MERC™
@ Framingham State University
ECONOMIC UPDATE
Issue 24
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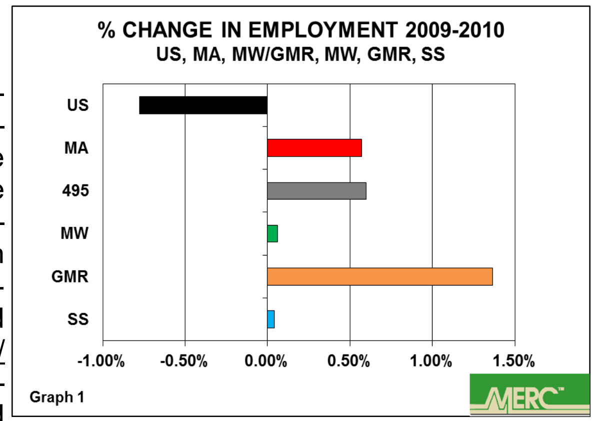
INSIDE THIS ISSUE:

Employment: State and Regions Gain in 2010

By Kelly Farrell

The MetroWest Economic Research Center (MERC) analyzes employment in four substate regions: the 495/MetroWest Corridor (495), the MetroWest CCSA (MW), Greater Marlborough Region (GMR) and the South Shore CCSA (SS). A complete description of the regions can be found online at http://www.merc-online.org/employment.php. In 2010 Massachusetts and all substate regions realized gains in employment, payroll, average wage and the number of establishments. However, the United States lost one million jobs as employment fell from 128.6 million in 2009 to 127.6 million (-0.8%). The number of establishments decreased slightly, down 420 from 2009. Both US payroll and average wage rose, up 2% and 2.8%, respectively.



In the 2009 recession Massachusetts (MA) employment reached a low of 3.1 million jobs. However, in 2010 state employment climbed to 3.2 million jobs, up 0.6%. Total payroll increased to $182 billion in 2010, up 3% from 2009 while Massachusetts average wage rose by 2.4%, and the state added 9,200 establishments.

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Race and Population on the South Shore

By Alexander Lepage

The South Shore Cohesive Commercial Statistical Area (CCSA™), located in eastern Massachusetts south of Boston, is made up of communities from Norfolk and Plymouth counties. The South Shore consists of eleven communities including Abington, Braintree, Cohasset, Hanover, Hingham, Milton, Norwell, Quincy, Randolph, Rockland, and Weymouth. Census data, collected every 10 years, was last taken in 2010. While Census 2010 data will continue to be released over the next few years the Demographic Profile information was released and will be analyzed here.

Population increased in the United States to a reported 308,745,538 on April 1, 2010. This was a 9.7% increase from the last census taken in 2000. The Massachusetts population increased from 6,349,097 in 2000 to 6,547,629 according to the 2010 Census data, a mere 3.1% increase. This rate is much lower than that of the nation, which will lead to congressional redistricting and a loss for Massachusetts of a seat in the U.S. House of Representatives, going to 9 seats from 10 seats. The South Shore in 2000 had a population of 315,213, which increased to 328,431 in 2010, a 4.2% increase. This rate, while higher than the state's 10 year population growth, is less

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High Cost of Living Sub-indexes in New England

Tanya Butler
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By Tanya Butler

The ACCRA Cost of Living Index is published quarterly by The Council for Community and Economic Research, C2ER. In April 2011 there were 305 urban communities for which data was collected to measure the cost of living for professional/managerial households. Fifty-seven goods and services were priced and then placed into six categories with a sub-index calculated for each one. The Overall Cost of Living Index was then computed as a weighted average of the six sub-indexes. The ACCRA Cost of Living Index can be used to measure regional differences in the cost of consumer goods and services excluding taxes. For more information on where these numbers come from, please visit http://www.merc-online.org/costofliving.php.

Among the nine New England communities that participated in the April 2011 survey including Boston, MA, Burlington, VT, Hartford, CT, Manchester, NH, New Haven, CT, Portland, ME, Providence, RI, and Stamford, CT, MetroWest area had the highest value for two of the six sub-indexes: the Health Care Index and the Miscellaneous Goods and Services Index. It is also interesting to notice which sub-indexes' are consistently higher within these New England communities. In all of the communities, the Housing Index was either the first or second highest sub-index; Manchester, NH and Providence, RI had the Utilities Index and the Miscellaneous Goods and Services Index, respectively, as the highest sub-index with Housing following directly behind.

Graph 1, on page 7, shows four of the nine New England communities, the ones with the lowest and highest

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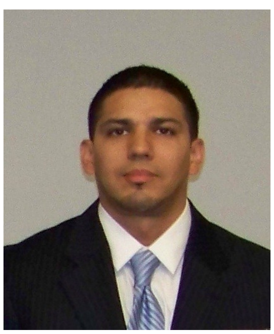
Employment Flat While Payroll on the Rise in GMR



Kevin Aguirre
Intern II
Employment
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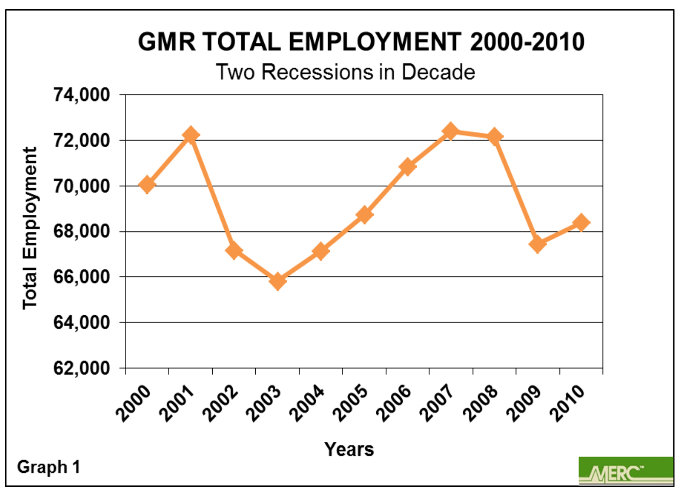
YOG 2011

By Kevin Aguirre



Graph 1

Employment for the Greater Marlborough Region (GMR) increased in 2010, but remained lower than it was at the beginning of the decade. Graph 1, on the right, shows that in 2000, GMR posted 70,000 jobs, yet by 2010 GMR employment totaled only 68,000 jobs. Like the rest of the nation, GMR has gone through two recessions since 2000. The first recession began in 2001 and employment dropped to 66,000 jobs in 2003, which was the lowest employment level for the whole decade. GMR employment then continued to rise to reach a new historical peak in 2007 of 72,400 jobs. This was the highest employment has been throughout the whole decade. By 2008 the Great Recession struck and jobs fell to a low of 67,000 in 2009. Recently employment has shown signs of recovery climbing to 68,000 jobs in 2010.

