

# CHAPTER 9: ECONOMIC DEVELOPMENT

## BACKGROUND

The regional economy provides the jobs, resources, and services that are needed to support the quality of life of residents and allow for continued investment in our communities. Without a strong and resilient economy, accomplishing many of the goals for the region will be difficult. The local economy has evolved over time as a result of changes in technology and transportation, and the impacts of larger national and global economic trends on Vermont. What was once an agricultural and forest-based economy in the early 19<sup>th</sup> century evolved into one where manufacturing activities became more prominent along the region's waterways by the end of the 19<sup>th</sup> century. Today, our economy is centered primarily around services, tourism, health and education, manufacturing, and agricultural and forestry sectors.

The intensity and type of economic activity varies greatly across the region. Brattleboro and Rockingham continue to be the job centers they historically have been. These communities also have the greatest concentration of manufacturing, retail, and professional office jobs. Many communities in more rural locations of the region have limited economic activity mostly found in small-scale retail, construction trades, forestry and agriculture, and home-based businesses. Ski resorts in the region have an outsized role in influencing the local economies of the towns where they are located and adjacent communities, providing jobs at the resorts and also supporting associated retail, restaurant, accommodations, and service-based businesses, which are often more seasonal. The Windham Region is also very connected to adjacent regions and many of the main economic hubs that provide employment opportunities and services for our residents are just beyond our region's borders.

Going forward, the region will need to continue to leverage its strengths to remain competitive in an evolving and complex global economy. The 2019 Southern Vermont Comprehensive Economic Development Strategy identifies several opportunities the region can build on to support economic development efforts. These include natural resources, recreational opportunities, educational and cultural institutions, momentum from recent planning initiatives, growing collaboration to address workforce issues, and creative and innovative residents and businesses. At the same time, the region faces numerous challenges that if left unaddressed will result in further economic decline. Some of the most pressing challenges include a declining and aging workforce, lack of housing and increasing housing costs, need for upgraded infrastructure, limited rural transportation and communication options, mismatch between available workforce and employer needs, lack of diversity, and the impact of climate change.

## BRATTLEBORO DEVELOPMENT CREDIT CORPORATION

The Brattleboro Development Credit Corporation (BDCC) is a certified Regional Development Corporation that serves communities in Windham County, the towns of Readsboro, Searsburg, and Winhall in Bennington County, and the town of Weston in Windsor County. The 12 Vermont Regional Development Corporations partner with the state to implement economic development strategies in their regions. BDCC works to deliver technical assistance to develop and strengthen businesses, leads workforce development initiatives, and supports employment. BDCC also owns and manages two business parks and an industrial park in Brattleboro and offers low-cost commercial rental space. WRC regularly partners with BDCC on economic development issues that overlap both organizations' responsibility. Most often, these issues are related to land use and infrastructure planning to support business needs.

BDCC's work in workforce development has become increasingly important due to the workforce challenges discussed below. The Welcoming Communities program is aimed at helping employers attract, retain, and support new Americans. Much of the work to recruit new Americans to the region is through the Community Asylum Seekers Project and the Ethiopian Community Development Corporation. The Pipelines and Pathways Project is designed to help students prepare and find employment opportunities, which helps retain young adults in the region.

## SOUTHERN VERMONT ECONOMIC DEVELOPMENT STRATEGIES

In 2007, BDCC and the Bennington Regional Commission formed the Southeastern Vermont Economic Development Strategies, a non-profit organization with legal affiliation to BDCC. The mission of SeVEDS is to reverse the economic decline of the Southeastern Vermont region. In 2014, SeVEDS completed a Comprehensive Economic Development Strategy (CEDS) for the Windham Region and Bennington County to plan for the economic impacts from the closure of the Vermont Yankee power plant. The CEDS is a five-year plan that outlines projects and actions to implement economic development goals for the region.

In 2015, the State Legislature created the Southern Vermont Economic Development Zone, which is comprised of 44 towns within the boundaries of the Windham Regional Commission and the Bennington County Regional Commission (BCRC). When the CEDS was updated in 2019, BDCC and BCRC were awarded a planning grant from the U.S. Economic Development Administration (EDA) to develop the CEDS for the Southern Vermont Economic Development Zone.

