

New Hampshire's Demographic Trends: Implications For How Communities Can Address Them

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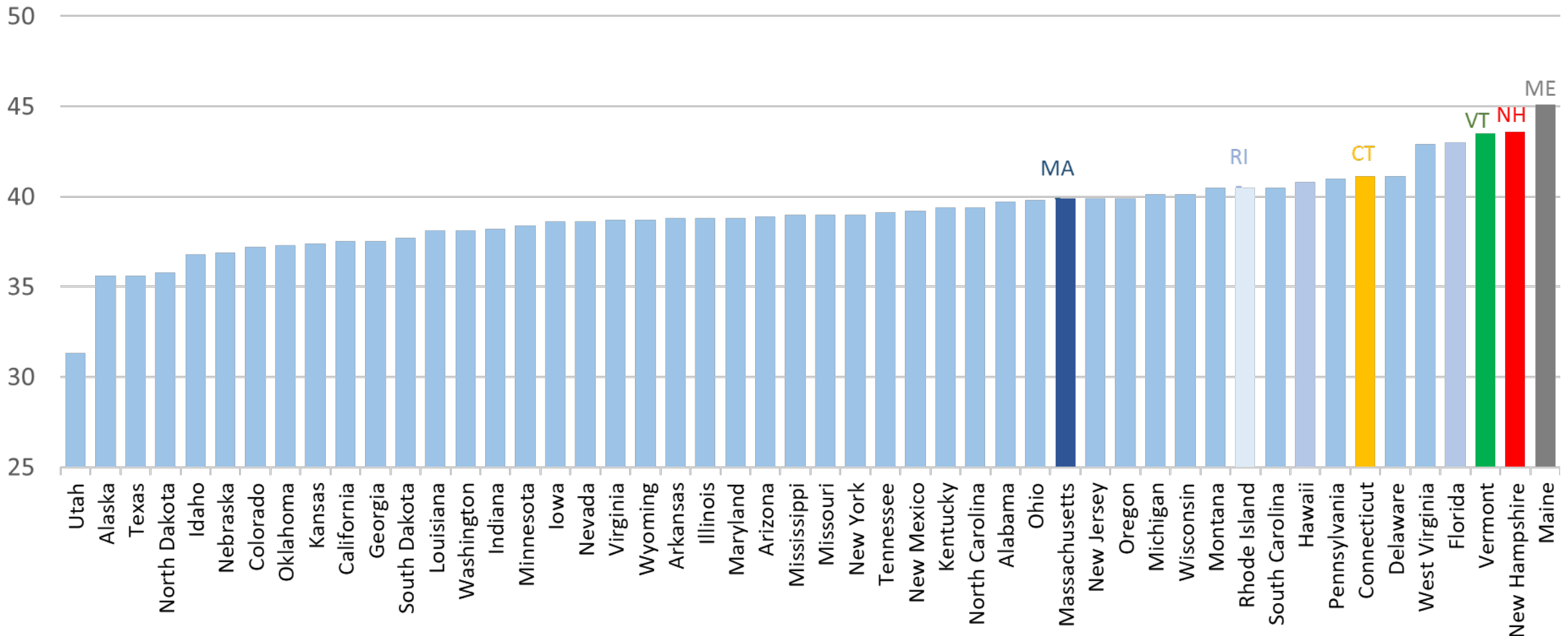
Demographics Explains Two-Thirds of Everything

In a Nutshell....

- Common narratives about New Hampshire's demographic trends are incomplete.
- NH is not monolithic; demographics trends differ greatly among communities.
- Differences in productivity and amenities result in differences in population, economic, and cost of living (or rent) growth in communities.
- Households and firms prefer to be in high-wage, high-amenity places, which leads to higher rents in those areas.
- People will move to take advantage of higher wages, which tends to push up the cost of living. Similarly, if people's willingness to pay for amenities increases, places with a lot of amenities will attract new residents, raising the cost of living even with no improvement in wages.
- Remote work increases opportunities for communities to address demographic challenges.
- Places that increase amenities AND reduce land use restrictions typically will grow faster.
- *Land use and homebuilding restrictions hold back NH's real gross state product (GSP) growth because they raise home prices and discourage people from moving to places with higher productivity and wages.*
- Higher costs of living combined with land use and homebuilding restrictions are widening income disparity by increasing labor market inefficiencies and limiting the ability of lower productivity/lower wage workers to move to places with better opportunities.

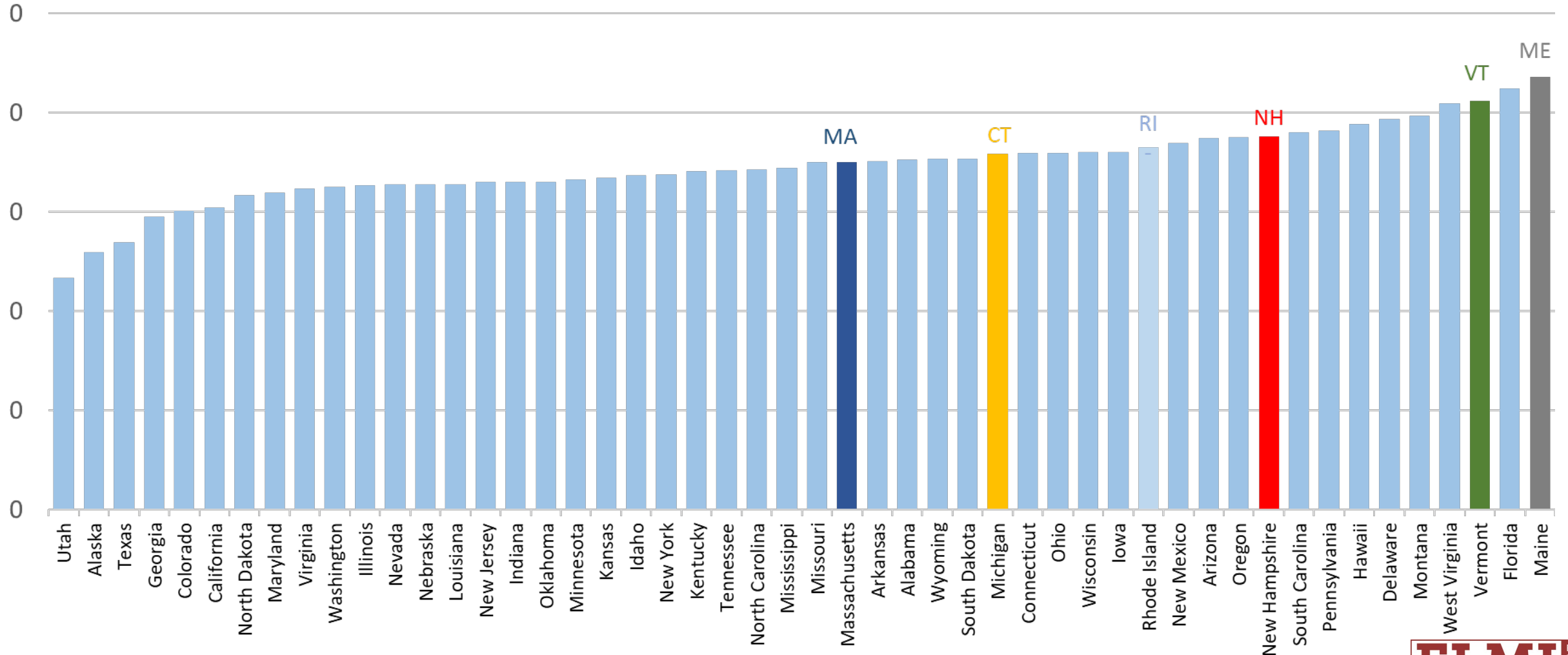
Northern New England States Have The Highest Median Age in the Nation but Their Demographics and Demographic Trends are Quite Different

