

# 21<sup>st</sup> Century Restructuring of Employment in the Northeast

Meeting the Challenges of  
Preserving a Way of Life

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# Like most successful places, there comes a time when the future seems uncertain

- ◆ Big changes are afoot: the global is impacting the local
  - ◆ Globally
    - Outsourcing
    - Outright international competition
    - Corporate identity in flux
  - ◆ Locally
    - Rising cost of living
    - Aging population
    - Integration of new members of society
- All old problems that must be addressed

# New England has Always Been Global and it has Responded

- Colonies
- Textiles
- Machines
- Light manufacturing
- High tech 1
- High tech 2

Today

A time when the past and the future  
are about to meet



# Outlines and Confessions

- ◆ Confessions, first.
- ◆ I am not a native, but a visitor. I see through rose colored glasses.

Nonetheless,

- ◆ No doubt about it, this is one of the most beautiful and inviting places in America to live .
  - Landscapes
  - Attitudes
  - Attachment to Place
  - Value of Community and Individual

# This region should be proud

- ◆ Low level of poverty
- ◆ High level of education
- ◆ High level of inventiveness
- ◆ High level of income
- ◆ Commitment to social cohesion
- ◆ Commitment to public discourse
- ◆ A deep attachment to place


THERE ARE CHALLENGES.

AND THE REGION HAS STRENGTHS. Play to them.

# Two things to say

- ◆ My talk is about: What is, and
- ◆ What is likely to come
  - How to make the best of challenging circumstances
  - Listen to local voices. Seek external advice, but use it wisely and sparingly
  - Remember, you know your place better than anyone

# First, the basics. How to Read the Tea Leaves

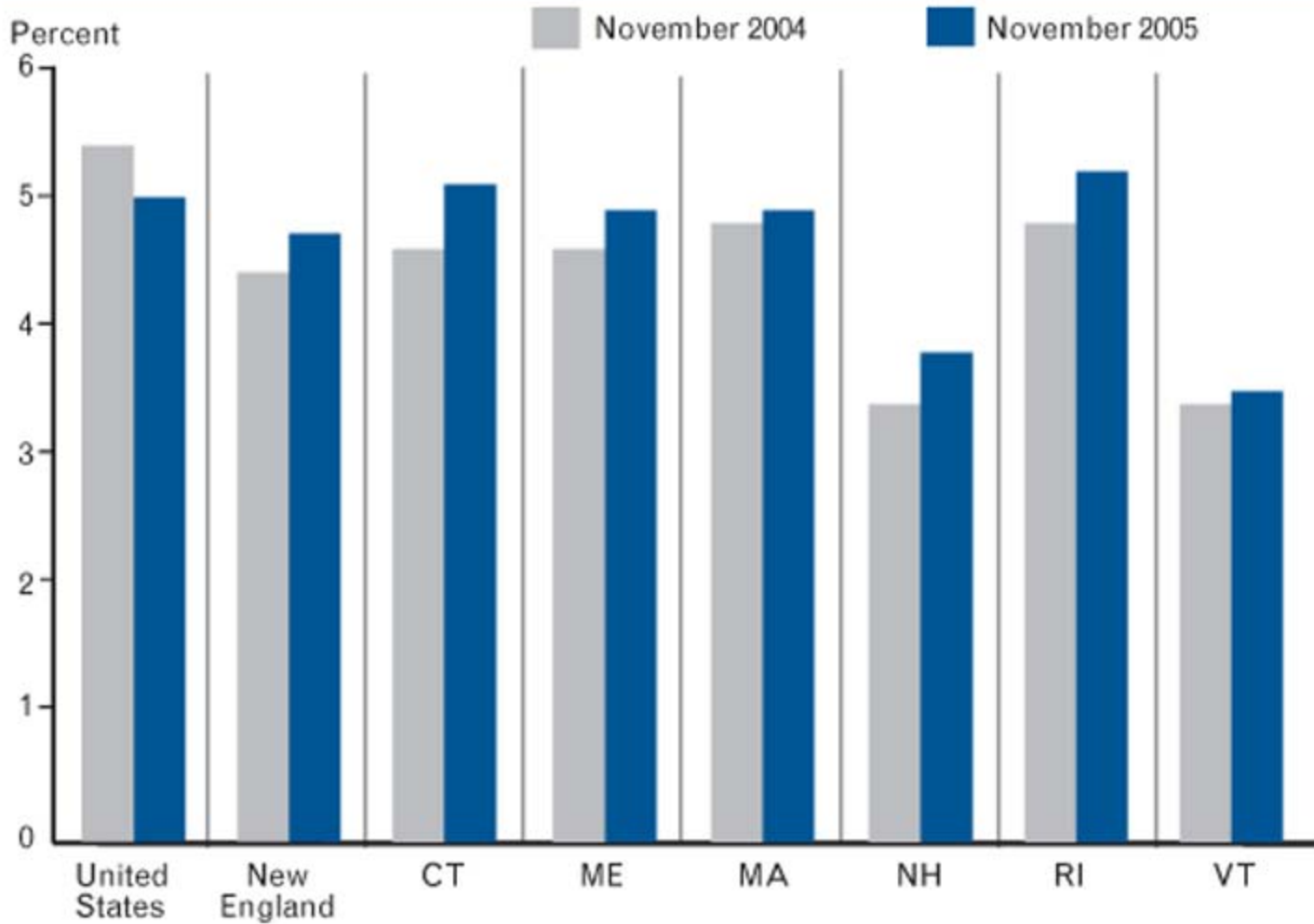
- ◆ Unemployment is low, but climbing
  - ◆ Rate of change in employment growth below the national average
  - ◆ So much of what is happening or is likely to happen is impossible to know
- 

