

Massachusetts Rural Policy Plan

1. Introduction

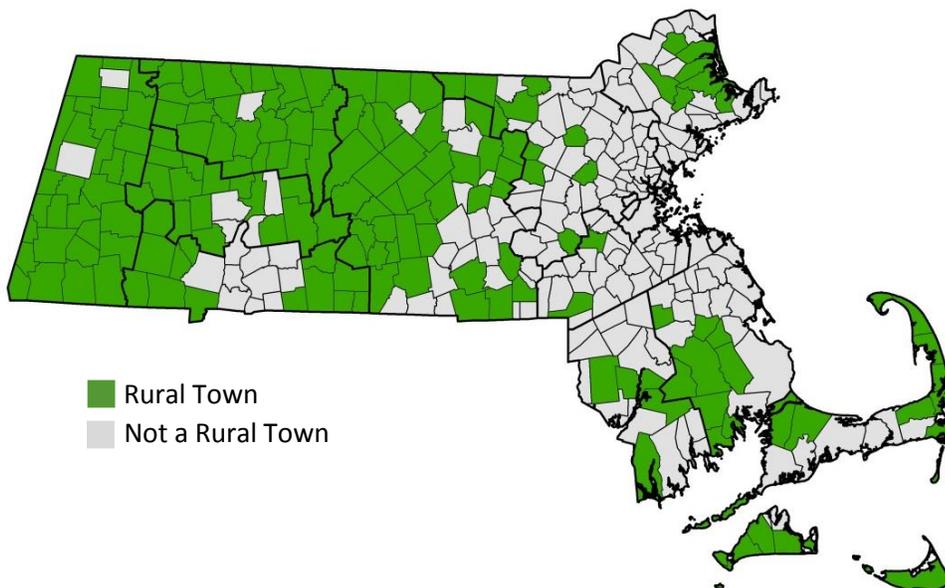
Massachusetts is not known as a “rural” state. And yet, 59 percent of the Commonwealth’s land area and nearly half of all municipalities (170 out of 351) are defined as rural based on low population density. Rural towns are predominately located in central and western Massachusetts (122 out of 170) but are found in every county in the state except Suffolk.

Similar to the rest of the country, rural areas in Massachusetts face challenges different from larger metropolitan areas. Unlike the growing economic engine of Greater Boston which is experiencing severe housing costs and traffic congestion issues, rural areas are dealing with a mix of issues such as: small, aging and often declining populations; limited fiscal resources and staffing constraints; inadequate infrastructure and mobility options that don’t meet 21st century expectations; declining school enrollments; and acute public health challenges.

Recognizing these unique challenges, this Rural Policy Plan – a first-of-its-kind in Massachusetts – was developed by the Rural Policy Advisory Commission (RPAC) to identify these challenges, describe how rural areas differ within the state, highlight best practices underway in Massachusetts and beyond, and identify a series of action-oriented policy, investment and regulatory recommendations prioritized for implementation.

What is Rural Massachusetts?

Figure 1. Map of Massachusetts Rural Areas by Municipality



Rural areas are defined as cities and towns with a population density of less than 500 people per square mile. The location and prevalence of rural areas is indicated by the green towns shown in Figure 1. As indicated, the vast majority of rural areas are located west of Worcester, with other rural areas in the north central, north east, and southeast Massachusetts, as well as the Cape and Islands.

In 2015, the Commonwealth's Legislature designated the Rural Policy Advisory Commission (RPAC) to address rural challenges with a mission "to enhance the economic vitality of rural communities." The RPAC members, as specified by the Legislature¹, include:

- One member from the House of Representatives and one member from the Senate (or a designee)
- The Secretary of the Executive Office of Housing and Economic Development (EOHED) or their designee
- Eight gubernatorial appointments from regional planning agencies (RPAs) serving rural communities – Berkshire, Cape Cod, Central Massachusetts, Franklin County, Martha's Vineyard, Montachusett, Nantucket and the Pioneer Valley
- Four at-large members

The RPAC has been meeting bi-monthly (?) since its formation in 2015 and has produced a series of presentations, analysis, and findings that are available online at: <https://frcog.org/rpac-documents-page/>

In particular, and prior to initiating the Rural Policy Plan, the RPAC conducted a series of listening sessions on rural issues throughout the Commonwealth – ten (10) meetings conducted in November and December 2018. These listening sessions have played a very influential role in identifying key Focus Areas (see below) and defining the critical issues that need to be addressed to enhance economic vitality in rural areas of Massachusetts.