Median Age of States (2020)



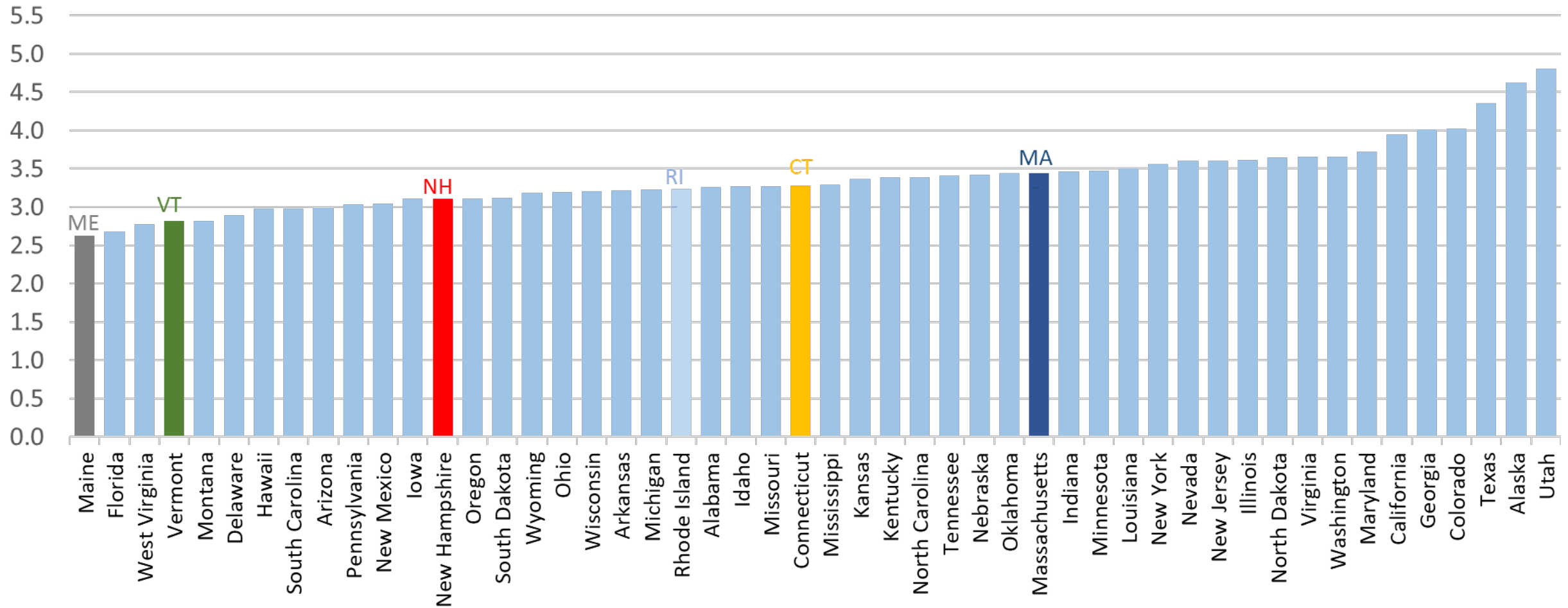
New Hampshire's High Median Age Doesn't Mean it Has the Second Highest Percentage of Seniors

% of Population 65+ (2020)



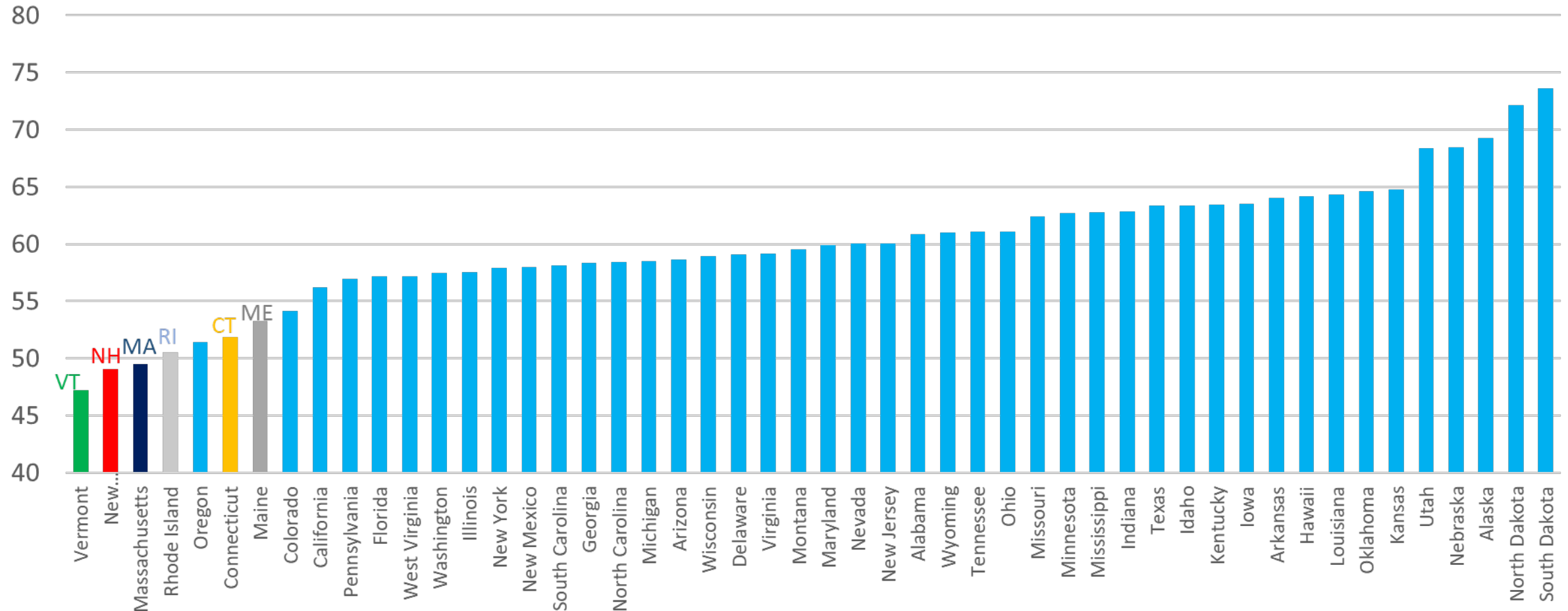
The “Age Dependency Ratio” is a Better Measure of the Degree to Which Aging is Affecting State Economies Than is Median Age – It Shows How Much Different is NH Than Other States With a High Median Age

Age Dependency Ratio (# of Individuals 20-64 / # Age 65+)

