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Feb. 26-28
EEA
Philadelphia, PA

Mar. 7-9
NABE-AUBER
Washington DC

May 7
MERC Conference
Framingham State College

June 2
495/MetroWest
Business Expo
Framingham, MA

Issue 20

Fall 2009

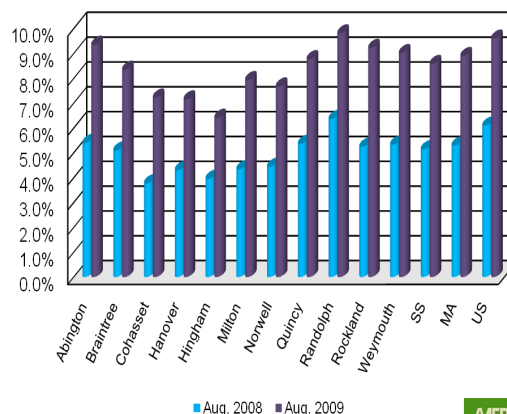
Rising Unemployment in the South Shore Region

The South Shore (SS) region consists of the eleven communities of Abington, Braintree, Cohasset, Hanover, Hingham, Milton, Norwell, Quincy, Randolph, Rockland, and Weymouth. Every month, the MetroWest Economic Research Center (MERC) at Framingham State College collects and records unemployment rates and labor force data for this particular region. In August 2009, among all communities on the South Shore, Randolph displayed the highest unemployment rate of 9.8% while Hingham displayed the lowest unemployment rate of 6.5%. As shown in the graph to the right, all communities posted higher unemployment rates in August 2009 than in August 2008. Showing the largest increase was Abington, with an increase of 4.0% from 5.4% in August 2008 to 9.4% in August 2009. The second largest increase in the unemployment

rates on the South Shore was posted by Rockland, which increased by 3.9% from 5.3% in August 2008 to 9.2% in August 2009. In August 2008, three out of the (Continued on page 4)

SS MONTHLY UNEMPLOYMENT RATES

August 2008 vs. August 2009



Jobs and Payroll at Record Levels in MetroWest

In 2008, total employment in the MetroWest Cohesive Commercial Statistical Area (CCSA) reached a record 110,100 up 2.3% from 2007. Payroll totaled a record setting \$7.0 billion, up 3.3% from 2007. Average wage for MetroWest experienced a negligible gain, climbing from \$63,000 in 2007 to \$63,600 in 2008. However, total establishments dropped in 2008, declining by 20 establishments from 2007.

The previous cyclical peak in MetroWest employment, 106,000 jobs, occurred in 2001. Examination of the change in employment and payroll by town between 2001 and 2008 reveals major changes.

The MetroWest Economic Research Center at Framingham State College (MERC) calculated the net change in employment from 2001 to 2008 for each of the nine communities in MetroWest. The great-

est increase in employment occurred in Southborough, up 1,600 jobs, or 27%. The majority of these jobs are in the Manufacturing and Public supersectors. Sudbury experienced the second highest employment growth, adding 1,000 new jobs, or 14%. The addition of these jobs was spread uniformly across all supersectors. Natick also added 950 jobs, or 4%, largely in the Information, Education and Health Services, and Leisure and Hospitality supersectors. However, not all towns experienced such growth. Framingham, for example, lost 120 jobs, or less than 1% since 2001. Wayland lost almost 900 jobs, or 22%, since 2001. The majority of the Wayland job loss occurred in the Manufacturing and Information supersectors (See graph on page 6).

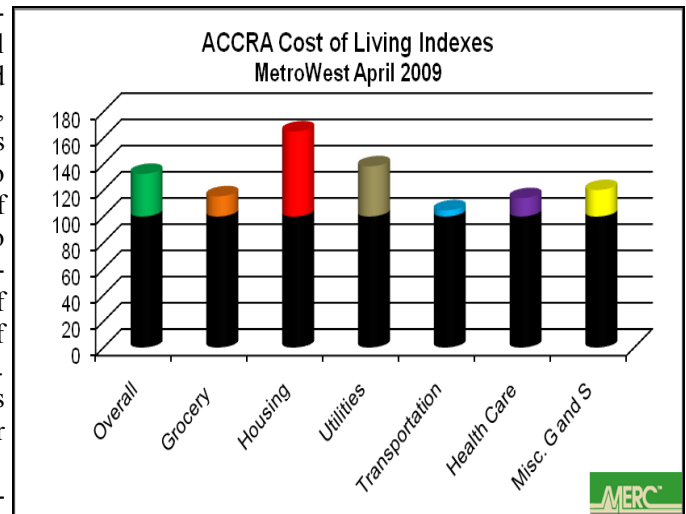
However, the change in payroll tells a completely different story. Between 2001 and 2008, the payroll in MetroWest increased from \$5.4 billion to \$7.0 billion, an increase of \$1.6 billion or 29%. (Continued on page 7)

