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

**Calendar of Events**

- Annual MERC Conference: May 4, 2007
- Cost of Living Survey: May 3-5, 2007
- NEEP Conference: May 24, 2007
- 495 Business Expo: May 24, 2007

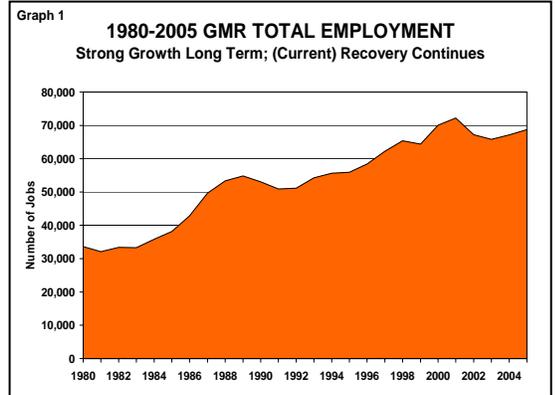
Contact MERC @ (508) 626-4033 for more information on these events.

## GMR Employment: Continued Recovery in 2005

By: Nathan Jordan—MERC Senior Intern

The Greater Marlborough Region (GMR) entered recovery in 2004 with total employment, total payroll, average wage, total establishments, and real and nominal wages all increasing from the previous year (2003). In 2005, the region again had gains in total employment, total payroll, average wage, and real and nominal wages, but total establishments fell. Significantly, both total payroll and average wage reached new historical peaks in 2005 with values of \$4.2 billion and \$60,600 respectively. This new peak of \$4.2 billion in total payroll surpassed the previous high of almost \$4 billion set in 2000. The Greater Marlborough Region includes the communities of Hudson, Marlborough, Northborough, and Westborough.

GMR experienced a severe recession in 2001-2003 when the region lost a total of 6,400 jobs or -8.9% from its 2001 peak of 72,200. In 2003-2005 the region rebounded adding a total of 2,900 jobs, a gain of 4.4%. However, 2005 total employment of 68,700 remained 3,500 jobs or 4.8% below its



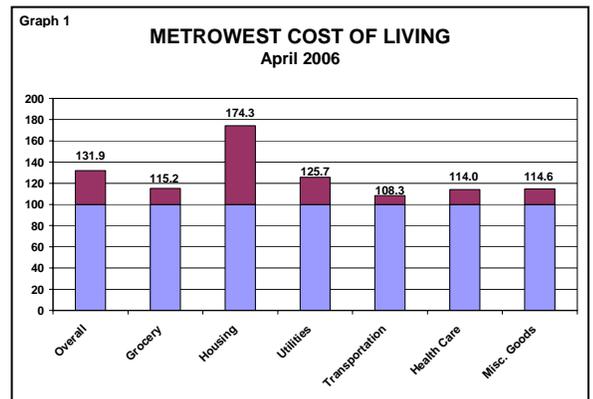
2001 peak. (See Graph 1) During these two years of recovery (2003-2005) three out of the four towns added jobs, with Marlborough adding the most, 2,100 jobs or 71% of the total regional jobs gained. Westborough and Northborough combined to add 1,100 jobs while Hudson lost 260 jobs. With this recent increase in total employment...

*(Continued on page 2)*

## C2ER Cost of Living Survey and MetroWest

By: Matthew Buchanan—MERC Intern III

Twice annually, the MetroWest Economic Research Center at Framingham State College conducts a cost of living survey by traveling to local businesses to obtain prices on a market basket of goods and services. This market basket contains 57 products that are representative of items that are typically purchased by professional and executive households. These prices are then sent to the Council for Community and Economic Research (C2ER), formally ACCRA, to be included in their national cost of living survey. C2ER calculates a national average for each of the six sub-indexes, grocery, housing, utilities, transportation, health care and miscellaneous goods and services, as well as an overall index. The national average is the average cost of the market basket for all of the communities supplying data to C2ER, and has a value of 100 for each of the seven indexes. The data discussed in this article are from the C2ER survey completed in



April 2006. During the April 2006 survey period, 311 communities participated from across the country.

As seen in the first bar of graph 1, the overall cost of living index for the nine communities which make up MetroWest equaled 131.9 in April of 2006. This means that the overall cost of living was approximately 32 per...

