



**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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March 2017

## 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 between the second quarters of 2015 and 2016 as well as labor force data from the fourth quarters of 2015 and 2016, including both 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 2015 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. The second section of the report reviews employment by firm size and the third section examines recent wage trends by broad industry group.

A comprehensive look at industry trends is provided in the fourth section and includes both the broad industry level and detailed level for key industry clusters in Berkshire County. The key industry sectors reviewed in this section are **Manufacturing, Health Care and Social Assistance, Professional and Technical Services, and Leisure and Hospitality**. Understanding recent industry trends should assist the workforce development system in determining the types of occupational opportunities that may be available for Berkshire County residents. This is especially relevant as some findings in this report indicate a real tightening of the labor market. 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 2010-2015 periods. The demographic review is taking on greater importance since this review will identify population groups that can help employers meet their hiring needs in light of challenging labor market conditions.

## **SECTION I: UNEMPLOYMENT AND LABOR FORCE ESTIMATES**

The unemployment estimates for Berkshire County and its sub-areas between the fourth 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 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 dramatic improvement in both the number of unemployed residents and the unemployment rate during the period under review. Specifically, The Berkshire County unemployment rate fell from 5.2 percent to 3.1 percent, while the number of unemployed residents fell by 1,354 from a level of 3,372 to a level of 2,018. During this same period, the Massachusetts unemployment rate dropped from 4.5 percent to 2.7 percent. Perhaps of more significance, the number of unemployed residents in Massachusetts declined from 160,700 to 96,500, a difference of 64,200 people. These rates for both Berkshire County and Massachusetts are the lowest since early 2000.

Limited labor force growth can further exacerbate hiring difficulties and ultimately constrain employment and economic growth. Due to limitations related to sample size, Table 1 includes Labor Force estimates for Berkshire County and Massachusetts but not for the sub-areas. As the labor force estimates in Table 1 indicate, modest growth occurred in Massachusetts with 25,700 additional residents entering the labor force (0.7%). More concerning is the contraction of the Berkshire labor force by 806 residents, a decrease of 1.2 percent.

As Table 1 indicates, unemployment conditions improved markedly throughout Berkshire County. The Pittsfield New England City and Town Area (NECTA) experienced a decline in the unemployment rate from 5.3 percent to 3.3 percent, representing 912 fewer unemployed residents relative to a year earlier.

The North Adams NECTA, while lagging slightly, also registered a sharp reduction from 6.1 percent to 3.7 percent, the largest decline of the three sub regions in Berkshire County. During this period, the number of unemployed residents fell from 655 to 380, a difference of 275 people. The Great Barrington LMA continues to have the lowest unemployment rate in Berkshire County falling from 3.9 percent to 2.4 percent; there are just 256 unemployed residents in the area

The major takeaway from this section is that labor market conditions in Berkshire County are extremely tight and employers are facing conditions they have not seen in over 15 years. Addressing labor force contraction will require increased attention by policy makers, educators and workforce development professionals.

<b>TABLE 1 UNEMPLOYMENT ESTIMATES FOR THE BERKSHIRE WIA AND SUB-AREAS 2015 FOURTH QUARTER-2016 FOURTH QUARTER</b>					
	<b>Berkshire WIA</b>	<b>Pittsfield NECTA</b>	<b>North Adams NECTA</b>	<b>Great Barrington LMA</b>	<b>Mass</b>
Unemployed 4th Quarter 2015	3,372	2,294	655	423	160,700
Unemployed 4th Quarter 2016	2,018	1,382	380	256	96,500
Absolute Change	-1,354	-912	-275	-167	-64,200
Unemployment Rate 4th Quarter 2015	5.2	5.3	6.1	3.9	4.5
Unemployment Rate 4th Quarter 2016	3.1	3.3	3.7	2.4	2.7
Rate Change	-2.1	-2.0	-2.4	-1.5	-1.8
Labor Force 4th Quarter 2015	65,152	-	-	-	-
Labor Force 4th Quarter 2016	64,346	-	-	-	-
Absolute Change	-806	-	-	-	25,700
Percent Change	-1.2	-	-	-	0.7

Note: Data are not seasonally adjusted

Source: Massachusetts Department of Labor and Workforce development

## **SECTION II: ESTABLISHMENTS AND EMPLOYMENT BY SIZE**

Section II presents the distribution of employment by establishment size. The purpose of this section is two-fold. The first is to better understand the relationship between size of the firm and the number of employees. The second purpose is to identify differences the size of firms between Berkshire County and Massachusetts.

