Government**

Figure 3 shows combined state and local spending, state spending alone, and local spending alone for various spending categories. Spending at the state level that passes to local governments (and vice versa) is included in the state “intergovernmental” category, not in the category which the expense relates to. For example, state assistance to school districts is not included in the state column under education but instead is included in the state intergovernmental column. To continue with this example, the local column in education includes all local spending on education including the spending of funds school districts receive from the state. The state and local combined column also includes this spending as education spending.4

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4. The source and note are included to provide context for the data presented in Figure 3.
New Hampshire State Government Spending

New Hampshire’s state government spent $7.6 billion in 2016, which was 9.7 percent of the state economy. The state ranks in the bottom ten, and lowest in New England, in both its state spending as a share of the economy and per-person spending. (Figure 4 compares all fifty states along both metrics, with specific spending categories available through the drop-down menu.) The state spends less than most states in the largest spending categories. Of particular note is the state’s low level of aid to local governments: intergovernmental spending in New Hampshire is lower than in all but three states (one of which is Hawaii, where the state runs the schools) and less than a quarter of the national average as a share of GDP.

### NEW HAMPSHIRE STATE-LEVEL EXPENDITURES BY CATEGORY AND RANK AMONG STATES

<table>
<thead>
<tr>
<th>Category</th>
<th>Share of NH GDP</th>
<th>Rank</th>
<th>Per Capita</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>9.7%</td>
<td>43rd</td>
<td>$5,702</td>
<td>42nd</td>
</tr>
<tr>
<td>Education services</td>
<td>1.5%</td>
<td>40th</td>
<td>$906</td>
<td>39th</td>
</tr>
<tr>
<td>Environment and housing</td>
<td>0.3%</td>
<td>20th</td>
<td>$188</td>
<td>17th</td>
</tr>
<tr>
<td>Governmental administration</td>
<td>0.3%</td>
<td>25th</td>
<td>$205</td>
<td>22nd</td>
</tr>
<tr>
<td>Intergovernmental transfers</td>
<td>0.6%</td>
<td>47th</td>
<td>$345</td>
<td>49th</td>
</tr>
<tr>
<td>Insurance trust</td>
<td>1.0%</td>
<td>46th</td>
<td>$571</td>
<td>46th</td>
</tr>
<tr>
<td>Interest on the general debt</td>
<td>0.4%</td>
<td>4th</td>
<td>$246</td>
<td>5th</td>
</tr>
<tr>
<td>Liquor store</td>
<td>0.7%</td>
<td>1st</td>
<td>$396</td>
<td>1st</td>
</tr>
<tr>
<td>Other general</td>
<td>0.7%</td>
<td>6th</td>
<td>$411</td>
<td>5th</td>
</tr>
<tr>
<td>Public safety</td>
<td>0.3%</td>
<td>40th</td>
<td>$188</td>
<td>33rd</td>
</tr>
<tr>
<td>Social services &amp; income maint.</td>
<td>3.3%</td>
<td>40th</td>
<td>$1,922</td>
<td>37th</td>
</tr>
<tr>
<td>Transportation</td>
<td>0.5%</td>
<td>35th</td>
<td>$318</td>
<td>34th</td>
</tr>
<tr>
<td>Utility</td>
<td>0.0%</td>
<td>28th</td>
<td>$5</td>
<td>27th</td>
</tr>
</tbody>
</table>

**FIGURE 4. STATE-LEVEL EXPENDITURES AS A PERCENT OF STATE ECONOMY, 2016**

Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances; Bureau of Economic Analysis. Calculations are the work of the authors.
New Hampshire's state government uses somewhat different classifications of spending than does the Census Bureau, as seen in Figure 5. We use New Hampshire's categories here as more recent data are available and the categories are more familiar to those who follow the state budget.

Health and social services make up the largest portion of the state budget, at 41 percent of total spending in fiscal year 2019. Within that category, roughly two-thirds goes to health care, including Medicaid and efforts to combat the opioid crisis. While this spending is included in the state budget, much of the funding for this category comes from the federal government; federal Medicaid dollars totaled almost 60 percent of New Hampshire's Medicaid spending in 2016, for instance.5

Education is the next largest category, at 23.6 percent of the state budget, but unlike health and social services federal dollars play less of a role in education funding. Moreover, some of the funding in this category—$363 million that the state government spent in support of K–12 education in FY19—came from the Statewide Education Property Tax (SWEPT), which is collected and spent at the local level but which New Hampshire counts as state revenue.6 The state of New Hampshire supports higher education as well, although at a lower rate than any other state,7 and most K–12 funding comes from localities.