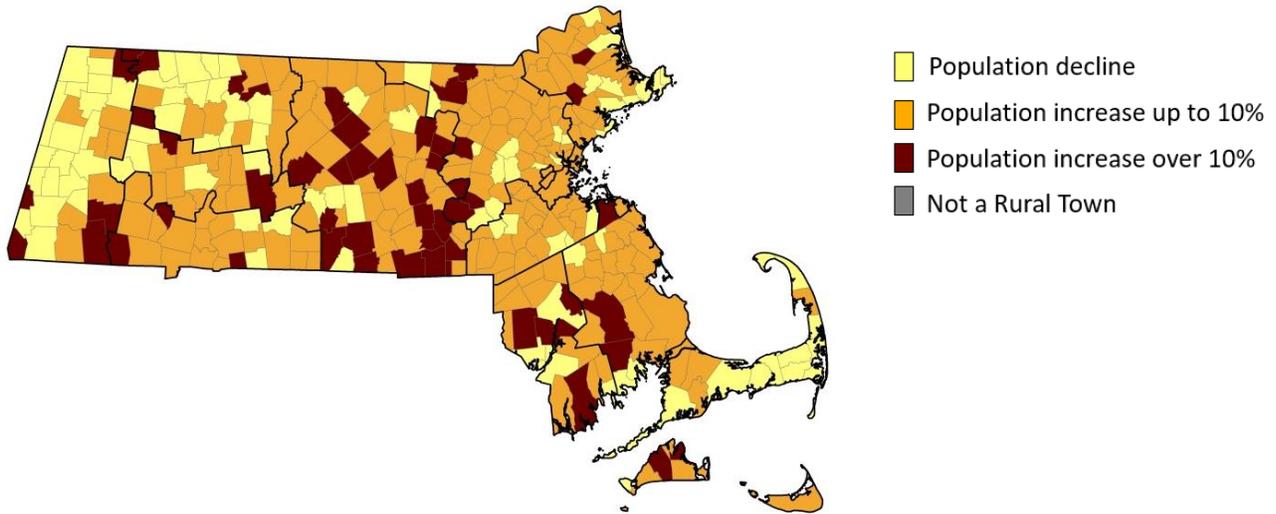
Economic and Demographic Trends in Rural Massachusetts

Massachusetts has experienced impressive growth in both jobs and population over the past decade, but much of this success has been driven by Greater Boston. The economic and demographic trends in rural Massachusetts are more varied, with some small areas growing quickly (primarily communities within a long-commute of Boston) but many others are facing slow to declining growth, lower income levels, lower housing values, and economies more dependent on public and non-profit sectors.

As shown in Figure 2 (below), while most Massachusetts communities experienced population growth from 2000 to 2010 (the last complete census), the areas of decline were primarily located in rural areas in Western Mass and Cape Cod. And while rural areas in total grew by 5 percent from 2000 to 2010, the most rural areas of the state experienced decline – for example, 42 of 73 towns in Barnstable, Berkshire, and Franklin counties had a lower population in 2010 than 2000, a decline of 2.4 percent. More recently, while the state of Massachusetts expanded by 5.4 percent from 2010 to 2018, population in all three of those predominately rural counties decreased by a combined loss of 1.8 percent. And these trends are likely to continue in the near-term based on the aging of rural populations where 17 percent of people are 65 years or over in rural towns versus 15 percent statewide (and many rural communities have over 20 percent of population in that age category).

