

Understanding Unemployment and Local Hiring in Lawrence, Massachusetts:
A Report for the City of Lawrence

by

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ABSTRACT

The purpose of this project is to assess the state of employment in Lawrence, Massachusetts in an effort to understand why the city has consistently struggled with an unemployment rate that is double the state average. First, we evaluate employers' workforce demand and the supply of potential workers among Lawrence residents. We then test the efficacy of City incentives when it comes to generating local employment. Thus, we look at how new employers that take advantage of City incentives – such as tax-increment financing – fare when it comes to local hiring. We identify three major development projects and determine which local benefits they were awarded, how many jobs they promised to create and retain, and what the businesses actually accomplished in terms of job growth. Finally, we recommend next steps that the local government can take in order to raise the employability of Lawrence residents and connect them with jobs that are in high demand locally.

Reducing unemployment in Lawrence requires eliminating certain barriers and, specifically, raising the level of educational attainment among residents. There is clearly a correlation between education and employability: Lawrence has half the state-average high school graduation rate and double the state-average unemployment rate. Furthermore, it appears that an emphasis on industry development and local business improvement is not enough to increase employment. Unless we have the good fortune of consistently attracting companies that are committed to hiring locally and replenishing their employees' skill deficits, educational barriers will continue to prevent Lawrence residents from securing stable employment and scaling career ladders. Thus, we recommend that a collaborative effort between City government, the Merrimack Valley Workforce Investment Board, local schools, community-based organizations, and local and regional employers focus on the following action items:

- 1) Creating programming to address ESOL (English for speakers of other languages) and remedial education needs
- 2) Increasing the visibility of workforce development opportunities in Lawrence
- 3) Keeping youth in school

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"I have felt that too often we look across our borders for motivation, instead of looking in our own backyard." - *Elijah Moses Hutchinson, 2011*

Understanding Unemployment and Local Hiring in Lawrence, Massachusetts

A Report for the City of Lawrence

Polina Bakhteiarov, August 2011
Department of Urban Studies and Planning
Massachusetts Institute of Technology

“The City’s single greatest community development need is to create economic opportunity for its residents. Housing policies and programs alone cannot solve the problems facing Lawrence and its residents, thus a comprehensive economic and human-resource development strategy is essential. Economic empowerment is therefore a requirement for Lawrence to achieve its overarching goal of being a healthy, vibrant community where it makes economic sense for people to invest their time, money, and energy.” – *City of Lawrence Prospective Report, May 2011*

List of Acronyms

ABE	Adult Basic Education
CDBG	Community Development Block Grant
CNA	Certified Nursing Assistant
CNC	Computer Numerical Control
E-R	Employment-Residence (Ratio)
ESOL	English for Speakers of Other Languages
GED	General Education Development (Examination)
HUBZone	Historically Underutilized Business Zone
LMVWIA	Lower Merrimack Valley Workforce Investment Area
LQ	Location Quotient
MVWIA	Merrimack Valley Workforce Investment Area
MVWIB	Merrimack Valley Workforce Investment Board
RC	Renewal Community
RFP	Request for Proposals
RRP	Renovation, Repair, and Painting
TIF	Tax Increment Financing
WIB	Workforce Investment Board
WMBE	Women and Minority-owned Business Enterprises

Please note that the LMVWIA is the same as the MVWIA, which is served by the MVWIB, sometimes referred to as the WIB.

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Executive Summary

Purpose

The purpose of this project is to assess the state of employment in Lawrence, Massachusetts in an effort to understand why the city has consistently struggled with an unemployment rate that is double the state average. First, we evaluate employers' workforce demand and the supply of potential workers among Lawrence residents. We then test the efficacy of City incentives when it comes to generating local employment. Thus, we look at how new employers that take advantage of City incentives – such as tax-increment financing – fare when it comes to local hiring. We identify three major development projects and determine which local benefits they were awarded, how many jobs they promised to create and retain, and what the businesses actually accomplished in terms of job growth. Finally, we recommend next steps that the local government can take in order to raise the employability of Lawrence residents and connect them with jobs that are in high demand locally.

Context

Lawrence is the poorest city in the Commonwealth of Massachusetts,¹ with a median household income of \$32,337, which is just 63% of the national average. 24.9% of families in Lawrence live below the poverty line, which is 250% of the national average. 71.1% of Lawrence residents are Hispanic, 34% are foreign-born, and 74% of residents speak a language other than English at home.² Historically, Lawrence has had a high Hispanic population: in 1980, 16.3% of residents were Hispanic, compared to 41.8% in 1990, 59.7% in 2000,³ and 71.1% in 2009.⁴ Furthermore, between 1970 and 2000, the foreign-born population in Lawrence more than doubled; in 1970, 14.0% of residents were foreign-born, compared to 14.8% in 1980, 20.9% in 1990, 30.6% in 2000,⁵ and 34% in 2009.⁶

Methodology

We conducted stakeholder interviews with local government officials and leaders in the public sector (please see Appendix I for a list of project interviewees). Aside from interviews, major data sources included City and State documents, labor market information, and a variety of professional reports.

¹ "The Rich History of a Poor City," *The Boston Globe*, April 13, 2008, http://www.boston.com/bostonglobe/magazine/articles/2008/04/13/the_rich_history_of_a_poor_city/.

² "Lawrence city, Massachusetts," U.S. Census Bureau, 2005-2009 American Community Survey, last modified July 8, 2010, http://www.factfinder.census.gov/servlet/ACSSAFFacts?_event=&geo_id=16000US2534550&_geoContext=01000US%7C04000US25%7C16000US2534550&_street=&_county=Lawrence&_cityTown=Lawrence&_state=04000US25&_zip=&_lang=en&_sse=on&ActiveGeoDiv=&_useEV=&pctxt=fph&pgsl=160&.

³ "State of the Cities Data Systems Output," HUD User, last modified July 10, 2004, <http://socds.huduser.org/census/race.odb>.

⁴ "Lawrence city, Massachusetts," U.S. Census Bureau, 2005-2009 American Community Survey.

⁵ "State of the Cities Data Systems Output," HUD User.

⁶ "Lawrence city, Massachusetts," U.S. Census Bureau, 2005-2009 American Community Survey.

Key Findings

Employment Trends

- The working-age population in Lawrence is growing faster than the population as a whole.
- Employment growth is occurring at half the rate of labor force growth.
- Since 1990, the unemployment rate in Lawrence has always been at least 168% higher than the Massachusetts average.
- Since 1990, the unemployment rate in Lawrence has dropped below 8% only once.
- Unemployment does not seem to be a “Latino issue” in Lawrence because the city has experienced steadily high unemployment during a surge in the Hispanic population.
- At the regional level, there is a concentration of unemployment in Lawrence, Methuen, and Haverhill.
- Latinos living in the Merrimack Valley are over-represented in unemployment insurance claims.
- Lawrence is a net exporter of labor – it sends more workers to other municipalities than it receives. This dependence on economic activity in surrounding communities justifies investment in human resources to raise the employability of Lawrence residents.

Workforce Demand

- The largest employers in Lawrence are the local government, Lawrence General Hospital, and companies in manufacturing and healthcare. Temporary work agencies are continuing to employ more and more residents.
- The largest industries in Lawrence by employment are services and manufacturing.
- The fields with the greatest number of entry-level jobs are Health Care, manufacturing, and the green economy.
- Manufacturing has a comparative advantage in the Merrimack Valley, while Agriculture/Forestry/Fishing/Hunting, Transportation & Warehousing, Finance & Insurance, and Private Educational Services are all industries with a comparative disadvantage in the region.
- Although the large majority of employers in the Merrimack Valley are small businesses, almost half of all employment exists within firms of 100 or more employees.
- Between 2001 and 2009, the largest gainer in both earnings and employment was the services industry, including education, health, public administration, professional, and technical services. During the same time period, the biggest losers in earnings and employment were the industries of Trade, Transportation, & Utilities, Non-Durable Goods Manufacturing, and Wholesale Trade.
- Between 2003 and 2011, the industries with the highest portions of unemployment insurance claims were Construction, Manufacturing, and Administrative & Support & Waste Management & Redemption Services.
- Shrinking industries in Lawrence, based on high numbers of unemployment insurance claims, are Administrative & Support & Waste Management & Redemption Services, Construction, and, possibly, Manufacturing.

Barriers to Employment

- In a city that is 71% Hispanic and where 74% of residents speak a language other than English at home, only 25% of the staff at the ValleyWorks Career Center is bilingual.
- Local literacy providers in Lawrence meet only 11% of residents' ESOL (English for speakers of other languages) needs and just 6% of the ABE (Adult Basic Education)/ESOL need.
- Lawrence has the lowest four-year graduation rate in the state of Massachusetts – half of the statewide average. Lawrence youth graduate and drop out of school at the same rate (41% and 40% respectively).
- 65% of Lawrence residents have a high school degree or higher and 11% have a bachelor's degree or higher.
- Due to limited educational attainment, many Lawrence residents do not have the basic skills to qualify for training programs in growing industries, such as Health Care.
- There seems to be an inadequate number of training providers to effectively combat Lawrence's high unemployment. However, as of August 2011, there were 1,638 pre-approved courses for the Merrimack Valley.
- The Merrimack Valley Workforce Investment Board (MVWIB) has the highest contact with employers of any WIB in the state, but most of this contact is with repeat customers and does not reach smaller establishments and start-ups.
- Aside from youth and basic education services, recent changes in the job market and workforce system have drastically reduced the number of small training providers.
- With the Greater Lawrence Regional Vocational Technical School District operating at 77% of its capacity, there may be a missed opportunity to train more Lawrence youth, especially those who are out of school, in technical skills.
- The Certified Nursing Assistant occupation may have been recently saturated in the Merrimack Valley because of a lack of movement up career ladders from this entry-level position. Thus, the lack of upward movement along career ladders is reducing the number of entry-level jobs.
- Employers underutilize the ValleyWorks Career Center both for employee recruitment and funding for training.
- There is conflicting evidence about whether transportation is a barrier to employment.
- A lack of advertising, English-only job search websites, and general linguistic and cultural isolation all lead to a lack of knowledge among the immigrant population about career services and other workforce development opportunities.
- Low expectations may preclude Lawrence residents from pursuing higher-paid work, jobs within established career ladders, and continued professional development.
- The security of unemployment insurance payments may be a disincentive to look for work.
- Cultural misunderstandings may keep some immigrant workers from obtaining higher-wage employment.
- Emerging fields that should be further considered for future development in Lawrence are Trucking & Warehousing, Financial Services, Waste Disposal/Recycling, Alternative Energy/Municipal Energy Efficiency/Weatherization, Sustainable Landscaping, Auto Repair/Auto Body, and Environmental Remediation/Site Development.

Current Practices in Local Hiring

- City-level economic development programming does not target direct or immediate job creation. Furthermore, some of these programs are old and were carried over from the Sullivan administration.
- Tax incentive programs range from irrelevant to non-existent:
 - Tax increment financing (TIF) is the only City incentive that requires job growth, but does not necessitate local hiring. TIF agreements are not effective at increasing employment of local residents.
 - Two federal incentives – the Historically Underutilized Business Zone (HUBZone) Certification and Renewal Community (RC) designation – both provide tax credits to businesses for hiring local residents.
 - The Renewal Community incentive was only somewhat effective at increasing employment in Lawrence.
- Between its recruitment policy and employee-training model, New Balance sets one of the best examples in local hiring and raising the skill level and employability of Lawrence residents.
- Malden Mills/PolarTEC was not successful at creating enough jobs to maintain its TIF agreement with the City.
- Non-profit developers in Lawrence do not have the power to require local hiring on their projects, although they strongly encourage it. In the case of Groundwork Lawrence, they use local vendors in order to create a spillover effect.
- The City's Lead Hazard Abatement Program is successful in its training aspects, but only 26% of its pre-approved contractors are Lawrence-based businesses.
- Although the City's local hiring ordinance is ineffective, the City is working to expand opportunities for local residents to do business with City Hall.
- The MVWIB is interested in greater collaboration with the City of Lawrence to make employers aware of its workforce development opportunities.

Recommended Next Steps

Reducing unemployment in Lawrence requires eliminating certain barriers and, specifically, raising the level of educational attainment among residents. There is clearly a correlation between education and employability: Lawrence has half the state-average high school graduation rate and double the state-average unemployment rate. Furthermore, it appears that an emphasis on industry development and local business improvement is not enough to increase employment. Unless we have the good fortune of consistently attracting companies that are committed to hiring locally and replenishing their employees' skill deficits, educational barriers will continue to prevent Lawrence residents from securing stable employment and scaling career ladders. Thus, we recommend that a collaborative effort between City government, the Merrimack Valley Workforce Investment Board, local schools, community-based organizations, and local and regional employers focus on the following action items:

- 1) Creating programming to address ESOL (English for speakers of other languages) and remedial education needs
- 2) Increasing the visibility of workforce development opportunities in Lawrence
- 3) Keeping youth in school

Employment Overview

“Lawrence has historically had a higher rate of unemployment than the rest of the state. Lawrence has always been an “immigrant city.” In the late 19th and 20th centuries, the city’s textile mills and shoe factories offered low-skill jobs to immigrants without an education and who could not speak English. Those jobs are long gone. Most employers today require at least a high school education as well as basic English skills. Lawrence has a high percentage of residents without either.”

- David Tibbetts, President, Merrimack Valley Economic Development Council, June 2011

Recent Unemployment Trends

In Lawrence

While the first part of the 2000's decade was characterized by population decline in the City of Lawrence, the new 2010 U.S. Census results show that from 2000 to 2010, the city's population grew by 6.0% to 76,377.⁷ During that same time period, the labor force grew from 28,409 in 2000 to 31,094 in 2010,⁸ which is a 9.5% increase. Thus, we see that the working age population is growing faster than the population as a whole. Moreover, between 1990 and 2011, total labor force growth equaled 13.6%, but the employed portion of the labor force only grew by 5.5%,⁹ meaning that for every new employed person in the labor force, there was more than 1 new person in the working-age population who was unemployed. Since employment growth is occurring at half the speed of labor force growth, it makes sense to invest more funds in developing this portion of the population and readying them for employment.

Since 1990, Lawrence has very consistently experienced double the state average unemployment (please see Appendix II for charts of unemployment and labor growth trends in Lawrence between 1990 and 2010). The smallest difference between the two rates occurred in 1992, when Lawrence’s unemployment was 168% higher than the state average. The greatest difference between the two rates occurred in 1998, when Lawrence had 2.56 times the state-average unemployment rate. Furthermore, since 1990, the unemployment rate in Lawrence has dropped below 8% only once; in 2000, it was 5.6%.¹⁰

In June 2011, Lawrence had a 16.8% unemployment rate, the highest among the 15 municipalities in the Merrimack Valley Workforce Investment Area (M VWIA) (please see Appendix III for unemployment trends in this service area during June 2011). In the same month, Massachusetts had a 7.8% unemployment rate and national unemployment was at 9.2%.¹¹

⁷ “Massachusetts Census 2010: Essex County,” United States Census 2010, accessed July 20, 2011, <http://www.sec.state.ma.us/census/essex.htm>.

⁸ “Lawrence: Labor Force, Employment, and Unemployment,” Massachusetts Executive Office of Labor and Workforce Development, accessed July 18, 2011, http://lmi2.detma.org/lmi/lmi_area.asp?areatype=05&area=000231#side.

⁹ “Labor Force and Unemployment Data,” Massachusetts Executive Office of Labor and Workforce Development, accessed July 18, 2011, http://lmi2.detma.org/lmi/lmi_lur_a.asp.

¹⁰ “Labor Force and Unemployment Data,” Massachusetts Executive Office of Labor and Workforce Development.

¹¹ Unemployment Trends for Merrimack Valley Service Delivery Area, Merrimack Valley Workforce Investment Board, June 2011.

Unemployment does not seem to be a “Latino issue” in Lawrence because the city has experienced steadily high unemployment during a surge in the Hispanic population. The city’s Latino population has risen steadily over the last three decades: in 1980, 16.3% of residents were Hispanic, compared to 41.8% in 1990, 59.7% in 2000,¹² and 71.1% in 2009.¹³ During the same time period, the unemployment rate has steadily remained at two times the state-average.

In the Merrimack Valley

Historically, the Valley has had one of the highest unemployment rates in Massachusetts. Aside from Lawrence, the next two most populated cities in the region – Methuen and Haverhill – have also experienced high unemployment with rates above the state average.¹⁴ Since Lawrence, Methuen, and Haverhill are the largest cities in the region, there is a correlation between high population and high unemployment due to an inadequate number of job openings to accommodate such a large labor force. As of June 2011, 66% of unemployed resided – compared to 52% of the Valley’s labor force – in these 3 cities.¹⁵ Thus, at the regional level, there is a concentration of unemployment in Lawrence, Methuen, and Haverhill.

In the second quarter of 2010, the northeast region of Massachusetts had the lowest job vacancy rate recorded by any of the 7 regions in the state, even though job postings increased by 45% from the fourth quarter of 2009. This means that it is harder to locate work in the Merrimack Valley than in any other region of the state.¹⁶

In June 2011, the Lower Merrimack Valley Workforce Investment Area (LMVWIA, same as MVWIA) had an unemployment rate of 9.2% (compared to the state-wide average of 7.8%), with 15,602 unemployed members of the labor force.¹⁷ In the same month, 7,129 people were collecting unemployment insurance,¹⁸ resulting in a claiming rate of 45.7%. While this is yet another job loss indicator, the statistic may point to the fact that people do not know that unemployment insurance is out there or do not know how to obtain it. However, according to

¹² “State of the Cities Data Systems Output,” HUD User.

¹³ “Lawrence city, Massachusetts,” U.S. Census Bureau, 2005-2009 American Community Survey.

¹⁴ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” Prepared by Mt. Auburn Associates, Inc., June 2007, 7.

¹⁵ “Labor Force and Unemployment Data,” Massachusetts Executive Office of Labor and Workforce Development.

¹⁶ “Massachusetts Job Vacancy Survey, 2nd Quarter 2010, Hiring Trends by Industry and Occupation,” Massachusetts Department of Workforce Development, last modified October 2010, <http://lmi2.detma.org/lmi/pdf/JobVac2010Q2.pdf>.

¹⁷ “Lower Merrimack Valley WIA Labor Force and Unemployment Data,” Executive Office of Labor and Workforce Development, June 2011, http://lmi2.detma.org/lmi/lmi_lur_area.asp?AT=15&A=000007&Dopt=TEXT.

¹⁸ “Profile of Massachusetts Unemployment Claimants,” Massachusetts Executive Office of Labor and Workforce Development, Department of Unemployment Assistance, Economic Research Department, June 2011, http://lmi2.detma.org/lmi/claimant/claimantprofiles_0611.pdf.

Rafael Abislaiman, the Executive Director of the MVMIB, there is widespread knowledge in the community that this benefit exists.¹⁹

In 2007, Hispanic residents of the Merrimack Valley were over-represented in unemployment claims: while they comprised 17% of the region's residents, they filed more than 25% of all unemployment claimants.²⁰ In June 2011, Hispanic or Latino residents comprised 28.5% of unemployment insurance claimants in the LMVWIA.²¹ This disparity could mean that Latinos are having trouble locating work or may have not been employable in available positions due to a lack of skills and/or linguistic and cultural isolation. Since unemployment is high for Latinos across the region, it may make sense for the WIB to invest resources into raising the employability of this sub population.

Impacts of Economic Activity in Surrounding Communities

In 2000, 52.99% of LMVWIA residents worked in the region and 56.38% of LMVWIA workers resided in the region. There exists a myth that the number of people who both live and work in Lawrence is higher than in surrounding suburban “commuter” communities. However, Lawrence’s daytime population change due to commuting is -3.0%, meaning that the daytime population of the city decreases due to commuting. Furthermore, 32.6% of Lawrence residents live and work in the city. The Employment-Residence (E-R) Ratio for Lawrence is 0.91, indicating that the city is a net exporter of labor – it sends more workers to other areas than it receives. By contrast, large suburbs like Andover and North Andover have E-R Ratios of 2.38 and 1.35, respectively, while small suburbs like Merrimac and Boxford have E-R Ratios of 0.40 and 0.33, respectively.²²

Furthermore, company closings in surrounding communities may be negatively impacting Lawrence residents. Between 2001 and 2005, Lawrence lost 8% (1,989 jobs) of its employment based, compared to a job loss of 9% (3,120 jobs) in Andover and a 30% (5,522) decrease in jobs in North Andover.²³ Yet unemployment remained high in Lawrence but not in the other two cities. In March of 2005, Lawrence had an unemployment rate of 10.7%, while Andover had an unemployment rate of 3.8% and North Andover had an unemployment rate of 3.9%, both of which were below the state average of 5.2%.²⁴ This example raises the question of whether some of the jobs lost in the Andovers were held by Lawrence residents.

From this data, we conclude that unemployment in Lawrence is impacted by economic growth and/or decline in surrounding communities due to the high percentage (67.4%) of Lawrence residents who work outside of the city.

¹⁹ Rafael Abislaiman (Executive Director, Merrimack Valley Workforce Investment Board) in discussion with the author, July 2011.

²⁰ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 13.

²¹ “Profile of Massachusetts Unemployment Claimants,” Massachusetts Executive Office of Labor and Workforce Development, Department of Unemployment Assistance, Economic Research Department,

²² “Annual Profile for Lower Merrimack Valley Workforce Area,” Massachusetts Department of Workforce Development, May 2010, http://lmi2.detma.org/lmi/pdf/profiles/Lower_Merrimack_Regional_Profile.pdf, 34-37.