Above Average Cost of Living in MetroWest

Three times each year the Council for Community and Economic Research (C2ER) collects cost of living data from various urban areas around the country. C2ER was formerly known as ACCRA and the indexes created by C2ER are still called the ACCRA Indexes. For each survey, 57 specified goods and services are priced in each participating area. The 57 goods and services that make up this market basket have been chosen by C2ER as goods and services that are representative of the items typically purchased by professional and executive households. These items are then placed into six categories: grocery items, housing, utilities, transportation, health care, and miscellaneous goods and services. The prices that are collected are used to calculate sub-indexes for each of the six categories of goods and services, which are then weighted, relative to their importance in the budget of the typical professional household, in order to create an overall cost of living index. C2ER also calculates the average cost of the market basket for all participating communities. This national average has an index value of 100.0 and is used as the base in determining the indexes for all other communities.

The graph on the right shows the six sub-

indexes and the Overall Index for MetroWest in April 2009. Each of the six sub-indexes had a value that was greater than the national average. Because of this, the Overall Index was also above the national average at 132.5. This means it was roughly 32.5% more expensive to live in MetroWest than the national average. The Housing Index had the highest value of 164.9, which means that MetroWest housing (Continued on page 5)



Contribution of the Tax Levy in Greater Marlborough Region

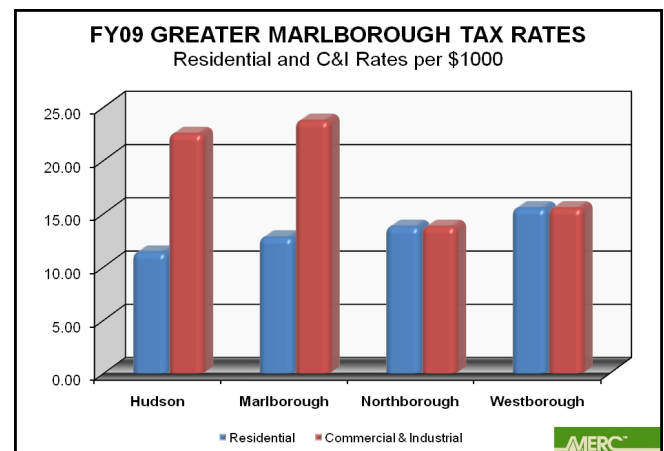
The Greater Marlborough Region, also known as GMR, is comprised of four communities: Hudson, Marlborough, Northborough, and Westborough. Municipal revenue consists of four components: total tax levy, state aid, local receipts, and an "all other" category. The total tax levy is further broken down into five sub-categories: personal property, open space, and residential, commercial, and industrial real estate. State aid consists of funds allocated to communities for education and general government. Local receipts include motor vehicle excise taxes, licenses, and charges for services, such as water, sewer, and trash collection. The "all other" category includes free cash and other available funds.

In FY09, total tax levy contributed 62.8% of the total revenue collected in GMR. The largest contributors to the total tax levy in GMR were residential, commercial and industrial real estate. The greatest amount, 62.1%, of the total tax levy was collected from residential taxes. Commercial and industrial real estate combined to contribute 32.3% of the tax levy for GMR.

