

The Current Performance and Outlook for the U.S. and New Hampshire Economies

Presentation to:
The NH Association of Realtors
Public Policy Retreat

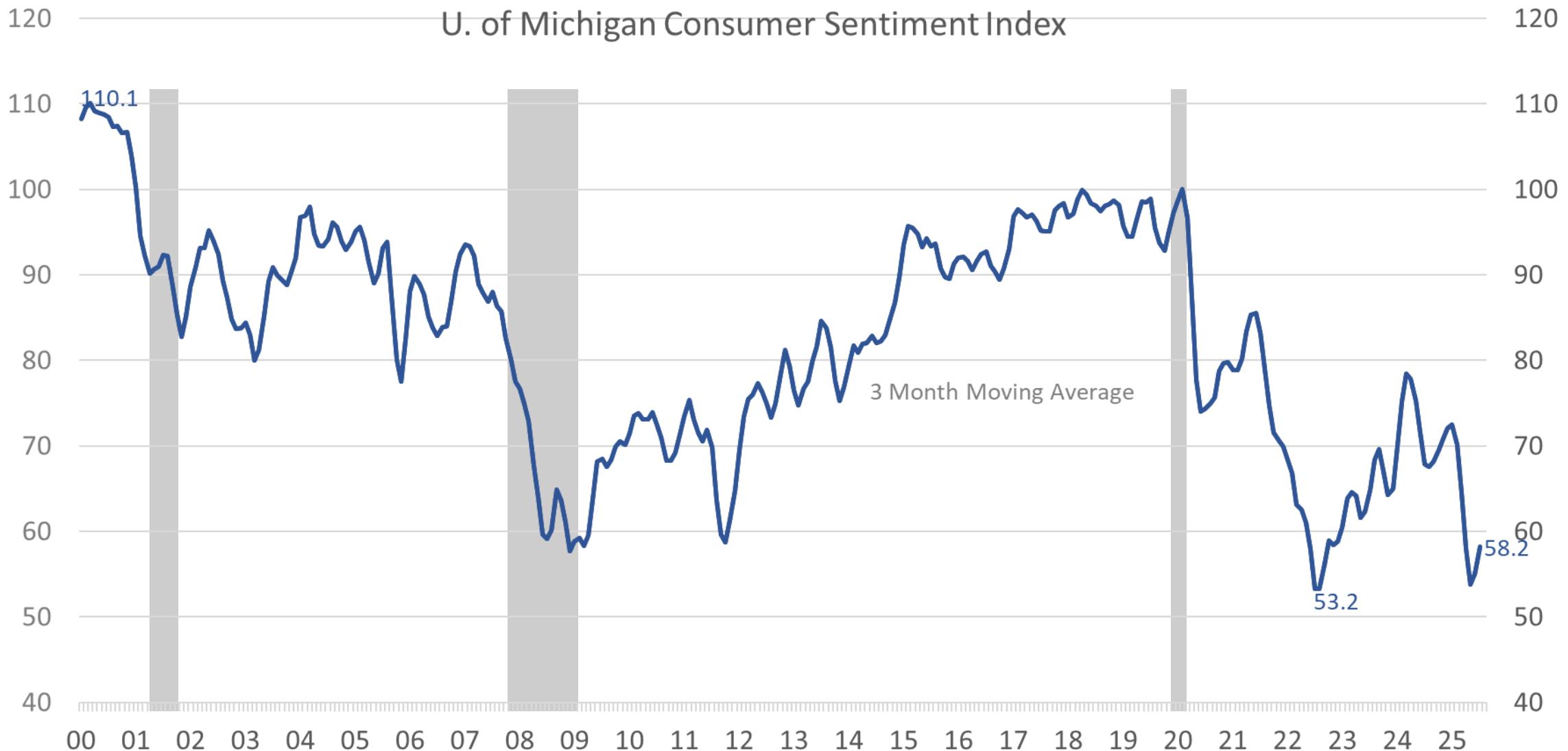
December 5, 2025

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Overview

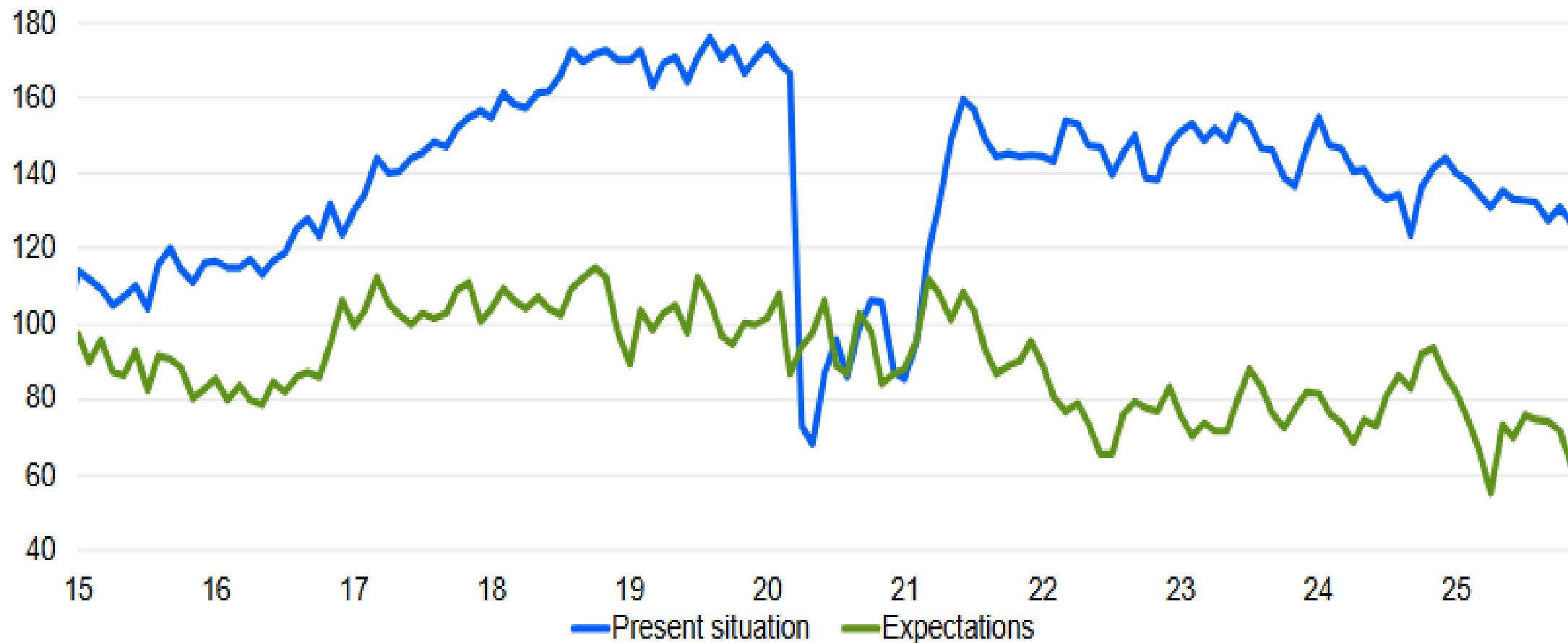
- The U.S. economy is struggling; no recession but risks to the outlook continue.
- A high % of Americans are concerned with their financial situation.
- Prices for many things are elevated and continue to climb, leading to an affordability crisis for a large percentage of U.S. households.
- Job growth has stagnated in NH and the U.S., and wage growth is slowing.
- Higher tariffs and highly restrictive immigration policy both work to lift inflation and weigh on growth.
- Job growth likely to continue to stagnate through the first half of 2026.
- Relatively low new claims for unemployment benefits are the firewall against recession. It's a "No Fire No Hire" labor market.

Consumer Sentiment Has Been Weak Post Pandemic



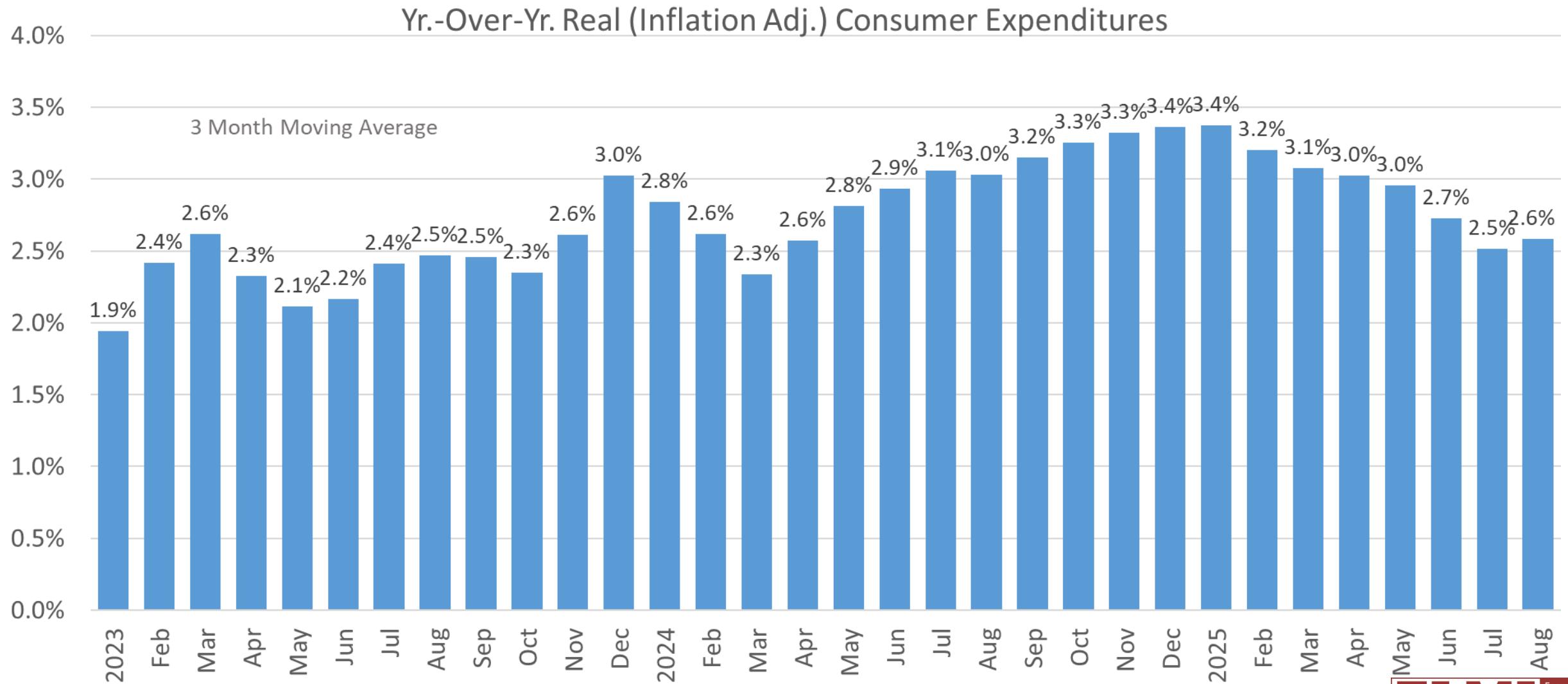
Both Consumer Confidence in the Present Situation and Future Continue to Slip