¹ For more complete background on the RPAC, please see: <https://www.mass.gov/service-details/rural-policy-advisory-commission-rpac>

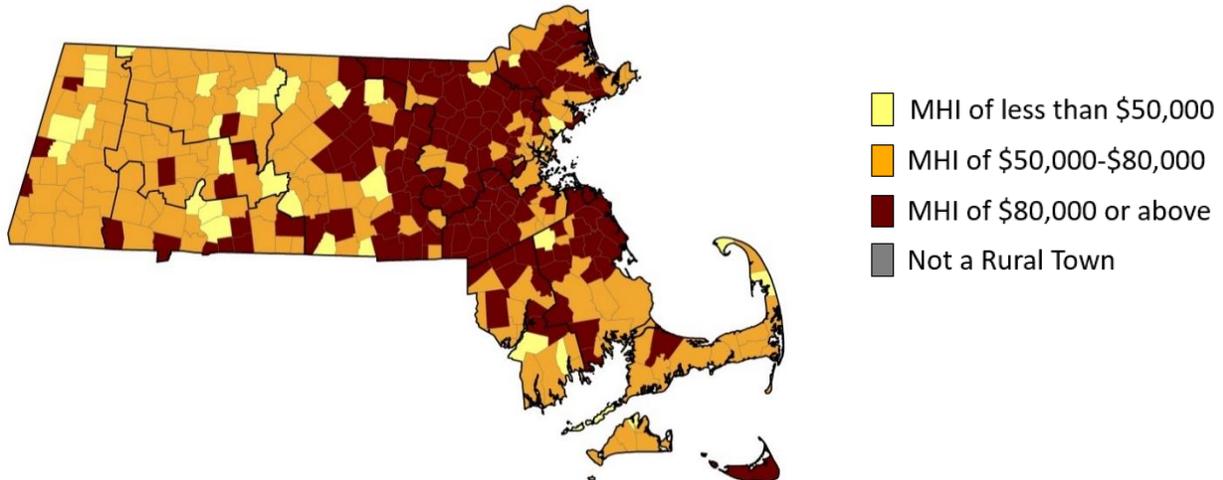
Figure 2. Population Growth 2000 to 2010 by Municipality (need to insert legend on these maps)



Source: US Census Bureau, Decennial Census Program

Income levels are generally higher in eastern Massachusetts and near major urban centers, and lower in rural areas. In the three most rural counties (Barnstable, Berkshire, Franklin), only 22 towns out of 73 had a median income higher than the statewide median of \$68,653, with 51 of 73 below that level.

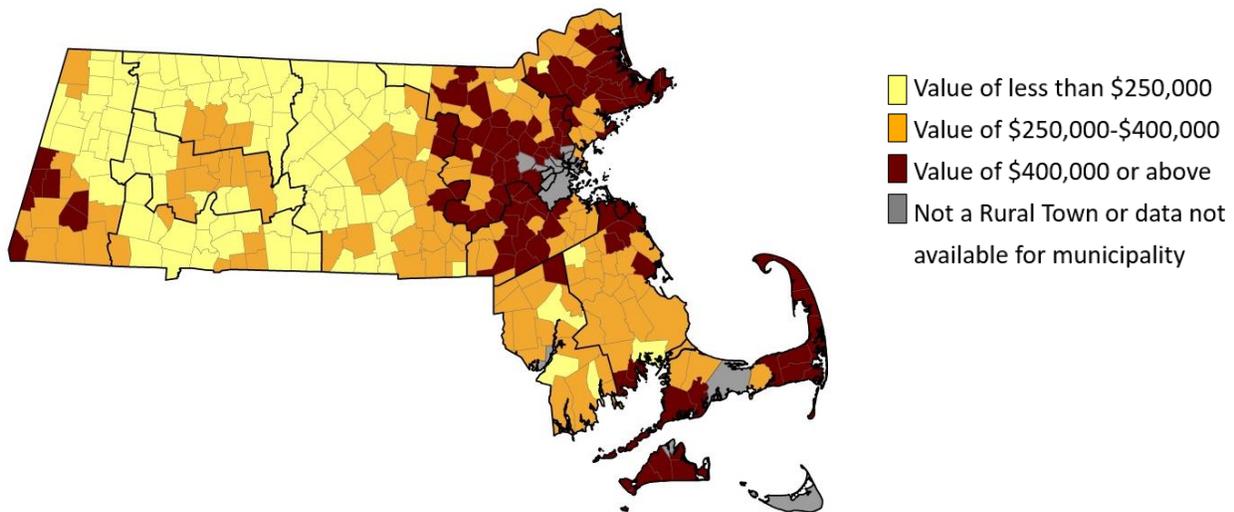
Figure 3. Median Household Income in 2015 by Municipality



Source: US Census Bureau, American Community Survey (2011-2015)

Closely related to income levels, housing values tend to be lower in rural areas than the rest of the state. While this generally reflects lower demand for housing and declining population, property values are the most critical source of revenue generation for municipalities, leading to a systemic lack of financing capacity in many rural communities. The median for rural areas is just over \$300,000 compared to approximately \$385,000 statewide. Similar to income, about 50 of 73 towns in the most rural counties have housing values lower than the statewide average. Especially on the Cape, the Islands, and parts of southern Berkshire County, housing prices are more expensive (above \$400,000 on average) with second home owners pushing up values, making housing less affordable for local workers and residents.

