

**Project in  
Community Economic Development:**

**Final Report**

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Submitted to:  
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#### A. Problem Definition

Between 1989 and 1990, the percentage of the local workforce that was unemployed nearly doubled in Portsmouth, New Hampshire, as well as statewide, with the increased levels of unemployment remaining roughly constant up to the present (source: "Local Area Unemployment Statistics Report", N.H. Employment Security). In 1991, Pease Air Force Base closed, displacing a large civilian workforce. Since 1990, another military facility, the Portsmouth Naval Shipyard, which is in the process of "down-sizing", has laid-off approximately 1,400 workers. 450 of those layoffs came in October, 1993. A further Reduction in Force (R.I.F.) is expected in the spring of 1994, and will displace about 940 more workers (source: *Fosters's Daily Democrat*, 11/17/93, see Appendix). The significant loss of jobs has also taken its toll on the neighboring town of Kittery, Maine, where the shipyard is actually located (although this has been debated for over 200 years).

Civilian businesses ancillary to the shipyard have also been hurt by its continued downsizing. Furthermore, the recent boom and bust of the local real-estate market, the disappearance of many manufacturing-sector businesses, the bankruptcy of several local banks, and other, national trends have all contributed to a dismal economy and relatively high unemployment rate in this

area.

In this context, those who have been forced out of the labor market by difficult economic conditions often find limited employment options when they go to look for another job.

The values and structures of "Community Economic Development" are not promoted by any existing public or private planning or development agency in this area. Despite the presence of a few micro-entrepreneurs in the community, the term "micro-enterprise" seems to be foreign to the local vernacular. The large majority of economic development activities that take place here are on a "macro" scale. For instance, the Pease Development Authority (P.D.A.) has spent the past two years, with little success, attempting to bring large businesses into the closed Pease Air Force Base in Portsmouth.

#### B. Project Goals

To assist those people who, for whatever reason, are unemployed and seeking work, a group of local citizens from New Hampshire and Maine formed the Piscataqua Economic Resource Committee, or "PERC".

PERC's objective is to establish a tax-deductible, non-profit, store-front operation, that will:

- 1) offer an array of supportive, self-help-type services to unemployed, job-seeking individuals, to increase their readiness to become employed in existing companies; and
- 2) create, implement and support a structure of lending that will

allow micro-entrepreneurs a means to access seed capital for their businesses.

3) Provide referrals for individuals to other employment service agencies that fall outside of the scope of PERC's operations (for instance, State Employment Security agencies for job-bank resources, or State Franchise Boards for those who may wish to buy a business format with pre-established name recognition).

### C. Methods

PERC has come into existence through a specific need that was perceived by concerned community members. The process of these individuals coming together seems, in retrospect, to be a result of some calculated steps taken by the project participants, along with a few chance occurrences that could never have been planned. Each step that was taken, however, seemed to take us in a new direction, each more relevant to the goal of assisting people who were unemployed, than the one before.

During the time that I was looking for a C.E.D. project to do for school, I was discussing some of the general needs of our community with my good friend, and long-time community activist, Macy Morse. At the time, we were planning to work together on a visitor/information exchange with people from Severodvinsk, Russia, another shipyard town on the other side of the Ocean. We were concerned, however, that the good people from Russia would gain alot from our proposed exchange, while our own community had

little to gain from it. While we felt the exchange to be a valuable concept, we thought we would try to come up with a separate project that would benefit Portsmouth directly. We both began talking to people we knew around town who might be interested. At the time, we thought that establishing a speakers' bureau that could address community groups on the topic of economic conversion would do alot of good for Portsmouth.

Macy put me in touch with Dick and Ursula Bondi, retired shipyard workers from across the Piscataqua River, in Kittery. They had been talking with Macy concerning the Severodvinsk Exchange Project, but they were also very interested in our new idea. I also recruited my roommate, David Savidge, who worked in social services, to the group. We held our first meeting on July 1st, 1993.

At that meeting, we decided that the best thing we could do for this area would be to not just educate people about economic conversion, but directly help unemployed people find work, (specifically, displaced Portsmouth Naval Shipyard Workers) and thereby work toward the conversion of human labor, from military uses to sustainable, peace-time purposes. We set out as our objective the establishment of a "job-bank" that would serve displaced shipyard workers. We named ourselves the "Citizens' Committee of Economic Concern", or "CO-EC".

As a group, we made contacts with individuals in Kittery and Portsmouth, who might be interested in what we were doing. We wanted to "get the word out", and recruit more volunteers.

