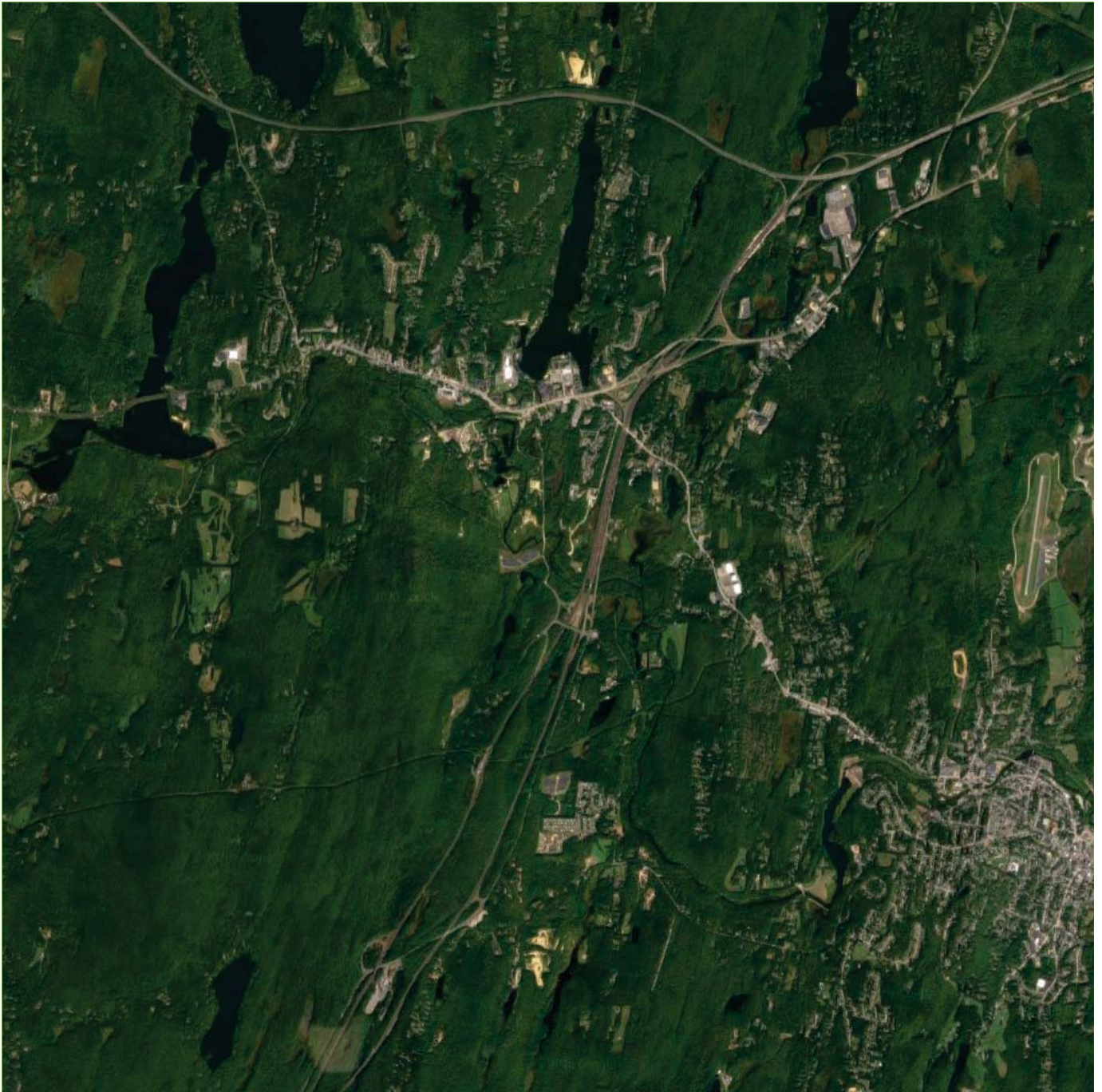


# STURBRIDGE Economic Assessment

**DRAFT**



Prepared by: McCabe Enterprises

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## Introduction

The development of the economic assessment and strategy began in 2019 prior to the onset of the Coronavirus pandemic. The Town of Sturbridge sought to benchmark its current economic development efforts and to develop an economic development strategy to focus the Town's economic development efforts. In late 2016 the Town hired its first Economic Development Coordinator, which has been a part-time position with a shared staff person. Shortly after the onset of the pandemic in spring 2020, Sturbridge's Economic Development Coordinator took a new position, and a new Coordinator focusing on Economic Development was hired in fall 2020.

The Coronavirus pandemic has negatively impacted a major portion of the Sturbridge business community. Sturbridge's leading industry, Leisure and Hospitality, is one of the industry sectors most adversely affected by the Covid-10 related public health orders requiring business closures and limited openings.

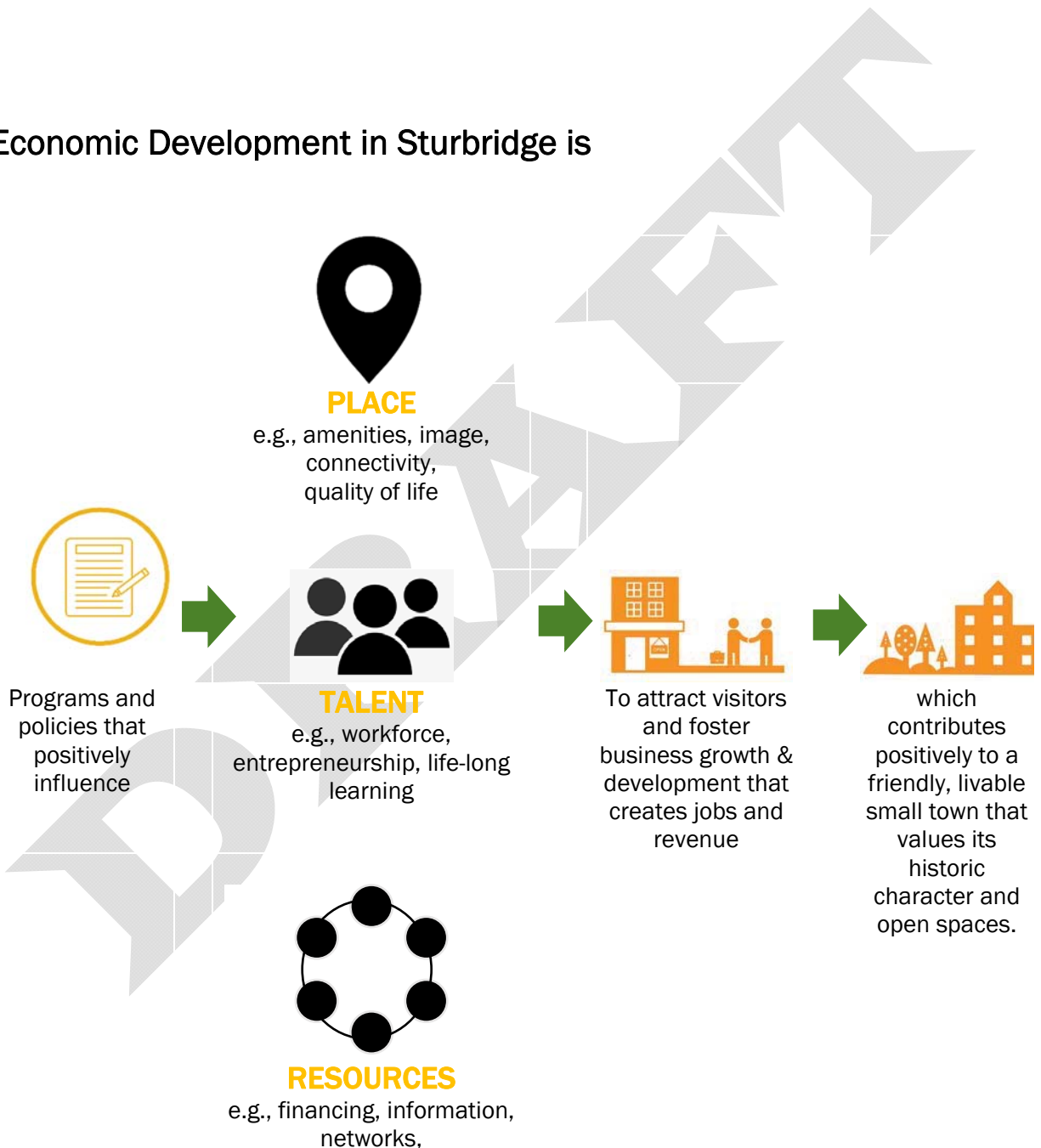
A survey of local businesses administered during April 2020, one of the early months of the pandemic, found that 65% of businesses experienced a drop in sales; 50% have temporarily closed; 50% have cancelled events; 37.5% have reduced hours; and another 32.5% have halted renovation and expansion efforts. Nearly half (47.5%) of Sturbridge businesses have laid off or furloughed employees. Over three-quarters (78.5%) of local businesses were anticipating a decrease in sales and revenues due to Covid-19. Ten percent of Sturbridge businesses responding to the survey indicated that if the pandemic extended beyond May 2020, they would be closing.

Although the Town had a vacancy in its Economic Development Coordinator position during a large part of the pandemic, the Town Administrator's office stepped in and sent regular updates about assistance programs and public health guidelines. The Town of Sturbridge collaborated with other nearby municipalities to secure CARES (Coronavirus Aid, Relief, and Economic Security) Act-CDBG grant to assist local businesses. Sturbridge has also been selected to participate in the state's Local Rapid Recovery Program (LRRP) to assist commercial centers and corridors to successfully re-open and recovery from the negative economic fall-out attributable to the Covid-19 pandemic.

Much of the work on the Economic Assessment and Economic Development Strategy was undertaken prior to the Coronavirus pandemic. The pandemic has accelerated trends that were underway, both positive and negative.

The planning process for Sturbridge's Economic Development Strategy included local and comparative economic data analyses, three surveys (two business surveys – one prior to the Coronavirus, and a second at the early onset of the pandemic, and a residential survey), interviews, community meeting, and comparative benchmarking. The five municipalities selected for comparative benchmarking to Sturbridge were Auburn, Lenox, Raynham, Stockbridge, and Portsmouth, NH. The results of three surveys and comparative benchmarking are detailed in two companion reports.

## Economic Development in Sturbridge is





The Town desires an economic development strategy to foster economic growth, innovation, entrepreneurship and increased visitation. This Sturbridge economic development strategy reviews identifies key issues and challenges, sets forth a framework for action, and reviews pre-Covid-19 economic conditions.

In today's world, economic growth, innovation and development rely on three core elements – place, talent, and resources.

### Place

The quality of place is key. People, visitors, and companies make choices as to where to live, work, spend leisure time and operate a business based on the quality of a location. Today, a quality location encompasses more than good schools, utilities, and highway access, albeit important. Attractive, walkable communities with cultural and recreational amenities, local shops, connectivity and easy access are attributes sought by prospective residents and visitors. Businesses seeking to serve residents and tourists, as well as attract talent are seeking amenity-rich locations to access customers and hire staff.

### Talent

Talent is the new competitive edge for communities seeking economic development, innovation and growth. Entrepreneurs, talented managers and skilled, knowledgeable, effective and productive workers are fundamental to a business' success. The average person changes jobs, and often occupations and careers, at least twelve times<sup>1</sup>. The number of job/occupation changes appears to be increasing with accelerating changes in technology. Some futurists estimate that thirty to eighty percent of today's jobs may not exist in 20 years given technological advancements, robotics, and artificial intelligence.

Availability of talent informs business location decisions. are made Local economic growth will depend not only on creating and sustaining environments where businesses can thrive, but also where residents and workers can access training and post-secondary educational opportunities. The key to the future for individuals, businesses and communities will be a talented, adaptable workforce.

### Resources

Successful implementation of a local economic strategy for growth, innovation and development requires resources, including partnerships and networks, financing, information and input.

Over the next several pages, the Strategy identifies Key Findings, and provides an overview of the finding and action items.

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<sup>1</sup> Bureau of Labor Statistics, Longitudinal Study 2018.

## Sturbridge's Local Economy and Demographics

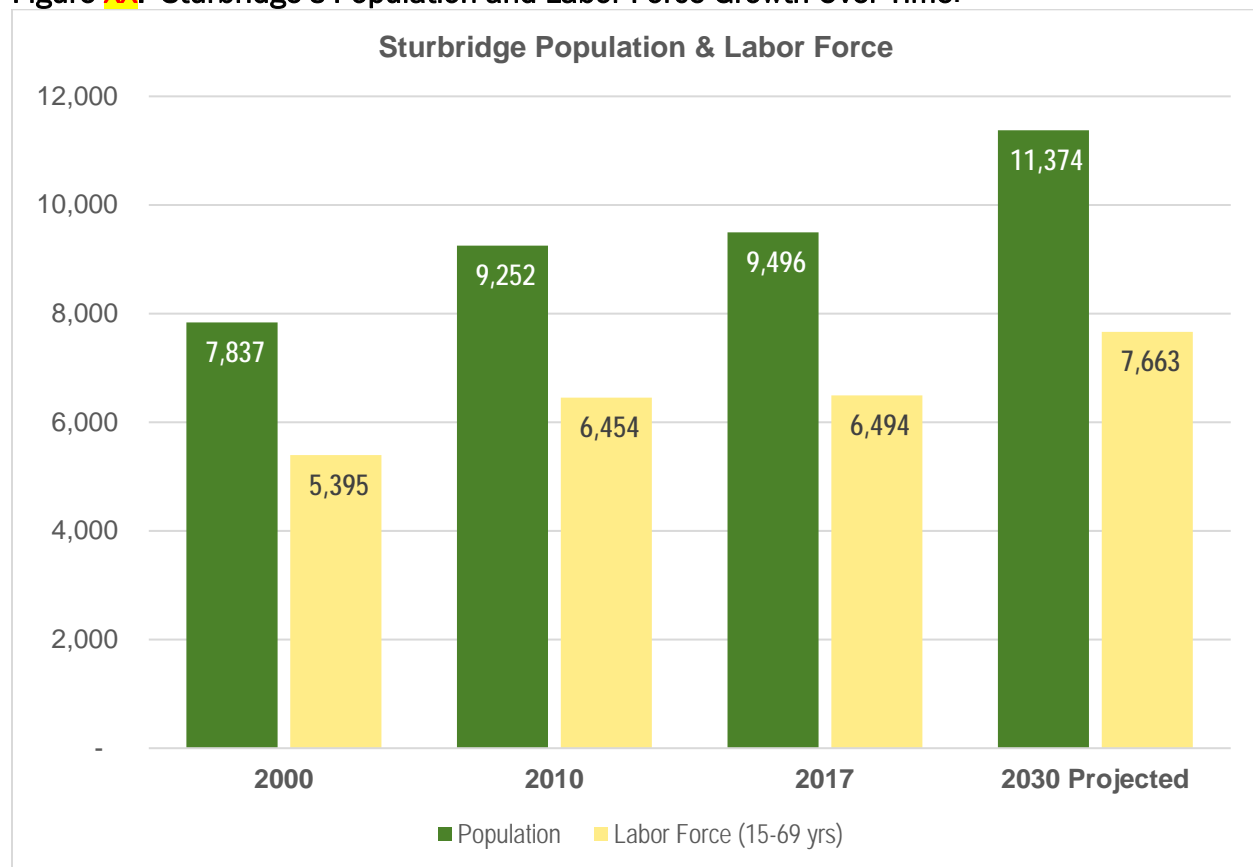
The review of Sturbridge economy starts with a pre-pandemic assessment of Sturbridge, including local demographics about residents and the local labor force, businesses, and local tax revenues. As communities, such as Sturbridge, endeavor to move forward with the challenges of the pandemic, it is useful to understand economic conditions and trends prior to the pandemic. Many trends were accelerated by the pandemic. A significant part of Sturbridge's economy includes small businesses and the leisure and hospitality sector which have been particularly hard hit by the Coronavirus pandemic.

### Demographics

Sturbridge's population has grown substantially – 22.1% from 1990 to 2017, faster than the surrounding towns as whole (16.3%), Worcester County (19.5%), and the Commonwealth (12.8%). The big growth spurt for Sturbridge occurred between 2000 and 2010 when the population rose from 7,837 people to 9,266 in 2010. The population continues to grow, albeit more slowly in the last few years. Since 2010, Sturbridge's population has grown approximately 2.5%, and local region's population has increased 4.1% for the same period. The population of Worcester County has grown 6.2% since 2010, and state population has grown 3.7%. Sturbridge's population is projected to rise to 11,374 people in 2030 according to the population projections by the University of Massachusetts Donahue Institute.

