

**Gloucester Fishermen's Wives Development Program's
Community Audit Project**

North Shore Company Survey Results

Goals

The Community Audit Project's survey of companies on the North Shore of Massachusetts had several goals. Principally, we were interested in profiling economic activity in the 15 towns, considering the types of businesses as well as numbers of employees, and distinguishing between full and part-time employment, year-around and seasonal. Because we are concerned about the need for fishing community members to find alternatives to fishing, we asked whether companies knew of employees who were previously involved in fishing (or were members of fishing families) and what their experiences were.

We were also interested in categories of employment, both existing and potential. Perceptions of the potential for growth and the possible impediments to development on the North Shore were also considered. Of interest as well was where products or services were sold and from where supplies were obtained.

Because of our interest in increasing communication among the 15 towns' businesses and social service providers, we investigated the source of employees, the readiness of workers for employment (education, training and skill shortages). To provide some background to our social service agencies, we also asked about the availability of health, dental and retirement benefits to employees.

Finally, we asked about communication technology in the companies, that is, the use of email, Internet in the business, and about whether or not the companies would be interested in a Internet-based forum or web page for discussion.

Protocol and sample

The survey protocol was modeled on similar surveys conducted by university economics or business schools. The questions were vetted by our steering committee and were sent to others who have done similar work for critique.

The survey was sent to a random sample of the approximately 14,080 companies in the 15 towns. One thousand surveys were sent to companies with fewer than 5 employees, 500 to those with 5 to 49 employees, 50 to those with 50 to 99 employees and 50 to those with over 100 employees. Of the 1600 surveys sent

out, seventy companies responded. (About 100 surveys were not delivered due to having moved or gone out of business).

Respondents' towns

Thirteen of the 15 towns of the study are represented by the respondents.

Towns	Responses	Town	Responses
Beverly	7	Newburyport	7
Essex	6	Revere	1
Gloucester	14	Rockport	7
Ipswich	1	Rowley	3
Lynn	6	Salem	8
Marblehead	5	Swampscott	4
Newbury	1	Unspecified	1

Categories of respondents' companies

The types of businesses that responded were quite diverse, but categorized according to the Census categories, the numbers usually paralleled the percentage of business types extant in the North Shore in 2001. Only manufacturing and government (public administration) were underrepresented, with a percentage of 7% of the responses for manufacturing rather than 16% and 6% of government rather than 13%. Construction, Finance, Insurance, Real Estate (FIRE), and Services were over-represented, with 4% construction rather than 3%; 13% of FIRE rather than 4%, and 43% services rather than 33%.

Company category	Number	% of responses	NS Categories, 2001	% of types in NS 2001
Construction	3	4%	Construction	3%
Finance, Insurance, Real Estate	9	13%	FIRE	4%
Manufacturing	5	7%	Manufacturing	16%
Public administration	4	6%	Government	13%
Direct marketing	1	1%	Trade	23%
Wholesale	1	1%		
Retail (optical, audiology, sporting, food, furniture, home)	15	21%		

Services (education, beauty, food, health care, graphic design, interior décor; laboratory, landscape, transport; pets, religion)	30	43%	Services	33%
Transportation, communications, utilities	2	3%	TCPU	3%

Numbers of employees in respondents' companies

Forty-seven of the responses (67%) came from companies of under 5 employees, 19 (27%) from the 5 to 49 employees category, 2 (3%) from the 50-99 and 2 (3%) from the over 100. The percentage of responses from each size category fairly closely paralleled the percentage of companies of these size categories in the 15 towns. Of the 14,080 companies in the database, 66% of the businesses (9242 companies) have fewer than 5 employees. Forty-three hundred, eighty-six companies (31%) employ 5 to 49 people, 252 (1.8%) employ 50 to 99, 200 (1.4%) employ over 100.

