



New Hampshire Center  
for Public Policy Studies

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# NH Economic Indicators – Where to Next?

October 31, 2013

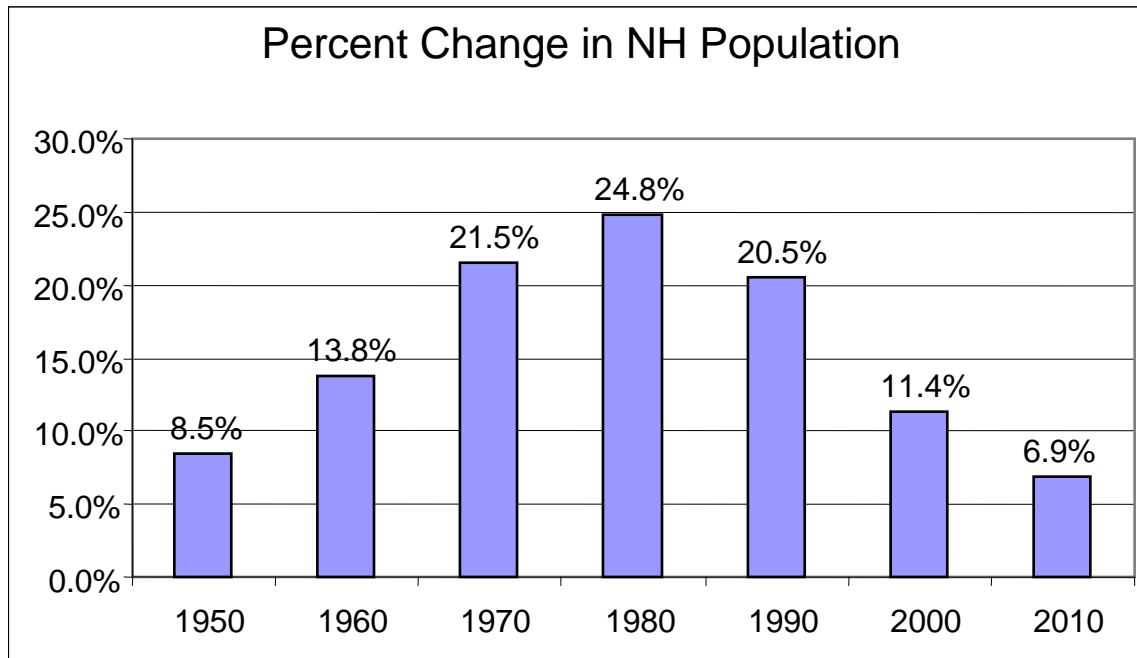
*“...to raise new ideas and improve policy debates through quality information and analysis on issues shaping New Hampshire’s future.”*

# Here are two reports

Published a year ago, The Center's report "From Tailwind to Headwind" sets the stage for a conversation about the New Hampshire economy post the Great Recession: <http://tinyurl.com/q44vz2f>

Today we are releasing an economic dashboard which will help ground in data the conversation about paths forward. The report can be found here: <http://www.nhpolicy.org/UploadedFiles/Reports/Dashboard.pdf>

# Past economic growth was driven by high rates of migration



Source: New Hampshire Center for Public Policy Studies, analysis of U.S. Census data

Growth in NH's population, capital and productive have declined, suggesting that New Hampshire's economic experience of Tailwinds may have turned into headwinds?

