

# DEVELOPMENTS *New England*

New England Developments

Policy Issues Shaping the Regional Economy

Spring 2000

## Whither Bradley Airport?

**P**erhaps no single factor is considered more critical to the economic competitiveness of regions than having a “world-class” airport. Easy access to frequent, inexpensive air service has become an indispensable ingredient in attracting and retaining technology companies and entrepreneurs because “...high-tech and related service oriented industries have a 50 percent higher demand for air travel than the traditional smokestack industries.”<sup>1</sup>

A recent report for the State of Connecticut concluded that “Bradley is the key asset providing this region [Connecticut River Valley] with its primary tools for reaching the global and continental marketplace. As a result, Bradley is positioned to play a much more important and expanded role in shaping the future of the region.”<sup>2</sup>

The future of Bradley International Airport is much discussed in Connecticut government circles today. The manage-

ment and long-term direction of the airport have been the subject of two consultant reports since late 1998, and are key issues for the Governor’s Council on Economic Competitiveness and Technology. While most concede that the day-to-day operation of the airport by the Connecticut Department of Transportation has been good and that under their control passenger and cargo traffic have grown substantially, there is doubt as to whether the airport can maximize its role as economic driver for the region under the existing management structure. (State administration of the airport is in itself unusual in the U.S.; Bradley is one of only four major airports owned and operated by state government.)

There is also concern about the isolation of Bradley in the face of growing cooperation between Boston metro airports (Logan, Green in Providence and Manchester, N.H.) and those in the

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## The Problem with Bradley: Are We Willing to Compete?

by Daniel J. Carstens  
*The Airport News*

**S**omething’s wrong with Bradley International Airport.

I say this as a friend. A native of Windsor Locks, I own and operate two businesses here: *The Airport News* and CargoZone/BDL. I value the airport not only as a transportation facility or an engine for the Connecticut economy, but as a culture and a community of which I am a part. In the last few months, however, I’ve seen a pair of amazing, seemingly conflicting developments surrounding Bradley Airport.

First, I’ve seen the airport top 6.3 million passengers, a 13 percent increase over 1998, add Southwest Airlines, America West Airlines, cargo flights and added passenger services to its roster, and turn a \$12 million profit. This is the latest of five straight years of consistent growth. Seems like, when it comes to the things that matter most, everything the airport touches turns to gold.

Second, I’ve seen a series of consultants and concerned others call for dramatic changes in the way the airport is run, and I’ve seen the economic development leaders of the region wring their hands over the airport’s future direction. How can one airport at once be the source of such success and criticism? Does this make any sense?

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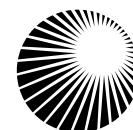
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N.Y. City area. Bradley must be seen as a viable alternative to these aggregations in order to continue to grow.

A report by Schiphol Consulting Group from the Netherlands recommends that a public-private partnership be formed to run Bradley International Airport, including a Board of Directors with representation from major area industries to oversee strategic planning, and a private management team reporting to the Board and DOT Commissioner to run the airport. These changes would hasten Bradley's transition to operating more like a business than a public utility, in Schiphol's view, one with the capability of optimizing commercial opportunities, such as the development of a superior retail sector of airport shops and restaurants.

### Slow but Steady Growth

Bradley Airport experienced steady but unspectacular growth in passenger activity between 1991 and 1998, FAA statistics show. Enplaned passengers (roughly one half of total activity—deplaned making up the other half) rose 25.4% during this period, which was less than the 35% average increase for 418 primary U.S. airports. This pre-Southwest Airlines growth was, however, faster than the 23.3% increase in passengers at Logan Airport in Boston, the 16.6% at Portland Jetport in Maine, the 11.1% at Albany International and the 8.9% at Burlington International in Vermont.

Two other regional airports had spectacular growth during this time, both due to the institution of Southwest Airlines service. Activity at Green Airport near Providence increased 105% between 1991-98, with most of the growth occurring in 1997 after Southwest Air began flights. Similarly, Manchester Airport passenger traffic increased 130% over this period, with a huge jump in activity in 1998 following Southwest Air's new service.