Number of employees	Responses	Percentage	NS Companies	Percentage
under 5	47	67%	9242	66%
5 to 49	19	27.1%	4386	31.2%
50-99	2	2.9%	252	1.8%
over 100	2	2.9%	200	1.4%
Total	70		14080	

The companies that replied have a total of 983 employees: 491 full-time, 75 part-time, 170 seasonal full-time, and 247 seasonal part-time.

Among respondents, manufacturing companies has the largest number of full time employees, year-around (186) and seasonal (about 52). Manufacturing also had a significant number of part-time seasonal employees (70) and an additional number of part-time, year-around (13 to 14). Services were second in the number of full-time employees with 116 year-around and 5 seasonal. FIRE employees 65 full-time, year-around and 16 part-time, year-around. Two others are employed full-time, seasonally and 1 more part-time, seasonally.

Services topped the list of year around, part-time employees with over 70 year around and 17 seasonal. However, trade topped the list for part-time, seasonal employees with retail employing 127, wholesale employing 30 and retail employing another 41 part-time, year-around. In addition, trade employs 28 full-time, year-around (25 of these in retail) and 12 full-time, seasonally. Public administration/government employs 29 part-time, year-around and 5 full-time, year-around.

Among the respondents, construction only employs 7 full time, year-around and 2 part-time, seasonally. Transportation, communications and utilities (TCPU) employs 10 full-time, year-around, 8 full-time seasonally, and 2 part-time, year around.

Respondents’ clients

Four companies (6%), 3 manufacturing and 1 service, have international clients/customers; eleven (16%), 3 manufacturing, 4 services, 2 trade and 2 FIRE, have national sales. Fifteen companies (21%), 4 manufacturing, 3 trade, 7 services, and 1 TCPU, sell throughout New England, 35 (50%), 2 construction, 5 FIRE, 4 manufacturing, 6 trade, 16 services and 2 TCPU, sell throughout the North Shore. Forty-four companies (63%), 3 construction, 6 FIRE, 3 manufacturing, 2 government, 13 trade, 16 services, and one TCPU are local businesses.

Twenty companies (29%), 3 construction, 1 manufacturing, 4 trade, 11 services and 1 TCPU obtain supplies locally. Twenty-six companies (37%), 2 construction, FIRE, 4 manufacturing, 5 trade, 11 services and one TCPU obtain supplies through the North Shore and 21 (30%) companies, 2 manufacturing, 8 trade, 9 services and one TCPU obtain supplies in New England. Nine (13%), 2 manufacturing, 4 trade and 3 services obtain supplies from the East Coast, 19 (27%), 2 manufacturing, 1 government, 7 trade and 9 services go nationally and 5 (7%) companies, 2 manufacturing, 2 trade and 1 services obtain supplies internationally.

Clients	Responses	Local	North Shore	NE	National	International
No. of companies	70	44	35	15	11	4
Percentage		63%	50%	21%	16%	6%
Supplies	Responses	Local	North Shore	NE	National	International
No. of companies	70	20	26	21	19	5
Percentage		29%	37%	30%	27%	7%

Respondents’ fishing industry employees

Only a few companies knew of employees with fishing industry connections. Two companies (both services) had fishermen employees, four (3 services, 1 trade) had former fishermen employees, four (1 construction, 1 trade, 2 services) had fishing family members as employees, three (1 manufacturing, 2 services) had employees from fishing-related businesses. Comments on the strengths of fishing industry-related employees included, “dedication to community,” “good with people-works hard,” “strong, easy to teach, independent, able to do a lot with few financial resources.”

No discernible pattern was identified among the companies that employed fishing industry-related personnel. Of the companies that employed fishermen one was a laboratory, the other a wholesale business; former fishermen were employed by a laboratory, a wholesale business, and transportation businesses; members of fishing

families are employed by construction and retail businesses; and employees of fishing-related businesses were hired by manufacturers.