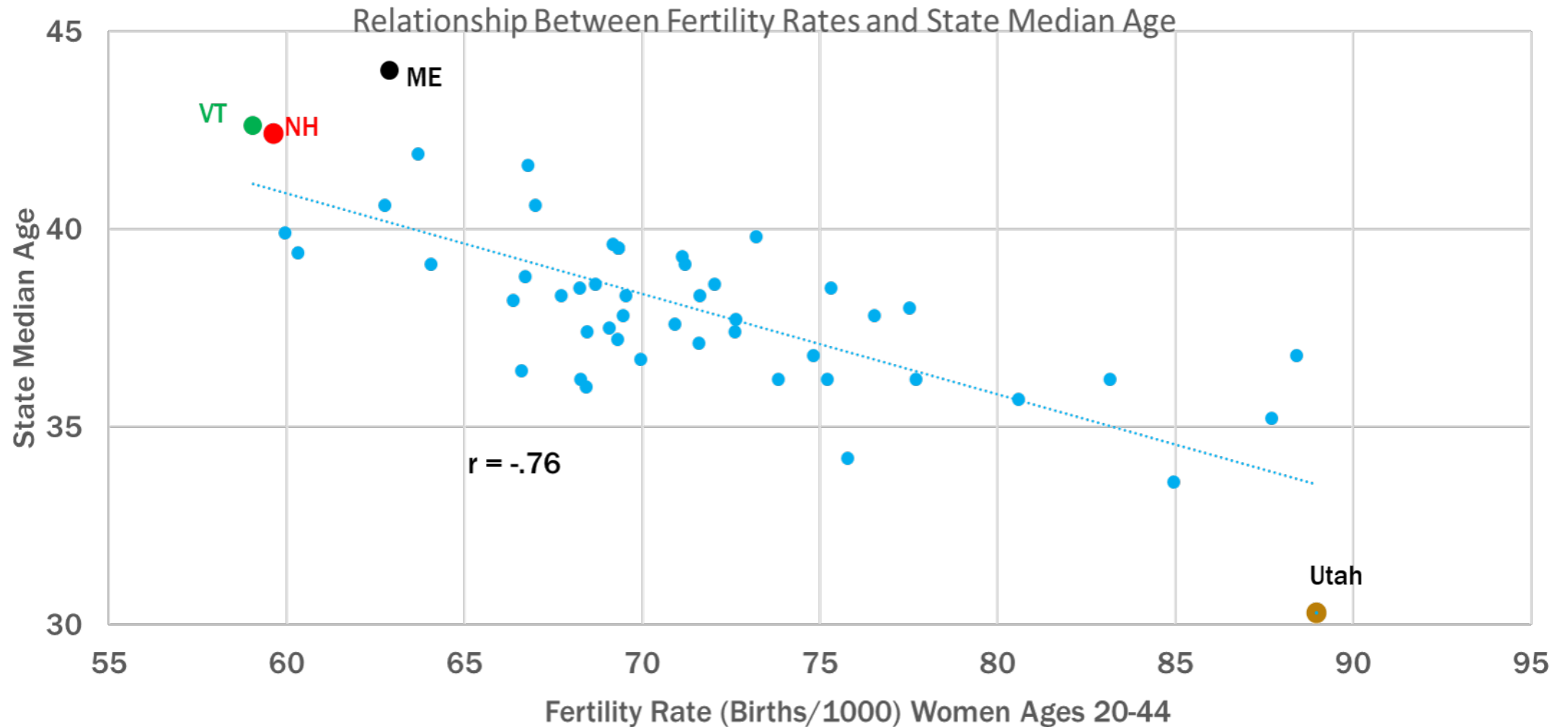


Low and Declining Birth Rates are the Real Cause of High Median Age (In-Migration is Critical to Helping Keep Median Age Stationary)

Birth Rates: Births to 1,000 Women Ages 20-44

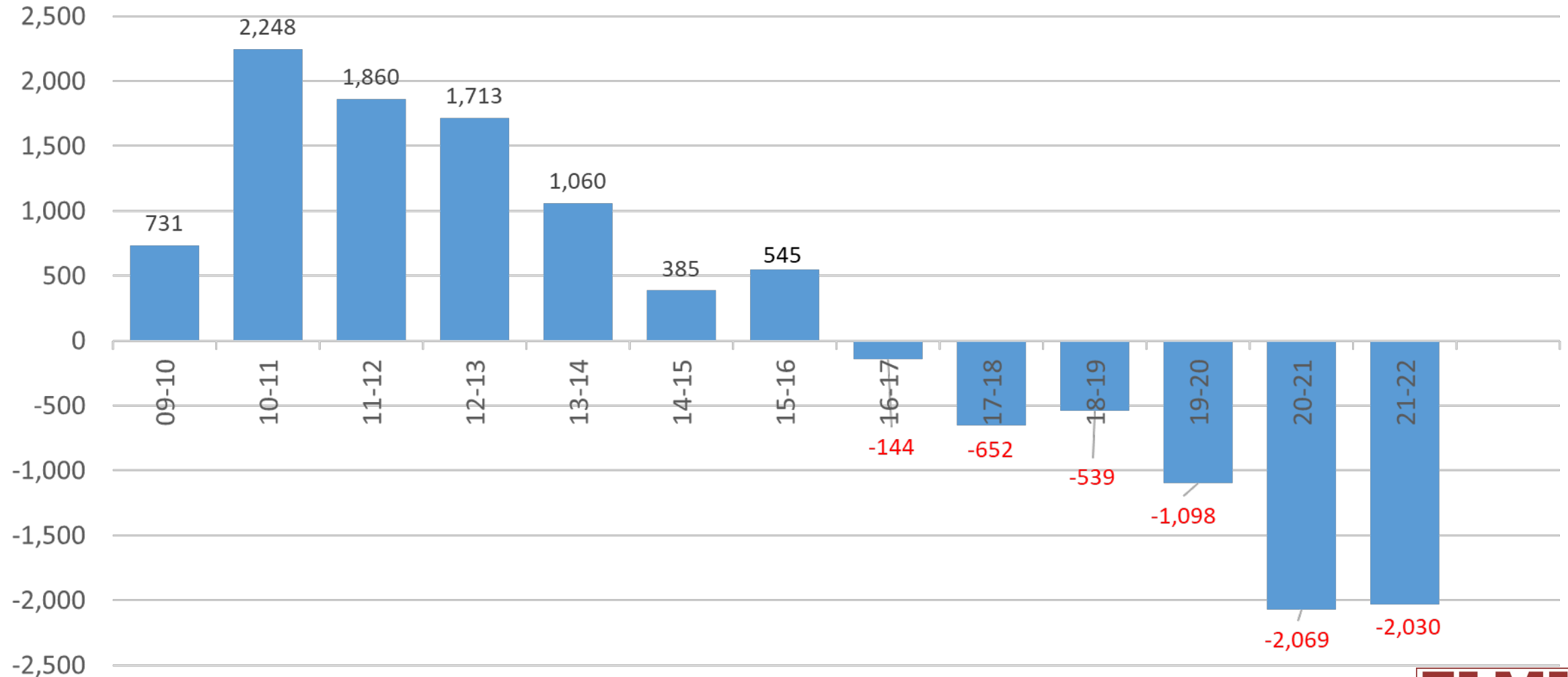


States With Lower Birth Rates Have a Higher Median Age – Utah Demonstrates the Impact of Adding Individuals at Age Zero



Despite Recent Increases in the State's Birth Rate, New Hampshire is Relying on In-Migration for Population Growth (Communities Need to Accommodate)

