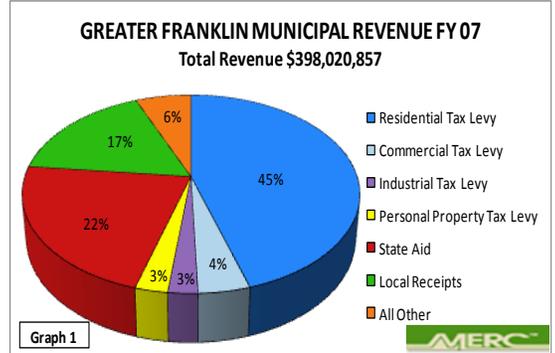




Greater Franklin Region Municipal Revenue and Expenditures

By: Nicholas Lyman—MERC Intern II

The Greater Franklin Region consists of the following nine towns: Bellingham, Blackstone, Foxborough, Franklin, Medfield, Medway, Millis, Norfolk, and Wrentham. Its total municipal revenue for the fiscal year (FY) 2007 was about \$400 million, almost a \$30 million increase from FY2006. Municipal Revenue includes the total tax levy (broken down into five subgroups), state aid, local receipts, and an “all other” category. Local receipts include vehicle excise taxes, licenses, and charges for services. The “all other” category includes free cash and other available funds. State aid consists of aid given directly to the respective communities for education and general government. Educational state aid given directly to regional and vocational school districts is not included. The five subgroups of the tax levy are personal property (composed of furnishings of second homes and inventories and equipment of unincorporated businesses), residential, open space, commercial, and industrial real estate. As seen in Graph 1, the Greater



Franklin Region collected 55% or \$217 million of its municipal revenue from the total tax levy, of which 45% came from the residential tax levy. The remaining three components of municipal revenue in FY2007 were State Aid with 22%, Local Receipts with 17%, and “all other” with 6% of total municipal revenue. These

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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, legislators, residents, and community group” - State Senate Task Force Report on Public Higher Education, commending MERC on its program.

Calendar of Events

- Eastern Economic Association: March 7-9, 2008
- MERC Advisory Board, March 28, 2008
- Cost of Living Survey: April 3-5, 2008
- Annual MERC Conference: May 9, 2008

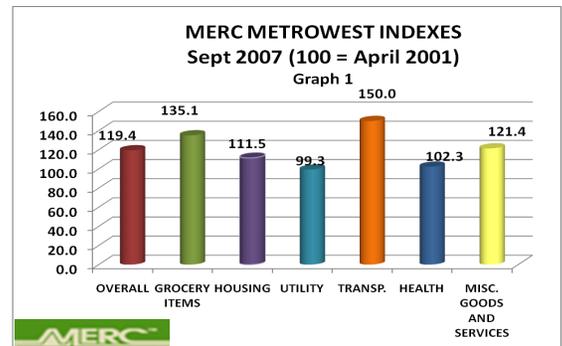
Contact MERC @ (508) 626-4033 for more information on these events.

MetroWest Cost of Living

By: Sarah Killeen—MERC Intern III

The MetroWest region includes the following nine towns: Ashland, Framingham, Holliston, Hopkinton, Natick, Sherborn, Southborough, Sudbury, and Wayland. Twice a year MERC participates with the Council for Community and Economic Research, also known as C2ER, in a cost of living survey. In the past this survey has been done in April and October. However, this year C2ER changed the dates of their surveys, so our 2007 data were collected in May and September. The MERC interns collect data on the prices of a market basket of 57 goods and services that have been selected by C2ER as representative of the items that are typically purchased by professional and executive households. These goods and services are grouped into six sub-categories: Grocery Items, Utilities, Health Care, Housing, Transportation, and Miscellaneous Goods and Services. The results obtained from MERC’s cost of living survey are sent to C2ER and published in their report which compares living costs in participating communities across the United States. MERC also uses the data to calculate an index which measures changes in the cost of living in MetroWest over time. These MERC indexes are compared to a base period, April 2001, which always equals 100.

