

DRAFT
Plymouth Economic Profile
March 1, 2005

Summary

Labor Market Area: Plymouth
Tourism Region: Lakes

Resident Labor Force	1993	2003	Change
Civilian Labor Force	2,849	3,027	6.2%
Employed	2,703	2,964	9.7%
Unemployed	146	63	-56.8%
Unemployment Rate	5.1%	2.1%	-3.0%
Covered Employment	1993	2003	Change
Avg. Annual Employment:	3,305	4,162	25.9%
Average Weekly Wage:	\$417	\$548	31.4%
Average Weekly Wage:	\$533*	\$548	2.8%*

*adjusted for inflation

Largest Employers	Product/Service	Employee
Plymouth State University	Education	487
Hannaford Brothers	Supermarket	230
Speare Memorial Hospital	Health Care	220
NH Electric Cooperative	Electric Service	206
Plymouth Regional High School	Education	135
Plymouth Elementary School	Education	102
Town of Plymouth	Municipal Services	64
Pemigewasset National Bank	Banking	47

Source: *Plymouth Community Profile*, NH Employment Security/Economic & Labor Market Information Bureau, 2004

1. Overview

Plymouth's economy developed as a manufacturing center in the 1830s with the establishment of Plymouth Buck Gloves and pottery from the brickyards along Coos Road in West Plymouth. Industry expanded with the coming of the Boston,

Concord and Montreal Railroad in the 1840s. The railroad also brought tourists to the surrounding region. The state legislature passed into law the need for professional teacher training and Plymouth Normal School was established in 1871. Shortly thereafter, Water Works and the Plymouth/Campton Telephone Exchange Company were constructed. During the last couple decades of the 1800s a number of important industries opened including Plymouth Electric Light Company, a veneer mill, the Draper, Maynard Company (sporting goods), Fosters' Wooden Peg and Bobbin Mill and the Plymouth Record. Also, the Emily Balch Cottage Hospital opened its doors. By the 1930s, Plymouth's downtown had a new look with the Village Green and the Boy Scout fountain, gas stations and new trading at Adams Market. Although passenger train traffic came to an end in the 1950s, there were new highways at all approaches to Plymouth. Industrial, commercial and educational advancement continued during the late 1900s.

Despite changes to the local economy, Plymouth remains a job and service center for the region, and is located at the core of the Plymouth Labor Market Area (LMA), one of ten defined LMAs in the state.

Manufacturing no longer plays the dominant role in the town's economy. Today, Plymouth's economy is based upon education, most notably Plymouth State University (PSU), health care, tourism and recreation, and the community's function as a retail and commercial service center for the surrounding region. Despite the presence of a handful of significant "economic engines," the town's economic base is comprised of many small businesses (with an average of 11.7 employees).

Recent years have been marked by steady job growth and declining unemployment. Today, local unemployment rates are below the rate for New Hampshire as a whole. Much of the recent job growth, however, has been in the service sectors, including retail trade, lodging and food service industries, which typically have lower wage scales than other sectors. Consequently, local wages lag behind the average for the county and state.

2. Plymouth's Resident Labor Force

The US Census provides information on Plymouth's resident labor force, defined as town residents 16 years and older who had worked in the year prior to the census year. Census information includes the employment of town residents by sex, class, occupation, and industry.¹

	1990	2000	(+/-)	% Change
Civilian Labor Force	3,137	3,335	198	6.31%
Employed	2,809	2,941	132	4.69%
Unemployed	328	394	66	20.12%
Females in Labor Force	1,385	1,689	304	21.94%
Employed	1,220	1,526	306	25.08%

According to US Census data:

- Plymouth's resident labor force² grew during the 1990s – increasing by an average of nearly 20 workers (0.63%) per year. This was slightly higher than the rate of local population growth, which averaged only 0.14% per year over the same period. Approximately two-thirds (66.3%) of Plymouth's total population is in the labor force.
- The number of unemployed members of the labor force increased slightly between 1990 and 2000, although the total increase in the labor force was three times as great (see unemployment statistics below).
- The increase in the total number of woman in the labor force far exceeded the increase in the number of men. In 1990, women comprised 44.2% of the labor force; in 2000 women comprised 50.7% of the total.
- The reported median earnings in 1999 for Plymouth's full-time, year-round workers were significantly higher for men (\$33,289) than women (\$20,565).

¹ As calculated from reported sample data [2000 SF3 files].

² U.S. Census data issued a data note in June 2004 stating that the "labor force data for some places where colleges are located appear to overstate the number in the labor force, the number unemployed, and the percent unemployed." This is likely due to "reporting or processing errors." The 2000 unemployment estimate for Plymouth – 7.8% – seems to indicate that some overstatement likely occurred.