Conference Board Consumer Confidence, 1985=100, SA

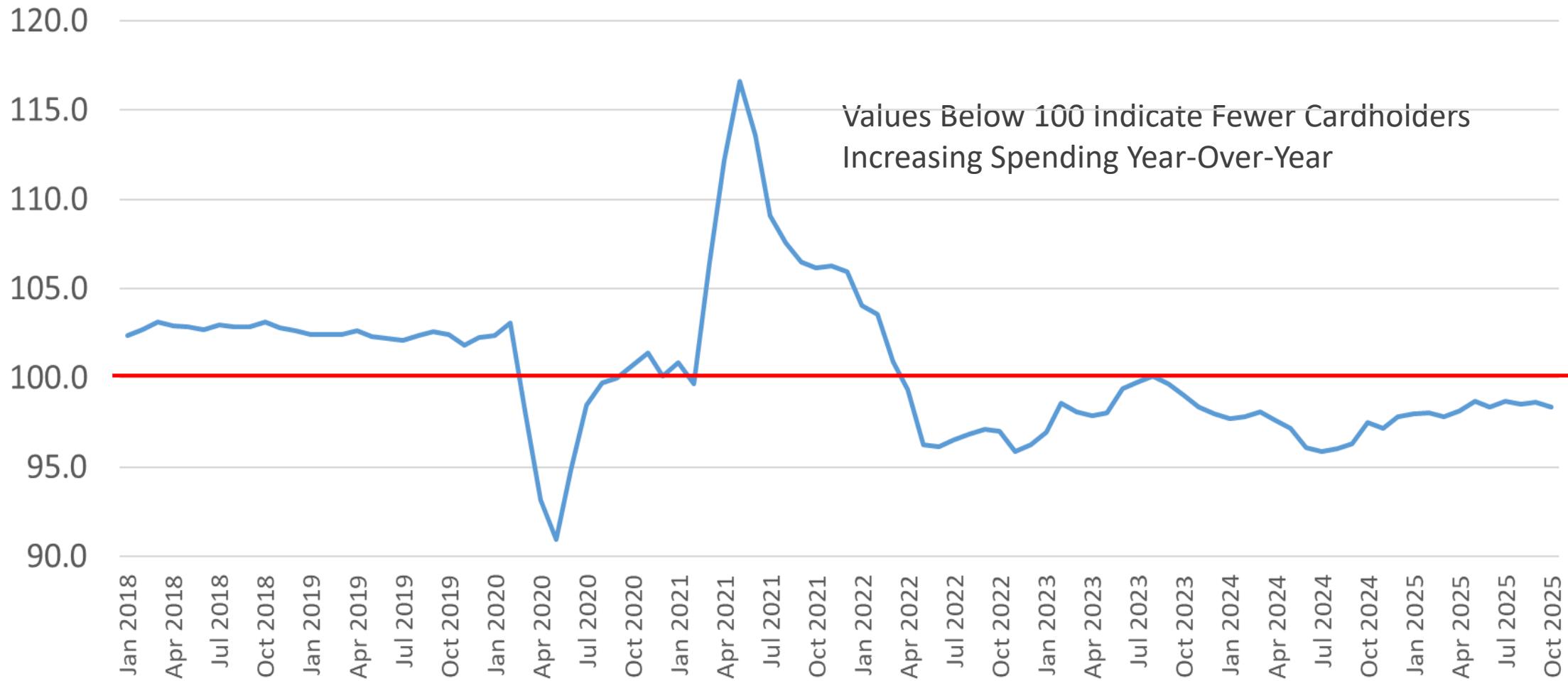


Source: The Conference Board, ELMi

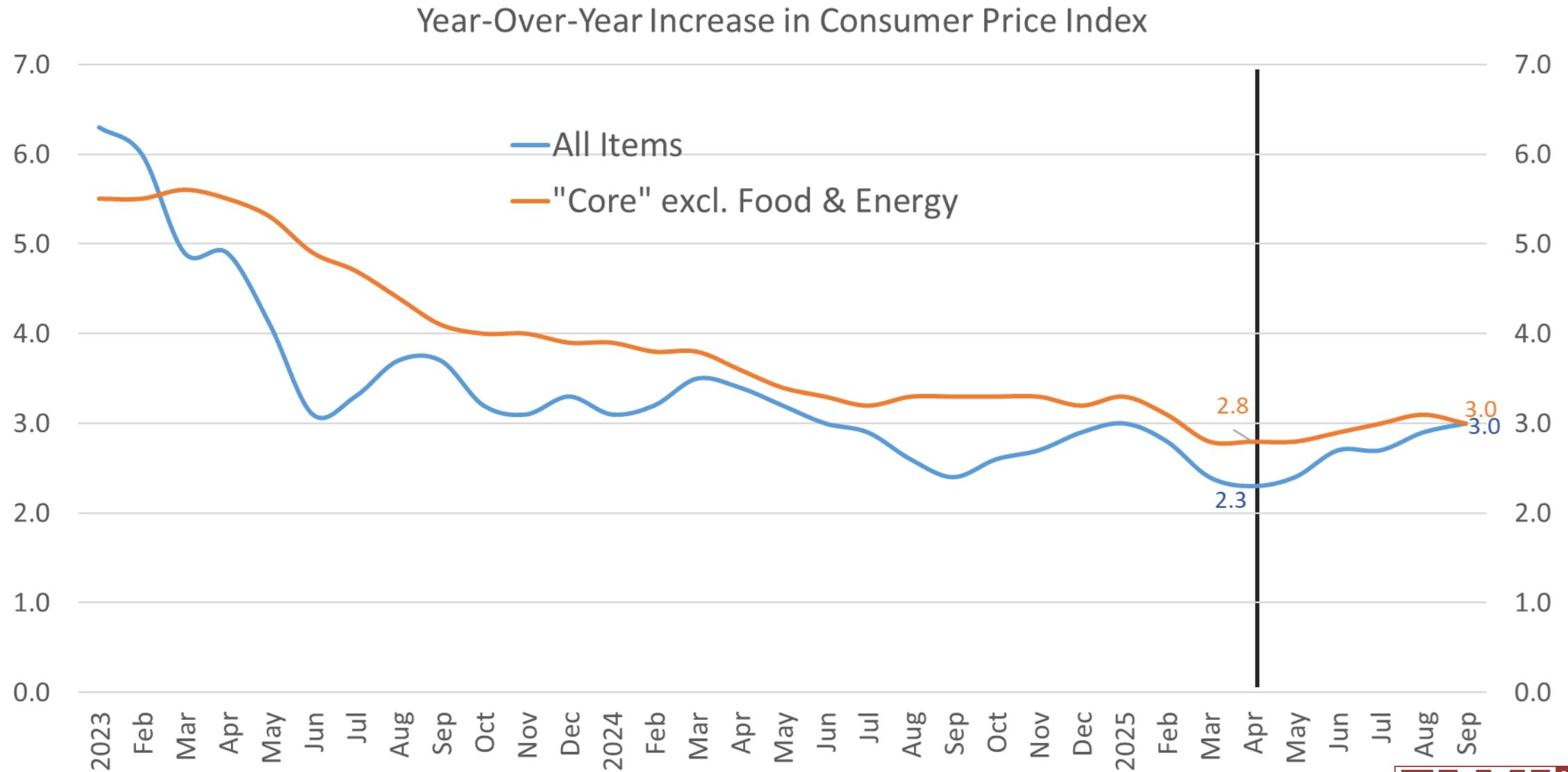
The Difference Between How People Feel and What That Do Is Substantial: The Trend in Real (Inflation Adjusted) Consumer Spending (Including Services) is Still Solid but Slipping



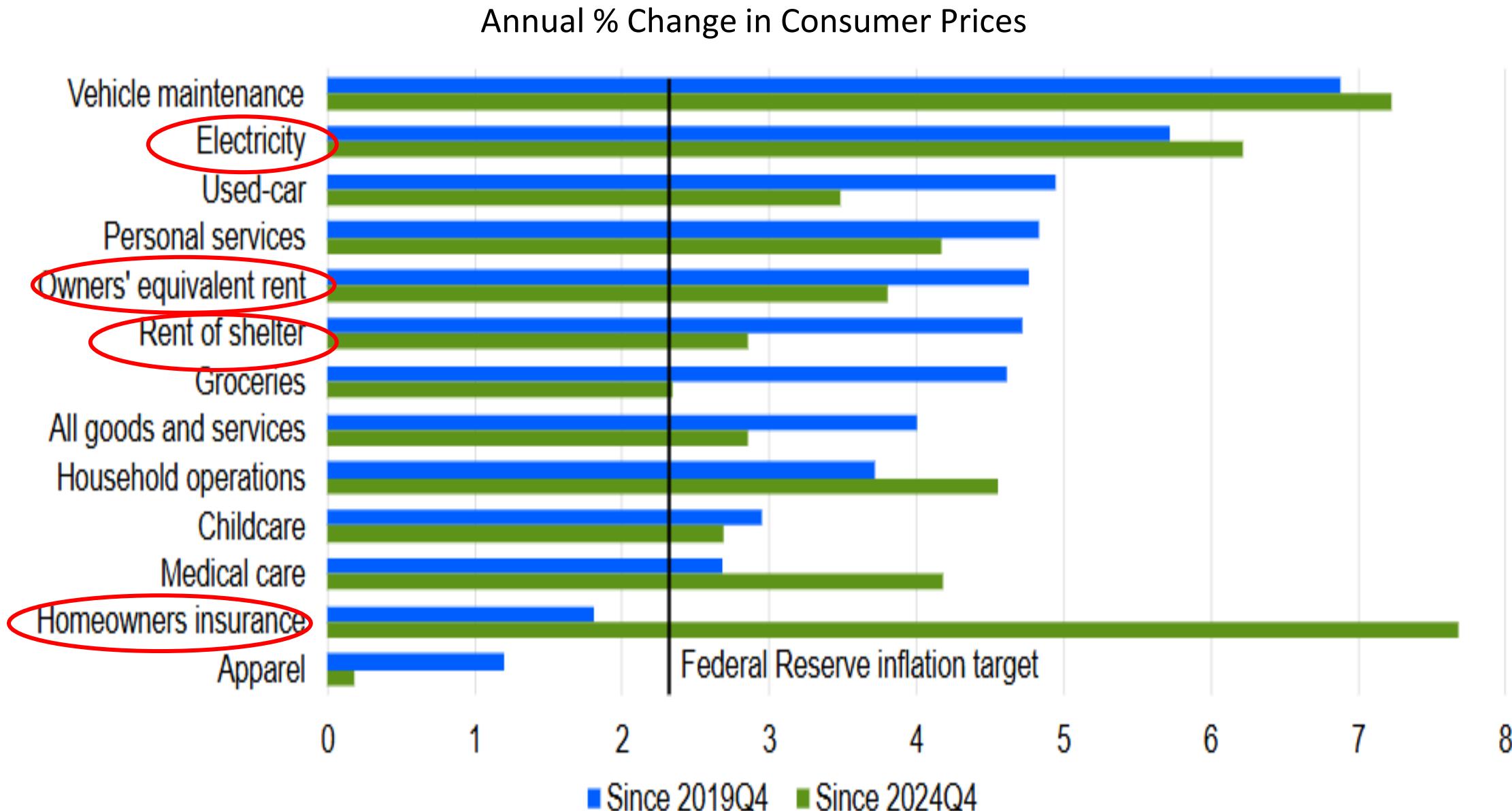
The Visa “Spending Momentum Index” Shows Discretionary Spending by Cardholders Not Growing Year-Over-Year
(Spending Increasingly Supported by High-Income Households Not the Majority of Households)



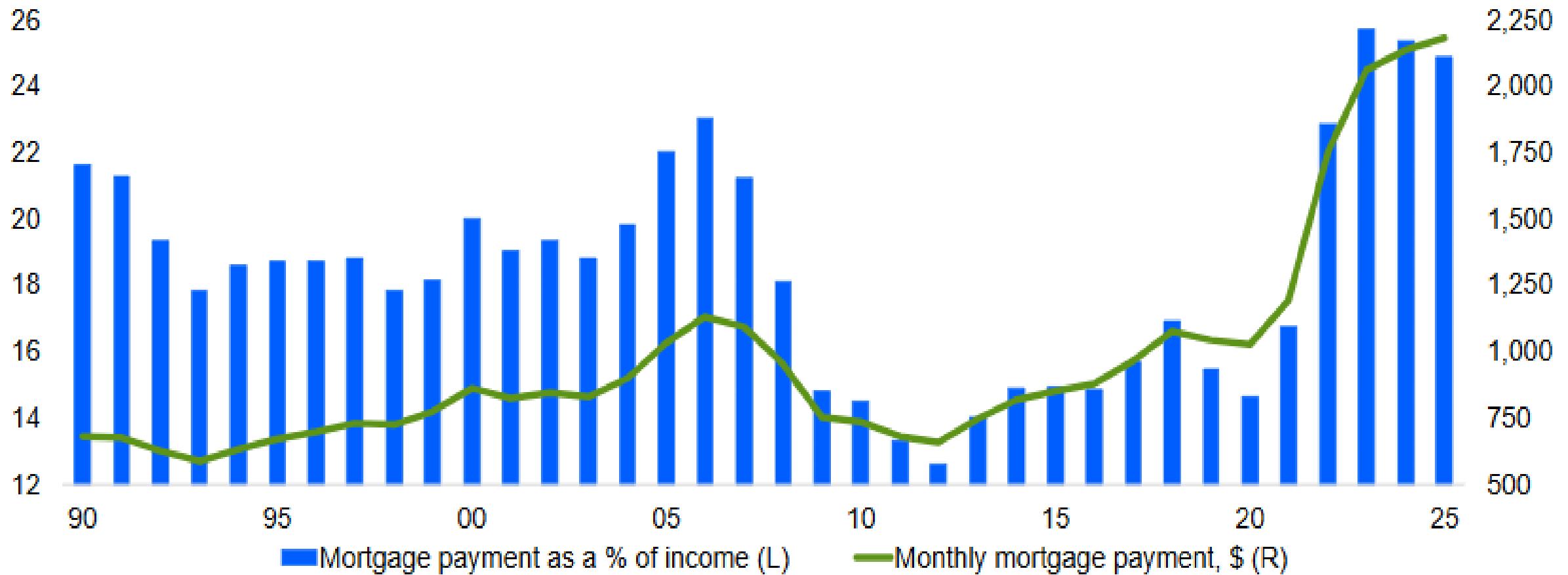
Inflation is Ticking Up Marginally – But it is Much Higher for Goods Most Affected by Tariffs (~5%)