# In this context, where should we invest?

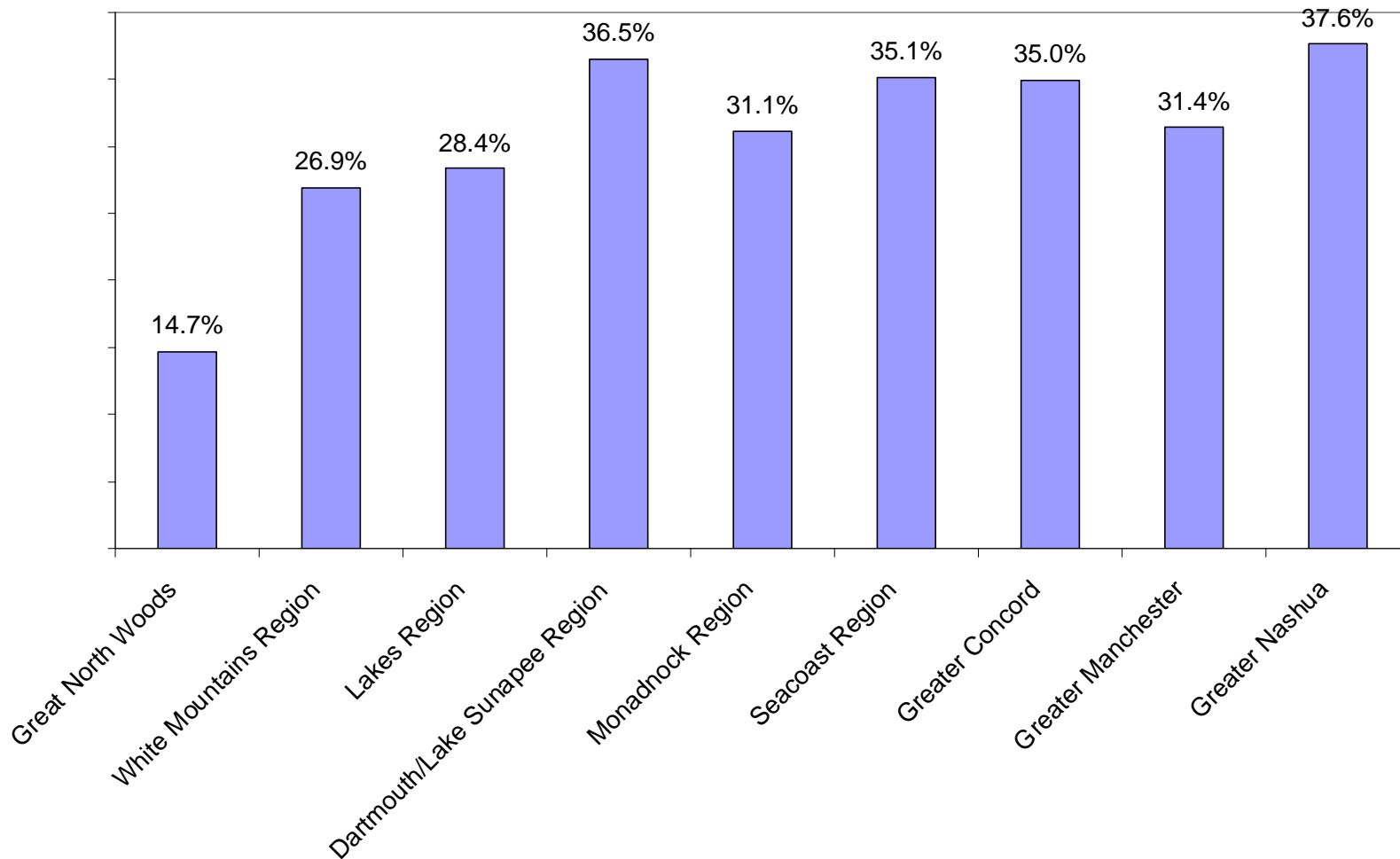
- Health Care
- Education/Workforce
- Natural and Cultural Resources
- Energy
- Fiscal
- Infrastructure
- Workforce Housing
- Regulatory
- Business Growth and Retention

