

Economic History of the Massachusetts SouthCoast

The Wampanoag Indians were the original natives of the SouthCoast. The tribe has lived for at least 10,000 years at Aquinnah (Gay Head on Martha's Vineyard) where they pursued a traditional economy based on fishing and agriculture. In the early 1600s, the Wampanoag Indians had a population of approximately 12,000 divided between the main lands and the coastal islands. During the years between 1612 and 1620, epidemics devastated the Wampanoag Indian population and many villages were abandoned. The population had been cut by at least half by the time of the landing of the Pilgrims.

The SouthCoast has a storied industrial history that spans from the early 1800's to the present. In 1811, Colonel Joseph Durfee opened the Globe Manufactory in Fall River, which was the first textile factory in the region. Two decades later, the city had seven textile mills and at its height was home to more than 100 cotton mills. Fall River dominated the textile manufacturing industry, and at the end of the 19th century was among the nation's top 25 manufacturing cities and one of the richest cities in the world.

New Bedford also became one of the wealthiest cities in the world during this period with the expansion of the whaling industry. As the whaling trade slowed after the 1840's, textile and apparel manufacturing became the dominant industry in New Bedford. Between 1881 and the beginning of World War I, 32 cotton manufacturing employing over 30,000 people, were incorporated in New Bedford.

Much of the economic activity in the SouthCoast's rural areas was based on agriculture and industries that supported the fishing and maritime trades, including ship building, and rope, lumber, tar, and turpentine production. During the 1890's, the region's coastal towns became summer resort communities for affluent people from the mid-Atlantic states. The region's maritime heritage continued with the development of recreational marinas, fishing, and shellfish harvesting.

Manufacturing in Fall River and New Bedford began a long decline in the twentieth century as petroleum replaced whale oil, textile and manufacturers relocated to the southeastern United States, and industry owners failed to invest in new technologies. During the 1920s, the SouthCoast's industrial problems accelerated as tens of thousands of jobs were lost in the textile and apparel industries alone. This trend continued through the Great Depression and World War II.

The entire region's economic base has been heavily dependent on manufacturing jobs located in the cities and, consequently, its economy has been

extremely volatile with wide fluctuations in unemployment levels between peaks and troughs of the business cycle. While other communities in the state were diversifying their economies by attracting firms in new industries such as aerospace, electronics, defense, and medical research, new industries did not emerge in the SouthCoast region to compensate for the loss of traditional manufacturing jobs. The region remained dependent on traditional manufacturing, and further job losses to other states, nations, and to technological innovation had a crippling effect on the region's economic health. As a result, Fall River's population declined from more than 140,000 in 1920 to 91,938 in 2000, while New Bedford's population declined from more than 150,000 in 1920 to 93,768 in 2000.

Although the region experienced an increase in jobs during the "Massachusetts Miracle" of the 1980's, the manufacturing sector continued its long decline. From 1983 to 1990, over 370,000 private sector jobs were created in Massachusetts, but manufacturing lost nearly 73,000 jobs statewide. New Bedford and Fall River suffered the most significant manufacturing job losses in the state. In 1985, for example, manufacturing employment accounted for 43.4% of total employment in New Bedford and 42.7% in Fall River, whereas manufacturing accounted for only 21.1% of total employment statewide in Massachusetts.

However, between 1985 and 2005, manufacturing employment in New Bedford fell by 67.0 percent, from 20,528 to 8,045. In Fall River, manufacturing employment declined by 45.7 percent, from 17,463 in 1985 to 8,178 in 2005. In 2005, manufacturing accounted for only 21.6 percent of employment in New Bedford and 21.7 percent of employment in Fall River, although Fall River and New Bedford are still twice as dependent on manufacturing jobs as the state (9.6%) as a whole.

Thus, for more than a decade, the New Bedford and Fall River areas have struggled with the structural shocks of de-industrialization. The cumulative effects of nearly three-quarters of a century of "de-industrialization" produced an acute employment shock in the region between 1985 and 2005. The failure to modernize workforce skills, production technologies, and product development finally proved devastating to the region's economy as total employment in New Bedford declined 21.0 percent, from 47,352 in 1985 to 37,385 in 2005, and total employment in Fall River declined by 7.8 percent, from 40,881 in 1985 to 37,684 in 2005. The erosion of the cities' manufacturing base accounts for a significant portion of the total employment decline.

Only gradually and belatedly has the opposite process of "post-industrialization" begun to take hold in the region's economy. The SouthCoast region's transition to a post-industrial economy is evident in the shift from "blue-collar" manufacturing to high-tech manufacturing and services. Between 1960 and 1990, services replaced manufacturing as the single largest employment sector in the

SouthCoast. Currently, allied health services and business services are two of the most rapidly expanding employment sectors in the region and they are projected to remain at the forefront of the region's employment growth in the future. The SouthCoast's overall economy will likely be sustained in the future by a high-tech renewal of manufacturing (especially electronics, instrumentation, telecommunications, and textiles and apparel), while much of the region's new growth will develop around allied health services, business services, social services, and professional services.