

1. Economic Conditions and Trends

For detailed information on current economic conditions, please refer to the July 2013 *Mansfield Tomorrow Economic Development and Agriculture Strategy Reports*.

A) MANSFIELD HAS THE ECONOMIC PROFILE OF A “COMPANY TOWN” AND ITS ECONOMY IS PERFORMING RELATIVELY WELL.

Leading Economic Sectors. As home to the state’s flagship university campus, the Mansfield economy relies heavily on state government. In 2011, state government accounted for 56.2% of total jobs in town, an 8.7% increase over 2001. In contrast, private industry accounted for 36.4% of total employment in 2011, an increase of 9% since 2001. Other major economic sectors include health care and social assistance, and accommodation and food services; these sectors also experienced significant growth between 2001 and 2011, with increases of 29.1% and 27.5%, respectively. These three sectors also experienced the greatest growth between 2001 and 2011.

The following industries experienced declines from 2001 to 2011: construction, manufacturing, finance and insurance, real estate and rental/leasing, and administrative/support and waste management/remediation services.

Unemployment. As shown in Table 6.1, Mansfield is performing relatively well in terms of employment growth and unemployment compared to regional and state averages. However, average annual wages, while exceeding the regional average, still lag the state average.

	MANSFIELD	REMAINDER OF WINDHAM/TOLLAND COUNTIES	STATEWIDE
% Employment Growth 2001-2011	8.0%	2.4%	-3.2%
Unemployment Rate 2011	7.5%	8.5%	8.8%
Average Wage 2011	\$49,637	\$40,180	\$61,110

Source: Quarterly Census of Employment and Wages and Local Area Unemployment Statistics, U.S. Department of Labor

How Mansfield Compares to the Region. According to data comparing employment growth in Mansfield to the remainder of the Tolland-Windham region, there are three sectors which have seen strong growth in the region but not in Mansfield, presenting potential opportunities for new business growth:

- *Professional and technical services* (including legal, accounting, architecture, design, engineering, computer-related, and research and development services among others)

- *Administrative and waste management services* (including office administrative services, employment placement agencies, business services, security services, and building services among others)
- *Other services* (including automotive, consumer product repair, laundry and personal care services among others)¹

Data on employment relative to population for major industries oriented heavily to local consumers indicates that Mansfield is capturing more than its share of employment in food services, health care, and other services, but less than its share of retail employment. The level of retail activity is expected to grow with the completion of Storrs Center, although a large share of the new businesses are in food services (see Table 6.2).

	MANSFIELD	REMAINDER OF TOLLAND & WINDHAM COUNTIES
Retail	22.2	35.7
Accommodation & Food Services	43.0	21.7
Health Care & Social Assistance	42.8	18.1
Other Services	11.8	9.5

Source: Quarterly Census of Employment and Wages, U.S. Department of Labor; U.S. Census Bureau, 2013

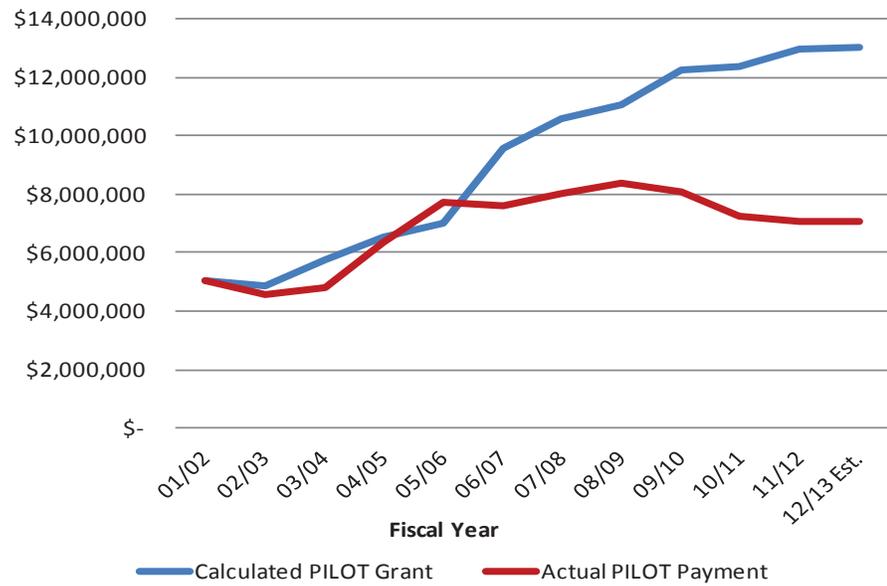
B) MANSFIELD’S ECONOMIC STRUCTURE HAS FISCAL IMPLICATIONS.