²³ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 15.

²⁴ “Labor Force and Unemployment Data,” Massachusetts Executive Office of Labor and Workforce Development.

Analysis of the Demand: Largest Employers, Critical Industries, and Emerging Fields

“The problems in Lawrence center around the fact that it has the highest level of unemployment of any city in the Commonwealth. No matter how much public funding is pumped into the system, nothing will ever change until we begin creating jobs in Lawrence for Lawrence residents.”

– John Kelly, Massachusetts State Senate candidate, April 2010

Largest Employers

The largest employers in Lawrence, by the number of employees, are the City of Lawrence, Lawrence General Hospital, Malden Mills, Home Health VNA, and New Balance.²⁵ While Lawrence is home to only 5 of the 250 largest employers in Massachusetts (2%), it houses 22 of the 100 largest employers in LMVWIA.²⁶

Increasing Role of Temporary Work Agencies

Recently, temp agencies have become a major employer in Lawrence.²⁷ The manufacturing industry is increasingly using these organizations to recruit new workers.²⁸ The 2007 Blueprint Update for the Merrimack Valley Workforce Investment Board (MVWIB) describes the growing importance of temp agencies: “Temporary employment is becoming a key entry point to many area manufacturers. In some cases, employers have reduced the number of positions they publicly post, instead filling positions from the pool of temporary workers with experience at the firm already.”²⁹ Since fewer postings are now public, there must be strong collaborative efforts between the ValleyWorks Career Center and the temp agencies to connect the unemployed with temporary work openings.

Critical Industries

The largest industries in Lawrence are services (including education, health, professional, and business) and manufacturing. In 2009, these industries employed 16,443 people, which equates to 72% of the total employment in Lawrence.³⁰ For the Workforce Investment Board (WIB), the top three industries with the highest number of entry-level jobs are health care, manufacturing, and the green economy.³¹ In Table 1, we outline the largest industries in the Merrimack Valley by percentage of total employment.³²

²⁵ Prospective Report, City of Lawrence, Massachusetts, May 2011, 13.

²⁶ “Largest 100 Employers in Lawrence,” Massachusetts Executive Office of Labor and Workforce Development, © 2011,

http://lmi2.detma.org/lmi/Top_employer_list.asp?gstfips=25&areatype=05&gCountyCode=000231.

²⁷ Susan Almonó (Resource Development Manager, Merrimack Valley Workforce Investment Board), in discussion with the author, July 2011.

²⁸ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 23.

²⁹ Ibid.

³⁰ Prospective Report, City of Lawrence, Massachusetts, 12-13.

³¹ Abislaïman, discussion.

³² “Annual Profile for Lower Merrimack Valley Workforce Area,” Massachusetts Department of Workforce Development, 2.

Table 1. Critical industries in the Merrimack Valley

Industry Name	Percentage of Total Employment in the Merrimack Valley, 2009	Job Growth, 2008-2009
<i>Manufacturing</i>	19.4%	-5.2%
<i>Health Care and Social Assistance</i>	15.0%	3.1%
<i>Professional and Business Services</i>	14.6%	-5.4%

The location quotient (LQ) is a labor market information tool that is often used to evaluate the local comparative advantage of a place by comparing that place’s level of industry concentration with some other larger geographic unit. For example, an LQ of greater than 1 indicates that the place has a relatively higher concentration of employment in the specified field than the “base area.” High LQs are greater than 1.25 and low LQs are less than 0.75. Nonetheless, high LQs do not point to future growth in that industry.³³ In Table 2 below, we outline industries with high and low LQs in the LMVWIA.³⁴

Table 2. Industries with high and low Location Quotients (in parentheses) in the Lower Merrimack Valley Workforce Investment Area

HIGH LQs (>1.25)	LOW LQs (<0.75)
Manufacturing (2.20)	Agriculture, Forestry, Fishing & Hunting (0.52) Transportation & Warehousing (0.51) Finance & Insurance (0.48) Private Educational Services (0.51)

Manufacturing

One in five jobs in the Merrimack Valley, compared to 8.8% of all jobs Massachusetts, is in manufacturing. The industry also accounts for 27.2% of total payroll. Due to its significance in the region, recent shrinkage in manufacturing has had a heavy toll on employment. Furthermore, jobs are being lost in manufacturing in the Valley at a much faster rate than in the state as a whole. Job loss in the manufacturing industry has plagued the Merrimack Valley since 2000. Between 2001 and 2007, the region lost 9,700 manufacturing jobs, a 28% decline.³⁵ Between 2008 and 2009, the industry lost 5.2% (1,336) of its jobs in the LMVWIA, compared to just a 0.2% loss of manufacturing jobs across Massachusetts.³⁶

In 2007, the MVWIB identified 8 key manufacturing sectors for the region. Lawrence only houses

³³ “Annual Profile for Lower Merrimack Valley Workforce Area,” Massachusetts Department of Workforce Development, 20-21.

³⁴ “Annual Profile for Lower Merrimack Valley Workforce Area,” Massachusetts Department of Workforce Development, 19.

³⁵ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 14, 16.

³⁶ “Annual Profile for Lower Merrimack Valley Workforce Area,” Massachusetts Department of Workforce Development, 2.

establishments within 6 of those sub-industries, and of the 43 key manufacturing companies in the Valley, Lawrence is home to only 6 of them: 2 in food manufacturing (i.e. Middle East Bakery and Bagel Boy), 1 in chemical manufacturing (i.e. Charm Sciences), 1 in plastics and rubber products manufacturing (i.e. RPP), 1 in fabricated metal product manufacturing (i.e. Crown Cork & Seal Co USA), and 1 in semiconductor and electronic components (i.e. Microsemi).³⁷ Thus, a lack of transportation to neighboring communities may be a barrier to manufacturing employment for Lawrence residents.

One manufacturing occupation that could easily employ Lawrence residents – and which is currently under-staffed – is the position of Computer Numerical Control (CNC) machinist. Says Susan Almonó of the MVWIB: “getting just beyond entry-level to a little bit higher skill level jobs, manufacturing is crying for people, they’re desperate for people for CNC machinists.”³⁸ The WIB has also identified a need for developing more employees in this occupation: “A number of firms have expressed concern at their ability to locate experienced CNC machinists...Temporary agencies report similar difficulties...To work around the area shortage, Merrimack Valley positions are being posted on national employment websites that cater specifically to job listings for CNC machinists.”³⁹ This type of recruitment should not be happening in an area with high unemployment. Other growth sectors within manufacturing are food, chemical, plastics and rubber products, and medical devices.⁴⁰

A concern for manufacturing firms in the region is the need to fill positions in engineering. Temp agencies also noted the shortage of engineers in the Valley. As stated in the MVWIB’s 2007 Blueprint Update, “the continued success of manufacturing in the region, particularly high technology manufacturing, will depend on the area manufacturers’ ability to find engineering talent.”⁴¹ Thus, in order to keep manufacturing jobs in the region, there must also exist a supply of engineers.

A barrier to employment in the manufacturing industry may be the negative attitude that some young people have towards manufacturing as a career. The Merrimack Valley WIB notes that “despite potentially attractive wage and benefit packages, the production environment is not drawing a younger generation seeking a ‘fun’ place to work.”⁴²

Looking towards the future, the MVWIB is concerned that they maybe “fighting the tide”⁴³ by continuing to promote training opportunities in manufacturing. Says Rafael Abislaiman, Executive Director of the MVWIB: “Nationally, it’s gone down, in Massachusetts it’s gone down, but historically, it’s been a place where people can get jobs - entry-level jobs. So we’re torn about how much to dedicate. Now the buzzword is advanced manufacturing, but let’s face it, advanced manufacturing hopefully will survive, but there’s no guarantee it will.”⁴⁴ Thus, there exists common concern that continuing to invest in manufacturing the Valley may prove

³⁷ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 16.

³⁸ Almonó, discussion.

³⁹ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 25.

⁴⁰ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 19-20.

⁴¹ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 23.

⁴² “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 24.

⁴³ Abislaiman, discussion.

⁴⁴ Abislaiman, discussion.

detrimental to workers in the future due to the wave of outsourcing of manufacturing jobs overseas. As we note below, manufacturing is second only to construction in highest average portion of unemployment insurance claims between 2003 and 2011.⁴⁵

Health Care

Health Care has been steadily on the rise in terms of employment in the Merrimack Valley, although employment growth is slowing down. Between 2001 and 2005, the industry (with social assistance included) experienced job growth of 8.0% at a time when total employment in the Valley dropped by 6.2%.⁴⁶ Between 2008 and 2009, the industry continued to grow, but the number of jobs increased by only 3.1%.⁴⁷ Although in 2007, the MVWIB noted that the industry was continuously in “greatest demand for workers,”⁴⁸ the recent rise in unemployment insurance claims – from 5.6% in February 2011 to 8.9% in June 2011⁴⁹ may be a sign of future job loss in Health Care and Social Assistance.

Nonetheless, two signs point to the potential for future job growth in Health Care. First, there exist many entry-level jobs in this industry. As is the case, 40-50% of the MVWIB's funds go to the medial field.⁵⁰ In addition, there is a widespread shortage of registered nurses on the national, state, and regional scale; more specifically, some hospitals and agencies are in need of nurses for critical care and late shifts,⁵¹ which could be a new target specialty for Lawrence residents. Moreover, by 2016, there will be 16,110 new registered nursing jobs in Massachusetts, almost two times more than in the next largest occupation generating new jobs (i.e. customer service representatives).⁵²

Food Production

Food production is on the rise across the Merrimack Valley. In 2010, the City of Lawrence entered into a tax increment financing agreement with the Chelsea-based bakery Muffin Town, which promises to bring 220 new jobs in Lawrence through 2016.⁵³ At the regional level, jobs in food production grew by 18% between 2001 and 2007.⁵⁴ Says MVWIB Director Rafael Abislaiman, “food’s becoming big in this area, and I think that’s a growing trend and it’s great.

⁴⁵ “Unemployment Insurance Claimants,” Massachusetts Executive Office of Labor and Workforce Development, last modified July 2011, <http://lmi2.detma.org/lmi/claimant.asp>.

⁴⁶ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 25.

⁴⁷ “Annual Profile for Lower Merrimack Valley Workforce Area,” Massachusetts Department of Workforce Development, 2.

⁴⁸ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 46.

⁴⁹ “Unemployment Insurance Claimants,” Massachusetts Executive Office of Labor and Workforce Development.

⁵⁰ Abislaiman, discussion.

⁵¹ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 28.

⁵² “Commonwealth of Massachusetts, Employment Projections 2006-2016,” Massachusetts Executive Office of Labor and Workforce Development, March 2009, accessed July 16, 2011, <http://lmi2.detma.org/lmi/pdf/MaprojectionsREPORT%202016.pdf>, 19.

⁵³ Prospective Report, City of Lawrence, Massachusetts, 16.

⁵⁴ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 29.

You know why? Because it doesn't pay to make a bagel in China and import it back to the U.S. The shelf life is short enough so that we'd have to keep it local and that's a great thing."⁵⁵

Production within food manufacturing is over-represented in the Merrimack Valley and may be an opportunity for more future employment and training.⁵⁶ Moving forward, the industry will continue to play a critical role in the Valley because its jobs require minimal skills.⁵⁷ Although many food production occupations are low-wage, there are opportunities for establishing career ladders through supervisory training.⁵⁸

Workforce-Related Issues for Critical Industries

In its 2007 Labor Force Blueprint Update, the MVWIB identified certain workforce-related issues across its major industries. We outline these in Table 3 below.

Growth Among Small Businesses

Both anecdotal and statistical information indicates that small businesses are on the rise both in Lawrence and in the Valley as a whole. In Lawrence, the Small Business Administration has been working with local business owners to become registered.⁵⁹ Furthermore, the success of RM Technologies and other locally-based small businesses that employ city residents⁶⁰ points to a potential for future job growth among these establishments. According to Rafael Abislaïman, Executive Director of the MVWIB, "there are a lot of Hispanic businessmen now that are really doing a lot of site development, and that's new. I think that indicates a growing level of capital and professional activity."⁶¹

In March 2009, 87% of employers in the LMVWIA were small businesses with fewer than 20 employees, yet these companies employed 23.4% of the employed labor force. Large firms with 100 or more employees accounted for 2.4% of all reporting companies and employed 47% of the region's employed labor force, which was slightly less than the Massachusetts average of 49.4%.⁶² Thus, although the large majority of employers are small businesses, almost half of all employment exists within firms of 100 or more employees.

⁵⁵ Abislaïman, discussion.

⁵⁶ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 30.

⁵⁷ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 32.

⁵⁸ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 32.

⁵⁹ Almonó, discussion.

⁶⁰ Almonó, discussion.

⁶¹ Abislaïman, discussion.

⁶² "Annual Profile for Lower Merrimack Valley Workforce Area," Massachusetts Department of Workforce Development, 2.

Table 3. Workforce-related Issues for critical industries in the Merrimack Valley

Industry Name	Workforce-Related Issues
Manufacturing	Rising use of temporary employment agencies
	Demand for engineers
	Aging production workforce, some with an average age above 55 ⁶³
	<i>Education:</i> ESL and literacy, reading instructions in English ⁶⁴
	<i>Training:</i> Modern manufacturing practices, problem solving, math skills (comfort with decimals, fractions, trigonometry, geometric dimensioning), ability to read blueprints and measurement instruments, CNC machinist skills
Health Care	Shortage of registered nurses
	<i>Education and Training:</i> need for “effective interaction with patients and family members” ⁶⁵
Food Production	Targeting Merrimack Valley residents (jobs are often filled through referrals from existing employees, many of whom commute from outside of the Valley, which maintains an imported supply of workers)
	Fostering career ladders, since many entry-level jobs are low-paying
	<i>Education:</i> ESL – may increase access to career ladders in food production and other manufacturing occupations ⁶⁶

Trends in Earnings and Employment

According to data from the Massachusetts Executive Office of Labor and Workforce Development,⁶⁷ in 2009, the majority of both earnings employment among Lawrence businesses were in the “All Service-Providing Domain,” followed by “All Education and Health Services” and the “All Goods-Producing Domain” (please see Appendix IV for all earnings and employment charts). In terms of sub-industry, the major earners were Health Care and Social Assistance, Non-Durable Goods Manufacturing, and Durable Goods Manufacturing. Health Care and Non-Durable Goods Manufacturing also had the most employment among Lawrence businesses, followed by Administrative and Waste Services.

⁶³ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 23.

⁶⁴ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 24.

⁶⁵ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 29.

⁶⁶ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 32.

⁶⁷ “Employment and Wages (ES-202),” Massachusetts Executive Office of Labor and Workforce Development, accessed July 18, 2011, http://lmi2.detma.org/lmi/lmi_es_a.asp#IND_LOCATION.

In general, for the year 2009, there is a positive linear relationship between employment and earnings across the major industries, as can be seen in Figure 1 below. If we eliminate the biggest industry (“All Service-Providing Domain” – our outlier in this data set), we can evaluate how different industries compare when it comes to their employment-to-earnings ratio. Industries that fall to the left of the black line in Figure 2 below have higher employment and lower total wages, while industries that fall to the right of the black line have higher earnings but lower average monthly employment. Industries that have higher employment and lower earnings are All Education and Health Services, All Trade, Transportation and Utilities, All Professional and Business Services, All Leisure and Hospitality, and All Other Services, Except Public Administration. Among the sub-industries (please see Figure 3 below), those with higher employment and lower earnings were Health Care and Social Assistance, Non-Durable Goods Manufacturing, Administrative and Waste Services, Retail Trade, and Accommodation and Food Services. Durable Goods Manufacturing had higher total wages but lower average monthly employment.

While understanding the current situation is important, we must not overlook industry trends from the past decade. In terms of earnings (please refer to Appendix IV for charts), the aggregate of total wages for all businesses in Lawrence increased by \$187,612,348 between 2001 and 2009. Major industries with the greatest gains in earnings were the All Service-Providing Domain, All Education and Health Services, and All Public Administration. Sub-industries with major gains in earnings were Health Care and Social Assistance, Durable Goods Manufacturing, and Professional and Technical Services. Major industries with the greatest losses in earnings were All Trade, Transportation, and Utilities, and All Information. Sub-industries that suffered losses in total wages were Wholesale Trade, Non-Durable Goods Manufacturing, and Retail Trade.

In terms of employment (please refer to Appendix IV for charts), the aggregate of all businesses in Lawrence employed 1,026 less people in 2009 than in 2001. Major industries with the greatest gains in employment were All Other Services Except Public Administration, All Public Administration, and All Education and Health Services. By sub-industry, the major winners in increased employment were Health Care and Social Assistance, Professional and Technical Services, and Durable Goods Manufacturing. Major industries with the greatest losses in employment were All Professional and Business Services, All Trade, Transportation and Utilities, and All Goods-Producing Domain. Sub-industries with the greatest losses in employment were Administrative and Waste Services, Non-Durable Goods Manufacturing, and Wholesale Trade.

When we compare the relationship between the change in earnings versus the change in employment during the last decade (please see Figure 4 below), we notice that at the aggregate scale, while total wages rose between 2001 and 2009, average monthly employment fell. The biggest winners – industries that experienced positive growth in both earnings and employment – were All Leisure and Hospitality (including both Arts, Entertainment, and Recreation, and Accommodation and Food Services), All Financial Activities (including both Real Estate, Rental and Leasing, and Finance and Insurance), Professional and Technical Services, Durable Goods Manufacturing, All Other Services Except Public Administration, All Public Administration, and All Education and Health Services, including Health Care and Social Assistance. The biggest losers – industries that experienced negative growth in both earnings and employment – were All

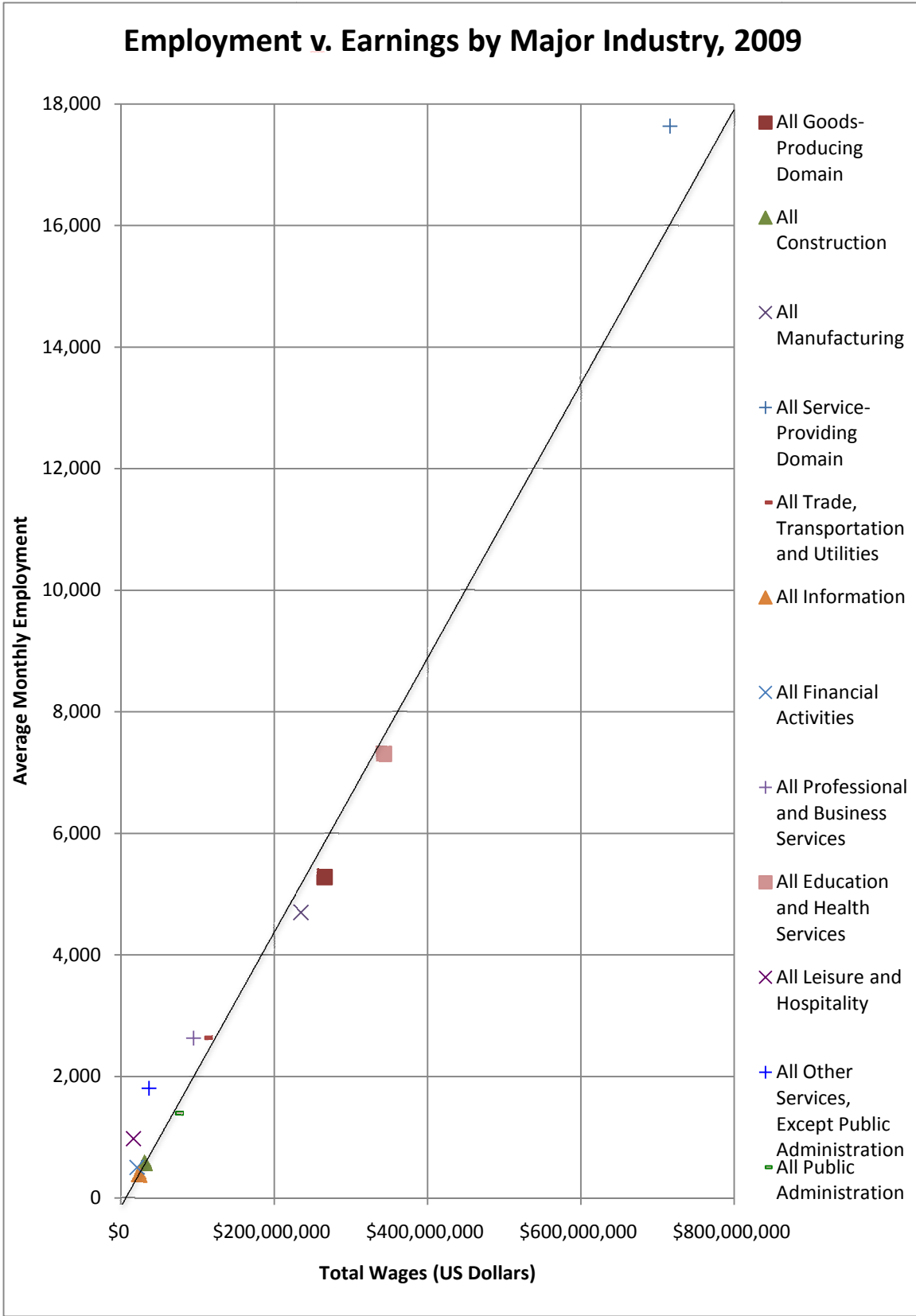


Figure 1. Comparison of earnings and employment among Lawrence businesses by major industry

Employment v. Earnings by Major Industry excluding All-Service Providing Domain, 2009