The 2024 CEDS is incorporated into this Regional Plan by reference. This means that the WRC will refer to the CEDS in the development and implementation of its plans. However, the policies of the Windham Regional Plan supersede the CEDS. There is currently an application with the federal government to designate the Southern Vermont Economic Development Zone as an Economic Development District, which would open up additional grant and loan opportunities and administrative and technical assistance from the EDA.

The vision statement for the 2024 CEDS is that in 2030, the Southern Vermont Economic Development Zone will be home to a resilient and creative community in which businesses and people thrive and prosper. The plan identifies the following main objectives to reach this goal:

1. Address critical population needs for the future.
2. Empower businesses to thrive long-term.
3. Foster resilient, adaptable communities.
4. Promote greater regional economic development cooperation.

## WORKFORCE CHARACTERISTICS

### WORKFORCE SIZE

The number of workers in the region aged 16 and over has declined by approximately 7 percent since 2000. As of 2020, there were 22,280 workers in the region as compared with 24,054 in 2000. This decline has been forecasted given the large number of residents at or near retirement age. However, the economy also experienced an increase in retirement rates during the COVID-19 pandemic years, which likely accelerated this decline in the workforce. The significant housing shortage in the region has made it challenging to recruit younger workers to replace those retiring since they are not able to find a place to live.

With a smaller labor force to draw from, the region has seen a corresponding decrease in the total number of available jobs due to the challenges with filling open positions. Limited workforce availability is impacting all sectors, but the 2019 CEDS notes that the two industries most impacted are health care and manufacturing. This has ripple effects throughout the economy as there are fewer workers earning wages that in turn get reinvested in the local economy and support businesses.

### WORKFORCE AGE

The region's population is becoming older and more workers are reaching retirement age and fewer young people are entering the job market. Between 2010 and 2021, the percent of the Windham County population aged 65 or older grew from 16.2 percent to 24.6 percent. All other population age groups decreased during this time. According to the Vermont Department of Labor, the population aged 65 or older will increase by 82.3 percent between 2010 to 2030. At the same time, we will see a decrease by 17.8 percent in the 20 – 34 age range and by 20.7 percent in the 35 – 54 age range, which represents the prime working years for most people. This continued decline in the size of

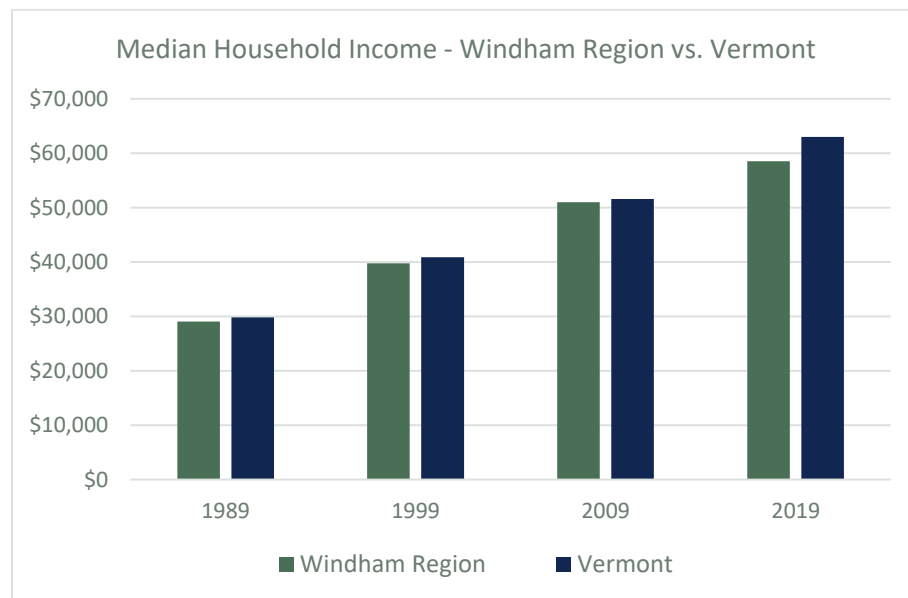
the workforce will negatively impact the region’s human capital and economic sustainability.

