

METROWEST/GREATER MARLBOROUGH Economic Profile 2010[®]



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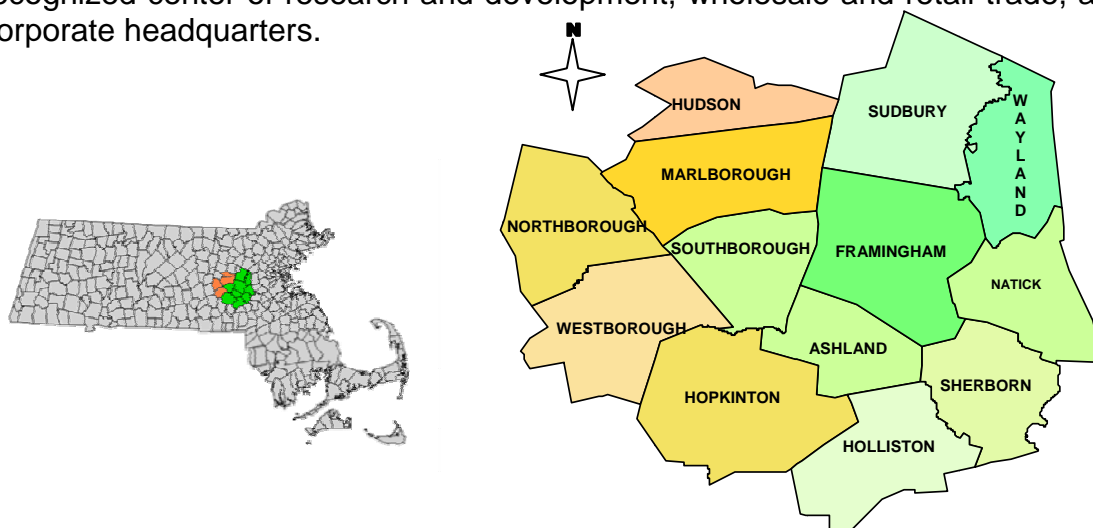


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INTRODUCTION

The combined MetroWest and Greater Marlborough Region (MW/GMR) includes thirteen communities located between Boston and Worcester: the nine towns of the MetroWest Cohesive Commercial Statistical Area (CCSA), and the four communities of the Greater Marlborough Region. With a population of about 275,400, the region hosts a very well educated and highly skilled labor force of 155,000 individuals who reside in households with high incomes when compared to the state and the nation. Strategically located between Boston and Worcester, MW/GMR benefits from four major highways serving the region's residents and businesses: Interstate 495, Interstate 90 (Massachusetts Turnpike) and U.S. routes 9 and 20.

In 2008 the MetroWest/Greater Marlborough Region generated 182,000 jobs and an \$11.8 billion payroll. The region provides 4.5% of the Massachusetts labor force, 5.6% of Massachusetts employment and 6.4% of Massachusetts payroll. Home to thousands of small and medium sized businesses as well as large national firms like Astra Zeneca, Bose, Boston Scientific, Cumberland/Gulf, EMC, Fidelity Investments, Genzyme, Intel, Mathworks, Raytheon, Staples, TJX, and the internationally known U.S. Army Natick Laboratories, MW/GMR is a recognized center of research and development, wholesale and retail trade, and corporate headquarters.



The *2010 MetroWest/Greater Marlborough Region Economic Profile: Road to Recovery?* includes the most recent economic data for the region and its individual communities, and trends over the past three decades as well as comparisons with the state and the nation. This comprehensive publication provides economic data and analyses of labor force and unemployment, employment (including payroll, wages and establishments), housing permits, housing sales, cost of living, municipal revenue, municipal taxes, and K-12 public school enrollment.

The MetroWest Economic Research Center (MERC) at Framingham State College creates and maintains economic databases on a number of regional economies in the state. For more information on the data and analyses in this report, please contact MERC.

Road to Recovery? MetroWest and Greater Marlborough

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ROAD TO RECOVERY? - UNEMPLOYMENT

UNEMPLOYMENT¹

Each month the MetroWest Economic Research Center (MERC) at Framingham State College calculates a composite unemployment rate for the combined MetroWest and Greater Marlborough Region. The unemployment rate is household-based and reflects the labor market status of the **residents** of the regions. The information for the rate is obtained from the Massachusetts Department of Workforce Development, Division of Unemployment Assistance which provides monthly estimates of the size of the local labor force, the number of employed and unemployed residents, and the unemployment rates for all Massachusetts cities and towns.

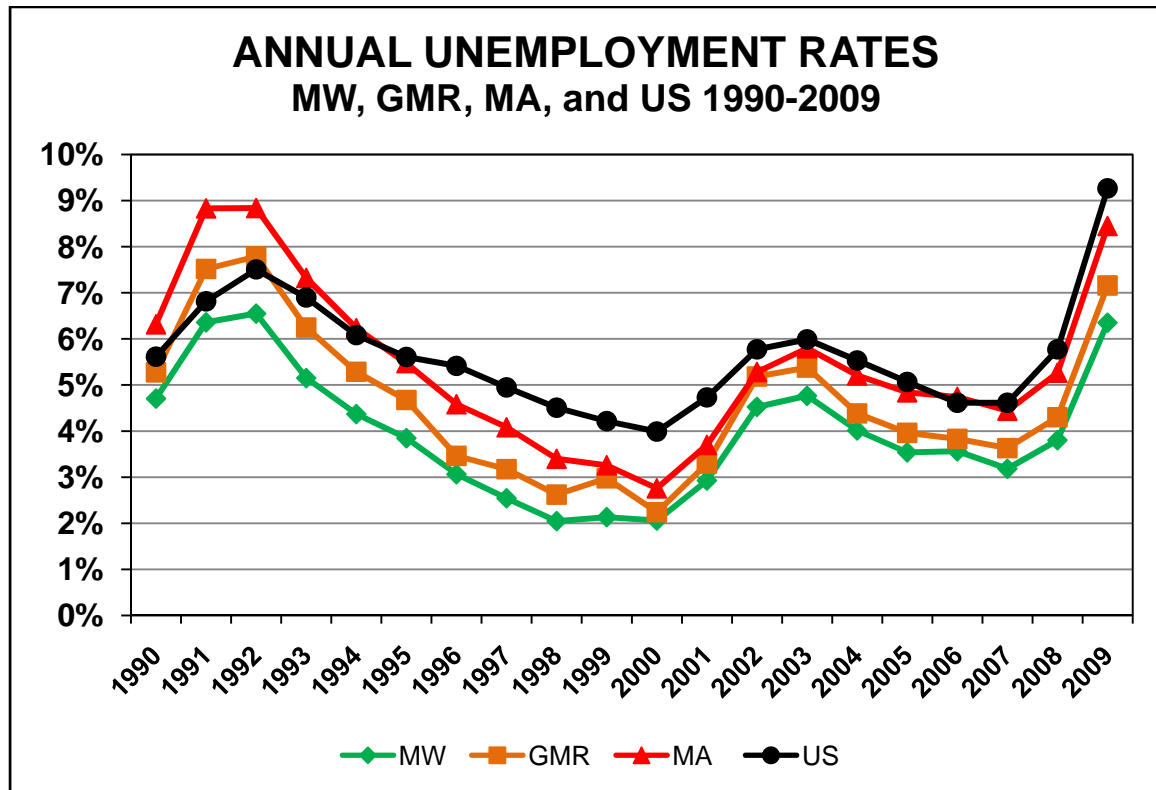
The unemployment rate is a measure of the amount of unutilized labor in the economy. The rate represents the proportion of unemployed individuals in the labor force. The **labor force** is defined as all civilian non-institutionalized persons age 16 and over who are either employed or unemployed. The **employed** are those individuals who work as paid employees, are self-employed, or who work 15 hours or more as unpaid workers in a family operated enterprise. Also included as employed are people who did not work but who had a job from which they were temporarily absent due to vacation, illness, childcare problems or other personal obligations, whether or not they were paid during their absence. The **unemployed** are those who did not hold a job during the survey period but were actively seeking employment. For example, the February 2010 unemployment rate in Framingham of 7.3% was based on the following information: the size of the labor force was **estimated** at 37,001 workers, the sum of 34,285 residents who were employed and 2,716 residents who were unemployed. The rate, expressed as a percentage, was obtained by dividing the unemployed (2,716) by the labor force (37,001) and multiplying by 100 to get the unemployment rate of 7.3%.

Not everyone in the working age population is included in the labor force. Individuals who were in the working age population but who could not be classified as employed or unemployed (a full time homemaker, for example) would not be counted in the labor force.

The local area unemployment rates for the cities and towns are not seasonally adjusted and are subject to periodic revision and re-benchmarking. For purposes of comparison, the state and national unemployment rates shown in this report are likewise not seasonally adjusted.

¹The definition of terms such as labor force, employed, and unemployed are based on those in *The BLS Handbook of Methods*, U. S. Bureau of Labor Statistics, April 2003.

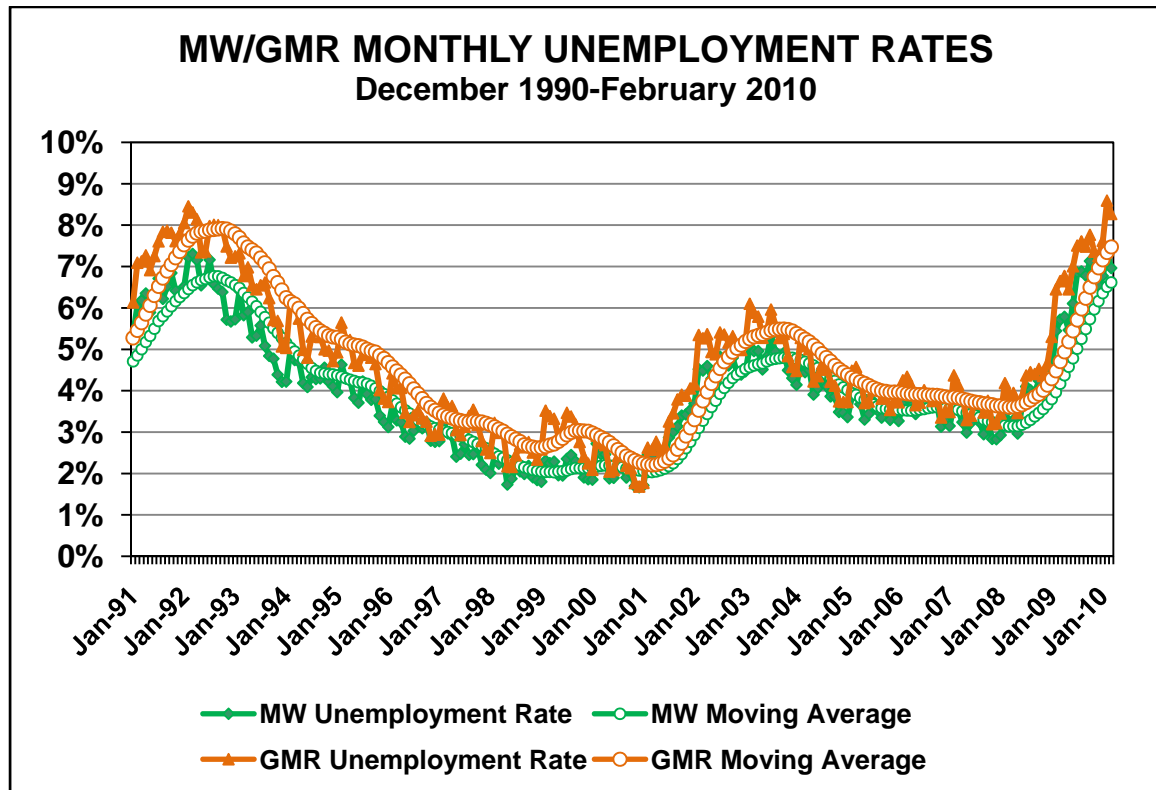
ROAD TO RECOVERY? - UNEMPLOYMENT



Source: MA Division of Unemployment Assistance and MERC

- The annual unemployment rates for MetroWest, the Greater Marlborough Region, Massachusetts, and the United States between 1990 and 2009 are calculated by averaging the monthly unemployment rates for each year.
- In 2009 the annual unemployment rate in MetroWest was 6.4%, the Greater Marlborough Region rate was 7.2%, the Massachusetts rate was 8.5%, and the United States rate was 9.3%. All regions posted higher unemployment rates in 2009 than in 2008.
- In the last two decades, the sharpest increases in unemployment rates in MetroWest, the Greater Marlborough Region, Massachusetts, and United States occurred from 2008 to 2009. The United States witnessed the largest increase of 3.5%, from 5.8% to 9.3%, followed by Massachusetts which posted an increase of 3.2%, from 5.3% to 8.5%.
- MetroWest and the Greater Marlborough Region have consistently had lower unemployment rates than the rates in both Massachusetts and the United States except in 1991 and 1992 when the Greater Marlborough Region posted higher unemployment rates than the United States.

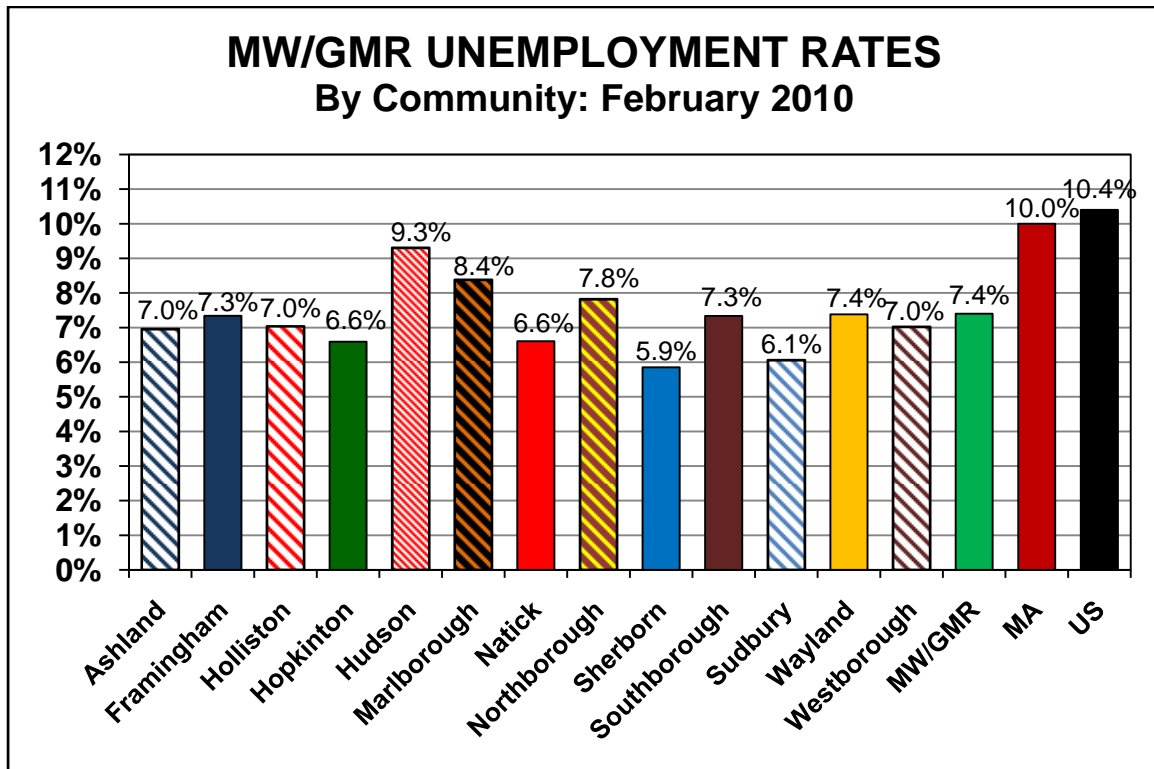
ROAD TO RECOVERY? - UNEMPLOYMENT



Source: MA Division of Unemployment Assistance and MERC

- This graph examines the monthly unemployment rates and the 12-month moving averages for MetroWest (shown in green) and the Greater Marlborough Region (shown in orange) from December 1990 to February 2010. The 12-month moving average smoothes out the seasonal variation of the data.
- In February 2010 the unemployment rate in MetroWest was 7.0%, a decrease of -0.3% from the previous month's rate of 7.3%, the highest rate that the region posted since February 1992.
- In February 2010 the unemployment rate in the Greater Marlborough Region was 8.3%, a decrease of -0.3% from the previous month's rate of 8.6%, the highest that the region has experienced in the last two decades.
- The 12-month moving averages in both regions followed a similar pattern with their monthly rates from December 1990 to February 2010.

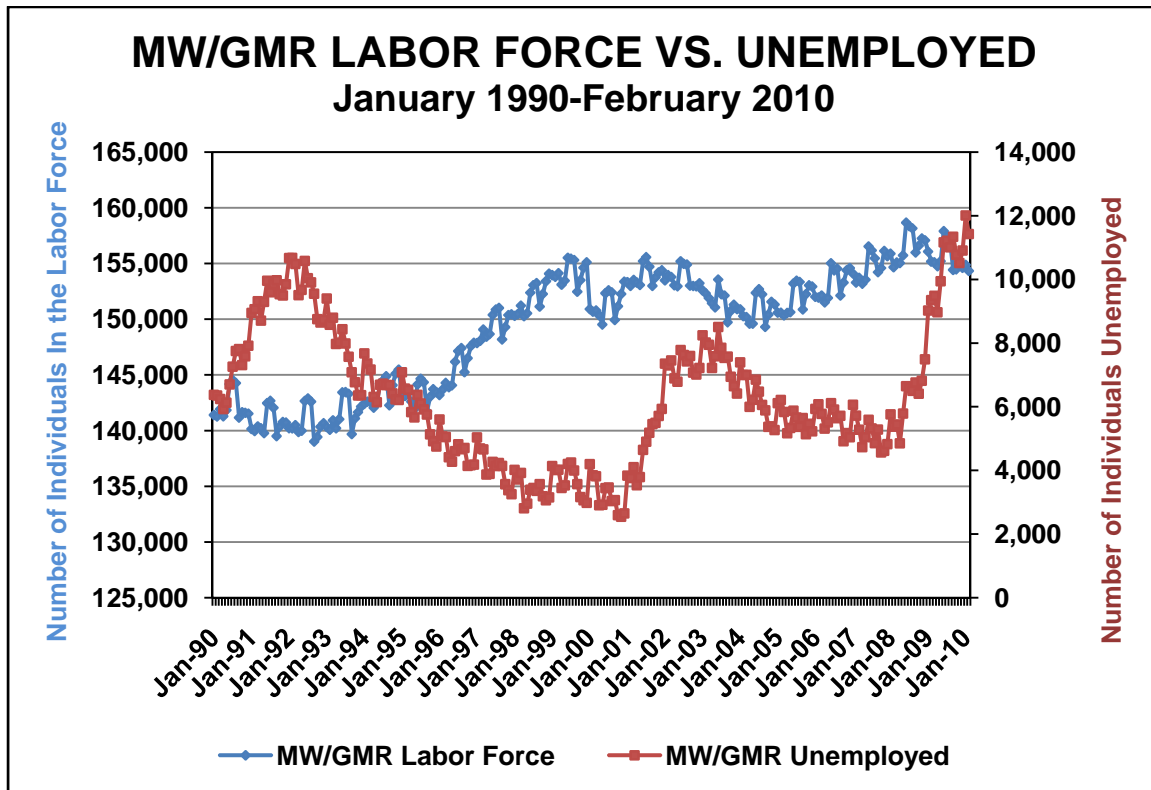
ROAD TO RECOVERY? - UNEMPLOYMENT



Source: MA Division of Unemployment Assistance and MERC

- In February 2010 each of the thirteen communities in the combined region posted lower unemployment rates than the Massachusetts rate and the United States rate of 10.0% and 10.4% respectively.
- The unemployment rate in the combined MetroWest and Greater Marlborough Region (MW/GMR) was 7.4%. Hudson, Marlborough, and Northborough were the only three communities that posted higher unemployment rates than the combined MW/GMR rate.
- Among the thirteen communities in the combined region, Hudson posted the highest unemployment rate of 9.3%, followed by Marlborough at 8.4%.
- Sherborn had the lowest unemployment rate in the combined region at 5.9%, followed by Sudbury at 6.1%.

ROAD TO RECOVERY? - UNEMPLOYMENT



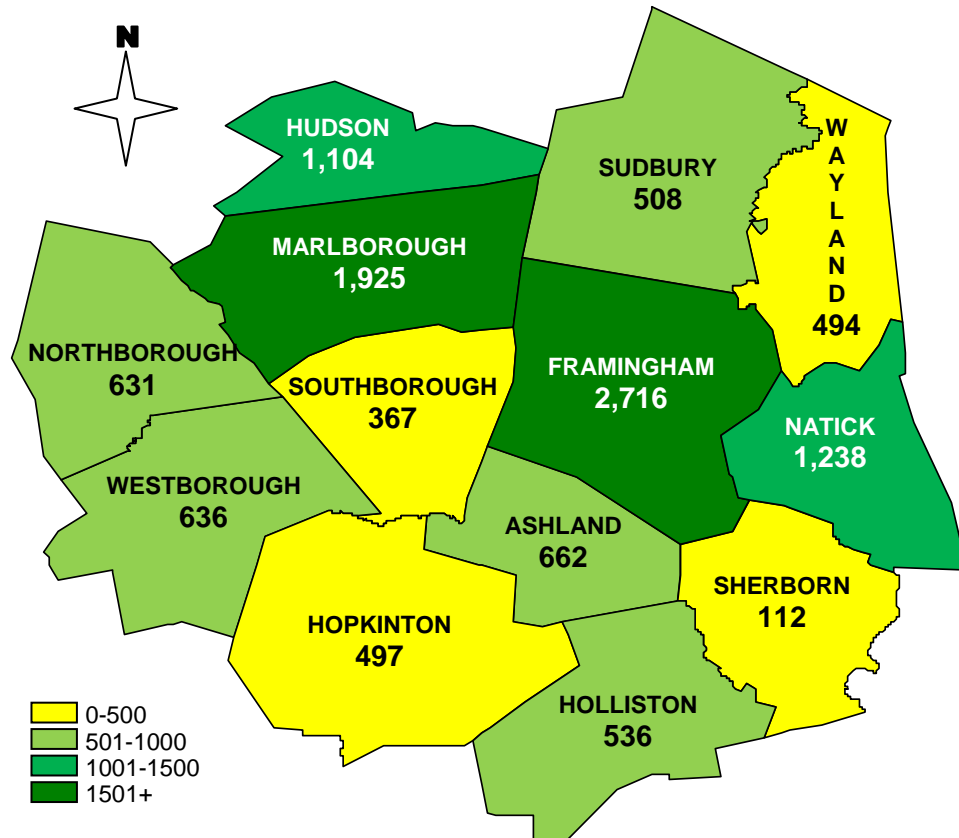
Source: MA Division of Unemployment Assistance and MERC

- The number of individuals in the labor force is shown in blue, measured by the left-hand scale, and the number of individuals unemployed is shown in red, measured on the right-hand scale, in the combined MetroWest and Greater Marlborough Region between January 1990 and February 2010. The labor force includes individuals aged 16 years and older who were either employed or unemployed. An individual is unemployed if he or she did not have a job but was actively seeking employment.
- The total labor force reached its lowest point of 139,027 individuals in September 1992. Since then, the labor force has shown an upward trend with some fluctuations until June 2008 when it reached its highest point of 158,677 individuals. In February 2010, the total labor force in the combined region was 154,345 individuals.
- The total number of individuals unemployed reached its lowest point of 2,545 individuals in November 2000. Since then, the number of individuals has fluctuated until it reached its highest point of 12,011 individuals in January 2010. In February 2010, the number of individuals unemployed was 11,426 individuals.

ROAD TO RECOVERY? - UNEMPLOYMENT

MW/GMR NUMBER OF UNEMPLOYED

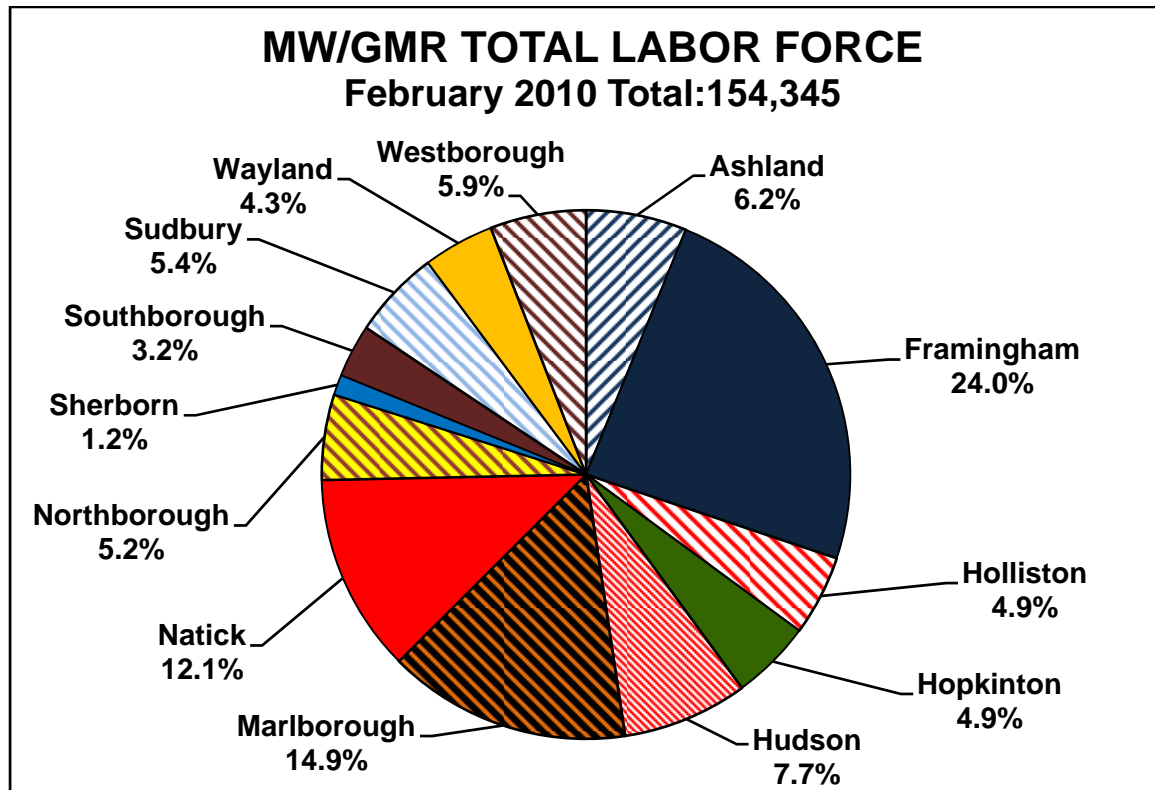
February 2010 Total: 11,426



Source: MA Division of Unemployment Assistance and MERC

- The total number of unemployed individuals in the combined MetroWest and Greater Marlborough Region in February 2010 was 11,426.
- Among the thirteen communities in the combined region, Framingham had the largest number of unemployed individuals with 2,716, followed by Marlborough with 1,925 individuals. Together, Framingham, Marlborough, and Natick account for over 50% of the number of individuals unemployed within the combined region.
- Sherborn had the smallest number of unemployed individuals at 112, followed by Southborough and Wayland at 367 and 494 individuals, respectively.

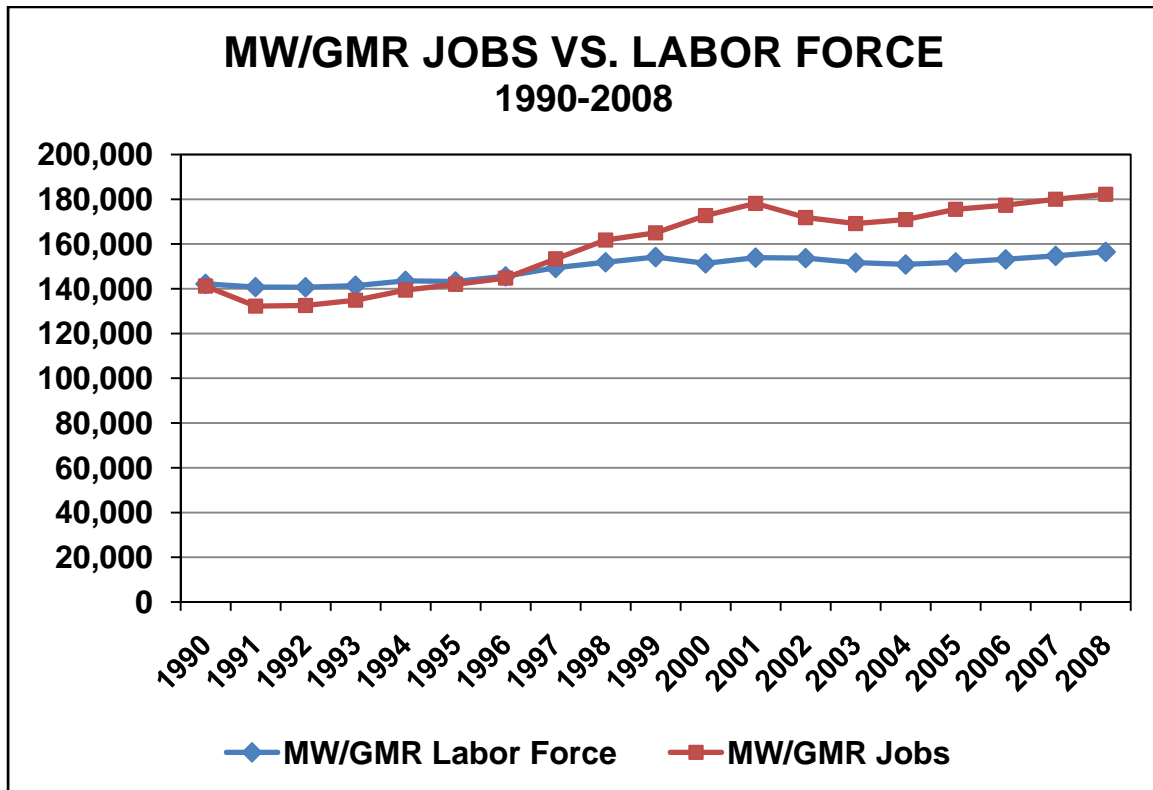
ROAD TO RECOVERY? - UNEMPLOYMENT



Source: MA Division of Unemployment Assistance and MERC

- The total labor force in the combined MetroWest and Greater Marlborough Region in February 2010 was 154,345 individuals.
- The Greater Marlborough Region contributed 51,948 individuals, or approximately 34% of the total labor force. MetroWest contributed 102,397 individuals, or approximately 66% of the total labor force.
- Among the communities in the combined region, Framingham contributed the largest portion of the labor force with 24%, or 37,001 individuals. Marlborough was the second largest contributor at 14.9%, or 22,965 individuals, followed by Natick at 12.1%, or 18,744 individuals. About half of the total labor force in the combined region was provided by these three communities.
- Sherborn had the smallest contribution to the labor force in the combined region with 1.2%, or 1,913 individuals, followed by Southborough with 3.2%, or 5,001 individuals, and Wayland with 4.3%, or 6,689 individuals.

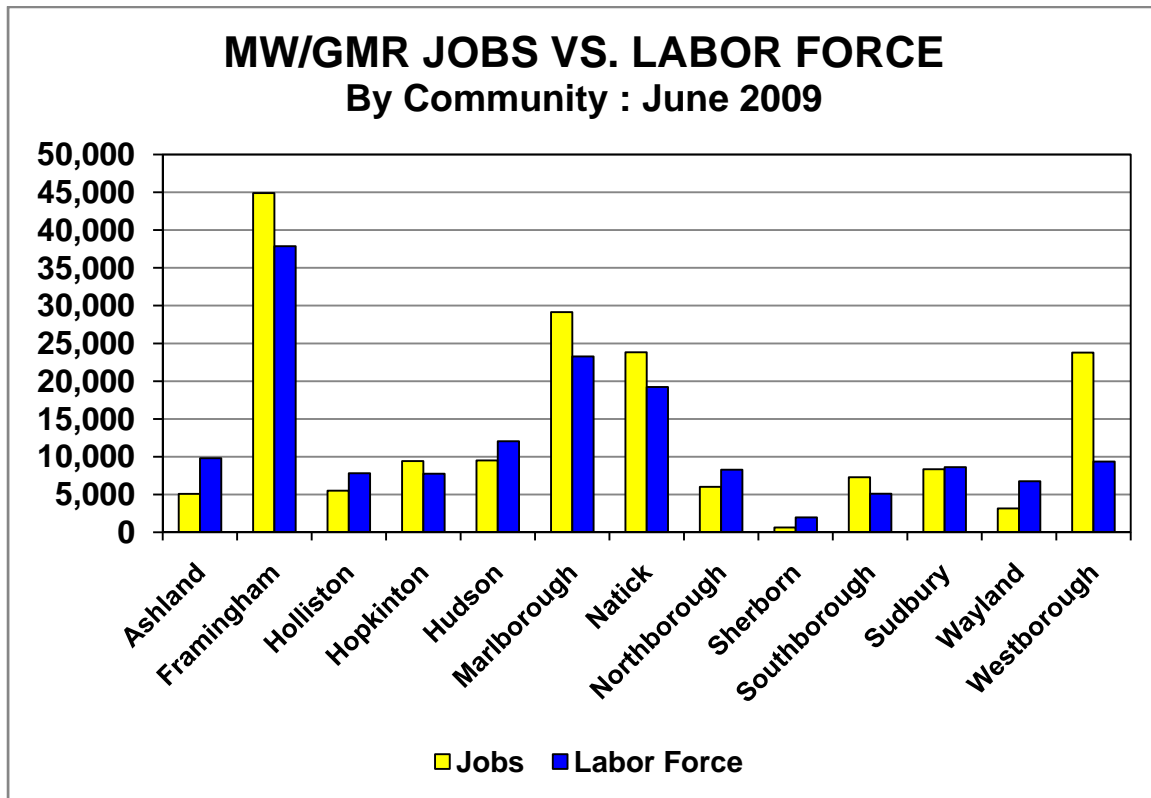
ROAD TO RECOVERY? - UNEMPLOYMENT



Source: MA Division of Unemployment Assistance and MERC

- The total number of jobs is shown in red and the total number of individuals in the labor force is shown in blue in the combined MetroWest and Greater Marlborough Region (MW/GMR) from 1990 to 2008. Jobs refer to the total number of jobs in establishments located in MW/GMR, while the labor force consists of residents in MW/GMR currently employed or unemployed.
- During the nineteen year period, the number of jobs and individuals in the labor force were at their highest levels in 2008, when the number of jobs was reached 182,265 and the number of individuals in the labor force was recorded at 156,552.
- Between 1990 and 1996, the number of jobs was less than the number of individuals in the labor force, implying that the region was a net exporter of labor. During this period, the greatest difference between the number of jobs and the number of individuals in the labor force was 8,466 in 1991.
- Between 1997 and 2008, the number of jobs exceeded the number of individuals in the labor force. This implies that the region was a net importer of labor. Throughout this period, the largest gap between the total number of jobs and the total labor force was recorded in 2008 with 25,713 more jobs than workers.

ROAD TO RECOVERY? - UNEMPLOYMENT



Source: MA Division of Unemployment Assistance and MERC

- The total number of jobs (shown in yellow) is compared to the total number of individuals in the labor force (shown in blue) in each community in the combined MetroWest and Greater Marlborough Region (MW/GMR) in June 2009. Jobs refer to the number of jobs in the establishments located in each community, while the labor force consists of all the community residents who are currently employed or unemployed.
- The total number of jobs in Framingham, Hopkinton, Marlborough, Natick, Southborough, and Westborough was larger than the number of individuals in the labor force. This implies that these six communities were net importers of labor. In the remaining seven communities, the number of individuals in the labor force was larger than the number of jobs, implying that these communities were net exporters of labor.
- Among the thirteen communities, Framingham provided the largest number of jobs in the combined region with a total of 44,892, while Sherborn supplied the smallest number of jobs with a total of 635.

ROAD TO RECOVERY? - EMPLOYMENT

EMPLOYMENT¹

The MetroWest Economic Research Center (MERC) at Framingham State College maintains an employment database for the MetroWest CCSA™, the Greater Marlborough Region, the South Shore CCSA, the 495/Metrowest Corridor, and other substate economies. MERC has documented remarkable growth in regional employment and wages as well as major changes in the type and location of industrial employment over the past 29 years. For this publication MERC has developed employment data for the combined MetroWest/Greater Marlborough Region.

MERC research relies on the Massachusetts Executive Office of Labor and Workforce Development, Division of Unemployment Assistance, ES-202 series to develop time series for employment, payroll, wages and establishments in the MetroWest/Greater Marlborough Region. ES-202 data are derived from reports filed by all employers subject to unemployment laws, both state and federal.

