

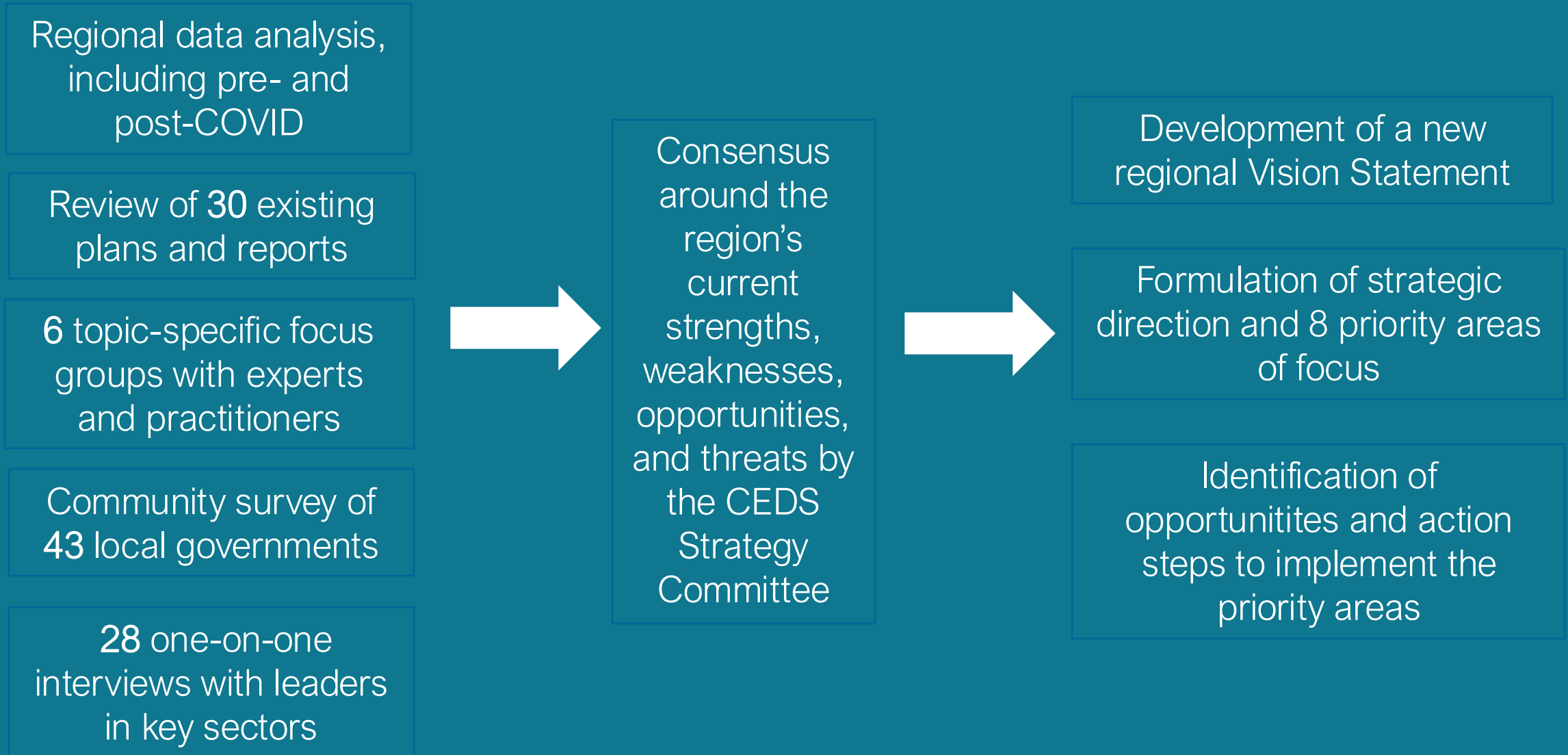
BUILDING AN ECONOMY THAT WORK\$ FOR EVERYONE

2024-2029
Comprehensive
Economic
Development
Strategy (CEDS)

WHAT IS A CEDS? WHY DOES IT MATTER FOR OUR REGION?