## EDUCATIONAL ATTAINMENT

For the population aged 25 or older, approximately 47 percent of residents hold higher education qualifications beyond a high school diploma. Roughly 23 percent of residents hold a Bachelor’s Degree and 18 percent a Graduate Degree. A well-educated workforce helps retain and attract higher paying and specialized jobs for the region. It is also important to consider educational attainment of the workforce in terms of ensuring a correct match between employer’s needs and the training of the workforce. As discussed early, the 2019 CEDS identified workforce development as an important goal in the years ahead. As the economy evolves and industry needs change, workforce training will need to adapt to meet the needs of businesses.

## INCOME LEVEL

According to the American Community Survey (ACS), the median household income for the region was \$58,514 in the 2015 – 2019 5-year estimate. This compares with a median household income of \$63,001 for the state. The 2015-2019 ACS also estimated that Windham County had a poverty rate of 13.4 percent, compared to 11.3 percent in neighboring Bennington County and 9.4 percent in Windsor County. Generally, growth in the median household income for the Windham Region has kept pace with the state average going back to 1989. However, between 2009 – 2019, the state median household income increased at a higher rate than the region as shown in the chart below. According to the 2019 CEDS, median household income for the region was expected to grow only 7 percent over the upcoming 5 years as compared with 11 percent for the United States.



One factor that may be contributing to the lower growth in income levels for the Windham Region is the closure of

the Vermont Yankee nuclear power plant in Vernon in 2014. Vermont Yankee was formerly the largest employer in the region and many positions at the plant offered higher than average incomes. Another factor is the outsized role of tourism for the local economy, which includes accommodation and food services, retail trade, and arts, entertainment and recreation industries. These industries have lower average earnings and also higher levels of seasonality. Finally, as the population ages and residents retire more are relying on social security, which is not counted towards household income. As a result of lower income growth, there is less money circulating in the local economy which can be detrimental to businesses, especially service-based industries like retail, personal services, and restaurants.

## UNEMPLOYMENT

The unemployment rate in Windham County has consistently tracked lower than Vermont and the national rate. Over the previous ten years, the highest unemployment number for Windham County was 5.8 percent towards the end of the Great Recession. Since then, the unemployment rate has declined to a low of 2.2 percent in 2018. There was an increase in unemployment in 2020 associated with the COVID-19 pandemic and its impacts on the economy, but employment numbers have since improved and are currently at 2.1 percent as of November 2023. The very low unemployment rates in Windham County and Vermont are indicative of a tight labor market where employers are facing challenges filling openings.

## ECONOMIC SECTORS

The following section provides a summary of the largest job sectors in the region as well as important historical industries, like agriculture and forestry, that continue to help define the character of the region. Economic sectors are not presented in terms of hierarchy of the number of jobs or relative importance to the regional economy. In 2022, according to the Vermont Department of Labor, the top five industries in Windham County in terms of total number of jobs were Health Care and Social Services (15%), Federal, State or Local Government (14%), Accommodation and Food Services (12%), Retail Trade (12%), and Manufacturing (12%). Federal, State or Local Government sector also includes employees at public schools in the region.

It can be helpful to compare the local labor market with the state as a whole to get a better sense of where Windham County has a higher or lower concentration of certain industries. Generally, the breakdown in jobs by industry in Windham County is comparable to the state as a whole. Sectors that are more concentrated in our region include Construction, Manufacturing, Wholesale Trade, Educational Services, Arts, Entertainment, and Recreation, and Accommodation and Food Services. Many of these industries support the sizable tourism economy in the Windham Region. Notably, there is also a larger percentage of jobs in manufacturing in the Windham County than at the state

level. Sectors where there are fewer jobs compared to the state include Finance and Insurance, Professional, Scientific, and Technical Services, Health Care and Social Services, and Federal, State, and Local Government.