# Who are the competitors?

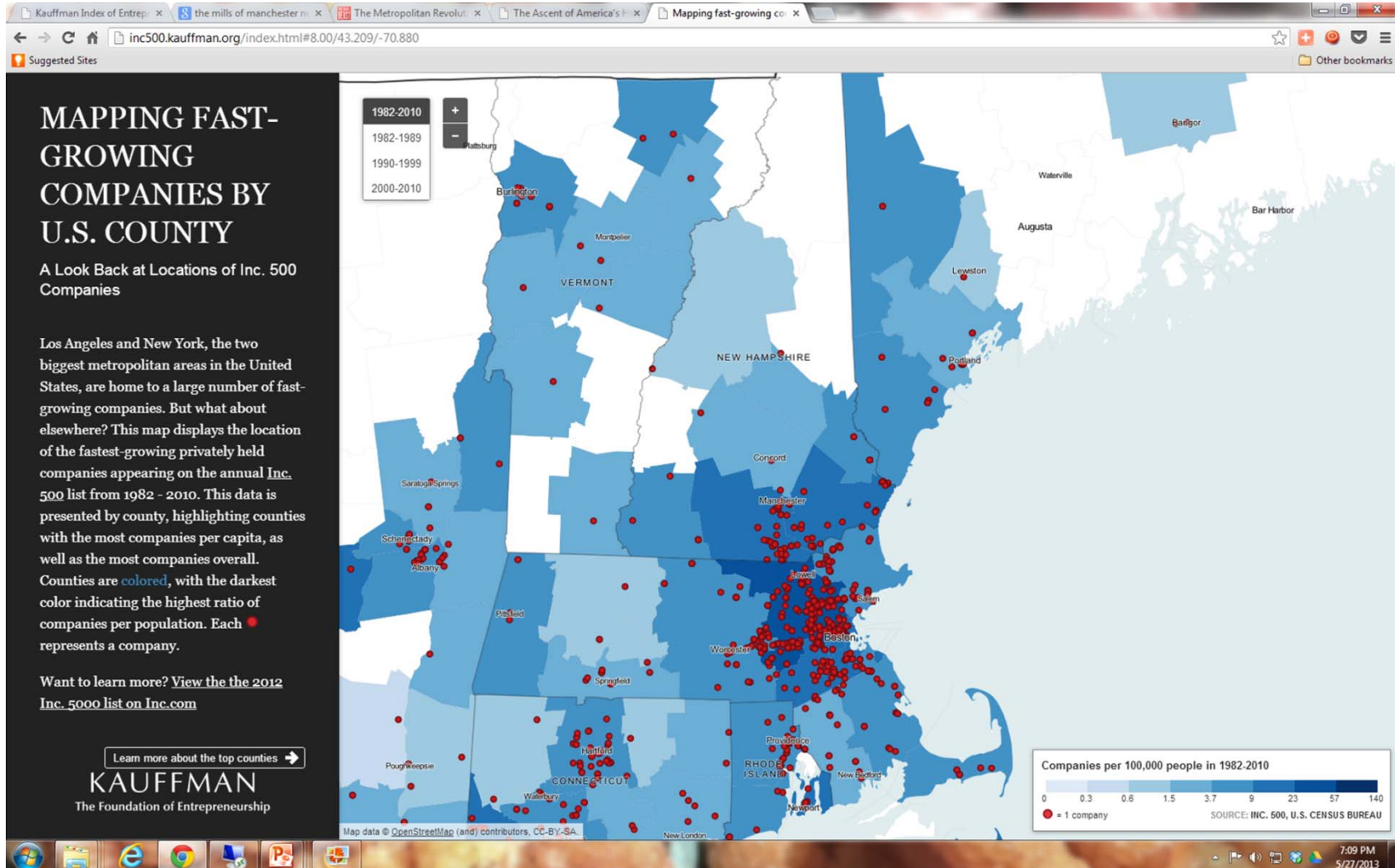
- Four Northern New England States?
- Major NH Advanced High-Tech Manufacturing competitors (North Carolina, South Carolina, Texas, Virginia)?
- The answer depends on what we are competing for:
  - Industries
  - Human capital
  - Individual companies
- Do states compete, or is their regional economic competition?
- Dashboard and data were developed so NH can compare itself to any state.

# State averages hide large regional variation

Percent of adult population with a B.A. or higher



# For its size, the Nashua-Manchester Corridor is in the top 10 with fastest growing companies



# Dashboard Development

- NH Business and Industry Association stakeholder groups identified goals
- Center developed a series of indicators that track with goals.
  - Example of a goal: “All New Hampshire residents are among the healthiest in the nation and have lifelong access to a high quality, affordable integrated and preventive health and community support system.”
    - Health Care Expenditures Per Dollar of Gross State Product, 2010
    - Age Adjusted Mortality Rates, 2011
    - State-specific Standardized Infection Ratios (SIRs), 2011
    - Percent Uninsured, 2011
    - Average Family Premium per Enrolled Employee For Employer-Based Health Insurance, 2011



# Health Care (Example)

<b>State and U.S. Rank</b>	Total Health Care Expenditures as a Percent of Gross State Product (GSP), 2010	2011 Age Adjusted Mortality Rates	State-specific Standardized Infection Ratios (SIRs):	Percent Uninsured 2011	Average Family Premium per Enrolled Employee For Employer-Based Health Insurance	<b>Overall</b>
New Hampshire	32	15	36	9	49	37
Maine	49	28	50	4	40	48
Massachusetts	30	6	24	1	50	13
Vermont	47	16	1	3	47	17
North Carolina	21	37	26	34	17	29
South Carolina	41	42	42	45	33	47
Texas	8	29	23	50	30	34
Virginia	6	24	41	21	27	19