# Circa 1920. And then on to the 21<sup>st</sup> Century

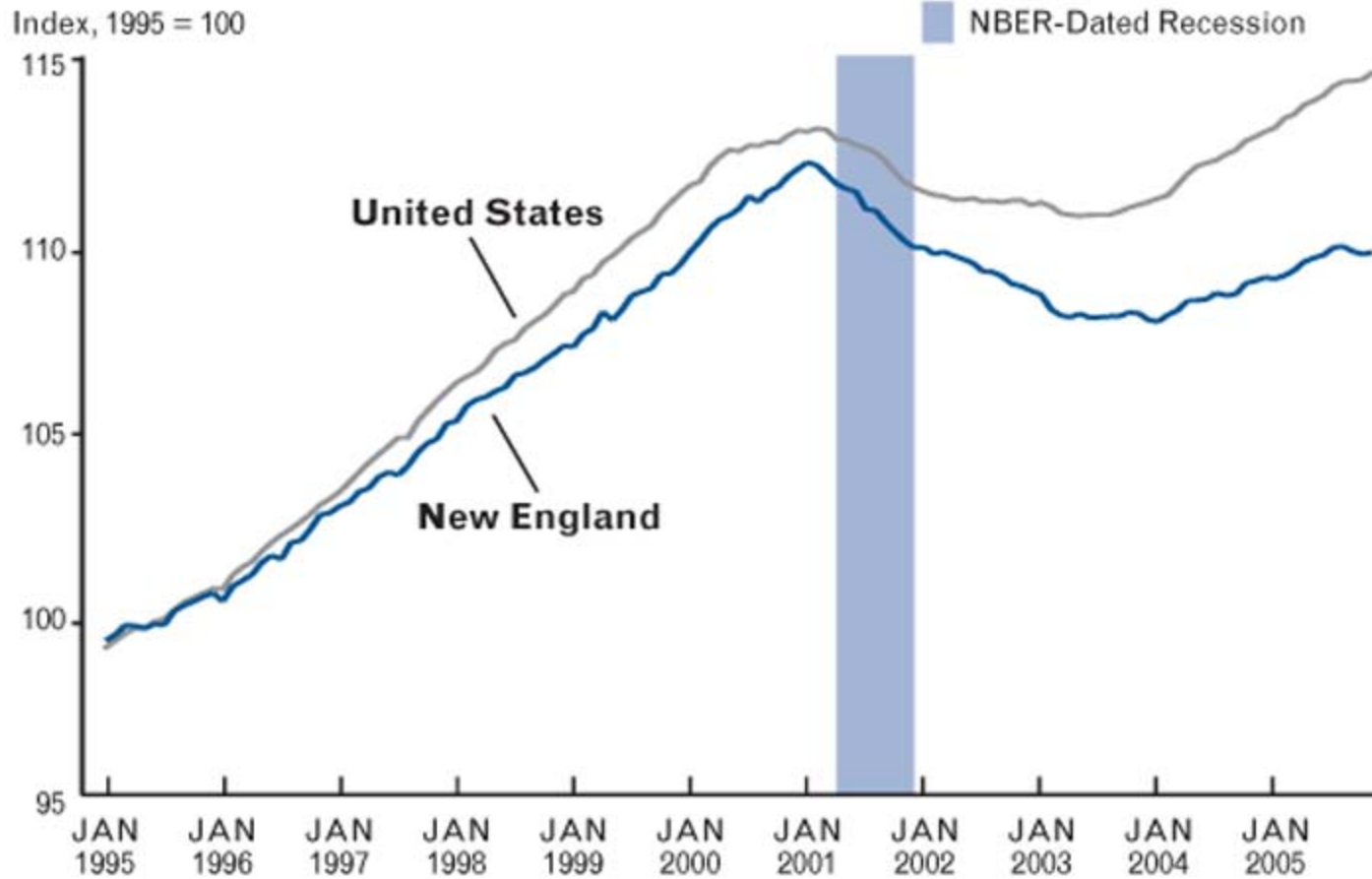
- ◆ Shoemaking and textiles were once the mainstays of New England's 25 percent of all manufacturing jobs just after World War II.
- ◆ In 1954 30,000 textile jobs lost in Massachusetts in eight years, 20 percent unemployed in Lawrence, 5 million square feet of unused industrial space.
- ◆ Trade protection was put in place to reduce the demise of the nation's textile industry. These actions did not save the Northeast,
- ◆ By the end of the century, New England's textile and shoe jobs had fallen to one-eighth of their 1948 levels. Mill cities such as Lowell, Lawrence, Fall River, and New Bedford were devastated.
- ◆ What has happened since?
- ◆ [http://www.boston.com/news/globe/magazine/articles/2006/01/15/no\\_sweat/](http://www.boston.com/news/globe/magazine/articles/2006/01/15/no_sweat/)