The key role played by UConn in Mansfield’s economy has significant impacts not only on the nature of employment and business activity, but also on local tax revenue. The tax-exempt status of UConn and other state-owned property makes the town heavily dependent on state aid for local revenue, particularly given that **the value of tax exempt property in Mansfield exceeds the value of taxable property**. Intergovernmental transfers accounted for 37.45% of the Town’s revenues in FY 2014, almost double the average of 18.8% for Connecticut municipalities in the 10,000-30,000 population range.²

The largest source of intergovernmental transfers, the state’s Payment In Lieu of Taxes (PILOT) for state-owned properties, is based on an effective tax rate that is about one-quarter of that paid by private property owners and in recent years the state has not paid the full amount. Moreover, major sources of state aid, including PILOT payments and Pequot Grants (unrestricted grants to municipalities from the proceeds of a state fund based on casino gaming revenue), have been flat or declining in recent years (see Figures 6.1 and 6.2). While UConn provides some public services that reduce the Town’s costs such as water and sewer services to some town residents and businesses, free access to the university bus system for residents, and campus police, these services are unlikely to fully compensate for the lower effective tax rate paid on UConn property.

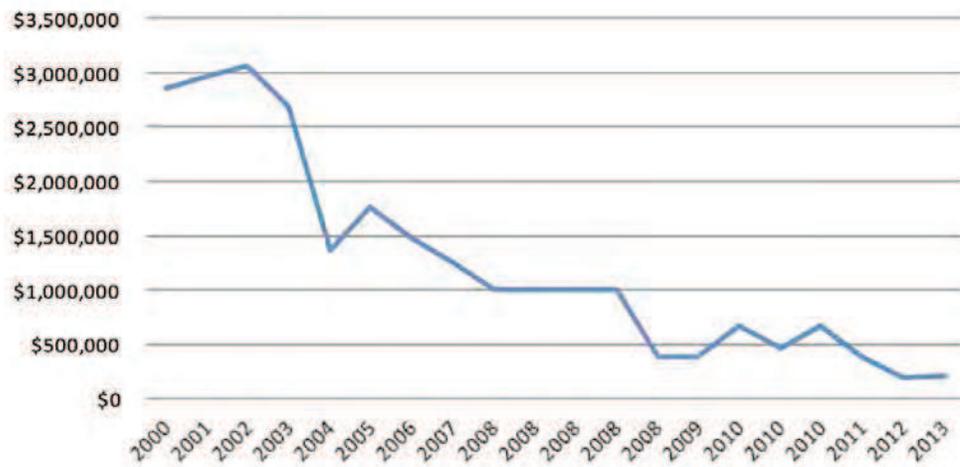
1 Data on subsectors is not available at the municipal level.
 2 Source: Connecticut Office of Policy and Management

Figure 6.1: Mansfield PILOT Grant—Calculated and Actual by Fiscal Year, FY2002–2013



Source: Town of Mansfield

Figure 6.2: Mansfield Pequot Grant, 2000–2013



Source: Town of Mansfield

Declines in state aid create greater dependence on local revenues to maintain local public services. The ability to expand commercial and industrial land uses and tax revenues can reduce pressures to increase property tax rates with the attendant burden on residential taxpayers. Municipal tax studies have shown that commercial and industrial properties, along with agricultural land and open space, generate significantly more revenue than the cost of municipal services they require, whereas residential properties, especially single family houses, generate costs in excess of revenues (particularly because of the costs of school funding).³