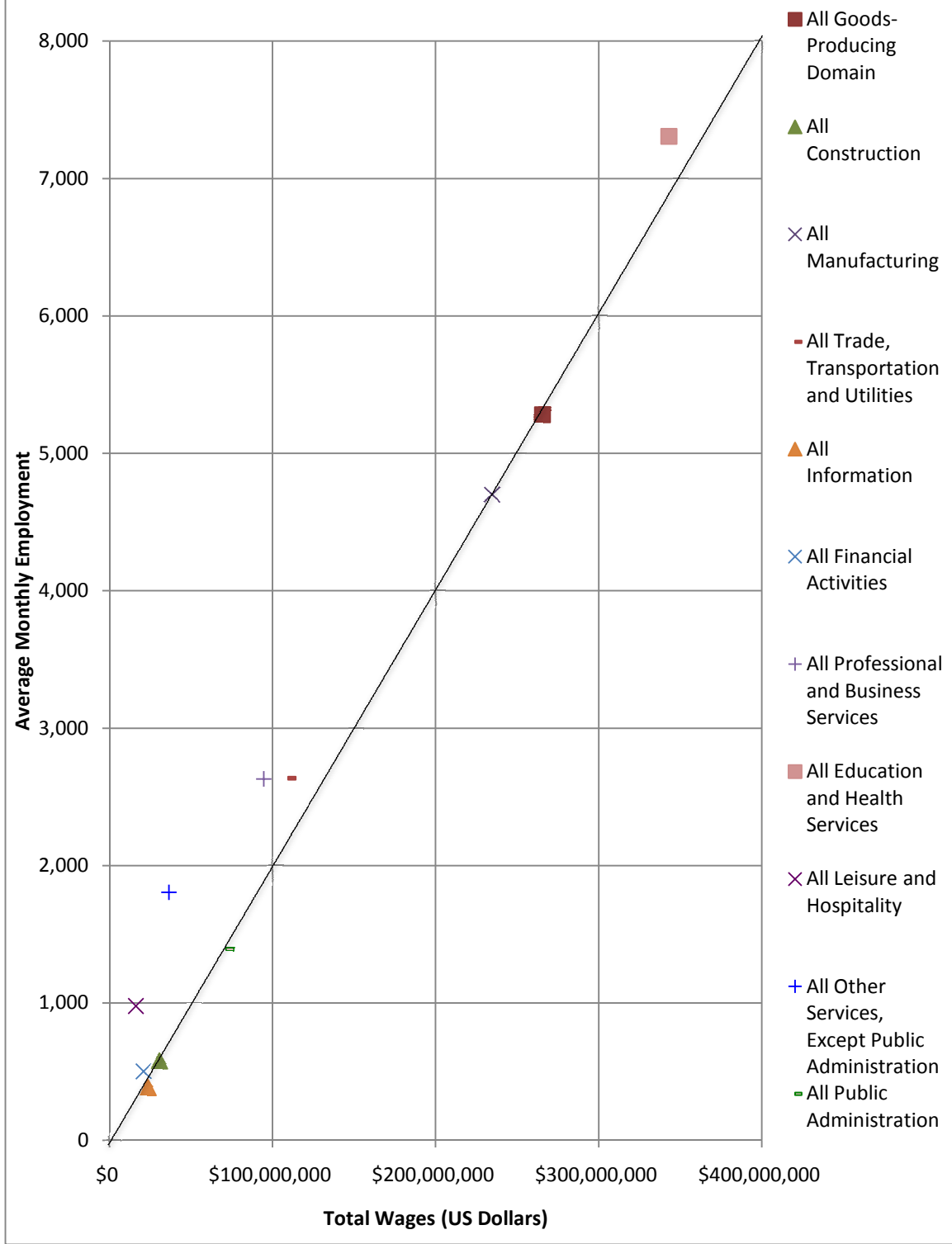


Figure 2. Comparison of earnings and employment among Lawrence businesses by major industry, excluding All Service-Providing Domain

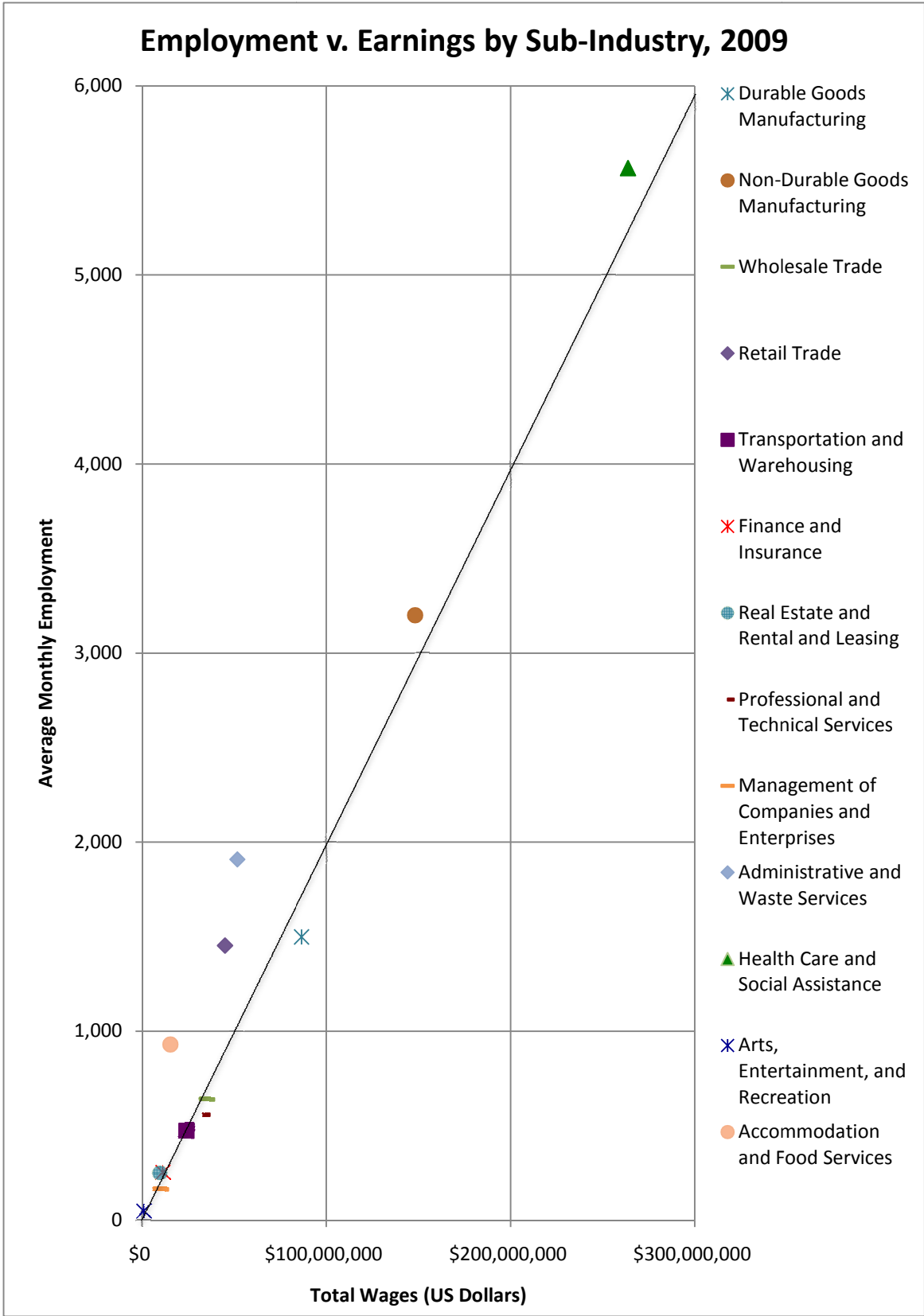


Figure 3. Comparison of earnings and employment among Lawrence businesses by sub-industry

Employment v. Earnings by Industry, Change between 2001 and 2009

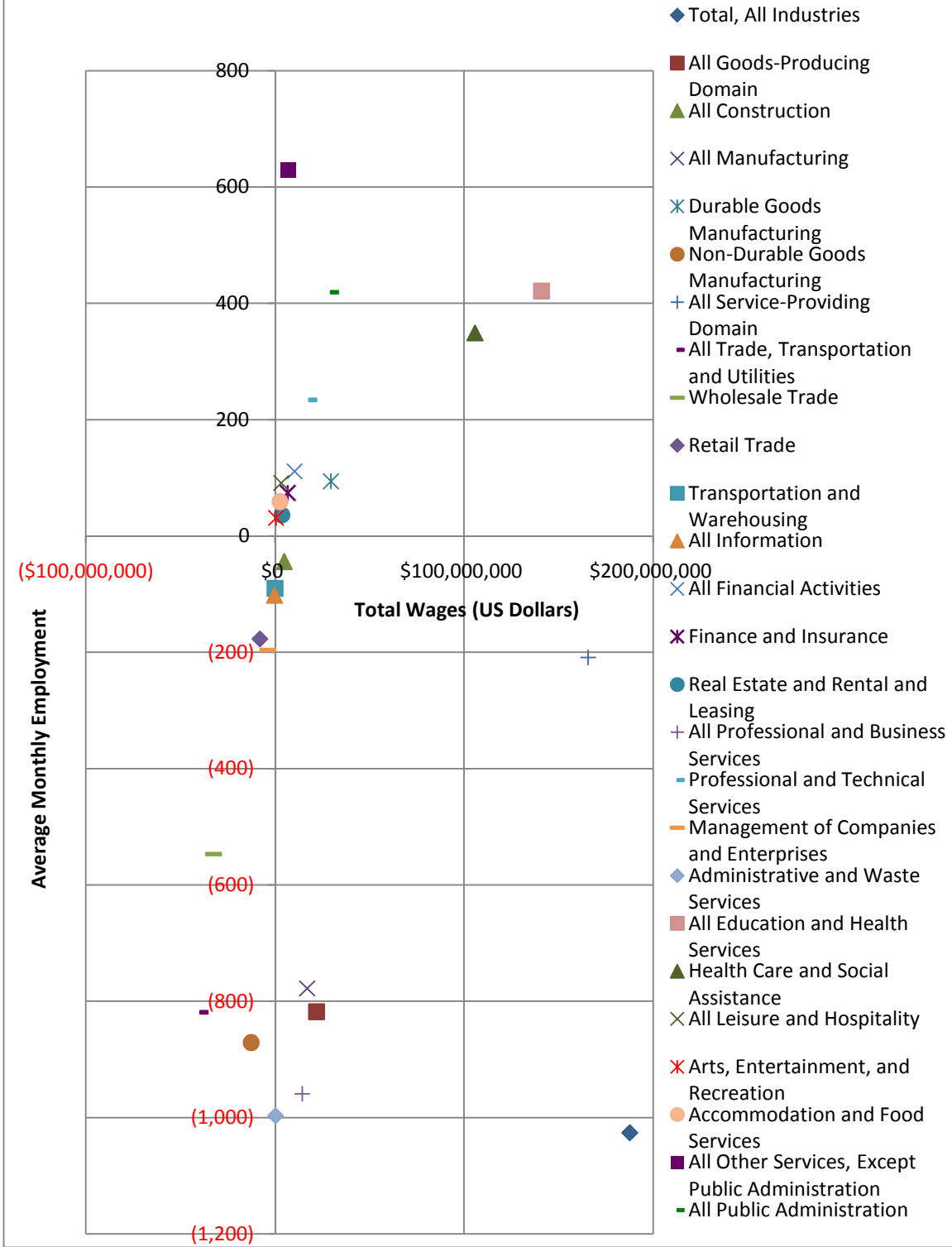


Figure 4. Comparison between the change in average monthly employment and the change in total wages for Lawrence businesses between 2001 and 2009

Trade, Transportation and Utilities (including Wholesale and Retail Trade), Management of Companies and Enterprises, and Non-Durable Goods Manufacturing.

Trends in Unemployment Insurance Claims

According to data from the Massachusetts Executive Office of Labor and Workforce Development,⁶⁸ there were six industries in the Merrimack Valley with average rates of unemployment insurance claims above 5% since January 2003, as can be seen in Table 4 below. Please note that the Wholesale Trade industry had an average claim rate of 4.9% during this period.

Table 4. Industries with highest percentages of unemployment insurance claims between 2003 and 2011

Industry Name	Average Portion of All Unemployment Insurance Claims, January 2003-June 2011	Trends
<i>Construction</i>	18.8%	Cyclical unemployment, peaking during winter
<i>Manufacturing</i>	15.9%	Drop in unemployment from 20-25% of claims in 2003 to 10-15% of claims in 2011
<i>Administrative & Support & Waste Management & Redemption Services</i>	14.8%	Rising portion of claims, from 14% in 2003 to 19% in 2011
<i>Professional, Scientific, and Technical Services</i>	7.5%	Semi-cyclical unemployment, peaking during summer
<i>Retail Trade</i>	5.5%	Sudden increases in claims in 2004 and 2010
<i>Health Care and Social Assistance</i>	5.4%	Cyclical unemployment, peaking in summer-fall, very recent increase in claims

Please see Appendix V for charts of monthly unemployment insurance claims for the 6 aforementioned industries.

Shrinking Occupations and Industries

In Tables 5 and 6 below, we outline the occupations and industries with the highest numbers of

⁶⁸ "Unemployment Insurance Claimants," Massachusetts Executive Office of Labor and Workforce Development.

unemployment insurance claims in the Merrimack Valley.⁶⁹

Table 5. Occupations with highest portions of unemployment insurance claims in the Merrimack Valley in June 2011

Occupation	Portion of Unemployment Claims in the Merrimack Valley	Portion of Unemployment Claims in Massachusetts
<i>Office & Administrative Support</i>	14.4%	15.3%
<i>Construction & Extraction</i>	13.4%	10.1%
<i>Management</i>	10.6%	10.8%
<i>Production Occupations</i>	10.4%	9.4%

From the data above, we see that unemployment in construction and extraction, as well as in production occupations, is higher in the Valley than across the state as a whole.

Table 6. Industries with highest portions of unemployment insurance claims in the Merrimack Valley in June 2011

Industry	Portion of Unemployment Claims in the Merrimack Valley	Portion of Unemployment Claims in Massachusetts
<i>Administrative & Support & Waste Management & Redemption Services</i>	18.4%	11.6%
<i>Construction</i>	12.8%	11.0%
<i>Manufacturing</i>	12.1%	9.5%

For each of the industries listed above, the portion of unemployment claims in the Valley is higher than in the state as a whole, meaning that these industries are shrinking at a faster rate in the region than on average across Massachusetts. The high portion of claims within each of these industries both locally and at the state-level is an obvious job loss indicator. Please note that this evidence conflicts with previous data that points to Manufacturing as a critical industry in the Merrimack Valley. The high rate of unemployment in this industry may be due to factors like worker demography, skill mismatches, and the visibility of employment opportunities, which should be further investigated.

Construction

As we evidenced in the unemployment insurance claim data above, workers in the Construction industry have been hit hard by the recent downturn of the housing market even though the industry experienced an employment growth of 8.8% between 2001 and 2005.⁷⁰ In 2009,

⁶⁹ "Profile of Massachusetts Unemployment Claimants," Massachusetts Executive Office of Labor and Workforce Development, Department of Unemployment Assistance, Economic Research Department.

⁷⁰ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 33.

construction accounted for only 2.5% of total employment in Lawrence.⁷¹

Nevertheless, if residential construction rebounds, there may be future job growth in construction because of established training systems, through union apprenticeships and contractor-sponsored programs.⁷² Furthermore, the attractive climate for small businesses in the Valley is conducive to the structure of the construction industry, since the average company size is 7.3 employees.⁷³

Summary Evaluation of Existing Industries

As we examine the existing critical industries in Lawrence and the Merrimack Valley, we evaluate which of these fields should be pursued for future development at the city level based on employment potential for Lawrence residents. Factors used in our evaluation are as follows:

- High Location Quotient for the Merrimack Valley
- Small business
- High earnings for Lawrence establishments
- High employment for Lawrence establishments
- Large gain in earnings for Lawrence establishments (2001-2009)
- Large gain in employment for Lawrence establishments (2001-2009)
- High number of entry-level jobs (low barriers to entry)
- Fast projected growth (2006-2016)⁷⁴
- Fast projected job creation (through 2016)⁷⁵
- Low Unemployment Insurance (UI) Claims
- Existence of/Potential For Career Ladders

In Table 7 below, we evaluate all sub-industries mentioned in “Trends in Earnings and Employment” across the indicators listed above. We hope that this preliminary evaluation will serve as a baseline for future industry development in Lawrence.

⁷¹ “Labor Force and Unemployment Data,” Massachusetts Executive Office of Labor and Workforce Development.

⁷² “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 35.

⁷³ “Merrimack Valley Workforce Investment Board Labor Force Blueprint Update,” 33.

⁷⁴ “Commonwealth of Massachusetts, Employment Projections 2006-2016,” Massachusetts Executive Office of Labor and Workforce Development, 10.

⁷⁵ “Commonwealth of Massachusetts, Employment Projections 2006-2016,” Massachusetts Executive Office of Labor and Workforce Development, 20.

Table 7. Evaluation of existing industries to determine employment potential for Lawrence residents

Industry Name	High LQ	Small Business	High Earnings	High Employment	Large Gain in Earnings	Large Gains in Employment	Many Entry-Level Jobs	Fast Projected Growth	Fast Projected Job Creation	Low UI Claims	Career Ladders
<i>Durable Goods Manufacturing</i>	X		X		X	X	X				
<i>Non-Durable Goods Manufacturing</i>	X		X	X			X				
<i>Wholesale Trade</i>							X		X	X	
<i>Retail Trade</i>							X				
<i>Transportation and Warehousing</i>							X	X		X	
<i>Finance and Insurance</i>										X	X
<i>Real Estate, Rental, and Leasing</i>										X	X
<i>Professional and Technical Services</i>		X			X	X		X	X		X
<i>Management of Companies and Enterprises</i>		X						X	X	X	X
<i>Administrative and Waste Services</i>		X		X			X	X			X
<i>Health Care and Social Assistance</i>			X	X	X	X	X	X	X		X
<i>Arts, Entertainment, and Recreation</i>		X						X	X	X	
<i>Accommodation and Food Services</i>		X					X		X	X	X

Analysis of the Supply: Barriers to Employment

"The majority of the people that use [the ValleyWorks Career Center] are Latinos. The basic barriers that these folks have are limited work experience, language barriers, and poor or no computer skills. Today, everything's online, so a lot of them have difficulty using the online services. Most are not ready or prepared to go to work [because] they've been doing one job all their life." – *Arthur Chilingirian, Director, ValleyWorks Career Center, July 2011*

"Why is Lawrence the city with the highest unemployment? Primarily because the educational level of Lawrence residents is lower than that of any other community in our region and because they have an inordinately high level of language barriers." – *Rafael Abislayman, Executive Director, Merrimack Valley Workforce Investment Board, July 2011*

Language Barriers

Linguistic isolation is a major barrier to employment in Lawrence. In 2000, 20% of the city's residents had poor English speaking skills and 20% of households were linguistically isolated. 74% of residents speak a language other than English at home.⁷⁶ According to the MVWIB, "the high proportion of residents who do not speak English is probably the greatest challenge in terms of the region's labor force supply."⁷⁷ However, workforce resources are not always linguistically and culturally appropriate: at the ValleyWorks Career Center, the staff is approximately 25% bilingual.⁷⁸ The MVWIB also notes that "access to training for residents without strong English speaking skills is limited."⁷⁹ Meanwhile, the majority of the 15,000 people⁸⁰ who are serviced by the ValleyWorks Career Centers in both Lawrence and Haverhill are Lawrence residents and are Latinos.⁸¹

Unfortunately, the significant number of ESOL (English for speakers of other languages) providers in the Merrimack Valley does not even come close to addressing the educational needs of the community. The 23 literacy service agencies in Lawrence only meet 11% of the EOL need and a mere 6% of the ABE (Adult Basic Education)/ESOL need in the city. For organizations that are funded by the Massachusetts Department of Education, the waitlist in for ESOL classes in Lawrence is almost the same as the number of seats available (981 available slots, 817 people on the waitlist).⁸²

Lack of Education

During the 2000's, Lawrence had the lowest four-year high school graduation rate in the state of Massachusetts. In 2006, only 41% of the city's public school students graduated in four years,

⁷⁶ "Lawrence city, Massachusetts," U.S. Census Bureau, 2005-2009 American Community Survey.

⁷⁷ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 13.

⁷⁸ Almonó, discussion.

⁷⁹ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 49.

⁸⁰ 2010 MVWIB Annual Meeting Presentation, October 5, 2010, accessed July 28, 2011, <http://www.mvwib.org/2010AnnualMeetingMerrimackValleyWorkforceInvestmentBoard.pptx>.

⁸¹ Arthur Chilingirian (Executive Director, ValleyWorks Career Center) in discussion with the author, July 2011.

⁸² "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 48.

compared to 80% for the state of Massachusetts. At the same time, the dropout rate in Lawrence was 40%.⁸³ According to 2005-2009 estimates, 64.8% of Lawrence residents have a high school degree or higher (compared to 84.6% nationwide) and only 11.0% have a bachelor's degree or higher (compared to 27.5% nationwide).⁸⁴

As of June 2011, 6.5% of unemployment insurance claimants in the LMVWIA had an educational attainment of 8th grade and below, the second highest percentage for a workforce investment area in the state and 2.3 times higher than the Massachusetts-wide average. Claimants in the Valley had lower-than-state-average educational attainment in the categories of high school graduate, 1-3 years of college, and 4 or more years of college.⁸⁵

These statistics pose a workforce development challenge since more jobs now require higher levels of educational attainment. In 2006, 32% of Massachusetts jobs required an associate's degree or higher. By 2016, that percentage is expected to increase to 60% of all jobs in the state.⁸⁶ Thus, due to this shift in employment demand, and as noted by the MVWIB, "out of school youth should be one of the highest priority populations to target for workforce development services in the region."⁸⁷ Thus, training programs in Lawrence must accommodate these particular educational needs.

