
NH LAKES REGION INDUSTRY CLUSTER ANALYSIS

Prepared for the

Lakes Region CEDS Strategy Committee

and the

Lakes Region Planning Commission

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ECONOMIC DEVELOPMENT

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Executive Summary

The Lakes Region Planning Commission (LRPC) retained Camoin Associates to conduct an industry cluster analysis for the New Hampshire Lakes Region. This study is to be used in the Comprehensive Economic Development Strategy (CEDS) currently being developed by the Lakes Region Planning Commission with support from the U.S. Economic Development Administration, the NH Community Development Finance Authority, and the NH Department of Resources and Economic Development.

Camoin Associates aggregated employment data from NH Employment Security (NHES) for the four counties that contain the Lakes Region (Belknap, Carroll, Grafton and Merrimack). Camoin Associates then conducted an analysis of changes in employment by industry sector over the 2001 to 2005 period and also calculated location quotients for industries in the region compared to New England and the U.S., as well as conducted a shift-share analysis to determine how much local employment growth during this period was attributable to local competitive factors rather than overall national employment growth or the performance of a particular industry nation-wide. Late arrival of NHES employment data for the 30 cities and towns of the Lakes Region for the years 2000 and 2005 precluded them from analysis, however, a snapshot of these data is provided on page 6, with additional data in Appendix I.

To provide context for this data analysis, Camoin Associates reviewed the report “Economic Opportunities and Challenges in Belknap County” prepared by PolEcon Research of Dover, NH.

Based on this research and analysis, Camoin Associates classified relevant sectors into four categories: key industries, potential growth industries, dormant industries and declining industries. This classification allowed Camoin Associates to posit that the following industry clusters exist in and around the Lakes Region (see pages 23-25 for preliminary cluster descriptions):

- Retail
- Health Care
- Diversified Manufacturing
- Information Industries
- Entertainment/Tourism
- Construction
- Finance, Real Estate and Insurance

Camoin Associates also used data from an input-output model to begin to construct some of the inter-industry relations within and between these clusters and to define local supply chains where they exist. The details of this analysis are found on pages 27-36. In sum:

- Retail industries utilize local services but do not purchase many of the goods they sell from industries in the region.
- Health care businesses utilize many local services and purchase wholesale and medical supplies locally.
- The types of manufacturing firms with a large or growing presence in the Lakes Region (those that process primary metals, such as iron and steel mills, and processors of nonmetallic minerals such as sand, gravel, clay or stone) appear to purchase truck



transportation services locally to either transport raw materials in or to deliver their finished product to customers. Only some of them purchase their raw materials locally.

- Information industries, particularly publishers, of which there are many types in the Lakes Region, purchase wholesale goods and a wide variety of services locally. Other information-based businesses such as software publishers, publishers of databases and directories, as well as motion picture recording and telecommunications businesses exhibit strong inter-relationships within the industry locally.
- Entertainment and amusement businesses rely on many local independent artists and performers, as well as a wide range of local service providers for back-office type support functions.
- Construction firms have a large impact on local producers of many types of goods, as well as providers of professional and technical services and repair and maintenance services. Construction firms also make significant purchases from local retailers and wholesalers.
- Finance, Real Estate and Insurance firms with a significant presence in the region rely on many other types of financial institutions and exhibit inter-relationships within the local industry.

Camoin Associates recommends that the CEDS Strategy Committee consider this information and use it in conjunction with the results of their visioning process to define target lists of industries on which to focus regional business retention and business attraction efforts.

- Target industries for business retention efforts include those that the region has a high relative concentration of, but which may be at risk. These can be identified by high but decreasing LQs over time. Possible examples include various types of manufacturers, such as wood products, machinery and electrical equipment and appliances.
- Target industries for attraction should include those industries that the region already has a relative concentration in or a growing relative concentration in that can be marketed as a competitive advantage for other firms in the same industry. These target industries would preferably provide high-quality jobs. Some possible examples include management of companies and enterprises; motion picture and sound recording; and telecommunications.
- Target industries for attraction could also include those that the data show as not having a significant presence in the local economy, but which may be desired in the region because they provide high-paying jobs and could help balance out the over-reliance on tourism and low-wage service jobs that was identified as a weakness in the CEDS Strategy Committee's SWOT analysis. Some possible examples include larger firms in professional and technical services, as well as medium to large sized information-based businesses such as data processors and Internet service providers. Attracting these industries may require some workforce development efforts over time to meet their labor needs.



Introduction

The Lakes Region Planning Commission (LRPC) retained Camoin Associates to conduct an industry cluster analysis for the New Hampshire Lakes Region. This study is to be used in the Comprehensive Economic Development Strategy (CEDS) currently being developed by the Lakes Region Planning Commission with support from the U.S. Economic Development Administration, the NH Community Development Finance Authority, and the NH Department of Resources and Economic Development.

The goals of this study are to identify strong and potential growth industries that the Lakes Region has a concentration of compared to New England and the U.S. and to determine, to the extent possible based on available data, if identifiable industry clusters may have developed around those industries that could support future growth and maintain the region's concentration in those particular industries. Conversely, this analysis intends to determine which of the Lakes Region's traditionally strong sectors may be in decline.

Although one may be curious to know how the Lakes Region compares to the rest of NH, Camoin Associates uses New England and the U.S. as the basis for comparison throughout most of this report because the business attraction strategy that may be developed as a result of this analysis must consider the region's strengths relative to an area that is much larger than the rest of New Hampshire in order for it to be most effective.

According to Harvard University's Institute for Strategy and Competitiveness, "Clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, and associated institutions in a particular field that are present in a nation or region. Clusters arise because they increase the productivity with which companies can compete." The terms "industry cluster," "business cluster," and "competitive cluster" are often used interchangeably. There are no official guidelines or standardized approaches to identify, define and describe industry clusters. Many economists and consultants develop their own methodologies, but most practitioners base their cluster analyses on employment data.

Located in central New Hampshire, the Lakes Region is comprised of all of Belknap County, as well as portions of Carroll, Grafton and Merrimack Counties. In order to broadly capture the economic activity taking place in and around the Lakes Region, this study examines aggregated employment data for all four counties in their entirety, instead of using data only for the cities and towns of the Lakes Region. See Appendix I for employment and wages data for each individual county.

The nature of regional economic analysis favors use of this larger geographic area for the analysis. Economic activity rarely respects geographic boundaries and, although the business activity taking place in Concord and Lebanon is technically outside of the Lakes Region, because NH is such a small state, that activity could be closely linked to what happens in the Lakes Region. In addition, analysis at this broader geographic level may uncover some important relative industry strengths that may not appear if we look only at data for Belknap County or the cities and towns of the Lakes Region. The other significant advantage of using county-level data is that it allows us to avoid existing gaps in employment data to the greatest extent possible.

Data Sources & Methodology

The primary source of information on employment by industry is the Quarterly Census of Employment and Wages (QCEW) Program. To examine employment characteristics and industry trends in the Lakes Region, QCEW data from 2001 and 2005 were obtained on all four Lakes Region counties from the NH Employment and Labor Market Information Bureau. QCEW data on New England and the U.S. were taken from the U.S. Department of Labor, Bureau of Labor Statistics. The reason Camoin Associates used 2001 data for its base year instead of 2000 data was because 2000 data for all the New England states was not readily available from the Bureau of Labor Statistics.

QCEW data on private industries, which excludes all federal, state and local government jobs, are used in most of the report, particularly for the location quotient and shift-share analyses. Information on government sector employment in the Lakes Region counties is discussed briefly in the first section of the report.

QCEW is a federal-state cooperative program. State employment security agencies compile the data from reports filed by employers each quarter. The Bureau of Labor Statistics then aggregates the data by industry and ownership. These aggregations are available at the county, Metropolitan Statistical Area (MSA), state and national levels. The data includes all employment covered by unemployment insurance – only the self-employed, student workers, unpaid family workers, and some agricultural workers are excluded. Unlike the decennial Census and other sources of employment data available from the state and federal Departments of Labor, QCEW measures jobs by place of *work*, not place of *residence*, so it is a strong measure of economic activity taking place in a particular region.

A major advantage of using QCEW data for regional economic analysis is that it represents a complete universe of employment (it is not estimated from a sample), and it is available at a relatively fine level of geographic and industry detail.

Annual averages are used in this report to avoid the impact of any seasonal variances in employment. To the extent possible, data are presented at the three-digit level of the North American Industrial Classification System, or NAICS, which replaced the old Standard Industrial Classification (SIC) system.¹

As with many large data sets, there are limitations with QCEW data. At any geographic level, the publication of employment and wage data is withheld for any industry sector that consists of less than three reporting units, or in which a single establishment accounts for 80 percent or more of the industry's employment. In general, data that might identify a single employer cannot be publicly disclosed. Although Camoin Associates relied on county-level data to avoid these gaps to the extent possible, there are a number of instances in which data are not reported for particular

¹ NAICS represents a fundamental shift in the way industries are classified and reported: where the SIC system focused on what is produced, NAICS focuses on how products and services are created. It also offers many advantages over the old system, including stronger industry precision and increased relevance, with the addition of over 150 new and emerging industries. The downside is that – because of considerable differences between the two systems – data classified according to NAICS is not comparable with data based on the SIC. NAICS data is only available going back to 2000.

industry sectors in the four Lakes Region counties at both the two-digit and three-digit NAICS level. These instances are clearly noted in all tables throughout the report.

To provide context for this data analysis, Camoin Associates reviewed the report “Economic Opportunities and Challenges in Belknap County” prepared by PolEcon Research of Dover, NH.

Snapshot of Lakes Region Cities & Towns Employment Data

When Camoin Associates began this industry cluster analysis, aggregated data at the 3-digit NAICS level specifically for the 30 cities and towns in the Lakes Region were not available from NH Employment Security, so Camoin Associates relied on county-level data for all of Belknap, Carroll, Grafton and Merrimack counties, as described in the introduction. However, just before this report was completed, NH Employment Security provided LRPC with the data for the 30 cities and towns of the Lakes Region for the years 2000 and 2005. We include a snapshot of this data here for informational purposes, in addition to the more in-depth analysis of the data for the four counties in their entirety described in the bulk of the report.

Table 1 below shows the change in employment for all major private industry sectors (2-digit NAICS) in the cities and towns of the Lakes Region between 2000 and 2005. As shown in the table, the largest sectors in 2005 are retail, manufacturing, health care & social assistance, accommodation & food services, and construction. Manufacturing was the number one sector in 2000, but declined significantly during the five year period as employment in retail grew and replaced manufacturing as the largest sector. Although the table does not include government sector employment, data for the 30 Lakes Region cities and towns, reveal total employment of 6,935 in 2005, which would make it the second-largest employer in the region if you consider public and private sector employment together.

Table 1. Average Annual Employment - Lakes Region Cities & Towns (2-digit NAICS)							
NAICS	Industry	2000		2005		Change	
		Workers	% of total	Workers	% of total	Workers	% change
	Total Private	36,453	100.00%	36,353	100.00%	-100	-0.27%
11	Agriculture/Forestry/Fishing	173	0.47%	147	0.40%	-26	-15.03%
21	Mining*	n		97	0.27%		
23	Construction	2,202	6.04%	2,777	7.64%	575	26.11%
31-33	Manufacturing	8,376	22.98%	6,199	17.05%	-2,177	-25.99%
42	Wholesale Trade	628	1.72%	798	2.20%	170	27.07%
44	Retail Trade	7,349	20.16%	7,364	20.26%	15	0.20%
48-49	Transportation and Warehousing	666	1.83%	623	1.71%	-43	-6.46%
51	Information	436	1.20%	412	1.13%	-24	-5.50%
52	Finance and Insurance	1,001	2.75%	1,025	2.82%	24	2.40%
53	Real Estate and Rental and Leasing	469	1.29%	509	1.40%	40	8.53%
54	Professional and Technical Service	952	2.61%	1,064	2.93%	112	11.76%
55	Management of Companies/Enterprises	253	0.69%	433	1.19%	180	71.15%
56	Administrative and Waste Services	988	2.71%	1,330	3.66%	342	34.62%
61	Educational Services	862	2.36%	984	2.71%	122	14.15%
62	Health Care and Social Assistance	4,846	13.29%	5,117	14.08%	271	5.59%
71	Arts, Entertainment, and Recreation	874	2.40%	1,020	2.81%	146	16.70%
72	Accommodation and Food Services	4,775	13.10%	4,990	13.73%	215	4.50%
81	Other Services Except Public Admin	1,329	3.65%	1,224	3.37%	-105	-7.90%
99	Unclassified Establishments*	n		12	0.03%		

Source: NH Employment Security, Camoin Associates

* Data were not fully disclosed.

Table 2 below shows employment data at a finer level. It includes the top 20 private employment sectors in the cities and towns of the Lakes Region in 2005, organized by 3-digit NAICS code. In terms of private employment, food services and drinking places ranked first, followed by fabricated metal product manufacturing and hospitals. A number of retail sectors

NAICS	Industry	Workers	Rank
236	Construction of Buildings	787	16
238	Specialty Trade Contractors	1,508	5
331	Primary Metal Manufacturing	666	19
332	Fabricated Metal Product Manufacturing	1,788	2
334	Computer and Electronic Product Manufacturing	1,059	12
339	Miscellaneous Manufacturing	1,020	13
441	Motor Vehicle and Parts Dealers	1,084	10
445	Food and Beverage Stores	1,588	4
447	Gasoline Stations	684	17
454	Nonstore Retailers	935	14
522	Credit Intermediation and Related Activities	682	18
541	Professional and Technical Services	1,064	11
561	Administrative and Support Services	1,170	9
621	Ambulatory Health Care Services	1,492	6
622	Hospitals	1,691	3
623	Nursing and Residential Care Facilities	1,336	7
624	Social Assistance	598	20
713	Gambling, Recreation, Amusement Industries	818	15
721	Accommodation	1,216	8
722	Food Services and Drinking Places	3,774	1

Source: NH Employment Security, Camoin Associates

Table 3 below shows the sectors that exhibited the strongest growth during the 2000 to 2005 period. Growth of 100 or more jobs was used as the selection criteria for inclusion in this list. In terms of absolute number of workers, food services and drinking places showed the largest growth, followed closely by primary metal manufacturing.

NAICS	Industry	Employment		Change	
		2000	2005	Workers	% change
236	Construction of Buildings	607	787	180	29.65%
237	Heavy and Civil Engineering Construction	333	482	149	44.74%
238	Specialty Trade Contractors	1,262	1,508	246	19.49%
331	Primary Metal Manufacturing	405	666	261	64.44%
424	Merchant Wholesalers, Nondurable Goods	152	255	103	67.76%
445	Food and Beverage Stores	1,486	1,588	102	6.86%
447	Gasoline Stations	561	684	123	21.93%
541	Professional and Technical Services	952	1,064	112	11.76%
551	Management of Companies/Enterprises	253	433	180	71.15%
561	Administrative and Support Services	940	1,170	230	24.47%
562	Waste Management and Remediation Services	48	160	112	233.33%
622	Hospitals	1,501	1,691	190	12.66%
623	Nursing and Residential Care Facilities	1,233	1,336	103	8.35%
713	Gambling, Recreation, Amusement Industries	664	818	154	23.19%
722	Food Services and Drinking Places	3,496	3,774	278	7.95%

Source: NH Employment Security, Camoin Associates

From this point on in the report, all analysis is based on data for the four counties in the Lakes Region in their entirety, not on data only for the 30 cities and towns of the Lakes Region. Appendix I contains additional data for the 30 cities and towns of the Lakes Region. As a follow-up to this report, the CEDS Strategy Committee may be interested in conducting a more specific Lakes Region assessment using the NHES employment data for the 30 cities and towns.

Employment by Major Industry Division

Although this report focuses largely on growth in private sector employment in the Lakes Region, it is valuable to acknowledge the level of government employment in the local economy. As shown in Table 4 below, total employment in 2005 in the Lakes Region counties was approximately 171,650. Government jobs comprised about 17% of total employment, or approximately 29,000 jobs. Over 16,000 of these jobs were local government; 11,000 were state government and 1,800 were federal government. Private sector jobs comprised about 83% of total employment. Growth in government sector employment (6.86%) exceeded growth in private sector employment (2.3%) during the 2001 to 2005 period.

Table 4. Government Employment in Lakes Region Counties						
	2001		2005		Change	
	# Workers	% Total	# Workers	% Total	# Workers	%
Total Employment, Private Plus Government	166,563	100.00%	171,650	100.00%	5,087	3.05%
Total, All Private Employment	139,070	83.49%	142,272	82.88%	3,202	2.30%
Total Government	27,493	16.51%	29,378	17.12%	1,885	6.86%
Federal Government	1,862	1.12%	1,793	1.04%	-69	-3.71%
State Government	10,594	6.36%	11,152	6.50%	558	5.27%
Local Government	15,036	9.03%	16,432	9.57%	1,396	9.28%

Source: NH Employment Security & Camoin Associates

Now the report sets aside government sector employment to focus on the universe of private employment only. Percentages of total employment and changes in employment from this point forward in the report are relative only to the roughly 83% of total employment in private industry sectors in the Lakes Region counties.

Table 5 below presents total employment in all private industries, broken down by major industry division in the four Lakes Region counties in 2001 and 2005. As the table illustrates, retail was the largest private employer in the region in both years, with 26,452 jobs accounting for 18.59% of the total private employment count in 2005. Health care and social assistance was the second largest industry with a 17.5% share of private employment in 2005.

Other leading private industry sectors include manufacturing (17,476 jobs or 12.28% of private employment) followed closely by accommodation and food services (16,892 jobs or 11.87% of private employment). Note that data were not fully disclosed for a number of major industry divisions, including educational services (private schools) and real estate, which means that employment counts are likely to be understated for those industries in one or both years.



Table 5. Average Annual Employment in Lakes Region Counties (2 Digit NAICS) 2001 and 2005

NAICS	Industry	2001		2005		Change 2001 to 2005	
		# workers	% of total	# workers	% of total	# workers	% change
	Total, All Private Industries	139,070	100.00%	142,272	100.00%	3,202	2.30%
11	Agriculture, Forestry, Fishing and Hunting (2)	723	0.52%	634	0.45%	-89	-12.31%
21	Mining (2)	298	0.21%	303	0.21%	5	1.68%
23	Construction	7,233	5.20%	8,184	5.75%	951	13.15%
31-33	Manufacturing	20,672	14.86%	17,476	12.28%	-3,196	-15.46%
42	Wholesale Trade	4,740	3.41%	5,489	3.86%	749	15.80%
44-45	Retail Trade	25,712	18.49%	26,452	18.59%	740	2.88%
48-49	Transportation and Warehousing (1)	1,789	1.29%	2,345	1.65%	556	31.08%
51	Information	2,356	1.69%	2,520	1.77%	164	6.96%
52	Finance and Insurance	5,864	4.22%	5,799	4.08%	-65	-1.11%
53	Real Estate and Rental and Leasing (1)	2,269	1.63%	1,567	1.10%	-702	-30.94%
54	Professional and Technical Services	5,827	4.19%	5,606	3.94%	-221	-3.79%
55	Management of Companies and Enterprises	1,278	0.92%	1,353	0.95%	75	5.87%
56	Administrative and Waste Services	3,590	2.58%	3,726	2.62%	136	3.79%
61	Educational Services (3)	2,089	1.50%	2,658	1.87%	569	27.24%
62	Health Care and Social Assistance	21,801	15.68%	24,895	17.50%	3,094	14.19%
71	Arts, Entertainment, and Recreation	4,401	3.16%	4,014	2.82%	-387	-8.79%
72	Accommodation and Food Services	16,234	11.67%	16,892	11.87%	658	4.05%
81	Other Services Except Public Admin	5,243	3.77%	5,153	3.62%	-90	-1.72%
99	Unclassified Establishments (2)	68	0.05%	33	0.02%	-35	-51.47%

Source: NH Employment Security & Camoin Associates

- (1) Industry data not fully disclosed in 2001 for all four counties.
- (2) Industry data not fully disclosed in 2005 for all four counties.
- (3) Industry data not fully disclosed in both 2001 and 2005 for all four counties.

Although the majority of this report compares private sector employment in the Lakes Region counties to New England and the U.S. to identify employment concentrations, we offer an initial comparison to the state of New Hampshire here as a starting point. Table 6 on the next page shows employment in the same major private industry divisions in New Hampshire in 2001 and 2005. The Lakes Region counties experienced greater growth in private sector employment overall during this period than at the state level. The top four private industry divisions in terms of percentages of employment at the state level are the same as in the Lakes Region, only in slightly different order.

In 2005, retail made up the largest percentage of private sector employment at the state level with 18.19%. While health care ranked second in the Lakes Region counties, manufacturing was second at the state level with 14.93%. The most significant difference in the top four private employment sectors was that health care ranked third at the state level with only 13.89% of private employment, while in the Lakes Region health care employment is a significantly higher percentage at 17.5%. This is consistent with Lakes Region population trends described by the Lakes Region Planning Commission, which reveal a population aging quickly relative to other parts of the state. Accommodation and food service ranked fourth at the state level, with 9.78%.

It is important to note that the Lakes Region counties have notably lower percentages of employment than at the state level (more than 1% lower) in wholesale trade, finance and insurance, professional and technical services and administrative and waste services.



Table 6. Average Annual Employment in New Hampshire (2 Digit NAICS) 2001 and 2005

NAICS	Industry	2001		2005		Change 2001 to 2005	
		# workers	% of total	# workers	% of total	# workers	% change
	Total, All Private Industries	531,225	100.00%	536,173	100.00%	4,948	0.93%
11	Agriculture, Forestry, Fishing and Hunting	2,108	0.40%	1,964	0.37%	-144	-6.83%
21	Mining	470	0.09%	563	0.11%	93	19.79%
23	Construction	27,200	5.12%	29,443	5.49%	2,243	8.25%
31-33	Manufacturing	97,412	18.34%	80,064	14.93%	-17,348	-17.81%
42	Wholesale Trade	26,627	5.01%	27,458	5.12%	831	3.12%
44-45	Retail Trade	95,032	17.89%	97,553	18.19%	2,521	2.65%
48-49	Transportation and Warehousing	12,783	2.41%	12,787	2.38%	4	0.03%
51	Information	13,518	2.54%	12,700	2.37%	-818	-6.05%
52	Finance and Insurance	26,291	4.95%	29,097	5.43%	2,806	10.67%
53	Real Estate and Rental and Leasing	7,887	1.48%	8,265	1.54%	378	4.79%
54	Professional and Technical Services	26,517	4.99%	26,857	5.01%	340	1.28%
55	Management of Companies and Enterprises	7,170	1.35%	7,374	1.38%	204	2.85%
56	Administrative and Waste Services	23,574	4.44%	24,926	4.65%	1,352	5.74%
61	Educational Services	15,160	2.85%	17,074	3.18%	1,914	12.63%
62	Health Care and Social Assistance	67,227	12.66%	74,453	13.89%	7,226	10.75%
71	Arts, Entertainment, and Recreation	10,556	1.99%	10,851	2.02%	295	2.79%
72	Accommodation and Food Services	48,987	9.22%	52,443	9.78%	3,456	7.05%
81	Other Services Except Public Admin	19,082	3.59%	19,051	3.55%	-31	-0.16%
99	Unclassified Establishments	845	0.16%	494	0.09%	-351	-41.54%

Source: NHELMIB & Camoin Associates

Table 7 below shows private employment in major industry divisions in New England, which includes Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut. Compared to New England, the Lakes Region counties have a much higher proportion of employment in retail and accommodations and food service, which is not surprising given the fact that the Lakes Region is a significant tourism destination.

