

March 2010

Research Report

Measures of Economic Condition of Mt. Washington Valley, 2000 through 2008

Assembled by the Mt. Washington Valley Economic Council



Mt. Washington Valley Economic Council

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Printed in the United States of America

The printing of this book has been made possible by gifts from two local companies:

Minuteman Press and **Whitehorse Press**

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Background

In late 2004, the Mount Washington Valley Economic Council (MWVEC) initiated a project to select and track a number of statistical economic “indicators” that would help the Council and town and county administrators gauge the economic health of the region. It was the Council’s intent to look back in time several years to gain historical perspective, and to take a snapshot of the chosen indicators each year in the future, to observe the changes that take place in the region’s economy. Most important, it is the Council’s objective to communicate these indicators clearly to its various constituents: residents, business owners, educators, government officials, and other stakeholders in the Valley’s economy. This report has been updated with figures through 2008, along with additional editorial commentary where appropriate.

Purpose

The Council believes that a set of objective and observable measures of the region’s economic condition will help the Council focus its efforts at economic development, and will help federal, state, and local government administrators to formulate and implement public policy and funding as it relates to our region.

Scope

A comprehensive survey of economic and social indicators, including job statistics, education, health, poverty, crime, and concerns for the natural environment, is enormously complex, and well beyond the scope of work that can be accomplished by the Economic Council. In addition, a comprehensive statistical survey would probably not even be helpful for what the Council wants to accomplish. Instead, we chose to limit our focus to a narrow range of indicators centering on job and industry statistics, personal income levels, and education for Carroll County, New Hampshire and Oxford County, Maine, with comparative data for Rockingham County New Hampshire (the southern tier), the two states, and the country as a whole.

Choice of Indicators

The indicators we chose to track follow directly from the objectives of the Economic Council, which are to broaden and strengthen the economic base of the region. Quoting our booklet, *Overview of the Mt. Washington Valley Economic Council*, our mission is stated in direct economic terms as follows:

“The mission of the Mt. Washington Valley Economic Council (MWVEC) is to enhance our communities by fostering the formation of new businesses and attracting businesses to relocate to the area, with a commitment to help them diversify, prosper, and enhance their sustainability, while preserving the region’s natural beauty.”

To gauge economic progress in the Mount Washington Valley, we chose to track the following indicators:

Measures of Employment

- Indicator 1: Average wages
- Indicator 2: Per capita personal income and median household income
- Indicator 3: Number of business establishments and employees
- Indicator 4: Employment by sector
- Indicator 5: Employment in certain industries with high earning potential

Measures of Poverty

- Indicator 6: Percentage of population below poverty level

Measures of Educational Development

- Indicator 7: Educational attainment of adult population
- Indicator 8: High school cohort graduation rate

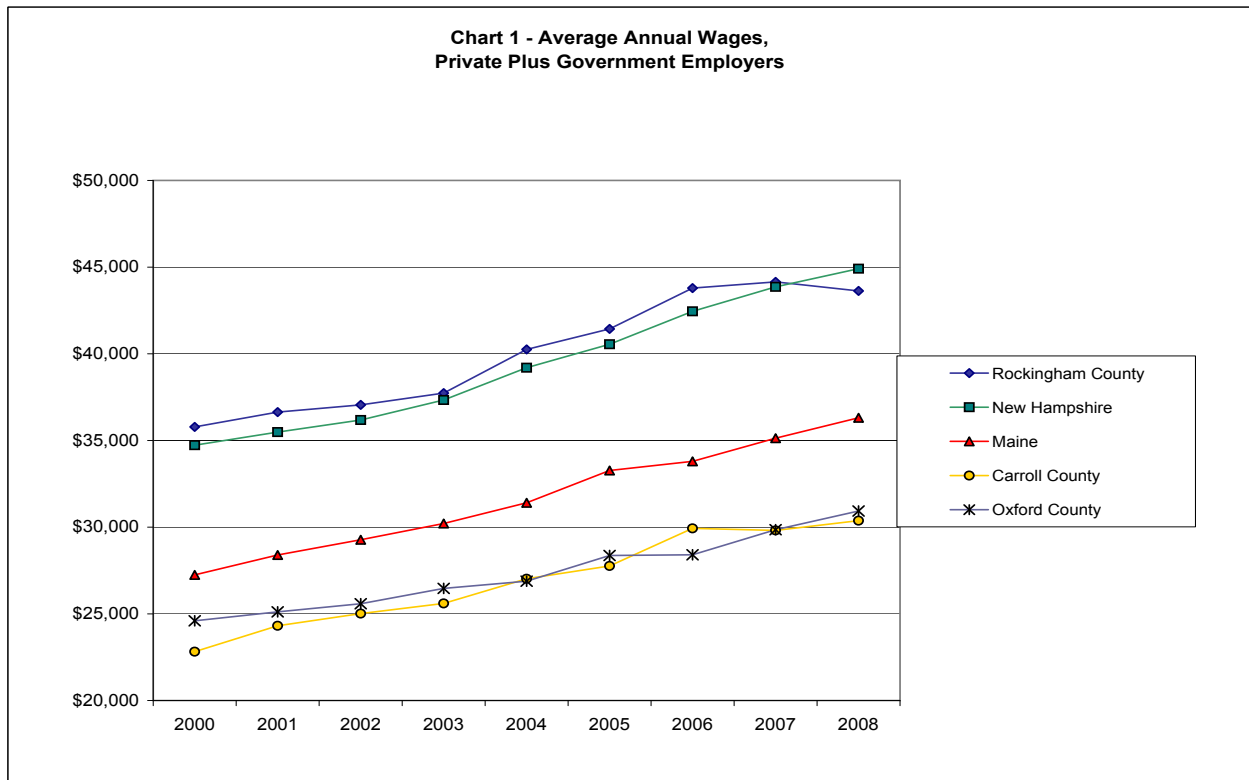
Sources for this data are the following:

- U.S. Census data
- U.S. Bureau of Labor statistics
- County Business Patterns
- New Hampshire Department of Employment Security
- New Hampshire Department of Education
- Maine Department of Labor
- Maine Department of Education

INDICATOR 1: Average Wages

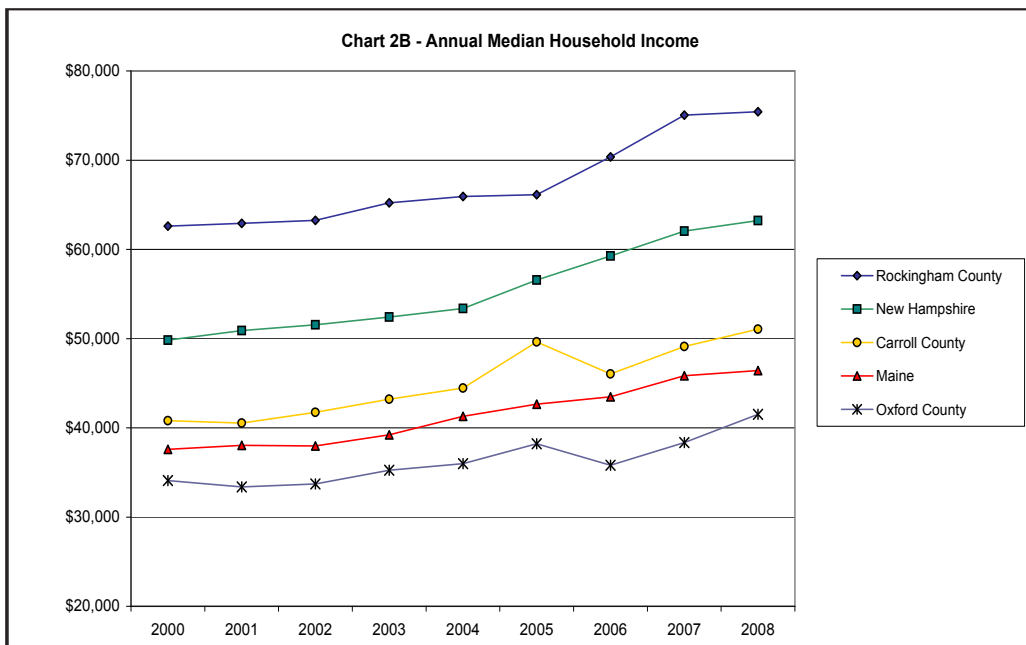
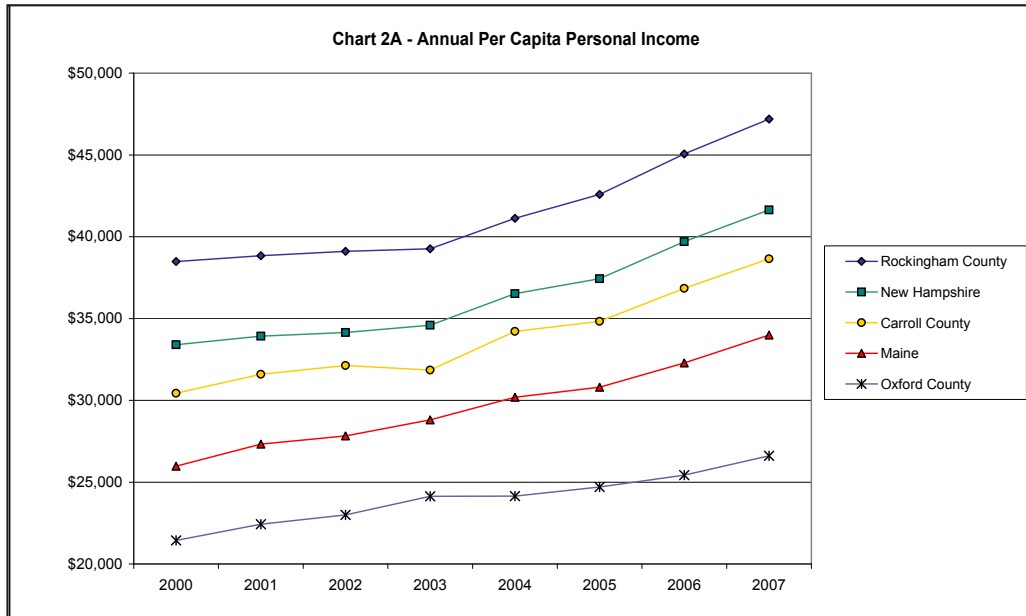
These data come from New Hampshire “covered” wages, as determined by unemployment compensation reports. Therefore, it does not cover wages of business owners, self-employed professionals, and others not covered by unemployment compensation. The chart covers both Carroll County and New Hampshire as a whole, and Oxford County and Maine as a whole, for all covered workers. Rockingham County NH is included for reference.