The US Bureau of Labor Statistics defines the potential local labor force as residents who are 16 years of age or older. The size of the potential local labor force in Sturbridge, like the population, grew between 1990 and 2017. Although the primary age cohort composed of persons actively engaged in the work force, ages 20 to 64 years of age, grew 15.7% from 2000 to 2017, which is slower than the Town overall. The fastest growing age cohorts were the persons ages 65 to 69, which nearly doubled in seventeen years and grew 98.8%. The age cohort of persons 70 years and older grew 43.7% from 2000 to 2017.

Figure XX. Sturbridge's Population and Labor Force Growth Over Time.



Sources: American Community Survey, 5-year estimates, US Census Bureau, and the UMass Donahue Institute.

Table XX. Population Change &amp; Growth Rates in Sturbridge and Comparable Areas, 2000 to 2017.

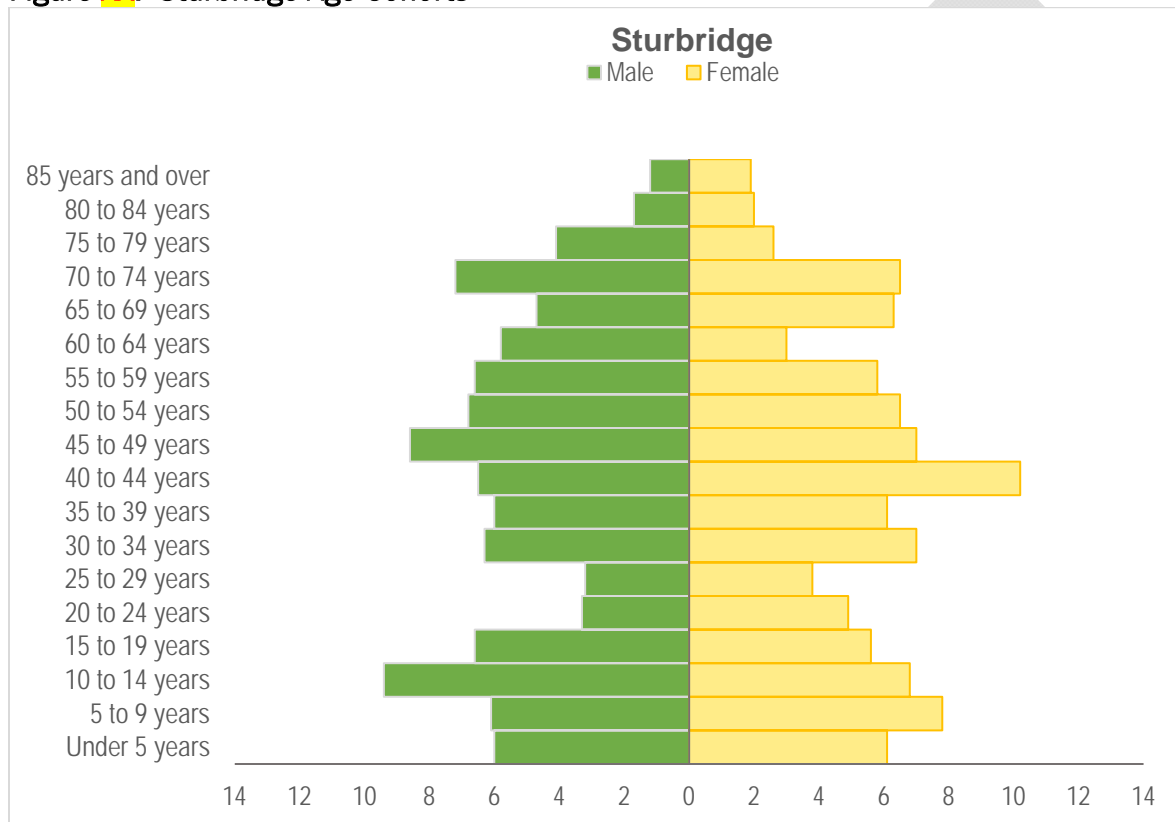
| Area                        | 1990      | 2000      | 2010      | 2017      | Change 2000 to 2017 | Rate of Change 2000 to 2017 |
|-----------------------------|-----------|-----------|-----------|-----------|---------------------|-----------------------------|
| Sturbridge                  | 7,775     | 7,837     | 9,268     | 9,496     | 1,659               | 21.2%                       |
| Local Region– MA & CT       | 53,540    | 56,859    | 61,287    | 62,264    | 5,405               | 9.5%                        |
| Greater Sturbridge, MA only | 46,920    | 48,945    | 52,469    | 53,505    | 4,560               | 9.3%                        |
| Worcester County            | 709,705   | 750,903   | 798,552   | 848,249   | 97,346              | 13.0%                       |
| Massachusetts               | 6,016,425 | 6,349,097 | 6,547,629 | 6,789,319 | 440,222             | 6.9%                        |

Sources: US Census, American Community Survey, 5-year estimates and McCabe Enterprises.

## Age

The median age of Sturbridge residents is 42 years of age. The median age for males residing in Sturbridge is 42.5 years, and from female the median age is 41.4 years. Sturbridge's median age is higher than the median for Worcester County and the Commonwealth. Residents in Massachusetts and the New England region, including Sturbridge and Worcester County are generally older with higher median ages than the US overall. The median age nationally is 37.9 years. The age pyramid depicting age cohorts by gender for Sturbridge is depicted in Figure XX.

**Figure XX. Sturbridge Age Cohorts**



Source: 2018 American Community Survey, 5-year Estimates and McCabe Enterprises.

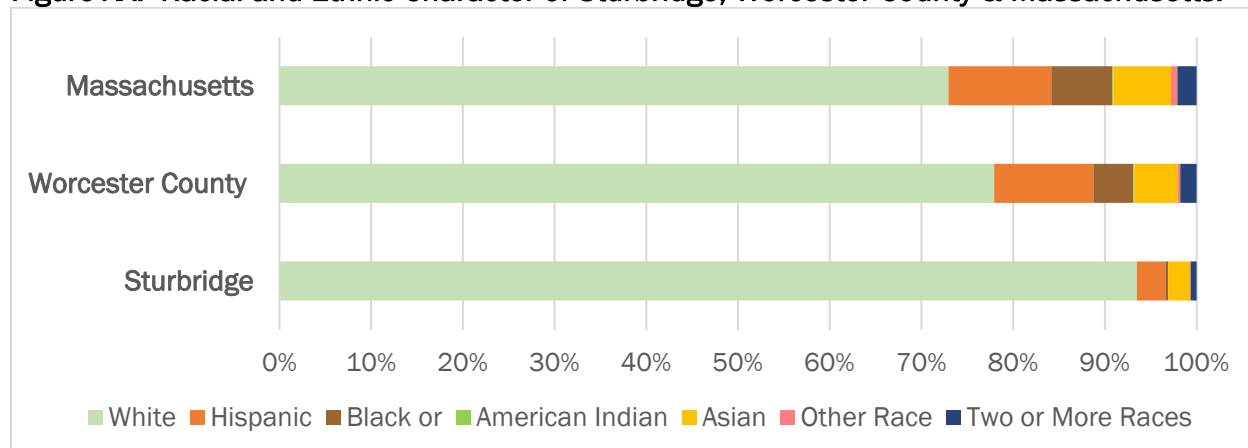
## Race and Ethnicity

Sturbridge is a largely white community, with 93.5% of residents identifying as white. Sturbridge is significantly more racially and ethnically homogenous than Worcester County and the state, which are 77.8% and 72.9% white respectively. Hispanics comprise 3.1% of Worcester residents. Asians are the largest racial minority in Sturbridge with 2.4% of the overall town population. The racial and ethnic character of Sturbridge in comparison with Worcester County and Massachusetts is depicted in Figure XX. Sturbridge's surrounding municipalities have similar racial and ethnic demographics, with the exception of Southbridge, where 32% of residents are Hispanic.



Most Sturbridge residents speak English very well. The Census reports that approximately 2.5% of Sturbridge residents speak English less than well. The largest proportion of persons in Sturbridge who speak English less than very well speak Asian-languages.

**Figure XX. Racial and Ethnic Character of Sturbridge, Worcester County & Massachusetts.**



Source: 2018 American Community Survey, 5-year Estimates and McCabe Enterprises.

### Households

In a consumer economy, the households are the leading purchasing unit. Sturbridge has 3,617 households with an average household size of 2.62 persons per household (2017 ACS 5-year estimates). In local region – Sturbridge and adjoining municipalities in both Connecticut and Massachusetts along with Brimfield and Wales, there are 24,382 households. The eleven Massachusetts communities in Greater Sturbridge comprise 20,942 households, as noted in Table XX.

**Table XX. Households and Average Household Size.**

|                                       | Households    | Average Household Size |
|---------------------------------------|---------------|------------------------|
| Brimfield                             | 1,465         | 2.54                   |
| Brookfield                            | 1,421         | 2.39                   |
| Charlton                              | 4,889         | 2.71                   |
| East Brookfield                       | 828           | 2.56                   |
| Holland                               | 951           | 2.64                   |
| Southbridge                           | 6,956         | 2.4                    |
| <b>Sturbridge</b>                     | <b>3,617</b>  | <b>2.61</b>            |
| Wales                                 | 815           | 2.47                   |
| Union, CT                             | 359           | 2.6                    |
| Woodstock CT                          | 3,081         | 2.54                   |
| <b>TOTAL Local Region – CT and MA</b> | <b>24,382</b> |                        |
| <b>Greater Sturbridge (MA only)</b>   | <b>20,942</b> |                        |

Source: 2017 American Community Survey, 5-year estimates.

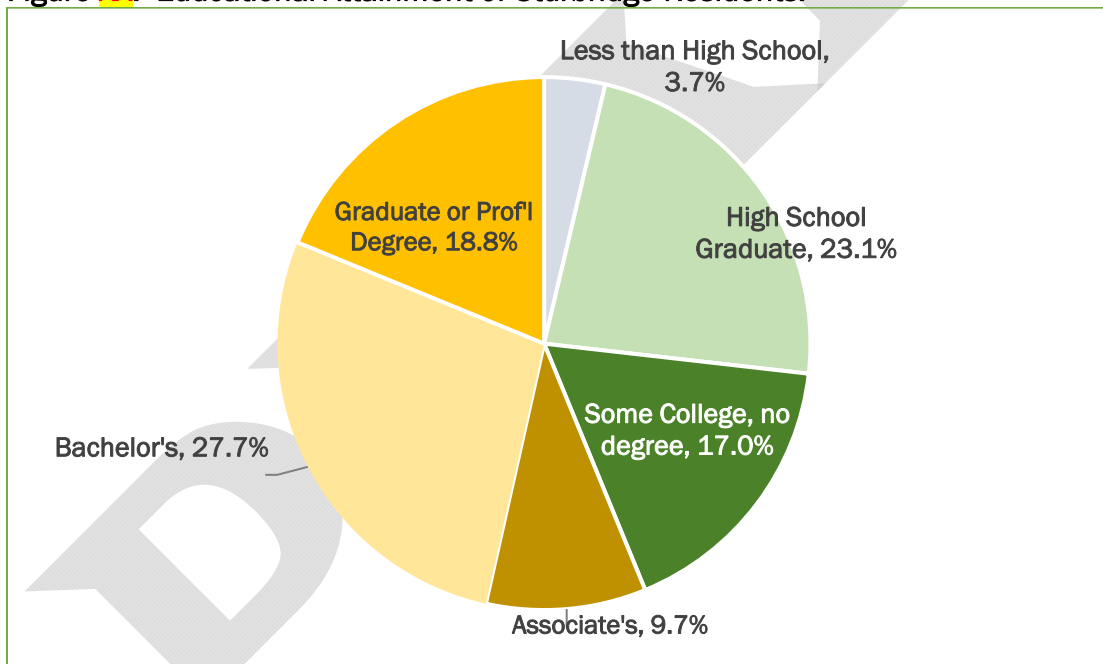
### Educational Attainment

Nearly half (46%) of Sturbridge residents age 25 years and older have a bachelor's degree or higher. This exceeds the educational attainment rate of residents in Worcester County (35%) as well as the Commonwealth (42%). In fact, Sturbridge has the highest rate of educational attainment amongst its surrounding municipalities as measured by a bachelor's degree or higher.

Over one in 6 Sturbridge adults (18.8%) over 25 years of age have earned a graduate degree or more. Another 27.7% have obtained a bachelor's degree. An additional 9.7% of residents have received an associate's degree.

Available talent is a key consideration in business location decisions. Educational attainment is one indicator of the quality of the available residential work force. The educational attainment of Sturbridge residents provides the Town with a competitive advantage.

**Figure XX. Educational Attainment of Sturbridge Residents.**



Source: 2018 American Community Survey, 5-year Estimates.

Table XX. Income &amp; Educational Attainment – Sturbridge &amp; Neighboring Jurisdictions.

|                   | 2017 Median Household Income | Poverty Rate | Percent of Population 25 Years & Older With Bachelor's Degree or Higher |
|-------------------|------------------------------|--------------|---|
| Brimfield         | \$86,523                     | 4.2%         | 37%   |
| Brookfield        | \$64,219                     | 9.2%         | 31%   |
| Charlton          | \$93,921                     | 4.7%         | 35%   |
| East Brookfield   | \$80,234                     | 4.8%         | 33%   |
| Holland           | \$78,348                     | 4.1%         | 32%   |
| <b>Sturbridge</b> | <b>\$84,745</b>              | <b>4.0%</b>  | <b>46%</b>  |
| Southbridge       | \$50,202                     | 18.5%        | 16%   |
| Union, CT         | \$93,750                     | 1.2%         | 35%   |
| Wales             | \$50,625                     | 5.7%         | 18%   |
| Woodstock, CT     | \$81,441                     | 6.0%         | 41%   |
| Worcester County  | \$69,313                     | 11.1%        | 35%   |
| Massachusetts     | \$74,167                     | 11.1%        | 42%   |

Sources: 2017 American Community Survey, 5-year estimates.

## Income

The median household income in Sturbridge is \$84,745, based on pre-pandemic data (2017 American Community Survey 5-year estimates). Sturbridge's median household income is 14% higher than the statewide median income of \$74,167, and 22% higher than the median income for Worcester County residents. Sturbridge has a relatively low rate of persons in poverty of 4.0%, which is substantially lower than the 11.1% poverty rate for Massachusetts and Worcester County residents.

Statewide, the median household income by municipality ranges from a high of \$203,018 to a low of \$31,458. Sturbridge ranks 158 in median household income. Sturbridge's median household income ranking places it in the upper half of all Massachusetts cities and towns, and in the middle quintile. The median household income of Massachusetts municipalities in the middle quintile ranges from a high of \$87,093 to a low of \$75,313.

## Labor Force Participation

Overall, residents of Sturbridge have a slightly higher labor force participation rate than residents in Worcester County and the Commonwealth. For men, Sturbridge's labor force participation rate is 85.4%, which is slightly higher than the county (83.0%) and the state (84.5%). In aggregate, the female labor participation rate of Sturbridge residents is 79.4%,

again slightly higher than women in Worcester County (76.7%) and the Commonwealth (79%). The labor force participation rate decline slightly amongst Sturbridge women with children to 77.7%, which is on par with the count & 77.8%) and slightly lower than the statewide rate for women with children (78.2%).

There is a noticeable difference in the labor force participation rate amongst Sturbridge women with children under six years of age and their counterparts in Worcester County and throughout Massachusetts. The labor force participation rate for Sturbridge women with children under 6 years is 62.5%, This labor force participation rate is over sixteen percent lower than the Worcester County rate of 77.8% and eighteen percent lower than the statewide rate of 78.2%. See Table XX. The significant dip in the labor force participation rate amongst working mothers could suggest either that women of young children are choosing to be stay-at-home mothers or there are insufficient child care resources to support women who wish to work and live in Sturbridge, or some combination of these two factors.

A review of the comparative labor force participation rates of women and women with children in Sturbridge and comparative communities, as noted in Table XX, finds that the decline in labor force participation rates amongst women with young children under six occurs in other jurisdictions, as well. However, when assess the availability of child care, particularly infant care in each community, the three communities – Sturbridge, Lenox and Stockbridge, which all lack licensed child care providers offering infant care, have significantly lower labor force participation rates of women with children under 6 years age. Sturbridge has less licensed child care slots per child under 5 years of age than other comparative municipalities.

