

## I. OVERVIEW

Employment Characteristics

The Vermont Department of Employment & Training recently changed their employment classification system from the SIC (Standard Industrial Classification) system to the NAICS (North American Industrial Classification System). This change makes it challenging to examine historical employment trends, but may provide a more accurate picture of what is happening in Vermont. Under the SIC system, industry was divided into private and public (Government) ownership, with private ownership subdivided into the primary industrial sectors - e.g. agriculture, manufacturing, trade, and services, etc. Under the NAICS, there is still a division between private and public ownership, but the public sector is further subdivided into federal, state, and local government, while private sector industries are divided into "goods-producing" or "service-providing" before being subdivided into the more-detailed, primary industrial sectors.

Table 8.0: Employment by Industry, 2003 (figures based on NAICS data)

	<b>Caledonia County</b>	<b>Essex County</b>	<b>Orleans County</b>	<b>State</b>
<b>Industry</b>				
<b><i>Private Ownership</i></b>	<b>9,448</b>	<b>1,052</b>	<b>7,682</b>	<b>247,200</b>
<i>Goods Producing:</i>	2,546	675	2,323	53,800
Nat. Resource, Ag. & Mining	145	*	135	950**
Construction	729	60	563	15,350
Manufacturing	1,672	*	1,624	37,500
<i>Service Providing:</i>	6,902	377	5,359	245,400
Trade, Transport, & Utilities	2,287	139	1,736	58,250
Wholesale Trade	291	*	256	10,250
Retail Trade	1,618	81	1,229	39,500
Information service	272	*	99	6,500
Financial Activities	412	*	274	13,250
Professional/Business service	452	27	288	20,350
Education/Health service	2,106	67	1,846	52,100
Leisure & Hospitality	1,000	106	852	32,800
Other services	375	24	263	10,150
<b><i>Government Ownership</i></b>	<b>1,918</b>	<b>366</b>	<b>1,897</b>	<b>52,000</b>
Federal Government	114	82	235	6,250
State Government	599	0	332	16,800
Local Government	1,205	284	1,330	28,950
<b>TOTAL:</b>	<b>11,366</b>	<b>1,418</b>	<b>9,579</b>	<b>299,200</b>

(VT Dept. of Employment &amp; Training, Labor Market Information, 2001)

\* Separate industry figures were not available for Essex County, but employment numbers were included in the subtotals. \*\* Agriculture was not included in the State figure.

According to the Vermont Department of Employment & Training statistics for 2003, the three counties of the Northeast Kingdom (Caledonia, Essex, and Orleans) had an estimated combined labor force exceeding 30,000 persons. The average annual employment (covered\*) for 2003 was 22,363. Within the region, Caledonia County had the highest average annual employment at 11,366 persons, followed by Orleans at 9,579 and Essex at 1,418. \*Covered employment includes all private and public ownership types, but doesn't count all farm employment or self-employment.

Interestingly within the region, the number of men employed (10,995) was slightly less than the number of women (11,369). In Caledonia County, 5,730 women accounted for 50.4% of the average annual employment total. For Essex and Orleans Counties, the figures were 607 (42.8%) and 5,032 (52.5%), respectively.

For the state in 2003, employment was the highest in the service-providing industries, followed by goods-producing industries and government employment (Table 8.0). This was also true for the Northeast Kingdom region with the exception of Essex County, where goods-producing employment (manufacturing, construction, and resource industries) outpaced the service-providing industries (wholesale/retail trade, education/health services, and leisure/hospitality employment - tourism). This essentially follows the pattern of the most recent decade 1990-99. (NAICS data, Table 8.0)

Table 8.1: Employment by Industry, 1990 and 1999 (figures based on SIC system)

Industry	Caledonia County		Essex County		Orleans County	
	1990	1999	1990	1999	1990	1999
Manufacturing	1,873	2,254	871	1,000	1,980	1,804
Services	2,152	2,736	75	158	1,825	2,202
Trade - Retail	1,974	2,198	139*	146*	1,486	1,581
Trade - Wholesale	335	336	*	*	251	281
Construction	652	626	47	51	452	472
Transport./Utilities	540	509	44	37	302	373
Finance/Ins./ R.E.	472	403	16	14	245	241
Agriculture/ Forestry/Fishing	61	N	22	16	N	157
Mining	10	N	0	0	N	N
Government	1,618	1,881	308	361	1,481	1,747
<b>TOTALS</b>	<b>9,876</b>	<b>11,059</b>	<b>1,600</b>	<b>1,784</b>	<b>6,691</b>	<b>7,111</b>

(VT Dept. of Employment & Training, Labor Market Information, 2000)

N = Not published, but figures included in the totals.