We invited a number of community members to an "informational dinner" hosted by the members of CO-EC. About twelve shipyard workers and local citizens, as well as one reporter for a local newspaper (through a chance meeting earlier that day with the Bondis) came. It was a good event for information and idea-swapping, and we were covered on the front page of the next morning's paper (see Appendix, *Portsmouth Herald* 10/2/93).

A couple of weeks later, we received a phone call from a Mr. Bruce Montville, an employment specialist in the area that had read our article. He told us that he was leaving the national high-tech employment placement company that he had begun, and that he had some extra time as a result. He wanted to know if we could use his help. We signed him up.

Through a contact of Macy's, CO-EC then gained the interest of Mr. Bo Stasiuk, the Chairman of the Social Responsibility Committee of the local Unitarian Universalist Church. At Bo's invitation, we had a meeting with this committee, which helped us to recruit Ms. Nancy Oronte, a tax accountant, and Ms. Sue Redkey, an organizational consultant, to our Advisory Board. We also gained the possibility of having a fiduciary relationship with the Unitarian Church.

In November of 1993, the nine of us (Ursula and Dick Bondi, David Savidge, Macy Morse, Bo Stasiuk, Nancy Oronte, Sue Redkey, Bruce Montville, and myself) decided to change the name of the initiative to the "Piscataqua Economic Resource Committee", which

we all felt was more descriptive of our purpose.

Then, we created from ourselves a six-member "Interim Board" that committed itself to a six-month term, at the conclusion of which the permanent Board of Directors would be elected. Dick was elected to the position of President of the Interim Board, and I accepted the other official post of Secretary-Treasurer. The three individuals who were not interested in Board Membership were: a love-struck David Savidge (on his way to Korea to propose marriage to the "apple of his eye"), Nancy Oronte and Sue Redkey, who both wanted to focus on their capacity as Advisory Board members. This momentous meeting was followed by more positive press coverage (see Appendix for 11/17/93 meeting minutes, 11/17 and 11/18 press clippings).

It was also at this time that a major shift began to take place in our objectives.

When Bruce Montville began coming to our meetings, he described what he saw as a need to develop a curriculum of "Readiness Training" to assist unemployed people to re-enter the job market, many of whom would be finding jobs in a lower pay and benefits range than to what they had been accustomed. We decided that Readiness Training should be a component of the services that we would provide.

Also, through contacts with the New Hampshire Employment Security office, we found that they already operated a job bank that was very similar to what we wanted to have as a service of PERC. In the interest of not duplicating services, we dropped

the job-bank idea.

We began, however, to talk about helping people create jobs for themselves. We discussed what PERC's role might be in promoting "micro-enterprise" development in our community.

PERC also came to the conclusion that focussing exclusively on the needs of displaced shipyard workers, and not on the employment needs of the entire community, would unnecessarily prohibit others from taking advantage of the services that we were working to develop.

It was decided, then, that PERC would pursue the idea of a micro-business lending program, and that PERC's services would be open to anyone who was unemployed. The Interim Board also accepted the idea of offering "Readiness Training" to those who would be looking for jobs within existing companies.

After a month's hiatus for the Holidays, PERC reconvened its regular meeting schedule, electing to its Board Mr. Bob McIntire, a retired shipyard worker with ties to local economic development organizations, and welcomed Mr. David Quealey, a self-described "foot soldier" and dedicated volunteer.

PERC now consists of a seven-member, Interim Board of Directors, with two officers, an Advisory Board of two members, and one volunteer at-large.

#### D. Results

PERC began as an attempt to assist people who are unemployed in the communities near the Portsmouth Naval Shipyard. It took



many meetings, and many hours worth of discussion between the interested parties, to identify the strategies that we would use to achieve this objective. Though PERC is nowhere near its implementation phase as a working corporation, the development of this initiative has yielded some tangible results that are an encouragement to continue the process that we have begun.

On an interpersonal level, each person who is involved with PERC is part of a group that they have never worked with before. As we continue to progress as a group, it is hoped that we will also continue to grow and progress as individuals, learning about new ideas and gaining new skills. We are learning the dynamics of our group, how to disagree with each other, how to encourage each other, and how to develop new ideas with each other. The process of picking the name of "PERC" was a wonderful example of how a group can more or less "think" as a single individual (see Appendix for 11/17/93 meeting minutes).

As an initiative, those of us who have been involved in this project since the beginning have seen something brand new emerge and grow through a collective exchange of ideas. That is, an organization that did not exist before we began to create it is now on the road to becoming a reality.