Carroll and Oxford Counties are nearly equal, reflecting the similar economy of the two adjacent regions. However, average income statewide in New Hampshire is significantly higher than that of Maine, due to the high concentration of high-tech businesses in southern New Hampshire. Accordingly, you’ll see that wages in Rockingham County mirror those for New Hampshire as a whole.



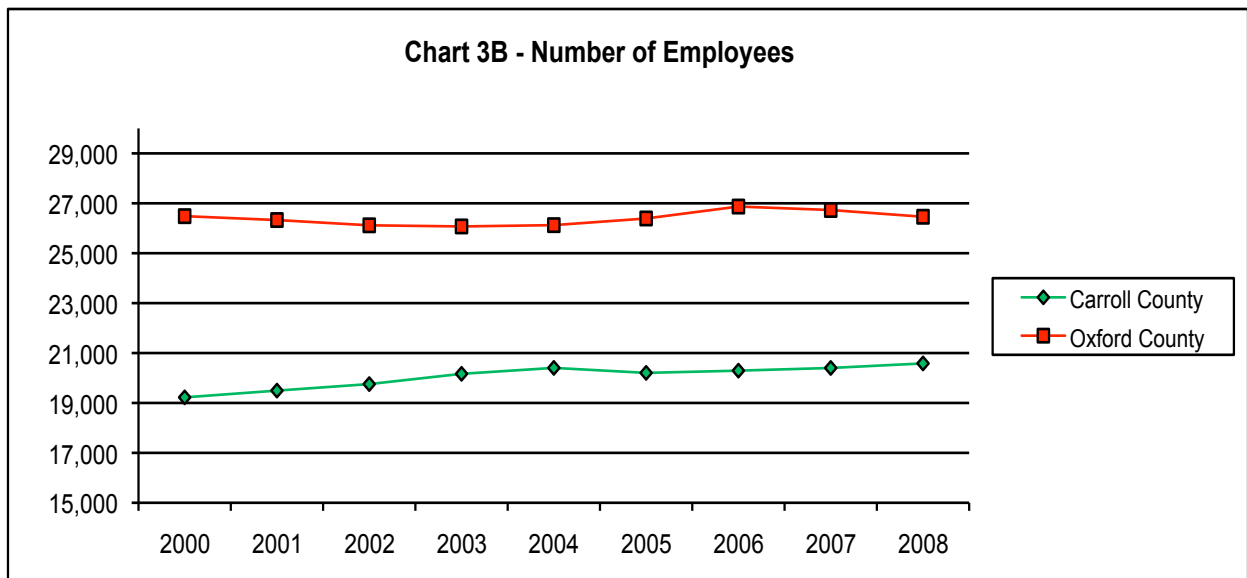
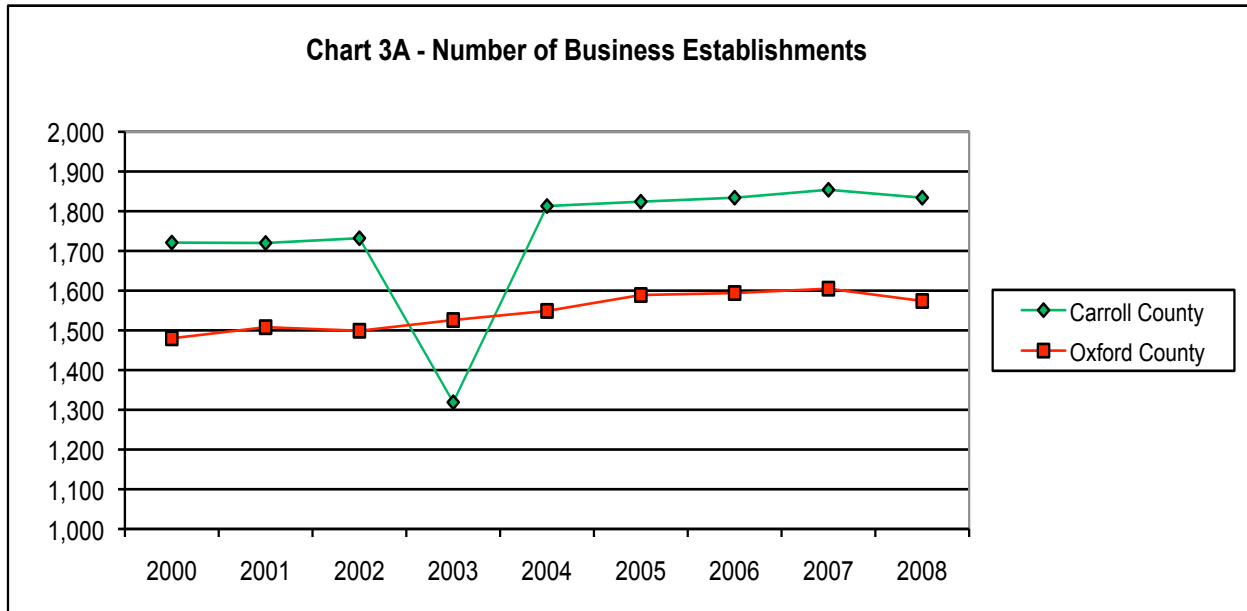
INDICATOR 2: Per Capita Personal Income and Median Household Income