TABLE 2 CLASS OF WORKER 1990-2000				
	1990	2000	(+/-)	% Change
Private Wage & Salary	1,841	2,003	162	16.39%
Government	785	705	(-80)	(-10.19%)
Self-employed [unincorporated businesses]	183	223	40	21.85%
Unpaid Family	0	10	10	---
Source: US Census				

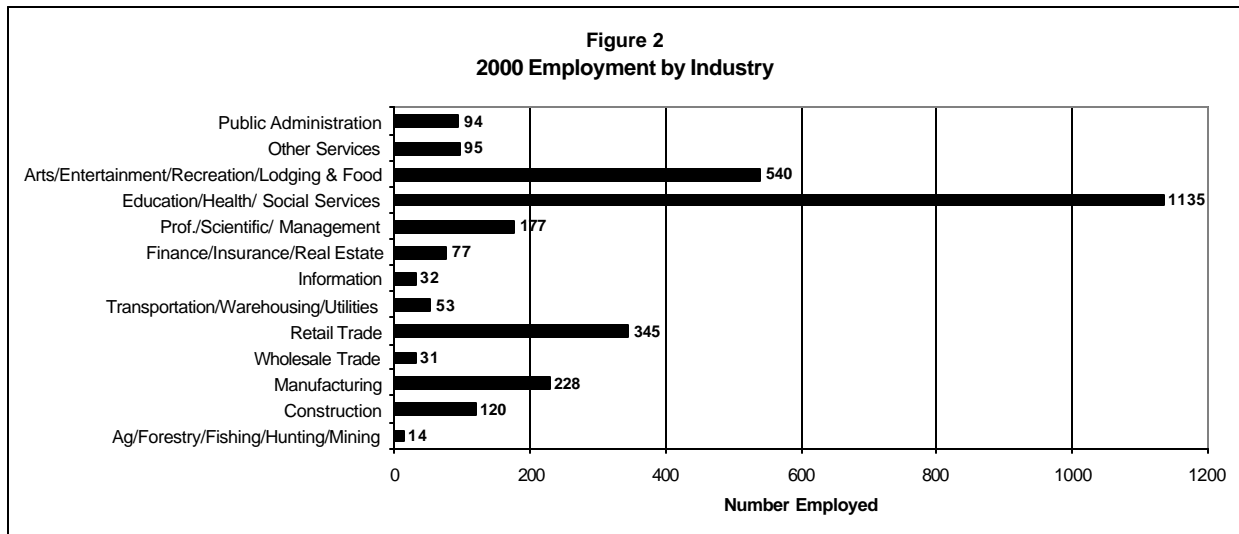
- The majority of Plymouth residents continue to be employed in the private sector (60.1% in 2000). The percentage of self-employed residents increased slightly during the 1990s – from 5.8% of the local work force in 1990 to 6.7% in 2000, while the percentage of workers employed by various levels of government decreased from 25.1% in 1990 to 21.1% in 2000.

Occupation and industry classifications used in the 2000 US Census differ from those used in 1990 and prior decades, as a result these data are not comparable.



It is clear from the information available for 2000, however, that:

- A substantial percentage (37.2%) of Plymouth residents holds traditionally “white collar” management, professional and administrative occupations.
- A majority of the local labor force, however, holds either sales/office clerical positions or jobs in service industries (25.7% and 24.4%, respectively).
- A relatively small percentage of town residents work in production/ transportation (6.1%) or construction/maintenance (5.1%) occupations.



With Plymouth State University and Spere Memorial Hospital being the two largest employers in town, it is not surprising that the greatest percentage of Plymouth residents (38.6%) is employed in Health Care and Education industries. Another 18.4% are employed in food service, lodging and related businesses, and 11.7% work in retail trade. Only 7.8% are employed in manufacturing, 6.0% in professional, scientific or management services, and 4.1% in construction trades.

**TABLE 3
RESIDENT WORK FORCE COMPARISON, 2000**

Geographic Area	Population (16+ yrs) in Labor Force (%)	% Employed Occupation					
		Management/ Professional/ Related	Service	Sales/ Office	Farm/ Fishing/ Forestry	Construction/ Extraction/ Maintenance	Production/ Trans.
Alexandria	70.7	26.4	13.9	17.4	3.1	12.1	27.0
Ashland	69.2	26.2	18.7	22.0	0.8	14.4	17.9
Bridgewater	63.6	30.7	15.0	27.9	0.4	13.4	12.6
Campton	71.5	31.4	16.7	22.4	0.9	14.9	13.7
Groton	70.2	17.7	12.1	19.1	6.5	18.6	26.0
Hebron	59.1	36.9	11.9	21.2	1.5	9.2	19.2
Holderness	71.8	41.4	15.9	22.4	0.8	10.2	9.3
Plymouth	66.3	37.2	24.4	25.7	0.7	5.1	6.9
Rumney	65.0	22.3	23.4	18.8	0.1	12.1	23.2
Thornton	75.0	29.9	24.5	21.7	2.0	10.5	11.4
Waterville V	58.3	41.3	14.7	24.8	3.7	5.5	10.1
Wentworth	70	24.2	18.0	22.6	2.8	16.1	16.4
Grafton Co.	67.2	36.6	16.0	23.6	1.0	9.4	13.4
State of NH	70.5	35.8	13.0	26.6	0.4	9.4	18.1