Grand list data for Mansfield indicates that while the share of assessed property value comprised of commercial (including multi-family residential properties) and industrial property in FY2011 was about average relative to other Connecticut communities in the 10,000 to 30,000 population range, the assessed value per capita is very low. Because the overall cost of municipal services generally rises in proportion to population, this indicates that the cost of services absorbed by commercial and industrial property taxes in Mansfield is also relatively low. It also suggests that commercial and industrial property development in Mansfield could be significantly increased without leading to excessive development relative to other communities of its size (see Table 6.3).

³ See, for example, *Planning for Agriculture: Guide for Connecticut Municipalities, 2012. Edition*. The report cites data from nine Connecticut communities with populations ranging from 5,000 to 25,000 that show commercial and industrial properties costing municipalities a median of \$0.27 in services per \$1.00 in tax revenues compared to costs of \$1.09 for residential properties. Agricultural/open space land costs a comparable \$0.31 in services. It also cites national data showing a median of \$0.29 in services for commercial and industrial properties and \$0.35 in services for agricultural land/open space versus \$1.16 for residential properties.

Table 6.3: Measures of Fiscal Capacity Derived from Commercial/Industrial (C/I) Tax Base: Mansfield vs. Other Connecticut Communities Population 10,000-30,000, FY2011

	C/I ASSESSED VALUE AS PERCENT OF TOTAL GRAND LIST	C/I ASSESSED VALUE PER CAPITA
Mansfield	13.2%	\$4,879
Mansfield Rank	29 of 66	58 of 66
Median	12.4%	\$13,193
Range	1.1% - 40.9%	\$2,822-\$48,042

Source: Connecticut Office of Policy and Management

LIGHT INDUSTRY: A GOOD FIT FOR MANSFIELD?

Many towns and cities are finding that light industrial businesses, when appropriately located, can be a great fit for their community. Unlike heavy industry—which often brings impacts such as noise and heavy truck activity—many light industrial uses occur without disruption to neighbors, and offer benefits such as jobs and contributions to the local tax base. Examples include warehouse space, wholesale facilities, and limited assembly or production activities—for instance, manufacture of high tech medical devices or production of gourmet foods.

Communities can craft zoning regulations that specify what is and is not permitted in a light industrial area. For instance, Mansfield could require that light industrial uses not pose nuisances, including smoke, gas, odors, dust, noise, vibrations, soot, or disruptive lighting. Mansfield could also regulate outdoor activities (e.g., loading, service, vehicle or equipment storage) to prevent disruption to neighbors.

Increases in commercial values resulting from the Storrs Center development are not reflected in the above comparison; however, the Storrs Center Fiscal Impact Study completed in October 2012 projects that the addition of Storrs Center to the Grand List will increase assessed commercial property values very significantly—by about 50 percent in 2014. Even with this increase, Mansfield will still remain on the low end of comparably-sized communities in assessed commercial and industrial property values per capita.

C) MANSFIELD'S WORKFORCE IS HIGHLY EDUCATED.

Understanding the skills and employment status of Mansfield's working residents can be important in determining what kinds of businesses and economic sectors the town is best positioned to attract as well as which of these are a good match for the employment needs of residents. In this regard, it is important to distinguish the characteristics of jobs in Mansfield, which are described above, from the characteristics of the town's workforce. Many employed residents of Mansfield work in other communities and conversely, many of Mansfield's workers live elsewhere.⁴

Lead Employment Sectors. Given the large number of local jobs in the education and health services sectors, it is not surprising that over half of the town's working residents work in these sectors, a much higher proportion than in the rest of the Tolland-Windham region or the larger Hartford Consolidated Statistical Area (CSA). The retail trade and the combined arts, entertainment and recreation, and accommodation and food services sectors are next in importance (employing about 11% and 8% of residents respectively) and employ approximately the same proportion of residents as the region and the CSA. Small proportions of residents are employed in other industries, both in absolute terms, and in most cases, relative to the region and CSA.