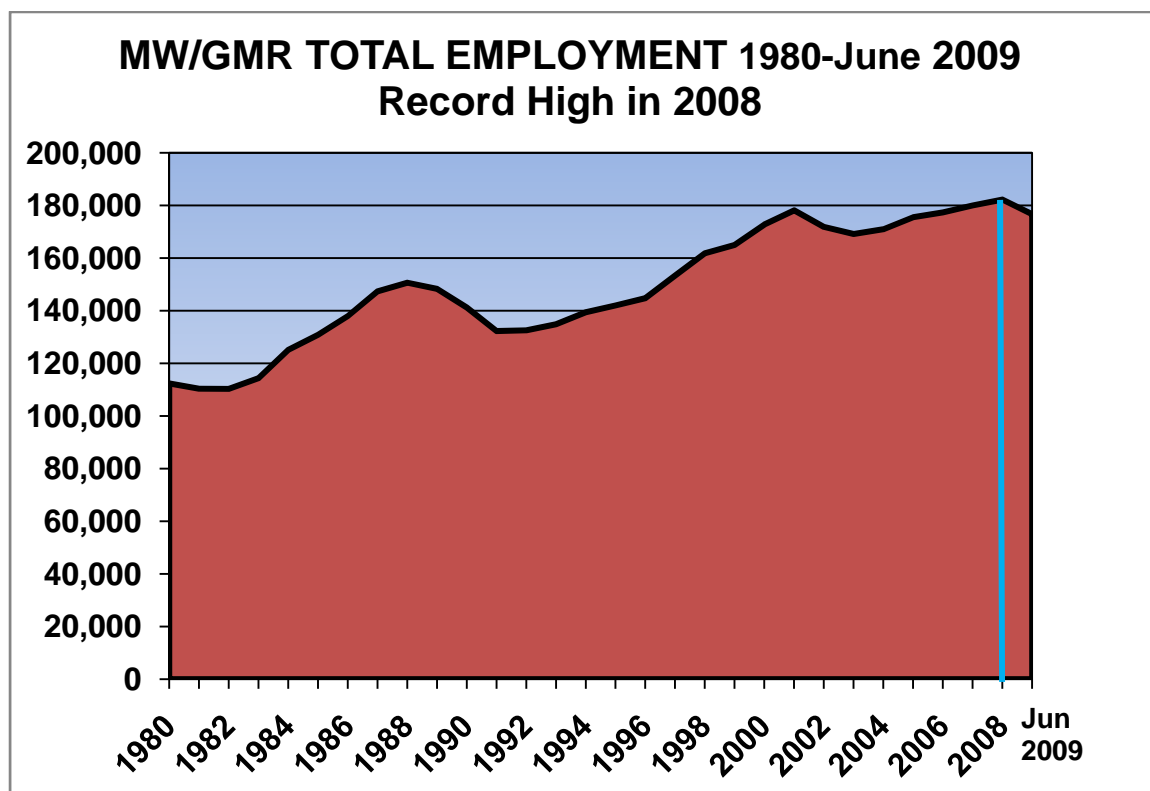
In 2002, for the first time, employers were classified by industry solely in accordance with the North American Industry Classification System (NAICS). NAICS groups together establishments that use the same processes to produce goods and services. NAICS has permanently replaced the Standard Industrial Classification (SIC) system, which was in use for the previous 70 years. Since the criteria for the classification of establishments differs between NAICS and the SIC system, time series data for industrial sectors prior to 2001 cannot be provided. For a more detailed description of NAICS categories as used in this publication, please see the Appendix.

In the ES-202 series **employment** refers to the count of all persons on the payroll of establishments subject to the law, who worked full-time or part-time within the 13 communities of the MetroWest/Great Marlborough Region. Annual **payroll** includes all wages and salaries paid to covered employees including commissions, bonuses, stock options, overtime and sick pay. The **average annual wage** is derived by dividing the gross annual payroll by the average annual employment. **Establishment** or place of work refers to an economic unit that produces goods or services at a single location and is engaged in one type of economic activity. A firm therefore may have one or more establishments where work is produced. More complete definitions are included in the Appendix.

Please note that data and analysis included in this section (*Road to Recovery? - Employment*) refer to business establishments, *not* residents, located within the 13 communities. Please also note that totals may not always add due to rounding.

¹The definition of terms included in this introduction are based on those in the *Handbook of U.S. Labor Statistics* (1998), *Employment and Wages in Massachusetts and the Major Metropolitan Statistical Areas Annual Averages 1993-1996*, and the *North American Industry Classification System - United States, 2002*.

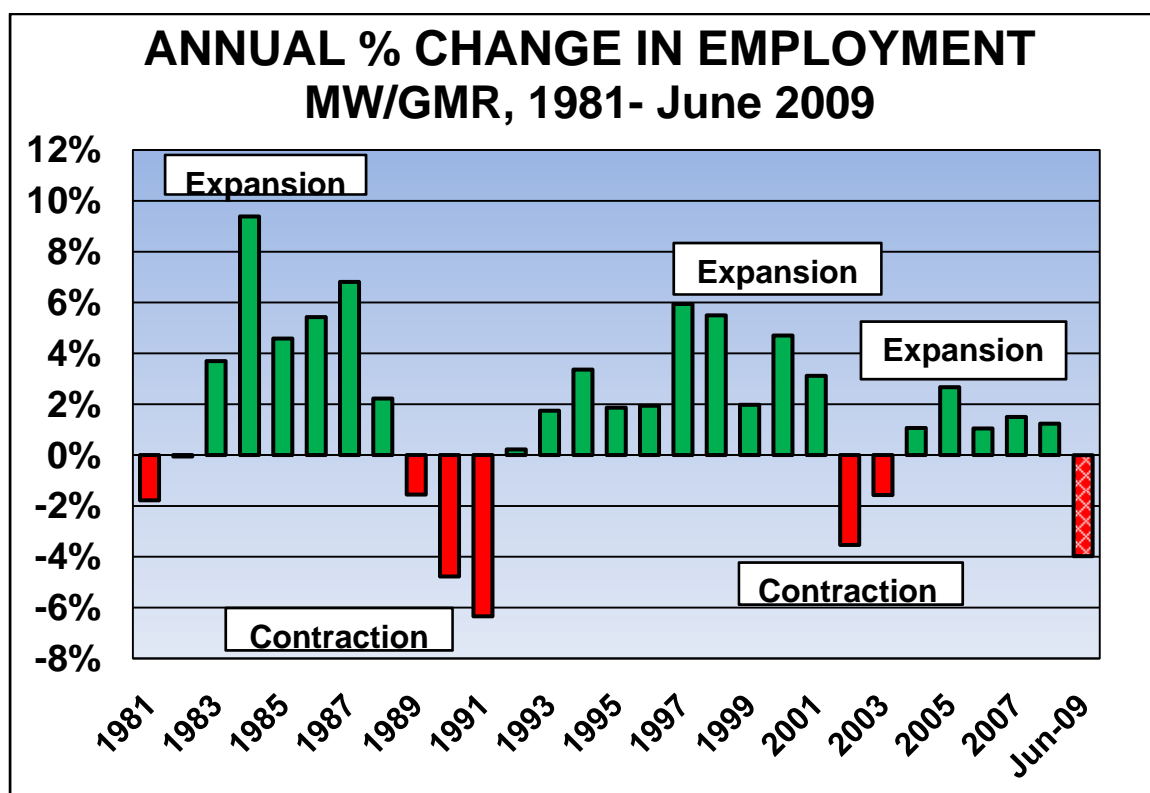
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- MetroWest/Greater Marlborough Region (MW/GMR) reached a historical high of 182,300 jobs in 2008, a gain of 2,200 jobs or 1.2% from 2007. However, employment fell to 175,000 in the first half of 2009 signaling a new recession.
- In 2008 MW/GMR supplied 5.6% of Massachusetts employment or one out of every 18 jobs.
- Employment in MW/GMR has grown steadily since the 2001-03 recession. In 2008 regional employment surpassed its previous peak of 178,200 jobs in 2001 by 4,100 jobs or 2.3%.
- 2008 employment in MW/GMR rose by 1.2% over 2007, outpacing the 0.3% increase in Massachusetts and the -0.4% loss in the U.S.
- From 1980-2008 MW/GMR employment climbed from 112,400 to 182,300, a gain of 69,900 jobs or 62%. The region grew at an average annual rate of 1.7%, twice the 0.8% average annual increase for Massachusetts.
- Employment peaked in 1988, 2001, and 2008. After peaking in 1988 at 150,700, the region entered the very severe 1988-91 recession losing 18,400 jobs (-12.2%). After the second peak of 178,200 in 2001, the region entered the 2001-03 recession losing 9,000 jobs (-5.0%). The third peak of 182,300 jobs occurred in 2008.

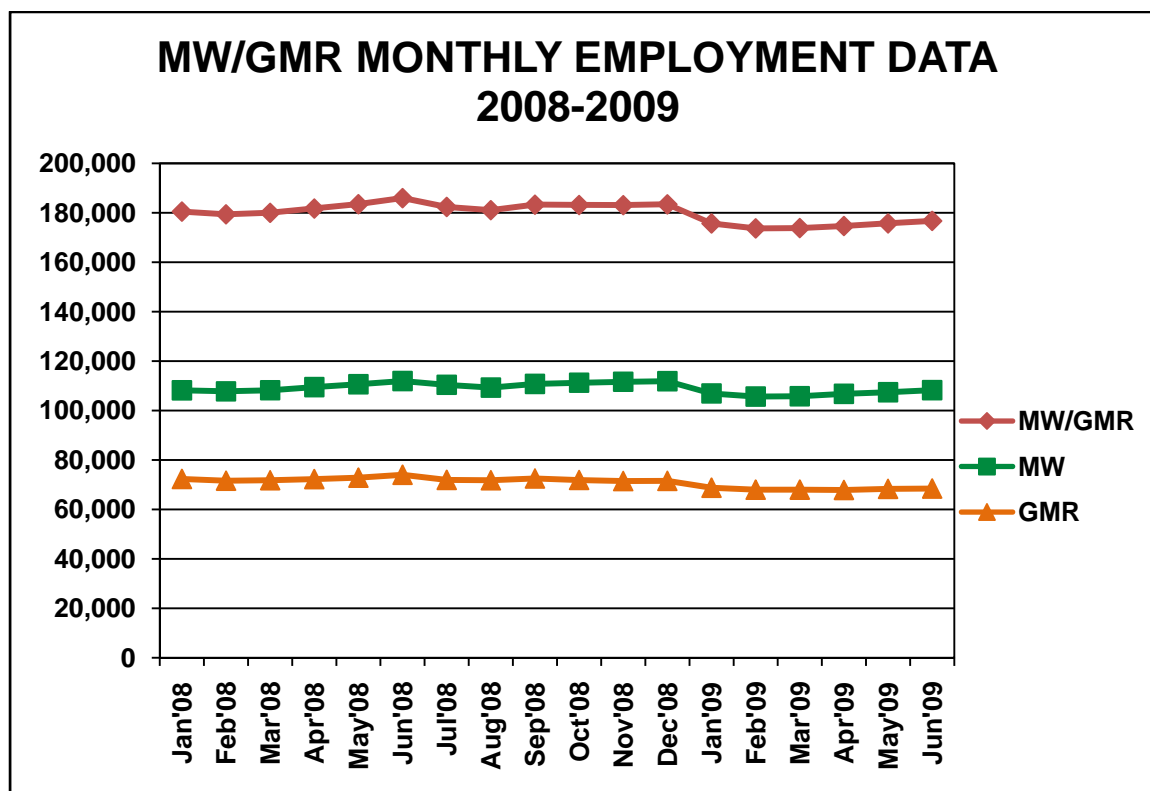
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- Throughout 1980-2008 employment in the MetroWest/Greater Marlborough Region (MW/GMR) fluctuated widely, as the region experienced three business cycles.
- The annual percentage change in regional employment ranged from a gain of 9.4% in 1984 to a loss of -6.3% in 1991. From 1980-2008 the MW/GMR Region averaged a 1.7% annual gain in employment.
- Over the period two major expansions occurred in 1983-88 and 1993-2001, while a smaller expansion occurred in 2004-08.
- Since 1980 losses in employment occurred during the recessions of 1988-91 and 2001-03. During the recession of 1988-91, MW/GMR saw a sharp loss of -4.8% in 1990 and an even sharper loss of -6.3% in 1991. The second recession in 2001-03 saw less severe declines, with losses of -3.5% in 2002 and -1.6% in 2003.
- In the half of 2009, average monthly MW/GMR employment fell by -4.0% (shown in crosshatch) as the region entered a new recession.
- From 1980 to 2008 the MW/GMR region employment grew by 62%; meanwhile, employment in Massachusetts grew by 25%.

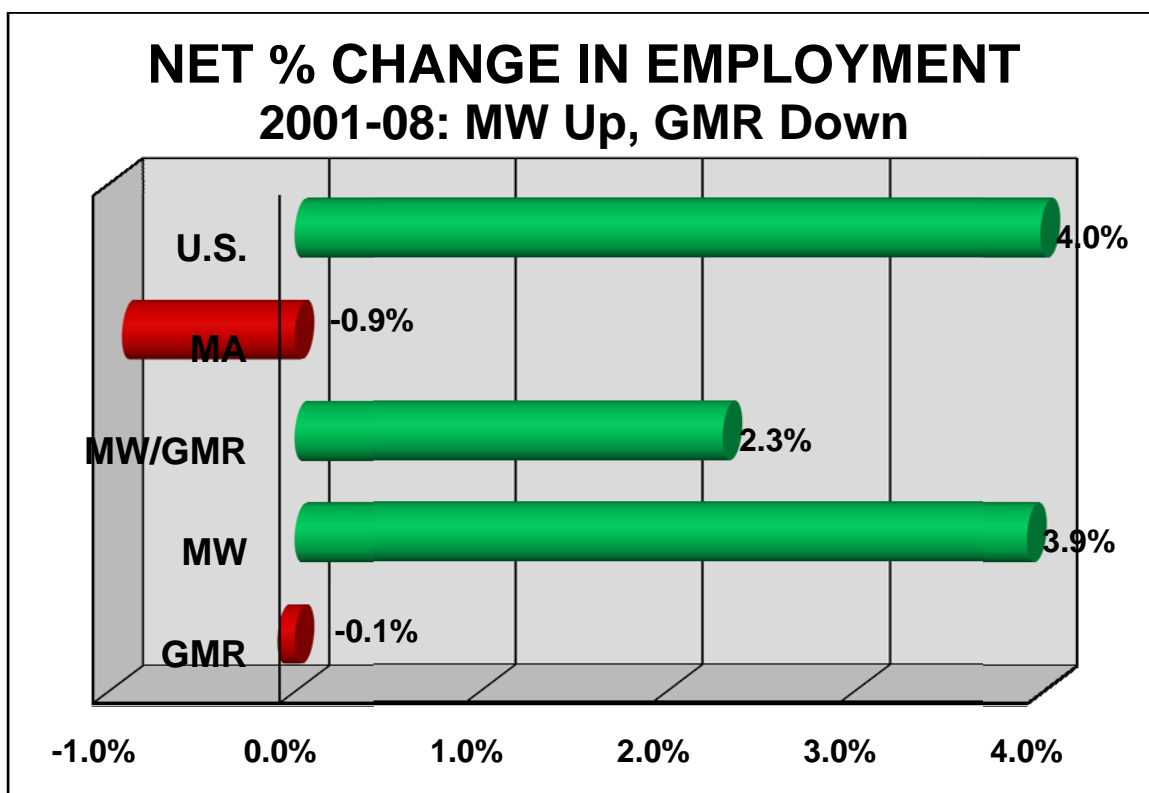
ROAD TO RECOVERY? - EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- Annual employment in 2008 in the MetroWest/Greater Marlborough Region (MW/GMR) averaged 182,300 jobs. Monthly 2008 employment reached its historical peak of 185,900 jobs in June 2008. For the remainder of 2008 monthly employment levels remained below the June 2008 peak and by early 2009 the national recession had impacted MW/GMR employment.
- In January of 2008 employment for MW/GMR stood at 180,500. By January 2009 MW/GMR employment had fallen to 175,500, a decline of -5,000 jobs, as the region slid into recession.
- In the first quarter (Q1) of 2008 (January through March 2008), monthly MW/GMR employment averaged 179,900. In comparison, 2009 Q1 average employment stood at 174,400, a decline of -5,600 jobs, or -3.1% below the Q1 2008 level of employment.
- Comparing the change in employment from June of 2008, the monthly historical peak in MW/GMR employment, with June of 2009 reveals the force of the recession. In June 2008 MW/GMR employment stood at 185,900. By June 2009 employment stood at 176,700, a decline of -9,200 jobs, or -5.0% from the previous June.

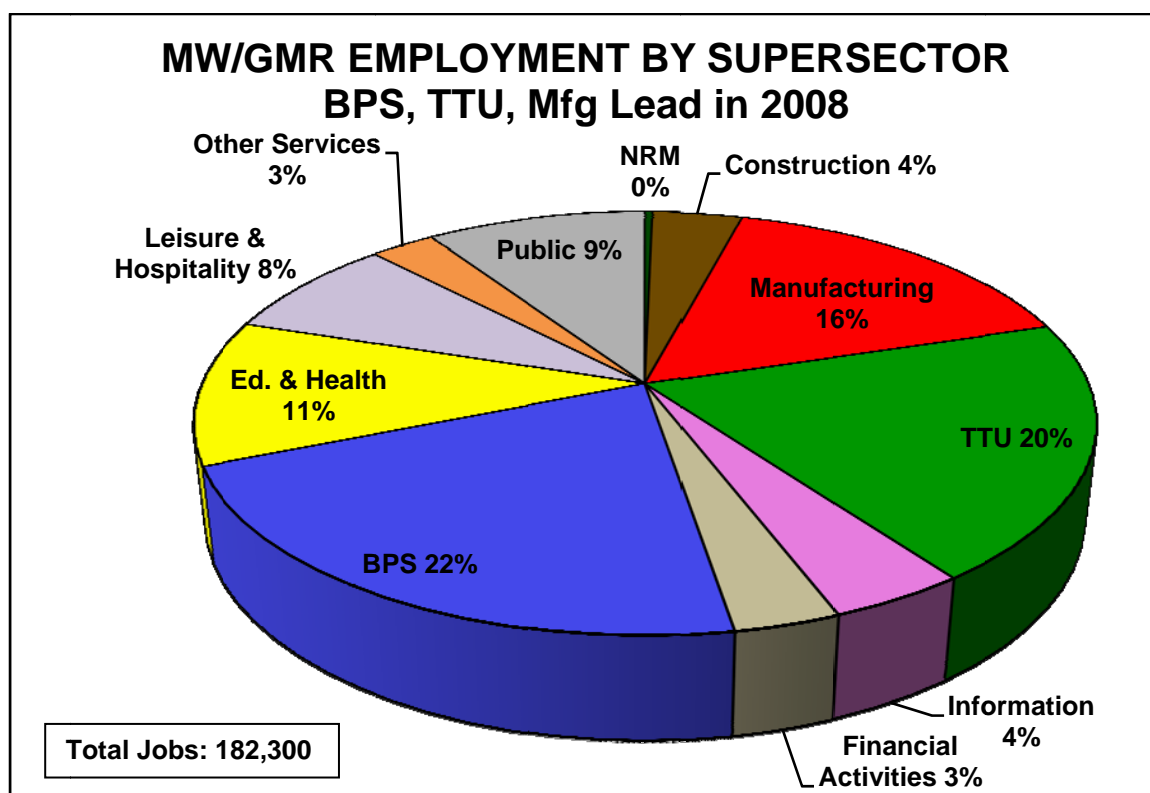
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- From 2001 to 2008 employment in the United States increased by 4.0% while employment in Massachusetts decreased by -0.9%.
- In this same period employment in the MetroWest and Greater Marlborough Region (MW/GMR) climbed by 2.3% or 4,100 jobs, from 178,200 jobs in 2001 to a new record peak of 182,300 jobs in 2008.
- The gain in MW/GMR employment was driven by increases in the MetroWest CCSA. MetroWest employment rose by 4,200 jobs or 3.9%, from 106,000 jobs in 2001 to 110,100 jobs in 2008.
- The 3.9% growth in MetroWest mirrored the United States' 4.0% increase in employment from 2001 to 2008.
- In contrast, Greater Marlborough Region employment fell by -0.1% or -70 jobs, from 72,230 in 2001 to 72,160 in 2008.

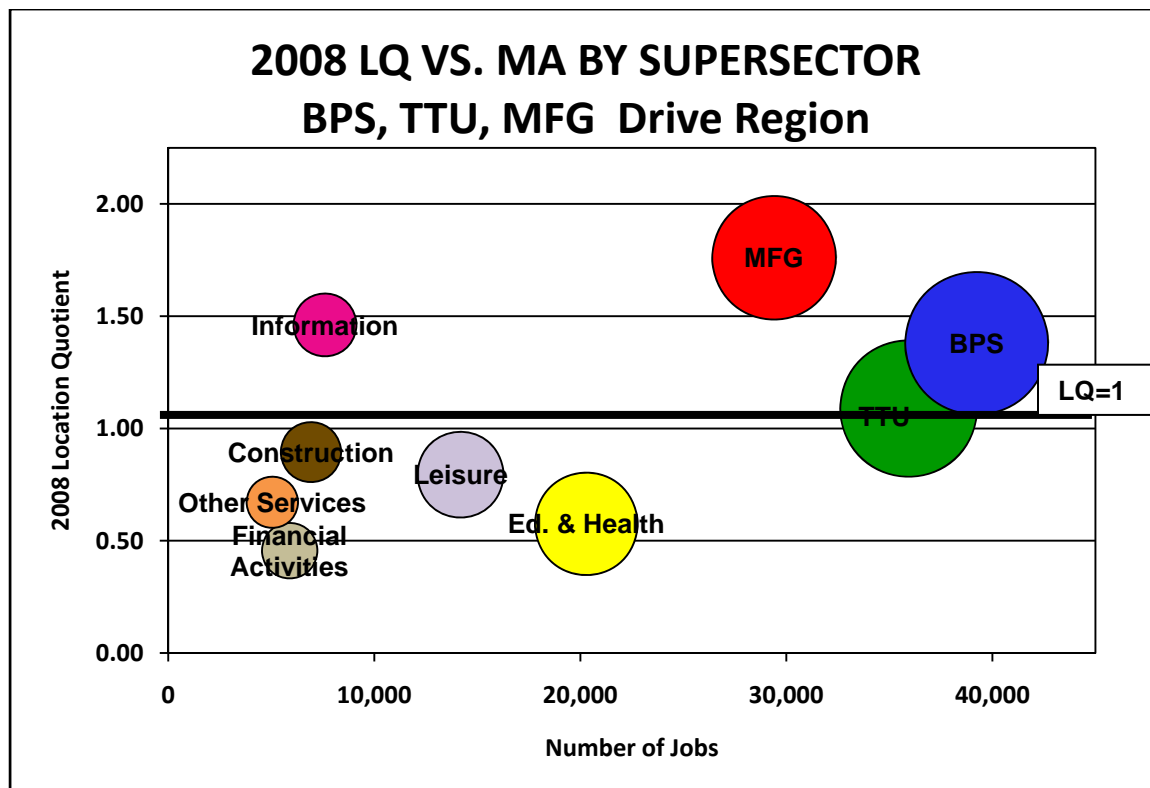
ROAD TO RECOVERY? - EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 MetroWest/Greater Marlborough Region (MW/GMR) employment stood at a record 182,300, a gain of 2,200 jobs, or 1.2% since 2007. This marked the fifth straight year of employment increases for MW/GMR.
- Among all supersectors, Business and Professional Services (BPS) produced the largest share of MW/GMR employment: 22% or 39,200 jobs. Trade, Transportation, and Utilities (TTU) followed with 20%, or 35,900 jobs. Manufacturing generated the third largest share of jobs, 16% or 29,400 jobs.
- Three supersectors provided between 5% and 11% of regional employment: Education & Health Services (11% or 20,300 jobs), Public (9% or 17,200 jobs), and Leisure & Hospitality (8% or 14,200 jobs).
- Together, BPS, TTU and Manufacturing combined to supply 104,600 jobs, or 57% of regional employment.
- The remaining supersectors each contributed less than 5% of regional employment.

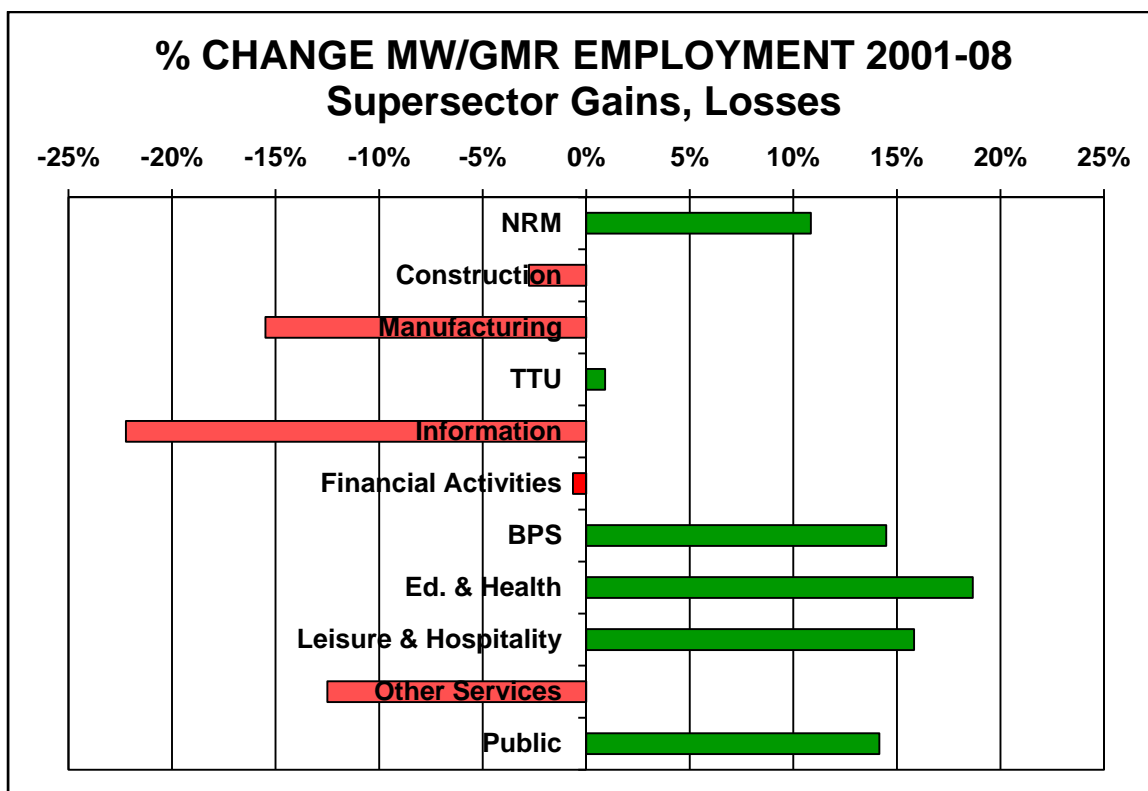
ROAD TO RECOVERY? - EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- Location quotients (LQ) compare the regional industry share of total private employment to the state share for the same industry in the same year. Circle size reflects the relative number of jobs in each supersector.
- A regional LQ greater than 1.0 shows an industry concentration higher than that of the state. In 2008 Manufacturing achieved the highest LQ, 1.76, or a 76% greater concentration of Manufacturing jobs in MW/GMR than existed statewide.
- In addition, Business and Professional Services (BPS) and Trade, Transportation and Utilities (TTU), with LQs of 1.38 and 1.09, each generated a higher industry concentration in MW/GMR than existed statewide.
- The high location quotients for Manufacturing, BPS, and TTU, the region's three largest supersectors in employment, as well as Information (1.46), the region's highest wage supersector, confirm the importance of this cluster of MW/GMR supersectors to the state's economy.
- A regional LQ less than 1.0 shows an industry concentration lower than that of the state. In 2008 MW/GMR had five supersectors with LQs less than 1.0, including Education & Health (0.58), the region's fourth largest in employment.

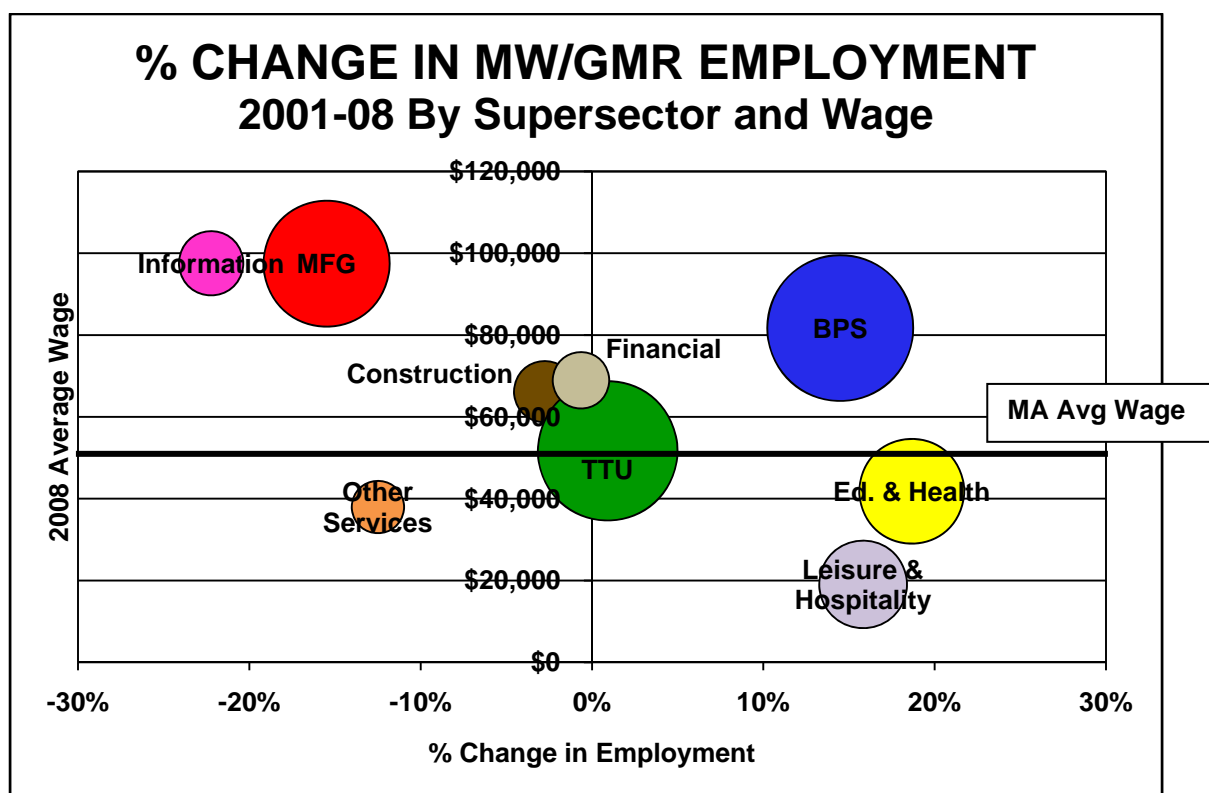
ROAD TO RECOVERY? - EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- Total employment in the MetroWest/Greater Marlborough Region climbed to 182,300 in 2008, a gain of 4,100 jobs, or 3.2% since 2001.
- Six supersectors increased employment from 2001-08. Four supersectors each added more than 1,500 jobs.
- Business & Professional Services (BPS) led all supersector growth, adding 5,000 jobs, a gain of 14%. Education & Health Services followed, up 3,200 jobs, or 19%. Public (2,100 jobs, or 14%), Natural Resources and Mining (NRM) (60 jobs, or 11%), Leisure & Hospitality (1,900 jobs, or 16%) and Trade, Transportation & Utilities (TTU), (325 jobs, or 1%) also gained employment.
- Five supersectors lost jobs from 2001-08 including the two highest wage supersectors, Manufacturing and Information. Manufacturing experienced the largest absolute decline, losing -5,400 jobs, or -15%. Information also dropped significantly, declining by -2,200 jobs, or -22%. Other Services (-700 jobs, or -12%), and Construction (-200 jobs, or -3%) and Financial Activities (-40 jobs or -1%) also experienced declines in employment.

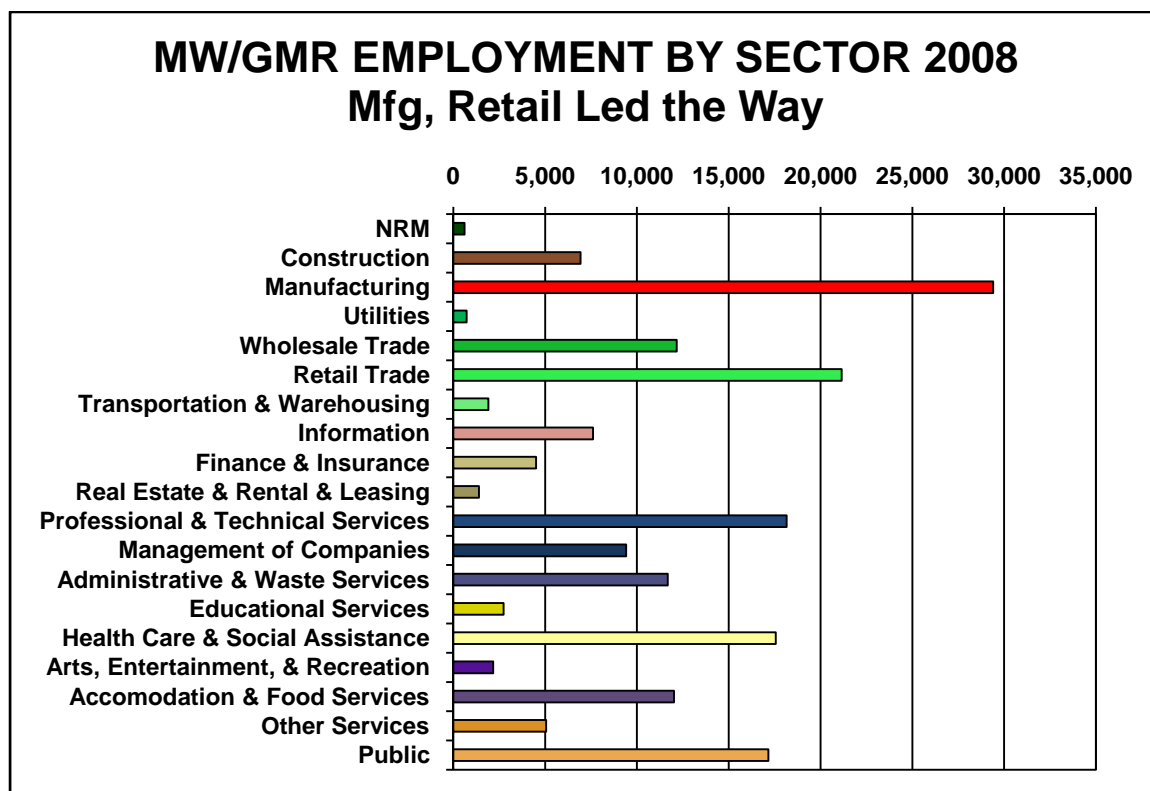
ROAD TO RECOVERY? - EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 the MetroWest/Greater Marlborough Region (MW/GMR) average wage stood at a record \$64,800 exceeding the Massachusetts average wage of \$56,800.
- Four MW/GMR supersectors added employment from 2001-08: Education & Health Services rose by 19%, Leisure & Hospitality rose by 16%, Business & Professional Services (BPS) rose by 14%, and Trade, Transportation & Utilities (TTU) rose by 1%. Of these supersectors, only the average wage in BPS exceeded the 2008 Massachusetts average wage. Circle size reflects the relative number of jobs in each supersector.
- Five supersectors lost employment from 2001-08: Information fell by -22%, Manufacturing (MFG) fell -15%, Other Services fell by -12%, Construction fell by -3%, and Financial Activities fell by -1%. The average wage in four of these supersectors exceeded the Massachusetts average wage: Information, Manufacturing, Financial Activities and Construction.
- From 2001-08 two of the three largest supersectors in MW/GMR experienced significant changes in employment. The high wage Manufacturing supersector decreased by -15%, while the high wage BPS increased by 14%. TTU employment remained constant.

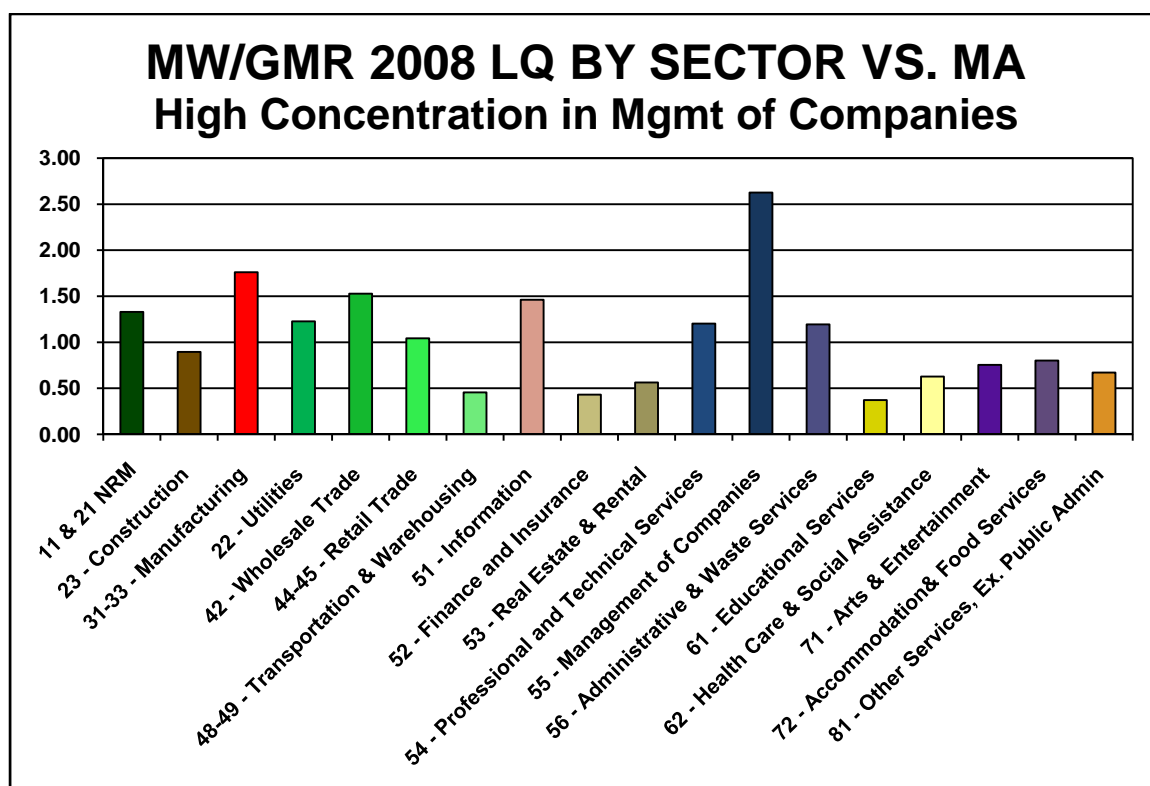
ROAD TO RECOVERY? - EMPLOYMENT



Source: MA Department of Unemployment Assistance, MERC

- In 2008 MetroWest/Greater Marlborough Region (MW/GMR) employment totaled 182,300 jobs, up 1.2% from 2007.
- Manufacturing, the largest sector in 2008, generated 29,400 jobs, or 16% of all jobs in MW/GMR. Retail Trade, the second largest sector, provided 21,100 jobs, or 12% of regional jobs.
- These two sectors combined to supply 50,500 jobs, or 28% of all jobs in MetroWest/Greater Marlborough Region.
- Six sectors contributed between 10,000 and 20,000 jobs: Professional, Scientific & Technical Services (18,100 jobs, or 10%), Health Care & Social Assistance (17,600 jobs, or 10%), Public (17,100 jobs, or 9%), Wholesale Trade (12,200 jobs, or 7%), Accommodation & Food Services (12,000 jobs, or 7%), and Administrative & Waste Services (11,700 jobs, or 6%).
- The remaining sectors each contributed fewer than 10,000 jobs in regional employment.