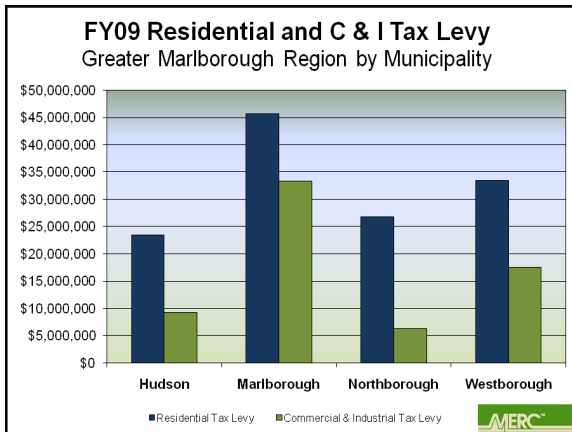
The graph to the right compares residential and commercial and industrial tax rates, also known as C & I, in GMR for FY09. Northborough and Westborough implemented a single residential and C & I tax rate. Con-

versely, Hudson and Marlborough opted for split rates. Residential rates in GMR ranged from \$11.34 per thousand in Hudson to \$15.50 per thousand in Westborough. Marlborough and Northborough had rates of \$12.76 and \$13.76 per thousand respectively. The city of Marlborough had the highest C & I tax rate at \$23.72 per thousand, followed closely by Hudson at \$22.49 per thousand. Westborough and Northborough C & I rates were significantly lower at \$15.50 and \$13.76 per thousand respectively.

Relative to the other (Continued on page 3)



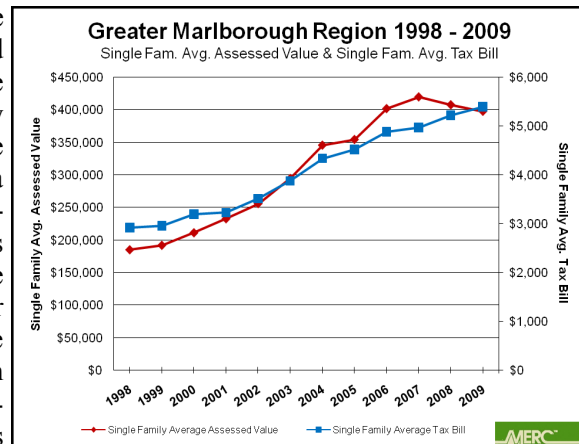
Contribution of the Tax Levy in Greater Marlborough Region (Cont.)



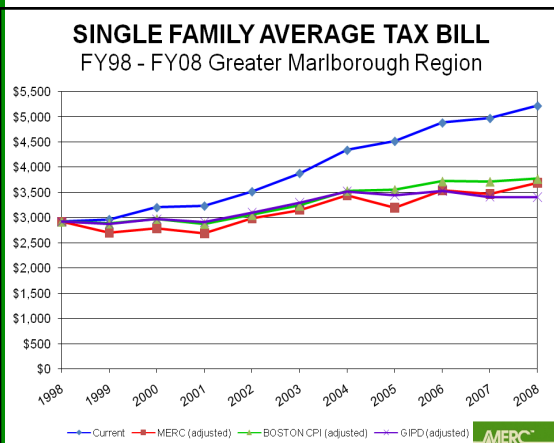
communities in the region, Marlborough has a significant amount of commercial and industrial property. The graph to the left compares the total value of residential and C & I tax levy for FY09 by municipality. The C & I tax levy in Marlborough contributes a significant portion of the total taxes collected in that community, nearly \$33.3 million in FY09. Due to the higher tax rate on C & I assessed values, Marlborough's C & I tax levy is much higher than all other communities in this region. Additionally, Marlborough also collected the greatest residential tax levy, just over \$45.5 million. Northborough recorded the smallest C & I tax levy, valued at approximately \$6.2 million, while Hudson had the smallest residential tax levy at nearly \$25.5 million.

The graph to the right shows the

single family average tax bill and single family average assessed value in GMR from FY1998 – FY2009. The single family average tax bill is displayed on the right vertical axis and the single family average assessed value is displayed on the left vertical axis. The data in this graph does not include Marlborough, as that city has a residential exemption on owner-occupied properties. The residential exemption excludes part of the value of an eligible taxpayer's principal residence. From FY98 to FY04, the percentage increase in the single family average assessed value year to year was higher than the percentage increase in the average tax bill during this same period. When comparing the average assessed value in FY04 with the average assessed value in the base year, FY98, the average annual rate of change in single family assessed value in FY04 was 11.0%. This was greater than the average annual rate of change of 6.8% in the average tax bill during the same period. After nine years of increase, the average assessed value of single family parcels in GMR experienced a decline in FY08 and FY09 of -2.9% and -2.5% respectively over its previous year. The average single family tax bill has steadily risen from FY98 through FY09 at an average annual rate of 7.2%, experiencing no periods of decline.



