

# FRONT pages

## CONFIDENCE INDEX

# Firm tracks local economic mood with new survey

BY JOHN TOWNES

Berkshire Money Management has rolled out a new Berkshire Business Confidence Index (BBCI) to track the economic mood and concerns of the county's business community on an ongoing basis.

At the same time, the company, a full-service financial management firm, has also taken a separate step that reflects a high degree of confidence in its own prospects by purchasing a former Crane family mansion in Dalton for its new headquarters.

Berkshire Money Management launched the BBCI this spring and released the findings of the first two rounds of the survey in June and July.

The BBCI is designed to measure the level of optimism and/or pessimism of businesses as they navigate local and national economic trends, seasonal economics, workforce availability, political issues and other factors.

Alan Harris, the founder and owner of Berkshire Money Management, said the goal is to conduct the survey monthly, or as close to that as practical.

The results of the first two surveys showed a mixed picture, according to Harris, who initiated and conducts the BBCI.

"Overall the index showed increased confidence among businesspeople, but nothing staggeringly high," said Harris. "I'd describe it as cautious optimism, with expectations of modest growth in Berkshire County in the coming months. Many businesses are investing in equipment and looking to hire additional workers. But they also have concerns and issues."

For the survey, Berkshire Money Management mails out questionnaires to approximately 5,000 businesses and nonprofits in the region. It tabulates the results of the forms that are returned by recipients. The individual responses are anonymous. The collective results of the surveys are summarized and analyzed on the Berkshire Money Management website ([berkshirerm.com/research-and-advice](http://berkshirerm.com/research-and-advice)) as they are released.

When asked what motivated him to start the survey, Harris had a two-pronged answer.

"To be honest, I originally wanted to do it because I thought it would be fun," he



Berkshire Money Management is preparing for a significant expansion with the move of its headquarters from Merrill Road in Pittsfield to this 12,000-square-foot former Crane mansion at 161 Main St. in Dalton.

said. "I read a lot of surveys about trends in the economy as part of my professional responsibilities. I also enjoy them because it appeals to my geeky side."

Among those followed by Harris are surveys about economic confidence. "While there are national and statewide confidence surveys, there's nothing like that which is focused on Berkshire County," he said. "I decided it would be interesting to do something similar on a hyper-local basis. It's a way to look at how decision makers in the Berkshires view current conditions, and how that is affecting their actions."

Harris said he also believes it can serve a useful purpose by providing a way for people to compare the results of the survey with their own observations and experiences.

"People can use it as a resource to see how their own perceptions match with others," he said. "Hopefully, this can also help them feel more confident about the decisions they make or don't make in their business."

The survey is also a way for members of the business community to share their observations and ideas. While Harris does not consider the BBCI as a venue for affecting public policy, he believes businesses can use it as a stimulus for discussion, and to share ideas for specific solutions for common problems.

Although the BBCI does not have the same level of resources or staff behind it as government agencies or organizations that conduct national surveys, it is based on similar methodologies as its larger counterparts, according to Harris. "It uses a straightforward algorithm," he said.

He noted that the response rate of people who returned the surveys has been about 3 percent so far. "Based on my experience in direct mail, that's about the standard rate you can expect from a mailing," he said.

He added that the replies have come from a

good cross-section of the economy, with different categories of businesses and nonprofit organizations reflected in the responses.

The survey contains 10 questions about such matters as respondents' expectations for their own business, their plans for investments in equipment or facilities, hiring or cutbacks, the specific challenges and opportunities they are experiencing, and their overall perceptions of regional economic conditions.

It includes questions seeking short, direct answers that are measurable and quantifiable.

In addition, the survey provides room for open-ended answers, which enable respondents to provide explanations and context, observations and opinions.

The index is structured as a numerical scale of answers from zero to 100, reflecting negative to positive degrees of optimism and economic activity. A level of 50 is considered the baseline and corresponds to no change. Greater than 50 indicates increased levels of economic activity and optimism, and less than 50 indicates a trend to contraction and pessimism.

The cumulative results of the questions are tabulated and scored. "We assign a score to each response and weigh them together, which gives an indication of how the results are skewing," explained Harris.

