

CHAPTER IV

ECONOMIC BASE

Introduction

The Economic Base element of the Town of Abington Master Plan provides an important insight into the community's local economy and understanding of its strength and viability. The characteristics of the resident labor force and where people work; the number and types of employers and job opportunities that are available locally; and, the tax revenues that business and commerce contribute to the local tax base are all important considerations in assessing the economic health of the community. Ideally, there should be sufficient jobs available within a community to provide employment for the residents who live there to limit the distance workers have to commute to employment centers. In smaller suburban communities like Abington there is often a great disparity in the number and type of jobs that are available locally and the number and skills of persons in the resident labor force. As a result, many residents must commute out of the community for employment.

The success in keeping and attracting businesses to the community is influenced by a number of factors including local tax policy and a business friendly environment. Even the smallest difference can be the decisive factor in where a business will locate. Abington's uniform tax rate policy and the town's willingness to work with large business firms such as Wal-Mart, Target and Lowe's with success is evidence of its being welcoming to business development. Also of importance to a business is its location in relation to its customer base, market area and its accessibility to needed goods and services. The Town of Abington is well positioned in the eastern Massachusetts and the Greater Boston market area and served by state highway routes 58, 123 and 139. These state routes tie the community to the regional limited access highway network that includes routes 3, 24 and 128. The Town is also served by commuter rail service on the Old Colony Line and is therefore a good location for many commercial and/or industrial businesses that serve the immediate market area or that do not require limited access highway availability.

Limited access highway locations are more valuable to high profile firms or to large retail operations who desire great advertising visibility or who draw customers from over a wide area. The need for direct access to major highways is often over-stated and many firms do not need either a limited access highway location or need visibility from passing motorists. The development of the Wal-Mart and Target department stores and the Lowe's Home Improvement Center now under construction as well as such long-standing businesses as Cape Cod Lumber Company and New England Art Publishers are evidence of Abington being a good place to do business.

In addition to these large commercial enterprises, Abington has a diverse economic base made up of many small businesses that can draw upon adequate customer support from in town or nearby communities or through mail order business to serve a national or

international clientele. These firms are also able to draw upon the local labor market area for technical and skilled workers and professional help. Firms such as New England Art Publishers one of Abington's largest employers have functioned successfully for many years from its North Abington location to serve customers locally and nationwide.

Tax Revenue Considerations

Business and commercial enterprises are extremely important to a community because they provide job opportunities for people and they contribute much more in tax revenues to the town than they demand in the form of costs for local governmental services. In general, it costs local governments much more to serve residential development than they contribute to it in tax dollars. For this reason, communities strive for a so called balance in development to off-set the costs of residential development; principally the costs of public education and public safety, and are often in strong competition with one another to attract businesses to the community.

The significance of residential uses in Abington can be seen in Table VI-1, Abington Tax Valuations which illustrates the amount of revenues contributed by various classes of property in 1998 and 2008. The comparison shows that the balance of development in Abington between residential and business/industrial uses over the ten year period remained in relatively the same proportion. In 1998, 12.4% of Abington's tax revenues were obtained from commercial and industrial businesses. This is very comparable to the 11.8% the town received from commercial and industrial properties in 2008.

Of great significance is that through the combination of rapid growth and development along with escalating housing prices; the value of real estate in Abington has more than doubled over the past ten years. Property values in the town increased by 171.3 percent from a level of \$737,131,100 in 1998 to a level of \$1,999,801,200 in 2008. Accordingly, with higher valuations and the limitations of Proposition 2 ½ the tax rate decreased \$6.99 or 38.6 percent from \$18.13 to \$11.14.

**Table VI-1
Abington Tax Valuations 1998 and 2008**

Valuation	1998		2008	
	Percentage	Valuation	Percentage	Valuation
Residential	85.42	\$629,686,100	86.6	\$1,731,789,914
Commercial	11.16	82,310,400	10.59	211,705,086
Industrial	1.26	9,326,100	1.19	23,830,600
Personal	2.14	15,808,500	1.62	32,475,600
TOTAL	100.00	\$737,131,100	100.00	\$1,999,801,200

Source: Massachusetts Department of Revenue

Labor Force

A highly skilled, technically trained and educated labor force is a positive asset in attracting businesses to an area. It is absolutely essential for a business to have a labor force available with the skills necessary for it to function effectively and efficiently in order for it to locate in a community. An available labor force, therefore, with the necessary skills and/or technical or educational background and knowledge is essential for business and commerce to function and grow in a community. Schools are sensitive to the needs of business and are constantly assessing the needs and requirements of the business community to determine if their students are being given the basic skills to properly prepare them for the workplace. Abington's firms can not only draw upon the town's available labor force, but can reach out to the greater Brockton and Boston area for employees.

