



**BERKSHIRE COUNTY  
REGIONAL  
EMPLOYMENT  
BOARD**

**MASSACHUSETTS**  
High Performing Workforce Investment Board

Building Tomorrow's Workforce

# **What's Happening in Berkshire County?**

## **A Review of Recent Labor Market Conditions**

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## **INTRODUCTION**

The purpose of this report is to review recent labor market conditions in Berkshire County and, where data are available, sub-areas, within the County. The report reviews industry data from 2014 and 2015 as well as labor force data from the first quarters of 2015 and 2016 for local labor force and unemployment information. In addition, information related to selected demographic and economic characteristics has been updated and is based on results from the 2010 to 2014 American Community Survey (ACS) conducted by the US Census Bureau.

The first section of the report focuses on the unemployment trends in Berkshire County as well as the sub areas of Pittsfield, North Adams and Great Barrington. Information on recent unemployment trends as well as selected demographic and related economic factors are included. The second and third sections of the report examine industry structure and wages in Berkshire County. The fourth section reviews recent industry trends at both the broad industry level and detailed level for key industry clusters in Berkshire County. Understanding the industry composition and recent trends should assist the workforce development system in determining the types of occupational opportunities that may be available for Berkshire County residents as well as identifying those industries that continue to struggle and may need additional support and assistance. This emphasis is especially important for Berkshire County since, among the 16 Workforce regions in the Commonwealth, along with the Cape and Islands, it has the highest proportion of residents both living and working in the region, with very limited commuting into or out of the region. The fifth and final section includes updated information on selected demographic and economic characteristics for Berkshire County residents from the American Community Survey (ACS) covering the 2010-2014 periods.

## **SECTION I: UNEMPLOYMENT ESTIMATES**

The unemployment estimates for Berkshire County and its sub areas between the first quarters of 2015 and 2016 are presented in Table 1. A three month average was used to provide more reliable estimates than those offered by a single month. It should also be noted that the local estimates are not seasonally adjusted so it is important to compare the same months in each year.

Both Berkshire County and Massachusetts experienced significant improvement with regard to both the number of unemployed residents and the unemployment rate during the period under review. Specifically, The Berkshire County Unemployment Rate fell from 6.6 percent to 5.8 percent, while the number of unemployed residents fell by 544 to a level of 3,751. The Berkshire County rate is however above the statewide rate of 4.7 percent.

As Table 1 indicates, unemployment conditions continue to vary markedly across the county, although improvements in unemployment occurred throughout the Berkshires. The Pittsfield New England City and Town Area (NECTA) experienced a decline in the unemployment rate from 6.6 percent to 5.8 percent, representing 368 fewer unemployed residents relative to a year earlier.

The North Adams NECTA continues to have the highest unemployment rate of the three sub regions in Berkshire County. The North Adams NECTA improved the most, however, with its unemployment rate falling a full percentage point to 6.5 percent while the other two sub regions fell by 0.8 percent.

<b>TABLE 1 UNEMPLOYMENT ESTIMATES FOR THE BERKSHIRE WIA AND SUB AREAS 2015 FIRST QUARTER-2016 FIRT QUARTER</b>					
<b>Unemployment</b>	<b>Berkshire WIA</b>	<b>Pittsfield NECTA</b>	<b>North Adams NECTA</b>	<b>Great Barrington LMA</b>	<b>Mass</b>
Unemployed First Quarter 2015	4,295	2,879	784	630	-
Unemployed First Quarter 2016	3,751	2,511	615	561	
Absolute Change	-544	-368	-169	-69	
Unemployment Rate First Quarter 2015	6.6	6.6	7.5	5.8	5.5
Unemployment Rate First Quarter 2016	5.8	5.8	6.5	5.0	4.7
Rate Change	-0.8	-0.8	-1.0	-0.8	-0.8

Note: Data are not seasonally adjusted

Source: Massachusetts Department of Labor and Workforce development

The Great Barrington Labor Market Area (LMA) continues to be the strongest sub area within Berkshire County. The unemployment rate during the first quarter of 2016 stood at 5.0 percent, a decrease from the 5.8 percent rate that existed a year earlier. Unlike the recent past, however, the Great Barrington unemployment rate was slightly above that of Massachusetts (4.7%) as a whole.