**Table XX. Labor Force Participation Rate by Gender for Persons 20 to 64 Years of Age.**

|   | Massachusetts | Worcester County | Sturbridge |
|---|---------------|------------------|------------|
| <b>Male</b>   | 84.5%         | 83.0%            | 85.4%      |
| <b>Female – All</b>                                 | 77.9%         | 76.7%            | 79.4%      |
| <b>Female With own children under 18 years</b>      | 78.2%         | 77.8%            | 77.7%      |
| • With own children under 6 years only              | 76.6%         | 74.6%            | 62.5%      |
| • With own children under 6 years and 6 to 17 years | 70.6%         | 72.0%            | 62.4%      |
| • With own children under 6 to 17 years only        | 81.1%         | 80.5%            | 86.3%      |

Source: 2017 American Community Survey, 5-year estimate.

Table XX. Female Labor Force Participation Rates Amongst Comparative Municipalities.

|                    | Female Labor Participation Rate Overall | Females with Children Under 6 Years | Females with Children Under 6 Years & 6 to 17 Years |
|--------------------|---|-------------------------------------|---|
| <b>Sturbridge</b>  | 79.4%                                   | 62.5%                               | 62.4%   |
| <b>Auburn</b>      | 78.1%                                   | 76.2%                               | 82.6%   |
| <b>Lenox</b>       | 80.1%                                   | 56.9%                               | Suppressed  |
| <b>Portsmouth</b>  | 81.6%                                   | 69.9%                               | 58.4%   |
| <b>Raynham</b>     | 83.8%                                   | 100.0%                              | 63.2%   |
| <b>Stockbridge</b> | 78.0%                                   | 26.3%                               | 100.0%  |

Source: 2017 American Community Survey, 5-year estimate.

Table XX. Availability of Child Care in Sturbridge &amp; Comparative Municipalities.

|                    | Children Under 5 Years of Age | Child Care Providers for Children Under 5 years | Child Care Slots | Infant Care Slots | Children Under 5 per Available Child Care Slot |
|--------------------|-------------------------------|---|------------------|-------------------|--|
| <b>Sturbridge</b>  | 575                           | 10  | 192              | 0                 | 3.0  |
| <b>Auburn</b>      | 570                           | 20  | 369              | 17                | 1.5  |
| <b>Lenox</b>       | 137                           | 2   | 107              | 0                 | 1.3  |
| <b>Portsmouth</b>  | 864                           | 18  | n/a              | n/a               | n/a  |
| <b>Raynham</b>     | 777                           | 17  | 432              | 63                | 1.8  |
| <b>Stockbridge</b> | 54                            | 2   | 44               | 0                 | 1.2  |

Sources: 2017 American Community Survey 5-yr estimates; MA EEC Inventory of Licensed Child Care Facilities and McCabe Enterprises.

### Employment of Sturbridge Residents

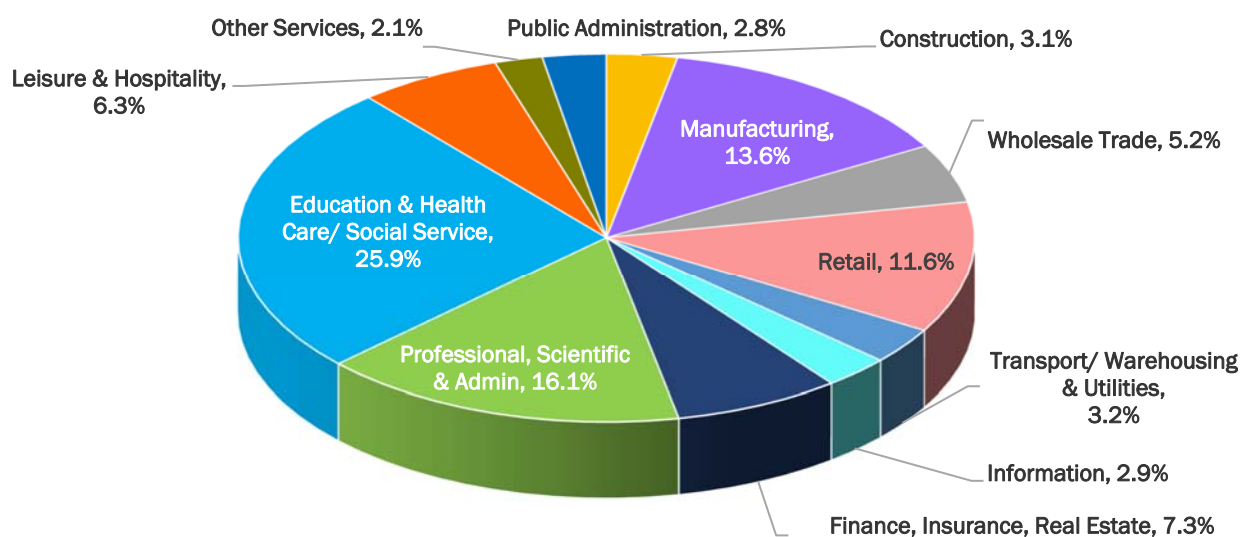
Sturbridge residents work in a range of industry sectors. The leading industry sector where Sturbridge residents are employed are Education, Health Care & Social Assistance, which employs just over one-quarter (25.9% of Sturbridge residents in the labor force). Professional, scientific and administrative sector is the second largest employer of Sturbridge residents (16.1%). The manufacturing sector ranks third as employment of Sturbridge residents, with over one in eight residents working in manufacturing (13.6%). The retail sector is the fourth largest employer where 11.6% of Sturbridge residents work, followed by the Finance, Insurance and Real Estate sector, which employs 7.3% of residents.



Sturbridge residents (ages 16 years and older) are employed in a range of occupations across industry sectors. The major occupational category is management, business, science and the arts, which accounts for nearly half the occupations (48.7%) of Sturbridge residents, followed by sales and office occupations (25.0%).

Approximately 85% of Sturbridge residents commute to cities and towns beyond Sturbridge for employment. Forty-one percent commute over 25 miles one-way on daily basis. One in six Sturbridge residents commute over 50 miles one-way for employment. The five leading destinations for work are: Sturbridge; Worcester; Southbridge; Boston; and Charlton. Figure XX illustrates the commuting patterns of Sturbridge residents.

Figure XX. Industry Sectors Employing Sturbridge Residents.



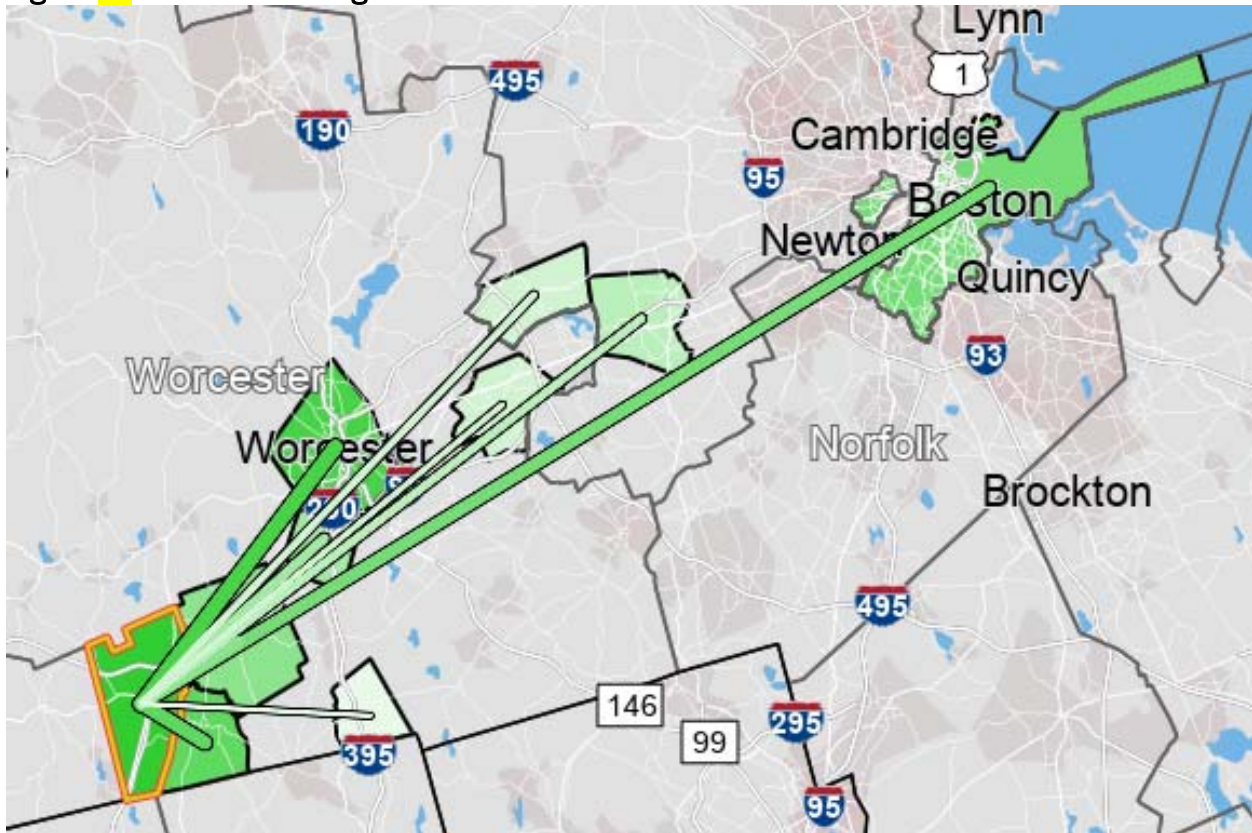
Source: 2017 American Community Survey, 5-year estimate.

Table XX. Occupations of Sturbridge Residents.

| Occupation   | Percent of Sturbridge Residents |
|--|---------------------------------|
| Management, business, science, and arts occupations          | 48.7%                           |
| Service occupations  | 12.9%                           |
| Sales and office occupations                                 | 25.0%                           |
| Natural resources, construction, and maintenance occupations | 4.1%                            |
| Production, transportation, and material moving occupations  | 9.3%                            |

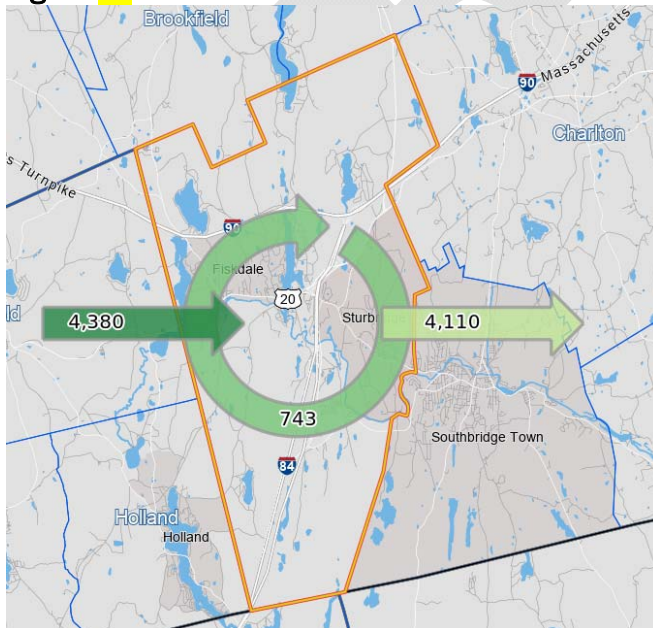
Source: 2017 American Community Survey, 5-year estimates.

Figure XX. Where Sturbridge Residents Work.



Source: Longitudinal Employment Household Dynamics, US Census, 2017.

Figure XX. Inflow-Outflow of Workers for Sturbridge.

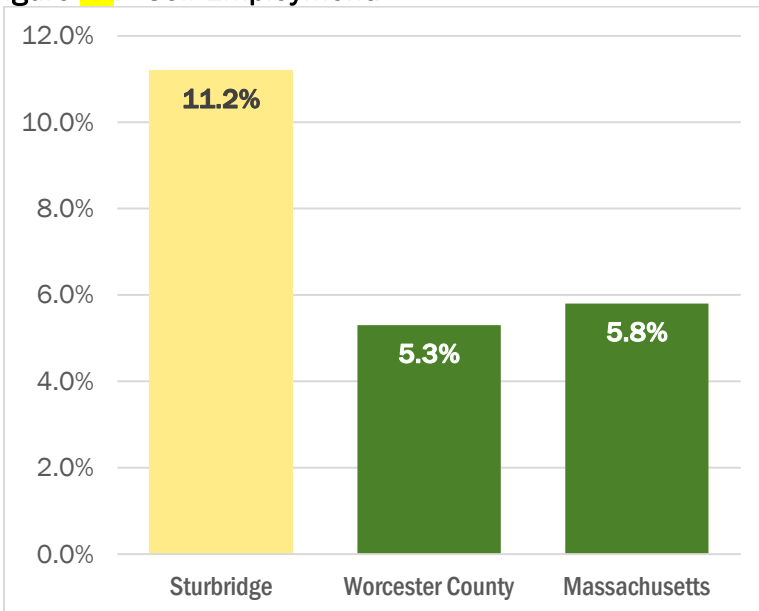


Source: Longitudinal Employment Household Dynamics, US Census, 2017.

## Self-Employment and Entrepreneurs

Sturbridge has a significant number of residents who are self-employed compared to the Commonwealth and Worcester County. Over 1,600 people in Sturbridge are self-employed. The self-employment rate for Sturbridge residents is 11.2%, which is twice the rate of Worcester County and of the state. The number of persons who are self-employed in Sturbridge is indicative of an entrepreneurial spirit and is a source of new business growth for the Town.

Figure XX. Self-Employment.



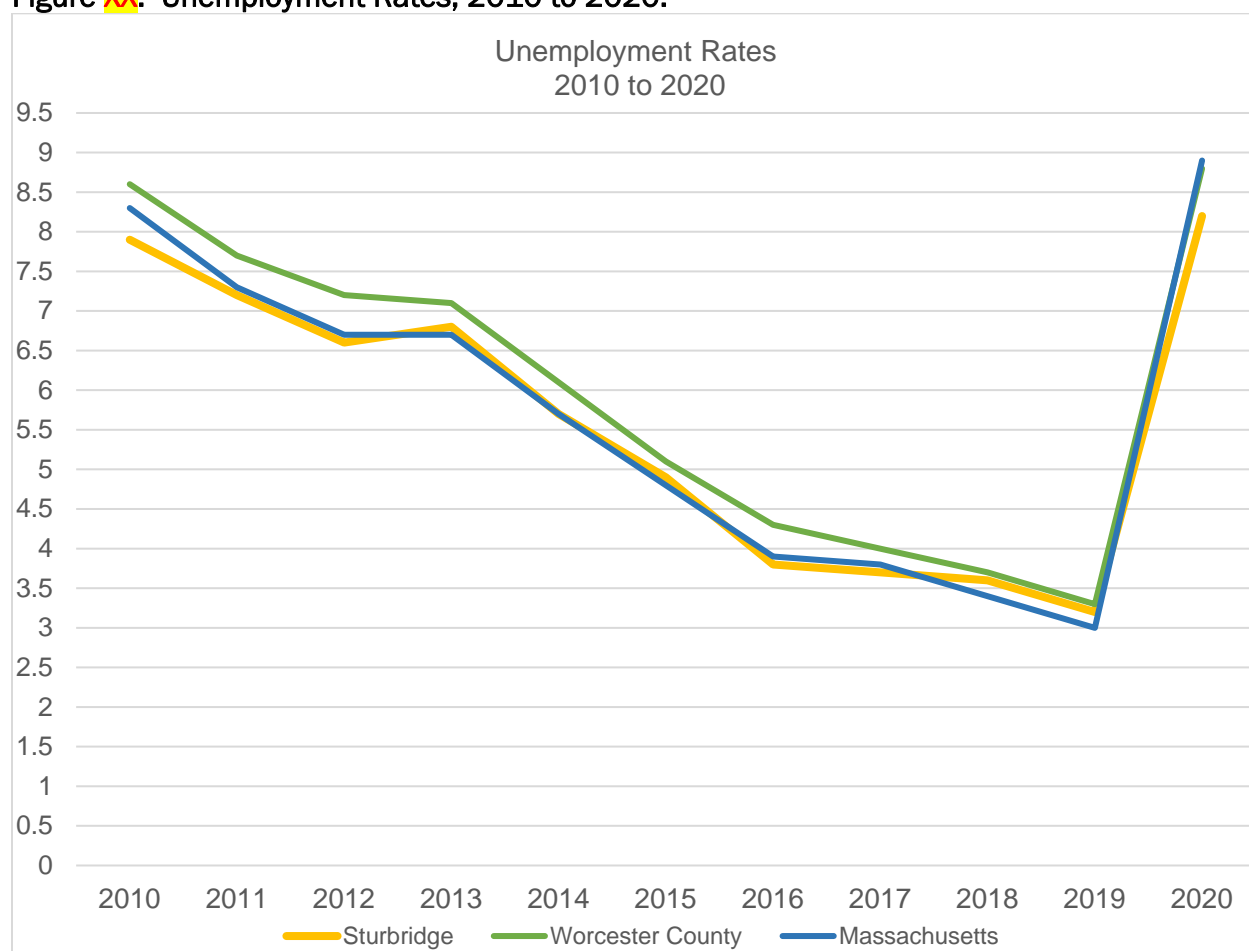
Source: US Census and BLS.

