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## 1 ECONOMIC DEVELOPMENT

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2 ~~A local economy can be viewed in two ways:~~

3 ~~1. What economic activities occur within the town; and~~

4 ~~2. In what local or regional economic activities are the town's residents involved?~~

5 ~~While Norwich is often regarded as a bedroom community, the data make it apparent that there is~~  
6 ~~substantial local economic activity. However, it does not appear that the business community has~~  
7 ~~experienced much growth during recent years.~~

### 8 **Profile**

#### 9 **Labor Force**

10 In 2017, the Vermont Department of Labor reported an unemployment rate for Norwich of 2.1 percent  
11 (well below the state average of 3.2 percent). According to the Census Bureau, 80 percent of the local  
12 labor force was composed of private wage and salary workers, 9 percent worked for government and 11  
13 percent were self-employed or business owners.

14 The percentage of Norwich residents who are self-employed was slightly higher than in the county or  
15 state as a whole. ~~Over the years, home businesses have been started in Norwich only to outgrow their~~  
16 ~~locations and then move to one of the nearby communities where suitable locations and the~~  
17 ~~infrastructure needed to support larger business are more readily available. This is a loss for our local~~  
18 ~~business community.~~

19 Norwich residents are a part of the regional economy, and find jobs in a variety of industries and  
20 occupations. Figure 6-2 compares the distribution of Norwich residents' employment by industry and  
21 occupation with similar breakdowns for Windsor County and Vermont.

22 Clearly, Norwich residents' jobs show a different distribution by industry than county and state averages.  
23 These differences reflect the importance of Dartmouth College and the Dartmouth-Hitchcock Medical  
24 Center as sources of employment for Norwich residents. Additionally, a high percentage of town  
25 residents work in a professional specialty.

**Comment [u1]:** Propose using micropolis data (Norwich, Hartford, Hanover Lebanon)

1 **Employment**

2 The analysis of employment trends that follows is based on employment data provided by the Vermont  
3 Department of Labor; however, the department only reports information on jobs covered by  
4 unemployment insurance, which excludes the self-employed, most business owners and some farm  
5 employees. As a result, the “covered employment” numbers underestimate the total number of jobs in  
6 town.

7 Employment trends in Norwich have largely mirrored regional economic cycles. Figure 6-1 shows  
8 comparative “covered employment” increases in Norwich, Windsor County, and Vermont between 1980  
9 and 2016. Note that the figures refer to the number of people employed in each of these geographic  
10 areas, rather than employed residents.

11 Between 1980 and 2000, the total number of establishments (employers) in Norwich increased  
12 substantially. Since then, the number of employers has remained at levels similar to 2000, with some  
13 annual fluctuation, but the number of people employed in Norwich has risen. In 2016, there were 122  
14 private businesses and five public sector employers and a total of 950 people employed in Norwich, only  
15 159 of whom were residents. While accounting for a small percentage of employers, the public sector  
16 provides more than 10 percent of the jobs in town. The private businesses in Norwich are generally very  
17 small, with an average of seven workers. Most of these private businesses are in the service sector,  
18 reflecting the importance of the retail stores, professional and business services in and near the Village  
19 Business and Commercial/Industrial Districts. Norwich does not have any single large employer. However,  
20 through physical expansion and enhanced onsite customer amenities, King Arthur Flour has added jobs,  
21 ~~serves as a community gathering place, become a national tourist destination, and increased tax revenues~~  
22 ~~for Norwich.~~

23 ~~While Norwich does maintain a healthy employment base, the town is not a significant regional job~~  
24 ~~center.~~ Three local communities (Hartford, Hanover and Lebanon) provide a substantial amount of  
25 employment. A substantial number of Norwich residents commute to these other communities for their  
26 jobs. As shown in Figure 6-5, only about 10% (159 out of 1,617) of Norwich residents who work do so in  
27 Norwich.

28 **Wages**

29 Wages paid by Norwich employers (see Figure 6-1) have increased at a greater rate than state and county  
30 averages over the past 35 years and have become higher than those averages in recent years.