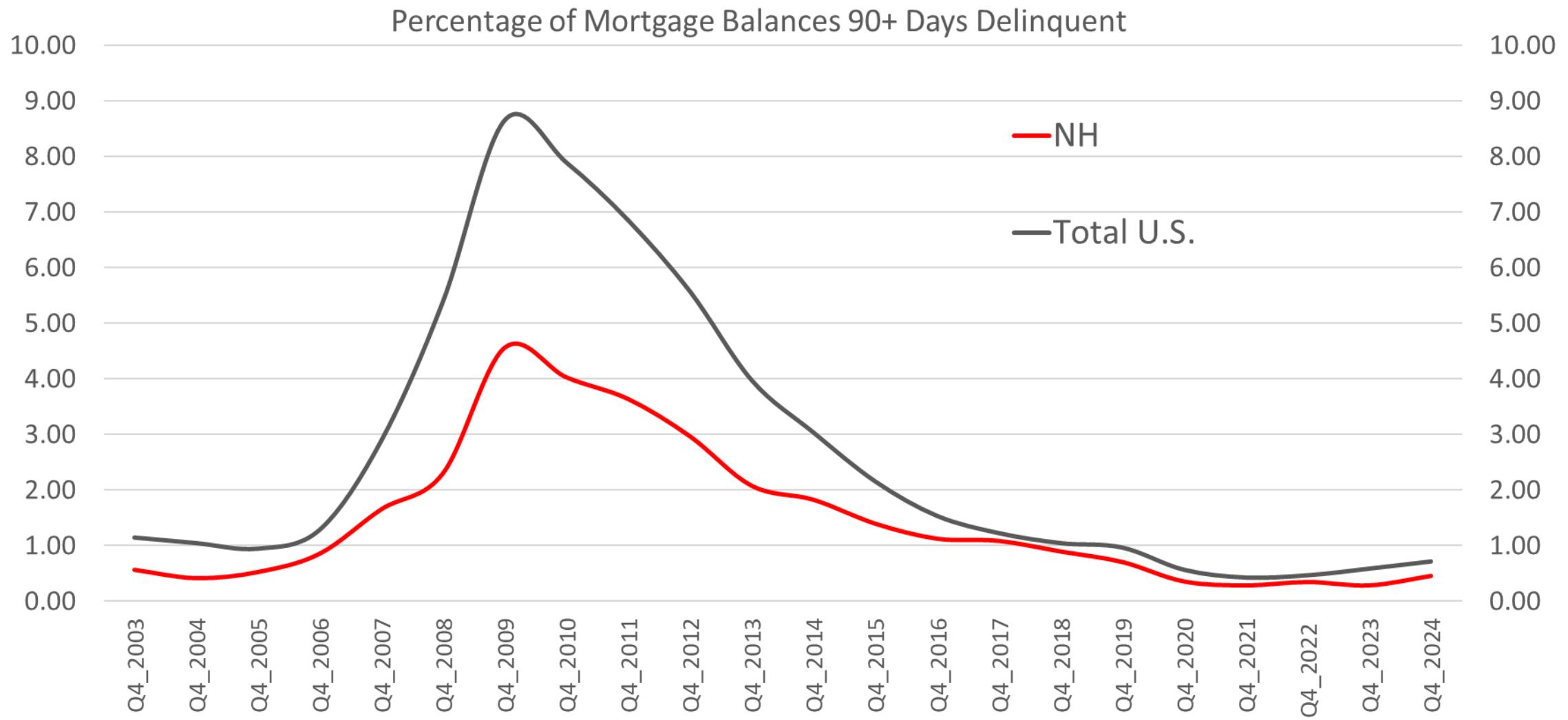
Affordability is Key to Consumer Sentiment



Homeownership Nationally is Out of Reach For Most



The Total Balance on Residential Mortgages That is Delinquent 90+ Days is Low and Lower in NH Than the U.S.



Source: New York Fed Consumer Credit Panel / Equifax, ELMi

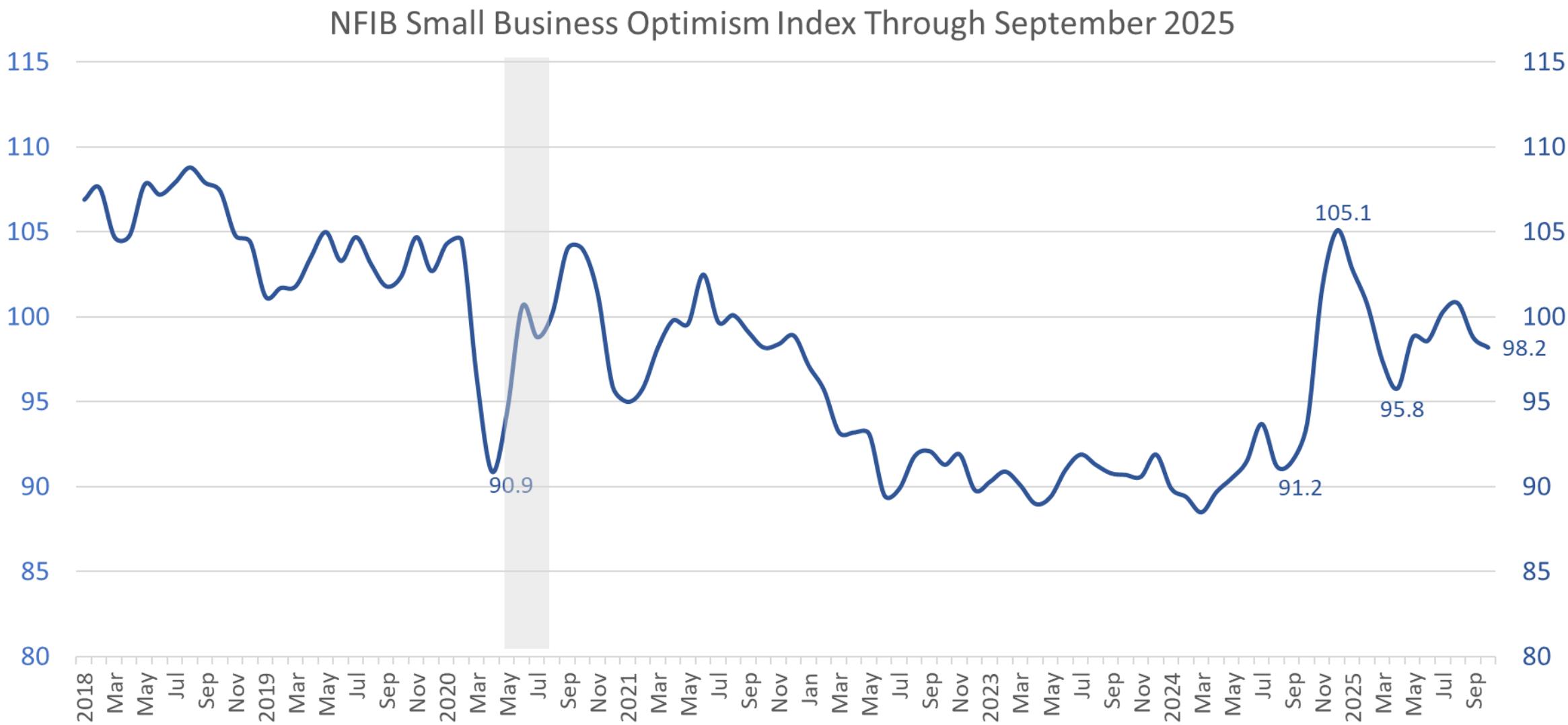
Households Also Feel The Labor Market Softening

Difference Between the % Who Say Jobs are Plentiful and
% Who Say Jobs are Hard to Get

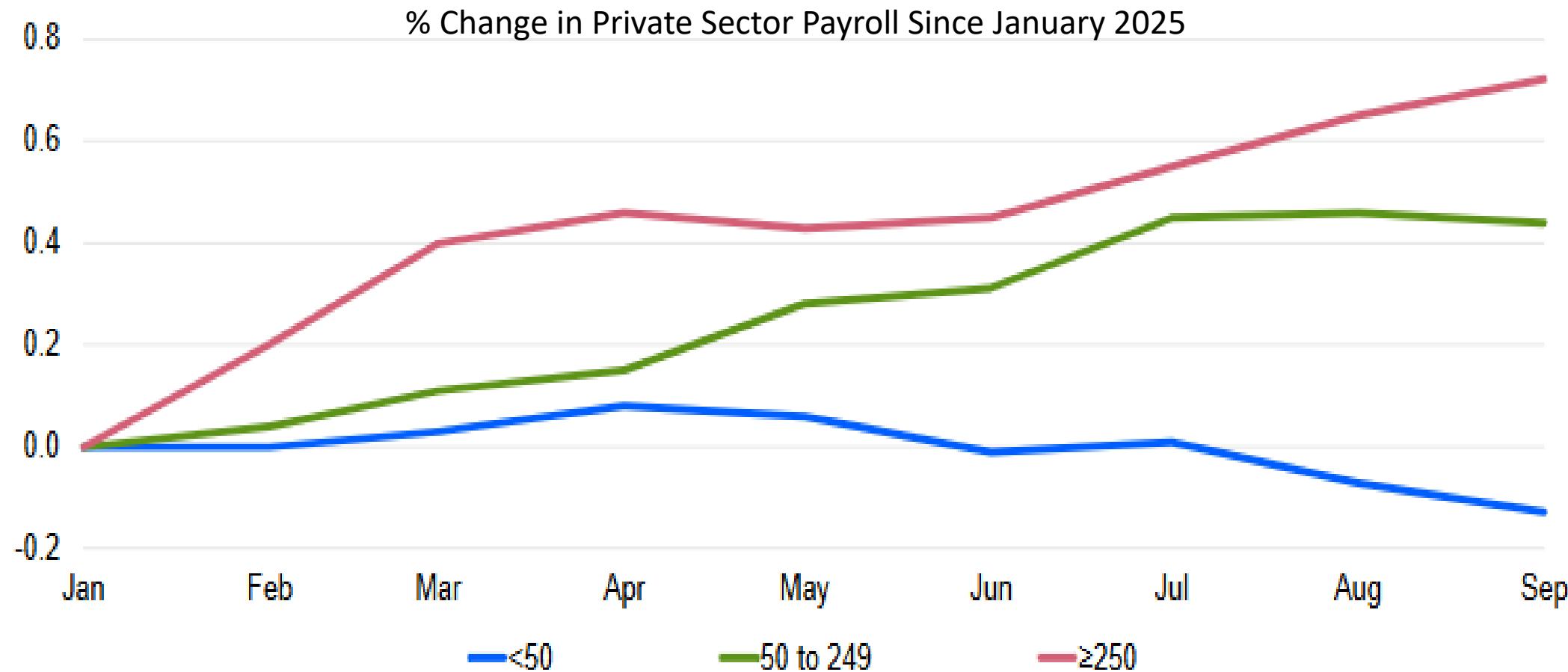


Source: The Conference Board, ELMi

Small Business Confidence Plummeted After a Post-Election Boost but
Has Rebounded Some (Small Businesses Bear the Brunt of Rising Prices, Labor Shortages,
and Tariff Impacts)

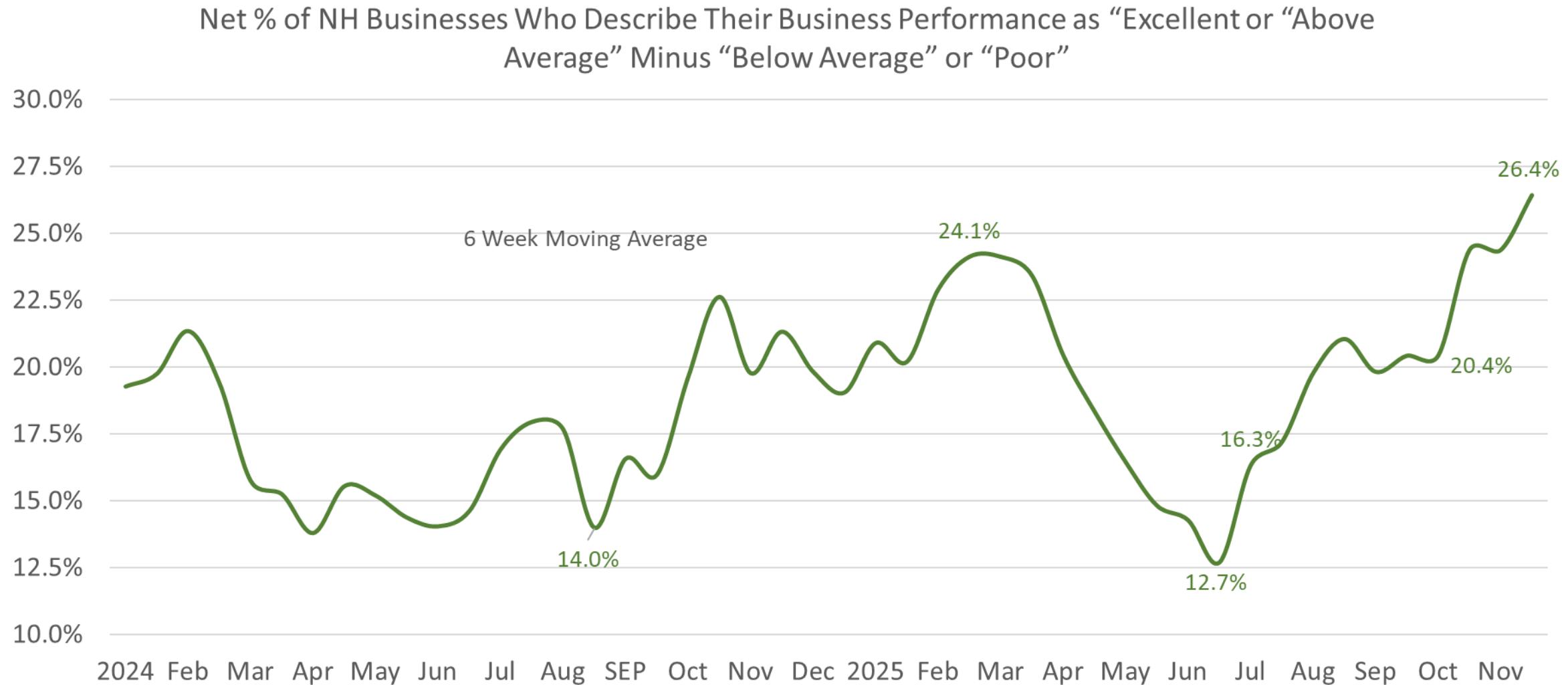


In the Aggregate, None of the U.S. Job Gains in 2025 Have Come From Businesses With Fewer Than 50 Employees