While there is no consensus definition of a small business, for the purpose of this report a small business establishment with fewer than 20 employees will be used as the definition. The contrast between small employers as a share of all employers when compared to their overall share of employment is quite striking. Firms with fewer than 20 employees comprise 88.1 percent of all establishments in Massachusetts and 88.8 percent in Berkshire County. However, these small business firms account for 22.9 percent of all jobs in Massachusetts compared to 30.4 percent in Berkshire County. Intermediate size employers (20-99) in Massachusetts and Berkshire County are comparable in terms of the number of jobs. The intermediate size employers comprise just fewer than 10 percent of all establishments in Massachusetts and Berkshire County but provide approximately 30 percent of all jobs.

At the other end of the spectrum, establishments with at least 250 employees represent less than 1 percent of all establishments in Massachusetts and in Berkshire County but represent one third (32.6%) of all jobs in the Commonwealth and 23.3 percent in Berkshire County. Firms with 100-249 employees are less than 2 percent of all establishments but represent 1 in 6 jobs in both Massachusetts and Berkshire County. Thus, while small employers represent the largest share of business establishments in both the state and in Berkshire County, the larger firms (100+) possess significant employer shares. with nearly half in Massachusetts and 40 percent in Berkshire County.

It is likely that the hiring and retention issues vary by employer size and understanding these differences can help address employer hiring and skill needs. Berkshire County is different from Massachusetts (and most work force areas) as they have more employment concentrated among smaller firms with fewer than 20 employees. As a result, addressing the needs of small employers in Berkshire County warrants more focused attention relative to other regions in the Commonwealth.

**TABLE 2**  
**ESTABLISHMENTS AND EMPLOYMENT BY SIZE**  
**MASSACHUSETTS AND BERKSHIRE WORKFORCE AREA**  
**MARCH 2016**

Description	Number of Establishments	Percent	Employment	Percent
<b>MASSACHUSETTS</b>				
Number of Employees				
0 to 19	213,883	88.1	783,637	22.9
20-to 99	23,689	9.7	957,956	28.0
100 to 249	3,764	1.5	565,256	16.5
250 to 499	937	0.4	323,196	9.5
500+	631	0.3	787,596	23.1
Totals	242,904	100.0	3,417,641	100.0
<b>BERKSHIRE WORKFORCE AREA</b>				
0 to 19	4,498	88.8	18,283	30.4
20 to 99	476	9.4	18,148	30.1
100 to 249	69	1.3	9,744	16.2
250 to 499	18	.4	6,517	10.8
500 +	6	.1	7,505	12.5
Totals	5,067	100.0	60,197	100.0

### **SECTION III: INDUSTRY WAGE TRENDS**

Table 3 provides information on average weekly wage trends between 2015 second quarter and 2016 second quarter by major sector for Berkshire County. In light of the tightening labor market, a review of wages could potentially shed some insight into how employers are responding to changing labor market conditions. It should be noted that the average wage is derived by 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.

Table 3 indicates average weekly wages in Berkshire County increased by \$42 or 5.2 percent as compared to \$21 in Massachusetts or 1.7 percent. The increase in Berkshire County suggests that employers in Berkshire County, at least in some industries, have recognized the need to raise wages in order to attract and retain workers. At the same time, the average weekly wage in Berkshire County of \$843 is well below the statewide average of \$1,232.

The most striking finding in Table 3 is the wage gains posted in Manufacturing, specifically in Durable Goods. Average weekly wages in Manufacturing increased by \$177 or 14.5 percent. More strikingly, Durable Goods increased by \$419 or nearly 40 percent, a truly remarkable figure. One possible explanation of this increased average wage in Berkshire County is that employees worked significant amounts of overtime. It also should be noted that wages in Non Durable Goods fell by \$20 or -1.5 percent.