Total payroll also reflected the effects of the two recessions, yet it re-

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Unemployment Rate in 495/MetroWest Corridor Declines in 2011

By Rachel Drywa

Rachel Drywa
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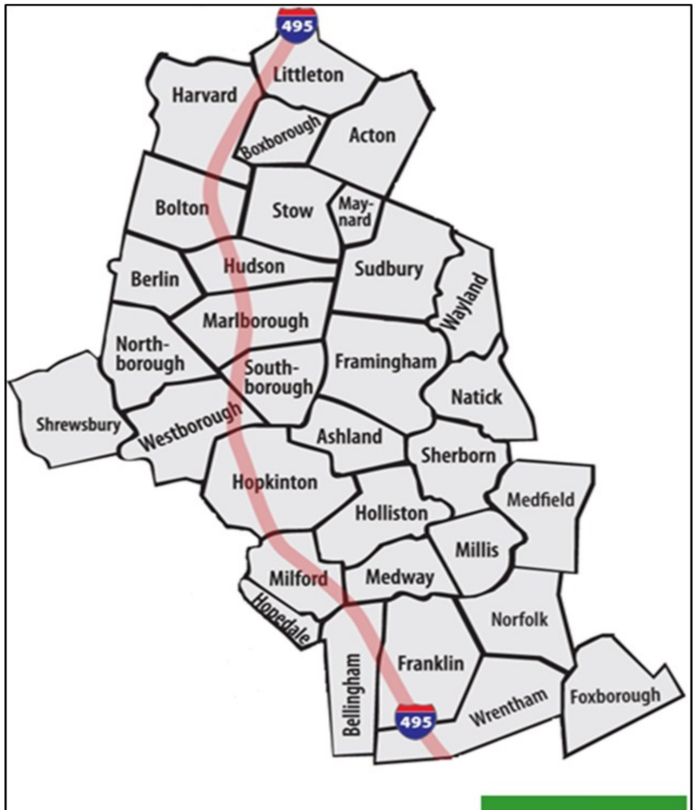
YOG 2012

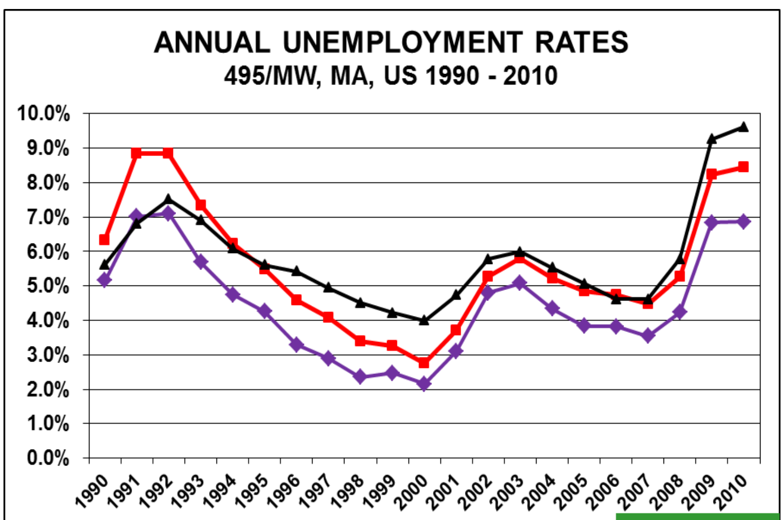


Map 1

The 495/MetroWest Region (495/MW) consists of 32 communities which are located along Interstate 495 and the Massachusetts Turnpike. They range from Littleton in the north to Wrentham in the south. The communities in this region and are shown in Map 1, to the right. The unemployment and labor force data for this region are compiled monthly by the MetroWest Economic Research Center (MERC) at Framingham State University.

Between 1990 and 2010, the 495/MW Region and Massachusetts both experienced their highest unemployment rates in 1992 with rates of 7.1% and 8.8% respectively. The nation reached its highest rate in 2010 with 9.6%. The annual unemployment rates for the 495/MW Region, the state, and the nation, from 1990 to 2010 can be seen in graph 1, below. The region, state, and nation all had their lowest unemployment rates in 2000. The region had a rate of 2.2%, Massachusetts had 2.8%, and the U.S. had 4%. Throughout the twenty year period, the 495/MW Region has consistently held a lower rate than the state and nation except in 1991 when the region's rate was 0.2% higher than the United States.

Among the 32 communities in the region, Sherborn had the lowest unemployment rate of 4.7% in September 2011 followed by Wayland with a rate of 4.8%. Last year, the same communities posted the lowest rates in the region of 6% and 5.7%, respectively. In September 2010, Bellingham posted the highest rate with 10.6% followed by Norfolk with 7.4%. These two communities also had the highest rates in September 2011 although they were down to 9.1% and 6.2%, respectively. Of the 32 communities in the region, Bellingham was the only community that posted higher unemployment rates than both the state and the nation's rates during September 2010 and September 2011. Framingham and Marlborough are the two



Graph 1

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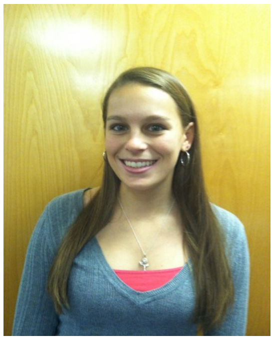
Changes in the MetroWest Cost of Living