Graph 1 depicts the MERC MetroWest indexes for the 6 sub categories as well as the overall



cost of living index in September 2007. The overall MERC index for MetroWest stood at 119.4 in September 2007. This number means that the overall cost of living in MetroWest was about 20% higher in September 2007 than it was in April 2001. The highest index was the Transportation Index at 150.0. The cost of transportation in MetroWest in September 2007 was approximately 50.0% higher than it was in April 2001. The cost of grocery items in MetroWest was also high, with prices about 35.1% higher than they were in April 2001. On the low end were the Health Care and Utility categories with indexes of 102.3 and 99.3 respectively. This shows that the cost of health care in MetroWest had only increased about 2.3% since April 2001, while utility costs actually decreased by about .5% during that time.

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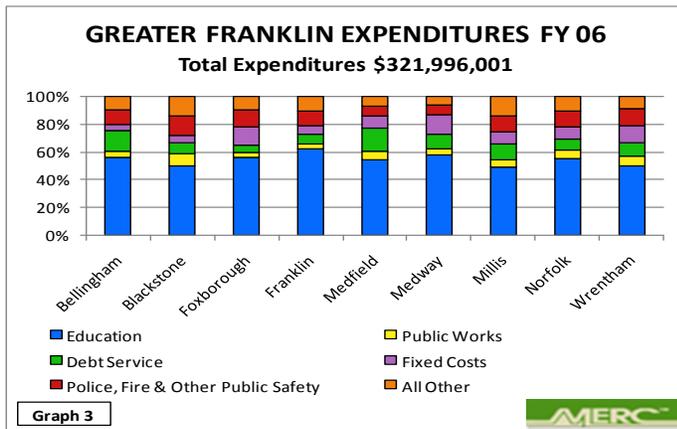
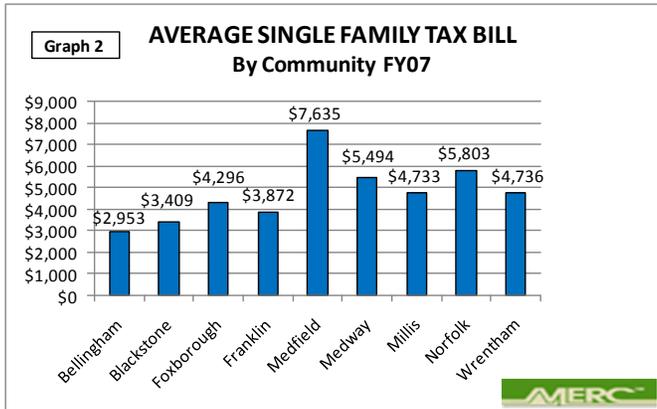
Greater Franklin Region Municipal Revenue and Expenditures

(Continued from page 1)

percentages remained fairly consistent over the previous three years, changing by less than 2% each year.

Graph 2 shows the average single family tax bill in FY2007 for each of the nine communities. Medfield was clearly the highest at \$7,635, over \$1,800 more than the community with the second largest average tax bill, Norfolk. Medway was the only other community above \$5,000, while Bellingham was the only community with an average single family tax bill under \$3,000. Five of the nine communities fell in between \$3,409 (Blackstone) and \$4,736 (Wrentham).