The published survey reports combine the numerical index, plus narrative summaries and analysis of the subjective answers that respondents send in.

The overall base index for the first survey in June was 54.8, and in July it was 53.4.

According to the written summary of the first two surveys, area businesses are anticipating modest growth for the Berkshires. However, they are conservative in their forecast as to how that will translate to sales for their own companies.

The summary to the July report concluded that "Berkshire businesses see local overall economic growth as a positive to their financial outcomes, but the optimism they have for their own companies trail slightly their expectations for the region. This is because businesses are having great difficulty finding talent, and they are seeing profits shrink as costs are rising uncomfortably."

The answer with the most positive skew over the two surveys was whether businesses had ample and easy access to financing to support their growth initiatives. In June that figure was 57.4 and in July it was 64.2.

Another possibly related trend was that businesses are investing in new equipment and software to enhance productivity and modernize workflow.

Harris said one of the major challenges that businesses cited was rising costs of doing business. The index number on the question of whether businesses believe that their sales will match rising costs was 36.5 in June and 40.2 in July. Harris believes this reflects national concern with rising prices combined with local factors such as the cost of real estate and energy.

Another major problem that was cited is the difficulty of hiring. "That was one of the most negative responses in the first survey especially," he said. "A number of businesses said they want to hire people, but they are having a difficult time finding and hiring workers with the necessary skills."

Harris said that, as the survey continues, the BBCI can serve as a rolling snapshot of the county's economy and the perceptions of the business community over time.

*continued on next page*

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the month in business

Through Sept. 14: **The River Art Project**, exhibition to raise awareness of the importance of the river environment and its protection, featuring five recognized painters who work with the river as their subject matter: Bart Elsbach, Mary Sipp Green, Stephen Hannon, Scott Prior and Jim Schantz. Half of the net proceeds of each sale will be donated equally to the Housatonic Valley Association and Riverkeeper, nonprofit organizations that are actively working to protect and preserve the Housatonic and Hudson rivers. Thursday through Sunday from 10:30 a.m. to 5 p.m. at Stockbridge Station, 3 Depot Rd., Stockbridge. Information at 413-298-5163 or [www.riverartproject.com](http://www.riverartproject.com).

July 15-17: **A Weekend to Change Lives**, a weekend of events at various locations to support the Berkshire Family YMCA Annual Campaign. All proceeds applied towards the Y's scholarship program which provides financial assistance to community members to access childcare, membership, programs and more. Events include 10K race at Adams Visitors Center on July 15; free family day at Adams Visitors Center on July 15; comedy show and wine/beer tasting July 15 at Berkshire Hills Country Club in Pittsfield; and 17th annual golf tournament July 17 at Waubeeka Golf Links in Williamstown. For more information, go to [berkshirerfamilyymca.org](http://berkshirerfamilyymca.org) and click on the News & Events tab or call 413-499-7650.

July 18, Aug. 15: **Pittsfield Green Drinks**, informal gathering of people interested in conservation and environmental issues on third Tuesday of each month. 5:15 p.m. at J. Allen's Clubhouse Grille. Sponsored by the Berkshire Environmental Action Team (BEAT). For more information and meeting location, contact Jane Winn at [jane@thebeatnews.org](mailto:jane@thebeatnews.org) or 413-230-7321.

July 19: **What is the Quality of our Rivers?** educational program in conjunction with The River Art Project (see related listing). 6 to 7:30 p.m. at Stockbridge Station, 3 Depot Rd., Stockbridge. Information at 413-298-5163 or [www.riverartproject.com](http://www.riverartproject.com).

July 20: **A Healthy Living Panel of Experts: Exploring and Keeping the Berkshires Well**, free program presented by the Jewish Federation of the Berkshires at 10:45 a.m. at Congregation Knesset Israel, 16 Colt Rd., Pittsfield. Participants include John Lutz, executive director of Elder Services; Bobbie Orsi, director of community relations at Home Instead Senior Care; Morgan Ovitky, project coordinator for Be Well Berkshires; and Erica Girenti of Council on Aging and Age Friendly Berkshires. For more information, call 413-442-4360 ext. 10. A kosher lunch follows the program at noon (\$2 suggested donation for adults over 60 years of age, \$7 for all others). Advance reservations required for lunch and can be made by calling 413-442-2200 before 9 a.m. on the day of the program.