The graph below illustrates the average tax bill for single family homes in GMR, excluding Marlborough, over time in nominal dollars, displayed in blue. The single family average tax bill exhibited an upward trend from FY98 to FY08 in GMR. We then adjusted for inflation using 3 different price indexes that are typically used for this purpose: the MERC

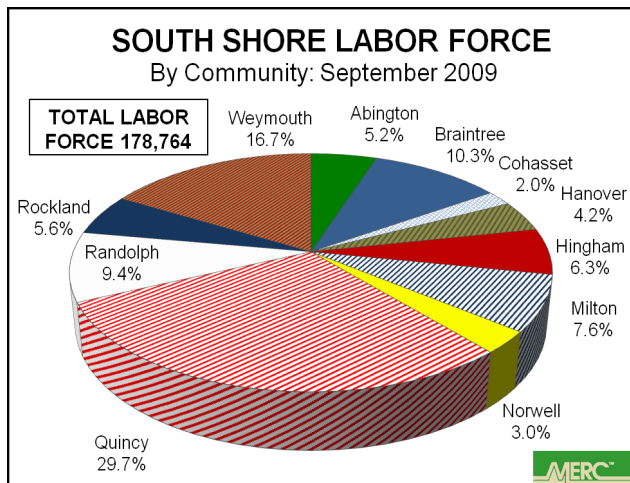


Cost of Living Index, in red, the Boston Consumer Price Index for all wage earners and clerical workers, in green, and the Government Implicit Price Deflator, in purple. All adjusted figures are in constant 1998 dollars. The average single family tax bill for GMR rose every year over the last 10 years, from \$2,921 in 1998 to \$5,220 in 2008, an increase of 78.7%. Adjusting for the changes in the price level yields the real cost of the tax bill in constant dollars. When corrected for inflation, the actual percentage increase of the single family tax bill ranged from 16.7% to 29.2%. In other words, the real tax bill was only between \$3,408 and \$3,692 in 1998 dollars, a more modest increase from 1998.

Cynthia Aga- MERC Intern II

Municipal revenue components include the tax levy, state aid, local receipts and an "all other" category. The tax levy consists of assessments on residential, open space, commercial, industrial real estate, and also personal property.

Rising Unemployment in the South Shore Region (Cont.)



eleven communities posted unemployment rates higher than the Massachusetts' rate of 5.3%, while four of them posted higher unemployment rates than Massachusetts' rate of 8.9% in August 2009. With the exception of Randolph, all communities in the South Shore region posted lower unemployment rates than the nation's rate of 6.1% in August 2008 and 9.6% in August 2009.

In the South Shore region, the total labor force in August 2009 was 181,638 individuals, an increase of approximately 1,300 individuals from the same month in the previous year. Among the eleven communities in the region, Quincy contributed the largest to the total labor force with 29.6%, or about 53,800 individuals. The second largest contributor to the regional labor force was Weymouth, with 16.7%, or 30,300 individuals. The smallest contribution to the labor force was provided by

Cohasset, with only 2.0% of the total labor force, or roughly 3,600 individuals. As shown in the above graph, it is interesting to note that the combined labor force of Quincy, Weymouth, Braintree, and Randolph, the top four contributors of the labor force in the region, provided two-thirds or 66% of the total labor force in the South Shore region.

The first graph on page 6 shows the total number of jobs in the South Shore region in comparison to the total labor force from 1990 to 2008. The number of jobs refers to the jobs located in the local area establishments on the South Shore, while the labor force is defined as all civilian non-institutionalized persons age 16 (*Continued on page 6*)

A message to our readers: Framingham State College has changed all e-mail addresses.