The Lakes Region counties have only a slightly higher concentration in health care (17.5% in the Lakes Region vs. 16.07% in New England). Manufacturing comprises approximately the same percentage of private employment in New England and the Lakes Region. Both regions are experiencing significant declines in this sector overall.

The Lakes Region counties have a significantly lower concentration of employment than New England in finance and insurance (4.08% in the Lakes Region vs. 6.62% in New England), professional and technical services (3.94% vs. 6.88%), and administrative and waste services (2.62% vs. 5.64%).

NAICS	Industry	2001		2005		Change '01 to '05	
		# workers	% of total	# workers	% of total	# workers	% change
	Total, All Private Industries	5,974,486	100.00%	5,863,810	100.00%	-110,676	-1.85%
11	Agriculture, Forestry, Fishing and Hunting	21,926	0.37%	23,054	0.39%	1,128	5.14%
21	Mining	3,666	0.06%	4,168	0.07%	502	13.69%
23	Construction	295,124	4.94%	304,055	5.19%	8,931	3.03%
31-33	Manufacturing	900,642	15.07%	734,160	12.52%	-166,482	-18.48%
42	Wholesale Trade	281,774	4.72%	274,763	4.69%	-7,011	-2.49%
44-45	Retail Trade	826,549	13.83%	825,424	14.08%	-1,125	-0.14%
48-49	Transportation and Warehousing	150,187	2.51%	153,452	2.62%	3,265	2.17%
51	Information	199,422	3.34%	166,278	2.84%	-33,144	-16.62%
52	Finance and Insurance	392,970	6.58%	388,452	6.62%	-4,518	-1.15%
53	Real Estate and Rental and Leasing *	89,744	1.50%	91,191	1.56%	1,447	1.61%
54	Professional and Technical Services	419,492	7.02%	403,643	6.88%	-15,849	-3.78%
55	Management of Companies and Enterprises	120,394	2.02%	112,717	1.92%	-7,677	-6.38%
56	Administrative and Waste Services	333,380	5.58%	330,558	5.64%	-2,822	-0.85%
61	Educational Services *	200,524	3.36%	215,795	3.68%	15,271	7.62%
62	Health Care and Social Assistance	869,255	14.55%	942,516	16.07%	73,261	8.43%
71	Arts, Entertainment, and Recreation	93,323	1.56%	100,435	1.71%	7,112	7.62%
72	Accommodation and Food Services	501,409	8.39%	527,128	8.99%	25,719	5.13%
81	Other Services Except Public Admin	230,888	3.86%	238,654	4.07%	7,766	3.36%
99	Unclassified Establishments *	4,457	0.07%	1,686	0.03%	-2,771	-62.17%

Source: US Department of Labor, Bureau of Labor Statistics & Camoin Associates

* Industry data not fully disclosed in all New England states.

Largest Industries by 3-Digit NAICS Code

Moving down into a more detailed look at the breakdown of employment, table 8 at right shows the largest industries in the four Lakes Region counties by 3-digit NAICS code. All sectors in this table had employment of 2,000 or more in the year 2005. The numbers in the far right column refer to each sector's rank relative to the others. Six of the 22 industries listed are in the retail category; three were in health care; and three were in arts, entertainment and recreation or accommodation and food services. Only one of the largest employers was in the manufacturing sector. Taken together, the 22 top industries listed in the table had approximately 87,000 jobs in 2005 (accounting for 61% of all private sector employment in the region).

NAICS	Industry	Employment	
		Total	Rank
236	Construction of Buildings	2,508	16
238	Specialty Trade Contractors	4,591	6
332	Fabricated Metal Product Manufacturing	3,168	13
423	Merchant Wholesalers, Durable Goods	2,293	18
424	Merchant Wholesalers, Nondurable Goods	2,381	17
441	Motor Vehicle and Parts Dealers	3,367	10
444	Building Material and Garden Supply Stores	2,575	15
445	Food and Beverage Stores	5,032	5
448	Clothing and Clothing Accessories Stores	2,070	22
452	General Merchandise Stores	3,719	9
454	Nonstore Retailers	2,256	20
522	Credit Intermediation and Related Activities	2,266	19
524	Insurance Carriers and Related Activities	3,098	14
541	Professional and Technical Services	5,606	3
561	Administrative and Support Services	3,248	12
621	Ambulatory Health Care Services	7,454	2
622	Hospitals*	5,171	4
623	Nursing and Residential Care Facilities	3,938	8
713	Gambling, Recreation, Amusement Industries	3,332	11
721	Accommodation	4,361	7
722	Food Services and Drinking Places	12,531	1
813	Membership Associations and Organizations	2,121	21

Source: NH Employment & Labor Market Information Bureau, Camoin Associates

*Industry data only disclosed for Grafton County - actual employment count is much higher.

Changes in Employment by 3-Digit NAICS Code

Significant net increases of 200 jobs or more occurred in 14 sectors. As shown in Table 9 below, growth occurred in many of the same industry divisions in which the region's major employers fall, such as retail; businesses in entertainment and food services; and health care. Virtually all of the growth occurred in service-producing industries. Only three goods producing sectors showed growth of 200 or more employees: primary metal manufacturing (this growth may be overstated due to data limitations), specialty trade contractors, and construction of buildings.

NAICS	Industry	Employment		Change	
		2001	2005	# workers	% change
236	Construction of Buildings	2,048	2,508	460	22.46%
238	Specialty Trade Contractors	4,083	4,591	508	12.44%
331	Primary Metal Manufacturing*	305	1,310	1,005	329.51%
424	Merchant Wholesalers, Nondurable Goods	1,845	2,381	536	29.05%
444	Building Material and Garden Supply Stores	1,959	2,575	616	31.44%
448	Clothing and Clothing Accessories Stores	1,843	2,070	227	12.32%
452	General Merchandise Stores	3,499	3,719	220	6.29%
522	Credit Intermediation and Related Activities	1,207	2,266	1,059	87.74%
532	Rental and Leasing Services*	207	524	317	153.14%
621	Ambulatory Health Care Services	6,575	7,454	879	13.37%
623	Nursing and Residential Care Facilities	3,422	3,938	516	15.08%
711	Performing Arts and Spectator Sports*	231	455	224	96.97%
713	Gambling, Recreation, Amusement Industries*	2,240	3,332	1,092	48.75%
722	Food Services and Drinking Places	11,627	12,531	904	7.78%

Source: NH Employment & Labor Market Information Bureau, Camoin Associates

Restricted to sectors with a net increase of 200 or more jobs.

* Data not fully disclosed in all four counties in both years - change in employment is likely overstated here.

Location Quotients

A *location quotient* (LQ) is a quantitative tool that uses employment data to determine which industries have a larger or smaller presence in the local economy relative to a larger reference area, such as the nation, or any other geographic area. For purposes of this analysis, Camoin Associates compared the four Lakes Region counties to New England and the U.S.

Location quotients show how local industries compare with regional or national averages and provide insight into understanding local economic strengths and competitive advantages. The location quotient method is often used to analyze industry clusters and potential development prospects.

An LQ is calculated as a ratio of an industry's local share of total employment to that industry's share of national employment. A value of 1.00 demonstrates that the employment concentration in a particular industry is roughly the same both locally and nationally or regionally. An LQ *greater* than 1.00 indicates an industry with a high degree of concentration relative to the reference area, potentially an industry that produces goods sold outside of the region. An LQ *less* than 1.00

indicates that the industry’s share of local employment is less than that industry’s share of national employment. As a rule of thumb, location quotients of between 0.80 and 1.20 are not considered significantly different from 1.00.

Although the location quotient method is a simple way to compare local and national employment, it does make some assumptions that can slightly skew the results. This includes the assumption that “all conditions are equal,” that worker productivity, consumption patterns, etc. are more or less the same everywhere. Of course, this may not be the case. A “high” location quotient can be interpreted as a relatively strong industry locally, but the LQ may be high because the local industry or workforce is inefficient, and thus greater numbers of employees are required to produce a comparable level of output. Location quotients (LQs) for all 2- and 3-digit NAICS codes for which regional data were available are provided in Appendix I.

LQs calculated for major industry sectors (i.e., 2-digit NAICS level) in the four Lakes Region counties in 2005 are shown in Table 10 below. These LQs illustrate that employment in the Lakes Region counties is *more* heavily concentrated in retail, arts & entertainment, and accommodation & food service than at both the national level and New England. In addition, Lakes Region employment is more concentrated in health care than at the national level.

NAICS	Industry	Relative to New England	Relative to U.S.
21	Mining*	3.00	0.42
71	Arts, Entertainment, and Recreation	1.65	1.67
44-45	Retail Trade	1.32	1.35
72	Accommodation and Food Services	1.32	1.21
11	Agriculture, Forestry, Fishing and Hunting*	1.13	0.42
23	Construction	1.11	0.88
62	Health Care and Social Assistance	1.09	1.35
31-33	Manufacturing	0.98	0.96
81	Other Services Except Public Admin	0.89	0.93
42	Wholesale Trade	0.82	0.74
99	Unclassified Establishments*	0.81	0.10
53	Real Estate and Rental and Leasing*	0.71	0.57
48-49	Transportation and Warehousing	0.63	0.44
51	Information	0.62	0.64
52	Finance and Insurance	0.62	0.76
54	Professional and Technical Services	0.57	0.62
61	Educational Services*	0.51	0.96
55	Management of Companies and Enterprises	0.49	0.60
56	Administrative and Waste Services	0.46	0.36

Source: NHELMIB, US Bureau of Labor Statistics, Camoin Associates

Industry data not fully disclosed in all four Lakes Region counties. LQs could be higher or lower in actuality.

Table 10 also shows that the Lakes Region counties have a lower concentration of employment than the U.S. and New England in a number of important industry sectors:

- Transportation & warehousing
- Information
- Finance & insurance
- Real estate



- Professional & technical services
- Management of companies
- Administrative & waste services

In addition, the Lakes Region counties have a lower concentration of employment than New England in private educational services, and a lower concentration than the U.S. in agriculture, mining, and wholesale trade.

Table 11 on the following page presents 3-digit NAICS sectors with location quotients of 1.20 or greater, relative to New England and/or the U.S. in 2005. The sectors highlighted in green (113 Forestry and Logging down to 813 Membership Associations and Organizations) are those industries have a strong presence in the Lakes Region counties compared to both New England and the U.S. These include a number of retail sub-sectors and businesses supported by tourism, as well as five different manufacturing sub-sectors. See Appendix III for detailed definitions of all 3-digit NAICS codes included in this report.

Industries highlighted in yellow (111 Crop Production down to 452 General Merchandise Stores) have LQs that reflect a strong presence in the Lakes Region compared to New England, but not the U.S. These include two construction sub-sectors, three other manufacturing sub-sectors and two other retail sub-sectors.

LQs highlighted in violet (339 Miscellaneous Manufacturing down to 712 Museums, Historic Sites, Zoos and Parks) have a strong presence in the Lakes Region compared to the nation, but not New England. These include yet another type of manufacturing (miscellaneous manufacturing) and publishing (non-Internet publishing, which refers to periodicals, books and directory and mailing list and software publishing). Again, refer to Appendix III for detailed definitions of all 3-digit NAICS codes.



Table 11. 2005 Location Quotients > 1.20 for NH Lakes Region Counties (3-Digit NAICS)			
NAICS	Industry	Relative to New England	Relative to U.S.
113	Forestry and Logging*	1.79	1.58
321	Wood Product Manufacturing	2.93	1.70
323	Printing and Related Support Activities	1.83	1.80
331	Primary Metal Manufacturing	3.47	2.19
332	Fabricated Metal Product Manufacturing	1.36	1.62
335	Electrical Equipment and Appliances Manufacturing*	1.26	1.67
441	Motor Vehicle and Parts Dealers	1.45	1.37
444	Building Material and Garden Supply Stores	1.53	1.57
447	Gasoline Stations	2.08	1.68
451	Sporting Goods, Hobby, Book, and Music Stores	1.49	1.72
453	Miscellaneous Store Retailers	1.24	1.31
454	Nonstore Retailers	2.30	4.12
487	Scenic and Sightseeing Transportation*	2.08	2.85
713	Gambling, Recreation, Amusement Industries	1.88	1.89
721	Accommodation	2.24	1.87
813	Membership Associations and Organizations	1.21	1.27
111	Crop Production*	1.33	0.49
212	Mining, except Oil and Gas*	1.38	0.33
236	Construction of Buildings	1.42	1.14
237	Heavy and Civil Engineering Construction	1.51	0.91
315	Apparel Manufacturing	1.22	0.48
327	Nonmetallic Mineral Product Manufacturing	1.62	0.99
333	Machinery Manufacturing	1.30	1.15
442	Furniture and Home Furnishings Stores	1.20	1.18
452	General Merchandise Stores	1.39	0.98
339	Miscellaneous Manufacturing*	0.93	1.54
445	Food and Beverage Stores	1.11	1.39
511	Publishing Industries (except Internet)	0.85	1.25
712	Museums, Historic Sites, Zoos, and Parks	1.10	1.49

Source: NHELMIB, US Bureau of Labor Statistics, Camoin Associates

*Industry data not fully disclosed for all four Lakes Region counties. LQs could be higher in actuality.



Changes in Location Quotients over Time

Another way to use location quotients is to examine how they have changed over time. By comparing the LQs, it is possible to determine whether an industry's presence is increasing or decreasing relative to its regional or national counterpart.

- A *high* LQ that is *increasing* suggests an industry that is important to the local economy, with a growing concentration of employment relative to the national economy. Industries in this category may require additional analysis to understand what is driving their growth and how it can be sustained. Economic development strategies targeting these industries should focus on policies and programs conducive to their continued strong performance.
- A *high* LQ that is *declining* is indicative of an industry that is important to the local economy, but that may be “at risk” of layoffs, relocation, or other economic disruptions, requiring some level of intervention. A declining LQ does not necessarily mean that an industry is losing jobs in absolute terms; it may be worth digging deeper to understand what is going on. Economic development strategies targeting these industries should focus on retention efforts and identifying types of financial and/or technical assistance necessary to strengthen their performance.
- Finally, a *small* LQ that is *increasing* over time indicates an industry that may not be important now, but could be a source of future growth. Economic development strategies targeting these industries may focus on nurturing their development locally; otherwise, they should be watched carefully for signs of gaining economic strength.

Although it would be ideal to analyze these changes over a much longer period of time, data limitations restrict us to post-2000 data. Nonetheless, this analysis provides an even more comprehensive understanding of the local economy and will be a useful tool for the Lakes Region Planning Commission going forward. More data will be available in future years to replicate this analysis and gauge longer-term changes in the local economy. Tables 12 and 13 on the following pages illustrate the results of this analysis performed on employment data for all private industries.

In studying Tables 12 and 13, we see that the two comparisons of employment concentrations (Lakes Region compared to New England and Lakes Region compared to the U.S.) yield a number of the same results. For example, the “High LQ & Increasing” category for both tables includes five of the same industries:

- Nonstore retailers (NAICS 454 - includes call centers, catalogue production and other means of selling merchandise other than in retail stores)
- Printing and related support activities (NAICS 323 – includes entities that print products, such as newspapers, books, labels, business cards, stationery, business forms, and other materials, and perform support activities, such as data imaging, platemaking services, and bookbinding.)
- Sporting goods, hobby, book and music stores (NAICS 451)
- Gambling, recreation, amusement industries (NAICS 713 - facilities where patrons can primarily engage in sports, recreation, amusement, or gambling activities and/or those that provide other amusement and recreation services, such as supplying and servicing



amusement devices in places of business operated by others; operating sports teams, clubs, or leagues engaged in playing games for recreational purposes; and guiding tours without using transportation equipment)

- Building material and garden supply stores (NAICS 444 – hardware, lumber and garden center stores)

Table 12. Change in Location Quotient (LQ) - Lakes Region Counties : New England (3-Digit NAICS)							
NAICS	Industry	Location Quotient			LR Counties Employment		
		2001	2005	% Change	2001	2005	% Change
LQ High & Increasing							
454	Nonstore Retailers	2.24	2.30	2.73%	2,244	2,256	0.53%
323	Printing and Related Support Activities	1.70	1.83	7.50%	1,670	1,497	-10.36%
713	Gambling, Recreation, Amusement Industries*	1.44	1.88	29.83%	2,240	3,332	48.75%
452	General Merchandise Stores	1.39	1.39	0.11%	3,499	3,719	6.29%
444	Building Material and Garden Supply Stores	1.39	1.53	10.35%	1,959	2,575	31.44%
451	Sporting Goods, Hobby, Book, and Music Stores	1.37	1.49	8.85%	1,354	1,440	6.35%
236	Construction of Buildings	1.32	1.42	7.47%	2,048	2,508	22.46%
237	Heavy and Civil Engineering Construction	1.30	1.51	16.39%	1,102	1,084	-1.63%
332	Fabricated Metal Product Manufacturing	1.35	1.36	0.39%	3,504	3,168	-9.59%
LQ High & Decreasing							
321	Wood Product Manufacturing*	3.23	2.93	-9.23%	1,449	1,226	-15.39%
721	Accommodation	2.36	2.24	-5.18%	4,608	4,361	-5.36%
447	Gasoline Stations	2.10	2.08	-0.89%	1,815	1,865	2.75%
441	Motor Vehicle and Parts Dealers	1.58	1.45	-7.98%	3,366	3,367	0.03%
453	Miscellaneous Store Retailers	1.35	1.24	-7.89%	1,748	1,524	-12.81%
813	Membership Associations and Organizations	1.27	1.21	-5.32%	2,071	2,121	2.41%
445	Food and Beverage Stores	1.21	1.11	-8.37%	5,516	5,032	-8.77%
335	Electrical Equipment and Appliances Manufacturing*	1.62	1.26	-22.02%	1,540	931	-39.55%
333	Machinery Manufacturing	1.48	1.30	-12.09%	2,471	1,708	-30.88%
111	Crop Production*	1.38	1.33	-3.94%	349	347	-0.57%
LQ Low & Increasing							
623	Nursing and Residential Care Facilities	0.74	0.78	5.02%	3,422	3,938	15.08%
446	Health and Personal Care Stores	0.74	0.76	3.00%	977	1,038	6.24%
511	Publishing Industries (except Internet)	0.71	0.85	20.42%	1,344	1,454	8.18%
423	Merchant Wholesalers, Durable Goods	0.66	0.73	10.57%	2,192	2,293	4.61%
334	Computer and Electronic Product Manufacturing	0.51	0.61	19.44%	2,058	1,825	-11.32%
551	Management of Companies and Enterprises	0.46	0.49	8.49%	1,278	1,353	5.87%
313	Textile Mills*	0.73	1.12	52.84%	384	322	-16.15%
512	Motion Picture and Sound Recording*	0.69	0.91	31.57%	174	216	24.14%
331	Primary Metal Manufacturing*	0.66	3.47	422.70%	305	1,310	329.51%
711	Performing Arts and Spectator Sports*	0.57	1.12	96.13%	231	455	96.97%
562	Waste Management and Remediation Services	0.77	0.92	19.39%	340	477	40.29%
522	Credit Intermediation and Related Activities	0.39	0.69	75.20%	1,207	2,266	87.74%
532	Rental and Leasing Services*	0.32	0.86	168.90%	207	524	153.14%
517	Telecommunications*	0.25	0.37	49.27%	331	406	22.66%

Source: NHELMIB, US Bureau of Labor Statistics, Camoin Associates

Includes industries with regional employment of 300 or more, except for "512, Motion Picture and Sound Recording."

*Industry data not fully disclosed in all four counties - actual LQs may be higher or lower.

All but one (Printing and related support activities) of the five common industries in the "LQ High & Increasing" category of both tables shows positive employment growth over the 2001 to 2005 period. Again, this category captures industries where the Lakes Region has a high employment concentration relative to New England and relative to the U.S. and where that concentration has grown over the time period under study. Even though printing and related support activities lost

employment between 2001 and 2005, it is still a strong industry in the Lakes Region, compared to both New England and the U.S.

Table 13. Change in Location Quotient (LQ) - Lakes Region Counties : U.S. (3-Digit NAICS)							
NAICS	Industry	Location Quotient			LR Counties Employment		
		2001	2005	% Change	2001	2005	% Change
LQ High & Increasing							
323	Printing and Related Support Activities	1.72	1.80	5.19%	1,670	1,497	-10.36%
339	Miscellaneous Manufacturing*	1.38	1.54	11.98%	1,250	1,285	2.80%
444	Building Material and Garden Supply Stores	1.35	1.57	16.20%	1,959	2,575	31.44%
447	Gasoline Stations	1.55	1.68	8.13%	1,815	1,865	2.75%
451	Sporting Goods, Hobby, Book, and Music Stores	1.56	1.72	10.22%	1,354	1,440	6.35%
454	Nonstore Retailers	3.71	4.12	10.89%	2,244	2,256	0.53%
713	Gambling, Recreation, Amusement Industries*	1.36	1.89	38.74%	2,240	3,332	48.75%
LQ High & Decreasing							
321	Wood Product Manufacturing*	2.00	1.70	-14.62%	1,449	1,226	-15.39%
332	Fabricated Metal Product Manufacturing	1.65	1.62	-1.59%	3,504	3,168	-9.59%
333	Machinery Manufacturing	1.43	1.15	-19.63%	2,471	1,708	-30.88%
335	Electrical Equipment and Appliances Manufacturing*	2.19	1.67	-23.88%	1,540	931	-39.55%
441	Motor Vehicle and Parts Dealers	1.43	1.37	-4.05%	3,366	3,367	0.03%
445	Food and Beverage Stores	1.48	1.39	-5.57%	5,516	5,032	-8.77%
453	Miscellaneous Store Retailers	1.39	1.31	-5.38%	1,748	1,524	-12.81%
622	Hospitals*	1.37	0.93	-31.84%	6,992	5,171	-26.04%
721	Accommodation	1.98	1.87	-5.56%	4,608	4,361	-5.36%
813	Membership Associations and Organizations	1.28	1.27	-0.55%	2,071	2,121	2.41%
LQ Low & Increasing							
111	Crop Production*	0.49	0.49	1.02%	349	347	-0.57%
238	Specialty Trade Contractors	0.75	0.77	2.27%	4,083	4,591	12.44%
311	Food Manufacturing*	0.16	0.16	0.52%	319	308	-3.45%
327	Nonmetallic Mineral Product Manufacturing	0.74	0.99	34.76%	510	645	26.47%
331	Primary Metal Manufacturing*	0.42	2.19	420.90%	305	1,310	329.51%
423	Merchant Wholesalers, Durable Goods	0.55	0.60	7.37%	2,192	2,293	4.61%
424	Merchant Wholesalers, Nondurable Goods	0.72	0.92	27.70%	1,845	2,381	29.05%
512	Motion Picture and Sound Recording*	0.37	0.45	20.57%	174	216	24.14%
517	Telecommunications*	0.20	0.32	58.11%	331	406	22.66%
522	Credit Intermediation and Related Activities	0.37	0.61	67.69%	1,207	2,266	87.74%
532	Rental and Leasing Services*	0.24	0.63	160.84%	207	524	153.14%
551	Management of Companies and Enterprises	0.59	0.60	3.10%	1,278	1,353	5.87%
711	Performing Arts and Spectator Sports*	0.48	0.93	93.97%	231	455	96.97%

Source: NHELMIB, US Bureau of Labor Statistics, Camoin Associates

Includes industries with regional employment of 300 or more, except for "512 Motion Picture and Sound Recording."

*Industry data not fully disclosed in all four counties. LQs could be higher or lower in actuality.