With the exception of Financial Services (-\$78) and Utilities (-\$108) all of the other sectors posted wage gains. Among key sectors, Professional and Technical Services posted an increase of \$92 (7.3%) while more modest gains (\$22 or 2.6%) were registered in the region's largest sector, Health Care and Social Assistance. In percentage terms, solid increases occurred in both Accommodation and Food Services (7.0%) and Retail Trade (6.7%) although the respective absolute gains of \$25 and \$35 were modest. Given that both of these sectors employ large numbers of part time workers, it is difficult to determine if these gains were related to wage increases as opposed to more hours of work.

**TABLE 3**  
**BERKSHIRE WORKFORCE AREA**  
**ANNUAL WEEKLY WAGES (2 DIGIT NAICS)**  
**2015 2<sup>ND</sup> QUARTER TO 2016 2<sup>ND</sup> QUARTER**

BERKSHIRE WORKFORVCE AREA	2015 2 <sup>ND</sup> Quarter	2016 2 <sup>nd</sup> Quarter	Absolute Change	Percent Change
<b>Total, All Industries</b>	<b>\$801</b>	<b>\$843</b>	<b>\$42</b>	<b>5.2</b>
23- Construction	\$983	\$1,002	\$19	0.2
31-33- Manufacturing	\$1,233	\$1,410	\$177	14.5
Durable Goods	\$1,061	\$1,480	\$419	39.5
Non-Durable Goods	\$1,373	\$1,353	-\$20	-1.5
22- Utilities	\$1,633	\$1,525	-\$108	-6.6
42- Wholesale Trade	\$962	\$1,010	\$48	5.0
44-45- Retail Trade	\$520	\$555	\$35	6.7
48-49- Transportation and Warehousing	\$711	\$721	\$10	1.4
51- Information	\$812	\$821	\$9	1.2
52- Finance and Insurance	\$1,421	\$1,343	-\$78	-5.5
53- Real Estate and Rental and Leasing	\$682	\$723	\$41	6.0
54- Professional and Technical Services	\$1,268	\$1,360	\$92	7.3
56- Administrative and Waste Services	\$720	\$733	\$13	1.8
61- Educational Services	\$911	\$946	\$35	3.8
62- Health Care and Social Assistance	\$856	\$877	\$22	2.6
71- Arts, Entertainment, and Recreation	\$516	\$534	\$18	3.5
72- Accommodation and Food Services	\$357	\$382	\$25	7.0
81- Other Services, Ex. Public Admin	\$527	\$549	\$21	4.0
92- Public Administration	\$850	\$904	\$54	6.3
<b>MASSACHUSETTS</b>	<b>\$1,209</b>	<b>\$1,232</b>	<b>\$21</b>	<b>1.7</b>
<b>Berkshire/Massachusetts</b>	<b>66.2</b>	<b>68.4</b>		



## **SECTION IV: INDUSTRY EMPLOYMENT TRENDS**

This section of the report provides both broad industry trends (Table 4) and detailed industry trends (Tables 5 – 8) for key sectors in Berkshire County, including Manufacturing, Health and Social Services, Professional and Technical Services, and Leisure and Hospitality. The period between 2015 Second Quarter and 2016 Second Quarter is reflected in each Table.

Table 4 provides industry employment trends for Berkshire County by major Industry sector. During the period under review, employment in Berkshire County fell by 93 jobs or -0.2 percent. In contrast, Massachusetts added 55,232 jobs, an increase of 1.6 percent.

Before reviewing specific industries, the apparent disconnect between historically low unemployment rates in Berkshire County and the small reported job loss must be addressed. Lacking hard evidence, a few possible explanations are offered. To begin, the unemployment estimates are through the fourth quarter of 2016 as compared to the jobs data which is through second quarter of 2016. A clearer picture will emerge once the jobs data for the fourth quarter become available.

A second possible explanation is that the jobs data include only wage and salary employment and do not include contract work or self-employment. Thus, some improvement in the labor market conditions captured in the household survey, which measures labor force participation and unemployment levels, may be related to the inclusion of contract and self-employed workers.

A third possibility is that as the labor force has contracted, (see Table 1); employers are unable to fill positions that become available due to replacement and turnover. This could result in a firm's employment levels declining temporarily until suitable replacements can be found and hired.