Transportation is also a significant portion of state spending, at 10.2 percent. Administration of justice and public protection, which includes the state court system and police force, accounts for 8.8 percent of the state budget, but local governments spend more on public safety than does the state.

New Hampshire Spending Categories

The state government divides spending into six major categories:5

- **General government** comprises the costs of running most administrative and non-direct-service government functions, including the executive and legislative branches. General government spending represents the costs of having and organizing a functioning state government.

- **Administration of justice and public protection** is spending to ensure that the criminal justice system is functioning, that New Hampshire residents can receive unemployment insurance when they are laid off, and that our labor laws are fairly enforced. The Liquor Commission, which runs the state-owned liquor stores, falls within this category.

- **Resource protection and development** includes the state’s economic development agencies as well as its natural resource departments. Spending in this category is used to develop New Hampshire’s economy as well as maintain its natural and cultural resources for economic growth and quality of life.

- **Transportation** includes spending on roads, bridges, and dams; plowing in the winter; and any other services falling under the pur-view of the New Hampshire Transportation Department.

- **Health and social services** includes state spending on Medicaid, New Hampshire’s efforts to combat the opioid crisis, services provided to veterans, and other social services.

- **Education** covers all levels of education spending, including the K–12 system, the Education Department, and the Community College and University Systems of New Hampshire as well as the Lottery Commission (whose profits are earmarked for state education funding) and training for police.
What is New Hampshire: Government Budgets

FIGURE 6. LOCAL-LEVEL EXPENDITURES BY CATEGORY AS A SHARE OF STATE ECONOMY, 2016

NEW HAMPSHIRE LOCAL-LEVEL EXPENDITURES BY CATEGORY AND RANK AMONG STATES

<table>
<thead>
<tr>
<th>Category</th>
<th>Share of NH GDP</th>
<th>Rank</th>
<th>Per Capita</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>7.0%</td>
<td>47th</td>
<td>$4,130</td>
<td>38th</td>
</tr>
<tr>
<td>Education services</td>
<td>3.8%</td>
<td>24th</td>
<td>$2,229</td>
<td>19th</td>
</tr>
<tr>
<td>Environment and housing</td>
<td>0.6%</td>
<td>49th</td>
<td>$324</td>
<td>48th</td>
</tr>
<tr>
<td>Governmental administration</td>
<td>0.4%</td>
<td>32nd</td>
<td>$227</td>
<td>27th</td>
</tr>
<tr>
<td>Intergovernmental transfers</td>
<td>0.1%</td>
<td>4th</td>
<td>$57</td>
<td>4th</td>
</tr>
<tr>
<td>Insurance trust</td>
<td>0.0%</td>
<td>36th</td>
<td>$15</td>
<td>35th</td>
</tr>
<tr>
<td>Interest on the general debt</td>
<td>0.1%</td>
<td>43rd</td>
<td>$79</td>
<td>39th</td>
</tr>
<tr>
<td>Liquor store</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Other general</td>
<td>0.3%</td>
<td>42nd</td>
<td>$158</td>
<td>36th</td>
</tr>
<tr>
<td>Public safety</td>
<td>0.8%</td>
<td>27th</td>
<td>$487</td>
<td>20th</td>
</tr>
<tr>
<td>Social services &amp; income maintenance</td>
<td>0.3%</td>
<td>38th</td>
<td>$183</td>
<td>39th</td>
</tr>
<tr>
<td>Transportation</td>
<td>0.5%</td>
<td>33rd</td>
<td>$285</td>
<td>26th</td>
</tr>
<tr>
<td>Utility</td>
<td>0.2%</td>
<td>50th</td>
<td>$107</td>
<td>50th</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances; Bureau of Economic Analysis. Calculations are the work of the authors.
New Hampshire's Budget Process

The New Hampshire state budget is passed every two years and covers a biennium that runs from July 1 in the first calendar year to June 30 two years hence (July 1, 2017 through June 30, 2019, for example). The process that creates these budgets consists of three stages that begin at about the midpoint of a biennium.9

The first budget stage is the agency phase, in which state agencies submit requests for funding. In the next phase, the governor’s phase, the governor reviews requests and creates a comprehensive budget proposal. That proposal moves to the legislature, where the House and the Senate each create their own versions of the budget.