In the "LQ High & Decreasing" category, eight of the same industries show up in both tables. Not surprisingly, these include a number of manufacturing sub-sectors such as wood products (producers of plywood, veneers, wood containers, wood flooring, wood trusses, manufactured homes and prefabricated wood buildings), electrical equipment and appliances (producers of things that generate, distribute or use electrical power such as lights and appliances); fabricated metal (businesses that transform metal into intermediate or end products other than machinery, computers and electronics, or metal furniture, or those that treat metals and metal formed products fabricated elsewhere); and machinery manufacturing (businesses that create end products that apply mechanical force, for example, the application of gears and levers, to perform work).

The accommodation sector also appears in this category, which could be reflective of recent changes in the travel market, such as former cottage rentals being converted to condominiums and the growth in second home ownership in the area, both of which impact local lodging facilities.

The final category, “LQ Low & Increasing” includes an interesting mix of sectors, such as merchant wholesalers of nondurable goods (goods with life expectancy of less than three years, such as farm products, paper, chemicals, drugs, textiles, tobacco products, etc); management of companies and enterprises (companies that either hold securities of another company, administer operations of another company or do both – what is commonly referred to as a “parent company” or “holding company” of one or more subsidiary companies); credit intermediation and related activities; motion picture and sound recording; and telecommunications. These are sectors to watch for future growth. Most of these industries also exhibited employment growth during the time period.



Shift-Share Analysis

Shift-share analysis is another widely used tool in regional economic analysis. It is primarily used to decompose changes in local employment over a given time period into three contributing factors: (1) the national growth share; (2) the industrial mix component; and (3) the local or competitive share.

Like the location quotient method, shift-share analysis is largely descriptive; it does not explain *why* an industry has slower or faster growth locally. However, it does allow economic development professionals to separate local growth factors from national ones, determine industries in which a region is particularly competitive, and identify areas where further analysis or qualitative research (e.g., surveys, interviews) may be necessary.

The three contributing factors examined through shift-share analysis are as follows:

- The *national growth component* tells you how many jobs in an industry can be attributed to the overall growth (or contraction) of the national economy. It is based on the percentage change in employment for all industries nationwide over a given time period. It answers the question, “What if regional employment in an industry had changed at the same rate as total employment nationally?”
- The *industry mix component* measures how well a particular industry has grown, net of the effects of the national business cycle. It is based on the percentage change in employment for a specific industry nationwide over a given time period, minus the national growth component. It responds to the question, “What if regional employment in an industry had changed at the same rate as that industry nationally?”
- The third and final component is the *competitive share* (also referred to as the *local share*). It assumes that once you account for the national growth and industry mix components, any additional change in employment must be due to local factors. A *positive* competitive share suggests a local comparative advantage in that industry: higher productivity, superior technology, market access, and so on. A *negative* competitive share, on the other hand, may reflect a local comparative disadvantage, such as local wage rates, inefficient production processes, differences in management, etc.

The results of the shift-share analysis comparing private industry employment change in the four Lakes Region counties with private industry employment change in the United States from 2001 to 2005 can be found in Appendix II.

During this time period, private employment in the U.S. increased by 1.2%. The national growth component shows that if the Lakes Region area economy had been identical to the national economy, then the region would have gained 1,662 private sector jobs between 2001 and 2005. However, the data indicate that the Lakes Region counties actually gained 3,202 private sector jobs, which suggests that the regional economy performed better than the national average.

The “industry mix” percentage column in the Appendix shows the change in employment in each industry after subtracting out the national growth component. The major industry sectors shown



below grew faster in the Lakes Region counties between 2001 and 2005 than at the national level, illustrating how the local industry mix differs from the national level.

- Construction (NAICS 23)
- Wholesale trade (42)
- Retail (44-45)
- Transportation and warehousing (48-49)
- Information (51)
- Management of Companies (55)
- Educational services (61)
- Health care (62)

According to the competitive share component, 1,540 of the net new jobs created in the Lakes Region counties from 2001 to 2005 are attributable to its relative competitive position. In other words, local factors – rather than the overall national economy, or the strong performance of a particular industry nationwide – were responsible for this share of the employment growth.

Table 14 below uses the results of the shift-share analysis to categorize industries based on the following criteria:

- Industry with regional employment of 300 or more;
- Regional growth rate exceeding the national growth rate – the industry added employment at a rate that was faster than its national counterpart;
- Declining nationally but growing regionally – the industry experienced job growth in the Lakes Region counties, but lost employment nationally;
- Declining nationally and regionally, but a positive competitive share – local factors had a positive influence on that industry’s performance, indicating a possible competitive advantage.

Note that employment changes for industries listed in *italics* in Table 10 may be overstated due to the fact that industry data for all four counties was not fully disclosed in both 2001 and 2005 for confidentiality reasons.



Table 14. NH Lakes Region Counties Growth vs. National Growth 2001 to 2005

NAICS	Industry	Lakes Region Counties Employment				National % Change	# Jobs - Competitive Share
		2001	2005	Diff.	% Change		
Regional Growth Rate > National Growth Rate							
236	Construction of Buildings	2,048	2,508	460	22.46%	9.08%	274
238	Specialty Trade Contractors	4,083	4,591	508	12.44%	8.76%	150
442	Furniture and Home Furnishings Stores	812	874	62	7.64%	6.77%	7
444	Building Material and Garden Supply Stores	1,959	2,575	616	31.44%	11.89%	383
446	Health and Personal Care Stores	977	1,038	61	6.24%	1.12%	50
448	Clothing and Clothing Accessories Stores	1,843	2,070	227	12.32%	7.11%	96
452	General Merchandise Stores	3,499	3,719	220	6.29%	4.08%	77
484	Truck Transportation	782	788	6	0.77%	0.43%	3
512	<i>Motion Picture and Sound Recording*</i>	174	216	42	24.14%	1.85%	39
522	Credit Intermediation and Related Activities	1,207	2,266	1,059	87.74%	10.74%	929
524	Insurance Carriers and Related Activities	3,031	3,098	67	2.21%	1.50%	22
551	Management of Companies and Enterprises	1,278	1,353	75	5.87%	1.58%	55
562	Waste Management and Remediation Services	340	477	137	40.29%	7.18%	113
623	Nursing and Residential Care Facilities	3,422	3,938	516	15.08%	6.82%	283
711	<i>Performing Arts and Spectator Sports*</i>	231	455	224	96.97%	0.45%	223
713	<i>Gambling, Recreation, Amusement Industries*</i>	2,240	3,332	1,092	48.75%	6.06%	956
813	Membership Associations and Organizations	2,071	2,121	50	2.41%	1.86%	11
Declining Nationally But Growing Regionally							
327	Nonmetallic Mineral Product Manufacturing	510	645	135	26.47%	-7.17%	172
331	<i>Primary Metal Manufacturing*</i>	305	1,310	1,005	329.51%	-18.44%	1,061
339	<i>Miscellaneous Manufacturing*</i>	1,250	1,285	35	2.80%	-9.19%	150
423	Merchant Wholesalers, Durable Goods	2,192	2,293	101	4.61%	-3.63%	181
424	Merchant Wholesalers, Nondurable Goods	1,845	2,381	536	29.05%	-0.03%	537
443	Electronics and Appliance Stores	580	695	115	19.83%	-3.54%	136
447	Gasoline Stations	1,815	1,865	50	2.75%	-6.00%	159
451	Sporting Goods, Hobby, Book, and Music Stores	1,354	1,440	86	6.35%	-4.55%	148
454	Nonstore Retailers	2,244	2,256	12	0.53%	-10.32%	243
492	<i>Couriers and Messengers*</i>	202	237	35	17.33%	-5.91%	47
511	Publishing Industries (except Internet)	1,344	1,454	110	8.18%	-10.96%	257
517	<i>Telecommunications*</i>	331	406	75	22.66%	-23.26%	152
532	<i>Rental and Leasing Services*</i>	207	524	317	153.14%	-4.00%	325
Declining Regionally and Nationally, But Positive Local Share							
111	<i>Crop Production*</i>	349	347	-2	-0.57%	-2.64%	7
237	Heavy and Civil Engineering Construction	1,102	1,084	-18	-1.63%	-2.04%	4
311	<i>Food Manufacturing*</i>	319	308	-11	-3.45%	-4.98%	5
313	<i>Textile Mills*</i>	384	322	-62	-16.15%	-34.36%	70
315	<i>Apparel Manufacturing*</i>	205	159	-46	-22.44%	-39.53%	35
323	Printing and Related Support Activities	1,670	1,497	-173	-10.36%	-15.71%	89
334	Computer and Electronic Product Manufacturing	2,058	1,825	-233	-11.32%	-25.18%	285

Source: NHELMIB, US Bureau of Labor Statistics, Camoin Associates

Analysis only includes industries with regional employment of 300 or more, except "512 Motion Picture and Sound Recording."

*Data not fully disclosed in all four Lakes Region counties in both years. Changes in regional employment are therefore likely to be overstated here.



Classification of Industries

Combining the range of analysis used in this report (changes in employment, changes in the Lakes Region's location quotients, and the results of the shift-share analysis) allows us to organize sectors into the four categories below, which is the next step in identifying the region's clusters. Table 15 below shows the results of this analysis with the industries in each category sorted by NAICS code so that similar industries are listed next to each other. This classification system was adapted from the method described in "Industry Cluster Analysis: Inspiring a Common Strategy for Community Development," published by the Central Pennsylvania Workforce Development Corporation.

- **Key Industries** – Significant industries based on number of employees (1,000 or more for purposes of this analysis) with positive changes in employment, LQ and local competitiveness over time.
- **Potential Growth Industries** – Smaller industries (employment of 1,000 or less) based on employment numbers that exhibit strong employment growth and positive changes in LQ greater than 20% over time.
- **Dormant Industries** – Significant sectors that experience a decline in employment, but a positive LQ change over time.
- **Declining Industries** – Industry sectors that show significant decreases in employment numbers and negative LQ changes over time.

Although this classification of industries is helpful in organizing and making sense of the data, it is difficult to draw definitive conclusions about all of the industries presented in the table based on the data alone. Data were not fully disclosed in all four Lakes Region counties in both 2001 and 2005 for a number of industry sectors, which is the case for all industries listed in italics with an asterisk in Table 15. This means that changes in employment and LQs over time are likely to be overstated for many industries presented here, as is the local competitive component of growth (or decline) in those industries.

Despite the data gaps, Camoin Associates' pulled out those industry sub-sectors from the same 2-digit NAICS sector that appear two or more times in the Key Industries and Potential Growth Industries categories, with the exception of health care sub-sectors which do not appear that often due to data gaps, to posit that the following industry clusters may exist and be growing in the four Lakes Region counties. See Appendix III for detailed definitions of all NAICS codes discussed here:

- **Retail (NAICS 443 Electronics & Appliances; 444 Building Materials & Garden Supplies; 446 Health & Personal Care; 447 Gas Stations; 448 Clothing; 451 Sporting Goods, Hobby, Book & Music; 452 General Merchandise; 454 Nonstore Retailers):** The Lakes Region is known for its concentration of retail, which serves many tourists looking to take advantage of the fact that NH has no sales tax. Retail is the largest private employment sector in the four counties, as discussed earlier in the report. As shown in Table 11, seven different retail sub-sectors fall under the "Key Industries" classification and one under the "Potential Growth Industries." Four of them have significantly high LQs of more than 1.2 compared to the U.S. Also of note is that non-store retailers, which



include businesses such as call centers, has an extremely high and increasing LQ and positive local competitive component, which indicates that the Lakes Region and surrounding areas has a distinct speciality in this sub-sector.

- **Health Care (NAICS 622 Hospitals; 623 Nursing & Residential Care):** Although data for hospitals (NAICS 622) are not fully disclosed in all four counties in both 2001 and 2005, we know that growth in the hospital sector was significant in the Lakes Region cities and towns between 2000 and 2005, according to the data recently provided by NH Employment Security. As shown in Table 2 of this report, hospital employment grew from 1,501 in 2000 to 1,691 in 2005, an increase of 12.6%. Nursing and residential care facilities (NAICS 623) is clearly another key industry based on analysis of the four Lakes Region counties and the data recently provided by NH Employment security. In addition, considering the demographic projections for the Lakes Region with very high growth in the elderly population, we conclude that health care is a major and growing cluster in the area.
- **Diversified Manufacturing (NAICS 331 Primary Metals; 339 Miscellaneous Manufacturing; 327 Nonmetallic Mineral Products):** The Lakes Region's history as a center for production of goods appears to live on despite significant declines in numerous manufacturing sectors across the nation. The trend in the Lakes Region appears to be that a wide range of diverse producers, both in terms of size and product, are spread throughout the area. These facilities range from the VUTEk facility in Meredith to those that produce a variety of metal, rubber and plastic components for large aerospace or other large companies, as well as very small producers of a range of high-end specialty products or small orders for larger companies. The gaps in data for manufacturing subsectors makes it difficult to determine which have a relative strength for certain. Although the manufacturing super sector shows a significant decrease in employment between 2001 and 2005, it appears that there may be potential for growth in some sectors, particularly primary metal manufacturing (NAICS 331) which as shown in Tables 2 and 3 in this report was one of the top 20 employment sectors in the 30 Lakes Region cities and towns in 2005, and showed strong employment growth over the 2000 to 2005 period. This could be due to increases in demand for steel internationally. It would be necessary to interview some iron or steel mills or other producers of primary metals in order to fully understand what is driving this growth.
- **Information-based Industries (NAICS 511 Publishing; 512 Motion Picture & Sound Recording; 517 Telecommunications; 518 ISPs, Search Portals & Data Processing; 519 Other Information Services):** Publishing (newspapers, periodicals, books, other non-Internet based publishing) appears in the key industries category and a number of other information based businesses, such as motion picture and sound recording, telecommunications and Internet service providers, search portals and data processing fall under the potential growth industries. Although there are data gaps for a number of these industries, this may suggest that the Lakes Region has a growing relative strength in these areas, which certainly warrants further investigation.
- **Entertainment & Tourism (NAICS 711 Performing Arts & Spectator Sports; 713 Amusement, Gambling & Recreation):** Although the Lakes Region has been known for decades as a major tourist destination and the accommodation and food services super



sector (NAICS 72) is a major employer exhibiting employment growth over the four year study period, the results of the analysis of the data for all four counties reveal that most of that growth is due specifically to growth in the food services industry, which is not relatively strong enough compared to the nation to make it into the key industries category. The accommodation sector is actually in decline according to this analysis and classification system because it lost employment and has a declining LQ and local competitiveness component. The sectors that exhibit strong and potentially strong growth according to this analysis fall into the entertainment cluster and include recreation and amusement industries, as well as performing arts and spectator sports. The LQ analysis specifically for the 30 Lakes Region cities and towns included in Appendix I shows that the accommodations subsector (NAICS 721) is strong relative to the U.S. economy, although it did decline slightly as a percentage of total private sector employment and in terms of its strength relative to the U.S. economy between 2000 and 2005. This may be a reflection of changes in national travel trends, particularly in the lodging sector, and the trend over time of visitors to the Lakes Region converting to second home owners.

- **Construction (NAICS 236 Construction of Buildings; 238 Specialty Trade Contractors):** Not surprisingly given the housing boom in the area, the Lakes Region and surrounding areas show strong growth and a relative concentration of employment in construction and specialty trade contractors. Data for 2006 and 2007 may reveal a decline in employment in these industries due to the national housing slow-down.
- **Finance, Insurance and Real Estate (“FIRE” Industries) (NAICS 522 Credit Intermediation & Related Activities; 531 Real Estate; 532 Non-Real Estate Rental and Leasing):** Although Real Estate (NAICS 531) is classified as a Declining Industry based on the aggregated data for all four Lakes Region counties, it is a strong but relatively small industry sector in the Lakes Region cities and Towns according to the data recently supplied by NH Employment Security. There were 355 total persons employed by real estate firms in 2005, up from 291 in 2000. Credit Intermediation and Related Activities, which includes establishments that lend funds and conduct mortgage and loan brokerage activities falls under Key Industries. Rental and Leasing Services (NAICS 532) is another FIRE industry sector that includes businesses that rent or lease cars, furniture, and industrial machinery and equipment.



Table 15. Industry Classification Based on Change in Employment, LQ and Shift-Share Analyses

NAICS	Industry	Location Quotient LR:US			LR Counties Employment			Local Competitive Component of Growth
		2001	2005	% Change	2001	2005	% Change	
Key Industries								
236	Construction of Buildings	1.03	1.14	11.05%	2,048	2,508	22.46%	13.38%
238	Specialty Trade Contractors	0.75	0.77	2.27%	4,083	4,591	12.44%	3.68%
331	Primary Metal Manufacturing*	0.42	2.19	420.90%	305	1,310	329.51%	347.95%
339	Miscellaneous Manufacturing*	1.38	1.54	11.98%	1,250	1,285	2.80%	11.99%
423	Merchant Wholesalers, Durable Goods	0.55	0.60	7.37%	2,192	2,293	4.61%	8.24%
424	Merchant Wholesalers, Nondurable Goods	0.72	0.92	27.70%	1,845	2,381	29.05%	29.09%
444	Building Material and Garden Supply Stores	1.35	1.57	16.20%	1,959	2,575	31.44%	19.55%
446	Health and Personal Care Stores	0.82	0.85	3.93%	977	1,038	6.24%	5.12%
447	Gasoline Stations	1.55	1.68	8.13%	1,815	1,865	2.75%	8.76%
448	Clothing and Clothing Accessories Stores	1.09	1.13	3.72%	1,843	2,070	12.32%	5.20%
451	Sporting Goods, Hobby, Book, and Music Stores	1.56	1.72	10.22%	1,354	1,440	6.35%	10.90%
452	General Merchandise Stores	0.98	0.98	1.01%	3,499	3,719	6.29%	2.20%
454	Nonstore Retailers	3.71	4.12	10.89%	2,244	2,256	0.53%	10.85%
511	Publishing Industries (except Internet)	1.04	1.25	20.18%	1,344	1,454	8.18%	19.14%
522	Credit Intermediation and Related Activities	0.37	0.61	67.69%	1,207	2,266	87.74%	77.00%
551	Management of Companies and Enterprises	0.59	0.60	3.10%	1,278	1,353	5.87%	4.29%
623	Nursing and Residential Care Facilities	1.01	1.08	6.57%	3,422	3,938	15.08%	8.26%
713	Gambling, Recreation, Amusement Industries*	1.36	1.89	38.74%	2,240	3,332	48.75%	42.69%
Potential Growth Industries								
327	Nonmetallic Mineral Product Manufacturing	0.74	0.99	34.76%	510	645	26.47%	33.64%
443	Electronics and Appliance Stores	0.82	1.01	22.88%	580	695	19.83%	23.37%
488	Support Activities for Transportation*	0.02	0.06	280.72%	11	44	300.00%	296.07%
492	Couriers and Messengers*	0.27	0.33	23.35%	202	237	17.33%	23.24%
512	Motion Picture and Sound Recording*	0.37	0.45	20.57%	174	216	24.14%	22.29%
517	Telecommunications*	0.20	0.32	58.11%	331	406	22.66%	45.92%
518	ISP's, Search Portals, and Data Processing*	0.02	0.07	268.56%	12	35	191.67%	213.39%
519	Other Information Services*	0.15	0.56	264.14%	9	36	300.00%	291.34%
532	Rental and Leasing Services*	0.24	0.63	160.84%	207	524	153.14%	157.14%
562	Waste Management and Remediation Services	0.85	1.10	29.48%	340	477	40.29%	33.11%
711	Performing Arts and Spectator Sports*	0.48	0.93	93.97%	231	455	96.97%	96.52%
Dormant Industries								
323	Printing and Related Support Activities	1.72	1.80	5.19%	1,670	1,497	-10.36%	5.35%
334	Computer and Electronic Product Manufacturing	0.93	1.08	17.24%	2,058	1,825	-11.32%	13.86%
Declining Industries								
315	Apparel Manufacturing*	0.38	0.48	26.88%	205	159	-22.44%	17.09%
321	Wood Product Manufacturing*	2.00	1.70	-14.62%	1,449	1,226	-15.39%	-13.42%
325	Chemical Manufacturing*	0.16	0.07	-59.50%	195	73	-62.56%	-53.99%
326	Plastics and Rubber Products Manufacturing*	0.90	0.50	-44.18%	1,023	516	-49.56%	-38.94%
332	Fabricated Metal Product Manufacturing	1.65	1.62	-1.59%	3,504	3,168	-9.59%	-0.47%
333	Machinery Manufacturing*	1.43	1.15	-19.63%	2,471	1,708	-30.88%	-15.95%
335	Electrical Equipment and Appliances Manufacturing*	2.19	1.67	-23.88%	1,540	931	-39.55%	-18.11%
445	Food and Beverage Stores	1.48	1.39	-5.57%	5,516	5,032	-8.77%	-4.33%
453	Miscellaneous Store Retailers	1.39	1.31	-5.38%	1,748	1,524	-12.81%	-3.96%
481	Air Transportation*	0.06	0.01	-86.47%	45	5	-88.89%	-70.11%
485	Transit and Ground Passenger Transportation*	1.09	0.75	-31.68%	517	370	-28.43%	-32.06%
493	Warehousing and Storage*	0.44	0.24	-44.85%	287	183	-36.24%	-50.59%
523	Securities, Commodity Contracts, Investments*	0.38	0.08	-79.70%	399	78	-80.45%	-75.69%
531	Real Estate	0.93	0.75	-19.82%	1,587	1,401	-11.72%	-20.63%
541	Professional and Technical Services	1.07	0.62	-7.32%	5,827	5,606	-3.79%	-6.47%
624	Social Assistance*	1.02	0.26	-74.36%	2,404	704	-70.72%	-83.71%
721	Accommodation	1.98	1.87	-5.56%	4,608	4,361	-5.36%	-4.49%

Source: NHLMIB, US Bureau of Labor Statistics, Camoin Associates. See all results of LQ and shift-share analysis in Appendices I and II.

* Industry data were not fully disclosed for all four Lakes Region counties in 2001 and 2005. Therefore, changes in employment and LQs, as well as local competitiveness may be over or under-stated.

Refining the Industry Cluster List

The final step in this industry cluster analysis is to analyze projected spending on local goods and services of the Key Industries and Potential Growth Industries identified above, in order to begin to construct existing inter-relationships between those industries and to define their local supply chains. Camoin Associates purchased data for all four Lakes Region counties from the input-output model IMPLAN, which was developed by the University of Minnesota and is commonly used in economic development studies. Input-output models allow us to examine relationships within an economy.

Using the IMPLAN software, Camoin Associates constructed a regional transactions table, which shows the transactions between all the industries in the four Lakes Region counties. Due to the extremely large size and difficulty in reading the entire transactions table, it is not provided in an appendix. Camoin pulled out the available data for the 3-digit NAICS codes identified as potential clusters in the previous section of this report to identify the types of business to business purchases initiated by Key and Potential Growth Industries in the region. Note that IMPLAN industry codes do not match exactly with NAICS codes, so Camoin Associates cross-referenced codes from the two data sets and combined some IMPLAN categories in order to display as much of the information according to NAICS codes as possible.

Retail Cluster: Seven of the eight retail subsectors identified above are store retailers selling goods such as home building supplies, clothing, electronics, sporting goods and general merchandise. The eighth category of retailer is “non-store retailer,” which includes mail-order houses, vending machine operators, businesses that publish retail catalogues, and other businesses that retail merchandise in a non-store setting.

