



Issue 12

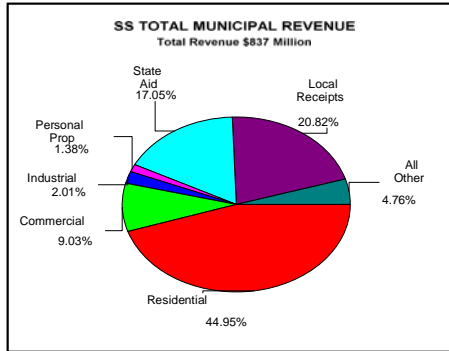
Fall 2005

## MUNICIPAL REVENUE FY05 *South Shore CCSA*

By: Daniel Messier - MERC Intern II

The South Shore Commercial Cohesive Statistical Area™ (CCSA) total municipal revenue for fiscal year 2005 was \$837 million, an increase of \$34 million from fiscal year 2004's \$803 million. Municipal revenue includes state aid, local receipts, and the "all other" category. The remainder of the municipal revenue is the total tax levy, which is divided into groups consisting of: personal property, industrial, commercial, open space, and residential real estate. Personal property is made up of furnishings of second homes and some inventories and equipment of unin-

Graph 1



corporated businesses. The "all other" category includes free cash and other available funds. Local receipts include local vehicle excise taxes, licenses, and charges for services (See Graph 1). In fiscal year 2005, the South Shore local receipts provided 20.8% of municipal revenue, State aid 17.1%, and "all other" about 4.8%. These percentages remained virtually unchanged from the previous year. The South Shore generated 57.4% of its municipal revenue from the total tax levy. For 2005, residential real estate taxes made up 44.9% of municipal revenue, up slightly from 2004. Commercial real estate taxes,

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"[a] leading example of economic development assistance among the state colleges...that directly benefits employers, Chambers of Commerce, nonprofit organizations, school districts, municipal governments, legislators, residents, and community groups" - State Senate Task Force Report on Public Higher Education, commending MERC on its program.

### Calendar of Events

- MERC Advisory Board Meeting: March 24, 2006 (tentative)
- MERC Spring Conference: May 5, 2006
- ACCRA Cost of Living Survey: April 6-8, 2006

Contact MERC @ (508) 626-4033 for more information on these events.

## ANNUAL METROWEST MERC CONFERENCE *MetroWest at Mid-Decade*

By: Stephanie Lampila & Charles Schumacher—MERC Intern II's

On June 7, 2005, MERC held its 13th Annual MERC Conference on the MetroWest Economy at the Crowne Plaza in Natick. The Conference featured the most recent economic data for the region. MetroWest is comprised of the towns of Ashland, Framingham, Holliston, Hopkinton, Natick, Sherborn, Southborough, Sudbury, and Wayland. The conference coincided with the release of MERC's annual publication, *MetroWest CCSA Economic Profile 2005*, which includes in-depth analysis of MetroWest region's economy today. The following contains highlights from the Conference.

### Cost of Living

In April 2005 the MERC

MetroWest Cost of Living Index stood at 114.0, compared to the base period in April of 2001, where the index equaled 100. During the last year, from April 2004 until April 2005, the Cost of Living Index in MetroWest increased by 7.6%. Since October 1997, the index has risen at a much faster rate than was seen in previous years, with an average annual increase of 4.7% a year.

The Housing Index for MetroWest was quite stable through most of the nineties but it also began to rise at a faster rate in October of 1997. Since then, the average annual increase has been almost 8.9%. The driving force behind this is the rise in the cost of a new home in the market basket, from \$246,900 in October 1997 to approximately \$629,000 in April 2005.

When comparing MetroWest to the US, in October 2004, the Overall Cost of Living Index in MetroWest was slightly more than 41% above the U.S. Cost of Living average for which the index value is set to 100. McAlester, Oklahoma had the lowest Cost of Living index (79.1 and Manhattan, New York had the highest Overall Index (211.6). MetroWest, with an index value of 141.2, ranks eleventh highest in the country; Boston had an index value of 138.6 and ranks fifteenth in the nation. The largest contributor to the high overall index in MetroWest was the Housing Index. In October 2004, the Housing Index was nearly double the U.S. average. MetroWest had the eleventh highest ACCRA Housing Index; Boston had the fifteenth highest.

