

A Jobs and Growth Strategy for Cities and Towns

BY CHRISTOPHER ROBBINS

Massachusetts communities can no longer rely on state or federal aid to fill their budget gaps. If communities want to enjoy the benefits of a robust economy, each municipality must become a high-performing, self-reliant economic engine operating on four cylinders: residential, business, public sector and nonprofit. Each cylinder represents an indispensable component of the local and regional economy, employing thousands and fueling millions of dollars of activity through wages, the purchase of goods and services, and the payment of taxes.

Governor Deval Patrick's Economic Development Policy and Strategic Plan, *Choosing to Compete in the 21st Century*, recommends that each municipality have a "CEO" and team to create and implement an economic development plan for job growth. Cities and towns must learn to take advantage of economic development opportunities and tax revenues. They must understand how to create the optimum number of local jobs, and how their municipal metrics determine their economic well-being. They must know their industry clusters, especially which ones are thriving or struggling, and the decision makers at those enterprises who pay taxes and create jobs. In short, each municipality must take responsibility for its own economic fate.

Many municipalities are forming economic development corporations or committees to encourage new business establishments, developing supportive customer service policies, and providing predictable regulatory processes that are committed to respecting developers and residents. TechSandbox, an incubation center for technology and science startups, moved to Hopkinton after selectmen voted to waive building permit fees and explore a special tax deal—the kind of public-private partnership that is key to supporting small business, creating new jobs for the innovation economy, and encouraging growth. Marlborough formed an Economic Development Corporation that works with municipal and private investors to create jobs and revitalize the community (see story, page 10). The cities of Cambridge and Somerville implemented Buy Local First programs to support sustainable local economies and vibrant communities.

Christopher Robbins is a member of the Economic Development Committee of Southborough and serves on the Board of Directors of the Corridor Nine Chamber of Commerce.

Three-Step Process

To understand how the various components influence our municipal and regional economies, cities and towns can design and implement a three-step process.

STEP 1: Develop your municipality's economic profile. Include an appropriate set of metrics, and then examine their historical performance. Examples of these metrics include payroll data from local employers; the tax base and rates; commercial land available; office and retail vacancies; school budgets and per-pupil expenditures; housing starts and trends; municipal revenues; cost-of-living measures; number of employers by sector; job statistics; and population trends and demographics. With this information, a municipality can better understand how its local economy works—its strengths, weaknesses and hidden potential.

An excellent source for data relating to economic conditions is Framingham State University's MetroWest Economic Research Center. *MassBenchmarks*, published by the UMass Donahue Institute in cooperation with the Federal Reserve Bank of Boston, provides information concerning the performance of and prospects for the state's economy, which gives a context for local economies.



STEP 2: Develop an economic portrait of your primary industry and small business clusters. This portrait should include nonprofits.

In Worcester, Southborough and Cambridge, for example, nonprofits are major employers, and they have a significant influence on the performance of a municipality's economy. Do not forget to track and support the DBA (doing business as) companies, too. They are potential incubators for larger enterprises, new jobs and growing your municipality's economy. Additional industry possibilities may include manufacturing, software, medical devices, finance, education, health care, information technology, tourism (leisure/hospitality), the public sector, construction, legal, retail, professional and business services. The economic portrait will provide a wealth of information and assist municipal leaders to answer three questions:

1. How do we support local businesses and nonprofits?
2. What industries should we strive to retain or attract?

3. Are we too dependent on any particular industry? If so, how might that dependence be a problem or strength for encouraging job growth?

Only a diverse business base can help municipalities survive economic storms and capitalize on opportunities during prosperous times.

Certain metrics can be highlighted within industry clusters, such as number of local employees, top employers, income data, products and services made or provided locally, economic outlook for each sector, and contact information for business and nonprofit leaders. Outreach then becomes possible. Southborough's Economic Development Committee schedules meetings monthly with business and nonprofit leaders to learn how the town can help them prosper.

MIT developed a Community Economic Development Tool Box, where one can view profiles of economic indicators by county and compare the profiles to state and national data. The website, mass.gov/

[lwd/economic-data](#) (click on Municipal Data under Other Resources), and municipal tax rolls are good sources for identifying local businesses.

STEP 3: Create and communicate your action plan to interested parties.

Assemble and interpret your municipal financial data and trends. Integrate your economic profile, portrait information, and economic development action plan into the annual municipal budget process. Review of this information can be useful in determining the best opportunities and planning next steps for job creation and growth.

Armed with data, cities and towns can also explore opportunities to create public-private partnerships to reduce the cost of government and improve the delivery of core services.

Officials committed to job growth and economic well-being must come forward in each municipality and lead in a way that will help ensure our fiscal sustainability and quality of life. 🌱