Sherren Doyle
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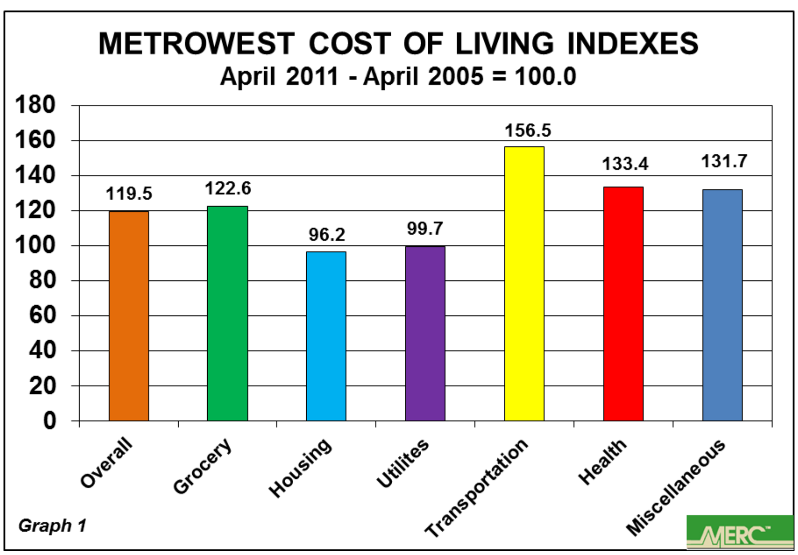
Between April 2005 and April 2011, the overall cost of living in MetroWest increased by 19.5%.

By Sherren Doyle

Twice a year, the MetroWest Economic Research Center (MERC) at Framingham State University participates in the ACCRA Cost of Living Survey and collects data on the cost of living in the MetroWest region. MERC collects prices of a market basket of 57 goods and services from over 100 establishments throughout the region. Nine communities make up the MetroWest region. These communities are: Ashland, Framingham, Holliston, Hopkinton, Natick, Sherborn, Southborough, Sudbury, and Wayland. MERC takes the data that has been collected and calculates an Overall Cost of Living Index and indexes for six other categories of goods and services; grocery items, housing, utilities, transportation, health care, and miscellaneous goods and services. For more information about MERC's cost of living project, please visit our website at http://www.merc-online.org/costofliving.php.

In April 2011, the MERC Overall Cost of Living Index for the MetroWest Region was 119.5 as shown below in Graph 1. This means that since April 2005, the index's base period, the overall cost of living in the MetroWest region has increased approximately 19.5%. The Transportation Index had a value of 156.5 and was the index with the highest value of all the sub-indexes. The Health Care Index followed with a value of 133.4. Following closely behind was the Miscellaneous Goods and Services Index with a value of 131.7. The Grocery Items Index had a value of 122.6. The Housing Index showed a value of less than 100.0 suggesting that the housing costs were less in April 2011 than they were in the base period of April 2005. The Housing Index was the lowest of all the indexes with a value of 96.2, a drop of 3.8% since April 2005. The Utilities Index was valued at 99.7, meaning that utility costs last April in MetroWest were essentially the same as they were in April 2005.



Graph 1

Graph 2, on page 8, shows the percentage changes in the Cost of Living Indexes from April 2010 to April 2011. The Overall Index increased 6.84% indicating that the overall cost of living rose during those 12 months. All of the sub-indexes except for two also had a positive change meaning the cost of the goods in these categories was higher this past April than in April 2010. The Transportation Index had a 21.14% change, which was the highest among all the sub-indexes. The next highest was the Health Care Index which rose by 11.23%. Two of the indexes went down between April 2010 and April 2011. These two indexes were the Utilities Index which showed a 6.40% decrease and the Housing Index which showed a decrease of 2.21%. Over the past 12 months, almost all of the indexes have increased.

However, over the past twenty years that MERC has been collecting data, the indexes have all shown different patterns. Looking at the average annual rates of change since 1992 can give a better idea of how these indexes have changed over time. In April 1992, the Overall Cost of Living Index in MetroWest was 70.5. In April 2011 the Overall Cost of Living Index was 119.5

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Employment: State and Region Gain in 2010

Continued from page 1

Kelly Farrell
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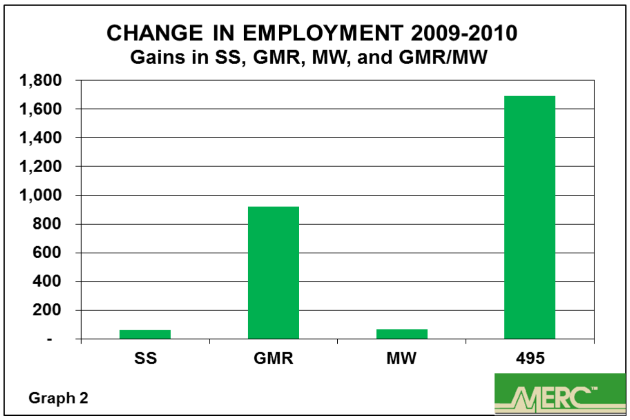


Graph 2

The 495/MW Corridor includes 32 communities along I-495 and I-90. Thirteen of those 32 communities are included in the MW and GMR regions. In 2010 the 495/MW Corridor employment rose to 280,500 jobs, up 0.6% or 1,700 jobs from 2009. Payroll increased by $855 million, or 5.1%, and the region increased its average wage by 4.4%, or $2,700 dollars. The substate region also gained 600 establishments, up 3.4% from 2009.

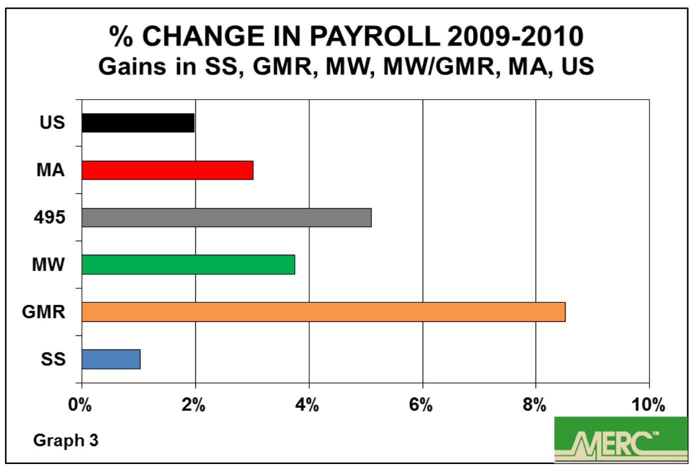
MW and GMR performed differently between 2009 and 2010. MW added only 70 jobs, up 0.06%. GMR, the smaller of the two regions, increased total employment by 1.4% and added 900 jobs. Both regions increased payroll in 2010, MW up 3.8%, or $255.8 million and GMR up 8.5%, or $382.6 million dollars. Again both regions also saw increases in average wage. The MW average wage rose by 3.7% or $2,400 while the GMR average wage increased more significantly, up 7% or $4,700. Both MW and GMR gained establishments up 180 establishments and 120 establishments, respectively.