MERC's e-mail address has changed

From: merc@frc.mass.edu **To:** merc@framingham.edu

MERC Interns - Fall 2009

Intern III

Shaun Daly

Intern II

Cynthia Aga

Jonathan Murphy

Melissa Zardeskas



Intern I

Britlin Chapman

Huyen Nguyen

Michael Pittman

Maria Sarcinelli

T. J. Shannon

James Woodmaska

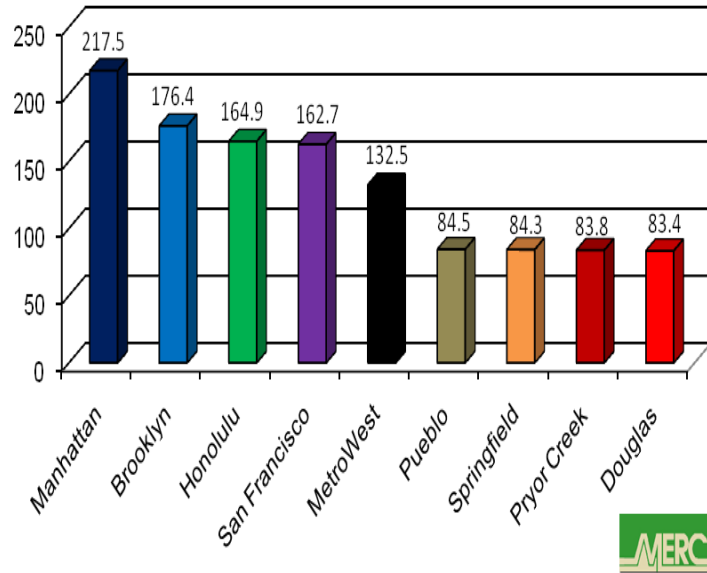
"[a] leading example of economic development assistance among the state colleges...that directly benefits employers, Chambers of Commerce, nonprofit organizations, school districts, legislators, residents, and community groups" - Massachusetts State Senate Task Force Report on Public Higher Education,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

Above Average Cost of Living in MetroWest (Cont.)

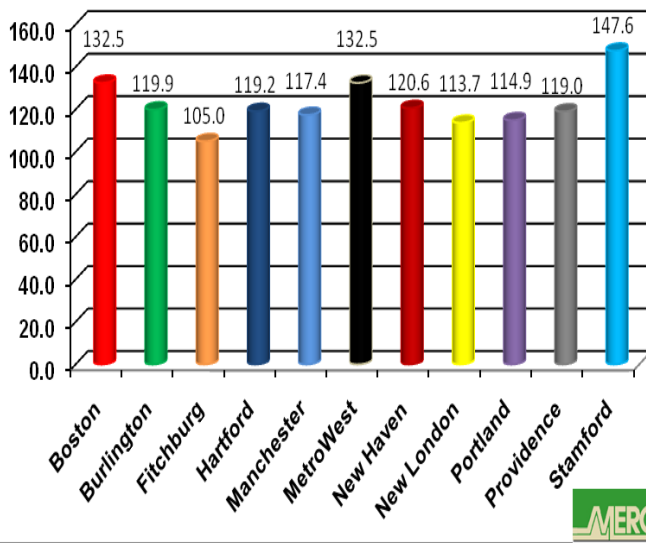
costs were about 65% higher than the national average. The index that was closest to the national average was the Transportation Index, which had a value of 104.7. The Grocery Items, Utilities, Health Care, and Miscellaneous Goods and Services Indexes all fell in between with values of 115.4, 138.3, 114.0, and 120.2 respectively.

The graph below shows that MetroWest was the second most expensive place to live of all participating areas in New England. The Overall Cost of Living Index was exactly the same as Boston. The only community with a higher Overall Cost of Living Index was Stamford, Connecticut, which had an overall index of 147.6. In general New England was a more expensive place to live than the national average, as each participating New England community had an Overall Index greater than 100. Fitchburg, Massachusetts had the lowest cost of living with an Overall index of 105.0. Boston, MetroWest, and

ACCRA OVERALL COST OF LIVING INDEXES
MetroWest, Four Most Expensive and Four Least Expensive



ACCRA OVERALL COST OF LIVING INDEXES
New England April 2009



Stamford all had indexes over 130.0 while no other participating New England community had an index over 120.0.