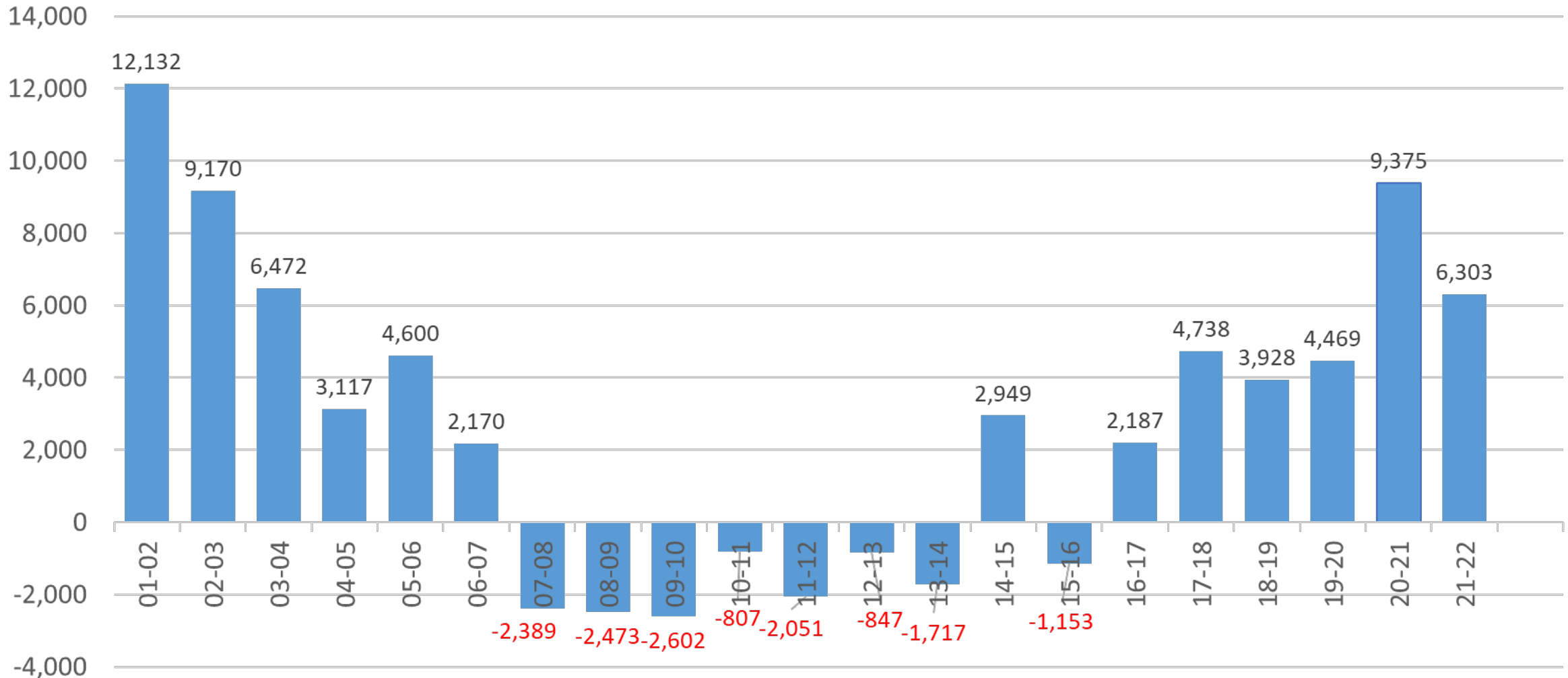
Natural Population Growth



Source: U.S. Census Bureau, "Components of Population Change," ELMI

Increases in Teleworking and a Post-Pandemic Desire for Less Density Gave a Larger Boost to NH's Net State-to-State Migration and its Labor Force

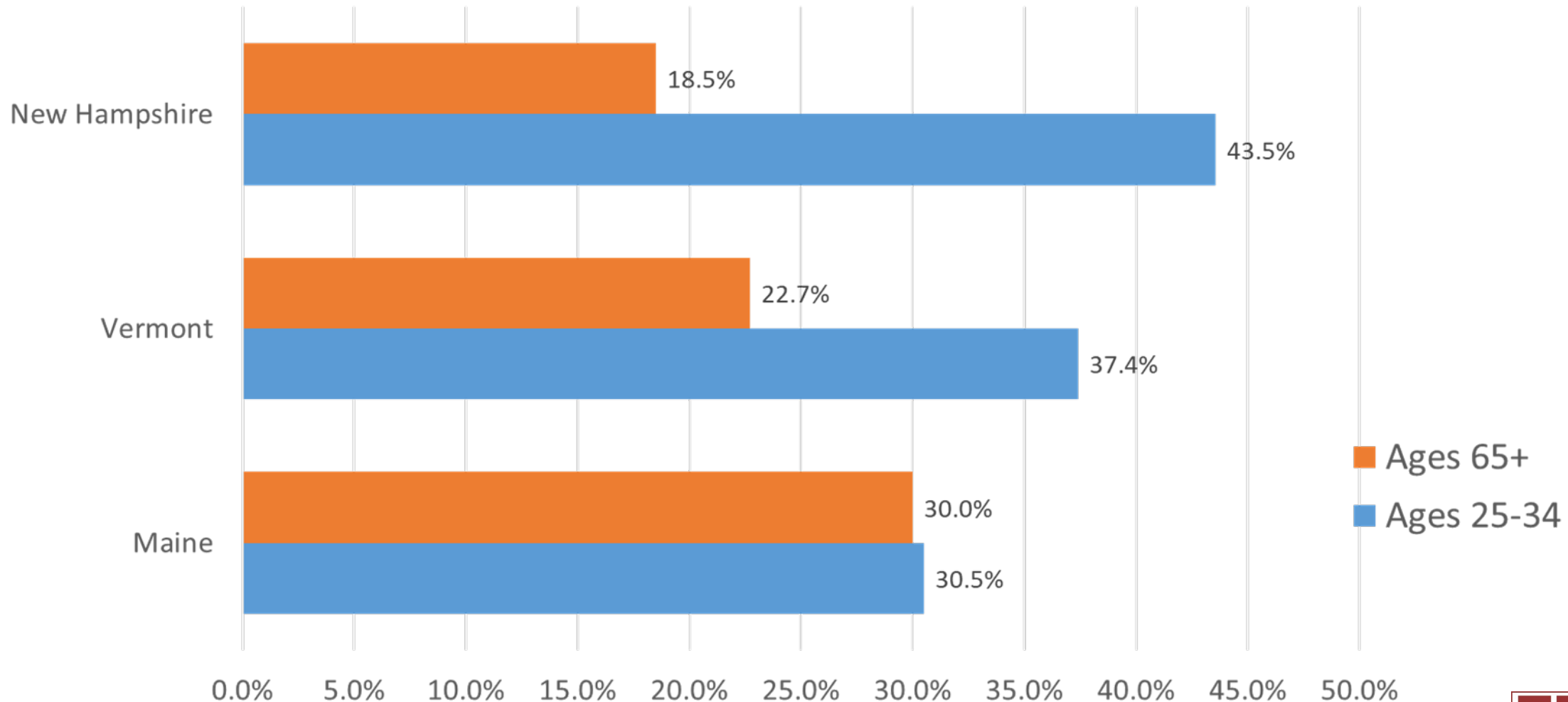
Net Domestic (State-to-State) Migration to NH