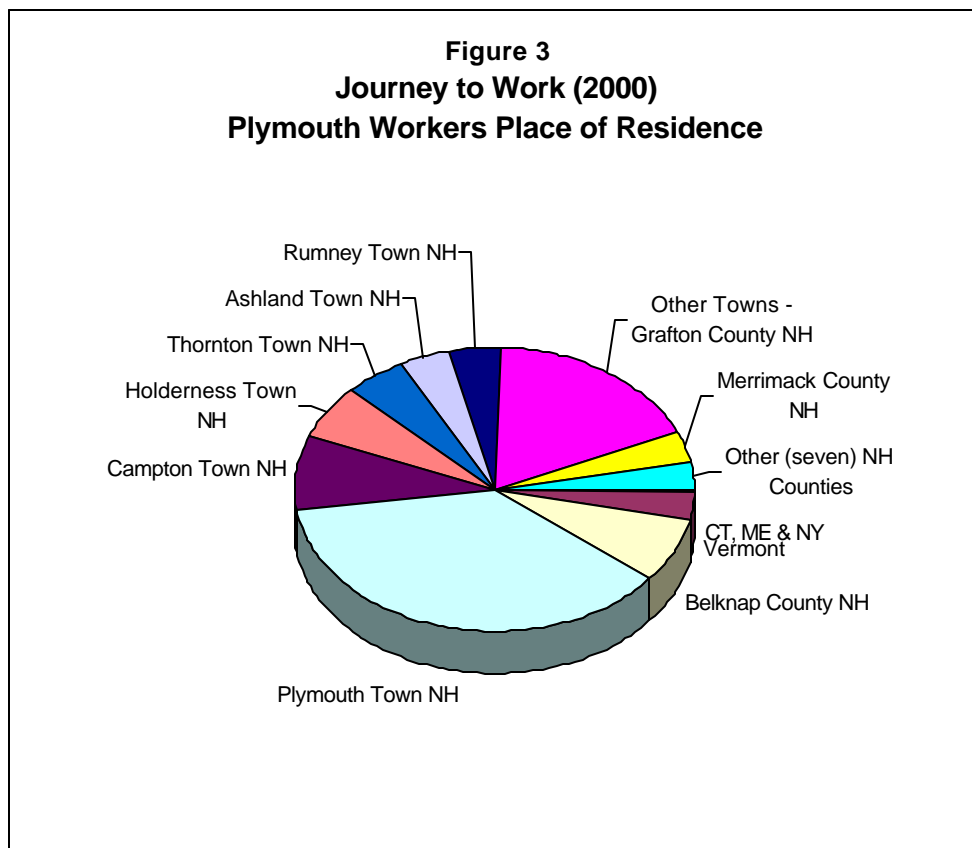
Source: 2000 US Census.

Regional data comparisons indicate that Plymouth’s resident work force is similar to that of surrounding towns, the county and the state. A higher percentage of Plymouth residents, however, are employed in “service” occupations, and a relatively smaller percentage is employed in construction trades.

3. Commuting Trends

Plymouth functions as a job center for the surrounding region. In 2000, the number of local jobs exceeded the total resident work force by 262. In addition, according to the 2000 census:

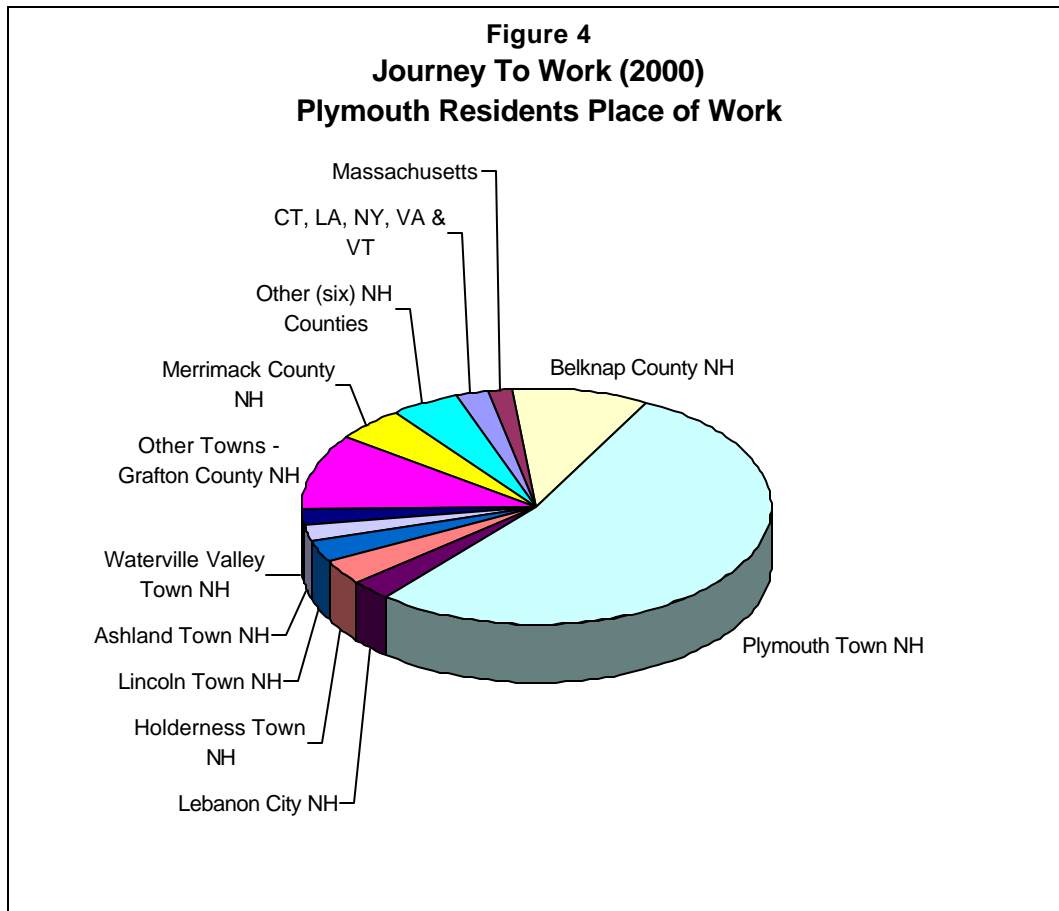
- Approximately 63% of local workers commute into the Plymouth from other communities.
- Over 70% of those commuters reside elsewhere in Grafton County, most of who live in adjacent towns. The remainder commutes from nine different New Hampshire counties and nearby states.