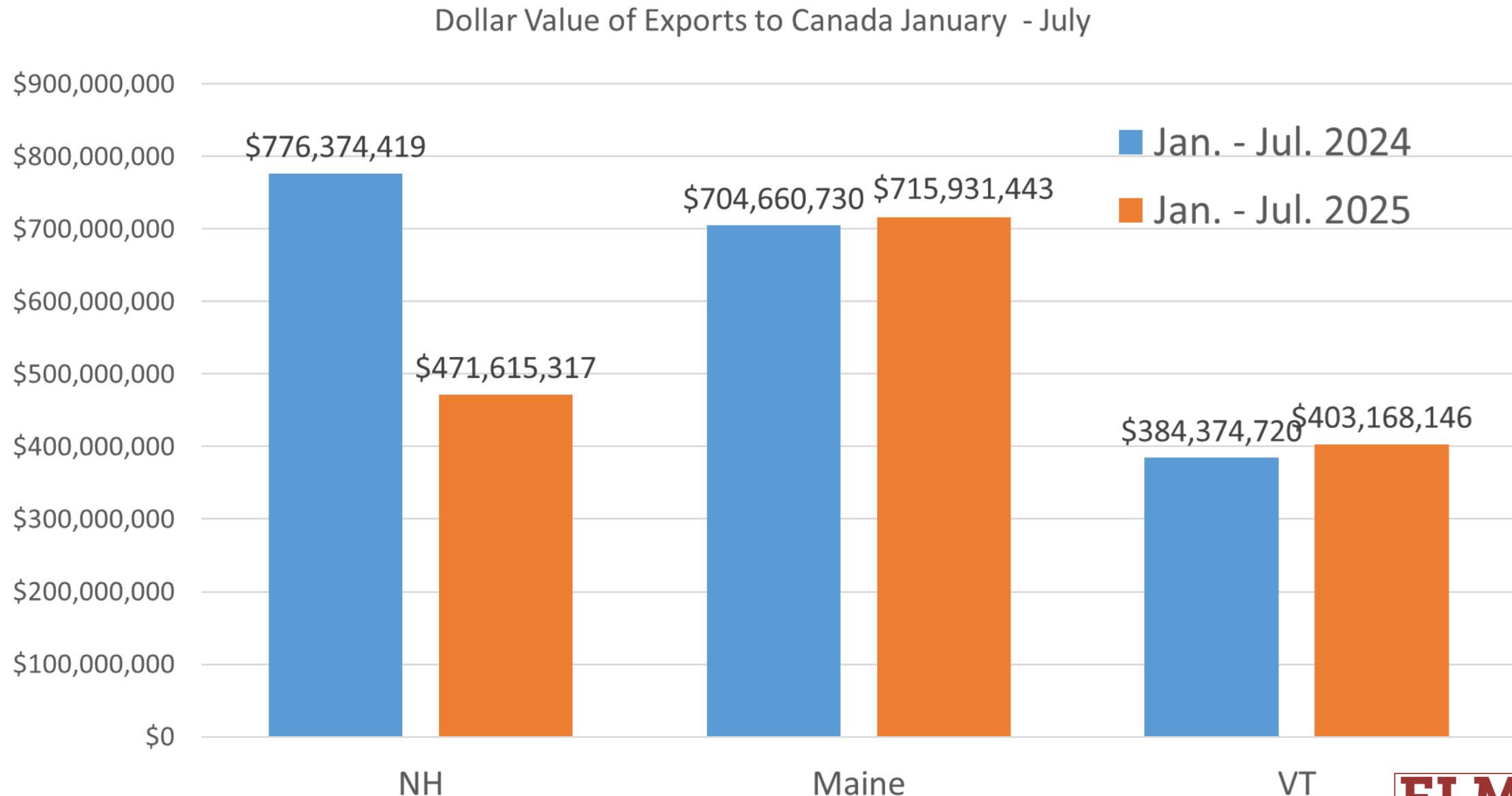
Sources: ADP, Moody's Analytics

Similar Sentiment in NH as Business Conditions Have Improved Since Spring
Even as Hiring Has Slowed
(“Overall, How Would You Describe This Business’s Current Performance?”)

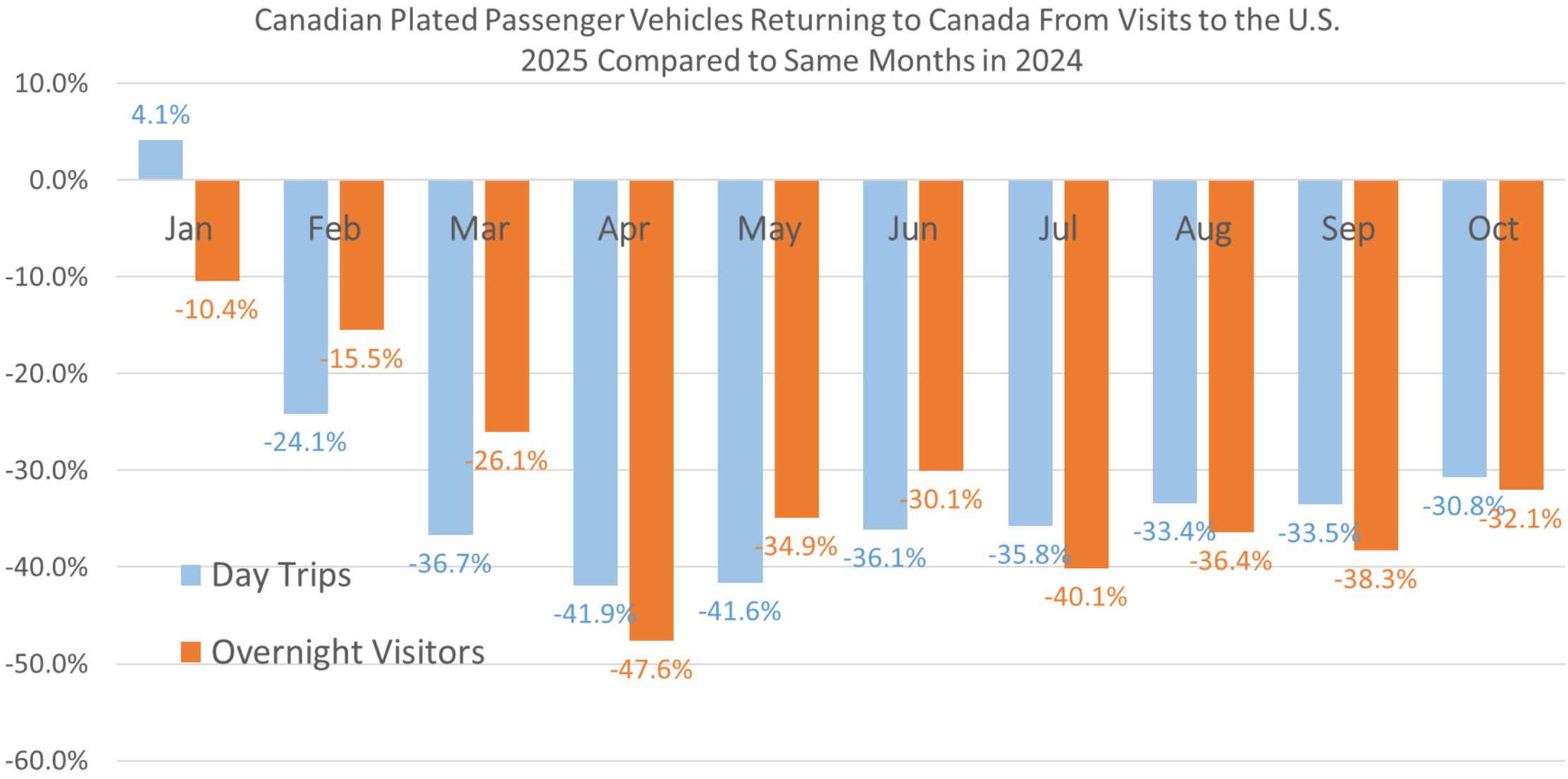


Source: Analysis is U.S. Census Bureau “Business Trends and Outlook Survey” data for NH, ELM

The Impact of Tariffs and Rhetoric Toward Canada is Having Negative Effects on NH Exports, While Maine and Vermont Have Not Seen Declines in Exports to Canada



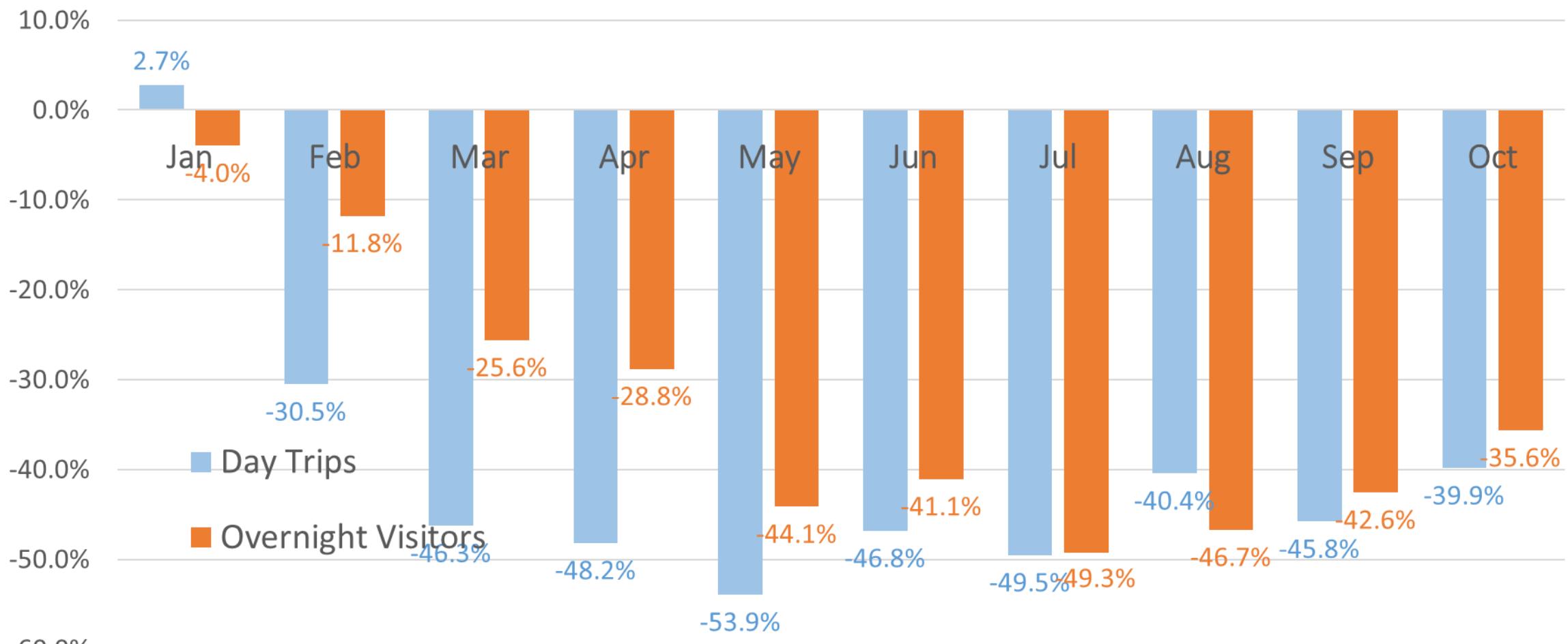
Visits to the United States by Canadians Declined Sharply But the Decline Marginally Improved in October