- 5-year strategic plan for regional economic development that gives us a realistic, unvarnished understanding of the regional economy
- Opportunity to come together as a region to frame and advance the region's economic goals and priorities for the next five years
- Key to unlocking funding through EDA and USDA

HOW DID WE DEVELOP THE CEDS?



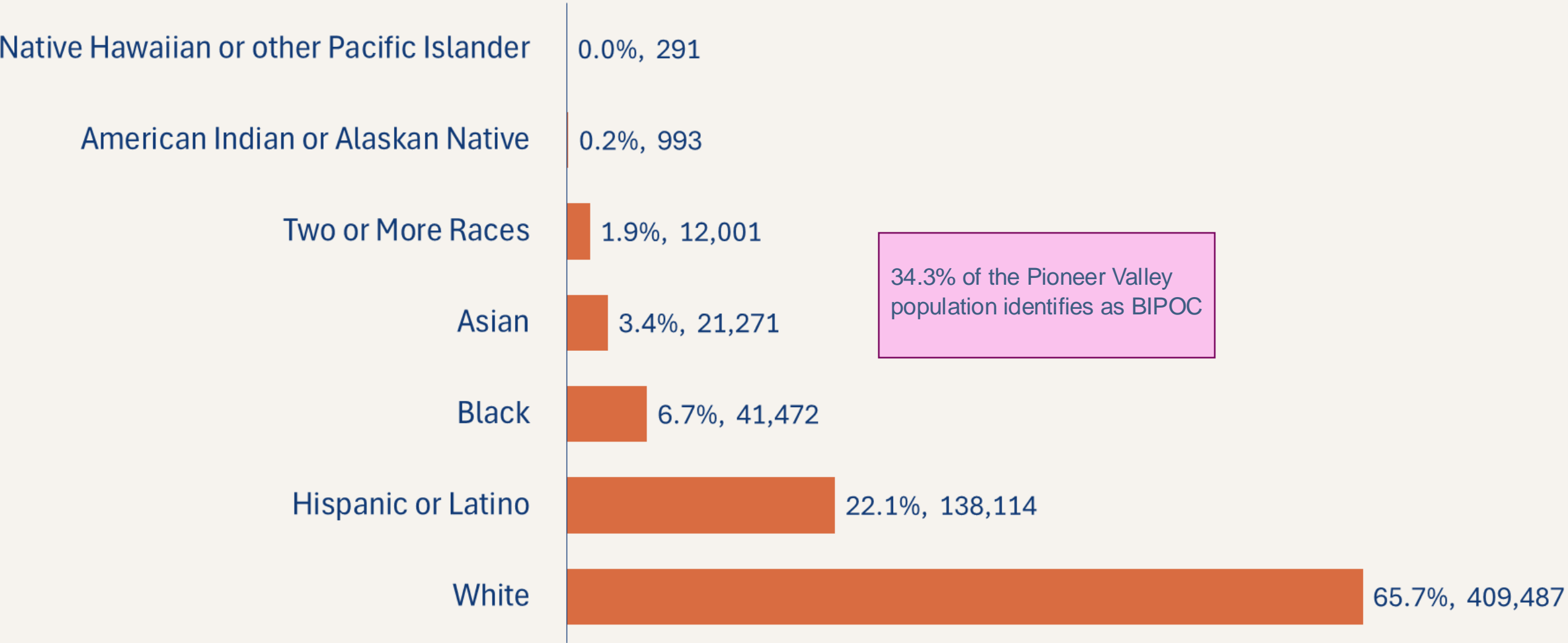
ASSETS

- Region's higher education ecosystem is a major asset
- Established industry clusters in healthcare/social assistance, education, and manufacturing
- Quality of life assets
- Relatively lower costs of living and doing business compared to eastern Massachusetts
- Centrally located in New England

ASSETS

- Diversity in workforce and communities
- Availability of buildings that can be re-purposed using existing infrastructure
- Availability of developable land
- National leader in preparing the region for climate change and economic resiliency
- Increased tourism

Pioneer Valley Economic Development District Population Distribution by Race and Ethnicity, July 2022 Estimate