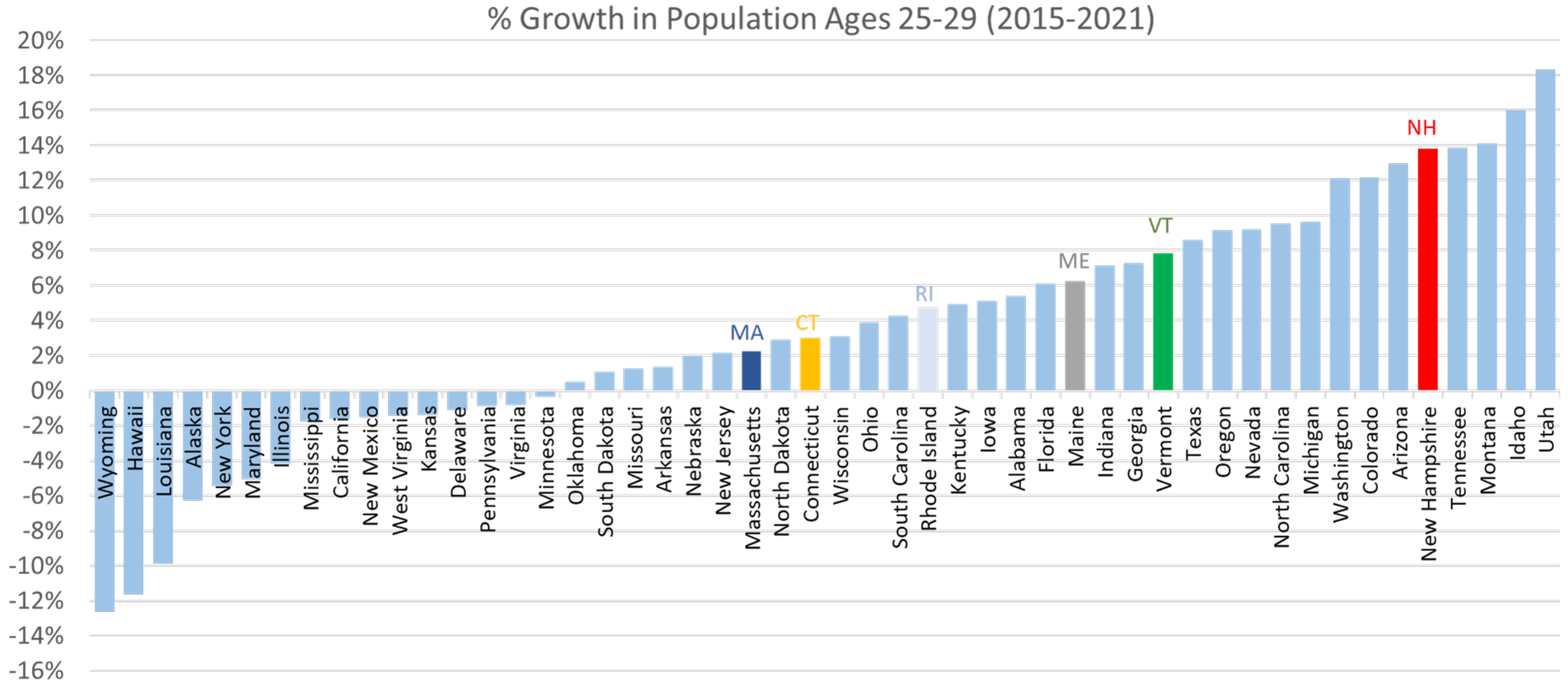
Source: U.S. Census Bureau, "Components of Population Change," ELMI

The Demographics of Movers into New Hampshire From Other States is Trending Younger - Increasingly Benefiting NH's Demographics

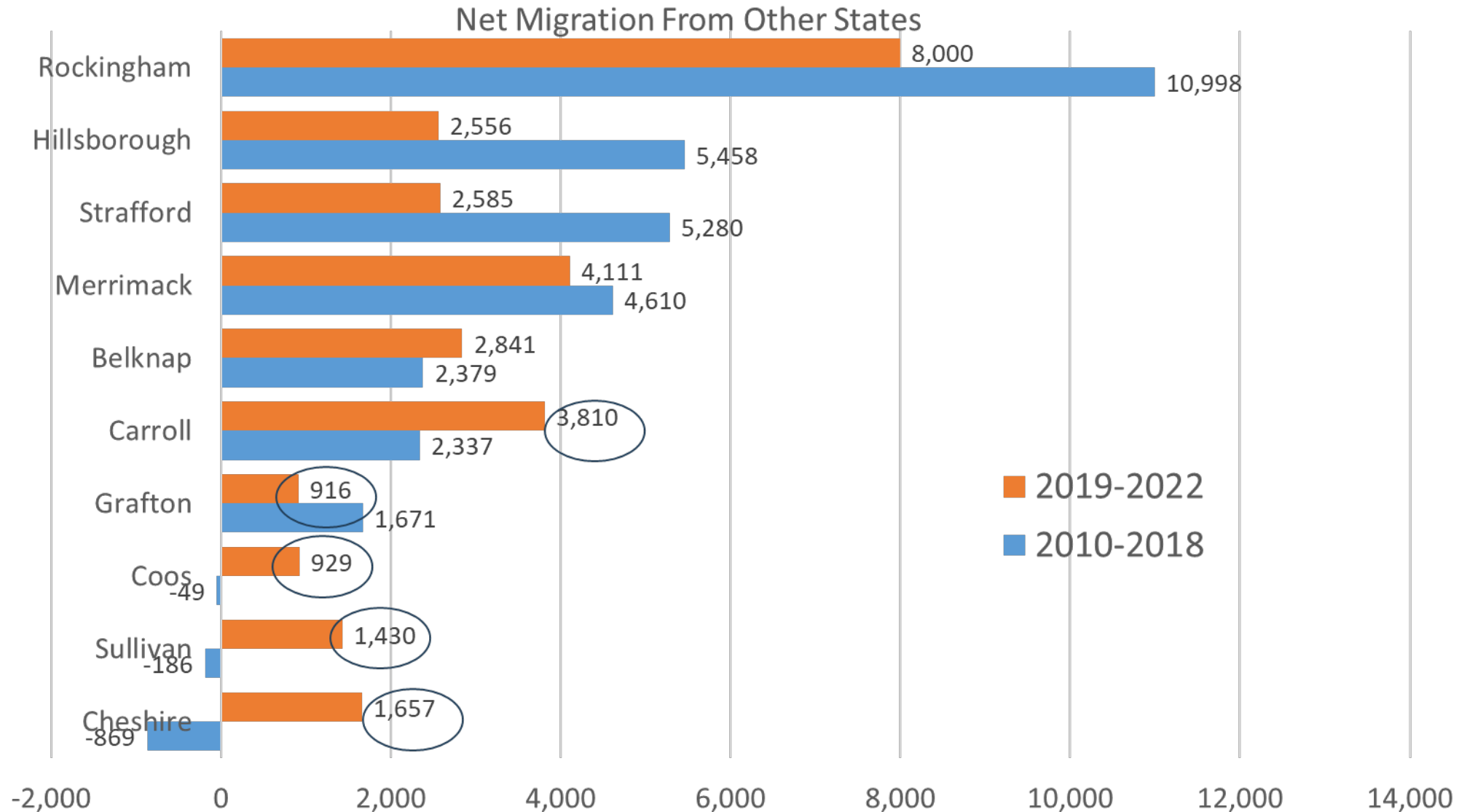
% of Domestic Adult (Age 25+) In-Migration 2017-2021