In addition to serving as a job center, Plymouth also functions as a bedroom community for other towns and regions. According to the 2000 census:

- Nearly half (46.7%) of Plymouth’s resident labor force traveled to jobs located in other communities.

- Over half (51.3%) of Plymouth residents commuting to jobs outside of town were employed elsewhere in Grafton County; an additional 20% traveled to communities in Belknap County. The remainder traveled to jobs located in seven NH counties, with a few town residents holding jobs in other states.



Other information available in the census related to commuting trends includes:

- The percentage of Plymouth residents working at home (6.2%) is slightly higher than the percentage for Grafton County (5.3%) and the state (4.0).
- A relatively high percentage of Plymouth residents – 15.7% – walk to work compared with the county (7.7%) and state (2.9%).
- The average commute time in 2000 was 18.3 minutes, which was lower than the average for the county (21.3 minutes) and state (25.3 minutes).

4. Employment & Wages

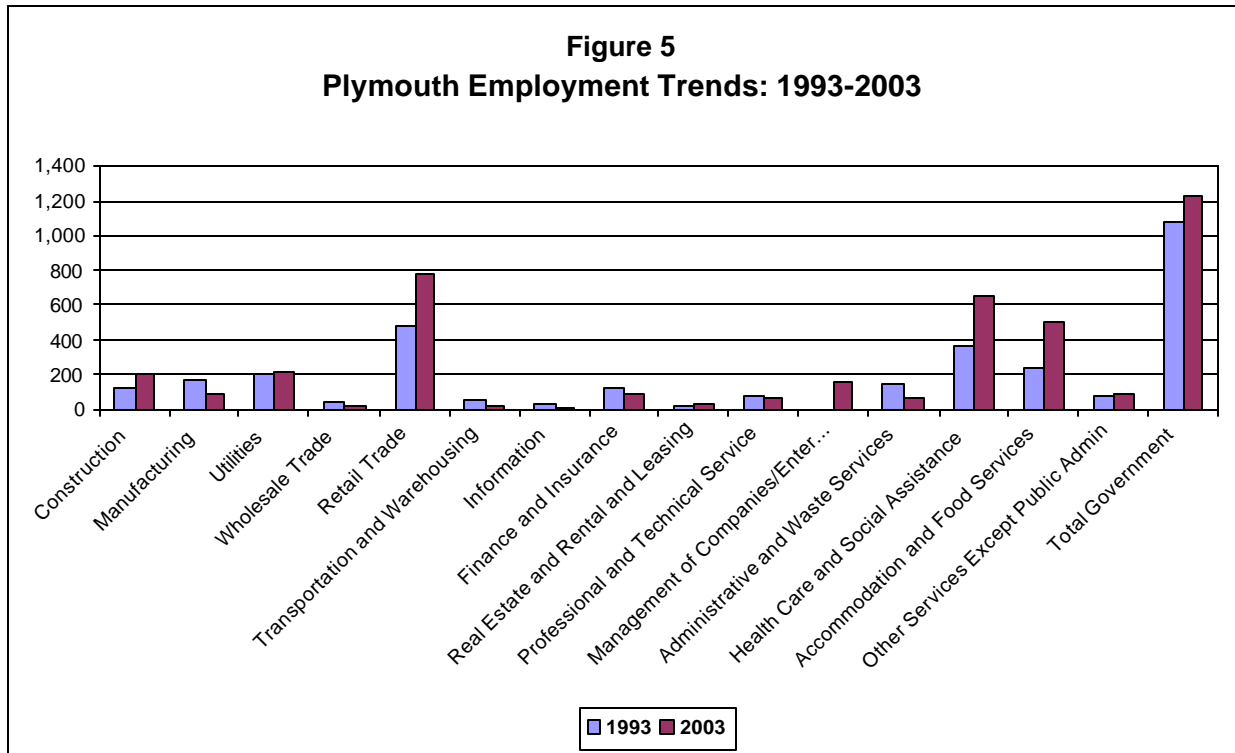
The state of New Hampshire compiles limited information regarding local employment and wages by industry, for jobs covered by unemployment insurance. The number of reporting units gives some indication of the number of employers locally, however this excludes self-employed persons, and those otherwise not required to be covered. As a result it generally under reports total employers and total employment. No distinction is made between full- and part-time workers.