The same story is being told at Bradley. With just two months of new Southwest Airlines flights in 1999, passenger traffic increased 12.4% for the year to over 6.3 million. The total can be expected to surpass 7.5 million in

2000 with a full year of Southwest flights and with the continuing success of other low-cost carriers brought to Bradley in the last few years. For each increase of 1 million passengers at Bradley, the state gains over \$100 million in new economic activity and 2,500 new jobs, according to an economic impact study done by the University of Connecticut.

More passenger flights also mean more cargo tonnage, as half of all cargo is carried in the belly of passenger planes. Increasingly, the world's exports are transported by air, making cargo activity critical to linking regions with the global economy. In shipping freight by air cargo carriers, such as UPS or Federal Express, Bradley already does very well. In 1998, Bradley had almost as much all-cargo activity as Logan, and far more than Manchester, Green or Albany airports.

Bradley's modest growth has been disparaged in some quarters, who blame airport management, as well as business and government leaders for not recognizing Bradley's potential as a economic catalyst for the region. Part of the reason for Bradley's slower growth during most of the 1990s might simply be the weakness of the economy in the Hartford-Springfield metros. Only in the last couple of years have these areas started adding jobs and population. It is difficult to blame Bradley for not growing faster when the regional economy that supports it was contracting.

### The Vision Thing

Regardless of past decisions, it is now obvious the region needs to reach consensus on a broad vision for Bradley Airport, one going beyond the current expansion (a new passenger terminal and parking garage are being built). The "world-class" Bradley of the future would probably be intermodal, with rail links to Hartford and Springfield and to the New Haven seaport; international, with passenger flights to Europe; regional, with cooperative arrangements with Logan and New York airports; and entrepreneurial, with enhanced revenues from commercial land use of contiguous airport property.

Developing such a vision, much less implementing it, would be a leap for area leaders, but they can look to other regions that thought big and hit big. Dallas-Fort Worth, Orlando and Denver are all examples of proposed airport projects whose scope was criticized as grandiose at the time but where subsequent air traffic and economic benefits have surpassed the claims of even their most ardent supporters. A broad vision and cooperation across various political and geographical lines marked all of these projects.

Similarly, Bradley's future should not just be the province of Connecticut state government. For one, Springfield residents and business people, big users of the airport, have had little say in its development plans. Yet cooperation could unlock Bradley's (and the region's) untapped potential, reflecting a service area of over two million people with high income levels and many world-class companies, and all would reap the benefits of one of New England's great economic opportunities. ■

#### SOURCES

1. Shefer and Gordon, "International Air Service to Sustain Economic Growth," *Commentary*, Fall 1999.
  2. Gallis & Associates, *Bradley International Airport, Establishing The Context: Global to Regional*, December 6, 1999.
- Schiphol Project Consult, *Bradley International Airport: At the Crossroads*, November 1999.

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## Guest COLUMN

### The Two Massachusetts Economies



by **Michael J. Widmer**,  
President,  
Massachusetts  
Taxpayers Foundation

Massachusetts is divided into two distinct economies—a high-tech, knowledge-driven economy

in the east and an economy highly dependent on a strong manufacturing sector in the rest of the state—according to a major report prepared by the Massachusetts Taxpayers Foundation.

The report, *Dynamics of Growth: The Two Massachusetts Economies*, reveals that the greater Boston area is a technology-oriented economy generating growth primarily through software companies, money management firms, private universities, and management consulting. In contrast, the Massachusetts economy outside Interstate 495 is very similar to that of the rest of the country, with growth coming principally from traditional durable goods manufacturing.

Analysis of the state's economic base—the core industries that sell goods and services to customers outside the state—demonstrates the dramatic difference in the nature of these two economies. Knowledge-based industries make up a stunning 79 percent of the greater Boston economic base, compared to 44 percent in the rest of the state and 42 percent in the nation as a whole. On the other hand, manufacturing accounts for a striking 74 percent of the economic base outside I-495, compared to 69 percent in the country as a whole and only 40 percent in greater Boston.

Despite this contrast, both Massachusetts economies have generated similar growth rates in recent years, producing a tremendous recovery from the recession at the start of the decade.

Over the four-year period from 1994 to 1998, greater Boston, Massachusetts outside of I-495, and the U.S. as a whole all enjoyed annual employment growth of 2.5 percent. Since the mid-1990s, Massachusetts has experienced the strongest growth of any state in the Northeast.