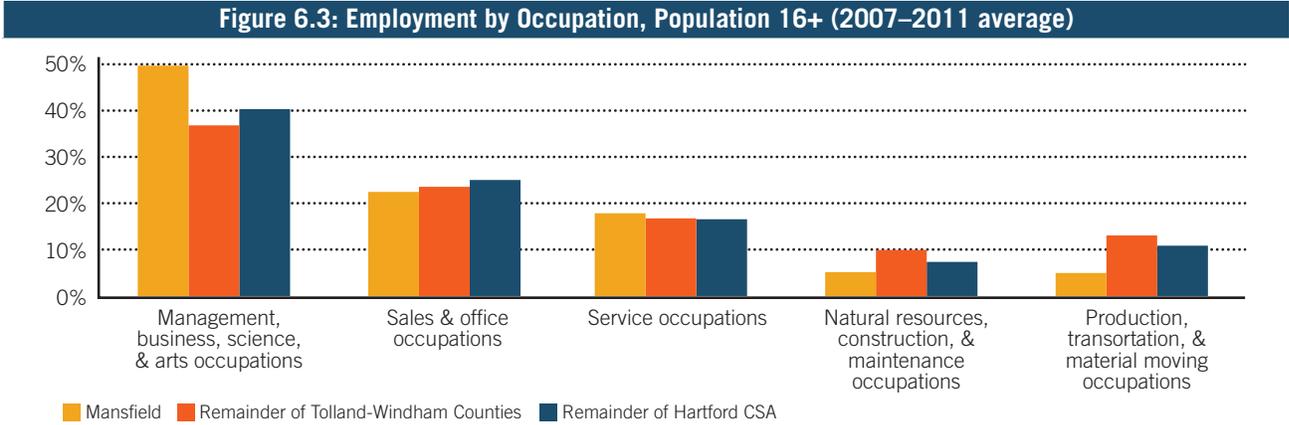
Type of Employment. Half of Mansfield's working residents are employed in generally higher-paying management, business, science, and arts occupations, a considerably higher proportion than at the regional and CSA levels. Fewer, but still considerable numbers, are also employed in sales and office occupations, and in service occupations, in roughly the same proportions as at the regional and CSA levels. Residents working in these occupations are likely to include UConn students working in retail sales and food service occupations. Very few residents are employed in blue collar occupations such as construction, production, and transportation (see Figure 6.3).

Education Levels. Consistent with high levels of employment in highly-skilled occupations, Mansfield residents are also highly educated. This is particularly evident in the percentage of residents over 25 with graduate or professional degrees. One-third hold such degrees, more than double that at the regional or CSA level. The town's highly-educated workforce can provide a considerable advantage in attracting businesses

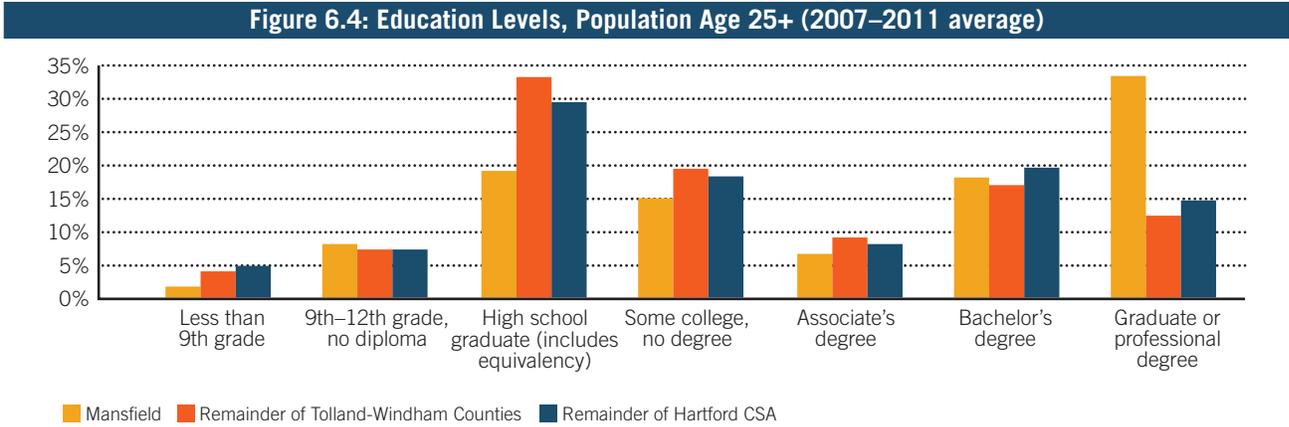
⁴ According to data from the 2006-2010 American Community Survey, 41 percent of working Mansfield residents worked in other communities whereas 60 percent of workers employed in Mansfield lived elsewhere.