## SECTION II: INDUSTRY STRUCTURE BY MAJOR INDUSTRY SECTOR

This section of the report examines the industry structure of employment in Berkshire County. The purpose of this section is to provide a context as to how the industry mix of Berkshire County compares to Massachusetts. Such a context should be useful to both workforce development and economic development professionals in understanding the industry strengths and limitations relative to Massachusetts. When reviewing the industry structure, it is necessary to use annual rather than quarterly data to filter out the seasonal aspects of industry employment. At the time this report was prepared, 2014 was the most recent year for which annual data were available.

<b>TABLE 2</b> <b>INDUSTRY EMPLOYMENT STRUCTURE (2-DIGIT NAICS):</b> <b>BERKSHIRE WORKFORCE AREA</b> <b>2014 ANNUAL</b>			
Description	2014 Annual	Percent Distribution	Mass Distribution
<b>Total, All Industries</b>	<b>61,099</b>	<b>100.0%</b>	<b>100.0%</b>
23- Construction	2,927	4.8%	4.2%
31-33- Manufacturing	4,548	7.4%	7.4%
Durable Goods	1,863	3.2%	4.8%
Non-Durable Goods	2,585	4.2%	2.6%
22- Utilities	294	0.5%	0.4%
42- Wholesale Trade	1,038	1.7%	3.7%
44-45- Retail Trade	8,587	14.1%	10.4%
48-49- Transportation and Warehousing	1,130	1.8%	3.0%
51- Information	887	1.5%	2.7%
52- Finance and Insurance	1,875	3.1%	5.0%
53- Real Estate and Rental and Leasing	476	0.8%	1.3%
54- Professional and Technical Services	2,630	4.3%	8.6%
56- Administrative and Waste Services	2,026	3.3%	5.2%
61- Educational Services	7,860	12.9%	10.3%
62- Health Care and Social Assistance	12,243	20.0%	17.8%
71- Arts, Entertainment, and Recreation	2,054	3.4%	1.8%
72- Accommodation and Food Services	7,283	11.9%	8.6%
81- Other Services, Ex. Public Admin	2,219	3.6%	3.4%
92- Public Administration	2,527	4.1%	4.1%

As Table 2 indicates, Health Care and Social Assistance is the largest industry employer in both Berkshire County and Massachusetts. Within Berkshire County this sector accounts for 1 in 5 jobs (20.0%) and exceeds the statewide share of 17.8 percent. It should be noted that between 2012 and 2013, Personal Care Assistants were moved from Other Services (NAICS 81) into Social Assistance (NAICS 624) in both Berkshire County and Massachusetts. This resulted in an increase of one percent in the employment share of Health Care and Social Assistance in Berkshire County and a corresponding decrease in Other Services.

Among other major sectors, Retail Trade (14.1%), Educational Services (12.9%) and Accommodation and Food Services (11.9%) all exceed the respective share of their statewide counterparts. Collectively, the four largest industry sectors in Berkshire County represented nearly 6 in 10 jobs (58.9%) in the region. These same sectors account for less than half the jobs (47.1%) in the Commonwealth.

The employment share represented by the important Manufacturing sector is identical in both Berkshire County and Massachusetts (7.4%). The mix in this sector, however, is quite different. Within Berkshire County, Non-Durable Goods Industries (4.2%), which includes Paper, Plastics, Chemicals, and Printing, is a larger sector compared to Durable Goods (3.2%). Conversely, in Massachusetts, the preponderance of jobs reside in Durable Goods (4.8%) which includes Computer and Electronics, Fabricated Metals, and Machinery Manufacturing as compared to Non Durable Goods (2.6%).

An important difference between Berkshire County and Massachusetts exists in Professional and Technical Services. This sector is a major source of Science, Technical Engineering and Math (STEM) jobs and includes Engineering and Architecture Services, Computer Systems Design, Management and Technical Consulting and Research and Development. This sector comprises 4.3 percent of all jobs in Berkshire County which is exactly one half the statewide share (8.6%).