\* Separate retail and wholesale trade figures for Essex County were not available.

In the previous decade, Essex County saw a majority of its workforce employed in manufacturing with a heavy concentration in durable goods. The county experienced the most growth in services and government employment. Government employment includes education professionals and in 2003 accounted for approximately 25 percent of all employment in Essex County.

In the same period (1990 to 1999), Orleans County lost jobs in manufacturing, but gained jobs in most other sectors, especially services and government. Agriculture and forestry, while no longer major employers, remained prominent in the local economy.

In Caledonia County, manufacturing still provides an estimated 15% of employment. Employment in the education and health services grew faster than other industries in the 1990s. St. Johnsbury and Lyndon are the primary economic centers and provide about 75% of the jobs within the county. Of the three counties, Caledonia has the most diversified industry base.

## **Unemployment**

Regional unemployment rates improved steadily throughout the 1990s (Table 8.2), but an economic downturn in 2000 and a stagnant economy that ensued caused unemployment numbers to rise. In December 2004, Caledonia County's unemployment rate was 4.6%. In Essex and Orleans Counties, the numbers were 5.4% and 6.2%, respectively. The state unemployment rate for the same period was 3.2%. The county averages conceal the fact that a few communities in the region still have double-digit unemployment rates.

Year	Caledonia County	Essex County	Orleans County	Vermont
1992	7.5	9.3	10.8	6.7
1993	7.3	8.4	9.2	5.5
1994	6.5	6.5	8.7	4.7
1995	6	7.3	8.5	4.2
1996	6.6	8.4	9.2	4.6
1997	5.4	6.9	8	4
1998	4.7	6	7.1	3.4
1999	4.1	5.9	6.3	3
2000	4.1	5.8	5.9	2.9
2001	5.2	6.6	7.1	3.6

(Vermont Department of Employment & Training, 2002)

## **Leading Northeast Kingdom Employers**

In 2003, there were 702 privately-owned companies in Vermont employing 50 or more employees - 237 were in Chittenden County. Only 43 of these were located in the Northeast Kingdom (25 in Caledonia County, 18 in Orleans County, and no exact figures for Essex County, but Dirigo Paper and Ethan Allen certainly employ 50 or more individuals). These companies employed approximately 5,764 persons. However, the largest percent of businesses in the Northeast Kingdom are small in size, often employing four workers or fewer. Table 8.3 below, depicts the number of private businesses by county, classified by number of employees, for the region in 2003.

For Caledonia County, nearly 78% of the businesses employed 10 or fewer employees. These businesses employed a total of 2,608 employees. Businesses having 10 - 49 employees made up about 20% of the County total, and employed 3,647 persons. In Essex County, 88% of the businesses employed fewer than 10 persons (336 workers), and 11% employed 10 - 49 persons (222 workers). In Orleans County companies with fewer than 10 employees made up 82% of the total (2,215 workers), while businesses having 10 - 49 employees comprised 16% of the total (2,645 workers).

Table 8.3: Private-Ownership Business Size Class by County, 2003.

County	Total	Businesses classed by number of employees						
		0-4	5-9	10-19	20-49	50-99	100-249	250+
Vermont	22,279	12,991	4,310	2,687	1,589	388	242	72
Caledonia	917	492	218	108	74	11	11	3
Essex	131	95	21	10	5	--	--	--
Orleans	821	515	155	79	53	13	N	5
N = Data reported as confidential.					(Vt Labor Market Information, July 2004)			
Dash (--) = Zero reporting units.								

## II. LEADING ECONOMIC SECTORS

### Manufacturing

The companies listed below provide a representation of the region's traditional manufacturing and natural resource base. These are also some of the region's largest employers.

- Ethan Allen, Essex and Orleans Counties
- EHV Weidman Industries, Caledonia County
- Columbia Forest Products, Orleans County
- NSA Industries, Caledonia County
- Kennametal (Greenfield) Industries, Caledonia County
- Fairbanks Scales, Caledonia County

Precision metal fabrication is deeply rooted in the region's history. Fairbanks Scales, for example, has manufactured platform scales in St. Johnsbury since the mid-1800's. There are numerous other precision metal industries in the Northeast Kingdom, among them Vermont Tap and Die and NSA in Lyndonville, Vermont Aerospace in St. Johnsbury, and Trivoly USA and North Country Engineering in Derby. EHV Weidmann, in St. Johnsbury, manufactures industrial insulators. Dirigo Paper Company, in Gilman, prints specialty papers for a number of customers.