As an organization, we have a common objective with solid strategies toward achieving it. We have a democratically-run Interim Board of Directors, made of enthusiastic, knowledgeable and experienced individuals, who are dedicated to PERC's mission.

Externally, PERC has made contacts with many outside

individuals and organizations who are willing to provide information and technical assistance, including the New Hampshire Job Training Council, the Worker Assistance Center of Kittery, Maine, New Hampshire Employment Security, Working Capital, and Coastal Enterprises, Incorporated.

Possibly most importantly, PERC has, through the cooperation of local newspapers, begun to present to this community the benefits of developing the local economy from a "community level", as opposed to the failed "traditional" approaches that are presently advocated by city and regional planning agencies.

#### E. Analysis/Conclusions/Recommendations

Portsmouth, New Hampshire and Kittery, Maine were, until recently, "military towns". For hundreds of years, these communities have been heavily dependent on their Naval Shipyard to provide jobs to the citizens, and to help keep the local economy stable and healthy. Many people here are loyal to the institution that has patronized their towns for so long.

The phrase "economic conversion" is avoided by public officials who advocate the concept, as it is considered too politically risky.

The values and structures of "Micro-enterprise" and "Community Economic Development" <sup>and</sup> nearly absent from public debate on how to redevelop our local economy.

However, the economic landscape of Portsmouth and Kittery is changing. Thousands of military jobs have disappeared in less

than three years, not to mention those lost in ancillary businesses, and jobs that existed in purely non-military sectors of the economy.

However, from the New Hampshire Job Training Council, to the local press and concerned community members, the concept of an organization like PERC has received an enthusiastic response.

PERC began and remains a "grass-roots" initiative. Our meetings have been held in homes and in coffee shops, not in the City Council chambers or fancy Board Rooms. The people involved have not been paid anything for the hundreds of person-hours spent on developing PERC's objectives and strategies. We are not policy "wonks" or development experts. We have no budget, yet. We have a need in our community, and are addressing it through methods that have not been tried here before. We can see already that a determined group of people, regardless of their level of experience in a particular field, can identify and produce solutions to a common problem.

Judging whether or not an initiative-in-progress is a "success" is difficult, but we have gone far beyond what the original objectives that were set to be accomplished during C.E.D. program, which were essentially to have a functioning group that had regular meetings. We have a small, but growing, community presence. We have a detailed Business Plan. We are exploring affiliations with other, outside organizations. We all still like each other.

A few things have become evident during the process of

developing PERC:

First, we have plenty of time. We would have done well to have taken more time to assess what services were already available to unemployed people, and to have made more early contacts with the major agencies that provide these services. We should have spent more time talking with unemployed people themselves to find out what their needs were. Early on, we thought we were in a rush to get the whole thing together by yesterday. As Interim Board Member Bruce Montville reminded us, however, "The worst thing that could happen is that these folks will get jobs without us."

Second, good leadership skills and personal motivation make all the difference in community-based initiatives such as ours. We are all busy people, but that is because we all feel a great deal of personal responsibility for our own lives and those around us. Each of us took PERC-related tasks upon ourselves on a regular basis; not because we had the time, but because we were excited by the idea of what we were doing. This kind of "take action" attitude by all of the participants has kept PERC from becoming just a discussion group or a "salon" with no practical results.

Third, one of the great things about Community Economic Development on this level is that you do not need anyone's permission to do it, nor can anyone tell you how to do it. If PERC came out of some city office or big-wig consulting firm, it would look nothing like what we have devised. It would not have

the emphasis that it does on meeting individuals' needs, as much as it would conform to government/corporate policy and procedure. Furthermore, there is no way we would have had as much fun together if all we were doing this for was a mere paycheck.

To achieve our desired objectives for PERC, we have some very concrete steps that need to be taken. We need to first find a fiduciary organization that will receive and hold money for PERC until it is incorporated. Next, we need to secure some seed money for things like board training, postage costs, and more fundraising. Then it will be necessary to establish PERC as an autonomous 501(c)(3) organization, fundraise in earnest, and develop more detailed program plans and curricula. These are the immediate, short-term goals that would be feasible to achieve in the next six months to a year.

The development of PERC as a grass-roots, community initiative has drawn on the skills and experiences of a diverse group of individuals, from a local entrepreneur, to some community activists, to social service professionals, to former Portsmouth Naval Shipyard workers. It is safe to say that everyone who has helped this process to evolve has been touched and changed by it, as well. However, the process of taking PERC from being a good idea, to establishing it as an effective, viable, community-based service organization is far from complete. In fact, it has really just started.