# Unemployment Rate



# Nonagricultural Employment

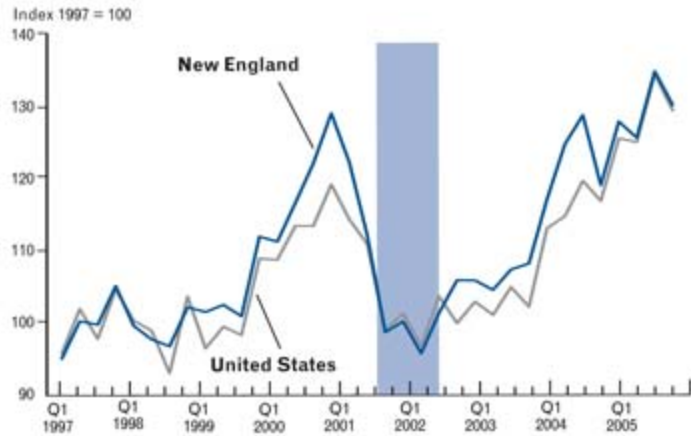


# COULD THIS BE ME?

Out  
Sourcing  
Of High  
Tech  
Jobs

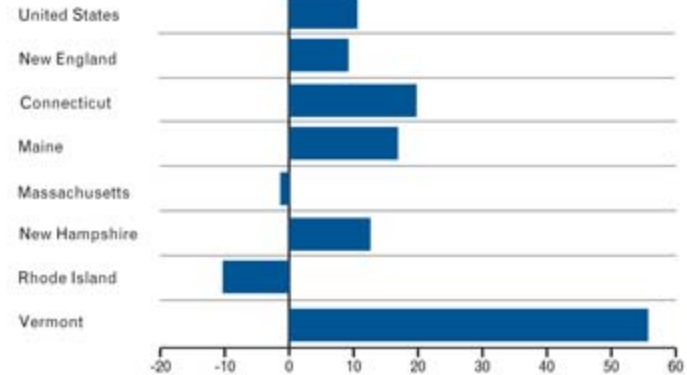


## Total Merchandise Exports



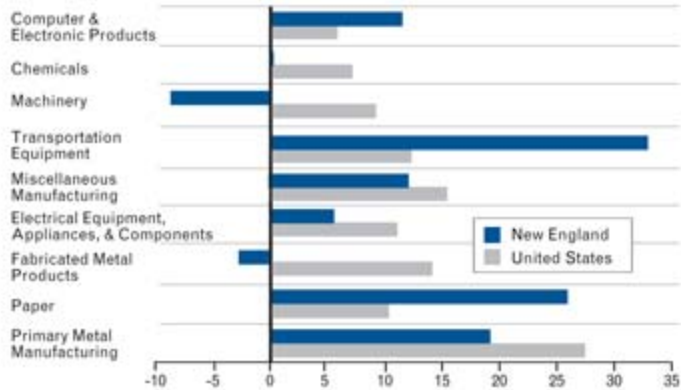
## Exports by State

Dollar Value of Merchandise Exports  
Percent Change, Third Quarter 2004 to Third Quarter 2005



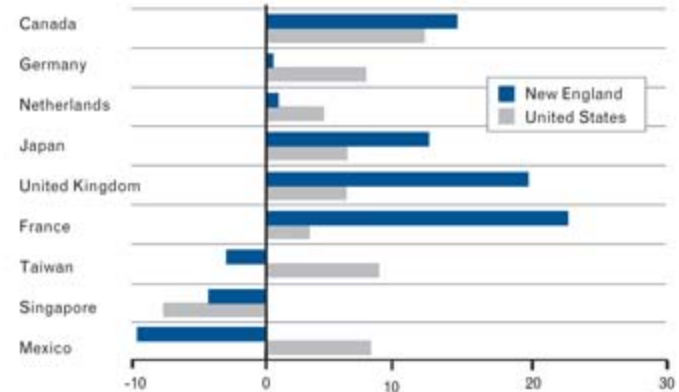
## Exports by Industry

Dollar Value of Merchandise Exports  
Percent Change, Third Quarter 2004 to Third Quarter 2005



## Exports by Country of Destination

Dollar Value of Merchandise Exports  
Percent Change, Third Quarter 2004 to Third Quarter 2005



Merchandise Exports

**State Merchandise Exports by Industry\*** (millions of dollars, not seasonally adjusted)

	Connecticut			Maine			Massachusetts		
	Transportation Equipment	Machinery	Computer & Electronic Products	Computer & Electronic Products	Paper	Forestry Products**	Computer & Electronic Products	Chemicals	Machinery
2002 Annual	1,025	167	190	134	96	46	1,756	567	447
2003 Annual	825	196	197	151	104	46	1,922	804	417
2004 Annual	794	277	201	169	107	49	1,869	1227	614
2003 Quarter III	717	178	202	133	94	44	1,972	986	369
2004 Quarter III	650	323	207	156	87	46	1,798	1110	640
2004 Quarter IV	841	292	198	210	96	53	1,765	1286	573
2005 Quarter I	985	257	211	134	120	65	1,631	1367	589
2005 Quarter II	917	273	216	154	117	41	1,843	1,476	618
2005 Quarter III	955	288	210	189	133	49	1,703	1,083	530

