

## APPENDIX A2 THE LOCAL ECONOMY

---

(September 10, 2002)

From the mid 19<sup>th</sup> Century, the Town of Sanford's economic importance in the region has been as a manufacturing community. In the late 19<sup>th</sup> Century, an expansive textile mill complex lay along the river and employed many hundreds of workers. These workers first came from Massachusetts and nearby towns in Maine, and as the town's appetite for labor grew, workers were attracted from Britain and French-Canadian Quebec. The mills shaped not only the community's economy, but also its cultural and social composition.

When the textile mill industry met its demise in the mid-20th Century, Sanford/Springvale still had a productive labor force, a reasonable wage structure, and proximity to urban centers (Boston at 90 miles, Portsmouth at 35 miles, and Portland at 35 miles). An effort to diversify the economic base began in the 1950s as first southern and then foreign competition lured employers away from the northeast.

This effort continues today, and only in the 1990s did manufacturing lose its perennial place as the leading employer in Sanford. This chapter quantifies Sanford/Springvale's changing economic profile.

### A. The Local Economy

In 2001, the Maine Department of Labor estimated that an annual average of 10,648 civilians were in the Town's labor force (Table A2-1), a modest increase of 3% since 1990. Of these, 5.7% (or 608 civilians) were unemployed. Since 1990, the unemployment rate has varied from a high of 9.6% during the recession of the early 1990s to a low of 4.3% during the economy's peak in 2000.

**Table A2-1.  
Civilian Labor Force, Sanford/Springvale**

	1990	2001
<b>Labor Force</b>	10347	10648
<b>Unemployed</b>	602	608
<b>Unemployment Rate</b>	5.8%	5.7%

*Source: Maine Department of Labor*

While the number of jobs available in Sanford/Springvale has not changed in the last 11 years, the type of jobs available is continuing a decades-old shift away from manufacturing towards other sectors of the economy. The three pillars of the

Town's economy— manufacturing, retail, and services— account for approximately 86% of the total labor force (Table A2-2). However, in the last 11 years services jobs (6% growth) have replaced manufacturing jobs (-9% growth) as the leading employer in Sanford/Springvale. Retail jobs accounted for 22%. Finance, insurance, and real estate (3%), construction (3%), wholesale trade (3%), public administration (2%), and agriculture (less than 1%) account for the remaining jobs in Sanford/Springvale.

**Table A2-2.  
Composition of Jobs in Sanford/Springvale, March 1990 vs. March 2001**

	<b>March, 1990</b>	<b>March, 2001</b>	<b>% Change</b>
<b>Services</b>	26.9%	32.9%	6.0%
<b>Manufacturing</b>	39.6%	30.4%	-9.2%
<b>Retail Trade</b>	20.7%	22.3%	1.6%
<b>Finance, Insurance, and Real Estate</b>	3.0%	3.1%	0.1%
<b>Transportation and Public Utilities</b>	2.8%	3.0%	0.2%
<b>Construction</b>	3.0%	3.0%	0.0%
<b>Wholesale Trade</b>	1.4%	2.6%	1.2%
<b>Public Administration</b>	2.2%	2.4%	0.2%
<b>Agriculture</b>	0.3%	0.2%	-0.1%
<b>Total</b>	99.9%*	99.9%*	N/A

\* Variation from 100.0% due to rounding error

Source: Maine Department of Labor

Despite the 3% increase in the number of jobs, the Town's employment is not growing as fast as its surrounding geographies (Table A2-3). In 1990, Sanford accounted for 48% of the jobs in the Sanford Labor Market Area<sup>1</sup>. By 2001, this had decreased to 47%. The number of jobs in York County increased at a faster rate than did Sanford/Springvale.

---

<sup>1</sup> Maine Department of Labor defines a Labor Market Area as "an economically integrated" grouping of communities "within which workers may readily change jobs without changing their place of residence." Sanford's LMA includes Acton, Alfred, Lebanon, Limerick, Newfield, North Berwick, Sanford, Shapleigh, and Waterboro.

**Table A2-3.  
Civilian Employment**

	<b>1990</b>	<b>2001</b>	<b>% Change</b>
<b>Sanford/Springvale</b>	10,347	10,648	2.9%
<b>Sanford Labor Market Area<sup>1</sup></b>	21,592	22,597	4.7%
<b>York County</b>	89,794	100,557	12.0%
<b>Sanford/Springvale as % of Sanford Labor Market Area<sup>1</sup></b>	47.9%	47.1%	Not Applicable
<b>Sanford/Springvale as % of York County</b>	11.5%	10.6%	

*Source: Maine Department of Labor*

Sanford/Springvale is a job center. In 1990 (the most recent data available), more than 40% of the jobs in the Town of Sanford were filled by those commuting from other communities to work in Sanford/Springvale. Most employees that commuted into Sanford/Springvale came from towns to the north and west– Alfred, Lebanon, Shapleigh, Waterboro, and Acton. Residents of Kennebunkport, Kennebunk, and Wells accounted for 4.5% of those working in Sanford/Springvale. Nearly 15% commuted from other communities in York County, and 6% commuted from elsewhere.