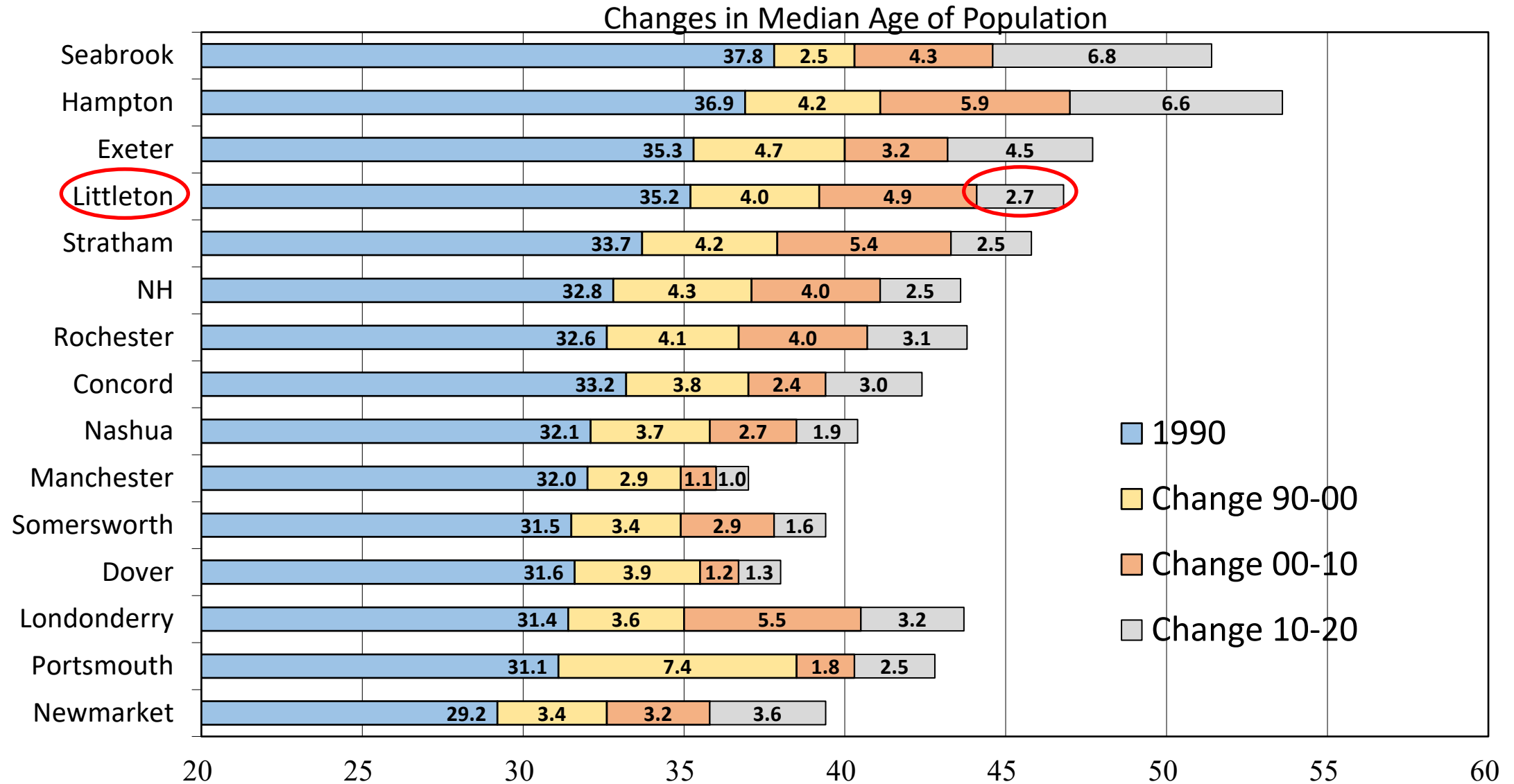
Since 2015, NH Has Had the 5th Largest Percentage Increase in Population of 25-29 Yr. Olds of Any State (2nd Highest Since 2014)



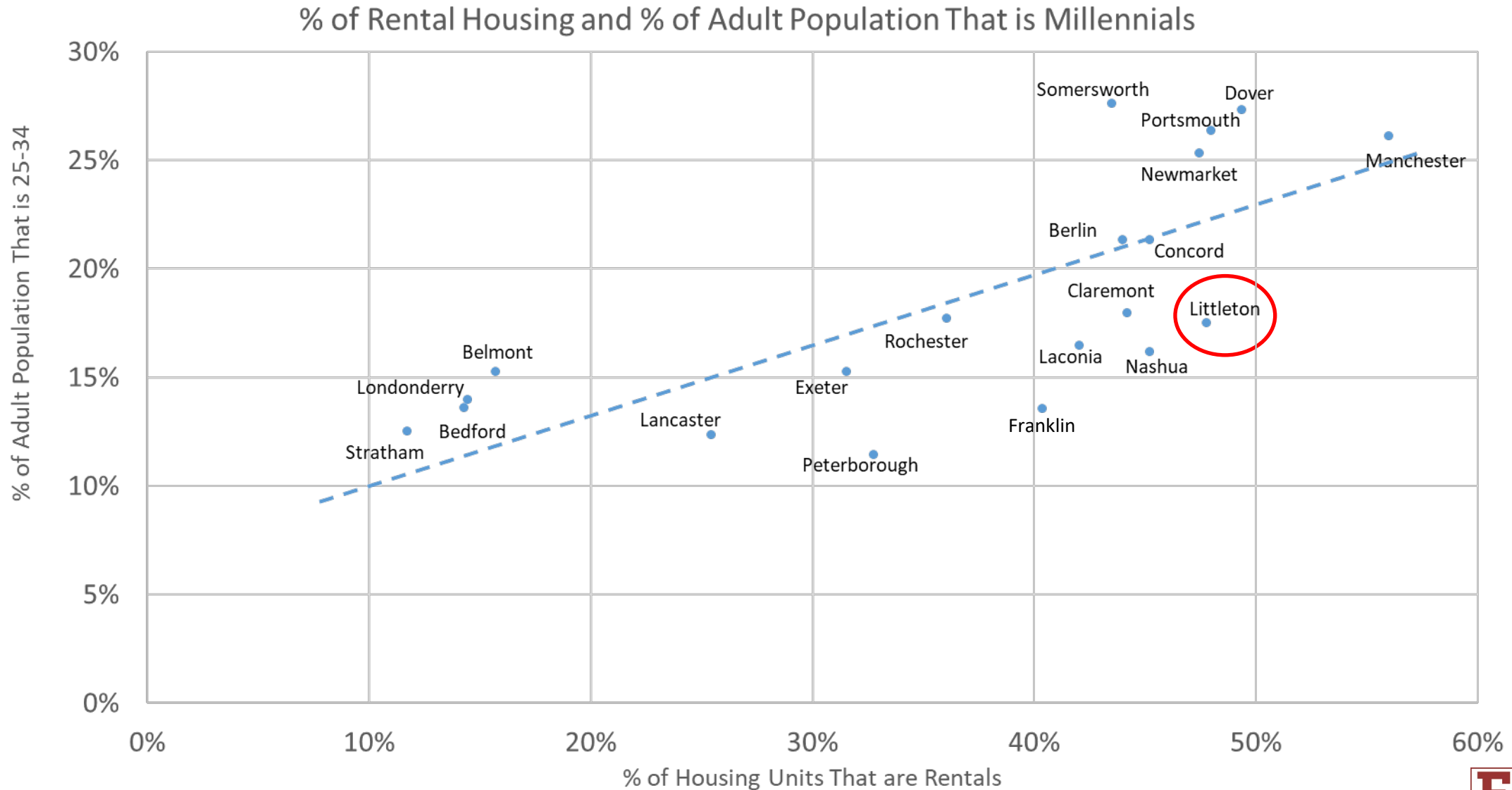
Migration From Other States Has Been Key to NH's Population Growth, Post Pandemic, its Benefits Have Accelerated in Areas Most in Need of Demographic Lift