Recent manufacturing industry growth for the region includes:

- In North Troy, Newport Panel, the sister company of Newport Furniture Parts, continues as steady growth.
- In Newport, Vermont Teddy Bear has continued to grow and recently expanded into an additional 10,000 square feet.
- MSA Gallet, a safety-helmet company with headquarters in France, continues with large contracts from the U.S. military for helmets and has expanded its workforce to 80, working two shifts.
- Green Mountain Custom Finishing and its sister company recently moved to a new location, combining both plants under the same roof.
- Vermont Beef Jerky, located in Orleans, purchased the Comstock building where they are smoking cheeses for Cabot. Also in the building are Le Gavotte, a gourmet pate manufacturer, and Chebe, producer of gluten free breads.

## **Agriculture**

Although agriculture accounts for only a small percentage of the region's employment base, approximately 20% of Vermont's farmland is located within the Northeast Kingdom (Agriculture comprises the greatest number of jobs in the Natural Resources category in Table 1.0.). Orleans County produces about 13% of agricultural products sold in the state, ranking third for all counties. Caledonia County ranks fourth, producing about one-half as much as Orleans County. Dairy farming is the main agricultural practice in Orleans and Caledonia Counties. Dairy products accounted for \$79,358,000 or 83% of the 1997 market value of all agricultural products in the Northeast Kingdom. Farming is also an important component of the Northeast Kingdom's traditional landscape, as it preserves open spaces and enhances the region's tourist draw. However, the number of small family farms in the region continues to decline.

## **Silviculture**

The forest industry is an intricate part of the region's economic and social identity. Columbia Forest Products, Ethan Allen, Island Pond Woodworkers, and now Dirigo Paper are key manufacturers using the region's abundant forest resources.

In 1997, close to 59,000,000 board feet or two-thirds of the wood harvested in the Northeast Kingdom was softwood. Much, if not most, was used for pulpwood. Paper manufacturers are increasingly looking for this commodity overseas, where lower wages, and therefore lower prices, prevail. The immediate consequence of this change is the potential loss of pulp related employment. Nevertheless, forest products industries are still very prominent in the regional manufacturing economy. Essex County's large percentage of goods-producing industries (58%) is largely due to the presence of the Ethan Allen Furniture manufacturing plant in Beecher Falls, Island Pond Woodworkers (an employee-owned company) in Island Pond, and Dirigo Paper (operating in the former Gilman Paper mill) in Gilman. Ethan Allen has an additional production facility in the village of Orleans. The company has expanded over the past five years and contracts with other smaller manufacturers to take on some tasks, supported by technical assistance from Ethan Allen.

Lyndon Woodworking and Newport Furniture Parts are other wood manufacturers located in the Northeast Kingdom. In addition, Columbia Forest Products manufactures plywood in the City of Newport. There has traditionally been little farming in Essex County due to poor agricultural soils and rugged terrain, but a large amount of the county's land area is covered by spruce-fir forest that is harvested commercially. Recently, however, large tracts of commercially forested lands have been converted into conservation uses. Nevertheless, logging continues to be a locally important economic activity.

## **Health Care & Education**

The healthcare and education service industries have become significant employers for the region. The Northeastern Vermont Regional Hospital in St. Johnsbury and the North Country Hospital in Newport are among the largest employers the Northeast Kingdom. In 2003, healthcare and education services accounted for 4,019 of the region's jobs. In many of the

region's towns, it is likely that the local school is one of the largest employers in the town (\*note: some education professionals are employed within the government sector).

## **Retail**

Retail trade remains a challenge for many Northeast Kingdom communities. Taking into account the region's low population densities, it has proven difficult to attract large retailers, although some have opened in neighboring New Hampshire where there is a smaller tax burden and a less stringent permitting process. Retail businesses that have located or remained in the region have often found the best strategy is to identify and concentrate on "niche" markets for specialty goods and services. These are areas where large retailers typically cannot compete efficiently or effectively. The closing of the St. Johnsbury and Derby Ames Department Stores created an obvious void for discount merchandise shoppers. Local merchants have been able to fill some retail needs, but local officials continue to seek large retailers for area residents.

