

Turning the corner (maybe)

By **Tony Dobrowolski**
Berkshire Eagle Staff

PITTSFIELD — It's been a year of economic contrasts.

Growth in one area, drop-off in another.

The Berkshire County unemployment rate hit 10.4 percent in January, the first time it had reached double figures since the area's last major recession in 1993. Yet the Beacon Cinema — a \$23 million, state-of-the-art movie complex — opened on North Street in November and grossed nearly \$440,000 in box office receipts during its first two months of operation.



Boulger



Rooney

There are six workers for every available job in Berkshire County, according to the Berkshire County Regional Employment Board. Yet defense contractor General Dynamics, bolstered by three U.S. Navy submarine contracts, has hired 125 people since January 2009 and has 62 open positions, including summer internships.

The recession that gripped the region in the fall of 2008 has caused Berkshire companies to tighten their belts by cutting excess expenses and re-examining their work force needs, local business leaders say.

"It's made people really look at all their costs," said Michael Supranowicz, the president and CEO of the Berkshire Chamber of Commerce.

Yet, the extension of two federal home buying tax-credit programs has led buyers in Berkshire County to sign contracts on 119 homes through Feb. 28, a 51 percent increase from the same time last year. To receive the tax credits, buyers must either close on their purchases by April 30, or have a written contract in place by that date so they can close by July 1.

Mixed messages? Without a doubt.

While some believe the high unemployment rate and scant employment opportunities indicate that the effects of the economic



Caroline Bonnavier Snyder / Berkshire Eagle Staff

The Beacon Cinema, shown here during its grand opening in November, is one of the success stories in Berkshire County during a time that has seen the county hit a 10.4 percent unemployment rate.

recession still linger in the Berkshires, those who keep tabs on the local economy believe that the downturn is starting to recede.

"In my view, things are starting to get better," said Steven C. Sheppard, the chairman of the economics department at Williams College. "There are signs that it's turning the corner."

Sheppard said the aggregate out-

put of all goods and services produced in the United States indicates that the economy is growing nationally. The Gross Domestic Product, or GDP — the output of goods and services produced by labor and property in the United States — increased at an annual rate of 5.9 percent in the fourth quarter of 2009, according to the federal Bureau of Economic Analysis.

The GDP for Berkshire County improved from \$5.3 billion in 2007 to \$5.4 billion in 2008, according to the BEA statistics. The statistics for 2009 won't be released until February 2011.

"Economists understand and expect that the level of economic activity will start to improve when the unemployment rate goes down," Sheppard said.

According to Sheppard, high unemployment often indicates that the economy is beginning to improve because people who may have given up looking for work often resume their job search when they sense things are getting better.

"It's a lagging indicator," Sheppard said, stressing that he doesn't mean to minimize the pain of people who are out of work. "The economy will come out of a recession long before the unemployment rate."

Asked to cite local examples that the economy is improving, Sheppard said a new store recently opened on Spring Street in Williamstown, and that two new restaurants are scheduled to open next month.

"It's little things here and there," Sheppard said. "That's what you're going to see."

Housing construction fell nationally in February, according to the U.S. Commerce Department, but two big construction projects — the building of the Western Massachusetts Electric Co.'s large-scale solar power facility in Pittsfield, and the \$11 million reconstruction of the Berkshire Mall Road in Lanesborough — are expected to get under way in the coming months.

The mall road project is the final initiative that will be funded with the federal economic stimulus funds that the county received for highway projects last year. Another round of stimulus funding for smaller municipal energy and conservation projects is expected to

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BEVERLY MILENSKI bmile333@berkshire.rr.com