

# Dracut Economic Development Strategy for 2014

Draft

February 2014

## Table of contents

Table of contents .....	1
Executive Summary .....	3
Introduction .....	4
I. Town of Dracut Demographics .....	5
A. Population .....	5
B. Housing .....	9
C. Income .....	10
D. Employment .....	16
II. Characteristics of the Local Economy .....	18
A. Educational Attainment .....	18
B. Employment Sectors for Dracut Residents .....	19
C. Journey to Work and Commuting Patterns .....	20
D. Employment Levels and Unemployment .....	22
E. Business Patterns .....	24
F. Industry Composition .....	27
G. Major Employers .....	33
H. Wages .....	34
I. Local Business Characteristics .....	36
III. Community Assets and Liabilities .....	39
Opportunities .....	41
Strengths .....	41
Weaknesses .....	41
Threats .....	41

### List of Tables

Table 1: Actual and Projected population .....	5
Table 2: Age Distribution of Dracut Residents .....	6
Table 3: Projected Age Distribution of Dracut Residents (2020-2035) .....	7
Table 4: Racial and Ethnic Diversity of Residents (2000 and 2010) .....	8
Table 5: Age Characteristics of the Disabled Community .....	8
Table 6: Total Number of Households (2000-2035) .....	9

Table 7: Housing Units by Type (2000-2013).....	10
Table 8: Median Household Income for Selected Geographies .....	11
Table 9: Median Family Income for Selected Geographies .....	11
Table 10: Per Capita Income for Selected Geographies .....	12
Table 11: Household Income Distribution (2012) .....	13
Table 12: Median Income by Age .....	13
Table 13: Adjusted Income Limits by Household Size, Lowell Metro FMR Area, FY 2013 .....	14
Table 14: Income Categories and associated HUD Thresholds .....	14
Table 16: Characteristics of the Population Living in Poverty.....	15
Table 15: Federal Poverty Guidelines (2013).....	15
Table 17: Local and Regional Employment Projections: 2010-2035 .....	17
Table 18: Years of School Completed, Dracut and Greater Lowell region 2012.....	19
Table 19: Primary Employment Industries for Dracut Residents in 2000 and 2012 .....	20
Table 20: Place of Employment for Dracut Residents in 2012 .....	20
Table 21: Mode of Transportation to Work 2012 .....	21
Table 22: Layoffs in the Greater Lowell Region: 2009 - 2013.....	23
Table 23: Changes in Local Industry Composition: 2002 - 2012 (Q3) .....	27
Table 24: Economic Statistics for Goods-Producing Industries in 2013 (Q2) .....	30
Table 25: Economic Statistics for Service-Providing Industries in 2013 (Q2) .....	31
Table 26: Dracut Major Employers.....	33
Table 27: Total Wages and Average Weekly Wages by Industry: 2002 and 2012 (Q3) .....	34
Table 28: Fiscal Year 2014 Tax Rates by Class for the Greater Lowell Region .....	36
Table 29: Fiscal Year 2014 Tax Classification .....	37

### List of Figures

Figure 1: Dracut Labor Force and Employment Numbers 2000-2013 .....	16
Figure 2: Educational Attainment in Dracut: 2000 – 2012 .....	18
Figure 3: Unadjusted Unemployment Rates: July 2000 - July 2013 .....	22
Figure 4: Total Number of Establishments in Dracut, 2002 - 2012 (Q3) .....	25
Figure 5: Average Monthly Employment for Dracut Establishments, 2002 - 2012 (Q3).....	25
Figure 6: Average Weekly Wages for Dracut Workers, 2002 - 2012 (Q3) .....	26
Figure 7: Local-Regional Location Quotient by Industry in 2013 (Q2) .....	29
Figure 8: Municipal Revenue Sources, Comparing FY 2010 & 2014.....	38

## Executive Summary

## Introduction

The focus on economic development issues enables local decision-makers, such as the Dracut Board of Selectmen, the Economic Development Committee and Town Meeting, to determine how they wish to target economic growth in the future so as to provide an equitable balance with the community's quality of life that attracts residents, businesses and visitors to the Town of Dracut. Economic growth generates property taxes that provide local public services, creates new contracting opportunities for local businesses, provides local employment and connects the local, regional, state and national economies. The Town can establish its own direction through the targeting of economic growth within the community, while building upon what happens in the broader Greater Lowell economy. At a time when the nation, state and region are rebounding from the most severe recession since World War II, the Town needs to actively address its economic development needs through an economic development "blueprint" that has widespread support from the community.

Since the *Economic Development Strategy: Dracut, Massachusetts* was completed by RKG Associates, Inc. in 1996 and the economic development section of the *Dracut Master Plan* was completed by John Brown Associates, Inc. in 1999, there has not been a comparable economic development strategy completed even though there have been significant changes in the economy since then. Do the economic development goals outlined in the previous *Economic Development Strategy* and the *Master Plan* still apply today? If not, what should the new economic development goals be for the Town of Dracut? Should the community focus on retaining existing businesses and attracting new businesses that reflect the Town's current economic development priorities? Should the Town build upon its economic development efforts and actively market the community as a business-friendly community? Finally, how can the Town establish public/private partnerships that increase the amount of private investment and job opportunities, while also improving the quality of life in Dracut?

The Northern Middlesex Council of Governments (NMCOG) is undertaking the development of the *Dracut Economic Development Strategy for 2014* through the use of District Local Technical Assistance (DLTA) funds from the Mass. Department of Housing and Community Development (DHCD). Under the DLTA program, the Patrick Administration has focused on Planning For Economic Growth as a key component to address the existing unemployment issues remaining from the most recent recession. NMCOG has worked with the Commonwealth of Massachusetts and the Economic Development Administration (EDA) of the U.S. Department of Commerce to address these economic development issues on a regional basis through the completion of the *Regional Strategic Plan for Greater Lowell* in 2012, which identified priority economic development sites for the region, and the *Greater Lowell Comprehensive Economic Development Strategy (CEDS) for 2009-2013*, provides an overview of the economic conditions and needs of the Greater Lowell region (the City of Lowell and its eight surrounding suburbs – including Dracut) and outlines goals and strategies to address these economic development needs. Currently, NMCOG is completing its CEDS Update for 2010-2013, which further updates the economic data for the region, including data from the 2010 U.S. Census. The *Dracut Economic Development Strategy for 2014* has been organized to build off these other documents and focus on the specific economic development needs of the Town of Dracut.

## I. Demographic Analysis

The Demographic Analysis section provides an overview of the demographic changes that have occurred in Dracut since the publication of the last *Economic Development Strategy* in 1996. Using data from the U.S. Census Bureau on household, age, race, ethnicity, disability, and income, this section analyzes past, current and future demographics in Dracut in order to determine demographic trends and what the future holds for the community.

### A. Population

According to the 2010 U.S. Census, Dracut had a population of 29,457 residents residing in 10,956 households. Over the last two decades, the population in Dracut, as well as in the Greater Lowell region as a whole, has increased steadily. According to the *Regional Strategic Plan for Greater Lowell*, the population in the region grew by 70% between 1960 and 2010 from 169,403 to 286,901 or an average of 14% per decade. Similarly, Dracut's population increased by 48.6% between 1960 and 2010, from 15,130 to 29,457, with a growth rate of 11.6% in 2000 (Table 1). Between 2000 and 2010 however, only an additional 895 residents were added to Dracut's population.

**Table 1: Actual and Projected Population**

Year	Dracut	Growth Rates (Percent)	Greater Lowell Region	Regional Growth Rate (Percent)	Community as a Percent of the Region
2000	28,562	11.6	281,225	6.7	10.2
<b>2010</b>	<b>29,457</b>	<b>3.1</b>	<b>286,901</b>	<b>2.0</b>	<b>10.3</b>
2020	32,080	8.9	297,000	3.5	10.8
2025	33,140	3.3	304,000	2.4	10.9
2030	34,630	4.5	312,000	2.6	11.1
2035	36,160	4.4	320,000	2.6	11.3

*Source: U.S. Census Bureau, 2000 and 2010 Census  
Projections developed by Mass DOT in consultation with NMCOG.  
Growth rate applies to the periods: 1990-2000, 2000-2010, 2010-2020, 2020-2025. 2025-2030 and 2030-2035.*

Table 1 also shows population projections prepared by the Massachusetts Department of Transportation (MassDOT). These projections are based upon a statewide model that assigns a specific share to each Metropolitan Planning Organization (MPO) region and then to its individual communities. The initial projections for the Greater Lowell region have been modified based upon the comments provided by NMCOG.

Dracut's growth rate, as well as that of the region, has slowed. The Town's growth rate decreased to 3.1% between 2000 and 2010, while the regional growth rate decreased to 2% during the same timeframe. Due to these reduced rates, future population growth across the region and for Dracut is expected to be steady. The MassDOT projections show that Dracut will grow by 22.8% between 2010 and 2035 reaching a total population of 36,160 in 2035. An average annual growth of approximately 0.9% is expected over the forecast period, however,

between 2020 and 2025, the annual growth rate is expected to slow to around 0.7%. While a reduced rate of growth is expected compared to previous decades, the projections indicate that Dracut's population will comprise a growing proportion of the region's total population - increasing from 10.3% in 2010 to 11.3% in 2035.

### Age Distribution

The U.S. Census also provides an indication of the age distribution of Dracut residents. In both 2000 and 2010, the majority of Dracut residents were between the ages of 25 and 59. The median age of Dracut residents in 2010 was 39.9 years. Over the past decade, most age groups experienced growth, with the Town's elderly population (60+) growing significantly. The only groups to experience declines were the 0-9 age group and the 25-39 age group, which decreased by 563 (13.8%) and 1,498 (21.1%) respectively.

The growing elderly population is consistent with the aging population trends, better medical treatment and the demographic shift associated with baby boomer generation moving into retirement that is occurring across the nation. Likewise, the decline in the number of children under the age of 9 in Dracut is likely the result of a reduced number of younger families moving into town than in previous decades.

**Table 2: Age Distribution of Dracut Residents**

Age Groups	2000		2010		Percent Change 2000-2010
	Number	Percent	Number	Percent	
0-9 years	4,089	14.3	3,526	12.0	-13.8
10-19 years	3,829	13.4	3,978	13.5	3.9
20-24 years	1,447	5.1	1,677	5.7	15.9
25-39 years	7,105	24.9	5,607	19.0	-21.1
40-59 years	7,766	27.2	9,282	31.5	19.5
60-74 years	2,873	10.1	3,641	12.4	26.7
75+ years	1,453	5.1	1,746	5.9	20.2
<b>Total Population</b>	<b>28,562</b>	<b>100.1</b>	<b>29,457</b>	<b>100.0</b>	<b>3.1</b>

*Sources: U.S. Census Bureau, 2000 and 2010 Census.  
Due to rounding, the totals may not add up to 100%.*

To understand the changes within age groups for the MassDOT population projections, NMCOG developed an age breakdown of population projections for the years 2020 to 2035 utilizing the percentages established through the Metro Future project. Utilizing these projections, it is forecast that Dracut's total population will increase by 12.7% between 2020 and 2035 (Table 3). The age group that will increase the most is the 75+ group, which is expected to increase by 91.7% and comprise 9.3% of the Town's population by 2035.

**Table 3: Projected Age Distribution of Dracut Residents (2020-2035)**

Age Groups	2020		2030		2035		Percent Change 2020 - 2035
	Number	Percent	Number	Percent	Number	Percent	
0-9 years	3,946	12.3	4,343	12.5	4,509	12.5	14.3
10-19 years	3,721	11.6	3,782	11.0	3,934	10.9	5.7
20-24 years	1,989	6.2	1,919	5.5	1,974	5.5	- 0.8
25-39 years	6,352	19.8	6,860	19.8	6,946	19.2	9.4
40-59 years	8,758	27.3	8,549	24.7	8,560	23.7	-2.3
60-74 years	5,550	17.3	6,393	18.5	6,856	19.0	23.5
75+ years	1,764	5.5	2,784	8.0	3,381	9.3	91.7
<b>Total Population</b>	<b>32,080</b>	<b>100.0</b>	<b>34,630</b>	<b>100.0</b>	<b>36,160</b>	<b>100.1</b>	<b>12.7</b>

*Projections developed by Mass DOT in consultation with NMCOG. Age cohort breakouts provided by Metro Future. Due to rounding, the totals may not add up to 100%.*

The growth in the 60-74 and 75+ age cohorts demonstrates how the population in Dracut is aging. The expected growth in the number and proportion of older adults has important economic implications for the Town's future in terms of the delivery of health care, quality of life issues, income support and the development of affordable and appropriate housing.

The collective 20% growth in the 0-9 and 10-19 age cohorts between 2020 and 2035 illustrates the importance of the youth sector to the future of Dracut. While the rates of growth in these age cohorts are not as high as previously experienced, there are likely to be increasing demands on Dracut's public school system to accommodate additional students. On the other hand, the decrease in the 20-24 (-0.8) and 40-59 (-2.3%) age cohorts will have implications for the community as well.

### **Race**

Generally, Dracut is a racially homogenous community. In the year 2000, 95.1% of residents identified themselves as white, while 2.6% identified themselves as Asian and another 1.55% indicated they were part of the Hispanic and/or Latino community. The U.S. Census figures show that between 2000 and 2010 the white population decreased by 2.1%, while most minority populations increased (Table 6). Black or African American residents increased by 232%, while Asian and Hispanic/Latino residents increased by 60.9% and 159.4% respectively.