Employment requisites

Out of 60 responses to a question about educational requirements for employment, twenty-five (41.7%) of the companies require a minimum of a high school diploma, 2 (3.3%) accept a GED, 6 (10%) prefer some college, 7 (11.7%) need college graduates, 2 (3.3%) need employees with Master’s degrees and others have various needs. Eighteen companies (30%) noted specific skill shortages or attitude problems with potential employees. Among the absent skills are computer skills, ability to write and speak clearly and grammatically, carpentry, hairdressing, sewing, teaching, bus driving, and various other technical skills.

	Responses	GED	HS min	Some college	BA or BS	Masters	Other skills
No. companies	60	2	25	6	7	2	18
		3.3%	41.7%	10.0%	11.7%	3.3%	30.0%

Lynn, Revere, Salem and Gloucester all have a significant portion of their population (over 14%) of those over 25 years who do not have a high school diploma.¹ However, over 13.5% of each of the 15 towns’ population has a bachelor’s or higher. Only Swampscott, Manchester and Marblehead have more than 50% of their population with a bachelor’s or higher degree.

Compensation

Benefits are offered by 36 of the companies (51%), 20 of these to entry-level positions (28%). Twenty-nine companies (41%) offer health benefits, 10 (14%) dental and 14 (20%) retirement.

Entry level wages vary widely. Of the 13 companies who pay by the hour, nine were in the \$10 to \$12 per hour range. The lowest hourly rate was 6.75; four others paid \$7 to \$8.50.

Twenty-four companies cited annual entry-level wages from a low of \$8,000 to a high of \$40,000 and one noted a \$2000 payment for summer seasonal work. Nine companies paid in the \$20-28,000 range; 7 were in the \$30-36,000 range; 6 pay \$12-19,000. Of those who pay an annual wage, trade showed the highest and lowest average with direct marketing indicating \$40,000 annually and retail \$17,375. Public administration/ government claimed \$35,000; FIRE and Services averages were almost the same with \$24,917 for the former and \$24,898 for the latter. Construction was slightly lower at \$21,167.

¹ See North Shore Economic Context Report

Business and development outlook

Twelve companies (17%) categorized their industry as “growing,” 1 as “emerging,” 8 (11%) as “declining,” 8 had no response and the remaining 41 (59%) said their business type was “stable.” All the categories of companies indicated a net increase in employees was likely. Among the 70 respondents, construction companies anticipated up to 8 new hires, FIRE up to 12, manufacturing up to 21, government and TCUP both up to 4, trade up to 66 and services up to 73 new hires.

	Responses	Stable	Growing	Emerging	Declining	No answer
No. companies	70	41	12	1	8	8
		58.6%	17.1%	1.4%	11.4%	11.4%

The businesses that believe their industry is growing included health care (audiology, eye care, child development, therapy, and nontraditional health services); various home services (mortgages, landscaping and tree service, remodeling); food service (catering, health food); and both fund-raising and direct marketing. Four of the businesses with optimistic outlooks are based in Beverly.

Three of the eight that believe their businesses are declining were fishing industry-related and based in Gloucester. One manufacturer, two specialty food businesses; and one provider of young children’s educational services (up for cutting in the Federal budget), noted probable declines in their business.

Asked for their views on what is likely to impede the growth of their company, 23 (32%) noted cash flow, 7 (10%) indebtedness, 5 (7%) customer’s debt, 14 (20%) mentioned a lack of skilled workers and 5 (7%) a lack of unskilled workers. Twenty-two (31%) cited other impediments, including the stock market or general economic conditions; cost of real estate; competition; status of fishing industry; lack of time/commitment/ training to run expanded business.

Thirty-eight (53%) companies cited the recession as a major impediment to economic development on the North Shore. Thirteen (18%) cited a lack of skilled labor. Lack of unskilled labor and community support were noted by 5 (7%); 4 (6%) cited insufficient capital, and 3 (4%) blamed fishing regulations. Other impediments included the high cost of real estate and cost of living that, among other effects, causes large companies to locate elsewhere. Seasonality of business, poor educational system, and bureaucracy were all mentioned as additional impediments.