Lakes Region Counties - Retailers' Top Annual Spending Categories	
Industry	Annual Spending
Power generation and supply	\$16,959,043.30
Database, directory, and other publishers	\$9,034,820.00
Management consulting services	\$7,115,186.20
Commercial printing	\$6,484,336.00
Food services and drinking places	\$6,180,801.30
Couriers and messengers	\$5,839,210.30
Accounting and bookkeeping services	\$5,652,885.50
Newspaper publishers	\$5,207,313.30
Advertising and related services	\$4,839,848.90
Telecommunications	\$4,702,054.00
Monetary authorities and depository credit	\$4,592,186.70
Nondepository credit intermediation and related services	\$4,568,589.80
Maintenance and repair of nonresidential buildings	\$4,564,040.70
Wholesale trade	\$4,480,315.70
Radio and television broadcasting	\$3,965,105.60
Services to buildings and dwellings	\$3,741,138.82
Nonstore retailers	\$3,645,282.40
Other support services	\$3,630,098.99
Postal service	\$3,614,907.48
Warehousing and storage	\$3,360,213.92
Employment services	\$3,173,011.09

Source: IMPLAN, Camoin Associates

activities most likely); management consulting services; commercial printing; food services; couriers and messengers (deliveries); accounting and bookkeeping services; and advertising (newspaper publishers and advertising and related services).

According to the IMPLAN data, these retailers in the four Lakes Region counties exhibit similar demands for local services. Not surprisingly, retailers do not rely on local businesses to supply the goods they sell; the vast majority of their local business to business spending is on services.

The table to the left shows the top 20 local spending categories for all eight retail subsectors combined in the four Lakes Region Counties. As shown in the table, the highest spending categories include power generation and supply (utilities); database, directory and other publishers (for direct advertising

Health Care Cluster: As discussed above, health care will continue to be a growing field in the Lakes Region due to the fact that the region’s population is aging in place and will require more health care services as time goes on. Hospitals and nursing and residential care facilities are two likely candidates for significant growth.

The table to the right shows the top 20 local spending categories for hospitals in the four Lakes Region counties. As shown in the table, the region’s hospitals purchase a significant amount from local food services industries, which makes sense since hospitals feed large numbers of patients and staff. Wholesale trade purchases are the second highest category, which could include non-medical paper and plastic goods, and office supplies and equipment. Legal services is the third highest category. According to the IMPLAN data, hospitals also purchase almost \$10 million in pharmaceuticals and medicines that are produced within the region, as well as over \$7 million in surgical appliances and supplies and over \$4 million in surgical and medical instruments, all produced within the region.

Lakes Region Counties - Hospitals' Local Spending	
Industry Name	Annual Spending
Food services and drinking places	\$11,396,260.00
Wholesale trade	\$10,101,820.00
Legal services	\$10,043,970.00
Pharmaceutical and medicine manufacturing	\$9,999,790.00
Securities, commodity contracts, investments	\$8,232,617.00
Surgical appliance and supplies manufacturing	\$7,628,382.00
Management consulting services	\$7,475,361.00
Services to buildings and dwellings	\$6,551,407.00
Power generation and supply	\$6,064,655.00
Postal service	\$5,272,477.00
Employment services	\$4,761,277.00
Surgical and medical instrument manufacturing	\$4,369,524.00
Plastics plumbing fixtures and all other plastics	\$4,259,535.00
Colleges, universities, and junior colleges	\$4,173,024.00
Office administrative services	\$3,854,904.00
Maintenance and repair of buildings	\$3,303,944.00
Insurance carriers	\$2,904,947.00
Machinery and equipment rental and leasing	\$1,992,409.00
Veterinary services	\$1,980,945.00
Other State and local government enterprises	\$1,764,444.00

Source: IMPLAN, Camoin Associates

Lakes Region Counties - Nursing & Residential Care Facilities	
Industry Name	Annual Spending
Food services and drinking places	\$6,975,899.00
Power generation and supply	\$2,038,804.00
Wholesale trade	\$1,456,234.00
Employment services	\$1,174,336.00
Office administrative services	\$1,143,994.00
Maintenance and repair of nonresidential buil	\$891,441.00
Services to buildings and dwellings	\$861,431.50
Legal services	\$791,019.60
Plastics plumbing fixtures and all other plas	\$655,056.40
Surgical appliance and supplies manufacturing	\$636,065.90
Accounting and bookkeeping services	\$589,421.10
Other State and local government enterprises	\$511,341.60
Pharmaceutical and medicine manufacturing	\$486,847.80
Postal service	\$419,121.30
Motion picture and video industries	\$387,902.60
Drycleaning and laundry services	\$374,596.70
Monetary authorities and depository credit in	\$369,657.30
Telecommunications	\$358,198.30
Securities, commodity contracts, investments	\$343,824.50
Truck transportation	\$329,454.50

Source: IMPLAN, Camoin Associates

The table to the left shows the top 20 local spending categories for Nursing Care and Residential Facilities. As shown in the table, these businesses also make significant purchases from local food services industries. Power generation and supply is the second highest category, followed by wholesale trade and employment services. These businesses also purchase medical supplies. One interesting finding is that these businesses purchase almost \$400,000 annually from local motion picture and video industries, which could account for entertainment spending for residents in these facilities.

Diversified Manufacturing Cluster: The three types of manufacturing subsectors identified as Key or Potential Growth Industries are primary metal manufacturers (those that process metals such as iron and steel from raw materials; nonmetallic mineral product manufacturers (those that process materials from the earth that are non-metallic, such as stone, sand, gravel or clay) and miscellaneous manufacturing. IMPLAN does not have a miscellaneous manufacturing category and the data set did not include any data for “Ground or Treated Minerals and Earths Manufacturers,” so for purposes of this analysis, we examine IMPLAN data for “Iron and Steel Mills” and “Cut Stone and Stone Product Manufacturing.”

Iron and Steel Mills	
Industry Name	Annual Spending
Wholesale trade	\$572,458.00
Power generation and supply	\$268,921.30
Truck transportation	\$239,182.30
Commercial machinery repair and maintenance	\$80,360.43
Automotive repair and maintenance, except car	\$64,052.58
All other miscellaneous professional and tech	\$56,425.33
Electronic equipment repair and maintenance	\$51,897.37
Rail transportation	\$32,485.68
Monetary authorities and depository credit in	\$30,913.55
Other State and local government enterprises	\$28,275.69
Waste management and remediation services	\$26,899.28
Food services and drinking places	\$26,423.16
Household goods repair and maintenance	\$26,267.47
Maintenance and repair of nonresidential buil	\$21,447.27
Iron and steel mills	\$19,828.32
Ball and roller bearing manufacturing	\$16,203.98
Machine shops	\$15,568.32
Architectural and engineering services	\$12,871.86
Management consulting services	\$11,264.81
Nondepository credit intermediation and rela	\$10,771.66

Source: IMPLAN, Camoin Associates

As shown in the table to the left, the three largest local spending categories for iron and steel mills in the region are wholesale trade, power generation and supply (utilities) and truck transportation. They also purchase many machinery and automotive repair services. This indicates that these mills are not purchasing many of their raw materials locally but that they are using local services.

The table below shows purchases by cut stone and stone product manufacturers. In contrast to iron and steel mills, these producers do seem to purchase some of their stone locally. They also use local trucking services and utilities. In addition, they appear to purchase wood pallets and containers manufactured locally.

Cut Stone and Stone Product Manufacturing	
Industry Name	Annual Spending
Truck transportation	\$189,565.70
Cut stone and stone product manufacturing	\$121,677.10
Power generation and supply	\$56,153.82
Wood container and pallet manufacturing	\$42,091.03
Wholesale trade	\$39,729.95
All other miscellaneous professional and tech	\$24,039.04
Commercial machinery repair and maintenance	\$20,183.33
Automotive repair and maintenance, except car	\$15,921.14
Accounting and bookkeeping services	\$15,505.60
Electronic equipment repair and maintenance	\$13,314.37
Other concrete product manufacturing	\$12,165.09
Monetary authorities and depository credit in	\$11,174.91
Other State and local government enterprises	\$10,515.00
Scientific research and development services	\$10,462.99
Food services and drinking places	\$10,214.30
Architectural and engineering services	\$8,033.30
Maintenance and repair of nonresidential buil	\$7,906.12
Legal services	\$7,209.09
Household goods repair and maintenance	\$6,249.12
Automotive equipment rental and leasing	\$6,118.62

Source: IMPLAN, Camoin Associates

Information-based Industries Cluster: There are many different information-based industries included in the key and potential growth categories above: publishers, motion picture & sound recording, telecommunications service providers, and data processors. IMPLAN provides local business to business spending data for most of these subsectors.

The publishing subsector (NAICS 511) includes many different kinds of publishers, such as newspapers, periodicals and books; software publishers, and firms that publish databases and directories. The top 20 local spending categories of publishers of paper-based items (newspapers, periodicals and books) are shown in the table below. In terms of locally produced goods, these publishers purchase wholesale items, which could include paper, office supplies and computer equipment; ink for printing; and products produced by commercial printers. For the most part, these publishers' local purchases are for services, including miscellaneous professional and technical services, truck transportation to deliver their goods, legal services, utilities, information services and telecommunications.

Publishers of Newspapers, Periodicals & Books			
	Annual Spending		
	Newspapers	Periodicals	Books
Wholesale trade	\$1,105,780.00	\$387,434.30	\$118,338.20
All other miscellaneous professional and tech	\$659,717.70	\$288,858.50	\$46,787.10
Truck transportation	\$552,153.90	\$162,934.70	\$15,374.38
Legal services	\$454,278.30	\$63,640.44	\$7,802.54
Power generation and supply	\$342,115.80	\$42,728.79	\$8,696.86
Information services	\$317,508.40	\$23,333.92	\$379.00
Telecommunications	\$314,209.60	\$86,656.76	\$14,434.30
Printing ink manufacturing	\$289,168.40	\$379,741.20	\$12,048.81
Database, directory, and other publishers	\$252,704.60	\$153,341.60	\$30,429.36
Monetary authorities and depository credit in	\$228,608.20	\$102,090.70	\$16,336.34
Custom computer programming services	\$176,786.60	\$106,812.80	\$22,476.93
Postal service	\$158,252.80	\$261,223.70	\$18,705.41
Commercial printing	\$149,836.50	\$297,647.00	\$66,284.25
Accounting and bookkeeping services	\$147,379.40	\$53,045.06	\$10,139.21
Maintenance and repair of nonresidential buil	\$137,753.80	\$16,674.69	\$4,563.71
Management consulting services	\$134,863.60	\$59,781.98	\$9,147.60
Scientific research and development services	\$124,928.70	\$26,984.07	\$3,705.64
Business support services	\$107,606.40	\$37,608.65	\$2,074.03
Commercial machinery repair and maintenance	\$92,928.11	\$9,674.64	\$2,957.19
Warehousing and storage	\$82,570.30	\$17,223.35	\$2,360.60

Source: IMPLAN, Camoin Associates

One of the non-paper based publishers included in NAICS 511 are publishers of software. The top 20 local spending categories for software publishers are shown in the table below. In terms of goods, these publishers purchase wholesale items, software published by other software publishers, databases/directories, commercially printed materials, electronic/computer products and items made by manufacturers of semiconductors and related devices. These publishers purchase a wide range of local services as well, including administrative and other support services, employment services, telecommunications, legal services and other professional and technical services.

Software Publishers	
Wholesale trade	\$3,371,529.00
Software publishers	\$1,906,219.00
Office administrative services	\$1,760,824.00
Employment services	\$1,707,102.00
Telecommunications	\$1,531,090.00
Colleges, universities, and junior colleges	\$1,247,168.00
Food services and drinking places	\$1,215,233.00
Other support services	\$1,177,891.00
Database, directory, and other publishers	\$1,167,645.00
Services to buildings and dwellings	\$1,124,627.00
Legal services	\$1,097,158.00
Commercial printing	\$1,002,653.00
Monetary authorities and depository credit in	\$759,897.40
All other miscellaneous professional and tech	\$756,844.50
Other computer related services, including fa	\$677,653.20
Newspaper publishers	\$672,713.00
Advertising and related services	\$621,010.40
Electronic computer manufacturing	\$575,536.30
Semiconductors and related device manufacturi	\$556,458.10
Radio and television broadcasting	\$512,419.60

Source: IMPLAN, Camoin Associates

Database, Directory, and Other Publishers	
Database, directory, and other publishers	\$4,331,565.00
Wholesale trade	\$3,218,995.00
All other miscellaneous professional and tech	\$2,494,316.00
Commercial printing	\$2,043,553.00
Accounting and bookkeeping services	\$1,297,708.00
Monetary authorities and depository credit in	\$1,100,852.00
Legal services	\$904,127.10
Postal service	\$893,200.60
Architectural and engineering services	\$798,356.10
Truck transportation	\$697,374.60
Other State and local government enterprises	\$683,848.10
Power generation and supply	\$653,535.50
Management consulting services	\$641,787.40
Telecommunications	\$549,133.90
Food services and drinking places	\$524,406.90
Couriers and messengers	\$377,558.00
Securities, commodity contracts, investments	\$367,808.50
Printing ink manufacturing	\$330,200.10
Nondepository credit intermediation and rela	\$317,513.30
Other computer related services, including fa	\$315,406.90

Source: IMPLAN, Camoin Associates

NAICS 511 also includes publishers of databases and directories, which includes mailing lists used by many retail firms for direct marketing purposes. As discussed in the retail cluster section above, local retailers make over \$9 million in annual purchases from these publishing businesses. These publishers themselves make significant purchases from other publishers of databases and directories in the region, as shown in the table to the left. They also make significant purchases of wholesale items, which could include paper, office equipment and supplies, as well as products made by commercial printers. For the most part, however, these publishers are

purchasing local services including professional and technical services, accounting services, financial, legal and delivery services.

In addition to a relative strength in publishing industries, the Lakes Region has potential for growth in other information-based sectors, including motion picture and sound recording. IMPLAN data for motion picture & video industries was analyzed to find the top 20 local spending categories for businesses in this subsector. Those results are shown in the table below. By far, the largest spending category among these businesses is on purchases of services from other motion picture & video firms, which indicates that there may be strong inter-relationships between these types of

firms in the region, which can enhance the region’s competitive advantage in motion picture & sound recording over time. Also of note is that these firms purchase the services of independent artists, writers and performers locally, which is another indication that the region has something to offer businesses in this sector.

Motion Picture & Video Industries	
Industry Name	Annual Spending
Motion picture and video industries	\$6,494,766.00
Radio and television broadcasting	\$937,205.20
Household goods repair and maintenance	\$931,611.50
Electronic equipment repair and maintenance	\$718,466.20
Database, directory, and other publishers	\$291,284.90
Independent artists, writers, and performers	\$290,274.00
All other miscellaneous professional and tech	\$280,093.50
Commercial printing	\$206,916.80
Newspaper publishers	\$168,161.90
Power generation and supply	\$156,928.50
Advertising and related services	\$155,539.10
Other State and local government enterprises	\$133,765.30
Wholesale trade	\$133,168.50
Food services and drinking places	\$121,892.00
Automotive repair and maintenance, except car	\$106,388.20
Monetary authorities and depository credit in	\$104,397.10
Legal services	\$94,073.95
Maintenance and repair of nonresidential buil	\$84,623.47
Car washes	\$84,397.04
Telecommunications	\$82,659.74

Source: IMPLAN, Camoin Associates

Yet another information-based subsector with growth potential in the region is telecommunications, which includes firms that provide phone, cell phone, cable and Internet services. The top 20 local business to business spending categories of telecommunications firms in the four Lakes Region counties is shown to the right. Similar to motion picture & video firms, telecommunications firms also exhibit strong inter-relationships in the local economy; the largest spending category by far among these firms is on other telecommunications services. In addition, they purchase a range of professional and technical services, as well as maintenance and repair construction and telephone equipment repair services.

Telecommunications	
Industry Name	Annual Spending
Telecommunications	\$8,655,417.00
Architectural and engineering services	\$2,730,273.00
Accounting and bookkeeping services	\$1,489,990.00
All other miscellaneous professional and tech	\$880,418.10
Other maintenance and repair construction	\$857,579.00
Telephone apparatus manufacturing	\$632,702.80
Wholesale trade	\$610,483.80
Machinery and equipment rental and leasing	\$593,075.20
Database, directory, and other publishers	\$434,891.30
Monetary authorities and depository credit in	\$420,508.20
Power generation and supply	\$414,776.70
Specialized design services	\$395,266.00
Commercial printing	\$376,946.00
Legal services	\$374,334.70
Management consulting services	\$280,689.60
Newspaper publishers	\$250,791.50
Advertising and related services	\$244,674.20
Business support services	\$201,539.20
Radio and television broadcasting	\$192,127.70
Postal service	\$189,511.40

Source: IMPLAN, Camoin Associates

Another information-based industry sector is data processing services. Firms in this sector transform data, prepare data for dissemination or place data content on-line for other companies. As shown below in the table of top 20 local spending categories for these kinds of businesses in the Lakes

Region counties, they purchase a wide range of services including various repair services, telecommunications and office support services. Interestingly, the table below shows purchases from state and local government entities, colleges and universities and hotels. These may be purchases of information or data sets to be analyzed for the clients of data processing businesses.

Data Processing Services	
Industry Name	Annual Spending
Commercial machinery repair and maintenance	\$464,291.20
Automotive repair and maintenance, except car	\$460,328.20
Food services and drinking places	\$342,709.90
Electronic equipment repair and maintenance	\$318,169.30
Telecommunications	\$300,944.20
Other State and local government enterprises	\$267,327.10
Colleges, universities, and junior colleges	\$225,980.30
Hotels and motels, including casino hotels	\$216,875.60
Employment services	\$207,587.70
Office administrative services	\$196,997.20
Household goods repair and maintenance	\$154,447.40
Wholesale trade	\$146,259.20
Services to buildings and dwellings	\$138,575.50
Postal service	\$112,414.00
Computer systems design services	\$105,677.10
Automotive equipment rental and leasing	\$101,304.80
Machinery and equipment rental and leasing	\$100,093.00
Other computer related services, including fa	\$96,568.62
Maintenance and repair of nonresidential buil	\$77,444.59
Electronic computer manufacturing	\$75,650.71

Source: IMPLAN, Camoin Associates

Entertainment & Tourism Cluster:

NAICS 711 Performing Arts & Spectator Sports is included in the potential growth category above. It includes performing arts companies, independent artists and performers, companies that arrange and host spectator sports, sports teams or clubs that participate in live sporting events, and promoters of performing art and spectator sports events. The IMPLAN data for the top 20 local spending categories shown in the table at right suggests that businesses in this sector have strong relationships with each other and purchase services from one another. They also purchase repair services, food services and back-office support services locally.

Performing Arts & Spectator Sports	
Industry	Annual Spending
Independent artists, writers, and performers	\$2,561,737.88
Promoters of performing arts and sports and a	\$2,203,903.42
Spectator sports	\$1,307,930.90
Other State and local government enterprises	\$740,626.97
Commercial machinery repair and maintenance	\$721,289.00
Food services and drinking places	\$719,204.53
Automotive repair and maintenance, except car	\$571,456.88
Electronic equipment repair and maintenance	\$492,171.11
Other personal services	\$431,333.03
Drycleaning and laundry services	\$408,183.51
Household goods repair and maintenance	\$230,693.54
Database, directory, and other publishers	\$228,648.36
Office administrative services	\$222,711.46
Accounting and bookkeeping services	\$211,206.27
Other support services	\$205,186.72
Employment services	\$197,265.22
Legal services	\$193,552.87
Power generation and supply	\$173,341.91
Commercial printing	\$162,579.64
Services to buildings and dwellings	\$161,033.49

Source: IMPLAN, Camoin Associates



Amusement, Gambling & Recreation	
Industry Name	Annual Spending
Power generation and supply	\$3,561,256.00
Maintenance and repair of nonresidential buil	\$2,365,343.00
Independent artists, writers, and performers	\$1,983,497.00
Architectural and engineering services	\$1,761,160.00
Wholesale trade	\$1,397,666.00
Database, directory, and other publishers	\$1,270,150.00
Performing arts companies	\$928,389.10
Commercial printing	\$921,018.20
Legal services	\$896,166.10
Accounting and bookkeeping services	\$854,369.00
Management consulting services	\$807,817.20
Nondepository credit intermediation and rela	\$743,232.20
Monetary authorities and depository credit in	\$736,358.90
Newspaper publishers	\$719,268.10
Advertising and related services	\$664,680.10
Telecommunications	\$651,725.80
Employment services	\$620,733.00
Postal service	\$580,357.70
Radio and television broadcasting	\$562,827.50
Office administrative services	\$555,706.10

Source: IMPLAN, Camoin Associates

The amusement, gambling and other recreation subsector (NAICS 713) is classified as a key industry in the Lakes Region counties. Businesses in this subsector include casinos, bingo halls, and video gaming facilities, as well as amusement parks and arcades, and golf courses, ski resorts, marinas and fitness & recreational businesses. As shown in the table to the left, the top spending category for these businesses is utilities. They also purchase a variety of services, both professional and repair/maintenance. They also rely on services of artists and performers and performing arts companies.

Construction Cluster:

Construction of Buildings	
Industry Name	Annual Spending
Power generation and supply	\$2,499,972.61
Sawmills	\$6,090,515.57
Wood windows and door manufacturing	\$9,657,208.62
Other millwork, including flooring	\$6,271,177.88
Asphalt paving mixture and block manufacturing	\$7,223,226.29
Plastics pipe, fittings, and profile shapes	\$3,674,731.66
Plastics plumbing fixtures and all other plastics	\$7,826,767.90
Cut stone and stone product manufacturing	\$3,247,874.29
Metal valve manufacturing	\$1,337,690.33
Other commercial and service industry machine	\$1,817,140.00
Other communication and energy wire manufacturers	\$1,304,119.66
Wood kitchen cabinet and countertop manufacturers	\$10,420,079.89
Showcases, partitions, shelving, and lockers	\$1,662,126.86
Wholesale trade	\$22,082,374.60
Truck transportation	\$9,228,226.30
Motor vehicle and parts dealers	\$14,449,883.07
Furniture and home furnishings stores	\$5,100,852.89
Electronics and appliance stores	\$3,629,261.77
Building material and garden supply stores	\$10,206,899.57
Food and beverage stores	\$12,716,213.17
Health and personal care stores	\$7,076,631.48
Gasoline stations	\$6,882,197.71
Clothing and clothing accessories stores	\$9,948,513.01
Sporting goods, hobby, book and music stores	\$1,444,008.55
General merchandise stores	\$15,445,247.10
Miscellaneous store retailers	\$3,402,581.51
Nonstore retailers	\$21,348,766.16
Telecommunications	\$2,631,508.13
Securities, commodity contracts, investments	\$1,633,293.28
Insurance carriers	\$3,421,443.70
Monetary authorities and depository credit in	\$3,002,908.19
Machinery and equipment rental and leasing	\$3,067,696.40
Legal services	\$2,731,358.41
Accounting and bookkeeping services	\$2,154,128.73
Architectural and engineering services	\$33,072,919.20
Management consulting services	\$1,455,853.78
Office administrative services	\$1,903,138.45
Employment services	\$1,871,413.27
Services to buildings and dwellings	\$1,852,933.86
Automotive repair and maintenance, except car	\$1,416,177.73
Electronic equipment repair and maintenance	\$1,153,522.52
Commercial machinery repair and maintenance	\$1,894,009.66

Source: IMPLAN, Camoin Associates

producers and providers of local services in a wide range of categories.

As shown in the table to the left, construction firms spend a lot of money locally, on goods and services, by far the most money of any of the other subsectors examined in this report. All categories with annual spending of over \$1 million are included here.