To combat the low levels of educational attainment in the region, the ValleyWorks Career Center provides General Education Development (GED) and ABE (Adult Basic Education) classes, but does not have that option for youth. Thus, youth who are below an 8th grade educational level are not being serviced by the Career Center.⁸⁸ There are also "workforce pipeline issues:" according to the WIB, many Valley residents do not meet the minimal qualifications for training programs in high-demand occupations such as Health Care.⁸⁹ Thus, it seems like education is really the silver bullet – the problem to solve in Lawrence. We must either create employment opportunities for an uneducated, untrained workforce, or we must change the educational environment to bring Lawrence residents up to a level where they can compete at the state and national scale.

Skill Imbalances

The MVWIB may not be in the best position to address workforce development needs in Lawrence since the city's demographics are not representative of the region. For example, in 2007, the Valley was 17% Hispanic, while Lawrence is 71% Hispanic.^{90,91} Furthermore, in 2007, only 16% of the Merrimack Valley's residents were foreign-born, as compared to 34% of Lawrence residents. The MVWIB also notes that "there is extreme variation between the

⁸³ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 10.

⁸⁴ "Lawrence city, Massachusetts," U.S. Census Bureau, 2005-2009 American Community Survey.

⁸⁵ "Profile of Massachusetts Unemployment Claimants," Massachusetts Executive Office of Labor and Workforce Development, Department of Unemployment Assistance, Economic Research Department

⁸⁶ "Commonwealth of Massachusetts, Employment Projections 2006-2016," Massachusetts Executive Office of Labor and Workforce Development, 23.

⁸⁷ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 13.

⁸⁸ Almonó, discussion.

⁸⁹ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 51.

⁹⁰ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 6.

⁹¹ "Lawrence city, Massachusetts," U.S. Census Bureau, 2005-2009 American Community Survey.

region's municipalities."⁹² In terms of education, although they are neighboring cities, 42% of Lawrence's residents of ages 25 and older do not have at least a high school diploma, while 30% of Andover's residents have a graduate or professional degree.⁹³ Thus, it may be more appropriate for local institutions to address the educational needs and skill imbalances of Lawrence residents.

Nonetheless, the 2 One-Stop Career Centers in the Merrimack Valley – the ValleyWorks Career Centers – are strategically located in the 2 cities with 2 of the highest rates of unemployment in the state – Lawrence and Haverhill. The ValleyWorks Career Center focuses on connecting residents with education and middle-skills jobs.⁹⁴ If a resident is either a dislocated worker or low-income, s/he is eligible for intensive services at the ValleyWorks Career Center. Anyone can come in and use the facility and take classes, and all services provided by the ValleyWorks Career Center are free.⁹⁵

Although ValleyWorks training providers specialize in a wide range of skills, from ABE, ESOL, and GED classes to training in food service, medical billing, and small component assembly,⁹⁶ anecdotal evidence points to an inadequate number of training providers to battle the high unemployment in Lawrence. Bureaucracy and excessive reporting requirements may be barriers for institutions that would otherwise become training providers with the ValleyWorks Career Center. Furthermore, many college courses are not measure up to ValleyWorks standards for training providers, since there is not an emphasis on employment and no placement outcomes. Although community colleges are able to adapt their coursework to better fit the Career Center's criteria, traditional four-year colleges often cannot do so. Nonetheless, the WIB is open to approving classes, such as those for computer certifications, under the condition that the programs are pre-approved at the state level.⁹⁷ Furthermore, as of August 2011, there were 1,638 pre-approved courses for the Merrimack Valley.⁹⁸

Thus, the burden is on the institution or employer to initiate contact with the Career Center if they want become a training provider or use the center to recruit employees. Arthur Chilingirian, Director of the ValleyWorks Career Center explains the process here:

"If a vendor calls us and they want to get into the system, they have to go through a state process, which is TrainingPro. They put their program on TrainingPro. The Board reviews the program, looks at the costs of the program, looks at the performance of the program, and then they make a determination on whether they want to approve the program or not approve the program. I can't send anybody with Workforce Investment Act money to a program that's not approved in the Massachusetts one-stop employment services database. It *has* to be in there, *has* to be approved by the WIB."⁹⁹

⁹² "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 9.

⁹³ Ibid.

⁹⁴ Almonó, discussion.

⁹⁵ Almonó, discussion.

⁹⁶ Almonó, discussion.

⁹⁷ Almonó, discussion.

⁹⁸ "Locate Training," JobQuest, Massachusetts Executive Office of Labor and Workforce Development, accessed August 9, 2011, <http://web.detma.org/JobQuest/Training.aspx>.

⁹⁹ Chilingirian, discussion.

Thus, ValleyWorks is not in a position to proactively recruit training providers to teach skills in emerging and booming fields.

Regarding the MVWIB's involvement in recruiting new employers, Rafael Abislaiman says, "'we talk to people, but since we're often playing a numbers game and for numbers to become large enough to be noticed, we're not in on the ground floor of a lot of start-ups."¹⁰⁰ Chilingirian echoes the difficulty in reaching new and small companies:

"We have, in the state, the highest contact with employers of everybody in the state. [But] it's difficult to hit the new companies that we've never hit before. Our numbers are high, but when I set my planned goals, we didn't reach our planned goals because there are a lot of smaller companies out there that are not ready to hire yet and when they are, they'll at least know who we are."¹⁰¹

Thus, while the WIB targets larger companies in order to fill the more jobs, they advertise their services to smaller and younger companies.

Furthermore, Susan Almonó of the MVWIB highlights the lack of training providers that are located in Lawrence:

"We need a wider variety of community-based training providers because this is an issue. The training providers that are savvy enough to register with us and then receive public funds to support their training programs, they are not necessarily culturally and linguistically sensitive to the local community. Many people in our immigrant community are isolated, and they truly need to be integrated into the broader society if they want to succeed and prosper here. At the same time, to do this, trainers need to understand the cultural norms of the immigrant community and be sensitive to where this group is coming from in order to design a program where participants can be successful. Community-based training providers are more tuned into these issues and are more likely to have bilingual, bicultural staff. Unfortunately this kind of training provider is scarce."¹⁰²

Although providers like the Lawrence Training School have had success in the community, recent changes in the job market and workforce system have drastically reduced the number of small training providers (aside from those specializing in youth and basic education services). Firstly, technical skills continue to become more sophisticated and be in higher demand. Secondly, there is no longer funding available for adult training. Furthermore, small training vendors often lack the capacity to use Individual Training Account vouchers. However, there exists the unique opportunity for community-based training providers to offer bilingual classes and simultaneously tackle ESOL and training/educational needs.¹⁰³

With regard to training, although there clearly exists high demand among Lawrence residents for technical skills, young people are not filling the training supply. Of the 1,226 students who were enrolled in the Greater Lawrence Regional Vocational Technical School District (as of

¹⁰⁰ Abislaiman, discussion.

¹⁰¹ Chilingirian, discussion.

¹⁰² Almonó, discussion.

¹⁰³ Almonó, discussion.

October 1, 2010), 79% (970 students) were Lawrence residents. However, the capacity of the school district is approximately 1,600 students,¹⁰⁴ meaning that the District is only operating at 77% of its capacity. Thus, there may be a missed opportunity to train more Lawrence youth in technical skills through the Greater Lawrence Regional Vocational Technical High School District.

Many training opportunities exist in the Health Care industry, including those for certified nursing assistants (CNA), phlebotomists, and medical office receptionists.¹⁰⁵ However, there is concern that the CNA field has been saturated. Says Arthur Chilingirian:

"I don't know how many more CNA's we can put out there. When we talked about doing Certified Nursing Assistants, the whole goal was that somebody would go into that position, they would work on educating themselves, and move up the ladder. But most of them *stayed* in that position and didn't move. So there's no place to put these folks."¹⁰⁶

Thus, the lack of upward movement along career ladders is reducing the number of entry-level jobs.

In terms of employee recruitment, it seems that both local and regional employers underutilize the ValleyWorks Career Center. Although they report problems with finding skilled labor, there appears to be a lack of knowledge about workforce development opportunities. Furthermore, even the employers who are aware of the WIB's resources do not seek out funding opportunities for training of their employees. What is more, few employers with high demand for workers use the Career Center for recruitment purposes.¹⁰⁷ Thus, there seems to be a disconnect between local employers and the ValleyWorks Career Center.

Other Barriers to Employment

Lack of Transportation

It is unclear whether transportation is a barrier to employment in Lawrence. Says Rafael Abislaiman,

"I think it's a barrier, yes, especially for entry-level people because you've got bus route schedules that may not coincide with employment opportunities. And secondly, if they have a car, you really have to balance the cost of getting to the job versus not working and getting unemployment and making ends meet that way for a while."¹⁰⁸

Many workforce development opportunities, such as the ValleyWorks Career Center and the training provider LARE, are seen as inaccessible – located in South Lawrence and away from the heavily-immigrant communities of North Lawrence (although public transportation is available and LARE has a fleet of vans for its students). Talking about the Career Center, Susan Almonó says, "some of the community comes over, but certainly not everybody who's unemployed. I

¹⁰⁴ Prospective Report, City of Lawrence, Massachusetts, 12.

¹⁰⁵ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 49.

¹⁰⁶ Chilingirian, discussion.

¹⁰⁷ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 46.

¹⁰⁸ Abislaiman, discussion.

mean our Career Center does a great job with the people who come in the door, but there's many, many, many who don't come."¹⁰⁹

Beyond the Career Center, many training providers who are sponsored through ValleyWorks may be out of reach for Lawrence residents who do not have access to transportation. Almonó notes "keep in mind that many are out of our area (though relatively close if you have a car), so hard to get to."¹¹⁰ Although ValleyWorks makes "every effort" to provide its customers with access to training, public transportation in the city is limited.¹¹¹ Transportation may especially be a problem in health care worker occupations, because home health aides need mobility to get from client to client and there are many entry-level jobs in this field.

However, it is unclear to what extent transportation is a major barrier to employment in Lawrence: there are 31,270 people in the labor force and 45,845 registered vehicles in the city.¹¹² Thus, there seems to be enough cars for Lawrence residents to get to work. However, in 2008, the median age of vehicles was 13.65 years,¹¹³ which may indicate the economic limitations of access for their community.

Lack of Knowledge about Career Services

Lack of advertising on the part of the ValleyWorks Career Center leaves many Lawrence residents in dark when it comes to learning about local training and employment opportunities. Susan Almonó notes that ValleyWorks does not have the funds to advertise more than they already do.¹¹⁴

Furthermore, the ValleyWorks website may not be very user friendly. Only the home page of the ValleyWorks can be viewed in Spanish and neither operating hours nor contact information is listed on this website.¹¹⁵ Neither the JobQuest state website nor monster.com are available in Spanish.^{116, 117}

Visibility of job opportunities is a key issue in the immigrant community,¹¹⁸ especially with 20% of Lawrence households being linguistically isolated. Susan Almonó further underlines the lack of knowledge about job opportunities and linguistic and cultural isolation of the Hispanic population in Lawrence:

¹⁰⁹ Almonó, discussion.

¹¹⁰ Susan Almonó, e-mail message to author, July 22, 2011.

¹¹¹ Susan Almonó, e-mail message to author, August 9, 2011.

¹¹² "Lawrence: At-A-Glance Community Reports," Massachusetts Department of Revenue, last modified May 4, 2011, <http://www.mass.gov/Ador/docs/dls/mdmstuf/aag/aag149.doc>.

¹¹³ Ibid.

¹¹⁴ Almonó, e-mail message, August 9, 2011.

¹¹⁵ "Servicios Para El Buscador de Empleo," ValleyWorks Career Center En Español, accessed July 20, 2011, <http://www.valleyworks.cc/enespanol.htm>.

¹¹⁶ "Massachusetts JobQuest," Massachusetts Executive Office of Labor and Workforce Development, accessed July 20, 2011, <https://web.detma.org/JobQuest/Default.aspx>.

¹¹⁷ Monster.com, accessed July 20, 2011.

¹¹⁸ Almonó, discussion.

“There *is* employment in Lawrence. PolarTEC is there. We've got New Balance. We've got the hospitals. But most people are going to look for work in the corner market or things that they can see right there. There is employment, but there's not that much, so that's why we certainly need to bring in more businesses. So that's really a big deal.”¹¹⁹

Furthermore, many Lawrence residents struggle daily to make ends meet. This “survival attitude” may preclude them from focusing on pursuing careers with career ladders or staying connected with the Career Center long enough to continue with professional development. Many people seem fine with constantly switching between work and depending on unemployment insurance.¹²⁰ Thus, low expectations may also hold people back from pursuing higher-paid work.

Unemployment Insurance as a Disincentive to Look for Work

With such high levels of unemployment in the Merrimack Valley, many workers are now collecting unemployment for up to two years, while supplementing their insurance payouts with part-time or under-the-table work. According to Arthur Chilingirian, the security of unemployment insurance may discourage workers to look for full-time employment. However, Chilingirian notes, “now you have a big gap in your résumé, and employers and looking at you and saying, “What have you done for the past 2 years?” So that could create a problem.”¹²¹

Cultural Considerations

Lawrence residents may be less employable than the general population due to cultural barriers. Rafael Abislaiman explains how unfamiliarity with American norms may impede new immigrants from succeeding in the mainstream economy:

"The cultural characteristics sometimes aren't exactly conducive to success in this country. If you have to be some place at a certain time, and the cultural tradition is that maybe you can arrive a few minutes late and it's not a problem – that creates a problem. I think also, for new arrivals, this is a pet theory of mine, it may be totally unfounded, I think our country – our culture – is very incoherent right now, and unless you have family guidance that kind of helps you fight that trend, it's easy to get lost and expect that Animal House behavior is ok because it seems to be ok in popular culture. If a group of people don't have the experience, they could be misled to thinking that that's ok."¹²²

Thus, cultural misunderstandings may keep some immigrant workers from obtaining higher-wage employment.

¹¹⁹ Almonó, discussion.

¹²⁰ Almonó, discussion.

¹²¹ Chilingirian, discussion.

¹²² Abislaiman, discussion.

Emerging Fields for Further Consideration

After considering the aforementioned barriers to employment, we used interview data, as well as reports from the MVWIB and the City of Lawrence, to identify certain occupations and industries that have potential for generating new employment opportunities in the city. In Table 8 below, we analyze how to activate these emerging fields.

Table 8. Emerging fields in Lawrence and considerations for future development

Field	Examples	Why it is a good fit for Lawrence?	For further consideration
Trucking & Warehousing	In the Merrimack Valley, the industry is mainly concentrated in Lawrence, Andover, and Haverhill	High wages High demand Short training Limited educational barriers to entry 2 training programs for drivers to earn a commercial driver license: New England Tractor Trailer Training School, in partnership with Northern Essex Community College, and Allied Career School in Methuen	Transportation & Warehousing has a low Location Quotient for the Merrimack Valley (0.51); however, there may be potential to develop the industry in Lawrence due to the high concentration of opportunities in the city, as well as in Andover and Haverhill
Financial Services	Merrimack Valley Federal Credit Union, River Bank	Family-supporting wages Some positions do not require a four-year college degree	Need to invest in training opportunities if workers are to move up career ladders
Waste Disposal/ Recycling	Go Green	Some activity already exists No language or specialized skills requirements Great demand with big trash problem in Lawrence	Requires investment in more waste trucks City investment may be possible since trash pick-up is a priority for the Mayor
Alternative Energy/ Municipal Energy Efficiency/ Weatherization	Boston (Chinatown)	Over \$1 million in funding is available Jobs cannot be exported Funding available for training Has career ladders	Requires extensive training Requires multi-actor decision-making
Sustainable Landscaping		ValleyWorks Career Center has already contracted Groundwork Lawrence to serve as a training provider Jobs are entry-level Workers can easily carpool to main office and then go to sites	Ensure businesses address workers' transportation needs to/from job sites
Auto Repair/ Auto Body	Lou's Custom Exhaust, Little Car Care, Gil's Mufflers, Freedom Auto & Tire, Automotive Part Rebuilders	Some activity already exists Language may not be a barrier within immigrant communities Potential for growth with attractive environment for small business development	Evaluate training availability with ValleyWorks Career Center Connect industry growth to sustainability with repairing hybrids
Environmental Remediation/ Site Development	RM Technologies	Largest per capita employment in the nation Language is not a barrier in Hispanic-owned businesses Low academic skills requirements Well-paid jobs	Temporary jobs, contamination is finite Training

Current Practices in Local Hiring

“Ok, so that’s 495. That’s the Merrimack River. Up this way, another 2 miles, they can get on 93.

And there’s a train station with commuter rail service direct to Boston. Ok, what are we missing?” – *Patrick Blanchette, Chief Economic Development Director, Office of Mayor Lantigua, July 2011*

City Response to High Unemployment

Economic Development Programming

In response to the high level of unemployment, the City of Lawrence has frontlined workforce development as a top municipal priority by focusing two out of its four economic development priorities around job creation:

- 1) **Create and retain jobs**
- 2) **Create a competitive workforce through increased educational attainment**
- 3) Support neighborhood-based economic development
- 4) Improve the physical environment and streetscape appearance of the city

However, the City is directing the majority of its funds toward goals that do not directly or immediately create jobs or prepare residents for employment, as can be seen in Appendix VI.¹²³ Even when initiatives fall under workforce development objectives, language about what particular action will be taken is often vague.

Another concern is the lack of new City programs around job growth. For example, both the Storefront Improvement Program and the Best Retail Practices Program of consultative services to improve retail storefront merchandising, have been around since the Sullivan administration.¹²⁴ However, in 2011, Mayor Lantigua increased access for youth employment when he led the state in changing the qualifications for youth training and state-subsidized summer jobs programs by eliminating the double-barrier to these funds, where, in order to qualify, a young person had to be poor and also had to either have poor academic performance or be court-involved. Now that young people can qualify for funding if they are poor, live in public housing, or live in a poor neighborhood, there is now almost universal access across the city.¹²⁵

Incentives for Businesses

In order to attract more economic activity to Lawrence, the City can offer certain benefits to incoming companies, including necessary zoning change, parking, space, disposition of City property, worker training, and funding (tax-free bonds, tax incentives, loans, grants (e.g. Community Development Block Grants (CDBG)), specialized funding (e.g. Brownfields Tax Incentive), etc.). In return, new companies contribute to tax revenue, generate job growth, and may serve as an added amenity, helping in the revitalization of depressed areas.

¹²³ Prospective Report, City of Lawrence, Massachusetts, 16-18.

¹²⁴ Lawrence, Massachusetts: A Business & Community Guide, (no date), 3.

¹²⁵ Abislaiman, discussion.

A major benefit that the City can offer new employers coming into Lawrence is a tax increment financing (TIF) agreement whereby a business is exempt from property taxation on 5-100% of the increased value accrued from a new development for the first 5 to 20 years.¹²⁶ In exchange for this temporary tax break, the development must generate jobs. However, under state law, a TIF project with a City need only create one job to be in compliance with their agreement.¹²⁷ Furthermore, while TIF agreements require job creation, they do not necessitate local hiring.

Aside from the local TIF agreement, there are two federal-level agreements that used to spur job growth: the Historically Underutilized Business Zone (HUBZone) Certification and the Renewal Community (RC) designation. The HUBZone program, which is administered through the United States Small Business Administration, provides preferential access to federal procurement opportunities to companies in exchange for local hiring of HUBZone residents and for maintaining a “principal office” in the designated area.¹²⁸ The RC designation was awarded to 40 communities across the United States – including Lawrence and Lowell – by the Department of Housing and Urban Development, and provided employers with up to \$1,500 in tax credits every year for each employee who both lived and worked in Lawrence, as well as up to \$2,400 in tax credits during the first year of employment for each new 18-to-39 year-old employee who lived and worked in the RC.¹²⁹

Unfortunately, the RC federal incentive expired in December 2009.¹³⁰ Speaking about the incentive, Patrick Blanchette emphasized that it “was [the City’s] biggest pitch”¹³¹ for attracting new employers to Lawrence since there was only one other community (Lowell) in Massachusetts that could provide the same tax credits. However, local unemployment did not dramatically improve under the RC program. Lawrence received the RC designation in 2004,¹³² and for the next 3 years, unemployment declined in the city from 11.1% in 2004 to 9% in 2007.¹³³ However, unemployment began to rise in 2008, prior to the expiration of the RC designation in 2009. In fact, the biggest leap in unemployment occurred between 2008 and 2009, when unemployment jumped from 10.7% to 16.0%.¹³⁴ Thus, the RC federal incentive was not totally effective at increasing employment in Lawrence.

¹²⁶ “Tax Increment Financing: Local Real Estate Tax Exemption,” Massachusetts Executive Office of Housing and Economic Development, accessed July 29, 2011, http://www.mass.gov/?pageID=eheadterminal&L=3&L0=Home&L1=Start%2C+Grow+%26+Relocate+Your+Business&L2=Taxes+%26+Incentives&sid=Ehead&b=terminalcontent&f=mobd_fin_fund_tif_info&csid=Ehead.