	New Hampshire			Rhode Island			Vermont		
	Computer & Electronic Products	Machinery	Electrical Equip., Appliances, & Components	Computer & Electronic Products	Miscellaneous Manufacturing	Waste & Scrap	Computer & Electronic Products	Machinery	Transportation Equipment
2002 Annual	142	96	25	51	35	36	466	26	23
2003 Annual	153	97	24	65	38	32	494	32	20
2004 Annual	188	112	31	64	51	39	645	35	25
2003 Quarter III	135	84	19	64	35	25	487	26	17
2004 Quarter III	180	108	31	72	50	29	578	35	24
2004 Quarter IV	219	118	33	52	61	32	735	34	24
2005 Quarter I	187	126	32	48	51	29	794	34	24
2005 Quarter II	210	148	42	46	52	60	857	26	29
2005 Quarter III	200	145	37	36	50	28	999	29	27

## State Merchandise Exports by Country of Destination\* (millions of dollars, not seasonally adjusted)

	Connecticut			Maine			Massachusetts		
	Canada	France	Germany	Canada	Malaysia	Singapore**	Canada	Germany	Netherlands
2002 Annual	373	295	164	198	42	62	677	300	263
2003 Annual	338	274	190	205	59	56	660	400	440
2004 Annual	368	295	191	207	85	59	725	629	629
2003 Quarter III	328	199	146	253	57	47	630	369	543
2004 Quarter III	377	264	179	230	75	54	701	555	579
2004 Quarter IV	426	370	184	259	114	68	734	609	688
2005 Quarter I	391	442	221	196	70	32	700	525	773
2005 Quarter II	442	354	206	190	84	45	801	534	860
2005 Quarter III	404	400	178	240	82	77	697	561	528

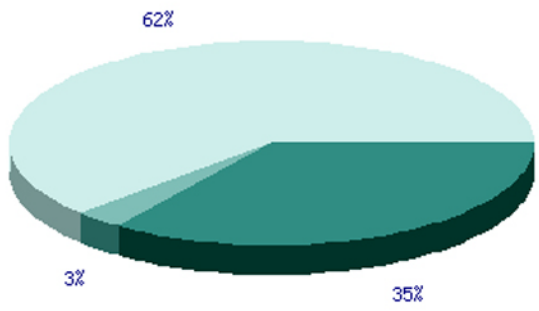
  

	New Hampshire			Rhode Island			Vermont		
	Canada	Japan	United Kingdom	Canada	Singapore	United Kingdom	Canada	Taiwan	Korea
2002 Annual	129	32	41	94	20	14	264	81	83
2003 Annual	126	35	40	102	25	13	270	104	61
2004 Annual	135	50	42	110	21	17	379	128	65
2003 Quarter III	120	35	38	101	23	14	282	73	47
2004 Quarter III	132	34	40	105	19	18	319	105	68
2004 Quarter IV	142	79	41	110	16	19	471	92	77
2005 Quarter I	129	59	43	107	14	14	531	74	100
2005 Quarter II	151	46	41	108	10	16	597	58	68
2005 Quarter III	132	33	45	97	11	15	562	158	75

The industries and countries shown for each state in these tables had the largest shares of that state's merchandise exports in 2004. Industries are defined by the North American Industry Classification System (NAICS).

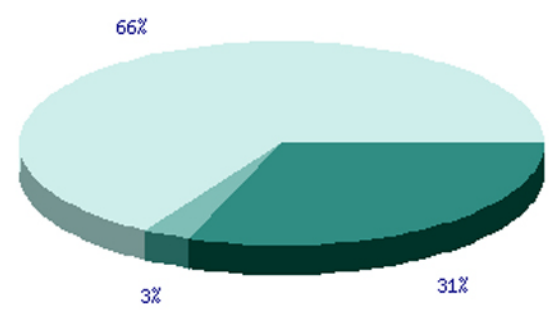
**Labor Status for Maine**  
Civilian Only, Age 16+, 2000