In the eleven South Shore communities, employment and payroll rose 0.04% and 1%, respectively from 2009 to 2010. As with payroll, the South Shore increased average wage by 1%, up $500. Among the regions, South Shore saw the largest increase in establishments, up 5.4% or 600 establishments.

Graph 1, on page 1, compares 2009 - 2010 employment changes. Only the nation suffered a decline, -0.8%, while employment in the state and four substate regions increased. Massachusetts and the 495/MW Corridor registered employment increases of 0.6%. GMR had the largest employment increase, 1.4%, while MW, up 0.06% and the SS, up 0.04%, had the smallest.

It is also important to calculate 2009 – 2010 job increases in absolute numbers because the regions vary in size, this is shown in Graph 2 to the left. The largest gain in absolute numbers occurred in the 495/MW Corridor (1700 jobs), followed by GMR (900 jobs), MW (70 jobs), and SS (60 jobs).

In Graph 3 below, we see that from 2009 to 2010 total payroll increased in all areas. Payroll increased in the nation by 2% or $116 billion dollars; and the state showed a percentage increase of 3% and an absolute increase of $5.3 billion dollars. GMR had the highest percentage increase, up 8.5%, followed by 495/MW Corridor (5.1%), MW (3.8%), and the SS (1%).



Graph 3

In conclusion, while the nation still suffered in 2010 from the national recession in terms of employment and establishment losses, Massachusetts and the four substate regions gained in employment, payroll, average wage, and establishments. Among the four substate regions, GMR had largest percentage increase for both employment (1.4%) and payroll (8.5%) and the SS had the smallest absolute increase in employment. This article was based on ES 202 data from September 2011. ~

Race and Population on the South Shore

Alexander Lepage
Intern II,
Census
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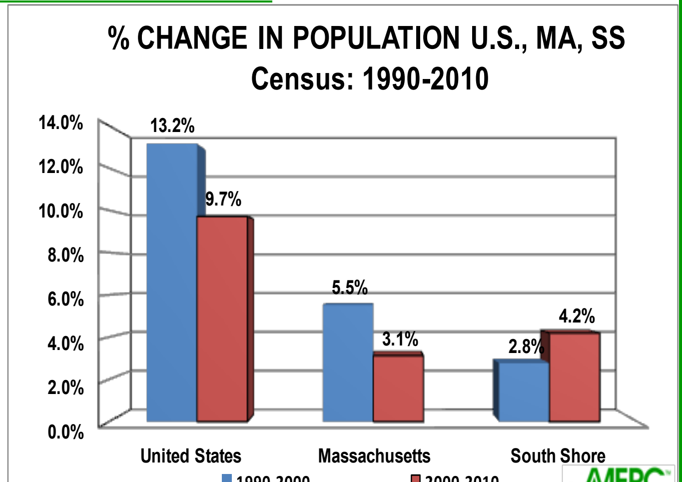
YOG 2012

According to the 2010 Census data, Massachusetts' population increased proportionately less than that of the nation between 2000 and 2010. This resulted in a congressional redistricting and the state's loss of a U.S. House representative.

Continued from page 1

than half of the United States' growth over 10 years. The community of Hingham experienced the greatest percent increase in the region at 11.4%. Conversely, the community of Rockland had a decrease in population of about 1%.

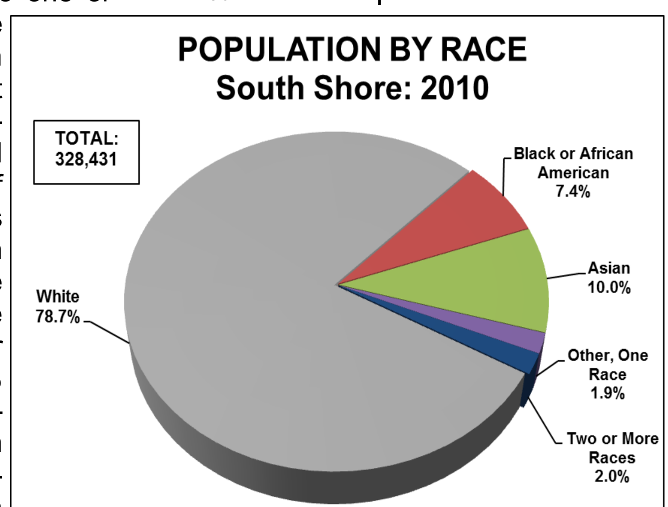
Graph 1, to the right, shows the increases in population in the United States, Massachusetts, and the South Shore between both 1990-2000 and 2000-2010. Each column represents a percentage change from the previous decade where blue is 1990-2000 and red is 2000-2010. From 1990 to 2000 the United States experienced a population increase of 13.2%, 3.5% greater than the increase experienced from 2000 to 2010 in the nation. The United States and Massachusetts both had greater increases from 1990 to 2000 than from 2000 to 2010. In contrast the South Shore had a greater increase over 2000 - 2010 having experienced a mere 2.8% increase from 1990-2000.



Graph 1

For the 2010 Census the 328,431 individuals on the South Shore have self-identified into one or more race categories. The South Shore population in 2010 was majority white at 78.7% which is above the national proportion of 72.4% and below the state level of 80.4%. The South Shore is home to an Asian population of 10% which is over twice the U.S. value of 4.8%. Those who self-identified as Black or African American, were 7.4% of the South Shore population, smaller than in the nation at 12.6% of the U.S. population. Very few identified in both the American Indian/ Alaska Native and Native Hawaiian/Pacific Islander groups. These categories and the rest of the population on the South Shore fell into Other, One Race (1.9%) and Two or More Races (2%). South Shore demographic distribution is shown in graph 2 below.