Abington's labor force is composed of town residents, 16 years or older who are employed or are seeking work. The U.S. Census of 2000 reported that the Abington labor force totaled 7,940 persons. The occupations of the Abington labor force are shown in Table VI-2. It is noted that the majority of the resident labor force, 2,833 (35.7%) are employed in Management, Professional and related occupations while another 2,293 (28.9%) are employed in Sales and Office occupations. Service occupations, which include healthcare support and protective services including fire and police, along with Production, Transportation and Material Moving are proportionally the next highest occupational categories of the Abington labor force.

Table VI-2
Abington Labor Force Occupations 2000

Occupational Category	Number	Percent
Management, Professional and related occupations	2,833	35.7
Service	1,076	13.6
Sales and Office	2,293	28.9
Farming, Fishing and Forestry	10	.0
Construction, Extraction and Maintenance	751	9.5
Production, Transportation and Material Moving	977	12.3
Total	7,940	100.0

Source: U.S. Census 2000

Table VI-3 shows the employment information obtained from the Massachusetts Department of Labor and Workforce Development for the Town of Abington for the years from 2000 to 2008. The data indicates that the labor force of the town has grown by 10.0 percent from a level of 8,416 in 2000 to 9259 in 2008; an increase of 843 persons. Of the labor force in 2000, a relatively small percentage (2.5 %) was unemployed and the rate was below that of the state unemployment rate of 2.8% and the 4% rate for the U.S as a whole. As can be seen from the table, the unemployment rate has closely followed

the unemployment rate of the state as a whole. In 2008 Abington's labor force totaled 9,259 persons of which 4.9% were unemployed. The unemployment rate for the town in 2008 was slightly higher than of the state 4.6% unemployment rate or for that of the nation (4.4%).

**Table VI-3
Abington's Labor Force and Unemployment Rates 2000-2008**

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008
Labor Force	8,416	8,548	8,666	8,979	9,066	9,095	9,204	9,239	9,259
Employed	8,207	8,279	8,283	8,515	8,601	8,653	8,766	8,814	8,806
Unemployed	209	269	383	464	465	442	438	425	453
Abington Unemployment Rate	2.5%	3.1%	4.4%	5.2%	5.1%	4.9%	4.8%	4.6%	4.9%
State Unemployment Rate	2.8%	3.1%	5.1%	5.8%	5.4%	4.9%	4.8%	4.6%	4.6%
U.S. Unemployment Rate	4.0%	4.3%	5.7%	5.9%	5.8%	5.2%	4.7%	4.4%	4.4%

Source: MA Dept Labor and Workforce Development March, 2008

Labor Force Commuting Patterns

The U.S. Census 2000 Transportation Planning Package reports provide the most recent information on labor force commuting patterns that is available. The information documents what is commonly known, that Abington is largely a bedroom community for workers commuting to other places for employment. The census survey reports indicate that of the 7,853 members of the local labor force over 85.3 percent, 6,699 of Abington workers commuted to other communities for employment in the year 2000. The census reports that in the year 2000, only 1,154 members (14.7%) of the local labor force were employed in town and another 1,301 (16.6%) were employed locally in the Brockton area. The remaining 5,398 (68.7%) members of the labor force commuted to jobs in the greater Boston area. The restoration of Old Colony commuter rail service to points south and north has made it much easier for persons living in Abington to commute to positions in the Boston area for better jobs/earnings than were available locally.