In another positive sign, wage rates in Massachusetts continue to grow more rapidly than elsewhere in the country, in large measure due to the higher productivity and rising educational levels of Massachusetts workers. The percentage of Massachusetts adults with college degrees is a remarkable 40 percent higher than the nation while our percent of high school dropouts is lower, and the state's educational advantage has increased considerably in every decade since 1970.

Both parts of the state face several challenges to future growth. Although the Massachusetts economy is much more strongly positioned than 10 years ago to weather a future recession, the state's increasing labor shortage, particularly for highly skilled workers, is a cause for concern. The pinch is being felt across the Commonwealth from the knowledge-based service sector businesses of greater Boston to the high value-added manufacturing companies in other parts of the Commonwealth. The state's working age population (18 to 64) grew at less than half the national rate between 1994 and 1998, largely due to net out-migration of Massachusetts residents.

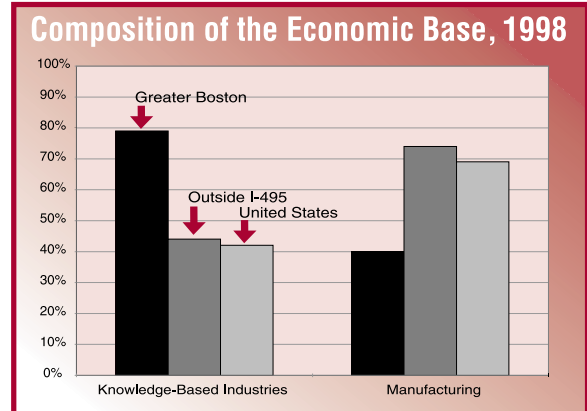
The high cost of doing business in Massachusetts is another obstacle to future growth, especially in manufacturing and other key industries that face pressures from out-of-state competitors. Despite several successful initiatives to reduce costs in recent years, Massachusetts still remains one of the most expensive states in which to do business, particularly in the areas of health costs and unemployment insurance.

Productivity growth has been the key factor in allowing

Massachusetts manufacturers to compete with companies in lower cost states. High technology and a skilled workforce—for both high- and low-tech products—has helped Massachusetts manufacturers set record levels of output and made our workers among the most productive in the nation.

#### Policy Implications

- While each region of the state should continue to focus on their particular strengths, they should also take advantage of the knowledge-based industries that are fueling the eastern Massachusetts economy. With the state's two very different economies, success will depend both on expanding the knowledge-based industries across the state and on targeting efforts to key industries in each region.
- We must continue to reduce the high costs of doing business in the state to lessen the competitive disadvantage faced by many Massachusetts companies in the global marketplace.
- We need to expand the supply of skilled workers by improving the quality of K-12 education throughout the Commonwealth, fostering close ties between the community college system and businesses, and emphasizing training and skills development. The state's colleges and universities are critically important to manufacturers seeking skilled labor. Immigrants who bring needed expertise to the labor pool are also part of the solution to the growing shortage of skilled workers. ■



*Problem, cont'd. from page 1*

### Costs and Benefits

The most compelling catch phrase at the center of this criticism is the alluring, oft-repeated observation that Bradley ought to be run more like a business. But let's put this assessment under the microscope for a moment. The airport is run by the Connecticut Department of Transportation, through the Bureau of Aviation and Ports. It is, as many consultants have noted, one of the few state-run airports in the country. Unlike many other state-run operations, however, Bradley is operated through an Enterprise Fund, not the state's General Fund. The airport's expenses are paid entirely by its users, not the taxpayers at large.

Likewise, the bonds generated to fund Bradley are a special obligation of the state, secured by the operating revenues of the airport. There's no liability to the state's other revenue sources. The airport is a bailout-free and subsidy-free zone.

Most of the work of running the airport is done by private businesses. To give you a sense of the degree of privatization at the airport, just 122 of the 4,500 badged employees at the airport are state employees. Private companies run the check-in counters, baggage systems, security, janitorial services, airplane fueling, and parking, among other things. In fact, many of these private companies have won national recognition for their management, such as the Sheraton Hotel, Signature Flight Support, and Paradies, which operates the gift shops. By mandate other functions are handled by federal entities such as the Federal Aviation Administration, U.S. Customs, and the military branches.

