
FROM THE PRESIDENT



Throughout its history, *MassBenchmarks* has documented the economic condition of the Commonwealth and has highlighted major challenges and opportunities facing Massachusetts. This issue is no exception.

In his analysis of the state of the state economy, UMass Boston Professor and *MassBenchmarks* co-editor Alan Clayton-Matthews offers a cautiously optimistic view of the near-term outlook for the Massachusetts economy.

On the positive side, the Commonwealth's science and technology-driven economic engine appears to be firing on all cylinders. As Professor Clayton-Matthews documents, investment in our innovation-led industries is growing robustly, exports are at near-record highs, and many of our leading technology companies are thriving. These developments have improved state economic growth and some long-awaited albeit modest job creation.

However, a decline in the Massachusetts housing market is weighing heavily on the Commonwealth's near-term growth prospects. In 2006, the housing market experienced a sharp fall in sales, modest price declines, and rising foreclosure filings. According to Professor Clayton-Matthews, these conditions and a weak labor market may portend slowing growth in 2007.

This quarter's regional analysis examines the difficult economic conditions that have confronted small technology enterprises in the Berkshires in recent years. In this article, UMass Amherst Professor and *MassBenchmarks* Executive Editor Robert Nakosteen documents the recent decline of many of the small technology-intensive firms that only a few short years ago seemed to offer the Berkshire region a promising potential growth sector to help offset the region's declining traditional industries.

Finally, this issue of *MassBenchmarks* also examines the condition and prospects for a potential growth sector for the entire state — the clean energy industry. As UMass Boston Professors David Terkla and David Levy document in their feature article, this emerging industry is alive and well in Massachusetts. And as Dr. Linda Plano, associate director of the Massachusetts Technology Transfer Center (MTTC) aptly notes in this issue's EndNotes, the clean energy sector will need to be continually cultivated if the Commonwealth is to capture the substantial economic promise and environmental benefits that this emerging industry is poised to offer.

A handwritten signature in black ink, which appears to read "Jack M. Wilson". The signature is fluid and cursive, written on a white background.

Jack M. Wilson, President