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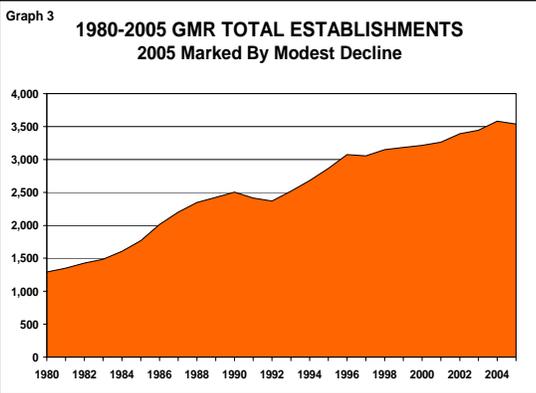
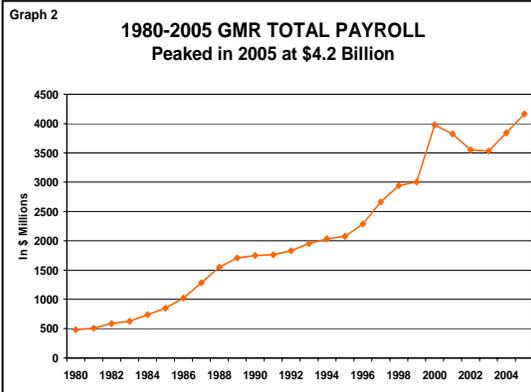
## GMR Employment : Continued Recovery in 2005

(Continued from page 1)

ment, the region has entered its third business cycle in the last 25 years. Employment for the region over this 25 year span (1980-2005) can be characterized by steady growth as the region added 35,100 jobs or a gain of over 100%.

Payroll for the region has also displayed strong growth rising from \$485 million in 1980 to almost \$4 billion in 2000. Over that 20 period the region never experienced a decrease in total payroll. However, in 2001 the region entered a severe recession; total payroll fell for three consecutive years accounting for a total loss in payroll of \$449 million or -11.3%.

The situation reversed in 2004 and 2005 with total payroll increasing by \$637 million or 18% from the 2003 value. The 2005 value of \$4.2 billion established a new historic peak for the region. (See Graph 2) Similarly, average annual wage for the region also recorded a new historic peak in 2005 of \$60,600. This value was \$3,400 or 6% greater than the 2004 average wage of \$57,200. The GMR 2005 average wage of \$60,600 was \$10,500, higher than Massachusetts' average wage of \$50,100, and \$19,900 higher than the U.S. average wage of \$40,700 in 2005. This means that the 2005 GMR average wage exceeded the MA average wage by 21% and the U.S. average wage by 49%. In 2004 the GMR average wage exceeded the MA and U.S. average wages by 16.9% and 45.4% respectively. The GMR average wage increased faster relative to both MA and the U.S. in 2005.



Unlike average wage, total payroll, and total employment which all rose from 2004 to 2005, total establishments for the region decreased for the same period. In 2005 the GMR had a total of 3,540 establishments, down 45 establishments from the previous year. (See Graph 3) All four communities that comprise the region lost establishments, with Hudson losing the most, 20 establishments. With the exception of three periods, (1991-92, 1997, and 2005) total establishments for the GMR have increased steadily, nearly tripling from 1,300 establishments in 1980 to just over 3,500 establishments in 2005.

### February, 2007 UNEMPLOYMENT RATES

Not Seasonally Adjusted  
(Preliminary Data)

<b>495/MW</b>	<b>4.6%</b>
<b>Blackstone Valley</b>	<b>6.0%</b>
Blackstone	6.8%
Douglas	6.1%
Grafton	5.5%
Hopedale	5.0%
Mendon	4.7%
Millbury	6.0%
Millville	7.3%
Northbridge	7.1%
Sutton	5.6%
Upton	5.8%
Uxbridge	6.2%
<b>Greater Franklin</b>	<b>5.2%</b>
Bellingham	5.8%
Blackstone	6.8%
Foxborough	4.9%
Franklin	4.9%
Medfield	3.7%
Medway	4.2%
Millis	5.4%
Norfolk	5.5%
Wrentham	5.9%
<b>Greater Marlborough</b>	<b>4.8%</b>
Hudson	6.1%
Marlborough	4.6%
Northborough	4.4%
Westborough	4.1%
<b>MetroWest</b>	<b>4.1%</b>
Ashland	4.7%
Framingham	4.4%
Holliston	3.9%
Hopkinton	4.2%
Natick	3.8%
Sherborn	3.8%
Southborough	3.7%
Sudbury	3.8%
Wayland	3.5%
<b>Milford</b>	<b>5.8%</b>
<b>South Shore</b>	<b>5.3%</b>
Abington	6.3%
Braintree	5.2%
Cohasset	3.8%
Hanover	4.9%
Hingham	4.3%
Milton	4.4%
Norwell	4.4%
Quincy	5.3%
Randolph	5.6%
Rockland	6.6%
Weymouth	5.7%
<b>Massachusetts</b>	<b>5.8%</b>