These data include income reported by all workers, not just those covered by unemployment compensation. The relative rankings of the five categories of Per Capita Personal Income are quite different, with Carroll County ranking much higher than Oxford County. This is probably due to the high concentration of retirees in Carroll County with unearned income. Median Household Income shows the same rankings as Per Capita Personal Income. Again, average income levels in Rockingham County are higher than the state average. All areas show a steady annual increase, with an increase in the rate in 2003 forward.



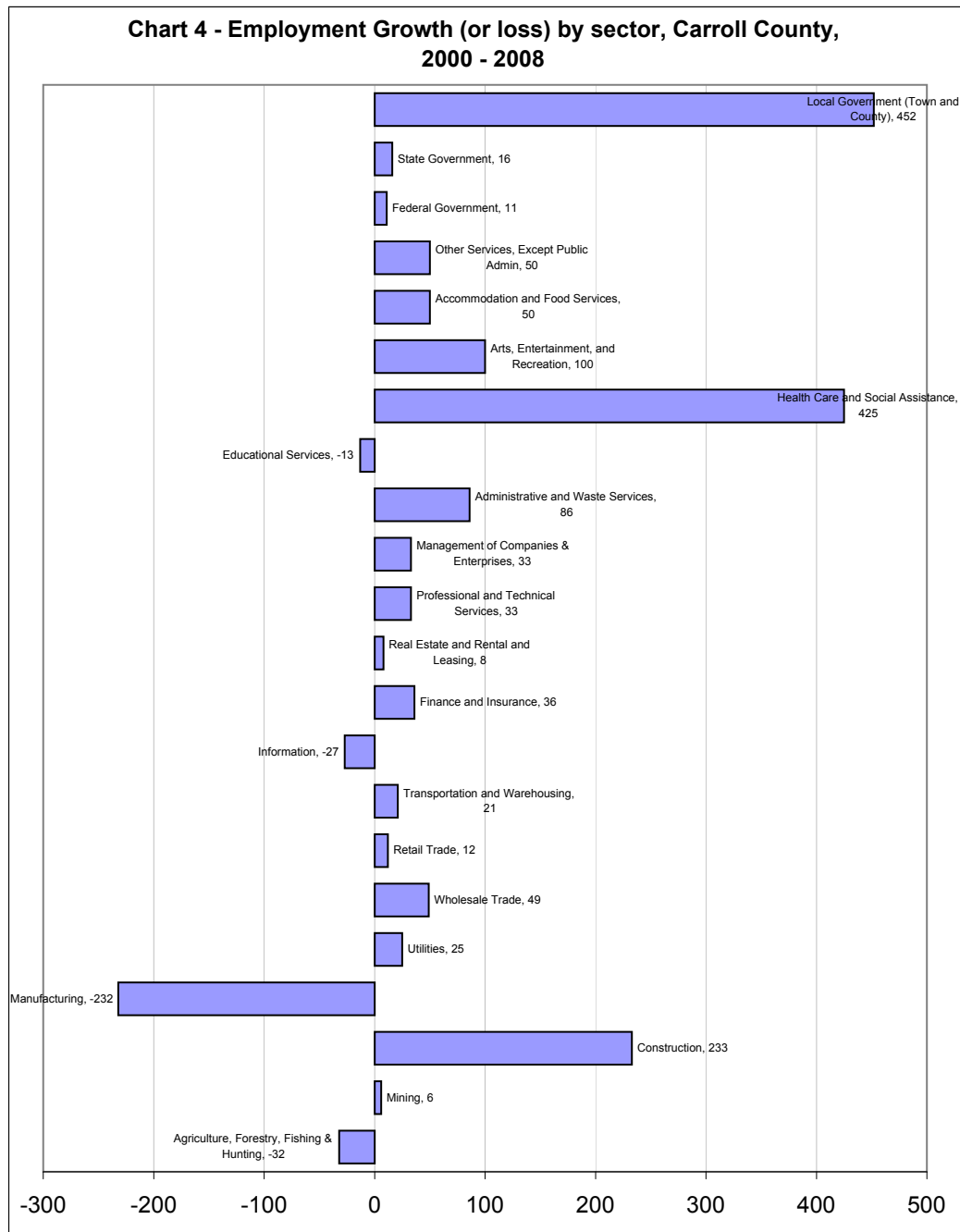
INDICATOR 3: Number of Business Establishments and Total Employment