### Marketing the Airport

It seems to me that, with the combination of top-notch business operations and a recent track record of success, Bradley's management team couldn't run itself much more like a business, except perhaps in one respect: giving

*“Without its marketing efforts, Bradley would not have had such a dramatic string of successes in recent years: six new low-fare carriers; new nonstop destinations, including flights to the West Coast; and growing cargo volume.”*

the airport's marketing efforts the resources needed to maximize its success.

I don't believe the airport's marketing efforts have been subpar, despite what some consultants might suggest. In 1995, a review of airport operations by ARP said “Despite the slow economic recovery in the region, [Bradley] experienced strong passenger growth (7%) largely due to the marketing efforts of the Bureau.” The same could and should be said today.

Without its marketing efforts, Bradley would not have had such a dramatic string of successes in recent years: six new low-fare carriers; new nonstop destinations, including flights to the West Coast; and growing cargo volume. It certainly would not have been one of only two airports to win Southwest's service in 1999, out of dozens of airports who tried to woo Southwest into their markets.

These are not the signs of a marketing operation that does not know what it's doing. (Full disclosure: the airport is an advertiser in *The Airport News*, which is privately owned and depends on advertising revenue to succeed.)

### An Airport Tale

Let's study the story about a similar airport. In the fall of 1993, a low-fare carrier started service at a new East Coast airport. The following

calendar year, the airport doubled its marketing budget from \$1 to \$2 million. The airport became the fastest-growing large airport in North America, and is now among the top 20 in the nation, with 15 million origin-and-destination passengers last year.

The airport was Baltimore-Washington International, which is run by the State of Maryland. The airline was Southwest Airlines. Today, Baltimore has a marketing staff of 14 and an annual marketing budget of \$3 million. Bradley's marketing department has a staff of three and last year effectively had a budget of less than \$500,000. The staff also covers the five other state-run airports, the two Connecticut River ferries, and the State Pier in New London. Unlike BWI, Bradley's three people cover air service development, cargo and passenger, and we are not even spending as much as Baltimore did six years ago.

But we can catch up. Bradley's moment of opportunity is now. With the added airlines, this year's groundbreaking on a new, state-of-the-art terminal and concourse, and the construction of a new parking garage, the airport is going to grow. The question really is, how much.

The answer depends not on whether the airport is run by the State, a private authority or a private management company. It depends on how much Connecticut is willing to invest to make it happen. ■



## Power POINTS

### How Divided Are We— Digitally?

The so-called “Digital Divide” threatens to become an overworked cliché. While the President has asked for \$4 billion to provide universal internet access, new research is challenging the conventional wisdom that minorities are falling behind in computer usage in the information age. Rapidly falling prices for computers are bringing them within reach of most families. And minorities are getting on the internet at a faster pace than whites, according to Forrester Research of Cambridge, MA, which expects the percent of online households for Latinos, blacks and whites to reach rough parity in the near future.

### Personal Finances (1)

Connecticut residents had the highest tax burden in 1998, according to methodology developed by the Tax Foundation. Per capita total taxes as a percent of per capita personal income reached 41.1% in Connecticut in 1998. This large tax bite reflects Connecticut’s great wealth and the progressive nature of the federal tax system, and the role of the state income tax. Massachusetts had the second highest burden in New England, 38.2% of income, which ranked it 11 in the nation, followed by Maine (37.9%), Rhode Island (37.5%), Vermont (36.5%) and New Hampshire, at 34.8% one of the lowest levels in the U.S.

### Personal Finances (2)

Befitting the region of steady habits, New England residents apparently did not go overboard with their credit cards during the unprecedented economic expansion of the 1990s. Except for Rhode Island, personal bankruptcy rates are well below average in all New England states (Morgan Quitno data).

Rhode Island’s 541 bankruptcies per 100,000 population was more than the U.S. average of 511, but Connecticut had the next highest rate in the region (421) and the rest of the states were even lower. Vermont’s 318 bankruptcies per 100,000 population ranked 47 in the nation.

The “Digital Divide”  
threatens to become an  
overworked cliché.  
The percent of online  
Latino and black  
households is expected  
to almost equal that of  
whites in the near future.

### Digging a Hole

Cost overruns on Boston’s “Big Dig,” the multiyear, multibillion project to suppress the Central Artery, are becoming a political issue in the Bay State. More importantly, additional funding requirements for the Dig are threatening to gobble up dollars for important infrastructure projects around the state and could affect Massachusetts’ credit rating. Preliminary estimates put final Dig costs between \$1-1.5 billion over the previous budget of nearly \$11 billion; even before the new estimates the project was expected to use up one-third of all state capital spending during the next five years.