The nation's total white population increased 5.7% in the 10 years from 2000 to 2010. During this time period Massachusetts' white population decreased 1.9% and on the South Shore, the white population decreased by 5.8%. Also during this time period the Black or African American population grew by 12.3% in the United States. Massachusetts experienced an increase in the Black or African American population of 26.5% from the previous Census and



Graph 2

Continued to page 7

Races and Population in the South Shore

Continued from page 6

South Shore had a significant 87.8% increase from 12,860 individuals in 2000 to 24,158 persons in 2010. The greatest population change experienced in the nation was a 70% increase in “Other Pacific Islanders” subcategory of Native Hawaiian and Other Pacific Islander. In Massachusetts the greatest increase occurred in the Asian subcategory “Asian Indian” in which population increased by 76%. For the South Shore region the subcategory “Vietnamese” population increased a stunning 119%. Massachusetts experienced decreases in population in the following race categories: White, Japanese, Native Hawaiian, Samoan, and Other Pacific Islander.

Overall, in all three regions, the United States, Massachusetts, and the South Shore, the 2010 population is larger than in 2000 and also is more diverse.~

High Cost of Living Sub-indexes in New England

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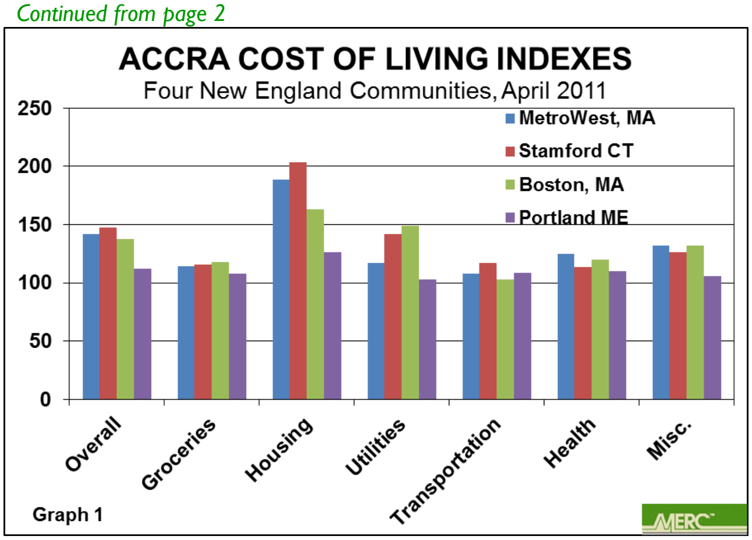
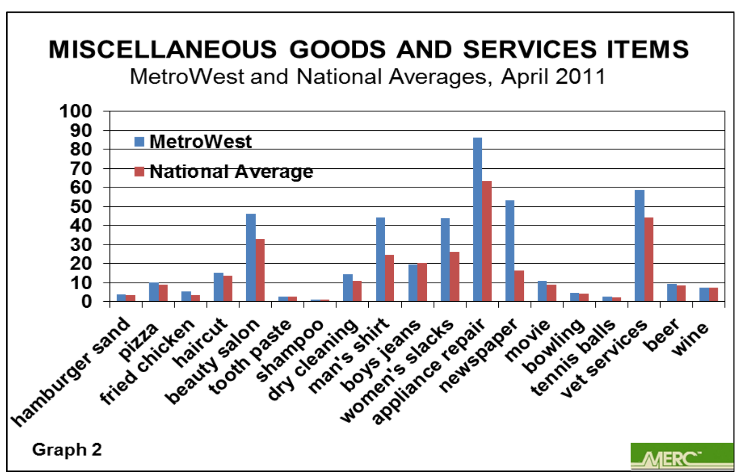


Graph 1

values for Overall Cost of Living Indexes, along with Boston and MetroWest. We can see that Stamford, CT in red had the highest values for two of the six sub-indexes and also the highest Overall Cost of Living Index, a value of 147.8; whereas Portland ME had the lowest value for the Overall Index with 112.3. A value of 147.8 means that the Overall Cost of Living in Stamford, CT was about 47.8% higher than the national average cost of living.

MetroWest ranks fairly high when looked at on a national level within the 305 communities that were surveyed. The Overall Cost of Living Index of 142.0 in April 2011 ranked 11th highest in the nation. This value of 142.0 means that in April 2011, MetroWest had about a 42% higher cost of living compared to the national average. The Miscellaneous Goods and Services Index of 131.9 was the second highest value for that sub-index in the nation, with only Manhattan, NY being higher with a value of 145.5.

Graph 2 below shows average product prices for the 19 items in the Miscellaneous Goods and Services category. Of the 19 items, 16 of these items had higher prices in MetroWest compared to the United States. Some of the items for which the MetroWest price was significantly higher than the national average price include the newspaper subscription, 69.5% higher, the man’s dress shirt, 43.8% higher, and woman’s slacks, 40.4% higher. The high cost of these particular items contributed to the MetroWest area’s rank of 2nd highest for the nation in this sub-index. The one item where the average price in MetroWest was equal to the average price for the United States was shampoo, while the prices of wine and boys jeans were the only prices that were lower in MetroWest than in the United States.~



Graph 2

Changes in the MetroWest Cost of Living

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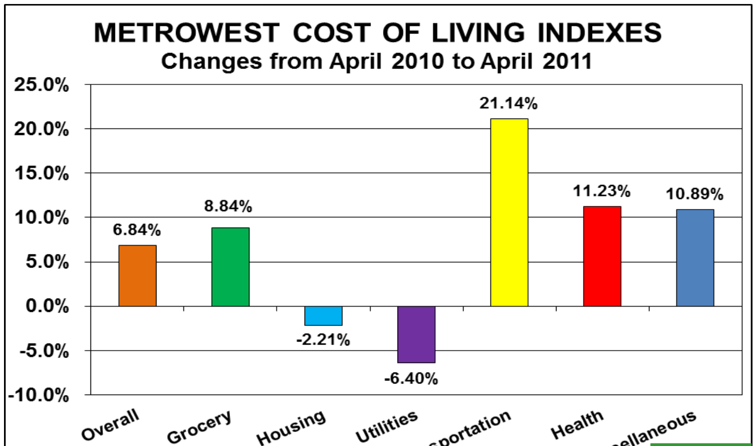
meaning that the average annual rate of change over the 20 years was 2.67%. Out of all the sub-indexes, transportation had the highest average annual rate of change of 4.56%. The Grocery, Health Care , Housing and Miscellaneous Goods and Services sub-indexes had average annual rates of change of 2.56%, 3.76%, 2.63%, 2.47% respectively. Utilities had the smallest average annual rate of change of all the sub-indexes with 1.01%. In April 1992 the Utilities Index was 81.5 and in April 2011 it was 99.7.~