If the two chambers’ budgets differ, the budget goes to a conference committee, where a consolidated budget is created prior to presenting it to the governor for signature. A key part of the budget process is reconciling the different revenue projections that can come from the executive and legislative branches. Revenue projections for both the status quo and proposed revenue changes are developed separately by the governor’s office as well as each legislative chamber.

New Hampshire Local Government Spending

At the local level, New Hampshire again spends less than most other states as a percent of state GDP (7 percent, ranking forty-seventh); in New England it is second lowest, after Massachusetts. On a per capita basis New Hampshire spent the second least among New England states after Maine. Figure 6 compares New Hampshire to the other states in local spending in total and by category.

At the local level, the greatest expenditure by far is for education, which accounted for 54.1 percent of local spending in New Hampshire in 2016. It is also the one major area where, statewide, local governments spend more than the national average. New Hampshire's municipalities take a large role in providing funds for public safety, a category that reflects spending on services provided locally such as police, fire, local welfare, and emergency medical services. Housing and environmental expenditures are also primarily the responsibility of New Hampshire local governments.
State and Local Revenue

New Hampshire ranks forty-third among the fifty states in total state and local revenue—inclusive of taxes, fees, federal aid, and other sources. It has marginally more revenue as a percent of GDP than Connecticut and slightly less than Massachusetts. Because of relatively high local taxes, New Hampshire ranks higher in taxes—thirty-first—than it ranks in total revenue. State and local governments in New Hampshire, however, raise less in taxes than those in any other New England state (though just 0.3 percent of GDP less than Massachusetts).10

In total, New Hampshire raises just over half of its combined state and local revenue via taxes and gets another 18.5 percent of its revenues from the federal government. At 5.3 percent, liquor store revenues are a significant portion of state revenue; in fact, New Hampshire derives a greater portion of its revenue from liquor sales than does any other state.

Figure 10 shows the amount of taxes derived at the state, local, and combined levels from various sources. Property taxes raised at the local level are by far the largest source of taxes in New Hampshire, followed by corporate taxes, “other selective sales” taxes (which include the meal and rooms tax), and “other” taxes, all of which are almost exclusively raised at the state level.
State Government Revenue

New Hampshire's state-level revenues, at $8.3 billion in 2016, were 10th least among the states as a share of the state's economy. New Hampshire's low level of state revenue is driven by its low state-level taxes, which are third lowest in the nation as a share of state GDP—just 3.4 percent—behind only Alaska and Texas. Much of the state's low tax burden relative to other states is due to the fact that New Hampshire does not have a broad-based personal income or sales tax—a distinction we share only with Alaska.

In lieu of broad-based state taxes, the state government of New Hampshire derives revenue\(^{11}\) from a variety of targeted taxes and fees (most notably business taxes and a statewide property tax) as well as transfers from the federal government (the second largest source of revenue) and local governments.\(^{12}\) Figure 12 allows for comparison of New Hampshire's revenues by category to other states.

State-level revenue in New Hampshire flows into a set of “funds” that are dedicated to specific purposes (Figure 13). The General Fund, which accounted for 26.4 percent of revenue in the FY19 state budget, is what most people think of when they think of the legislative budget; most general tax revenue flows into it and it is available for whatever purposes the legislature and governor choose. It funds state-level government agencies and pays for most of the general administration of government, construction and updating of government buildings, New Hampshire’s share of health spending, and higher education, among other things. The General Fund receives the bulk of its revenue from the meal and rooms tax, the insurance tax, the real estate transfer tax, the tax on tobacco, and the state’s two corporate taxes, the Business Profits Tax and the Business Enterprise Tax.\(^{13}\)

Another key fund is the Education Trust Fund, which is 16 percent of the FY19 budget and is dedicated to public primary and secondary education spending. The fund receives revenue from the SWEPT as well as “incremental portions of existing business and tobacco taxes, sweepstakes funds, and tobacco settlement funds.”\(^{14}\) It was established to fund the Adequate Education Grants provided to local school districts across New Hampshire.\(^{15}\)

The majority of the remaining 58 percent of revenue is put into restricted funds that have specific purposes. The biggest of these is funding from the federal government, which accounts for almost a third of the New Hampshire state budget. New Hampshire is not unique in this regard, as most states receive around a third of their revenue from federal dollars for such purposes as Medicaid, transportation, education, opioid misuse treatment and prevention, and others spelled out in federal law.
**FIGURE 11. STATE-LEVEL REVENUE BY CATEGORY, 2016**