In addition, the American Indian and Alaska Native population increased by 48.1% between 2000 and 2010, albeit from a very low starting base in 2000. The only minority population experiencing a decrease was the Native Hawaiian and Other Pacific Islander, which decreased by 22.2%. Even with these increases in the minority populations, the white population still represented 90.3% of the population. Although Dracut remains a primarily homogeneous community, the number of minority residents is growing.

**Table 4: Racial and Ethnic Diversity of Residents (2000 and 2010)**

Racial/Ethnic Category	2000		2010		Percent Change 2000-2010
	Population	Percent	Population	Percent	
White	27,170	95.13	26,610	90.34	-2.1
Black or African American	222	0.78	737	2.50	232.0
American Indian and Alaska Native	27	0.09	40	0.14	48.1
Asian	737	2.58	1,186	4.03	60.9
Native Hawaiian and Other Pacific Islander	9	0.03	7	0.02	-22.2
Some Other Race and Two or More Races	397	1.39	877	2.98	120.9
<b>Total Population</b>	<b>28,562</b>	<b>100.0</b>	<b>29,457</b>	<b>100.01</b>	<b>3.1</b>
Hispanic or Latino (All races)	443	1.55	1,149	3.90	159.4

*Source: U.S. Census Bureau, 2000 and 2010 Census  
Due to rounding, the totals may not add up to 100%.*

### Residents with Disabilities

Examining the disabilities of Dracut residents is also important in understanding Dracut’s workforce, particularly those residents who may work with a disability or may be unable to work due to their disability. Disability data for Dracut is available in the 2000 U.S. Census, and in the 2007-2011 American Community Survey (ACS). There was no disability data collected in the 2010 Census. According to the U.S. Census Bureau, shortly after the 2000 Census, there was a growing agreement that survey questions on disability did not coincide with recent models of disability. An interagency group was formed to develop a new set of questions, which were introduced in 2008. These questions categorize a disability having a difficulty in one of the following: hearing, vision, cognition, walking or climbing stairs (ambulatory), self-care (difficulty bathing or dressing), and independent living (difficulty doing errands alone such as visiting a doctor’s office or shopping).

Because of the changes to the questions, the U.S. Census Bureau recommends that the new ACS disability questions not be compared to the previous ACS disability questions or the Census 2000 disability data. As a result, this section focuses only on disability data from the 2007 -2011 ACS. According to the 2007-2011 ACS, there were 3,227 disabled residents in Dracut, of which 57% were between the ages of 18 and 64 (Table 5). Therefore, approximately 10% of Dracut’s labor force, or an estimated 1,840 Dracut residents, are disabled.

**Table 5: Age Characteristics of the Disabled Community**

Age Characteristics	Estimate	Percent of Total
5-17 years old	128	4.0
18-64 years old	1,840	57.0
65+ years old	1,259	39.0
<b>Total Number of Disabled Residents</b>	<b>3,227</b>	<b>100.0</b>

*Source: U.S. Census Bureau, American Community Survey 2007-2011*

## B. Housing

Household growth rates in both Dracut and the Greater Lowell region have experienced a slow-down since the turn of the century. This slow-down is a logical result of the decreases in population growth discussed above and the national recession. In 2010, there were 10,956 households in Dracut with an average household size of 2.69 people, which is slightly higher than the Massachusetts average household size of 2.48.

Household growth in Dracut is expected to continue to fluctuate with a general decrease from 15.9% in 2000 to 4.7% in 2035 (Table 6). Between 2010 and 2035, the Town's households are projected to increase by 25.7% to 13,770 households, which is higher than the 14.3% regional growth rate for the same period. Over the next 25 years, Dracut's households are expected to consistently comprise an increasing proportion of the regions total households – increasing from 10.5% in 2010 to 11.6% in 2035.

**Table 6: Total Number of Households (2000-2035)**

Year	Dracut		Greater Lowell Region		Dracut Households as a Percent of the Region
	Households	Percent Change	Households	Percent Change	
2000	10,451	15.9	99,342	10.2	<b>10.5</b>
2010	10,956	4.8	104,022	4.7	<b>10.5</b>
2020	12,000	9.5	108,800	4.6	<b>11.0</b>
2025	12,490	4.1	112,100	3.0	<b>11.1</b>
2030	13,150	5.3	115,500	3.0	<b>11.4</b>
2035	13,770	4.7	118,900	2.9	<b>11.6</b>

*Sources: US Census Bureau, 2000 and 2010 Census  
Projections developed by Mass DOT in consultation with NMCOG.  
Growth rate applies to the periods: 1990-2000, 2000-2010, 2010-2020, 2020-2025, 2025-2030 and 2030-2035.*

### Housing Unit Types

Dracut supports a variety of housing units from single-family homes to multi-unit dwellings. According to the U.S. Census, in the year 2000, there were 10,643 housing units in Dracut, of which 69.8% were single-family homes. Multi-unit dwellings accounted for an additional 23.4%, and duplexes accounted for 6.8%. There were no nontraditional housing units (e.g. mobile homes). In order to understand how Dracut's housing stock has changed over time, NMCOG estimated the 2013 housing stock by adding the building permits from 2000 to 2012 to the 2000 housing stock.<sup>1</sup> Data from the American Community Survey was not used in this analysis because the margin of error was too large to provide an appropriate comparison. Results indicate the housing stock has remained relatively unchanged over the past 13 years (Table 6).

<sup>1</sup> This method for estimating current housing stock was recommended by the Town of Dracut's Inspector of Buildings.

**Table 7: Housing Units by Type (2000-2013)**

Housing Units	2000 Housing Stock		2000 - 2012 Building Permits		2013 Housing Stock	
	Number	Percent	Number	Percent	Number	Percent
Single Family	7,434	69.8	735	76.9	8,169	70.4
Duplex	725	6.8	22	2.3	747	6.4
3 - 4 Unit Multifamily	370	3.5	87	9.1	457	3.9
5 - 19 Unit Multifamily	1,278	12.0	28	2.9	1,306	11.3
20 + Unit Multifamily	836	7.9	84	8.8	920	7.9
<b>Total</b>	<b>10,643</b>	<b>100.0</b>	<b>956</b>	<b>100.0</b>	<b>11,599</b>	<b>99.9</b>

*Data Sources: US Census Bureau, 2000 Census; 2007-2011 American Community Survey  
The 2013 estimated housing stock is estimated based on the total housing stock as reported in the 2000 U.S. Census plus building permits from 2000 to 2011. Single Family Units include 1-unit attached and 1-unit detached units.*

In 2000 and 2013, single-family homes continue to make up the majority of all homes (70.4%), followed by 5 to 20+ units (11.3%) and then duplex units (6.4%). Multifamily units containing 3-4 units make up the lowest percentage of the housing stock (3.9%). These values may indicate the need to continue to expand multi-family units to provide affordable housing to those who cannot afford to purchase a single-family home.

### **C. Income**

This section of the Economic Development Strategy provides a summary of income levels in Town, which helps to define the health of the local economy.

#### **Median Household Income**

Over the past twenty years Dracut has seen a significant increase in its median household income, which is similar to that of the Greater Lowell region as a whole. The median household income in Dracut increased approximately 27.1% from \$57,676 in 1999 to \$73,331 in 2012 (Table 8). This increase in median household income is similar to the increases experienced elsewhere in the region – each community experienced increases of around 24% to 35%. In 2012, Dracut's median household income was estimated to be 0.8 % higher than the Greater Lowell region and 10% above the State median household income. Dracut and the United States both experienced increases in median household incomes of around 27% between 1999 and 2012, whereas the Greater Lowell region saw incomes increase by around 24%.

**Table 8: Median Household Income for Selected Geographies**

Geographic Area	1999	2012	% Increase 1999-2010
Dracut	\$57,676	\$73,331	<b>27.1</b>
Greater Lowell Region	\$58,472	\$72,760	24.4
Massachusetts	\$50,502	\$66,658	32.0
United States	\$41,944	\$53,046	26.5

*Source: U.S. Census Bureau, 2000 Census and 2008-2012 American Community Survey*

While median household incomes have increased in Dracut, it is important to adjust these values for inflation so an absolute comparison can be made. According to the Bureau of Labor Statistics (BLS) Inflation Rate Calculator, one dollar in 1999 has the same buying power as \$1.38 in 2012 dollars, which indicates a rate of inflation of 38% between 1999 and 2012. The inflation calculator uses the average Consumer Price Index (CPI) for a given calendar year, and the data represents changes in prices of all goods and services purchased for consumption by urban households. This value is confirmed by the Cumulative Inflation Rate Calculator on Inflationdata.com, which shows an inflation rate of 35.08% between June 1999 and June 2012.

When adjusted for inflation, Dracut and the Greater Lowell region both experience negative growth in terms of median household income, with incomes decreasing by 7.9% and 9.8% respectively. Massachusetts and the U.S. also have decreases of 4.4% and 8.4%. This indicates that the increases in median household incomes have not kept pace with inflation.

### **Median Family Income**

Median family income is calculated based on the income of the householder and all other individuals 15 years old and over in the household who are related. Median family income is often greater than median household income because a household can consist of single individuals, whereas family income always consists of two or more individuals. During the past decade, family income has increased in Dracut, the Greater Lowell region, Massachusetts and the US (Table 9).

**Table 9: Median Family Income for Selected Geographies**

Geographic Area	1999	2012	% Increase 1999 - 2012
Dracut	\$65,633	\$89,258	<b>36.0</b>
Greater Lowell Region	\$67,583	\$89,927	33.1
Massachusetts	\$61,664	\$84,380	36.8
United States	\$50,046	\$64,585	29.1

*Source: U.S. Census Bureau, 2000 Census and 2008-2012 American Community Survey*

Dracut's median family income increased from \$65,633 in 1999 to \$89,258 in 2012 – an increase of 36%. Median family incomes also increased across the region, state and nation, at similar levels of growth. Dracut's median family income in 2012 is considerably higher than that of the nation's, exceeds the State median and falls slightly below the regional median. When adjusted for inflation, Dracut has experienced negative 1.5% growth in median family income. The Greater Lowell region, Massachusetts and the United States also had negative growth in median family income, with incomes decreasing by 3.6%, 0.8% and 6.5% respectively.

### **Per capita Income**

Between 1999 and 2012, Dracut's per capita income increased from \$23,750 to \$31,540, or an increase of 32.8%. This is slightly lower than the per capita income increase for both the region and state (36.7%), and moderately higher than the nation's per capita increase of 29.9%. See table 10 below.

**Table 10: Per Capita Income for Selected Geographies**

Geographic Area	1999	2012	% Increase 1999 - 2012
Dracut	\$23,750	\$31,540	<b>32.8</b>
Greater Lowell Region	\$24,081	\$32,914	36.7
Massachusetts	\$25,952	\$35,485	36.7
United States	\$21,587	\$28,051	29.9

*Sources: US Census Bureau, 2000 Census and 2008-2012 American Community Survey*

When adjusted for inflation, Dracut has experienced negative per capita income growth of 3.8%. Similarly, the State of Massachusetts and the Greater Lowell region saw per capita incomes decrease by 0.9% and 1.0% respectively in real terms. A higher loss was felt at the national level with negative per capita incomes growth of 5.8%.

### **Income Distribution**

While median household and median family incomes are valuable indicators of socio-economic wellbeing, they do not account for the range, or distribution, of household incomes in a community nor do they identify segments of the population that may qualify for income assistance.

According to the 2008-2012 American Community Survey, approximately 32% of households in Dracut make \$100,000 or more, while just under half of all households in Dracut have an income of \$75,000 or more as shown on Table 11 on the next page.

**Table 11: Household Income Distribution (2012)**

Income Category	2012	
	Number	Percent
Less than \$15,000	680	6.2
\$15,000-\$24,999	722	6.6
\$25,000-\$34,999	910	8.3
\$35,000-\$49,999	1,007	9.2
\$50,000-\$74,999	2,261	20.6
\$75,000-\$99,999	1,843	16.8
\$100,000 to \$149,999	2,282	20.8
\$150,000 to \$199,999	770	7.0
\$200,000 or more	486	4.4
<b>Total</b>	<b>10,961</b>	<b>99.9</b>

*Sources: U.S. Census Bureau, 2008-2012 American Community Survey*

The income distribution by age in Dracut indicates residents between the ages of 45 and 64 earn the highest median income of \$89,233, followed closely by the 25 to 44 year old cohort (Table 12). After age 64, the median income decreases significantly with residents earning the lowest median income of all age groups (\$33,693).

**Table 12: Median Income by Age**

Age	2012
Under 25 years	\$55,559
25 - 44 years	\$84,826
45-64 years	\$89,233
65 years and older	\$33,693
<b>Median Household Income</b>	<b>\$73,331</b>

*Sources: U.S. Census Bureau, 2008-2012 American Community Survey*

**Area Median Income**

Affordable housing requirements base a household's eligibility for income restricted units on a series of income thresholds. The U.S. Department of Housing and Urban Development (HUD) defines these thresholds as percentages of Area Median Income (AMI) – a number determined by the median family income in a given Metropolitan Statistical Area (MSA). Income thresholds are often capped at 80%, 60%, 50%, and 30% of AMI, but vary depending on the number of individuals in the household.