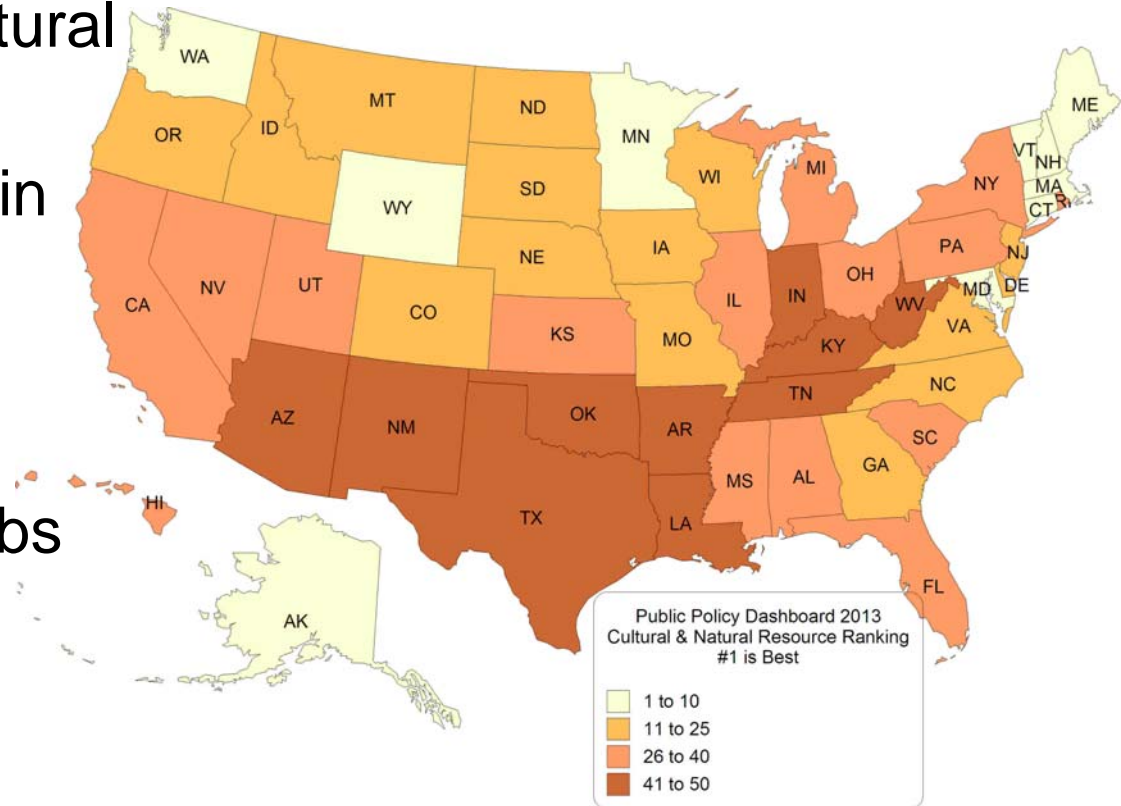
# Indicators Compared to neighbors and major advanced high tech manufacturing competitor states

<u>State and Rank</u>	<u>Fiscal</u>	<u>Education &amp; Workforce</u>	<u>Regulatory</u>	<u>Workforce Housing</u>	<u>Cultural &amp; Natural Resources</u>	<u>Energy</u>	<u>Infrastructure</u>	<u>Health</u>	<u>Business Growth &amp; Retention</u>	<u>Overall</u>
New Hampshire	17	14	22	31	4	28	27	37	7	11
Maine	30	36	42	29	7	35	33	48	31	38
Massachusetts	39	1	41	41	3	20	35	13	2	8
Vermont	35	32	31	32	6	24	43	17	11	24
North Carolina	32	11	14	25	20	13	18	29	27	16
South Carolina	29	29	17	15	38	33	12	47	30	33
Texas	8	16	28	21	47	41	10	34	23	27
Virginia	11	4	20	35	11	27	15	19	29	9

With whom are we competing?