Sector	Units	Average Annual Employment	Average Annual Weekly Wage
Private	238	2,938	\$494.52
Goods	26	302	\$582.52
Services	212	2,636	\$484.50
Government	14	1,224	\$677.04
Federal	2	49	\$632.24
State	5	827	\$686.71
Local	7	109	\$660.38
Total Private and Government	252	4,162	\$548.22
Source: New Hampshire Employment Security, Economic and Labor Market Information Bureau.			

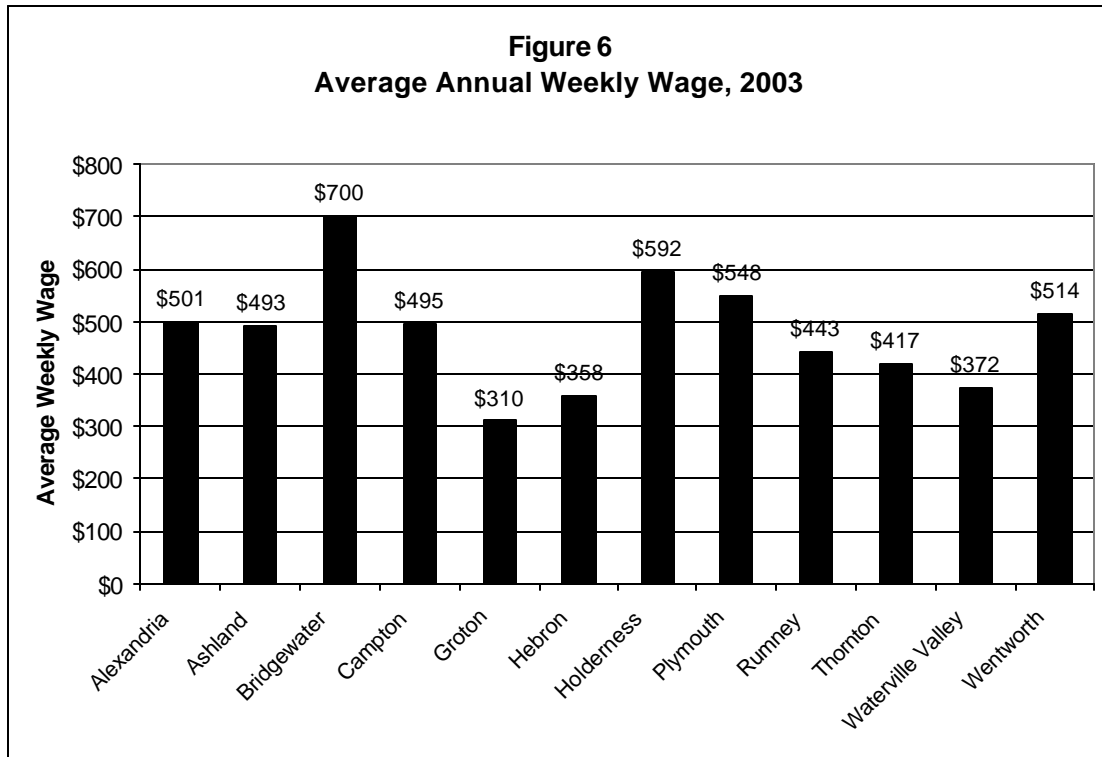
As stated previously, Plymouth is a regional employment center and serves as the core of the Plymouth Labor Market Area. In 2003:

- There were 252 reporting units (employers) in Plymouth, representing over 11% of the total for Grafton County (2,286 units).
- Plymouth's average annual employment of 4,162 jobs represented 8.2% of the total employment reported for the county (50,615).
- The average annual employment per reporting unit (an indicator of general business size) for Plymouth was 11.66 employees per unit, compared with 22.14/unit for the county, and 14.23/unit for the state. Considering the relatively small number of large employees (PSU, Spcare Hospital, Hannafords, NHEC, Wal-Mart), this likely indicates that the size of most businesses in Plymouth is well below the average for the county and state.
- 63.3% of all jobs were in the service sector, which comprises those jobs with the lowest average pay of the different sectors represented in Plymouth. This likely contributes to lower than average wage levels in the Plymouth Labor Market Area.