The Town of St. Johnsbury continues working to revitalize its Railroad Street retail district. The recent rebuilding of the Daniel's Block, destroyed by fire in the late 1990s, should help their efforts. Several long-time retailers remain in downtown St. Johnsbury, and may attract other businesses. Rather than compete with Littleton for the same retail customer base, St. Johnsbury looks to develop its own niche in the retail sector, with a collection of unique destination shops and restaurants. The town is investing in streetscape enhancements in the downtown commercial area, and has recently constructed a downtown parking facility to alleviate congestion and parking shortages along Railroad Street and Eastern Avenue. St. Johnsbury's many cultural and historic assets provide a good basis for current economic recovery efforts.

Newport City is revitalizing its downtown retail sector through a comprehensive community development strategy. The development of the lakefront, rehabilitation of community facilities, streetscape beautification, and the relocation of state and federal government offices to the downtown, have aided the transformation of Newport's downtown central business district into an economically viable commercial area and place of employment.

Recent commercial growth in the region has been greatest in the following three areas:

1. U.S. Route 5 corridor between Derby and Newport City.
2. U.S. Route 5 in Lyndonville between the Interstate 91 and the village center.
3. U.S. Route 5 in St. Johnsbury, near the Interstate 91 exit (Exit 22) north of the city.

## **Leisure & Hospitality**

The leisure and hospitality services (e.g. hotel, restaurant, and tourism related businesses) industries account for about 1,958 jobs (NAICS data, 2003), and continues to grow. Tourism has been an important factor in keeping the retail trade and leisure and hospitality industries strong in the Northeast Kingdom. A number of high-quality, commercial recreation facilities and tourist attractions have been the reason for much of the increased tourism. In 2003, the region's taxable rooms and meals receipts totaled \$5,173,568, while sales and use taxes were \$12,071,812.

Among the leading leisure and hospitality industries in the area, the Jay Peak Ski Area continues its expansion with the addition of new equipment and new ski runs. They now employ over 200 full-time equivalent employees. From the continuing development of seasonal homes, condominiums, and a future 18-hole golf course, Jay Peak Ski Area plans to expand to a four season vacation resort. Burke Mountain Ski Resort has expansion plans underway, as well, including additional condominium development.

## **Tourism**

The regional tourism industry also incorporates activities such as: snowmobiling, hunting, cross-country skiing, and hiking to attract numerous visitors to the Northeast Kingdom. Along with the Jay Peak Ski Area and Burke Mountain, the alpine ski areas mentioned above, there are numerous cross-country ski centers in the region. Kingdom Trails, the Craftsbury Outdoor Center, the Northwoods Stewardship Center, Highland Lodge, Lyndon Outing Club, Sterling Ridge Inn, and Jay Peak include a thorough network of cross-country ski trails. The Vermont Association of Snow Travelers (VAST) has an extensive system of trails throughout the region for snowmobiles.

Fishing and boating are popular activities on the region's many lakes and streams. Recognized water trails located within the Northeast Kingdom include the Passumpsic Valley Riverway, a 20-mile water trail from East Burke to Barnet; the Northern Forest Canoe Trail, a 723-mile historic trail, follows a route used by native Americans to move from Lake Champlain to the Connecticut River Watershed; and the recently designated Connecticut River Water Trail are all popular canoeing waters.

Fall foliage and scenic landscapes continue to be popular attractions. The Northeast Kingdom has developed a reputation as one of the best places to bicycle in the country. Many cyclists come during the foliage season or during the summer months, and most tour along the state highways. NVDA, with Agency of Transportation financing assistance, has identified a network of on and off road bicycle touring routes throughout the Northeast Kingdom, consisting of a 'loop and link' system, with courses ranging from 10 miles to 80 miles. Kingdom Trails, in East Burke, has an extensive all season trail network, which is nationally popular with mountain bike enthusiasts and cross-country skiers. Other bicycle path projects are still in the planning stages including paths in St. Johnsbury and Newport.

"Agri-tourism", which includes farm stays and tours, and direct marketing of local agricultural products is a growing trend within the region, as is "eco-tourism". In Essex County, eco-tourism has especially good growth potential with the recent conservation acquisition of the former Champion lands by the U.S. Fish & Wildlife Service and Vermont Agency of Natural Resources; and permanent conservation easements on the Essex Timber Company holdings on the remainder of the Champion lands. The Northeast Kingdom Travel and Tourism Association and the local chambers of commerce are focusing efforts on cultural heritage, local history, and nature-based tourism.