The major source of job loss during the period under review was Retail Trade which lost 390 jobs or -4.5 percent. A significant employment decline was also reported in Educational Services (-293). Job losses were also registered in Accommodation and Food Services (-77) and Information (-69).

Despite the substantial wage gains reported earlier in this report, Manufacturing fell by 57 jobs with almost the entire decline in Non-Durable Goods. Employment in Durable Goods was essentially flat.

**Table 4**  
**Berkshire Workforce Area Industry Employment Trends**  
**Major Industry Sector**  
**2015 Second Quarter-2016-Second Quarter**

Sector	Sector Title	Second Quarter Employment 2015	Second Quarter Employment 2016	Yr/Yr Employment Change	Yr/Yr Employment % Change
	Total Employment	61,781	61,688	-93	-0.2
23	Construction	3,129	3,205	76	2.4
31-33	Manufacturing	4,702	4,645	-57	-1.2
	Durable Goods	2,119	2,112	-7	-0.3
	Non Durable Goods	2,583	2,532	-51	-2.0
22	Utilities	293	306	6	0.2
42	Wholesale Trade	1,006	1,040	34	3.4
44-45	Retail Trade	8,596	8,206	-390	-4.5
48-49	Transportation and Warehousing	1,128	1,150	22	2.0
51	Information	866	797	-69	-8.0
52	Finance and Insurance	1,833	1,987	154	8.4
53	Real Estate and Rental and Leasing	535	555	20	3.7
54	Professional, Scientific, Technical Services	2,609	2,740	131	5.0
56	Admin Support, Waste Mgt,	2,240	2,242	2	0.1
61	Educational Services	8,002	7,709	-293	-3.7
62	Health Care and Social Assistance	12,610	12,802	192	1.5
71	Arts, Entertainment, and Recreation	1,857	1,858	1	0.1
72	Accommodation and Food Services	7,157	7,080	-77	-1.1
81	Other Services	2,179	2,237	58	2.6
92	Public Administration	2,521	2,598	77	3.1

**Note.** During this same period, the number of jobs in Massachusetts increased by 55,232 or 1.6%

Three industry sectors accounted for most of the employment gains in Berkshire County and included Health Care and Social Assistance (+192), Finance and Insurance (+154) and Professional and Technical Services (+131). It should be noted that the growth rate in Health Care and Social Assistance (1.5%) has slowed when compared to the past several years. Smaller gains were posted in Public Administration (+77), Construction (+76), Other Services (+58), Wholesale Trade (+34) and Transportation and Warehousing (+22).

Table 5 provides detailed trends for the Manufacturing sector in Berkshire County. Between the second quarters of 2015 and 2016, the number of Manufacturing jobs fell by 57 jobs or -1.3 percent.

Although a small industry in Berkshire County, Metal Working Machinery lost 50 jobs which represented one quarter of the employment base. This industry employs large numbers of skilled machine workers including machinists and tool and die makers. Fabricated Metals also shed 40 jobs (-8.5%) with Paper Manufacturing, the largest manufacturing industry in Berkshire County falling by 33 jobs. Smaller losses were reported in Medical Equipment (-29), Plastics (-6) and Printing (-5)

The bright spot in Manufacturing was Stone, Glass and Cement. This industry added just over 100 jobs, representing a growth rate of 14.0 percent. Food and Beverage Manufacturing also grew, expanding by 10 jobs or 7.5 percent.

<b>Table 5</b> <b>Berkshire Workforce Area Industry Employment Trends</b> <b>Manufacturing</b> <b>2015 Second Quarter - 2016 Third Quarter</b>					
Sector	Sector Title	Second Quarter Employment 2015	Second Quarter Employment 2016	Yr/Yr Employment Change	Yr/Yr Employment % Change
<b>31-33</b>	<b>Manufacturing</b>	4,702	4,645	-57	-1.2
311	Food and Beverage Manufacturing	134	144	10	7.5
322	Paper Manufacturing	881	848	-33	-3.7
323	Printing	368	363	-5	-1.4
326	Plastics Manufacturing	640	634	-6	-1.0
327	Stone, Glass, and Cement Manufacturing	728	830	102	14.0
332	Fabricated Metals Manufacturing	468	428	-40	-8.5
3355	Metalworking Machinery	201	161	-40	-25.0
3344	Semiconductors and Electronics	78	78	0	-
<b>3391</b>	Medical; Equipment Manufacturing	100	71	-29	-29.0

Table 6 provides detailed information for Health Care and Social Assistance. Between the second quarters of 2015 and 2016, the number of jobs in this sector increased by 192 or 1.5 percent. Unfortunately, due to confidentiality restrictions, data were not published for Hospitals; preliminary estimates indicate that some modest growth occurred in Hospitals.