Source: ELMI analysis of data from Statistics Canada

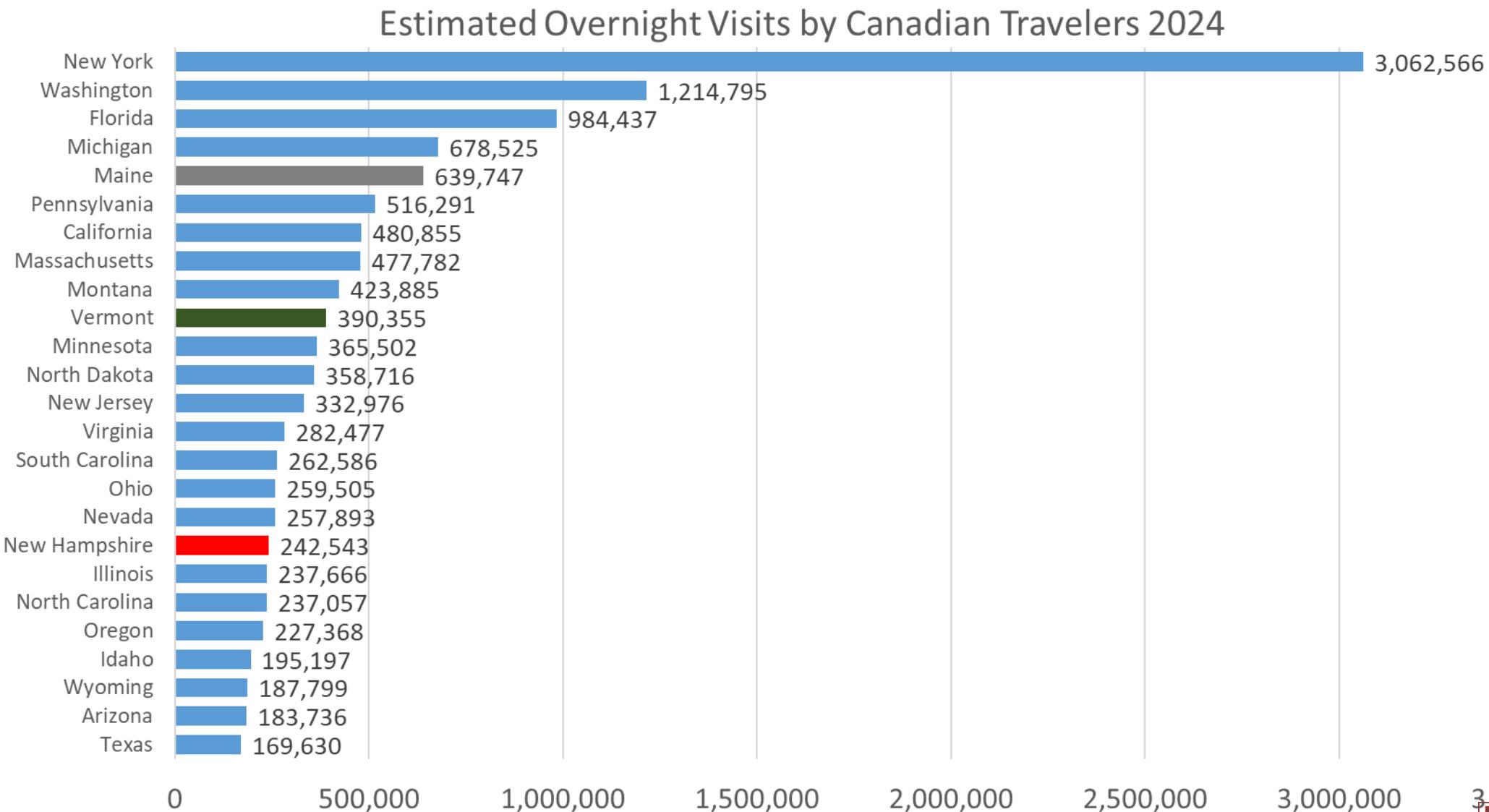
Visits to the U.S. From the Province of Quebec are Down More Than From Canada Overall

Canadian Plated Passenger Vehicles Returning to the **Province of Quebec**, Canada From Visits to the U.S. 2025 Compared to Same Months in 2024



Source: ELMI analysis of data from Statistics

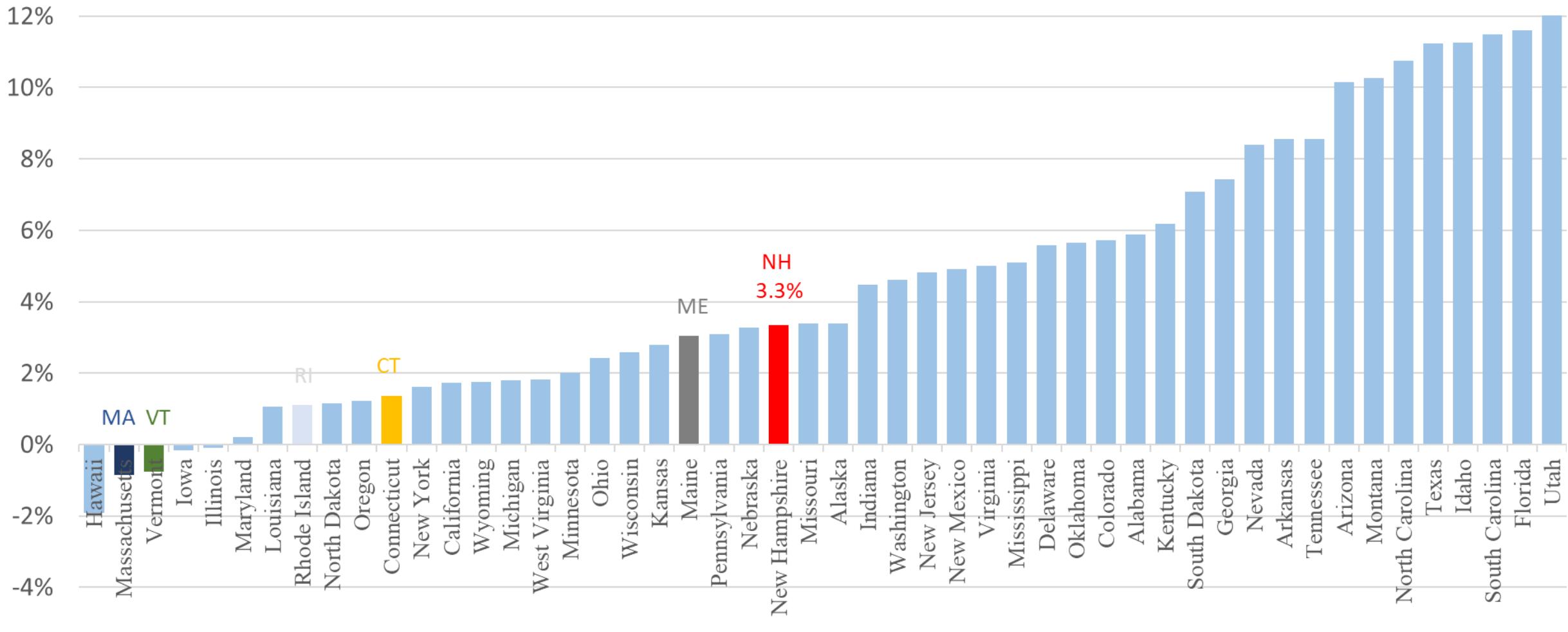
Unlike the Decline in Exports to Canada, the Decline in Visitors From Canada Will Have a Greater Impact on Maine and Vermont Than on New Hampshire



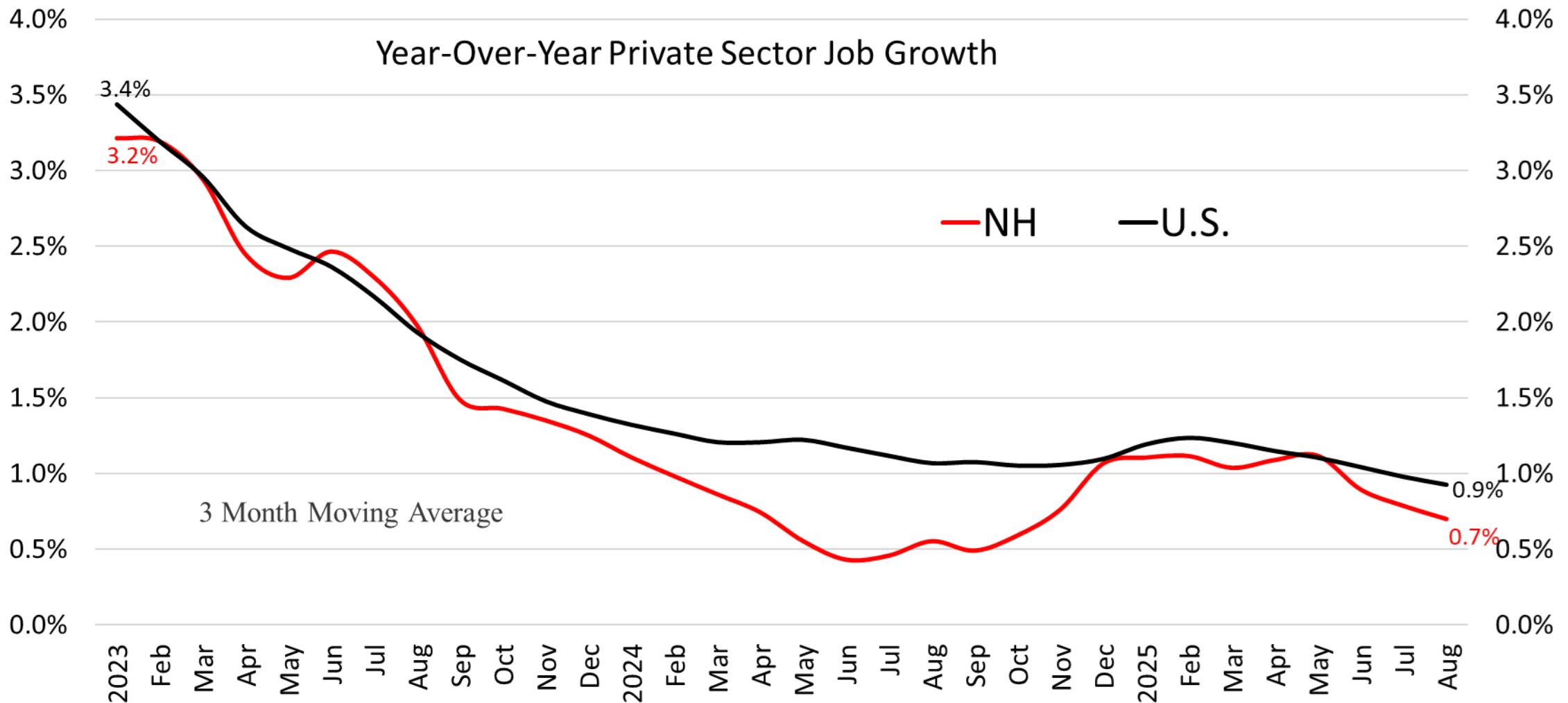
Source: XBorder Research Group - XBorder Canada Program 2024 Year-End, U.S. International Trade Administration, ELMi.