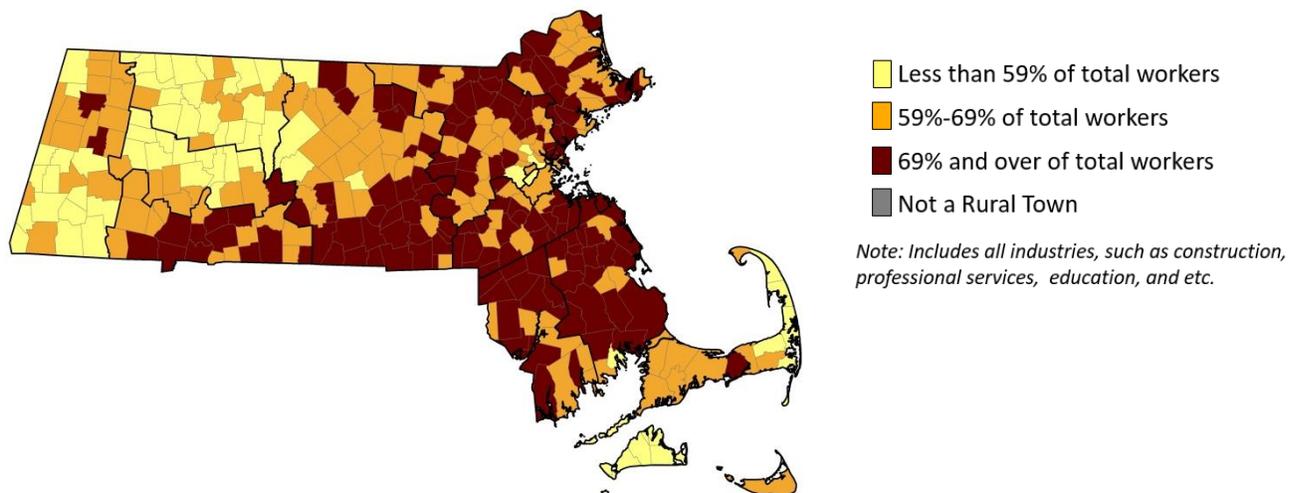
Figure 4. Average Single Family Home by Municipality (FY 2016)