- Employed
- Unemployed
- Not in labor force



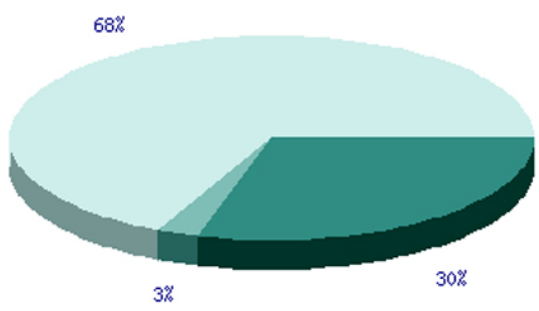
**Labor Status for Vermont**  
Civilian Only, Age 16+, 2000

- Employed
- Unemployed
- Not in labor force



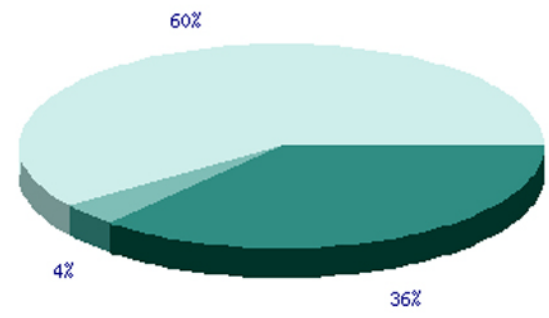
**Labor Status for New Hampshire**  
Civilian Only, Age 16+, 2000

- Employed
- Unemployed
- Not in labor force



**Labor Status for the United States**  
Civilian Only, Age 16+, 2000

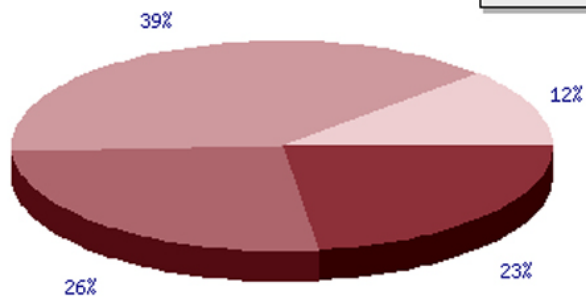
- Employed
- Unemployed
- Not in labor force



### Education Distribution for Maine

2000

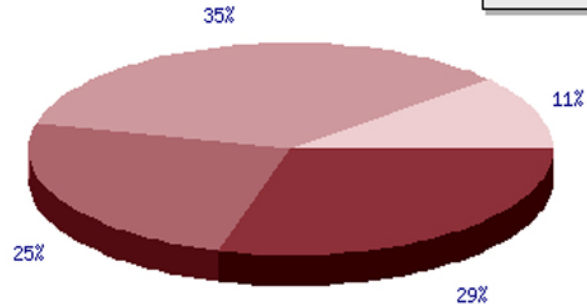
- Less than 4 years of high school
- Completed high school
- Completed 1-3 years of college
- Completed 4+ years of college



### Education Distribution for Vermont

2000

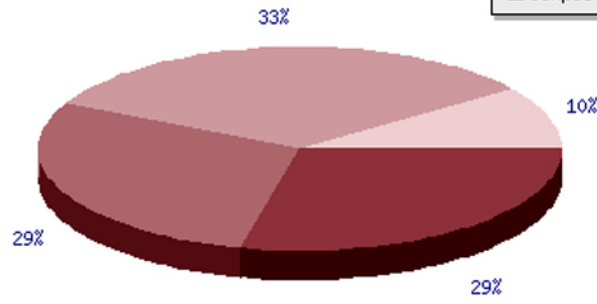
- Less than 4 years of high school
- Completed high school
- Completed 1-3 years of college
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### Education Distribution for New Hampshire

2000

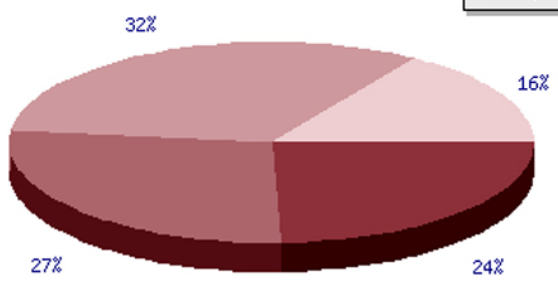
- Less than 4 years of high school
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### Education Distribution for the United States