In general, households earning 80% of AMI are considered "moderate income", whereas those households earning 60% of AMI are considered "low income". Those earning 50% of AMI and 30% of AMI are considered "very low income" and "extremely low income", respectively. HUD income thresholds for the Greater Lowell region are used to determine which households in the region are eligible for income-restricted units, including 40B, Section 8, and Low Income Housing Tax Credit units. The values presented in Table 17 are based on the AMI for the Lowell region, which HUD lists as \$90,678 for 2013.<sup>2</sup>

<sup>2</sup> HUD FY 2013 Median Family Income Calculator

**Table 13: Adjusted Income Limits by Household Size, Lowell Metro FMR Area, FY 2013**

Income Limit Area	Median Income	FY 2013 Income Limit Category	Household Size					
			1- Person	2- Person	3- Person	4- Person	5- Person	6- Person
Lowell, MA HUD Metro FMR Area	\$90,678	30% - Extremely Low	\$19,050	\$21,800	\$24,500	\$27,200	\$29,400	\$31,600
		50% - Very Low	\$31,750	\$36,300	\$40,850	\$45,350	\$49,000	\$52,650
		60% - Low	\$38,100	\$43,560	\$49,020	\$54,420	\$58,800	\$63,180
		80% - Moderate	\$45,100	\$51,550	\$58,000	\$64,400	\$69,600	\$74,750

Source: <http://www.mass.gov/hed/docs/dhcd/hd/home/hudincome.pdf>  
 Dracut is included in the Lowell Metropolitan Fair Market Rent (FMR) region.

There are currently no data that exist that break down Dracut's income by family size. However, using household income data and the HUD thresholds, it is possible to make some generalized assumptions about the number of Dracut residents who may be eligible for HUD assistance. Assuming a three person household, it is possible to estimate the percent of households that fall into each income category. This is done by matching each income category with the most appropriate HUD threshold (Table 14).

**Table 14: Income Categories and associated HUD Thresholds**

Income Category	2012		HUD Threshold
	Number	Percent	
Less than \$15,000	680	6.2	Extremely Low Income
\$15,000-\$24,999	722	6.6	Extremely Low Income
\$25,000-\$34,999	910	8.3	Very Low Income
\$35,000-\$49,999	1,007	9.2	Low Income
\$50,000-\$74,999	2,261	20.6	Moderate Income
\$75,000-\$99,999	1,843	16.8	Median Income
\$100,000 or more	3,538	32.3	Above AMI
<b>Total</b>	<b>10,961</b>		

Sources: US Census Bureau, American Community Survey 2008-2012

After matching each income category to a HUD threshold, the percent of households in Dracut that are associated with various income thresholds can be estimated. An estimated 32.3% of residents are above the AMI, and an estimated 16.8% earn an income that is in the range of the AMI. Approximately 51% of households earn moderate, low, very low, or extremely low income. This indicates that while there are some very high earning households in Dracut, half of all households still earn less than the AMI and may be eligible for HUD assistance. It is noted that these calculations may over or underestimate percentages depending on income distribution.

### Veteran's Income

Information on Veterans is limited in the ACS, and in most instances information on veterans is not provided and is described as being "not applicable or not available". However, the ACS does describe that of the population 18 years and older in Dracut, approximately 1,842 are veterans who earn a median income of \$32,797 in 2012. An estimated 14.4% of veterans are unemployed, which is more than double the current unemployment rate of the general population (6.2%).

### Residents Living In Poverty

Every year, the U.S. Department of Health and Human Services (HHS) and the U.S. Census Bureau establish Federal Poverty Guidelines. These income thresholds vary by family size and composition to determine who is living in poverty (Table 15). If a family's total income is less than the family's threshold, then that family, and every individual in it, is considered to be living in poverty. The official poverty thresholds do not vary geographically, but they are updated for inflation using the Consumer Price Index (CPI). The official poverty definition uses income before taxes and does not include capital gains or noncash benefits (such as public housing, Medicaid, and food stamps).

In 2012, approximately 4.4% of Dracut's total population was living in poverty.<sup>3</sup> Of those residents, more than half are between the ages of 18 to 64, with nearly 25% under the age of 18, and less than 18% over the age of 65 (Table 16).

**Table 15: Federal Poverty Guidelines (2013)**

Number of Persons in Family	Poverty Guideline
1	\$11,490
2	\$15,510
3	\$19,530
4	\$23,550
5	\$27,570
6	\$31,590
7	\$35,610
8	\$39,630
For each additional person	\$4,020

Source: Department of Health and Human Services  
<http://aspe.hhs.gov/poverty/13poverty.cfm>

**Table 16: Characteristics of the Population Living in Poverty**

Characteristics	Number Below Poverty Level	Percent of those in poverty
<b>Age</b>		
Under 18 Years	325	24.9
18 to 64 Years	748	57.4
65 Years and Older	230	17.7
<b>Sex</b>		
Male	563	43.2
Female	740	56.8
<b>Total Individuals Living in Poverty</b>	<b>1,303</b>	<b>4.4</b>

Source: U.S. Census Bureau, American Community Survey 2008-2012

<sup>3</sup> For more information about how the U.S. Census Bureau defines poverty thresholds, refer to: <http://www.census.gov/hhes/www/poverty/methods/measure.html>.

## D. Employment

This section summarizes historic labor force and general employment levels, as well as providing an estimate of future employment in Dracut.

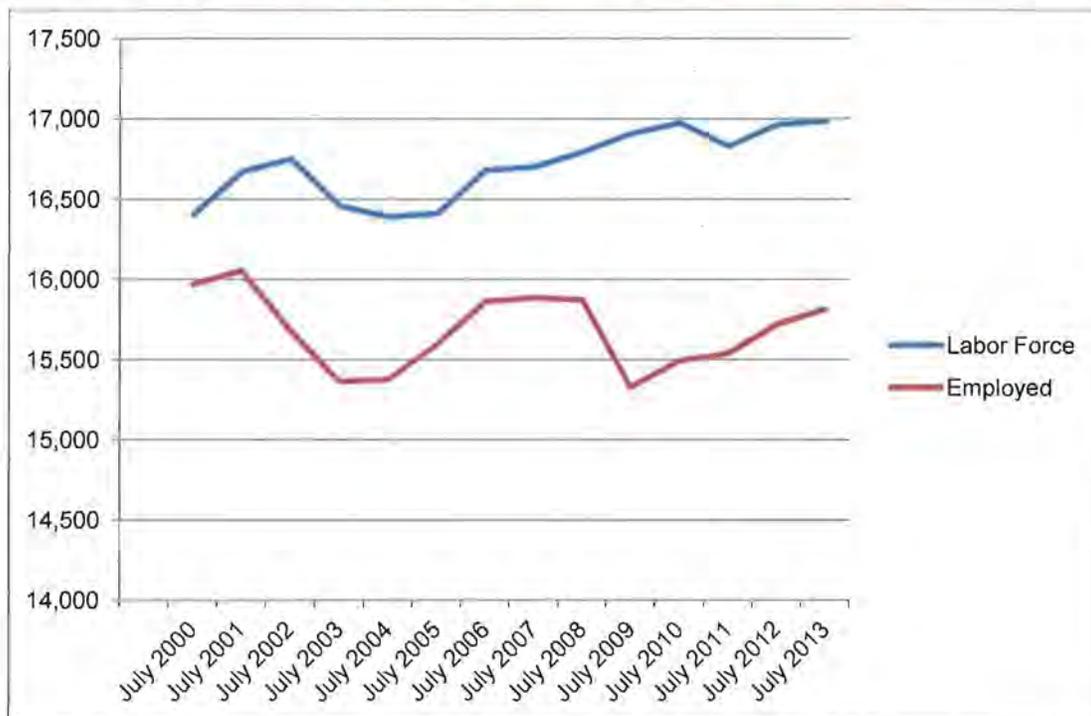
### Labor Force

The labor force is described as those individuals that have a job or are seeking a job, are at least 16 years old and not serving in the military or institutionalized. According to the most recent data available from the Executive Office of Labor and Workforce Development (EOLWD), Dracut had a labor force of 16,815 people in December 2013. Historically, the number of people available for work in the Dracut labor force has continued to increase as the population has grown. Between July 2000 and July 2013 the labor force grew from 16,404 to 16,985 people or 3.5%. This is consistent with regional labor force growth rates and is a slightly lower increase than at the state level, which recorded a 4.5% labor force growth during the same timeframe.

### Employment Levels

According to the most recent data available from the EOLWD, there were 15,777 Dracut residents employed in fulltime work in December 2013. As illustrated in Figure 1 below employment levels have fluctuated over the last decade, largely due to the impacts of the “dot.com” recession of the early 2000s and the national recession of 2007 – 2009 on the national economy.

Figure 1: Dracut Labor Force and Employment Numbers 2000-2013



Source: Executive Office of Labor and Workforce Development, Labor Force and Unemployment Data

Between July 2000 and July 2013 the number of people employed in Dracut decreased by 156 or 1%, indicating that employment levels are yet to reach the highs of the early 2000s. Dracut has fared slightly better than the region, as a whole, which suffered a loss of 1,880 (1.3%) employed workers during the same timeframe. The fluctuations in employment levels in Dracut align with the unemployment rates described in the following section.

### Employment Projections

Like the population projections outlined previously, MassDOT also developed employment projections for the Greater Lowell region (Table 17 below). These projections are an estimate of future employment/jobs within each community. MassDOT applied a “top-down” approach that utilizes employment projections for the state, as a whole, and then assigns shares of these figures to the MPO regions and individual communities within those regions. Based upon this approach, the employment projections at the state level are more accurate than those for the region or individual communities. Nevertheless, there is merit in understanding the projected employment numbers that have been calculated for Dracut and the Greater Lowell region.

**Table 17: Local and Regional Employment Projections: 2010-2035**

Community	2010	2017	2020	2025	2030	2035	% change 2010-2035
<b>Billerica</b>	20,583	22,310	22,620	22,590	22,810	22,810	10.8
<b>Chelmsford</b>	20,736	22,600	23,200	23,520	23,710	23,920	15.4
<b>Dracut</b>	4,826	5,470	5,720	5,970	6,210	6,420	33.0
<b>Dunstable</b>	255	310	320	350	360	390	52.9
<b>Lowell</b>	33,204	35,980	36,520	36,680	37,460	37,960	14.3
<b>Pepperell</b>	1,379	1,640	1,750	1,950	2,170	2,300	66.8
<b>Tewksbury</b>	15,213	16,750	17,190	17,610	18,050	18,400	20.9
<b>Tyngsborough</b>	4,123	4,810	5,040	5,160	5,380	5,650	37.0
<b>Westford</b>	11,681	13,130	13,640	14,170	14,850	15,150	29.7
<b>Greater Lowell Region</b>	<b>112,000</b>	<b>123,000</b>	<b>126,000</b>	<b>128,000</b>	<b>131,000</b>	<b>133,000</b>	<b>18.8</b>

Source: MassDOT in consultation with NMCOG

Mass DOT projected consistent steady employment growth over the next two decades with overall employment growth anticipated to increase by 18.8% for the region. Employment levels in each community are also anticipated to increase with Dracut projected to grow by 33%. By 2035, local employment in Dracut is expected to reach 6,420. While there are some limitations with the projections developed by MassDOT, the MassDOT 2010 employment projection for Dracut was relatively close to the annualized level of employment (4,911) reported by EOLWD for that year.

## II. Characteristics of the Local Economy

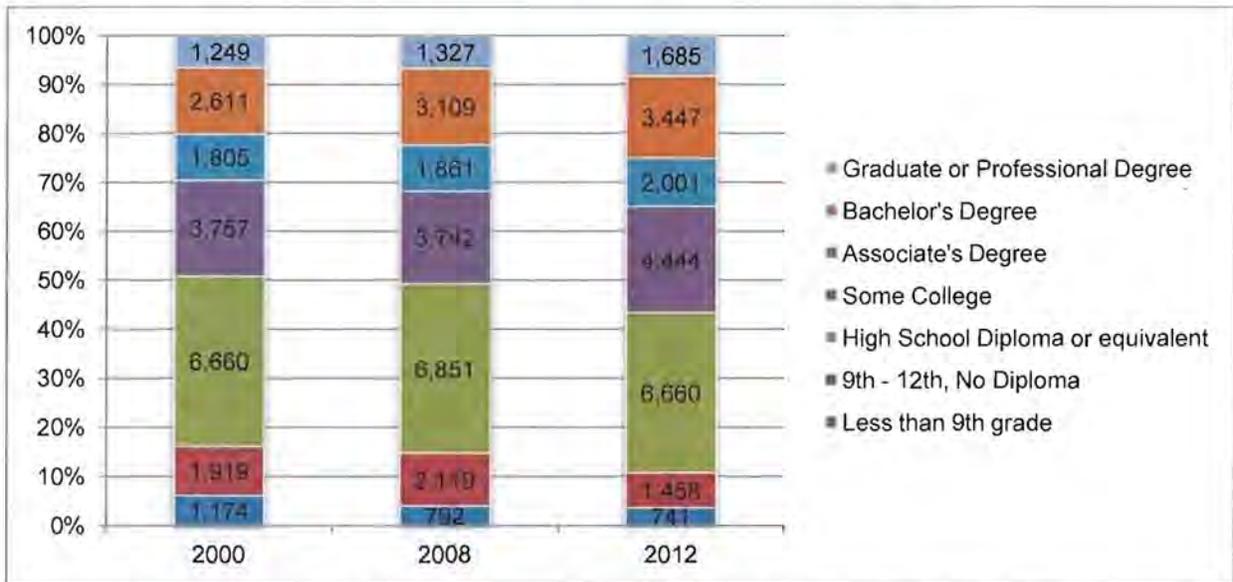
The purpose of this section is to provide an overview of the existing economic conditions in Dracut. The data is of interest to those considering investing in the local economy and highlights the problems the community needs to work on if a successful economic development outcome is to be achieved. The data is also useful in determining what kinds of economic development activities the community should pursue in the future. The section examines trends and changes in the types of industries in which the Dracut workforce is employed, the wages they are earning, and trends in employment over the past decade. It also examines layoffs in the region which have affected the local workforce. While the focus of this section is Dracut, comparisons are also made with the Greater Lowell region, state and nation, where necessary, to gain additional insight into the economic trends occurring in town.