New Hampshire is a Standout in a Region That Has Been Losing Ground to Other States in Private Sector Job Growth

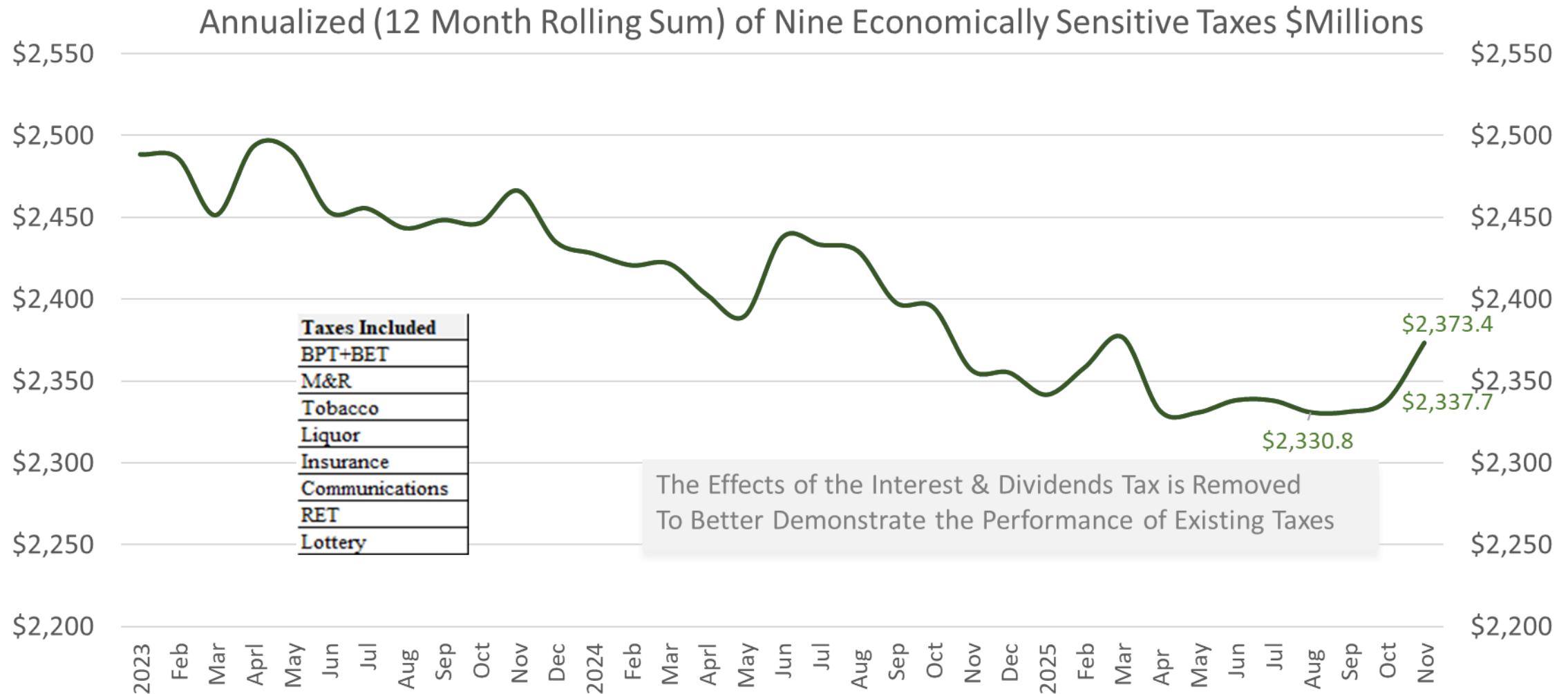
August 2025 Private Sector Emp. Compared to Pre - Pandemic Peak



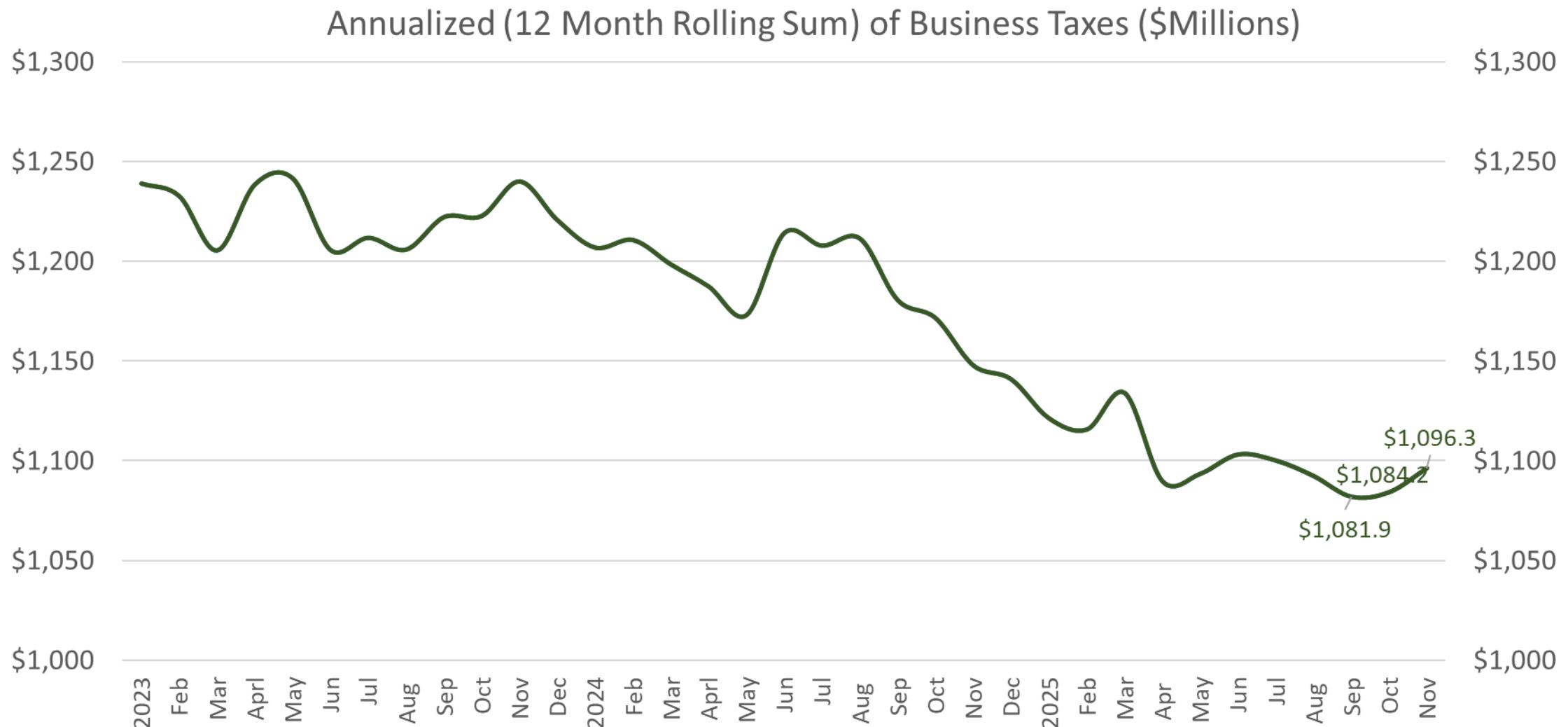
Private Sector Job Growth is Slowing in New Hampshire and the U.S. (September State Data Released Next Week – October & November?)



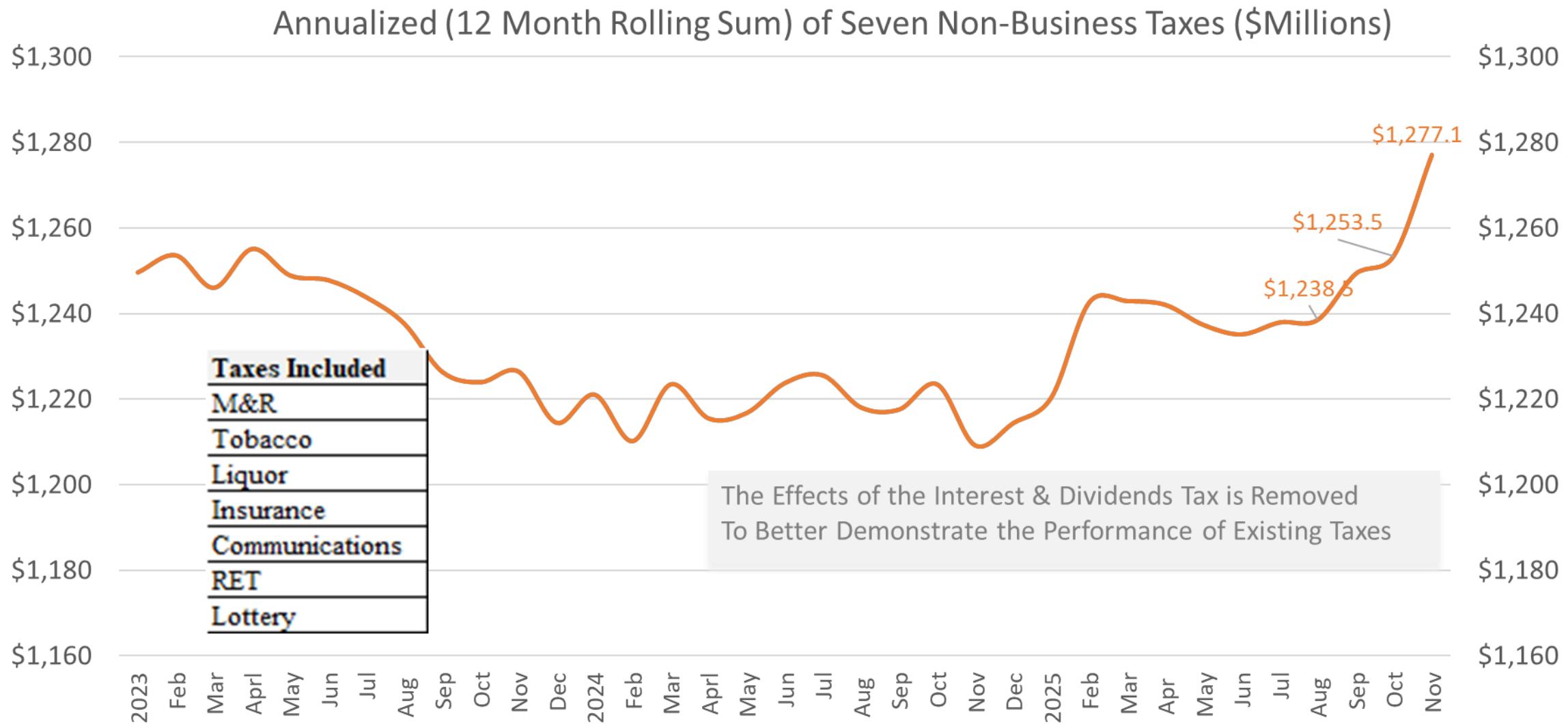
The 12 Month Trailing Sum of Revenues From Nine Economically Sensitive Sources Is Trending Upward in the 12 Months Ending in November 2025



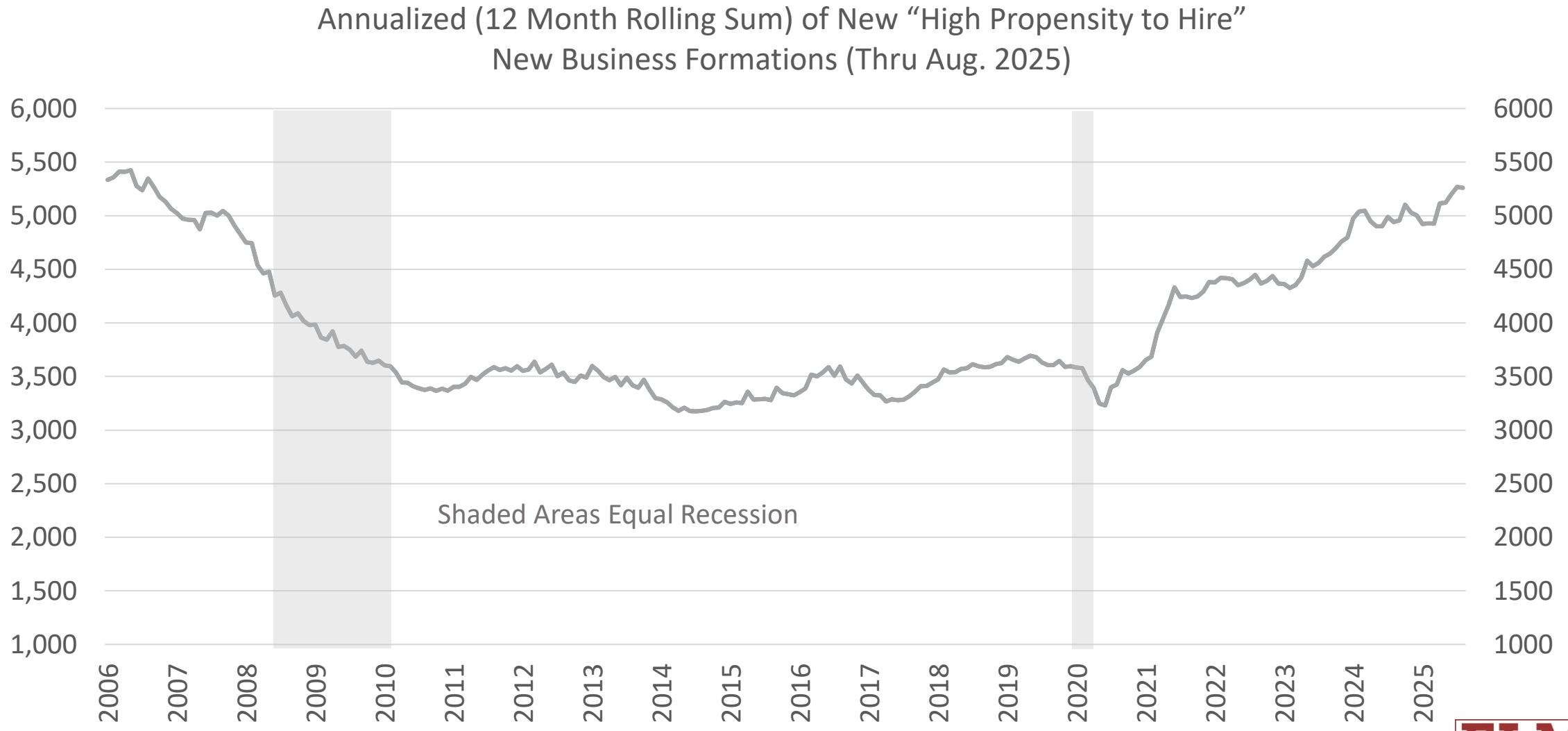
The Twelve-Month Trailing Sum of Business Taxes Ending in November 2025 Is Also Trending Up Marginally