In both local counties, employment has remained remarkably constant, with a slight increase in business establishments over time in Carroll County and a slight decrease in Oxford. New Hampshire figures for 2003 diverge so much from 2002 and 2004 that we are inclined to doubt their validity, particularly with the number of employees showing no corresponding decline for that year. The total number of employees rose steadily from 2000 to 2005 in Carroll County, while remaining relatively flat in Oxford County. Both have been relatively flat since 2005.



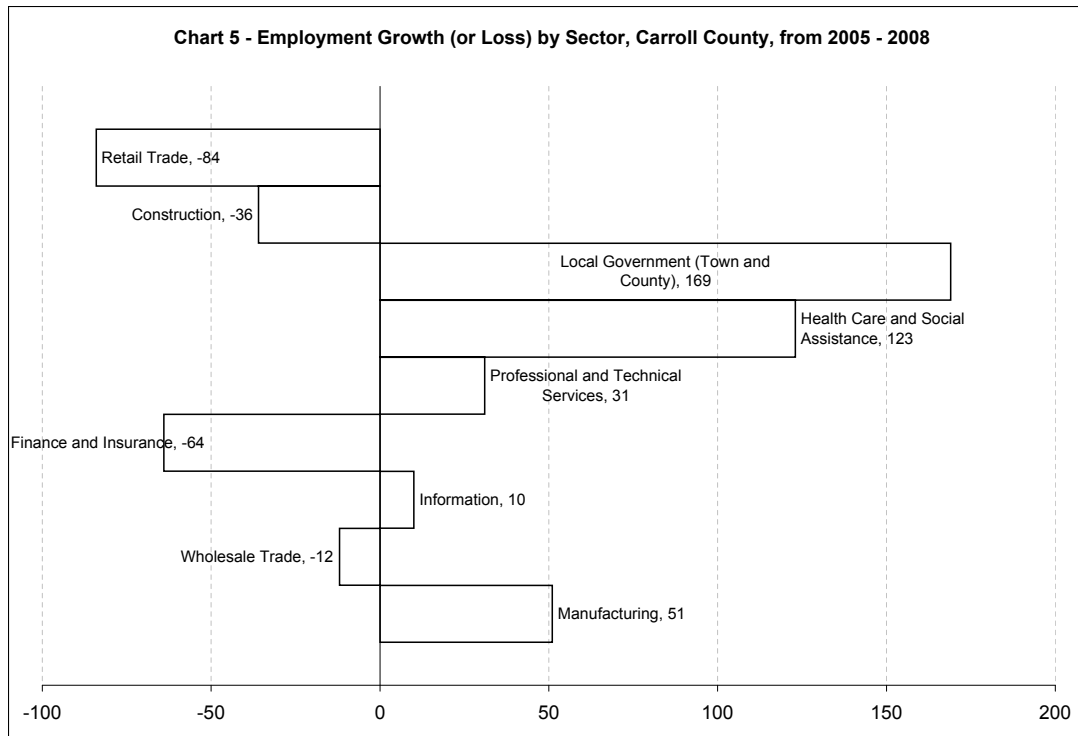
INDICATOR 4: Employment by Sector (Carroll County)

This chart shows job expansion or contraction in each major employment sector from the most recent 2-year period, as well as the overall study period. It is worth noting that Health Care and Social Assistance was the leading category of job growth over the 8-year period, followed by Local Government, Construction, Finance and Insurance, and Arts, Entertainment, and Recreation. The greatest employment contraction by a large margin came in the manufacturing sector.



INDICATOR 5: Employment in Key Sectors (Carroll County)

This chart is a subset of the previous chart, focusing on the high-growth employment sectors and those we would like to see grow. As the average age of our population rises, driven mainly through in-migration of retirees from other states, growth in the health care sectors will probably continue.



Manufacturing experienced a modest recovery in the period 2005-2007, with 37 net jobs gained. The largest gain was in plastics and rubber products manufacturing, with an increase of 91 jobs. This gain was offset by a loss of 52 jobs in apparel manufacturing. Arts and Entertainment also saw an increase, with our area continuing to be driven by the tourist industry.