Between 1980 and 1990, the percent of employees working in the Town of Sanford that live in Sanford/Springvale declined by nearly 6%. Offsetting this decline was an increase in the percent of those commuting from other York County towns. This trend towards fewer Sanford/Springvale residents working in the community is estimated to have continued through the 1990s. This increasingly mobile workforce has implications on Town’s and region’s transportation network.

**Table A2-4.  
Where Workers Come From to Fill Sanford/Springvale Jobs**

<b>Where Workers Come From to Fill Sanford Jobs...</b>	<b>1980</b>	<b>1990</b>
<b>Sanford</b>	63.4%	57.9%
<b>Alfred</b>	4.3%	3.0%
<b>Lebanon</b>	3.7%	3.3%
<b>Shapleigh</b>	3.7%	4.3%
<b>Waterboro</b>	3.4%	3.5%

Where Workers Come From to Fill Sanford Jobs...		1980	1990
	<b>Acton</b>	3.1%	3.1%
	<b>Kennebunk, Kennebunkport, Wells</b>	4.8%	4.5%
	<b>Other York County</b>	8.4%	14.7%
	<b>Elsewhere</b>	9.1%	5.7%
<b>Total</b>		<b>6,969</b>	<b>9,181</b>

Source: US Census

## B. The Sanford/Springvale Labor Force

Another way of evaluating Sanford's labor force is by assessing the occupational characteristics of the Town's residents. In 2000, more than 36% of the employed residents in Sanford/Springvale were blue-collar workers (Table A2-5), 25% in technician, sales, and administrative support jobs, 22% in managerial or professional positions, and 18% in service jobs. Less than one percent of employed residents worked in forestry, farming, and fishing occupations.

**Table A2-5.  
Resident Occupations, 2000**

	Sanford/ Springvale	York County	Maine
<b>Managerial, Professional</b>	21.5%	31.0%	31.5%
<b>Service</b>	17.7%	14.4%	15.3%
<b>Technician, Sales, Administrative Support</b>	24.4%	26.2%	25.9%
<b>Forestry, Farming, Fishing</b>	0.1%	0.7%	1.7%
<b>Construction, Extraction, and Maintenance</b>	10.4%	11.0%	10.3%
<b>Production, Transportation</b>	25.9%	16.7%	15.3%

Source: US Census

Compared with York County and the State of Maine, the Town's residents were more likely to be employed in blue collar jobs and less likely to be employed in managerial/professional jobs.

The majority of those living in Sanford/Springvale also work in the Town of Sanford. According to the 1990 Census (the latest commuting data available), nearly 60% of the Town's employed residents work in Sanford/Springvale and the remaining commuted to work out of town: 5.5% to North Berwick, 4.5% to Kittery, 16.9% to other places in York County, and 15.6% elsewhere (Table A2-6).

**Table A2-6.  
Where Sanford/Springvale Residents Work**

<b>Where Sanford/Springvale Residents Work</b>		<b>1980</b>	<b>1990</b>
	<b>Sanford/Springvale</b>	65.0%	57.5%
	<b>North Berwick</b>	3.2%	5.5%
	<b>Kittery</b>	6.3%	4.5%
	<b>Other York County</b>	9.2%	16.9%
	<b>Elsewhere</b>	16.3%	15.6%
<b>Total</b>		N=6,805	N=9,253

*Source: US Census*

Between 1980 and 1990, roughly the same percent of residents commuted elsewhere for work. However, the commuting characteristics within York County changed. Between 1980 and 1990, Sanford/Springvale residents became more likely to commute to a job elsewhere in York County– these jobs tended to be located to the east and south– and less likely to work in Sanford/Springvale. This changing commuting pattern is estimated to have continued through the 1990s and will likely influence the type of jobs held by the Town's residents (coastal jobs are more likely to be in retail and services).

### **C. The Economic Base**

Because the Sanford LMA is dominated by the Town Sanford, it is not surprising that manufacturing has a significant role in the LMA's economy. But manufacturing has recently been surpassed as the largest employer in town. Services, health, business, legal, lodging, personal, etc., and retailing now account for the majority of the LMA's growth in jobs.

#### **1. Retail Trade and Services**

By virtue of its centrality to interior York County, Sanford/Springvale plays an important retail and services role. The ability of this center to grow into a large, regional center is limited by proximity to larger regional centers in Portland, Biddeford-Saco, and New Hampshire.