### MERC Interns - Spring 2007

#### Senior Intern

Matthew Buchanan

Nathan Jordan

Jennifer Powell

Adam Watkins



#### Intern I

Nicholas Lyman, Michael Murphy, Sean Stevens

#### Intern II

Nicole Hite

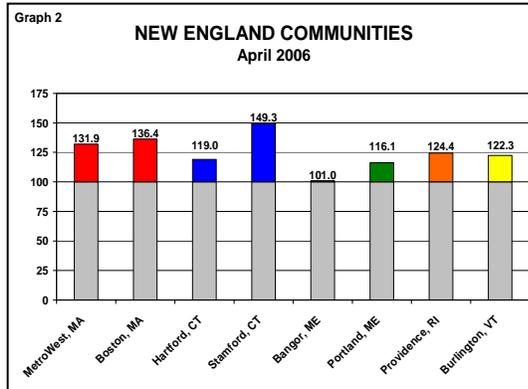
Sarah Killeen

David Lewis

Lauri Polese

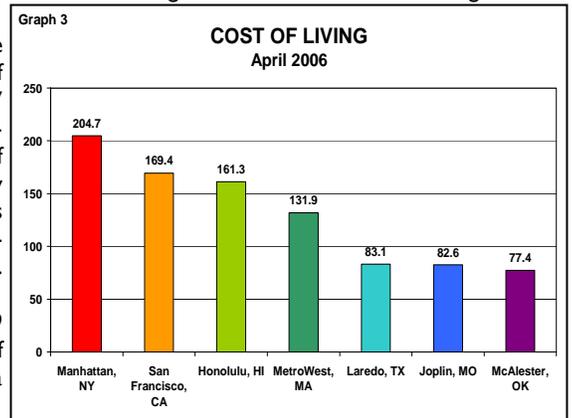
## C2ER Cost of Living Survey

(Continued from page 1)



cent higher in MetroWest compared to the 311 participating communities from across the country. The values for the six sub-indexes were as follows: grocery at 115.2, housing at 174.3, utilities at 125.7, transportation at 108.3, health care at 114.0 and miscellaneous goods and services at 114.6. All values being greater than 100 means that living costs for each of these categories of goods and services are above average here in MetroWest compared to the rest of the country. Note the high value of the housing index; MW housing costs were about 75% higher than the national average. The overall indexes for the eight prominent New England communities participating in the survey are displayed in graph 2. Here we see Massachusetts communities in red, Connecticut in blue, Maine in green, Rhode Island in orange, and Vermont in yellow. The gray portion of the graph represents the national average equal to 100. In Massachusetts, MetroWest and Boston had overall values of 131.9 and 136.4 respectively. Hartford and Stamford, Connecticut had values of 119.0 and 149.3 respectively. Portland and Bangor Maine ended up with values of 116.1 and 101.0. Providence Rhode Island with 124.4 and Burlington Vermont with 122.3 round out these New England communities. All eight communities had cost of living values above the 311 community national average of 100. Stamford had the highest index at 149.3, while Bangor came in with the smallest value of 101.

The six communities represented on graph 3, along with MetroWest, are the communities that had the three highest and three lowest overall cost of living index values out of the 311 communities surveyed. Manhattan's 204.7 was the largest overall index in this survey. This means that it was approximately twice as expensive to live in New York City compared to the rest of the country. San Francisco, California and Honolulu, Hawaii followed closely with values near 170. The community with the lowest overall index was McAlester, Oklahoma. When comparing McAlester to the rest of the communities surveyed, its living cost are approximately 23 percent below average. Joplin, Missouri and Laredo, Texas had values in the low 80 range.



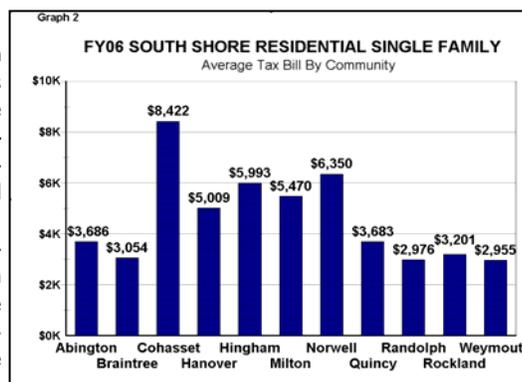
In conclusion, the overall cost of living index for MetroWest at 131.9 continues to be higher than the national average. With an April 2006 value of 174.3, we see the strength of the housing index and that housing costs are a significant factor in the region's high cost of living.