### A. Educational Attainment

Figure 2 on the following page compares educational attainment among Dracut residents 25 years and older between 2000 and 2012. In 2000, approximately 16.1% (2,199) of adults living in Dracut had not earned a high school diploma or its equivalent. In 2012, that rate had decreased to 10.7% (or 1,654 adults). Adults who had only earned a high school diploma or equivalent accounted for 34.7% of the adult population in 2000 and 32.6% in 2012.

Since 2000 educational attainment in Dracut has shifted with the majority of adults in 2012 having completed some college. In 2000, Associate's Degree holders comprised 9.4% (1,805) of adults, while those with Bachelor's and Advanced Degrees accounted for 20.1% (3,860). In 2012, approximately 9.8% (2,001) of all adults over the age of 25 had earned an Associate's Degree, and most notably more than one quarter of the adult population had earned a Bachelor's Degree or better.

Figure 2: Educational Attainment in Dracut: 2000 – 2012



Source: U.S. Census Bureau, 2000 Census, 2006-2008 and 2008-2012 American Community Survey

In essence, the changes in educational attainment are likely to influence the types of positions Dracut workers are employed in—which is to say, higher skilled, more training intensive, and better paying jobs. This is also consistent with the distribution of incomes among residents that was discussed in the earlier section of the Strategy.

In comparison to the Greater Lowell region (see Table 18), 89.2% of Dracut’s adult population holds a high school diploma or better, which is marginally higher than the Greater Lowell region (88.1%). However, despite gains made in educational attainment since when the previous Economic Development Strategy was prepared in 1996, the number of Dracut adults who possess a Bachelor’s degree or higher still falls short of the regional rate of 32.4%.

**Table 18: Years of School Completed, Dracut and Greater Lowell region 2012**

Subject	Dracut		Greater Lowell Region	
	2012	Percent	2012	Percent
Less than 9th grade	741	3.6	10,704	5.5
9th - 12th, No Diploma	1,458	7.1	12,480	6.4
High School Diploma or equivalent	6,660	32.6	57,669	29.6
Some College	4,444	21.8	34,174	17.5
Associate's Degree	2,001	9.8	16,845	8.6
Bachelor's Degree	3,447	16.9	38,847	19.9
Graduate or Professional Degree	1,685	8.3	24,350	12.5

*Source: U.S Census Bureau, 2008-2012 American Community Survey*

Dracut’s levels of educational attainment exceed the national rate and match the state rate in terms of residents with a high school diploma or better. In Massachusetts, 89.2% of residents have at least a high school diploma or better. This is also above the U.S. average of 85.7%. In terms of holding a Bachelors degree or higher, Dracut residents fall well below the state average of 39% and just short of the national average of 28.5%.

**B. Employment Sectors for Dracut Residents**

Dracut residents work in virtually every industry, from skilled labor fields such as engineering, manufacturing and construction, to food services and retail, business, law, and public administration. Table 19 on the next page shows the primary occupations by industry for Dracut residents in 2000 and 2012. This table illustrates a varying picture of employment opportunities for Dracut residents since the onset of the national recession and the now rebounding economy, with various industries either contracting or growing over the past twelve years. Since 2000, workers employed in the education, health care, and social services fields have made up the largest proportion of working Dracut residents, employing 2,967 residents in 2000 and 4,030 residents in 2012. Other industries that experienced significant growth were Arts, Entertainment, Recreation, Accommodation and Food Services (44.2%), Professional, Scientific, Management, and Administrative and Waste Services (17.8%), and Transportation, Warehousing, and Utilities (20.8%)

Manufacturing, which employed 2,897 Dracut residents in 2000 declined to 2,243 residents in 2012, despite being the town's second largest sector. Decreases in employment have also been experienced in the Information (99.3%), Wholesale Trade (67.9%), Finance, Insurance, and Real Estate (31.7%) industries.

**Table 19: Primary Employment Industries for Dracut Residents in 2000 and 2012**

Industry	2000	2012	Percent Change 2000 - 2012
Agriculture, Forestry, Fishing and Hunting, and Mining	68	72	5.6
Construction	1,106	1,169	5.4
Manufacturing	2,897	2,243	-29.2
Wholesale Trade	581	346	-67.9
Retail Trade	1,624	1,650	1.6
Transportation, Warehousing, and Utilities	641	809	20.8
Information	612	307	-99.3
Finance, Insurance, and Real Estate (including leasing)	989	751	-31.7
Professional, Scientific, Management, and Administrative and Waste Services	1,606	1,954	17.8
Educational Services, Health Care, and Social Assistance	2,967	4,030	26.4
Arts, Entertainment, Recreation, Accommodation and Food Services	837	1,501	44.2
Other services, except Public Administration	597	565	-5.7
Public Administration	759	746	-1.7

*Source: U.S. Census Bureau, 2000 Census (Sample Data) and 2008-2012 American Community Survey*

### C. Journey to Work and Commuting Patterns

In addition to understanding the industries in which Dracut residents are employed, it is important to know how many residents work in town and across the region. It is also important to know how many workers are commuting into Dracut for employment. Table 14 below shows where Dracut residents worked in 2010.

**Table 20: Place of Employment for Dracut Residents in 2012**

Place of Employment	Number of Workers
Massachusetts	14,394
<i>Middlesex County</i>	11,377
<i>Outside of Middlesex County</i>	3,017
Outside of Massachusetts	1,477
<b>Total</b>	<b>15,871</b>

*Source: U.S. Census Bureau, 2008-2012 American Community Survey*

*More detailed data on Place of Employment is required*

According to Table 20 on the previous page, more than 71% of Dracut residents worked in Middlesex County, while 19% of Dracut residents commute to work elsewhere in Massachusetts. Approximately 9.3% of residents commuted to jobs in another state, which is primarily New Hampshire given its proximity.

In 2012, more than 95% of Dracut workers, aged 16 and older, commuted to work by car, either alone or, less frequently, in carpools. Approximately 1.2% of workers took public transit to work and 0.9% walked to work, while 1.9% of those employed worked from home. For all workers, regardless of mode of transportation, approximately 32% had a commute time of less than twenty minutes; another 46% of residents had commutes between twenty and forty-five minutes, and 22% of workers commuted for longer than forty-five minutes.

**Table 21: Mode of Transportation to Work 2012**

Mode	Number	Percent
Car, truck, or van -- drove alone	13,782	86.8
Car, truck, or van -- carpooled	1,331	8.4
Public transportation (excluding taxicab)	198	1.2
Walked	141	0.9
Other means	114	0.7
Worked at home	305	1.9

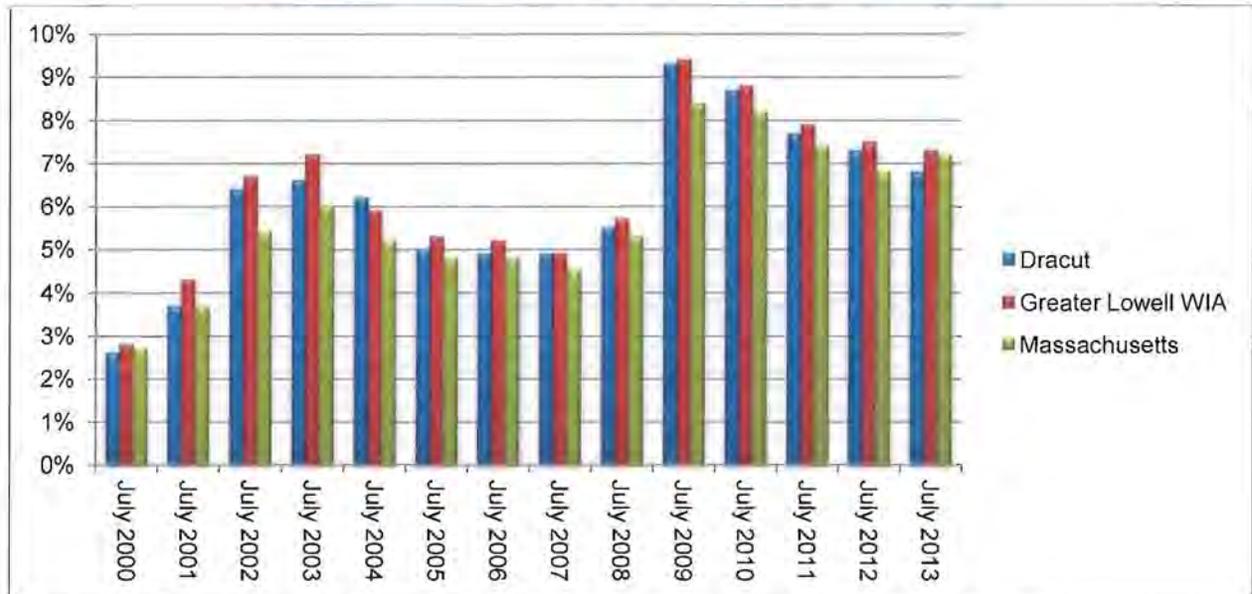
*Source: U.S. Census Bureau, 2008-2012 American Community Survey*

## D. Employment Levels and Unemployment

Since 2000 employment opportunities for the Dracut workforce have varied. While employment levels consistently increased between 1996 and 1999, employment declined sharply during the economic recession of the early 2000s (refer to Figure 1). Prior to the national recession in 2007, the lowest levels of employment occurred between July 2003 and July 2004. The national recession appears to have had the greatest impact on the local labor force than any other economic downturn since the Depression.

The unemployment rates for Dracut from July 2000 to July 2013 are represented in Figure 3 below. Examining these rates over time reveals that employment levels were extremely low at the turn of the millennium with unemployment rates averaging less than 4%. By 2002 unemployment levels began to increase, in part due to the layoffs in the information technology and computer manufacturing fields associated with the "dot.com" recession, but then dropped again during the middle of the decade. With the beginning of the national recession, unemployment in Dracut began to increase rising from 4.9% in July 2007 to a peak of 9.3% in July 2009, when 1,579 local workers were unemployed. Since 2009 unemployment rates have declined to the most recent July 2013 rate of 6.8%, which is close to the pre-recession unemployment levels, but not yet at the rates experienced during the late 1990s/early 2000s.

Figure 3: Unadjusted Unemployment Rates: July 2000 - July 2013



Source: Executive Office of Labor and Workforce Development LURR Reports

The unemployment rate in Dracut has consistently been lower than the regional rate, except for July 2004, and has generally been higher than the state unemployment rate. Given that the majority of the Dracut residents are likely to work in the region, we can expect that this increase in unemployment at the onset of the national recession was partially due to layoffs occurring across the region. Table 22 on the following page shows the scheduled layoffs by community in the region between January 2009 and June 2013. Since January 2009, 1,984 workers in the

Greater Lowell region have been impacted by plant layoffs, 54 of which have been in Dracut. In 2012, the Dracut School Department laid off 54 workers due to budget constraints.

More broadly within the region, layoffs have occurred for a variety of reasons. *More information needed.* Despite these regional layoffs, it is important to note that Dracut's unemployment rates have generally remained lower than the regional rates. In contrast, Dracut has consistently suffered higher unemployment levels than the state as a whole as reflected above in Figure 3.