seeking highly-skilled workers (see Figure 6.4). The high educational and skill levels of Mansfield residents contribute to relatively high family incomes and low family poverty rates⁵ (see Table 6.4).

5 While household data is often used as a broader indicator of resident economic status, family data is used here to exclude the considerable number of student households, which would skew data downward and likely result in misleading comparisons to regional and CSA data.



Source: American Community Survey; U.S. Census Bureau



Source: American Community Survey; U.S. Census Bureau

Table 6.4: Family Economic Status, 2007-2011 Average				
	MANSFIELD	TOLLAND COUNTY	WINDHAM COUNTY	HARTFORD CSA
Median Family Income	\$90,518	\$80,333	\$72,060	\$83,214
Mean Family Income	\$111,101	\$93,033	\$81,664	\$102,093
Family Poverty Rate	5.1%	3.5%	8.5%	8.5%

Source: American Community Survey, U.S. Census Bureau

As noted earlier, Mansfield has a relatively low unemployment rate. However, unemployment rates vary significantly depending on educational levels. While the town residents without a high school diploma make up a relatively small proportion of the working age population (ages 25-64), they suffer disproportionately from high unemployment. Those with only a high school diploma are also somewhat more likely than average to be unemployed. This suggests the need for additional low- to middle-skill jobs and training opportunities to meet the employment needs of these residents (see Table 6.5).

Table 6.5: Unemployment Rate by Educational Attainment, Mansfield Residents Age 25-64: 2007-2011 Average

LEVEL OF EDUCATION	UNEMPLOYMENT RATE	% OF POPULATION 25-64
Less than high school graduate	43.2%	7.3%
High school graduate (includes equivalency)	8.2%	39.7%
Some college or associate's degree	3.0%	
Bachelor's degree or higher	1.2%	53.0%

Source: American Community Survey, U.S. Census Bureau

2. Key Existing Economic Sectors

Mansfield has a number of established economic sectors that should be sustained and potentially expanded. These include higher education, food and beverage services, health care, and agriculture.

A) HIGHER EDUCATION/UCONN

Higher education is Mansfield’s leading “traded sector” by a wide margin, and is less a sector than a single dominant institution, the University of Connecticut. With over 22,000 students and over 5,000 faculty and staff, UConn draws income into the community and creates jobs. Direct employment at UConn has increased over the past decade. State government employment in Mansfield, primarily accounted for by UConn, increased by about 500 jobs between 2001 and 2011. The average state government wage in 2011 was almost \$60,000, significantly more than for most other economic sectors within the town. Additional direct spending by students and visitors on off-campus housing, retail, food services, entertainment and recreation, and other local goods and services brings significant additional income to the town economy.

Direct income to the university is further circulated within the community through spending by the university, administration, faculty and staff on local goods and services. Other indirect sources of income and jobs are businesses that are operated by university faculty, including a considerable number of small consulting businesses, and businesses that have been established locally to commercialize university research.