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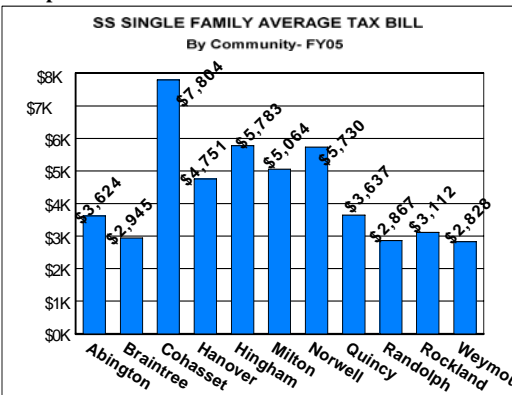
## Municipal Revenue FY05

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generated 9.0% of municipal revenue in 2005, lower than 2004. Industrial real estate taxes made up 2% of municipal revenue, which remained virtually unchanged from FY04, while personal property taxes accounted for 1.4%, down from FY04.

The average residential single family tax bill for the South Shore CCSA for Fiscal Year 2005 varied widely by community. It ranged from a high of about \$7,804 in Cohasset to a low of \$2,828 in Weymouth. The remaining communities had tax bills that fell between \$2,900 and

Graph 2



\$5,800 (See Graph 2). The average single family tax bill in each community was calculated by multiplying the value of the average single family dwelling by the respective tax rate. The South Shore single family assessed value totaled a little over \$28.2 billion and the number of single family dwellings in the area totaled 72,470. The average single family assessed value for the South Shore in 2005 was \$389,414 which increased from the previous year by \$70,623, or 22.2%. The estimated South Shore average single family tax bill for FY05 was \$3,925.

In fiscal year 2005 the total assessed value for all property in the South Shore CCSA was \$43.2 billion. Residential real estate accounted for 86.6% of total assessed value, an increase of 1.7% from fiscal year 2004. The commercial and industrial (C&I) real estate share decreased from 2004's 13.2% to 12.1% in 2005. The remaining 1.3% of assessed value was accounted for by personal property which represented a decrease from 2004's 1.9%.

For fiscal year 2005 the South Shore CCSA residential tax rates by municipality ranged from a high of \$11.47 per thousand in Rockland to a low of \$8.38 per thousand in Braintree. Commercial and Industrial (C&I) rates varied widely by community, from a high of \$22.32 per thousand in Quincy to a low of \$9.96 per thousand in Hingham. The communities of Abington, Cohasset, Hingham, Norwell, and Rockland had the same rates for residential and C&I property. The remaining communities of Braintree, Hanover, Milton, Quincy, and Weymouth all had split tax rates.

## MERC Interns - Fall 2005

### Intern II's

**Casey Chmielecki '06**

*Business Administration*

**Stephanie Lampila '06**

*Business Administration*

**Mark Marchioli '06**

*Business Administration*

**Daniel Messier '06**

*Business Administration*

**Charles Schumacher '07**

*Economics*



### Intern I's

**Paul Augustine '07**

*Business Administration*

**Rebecca Cherney '06**

*Business Administration*

**Tunde Cser '06**

*Business Administration*

**Nathan Jordan '07**

*Business Administration*

**Michelle Lattari '06**

*Business Administration*

## OCTOBER 2005 UNEMPLOYMENT RATES

Not Seasonally Adjusted  
(Preliminary Data)