**Table 22: Layoffs in the Greater Lowell Region: 2009 - 2013**

Community	Company	Effective Date	Employees Affected
Billerica	Jabil Circuit	9/1/2009	315
	Iron Mountain	12/31/2009	18
	Schott Solar Inc.	12/31/2009	215
	Welch Foods Inc.	2/11/2010	9
	H&R Block	5/31/2010	21
	Henkel Corp.	9/15/2010	25
	Office Depot	9/20/2010	58
	Office Max	9/20/2010	12
	Aastra USA Inc.	9/30/2010	12
	EMD Serono Biotech Center	1/10/2011	25
	Solid State Testing Inc.	1/28/2011	27
	Vislink Inc.	2/18/2011	27
	Friendly's	10/4/2011	20
	Fashion Bug	2/21/2012	10
	Entegris Inc.	9/30/2013	30
Chelmsford	Sycamore Networks Inc.	7/31/2009	46
	ConMed Endoscopic Tech.	10/31/2009	45
	ESA Laboratories-A Dion	3/31/2011	25
	Fashion Bug	2/21/2012	10
	Town & Country Transportation	6/30/2012	31
	Mercury Computer Systems	9/30/2012	94
	Sycamore Networks Inc.	10/25/2012	26
	Brooks Automation Inc.	1/5/2013	44
<b>Dracut</b>	<b>Dracut School Dept.</b>	<b>6/30/2012</b>	<b>54</b>
Lowell	Double Tree Hotel	7/31/2009	55
	Classic Floors Inc.	9/17/2009	5
	GES US Inc.	3/31/2010	92
	Cass Information Systems	4/1/2010	48
	High Tech Assemblies	4/14/2010	20
	Lowell Community Charter	7/31/2010	70
	Classic Floors Inc.	8/12/2010	3
	Lowell Community Charter	6/30/2011	25
	Segue Manufacturing Service	11/11/2011	25

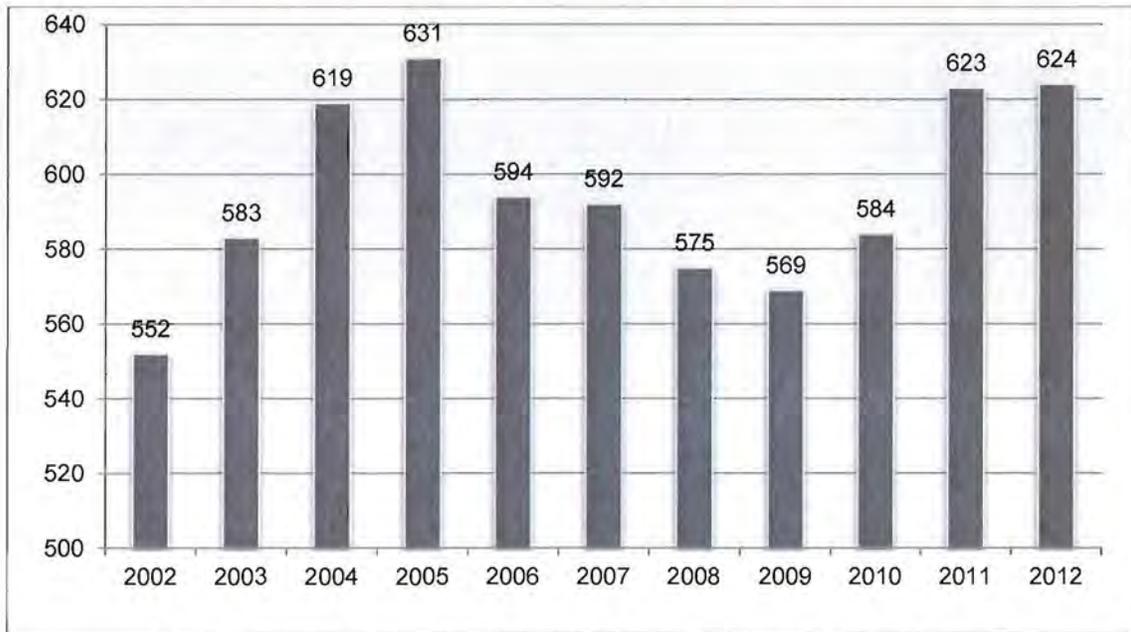
Community	Company	Effective Date	Employees Affected
	Fashion Bug	2/21/2012	10
	Lowell Publishing Co.	4/20/2012	10
	Konarka Technologies Inc.	5/25/2012	80
	U Mass Lowell	5/30/2012	6
	Casey Family Services	1/31/2013	20
Tewksbury	Tewksbury Hospital	6/30/2010	15
	Lowell Community Health	12/31/2010	40
	Veeco Solar Equip.	9/27/2011	56
	Sears Essential	10/28/2011	17
	CompuCom	11/13/2012	55
Westford	Sonus Networks Inc.	8/31/2009	40
	AECOM	12/31/2009	30
	Mack Technologies	1/9/2012	25
	Courier Westford	4/13/2012	28
	Infinite Convergence Solutions	7/15/2012	10
<b>Total Layoffs</b>			<b>1,984</b>

*Source: Massachusetts Rapid Response Team*

## E. Business Patterns

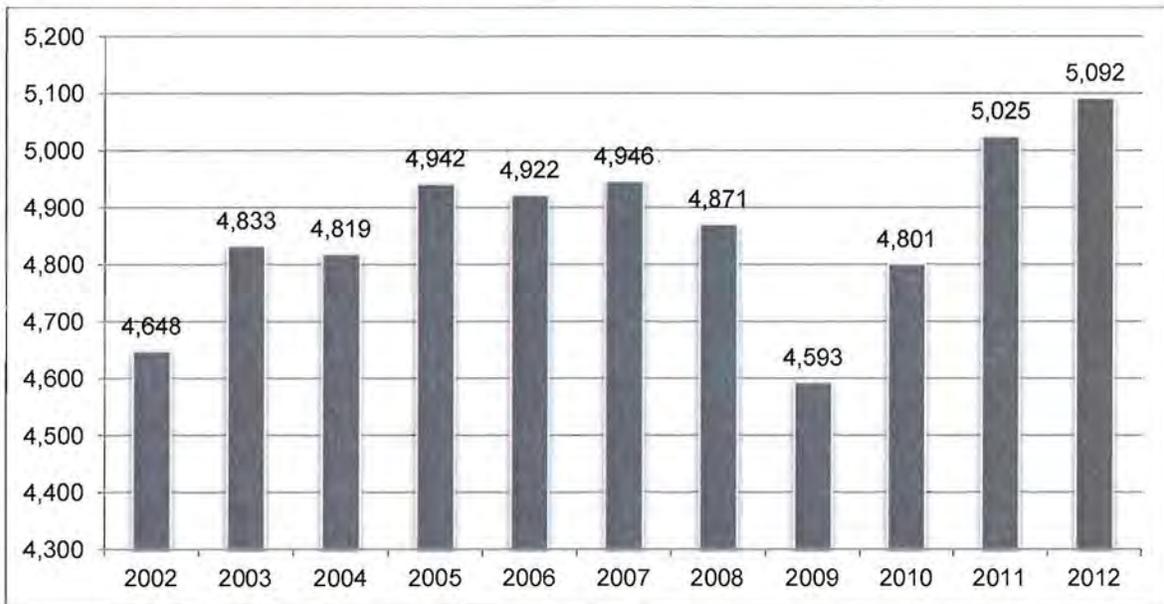
The business patterns of establishments operating in town over the past decade mirror the trends in the Dracut workforce. Figure 4 illustrates changes in the total number of establishments between the third quarter of 2002 and the third quarter of 2012, while Figure 5 represents the average monthly employment for all industries during the same period of time. As previously discussed, the rebound from the layoffs in the early 2000s can be seen in the total number of establishments consistently growing from 2002 to 2005, then dropping off again at the onset of the national recession and hitting their lowest point in 2009. This also aligns with the height of Dracut's unemployment rate. From 2010 to 2012 average monthly employment has climbed to now nearly reach its pre-recession levels.

**Figure 4: Total Number of Establishments in Dracut, 2002 - 2012 (Q3)**



Source: Executive Office of Labor and Workforce Development ES-202 Reports

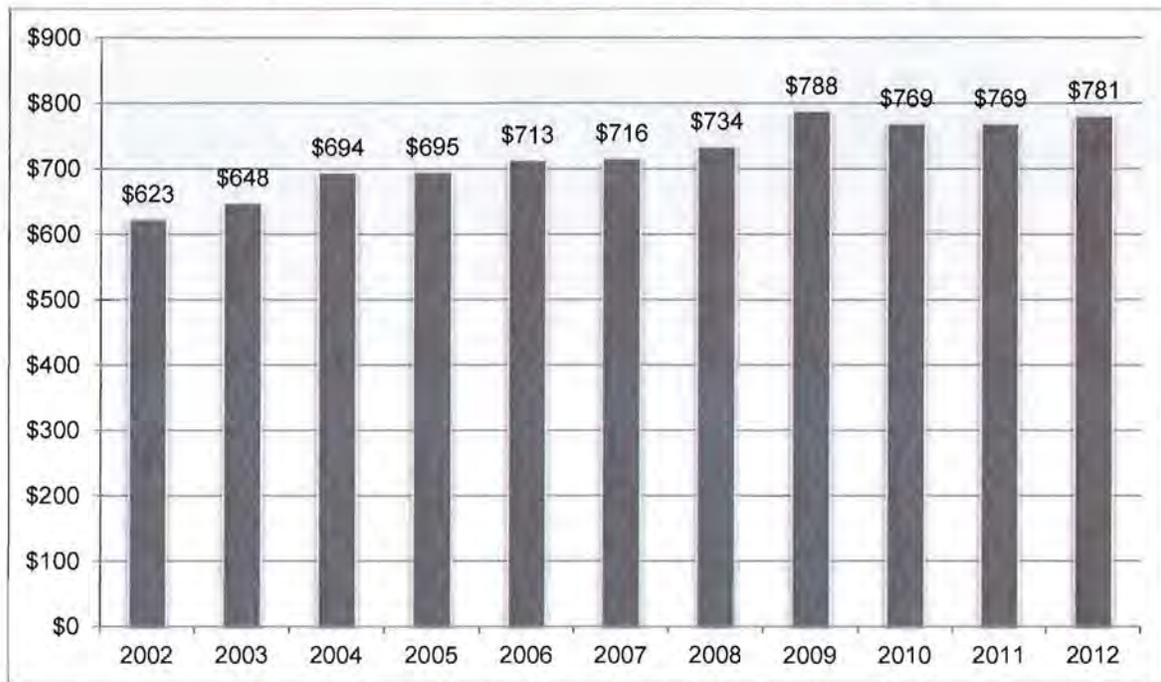
**Figure 5: Average Monthly Employment for Dracut Establishments, 2002 - 2012 (Q3)**



Source: Executive Office of Labor and Workforce Development ES-202 Reports

Monthly employment levels in Dracut establishments since 2011 have been at their highest, highlighting improvements in the local economy, as well as the nation, state and region.

Figure 6: Average Weekly Wages for Dracut Workers, 2002 - 2012 (Q3)



Source: Executive Office of Labor and Workforce Development ES-202 Reports

Another indicator of local economic vitality is the average weekly wages paid to workers, which provides an indication of the quality of the jobs in town. Figure 6 (above) illustrates changes in average weekly wages (across all industries) paid to workers employed in Dracut for the third quarter of each year between 2002 and 2012. Average weekly wages in Dracut have slowly increased from \$623 in 2002 to a high of \$788 in 2009. Since 2009 the average weekly wage appears to have leveled off reaching \$781 in the third quarter of 2012.

While the average weekly wage has grown by more than 25% since 2002, Dracut's average weekly wage has consistently fallen well below state and regional averages. In the third quarter of 2002 the average weekly wages in the Greater Lowell Workforce Investment Area's was \$917, while the state's average weekly wage was \$829. In the third quarter of 2012 the average weekly wage in the region was \$1,155 and in the state it was \$1,102, which is nearly twice as high as Dracut's average weekly wage. Given the rate of inflation between 2002 and 2012, the average weekly wages in 2012 do not have the same purchasing power as in 2002. In other words, one dollar (\$1.00) in 2002 had the same buying power as \$1.28 in 2012 (source: [http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)). In addition, according to the *CEDS Update for 2010-2013*, Dracut has the second lowest average wages in the Greater Lowell region.

## F. Industry Composition

The composition of industries in Dracut is diverse, ranging from construction and manufacturing firms to social services; restaurants to boutiques to utilities contractors. Much fewer people from town are employed in manufacturing now than twenty years ago. At the time of writing the 1996 Economic Development Strategy, nearly 30% of the Town's workforce was employed in manufacturing. This has reduced dramatically, while employment in the service sector has risen significantly. The composition of industries operating in Dracut has become more diversified, as reflected in Table 23 below.

In terms of the goods-producing domain, nondurable goods manufacturing establishments decreased by 22.2%, between the third quarter of 2002 and 2012, while durable goods manufacturing remained unchanged at 15 establishments. Construction establishments, however, increased by 7.3%, from 127 establishments in 2002 to 137 in 2012.

**Table 23: Changes in Local Industry Composition: 2002 - 2012 (Q3)**

Industry Type	Number of Establishments		Percent Change: 2002-2012
	2002 (Q3)	2012 (Q3)	
<b>Goods-Producing Domain</b>	154	164	6.1
<b>Construction</b>	127	137	7.3
<b>Manufacturing</b>	26	24	-8.3
<i>Durable Goods Manufacturing</i>	15	15	0.0
<i>Non Durable Goods Manufacturing</i>	11	9	-22.2
<b>Service-Providing Domain</b>	398	460	13.5
<b>Trade, Transportation and Utilities</b>	101	87	-16.1
<i>Wholesale Trade</i>	19	22	13.6
<i>Retail Trade</i>	62	49	-26.5
<i>Transportation and Warehousing</i>	20	16	-25.0
<b>Information</b>	0	7	100.0
<b>Financial Activities</b>	35	37	5.4
<i>Finance and Insurance</i>	18	20	10.0
<i>Real Estate and Rental and Leasing</i>	17	17	0.0
<b>Professional and Business Services</b>	69	72	4.2
<i>Professional and Technical Services</i>	39	45	13.3
<i>Administrative and Waste Services</i>	30	27	-11.1
<b>Education and Health Services</b>	48	66	27.3
<i>Health Care and Social Assistance</i>	41	52	21.2
<b>Leisure and Hospitality</b>	56	62	9.7
<i>Arts, Entertainment, and Recreation</i>	10	8	-25.0
<i>Accommodation and Food Services</i>	46	54	14.8
<b>Other Services</b>	72	122	41.0
<b>Total All Industries</b>	<b>552</b>	<b>624</b>	<b>11.5</b>

Source: Executive Office of Labor and Workforce Development ES-202 Reports

Many of the service-providing industries, such as information (100%), education and healthcare services (27.3%), financial and insurance businesses (10.0%), professional and technical services (13.3%), accommodation and food services (14.8%), and "Other Services" (40.0%), such as repair and maintenance services, personal care services, professional organizations, and private households, increased between the third quarters of 2002 and 2012.