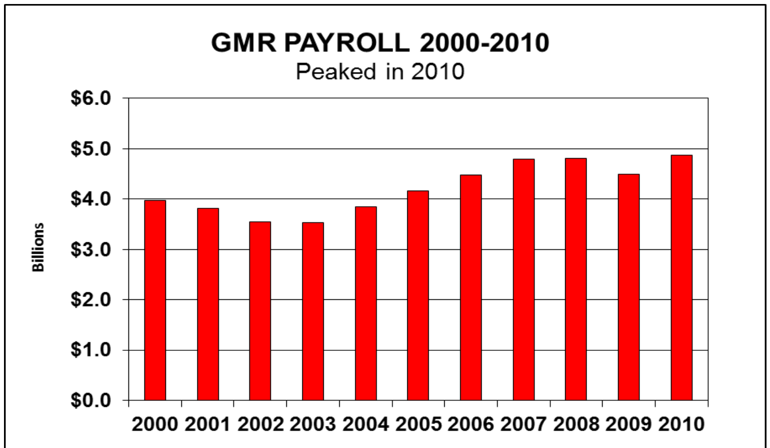


Graph 2

Employment Flat While Payroll on the Rise in GMR

Continued from page 4

covered more quickly. In 2010 total payroll climbed to the highest level it has been, $4.9 billion dollars as shown in Graph 2 to the right. Unlike employment, payroll began to decline in 2001, dropping to $3.5 billion in 2003. Payroll then began an upward climb until 2008, climbing to a total of $4.8 billion dollars. The second recession hit in 2009 and total payroll posted its first decline since 2003 falling to $4.5 billion dollars. Payroll rebounded more quickly than after the first recession and in 2010 payroll reached its historical peak of $4.9 billion dollars.



Graph 2

In 2010 the average wage for the Greater Marlborough Region, Massachusetts, and the United States differed greatly. GMR had an average wage of $71,000 which was approximately 23% higher than the average wage of the state at $58,000. Since 1980, GMR has had an average wage higher than that of the nation. In 2010 GMR's average wage was $71,000, approximately 53% higher than the US average wage of $47,000. The GMR region remains a high wage region in a high wage state, compared to the U.S.

In summary, employment in the Greater Marlborough Region has remained relatively flat, while payroll over the decade has continued to rise, the exceptions being the two recessions. Employment was hit the harder in the recessions, and peaked in 2007. While payroll has experienced setbacks over the decade, total payroll posted its highest level in 2010. Average wage in GMR is higher when compared to the nation, making GMR a good place to work during these hard economic times. ~

Thank You to Dr. Linda Vaden-Goad for your support of the MetroWest Economic Research Center!

Unemployment Rates in 495/MetroWest Corridor Falling From Last Year

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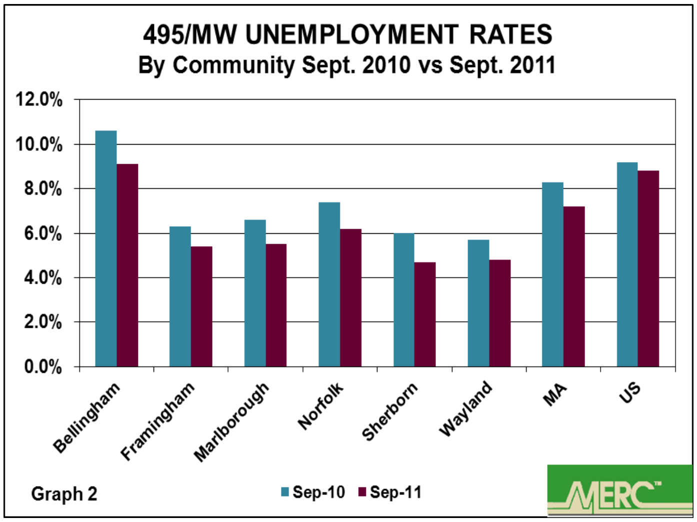
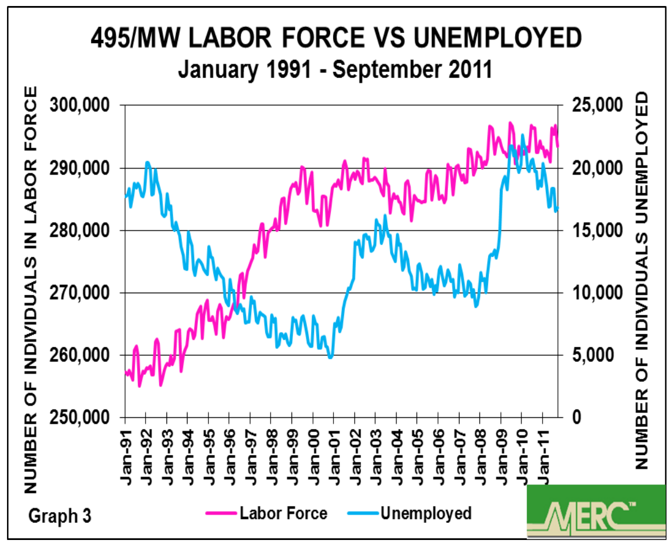


largest contributors to the labor force in the region. In September 2011, Framingham posted an unemployment rate of 5.4% down from 6.3% in September 2010. Marlborough posted a slightly higher rate of 5.5% down from 6.6% in September 2010. Graph 2, above, shows the unemployment rates in these selected 495/MW Region communities in September 2010 and September 2011. The unemployment rates for these selected communities are lower in September 2011 than in September 2010.

