

## EXECUTIVE SUMMARY

The Greater Franklin County Comprehensive Economic Development Strategy (CEDS) Program is a fundamental component of the greater Franklin County region's economic development planning efforts. Coordinated by the Franklin Regional Council of Governments (FRCOG), the CEDS Program examines current economic conditions and identifies important economic development goals and projects in the region. The CEDS Region encompasses the twenty-six towns of Franklin County, plus the town of Amherst in Hampshire County, and the towns of Athol and Phillipston in Worcester County. The process is guided by the CEDS Committee and the Economic Development District (EDD) Governing Board. The program is sustained by the staff of the Franklin Regional Council of Governments and volunteer members. In 2006, the Greater Franklin County CEDS Program was designated an Economic Development District by the U.S. Economic Development Administration (EDA). Through this designation, the FRCOG was awarded its first District Partnership Grant to fund staff to work on the CEDS Program.

The CEDS Region is a rural area with population concentrations located in employment centers, such as Amherst, Athol, Greenfield, Orange, and Turners Falls. In recent years, the CEDS Region's population has remained steady. According to 2006 federal data, the population for the 29-town region was estimated to be 119,673, a decline from the previous two years. Generally, the wages and income of CEDS Region employees and residents are slightly lower than the national average, and much lower than the state's. Over the past ten years, Franklin County has consistently had one of the lowest per capita income rates of the fourteen counties in Massachusetts. Similar to the per capita income information, the average wage per job in Franklin County is consistently less than the state and national average. According to the most recent data available, the unemployment rate for the CEDS Region was 4.1% in 2007. This represents a decrease from last year, similar to the trend for the state and nation. However, early indications imply that the overall unemployment rate for the country as well as the region for 2008 will increase. Income information is important to discuss in relation to the employment situation. Currently, the CEDS Region is experiencing a relatively low rate of unemployment. However, as indicated by income data, the quality of jobs provided in terms of wages is in need of improvement. Underemployment of residents in the region remains a serious concern.

Among the municipalities within the region, there are significant variances in population growth, employment status and as well as in wealth and poverty. Many communities located within easy commuting distance to major employment opportunities to the south experience increased growth and higher incomes. In areas less accessible to major employment centers and in some of the urbanized centers, the residents experience higher rates of unemployment. Some of these areas have also experience a stagnant population level or even population decline.

The CEDS 2008 Annual Report builds upon information provided in the 2005 CEDS Plan about important employment sectors in the region. This document includes sections that highlight manufacturing, services, and agriculture sectors, as well as the non-profit sector and self-employed/at-home workers. According to County Business Pattern data, the largest private employment sector in Franklin County is manufacturing, with over 20% of the total private sector employees as of the most recent data available. Other large private sector employment industries identified by the County Business Pattern data are: health care and social assistance, retail trade, education, and accommodations and food service.

A relatively small employment sector with a significant impact on the region is the agriculture, forestry and fisheries sector. Changes in this sector influence future development patterns, local food production, and overall quality of life. In recent years, there has been a decline in the number of farms and land in farms. However, the economic data for this sector has shown that the remaining farming operations in Franklin County have economically done well in comparison to operations in other areas.

Non-Profits are tax exempt, registered 501(c)3 organizations, including public charities and private foundations that span a variety of fields, including health care, human services, environment, education, recreation, religion, and the arts. The impact of the non-profit sector as a whole is not as quantifiable as the private, for-profit sector. According to the National Center for Charitable Statistics, the number of registered non-profit organizations steadily increased in Franklin County between 2000 and January 2007. However, from 2007 through January 2008, the number of registered non-profit organizations decreased from the previous year. This reduction in non-profit organizations was also seen at the state and nation level.

There is an increasing trend in the CEDS Region for residents to work at-home, either self-employed or often telecommuting. According to the 2000 Census, at-home workers represented almost 5% of the total CEDS Region work force, while they were only 3.3% and 3.1% of the total work force for the state and nation, respectively. The U.S. Census Bureau also produces statistics about “non-employers”, businesses with no paid employees, other than the self-employed individual, which pay federal income taxes. The Census Bureau explains that most non-employers are self-employed individuals operating very small unincorporated businesses, which may or may not be the owner’s principal source of income and may or may not be full-time. In 2005, Franklin County is reported to have had over 6,100 non-employer establishments.

As part of this Annual Report, there are brief descriptions of many pertinent aspects of economic and business development in the region. These topics include the transportation network and utility infrastructure, the regulatory environment, business development resources, and a review of regional characteristics. The review of economic trends along with this description of the region provides the context for identifying clusters in the CEDS Region and understanding the goals of this CEDS Program. The CEDS Committee has identified ten traditional and emerging clusters in the greater Franklin County area. These clusters are not the only economic groupings in the region, but were selected due to their importance to the regional economy and provision of jobs, need of support, or opportunity for expansion. The clusters are Agriculture & Food Processing Cluster; Arts, Crafts & the Creative Cluster; Environmental Technology & Renewable Energy Cluster; Independent Education Cluster; Health Care & Assistance Cluster; Precision & Cutting Tools Manufacturing and Metalwork Cluster; Plastics & Polymer Manufacturing Cluster; Tourism & Hospitality Cluster; Virtual Office/Home-Based Business Cluster; and Wood Products & Forestry Cluster.

Seven goals have been identified to guide the work of the CEDS Program. These goals reflect the themes outlined in the CEDS Program vision statement and the promise of the existing and emerging clusters operating in the region. These goals address many important issues as they relate to the CEDS Program and to creating greater economic opportunity for the region. Infrastructure improvements, brownfields redevelopment, economic initiatives to promote

natural resources, and enhancing public services, are some of the topics addressed. In addition, updates for the top ranked 2005 CEDS Project Listing are included.

To guide the activities and evaluation of the CEDS Program, a Scope of Work was created and approved by the EDA. As a designated Economic Development District, the Greater Franklin County CEDS Program has to report on two specific performance measures to the Economic Development Administration. These measures evaluate the progress of the CEDS Program to meet its own goals and to forward the mission of the EDA to create and retain jobs and to stimulate industrial and commercial growth, particularly in areas of economic distress. The measures relate to CEDS Program participation and to job creation and new investment. In terms of the sub-state jurisdiction members actively participating, 17 of the 29 CEDS Region towns have active, appointed representatives.

It is challenging to have an accurate annual account of the number of jobs and amount of private investment leveraged in the region due to CEDS Program initiatives. Many of the projects pursued are multi-year in nature. For example, the creation of an industrial park or the redevelopment of a building may take years from the initial planning stage to construction completion. Upon completion, private investment and jobs may be easily accounted for over time as businesses lease or purchase property. A top CEDS Program economic development initiative is the Putnam Hall Redevelopment Project in downtown Orange. It is estimated that approximately 50-60 new jobs will be housed in the Putnam Hall building once redeveloped and fully occupied. However, an additional 140 jobs are anticipated to be saved or enhanced as a result of the project. In the case of infrastructure projects, such as an improved telecommunications system, it is not possible to accurately account for all the jobs and investment made as a result of broadband access and an improved network. However, studies have indicated that these projects produce a positive economic outcome.

The FRCOG and partnering agencies, communities and businesses are working together to leverage as many resources as possible, and to work collaboratively in support of the CEDS Program. It is through a regional, comprehensive planning process that the Greater Franklin County region has the best opportunity to forward its economic development goals.