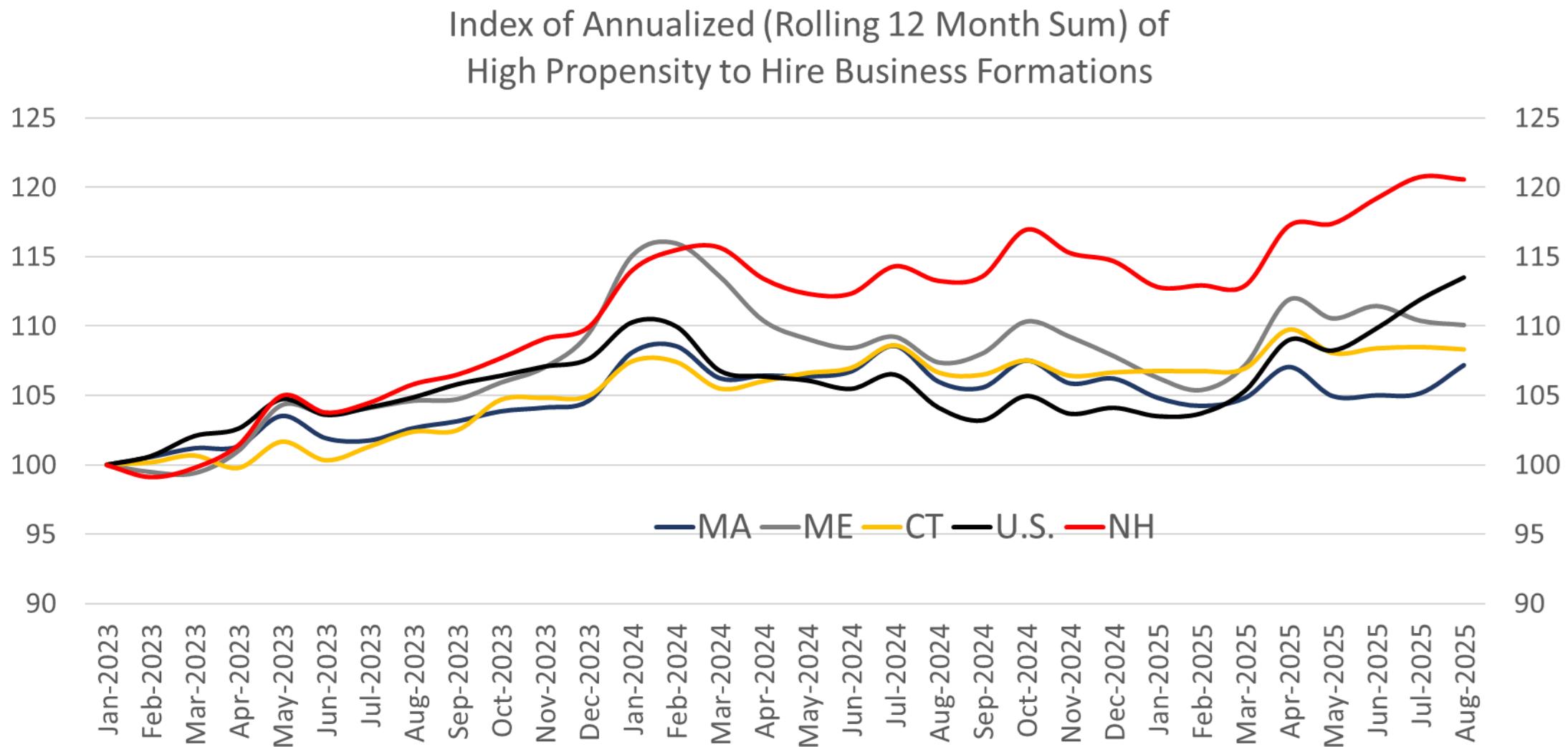
The 12 Month Trailing Sum of New Hampshire's Economically Sensitive Taxes (Less Business Taxes) Continues to Increase



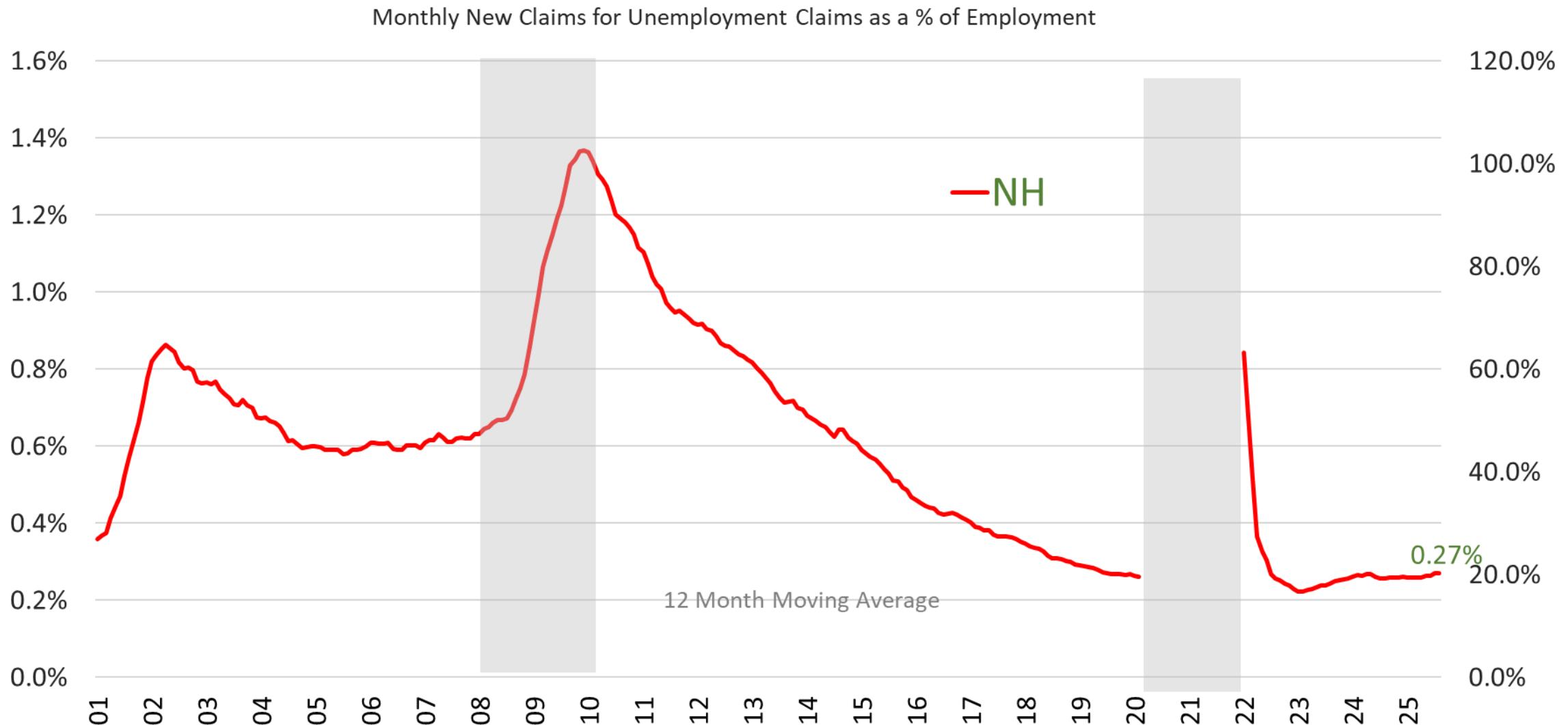
Post-Pandemic Prompted a New Burst of Entrepreneurial Activity in New Hampshire - About $\frac{1}{2}$ of Job Growth is Attributable to New Businesses.
(But It Takes About 8 Months for Business Formations to Be Reflected in Job Numbers)



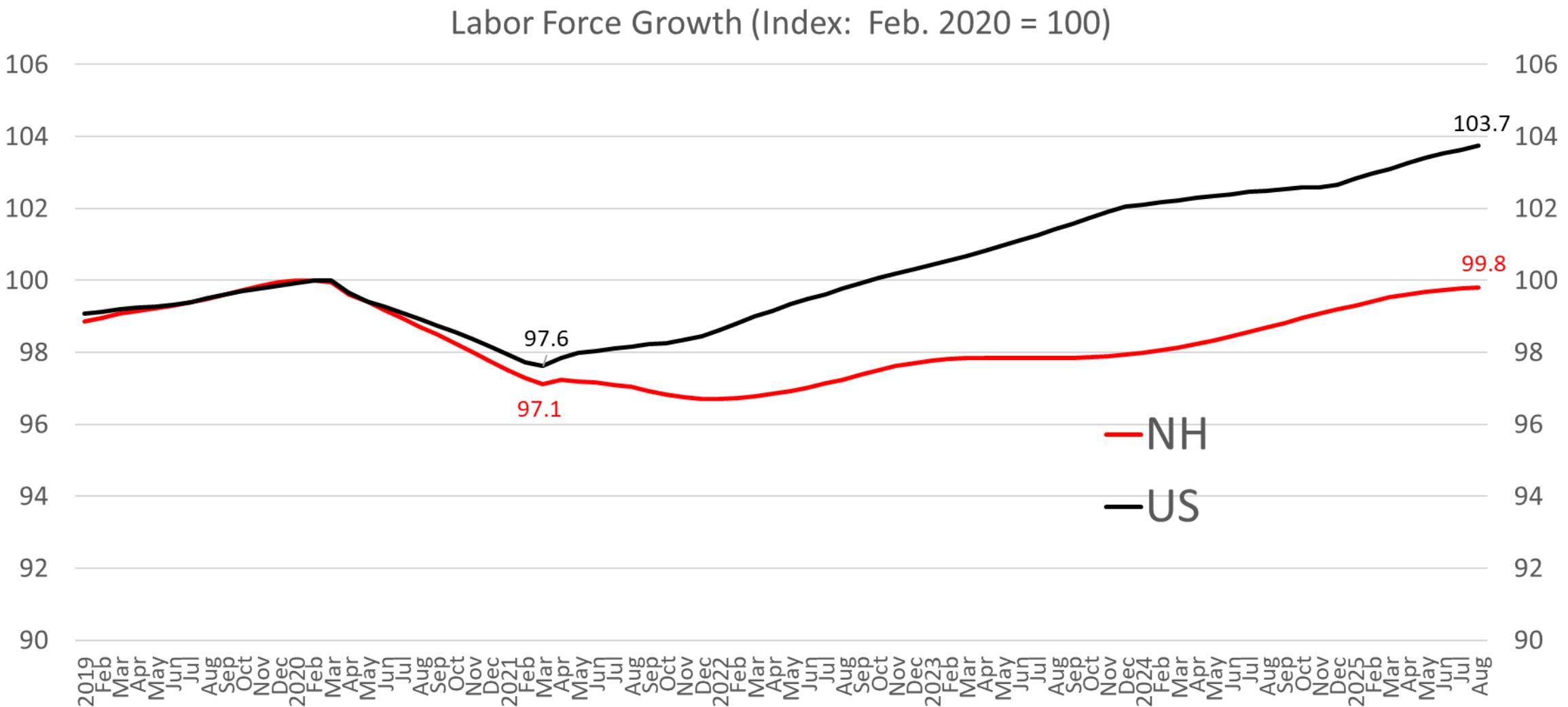
Despite Recent Efforts to “Talk-Down” New Hampshire, it Remains a Favored Environment for New Businesses