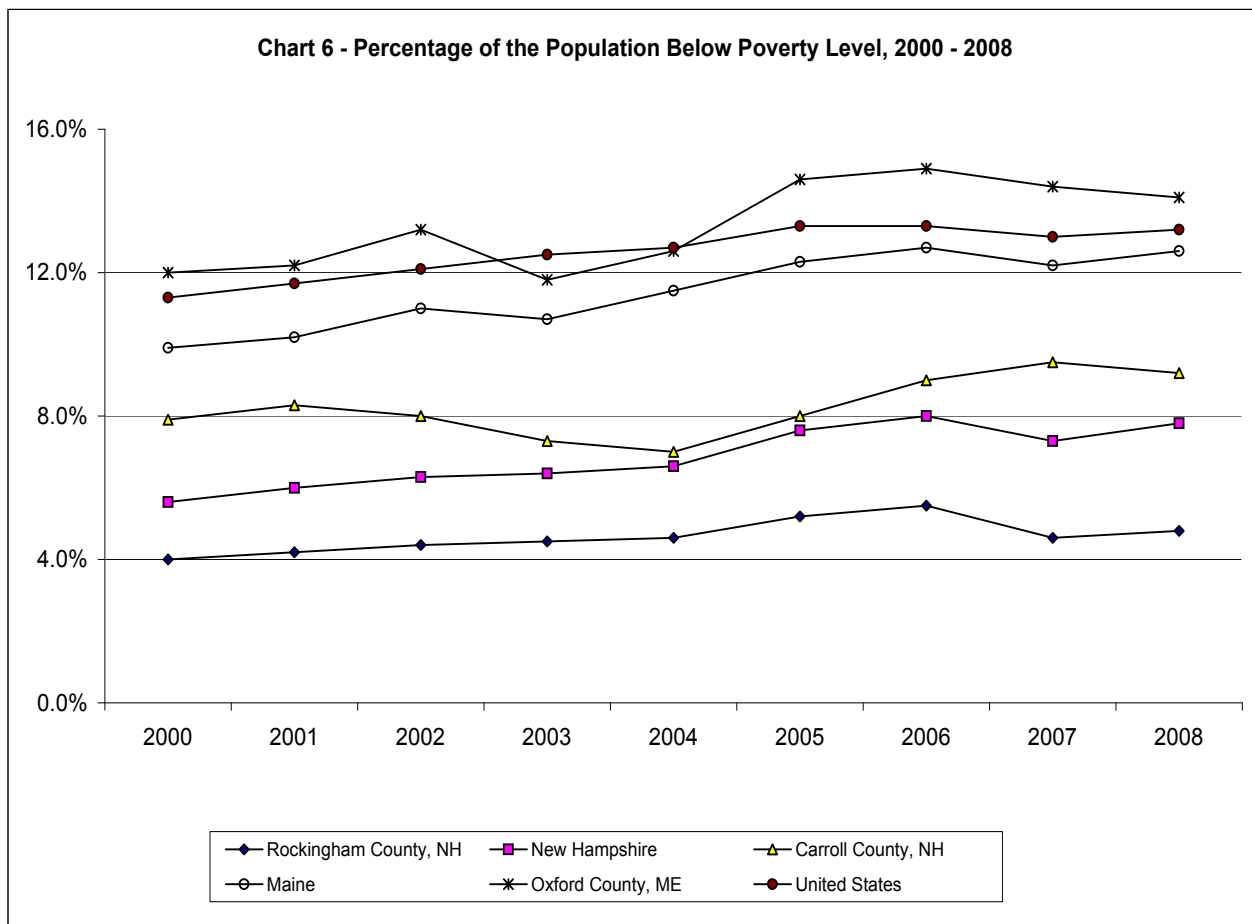
The largest decline was in the Retail trades, with a net loss of 83 jobs. A total of 164 jobs were lost in general merchandise, non-store retailers, food and beverage stores, and miscellaneous stores. Some of this job loss was mitigated by the addition of 75 positions in Building Material and Garden Supply stores (the opening of Home Depot and Lowes in Conway?).

It is interesting to note that both Construction and Real Estate categories declined over this period, which does not include figures from the recent economic downturn experienced in the fall of 2008.