The graph above depicts the Overall Index for MetroWest along with the indexes for the national communities with the four lowest and four highest Overall Indexes. The Overall Index for Manhattan was 64% higher than the Overall Index for MetroWest. Manhattan had an Overall Cost of Living index of 217.5. The three other most expensive participating communities were Brooklyn, Honolulu, and San Francisco with Overall Indexes of 176.4, 164.9, and 162.7 respectively. The Overall Index for MetroWest was 37% higher than the Overall Index for the least expensive community, Douglas, GA. Douglas had an Overall Cost of Living Index of 83.4 and was then followed by Pryor Creek, OK; Springfield, IL; and Pueblo, CO. Pryor Creek, Springfield, and Pueblo had Overall Indexes of 83.8, 84.3, and 84.5 respectively.

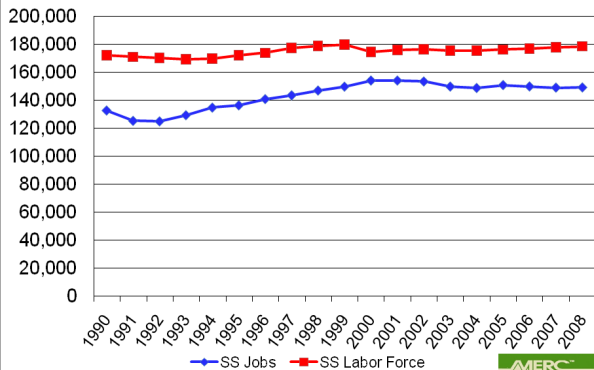
Shaun Daly- MERC Intern III

The prices for gasoline were recorded for the April 2009 Cost of Living Survey. The average price of a gallon of gasoline during this time was \$2.028. The Energy Information Administration reports the average price of a gallon of regular gasoline, in Massachusetts, has risen to about \$2.602 as of 11/23/09.

Rising Unemployment on the South Shore (Cont.)

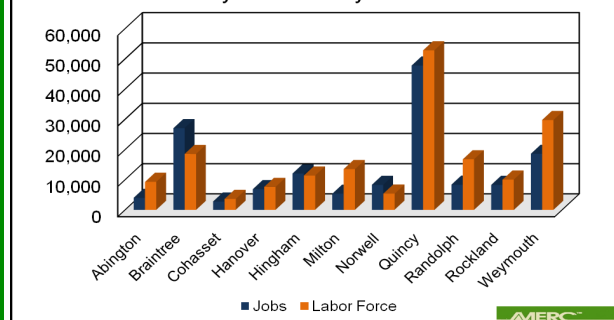
and over who are either employed or unemployed. During this nineteen year period, the labor force has always been higher than the total number of jobs on the South Shore, implying that the region has always been a net exporter of labor. The largest difference between the number of jobs and the total labor force was observed in 1991, when there

SS JOBS VS. LABOR FORCE
1990-2008



force, implying these three communities were net importers of labor. Among these three communities, Hingham displayed the smallest difference between the total number

SS JOBS VS. LABOR FORCE
By Community: 2008



of 11,171 individuals, while Hanover was the smallest with only 730 more individuals.

Melissa Zardeskas- MERC Intern II

were 45,694 more individuals in the labor force than total number of jobs. The smallest difference between the two was recorded in 2000, with 20,626 more individuals in the labor force than total number of jobs.

The bottom graph shows the total number of jobs and the total labor force in each community on the South Shore in 2008. Among the communities in the South Shore region, the total number of jobs in Braintree, Hingham, and Norwell exceeded the total number of individuals in the labor force. Among these three communities, Hingham displayed the smallest difference between the total number of individuals in the labor force and the total number of jobs, with a difference of only 701 individuals, while Braintree showed the biggest difference of 8,549 individuals. Eight out of the eleven communities in the region were net exporters of labor, with the total number of jobs being less than the total number of individuals in the labor force. Among these eight communities, Weymouth was the biggest net exporter of labor with a difference