**FIGURE 12. STATE AND LOCAL REVENUE BY CATEGORY AS A SHARE OF STATE ECONOMY, 2016**

**FIGURE 13. NEW HAMPSHIRE REVENUE BY FUND, FY19**

**NEW HAMPSHIRE STATE-LEVEL REVENUE AND RANK AMONG U.S. STATES**

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>Share of NH GDP</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>10.6%</td>
<td>40th</td>
</tr>
<tr>
<td>Education</td>
<td>0.8%</td>
<td>20th</td>
</tr>
<tr>
<td>Federal transfers</td>
<td>2.8%</td>
<td>40th</td>
</tr>
<tr>
<td>Hospitals</td>
<td>0.0%</td>
<td>39th</td>
</tr>
<tr>
<td>Insurance trust</td>
<td>0.8%</td>
<td>33rd</td>
</tr>
<tr>
<td>Liquor store</td>
<td>0.9%</td>
<td>1st</td>
</tr>
<tr>
<td>Local transfers</td>
<td>0.3%</td>
<td>2nd</td>
</tr>
<tr>
<td>Other</td>
<td>1.2%</td>
<td>14th</td>
</tr>
<tr>
<td>Taxes</td>
<td>3.4%</td>
<td>48th</td>
</tr>
<tr>
<td>Transportation &amp; infrastructure</td>
<td>0.2%</td>
<td>10th</td>
</tr>
<tr>
<td>Utility</td>
<td>0.0%</td>
<td>T-Last</td>
</tr>
</tbody>
</table>

**Source:** U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances; Bureau of Economic Analysis. Calculations are the work of the authors.
Local Government Revenue

At the local level, New Hampshire has low revenue relative to other states. Figure 14 shows total local revenue by state, and specific categories can be selected. Overall, New Hampshire local governments derive more revenue as a share of the overall state economy than local governments in Massachusetts and Connecticut, but the state still ranks forty-third overall. This low ranking is due to low levels of state aid: although 25.3 percent of local government revenue in New Hampshire comes from intergovernmental sources (almost all from the state government), the amount is far less aid than is received by localities in other states. The national average is 3.2 percent of GDP, but in New Hampshire it is 1.9 percent.

New Hampshire local governments offset this to some degree with higher taxes. At 4.8 percent of GDP, local taxes are the third highest in the nation and first among New England states. New Hampshire’s high local taxes are almost exclusively in the form of property taxes, which are the only significant tax option available to local governments. In terms of property taxes alone, New Hampshire is the second highest as a percent of GDP among the states.

In total, New Hampshire localities get the vast majority of their revenue from property taxes and the state government. Figure 15 shows the breakdown of revenue by localities in New Hampshire by category.

**FIGURE 14. LOCAL REVENUE BY CATEGORY AS A SHARE OF STATE ECONOMY, 2016**

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>Share of NH GDP</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>7.8%</td>
<td>43rd</td>
</tr>
<tr>
<td>Education</td>
<td>0.1%</td>
<td>41st</td>
</tr>
<tr>
<td>Federal transfers</td>
<td>0.1%</td>
<td>49th</td>
</tr>
<tr>
<td>Hospitals</td>
<td>0.0%</td>
<td>T-Last</td>
</tr>
<tr>
<td>Insurance trust</td>
<td>0.0%</td>
<td>T-Last</td>
</tr>
<tr>
<td>Liquor store</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Other</td>
<td>0.2%</td>
<td>42nd</td>
</tr>
<tr>
<td>State transfers</td>
<td>1.8%</td>
<td>47th</td>
</tr>
<tr>
<td>Taxes</td>
<td>4.8%</td>
<td>3rd</td>
</tr>
<tr>
<td>Transportation &amp; infrastructure</td>
<td>0.4%</td>
<td>48th</td>
</tr>
<tr>
<td>Utility</td>
<td>0.2%</td>
<td>50th</td>
</tr>
</tbody>
</table>

**FIGURE 15. NEW HAMPSHIRE LOCAL REVENUES BY CATEGORY, 2016**

Source: U.S. Census Bureau, 2016 Annual Surveys of State and Local Government Finances; Bureau of Economic Analysis. Calculations are the work of the authors.
Summary of Spending and Revenue in New Hampshire

The choices New Hampshire has made reflect a variety of circumstances. One is that as a relatively well-off state, and a state that lacks a major urban center, it is able to avoid some of the income security, health, and infrastructure costs that other states face. It also, of course, has a tradition of being a small-government state opposed to the imposition of broad-based income or sales taxes.18

In short, the state government in New Hampshire taxes and spends at low levels relative to other states. Local governments in New Hampshire, meanwhile, are also low spending but have a high tax burden (driven by property taxes) relative to other states. It is important to note that the level of spending throughout the state is not uniform, with wealthier communities and those with large amounts of commercial property having greater resources. In states with higher levels of taxation and spending at the state level, some of the differences in capacity among communities are offset by state assistance. Some of that is available in New Hampshire, but less than in most other states, meaning that those local discrepancies—in education and health spending, in particular—are more pronounced.