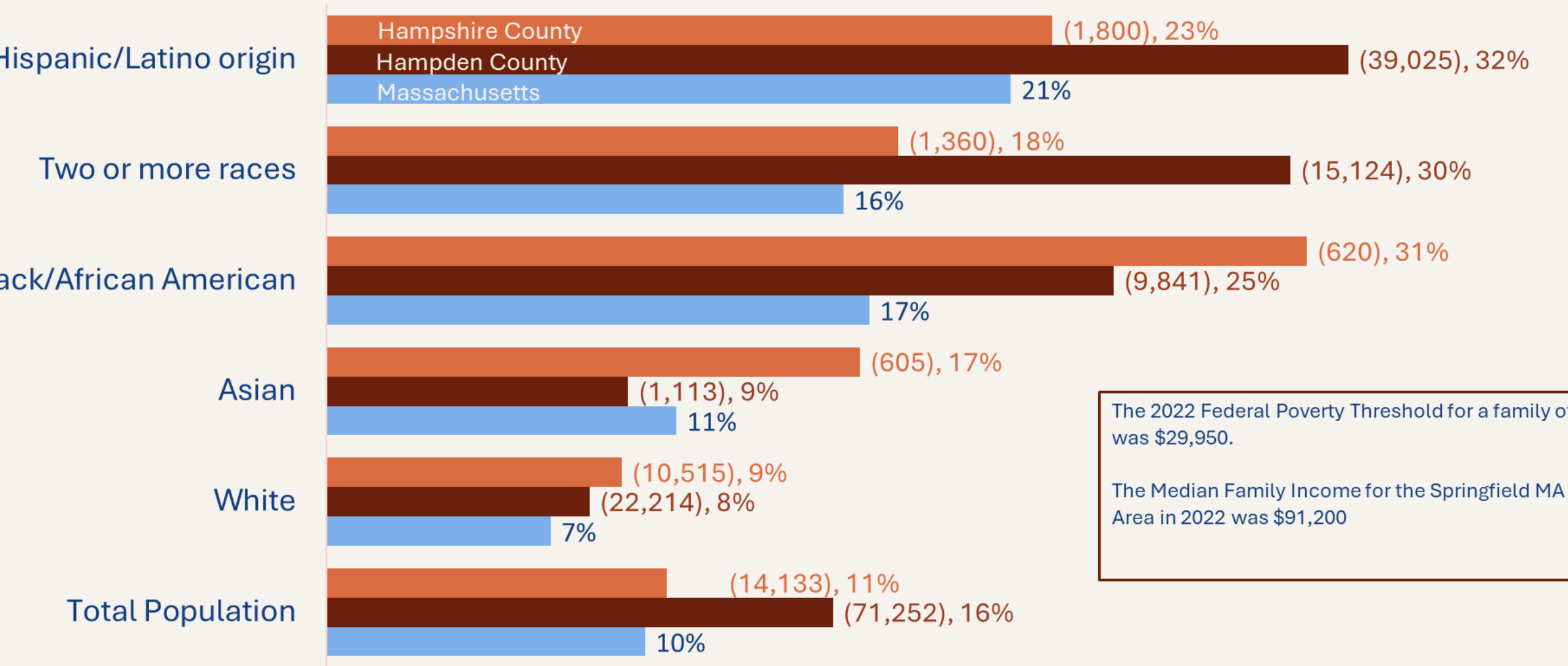
Source: UMass Donahue Institute analysis of Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin: April 1, 2020 to July 1, 2022 (CC-EST2022-ALLDATA-25). U.S. Census Bureau, Population Division. Release Date: June 22, 2023.

Note: Hispanic or Latino can be of any race; all race categories are non-Hispanic or Latino; percent values shown are percent of regional population total.

CHALLENGES

- Region has deep-seated, long-standing structural racism
 - Highly segregated communities, especially Springfield
 - Disparities in educational attainment
 - Disparities in income levels
 - Disparities in homeownership
 - Disparities in small business formation
- Persistent poverty in Springfield, Holyoke, and Chicopee
 - The intersection of poverty/housing/opioid crisis
 - Climate change will have disproportionate impact on poor people

Poverty Rates by Race & Ethnicity, Hampshire & Hampden Counties & Massachusetts, (2018-2022)



Source: US Census Bureau, American Community Survey, 5yr data, 2018-2022, Table S1701, *Poverty Status in the Past 12 Months*

Hispanic or Latino can be of any race; White are not Hispanic or Latino. Values in (brackets) indicate number of people in households with incomes less than the federal poverty level.