## HEALTHCARE AND EDUCATION

The health care industry is one of the fastest growing sectors nationally and in Vermont and can offer higher-wage opportunities for certain positions. This sector is expected to grow in upcoming years to support the ageing population. Some of the largest service employers in the region are health care providers, including Brattleboro Memorial Hospital and Grace Cottage Hospital. The Brattleboro Retreat, a private psychiatric hospital in Brattleboro, is also a large employer with unique workforce needs as compared to other hospitals in the region. The region benefits from being in close proximity to other prominent health care facilities, such as Dartmouth Hitchcock in Lebanon, New Hampshire. As with other sectors, a main challenge the health care industry faces is being able to recruit employees given the limited supply of housing.

Educational Services accounted for approximately 6 percent of Windham County employment in 2022, (1,208 jobs), which is a decrease of 21 percent since 2012. This number reflects jobs in independent primary and secondary schools and post-secondary institutions only and does not include those employed in public school. Some of this decline in education jobs is likely a result of the closing of Marlboro College in 2020 and the restructuring of the School for International Training in Brattleboro into a low-residency campus. Several independent primary and secondary schools, small private colleges, and public college branch campuses continue to provide a large number of jobs for the region. Some area schools occupy unique market niches: Landmark College and Greenwood School in Putney serve students who learn differently, including students with a learning disabilities, ADHD, and executive function challenges.

Large health care and educational institutions are sometimes referred to as “anchor institutions” because of their significant role in local economies. These institutions usually have large purchasing power, workforces, and real estate holdings and have a vested interest in seeing the communities where they’re located succeed. When these institutions close, it can have a significant ripple effect on the local economy.

## MANUFACTURING

From 1930 until the 1980s, manufacturing of intermediate and finished goods was the largest employment sector in the region when it fell behind both service and trade sectors. Currently, manufacturing accounts for 12 percent of the region’s employment (2,196 jobs), which is an increase of approximately 2 percent since 2012. Despite the long-term decline in this sector, it has seemed to stabilize in terms of employment numbers over the last decade. Growth in the non-durable manufacturing sector in recent years has also been able to offset most of the jobs lost as a result

of the closure of Vermont Yankee. Manufacturing continues to provide relatively high-paying jobs with an average annual wage of \$63,819 in 2022 according to the Vermont Department of Labor.

The manufacturing sector continues to be important to the region's economy, and includes notable companies in precision manufacturing and optical filters. Large employers include G.S. Precision in Brattleboro and Chroma Technology in Rockingham. The region benefits from being in close proximity to Keene, New Hampshire, which also has a large cluster of precision manufacturing businesses. This proximity creates a larger pool of skilled workers in easy commuting distance to the region that local businesses can recruit from. The region also has several successful value-added food product companies, such as Commonwealth Dairy (Green Mountain Creamery), which is directly attributable to the strength of the region's agricultural industry and in turn helps support local farmers.

Today, manufacturing activity is concentrated in Brattleboro and Rockingham. Each town has improved land available with municipal water and sewer service and convenient access to I-91 for new or expanding manufacturing enterprises. In Brattleboro the Exit One Industrial Park offers 92 acres and in Bellows Falls the Industrial Park on Route 5 has 31 acres of land.

### CHROMA TECHNOLOGY CORPORATION EXPANSION PROJECT

Chroma Technology Corporation is headquartered in Bellows Falls and is a manufacturer of optical filters. In 2016, the company announced a 40,000 square foot expansion project to its facility that was supported by a \$100,000 loan from the Town of Rockingham and a \$350,000 Community Development Block Grant. As part of the expansion project, Chroma anticipated adding up to 26 new jobs.



*Photo credit: BDCC*

The Brattleboro Development Credit Corporation and the Bellows Falls Area Development Corporation encourage and support manufacturing industries in the region. These organizations have worked with state and federal financing sources to secure aid for industrial development. In support of the manufacturing sector, the WRC recognizes the need to plan for and provide locations for new and expanding industries in appropriately-sited industrial parks and other locations that support historic settlement patterns. This is discussed in more detail in the Land Use Chapter.