The categories highlighted in green (from “Sawmills” down to “Showcases, partitions, shelving and lockers”) are locally produced goods purchased by construction firms in the region, including a variety of wood products and other building supplies. These are purchases directly from producers, not retailers.

The categories highlighted in yellow (“Motor vehicle and parts dealers” down to “Nonstore retailers”) include purchases from local retail firms.

The categories highlighted in orange (“Securities, commodity contracts, investments” down to “Management consulting services,” with the exception of “Machinery and equipment rental and leasing”) are purchases of professional or technical services. Other services, such as transportation, telecommunications and repair and maintenance services are not highlighted. In sum, the construction trade has a large impact on local

Finance, Real Estate and Insurance Cluster: Two NAICS subsectors from what are commonly referred to as the FIRE industries (Finance, Real Estate and Insurance) were classified as key or potential growth industries. The first is NAICS 522 Credit Intermediation and Related Activities. These include establishments that extend credit or lend funds and businesses that facilitate the transactions by processing checks and credit card transactions. The top 20 local spending categories for these businesses shown in the table at right show that these businesses rely on other the services of other local financial institutions, professional and technical service providers such as lawyers and management consultants. These businesses also provide services to each other.

Nondepository Credit Intermediation and Related Activities	
Industry Name	Annual Spending
Accounting and bookkeeping services	\$596,837.60
Monetary authorities and depository credit in	\$594,497.70
Legal services	\$460,153.60
Management consulting services	\$451,730.20
Securities, commodity contracts, investments	\$448,030.50
Maintenance and repair of nonresidential buil	\$357,010.70
Power generation and supply	\$351,720.50
Nondepository credit intermediation and rela	\$329,874.60
All other miscellaneous professional and tech	\$319,563.10
Couriers and messengers	\$307,044.70
Office administrative services	\$271,039.80
Employment services	\$268,725.50
Business support services	\$211,171.80
Automotive equipment rental and leasing	\$178,345.80
Food services and drinking places	\$150,302.90
Wholesale trade	\$127,368.50
Machinery and equipment rental and leasing	\$115,978.60
Investigation and security services	\$85,268.27
Warehousing and storage	\$80,872.10
Telecommunications	\$75,815.42

Source: IMPLAN, Camoin Associates

NAICS 532 Rental and Leasing (non real estate) was classified as a potential growth industry. Businesses in this sector include entities that rent or lease cars, commercial equipment, furniture and a range of other items. The table below shows that these businesses rely a great deal on repair services, travel arrangement services, and utilities providers. They also make purchases from each other, as evidenced by the fact that auto rental and leasing and machinery/equipment rental and leasing appear in the top 20 local spending categories for these businesses.

Rental & Leasing of Non Real Estate	
Industry Name	Annual Spending
Commercial machinery repair and maintenance	\$1,726,227.80
Automotive repair and maintenance, except car	\$1,425,934.50
Travel arrangement and reservation services	\$1,359,899.53
Electronic equipment repair and maintenance	\$1,134,516.30
Power generation and supply	\$1,035,342.00
Food services and drinking places	\$951,796.00
Insurance carriers	\$927,155.73
Management consulting services	\$877,665.12
Telecommunications	\$865,004.30
Automotive equipment rental and leasing	\$790,295.63
Machinery and equipment rental and leasing	\$787,685.14
Nonstore retailers	\$775,669.27
Nondepository credit intermediation and rela	\$724,913.49
Wholesale trade	\$711,039.06
Other State and local government enterprises	\$707,594.15
Maintenance and repair of nonresidential buil	\$663,316.10
Database, directory, and other publishers	\$646,379.19
Accounting and bookkeeping services	\$610,387.29
General merchandise stores	\$561,175.64
Household goods repair and maintenance	\$536,099.98

Source: IMPLAN, Camoin Associates



Recommendations

It is important to realize that there is no magic bullet provided in this type of data analysis. The information provided in this report is intended to help the CEDS Strategy Committee gain a more comprehensive understanding of the local economy and use that information to make some informed decisions about allocating resources for business retention, as well as what types of industries the region may want to attract to help ensure future growth and stability.

Our primary recommendation is to use the analysis in this report, in conjunction with the vision statement that the CEDS Strategy Committee develops over the coming months to identify a list of target industries for business retention and attraction efforts.

- Target industries for business retention efforts include those that the region has a high relative concentration of, but which may be at risk. These can be identified by high but decreasing LQs over time. Possible examples include various types of manufacturers, such as wood products, machinery and electrical equipment and appliances.
- Target industries for attraction should include those industries that the region already has a relative concentration in or a growing relative concentration in that can be marketed as a competitive advantage for other firms in the same industry. These target industries would preferably provide high-quality jobs. Some possible examples include management of companies and enterprises; motion picture and sound recording; and telecommunications.
- Target industries for attraction could also include those that the data show as not having a significant presence in the local economy, but which may be desired in the region because they provide high-paying jobs and could help balance out the over-reliance on tourism and low-wage service jobs that was identified as a weakness in the CEDS Strategy Committee's SWOT analysis. Some possible examples include larger firms in professional and technical services, as well as medium to large sized information-based businesses such as data processors and Internet service providers. Attracting these industries may require some workforce development efforts over time to meet their labor needs. In some instances, these types of businesses may be long-shots and require long-term effort. They should be identified as part of your visioning process as you determine what you want your economy to look like in another 10, 20 years.

Key Indicators to Monitor

1. Monitor changes in employment over time at the 3-digit NAICS level. Keep 2000 or 2001 as the base year and build on the analysis done in this report every four or five years, measuring the change from the base year, as well as the change from 2005.

2. In conjunction with monitoring changes in employment, we also recommend that changes in location quotients (LQs) at the 3-digit level continue to be monitored over time by updating the LQ table for the Lakes Region counties or cities and towns, whichever is available, at least every four or five years. Again, keep 2000 or 2001 as the base year and analyze the changes in LQs in comparison to the base year and in comparison to 2005.



3. Using the change in employment and change in LQ analyses, continue to classify local industries according to the criteria used to create Table 15 of this report. Use this classification system to identify additional future target businesses for retention/attraction efforts.

Appendix I
Results of Location Quotient Analysis

Location Quotient - Lakes Region Cities & Towns : US

NAICS	Industry	2000			2005			Change in LQ
		Lakes Reg %	US %	LQ	Lakes Reg%	US %	LQ	
-	Total, All Private	100.00%	100.00%	1.00	100.00%	100.00%	1.00	0.00
11	Agriculture, Forestry, Fishing and Hunting	0.47%	1.09%	0.44	0.40%	1.05%	0.38	-0.05
111	Crop Production	0.20%	0.53%	0.39	0.24%	0.50%	0.48	0.10
112	Animal Production	0.05%	0.18%	0.26	0.00%	0.19%	0.00	-0.26
113	Forestry and Logging	0.18%	0.08%	2.33	0.13%	0.06%	1.97	-0.37
114	Fishing, Hunting and Trapping*	0.00%	0.01%	0.00	0.00%	0.01%	0.00	0.00
115	Support Activities for Agriculture and Forestry*	0.00%	0.30%	0.00	0.00%	0.29%	0.00	0.00
21	Mining*	0.00%	0.46%	0.00	0.27%	0.51%	0.53	0.53
211	Oil and Gas Extraction	0.00%	0.11%	0.00	0.00%	0.19%	0.00	0.00
212	Mining (except Oil and Gas)*	0.00%	0.20%	0.00	0.27%	0.20%	1.32	1.32
23	Construction	6.04%	6.05%	1.00	7.64%	6.57%	1.16	0.16
236	Construction of Buildings	1.67%	1.41%	1.18	2.16%	1.55%	1.40	0.22
237	Heavy and Civil Engineering Construction	0.91%	0.85%	1.08	1.33%	0.84%	1.58	0.50
238	Specialty Trade Contractors	3.46%	3.79%	0.91	4.15%	4.18%	0.99	0.08
31	Manufacturing	22.98%	15.74%	1.46	17.05%	12.83%	1.33	-0.13
311	Food Manufacturing	0.14%	1.42%	0.10	0.05%	1.34%	0.04	-0.06
312	Beverage and Tobacco Product Manufacturing*	0.00%	0.19%	0.00	0.00%	0.17%	0.00	0.00
313	Textile Mills	0.32%	0.34%	0.94	0.00%	0.20%	0.00	-0.94
314	Textile Product Mills	0.07%	0.20%	0.35	0.05%	0.15%	0.32	-0.02
315	Apparel Manufacturing	0.00%	0.46%	0.00	0.00%	0.23%	0.00	0.00
316	Leather and Allied Product Manufacturing	0.00%	0.06%	0.00	0.00%	0.04%	0.00	0.00
321	Wood Product Manufacturing	0.88%	0.56%	1.57	0.55%	0.51%	1.09	-0.47
322	Paper Manufacturing*	0.00%	0.55%	0.00	0.00%	0.44%	0.00	0.00
323	Printing and Related Support Activities	0.30%	0.73%	0.41	0.33%	0.58%	0.56	0.15
324	Petroleum and Coal Product Manufacturing*	0.00%	0.11%	0.00	0.00%	0.10%	0.00	0.00
325	Chemical Manufacturing*	0.00%	0.89%	0.00	0.00%	0.79%	0.00	0.00
326	Plastics and Rubber Products Manufacturing	2.99%	0.87%	3.44	1.15%	0.72%	1.59	-1.85
327	Nonmetallic Mineral Product Manufacturing	0.35%	0.51%	0.69	0.36%	0.46%	0.78	0.09
331	Primary Metal Manufacturing	1.11%	0.57%	1.96	1.83%	0.42%	4.36	2.40
332	Fabricated Metal Product Manufacturing	5.65%	1.61%	3.51	4.92%	1.37%	3.59	0.08
333	Machinery Manufacturing	1.79%	1.32%	1.35	0.57%	1.05%	0.54	-0.81
334	Computer and Electronic Product Manufacturing	2.69%	1.64%	1.64	2.91%	1.18%	2.46	0.83
335	Electrical Equipment, Appliance, and Component Manufacturing	1.14%	0.54%	2.12	0.54%	0.39%	1.39	-0.73
336	Transportation Equipment Manufacturing	0.28%	1.87%	0.15	0.21%	1.60%	0.13	-0.02
337	Furniture and Related Product Manufacturing	0.14%	0.62%	0.23	0.14%	0.51%	0.27	0.04
339	Miscellaneous Manufacturing	4.33%	0.67%	6.43	2.81%	0.59%	4.79	-1.64
42	Wholesale Trade	1.72%	5.22%	0.33	2.20%	5.20%	0.42	0.09
423	Merchant Wholesalers, Durable Goods	0.96%	2.85%	0.34	1.00%	2.71%	0.37	0.03
424	Merchant Wholesalers, Nondurable Goods	0.42%	1.82%	0.23	0.70%	1.82%	0.39	0.16
425	Electronic Markets and Agents/Brokers	0.35%	0.54%	0.64	0.49%	0.67%	0.73	0.09
44-45	Retail Trade	20.16%	13.89%	1.45	20.26%	13.79%	1.47	0.02
441	Motor Vehicle and Parts Dealers	3.10%	1.68%	1.84	2.98%	1.73%	1.72	-0.12
442	Furniture and Home Furnishings Stores	0.71%	0.50%	1.42	0.83%	0.52%	1.59	0.18
443	Electronics and Appliance Stores	0.19%	0.52%	0.37	0.21%	0.49%	0.43	0.06
444	Building Material and Garden Equipment and Supplies Dealers*	1.47%	1.04%	1.42	0.00%	1.15%	0.00	-1.42
445	Food and Beverage Stores	4.08%	2.70%	1.51	4.37%	2.54%	1.72	0.21
446	Health and Personal Care Stores	0.72%	0.83%	0.86	0.58%	0.86%	0.68	-0.18
447	Gasoline Stations	1.54%	0.85%	1.81	1.88%	0.78%	2.41	0.60
448	Clothing and Clothing Accessories Stores	1.17%	1.21%	0.97	1.32%	1.28%	1.03	0.06
451	Sporting Goods, Hobby, Book, and Music Stores	0.56%	0.63%	0.89	0.70%	0.59%	1.19	0.30
452	General Merchandise Stores*	2.73%	2.56%	1.07	0.00%	2.65%	0.00	-1.07
453	Miscellaneous Store Retailers	1.07%	0.93%	1.15	1.03%	0.82%	1.26	0.10
454	Nonstore Retailers	2.83%	0.45%	6.34	2.57%	0.39%	6.68	0.34
48-49	Transportation and Warehousing	1.83%	3.81%	0.48	1.71%	3.71%	0.46	-0.02
481	Air Transportation*	0.00%	0.55%	0.00	0.00%	0.45%	0.00	0.00
483	Water Transportation	0.00%	0.05%	0.00	0.00%	0.05%	0.00	0.00
484	Truck Transportation	0.35%	1.28%	0.27	0.39%	1.26%	0.31	0.04
485	Transit and Ground Passenger Transportation	0.45%	0.34%	1.34	0.00%	0.35%	0.00	-1.34
486	Pipeline Transportation	0.00%	0.04%	0.00	0.00%	0.03%	0.00	0.00
487	Scenic and Sightseeing Transportation*	0.00%	0.03%	0.00	0.00%	0.02%	0.00	0.00
488	Support Activities for Transportation	0.05%	0.49%	0.10	0.06%	0.50%	0.12	0.01
491	Postal Service Contractors*	0.00%	0.00%	0.00	0.00%	0.00%	0.00	0.00
492	Couriers and Messengers	0.40%	0.56%	0.71	0.45%	0.51%	0.88	0.18
493	Warehousing and Storage*	0.00%	0.47%	0.00	0.09%	0.53%	0.16	0.16

NAICS	Industry	2000			2005			Change in LQ
		Lakes Reg %	US %	LQ	Lakes Reg%	US %	LQ	
51	Information	1.20%	3.29%	0.36	1.13%	2.76%	0.41	0.05
511	Publishing Industries	0.63%	0.93%	0.68	0.42%	0.82%	0.51	-0.17
512	Motion Picture and Sound Recording Industries	0.10%	0.35%	0.28	0.22%	0.34%	0.66	0.38
515	Broadcasting (except Internet)	0.19%	0.31%	0.62	0.13%	0.29%	0.45	-0.17
516	Internet Publishing and Broadcasting*	0.00%	0.04%	0.00	0.02%	0.03%	0.58	0.58
517	Telecommunications	0.22%	1.15%	0.19	0.29%	0.90%	0.32	0.13
518	ISPs, Search Portals, & Data Processing*	0.00%	0.47%	0.00	0.02%	0.34%	0.06	0.06
519	Other Information Services	0.04%	0.04%	1.00	0.04%	0.05%	0.79	-0.21
52	Finance and Insurance	2.75%	5.04%	0.54	2.82%	5.35%	0.53	-0.02
521	Monetary Authorities - Central Bank	0.00%	0.02%	0.00	0.00%	0.02%	0.00	0.00
522	Credit Intermediation and Related Activity	1.98%	2.31%	0.86	1.88%	2.60%	0.72	-0.13
523	Financial Investment and Related Activity	0.15%	0.74%	0.20	0.21%	0.72%	0.30	0.09
524	Insurance Carriers and Related Activities	0.62%	1.90%	0.32	0.73%	1.93%	0.38	0.06
53	Real Estate and Rental and Leasing	1.29%	1.84%	0.70	1.40%	1.92%	0.73	0.03
531	Real Estate	0.80%	1.20%	0.67	0.98%	1.32%	0.74	0.08
532	Rental and Leasing Services*	0.00%	0.61%	0.00	0.42%	0.58%	0.73	0.73
533	Lessors of Nonfinancial Intangible Assets*	0.00%	0.03%	0.00	0.00%	0.02%	0.00	0.00
54	Professional, Scientific, and Technical Services	2.61%	6.19%	0.42	2.93%	6.38%	0.46	0.04
541	Professional, Scientific, and Technical Services	2.61%	6.19%	0.42	2.93%	6.38%	0.46	0.04
55	Management of Companies and Enterprises	0.69%	1.62%	0.43	1.19%	1.58%	0.76	0.33
551	Management of Companies and Enterprises	0.69%	1.62%	0.43	1.19%	1.58%	0.76	0.33
56	Administrative and Waste Services	2.71%	7.31%	0.37	3.66%	7.30%	0.50	0.13
561	Administrative and Support Services	2.58%	7.03%	0.37	3.22%	6.99%	0.46	0.09
562	Waste Management and Remediation Services	0.13%	0.29%	0.46	0.44%	0.31%	1.44	0.98
61	Educational Services	2.36%	1.64%	1.44	2.71%	1.94%	1.40	-0.04
62	Health Care and Social Assistance	13.29%	11.42%	1.16	14.08%	12.96%	1.09	-0.08
621	Ambulatory Health Care Services	3.91%	3.92%	1.00	4.10%	4.62%	0.89	-0.11
622	Hospitals	4.12%	3.56%	1.16	4.65%	3.89%	1.20	0.04
623	Nursing and Residential Care Facilities	3.38%	2.34%	1.44	3.68%	2.57%	1.43	-0.01
624	Social Assistance	1.88%	1.60%	1.18	1.64%	1.89%	0.87	-0.30
71	Arts, Entertainment, and Recreation	2.40%	1.67%	1.44	2.81%	1.69%	1.66	0.22
711	Performing Arts and Spectator Sports	0.45%	0.34%	1.33	0.31%	0.34%	0.91	-0.42
712	Museums, Historical Sites, and Similar Institutions	0.13%	0.10%	1.25	0.24%	0.11%	2.26	1.01
713	Amusement, Gambling, and Recreation Industries	1.82%	1.23%	1.48	2.25%	1.24%	1.82	0.33
72	Accommodation and Food Services	13.10%	9.12%	1.44	13.73%	9.83%	1.40	-0.04
721	Accommodation	3.51%	1.70%	2.07	3.34%	1.64%	2.04	-0.02
722	Food Services and Drinking Places	9.59%	7.42%	1.29	10.38%	8.19%	1.27	-0.02
81	Other Services (except Public Administration)	3.65%	3.77%	0.97	3.37%	3.91%	0.86	-0.11
811	Repair and Maintenance	1.20%	1.13%	1.06	1.17%	1.12%	1.05	-0.01
812	Personal and Laundry Services	0.95%	1.13%	0.84	0.94%	1.15%	0.82	-0.02
813	Membership Organizations and Associations	1.23%	1.13%	1.09	0.97%	1.17%	0.83	-0.26
814	Private Households	0.26%	0.38%	0.68	0.28%	0.47%	0.60	-0.08

Source: US Bureau of Labor Statistics, NH Employment Security, Camoin Associates

* Data were not fully disclosed for the Lakes Region.

Location Quotient (LQ) - Lakes Region Counties : New England								
NAICS	Industry	2001			2005			Difference in LQ
		Lakes Region Counties %	New England %	LQ	LR %	NE %	LQ	
	Total, All Private Industries	100.00%	100.00%	1.00	100.00%	100.00%	1.00	0.00
11	Agriculture, Forestry, Fishing and Hunting	0.52%	0.37%	1.42	0.45%	0.39%	1.13	-0.28
111	Crop Production*	0.25%	0.18%	1.38	0.24%	0.18%	1.33	-0.05
112	Animal Production*	0.08%	0.06%	1.25	0.08%	0.07%	1.17	-0.08
113	Forestry and Logging*	0.12%	0.06%	2.06	0.10%	0.06%	1.79	-0.26
114	Fishing, Hunting, and Trapping*	0.00%	0.03%	0.00	0.00%	0.04%	0.00	0.00
115	Agriculture and Forestry support Activities*	0.04%	0.04%	0.82	0.04%	0.05%	0.91	0.09
21	Mining	0.21%	0.06%	3.49	0.21%	0.07%	3.00	-0.50
212	Mining, except Oil and Gas*	0.06%	0.03%	1.81	0.06%	0.05%	1.38	-0.43
213	Support Activities for Mining*	0.00%	0.00%		0.00%	0.00%	0.00	0.00
23	Construction	5.20%	4.94%	1.05	5.75%	5.19%	1.11	0.06
236	Construction of Buildings	1.47%	1.12%	1.32	1.76%	1.24%	1.42	0.10
237	Heavy and Civil Engineering Construction	0.79%	0.61%	1.30	0.76%	0.50%	1.51	0.21
238	Specialty Trade Contractors	2.94%	3.21%	0.91	3.23%	3.44%	0.94	0.03
31-33	Manufacturing	14.86%	15.07%	0.99	12.28%	12.52%	0.98	0.00
311	Food Manufacturing*	0.23%	0.79%	0.29	0.22%	0.78%	0.28	-0.01
312	Beverage and Tobacco Product Manufacturing*	0.00%	0.11%	0.00	0.00%	0.11%	0.00	0.00
313	Textile Mills*	0.28%	0.38%	0.73	0.23%	0.20%	1.12	0.39
314	Textile Product Mills*	0.06%	0.14%	0.46	0.03%	0.11%	0.26	-0.20
315	Apparel Manufacturing*	0.15%	0.16%	0.93	0.11%	0.09%	1.22	0.28
316	Leather and Allied Product Manufacturing*	0.16%	0.13%	1.19	0.00%	0.10%	0.00	-1.19
321	Wood Product Manufacturing	1.04%	0.32%	3.23	0.86%	0.29%	2.93	-0.30
322	Paper Manufacturing*	0.00%	0.73%	0.00	0.00%	0.57%	0.00	0.00
323	Printing and Related Support Activities	1.20%	0.71%	1.70	1.05%	0.58%	1.83	0.13
324	Petroleum and Coal Products Manufacturing*	0.04%	0.03%	1.09	0.03%	0.04%	0.66	-0.44
325	Chemical Manufacturing*	0.14%	0.77%	0.18	0.05%	0.73%	0.07	-0.11
326	Plastics and Rubber Products Manufacturing*	0.74%	0.71%	1.03	0.36%	0.60%	0.61	-0.42
327	Nonmetallic Mineral Product Manufacturing	0.37%	0.31%	1.19	0.45%	0.28%	1.62	0.43
331	Primary Metal Manufacturing*	0.22%	0.33%	0.66	0.92%	0.27%	3.47	2.81
332	Fabricated Metal Product Manufacturing*	2.52%	1.87%	1.35	2.23%	1.64%	1.36	0.01
333	Machinery Manufacturing*	1.78%	1.20%	1.48	1.20%	0.93%	1.30	-0.18
334	Computer and Electronic Product Manufacturing	1.48%	2.88%	0.51	1.28%	2.09%	0.61	0.10
335	Electrical Equipment and Appliances Manufacturing*	1.11%	0.69%	1.62	0.65%	0.52%	1.26	-0.36
336	Transportation Equipment Manufacturing*	0.07%	1.39%	0.05	0.00%	1.29%	0.00	-0.05
337	Furniture and Related Product Manufacturing*	0.14%	0.31%	0.44	0.12%	0.27%	0.43	-0.01
339	Miscellaneous Manufacturing*	0.90%	1.12%	0.80	0.90%	0.97%	0.93	0.13
42	Wholesale Trade	3.41%	4.72%	0.72	3.86%	4.69%	0.82	0.10
423	Merchant Wholesalers, Durable Goods	1.58%	2.40%	0.66	1.61%	2.22%	0.73	0.07
424	Merchant Wholesalers, Nondurable Goods	1.33%	1.58%	0.84	1.67%	1.61%	1.04	0.20
425	Electronic Markets and Agents and Brokers	0.50%	0.74%	0.69	0.57%	0.86%	0.67	-0.02
44-45	Retail Trade	18.49%	13.83%	1.34	18.59%	14.08%	1.32	-0.02
441	Motor Vehicle and Parts Dealers	2.42%	1.53%	1.58	2.37%	1.63%	1.45	-0.13
442	Furniture and Home Furnishings Stores	0.58%	0.47%	1.24	0.61%	0.51%	1.20	-0.05
443	Electronics and Appliance Stores	0.42%	0.47%	0.89	0.49%	0.46%	1.07	0.18
444	Building Material and Garden Supply Stores	1.41%	1.01%	1.39	1.81%	1.18%	1.53	0.14
445	Food and Beverage Stores	3.97%	3.28%	1.21	3.54%	3.19%	1.11	-0.10
446	Health and Personal Care Stores	0.70%	0.95%	0.74	0.73%	0.96%	0.76	0.02
447	Gasoline Stations	1.31%	0.62%	2.10	1.31%	0.63%	2.08	-0.02
448	Clothing and Clothing Accessories Stores	1.33%	1.32%	1.00	1.45%	1.40%	1.04	0.03
451	Sporting Goods, Hobby, Book, and Music Stores	0.97%	0.71%	1.37	1.01%	0.68%	1.49	0.12
452	General Merchandise Stores	2.52%	1.81%	1.39	2.61%	1.88%	1.39	0.00
453	Miscellaneous Store Retailers	1.26%	0.93%	1.35	1.07%	0.86%	1.24	-0.11
454	Nonstore Retailers	1.61%	0.72%	2.24	1.59%	0.69%	2.30	0.06