- The percentage of jobs in the government sector was 29.4% (presumably this includes PSU).



- Much of the growth in the number of jobs in Plymouth between 1993 and 2003 is attributable to increases in Health Care and Social Services (296 new jobs), the Retail Sector (288 jobs), Lodging Accommodations and Food Service (267 jobs), Management Services (166 jobs) and Government (142 jobs).
- Sectors that have seen a decline in jobs include Manufacturing (loss of 84 jobs), Administrative and Waste Management Services (loss of 81 jobs) and Transportation and Warehousing (decline of 30 jobs).



Jobs in Plymouth, on average, pay wages that are comparable to those in neighboring communities. Wages within those communities (all of which are located in the Plymouth Labor Market Area), however, were below the average wages for the county and state, respectively. The reported average annual wage of \$548.22 for Plymouth in 2003 was:

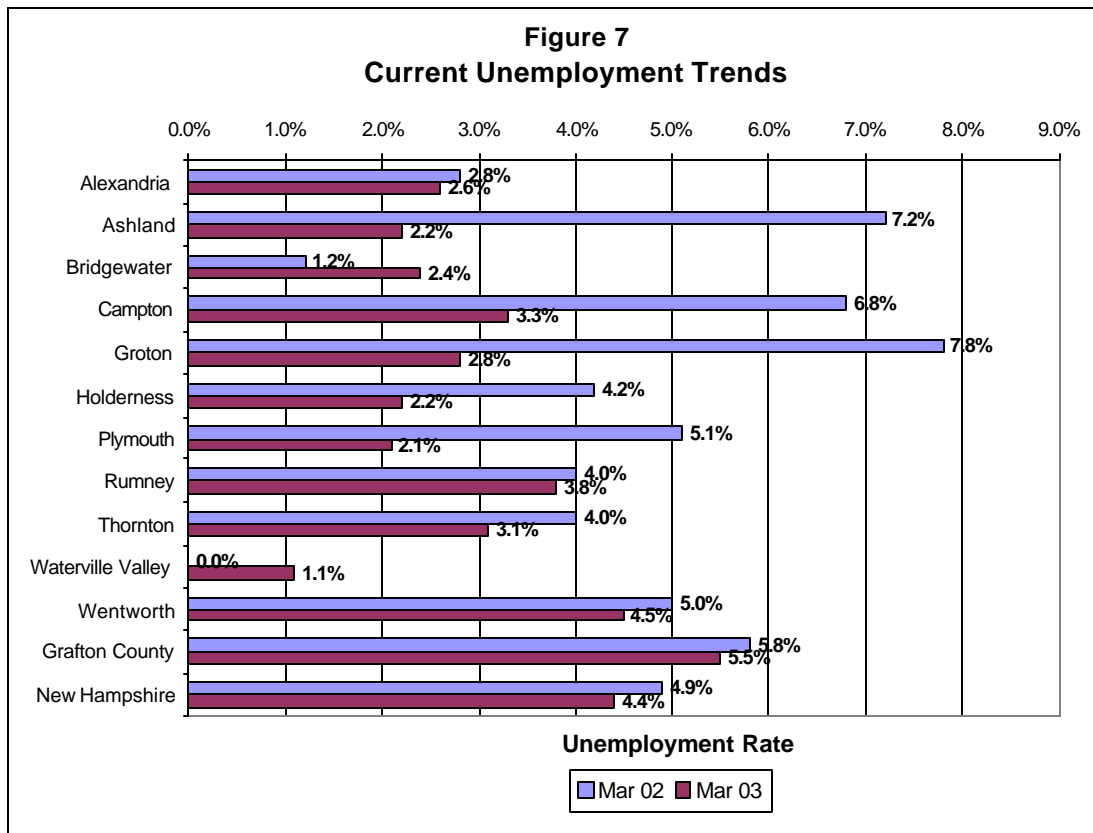
- 78% of the average wage of \$704.15 as reported for Grafton County, and
- 76% of the average wage of \$717.94 as reported for the state.

According to the report entitled *The Availability of Livable Wage Jobs in New Hampshire*, published in November, 2001:

- Only 44% of all jobs in the Plymouth LMA paid a livable wage³ for a family comprised of two parents and one child, with both parents working; while only 31% of jobs paid a livable wage for a family of two parents and two children, with both parents working.

³ A “livable wage” is defined as income sufficient to meet a household’s basic needs, including groceries, rent and utilities, basic telephone service, clothing and household expenses, transportation, child care, health care, savings (5% of household budget) and personal expenses (3% of household budget).

- Only 15% of jobs in the Plymouth LMA paid a livable wage for a single parent with one child, while only 9% paid a livable wage for a single parent with two children.
- Only 52% of jobs within the Plymouth LMA paid a livable wage for a single person living alone.
- The estimated livable wage for New Hampshire ranged from \$9.01/hour to \$18.92 in 2001, depending upon household size and whether both parents work. The average wage in the Plymouth LMA in 2001 was \$10.97.