## Unemployment

The unemployment rate of Sturbridge residents has tended to track closely with the Massachusetts unemployment rate. In 2019 the annual unemployment rate for Sturbridge residents was 3.2%, just slightly higher than the statewide unemployment rate of 3.0%. Worcester County's unemployment rate is typically higher, ranging from 0.1% higher in 2018 and 2019 to 0.7% higher in 2010. On average the unemployment rate for Worcester County is 0.4% higher than Sturbridge over the past decade. As a result of the Coronavirus pandemic, unemployment rates spiked in 2020.

Persons actively engaged in the labor force has steadily increased over the past decade in Sturbridge, rising from 4,890 in 2010 to a high of 5,244 in 2018. In 2020, the size of the Sturbridge labor force (town residents) was 5,036.

Figure XX. Unemployment Rates, 2010 to 2020.



Source: LAUS, MA Department of Labor & Workforce.

Table XX. Sturbridge's Labor Force &amp; Unemployment Rates, 2010 to 2020

|      | Labor Force | Employed | Unemployed | Unemployment Rate |
|------|-------------|----------|------------|-------------------|
| 2010 | 4,890       | 4,502    | 388        | 7.9%              |
| 2011 | 4,902       | 4,547    | 355        | 7.2%              |
| 2012 | 4,904       | 4,578    | 326        | 6.6%              |
| 2013 | 4,957       | 4,621    | 336        | 6.8%              |
| 2014 | 5,030       | 4,744    | 286        | 5.7%              |
| 2015 | 5,043       | 4,797    | 246        | 4.9%              |
| 2016 | 5,083       | 4,891    | 192        | 3.8%              |
| 2017 | 5,162       | 4,970    | 192        | 3.7%              |
| 2018 | 5,244       | 5,055    | 189        | 3.6%              |
| 2019 | 5,218       | 5,049    | 169        | 3.2%              |
| 2020 | 5,036       | 4,624    | 412        | 8.2%              |

Source: LAUS, MA Department of Labor & Workforce.

## Leading Business Sectors

The leading business sector in Sturbridge as to employment are Leisure & Hospitality, followed by Retail, Education, Health Care and Manufacturing. The Leisure and Hospitality sector includes restaurants, hotels and lodging, arts, entertainment and culture. This sector in 2019 led as to employment with 1,517 jobs as well as total annual wages pumped in to the Sturbridge economy with nearly \$36 million of wage payroll.

Although the Retail sector is ranked as number two as to number of jobs and number three as to number of local business establishments, the importance of retail is diminishing in Sturbridge. This is in larger part due to the trend of smaller retail footprints and the increase in e-commerce and online shopping. Retail ranks fourth as to overall annual wages.

Health care is a sector that is increasing in importance in the local Sturbridge economy. Health care and social assistance sector has sixty-six establishments operating in Sturbridge in 2019. This sector ranked fourth as to the number of jobs in Sturbridge with 518 average employees in 2019.

**Table XX. Top Five Business Sectors in Sturbridge, 2019.**

|              | 2019 Top 5 Sectors<br>as to<br>Establishments | 2019 Top 5 Sectors<br>as to<br>Jobs    | 2019 Top 5 Sectors<br>as to<br>Annual Wage Payroll | 2019 Top 5 Sectors<br>as to<br>Average Weekly<br>Wage |
|--------------|---|--|--|---|
| <b>1</b>     | Health Care & Social Assistance<br>66         | Leisure & Hospitality<br>1517          | Leisure & Hospitality<br>\$35,952,482              | Wholesale Trade<br>\$1,716                            |
| <b>2</b>     | Leisure & Hospitality<br>61                   | Retail<br>986                          | Manufacturing<br>\$32,353,422                      | Real Estate, Rental & Leasing<br>\$1,598              |
| <b>3</b>     | Retail<br>47                                  | Education<br>620                       | Education<br>\$32,282,857                          | Professional & Technical Services<br>\$1,587          |
| <b>4</b>     | Professional & Technical Services<br>43       | Health Care & Social Assistance<br>518 | Retail<br>\$24,597,766                             | Finance & Insurance<br>\$1,516                        |
| <b>5</b>     | Other Services<br>27                          | Manufacturing<br>473                   | Professional & Technical Services<br>\$21,459,834  | Manufacturing<br>\$1,315                              |
| <b>Total</b> | <b>397</b><br>Establishments                  | <b>5,312</b><br>Employees              | <b>\$214,558,015</b><br>Annual Wage Payroll        | <b>\$777</b><br>Average Weekly Wage                   |

Source: ES202, MA Department of Labor & Workforce and McCabe Enterprises.



Manufacturing continues to play an important role in Sturbridge's economy, Manufacturers pumped \$32.4 million of wage payroll into the Sturbridge economy in 2019, the second highest sector following Leisure & Hospitality. Several of Sturbridge's largest local employers are manufacturers.

Professional and Technical Services is another growing local sector, ranking fourth as to number of establishments. The Professional & Technical Services Sector contributed \$21.5 million to the local economy in 2019 in annual wages. The Professional & Technical Services Sector had the third highest average weekly wage of all business sectors in Sturbridge in 2019.

The vast majority of Sturbridge businesses are small firms, including many micro-businesses. Nearly half, 48.9%, of businesses in Sturbridge have one-to-four employees. Over 80% of Sturbridge businesses have nineteen or fewer employees. The Town's largest employers, including several manufacturers, retailers, and leisure and hospitality providers are noted in Table XX. Three of the top fifteen largest employers are in the public sector, namely the Town, Burgess School and Tantasqua Regional School District.

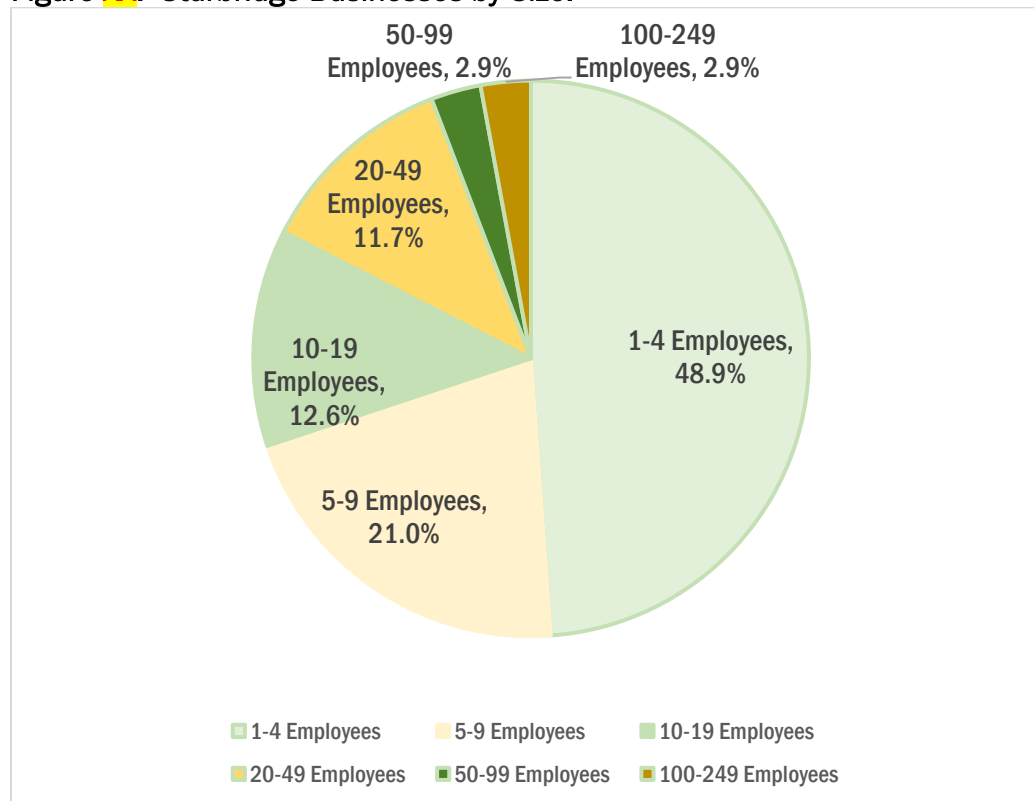
**Table XX. Sturbridge's Largest Employers, 2019.**

| Company name                              | Number of employees |
|---|---------------------|
| OFS Fitel LLC                             | 250-499             |
| Town of Sturbridge                        | 250-499             |
| Arland Tool & Mfg Inc                     | 100-249             |
| Burgess Elementary School                 | 100-249             |
| Cracker Barrel Old Country Store          | 100-249             |
| Old Sturbridge Village                    | 100-249             |
| Sturbridge Host Hotel & Conference Center | 100-249             |
| Super Stop & Shop                         | 100-249             |
| Tantasqua Regional School District        | 100-249             |
| ALSCO Industries Inc                      | 50-99               |
| Applebee's                                | 50-99               |
| Go Wireless-Verizon Authorized Retailer   | 50-99               |
| JC Penney*                                | 50-99               |
| Michaels                                  | 50-99               |
| Photonis USA Inc                          | 50-99               |

Source: InfoUSA.

\*JC Penney's filed for bankruptcy during the pandemic and announced it will be closing its Sturbridge store.

Figure XX. Sturbridge Businesses by Size.



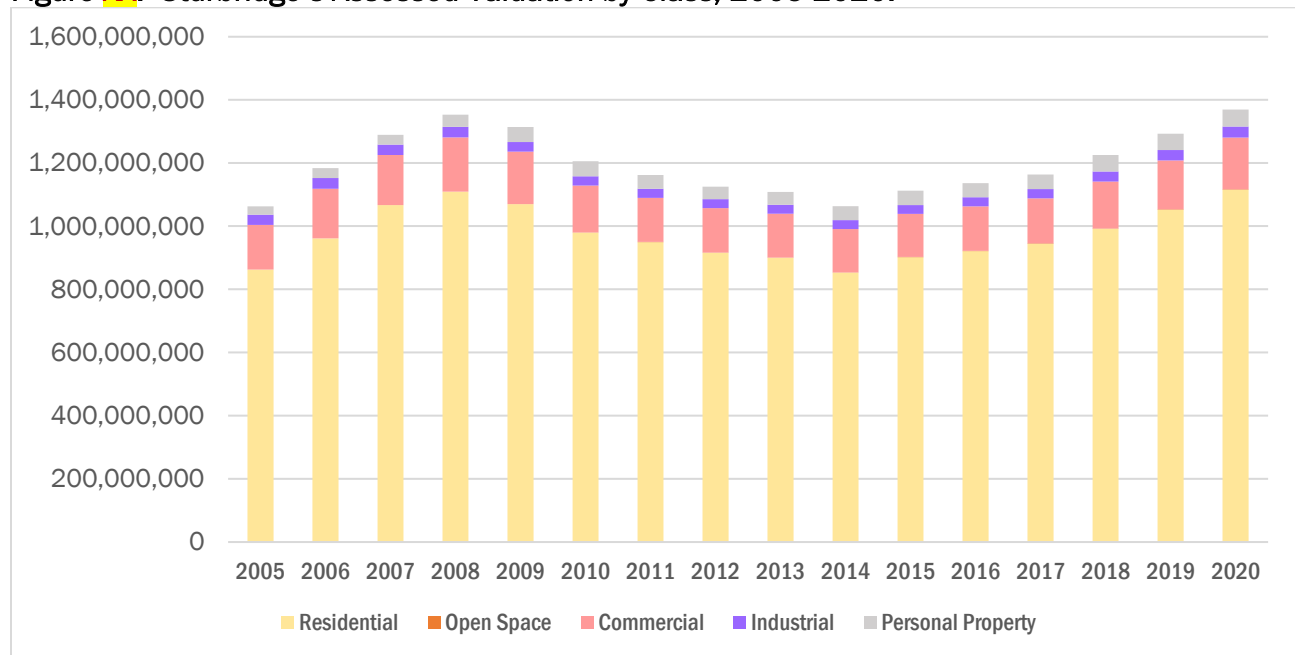
Source: 2018 County Business Patterns, Social Explorer.

## Sturbridge's Business-Related Revenues

A major motivation for economic development in many communities, including Sturbridge, is local tax revenues. Sturbridge, comparatively, does very well in generating local revenue from commercial and industry-related sources. Sturbridge ranks in the top-half of all 351 cities and towns in the Commonwealth as to total commercial and industrial assessed valuation. In 2020, commercial and industrial values contributed to 13.5% of the Town's local real estate tax levy. Commercial and industrial uses occupy only 5.3% of the Town's land area.

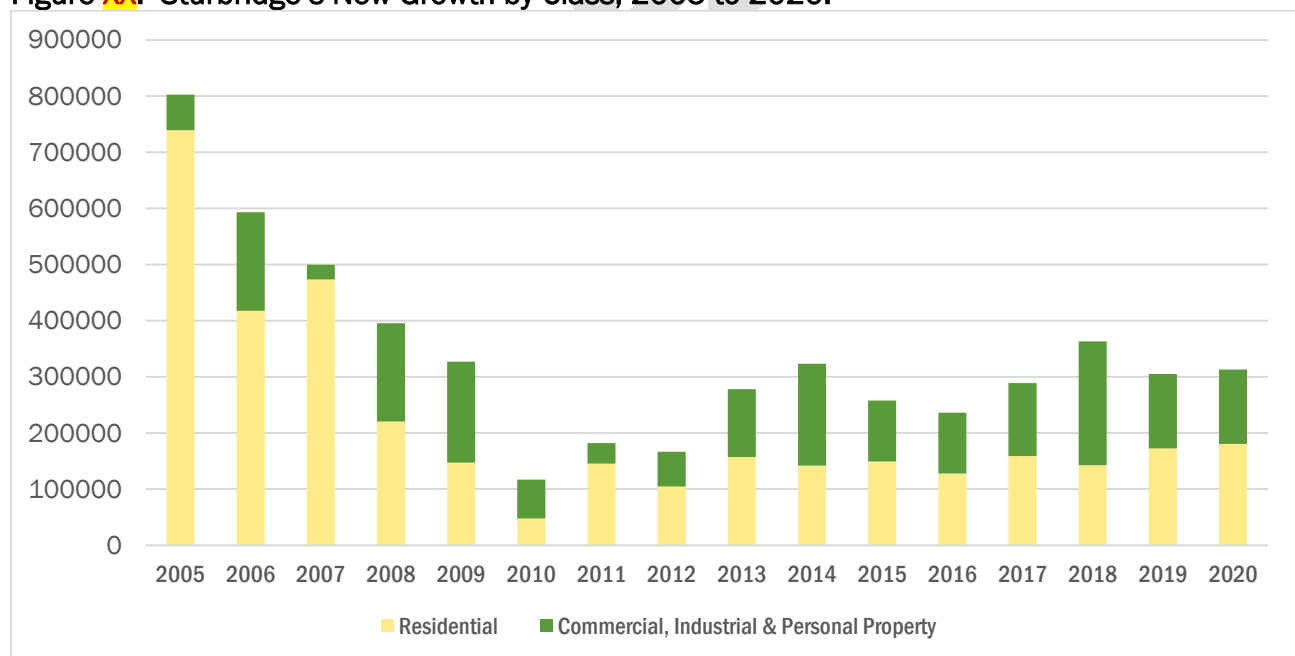
Figure XX illustrates the changes in assessed valuation by class (residential, open space, commercial, industrial, and personal property) over the past fifteen years. Sturbridge at the outset of 2020 had fully regained valuations from the downturn prompted by the Great Recession. The proportion of commercial and industrial valuations has remained fairly steady during the period. For the past several years, Sturbridge has added new growth attributable to commercial and industrial uses to its real estate tax base, as depicted in Figure XX.