July 20-Aug. 6: **Pittsfield Shakespeare in the Park** fourth annual free outdoor production. *Twelfth Night*, opens July 20 and runs Thursdays through Sundays for 12 performances ending Aug. 6. Performances at 8 p.m. on Pittsfield's First Street Common. Audiences are invited to bring picnic blankets and lawn chairs.

Business survey continued from page 4

"We'll be able to see how the confidence indicators change or remain constant, and what issues are most important at different times," he said. "It will also be interesting to compare how confidence about conditions in Berkshire County reflects or differs from national surveys."

While political factors or other national and global issues in these volatile times may affect people's overall confidence, Harris noted that the survey is focused on local business conditions. "People may have mixed feelings or contradictory levels of confidence about conditions nationally, depending on their politics and beliefs," he said. "While that is a factor to be considered, the survey is most concerned with how they see the prospects for their own business and what is happening in the Berkshires."

New headquarters

Meanwhile, in its own plans for expansion, Berkshire Money Management is preparing to move from its 2,100-square foot office on Merrill Road in Pittsfield to a 12,000-square-foot mansion at 161 Main St. in Dalton.

"We had run out of space in our Merrill Road office," said Harris, who is a resident of Dalton. "The business is growing, and the new location will give us a lot more legroom. It's also a beautiful property that will be good for morale."

The company (through a separate entity, Model Farm LLC) purchased the property for \$1 million from Crane & Co. in February.

The mansion was built by Frederick Crane Sr. in 1898. The 28-acre property was also known as the Model Farm, and was a longtime residence as one of several large homes the Crane family built in Dalton.

The property was subsequently owned by Berkshire Health Systems, which used it for conferences and education programs, before selling it to Crane & Co. in the 1990s. It is one of several properties in the region that Crane has been divesting in recent years.

Berkshire Money Management provides investment and portfolio management, estate planning and Social Security and Medicare planning for individuals. It serves about 500 clients, including 100 in Berkshire County.

It currently has a staff of eight. Harris said the firm is looking at hiring at least two additional people in the near future.

Harris attributed the firm's current growth to the fact that many people in its core de-

July 20: **Creditability - Build a Strong Credit History**, free program presented by Greylock Federal Credit Union on issues related to establishing credit or rebuilding credit history. The program, from 5:30 to 6:30 p.m. at Berkshire South Community Center in Great Barrington, will be taught in Spanish and led by Cindy Shogry-Raimier, vice president and director of community development, and Gloria Escobar, community development coordinator. Registration is required. RSVP by calling Escobar at 413-236-4875 or email [gescobar@greylock.org](mailto:gescobar@greylock.org).

July 20, Aug. 17: **3rd Thursdays** monthly outdoor event in downtown Pittsfield with music, performance, food and community activities from 5 to 8 p.m. Organized by the city's Office of Cultural Development. For more information, visit [discoverpittsfield.com/3rdthursdays](http://discoverpittsfield.com/3rdthursdays), email [slemme@pittsfieldch.com](mailto:slemme@pittsfieldch.com) or call 413-499-9348.

July 20-23: **Jewish Festival of Books**, first-ever event, held at Hevreh of South Berkshire in Great Barrington, o-presented by Hevreh and Jewish Federation of the Berkshires, in partnership with the Jewish Book Council. Features free and fee-based lectures, teachings and readings by national, international, and local authors in diverse genres ranging from adult fiction to children's literature to cookbooks. For more information and a schedule of programs, call Hevreh at 413-528-6378, or visit [hevreh.org](http://hevreh.org).

July 23: **Posh Picnic at Tanglewood**, fundraiser for the Berkshire Film and Media Collaborative's educational initiatives, from noon to 2:30 p.m. Includes gourmet catered picnic lunch on the lawn, silent auction and Shed seating for BSO concert. Tickets \$160 per person. For information, call 413-528-4223 or visit [www.berkshirefilm.org](http://www.berkshirefilm.org).