The Town's retail base dominates the surrounding area. In 2001, stores in Sanford/Springvale accounted for nearly 70% of taxable sales in the area. Increasingly, Sanford's retail base has shifted out of its Downtown to suburban shopping facilities on Route 109 toward South Sanford. Large general retailers are now located in the Route 109 corridor; the Downtown Sanford currently has no major general merchandiser store. Its major entities are financial institutions, restaurants, specialty shops, town government, and the former mill yard.

From 1996 to 2001, taxable consumer retail sales by stores located in the Town of Sanford increased by 27%, from \$142 million to \$180 million (not adjusted for inflation) (Table A2-7). However, taxable consumer retail sales in surrounding communities are growing faster than those in Sanford/Springvale. Between 1996 and 2001, the Town's share of the area's taxable consumer retail sales decreased from 75% to 69%.

**Table A2-7.  
Taxable Consumer Retail Sales, 1992 - 2001 (in thousands)**

<b>Year</b>	<b>Town of Sanford</b>	<b>Sanford Economic Summary Area*</b>	<b>Town of Sanford as % of Sanford ESA</b>
2001	\$180,394	\$262,922	68.6%
2000	\$178,441	\$256,809	69.5%
1999	\$170,622	\$238,540	71.5%
1998	\$156,309	\$213,351	73.3%
1997	\$143,610	\$191,595	75.0%
1996	\$141,724	\$188,509	75.2%

\* Sanford Economic Summary Area includes Acton, Alfred, Berwick, Lebanon, Lyman, Limerick, Newfield, North Berwick, Shapleigh, Waterboro

Source: Maine State Planning Office

The Town's role as a service and retail center for the surrounding communities is nevertheless significant. According to the Maine Department of Labor, in 2001 there were approximately 2,100 retail jobs in Sanford/Springvale and more than 3,000 service sector jobs. Together, they now account for more than 55% of all jobs in Sanford/Springvale.

## **2. Manufacturing**

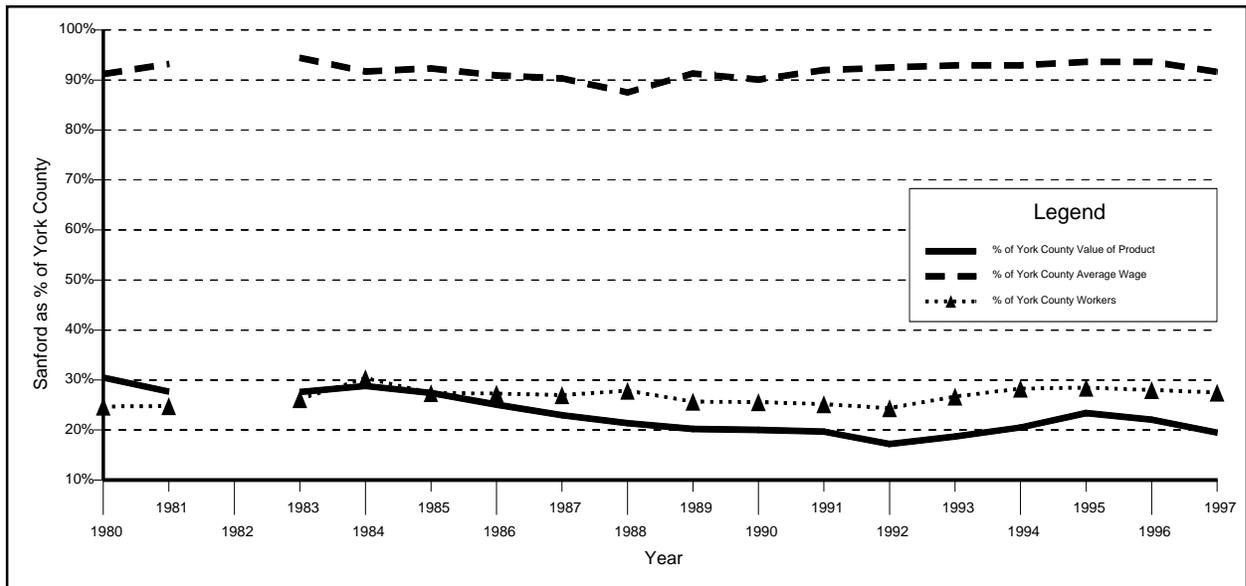
Manufacturing accounts for approximately 30% of the Town's employment. Manufacturing employment in Sanford/Springvale, despite its decline through the 1990s, has retained a proportionate share of the manufacturing jobs in York County (Figure A2-1). Between 1980 and 1997 (the last year for which data is available),

the Town's manufacturing employment remained in the upper-20% range relative to York County manufacturing jobs. This suggests that while manufacturing has decreased in Sanford/Springvale, the decrease is not out of proportion with York County as a whole.