Another key sector that is underrepresented in Berkshire County is Financial Activities which accounts for 3.1 percent of all jobs as compared to 5.0 percent statewide. Conversely, the Berkshire County share of employment in Arts, Entertainment and Recreation (3.4%) is well in excess of the statewide share (1.8 %).

### **SECTION III: EMPLOYMENT WAGES BY MAJOR INDUSTRY STRUCTURE**

Table 3 provides annual wage information from 2014 by major sector for Berkshire County and Massachusetts. It should be noted that the annual wage is derived from dividing the total payroll for an industry by the number of employees. It does not distinguish between part time and full time employees nor does it measure the number of hours worked. It is, however, reflective of annual average compensation, exclusive of fringe benefits.

As Table 3 illustrates, there is a wide variation in annual wages by industry group in Berkshire County from the overall average of \$810 per week. This weekly wage translates into an annual wage of \$42,120. The increase from the 2013 annual average was \$26 or 3.3 percent.

Among the industries above the area average, six major groups exceeded the \$1000 per week mark. These groups include: Utilities (\$1,665), Finance and Insurance (\$1,374), Professional and Technical Services (\$1,374), Manufacturing (\$1,315), Wholesale Trade (\$1,017) and Construction (\$1,001). Within Manufacturing, Non-Durable Goods had an average wage of \$1,489 as compared to \$1,086 for Durable Goods. It should be noted that for most regions in Massachusetts the opposite is true, that is, Durable Goods wages exceeded the wages for Non-Durable Goods.

In addition to the industries mentioned above, several other industries have average wages above \$810 per week. These include Information (\$892), Public Administration (\$880), Health Care and Social Assistance (\$874), and Educational Services (\$870).

There are four industries that have annual wages substantially below the area average of \$810. Accommodation and Food Services has the lowest average wages at \$355 or \$18,460 annually. Retail Trade, the second largest industry group in terms of employment, has an average wage off \$515 or \$26,780 annually. Arts, Entertainment and Recreation (\$509) and Other Services (\$525) are also well below the area average. These industries are characterized by large numbers of part time and seasonal workers as well as low hourly wages.

**TABLE 3  
BERKSHIRE AND MASSACHUSETTS  
ANNUAL WEEKLY WAGES (2 DIGIT NAICS)  
2014**

Description	2014 Annual	Difference From Area Average	2014 Mass Annual wage	Difference from Mass Annual wage
<b>Total, All Industries</b>	<b>\$810</b>	-	<b>\$1,233</b>	-423
23- Construction	\$1001	+101	\$1,322	-301
31-33- Manufacturing	\$1,315	+605	\$1,603	-288
Durable Goods	\$1,086	+276	\$1,769	-683
Non-Durable Goods	\$1,489	+679	\$1,297	+192
22- Utilities	\$1,665	+855	\$1,919	-234
42- Wholesale Trade	\$1017	+207	\$1,696	-679
44-45- Retail Trade	\$515	-295	\$578	-63
48-49- Transportation and Warehousing	\$767	-43	\$972	-205
51- Information	\$892	+82	\$1,898	-1006
52- Finance and Insurance	\$1,374	+564	\$2,651	-1277
53- Real Estate and Rental and Leasing	\$649	-161	\$1,400	-751
54- Professional and Technical Services	\$1,358	+548	\$2,185	-827
56- Administrative and Waste Services	\$745	-65	\$813	-68
61- Educational Services	\$870	+60	\$1,094	-224
62- Health Care and Social Assistance	\$874	+64	\$1,023	-149
71- Arts, Entertainment, and Recreation	\$509	-301	\$679	-170
72- Accommodation and Food Services	\$355	-455	\$408	-53
81- Other Services, Ex. Public Admin	\$525	-285	\$660	-135
92- Public Administration	\$880	+70	\$1,342	-462

Another important finding presented in Table 3 is that, with the exception of Non-Durable Goods, the annual wages in Berkshire County are below their statewide counterparts, and in a number of instances the differentials are substantial. In total, the average wage in Massachusetts of \$1,233 is \$423 above the Berkshire average of \$810. On an annual basis, the differential is nearly \$22,000 ( \$64,116 vs \$42,120).