July 23: **A Summer Night at the Theatre**, presented by Williamstown Theatre Festival and Williamstown Chamber of Commerce, with reception at 5 p.m. at The Log on Spring Street, followed by 7 p.m. performance of Sarah Ruhl's Pulitzer Prize finalist comedy *The Clean House* at Williamstown Theatre Festival. Tickets are \$51 and should be reserved by July 21. For information, email Antonello Di Benedetto at [antonello@wtfestival.org](mailto:antonello@wtfestival.org) or Sue Briggs at [info@williamstownchamber.com](mailto:info@williamstownchamber.com).

July 25: **Berkshire Entrepreneurial Meetup**, free event that gathers entrepreneurs together to network, learn and engage. 5:30 to 8 p.m. at Shire Breu-Hous, 63 Flansburg Ave., Dalton. For information, call David Curtis at 413-499-1600.

July 31: **Kids 4 Harmony Summer Gala Concert** presented by Berkshire Children and Families, with a special tribute to the late Carolyn Mower Burns and featuring guest artist Emanuel Ax. At the Robert Boland Theatre at Berkshire Community College, with 6 p.m. reception and 7 p.m. concert. For ticket information, email [info@berkshirechildren.org](mailto:info@berkshirechildren.org) or call 413-448-8281 ext. 236.

mographic are reaching an age where they are seeking financial services to prepare for retirement, or transitions to new careers from their previous professions.

"The timing is right for us," he said. "Our services are in demand as many of the people we serve are organizing their investments and savings, and planning their Social Security and Medicare. We also work with people who are preparing to sell their businesses."

The company has been converting the interior of the mansion for its offices, and plans to move in when that work is completed later this summer. ♦

Aug. 1: **WAM Theatre Fresh Takes Play Reading of Smart People** by Lydia Diamond, hosted by the Williamstown Theatre Festival at 5 p.m. at the Clark Art Institute. Tickets are free but reservations are recommended. For more information and reservations, go to [www.wamtheatre.com/wtf-reading/](http://www.wamtheatre.com/wtf-reading/).

Aug. 3: **Great Barrington Green Drinks**, informal gathering of people interested in conservation and environmental issues. 5:30 p.m. at the Prairie Whale, 178 Main St. For more information, contact Natalie Narotzky at [nnarotzky@gmail.com](mailto:nnarotzky@gmail.com).

Aug. 9: **3rd Annual Summer Music Block Party**, free event held from 6 to 8 p.m. in downtown Cheshire at Town Hall Center, presented by the Cheshire Community Association. For more information, email [cheshireevents@mail.com](mailto:cheshireevents@mail.com) or call 413-717-0673.

Aug. 9: **An Overview of the Source to Sound Paddle**, educational program in conjunction with The River Art Project, an exhibition to raise awareness of the beauty and importance of the river environment and to offer opportunities to educate on how we can protect this valuable resource (see related listing). 6 to 7:30 p.m. at Stockbridge Station, 3 Depot Rd., Stockbridge. Information at 413-298-5163 or [www.riverartproject.com](http://www.riverartproject.com).

Aug. 23: **Chamber Nite** networking event and BBQ, 5 to 7 p.m. at MountainOne Bank at the corner of East Street and Silver Lake Boulevard in Pittsfield. For information, call Danielle Thomas at 413-499-1600.

Aug. 23: **Continuing education workshop** presented by Berkshire Area Health Education Center on "Challenges in Responding to Emotional and Sexual Intimacy Among Residents in Continuing Care Facilities" from 1 to 4:30 p.m. at Sugar Hill Senior Living Community, 45 Main St., Dalton. Led by certified sexuality educator Jane Fleishman. Credits will be offered for professionals. Reduced registration fee of \$25 if paid by Aug. 5 (general public welcome to attend at no charge but pre-registration is required). Go to [www.berkshireahcec.org](http://www.berkshireahcec.org) for more information or to register. ♦



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