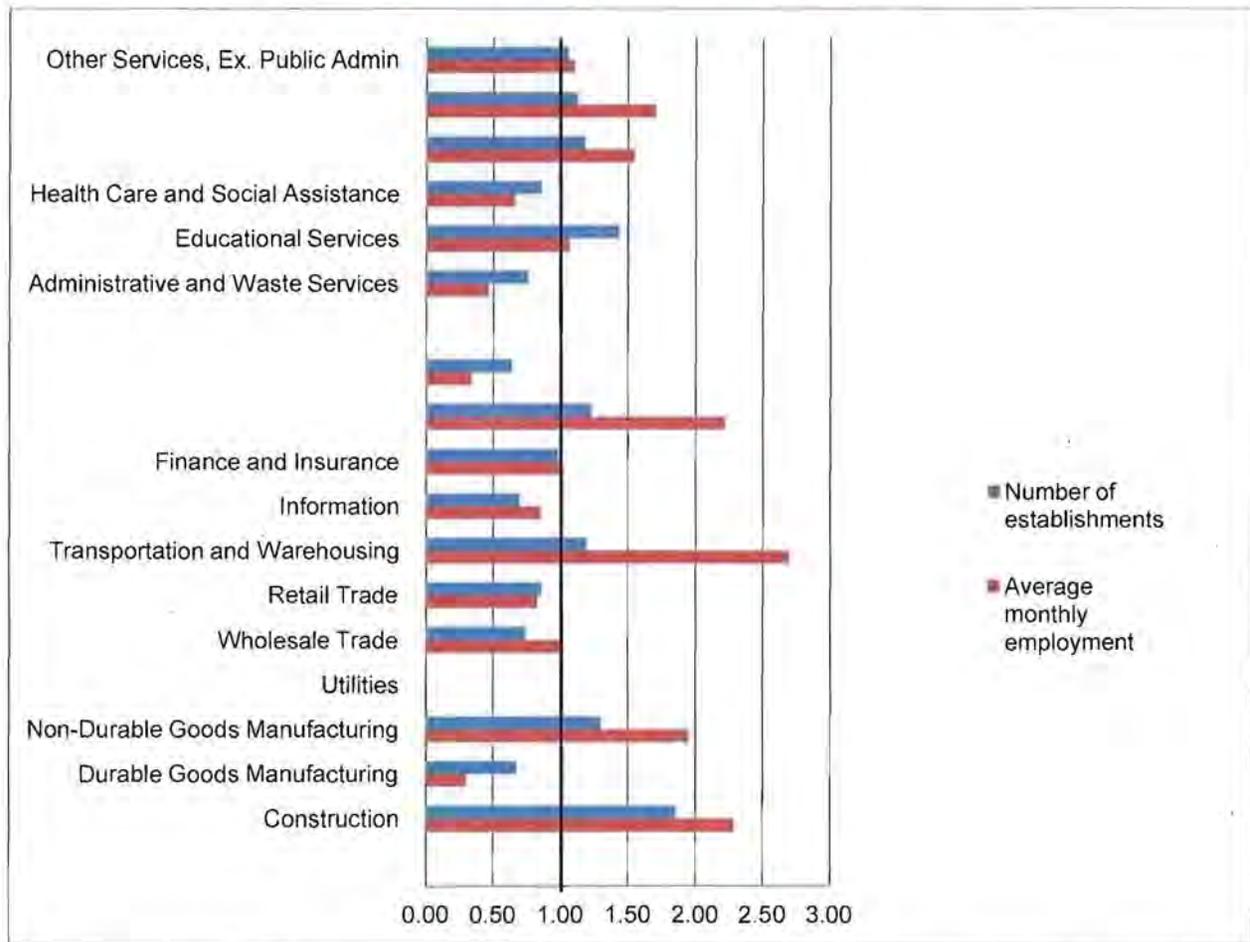
Service industries experiencing a decline during this timeframe included Retail Trade, Transportation and Warehousing, and Arts, Entertainment, and Recreation establishments, which all declined by around a quarter between 2002 and 2012, while Administrative and Waste Services decreased by 11.1%. These trends are consistent with larger issues related to the emergence of a service-oriented economy in the 21<sup>st</sup> century, a trend which has been impacting the region, state, and nation as a whole for the past twenty years. In addition, growth in establishments servicing local needs such as healthcare, education and hospitality also seems to be occurring.

### ***Location quotients***

Location quotients (LQ) are a useful tool for assessing the various industry clusters located in a particular region. Location quotient analyses help us better understand the strengths of a local economy by assessing which industries are concentrated within it, relative to the region or state as a whole. Location quotients-- which are essentially a ratio of the concentration of a particular industry in one area (in this case, Dracut) to the concentration of the same industry in a larger geographic area (Greater Lowell Workforce Investment Area) - are understood to be significant when they are greater than 1.0.

Using the Greater Lowell Workforce Investment Area as a basis of comparison, location quotients were developed with second quarter 2013 data for each of the industries with a presence in Dracut. Quotients were calculated for both the total number of establishments and average monthly employment among each industry sector. Figure 7 on the following page illustrates the current location quotients for each of the primary industry sectors operating in town, according to both the total number of establishments and average monthly employment.

Figure 7: Local-Regional Location Quotient by Industry in 2013 (Q2)



According to second quarter 2013 figures, the industry sector with the highest location quotient in terms of number of establishments is Construction. With 140 construction businesses located in Dracut, and 750 workers employed in construction, this represents more than 15% of the region's construction industry. While this sector overall represents a small segment of the local and regional economies, its concentration in Dracut affords the town location quotients of 1.85 for total number of establishments, and 2.29 for average monthly employment.

As evidenced above, many other types of industries are concentrated in Dracut relative to the Greater Lowell Workforce Investment Area. Within the goods-producing domain, non-durable goods manufacturing was also concentrated in Dracut compared to the region with LQs of 1.30 for establishments and LQ of 1.95 for average monthly employment.

An examination of goods-producing sub-sectors reveals that Dracut has high concentrations of many construction sectors with the best performing sector being the Utility System Construction sector with a LQ of 2.96 in number of establishments and 11.86 in average monthly employment. Many of these sectors had relatively high concentrations of the region's average monthly employment, including Nonresidential Building Construction (4.22), Construction of buildings (3.74), Heavy and Civil Engineering (3.69), Residential Building Construction (3.45)

and Other Specialty Trade Contractors (3.39). Dracut's Manufacturing Industry is also primarily associated with the construction sector. The manufacturing of architectural and structural metals is highly concentrated in Dracut with an LQ in number of establishments of 2.22 and average monthly employment of 8.10. Table 24 below provides the location quotients for each of the goods-producing subsectors with a presence in Dracut during the second quarter of 2013.

**Table 24: Economic Statistics for Goods-Producing Industries in 2013 (Q2)**

Industry	No. of establishments	Average Monthly Employment (AME)	Average Weekly Wages	LQ No. of establishments	LQ AME
<b>Construction</b>	140	750	\$1,111	1.85	2.29
Construction of Buildings	42	124	\$1,066	2.34	3.74
Residential Building Construction	36	71	\$791	2.30	3.45
Nonresidential Building Construction	6	53	\$1,435	2.63	4.22
Heavy and Civil Engineering Construction	9	235	\$1,555	2.31	3.69
Utility System Construction	5	159	\$1,655	2.96	11.86
Specialty Trade Contractors	89	391	\$859	1.65	1.69
Building Foundation/Exterior Contractors	17	49	\$594	1.95	1.70
Building Equipment Contractors	34	204	\$898	1.33	1.45
Building Finishing Contractors	13	30	\$651	1.31	1.02
Other Specialty Trade Contractors	25	108	\$965	2.57	3.39
<b>Manufacturing</b>	25	490	\$1,083	0.81	0.62
Durable Goods Manufacturing	16	192	\$1,002	0.67	0.30
Non-Durable Goods Manufacturing	9	298	\$1,135	1.30	1.95
Fabricated Metal Product Manufacturing	8	127	\$1,005	1.20	2.06
Architectural and Structural Metals	3	107	\$1,055	2.22	8.10
Machine Shops and Threaded Products	3	4	\$542	0.75	0.13
<b>Total Good Producing Domain</b>	<b>168</b>	<b>1,269</b>	<b>\$1,083</b>	<b>1.56</b>	<b>1.13</b>

*Source: Executive Office of Labor and Workforce Development ES-202 Reports (March 2013)*

Dracut also has high concentrations of some service-related businesses and jobs relative to the region. In terms of the total number of establishments, Financial Activities, Leisure and Hospitality and "Other" services, industry categories had a significant (>1.0) location quotient. Table 25 overleaf, and on the subsequent two pages, illustrates those industries with the most significant presence are amongst local services.

With only one exception, sectors included within the Leisure and Hospitality, and "Other" services categories, had LQs exceeding 1.0. The sectors exceeding a 2.0 LQ for total number of establishments were: Direct Selling Establishments (2.09), School and Employee Bus

Transportation (3.23) Machinery & Equipment Rental & Leasing (4.44), Accounting and Bookkeeping Services (2.07), Technical and Trade Schools (3.55), Residential Mental Health Facilities (2.01), Child Day Care Services (2.21), Drinking Places - Alcoholic Beverages (3.50) and Household Goods Repair and Maintenance(2.73).

The average monthly employment LQs for service industries were generally as high and in some niche sectors significantly higher. However, this may be reflective of a limited supply of such establishments across the region and hence lower employment levels generally. In terms of broad industry classifications, Trade, Transportation and Utilities, Financial Activities, Leisure and Hospitality, and "Other" services scored above a 1.0 for average monthly employment. Within these categories, several service oriented sub-sectors have notable average monthly employment LQs. These sectors include Lumber and Supply Merchant Wholesalers (2.67), Merchant Wholesalers, Nondurable Goods (3.22), Transportation and Warehousing (2.70), Truck Transportation (3.07), General Freight Trucking (4.92), Transit and Ground Passenger Transport (6.56), School and Employee Bus Transportation (12.33), Real Estate and Rental and Leasing (2.22), Rental and Leasing Services (4.32), Machinery & Equipment Rental & Leasing (7.06), Accounting and Bookkeeping Services (2.50), Technical and Trade Schools (2.30), Residential Mental Health Facilities (3.69), Child Day Care Services (2.57) Drinking Places- Alcoholic Beverages (5.78), Household Goods Repair and Maintenance (2.35), Personal and Laundry Services (2.01) and Personal Care Services (2.17).

**Table 25: Economic Statistics for Service-Providing Industries in 2013 (Q2)**

Industry	Number of Establishments	Average Monthly Employment	Average Weekly Wages	LQ est	LQ AME
<b>Trade, Transportation and Utilities</b>	90	1,251	\$702	0.85	1.29
Wholesale Trade	24	229	\$1,018	0.74	1.01
Merchant Wholesalers, Durable Goods	11	78	\$965	0.69	0.57
Lumber and Supply Merchant Wholesalers	4	43	\$1,018	1.97	2.67
Machinery & Supply Merchant Wholesalers	3	15	\$766	1.14	1.12
Merchant Wholesalers, Nondurable Goods	6	144	\$1,034	1.48	3.22
Electronic Markets and Agents/Brokers	7	8	\$1,121	0.56	0.17
Retail Trade	49	410	\$515	0.85	0.83
Motor Vehicle and Parts Dealers	3	26	\$549	0.46	0.56
Auto Parts, Accessories, and Tire Stores	3	26	\$549	1.31	1.14
Building Material & Garden Supply Stores	4	29	\$514	1.08	0.81
Building Material and Supplies Dealers	3	21	\$575	1.11	0.69
Food and Beverage Stores	13	185	\$438	0.97	0.91
Health and Personal Care Stores	6	73	\$658	0.99	1.77
Gasoline Stations	4	15	\$326	0.61	0.72
Clothing and Clothing Accessories Stores	3	7	\$402	0.83	0.30
Sporting Goods/Hobby/Book/Music Stores	3	15	\$184	1.04	1.34
Sporting Goods/Musical Instrument Stores	3	15	\$184	1.22	1.57
Nonstore Retailers	5	12	\$856	1.91	0.74
Direct Selling Establishments	3	8	\$1,062	2.09	1.57
Transportation and Warehousing	17	612	\$710	1.19	2.70
Truck Transportation	7	192	\$994	1.05	3.07
General Freight Trucking	6	192	\$994	1.58	4.92