Expenditures are broken into six major categories: Education, Public Works, Debt Service, Fixed Costs, Police, Fire & Other Public Safety, and "All Other." Expenditure data for FY2006 can be seen in Graph 3. Expenditures in the Greater Franklin region in FY2006 totaled \$322 million. It is no surprise that Franklin recorded the highest total expenditure in FY2006 (\$80 million), as its population was over 30,000, nearly double that of the next largest community (Foxborough). Franklin was also the only community to spend over 60% of its general fund on education, a total of \$49.7 million. Millis, the community with the smallest population, coincidentally spent the smallest percentage of its general fund, 49% or \$9.2 million, on education. The entire GFR spent over 56% of the general fund on education. Public Works generally accounted for a small percentage of expenditures, totaling just 8.5% in Blackstone where it appeared as the largest percentage of the general fund among the nine communities. The community with the smallest percentage of the general fund spent on Public Works was Franklin, 3.6%. The community that spent the largest percentage of its fund on Debt Service in FY2006 was Medfield at 16.7%, while the community that spent the smallest percentage was Foxborough at 4.9%. Foxborough was also the town that spent the highest percentage of the general fund on fixed costs at 13.3%, while the smallest was Bellingham, 4.3%. Police, Fire & Other Public Safety have been combined into one category. Blackstone recorded the highest percentage of the general fund spent on Public Safety at 13.4%, or \$1.9 million. Wrentham was not far behind at 12.4%, or \$3.5 million. The two communities with the smallest percentages of the general fund spent on Public Safety in FY2006 were Medfield (7.1%) and Medway (6.5%), totaling \$2.8 million and \$2.3 million, respectively. "All other" is the final category of expenditures. The all other category ranged from about 6% in Medfield and Medway to about 14% in Blackstone and Millis.



MERC Interns - Fall 2007

Senior Intern

Sarah Killeen

Intern II

Nicholas Lyman
Michael Murphy
Sean Stevens



Intern I

Renee Leonard
Garrett Mezzetti
Keith Reitman
Bruce Serret
Lisa Shilale

Save the Date!

16th Annual MERC Conference

Combined MetroWest and Greater Marlborough Economies

Friday, May 9, 2008

8-10:30 AM

Sheraton Framingham Hotel, Route 9

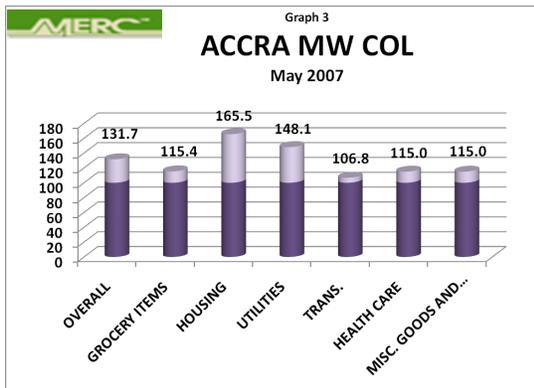
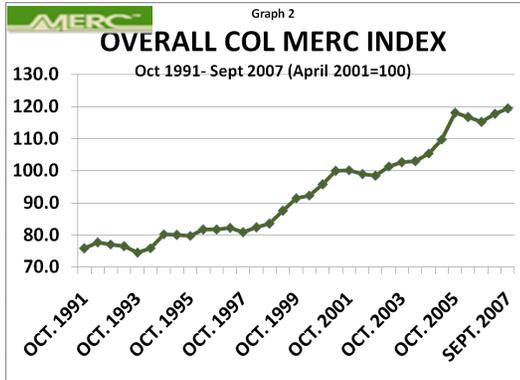
www.merc-online.org

MetroWest Cost of Living

(Continued from page 1)

MERC has been computing the Overall Cost of Living Index for MetroWest since 1991, as seen in Graph 2. Again, April 2001 is the base which is equal to 100. In October 1993, the overall index was approximately 76, the lowest value of the index over the entire period. From this point the index grew steadily until October 2005 where it reached a peak at an index of 118. Following this 2005 peak the index decreased for two periods in a row before increasing for the next two periods and topping out at a current index of 119.4 for September 2007.

Graph 3 illustrates the ACCRA MetroWest Cost of Living indexes for the 6 sub categories and the Overall Index for May of 2007. C2ER was previously known as ACCRA, and even though the organization has changed its name, their index is still titled the ACCRA Index. The bottom part of the bar equals 100 representing the national average cost of living, which is calculated by C2ER as the average cost of the market basket for all communities participating in the May 2007 survey. MetroWest had an Overall index of 131.7 which means that the cost of living in MetroWest was approximately 31.7% higher than the national average.