Source: Massachusetts Department of Revenue, Division of Local Services

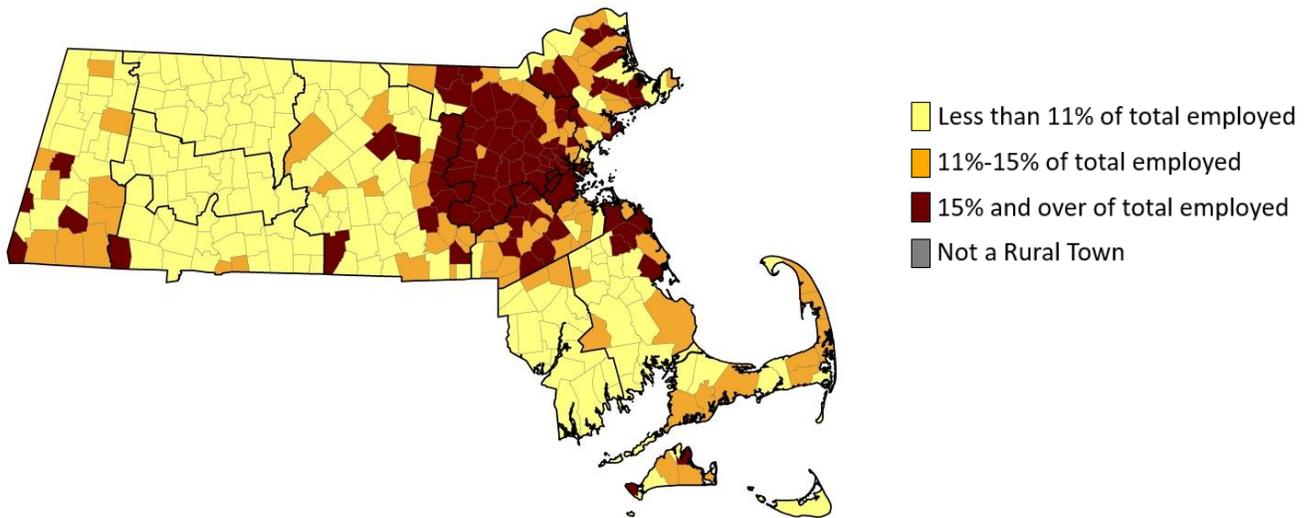
The economy of rural areas also differs from the rest of the state. In particular, rural areas are more reliant on public and non-profit sectors for job opportunities with about 66 percent of jobs in private, for-profit industry sectors compared to 69 percent statewide (Figure 5). This is partly due to the over-sized employment importance of non-profit institutions like hospitals, community colleges and other higher education in rural areas. Rural areas are also home to a larger percentage of self-employed workers (entrepreneurs and contractors) – 12 percent compared to 9 percent statewide. Manufacturing is still a very important sector in rural Massachusetts with 11 percent of all employment versus 9 percent in Massachusetts overall. And the booming, high-wage professional, scientific and technical services industry is much more prevalent in Greater Boston than rural areas (see Figure 6).

Figure 5. Percent of Employment in For-Profit Industry Sectors



Source: US Census Bureau, American Community Survey (2011-2015)

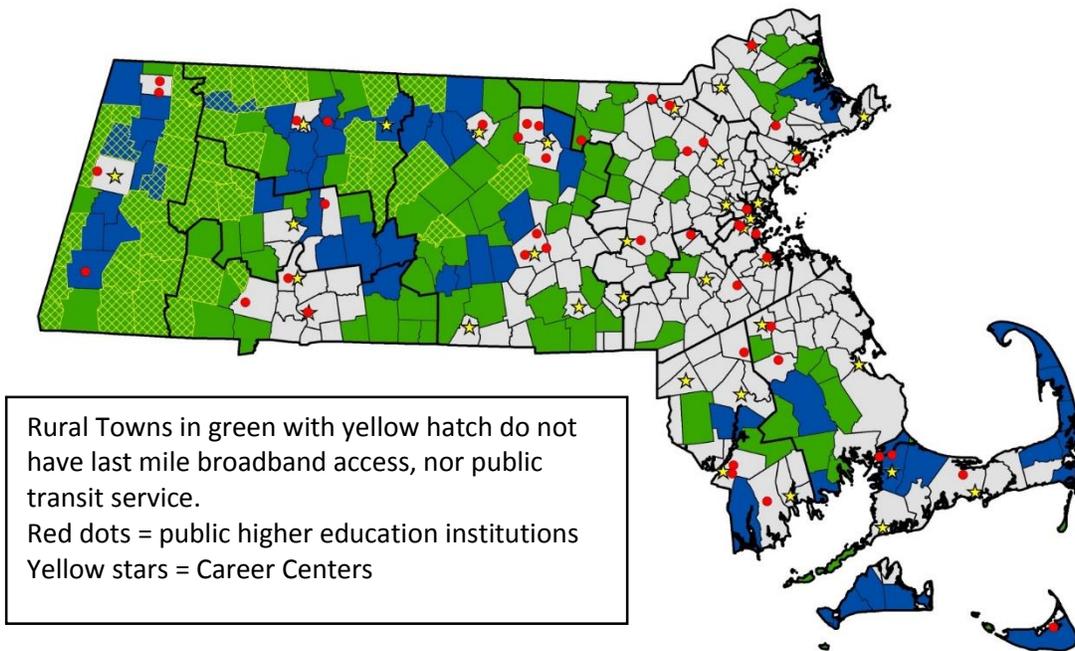
Figure 6. Share of Employment in Professional, Scientific, Management Services by Municipality



Source: US Census Bureau, American Community Survey (2011-2015)

Finally, rural areas have much less access to workforce support services, public higher education, public transit and broadband infrastructure (Figure 7). In addition to the large number of rural towns without public transit (in green), it is particularly striking to see how few public higher education institutions are located in rural towns (red dots), and similarly, how almost all career centers for workforce (yellow stars) are in non-rural cities and towns.