Figure XX. Sturbridge's Assessed Valuation by Class, 2005-2020.



Source: MA Department of Revenue, Division of Local Services.

Figure XX. Sturbridge's New Growth by Class, 2005 to 2020.



Source: MA Department of Revenue, Division of Local Services.

Sturbridge, like most of its neighboring municipalities, has a single tax rate for both residential and commercial taxpayers. A single tax rates is viewed as a more business-friendly policy. Fiscal impacts studies generally find that residential properties require and demand more municipal services than commercial and industrial properties. Sturbridge's tax rate in 2020 was \$19.02 per \$1,000 of assessed valuation. This rate places it in the middle, ranking sixth, amongst the ten municipalities comprising Greater Sturbridge, as reported in Table XX. Sturbridge ranks third as to population of the ten communities in Greater Sturbridge, and third as to overall land area.

**Table XX. Comparable 2020 Commercial Real Estate Property Tax Rates.**

| Municipality                                       | 2020 Commercial/<br>Industrial Tax Rate | Type of Rate  |
|--|---|---------------|
| Brimfield  | \$17.67                                 | Single        |
| Brookfield   | \$18.01                                 | Single        |
| Charlton   | \$14.94                                 | Single        |
| East Brookfield                                    | \$14.82                                 | Single        |
| Holland  | \$16.62                                 | Single        |
| Southbridge  | \$19.48                                 | Single        |
| <b>Sturbridge</b>                                  | <b>\$19.02</b>                          | <b>Single</b> |
| Union, CT  | \$30.93                                 | Single        |
| Wales  | \$19.34                                 | Single        |
| Woodstock, CT<br>(town only; no special districts) | \$24.54                                 | Single        |

Sources: Mass Dept of Revenue, 2020 tax rates and CT Data Center

In addition to real estate tax revenues, Sturbridge collects meals and room taxes. In FY2019, meals and room taxes generated over \$1.5 million. The Leisure and Hospitality sector produces significant local tax revenues to the Town. Sturbridge is levying the maximum allowed rates on meals and rooms allowed by the Commonwealth. Only the neighboring towns of Brimfield, Charlton and Southbridge are levying meals taxes, and only Brimfield and Southbridge collect room taxes.

In 2019, the legislature enacted enabling legislation to permit a local option tax on short-term rentals. The impetus for this legislation was the rise in AirBnB local rentals across the Commonwealth and the desire to more fairly assess taxes on room rentals whether they are in hotels and motels, Bed and Breakfasts, or in private homes that are managed professionally or by the owner. The enabling legislation allows a 3% local option tax. Sturbridge and its neighboring communities have not exercised their right to levy the Short-term Rentals tax. Some other smaller communities have been earlier adopters of this new

local option tax, such as Leverett, Amherst, Northampton and Webster in central and western Massachusetts.

**Table XX. Meals and Rooms Tax Revenues, FY2019.**

|                                   | Meals Tax Revenues | Rooms Tax Revenues | Total Meals & Rooms Tax Revenues |
|-----------------------------------|--------------------|--------------------|----------------------------------|
| Brimfield                         | \$ -               | \$ 1,961           | \$ 1,961                         |
| Brookfield                        | \$ -               | \$ -               | \$ -                             |
| Charlton                          | \$ 215,057         | \$ -               | \$ 215,057                       |
| East Brookfield                   | \$ -               | \$ -               | \$ -                             |
| Holland                           | \$ -               | \$ -               | \$ -                             |
| Southbridge                       | \$ 170,168         | \$ 159,974         | \$ 330,142                       |
| Sturbridge                        | \$ 481,991         | \$ 1,082,908       | \$ 1,564,899                     |
| Wales                             | \$ -               | \$ -               | \$ -                             |
| <i>COMPARATIVE MUNICIPALITIES</i> |                    |                    |                                  |
| Auburn                            | \$ 415,766         | \$ 727,815         | \$ 1,143,581                     |
| Lenox                             | \$ 269,377         | \$ 1,811,572       | \$ 2,080,949                     |
| Raynham                           | \$ 489,006         | \$ 484,863         | \$ 973,869                       |
| Stockbridge                       | \$ 77,483          | \$ 353,224         | \$ 430,707                       |

Source: MA Department of Revenue, Division of Local Services.



## Sturbridge as to Key Comparative Indicators

This economic assessment reviewed Sturbridge's standing as to multiple comparative indicators including population, size, labor force, tax revenues amongst all Massachusetts municipalities. The results are discussed in this section and highlighted in Table XX.

Table XX: Comparative Indicators and Sturbridge's Rank.

| Indicator  | Rank | Value            | Source                     |
|--|------|------------------|----------------------------|
| Population   | 186  | 9,496            | 2017 ACS 5-yr.             |
| Size – Land Area (Square Miles)  | 41   | 37.22 SQ MI      | MA DOR's DLS               |
| Median Household Income  | 158  | \$84,745         | 2017 ACS 5-yr.             |
| Median Age   | 115  | 42.4 years       | 2017 ACS 5-yr.             |
| Labor Force Size   | 192  | 5,295            | LAUS October 2019 (1-YrTD) |
| Rooms Tax Revenues   | 40   | \$1,082,908      | MA DOR's DLS FY2019        |
| Meals Tax Revenues   | 78   | \$481,991        | MA DOR's DLS FY2019        |
| Commercial Tax Rate (Rate per \$1,000 of AV)   | 225  | \$19.15 for 2019 | MA DOR's DLS FY2019        |
| CIP (Commercial, Industrial, Personal Property) as a Percent of Total Assessed Valuation | 90   | 18.50%           | MA DOR's DLS FY2019        |
| Commercial as a Percent of Total Assessed Valuation                                      | 53   | 11.96%           | MA DOR's DLS FY2019        |
| Industrial as a Percent of Total Assessed Valuation                                      | 143  | 2.55%            | MA DOR's DLS FY2019        |
| Commercial & Industrial as a Percent of Total Assessed Valuation                         | 88   | 14.51%           | MA DOR's DLS FY2019        |

**Population** is a standard metric for indicating the size and scale of a municipality. 9,496 persons live in Sturbridge. The Town's population is just less than 10,000, a common parameter defining a small town. Sturbridge ranks 186<sup>th</sup> as to population amongst the Commonwealth's 351 cities and towns. Sturbridge is in the middle quintile as to population of the state's communities. The median municipal population is 10,560 persons. The mean average population of a Massachusetts municipality is 19,343 persons. Amongst Worcester County's sixty municipalities, Sturbridge ranks 27<sup>th</sup> as to population.

**Size as to Land Area.** Sturbridge's land area of 37.22 Square Miles places it amongst the largest cities and town measured by land area. Sturbridge ranks 41 and is in the top quintile of Massachusetts communities as to land area. Massachusetts municipalities range from the Plymouth, the town with the largest land area of 96.46 square miles to the smallest

town, Nahant, which comprises only 1.05 square miles of land. The mean average land area for a Massachusetts municipality is 22.22 square miles and the median size is 20.51 square miles.

**Median Household Income.** The median household income in Sturbridge is \$84,745. The median household income for the Commonwealth is \$74,167 and for Worcester County, \$69,313. Statewide, the median household income by municipality ranges from a high of \$203,018 to a low of \$31,458. Sturbridge ranks 158 in median household income. Sturbridge's median household income ranking places it in the upper half of all Massachusetts cities and towns, and in the middle quintile. The median household income of Massachusetts municipalities in the middle quintile ranges from a high of \$87,093 to a low of \$75,313.

**Median Age** is an indicator to what extent a community is regenerating itself with younger residents, including children and youth. Median age is also used as a sign of an aging work force. Sturbridge's median age of 42.4 years ranks 115<sup>th</sup> amongst the 351 municipalities of Massachusetts. Sturbridge ranks in the second highest quintile statewide for lowest median age. Median age as to municipalities range from a low of 21.4 years to a high of 62 years amongst the state's municipalities. Median age in the second highest quintile ranges from 40.6 to 43.3 years.

**Labor Force Size.** The size of the labor force amongst persons who reside in Sturbridge is 5,295 people. Sturbridge ranks 192 as to the size of the resident labor force. The size of its local resident labor force places Sturbridge in the middle quintile statewide. The size of the potential labor force is the number of working age adults residing in a municipality. The size of the labor force typically rises as population increases. Overall, Massachusetts has 3,840,899 persons in the labor force. The largest municipal labor force is Boston with 388,419 persons. The smallest municipal labor force is Gosnold with 49 persons. The mean average municipal labor force in Massachusetts is 10,943, and the median is 5,763 persons.

**Rooms Taxes.** Local municipalities in Massachusetts have the option to levy a rooms tax. Sturbridge is one of 168 municipalities in the state that levy a rooms tax. Most Massachusetts communities with hotels and motels as part of their economic base have opted to execute the local option rooms tax. Sturbridge ranks 40<sup>th</sup> amongst the cities and towns as to the overall amount of rooms taxes collected in FY2019. This places Sturbridge in the top quarter of rooms-taxing communities. In FY2019, Sturbridge received \$1,082,908 in rooms taxes.

**Meals Taxes.** Meals tax is another local option tax, which Sturbridge has elected to levy. Two-thirds of all cities and towns assess a meals tax. Meal taxes generated \$481,991 for Sturbridge in FY2019. Sturbridge ranks 78 amongst the 234 cities and towns as to the total amount of meals taxes collected. This places Sturbridge in the second quintile of communities as to total amount of meals taxes received in FY2019.

**Commercial Tax Rate.** The Town of Sturbridge has a single real estate property tax rate. For 2020, the tax rate is \$19.02, a reduction of thirteen cents from 2019, when the tax rate was \$19.15. Sturbridge ranks 225 as to its 2019 commercial property tax rate amongst Massachusetts cities and towns when ranked from lowest to highest tax rate. The lowest commercial tax rate in Massachusetts is \$2.51 in Gosnold, and the highest commercial tax rate is \$41.61 in North Adams. The median local commercial tax rate in the state is \$17.45 and the mean average local commercial tax rate is \$18.38. Sturbridge's commercial tax rate places it in the fourth quintile amongst Massachusetts municipalities.

A single tax rate that is applicable to all classes of property – residential, commercial, industrial and personal property – is generally viewed as more business friendly than split tax rates. One-third of Massachusetts cities and towns have split tax rates. All of Sturbridge's eight abutting municipalities have single tax rates. Amongst the ten towns in Greater Sturbridge is in the middle tier as to property tax rates.

**CIP as a Percent of Total Assessed Valuation.** CIP stands for Commercial, Industrial and Personal Property classes of property taxes in Massachusetts. The other classes are residential and open space. 18.5% of Sturbridge's overall value of properties as measured by assessed valuation is comprised of CIP properties – commercial, industrial and personal property. Sturbridge ranks 90<sup>th</sup> amongst Massachusetts cities and towns with the highest percentage of CIP valuation in its real estate property tax base. This places Sturbridge in the second quintile of all municipalities as percentage of CIP.

Statewide, the percentage of CIP as part of a local tax base ranges from a high of 89.7% in town of Rowe to a low of 1.9% in the town of Carlisle. The four towns with the highest percentage of CIP, namely Rowe (89.7%), Erving (86.5%), Florida (64.8%) and Monroe (62.10%), appear to be outliers. Rowe and Monroe have out-sized industrial tax bases due to the Yankee Rowe Nuclear Power Plant. Erving has the Erving Paper Mill with a privately-owned wastewater treatment plant. Florida has the Hoosac Rail Tunnel contributing over sixty percent of its tax base.

For most Massachusetts communities, the percentage of CIP of the overall assessed valuation ranges from a high of 43.30% to a low of 1.9%.

**Commercial as a Percent of Total Assessed Valuation.** Commercial valuations in Sturbridge account for 11.96% of the overall property tax base. Sturbridge ranks 53<sup>rd</sup> amongst Massachusetts municipalities as to the percentage of commercial valuation in its overall tax base. This places Sturbridge in the top quintile of Massachusetts municipalities.

The percentage of commercial valuation as part of the overall valuation of Commonwealth municipalities ranges from a high of 33.83% in Hancock to a low of 0.06% in Rowe. The median percentage value amongst Massachusetts cities and towns is 5.79% and the mean average percentage value is 7.16%.

**Industrial as a Percent of Total Assessed Valuation.** Industrial valuations in Sturbridge constitute 2.55% to the overall property tax base. Sturbridge ranks 143 amongst Massachusetts cities and towns as to the percentage of industrial value. This places Sturbridge in the top half and in middle quintile of all Massachusetts municipalities.

The percentage of industrial valuation as a part of the overall valuation of Massachusetts municipalities ranges from a high of 58.84% in Florida to a low of zero percent. Three towns, Egremont, Hull and Warwick, each have zero industrial valuation as part of their tax base.

**Commercial and Industrial as a Percent of Total Assessed Valuation.** The commercial and industrial classes of property contribute 14.51% of the overall property tax base in Sturbridge. As a result, Sturbridge ranks 88 amongst all Massachusetts municipalities as to the percentage of commercial and industrial valuations. This places Sturbridge in the second quintile of Massachusetts communities with the highest percentage of commercial and industrial valuations. Sturbridge is on the cusp, almost ranking in the top quarter of Massachusetts municipalities.

The combined percentage of commercial and industrial properties as a portion of total assessed valuation ranges from a high of 59.63% in Florida to a low of 0.40% in Tyringham.

A snapshot of Sturbridge in relation to five municipalities – Auburn, Lenox, Portsmouth, NH, Raynham, and Stockbridge highlights Sturbridge's standing on several comparative

indicators follows. Additional details on each of these indicators and the five comparative communities in the companion report, Sturbridge In Comparison.