The industry with the widest differential is Finance and Insurance where the Berkshire County annual wage is \$1,227 below that of Massachusetts. The industry with the second largest differential is Information (-\$1,006) followed by the STEM oriented Professional and Technical Services (-\$827). Two other industries with notable differences are Durable Goods Manufacturing (-\$683) and Wholesale Trade (-\$679).

The industries with the smallest differential are predominately at the low end of the wage scale. These include Accommodation and Food Services (-\$53), Retail Trade (-\$63) and Administrative and Waste Services (-\$68). This finding would suggest that the characteristics of these sectors (including large shares of low wage, part time and seasonal workers) reflects how these industries organize their workforce rather than being related to regional differences.

As mentioned above, the one industry in Berkshire County that exceeds the statewide average is Non Durable Goods. The average weekly wage in this sector of \$1,489 ( \$77,482 annually) exceeds the Massachusetts counterparts by nearly \$200 per week or \$10,000 annually.

As mentioned in previous reports, from an economic development perspective, one could argue that lower wages in Berkshire County are a two edged sword. The sharp differential, particularly in higher paid sectors such as Finance and Professional and Technical Services could make it difficult to attract workers to these sectors. Conversely, these differences might serve as a possible advantage in both attracting and retaining employers, especially when combined with a lower cost of living, (particularly housing costs) relative to Eastern Massachusetts. These factors can potentially be viewed as positive influences in supporting economic growth throughout Berkshire County.



## SECTION IV: INDUSTRY EMPLOYMENT TRENDS

This section of the report provides both broad industry trends (Table 4) and detailed industry trends for key sectors in Berkshire County including Manufacturing, Health and Social Services, STEM and Leisure and Hospitality (Tables 5-8). The period between 2014 Third Quarter and 2015 Third Quarter is reflected in each Table, which includes the most recent data that were available at the time the report was prepared.

Table 4 provides industry employment trends for Berkshire County by major Industry sector. During the period under review, employment in Berkshire County increased by 802 jobs or 1.3 percent, representing improved labor market conditions from earlier periods. The rate of growth, however was below that for Massachusetts which grew by 2.0 percent and added 68,672 jobs.

The major source of job growth was Health Care and Social Assistance which added 549 jobs. It is possible that this may represent rehiring many workers who lost their jobs when the hospital closed in North Adams. Among sectors which expanded during this period were Construction (+137), Finance (+96) and Manufacturing (+98). Within the latter sector, job gains in Durable Goods (+114) more than offset a small drop in Non Durable Goods (-16). The number of jobs in Other Services increased by 112, with most of the gains occurring in Personal Services and Membership Organizations.

Smaller gains were registered in a number of other sectors including Professional and Technical Services (+60), Administrative Support (+57), Real Estate and Leasing (+49), Educational Services (+28) and Arts, Entertainment and Recreation (+18).

The major source of job loss during the period under review was Accommodation and Food Services which lost 311 jobs or -3.7 percent. Most of the job losses occurred among Eating and Drinking places. Smaller employment declines were reported in the region's second largest industry, Retail Trade (-66), as well as in Transportation and Warehousing (-23), Information (-28) and Public Administration (-22).

**Table 4  
Berkshire Workforce Area Industry Employment Trends  
Major Industry Sector  
2014 Third Quarter-2015-Third Quarter**

Sector	Sector Title	Third Quarter Employment 2014	Third Quarter Employment 2015	Yr/Yr Employment Change	Yr/Yr Employment % Change
	<b>Total Employment</b>	<b>62,279</b>	<b>63,081</b>	<b>+802</b>	<b>1.3</b>
23	Construction	3,170	3,307	137	4.3
31-33	Manufacturing	4,619	4,717	98	2.1
	Durable Goods	2,020	2,134	114	5.6
	Non Durable Goods	2,599	2,583	-16	-0.6
22	Utilities	300	306	6	-2.0
42	Wholesale Trade	1,099	1,099	0	0
44-45	Retail Trade	8,693	8,627	-66	-0.8
48-49	Transportation and Warehousing	1,094	1,071	-23	-2.6
51	Information	923	895	--28	-3.0
52	Finance and Insurance	1,886	1,982	96	5.1
53	Real Estate and Rental and Leasing	518	567	49	9.4
54	Professional, Scientific, Technical Services	2,694	2,754	60	2.2
56	Admin Support, Waste Mgt,	2,269	2,326	57	2.5
61	Educational Services	6,735	6,763	28	0.4
62	Health Care and Social Assistance	12,149	12,698	549	4.5
71	Arts, Entertainment, and Recreation	2,402	2,420	18	0.8
72	Accommodation and Food Services	8,303	7,992	-311	-3.7
81	Other Services	2,427	2,539	112	4.6
92	Public Administration	2,523	2,501	-22	-0.9