Figure 7. Access to Workforce Support Services



What are the Key Issues in Rural Massachusetts?

Based on the research, data analysis and listening sessions, a number of themes became clear in terms of the challenges and opportunities in rural Massachusetts.

Demographic trends are the single biggest overall challenge for rural areas. For many rural areas in Massachusetts, including the most rural, population trends are the biggest overall challenge to community sustainability. The four inter-related trends are: 1) slow to declining population growth; 2) aging population with median ages rising and the challenges of providing health care and mobility options; 3) difficulty in attracting or retaining younger, skilled workers which are critical to local economies; and 4) foreign born residents are generally not moving to rural areas. Collectively, these demographic trends have profound, difficult to reverse impacts on rural areas, including:

- Declining school enrollments, loss of schools and hospitals;
- Lower property values and property tax revenue (the primary source of locally-generated fiscal resources);
- Fewer workers to meet the needs of businesses; and
- Greater need for public and non-profit services for aging populations.

Rural competitiveness depends on upgrading the infrastructure. To be competitive in retaining and attracting workers, residents, tourists, businesses, and communities need infrastructure that meets their needs. But too often, the available infrastructure is not sufficient and resources to invest in upgrades are lacking. While many instances were identified as part of this work, examples include the lack of broadband connectivity that still plagues many rural communities; water and sewer infrastructure required by some businesses is not present in village centers or industrial parks; public transit is inherently challenging in rural areas which places even more importance on maintaining roads and bridges; and climate change is quickly increasing the need for more resilient infrastructure with new structural requirements to address floods and other weather incidents.

Economic opportunities and workforce needs are different in rural areas. The industry strengths that power the Massachusetts economy – life sciences and bio-tech, higher education, technology, finance, professional services – are much less prevalent in rural Massachusetts. Meanwhile, other sectors like manufacturing, agriculture and food products, tourism and outdoor recreation, and the creative economy are even more important (on a relative basis) in rural communities. And rural areas have even more self-employed workers and micro-businesses with a sometimes tenuous dependence on anchor institutions (hospitals, colleges, large manufacturers). Together, this means that the economic strategies for the rest of the state may not fully be aligned with the business and workforce needs of rural areas.

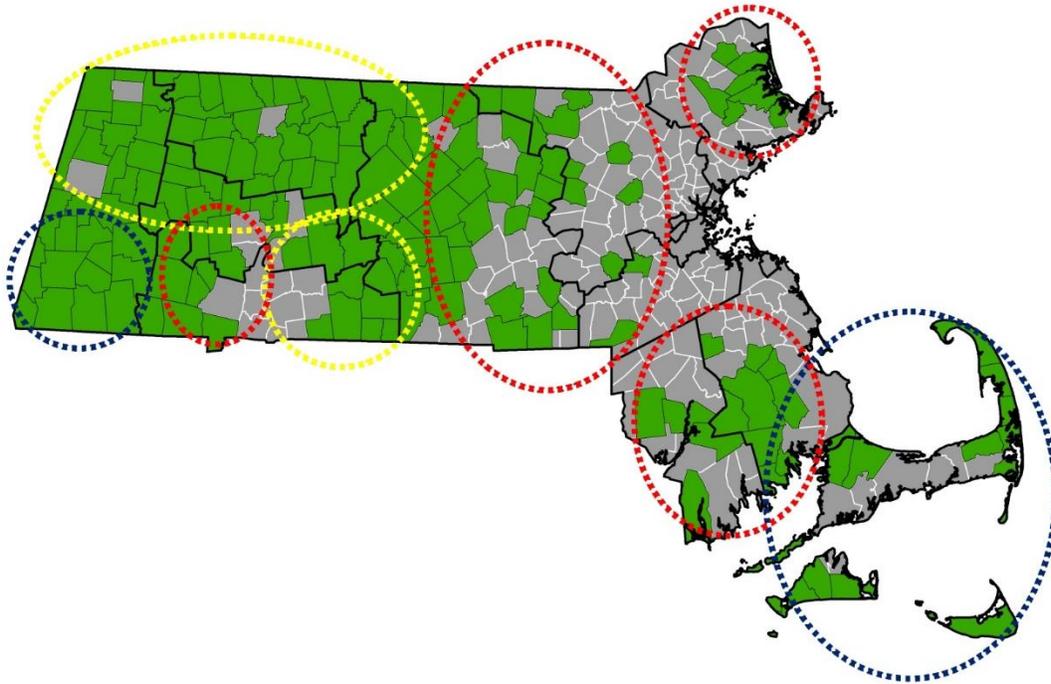
Rural areas vary across the state – three typologies identified. As demonstrated by the data analysis above, rural areas differ across the state with different characteristics, issues and opportunities. Based on our data analysis, listening sessions, and RPAC input, we have identified three categories of rural areas (see Figure 8 below):