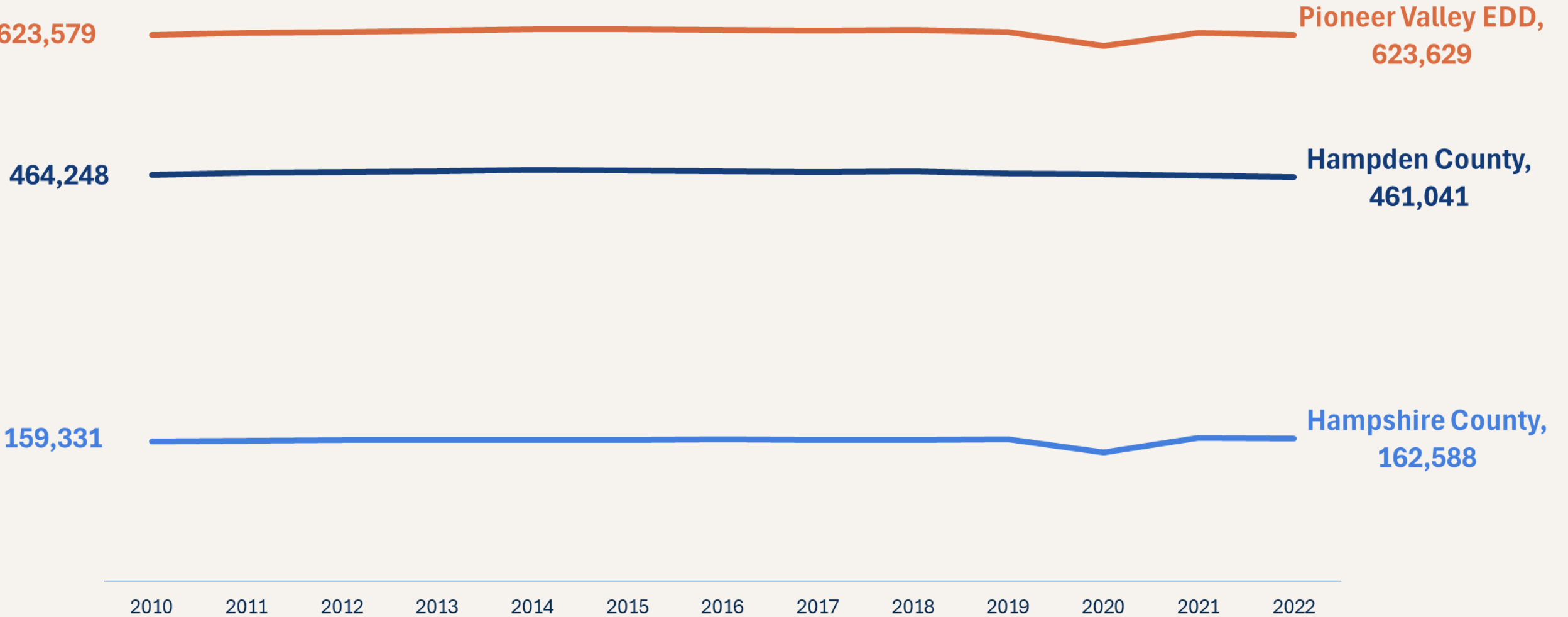
CHALLENGES

- Fastest growing jobs in the region are low wage
- Skilled labor force is not keeping pace with industrial demand
- Continued shortage of childcare options for working families
- Post-COVID decline in small businesses
- Housing is mismatched to area needs, both in terms of affordability and availability
- Infrastructure, in particular infrastructure related to water
- Lack of local transit/transportation, especially in rural areas