Note. During this same period, the number of jobs in Massachusetts increased by 68,672 or 2.0%

Table 5 provides detailed trends for the Manufacturing sector in Berkshire County. Between the third quarters of 2014 and 2015, the number of Manufacturing jobs grew by 98 jobs or 2.1 percent. The largest source of growth by far was Stone, Glass and Cement which added 118 jobs. More limited gains were posted in Plastics (+34), Fabricated Metals (+32) and Food and Beverage Manufacturing (+6).

Conversely, a variety of industries shed jobs during this period, with Paper (-70) the largest contributor to employment decline. In addition, the number of jobs fell in Metalworking (-33), Printing (-15) and Medical Equipment (-15).

<b>Table 5</b> <b>Berkshire Workforce Area Industry Employment Trends</b> <b>Manufacturing</b> <b>2014 Third Quarter - 2015 Third Quarter</b>					
Sector	Sector Title	Third Quarter Employment 2014	Third Quarter Employment 2015	Yr/Yr Employment Change	Yr/Yr Employment % Change
<b>31-33</b>	<b>Manufacturing</b>	<b>4,619</b>	<b>4,717</b>	<b>98</b>	<b>2.1</b>
311	Food and Beverage Manufacturing	138	144	6	-7.4
322	Paper Manufacturing	945	875	-70	1.7
323	Printing	378	363	-15	-4.0
326	Plastics Manufacturing	594	628	34	5.7
327	Stone, Glass, and Cement Manufacturing	659	777	118	17.9
332	Fabricated Metals Manufacturing	416	448	32	7.7
3355	Metalworking Machinery	231	198	-33	-14.3
3344	Semiconductors and Electronics	71	80	-9	12.7
<b>3391</b>	<b>Medical; Equipment Manufacturing</b>	<b>107</b>	<b>92</b>	<b>-15</b>	<b>-14.0</b>

Table 6 provides detailed information for Health and Social Assistance. This sector was a primary source of job growth between the third quarters of 2014 and 2015, adding 509 jobs, an increase of 4.2 percent. Each of the major sub sectors for which data are available, Ambulatory Health, Nursing and Residential Care and Social Assistance experienced employment gains. Unfortunately due to confidentiality restrictions, data were not published for Hospitals; preliminary estimates indicate that some growth did in fact occur in Hospitals.

Ambulatory Services grew modestly, adding 73 jobs. Declines among Physicians Offices (-53) were offset by small gains in Dental Offices (+35), Home Health Services (+25) and Outpatient Care Centers (+22).

With regard to Nursing and Residential Care, employment increased by nearly 200 jobs or 5.3 percent. Almost all of the growth occurred in Residential Mental Health Facilities (+195) with Elder Care Facilities expanding by 63 jobs. These gains more than made up for the loss of 18 jobs in Nursing Care Facilities.

The last sub sector, Social Assistance, generated 116 jobs, an increase of 5.3 percent. Most of the growth occurred among Individual and Family Services (+95) with a marginal increase in Child Care Services (10).