Suburbs / Bedroom Communities (in RED) – these towns are generally located in the far reaches of the Greater Boston suburbs or outside of Worcester and Springfield (the 2nd and 3rd largest cities in Massachusetts), as well as near Providence, RI. Many of these rural communities are actually experiencing growth as people are priced out of the Boston housing market and are seeking lower home prices, albeit with longer commutes.

Areas of Economic Distress (in YELLOW) – these towns represent the most rural and isolated areas of Massachusetts with concentrations in the northern Berkshires, Franklin County, and parts of Hampshire, Hampden and Worcester counties. These areas are generally characterized by declining populations, lower income levels, and fewer transportation and broadband options.

Concentrations of Second Homes (in DARK BLUE) – rural areas in the southern Berkshires, and the Cape and Islands represent a third kind of rural area with fewer year-round residents, relatively high home prices (often a challenge for local or seasonal workers), and greater dependence on seasonal tourism.

Figure 8. Three Typologies of Rural Massachusetts



Rural areas have unique housing needs which are not being met. Building more housing and trying to counteract the high housing prices in some areas of the Commonwealth is a state-level priority. This broad challenge extends to rural areas but the issues are different. The housing needs not being met are most acutely felt in terms of senior housing offerings as well as affordable workforce housing for both year-round and seasonal workers. Of the housing stock that exists, significant portions have fallen into disrepair but the costs of rehabilitation are often beyond financial resources – more distressed areas face low home values but construction costs that rival the Boston area. In addition, many of the state’s housing policies and programs are best utilized at a scale and complexity that is beyond the capacity of rural communities.

Education and healthcare – known as strengths statewide – can be challenges in rural areas.

Massachusetts is rightly known as a hub for educational excellence as well as world-class hospital facilities, doctors and researchers. In our rural areas, despite a significant presence of jobs in health care and education, these statewide strengths provide very real challenges to our rural areas and residents. On education, the most pressing issue is declining school enrollments and the related drop in municipal funding for schools. It can also be more difficult to access vocational education, English as a second language (ESOL), or continuing education courses. On healthcare, a key long-term issue is the lack of access to doctors (MDs), mental health professionals, and the challenges of maintaining community hospitals

which are often under threat of closure. The more recent healthcare challenge has been the opioid crisis and the toll that has already taken on our rural areas.

Municipalities lack the financial resources and staff capacity to invest in rural areas. Addressing the challenges of rural areas requires resources – investment in transportation and broadband infrastructure, new and rehabilitated housing options, operational funding for educational and healthcare programs, and financial programs to support entrepreneurs and small businesses. But, rural areas badly lack municipal financing and professional staff capacity. So, it becomes a chicken or the egg problem – how can you invest in your rural community’s economic vitality if you don’t have the resources? While there are some opportunities to regionalize services and tax sharing, municipal funding and capacity are critical components of enabling sustainable futures for our rural areas.