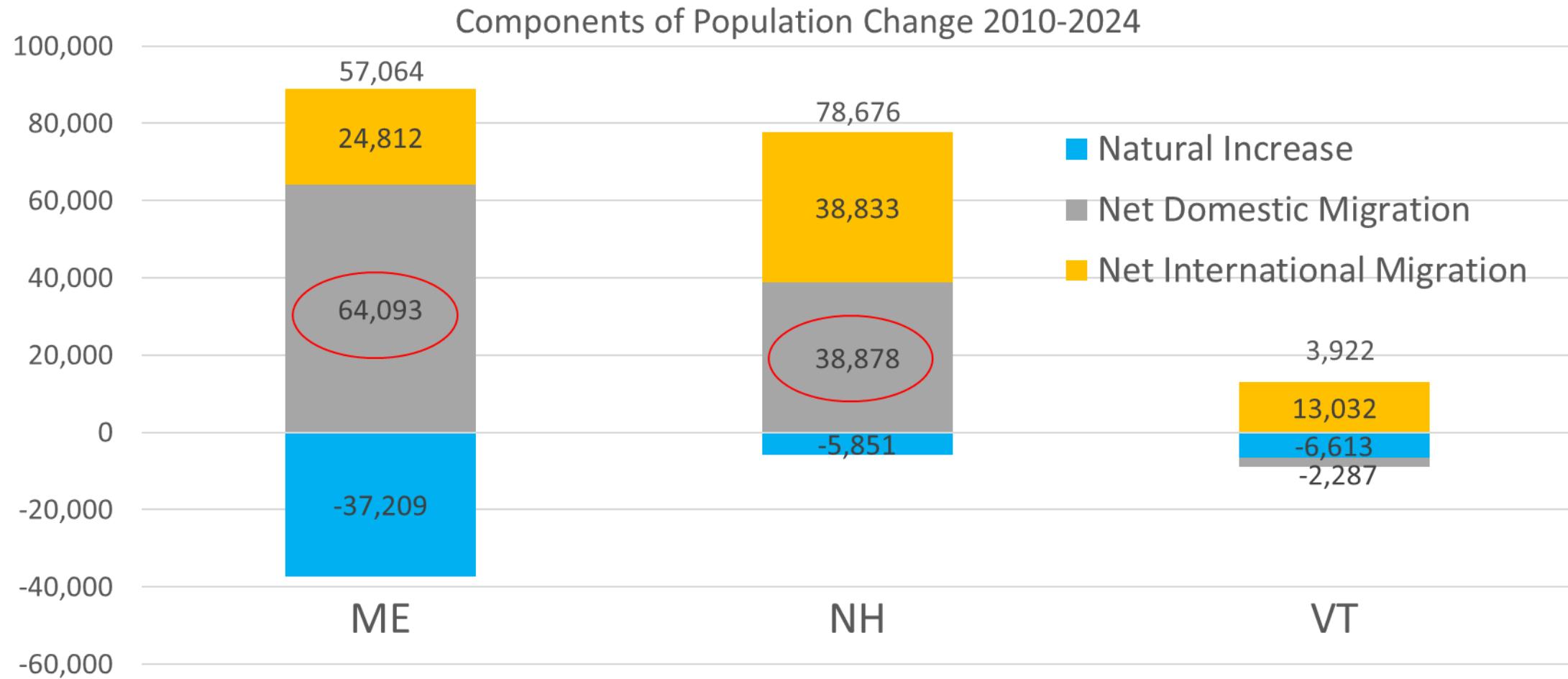
New Claims for Unemployment in NH are Low by Historical Standards



New Hampshire is Struggling to Get Back to Pre-Pandemic Labor Force Levels – Limiting Job Growth Even Prior to Hiring Slowdown



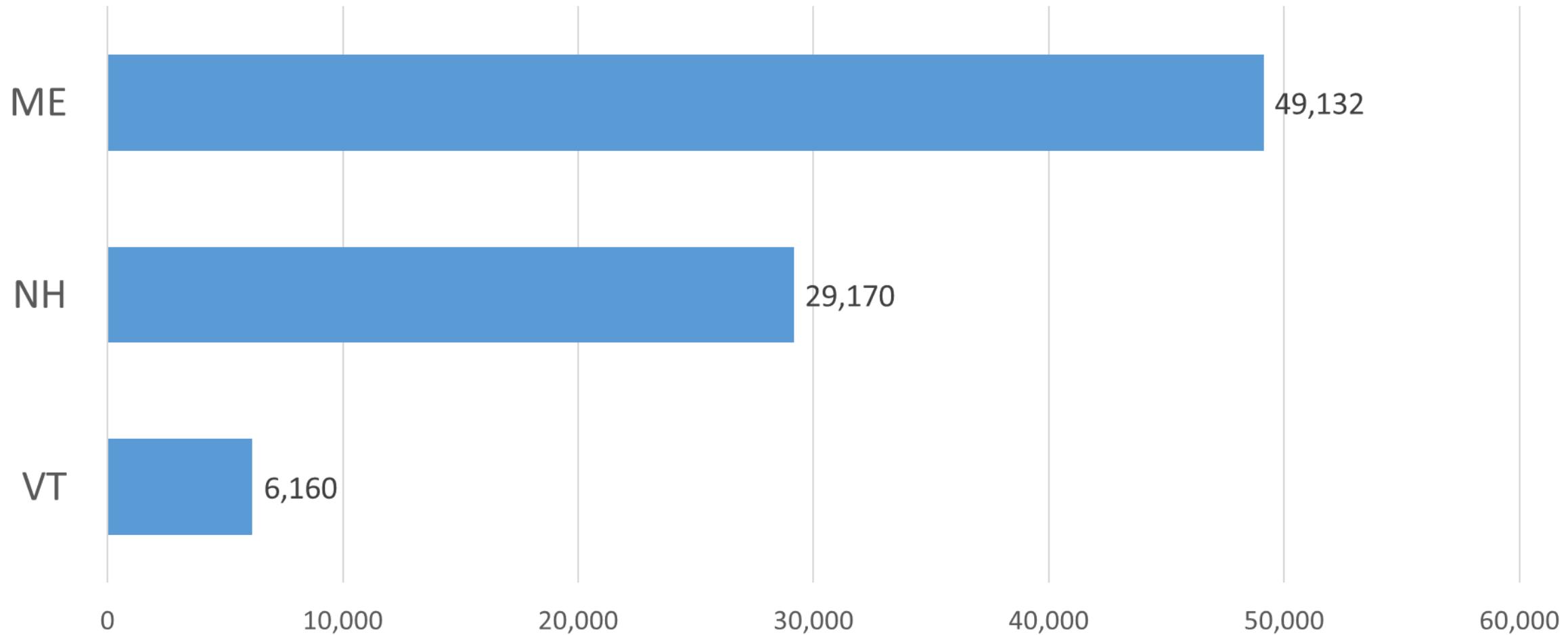
Domestic and International Migration is Critical to New Hampshire's Population and Labor Force Growth



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

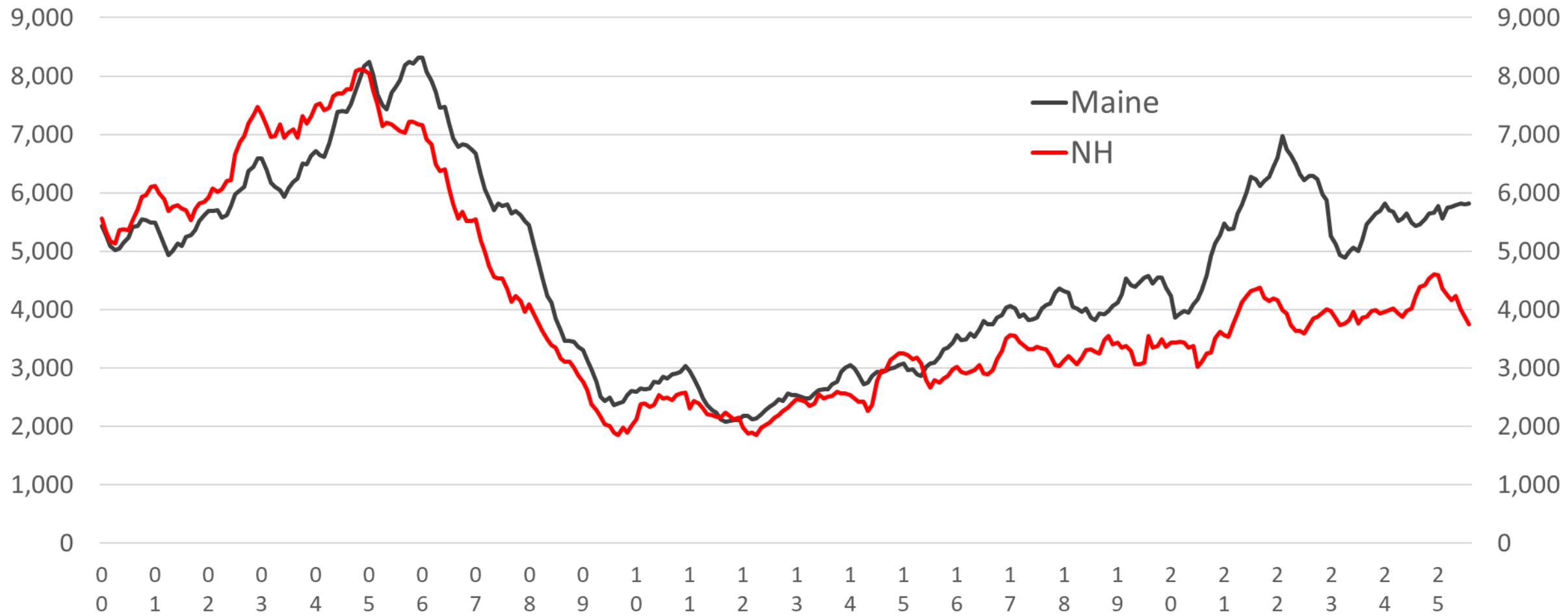
The Years 2020 to 2024 Accounted For Three –Quarters of Maine and New Hampshire’s 2010-2024 Net Domestic Migration and Eliminated 70 Percent of Vermont’s Net Losses

Net Domestic Migration 2020-2024

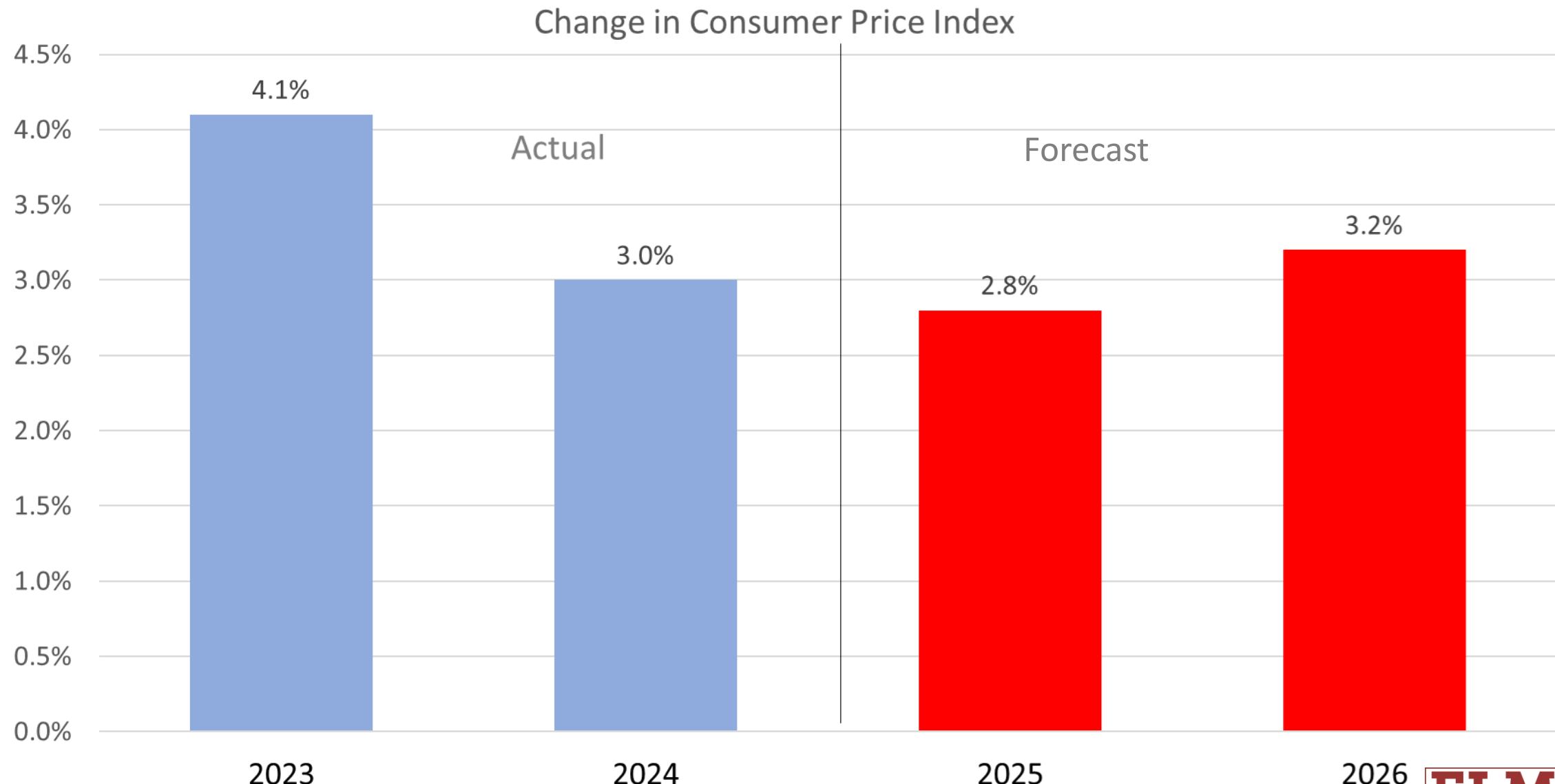


Housing Construction in Maine Has Supported Domestic (State-to-State) Migration, Not As Much in New Hampshire

New Private Housing Units Authorized by Building Permit
(Annualized - 12 Month Rolling Sum)



Inflation Will Be Stubborn in 2026 if Tariffs Remain in Place and Immigration Slows Labor Force Growth



Job Growth Has Been Softening for Some Time and Will Continue To Do So Through the First Half of 2026 - No Recession But it May Feel a Lot Like One.