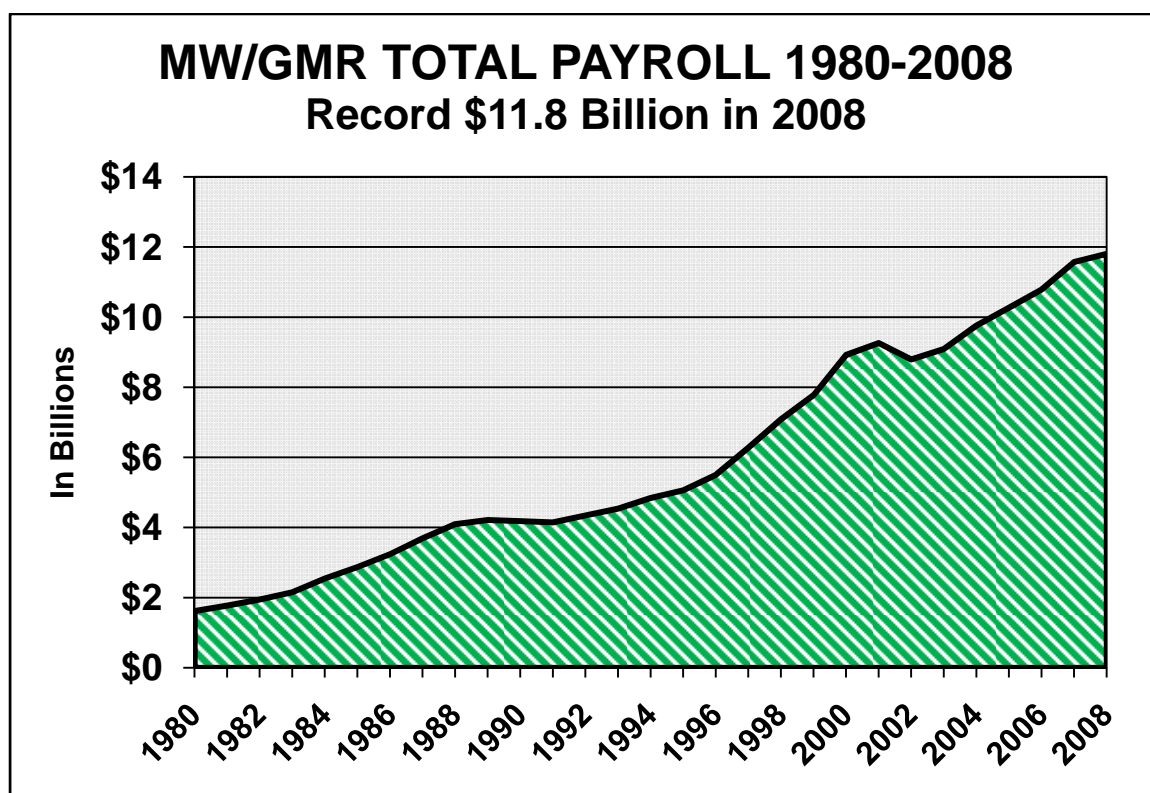
ROAD TO RECOVERY? - EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- Location Quotients (LQ) compare the regional industry share of total private employment to the state share for the same industry in the same year.
- A regional LQ greater than 1.0 shows an industry concentration higher than that of the state. In 2008 nine MetroWest/Greater Marlborough Region (MW/GMR) sectors had LQs exceeding 1.0: Management of Companies, Manufacturing, Information, Wholesale Trade, NRM, Utilities, Professional Services, Administrative & Waste Services, and Retail Trade.
- Management of Companies had an exceptionally high concentration of employment in MW/GMR, more than 2.5 times than that of the state. Five sectors had a 20-75% higher concentration of employment than existed statewide: Manufacturing, Information, Wholesale Trade, Utilities, and Professional, Scientific & Technical Services.
- A regional LQ less than 1.0 shows an industry concentration in MW/GMR lower than that of the state. In 2008 MW/GMR had nine sectors with LQs less than 1.0, including Health Care & Social Assistance, the fourth largest sector in terms of employment.

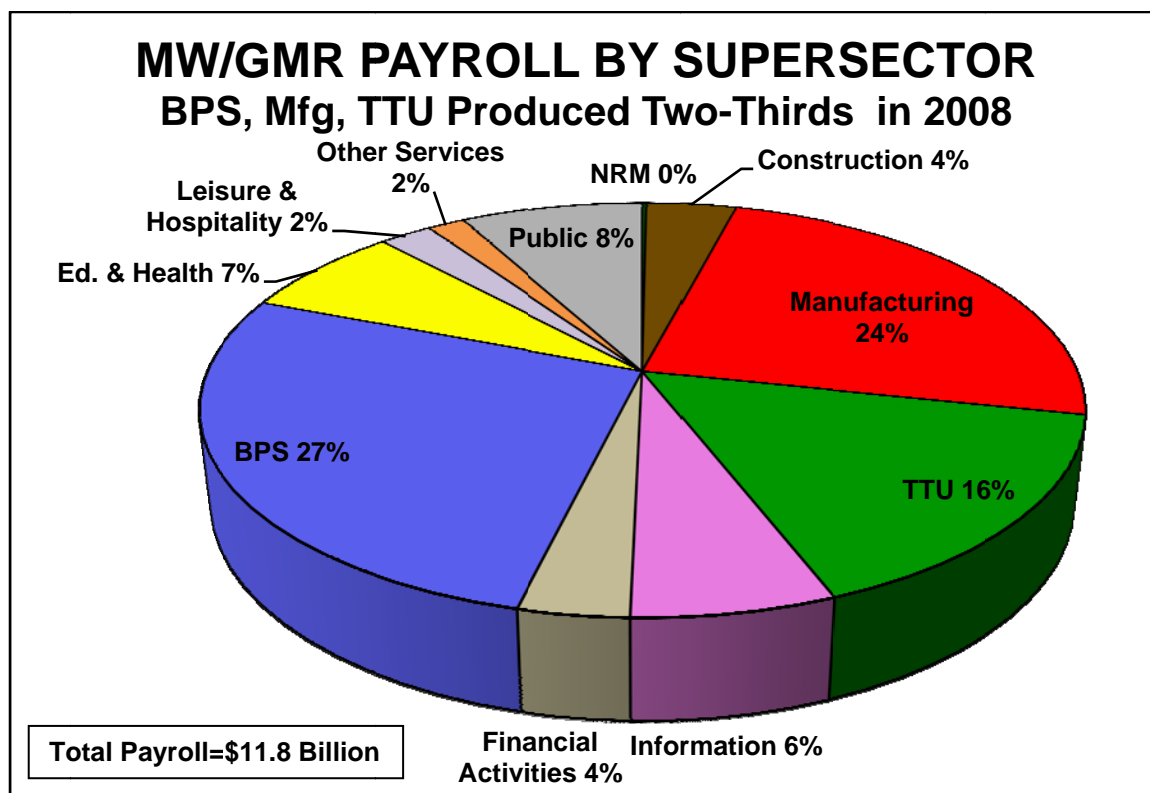
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 the MetroWest/Greater Marlborough Region (MW/GMR) payroll reached a new record peak of \$11.8 billion, up \$235 million or 2.0% from 2007.
- Total payroll is measured in nominal or current dollars and not corrected for inflation. In 1980 the MW/GMR payroll totaled \$1.6 billion. By 2008 total regional payroll had increased by \$10.2 billion or 629%.
- Corrected for inflation using the CPI Boston for Urban Wage Earners and Clerical Workers (1982-1984=100), total real MW/GMR payroll rose by 157% from 1980-2008.
- MW/GMR produced 6.4% of Massachusetts's payroll in 2008 or 1 out of every 15.6 payroll dollars.
- MW/GMR payroll grew steadily from 1980-2008, with only two declines in 1990-91 and 2002. The MW/GMR payroll increased at an average annual rate of 7.4%, larger than Massachusetts average annual rate of 6.0% and the United States average annual rate of 5.8%.
- In 2008 MetroWest payroll totaled \$7 billion, and the Greater Marlborough Region payroll totaled \$4.8 billion, both historic highs.

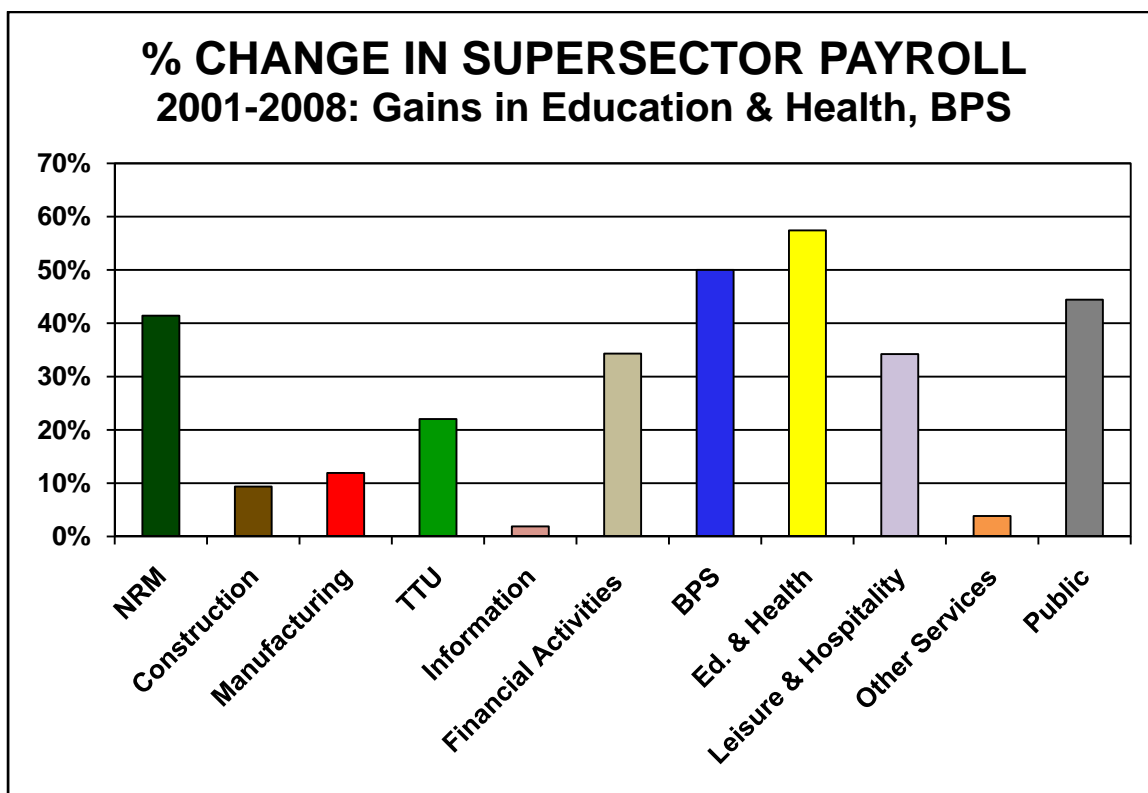
ROAD TO RECOVERY? - EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 MetroWest/Greater Marlborough Region (MW/GMR) total payroll recorded a historical high of \$11.8 billion, increasing by \$235 million, or 2.0% from 2007.
- Three supersectors dominated MW/GMR payroll in 2008. Business & Professional Services (BPS), the largest supersector, generated \$3.2 billion or 27% of regional payroll. Manufacturing, the next largest supplier of payroll, produced \$2.9 billion or 24% of regional payroll. Trade, Transportation & Utilities (TTU) provided \$1.9 billion, or 16 % of regional payroll. Combined, these three supersectors generated \$7.9 billion or 67% of regional payroll.
- Three supersectors produced between 5%-10% of regional payroll: Public (\$941 million or 8%), Education & Health (\$849 million or 7%) and Information (\$742 million or 6%).
- The remaining supersectors each contributed less than 5% of regional payroll.

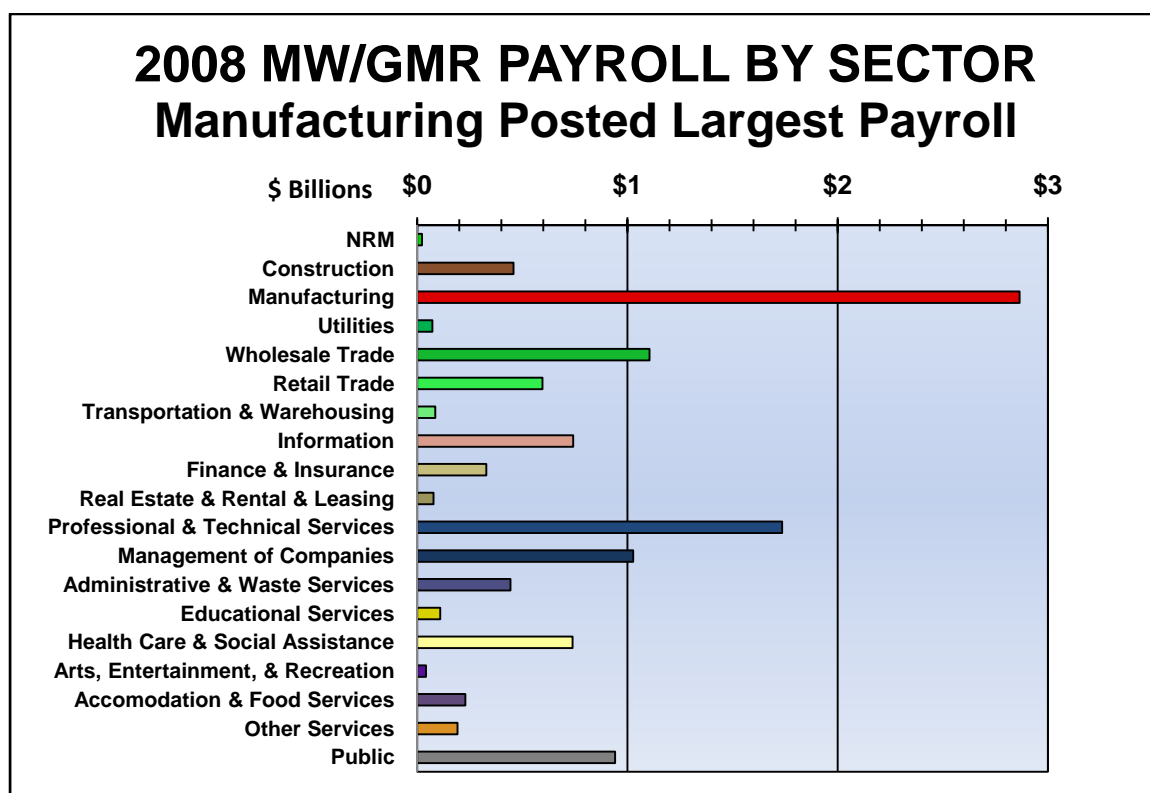
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- Total payroll in the MetroWest/Greater Marlborough Region (MW/GMR) reached a record \$11.8 billion in 2008, a gain of \$2.5 billion or 27.5% from 2001.
- Among all supersectors, Education and Health posted the largest percentage gain and the third largest absolute gain, up 57% or \$310 million, from 2001-08.
- Among all supersectors, Business and Professional Services (BPS) recorded the largest absolute increase in total payroll, \$1.1 billion, and the second largest percentage gain, up 50%, from 2001 to 2008.
- Payroll in the region's second largest supersector in terms of employment, Trade, Transportation and Utilities (TTU), increased by 22% or \$340 million. Payroll in Manufacturing, the third largest supersector in terms of employment, rose by 12% or \$305 million over the period.
- Public had the third largest percentage gain, up 44% or \$289 million, followed closely by Natural Resource and Mining, up 41% or \$6.6 million.
- Information saw the smallest net percentage gain, up 2% or \$13.7 million, followed by Other Services, up 4% or \$7 million.

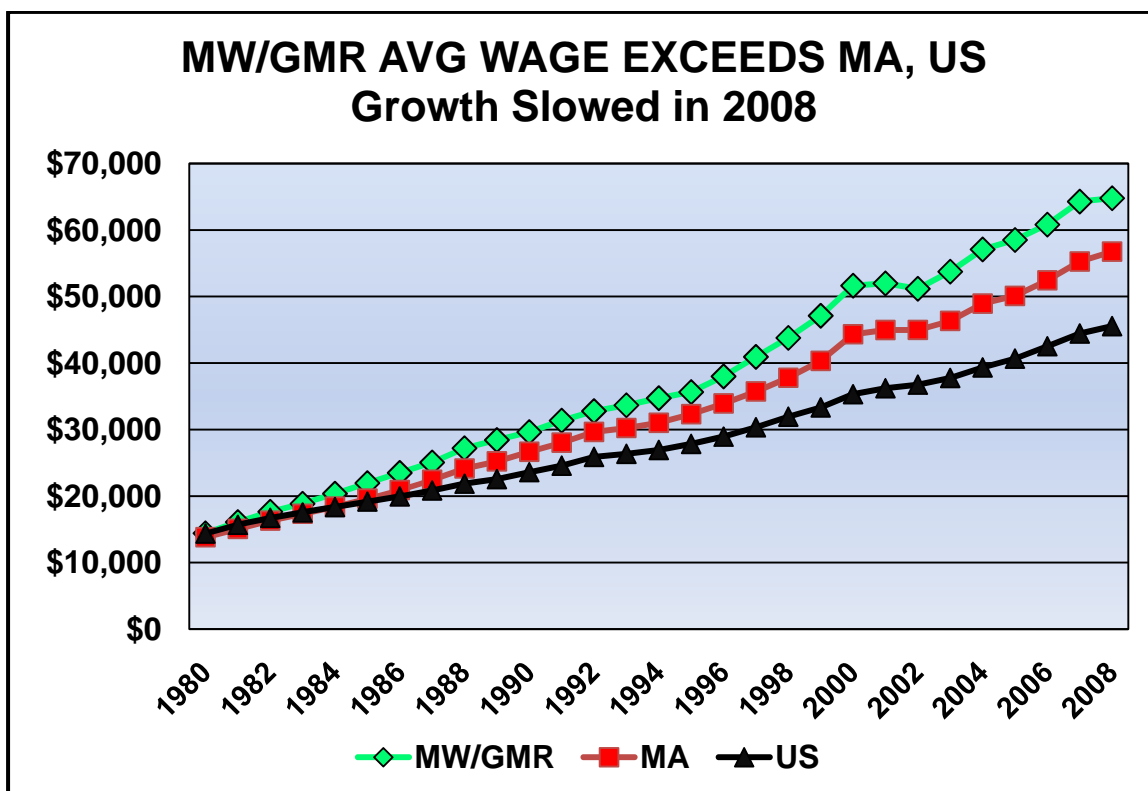
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 payroll in MetroWest/Greater Marlborough Region (MW/GMR) totaled \$11.8 billion.
- Among all sectors, Manufacturing posted the largest payroll in MW/GMR, \$2.9 billion, or 24% of the total regional payroll. Professional, Scientific and Technical Services produced the second largest payroll, \$1.7 billion, followed by Wholesale Trade at \$1.1 billion, and Management of Companies, \$1.0 billion.
- Together, the top four payroll generators: Manufacturing, Professional & Technical Services, Wholesale Trade, and Management of Companies, produced a combined payroll totaling \$6.7 billion or 57% of the region's payroll.
- The Public, Information, Health Care & Social Assistance, and Retail Trade supersectors each produced between \$500 million-\$1 billion in payroll.
- Natural Resources and Mining (NRM), Arts, Entertainment & Recreation, Utilities, Real Estate & Rental & Leasing, and Transportation & Warehousing, each contributed less than \$100 million to total regional payroll.

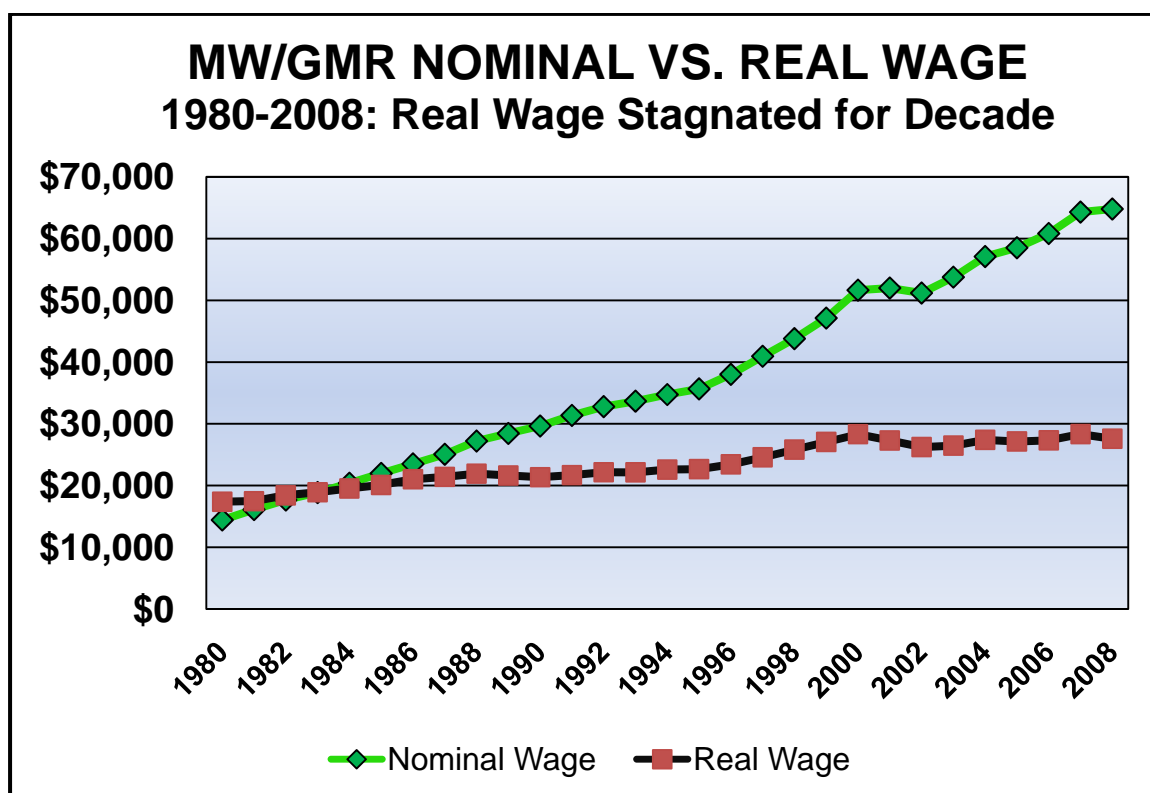
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 the MetroWest/Greater Marlborough Region (MW/GMR) average annual wage reached a historical peak of \$64,800, up \$500 or 0.8% from 2007.
- In 2008 the MW/GMR average annual wage exceeded the Massachusetts average wage of \$56,800 by \$8,000 or 14%, and the U.S. average wage of \$45,600 by \$19,200 or 42%.
- Average annual wages for MW/GMR, MA, and U.S. were initially similar in 1980 with a wage range between \$13,800 and \$14,400. Beginning in the mid-1980s the gap between the average wages of MW/GMR, MA, and the U.S. widened. The wage gap continued to expand over three decades.
- Over the period the MW/GMR average annual wage grew at an average annual rate of 5.5%, higher than the average annual rate of growth for Massachusetts of 5.2% and 4.2% for the United States.

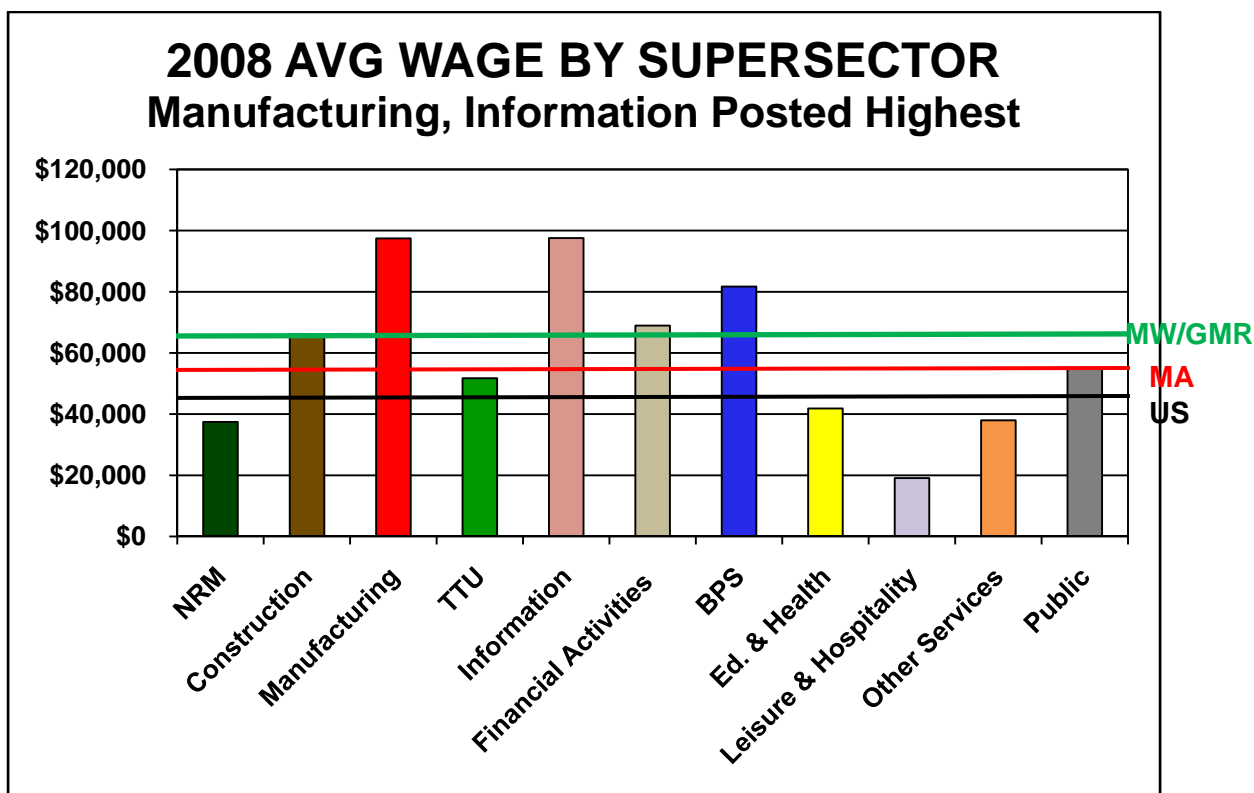
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 the MetroWest/Greater Marlborough Region (MW/GMR) nominal wage reached a record high of \$64,800, up \$500 or 0.8% from 2007. The nominal wage is measured in current dollars and not adjusted for inflation.
- From 1980 through 2008 the MW/GMR nominal wage climbed from \$14,400 to \$64,800, a gain of \$50,400 or 350%.
- The only decline in the nominal annual wage occurred in 2002, during the 2001-03 recession when average annual wage decreased from \$52,000 in 2001 to \$51,200 in 2002, or -1.6%.
- The largest increase in average annual wage occurred in 1981 when it climbed from \$14,400 in 1980 to \$16,100 in 1981, a gain of 11.7%.
- The MW/GMR real wage decreased in 2008 to \$27,600, down \$700 or -2.6% from 2007. Since 2000 the real wage has stagnated with only slight fluctuations.
- The real wage is the average annual nominal wage corrected for inflation using the Consumer Price Index (CPI) Boston for Urban Wage Earners and Clerical workers, (1982-84 =100).

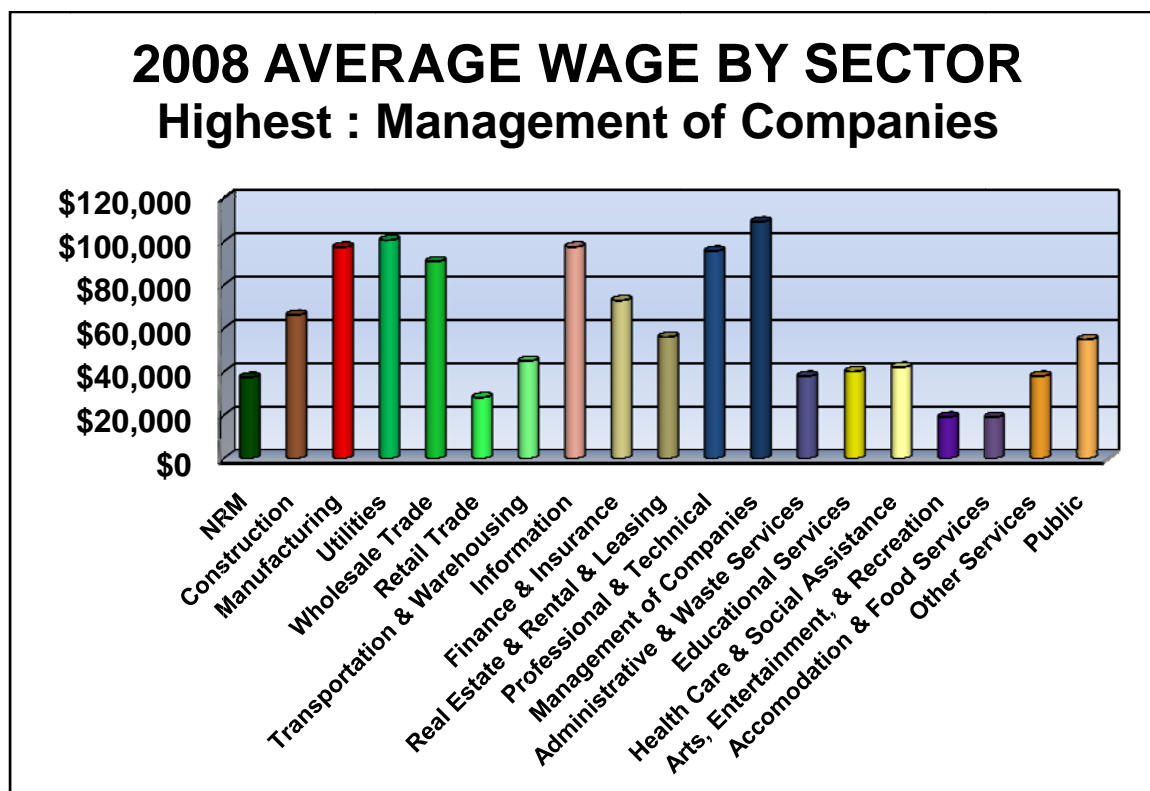
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 the average annual wage for MetroWest/Greater Marlborough Region (MW/GMR) was \$64,800, 14% higher than the Massachusetts average annual wage of \$56,800, and 42% higher than the United States average annual wage of \$45,600.
- The average wage in four supersectors in MW/GMR: Construction, Manufacturing, Information, and Business and Professional Services (BPS) exceeded the regional and state average wage.
- The average annual wages in seven of the MW/GMR supersectors: Construction, Manufacturing, Trade, Transportation, and Utilities (TTU), Information, Financial Activities, BPS, and Public surpassed the average annual wage of the United States.
- Manufacturing and Information both generated the highest average annual wage, \$97,500. BPS offered the third highest average annual wage, \$81,700.
- Leisure and Hospitality posted the lowest average annual wage, \$19,100. The average wage in the Leisure and Hospitality supersector was only one-fifth of the average annual wage in the Manufacturing and Information supersectors.

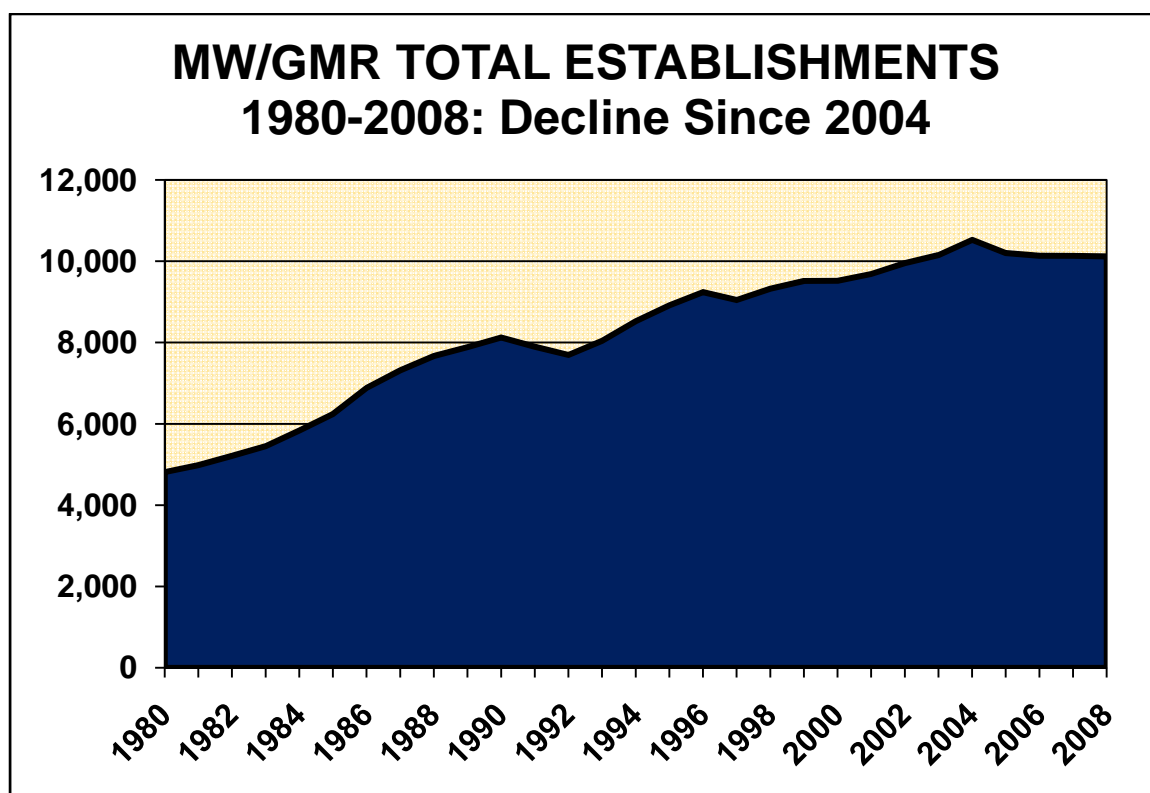
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 the average annual wage for the MetroWest/Greater Marlborough Region (MW/GMR) was a record \$64,800.
- Among all sectors Management of Companies posted the highest average annual wage in MW/GMR, \$109,100.
- The only other sector with an average annual wage higher than \$100,000 was Utilities, \$100,600.
- Manufacturing, Information, and Professional, Scientific and Technical Services also recorded high average annual wages of \$97,500, \$97,500 and \$95,600, respectively.
- Three additional sectors recorded average annual wages exceeding \$60,000: Wholesale Trade (\$90,800), Finance and Insurance (\$72,900), and Construction (\$66,200).
- Among all sectors, Accommodation and Food Services offered the lowest average annual wage, \$19,000, followed closely by Arts, Entertainment, and Recreation, \$19,100.

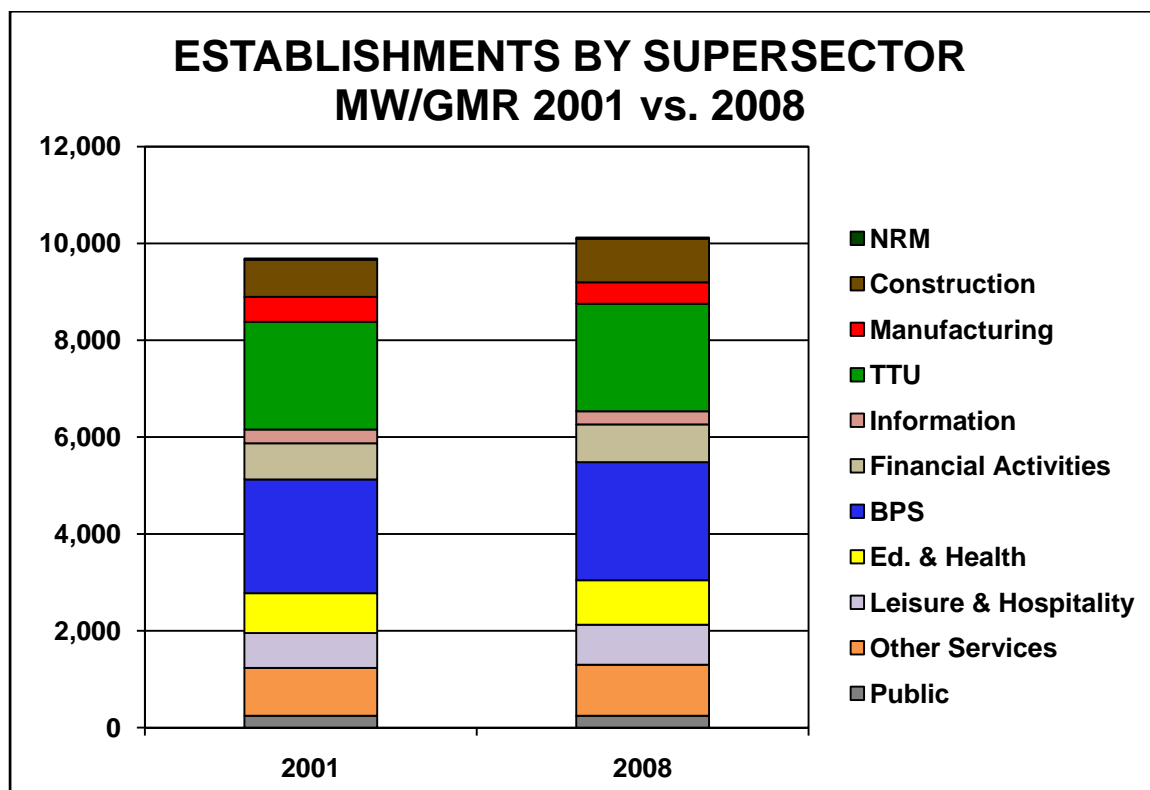
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- The number of establishments or separate places of work in the MetroWest/Greater Marlborough Region (MW/GMR) totaled 10,120 in 2008, down 10 establishments from 2007.
- After peaking in 2004 at 10,530, total establishments in MW/GMR declined to 10,120, a loss of 410 or -3.8% over four years.
- From 1980 to 2008 the number of establishments in MW/GMR more than doubled, increasing by 5,310 or 110%. On average the number of establishments rose at an average annual rate of 2.7% over the period, higher than the 2.1% average annual rate for Massachusetts and the 2.4% average annual rate for the United States.
- The number of establishments or separate places of work in the MetroWest CCSA rose from 3,530 in 1980 to 6,590 in 2008, an increase of 3,060 establishments or 87%.
- The number of establishments or separate places of work in the Greater Marlborough Region sharply increased from 1,290 in 1980 to 3,540 in 2008, up 2,250 establishments or 174%.
- In 2008 the average number of jobs per MW/GMR establishment was 18.