Despite these challenges, rural areas have strong assets to leverage. Even with the considerable challenges outlined above, rural areas in Massachusetts have strong assets and advantages that can be built on to enhance economic vitality:

- Natural beauty and physical landscapes that are conducive for outdoor recreation and tourism – this includes mountains and forests that allow for skiing, hiking, and world-class mountain biking facilities; and rivers, lakes and ocean for kayaking, fishing and other water sports.
- Full participation in the movement towards small-scale farming, and locally made food and beverage products – rural Massachusetts is home to many of the state’s farms which are finding innovative ways to support the movement towards farm-to-table eating and dining, as well as producing a wide-range of food and beverage products, including successful breweries and distilleries located from the Cape to the Berkshires.
- Smaller scale that is focused on problem-solving – the smaller size of rural communities increases the social cohesion and focus on problem-solving such as best practice efforts to fight the opioid crisis, initiatives to regionalize to lower costs, and collaborative efforts to expand access to high-speed broadband.
- A quality of life that still attracts new residents and visitors – while “quality of life” can sound like a cliché, interviews with stakeholders and business owners who chose to locate in more rural areas consistently find that quality of life was critical to their location decision. This can be reflected in lower traffic congestion and more affordable housing, easy access to outdoor recreation, and a less hectic pace of life – all of this within fairly easy reach of major cities like Boston and New York City.

Purpose of the Rural Policy Plan

There are **four primary objectives** of this Rural Policy Plan for Massachusetts:

1. To guide the on-going work priorities for the Rural Policy Advisory Commission;
2. To develop specific, action-oriented strategic recommendations that can be implemented over time to enhance rural area economic vitality;
3. Educate the Governor, Legislature, and state agencies about the unique challenges and opportunities in rural areas; and

4. Reflect the concerns, ideas, and hopes of rural area municipalities, residents, businesses, and stakeholders.

The Rural Policy Plan includes clear but succinct summaries for 16 interrelated Focus Areas (see below) that were identified by the RPAC and informed by the listening sessions. Each Focus Area summary includes:

- The overarching goal for improving conditions in the Focus Area.
- Identification and description of the key issues within each Focus Area, including how issues vary across rural areas within Massachusetts.
- Existing policies and programs in the Commonwealth that are relevant to each Focus Area.
- Examples of best practices within or beyond Massachusetts that provide ideas about what kinds of programs, policies, investments or regulations could be duplicated or expanded.
- Action-oriented recommendations for state, regional and local leaders to implement in the near-term and longer-term to address issues and realize opportunities in rural areas.

Table 1. Rural Policy Plan Focus Areas (to be refined)

Broadband and Cell Coverage	Economic Development / Entrepreneurship
Water and Sewer Infrastructure	Workforce Development and Talent
Transportation - Roads, Bridges, Culverts	Municipal Board and Staffing Constraints
Transportation - Other Modes	Municipal Financial Capacity
Climate Change and Resiliency	Regional Services and Tax Sharing
Reversing Population Trends	Housing
Land Use	Public Health and Healthcare
Working Landscapes	Education

Process to Develop the Rural Policy Plan

This Rural Policy Plan was developed over a roughly two-year process that included four major components: 1) establishment of the RPAC, and the initial research and meetings which set the stage for this plan; 2) the stakeholder listening sessions which were conducted in ten locations in late 2018 to gather input on the key issues facing rural areas²; 3) identification of the 16 Focus Areas with content developed to define issues, highlight best practices and recommend policy actions; and 4) review and prioritization of recommendations by the RPAC, and drafting of the final report during the summer of 2019. See Table 2 for a timeline of key steps starting with the listening sessions.

² For a summation of the listening sessions, see: <https://frcog.org/wp-content/uploads/2019/02/RPAC-January-2019-Listening-Session-Results.pdf>

Table 2. Rural Policy Plan Development Timeline

Timeframe	Milestone
November-December 2018	Statewide Listening Sessions to confirm Focus Areas
January-March 2019	Plan format developed Consultant secured Focus Area lead developers identified
April-June 2019	Focus Area stakeholder meetings to develop policy recommendations, draft Focus Area content for Plan
July 2019	Prioritization of Recommendations
August 2019	Plan completed
September –October 2019	Public rollout

The Rural Policy Plan is organized into three sections:

- **Focus Areas** – two-page summaries of each Focus Area with emphasis on key issues, existing programs and policies, best practices, and strategic recommendations;
- **Short-term and Longer-term Recommendations** – the RPAC carefully reviewed the full set of strategic recommendations to: a) organize strategies into near-term and longer-term actions; and b) prioritize, and where it made sense, combine strategies for the most effective impact in rural areas; and
- **Action Plan** – a concise set of actions to work towards ongoing implementation of the Rural Policy Plan over time, including tasks for the RPAC and roles for other state and local leaders.