## TOURISM

The Windham Region has attracted tourists for generations. The three major components of the region's tourism and recreation industry are the ski resorts, summer and fall tourism, and second homes. Each affects the economy in different ways and provides different types of employment opportunities for residents. The first two are primarily seasonal industries and the last has year-round effects on the economy and cost of housing. Historically, tourism has also been an important recruitment tool for the region as many visitors and seasonal homeowners become permanent residents.

Tourism helps encourage local economic activity and brings more money into the economy from residents outside of our region. According the Vermont Agency of Commerce and Community Development, the state welcomes over 13 million visitors each year that account for roughly \$3 billion in annual spending. Businesses that have benefited from growth related to tourism include arts, entertainment, lodging, restaurants, gas stations, retail and outdoor equipment shops, construction and building-related industries, and maintenance and repair services. In addition, the businesses and amenities that attract visitors also benefit year-round residents and add to a quality of life in the region that would be difficult to support without tourism.

The tourism industry cluster includes Accommodation and Food Services, Retail Trade, and Arts, Entertainment, and Recreation sectors. As of 2022, approximately 2,287 residents in Windham county were employed in Accommodation and Food Services, 2,211 in Retail Trade, and 294 in Arts, Entertainment, and Recreation. In total, these sectors account for 4,792 jobs or roughly 25% of the total jobs in Windham County. However, the average wages for these sectors are substantially lower than the county-wide average of \$53,531. Generally, employment in the leisure/hospitality sector is also seasonal in nature and employees may not have a reliable source of year-round income. It is also common for service sector jobs to have non-traditional work schedules, which may include early morning, longer shifts, weekend, or evening hours.

Reduced snowfall amounts during some winters and industry changes have challenged the capital-intensive ski business and contributed to a decrease in the total number of operating ski areas. The surviving resorts, in particular Mt. Snow and Stratton, have grown in size and offerings to the point that in peak seasons, the resort area populations rival the region's two traditional centers of Brattleboro and Rockingham. There has also been an increase in development and promotion of other recreational activities during non-winter seasons to attract visitors year-round, like golfing and mountain biking. This has an impact on the viability of tourism-related businesses and municipal facilities and services during non-winter seasons.

The region's rich heritage and culture create further tourism opportunities. Towns have the advantage of using existing assets and encouraging the preservation of the very attributes that distinguish Vermont to attract visitors. With its wealth of historic sites, traditional villages, and cultural attractions, the Windham Region is well positioned

to continue to promote heritage tourism.

## CREATIVE SECTOR

There is a growing recognition of the importance of arts and creative endeavors for the regional economy. This includes the arts and culture industry that gets grouped with the tourism economic cluster, but also artisan food producers, graphic designers, museum staff, and media producers. In 2021, the Vermont Creative Network issued *Create VT: Action Plan for Vermont's Creative Sector*. The plan provides a roadmap for strengthening the creative sector statewide and also looks at existing jobs in this sector in the different regions of the state. The plan estimates there are 4,158 creative sector jobs in southern Vermont (Bennington County and Windham County).



FOOD TRUCK ROUNDUP AND CONCERT  
AT THE RETREAT FARM, BRATTLEBORO

According to the report, investing in the creative economy has many benefits including diversifying local economies, increasing jobs, building community, and attracting tourists and new residents. It is estimated that the arts and culture sector adds \$1.1 billion to Vermont's GDP, ranking this sector third in the state behind only retail and construction. Nearly 50 percent of creative sector workers in Vermont are self-employed or in microbusinesses. A stronger small businesses environment can help the economy be more resilient. For more discussion on arts and cultural resources in the region, see the Educational, Cultural, and Historical Resources Chapter.