### Borderless Development, Maine-Style

Fed up with their seeming isolation from the economic mainstream of New England, Bangor, Maine officials are looking to New Brunswick, Canada to find economic partners. Northern Maine has not shared in the high-tech boom of metro Boston, nor even in the expansion of the Portland area, and, in fact, probably has more in common with its neighbor to the north. Key to forging cooperative ventures in international trade and regional tourism is the building of a major highway from Bangor to the Canadian border, but financing for the \$1 billion project has been tough to come by.

### American Dreaming

Fueled by the longest economic expansion in 30 years, home ownership rates increased 3.6% between 1994-98 in the U.S. In the region, home ownership (% of all households occupied by the owner) grew faster than average in CT, NH and RI, slower than average in ME and MA, and declined slightly in VT. Maine has the region’s highest rate of home ownership at 74.6%, which may reflect the greater affordability of housing there, while Rhode Island and Massachusetts have the lowest rates (59.8% and 61.3%). Home ownership in the three other New England states is clustered just above 69%.

### Elderly Flock to South

The age divide in New England is manifest in Medicare spending data for the states. Per capita expenditures under this federal health care program for the elderly are 50-110% more in southern than in northern New England. At \$1034, Rhode Island had the third highest Medicare spending nationally in 1998 (Florida was first), with Connecticut, \$955, and Massachusetts, \$945, close behind. States with less elderly, such as New Hampshire (\$546) and Vermont (\$489), had much less spending. At \$638 per capita, Maine was also below the U.S. average. ■

## Looking Forward to the New Economy

Measuring the economic competitiveness of states has become somewhat of an obsession with public officials, and a nice cottage industry for private research firms such as the Corporation for Enterprise Development, Morgan Quitno and others. Nonetheless these exercises can be useful in pinpointing strengths and weaknesses of regions like New England.

the study, all with scores above the U.S. average of 48.07.

Maine and Rhode Island ranked 28 and 29 and had slightly below average scores.

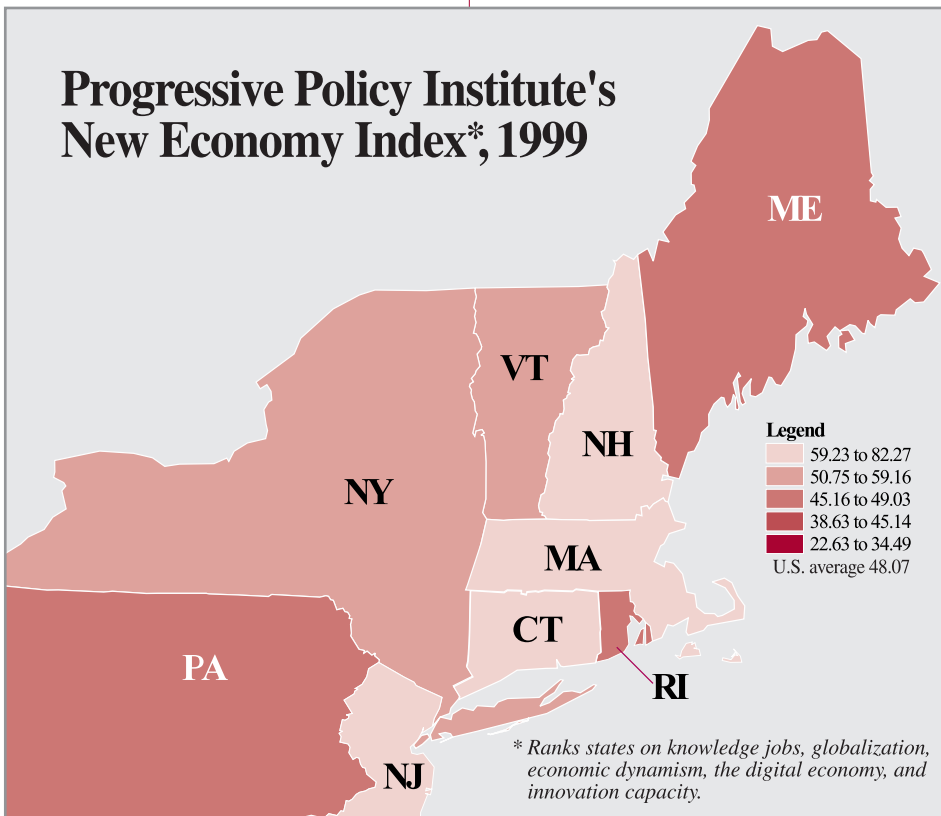
The highest scoring states in the report were clustered in the Northeast and Mountain and Pacific West (see map). States in the middle of the country and the South generally ranked lower, or were firmly rooted in the old economy, as the report put it. The PPI