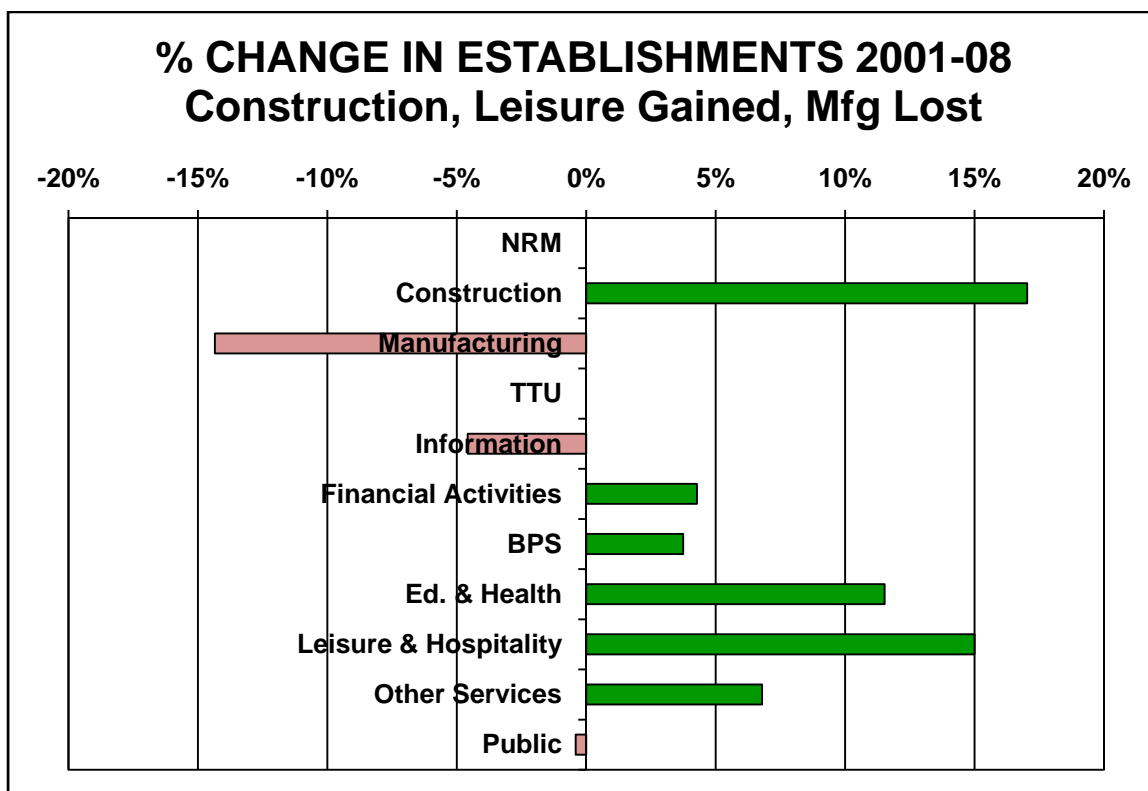
ROAD TO RECOVERY? - EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- The total number of establishments or separate places of work for MetroWest/Greater Marlborough Region (MW/GMR) increased to 10,120 establishments, up from 9,690 in 2001, an increase of 430 establishments, or 4.5%.
- In 2008 three supersectors dominated regional establishments: Business and Professional Services (BPS) with 2,440 establishments, Trade, Transportation & Utilities (TTU), with 2,220 establishments and Other Services with 1,050 establishments. These three supersectors provided 56% of all establishments in MW/GMR.
- Six supersectors added establishments from 2001-2008: Construction, Financial Activities, BPS, Education, Health, Leisure, Hospitality, and Other Services.
- Three supersectors lost establishments from 2001-2008: Manufacturing, Information, and Public.

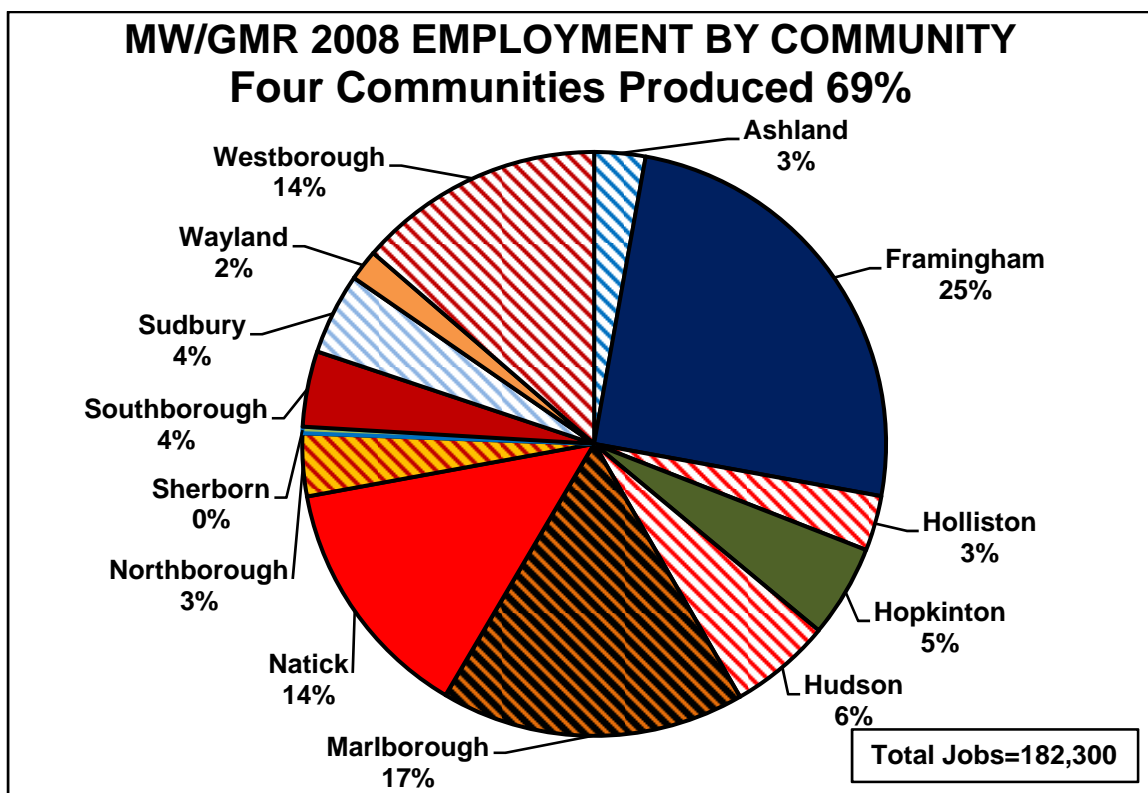
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- Establishments, or separate places of work, in the MetroWest/Greater Marlborough Region (MW/GMR) totaled 10,120 in 2008, up 430 or 4.5% from 2001.
- Six supersectors gained establishments from 2001 to 2008. The number of establishments in three supersectors: Construction, Leisure & Hospitality, and Education & Health Services increased by more than 10%.
- Construction experienced the largest gains in establishments, up 17% or 130 establishments. Leisure and Hospitality posted the second largest gains, up 15% or 110 establishments. Education & Health Services posted the third highest gain, up 12% or 95 establishments.
- Natural Resources and Mining (NRM) and Trade, Transportation, and Utilities (TTU) remained unchanged from 2001 to 2008.
- Three supersectors lost establishments from 2001 to 2008: Manufacturing, Information, and Public. The largest losses occurred in Manufacturing, down -14% or -75 establishments. Information lost -5% or -10 establishments, while losses in establishments in the Public supersector were insignificant.

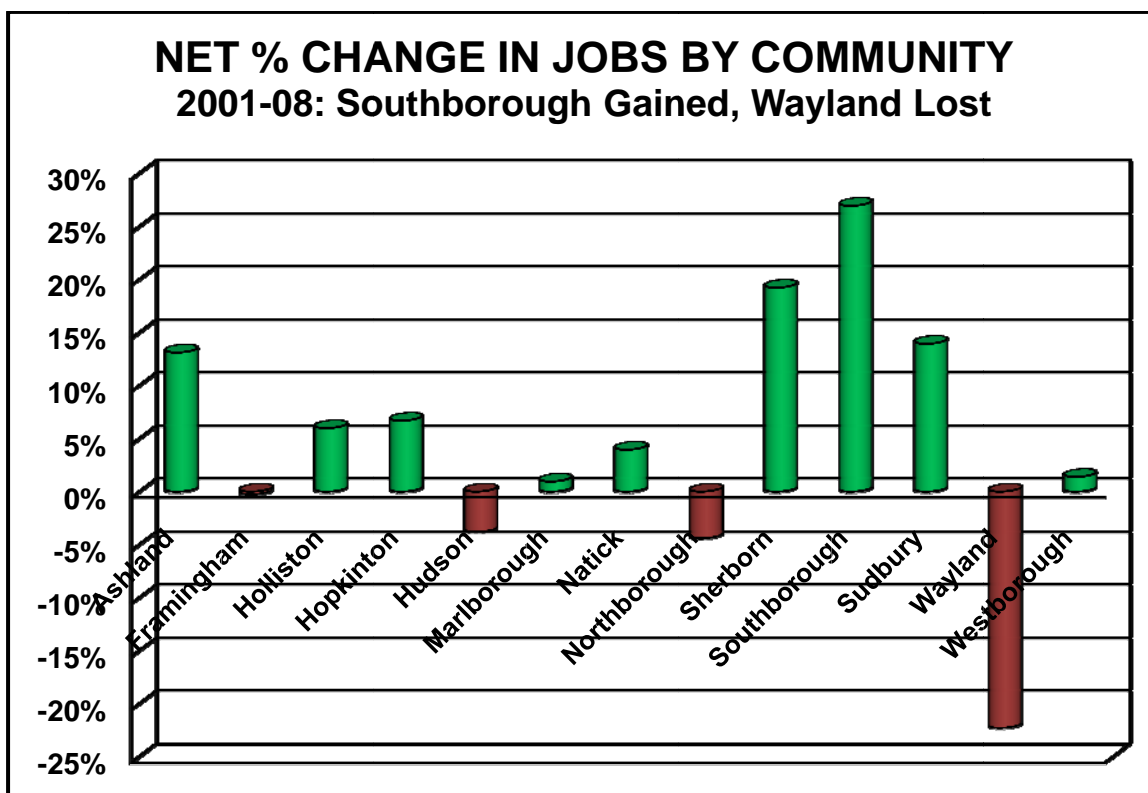
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 employment in the MetroWest/Greater Marlborough Region (MW/GMR) reached a record 182,300, up 2,200 jobs or 1.2% from 2007.
- Four communities among the 13 MW/GMR communities produced 69% of the region's total employment: Framingham, Marlborough, Westborough, and Natick.
- Among all the communities in MW/GMR, Framingham provided the largest share of employment with 25% or 45,600 jobs, remaining virtually unchanged since 2007.
- Marlborough provided the second largest share of jobs with 17% or 30,700 jobs, a gain of 300 since 2007.
- Westborough provided 14% or 24,900 jobs, up 100 from 2007. Natick followed closely with 14% or 24,800 jobs, up 1,200 jobs from 2007.
- The remaining nine communities, Ashland, Holliston, Hopkinton, Hudson, Northborough, Sherborn, Southborough, Sudbury and Wayland, each contributed less than 7% of regional employment.

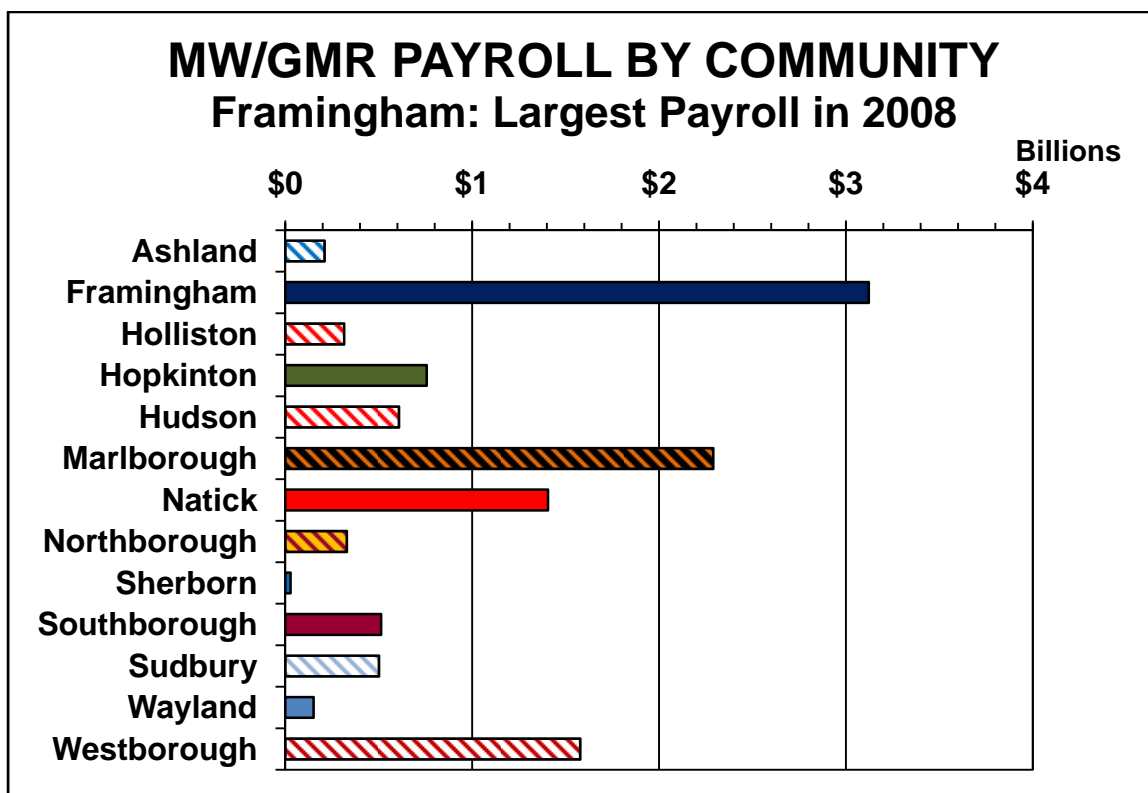
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 total employment in the MetroWest/Greater Marlborough Region (MW/GMR) reached a historical high of 182,300 jobs, 2.3% higher than its previous employment peak of 178,200 recorded in 2001.
- Nine communities added employment from 2001 to 2008. Employment in four communities, Ashland, Sherborn, Southborough, and Sudbury, rose by more than 10%.
- Southborough saw the largest percentage and absolute gain in employment with a 27% increase, adding 1,600 jobs. Sherborn had the second largest percentage gain, up 19% or 100 jobs.
- Over the period Sudbury generated the second largest absolute gain in employment, 1,000 jobs, a 14% gain, followed by Natick which added over 900 jobs, a 4% increase.
- Four communities, Framingham, Hudson, Northborough, and Wayland, lost employment from 2001 to 2008. The largest loss in both absolute and percentage terms occurred in Wayland, with 900 jobs lost, or a -22% decrease. The remaining three communities each saw losses of less than -5%.

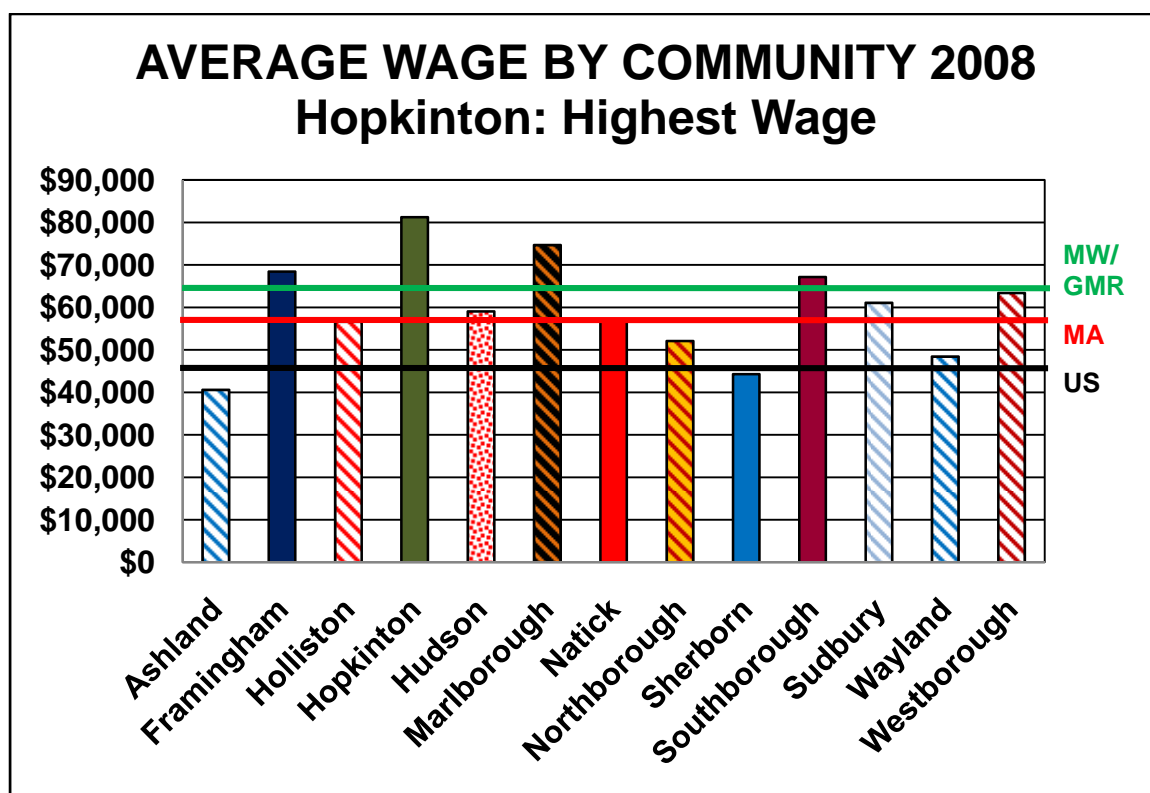
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 the MetroWest/Greater Marlborough Region (MW/GMR) posted a record payroll of \$11.8 billion, up \$235 million or 2% from 2007.
- Among the 13 MW/GMR communities, four communities produced 71% of the region's total payroll: Framingham, Marlborough, Westborough, and Natick.
- Framingham generated the largest share of the region's total payroll, \$3.1 billion, or 26.4%.
- Marlborough provided the second largest share of regional payroll, \$2.3 billion or 19.4%.
- Westborough produced \$1.6 billion or 13% of the region's total payroll. Natick followed closely with \$1.4 billion or 12% of regional payroll.
- The remaining nine communities, Ashland, Holliston, Hopkinton, Hudson, Northborough, Sherborn, Southborough, Sudbury and Wayland, each contributed less than 8% of regional payroll.

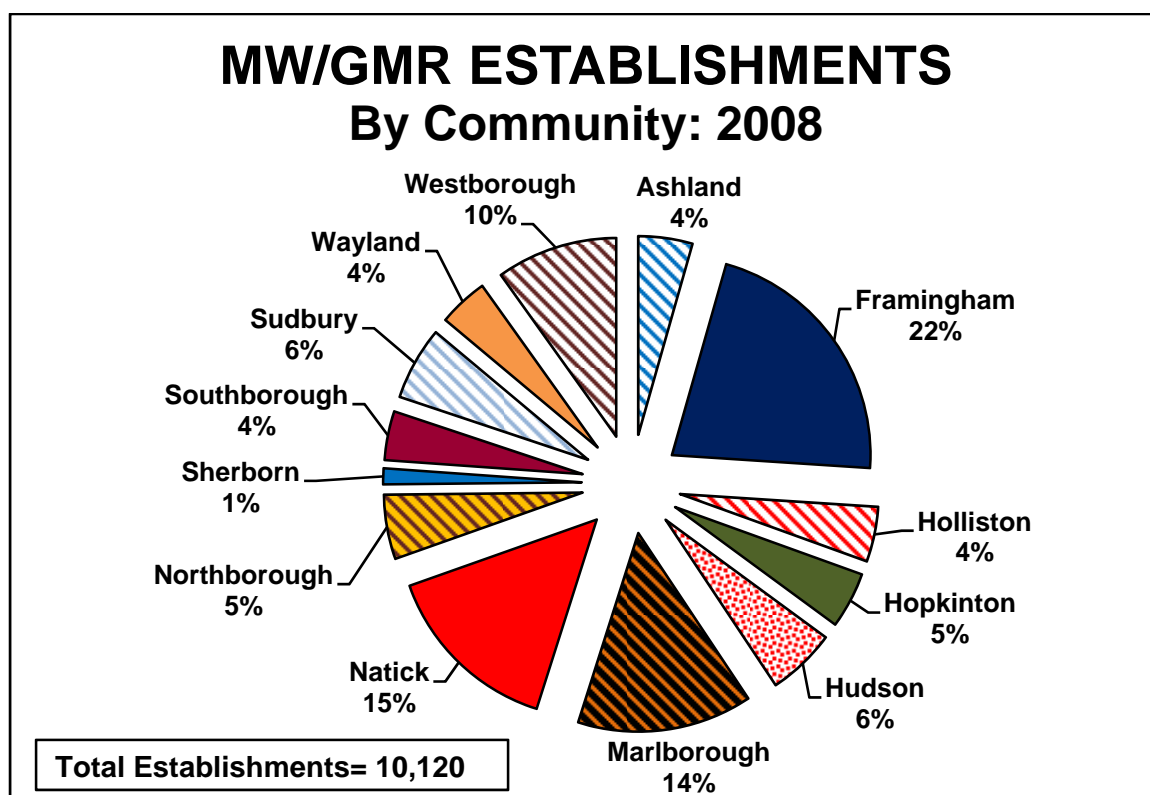
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 the average annual wage for MetroWest/Greater Marlborough Region (MW/GMR) was \$64,800, up \$500 or 0.8% from 2007.
- The average annual wage in MW/GMR exceeded the average annual wage in Massachusetts of \$56,800 by \$8,000, or 14.2%.
- Seven MW/GMR communities exceeded the state's average annual wage: Hopkinton, Marlborough, Framingham, Southborough, Westborough, Sudbury, and Hudson.
- Four communities posted average annual wages higher than the region's average wage. Among all of the communities, Hopkinton posted the highest, \$81,300. Marlborough posted the second highest, \$74,700, followed by Framingham, \$68,400 and Southborough, \$67,200.
- Ashland posted the lowest average annual wage in the region, \$40,600. Sherborn and Wayland offered the second and third lowest wages of \$44,300 and \$48,400, respectively.
- All of the communities, except Ashland and Sherborn, exceeded the U.S. average annual wage of \$45,600.

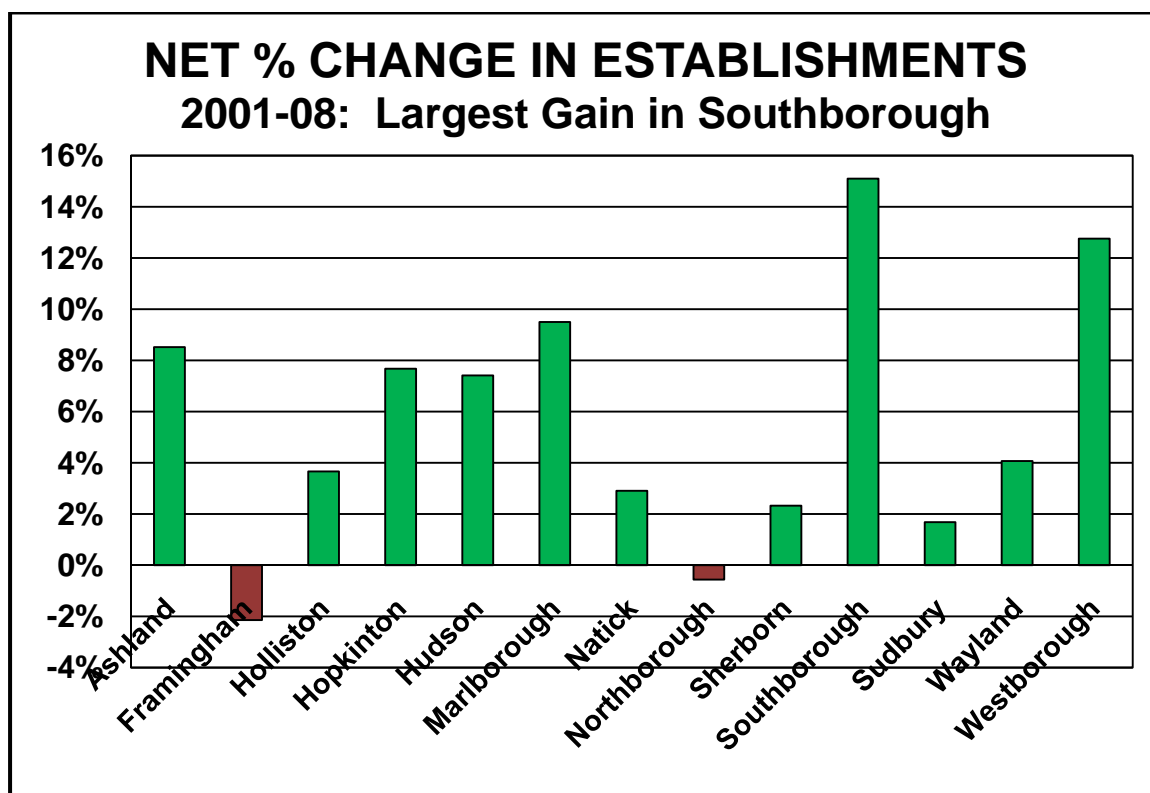
ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- The number of establishments or separate places of work in the MetroWest/Greater Marlborough Region (MW/GMR) totaled 10,120 in 2008, down -10 establishments from 2007.
- Among the 13 MW/GMR communities, three communities: Framingham, Natick, and Marlborough, produced one-half of the region's total establishments.
- Framingham provided the largest share of regional establishments or separate places of work, 22% or 2,190, down -20 from 2007.
- Natick provided the second largest share of establishments, 15% or 1,490, virtually unchanged from 2007.
- Marlborough provided 14% or 1,440 of the region's total establishments, followed by Westborough at 10% or 1,000 establishments.
- The remaining nine communities, Ashland, Holliston, Hopkinton, Hudson, Northborough, Sherborn, Southborough, Sudbury and Wayland, each contributed less than 7% of regional establishments.

ROAD TO RECOVERY? – EMPLOYMENT



Source: MA Division of Unemployment Assistance, MERC

- In 2008 establishments or separate places of work in the MetroWest/Greater Marlborough Region (MW/GMR) totaled 10,120, up 430 or 4.5% from 2001.
- Eleven out of the 13 MW/GMR communities gained establishments from 2001 to 2008, with only Framingham and Northborough losing establishments.
- In terms of percentage gain over the period, Southborough experienced the largest gain, up 15.1% or 50 establishments, followed by Westborough, with 12.8% or 110 establishments.
- In terms of absolute gain, Marlborough added the most establishments, up 125 or 9.5% over the period.
- Four communities, Marlborough, Ashland, Hopkinton, and Hudson, increased establishments between 5-10%.
- Of the two communities that lost establishments, the largest losses occurred in Framingham, down -2.1% or – 50 establishments. The number of establishments lost in Northborough was insignificant and constituted a -0.6% loss.

SURVIVING RECESSION - EMPLOYMENT

Employment Comparison MetroWest/Greater Marlborough Region (MW/GMR) By Community 2008

Community/ Region	Number of Jobs*	Average Wage*	Total Payroll* (millions)	Number of Establish- ments*	Largest Supersector
Ashland	5,160	\$40,600	\$210	450	TTU**
Framingham	45,630	\$68,400	\$3,122	2,190	BPS***
Holliston	5,560	\$56,600	\$315	450	BPS
Hopkinton	9,320	\$81,300	\$757	460	Manufacturing
Hudson	10,300	\$59,100	\$608	570	Manufacturing
Marlborough	30,660	\$74,700	\$2,290	1,440	Manufacturing
Natick	24,820	\$56,700	\$1,406	1,490	TTU
Northborough	6,320	\$52,100	\$329	530	TTU
Sherborn	650	\$44,300	\$29	130	Public
Southborough	7,640	\$67,200	\$513	400	BPS
Sudbury	8,200	\$61,100	\$501	600	Manufacturing
Wayland	3,130	\$48,400	\$152	410	Public
Westborough	24,890	\$63,400	\$1,578	1,000	BPS
MetroWest CCSA	110,100	\$63,600	\$7,004	6,590	BPS
Greater Marlborough Region	72,200	\$66,600	\$4,805	3,540	BPS
MW/GMR	182,300	\$64,800	\$11,809	10,120	BPS
Massachusetts	3,245,800	\$56,800	\$184,225	213,890	Education & Health

Source: MA Division of Unemployment Assistance, BLS, MERC

*Rounded

**Trade, Transportation and Utilities (TTU)

*** Business and Professional Services (BPS)

ROAD TO RECOVERY? - HOUSING

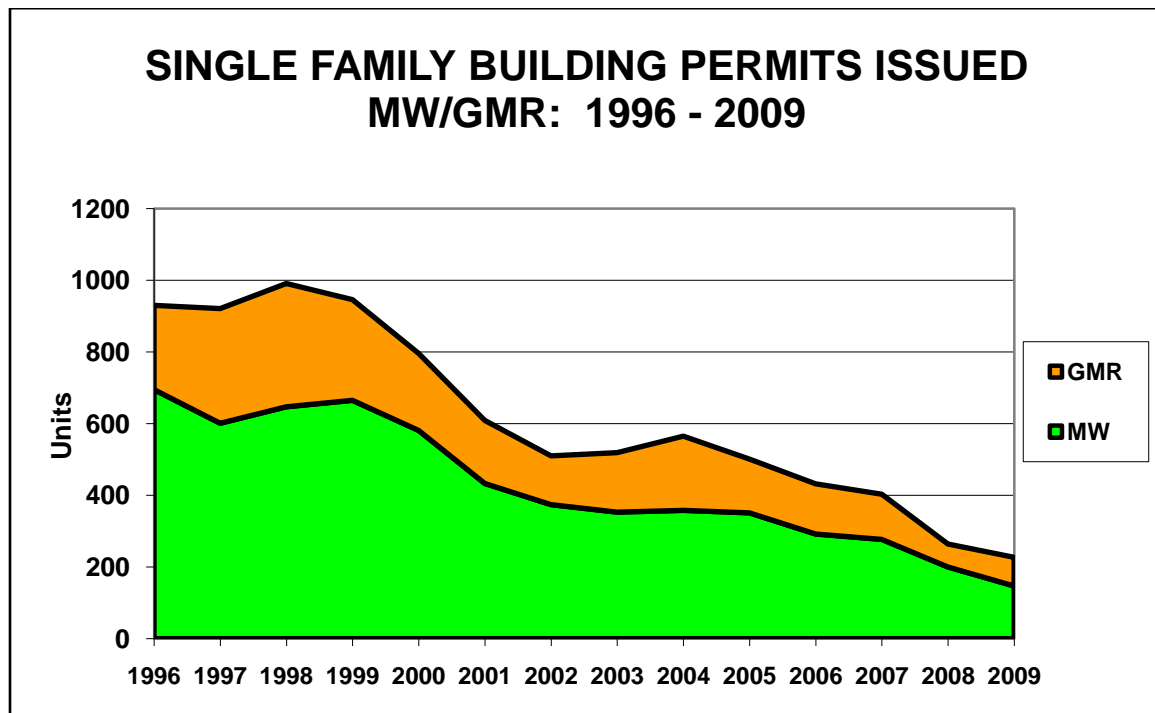
HOUSING

The MetroWest Economic Research Center (MERC) at Framingham State College collects and analyzes data on housing permits issued and existing home sales for the combined MetroWest and Greater Marlborough Region (MW/GMR). The MetroWest CCSA includes Ashland, Framingham, Holliston, Hopkinton, Natick, Sherborn, Southborough, Sudbury and Wayland. The Greater Marlborough Region includes Hudson, Marlborough, Northborough, and Westborough. MERC gathers housing data for these thirteen communities from several sources.

Data on new building permits issued for single family homes are collected by MERC using information from the U.S. Census. Annual data for permits issued in the cities and towns for 2009 is estimated using the December year-to-date values when available. After publication of the conference book new data on building permits issued became available for Northborough. That Northborough revision is incorporated into the electronic and CD versions of the book. Building permits data for Massachusetts and the United States are based on estimates published by the Federal Reserve Bank of Boston (FRBB).

Information on existing home sales is based on data published by The Warren Group for *Banker & Tradesman*. Most of these data are available from 1988 forward, and were significantly revised in the spring of 2008 in order to better capture market activity. Hence some of the housing figures in this report are not directly comparable to the values reported in previous MERC publications. Data are collected on single and multi-family residences sold in the thirteen communities. Median house price is measured at the 50th percentile in each town; that is, half the homes sold for more than the median price and half sold for less than the median price. Median prices for the regions are estimated. It is important to remember that a change in median price does not reflect appreciation or depreciation in the value of individual homes. Rather, there is a different mix of homes sold each year.

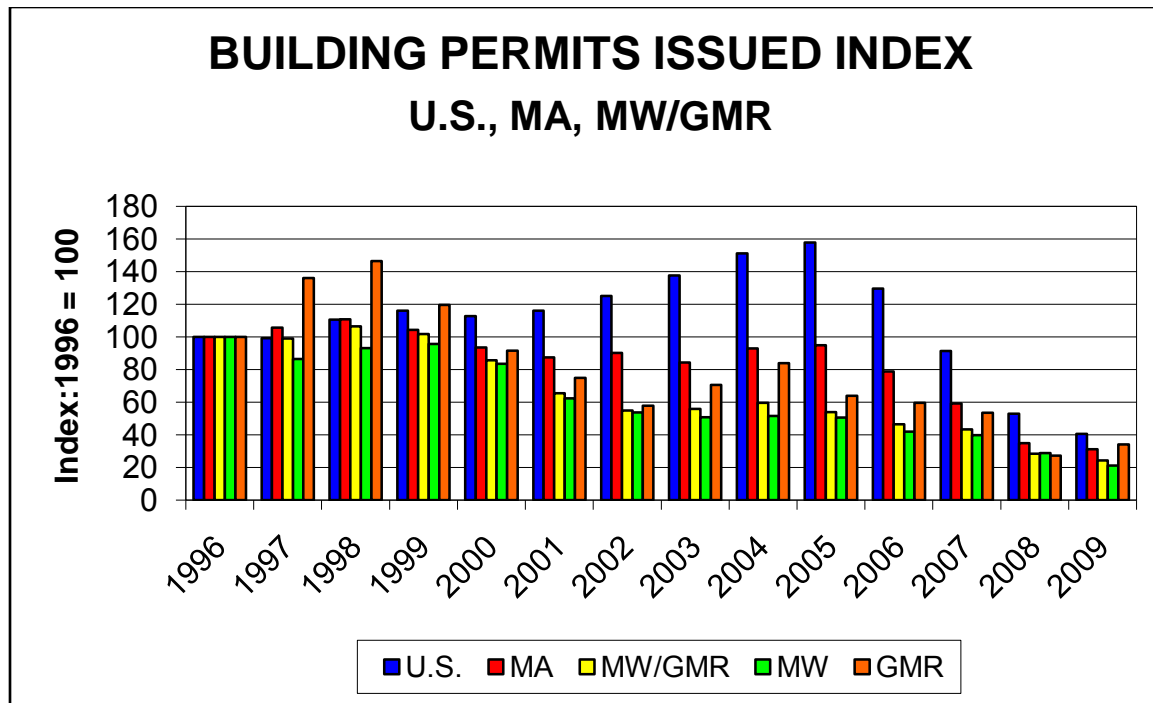
ROAD TO RECOVERY? - HOUSING



Source: U.S. Census, Federal Reserve Bank of Boston, and MERC

- New residential housing permits issued each year for single family homes in the combined MetroWest and Greater Marlborough Region, indicated by the height of the graph above, peaked in 1998 at nearly 1000 units. With the exception of two years in 2003 and 2004, there has been a steady, and in some periods sharp decline in the number of permits issued to build new homes, falling to just under 230 permits issued in 2009.
- The MetroWest CCSA, depicted in green above, accounted for between 64% and 75% of regional permits issued over the time period, while the Greater Marlborough Region (GMR) accounted for between 25% and 36%. In 2009 there were an estimated 147 permits issued in MetroWest, and an estimated 80 in Greater Marlborough. The GMR number includes an updated value of 50 permits issued for Northborough.
- The 2009 levels of permits issued represented about 22% of the 1999 peak value for MetroWest, and 23% of the 1998 peak value for Greater Marlborough.

