

THINK **ROCHESTER**
NEW HAMPSHIRE

On Target for New Jobs

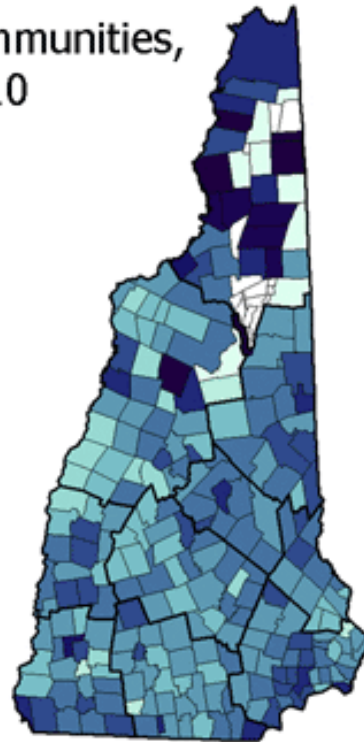
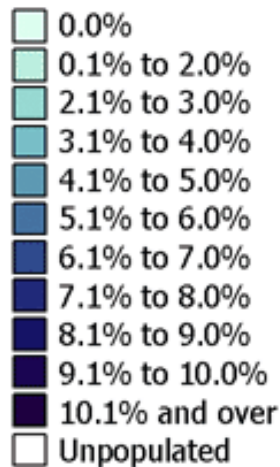
State of the City
March 1, 2011



Jobless Recovery

Unemployment Rates* for NH Communities, Preliminary December 2010

NH Rate* = 5.5%



*preliminary, not seasonally adjusted

Source: Economic & Labor Market Information Bureau, NHES 27-Jan-11

Next Scheduled Update: Feb-11

- Rochester-Dover MetroNECTA (NH & ME)
- Labor Force 84,670, Employment 80,280
- Unemployment Dec. 2010 5.2%, 4,390

Overall Employment

- Change in Private Sector Employment 2007-09 (Rochester -5.3%)
- Change in Private Sector Employment 2003 -09 (Rochester +.2%)
- Employment by industry has had major shifts over the last decade - away from Manufacturing & Wholesale, and into Health Care, Education, Retail and Construction

Top Employers – Now & Then

1994 Manufacturers

- Cabletron 2,400
- Thompson Center Arms 500
- Colby Footwear 230
- Tillotson Health Care 160
- Spaulding Composites 155
- Lydall Inc. 130
- Teledyne Laars 100
- Willey Brothers 90
- Jarvis Cutting Tools 76
- Oasis Inc. 72
- Salmon Falls Precision 65
- Boston Felt 53
- Techniweave 47
- WMI 17

2011 Major Employers

- Frisbie Memorial Hospital 640
- Hannaford Bros. 464 (both)
- Wal-Mart 295
- Thompson Center Arms 245
- Albany Engineered Composites 220
- Market Basket 210
- Waste Management 200
- Home Depot 176
- Laars Heating Systems 170
- Eastern Propane & Oil 162
- Spaulding Composites 120

Up & Coming

- Phase II Medical 60
- Nextgen Telecom 47
- Newport Computers 40

It's not "Business as Usual"

Business Environment has changed, way beyond doing more with less

- Technology (mobility)
- Energy (costs, availability, sustainability)
- Transparency
- Partnerships (B2B, B2C)
- Employee relationships
- Social media, political environment, raw materials
- Dealing with uncertainty for sustained periods



Competitive Business Environment

- *Area Development 2010 Corporate Survey of 158 CEO's*
- Availability of skilled labor - 57%
- Availability of unskilled labor - 16.7%
- Labor costs, union profiles, training programs
- Corporate taxes, tax exemptions & incentives
- Proximity to markets, highway access, advanced IT, major airport
- Available land & buildings, construction costs
- Energy reliability & costs, environmental regulations
- Quality of Life - housing costs, crime rate, public schools, health care, recreation & culture

Where is the Opportunity?

- Target Industries
 - Advanced Manufacturing (composite materials center of excellence)
 - Entrepreneurship (incubators, boot camps & small business support, Downtown)
 - Health Care (solid base of skilled labor)
 - Retail, Hospitality & Entertainment (contributes to economy & quality of life)
 - Professional Education & Training (helps us achieve the other goals)

Employment Comments...

	Median Earnings	% of Population
HS Diploma & GED	\$18,517	37.3%
Associate's Degree	\$33,750	21.6%
Bachelor's Degree	\$42,976	12.1%
Professional Degree	\$56,492	5.4%

- Diversification of employment opportunities increases economic stability
- Employee & Wage Growth is strongest in industries that employ college grads
- Significant correlation between education & training = wages
- Educational attainment affects long-term economic opportunities

*American Community Survey 2005-2009
For Rochester, NH City*

Then 2000 vs. Now 2010

- Largest Industries 2000

- Retail Trade 21.0%
- Manufacturing 10.7%
- Education 7.9%
- Health Services 5.7%
- Self-Employed 3.5%
- Eating & Drinking Places 3.3%
- Wholesale Trade 2.9%
- Government 2.9%

- Largest Industries 2010

- Management & Prof 15.9%
- Retail Trade 12.7%
- Eating & Drinking Places 9.1%
- Manufacturing 8.3%
- Education 8.3%
- Health Care 7.8%
- Self-Employed Transportation 4.8%
- Arts, Entertainment & Sports 1%

- *NH Occupational Employment & Wages June 2010*

Health Care

- Labor force of 4,130 R-metro (+100 over 2009)
- Projections point to increasing demand
- Impact of Health Care Reform and political changes are unknown
- Privatization of services (Rt. 11 dialysis center)



Manufacturing



- Labor force of 5,700 R-metro (+100 over 2009)
- Projections for increased hiring in Q32011
- High precision, semi-skilled & skilled
 - Advanced manufacturing, composites \$1,371 AWW (average weekly wage)
 - Medical device manufacturing \$1,058
 - Research & development, new products and processes \$1,843

Entrepreneurship



After 3 months 3731 Facebook friends with a fanatical taste for cupcakes!

- 86% of firms have <20 employees
- Microenterprises grew by 150 firms 1977-2005
- Require more support and assistance
 - Less in-house or contract staff
- Shop Local - More funds circulate locally
- Downtown revitalization - small and unique enterprises create a destination

Retail, Hospitality & Arts

- Labor force of 4,540 R-metro
- Economic Impact
 - Shop Local 1.5 to 2.1X
- Enhanced Quality of Life
 - residents & visitors
- Opportunities for increased tourism to Rochester
- Reduce wages “leaking” to other locations
- Opportunities for Downtown Arts & Entertainment District



Professional, Technical Training & Education



- Labor force of 4,370 (+100 over 2009)
- Demand for advanced skills continues to increase by expanding firms
- Utilizing partnerships – Great Bay Community College, Creteau Tech Center, Granite State College, more.
- Support skilled employment with higher earnings potential

Economic Development

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