

## NH MEP Strengthens State Economy, Despite Recession

### *Independent Study Finds NH MEP Generated \$142 Million in Economic Output, 550 Manufacturing Jobs in Past Two Years*

**Concord, NH** – Calling the return on its investment solid despite a faltering economy, the New Hampshire Manufacturing Extension Partnership ([NH MEP](#)) today released the results of a two-year economic impact study. The impact study, conducted by an independent third-party evaluator, concluded that NH MEP was directly responsible for creating or retaining 550 manufacturing jobs and generating \$142.8 million in economic output over the past two years (Quarter 3 2007 through Quarter 2 2009).

“Despite the worst economic conditions since the Great Depression, NH MEP in the past two years helped create and retain more than 550 manufacturing jobs in New Hampshire,” said NH MEP Board Chair Mark Godfrey. “This impact emphasizes the importance of providing training and technical assistance to small and mid-size manufacturers, so they can survive the economic downturn.”

The NH MEP is an affiliate of the National Institute of Standards and Technology (NIST) under the U.S. Department of Commerce. As a member of the national network of manufacturing extension centers throughout the country, NH MEP is subject by law to independent third-party evaluations of the program’s economic impact. *The Economic Impacts of the New Hampshire Manufacturing Extension Partnership Program on the New Hampshire Economy* data is from 8 quarterly surveys, Q 3 2007 – Q2 2009, which were conducted from October 2007 – August 2009. Reported impacts modeled using IMPLAN Pro version 2.0 software. All results, except tax and employment, presented in 2006 dollars. Modeling procedures available upon request.

The NH MEP impact study identified both the direct economic impacts from the organization’s programs and services, as well as the wider induced effects. The study found that as a direct result of NH MEP programs and services over the past two years, manufacturers in the state created 197 jobs and retained 354 jobs that otherwise would not have existed.

“As a direct result of NH MEP programs, our clients achieved \$18.8 million in cost savings over the last two years, and increased or retained \$142.8 million in sales. With these savings, they were able to spend \$49 million on new investments. That’s an impressive bottom line result, especially given the generally slow pace of economic activity,” Godfrey stated.

The direct positive impact in jobs and sales, in turn, generated subsequent ripples throughout the New Hampshire economy. The sum of these direct, indirect and induced effects suggest that manufacturing firms assisted by NH MEP were responsible for creating or retaining 1,971 jobs that paid a total of \$93.5 million in employee wages and benefits. Total economic output increased or retained as a result of NH MEP programs was \$328.5 million over the past two years.

Godfrey emphasized the role NH MEP plays in contributing to the state coffers.

At a time of sharply decreased tax revenues, the NH MEP program successfully bolstered state and local revenues by nearly \$11 million. The impact study concluded that the program generated or retained \$63.2 million in additional tax and non-tax revenues at the federal, state and local government levels over the past five years, including \$10.9 million at the state and local levels.

“The economic impact study illustrates the importance of supporting programs that help manufacturers become more efficient in terms of production processes, labor utilization and energy consumption. NH MEP provides this assistance to companies in every manufacturing sector; and we pay back taxpayers’ investment many-fold,” said Godfrey

Godfrey noted that the value to manufacturers of NH MEP programs becomes even more apparent in a challenging economy.

“In a booming economy firms thrive. The challenge comes when the economy turns south. It’s during these tough economic times that the value of MEP training and technical assistance really becomes apparent,” Godfrey said. “We have programs that can help manufacturers identify growth opportunities, upgrade critical employee skills, improve production efficiencies, cut energy costs, improve supply chain performance and enhance customer satisfaction. Tough times winnow out the competition, but they can also position for growth the well-prepared firms that implement initiatives needed to become next generation manufacturers capable of surviving in a global economy.”

The NH MEP chairman cited examples of the kinds of assistance for manufacturers that contributed to the economic impact. They included:

- Creating a pilot program to integrate energy efficiency guidelines established by the Environmental Protection Agency (EPA) into NH MEP training programs for manufacturers in order to help New Hampshire manufacturers lower energy consumption, improve energy efficiency and reduce energy costs. The program’s success was illustrated earlier this month when **BAE Systems** announced that its participation in the program enabled it to identify \$40,000 in energy savings in a pilot facility and projected more than \$2 million in savings companywide. Another participant, High Liner Foods, reports that it expects to achieve \$90,000 per year in targeted cost savings as a result of its energy savings implementation plan.
- Partnering with the Keene Office of Employment Security to train precision manufacturing machine tool operators for companies like **Tideland Corporation**, whose growth was limited by a region-wide shortage of skilled computer numerical-control (CNC) operators?
- Implementing a new Innovation Initiative to train manufacturers in the field of innovation development and marketing, providing New Hampshire manufacturers with the latest cutting-edge training and assessment tools to help spur innovation and growth.
- Helping companies like **Latva Machines** of Newport, **P.J. Noyes Company** of Lancaster, and **Smiths Medical** of Keene implement lean transformation projects to identify efficiency improvements and drive down costs. Latva was able to reduce its setup time for production of machining components and assemblies by 30 percent. P.J. Noyes, a pharmaceutical manufacturer, achieved a 25 percent increase in tablet production per labor hour. And Smiths Medical Keene, partnering with NH MEP as they introduced a new hypodermic needle production line, succeeded in reducing floor space for the operation by 62 percent, increased output per shift by an astounding 82 percent and achieved cost savings of \$2 million per year.