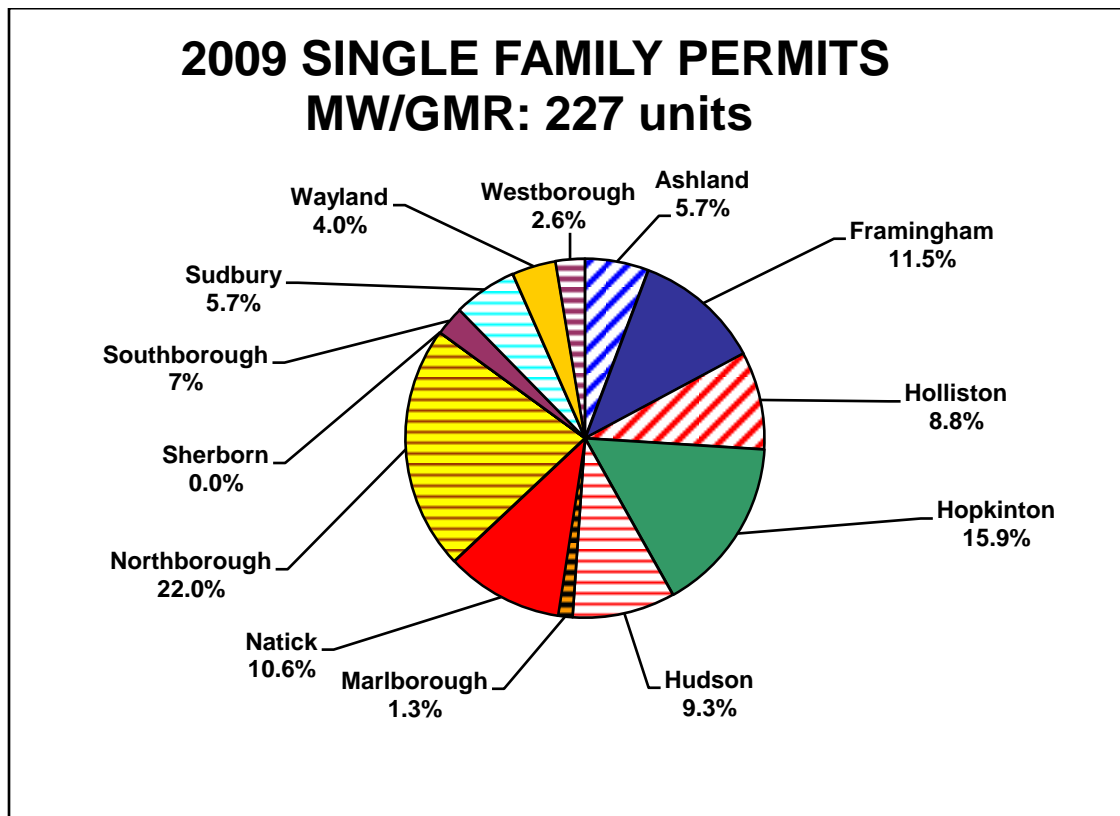
ROAD TO RECOVERY? - HOUSING



Source: U.S. Census, Federal Reserve Bank of Boston, and MERC

- This graph compares permits issued for new single family homes in the United States, Massachusetts, MetroWest, Greater Marlborough, and the combined MetroWest and Greater Marlborough Region (MW/GMR) from 1996, the base year when all indices equal 100, through 2009.
- The housing permit index for the United States reached a high of 158 in 2005 which means that, compared to the base year of 1996, permits issued for new single family homes in the United States were 58% higher nine years later. The United States index fell to 41 in 2009, falling below 100 for the third year in a row, and indicating that permits issued in the U.S. were 41% of the number issued in 1996.
- The Massachusetts permit index was a dreadful 31 in 2009, indicating that the level of single family residential building activity in the state in 2009 was only 31% of the activity in 1996. The 2009 MetroWest permit index value was 21, the 2008 Greater Marlborough index was 34, and the 2009 index for the combined region was 24. This indicates that the number of permits issued in 2009 in the MW/GMR area was a mere 24% of the 1996 value.
- New single family housing permits issued in the thirteen communities of MW/GMR decreased by 14% from 2008 to 2009, marking the fifth consecutive year of decline. Note that these values include the updated value of 50 permits issued for Northborough.

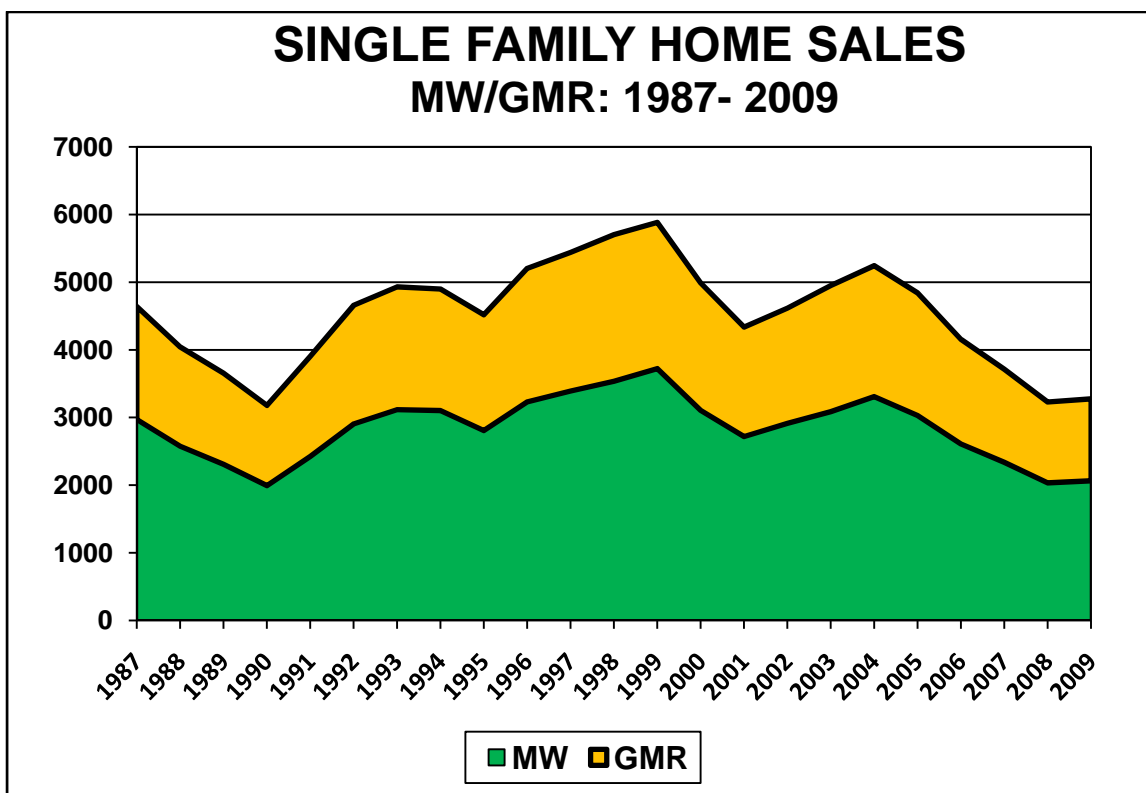
ROAD TO RECOVERY? - HOUSING



Source: U.S. Census, Federal Reserve Bank of Boston, and MERC

- New residential housing permits issued for single-family homes in the combined MetroWest and Greater Marlborough Region declined by 14% in 2009. Note that these values include the updated value of 50 permits issued for Northborough. The updated counts indicate that 227 permits were issued in 2009 in MW/GMR.
- Northborough accounted for more than 1 in 5 new permits issued in the combined region, while Hopkinton accounted for nearly 1 in 6 new permits. Framingham, Hudson and Natick each had shares between 9% and 12% shares. Holliston contributed 8.9% to the regional total.
- Ashland, Sudbury, Southborough, and Wayland had shares between 4% and 7% of the total, while Marlborough and Westborough contributed 1.3% and 2.6% respectively. Sherborn registered no permits issued in 2009 for both the preliminary and updated estimates.

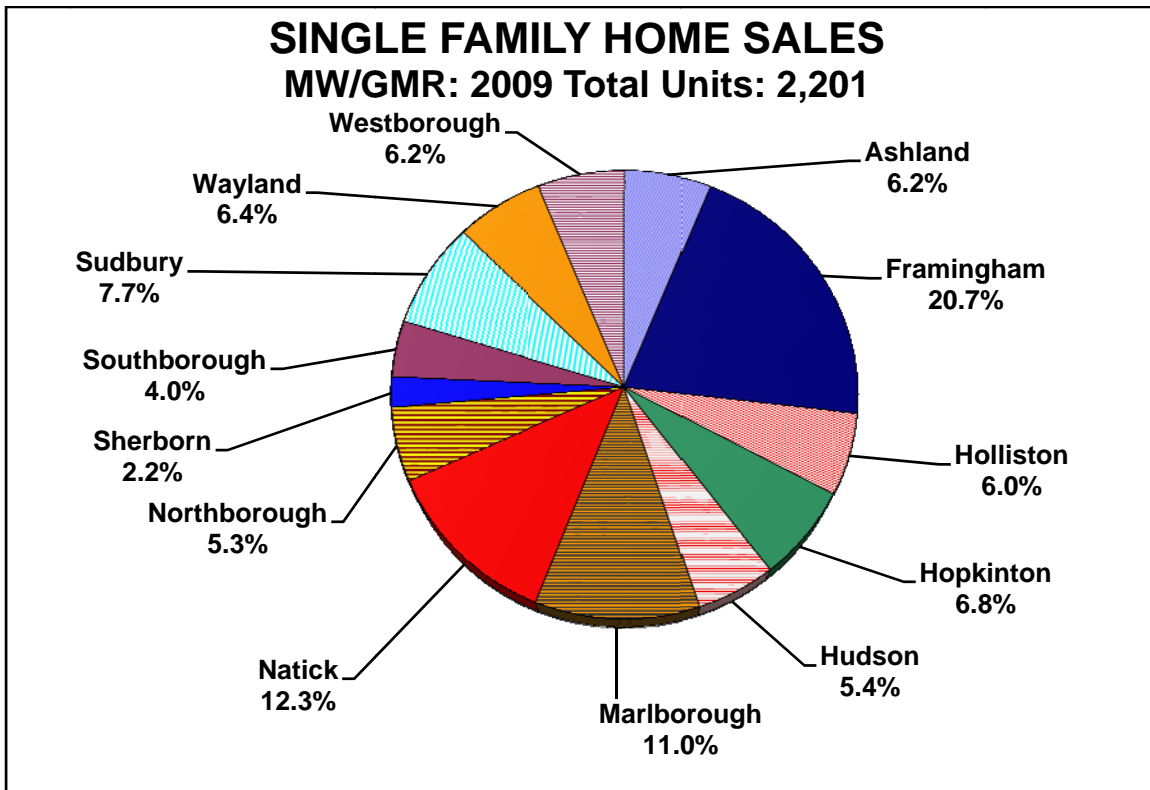
ROAD TO RECOVERY? – HOUSING



Source: The Warren Group and MERC

- Single family homes sales are shown for the MetroWest (MW) and the Greater Marlborough Region (GMR) individually. The data is shown over a 23 year period from 1987 to 2009. These sales consist of a different mix of homes sold each year.
- The green area above shows sales of existing homes in the nine towns of MetroWest while the orange area refers to the four communities of GMR. Comparably MW has a greater number of single family home sales than GMR. The lowest point of single family home sales in the combined region occurred in 1990 at 2,099 units sold. In 1999 single family home sales were at 3,986 units sold, the highest in the 23 year period for the combined region.
- Single family home sales for GMR were at their lowest at about 595 in 1990. Sales continued to climb until they peaked at about 1,213 in 1997. Another peak was achieved in 2004 before home sales in GMR began a five year decline. In 2009 home sales in Greater Marlborough fell by a mere 6 units from the year before.
- Single family home sales in MW were also at their lowest at 1,504 units sold in 1990 and peaked in 1998 at 2867. In a hopeful sign, 2009 home sales in MetroWest increased from 2008 by 32 units sold, pulling the entire combined region up for the first time in five years.

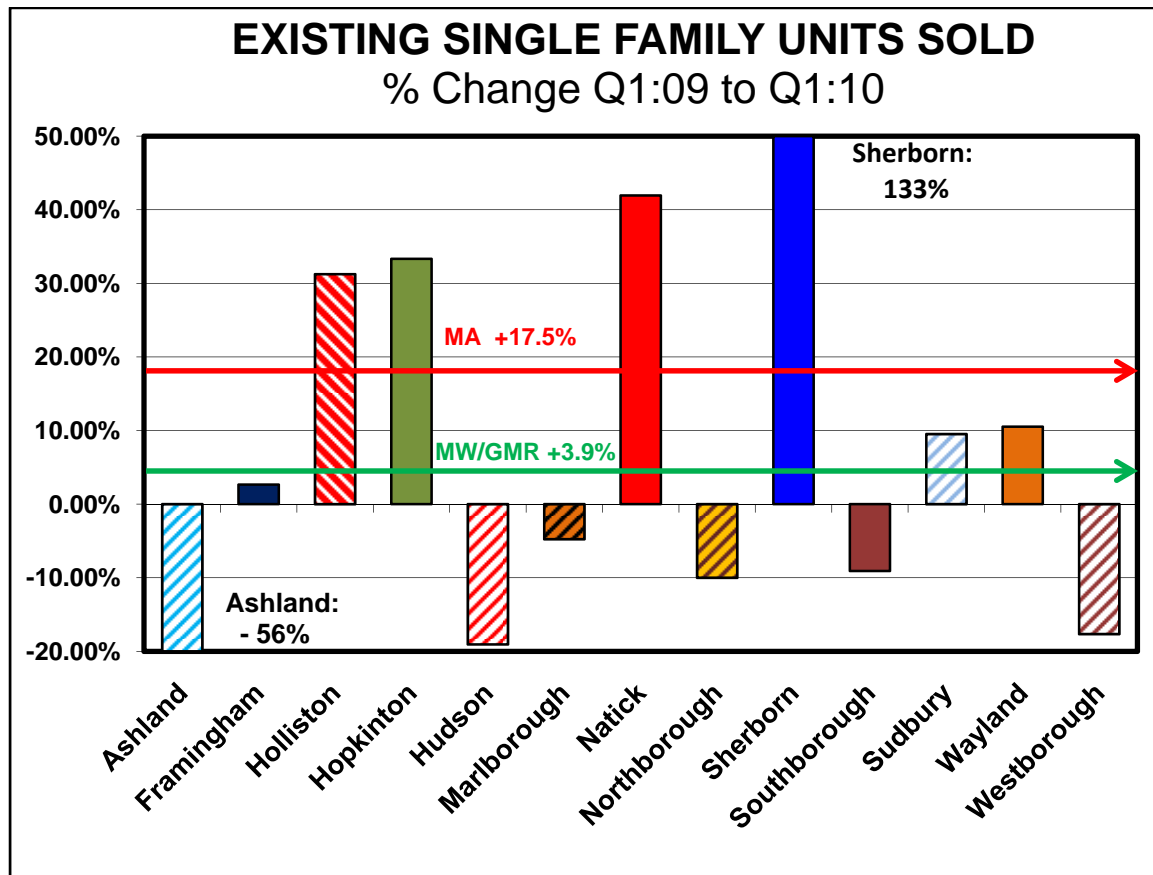
ROAD TO RECOVERY? - HOUSING



Source: The Warren Group and MERC

- Single family home sales are shown for MetroWest and the Greater Marlborough Region (MW/GMR) by town. According to The Warren Group 2,201 existing single family homes were sold in the combined MetroWest and Greater Marlborough Region in 2009.
- Framingham contributed the highest percentage of single family home sales in the combined MW/GMR region at 20.7%. Sherborn contributed the lowest percentage of single family homes sales at 2.2%. Sherborn's single family median sales price was the highest in MW/GMR at \$629,000. Framingham's single family median sales price was one of the lowest at \$300,000.
- Within the combined region, about half of the total single family home sales occurred in four communities: Framingham (20.7%), Natick (12.3%), Marlborough (11%), and Sudbury (7.7%). The remaining half was contributed by the other nine communities, which accounted for between 2.2% and 6.8% each.

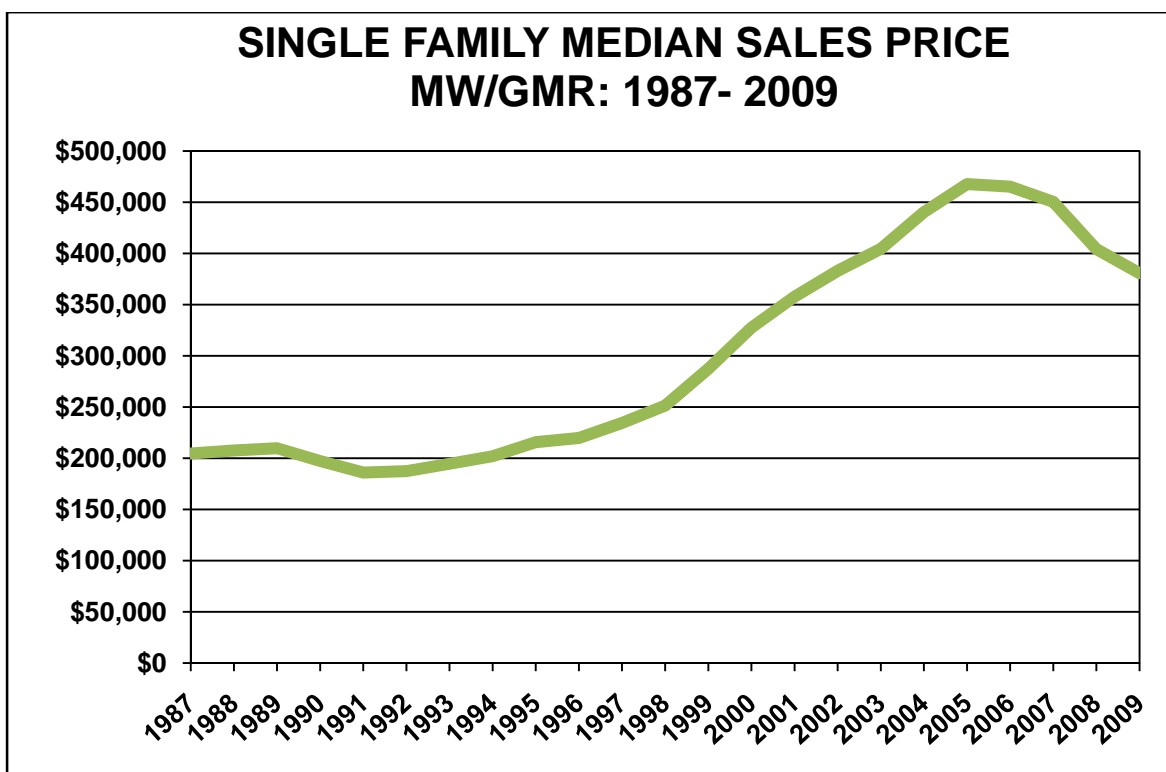
ROAD TO RECOVERY? - HOUSING



Source: The Warren Group and MERC

- There were 12 additional existing single family homes sold in the MetroWest/Greater Marlborough Region (MW/GMR) in the first quarter of 2010 than in the first quarter of 2009. This represents an increase of 3.9% and follows two years of double digit declines: an 11% drop from Q1:08 to Q1:09 preceded by a decline of 34% from Q1:07 to Q1:08.
- Seven communities experienced an increase in units sold, ranging from a 2.7% rise in Framingham to more than 100% gain in Sherborn. Holliston, Hopkinton, Natick, Sudbury, and Wayland registered gains between 10% and 42%.
- The other six communities all recorded decreases in number of units sold in the first three months of this year compared to the same months last year. These decreases ranged between a 4.6% decline in Marlborough to a 56.3% drop in Ashland.
- The 3.9% increase in regional home sales indicated by the green arrow in the graph above compares to a 17.5% increase in units sold in Massachusetts from Q1:09 to Q1:10, represented by the red arrow.

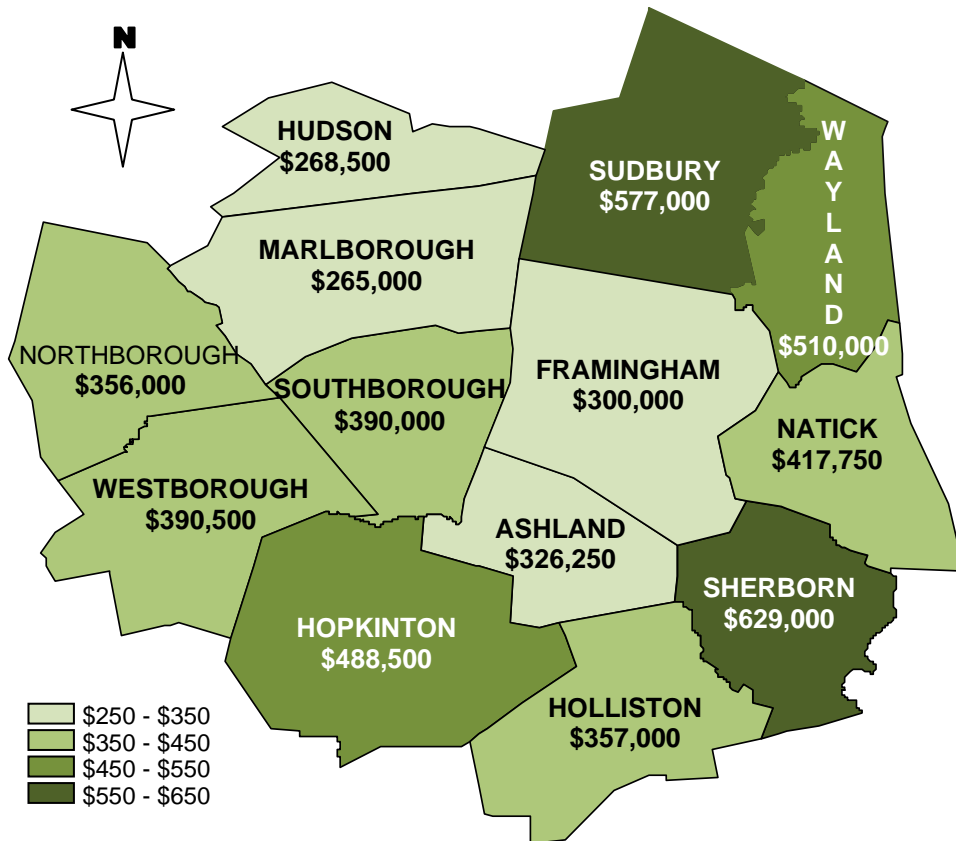
ROAD TO RECOVERY? – HOUSING



Source: The Warren Group and MERC

- Estimated single family median sales prices are shown for the MetroWest and Greater Marlborough Region (MW/GMR) over a 23 year period, from 1987 to 2009. These sales consist of a different mix of homes sold each year, and do not reflect changes in the values of individual homes.
- This line graph illustrates the estimated median price of a single family home sold in MW/GMR from 1987 to 2009. In 1987 the estimated median price in the combined region was \$204,800. Median price then rose slightly before decreasing in 1991 to a value of \$186,100, which was the lowest price shown on the graph.
- After 1991 the estimated single family median sales price of a home in the region surged to about \$467,700 in 2005 and then declined by 18.6% to \$380,800 in 2009.

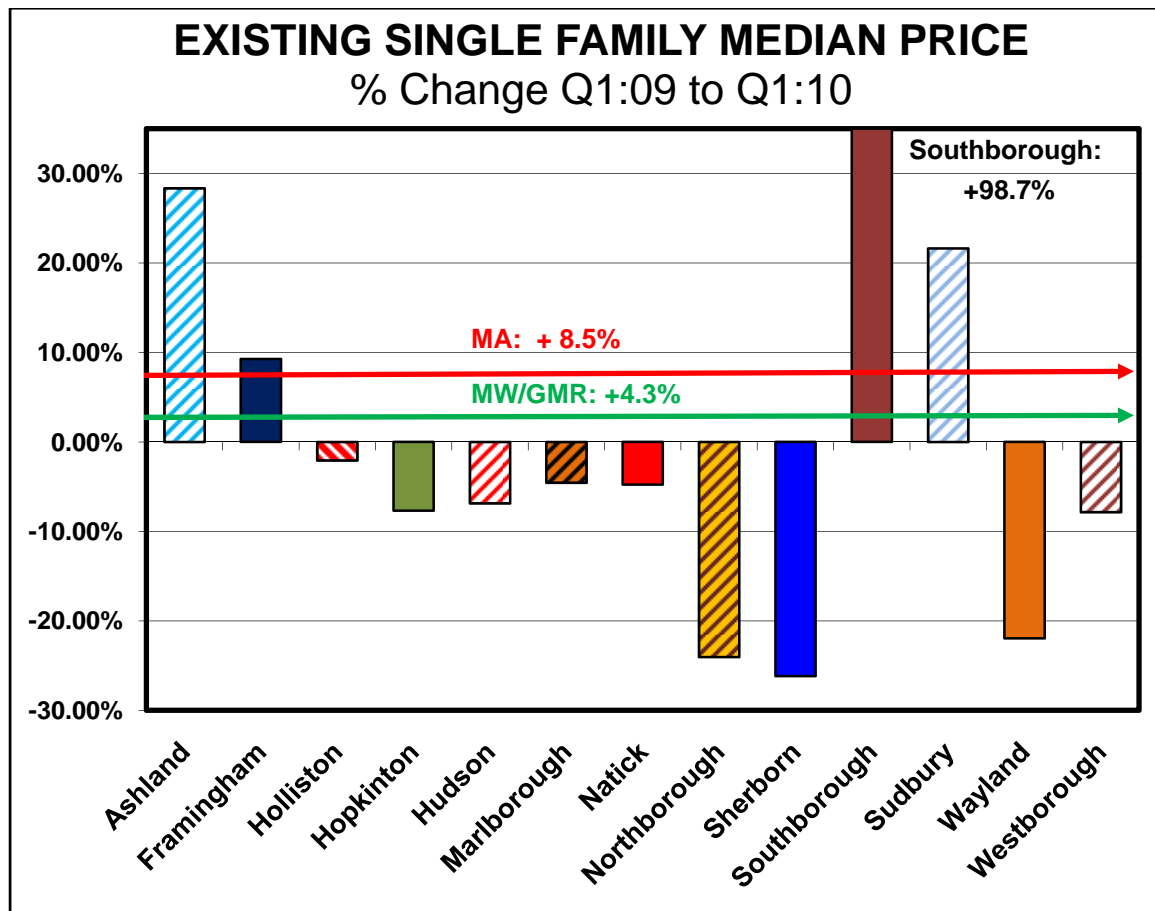
2009 SINGLE FAMILY EXISTING HOME PRICES METROWEST/GREATER MARLBOROUGH



Source: The Warren Group and MERC

- In 2009, the estimated single family median sales price for existing homes in the MetroWest and Greater Marlborough Region (MW/GMR) was \$380,800.
- Four communities, Ashland, Framingham, Hudson, and Marlborough each registered a single family median price between \$250,000 and \$350,000. Five communities, Holliston, Natick, Northborough, Southborough, and Westborough had single family median sales price between \$350,000 and \$450,000.
- Two communities, Hopkinton and Wayland, had median sales price in the \$450,000 to \$550,000 category while Sherborn and Sudbury landed in the highest price group, between \$550,000 and \$650,000.

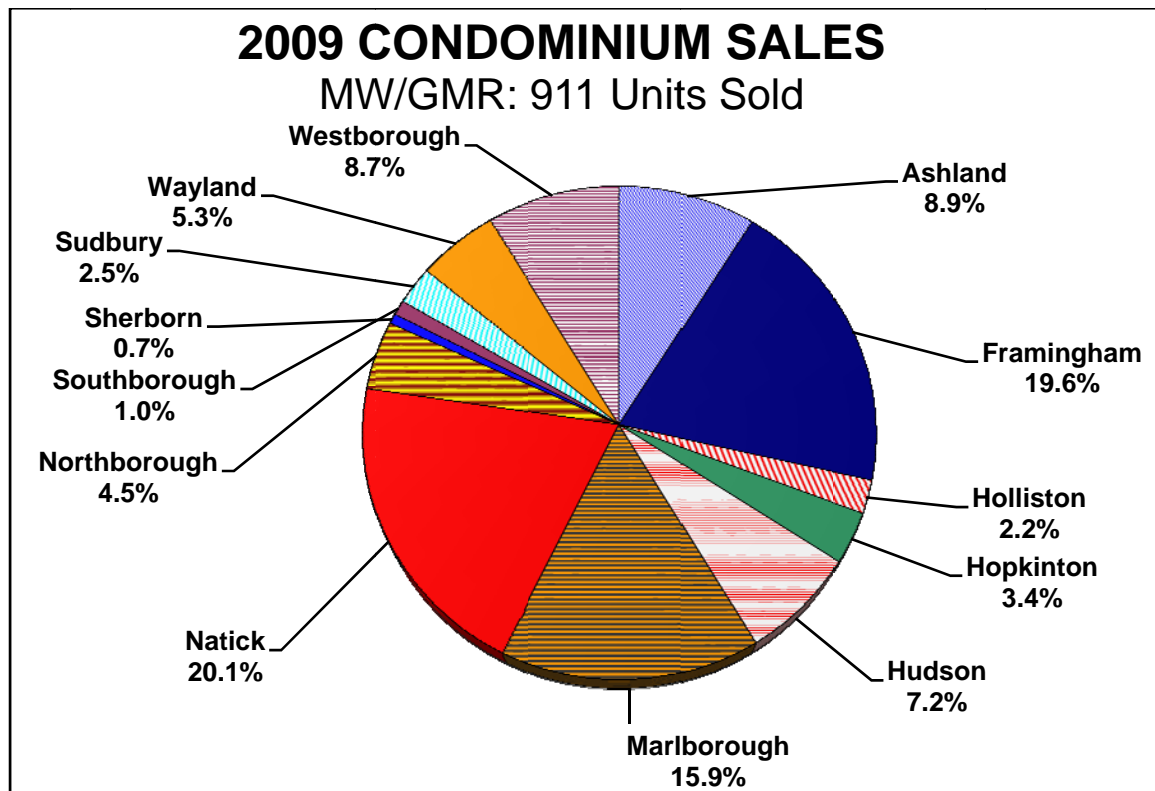
ROAD TO RECOVERY? - HOUSING



Source: The Warren Group and MERC

- The estimated median sales price for existing single family homes in the combined MetroWest and Greater Marlborough Region (MW/GMR) increased from \$357,500 in the first quarter of 2009 to \$372,980 in the first quarter of 2010. This represents a gain of 4.3% shown by the green arrow above which compares to a gain of 8.5% in Massachusetts median price over the same time period.
- Four towns experienced an increase in median price: median price in Framingham was up 9.3% in Q1:10 over Q1:09, in Ashland and Sudbury prices were up 28.4% and 21.6% respectively. Median price in Southborough almost doubled from Q1:09 to Q1:10.
- Three communities registered double-digit percentage declines in median price from the first quarter in 2009 to the first quarter in 2010: Northborough with - 24%, Sherborn with -26.2%, and Wayland with - 22%.
- The remaining six communities recorded median price decreases of between 2% and 8%.

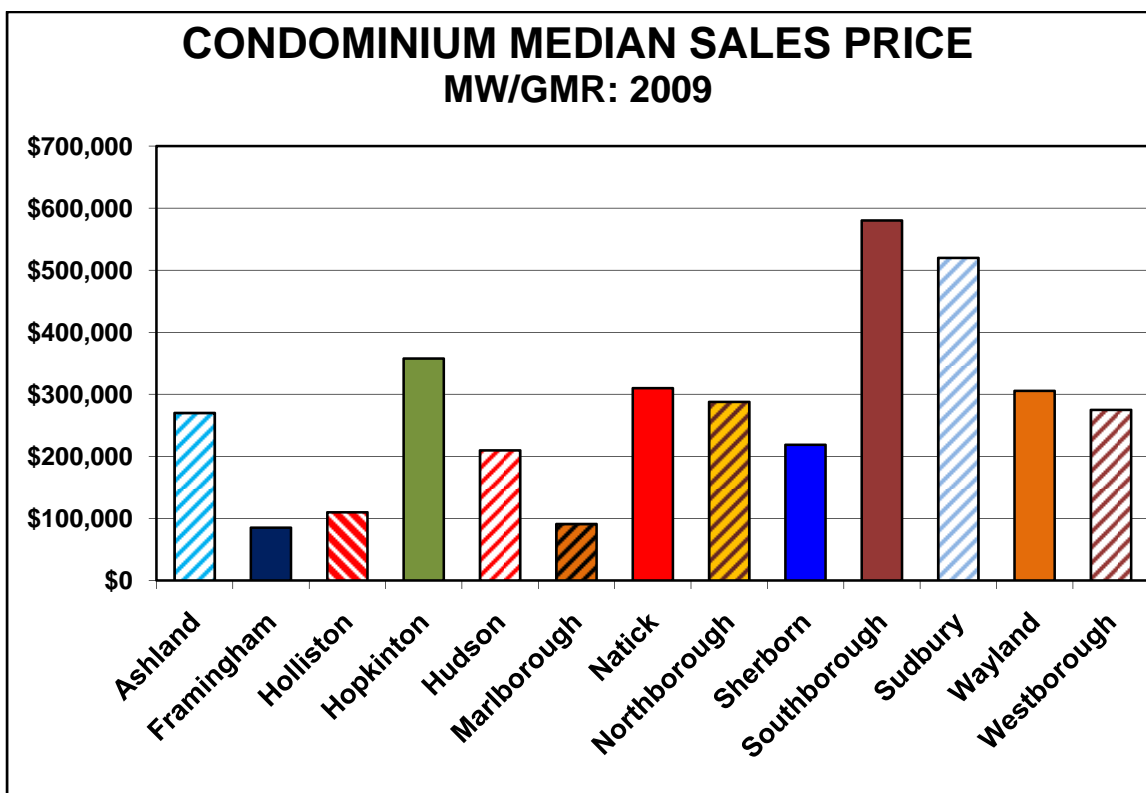
ROAD TO RECOVERY? - HOUSING



Source: The Warren Group and MERC

- About 911 condominiums were sold in the combined MetroWest and Greater Marlborough Region (MW/GMR) in 2009. This represents a one-year increase of about 6.8%.
- Within the combined region in 2009, nearly two in five condominiums sold were located in either Natick or Framingham. Marlborough was also a large contributor at 15.9%. Ashland and Westborough contributed 8.9% and 8.7% respectively to the regional total.
- Hudson and Wayland recorded 7.2% and 5.3% respectively, while Holliston, Hopkinton, Northborough, and Sudbury registered between 2% and 5%. Sherborn and Southborough had the smallest shares of sales, each at 1% or less of the total.
- Of the 58 unit increase in the combined region's sale of condominiums from 2008 to 2009, MetroWest accounted for an increase of 19 units, or about one third of the total increase, while Greater Marlborough Region had an increase of 39 units or roughly two thirds of the total increase.

ROAD TO RECOVERY? – HOUSING



Source: The Warren Group and MERC

- Condominium median sales prices are shown for the thirteen communities of the combined MetroWest and Greater Marlborough Region (MW/GMR).
- The median sales price for condominiums in the combined region ranged from \$85,000 in Framingham to \$580,000 in Southborough. Sudbury and Hopkinton had the next two highest median condominium prices at \$519,900, and \$357,500 respectively.
- Marlborough and Holliston recorded the second and third lowest median condominium prices at \$91,000, and \$110,000 respectively. Hudson and Sherborn had median condo prices in 2009 at \$209,750 and \$218,750 respectively.
- The remaining five towns, Ashland, Natick, Northborough, Wayland, and Westborough, each registered a median condo price between \$250,000 and \$300,000.

ROAD TO RECOVERY? – COST OF LIVING

MEASURING THE COST OF LIVING IN METROWEST

The MetroWest Economic Research Center (MERC) tracks the cost of living in the MetroWest¹ CCSA area by calculating the average cost of a “market basket” of 57 items that are representative of the items typically purchased by professional and executive households. The items in this “market basket” were selected by The Council for Community and Economic Research (C2ER - formerly ACCRA) based on a survey of consumer spending patterns done by the U.S. Bureau of Labor Statistics. The 57 items are grouped into six categories: grocery items, housing, utilities, transportation, health care and miscellaneous goods and services. In addition to the overall cost of living index, MERC also calculates separate indexes for each of these sub-categories.

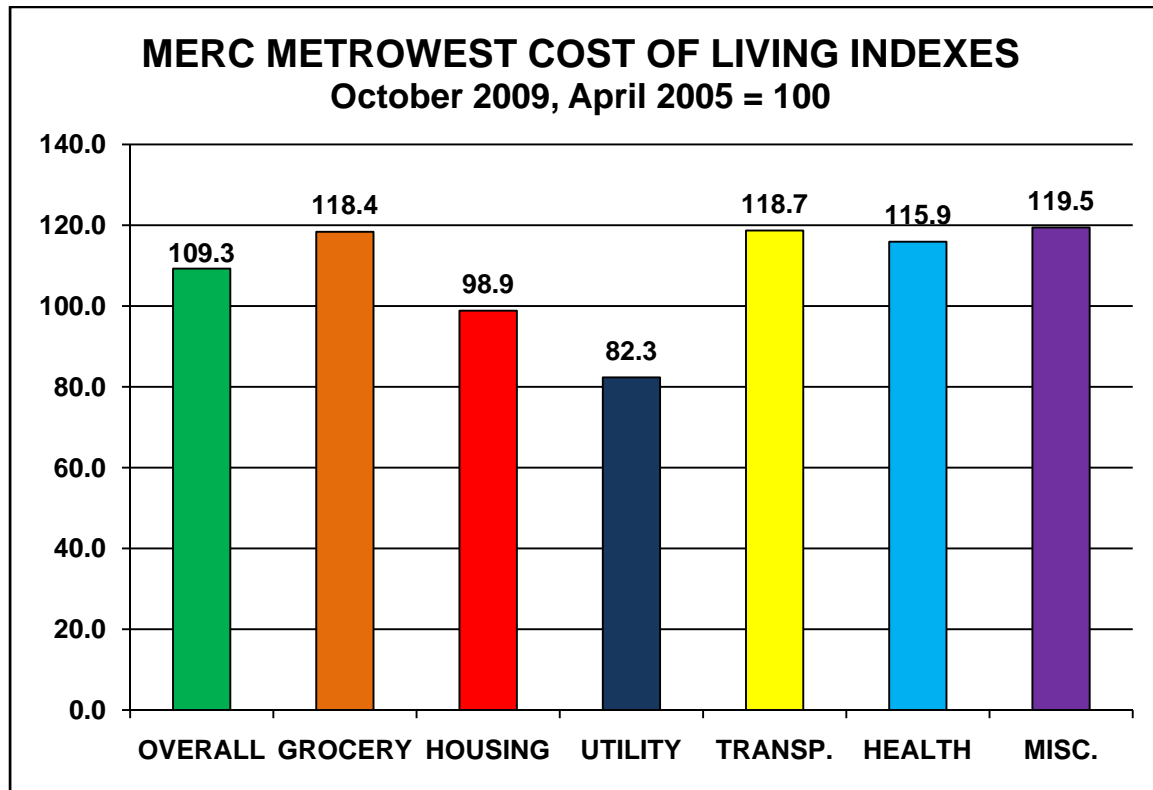
During each survey period, MERC gathers data on the prices of these items from over 100 businesses in the MetroWest area and calculates the average price of each item. These average prices are then used to calculate an index for each of the six categories mentioned above and, from them, the overall cost of living index for the area. When calculating each sub-index, every item is assigned a weight that reflects the relative importance of the item in that category of goods and services. The overall cost of living index is then a weighted average of the six sub-indexes, with the weights here reflecting the relative importance of each of the six sub-groups in the overall cost of living. The weights, like the items in the “market basket”, are also determined by C2ER based on the information obtained in the Bureau of Labor Statistics survey mentioned previously.