<b>Table 6</b> <b>Berkshire Workforce Area Industry Employment Trends</b> <b>Health Care and Social Assistance</b> <b>2014 Third Quarter-2015 Third Quarter</b>					
Sector	Sector Title	Third Quarter Employment 2014	Third Quarter Employment 2015	Yr/Yr Employment Change	Yr/Yr Employment % Change
<b>621-624</b>	<b>Health Care and Social Assistance</b>	<b>12,149</b>	<b>12,658</b>	<b>509</b>	<b>4.2</b>
621	Ambulatory Health Services	3,122	3,195	73	2.3
6211	Physicians' Offices	948	895	-53	-5.6
6212	Dentist Offices	480	515	35	7.3
6214	Outpatient Care Centers	434	456	22	5.1
6216	Home Health Care Services	809	834	25	3.1
622	Hospitals*	C	C	C	C
623	Nursing and Residential Facilities	3,764	3963	199	5.3
6231	Nursing Care Facilities	1,689	1,671	-18	-1.1
6232	Residential Mental Health Facilities	1,596	1,751	195	12.2
6233	Elder Care Facilities	479	542	63	13.1
624	Social Assistance	2,191	2,307	116	5.3
6241	Individual and Family Services	1,711	1,806	95	5.6
6244	Child Day Care Services	381	391	10	2.6

\*C=Data not available due to confidentiality

Table 7 reviews employment information for STEM related industries in Berkshire County between the third quarters of 2014 and 2015. The definition of STEM-related industries was developed by the U.S. Bureau of Labor Statistics (BLS).

Unfortunately the data presented in Table 7 are quite limited. There are two primary reasons for such limited information. First, a number of STEM Manufacturing industries do not have any employment in Berkshire County. Second, employment data for Pharmaceuticals, and Data Processing and Web Hosting are not available due to confidentiality restrictions. In addition, employment in the Pittsfield location of General Dynamics is not part of the industries included in the STEM definition and also not available due to confidentiality restrictions.

What remains, as reflected in Table 7, are three industries located in Professional and Technical Services (Engineering and Architectural Services, Computer Systems Design and Scientific Research and Development) and a minimal number of jobs in Software Development (16). Most of the employment resides in Engineering and Architecture Services where the number of jobs increased by 84 during the period under review to a level of 1,510. The increase helped offset a loss of 35 jobs in Computer Systems Design, which fell to a total of 120.

<b>Table 7</b> <b>Berkshire Workforce Area Industry Employment Trends</b> <b>STEM</b> <b>2014 Third Quarter-2015 Third Quarter</b>					
Sector	Sector Title	Third Quarter Employment 2014	Third Quarter Employment 2015	Yr/Yr Employment Change	Yr/Yr Employment % Change
<b>I.</b>	<b>Manufacturing</b>	<b>NA</b>	<b>NA</b>		
3341	Computer and Peripheral Equipment	0	0		
3342	Communication Equipment	0	0		
3345	Navigation and Control Instruments	0	0		
3254	Pharmaceuticals	NA	NA		
<b>II.</b>	<b>Information</b>				
5112	Software Publishers	16	16	0	0
518	Data Processing and Web Hosting	NA	NA		
<b>III.</b>	<b>Professional and Technical Services</b>	1,706	1,753	47	2.8
5413	Engineering and Architectural Services	1,426	1,510**	84	5.9
5415	Computer Systems Design	155	120	-35	-22.6
5417	Scientific Research and Development	125	123	-2	-1.6

**Note: 80 employees in NAICS 334 Semi Conductors; NA=Not available due to Confidentiality; General Dynamics not included : Likely classified in Transportation Equipment (Aerospace and Parts NAICS 3364. Data for 3364 not published due to confidentiality restrictions); \*\*Estimated**

Table 8 provides information on the Leisure and Hospitality sector, an especially important sector to Berkshire County. As Table 8 indicates, this sector fell by almost 300 jobs. All of the job loss in this sector occurred in Accommodation and Food Services (-311). More specifically, Food Services and Drinking Places shed 244 jobs while Accommodation declined by 45 jobs.

Small job growth, however, occurred in Arts, Entertainment and Recreation sector (+18). Job gains in the largest component of this sector, Amusement Parks and Recreation (87), offset a decline of 80 jobs in Performing Arts and Spectator Sports.