¹²⁷ Patrick Blanchette (Chief Economic Development Director, Office of Mayor William Lantigua) in discussion with the author, July 2011.

¹²⁸ “HubZone Certification,” U.S. Small Business Administration, accessed July 29, 2011, <http://www.sba.gov/hubzone/>.

¹²⁹ “Tax Tips for Accountants and Businesses in Renewal Communities (RCs),” Department of Housing and Urban Development, accessed July 29, 2011, <http://www.hud.gov/offices/cpd/economicdevelopment/library/taxincentivesrc.pdf>.

¹³⁰ Frank O’Connor (Project Officer, Office of Economic Development, Community Development Department, City of Lawrence) in discussion with the author, July 2011.

¹³¹ Blanchette, discussion.

¹³² O’Connor, discussion.

¹³³ “Labor Force and Unemployment Data,” Massachusetts Executive Office of Labor and Workforce Development.

¹³⁴ Ibid.

Major Development Projects and Their Contributions to Local Employment

We identified four major development projects in Lawrence that have received City benefits over the past 20 years and evaluated their contributions to local employment. The four developments were are follows:

- 1) Lupoli Companies/Riverwalk Properties (Sal's Riverwalk)
- 2) Malden Mills/Polar Tec
- 3) New Balance Athletic Shoe, Inc.
- 4) Lawrence General Hospital

Lupoli Companies/Riverwalk Properties (Sal's Riverwalk)

Since 2003, developer Salvatore Lupoli has purchased and redeveloped several abandoned and condemned mill buildings that total 35 acres of contiguous property in Lawrence. Over the past eight years, Lupoli Companies has contributed to economic development in Lawrence by:¹³⁵

- Relocating its corporate headquarters to Lawrence
- Recruiting more than 200 companies to its new site
- Retaining and hiring a total of more than 2,000 employees

With this development, Sal Lupoli increased the number of employees in the Riverwalk Complex by more than 650%, from 300 to 2,000 after his purchase and renovation of the mill complex.¹³⁶ In the future, the complex will house 4,500 jobs.¹³⁷ When describing the project, City of Lawrence Chief Economic Development Director Patrick Blanchette emphasizes that Lupoli's goal is "jobs, jobs, jobs."¹³⁸ By creating space for businesses to relocate to Lawrence, Lupoli is developing local job opportunities and initiating a multiplier effect in the complex by providing a variety of services that visitors can use during a single visit.¹³⁹

Malden Mills/PolarTEC

PolarTEC, which was formerly known as Malden Mills, is a textile manufacturer with approximately 900 employees.¹⁴⁰

New Balance Athletic Shoe, Inc.

New Balance is a shoe manufacturer with approximately 500 employees¹⁴¹ between its two Lawrence locations. Of the four projects highlighted in this section, New Balance sets the best

¹³⁵ Prospective Report, City of Lawrence, Massachusetts, 14.

¹³⁶ Mark Volger, "Governor hails Sal Lupoli for role in Merrimack Valley economy," *Eagle-Tribune*, April 15, 2010, accessed July 24, 2011, <http://www.eagletribune.com/local/x1840706453/Governor-hails-Sal-Lupoli-for-role-in-Merrimack-Valley-economy>.

¹³⁷ Ibid.

¹³⁸ Blanchette, discussion.

¹³⁹ James Barnes (Director, Community Development Department, City of Lawrence), e-mail message to author, August 8, 2011.

¹⁴⁰ Prospective Report, City of Lawrence, Massachusetts, 13.

¹⁴¹ Ibid.

example for working toward increased employment in Lawrence, both in terms of its recruitment policies and employee-training model.

Prior to the company moving its distribution capabilities to Lawrence, New Balance employed 325 people between its Lawrence manufacturing plant and Tewksbury warehouse, 200 of whom (62%) were Lawrence residents.¹⁴² To recruit new employees, the company uses “resources such as the Department of Training and Development Employment Network, the Greater Lawrence Vocational High School, the City of Lawrence Adult Vocational School, and the Greater Lawrence Community Action Council, Inc., as well as advertisements in the Lawrence Eagle Tribune.”¹⁴³ Furthermore, through its affirmative action program, the company has been able to hire many women and people of color. At its South Union Street facility, 30% of Managers/Supervisors, 65.2% of Professionals, and 40.9% of Semi-Skilled Employees are women. In addition, 77.1% of Skilled Employees, 75.9% of Semi-Skilled Employees, and 50% of Service Employees are people of color.¹⁴⁴

Furthermore, to address skill imbalances and problems with English proficiency among its employees, New Balance offers free ESOL classes and training for its entry-level employees. Thus, they effectively raise their workers’ skill level and set them up to advance in career ladders. The company is also linguistically sensitive to the needs of Lawrence residents; at its South Union Street facility, all human resources staff are bilingual (English/Spanish). New Balances prides itself on its “excellent record in recruiting, training, employing and promoting Lawrence residents within its workforce...employee turnover is low because of competitive wages and benefits, opportunities for advancement, a safe and healthy work environment, and special services offered to employees.”¹⁴⁵

Lawrence General Hospital

The hospital is only second to the local government in total employment and has recently completed a \$20 million expansion of its emergency facilities. In December 2010, Lawrence General completed its new \$5 million imaging center.¹⁴⁶ Since the hospital is a non-profit organization, it does not qualify for tax incentives; however, the hospital has received City benefits in the form of a building permit waiver for its emergency room expansion.¹⁴⁷ The hospital is now leasing 350 of the 960 surface parking spaces (37%) in the Lawrence Gateway Project facility.¹⁴⁸

Job Creation and Local Employment

The four aforementioned major development projects have contributed to job creation and retention in Lawrence, as can be seen in Table 9 below.^{149,150}

¹⁴² Application for Project Certification, New Balance Athletic Shoe, Inc., Commonwealth of Massachusetts, Economic Development Program, August 3, 1995, 8.

¹⁴³ Ibid.

¹⁴⁴ Application for Project Certification, New Balance Athletic Shoe, Inc., 9.

¹⁴⁵ Ibid.

¹⁴⁶ Prospective Report, City of Lawrence, Massachusetts, 13, 15.

¹⁴⁷ Patrick Blanchette, e-mail message to author, July 22, 2011.

¹⁴⁸ Prospective Report, City of Lawrence, Massachusetts, 18.

¹⁴⁹ Frank O’Connor, e-mail message to author, July 13, 2011.

Table 9. Major development projects in Lawrence and their job creation and retention commitments and accomplishments

Project Name	Benefits received from the City of Lawrence	Job creation and retention commitment	Accomplished job creation and retention
<i>Lupoli Companies/Riverwalk Properties (Sal's Riverwalk)</i> ¹⁵¹	9-year TIF starting on 3/29/05, in federal RCZone and HUBZone	3 jobs created	3 jobs created New company, so no job retention commitment. Many other jobs were created at this development site by other private employers.
	15-year TIF starting on 12/30/08		2 jobs created 0 jobs retained
<i>Malden Mills/PolarTEC</i> ¹⁵²	17-year TIF starting on 6/1/97, in federal RCZone and HUBZone	800 jobs created 1700 jobs retained	785 jobs created 1716 jobs retained
<i>New Balance Athletic Shoe, Inc.</i>	5-year STA starting on 9/1/95 ¹⁵³	325 jobs retained 200 jobs created; 50% of these jobs were to be filled by Lawrence residents	200 jobs created 325 jobs retained
	11-year TIF starting on 3/25/09, ¹⁵⁴ in federal RCZone and HUBZone	537 jobs retained Create 25 jobs between July 1, 2009 and June 30, 2020; 50% of these jobs were to be filled by residents of the Lawrence Economic Target Area	25 jobs created 537 jobs retained
<i>Lawrence General Hospital</i>	Non-profit: does not pay taxes		

¹⁵⁰ Annamarie Kersten (EDIP Director and Finance Manager, Massachusetts Office of Business Development), e-mail message to author, July 18, 2011.

¹⁵¹ Project Summary, Certified Project Application, Riverwalk Partners, LLC., Massachusetts Economic Development Initiative Program, Project Summary, November 29, 2004.

¹⁵² Tax Increment Financing Agreement by and between the City of Lawrence and Malden Mills Industries, Inc., June 19, 1997, 3.

¹⁵³ Project Certification, New Balance Athletic Shoe, Inc., December 7, 1995.

¹⁵⁴ Tax Increment Financing Agreement, New Balance Athletic Shoe, Inc., March 3, 2009, 1, 3.

However, only a small portion of employees at these companies are Lawrence residents, as can be seen in Table 10 below.

Table 10. Major development projects and their contribution to local employment in Lawrence

Project Name	Portion of jobs held by Lawrence residents (as of July 2011)
<i>Lupoli Companies/Riverwalk Properties (Sal's Riverwalk)</i>	
<i>Malden Mills/PolarTEC</i>	28% (275 of 1,000) ¹⁵⁵
<i>New Balance Athletic Shoe, Inc.</i>	43% (279 of 654) ^{156,157}
<i>Lawrence General Hospital</i>	24% (301 of 1,268) ^{158,159}

With regards to Sal’s Riverwalk, Sal Lupoli made a commitment to the Mayor and the Lawrence City Council that he would hire at least 50% of his workforce locally.¹⁶⁰ Furthermore, in his 2005 TIF agreement with the City, Lupoli stated that he would focus his employment recruitment efforts on Lawrence and that he would work with the Lawrence Career Center.¹⁶¹ However, if he has held up this verbal pledge, Lupoli would only be employing approximately 60 Lawrence residents (in 2011, Lupoli Companies employs 119 people¹⁶²). Furthermore, since 2005, Riverwalk Partners has made only 4 hires,¹⁶³ none of which were Lawrence residents. Sal’s has also made no new hires since December 2008.¹⁶⁴ Nonetheless, since the Riverwalk Complex is attracting many small businesses, there may be an opportunity to connect these employers to Lawrence residents who are seeking work through further collaboration with the ValleyWorks Career Center.

With New Balance, state records prove the company’s commitment to local hiring. 65% of the company’s new hires during fiscal year 2010 were Lawrence residents. Furthermore, since May 1999, 43% of all new employees hired by New Balance were Lawrence residents.¹⁶⁵

In Table 10, we see that only 28% of the workforce at Malden Mills/PolarTEC resides in Lawrence. Yet according to Wilfred Carpenter of the Merrimack Valley Chamber of Commerce,

¹⁵⁵ Malden Mills/PolarTEC Human Resources Department.

¹⁵⁶ Susan Perine (Assistant Manager, Human Resources, New Balance Athletic Shoe, Inc.), e-mail message to author, July 21, 2011.

¹⁵⁷ Rosa López (Senior Representative, Human Resources, New Balance Athletic Shoe, Inc.), e-mail message to author, July 29, 2011.

¹⁵⁸ Prospective Report, City of Lawrence, Massachusetts, 13, 15.

¹⁵⁹ Lawrence General Hospital Human Resources Department.

¹⁶⁰ Tom Duggan, “Sal’s Riverwalk Business Center: The Cornerstone of Lawrence’s Revival,” *The Valley Patriot*, October 3, 2006, accessed July 21, 2011, <http://www.tommyduggan.com/VP100306sals.html>.

¹⁶¹ Certified Project Application, Riverwalk Partners, LLC., 4.

¹⁶² Prospective Report, City of Lawrence, Massachusetts, 13.

¹⁶³ Massachusetts FY 2010 EDIP Annual Reporting Form, 500 Riverwalk Partners, LLC., Massachusetts Office of Business Development.

¹⁶⁴ Massachusetts FY 2010 EDIP Annual Reporting Form, Riverwalk Project II, Massachusetts Office of Business Development.

¹⁶⁵ Massachusetts FY 2010 EDIP Annual Reporting Form, New Balance Athletic Shoe, Inc., Massachusetts Office of Business Development.

“Malden Mills, now known as PolarTEC, has been a standard bearer when it comes to local employment, they have been for years.”¹⁶⁶ Furthermore, the company was decertified from the Massachusetts Economic Development Incentive Program for non-compliance with job creation standards.¹⁶⁷ Thus, Malden Mills/PolarTEC was not successful at creating enough jobs to maintain its TIF agreement with the City.

From the analysis above, we see that TIF agreements are not effective at increasing employment of local residents. What is more, the 35 projects under the Massachusetts Economic Development Incentive Program that have taken place in Lawrence since 1994 have only created 2,429 jobs and retained 4,350 jobs.¹⁶⁸ If we extrapolate the trend that these employers hire about 1/3 of their workforce locally, then we can assume that these 35 developments employ only 8.7% of the 2010 employed labor force. Thus, and especially considering the termination of the RC designation, incentive programs in Lawrence range from irrelevant to non-existent.

Moreover, when Lawrence companies receive benefits that are funded through taxpayer money but do not contribute to local employment, these businesses not only perpetuate high unemployment in the city, but their employees also gain wages in Lawrence and spend the money in their communities of residence.

Future Development Projects

With the Union Crossing project, the developer – Lawrence CommunityWorks – does not have much influence on who is hired for permanent jobs, since the commercial tenants make these decisions. Says Project Director Maggie Super Church, “we are certainly expecting there will be some local employees from Lawrence, especially for the child care center, but we have no way to enforce (or even mandate) that outcome.”¹⁶⁹

On the Spicket River Greenway project, the developer – Groundwork Lawrence – included the City’s local hiring ordinance preference in its Request for Proposals (RFP). The project sponsor – Gateway City Parks – did not ask for WMBE (women and minority-owned business enterprises) to be used in the RFP. Furthermore, CDBG guidelines require local hiring “to the extent possible.” Project Manager Brad Buschur emphasizes that Groundwork “strongly encourages” their contractors to follow the local preference hiring policy of the City, but since this is not always feasible, Groundwork focuses on using local vendors for its project needs. For example, Groundwork is using steel from Diamond Iron Works.¹⁷⁰

¹⁶⁶ Wilfred Carpenter (Vice President, Sales & Service, Merrimack Valley Chamber of Commerce), in discussion with the author, June 2011.

¹⁶⁷ Brenda Reynolds (EDIP Coordinator, Massachusetts Office of Business Development), e-mail message to author, August 4, 2011.

¹⁶⁸ EDIP Certified Projects: Certified Projects Since Inception Lawrence, Massachusetts Office of Business Development.

¹⁶⁹ Maggie Super Church (Project Director, Union Crossing, Lawrence CommunityWorks), e-mail message to author, July 22, 2011.

¹⁷⁰ Buschur, discussion.

City of Lawrence Lead Hazard Abatement Program

The City of Lawrence Lead Hazard Control Program (De-Leading and RRP), run by Steve Vega and Lloyd DeJesús in the Department of Community Development, is providing training to 120 Lawrence residents – 60 in de-leading and 60 in RRP (Renovation, Repair, and Painting) – over a period of 3 years (program ends on February 28th, 2014) through the Housing Redevelopment and Lead Hazard Control Programs. The de-leading job training is exclusively for Lawrence residents, which saves contractors approximately \$700 in training costs for each new employee who they hire out of the program. Trainees also receive the necessary physical examination free of charge and the program covers the cost of their license.¹⁷¹

Aside from the training aspect, the Lead Hazard Abatement Program manages a pre-approved list of contractors who perform de-leading and RRP work throughout Lawrence. Of the 19 contractors on the City's contractors list, only 5 are Lawrence-based (26% local).¹⁷² There is also no requirement, aside from Section 3, that contractors on the approved list hire locally. The Community Development Department wants local contractors to participate, but in spite of the guidance provided through the Abatement Program, small local contractors may be discouraged from participating due to a lack of credentials.¹⁷³ However, recently, large contracting companies have not been bidding on de-leading and RRP projects in Lawrence because it is not to their advantage to compete with smaller, local contractors that do not require a large profit margin.¹⁷⁴

The Lead Hazard Abatement Program's progress shows that there is a market for small companies, but that bureaucracy and unfamiliarity with U.S. regulations may be barriers to entry. While the City has not had much success with increasing local employment of Lawrence residents, there is an opportunity to expand the Lead Hazard Abatement Program to set the standard for local hiring in Lawrence. Furthermore, remedial education opportunities in the city will ensure that residents are prepared to enter training.

Other Considerations

Local Hiring Preferences

There exists a city ordinance (Lawrence City Ordinance Chapter 15.20¹⁷⁵) mandating that for publicly-funded construction projects of \$100,000 or more, 30% of all crafts and trades employee hours be completed by Lawrence residents. However, the State of Massachusetts advised the Lawrence City Attorney that the ordinance is unconstitutional; the ordinance has never been tested or implemented.¹⁷⁶ Furthermore, the ordinance only applies to new hires.¹⁷⁷

¹⁷¹ Steve Vega (Lead Director, Community Development Department, City of Lawrence) and Lloyd DeJesús (Field Operations Manager, Lead/Rehabilitation, Community Development Department, City of Lawrence) in discussion with the author, June 2011.

¹⁷² City of Lawrence Lead Hazard Abatement Program Contractors Contact Information, obtained from Lloyd DeJesús.

¹⁷³ Vega and DeJesús, discussion.

¹⁷⁴ Ibid.

¹⁷⁵ "Chapter 15.20 – Construction Employment – City Resident Preference," Title 15 Buildings and Construction, Lawrence, Massachusetts, Code of Ordinances, accessed June 14, 2011, http://search.municode.com/html/14860/level2/TIT15BUCO_CH15.20COEMITREPR.html.

¹⁷⁶ James Barnes, e-mail message to author, June 30, 2011.

When it comes to establishing the standard for local hiring preference, the State of Massachusetts sets a poor example because they include out-of-state, and even international, companies on their preferred vendor lists.¹⁷⁸ On the other hand, the City of Lawrence is trying to set a good example by hiring local companies, especially companies whose owners and employees live in Lawrence. In February 2011, Jim Barnes and Patrick Blanchette hosted a workshop on doing work with the City of Lawrence to make Lawrence residents aware of opportunities for doing contractual work with the City.¹⁷⁹

Focus on Green Economy Jobs

There exists the perception that weatherization is unattainable in Lawrence, which might be a barrier to possible employment. Susan Almonó of the MVWIB explains the status of the energy efficiency and conservation segment of green jobs in Lawrence:

“Through non-profit agencies and other sources, there is over a million dollars in Lawrence to do weatherization. However, it's being spent at a trickle. At the same time, the utilities have a lot of pressure on them to do their MassSave program, which is for middle-income homeowners, and both sides work through contractors, who are weatherization contractors. The contractors have been skittish about hiring because they just didn't know where this was all going to go. So last week, we finally had a weatherization contractor who came to [the ValleyWorks Career Center]. And he's only looking for two guys, but that's a start. It's something. Because we have talked to other contractors a lot, and funds throughout the state have been used for training in weatherization certifications. However, we haven't had a training program here in Lawrence or a good collaboration between weatherization funding, training programs, and contractors so that unemployed community members could go to work in this area. We haven't figured this out yet, but yes, there is potential – things could happen in this area.”¹⁸⁰

There seem to be many doubts about whether weatherization will work in the city, specifically in terms of decision-making between owners and renters.¹⁸¹ The myth exists that weatherization work is not possible in a majority-renter city, yet Boston has 63% renter-occupied housing¹⁸² (Lawrence has 64% renter-occupied housing¹⁸³), and weatherization has been successful in the renter-heavy Chinatown neighborhood. Another concern is that unemployed construction workers are going into weatherization without the proper training in order to start obtain a

¹⁷⁷ Buschur, discussion.

¹⁷⁸ Blanchette, discussion.

¹⁷⁹ Ibid.

¹⁸⁰ Almonó, discussion.

¹⁸¹ Almonó, discussion.

¹⁸² “Boston city, Massachusetts,” U.S. Census Bureau, 2005-2009 American Community Survey, last modified July 8, 2010, http://factfinder.census.gov/servlet/ACSSAFFacts?_event=&geo_id=16000US2507000&_geoContext=01000US%7C04000US25%7C16000US2507000&_street=&_county=&_cityTown=Boston&_state=04000US25&_zip=&_lang=en&_sse=on&ActiveGeoDiv=&_useEV=&pctxt=fph&pgsl=160&_submenuId=factsheet_1&ds_name=DEC_2000_SAFF&_ci_nbr=null&qr_name=null®=&_keyword=&_industry=.

¹⁸³ “Lawrence city, Massachusetts,” U.S. Census Bureau, 2005-2009 American Community Survey.

faster income,¹⁸⁴ which is an issue that we can address through compensation for weatherization training.

Focus on collaboration

There is interest in greater institutional collaboration for economic development purposes on the part of the MVWIB. It is the position of the WIB that the local government and the board need to work more closely together. In particular, businesses must not only be made aware of local, state, and federal incentives for locating in a particular area, but they must also know about the workforce development opportunities provided via the Career Center.¹⁸⁵

¹⁸⁴ Abislaiman, discussion.

¹⁸⁵ Almonó, discussion.

Recommended Next Steps

“To advance more effectively, we need [the MVWIB] to work more systematically with the departments of Economic Development, Community Development, and to strengthen the City policy on local hiring to stimulate economic development. Then we can work on our end, doing the training and preparation so people are ready for employment.” – *Susan Almonó, Resource Development Manager, Merrimack Valley Workforce Investment Board, July 2011*

Reducing unemployment in Lawrence requires eliminating certain barriers and, specifically, raising the level of educational attainment among residents. There is clearly a correlation between education and employability: Lawrence has half the state-average high school graduation rate and double the state-average unemployment rate. Furthermore, it appears that an emphasis on industry development and local business improvement is not enough to increase employment. Unless we have the good fortune of consistently attracting companies that are committed to hiring locally and replenishing their employees’ skill deficits, educational barriers will continue to prevent Lawrence residents from securing stable employment and scaling career ladders.