In addition to using this data to track the cost of living in MetroWest over time, MERC also sends its survey results to C2ER to be included in that group’s survey of living costs across the nation. The data from MetroWest are combined with the same data from approximately 300 other U.S. communities to calculate the overall average cost of the “market basket” of goods and services. C2ER calls this the “national average” and then calculates a cost of living index (still called the ACCRA index) for each community as a percentage of this national average. The overall index for each city or town is also broken down into the same six sub-indexes described above and is calculated using the same weighting process. These results make it possible to compare living costs in different areas across the country.

Because these indexes are calculated from the prices of a relatively small sample of the many goods and services which middle-management households actually purchase, they are only estimates of the true cost of living in any given area. As with any figure calculated from sample data, there is a margin of error in the estimate. Since the items in the market basket were not randomly chosen, however, it is not possible to calculate exactly what that margin of error is. In its literature, C2ER suggests that small differences in these indexes (up to 3 or 4 percentage points) do not necessarily mean that differences in the true cost of living actually exist.

¹ MetroWest CCSA includes the towns of Ashland, Framingham, Holliston, Hopkinton, Natick, Sherborn, Southborough, Sudbury, and Wayland.

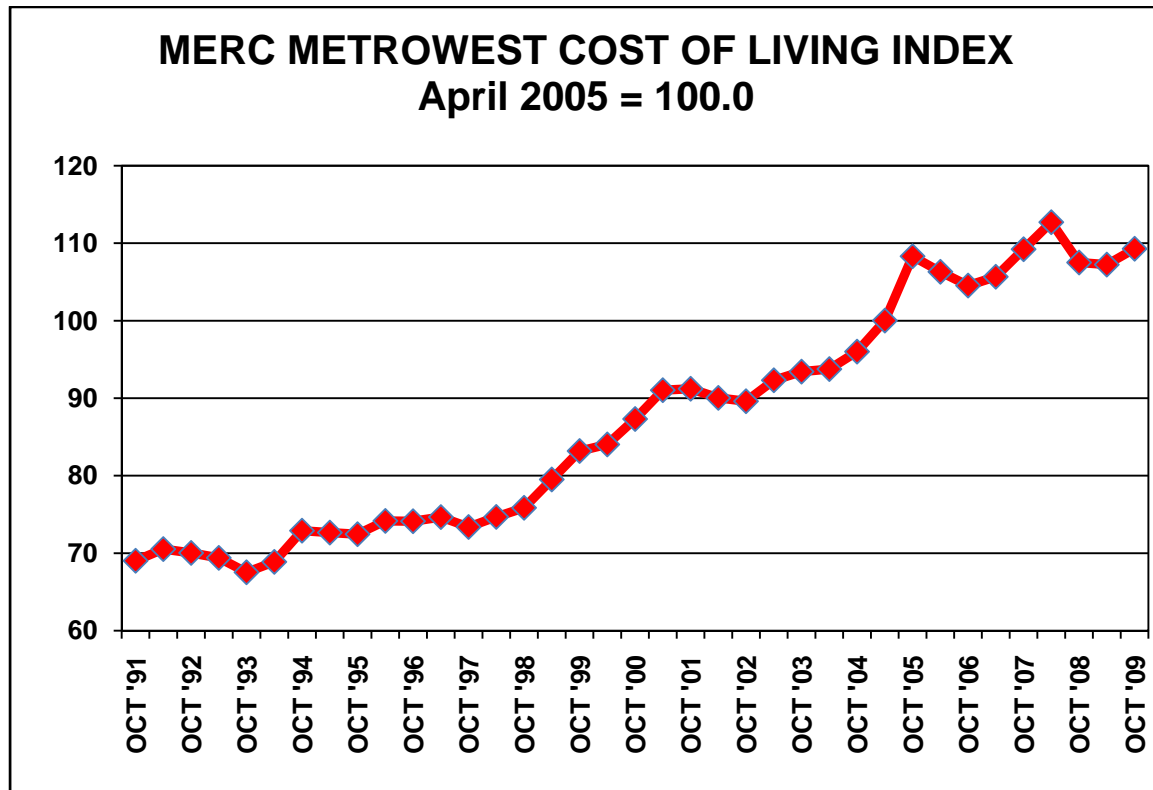
ROAD TO RECOVERY? – COST OF LIVING



Source: MERC

- In October 2009 the MERC Overall Cost of Living Index for MetroWest was 109.3. This represents an increase of 2% from October 2008. It also means that the cost of living in MetroWest was roughly 9.3% higher in October of last year than it was in April 2005.
- The Utilities Index was the index with the lowest value, 82.3, as of October 2009. This represents a decrease of about 35% in the six months since the April 2009 survey. It also means that utility costs in MetroWest were about 17.7% lower in October 2009 than they were in April 2005.
- The Housing Index showed the greatest increase in the past six months as it increased by about 24% from April 2009 to October 2009. This put the Housing Index at 98.9, just slightly lower than in April 2005.

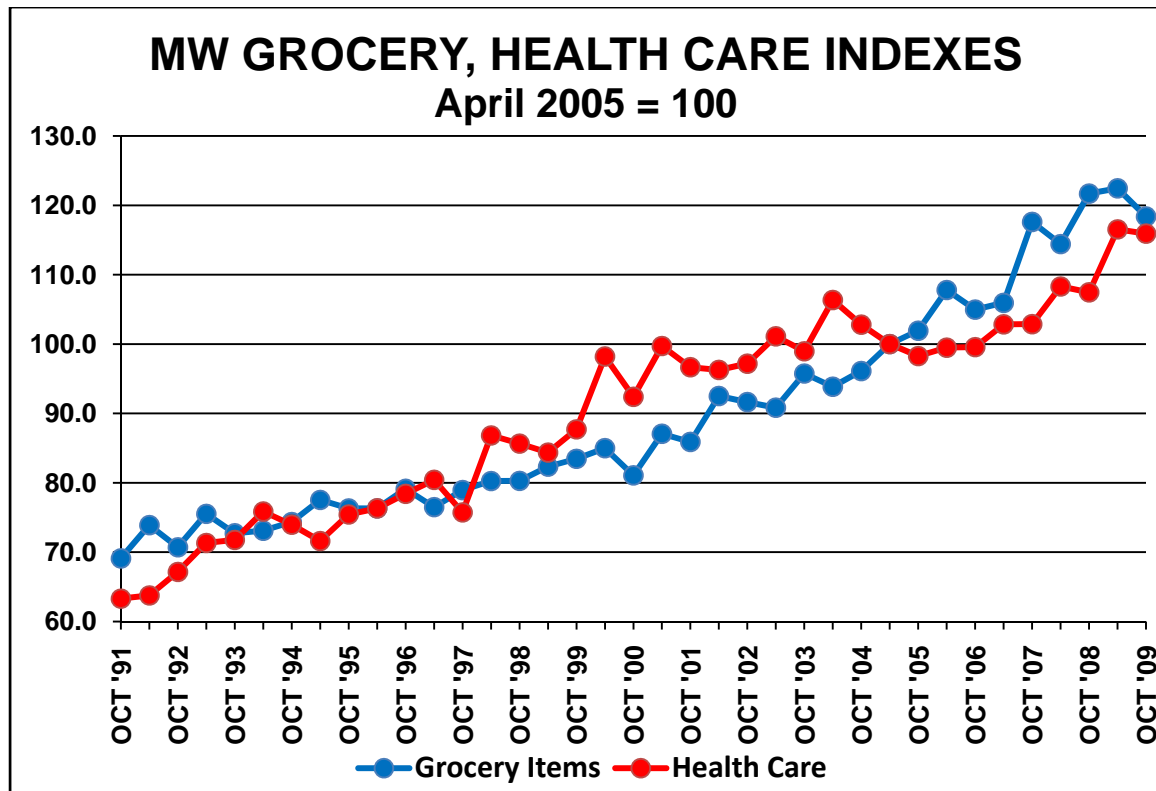
ROAD TO RECOVERY? – COST OF LIVING



Source: MERC

- The MERC MetroWest Cost of Living Index has risen about 9% since the April 2005 survey to bring the value of the index to 109.3 in October 2009.
- Although the index rose between April 2009 and October 2009, the change was not significant. The index only increased by about 2% which falls within the margin of error of 3% to 4%. Therefore, there might actually have been no change in the cost of living in MetroWest during that six months.
- The October 2009 index of 109.3 represents a decrease of about 3% from the peak value of 112.7 in April 2008.
- Over the entire October 1991 through October 2009 period, the index rose a total of 58.2%, which is an average annual rate of increase of just under 2.6%.

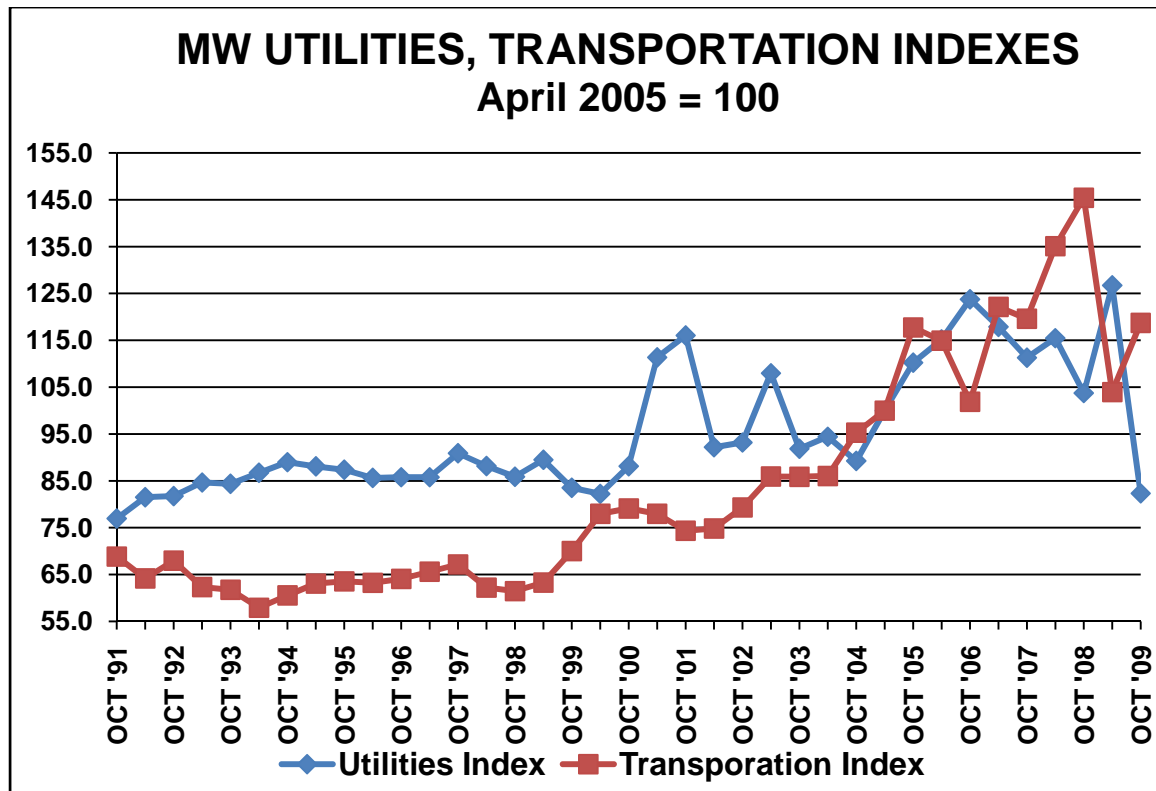
ROAD TO RECOVERY? – COST OF LIVING



Source: MERC

- From October 1991 through October 2009, the Health Care Index had the largest overall increase, 83.1%, among the six sub-indexes. This works out to be an average annual increase of just over 3.4% per year.
- The Grocery Items Index, on the other hand, increased at an average rate of about 3% per year; resulting in a total rise of 71.4% in 18 years.
- These two indexes had the fewest year-to-year declines of all six sub-indexes. The Health Care Index fell only seven times between October 1991 and October of last year, while the Grocery Items Index declined just 6 times.
- Both indexes fell slightly between April and October of last year. The Grocery Index fell from 122.5 to 118.4, while the decline in the Health Care Index was from 116.5 to 115.9.

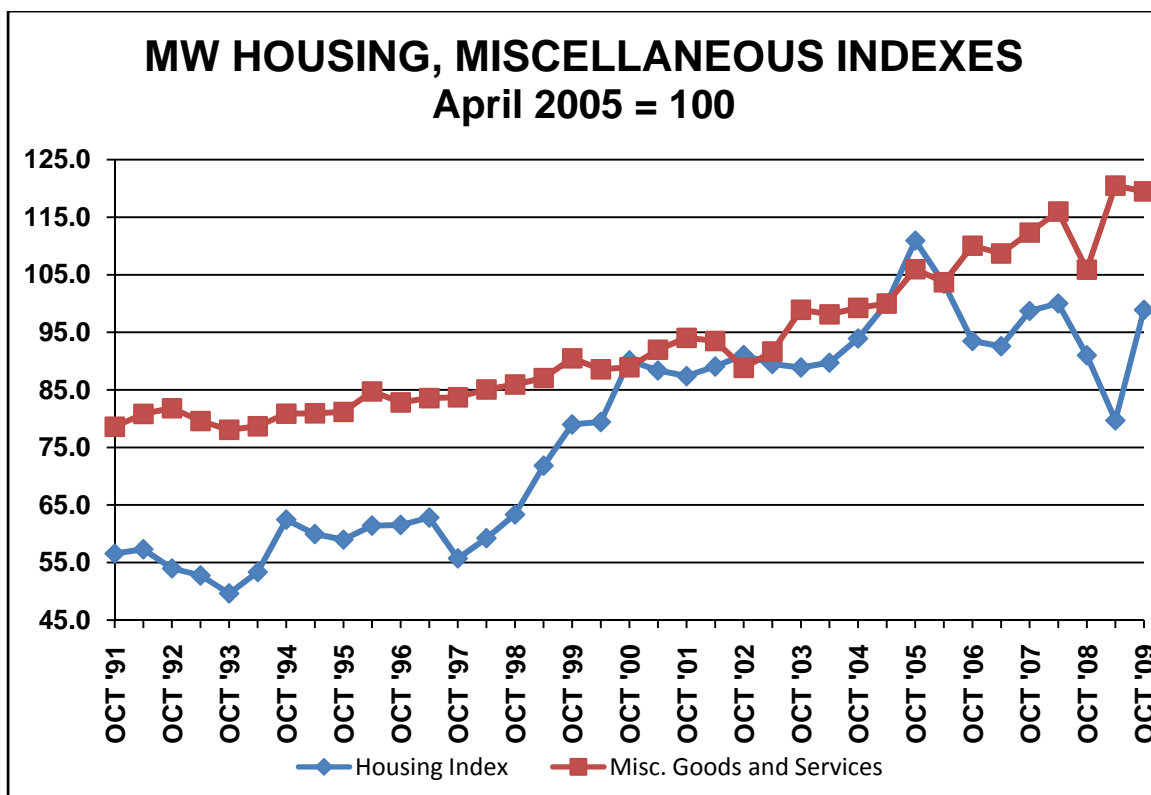
ROAD TO RECOVERY? – COST OF LIVING



Source: MERC

- The overall increase in the Utilities Index over the entire period shown on the graph was 6.9%, which represents an average annual increase of about 0.4% per year.
- The corresponding values for the Transportation Index were a 72.3% total increase or roughly 3.1% annually.
- These two indexes were, however, two of the most volatile of the six sub-indexes.
- The Utility Index exhibited a number of large year-to-year changes over this period, some positive, some negative. The mean of these changes, ignoring their signs is 8.8%.
- The same calculation for the Transportation Index yields an average year-to-year change in 9.3%; the largest of any of the sub-indexes.
- In both cases, the volatility was much greater over the most recent 9 or 10 years than it was earlier.

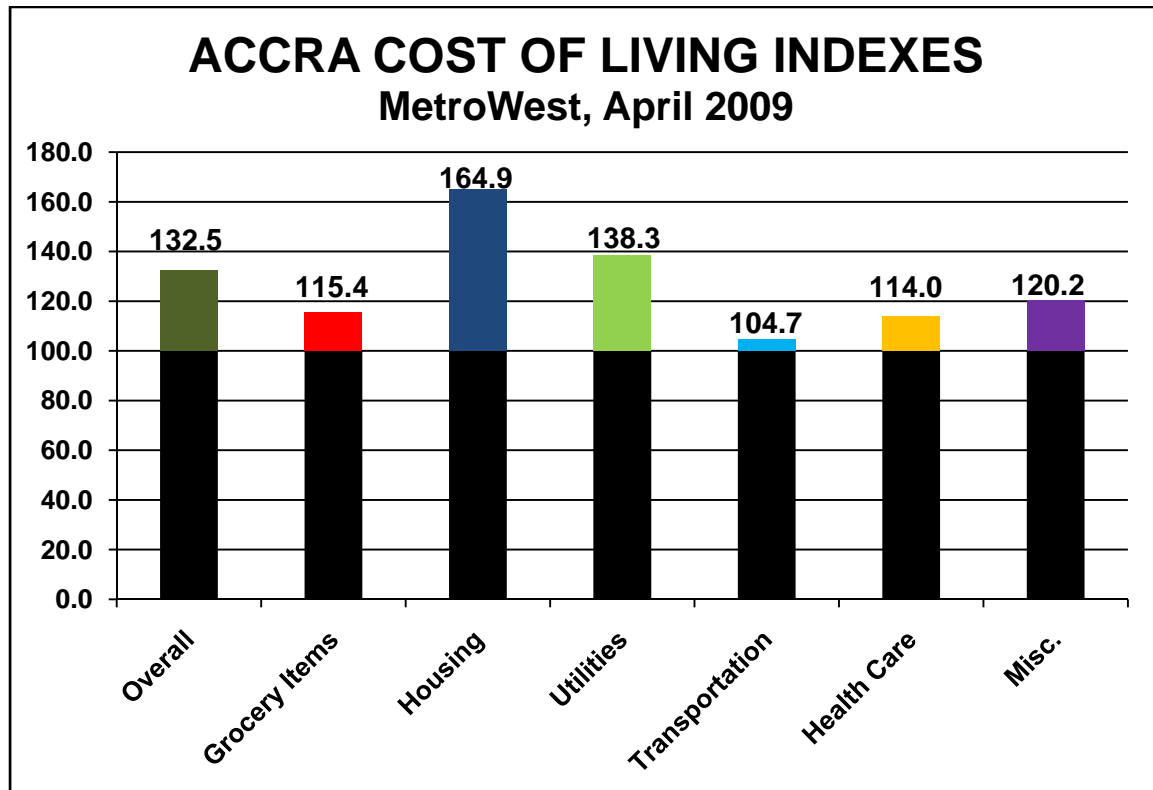
ROAD TO RECOVERY? – COST OF LIVING



Source: MERC

- In the most recent six months, the Housing Index, which has a weight of 29.19% in the calculation of the Overall Index, has risen from 79.7 in April 2009 to 98.9 in October 2009. This leaves the Housing Index just 1.1% lower than it was in April 2005.
- The Miscellaneous Goods and Services Index accounts for 33.19% of the weight in Overall Index and had a value of 119.5 in October 2009. This implies that the cost of the items in this category of goods and services was roughly 20% higher than it was in April 2005.
- The Housing Index reached its peak in October 2005 with a value of 110.9. The Miscellaneous Goods and Services Index reached its peak in April 2009 with a value of 120.5.
- From October 1991 through October 2009, the average annual rates of change for these two indexes were 3.2% for the Housing Index and 2.4% for the Miscellaneous Goods and Services Index.

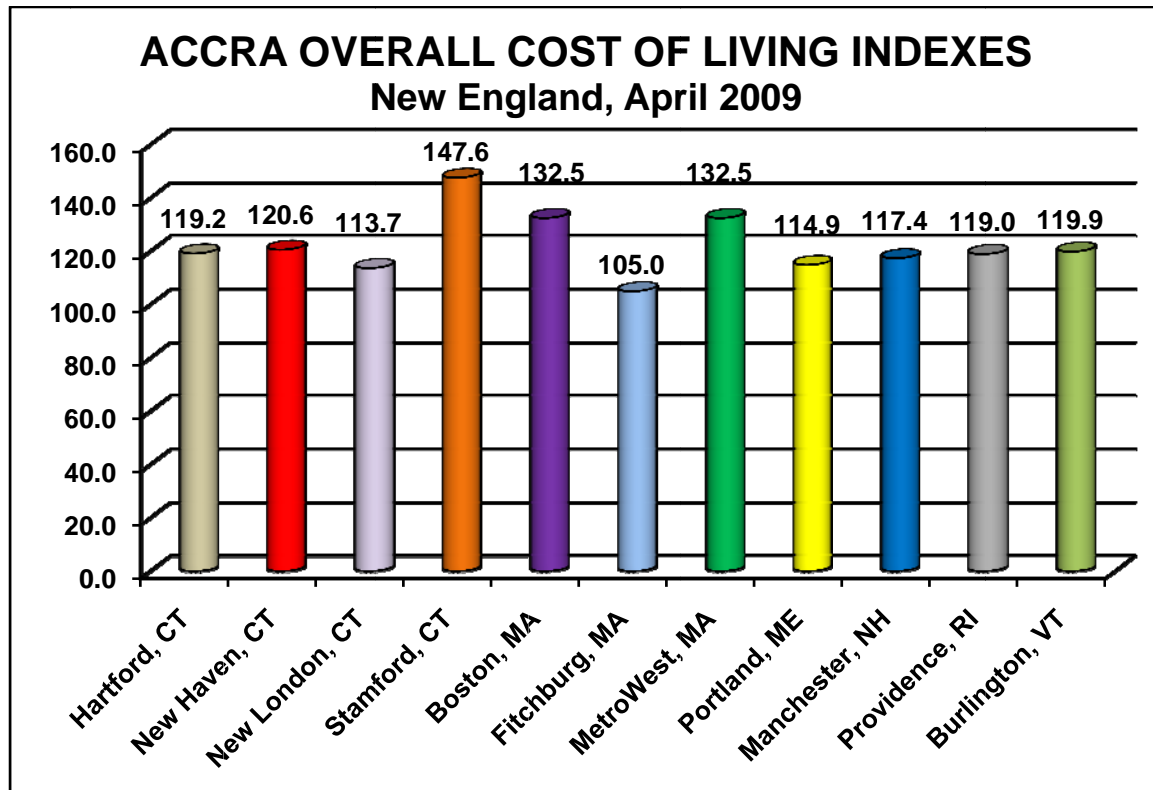
ROAD TO RECOVERY? – COST OF LIVING



Source: C2ER and MERC

- In the above graph, the black bars represent the national average, which is set to 100 for all indexes. The Overall ACCRA Cost of Living Index for MetroWest shows that the cost of living in MetroWest was about 32.5% higher than the national average in April 2009.
- Continuing with a trend that appears in almost every ACCRA report since we began participating in 1991, all the indexes were significantly (more than 3 percentage points) higher than the national average.
- The Housing Index was the highest with an index value of 164.9. This means that housing costs in MetroWest were about 65% higher than the national average last April.
- The Transportation Index had the lowest value at 104.7. It is then followed by the Health Care Index and the Grocery Items Index, with values of 114.0 and 115.4 respectively.

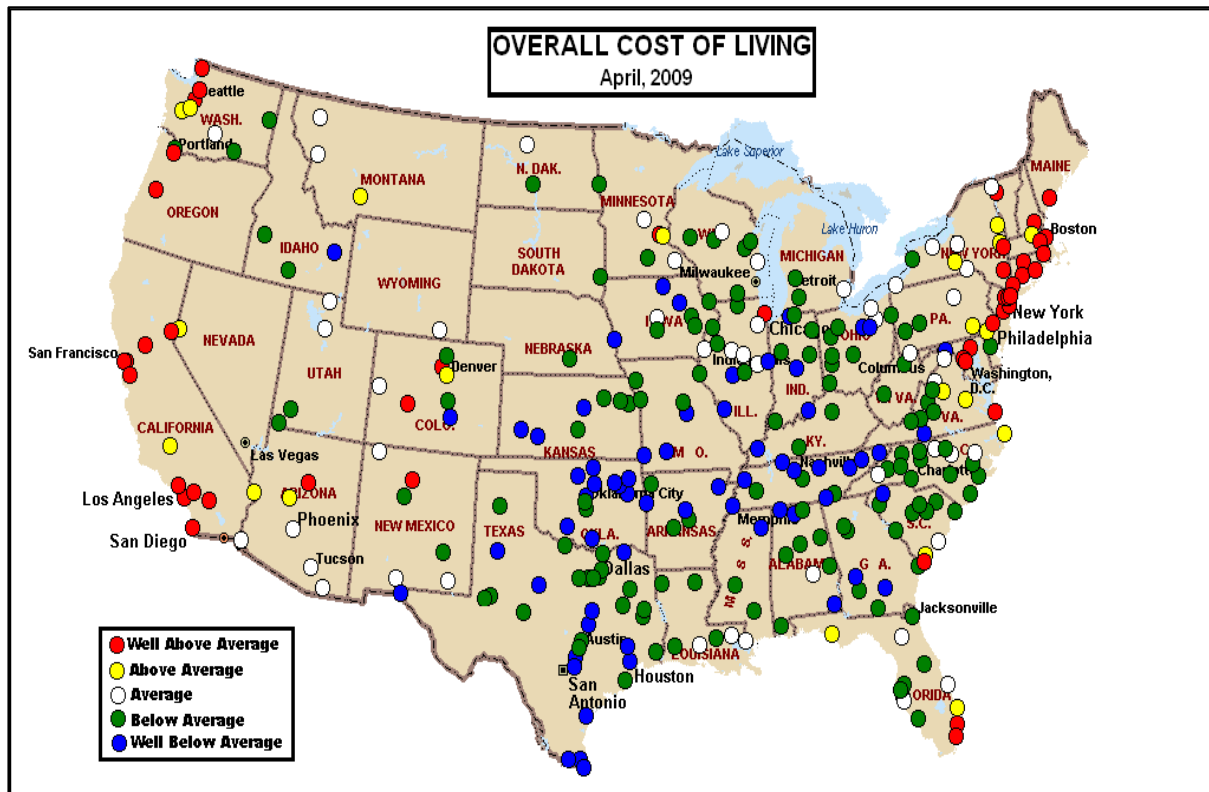
ROAD TO RECOVERY? – COST OF LIVING



Source: C2ER and MERC

- As shown in the above graph, all the 11 New England areas participating in the April 2009 C2ER survey had Overall Cost of Living Indexes greater than 100, the national average.
- The participating New England area with the highest Overall Cost of Living Index in April 2009 was Stamford, CT. Stamford had an Overall Cost of Living Index of 147.6. This means that Stamford, CT had a cost of living nearly 50% higher than the national average.
- In the April 2009 survey, MetroWest had the exact same Overall Cost of Living Index as Boston, MA. Both were 132.5, which meant that living costs in both places were about 33% above the national average.
- Of the participating New England communities, Fitchburg had the lowest Overall Cost of Living Index with a value of just 105.0.

ROAD TO RECOVERY? – COST OF LIVING



Source: C2ER and MERC

- Communities with the highest living costs (red dots) were mostly located in the Northeast or on the West Coast. Manhattan (220.2) had the highest Overall Index followed by Brooklyn (176.4) and Honolulu (164.9). Boston and MetroWest tied for 16th highest at 132.5.
- Douglas, GA had the lowest Overall Index for April 2009, with an Index of 83.4. This means that the overall cost of living in Douglas, GA was about 16.5% lower than the national average and about 37% lower than MetroWest. This was just slightly lower than Pryor Creek, OK and Springfield, IL, which had Indexes of 83.8 and 84.3 respectively.
- Below average living costs were found primarily in the Southeast and Mid-West.

Note: The Overall ACCRA Index was used for this classification. Average means that the index was between 97 and 103, Above Average is an index between 103.1 and 110.0; Well Above Average is an index higher than 110. A community with an index below 90.0 is classified as Well Below Average, while Below Average is an index between 90.0 and 96.9.

ROAD TO RECOVERY? – MUNICIPAL REVENUE

MUNICIPAL REVENUE

Municipalities report budgeted revenue, actual revenue and actual expenditures to the Massachusetts Department of Revenue (DOR), Division of Local Services (DLS) on form Schedule A which includes a tax recapitulation report. The DLS of the DOR prepares many analyses from these reports. The MetroWest Economic Research Center (MERC) at Framingham State College uses the underlying information as well as DLS reports to prepare analyses for the local region.

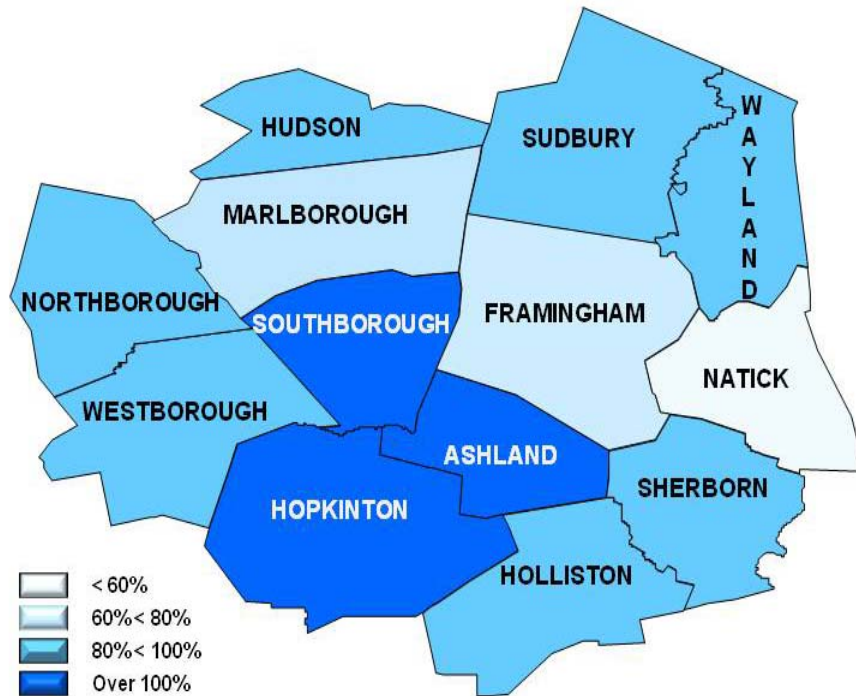
Unless otherwise stated, revenue presented in this report represents budgeted revenue reported to the Massachusetts Department of Revenue, Division of Local Services by the respective municipalities. It consists of the total tax levy, state aid, local receipts and an “all other” category. The tax levy consists of assessments on personal property, industrial, commercial, open space and residential real estate. Personal property includes furnishings of second homes and some inventories and equipment of unincorporated businesses. On-site vehicles of utility companies are generally included in this category as well. State aid is earmarked as state aid for education and state aid for general government. Budgeted revenue and actual revenue differ very little. Local receipts include motor vehicle excise taxes, licenses and charges for services. The “all other” category includes free cash and other available funds.

Tax levies are subject to limitations imposed by related legislation. In any given year the tax levy cannot exceed 2½ percent of the total assessed value of the property of the community. In addition, the tax levy cannot increase by more than 2 ½ percent of the prior year tax levy limit plus new growth without voter approval of an operating budget override or a debt exclusion override. An operating budget override constitutes a permanent adjustment to the tax levy base that is used for subsequent year calculation limits while a debt exclusion override is in effect only for the life of the bond for which it was approved. It does not become a permanent adjustment to the tax levy base. Individual communities are also able to determine the extent to which property taxes will be borne by residential taxpayers or commercial and industrial taxpayers. Some communities choose to tax residential, commercial and industrial property at the same rate while others use split rates. Personal property is generally taxed at C&I rates imposed by the respective community.

With the residential exemption, the tax burden shifts within the residential class from owner-occupied and relatively lower valued properties, to relatively higher valued ones and to those not eligible for the exemption such as vacant land, rental properties and seasonal homes. The small commercial exemption is a similar shift within the class in that it excludes a percentage of the assessed value of each eligible parcel. It covers commercial real property valued at less than \$1 million that is occupied by certified small business (10 or fewer employees).

ROAD TO RECOVERY? – MUNICIPAL REVENUE

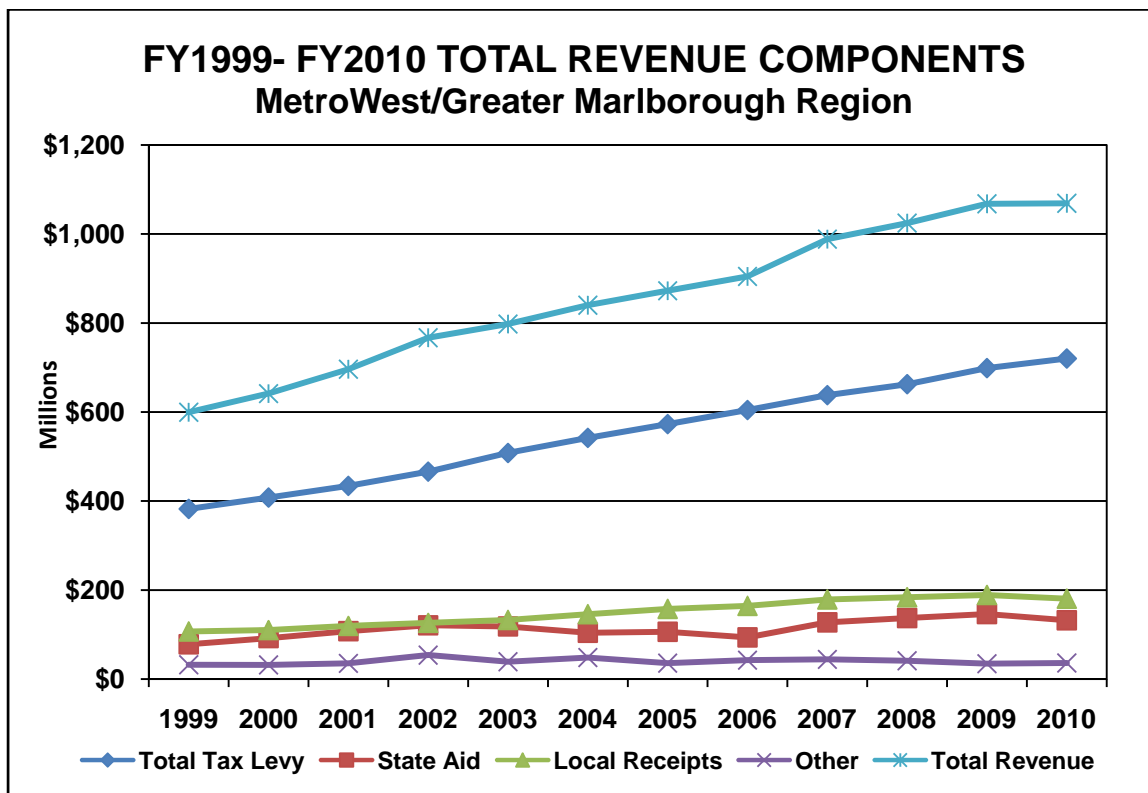
FY1999- FY2010 GROWTH IN MUNICIPAL REVENUE



Source: MA Dept. of Revenue, DLS, and MERC

- Municipal revenue percentage growth from FY1999 to FY2010 in the combined MetroWest and Greater Marlborough Region (MW/GMR) is broken down into four intervals: less than 60%, 60% to less than 80%, 80% to less than 100%, and greater than 100%.
- From FY1999 to FY2010, MW/GMR municipal revenue increased from \$599.3 million to \$1.07 billion, a gain of 78.4%.
- Most of the communities in the MW/GMR region experienced municipal revenue growth from 80% to 100% over the eleven year period FY1999 to FY2010.
- The community with the greatest rate of growth in municipal revenue was Southborough, rising from \$20.0 million in FY1999 to \$45.4 million in FY2010, a gain of 128.8%. The community with the smallest percentage growth in municipal revenue was Natick where municipal revenue increased by 59.0% during the same period.