The study focus produced counterintuitive results: many states with low PPI scores are growing rapidly, including North and South Carolina, Oklahoma and Kansas, while some states with high PPI scores, like Massachusetts, Connecticut and New York, have had only modest employment increases. What is the best predictor of future growth, history or the strength of so-called competitiveness building blocks?

We can find some clues by examining states that do well on both measures. In particular, New Hampshire and Colorado have shown strong employment and labor force growth and also have high-paying jobs and a high quality of life. The key may be that certain qualities they share—natural beauty, an independent spirit and (relatively) laissez faire business climate—makes them attractive to entrepreneurs migrating from other states.

In New England, only New Hampshire had significant domestic in-migration during the 1990s, and newcomers to the state have helped create a booming high-tech sector. Previously, conventional wisdom held that New Hampshire growth was largely fueled by people fleeing high cost Boston, but the phenomenon seems broader now. Media coverage of the New Hampshire presidential primary noted "...an extraordinary energy born out of this state's small-town democratic activism and the power of its New Economy." The state was described as combining "... fiscal conservatism with an almost libertarian approach to social issues." (Wall Street Journal, 1/27/00)

The lesson for states is that having the foundations for success in the New Economy does not ensure dynamic growth. Combining effective educational and financial infrastructures with less intrusive government may. ■



A widely-quoted 1999 study from the Washington-based Progressive Policy Institute ranked several New England states highly in "...17 New Economy indicators, which break down into 5 categories: knowledge jobs, globalization, economic dynamism, the digital economy, and innovation capacity." Massachusetts led all the states by a wide margin with a composite score of 82.27, while Connecticut ranked 5, New Hampshire 7 and Vermont 18 in

methodology favors states with a high quality workforce and high quality of life, and minimizes the role of costs (business and living) on growth in the new century. The study focuses primarily on what it considers the foundation elements for growth, rather than recent economic performance. Thus, the 17 indicators include items such as workforce education, foreign direct investment, online population and patents issued.

## Regional Economic TRENDS

### Uneven Growth in New England

by Kevin H. McIntyre, Ph.D.  
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RFA / Dismal Sciences, Inc.

With one of the strongest regional economies in the nation today, conditions in New England have arguably never been better than they are now. With only a few exceptions, all of the region's top-line indicators are at a cyclical high. Income growth, for example, is extremely strong, unemployment is low and falling, commercial and residential real estate markets are strong, regional inflation is relatively benign, and the list goes on and on.

Economic conditions within the region are hardly consistent, however, as some parts of New England are in the middle of a great run while others are still struggling to catch up. For example, the pace of employment growth in the Boston area has been about three times that observed in Hartford over the past five years. But while it is true that the pattern of economic growth (as measured by either employment or income growth) within New England is uneven, it is also the case that it is as uniform as it has ever been, and it is likely to become more so in the years ahead.

#### Industry Mix

The most important factor when comparing economic performance across regions, states, or metropolitan areas is the industrial mix in each area. In addition to directly influencing employment and income trends, an area's industrial mix is also a significant factor in determining important long-run demographic variables such as population and migration, which feed back into the composition of an area's industrial base.

Those areas that possess the most favorable mix of industries will be the ones that are the fastest growing. In this regard, current patterns of economic growth observed in New England can be traced back over a decade when the New England economy was heavily concentrated in defense and other traditional heavy manufacturing industries. The end of the Cold War marked the end of ever-rising post-war defense spending on procurements, and the associated consolidation of the defense industry hit New England particularly hard. Similarly, this same period marked the beginning of a sharp period of consolidation in old-line financial services industries like banking and insurance, which also had a disproportionate presence in New England.