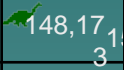
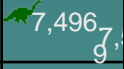




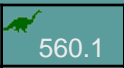

2000

- Less than 4 years of high school
- Completed high school
- Completed 1-3 years of college
- Completed 4+ years of college





seasonally adjusted (in thousands)

Area  (Links provide news releases)	Dec	Oct	Nov	Dec	Dec 2004 to	
	2004	2005	2005	<u>2005 (1)</u>	<u>Dec 2005 (1)</u>	
					Net	Percent
					<u>change (2)</u>	<u>change (2)</u>
<a href="#">United States</a>		 148,173 150,043	150,183	150,153	1,980	1.3
<a href="#">New England</a>		 7,496 7,589.90	7,610.70	7,618.90	122.1	1.6
Connecticut		 1,791 1,821.30	1,824.40	1,829.20	37.7	2.1
Maine		 702.9 719.4	721.1	720.6	17.7	2.5
Massachusetts		 3,385 3,378.80	3,388.20	3,383.60	-1.5	0
New Hampshire		 725.5 740.6	740.4	739.5	14	1.9
Rhode Island		 560.1 576.7	580.2	580.6	20.5	3.7
Vermont		 354.7 357.2	357.7	360.5	5.8	1.6

Civilian labor force in New England,  
seasonally adjusted (in thousands)

Area (Links	Oct 2005	Nov 2005	Dec <u>2005 (1)</u>	Dec 2004 to Dec 2005 (1)	
				Net <u>change</u> (2)	Percent <u>change</u> (2)
<u>United States</u>	150,043	150,183	150,153	1,980	1.3
<u>New England</u>	7,589.90	7,610.70	7,618.90	122.1	1.6
<b>Connecticut</b>	1,821.30	1,824.40	1,829.20	37.7	2.1
<b>Maine</b>	719.4	721.1	720.6	17.7	2.5
<b>Massachusetts</b>	3,378.80	3,388.20	3,383.60	-1.5	0
<b>New Hampshire</b>	740.6	740.4	739.5	14	1.9
<b>Rhode Island</b>	576.7	580.2	580.6	20.5	3.7
<b>Vermont</b>	357.2	357.7	360.5	5.8	1.6

Unemployment rates in New England,  
seasonally adjusted (in percent)

Area	Dec	Oct	Nov	Dec	Net change
(Links provide news releases)	2004	2005	2005	<u>2005 (1)</u>	Dec 2004 to
					<u>Dec 2005</u> <u>(1)</u>
<u>United States</u>	5.4	4.9	5	4.9	-0.5
<u>New England</u>	4.3	4.8	4.8	4.7	0.4
<b>Connecticut</b>	4.5	5.3	5.1	4.8	0.3
<b>Maine</b>	4.6	5.2	5	4.8	0.2
<b>Massachusetts</b>	4.7	4.8	4.9	4.9	0.2
<b>New Hampshire</b>	3.4	3.9	3.8	3.5	0.1
<b>Rhode Island</b>	4.8	5.4	5.2	5.2	0.4
<b>Vermont</b>	3.6	3.9	3.5	3.6	0

Footnotes

(1) State and regional data for the most recent month are preliminary.

SOURCE: Local Area Unemployment Statistics

The State and regional data above are a product of the Local Area Unemployment Statistics (LAUS) program, a Federal-State cooperative program in which total employment and unemployment are measured for approximately 6,800 areas.

# There is a New England Attitude

- ◆ The value of and relevance of society is important
- ◆ Public debates are about a way of life
- ◆ Basic rights are considered important
  - Health care
    - ◆ Education
    - ◆ Child care
    - ◆ Security
- ◆ An the individual is valued











# Not Unlike a Region Recently in the News

- ◆ The Nordic Countries
  - A good comparison? Why
    - ◆ Value of the landscape
    - ◆ Social choices
    - ◆ Complex social groupings
    - ◆ History matters
    - ◆ A way of life many people envy