Table XX. Sturbridge and the Indicators – A Snapshot

| INDICATOR                                 |   | POSITION                       |  |
|---|---|--------------------------------|--|
|   |   | Leading; Level/Middle; Lagging |  |
|   |   | 6 Comparison Communities       | Massachusetts and Worcester County             |
| Population Growth                         |   | Leading                        | Leading  |
| Diversity                                 |   | Lagging                        | Lagging  |
| Age                                       | Median Age  | Level                          | Lagging  |
|   | % Youth   | Leading                        | Level  |
| Educational Attainment                    |   | Middle                         | Leading  |
| Education                                 | HS Graduation                                     | Lagging                        | Leading  |
|   | Percent of HS Students → Post-Secondary Education | Lagging                        | Lagging  |
| Internet Access                           |   | Leading                        | Leading  |
| Internet Speed                            |   | Lagging                        |  |
| Business Growth                           |   | Leading                        | Lagging  |
| MBE Businesses                            |   | Leading                        | Lagging  |
| Woman-Owned Businesses                    |   | Level                          | Lagging  |
| Veteran-Owned Businesses                  |   | Leading                        | Leading  |
| Self-Employed in Own Business             |   | Leading                        | Leading  |
| Employment Growth                         |   | Lagging                        | Leading Worcester Co.<br>Lagging Massachusetts |
| Average Wages                             |   | Lagging                        | Leading Worcester Co.<br>Lagging Massachusetts |
| Commuting Time                            |   | Lagging/ Longer                | Lagging/ Longer                                |
| Unemployment Rate                         |   | Middle                         | Lower  |
| PPP Loans over \$150,000                  |   | Lagging                        | Lagging  |
| Coronavirus Cases/100,000                 |   | Middle                         | Lower  |
| Median Household Income                   |   | Leading                        | Leading  |
| Per Capita Income                         |   | Middle                         | Leading  |
| Poverty Rate                              |   | Middle                         | Lower  |
| Income Inequality                         |   | Middle                         | Level – Worcester Co.<br>Less – Massachusetts  |
| Commercial Tax Rates                      |   | Middle                         |  |
| Average Residential Tax Bill              |   | Higher                         |  |
| Percent Commercial & Industrial Valuation |   | Less                           |  |
| Rooms Taxes                               |   | Leading                        |  |
| Meals Taxes                               |   | Leading                        |  |



## Sturbridge—Strengths, Weaknesses, Opportunities & Threats

Sturbridge has many strengths that are contributing to a healthy local economy, despite the setbacks created by the Coronavirus pandemic. The SWOT – Strengths, Weaknesses, Opportunities and Threats analysis is drawn from comments, observations, analysis and interviews for this Economic Assessment and Strategy.

| STRENGTHS  | WEAKNESSES  |
|--|---|
| <ul style="list-style-type: none"> <li>• Central location with excellent highway access – MassPike &amp; I-84.</li> <li>• Quality staff with solid reputations.</li> <li>• Spirit of volunteerism and active civic engagement.</li> <li>• Coordinated permitting process and staff reviews for development applications.</li> <li>• Old Sturbridge Village.</li> <li>• Picturesque Common Area.</li> <li>• Historically strong hospitality sector that adds substantial rooms/ meals taxes.</li> <li>• Restaurant cluster and craft breweries.</li> <li>• Known to be a good location for meetings and weddings.</li> <li>• Outdoor trails, conservation lands with state parks + US Army Corps recreation areas.</li> <li>• High awareness of Sturbridge as a location.</li> <li>• Good internet speeds overall and access.</li> <li>• Bay Path University satellite campus.</li> <li>• Well-regarded Burgess School.</li> <li>• Willingness to uses tax incentives.</li> <li>• Strong Credit Rating for the Town.</li> </ul> | <ul style="list-style-type: none"> <li>• Commercial Tourism District is vehicular-oriented with low Walk Score.</li> <li>• Retail sector in Sturbridge CTD has weakened and not yet fully embraced the experience economy.</li> <li>• Few child care options for working parents.</li> <li>• Limited focus on placemaking.</li> <li>• Entrances to Sturbridge from I-84 and MassPike lack distinction &amp; branding.</li> <li>• Extremely limited transit options and alternative travel modes.</li> <li>• Lack of land for business growth and development.</li> <li>• Heavy concentration on Leisure &amp; Hospitality and Retail sectors.</li> <li>• Weak regional cooperation/ weak regional image. Sturbridge is on many borders – county and state – posing challenges to collaboration.</li> <li>• Need for continuous renewal/refreshing of private hospitality properties.</li> </ul> |
| OPPORTUNITIES  | THREATS   |
| <ul style="list-style-type: none"> <li>• Implementation of the Commercial Tourist District Plan &amp; Placemaking.</li> <li>• Trails/ Outdoor Recreational Amenities and Camping.</li> <li>• Quinebaug River.</li> <li>• Entrepreneurialism &amp; self-employment.</li> <li>• Arts &amp; cultural amenities/ venues.</li> <li>• Regional collaboration with neighboring communities.</li> <li>• Reconfigure MassPike/ Rte. 20 area to create new land sites for business.</li> <li>• Enhance development opportunities through examining density, parking. mixed-use and dimensional regulations.</li> <li>• Opportunity to work with new owner of Sturbridge HOST, a key property.</li> <li>• Possible hub location accessing multiple metro markets for tourism and business.</li> </ul>   | <ul style="list-style-type: none"> <li>• Covid-19 Pandemic and impacts on small business, and particularly the restaurant and hospitality sectors.</li> <li>• Traditional reliance on promoting “Single” major tourism attraction – Old Sturbridge Village.</li> <li>• Adoption of virtual meetings and online conferences.</li> <li>• Lack of consensus around growth and development amongst town residents and leadership.</li> <li>• Hotel &amp; rooms taxes and leisure/hospital real estate taxes – key part of local municipal tax base.</li> </ul>  |

## Key Findings

The Economic Assessment identified sixteen key findings about Sturbridge's local economy and economic development. The key findings are enumerated below and in the following pages each key finding is discussed.

1. The number of business and the local economy in Sturbridge continues to grow slowly. Population growth in Sturbridge continues, but is slower than Massachusetts.
2. The Sturbridge local economy is evolving into a more diverse economy, and Leisure and Hospitality continues to be an important sector.
3. The Sturbridge community – residents, businesspeople, and local leaders and officials – have a mix of views and opinions regarding economic development
4. Revitalizing Sturbridge's Commercial Tourism District/ Route 20 has widespread support amongst residents and businesspeople.
5. Parking and traffic continue to be a key concern by businesses and residents.
6. Sturbridge is facing increased competition as a hotel and meeting place destination.
7. Sturbridge's Commercial- Tourist District and the Sturbridge's Historic Common area have low walk scores, indicating car-dependent environments with few, if any, resources for bicyclists.
8. Sturbridge has upgraded its web site with dedicated web pages for visitors and businesses, and the path of continuous improvements for internet and social media communication needs to continue.
9. Sturbridge has a significant number of self-employed persons and entrepreneurs. 11.2% of Sturbridge residents in the work force are self-employed, over twice the rate of Worcester County, and nearly double the statewide rate.
10. Sturbridge has good internet coverage throughout the Town, which can support high speed communication.
11. Sturbridge has a low labor force participation rate of women with children at home, that is substantially lower than other communities with comparable median household incomes as well as compared to Worcester County, the state, and the five comparison municipalities.
12. Sturbridge has few child care resources for working parents.

13. The Town and the Sturbridge Trails Committee have made significant investments into developing outdoor trails system throughout Sturbridge and the Committee is now undertaking improvements to the Grand Trunk Trail by the Quinebaug River. Sturbridge's outdoor trail system is an opportunity to broaden the appeal and amenities for visitors to Sturbridge
14. Sturbridge has few entertainment, arts and cultural options for residents and visitors beyond Old Sturbridge Village. These include the Stageloft Theater and occasional music at local brewpubs.
15. There is a general perception that Sturbridge does not have sufficient commercial land to grow and sustain its tax base.
16. Regionalism -- need to market as a region for business attraction and regional growth. The Last Green Valley/ Quinebaug River National Heritage Corridor.

The key findings provide the foundation for key strategic actions to guide Sturbridge's economic development efforts. The key findings and the implications for future action are discussed in greater detail on the following pages.

### ***Finding: Business and the Economy in Sturbridge are Continuing to Grow***

Business and the economy in Sturbridge are growing. Over the past fifteen years, 2005<sup>2</sup> to 2019 the number of business establishments in Sturbridge increased from 336 establishments to 397 establishments, an 18.2% increase. Business establishments are defined as businesses with employees that are paying employment withholding taxes. Sturbridge's population for approximately the same period grew 11.5%, so the rate of business establishment growth over the past fifteen years is higher than the population growth rate. The number of persons employed by Sturbridge businesses grew 9.5% from 200 to 2019.

Sturbridge's rate of growth of business establishments is approximately 1.2% annually and the local job growth rate is 0.6% annually. Sturbridge's population growth since 2010 is estimated by the US Census to be 0.4% annually. Sturbridge's growth rate is slightly behind the national rate of growth in establishments and employment for the same period as noted in table below. Statewide, over the last fifteen years there has been job and establishment growth particularly in eastern Massachusetts. The Commonwealth and Worcester County outpaced the rate of increased establishments and employment in Sturbridge.

Sturbridge's population since 2010 grew an estimated 3.9% according to the Census, which is nearly the same rate of growth for Worcester County. The Commonwealth's population grew 5.3% for the same period. The population of towns within Greater Sturbridge – Brimfield; Brookfield; Charlton; East Brookfield; Holland; Southbridge; Sturbridge; Union, CT; Wales; and Woodstock, CT – collectively grew 2.5% for the period of 2010 to 2019. Sturbridge's population growth, albeit small since 2010, exceeds the local region's population growth rate. Local communities with populations growing faster than Sturbridge are Wales (13.6%); Holland (6.0%); Charlton (5.6%); and Union, CT (4.7%). Southbridge remained relatively steady with a 1% increase in population. Others, lost population such as East Brookfield and Woodstock.

#### ***Implication for Economic Development***

Greater Sturbridge's slow growth in population less than Worcester County and Massachusetts has implications for economic development. The nearby labor pool for prospective workers by Sturbridge businesses is slowly shrinking. Local businesses will need to widen their geographic search for employees, and workers will likely need to travel longer distances to Sturbridge. Population changes not only effect the size of the nearby

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<sup>2</sup> 2005 was selected as a comparative period to assess establishment and employment growth since 2005 pre-dated the Great Recession. Recovery from the Great Recession varied across the state, and some locales did not see pre-Great Recession employment levels until 2015. Thus, 2005 was selected as benchmark.

labor pool, but also the size of the potential customer base of local shops and restaurants. The number of potential year-round customers for local restaurants and retailers is remaining steady, but not growing. Visitors to Sturbridge as a consequence become even more important for restaurants and small retail businesses.

Table XX. Establishment Growth, 2005 to 2019.

| ESTABLISHMENTS   |           |            |                        |                       |
|------------------|-----------|------------|------------------------|-----------------------|
|                  | 2005      | 2019       | Change Rate for Period | Annual Rate of Change |
| United States    | 8,571,144 | 10,233,822 | 19.4%                  | 1.3%                  |
| Massachusetts    | 207,788   | 261,292    | 25.7%                  | 1.7%                  |
| Worcester County | 20,427    | 26,452     | 29.5%                  | 2.0%                  |
| Sturbridge       | 336       | 397        | 18.2%                  | 1.2%                  |

Sources: Bureau of Labor Statistics QCEW, MA Department of Unemployment Assistance ES202, and McCabe Enterprises.

XX. Employment Growth, 2005 to 2019.

| EMPLOYMENT       |             |             |                            |                       |
|------------------|-------------|-------------|----------------------------|-----------------------|
|                  | 2005        | 2019        | Change Rate for the Period | Annual Rate of Change |
| United States    | 131,571,623 | 148,105,092 | 12.6%                      | 1.4%                  |
| Massachusetts    | 3,161,766   | 3,633,365   | 14.9%                      | 1.7%                  |
| Worcester County | 316,849     | 353,355     | 11.5%                      | 1.3%                  |
| Sturbridge       | 4,852       | 5,312       | 9.5%                       | 1.1%                  |

Sources: Bureau of Labor Statistics QCEW, MA Department of Unemployment Assistance ES202, and McCabe Enterprises.

Table XX. Population Growth, 2010 to 2019.

| POPULATION         |             |             |                        |                       |
|--------------------|-------------|-------------|------------------------|-----------------------|
|                    | 2010        | 2019        | Change Rate for Period | Annual Rate of Change |
| United States      | 328,239,523 | 308,758,105 | 6.3%                   | 0.7%                  |
| Massachusetts      | 6,547,785   | 6,892,503   | 5.3%                   | 0.6%                  |
| Worcester County   | 798,383     | 830,622     | 4.0%                   | 0.4%                  |
| Sturbridge         | 9,240       | 9,597       | 3.9%                   | 0.4%                  |
| Greater Sturbridge | 61,254      | 62,797      | 2.5%                   | 0.3%                  |

Sources: US Census 2019 and McCabe Enterprises.

***Finding:*** The Sturbridge local economy is evolving into a more diverse economy, and Leisure and Hospitality continues to be an important sector.

Table XX displaying the changes in the top five leading industry sectors in Sturbridge from 2005 to 2019 reveals a story about a changing economy. Sturbridge's economic pillars in the 1990s and early twenty-first century were tourism, retail, and manufacturing. The tourism industry driven by the strength of Old Sturbridge Village and the leisure and hospitality sectors that capitalized on Sturbridge's strategic location located mid-way across the Commonwealth and New England at the intersection of the MassPike and I-84. Sturbridge was a location for business meetings, for travelers interested in history, and day trippers who journeyed to Sturbridge for a day with a little history, poking around quaint shops or collectibles, baskets, home goods, along with lunch or dinner out. Shopping was a primary activity for visitors' discretionary time in Sturbridge and throughout Massachusetts. The growth spurt in the Town's population during the 1990s enticed new retail establishments throughout Sturbridge. A core part of Sturbridge's economic base included manufacturing in photonics and fiber optics, including spin-offs and surviving businesses from the closure of American Optical (AO) in Southbridge.

**Table XX.** Employment Changes by Leading Industry Sectors, 2005 to 2019.

| Rank | Sector with Most Jobs in Sturbridge 2019 | Sector with Highest Percentage Job Growth, 2005 to 2019 | Sector with the Largest Increase in the Number of Jobs, 2005 to 2019 |
|------|--|---|--|
| 1    | Leisure & Hospitality<br>1,517           | Health Care & Social Assistance<br>152.7%               | Health Care & Social Assistance<br>313                               |
| 2    | Retail<br>986                            | Professional & Technical Services<br>118.5%             | Education<br>152   |
| 3    | Education<br>620                         | Information<br>66.7%                                    | Professional & Technical Services<br>141                             |
| 4    | Health Care & Social Assistance<br>518   | Wholesale Trade<br>60.4%                                | Administrative & Waste Mgmt Svcs<br>66                               |
| 5    | Manufacturing<br>473                     | Transportation & Warehousing<br>46.7%                   | Finance & Insurance<br>35  |
| 6    | Professional & Technical Services<br>260 | Administrative & Waste Mgmt Svcs<br>46.2%               | Wholesale Trade<br>32  |
| 7    | Administrative & Waste Mgmt Svcs<br>209  | Education<br>32.5%                                      | Transportation & Warehousing<br>28                                   |



These three sectors – Leisure & Hospitality, Retail, and Manufacturing – all continue to be an important part of the Sturbridge economy, but today they are different. In 2005, these three sectors comprised 68.4% of local employment and 42% of business establishments in Sturbridge. In 2005, the manufacturing sector pumped \$24.7 million in the local economy through wages – the largest annual payroll of any sector in Sturbridge with the second highest average weekly wage in Sturbridge.

Fifteen years later in 2019, these three sectors remain very important for the local Sturbridge economy, but comprise a somewhat smaller share of the local economy. In 2019, Leisure & Hospitality, Retail and Manufacturing provided only 56% of all local jobs in Sturbridge. The number of establishments in these three sectors in 2019 decreased as well, constituting 30.7% of all business establishments with a payroll.

The industry sectors with the highest growth rates as to employment over the past fifteen years since 2005 were Health Care & Social Assistance which grew jobs 152.7% and the Professional Technical Services sector which grew jobs 118.5%. In terms of absolute job growth, the Health Care & Social Assistance sector led with creating 313 new jobs for the 2005 to 2019 time period, followed by Education with 152 new jobs, and the Professional & Technical Services sector creating 141 new jobs. Education and the Health Care & Social Assistance sectors are now the third and fourth largest sectors as to employment followed by Manufacturing. Leisure & Hospitality workforce, although still ranked first, as to employment in Sturbridge, shrank 8.0%. The number of retail jobs decreased 17.4%.

Disruptive forces and trends impacted the Leisure & Hospitality and Retail sectors over the last fifteen years. The rise of AirBnB and VRBO and online booking systems for shared rooms have created a new source of competition for local lodging facilities. New hotels in Worcester and new conference center in Southbridge are creating other central point meeting facilities that provide competition of Sturbridge's local hotels.

Retail shopping was once a major component of the visitor experience. However, retail has been disrupted by e-commerce. A number of retail establishments, including notable visitor attractions such as Country Curtains, have closed. Nearly thirty percent (28.8%) of retail establishments in Sturbridge have closed since 2005, leaving only 47 retail establishments in 2019. The consumer economy has evolved. Today, it is the experience economy for face-to-face retail and services. Shoppers and visitors are looking for experiences, and not just transactions.

Manufacturing is a steady, stable sector. It continues at approximately the same level over the last fifteen years, albeit with somewhat fewer employees. In 2019, the Manufacturing sector employs 473 people, a two percent (1.9%) reduction of average employees over the past fifteen years. The Manufacturing sector ranks fifth as to the number of jobs in Sturbridge.

The number of manufacturers has increased by one to fourteen establishments. Both metal wire and fiber optic manufacturers are located in Sturbridge. While some firms focused on photonics and fiber optics remain in Sturbridge, the once noticeable concentration of photonics and fiber optics has become more dissipated throughout southern Worcester County and other parts of Massachusetts. Manufacturing is a growth industry according to the Southern Worcester County CEDS, and a critical industry identified by the Central Massachusetts Workforce Development Agency (WDA).