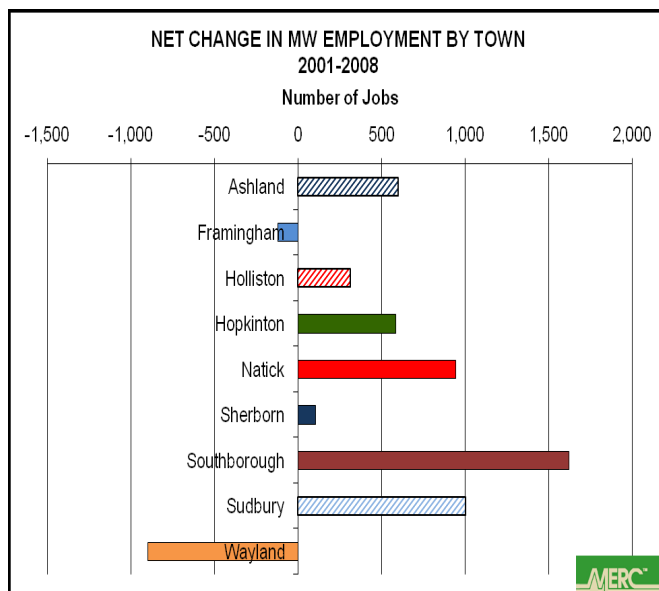
September, 2009 UNEMPLOYMENT RATES Not Seasonally Adjusted (Preliminary Data)

495/MW	7.7%
Blackstone Valley	9.3%
Blackstone	12.1%
Douglas	9.5%
Grafton	8.9%
Hopedale	7.6%
Mendon	7.0%
Millbury	9.4%
Millville	12.5%
Northbridge	9.9%
Sutton	8.1%
Upton	8.8%
Uxbridge	9.5%
Greater Franklin	8.8%
Bellingham	10.7%
Blackstone	12.1%
Foxborough	8.7%
Franklin	7.9%
Medfield	7.3%
Medway	7.9%
Millis	8.1%
Norfolk	8.5%
Wrentham	8.4%
Greater Marlborough	7.8%
Hudson	8.7%
Marlborough	7.3%
Northborough	8.3%
Westborough	7.6%
MetroWest	7.3%
Ashland	7.8%
Framingham	7.4%
Holliston	7.6%
Hopkinton	6.7%
Natick	7.1%
Sherborn	7.4%
Southborough	7.5%
Sudbury	7.0%
Wayland	6.8%
Milford	8.6%
South Shore	9.1%
Abington	10.0%
Braintree	8.9%
Cohasset	7.5%
Hanover	7.5%
Hingham	6.9%
Milton	8.4%
Norwell	7.9%
Quincy	9.5%
Randolph	10.1%
Rockland	9.7%
Weymouth	9.4%
Massachusetts	9.3%
United States	9.5%

Did you know? : There are several categories of unemployment rates. U-1 through U-6 are reported below for the U.S. period rates in October 2009. MERC uses the U-3 rate, which is the official unemployment rate.

<u>Measure</u>		<u>Nov. 2009</u>
<u>U-1</u>	Persons unemployed 15 weeks or longer, as a percent of the civilian labor force	5.6%
<u>U-2</u>	Job losers and persons who completed temporary jobs, as a percent of the civilian labor force	5.9%
<u>U-3</u>	Total unemployed persons, as a percent of the civilian labor force (the official unemployment rate)	9.4%
<u>U-4</u>	Total unemployed persons plus discouraged workers, as a percent of the civilian labor force	9.9%
<u>U-5</u>	(U-4) plus all other "marginally attached" workers, as a percent of the civilian labor force	10.7%
<u>U-6</u>	Total unemployed persons, plus all "marginally attached" workers, plus all persons employed part time for economic reasons, as a percent of the civilian labor force plus all "marginally attached" workers	16.4%

Jobs and Payroll at Record Levels in MetroWest (Cont.)