In a city like Lawrence – with an extremely high dropout rate and a low overall level of educational attainment – we must first work around the lack of education and, over time, fix it. In the short-term, we can tackle educational barriers by providing remedial services and training to raise the employability of Lawrence residents. In the long-term, we must establish effective dropout prevention programs and work to better the education system in order to prepare young people for higher learning and future success in the workplace.

To synthesize our findings and analysis, below we list recommendations for short-term and long-term action items for a collaborative effort between City government, the Merrimack Valley Workforce Investment Board, local schools, community-based organizations, and local and regional employers. Both in the short- and long-term, we first address the most pressing charge: eliminating barriers to employment. We then discuss improving local hiring at the City level, and further developing industries in Lawrence.

Short-Term Next Steps

Focus	Action Items
Eliminate barriers to employment	Address educational barriers: tackle high school drop out rate through individualized interventions, connecting students to college through internships/career explorations/mentoring programs, active recovery, and alternatives to traditional high schools (for more information, please visit www.doe.mass.edu/dropout/) ¹⁸⁶
	Provide education and training opportunities for out of school youth and adults with limited educational skills; connect them with the Greater Lawrence Regional Vocational Technical School District
	Tackle educational remediation outside of the Merrimack Valley Workforce Investment Board, since this task is not part of their mission
	Address need for engineers to retain manufacturing jobs by creating programs for different groups within the population: Youth: STEM enrichment programs to raise interest in engineering as future career Ensure the high school-to-college pipeline Higher education: programs in engineering Immigrants: connect to higher education programs in engineering Linguistically-isolated populations: more access to and emphasis on ESOL
	Improve advertising of ValleyWorks Career Center opportunities in the local community; improve outreach about local job opportunities, especially in food production, through community meetings, poster, door-to-door organizing strategies, and partnerships with community-based organizations, such as Lawrence CommunityWorks and Arlington Community Trabajando
	Increase opportunities for ESL and ABE training in the community: collaborate with the Massachusetts Department of Education to increase funding and the number of literacy service providers
	For ESL training, the training must include vocabulary and mathematics that workers encounter on the job. There also should be a greater emphasis on English writing (not only speaking) skills ¹⁸⁷
	Couple training programs with remedial education and ESOL classes
	Explore options for bilingual training
	Focus on certification ¹⁸⁸
	Investigate opportunities for National Emergency Grant funding for all Lawrence residents
	Explore training options with the Hiring Incentive Training Grant Program

¹⁸⁶ "Making the Connection," Massachusetts Graduation and Dropout Prevention and Recovery Commission, Massachusetts Executive Office of Education, October 2009, accessed August 2, 2011, http://www.mass.gov/?pageID=edumodulechunk&L=1&L0=Home&sid=Eoedu&b=terminalcontent&f=Dropout_Commission_Report_Text&csid=Eoedu, 16-17.

¹⁸⁷ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 48.

¹⁸⁸ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 52.

<i>Eliminate barriers to employment</i>	Connect unemployed residents with temporary work agencies through closer collaboration between these temp agencies and the ValleyWorks Career Center
<i>Improve local hiring</i>	<p>To address linguistic barriers of the unemployed, hire more bilingual staff at the ValleyWorks Career Center</p> <p>Support community-based training providers with special procurement opportunities</p> <p>Highlight New Balance's best practices in local hiring, employer training, and affirmative action employment policies</p> <p>Set local vendor standard for the City's Lead Hazard Abatement Program – 50% of vendors on pre-approved contractor lists should be Lawrence-based</p> <p>Amend selection criteria so that Lawrence-based businesses receive preference on City contracts, even when they are not the lowest bidder</p> <p>Forge partnerships between government and employers that want to take the high road</p> <p>MVVWB works with Mayor's Office and the Director of Economic Development to establish incentives for training providers to register with the ValleyWorks Career Center. There should be a way for all new companies that come into Lawrence to partner with ValleyWorks to ensure local hiring, should also be mandated for contractors</p> <p>Increase innovation around workforce development programs at the local government level</p> <p>Strengthen institutional collaboration: convene workforce development working group – bring together representatives from Economic Development, Community Development, Mayor's Office, the City Council, training providers, the ValleyWorks Career Center, and major local employers</p> <p>Explore options for other City incentives that require companies to hire locally and provide training</p> <p>Connect small businesses within the Riverwalk Complex with Lawrence residents seeking employment through the ValleyWorks Career Center</p> <p>Address the disconnect between local employers and the ValleyWorks Career Center; connect local employers to funding for training and employee recruitment services</p> <p>Expand opportunities for local establishments and contractors to do business with the City</p> <p>To further develop green jobs, procure funds to compensate workers for the time spent in training</p>
<i>Develop industries</i>	<p>Conduct asset inventories in different neighborhoods to see what skills are available in the community, then connect to jobs (existing or emerging)</p> <p>Ensure adequate training in manufacturing and that training is provided in advanced manufacturing</p> <p>Focus on collaboration: MVWB notes that "in some cases, the issues are beyond the scope of the WIB to address alone and will require collaboration with local public schools or higher education along with economic development officials to position Merrimack Valley for future job growth"¹⁸⁹</p>

¹⁸⁹ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 23.

Develop industries	Explore Workforce Training Fund for further training
	Work with ValleyWorks and local higher education institutions to establish a CNC machinist training program
	Focus training for the Health Care industry in registered nurses, nursing aides, orderlies, attendance, and home health aides ¹⁹⁰
	Since trucking and warehousing are concentrated in an area that includes Lawrence, it may make sense to train Lawrence residents in key occupations for this industry, which for the region include material movers, heavy truck drivers, packers, light truck drivers, and shipping and receiving clerks. Workforce development organizations must consider that trucking and warehousing is more of an occupational cluster and that employees in this occupation may be staffed across different industries ¹⁹¹
	Connect small businesses to the Small Business Administration for proper registration and development opportunities

Long-Term Next Steps

Focus	Action Items
Eliminate barriers to employment	Provide alternative paths for youth who may not be able to perform at grade-level or who have delinquency issues Develop ABE and remedial programs for youth who are below the 8 th grade educational level
Improve local hiring	Reconsider the role of the Merrimack Valley Workforce Investment Board in job training in Lawrence since it is a regional organization. Says the WIB's Executive Director, Rafael Abislaïman, "do we serve our mission – that's funded by <i>non</i> -municipal monies, federal monies – if we don't have an appropriate balance between our regional obligations and our municipal obligations. And that's a work in progress, that type of dynamic is never going to be fully addressed and it's more of a negotiated type of thing." ¹⁹²
Develop industries	Look to nanotechnology for future job creation ¹⁹³ Explore options for biotechnology vocational training certification programs ¹⁹⁴

¹⁹⁰ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 28.

¹⁹¹ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 36.

¹⁹² Abislaïman, discussion.

¹⁹³ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 43.

¹⁹⁴ "Merrimack Valley Workforce Investment Board Labor Force Blueprint Update," 42.

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- Wilfred Carpenter (Vice President, Sales & Service, Merrimack Valley Chamber of Commerce), in discussion with the author. June 2011.
- Wilfred Carpenter (Vice President, Sales & Service, Merrimack Valley Workforce Investment Board) in discussion with the author. June 2011.

Appendices

Appendix I: Project Interviewees

City of Lawrence

- James Barnes, Director, Community Development Department
- Patrick Blanchette, Chief Economic Development Director, Office of Mayor William Lantigua
- Frank O'Connor, Project Officer, Office of Economic Development, Community Development Department
- Stephen Vega, Lead Director
- Lloyd DeJesus, Field Operations Manager, Lead/Rehabilitation

Merrimack Valley Workforce Investment Board

- Rafael Abislaiman, Executive Director
- Susan Almonó, Resource Development Manager

ValleyWorks Career Center

- Arthur Chilingirian, Executive Director

Merrimack Valley Chamber of Commerce

- Joseph Bevilacqua, President/CEO
- Wilfred Carpenter, Vice President, Sales & Service

Merrimack Valley Economic Development Council

- David Tibbetts, President

Lawrence CommunityWorks

- Maggie Super Church, Project Director, Union Crossing
- Katherine Easterly, Project Manager, Union Crossing

Groundwork Lawrence

- Brad Buschur, Project Manager, Spicket River Greenway

Massachusetts Office of Business Development

- Brenda Reynolds, EDIP Coordinator
- Annamarie Kersten, EDIP Director and Finance Manager

Appendix II: Unemployment and Labor Force Growth in Lawrence, 1990-2010

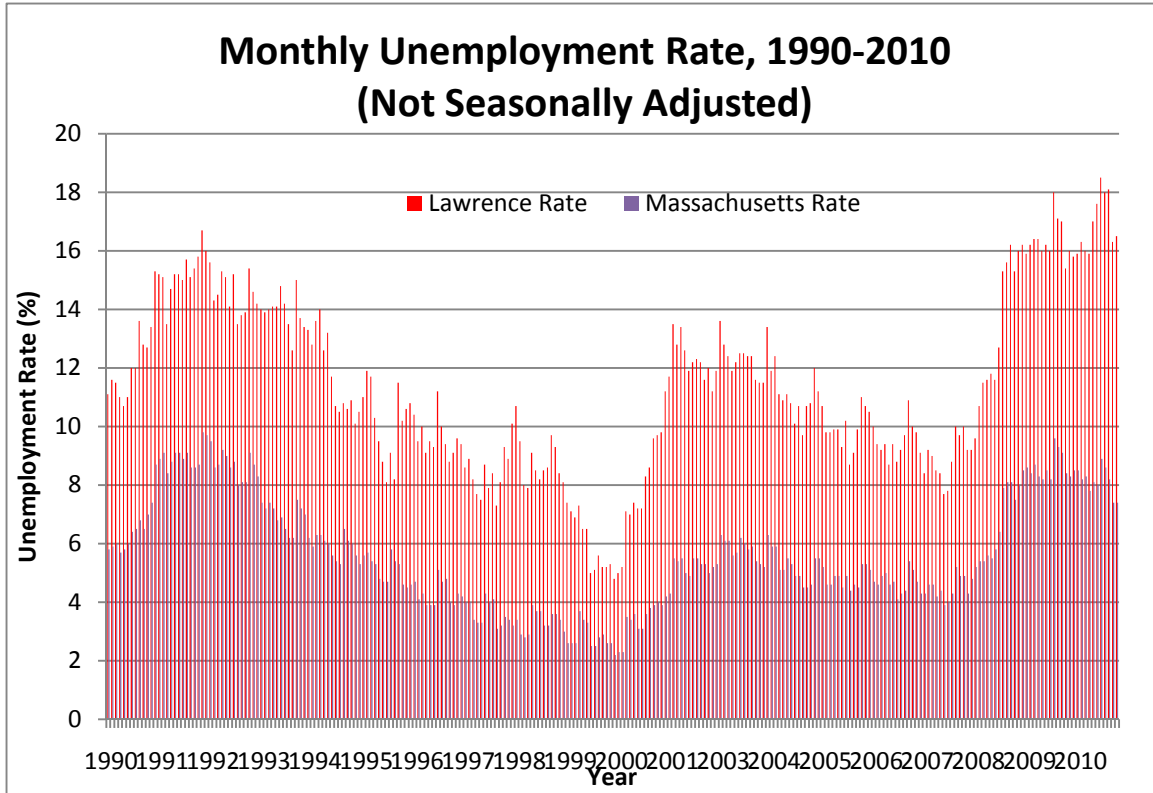


Figure 5. Monthly unemployment rate, 1990-2010

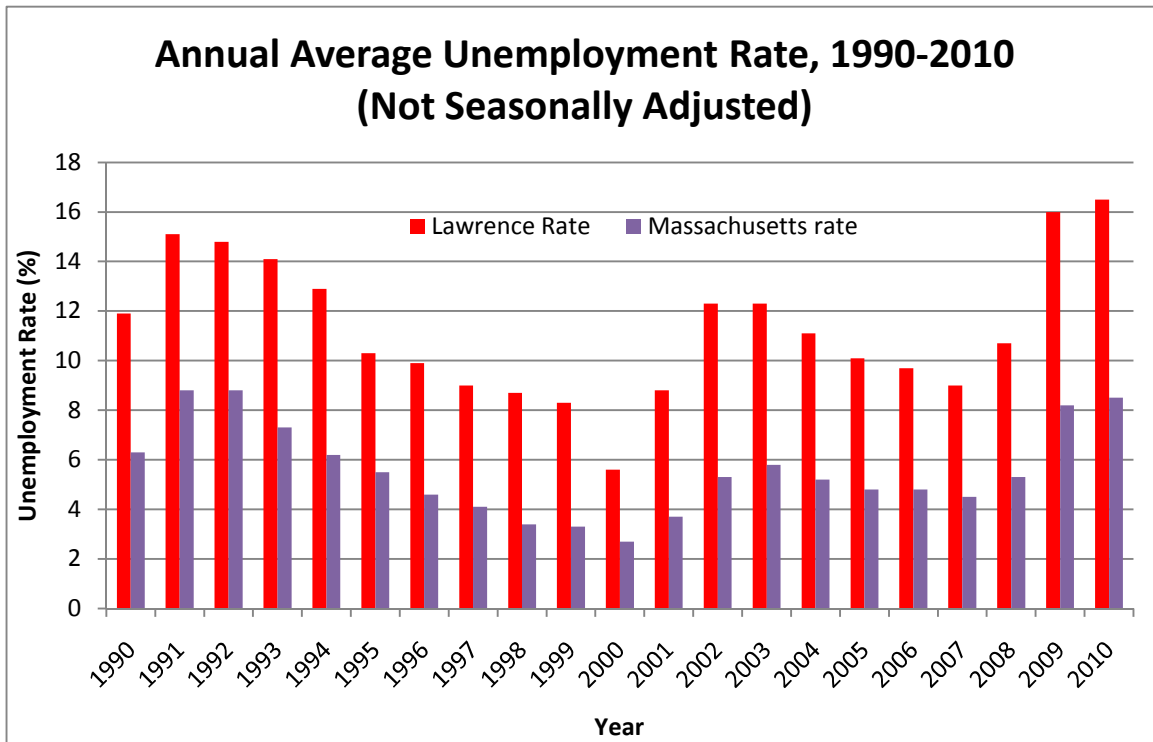


Figure 6. Annual average unemployment rate, 1990-2010

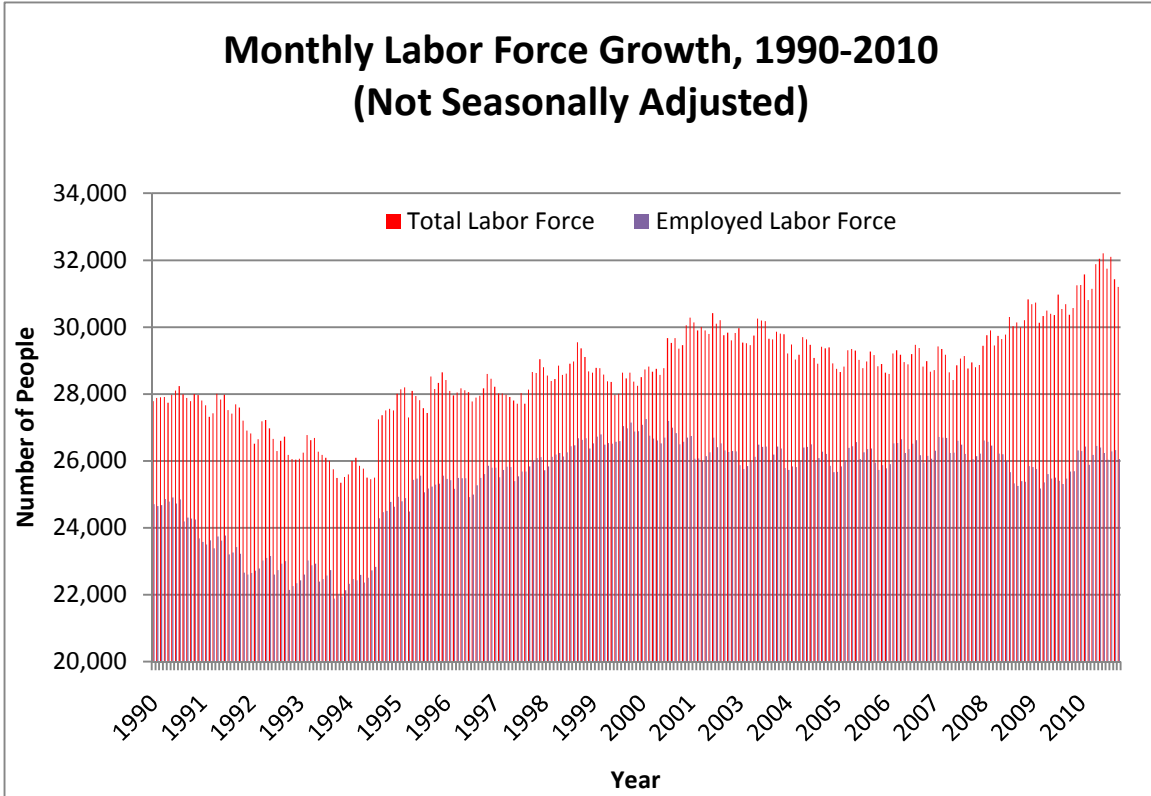


Figure 7. Monthly labor force growth, 1990-2010

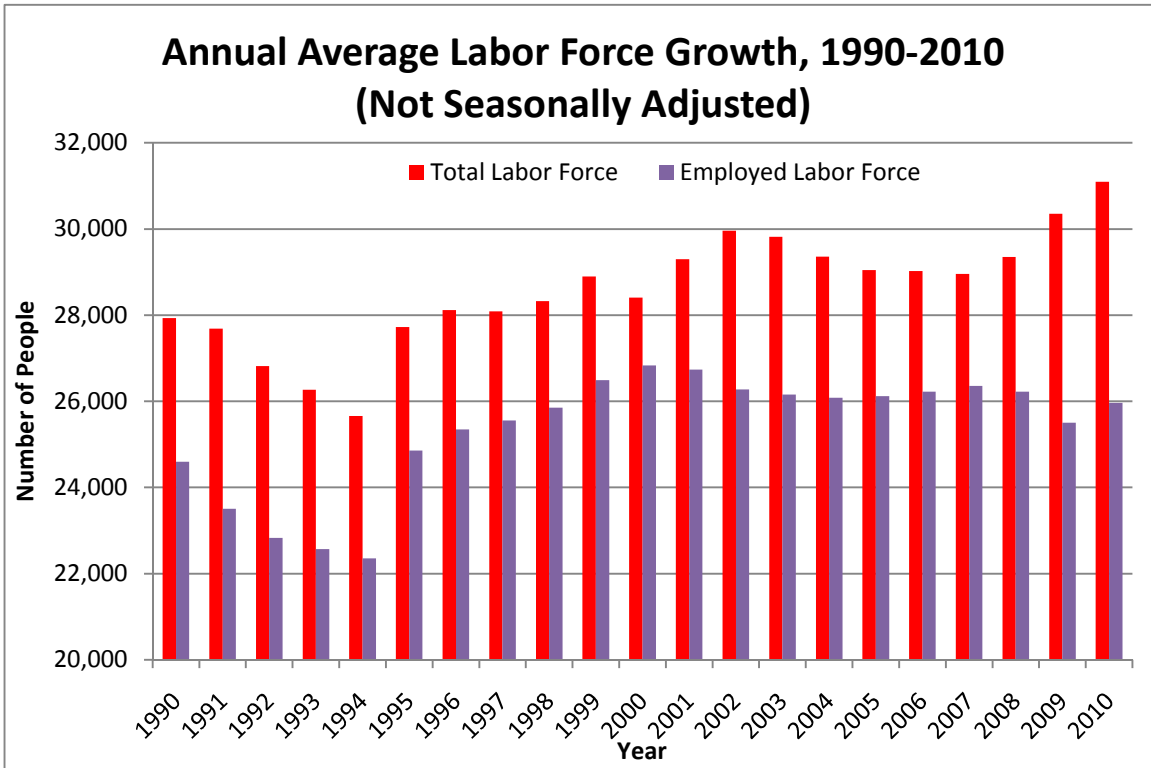


Figure 8. Annual average labor force growth, 1990-2010

Appendix III: Local, State, and National Unemployment Rates, June 2011

Major Labor Area	UNEMPLOYMENT TRENDS FOR MERRIMACK VALLEY SERVICE DELIVERY AREA (Three Year Comparison)			(Previous Six Months)						
	Current June 2011	June 2010	June 2009	Current June 2011	May 2011	April 2011	March 2011	February 2011	January 2011	December 2010
Massachusetts	7.8	8.8	8.7	7.8	7.4	7.4	8.2	8.7	9.0	8.0
National	9.2	9.5	9.5	9.2	9.1	9.0	8.8	8.9	9.0	9.4
Lawrence/NH NECTA Division	11.7	12.3	13.1	11.7	11.4	11.1	12.4	12.7	13.0	12.1
Lower Merrimack Valley (WIA)	9.2	10.1	10.3	9.2	9.0	8.7	10.0	10.2	10.4	9.6
Amesbury	7.1	8.4	8.3	7.1	7.0	6.7	7.7	8.3	8.4	7.8
Andover	6.3	7.0	7.2	6.3	6.1	5.7	6.1	6.3	6.8	6.2
Boxford	5.7	6.7	6.3	5.7	5.7	5.5	5.9	6.1	6.6	5.1
Georgetown	6.0	6.9	7.3	6.0	5.7	5.9	6.4	6.5	6.7	5.9
Groveland	5.8	7.5	7.5	5.8	5.3	5.6	6.6	7.1	7.0	5.9
Haverhill	8.5	9.4	9.8	8.5	8.3	8.2	9.5	9.6	9.7	8.9
Lawrence	16.8	16.7	17.3	16.8	16.5	16.3	18.2	18.0	18.6	17.6
Merrimac	6.4	8.5	8.2	6.4	6.0	5.8	6.9	7.3	7.6	6.6
Methuen	9.1	10.2	10.9	9.1	8.9	8.4	9.6	10.1	9.9	8.9
Newbury	7.1	7.3	7.8	7.1	6.5	6.6	7.5	8.3	8.6	6.2
Newburyport	6.5	7.6	7.1	6.5	6.0	5.8	6.9	7.0	7.2	6.9
North Andover	7.0	8.6	8.7	7.0	6.5	6.1	6.9	7.2	7.2	6.9
Rowley	6.8	7.4	7.9	6.8	7.4	7.3	8.7	8.9	9.2	7.5
Salisbury	7.6	10.4	8.5	7.6	7.8	7.4	9.7	10.7	11.1	9.8
West Newbury	5.5	7.1	7.1	5.5	5.5	5.5	6.3	6.5	6.5	6.5