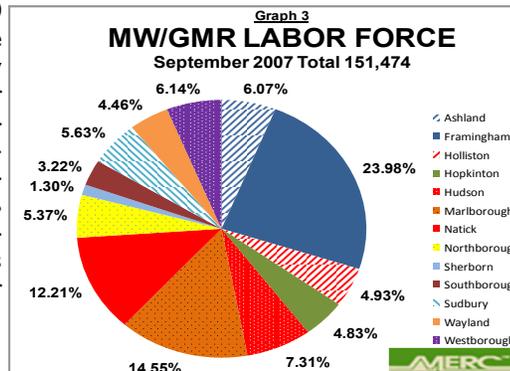
Graph 3 illustrates the ACCRA MetroWest Cost of Living indexes for the 6 sub categories and the Overall Index for May of 2007. C2ER was previously known as ACCRA, and even though the organization has changed its name, their index is still titled the ACCRA Index. The bottom part of the bar equals 100 representing the national average cost of living, which is calculated by C2ER as the average cost of the market basket for all communities participating in the May 2007 survey. MetroWest had an Overall index of 131.7 which means that the cost of living in MetroWest was approximately 31.7% higher than the national average. The lowest ACCRA index was Transportation with an index of 106.8. This is interesting because this was the highest MERC index in September 2007. This means that while the cost of transportation in MetroWest was 50% more expensive in September 2007 than it was in April 2001, it was only about 6.8% higher than the May 2007 national average. The highest ACCRA index was housing with an index of 165.5. However, the September 2007 MERC Housing Index was only 111.5. Therefore, while the cost of housing in MetroWest was only approximately 11.5% higher in September 2007 than it was in April 2001, it was about 65.5% higher than the national average in May 2007.

MetroWest/Greater Marlborough Unemployment

(Continued from page 4)

However, when comparing the lowest unemployment rates, Massachusetts bottomed out in August 2007 at 4.3% while the United States did so in October 2006 at 4.1%. Thus, while the MetroWest and Greater Marlborough Regions had unemployment peaks at the same time as the state and nation, these two regions did not follow the unemployment trends of the state and nation when it came to their lows.

Looking into the total labor force in the combined MW/GMR in September 2007, the total number of individuals in the labor force was over 151,000. As shown by Graph 3, Framingham had the largest proportion in the labor force, 24.0%, or over 36,000 individuals. Marlborough was second in labor force size at 14.6%, or over 22,000 individuals followed by Natick with 12.21% of the labor force, or over 18,000 individuals. These three communities combined for over 50% of the total labor force. Sherborn was the community with the smallest percentage of the labor force with a contribution of 1.30% followed by Southborough with 3.22%. The remaining eight communities had labor force contributions ranging from 4%-8% in the month of September 2007.



September, 2007 UNEMPLOYMENT RATES

Not Seasonally Adjusted
(Preliminary Data)

495/MW	3.8%
Blackstone Valley	4.2%
Blackstone	4.6%
Douglas	4.5%
Grafton	4.5%
Hopedale	4.0%
Mendon	3.4%
Millbury	4.4%
Millville	4.3%
Northbridge	5.3%
Sutton	3.8%
Upton	4.6%
Uxbridge	4.4%
Greater Franklin	3.8%
Bellingham	4.3%
Blackstone	4.6%
Foxborough	4.1%
Franklin	3.6%
Medfield	3.2%
Medway	3.4%
Millis	3.7%
Norfolk	3.9%
Wrentham	3.4%
Greater Marlborough	3.8%
Hudson	4.1%
Marlborough	3.8%
Northborough	3.7%
Westborough	3.6%
MetroWest	3.3%
Ashland	3.4%
Framingham	3.4%
Holliston	3.6%
Hopkinton	3.3%
Natick	3.2%
Sherborn	3.1%
Southborough	3.2%
Sudbury	3.3%
Wayland	3.0%
Milford	4.1%
South Shore	4.3%
Abington	4.3%
Braintree	4.5%
Cohasset	3.4%
Hanover	3.5%
Hingham	3.3%
Milton	3.9%
Norwell	3.9%
Quincy	4.3%
Randolph	5.0%
Rockland	4.5%
Weymouth	4.4%
Massachusetts	4.4%
United States	4.5%