Industry	Number of Establishments	Average Monthly Employment	Average Weekly Wages	LQ est	LQ AME
Transit and Ground Passenger Transport	4	306	\$407	1.28	6.56
School and Employee Bus Transportation	3	295	\$413	3.23	12.33
<b>Information</b>	7	145	\$1,445	0.69	0.85
Information	7	145	\$1,445	0.69	0.85
<b>Financial Activities</b>	37	206	\$995	1.08	1.34
Finance and Insurance	19	113	\$1,071	0.98	1.01
Credit Intermediation & Related Activity	9	95	\$1,099	0.93	1.17
Depository Credit Intermediation	8	92	\$1,123	1.06	1.59
Insurance Carriers & Related Activities	7	14	\$883	0.96	0.63
Insurance Agencies, Brokerages & Support	7	14	\$883	1.05	0.70
Real Estate and Rental and Leasing	18	93	\$902	1.22	2.22
Real Estate	12	28	\$748	1.07	1.11
Lessors of Real Estate	5	12	\$634	1.48	1.42
Offices of Real Estate Agents & Brokers	3	9	\$619	0.91	1.63
Activities Related to Real Estate	4	6	\$1,292	0.88	0.53
Rental and Leasing Services	6	65	\$968	1.82	4.32
Machinery & Equipment Rental & Leasing	3	31	\$823	4.44	7.06
<b>Professional and Business Services</b>	68	291	\$794	0.65	0.34
Professional and Technical Services	44	160	\$907	0.63	0.34
Legal Services	10	20	\$627	0.86	0.87
Accounting and Bookkeeping Services	14	64	\$852	2.07	2.50
Computer Systems Design and Rel Services	7	6	\$920	0.39	0.03
Administrative and Waste Services	24	131	\$656	0.75	0.46
Administrative and Support Services	24	131	\$656	0.81	0.49
Services to Buildings and Dwellings	21	73	\$456	1.28	0.99
<b>Education and Health Services</b>	130	1,060	\$708	0.89	0.82
Technical and Trade Schools	3	5	\$416	3.55	2.30
Other Schools and Instruction	6	23	\$301	1.48	1.57
Health Care and Social Assistance	118	519	\$555	0.85	0.66
Ambulatory Health Care Services	27	191	\$839	0.90	0.80
Offices of Physicians	7	36	\$871	0.71	0.43
Offices of Dentists	9	76	\$1,182	0.95	1.78
Offices of Other Health Practitioners	7	31	\$937	1.18	1.47
Nursing and Residential Care Facilities	10	113	\$472	1.30	0.62
Residential Mental Health Facilities	9	109	\$474	2.01	3.69
Social Assistance	81	215	\$345	0.81	1.35
Individual and Family Services	70	93	\$283	0.75	0.97
Child Day Care Services	11	122	\$393	2.21	2.57
<b>Leisure and Hospitality</b>	64	882	\$306	1.13	1.68
Arts, Entertainment, and Recreation	10	124	\$349	1.18	1.55
Amusement, Gambling & Recreation Ind	8	121	\$345	1.21	1.78
Other Amusement & Recreation Industries	7	115	\$318	1.08	1.70
Accommodation and Food Services	54	758	\$299	1.12	1.71
Food Services and Drinking Places	54	758	\$299	1.17	1.85
Drinking Places (Alcoholic Beverages)	8	48	\$209	3.50	5.78
Restaurants and Other Eating Places	44	593	\$262	1.15	1.62

Industry	Number of Establishments	Average Monthly Employment	Average Weekly Wages	LQ est	LO AME
<b>Other Services</b>	55	185	\$481	1.06	1.10
Other Services, Ex. Public Admin	55	185	\$481	1.06	1.10
Repair and Maintenance	24	67	\$665	1.31	0.84
Automotive Repair and Maintenance	20	62	\$629	1.43	1.56
Household Goods Repair and Maintenance	3	3	\$860	2.73	2.35
Personal and Laundry Services	27	107	\$379	1.31	2.01
Personal Care Services	22	82	\$310	1.54	2.17
Private Households	3	4	\$901	0.48	1.10
<b>Total Service-Providing Domain</b>	<b>458</b>	<b>4,189</b>	<b>\$675</b>	<b>0.88</b>	<b>0.97</b>

*Source: Executive Office of Labor and Workforce Development ES-202 Reports (March 2013)*

More discussion required.

### G. Major Employers

Dracut is home to several mid-sized employers, including Brox Industries Inc and Majilite Corporation, which are the Town's two largest employers. Table 26 below offers a breakdown of the thirteen largest employers operating in Town in 2013. Like the Location Quotient analysis undertaken earlier, the higher performing industries are also represented in this table including Education, Transport, Manufacturing and Hospitality.

**Table 26: Dracut Major Employers**

Company	Employees
Brox Industries Inc	100-249
Majilite Corp	100-249
Brookside Elementary School	50-99
C T A-Douglas New Elementary	50-99
Con-Way Freight	50-99
Dracut Senior High School	50-99
George H Englesby Intermediate	50-99
Joseph A Campbell Elementary	50-99
Lakeview Jr High School	50-99
Lenzi's Inc	50-99
Old Dominion Freight Line Inc	50-99
Scola's Restaurant	50-99
Toupin Rigging Co	50-99

*Source: Executive Office of Labor and Workforce Development, Largest Employers by Area - Employer information is provided by Infogroup®*

## H. Wages

Table 27 below reflects the total wages and average weekly wages earned for all industries operating in Dracut during the third quarters of 2002 and 2012. In sum, the total wages paid by Dracut employers across all industries rose by \$13,647,214 (26.6%) between these two quarters. Likewise, the average weekly wage rose by 20% from \$623/week to \$779/week.

Both the goods producing domain and the service providing domain saw increases in their aggregate annual and average weekly wages between 2002 and 2012. Only three individual sectors experienced a decline in total wages paid between 2002 and 2012, including Retail Trade (2.8%), Finance and Insurance (41.9%) and Arts, Entertainment, and Recreation (0.7%). In terms of weekly wages, only Durable Goods Manufacturing and Finance and Insurance experienced a decline in average week wages, however it must be noted that this is coming off a low-base in comparison to the region and state.

**Table 27: Total Wages and Average Weekly Wages by Industry: 2002 and 2012 (Q3)**

Industry	Total Wages (Q3)		Percent Change 2002-12	Average Weekly Wages (Q3)		Percent Change 2002-12
	2002	2012		2002	2012	
<b>Goods-Producing Domain</b>	\$12,512,945	\$17,339,028	27.8	\$858	\$1,031	16.8
<b>Construction</b>	\$7,364,742	\$10,592,632	30.5	\$785	\$1,054	25.5
<b>Manufacturing</b>	\$5,102,100	\$6,521,615	21.8	\$1,029	\$1,063	3.2
DUR- Durable Goods Manufacturing	\$1,445,139	\$2,223,172	35.0	\$961	\$924	-4.0
NONDUR - Non Durable Goods Manufacturing	\$3,656,961	\$4,298,443	14.9	\$1,059	\$1,148	7.8
<b>Service-Providing Domain</b>	\$25,153,062	\$33,974,193	26.0	\$549	\$693	20.8
<b>Trade, Transportation and Utilities</b>	\$7,596,530	\$10,772,926	29.5	\$560	\$709	21.0
Wholesale Trade	\$2,246,902	\$3,311,736	32.2	\$870	\$1,053	17.4
Retail Trade	\$2,661,474	\$2,589,679	-2.8	\$372	\$464	19.8
Transportation and Warehousing	\$2,688,154	\$4,871,511	44.8	\$704	\$754	6.6
<b>Information</b>	\$0	\$2,737,717	100.0	\$0	\$1,620	100.0
<b>Financial Activities</b>	\$2,795,326	\$2,552,224	-9.5	\$879	\$967	9.1
Finance and Insurance	\$2,051,659	\$1,445,491	-41.9	\$995	\$993	-0.2
Real Estate and Rental and Leasing	\$743,667	\$1,106,733	32.8	\$665	\$936	29.0
<b>Professional and Business Services</b>	\$1,635,204	\$2,891,364	43.4	\$490	\$824	40.5
Professional and Technical Services	\$1,025,933	\$1,877,443	45.4	\$552	\$1,062	48.0
Administrative and Waste Services	\$609,271	\$1,013,921	39.9	\$412	\$582	29.2
<b>Education and Health Services</b>	\$5,186,874	\$7,919,102	34.5	\$579	\$755	23.3
Health Care and Social Assistance	\$2,589,866	\$3,501,587	26.0	\$583	\$605	3.6
<b>Leisure and Hospitality</b>	\$1,935,263	\$3,004,995	35.6	\$222	\$305	27.2
Arts, Entertainment, and Recreation	\$229,884	\$228,263	-0.7	\$238	\$408	41.7
Accommodation and Food Services	\$1,705,379	\$2,776,732	38.6	\$220	\$299	26.4
<b>Other Services</b>	\$1,069,448	\$1,378,736	22.4	\$341	\$394	13.5
<b>Total, All Industries</b>	<b>\$37,666,007</b>	<b>\$51,313,221</b>	<b>26.6%</b>	<b>\$623</b>	<b>\$779</b>	<b>20.0%</b>

Source: Executive Office of Labor and Workforce Development ES-202 Reports

Although the goods-producing domain in Dracut has declined over the decades, construction and manufacturing continue to be leading sources for wages among industries operating in the town. The total wages received through construction during the third quarter of 2012 was \$10,592,632, which was slightly below the total wages earned through Trade, Transportation average weekly wages and Utilities (the industry sector with the highest total wages for the quarter). Moreover, average weekly wages paid in the construction industry increased by more than 25% between 20010 and 2012. In addition, despite a 4.0% decline in the average weekly wages paid to workers in durable goods manufacturing the average weekly wages paid to nondurable goods manufacturing workers, increased by 7.8% from \$1,059/week in 2002 to \$1,148/week in 2012.

As mentioned above, in the service-providing domain, the Trade, Transportation and Utilities category paid the highest total wages for the third quarter of 2012, with an increase of 29.5% from 2002 and 2012. Similarly average weekly wages increased by 21% in the same timeframe. In the third quarter of 2002, the Education and Health Services sector had the second highest payroll in the service providing domain, increasing by 34.5% from 2002.

Sectors that experienced decreases in total wages between these two periods included: Finance and Insurance (-41.9%), Retail Trade (-2.8%) and Arts, Entertainment, and Recreation (-0.7). Despite a decline in total wages, each of these sectors, apart from Finance and Insurance, experienced an increase in the average weekly wages paid to workers. Notably the average weekly wage paid in the Arts, Entertainment and Recreation sector increased by 41.7% albeit from a very low starting base at \$238/week in 2002.

All other service-sectors experienced an increase in total wages with the Information industry experiencing the highest increase (100%) as no establishments were recorded in 2002 followed by the Professional and Business Services sector at 43.4%. Every industry sector, apart from Finance and Insurance, within the service-providing domain experienced average weekly wage growth between 2002 and 2012. The most significant increases in average weekly wages occurred within Information (100%) for the reason described above, Professional and Technical Services (48.0%) and Arts, Entertainment and Recreation sector (41.7%)

Additionally, the highest paying industries during the third quarter of 2012 included Information (\$1,620/ week), Nondurable Goods Manufacturing (\$1,148/week) Professional and Technical Services (\$1,062/ week), Construction (\$1,054/week) and Wholesale Trade (\$1,053/week).

## I. Local Business Characteristics

As described above the Executive Office of Labor and Workforce Development in their *ES-202 Reports* compiles detailed information about local businesses across the United States.

According to the most recent report as of June 2013 there were 626 businesses operating in Dracut. This number may potentially be more as new businesses may have opened up since the state compiled their second quarter (April-June 2013) data.

### *Number of Employees*

According to the Executive Office of Labor and Workforce Development, there are on average 5,459 workers employed by these businesses. This equates to on average of 8-9 workers per business. If data from the largest employers listing is used, only 57 (or 9.1%) of these businesses employ 20 or more people. More than 90% of businesses operating in Dracut have less than twenty employees and it is assumed that the majority of these businesses employ between one and four workers. There are only two businesses in Dracut that employ more than 100 people, highlighting the emphasis on small business within the Town. Approximately 98% (or 614 of the total businesses) are privately owned, with an array of single location businesses, headquarters and subsidiaries, and individual branches in Dracut.

### *Municipal Taxation and Spending*

Compared to Greater Lowell region communities, Dracut has the third highest amount (some 760.32 acres) of commercially zoned land, after Tewksbury and Tyngsborough. In terms of industrially-zoned land Dracut has the fourth lowest amount (689.95 acres) of land followed by Lowell, Pepperell and Dunstable. Additionally, the town has a single-rate tax policy, which many companies may consider to be an advantage to locating in the town (Table 28).

In Fiscal Year 2014, Dracut had the lowest commercial and industrial property tax rate in the region (\$14.49). The low tax rate would appear to make the town an attractive location for businesses and industries looking to locate in the Greater Lowell area. The tax rates for the communities in the Greater Lowell region are illustrated in Table 22.

**Table 28: Fiscal Year 2014 Tax Rates by Class for the Greater Lowell Region**

Community	Residential	Commercial	Industrial	Personal Property
<b>Billerica</b>	\$14.29	\$33.16	\$33.16	\$33.16
<b>Chelmsford</b>	\$18.98	\$18.98	\$18.98	\$18.98
<b>Dracut</b>	\$14.49	\$14.49	\$14.49	\$14.49
<b>Dunstable</b>	\$15.77	\$15.77	\$15.77	\$15.77
<b>Lowell</b>	\$15.14	\$31.75	\$31.75	\$31.75
<b>Pepperell</b>	\$15.86	\$15.86	\$15.86	\$15.86
<b>Tewksbury</b>	\$16.11	\$26.64	\$26.64	\$26.64
<b>Tyngsborough</b>	\$16.78	\$16.78	\$16.78	\$16.78
<b>Westford</b>	\$16.60	\$16.83	\$16.83	\$16.60

*Rate per \$1,000 evaluation*  
*Source: Mass. Department of Revenue, Division of Local Services, 2014*

According to the Massachusetts Department of Revenue's Division of Local Services, \$40,258,887 in property taxes were levied during Fiscal Year 2014. Approximately 90.2% of these taxes were obtained through residential properties, which had a total assessed value of about \$2.5 billion. Commercial properties yielded approximately \$2 million, while industrial properties were levied \$725,074, as illustrated in Table 29 below. In FY 2014, the Town generated an additional \$1,167,251 in revenue from personal property taxes. According to the Town's FY 2014 assessor's database, just over XXX acres of land were exempt from paying property taxes, due to being either publicly-owned or owned by a nonprofit.