NAICS	Industry	2001			2005			Difference in LQ
		Lakes Region Counties %	New England %	LQ	LR %	NE %	LQ	
48-49	Transportation and Warehousing	1.29%	2.51%	0.51	1.65%	2.62%	0.63	0.12
481	Air Transportation*	0.03%	0.27%	0.12	0.00%	0.21%	0.02	-0.10
482	Rail Transportation	0.00%	0.00%	N/A	0.00%	0.00%	N/A	N/A
483	Water Transportation	0.00%	0.04%	0.00	0.00%	0.04%	0.00	0.00
484	Truck Transportation	0.56%	0.67%	0.84	0.55%	0.65%	0.85	0.01
485	Transit and Ground Passenger Transportation*	0.37%	0.60%	0.62	0.26%	0.62%	0.42	-0.20
486	Pipeline Transportation	0.00%	0.00%	0.00	0.00%	0.00%	0.00	0.00
487	Scenic and Sightseeing Transportation*	0.07%	0.04%	1.98	0.07%	0.03%	2.08	0.09
488	Support Activities for Transportation*	0.01%	0.23%	0.03	0.03%	0.23%	0.13	0.10
491	Postal Service*	0.00%	0.00%	0.00	0.00%	0.00%	0.00	0.00
492	Couriers and Messengers*	0.15%	0.46%	0.32	0.17%	0.43%	0.38	0.07
493	Warehousing and Storage*	0.21%	0.37%	0.57	0.13%	0.40%	0.33	-0.24
51	Information	1.69%	3.34%	0.51	1.77%	2.84%	0.62	0.12
511	Publishing Industries (except Internet)	0.97%	1.37%	0.71	1.02%	1.20%	0.85	0.14
512	Motion Picture and Sound Recording*	0.13%	0.18%	0.69	0.15%	0.17%	0.91	0.22
515	Broadcasting, except Internet*	0.19%	0.25%	0.76	0.16%	0.24%	0.69	-0.07
516	Internet Publishing and Broadcasting*	0.00%	0.09%	0.00	0.00%	0.05%	0.00	0.00
517	Telecommunications*	0.24%	0.95%	0.25	0.29%	0.76%	0.37	0.12
518	ISP's, Search Portals, and Data Processing*	0.01%	0.43%	0.02	0.02%	0.35%	0.07	0.05
519	Other Information Services*	0.01%	0.07%	0.09	0.03%	0.07%	0.37	0.28
52	Finance and Insurance	4.22%	6.58%	0.64	4.08%	6.62%	0.62	-0.03
521	Monetary Authorities - Central Bank	0.00%	0.00%	N/A	0.00%	0.00%	N/A	N/A
522	Credit Intermediation and Related Activities	0.87%	2.20%	0.39	1.59%	2.31%	0.69	0.30
523	Securities, Commodity Contracts, Investments*	0.29%	1.37%	0.21	0.05%	1.34%	0.04	-0.17
524	Insurance Carriers and Related Activities	2.18%	2.83%	0.77	2.18%	2.83%	0.77	0.00
525	Funds, Trusts, and Other Financial Vehicles*	0.02%	0.10%	0.18	0.00%	0.01%	0.00	-0.18
53	Real Estate and Rental and Leasing*	1.63%	1.50%	1.09	1.10%	1.56%	0.71	-0.38
531	Real Estate	1.14%	0.97%	1.18	0.98%	1.06%	0.93	-0.25
532	Rental and Leasing Services*	0.15%	0.47%	0.32	0.37%	0.43%	0.86	0.54
533	Lessors of Nonfinancial Intangible Assets*	0.00%	0.02%	0.00	0.00%	0.02%	0.00	0.00
54	Professional and Technical Services	4.19%	7.02%	0.60	3.94%	6.88%	0.57	-0.02
541	Professional and Technical Services	4.19%	7.02%	0.60	3.94%	6.88%	0.57	-0.02
55	Management of Companies and Enterprises	0.92%	2.02%	0.46	0.95%	1.92%	0.49	0.04
551	Management of Companies and Enterprises	0.92%	2.02%	0.46	0.95%	1.92%	0.49	0.04
56	Administrative and Waste Services	2.58%	5.58%	0.46	2.62%	5.64%	0.46	0.00
561	Administrative and Support Services*	2.34%	5.26%	0.44	2.28%	5.27%	0.43	-0.01
562	Waste Management and Remediation Services*	0.24%	0.32%	0.77	0.34%	0.36%	0.92	0.15
61	Educational Services*	1.50%	3.36%	0.45	1.87%	3.68%	0.51	0.06
62	Health Care and Social Assistance	15.68%	14.55%	1.08	17.50%	16.07%	1.09	0.01
621	Ambulatory Health Care Services	4.73%	4.51%	1.05	5.24%	4.87%	1.08	0.03
622	Hospitals*	5.03%	4.55%	1.11	3.63%	5.17%	0.70	-0.40
623	Nursing and Residential Care Facilities	2.46%	3.32%	0.74	2.77%	3.56%	0.78	0.04
624	Social Assistance*	1.73%	2.17%	0.80	0.49%	2.47%	0.20	-0.60
71	Arts, Entertainment, and Recreation	3.16%	1.56%	2.03	2.82%	1.71%	1.65	-0.38
711	Performing Arts and Spectator Sports*	0.17%	0.29%	0.57	0.32%	0.29%	1.12	0.55
712	Museums, Historic Sites, Zoos, and Parks*	0.19%	0.16%	1.20	0.16%	0.14%	1.10	-0.10
713	Gambling, Recreation, Amusement Industries	1.61%	1.12%	1.44	2.34%	1.25%	1.88	0.43
72	Accommodation and Food Services	11.67%	8.39%	1.39	11.87%	8.99%	1.32	-0.07
721	Accommodation	3.31%	1.40%	2.36	3.07%	1.37%	2.24	-0.12
722	Food Services and Drinking Places	8.36%	6.99%	1.20	8.81%	7.62%	1.16	-0.04
81	Other Services Except Public Admin	3.77%	3.86%	0.98	3.62%	4.07%	0.89	-0.09
811	Repair and Maintenance	1.05%	1.04%	1.01	1.00%	1.02%	0.98	-0.03
812	Personal and Laundry Services	0.97%	1.20%	0.81	0.93%	1.25%	0.75	-0.06
813	Membership Associations and Organizations	1.49%	1.17%	1.27	1.49%	1.24%	1.21	-0.07
814	Private Households	0.27%	0.46%	0.57	0.20%	0.56%	0.36	-0.22
99	Unclassified Establishments*	0.05%	0.07%	0.66	0.02%	0.03%	0.81	0.15

Source: NHELMIB, US Bureau of Labor Statistics. Calculations done by Camoin Associates.

Location Quotient (LQ) - Lakes Region Counties : U.S.								
NAICS	Industry	2001			2005			Difference in LQ
		Lakes Region Counties %	U.S. %	LQ	LR %	U.S. %	LQ	
	Total, All Private Industries	100.00%	100.00%	1.00	100.00%	100.00%	1.00	0.00
11	Agriculture, Forestry, Fishing and Hunting	0.52%	1.07%	0.49	0.45%	1.05%	0.42	-0.06
111	Crop Production*	0.25%	0.52%	0.49	0.24%	0.50%	0.49	0.00
112	Animal Production*	0.08%	0.19%	0.41	0.08%	0.19%	0.41	-0.01
113	Forestry and Logging*	0.12%	0.07%	1.64	0.10%	0.06%	1.58	-0.06
114	Fishing, Hunting, and Trapping*	0.00%	0.01%	0.00	0.00%	0.01%	0.00	0.00
115	Agriculture and Forestry support Activities*	0.04%	0.29%	0.13	0.04%	0.29%	0.14	0.02
21	Mining	0.21%	0.49%	0.44	0.21%	0.51%	0.42	-0.02
212	Mining, except Oil and Gas*	0.06%	0.20%	0.31	0.06%	0.19%	0.33	0.02
213	Support Activities for Mining*	0.00%	0.17%	0.00	0.00%	0.20%	0.00	0.00
23	Construction	5.20%	6.20%	0.84	5.75%	6.57%	0.88	0.04
236	Construction of Buildings	1.47%	1.43%	1.03	1.76%	1.55%	1.14	0.11
237	Heavy and Civil Engineering Construction	0.79%	0.87%	0.91	0.76%	0.84%	0.91	-0.01
238	Specialty Trade Contractors	2.94%	3.89%	0.75	3.23%	4.18%	0.77	0.02
31-33	Manufacturing	14.86%	14.99%	0.99	12.28%	12.83%	0.96	-0.03
311	Food Manufacturing*	0.23%	1.42%	0.16	0.22%	1.34%	0.16	0.00
312	Beverage and Tobacco Product Manufacturing*	0.00%	0.19%	0.00	0.00%	0.17%	0.00	0.00
313	Textile Mills*	0.28%	0.30%	0.91	0.23%	0.20%	1.16	0.24
314	Textile Product Mills*	0.06%	0.19%	0.34	0.03%	0.15%	0.18	-0.15
315	Apparel Manufacturing*	0.15%	0.39%	0.38	0.11%	0.23%	0.48	0.10
316	Leather and Allied Product Manufacturing*	0.16%	0.05%	2.92	0.00%	0.04%	0.00	-2.92
321	Wood Product Manufacturing	1.04%	0.52%	2.00	0.86%	0.51%	1.70	-0.29
322	Paper Manufacturing*	0.00%	0.53%	0.00	0.00%	0.44%	0.00	0.00
323	Printing and Related Support Activities	1.20%	0.70%	1.72	1.05%	0.58%	1.80	0.09
324	Petroleum and Coal Products Manufacturing*	0.04%	0.11%	0.32	0.03%	0.10%	0.25	-0.08
325	Chemical Manufacturing*	0.14%	0.87%	0.16	0.05%	0.79%	0.07	-0.10
326	Plastics and Rubber Products Manufacturing*	0.74%	0.82%	0.90	0.36%	0.72%	0.50	-0.40
327	Nonmetallic Mineral Product Manufacturing	0.37%	0.50%	0.74	0.45%	0.46%	0.99	0.26
331	Primary Metal Manufacturing*	0.22%	0.52%	0.42	0.92%	0.42%	2.19	1.77
332	Fabricated Metal Product Manufacturing*	2.52%	1.53%	1.65	2.23%	1.37%	1.62	-0.03
333	Machinery Manufacturing*	1.78%	1.24%	1.43	1.20%	1.05%	1.15	-0.28
334	Computer and Electronic Product Manufacturing	1.48%	1.60%	0.93	1.28%	1.18%	1.08	0.16
335	Electrical Equipment and Appliances Manufacturing*	1.11%	0.51%	2.19	0.65%	0.39%	1.67	-0.52
336	Transportation Equipment Manufacturing*	0.07%	1.76%	0.04	0.00%	1.60%	0.00	-0.04
337	Furniture and Related Product Manufacturing*	0.14%	0.59%	0.23	0.12%	0.51%	0.23	0.00
339	Miscellaneous Manufacturing*	0.90%	0.65%	1.38	0.90%	0.59%	1.54	0.16
42	Wholesale Trade	3.41%	5.24%	0.65	3.86%	5.20%	0.74	0.09
423	Merchant Wholesalers, Durable Goods	1.58%	2.84%	0.55	1.61%	2.71%	0.60	0.04
424	Merchant Wholesalers, Nondurable Goods	1.33%	1.84%	0.72	1.67%	1.82%	0.92	0.20
425	Electronic Markets and Agents and Brokers	0.50%	0.56%	0.91	0.57%	0.67%	0.85	-0.06
44-45	Retail Trade	18.49%	13.89%	1.33	18.59%	13.79%	1.35	0.02
441	Motor Vehicle and Parts Dealers	2.42%	1.70%	1.43	2.37%	1.73%	1.37	-0.06
442	Furniture and Home Furnishings Stores	0.58%	0.49%	1.19	0.61%	0.52%	1.18	0.00
443	Electronics and Appliance Stores	0.42%	0.51%	0.82	0.49%	0.49%	1.01	0.19
444	Building Material and Garden Supply Stores	1.41%	1.04%	1.35	1.81%	1.15%	1.57	0.22
445	Food and Beverage Stores	3.97%	2.69%	1.48	3.54%	2.54%	1.39	-0.08
446	Health and Personal Care Stores	0.70%	0.86%	0.82	0.73%	0.86%	0.85	0.03
447	Gasoline Stations	1.31%	0.84%	1.55	1.31%	0.78%	1.68	0.13
448	Clothing and Clothing Accessories Stores	1.33%	1.21%	1.09	1.45%	1.28%	1.13	0.04
451	Sporting Goods, Hobby, Book, and Music Stores	0.97%	0.62%	1.56	1.01%	0.59%	1.72	0.16
452	General Merchandise Stores	2.52%	2.58%	0.98	2.61%	2.65%	0.98	0.01
453	Miscellaneous Store Retailers	1.26%	0.91%	1.39	1.07%	0.82%	1.31	-0.07
454	Nonstore Retailers	1.61%	0.43%	3.71	1.59%	0.39%	4.12	0.40
48-49	Transportation and Warehousing	1.29%	3.79%	0.34	1.65%	3.71%	0.44	0.11
481	Air Transportation*	0.03%	0.56%	0.06	0.00%	0.45%	0.01	-0.05
482	Rail Transportation	0.00%	0.00%	0.00	0.00%	0.00%	0.00	0.00
483	Water Transportation	0.00%	0.05%	0.00	0.00%	0.05%	0.00	0.00
484	Truck Transportation	0.56%	1.27%	0.44	0.55%	1.26%	0.44	0.00
485	Transit and Ground Passenger Transportation*	0.37%	0.34%	1.09	0.26%	0.35%	0.75	-0.35
486	Pipeline Transportation	0.00%	0.04%	0.00	0.00%	0.03%	0.00	0.00
487	Scenic and Sightseeing Transportation*	0.07%	0.03%	2.48	0.07%	0.02%	2.85	0.36
488	Support Activities for Transportation*	0.01%	0.49%	0.02	0.03%	0.50%	0.06	0.05
491	Postal Service*	0.00%	0.00%	0.00	0.00%	0.00%	0.00	0.00
492	Couriers and Messengers*	0.15%	0.55%	0.27	0.17%	0.51%	0.33	0.06
493	Warehousing and Storage*	0.21%	0.47%	0.44	0.13%	0.53%	0.24	-0.20

NAICS	Industry	2001			2005			Difference in LQ
		Lakes Region Counties %	U.S. %	LQ	LR %	U.S. %	LQ	
51	Information	1.69%	3.29%	0.52	1.77%	2.76%	0.64	0.13
511	Publishing Industries (except Internet)	0.97%	0.93%	1.04	1.02%	0.82%	1.25	0.21
512	Motion Picture and Sound Recording*	0.13%	0.34%	0.37	0.15%	0.34%	0.45	0.08
515	Broadcasting, except Internet*	0.19%	0.31%	0.61	0.16%	0.29%	0.56	-0.05
516	Internet Publishing and Broadcasting*	0.00%	0.04%	0.00	0.00%	0.03%	0.00	0.00
517	Telecommunications*	0.24%	1.18%	0.20	0.29%	0.90%	0.32	0.12
518	ISP's, Search Portals, and Data Processing*	0.01%	0.45%	0.02	0.02%	0.34%	0.07	0.05
519	Other Information Services*	0.01%	0.04%	0.15	0.03%	0.05%	0.56	0.41
52	Finance and Insurance	4.22%	5.16%	0.82	4.08%	5.35%	0.76	-0.05
521	Monetary Authorities - Central Bank	0.00%	0.02%	0.00	0.00%	0.02%	0.00	0.00
522	Credit Intermediation and Related Activities	0.87%	2.37%	0.37	1.59%	2.60%	0.61	0.25
523	Securities, Commodity Contracts, Investments*	0.29%	0.76%	0.38	0.05%	0.72%	0.08	-0.30
524	Insurance Carriers and Related Activities	2.18%	1.93%	1.13	2.18%	1.93%	1.13	0.00
525	Funds, Trusts, and Other Financial Vehicles*	0.02%	0.08%	0.23	0.00%	0.08%	0.00	-0.23
53	Real Estate and Rental and Leasing*	1.63%	1.86%	0.88	1.10%	1.92%	0.57	-0.30
531	Real Estate	1.14%	1.22%	0.93	0.98%	1.32%	0.75	-0.18
532	Rental and Leasing Services*	0.15%	0.61%	0.24	0.37%	0.58%	0.63	0.39
533	Lessors of Nonfinancial Intangible Assets*	0.00%	0.03%	0.00	0.00%	0.02%	0.00	0.00
54	Professional and Technical Services	4.19%	6.29%	0.67	3.94%	6.38%	0.62	-0.05
541	Professional and Technical Services	4.19%	6.29%	0.67	3.94%	6.38%	0.62	-0.05
55	Management of Companies and Enterprises	0.92%	1.57%	0.59	0.95%	1.58%	0.60	0.02
551	Management of Companies and Enterprises	0.92%	1.57%	0.59	0.95%	1.58%	0.60	0.02
56	Administrative and Waste Services	2.58%	7.08%	0.36	2.62%	7.30%	0.36	-0.01
561	Administrative and Support Services*	2.34%	6.79%	0.34	2.28%	6.99%	0.33	-0.02
562	Waste Management and Remediation Services*	0.24%	0.29%	0.85	0.34%	0.31%	1.10	0.25
61	Educational Services*	1.50%	1.72%	0.87	1.87%	1.94%	0.96	0.09
62	Health Care and Social Assistance	15.68%	11.86%	1.32	17.50%	12.96%	1.35	0.03
621	Ambulatory Health Care Services	4.73%	4.07%	1.16	5.24%	4.62%	1.13	-0.03
622	Hospitals*	5.03%	3.67%	1.37	3.63%	3.89%	0.93	-0.44
623	Nursing and Residential Care Facilities	2.46%	2.43%	1.01	2.77%	2.57%	1.08	0.07
624	Social Assistance*	1.73%	1.69%	1.02	0.49%	1.89%	0.26	-0.76
71	Arts, Entertainment, and Recreation	3.16%	1.63%	1.94	2.82%	1.69%	1.67	-0.27
711	Performing Arts and Spectator Sports*	0.17%	0.35%	0.48	0.32%	0.34%	0.93	0.45
712	Museums, Historic Sites, Zoos, and Parks*	0.19%	0.11%	1.79	0.16%	0.11%	1.49	-0.30
713	Gambling, Recreation, Amusement Industries	1.61%	1.18%	1.36	2.34%	1.24%	1.89	0.53
72	Accommodation and Food Services	11.67%	9.24%	1.26	11.87%	9.83%	1.21	-0.06
721	Accommodation	3.31%	1.67%	1.98	3.07%	1.64%	1.87	-0.11
722	Food Services and Drinking Places	8.36%	7.57%	1.10	8.81%	8.19%	1.08	-0.03
81	Other Services Except Public Admin	3.77%	3.85%	0.98	3.62%	3.91%	0.93	-0.05
811	Repair and Maintenance	1.05%	1.14%	0.92	1.00%	1.12%	0.89	-0.02
812	Personal and Laundry Services	0.97%	1.14%	0.85	0.93%	1.15%	0.81	-0.04
813	Membership Associations and Organizations	1.49%	1.16%	1.28	1.49%	1.17%	1.27	-0.01
814	Private Households	0.27%	0.40%	0.67	0.20%	0.47%	0.43	-0.24
99	Unclassified Establishments*	0.05%	0.23%	0.21	0.02%	0.24%	0.10	-0.11

Source: NHELMIB, US Bureau of Labor Statistics. Calculations done by Camoin Associates.