<b>Table 8</b> <b>Berkshire Workforce Area Industry Employment Trends</b> <b>Leisure and Hospitality</b> <b>2014 Third Quarter-2015 First Quarter</b>					
Sector	Sector Title	Third Quarter Employment 2014	Third Quarter Employment 2015	Yr/Yr Employment Change	Yr/Yr Employment % Change
	<b>Leisure &amp; Hospitality</b>	<b>10,705</b>	<b>10,413</b>	<b>-292</b>	<b>-2.7</b>
<b>71</b>	<b>Arts, Entertainment, and Recreation</b>	<b>2,402</b>	<b>2,420</b>	<b>18</b>	<b>0.8</b>
711	Performing Arts and Spectator Sports	783	703	-80	-10.2
712	Museums, Parks and Historical Sites	477	485	8	1.7
713	Amusement Parks and Recreation	1,141	1,228	87	7.6
<b>72</b>	<b>Accommodation and Food Services</b>	<b>8,303</b>	<b>7,992</b>	<b>-311</b>	<b>-3.7</b>
721	Accommodation	2,771	2,706	-65	-2.3
722	Food Service and Drinking Places	5,531	5,287	-244	-2.1

## SECTION V: ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS

Information on selected demographic and economic characteristics for Berkshire County and Massachusetts residents are provided in Table 9. This section describes some of the factors and associated insights that could assist economic workforce development professionals in developing strategies to address the needs of Berkshire County residents. The data included in Table 9 were obtained from the 2010-2014 American Community Survey (ACS).

As Table 9 indicates, Berkshire County has an older population when compared to Massachusetts, a factor that has been highlighted in recent reports. The proportion of Berkshire County residents who are 65 and older (19.7%) is well above the proportion of Massachusetts residents (14.3%) in this age group. Furthermore, nearly 10 percent of Berkshire County residents are at least 75 years old as compared to just under 7 percent for Massachusetts. Finally, the median age in Berkshire County (45.4) is more than five years older than for the entire commonwealth (39.3). The median age for both Berkshire County and Massachusetts continues to rise slowly but steadily.

The educational attainment of Berkshire County residents who are age 25 and over presents an unusual contrast when compared to Massachusetts. More specifically, on the lower end of the educational spectrum, Berkshire has a smaller share of High School dropouts but also a distinctly lower proportion of individuals with at least a Bachelor's Degree. The proportion of individuals in Berkshire County who are dropouts (9.4%) is below that of Massachusetts (10.4%). Conversely, the share of individuals in Berkshire County with at least a Bachelor's degree (31.3%) is significantly lower than their Massachusetts counterparts (40.0%). This difference also exists among those with a graduate degree (13.7% vs 17.4%). Among people with some college or an Associate's Degree, the Berkshire County share (27.2%) is well above that of their Massachusetts counterparts (24.0%).

The much lower proportion of individuals with at least a Bachelor's Degree presents a distinct disadvantage for Berkshire County in promoting STEM related industries and employers. At the same time, the larger share of Berkshire residents with some post-secondary education, including those with Associate Degrees, offers the potential for growing a pool of job candidates for STEM-related employment since the educational requirements are partially met. Also, if these residents continue with their education, the gap between Berkshire County and Massachusetts residents with at least a Bachelor's Degree will decrease.

**TABLE 9  
DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS  
BERKSHIRE WORKFORCE AREA AND MASSACHUSETTS  
2010-2014**

	Berkshires		Massachusetts	
	Number	Percent	Number	Percent
<b>Population By Age</b>				
Total	130,064	100.0	6,657,291	100.0
Under 5	5,821	4.5	-	5.5
5-19	22,615	17.4	-	18.7
20-24	8,307	6.4	-	7.3
25-44	27,697	21.3	-	26.3
45-54	19,982	15.3	-	15.1
55-64	20,028	15.4	-	12.8
<b>65+</b>	25,614	19.7	-	14.3
<b>75+</b>	12,452	9.6	-	6.8
<b>Median Age Years</b>		<b>45.4</b>		<b>39.3</b>
<b>Educational Attainment 25 years and older</b>				
Total 25+ Population	93,321	100.0	4,561,346	100.0
High School Dropout		9.4	-	10.4
High School Graduate		32.1	-	25.6
Some College ,or Associate Degree		27.2	-	24.0
Bachelor's Degree		17.6	-	22.6
Graduate Degree or Professional Degree		13.7	-	17.4
Bachelor's Degree or Higher		31.3	-	40.0
<b>Income and Earnings</b>				
Median Household Income	\$49,737	NA	\$67,846	NA
Median Earnings	\$33,688		\$44,926	
Less than High School Graduate	\$19,698		\$22,686	
High School Graduate	\$29,806		\$32,528	
Some College or Associate Degree	\$32,066		\$39,221	
Bachelor's Degree	\$41,904		\$56,708	
Graduate degree	\$54,789		\$73,350	
<b>Family Poverty Rates</b>				
Families below poverty level	-	9.5	-	8.3
Married Couples below poverty level	-	3.4	-	3.2
Female Householder with Children under 18	-	40.9	-	35.6
Female Householder with Children under 5	-	55.6	-	40.6
<b>Other Characteristics</b>				
Foreign Born	7,192	5.5	1,017,355	15.2
Self Employed	4,869	7.8	204,227	6.1