Ambulatory Services shed 50 jobs with the decline occurring almost entirely in Home Health Services (-64). Employment was essentially unchanged among Physicians Offices, Dental Offices, and Outpatient Care Centers.

Among the Nursing and Residential Care sub-sectors, employment increased by 93 jobs or 2.4 percent. Job gains in Residential Mental Health Facilities (+68) and Elder Care Facilities (+44) more than made up for the loss of 19 jobs in Nursing Care Facilities. The last sub sector, Social Assistance, generated 50 jobs, an increase of 2.2 percent. The largest component, Individual and Family Services, added 16 jobs with marginal gains posted in Emergency Relief Services (+5) and Child Care Services (+4).

<b>Table 6</b> <b>Berkshire Workforce Area Industry Employment Trends</b> <b>Health Care and Social Assistance</b> <b>2015 Second Quarter-2016 Third Quarter</b>					
Sector	Sector Title	Second Quarter Employment 2015	Second Quarter Employment 2016	Yr/Yr Employment Change	Yr/Yr Employment % Change
<b>621-624</b>	<b>Health Care and Social Assistance</b>	<b>12,610</b>	<b>12,802</b>	<b>192</b>	<b>1.5</b>
621	Ambulatory Health Services	3,182	3,132	-50	-1.6
6211	Physicians' Offices	885	889	4	0.4
6212	Dentist Offices	503	505	2	0.4
6214	Outpatient Care Centers	485	483	2	0.4
6216	Home Health Care Services	827	763	-64	-7.7
622	Hospitals*	C	C	C	C
623	Nursing and Residential Facilities	3,929	4,022	93	2.4
6231	Nursing Care Facilities	1,692	1,673	-19	-1.1
6232	Residential Mental Health Facilities	1,733	1,801	68	3.9
6233	Elder Care Facilities	504	548	44	8.7
624	Social Assistance	2,306	2,356	50	2.2
6241	Individual and Family Services	1,796	1,812	16	0.9
6242	Emergency Relief Services	72	77	5	7.0
6243	Vocational Rehab Services	NA	59	NA	NA
6244	Child Day Care Services	412	408	4	-1.0

\*C=Data not available due to confidentiality

Table 7 provides employment information for Professional and Technical Services in Berkshire County between the second quarters of 2015 and 2016. During this period the number of jobs increased by 131 or 5.0 percent. The job gains were concentrated in the largest component, Engineering and Architecture Services, where 144 jobs were added. It should be noted that Engineering and Architecture Services accounts for almost 60 percent of Professional and Technical Services employment in Berkshire County.

The second largest component Accounting Services fell by 26 jobs while Scientific Research and Development lost 40 jobs. On the positive end, Management and Technical Services increased employment by 20 jobs. The remaining components, Specialized Design Services, Computer Systems Design and Legal Services, all had minimal employment changes.

<b>Table 7</b> <b>Berkshire Workforce Area Industry Employment Trends</b> <b>Professional and Technical Services</b> <b>2015 Second Quarter-2016 Second Quarter</b>					
Sector	Sector Title	Second Quarter Employment 2015	Second Quarter Employment 2016	Yr/Yr Employment Change	Yr/Yr Employment % Change
5411	<b>Professional and Technical Services</b>	2,609	2,740	131	5.0
5411	Legal Services	262	259	-3	-1.1
5412	Accounting Services	300	274	-26	-8.7
5413	Engineering and Architectural Services**	1,426	1,570	144	10.1
5414	Specialized Design Services	47	52	5	10.6
5415	Computer Systems Design	128	134	6	4.5
5416	Management and technical Consulting	88	108	20	22.7
5417	Scientific Research and Development	107	67	-40	-37.6

**\*\* Engineering and Architecture Services estimated for 2015 Second Quarter**

Table 8 provides information on the Leisure and Hospitality sector which is a critical component of the Berkshire County economy and accounts for 1 in 7 (14.4%) jobs in Berkshire. As Table 8 indicates, between the second quarters of 2015 and 2016 this sector lost 76 jobs, with the loss concentrated in Accommodation and Food Services. More specifically, Accommodation shed 45 jobs while 32 jobs were lost in Food Services.