New Hampshire Trends

Figure 16 shows expenditures in New Hampshire between 2005 and 2016 as a share of the state economy. Individual lines show spending at the state, local, and combined levels. Spending rose steadily through the recession, but as stimulus dollars receded and the economy began to grow, spending as a share of the economy shrank overall between 2012 and 2016.

Figure 17 shows the amount of state government spending between 1997 and 2018 by the six major budget categories that make up the vast majority of spending by our state government.19 Transportation, general government, and administration of justice and public protection each account for between 8 and 10 percent of the state budget, but they are dwarfed by the two largest categories, health/social services and education, which have accounted for at least two-thirds of every New Hampshire state budget since 1993. State education spending changed dramatically following the Claremont court case in the late 1990s,20 though health and social services spending has continued to be the largest category of spending in New Hampshire over time.


Source: U.S. Census Bureau: Bureau of Economic Analysis.

FIGURE 17. NEW HAMPSHIRE STATE SPENDING BY CATEGORY, 1997–2018

Source: New Hampshire Department of Administrative Services.
(Figure 18 shows New Hampshire's revenues between 2005 and 2016, and can be toggled between total revenue and taxes, each with the option to select by category.) Individual lines show the revenue raised as a share of GDP at the local, state, and combined levels. Revenues declined as a share of the economy during the first years of the recession, then grew as the economy shrank and stimulus money arrived. As the economy has grown the past few years the proportion of total revenue raised has shrunk, despite revenue increases in absolute dollar terms. Notably, the share of state money flowing to local governments has shrunk since 2013.

Taxes in New Hampshire accounted for roughly half—between 43.3 percent and 55.2 percent—of state and local revenue between 2005 and 2016. Taxes shrunk relative to total state revenue during the Great Recession but generally trended upward after 2011. Property taxes are by far the largest single tax source in the state, accounting for about two-thirds of the total tax burden in New Hampshire and about a third of combined state and local revenues. These proportions have remained fairly fixed over time, although state-level taxes have dropped slightly over the past decade while local-level taxes have increased by roughly the same amount, an increase driven by rising property taxes.

Figure 19 shows the amount of New Hampshire's state revenue flowing into each state fund between fiscal years 1998 and 2018, adjusted for FY19 dollars. Prior to the early 2000s, the General Fund was the largest pool of state revenue, but when the Education Trust Fund was created “other” dedicated spending funds became the destination for a larger portion of state revenues. For the past decade, federal funds have consistently been a larger share of New Hampshire’s overall revenue than General Fund revenue. Overall, the past 20 years have seen the share of unrestricted General Fund revenue fall relative to dedicated funds.
New Hampshire Challenges

Choices about revenue, expenditures, and the budget do not exist in a vacuum, and broader social and economic trends across the state will lead to budgetary considerations moving forward. Over the past biennium, revenues have increased in total dollars and have outperformed projections due to higher-than-expected revenues from the Business Enterprise Tax and the Business Profits Tax, which are owed in turn to faster-than-predicted economic expansion starting in 2015 and one-time impacts from recent federal tax law changes. Business tax rates were reduced in 2016 and 2018, and more rate reductions are scheduled in 2019 and 2021, which will translate to less revenue to work with than if rates were to stay constant. Overall economic performance affects both revenues and the requirements placed on the spending side of the budget, but there are other, longer-term factors, discussed next, that will impact revenues and expenditures in New Hampshire in the years ahead.

Demographic Changes

New Hampshire has one of the highest median ages in the nation, and as the state population continues to age overall health care costs will rise. Property tax revenue will also be affected: many localities have tax exemptions for residents over a certain age, and these places’ revenues and their ability to provide services at the local level may decrease when greater proportions of the population age into these exemptions. New Hampshire’s reliance on property taxes also disproportionately impacts low-income homeowners and older adults living on fixed incomes. Policymakers will need to anticipate how these changes will influence both revenue and expenditures over the next decade and beyond.