## AGRICULTURE

Agriculture plays an important role in defining the region's landscape and has long contributed to the stability and diversity of the Windham Region's economy. The trend in agriculture throughout Vermont is for new farmers to seek smaller-scale, diversified opportunities in order to remain competitive with larger operations. An exception to this trend is that conventional dairy operations are becoming fewer in number with remaining farms becoming larger. Some of the new market opportunities for farmers are direct sales to restaurants and consumers at farmers'



markets and creating value-added products. The Northeast Organic Farming Association of Vermont currently lists seasonal farmers' markets in our region in Brattleboro (including a winter market), Rockingham, Newfane, Putney,



## FORESTRY

Forests are one of the region's most important economic resources. Approximately 86 percent of the region is forested and all but a small percentage of that land supports periodic commercial harvests. These forests provide a livelihood for many people through wood harvesting, wood products, recreation, hunting, and maple products. A more detailed description of the importance of forestlands can be found in the Natural Resources Chapter.

In 2021, Windham County ranked first in the state for total sawlog and veneer log harvest with 17.179 million board feet. This is a decline from the 22.996 million board feet harvested in Windham County in 2010. The next closest county for total harvest in 2021 was Windsor County with 10.815 million board feet. A number of secondary wood-related industries including construction materials, furniture and toy manufacture, cabinetry, boat building, and musical instruments are also located in the region.

The region's forest industry is threatened by a number of trends. The industry is becoming less economically viable due to market trends including global market competition, outsourcing of production, consolidation, and rising business costs, especially associated with establishing a new business. Similar to other industries, forestry businesses are also struggling with workforce recruitment as many long-term workers retire. The saw mill directory maintained by the Vermont Department of Forests, Parks and Recreation shows 75 mills in the state as of 2023, which is a 28 percent decline from the 105 active mills in 2008. Increasingly, hardwood is exported as a raw material causing a loss of jobs from the associated value-added milling process.

According to the Vermont Natural Resources Council, the Windham Region saw a nearly 20 percent decline in the number of woodland acres from 2010 to 2020 from 81,602 acres to 65,723 acres. There was a similar 19 percent decline in woodland acreage in parcels greater than 50 acres in size. Trends that are impacting this decline in woodland acreage include rising property values and the conversion of forested lands for development. Changing climatic conditions are also making it more difficult for some native species to survive and allowing for the spread of invasive species, such as the emerald ash borer and the hemlock woolly adelgid.

TABLE 5-2: WINDHAM REGION WOODLAND ACREAGE, 2010 - 2020

Windham Region	2010	2020	Pct. Change
Acreage in Woodland Parcels	81,602 acres	65,723 acres	-19.5%
Acreage in Woodland Parcels Greater than 50 acres in Size	65,414 acres	53,007 acres	-19%

Source: Vermont Natural Resources Council Parcelization Website (<https://vtforettrends.vnrc.org/explorer>)

In 2013, students at The Conway School produced a report for the WRC entitled [Our Working Landscape: Woodlands of the Windham Region](#). The Conway School is a graduate-level program in sustainable landscape planning and design located in Northampton, Massachusetts. The report explores how the working landscape may be maintained amidst recent economic, social, and environmental trends.

## REGIONAL EMPLOYMENT CENTERS

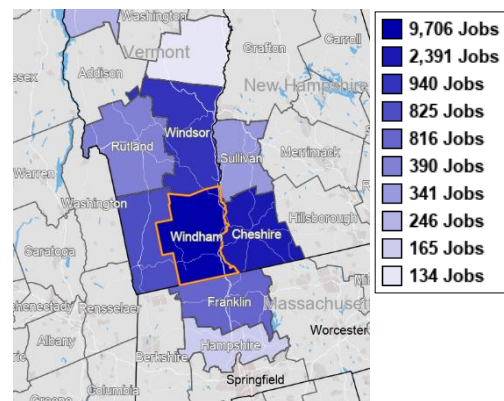
Data on the inflow and outflow of jobs within Windham County points to the interconnectedness of the region with surrounding areas. As of 2019, 8,531 employees working in Windham County commuted from locations outside of the county. At the same time, 6,005 Windham County residents worked outside of the county. When planning for economic development, it is important to keep in mind that the strength and vitality of local economies in surrounding counties is also critical to supporting the residents of the Windham Region. This points to the need to collaborate with planning and development entities in adjacent counties to work on areas of shared interest.