(Data not seasonally adjusted)
Merrimack Valley Workforce Investment Board
439 South Union Street, Lawrence, MA 01843 (978) 682-7099

Figure 9. Unemployment rates for the United States, Massachusetts, the Merrimack Valley Workforce Investment Area, and the region's 15 cities and towns

Appendix IV: Recent Earnings and Employment Trends in Lawrence

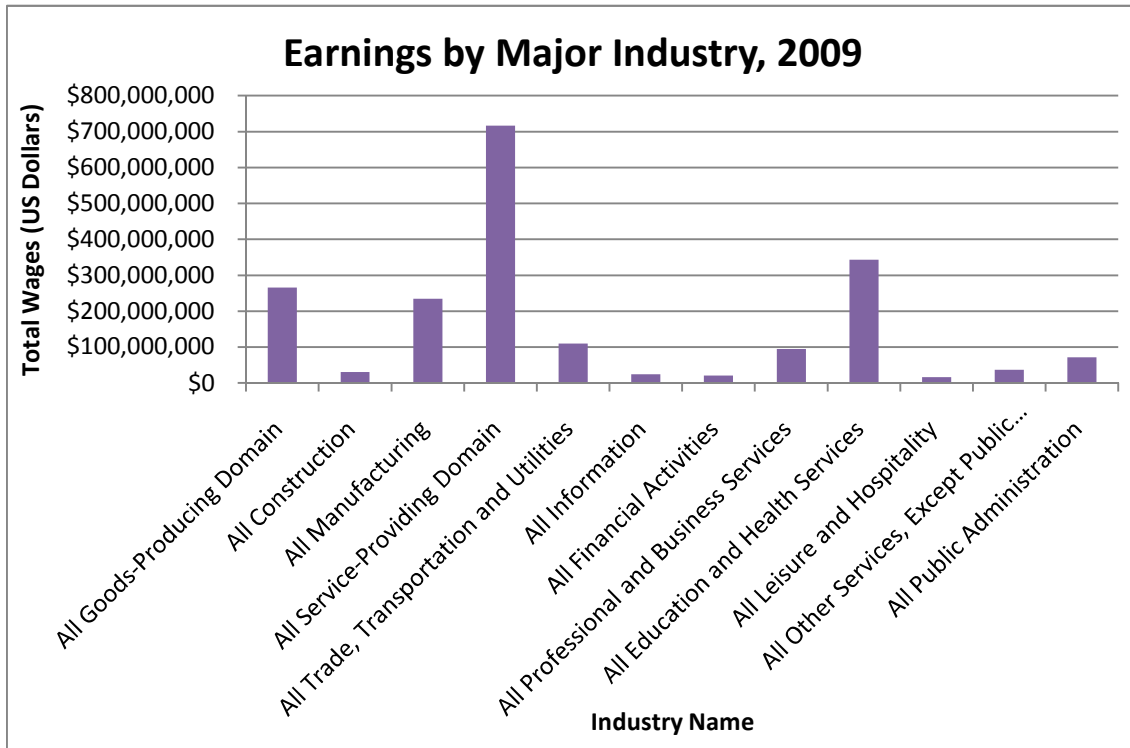


Figure 10. 2009 earnings by major industry in Lawrence

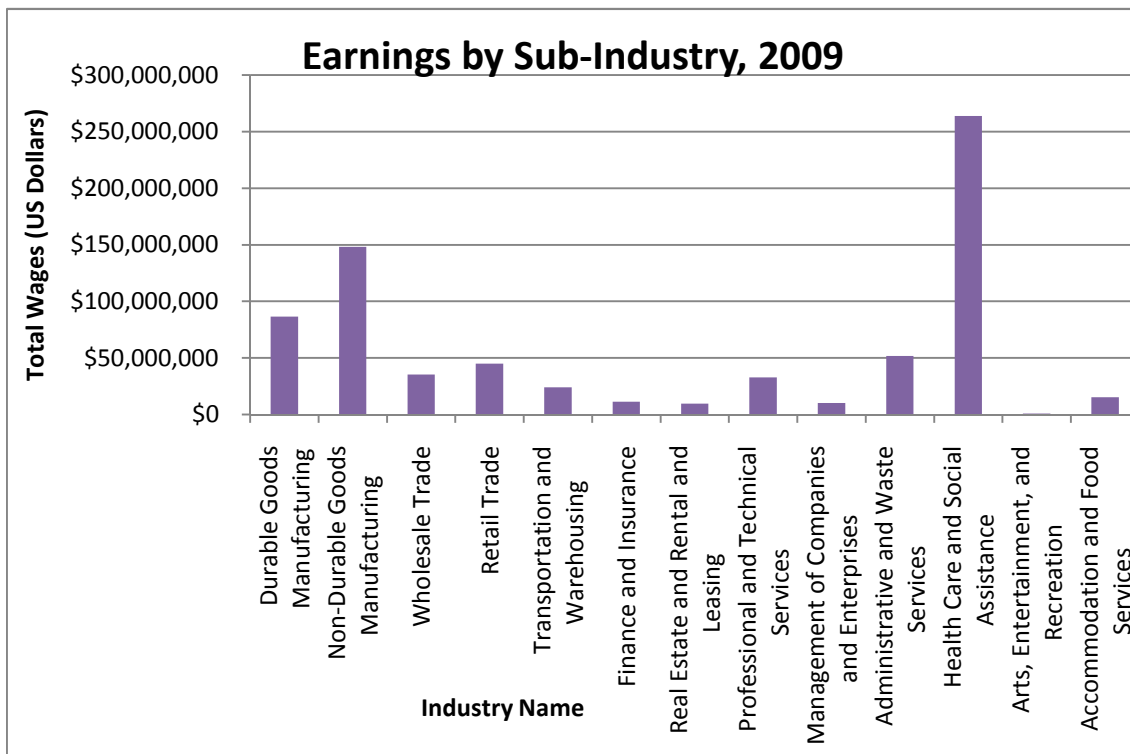


Figure 11. 2009 earnings by sub-industry in Lawrence

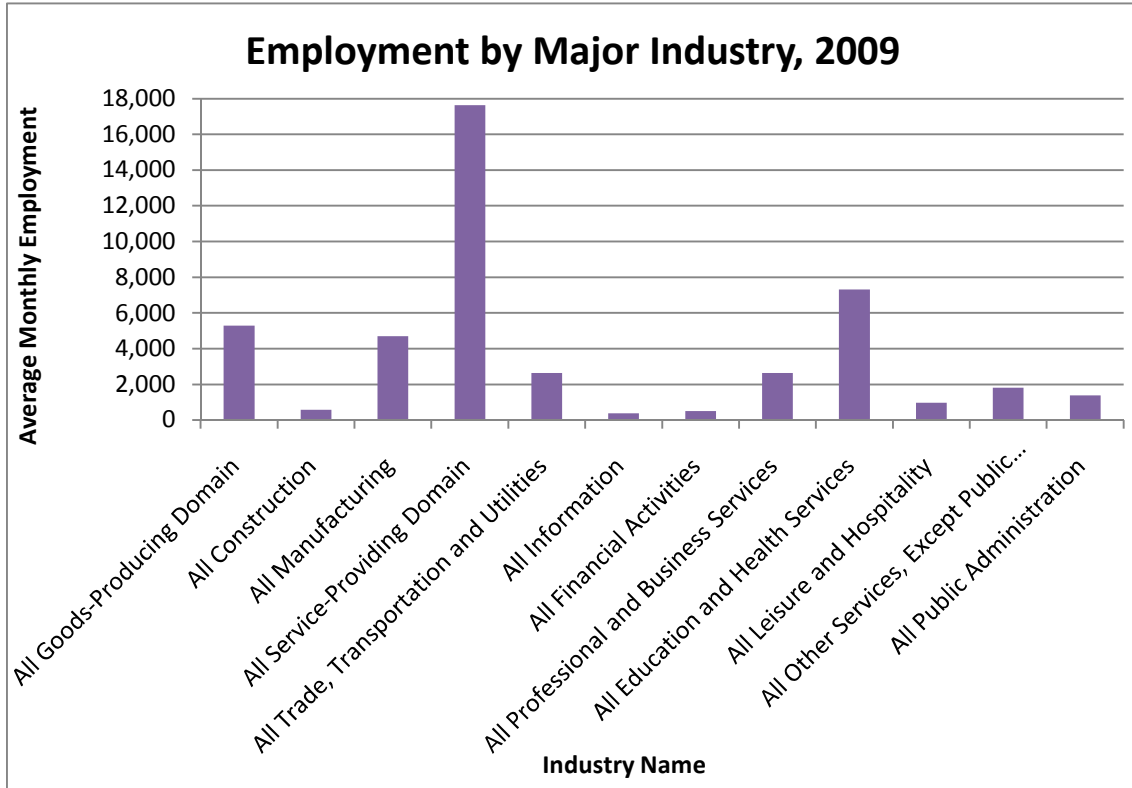


Figure 12. 2009 employment by major industry in Lawrence

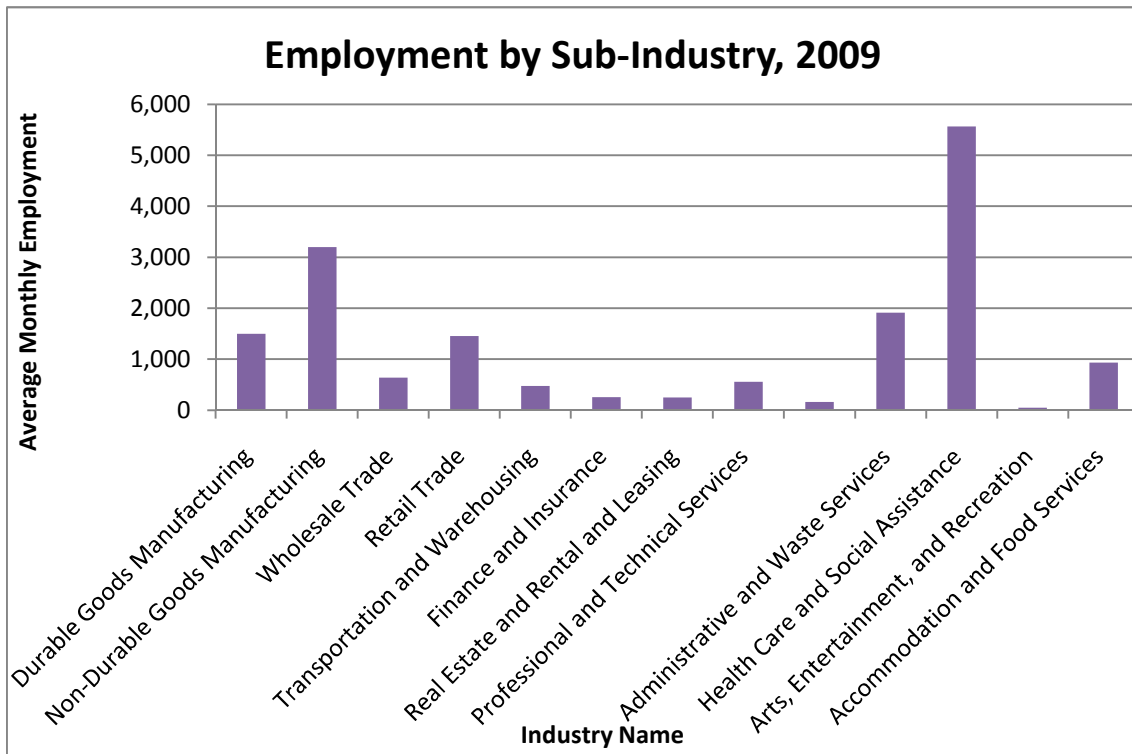


Figure 13. 2009 employment by sub-industry in Lawrence

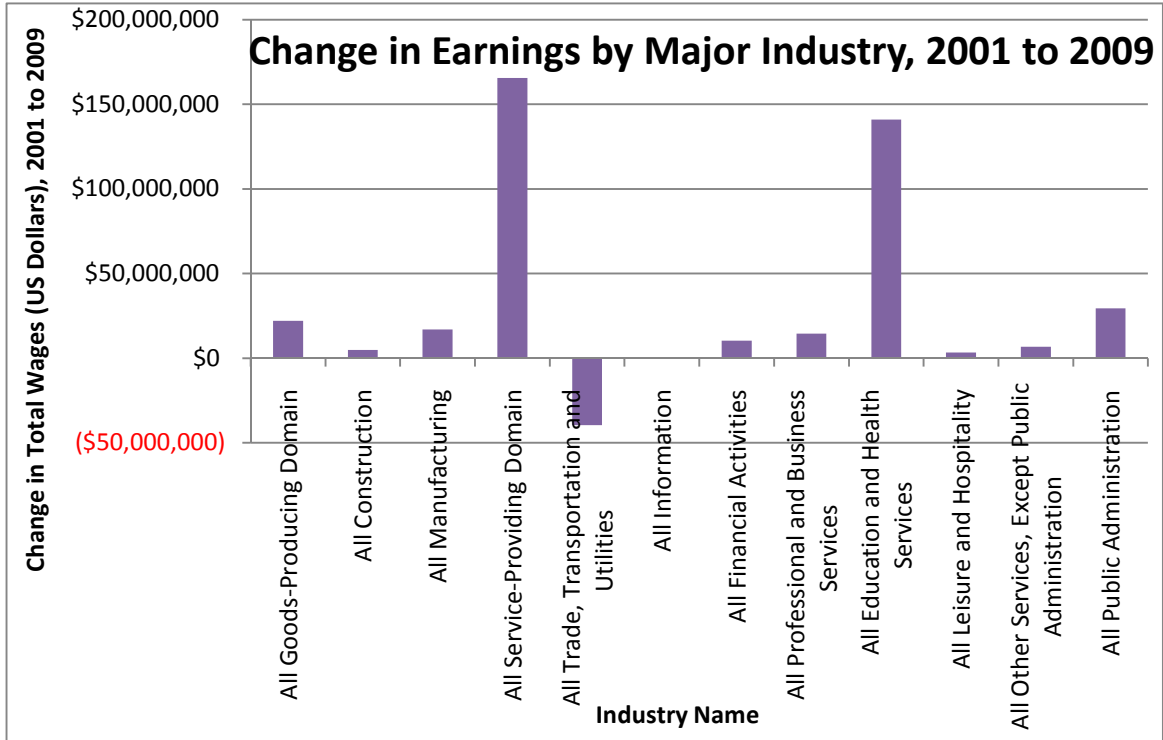


Figure 14. Change in earnings by major industry in Lawrence between 2001 and 2009

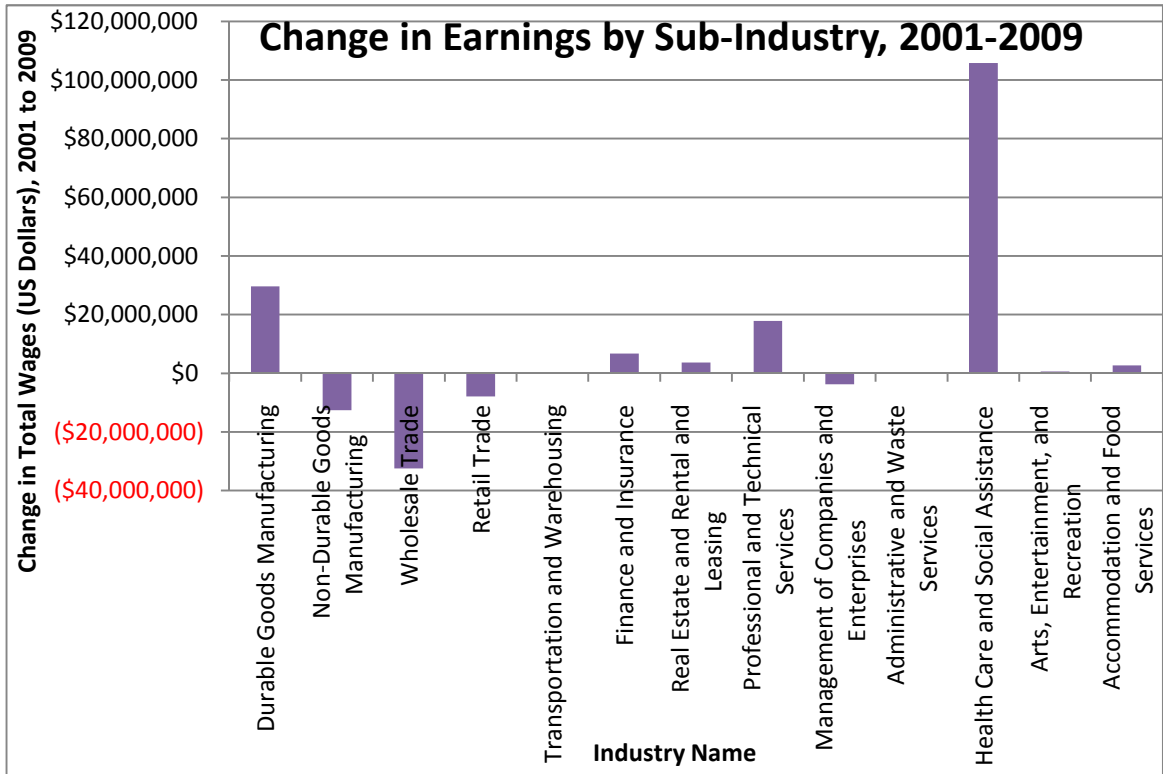


Figure 15. Change in earnings by sub-industry in Lawrence between 2001 and 2009

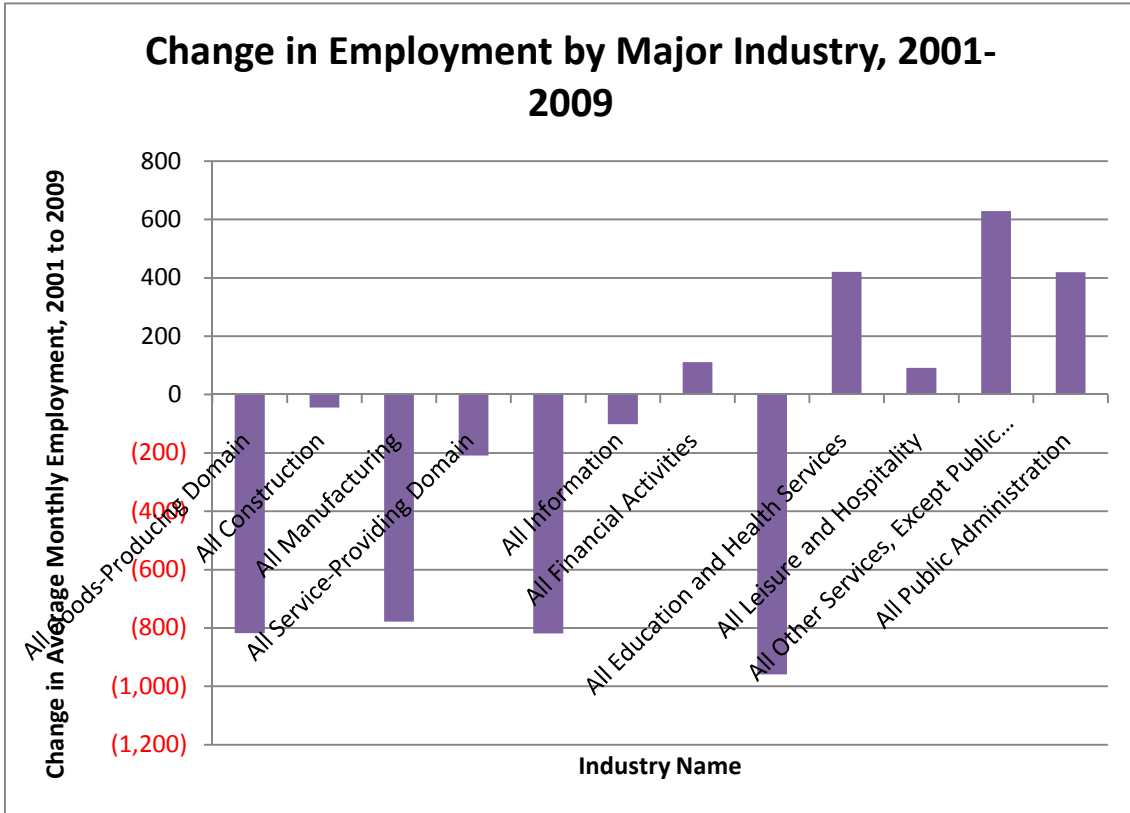


Figure 16. Change in employment by major industry in Lawrence between 2001 and 2009