1 **Livable Wage**

2 Few Norwich families depend on a single wage-earner earning average wages (see Figure 6-4). ~~However,~~  
3 ~~there is growing concern in the state regarding the ability of full-time workers to earn an income~~  
4 ~~sufficient to meet a family's basic needs, commonly referred to as a "livable wage."~~

5 ~~The Vermont Joint Fiscal Office reported that an annual livable wage for a family of four with two working~~  
6 ~~parents in 2015 was around \$85,000, while for a single person with no children it was around \$33,000. In~~  
7 ~~all cases, the livable wage is higher than the state's minimum wage. Given that these numbers are based~~  
8 ~~on state averages, the cost of housing in Norwich requires a higher livable wage locally.~~

9 ~~Focusing economic development activities on creating well-paying jobs is especially critical in Norwich to~~  
10 ~~ensure that residents can meet their basic needs, especially in light of local housing costs discussed in~~  
11 ~~Chapter 5 and other costs like health care, food and energy that are anticipated to increase in future~~  
12 ~~years.~~

13 **Business Receipts**

14 In addition to employment and wages, another useful measure of economic activity may be found in the  
15 receipts generated by local businesses. Figure 6-3 shows total tax receipts reported by Norwich  
16 businesses for each fiscal year between 2000 and 2016. Gross receipts are for all reported retail sales,  
17 including those that are not subject to the Vermont sales tax (e.g., groceries, medicine, etc.). Gross  
18 business receipts have increased incrementally after adjusting for inflation reflecting slow but sustained  
19 growth in the local economy.

20 **Sustainable Development**

21 ~~Building a sustainable local economy that focuses on local markets and local resources, and that serves to~~  
22 ~~strengthen the local community simultaneously supports our values and protects our long-term economic~~  
23 ~~interests. Sustainable economic development requires activities and industries that:~~

- 24 ~~• Maximize use of local resources in a manner that does not deplete those resources;~~
- 25 ~~• Are energy efficient, and emphasize the use of local renewable energy sources;~~
- 26 ~~• Maintain high standards of environmental health and don't degrade the quality of our water, air~~  
27 ~~and soils or the viability of native wildlife;~~
- 28 ~~• Locally produce high-quality goods and services that are needed locally, providing alternatives to~~  
29 ~~imported goods and services;~~
- 30 ~~• Reinforce traditional settlement patterns;~~
- 31 ~~• Employ local residents and pay a livable wage;~~
- 32 ~~• Are locally owned and controlled, and reinvest in the community; and~~

1       • ~~Contribute to the vitality of our community, including the social fabric and well being of~~  
2       ~~residents.~~

3       ~~Economic development that emphasizes sustainability should take precedence over other economic~~  
4       ~~activities that do not exhibit the characteristics listed above. In contrast, public resources should never be~~  
5       ~~used in pursuit of unsustainable outcomes, absent unequivocal short-term necessity.~~

## 6       Goals, Objectives and Actions

### 7       Goal C

8       Support a sustainable local economy.

9       Objective C.1 Guide commercial development in accordance with the land use policies of this  
10       plan, in particular Objective K.3 and its associated actions.

11       ~~Objective C.2 Offer broadband service to all homes and businesses in town to support residents'~~  
12       ~~ability to work from home and allow entrepreneurs who live in Norwich to locate their businesses~~  
13       ~~in town.~~

14       ~~Objective C.3 Allow for home businesses throughout Norwich to the extent that they do not~~  
15       ~~affect the quality of life in their neighborhood or unduly burden community infrastructure such~~  
16       ~~as roads.~~

**Comment [u2]:** Existing NZR already does this

17       Objective C.4 Ensure that the scale or rate of commercial or industrial development in Norwich  
18       does not exceed the town's ability to provide facilities and services, or increase costs for current  
19       taxpayers.

**Comment [u3]:** Little risk of that, do we need this?