INDICATOR 6: Percentage of Population Below Poverty Level

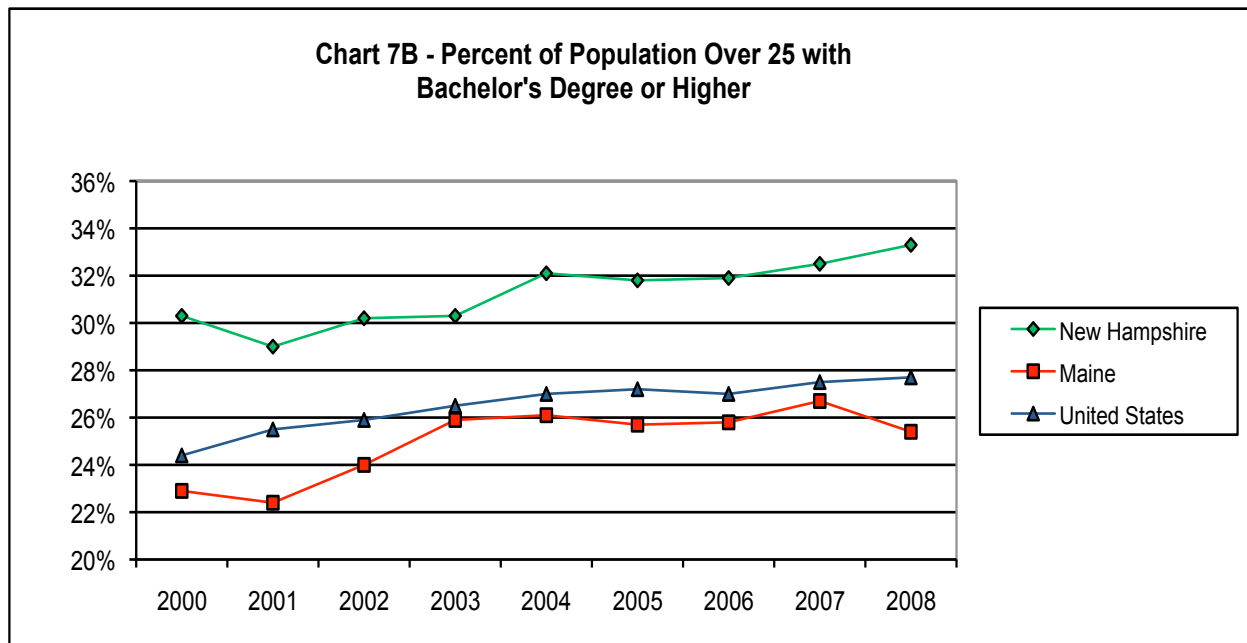
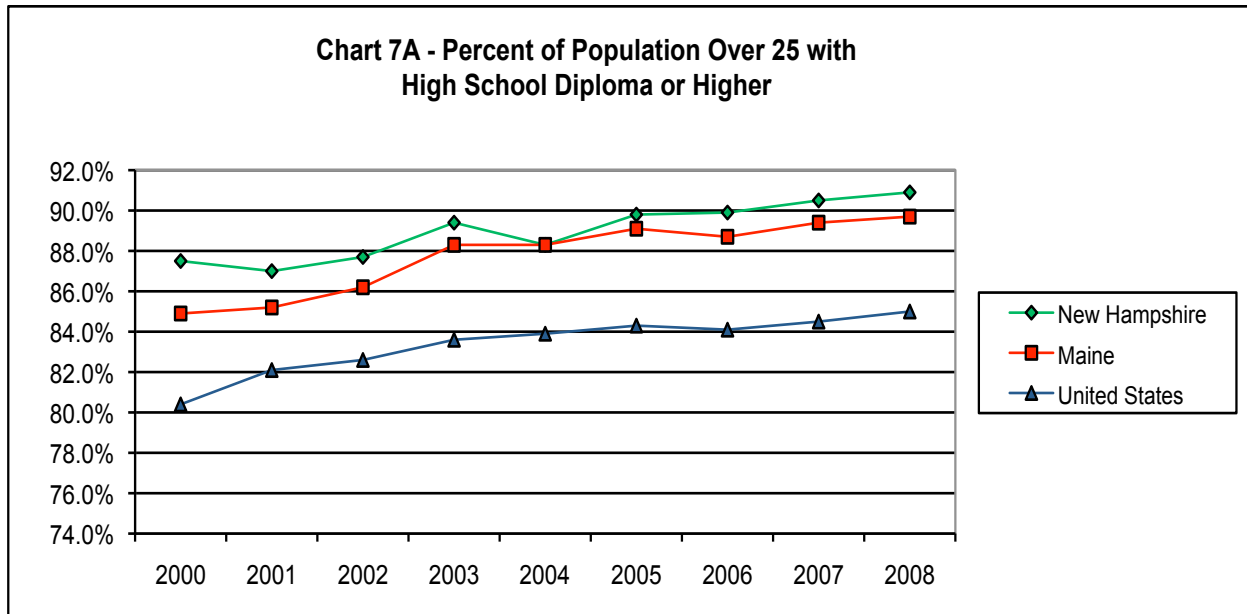
Following the Office of Management and Budget's (OMB) Statistical Policy Directive 14, the Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. If a family's total income is less than the family's threshold, then that family and every individual in it is considered in poverty. The official poverty thresholds do not vary geographically, but they are updated for inflation using Consumer Price Index (CPI-U). The official poverty definition uses money income before taxes and does not include capital gains or non-cash benefits (such as public housing, Medicaid, and food stamps).

The chart below shows 2000, through 2008 for each region respectively. All regions show an upward trend through 2006, with slight declines in the last 2 years. Rockingham County shows the lowest property level. Maine, and particularly Oxford County, show the largest increases, with Oxford County consistently above the national average.