Abington Businesses and Employee Earnings

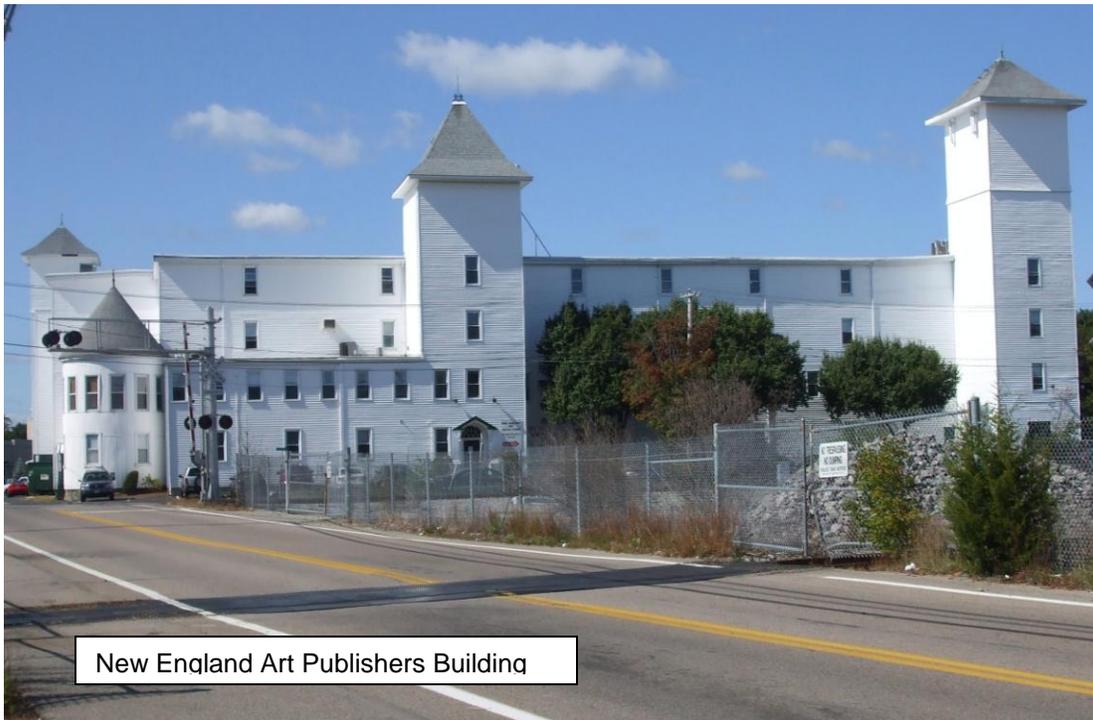
The accompanying table, VI-4 indicates that the number of businesses in Abington has grown steadily since 2001 from 302 businesses to 351 in 2007, a 16.0 percent increase. While the number of firms has increased, the number employed by these businesses has remained relatively constant at a level of 4,100 employees. The average weekly wages earned increased from \$562 in 2001 to \$694 in 2007, a 23.5 percent increase for the period.

**Table VI-4
Abington Business and Employee Earnings 2001-2006**

Year	2001	2002	2003	2004	2005	2006	2007
Number of Firms	302	320	330	345	348	350	351
Total Employment	4,119	4,166	3,980	3,985	4,041	4,078	4123
Average Weekly Wage	\$562	\$584	\$607	\$638	\$654	\$679	\$694

Source: MA Dept Labor and Workforce Development

The largest private employers in Abington, i.e., those employing over 100 workers, have not changed significantly since the Master Plan was prepared in 1999. The largest private employer in Abington is New England Art Publishers located on Railroad Street in North



Abington. New England Art employs well over 300 full time persons on a regular basis. However, the firm may well employ up to 500 persons during the December seasonal holiday period in response to increase printing demands. The Target Corporation Department Store which opened in 2006 was the most recent addition to the list of large private employers in Abington.

Table VI-5

Largest Private Employers in Abington

Firm	Nature of Business	Number of Employees
New England Art Publishers	Printing	250-499
Yellow Freight Systems	Trucking	100-249
Stop & Shop	Supermarket	100-249
Trucchi's	Supermarket	100-249
Wal-Mart	Department Store	100-249
Target	Department Store	100-249

Source: MA Dept Labor and Workforce Development

Table VI-6, Abington Employment by Industry Sector 2001-2007, shows the type of employment that was available in Abington through its employers in the seven year period. It can be seen from the table that retail trade continued to be the highest employment category by far with 1,143 persons (27.7%) employed in the sector. Accommodation and Food Services; along with Health Care and Social Assistance; and, Construction were the next highest employment categories.