## Government

Government, or public-sector, employment includes local, state, and federal employment opportunities. Educational institutions are typically large employers within the state and local government sectors. For 2003, approximately 19% (4,181 persons) of the active Northeast Kingdom workforce was employed by local, state, or federal government.

### III. WAGES

Wages in the Northeast Kingdom increased steadily from 1992-2001 during a nationwide period of economic growth. However, the gains made by the region's wage earners substantially lagged behind the statewide average for the same period (Table 8.4). In 2002, the average annual wage for Vermont was \$31,041. In Caledonia County the average wage was \$25,536. In Essex County, the figure was \$25,976. Orleans County had the lowest average annual wage at \$24,539.

Table 8.4: Average Annual Wages\* 1992 - 2001.

Year	Caledonia County	Essex County	Orleans County	Vermont
1992	19,750	20,925	17,860	22,364
1993	19,671	21,255	17,946	22,702
1994	19,587	21,873	18,328	22,963
1995	20,027	22,364	19,187	23,574
1996	20,491	23,208	20,034	24,479
1997	21,230	24,480	20,748	25,506
1998	22,039	24,905	21,336	26,624
1999	22,631	24,815	21,956	27,589
2000	23,617	24,694	23,177	28,924
2001	24,379	25,508	23,971	30,239

(VT Dept. of Employment & Training, Labor Market Information, 2002)

\*Average annual wage is based on the geography of the job and not the residents in the area. It is also important to note that a high concentration of seasonal or part-time jobs significantly lowers the average wage.

### IV. OTHER ECONOMIC INDICATORS

#### Housing

The federal government typically uses new housing starts as an indicator of economic activity. These numbers are not presented in this report. Communities can track local building permits to estimate activity in their areas. Additional housing information can be found in Chapter 7 of this document.

#### Population

The Northeast Kingdom is the most sparsely populated region in Vermont. Population growth over the decade from 1990-2000 would seem to indicate that increased economic activity is occurring. The region accounts for 21% of the land area in Vermont, with each county having roughly the same total land area. However the region contains only 10% of the state's population. As Table 8.6 shows, the population of Essex County is relatively small, and now ranks last among Vermont counties in population (Caledonia County ranks ninth and Orleans County ranks eleventh).

Table 8.6: Population

County	2000 Population	% Change 1990-2000
Caledonia	29,702	6.70%
Essex	6,459	0.80%
Orleans	26,277	9.20%
Total	62,438	7.00%

(U.S. Census, 2000)



More than 30% of Northeast Kingdom residents are between 35 to 54 years of age - an increase of 5% since 1990. Each of the three counties in the region has slightly higher concentrations of residents aged 65 or older than the state rate of 13% (Essex County is the highest at 16%). In contrast, all three counties are below the state rate of 20% for people aged 20 to 24. A perceived lack of attractive employment opportunities likely contributes to the out-migration of younger workers from the area.

## **Rural Poverty**

The lack of adequate personal income is a critical issue in the Region and was identified by 92% of the population in a 2001 survey of Northeast Kingdom residents conducted by the Northeast Kingdom Collaborative as part of the process for the Rural Economic Area Partnership (REAP). The Peace and Justice Center conducted a groundbreaking study on the livable wage issue in Vermont and Justice. The study's findings include:

- The federal poverty measure severely underestimates the cost of meeting a family's basic needs.
- Depending on family size, a livable wage is between 52% and 197% greater than the minimum wage.
- A significant percentage of working families do not earn enough to meet their basic needs.
- The inflation-adjusted median wage has not grown in ten years; while aggregate income has increased, the top 40 % of families experienced all of the growth.

The counties of the Northeast Kingdom continue to have the highest poverty levels in the state. In 1999, Orleans County's poverty rate was 14.1%, Essex County was at 13.7%, and Caledonia County was at 12.3%.

## **External Trends and Forces**

People may be concerned about future growth in the Northeast Kingdom, fearing that it will lead to unattractive commercial development and loss of the traditional Vermont landscape. Business interests view this concern as a potential threat to economic development. Everyone agrees that efforts to revitalize downtowns can have economic and cultural benefits, but many people oppose limiting growth to existing growth centers and downtowns. Also, attempts to create a "livable wage" continue to raise concerns over retaining and attracting new businesses, but it is extremely difficult for someone earning minimum wage to improve their standard of living.