The state also provides unemployment rate information, based on estimates of the civilian work force by place of residence. The unemployment rate declined significantly between 1993 and 2003, from 5.1% to 2.1%. This would seem to indicate a very tight labor market today (many economists consider a 4% unemployment rate to be “full employment”). According to state unemployment data, Plymouth’s unemployment rate in 2003 was generally lower than in neighboring towns; slightly lower than the unemployment rate for Grafton County as a whole (2.1% in March 2003); and lower than the March 2003 unemployment rate for New Hampshire (4.7%).

5. Local Business Setting

Currently, there are two major commercial/industrial areas in Plymouth - the Downtown and Tenney Mountain Highway. To a lesser degree, Tenney Mountain Resort contributes to Plymouth's diverse economy.

- **Downtown** is a concentration of buildings from Old North Main Street along Main Street to South Main Street. The Town Common, established in the early 1900s, is the heart of the downtown, which offers a complementary mix of retail and commercial services, private and public offices, several civic uses, institutional facilities and a few upper story residences.
- **Tenney Mountain Highway**, developed during the last three decades, serves as Plymouth's east-west commercial/industrial corridor. Most residential uses have been converted to commercial or industrial activity. One of the last cornfields along the corridor was purchased in 2004 to develop a new 110,000 square foot home improvement store. Chain retailers have become more prominent in the past dozen years causing some change in the complexion of the town. TMH is home to Dunkin' Donuts, Burger King, Radio Shack, Wal-Mart, Sears, a number of car dealerships and NH Electric Coop.
- Located in the western portion of town is **Tenney Mountain**. The ski resort has been described as "a diamond in the rough." Although there is potential for a successful four-season resort, it has yet to be realized. Substantial investment will be necessary to compete with other New England resorts including expanded snowmaking, improved uphill capacity, new ski lodge and on-mountain real estate opportunities. During the 2002-2003 ski season with a record natural snowfall, Tenney Mountain enjoyed its greatest number of skier visits ever (between 45,000 to 50,000.) Industry professionals note that an economically viable operation requires closer to 100,000 annual skier visits.

6. Supporting the Local Economy

It is in Plymouth's best interest to work with local businesses, industries and institutions in maintaining their viability. When queried as to their feeling about economic development, Plymouth residents (64% of those responding to the Summer 2004 survey) feel the town should aggressively promote economic development in currently permitted zones. Residents also have consistently indicated the need to reduce their property tax burden while maintaining the character of the town. Thus, economic development efforts need to focus on retention of existing business, maintenance of a mix of business types, improvement of physical environment and enhancement of good growth within limits of downtown and Tenney Mountain Highway areas in which high intensity uses are allowed.

There are a number of on-going efforts and organizations working to enhance the business climate in the community and encourage a broader tax base. Local organizations include:

Plymouth Chamber of Commerce

The Plymouth Chamber of Commerce, in its current form, has been in existence since 1992 but records indicate the organization dates back to 1924. There are nearly 200 business members and an active mailing list of more than 300 business contacts. Members participate through dialogue to promote Plymouth's vitality, quality of life and sense of place. The Chamber's mission is to "Promote Plymouth."

Recent projects include: the new "Welcome Center / Business Resource Center" located at 1 Foster Street, marketing and communication, maintaining the community-wide events calendar, and hosting events such as the NH Central Business Showcase and the Town Wide Yard Sales.

Main Street Plymouth, Inc.

Main Street Plymouth, Incorporated (MSPI) was created to maintain, strengthen and revitalize the physical, economic and cultural characteristics of Plymouth's historic downtown. Its focus is in four areas: economic redevelopment, design, promotion and organization for the downtown.

Economic redevelopment projects have included the South Main Street plan, business and property inventories, business recruitment efforts and enhancement of

how properties in the program area are used. Design Guidelines (October 1999) have been developed which have resulted in updated building facades, signage and public areas. MSPI has worked to promote the downtown to encourage people to shop, to enjoy the ambience of downtown and to build downtown businesses through seasonal events and other promotion activities. In addition, MSPI brings together a variety of volunteers and groups, public and private, to collaborate on economic activities in the downtown. Since its inception in 1998, for every dollar invested in MSPI Plymouth has seen over 25 dollars in public and private investment in the program area.

White Mountain Gateway Economic Development Corporation (WMGEDC)

The WMGEDC is an independent subsidiary of the New Hampshire Electric Coop established in December 2001. Its purpose is to enhance its service area's economy by creating and retaining jobs through real estate development. Since its inception, the Corporation has looked into developing a mixed-use business park along the Tenney Mountain Highway. As of February 2005, however, the TMH mixed-use business park does not seem economically feasible so WMGEDC working with the Capital Regional Development Corporation and others have explored other real estate opportunities. Most recent accomplishments include assistance with the creation of the Downtown Tax Increment Finance district to be utilized as an incentive to bring development to downtown; the Littleton/Plymouth Regional Business Incubator program (feasibility study described below); and the possible construction of a new primary care facility in Plymouth.