CHALLENGES

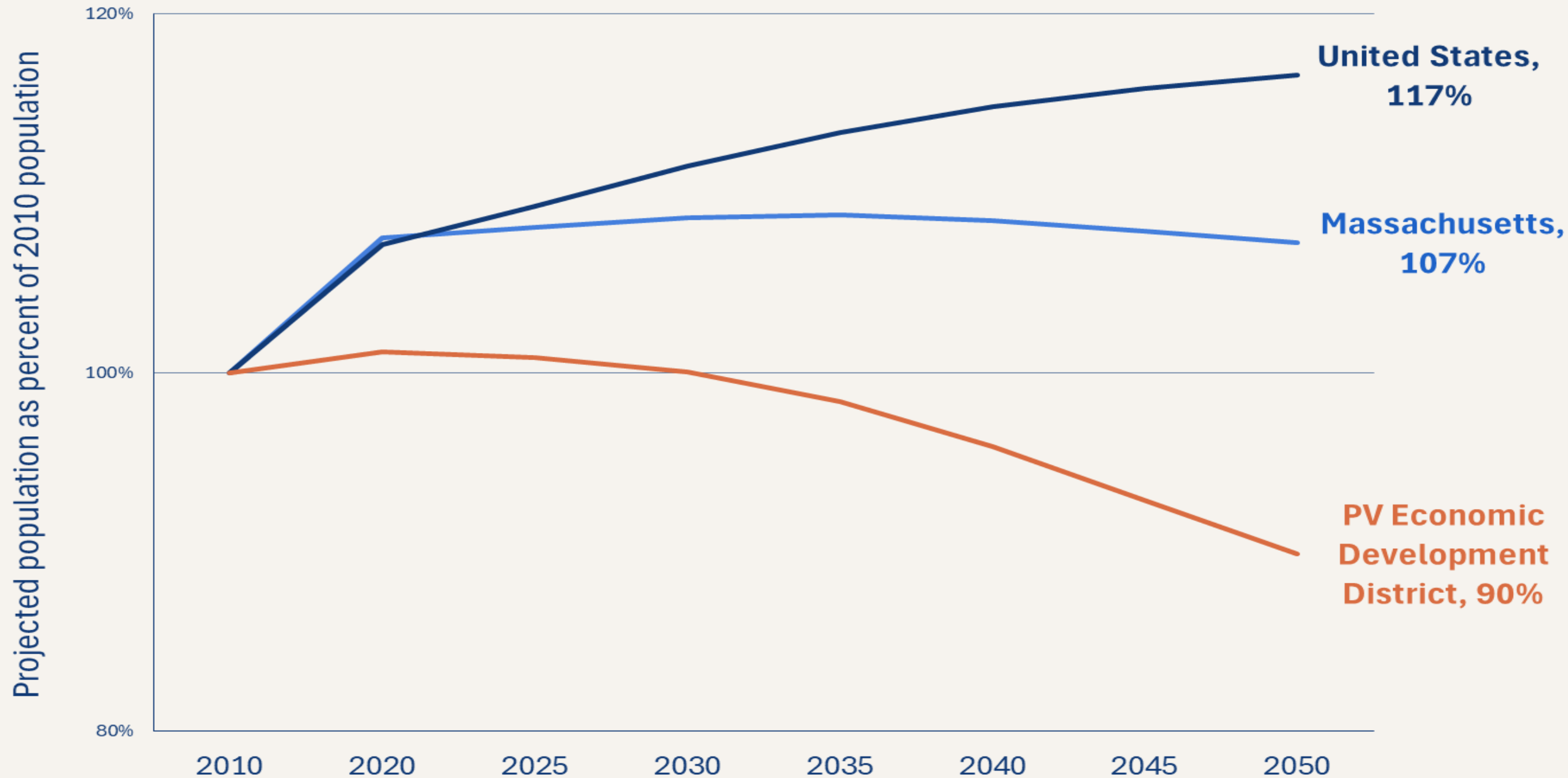
- Stagnant population/depopulation/outmigration
 - Workforce is aging and retiring
 - Fewer families with children, declining enrollments in schools
 - Shortages in educational staff, both teachers and support staff
- Lack of visionary/strategic leadership
 - Need for a single, strong, regional voice – too much fragmentation across multiple entities and a lack of cohesion
- Social networks are disintegrating, and polarization is increasing
 - Increased pressure on schools, police, and employers to provide supportive services

2010-2022 population unchanged across **Pioneer Valley EDD**:
down slightly in **Hampden County**, up slightly in **Hampshire County**



Source: UMass Donahue Institute analysis of U.S. Census Bureau, Annual Estimates of the Resident Population by Sex, Age, Race, and Hispanic Origin for the United States: April 1, 2010 to July 1, 2020 (CC-EST2020-ALLDATA) & April 1, 2020 to July 1, 2022 (CC-EST2022-ALLDATA).