In addition, the average wage earned by an employee in the manufacturing sector in Sanford/Springvale has remained stable relative to the rest of York County (Figure A2-1). Sanford/Springvale employees have steadily earned between 90% and 93% of the average manufacturing wage for York County as a whole. In general, the relatively high wages are earned in the communities closer to the coast. This could influence the Town's ability to attract and retain manufacturing businesses.

The value of products manufactured in Sanford/Springvale has declined relative to York County as a whole. In the early 1980s, the total value of the Town's manufacturing was approximately 28% to 30% of the County value. By the early 1990s, Sanford's share had decreased to 20%. This rebounded in the mid-1990s before falling off again in the late 1990s.

**Figure A2-1.**  
**Sanford/Springvale Manufacturing Statistics relative to York County,**  
**1980 - 1997**



**Note: data not available for 1982**  
 Source: Maine Department of Labor, Census of Maine Manufacturers

### 3. Finance, Distribution

The Town's low employment numbers in the sectors of finance/insurance/real estate and wholesale trade indicate that Sanford/Springvale does not play a central role either in financial services or in distribution. That limits two major types of development so prevalent in other centers; office space development and wholesale and distribution terminals. The limiting factor in the finance sector in the Town's proximity to Portland, which has preempted most of the State's activity in this sector. The limiting factor in the wholesale and distribution sector is lack of direct access to the interstate highway system. The nearest entries to the Maine Turnpike (I-95) are 11 miles east in Biddeford and Wells.

### D. Economic Development

Economic development has been a recognized municipal role in the Town of Sanford since 1954, when the Goodall Mills closed and the Sanford-Springvale Chamber of Commerce and Economic Development was founded to revitalize the local economy. As of 2001, the Chamber had 360 business members. The chamber receives an annual allocation from the Town to promote economic development, including preparing marketing materials, serving as primary contact with firms having potential interest in Sanford/Springvale, carrying out an advertising program, maintaining an inventory of available space, and marketing industrial properties. During the last fiscal year, the Chamber was paid \$55,000 by the Town, which represented approximately 42% of the Chamber's budget.

The Chamber has recently adopted an economic development plan to "create new employment opportunities, broaden the tax base, and fill existing buildings and industrial park land." The Plan focuses on three goals– business retention, business attraction, and business expansion.

- X ***Business Retention*** is the top priority of the Plan, in large part due to recent business closures and downsizing in the last several years. Workforce education, attracting businesses that complement those in Sanford/Springvale, and community improvements are the foundation of the Chamber's business retention efforts.
- X ***Business Attraction*** is important for the community to increase and diversify its employment base. The Plan identifies marketing efforts and community improvements as keys to attracting new businesses.
- X ***Business Expansion*** relies on expanding the Town's existing businesses as a means to increase employment and tax revenue. The Plan identifies community improvements, upgrading infrastructure, and education opportunities as the principal tools to promote expansion.

In addition to these principal goals, the Plan includes additional strategies to improve or encourage microenterprise/entrepreneur development, industrial park development, downtown revitalization, education, transportation, public infrastructure, housing, existing building revitalization, and economic development service delivery. A copy of the strategy is in Appendix C.

## **E. Home Occupations**

Home occupations are permitted by right in the Town of Sanford's residential zoning districts. Only family members can be engaged in a home occupation, and no more than 20% of the dwelling unit's floor area can be devoted to it. A home occupation cannot generate traffic, noise, or other characteristics that would be disruptive to a residential area.

The number of home occupations in Sanford and Springvale is unknown. However, they are thought to be important to many households and a long-time part of the Town's economy.

## **F. Issues and Implications**

- X Sanford/Springvale remains a job center, however the type of jobs available in town are continuing a decades-long shift from manufacturing to service and retail positions. This could have an impact on the employment base as well the education and training needs for the Town's residents.
- X The number of jobs available in Sanford/Springvale is not growing as quickly as in other communities in the Sanford Labor Market Area. While nearly half of the jobs available are in Sanford/Springvale, this proportion is decreasing.
- X Three-in-every five employees commute to Sanford/Springvale from other towns, predominantly from towns to the north and west of Sanford. The large number of commuters into the Town of Sanford is projected to increase and will impact the transportation corridors, especially in more rural areas that haven't had the necessary infrastructure improvements.
- X Sanford/Springvale residents are increasingly likely to commute to other communities for employment, typically to the south and east. This trend is projected to continue and will impact the transportation corridors as well as the type of services that are offered by the Town of Sanford.
- X The Town's growing retail and service role, especially in South Sanford, has been contributing to sprawling development and subsequent impacts on transportation, open space, wildlife, and the urban shopping districts. Neighboring communities are becoming more competitive in attracting consumer's dollars.