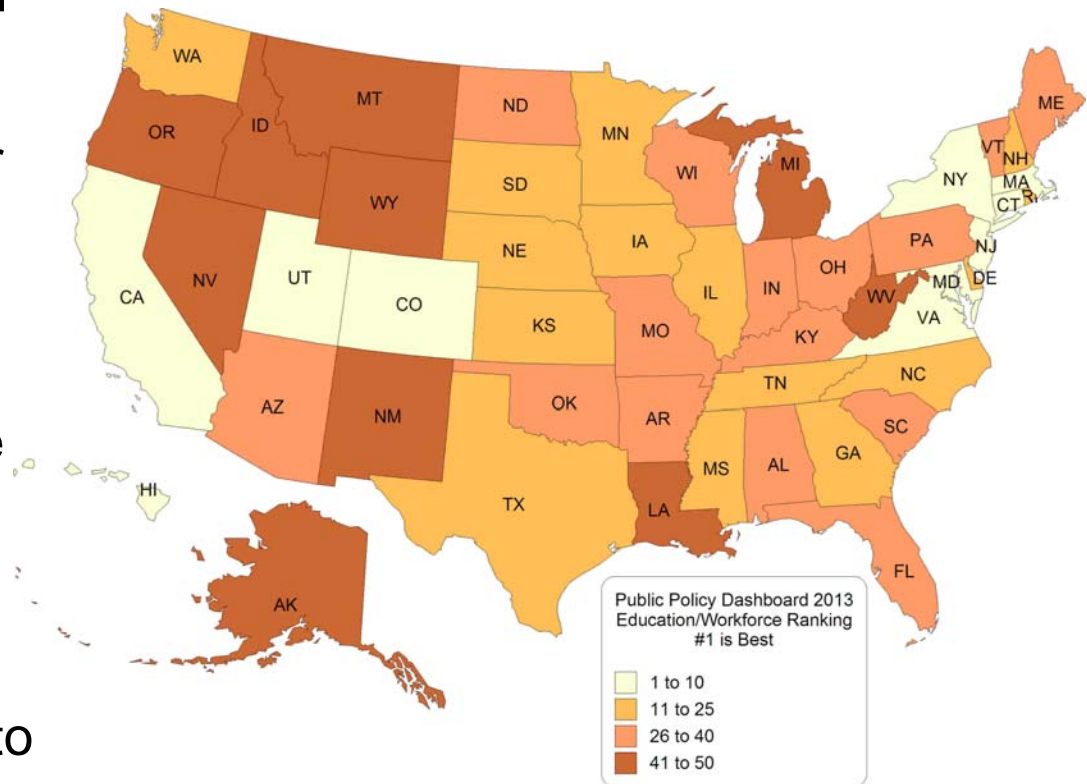
# Cultural and Natural Resources

- State spending on natural resources per person
- Percent of tree cover in urban areas
- Domestic tourism spending per capita
- Creative Economy Jobs Concentration
- Voter turnout rate
- Volunteering rate