Source: 2010-2014 American Community Survey; NA= Estimate not available or not applicable



The median household income and median earnings (2014) continue to be significantly lower in Berkshire County than in Massachusetts as a whole. Specifically, the median household income in Berkshire County (\$49,137) is more than \$18,000 lower than the Massachusetts median household income (\$67,846). This represents a slight improvement from the recent past (as reported in the December 2014 report) where the gap was over \$19,000.

Table 9 also includes information on median earnings by educational attainment for individuals 25+ in Berkshire County and Massachusetts. The data reflect the overall difference between Berkshire County and Massachusetts as well as the differences by level of education. While the gap is relatively small among High School graduates in Berkshire County (\$29,806) as compared to Massachusetts (\$32,528), it widens considerably with higher levels of education. More specifically, those with a Bachelor's Degree in Berkshire County had median earnings of \$41,904 as compared to those with Bachelor's Degrees in Massachusetts (\$56,708) as a whole. The gap was even larger for those who had a graduate degree (\$54,789 vs \$73,350).

The Family Poverty Rate in Berkshire County (9.5%) is higher than for Massachusetts (8.3%) as a whole. These proportions represent an increase in the poverty rate of 0.5 percent for both the region and the state since the December 2014 report and these rates are consistent with other prominent evidence of the growing income inequality during the current economic recovery.

Married Couple Families continue to have substantially lower poverty rates (than the overall Family Poverty Rate) in both Berkshire County (3.4%) and Massachusetts (3.2%). This is in sharp contrast to Female Headed Families with Children under 18 (40.9% in Berkshire and 35.6% in Massachusetts). Perhaps of greater significance are the households with children under 5 who are experiencing the highest poverty rates of all (55.6% in Berkshire County and 40.6% in Massachusetts).

Among the other noteworthy demographic characteristics provided in Table 9 are residents who are foreign born; the rate is much lower in Berkshire County (5.5%) than state-wide (15.2%). These shares are higher than those reported in the December 2014 report of 4.8 percent and 14.8 percent respectively. Finally, Berkshire County has a higher proportion of self-employed individuals (7.8%) as compared to Massachusetts (6.1%).

## **SUMMARY**

In summary, the Berkshire County labor market continues to show modest but steady improvement with declining unemployment and increasing job gains across a variety of sectors, especially in Construction, Durable Goods Manufacturing, and Health and Social Assistance. In addition, all 3 sub areas including Pittsfield, Great Barrington and North Adams have shown improvement in their unemployment conditions. At the same time, Berkshire County continues to lag behind the entire Commonwealth with regard to reducing unemployment and increasing job growth.

The sharp decline in the Leisure and Hospitality sector, particularly Accommodation and Food Services, should be monitored, especially in light of the overall improvement in job growth. Typically, this sector expands when total job growth expands. There may be some structural issues that have inhibited job growth in this important sector.

From an economic development perspective, several demographic characteristics continue to pose challenges for workforce development and economic policy makers. The older population relative to the Massachusetts population as a whole, along with a much smaller proportion of adults with a Bachelor's Degree, make it more difficult to attract employers and high end industries, including STEM that can sustain job growth and economic vitality. These disadvantages can, however, be offset, at least in part, by the lower cost of living, especially housing costs. This affordability factor could serve as a hook to individuals and families being squeezed out of the high cost areas such as Eastern Massachusetts and metropolitan New York.