The number of establishments Health Care and Social Assistance sector located in Sturbridge grew 135%, and local employment in this sector grew 152% from 2005 to 2019. Health Care & Social Assistance sector is ranked number one as to establishments, and is the fourth largest sector as to employment in Sturbridge. There are several growth drivers contributing to the rise of the health care and social assistance sector in Sturbridge. These reflect two national trends – the increased interest in health, wellness and fitness and an aging population. The presence of Harrington Hospital, which is now part of the UMass Medical system is a key driver. Sturbridge's local demographics are driving growth in the health care/social assistance sector. Sturbridge has large and growing population segments which are high consumers of health care, namely young people (24.9% of Sturbridge's population and of elders (17.4% of the Town's population). The Southern Worcester County CEDS (Comprehensive Economic Development Strategy) identified Health Care as a growth sector. The Central Mass Workforce Development Area (WDA) identifies health care as a priority sector.

Other smaller sectors, such as Wholesale Trade, Transportation & Warehousing and Administrative & Waste Management Services, are adding jobs in Sturbridge at a faster pace than Leisure & Hospitality, Retail, and Manufacturing. While these sectors remain relatively small, they are contributing to the diversity of Sturbridge economy and creating new demands for land and space in Sturbridge, capitalizing on Sturbridge's locational advantages and highway access. Most notably, two cold storage warehouses have recently selected Sturbridge as the site to build and invest in new facilities.

This reflects the growth in e-commerce, and the desire for same-day and just-in-time deliveries. There is a high demand for warehousing locations near population centers. Locating in Sturbridge provides access to multiple markets in Connecticut, Massachusetts and Rhode Island primarily, with easy access to New York and northern New England.

### *Implication for Economic Development*

Historically, Sturbridge has focused much of its economic development efforts on the Leisure and Hospitality sector. Leisure & Hospitality continue to be very important locally and generate significant tax revenues. As the local economy evolves, economic development activities will need to broaden its focus not only on advancing Leisure & Hospitality, but also supporting sectors, such as Health Care, Professional & Technical Services, Logistics, new entrepreneurial ventures, as well as Manufacturing. Fostering an amenity-rich environment conducive to Leisure and Hospitality often creates an environment conducive to growing professional and technical services and entrepreneurs.

### ***Finding: The Sturbridge community – residents, businesspeople, and local leaders and officials – have a mix of views and opinions regarding economic development***

The Sturbridge community – residents, businesspeople, and local leaders and officials – have a mix of views and opinions regarding economic development. These divergent views frequently pose challenges when trying to advance economic development projects and issues. Some residents are very pro-development, while others prefer limited development. There are opposing views amongst various residential constituencies, as well as differences between businesses and residents. To move forward effectively, economic development initiatives that have broad support need to be pursued. Communications about economic initiatives need to be clearly, consistently and continuously communicated to the Sturbridge community. Return on Investment and tax benefits to proposals are of particular concern to local residents and businesses.

There appears to be strong and shared support for the following issues by both residents and businesspeople.

- Revitalization of the Commercial/ Tourism District/ Route 20 (Ranked # 2 as most critical issues facing Sturbridge by both businesses and residents.)
- Increasing Commercial/ Business Development (Ranked # 3 as the most critical issues facing Sturbridge by both businesses and residents, although specific details may make a difference.)

- Traffic (Ranked # 1 by residents and # 5 by businesses.)
- Diversifying Sturbridge's economic base (Ranked # 6 by residents and # 7 by businesses.)

The rancor amongst competing perspectives amongst residents on development and business growth issues tends to foster an anti-business image for Sturbridge and impedes progress on issues of common ground.

#### *Implication for Economic Development*

Sturbridge can make progress and advance economic development by focusing on areas of broad agreement. Benefits and trade-offs to residents on various economic development initiatives need to be clearly communicated.

***Finding: Revitalizing Sturbridge's Commercial Tourism District/ Route 20 has widespread support amongst residents and businesspeople.***

Sturbridge should commit to a focused action program for the the Commercial Tourism District/ Route 20 District. There is wide spread support for revitalizing Sturbridge's Commercial Tourism District (CTD), a priority that was identified in the Town's 2011 Master Plan and the 2014 Commercial Tourism District Plan. Revitalizing Sturbridge's Commercial Tourism District/ Route 20 has widespread support amongst residents and businesspeople (ranked as the #2 priority by both businesses and residents).

Recent steps by the Town Administrator to list Route 20 streetscape, roadway and gateway improvements on the Transportation Improvement Plan (TIP) is a step forward as is the 2020 Town Meeting authorization to acquire a small parking area.

Visible, tangible enhancements would support existing businesses and benefit residents and visitors. Sturbridge's vision for the CTD remains vital today and will strengthen Sturbridge businesses' recovery from the pandemic-induced economic fall-out. The vision is:

- Create a pedestrian friendly environment.
- Establish a CTD that caters to tourists and local residents alike.
- Offer a variety of shopping opportunities, restaurants, and inns, as well as establishments
- Offer family entertainment during the day & night throughout the CTD.
- Provide adequate parking within short walking distances to these facilities.
- Protect and take advantage of the Quinebaug River.

Action Steps to realize the vision for Sturbridge's Commercial Tourism District include:

- Gateway entrance transportation and landscape improvements with wayfinding at the entrance of the CTD from the MassPike and I-84 to greet visitors, better manage traffic and freshen the arrival to Sturbridge for residents and visitors.
- Strengthen the walkability and travel to, through and within the CTD with streetscape improvements, including the addition of sidewalks, street trees and landscaping, wayfinding, shared access points along Route 20, including linkages and access paths along the Quinebaug River.
- Develop/ continue a program of promoting shared-use parking.
- Develop a series of small public parking areas geographically disbursed throughout the CTD area that can be used for parking by shoppers and visitors. Priority should be made to locations along Route 20 where there is limited off-street parking and high-demand retail and restaurants. The combination of well-designed sidewalks and shared-use parking may mitigate the amount of public parking needed along Route 20.
- Develop a business and parking guide that can be accessed by a mobile app as well as in-print parking guide map that is widely distributed to residents and visitors, including stores, hotels and visitor attractions.
- Wayfinding program.
- Continue to retain and increase the variety of uses, stores, businesses and services (public and private) in Sturbridge's Commercial Tourism District. Healthy commercial centers and corridors benefit by a mix and concentration of commercial and civic uses.
- The Town should take immediate steps to ensure that transportation improvements, namely the Gateway entrance and Route 20 streetscape and traffic improvements are shovel-ready project and high priority for state and federal funding.

The Sturbridge Commercial Tourism District improvement project has many elements. Progress on each element will make a positive contribution. Advancement of project elements needs to be celebrated and promoted to residents and businesses.

**Finding:** **Parking and traffic continue to be a key concern by businesses and residents.**

**Finding:** **Sturbridge's Commercial- Tourist District and the Sturbridge's Historic Common area have low walk scores, indicating car-dependent environments with few, if any, resources for bicyclists.**

Parking and traffic are often problems of success. In Sturbridge, Route 20 from Cedar Street west to the town line is only two lanes and it is the key east-west roadway. Implementation of the streetscape and roadway improvements in the Sturbridge

Commercial Tourism District Plan will contribute to easing some of the traffic problems. Enabling customers to visit two or more small business establishments along Route 20 by walking on sidewalks in lieu of making small trips, driving and parking at between each store, will minimize turning movements, delays, and facilitate traffic movements, while also enabling people to shop, do errands, and walk.

Fostering a more walkable environment in the CTD and the Common will benefit traffic and access, as well as create more hospitable shopping environments for residents and visitors, alike.

#### Action Steps

- Pursue state and federal funding to help implement the Sturbridge Commercial Tourism District plan improvements for streetscape, roadway and gateway improvement along Route 20.
- Commit to the needed local matching funds for CTD traffic and parking related improvements.
- Consider improvements to enhance walkability in Sturbridge Center around walkability.
- The Town should monitor traffic and devise approaches to easing congestion.

**Finding: Sturbridge is facing increased competition as a hotel and meeting place destination. and needs venues and attractions that are fresh, renovated with amenities expected by today's business and leisure traveler, as well as event planners.**

Sturbridge is facing increased competition as a hotel and meeting place destination, most notably from Worcester which has expanded its hotel, lodging and meeting place offerings with Gateway Center, Mercantile Center, and Worcester area colleges. There is also competition in Southborough with the recently renovated hotel and conference center at the former AO complex. To remain competitive, the Town, its attractions and lodging/meeting facilities must reinvest, stay fresh, attractive and inviting, as well as diversify its visitor offerings. While some private operators of attractions have and are taking steps to upgrade and offer desired amenities for visitors and the meeting, more need to do so. While the pandemic has been extremely difficult for leisure and hospitality businesses, when patrons return, they will expect familiar but fresh offerings that affirm a sense of cleanliness and care.

Five years ago, Sturbridge had one of the largest meeting facilities in Central Massachusetts, namely the Sturbridge Host Conference Center, with maximum banquet capacity of 900 persons. In 2016, the Host was ranked number five by the Worcester Business Journal as to maximum attendees at a meeting facility. Today, the Host ranks



number seven. Newer and more recently refurbished meeting facilities now compete with the Host. Interviews with stakeholders indicated prior to the pandemic that some organizations that have regularly held conference in Sturbridge had opted for newer locations or were considering relocating their meetings to different venues with fresher facilities. Sturbridge continues to have strong locational advantages with easy highway access from multiple points in Massachusetts and New England. The need to re-introduce meeting planners and sponsoring organizations to Sturbridge as part of the effort to maintain a strong market for meetings and special events is warranted, as part of pandemic recovery.

**Table XX. Major Large Meeting Facilities in Sturbridge.**

| Property                            | Maximum Banquet Capacity |
|-------------------------------------|--------------------------|
| Sturbridge Host Hotel & Conf Center | 900                      |
| Old Sturbridge Village              | 250                      |
| Publick House Historic Inn          | 200                      |

**Table XX. Hotels & Lodging Facilities in Sturbridge.**

| Property                                  | Rooms      |
|---|------------|
| Sturbridge Host Hotel & Conf Center       | 232        |
| Publick House Historic Inn                | 128        |
| Hampton Inn Sturbridge                    | 84         |
| Days Inn                                  | 83         |
| Holiday Inn Express                       | 77         |
| La Quinta Inn & Suites, Sturbridge        | 64         |
| Super 8 Motel                             | 56         |
| Econo-Lodge                               | 53         |
| Economy                                   | 52         |
| Old Sturbridge Inn & Reeder Family Lodges | 39         |
| Comfort Inn & Suites Sturbridge           | 38         |
| Scottish Inn                              | 24         |
| Hamilton Inn                              | 17         |
| Sturbridge Country Inn                    | 10         |
| <b>Total Rooms</b>                        | <b>957</b> |

There is increased competition not only as to meeting facilities, but also as to available hotel rooms. Worcester now has over 1,100 hotel rooms with a pending pipeline with additional

hotel development (pre-pandemic). Sturbridge continues to have a wide choice of types and styles of hotels and vacation facilities, ranging from 3-Diamond rated facilities hotel rooms to budget lodging. Sturbridge's nearby competition in Worcester tends to have more higher-end hotel rooms with full-service amenities. Meetings, special events, vacations, business traveling all contribute to the Sturbridge economy, whether it is a hotel room, a camp site rental, restaurant and café dining, groceries, sundries, gas, admission fees, retail shopping.

**Table XX. Campgrounds & RV Parks in Sturbridge.**

| Property                           | Sites      |
|------------------------------------|------------|
| Yogi Bear's Jellystone Park        | 400        |
| Pine Lake camp sites               | 230        |
| Sturbridge RV Resort & Campgrounds | 165        |
| Wells State Park (camp & RV)       | 60         |
| Pine Lake cottages                 | 55         |
| <b>Total Campground/ RV Sites</b>  | <b>910</b> |

### Action Steps

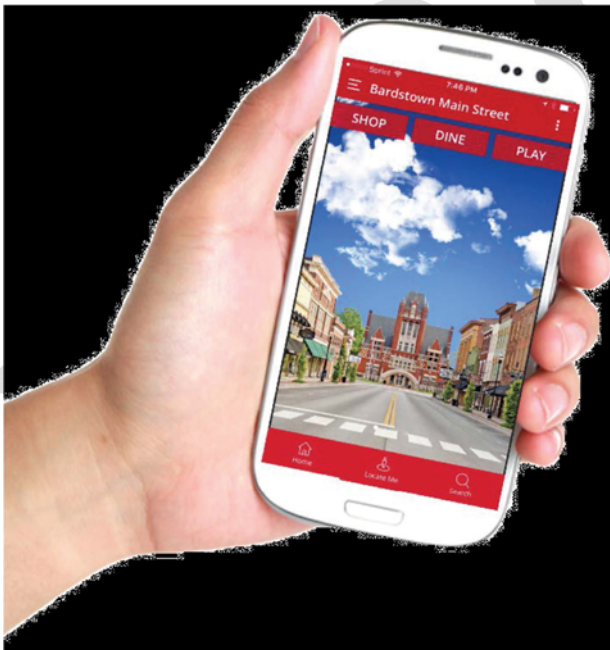
- The Town, its Economic Development Coordinator, Tourism Committee and Town Administrator shall call on the leading attractions and leisure business establishments to facilitate and encourage reinvestment, offering streamline permitting and assistance with accessing public resources, whether through the various pandemic relief programs and other business incentive programs.
- A retention/restart initiative for major events, conferences and meetings should be initiated by the Town with the various properties to meeting planners and sponsoring organizations. Such an initiative should express the Town's interest and commitment to hosting events, meetings and conferences with public health and safety, make event and meeting sponsors aware of local initiatives to assist conferences and meetings, such as outdoor dining, permitting issues, and highlight the various offerings for enhanced visitor experiences in Sturbridge, such as outdoor recreation, dining and entertainment, as well as safety and health protocols.
- The Town should consider developing a welcome package for major meetings and events in collaboration with the Tourism Committee and local Chamber to encourage more meeting, event and conference bookings.

**Finding:** Sturbridge has upgraded its web site with dedicated web pages for visitors and businesses, and the path of continuous improvements for internet and social media communication needs to continue.

Sturbridge and the Tourism Committee have taken steps to continually improve the Town's web site, making it easier for prospective visitors and businesses to find information. Web site and social media are critical tools for both business and the visitor/tourism industry. In today's world, convenience and ease of finding information is key for both residents and visitors. The Town's web site including specific pages dedicated to visitors and another to business is a step forward. These pages should be continually enhanced with new content and images. The Town should also consider developing a mobile app for the Sturbridge Commercial Tourism District highlighting visitor attractions, Sturbridge's extensive trail system, available parking areas, as well as local businesses with links.

**Action Steps:**

- Continue refining and enhancing the Town's web site for business and for visitors.
- Consider developing a mobile application for the Sturbridge Commercial Tourism District.