Within the Arts, Entertainment and Recreation component, gains in Performing Arts and Spectator Sports (+37) and Museums Parks and Historical Sites (+21) cancelled out the loss of 57 jobs in Amusement Parks and Recreation

<b>Table 8</b> <b>Berkshire Workforce Area Industry Employment Trends</b> <b>Leisure and Hospitality</b> <b>2015 Second Quarter-2016 Second Quarter</b>					
Sector	Sector Title	Second Quarter Employment 2015	Second Quarter Employment 2016	Yr/Yr Employment Change	Yr/Yr Employment % Change
<b>71 72</b>	<b>Leisure &amp; Hospitality</b>	<b>9,014</b>	<b>8,938</b>	<b>-76</b>	<b>-0.8</b>
<b>71</b>	<b>Arts, Entertainment, and Recreation</b>	<b>1,857</b>	<b>1,858</b>	<b>1</b>	<b>0.1</b>
711	Performing Arts and Spectator Sports	408	445	37	9.1
712	Museums, Parks and Historical Sites	428	449	21	4.9
713	Amusement Parks and Recreation	1,020	963	-57	-5.6
<b>72</b>	<b>Accommodation and Food Services</b>	<b>7,157</b>	<b>7,080</b>	<b>-77</b>	<b>-1.1</b>
721	Accommodation	2,231	2,186	-45	-2.1
722	Food Service and Drinking Places	4,926	4,894	-32	-0.6

## **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 2010-2015 American Community Survey (ACS).

With regard to the information presented in Table 9 little has changed from previous reports issued by the Berkshire REB. An older population when compared to Massachusetts continues to characterize Berkshire County. The proportion of Berkshire County residents who are 65 and older (20.3%) is well above the proportion for Massachusetts residents (14.7%) 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 (45.8) is now 5.5 years older than for the entire Commonwealth (39.3).

One piece of information that has not appeared in previous reports is the Labor Force Participation Rate (LFPR). This rate measures the total number of residents 16+ that are either employed or unemployed but looking and immediately available to take a job. The LFPR in Berkshire County of 62.1 percent is considerably lower than the statewide rate of 67.5 percent. The lower LFPR for Berkshire in conjunction with a declining population is a major contributor to the lack of labor force growth. Identifying ways to increase the LFPR could at least partially address the current tightness in the labor market and facilitate the ability of employers to fill existing job openings.

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 (10.2%). Conversely, the share of individuals in Berkshire County with at least a Bachelor's degree (31.4%) is significantly lower than their Massachusetts counterparts (40.5%). This difference also exists among those with a Graduate Degree (13.8% vs 17.7%). Among people with some college or an Associate's Degree, the Berkshire County share (27.4%) is well above that of their Massachusetts counterparts (23.9%).

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 higher level professional and technical 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 could decrease. It would also appear, however, that strategies to attract new residents to Berkshire County in order to help grow the labor force must also be part of an overall economic development strategy.

Table 9 includes information on median earnings by individuals who are 25+ years old in Berkshire County and Massachusetts. While a gap exists at all levels of educational attainment, it is most pronounced at the Bachelor's and Graduate Degree levels. Specifically, those with a Bachelor's Degree in Berkshire County had median earnings of \$41,174 which was nearly \$16,000 lower than their statewide counterparts (\$57,029). The earnings gap was slightly larger at the graduate degree level with Berkshire County median earnings of \$56,614 compared to Massachusetts median earnings of \$73,315, a difference of \$16,701.

