

Harrisonburg Ranks High In Economic Study

Local Metro No. 22 In Nation Among Small Cities

By **JEREMY HUNT**
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HARRISONBURG — The Harrisonburg metro is among the top regions in the country for economic vitality, according to a recent study.

The Milken Institute's Best- Performing Cities 2012 ranks the metro area, which includes the city and Rockingham County, 22nd out of 179 small cities.

Last year, the Harrisonburg area ranked 18 on the list.

“It's done really well in terms of its education and health care services... James Madison [University] and Rockingham Memorial [Hospital] have been the key drivers with respect to that,” said report co- author Armen Bedroussian. Bedroussian is a senior economist with the Milken Institute, a think tank with offices in Santa Monica, Calif., and Washington, D.C.

Its annual report analyzes data, much of which comes from the federal government, related to jobs, wages and technology. The Jan. 17 report does not look at “input measures” such as the cost of business, cost of living or quality of life.

Technology is one of the biggest components in the report, Bedroussian said.

Harrisonburg comes in behind Las Cruces, N.M., at No. 21 and just ahead of No. 23 Victoria, Texas. Logan, Utah, tops the list of small cities.

The only small city in Virginia ranked higher than Harrisonburg is Charlottesville at No. 11. Charlottesville is home to a major research hospital in the University of Virginia Medical Center, as well as the University of Virginia itself.

The Blacksburg- Christiansburg-Radford metropolitan statistical area came in at 32, while Winchester was ranked 67 and Lynchburg, 72.

For large cities, the San Jose-Sunnyvale-Santa Clara, Calif., MSA topped the list.

Small cities that ranked near the top had either high public sector employment, especially in the higher education field, or a growing energy industry.

The Harrisonburg metro area falls into the former category with JMU, but Bedroussian said it also has a stable nondurable goods manufacturing sector driven by a strong poultry industry.

Though not mentioned in the Milken Institute report, Eastern Mennonite University, Bridgewater College and Blue Ridge Community College in Weyers Cave are also key to the metro area's economic strength.

Bedroussian said the report could be used to inform economic development decisions.

“This type of information . . . can help start a discussion, help shape policy and really provides a tool for helping to understand consumer markets and business opportunities,” he said.

In its report, the Milken Institute broke down rankings for each metro area into specific categories. Highlights for Harrisonburg include high tech GDP growth. For the five years ending in 2011, the metro area ranked 22 in terms of high tech GDP, and No. 7 in the same category for 2010 to 2011.

The area has several tech- related firms, including Rosetta Stone, Serco and SRI Shenandoah Valley.

Brian Shull, director of economic development for Harrisonburg, pointed to the No. 7 high tech GDP rank in particular as a “very positive sign.”

Shull said the metro’s drop by four spots in this year’s ranking isn’t a concern, saying changes are to be expected in year-to-year measures.

“The fact that we’ve stayed in one of the higher levels overall, I’m very encouraged [by],” he said.

Harrisonburg and Rockingham County are on the right track when it comes to economic development, he added.

“We continue to strengthen our partnerships with local colleges and universities and also continue to target technological development as one of our target sectors,” he said.

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