## South Shore Municipal Revenue

(Continued from page 4)

nue, this was a slight increase from FY2005. Commercial real estate taxes generated 9.0%, industrial real estate taxes made up 2.0%, and personal property taxes accounted for 1.4% of municipal revenue in FY2006 which remained unchanged from FY2005.

The second graph shows the average single family tax bill for the South Shore communities in FY2006. The average single family tax bill in each community was calculated by multiplying the average assessed value of a single family dwelling by the respective tax rate. The South Shore assessed value on single family homes totaled approximately \$30.6 billion. The number of single family dwellings in the area was 72,637. The average family assessed value for the region in FY2006 was \$421,869 which was an increase of \$32,455 or about 8.3% from FY2005. As shown in graph 2, the average single family tax bill varied widely between the high in Cohasset of about \$8,422 to the low of \$2,955 in Weymouth. The remaining South



Shore communities fell between just less than \$3,000 in Randolph to \$6,350 in Norwell.

The total assessed value for all property in the South Shore CCSA for FY2006 was \$47.2 billion. Residential real estate accounted for 86.5% of the total assessed value which is almost the same as FY2005. Commercial real estate at 9.6% and industrial real estate at 2.4% of the total assessed value also remained the same as in FY2005. The remaining percentage was 1.4% which represents personal property. The residential tax rates by municipality

ranged from a high of \$10.93 per thousand in Norwell to a low of \$7.65 per thousand in Braintree for FY2006. Commercial and industrial rates varied widely from \$23.29 per thousand in Quincy to \$9.20 per thousand in Hingham. Abington, Cohasset, Hingham, Norwell, and Rockland had the same tax rates for residential and commercial and industrial property. The remaining communities had split tax rates.



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To:

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**Register Now**

**15th Annual MERC Conference  
 Economic Engines 2**

**Combined MetroWest and  
 Greater Marlborough Economies**

**Friday, May 4, 2007**

Sheraton Framingham Hotel, Route 9,  
 Framingham

8-10:15 AM      Cost: \$30 per person

To Register: Please contact the **MetroWest  
 Chamber of Commerce**

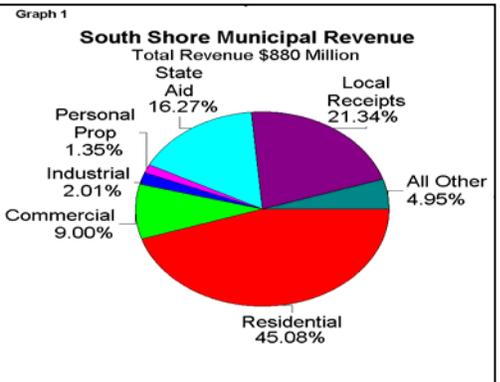
Phone: (508) 485-7746 or  
 Visit: [www.metrowest.org](http://www.metrowest.org)

## South Shore Municipal Revenue

By: Jennifer Powell—MERC Intern III

The South Shore Commercial Co-  
 hesive Statistical Area (CCSA)™ total  
 municipal revenue for fiscal year (FY)  
 2006 was \$880 million, which was about  
 a \$43 million increase from FY2005.  
 Municipal revenue includes the catego-  
 ries of the tax levy, state aid, local re-  
 ceipts, and an “all other” category. Lo-  
 cal receipts include vehicle excise taxes,  
 licenses, and charges for services. The  
 “all other” category includes free cash  
 and other available funds. State aid con-  
 sists of aid given directly to the respec-  
 tive communities for education and general  
 government. Educational state aid given  
 directly to regional and vocational school  
 districts is not included. The other compo-  
 nent of municipal revenue is the total tax  
 levy, which is divided into five subgroups  
 consisting of personal property, industrial,  
 commercial, open space, and residential real  
 estate. Personal property is composed of  
 furnishings of second homes and inventories  
 and equipment of unincorporated busi-  
 nesses.

The South Shore acquired 57.4% of its



municipal revenue from the total tax levy in  
 FY2006. As shown in graph 1, the remain-  
 ing three components of municipal revenue  
 for the South Shore were local receipts at  
 approximately 21.3%, state aid with 16.3%  
 and “all other” providing almost 5.0% of  
 total municipal revenue. The percentage of  
 local receipts increased slightly while state  
 aid decreased slightly and the “all other”  
 category remained virtually unchanged from  
 FY2005. Residential real estate taxes made  
 up approximately 45.1% of municipal reve-

*(Continued on page 3)*