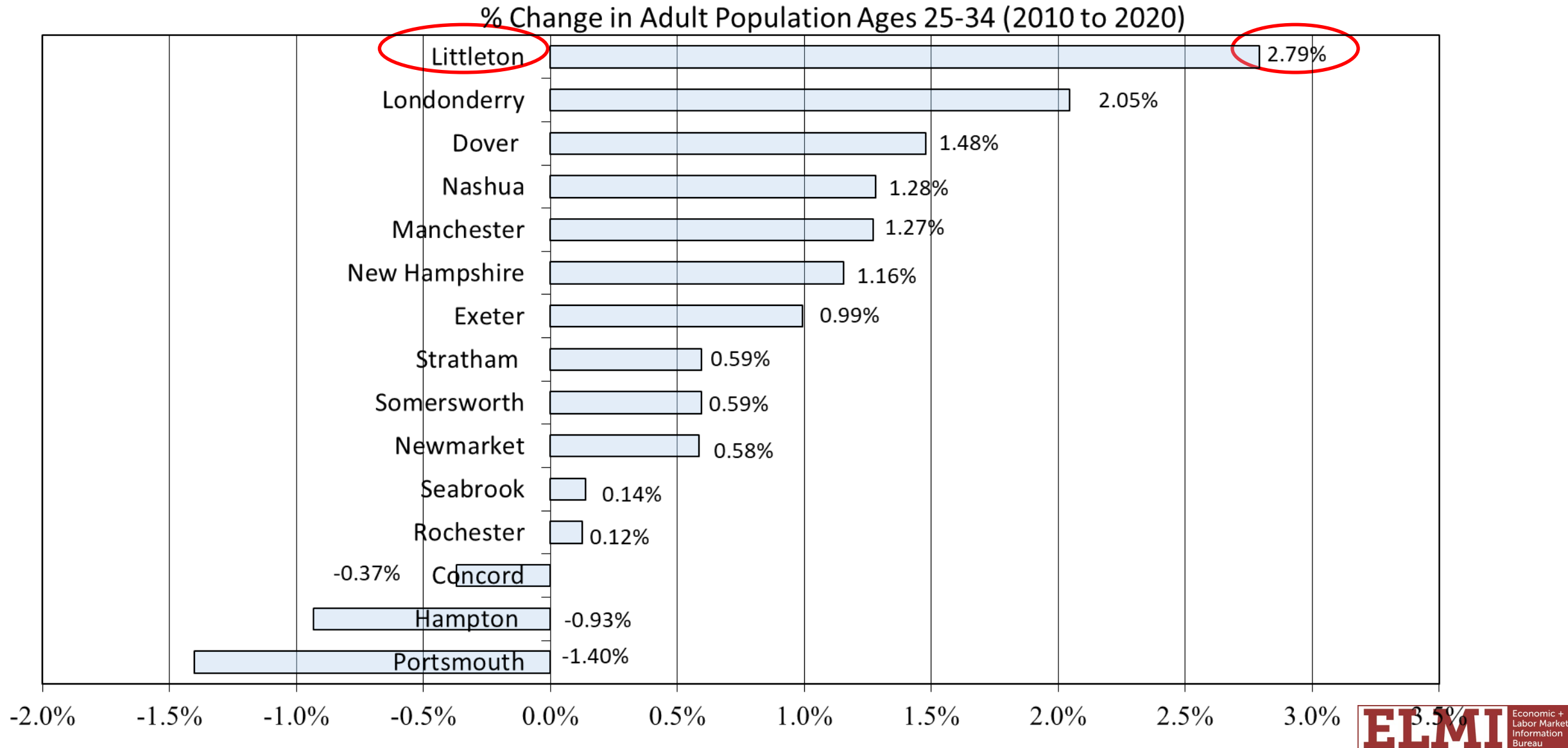
Demographic Trends in Communities Differ Greatly – There are Examples to Follow for Altering Problematic Trends



Housing is Key to Attracting and Keeping a Younger Demographic. To Attract Millennials, Quality Rental Opportunities and Amenities are Critical



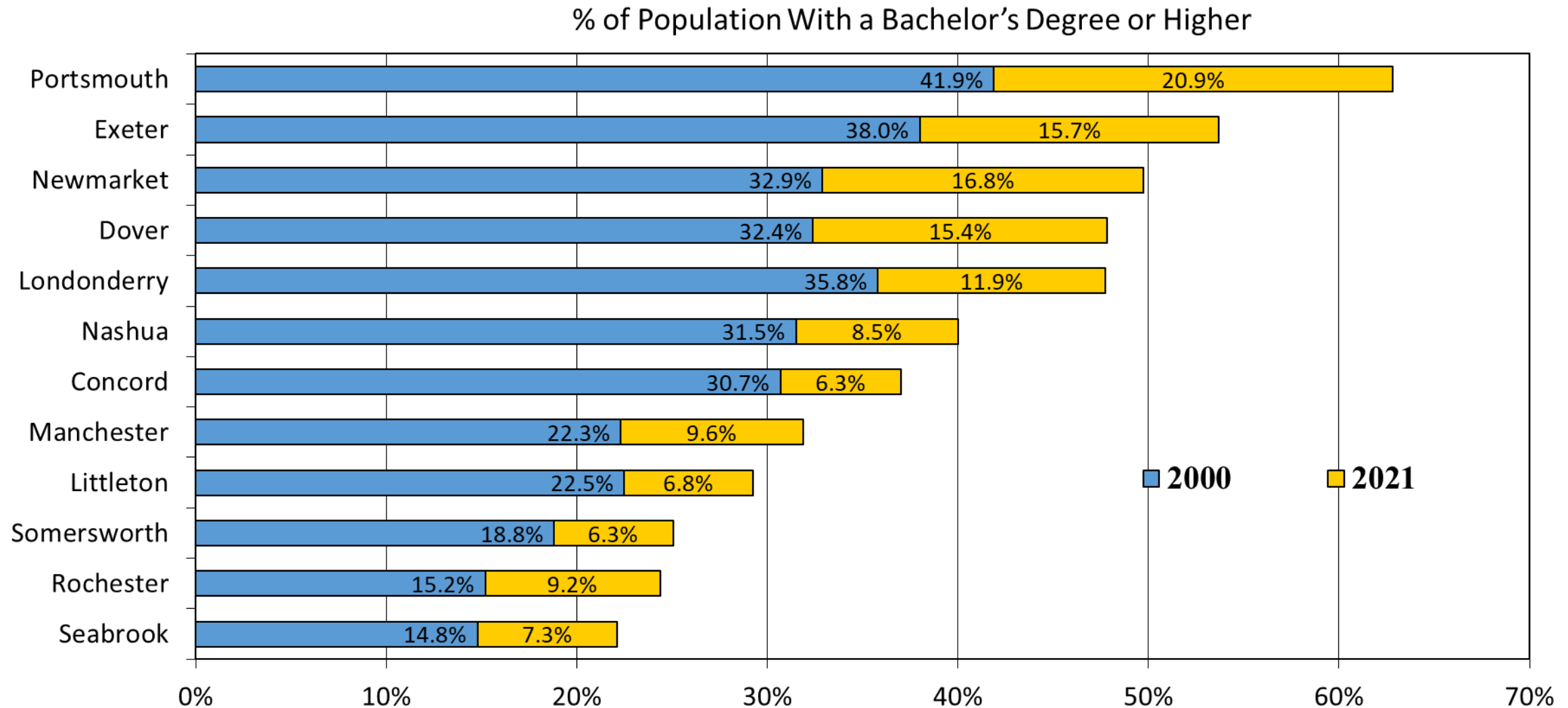
New Hampshire Has One of the Largest % Increases in “Millennial” Populations of Any State and More Communities are Capturing Them