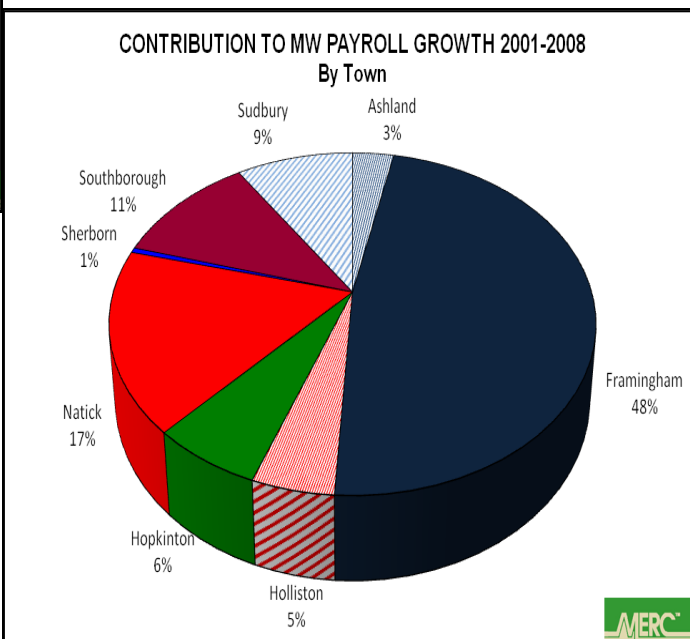


Framingham solely contributed almost half of the total gain in regional payroll, 49% or \$770 million, despite losing 120 jobs since 2001. Natick added the second largest amount to the MetroWest 2001-2008 payroll increase: \$276 million or 18%, followed by Southborough with \$180 million, 12%, of this gain. As shown in the graph to the right, these three communities contributed 76% of the growth in payroll.

As the saying goes, the devil is in the details. Framingham experienced a large shift in employment from the Manufacturing and Trade, Transportation and Utilities supersectors to the Professional and Business

and Education and Healthcare supersectors from 2001-2008. Over 1,600 Retail Trade jobs and over 1,000 manufacturing jobs were lost while Professional and Business Services and Education and Health Care gained over 2,400 and 1,300 jobs, respectively. This suggests Framingham is moving away from manufacturing and retail trade and more towards management of companies and health services. Over 90% of the gain in the Framingham PBS supersector occurred in the Management of Companies and Enterprises sector.

In Wayland, unlike Framingham, jobs did not shift from one supersector to another. *(Continued on page 8)*



Save the Date!

18th Annual MERC Conference

on the Local Economy

Combined MetroWest and Greater Marlborough Economies

Friday May 7, 2010

8:00-10:30 AM

Forum, D. Justin McCarthy Center
Framingham State College

Details will be posted on our
Website in early spring
www.merc-online.org



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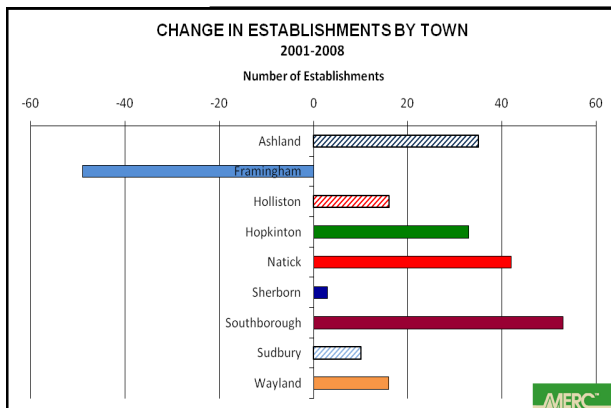
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THANK YOU TED WELTE,
President and CEO MetroWest Chamber of Commerce
FOR YOUR VALUABLE SUPPORT OF MERC SINCE THE BEGINNING.

Jobs and Payroll at Record Levels in MetroWest (Cont.)



Wayland simply lost jobs. While all but two other supersectors lost jobs, the largest drop in any supersector occurred in Manufacturing, down almost 600 jobs since 2001, followed by Information, with 200 jobs lost since 2001.

MetroWest also experienced growth in establishments from 2001-2008. Every community except Framingham grew in terms of establishments. Southborough gained 50 establishments, or 15%, the largest gain of all 9 communities. Natick also grew by 40 establishments, or 3%. Conversely, Framingham lost 50 establishments, or 2% from 2001-2008; these establishments were largely located in the Professional and Business Services supersector. See the graph to the left.

Jon Murphy- MERC Intern II, Framingham State College

For more information about regional employment or about any other article in this newsletter, please contact MERC.

As of 2008, Framingham generates $\frac{2}{5}$ of MetroWest CCSA jobs and $\frac{1}{2}$ of payroll.