Company category	Number	Difficult jobs to fill	Skill shortages	Other impediments to growth
Construction	3	Skilled craftsmen, esp. w/management abilities, labor,	People with good carpentry skills/ management skills	Lack of people who want to work hard
Finance, Insurance, Real Estate	9	Experienced lenders, administrative assist., customer service rep, raters	x	Competition, status of fish. Industry, stock market, marketing incentives, management capabilities; high cost of living, especially real estate
Manufacturing	5	Administrative and customer service, entry level. Lack of basic math and grammar skills. Lack of editorial & writing skills. Tape edge operator and sewing	Writing	Overseas competition; poor quality public education
Public administration	4		x	
Trade-Direct marketing	1		Vertically specific to High Tech/B2B	General economic climate for B2B High Tech
Trade-Wholesale	1			fishing industry problems and regulations
Trade-Retail (optical, audiology, sporting, food, furniture, home)	15	Event Manager; all food service; mechanic; audiologist; receptionist	Optical Technician; computer; desire to work	Recession; seasonality, high rents, lack of dependable labor
Services (education, beauty, food, health care, graphic design, interior décor; laboratory, landscape, transport; pets, religion)	30	Cooks, technicians; arborists; truck drivers, religious educator, foreign language/math/science teachers; hair stylist; manicurist; speech therapist; carpenter	Computer; sewing; ambition; teachers; therapists; bus drivers	Lack of disposable income, economy; marketing; ability to supervise; lack of affordable space; lack of time; govt. regulations; choice; lack of ambition
Transportation, communications, utilities	2	Marine Mechanics, Skilled Marine repair people	x	Cost of Waterfront Property, restrictions on use of property in harbor, DPA

Networking

To find employees, the forty-nine companies (69%) rely on word-of-mouth, 29 (41%) on newspaper ads, 4 (6%) on suppliers, 3 (4%) on the web.

Only two (3%) of the responding companies are unionized.

Email (70%) and Internet (75%) are used by almost three-quarters of the respondents. Seventeen respondents (24%) would be interested in a web-based discussion.

Twenty-two companies (31%) belong to various Chambers of Commerce, 6 (8%) to the Small Business Association, others belong to associations or organizations specific to their business.

Training

Only 7 companies (10%), 2 FIRE, 3 services and 1 each of manufacturing and government, have in-house training. Twenty-six companies (37%), 1 construction, 3 FIRE, 2 government, 7 trade, and 10 services, have a contract with trainers. Sixteen companies (2 construction, 1 FIRE, 2 manufacturing, 1 government, 4 trade, and 8 services) (23%) agreed that specific training would benefit their company.

Other

Ideas for other services that might benefit the North Shore or individual businesses included:

- Job fair for seasonal workers;
- ESL training;
- Training for new businesses;
- Truck driving and heavy equipment school;
- Control of business expenses and real estate taxes;
- Easing of regulations in fishing;
- Hiring knowledgeable government officials;
- Shuttles for transportation.

Summary

Of those who responded to the survey, manufacturing provides the most full-time, year around jobs, while services provide the most part-time, year around jobs. Trade was the largest employer of part-time, seasonal workers. However, statistics indicate that services in the North Shore employed 38,128 people in 2001, compared to manufacturing's 18,624 and trade's 26,974.²

Health care, home service and food service companies responded with the most optimism about potential growth of their industry.

The majority of companies that responded are local, with local clients, though almost half do sell throughout the North Shore. Supplies are obtained locally, regionally, nationally and internationally.

Cash flow, lack of skilled workers and the recession were cited as the major impediments to individual company's development and regional economic growth. The

² Ibid.

seasonal aspect of many of the businesses was also noted as a factor in restricting growth.

Training or educational outreach programs that could address not only the shortage of particular skills, but also attitude, would make a positive contribution to the region's workforce. Furthermore, the majority of the respondents do use the Internet, indicating that web-based networking directed to small companies might be feasible.