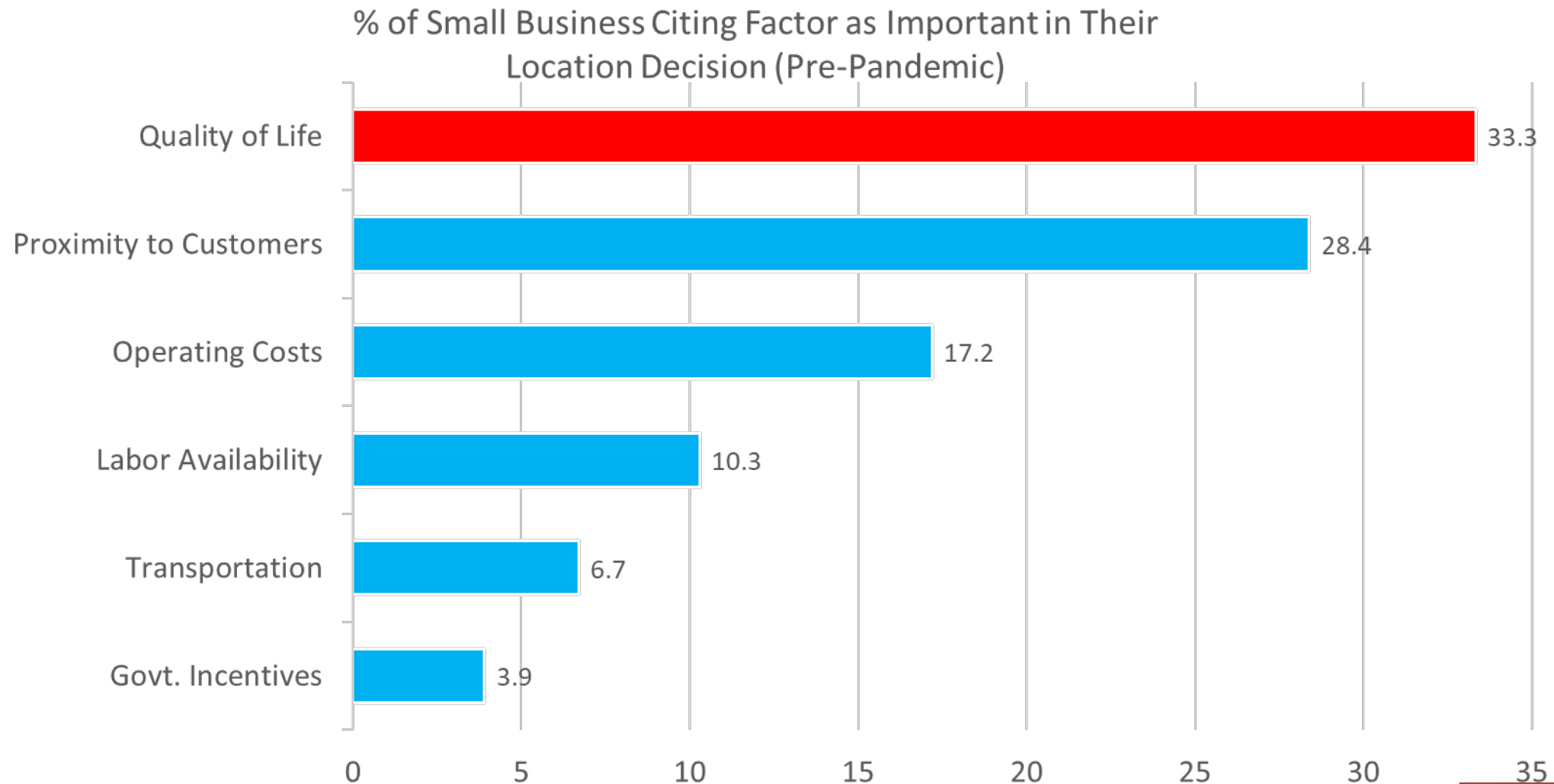
A Checklist (Partial) to See if Communities Can Attract Younger Demographics

- Is there a “there, there,” – or does the community have a central core (even if not large) with an aggregation of dining, shopping, entertainment, retail, and other enterprises.
- Are there spaces and places in the core that serve as a hub of social, cultural, and civic activity, and that serve as gathering places?
- Are there higher quality rental apartments in or close to core of the community?
- Are residents able to walk to the amenities (social, cultural, civic, entertainment, eating etc.) that the community offers?
- Does the community have natural and recreational areas within walking distance or a short drive?
- Does the community have a reputation for offering a variety of quality services and at a value relative to other communities (value not necessarily the cheapest but rather more or higher quality per dollar)?
- Can residents interact digitally with local government?

Skilled Individuals With Higher Levels of Educational Attainment and Income Locate Where There are More Opportunities (Productivity is Higher) and More Amenities - Raising Living Costs Especially in the Presence of Land Use Restrictions

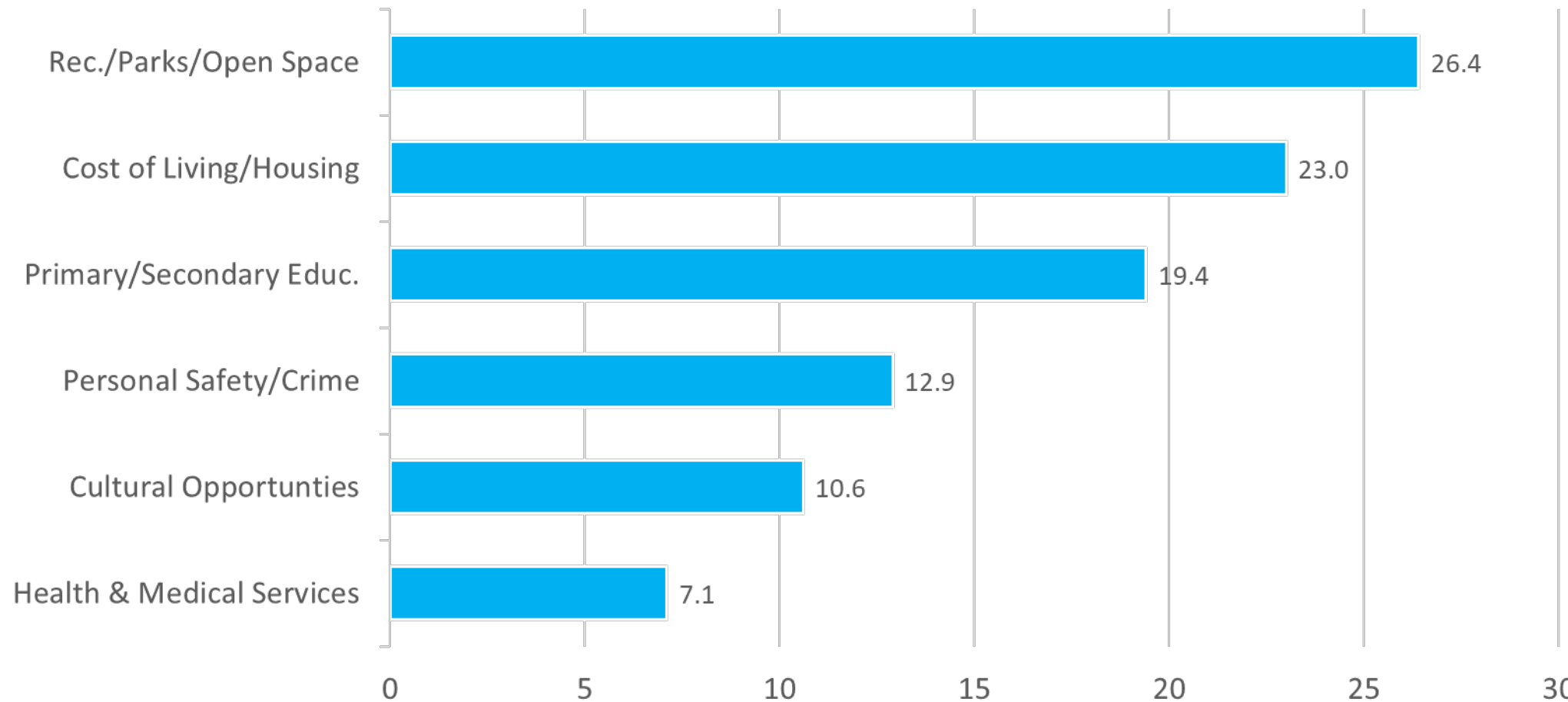


Quality of Life and Being Near Customers (in Many Cases Just Residents) are the Most Important Factors Influencing Small Business Location Decisions (and They are the Most Within Control of Communities)



To Understand the Economic Impact of Quality of Life/Amenities We Have to Know What it Includes – One Academic Study Suggests the Following (but it is Missing Important Social, Civic, and Lifestyle Amenities)

Business Owners Assessment of the Importance of Different Quality of Life Factors (Pre-Pandemic)



It is Challenging but There are Ways Way to Highlight the Economic Return on Quality of Life/Amenity Investments – One Example of a Quick Calculation

