The key to economic development for any sub-state region is its labor force. If a business is to relocate to or expand in an area, it must be confident that it can draw from the area the workers it needs. To stimulate and enhance this investment process, therefore, area economic development professionals must be able to describe their labor force, its size and age, its commuting patterns, its industrial and occupational structure. Who are the area's workers? What are their educational and skill levels? How do they move about? Just as the area has natural geographical structures and patterns that define its watershed, so it has human structures and patterns that define its "skillshed."

Unlike a natural watershed, however, an area's "skillshed" is constantly (and often rapidly) changing – people age, businesses and families come and go. Any detailed inventory of an area's "skillshed" is inaccurate almost as soon as it is complete. The purpose of this project, therefore, is two fold:

1. To prepare a comprehensive baseline description of the York County labor force; and

2. To create a method for readily updating the description over time and tailoring it at any time to meet the particular needs of a particular client.

To achieve the purpose noted above, the study will undertake the following seven tasks.

Task 1: Assemble Census Data for the Seacoast Labor Market
Task 1 consists of assembling for York County in Maine and Rockingham and Strafford Counties in New Hampshire Census data relevant to the regional labor market. This includes data from the 2000 decennial census, from the American Community Survey and from inter-census estimates and projections. The following data will be collected:

- √ population totals, by age, gender and education;
- √ labor force participation, by age and gender;
- √ household totals, by size, location and income level; and
- √ commuting patterns by location.

Task 2: Assemble Data on Employment by Industry for the Seacoast Labor Market
Task 2 consists of assembling for York County in Maine and Rockingham and Strafford Counties in New Hampshire data on current employment by industry and location as well as data on growth in employment by industry and location for the 2000 to 2007 period. These data units will be gathered from the Quarterly Census of Employment and Wages (QCEW) conducted by the Maine and New Hampshire Departments of Labor.

Task 3: Assemble Data on Employment by Occupation for the Seacoast Labor Market
Task 3 consists of assembling for the Seacoast Labor Market (Portsmouth, Rochester/Dover and Portland Standard Metropolitan Areas) data on current employment and wages by occupation. These data units will be gathered from the most recent Occupational Wage Estimates prepared by the U.S. Bureau of Labor Statistics.

Task 4: Create a Seacoast Tri-County Industry/Occupation matrix
Integrating the results of tasks 3 and 4 will produce estimates of how many people of each occupation are employed in each industry in the Seacoast Labor market. This will enable economic development professionals to determine the total number of people in the market that have a given set of skills and what they are currently being paid. This is useful in determining how many people with a given set of skills a new or expanding company can know they are in the labor market and how much they would have

to pay to attract them. Such a matrix is the best way to approach the idea of "under-employment" without conducting expensive (and therefore very expensive) household surveys as was done for the Colgan report from the University of Maine Center for Business and Economic Research (CBER) four years ago. Such a matrix would also allow new or expanding companies to identify partially qualified people and design training programs to specific labor market realities.

Task 5: Use Maine Longitudinal Employment and Household Dynamics (LEHD) Data to Describe Age and Turnover of York County Labor Force

LEHD is a pilot program being tested in eight states across the nation. Maine is one of the states participating. This proposal represents one of the first times LEHD data would be integrated into a regional labor force inventory and development strategy. LEHD provides data on age of workers by industry and the process of job creation and job elimination. It provides a more industry-specific picture of the dynamic movement of workers in the labor market. Task 5 would use these data units to describe such dynamics in the York County labor market alone since the data are not available for New Hampshire. In completing this task, PDI will work closely with the Maine Department of Labor that is interested in encouraging use of the LEHD database and has agreed to assist in any way it can on this project.

Task 6: Prepare a Report Describing the Seacoast Tri-County Labor Market

Task 6 consists of integrating the information gathered in the previous tasks into a coherent inventory of the Seacoast Labor Market. It will be designed in easy to read and see modules and structured in such a way that it can be readily updated as new data become available.

Task 7: Prepare a Model for Estimating Industry Specific Labor Supply

Task 7 consists of identifying each of the elements included in the inventory created in Task 6 along with their sources and the frequency of their publication. It also consists of a spreadsheet embodying the industry/occupational matrix created in Task 4 that can be operated in such a way as to enable Seacoast area economic development officials to conduct industry specific inquiries designed to assist in the attraction or expansion of businesses in the region by identifying the "skillshed" relevant to their particular labor market needs.

This model will be run first for the boatbuilding industry (NAICS Codes #336612, boat building, #8114902, boat repair and #713930 marinas) both because this is an industry with substantial employment and growth potential in York County and as a way of illustrating the utility of such "skillshed" analysis for local economic development efforts.