Population Change Projections: United States, Massachusetts, and PV Economic Development District, 2010-2050



FOCUS AREAS

- Equity
- High-growth and emerging opportunities
- Workforce development
- Urban and rural strategies
- Business environment
- Population
- Infrastructure
- Economic investment

REGIONAL PRIORITIES

- Prioritize **equity**, acknowledging that poverty and structural racism continue to determine economic opportunities and outcomes for too many of the Pioneer Valley's residents.
- Pursue **high-growth and emerging opportunities**, adding emerging technologies, e.g. quantum and quantum-adjacent technologies, green and clean technologies, AI, financial technology, food science, and advanced materials to the region's existing strengths in healthcare/social assistance, educational services, and manufacturing.
- Recognize that **rural communities** need different and complementary economic development strategies tailored to their needs. As a region, the economic vitality of our urban centers impacts rural communities, which need their own set of strategies.

REGIONAL PRIORITIES

- Support **small and mid-sized enterprises** (SMEs) and **entrepreneurs**.
- Reverse long-standing **stagnant population** growth to increase the regional workforce capacity.
- Strengthen the region's **infrastructure** to enable communities small and large, urban, suburban and rural alike, to pursue development opportunities and related investment, attract newcomers, and promote equity. We are defining two types of infrastructure: “hard” (e.g., water systems, rail, broadband) and “soft” (e.g., services, programs). This goal recognizes that deferred maintenance and lack of investment in these forms of infrastructure are threats that will continue to inhibit the region's growth if not addressed.
- Develop a strong, effective regional voice to advocate for the Pioneer Valley in order to communicate regional priorities and increase **economic investment** from the Commonwealth, the federal government, and the private sector.

VISION FOR THE PIONEER VALLEY

Our vision for the future is to build an economy that works for everyone who lives and works in the Pioneer Valley. We will build on the Pioneer Valley's regional assets and many strengths, as well as set our sights on new areas for success, in order to build a robust and thriving economy in which all our residents have equal access to prosperity.

Sustainable, equitable, and substantive economic development will not be easy, but it is necessary. It will require a diverse set of strategies tailored to the diverse needs of the 43 communities in the Pioneer Valley. There is no easy solution for some of our weaknesses and no single approach that will overcome issues such as deep-seated structural racism or the region's housing shortages. Many of the strategies we are recommending may require years, if not decades, to mature. We are, however, committed to addressing these weaknesses and moving toward the realization of our vision.

We recognize that desiring different outcomes means doing things differently. We must work together to shift mindsets so that we don't merely create access to opportunity, but address structural inequities in economic, social and public policies. To catalyze this change, we propose to be guided by the following:

- *Building the capacity of the Pioneer Valley Planning Commission and our partners to acquire tools and address barriers to advance racial equity, economic resilience, and climate resilience in the region.*
- *Proactively developing collaborative partnerships with a range of stakeholders from the public, non-profit, and private sectors, in urban and rural communities, with a focus on coalition-building to improve economic opportunities for all our residents throughout the region.*
- *Shifting the paradigm in access to capital for underserved populations from philanthropic giving and lending to investing in people and communities.*
- *Recognizing that immigrants to our region are a unique and valuable resource, not only adding to the Pioneer Valley's population but contributing talent, experience, and energy to the regional economy.*
- *Establishing a learning community where stakeholders, including residents, share their experience and build capacity to implement strategies that result in an equitable economy.*
- *Conducting analyses of both traditional data sources and alternative ones, such as data gathered through storytelling, focus groups, lived experiences, and annual evaluation of the CEDS implementation process.*