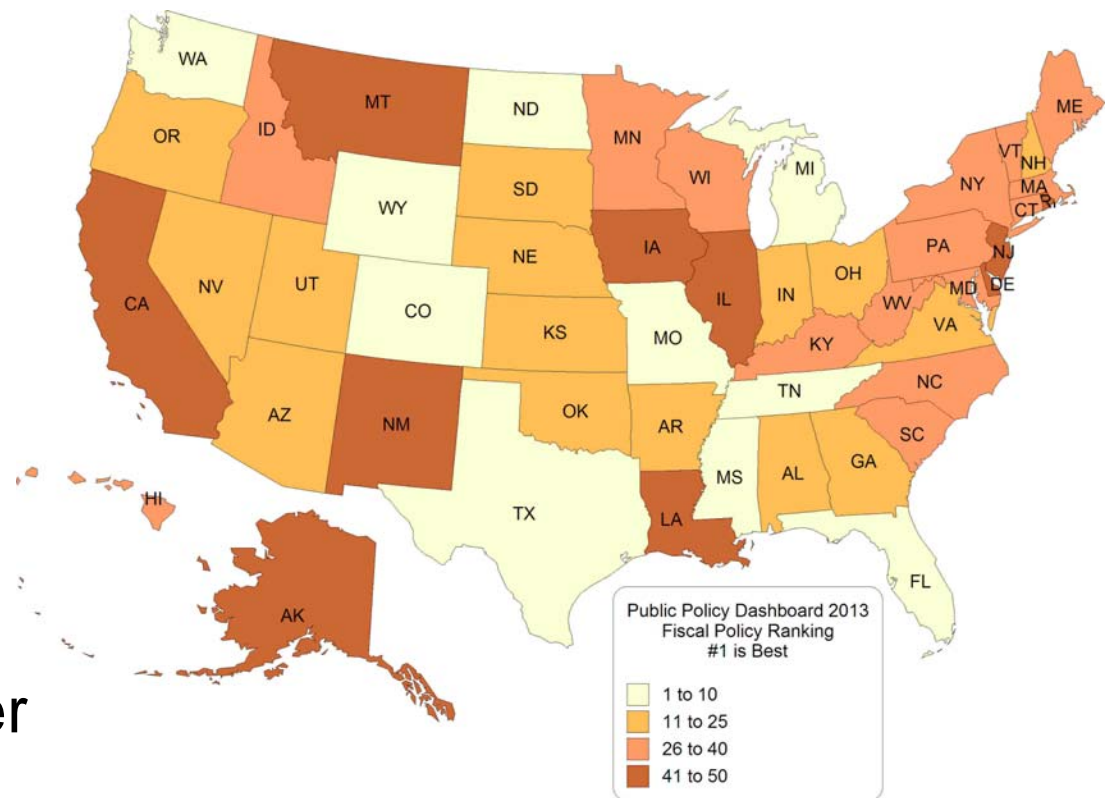
# Education, Labor and Workforce

- Change in 35-44 population share, 2000 to 2010
- Percent of adult population with an associate degree or higher
- Percent of population in Science and Engineering workforce
- High school graduation rate
- Student debt per person
- Rate at which high school graduates go on to post-secondary institutions
- Percent of children aged 3 to 4 years old enrolled in preschool