Adequate, affordable childcare remains a challenge for many in the workforce and for those moving from welfare to work. The need for affordable childcare was identified by 85 % of the respondents in the Northeast Kingdom survey conducted by the Rural Economic Area Partnership. A lack of public transportation is another limiting factor for many low-income workers in rural communities where local employment opportunities are limited or nonexistent.

Property tax reform continues to be an issue. Education in Vermont is primarily funded by property taxes. Towns determine how funds are allocated for education based, in part, on how

much revenue they generate from property taxes. The Vermont Legislature first passed Act 60, and more recently Act 68, to address the disparities between rich and poor communities and the ability of the latter communities to fund elementary and secondary education by the development of an equalized statewide property tax. The full impact of Acts 60 and 68 on economic development and the business climate is unknown, but property taxes have increased significantly and reforms are still being discussed.

Neighboring regions to the south and in New Hampshire seemingly put the Northeast Kingdom at competitive disadvantage in recruiting and retaining businesses. New Hampshire has no state sales or income tax and offers very low Worker's Compensation rates. Other Vermont regions are nearer large population centers and have access to a wider variety of goods and services. In addition, the nearest commercial airports (Burlington VT, Montreal QC, and Manchester NH) are two or more hours away from most Northeast Kingdom locations.

Due to the rural character of the Northeast Kingdom, telecommunications companies have been slow developing high-speed telecommunications systems throughout much of the region, thereby frustrating the growth of e-commerce and those wishing to "telecommute" from home. Slow systems development can be attributed in part to a widely scattered population base and environmental sensitivities regarding the location of new of telecommunication facilities.

## V. BUSINESS ASSISTANCE & FINANCING

There are many opportunities for business and financial assistance in the region. Several organizations provide a variety of services to help expand businesses and employment within the region. These organizations include:

1. *Economic Development Council of Northern Vermont* (EDCNV) provides technical assistance for its clients to develop business plans and quarterly financial reports, and provides comprehensive assistance in marketing, advertising, management, and inventory control. EDCNV writes grant proposals to the Economic Development Administration for funds to be used for economic development projects and feasibility studies. EDCNV manages "The FUND", a program which provides loans up to \$100,000 and two micro-business programs providing loans under \$25,000.
2. *Northern Community Investment Corporation* (NCIC) offers Small Business Administration (SBA) loans, lines of credit, direct loans up to \$100,000; loan guarantees; an equipment-leasing program; equity investments; arranges bank loans, and SBA 504 Fixed Asset Financing.
3. *Northeastern Vermont Development Association* (NVDA), with offices in St. Johnsbury and Newport, is a primary contact for Northeast Kingdom businesses. NVDA contacts and prospects for in-state and out-of-state clients that will fit the region, including participating in recruitment efforts in the province of Quebec. NVDA provides technical assistance for reviewing business plans, and connects with the appropriate state agencies for marketing assistance. NVDA submits grant proposals for community and economic development projects to a number of funding agencies. NVDA has a Rural Development Intermediary Re-lending Program, which provides loans ranging from \$20,000 to \$50,000.

4. *St. Johnsbury Area Economic Development Office* writes planning and implementation grant proposals for specific economic development projects. The St. Johnsbury Area Economic Development Office also manages the St. Johnsbury/Lyndon Revolving Loan Fund.
5. *Small Business Development Center (SBDC)*, a program of the U.S. Small Business Administration, maintains offices in St. Johnsbury and Newport, providing assistance to for-profit businesses to develop business plans for internal use or for loan proposals. The SBDC also offers management, marketing, financial, and production support to fledgling businesses.
6. *Northeast Kingdom Community Action (NEKCA)* Micro-Business Development Program provides information on how to start a business, creating marketing and financial plans, as well as general trouble shooting for micro-businesses.
7. *Vermont Economic Development Authority (VEDA)* serves the entire state and offers a variety of business incentive programs.

### **Local Revolving Loan Funds**

The towns of St. Johnsbury, Lyndon, Barton, Hardwick, Brighton, Newport, Albany, Jay, and Canaan all have revolving loan funds capitalized in a variety of ways. Some of these are used solely for business development; others are broader in scope and are used for various community development projects.