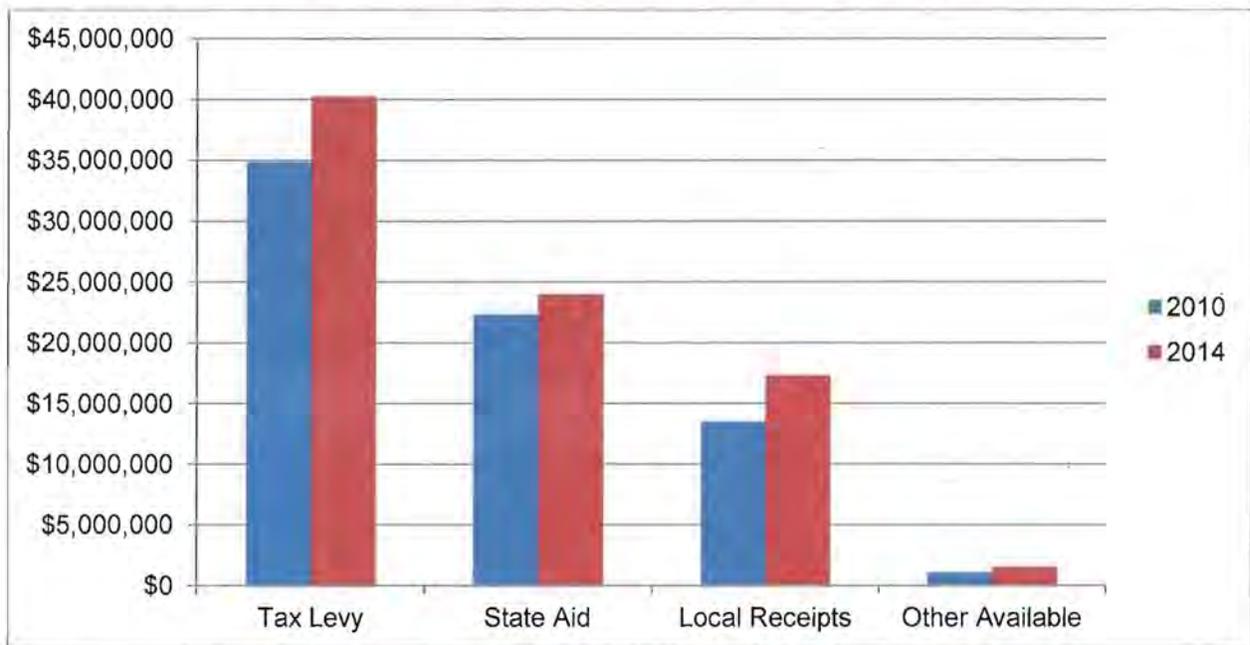
**Table 29: Fiscal Year 2014 Tax Classification**

<b>Tax Classification</b>	<b>Assessed Values</b>	<b>Tax Levy</b>	<b>Tax Rate</b>
<b>Residential</b>	\$2,504,925,425	\$36,296,369	\$14.49
<b>Commercial</b>	\$142,870,485	\$2,070,193	\$14.49
<b>Industrial</b>	\$50,039,590	\$725,074	\$14.49
<b>Personal Property</b>	\$80,555,623	\$1,167,251	\$14.49
<b>Total</b>	<b>\$2,778,391,123</b>	<b>\$40,258,887</b>	

*Source: MA Department of Revenue Division of Local Services At a Glance Report, February 2014*

Like every municipality in the Commonwealth that depends on state and federal monies to fund local initiatives, Dracut's annual operating budgets were affected by the national economic recession. Figure 8 illustrates the breakdown of municipal revenue sources for Fiscal Years 2010 and 2014. As the economy has begun to rebound from the national recession, an increase in state aid is shown in this timeframe. In FY 2010, just under half of the Town's budget (48.44%) came from levied taxes, while 31.09% of the budget came from state sources. Another 18.81% of the Town's budget came from local receipts, while 1.52% of the budget came from "other" sources.

Figure 8: Municipal Revenue Sources, Comparing FY 2010 & 2014



MA Department of Revenue Division of Local Services. At a Glance Report

In FY 2014, the proportion of municipal revenue from levied taxes has remained around 48% with an increase of \$5,385,403 in levied taxes from property owners in town. State Aid increased by \$1,681,529, despite contributing a lesser proportion (only 28.88%) to the town's budget. Local aid and "other" sources of revenue also increased, by \$3,830,503 (20.85%) and \$434,767 (1.83%), respectively to account for more of the town's revenue. In total, Dracut's municipal revenue sources increased by \$11,332,202 between FY 2010 and FY 2014. This increase in municipal revenue directly impacts municipal expenditures. Figure X on the next page shows municipal spending in Dracut for FY 2014. Local programs such as education and public works projects, comprise well over half of the total municipal expenditures in FY 2014.

Graph of FY 2014 spending (Town to provide)

### III. Community Assets and Liabilities

In assessing the economic development potential of a community, it is important to determine what the assets and liabilities of a community are through the perspective of the business community. The Northern Middlesex Council of Governments (NMCOG) worked with the Dracut Economic Development Committee to host two Economic Development Visioning Sessions – one for the public and one for the business community– at Harmony Hall during the month of October. The purpose of these Visioning Sessions was to provide an overview of the project, summarize previous economic development strategies developed for Dracut, outline the timeline for the completion of this project, describe the Table of Contents for the document, and then receive public input through the use of a Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis exercise. The results of the SWOT exercise will be used to provide the “grassroots” input into the development of the Dracut Economic Development Strategy so that it reflects the economic development needs of the Town of Dracut.

The Public Visioning Session was held on October 24, 2013 and attracted eight (8) participants. NMCOG staff led the SWOT Analysis exercise, which provided an opportunity for the attendees to voice their opinions on the strengths, weaknesses, opportunities and threats associated with economic development in Dracut. NMCOG staff recorded their thoughts, opinions and ideas on large sheets of paper, and after the discussion, participants were given an opportunity to indicate their priorities by placing colored dots next to each idea on the sheets of paper. For this exercise, red dots (4 points) indicated their first priority, green dots (3 points) indicated their second priority, blue dots (2 points) indicated their third priority and yellow dots (1 point) indicated their fourth priority.

The Business Visioning Session, which was co-sponsored by the Greater Lowell Chamber of Commerce, was held on October 30, 2013 and also attracted eight (8) participants. In addition to hearing what the participants at the Public Visioning Session heard, this session provided an opportunity for businesses to share their opinions on what the Town of Dracut could do to help their businesses grow. For this session, NMCOG staff followed the same procedures for the SWOT Analysis exercise and the participants had an opportunity to prioritize the ideas identified through the placement of the colored dots on the large sheets.

The top five priorities established by the participants for each category at the Public and Business Visioning Sessions were as follows:

## Strengths

### Public

- Water and Sewer Infrastructure
- Affordable housing
- Opportunities for growth and redevelopment
- Cultural amenities (e.g. UMass Lowell and Middlesex Community College)
- Locally grown produce and farming (tie)
- Between two major airports (tie)

### Business

- Tax rate for businesses
- Proximity to local universities
- Close to airports
- Newer municipal buildings and school buildings
- Access to cities - Boston, Lowell

## Weaknesses

### Public

- Lack of defined priorities
- Poor roads
- Sales tax - border community
- Lack of access to a major highway
- Lack of trust in government (tie)
- Lack of time to get involved/go to meetings (tie)

### Business

- School system funding
- Business community not proactive
- New Hampshire border (competition)
- No Dracut Common or Town Center
- Bylaws may work against businesses (tie)

## Opportunities

### Public

- Vacant industrial buildings - redevelopment
- Brox site and land along Merrimack River
- Re-invest in Brownfield sites
- Farms as tourist attractions
- Dracut has major natural gas lines, and moving forward natural gas is energy of the future. This could attract industries.

### Business

- Creation of Town Center
- Promote Dracut's positive qualities and community resources
- Chamber of Commerce
- Harness local spending to benefit school system and/or community
- Market schools through showcasing student success – build school pride (tie)
- Marketing the community (tie)
- Town and Chamber work together to promote businesses (e.g. promote buying locally) (tie)



## Threats

### Public

- Lack of school funding
- Zero growth
- Charter schools drain from public schools
- Lack of funding for proper police and fire staffing
- Lack of young families coming to town because of the schools (tie)
- Opiate addiction (tie)

### Business

- New Hampshire competition
- Positive images/attributes of surrounding communities may draw people/resources from Dracut
- Development impact on quality of life
- Perception of unemployment
- Perception of poor community

The complete results for the Public and Business Visioning Sessions, as well as the agendas are outlined in Appendix A. The results are summarized by category and the ideas are listed by total dots and points based upon the values assigned to each dot.

# Dracut Priority Economic Development Sites

**DRAFT**

-  Priority Economic Development Site
-  Brownfield Site
-  Town Boundary
-  Water

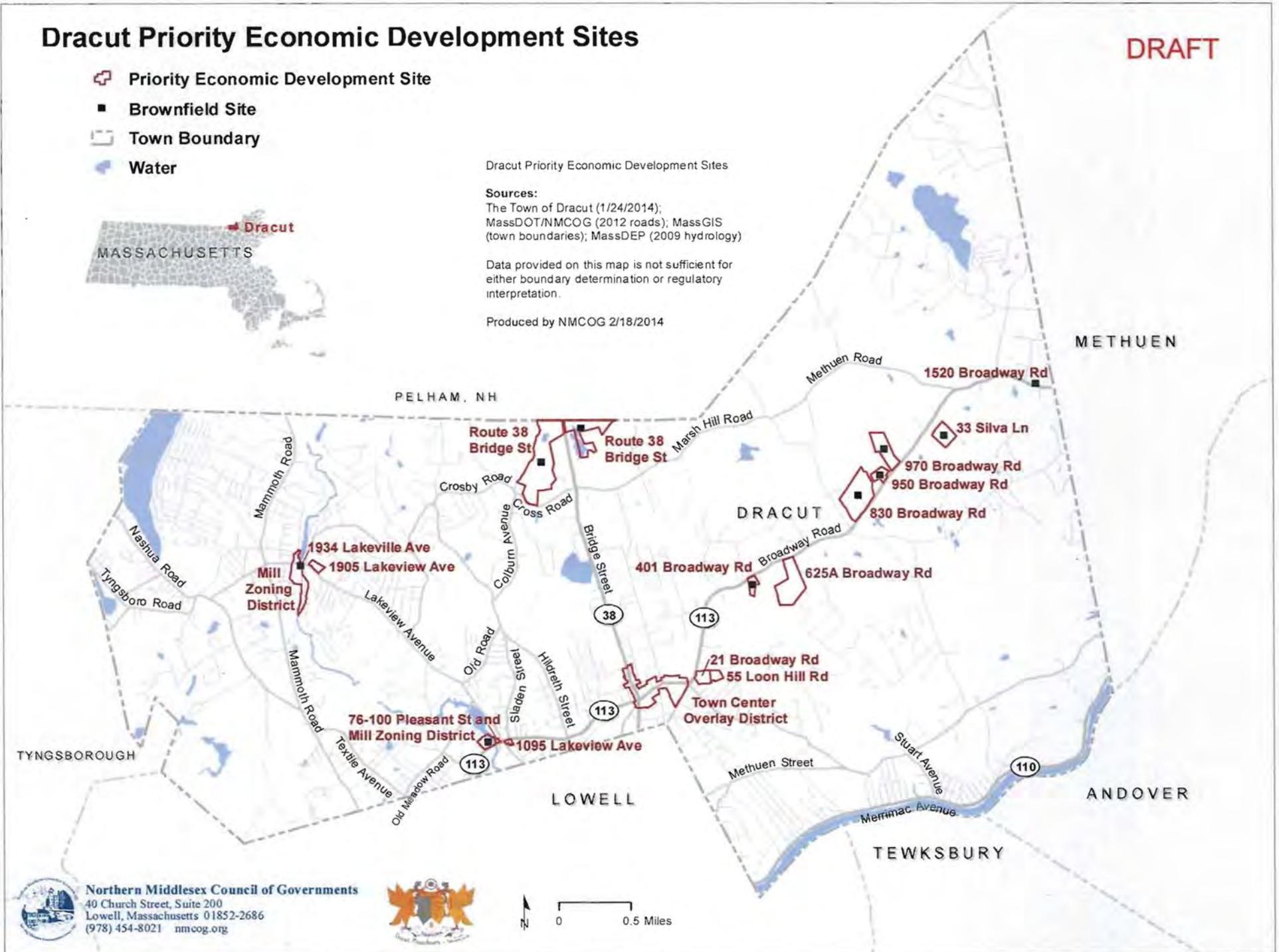


Dracut Priority Economic Development Sites

**Sources:**  
 The Town of Dracut (1/24/2014);  
 MassDOT/NMCOG (2012 roads); MassGIS  
 (town boundaries); MassDEP (2009 hydrology)

Data provided on this map is not sufficient for  
 either boundary determination or regulatory  
 interpretation.

Produced by NMCOG 2/18/2014



 Northern Middlesex Council of Governments  
 40 Church Street, Suite 200  
 Lowell, Massachusetts 01852-2686  
 (978) 454-8021 nmco.org

