

UPPING THE ANTE ON EMPLOYMENT ISSUE

Feb. 19 summit to focus on strategies for job creation

BY JOHN TOWNES

Unemployment remains high, and a lack of jobs is a critical problem in Berkshire County. However, Allen Harris believes the pendulum for hiring qualified workers is likely to start shifting from a buyer's market to a seller's market in the year ahead.

"This may sound Machiavellian, but, because the job market is so tight, employers who are willing to hire now can get remarkable talent for less money than they would otherwise," said Harris, president and chief investment officer at Berkshire Money Management, a Pittsfield-based financial planning and portfolio management firm. "But if an employer waits too long, that's not going to be the case as the demand for workers picks up. So, if you want to be in a good position when the economy improves, now is the time to be hiring."

That is one message that Harris will be bringing to the upcoming Berkshire Job Summit that he and Sherman Baldwin, host of the Talk Berkshires radio program on WBRK 1340 AM, are sponsoring. They have teamed up to organize the summit, which will be held on Feb. 19 at the Crowne Plaza hotel in downtown Pittsfield.

The summit is designed to be a gathering of employers, public officials and other area business leaders to strategize about ways to bolster hiring and to stimulate demand for the products of Berkshire companies. In addition to regional participants, Gov. Deval Patrick is scheduled to attend the event. Organizers have also invited several national figures, including U.S. Secretary of Commerce Gary Locke and U.S. Senator John Kerry, among others (although at press time it was not known whether these invitations have been accepted).

Harris said the summit will include discussions about strategies to deal with the current economic situation and what is likely to happen in the near future with regard to job creation. It will also address related issues, including plans to push elected representatives to quickly release money that has already been earmarked for economic stimulus.

In conjunction with the event, Harris has also offered to personally invest a total of up to \$1 million of equity capital in area firms that have plans which will support these goals. Baldwin (who owns the Talk Berkshires program through an arrangement with the radio station) has also offered a cumulative total of \$500,000 in advertising time on his program, including promotion of the event and free advertising for firms that create at least 10 jobs in 2010.

Invitations to the summit are being mailed out to about 50 of the area's largest employers. Other employers are also encouraged to sign up for the summit at the event's website, www.berkshirejobsummit.com.

Need for job creation

Harris, whose firm is one of the advertising sponsors of Talk Berkshires, said the idea for the summit was sparked by an appearance on the show in which he and Baldwin offered free Thanksgiving dinners to people who could not afford one. "It felt good to do that, and we started talking about what other community-oriented things we might do," said Harris. "We went out to lunch one day to talk about ideas. Everything seemed to come back to the need for job creation, and the concept of a jobs summit grew out of that."

He said their decision to put up capital and advertising time themselves was an outgrowth of that. He explained that he plans to make available about \$1 million from his own resources, which will be distributed as equity capital to companies looking to upgrade, expand or otherwise grow and create new job opportunities.

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"I am looking at this in terms of an investment, and will select companies based on the merits and prospects of their proposals," he said. "The money could be allocated in any number of ways, with different agreements possible. But basically, you might say it's offering a safer form of financing than a loan for companies who are looking for capital to enhance their businesses."

Harris noted that in their approach to the summit and its goals, Baldwin emphasizes the community goal of job opportunities, while he sees it in more hard-nosed terms.

"Sherman is more interested in the warm and fuzzy aspects of providing jobs," said Harris. "My approach to the issue is tougher. I see it in terms of pure capitalism and how employers can benefit from the current situation, because that's how jobs will be created."

Harris added that, in his opinion, this is the time to hire, because the demand for products and workers is likely to begin shifting in a positive direction as the economy improves in the coming year. "If companies wait too long to begin hiring, they won't be able to benefit from the tight job market, and will have to do more to attract the workers they are going to need," he said.

Tracking transition

Harris said that, as an analyst, he believes that the national economy moved into recovery mode from the recession, at least in terms of

the national gross domestic product (GDP), in July. "There are still a lot of problems, obviously, but the GDP has been improving, and we're seeing increased buying and selling, and that will likely continue," he said. "And the leading indicators for employment also suggest the tide is turning."

Harris predicted that in the early months of this year, unemployment rates are likely to fluctuate up and down, but that the overall trend will be towards a decreasing level of unemployment. "Sometime between March and June I predict we'll start to see net job creation, which will reach meaningful levels in the latter part of this year," he said.

In the meantime, he said, confidence among employers is the key to the pace and strength of recovery.

"In this recession, we've seen the classic pattern in which employers reduce their workforce out of fear as the demand fell and they became more worried about the economy," he said. "They won't start hiring again until they see an increase in demand and their confidence in the economy increases. In terms of jobs, the first step in recovery is when employers start extending current workers' hours and hiring temporary workers to catch up with current demand, which is what we've been seeing. The next step will be when more employers start hiring new full-time workers again."

Harris said one of the purposes of the job summit is to facilitate this transition process on a local level. "Hopefully, this will help the business community to gain confidence that better times are coming, and that there are also things we can do now to stimulate demand for products from Berkshire County," he said. "As confidence and demand increases, that will lead to more job creation. And if employers see the opportunities that exist now in the employment situation, we could see more companies hiring sooner."

Harris, who has owned Berkshire Money Management since 2001, said he has been practicing what he preaches. He noted that his firm originally concentrated on attracting clients from the national, rather than local, market. Then, about a year ago, they changed strategies to focus primarily on serving clients in Berkshire County. Over the past 14 months, he noted, its staff has been expanded from three to seven people, and the company recently bought a building at 392 Merrill Rd. for its offices.

"I feel comfortable encouraging employers to invest in the local economy and hire workers in this economy, because that's what my business has been doing, and it's working out well for us," he said. ♦

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