Table VI-6
Abington Employment by Private Industry Sector
2001-2007

Year	2001	2002	2003	2004	2005	2006	2007
Construction	406	328	354	415	422	437	437
Wholesale Trade	53	47	44	45	49	57	50
Retail Trade	1050	1071	998	985	1000	1050	1143
Transportation and Warehousing	180	243	319	293	244	224	246
Finance and Insurance	108	117	81	90	118	107	97
Real Estate and Rental and Leasing	29	40	41	44	43	42	40
Professional and Technical Services	56	57	55	53	55	56	73
Administrative and Waste Services	151	166	148	155	149	139	61
Health Care and Social Assistance	291	306	316	319	338	359	307
Accommodation and Food Services	601	573	547	519	574	530	473
Other Services, Ex. Public Admin	152	152	153	158	165	173	172
Total Employment all industries	4119	4166	3980	3985	4041	4078	4123

Source: MA Dept Labor and Workforce Development

Economic Development Goals and Objectives

The Town of Abington goals and objectives for Economic Development are presented here and build upon those articulated in the 1999 Master Plan and in the 2004 Community Development Plan. Abington's economic indicators: labor force participation; established businesses in the community; businesses that have grown and expanded; and, the type of businesses that have been developed in the near term all suggest that Abington's economic base remains healthy, viable and strong. The challenge is for the Town of Abington to continue to be responsive to changing conditions and respond accordingly to maintain a good business climate.

The Town of Abington should continue its efforts to retain and attract business; maximize local job creation and retention; and, increase local tax revenues through use of the Economic Development Incentive Program (EDIP).

Abington has been designated as an Economic Target Area (ETA) by the Commonwealth of Massachusetts and therefore has the ability to offer tax incentives to prospective new firms and employers who locate in the community under the Economic Development Incentive Program (EDIP). This provides Abington with a distinct advantage when competing with other communities to attract businesses who do not have the ability to offer tax incentives.

Additionally, through the planning program, the Town has developed a complete inventory of available commercial and industrial properties in the community. It will continue to use this listing to attract prospective firms and entrepreneurs to the community to utilize vacant and abandoned commercial and industrial space to increase tax revenues.

Abington should seek to increase and diversify the commercial tax base of the town by seeking to attract additional retail, office, light manufacturing and warehouse development while retaining existing businesses.

Continued growth in the Town's retail and service sectors can be expected with the increased growth of the area's population and the development of Southfield by the South Shore Tri-Town Development Corporation, on the site of the former South Weymouth Naval Air Station. However, the retail and service sectors are volatile and extremely sensitive to local and to stiff regional competition. For example, Southfield is expected to add 400,000 square feet of retail space and existing regional shopping centers including South Shore Plaza, the Marketplace in Braintree, Hanover Mall in Hanover, and Independence Mall in Kingston have expanded and upgraded in recent years. But there is a continuing demand for highway commercial locations along the Route 18 and Route 123 corridors and these have proven to be good locations for certain types of retail and business enterprises.

The retail sector is a source of jobs/and or employment opportunities for individuals entering the job market, interested in a retail sales career, wanting part-time employment

and/or supplementing family income. The Wal-Mart and Target Department Stores offer employment opportunity for such individuals. There is also the promise of additional job opportunities as the Lowe's Home Improvement Center nears completion and is opened for business.

Increase efforts to promote the revitalization of the North Abington and Abington Business Districts.

The Abington Planning Board has successfully implemented changes to the Zoning By-law that are designed to enhance the North Abington and Abington Business Districts as viable business centers. This was accomplished by designating these as Central Business District zones that would permit more intense development and support convenience shopping and consumer services in these locations. However, zoning changes alone cannot bring about the revitalization of these established business centers and more must be done to induce businesses to expand in these locations. Tax incentives are certainly one factor that may come into play, but other features such as creating a more pleasant and attractive environment with pedestrian friendly sidewalks, street trees and street furniture can make the areas more attractive to shoppers and consumers. Toward this end, the Town of Abington has applied for a Public Works Economic Development Grant to improve the North Abington Business District as a more attractive, pedestrian friendly environment. This is recognition that much more can be done to make the town centers pedestrian friendly and improve traffic safety and improve the business climate. The Town should continue to support its town center business owners so they will be able to continue to contribute to being part of a vibrant commercial center.

Concentrate future commercial development in order to increase convenience, minimize auto trips, provide opportunity for walking and bicycling to destination, and protect existing neighborhoods from the intrusion of incompatible uses.

Although local tax revenues and employment opportunities generated by new economic growth are desirable, Abington must continue to properly manage development, so that the character of the community is not adversely affected. Abington is a highly desirable community to live in and the town must remain diligent to maintain the quality of life for its residents as well as serve the needs of the business sector.

The Town has indicated a willingness to work with existing and prospective businesses to expand or increase their business to overcome impediments and enhance local tax revenues.