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State's benefits should once again give New Hampshire the "Advantage"

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For more than a decade, many business leaders, politicians and economists used the phrase, "The New Hampshire Advantage". The use of the term implied an "Advantage" over other New England states and the northeast region in general. The "Advantage" was created by a highly educated work force, high rates of in-migration based on the expanding work force needs, a high median per capita income, low tax structures and an attractive quality of life.

As used in a recent paper by the New Hampshire Center for Public Policy Studies, "New Hampshire, as elsewhere in the country, indicated that the "Great Recession" has disrupted much of the state economy and New Hampshire's "Advantage"."

The study went on to say, "A more expansive analysis of the state's economic and demographic trends - with a time frame of decades, not months or years - shows that the forces that helped create New Hampshire's "Advantage" have largely run their course."

Furthermore, as a result, the model that defined the state's economy since the 1980's - consistent population growth, diversified business environment, resulting in a more resilient economy than our sister states - no longer holds.

However, even though the so-called "bloom is off the rose" New Hampshire has a quality to it and is small enough to respond rather rapidly to change and the "new" normal in today's economy and is moving forward.

Some of the good news is that our unemployment rate is far below the national average, but most of that job growth from the beginning of the "Great Recession" has been growth within low paying job sectors, such as hospitality and retail.

Additionally, the state has about 11,000 fewer manufacturing jobs today than it did in 2007. In part, New Hampshire manufacturing has gained efficiencies in productivity and even through the economy has strengthened, New Hampshire can produce goods and services with a smaller work force. But, if New Hampshire moves quickly in helping and recruiting newer businesses, many of the employees, who have great skills, can be retained in New Hampshire and any thought of continuing out-migration may slow down and be reversed.

Here in the Upper Valley (Dartmouth/Hanover region), we recently had a bio-manufacturing facility shut down, losing 120 highly skilled and above average wage earners. However, because of the lingering effects of the New Hampshire "Advantage" Novo Nordisk US Bio Production, Inc., purchased the facility with plans to grow and retain many of the former staff. For Novo Nordisk, besides the value of purchasing an existing facility, was the availability of the science and engineering work force in New Hampshire and the Upper Valley specifically and recognizing the quality of life for their current and future work force and the low tax structure that New Hampshire is famous for.

I am also told that there are similar examples of expansion in the southern tier of the state, with the likes of Safran Aerospace Composites plant in Rochester and its continuing growth.

So, don't count New Hampshire out entirely to make a strong comeback and become, once again, the state within the region to have the "Advantage".

But, before that happens exactly, New Hampshire understands that its population is aging and to keep the "Advantage" the New Hampshire economy needs to identify ways to retain its younger talent and to attract newer talent back into the state.

Although the "old" ways may be more challenging to accomplish that goal, New Hampshire leaders are working overtime to address issues in a "new" way, such as affordable and a mixed inventory of housing, investment in K-12 education and affordability for higher education. In order to attract the young work force back to New Hampshire, we must make it attractive for existing young families, as those workers will define New Hampshire in the several decades to come. To do that, we need to redefine the New Hampshire "Advantage".

New Hampshire has so many underlying benefits with its beautiful environment, independent attitudes, proximity to transportation and infrastructure it should be an easier challenge, than in other states, to once again give New Hampshire the "Advantage" for the next several decades. Time will tell!

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