7. Regional Perspective

As previously noted, Plymouth is the commercial and employment center of the region and serves as the core of the Plymouth Labor Market Area. In planning for Plymouth's economic future, a regional perspective makes sense as its economy is dependent on residents, Plymouth State University students, customers and employees many of whom are from neighboring towns, as well as alumni, tourists and visitors from around the country. Not only does it make sense to work with neighboring communities and organizations, more than 80% of Plymouth residents surveyed in 2004 feel the town should collaborate with its neighbors to encourage economic development within the region.

Plymouth has good relationships with local and regional organizations working to enhance its the economic environment. Regional groups that have worked and continue to work with the community include:

North Country Council

North Country Council (NCC) is the regional planning agency serving Plymouth and 51 other communities in the northern third of New Hampshire. Since 1975, NCC's region has been an Economic Development District designated by the US Department of Commerce, Economic Development Administration (EDA). Economic Development Districts are designated by EDA to create and retain full-time permanent jobs and increase income in the unemployed and underemployed. NCC is responsible for preparing the Comprehensive Economic Development Strategy for the region. It also helps towns locate funding for economic projects.

Grafton County Economic Development Council

Grafton County Economic Development Council (GCEDC) is a regional economic development corporation created in 1996 to serve the 39 communities located within Grafton County. Its mission is to improve the standard of living in Grafton County, New Hampshire by facilitating the creation and retention of high quality job throughout the region and assisting each community to grow its economic base in the manner desired by its citizens.

Over the years GCEDC has assisted existing companies with state and federal financing usually in the form of loans or Community Development Block Grants to improve or expand their facilities. A very recent project relating to Plymouth is the December 2004 *Business Incubator Feasibility Study*. The study explored the feasibility of developing a mixed-use business incubator affiliated with Plymouth State University that would foster the establishment and growth of new businesses, create value-added jobs and eventually a broader tax-base through economic diversification. The overall conclusion supports the establishment of a business incubator program in the Plymouth/Littleton area; the recommendation is for a two-location, time-phased, regionally based program with the initial operation at the former Hitchiner Manufacturing building in Plymouth and a second facility at Mount Eustis Commons in Littleton. The *Financing/Implementation Plan* for this work will be published shortly.

Capital Regional Development Council (CRDC)

CRDC has been a New Hampshire economic development organization for 50 years. As a non-profit corporation located in Concord, its goal is to promote economic opportunity for the state. CRDC's mission includes the creation of new, permanent jobs; the enhancement of personal income; and the expansion of the tax base through private investment.

Its mission is to develop land to encourage new and existing business and encourage existing business to expand, and to promote economic development loan programs. Over the past five years, CRDC's activities have resulted in private investment of over \$100,000 and the creation or retention of 1,643 jobs in the state. Recently, CRDC's Executive Director has been working with the WMGEDC to develop real estate in the Plymouth area to enhance economic activity.

8. Economic Considerations

[Some goals and potential projects for employment, economic development and tourism, which were included in NCC's Comprehensive Economic Development Strategy for 2004-2008 - further discussion required]

Plymouth Goals

- Foster a more favorable business climate.
- Increase coordination between businesses and educational systems (cooperative ext.) to meet labor force needs through career programs, apprenticeships and internships.
- Foster business growth that fits with the rural character but also provides higher paying jobs.
- Focus redevelopment mixed use on existing buildings and properties downtown.
- Develop local broadband internet/communications infrastructure.
- Mixed use commercial/light industrial on TMH/Rt3/3A
- Revitalize Hatch Plaza complex

Potential Projects to Fulfill Goals

- Identify programs such as School to Career, CT College Training and promote them.
- Update technical curriculum and secondary schools (employable occupational skill)
- Support critical shortage areas such as dental hygiene, physical therapy.
- Tailor programs to local industry needs.
- Create business incubators.
- Encourage use of distance learning.
- Partnerships between educational community and businesses.
- Promote legislative advocacy.
- Create partnerships for incubator development to nurture start-ups.
- Analyze current competitive advantages.
- Coordinate among existing business oriented agencies.
- Reduce cost of doing business.
- Provide consistent message for new business ventures.
- Identify underutilized buildings for mixed use.
- Incorporate Main Street efforts into master plans.
- Identify and address obstacles to downtown relocation.
- Improve and update downtown infrastructure.
- Publicize Main Street programs and services.
- Market downtown events, space, assets, character, etc.

- Promote downtown business associations.
- Gain NH Legislative support for statewide affordable access.
- Statewide network plan led by state government.
- Build off existing potential users and aggregate demand.
- Involve all utilities in discussion of networking.
- Evaluate town attributes.
- Encourage towns to develop and maintain master plan.
- Develop list of desirable businesses that have low impact on environment.
- Work closely with DRED.
- Create a central repository for relevant business information.
- Market the region.