Graph 3, to the right, shows the total number of individuals in the region's labor force on the left axis and the total number of individuals unemployed on the right axis. The labor force has had an increasing trend over the twenty years from 1991 to 2011, having its lowest value in September 1991 with 255,125 individuals and eventually reaching its highest value in June 2009 with 297,238 individuals. The number of people unemployed has not followed a steady pattern. It was declining from 1991 until it reached its lowest value in November 2000 with 4,833 individuals. This number continued to fluctuate until reaching its peak in January 2010 with 22,646 individuals. As of September 2011, the labor force was composed of 293,447 individuals with 16,816 of them unemployed.~



MERC Interns

Fall 2011

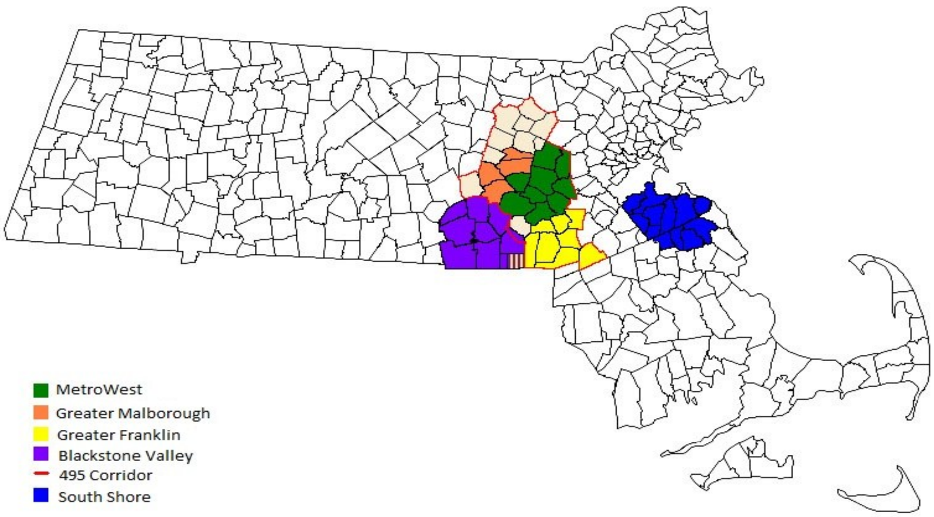
Intern III
Tanya Butler
Kelly Farrell

Intern II
Kevin Aguirre
Sherren Doyle
Rachel Drywa
Alexander Lepage

Intern I
Nicole Coccoluto
Laura Egan
Michael Jacquet
Michael Lodi
Zachary Walsh

MERC SUBSTATE REGIONS MAP

MERC provides economic data and analysis for the 6 substate regions shown on the map: MetroWest CCSA™, Greater Marlborough Region, Greater Franklin Region, Blackstone Valley, 495/MetroWest Corridor, and the South Shore CCSA™.



There are several categories of unemployment rates. U-1 through U-6, not seasonally adjusted, are reported below for the U.S. period rates in October 2011. MERC uses the U-3 rate, which is the official unemployment rate.

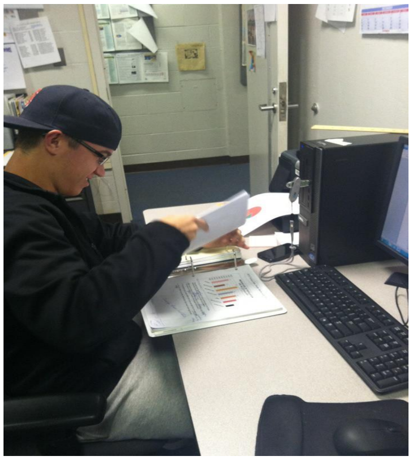
Measures: U.S. October 2011

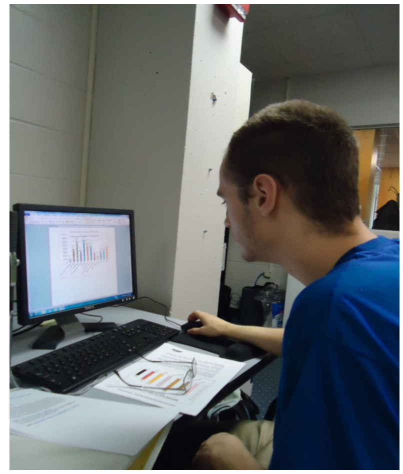
U-1	Persons unemployed 15 weeks or longer, as a percent of the civilian labor force	5.0%
U-2	Job losers and persons who completed temporary jobs, as a percent age of the civilian labor force	4.8%
U-3	Total unemployed persons, as a percent of the civilian labor force (the official unemployment rate)	8.5%
U-4	Total unemployed persons plus discouraged workers, as a percent of the civilian labor force, plus all discouraged workers	9.1%
U-5	(U-4) plus all other “marginal attached” workers, as a percent of the civilian labor force, plus all “marginally attached “ workers	10.0%
U-6	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	15.3%

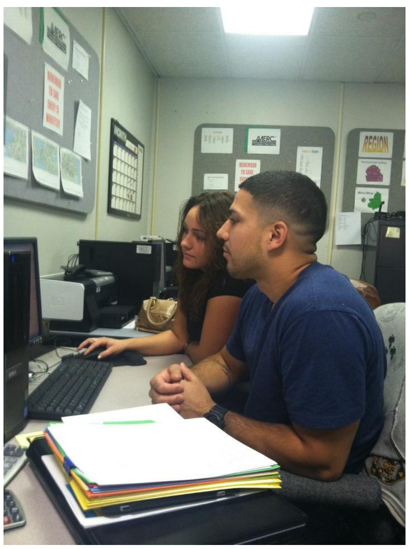
September 2011 UNEMPLOYMENT RATES Not Seasonally Adjusted (Preliminary Data)