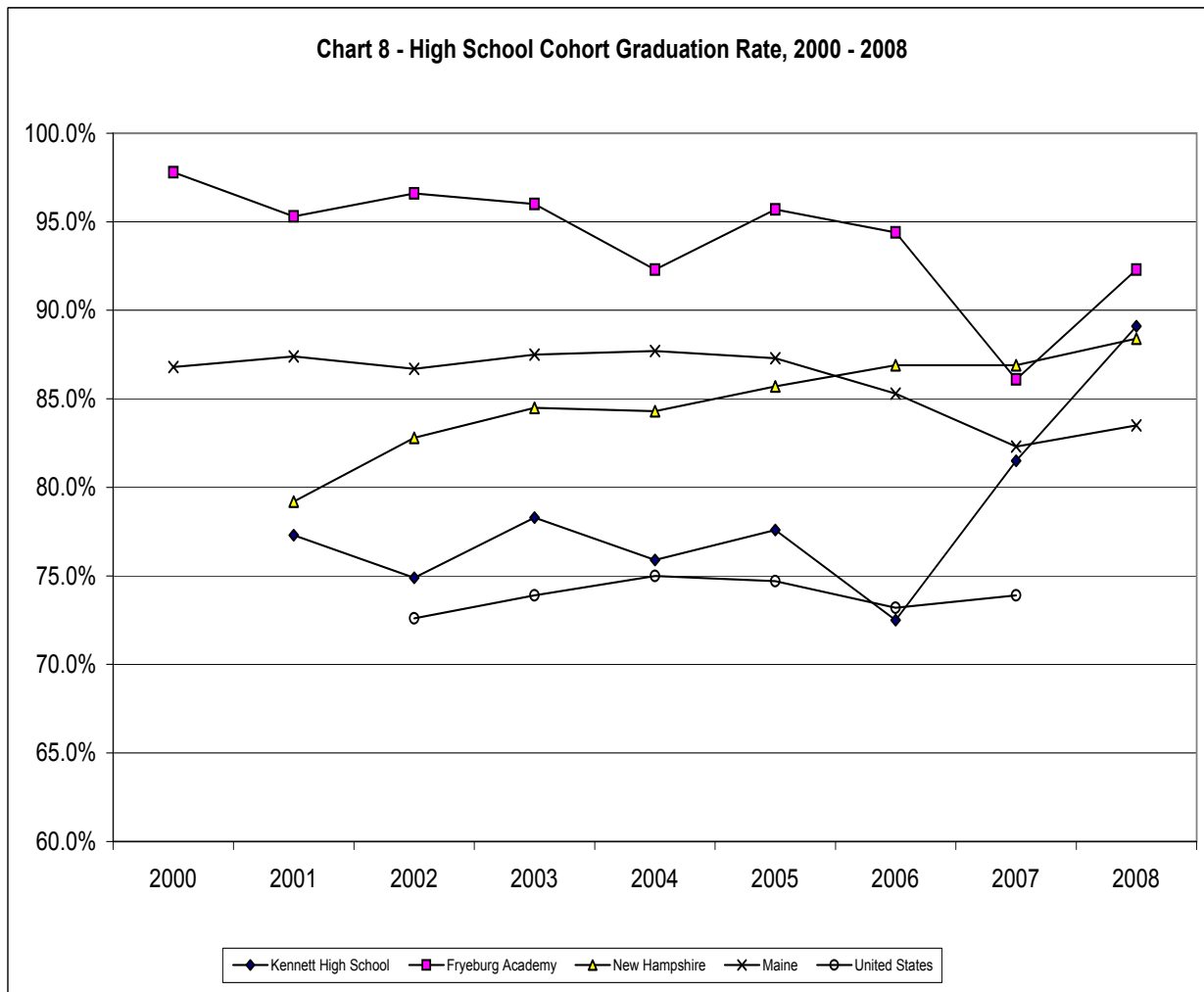
INDICATOR 7: Educational Attainment of Population Over 25

The educational level of New Hampshire, Maine, and the country as a whole is rising slowly. It is remarkable, however, that as many as 15 percent of Americans do not have a high school education, and that fewer than 30 percent go on to get a college education. However, about twice that number have some education beyond high school. New Hampshire levels continued to rise, but Maine bachelors degree population has actually declined.



INDICATOR 8: High School Cohort Graduation Rate

Some communities do better than others at helping students complete high school. Fryeburg Academy graduation rate dropped significantly from just under 96% in 2005 to 86.1% for 2007. Kennett's graduation rate has trended in the opposite direction, raising from just over 80% in 2005 to 83.5% in 2007. Both schools finished well above the record for the country as a whole (74.7%), and even that poor performance is significantly improved over 2005 (69%). We must all recognize that the high dropout rate is not a problem that schools alone can solve; it is a community problem that parents and friends can influence. A young person entering the workforce without even a high school education has much lower earning potential than classmates who have a diploma. Average lifetime earnings of college graduates exceed those of people with only a high school diploma by more than a million dollars. Increasingly, workers going into traditional trades (construction, auto mechanics, manufacturing, and so on) require specialized education beyond high school.





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