Appendix II
Results of Shift-share Analysis

Shift-share Analysis of Employment Change in NH Lakes Region Counties, 2001 to 2005

NAICS	Industry	Lakes Region Counties Employment					U. S. Employment					Components of Employment Change							
		2001		2005		% change	2001		2005		Change	% change	National Growth Component		Industry Mix Component		Competitive Share Component		
		# jobs	%	# jobs	%		# jobs	%	# jobs	%			# jobs	%	# jobs	%	# jobs	%	
	Total, All Private Industries	139,070	142,272	3,202	2.30%	109,304,802	110,611,016	1,306,214	1.20%	1,306,214	1.20%	1,662	0.00%	0	0.00%	0	1.11%	1,640	1.54%
11	Agriculture, Forestry, Fishing and Hunting	723	634	-89	-12.31%	1,170,570	1,163,629	-6,941	-0.59%	-6,941	-0.59%	9	-1.79%	-13	-1.79%	-13	-11.72%	-85	-7.4%
111	Crop Production*	349	347	-2	-0.57%	563,580	548,715	-14,865	-2.64%	-14,865	-2.64%	4	-3.83%	-13	-3.83%	-13	2.06%	7	1.2%
112	Animal Production*	106	111	5	4.72%	202,307	212,248	9,941	4.91%	9,941	4.91%	1	3.72%	4	3.72%	4	-0.20%	0	0%
113	Forestry and Logging*	162	145	-17	-10.49%	77,420	71,224	-6,196	-8.00%	-6,196	-8.00%	2	-9.20%	-15	-9.20%	-15	-2.49%	-4	-0.6%
114	Fishing, Hunting, and Trapping*	0	0	0	0%	11,216	9,034	-2,182	-19.45%	-2,182	-19.45%	0	-20.65%	0	-20.65%	0	19.45%	0	0%
115	Agriculture and Forestry support Activities*	51	59	8	15.69%	316,047	322,407	6,360	2.01%	6,360	2.01%	1	0.82%	0	13.67%	7	3.04%	-9	-0.8%
21	Mining	298	303	5	1.68%	535,189	560,416	25,227	4.71%	25,227	4.71%	4	3.52%	10	3.52%	10	-3.04%	-9	-0.8%
212	Mining, except Oil and Gas*	88	90	2	2.27%	220,484	211,321	-9,163	-4.16%	-9,163	-4.16%	1	5.35%	-5	6.43%	6	6.43%	0	0%
213	Support Activities for Mining*	0	0	0	0%	191,106	223,277	32,171	16.83%	32,171	16.83%	0	15.64%	0	15.64%	0	-16.83%	0	0%
23	Construction	7,233	8,184	951	13.15%	6,779,512	7,269,317	489,805	7.32%	489,805	7.32%	86	6.12%	443	5.83%	422	6.12%	422	5.83%
236	Construction of Buildings	2,048	2,508	460	22.46%	1,567,616	1,709,983	142,367	9.08%	142,367	9.08%	24	7.89%	162	13.38%	274	13.38%	274	13.38%
237	Heavy and Civil Engineering Construction	1,102	1,084	-18	-1.63%	950,385	931,031	-19,354	-2.04%	-19,354	-2.04%	13	-3.23%	-36	-3.23%	-36	0.40%	4	0.4%
238	Specialty Trade Contractors	4,083	4,591	508	12.44%	4,255,511	4,628,303	372,792	8.76%	372,792	8.76%	49	7.57%	309	3.68%	150	3.68%	150	3.68%
31-33	Manufacturing	20,672	17,476	-3,196	-15.46%	16,386,001	14,190,394	-2,195,607	-13.40%	-2,195,607	-13.40%	247	-14.59%	-3017	-2.06%	-426	-2.06%	-426	-2.06%
311	Food Manufacturing*	319	308	-11	-3.45%	1,554,805	1,477,142	-77,463	-4.98%	-77,463	-4.98%	4	-6.18%	-20	-6.18%	-20	1.53%	5	1.53%
312	Beverage and Tobacco Product Manufacturing*	0	0	0	0%	207,285	192,468	-14,817	-7.15%	-14,817	-7.15%	0	-8.34%	0	-8.34%	0	7.15%	0	0%
313	Textile Mills*	384	322	-62	-16.15%	330,072	216,646	-113,426	-34.36%	-113,426	-34.36%	5	-35.56%	-137	-35.56%	-137	18.22%	70	18.22%
314	Textile Product Mills*	87	40	-47	-54.02%	203,341	169,339	-34,002	-16.72%	-34,002	-16.72%	1	-17.92%	-16	-17.92%	-16	37.30%	-32	-37.30%
315	Apparel Manufacturing*	205	159	-46	-22.44%	426,027	257,616	-168,411	-39.53%	-168,411	-39.53%	2	-40.73%	-83	-40.73%	-83	17.09%	35	17.09%
316	Leather and Allied Product Manufacturing*	221	0	-221	-100.00%	59,571	39,077	-20,494	-34.40%	-20,494	-34.40%	3	-35.60%	-79	-35.60%	-79	65.60%	-145	-65.60%
321	Wood Product Manufacturing	1,449	1,226	-223	-15.39%	570,296	559,063	-11,233	-1.97%	-11,233	-1.97%	17	-3.16%	-46	-3.16%	-46	-13.42%	-194	-13.42%
322	Paper Manufacturing*	0	0	0	0%	577,030	482,922	-94,108	-16.31%	-94,108	-16.31%	0	-17.50%	0	-17.50%	0	16.31%	0	16.31%
323	Printing and Related Support Activities	1,670	1,497	-173	-10.36%	765,258	645,055	-120,203	-15.71%	-120,203	-15.71%	20	-16.90%	-282	-16.90%	-282	5.35%	89	5.35%
324	Petroleum and Coal Products Manufacturing*	50	36	-14	-28.00%	120,967	112,241	-8,726	-7.21%	-8,726	-7.21%	1	-8.41%	-4	-8.41%	-4	20.79%	-10	-20.79%
325	Chemical Manufacturing*	195	73	-122	-62.56%	954,204	872,419	-81,785	-8.57%	-81,785	-8.57%	2	-9.77%	-19	-9.77%	-19	53.98%	-105	-53.98%
326	Plastics and Rubber Products Manufacturing*	1,023	516	-507	-49.56%	894,801	798,774	-95,027	-10.62%	-95,027	-10.62%	12	-11.81%	-121	-11.81%	-121	38.94%	-398	-38.94%
327	Nonmetallic Mineral Product Manufacturing	510	645	135	26.47%	543,042	504,116	-38,926	-7.17%	-38,926	-7.17%	6	-8.36%	-43	-8.36%	-43	33.64%	172	33.64%
331	Primary Metal Manufacturing*	305	1,310	1,005	329.51%	569,917	464,836	-105,081	-18.44%	-105,081	-18.44%	4	-19.63%	-60	-19.63%	-60	347.95%	1,061	347.95%
332	Fabricated Metal Product Manufacturing*	3,504	3,168	-336	-9.59%	1,668,100	1,515,902	-152,198	-9.12%	-152,198	-9.12%	42	-10.32%	-362	-10.32%	-362	0.47%	-16	-0.47%
333	Machinery Manufacturing*	2,471	1,708	-763	-30.88%	1,360,793	1,157,661	-203,132	-14.93%	-203,132	-14.93%	30	-16.12%	-398	-16.12%	-398	15.95%	-394	-15.95%
334	Computer and Electronic Product Manufacturing	2,058	1,825	-233	-11.32%	1,748,134	1,307,944	-440,190	-25.18%	-440,190	-25.18%	25	-26.38%	-543	-26.38%	-543	13.86%	285	13.86%
335	Electrical Equipment and Appliances Manufacturing*	1,540	931	-609	-39.55%	552,013	433,676	-118,337	-21.44%	-118,337	-21.44%	18	-22.63%	-349	-22.63%	-349	18.11%	-279	-18.11%
336	Transportation Equipment Manufacturing*	94	0	-94	-100.00%	1,924,338	1,769,833	-154,505	-8.03%	-154,505	-8.03%	1	-9.22%	-9	-9.22%	-9	91.97%	-86	-91.97%
337	Furniture and Related Product Manufacturing*	190	166	-24	-12.63%	642,820	564,849	-77,971	-12.13%	-77,971	-12.13%	2	-13.32%	-25	-13.32%	-25	0.50%	-1	-0.50%
339	Miscellaneous Manufacturing*	1,250	1,285	35	2.80%	713,389	647,817	-65,572	-9.19%	-65,572	-9.19%	15	-10.39%	-130	-10.39%	-130	11.99%	150	11.99%
42	Wholesale Trade	4,740	5,489	749	15.80%	5,730,294	5,752,802	22,508	0.39%	22,508	0.39%	57	-0.80%	-38	-0.80%	-38	15.41%	730	15.41%
423	Merchant Wholesalers, Durable Goods	2,192	2,293	101	4.61%	3,107,717	2,994,870	-112,847	-3.63%	-112,847	-3.63%	26	-4.83%	-106	-4.83%	-106	8.24%	181	8.24%
424	Merchant Wholesalers, Nondurable Goods	1,845	2,381	536	29.05%	2,015,929	2,015,228	-701	-0.03%	-701	-0.03%	22	-1.23%	-23	-1.23%	-23	29.08%	537	29.08%
425	Electronic Markets and Agents and Brokers	702	815	113	16.10%	606,647	742,705	136,058	22.43%	136,058	22.43%	8	21.23%	149	21.23%	149	6.33%	-44	-6.33%
44-45	Retail Trade	25,712	26,452	740	2.88%	15,179,753	15,256,340	76,587	0.50%	76,587	0.50%	307	-0.69%	-178	-0.69%	-178	2.37%	610	2.37%
441	Motor Vehicle and Parts Dealers	3,366	3,367	1	0.03%	1,856,064	1,913,998	57,934	3.12%	57,934	3.12%	40	1.93%	65	1.93%	65	3.09%	-104	-3.09%
442	Furniture and Home Furnishings Stores	812	874	62	7.64%	537,966	574,378	36,412	6.77%	36,412	6.77%	10	5.57%	45	5.57%	45	0.87%	7	0.87%
443	Electronics and Appliance Stores	580	695	115	19.83%	556,650	19,710	-19,710	-3.54%	-19,710	-3.54%	7	-4.74%	-27	-4.74%	-27	23.37%	136	23.37%
444	Building Material and Garden Supply Stores	1,959	2,575	616	31.44%	1,139,984	1,275,533	135,549	11.89%	135,549	11.89%	23	10.70%	210	10.70%	210	19.55%	383	19.55%
445	Food and Beverage Stores	5,516	5,032	-484	-8.77%	2,938,640	2,808,154	-130,486	-4.44%	-130,486	-4.44%	66	-5.64%	-311	-5.64%	-311	4.33%	-239	-4.33%
446	Health and Personal Care Stores	977	1,038	61	6.24%	938,180	948,720	10,540	1.12%	10,540	1.12%	12	-0.07%	-1	-0.07%	-1	5.12%	50	5.12%
447	Gasoline Stations	1,815	1,865	50	2.75%	919,932	864,710	-55,222	-6.00%	-55,222	-6.00%	22	-7.20%	-131	-7.20%	-131	8.76%	159	8.76%
448	Clothing and Clothing Accessories Stores	1,843	2,070	227	12.32%	1,324,010	1,418,212	94,202	7.11%	94,202	7.11%	22	5.92%	109	5.92%	109	5.20%	96	5.20%
451	Sporting Goods, Hobby, Book, and Music Stores	1,354	1,440	86	6.35%	682,063	651,010	-31,053	-4.55%	-31,053	-4.55%	16	-5.75%	-78	-5.75%	-78	10.90%	148	10.90%
452	General Merchandise Stores	3,499	3,719	220	6.29%	2,820,331	2,935,500	115,169	4.08%	115,169	4.08%	42	2.89%	101	2.89%	101	2.20%	77	2.20%
453	Miscellaneous Store Retailers	1,748	1,524	-224	-12.81%	990,730	903,002	-87,728	-8.85%	-87,728	-8.85%	21	-10.05%	-176	-10.05%	-176	3.96%	-69	-3.96%
454	Nonstore Retailers	2,444	2,256	-188	-7.7%	475,204	426,183	-49,021	-10.32%	-49,021	-10.32%	27	-11.51%	-258	-11.51%	-258	10.85%	243	10.85%

NAICS	Industry	Lakes Region Counties Employment				U.S. Employment				Components of Employment Change					
		2001		2005		2001		2005		National Growth		Industry Mix		Competitive	
		2001	2005	Change	% change	2001	2005	Change	% change	%	# Jobs	%	# Jobs	%	# Jobs
48-49	Transportation and Warehousing*	1,789	2,345	556	31.08%	4,138,146	4,098,553	-39,593	-0.96%	1.20%	21	-2.15%	-38	32.04%	573
481	Air Transportation*	45	5	-40	-88.89%	614,946	499,451	-115,495	-18.78%	1.20%	1	-19.98%	-9	-70.11%	-32
482	Rail Transportation	0	0	0	0	318	537	219	68.87%	1.20%	0	67.87%	0	-68.87%	0
483	Water Transportation	0	0	0	0	52,813	58,779	5,966	11.30%	1.20%	0	10.10%	0	-11.30%	0
484	Truck Transportation	782	788	6	0.77%	1,382,991	1,389,007	6,016	0.43%	1.20%	9	-0.76%	-6	0.33%	3
485	Transit and Ground Passenger Transportation*	517	370	-147	-28.43%	371,554	385,015	13,461	3.62%	1.20%	6	2.43%	13	-32.06%	-166
486	Pipeline Transportation	0	0	0	0	44,796	37,910	-6,886	-15.37%	1.20%	0	-16.57%	0	15.37%	0
487	Scenic and Sightseeing Transportation*	97	101	4	4.12%	30,682	27,594	-3,088	-10.06%	1.20%	1	-11.26%	-11	14.19%	14
488	Support Activities for Transportation*	11	44	33	300.00%	530,456	551,290	20,834	3.93%	1.20%	0	2.73%	0	296.07%	33
491	Postal Service*	0	0	0	0	2,051	3,392	1,341	65.38%	1.20%	0	64.19%	0	-65.38%	0
492	Couriers and Messengers*	202	237	35	17.33%	596,899	561,622	-35,277	-5.91%	1.20%	2	-7.11%	-14	23.24%	47
493	Warehousing and Storage*	287	183	-104	-36.24%	510,640	583,958	73,318	14.36%	1.20%	3	13.16%	38	-50.59%	-145
51	Information	2,356	2,520	164	6.96%	3,591,995	3,056,431	-535,564	-14.91%	1.20%	28	-16.10%	-379	21.87%	515
511	Publishing Industries (except Internet)	1,344	1,454	110	8.18%	1,014,282	903,136	-111,146	-10.96%	1.20%	16	-12.15%	-163	19.14%	257
512	Motion Picture and Sound Recording*	174	216	42	24.14%	366,789	373,561	6,772	1.85%	1.20%	2	0.65%	1	22.29%	39
515	Broadcasting, except Internet*	264	234	-30	-11.36%	342,321	325,561	-16,760	-4.90%	1.20%	3	-6.09%	-16	-6.47%	-17
516	Internet Publishing and Broadcasting*	0	0	0	0	43,613	31,537	-12,076	-27.69%	1.20%	0	-28.88%	0	27.69%	0
517	Telecommunications	331	406	75	22.66%	1,292,342	991,709	-300,633	-23.26%	1.20%	4	-24.46%	-81	45.92%	152
518	ISP's, Search Portals, and Data Processing*	12	35	23	191.67%	486,654	380,951	-105,703	-21.72%	1.20%	0	-22.92%	-3	213.39%	26
519	Other Information Services*	9	36	27	300.00%	45,994	49,976	3,982	8.66%	1.20%	0	7.46%	1	291.34%	26
52	Finance and Insurance	5,864	5,799	-65	-1.11%	5,642,689	5,912,592	269,903	4.78%	1.20%	70	3.59%	210	-5.89%	-345
521	Monetary Authorities - Central Bank*	0	0	0	0	22,965	20,808	-2,157	-9.39%	1.20%	0	-10.59%	0	9.39%	0
522	Credit Intermediation and Related Activities*	1,207	2,266	1,059	87.74%	2,592,373	2,870,855	278,482	10.74%	1.20%	14	9.55%	115	77.00%	929
523	Securities, Commodity Contracts, Investments*	399	78	-321	-80.45%	833,436	793,789	-39,647	-4.76%	1.20%	5	-5.95%	-24	-75.69%	-302
524	Insurance Carriers and Related Activities	3,031	3,098	67	2.21%	2,106,882	2,138,432	31,550	1.50%	1.20%	36	0.30%	9	0.71%	22
525	Funds, Trusts, and Other Financial Vehicles*	25	0	-25	-100.00%	87,033	88,709	1,676	1.93%	1.20%	0	0.73%	0	-101.93%	-25
53	Real Estate and Rental and Leasing*	2,269	1,567	-702	-30.94%	2,036,285	2,125,259	88,974	4.37%	1.20%	27	3.17%	72	-35.31%	-801
531	Real Estate	1,587	1,401	-186	-11.72%	1,336,683	1,455,715	119,032	8.91%	1.20%	19	7.71%	122	-20.63%	-327
532	Rental and Leasing Services*	207	524	317	153.14%	670,192	643,373	-26,819	-4.00%	1.20%	2	-5.20%	-11	157.14%	325
533	Lessors of Nonfinancial Intangible Assets*	0	0	0	0	29,410	26,171	-3,239	-11.01%	1.20%	0	-12.21%	0	11.01%	0
54	Professional and Technical Services	5,827	5,606	-221	-3.79%	6,871,441	7,055,427	183,986	2.68%	1.20%	70	1.48%	86	-6.47%	-377
541	Professional and Technical Services	5,827	5,606	-221	-3.79%	6,871,441	7,055,427	183,986	2.68%	1.20%	70	1.48%	86	-6.47%	-377
55	Management of Companies and Enterprises	1,278	1,353	75	5.87%	1,716,130	1,743,214	27,084	1.58%	1.20%	15	0.38%	5	4.29%	55
551	Management of Companies and Enterprises	1,278	1,353	75	5.87%	1,716,130	1,743,214	27,084	1.58%	1.20%	15	0.38%	5	4.29%	55
56	Administrative and Waste Services	3,590	3,726	136	3.79%	7,737,320	8,071,211	333,891	4.32%	1.20%	43	3.12%	112	-0.53%	-19
561	Administrative and Support Services*	3,250	3,248	-2	-0.06%	7,421,797	7,733,031	311,234	4.19%	1.20%	39	3.00%	97	-4.26%	-138
562	Waste Management and Remediation Services*	340	477	137	40.29%	315,523	338,180	22,657	7.18%	1.20%	4	5.99%	20	33.11%	113
61	Educational Services*	2,089	2,658	569	27.24%	1,885,564	2,144,340	260,776	13.84%	1.20%	25	12.65%	264	13.39%	280
62	Health Care and Social Assistance	21,801	24,895	3,094	14.19%	12,966,103	14,335,141	1,369,038	10.56%	1.20%	261	9.36%	2041	3.63%	792
621	Ambulatory Health Care Services	6,575	7,454	879	13.37%	4,453,597	5,107,959	654,362	14.69%	1.20%	79	13.50%	887	-1.32%	-87
622	Hospitals*	6,992	5,171	-1,821	-26.04%	4,007,430	293,430	-3,714,000	-92.68%	1.20%	84	6.13%	428	-33.37%	-2,333
623	Nursing and Residential Care Facilities	3,422	3,938	516	15.08%	2,657,817	2,838,955	181,138	6.82%	1.20%	41	5.62%	192	8.26%	283
624	Social Assistance*	2,404	704	-1,700	-70.72%	1,847,259	2,087,367	240,108	13.00%	1.20%	29	11.80%	284	-83.71%	-2,012
71	Arts, Entertainment, and Recreation	4,401	4,014	-387	-8.79%	1,784,330	1,867,996	83,666	4.69%	1.20%	53	3.49%	154	-13.48%	-693
711	Performing Arts and Spectator Sports*	231	455	224	96.97%	378,128	379,825	1,697	0.45%	1.20%	3	-0.75%	-2	96.52%	223
712	Museums, Historic Sites, Zoos, and Parks	261	227	-34	-13.03%	144,796	118,531	-26,265	-18.16%	1.20%	3	2.06%	5	-16.28%	-42
713	Gambling, Recreation, Amusement Industries*	2,240	3,332	1,092	48.75%	1,291,406	1,369,639	78,233	6.06%	1.20%	27	4.86%	109	42.69%	956
72	Accommodation and Food Services	16,234	16,892	658	4.05%	10,100,636	10,871,471	770,835	7.63%	1.20%	194	6.44%	1045	-3.58%	-681
721	Accommodation	4,608	4,361	-247	-5.36%	1,827,321	1,811,371	-15,950	-0.87%	1.20%	55	-2.07%	-95	-4.49%	-207
722	Food Services and Drinking Places	11,627	12,531	904	7.78%	8,273,315	9,060,100	786,785	9.51%	1.20%	139	8.31%	967	-1.73%	-202
81	Other Services Except Public Admin	5,243	5,153	-90	-1.72%	4,206,345	4,324,015	117,670	2.80%	1.20%	63	1.60%	84	-4.51%	-237
811	Repair and Maintenance	1,455	1,419	-36	-2.47%	1,235,368	1,141,197	-94,171	-7.63%	1.20%	17	-2.33%	-34	-1.34%	-19
812	Personal and Laundry Services	1,348	1,330	-18	-1.34%	1,250,104	1,273,360	23,256	1.86%	1.20%	16	0.67%	9	-3.20%	-43
813	Membership Associations and Organizations	2,071	2,121	50	2.41%	1,272,987	1,296,675	23,688	1.86%	1.20%	25	0.67%	14	0.55%	11
814	Private Households	369	284	-85	-23.04%	433,690	518,612	84,922	19.58%	1.20%	4	18.39%	68	-42.62%	-157
99	Unclassified Establishments*	68	33	-35	-51.47%	254,603	261,876	7,273	2.86%	1.20%	1	1.66%	1	-54.33%	-37

Source: NHELMIB, US Bureau of Labor Statistics, Carmoin Associates.

*Industry data not fully disclosed in all four Lakes Region counties.

Appendix III
NAICS Codes Definitions

NAICS Code Definitions

This appendix includes definitions of all 3-digit NAICS codes included in the NH Lakes Region Industry Cluster Analysis, in numerical order. These definitions are taken directly from the U.S. Census Bureau's website at: <http://www.census.gov/epcd/www/naics.html>.

111 Crop Production

Industries in the Crop Production subsector grow crops mainly for food and fiber. The subsector comprises establishments, such as farms, orchards, groves, greenhouses, and nurseries, primarily engaged in growing crops, plants, vines, or trees and their seeds.

212 Mining (except Oil and Gas)

Industries in the Mining (except Oil and Gas) subsector primarily engage in mining, mine site development, and beneficiating (i.e., preparing) metallic minerals and nonmetallic minerals, including coal. The term "mining" is used in the broad sense to include ore extraction, quarrying, and beneficiating (e.g., crushing, screening, washing, sizing, concentrating, and flotation), customarily done at the mine site.

236 Construction of Buildings

The Construction of Buildings subsector comprises establishments primarily responsible for the construction of buildings. The work performed may include new work, additions, alterations, or maintenance and repairs. The on-site assembly of precut, panelized, and prefabricated buildings and construction of temporary buildings are included in this subsector. Part or all of the production work for which the establishments in this sector have responsibility may be subcontracted to other construction establishments usually specialty trade contractors.

238 Specialty Trade Contractors

The Specialty Trade Contractors subsector comprises establishments whose primary activity is performing specific activities (e.g., pouring concrete, site preparation, plumbing, painting, and electrical work) involved in building construction or other activities that are similar for all types of construction but that are not responsible for the entire project. The work performed may include new work, additions, alterations, maintenance, and repairs. The production work performed by establishments in this subsector is usually subcontracted from establishments of the general contractor type or operative builders but, especially in remodeling and repair construction, work also may be done directly for the owner of the property. Specialty trade contractors usually perform most of their work at the construction site, although they may have shops where they perform prefabrication and other work. Establishments primarily engaged in preparing sites for new construction are also included in this subsector.

315 Apparel Manufacturing

Industries in the Apparel Manufacturing subsector group establishments with two distinct manufacturing processes: (1) cut and sew (i.e., purchasing fabric and cutting and sewing to make a garment), and (2) the manufacture of garments in establishments that first knit fabric and then cut and sew the fabric into a garment. The Apparel Manufacturing subsector includes a diverse range of establishments manufacturing full lines of ready-to-wear apparel and custom apparel: apparel contractors, performing cutting or sewing operations on materials owned by others; jobbers performing entrepreneurial functions involved in apparel manufacture; and tailors, manufacturing custom garments for individual clients are all included. Knitting, when done alone, is classified in the Textile Mills subsector, but when knitting is combined with the production of complete garments, the activity is classified in Apparel Manufacturing.

321 Wood Product Manufacturing

Industries in the Wood Product Manufacturing subsector manufacture wood products, such as lumber, plywood, veneers, wood containers, wood flooring, wood trusses, manufactured homes (i.e., mobile home), and prefabricated wood buildings. The production processes of the Wood Product Manufacturing subsector include sawing, planing, shaping, laminating, and assembling of wood products starting from logs that are cut into bolts, or lumber that then may be further cut, or shaped by lathes or other shaping tools. The lumber or other transformed wood shapes may also be subsequently planed or smoothed, and assembled into finished products, such as wood containers. The Wood Product Manufacturing subsector includes establishments that make wood products from logs and bolts that are sawed and shaped, and establishments that purchase sawed lumber and make wood products. With the exception of sawmills and wood preservation establishments, the establishments are grouped into industries mainly based on the specific products manufactured.

323 Printing and Related Support Activities

Industries in the Printing and Related Support Activities subsector print products, such as newspapers, books,

labels, business cards, stationery, business forms, and other materials, and perform support activities, such as data imaging, platemaking services, and bookbinding. The support activities included here are an integral part of the printing industry, and a product (a printing plate, a bound book, or a computer disk or file) that is an integral part of the printing industry is almost always provided by these operations.