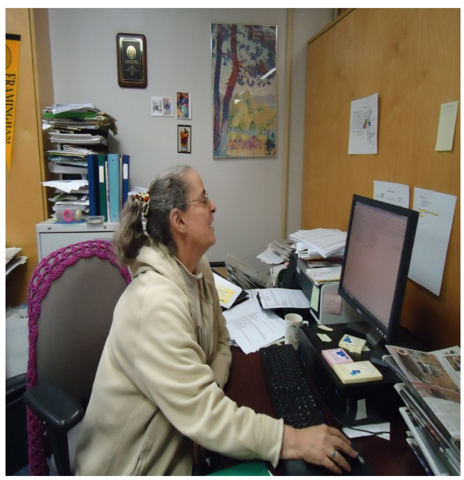
495/MW	**5.7%**
Blackstone Valley	**7.1%**
Blackstone	8.8%
Douglas	7.0%
Grafton	6.3%
Hopedale	5.6%
Mendon	6.2%
Millbury	7.7%
Millville	8.9%
Northbridge	7.8%
Sutton	6.7%
Upton	5.7%
Uxbridge	7.2%
Greater Franklin	**6.6%**
Bellingham	9.1%
Blackstone	8.8%
Foxborough	6.5%
Franklin	5.7%
Medfield	5.3%
Medway	5.9%
Millis	5.8%
Norfolk	6.2%
Wrentham	6.2%
Greater Marlborough	**5.8%**
Hudson	6.3%
Marlborough	5.5%
Northborough	5.9%
Westborough	6.2%
MetroWest	**5.3%**
Ashland	5.7%
Framingham	5.4%
Holliston	5.2%
Hopkinton	5.2%
Natick	5.1%
Sherborn	4.7%
Southborough	5.4%
Sudbury	5.3%
Wayland	4.8%
Milford	**5.9%**
South Shore	**6.9%**
Abington	7.7%
Braintree	7.0%
Cohasset	5.6%
Hanover	5.9%
Hingham	5.0%
Milton	6.0%
Norwell	5.8%
Quincy	7.2%
Randolph	8.1%
Rockland	6.7%
Weymouth	7.4%
Massachusetts	**7.2%**
United States	**8.8%**

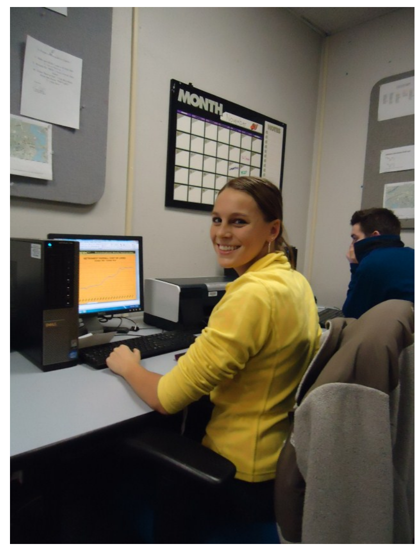
A Peek Inside MERC

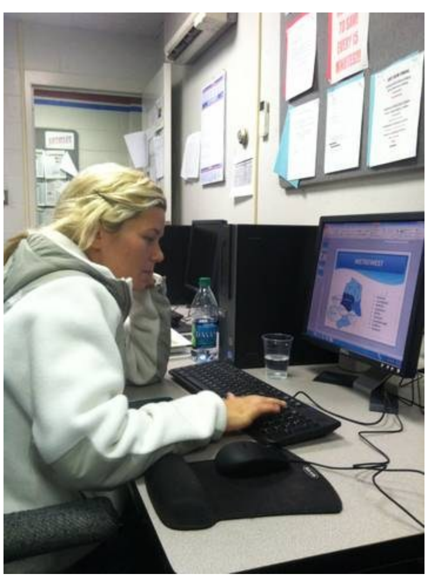












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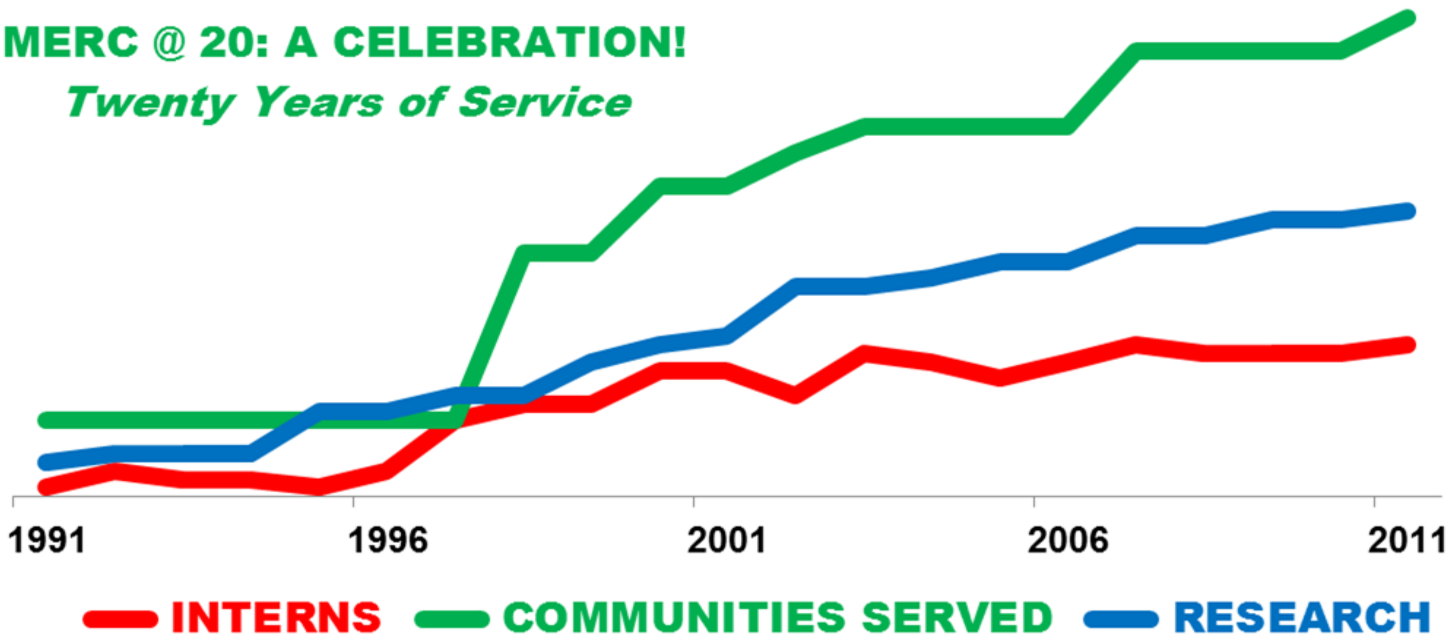

SAVE THE DATE!

MERC's 20th annual conference and economic update on the MetroWest/Greater Marlborough Region will be held on Friday morning May 4th, 2012