<b>Blackstone Valley</b>	<b>3.8%</b>
Blackstone	4.0%
Douglas	3.8%
Grafton	3.7%
Hopedale	3.6%
Mendon	4.0%
Millbury	4.1%
Millville	3.7%
Northbridge	4.2%
Sutton	3.6%
Upton	4.0%
Uxbridge	3.7%
<b>Greater Franklin</b>	<b>3.5%</b>
Bellingham	3.4%
Blackstone	3.7%
Foxborough	3.7%
Franklin	3.5%
Medfield	3.1%
Medway	3.5%
Millis	3.4%
Norfolk	3.7%
Wrentham	3.5%
<b>Greater Marlborough</b>	<b>3.5%</b>
Hudson	4.1%
Marlborough	3.6%
Northborough	2.9%
Westborough	3.3%
<b>MetroWest</b>	<b>3.3%</b>
Ashland	3.4%
Framingham	3.4%
Holliston	3.4%
Hopkinton	3.2%
Natick	3.3%
Sherborn	3.1%
Southborough	3.7%
Sudbury	3.1%
Wayland	2.9%
<b>Milford</b>	<b>3.9%</b>
<b>South Shore</b>	<b>4.2%</b>
Abington	4.2%
Braintree	4.2%
Cohasset	3.4%
Hanover	3.9%
Hingham	3.2%
Milton	3.6%
Norwell	3.6%
Quincy	4.5%
Randolph	4.7%
Rockland	4.3%
Weymouth	4.4%
<b>Massachusetts</b>	<b>4.3%</b>
<b>United States</b>	<b>4.6%</b>

## Annual MetroWest MERC Conference

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### Housing

The estimated median price for existing single-family homes sold in MetroWest in 2004 was almost \$485,000. Since 2000, median price in the region has increased by more than \$120,000, or 36.2%. In 2004, median price ranged from almost \$362,000 in Framingham to more than \$729,000, in Sherborn.

### Employment

In 2003, the last full year for which there is data, MetroWest CCSA employment totaled 103,400 jobs, down 1,300 jobs or 1.3% from 2002. Total employment peaked in 2001 at 106,000, a historical high for the region. Since that time, MetroWest lost 2,600 jobs, a 2.45% decline. However, during the same period the state lost 4% of its employment.

The MetroWest average annual wage, which is total payroll divided by total employment, was \$53,800, up \$3,800, or 7.5% since 2002. This exceeded

the Massachusetts average annual wage of \$46,300.

### Job Churning

Between 2002 and 2003, there was a small negative net change (-1.3%) in the number of jobs in the MetroWest CCSA. However, this was the result of a +3.6% rate of job creation being simultaneously offset by a 4.9% rate of job destruction, a pattern nearly identical to that of the previous year. In 2003, the MetroWest job reallocation rate was 8.5% (the 3.6% rate of job creation plus the 4.9% rate of job destruction), meaning that 8,900 jobs were either created or destroyed in 2003.

### K-12 Enrollment

Public School enrollment in the MetroWest CCSA increased in 2004 from the previous year by more than 32,000 students in the nine towns. Total enrollment in MetroWest public schools has increased by approximately 29% over the last decade. Hopkinton, Southborough, and Sudbury each experienced an increase of more than

50% over the decade.

### Municipal Revenue

Total Municipal Revenue for the nine towns of the MetroWest CCSA totaled more than \$610 million in FY05. During the same time period, the MetroWest tax levy totaled nearly \$400 million, while State Aid was more than \$75 million. Total assessed property values in MetroWest in FY05 amounted to \$29.4 billion. The average single-family residential tax bill in MetroWest ranged from \$4,129 in Framingham to \$9,889 in Sherborn.

To learn more about the MetroWest economy, our annual publication, *MetroWest CCSA Economic Profile 2005*, is available for purchase. Please contact MERC at (508) 626-4033 or visit our web site at [www.merc-online.org](http://www.merc-online.org) for further information.



## MERC TIDBITS

*“A Sign of The Times?”*  
ACCRA periodically revises the market basket used for its cost of living survey to reflect changes in spending patterns. In its most recent revision a fifth of scotch was removed from the market basket and was replaced with a 30-day supply of Lipitor!

### *“Sub-State Labor Force Data Revised”*

In January 2005, the U.S. Bureau of Labor Statistics (BLS) changed the method of computing labor force data for sub-state areas. In April '05, BLS found errors affecting employment inputs, therefore skewing some data between 2000 and 2004. Effects of this were expected to be small, and MERC continuously makes appropriate changes to the data series.