*Increasingly, communities are developing mobile applications for their Main Streets and commercial districts.*

### Web Site Examples – Some Illustrative Examples

|  |   |  |
|--|---|--|
| <b>Downtown Middletown CT</b><br><i>This is the web site for the Business Improvement District. It includes some useful information on available real estate. The web site has multiple audiences: visitors, downtown users, and prospective businesses.</i> |   | <a href="http://www.downtownmiddletown.com">www.downtownmiddletown.com</a>   |
| <b>Rockport, MA</b><br><i>This is a tourism-oriented web site. Light, and inviting. Although, it does not show all of Rockport's arts and cultural features.</i>   |   | <a href="http://www.RockportUSA.com">www.RockportUSA.com</a>   |
| <b>Lenox, MA</b><br><i>This is a rich web site of one of the comparative communities that is oriented to visitors.</i>   |   | <a href="http://www.lenox.org">www.lenox.org</a>   |
| <b>Stockbridge, MA</b><br><i>Stockbridge is one of the comparative communities. The web site is a little heavy on text on the visit page, and is an interesting example.</i>   |   | <a href="http://www.stockbridgechamber.org">www.stockbridgechamber.org</a>   |
| <b>Portsmouth, NH</b><br><i>Portsmouth NH is also a comparative community and home to Strawberry Banke, a living museum (in the same genre of Old Sturbridge Village).</i>   |   | <a href="http://www.goPortsmouthNH.com">www.goPortsmouthNH.com</a>   |
| <b>Competitive Communities.</b> In addition to Portsmouth, NH these towns are home to living museums, and are competitive with Old Sturbridge Village. They are useful to assess.  | <b>Mystic, CT</b><br><i>Here are 2 local web sites show- casing Mystic, CT. They offer an interesting contrast.</i> | <a href="http://www.thisismystic.com">www.thisismystic.com</a><br><a href="http://www.mysticchamber.org/visit-mystic">www.mysticchamber.org/visit-mystic</a> |
|  | <b>Plymouth, MA</b><br><i>This is Plymouth's visitor web site.</i>  | <a href="http://www.seeplymouth.com">www.seeplymouth.com</a>   |
| <b>Watkins Glen, New York</b><br><i>Watkins Glen is a small town (population &lt; 2000) and county seat of a rural county with a population of 18,000 people in the Finger Lakes region of NY.</i>   |   | <a href="http://www.watkinsglenchamber.com/">www.watkinsglenchamber.com/</a>   |
| <b>Atikokan, ON.</b><br><i>Atikokan is small town (population 2,750) capitalizing on the outdoors and recreation to attract visitors.</i>  |   | <a href="https://visitatikokan.com/">https://visitatikokan.com/</a>  |
| <b>Alpharetta, GA</b><br><i>Alpharetta, GA uses a very different approach on their web site – a series of short videos and testimonials.</i>   |   | <a href="http://www.alpharetta360.com">www.alpharetta360.com</a>   |
| <b>Palestine, TX.</b><br><i>This is an economic development web site for a community of 18,000 people. It has good examples of site selection information sites and demographics.</i>  |   | <a href="http://www.palestinetexas.net">www.palestinetexas.net</a>   |
| <b>Rochester, NH.</b><br><i>This is the economic development web site for Rochester, NH and illustrates a good example of a high-quality economic development/ site selection-oriented web site.</i>   |   | <a href="http://www.rochesterredc.com">www.rochesterredc.com</a>   |

**Finding: Sturbridge has a significant number of self-employed persons and entrepreneurs. 11.2% of Sturbridge residents in the work force are self-employed, over twice the rate of Worcester County, and nearly double the statewide rate.**

There are over 1,600 persons that are self-employed in Sturbridge and the surrounding towns. Self-employed persons offer Sturbridge an opportunity to support entrepreneurship and help grow and locate small businesses within Sturbridge. Supporting small business development and entrepreneurship is an approach for a local community, like Sturbridge, to grow its own economy. More and more economic developers are utilizing approaching to growing local businesses.

#### **Action Steps**

- Explore establishing a collaborative workspace in Sturbridge, ideally in the Commercial-Tourism District that can serve local residents, and be a hub for small business support and development for the greater Sturbridge region. Such a workspace can offer workspace, meeting and gathering spaces, business-to-business services, as well as programming.
- Until a collaborative work space is established, the Economic Development Coordinator should work with local partners, such as banks and the Chamber, to support micro- and small business development programs. Such program can include topics such as business basics, such as taxes and accounting; business marketing on a shoe-string; use of social media to reach a broader audience; product development; to name a few.

**Finding: Sturbridge has good internet coverage throughout the Town, which can support high speed communication.**

The speed of local internet connections is important to both businesses and residents. Residential speed is often important for start-up business initiatives as well as remote workers. Successful tele-work options, whether once a week, five-days-a-week, or occasional, are dependent upon strong, reliable internet service with speeds that accommodate the easy transfer of large files and technical material, as well as video streaming. Speed of available internet services is a factor that corporate real estate and site selection specialists consider in the review of prospective sites for business development.

The pandemic has highlighted the need for reliable and fast internet access for both businesses and residents, including at-home learning.

Sturbridge has fifteen internet service providers, with four providers providing residential services. Ninety-six percent (96%) of Sturbridge residents have the choice of two or more internet service providers. Internet providers in Sturbridge offer cable, DSL, and satellite internet access.

The median average residential download speed in Sturbridge is 55.74 Mbps in Sturbridge. In Fiskdale, it is 49.12 Mbps. Sturbridge ranks third amongst its area communities as to median download speed and is higher than the Massachusetts median download speed. Fiskdale's median upload speed is 9.48, which is faster than Sturbridge's median upload speed of 7.57 Mbps. Overall, the town of Sturbridge appears to have good, fast internet speeds.

**Table XX. Median Internet Speed in Sturbridge and Surrounding Area.**

| Area            | Zip Code | Download Speed | Upload Speed |
|-----------------|----------|----------------|--------------|
| Woodstock, CT   | 06281    | 72.43          | 10.68        |
| Charlton        | 01507    | 61.79          | 10.39        |
| Sturbridge      | 01566    | 55.74          | 7.57         |
| Southbridge     | 01520    | 52.59          | 10.31        |
| Fiskdale        | 01518    | 49.12          | 9.48         |
| Union, CT       | 06076    | 44.61          | 8.32         |
| Brookfield      | 01506    | 34.7           | 5.98         |
| East Brookfield | 01515    | 31.05          | 10.48        |
| Brimfield       | 01010    | 17.31          | 5.53         |
| Holland         | 01521    | 17.16          | 7.02         |
| Wales           | 01081    | 4.78           | 5.93         |
| Connecticut     |          | 48.41          | 9.62         |
| Massachusetts   |          | 53.03          | 11.36        |

Source: Measurement Lab, NDT data.

Mbps is the measure of broadband internet speed. Mbps stands for Megabits per second. The Federal Communications Commission (FCC) has defined broadband as an internet connection with a minimum download speed of 25 Mbps and a minimum upload speed of 3 Mbps. Broadband internet services are provided by fiber optic, cable, DSL (Digital Subscriber Line) or satellite. Fiber optic and cable are the fastest. Fiber optic also provides greater consistency as to internet speeds and is considered superior.



**Finding:** Sturbridge has a low labor force participation rate of women with children at home, that is substantially lower than other communities with comparable median household incomes as well as compared to Worcester County, the state, and the five comparison municipalities.

**Finding:** Sturbridge has few child care resources for working parents.

Sturbridge is a community with many families with young children. Over one-third of Sturbridge households (36.1%) have children 17 years of age or under. The labor force participation rate by Sturbridge women is 63.1%, which is comparable to the female labor force participation rates for Worcester County (62.7%) and for Massachusetts overall (63.4%).<sup>i</sup>

The labor force participation rate of all parents in households with children under 6 in Sturbridge is 63.6%, which is markedly lower than Worcester County which has a 71.4% labor force participation rate and Massachusetts which has a 76% labor force participation rate of all parents with children under 6 years of age. Amongst Sturbridge's neighboring municipalities in the Commonwealth, Sturbridge ranks lowest as to labor force participation rate of all parents in households with children under 6 years except for Wales (37.6%). East Brookfield ranks highest with 100% of all parents with children under 6 years of age participating in the labor force, and Brookfield ranks second with 84.8%.

In the US, 8.7% of all families with a child age 5 has had at least one parent who quit a job, declined to take a job, or greatly changed a job in the past 12 months because of problems with child care, per the National Survey of Children's Health (NSCH).<sup>ii</sup> Many part-time workers report that problems with child care are a major reason for not working full-time.<sup>iii</sup>

National data indicates that two-fifths of families (41.3%) have no regular nonparental child care arrangements for preschoolers under 5 years. Another quarter (24.3%) rely on help and support from extended family and relatives for child care. One-third of families (33.0%) with children under 5 are relying on non-relative care for their children, whether it is at child care center, pre-school, pre-kindergarten, family day care provider, or nanny/babysitter in their own home.

A key child care challenge for working parents with children under 6 is cost. The average cost for child care for a 4-year old in Massachusetts is \$15,095 a year. Infant care is even more expensive, with the average annual cost of \$20,913. Massachusetts has the second

most expensive child care of any state in the country. Nearby Connecticut, ranks fifth as to the high cost of child care.<sup>iv</sup>

The availability of affordable, reliable, quality child care is important for parents', and particularly for women's participation in the labor force and women's availability to work full-time. Women's participation in the labor force contributes to regional economic growth, increased household incomes and more local purchasing power.

In Sturbridge, there are 10 licensed child care providers, three group centers and seven family providers, for a total of 192 slots. There are no licensed infant care providers in Sturbridge per the MA Department of Early Education and Care. Child care is available during the day starting as early as 6:30 am to 6 pm in the evening. Workers needing weekend child care or evening/ night care must rely on relatives or unlicensed providers. The Burgess Elementary School in Sturbridge also offers Pre-Kindergarten, and in the 2019-2020 school year had 81 children enrolled in Pre-K.

There are 575 children under 5 years of age living in Sturbridge.<sup>v</sup> Families typically choose child care providers close to where they reside or near their place of employment. There are 4,380 persons who work in Sturbridge but live elsewhere. Some of these workers are also parents of young children, who may be using or in need of child care facilities in Sturbridge, near where they work.

Child care providers are an integral part of the eco-system that enables all adults, including parents, to work and fully participate in the local economy. It is important to employers, who want access to hiring a diversity of available talent and have employees who are reliable (and not worried about child care or missing work because child care plans fell apart). Child care has evolved into an important industry in the service sector. Statewide, revenues for Massachusetts child care providers were nearly \$1.7 billion in 2016. Available, high-quality child care not only benefits families and employers, it benefits the child. Research indicates that quality early education and child care contributes to positive educational, social-emotional, health and behavioral outcomes for young children, including toddlers.

Amongst the communities in greater Sturbridge that have significant employment – Charlton, Southbridge, and Sturbridge – the availability of child care slots per child available – Brimfield, Holland, and Wales – many persons living in these three communities work in Sturbridge. Affordable, quality, and reliable child care will likely become an increasingly important issue for Sturbridge's economic development as the economy rebounds from Covid-19 and unemployment decreases.

**Table XX. Licensed Child Care Providers in Sturbridge**

| Provider                                    | Type                          | Capacity   |
|---|-------------------------------|------------|
| Green Acres                                 | Group Child Care & School Age | 36         |
| Sturbridge Cooperative Nursery School       | Group Child Care & School Age | 76         |
| Sturbridge Early Learning Academy           | Group Child Care & School Age | 20         |
| Old Family Day Care – Linda Amadio          | Family Day Care               | 10         |
| Patricia Bilodeau                           | Family Day Care               | 10         |
| Emily Gray                                  | Family Day Care               | 6          |
| Katherine Klimczuk                          | Family Day Care               | 8          |
| Kids Unlimited – Christine S. Robinson      | Family Day Care               | 8          |
| Denise Seguin                               | Family Day Care               | 10         |
| Meagan Yacvace                              | Family Day Care               | 8          |
| <b>TOTAL Child Care Slots in Sturbridge</b> |                               | <b>192</b> |

Source: MA Department of Early Education & Care, 2020.

**Table XX. Availability of Child Care in Sturbridge & Nearby Communities.**

|                 | Children Under 5 Years of Age | Females 18-44 Years of Age | Percent of Adult Women Between 18 & 44 Years | Child Care Providers | Child Care Slots | Infant Care Slots | Children Under 5 per Available Child Care Slot |
|-----------------|-------------------------------|----------------------------|--|----------------------|------------------|-------------------|--|
| Sturbridge      | 575                           | 1,717                      | 43.8%  | 10                   | 192              | 0                 | 3.0  |
| Brimfield       | 161                           | 443                        | 28.8%  | 3                    | 20               | 0                 | 8.1  |
| Brookfield      | 142                           | 462                        | 34.7%  | 5                    | 77               | 0                 | 1.8  |
| Charlton        | 753                           | 2,554                      | 43.7%  | 17                   | 416              | 14                | 1.8  |
| East Brookfield | 227                           | 354                        | 42.5%  | 5                    | 68               | 0                 | 3.3  |
| Holland         | 182                           | 363                        | 37.5%  | 3                    | 28               | 0                 | 6.5  |
| Southbridge     | 1,049                         | 2,857                      | 42.8%  | 18                   | 425              | 7                 | 2.5  |
| Wales           | 119                           | 329                        | 40.0%  | 2                    | 16               | 0                 | 7.4  |

Source: American Community Survey 2018, 5 yr. estimates, MA Department of Early Education & Care, McCabe Enterprises.

### Action Steps

- The Town should work with interested young mothers to more clearly refine the needs of Sturbridge parents regarding child care and identify public and private strategies to increase the availability of high quality, licensed child care in Sturbridge.
- The Town with the help of its Economic Development Coordinator and Town Planner should identify prospective locations that would be suitable to locate a child care center, and take steps to interest property owners and prospective child care providers/operators with opening new child care facilities.

**Finding:** The Town and the Sturbridge Trails Committee have made significant investments into developing outdoor trails system throughout Sturbridge and the Committee is now undertaking improvements to the Grand Trunk Trail by the Quinebaug River. Sturbridge's outdoor trail system is an opportunity to broaden the appeal and amenities for visitors to Sturbridge

To reignite tourism and visitation to Sturbridge, the Town through its Trail Committee and Visitor Committee should market and promote the wide range of outdoor recreation offerings in and around Sturbridge. Such attractions include the Army Corp of Engineers' facilities, such as Brimfield Lake, state parks, as well as the Town's trail system. The Quinebaug River is a natural resource asset waiting to be further explored and better integrated into the Commercial Tourism District's amenities. Sturbridge's extensive network of trails is a well-kept secret. These trails lend themselves to additional interpretation, potential cross-promotion with local businesses and lodging facilities, e.g., take a hike and have lunch; or climb the hills and relax with a local brew. The local bird walks sponsored by The Bird Store and More is an illustration of cross-promotion and the experience economy.

#### **Action Steps**

- Develop and distribute marketing brochure and host web page focused on Sturbridge's outdoor recreation assets.
- Develop additional interpretation for Sturbridge's outdoor trail system that tells the cultural history and natural resource story and interests along each trail.
- Work with local businesses to cross-promote businesses with Sturbridge's outdoor recreation assets.
- Utilize Instagram and other social media to promote Sturbridge's outdoor recreation assets concurrently with local businesses.
- Better integrate the Quinebaug River into the Commercial Tourism District/ Route 20 area with special events, pop-up vendors, such as canoe or kayak rentals; and development of look-out points and a pedestrian path.
- Consider developing bicycling trails throughout Sturbridge's hills and visiting its lakes and rivers, to celebrate Sturbridge as the start of the annual PanMass Challenge. Such bike trails could be "training trails" to prepare cyclists for the annual bicycle ride from Sturbridge to Provincetown.

**Finding:** Sturbridge has few entertainment, arts and cultural options for residents and visitors beyond Old Sturbridge Village. Augmenting performing and visual arts offerings could enhance Sturbridge's quality of life and provide people with another reason to visit and spend time in Sturbridge.

Sturbridge is fortunate to have Old Sturbridge Village, an outdoor historical museum venue, which draws 250,000 visitors annually, as its leading attraction. OSV in recent years has broadened its programming to include holiday events and lightings to draw more visitors throughout the year. Sturbridge has few arts and cultural venues. Performance art and entertainment venues includes Stageloft Theater and occasional music at local brewpubs and restaurants. The Town should explore promoting and supporting existing cultural, performing arts and entertainment, as well as increasing the number of arts and cultural events and programs that can draw visitors as well as residents. This could include live entertainment and cultural performances at local breweries/restaurants/ hotels or churches. Periodic art fairs and exhibits could be created. Supporting the local Stageloft Theater as part of re-opening from the Covid-19 pandemic will be important. Arts and cultural activities give visitors a reason to return as well as to linger and spend more time in Sturbridge, which generally translates in more expenditures with local businesses.

**Action Steps:**

- Support entertainment and performance art venues as they re-open post-pandemic.
- Develop a cultural and arts programming calendar to increase awareness of existing offerings that can be easily used and accessed by residents and visitors.
- Incorporate and expand the arts, culture and entertainment offerings in the promotion of Sturbridge.
- Encourage the development of new arts and cultural initiatives in Sturbridge.

**Finding:**

- A frequently mentioned issue findings by residents and community leaders is that Sturbridge has few sites to enable economic development.
- Sturbridge should work regionally with its neighbors to promote southwest Worcester County as a place to visit and conduct business.

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<sup>i</sup> All labor force participation data is from the American Community Survey, 2017, 5-year estimates.

<sup>ii</sup> Child Care in State Economies, 2019 Update. Alexandria, VA: Committee for Economic Development of the Conference Board, 2019, [www.ced.org](http://www.ced.org), page 31.

<sup>iii</sup> Ibid, page 54.

<sup>iv</sup> Economic Policy Institute, The Cost of Child Care, 2019.

<sup>v</sup> American Community Survey 2018, 5-year estimates. Sturbridge' estimated population of 575 children under 5 years, and a margin of error  $\pm 167$  persons, which means there could be as many as 742 children under 5 years or as few as 408 children under 5 years of age.