### **Workforce Education and Training**

Workforce development has been identified as one of the keys to economic development in the region. The need for more vocational/technical education programs and a need for more adult literacy programs were identified by 85 % of the respondents in the Northeast Kingdom survey. A need for training with computers and information technology was cited by 85 percent of the respondents in the Northeast Kingdom survey conducted by the Collaborative as part of the Rural Economic Area Partnership.

Importantly, the region's Workforce Investment Board, the Northeast Kingdom Collaborative, and area businesses agree that a lack of employees with specific skills is the greatest barrier to attracting new businesses and expanding existing businesses. Fifty-six percent of Northeast Kingdom businesses, responding to a survey, said that an available, trained workforce was the biggest challenge facing their business.

## **VI. CONCLUSION**

Workforce training for new and existing workers will be one of the region's priorities in order to meet the needs of area businesses and increase workers' salaries. New and innovative infrastructure improvements must occur for information technology to grow and thrive. Quality employment opportunities will be identified and promoted to allow residents, especially young adults, to find jobs closer to home. Business and industry clusters can be developed to increase productivity, broaden the access to markets, and reduce the waste of time and resources. The growth in the small business sectors, e.g. telecommuting, specialty foods, value-added businesses, arts and crafts and e-commerce, will flourish. It is expected that manufacturing will strengthen, become more flexible, and make important gains, particularly in the forest products and industrial machinery sectors. It is hoped there will be increased research and start-up funds to aid value-added processing and to

diversify the economy, especially for the region's farmers. Tourism will continue to grow in the Northeast Kingdom. Eco-based businesses will become a part of the region's landscape, and steps will be taken to mitigate the negative effects that some older businesses have had on the environment.

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## **ECONOMIC DEVELOPMENT GOALS**

- The region's unemployment rate should be reduced.
- The training/skills of the workforce should be improved.
- Higher-wage jobs should be created.
- Coordinate economic development functions in the Northeast Kingdom.
- Towns should receive assistance in their economic development efforts.
- The region's agricultural output should increase and diversify. Value should be added to local staple products and raw materials.
- The economic infrastructure capacity in the Northeast Kingdom should be improved to meet current and future needs.
- The region's telecommunications infrastructure should modernize and expand.
- Downtowns and village centers in the Northeast Kingdom should be maintained and revitalized.
- Quality, affordable child care should be available to workers with children in the Northeast Kingdom.

## **STRATEGIES**

- Provide technical assistance for new and expanding businesses, and recruit new businesses.
- Market the resources of NVDA.
- Assist existing manufacturing companies to grow by identifying new markets, products, and technology.
- Assess opportunities for coordination of economic development organizations.
- Provide greater access to revolving loan funds.
- Develop an annual forum for regional partners to participate in the economic development strategy for the Northeast Kingdom.
- Implement a comprehensive workforce development strategy for the region.
- Develop and implement strategies to revitalize distressed areas and specific employment sectors within the Northeast Kingdom.
- When possible, provide grant and technical assistance and project management to towns, organizations, and businesses throughout the Northeast Kingdom.
- Assist local planning commissions and development organizations in the Northeast Kingdom with economic development planning.
- Host economic development planning seminars in cooperation with SBDC and USDA Rural Development and other partners.
- Support and promote the specialty food industry.
- Research new methods of promoting sustainability in the agricultural field.
- Index and promote the traditional foods products of Vermont's small family farmers.
- Develop, maintain, and support local physical infrastructure projects such as water, sewer, industrial sites, and transportation projects.

- Continue to administer public works grants for towns in the region.
  - Conduct a study to identify the region's Brownfield sites.
  - Encourage and identify new startups with business strategies and tools.
  - Identify, prioritize and implement Brownfield mitigation projects within the region.
  - Develop a region-wide plan for water and sewer facilities.
  - Support telecommunications infrastructure and knowledge capabilities by creating effective partnerships, and by advocating for increased infrastructure.
  - Create a region-wide telecommunications strategy that will address wireless voice communication and high-speed Internet access, in order to halt the growing digital divide between rural and urban areas.
  - Promote and advocate for economic development projects in downtown areas.
  - Support Micro-enterprise programs for new business identification.
  - Work through regional and community partnerships to expand training assistance and other support for childcare providers, and develop additional site-based child care centers.
  - Work with local businesses, the Workforce Investment Board, schools, and community partnerships to assess childcare needs throughout the region.
-