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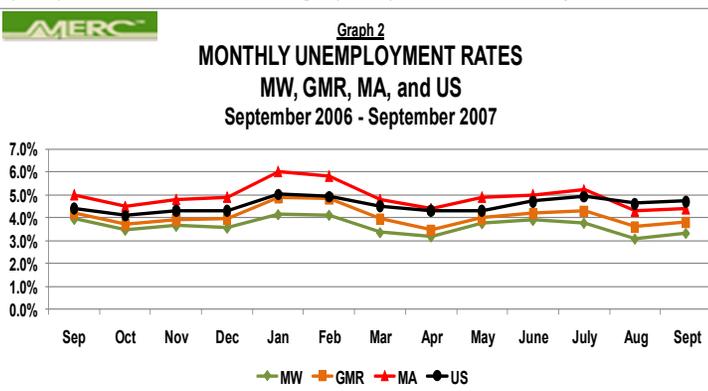
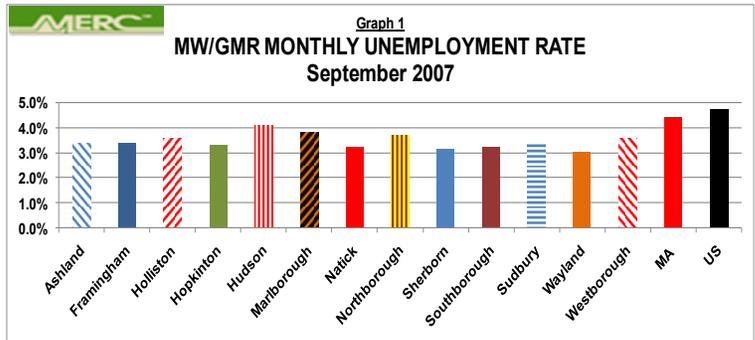
To:

MetroWest/Greater Marlborough Unemployment

By: Michael Murphy — MERC Intern II

The combined MetroWest and Greater Marlborough (MW/GMR) region includes thirteen communities: Ashland, Framingham, Holliston, Hopkinton, Hudson, Marlborough, Natick, Northborough, Sherborn, Southborough, Sudbury, Wayland, and Westborough. For September 2007, as shown in Graph 1, Wayland posted the lowest unemployment rate of 3.0% while Hudson posted the highest at 4.1%. The remaining communities posted unemployment rates ranging from 3.1% - 3.8%. All communities in the combined region posted unemployment rates lower than the Commonwealth's unemployment rate of 4.4% and the nation's rate of 4.7%.

For the one-year period from September 2006 to September 2007, the monthly unemployment rates for MetroWest (MW) and Greater Marlborough (GMR) were consistently lower than Massachusetts' and United States' unemployment rates (See Graph 2).



The lowest unemployment rate for the Greater Marlborough Region occurred in April 2007 at 3.5%, and for the MetroWest Region a rate of 3.0% in August 2007. Over the one-year time period, the monthly unemployment rates peaked for both regions in January 2007. The Greater Marlborough Region's rate was 4.9% and the MetroWest Region's rate was 4.1%. The MetroWest Region unemployment rate high value continued into February with the same 4.1% rate.

When comparing the unemployment rates of the MetroWest and Greater Marlborough Regions to the Commonwealth's and nation's rates, we observe a slightly different trend. Massachusetts and the United States also experienced their highest unemployment rates in January 2007, 6.0% and 5.0% respectively.

(Continued on page 3)