325 Chemical Manufacturing

The Chemical Manufacturing subsector is based on the transformation of organic and inorganic raw materials by a chemical process and the formulation of products. This subsector distinguishes the production of basic chemicals that comprise the first industry group from the production of intermediate and end products produced by further processing of basic chemicals that make up the remaining industry groups.

326 Plastics and Rubber Products Manufacturing

Industries in the Plastics and Rubber Products Manufacturing subsector make goods by processing plastics materials and raw rubber. The core technology employed by establishments in this subsector is that of plastics or rubber product production. Plastics and rubber are combined in the same subsector because plastics are increasingly being used as a substitute for rubber; however the subsector is generally restricted to the production of products made of just one material, either solely plastics or rubber.

327 Nonmetallic Mineral Product Manufacturing

The Nonmetallic Mineral Product Manufacturing subsector transforms mined or quarried nonmetallic minerals, such as sand, gravel, stone, clay, and refractory materials, into products for intermediate or final consumption. Processes used include grinding, mixing, cutting, shaping, and honing. Heat often is used in the process and chemicals are frequently mixed to change the composition, purity, and chemical properties for the intended product. For example, glass is produced by heating silica sand to the melting point (sometimes combined with cullet or recycled glass) and then drawn, floated, or blow molded to the desired shape or thickness. Refractory materials are heated and then formed into bricks or other shapes for use in industrial applications. The Nonmetallic Mineral Product Manufacturing subsector includes establishments that manufacture products, such as bricks, refractories, ceramic products, and glass and glass products, such as plate glass and containers. Also included are cement and concrete products, lime, gypsum and other nonmetallic mineral products including abrasive products, ceramic plumbing fixtures, statuary, cut stone products, and mineral wool. The products are used in a wide range of activities from construction and heavy and light manufacturing to articles for personal use.

331 Primary Metal Manufacturing

Industries in the Primary Metal Manufacturing subsector smelt and/or refine ferrous and nonferrous metals from ore, pig or scrap, using electrometallurgical and other process metallurgical techniques. Establishments in this subsector also manufacture metal alloys and superalloys by introducing other chemical elements to pure metals. The output of smelting and refining, usually in ingot form, is used in rolling, drawing, and extruding operations to make sheet, strip, bar, rod, or wire, and in molten form to make castings and other basic metal products.

332 Fabricated Metal Product Manufacturing

Industries in the Fabricated Metal Product Manufacturing subsector transform metal into intermediate or end products, other than machinery, computers and electronics, and metal furniture or treating metals and metal formed products fabricated elsewhere. Important fabricated metal processes are forging, stamping, bending, forming, and machining, used to shape individual pieces of metal; and other processes, such as welding and assembling, used to join separate parts together. Establishments in this subsector may use one of these processes or a combination of these processes.

333 Machinery Manufacturing

Industries in the Machinery Manufacturing subsector create end products that apply mechanical force, for example, the application of gears and levers, to perform work. Some important processes for the manufacture of machinery are forging, stamping, bending, forming, and machining that are used to shape individual pieces of metal. Processes, such as welding and assembling are used to join separate parts together. Although these processes are similar to those used in metal fabricating establishments, machinery manufacturing is different because it typically employs multiple metal forming processes in manufacturing the various parts of the machine. Moreover, complex assembly operations are an inherent part of the production process.

334 Computer and Electronic Product Manufacturing

Industries in the Computer and Electronic Product Manufacturing subsector group establishments that manufacture computers, computer peripherals, communications equipment, and similar electronic products, and establishments that manufacture components for such products. The Computer and Electronic Product Manufacturing industries have been combined in the hierarchy of NAICS because of the economic significance

they have attained. Their rapid growth suggests that they will become even more important to the economies of all three North American countries in the future, and in addition their manufacturing processes are fundamentally different from the manufacturing processes of other machinery and equipment. The design and use of integrated circuits and the application of highly specialized miniaturization technologies are common elements in the production technologies of the computer and electronic subsector. Convergence of technology motivates this NAICS subsector. Digitalization of sound recording, for example, causes both the medium (the compact disc) and the equipment to resemble the technologies for recording, storing, transmitting, and manipulating data. Communications technology and equipment have been converging with computer technology. When technologically-related components are in the same sector, it makes it easier to adjust the classification for future changes, without needing to redefine its basic structure. The creation of the Computer and Electronic Product Manufacturing subsector will assist in delineating new and emerging industries because the activities that will serve as the probable sources of new industries, such as computer manufacturing and communications equipment manufacturing, or computers and audio equipment, are brought together. As new activities emerge, they are less likely therefore, to cross the subsector boundaries of the classification.

335 Electrical Equipment, Appliance, and Component Manufacturing

Industries in the Electrical Equipment, Appliance, and Component Manufacturing subsector manufacture products that generate, distribute and use electrical power. Electric Lighting Equipment Manufacturing establishments produce electric lamp bulbs, lighting fixtures, and parts. Household Appliance Manufacturing establishments make both small and major electrical appliances and parts. Electrical Equipment Manufacturing establishments make goods, such as electric motors, generators, transformers, and switchgear apparatus. Other Electrical Equipment and Component Manufacturing establishments make devices for storing electrical power (e.g., batteries), for transmitting electricity (e.g., insulated wire), and wiring devices (e.g., electrical outlets, fuse boxes, and light switches).

339 Miscellaneous Manufacturing

Industries in the Miscellaneous Manufacturing subsector make a wide range of products that cannot readily be classified in specific NAICS subsectors in manufacturing. Processes used by these establishments vary significantly, both among and within industries. For example, a variety of manufacturing processes are used in manufacturing sporting and athletic goods that include products, such as tennis racquets and golf balls. The processes for these products differ from each other, and the processes differ significantly from the fabrication processes used in making dolls or toys, the melting and shaping of precious metals to make jewelry, and the bending, forming, and assembly used in making medical products.

423 Merchant Wholesalers, Durable Goods

Industries in the Merchant Wholesalers, Durable Goods subsector sell capital or durable goods to other businesses. Merchant wholesalers generally take title to the goods that they sell; in other words, they buy and sell goods on their own account. Durable goods are new or used items generally with a normal life expectancy of three years or more. Durable goods merchant wholesale trade establishments are engaged in wholesaling products, such as motor vehicles, furniture, construction materials, machinery and equipment (including household-type appliances), metals and minerals (except petroleum), sporting goods, toys and hobby goods, recyclable materials, and parts.

424 Merchant Wholesalers, Nondurable Goods

Industries in the Merchant Wholesalers, Nondurable Goods subsector sell nondurable goods to other businesses. Nondurable goods are items generally with a normal life expectancy of less than three years. Nondurable goods merchant wholesale trade establishments are engaged in wholesaling products, such as paper and paper products, chemicals and chemical products, drugs, textiles and textile products, apparel, footwear, groceries, farm products, petroleum and petroleum products, alcoholic beverages, books, magazines, newspapers, flowers and nursery stock, and tobacco products.

441 Motor Vehicle and Parts Dealers

Industries in the Motor Vehicle and Parts Dealers subsector retail motor vehicles and parts from fixed point-of-sale locations. Establishments in this subsector typically operate from a showroom and/or an open lot where the vehicles are on display. The display of vehicles and the related parts require little by way of display equipment. The personnel generally include both the sales and sales support staff familiar with the requirements for registering and financing a vehicle as well as a staff of parts experts and mechanics trained to provide repair and maintenance services for the vehicles. Specific industries have been included in this subsector to identify the type of vehicle being retailed.

442 Furniture and Home Furnishings Stores

Industries in the Furniture and Home Furnishings Stores subsector retail new furniture and home furnishings from fixed point-of-sale locations. Establishments in this subsector usually operate from showrooms and have substantial areas for the presentation of their products. Many offer interior decorating services in addition to the sale of products.

443 Electronics and Appliance Stores

Industries in the Electronics and Appliance Stores subsector retail new electronics and appliances from point-of-sale locations. Establishments in this subsector often operate from locations that have special provisions for floor displays requiring special electrical capacity to accommodate the proper demonstration of the products. The staff includes sales personnel knowledgeable in the characteristics and warranties of the line of goods retailed and may also include trained repair persons to handle the maintenance and repair of the electronic equipment and appliances. The classifications within this subsector are made principally on the type of product and knowledge required to operate each type of store.

444 Building Material and Garden Equipment and Supplies Dealers

Industries in the Building Material and Garden Equipment and Supplies Dealers subsector retail new building material and garden equipment and supplies from fixed point-of-sale locations. Establishments in this subsector have display equipment designed to handle lumber and related products and garden equipment and supplies that may be kept either indoors or outdoors under covered areas. The staff is usually knowledgeable in the use of the specific products being retailed in the construction, repair, and maintenance of the home and associated grounds.

445 Food and Beverage Stores

Industries in the Food and Beverage Stores subsector usually retail food and beverages merchandise from fixed point-of-sale locations. Establishments in this subsector have special equipment (e.g., freezers, refrigerated display cases, refrigerators) for displaying food and beverage goods. They have staff trained in the processing of food products to guarantee the proper storage and sanitary conditions required by regulatory authority.

446 Health and Personal Care Stores

Industries in the Health and Personal Care Stores subsector retail health and personal care merchandise from fixed point-of-sale locations. Establishments in this subsector are characterized principally by the products they retail, and some health and personal care stores may have specialized staff trained in dealing with the products. Staff may include pharmacists, opticians, and other professionals engaged in retailing, advising customers, and/or fitting the product sold to the customer's needs.

447 Gasoline Stations

Industries in the Gasoline Stations subsector group establishments retailing automotive fuels (e.g., gasoline, diesel fuel, gasohol) and automotive oils and retailing these products in combination with convenience store items. These establishments have specialized equipment for the storage and dispensing of automotive fuels.

448 Clothing and Clothing Accessories Stores

Industries in the Clothing and Clothing Accessories Stores subsector retailing new clothing and clothing accessories merchandise from fixed point-of-sale locations. Establishments in this subsector have similar display equipment and staff that is knowledgeable regarding fashion trends and the proper match of styles, colors, and combinations of clothing and accessories to the characteristics and tastes of the customer.

451 Sporting Goods, Hobby, Book, and Music Stores

Industries in the Sporting Goods, Hobby, Book, and Music Stores subsector are engaged in retailing and providing expertise on use of sporting equipment or other specific leisure activities, such as needlework and musical instruments. Book stores are also included in this subsector.

452 General Merchandise Stores

Industries in the General Merchandise Stores subsector retail new general merchandise from fixed point-of-sale locations. Establishments in this subsector are unique in that they have the equipment and staff capable of retailing a large variety of goods from a single location. This includes a variety of display equipment and staff trained to provide information on many lines of products.

453 Miscellaneous Store Retailers

Industries in the Miscellaneous Store Retailers subsector retail merchandise from fixed point-of-sale locations (except new or used motor vehicles and parts; new furniture and house furnishings; new appliances and

electronic products; new building materials; and garden equipment and supplies; food and beverages; health and personal care goods; gasoline; new clothing and accessories; and new sporting goods, hobby goods, books, and music). Establishments in this subsector include stores with unique characteristics like florists, used merchandise stores, and pet and pet supply stores as well as other store retailers.

454 Nonstore Retailers

Industries in the Nonstore Retailers subsector retail merchandise using methods, such as the broadcasting of infomercials, the broadcasting and publishing of direct-response advertising, the publishing of paper and electronic catalogs, door-to-door solicitation, in-home demonstration, selling from portable stalls and distribution through vending machines. Establishments in this subsector include mail-order houses, vending machine operators, home delivery sales, door-to-door sales, party plan sales, electronic shopping, and sales through portable stalls (e.g., street vendors, except food). Establishments engaged in the direct sale (i.e., nonstore) of products, such as home heating oil dealers and newspaper delivery are included in this subsector.

481 Air Transportation

Industries in the Air Transportation subsector provide air transportation of passengers and/or cargo using aircraft, such as airplanes and helicopters. The subsector distinguishes scheduled from nonscheduled air transportation. Scheduled air carriers fly regular routes on regular schedules and operate even if flights are only partially loaded. Nonscheduled carriers often operate during nonpeak time slots at busy airports. These establishments have more flexibility with respect to choice of airport, hours of operation, load factors, and similar operational characteristics. Nonscheduled carriers provide chartered air transportation of passengers, cargo, or specialty flying services. Specialty flying services establishments use general-purpose aircraft to provide a variety of specialized flying services.

485 Transit and Ground Passenger Transportation

Industries in the Transit and Ground Passenger Transportation subsector include a variety of passenger transportation activities, such as urban transit systems; chartered bus, school bus, and interurban bus transportation; and taxis. These activities are distinguished based primarily on such production process factors as vehicle types, routes, and schedules.

487 Scenic and Sightseeing Transportation

Industries in the Scenic and Sightseeing Transportation subsector utilize transportation equipment to provide recreation and entertainment. These activities have a production process distinct from passenger transportation carried out for the purpose of other types of for-hire transportation. This process does not emphasize efficient transportation; in fact, such activities often use obsolete vehicles, such as steam trains, to provide some extra ambience. The activity is local in nature, usually involving a same-day return to the point of departure.

488 Support Activities for Transportation

Industries in the Support Activities for Transportation subsector provide services which support transportation. These services may be provided to transportation carrier establishments or to the general public. This subsector includes a wide array of establishments, including air traffic control services, marine cargo handling, and motor vehicle towing.

492 Couriers and Messengers

Industries in the Couriers and Messengers subsector provide intercity and/or local delivery of parcels. These articles can be described as those that may be handled by one person without using special equipment. This allows the collection, pick-up, and delivery operations to be done with limited labor costs and minimal equipment. Sorting and transportation activities, where necessary, are generally mechanized. The restriction to small parcels partly distinguishes these establishments from those in the transportation industries. The complete network of courier services establishments also distinguishes these transportation services from local messenger and delivery establishments in this subsector. This includes the establishments that perform intercity transportation as well as establishments that, under contract to them, perform local pick-up and delivery. Messengers, which usually deliver within a metropolitan or single urban area, may use bicycle, foot, small truck, or van.

493 Warehousing and Storage

Industries in the Warehousing and Storage subsector are primarily engaged in operating warehousing and storage facilities for general merchandise, refrigerated goods, and other warehouse products. These establishments provide facilities to store goods. They do not sell the goods they handle. These establishments take responsibility for storing the goods and keeping them secure. They may also provide a range of services, often referred to as logistics services, related to the distribution of goods. Logistics services can include labeling, breaking bulk, inventory control and management, light assembly, order entry and fulfillment, packaging, pick and

pack, price marking and ticketing, and transportation arrangement. However, establishments in this industry group always provide warehousing or storage services in addition to any logistic services. Furthermore, the warehousing or storage of goods must be more than incidental to the performance of services, such as price marking.

511 Publishing Industries (except Internet)

Industries in the Publishing Industries (except Internet) subsector group establishments engaged in the publishing of newspapers, magazines, other periodicals, and books, as well as directory and mailing list and software publishing. In general, these establishments, which are known as publishers, issue copies of works for which they usually possess copyright. Works may be in one or more formats including traditional print form, CD-ROM, or proprietary electronic networks. Publishers may publish works originally created by others for which they have obtained the rights and/or works that they have created in-house. Software publishing is included here because the activity, creation of a copyrighted product and bringing it to market, is equivalent to the creation process for other types of intellectual products.

512 Motion Picture and Sound Recording Industries

Industries in the Motion Picture and Sound Recording Industries subsector group establishments involved in the production and distribution of motion pictures and sound recordings. While producers and distributors of motion pictures and sound recordings issue works for sale as traditional publishers do, the processes are sufficiently different to warrant placing establishments engaged in these activities in a separate subsector. Production is typically a complex process that involves several distinct types of establishments that are engaged in activities, such as contracting with performers, creating the film or sound content, and providing technical postproduction services. Film distribution is often to exhibitors, such as theaters and broadcasters, rather than through the wholesale and retail distribution chain. When the product is in a mass-produced form, NAICS treats production and distribution as the major economic activity as it does in the Publishing Industries subsector, rather than as a subsidiary activity to the manufacture of such products.

517 Telecommunications

Industries in the Telecommunications subsector include establishments providing telecommunications and the services related to that activity. The Telecommunications subsector is primarily engaged in operating, maintaining, and/or providing access to facilities for the transmission of voice, data, text, sound, and video. A transmission facility may be based on a single technology or a combination of technologies. Establishments primarily engaged as independent contractors in the maintenance and installation of broadcasting and telecommunications systems are classified in Sector 23, Construction.

518 Internet Service Providers, Web Search Portals, and Data Processing Services

Industries in the Internet Service Providers, Web Search Portals, and Data Processing Services subsector group establishments that provide: (1) access to the Internet; (2) search facilities for the Internet; and (3) data processing, hosting, and related services. The industry groups (Internet Service Providers and Web Search Portals, Data Processing Hosting, and Related Services) are based on differences in the processes used to access information and process information. The Internet Service Providers and Web Search Portals industry group includes establishments that are providing access to the Internet or aiding in navigation on the Internet. The Data Processing, Hosting, and Related Services industry group includes establishments that process data. These establishments can transform data, prepare data for dissemination, or place data or content on the Internet for others. In addition, the shared use of computer resources is included in the Data Processing, Hosting, and Related Services industry group.

519 Other Information Services

Industries in the Other Information Services subsector group establishments supplying information, storing information, providing access to information, and searching and retrieving information. The main components of the subsector are news syndicates, libraries, and archives.

522 Credit Intermediation and Related Activities

Industries in the Credit Intermediation and Related Activities subsector group establishments that (1) lend funds raised from depositors; (2) lend funds raised from credit market borrowing; or (3) facilitate the lending of funds or issuance of credit by engaging in such activities as mortgage and loan brokerage, clearinghouse and reserve services, and check cashing services.

523 Securities, Commodity Contracts, and Other Financial Investments and Related Activities

Industries in the Securities, Commodity Contracts, and Other Financial Investments and Related Activities subsector group establishments that are primarily engaged in one of the following: (1) underwriting securities issues and/or making markets for securities and commodities; (2) acting as agents (i.e., brokers) between buyers

and sellers of securities and commodities; (3) providing securities and commodity exchange services; and (4) providing other services, such as managing portfolios of assets; providing investment advice; and trust, fiduciary, and custody services.

531 Real Estate

Industries in the Real Estate subsector group establishments that are primarily engaged in renting or leasing real estate to others; managing real estate for others; selling, buying, or renting real estate for others; and providing other real estate related services, such as appraisal services. Establishments primarily engaged in subdividing and developing unimproved real estate and constructing buildings for sale are classified in Subsector 236, Construction of Buildings.

532 Rental and Leasing Services

Industries in the Rental and Leasing Services subsector include establishments that provide a wide array of tangible goods, such as automobiles, computers, consumer goods, and industrial machinery and equipment, to customers in return for a periodic rental or lease payment.

541 Professional, Scientific, and Technical Services

Industries in the Professional, Scientific, and Technical Services subsector group establishments engaged in processes where human capital is the major input. These establishments make available the knowledge and skills of their employees, often on an assignment basis, where an individual or team is responsible for the delivery of services to the client. The individual industries of this subsector are defined on the basis of the particular expertise and training of the services provider.

551 Management of Companies and Enterprises

Industries in the Management of Companies and Enterprises subsector include three main types of establishments: (1) those that hold the securities of (or other equity interests in) companies and enterprises; (2) those (except government establishments) that administer, oversee, and manage other establishments of the company or enterprise but do not hold the securities of these establishments; and (3) those that both administer, oversee, and manage other establishments of the company or enterprise and hold the securities of (or other equity interests in) these establishments. Those establishments that administer, oversee, and manage normally undertake the strategic or organizational planning and decision making role of the company or enterprise.

562 Waste Management and Remediation Services

Industries in the Waste Management and Remediation Services subsector group establishments engaged in the collection, treatment, and disposal of waste materials. This includes establishments engaged in local hauling of waste materials; operating materials recovery facilities (i.e., those that sort recyclable materials from the trash stream); providing remediation services (i.e., those that provide for the cleanup of contaminated buildings, mine sites, soil, or ground water); and providing septic pumping and other miscellaneous waste management services. There are three industry groups within the subsector that separate these activities into waste collection, waste treatment and disposal, and remediation and other waste management.

621 Ambulatory Health Care Services

Industries in the Ambulatory Health Care Services subsector provide health care services directly or indirectly to ambulatory patients and do not usually provide inpatient services. Health practitioners in this subsector provide outpatient services, with the facilities and equipment not usually being the most significant part of the production process.

623 Nursing and Residential Care Facilities

Industries in the Nursing and Residential Care Facilities subsector provide residential care combined with either nursing, supervisory, or other types of care as required by the residents. In this subsector, the facilities are a significant part of the production process and the care provided is a mix of health and social services with the health services being largely some level of nursing services.

624 Social Assistance

Industries in the Social Assistance subsector provide a wide variety of social assistance services directly to their clients. These services do not include residential or accommodation services, except on a short stay basis.

711 Performing Arts, Spectator Sports, and Related Industries

Industries in the Performing Arts, Spectator Sports, and Related Industries subsector group establishments that produce or organize and promote live presentations involving the performances of actors and actresses, singers,

dancers, musical groups and artists, athletes, and other entertainers, including independent (i.e., freelance) entertainers and the establishments that manage their careers. The classification recognizes four basic processes: (1) producing (i.e., presenting) events; (2) organizing, managing, and/or promoting events; (3) managing and representing entertainers; and (4) providing the artistic, creative and technical skills necessary to the production of these live events. Also, this subsector contains four industries for performing arts companies. Each is defined on the basis of the particular skills of the entertainers involved in the presentations.

712 Museums, Historical Sites, and Similar Institutions

Industries in the Museums, Historical Sites, and Similar Institutions subsector engage in the preservation and exhibition of objects, sites, and natural wonders of historical, cultural, and/or educational value.

713 Amusement, Gambling, and Recreation Industries

Industries in the Amusement, Gambling, and Recreation Industries subsector (1) operate facilities where patrons can primarily engage in sports, recreation, amusement, or gambling activities and/or (2) provide other amusement and recreation services, such as supplying and servicing amusement devices in places of business operated by others; operating sports teams, clubs, or leagues engaged in playing games for recreational purposes; and guiding tours without using transportation equipment.

721 Accommodation

Industries in the Accommodation subsector provide lodging or short-term accommodations for travelers, vacationers, and others. There is a wide range of establishments in these industries. Some provide lodging only; while others provide meals, laundry services, and recreational facilities, as well as lodging. Lodging establishments are classified in this subsector even if the provision of complementary services generates more revenue. The types of complementary services provided vary from establishment to establishment.

722 Food Services and Drinking Places

Industries in the Food Services and Drinking Places subsector prepare meals, snacks, and beverages to customer order for immediate on-premises and off-premises consumption. There is a wide range of establishments in these industries. Some provide food and drink only; while others provide various combinations of seating space, waiter/waitress services and incidental amenities, such as limited entertainment. The industries in the subsector are grouped based on the type and level of services provided. The industry groups are full-service restaurants; limited-service eating places; special food services, such as food service contractors, caterers, and mobile food services; and drinking places.

813 Membership Organizations and Associations

Industries in the Membership Organizations and Associations subsector (a.k.a. Religious, Grantmaking, Civic, Professional, and Similar Organizations) group establishments that organize and promote religious activities; support various causes through grantmaking; advocate various social and political causes; and promote and defend the interests of their members.