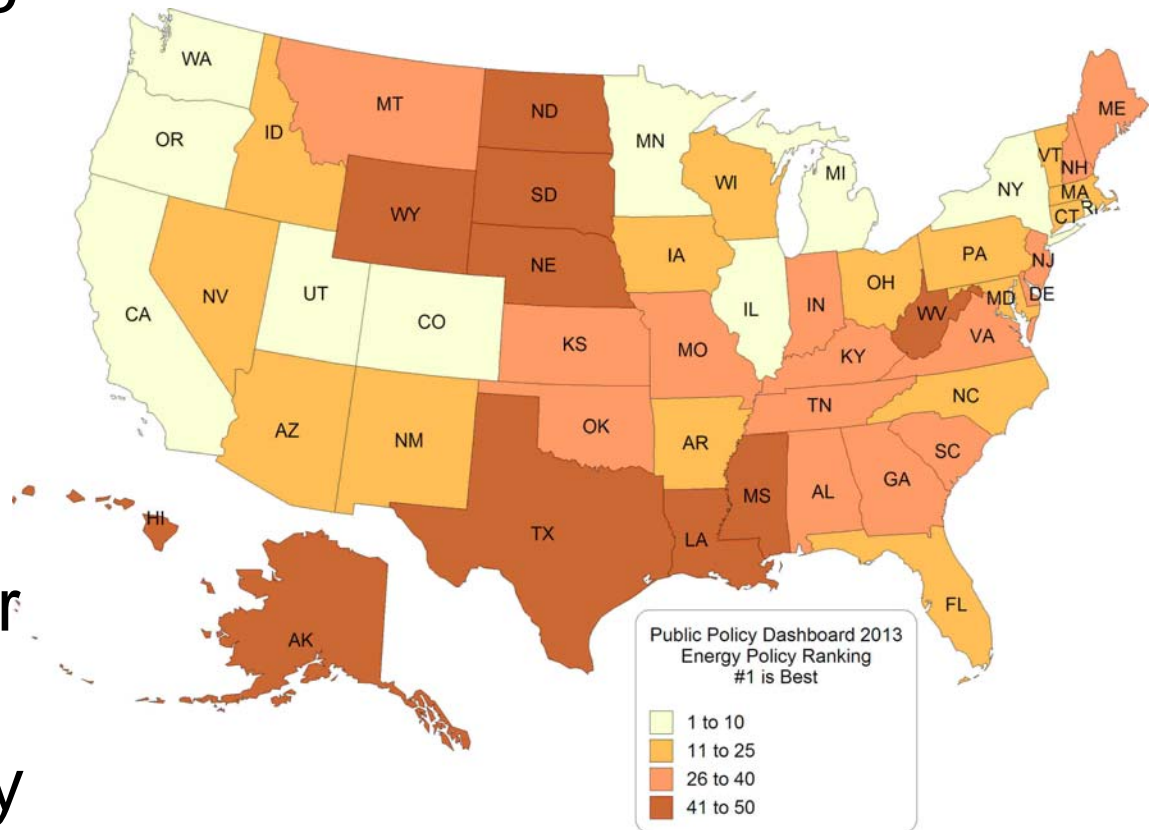
# Fiscal Policy

- State Business Climate Tax Index
- Top Marginal Corporate Tax Rate
- Public Health, Welfare, Hospital Spending per Person in Poverty
- State Debt per Dollar of Personal Income
- Public Government and Administration per Dollar of Personal Income



# Energy

- Industrial Electric Prices
- Natural Gas Prices in Dollars per Million BTUs
- Energy Consumption
- Expenditures Per Capita
- Energy Efficiency Rank



# NH excels on “current climate” indicators

<u>Area</u>	<u>Indicator</u>	<u>NH Rank</u>
WFHousing	Homeownership rates	2
Regulatory	Pollution Abatement / \$ Value Added	3
EdWorkFrc	High School grad rate	4
Cultural	Voter turnout rate	4
EdWorkFrc	Pct of pop in Science & Engineering workforce	5
EdWorkFrc	Pct w/Associates+	6
EdWorkFrc	Percent of children aged 3-4 in preschool	6
Fiscal	State Business Tax Climate Index	7
Fiscal	Public health/welfare spending per person in poverty	7
GrowthReten	Manufacturing Supercluster Concentration (LQ)	7

# But NH lags on “future climate” indicators

<u>Area</u>	<u>Indicator</u>	<u>NH Rank</u>
Fiscal	Top marginal corporate tax rate	38
Infrastructure	Percent of bridges deficient or obsolete	39
WFHousing	Owner costs more than 30% of Income	43
Health	Health Care Expenditures per Capita by State of Residence, 2	43
Fiscal	State debt per \$ Personal Income	45
Energy	Industrial Electric Prices	46
GrowthReten	Capital Investment Projects per 100,000 pop	46
Regulatory	Land Use Restriction	47
EdWorkFrc	Change in 35-44 y.o share of population, 2000 to 2010	48
EdWorkFrc	Average student debt	50



# Looking forward: The ecology of a successful economy

## There's this ...

- Human Capital
- Financial Capital
- Economic Creativity
- Business Base
- Costs of Business
- Infrastructure
- Quality of Life

## And then ... Brad Feld

- A Strong Pool of Tech Founders
- Local Capital
- Killer Events
- Access to Great Universities
- Motivated 'Champions'
- Local Press, Organizational Tools
- Alumni Outreach
- Wins
- Recycled Capital
- Second-Time Entrepreneurs
- Attractive to Engineers
- Tent-pole local tech companies

# How does this relate to existing initiatives

- Many initiatives designed to deal with perceived long term issues.
  - Governor Hassan: Innovate NH Jobs
  - Former Governor Lynch: The green launching pad
  - New use of unemployment funds – train individuals to build new small businesses.
  - Community College System
    - Hypertherm and Community College collaboration
    - The Advanced Manufacturing Partnership (Albany)
  - UNH Innovation
  - UNH, STEM initiatives (NHCF, Business NH coalition)
  - Granite State Futures – planning generally – housing and transportation.
  - Stay, Work, Play.
- Question: Are they working? Is there a problem?
  - Are conditions getting better/worse?
  - What about regional approaches

# What is the goal of economic development?

- State efforts to amplify ‘economic ecology’ development?
- Retention of existing businesses?
- Targeted Industry development?
- What/which tactics are necessary to meet strategic goals?
  - Enhance human capital? Workforce Development (make your own vs. import)
  - Workforce housing?
- How does one align and amplify existing efforts given scarce human and financial resources?



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- Our blog: [policyblognh.org](http://policyblognh.org)
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