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## New Hampshire's Labor Force Participation Highest In Region, But Wage Inequality Growing For Low Wage And Low Skill Workers

Carsey Institute Publishes Brief On State Of Working New Hampshire

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DURHAM, N.H. -- While New Hampshire has the highest labor force participation (71 percent) and the second-lowest unemployment and underemployment rates in New England, recent trends in employment and wages point to growing disparities in the state, a new issue brief from the Carsey Institute at the University of New Hampshire finds.

The brief, "The State of Working New Hampshire 2006," finds a series of good news/bad news scenarios in trends of wages, job growth, and workforce education. The brief provides a state-focused analysis of the Economic Policy Institute's national report, "The State of Working America 2005/2006," released on Labor Day (Sept. 4, 2006).

"By most indicators, New Hampshire is leading New England and is ahead of the nation in the world of work," said Carsey Institute director Cynthia "Mil" Duncan. "Yet we shouldn't ignore troubling news of unemployment among younger workers, growing inequity in wages, and loss of jobs in certain sectors."

Among the brief's major findings:

- While workforce participation is high, it has been declining since 2000, when it was 73 percent. The drop reflects trends in employment of young adults; between 2000 and 2005, there was a sharp decline (75 percent to 67 percent) in the percentage of young adults ages 16 to 24 participating in the labor force.
- New Hampshire had strong positive job growth (approximately 13,000 non-farm jobs between 2000 and 2005), led by the construction (employment up 19 percent), education and health services (up 17 percent), and financial activities (up 15 percent) industries. Significant job losses in manufacturing, transportation and utilities, and information, however, contributed to the decline of 28,000 jobs in the state in the same five-year period.
- "There is steady growth in workers' wages in the state, but there's also growth in wage inequality," said report author Allison Churilla, a Carsey Institute policy fellow and Ph.D. candidate in sociology at UNH. New Hampshire's median hourly wage of \$15.93 (2005) is significantly higher than the national average of \$14.28. It represents seven percent growth in the median wage since 2000, which outpaced growth in all other New England states over the same time period. Yet the growth has been uneven: High wage workers have experienced the most substantial growth in wages since 1979, with wages

increasing 43 percent for these workers, while low wage workers have experienced only 21 percent growth in their wages over the same time period.

- New Hampshire maintains a well-educated labor force. In 2005, over one-third of the workforce had a four-year college degree and well over 60 percent had at least some college education. In New England, only Massachusetts and Connecticut have greater percentages of college-educated workers (40 percent and 36 percent, respectively). There has been a corresponding increase in median wages for college-educated workers in the state that has far outpaced wage growth for New Hampshire workers without a four-year degree.
- Compared to the other five New England states, New Hampshire also performs relatively well on measures of gender equity. Second only to Vermont, the state had a high female labor force participation rate (65 percent) and a low female unemployment rate (4 percent) in 2005. Growth in women's median wages in the state has been positive over the last two decades, far outpacing men's growth. Between 2000 and 2005, women workers in New Hampshire benefited from the greatest growth in median wages in New England (15 percent). Yet female workers still earned about 80 cents for every dollar earned by men in New Hampshire, the second-lowest earnings ratio in New England.

In partnership with the Public Assets Institute, the Carsey Institute is preparing another issue brief, "The State of Working Vermont 2006," that provides similar analysis of that state's labor statistics.

*The Carsey Institute at the University of New Hampshire conducts research and analysis on the challenges facing families and communities in New Hampshire, New England, and the nation. The Carsey Institute sponsors independent, interdisciplinary research that documents trends and conditions affecting families and communities, providing valuable information and analysis to policymakers, practitioners, the media, and the general public. Through this work, the Carsey Institute contributes to public dialogue on policies that encourage social mobility and sustain healthy, equitable communities.*

*The Carsey Institute was established in May 2002 through a generous gift from UNH alumna and noted television producer Marcy Carsey.*

**Editors and reporters: For a copy of the report, or to schedule an interview with Carsey Institute director Mil Duncan or report author Allison Churilla, contact Amy Seif at [amy.seif@unh.edu](mailto:amy.seif@unh.edu) or 603/862-4650.**