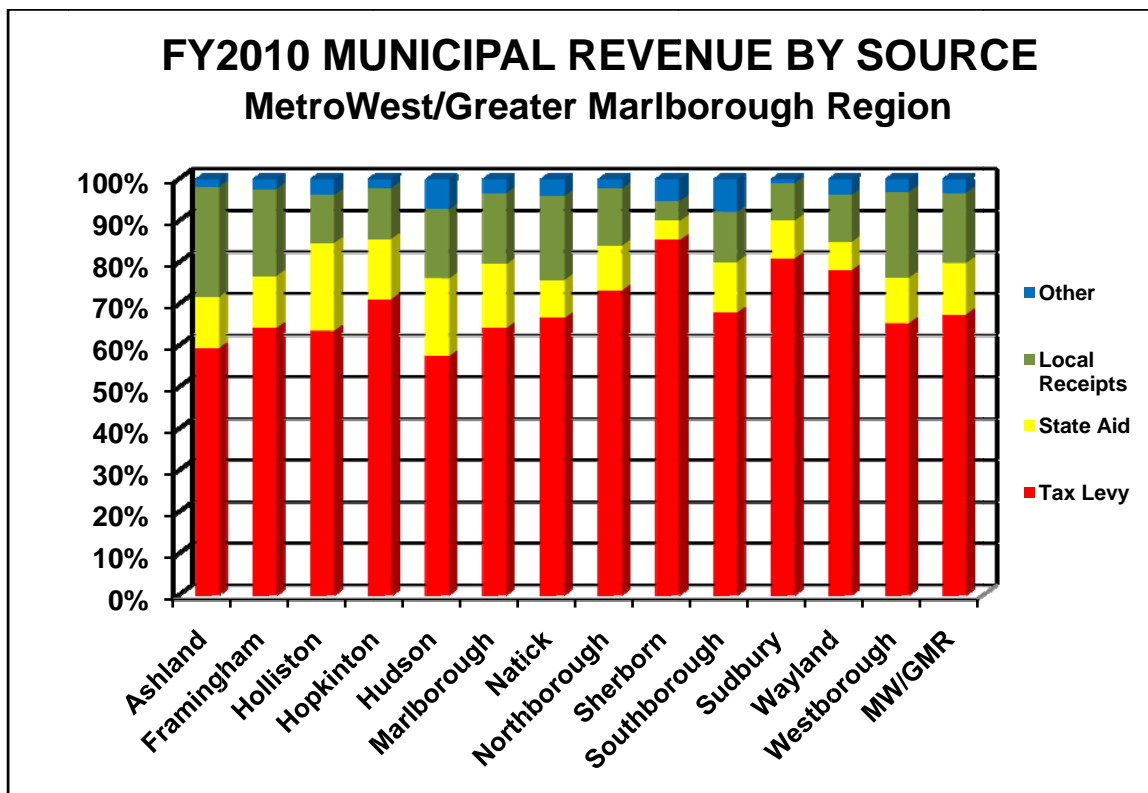
ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: MA Department of Revenue, DLS, and MERC

- Total municipal revenue for the combined MetroWest and Greater Marlborough Region (MW/GMR) rose from \$599.3 million in FY1999 to \$1,069.0 million in FY2010, an increase of 78.4%. From FY2009 to FY2010, there was a slight decrease of -0.1%.
- The tax levy rose every single year resulting in a total increase of 88.4% from \$382.3 million in FY1999 to \$720.3 million in FY2010. From FY2009 to FY2010 the tax levy increased 3.1%.
- State aid for MW/GMR rose from approximately \$78.0 million in FY1999 to \$120.7 million in FY2002, slowly decreasing from \$118.1 million in FY2003 to \$93.4 million in FY2006. State aid peaked at \$146.0 million in FY2009 and decreased to \$132.0 million in FY2010.
- Local receipts reached its highest value of \$188.9 million in FY2009, and then dropped off to \$180.7 million in FY2010, a decrease of 4.4 %.
- From FY1999 to FY2010, the “all other” category increased 12.0% from \$32.2 million to \$36.1 million, while exhibiting some volatility over time.

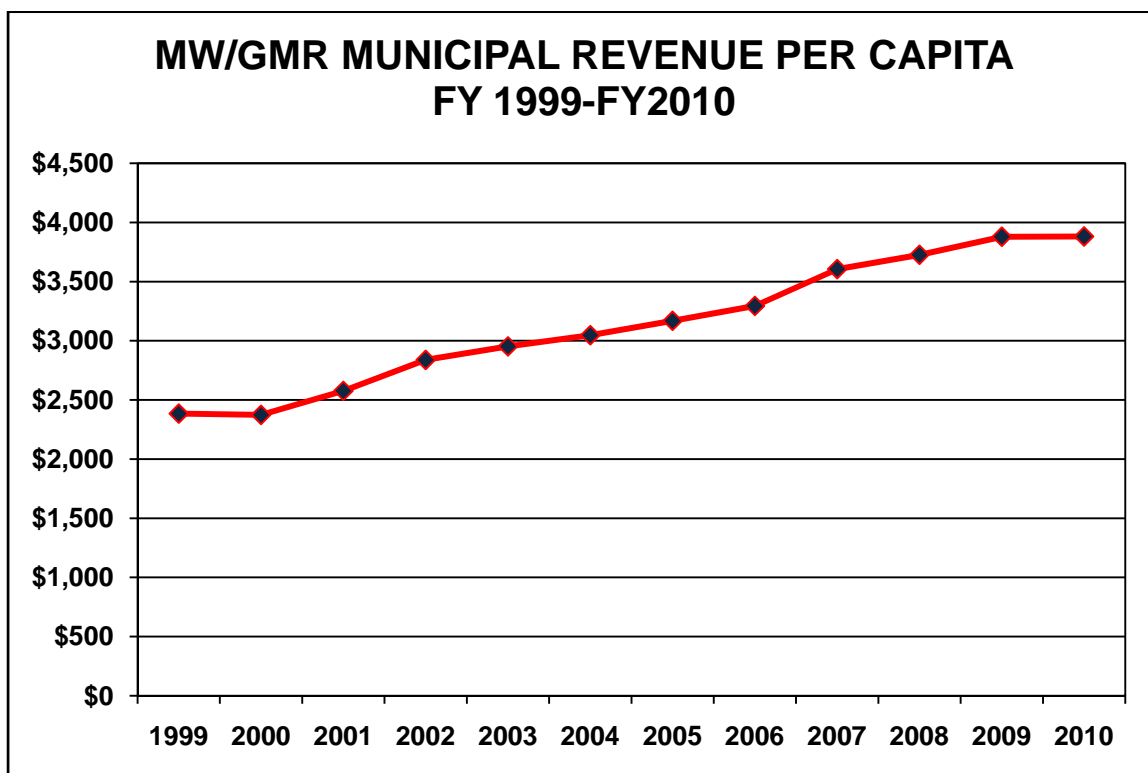
ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: MA Department of Revenue, DLS, and MERC

- Municipal revenue of the MetroWest and Greater Marlborough communities in FY2010 varied significantly by community. The total tax levy was the biggest contributor to municipal revenue in all communities, ranging from 57.4% in Hudson to 85.3% in Sherborn. The combined region had an average of 67.7% of total revenue derived from the tax levy.
- State aid as a percentage of total revenue varied from 4.6% in Sherborn to 21.1% in Holliston and averaged 12.3% for the combined region in FY2010.
- Local receipts ranged from 4.8% in Sherborn to 26.6% in Ashland. The regional average receipts was 16.9 %.
- The “all other” category was the smallest contributor to municipal revenue and fell between 1.0% in Sudbury to 7.3% in Hudson. The “all other” category averaged 3.4% of MW/GMR municipal revenue.

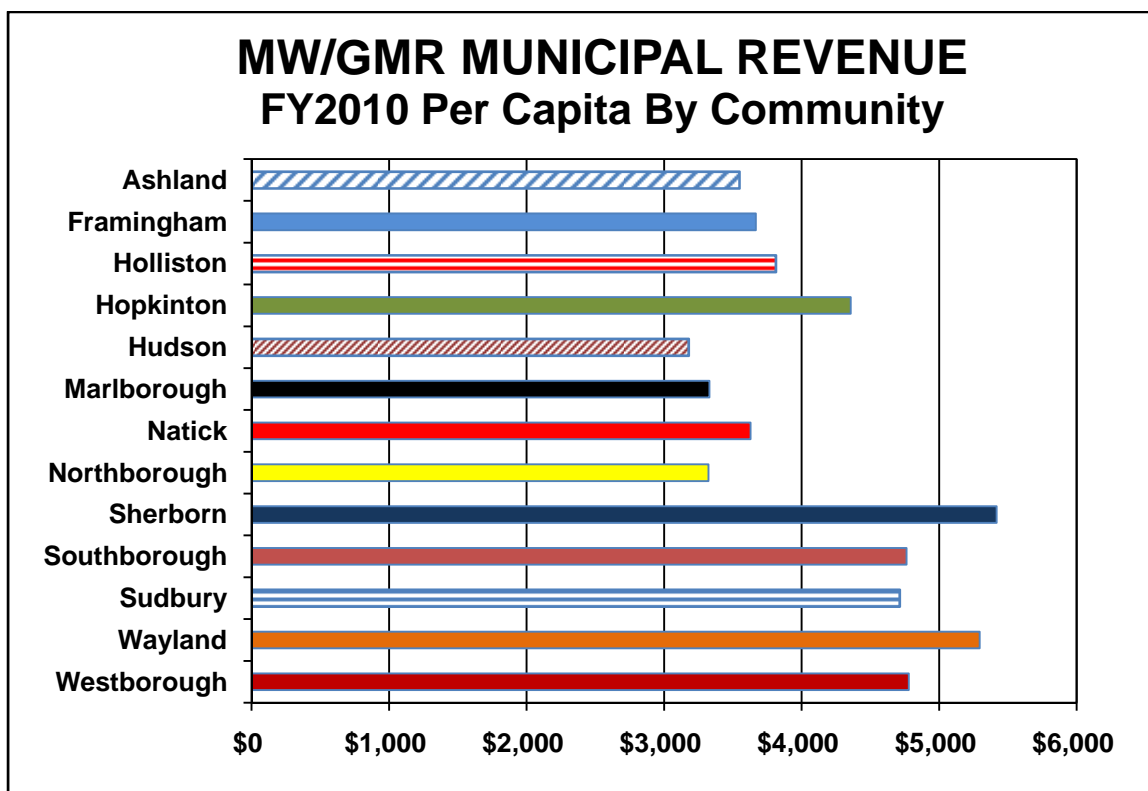
ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: MA Department of Revenue, DLS, and MERC

- Municipal revenue per capita for the combined MetroWest and Greater Marlborough Region (MW/GMR) increased from \$2,384 in FY1999 to \$3,881 in FY2010. This represented an average annual rate of increase over the prior period of 4.5%.
- This statistic can also be viewed as spending per capita as communities work with balanced budgets.
- A decrease of -0.5% occurred between FY1999 to FY2000 when MW/GMR municipal revenue per capita fell from \$2,384 to \$2,373.
- The largest increase of 9.5% occurred between FY2006 and FY2007 when municipal revenue per capita rose from \$3,294 to \$3,605.

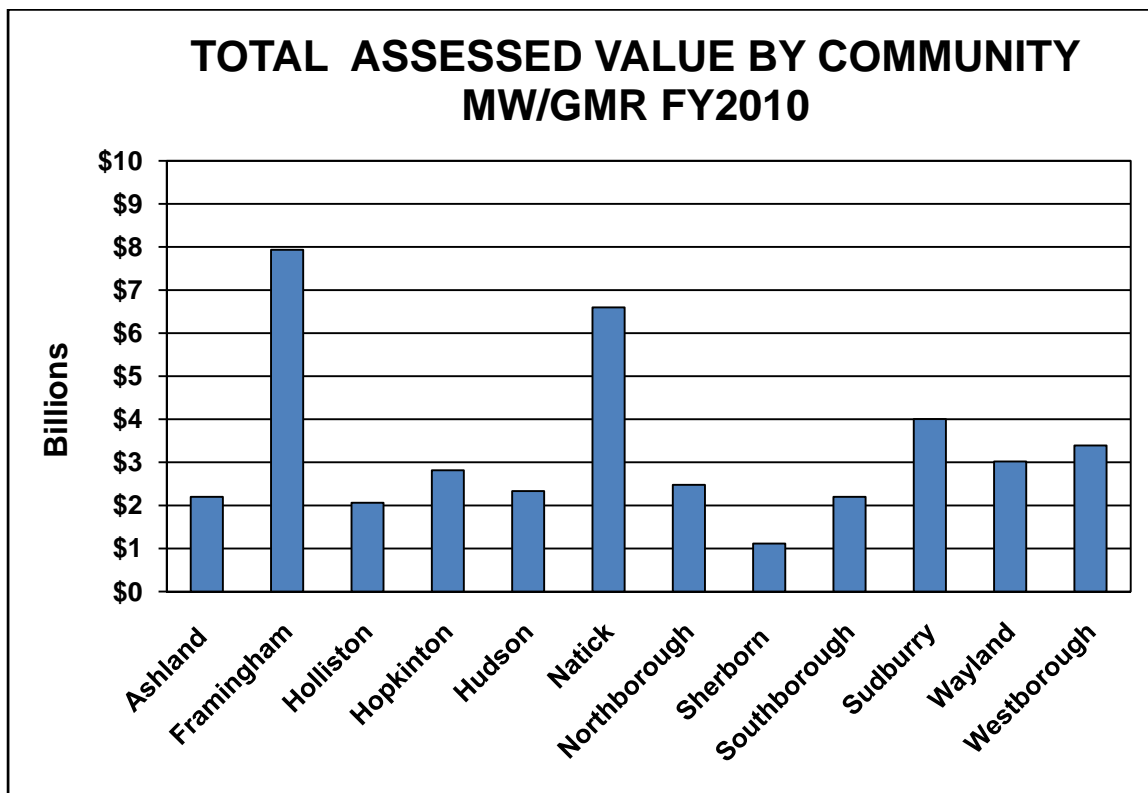
ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: MA Department of Revenue, DLS, and MERC

- Municipal revenue per capita for the MetroWest and Greater Marlborough communities for FY2010 can be viewed as spending per capita as communities are required to balance their budget.
- Municipal revenue per capita for the MW/GMR communities for FY 2010 ranged from a low of \$3,179 in Hudson, followed closely by Northborough (\$3,323) and Marlborough (\$3,329), to a high of \$5,418 in Sherborn.
- Seven communities; Ashland, Framingham, Holliston, Hudson, Marlborough, Natick, and Northborough, had municipal revenue per capita for FY2010 that was below the regional average of \$3,881.
- Six communities; Hopkinton, Sherborn, Southborough, Sudbury, Wayland, and Westborough, had municipal revenue above the \$3,881 regional average.

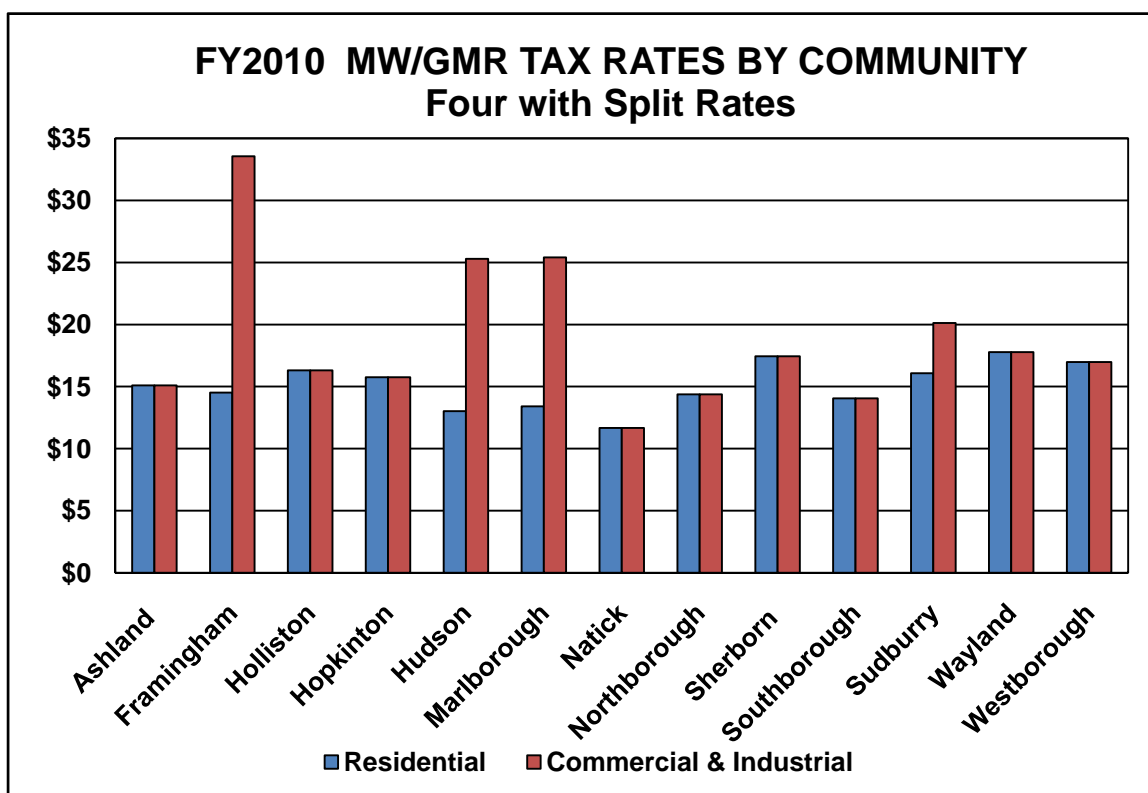
ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: MA Department of Revenue, DLS, and MERC

- Total assessed value for the thirteen communities which make up the combined MetroWest and Greater Marlborough Region (MW/GMR) in FY2010 was approximately \$45.0 billion, compared to \$47.0 billion in FY2009.
- The total assessed value varied widely by community, ranging from a low of \$1.1 billion in Sherborn to a high of \$8.0 billion in Framingham.
- Total assessed value in the remaining communities fell between \$2.1 billion in Holliston and \$6.6 billion in Natick.

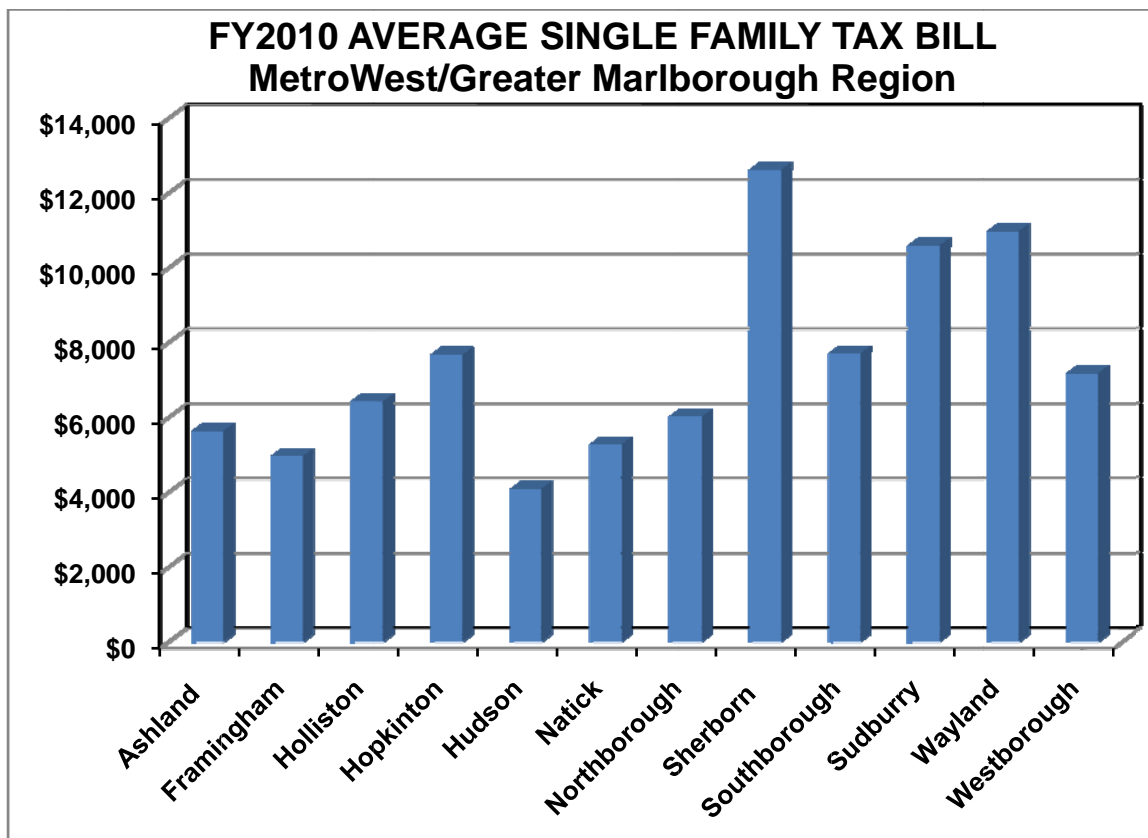
ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: MA Department of Revenue, DLS, and MERC

- This graph compares the residential and commercial & industrial (C&I) tax rates per \$1,000 of assessed value for the MetroWest and Greater Marlborough communities.
- In the combined region nine out of the thirteen communities had the same rates for the residential property and commercial and industrial property.
- The four communities with different, or split, rates for residential and commercial and industrial property were: Framingham, Hudson, Marlborough and Sudbury.
- The four communities with split rates had the following commercial and industrial rates: Framingham (\$33.56), Hudson (\$25.30), Marlborough (\$25.42), and Sudbury (\$20.13).
- In FY2010 the lowest residential tax rate was \$11.67 for Natick, followed by Hudson at \$13.02. The highest residential tax rate was in Wayland at \$17.78. The remaining communities' residential tax rates fell between \$13.41 in Marlborough and \$17.44 in Sherborn.

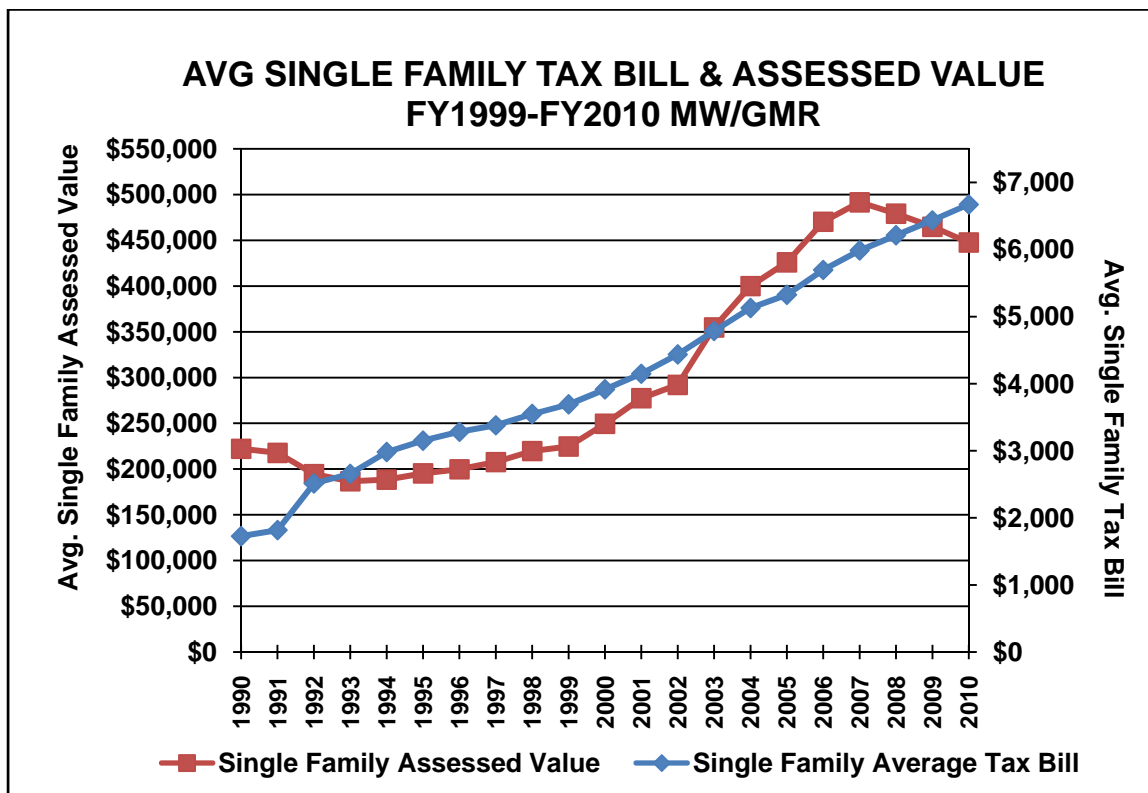
ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: Ma Department of Revenue, DLS, and MERC

- The average single family residential tax bill in FY2010 varied widely by community. It ranged from a low of \$4,098 in Hudson to a high of \$12,626 in Sherborn.
- The remaining communities' average single family tax bills ranged between \$4,979 in Framingham and \$10,982 in Wayland. The average single family tax bill is not available for Marlborough.
- The average single family tax bill is determined by applying the respective residential tax rate to the average single family assessed value in that community.
- The average assessed value for single family homes is determined by dividing the total single family assessed value for each community by the number of single family dwellings in that community.

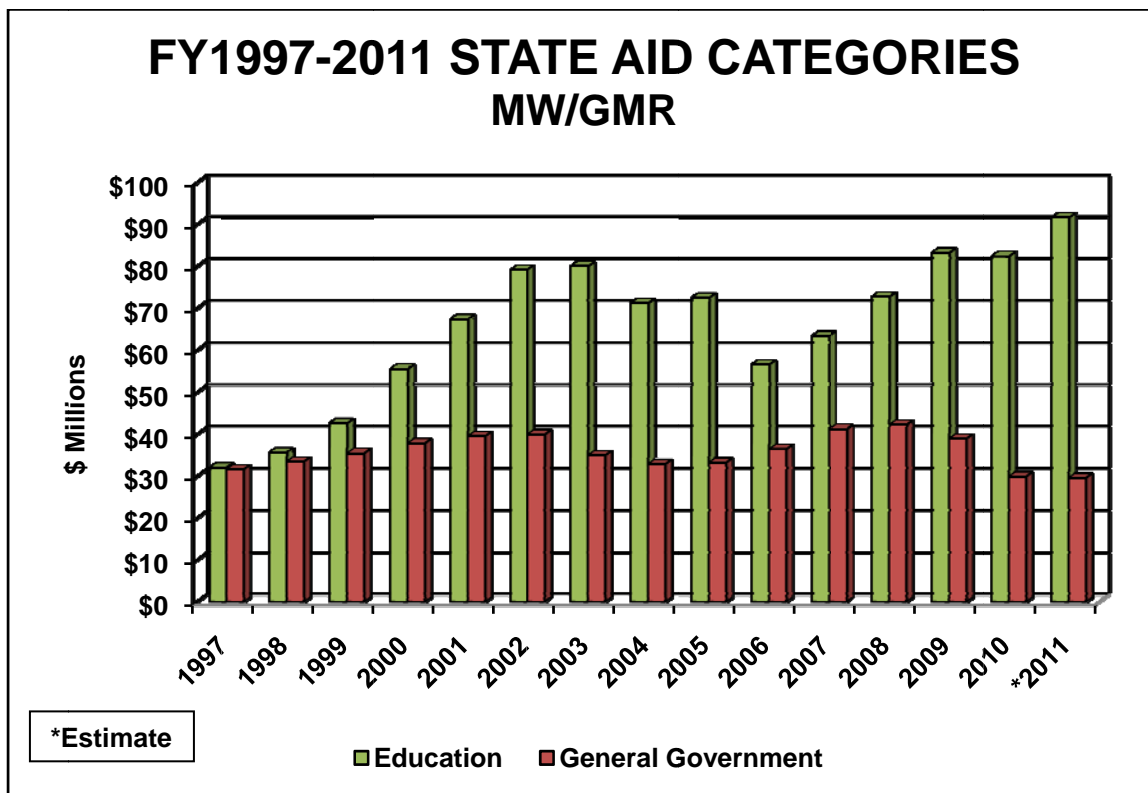
ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: MA Department of Revenue, DLS, and MERC

- The average single family tax bill for the MetroWest and Greater Marlborough Region (MW/GMR) is shown on the right vertical axis, and the average single family assessed value is shown on the left vertical axis.
- The average single family tax bill increased from \$1,727 in FY1990 to \$6,671 in FY2010. This represented an average annual rate of increase of about 6.9%.
- The average single family assessed value fluctuated over this time period. It dropped from \$221,189 in FY1990 to \$186,693 in FY1993, and slowly climbed to a peak of \$491,630 in FY2007. It then fell to \$447,643 in FY2010, a decrease of -8.9%.
- The average single family tax bill for the region was determined by calculating a residential tax rate for the region and applying this rate to average single family assessed value. The rate was determined by dividing the residential tax levy by the residential assessed value for the region. The average single family assessed value for the region was determined by dividing total single family assessed value for the region by total single family dwellings.

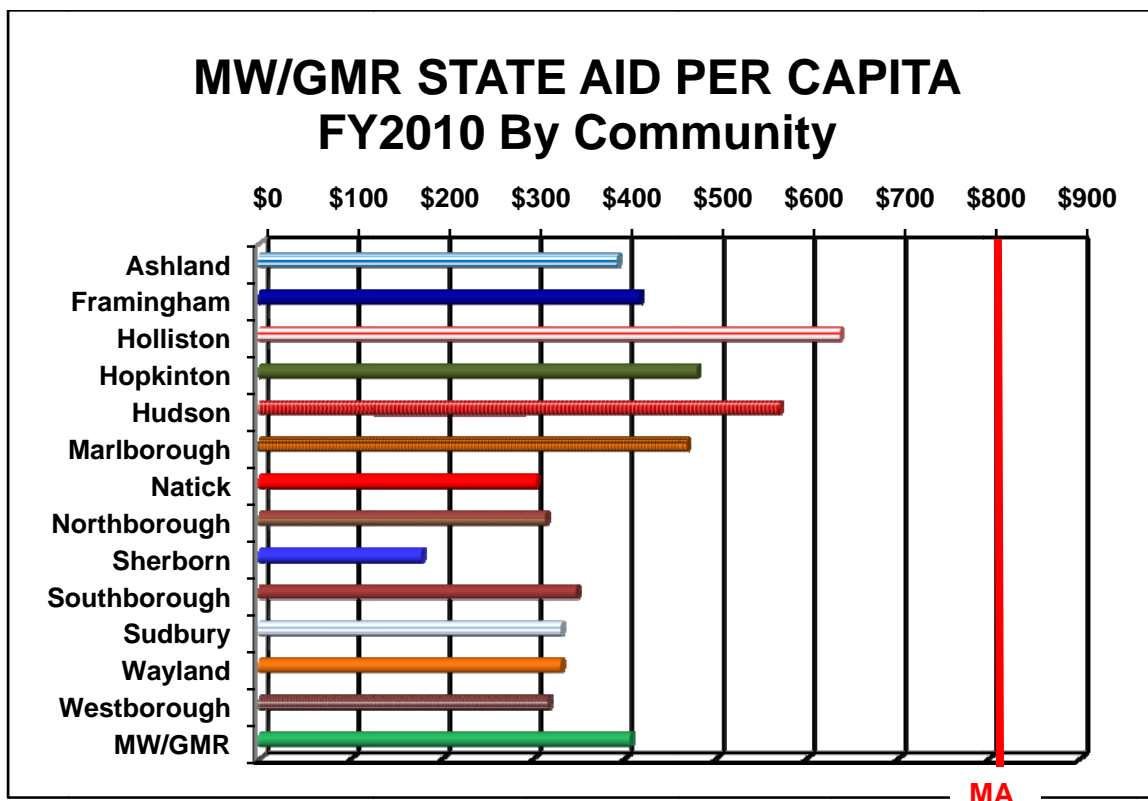
ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: MA Department of Revenue, DLS, and MERC

- State aid for education in the combined MetroWest and Greater Marlborough Region (MW/GMR) increased from \$31.9 million in FY97 to an estimated value of \$91.6 million in FY11. State aid for education in MW/GMR increased each year during this period, except for FY2004 and FY2006. State aid given to regional and vocational schools is not included. Noteworthy, the amount for FY2006 and later years does not include an estimated \$20 million yearly in continuing school construction reimbursement that is now accounted for by the Massachusetts School Building Authority (MSBA).
- In FY2009 the communities of MW/GMR received the greatest amount of state aid for education, \$83.2 million.
- State aid for general government in MW/GMR ranged between approximately \$29.0 million and \$42.0 million. Over the period FY1997-FY2010, MW/GMR received its smallest amount of \$29.4 million in FY2010.
- State aid given directly to the thirteen MW/GMR communities for FY2010 as shown in this graph was \$112.2 million, down 8.1% from FY2009. State aid given to regional and vocational schools is not included.
- Total state aid of \$132.0 million shown on the other revenue graphs of this report include *estimated* school construction payments of \$20 million.

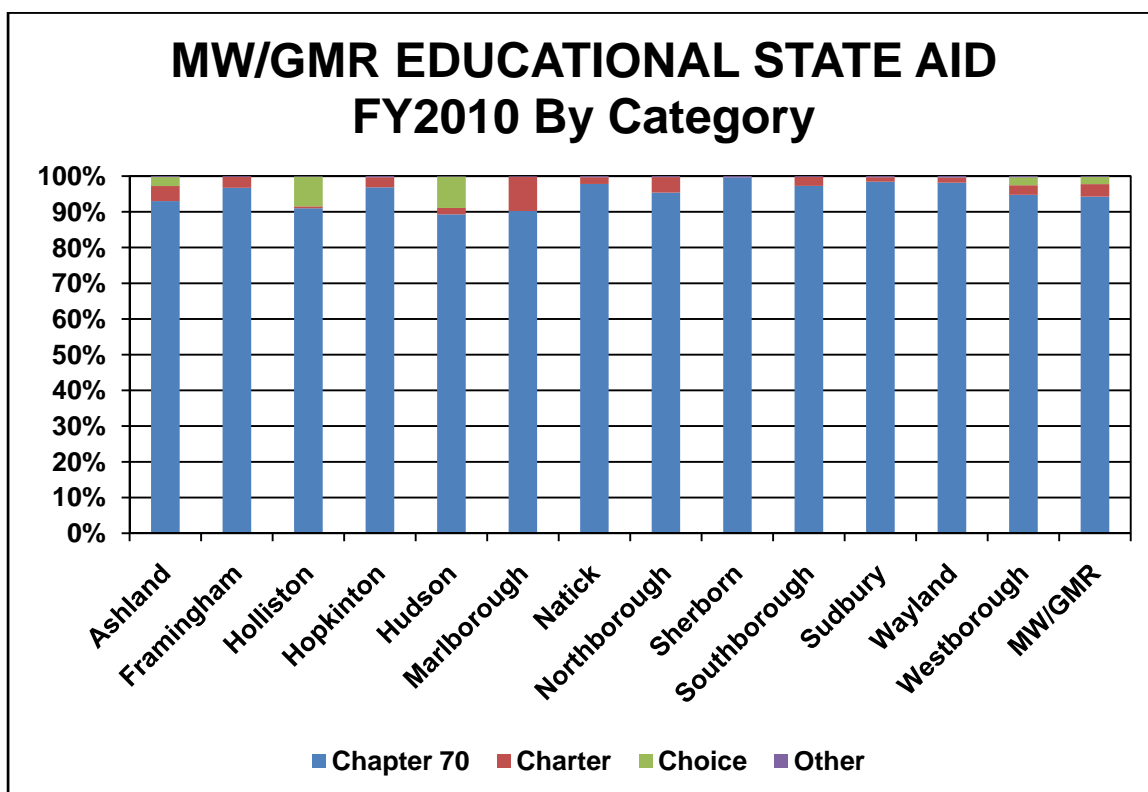
ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: MA Department of Revenue, DLS, Census, and MERC

- This graph displays per capita state aid given directly to the respective communities for FY2010. State aid per capita is calculated by dividing the sum of the aid given to a community by the population of the community.
- The values ranged from a low of \$178 for Sherborn and a high of \$637 in Holliston. State aid per capita in the combined MetroWest and Greater Marlborough region (MW/GMR) was recorded at \$407.
- The Massachusetts average of state aid per capita for all municipalities (in red) was \$803.
- Each of the thirteen MW/GMR municipalities received less than the average value for all MA municipalities combined of \$803.

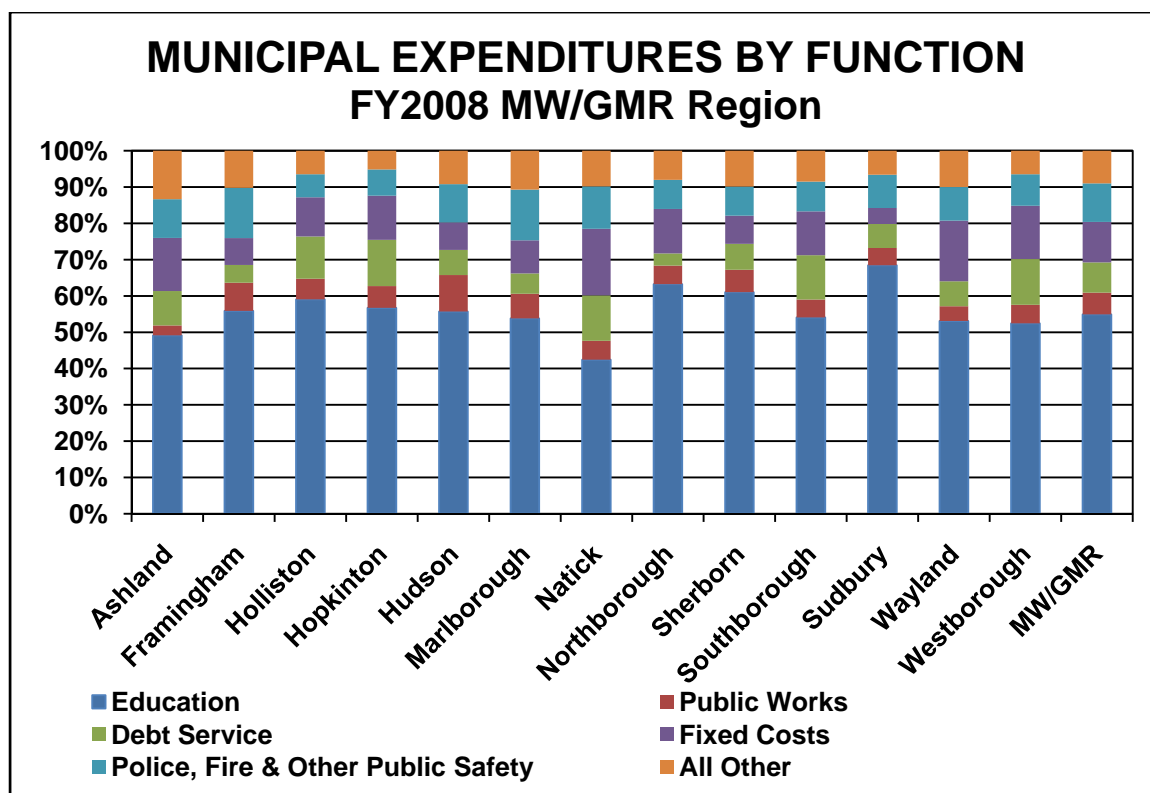
ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: MA Department of Revenue, DLS, and MERC

- In FY2010 the MetroWest and Greater Marlborough Region (MW/GMR) received educational state aid in excess of \$82.3 million. This graph groups the educational state aid into three major components: Chapter 70 in blue, charter tuition assessment reimbursement in red, and school choice receiving tuition in green. A fourth component, “other”, is so insignificant it does not appear on the graph. Community totals for educational state aid ranged from \$530,098 in Sherborn to \$16,793,161 in Framingham.
- Chapter 70 accounts for 94.3% of the educational state aid received in MW/GMR. It ranges from 99.6% of the total aid received in Sherborn to 89.3% in Hudson. Noteworthy, however, Sherborn received the least amount of Chapter 70 educational state aid as Sherborn received additional funds through its Dover-Sherborn regional middle school and regional high school.
- Twelve of the communities, all but Sherborn, received aid for charter tuition assessment reimbursement, which ranged from \$38,251 in Holliston to \$1,210,016 in Marlborough.
- The four communities of Ashland (\$122,993), Holliston (\$617,149), Hudson (\$810,197), and Westborough (\$102,500) received state aid for school choice tuition.