In response, many areas in New England began to nurture new growth industries to replace some of its shrinking ones. Today, those areas that have been the most successful in doing this are experiencing the strongest growth. A look at local industry in some of New England's larger metropolitan areas highlights this notion. For the past several years, for example, Boston has been New England's shining star, due primarily to its high-flying securities and high-tech industries, both of which have expanded rapidly over the past decade. Boston was fortunate to have the seeds of the mutual fund industry firmly planted downtown at the start of the decade.

The growth of 401(k) programs and improved household wealth helped the industry to soar over the past decade, replacing traditional banking and insurance as a driver of economic growth.

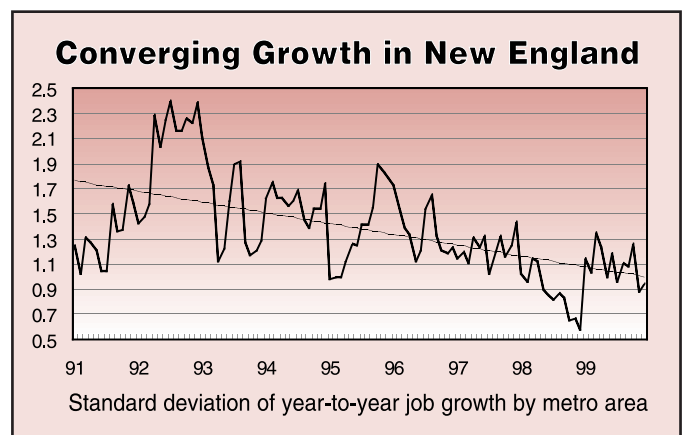
Similarly, the high concentration of universities in the Boston area provided skilled labor for its high-tech

industries. Strong economic performance is also found in nearby Manchester and Nashua in New Hampshire, which are benefiting from their proximity to Boston. The current strength of the securities industry in New York City is similarly benefiting the Stamford metro area. Given the extraordinary health of the stock market and the explosion in high-tech industries observed over the past decade, the fact that the aforementioned metro areas are among the strongest in New England is no surprise.

New industrial specialization is also driving the economy in several smaller parts of New England. South-eastern Connecticut is benefiting greatly from its two casinos that were developed over the past decade, providing sorely needed employment to a previously lagging region of the state, and to nearby Rhode Island. Farther north, the development of customer call centers is supporting the Maine economy. Furthermore, exceptionally strong income growth throughout the Northeast is driving the travel and tourism industry in northern New England.

In contrast, the slower-growing parts of New England are those that have so far been unsuccessful in diversifying their economies away from declining industries. Perhaps the best example of this is Hartford, where the local economy is still suffering from

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*Regional Trends, cont'd. from page 7*

the long decline in the insurance and defense industries, as highlighted by the recent downsizing announcements at aircraft engine manufacturer Pratt & Whitney, one of area's largest employers. Similar sad tales can be told for much of the New Haven metro area, and in Springfield and Pittsfield as well.

### Converging Growth

But while some stark differences between local growth patterns in New England exist, such differences are becoming less pronounced with each passing year. Indeed, the distribution of economic growth in the New England metropolitan areas over the past decade has never been as even as it is today. At present, intra-regional variability in employment growth is about half of what it was less than a decade ago (see chart, p. 7).

There are some strong reasons to suspect that this trend will continue. First, the decline in New England's traditional industries is just about played out. While defense, durable goods manufacturing, banking and insurance will never be sources of significant growth again, areas like Hartford will not get any worse. Second and perhaps most importantly, as costs in New England's high-flying metro areas continue to rise, expansion of the region's new driving industries will be increasingly shifting to the slower growing areas. An excellent example of this is found in Providence, which has seen its prospects improve considerably over the past two years. Recent expansions and acquisitions by Fidelity and Citizens Bank, for example, make it difficult to say that the fact that Boston being less than an

hour away is not an important factor behind Providence's present health.

With its increasing mix of high-growth industries, the outlook for all of New England is extremely favorable. Important challenges, however, still remain for much of New England. In particular, fostering new growth industries is of tantamount importance for much of the region, and it is an issue upon which its long-term viability rests. To this end, development and growth could be expedited through further improvements in infrastructure, incentives to ensure that venture capital finds its way throughout the region, and by working to lower the region's high costs of living and of doing business. Such changes would surely act to further alleviate intra-regional differences in economic performance. ■



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