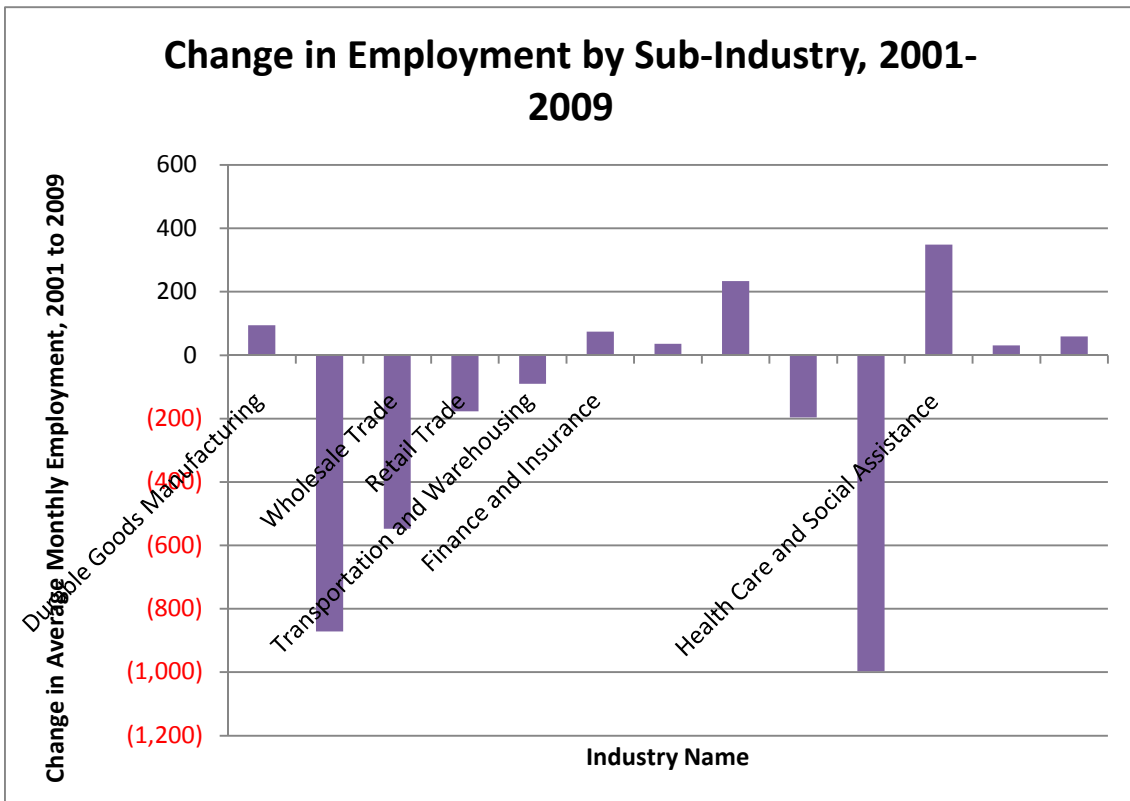


Figure 17. Change in employment by sub-industry in Lawrence between 2001 and 2009

Appendix V: Monthly Unemployment Insurance Claims for Six Industries

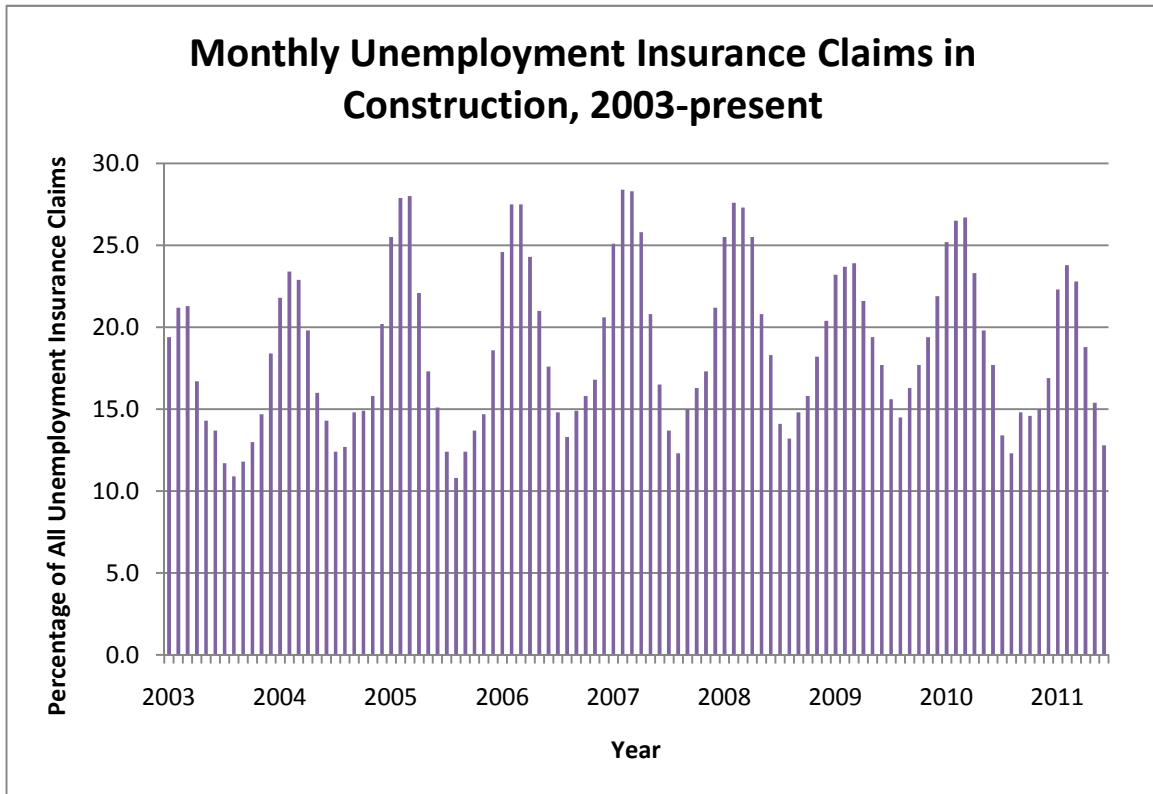


Figure 18. Monthly unemployment insurance claims in Construction between 2003 and 2011

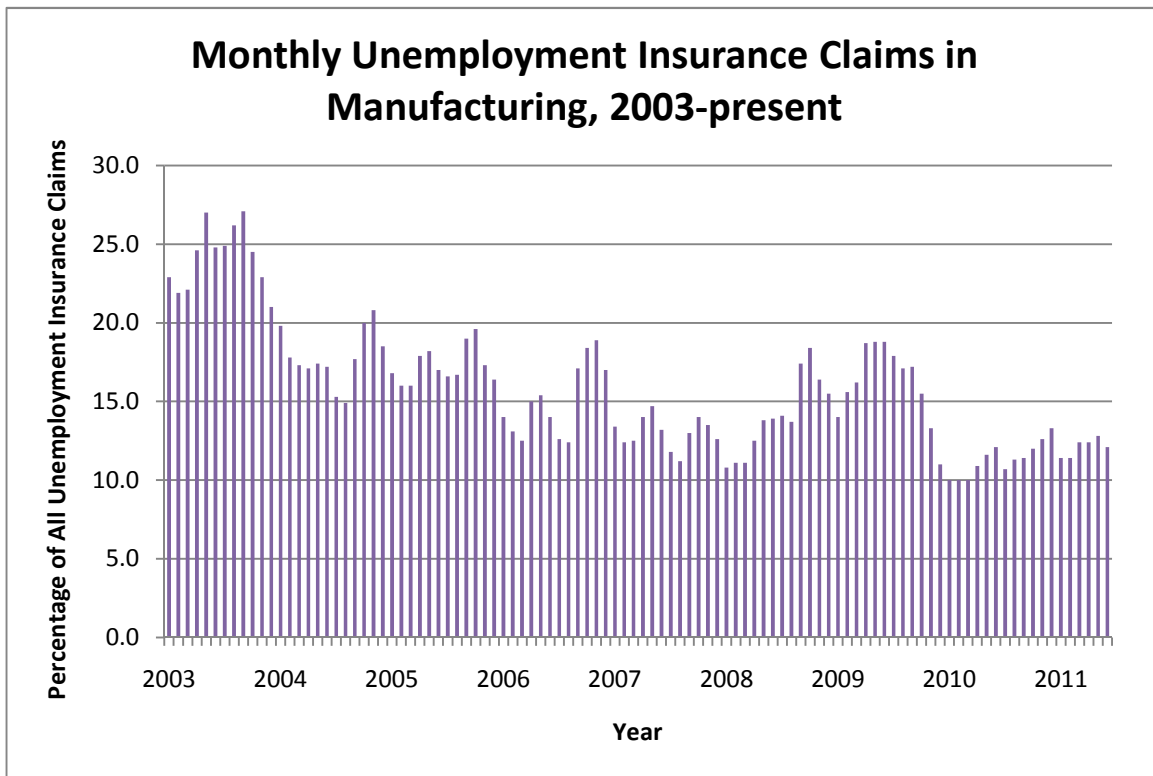


Figure 19. Monthly unemployment insurance claims in Manufacturing between 2003 and 2011

Monthly Unemployment Insurance Claims in Administrative & Support & Waste Management & Redemption Services, 2003-present

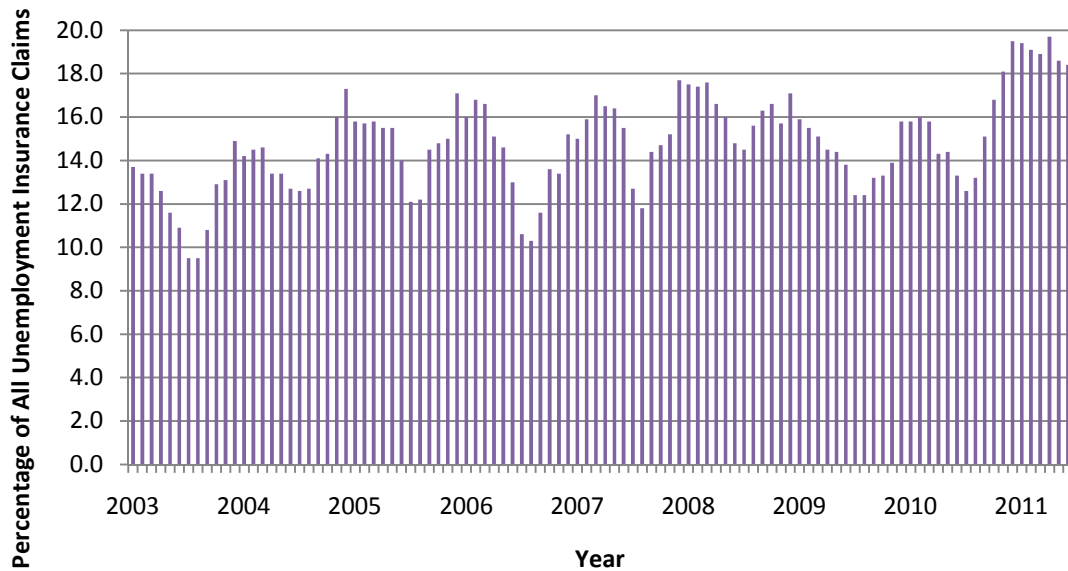


Figure 20. Unemployment insurance claims in Administrative & Support & Waste Management & Redemption Services between 2003 and 2011

Monthly Unemployment Insurance Claims in Professional, Scientific, and Technical Services, 2003-present

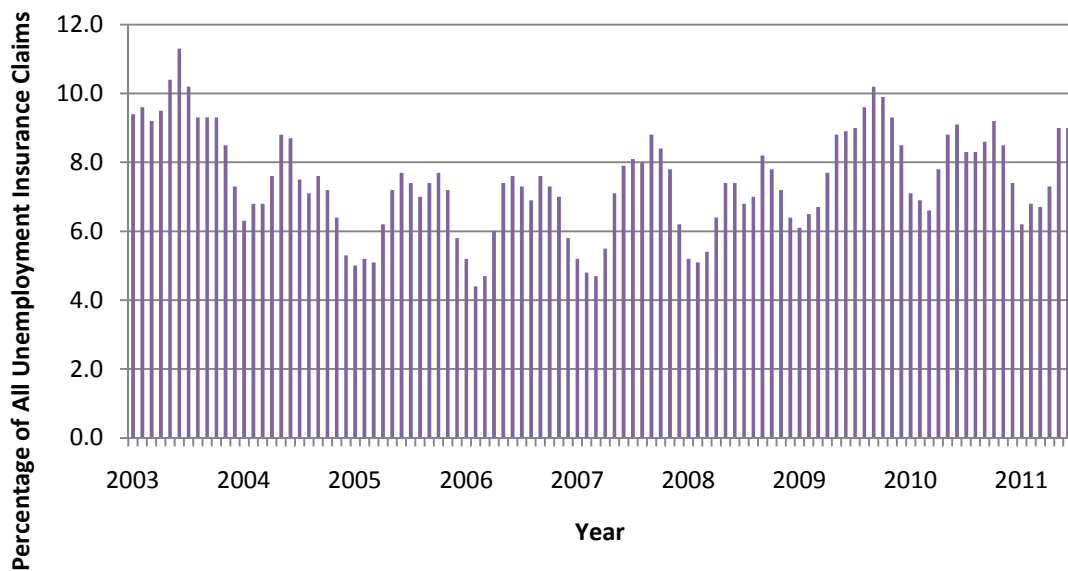


Figure 21. Unemployment insurance claims in Professional, Scientific, and Technical Services between 2003 and 2011

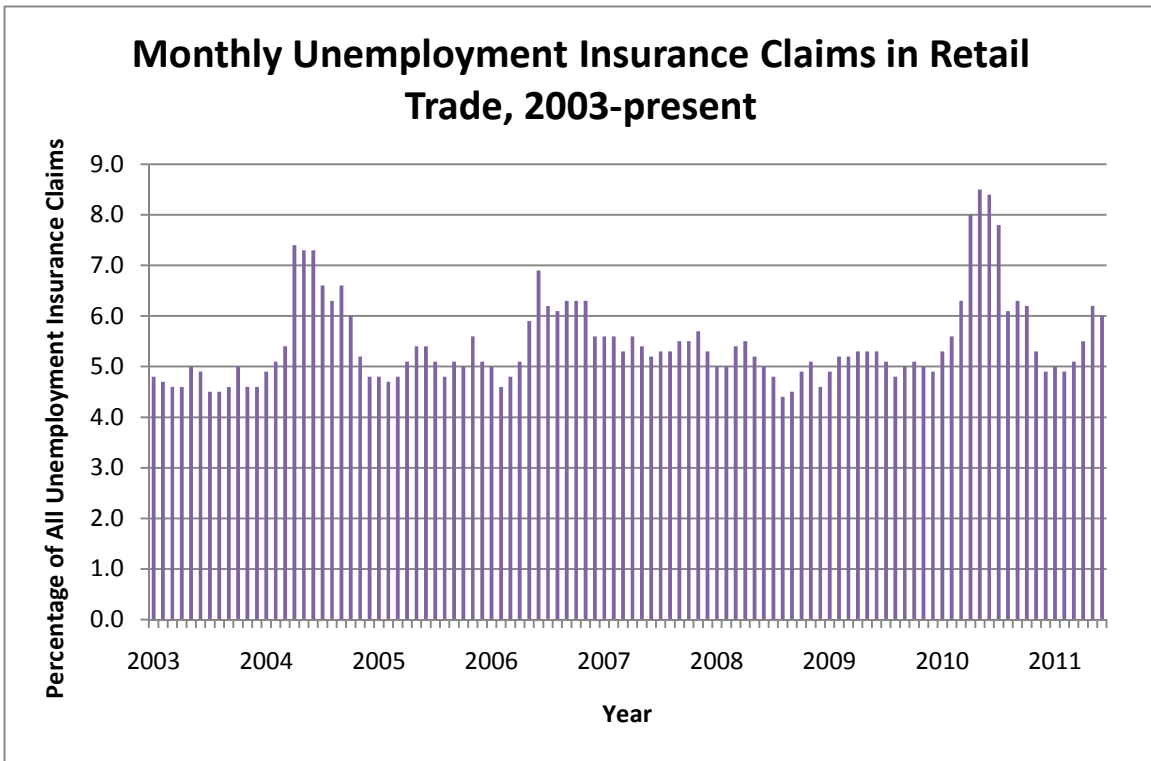


Figure 22. Monthly unemployment insurance claims in Retail Trade between 2003 and 2011

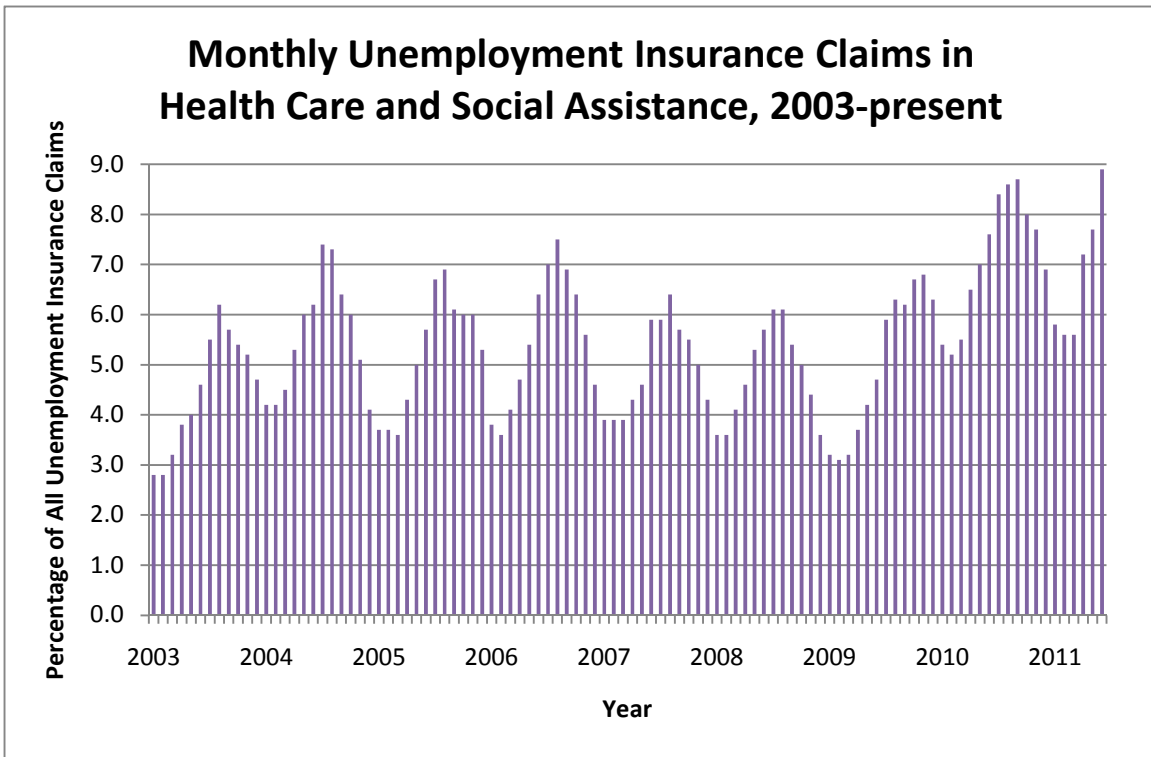


Figure 23. Monthly unemployment insurance claims in Health Care and Social Assistance between 2003 and 2011

Appendix VI: City of Lawrence Economic Development Core Objectives and Related Initiatives

Table 11. Economic development core objectives for the City of Lawrence and related initiatives

ECONOMIC DEVELOPMENT CORE OBJECTIVE	INITIATIVES
<i>Create and retain jobs</i>	<ol style="list-style-type: none"> 1. Business Assistance – support for projects that will lead to the creation of jobs for low- and moderate-income residents 2. Targeted Neighborhood Commercial Area Assistance 3. Focus on affirmative action and employment and training for neighborhood residents 4. Compiling database of local businesses to facilitate local job opportunities 5. Meet and exceed federal Section 3 mandate that requires that 30% of all construction and construction-related new hires be residents of the local area where the project occurs 6. Designation as “Renewal Community” 7. Additions to the emergency/triage facility at Lawrence General Hospital 8. New facility to house the Greater Lawrence Boys Club
<i>Create a competitive workforce through increased educational attainment</i>	<ol style="list-style-type: none"> 1. Expansion of Northern Essex Community College 2. Bell Tower Mills/60 Island Street to house Cambridge College
<i>Support neighborhood-based economic development</i>	<ol style="list-style-type: none"> 1. Business Assistance – provision of technical assistance to businesses located or seeking to expand in Lawrence 2. Targeted Neighborhood Commercial Area Assistance
<i>Improve the physical environment and streetscape appearance of the city</i>	<ol style="list-style-type: none"> 1. Business Assistance – Business Façade Improvement Program 2. Public Facilities and Improvements to Community Facilities 3. Streetscape Improvements/Beautification to Public Streets 4. Open Space/Parks Improvements 5. Land and Building Reuse 6. Lawrence Gateway Project 7. Projects with Groundwork Lawrence