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## Changes In Unemployment Rates

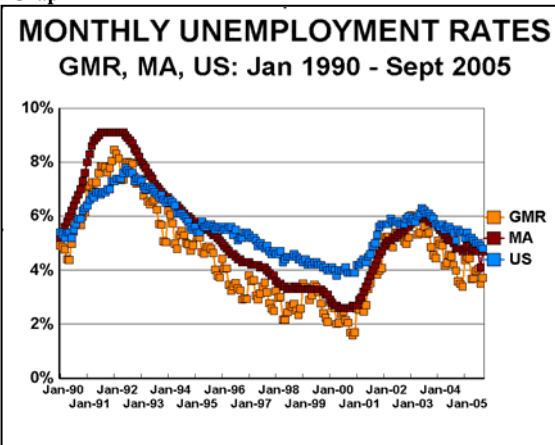
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in GMR, Massachusetts, and the United States. As the graph shows, there are two peaks for the unemployment rates in 1992 and 2003. These high rates coincide with the two most recent recessions. The Greater Marlborough Region reached a high unemployment rate of 8.5% in January 1992, and the Massachusetts high rate was 9.1% from July 1991 to May 1992. During the recession of the early 90's, both the regional and state rates exceeded the United States peak rate of a 7.8%, which occurred in June of 1992. As for the most recent recession, peak unemployment rates for GMR and Massachusetts were

below that of the nation. The rate in GMR peaked at 6% in January of 2003, while the Massachusetts peak rate was 5.9% from April 2003 to August 2003. The United States peak unemployment rate

was 6.3% in June of 2003. Graph 2 also shows that GMR, Massachusetts, and the United States experienced the lowest rates during 2000. The rate in GMR plummeted to 1.6% in November 2000, while Massachusetts had a 2.6% unemployment rate from May to October, and the United States rate dropped to 3.9% from September to December.

Graph 2



For additional unemployment information for other regions within the state, please visit the MERC's revamped web site, at [www.merc-online.org](http://www.merc-online.org).

*A Final Note:* The unemployment rates for the areas and towns are not seasonally adjusted. For purposes of comparison, the rates referred to for the state and the nation are also not seasonally adjusted.



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## CHANGES IN UNEMPLOYMENT RATES Greater Marlborough Region

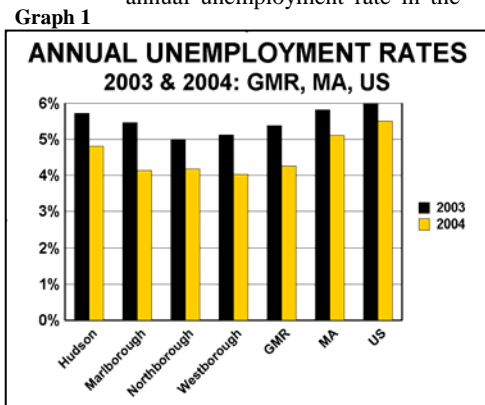
By: Mark Marchioli - MERC  
 Intern II

The unemployment rate in the Greater Marlborough Region was 3.7% in September 2005, an increase from the previous month's unemployment rate of 3.5%. The Greater Marlborough Region (GMR) consists of the neighboring communities of Hudson, Marlborough, Northborough, and Westborough. Massachusetts' unemployment rate for September 2005 increased six-tenths of a percentage point over the previous month to 4.7%, while the United States rate continued to decline, falling to 4.8%, the lowest unemployment rate the nation has seen since July of 2001. In September 2005, GMR, Massachusetts, and the United States had unemployment rates lower than their rates in September 2004. GMR and the United States rates dropped three-tenths of a percentage point, while

Massachusetts decreased by just one-tenth of a percentage point from the prior year.

As Graph 1 shows, the annual unemployment rates for 2004 decreased from 2003 in all GMR communities and in both the state and nation. The United States annual rate decreased from 6% in 2003 to 5.5% in 2004, while Massachusetts experienced a larger decrease from 5.8% in 2003 to 5.1% in 2004. The GMR unemployment rate decreased just over one percentage point from an annual rate of 5.4% in 2003 to 4.3% in 2004. Within the region, Marlborough experienced the largest decrease from the previous year's annual

rate. In 2004, Marlborough's rate was 4.1%, a decrease of 1.4 points from the 2003 annual rate of 5.5%. Hudson had the highest annual unemployment rate in the



region for both years, at 5.7% in 2003 and 4.8% in 2004.

Graph 2 illustrates the unemployment rates for each month from January 1990 to September 2005

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**Happy Holidays!**  
 From your friends at MERC,  
 have a safe and wonderful holiday season this year!