Inflow/Outflow Job Counts in 2019



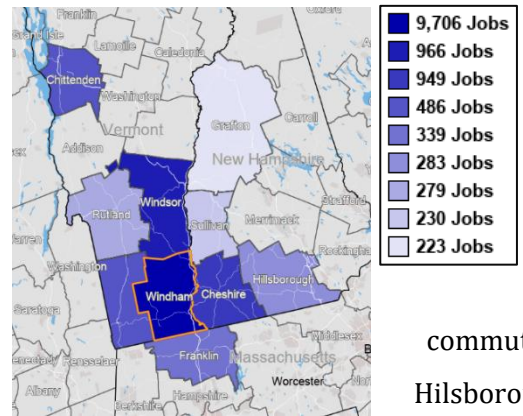
Data Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics (2002-2019)

The map to the right shows where employees commuting into Windham County reside. The county with the largest number of residents commuting into Windham County is Cheshire County in southwest New Hampshire (2,391 workers). There are also a significant number of residents that commute from Bennington County (825) and Windsor County (940) in Vermont and from Franklin County in Massachusetts (816).



Data Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics

The next map shows where Windham County residents commute to for employment opportunities outside of the county. The counties with the largest draw are Cheshire County, New Hampshire and Windsor and Bennington Counties. These counties include large regional employment centers, like Keene, New Hampshire, Greenfield, Massachusetts, and Springfield, White River Junction, Bennington, and Manchester in Vermont. Notably, residents are also much longer distances, including to Chittenden County and County in central New Hampshire.



commuting  
Hillsborough

Data Source: U.S. Census Bureau, LEHD  
Origin-Destination Employment Statistics

## ECONOMIC DEVELOPMENT POLICIES

1. Create adequate housing affordable to all income levels in order to retain and attract employees to the region.
2. Support efforts to attract and retain youth in the region by identifying and addressing barriers to their settling here, providing targeted educational and skill training opportunities, creating meaningful career options with livable wages, and encouraging social opportunities.
3. Promote activities and development that contribute to a strong and diverse economy, providing satisfying and rewarding job opportunities for citizens in all parts of the region and supporting a strong municipal tax base, while maintaining environmental standards and promoting environmental justice.
4. Support the creation of a variety of stable, year-round jobs with wages and other compensation that provide a livable income, and that include skills training programs and other benefits that contribute to the personal development and quality of life for all workers, particularly in areas with high unemployment or high numbers of workers earning less than a livable wage.
5. Utilize existing financial, physical, and technical resources to facilitate economic development, including the creative use and revitalization of suitable existing space for manufacturing and industrial activities, commerce, housing, and the arts.
6. Develop and assist the growth of small businesses including home businesses and entrepreneurial ventures that help preserve and revitalize communities.
7. Support educational programs for technical and trade skills in high wage and high demand jobs in order to

improve the value of opportunities for the region's workforce.

- 8.** Support the continued growth and development of large-scale industrial and commercial enterprises in the Enterprise future land use designation areas as identified in the Regional Plan and the infrastructure necessary to support those uses, including water and wastewater systems.
- 9.** Encourage development and support of land-based industries, focusing on the production, distribution, and marketing of agricultural and forestry products and programs in a manner that maximizes the sustainable use of these resources, minimizes and repurposes waste, and promotes the economic, physical, and environmental well-being of our communities and their residents.
- 10.** Promote the economy through tourism activities that emphasize the character of the region itself, including its beauty, culture, history, wildlife, and outdoor recreation.
- 11.** Support efforts to invest in infrastructure and services that support existing businesses and attract new businesses in an equitable manner, including transportation, public water and wastewater systems, broadband internet, cellular service, and three-phase power.
- 12.** Provide for adequate childcare options that meet the needs of all families in order to support a stronger workforce.
- 13.** Encourage initiatives that provide support services for new immigrants and refugees to participate in the workforce, address quality of life needs for immigrants and refugees, and raise cultural awareness throughout the region to increase understanding of different cultures.
- 14.** Support the arts and culture industry by encouraging increased use of community resources, improved cultural opportunities for all residents, and enhanced year-round tourism.