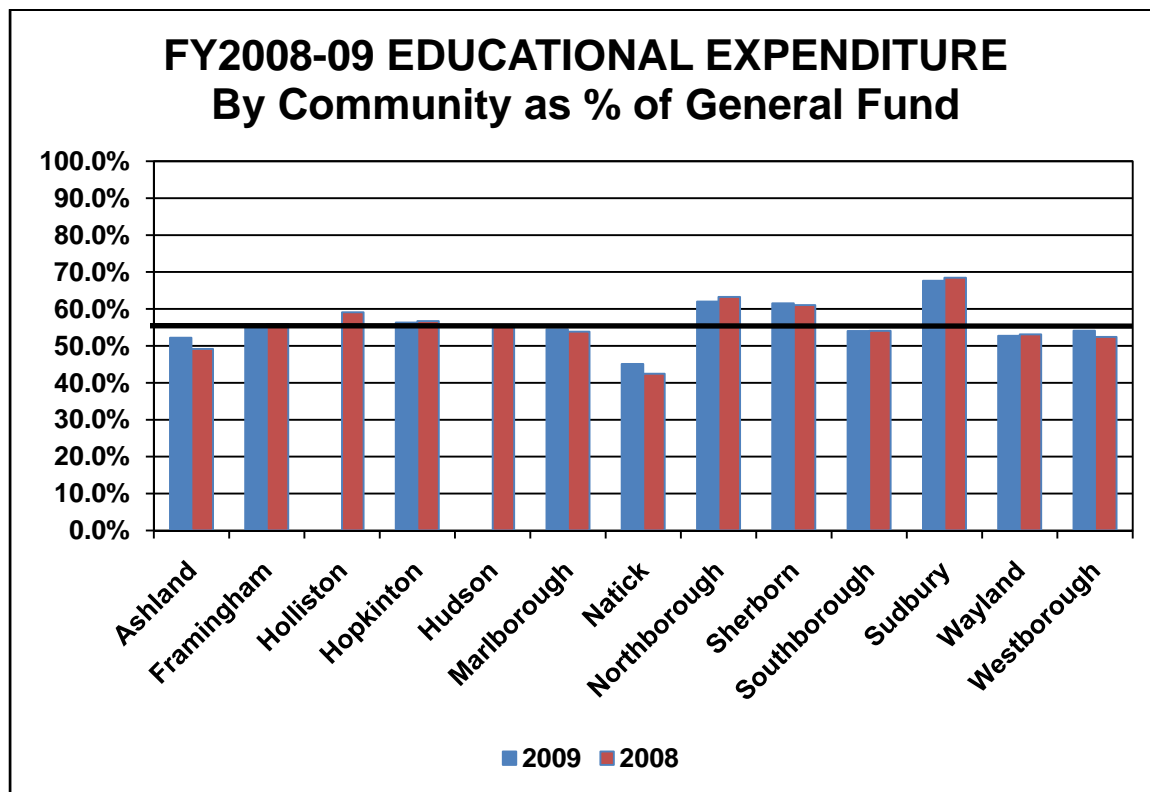
ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: MA Department of Revenue, DLS, and MERC

- The total general fund expenditures in FY2008, the most recent figures available, in the MetroWest and Greater Marlborough Region (MW/GMR) totaled approximately \$847 million, up from FY2007 expenditures of \$789 million.
- Municipal expenditures are classified into six main categories. These categories are education, public works, debt service, fixed costs, all other, and the police, fire, and other public safety function.
- In each of the communities in the combined MetroWest and Greater Marlborough region, the education category makes up a majority of total expenditures, ranging from 68.5% in Sudbury to 42.4% in Natick. In MW/GMR the education function constitutes 54.9% of total expenditures.
- The remaining categories varied by community. For the combined MW/GMR region, fixed cost was the next highest expenditure following education at 11.2%, followed by police, fire, and other public safety at 10.6%. All other, debt service, and public works represented 9.0%, 8.3%, and 6.0% of the total expenditures respectively in the MetroWest and Greater Marlborough Region.

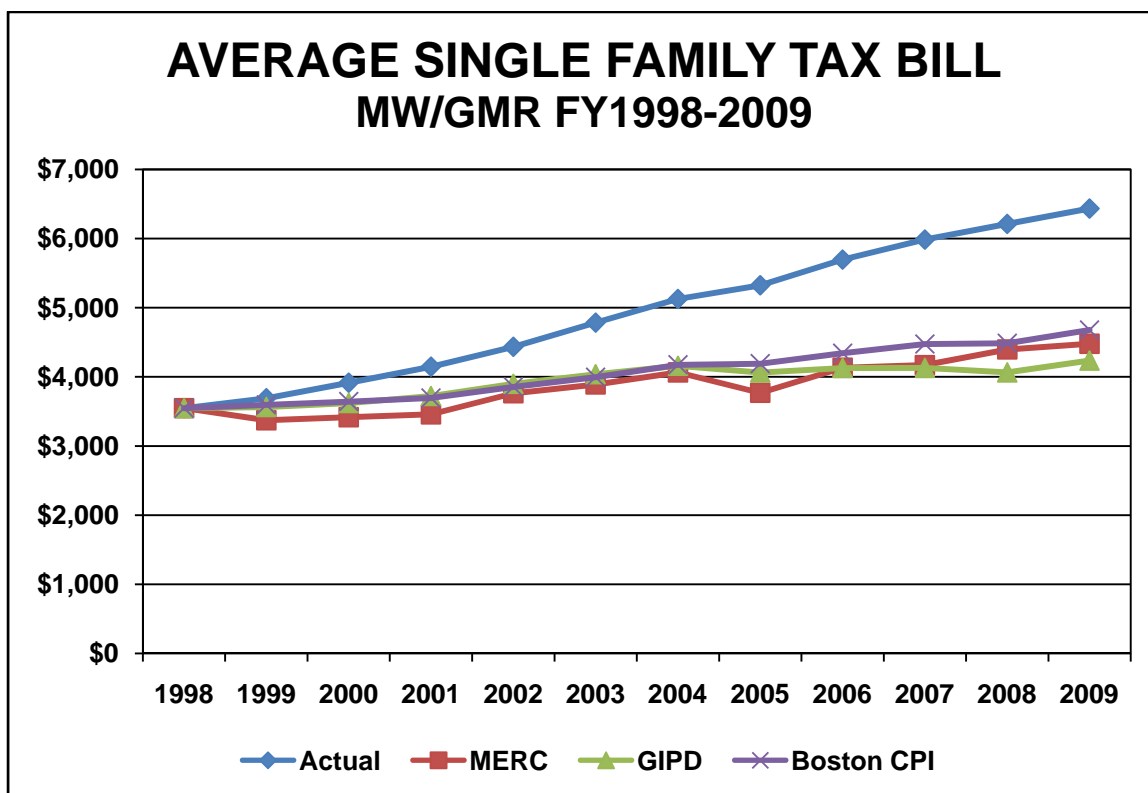
ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: MA Department of Revenue, DLS, and MERC

- This graph shows the FY2008 (red) and FY2009 (blue) educational expenditures of the communities of the MetroWest and Greater Marlborough (MW/GMR) communities as a percentage of the general fund. FY2009 does not include the communities of Holliston and Hudson because their expenditures have not yet been recorded.
- In 2008 total educational expenditures in the communities making up MW/GMR totaled \$465 million, or 54.9% of total expenditures in the region (horizontal black line).
- Of the thirteen communities in MW/GMR, seven had educational expenditures above the regional average of 54.9%. These communities included from highest to lowest: Sudbury, Northborough, Sherborn, Holliston, Hopkinton, Framingham, and Hudson.
- The six communities below the average were Southborough, Marlborough, Wayland, Westborough, Ashland, and Natick.

ROAD TO RECOVERY? – MUNICIPAL REVENUE



Source: MA Department of Revenue, DLS, and MERC

- This graph depicts the average single family tax bill in the combined MetroWest and Greater Marlborough Region (MW/GMR) through FY1998-2009. The values are measured in nominal dollars and adjusted for inflation. Adjusting for changes in the price level yields the real cost of the tax bill in constant 1998 dollars.
- The actual single family tax bill, shown in blue, increased every year during this time period climbing from \$3,548 in FY1998 to \$6,435 in FY2009.
- Three different price indexes were used to reveal the real dollar increase of the average single family tax bill: The MERC MetroWest Cost of Living Index, the Boston Consumer Price Index (CPI) for all urban wage earners and clerical workers, and the State and Local Government Implicit Price Deflator (GIPD)
- When adjusted using these indexes, the real tax bill increased the greatest amount from FY1998 to FY2009 using the Boston CPI to \$4,678. The MERC and GIPD Indexes also saw an increase in the real tax bill to \$4,480 and \$4,237 respectively.

ROAD TO RECOVERY? - K-12 PUBLIC SCHOOL ENROLLMENT

K-12 PUBLIC SCHOOL ENROLLMENT

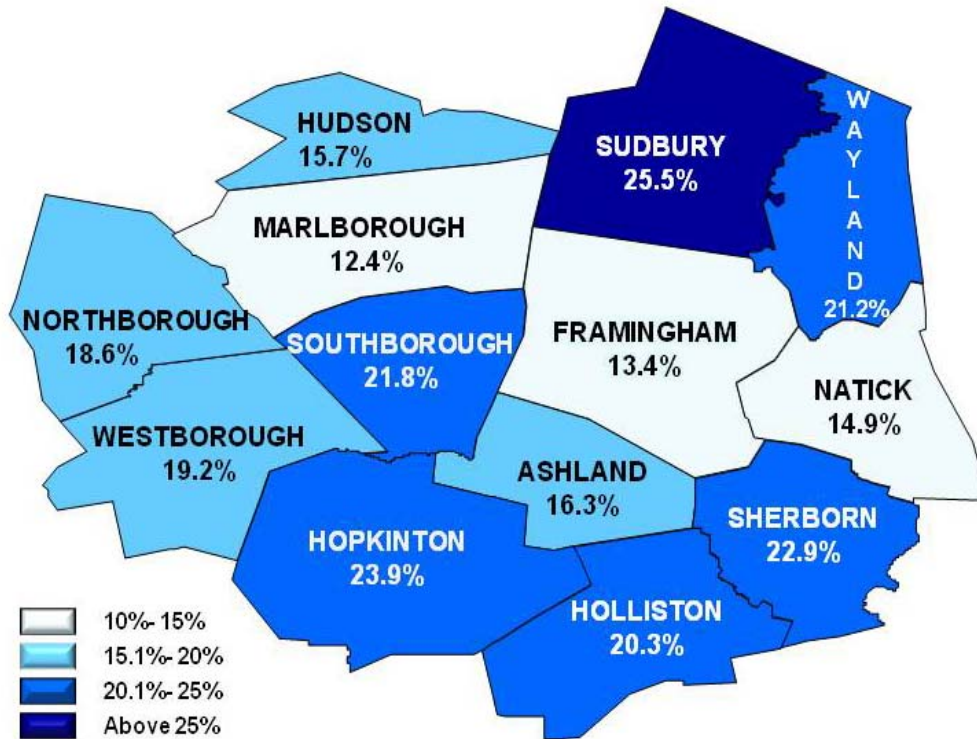
The MetroWest Economic Research Center (MERC) at Framingham State College annually collects data on K-12 public school enrollment for several substate regions. The MetroWest CCSA and the Greater Marlborough Region public school enrollment is calculated for kindergarten through grade 12 using the annual state student census conducted in October of each year. Included in the data are all public school students in regular education, special education, ELL (English Language Learners), regional charter school and regional vocational high schools. MERC contacts the region's charter schools, McAuliffe Regional Charter School and the Advanced Math and Science Academy, to obtain their enrollment figures.

In many communities kindergarten enrollment typically increases around 10% upon entry into first grade; this is noted with an asterisk* next to K.

The Massachusetts Department of Elementary and Secondary Education implemented a student enrollment database, the Student Information Management System (S.M.IS.) in 2000. The MERC K-12 data presented in this report are obtained from both the October 2009 S.I.M.S. student census and data provided directly to MERC by the local school districts.

ROAD TO RECOVERY? – K-12 PUBLIC SCHOOL ENROLLMENT

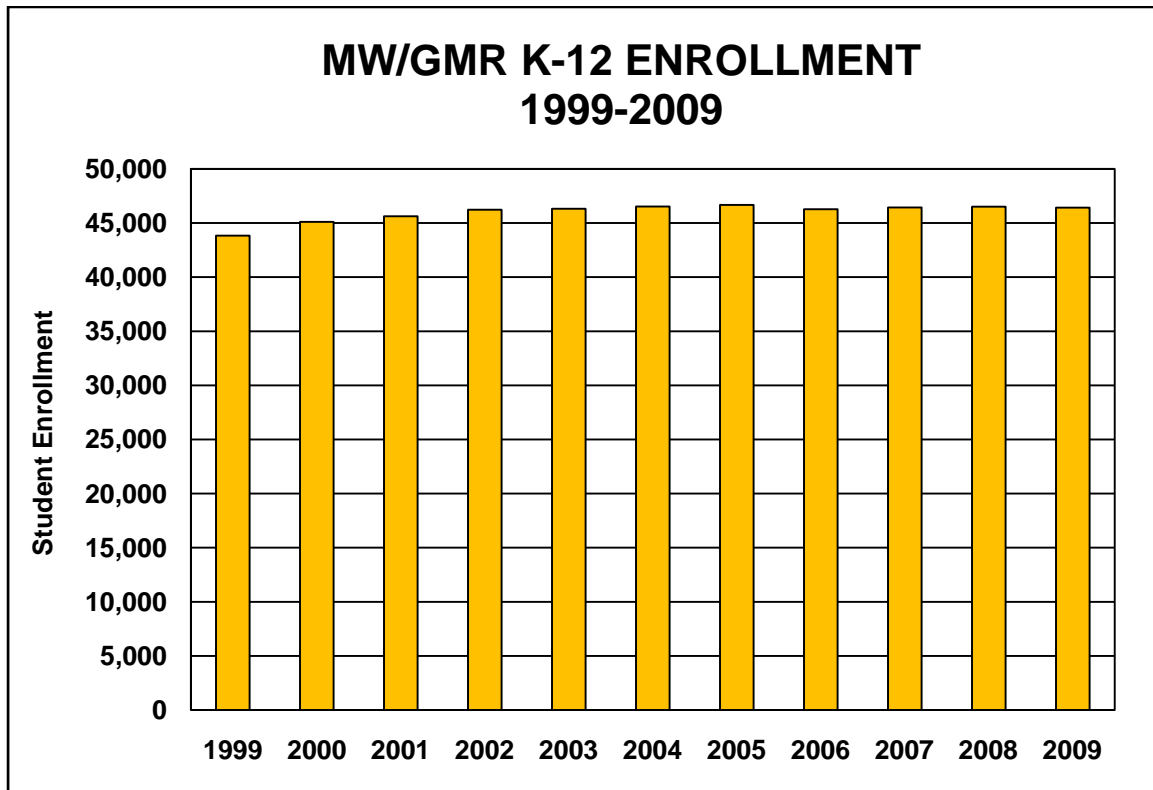
MW/GMR PERCENTAGE OF POPULATION IN PUBLIC SCHOOLS October 2009



Source: MA Department of Elementary & Secondary Education, Census, and MERC

- K-12 public school enrollment in the combined MetroWest and Greater Marlborough Region (MW/GMR) for 2009 was 46,418 students. Vocational schools are included in the above map. This figure does not include 1,003 students enrolled in charter schools in 2009.
- This map measures the proportion of the community enrolled in public school. Public school enrollment in 2009 is given as a percentage of the estimated 2009 population. The highest K-12 enrollment as a percentage of population occurred in Sudbury, followed by Hopkinton. In these two communities about one in four residents attended public schools.
- Over 20% of the population in the communities of Holliston, Hopkinton, Sherborn, Southborough, Sudbury and Wayland attended public school in 2009.
- The communities with the largest populations, Framingham, Marlborough, and Natick, reported the smallest percentage of population in school.

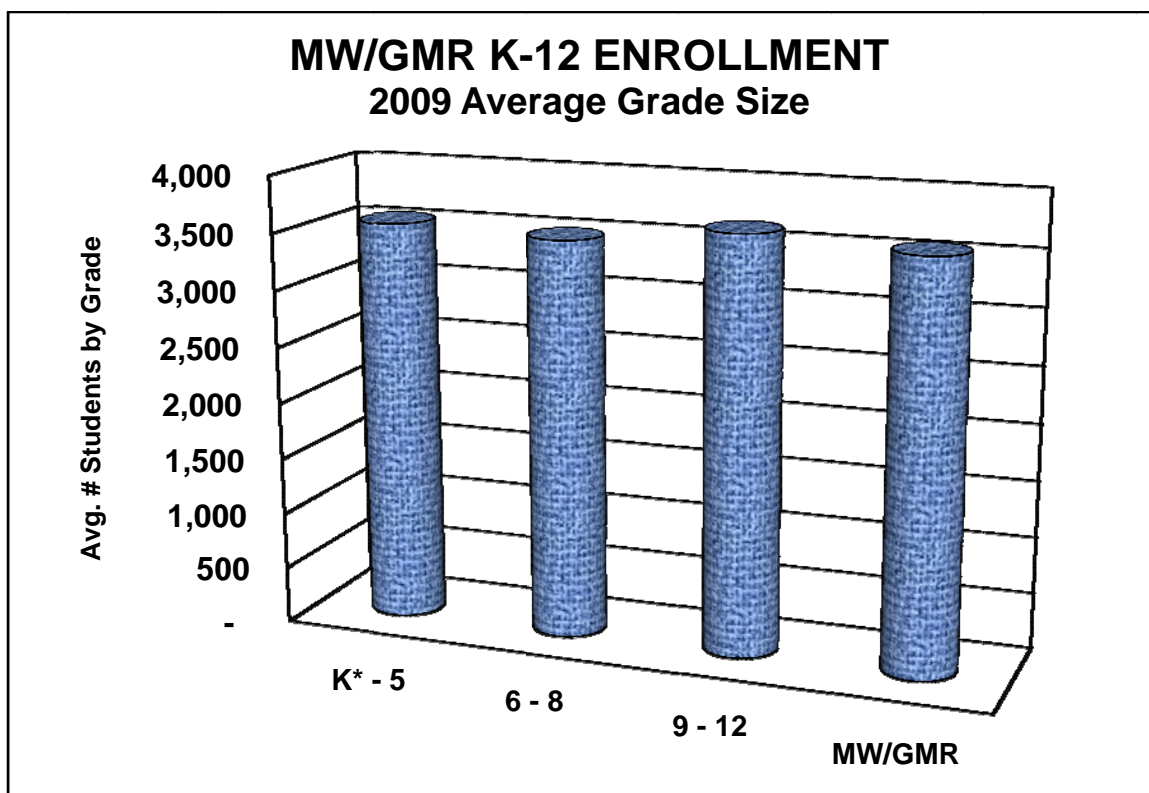
ROAD TO RECOVERY? – K-12 PUBLIC SCHOOL ENROLLMENT



Source: MA Department of Elementary & Secondary Education and MERC

- K-12 public school enrollment in the combined MetroWest and Greater Marlborough Region (MW/GMR) totaled 46,418 students in 2009, a decline of -2.0% from 2008 to 2009. The above graph includes vocational school enrollment.
- MW/GWR public school enrollment increased every year from 1999 to 2005. Total regional enrollment increased by 6.5% or 2,837 students, from 43,841 in 1999 to 46,678 in 2005. After 2005 enrollment in the region began to decline.
- MW/GWR public school enrollment decreased -0.6% from 46,678 in 2005 to 46,418 in 2009.
- Vocational student enrollment has declined from 1999 to 2009. Student enrollment in 1999 was 1,266 and 1,211 in 2009, a -4.3% decrease.
- Charter school enrollment is not included the total student enrollment of regions. The charter school enrollment in 2005 was 499. In 2009 charter school enrollment was 1,003, an increase of 201%.

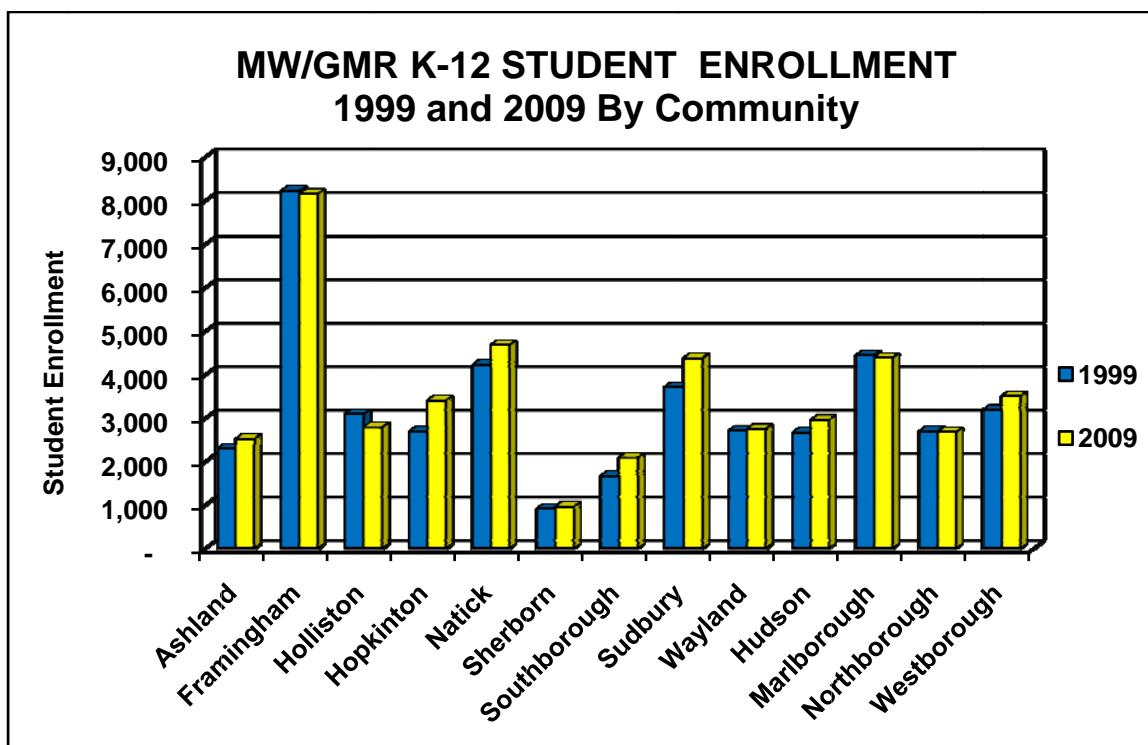
ROAD TO RECOVERY? – K-12 PUBLIC SCHOOL ENROLLMENT



Source: MA Department of Elementary & Secondary Education and MERC

- The 2009 MetroWest/Greater Marlborough Region (MW/GMR) K-12 public school enrollment averaged 3,569 students per grade. The total school enrollment decreased just -0.25% from 2008.
- In 2009 the average number of students per grade at the elementary school level, kindergarten through fifth grade, was 3,547. This represents a decrease of -0.8% from 2008.
- At the middle school level, grades 6 through 8, the average number of students per grade was 3,501, a decrease of -0.7% from 2008.
- The average number of students per grade at the high school level was 3,652 in 2008, an increase from 2007 of 0.8%.
- Charter school student enrollment is not included in the average grade size calculations.

ROAD TO RECOVERY? – K-12 PUBLIC SCHOOL ENROLLMENT

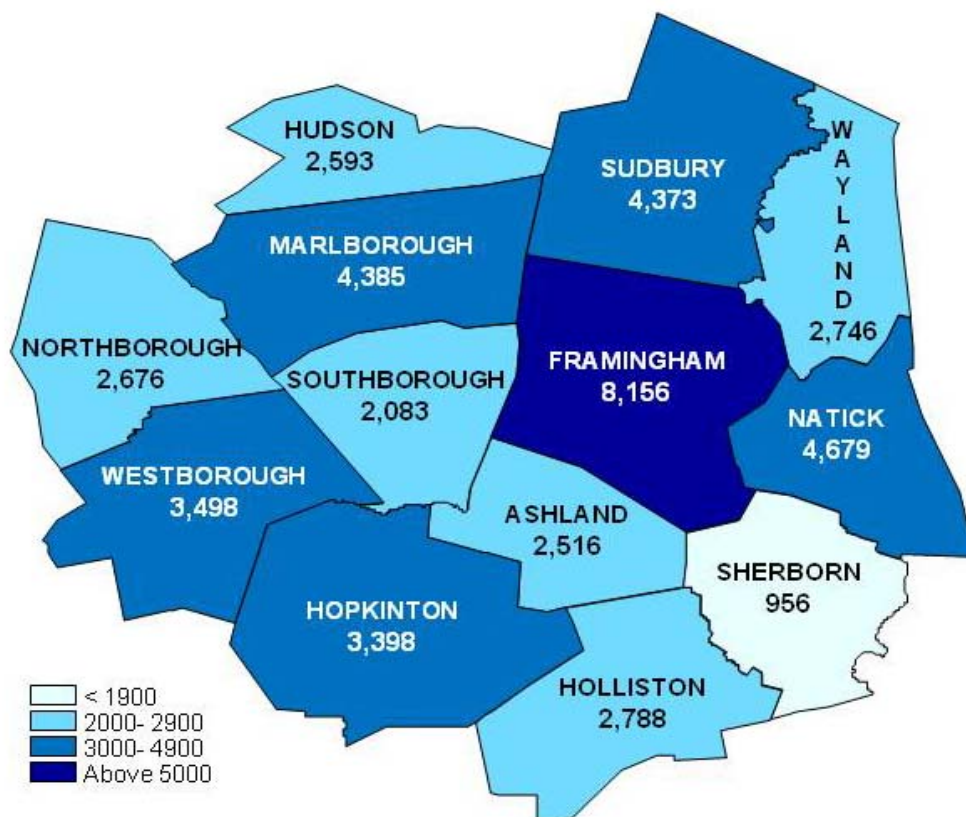


Source: MA Department of Elementary & Secondary Education and MERC

- Public school enrollment in the MetroWest/Greater Marlborough Region (MW/GMR) experienced a 6.1% increase from 1999 to 2009. MW/GMR public school enrollment in 1999 was 39,306 and in 2009 was 41,709. The enrollments for the vocational and charter schools are not included in the above graph.
- From 1999 to 2009 Hopkinton (26.5%) had the largest increase in student enrollment, followed by Southborough (25.0%), and Sudbury (18.1%).
- Ashland (9.6%), Hudson (10.9%), Natick (10.9%) and Westborough (9.8%) had gains between 9.6% and 10.9%.
- Sherborn (4.9%) and Wayland (1.3%) had the smallest increases in student enrollment during the same period.
- From 1999 to 2009 Holliston (-9.8%) had the largest decrease in student enrollment. Marlborough (-1.2%) and Framingham (-0.8%) also experienced declines in student enrollment in the same period.
- Northborough had the smallest decrease in student enrollment (-0.6%).

ROAD TO RECOVERY? - K-12 PUBLIC SCHOOL ENROLLMENT

MW/GMR 2009 PUBLIC SCHOOL ENROLLMENT BY COMMUNITY



Source: MA Department of Elementary & Secondary Education and MERC

- K-12 public school enrollment in the combined MetroWest and Greater Marlborough Region (MW/GMR) totaled 45,207 students in 2009. This figure does not include students enrolled in charter schools and vocational schools.
- The community reporting the highest enrollment was Framingham with a student enrollment of 8,156. The communities of Marlborough, Natick, and Sudbury had enrollments between 4,000 to 5,000 students. Hopkinton and Westborough each had about 3,300 students enrolled.
- Ashland, Holliston, Hudson, Northborough, Southborough, and Wayland had enrollments between 3,000 and 2,000 students. Sherborn reported the smallest enrollment at 956 students.
- Enrollment in the vocational schools for MW/GWR totaled 1,211 in 2009. These students are not included in the figure reported in the map above. Vocational enrollments in the region have not changed since 2008.
- Enrollment in the charter schools totaled 1,003 students in 2009, up 19% from 2008.

APPENDIX

North American Industry Classification System (NAICS)

In 2001 the North American Industry Classification System (NAICS) permanently replaced the Standard Industrial Classification (SIC) system in use for seventy years. NAICS is an industrial classification system that groups establishments into industries based on the activities in which they are primarily engaged. It is a comprehensive system covering the entire field of economic activities, both producing and non-producing. NAICS has twenty separate industrial sectors that are described in this appendix. These twenty sectors are grouped into eleven supersectors. Most NAICS data used in this publication is presented by supersectors.

NAICS Supersectors*

Goods-Producing Domain (GPD)

Natural Resources and Mining Supersector

- 11 Agriculture, Forest, Fishing and Hunting
- 21 Mining

Construction Supersector

- 23 Construction

Manufacturing Supersector

- 31-33 Manufacturing

Service Producing Domain (SPD)

Trade, Transportation and Utilities Supersector

- 22 Utilities
- 42 Wholesale Trade
- 44-45 Retail Trade
- 48-49 Transportation and Warehousing

Information Supersector

- 51 Information

Financial Activities Supersector

- 52 Finance and Insurance
- 53 Real Estate and Rental and Leasing

Business and Professional Services Supersector

- 54 Professional, Scientific and Technical Services
- 55 Management of Companies and Enterprises
- 56 Administrative and Support and Waste Management and Remediation Services

Education and Health Services Supersector

- 61 Educational Services
- 62 Health Care and Social Assistance

Leisure and Hospitality Supersector

- 71 Arts, Entertainment, and Recreation
- 72 Accommodation and Food Services

Other Services Supersector

- 81 Other Services (except Public Administration)

Public Supersector* as used in this publication, includes the Public Administration NAICS sector defined below, plus all other jobs in federal, state and local government.

NAICS Sectors

Natural Resources and Mining Supersector:

11-Agriculture, Forestry, Fishing and Hunting comprises establishments primarily engaged in crop growing, animal raising, and timber and fish harvesting.

APPENDIX

21-Mining comprises establishments that extract naturally occurring mineral solids, liquid minerals, and gases.

Construction Supersector:

23-Construction comprises establishments primarily engaged in the construction of buildings or engineering projects.

Manufacturing Supersector:

31-33-Manufacturing comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products.

Trade, Transportation and Utilities Supersector:

22-Utilities comprises establishments engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply and sewage removal, through a permanent infrastructure of lines, mains, and pipes.

42-Wholesale Trade comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise, including the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing. The wholesaling process is an intermediate step in the distribution of merchandise.

44-45-Retail Trade comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The retailing process is the final step in the distribution of merchandise; retailers are, therefore, organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers: store and nonstore retailers.

48-49-Transportation and Warehousing comprises industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation (air, rail, water, road, and pipeline).

Information Supersector:

51-Information comprises establishments engaged in producing and distributing information and cultural products, providing the means to transmit these products, and processing data.

Financial Activities Supersector:

52-Finance and Insurance comprises establishments primarily engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions.

53-Real Estate and Rental and Leasing comprises establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets.

Professional and Business Services Supersector:

54-Professional, Scientific, and Technical Services comprises the performing of professional, scientific, and technical activities for others. These activities require a high degree of expertise and training. Some activities performed include: legal advice and

APPENDIX

representation, accounting, engineering services, computer services, research services, advertising services, and veterinary services.

55-Management of Companies and Enterprises comprises establishments that either hold the securities of companies for the purpose of owning a controlling interest or influencing management decisions, or establishments that administer, oversee, and manage establishments of the company and that normally undertake the organizational planning and decision making role of the company.

56-Administrative and Support and Waste Management and Remediation Services include establishments performing routine support activities for the day-to-day operations of other organizations. Activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.

Education and Health Services Supersector:

61-Educational Services comprises establishments that provide instruction and training to a wide variety of subjects. This instruction and training provided by specialized establishments, such as schools, colleges, universities, and training centers.

62-Health Care and Social Assistance comprises establishments that provide health care and social assistance for individuals.

Leisure and Hospitality Supersector:

71-Arts, Entertainment, and Recreation comprises a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons.

72-Accommodation and Food Services comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.

Other Services Supersector:

81-Other Services (except Public Administration) comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment repairing, administering religious activities, grantmaking, advocacy, and providing laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

Public Supersector* as used in this publication, includes the Public Administration NAICS sector defined below, plus all other jobs in federal, state and local government.

Public Administration The Public Administration sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area.

SOURCES

- The Council for Community and Economic Research (C2ER) (formerly ACCRA)
- *Banker & Tradesman*
- Bureau of Labor Statistics, U. S. Department of Labor (BLS)
- Federal Reserve Bank of Boston (FRBB)
- Massachusetts Department of Elementary and Secondary Education (MA DOE)
- Massachusetts Department of Revenue, Division of Local Services (MA DOR)
- Massachusetts Division of Unemployment Assistance (MA DUI)
- MetroWest Economic Research Center (MERC)
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- Massachusetts Division of Unemployment Assistance, Economic Research and Analysis
- Office staffs of the assessors, towns of Ashland, Framingham, Holliston, Hopkinton, Hudson, Marlborough, Natick, Northborough, Sherborn, Southborough, Sudbury, Wayland, Westborough
- Massachusetts Department of Revenue, Division of Local Services
- Office staffs of the public school districts serving the towns of Ashland, Framingham, Holliston, Hopkinton, Hudson, Marlborough, Natick, Northborough, Sherborn, Southborough, Sudbury, Wayland, Westborough
- Massachusetts Department of Elementary and Secondary Education, Data Collection staff
- Area merchants who participate in the MetroWest Cost of Living Survey
- Commonwealth of Massachusetts
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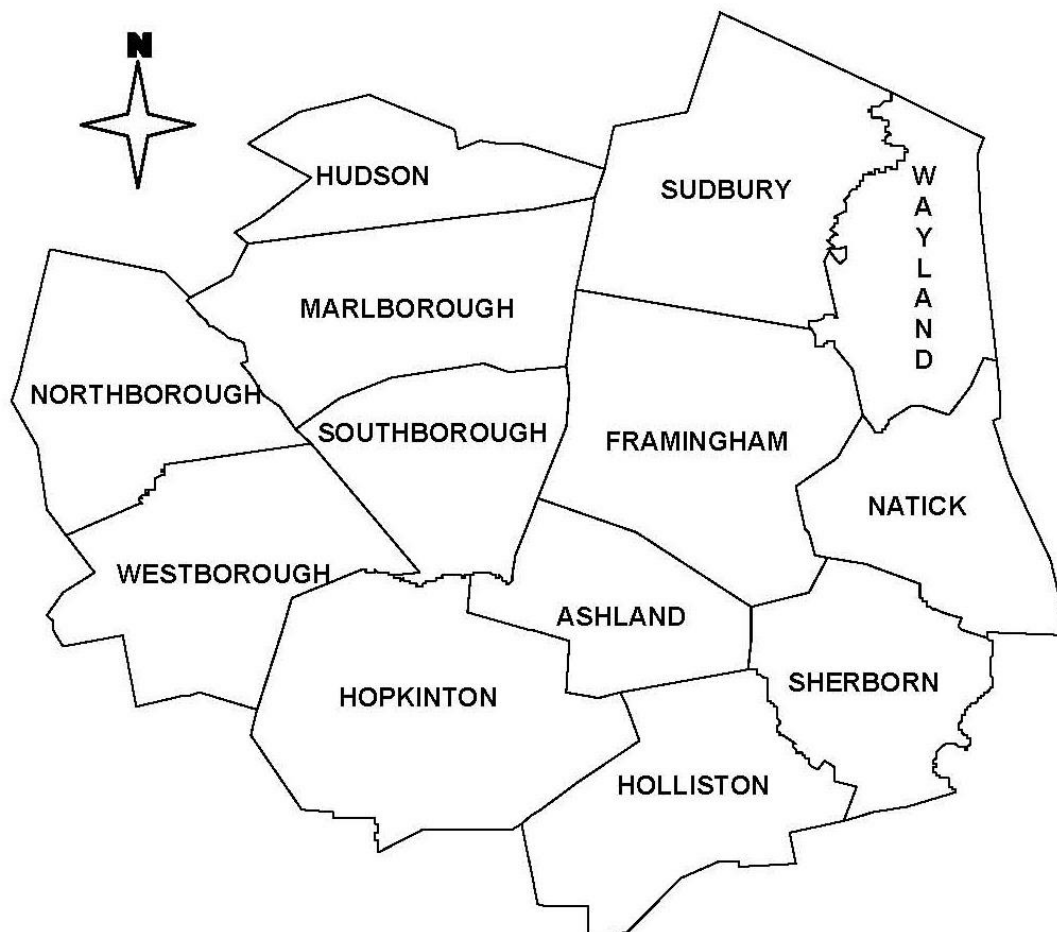
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