Education Funding

The funding of New Hampshire’s school districts largely at the local level through property taxes has led to disparities across the state, as property-poor communities struggle to pay the full cost of educating their students. The state has provided some relief to districts and towns via stabilization aid grants, but those funds have shrunk in recent years. The topic of how best to fund an adequate education in New Hampshire is one that has been hotly debated since the 1990s, and the argument shows no sign of letting up. Ongoing court cases will undoubtedly influence how the state decides to fund education, but balancing an already-high property tax burden with providing an education to New Hampshire’s children is an issue that will shape the budget in the years to come.

The Opioid Crisis

New Hampshire is receiving at least $45 million from the federal government across fiscal years 2019 and 2020 to combat the opioid crisis. Following the current grant, however, there is no guarantee that funding will be available. The state will need to make decisions about how much it is willing to appropriate and what programs and policy options are best suited to deal with substance use disorders over time.

Conclusion

New Hampshire is a low-revenue, low-expenditure state. Its revenue structure is distinctive in that the state lacks a broad-based personal income or sales tax, and its biggest single source of revenue is local property taxes. The prime areas of spending—mainly education, health, and social services—are fairly similar to other states. As the state ages and New Hampshire tackles issues of health care, education, and economic growth, Granite Staters will be faced with choices about how to raise revenue and provide services moving forward.

Note: The Census Bureau’s data may contain high levels of sampling error. Potential non-sampling error may reflect, according to the Census Bureau, “errors in coverage of the universe of governments, nonresponse, differences in the interpretation of questions, mistakes in the recording and coding of data, and other errors in collection, processing, and tabulation of the data. Although no direct measures of non-sampling error are available, steps have been taken in all survey processes to minimize their influence.” More information can be found at https://www.census.gov/programs-surveys/gov-finances/technical-documentation.html.

The authors thank the staff at the New Hampshire Fiscal Policy institute for their thoughtful review of an earlier draft.
Endnotes

1. State-level data from the Census Bureau are a complete survey of state
governments, but note that local-level data are drawn from samples and are
therefore subject to margins of error.

2. As of 2016, the most recent year for which the Census Bureau's State and Local
Government Finances data are available.

3. Note that combined state and local spending measures net out
intergovernmental transfers to keep spending from being double counted,
whereas state and local spending individually reflects spending done at those
levels including intergovernmental transfers from the state or local level.

4. Intergovernmental expenditures can be for education or social services, for
example, but are not counted in those categories if spending is classified as an
intergovernmental transfer.

g/?currentTimeframe=0&sortModel=%7B%22colId%22:%22%22Location%22,%22%22s
ort%22:%22%22asc%22%7D.

6. Reaching Higher NH, “State Education Property Tax: Locally raised, locally
kept,” 2019, http://reachinghighernh.org/2019/02/01/state-education-property-
tax-locally-raised-locally-kept/. Note that the Census Bureau counts SWEPT as
local spending, given that it is collected locally and distributed to local districts.

7. State Higher Education Executive Officers Association, “State Higher Education

8. New Hampshire Department of Administrative Services and Department of
h.gov/transparentnh/how-government-finances-work/.

State Budget Process and Recent Funding Trends,” 2017, http://nhfpi.org/wp-

10. The reason the rankings on revenue do not match spending is because of timing
issues, including debt.

11. New Hampshire Fiscal Policy Institute, “Funding the State Budget and Other
Public Services,” 2019, http://nhfpi.org/wp-content/uploads/2019/02/Funding-
the-State-Budget-and-Other-Public-Services_Web_Version.pdf

12. New Hampshire Fiscal Policy Institute, “Revenue in Review: An Overview of
org/wp-content/uploads/2017/05/Revenue-in-Review_Overview-of-New-

13. New Hampshire Fiscal Policy Institute, “New Hampshire Revenue Sources and
New-Hampshire-Funding-Sources-and-Recent-Trends.pdf; New Hampshire
Department of Administrative Services and Department of Information

14. New Hampshire Department of Administrative Services and Department of
transparentnh/glossary/education-trust-fund.htm.

16. Maine, Rhode Island, and Connecticut are all in the top seven states in local taxes as a percentage of state GDP.

17. Property taxes account for 4.7 percent of state GDP.


19. Not included are the turnpike system, liquor and lottery commissions, spending from interest expenses, the Drinking Water State Revolving Fund, and the unemployment compensation trust fund.

20. For more information refer to: Claremont Sch. Dist. v. Governor (Claremont 1), 635 A.2d 1375 (N.H. 1993); Claremont Sch. Dist. v. Governor (Claremont II), 703 A.2d 1353 (N.H. 1997).