The Family Poverty Rate in Berkshire County (9.7%) continues to exceed the statewide rate (8.2%). Poverty rates among Married Couple Families remain quite low (3.6% in Berkshire County, 3.2% in Massachusetts). Conversely, Family Poverty rates are most acute among Female Headed Households with Children under 18. The respective rates for Berkshire County and Massachusetts are 41.1 percent and 35.6 percent, respectively.

Foreign Born residents make up a much larger share of the Massachusetts population (15.5 percent) when compared to Berkshire County (5.6 percent). At the state level this number is quite significant, representing just over 1 million residents. An interesting finding is that a nearly identical share (just over one half) of the foreign born population in Berkshire County and Massachusetts are naturalized citizens.

The last finding continues to show that the self-employed in Berkshire County are a slightly larger component of the working population (7.8%) when compared to Massachusetts (6.1%).



**TABLE 9  
DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS  
BERKSHIRE WORKFORCE AREA AND MASSACHUSETTS  
2010-2015**

	Berkshires		Massachusetts	
	Number	Percent	Number	Percent
<b>Population By Age</b>				
Total	129,288	100.0	6,705,586	100.0
Under 5	5,690	4.4	-	5.5
5-19	22,108	17.1	-	18.5
20-24	8,376	6.5	-	7.3
25-44	27,199	21.0	-	26.3
45-54	19,490	15.1	-	14.9
55-64	20,337	15.3	-	13.0
<b>65+</b>	26,088	20.3	-	14.7
<b>75+</b>	12,314	9.6	-	6.7
<b>Median Age Years</b>		<b>45.8</b>		<b>39.3</b>
<b>Labor Force Participation Rate</b>		<b>63.1</b>		<b>67.5</b>
<b>Educational Attainment 25 years and older</b>				
Total 25+ Population	93,114	100.0	4,610,510	100.0
Less than High school Graduate		9.3	-	10.2
High School Graduate		31.8	-	25.4
Some College ,or Associate Degree		27.4	-	23.9
Bachelor's Degree		17.6	-	22.8
Graduate Degree or Professional Degree		13.8	-	17.7
Bachelor's Degree or Higher		31.4	-	40.5
<b>Median Earnings</b>				
Median Earnings	\$33,935		\$45,311	
Less than High School Graduate	\$20,142		\$23,412	
High School Graduate	\$30,346		\$32,237	
Some College or Associate Degree	\$31,547		\$38,951	
Bachelor's Degree	\$41,174		\$57,029	
Graduate degree	\$56,614		\$73,315	
<b>Family Poverty Rates</b>				
Families below poverty level	-	9.7	-	8.2
Married Couples below poverty level	-	3.6	-	3.2
Female Householder with Children under 18	-	41.7	-	35.6
<b>Other Characteristics</b>				
Foreign Born	7,191	5.6	1,038,127	15.5
Foreign Born, Naturalized Citizen/Share	3,725	51.8	538,588	51.9
Self Employed	4,869	7.8	204,227	6.1

Source: 2010-2015 American Community Survey; NA= Estimate not available or not applicable

## **SUMMARY**

In summary, the Berkshire County labor market has tightened considerably in the past year. Unemployment rates have reached 15 year lows throughout the region and have fallen below 4.0 percent. This includes North Adams which has consistently been the most challenged sub-area in the county.

Despite the overall improvement in the labor market, areas of concern persist. Both labor force and job growth in Berkshire County did not occur in the past year. In addition, the overall labor force participation rate is more than 4 percentage points below that of the entire Commonwealth and these characteristics plus the much older population all serve as potential constraints on economic growth. Furthermore, job losses in Retail Trade and Educational Services were especially acute and should be carefully monitored.

At the same time, the past year was marked by some very positive developments. Job gains were posted in the key sectors of Health care and Social Assistance, Professional and Technical Services and Finance and Insurance while the average wage increased by 5 percent compared to just over 1 percent in the Commonwealth. Wage growth in Durable Goods Manufacturing was especially pronounced, a sign that employers are responding to changing labor market conditions.

From an education and training perspective, an above average pool of workers with some post-secondary education below the Bachelor's Degree level offers the potential to upgrade the skills of the Berkshire County labor force. Narrowing the gap with regard to the lower proportion of individuals with Bachelor's or Graduate degree relative to Massachusetts would help facilitate the growth of higher paying Professional and Technical jobs throughout the region.